



Cosmetics, Toiletries and Detergents

Markets Growing

■ The sales of cosmetics, toiletries and detergents grew in all major product categories in 2009. This was a positive outcome for a year where 12 months earlier the future had looked uncertain. Still, growth for the whole sector remained at a modest 2.4%.

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In 2009, the sales of the member companies of the Finnish Cosmetic, Toiletry and Detergent Association (TY) increased by 2.4%, reaching a total value of €628 million. This value is based on manufacturers' sales prices (MSP; net sales) and is estimated to represent on average 90% of the total market in Finland.

Sales of perfumes, cosmetics and

toiletries were €416 million, resulting in 1.7% growth. For the detergent and cleaning products sector, the corresponding figure was €101 million for household and €79 million for industrial and institutional products, respective growth rates being 7.0% and 2.1%.

Approximately one-fifth of all cosmetics, toiletries and detergents on

the Finnish market were produced in Finland. For cosmetics and toiletries the share of domestic production was 14%, whilst 30% of detergents and cleaning agents were manufactured in Finland. This shows a significant change in the industry in less than 20 years: in 1994 a total of 40% of the whole sector was still of domestic origin.

In the downturn of the 1990's, sales

Colour cosmetics sales increased by 4.4 % in 2009. There is still room for growth in this sector.

Slightly

Sales of cosmetics, toiletries and detergents in Finland in 2009

Net sales value, in million Euros, member companies of Finnish Cosmetic, Toiletry and Detergent Association (about 90% of the total market).

Product group	Domestic products	Imported products	Total sales	Change % 2009/2008
Cosmetics and toiletries	57.1	359.0	416.0	1.7
Household washing, cleaning and maintenance products	14.2	86.6	100.8	7.0
Industrial and institutional washing, cleaning etc. products	38.9	40.5	79.5	2.1
Other technochemical products	6.4	25.0	31.4	-2.6
Total	116.6	511.1	627.7	2.4

of the sector decreased over several successive years and then rapidly grew from the beginning of 1995. In 2008, market growth almost ceased, but as growth was observed again in 2009, we may well see an earlier recovery than in the previous downturn. The market development in 2010 will be interesting to follow. The general prediction of a slow recovery may be valid also for the

cosmetics and detergents sector.

Hygiene products and colours biggest

After a steady 2008, the year 2009 was better for the cosmetics sector. The sales of colour cosmetics and hygiene products showed clear growth, 4.4% and 9.3%, respectively.

Some decrease was seen in the sales of perfumes and fragrances. In this context one may want to bear in mind that the figures are based on the sales of members of TY only, and do not cover tax-free sales.

The two biggest product categories from year to year are skin care and hair care. In 2009 the sales of hair care





Modern detergents and cleaning agents offer consumers high class hygiene, easiness, and well-being.

Unilever

▶▶▶ products decreased by 1.6% and of skin care products by 0.7%. At the same time, distribution via retail shops and pharmacies grew strongly, partly at the expense of distribution via selective channels and professional hair care salons. This suggests that some consumers chose more economical alternatives rather than more expensive luxury products.

Estimated in terms of retail sales prices (RSP), the entire cosmetics and toiletries market in Finland, including companies outside TY's membership, was €808 million (Colipa statistics). This puts Finland in the 18th position in the European ranking of cosmetics and toiletries markets. However, if the RSP market size were estimated in a more up-to-date way, the entire Finnish cosmetic, toiletry and perfumery market would be €917 million, which would put Finland in 17th place in the European ranking, and give a per capita consumption of €173 in 2009. With this level of cosmetics consumption, Finnish consumers find themselves among the top five nationalities in Europe.

Household detergents standing strong

Sales of household detergents grew in all product groups, ranging from 3.1%

growth for household cleaning agents to 10.4% growth for dishwashing agents in terms of market value.

One explanatory factor for this growth is that consumers have started to buy more concentrated liquid detergents, which increases the market value. A switch to bigger washing powder packages has for its part increased the volume of the market. Being a mature market, the observed growth is also partly explained by changes in product prices.

The sector of industrial and institutional (I&I) detergents and cleaning agents is to some extent sensitive to the general economic environment. Being sold to public institutions and other industry sectors, money savings by public purchasers are likely to affect the sales of I&I cleaning products.

In 2009, for the I&I sector sales decreased by 4.1% for cleaning products and 11.1% for detergents and chemicals for other industries, while sales of basic hygiene products, textile care, and dishwashing products remained stable, with 0.5 % and 2.7 % growth.

The threat of swine flu and other epidemics strongly influenced the sales of personal hygiene products in the I&I sector. Growth of 40% was recorded in this field. The need for special hygiene measures brought several new products

and new businesses to the market.

There are a lot of opportunities for growth in this sector. It is important to communicate to public purchasers the significance of cleaning public spaces. Proper cleaning using suitable cleaning agents will not only help to maintain the values of property and surfaces, but will also improve the health and well-being of professional cleaners and other people working in or visiting premises.

Legislation and trends shaping the future

The beauty and cleaning industry stepped optimistically into the year 2010, realising, however, that there are some challenges, too.

Heavy legislative burdens for both chemicals and cosmetics, as well as ecological and ethical trends and consumer awareness of chemicals will surely shape the future of cosmetics, toiletries and detergents. The industry stands ready to face these future challenges and continue to offer an innovative and modern quality-of-life to both the private and public sector. □

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