

**Italian Trade Commission  
Sydney Office**

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**Sector profile: COSMETICS AND PERFUMERY INDUSTRY**

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**Trade analyst: Loredana Di Nunzio-Horlor**

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**Overview**

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The Australian cosmetics and toiletries industry has domestic sales of approximately A\$5 billion per annum. In 2007-2008 the cosmetics, perfume and toiletries manufacturing industry was estimated to have been worth A\$1,565 million (revenue plus imports less exports) and employed about 4,600 people.

In terms of export, the cosmetics and toiletries industry had exports of A\$398 million in 2007-08. This was an increase of over eight per cent on the previous corresponding period and indicates the industry continuing strong export growth.

In the international market Australia is known for its body care, hair care, and salon products as well as cosmeceuticals and dermatologist lines.

Australian products achieve global success because of their reputation for being clean and green. We are also known for our natural and organic products. Our cosmetics and toiletry products have been developed to counter adverse effects of sun, humidity and varying climatic conditions. As a result Australia is a highly respected supplier of sun protection and sunless tanning products that are recognised for their adherence to stringent standards as well as their anti-ageing properties.

Australia has the advantage of a variety of climatic conditions suitable for growing a wide variety of raw ingredients, essential oils and bush essences. The Australian sheep industry provides lanolin, a highly prized ingredient in Asia.

Key growth areas are in products such as:

- Men's grooming products
- Baby products
- Anti-ageing and dermatological products
- 'Doctor brands'
- cosmeceuticals
- sun care

There is also a growing demand worldwide for natural skincare and body products. Recent years have seen growing demand levels for natural products containing vitamins and minerals and consequently there is strong domestic and overseas interest in Australia's skincare products, which use local botanical ingredients such as tea tree and eucalyptus

For those who want a more scientific approach, many Australian cosmetic products are based on research undertaken by Australia's Commonwealth Scientific and Industrial Research organization (CSIRO), including lines produced by Ultraceuticals and Beta Alistine.

For all exporters it is important to recognise that world-class packaging and presentation are essential. Safety issues have also become important especially in China.

Beauty salons and spas are also a growing trend worldwide and Australian companies are successfully exporting in this area.

Top markets for Australia exports include New Zealand, USA, UK, Hong Kong, Singapore, Japan, Taiwan, India, South Korea and Malaysia. New emerging markets are China, Denmark, Norway and Thailand, which are demonstrating strong opportunities for the Australian cosmetics industry. However, it is important to highlight that in Asia, bigger customers are looking for well known "established" brands or brands with clear unique value propositions.

To help with exporting, in 2008, many Australian cosmetic companies showcased their products at the Cosmoprof trade fairs in Italy, Asia and North America as well as Beauty World in the Middle East.

### Volume of trade import/ export

**World Trade Atlas**  
**Australia - Imports**  
**33 Essential Oils And Resinoids; Perfumery, Cosmetic**  
**Millions of Australian Dollars**  
**January - December**

Rank	Country	2008	2009	2010	% Share			% Change	
					2008	2009	2010	- 10/09 -	-
0	-- World --	1267,33	1388,02	1371,42	100	100	100	-1,2	
1	United States	359,60	398,61	377,29	28,37	28,72	27,51	-5,35	
2	France	208,08	218,81	221,69	16,42	15,76	16,17	1,32	
3	Thailand	92,22	104,78	105,39	7,28	7,55	7,69	0,58	
4	China	101,53	105,12	104,17	8,01	7,57	7,6	-0,9	
5	United Kingdom	95,16	103,62	95,33	7,51	7,47	6,95	-8	
6	Germany	75,52	68,63	67,99	5,96	4,94	4,96	-0,93	
<b>7</b>	<b>Italy</b>	<b>48,62</b>	<b>55,91</b>	<b>53,19</b>	<b>3,84</b>	<b>4,03</b>	<b>3,88</b>	<b>-4,87</b>	
8	Singapore	44,56	47,70	40,40	3,52	3,44	2,95	-15,31	
9	New Zealand	23,12	33,27	33,42	1,82	2,4	2,44	0,43	
10	Spain	29,03	32,44	26,16	2,29	2,34	1,91	-19,35	

Source of Data: Australian Bureau of Statistics

## Volume of trade with Italy

World Trade Atlas  
Australia - Imports from Italy  
Millions of Australian Dollars  
January - December

HS	Description	2008	2009	2010	% Share			% Change
					2008	2009	2010	- 10/09
	<b>Italy</b>	<b>5334,44</b>	<b>4888,23</b>	<b>4892,79</b>	<b>2,36</b>	<b>2,44</b>	<b>2,33</b>	<b>0,09</b>
	33 Essential Oils And Resinoids; Pe	48,62	55,91	53,19	0,91	1,14	1,09	-4,87
3301	Essential Oils; Resinoids; Conc & Aqueous Distls Of Mixture Of Odoriferous Subs & Mx Of These Subs	1,25	1,11	1,42	2,58	1,99	2,67	27,34
3302	Use	0,39	0,51	0,50	0,8	0,91	0,95	-1,38
3303	Perfumes And Toilet Waters	10,96	12,91	13,79	22,5	23,09	25,9	6,79
3304	Beauty, Make-Up & Skin Care Prep, Sun Screen, Sun	20,32	19,09	14,30	41,8	34,14	26,9	-25,08
3305	Hair Preparations	13,14	20,14	20,41	27	36,02	38,4	1,31
3306	Prep For Oral & Dent Hyg, Inc Dent Fixt Pastes & Pw	0,75	0,30	0,51	1,54	0,55	0,97	68,71
3307	Shaving Prep Nes; Personal Deodorants, Bath, Toile	1,81	1,84	2,26	3,72	3,3	4,25	22,52

Source of Data: Australian Bureau of Statistics

World Trade Atlas  
Australia - Exports  
3304 Beauty, Make-Up & Skin Care Prep, Sun Screen, Sun  
Millions of Australian Dollars  
January - December

Rank	Country	2008	2009	2010	% Share			% Change	
					2008	2009	2010	- 10/09 -	-
0	-- World --	166,03	183,23	192,35	100	100	100		4,98
1	New Zealand	55,52	72,28	67,29	33,44	39,45	34,98		-6,91
2	Hong Kong	17,83	15,51	19,07	10,74	8,47	9,92		22,94
3	United States	13,52	13,90	17,53	8,14	7,58	9,11		26,12
4	United Kingdom	12,94	14,89	16,97	7,79	8,12	8,82		13,98
5	Taiwan	9,20	7,84	8,88	5,54	4,28	4,62		13,36
6	Singapore	8,14	8,30	8,33	4,9	4,53	4,33		0,31
7	Japan	7,75	8,76	8,12	4,67	4,78	4,22		-7,3
8	Korea, South	8,79	7,74	7,45	5,3	4,23	3,87		-3,82
9	Malaysia	5,72	5,44	6,49	3,44	2,97	3,37		19,26
10	China	1,31	2,68	5,27	0,79	1,46	2,74		96,8
<b>40</b>	<b>Italy</b>	<b>0,14</b>	<b>0,14</b>	<b>0,21</b>	<b>0,08</b>	<b>0,08</b>	<b>0,11</b>		<b>46,93</b>

Source of Data: Australian Bureau of Statistics

World Trade Atlas  
Australia - Exports to -- World --  
Millions of Australian Dollars  
January - December

HS	Description	2008	2009	2010	% Share			% Change
					2008	2009	2010	- 10/09
	-- World --	222340,92	196557,10	230922,52	100	100	100	17,48
	33 Essential Oils And Resinoids; Pe	429,45	437,56	491,28	0,19	0,22	0,21	12,28
3301	Essential Oils; Resinoids; Conc & Aqueous Distls Of Mixture Of Odoriferous Subs & Mx Of These Subs	46,65	42,06	50,57	10,9	9,61	10,3	20,22
3302	Use	34,22	32,84	46,67	7,97	7,51	9,5	42,13
3303	Perfumes And Toilet Waters	14,75	15,44	16,31	3,43	3,53	3,32	5,65
3304	Beauty, Make-Up & Skin Care Prep, Sun Screen, Sun	166,03	183,23	192,35	38,7	41,88	39,2	4,98
3305	Hair Preparations	74,13	75,26	80,02	17,3	17,2	16,3	6,33
3306	Prep For Oral & Dent Hyg, Inc Dent Fixt Pastes & Pw	20,96	19,21	21,10	4,88	4,39	4,3	9,87
3307	Shaving Prep Nes; Personal Deodorants, Bath, Toile	72,71	69,52	84,26	16,9	15,89	17,2	21,19

Source of Data: Australian Bureau of Statistics

## **Government policies & information**

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### **Links to Government Departments and their applicable legislations re cosmetics.**

The ACCC has a lot of useful information about product safety, liability, definitions of what *is* a cosmetic and mandatory labelling requirements:

<http://www.accc.gov.au/content/index.phtml/itemId/268708> - Product Liability

<http://www.accc.gov.au/content/index.phtml/itemId/323594> - Cosmetics and toiletries: ingredient labelling, product information a mandatory standard guide. A booklet can be downloaded that explains the standard, the responsibilities of suppliers and retailers under it, and the ACCC role in enforcing it.

<http://www.accc.gov.au/content/index.phtml/itemId/614012> - Cosmetics and toiletries—ingredient labelling (Trade Practices Regulation—SR 1991 No. 327 - as amended by SR 1998 No. 364 - dated 22 December 1998). This includes the definition of what is a cosmetic and how it should be labelled. The Consumer Affairs Division, Department of Treasury is also a useful contact. (02 62632763).

The National Occupational Health and Safety Commission (which replaces Worksafe Australia) deals with permissible ingredients in cosmetic products.

<http://www.nohsc.gov.au>

## **Duties, customs & quarantine**

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All exporters to Australia must comply with certain requirements, including customs, quarantine and labelling.

General information can be obtained from the website of the Australian Government/Australian **Quarantine and Inspection Service**: [www.daff.gov.au](http://www.daff.gov.au)

(For more detailed and specific information please contact ICE.)

## **Industrial associations**

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### **Cosmetic Toiletry and Fragrance Association of Australia Inc (CTFAA)**

Cosmetic Toiletry and Fragrance Association of Australia Inc represents the Australian cosmetic, toiletry and fragrance industry. Contact details:

**Location:** Level 9, 140 Arthur Street  
North Sydney NSW 2060

**Mail:** Private Bag 938  
North Sydney NSW 2059

**Phone:** (02) 9927 7370

## Trade fairs

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17 – 18 Apr Melbourne International Beauty Expo (IBEM)  
[www.internationalbeautyexpo.com.au](http://www.internationalbeautyexpo.com.au)

12-14 Jun Sydney Hair Expo  
[www.hairexpoaustralia.com](http://www.hairexpoaustralia.com)

08-09 Aug Sydney International Beauty Expo  
[www.internationalbeautyexpo.com.au](http://www.internationalbeautyexpo.com.au)

## Magazines & reviews

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### Vogue

[www.vogue.com](http://www.vogue.com)

### Marie Claire

[www.marieclaire.com](http://www.marieclaire.com)

### Bazaar

[www.harpersbazaar.com](http://www.harpersbazaar.com)

### Elle

[www.elle.com](http://www.elle.com)

### Fashion

[www.fashionmagazine.com](http://www.fashionmagazine.com)

### Vanity Fair

[www.vanityfair.com](http://www.vanityfair.com)

## List of local importers

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A detailed list of local importers and dealers called “lista nominativi a maggior dettaglio” can be requested from the ICE Sydney Office at a cost of EURO 130,00.

For all services please see [www.ice.it](http://www.ice.it)