

Number of Cosmetics Factories Grow 8.7% in Brazil

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A study by the Brazilian Association of Toiletries, Perfumes & Cosmetics Industries (Abihpec) indicates that Brazil started the year of 2006 with 1,367 companies in the cosmetics sector.

In 2005, 109 new factories were installed in the country, which represented an increase in 8.7% in the number of companies.

According to information from the Abihpec press advisory, in the northeastern state of Bahia alone, the number of factories increased by 90%.

The Bahia cosmetics industry ended 2005 with revenues of approximately US\$ 18.2 million. The state of Rio Grande do Sul, in the extreme south of Brazil, in turn, jumped from 95 to 105 companies last year.

Exports by the personal hygiene, perfumery and cosmetics industry grew 20% in 2005 reaching US\$ 400 million. Preliminary numbers released at the end of December indicated that the sector's total revenues should reach approximately US\$ 6.3 billion, 14.5% more than in 2004, with 1.3 million tons sold.

The personal hygiene sector grew 13.4% in the year, and cosmetics, 15.8%. The highlight was perfumery, which registered growth of 17.6% in sales when compared to 2004. Regarding the sales volume, personal hygiene presented a revenue increase of 9.2%, perfumery 8% and cosmetics, 11.5%.

According to the president of the Abihpec, João Carlos Basílio da Silva, the forecast was for sector growth to be 20%, considering a scenery of inflation of between 7% and 7.5% and stable exchange rates.

"With lower inflation than expected and appreciation of the Brazilian real against the dollar, the cosmetics industry limited itself to 5% price increases in its products, which reduced the revenue forecasts," he said.

The appreciation of the Brazilian real against the dollar also caused an increase in sector imports, which grew 35.4% from January to November 2005, when compared to the same period last year. Imports reached US\$ 83 million.

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