

Lacklustre until 2011

From Sluggish spending to more distribution control for hypermarkets, Euromonitor gauges the UAE'S personal care summer performance. Negative impact The low consumer confidence had a negative impact on volume and value growth rates in 2009, which were lower than their corresponding review period levels. Volume growth in the beauty and personal care market reflected slower population growth in the UAE as well as an outflow of expatriates back to their home countries in July. In addition, shrinking consumer confidence saw overall value growth slightly impacted by some consumers trading down to cheaper brands. This slow growth also reflected the maturing stage of some categories in which the novelty factor had started to wane. The largest four multi nationals - Unilever NAME, Procter & Gamble Gulf, LOréal Middle East and Beiersdorf Middle East - collectively accounted for nearly half the market's value sales. Domestic manufacturers, on the other hand, are notably present in fragrances in light of sustainable demand for Arabian perfumes among the local population. Rasasi, Ajmal and Designer Shaik top the list of major domestic manufacturers in the Emirates. Power shifts In addition to being positioned as the domain of weekly shopping, supermarkets and hypermarkets are reinforcing their lead even more in the distribution of beauty and personal care products. Low consumer confidence has undeniably benefited these channels. This is mainly due to their own regular promotions and, interestingly, a growing interest in their private label beauty and personal care lines.

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LACKLUSTRE UNTIL 2011

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Negative impact

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Greater efforts

In spite of the slower growth in 2009,

corporate activity increased in terms of awareness campaigns and new product developments. Firstly, some categories saw a number of awareness and promotional campaigns. These were particularly evident in sun care, skin care and oral care. Secondly, various new product developments were launched last year, mostly catering to both middle-income earners trading down and high-income earners trading up.

Wider gaps

Multinational manufacturers remained at the head of beauty and personal care sector. This lead is benefiting from long-established customer loyalty as well as a lacklustre domestic manufacturing environment. The largest four multinationals - Unilever NAME, Procter &

Gamble Gulf, LOréal Middle East and Beiersdorf Middle East - collectively accounted for nearly half the market's value sales. Domestic manufacturers, on the other hand, are notably present in fragrances in light of sustainable demand for Arabian perfumes among the local population. Rasasi, Ajmal and Designer Shaik top the list of major domestic manufacturers in the Emirates.

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Delayed recovery

Although the global economy started recovering by the second half of 2009, the UAE remained mired in recession. The Dubai debt crisis, which erupted in November 2009, is expected to continue to slow down economic recovery. This will, accordingly, feed through across all sectors, including the beauty and personal care industry.

Analysis of long-term growth, however, shows expectations for this sector to record accelerating growth rates again from 2011. Growth will be particularly driven by the expanding retail landscape and the novelty of some categories such as men's grooming products. ■

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