

## Press Release

# Beauty and cleanliness remain important

- Sales revenues with beauty and home care products increase to EUR 30.1 billion
- The top sellers are fragrances, decorative cosmetics and detergents
- Industry remains an anchor of stability in the crisis, but rising costs are placing a burden on companies

*Frankfurt am Main, 8 December 2022.* A good appearance, well-groomed clothes and a beautiful home are important to people in Germany, even in difficult times. The sales revenue growth of the beauty and home care industry in 2022 was correspondingly significant: **The value of cosmetic products and detergents, care and cleaning products sold in Germany and abroad rose by 7.9 percent to EUR 30.1 billion** - a new record. Export sales grew particularly strongly, rising by 15.6 percent to EUR 10.6 billion. Nevertheless, the economic situation of the companies has been deteriorating. The main reason is the increase in costs for energy and raw materials. The industry, which is predominantly made up of small and medium-sized companies, is meanwhile under heavy pressure.

### *A longing for normal life*

Products of the companies organised within the German Cosmetic, Toiletry, Perfumery and Detergent Association (IKW) remain at the top of the shopping lists - even though consumers are generally less keen on shopping under the impression of inflation and worries about the future. **In Germany, shoppers spent EUR 14.3 billion on body care and cosmetic products.** This represents 5.4 per cent more versus prior year. Fragrances (plus 33.8 per cent) and deodorants (plus 8.2 per cent) proved to be particularly popular at the checkout. Mascara, lipstick, nail varnish and all other decorative cosmetic products were up 16 per cent. Outliers on the downside were soaps and syndets with minus 8 per cent. These products were in a particularly high demand during the first pandemic year 2020 and have apparently not yet been completely used up.

IKW President Georg Held points out: "**Various studies show that beauty care is essential for people** - especially when times become more uncertain. After two COVID-19 years and the associated lockdowns, people now have a strong need to catch up in their social lives. An attractive personal appearance is an essential part of this."

### *More attention to a neat outfit*

Cinema, theatre, meeting friends or going back to the office: Clean and well-groomed clothes are part and parcel of it. The demand for all kinds of detergents was correspondingly high. People spent 8.8 percent more on light-duty and special laundry detergents; general-purpose, heavy-duty and colour detergents achieved a plus of 6.7 percent, and laundry detergent aids a plus of 5.0 percent. By contrast, there was a slight decline in home cleaning and dishwashing products or room scents, which were still in high demand in the pandemic year 2021. All in all, the checkouts **of the domestic retail trade registered a 0.9 percent rise in the sales value of home care products to EUR 5.1 billion.** Georg Held: "**In the crisis year 2022, many people attach particular importance to cleanliness and a well-groomed appearance."**

### *Cost pressure and red tape cause problems for companies*

The industry is struggling with sharply increased energy and raw material costs. In a recent **survey of IKW member companies, 82 percent of the participating companies named cost burdens as the biggest economic challenge.** More than half mentioned the difficult procurement of raw materials and disrupted supply chains in this context. IKW Director General Thomas Keiser comments: "Rising costs and increased expenditure due to more and more regulation and bureaucracy are causing problems for our companies. Our industry is reaching its limits. **Rapid relief, a reduction in red tape and a sense of proportion in regulation are now called for."**"

### *Mixed outlook for 2023*

In view of the further rising costs and the possible effects of a recession predicted for the coming year, it is difficult for the companies to make a forecast on business development. An easing of the raw material and energy markets is not foreseeable at present. Thomas Keiser: "Despite all the uncertainties, we are nevertheless optimistic that our services and products will continue to meet with a high readiness to buy among consumers. **We are forecasting a growth in sales revenues of 2.5 per cent for the year 2023.**"

Beauty and Home Care are an anchor of stability in 2022



█ Beauty Care    █ Home Care    ↗ 2022 vs. previous year

**€19.5bn**

Domestic sales revenues<sup>1</sup>

↗ +4.2%

**€14.3bn**

↑ +5.4%

**€5.1bn**

↗ +0.9%

**€10.6bn**

Export sales revenues<sup>2</sup>

↗ +15.6%

**€8.1bn**

↑ +18.7%

**€2.5bn**

↑ +6.9%

**€30.1bn**

Domestic and Export sales revenues

↑ +7.9 %

**€22.4bn**

↑ +9.2%

**€7.6bn**

↗ +2.7%



1) IKW projection total market based on GfK (Jan.-Sept. 2022) and own surveys; 2) IKW projection based on Federal Statistic Office (Jan.-Aug. 2022)

## About IKW

The German Cosmetic, Toiletry, Perfumery and Detergent Association, with headquarters in Frankfurt am Main, was founded in 1968. It represents the interests of more than 440 companies from the fields of beauty and home care on a national and European level. The industry generates sales revenues of more than EUR 19 billion and employs a workforce of approximately 50,000 people. The member companies cover approximately 95 % of the market.

IKW is the contact partner for its member companies, ministries, public authorities, consumers, institutions and associations as well as for the media as far as scientific, regulatory or business topics are concerned. Experts of the competence partners Beauty Care and Home Care within IKW provide competent answers on questions concerning skin and hair care, beauty and self-esteem as well as hygiene and cleaning. More information on [www.ikw.org](http://www.ikw.org)

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