EU TRADE EXPLORER

Market evolution: Raw hides and leather (CN 41) — 2015–2025

Introduction

This report examines the EU's external trade in raw hides, skins, and leather (Harmonised System code 41) from 2015 to 2025. The product group spans raw bovine, sheep, and other hides, through semi-processed tanned/crust materials, to fully finished leather and specialty leathers. The analysis draws on a full-year-frequency data window (2015–2025) provided by the Trade Dashboard, excluding incomplete periods. Over this decade, the EU's position in this sector underwent a profound transformation: a large trade deficit turned into a solid surplus, driven by a dramatic contraction in imports and a strategic reorientation of export markets, while domestic production remained relatively stable.

1. A Fundamental Turnaround: From Net Importer to Net Exporter

Import contraction far outpaces export decline

Both exports and imports fell between 2015 and 2025, but the decline in imports was considerably steeper. According to the EU trade in raw hides and leather (CN 41) dashboard, export value decreased by 37.8 %, from EUR 3 529 million to EUR 2 194 million, while import value fell by 58.9 %, from EUR 3 737 million to EUR 1 536 million. Export volumes shrank by 17.1 % and import volumes by 37.8 %, indicating that even after accounting for reduced quantities, import spending dropped much faster.

Indicator (EUR or tonnes)	2015	2025	Change
Exports – value	3 528 566 550	2 194 088 789	–37.8 %
Imports – value	3 737 330 364	1 535 777 694	–58.9 %
Exports – quantity	605 432	502 024	–17.1 %
Imports – quantity	667 495	415 165	–37.8 %
Export unit price (EUR/t)	5 825	4 370	–25.0 %
Import unit price (EUR/t)	5 598	3 699	–33.9 %

Balance swings by over EUR 867 million

The disproportionate drop in imports turned the trade balance from a deficit of EUR 209 million in 2015 into a surplus of EUR 658 million in 2025 – a swing of more than

EUR 867 million. This surplus emerged despite falling export prices, as import volumes collapsed more than export volumes, reinforcing the net-export position.

Net import reliance turns deeply negative

The degree of net import reliance, tracked by the net import reliance indicator, moved from +1.9 % (a slight net importing position) in 2015 to –19.1 % in 2024 (the latest available year), confirming that the EU became a substantial net exporter of these products. The shift occurred progressively after 2019, accelerating through the pandemic and its aftermath.

2. Reconfiguration of Trade Partnerships: Diversification and Near-Shoring

Collapse of traditional export destinations in Asia

EU exports to China and Hong Kong – historically the two largest buyers – plummeted. Data from the top trading partners view show exports to Hong Kong falling by 83.1 % (from EUR 467 million to EUR 79 million) and to China by 54.1 % (from EUR 745 million to EUR 342 million). This contraction reflects structural shifts in Asian leather manufacturing and a global downtrend in raw material demand.

Export destination	2015 (EUR)	2025 (EUR)	Change
China	745 048 618	341 710 027	–54.1 %
Hong Kong	467 189 590	78 828 882	–83.1 %
United Kingdom	217 958 893	110 575 628	–49.3 %
Viet Nam	203 014 446	219 169 094	+8.0 %
Serbia	107 086 256	165 573 513	+54.6 %

Import sourcing concentrated among key raw material suppliers

On the import side, the EU’s main suppliers all recorded heavy value losses. Brazil (–64.1 %), the United Kingdom (–66.3 %), and the United States (–45.7 %) each saw imports more than halve. Even so, the market concentration HHI for imports rose from 516 to 609 (up 18.1 %), indicating that while volumes tumbled, the remaining imports concentrated somewhat more around a few suppliers. At the same time, the export HHI dropped from 871 to 664 (–23.8 %), showing a healthier diversification of export markets.

The rise of Serbia and Viet Nam as stable export markets

Amid broad declines, Serbia and Viet Nam stood out. Exports to Serbia grew by 54.6 % (to EUR 166 million), and to Viet Nam by 8.0 % (to EUR 219 million). These two destinations, along with Türkiye and India, helped cushion the blow from collapsing Chinese and Hong Kong demand. The volatility analysis shows that Serbia had a relatively low coefficient of variation in export quantities (0.14), whereas Hong Kong exhibited extreme instability (CV 0.76), reinforcing the benefit of this pivot.

3. EU Internal Dynamics: Specialisation, Production Resilience, and Export Propensity

Italy cements its role as the dominant leather hub

The market specialisation data for 2025 confirm Italy's overwhelming importance. Italy accounts for 40 % of EU production value and holds an RCA of 4.99, far ahead of the next-ranked member state (Spain, RCA 2.27). Italian exports in 2025 stood at EUR 1 404 million (–33.3 % from 2015) and imports at EUR 804 million (–63.2 %). Other countries with a strong revealed comparative advantage in this sector are Croatia (RSCA 0.47), Spain (0.39), and Portugal (0.19).

Production volume holds steady while unit value declines

EU production of raw hides and leather, as shown in the production volumes dashboard, edged down slightly in volume from 816 million units in 2015 to 805 million units in 2024. However, the average unit value fell from EUR 9.89 per unit to EUR 7.13, reflecting strong price deflation in the industry. This explains the sharper drop in trade values compared to quantities.

Export propensity surges as the sector becomes more outward-oriented

The export propensity rose from 32.5 % in 2015 to 41.5 % in 2024. Combined with a negative net import reliance, this signals that EU producers are increasingly supplying foreign markets rather than importing intermediates. The product breakdown reveals that high-value finished bovine leather (heading 4107) dominates exports, while imports consist mainly of tanned/crust bovine leather (4104) and raw bovine hides (4101). The EU thus retains a strong position in downstream processing, exporting premium leather goods while raw and semi-processed imports diminished.

Conclusion

Between 2015 and 2025, the EU raw hides and leather sector underwent a striking structural shift from a net importer to a net exporter. The trade surplus of EUR 658 million in

2025 was achieved not by booming exports – which actually fell by more than a third – but by an even sharper contraction of imports, especially from Brazil, the United Kingdom, and the United States. Concurrently, a strategic reorientation of export destinations away from China and Hong Kong towards more stable partners such as Serbia and Viet Nam, as well as a rising export propensity, underscored the sector's resilience. Italy remained the undisputed manufacturing core, while overall production volumes held roughly steady despite a prolonged decline in unit prices. The EU leather industry now operates with a far more favourable balance and a diversified trade portfolio, even as it navigates a lower-price environment and ongoing demand volatility for raw materials.

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