



Cosmetics and toiletries to Spain.

Trends and opportunities

The market

Spain is one of the 10 largest economies in the world, is a member of the European Union and is the fastest growing major industrialised country in the world. This growth in economic status and considerable growth in the GDP has led to an overall increase in demand for consumer products.

Growth rates over the past few years indicate that the cosmetic, toiletry, health and beauty products industry in Spain is an extremely lucrative market, experiencing an average growth rate of 8.7 per cent since 1998.

The Spanish cosmetics industry, according to the European Cosmetic Trade Association, refers to a myriad of products, but can be divided into five major categories:

- ✦ Perfumes
- ✦ Fragrances
- ✦ Decorative cosmetics
- ✦ Skin and hair products
- ✦ Various other toiletries

Toiletries lead this market at 26.1 per cent of total sales, followed by hair care, skincare, perfumes/fragrances, and decorative cosmetics respectively.

Specialty cosmetics have risen 13 per cent since 1998 and the sub-sector of skin cremes has shown an increase of 19 per cent. Perfumes also show great promise – the US companies that have put their products on the market have been greatly received and are producing high returns. Their sales have risen 20 per cent and demand appears to be rising. The market is very accommodating to new products and is extremely tolerant of imports, which account for 51 per cent of total sales.

Opportunities

As the Spanish consumer becomes more health conscience and has an increased knowledge of the benefits of natural products, opportunities exist for innovative, middle to high-end Australian health and beauty products.

Emerging sub-sectors in the cosmetic sector include:

- ✦ All natural skin, body and hair products
- ✦ Aromatherapy products and natural oils
- ✦ New bath and spa products
- ✦ 'Cosmeceuticals' such as anti-aging cremes, protection from UV rays, or anti-cellulite cremes
- ✦ Men's health and beauty lines
- ✦ Innovative sun care products

Competitive environment

Key suppliers of health and beauty products to the market include France, Germany, Italy, the UK and USA. However, the market is receptive to imports and product innovations.

The Spanish companies Puig, Puig Beauty and Fashion and Myrurgia (bought by Puig), hold a substantial share of the cosmetics market and also distribute products, which include brands such as Calvin Klein, Christian Dior and Armani.

Major European companies selling in Spain are: L'Oreal, Sephora and Guerlain from France; Elizabeth Arden (Unilever) Dutch-British; Lancaster from the UK; Nivea, Henkel and Benkshire from Germany.

US companies such as Estee Lauder, Avon and Revlon also have a stronghold within the import market. Japan's Shiseido has also entered the Spanish market, but in a more selective way.

More information

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

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