

AOSDAC 2015, TOKYO

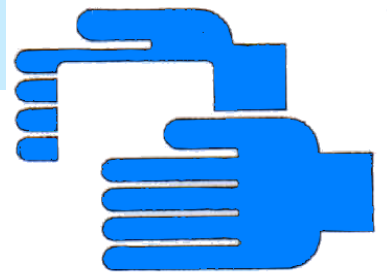
## Taiwan Cleaning Market Overview

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**T**AIWAN **S**OAP & **D**ETERGENT **A**SSOCIATION



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# AGENDA

- About TSDA
- Taiwan Profile
- Taiwan Laundry Detergent Market Overview
- Current Home Care Market in Taiwan

# About TSDA

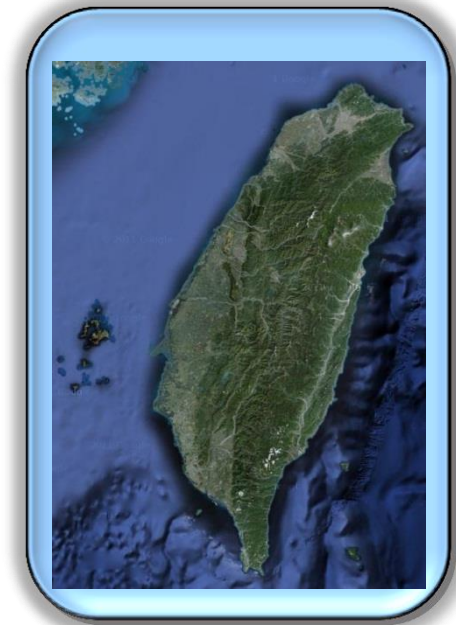
- **Founded in 1948 in Taipei, Taiwan**
- **42 regular members and 12 sponsor members**
- **Major functions of TSDA in early stage**
  - Supporting supply chain integration
  - Supporting members to obtain foreign aid
  - Supporting members to improve production process and product quality
- **Established Asia Soap and Detergent Association Conference with JSDA and KSDA in 1996 with first meeting in Tokyo, Japan**
- **Conventions: 3<sup>rd</sup> ASDC (2000, Taipei), 6<sup>th</sup> AOSDAC (2007, Chia-Yi)**
- **Major functions of TSDA nowadays**
  - Offering discussion platform between members and government on regulation and business related issues (e.g. tax and custom of raw materials)
  - Managing the participation of members to regional and international conference and offering communication platform
  - Supporting members to obtain up-to-date technical and regulation related information in industry from new website
  - Involving container recycling operation corresponding to environment protection policy of Taiwan government

# Taiwan Profile (as of 2015/Q2)

Area : 36,188 km<sup>2</sup>

Population / Density : 23.4 mil. / 648 per km<sup>2</sup>

	Male	Female
Population Distribution	11.75 mil.	11.64 mil.
Expectation of life	76.8 yrs.	83.3 yrs.



Age Dist.

0~14 yrs.	15~65 yrs.	>65 yrs.
14.5% (Jun/2013) →13.7%	74.2% (Jun/2013) →73.9%	11.3% (Jun/2013) →12.3%

Gross Birth Rate (Jun/2013): 0.6% (Jun/2013) → 0.8%

2013 GDP / GDP growth rate : US\$ 511,293 mil. / 2.09%





2014 GDP / GDP growth rate : US\$ 529,587 mil. / 3.77%

2015 GDP / GDP growth rate : US\$ 532,693 mil. / 3.28% (FCST)

GDP per capita 2013 / 2014 / 2015 : US\$21,902 / US\$ 22,635 / US\$ 23,374





# Laundry Detergent

## Fabric Liquid Detergent

Total Market	2012	2013	2014
Sales Value (Mil USD) 	73.8	78.3	81.7
Sales Volume (M Ton) 	58.5	61.2	59.3
Value Growth%		6.1	4.3
Volume Growth %		4.5	-3.1
Channel Weight	2012	2013	2014
Hyper 	36.6	35.0	32.9
Chian Super 	36.8	38.4	40.6
Other Super	19.4	19.2	19.1
CVS	1.3	1.5	1.6
Drug Store	5.0	5.1	4.8
Traditional	0.9	0.8	1.0

- Growing value per unit and descending volume for liquid
- Moving channel distribution and challenge for hyper market

## Fabric Powder Detergent

Total Market	2012	2013	2014
Sales Value (Mil USD) 	60.7	57.3	55.1
Sales Volume (M Ton) 	51.7	48.5	46.2
Value Growth%		-5.5	-3.8
Volume Growth %		-6.2	-4.7
Channel Weight	2012	2013	2014
Hyper 	30.0	29.2	27.1
Chian Super 	32.0	34.3	36.8
Other Super	26.5	26.6	27.3
CVS	5.3	4.0	3.4
Drug Store	1.5	1.7	1.3
Traditional	4.7	4.2	4.1

- Descending value and volume for powder

# Laundry Detergent


## Fabric Detergent

Total Market		2012	2013	2014			
Sales Value (Mil USD)	Liquid	73.8	55%	78.3	58%	81.7	60%
	Powder	60.7	45%	57.3	42%	55.1	40%
	<b>TTL</b>	<b>134.4</b>		<b>135.6</b>		<b>136.8</b>	
Sales Volume (M Ton)	Liquid	1.8	53%	1.9	56%	1.8	56%
	Powder	1.6	47%	1.5	44%	1.4	44%
	<b>TTL</b>	<b>3.4</b>		<b>3.3</b>		<b>3.2</b>	
Value Growth%	Liquid			6.1		4.3	
	Powder			-5.5		-3.8	
	<b>TTL</b>			<b>0.9</b>		<b>0.9</b>	
Volume Growth %	Liquid			4.5		-3.1	
	Powder			-6.2		-4.7	
	<b>TTL</b>			<b>-0.5</b>		<b>-3.8</b>	


- Liquid weight came to 60%
- Market value was saturated but volume for powder dropped remarkably
- Consumer moved to products with higher value, more function and natural appeals

# Other Fabric Care Products

## Fabric Liquid Softener

Total Market	2012	2013	2014
Sales Value (Mil USD) 	27.2	25.2	24.3
Sales Volume (M Ton) 	18.6	18.0	16.6
Value Growth%		-7.4	-3.5
Volume Growth %		-3.2	-8.1
Channel Weight	2012	2013	2014
Hyper 	33.7	32.3	30.8
Chian Super 	33.1	31.3	34.4
Other Super	24.2	26.6	25.1
Drug Store	8.1	9.0	8.3
CVS+Traditional	0.9	0.8	1.4





## Stain Remover/Bleach

Total Market	2012	2013	2014
Sales Value (Mil USD) 	13.2	13.0	12.4
Sales Volume (M Ton) 	10.6	10.4	9.8
Value Growth%		-1.4	-4.5
Volume Growth %		-1.5	-5.8
Channel Weight	2012	2013	2014
Hyper 	44.4	42.8	41.5
Chian Super 	46.8	49.3	50.6
CVS	2.0	1.5	1.4
Drug Store	2.9	2.7	2.7
Traditional	3.9	3.7	3.8




- Remarkable descending on fabric softener on value and volume, which might come from skeptical about chemical residuals from softener on fabrics.
- Slow but descending market for stain remover and bleach products

# Household Cleaning

## Kitchen Cleaner

Total Market	2012	2013	2014
Sales Value (Mil USD) 	10.1	10.3	9.5
Sales Volume (M Ton) 	9.3	7.5	6.9
Value Growth%		2.3	-8.3
Volume Growth %		-20.0	-6.8
Channel Weight	2012	2013	2014
Hyper 	28.7	31.3	28.9
Chian Super 	36.4	36.1	37.5
Other Super	28.1	26.8	27.0
CVS	2.0	1.5	1.6
Drug Store	1.5	1.2	1.3
Traditional	3.3	3.1	3.7





## Bathroom cleaner

Total Market	2012	2013	2014
Sales Value (Mil USD) 	18.7	18.6	17.9
Sales Volume (M Ton) 	8.1	7.2	7.0
Value Growth%		-0.7	-3.5
Volume Growth %		-11.1	-3.0
Channel Weight	2012	2013	2014
Hyper 	32.2	33.7	31.1
Chian Super 	38.9	35.6	37.8
Other Super	24.2	26.4	26.3
Drug Store	3.2	3.0	3.0
CVS+Traditional	1.5	1.3	1.8

- Slow but descending market for household cleaning products
- Channel migration is not so remarkable for household cleaning categories
- Product effectiveness and efficiency is still the major index for consumer choice.



# Dish Washing Detergent

Liquid Dish Washing			
Total Market	2012	2013	2014
Sales Value (Mil USD) 	27.7	28.4	29.2
Sales Volume (M Ton) 	18.1	17.8	17.4
Value Growth%		2.6	2.6
Volume Growth %		-1.4	-2.3
Channel Weight	2012	2013	2014
Hyper 	27.7	27.4	26.3
Chian Super 	42.0	42.3	45.6
Other Super	24.2	24.4	23.6
CVS	4.1	3.8	2.4
Drug Store	2.0	2.1	2.1

- Due to food safety issue in recent years, consumer would rather choose product with more natural appeals which are more expensive.
- Various “natural based cleaning alternatives” are promoted

# Current Home Care Market in Taiwan

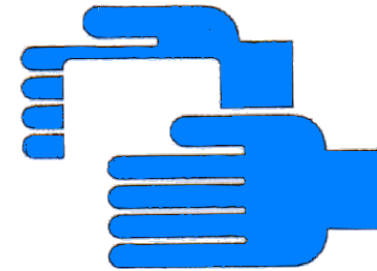
- **Mature and saturated home care market**
  - Low population growth and impact from slow economic recession
  - Super/hypermarkets remain the major distribution channels
  - Specific hyper(international)/super(local) market players keep expanding, while other players are descending
  - Substantial bargaining power of specific players led to price competition of players and margin erosion.
  - Limited margins for manufactures under strong channel power
  - Low price products competitions in market
- **Expanding focus on Branding and Marketing from Int'l Company**
  - Focusing/expanding on specific categories with new functions and appeals
  - Enormous investment on advertisement and channel promotion from international brands
  - Evolving packaging design and packaging size preference



# Current Home Care Market in Taiwan

- **Pressure from NGO and consumers about functional products**
  - Food safety issues led to skeptics on product safety concerns
  - Dish washing detergent case
    - Currently under FDA regulation
    - Government is working on strict regulation for labeling with food regulation standard.
    - Imported products are also regulated which might face trade barriers.
    - Obstacle to industry development from improper regulation
- **Popularity on cleaner/detergent with natural ingredients appeals**
  - Consumer preference was transferred to premium detergents with natural or green appeals or natural ingredients without hazardous chemicals
  - Product with natural appeals is still leading but government regulation is way behind
  - Government keeps promoting green product, but regulation for green detergent are still disputed.

THANK YOU!



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