



Market Trends 3rd Quarter 2012

RAW HIDES AND SKINS

Prices of **bovine** hides and skins were stable with comparison to the last quarter, with the exception of cow hides that are increasing. In September prices picked up, with the exclusion of bull hides that remain firm.

Slight decrease for **sheep and goat skins** but their price remains historically high.

SUPPLIERS

In spite of big differences among companies results, even within the same business segment, the seasonal sales of the **tanning industry** in the summer quarter appeared to be stagnating on average. Large bovine leathers unvaried as a whole, with a slight negative sign for calves and a decrease for sheep and goat. The trend continued to be positive for the highest ranges and for leather goods and car interior destination, despite some slowing down for the latter.

Another seasonal decline for **accessories, components and alternative materials**, particularly for footwear components, whilst textiles, synthetics and other accessories performed slightly better. In the short term, the sector recorded a less severe loss.

CLIENTS

Footwear sector reported a seasonal loss also in the third quarter of the year.

The most relevant decreases were signaled by Italians and French; Germany and Iberian manufacturers showed a more limited fall. Negative sign also for Chinese production (export included). In Brazil: decreasing export in the long term comparison, stable in the short term. Vietnam output on the rise.

Slowdown of **leather goods** growth as compared to the peaks of the previous

months, but the outlook remains bright: positive results in Italy and France, some decline in Spain and Germany. In Asia, Turkey and China on the rise.

Widespread stagnation for **leather garments** as compared to the same quarter of last year with the only exception of France, recording a rise. In the short term, some recovery also for Italy and Spain. Rising production in China and Turkey.

The situation remains unchanged for EU **upholstered furniture**, still in difficulty (Germany stable, some uncertainty in Northern Europe, decrease in Italy and UK). Instable situation in China and US.

As for **automotive**, deep drop of car registrations in Italy (more moderate decrease for the rest of EU) even if the top of the range results less penalized. Demand is expected to grow in Asia and US.

LEATHER INDUSTRY Trend of turnover - III quarter 2012		
CATEGORY	COMPARISON vs III quarter 2011	DES. COMPARISON vs II quarter 2012
TANNING SECTOR		
BOVINE	=	↓
CALF	= ↓	↓
SHEEP AND GOAT	↓	=
ACCESSORIES COMPONENTS SYNTHETICS		
ACCESSORIES	=	= ↓
TEXTILES AND SYNTHETICS	=	=
COMPONENTS	↓ ↓	↓
MANUFACTURING SECTORS		
FOOTWEAR	↓ ↓	↓
LEATHER GOODS	↑ ↑	↑
LEATHER GARMENTS	↓	↑
UPHOLSTEEED FURNITURE	↓	= ↓
CAR INTERIORS	= ↑	= ↑