

Colombia: Cosmetics and personal care products have a sustainable growth



As a general outlook, Latin America represents 13.2% of the world market of cosmetics and toiletries and is growing at an annual average of 3.6% to 2021, surpassing the estimated growth of this sector worldwide (2.6%), informed ProColombia

The National Business Association of Colombia (ANDI) has confirmed the growth of the market during 2018, in relation to the previous year in both categories: cosmetics (4.3%) and personal care sector, under cleaning (6.9%) and absorbent products, such as diapers, toilet paper, among others (5.3%)

Cosmetics



A continual growth since 2016 has driven the recovery of the sector. The cosmetic industry has reached more than US\$3 million, positioning Colombia as the fourth largest market in this segment among Latin American countries, after Brazil (US\$14,572 million), Mexico (US\$10,011 million) and Argentina (US\$5,712 million).

The most consume products in this category are fragrances, toothpaste, and all products related to hair care mainly through traditional channels and direct sales (67.9%)

Cleaning products

In this sector, the situation is very similar. As reported by ANDI, last year the market has amounted to US\$1,067 million, which accounts for 6.9% in comparison to the results of the previous year. In this category, the country also ranked number fourth in the region.



The most consume products in this category are clothes care products followed by surface cleaning products and bleach products. Retail stores are also the main distribution channel (98.9%).

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Absorbent products



This category has attained US\$1,199 million, ranking Colombia Number fifth, after Brazil (US\$6,654 million), Mexico (US\$4,672 million), Argentina (US\$2,635 million) and Peru ((US\$1,663 million). The main articles are diapers, toilet paper and all those products related to the sanitary protection with 99.8% of preference through retail stores as distribution channel.

Besides, Bogotá is one of the main growth engines of this sector in the country due to the rise of the middle class in the city. In 2011 this segment of the population represented 43.6% of the city's inhabitants and after 7 years, this proportion has grown to 51.6%.

According to Mr. Juan Gabriel Pérez, CEO of the Investment Promotion Agency for Bogotá – “Invest in Bogotá”, the city is also the main center of consumption in Colombia and women have been increasing their purchasing power and have been expanding the demand for premium products made from natural ingredients.

Likewise, the capital city and Cundinamarca are on track to become one of the main Latin-American development and production hubs in cosmetics and personal care products. This is largely due to the continuous attraction and expansion of foreign companies in the beauty sector. Colombia's capital accounts for 61% of all companies in the sector and for many cosmetics companies, it is the source of more than half of their sales throughout the country. Therefore, large international suppliers have established production center such as L'Oréal (France) or Belcorp,(Peru) as well as distribution and operation centers in the city, such as Yanbal (Peru) or Natura (Brazil). Over the last years, new players such as Nerium (US), O'Boticario (Brazil) and Mary Kay (US) have also been attracted to the market.

In the last three years, Colombia has been constantly growing in the sector. As informed by some analysts, the beauty and personal cares sales are forecasted to increase from US\$3.1 million in 2016 to US\$3,3 million by 2021. The arrival of international players and the favorable economic outlook have boosted the demand. The trend, according to the main players of the industry shows the preference for natural ingredients, such as oils, vitamins and minerals which, can be supplied by Thai companies as raw materials. In addition, line of novel premium quality cosmetics and personal care products are currently one of Thailand leading export sector to the world.

Source: www.america-retail.com
www.euromonitor.com
www.procolombia.co
www.investinbogota.org
www.andi.com.co

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