The European market potential for leather fashion accessories

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Europe is a strong market for leather fashion accessories with a total import value of €8.6 billion and a 5-year average growth of 7.5%. The largest product category is Carrying products, followed by belts. Within the carrying products segment, handbags and wallets are the biggest categories and travelling bags are the fastest grower at 15.5% per year. France and Italy are the most specialised import markets with the highest unit prices. Other large European leather accessories markets include Germany, the UK, the Netherlands and Spain.

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1. Product description

Leather fashion accessories are items made of leather that are generally worn with or supplementary to other clothing items. They typically have a functional as well as an aesthetic value. They typically have a longer life-cycle than garments and non-leather fashion accessories, especially when it comes to high-end products that gain value over time. Leather fashion accessories product categories include Carrying Products, Gloves and Mitts, Belts and Other Accessories.

The Carrying Products segment includes executive cases, briefcases, portfolios, school satchels and similar, trunks, suitcases, vanity cases made of leather or patent leather, with or without an outer surface of plastic sheeting, as well as handbags with and without shoulder straps, wallets, purses, key-pouches, cigarette cases, tobacco pouches, travelling bags, toiletry bags, rucksacks and sports bags, insulated food or beverage bags, shopping bags, map-cases, tool bags, jewelry boxes, cutlery cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar, with outer surface of leather, composition leather or patent leather (HS Codes: 42021110, 42021190, 42021219, 42022100, 42023100, 42029110, 42029180, 42029190, 42029150).

The Leather Gloves and Mitts segment includes gloves, mittens and mitts, specially designed gloves for use in sport, protective gloves for all trades, made of leather or composition leather (HS Codes: 42032100, 42032910, 42032990, 42032991, 42032999).

Belts include belts and bandoliers of leather or composition leather (HS Code: 42033000).

Other Accessories includes all leather or composition leather accessories excluding gloves, mittens and mitts, belts, bandoliers, footwear and headgear (HS Code: 42034000).

2. What makes Europe an interesting market for leather accessories?

Europe is an important player in the international leather trade. The European leather and related goods sector comprises about 36,000 enterprises and generates a turnover of €48 billion. The EU tanning industry is the world’s largest supplier of leather in the international marketplace. The EU is the source of some of the highest value calfskins in terms of leather and raw material. Tanneries in the EU are typically family-owned, small and medium-sized enterprises with strong regional concentration. EU tanners are highly dependent on access to raw materials and export markets.

Europe is one of the more significant importers of leather accessories in the world. In 2018, the value of leather accessory imports to Europe accounted for €8.6 billion, up from €6.0 billion in 2013. This corresponded to roughly 401 million units of leather accessories in 2018 (down from 417 million units in 2013). During the last five years, the value of the EU’s leather accessory imports has been growing at an average yearly rate of 7.5%, which is above the average growth for the overall EU apparel sector as reported in the CBI Market Statistics and Outlook Study. It is expected that, in the years to come, the demand for leather accessories will continue to grow at a high rate due to a continuing strong demand for leather handbags and travelling bags.

Carrying Products is the largest product category in the Leather Accessories market, representing €7.1 billion in imports or nearly 83% of the groups value. This is followed by Belts with €762 million, Gloves and mitts with €668 million and Other Accessories with €59 million. With 8.7% average yearly growth, Carrying Products is also the fastest growing category, followed by Belts which has been growing at 5.7% per year. The Gloves and Mitts category has essentially stagnated over the last 5 years with a 0.1% growth per year.

The biggest product segment within the Carrying Products category is the handbags segment. It comprises a value of €4.4 billion which is equivalent to over 62% of the carrying products. It is followed by wallets (and similar articles carried in the pocket or a handbag) with 19%, specialised bags, cases and boxes (such as food and shopping bags, map cases, tool bags jewelry boxes, camera cases, etc.) with 6%. Travelling bags (including toilet bags, rucksacks and sports bags) are the fastest growing category with a 15.5% average yearly growth within the last five years. It is followed by handbags, which despite an already large segment size has been growing at a very strong 10.8% per year during the same time period.

Table 1: Carrying product imports to the EU by segment, 2018 EUR value; % share of Carrying Products; average 5-year compound growth

Country	Value	% Share of Leather	5-yr growth
Handbags	€4.433 m	62.2%	↑10.8%
Wallets and similar	€1.350 m	19.0%	↑5.9%
Special bags, cases, boxes	€434 m	6.1%	↑4.0%
Trunks and suitcases	€398 m	5.6%	↑1.9%
Travelling bags	€265 m	3.7%	↑15.5%
Briefcases	€244 m	3.4%	↑5.3%

All Leather Accessories	€8.611 m	100%	↑8.7%

The EU is also a large exporter of leather accessories. In 2018, it exported €13.9 billion worth of leather accessories (up from €9.6 billion in 2013). EU leather accessory exports have been growing at an average yearly rate of 7.6% between 2013 and 2018. The biggest EU exporters in 2018 were Italy (€6.2 billion) and France (€4.3 billion). Together, these two countries represent over 76% of the EU's leather accessory exports. The Netherlands has seen the strongest export growth within this group, with an average yearly increase of 16.0%. Poland, which is currently the ninth largest exporter of leather accessories in Europe, has been growing at an average rate of 21.0% per year.

Currently, the value of EU leather accessory imports is skewed largely towards imports originating from inside the EU. Leather accessories imported from inside the EU account for 62% of all imports (up from 56% in 2013) and leather accessories originating from outside the EU account for 38%. In 2018, suppliers from developing countries contributed 3.6% to all leather accessory imports into the EU in terms of value (down from 3.8% in 2013) and suppliers from the rest of the world accounted for 34.7% of the import value (down from 39.9% in 2013). The share of the leather accessory imports from developing countries is much lower than the overall share developing countries have in the EU's apparel imports, which indicates that there is still unfulfilled potential in the leather accessory segment. The value of EU leather accessory imports originating from developing countries corresponded to €309 million in 2018 and has grown at an average yearly rate of 6.2% since 2013.

Europe's extra-EU leather accessory imports are dominated by China and India. Together, these two countries account for 16.8% of leather accessory imports into the EU. Other extra-EU sportwear exporters have market shares between 0.1% and 1.6% of the overall leather accessories import value. China and India both lost market share in the last 5 years, together amounting to almost 10% of the market. This was caused by a strong decline in imports from China (-4.5% per year) and the slow growth of Indian imports. Vietnam was the only extra-EU country that increased its market share during this period.

The Intra-EU leather accessory import market is dominated by France, Italy and Switzerland with a market value of €4.1 billion (equivalent to 48.1% of market share). France, Switzerland, the Netherlands, Germany and Poland have each increased their market shares in the last five years, although only France (4.4% market share increase), Switzerland (5.4% market share increase) and the Netherlands (2.2% market share increase) saw significant growth. Italy, Spain, the UK, Belgium and Romania lost market share during the same time period.

Table 2: Top 10 extra-EU and intra-EU leather accessory exporters to EU, 2018 EUR value; average yearly growth

Country	Value	5-yr growth
Top Extra-EU Leather Accessory Exporters		
China	€819 m	↓4.5%
India	€627 m	↑2.3%
Pakistan	€136 m	↑5.5%

Vietnam	€110 m	↑28.4%
Turkey	€91 m	↓6.1%
Indonesia	€46 m	↑7.2%
Tunisia	€40 m	↑0.4%
Thailand	€36 m	↓2.6%
Morocco	€33 m	↑2.7%
Philippines	€23 m	↑24.5%
Top Intra-EU Leather Accessory Exporters		
France	€1.59 b	↑13.5%
Italy	€1.48 b	↑5.6%
Switzerland	€1.07 b	↑20.6%
Netherlands	€547 m	↑17.0%
Germany	€470 m	↑11.3%
Spain	€274 m	↑5.4%
United Kingdom	€203 m	↑5.5%
Belgium	€178 m	↑6.8%
Romania	€92 m	↑6.5%
Poland	€84 m	↑22.3%

Source: Eurostat

3. Which European countries offer most opportunities for leather accessories?

Italy and France are important trading hubs and creative centers for leather fashion accessories; their brands remain very attractive to both traditional and new consumer countries. Germany, Spain, the Netherlands and the UK are also important destination markets, because they have a broad market reach both inside and outside of Europe.

Western European markets are much larger and better developed than the Central and Eastern European markets. The top import markets for leather accessories in the EU are France, Italy, Germany, the United Kingdom, the Netherlands and Spain. These top six countries together account for 80.7% of leather accessories imports in the EU and have been growing at an average rate of 7.7% per year in the last five years. While the Eastern European countries' import markets are growing at higher rates than those in the West, they are all still relatively small. Poland is a market to watch due to its fast growth. If this continues at the same level, it will become the seventh largest EU market for leather accessories within the next three years.

Table 3: Top 10 EU importers of Leather Accessories, 2018 EUR value; average yearly growth

Country	Value	5-yr growth
France	€2.0 b	↑8.0%
Italy	€1.6 b	↑11.3%
Germany	€1.2 b	↑4.3%
United Kingdom	€1.2 b	↑5.0%
Netherlands	€618 m	↑13.8%
Spain	€417 m	↑6.4%
Belgium	€291 m	↑4.5%
Austria	€246 m	↑7.5%
Poland	€212 m	↑19.2%
Sweden	€160 m	↑2.7%

Source: Eurostat

France

France is the largest leather accessory import market in Europe. In 2018, the value of its leather accessory imports amounted to €2.0 billion (up from €1.3 billion in 2013). This corresponded to approx. 31 million units of accessories. In the last five years, the value of France's leather accessory imports has grown at an average rate of 8.0% per year, while the import volume has declined at 5.7% per year. The most popular French leather accessory brands include Louis Vuitton, Longchamp, Chanel, Celine, Hermes, Goyard.

Carrying Products constitute the bulk of France's leather accessory imports. This category accounts for 87% of the value (up from 84% in 2013) and it has been growing at 8.7% per year in the last five years. The average unit price of Carrying Product imports is at €174.80 which is €53.90 higher than in 2013. The second largest import category is Belts with a total value of €181 million and an average annual growth of 8.4% in the last five years.

Table 4: 2018 Imports of leather accessories to France by segment with 5-year growth, average import unit price and 5-year price evolution

FRANCE	2018 Value (€)	5-year growth	Average unit price	5-year price change
Carrying products	€1.711 m	8.7%	€174.80	+€53.90
Belts	€181 m	8.4%	n/a	n/a
Gloves and Mitts	€76 m	-3.0%	€3.49	+€0.81
Other accessories	€7 m	-3.3%	n/a	n/a
TOTAL:	€1.974 m	8.0%	n/a	n/a

Italy

Italy is the second largest import market for leather accessories in Europe. In 2018, the value of its leather accessory imports amounted to €1.6 billion (up from €901 million in 2013). This corresponded to approx. 49 million units of accessories. In the last five years, the value of Italy's leather accessory imports has grown at an average rate of 11.3% per year, while the import volume grew at 5.5% per year. The most popular leather accessory brands include Gucci, Armani, Furla, Prada, Fendi, Bottega Veneta.

Carrying Products constitute the bulk of Italy's Leather Accessory imports. This category accounts for 90% of the value (up from 86% in 2013) and it has been growing at 12.3% per year in the last five years. The average unit price of Carrying Product imports is at €124.40 which is €0.22 lower than in 2013. The second largest import category is Belts with a total value of €102 million and an average annual growth of 9.6% in the last five years.

Table 5: 2018 Imports of leather accessories to Italy by segment with 5-year growth, average import unit price and 5-year price evolution

ITALY	2018 Value (€)	5-year growth	Average unit price	5-year price change
Carrying products	€1.388 m	12.3%	€124.04	-€0.22
Belts	€102 m	9.6%	n/a	n/a
Gloves and Mitts	€47 m	-4.4%	€1.22	-€0.63
Other accessories	€10 m	10.6%	n/a	n/a
TOTAL:	€1.546 m	11.3%	n/a	n/a

Germany

Germany is the third largest import market for leather accessories in Europe. In 2018, the value of its leather accessory imports amounted to €1.2 billion (up from €997 million in 2013). This corresponded to approx. 63 million units of accessories. In the last five years, the value of Germany's leather accessory imports has grown at an average rate of 4.3% per year, while the import volume has declined at 4.1% per year. The most popular leather accessory brands include Aigner, Picard, Liebeskind, Braun Büffel.

Carrying products constitute the bulk of Germany's leather accessory imports. This category accounts for 78% of the value (up from 72% in 2013) and it has been growing at 5.9% per year in the last five years. The average unit price of Carrying product imports is at €99.92 which is €19.52 higher than in 2013. The second largest import category is Belts with a total value of €148 million and an average annual growth of 1.8% in the last five years.

Table 6: 2018 Imports of Leather Accessories to Germany by segment with 5-year growth, average import unit price and 5-year price evolution

GERMANY	2018 Value (€)	5-year growth	Average unit price	5-year price change
Carrying products	€938 m	5.9%	€99.92	+€19.52
Belts	€148 m	1.8%	n/a	n/a
Gloves and Mitts	€116 m	-2.4%	€2.14	+€0.26
Other accessories	€5 m	-6.7%	n/a	n/a
TOTAL:	€1.207 m	4.3%	n/a	n/a

The United Kingdom

The United Kingdom is the fourth largest import market for leather accessories in Europe. In 2018, the value of its leather accessory imports amounted to €1.2 billion (up from €934 million in 2013). This corresponded to approx. 32 million units of accessories. In the last five years, the value of the UK's leather accessory imports has grown at an average rate of 5.0% per year, while the import volume has declined –with 5.5% per year. The most popular leather accessory brands include Tusting, Aspinal of London, Ettinger, Stow.

Carrying Products constitute the bulk of the UK's leather accessory imports. This category accounts for 87% of the value (up from 86% in 2013) and it has been growing at 5.3% per year in the last five years. The average unit price of Carrying Product imports is at €72.80 which is €19.87 higher than in 2013. The second largest import category is Belts with a total value of €97 million and an average annual growth of 7.7% in the last five years.

Table 7: 2018 Imports of Leather Accessories to the UK by segment with 5-year growth, average import unit price and 5-year price evolution

UK	2018 Value (€)	5-year growth	Average unit price	5-year price change
Carrying products	€1.033 m	5.3%	€72.80	+€19.87
Belts	€97 m	7.7%	n/a	n/a
Gloves and Mitts	€56 m	-1.8%	€3.17	+€0.90

Other accessories	€5 m	-5.4%	n/a	n/a
TOTAL:	€1.190 m	5.0%	n/a	n/a

The United Kingdom is scheduled to leave the EU this year. Brexit has been postponed till 31 January 2020 and it is currently generating a lot of uncertainty. It is uncertain whether the UK will continue to provide preferential trade conditions for developing countries and how the United Kingdom's exit from the EU will impact the apparel sector and trade.

The Netherlands

The Netherlands is the fifth largest import market for leather accessories in Europe. In 2018, the value of its leather accessory imports amounted to €618 million (up from €324 million in 2013). This corresponded to approx. 28 million units of accessories. In the last five years, the value of the Netherlands' leather accessory imports has grown at an average rate of 13.8% per year, while the import volume has declined at 1.7% per year. The most popular leather accessory brands include Ecco, Ellen Truijen, O My Bag, Bear Design, Laauw.

Carrying Products constitute the bulk of the Netherlands' Leather Accessory imports. This category accounts for 82% of the value (up from 75% in 2013) and it has been growing at 15.8% per year in the last five years. The average unit price of Carrying Product imports is at €64.15 which is €12.30 higher than in 2013. The second largest import category is Belts with a total value of €55 million and an average annual growth of 9.7% in the last five years.

Table 8: 2018 Imports of leather accessories to the Netherlands by segment with 5-year growth, average import unit price and 5-year price evolution

NETHERLANDS	2018 Value (€)	5-year growth	Average unit price	5-year price change
Carrying products	€508 m	15.8%	€64.15	+€12.30
Belts	€55 m	9.7%	n/a	n/a
Gloves and Mitts	€51 m	3.2%	€2.55	+€0.85
Other accessories	€5 m	20.1%	n/a	n/a
TOTAL:	€618 m	13.8%	n/a	n/a

Spain

Spain is the sixth largest import market for leather accessories in Europe. In 2018, the value of its leather accessory imports amounted to €417 million (up from €306 million in 2013). This corresponded to approx. 29 million units of accessories. In the last five years, the value of Spain's leather accessory imports has grown at an average rate of 6.4% per year, while the import volume grew at 5.2% per year. The most popular leather accessory brands include Loewe, Cartujano, Iriarte Iriarte, La Portegna.

Carrying Products constitute the bulk of Spain's Leather Accessory imports. This category accounts for 84% of the value (up from 80% in 2013) and it has been growing at 7.6% per year in the last five years. The average unit price of Carrying Product imports is at €68.58 which is €19.22 higher than in 2013. The second largest import category is Gloves and Mitts with a total value of €35 million and an average annual growth of 1.9% in the last five years.

Table 9: 2018 Imports of leather accessories to Spain by segment with 5-year growth, average import unit price and 5-year price evolution

SPAIN	2018 Value (€)	5-year growth	Average unit price	5-year price change
Carrying products	€353 m	7.6%	€68.58	+€19.22
Gloves and Mitts	€35 m	1.9%	€1.46	-€0.34
Belts	€26 m	0.2%	n/a	n/a
Other accessories	€4 m	-1.0%	n/a	n/a
TOTAL:	€417 m	6.4%	n/a	n/a

Tips:

- Focus your export efforts on the top six markets: France, Italy, Germany, the United Kingdom, the Netherlands and Spain because they are both the biggest leather accessory consumers in Europe and the biggest importers of leather accessories from developing countries. All of these countries have a high acceptance of extra-EU suppliers. Italy and France may be particularly interesting due to the highest average import prices and a positive price evolution over the last five years, while the Netherlands is undergoing the fastest growth.
- Visit the websites of the most popular leather accessories brands in Europe such as Louis Vuitton, Longchamp, Gucci, Furla or Aigner to understand the aesthetic of European market.
- Keep an eye on the development of Brexit, especially if you are an exporter to the UK. Check how the free trade agreements are impacted and whether you will be subject to new tariffs or other procedural export difficulties. Visit the website 'get ready for Brexit' for more information on Brexit and its potential impact on your business.
- Consider exporting to Poland, as it is currently Europe's fastest growing importer of leather accessories and apparel from developing countries, including the leather accessory segment.

4. What trends offer opportunities or pose threats for the European Leather Accessories market?

The Leather Accessories market follows the general apparel trends related to sustainability, technological innovation and increased emphasis on corporate and social responsibility. For more information, see the CBI study on Trends in the Apparel market. Aside from these general trends, the Leather Accessories market has its own, segment-specific trends:

Raw material shortages cause producers to seek low-cost sourcing options

A global shortage of leather is affecting all levels of the supply chain. Manufacturing costs are rising and margins are shrinking. As supply struggles to meet demand, costs are being passed on to consumers. One example is the luxury handbags segment, in which prices are extremely high. Many manufacturers are looking for lower cost suppliers in developing countries.

Sustainable leather is growing

Sustainability awareness in Europe is creating good opportunities for sustainable leather. Sustainability in this product segment includes clean production and animal welfare. Sustainability initiatives also push for less overall leather consumption, as more leather means raising and slaughtering more cows. Companies are also increasingly using leather alternatives, such as leather-like materials produced from paper, cork, recycled rubber, waxed cotton, tree bark, apple waste, pineapple waste and mushrooms.

Rising popularity of leather 'man bags'

There is a growing interest among male consumers in leather fashion accessories such as 'man bags', bracelets, watch straps and belts. The trend is most popular in the United Kingdom.

Technology is creating new opportunities

Leather manufacturers are investing in advanced automated machinery and operation systems to streamline the production process and to make it faster and cheaper. Advanced processing techniques in leather manufacturing, such as digital cutting, more complex designs or blending with textile fabrics (e.g. silk leather) are increasing the popularity and the versatility of leather consumer goods. These technologies are paving the way for new and more complex designs, more fashionable colors and finer quality. Improved durability, softness, lightness and smoothness have made leather garments suitable for all seasons.

Tips:

- Experiment with D2C sales alongside your B2B activities. You can sell through your own web shop, existing online platforms or through social media. With the prices growing in Europe due to material shortages, you can be competitive based on a lower price offering and high quality.
- Try to enter the sustainable leather segment through innovating your leather tanning processes, e.g. like the Green Hides Ecolife chrome-free tanning and solvent-free finishing that avoids salt treatments and conserves water. Join the Leather Working Group which is promoting sustainable environmental practices within the leather industry.

This study was carried out on behalf of CBI by M-Brain GmbH.

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