



# Market information summaries

## China

**Cosmetics**  
June 2021



## Introduction

This is a summary of the cosmetics market in China, and compliance requirements for market access. It is based on multiple published sources.

The summary aims to address challenges that small biotrade companies have in finding information on markets and industry trends.

The data was compiled by Kruger Swart Associates, Proof Africa and Profound. Although every effort has been made to provide accurate information, circumstances change and users of the information are encouraged to do their own research before using this data to guide business strategy or investments.

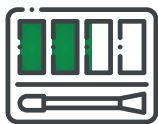
## The cosmetics market in China

- China's cosmetics sector has been growing fast in recent years and is moving towards more high-end products as demand matures and diversifies.



**In 2019, the Chinese cosmetics market amounted to €54.9 billion (US\$67 billion).**

- Ingredients must comply with stringent regulations in a constantly changing regulatory landscape.



**China's domestic cosmetics brands are performing very well with 56% market share**



**Skincare accounts for 55-62% of the market**

- 'Organic', 'natural' and 'sustainable' are among key trends driving growth in China's cosmetic sector
- Domestic brands are concentrated in the mid- to low-end market segments, while enterprises with foreign investment dominate the high-end segment

## Compliance and market entry

- China doesn't have a specific definition or regulations for organic or natural cosmetics. Consumers prefer European brands with organic certification or standards, such as [Natrue](#) and [COSMOS](#).
- There are four regulations applicable to organic products:
  - Organic Product Certificate Catalogue (2018)
  - National Standard for Organic Products (including GB/T 19630.1-2011; GB/T 19630.2-2011; GB/T 19630.3-2011; GB/T 19630.4-2011)
  - Organic Product Certificate Management Measures (2014)
  - Organic Product Certification Implementation Rules (2014)
- While regulatory compliance is needed, labelling is a major stumbling block.
- In July 2012, China's Certification and Accreditation Administration announced the cancellation of organic certification of cosmetics, and in 2015, the government banned the use of organic, zero-added and 100% natural labelling claims on cosmetics.
  - This means that natural brands who want to enter China's market will encounter barriers.
- Cosmetics require registration if they use ingredients that are not listed in the [Inventory of Existing Cosmetic Ingredients in China](#).
- First time foreign manufacturers or agents must complete an application form for a Hygiene License of Imported Cosmetics (four-year validity).
- Exporters should refer to [www.standardcn.com](http://www.standardcn.com) and the [Standardization Administration of China \(SAC\)](#) website to find standards relevant to them.

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**'Organic', 'natural' and 'sustainable' are among key trends driving growth in China's cosmetic sector**

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## China cancelled organic certification of cosmetics in 2012, creating a barrier for natural brands wanting to enter the market

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- Cosmetics regulations are constantly changing:
  - The revised Cosmetics Supervision and Administration Regulations came into effect in June 2020, dividing new ingredients into high- or low-risk categories
  - High-risk ingredients are subject to registration; while low-risk ingredients require only a filing certificate, similar to non-special use cosmetics
- The Inventory of Existing Cosmetic Ingredients in China lists existing ingredients, including Baobab, Marula, Buchu and *Aloe ferox*. It includes a list of 47 restricted substances.
  - Ingredients not on the list must be registered before sales are allowed.
  - Ingredients must be listed in the formula and on the label according to their Chinese INCI names (International Nomenclature Cosmetic Ingredient).
    - The INCI list includes items not listed in the IECIC, and which must be registered before being used.
  - New ingredients must undergo a toxicological safety evaluation. Testing reports must be provided. If successful, a trial use certificate will be issued, valid for four years.
  - China has no free trade agreements with any African country.

When considering the Chinese market for cosmetics, it is important to establish whether your product is included in the *Inventory of Existing Cosmetic Ingredients in China*, more commonly referred to as the China List.

Inclusion in the list means that all mandatory tests have been conducted and that the ingredient is approved for use in the Chinese market. If your product is not included, it may be subject to mandatory pre-market registration, which could include animal testing.