

The European market potential for leather bags

Europe is a strong market for leather bags with a total import value of €4.8 billion and a 5-year average growth of 9.7%. France and Italy are the most specialised import markets with the highest unit prices. Other large European leather bags markets include the United Kingdom, Germany, the Netherlands and Spain.

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1. Product description

Leather bags are carrying 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 also typically have a longer life-cycle than garments and non-leather bags, especially when it comes to high-end products that gain value over time. The statistics in this document comprise Handbags, whether or not with shoulder straps, incl. those without handles, with an outer surface of leather, composition leather or patent leather (HS Code: 42022100).

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

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 bags in the world. In 2019, the value of leather bags imports to Europe accounted for €4.8 billion, up from €3.0 billion in 2014. This corresponded to roughly 63.9 million units of leather bags in 2019 (up from 56.6 million units in 2014). During the last five years, the value of the EU's leather bags imports has been growing at an average yearly rate of 9.7%, which well 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 bags will continue to grow at a high rate due to a continuing strong demand.

The EU is predominantly a large exporter of leather bags. In 2019, it exported €9.6 billion worth of leather bags (up from €5.6 billion in 2014). EU leather bag exports have been growing at an average yearly rate of 9.7% between 2014 and 2019. The biggest EU exporters in 2019 were Italy (€4.9 billion) and France (€3.1 billion). Together, these two countries represent almost 84% of the EU's leather bag exports. The Netherlands has seen the strongest export growth within this group, with an average yearly increase of 24.3%. Poland, which is currently the ninth largest exporter of leather bags in Europe, has been growing at an average rate of 41.4% per year.

Currently, the value of EU leather bag imports is skewed largely towards imports originating from inside the EU. Leather bags imported from inside the EU account for 66% of all imports (up from 62% in 2014) and leather bags originating from outside the EU account for 34%. In 2019, suppliers from developing countries contributed 1.9% to all leather bag imports into the EU in terms of value (down from 2.2% in 2014) and suppliers from the rest of the world accounted for 32% of the import value (down from 35.5% in 2014). The share of the leather

bag 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 bag segment. The value of EU leather bag imports originating from developing countries corresponded to €93 million in 2019 and has grown at an average yearly rate of 6.3% since 2014.

Europe's extra-EU leather bag imports are dominated by India and China. Together, these two countries account for 10.1% of leather bag imports into the EU. Other extra-EU leather bag exporters have market shares between 0.1% and 1.3% of the overall leather bags import value. China and India both lost market share in the last 5 years, together amounting to almost 8% of the market. This was caused by a strong decline in imports from China (-5.0% per year) and the slow growth of Indian imports (0-8% per year). Vietnam and Cambodia were the only extra-EU countries that increased their market share during this period.

The Intra-EU leather bag import market is dominated by France, Italy and Switzerland with a market value of €3.0 billion (equivalent to 62% of market share). France, Switzerland, the Netherlands, Germany, Spain and Poland have each increased their market shares in the last five years, although only France (4.9% market share increase), Switzerland (5.3% market share increase) and the Netherlands (2.0% market share increase) saw significant growth. Italy lost market share during the same time period, going from more than 25% in 2014 to 20.6% in 2019.

Table 1: Top 10 extra-EU and intra-EU leather bag exporters to EU, 2019 EUR value; average yearly growth

Country	Value	5-yr growth	Market share increase
Top Extra-EU Leather Bag Exporters			
India	€247 m	↑0.8%	↓2.7%
China	€240 m	↓5.0%	↓5.2%
Vietnam	€64 m	↑34.1%	↑0.8%
Turkey	€45 m	↓8.0%	↓1.3%
Hong Kong	€37 m	↑4.4%	↓0.2%
Indonesia	€24 m	↑13.1%	↑0.1%
United States	€23 m	↑14.7%	↑0.1%
Morocco	€18 m	↓1.4%	↓0.3%
Cambodia	€17 m	↑143.3%	↑0.3%
Tunisia	€16 m	↓7.5%	↓0.4%
Top Intra-EU Leather Bag Exporters			

France	€1.21 b	↑14.7%	↑4.9%
Italy	€1.00 b	↑5.3%	↓4.7%
Switzerland	€800 m	↑18.6%	↑5.3%
The Netherlands	€278 m	↑19.3%	↑2.0%
Germany	€170 m	↑16.7%	↑0.9%
Spain	€153 m	↑15.5%	↑0.7%
United Kingdom	€125 m	↑10.7%	↑0.1%
Romania	€54 m	↑1.5%	↓0.5%
Poland	€50 m	↑53.3%	↑0.8%
Belgium	€44 m	↑9.9%	0.0%

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

Italy and France are important trading hubs and creative centers for leather fashion accessories including bags; 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 bags in the EU are France, Italy, the United Kingdom, Germany, the Netherlands and Spain. These top six countries together account for 86% of leather bags imports in the EU and have been growing at an average rate of 9.6% 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 bags within the next five years.

Table 2: Top 10 EU importers of Leather Bags, 2019 EUR value; average yearly growth

Country	Value	5-yr growth
France	€1.3 b	↑7.6%
Italy	€1.0 b	↑12.7%
United Kingdom	€697 m	↑6.3%
Germany	€536 m	↑7.8%

Netherlands	€360 m	↑ 19.4%
Spain	€278 m	↑ 12.2%
Austria	€132 m	↑ 11.4%
Belgium	€111 m	↑ 8.0%
Poland	€86 m	↑ 23.6%
Denmark	€63 m	↑ 8.3%

Source: Eurostat

France

France is the largest leather bag import market in Europe. In 2019, the value of its leather bag imports amounted to €1.3 billion (up from €891 million in 2014). This corresponded to approx. 9 million units of leather bags. In the last five years, the value of France's leather bag imports has grown at an average rate of 7.6% per year, while the import volume has declined at 3.0% per year. The average unit price of leather bag imports is at €143 which is €58 higher than it was in 2014. The most popular French leather bag brands include Louis Vuitton, Longchamp, Chanel, Celine, Hermes, Goyard.

Italy

Italy is the second largest import market for leather bags in Europe. In 2019, the value of its leather bag imports amounted to €1.0 billion (up from €556 million in 2014). This corresponded to approx. 7.7 million units of bags. In the last five years, the value of Italy's leather bag imports has grown at an average rate of 12.7% per year, while the import volume grew at 4.0% per year. The average unit price of leather bag imports is at €131 which is €43 higher than it was in 2014. The most popular leather bag brands include Gucci, Armani, Furla, Prada, Fendi, Bottega Veneta.

The United Kingdom

The United Kingdom is the third largest import market for leather bags in Europe. In 2019, the value of its leather bag imports amounted to €697 million (up from €513 million in 2014). This corresponded to approx. 9.2 million units of bags. In the last five years, the value of the UK's leather bag imports has grown at an average rate of 6.3% per year, while the import volume has declined with 2.6% per year. The average unit price of leather bag imports is at €76 which is €27 higher than it was in 2014. The most popular leather bag brands include Tusting, Aspinall of London, Ettinger, Stow.

The United Kingdom has left the EU on 31 January 2020 and is currently in a transition period during which the UK and the EU are negotiating their future relationship. During the transitional period, which is scheduled to end on 31 December 2020, the UK remains subject to EU law and remains part of the EU customs union and the single market. There is a lot of uncertainty with regards to the trade relationships and conditions beyond the transitional period. 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.

Germany

Germany is the fourth largest import market for leather bags in Europe. In 2019, the value of its leather bag imports amounted to €536 million (up from €368 million in 2014). This corresponded to approx. 7.3 million units of leather bags. In the last five years, the value of Germany's leather bags imports has grown at an average rate

of 7.8% per year, while the import volume has declined at 3.6% per year. The average unit price of leather bag imports is at €74 which is €32 higher than it was in 2014. The most popular leather bags brands include Aigner, Picard, Liebeskind, Braun Büffel.

The Netherlands

The Netherlands is the fifth largest import market for leather bags in Europe. In 2019, the value of its leather bag imports amounted to €360 million (up from €148 million in 2014). This corresponded to approx. 7.4 million units of leather bags. In the last five years, the value of the Netherlands' leather bag imports has grown at an average rate of 19.4% per year, while the import volume has declined at 9.0% per year. The average unit price of leather bag imports is at €49 which is €18 higher than it was in 2014. The most popular leather bag brands include Ecco, Ellen Truijten, O My Bag, Bear Design, Laauw.

Spain

Spain is the sixth largest import market for leather bags in Europe. In 2019, the value of its leather bag imports amounted to €278 million (up from €156 million in 2014). This corresponded to approx. 5.0 million units of leather bags. In the last five years, the value of Spain's leather bag imports has grown at an average rate of 12.2% per year, while the import volume grew at 3.3% per year. The average unit price of Carrying Product imports is at €56 which is €19 higher than it was in 2014. The most popular leather bag brands include Loewe, Cartujano, Iriarte Iriarte, La Portegna.

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 bag consumers in Europe and the biggest importers of leather bags 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 bags 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 bags and apparel from developing countries, including the leather bag segment.

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

The Leather Bags 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 Bags 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.


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