

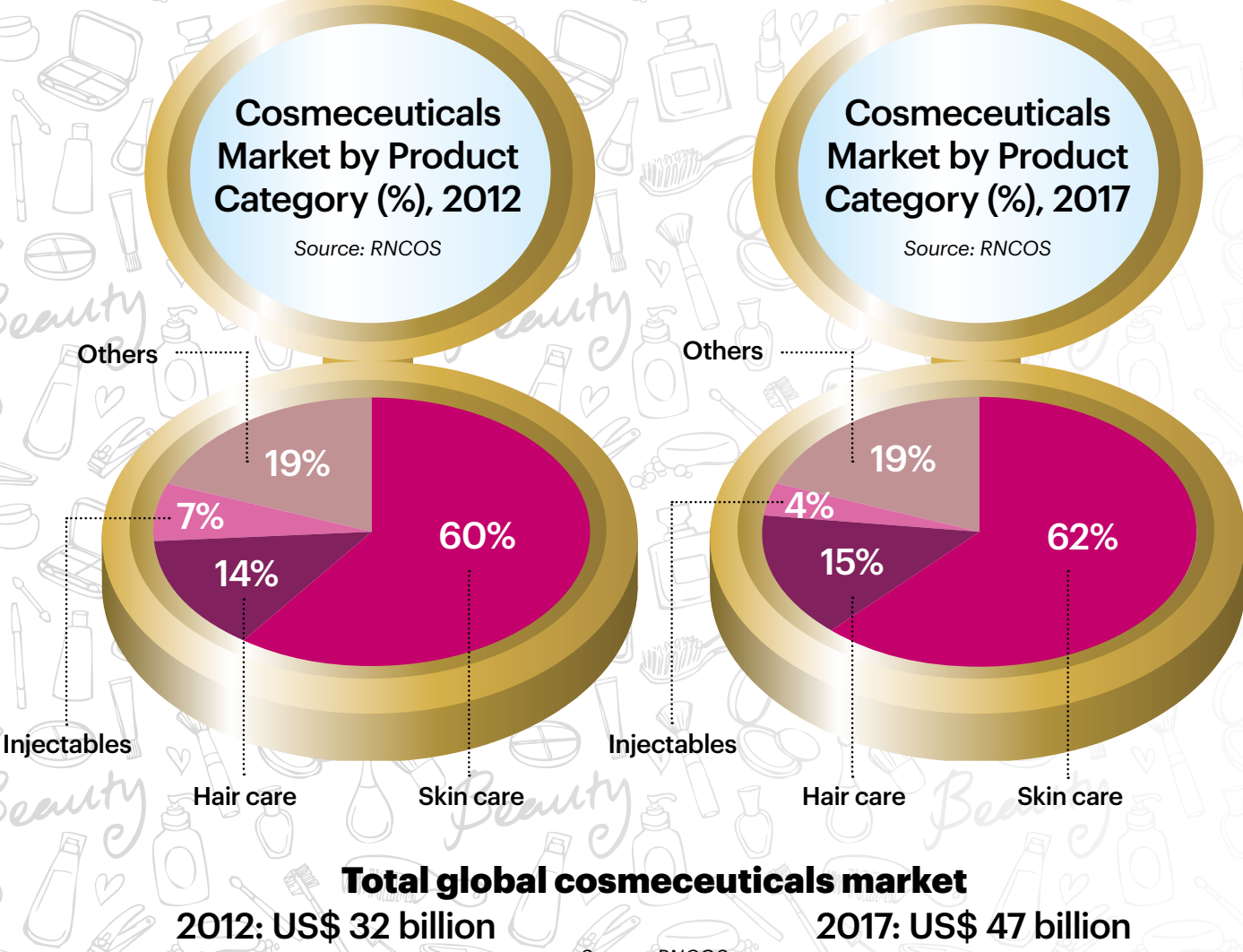
Global Cosmetic Market Outlook



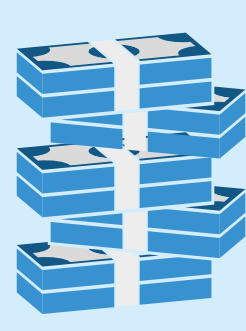
The global cosmetic industry is comprised of a wide range of companies and products, ahead of the **Cosmetic Compliance Summit**, Pharma IQ takes a closer look at the trends shaping this ever-changing landscape.

According to the latest market research from Lucintel, the global beauty market to expected to reach **\$265 billion in 2017** due to an increase in GDP.

Cosmeceuticals Market Segments



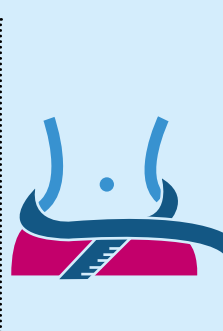
Key drivers for growth



Rising consumer income



Consumers in emerging markets



Changing lifestyles



Rise in male grooming



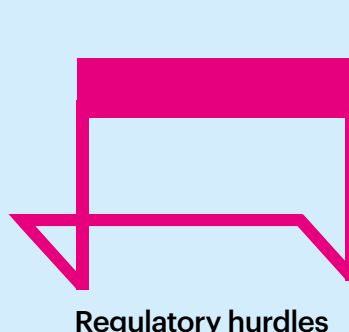
Increase demand for natural or bio-based products

VS

Challenges to growth



High R&D costs



Regulatory hurdles



Distribution channels

Emerging Market Insight

"Renewed disposable income and consumers in emerging markets will provide a foundation for solid growth for the Global Cosmetics Manufacturing industry."

Global Cosmetics Manufacturing Market Research report - IBISWorld

"We believe Africa and Brazil will be markets for the cosmetics industry to watch in the near future."

Luxury & cosmetics financial factbook 2013 - EY

USA
The United States currently represents the single largest market worldwide. Annual sales of approximately US\$55 billion - The Business Times, 2013

ASIA
Asia cosmetic chemicals market to represent the fastest expanding region with 7.6% CAGR forecast during 2013 to 2018 - Global Industry Analysts

BRAZIL
Valued at \$42 billion in 2012
Represents 58% of the Latin American beauty and personal care market
Home to over 2,000 cosmetic, toiletry and fragrance manufacturers
Now the 3rd biggest cosmetics and toiletries market in the world
Source: Cosmetics Business

MIDDLE EAST
Saudi Arabia, closely followed by Iran and the UAE, are the top 3 countries in terms of cosmetics consumption

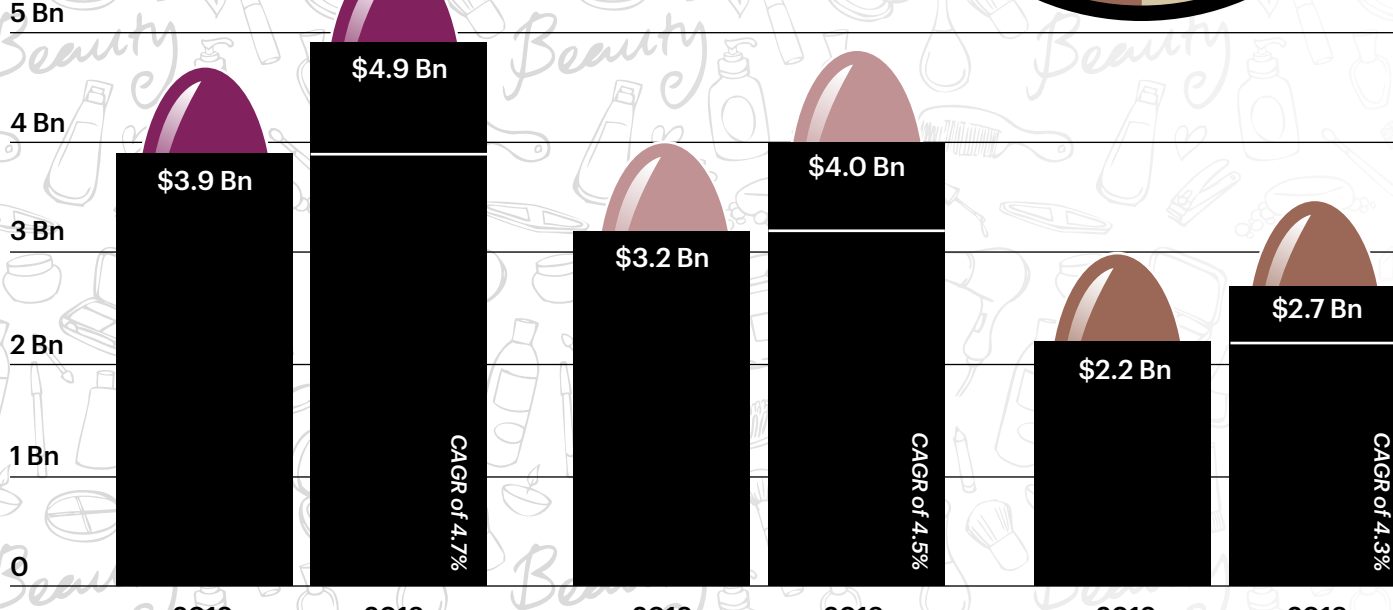
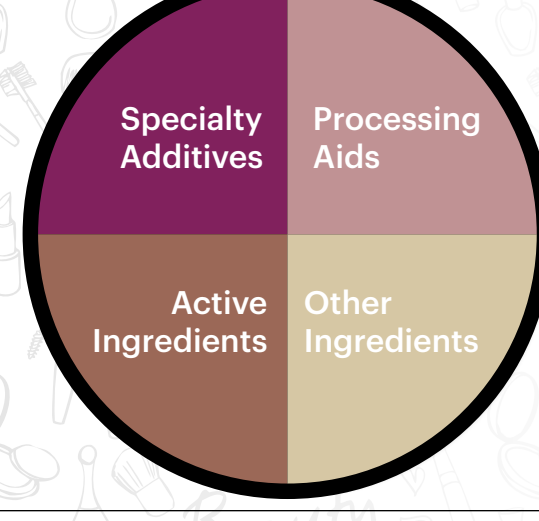
AFRICA
The tripling in the size of Africa's middle class over the last 30 years to what the African Development Bank estimates is now 313 million people, coupled with increased urbanisation, are driving the growth of the continent's cosmetics industry and markets.
Euromonitor International predicts that by 2016 Nigeria's young yet increasingly sophisticated population will drive industry sales to \$620.2m.

CHINA
China has been catching up with the US in terms of cosmetics consumption. Annual sales growth in China of beauty and personal care products is averaging 15% and is expected to reach US\$38 billion this year.
Unlike the rest of the world, where skin care products represent less than 30% of the market, in China, skin care represents 40% of the cosmetics and toiletries market.
Source: China's beauty industry looking good - The Business Times 2013

Ingredients Market Structure

According to BCC Research, the total global cosmetic and toiletry ingredients market value is expected to reach \$24.5 billion in 2018 after increasing at a five-year (CAGR) of 4.6%.

Cosmetic and toiletry ingredients can be broken down into four ingredient types:



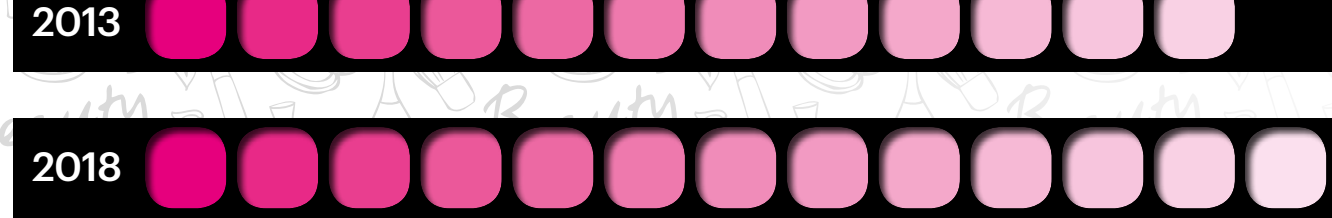
The Future is Small

Cosmetic formulations with nanoparticles are gaining increasing importance

Infiniti Research

O is for Organic

Organic personal care products market is growing at rapid pace across the world. According to analysts Transparency Market Research, global demand for organic personal care products is expected to reach **\$13.2 (€10.1) billion** by 2018, growing at a **CAGR of 9.6 per cent**.



The US demand for organic products is estimated to grow by over 10% from 2012 to 2018. Strong awareness about the efficacy of organic personal care products and lifestyle changes are key drivers in this region.

"Rising demand for cosmetic products formulated with natural ingredients despite their higher cost in comparison to synthetic materials, is driving demand for organic grade cosmetic chemicals derived from botanical extracts, enzymes and amino acids".

- GIA



September 15-17
Princeton, NJ
CosmeticsCompliance.com
Ensuring Your Global Product Compliance

Sources: Global Cosmetics Manufacturing Market Research report - IBISWorld, Global Beauty Care Products Industry 2012-2017: Trend, Profit, and Forecast Analysis - September 2012, EY's Luxury & cosmetics financial factbook 2013, Transparency Market Research's Organic Personal Care Products Market for Skin Care, Hair Care, Oral Care and Cosmetics - Global Industry Analysis, Size, Share, Growth, Trends and Forecast, 2012 - 2018, Global Industry Analysts - Cosmetic Chemicals: A Global Strategic Business Report - Nov 2013, BCC Research GLOBAL MARKETS FOR CHEMICALS FOR COSMETICS AND TOILETRIES, Global Industry Analysts - Cosmetic Chemicals: A Global Strategic Business Report - Nov 2013, South Korea: Thinking global, Cosmetics Business 2013 and RNCOS.