

Leather in Brazil Is a US\$ 21 Billion Industry

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Brazilian leather exports have increased by 37% in the first quarter of this year compared with the same period in 2006, rising from US\$ 403.16 million to US\$ 552.44 million, according to data supplied by the Confederation of Brazilian Hides and Skins Industries (CICB), an organization that represents 800 tanneries from all over Brazil.

The leather production chain is one of the major driving forces of the Brazilian economy. The industrial complex is comprised of the tanneries, shoes, components, machinery, and leather artefacts sectors.

The activity generates a turnover of more than US\$ 21 billion per year, is comprised of 10,000 industries, and employs over 500,000 people. In 2006, exports from the leather and shoes segment totaled US\$ 4.5 billion.

Brazil is one of the major global leather producers, in addition to being the largest exporter, with shipments of 34 million units a year. This position is explained by various comparative advantages, beginning with the abundant supply of raw material. After all, the country has the world's largest commercial beef cattle herd, estimated at over 190 million heads of cattle.

The CICB estimates that out of the country's total processed leather, approximately 50% is turned to the shoe industry, 30% is absorbed by the automobile industry, 10% is directed to the clothing segment, and the remaining 10% to the furniture industry.

In the foreign field, the sector has a diversified strategy for boosting sales to new markets, such as Vietnam, Egypt, Indonesia, Thailand, among other countries. Brazilian leather is much appreciated abroad, and is present in more than 35 different countries, including Italy, China, the United States, Hong Kong, South Korea, the Netherlands, Taiwan, Malaysia and Vietnam.

The Brazilian Program for Expansion of Leather Exports, also known as "Brazilian Leather," developed by the CICB and by the Brazilian Export and Investment Promotion Agency (Apex), forecasts an increase in exports to US\$ 2.4 billion by 2008.

Established on January 15th, the CICB celebrated last Wednesday, May 9, during the 4th National Leather Summit, held in the Brazilian capital Brasília, 50 years of existence. The summit was attended by federal government officials and representatives, businessmen and technicians from all segments of the leather production chain. Five decades after the organization was established, Brazilian leather exports increased from 19,000 tons shipped in 1956, to 400,000 tons shipped last year.

According to the president of CICB, Humberto Sacchelli, now it is time to qualify the Brazilian production by investing in the establishment of brands, focusing on the production of high value-added products, and most of all by emphasizing innovation.

"I am glad to realize that we are taking large strides on the way to increasing the value of our output. Never have the leather processing industries operated so boldly in the foreign market."

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