

**CBI MARKET SURVEY**

**THE MARKET FOR NATURAL INGREDIENTS FOR COSMETICS  
IN SLOVAKIA**

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**Introduction**

This CBI market survey gives exporters in developing countries information on some main developments on the market for natural ingredients for cosmetics in Slovakia. The information is complementary to the information provided in the CBI market survey 'The natural ingredients for cosmetics market in the EU' which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.nl/marketinfo>.

Please note that specific information regarding the natural ingredients for cosmetics market in Slovakia is scarce. Therefore, information on both the conventional cosmetics and the natural cosmetics markets is provided, which also gives a good indication of the developments on the market for natural ingredients for cosmetics.

**1. Market description: industrial demand and production**

**Industrial demand**

- Slovakia is also growing, particularly in baby care (+5.7%) with birth rates veering up, as well as premium cosmetics (+13.2%). Depilatories has the smallest share of sales € 0.9 million, but presents good opportunities for expansion (Colipa, 2006).
- Depilatories were the fastest growing area within the industry in 2004. Skin care enjoyed value growth of 3% in the 2003/2004 period. Value growth was influenced by the increasing demand for special anti-ageing creams, as well as firming and anti-cellulite products, which are generally twice as expensive as traditional moisturisers and general body care products.
- Manufacturers have increasingly been offering technologically-advanced products with added functions (Euromonitor, 2005).
- According to an interview with the Slovak Association of Branded Products, there is definitely a growing trend towards natural ingredients for cosmetics in Slovakia. Slovakian consumers are more and more aware of natural ingredients and move away from chemicals, but the market remains very small and hard to estimate.
- There is a gap between the consumer demands and the products offered in Slovakia, which are only very rarely natural.

**Table 1.1 Slovakian consumption of vegetable oils, 2001-2003, in 1,000 tonnes**

	2001	2002	2003	Share of EU
Coconut oil	728	605	618	0.1%
Groundnut oil*	200	205	209	0.1%
Olive oil	227	334	379	0.0%
Palm kernel oil	2,938	2,847	2,351	0.4%
Palm Oil	7,222	7,999	10,165	0.3%
Sesameseed oil	3	4	7	0.0%
Soybean oil	12,064	9,096	8,786	0.4%
Sunflower seed oil	8,614	11,606	21,040	0.8%
Other vegetable oils	77,755	65,559	40,242	0.7%
<b>Vegetable oil total</b>	<b>109,751</b>	<b>98,255</b>	<b>83,797</b>	<b>0.5%</b>

Source: FAO (2005)

\*The use of groundnut oil in cosmetics is decreasing due its allergic properties.

- As regards the industrial demand for ingredients, the industrial demand for relevant vegetable oils is shown in table 1.1. Please note that many of these products, especially palm oil, soybean oil and sunflower oil are bulk products, of which only a small part ends up in cosmetics. Because of these large volumes these markets are very difficult to enter for smaller producers.
- No further information is available on industrial demand for ingredients. However, considering the sizeable local production of cosmetic products, it is likely that such a demand exists in the country.

### Production

- The Slovakian cosmetics industry seems reasonably well developed regarding end products, with several medium-sized and small producers. Furthermore, Slovakofarma AS, recently acquired by Zentiva from the Czech Republic, also has a large cosmetics branch (<http://www.zentiva.cz/default.aspx/en/cosmetics>). Other cosmetic companies in Slovakia include "de Miclen AS" ([http://www.demiclen.sk/news1\\_en.htm](http://www.demiclen.sk/news1_en.htm)), AB Kozmetika (<http://www.ab-kozmetika.sk/>) which also focuses on using natural ingredients in cosmetics such as almond oil, citrus oils, jojoba, tea, oats, camomile and medicinal herbs in cosmeceuticals. Palma-Tumys AS (<http://www.palma.sk/>), focuses on soaps.
- As regards ingredients for cosmetics, Slovakia has a sizeable production of medicinal plants. The table below shows the leading cultivated plants for cosmetic purposes. Furthermore, EHGA Europam recorded substantial wild collection, especially of dandelion, willow-herb, chamomile, stinging nettle and mistletoe. However, the share of total production of wild collection is likely to be far superior to cultivated quantities, as is the case in other East-European countries.

**Table 1.2 Indication of total cultivated area, organic area, number of growers and wild collected quantities of herbs used in cosmetics in Slovakia, 2005, in hectares and tonnes**

Scientific name	Common name	Total area	Organic area	Wild collected quantity	Nr. of growers
Chamomilla recutita	German chamomile	310	28	25	27
Linum usitatissimum	Flaxseed	30			1
Coriandrum sativum	Coriander	25			1
Hypericum perforatum	St Johns Wort	18	5	15	3
Mentha piperita	Peppermint	18	4		4
Melissa officinalis	Lemon balm	15			2
Calendula officinalis	Marigold	9	2		4
Salvia officinalis	Sage	5			1
Betula alba	Silver birch			5	
Juniperus communis	Common juniper			2	
Rosa sp	Rose fruits			35	
Rubus fruticosus	Blackberry			10	
Viola tricolor	Heartsease			7	
<b>Total</b>		<b>425</b>	<b>39</b>	<b>99</b>	<b>43</b>

Source: EHGA Europam (2005)

- Please note that EHGA is an association of herb growers and information is based on production areas of its members. Therefore these figures are probably an underestimation of the actual areas, and especially of wild-collected quantities.
- Table 1.3 shows the production of vegetable oils relevant to the cosmetics market in Slovakia.
- Please note that many specialist fats and oils from developing Slovakia are not included here, because they are not, or to a very limited degree, produced in Poland. This is also the case for raw plant material.
- No production information is available for the other product groups included in this survey.

**Table 1.3 Slovakian production of vegetable oils, 2001-2003, in 1,000 tonnes**

	2001	2002	2003	Share of EU
Coconut oil	not reported	not reported	not reported	
Groundnut oil	not reported	not reported	not reported	
Palm kernel oil	not reported	not reported	not reported	
Sesameseed oil	not reported	not reported	not reported	
Soybean oil	1,454	2,685	2,175	0.1%
Sunflower seed oil	18,273	15,028	34,244	0.6%
Other vegetable oils	38,187	60,027	37,717	0.8%
Vegetable oil total	59,915	79,742	76,139	0.6%

Source: FAO (2005)

Please note that many specialist fats and oils from developing countries are not included here, because they are not, or to a very limited degree, produced in Slovakia.

### Trends

- No information is available on developments in the market for natural cosmetics. However, one of the domestic producers AB Kozmetika, focuses on natural cosmetics and cosmeceuticals and does so mostly for the Slovakian market, as only 30% of its products is exported. The range of products covered is broad (AB Kozmetika).
- Production in Slovakia is significant and this is not expected to change in the future.

### Opportunities and threats

- Considering the significant number of cosmetic producers and ingredient processors, as well as a very small but increasing market for cosmetic products, it can be expected that a market for natural ingredients for cosmetics also exists.
- According to the Slovak Association of Branded Products, plant extracts and aromatic plants are promising in Slovakia.

### Useful sources

- For more information on Slovakia, please refer to Euromonitor (<http://www.euromonitor.com>). Please keep in mind that only summaries are readily available, the reports themselves come at considerable cost, but do provide company names.
- Further information can be found on the site of EHGA Europam (<http://www.europam.net/>) and may be obtained from organisations mentioned in Section 6 as well as the Slovakian statistical agency ([http://www.statistics.sk/webdata/english/index2\\_a.htm](http://www.statistics.sk/webdata/english/index2_a.htm)).

## 2. Trade: imports and exports

Please note that due to inconsistencies in Eurostat data, the total figures do not match the sum of imports. Therefore data should be interpreted with care.

### Imports

- Slovakia is a small importer of natural ingredients for cosmetics. EU member states are the main suppliers to Slovakia. The role of developing countries is insignificant and it is likely that products originating in these countries are first imported into other EU countries and then re-exported to Slovakia.
- Imports of vegetable oils and fats increased by 14.5% between 2000 and 2004, amounting to € 13.1 million in 2004. Only 2% was supplied by developing countries mainly by Côte d'Ivoire.
- Imports of vegetable saps and extracts amounted to € 4.8 million, signifying a 17.5% annual decrease between 2000 and 2004. Developing countries account for 5% of these imports, of which almost half comes from China.
- Imports of essential oils amounted to € 1.7 million in 2004, signifying an annual increase of 23.3% between 2000 and 2004. 9% is imported from developing countries, with India (8% of total imports) playing an important role.

- Raw plant material was imported with a value of € 3.1 million in 2004, signifying an increase of almost 2% per year since 2000. 4% is imported from developing countries, with the most important being South Africa (1% of total imports).
- Imports of colouring matter increased by 2.4% annually between 2000 and 2004, amounting to € 0.6 million, of which developing countries supplied 6%. South Africa accounted for half of these imports.

### Exports

- Slovakia is an insignificant exporter of the product groups considered, with exports amounting to less than € 1 million for all product groups except for vegetable oils. Moreover, exports are decreasing.
- Exports of vegetable oils, fats and waxes increased considerably, amounting to € 9 million in 2004.

### Opportunities and threats

- Although Slovakian imports of the product groups included is increasing, it remains a very small EU market which does not yet offer many opportunities for exporters in developing countries. This might change if the imports of ingredients continue to expand.
- The small share of imports from developing countries can be either a threat or an opportunity. It indicates a current preference for imports from more developed countries. However, the figures can also be translated into a more positive forecast: developing countries still have a large share to gain if Slovakia follows import patterns of other EU countries regarding imports from developing countries.

### Useful sources

- EU Expanding Exports Helpdesk  
<http://export-help.cec.eu.int/> → go to: trade statistics
- Eurostat – official statistical office of the EU  
<http://epp.eurostat.cec.eu.int> → go to: 'themes' on the left side of the home page → go to 'external trade' → go to 'data' → go to 'full view' → go to 'external trade' → go to 'detailed data'.

## 3. Trade structure

- In general, the same trade channels apply to Slovakia as mentioned in the survey covering the EU. The traditional approach of contacting traders, intermediate processing companies, agents and wholesalers (either with or without processing capacity, dependent on the product) remains the most importance method.
- However, some end-industries can also be approached, as they also import directly from developing countries. This is especially the case for specialist niche players, such as natural or organic producers.
- Slovakia has a considerable domestic industry, with several medium and small producers. Furthermore, multinationals also increasingly have a presence in Slovakia. These companies were mentioned in section 1. Calendula ([http://www.calendula.sk/profil\\_en.htm](http://www.calendula.sk/profil_en.htm)) is the country's main company focusing on natural ingredients, such as dry and fluid extracts and essential oils. No other relevant companies were found in Slovakia.

## 4. Prices

- Regarding prices of ingredients, please refer to the survey covering the EU, as the indications of prices given there do not differ from those in Slovakia. Actual prices are dependent on negotiation with the companies. Interesting sources of price information are in particular the trade magazine Public Ledger (<http://www.public-ledger.com>) and ITC market news service (MNS) (<http://www.intracen.org>).

- Exporters need to have detailed production costs/volume price breaks for the ingredients that they supply. This will give them a vital reference point for any negotiations with buyers.

## 5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information please refer to;
- CBI Database <http://www.cbi.nl/marketinfo>
- Taric Homepage [http://europa.eu.int/comm/taxation\\_customs/dds/en/tarhome.htm](http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm)
- Directorate General XXI [http://europa.eu.int/comm/taxation\\_customs/common/publications/info\\_docs/taxation/index\\_en.htm](http://europa.eu.int/comm/taxation_customs/common/publications/info_docs/taxation/index_en.htm)

## 6. Business practices

For information on business practices, please refer to the following sources.

- A trade association of interest could be the Slovak Association for Branded Products ([szzv@nexta.sk](mailto:szzv@nexta.sk)).
- No interesting trade fairs are held in Slovakia.
- There is no Slovakian cosmetic trade press of interest.

This survey was compiled for CBI by ProFound – Advisers in Development  
in collaboration with Klaus Dürbeck and Andrew Jones.  
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