

THE
VALUE
OF
BEAUTY

**BRITISH
BEAUTY
COUNCIL**

**THE ECONOMIC IMPACT OF THE UK
PERSONAL CARE INDUSTRY IN 2023 AND 2024**

REPORT FOR THE BRITISH BEAUTY COUNCIL

JULY 2024

**BRITISH
BEAUTY
COUNCIL**

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JULY 2024

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ABOUT BRITISH BEAUTY COUNCIL

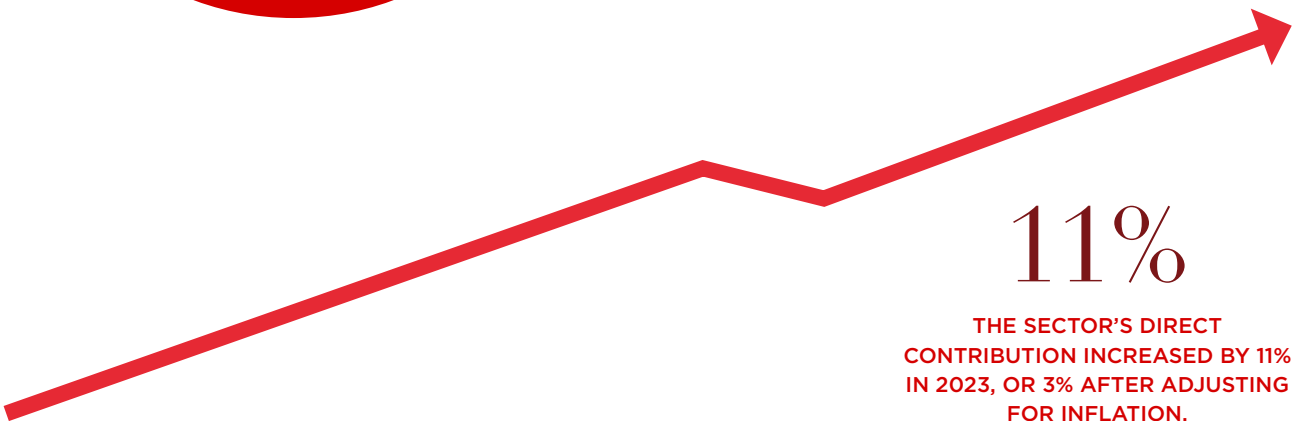
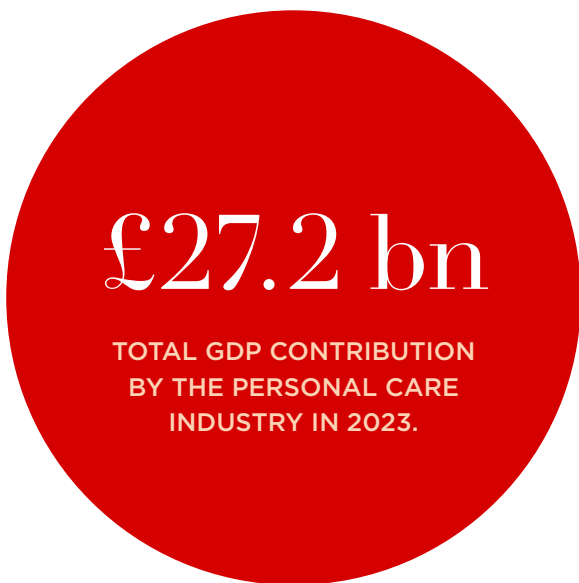
The British Beauty Council is a not-for-profit organisation dedicated to solving beauty’s shared challenges and unlocking opportunities for future generations. It represents the wider industry by generating conversation with the Government to tackle issues today and in the future.

Founded in 2018, the Council is dedicated to elevating the voices, opinions and needs of the British beauty industry – from hairdressing to aesthetics, therapy and spa; in education and training; and formulation to manufacture, supply, logistics packaging, design, retail and media.

The Council collaborates with a diverse network of patrons and affiliates so that every sector within the beauty industry can thrive. It is governed by an esteemed Executive Board, which is supported by a 70+ strong Advisory Board from across the beauty industry. With this backing, the non-profit is able to tackle the diverse hurdles facing British beauty and lead the way with policy-driven initiatives that future-proof the whole industry.

Its ambition is to ensure that the beauty industry is recognised and valued at all levels of government, throughout the wider economy, and by consumers. By supporting a successful, innovative, and inclusive British beauty industry, it promotes the interests of people and companies engaged in all sectors of beauty business.

In 2024, the Council’s work encompasses four main pillars: Policy and Influence, Environmental and Social Governance, Growth and Talent. The overarching aims of the Council never waver; however, our specific goals evolve alongside the modern beauty industry.



PATRONS

4.5.6 Skin	Look Fantastic
Acibadem	L'Oréal (UK & IRELAND)
amika	L'Oréal Professional Products
Aromatherapy Associates	Lavandi Talent
Arkive Headcare	Living M
ARgENTUM Apothecary	Legology
Beauty Independent	Liz Earle
BeautyMatter	Marks & Spencer Beauty
Benefit Cosmetics	MATRIX
Bolt Digital	Medica Forte
Boomd	Meta
Boots UK	NielsenIQ
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Dr Jackson's	Space NK
Dr. Organic	Spring Studios
DTC Live	St. Tropez
Easyfairs	Superdrug
ELEMIS	Shaftesbury Capital PLC
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Fable & Mane	Soap & Glory
Fudge Professional	Seen Group
GCRS	Soho Skin
The GelBottle Inc.	The Beauty Show
Glow Bright Marketing	The Pull Agency
Grown Alchemist	The Red Tree
Hada Labo Tokyo	THG
Henkel	This is Beauty
Holland & Barrett	The Perfect Peel
Hydrafacial	This Is Silk
iiaa	UNiDAYS
JCDecaux	Vagaro
John Lewis Partnership	Venus
Kao Brands	Weleda
Kelly Salinger (CMS)	Westlab
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INDUSTRY UPDATE

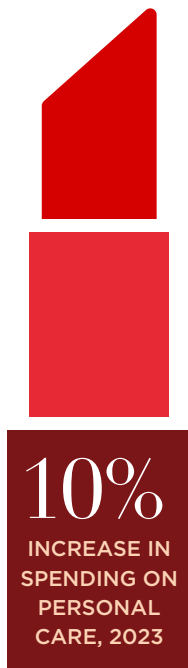


INDUSTRY UPDATE

INTRODUCTION

In 2019, the British Beauty Council and Oxford Economics launched the first comprehensive study of the value that the personal care industry creates for the UK economy in terms of its contribution to GDP and the jobs it sustains, helping to establish an economic footprint of the industry. In early 2023, Oxford Economics and the British Beauty Council updated this research, quantifying how the industry’s economic impact evolved from 2018 to 2022.

This report updates the previous study with an economic impact estimate for 2023 and a forecast for 2024.



HEADLINE FINDINGS

- In 2023, the beauty and personal care industry made a direct contribution to UK GDP of **£13.5 billion**. The industry’s activities supported an additional £13.6 billion of UK GDP through its supply chain and employee spending, **implying a total contribution of £27.2 billion**.¹
- The sector’s direct contribution increased by 11% in 2023, or 3% after adjusting for inflation. This was significantly faster than the growth rate of the overall UK economy (0.1% after adjusting for inflation).
- These figures underscore that the beauty sector is a material economic contributor. For context, its direct impact was larger than the publishing activities sector.
- The industry’s workforce increased to 418,000 in 2023, a 10% increase on the previous year. As an employer, the beauty industry is more important than the real estate sector.
- Economic activity sustained by the beauty and personal care industry supported £7.3 billion in tax revenues, of which £3.6 billion was contributed directly by the sector and its workforce. For context, the industry’s total tax contribution is large enough to fund 86% of the annual total expenditure by the Department for Digital, Culture, Media & Sport.
- Looking ahead, we expect cash spending on beauty products and services to increase by 3% in 2024, a marked slowdown from 2023. This slowdown is largely driven by the slowdown in generalised inflation—in real terms, i.e., after adjusting for inflation, growth is expected to remain broadly stable (2.9% in 2023 vs 1.0% in 2024).



THE INDUSTRY’S WORKFORCE INCREASED TO 418,000 IN 2023, A 10% INCREASE ON THE PREVIOUS YEAR.

¹ Totals may not sum due to rounding.

INDUSTRY UPDATE

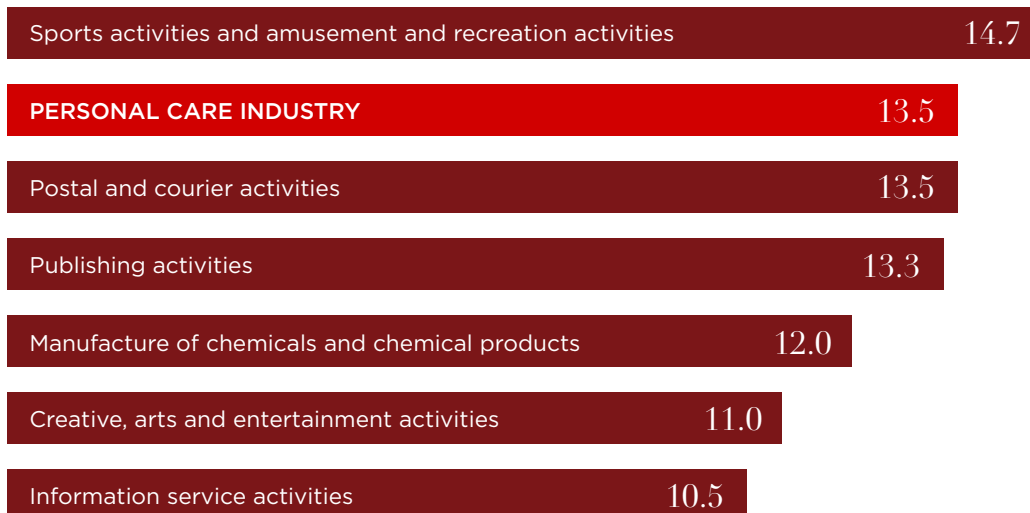
THE GDP CONTRIBUTION OF THE PERSONAL CARE INDUSTRY

In 2023, the personal care industry supported a total GDP contribution of £27.2 billion, an 11% increase with respect to 2022.² This growth is driven by a 10% increase in spending on personal care products and services by UK households. The hair and beauty services sector accounted for 31% of the wider personal care industry's total GDP contribution. We estimate that in 2024, the personal care industry will support a total GDP contribution of £28.1 billion, up 3% on 2023, and 15% on 2022. The lower growth in 2024 can be explained by slower growth in expenditure on personal care products and services by UK households, expected to increase by 3% from 2023 to 2024.

Nearly half of the personal care industry's total GDP contribution in 2023 (£13.5 billion) was generated by the industry itself, representing 0.5% of the nation's GDP. A further £5.5 billion of economic activity was stimulated elsewhere in the economy by the industry's domestic supply chain purchases, otherwise known as the industry's indirect impact. Through the wage payments made to the industry's workers and those along the supply chain, a further £8.1 billion of economic activity was supported – this is known as the industry's induced impact. We estimate that in 2024, the industry's direct GDP contribution will be £14.0 billion, while its indirect and induced GDP contributions will be £5.7 billion and £8.4 billion, respectively.

FIG. 1 DIRECT CONTRIBUTIONS TO GDP OF THE PERSONAL CARE INDUSTRY IN 2023 AND COMPARISON WITH OTHER INDUSTRIES (£ BILLIONS)

Source: Oxford Economics, ONS



²Monetary estimates are reported in current prices unless specified otherwise.

INDUSTRY UPDATE

UK EMPLOYMENT SUPPORTED BY THE PERSONAL CARE INDUSTRY

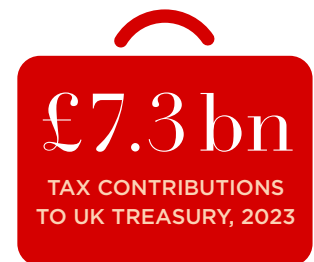
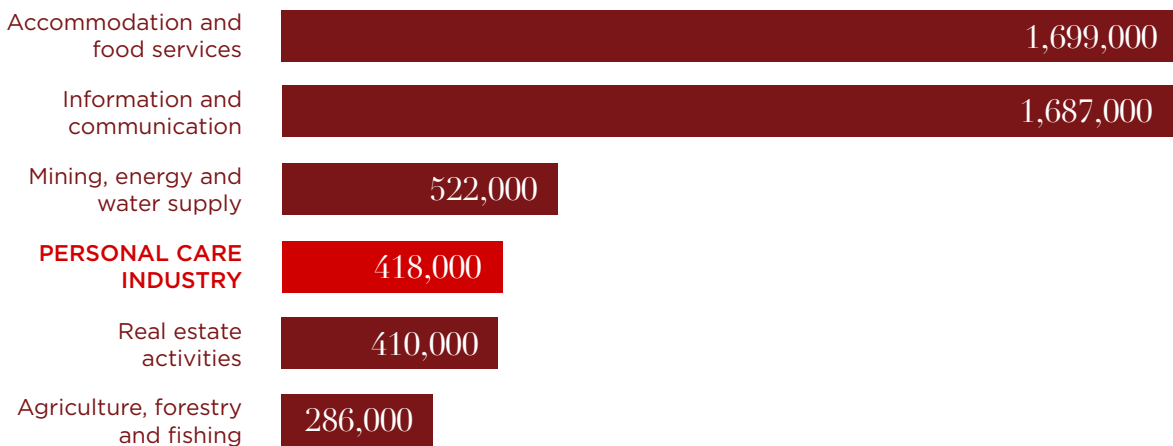
The personal care industry supported employment of 603,000 across all channels of economic impact in 2023, a 9% increase from 2022. Of this total, 418,000 were supported directly by the industry itself, with the hair and beauty services sector supporting direct employment of 224,000 alone. Based on available data and our economic projections, we forecast that this employment contribution will remain stable in 2024 with the personal care industry expected to support a total of 604,000 jobs.

TAX CONTRIBUTIONS SUPPORTED BY THE PERSONAL CARE INDUSTRY

In 2023, the personal care industry supported tax contributions of £7.3 billion to the UK Treasury: £3.6 billion of this contribution was sustained by the industry itself, with a further £1.3 billion arising from indirect and £2.3 billion from induced channels. The industry’s total tax contribution is large enough to fund 86% of the annual total expenditure by the Department for Digital, Culture, Media & Sport.³ In 2024, we estimate that the industry will support £7.4 billion in total tax contributions – £3.7 billion directly, £1.4 billion indirectly, and £2.4 billion through the induced channel.

FIG. 2 FIG. 2. DIRECT EMPLOYMENT CONTRIBUTION OF THE PERSONAL CARE INDUSTRY IN 2023 AND COMPARISON WITH OTHER INDUSTRIES (HEADCOUNT)

Source: Oxford Economics, Labour Force Survey quarterly averages



³Department for Digital, Culture, Media & Sport, [Annual Report & Accounts For the Year Ended 31 March 2023](#), page 9.

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Thanks to Liz Collins for her photography on p6.



The logo graphic consists of three overlapping, angular shapes. The leftmost shape is a light red triangle pointing upwards. The middle shape is a dark red, vertical rectangular shape with a slightly slanted top edge. The rightmost shape is a bright red triangle pointing upwards. The text 'BRITISH BEAUTY COUNCIL' is centered in white on the dark red shape.

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