

Report



UK Leather & Leather Goods Industry in 2023

leather **UK**

UK leather: import and export in 2023

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.

The global trend emerging at the end of 2022 continued into 2023, with falling demand for leather as a result of economic challenges and falling consumer confidence. This was clearly reflected in the performance of the UK leather industry. Overall, trade was greatly reduced with total export values down by 14.4% and total import values down by 20.7%, compared to 2022, and continuing the trend of declining trade that were starting to emerge at the end of the previous year. It is possible that the growth seen in 2022 was something of an exception, coming on the back of suppressed demand during the Covid pandemic lockdowns but nonetheless, the trend seems quite clear; declining value and volume of both exports and imports. The UK is not unique in this current difficult situation with national industry associations across the globe, and Europe in particular, reporting very difficult trading conditions.

The figures show that the fall in the value of raw material exports was greater than the fall in volume, illustrating the decline in both the demand for leather and value of raw materials. In contrast, the values of part-processed and finished leather exports fell to a smaller degree than volumes, suggesting that price increases had been achieved albeit against a background of a decline in absolute demand. The decline in the value of raw sheepskin exports were particularly marked, adding to the long-term woes for this material. The fall in the values and volumes of bovine raw hides was less profound but continued the trend of 2022.

Perhaps more concerning was the nearly 23% fall in the volume of exports of bovine finished leather — bovine leather accounted for almost 95% of UK finished leather exports — against a 14.5% fall in export values. Again, this demonstrates that while increasing prices for finished leather were being achieved, absolute volumes were in decline, a worrying trend.

Similar negative trends were seen for imports through 2023, with total imports down over 20%, further illustrating the difficulties faced by the UK industry. Raw material imports were down by nearly 40% in value and 27% in volume, following on from significant falls in 2022 and greatly reduced compared to 2021 (£19.3M). UK imports are dominated by bovine hides and these were reduced 35.5% in value and 30% in volume, again demonstrating the falling demand for leather.

Imports of sheepskin were down by over 80% and 92% in value and volume, respectively, most likely reflecting the change in trade dynamics following the closure of Pittards.

Imports of part-processed leather of all categories were markedly down compared to 2022, in both value and volume. The exception was an increase in volumes of part-processed sheepskin but this was trivial in the context of total imports. The picture for imports of finished leather was more mixed. Bovine leather makes up the bulk of UK imports and these were significantly reduced compared to 2022, down over 22% in value and 23% in volume, albeit on a par with 2021. This suggests a downturn in the trade of leather and/or production of leather goods in the UK.

UK global exports of Hides, Skins and wet blue, crust and finished leather in 2023

EXPORTS (by HS code*)	Trade in 2023		Change (% vs 2022)	
	Value (£m)	Volume (ktonnes)	Value	Volume
Raw materials	71.96	112.68	-12.29	-4.77
Part-processed leather	21.10	8.96	-2.36	-4.15
Finished leather	106.05	3.10	-17.76	-24.98
Total exports	199.12		-14.40	
Raw Material Exports				
HS4101	56.08	69.69	-7.72	-2.46
HS4102	15.31	42.80	-27.41	-8.58
HS4103	0.55	0.20	227.98	207.71
Part-processed Leather Exports				
HS4104	20.61	8.84	-3.22	-4.36
HS4105	0.17	0.10	117.70	16.37
HS4106	0.32	0.005	35.67	25.81
Finished Leather Exports				
HS4107	99.74	2.99	-14.50	-22.85
HS4112	3.34	0.045	-58.71	-72.30
HS4113	2.56	0.005	-29.90	-31.22
HS4114	0.39	0.001	-23.89	-21.54

UK global imports of Hides, Skins and wet blue, crust and finished leather in 2023

IMPORTS (by HS code*)	Trade in 2023		Change (% vs 2022)	
	Value (£m)	Volume (ktonnes)	Value	Volume
Raw materials	4.60	5.35	-39.24	-26.89
Part-processed leather	11.57	2.69	-18.70	-21.96
Finished leather	105.67	5.97	-19.58	-22.86
Total imports	121.84		-20.47	
Raw Material Imports				
HS4101	3.08	4.38	-35.45	-30.08
HS4102	0.35	0.03	-82.00	-92.54
HS4103	1.16	0.93	40.58	60.10
Part-processed Imports				
HS4104	10.26	2.54	-19.15	-22.38
HS4105	0.60	0.03	-13.89	28.69
HS4106	0.71	0.11	-15.84	-21.52
Finished Leather Imports				
HS4107	97.43	5.73	-22.13	-23.65
HS4112	1.67	0.03	8.87	-24.15
HS4113	2.55	0.07	66.90	100.47
HS4114	4.02	0.13	25.15	-13.51

Trade with the EU

The EU is a significant trade partner for the UK. The imminent introduction of the EU Deforestation Regulation (EUDR) brings a significant risk of extensive disruption to the trade in raw hides and bovine leather between the UK and EU. As such, this trade and the potential losses merit specific analysis. The EU was the destination for 62% of bovine raw hides, over 90% of part-processed leather and 26% of finished leather exported by the UK in 2023. Similarly, over 90% of raw hides, 68% of part-processed leather and 89% of finished leather imported into the UK came from the EU. Clearly, any disruption to this would be a challenge for the UK leather and leather good manufacturers.

Trade with the EU comprised 42.1% of total exports of raw materials and leather in 2022, down from 45.7% in 2022. However, exports of raw materials increased

slightly, accounting for 51.6% and 41.2% of the value and volume of exports in 2023. In contrast, the value and volume of exports of part-processed leather fell slightly. The market for finished leather appeared to have been diverse in 2023 with the EU accounting for only 26.8% of exports on a value basis.

As noted, the EU is even more important as an exporter of raw hides and leather to the UK, accounting for over 84% of all raw material and leather imports in 2023. Total imports for raw materials and part-processed leather rose lightly while the proportion of finished leather imports fell, in both value and volume.

Clearly, the EU is a very important partner for the UK leather and leather goods industry. The requirements of the EUDR could significantly and negatively impact on that trade relationship, limiting the exchange of the raw materials and the leather that UK businesses are dependent on.

UK exports to the EU of Hides, Skins and wet blue, crust and finished leather as a proportion of global trade in 2023

Export to the EU	EU trade as proportion of total trade			
	2022		2023	
Commodity Code	Value (%)	Volume (%)	Value (%)	Volume (%)
4101	66.28	65.00	62.64	62.89
4102	5.94	4.47	9.67	5.95
4103	42.63	54.10	74.11	67.02
TOTAL RAW	50.71	41.04	51.46	41.27
4104	93.85	96.14	90.54	96.30
4105	19.78	0.45	4.51	0.10
4106	49.82	52.89	54.54	31.75
TOTAL PART-PROCESSED	93.10	95.16	89.31	95.09
4107	37.00	41.97	26.82	24.68
4112	4.58	3.30	9.39	13.44
4113	26.49	23.75	28.44	22.21
4114	34.97	37.69	40.17	48.03
TOTAL FINISHED LEATHER	34.66	40.07	26.36	24.58
TOTAL VALUE HS41	45.75		42.10	

UK imports to the EU of Hides, Skins and wet blue, crust and finished leather as a proportion of global trade in 2023

Imports from the EU	EU trade as a proportion of total trade			
Commodity Code	2022		2023	
	Value (%)	Volume (%)	Value (%)	Volume (%)
4101	89.60	97.13	90.78	98.94
4102	2.21	0.56	24.66	14.64
4103	16.59	2.26	8.86	1.72
TOTAL RAW	58.92	83.38	65.00	81.40
4104	72.10	58.33	68.26	53.18
4105	8.10	4.90	25.43	76.76
4106	21.44	0.47	17.87	1.55
TOTAL PART-PROCESSED	65.96	55.49	62.95	51.29
4107	89.12	90.29	89.17	92.34
4112	78.17	70.23	76.22	80.11
4113	55.04	40.12	28.58	20.33
4114	80.89	61.54	80.08	66.53
TOTAL FINISHED LEATHER	88.40	89.38	87.16	90.82
TOTAL VALUE HS41	84.85		84.02	

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 2023

The top five export destinations for raw hides (HS4101) remained unchanged, with the exception of Czechia replacing the Netherlands in fifth place. Importantly, four of the countries in top five were located in the EU, once again highlighting its importance to the UK trade. Northern Ireland remained the main exporter of raw hides to the UK by a very large margin, with Italy in second place. It is important to note that Northern Ireland will be subject to the requirements of the EUDR and the additional challenges that implies.

As in 2022, China and Türkiye were the two main destinations for UK sheepskins (HS4102). However, Türkiye moved above China as trade with the latter fell compared to 2022. Ethiopia remained the major exporter of sheepskin to the UK but values were down by over 90% compared to 2022, following the closure of Pittards PLC.

Both exports and imports of materials classified under HS4103 saw significant increases compared to 2022, up 260% and 38%, respectively. The reasons for this are unclear but France emerged as a major export destination in 2023 and imports from the USA increased by 68%. It should be noted that the values were very small and as such, the figures for the year could be heavily influenced by 'one-off' transactions.

Export	Value (£m)	% of total (all countries)	Imports	Value (£m)	% of total (all countries)
HS4101					
Italy	25.61	45.66	Northern Ireland	2.32	75.32
China	18.94	33.77	Italy	0.25	8.22
France	3.11	5.55	Taiwan	0.15	4.87
Germany	1.69	3.01	Poland	0.13	4.26
Czechia	1.18	2.11	Thailand	0.07	2.38
Top 5 TOTAL	50.53	90.10	Top 5 TOTAL	2.93	95.05
HS4102					
Türkiye	6.68	43.60	Ethiopia	0.15	42.57
China	6.23	40.65	Canada	0.06	15.81
Poland	0.65	4.25	China	0.04	11.56
Spain	0.56	3.66	Italy	0.04	11.46
Argentina	0.46	3.02	France	0.03	8.21
Top 5 TOTAL	14.58	95.18	Top 5 TOTAL	0.32	89.61
HS4103					
France	0.30	54.90	United States	0.96	82.42
Nigeria	0.08	13.65	Australia	0.10	8.62
Czechia	0.07	11.93	Spain	0.04	3.81
China	0.06	11.54	Italy	0.04	3.09
Germany	0.03	5.43	France	0.02	1.68
Top 5 TOTAL	0.54	97.46	Top 5 TOTAL	1.16	99.62

UK Trade in Wet Blue and Crust Leather by main countries in 2023

Italy and Belgium remained the top two export destinations for part-processed bovine leather (HS4104), accounting for over 83% of total exports. Imports from Denmark exceeded those from Italy; together accounting for 48.1% of the UK's imports of part-processed bovine leather. Again, the major customers and suppliers of the UK market were located in the EU and will be subject to the requirements of the EUDR.

Exports of part-processed sheepskin leather (HS4105) were relatively very small but those to China more than doubled compared to 2022, making it the main export destination. The total value of imports of fell dramatically, with a 90% reduction in the value of imports from Ethiopia as a result of the closure of Pittards PLC. In contrast, imports from the USA increased greatly making it the main exporter to the UK for part-processed sheepskin.

The value of exports of other part-processed leathers (HS4103) increased by 100% compared to 2022, while the value of imports fell. As for HS4103, the values were very small and as such, the figures for the year could be heavily influenced by 'one-off' transactions.

Export	Value (£m)	% of total (all countries)	Import	Value (£m)	% of total (all countries)
HS4104					
Italy	12.84	62.28	Denmark	2.68	26.14
Belgium	4.38	21.24	Italy	2.26	22.05
Netherlands	0.63	3.04	Argentina	1.35	13.19
Japan	0.53	2.57	Germany	0.92	8.96
China	0.48	2.33	Spain	0.61	5.96
Top 5 TOTAL	18.85	91.46	Top 5 TOTAL	7.83	76.30
HS4105					
China	0.07	43.44	United States	0.31	51.37
Canada	0.07	42.62	Germany	0.12	20.40
Hong Kong	0.01	3.99	Türkiye	0.07	12.22
France	0.00	2.55	Ethiopia	0.03	4.81
Thailand	0.00	2.50	Nigeria	0.02	3.26
Top 5 TOTAL	0.16	95.11	Top 5 TOTAL	0.55	92.06
HS4106					
France	0.10	32.00	Türkiye	0.19	26.95
USA	0.06	19.06	Nigeria	0.16	22.72
Italy	0.03	10.29	India	0.14	19.89
Arab Emirates	0.03	9.79	Italy	0.09	11.99
Japan	0.01	4.18	China	0.06	9.04
Top 5 TOTAL	0.24	75.32	Top 5 TOTAL	0.64	90.59

UK Trade in Finished Leather by main countries in 2023

In 2023, the USA was replaced by Morocco as the main export destination for finished bovine leather (HS4107) as exports to the African country more than doubled compared to 2022 and exports to the USA fell in value. Italy and Germany continued to dominate exports to the UK but the value of exports from both countries fell compared to 2022, with exports from Italy down by over 25%. Imports from the other main exporting nations also fell, with imports down by nearly £24 million from 2022.

The key export markets for finished sheepskin leather (HS4112) remained largely unchanged but the value of exports fell by nearly 63%, including a 50% fall in exports to Thailand. As previously noted, this may reflect the loss of Pittards PLC, which was a supplier to footwear manufacturers in Asia. Italy and France remained the key importers, with both showing small increases in the value of exports to the UK and the total value of imports increasing slightly. The USA remained the largest export market for finished leather of other animals (HS4113) with values largely unchanged from 2022. However, a decline in the other main destinations saw the overall value of exports fall relative to the previous year. In contrast, imports increased by 67%, albeit on small values, with a threefold increase in imports from China.

Exports of chamois (HS4114) remained very small with India the main destination even after a 50% fall in exports values. Imports rose in 2023 with a fall in imports from Italy balanced by large increases from Türkiye and Poland.

Export	Value (£m)	% of total (all countries)	Import	Value (£m)	% of total (all countries)
HS4107					
Morocco	21.88	21.94	Italy	57.63	59.16
USA	21.35	21.40	Germany	10.83	11.12
Portugal	5.42	5.43	Lithuania	4.72	4.85
Romania	4.87	4.88	Spain	3.95	4.05
Vietnam	4.25	4.26	United States	3.14	3.22
Top 5 TOTAL	57.76	57.91	Top 5 TOTAL	80.28	82.40
HS4112					
Vietnam	1.72	51.25	Italy	0.75	44.83
Indonesia	0.35	10.46	France	0.36	21.60
Burma	0.21	6.29	Vietnam	0.21	12.76
China	0.14	4.13	Türkiye	0.08	4.90
Thailand	0.13	4.02	Germany	0.06	3.59
Top 5 TOTAL	2.55	76.15	Top 5 TOTAL	1.46	87.68
HS4113					
USA	0.81	31.48	China	1.02	39.97
Germany	0.55	21.51	Italy	0.47	18.34
Sri Lanka	0.37	14.50	Australia	0.27	10.59
Vietnam	0.18	6.89	South Korea	0.15	5.94
Hong Kong	0.09	3.50	India	0.14	5.51
Top 5 TOTAL	2.00	77.88	Top 5 TOTAL	2.05	80.35
HS4114					
India	0.05	14.09	Italy	2.32	57.64
Kuwait	0.04	11.40	Türkiye	0.61	15.15
Bahrain	0.04	10.34	Poland	0.45	11.31
Netherlands	0.03	7.95	Portugal	0.27	6.79
Arab Emirates	0.03	7.06	Spain	0.12	2.99
Top 5 TOTAL	0.20	50.84	Top 5 TOTAL	3.78	93.88

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

UK export and import of leather goods in 2023

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 2023, the UK was again a net importer of leather goods. The trade deficit decreased in 2023, compared to 2022, down to £562m (cf. £645 million in 2022). This fall reflects the falling value of exports of leather goods which fell by 6.7% in value compared to 2022, albeit that volumes rose by 3.2%. This decline was balanced to some degree by falling values of imports. Overall, with the exception of apparel (HS4205), the picture was one of falling prices per unit. Imports were also down and this was perhaps an indicator of low consumer confidence revealed as reduced demand for leather products. However, the import figures suggest that the cost per unit for imported leather products had risen.

	Export				Imports			
HS Code	Value (£m)	Volume (ktonnes)	Change vs 2022 (%)		Value (£m)	Volume (ktonnes)	Change vs 2022 (%)	
			Value	Volume			Value	Volume
4201	41.15	1.00	-19.44	-11.41	108.98	6.76	-28.41	-30.92
4202	413.74	5.45	-7.52	1.81	763.29	11.32	-5.43	-16.97
4203	88.70	1.00	5.69	-3.23	202.65	4.79	-10.10	-22.72
4205	13.81	0.66	-10.00	92.89	44.21	1.70	-23.10	-23.88
TOTAL	557.40	8.11	-6.74	3.20	1119.12	24.57	-9.91	-22.86

*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)

HS4201 - 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)

HS4202 - Trunks, suitcases, vanity cases, executive-cases, briefcases, school satchels and similar containers, with outer surface of leather, composition leather or patent leather

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

- 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

- 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)