



India's Goods and Services Tax (GST) on Beauty and Personal Care Strategic Business Report 2017 Analysis & Forecast 2022

This report covers market characteristics, size and growth, segmentation, regional breakdowns, competitive landscape, market shares, trends and strategies

PUNE, INDIA, November 27, 2017 /EINPresswire.com/ -- ABOUT THIS REPORT

The [Goods and Services Tax](#) (GST) was implemented in India to make the country a unified common national market. Under GST, all products and services are classified under only four tax slabs nationally, a shift from the earlier scenario of numerous tax brackets in different states. Implementation of GST would result in consumption of some products taking a hit in the short term due to higher GST rates, while consumption of products with comparatively lower GST rates are expected to pick up.

OVERVIEW

GST to have multiple benefits for the Indian Economy

GST aims to create “One Country One Tax One Market” by removing economic barriers between states. It will eliminate the present complex multi-layered indirect taxation system, making it possible for manufacturers to produce in one state and supply seamlessly across states without barriers.

PRICE ELASTICITY OF PRICIER DISCRETIONARY BEAUTY AND PERSONAL CARE PRODUCTS HIGHER

Pricier alternatives to necessity products and discretionary products such as body wash/shower gel, facial moisturisers, eye make-up, deodorants pumps, colourants and styling agents which are generally consumed by urban consumers have higher price sensitivity, hence will be impacted by even marginal price hikes due to higher taxes under GST.

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ORAL CARE CONSUMPTION EXPECTED TO GET A BOOST WITH LOWER GST RATES

Oral care products such as toothpastes and toothbrushes have been classified as necessity products under GST and tax rate have been fixed at 18% from previous 24%. This move is expected to boost consumption of toothpastes by an additional 1.6 million litres and toothbrush consumption expected to increase by additional 6.5 million units in 2018.

HAIR OILS OFFER OPPORTUNITIES FOR INTERNATIONAL PLAYERS TO EXPAND AND PENETRATE IN THE INDIAN HAIR CARE MARKET

Many international players could suffer on the back of GST as they lack presence in the lucrative and now cheaper, hair oils category, where local companies reign. In order to capitalise on lower tax for hair oils, international players could look to tap into the premium segment of this market by targeting

urban consumers with oils formulated from sophisticated ingredients.

OPPORTUNITY FOR PLAYERS TO TAP INTO FLEXIBLE PACKAGING TO OVERCOME HIKE IN TAXES DUE TO GST

Popularity of sachets within hair care and skin care makes flexible packaging the dominant packaging type for beauty products in India. Among various skin care categories, facial moisturisers is likely to account for over 90% of total flexible packaging in skin care over next five years.

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Price elasticity of pricier discretionary beauty products higher

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GST could impact the rising trend of men's grooming in India

Deodorants strong run in the Indian market expected to continue

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