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THE ITALIAN LEATHER GOODS SECTOR
YEAR 2022 (Preliminary results)

Notes on the economic situation prepared by the Study Centre

CONFINDUSTRIA MODA

for

ASSOPELLETTIERI

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LEATHER GOODS: 2022 ON THE UPSWING, DRIVEN BY EXPORTS

According to the preliminary estimates drawn up by the Confindustria Moda Study Centre for Assopellettieri, 2022 closes with exports rising to over Euro 11.1 billion (+15.1%) and domestic consumption slowing down (+5.5% the retail sales index, which decelerated markedly in the second half of the year), accompanied by a resumption of flows (and shopping) of foreign tourism in Italy, significant but still decidedly far from the pre-pandemic figures. The further consolidation of demand, after the rebound in 2021, favoured positive trends in production (+6.7%) and turnover (+14.8% among the companies in the sample of associates).
Thus, the recovery towards pre-Covid levels continued (up to now only reached, and surpassed, by foreign sales in value, in addition to imports) and the surplus of the balance strengthened (EUR 7.2 billion, +4.6%), despite the flare-up in imports, confirming the sector as one of the major contributors to the national trade balance.

Among the best-performing foreign markets in 2022 were the USA, favoured by the strong dollar (+52% in value), South Korea (+34%), the United Arab Emirates (+69%) and France (+32.5%), which includes the return flows of production made in our country on behalf of third parties for French fashion multinationals.
The United Kingdom recovered (+36%), after the slump following Brexit, although it still presents a not inconsiderable gap with three years ago (-29%). Below average growth in China (+11.6%, with -13% in quantity), mostly confined to the luxury segment (price at KG +28%). Hong Kong declined; Japan did well (+25%), reducing the KG gap on 2019 to -4.1%.
Probable reorganisations in logistics put the brakes on flows to Switzerland (traditional hub of luxury multinationals and first destination: -3.2% in volume and -15% in value), in favour of direct shipments to end markets, without transit. Heavy setbacks in value for Russia (-24%, which, however, lost much less in quantity, -1.6%) and Ukraine (-51%), which slipped to 18th and 58th place in the market ranking; since the beginning of the conflict, exports to these two countries have fallen by -40.4% in value.

However, despite the appreciable increase in outflows in value, it is the quantities that suffer: exports in the first 10 months show a fall in terms of KG of -1.7%, with an offer increasingly positioned towards the high end of the range (+17.5% the increase in the average price per KG in the first 10 months of the year), which testifies to the double speed at which the sector is moving, once again driven by the luxury brands. In several important markets, double digit growth in value is accompanied by significantly smaller increases in quantity (as in the USA), if not even reductions (as in China, Germany and Spain).

It was therefore a positive year, but not for everyone, with many companies (43% of the panel, in the survey carried out last January) that, despite the double-digit average growth recorded by the sector as a whole, closed 2022 with modest results and with revenues that were still a long way from those of pre-Covid 2019. Complicating the scenario in which companies operate is the sharp rise in costs (raw materials and energy), which has eroded companies' margins and reduced liquidity, forcing them to absorb, as far as possible, part of the price increases in order not to lose customers.
Negative trends continued in the data on business demographics, which recorded a balance of -86 units at the end of December 2022 compared to 12 months earlier (-2.1%). With reference to employment, on the other hand, thanks to the return to improved rhythms of activity, there was a reversal of the trend compared to the contractions that had characterised the last two years (in which more than 1,800 jobs were lost): 2022 closed with an increase in the number of employees (+5.7%, according to Chamber of Commerce databases), bringing it back to 2019 levels. There was also a significant

reduction in the use of the CIG in the leather industry, which was still well above pre-emergency levels.

After the slump in 2020 and a rebound in 2021 that had left leather goods - one of the hardest hit, during the lockdown, among the national Textile, Fashion and Accessory sectors - still in the middle of the ford, far from pre-pandemic levels, 2022 was the year of rapprochement to normality after the health emergency: the gap with 2019 narrowed further, giving hope for a completion of the recovery during 2023. Exports were once again the sector's driving force.

- In the first 10 months of 2022 (latest official Istat data available), **exports** stood at EUR 9.1 billion, including pure marketing operations, +15.4% on the same period in 2021. In terms of quantity, however, the corresponding 54.3 million KG is -1.7% lower than a year ago (and -1% on pre-Covid January-October 2019). In value terms, however, the current figures are +5.2% higher than then.
The strong increase in value (the average price per KG rose by +17.5% over 2021) testifies once again that the best results were achieved by luxury goods, as confirmed - in addition to the quarterly reports of several fashion brands, which show brilliant 2022 performances in accessories - also by the export figures to France (+32.5% in value and +23% in KG), which include the return flows of processing carried out by Italian subcontractors for the brands.
Not so the other destination linked to the movements of the large fashion multinationals, Switzerland (their traditional logistics-distribution hub), which in the first 10 months, while confirming its first place in the ranking of countries, shows a -15.5% in value (with a -3.2% in KG). Rather than cyclical reasons, however, the figure is most likely to be interpreted in the light of an increase in shipments to end countries without transit through Swiss warehouses.
As far as the other outlet areas are concerned, the United States stands out - third destination in value - which, benefiting from the favourable exchange rate, recorded an increase of +51.6% on January-October 2021, thanks above all to the top of the range (average price up +48.3%). Also in North America, Canada (13th in the ranking) recorded +59% in value (with +27.5% in KG).
The situation was varied in the Far East (+25.6% in value globally): sustained growth for South Korea (+34%), Japan (+25%), Taiwan (+98%) and, among the "minor" markets, Singapore (after the collapse in recent years) and Thailand, which more than doubled their 2021 values; on the other hand, Hong Kong fell (-2.4%, with -21% in KG). Exports to China, after the spring setback due to lockdowns in several cities, recovered in value (thanks to a marked increase in average prices, reflecting the great difficulties for non-luxury products) but not in quantity (cumulative first 10 months: +11.6% in value but -13% in KG and average price rose to 517 Euro/KG, +28%). The alarm about the danger of new outbreaks - which emerged at the end of 2022 and which had led many countries, including Italy, to reintroduce controls at airports for passengers arriving from China - seems, fortunately, at the moment to have been overcome.
In the Middle East, the United Arab Emirates (+69% in value), a likely 'bridge market' (as well as Turkey, up +130% and Kazakhstan, +97%) for Russian purchases, did very well.
In Europe, the United Kingdom (+36%) started up again after the post-Brexit slump, but remains a long way off (-29% in value and -46% in quantity) from 2019. Among the members of the European Union (+19.2% in value globally), Germany (seventh destination in value, but second in volume, despite a -14% drop) scores +15.4%.
The worst trends were, of course, Russia and Ukraine, which together lost -26.6% in value in the first 10 months, with -40.4% from March to October (i.e. after the start of the conflict). With regard to Russia, however (-23.8% in value in the first 10 months), it should be noted that the contraction in terms of quantity (KG) is decidedly less penalising (-1.6%), indicating a probable change in purchasing habits on the part of consumers who - also because forced by EU sanctions, which prohibit the export to Russia of luxury goods, including fashion and accessories, priced above €300 wholesale - choose less expensive products. The situation on the Ukrainian market is quite different, where the drop in value (-51.3%) is accompanied by a

similar -51.9% drop in KG.

An examination by commodity shows increases in the order of +20% for foreign sales of leather articles, both in value and quantity, while goods made of other materials (which had been characterised by a considerable rebound in 2021) only showed growth in value in the first 10 months of 2022, and this was much more modest (+6.4%).
All types are characterised by an increase in value over 2021, albeit of varying intensity. Bags, by far the most sold product (they cover more than 2/3 in value of the outflows in the period analysed), show an increase of +17.5%; followed at a distance by small leather goods (wallets, purses, key rings and pocket or handbag items), with a 16.3% share (and almost identical growth: +17.6%). Less than +10%, however, was the increase for the other items (with +7.8% for belts).

The 12-month projections made by the Centro Studi di Confindustria Moda - given the expected continuation in the last two months of the favourable trend that has characterised recent months (in terms of value, there has not been the fall recorded in quantities from April onwards) - present few changes in the final figures compared to those of the first 10 months: in fact, the entire year is expected to close with a growth in exports of +15.1% in value (only three tenths of a point less than in the first 10 months), which should bring it to 11.16 billion euros (with a final balance of around 7.2 billion).

- Imports of leather goods showed +41.5% in value over the first 10 months of 2021, with +32.6% in quantity. Strong increase for flows from China (+77% in value and +55.5% in KG), by far the leading supplier with 56% of total volume. Leather products cover a marginal share of incoming quantities (10.3% of KG imported).

- The sector's **trade balance**, "held back" by the flare-up in imports, was in the black by EUR 5.85 billion (a recovery of +4.7% over the first 10 months of 2021); a figure not far from the levels of January-October 2019 (-1.6%). Despite the less than striking growth, which dropped leather goods to 7th place in terms of assets among the 99 commodity chapters of which the customs nomenclature is composed (it was 5th at the end of 2021), it remains an outstanding result.

- On the domestic consumption front, the ISTAT cumulative index for the value of **Italian retail** sales of leather goods and footwear shows, with reference to the entire year, a +5.5% on January-December 2021, while remaining -4% below the (already largely unsatisfactory) levels of 2019. A rather disappointing trend, especially when compared to the performance on foreign markets. As the months went by - also due to the comparison with periods that were already on the upswing compared to those strongly penalised by the pandemic - the pace of recovery slowed down: after a +17.9% trend in the first quarter, the second fraction recorded +9.2%; the third an even more modest +3.1% and the fourth even a slight drop (-1.5%). The simultaneous jump in imports, albeit including goods destined for subsequent re-export and not for the domestic market, makes competition in Italy increasingly fierce.

With reference to the **shopping of foreign tourists,** despite the significant increase in arrivals and presences compared to 2021, particularly in the summer months, the gap with the pre-crisis period persists (obviously aggravated by the absence of Russians). In the first 10 months, preliminary data released by Istat indicate a gap of more than -20% for arrivals from abroad and around -13% for presences over the same period in 2019.

The restart of demand, domestic and foreign, had positive effects on production and turnover dynamics in 2022.
- The ISTAT index of **industrial production** - which measures the change over time in the physical volume of production carried out by industry - shows an increase of +6.7% over 2021 for the item 'Travel goods and leather goods'.

After a first half of the year characterised by a double-digit recovery (+12.3%) and a third quarter of weak growth (+3%), in Q4 the index was substantially unchanged compared to a year ago (-0.2% on October-December 2021), confirming a slowdown in the pace of activity following the general slowdown in demand volumes, on international markets and in Italy, described by export and retail sales data. The gap with the index value for 2019 pre-pandemic is -9.5%.
Despite the slowdown, the year nevertheless closed with a positive sign. The economic survey conducted in January by Confindustria Moda revealed that - among the companies contacted - the share of those that experienced a growth in physical production in 2022 compared to the previous year was 58%.

- The same survey showed among Assopellettieri members, for the fourth quarter, tendential increases in both turnover (+15.1%) and order intake (+10.3%).

With reference to the full year 2022, on the other hand, by weighting the responses received with company size, we estimate a recovery of **turnover in** the panel of +14.8% on January-December 2021. If applied to sector turnover, this would bring the gap to the pre-Covid 2019 situation to around -4.6%.
A majority share of the companies reached (63%) indicated an increase compared to 2021 revenues (and for 18% of the sample the increase was more than +20%). At 18%, the share of those who reported no change was also similar to those who reported a setback (19%).
Despite the positive tone of 2022, there are still many realities that were not able to make up, on balance, for the revenue losses suffered during the pandemic. In fact, 43% of the leather goods companies surveyed stated that they ended the year with turnover below 2019 levels ("by a little" for 25% of the panel, "much less than then" for 18%), a sign of a decidedly uneven recovery.

The high costs of raw materials and semi-finished products and the high utility bills are the **critical factors** reported by the responding entrepreneurs, who had to face heavy consequences on their margins due to price increases during the year.

The economic development in the **first quarter of 2023** compared to the last quarter of last year is expected to be 'stable' by half of the respondents, but the remaining 50% of the sample sees those who fear a worsening (32%) prevailing over the optimists (18%).
Expectations on turnover trends in the first quarter (to be treated with caution, since they were collected in January, at the beginning of the period analysed) are oriented towards a further recovery in revenues, but with a further reduced intensity (+10.1%) compared to previous quarters, with a decrease in growth indications (53% of the panel) and an increase to 24% of those who expect a decrease compared to a year ago.

- Figures on **company births and deaths** from Infocamere-Movimprese show a drop in the number of active companies at the end of December of -2.1% on twelve months ago, corresponding to a negative balance of -86 companies, between industry and handicrafts. Disaggregated by region, the only one among the main ones in counter-trend with a positive balance on 2021 is Campania (+12, or +3.7%). The others close with a backward trend: by a few units - such as Lombardy (-1) and Abruzzo (-5) - or somewhat more conspicuous, such as Veneto (-14), Emilia Romagna (-20) and Marche (-22). The latter region has the heaviest negative balance, the same as Tuscany (-22), which, however, registers a moderate -1.1% in percentage terms, due to the high absolute number of leather manufacturers (48.7% of leather manufacturers are located in this region).

- As for employees, the return to more 'normal' rhythms of activity, after the pandemic shock, favoured the re-absorption in 2022 of the losses suffered in the previous two years: +5.7% on December 2021 brought the **workforce** employed back to the levels of three years ago (+0.05%). Recoveries affected all the main regions with a leather industry vocation, starting with Tuscany (+5.3%, which employs over 54% of the total national workforce), Campania and Lombardy (on the podium, a long way behind the former). Emilia Romagna (-2.8%), Marche (-5.4%) and Abruzzo (-2.4%) bucked the trend.

- In 2022, the hours of the **Wage Guarantee Fund for companies in the Leather sector** authorised by INPS fell significantly, similarly to the other sectors, to 13.1 million (-80.8% compared to 68.2 million in January-December 2021). Similar reductions affected both blue-collar workers (-80%) and white-collar workers (-84%).
The analysis of the appeal by quarter shows strong contractions in all (with -77.4% in the fourth). All regions show marked decreases in the use of the instrument. Veneto (-67.3%), Marche (-76.6%) and Campania (-80.8%) are the three with the highest number of hours granted between January and December (over 2.5 million each); together they cover 61% of the total hours. The drop for Tuscany was -90.4% (down from 17.6 to 1.7 million hours), with -86.7% for the province of Florence. In almost all the districts, however, recourse in 2022 was still well above the pre-pandemic situation; the only exception was Marche, whose number of hours was -1.7% lower than in 2019.

Milan, 14 February 2023

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THE ITALIAN LEATHER GOODS SECTOR
YEAR 2022 (Preliminary results) – HIGHLIGHTS

	2021	Preliminary results 2022	% change 22/21	% change 22/19 (preCovid)
	Billion Euro	Billion Euro		
Turnover	11.43	13.13	+14.8	-4.6
Exports	9.69	11.16	+15.1	+6.7
Imports	2.84	3.99	+40.7	+22.7
Balance of trade	6.86	7.17	+4.6	-0.5
Industrial Production ISTAT index (item Ateco CB1512); data adjusted for calendar effects			+6.7	-9.5
Italian Market: value of Retail trade sales ISTAT index referred to “Leather and Travel articles + Footwear”; raw data			+5.5	-4.0
No. of Companies	4,149	4,063	-2.1	-9.3
No. of Employees	32,982	34,857	+5.7	+0.0
Average number of employees per company	7.95	8.58	+7.9	+10.4

** Notes:*
- 2021 data: revised; 2022 data: provisional preliminary estimates;
- Turnover = estimate of the total turnover generated by exports and sales on the national market;
- Exports and Imports = 12-month estimates and projections based on available ISTAT data;
- Exports = including pure marketing operations (re-exports);
- Companies and Employees = Confindustria Moda/Assopellettieri estimates on Infocamere-Movimprese trends (item Ateco 1512).

Source: Forecasts by Confindustria Moda Research Centre for Assopellettieri, February 2023

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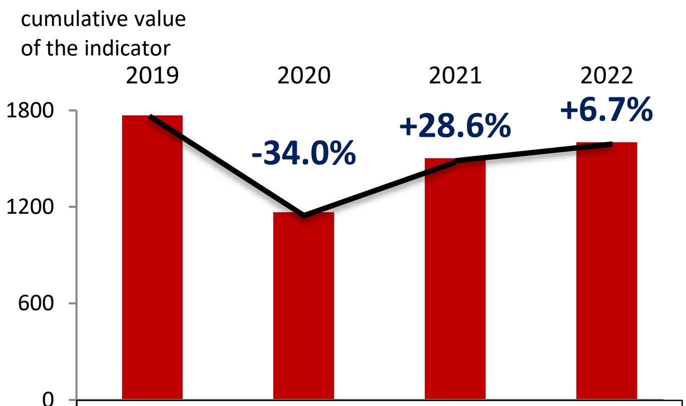
PRODUCTION TREND

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. Cumulative data.

% variation over the previous year

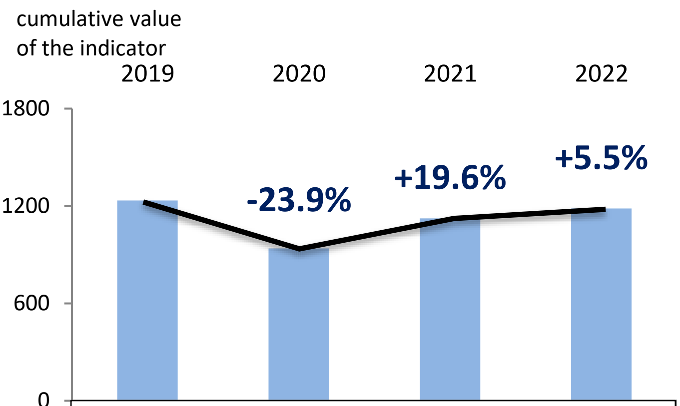


Cumulative total for Year 2022: +6.7% on year 2021 (but still -9.5% on 2019)

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. Cumulative data.

% variation over the previous year



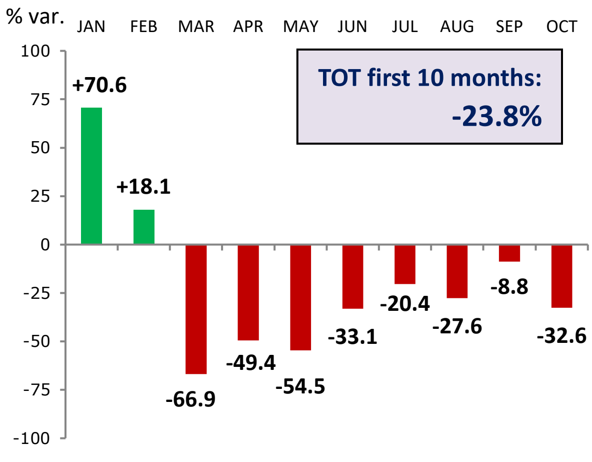
Cumulative total for Year 2022: +5.5% on year 2021 (but still -4.0% on 2019)

Source: ISTAT; calculations by Confindustria Moda on 10/02//2023

THE EFFECTS OF THE WAR BETWEEN RUSSIA AND UKRAINE

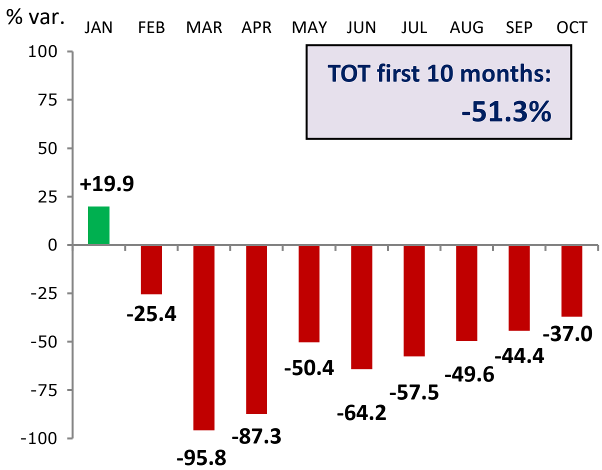
Italian leather goods exports to Russia and Ukraine in 2022 by month, in terms of value
(% change over same month 2021)

Exports to Russia



Since the outbreak of war (= March/October period): -38.1%

Exports to Ukraine

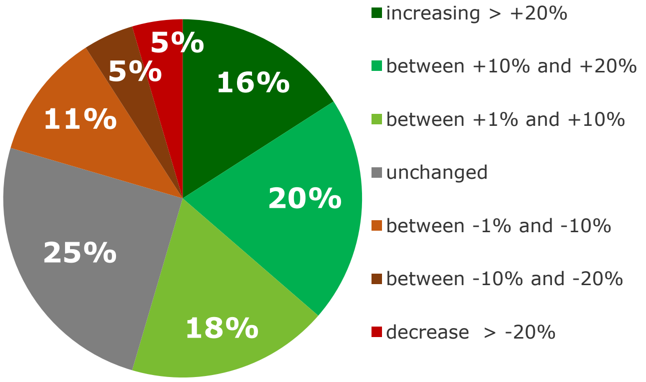


Since the outbreak of war (= March/October period): -61.1%

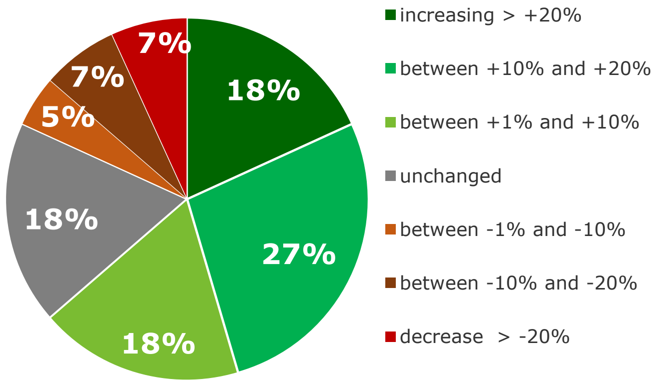
Source: Calculations by Confindustria Moda Research Centre using ISTAT data

Confindustria Moda 'Preliminary 2022 Figures' rapid economic survey, conducted in January 2023: focus on results reported by a sample of Assopellettieri member companies

1. What was the trend for TURNOVER in the FOURTH QUARTER 2022 (October-December) compared to the same period in 2021?



2. What was the trend for TURNOVER for the WHOLE YEAR of 2022 compared to 2021?



Like its predecessors, the **fourth quarter** was also characterised by a positive sign, closing better than the entrepreneurs expected when surveyed following the first nine months. In fact, when the answers received are weighted according to company size, the overall average growth in **turnover** for the sample was **+15.1%** over October-December 2021 (a point and a half above the expected level). 54% of the leather goods companies responding to the survey experienced a positive trend in sales (more than +20% according to 16% of the panel); 25% reported no change in revenues, while the remaining 21% reported shrinkage over the corresponding period in 2021 (though the drop was under -10% for about half of the companies reporting a decrease).

Order intake was also favourable: the companies surveyed experienced an average increase in orders of **+10.3%** in the fourth quarter over the previous year, confirming that the recovery appears set to continue at the start of 2023, albeit at less dynamic levels. In particular, the share of respondents reporting an increase in the number of orders compared to October-December 2021 was 52% (while 30% reported that orders were "stable").

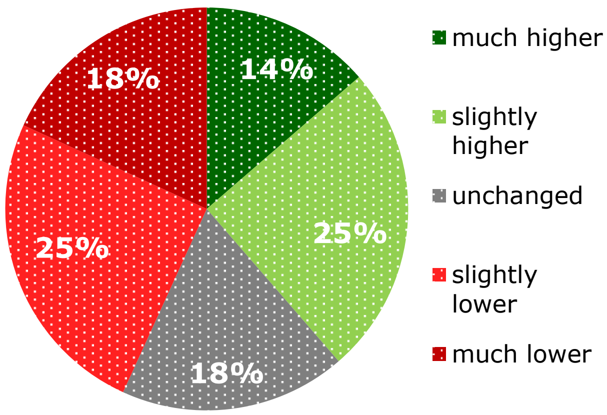
But recovery was uneven. Although a large proportion of the respondents recorded an increase in turnover compared to 2021, a fairly significant number of companies (43% of the sample) ended the year still below pre-Covid levels; and while 25% of the operators reported that 2022 turnover was only slightly lower than three years ago, 18% of them stated that their current revenues are significantly lower. On the other hand, 39% of the companies surveyed exceeded 2019 sales (25% only by a small amount, 14% by a considerable amount), while the remaining 18% still reached the same level, cancelling the gap generated by the pandemic.

Considering the **whole year**, a majority of companies (63%), experienced an increase in revenues compared to 2021. 18% of interviewees closed the year 2022 with increases of more than +20%, while a further 27% of respondents reported increases of "between +10% and +20%". By contrast, 19% reported a drop in annual turnover.

The average increase in **turnover** for the companies surveyed was **+14.8% over 2021** (above the figure of +14.4% forecast in October). If this result were extended to the entire leather goods sector, it would bring turnover to -4.6% compared to pre-Covid 2019 levels, further reducing the gap that still remains.

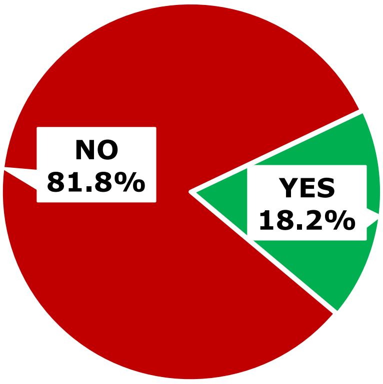
The positive trend in turnover was accompanied by a recovery in production. After the 'rebound' of 2021, 58% of the panel saw 2022 as a year confirming the growth trend in **physical production**.

3. TURNOVER for 2022 (FULL YEAR) compared to pre-Covid levels in 2019 was ...



Confindustria Moda 'Preliminary 2022 Figures' rapid economic survey, conducted in January 2023: focus on results reported by a sample of Assopellettieri member companies

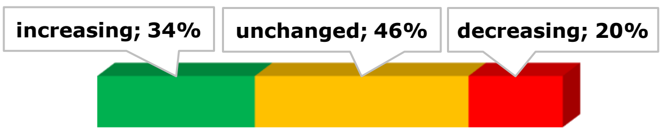
4. In the FOURTH QUARTER 2022 did your company use social security instruments (CIG wage support or similar instruments)?



In the last three months of the year, the share of surveyed leather goods manufacturers who stated that they had used **social security instruments** did not change much compared to the previous quarter, standing at **18.2%** (it was 22.7% in Q3, but it should be noted that a year ago, in Q4 2021, it was 60.7%). This figure reflects the sharp decrease in the number of hours of wage supported authorised by INPS, the national social security institute, for the leather industry in 2022 compared to the previous year.

The companies that, as of the time of the survey, planned to use social security instruments in the first quarter of 2023 represented 15.9% of the total: slightly less than in October-December.

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

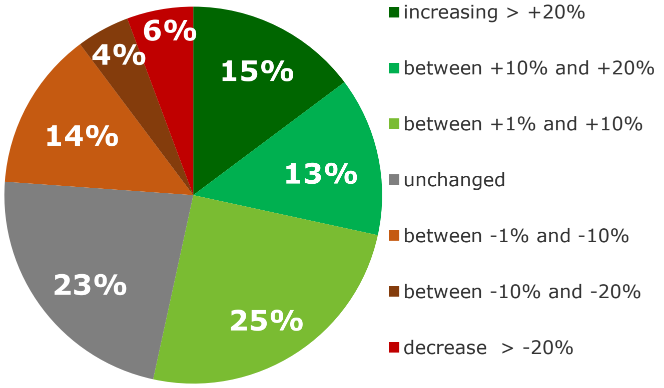


Signs of a reversal of the employment trend revealed by national chamber of commerce figures may also be found in the information reported by the companies surveyed. 34% of the panel experienced an increase in the workforce (often quite small) as of the end of December 2022 compared to the situation 12 months before. 46% declared that employment was stable, while 20% reported a contraction (the figure was 42% in December 2021).

6. What do you expect the WORKFORCE of your company to be in JUNE 2023 compared to DECEMBER 2022?

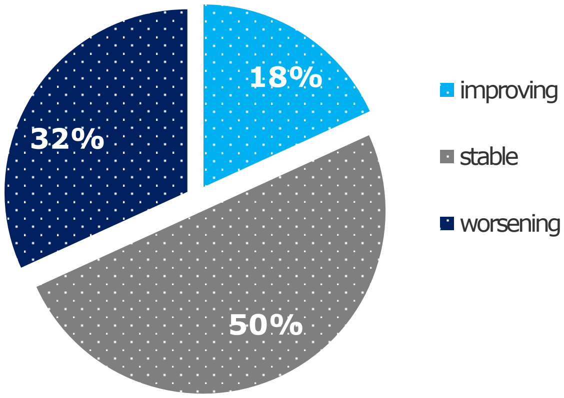
When asked to provide a mid-year forecast, 68% of leather goods manufacturers indicated no change from current levels; 23% expects an increase, while 9% a decrease.

7. What do you expect your TURNOVER to be in the FIRST QUARTER of 2023 compared to the same period in 2022?



In the **first quarter** of this year, 53% of survey respondents expect to see growth in **turnover** over the same period in 2022, although for most of them the expected increase is within the +10% range (25% of the panel). 23% of the entrepreneurs believe sales will remain at the levels of January-March 2022, while 24% fear a decline. The average year-on-year increase reported by the sample surveyed is estimated to be around **+10.1%**, down from the growth rates in previous quarters. This indication should be treated with caution, however, since the survey was conducted in January, when not even one whole month out of the three months analysed had elapsed.

8. How do you expect the economic situation to evolve in the FIRST QUARTER OF 2023 compared to the FOURTH QUARTER OF 2022?



Among the leather goods manufacturers surveyed, caution prevails regarding the trend in the first three months of the year. Half of the sample believe the economy will remain stable compared to the previous quarter. Among the remaining 50% of the panel, however, pessimism prevails (32%); 18% of the entrepreneurs foresee a further improvement, confirming that after several months of recovery and progressive consolidation, a – somewhat 'physiological' – slowdown is expected.

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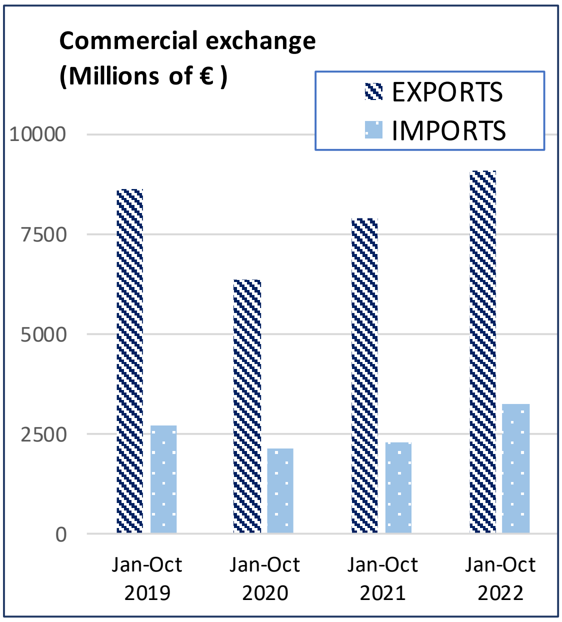
ITALIAN LEATHER GOODS COMMERCIAL EXCHANGE FIRST 10 MONTHS 2022

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

EXPORTS	Value (Millions of €)	Quantity (Millions of KG)	Average Price €/KG
First 10 months 2019	8,642.10	54.9	157.49
First 10 months 2020	6,360.88	43.4	146.45
First 10 months 2021	7,880.09	55.3	142.54
First 10 months 2022	**9,094.70**	**54.3**	**167.43**
% var 2022/2021	***15.4%***	***-1.7%***	***17.5%***
% var 2022/2019	***5.2%***	***-1.0%***	***6.3%***

IMPORTS	Value (Millions of €)	Quantity (Millions of KG)	Average Price €/KG
First 10 months 2019	2,698.77	121.0	22.31
First 10 months 2020	2,133.49	90.3	23.62
First 10 months 2021	2,293.58	93.2	24.62
First 10 months 2022	**3,246.33**	**123.5**	**26.29**
% var 2022/2021	***41.5%***	***32.6%***	***6.8%***
% var 2022/2019	***20.3%***	***2.1%***	***17.8%***

TRADE BALANCE	Value (Millions of €)
First 10 months 2019	5,943.33
First 10 months 2020	4,227.39
First 10 months 2021	5,586.51
First 10 months 2022	**5,848.37**
% var 2022/2021	***4.7%***
% var 2022/2019	***-1.6%***



Source: Confindustria Moda Research Center on ISTAT data

Exports by product type and raw material

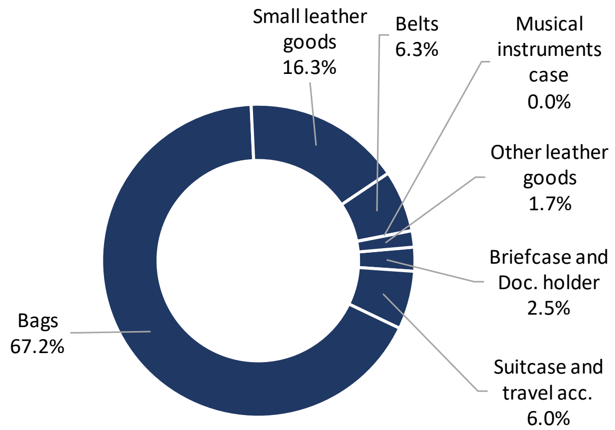
Period: January-October

Value in euro (millions)

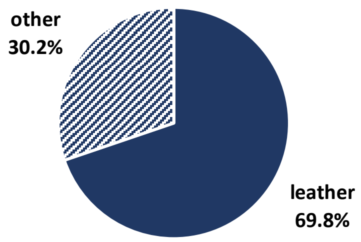
PRODUCTS	TOTAL				LEATHER				SUBSTITUTE			
	10m2021	10m2022	% Var 22/21	% Var 22/19	10m2021	10m2022	% Var 22/21	% Var 22/19	10m2021	10m2022	% Var 22/21	% Var 22/19
Briefcase and document holder	222.03	225.05	1.4%	-20.6%	91.70	102.71	12.0%	-10.5%	130.33	122.33	-6.1%	-27.5%
Suitcase and travel accessories	524.81	547.66	4.4%	-3.3%	188.79	181.60	-3.8%	-15.7%	336.02	366.06	8.9%	4.4%
Bags	5,196.30	6,108.05	17.5%	15.6%	3,466.30	4,307.14	24.3%	4.7%	1,730.00	1,800.91	4.1%	54.0%
Small leather goods	1,260.58	1,482.04	17.6%	-4.4%	875.39	1,025.53	17.2%	-13.1%	385.19	456.51	18.5%	23.5%
Belts	535.50	577.06	7.8%	-20.6%	535.50	577.06	7.8%	-20.6%	-	-	-	-
Musical instruments case	1.59	1.73	9.1%	30.0%	-	-	-	-	1.59	1.73	9.1%	30.0%
Other leather goods	139.28	153.12	9.9%	-33.5%	139.28	153.12	9.9%	-33.5%	-	-	-	-
TOTAL EXPORTS	**7,880.09**	**9,094.70**	**15.4%**	**5.2%**	**5,296.95**	**6,347.15**	**19.8%**	**-3.6%**	**2,583.13**	**2,747.55**	**6.4%**	**33.4%**

Source: Confindustria Moda Research Center on ISTAT data

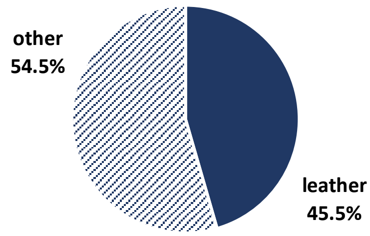
Exports by product type (value share)
First 10 months 2022



Value (share 10m2022)



KG (share 10m2022)



Quantity in kg (000)

PRODUCTS	TOTAL				LEATHER				SUBSTITUTE			
	10m2021	10m2022	% Var 22/21	% Var 22/19	10m2021	10m2022	% Var 22/21	% Var 22/19	10m2021	10m2022	% Var 22/21	% Var 22/19
Briefcase and document holder	8,068	8,087	0.2%	-2.2%	647	729	12.7%	23.8%	7,421	7,359	-0.8%	-4.2%
Suitcase and travel accessories	10,708	5,616	-47.5%	-15.1%	1,062	830	-21.8%	-30.4%	9,646	4,786	-50.4%	-11.7%
Bags	22,953	24,785	8.0%	2.6%	11,479	13,742	19.7%	1.5%	11,474	11,043	-3.8%	3.9%
Small leather goods	9,268	9,545	3.0%	-1.7%	2,743	3,185	16.1%	-7.1%	6,525	6,360	-2.5%	1.2%
Belts	2,662	3,946	48.2%	13.3%	2,662	3,946	48.2%	13.3%	-	-	-	-
Musical instruments case	43	46	5.4%	-6.0%	-	-	-	-	43	46	5.4%	-6.0%
Other leather goods	1,581	2,293	45.1%	-11.3%	1,581	2,293	45.1%	-11.3%	-	-	-	-
TOTAL EXPORTS	**55,283**	**54,319**	**-1.7%**	**-1.0%**	**20,173**	**24,725**	**22.6%**	**-0.3%**	**35,110**	**29,594**	**-15.7%**	**-1.6%**

Source: Confindustria Moda Research Center on ISTAT data

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Exports towards the main Countries of destination

Period: January-October **Ranking top 25 per value**

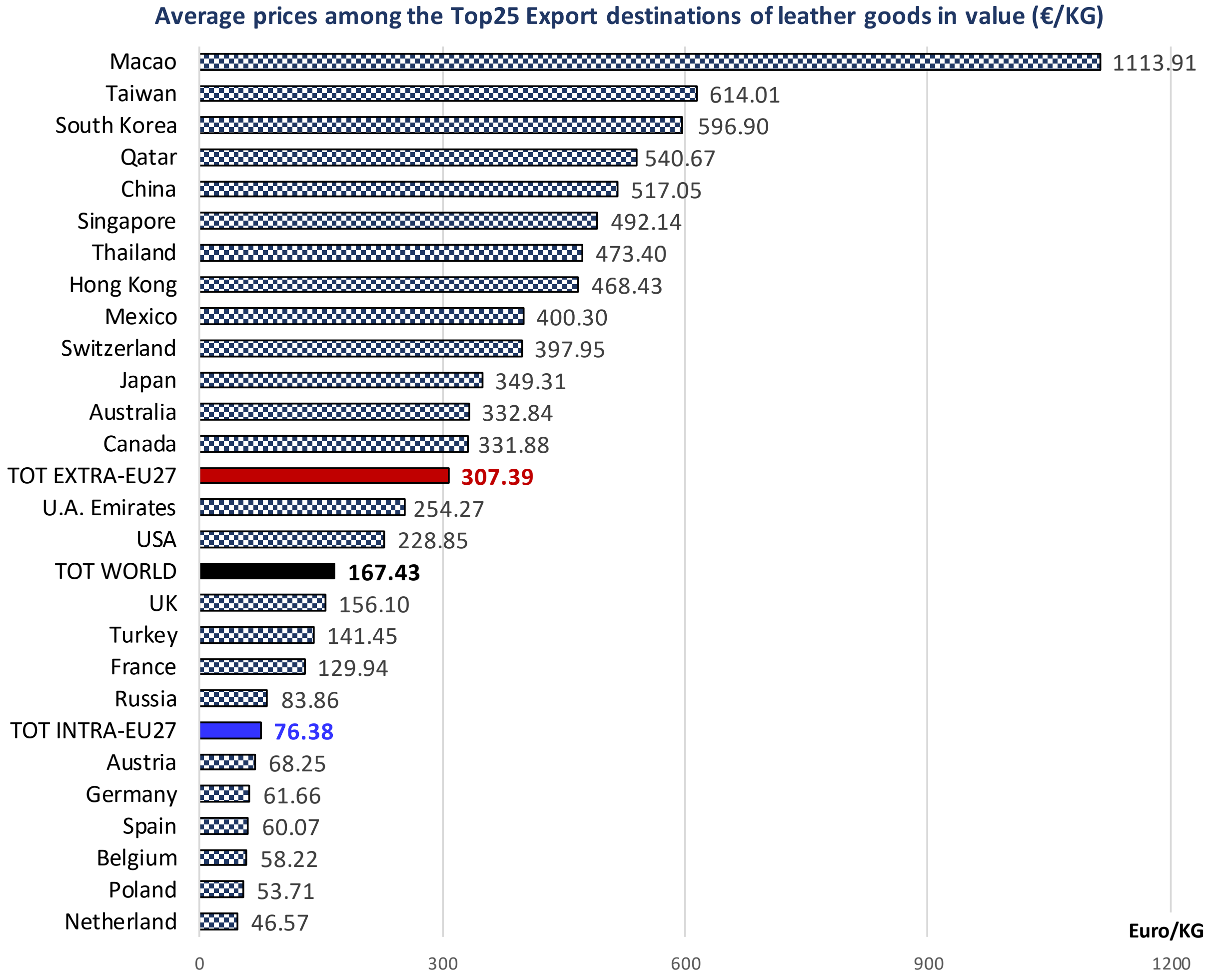
	Countries of destination	Value in euro (millions)					Quantity in kg (000)				
		10m2021	10m2022	*Share 2022 (%)*	% Var 22/21	% Var 22/19	10m2021	10m2022	*Share 2022 (%)*	% Var 22/21	% Var 22/19
1	Switzerland	2,340.21	1,978.29	*21.8*	-15.5%	-38.2%	5,133	4,971	*9.2*	-3.2%	-26.7%
2	France	974.63	1,291.25	*14.2*	32.5%	55.8%	8,104	9,937	*18.3*	22.6%	54.9%
3	USA	611.91	927.62	*10.2*	51.6%	66.9%	3,966	4,053	*7.5*	2.2%	1.9%
4	South Korea	637.27	852.51	*9.4*	33.8%	65.5%	1,273	1,428	*2.6*	12.2%	12.0%
5	China	550.71	614.75	*6.8*	11.6%	59.3%	1,362	1,189	*2.2*	-12.7%	4.9%
6	Japan	464.07	579.33	*6.4*	24.8%	33.1%	1,481	1,659	*3.1*	12.0%	-4.1%
7	Germany	412.33	475.72	*5.2*	15.4%	21.6%	8,985	7,715	*14.2*	-14.1%	9.3%
8	Hong Kong	310.77	303.38	*3.3*	-2.4%	-31.8%	823	648	*1.2*	-21.3%	-47.8%
9	UK	209.10	284.66	*3.1*	36.1%	-29.4%	1,647	1,824	*3.4*	10.7%	-46.3%
10	Spain	130.98	159.10	*1.7*	21.5%	5.6%	3,765	2,649	*4.9*	-29.7%	-17.6%
11	U.A. Emirates	65.93	111.16	*1.2*	68.6%	83.8%	334	437	*0.8*	30.8%	37.8%
12	Taiwan	55.02	109.07	*1.2*	98.2%	124.9%	128	178	*0.3*	38.4%	19.0%
13	Canada	66.14	105.38	*1.2*	59.3%	89.9%	249	318	*0.6*	27.5%	8.6%
14	Netherland	108.21	96.05	*1.1*	-11.2%	-28.6%	2,154	2,062	*3.8*	-4.2%	-0.9%
15	Poland	95.94	93.06	*1.0*	-3.0%	92.3%	1,930	1,733	*3.2*	-10.2%	36.6%
16	Australia	39.00	70.92	*0.8*	81.9%	47.4%	177	213	*0.4*	20.7%	-6.2%
17	Singapore	29.87	67.38	*0.7*	125.6%	18.9%	87	137	*0.3*	57.7%	-10.3%
18	Russia	87.16	66.38	*0.7*	-23.8%	-10.5%	805	792	*1.5*	-1.6%	26.6%
19	Thailand	25.63	61.29	*0.7*	139.1%	98.1%	69	129	*0.2*	87.1%	50.4%
20	Turkey	23.29	53.68	*0.6*	130.5%	96.0%	222	380	*0.7*	71.2%	88.4%
21	Austria	46.67	49.44	*0.5*	5.9%	-24.0%	1,655	724	*1.3*	-56.2%	-39.1%
22	Macao	40.42	46.97	*0.5*	16.2%	-15.1%	48	42	*0.1*	-11.5%	-27.4%
23	Mexico	27.96	44.93	*0.5*	60.7%	34.6%	80	112	*0.2*	40.3%	-25.8%
24	Qatar	16.33	42.03	*0.5*	157.4%	193.5%	57	78	*0.1*	35.5%	8.6%
25	Belgium	49.28	41.20	*0.5*	-16.4%	13.2%	751	708	*1.3*	-5.8%	-5.4%
	…										
	TOT. EXPORTS	**7,880.09**	**9,094.70**	***100.0***	**15.4%**	**5.2%**	**55,283**	**54,319**	***100.0***	**-1.7%**	**-1.0%**
	of which:										
	to EU27 Countries	*2,108.22*	*2,513.76*	*27.6*	*19.2%*	*26.6%*	*34,784*	*32,910*	*60.6*	*-5.4%*	*7.9%*
	to EXTRA-EU27	*5,771.87*	*6,580.94*	*72.4*	*14.0%*	*-1.1%*	*20,499*	*21,409*	*39.4*	*4.4%*	*-12.2%*

Source: Confindustria Moda Research Center on ISTAT data

EXPORTS

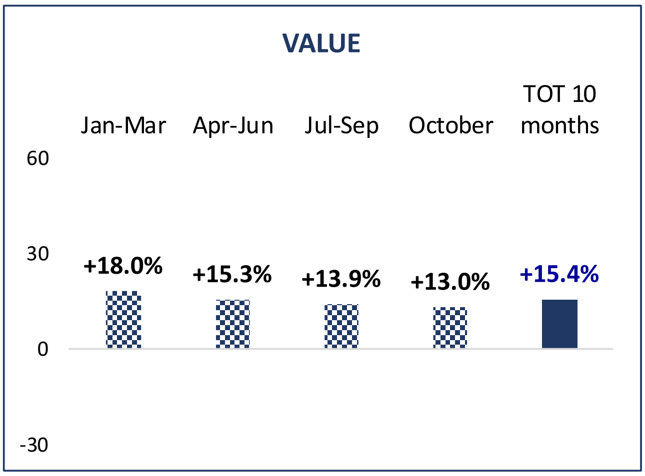
Average prices of the main destination Countries (€/KG)

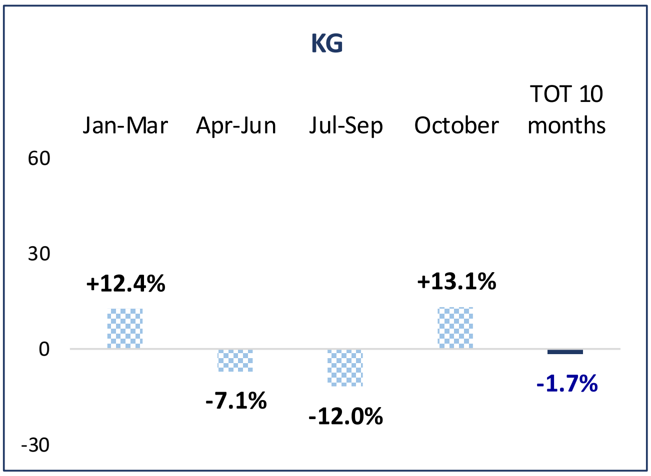
Period: January-October 2022



Exports trend in 2022 by period

(% change over the same months in 2021)





Source: Confindustria Moda Research Center on ISTAT data

Imports by product type and raw material

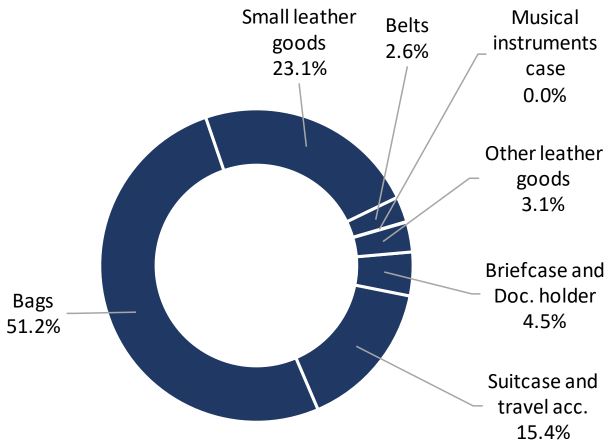
Period: January-October

Value in euro (millions)

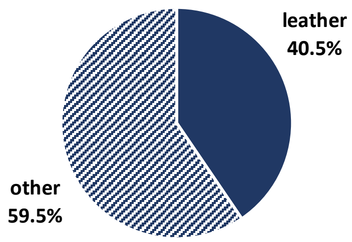
PRODUCTS	TOTAL 10m2021	TOTAL 10m2022	TOTAL % Var 22/21	TOTAL % Var 22/19	LEATHER 10m2021	LEATHER 10m2022	LEATHER % Var 22/21	LEATHER % Var 22/19	SUBSTITUTE 10m2021	SUBSTITUTE 10m2022	SUBSTITUTE % Var 22/21	SUBSTITUTE % Var 22/19
Briefcase and document holder	76.90	146.59	90.6%	2.3%	21.13	20.55	-2.8%	-32.2%	55.77	126.04	126.0%	11.6%
Suitcase and travel accessories	300.30	501.47	67.0%	21.4%	37.55	67.13	78.8%	36.7%	262.75	434.34	65.3%	19.4%
Bags	1,235.94	1,661.33	34.4%	24.2%	689.23	818.75	18.8%	4.9%	546.71	842.58	54.1%	51.4%
Small leather goods	526.08	749.20	42.4%	19.5%	190.70	222.21	16.5%	-16.0%	335.38	526.99	57.1%	45.5%
Belts	74.32	85.82	15.5%	-0.9%	74.32	85.82	15.5%	-0.9%	-	-	-	-
Musical instruments case	1.37	1.59	15.9%	22.2%	-	-	-	-	1.37	1.59	15.9%	22.2%
Other leather goods	78.67	100.33	27.5%	10.8%	78.67	100.33	27.5%	10.8%	-	-	-	-
TOTAL IMPORTS	**2,293.58**	**3,246.33**	**41.5%**	**20.3%**	**1,091.60**	**1,314.79**	**20.4%**	**1.0%**	**1,201.98**	**1,931.54**	**60.7%**	**38.3%**

Source: Confindustria Moda Research Center on ISTAT data

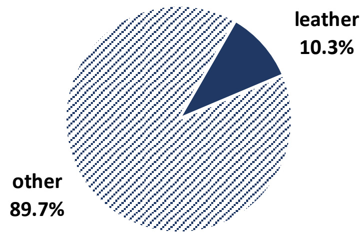
Imports by product type (value share)
First 10 months 2022



Value (share 10m2022)



KG (share 10m2022)



Quantity in kg (000)

PRODUCTS	TOTAL 10m2021	TOTAL 10m2022	TOTAL % Var 22/21	TOTAL % Var 22/19	LEATHER 10m2021	LEATHER 10m2022	LEATHER % Var 22/21	LEATHER % Var 22/19	SUBSTITUTE 10m2021	SUBSTITUTE 10m2022	SUBSTITUTE % Var 22/21	SUBSTITUTE % Var 22/19
Briefcase and document holder	5,557	14,766	165.7%	-4.3%	281	318	13.1%	-42.7%	5,276	14,448	173.9%	-2.8%
Suitcase and travel accessories	21,587	30,858	42.9%	-6.3%	1,744	2,095	20.1%	-10.9%	19,843	28,763	45.0%	-5.9%
Bags	28,441	33,636	18.3%	-2.7%	3,791	4,314	13.8%	-12.8%	24,650	29,321	18.9%	-1.0%
Small leather goods	31,580	40,327	27.7%	14.8%	3,545	2,223	-37.3%	-10.1%	28,035	38,104	35.9%	16.7%
Belts	3,907	1,611	-58.8%	63.0%	3,907	1,611	-58.8%	63.0%	-	-	-	-
Musical instruments case	120	125	4.0%	-2.1%	-	-	-	-	120	125	4.0%	-2.1%
Other leather goods	1,962	2,180	11.1%	19.9%	1,962	2,180	11.1%	19.9%	-	-	-	-
TOTAL IMPORTS	**93,154**	**123,502**	**32.6%**	**2.1%**	**15,229**	**12,740**	**-16.3%**	**-3.0%**	**77,925**	**110,762**	**42.1%**	**2.7%**

Source: Confindustria Moda Research Center on ISTAT data

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Imports from the main Countries of origin

Period: January-October **Ranking top 25 per value**

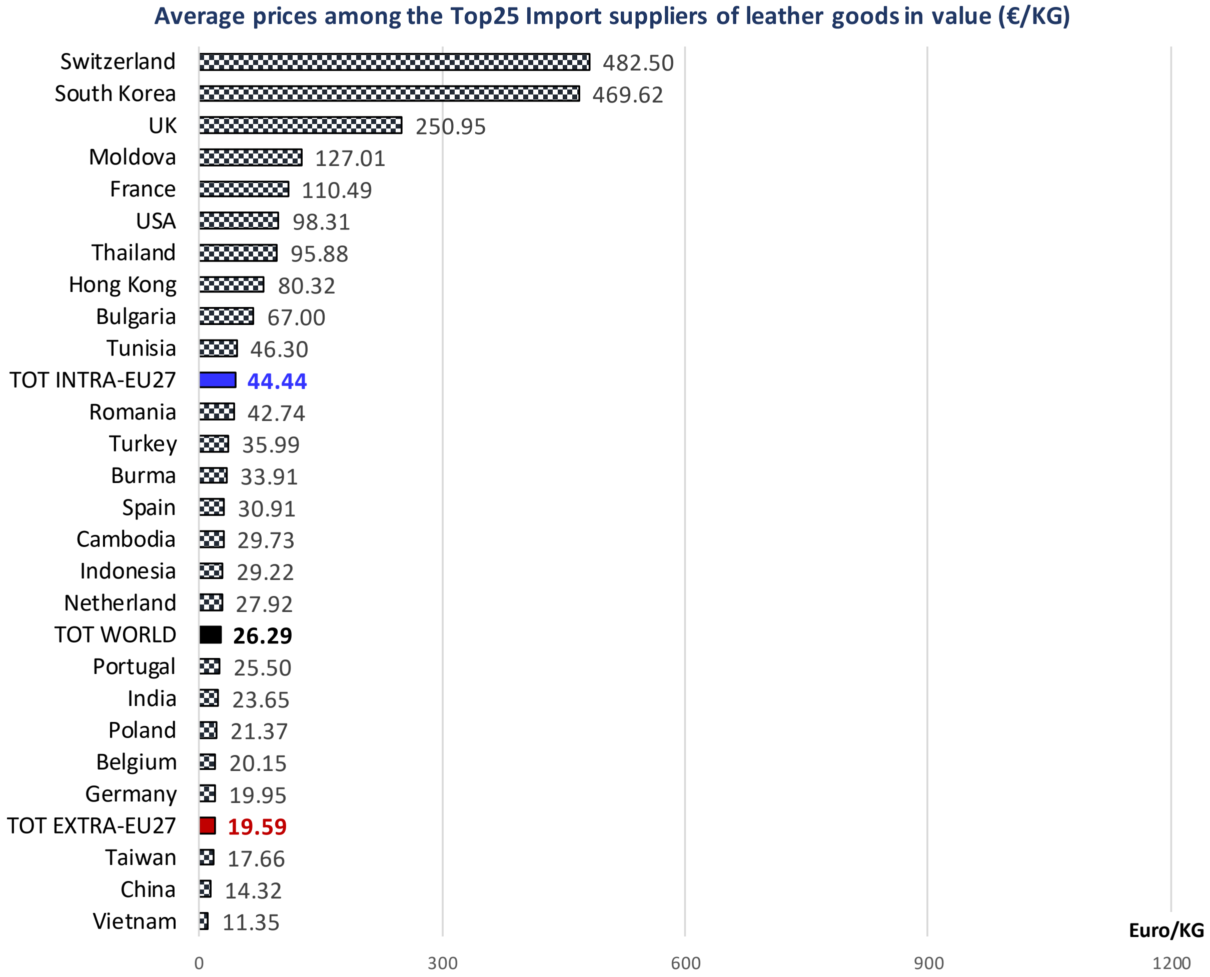
	Countries of origin	Value in euro (millions)					Quantity in kg (000)				
		10m2021	10m2022	Share 2022 (%)	% Var 22/21	% Var 22/19	10m2021	10m2022	Share 2022 (%)	% Var 22/21	% Var 22/19
1	China	561.85	992.68	30.6	76.7%	30.4%	44,572	69,318	56.1	55.5%	-8.4%
2	France	564.84	796.01	24.5	40.9%	29.0%	6,938	7,205	5.8	3.8%	14.6%
3	Switzerland	242.16	221.03	6.8	-8.7%	-30.1%	590	458	0.4	-22.4%	-40.6%
4	Spain	103.60	180.40	5.6	74.1%	115.1%	5,150	5,837	4.7	13.3%	134.5%
5	Germany	102.73	123.01	3.8	19.7%	37.4%	5,029	6,167	5.0	22.6%	47.1%
6	Netherland	117.62	113.30	3.5	-3.7%	-31.8%	4,167	4,057	3.3	-2.6%	1.0%
7	Vietnam	68.56	102.49	3.2	49.5%	86.5%	6,899	9,030	7.3	30.9%	27.9%
8	Romania	76.05	94.63	2.9	24.4%	14.8%	1,798	2,214	1.8	23.1%	-9.2%
9	Burma	48.63	93.44	2.9	92.1%	310.9%	1,795	2,756	2.2	53.5%	183.8%
10	Belgium	60.59	79.00	2.4	30.4%	-3.0%	2,768	3,920	3.2	41.6%	-13.5%
11	India	41.06	75.49	2.3	83.9%	-1.1%	1,718	3,193	2.6	85.8%	17.4%
12	Tunisia	21.91	32.44	1.0	48.1%	-11.5%	528	701	0.6	32.8%	-8.4%
13	Bulgaria	25.74	31.67	1.0	23.0%	-5.8%	431	473	0.4	9.7%	-24.1%
14	Indonesia	19.33	27.38	0.8	41.7%	217.0%	690	937	0.8	35.8%	96.8%
15	Turkey	15.88	27.37	0.8	72.4%	-10.2%	273	761	0.6	178.7%	110.3%
16	Hong Kong	21.57	25.02	0.8	16.0%	-37.4%	340	311	0.3	-8.5%	-48.3%
17	Cambodia	13.84	21.77	0.7	57.3%	618.9%	547	732	0.6	33.8%	382.0%
18	UK	25.18	20.08	0.6	-20.2%	-62.1%	118	80	0.1	-32.0%	-96.8%
19	USA	8.76	14.70	0.5	67.8%	70.0%	53	150	0.1	179.7%	79.3%
20	Thailand	8.45	12.18	0.4	44.2%	94.5%	104	127	0.1	22.1%	54.3%
21	Poland	12.61	11.07	0.3	-12.2%	29.6%	420	518	0.4	23.2%	40.5%
22	Taiwan	5.38	8.98	0.3	66.9%	329.3%	325	508	0.4	56.4%	441.6%
23	Portugal	9.00	8.57	0.3	-4.8%	9.3%	1,597	336	0.3	-78.9%	-11.8%
24	South Korea	9.91	8.28	0.3	-16.4%	36.5%	17	18	0.0	1.6%	26.5%
25	Moldova	8.81	7.91	0.2	-10.2%	-10.0%	79	62	0.1	-21.1%	-25.4%
	…										
	TOT. IMPORTS	**2,293.58**	**3,246.33**	**100.0**	**41.5%**	**20.3%**	**93,154**	**123,502**	**100.0**	**32.6%**	**2.1%**
	of which:										
	from EU27 *Countries*	*1,125.68*	*1,478.74*	*45.6*	*31.4%*	*21.1%*	*33,887*	*33,277*	*26.9*	*-1.8%*	*19.4%*
	from EXTRA-EU27	*1,167.90*	*1,767.59*	*54.4*	*51.3%*	*19.6%*	*59,267*	*90,224*	*73.1*	*52.2%*	*-3.1%*

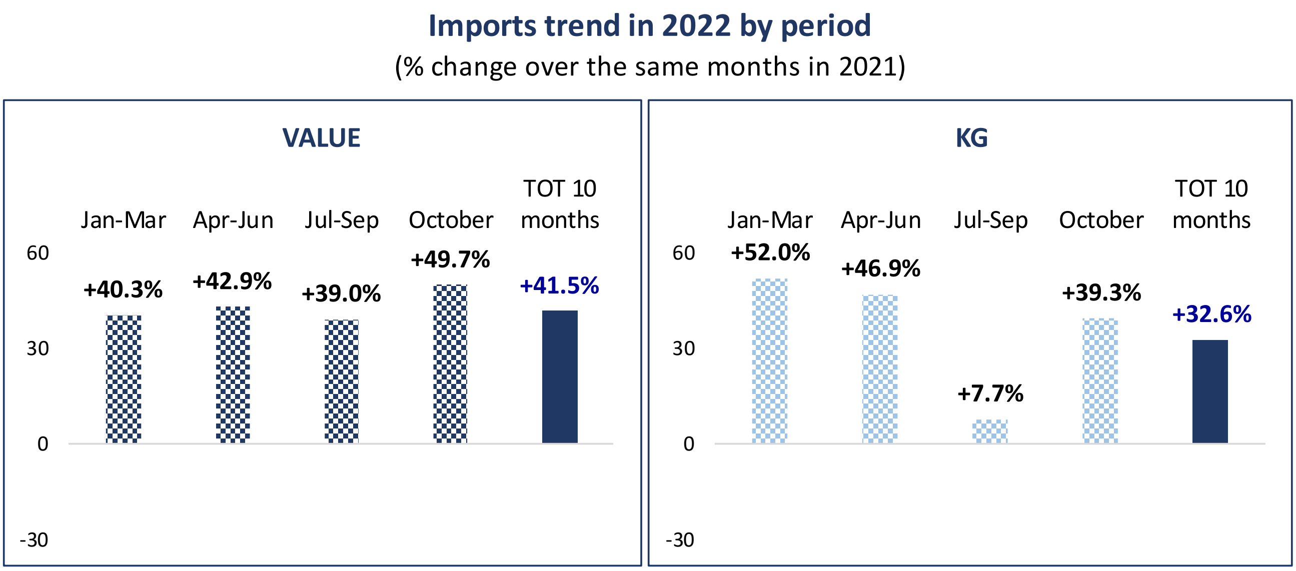
Source: Confindustria Moda Research Center on ISTAT data

IMPORTS

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

Period: January-October 2022





Source: Confindustria Moda Research Center on ISTAT data

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WAGE SUPPORT (C.I.G.)

Sector of activity: “Hides, leather and footwear” - Period January-December

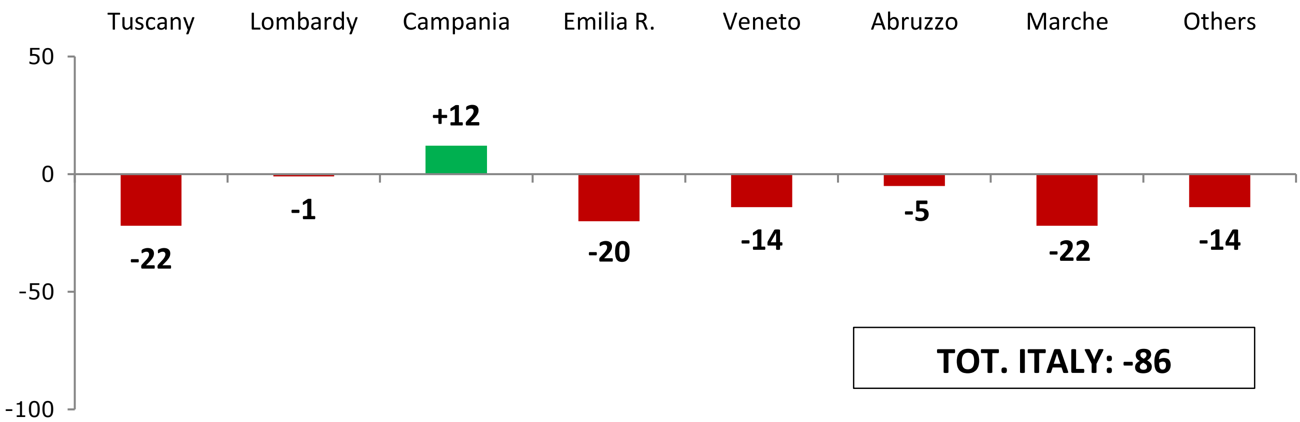
AUTHORISED HOURS OF WAGE SUPPORT in favour of factory and office workers

	2019 *(Hours)*	2021 *(Hours)*	2022 *(Hours)*	% change 22/21	% change 22/19
C.I.G. Ordinary	5,922,953	66,456,190	11,164,221	-83.2	+88.5
C.I.G. Extraordinary	2,373,973	1,732,232	1,921,530	+10.9	-19.1
of which:					
- extraordinary in strict sense	2,370,613	597,282	1,888,059	+216.1	-20.4
- in derogation	3,360	1,134,950	33,471	-97.1	+896.2
TOTAL	**8,296,926**	**68,188,422**	**13,085,751**	**-80.8**	**+57.7**
of which:					
first quarter (Jan-Mar)	*1,980,600*	*21,793,314*	*5,117,712*	*-76.5*	*+158.4*
second quarter (Apr-Jun)	*2,003,372*	*18,672,685*	*2,863,759*	*-84.7*	*+42.9*
third quarter (Jul-Sep)	*1,705,577*	*15,166,119*	*2,262,832*	*-85.1*	*+32.7*
fourth quarter (Oct-Dec)	*2,607,377*	*12,556,304*	*2,841,448*	*-77.4*	*+9.0*

	Hours authorised by region (ordinary + extraordinary)				
	2019 *(Hours)*	2021 *(Hours)*	2022 *(Hours)*	% change 22/21	% change 22/19
Piedmont	66,046	393,613	268,002	-31.9	+305.8
Lombardy	943,267	6,485,957	1,271,654	-80.4	+34.8
Veneto	1,436,002	8,419,903	2,751,863	-67.3	+91.6
Friuli V.G.	68,122	225,363	75,188	-66.6	+10.4
Emilia Romagna	395,498	4,169,623	589,481	-85.9	+49.0
Tuscany	599,817	17,609,893	1,696,807	-90.4	+182.9
Umbria	48,385	713,213	142,611	-80.0	+194.7
Marche	2,741,034	11,533,569	2,694,803	-76.6	-1.7
Abruzzo	65,311	838,156	130,859	-84.4	+100.4
Campania	1,405,431	13,198,013	2,533,114	-80.8	+80.2
Puglia	520,993	4,275,189	847,858	-80.2	+62.7
Other regions	7,020	325,930	83,511	-74.4	+1089.6
TOT. ITALY	**8,296,926**	**68,188,422**	**13,085,751**	**-80.8**	**+57.7**

Source: INPS, calculations by Confindustria Moda Research Centre for Assopellettieri_02/2023

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



Source: Confindustria Moda calculations and estimates