

Disposable hygiene trends in Latin America

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Prior to the third edition of OUTLOOK™ Plus Latin America in May, we caught up with Euromonitor analyst Rafael Pellegrini for the latest insights on market trends in the region.

Marines Lagemaat (Scientific and Technical Affairs Director, EDANA): Rafael, you **will join us in Sao Paolo** to talk to us about the disposable hygiene sector in Latin America. What are the major trends in the region and are there notable differences from other regions?

Rafael Pellegrini: Latin America posts an upward trend in growth, in value terms it's only behind Asia Pacific and Middle East. We estimate retail value sales growth of 5.3% CAGR from 2018 to 2023 for the region's disposable hygiene sector, primarily due to a more optimistic environment for the key markets in this region.

With this predicted upturn of consumer spending power, we expect that the region will be increasingly receptive to higher-end hygiene goods entering the market.

Besides notable cultural and socio dynamics that distinguish Latin America, there are some other key points to consider. The largest economies in the region are historically volatile resulting in recurrent shocks to levels of mass consumption. This instability can affect overall household income and further slow the pace of adoption of high-end products among consumers. In addition, almost all Latin American countries transition to an older population

without achieving the rise in income levels witnessed in more developed economies. This results, for example, in manufacturers stepping back and rethinking whether the same adult incontinence product delivered in developed regions would be feasible and affordable for Latin American markets.

ML: What innovations in the sector excite you most?

RP: The increasing focus on the 'eco' sector in disposable hygiene, even though it is expected to remain a niche market in Latin America, limited to the higher-priced segment.

ML: And what do you see as the biggest challenges in this sector in Latin America?

RP: The challenge for manufacturers to grow margins amid rising costs and fragile consumer spending power.

ML: Recently in Europe there has been much focus on the sustainability of products and

