

The Italian leather goods industry First half 2022

Memorandum on economic situation prepared by the research department of

CONFINDUSTRIA  MODA

referring to



THE PERFORMANCE OF THE SECTOR IN THE FIRST 6 MONTHS OF 2022

Leather goods, positive first half: increase in industrial production (+12.4%) and in turnover (+15%), boosted by strong domestic sales (+12.2%) and, especially, exports (+17.3% in value in the first 5 months, despite a significant slowdown in volume terms in April and May).

Sales in the European Union were strong (+17% in value) and positively booming in the North American market (USA +67% and Canada +81%), as were sales to South Korea (+43%), the United Arab Emirates (+90%) and Japan (+27%). All these markets are already easily outperforming their pre-Covid levels of 2019. As was widely expected, new lockdowns caused a slump in exports to China (-26.3% in value in the two-month period of April-May, which reduced net growth across all 5 months to 3%). Export sales to Russia (-53.5%) and Ukraine (-77.2%) collapsed in the 4 months following the outbreak of war.

The sector as a whole is thus continuing its post-pandemic rebound, but, as before, the recovery is not evenly distributed among segments. So, while the international luxury brands are doing well, many companies in the SME segment are still experiencing difficulties. Now the most pressing issue has become rising costs: Apart from those relating to raw materials and transport, high energy bills are putting companies' budgets under serious strain.

On the employment front, the situation is improving thanks to a modest increase in the number of employees and a precipitous decline in the number of worker hours covered by the wages guarantee fund ["CIG" in Italian]. Meanwhile, the number of companies in operation remained essentially stable (15 fewer active companies, in both the artisan and the industrial segments, than in December: a decline of 0.4%).

The research department of Confindustria Moda per Assopellettieri reports that the first half of 2022 closed on a positive note. All the main economic variables are moving in a favourable direction, and the sector is thus continuing its post-pandemic recovery. Whereas the data averages are indisputably favourable, especially with respect to export sales which have risen in value by 4.4% compared with 2019, the situation varies considerably at the company level. In addition to the large international luxury brands, the industry includes many significantly smaller firms (80% of companies in the sector have fewer than 10 employees).

The index of **industrial production** prepared by ISTAT (the national institute of statistics) shows an increase of 12.4% under the line item "Manufacture of travel items and leather goods" in the first half of 2022 compared with the corresponding period of 2021, but the total value is still significantly lower (-11.6%) than in January-June 2019. After the collapse in the first half of 2020 (-44.9%) caused by the restrictive measures followed by last year's rebound (+42.7%), the results mark another step towards a return to "normal."

A survey carried out by Confindustria Moda confirms the trend. The survey, which sampled the results of the member companies of the leather goods manufacturing association, found average **revenue** growth of 15% in the first 6 months of 2022, which is a couple of points lower than forecast in April. Even though most companies saw further growth in the second quarter (59% of

respondents), many companies have yet to make up the losses incurred during the pandemic. Half of the leather goods companies surveyed reported revenues lower than in January-June 2019, and a non-negligible 23% of the respondents reported them as being "much lower."

Strong demand from both the domestic and, especially, the international market enabled the resumption of production and the generation of turnover.

As regards domestic consumption, the ISTAT cumulative index of the value of **retail sales in Italy** of leather goods and footwear shows an increase in the first half of the year of 12.2% with respect to January-June 2021, yet the result is still 8.7% lower than in the corresponding period of 2019. Sales are thus not enough to make up for the contraction of previous years. Moreover, after months of sustained recovery, the sales figures for June alone show a decline of 1.3% compared with the same month in 2021. While the decline itself is not that sizeable, it is anything but reassuring.

ISTAT records an increase in **tourist numbers** in the first half of the year compared with the corresponding period of 2021, yet the total number remains 30% lower than in the corresponding period of 2019. Further, despite the increase, spending by foreign visitors remains at very unsatisfactory levels: the Bank of Italy estimates a shortfall of 24% in tourist spending in the first quarter compared to its pre-pandemic level. The boom in summer tourists (excluding Russians) in Milan and in Italian art and heritage cities bodes well for a return to the numbers of the recent past within a reasonable time frame.

As regards international sales, the latest figures from ISTAT show that in the first 5 months of 2022 leather goods exports, which showed an annual increase of 21.7% in 2021) amounted to €4.5 billion (including re-exports). With respect to January-May 2021, the increase was 17.3%, bringing the total for the period to 27.1 million Kgs (+7%), while the average price per Kg rose by 9.7% to €165.17. For some time, these export and price trends have been forcefully influenced by the big luxury brands. Their non-negligible raising of average prices, both globally and specifically in several important export markets, narrowed the gap with the pre-Covid (pre-2019) period to -1% in terms of volume, and closed it completely in terms of revenues, which are now 4.4% higher.

Drilling down into the product categories, we find double-digit increases in the foreign sales both of leather goods (+18.6% in value over the first 5 months of 2021, though still 6% lower than three years ago), and of goods made from other materials (an increase of 14.6%).

Bags, which are by far the best-selling product and account for more than two thirds of the value of export sales in the period in question, showed an increase of 20.2%. Far behind in second place and making up around 16% of export sales come small leather goods (wallets, purses, key rings and pocket or handbag items), exports of which rose by 17%, which is in line with the average for the sector as a whole. Export sales of belts (+13%) and of suitcases and travel items (+9.4%) rose by less than the average for the sector. Indeed, under the item 'suitcases and travel items,' sales of those made of leather actually contracted by 14%.

An analysis of the various export markets shows that North America is easily the strongest performer, and it is also destined to benefit from the current dollar exchange rate. The USA, the fourth largest export market measured by value, saw an increase of 67% in January-May 2021, mainly thanks to the actions of the high-end companies, which raised their prices by an average of 42%. In Canada, the thirteenth largest market, export sales measured by value rose by as much as

81% (sales by weight rose by 66%).

The Far East presents a mixed picture. The value of export sales to the region as a whole rose by 23%, with particularly robust sales growth in South Korea (+42.6%), Japan (+27.3%) and Taiwan (+63.1%). Hong Kong, on the other hand, saw a slump in sales (-9.6%).

China experienced a sharp, albeit expected, slowdown. After rising by 25% in the first 3 months, export sales to China in April and May contracted by 26.3%, leaving a modest net gain of 3% for the first 5 months. The cause of the contraction was the lockdowns imposed on several major cities to counter the latest wave of the pandemic.

The value of sales to the United Arab Emirates soared by 90% in the period. After their post-Brexit collapse, export sales to the United Kingdom rose by 43%, but they remain well below their 2019 level (-30% in value and -50% in weight).

Export sales to European Union countries rose by 16.9% in value, which is in line with the growth of sales to non-EU markets except that sales to the EU were already well above their pre-pandemic levels, whether measured by value or weight. Export sales to France rose by 20% with respect to last year, and by 48% with respect to 2019, a performance that owes much to outsourcing by the high-end brands. Exports to Germany were also strong. For export sales measured by value, France and Germany rank respectively second and seventh; for sales measured by weight, the two countries easily rank first and second, and together account for more than 30% of the total.

For obvious reasons, the worst performances came from Russia, which saw a decline of 24% in the value of sales and dropped to 16th place in the ranking of export destinations, and Ukraine, which saw a decline in value of 52.4% (and dropped to 57th place) in the first 5 months of the year. As was to be expected, the four months following the outbreak of the war (i.e. from March to June 2022), for which Eurostat figures are already available, saw a precipitous drop in the value of exports of leather goods to the two countries (by 53% for Russia and by 77%, no less, for Ukraine).

Switzerland merits separate mention. Traditionally, the country serves as a logistic hub for the distribution of high-end brands. In January-May 2021, the value of exports to Switzerland fell by 7.3%, which seems likely to be the result of changes in distribution policies, with more exporters now shipping directly to the final buyer without passing through Swiss warehouses. Evidence that this is what has happened is to be found both in the quarterly reports of high-end companies (whose results are anything but declining, especially for fashion accessories) and in the significant increase in direct exports to several American and Far East markets which have been recorded for the same period.

Imports in the first 5 months recorded sizeable increases of 38.2% in value and 53.4% in weight with respect to the corresponding period of last year. The driving force here was China (+86% in value and +65% in weight), which is the leading supplier of the sector and accounts for 52% of the total import volume. Leather products make up a marginal 11.3% of imports measured by weight.

The **trade balance** in the first 5 months of 2022 shows a surplus of €3.02 billion, an increase of 9.3% on the corresponding period of 2021 and enough to return it to its level of January-May 2019 (+0.5%).

The ratio of **new company incorporations to company closures**, measured by Infocamere-Movimprese, showed a modest decline at the end of June compared with December 2021 (-0.4%, reflecting a net negative balance of 15 closures of both industrial and artisanal companies). The general trend, however, hides some regional variations. In the three Italian regions with the largest number of companies, the result was a small net positive balance, with Tuscany (which accounts for almost half the national total) gaining 2 new companies, Lombardy 4 and Campania 6. The next four most important regions for the sector produced a net negative result as follows: (Emilia Romagna -6, Veneto -4, Abruzzo -3, the Marches -13). In the remaining regions, the balance of openings and closures in the first half of the year was a net -1 .

As regards **employment numbers**, Chamber of Commerce figures indicate that, like the adjacent sector of footwear manufacturing, the number of workers in the leather goods sector rose by 2.8% compared with December 2021. The increase, however, is not enough to make up for the number of layoffs in 2021, which would require the upward trend to continue in the coming quarters. Tuscany and Lombardy are the regions where employment growth was strongest. Among the top seven producer regions of leather goods, three of them, Emilia Romagna, the Marches and Abruzzo, saw net job losses.

Meanwhile, the number of paid hours for temporarily laid-off workers (those using the wages guarantee fund that INPS, the state pension and welfare institute, authorized for the leather goods sector) declined precipitously in the first 6 months of the year to 8 million, a decrease of 80.3% with respect to January-June 2021 (40.5 million worker hours). All regions report a sharp diminution in the number of hours for which authorized payments were made to non-working employees: the Marches (-72.3%) leads the way (down to 1.9 million hours), followed by Campania, down 76.3% to 1.7 million. There were similar diminutions in the use of the wage guarantee fund in Veneto (-77%), Tuscany (-89%, and -84% in Florence), Lombardy (-76%), Apulia (-90%) and Emilia Romagna (-88%). That said, all regions are still reporting far higher use of the wages guarantee fund by workers than in the corresponding pre-Covid period. For Italy as a whole, the number of hours covered by the wages guarantee fund remains twice as high as in the first 6 months of 2019.

The **outlook for the second half of the year** invites caution both because of some signs of slowdown (in export quantities and domestic consumption) that emerged at the end of the period and because of the general economic environment, which presents a number of problems, including unsustainably high energy bills. As far as the prospects for the third quarter are concerned, 62% of the companies in the survey expect the sector to remain stable and to prolong the upward trend set in the second quarter, but a non-negligible 27% expect the situation to worsen.

Asked what **factors they were most concerned about** going forward, the leather goods companies included in the sample pointed to the rising costs of raw materials and semi-finished products (77%), high energy charges (65%), and the repercussions of the war between Russia and Ukraine (62%).

9 September 2022



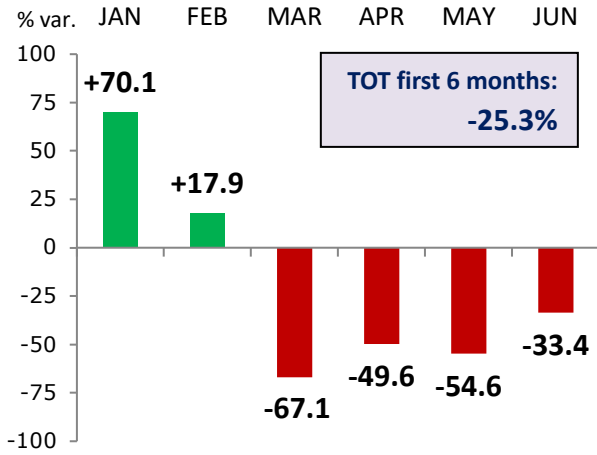
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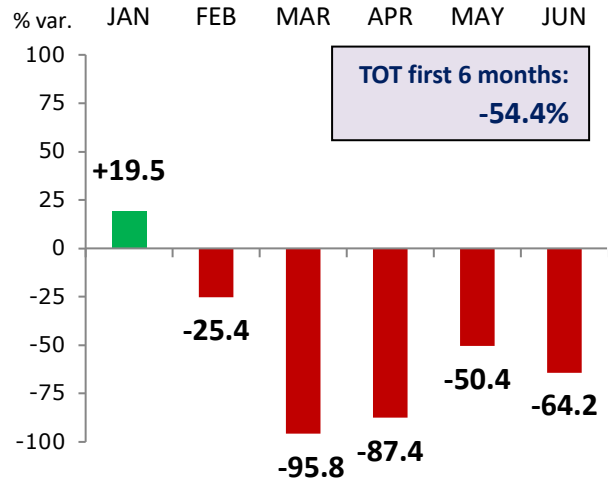
Italian exports of leather goods to Russia and Ukraine in 2022 by month, in value
(% change over same month 2021)

Exports to Russia



Since the outbreak of war
(=March/June period): -53.5%

Exports to Ukraine



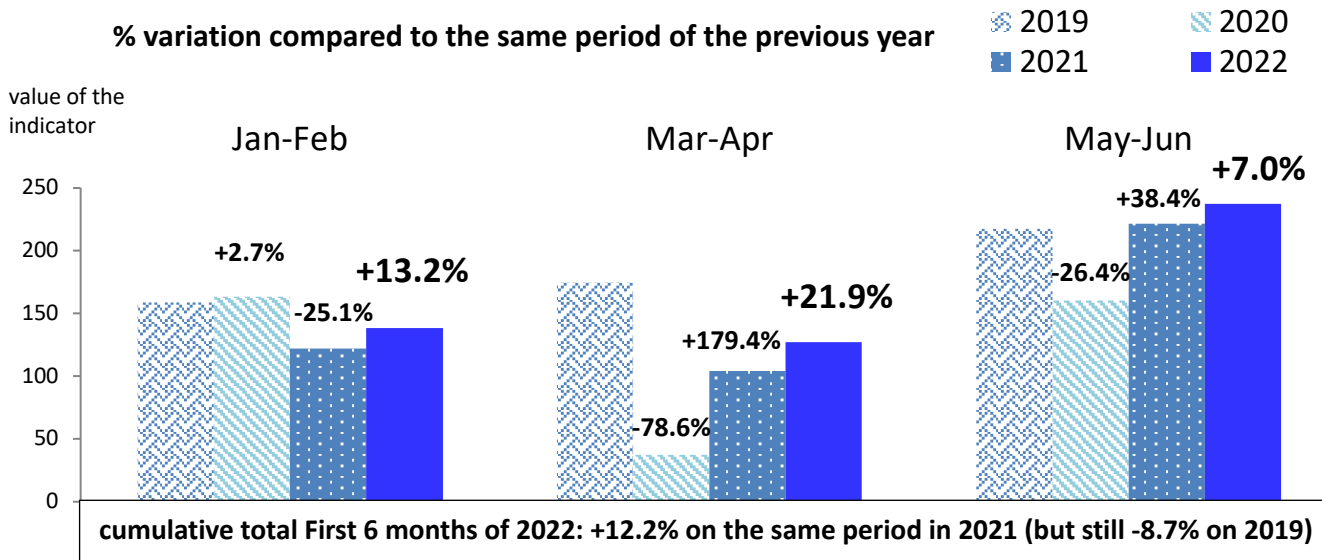
Since the outbreak of war
(=March/June period): -77.2%

Source: Calculations by Confindustria Moda Research Centre using ISTAT data; June: preview from EUROSTAT

ITALIAN MARKET

ISTAT monthly index of the value of Retail trade sales in Italy

(referred to "Leather and Travel articles + Footwear", raw data). Base year 2015=100. Trend by two months period.

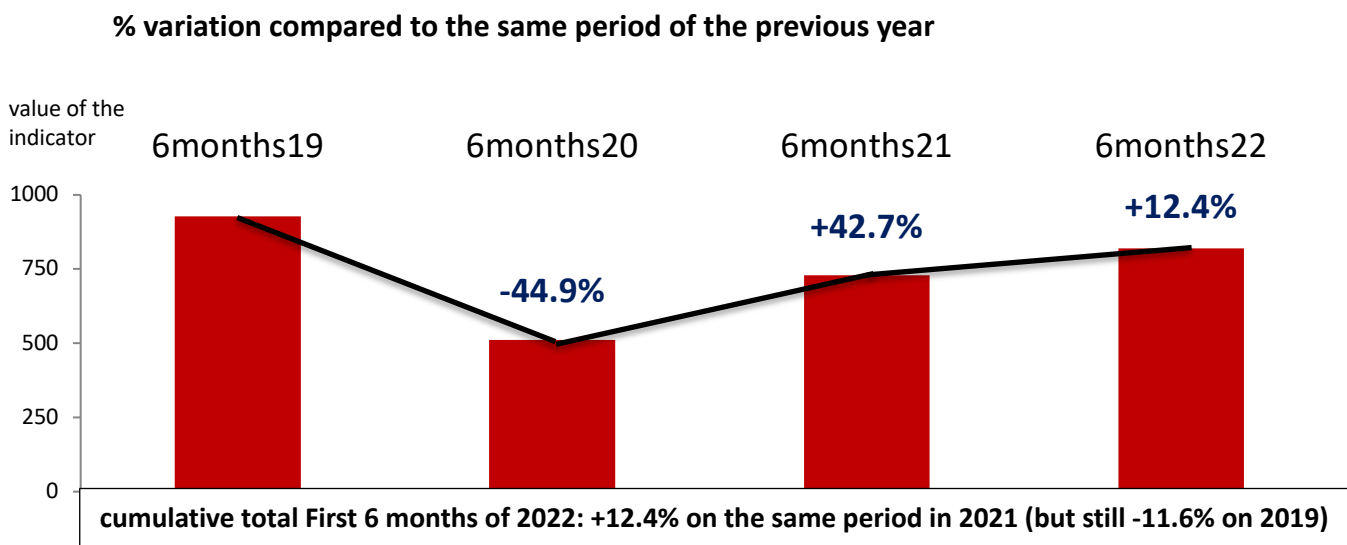


Source: ISTAT; calculations by Confindustria Moda on 05/09//2022

PRODUCTION TREND

ISTAT monthly index of Industrial production

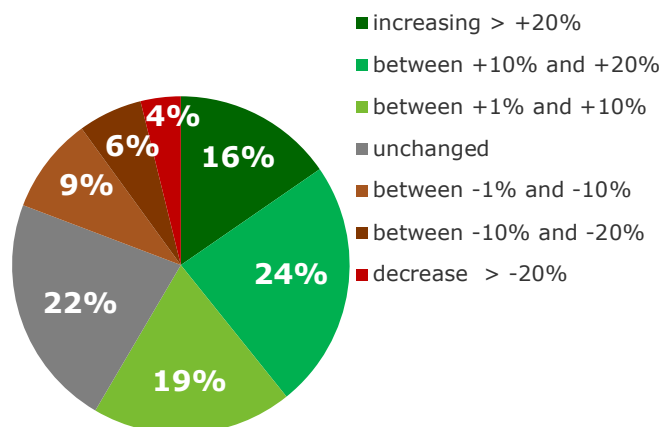
(item Ateco CB1512 "Manufacture of luggage, handbags and the like, saddlery and harness", data adjusted for calendar effects). Base year 2015=100.



Source: ISTAT; calculations by Confindustria Moda on 05/09//2022

**Confindustria Moda Rapid Economic Survey conducted in July 2022:
focus on results for the sample of Assopellettieri member companies**

1. What was the trend for TURNOVER in the SECOND QUARTER 2022 (April-June) compared to the same period 2021?

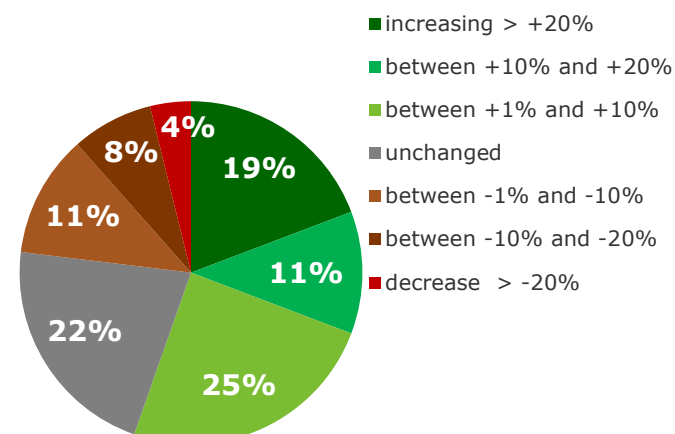


After the rebound during 2021 and the confirmation of recovery in the first months of 2022, the industry turnover also showed an average double-digit increase in April-June (just under +11%, for the sample of members surveyed), although slightly down compared to previous quarters. Almost 6 out of 10 (59%) leather goods manufacturers indicated an increase compared to the second quarter 2021, albeit to varying degrees. 22% of the panel confirmed the levels reached a year ago, while the remaining 19% reported a decrease (more than -20% for 4% of the respondents).

Considering the **first 6 months of the year**, by weighting responses according to company size, we obtain an estimate of the average turnover increase for the companies in our sample of **+15%** compared to the first half of 2021, slightly below the forecasts of last April. Although we are going back to pre-health emergency levels, the average results still hide a highly uneven situation. A not insignificant number of companies, especially among the smaller ones, which form the backbone of the sector, have not yet made good the losses they incurred during the pandemic.

Half of the companies surveyed reported that, with reference to the first half of 2022, revenues were still lower than those achieved in the first six months of 2019, i.e. before Covid. 23% of the panel responded that they had equalled their turnover of the first half of 2019, and 27% that they had exceeded it (with 8% reporting that turnover was “significantly higher” than then).

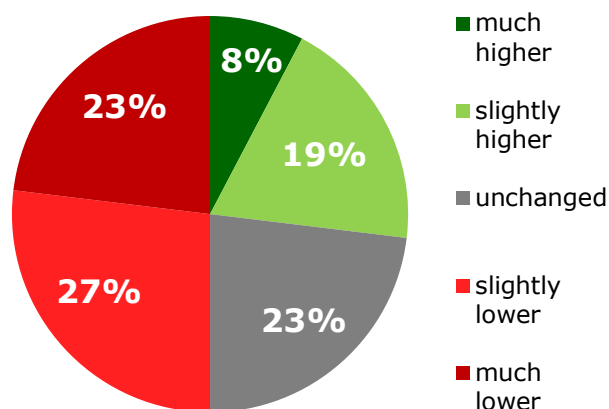
2. Discuss the variation in ORDERS (value) in the SECOND QUARTER 2022 (April-June) compared to the same period in 2021.



In terms of the second quarter, 55% of leather goods manufacturers involved in the survey reported an increase in new orders; 1 out of 5 (19%) responded that the increase was more than +20%. Nevertheless, 23% of the companies reported a drop in new orders, noting continuing difficulties in several destination markets (first and foremost, of course, in the Russian and Ukrainian markets, but also in China, which slowed down considerably in the second quarter following new lockdowns in several cities). Indications of no change compared to the same period last year also amounted to 22%.

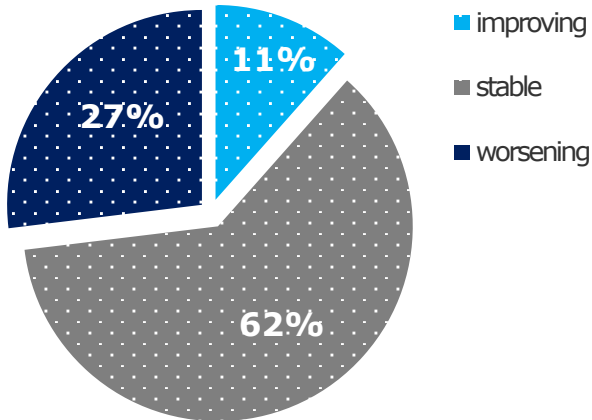
Weighting responses according to company size gives us an average variation of **+14.3%** in the value of new orders for the sample during the second quarter, very similar to the variation indicated in the previous quarter.

3. The TURNOVER in the FIRST 6 MONTHS of 2022 compared to pre-pandemic levels in the first half of 2019 was...



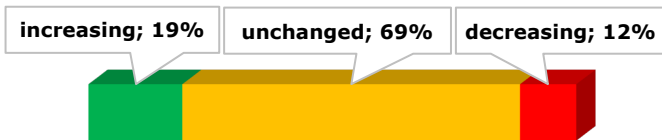
**Confindustria Moda Rapid Economic Survey conducted in July 2022:
focus on results for the sample of Assopellettieri member companies**

4. How do you expect the economic situation to evolve in the THIRD QUARTER 2022 compared to the second quarter 2022?



The majority of respondents (**62%**) trust in stable market conditions for the third quarter compared to April-June. However, a not inconsiderable **27%** expect a worsening in the economic situation for the sector; and only 1 in 10 respondents expect an improvement (**11%**).

5. In JUNE 2022, compared to December 2021, the WORKFORCE of your company was...



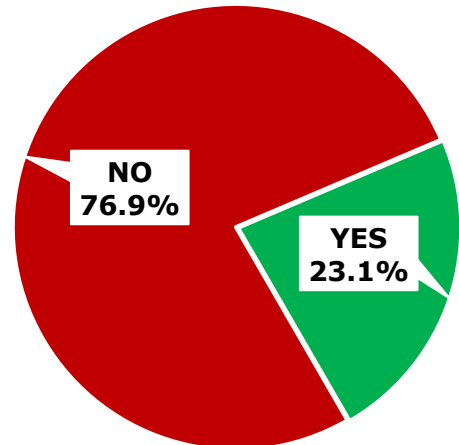
69% of leather goods manufacturers in the panel reported no variation in employment levels at the end of June compared to the situation six months ago. 19% reported an increase, while 12% of companies indicated a decrease.

6. What do you expect the WORKFORCE of your company to be in DECEMBER 2022 compared to the current level?



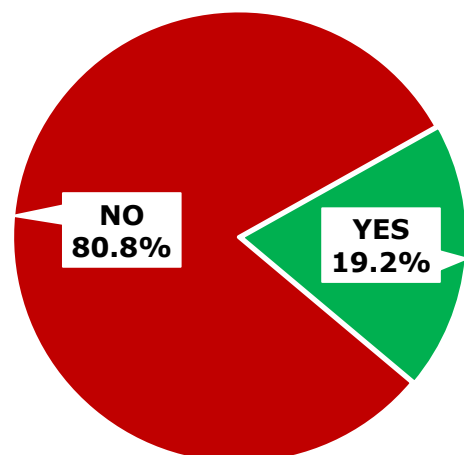
When asked for a forecast at the end of the year, 77% of operators indicated stability at current levels; 15% reported an increase. A minority share of the sample (8%) expects a decrease.

7. In the SECOND QUARTER 2022 did your company use SOCIAL SECURITY INSTRUMENTS (CIG wage support or the like)?



As in the previous quarter, the share of surveyed leather goods companies that declared having made use of **social security instruments** is decidedly smaller (**23.1%**; remember that in 4th quarter 2021 it was still 60.7%). This figure reflects the sharp decrease in CIG wage support hours authorised by INPS in the “Leather sector” in the first half of 2022 compared to last year. Among the companies in the panel that benefited of the support, less than 20% of the total workforce was involved in 2 out of 3 cases (67%).

8. Does your company expect to use SOCIAL SECURITY INSTRUMENTS (CIG wage support or similar instruments) in the THIRD QUARTER 2022 (July-September)?



In the third quarter, no changes are expected: within the sample, the percentage of companies planning to use social security instruments is expected to fall further to 19.2%.

**Confindustria Moda Rapid Economic Survey conducted in July 2022:
focus on results for the sample of Assopellettieri member companies**

9. Which of these FACTORS do you MOST FEAR for your company?

(% of total respondents; more than one answer was permitted)

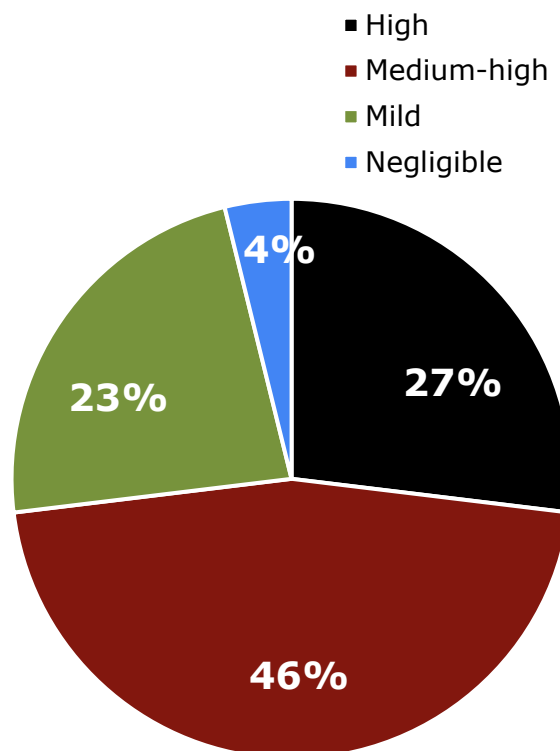


Increases in the **costs of raw materials** and semi-finished products (indicated by 77% of the sample), **high energy prices** (65%) and the consequences of the **conflict between Russia and Ukraine** (62%) are the factors most feared by the member operators.

FOCUS ON RUSSIA AND UKRAINE

In 2021, the Italian industry of leather goods exported products worth 117.7 million euro to Russia and Ukraine, up +41.6% on 2020 (and with +17.5% on pre-Covid 2019), of which 106 million to Russia and 11.7 million to Ukraine. Together they constituted the eleventh largest destination market, accounting for 1.2% of total exports. Despite the rather small overall share for the industry, some companies (and/or districts) are more exposed than the average and are more affected by the effects of the conflict that broke out at the end of February 2022.

10. The impact of the increase in the cost of electricity and/or gas within your company's production process is:



For 73% of the leather goods manufacturers interviewed, the negative **impact** of the abnormal increase in electricity and gas costs will be significant (**high or medium-high**) and will jeopardise the ongoing economic recovery after the pandemic.

Since last year, energy commodity prices have been rising steadily, reaching critical levels as early as December 2021, and growing again following the Russian invasion of Ukraine. In recent weeks, fears of cuts or disruptions in supplies from Russia have made the picture even worse, casting the shadow – at least for Europe – of a possible supply deficit, especially for gas, resulting in energy rationing.

Energy pressures undermine the growth path of companies and their competitive structure. Energy cost levels such as the current ones could soon be unsustainable for SMEs in the sector, jeopardising their business balance and margins.

ITALIAN LEATHER GOODS COMMERCIAL EXCHANGE FIRST 5 MONTHS 2022

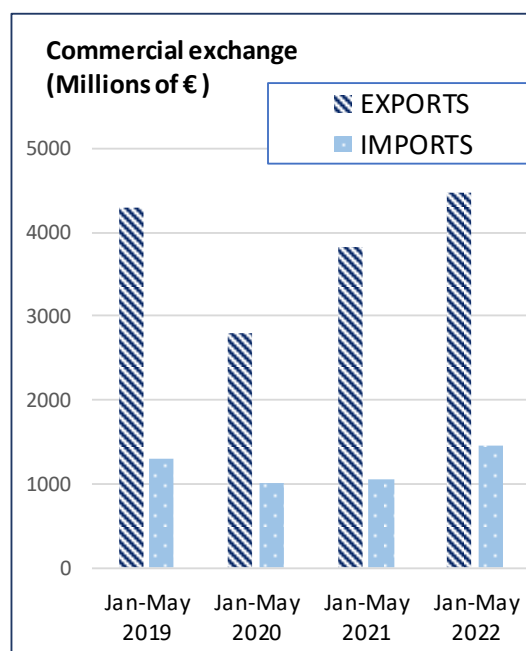
comparison with the same period of the previous two years
and with the pre-pandemic levels of January-May 2019

EXPORTS	Value (Millions of €)	Quantity (Millions of KG)	Average Price €/KG
First 5 months 2019	4,294.50	27.4	156.56
First 5 months 2020	2,803.73	19.3	145.26
First 5 months 2021	3,821.09	25.4	150.56
First 5 months 2022	4,483.32	27.1	165.17
% var 2022/2021	17.3%	7.0%	9.7%
% var 2022/2019	4.4%	-1.0%	5.5%

IMPORTS	Value (Millions of €)	Quantity (Millions of KG)	Average Price €/KG
First 5 months 2019	1,292.89	57.3	22.57
First 5 months 2020	1,000.63	46.8	21.37
First 5 months 2021	1,060.74	41.0	25.88
First 5 months 2022	1,466.37	62.9	23.33
% var 2022/2021	38.2%	53.4%	-9.9%
% var 2022/2019	13.4%	9.7%	3.4%

TRADE BALANCE

	Value (Millions of €)
First 5 months 2019	3,001.61
First 5 months 2020	1,803.10
First 5 months 2021	2,760.35
First 5 months 2022	3,016.95
% var 2022/2021	9.3%
% var 2022/2019	0.5%



Exports by product type and raw material

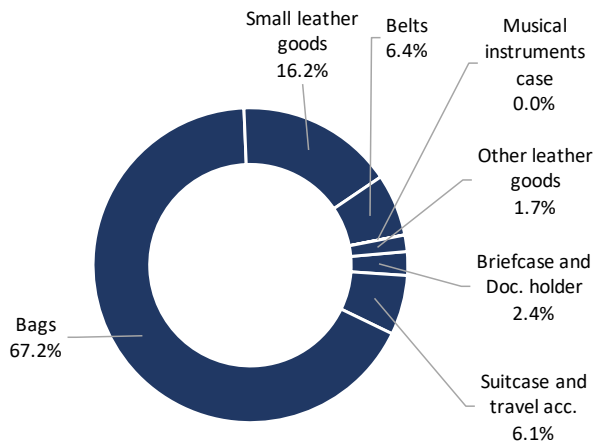
Period: January-May 2022

Value in euro (millions)

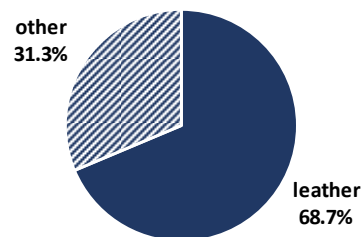
PRODUCTS	TOTAL				LEATHER				SUBSTITUTE			
	5m2021	5m2022	% Var 22/21	% Var 22/19	5m2021	5m2022	% Var 22/21	% Var 22/19	5m2021	5m2022	% Var 22/21	% Var 22/19
Briefcase and document holder	114.32	109.31	-4.4%	-15.8%	56.56	50.65	-10.5%	-8.5%	57.76	58.66	1.6%	-21.3%
Suitcase and travel accessories	250.93	274.52	9.4%	-1.1%	97.16	83.78	-13.8%	-18.3%	153.77	190.73	24.0%	8.9%
Bags	2,505.80	3,011.27	20.2%	14.8%	1,671.73	2,075.93	24.2%	1.7%	834.07	935.34	12.1%	61.0%
Small leather goods	620.36	725.58	17.0%	-8.2%	440.31	506.64	15.1%	-16.1%	180.06	218.95	21.6%	17.3%
Belts	253.34	285.98	12.9%	-20.1%	253.34	285.98	12.9%	-20.1%	-	-	-	-
Musical instruments case	0.61	1.02	66.0%	70.5%	-	-	-	-	0.61	1.02	66.0%	70.5%
Other leather goods	75.72	75.65	-0.1%	-34.6%	75.72	75.65	-0.1%	-34.6%	-	-	-	-
TOTAL EXPORTS	3,821.09	4,483.32	17.3%	4.4%	2,594.82	3,078.62	18.6%	-6.0%	1,226.27	1,404.70	14.6%	38.0%

Source: Confindustria Moda Research Center on ISTAT data

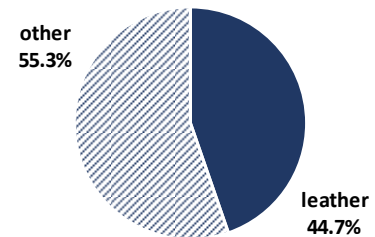
Exports by product type (value share) First 5 months 2022



Value (share 5m2022)



KG (share 5m2022)



Quantity in kg (000)

PRODUCTS	TOTAL				LEATHER				SUBSTITUTE			
	5m2021	5m2022	% Var 22/21	% Var 22/19	5m2021	5m2022	% Var 22/21	% Var 22/19	5m2021	5m2022	% Var 22/21	% Var 22/19
Briefcase and document holder	3,877	4,363	12.5%	-2.7%	324	335	3.3%	9.9%	3,553	4,028	13.4%	-3.6%
Suitcase and travel accessories	4,644	2,766	-40.4%	-19.0%	548	390	-28.8%	-35.4%	4,096	2,376	-42.0%	-15.5%
Bags	10,379	12,189	17.4%	3.7%	5,166	6,692	29.5%	0.3%	5,213	5,497	5.5%	8.2%
Small leather goods	4,443	4,504	1.4%	-6.7%	1,349	1,409	4.5%	-14.2%	3,095	3,094	-0.0%	-2.8%
Belts	1,181	2,207	86.9%	30.7%	1,181	2,207	86.9%	30.7%	-	-	-	-
Musical instruments case	18	16	-10.5%	-28.2%	-	-	-	-	18	16	-10.5%	-28.2%
Other leather goods	837	1,099	31.2%	-11.6%	837	1,099	31.2%	-11.6%	-	-	-	-
TOTAL EXPORTS	25,379	27,143	7.0%	-1.0%	9,405	12,132	29.0%	-0.2%	15,974	15,011	-6.0%	-1.7%

Source: Confindustria Moda Research Center on ISTAT data

Exports towards the main Countries of destination

Period: January-May

Ranking top 25 per value

	Countries of destination	Value in euro (millions)					Quantity in kg (000)				
		5m2021	5m2022	Share 2022 (%)	% Var 22/21	% Var 22/19	5m2021	5m2022	Share 2022 (%)	% Var 22/21	% Var 22/19
1	Switzerland	1.172,92	1.087,17	24,2	-7,3%	-33,6%	2.524	2.728	10,1	8,1%	-22,3%
2	France	487,93	586,60	13,1	20,2%	47,6%	3.849	4.763	17,5	23,8%	61,7%
3	South Korea	306,51	437,17	9,8	42,6%	84,7%	636	747	2,8	17,3%	20,2%
4	USA	258,26	431,92	9,6	67,2%	57,9%	1.763	2.082	7,7	18,1%	5,4%
5	Japan	226,20	288,01	6,4	27,3%	41,0%	744	835	3,1	12,2%	0,8%
6	China	275,02	283,09	6,3	2,9%	46,3%	677	571	2,1	-15,8%	-2,1%
7	Germany	193,73	228,65	5,1	18,0%	21,1%	4.235	3.973	14,6	-6,2%	6,5%
8	Hong Kong	165,42	149,55	3,3	-9,6%	-38,7%	445	334	1,2	-24,9%	-50,2%
9	UK	93,03	132,62	3,0	42,6%	-30,4%	622	848	3,1	36,4%	-49,5%
10	Spain	56,54	73,48	1,6	30,0%	1,2%	1.527	1.240	4,6	-18,8%	-22,6%
11	U.A. Emirates	31,66	60,10	1,3	89,8%	80,0%	134	225	0,8	67,2%	27,4%
12	Taiwan	31,77	51,81	1,2	63,1%	122,5%	74	82	0,3	11,4%	9,2%
13	Canada	27,29	49,43	1,1	81,1%	98,2%	95	157	0,6	66,1%	19,5%
14	Netherland	48,61	44,51	1,0	-8,5%	-32,5%	805	1.117	4,1	38,8%	25,3%
15	Poland	43,44	40,91	0,9	-5,8%	90,9%	814	724	2,7	-11,1%	13,5%
16	Russia	44,64	33,98	0,8	-23,9%	-9,8%	416	304	1,1	-27,0%	-3,1%
17	Australia	20,32	30,81	0,7	51,6%	31,1%	86	99	0,4	15,4%	-12,2%
18	Macao	22,88	29,61	0,7	29,4%	-1,2%	26	26	0,1	-0,5%	-17,5%
19	Singapore	14,88	29,29	0,7	96,8%	2,3%	48	66	0,2	37,7%	-14,7%
20	Thailand	12,40	25,89	0,6	108,8%	57,0%	32	72	0,3	124,2%	54,7%
21	Austria	20,00	22,35	0,5	11,8%	-29,8%	742	382	1,4	-48,5%	-43,0%
22	Mexico	12,83	22,33	0,5	74,1%	28,4%	39	58	0,2	51,0%	-38,0%
23	Turkey	9,80	21,67	0,5	121,2%	85,4%	115	150	0,6	30,7%	60,6%
24	Belgium	21,24	21,24	0,5	0,0%	17,0%	368	382	1,4	3,7%	-10,7%
25	Qatar	7,91	20,39	0,5	157,8%	176,8%	30	33	0,1	9,5%	32,7%
...											
TOT. EXPORTS		3.821,09	4.483,32	100,0	17,3%	4,4%	25.379	27.143	100,0	7,0%	-1,0%

of which:

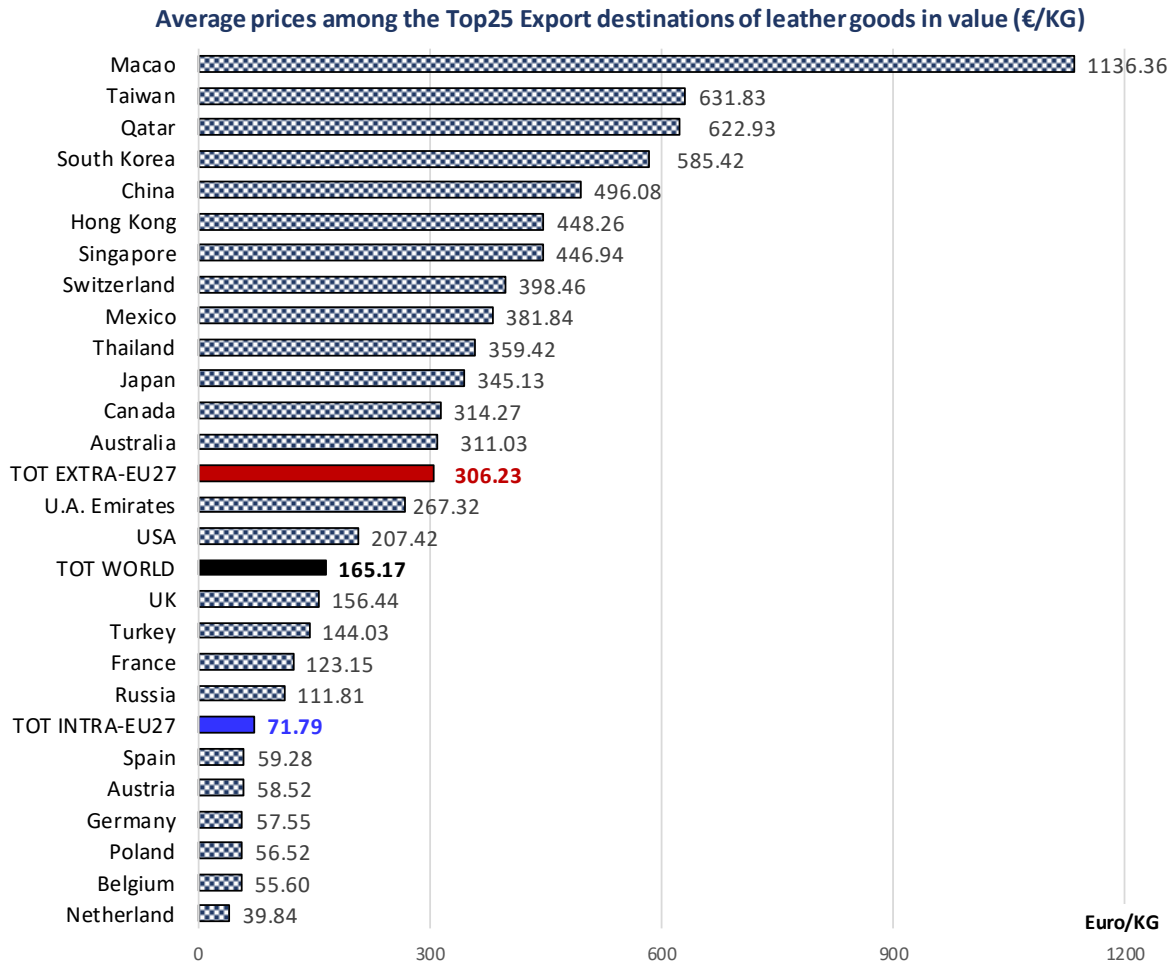
to EU27 Countries	1.003,13	1.172,37	26,1	16,9%	22,4%	15.548	16.331	60,2	5,0%	8,0%
to EXTRA-EU27	2.817,96	3.310,95	73,9	17,5%	-0,8%	9.831	10.812	39,8	10,0%	-12,1%

Source: Confindustria Moda Research Center on ISTAT data

EXPORTS

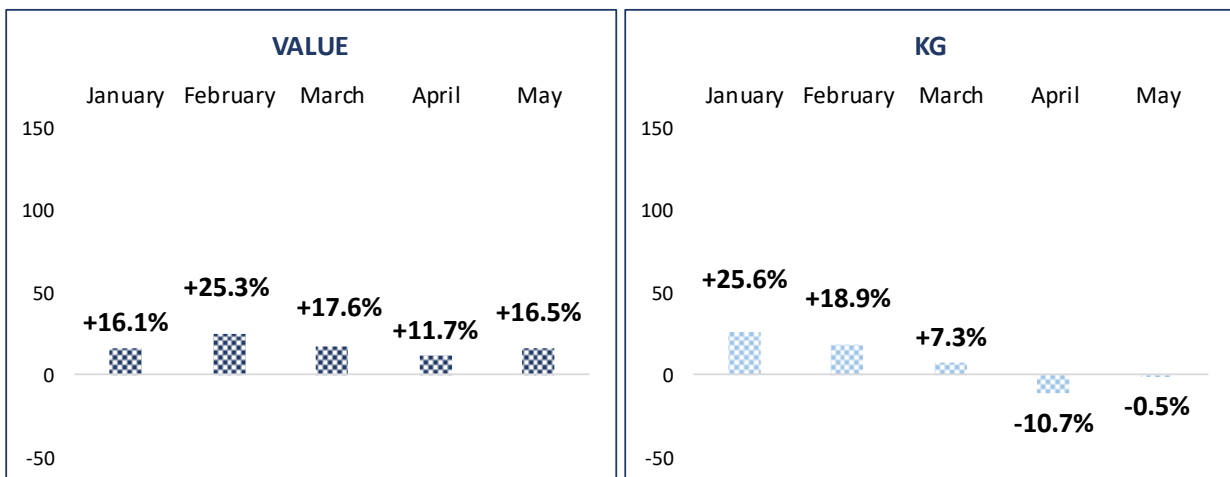
Average prices of the main destination Countries (€/KG)

Period: January-May 2022



Exports trend in 2022 by month

(% change over same month in 2021)



Imports by product type and raw material

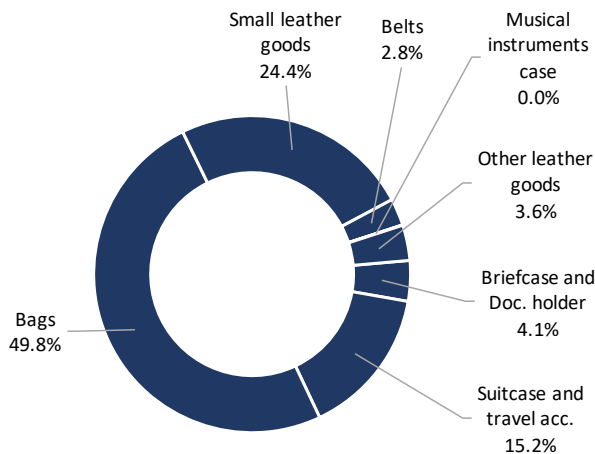
Period: January-May 2022

Value in euro (millions)

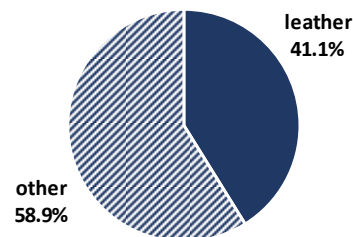
PRODUCTS	TOTAL				LEATHER				SUBSTITUTE			
	5m2021	5m2022	% Var 22/21	% Var 22/19	5m2021	5m2022	% Var 22/21	% Var 22/19	5m2021	5m2022	% Var 22/21	% Var 22/19
Briefcase and document holder	32.32	60.79	88.1%	-8.2%	9.44	10.31	9.2%	-25.3%	22.87	50.48	120.7%	-3.7%
Suitcase and travel accessories	134.67	223.29	65.8%	15.5%	14.78	31.63	113.9%	43.5%	119.88	191.67	59.9%	11.9%
Bags	568.07	730.06	28.5%	13.7%	318.55	358.89	12.7%	-3.3%	249.52	371.17	48.8%	36.8%
Small leather goods	251.02	358.36	42.8%	16.9%	96.27	109.26	13.5%	-11.8%	154.75	249.11	61.0%	36.5%
Belts	36.37	40.34	10.9%	2.5%	36.37	40.34	10.9%	2.5%	-	-	-	-
Musical instruments case	0.60	0.63	5.0%	9.7%	-	-	-	-	0.60	0.63	5.0%	9.7%
Other leather goods	37.70	52.89	40.3%	18.0%	37.70	52.89	40.3%	18.0%	-	-	-	-
TOTAL IMPORTS	1,060.74	1,466.37	38.2%	13.4%	513.11	603.32	17.6%	-1.9%	547.63	863.05	57.6%	27.3%

Source: Confindustria Moda Research Center on ISTAT data

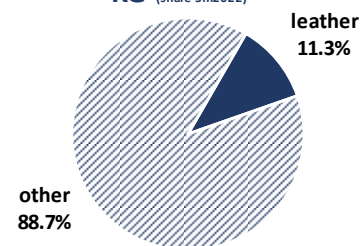
Imports by product type (value share) First 5 months 2022



Value (share 5m2022)



KG (share 5m2022)



Quantity in kg (000)

PRODUCTS	TOTAL				LEATHER				SUBSTITUTE			
	5m2021	5m2022	% Var 22/21	% Var 22/19	5m2021	5m2022	% Var 22/21	% Var 22/19	5m2021	5m2022	% Var 22/21	% Var 22/19
Briefcase and document holder	2,219	6,438	190.2%	-10.3%	140	159	13.6%	-37.5%	2,079	6,279	202.1%	-9.3%
Suitcase and travel accessories	9,795	16,914	72.7%	19.8%	655	1,529	133.3%	348.7%	9,140	15,385	68.3%	11.7%
Bags	12,621	17,170	36.0%	1.9%	1,765	2,175	23.3%	-9.5%	10,857	14,995	38.1%	3.8%
Small leather goods	14,889	20,281	36.2%	13.7%	1,191	1,255	5.4%	22.1%	13,698	19,026	38.9%	13.2%
Belts	696	966	38.8%	203.6%	696	966	38.8%	203.6%	-	-	-	-
Musical instruments case	50	54	8.9%	2.4%	-	-	-	-	50	54	8.9%	2.4%
Other leather goods	716	1,030	43.9%	9.8%	716	1,030	43.9%	9.8%	-	-	-	-
TOTAL IMPORTS	40,986	62,852	53.4%	9.7%	5,162	7,113	37.8%	34.6%	35,824	55,739	55.6%	7.2%

Source: Confindustria Moda Research Center on ISTAT data

Imports from the main Countries of origin

Period: January-May

Ranking top 25 per value

	Countries of origin	Value in euro (millions)					Quantity in kg (000)				
		5m2021	5m2022	Share 2022 (%)	% Var 22/21	% Var 22/19	5m2021	5m2022	Share 2022 (%)	% Var 22/21	% Var 22/19
1	China	246,98	458,65	31,3	85,7%	23,6%	19.878	32.780	52,2	64,9%	-11,4%
2	France	301,18	355,32	24,2	18,0%	20,4%	3.028	5.061	8,1	67,1%	155,8%
3	Switzerland	121,19	99,12	6,8	-18,2%	-33,5%	326	215	0,3	-34,2%	-42,1%
4	Spain	41,49	81,19	5,5	95,7%	102,5%	2.401	3.566	5,7	48,5%	224,2%
5	Germany	33,21	65,78	4,5	98,1%	55,3%	2.299	4.891	7,8	112,8%	202,1%
6	Romania	41,42	48,12	3,3	16,2%	14,2%	961	1.192	1,9	24,1%	-5,4%
7	Netherland	49,19	46,85	3,2	-4,8%	-42,7%	2.377	2.748	4,4	15,6%	45,7%
8	Burma	28,40	41,71	2,8	46,8%	447,7%	1.055	1.237	2,0	17,2%	275,5%
9	Vietnam	34,74	39,69	2,7	14,2%	36,5%	3.592	3.546	5,6	-1,3%	-10,9%
10	India	18,36	36,41	2,5	98,3%	0,2%	848	1.639	2,6	93,3%	17,5%
11	Belgium	20,72	32,09	2,2	54,9%	-9,8%	1.148	1.714	2,7	49,3%	-14,2%
12	Tunisia	11,00	15,75	1,1	43,2%	-19,7%	264	339	0,5	28,7%	-16,7%
13	Bulgaria	7,13	15,57	1,1	118,3%	-9,1%	132	246	0,4	85,6%	-21,0%
14	Turkey	4,13	12,31	0,8	197,9%	-18,2%	89	372	0,6	319,6%	98,4%
15	Indonesia	9,26	12,09	0,8	30,6%	220,4%	349	414	0,7	18,6%	130,0%
16	Hong Kong	11,49	11,57	0,8	0,7%	-41,2%	195	141	0,2	-27,8%	-56,1%
17	UK	10,82	8,19	0,6	-24,3%	-60,6%	68	35	0,1	-47,8%	-92,0%
18	Cambodia	6,03	8,04	0,5	33,5%	543,7%	237	263	0,4	11,0%	306,1%
19	Portugal	3,22	5,36	0,4	66,4%	57,2%	130	172	0,3	31,9%	11,0%
20	Poland	4,47	5,26	0,4	17,7%	25,8%	148	267	0,4	80,9%	30,4%
21	Thailand	5,04	5,21	0,4	3,4%	80,7%	58	60	0,1	3,8%	43,0%
22	Taiwan	1,24	5,08	0,3	311,5%	424,2%	60	313	0,5	424,5%	555,7%
23	USA	4,33	4,24	0,3	-2,2%	3,6%	33	26	0,0	-22,4%	-35,5%
24	Serbia	1,00	3,97	0,3	297,2%	619,9%	11	43	0,1	274,4%	705,8%
25	Czech Republic	3,12	3,93	0,3	25,9%	-33,0%	135	117	0,2	-12,8%	-41,8%
...											
TOT. IMPORTS		1.060,74	1.466,37	100,0	38,2%	13,4%	40.986	62.852	100,0	53,4%	9,7%

of which:

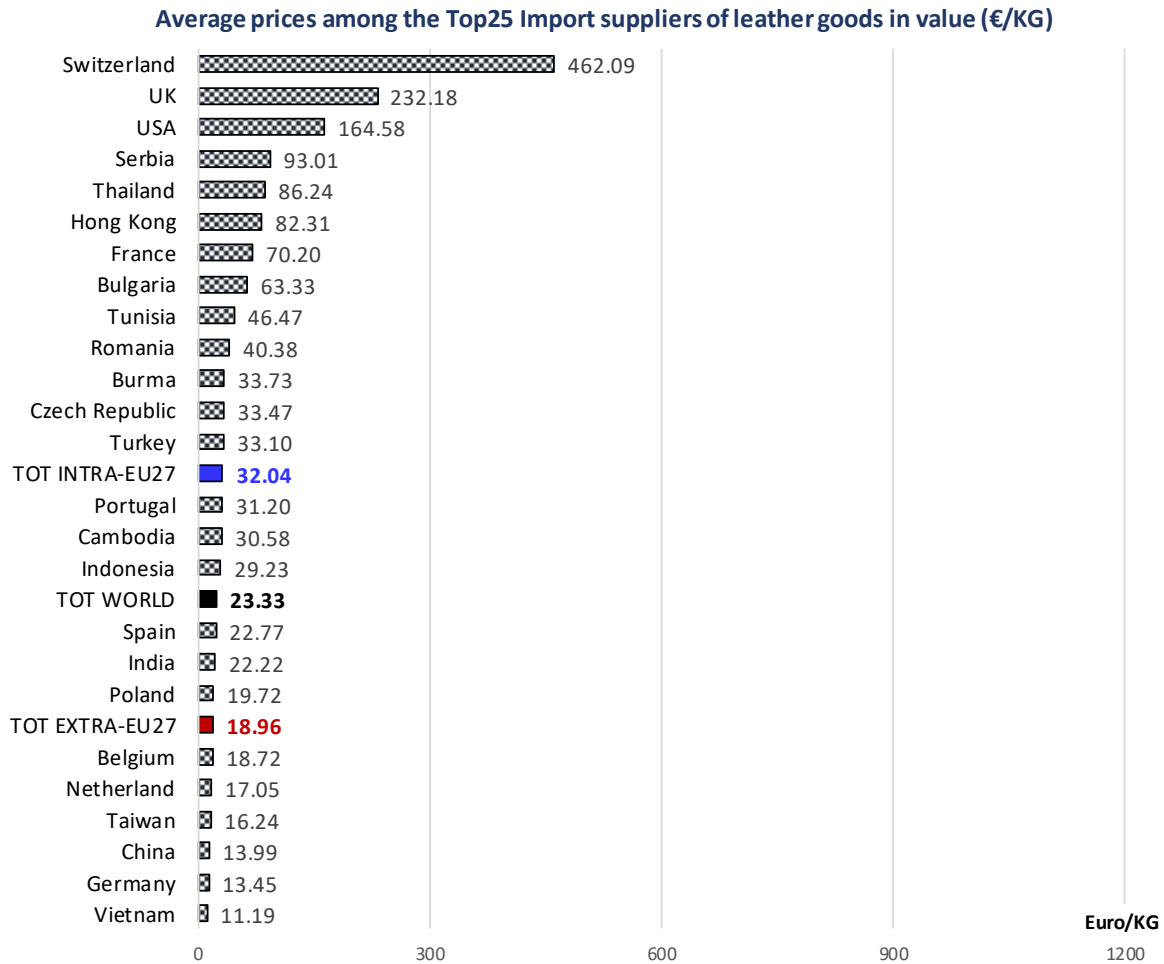
from EU27 Countries	518,14	673,38	45,9	30,0%	15,1%	13.601	21.019	33,4	54,5%	73,9%
from EXTRA-EU27	542,60	792,99	54,1	46,1%	12,0%	27.385	41.834	66,6	52,8%	-7,5%

Source: Confindustria Moda Research Center on ISTAT data

IMPORTS

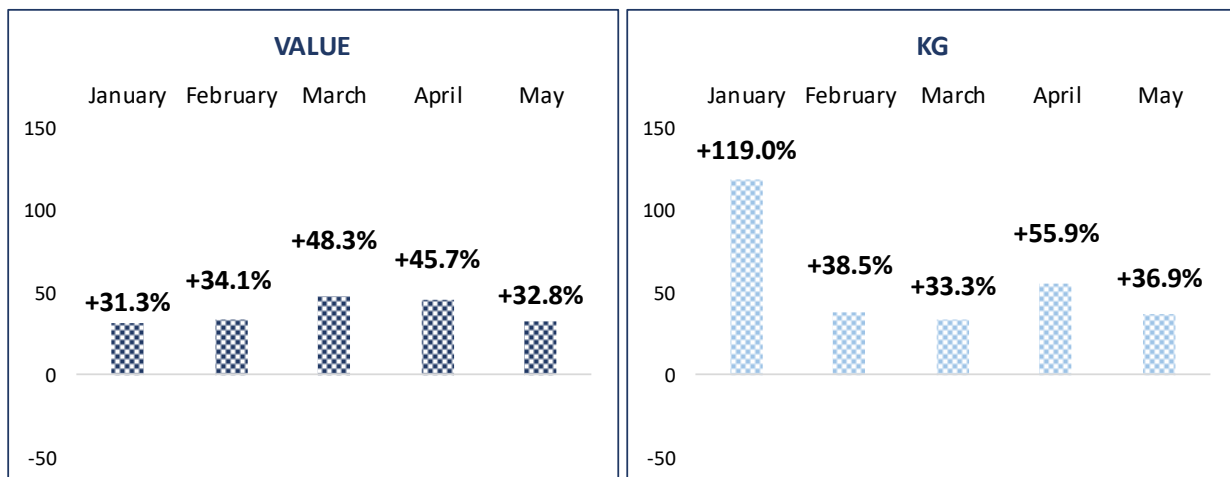
Average prices of the main Countries of origin (€/KG)

Period: January-May 2022



Imports trend in 2022 by month

(% change over same month in 2021)





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WAGE SUPPORT (C.I.G.)**First six months of 2022 - Sector of activity: "Hides, leather and footwear"****AUTHORISED HOURS OF WAGE SUPPORT in favour of factory and office workers**

	6 months 2019 (Hours)	6 months 2021 (Hours)	6 months 2022 (Hours)	% Var. 22/21	% Var. 22/19
C.I.G. Ordinary	3,130,911	39,494,478	7,042,228	-82.2	+124.9
C.I.G. Extraordinary	853,061	971,521	939,243	-3.3	+10.1
of which:					
- extraordinary in strict sense	849,701	243,622	905,772	+271.8	+6.6
- in derogation	3,360	727,899	33,471	-95.4	+896.2
TOTAL	3,983,972	40,465,999	7,981,471	-80.3	+100.3
of which:					
1st quarter (January-March)	1,980,600	21,793,314	5,117,712	-76.5	+158.4
2nd quarter (April-June)	2,003,372	18,672,685	2,863,759	-84.7	+42.9

	Hours authorised by region (ordinary + extraordinary)				
	6 months 2019 (Hours)	6 months 2021 (Hours)	6 months 2022 (Hours)	% Var. 22/21	% Var. 22/19
Piedmont	32,252	210,580	175,389	-16.7	+443.8
Lombardy	426,278	3,989,033	955,599	-76.0	+124.2
Veneto	677,592	5,350,813	1,241,735	-76.8	+83.3
Friuli V.G.	8,283	163,472	8,650	-94.7	+4.4
Emilia Romagna	258,217	2,502,875	295,790	-88.2	+14.6
Tuscany	313,277	10,269,647	1,140,344	-88.9	+264.0
Umbria	35,714	367,190	104,507	-71.5	+192.6
Marche	1,191,414	6,935,684	1,923,267	-72.3	+61.4
Abruzzo	41,424	507,627	101,822	-79.9	+145.8
Campania	845,309	7,351,757	1,740,361	-76.3	+105.9
Puglia	147,192	2,585,039	271,503	-89.5	+84.5
Other regions	7,020	232,282	22,504	-90.3	+220.6
TOT. ITALY	3,983,972	40,465,999	7,981,471	-80.3	+100.3

Source: INPS, calculations by Confindustria Moda Research Centre for Assopellettieri_09/2022.

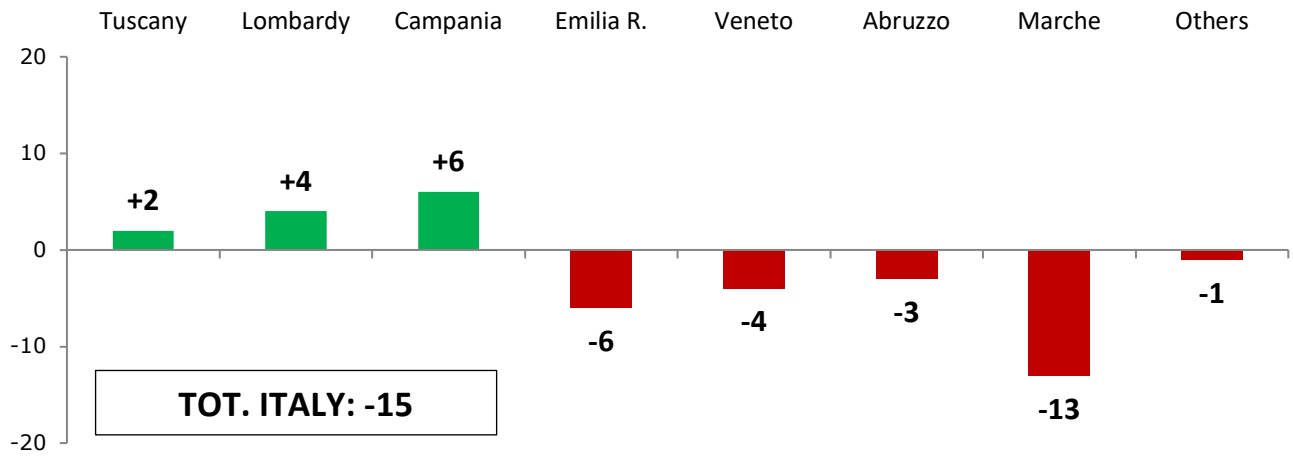


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**Absolute variations in the NUMBER OF ACTIVE COMPANIES, industry+craft
(item Ateco CB1512) per region, June 2022 vs. December 2021**



Source: Confindustria Moda calculations and estimates using Infocamere-Movimprese data