



Market Trends 2nd quarter 2011 (abstract)

RAW HIDES AND SKINS

Bovine raw hides **prices** continued higher, despite declines in May and June, with certain cuts and countries posting countertrends. Tension in the prices of sheep and goat skins remained high and widespread, reaching all-time highs in various leading markets.

SUPPLIERS

All of the main product segments of the **tanning sector** continue to post overall year-on-year growth in sales, but reports from the individual tanneries paint an increasingly mixed picture. The leading fashion customers (footwear and leather goods) in Europe are the main drivers of demand, whereas we are seeing some slowing in demand in the dollar area. Widespread difficulty in upholstery leather. There is also uncertainty surrounding the outlook for the third quarter.

For **accessories, components and alternative materials**, the second quarter of 2011 remained positive on average. The soles and bottoms segment posted the greatest growth, followed by accessories. Alternative fabrics and materials, on the other hand, remained essentially stable, but with some moderate improvement over the short term. Raw materials prices remain problematic.

USERS

The rise in **footwear** continued in the second quarter. Italian performance is driving Europe, with Germany, Spain and the U.K. also posting positive results.

In terms of competitors from outside the EU, Chinese and Brazilian exports have slowed, whereas Vietnam and Turkey have posted strong gains.

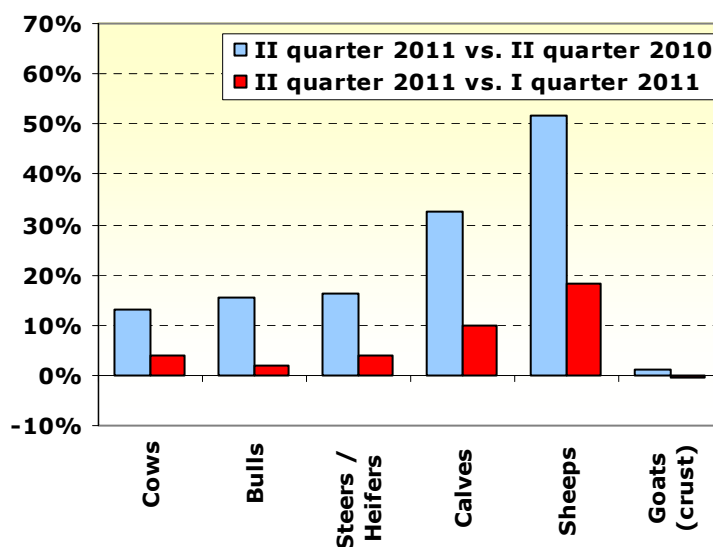
The performance of **leather goods** has been particularly strong, with widespread optimism in Europe, where Italy has posted performance levels similar to the overall average, reaching double-digit growth. China and the Middle East are also higher. There is some slowing in the activity, but only over the short term, and the outlook remains bright.

The second quarter was characterized by varied performance for the leading European **leather garments** producers (with Italians posting gains). Chinese exports fell.

Uncertainty remains in **upholstery leather**, with Italy showing continued difficulties, while elsewhere in Europe Germany and the U.K. held their ground. The U.S. market is showing positive signs, while the Chinese market has declined.

The European **automotive** segment posted seesawing performance.

RAW HIDES AND SKINS
PRICE variations by animal type



Full report (16 pagg.)
available upon a fee