



## Venezuelan aerosol industry faces tough challenges, sees production increase

The Venezuelan Aerosol Chamber (Cámara Venezolana Del Aerosol or CAVEA) recently released statistics for aerosol production in 2016. Venezuela produced 14,356,465 aerosol products in 2016, an increase of 11.67% over the almost 12.86 million produced in 2015. However, this is a sharp decline (-67.35%) from the almost 44 million aerosol products produced in that country during 2011.



According to CAVEA, economic conditions in Venezuela are affecting most industries, not just the aerosol industry. With a population of 32 million people, 53.1% are under 29 years old. More than 80% of the population live in urban areas. There is a very high year-on-year rate of inflation and very weak macroeconomic conditions. Even with employment regulations in place, there has been a reduction of formal employment.

These conditions decrease the purchasing capacity of the population and, along with a lack of raw materials, translates into a contraction of consumption.

In response to U.S. economic sanctions in 2017, the Venezuelan government made a decision to use the Yuan, Sucre (a regional currency), Rublo, Yen, Rupee or Euro instead of the U.S. Dollar, which CAVEA stated will cause more complications.

### The aerosol industry in Venezuela

According to CAVEA, aerosol production is concentrated in the insecticide, personal care, household, industrial and automotive product categories. There are several manufacturers who supply both their own brand as well as private label products.

Venezuela has local supplies of propellants, aluminum containers, valves, etc. The production of tinplate packaging is at a minimum because the Government Steel Co. stopped supplying tinplate sheets in 2015. Currently, tinplate production is from imported raw materials. High prices and low availability are the main reasons why production has migrated from steel to aluminum containers.

Liquid petroleum gas (LPG) is virtually the only propellant currently used, even with local production of hydrochlorofluorocarbons (HCFCs).

CAVEA concluded that due to the drop in production, the idle capacity of the aerosol industry is very high. With its abundance of its resources, including human resources, Venezuela's aerosol industry should have a more competitive advantage. **SPRAY**

### Aerosol Production in Venezuela

Units produced per year

