



Patent-heavy Yonwoo's EZ Airless series of refillable cosmetics

Fast forward Asia

As the Asian cosmetics sector continues to gain ground on the global market, South Korea has become one of the world's most dynamic and influential beauty markets. With a turnover measured in billions of euros, it is only behind France and India in market size, while the country's per capita consumption of cosmetics is the largest in the world. At an average of more than 20 products per month per person, that represents huge potential for growth and innovation in packaging.

Considered one of the models of dynamism and success in the country's cosmetics sector, Seoul-based FS Korea was founded in 1988 by owner and chief executive JK Hwang. It posts sales of around \$40 million from five locations across South Korea and China, and a portfolio of more than 500 products.

"Some 80 per cent of our production goes for export, with China accounting for over 50 per cent of our sales," says Hwang. "Since relying on one particular region is obviously risky, we are looking to diversify our client bases elsewhere, particularly in Europe, North and South America and Southeast Asia."

Despite the challenges associated with Covid-19, recovery has been felt across Asia, particularly in China, and Hwang believes that the coming months will be decisive for the cosmetics market. While make-up product sales dropped sharply as people stayed at home, skin and hair-care

South Korea has fast become one of the world's most dynamic cosmetics markets, and **Dominique Huret** talks to four of its market leaders

product sales remained relatively strong.

At the same time, consumers have become increasingly cautious about contact with any objects such as door handles, so the demand for nomadic or 'portable' products and personal disinfection kits has increased dramatically. In these masked times, demand for mascaras and eye applicators is clearly stronger and is expected to remain so, which is obviously not the case for the lipsticks and gloss market.

"At the same time, developments in our industry have accelerated," adds Hwang. "The competition has steadily increased and is getting tougher every day. Since the start of 2018, our growth has slowed down but is still active. This has been a period where we have had to adapt, in particular, to the drop in the brush market and focus more on packaging in general, and other applicators. Fortunately, packaging innovation has always been our strong point. For two years, we have increased our capacity for innovation both in the field of mascara brushes and packaging solutions for



Unipack is focused on post-consumer recycle, PP and PET

cosmetics, with the desire to offer more sustainable and ecological solutions.”

As people resume outdoor activities and return to the workplace, Hwang is anticipating a focus on mascara applicators, and the company completed a new production facility for these last year, creating additional manufacturing lines.

Another key focus for FS Korea has been recyclability. “We have long offered refillable packaging solutions, so we therefore focused more on the notion of recyclability, starting from existing articles on the market.

“For example, the dropper commonly used by consumers for skin care products is often a multi-material construction,” Hwang explains. “We have simplified both the structure and the number of materials (PP and PET) to make it easy to disassemble and recycle.”

Beauty face masks are another area of growth for the Korean company, which produces around 45 million a year. But they score poorly in terms of material sustainability, and so the company is researching the potential use of bio-cellulose for both mask and packaging.

Another South Korean company with the majority of its sales coming from export is CTK Cosmetics. The business was founded in 2000 by Ian Chung, following in the footsteps of his father who had started manufacturing cosmetics packaging in 1979, including the creation of the iconic Estée Lauder Re-Nutriv jar.

“The global economy was not exactly thriving in 2020, but we managed to remain relatively unscathed thanks to the initiatives we’d undertaken in previous years in terms of market positioning, development strategy and logistics,” says chief executive Chung. He cites a turnover figure of 75 per cent coming from overseas.

“As a result, we managed to stay positive in 2020, even if sales were



From left to right: *Yonwoo chief executive Joong Hyun Ki, CTK Cosmetics chief executive Ian Chung, FS Korea chief executive JK Hwang, and Unipack president Brian Chung*

obviously impacted, mainly because of the slowdown in the make-up sector. We chose to intensify our capacity for innovation to adapt as quickly as possible to a contactless world, by investing, in particular, in the digital transformation of our business model.”

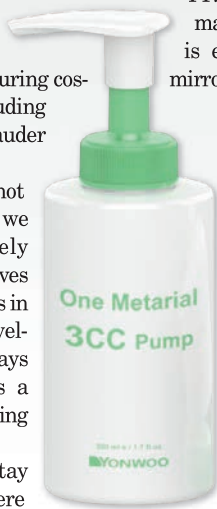
In 2020, CTK created 137 new cosmetic products, including several focused on vegan formulas. Other innovations include a refillable range of lipgloss, where the inner tube is changed, and the Eco-Green Springless Pump, which is recyclable and (as the name suggests) does not contain a spring. The container is 94 per cent standard PP and 6 per cent modified PP. Also recently launched is the Eco-Pact make-up powder or balm compact, which is entirely made of PET, except for the mirror. However, the aluminium mirror can

be removed prior to disposal, rendering the pack recyclable.

“Our innovative digital platform CTK Clip [which showcases formula, package and ingredient on a virtual beauty platform] is adapted to new ‘contactless’ requirements,” explains Chung. “The goal is to build our global reach through this to expand our influence in Europe, the Middle East, and China. For Europe, new environmental regulations are driving us to change our approach and organisation, and to invest in new sustainability programmes to better address the markets and offer new solutions and advancements.”

A strong believer in innovation – not least because it has enabled a turnover growth of more than 68 per cent between 2017 and 2019 – is Unipack. This South Korean company is following up its pre-pandemic growth with a planned expansion through significant investments across the beauty and personal care market.

“Our production is totally outsourced to two partner companies, one of which manufactures our moulds and the other our packaging,” explains company president Brian Chung. “We are very much focused at the moment on producing products using raw materials such as post-consumer recycle (PCR), PP and PET. We are also working on the development of products using bioplastics such as cellulose PP, and we are achieving excellent results.”



Yonwoo's One Material Bellows Pump won a World Packaging Organisation award in 2014



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The recyclability of composites involving cellulose and PP is questionable, but waste to energy is seen as a more than viable option across many Asian countries.

While the pandemic has inevitably impacted industrial investment, Unipack has remained focused on “personalised cosmetics” and the management of what Chung calls “big data”.

The company has most recently developed sustainable cosmetic packaging and biodegradable sachets, as it seeks to reduce the environmental footprint of these materials, and is also looking at refillable solutions.

The basic refill concept involves an inner container that is replaced once the contents are used up. This works for cream jars, lipstick and compacts, and the external and inner containers can be produced using PCR-based rPP, or cellulose PP resin using paper scrap.

The other core focus of Unipack’s packaging is ‘all-plastic’, and here the company produces an eco-friendly dropper (TPE teat, PP body and tip, and cellulose PP body) and a metal-free pump container made from PP and PE.

Biomass/cellulose PP packaging is one of Unipack’s best-sellers, while a PCR range composed of rPP and rPET is also gaining market share.

“In 2020, we increased supply to the Korean domestic market, and we have worked with various online platforms,” adds Chung. “I think the European market is a very attractive one for sustainable cosmetic containers and eco-friendly materials and products. This is a very important market for us.”

Counting 312 domestic and 441 international patents in its portfolio, Yonwoo is based in Incheon, South Korea. It started life in 1983 as a specialist in pumps, bottles and tubes for cosmetics, and in 1990 the company developed a dispensing pump that Yonwoo claims led to it becoming the world’s leading producer of piston airless packaging.

“Yonwoo declared \$250m in sales for 2019 and works with more than half of the world’s top 100 cosmetic companies, including Coty, P&G, Shiseido, L’Oréal, and Amore Pacific,” says owner and manager Joong Hyun Ki. “But it is our R&D that is key and will remain among the most active in the industry.”

In 2014, Yonwoo won a World Packaging Organisation award for the first one-material airless pump – One Material Bellows Pump – made only of PE and PP. Back in 2013, pumps were generally made of up to ten parts, often of different materials.

“We faced challenges before making the Bellows perform at the same level as standard airless in terms of dosage, high-viscosity formula pumping and leakage performance,



Above: All-plastics structures are a key target for Unipack



Far left: Consumers are keen on their products containing recycled content. **Left:** Refillable lipgloss packaging by GTK Cosmetics gives consumers the chance to reduce their waste. **Above:** New material formulations such as cellulose PP continue to emerge

especially at a high altitude for travellers,” admits Hyun Ki. “In 2020, after years of improvements, our engineers achieved it. We went even further by applying the same technology to the Presto Jar, a completely different package suitable for even higher-viscosity formulas. For all those products, the users won’t have to worry about their recyclability after use.”

In recent years, the Korean company has collected awards for its dropper tube, powder spray and ampule dropper, while EZ airless refillable pumps and 100 per cent all-PP tubes add to the innovation conveyor belt.

“The EZ series is a good demonstration of our expertise in making both eco- and user-friendly products,” Hyun Ki says. “We simplified its construction as much as possible to reduce plastics use, while its refillable function is actioned by simply turning the inner bottle base. We could

also make the over-cap and the outer bottle using PCR-based rPET, and the refill cap and inner bottle using PCR-based rPP.”

The company is also currently conducting bio-based PE material tests, with promising results expected later in the year.

The future is about seizing the best opportunities, and in 2019 Yonwoo inaugurated a state-of-the-art factory in China.

“The market is recovering fast,” confirms Hyun Ki. “Our major customers’ orders already exceeded their annual average by the final quarter of 2020. So, we are not only expecting a pre-Covid level recovery in 2021, but we are expecting to surpass any previous performances in our history.”

More information from:

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