

## Trade Analysis – Cosmetics in Brazil - 2009

**General Context:** The Brazilian Cosmetics, Toiletries and Fragrances (CT&F) Industry recorded an average deflated compound growth rate of 11.5% in the last 5 years, up from net ex-factory sales of R\$ 9.7 billion in 2002 to R\$ 17.5 billion in 2006. The growth in Dollar sales in 2004 and 2005 was influenced by the appreciation of the Real in relation to the Dollar, recording an annual average of 3.9% in 2004 and 17.7% in 2005, in addition to a vigorous real growth in the domestic market of 13.4% in 2005 and 14.2% in 2006.

### Key contribution for the sector's Growth

- ✓ Growing participation of the Brazilian woman in the job market.
- ✓ Use of state-of-the-art technology, leading to enhanced productivity and benefiting sector pricing that has increased less than the price indexes of the overall economy.
- ✓ Constant releases of new products to meet growing market needs.
- ✓ Greater life expectancy, prompting the need to preserve a youthful impression.

**Market Size:** According to data from *Euromonitor* for 2006, Brazil ranks third in the world CT&F market. More specifically, it ranks 2<sup>nd</sup> in deodorants, toiletries and kids' products, 3<sup>rd</sup> in hair care, 4<sup>th</sup> in oral care and men's products, 5<sup>th</sup> in bath products, 6<sup>th</sup> in sun protection, 7<sup>th</sup> in color cosmetics (makeup and nail care), 8<sup>th</sup> in skin care, and 9<sup>th</sup> in depilatories.

**Distribution Channels:** CT&F products are distributed through three basic channels: Traditional distribution – including wholesale and retail stores, Direct selling – development of the home shopping concept and Franchises – specialty and personalized stores.

### For further information:

**ADIPEC - Brazilian Association of Importers of Perfume, Cosmetics and Similars.**

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**International Trade:** In 2008, Brazil imported USD 465,76 million from the World, amount which presented a 24,72% growth over the previous year, USD 373,44 million. The main suppliers for Brazil in that year were Argentina, United States, France, China and Germany. The Arab Countries appeared as the 44<sup>th</sup> supplier for Brazil in that year accumulating USD 53 thousand, a 43,14% growth over 2007, USD 37 thousand, being the United Arab Emirates the only Arab supplier. Up to 2008, Perfumes (extracts) and toilet waters (HS 33030020) was the only cosmetic product imported by Brazil from the Arab Countries (United Arab Emirates to be exact).

**Opportunities:** Due to the high development of local industry and wide awareness of European products, the Arab exporters may find niches throughout the introduction of new products and concepts of quality, health and beauty benefits. The famous *Aoud* (عود) essence and typical natural ingredients such as Dead Sea minerals, Arab fruits and plants may be a good appeal for introducing new products. The Arab Brazilian Chamber of Commerce and Brazilian Association of Importers of Perfume, Cosmetics and Similars are able to introduce the main importers.



Brazilian Imports from the World  
USD Million  
January - December

HS	Description				% Share			% Change
		2006	2007	2008	2006	2007	2008	- 08/07 -
	World	294,54	373,44	465,77	100	100	100	24,72
	Cosmetics	294,54	373,44	465,77	100,00	100,00	100,00	24,72
33072010	Personal deodorants and antiperspirants	46,50	62,19	100,33	15,79	16,65	21,54	61,32
33030020	Perfumes (extracts) and toilet waters	54,72	61,82	52,99	18,58	16,56	11,38	(14,29)
48184010	Toilet paper	41,15	41,05	41,65	13,97	10,99	8,94	1,45
96032100	Tooth brushes, incl. dental-plate brushes	15,07	22,17	31,49	5,12	5,94	6,76	42,06
33049910	Other beauty or make-up preparations etc.	20,04	24,62	27,97	6,80	6,59	6,01	13,59
40141000	Sheath contraceptives, etc.	11,26	9,34	25,00	3,82	2,50	5,37	167,57
33069000	Other beauty or make-up preparations etc.	7,66	12,25	18,02	2,60	3,28	3,87	47,09
33049990	Other preparations for oral or dental hygiene	14,30	18,08	16,38	4,85	4,84	3,52	(9,38)
33059000	Other preparations for use on the hair	9,72	13,13	14,41	3,30	3,52	3,09	9,74

Source of data: SECEX - Foreign Trade Secretariat

### More Information

#### Arab Brazilian Chamber of Commerce

- **Market Development Department**
- **International Trade Department**
- **Marketing and Events Department**
- **Translation Department**

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