

Soap Production in Poland

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Sources: Schicht, S. A.,
Ministry of Industry and Commerce,
Engineer Lachs, trade representative,
The Professional Union of the Polish Soap Industry.
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THE manufacture of soap in Poland has developed rapidly in the past decade. But with a few exceptions, notably in the Central and Western provinces, the production of soaps other than laundry grades has not assumed large proportions. The quality has been improved, however, through the introduction of modern machinery and equipment and greater technical knowledge of soap making. This improvement has been reflected in a desire to employ better and more uniform raw materials.

Number of Factories

Domestic production of toilet and laundry soap is carried out by 400 manufacturing units, of which only 110 operate on a full time schedule. Their aggregate capacity is estimated at 120,000 metric tons annually, but actual production constitutes only one-third of this volume, or 40,075 metric tons. In the number of plants comprising the industry in the different provinces, there is naturally a considerable disparity, governed partly by consumption requirements but largely by ability to compete with the leading producers. As the reorganization of the Polish soap industry progresses, its becoming increasingly difficult for small factories to maintain their industrial position. This condition is best illustrated by figures covering the number of soap factories in Poland during the last five years, given below:

Special Report No. 40 Warsaw, March 4, 1932

Number of Soap Factories in Poland

1927.....	600
1928.....	593
1929.....	537
1930.....	485
1931.....	398

The 1931 figure represents a decline of 34 per cent as compared with the number of factories in operation in 1927. Apart from reor-

ganizations which have reduced the number of soap producers, the prevailing depression is also held responsible for the considerable mortality in the industry. Unofficial estimates place soap factory suspensions at 18 per cent in 1931. A list of the leading factories operating in Poland is to be had from the Bureau on request.

Raw Material

Domestic raw material facilities to meet the requirements in the manufacture of laundry soap are negligible. Approximately 15 per cent of the sunflower, flax and rape seed oil of domestic origin is used. Chemical ingredients such as caustic and ammonia soda are wholly of local manufacture, supplied by the Solvay concern. Tallow and other animal fats employed in the manufacture of toilet soaps are supplied up to 80 per cent by local wholesale and retail establishments.

The bulk of raw material, or 85 per cent, for the manufacture of laundry soap is imported. Tallow, which constitutes about 7 per cent of total requirements, is imported from England and occasionally from Latin American countries and Australia, but Japan leads in the supply of hardened fish oils, which represent approximately 25 per cent of the aggregate raw material in the manufacture of laundry soap. Sweden, Norway and Germany are gradually relinquishing the market in favor of Japanese products, but Germany ranks first as a source of supply of hardened vegetable fats. This group of raw materials comprises coconut, Palm, olive and palm kernel oil imported and re-exported. The same practice obtains in the class of liquid vegetable oils such as Soya bean and peanut oil, almost exclusively supplied by Germany. French and Spanish rosin offers increasing competition to American products, which, manufacturers assert, are higher priced than the difference in quality warrants. De-

tailed figures on raw material imports into Poland are not available, but aggregate rosin requirements are given as 5,000 to 6,000 metric tons annually.

Production

Domestic production of toilet and laundry soap increased from 39,000 metric tons in 1927 to 41,000 in 1931. This rather slight increase over a period of five years is explained by the sharp decline of consumption in the Western and Southern provinces, Poland's leading consumption districts, and by the increasing manufacture of laundry soap by peasants in their homes, particularly along the border of Soviet Russia. Production of toilet and laundry soap has lately shown considerable improvement, and is considered inferior to the ordinary imported article only as regards odor and certain specialties. An analysis of the production volume during the last five years indicates that 41,000 metric tons of laundry and toilet soaps represent the actual requirements of domestic consumers, which in spite of the severe depression have maintained previous levels. Given more prosperous times this amount would probably increase to 42,000 metric tons, as was the case in 1928, but not until the peasants of the Eastern sections of Poland are educated to regard soap as an every-day necessity will a greater increase become probable. According to information furnished by leading soap manufacturers, the production of laundry and toilet soap for the last five years was as follows:

Laundry and Toilet Soap Production

<i>Year</i>	<i>Metric Tons</i>
1927.....	38,955
1928.....	40,678
1929.....	41,112
1930.....	42,108
1931.....	41,007

Imports

Owing to the high standard of laundry soap manufactured domestically, the importation of this type is very limited. The small quantities that are imported comprise chiefly soap powders for laundry purposes, which are estimated at 1,471 metric tons in 1930 and 1,666 in 1931. These are supplied mainly by a German firm (Henkel) in Dusseldorf, and of late by various firms in Switzerland. Toilet soap was imported in considerable quantities up to 1930, but a

sharp decline has been noticeable since. According to the Central Professional Union of the Soap Industry, aggregate imports of toilet soap amounting to 3,000 metric tons in 1929 declined to 2,500 in 1931. Local experts maintain that within another year or so imports of toilet soap will cease completely.

Consumption

The consumption of laundry soap is much greater and more general than that of toilet soap, which is largely confined to the cities. Approximately 30,000 metric tons of laundry soap are consumed annually. If adequate statistical data were available, trade representatives state, and due allowance were made for soap produced in the homes of peasants, the above amount would probably be increased to 50,000 metric tons. As regards the character of the demand a rather limited public requires soap of good quality but the mass of the population, represented by peasants and workmen with very limited purchasing power and of primitive tastes and needs, prefer cheap products. The principal soap consumption districts of Poland are Upper Silesia, Pomorze, Malopolska and Warszawa. The per capita consumption of these districts is approximately 100 per cent above the per capita consumption for all Poland, which is given below:

Per Capita Consumption of Toilet and Laundry Soap

<i>Year</i>	<i>Pounds</i>
1927.....	3.09
1928.....	3.41
1929.....	3.70
1930.....	3.77
1931.....	3.64

Marketing System

Marketing methods for toilet and laundry soap, as for most other lines in Poland, are not uniform, but the formerly excessive number of middlemen has been reduced considerably. Laundry soap manufacturers sell direct to retailers in cities and suburban towns and in distant localities to wholesale dealers. Several of the larger manufacturers have chain retail stores of their own. Toilet soap is generally sold to wholesale dealers, but owing to excessive taxation and heavy turnover cost, direct retail selling is becoming increasingly popular. European exporters work this market not only

through local agents but also through traveling salesmen, who visit even the most remote parts of the territory, showing samples and arranging credit terms much after the fashion of traveling salesmen in the United States. Sales of laundry soap are conducted largely through stores which specialize in household commodities, such as candles, oils, paints and the like, called "Mydlarnia" or soap stores. Toilet soaps may be had in barber shops, beauty parlors, drug stores, perfumery and department stores.

Prices and Terms

The existing trade depression has been responsible for an abnormal decline in prices and credit terms, manufacturers and trade representatives state, have been almost eliminated because of frequent default in payment on the part of the most reliable customers. Only guaranteed credits of 3 months are occasionally granted. Cash terms are accorded a discount of 8 per cent. Sales of toilet soap were conducted on credit terms of from 6 to 8 months but these have been gradually reduced to 4 months, preference being given to cash transactions with a 10 per cent discount. On the whole the tendency is to sell less but for cash.

Advertising

Polish consumers are not readily influenced by an attractive poster or window display, but are more susceptible to an argumentative form, bearing on the value, utility and durability of the product. But experience has shown that peasants will often disregard all attributes of a given product in favor of a low price. An attractive container, wrapper or exterior finish are often potential factors, however, in the sale of soaps and products to farmers. Advertising of the American type has never been seriously attempted in Poland, with two notable exceptions, these firms using window-cards and street posters. The larger firms confine their advertising activities to important towns and cities. The marketing of a new soap product is therefore extremely difficult and requires first class salesmen to travel the territory and present samples of merchandise in person. Mail order business is practically unknown in Poland.

Sales Agreement

In their effort to stabilize prices and eliminate unfair trade practices, leading soap manu-

facturers contemplate a sales agreement which, it is hoped, may develop into a cartel. Negotiations with prospective members are said to be far advanced. Government support has been secured on the basis of an agreement that surplus quantities of soap will be exported to foreign countries. According to reports furnished by the trade approximately 50 per cent of the operating factories have announced their intention to participate in this agreement.

Steps to Establish a Bay Oil Industry.—

While rather profuse growths of the true bay bush (*Pimenta acris*) as well as two subspecies Bois d'Inde citron and Bois d'Inde anise have been reported particularly on the island of Tobago, no commercial use of this botanical for oil distillation purposes was made or even contemplated until recently. During 1931, a new company "The Trinidad Bay Rum and minor industries Co., Ltd.," was registered to manufacture bay rum and perfumed spirits and to distill bay and other essential oils. A fair market for bay rum exists in Trinidad and Tobago which is supplied principally by importation from British Guiana, St. Vincent, and Barbados. Imports of bay rum in 1929 amounted to 6,785 gallons valued at \$5,856 as compared with 7,531 gallons worth \$6,489 in 1930. It has been felt by local officials that the establishment of a bay rum industry in Trinidad would help to relieve its unemployment and provide an outlet for one of the principal by-products of the sugar industry, while the collection, purchase and distillation of bay leaves should prove beneficial to agriculture and farm labor. Upon recommendation of the Local Industries Development committee, the Government, just prior to the registration of the new company, passed an act making it legal for the manufacture of bay rum to be undertaken in Trinidad. This new company may eventually become a factor in the bay oil and bay rum trade and serve to amplify the importance of Trinidad and Tobago as sources of essential oils.

Notice of Application—(Second Publication)

"C. M. Coquenhem, Chemist—Shilstone Testing Laboratories, Houston, Texas, has applied for a Referee Chemist Certificate of the American Oil Chemists' Society."