**SERBIA**

1. **COSMETIC INDUSTRY IN SERBIA - *July, 2019***

In Serbia there is a domestic production of all types of cosmetic products, but during the recent years, while approaching the EU, there has been a significant increase of the imported cosmetic products.

Domestic manufacturers are successful in selling low price products for personal hygiene, while foreign companies are more successful in selling higher priced products per unit (creams, hair dyes, etc.) which is mostly the result of large investments in advertising.

Following a positive performance in 2017, the beauty and personal care sector sales grew in 2018 as well, thanks to the improvement of general economic conditions. Certain consumer groups, primarily middle-income and lower-middle-income consumers, were once again able to spend more on beauty and personal care products.

There are around 90 local manufactures; the most active participants in the cosmetics industry are companies which offer hygienic and basic skin care products. There are also numerous small producers, so-called domestic workshops, primarily oriented towards producing natural, organic and specific, niche-oriented cosmetics.

Natural cosmetics, as well as home-made cosmetics from natural ingredients, are becoming increasingly popular in the world. During the past few years several studies showed that consumers in Serbia are starting to pay more attention to what is in the products that they are using and gravitate towards those that seem to have more natural components.

The most important local brands are Aura [www.aura.rs](http://www.aura.rs), Multiactiv <http://www.multiactiv.rs/> and Dr Colic Cosmetics <https://www.coliccosmetics.com/en/>.

A regional brand from Slovenia, Afrodita <https://kozmetikaafrodita.rs/>, has a very important market share.

In addition, nearly all international brands are present on the market – Loreal, Max Factor, Vichy, Garnier, Nivea, Collistar, Bioderma etc. There were many new launches seen within skin care in 2018. However, Beiersdorf Serbia was by far the most active in this regard.

The biggest percentage of cosmetic products is imported from the EU (more than 70 %) while 10 % comes from Turkey, 10 % from China and around 10 % from other countries.



*Table 1 – Import of perfumery, cosmetic products and toiletries in Serbia during 2016, 2017 and 2018*

The **procedure for importing cosmetics** is similar to the import of dietary products and food supplements.

It is necessary to provide the Health Certificate (certifying that the product is safe for human use) as well as the Certificate Of Conformity COC (attestation of conformity) that is attached as proof of origin and usually follows the EUR-1 form. Cosmetic products may be marketed only in the original wrapping of the manufacturers, in a packaging that enables proper use and protects the hygienic quality of an individual product. Of course, cosmetic products must contain a product label.

*The 34th International congress and fair of cosmetics, hair care, aesthetics and health - The touch of Paris* [www.sajamkozmetike.com](http://www.sajamkozmetike.com) is about to take place in Belgrade on the 12th and 13th of October 2019. This is an annual event that is visited by beauticians, hair stylists, pharmacists, doctors, aesthetics surgeons, owners of the beauty and hair salons, owners and managers of the hotels, fitness, spa and wellness centers, publishers, students from schools and educational centers for beauty care and others. The organizer of the fair is Eco Design <http://www.edsgroup.net/> which is also responsible for the creation of the largest beauty portal in the Balkans [www.saloninfo.rs](http://www.saloninfo.rs) in 2008.

Two of the largest players in drugstores/parapharmacies in the country are Lilly <https://www.lilly.rs/> and DM <https://www.dm.rs/>).

Important distributors are Jasmin <http://www.jasmin.rs/> and Benu pharmacy <http://www.benuapoteka.rs/>. Some international distributors like Sephora <https://www.sephora.com/> are also present on the Serbian market.

Several recent studies showed that most consumers (52 %) shop for cosmetic products in specialized shops (Lilly drogerie d.o.o and DM drogerie market d.o.o.), while some purchase them in pharmacies (29 %), supermarkets (7 %) or through a catalogue – mostly Avon <https://www.avon.rs/> or Oriflame <https://rs.oriflame.com/> (7%). Consumers are least likely to shop online for these products (5 %). The study showed that Nivea is the most preferred brand of cosmetic products in Serbia due to it being highly advertised, affordable and of satisfactory quality. When asked about considering other brands, 22 % of consumers stated that they change the brand once within a 6 months period, 23 % do so once a year, most consumers (27 %) change the brand every couple of years while 22 % do so 2-3 times in their lifetime and only 6 % prefer not to ever change it. Although price plays a significant role in decision-making when purchasing cosmetic products in Serbia, the quality of the product seems to be the most important factor due to the wide variety of brands that are present on the market.

When it comes to skincare, top-selling are cosmetic products for the body (59 %), which are followed by the ones for the body, face and hands (20 %), the ones for the face and body (8 %) and the ones for the body and hands (2 %). Universal skincare products make up for about 10 % of the sales.

There were several important trends that decisively shaped new product developments within the cosmetic industry in 2018. One of these was the introduction and accentuation of new ingredients, such as clay, charcoal and micellar water. The products containing these ingredients were highly advertised and as a result they are being increasingly integrated into regular skincare routines of Serbian consumers.

Statistics show that cosmetic products designed to be used by women are more present on the market than those for men. However, the consumption of cosmetic products for men in Serbia is increasing from year to year. This mostly refers to products for shaving, but also to soaps and shower gels, deodorants, skin care products and hair care products. The very first cosmetic companies in Serbia which began to produce cosmetics for men were Nivea and L'Oréal, while today there are numerous companies that cater to men.

Geographically, overall, the biggest percentage of cosmetic products gets sold in Belgrade (41%) due to it being the most populous city in Serbia with around 2 million inhabitants. In Vojvodina, the northern region of Serbia where the second most populated city Novi Sad is located, 24 % of total annual sales of cosmetic products are recorded, while 20 % are recorded in the western part of central Serbia and 15 % in the south-eastern part.

Cosmetic industry in Serbia is set to continue to record a strong performance. This will be fueled by the continued improvement of disposable incomes and the overall increase in living standards amongst Serbian consumers, making the Serbian market a favorable place for the new brands of cosmetic products.

1. **The main actors and distributors**

<https://www.dm.rs/>, <https://www.lilly.rs/> <http://www.jasmin.rs/> <http://www.benuapoteka.rs>

1. **Useful links**

[www.sajamkozmetike.com](http://www.sajamkozmetike.com)

<http://www.kozmodet.rs/en/home/>

<https://www.euromonitor.com>

<https://www.marketresearch.com/> <https://www.serbianmonitor.com/en/>

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Date : 26.07.2019