



Cosmetics and toiletries to the Philippines.

Trends and opportunities

The market

The Philippines is one of Asia's fastest growing markets for cosmetics and toiletries. Purchasing beauty products has increased, which may be attributed to health campaigns by the government and private organisations, the growth of gyms, health clubs, salons and spas and the promotion of food supplements.

Demand for cosmetics in the Philippines is influenced primarily by fashion trends, social demographics, and economic developments. Industry experts forecast a five per cent growth in sales per year over five years, to reach about A\$2.1 billion in 2007.

The three major product categories are hair care, skin care and whitening products. Specific products include:

- ✦ bath and shower wash
- ✦ deodorant
- ✦ shampoo
- ✦ make-up
- ✦ lotion and soap
- ✦ grooming products
- ✦ oral hygiene products
- ✦ fragrances

Alcohol-based cleansing products are more the norm in the country's humid tropical environment.

Traditional oil/water based products for moisturising are also commonly used.

Whitening products are very popular and are part of the basic commodities on a woman's beauty product shopping list. For outdoors, lipsticks and facial powders are the essentials for Filipino women.

The teen market is an adventurous market segment, and most new products are directed towards this segment.

Male shoppers are also increasing in number, thus **men's toiletries and cosmetics have also increased in popularity**, with significant growths in sales in the last two years.

The following Australian brands of cosmetics and personal care products are available in the Philippines:

- ✦ Bloom
- ✦ Cussons
- ✦ Marc Daniels
- ✦ Mor
- ✦ Nutrimetics
- ✦ Sanctum
- ✦ Skin Doctors
- ✦ Naturopathica
- ✦ Wicked Sista

Opportunities

Australia is well known as producers of high quality organic and all natural personal care products because of its 'clean and green' image.

Demand for raw materials for the spa industry such as essential oils, clays and mud are also increasing with the proliferation of spas throughout the country.

Do-it-yourself products, mainly for hair care, are also becoming popular due to limited budgets. Filipinos are starting to appreciate organic or all natural products but these require heavy introductory marketing.

Australia exports the following to the Philippines:

- ✍ shampoo
- ✍ manicure/pedicure preparations
- ✍ perfume
- ✍ soap
- ✍ beauty/make-up preparations
- ✍ sun screen
- ✍ raw materials, eg. oils, clays and mud for spa treatment

Recent new products and services in the market include:

- ✍ body wash
- ✍ body butter
- ✍ body massage
- ✍ botox treatment
- ✍ facials

Competitive environment

Major multinationals present in the market are Procter & Gamble, Unilever, Colgate-Palmolive and Johnson & Johnson. The shampoo market is also dominated by these multinationals. Make-up, hair care and baby products are mostly supplied by US companies. The USA is also the leading source of imported products, with about 23 per cent share in total cosmetics and toiletries imports. Some of the more visible imported brands in the market are:

- ✍ Elizabeth Arden, Clinique, Estee Lauder, Jergens, Revlon, Max Factor (USA)
- ✍ Clarins, L'Oreal, Guerlain, Christian Dior, Chanel, Lancôme (Europe)
- ✍ Shiseido, Kanebo (Japan)

About 75 per cent of cosmetics in the market are produced locally. A leading local manufacturer is Avon Cosmetics, which has regional production facilities in the Philippines. Avon Philippines (99 per cent US-owned) is the biggest domestic manufacturer of cosmetics, with estimated sales of nearly A\$30 million per year. There are around 80 local cosmetics manufacturers, with eight to 10 of these considered large national companies. The majority of imported cosmetics come from Thailand with A\$69 million worth and Australia with A\$3.8 million, but this is continuously increasing.

More information

For further information please contact Austrade on 13 28 78 or email info@austrade.gov.au.

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