



Market information summaries

Europe

Cosmetics
June 2021



Introduction

This is a summary of the cosmetics market in Europe, 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 European cosmetics market



- **The European market for natural and organic cosmetics shows a very high growth rate from €1 billion in 2007 to €3.82 billion in 2018, and is expected to reach €5 billion by 2023.**
- Sustainability has become an integral part of the European cosmetics industry, integrated into all steps of the value chain. In addition to environmental sustainability, there is also a focus on social sustainability, making ethical sourcing and labelling schemes more prominent.
 - Cosmetic companies want to develop products produced with environmentally sustainable and responsible practices with a low environmental impact and social benefits
 - Certification against environmental and social standards can help to capitalise on these opportunities
 - The main standards are for organic cosmetics (Natrue and COSMOS) and sustainability standards such as [UNCTAD Biotrade Principles](#), [Fairtrade International](#), [UEBT](#) and [Fair for Life](#) standards.
- Changes in consumer behaviour and lifestyles are creating openings for natural ingredients.

- Europe's ageing population is increasing the demand for natural cosmetic ingredients with active properties
- Important product segments include anti-ageing, anti-wrinkle, anti-pigmentation and anti-stretch marks:
 - Many of these products contain natural ingredients, such as liquorice, pomegranate, mulberry, shea butter, Baobab oil, mango butter and aloe vera.
- Younger generations are seeking more sustainable and environmentally-friendly products and have a stronger preference for natural and organic products than previous generations. This suggests that demand for natural ingredients will continue to grow.
- Buyers are primarily interested in the quality and safety of ingredients.
- Exporters of essential oils from developing countries should avoid focusing on oils that can be sourced from Europe.
- Oils not grown in Europe include frankincense, patchouli, nutmeg, geranium, ylang ylang, sandalwood and lemongrass and indigenous species.

Compliance in the EU cosmetics market

- Europe has high regulatory requirements for cosmetics.
- Natural ingredient suppliers must comply with regulations to ensure market entry, and need to be up to date with regulation changes.
- Companies are under pressure to provide greater transparency in terms of ingredient disclosure and production methods, as consumer knowledge and awareness of ingredients and environmental issues grows.
- Traceability and environmental concerns remain key issues. Suppliers in developing countries involved in ethical sourcing are likely to find good business opportunities.
- Regulatory requirements:
 - The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) has a list of plant species where export/import is restricted or prohibited.

Sustainability has become an integral part of the European cosmetics industry

Europe has high regulatory requirements for cosmetics

- The EU Common Customs Tariff applies to compliant imported goods from outside the EU's external borders.
- Natural ingredients such as essential oils that are not registered under REACH (Registration, Evaluation and Restriction of Chemicals) cannot be used in the EU, unless they are exempt.
- Exemptions include naturally occurring and chemically unmodified substances, such as vegetable oils, ingredients that are imported in quantities under one tonne per year, and ingredients used in food and pharmaceuticals.
- Technical data
 - Suppliers need an organised technical dossier to meet buyers' [requirements](#).
 - **Buyer's** assessments of products are based on the quality of Technical Data Sheets (TDS), Safety Data Sheets (SDS), and Certificates of Analysis.
 - Suppliers' dossiers should contain up to date information including a certificate of origin.
 - Suppliers of natural ingredients from developing countries should be prepared to provide data supporting no animal-testing claims.
- Best practice for companies:
 - Companies are expected to provide greater transparency with regard to the traceability and sustainable production methods of their ingredients.
 - Quality management standards show buyers that a company is trustworthy and considers quality of its ingredients important.
 - Packaging:
 - Natural ingredients have to be labelled and packaged in a way that protects workers, consumers and the environment, according to Classification, Labelling and Packaging legislation (CLP).
 - European buyers expect standardised high-quality products in suitable packaging.
 - Business skills
 - Knowledge of technical terms related to ingredient helps in negotiations.

Market access strategies

- Industry trade fairs and congresses are key to identify customers and markets.
- The most important ones for cosmetics are:
 - [In-Cosmetics Global](#)
 - [Vivaness](#)
 - [Natural and Organic Products Europe \(NOPE\)](#)
 - [NatExpo](#)
 - [Eco Life Scandinavia](#)
 - [Cosmoprof Bologna](#)
 - [UEBT annual conference](#)
 - [SCSS Naturals](#)
- Relevant sector organisations include the [European Federation for Cosmetic Ingredients](#) and [Cosmetics Europe](#).
- Manufacturers and exporters should consider participating in programmes such as those run by:
 - [Centre for the Promotion of Imports from developing countries](#) (CBI)
 - [Swiss Import Promotion Programme](#) (SIPPO)
 - [Import Promotion Desk](#) (IPD)
 - [Open Trade Gate Sweden](#) (OTGS)
- Organisations such as the [International Trade Centre](#) (ITC) also provide market access services.
- Exporters can also seek assistance from:
 - [Centre for the Promotion of Imports from developing countries](#) (CBI)
 - [Import Promotion Desk](#)
 - [EU Trade Helpdesk](#)
 - [Open Trade Gate Sweden](#)
 - [Global Logistics Associates](#)
 - [Logistics Alliance Germany](#)
 - [EvoFenedex](#)