

COSMETICS

Overview

(in US\$ million)	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	16,530	18,679	21,107	23,850
Total Local Production	16,527	18,675	21,102	23,844
Total Exports	693	782	884	1,000
Total Imports	696	786	889	1,004
Imports from the U.S.	90	102	115	130

Exchange Rate: 1 USD 1.67

Total Market Size 2010 = US\$16.530 billion

Data Source: Brazilian Association of the Cosmetic Toiletry and Fragrance Industry (ABHIPEC)

In the Personal Care, Fragrances and Cosmetics (CT&F) industry, Brazil's many competitive advantages have helped the country achieve a prominent position in the global scenario. According to industry reports published by Brazilian Association of the Cosmetic Toiletry and Fragrance Industry (www.abihpec.org.br), the country is currently ranked as the third most important market in the world for the industry, and the number one market for perfumes and fragrances. Besides the strong domestic market, the economic, political and recent social investment scenarios have been favorable points, allied with high technology and qualified professionals.

The Brazilian market requires that foreign suppliers have a high degree of quality and management certifications, such as ISO 9000 and ISO 14000, in addition to having clear concern for social responsibility and environmental conservation. There is an on-going demand for natural and organic products that use recyclable packaging materials. Brazilian beauty product suppliers see their challenge as increasing the number of small and mid-sized exporters, to create new jobs in the entire manufacturing chain. Exports grew 13 percent from 2010 to 2011. These are impressive results that attest to the vitality of the sector, to its readiness to take advantage of a more favorable exchange rate, and to its commitment to gain shares of foreign markets.

Hair care products make up the largest segment of the Brazilian cosmetics and toiletries market. Shampoo sales, both imported and locally made, constitute about 50 percent of domestic sales; they are divided evenly between Brazilian and well-known multinational suppliers.

Sub-Sector Best Prospects

While the personal hygiene market in Brazil constitutes the majority of total sales in the cosmetics and toiletries sector, the cosmetics sector shows the greatest potential in Brazil. New and high-quality imported and domestic product lines for teenagers and women between the ages of 35 and 60 have especially good potential.

New Consumers by category (in millions):

Colognes and perfumes	33.0	Soaps	14.0
Sun protectors	6.5	Oral Hygiene	14.5
Conditioners	11.0	Nail polishes	6.5
Shampoos	19.0	Hair colors	9.0
Deodorants	14.0	Hair preparations	6.0
Lotions and creams	13.0		

Source: ABHIPEC

Best prospects for U.S. exports to the Brazilian cosmetics and toiletries market include bio-cosmetics, ethnic products, and cosmetics for men.

Bio-cosmetics: Imports of bio-cosmetics are gaining wide acceptance in Brazil. Market analysts believe that around 10 percent of these sales are attributed to male consumers.

The market in Brazil is changing and demand for products such as Cosmeceuticals (wrinkle fighters, anti-acne and similar products), is increasing. Nutraceuticals and Cosmeceuticals (vitamin supplements and skincare products containing special ingredients to nourish skin, representing the linking of nutrition and pharmaceuticals in the case of Nutraceuticals, and cosmetics and pharmaceuticals in the case of Cosmeceuticals) are another interesting growing market. Potential representatives with expertise in this new market sector are found mainly in larger urban centers in southeastern Brazil.

Ethnic Products: Several local companies are focusing on this market niche, and several Brazilian personalities have launched ethnic product lines. U.S.-made ethnic products are preferred because of manufacturers' experience, quality and brand recognition. Ethnic products comprise 25% of Brazil's total cosmetics and beauty care market."

Cosmetics for Men: According to ABIHPEC, Brazil's personal care industry association, the Brazilian market for men's products in 2010 was valued at US\$3.28 billion, the second highest in the world. The perfume and fragrance market designated for the male consumer, for example, has increased 127 percent in the last ten years. This share of the cosmetic market in Brazil represents 31.4% of the total perfume sales in the country.

Opportunities

The United States primarily supplies mass-market cosmetics to Brazil. These types of U.S. products usually have higher quality standards and higher prices than the mass-market products produced locally. The United States is Brazil's largest cosmetics supplier. Brazilian companies import a wide variety of U.S. cosmetics, which are then resold to all segments of the population.

Web Resources

Brazilian Agency for Sanitary Health: www.anvisa.gov.br

Brazilian Association of the Cosmetic Toiletry and Fragrance Industry: www.abihpec.org.br

Major Trade Shows:

- o FCE Cosmetique
29-31 May 2012 São Paulo
www.fcecosmetique.com.br

- Hair Brasil
6-9 April 2012 São Paulo
www.hairbrasil.com.br
- Beauty Fair
8-11 September 2012 São Paulo
www.beautyfair.com.br
- For more market research reports please visit: www.export.gov/marketresearch.html
- For more information about export opportunities in this sector contact US Commercial Service Industry Specialist denise.barbosa@trade.gov