



Market Trends – IV quarter 2011

RAW HIDES AND SKINS

Prices of **bovine** hides and skins have maintained on the same trend since last spring, involving also smaller skins. Average prices in the quarter, however, remain higher than in the same period of the previous year, but with strong differences depending on origins/types.

Pressure on **sheep and goat** skins started to soften, although it is still quite high on some origins (New Zealand) and on semi processed products, with prices growing accordingly.

SUPPLIERS

A generally sluggish scenario for the **tanning sector**, which confirms some overall slowdown, but with strong discrepancies between different tanners, countries and processing specializations. The sheep and goat sector proved generally more dynamic than the bovine sector (calf included). In particular, medium to high products sold better than the medium to low-priced range. The EU and North American markets lagged behind, while the Far East held steady. Among different destination markets, some early slowdown in demand has come from leather goods.

Regarding **accessories, components and substitute materials**, a widespread fall, of moderate entity, in turnover has emerged. Only accessories experienced some trivial signs of recovery.

END USERS

The **footwear** sector recedes, after the falls in the summer quarter, both in the long and short terms. **Italian** manufacturers suffered less than the other **EU** competitors. In particular, the Spanish and the French were the most heavily affected, while the

Germans experienced some trivial falls. **Chinese** exports kept decreasing (while domestic demand grew relentlessly); while exports from India and Vietnam enjoyed two-digit growth. Brazil recovered in the short term.

The **leather goods** sector keeps its tight hold on the market, mainly due further long-term growth towed by Italy and France (both growing by over 20%), while widespread – though weak – falls are remarked in the short term.

European leather garment manufacturers fell, while the sector grew sizably in the Indian subcontinent.

Conditions are still problematic for European **upholstered furniture**, while some regular progress is remarked in the US market.

Difficult situation for **automotive** in Italy, while Europe recovers thanks to Germany.

LEATHER INDUSTRY Trend of turnover - IV quarter 2011

CATEGORY	COMPARISON to IV quarter 2010	COMPARISON to III quarter 2011
TANNING SECTOR		
BOVINE	↓	↑
CALF	↓	↑↑
SHEEP AND GOAT	↑	↑
ACCESSORIES COMPONENTS SYNTHETICS		
ACCESSORIES	↓	↑
TEXTYLES/SYNTHETICS	↓	↓
COMPONENTS	↓	↓
MANUFACTURING SECTORS		
FOOTWEAR	↓	↓
LEATHER GOODS	↑↑	↓
LEATHER GARMENTS	↓	↓
UPHOLSTERED FURNITURE	↓	↓
CAR INTERIORS	↑	↓

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