



Report

**UK Leather
& Leather
Goods
Industry
in 2022**

UK leather: import and export in 2022

The UK leather industry is comprised of specialist, high end producers of automotive, upholstery, shoe upper and sole, gloving, chamois, equestrian leather and wet blue leather. The UK exports more than 80% of its leather production, with destinations in over 80 countries.

Overall, 2022 appears to have been a better year than 2021. The total value of exports was up by 14.56% and almost reached pre-Covid values (£234.68m in 2019). This was solely based on increased demand for finished leather, with export volumes up by 12.72% and values by 41.02%, and in spite of falls in the values and volumes of raw materials and part-processed leathers. Imports showed a similar pattern, up 17.69% year-on-year at £146.92m, and exceeding pre-Covid levels (£129.26m in 2019). Imports of part-processed leathers increased dramatically in both value and volume, while finished leather imports increased in value but fell in volume, perhaps suggesting per unit increase in price for finished leathers balanced by falling demand. However, there was a significant fall in raw material imports, largely associated with bovine hides; these fell by 70.73% and 55.60% in value and volume, respectively.

These trends were similar to those seen in the rest of the world in 2022, where a positive first quarter was soon eclipsed by the impact of the Russian invasion of Ukraine. A more detailed analysis would be required but it seems likely that the falling demand for raw materials was a first indicator of the downturn in demand for leather the industry currently faces. It should also be noted that, while volumes and values increased, this was against a backdrop of spiralling costs for energy and inflation, and ongoing issues with the cost for transport of materials. As such, what could have been a good year for the industry was somewhat derailed by global events.

UK exports of hides, skins and wet blue, crust and finished leather in 2022

EXPORTS (by HS code*)	Trade in 2022		Change (% vs 2021)	
	Value (£m)	Volume (ktonnes)	Value	Volume
Raw materials	82.05	118.34	-6.09	-9.68
Part-processed leather	21.62	9.35	-10.82	-8.46
Finished leather	128.97	4.14	41.02	12.72
Total exports	232.63		14.56	
Raw Material Exports				
HS4101	60.78	71.45	-12.12	-15.30
HS4102	21.10	46.82	16.70	0.41
HS4103	0.17	0.07	37.15	66.25
Part-processed Leather Exports				
HS4104	21.30	9.25	-11.11	-9.37
HS4105	0.08	0.09	-4.08	4683.48
HS4106	0.24	0.00	21.60	22.00
Finished Leather Exports				
HS4107	116.68	3.88	42.37	11.61
HS4112	8.11	0.17	15.74	34.45
HS4113	3.66	0.08	74.56	50.96
HS4114	0.51	0.02	31.74	-22.19

UK imports of hides, skins and wet blue, crust and finished leather in 2022

IMPORTS (by HS code*)	Trade in 2022		Change (% vs 2021)	
	Value (£m)	Volume (ktonnes)	Value	Volume
Raw materials	7.57	7.31	-60.77	-51.98
Part-processed leather	14.23	3.45	77.95	44.16
Finished leather	125.12	7.74	28.28	-27.33
Total imports	146.92		17.69	
Raw Material Imports				
HS4101	4.78	6.26	-70.73	-55.60
HS4102	1.97	0.47	-22.43	-19.43
HS4103	0.83	0.58	87.57	6.82
Part-processed Imports				
HS4104	12.69	3.28	112.31	99.09
HS4105	0.69	0.03	9.84	-44.44
HS4106	0.85	0.15	-39.06	-79.24
Finished Leather Imports				
HS4107	125.12	7.51	134.28	-28.18
HS4112	1.53	0.04	484.38	329.11
HS4113	1.53	0.04	152.15	15.11
HS4114	3.21	0.15	5.86	-1.64

The UK industry has a market presence across the globe; UK-manufactured finished leather is sold in over 80 countries. However, the majority of trade, in raw hides and skins, wet blue and crust and finished leather, is transacted with five to ten trading partners per category and often dominated by one or two.

UK trade in raw hides and skins by main countries in 2022

Export markets for raw materials remained concentrated with the five largest markets, accounting for over 90% of the value of trade in each raw material category. As in previous years, Italy and China were far and away the most important markets, accounting for over 78% of exports of bovine hides albeit slightly reduced from 2021 (81%). China and Turkey continued to be the largest export destinations for ovine skins, taking nearly 84% of exports on a value basis. Encouragingly, while volumes remained largely unchanged, the value of ovine exports grew by 16.70%, a very positive change for a struggling market.

Imports were also dominated by the five largest sources. The Northern Ireland and the Republic of Ireland remained the largest source of bovine raw materials accounting for 82.69% of the value of total imports, albeit down from over 96% in 2021. However, as previously noted, the total values for both imports and exports of raw materials decreased markedly in 2022, compared to 2021.

Export	Value (£m)	% of total (all countries)	Imports	Value (£m)	% of total (all countries)
HS4101					
ITALY	29.76	48.96	NORTHERN IRELAND	2.72	56.96
CHINA	17.78	29.25	IRISH REPUBLIC	1.23	25.73
FRANCE	4.50	7.41	FRANCE	0.21	4.36
GERMANY	2.25	3.70	TAIWAN	0.16	3.15
NETHERLANDS	1.02	1.68	U.S.A	0.15	3.35
Top 5 TOTAL	55.30	90.99	Top 5 TOTAL	4.47	93.54
HS4102					
CHINA	10.52	49.85	ETHIOPIA	1.37	69.39
TURKEY	7.01	33.24	TURKEY	0.33	16.71
ARGENTINA	1.30	6.14	CHILE	0.19	9.77
POLAND	0.68	3.23	CHINA	0.03	1.66
SPAIN	0.44	2.07	ITALY	0.01	0.65
Top 5 TOTAL	19.95	94.52	Top 5 TOTAL	1.93	98.18
HS4103					
CZECH REPUBLIC	0.05	30.91	U.S.A.	0.60	71.96
HONG KONG	0.04	24.42	AUSTRALIA	0.09	11.00
NIGERIA	0.03	16.26	ITALY	0.07	8.57
CHINA	0.02	10.13	FRANCE	0.03	3.74
ITALY	0.02	9.70	SPAIN	0.03	3.42
Top 5 TOTAL	0.15	91.41	Top 5 TOTAL	0.82	98.69

UK trade in wet blue and crust leather by main countries in 2022

Exports of part-processed leathers fell by 10.82% and 8.46% in value and volume respectively. Italy replaced Belgium as the primary destination for bovine material but while the value exports to Italy exceeded that of 2021, total exports fell by 11.11% in value terms.

The top 5 importing countries dominated the overall value of imports, accounting for nearly 73% of total bovine wet blue and crust imports. Distribution in terms of value was more concentrated than in 2021. Italy became the top exporting nation with values up from £0.46m in 2021 to £3.53m in 2022. Volumes and values were up for HS4104 and HS4105 but fell for HS4106.

Export	Value (£m)	% of total (all countries)	Import	Value (£m)	% of total (all countries)
HS4104					
ITALY	13.85	65.04	ITALY	3.53	27.84
BELGIUM	4.39	20.60	GERMANY	2.46	19.42
NETHERLANDS	1.05	4.94	ARGENTINA	1.42	11.21
SPAIN	0.33	1.56	DENMARK	0.98	7.70
U.S.A.	0.27	1.26	SPAIN	0.82	6.45
Top 5 TOTAL	19.89	93.40	Top 5 TOTAL	9.21	72.62
HS4105					
TURKEY	0.03	35.19	ETHIOPIA	0.50	71.62
CHINA	0.03	33.90	THAILAND	0.05	6.91
FRANCE	0.01	7.79	U.S.A.	0.04	5.84
ROMANIA	0.01	6.49	POLAND	0.03	4.66
ITALY	0.00	4.97	NIGERIA	0.03	3.88
Top 5 TOTAL	0.07	88.33	Top 5 TOTAL	0.65	92.90
HS4106					
SINGAPORE	0.03	12.26	TURKEY	0.23	27.26
U.S.A.	0.03	11.42	NIGERIA	0.16	18.69
FRANCE	0.03	10.80	ITALY	0.15	17.43
CZECH REPUBLIC	0.02	10.38	CHINA	0.13	14.90
NETHERLANDS	0.02	7.28	INDIA	0.09	10.39
Top 5 TOTAL	0.12	52.14	Top 5 TOTAL	0.75	88.67

UK trade in finished leather by main countries in 2022

Overall, the value and volume of UK finished leather exports in 2022 increased by 41.02% and 12.72%, respectively, compared to 2021. Increases were seen in export values and volumes for all finished leather types, with the exception of HS4114, which increased in value but fell in volume.

The USA and Romania remained the top two destinations for finished bovine leather. Thailand and Vietnam remained the key destinations for HS4112, maintaining the dominance established in 2021.

The value of UK finished leather exports increased by over 41%, a near full reversal of the fall in 2021, largely due to a 44% fall in the value of finished bovine leather exports as UK leather exports continued to be dominated by bovine leather. However, as noted, growth in exports was seen for all leather types.

The five largest destination accounted for 54.77% of UK finished bovine leather exports, slightly down from 2021, with three of the five destinations remaining unchanged. The USA remained the major destination for UK leather and with export values surging by Over 79%, year on year, albeit somewhat short of the value in 2019 (£33.98m).

Italy and Germany continued to dominate imports of finished leather to the UK, with significant increases in import values compared to 2021. Imports from Italy increased by over 74% in value but fell by 3% as a proportion of the value total to imports, demonstrating the strength of the recovery of all importing nations. Italy became the number one exporting nation to the UK in all leather categories, with large increases in the value of exports for HS4112 and HS4114.

UK trade in finished leather by main countries in 2022

Export	Value (£m)	% of total (all countries)	Import	Value (£m)	% of total (all countries)
HS4107					
U.S.A.	25.33	21.71	ITALY	77.67	62.07
ROMANIA	12.87	11.03	GERMANY	11.36	9.08
MOROCCO	10.69	9.16	LITHUANIA	6.19	4.95
CZECH REPUBLIC	8.50	7.29	SPAIN	4.72	3.77
HONG KONG	6.51	5.58	U.S.A.	4.25	3.40
	63.90	54.77		104.19	83.27
HS4112					
VIETNAM	3.58	44.19	ITALY	0.76	49.30
THAILAND	1.46	18.04	FRANCE	0.33	21.85
INDONESIA	0.83	10.27	THAILAND	0.12	7.94
HONG KONG	0.59	7.33	TURKEY	0.10	6.81
BURMA	0.37	4.54	VIETNAM	0.07	4.78
	6.84	84.37		1.39	90.68
HS4113					
U.S.A.	0.81	22.01	ITALY	0.61	39.79
GERMANY	0.73	19.84	CHINA	0.37	23.96
VIETNAM	0.59	16.10	POLAND	0.14	8.89
SRI LANKA	0.46	12.62	INDIA	0.07	4.71
CHINA	0.17	4.74	SOUTH KOREA	0.05	3.28
	2.76	75.32		1.23	80.63
HS4114					
INDIA	0.11	21.39	ITALY	2.04	63.61
BAHRAIN	0.06	11.65	TURKEY	0.34	10.46
ITALY	0.05	9.41	SPAIN	0.21	6.49
GERMANY	0.04	7.79	POLAND	0.19	5.91
KUWAIT	0.03	6.12	INDIA	0.15	4.81
	0.29	56.37		2.93	91.29

UK leather goods (excluding footwear): import and export in 2022

The British leather industry has a long history of traditional craftsmanship. The UK is home to some of the finest leather and leather goods in the world. British designers are producing high-end leather products, including bags and apparel, which are sought after throughout the world.

In 2022, the UK was again a net importer of leather goods. The trade deficit increased again in 2022, compared to 2021, up to £498m (cf. £314million in 2021). Export values increased for almost all the HS codes considered, with the exception apparel (HS4203), in spite of falling volumes for several product categories. Indeed, overall export value was up by 2.66%, against a fall in volumes of 5.01%. Imports also grew in value and volume. However, the increase in value far outstripped that in volume, possibly due to inflationary changes.

UK export and import of leather goods in 2022

HS Code	Export				Imports			
	Value (£m)	Volume (ktonnes)	Change vs 2021 (%)		Value (£m)	Volume (ktonnes)	Change vs 2021 (%)	
			Value	Volume			Value	Volume
42010000	51.07	1.13	7.44	7.12	152.24	9.78	21.64	-8.13
42021110	70.25	0.29	1.32	46.33	17.57	1.00	20.29	121.63
42022100	284.42	0.98	0.84	7.01	609.52	6.44	33.22	5.92
42023100	44.63	0.31	1.69	-42.67	103.05	2.81	-8.11	24.48
42029110	17.45	0.06	100.99	-36.85	27.46	0.64	48.91	-22.90
42031000	44.26	0.32	-9.74	-36.50	102.92	1.55	17.69	-11.30
42050011	2.39	0.06	290.07	368.29	0.35	0.04	3.41	-49.22
TOTAL	514.47	3.15	2.66	-5.01	1013.11	22.26	24.21	0.77

*HS code definitions

HS4101 - Raw hides and skins of bovine "incl. buffalo" or equine animals, fresh, or salted, dried, limed, pickled or otherwise preserved, whether or not dehaired or split (excluding tanned, parchment-dressed or further prepared).

HS4102 - Raw skins of sheep or lambs, fresh, or salted, dried, limed, pickled or otherwise preserved, whether or not dehaired or split (excluding those with wool on, fleeces of Astrakhan, Caracul, Persian, Broadtail or similar lambs, or of Indian, Chinese, Mongolian or Tibetan lambs and tanned, parchment-dressed or further prepared).

HS4103 - Other raw hides and skins, fresh, or salted, dried, limed, pickled or otherwise preserved, whether or not dehaired or split (excluding those of bovine animals, equine animals, sheep and lambs, those with wool on and those of goats or kids from Yemen, Mongolia or Tibet and tanned, parchment-dressed or further prepared).

HS4104 - Tanned or crust hides and skins of bovine "incl. buffalo" or equine animals, without hair on, whether or not split (excluding further prepared).

HS4105 - Tanned or crust skins of sheep or lambs, without wool on, whether or not split (excluding further prepared).

HS4106 - Tanned or crust hides and skins of goats or kids, pigs, reptiles and other animals, without wool on, and leather of hairless animals, whether or not split (excluding further prepared and leather of bovine and equine animals, sheep and lambs).

HS4107 - Leather further prepared after tanning or crusting "incl. parchment-dressed leather", of bovine "incl. buffalo" or equine animals, without hair on, whether or not split (excluding chamois leather, patent leather and patent laminated leather, and metallised leather)

HS4112 - Leather further prepared after tanning or crusting "incl. parchment-dressed leather", of sheep or lambs, without wool on, whether or not split (excluding chamois leather, patent leather and patent laminated leather, and metallised leather).

HS4113 - Leather further prepared after tanning or crusting "incl. parchment-dressed leather", of goats or kids, pigs, reptiles and other animals, without wool or hair on, and leather of hairless animals, whether or not split (excluding leather of bovine and equine animals, sheep and lambs, and chamois leather, patent leather and patent laminated leather, and metallised leather).

HS4114 - Chamois leather, incl. combination chamois leather (excluding glacé-tanned leather subsequently treated with formaldehyde and leather stuffed with oil only after tanning); patent leather and patent laminated leather; metallised leather (excluding lacquered or metallised reconstituted leather).

HS42010000 - Saddlery and harness for any animal, incl. traces, leads, knee pads, muzzles, saddle cloths, saddlebags, dog coats and the like, of any material (excluding harnesses for children and adults, riding whips and other goods of heading 6602).

HS420211 - Trunks, suitcases, vanity cases, executive-cases, briefcases, school satchels and similar containers, with outer surface of leather, composition leather or patent leather.

HS420221 - Handbags, whether or not with shoulder straps, incl. those without handles, with outer surface of leather, composition leather or patent leather.

HS420231 - Wallets, purses, key-pouches, cigarette-cases, tobacco-pouches and similar articles carried in the pocket or handbag, with outer surface of leather, composition leather or patent leather.

HS420291 - Travelling-bags, insulated food or beverage bags, toilet bags, rucksacks, shopping-bags, map-cases, tool bags, sports bags, jewellery boxes, cutlery cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers, with outer surface of leather, composition leather or patent leather (excluding trunks, briefcases, school satchels and similar containers, handbags and articles normally carried in the pocket or handbag)

HS4203 - Articles of apparel and clothing accessories, of leather or composition leather (excluding footwear and headgear and parts thereof, and goods of chapter 95, e.g. shin guards, fencing masks).

HS4205 - Articles of leather or composition leather (excluding saddlery and harness bags; cases and similar containers; apparel and clothing accessories; whips, riding-crops and similar of heading 6602; furniture; lighting appliances; toys; games; sports articles; buttons and parts thereof; cuff links, bracelets or other imitation jewellery; made-up articles of netting of heading 5608; and articles of plaiting materials).