Market Trends 2nd Quarter 2012

RAW HIDES AND SKINS

Prices were higher in the last quarter for all sizes of **bovines**, whose upward trend culminated in May. The increases for big sizes were more sensitive. Prices for **sheep and goat skins** were still weak, with prices touching on those registered in the corresponding quarter in 2011.

SUPPLIERS

The overall average registered a drop in seasonal turnover within the **tanning industry**, but the situation was very different even among companies within the same segment. What emerged among the general trends was a less consistent reduction in bovine leathers compared to sheep and goats and the best results were achieved in the top end ranges; the destination markets that were less penalised were leather goods and car interiors. The trend was somewhat better than the beginning of the year.

The **accessories, components and synthetics** industry was still down in the long-term comparison, with less significant losses within the textiles and synthetics segment, but it was slightly up in the short-term comparison.

USERS

The seasonal downward trend continued for **footwear**. Losses were rather limited for the Italians and the Spanish, compared with more intense losses for France, Greece and Germany. The luxury industry was confirmed as being the only exception in this weak context. China was only up thanks to the domestic market. Brazilian exports did well, and in Vietnam they continued to increase.

Leather goods maintained a good dynamism, especially in Italy; but also in general in the rest of Europe (France always at the forefront). Asia was up; a few positive signs in the US too.

A prevalence of losses in **leather garments** but the situation was not the same for everyone. French, Italian and Spanish manufacturers were down, compared to widespread increases in Germany and Poland. Turkey and China (exports) decreased once again.

Continuing difficulties for **upholstered furniture** in the EU (Germany and eastern Europe did well, but Italy and UK were down). The situation in the US and China was rather favourable.

Generalised losses for the **automobile** industry in Europe (particularly significant was the drop in the number of car registrations in Italy); the best prospects could be seen in the demand for leather interiors linked to the top end segment and the most dynamic foreign markets (USA and Asia).

LEATHER INDUSTRY
Trend of turnover - II quarter 2012

CATHEGORY	COMPARISON vs II quarter 2011	DES. COMPARISON vs I quarter 2012
TANNING SECTOR		
BOVINE	↓	↑
CALF	↓	= ↑
SHEEP AND GOAT	↓↓	= ↑
ACCESSORIES COMPONENTS SYNTHETICS		
ACCESSORIES	↓	=
TEXTYLES/SYNTHETICS	↓	↑
COMPONENTS	↓	↑↑
MANUFACTURING SECTORS		
FOOTWEAR	↓	= ↓
LEATHER GOODS	↑↑	= ↑
LEATHER APPAREL	↓	= ↓
UPHOLSTERED FURNITURE	↓	=
CAR INTERIORS	↑	=