

Overall Status of China's Leather and Footwear Industry in 2020

China Leather Industry Association

In 2020, COVID-19 has spread around the world, affecting people's normal life as well as industry production, and the global economy was plunged into a downturn. The leather and footwear industry, which is closely related to social activities, suffered unprecedentedly during the epidemic.

1. Overall situation

After experiencing a sharp decline at the beginning of 2020, the sales revenue of China's regulated leather and footwear companies showed a trend of recovery quarter by quarter. Especially after August, with the improvement of the domestic epidemic situation, the decline continued to slow down. The annual sales revenue of the leather and footwear industry was 959.31 billion RMB, down 14.0% year on year.

In 2020, the sales revenue of regulated tanning enterprises was 97.24 billion RMB, down 18.8% year on year; The output of light leather was 580 million square meters, down 7.3% year on year, but the decline at the end of the year dropped 16.8 % compared to the beginning of the year.

In 2020, the national regulated footwear enterprises achieved a total sales revenue of 596.6 billion RMB, down 13.29% year-on-year. Among them, the total sales revenue of leather shoes was 327.9 billion yuan, down 17.36% year-on-year; The output of leather shoes was 3.5 billion pairs, down 15.3 % year on year.

2. Export & Import

In 2020, the total export volume of leather and footwear industry reached 68.1 billion USD, down 21.6% year on year. Imports totaled 15.24 billion USD, down 2% year on year.

Tanning industry

Import

a.Raw hides and skins

In 2020,China imported 1.35 million tons of raw hides, up 16.4 % year on year; Imports value amounted to 1.01 billion USD, down 12.2% year on year.

Top 3 import destination countries for raw hides and skins:

US ranks No.1 .In 2020,China imported 502.1 thousand tons raw hides from US , accounted for 37.3% of the total imports,increased by 29.5% year-on-year;the total import value was 405.1 million USD,accounted for 40% of the total imports,decreased by 6% year-on-year.

Australia ranks No.2 .In 2020,China imported 318.81 thousand tons raw hides from Australia , accounted for 23.7% of the total imports,decreased by 5.8% year-on-year;the total import value was 199.98 million USD,accounted for 19.8% of the total imports,decreased by 27.7% year-on-year.

EU ranks No.3 .In 2020,China imported 196.05 thousands tons raw hides from EU, accounted for 14.6% of the total imports,increased by 21.8% year-on-year;the total imports value was 187.47 million USD,accounted for 18.5% of the total imports,decreased by 0.9% year-on-year.

b.Semi-finished leather

In 2020,China imported 523 thousands tons of semi-finished leather, up 19.2 % year on year; Imports value amounted to 790 million USD, down 27% year on year.

Top 3 import destination countries for semi-finished leather:

Brazil ranks No.1 .In 2020,China imported 196.9 thousand tons semi-finished leather from Brazil , accounted for 37.7% of the total imports,decreased by 6.8% year-on-year;the total import value was

262.6 million USD,accounted for 33.2% of the total imports,decreased by 15.2% year-on-year.

ASEAN countries ranks No.2 .In 2020,China imported 89.6 thousand tons semi-finished leather from ASEAN countries , accounted for 17.1% of the total imports,decreased by 8.2% year-on-year;the total import value was 86.2 million USD,accounted for 10.9% of the total imports,decreased by 8.4% year-on-year.

EU ranks No.3 .In 2020,China imported 56.9 thousand tons semi-finished leather from EU , accounted for 10.9% of the total imports,decreased by 26.3% year-on-year;the total import value was 67.4 million USD,accounted for 8.5% of the total imports,decreased by 29.9% year-on-year.

c.Finished leather

In 2020,China imported 57 thousands tons of finished leather, down 31.6 % year on year; Imports value amounted to 930 million USD, down 35% year on year.

Top 3 import destination countries for finished leather:

EU ranks No.1 .In 2020,China imported 13.3 thousand tons finished leather from EU , accounted for 23.1% of the total imports,decreased by 26.8% year-on-year;the total import value was 272.9 million USD,accounted for 29.5% of the total imports,decreased by 30.5% year-on-year.

ASEAN countries ranks No.2 .In 2020,China imported 12.8 thousand tons finished leather from ASEAN countries , accounted for 22.4% of the total imports,decreased by 28.8% year-on-year;the total import value was 175.3 million USD,accounted for 18.9% of the total imports,decreased by 32.2% year-on-year.

Korea ranks No.3 .In 2020,China imported 3.17 thousand tons finished leather from Korea , accounted for 5.5% of the total imports,decreased by 40.6% year-on-year;the total import value was

90.3 million USD,accounted for 9.8% of the total imports,decreased by 28.2% year-on-year.

Export

In 2020,China exported 45 thousands tons of finished leather, decreased by 12.6 % year on year; Exports value amounted to 580 million USD, decreased by 7.6% year on year.

Top 3 export destination countries for finished leather:

ASEAN countries ranks No.1 .In 2020,China exported 32.7 thousand tons finished leather to ASEAN countries , accounted for 72.4% of the total exports,decreased by 3.4% year-on-year;the total export value was 382.9 million USD,accounted for 65.7% of the total exports,increased by 4% year-on-year.

China Hongkong ranks No.2 .In 2020,China exported 6.97 thousand tons finished leather to HK , accounted for 15.4% of the total exports,decreased by 23% year-on-year;the total export value was 118.3 million USD,accounted for 20.3% of the total exports,decreased by 29% year-on-year.

Bangladesh ranks No.3 .In 2020,China exported 1.73 thousand tons finished leather to Bangladesh , accounted for 3.8% of the total exports,decreased by 36.1% year-on-year;the total export value was 23.28 million USD,accounted for 4% of the total exports,decreased by 19.7% year-on-year.

Footwear Industry

Export for shoes

In 2020,China exported 7.4 billion pairs of shoes, decreased by 22.4 % year on year; Exports value amounted to 35.44 billion USD, decreased by 21.2% year on year. Among the exported shoes, there are 560 million pairs of leather shoes with export value of 7.61 billion USD, decreased by 19.1 % and 20.2% year on year respectively.

Import for shoes

In 2020, China imported 230 million pairs of shoes, up by 7.4 % year on year, and import value amounted to 5.56 billion USD, rising by 10% year on year. In 2020, China imported 72.9 million pairs of leather shoes, imports value amounted to 2.4 billion USD, both increased by 5.7 % year on year.

3. Prediction for future situation and trend

In 2021, as the COVID-19 vaccination extensively developed, the global economy recovered gradually. However, the control of the pandemic still need time, especially in the first half of the year it is difficult to have substantial change because of the global market downturn, the the cumulative effect of intensified trade friction risks. Leather industry is still under pressure. Domestically, China's leather industry has entered a period of deep adjustment. We are facing many challenges such as increasing pressure on environmental protection, increasing costs ,impact of alternative materials, etc. to maintain the smooth operation.

At present, the epidemic situation in China has been control thanks to effective prevention measures and the gradual expansion of vaccination coverage. Production and markets effectively recovered. From January to February 2021, the total retailing sales increased by 33.8% year on year. Based on the recovery of the consumer market, production and orders of leather enterprises are gradually recovering. It is expected that the main economic indicators of the leather industry will show a recovery growth in 2021.