



## **COSMETICS EXPORT PERFORMANCE IN INDIA**

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### **Abstract:**

The Indian cosmetics market has seen major changes in terms of user perception and product availability over the past few years. There have been market shifts during this period and the past few years have seen the market take further momentum. The increasing market size is the direct result of the changing socioeconomic status of the Indian consumers, especially women. Higher paying jobs and increasing awareness of the western world and beauty trends there have served to change the tastes and customs of the middle class and higher strata of the society, with the result that a woman from such social strata now is more conscious of her appearance and is willing to spend extra cash on enhancing it further. The study makes use of statistical techniques such as Total, Average, Growth rate and Trend analysis.

**Key Words:** Cosmetics, Textile, Export

### **Introduction:**

The cosmetic industry describes the industry that manufactures and distributes cosmetic products. These include color cosmetics, like foundation and mascara, skincare such as moisturizers and cleansers, haircare such as shampoos, conditioners and hair colors, and toiletries such as bubble bath and soap. The manufacturing industry is dominated by a small number of multinational corporations that originated in the early 20th century, but the distribution and sale of cosmetics is spread among a wide range of different businesses.

The largest cosmetic companies are Johnson & Johnson, L'Oréal Paris, Gillette, Neutrogena, Nivea and Cha Chane. The market volume of the cosmetics industry in Europe and the United States is about EUR €70b per year, according to a 2005 publication. The worldwide cosmetics and perfume industry currently generates an estimated annual turnover of US\$170 billion (according to Eurostat – May 2007). Europe is the leading market, representing approximately €63 billion. The cosmetic industry worldwide seems to be continuously developing, now more than ever with the advent of the Internet companies. Many famous companies sell their cosmetic products online also, in countries in which they do not have representatives. The cosmetic industry in Asia is mainly dominated by regional cosmetic brands. Shiseido Co. LTD, A popular cosmetic brand based in Japan, has 82.1% of its sales in Asia. No other Western company in the top 10 match these kinds of regional sales. Furthermore, geographic dispersion of sales by Asian cosmetic companies in Asia accounted for 92.42% of sales, while geographic dispersion of assets of Asian cosmetic companies in Asia was 87.05%. Western cosmetic companies often have failed to gain footholds in various countries. Due to recent significant economic growth in many Asian markets, regulation pertaining to chemicals in cosmetic products has been lacking. SK-II, a cosmetic product owned by P&G, was found to contain banned heavy metals in China in 2006. Another study found that women who had recently moved to Vancouver, Canada from East and South Asia had higher levels of lead in their blood than South and East Asian immigrants who had been living in Canada for longer. One of sources of lead was determined to be some facial powders marketed in various regions of Asia.

The global cosmetics market size was valued at \$380.2 billion in 2019, and is projected to reach \$463.5 billion by 2027, registering a CAGR of 5.3% from 2021 to 2027. Presently, cosmetics have become an indispensable feature of modern lifestyle of individuals. In addition, growth in consciousness about external beauty along with individual's internal intellect has become one of the major driving factors for use of cosmetics in the global market. Presently, along with women, there is a rise in use of cosmetics among men in their daily routine, which complements growth of the global cosmetics market demand. Hence, such changing lifestyles, have led to growth of the global cosmetics market. Manufacturers are changing their product branding and advertising strategies to accelerate their sales across various countries. Innovative strategies such as new product launches with natural ingredients and appealing packaging have been adopted by manufacturing companies to increase sales of their cosmetics products. As cosmetics have become an integral part of individual's lives, consumers, especially women, prefer to use cosmetics products, which are handy and easy to use while travelling or attending social meetings. Moreover, use of natural ingredients for manufacturing of cosmetics products, which does not have any adverse effect on skin, is a popular strategy of manufacturers to attract more customers. This also helps in increasing revenue of companies operating in this industry.

### **Statement of the Problem:**

As is the case in the industry, cosmetics manufacturers may encounter medium-term problems in the supply of components for their products. Many top brands have factories in Asian countries where they could face difficulties both in keeping up with production and exporting goods. This scenario is giving cosmetic

manufacturers cause to analyze the future of their current supply chain and consider possibly investing in a more local distribution model. Another related problem is that many large retail chains such as Walmart and Flipkart have marked cosmetics as non-essential items, leading to supply freezes in some countries.

As the consumption of non-essential products declines during the COVID-19 crisis, many cosmetics businesses have nonetheless benefited from the increased demand for hygiene and personal care products. For manufacturers, this is the perfect opportunity to fully embrace digitization, a move that will optimize the operations of their commercial network, open up new possibilities for supply strategies, and improve communication with consumers. Digitization is not about merely changing course to avert a temporary storm: it is the path forward for staying afloat in the long term. Many changes in consumption and demand have already begun to take root in the economy and manufacturers of beauty care and cosmetic products must also give themselves a face-lift that shows customers the very best image of what they represent: digital user-friendliness, sustainability, and transparency.

#### **Objectives:**

The research aims at enriching the knowledge understanding role of export performance of cosmetics. The following are the objective of the study.

- To assess the exporting details of cosmetics product to the 15 countries in exports. 2. To provide necessary suggestions based on the findings of the study.

#### **Scope of the Study:**

The scope of this project is involved the export performance of cosmetics products in Indian. The export performance of Indian cosmetics products is affected by the high competition. This study also gives growth rate and trend percentage of the export cosmetics products year wise and also country wise. The study provides suggestions to the cosmetics exporting industries to improve their performances.

#### **Research Methodology:**

##### **Secondary Data:**

The secondary data is collected to supplement the primary data. The annual reports of sample units, Publications of cosmetics products, in the website of Ministry of Commerce and Industries, Bulletins Working and Occasional Papers of EXIM Bank were used as important sources of secondary data for the study.

##### **Limitations of the Study:**

- The analysis is made only by considering 8 cosmetic products and 15 major countries.
- Time constraint is one of the limitation

##### **Period of Study:**

The research data is collected in 13 years and 15 countries. That year is 2009-2010 to 2021-2022.

##### **Review of Literature:**

Cosmeticobs (2020) In 2019, the French cosmetics industry once again achieved a strong performance abroad: the sector exported nearly €16 billion of products, an increase of more than 9% compared to 2018. This progression, which has been going on for more than 10 years, makes the cosmetics industry the second largest exporter in France. FEBEA's analysis.

Statista Research Department (2022) The export value of cosmetics, soap and toiletries, and essential oils from India amounted to nearly 1.8 billion U.S. dollars in the financial year of 2021. This was a significant increase compared to 1.5 billion dollars in the financial year 2016.

Lorenzo fontanelle (2021) Employing thousands of Americans across the country across the country, the U.S. personal care and beauty industry is a critical component of the U.S. economy. With more than \$9 billion I exports in 2019, U.S. personal care and cosmetics are among the most highly desired brands in many overseas markets. Holding a market share of 10%, the united state is the second largest exporter.

Amanda Lim (2021) South Korea's cosmetics trade surplus exceeded US\$6bn for the first time in 2020, advancing its position on the global stage as the third-largest cosmetics exporter behind only France and the US. According to data released by the Ministry of Food and Drug Safety (MFDS), the country's combined exports of cosmetics products increased 16.1% to KRW8.28tn (US\$7.28bn) in 2020.

Kacey Culliney (2021) International trade of French beauty and personal care products was up 2.5% in 2021 versus 2019, largely due to rising trade of makeup, face care and perfumes and record growth rates in exports to China and the US, says the French Federation for Beauty Companies (FEBEA).

M Nayak (2021) Essential oils are widely incorporated in cosmetic products, perfumes and related household products due to the variety of their properties but mainly due to their pleasant odour. The composition of these volatile natural complex mixtures may vary depending on the quality of plant material from which they were obtained and the extraction method by which they were derived. These factors are also important in ensuring the safe use of essential oils in personal care products. As they contain compounds with varied chemical structure.

Jl Alani (2013) The term cosmetic has a broad definition and includes personal care products, hair care products, nail care products, and sunscreens. Modern cosmetics are safe for most users, and adverse reactions

are very rare because the manufacturers invest heavily in safety, quality control, and product testing before releasing the product to the market.

**Export of Cosmetics from India:**

Table 1

\* Values in USD

Year	Afghanistan	Growth Rate	Australia	Growth Rate	Canada	Growth Rate	China	Growth Rate	Ethiopia	Growth Rate	France	Growth Rate
2009	145.99		11.2		5.02		42.14		2.12		19.49	
2010	155.57	55.57	12.41	-87.59	6.65	-93.35	45.79	-54.21	2.28	-97.72	26.89	-73.11
2011	211.82	111.82	14.69	-85.31	7.47	-92.53	75.1	-24.9	2.74	-97.26	37.94	-62.06
2012	269.43	169.43	14.3	-85.7	8.6	-91.4	177.44	77.44	2.68	-97.32	38.45	-61.55
2013	230.15	130.15	14.2	-85.8	8.91	-91.09	160.29	60.29	6.77	-93.23	35.53	-64.47
2014	254.08	154.08	18.6	-81.4	11.62	-88.38	92.63	-7.37	7.41	-92.59	36.98	-63.02
2015	245.1	145.1	22.97	-77.03	9.74	-90.26	68.57	-31.43	6.31	-93.69	43.27	-56.73
2016	253.62	153.62	25.62	-74.38	10.53	-89.47	59.66	-40.34	6.53	-93.47	41.56	-58.44
2017	299.36	199.36	29.13	-70.87	15.31	-84.69	116.45	16.45	6.9	-93.1	57.42	-42.58
2018	320	220	29.72	-70.28	11.61	-88.39	87.22	-12.78	6.43	-93.57	62.34	-37.66
2019	334.13	234.13	26.21	-73.79	12.56	-87.44	79.17	-20.83	7.42	-92.58	60.3	-39.7
2020	437.98	337.98	37.85	-62.15	20.71	-79.29	119.48	19.48	7.07	-92.93	63.94	-36.06
2021	421.06	321.06	28.8	-71.2	9.66	-90.34	138.23	38.23	5	-95	64.61	-35.39
Total	3578.3		285.7		138.39		1262.2		69.66		588.72	
Average	275.25		21.98		10.65		97.09		5.36		45.29	

(Source in – Exim data bank – Ministry of commerce)

**Trend Analysis**

2022	423		35.9		16		119.01		8.07		70.88	
2023	443.6		38.11		16.57		115.19		8.29		73.79	
2024	461.73		40.29		17.2		107.94		8.37		77.05	
2025	485.18		42.58		17.8		101.42		8.33		81.63	
2026	517.3		44.52		18.43		111.31		8.05		86.22	

**Export of Cosmetics from India:**

Year	Indonesia	Growth Rate	Jamaica	Growth Rate	Malaysia	Growth Rate	Mexico	Growth Rate	New Zealand	Growth Rate	Singapore	Growth Rate
2009	13.56		18.68		13.77		5.33		1.52		38.61	
2010	13.23	-86.77	25.53	-74.47	14.97	-85.03	8.54	-91.46	1.71	-98.29	31.56	-68.44
2011	13.54	-86.46	35.73	-64.27	16.4	-83.6	7.27	-92.73	1.54	-98.46	68.06	-31.94
2012	17.23	-82.77	32.4	-67.6	19.34	-80.66	7.8	-92.2	4.63	-95.37	85.58	-14.42
2013	22.73	-77.27	28.38	-71.62	21.66	-78.34	8.68	-91.32	1.96	-98.04	77.14	-22.86
2014	26.29	-73.71	24.5	-75.5	26.09	-73.91	7.49	-92.51	3.25	-96.75	53.79	-46.21
2015	33.02	-66.98	23.82	-76.18	22.7	-77.3	8.75	-91.25	4.1	-95.9	54.62	-45.38
2016	43.33	-56.67	27.03	-72.97	25.35	-74.65	10.42	-89.58	4.76	-95.24	71.19	-28.81
2017	43.84	-56.16	27.1	-72.9	22.99	-77.01	8.83	-91.17	5.8	-94.2	76.2	-23.8
2018	53.65	-46.35	28.53	-71.47	24.36	-75.64	9.47	-90.53	5.81	-94.19	105.58	5.58
2019	55.45	-44.55	31.89	-68.11	21.65	-78.35	10.47	-89.53	4.59	-95.41	84.11	-15.89
2020	61.7	-38.3	26.16	-73.84	22.36	-77.64	12.84	-87.16	6.54	-93.46	58.56	-41.44
2021	51.15	-48.85	23.05	-76.95	19.66	-80.34	32.42	-91.46	6.97	-93.03	39.57	-60.43
Total	448.72		352.8		271.3		138.31		53.18		844.57	
Average	34.52		27.14		20.87		10.64		4.09		64.97	

(Source in – Exim data bank – Ministry of commerce)

**Trend Analysis**

2022	65.44		27.23		25.11		18.53		7.24		75.75	
2023	70.93		25.63		25.05		19.93		7.71		74.01	
2024	76.04		24.53		24.77		21.88		8.15		68.93	
2025	80.57		25.05		24.28		23.75		8.45		67.69	
2026	84.8		25.51		23.89		25.73		9.19		69.39	

**Interpretation:**

The above table shows the COSMETICS (33) product export from India to AFGANISTHAN during the year 2009 to 2021. From the growth rate analysis the AFGANISTHAN has showed nil years negative values and 13 years are positive value. Total value is 3578.29, Average value is 275.25. The AFGANISTHAN trend analysis is make a next 5 years was increasing the export in year by year. The above table shows the COSMETICS (33) product export from India to AUSTRALIA during the year 2009 to 2021. From the growth rate analysis the AUSTRALIA has showed 13 years negative values and nil years are positive value. Total value is 285.7, Average value is 21.98. The AUSTRALIA trend analysis is make a next 5 years was increasing the export in year by year. The above table shows the COSMETICS (33) product export from India to CANADA during the year 2009 to 2021. From the growth rate analysis the CANADA has showed 13 years negative values and nil years are positive value. Total value is 138.39, Average value is 10.65. The CANADA trend analysis is make a next 5 years was fluctuating the export in year by year. The above table shows the COSMETICS (33) product export from India to CHINA during the year 2009 to 2021. From the growth rate analysis the CHINA

has showed 7 years negative values and balance years are positive value. Total value is 1262.17, Average value is 97.09. The CHINA trend analysis is make a next 5 years was increasing the export in year by year. The above table shows the COSMETICS (33) product export from India to ETHIOPIA during the year 2009 to 2021. From the growth rate analysis the ETHIOPIA has showed 13 years negative values and nil years are positive value. Total value is 69.66, Average value is 5.40. The ETHIOPIA trend analysis is make a next 5 years was increasing the export in year by year. The above table shows the Cosmetics (33) product export from India to FRANCE during the year 2009 to 2021. From the growth rate analysis the FRANCE has showed 13 years negative values and nil years are positive value. Total value is 588.72, Average value is 45.29. The FRANCE trend analysis is make a next 5 years was increasing the export in year by year.

The above table shows the Cosmetics (33) product export from India to INDONESIA during the year 2009 to 2021. From the growth rate analysis the INDONESIA has showed 13 years negative values and nil years are positive value. Total value is 448.72, Average value is 34.52. The INDONESIA trend analysis is make a next 5 years was increasing the export in year by year. The above table shows the Cosmetics (33) product export from India to JAMAICA during the year 2009 to 2021. From the growth rate analysis the JAMAICA has showed 13 years negative values and nil years are positive value. Total value is 352.8, Average value is 27.14. The JAMAICA trend analysis is make a next 5 years was decreasing the export in year by year. The above table shows the Cosmetics (33) product export from India to MALAYSIA during the year 2009 to 2021. From the growth rate analysis the MALAYSIA has showed 13 years negative values and nil years are positive value. Total value is 271.3, Average value is 20.87. The MALAYSIA trend analysis is make a next 5 years was fluctuating the export in year by year. The above table shows the Cosmetics (33) product export from India to MEXICO during the year 2009 to 2021. From the growth rate analysis the MEXICO has showed 13 years negative values and nil years are positive value. Total value is 138.31, Average value is 10.64. The MEXICO trend analysis is make a next 5 years was increasing the export in year by year. The above table shows the Cosmetics (33) product export from India to NEW ZEALAND during the year 2009 to 2021. From the growth rate analysis the NEW ZEALAND has showed 13 years negative values and nil years are positive value. Total value is 53.18, Average value is 4.09. The NEW ZEALAND trend analysis is make a next 5 years was increasing the export in year by year. The above table shows the Cosmetics (33) product export from India to SINGAPORE during the year 2009 to 2021. From the growth rate analysis the SINGAPORE has showed 13 years negative values and nil years are positive value. Total value is 844.57, Average value is 64.97. The SINGAPORE trend analysis is make a next 5 years was decreasing the export in year by year.

**Findings:**

- Export of the AFGANISTHAN trend analysis is make a next 5 years was increasing the export in year by year.
- Export of the AUSTRALIA trend analysis is make a next 5 years was increasing the export in year by year.
- Export of the CANADA trend analysis is make a next 5 years was fluctuating the export in year by year.
- Export of the CHINA trend analysis is make a next 5 years was increasing the export in year by year.
- Export of the ETHIOPIA trend analysis is make a next 5 years was increasing the export in year by year.
- Export of the FRANCE trend analysis is make a next 5 years was increasing the export in year by year.
- Export of the INDONESIA trend analysis is make a next 5 years was increasing the export in year by year.
- Export of the JAMAICA trend analysis is make a next 5 years was decreasing the export in year by year.
- Export of the MALAYSIA trend analysis is make a next 5 years was fluctuating the export in year by year.
- Export of the MEXICO trend analysis is make a next 5 years was increasing the export in year by year.
- Export of the NEW ZEALAND trend analysis is make a next 5 years was increasing the export in year by year.
- Export of the SINGAPORE trend analysis is make a next 5 years was decreasing the export in year by year.

**Suggestions:**

- This post explains export process of cosmetics, government rules to export cosmetics, different precautions to be taken care to export cosmetics, export documentation to export cosmetics.
- A new entrepreneur has to deal with a lot of competition to survive and then to move ahead in the tough market conditions.
- Small cosmetic brand needs a clever business promotion plan to not only tackle the competition but also to eventually become a leader in your specialty of cosmetics products.

- Cosmetics, an industry that embodies beauty, skincare, personal care, fragrances and male-specific products, is strong and only getting stronger.
- Beauty marketing and the brands behind them are getting innovative as consumers crave creativity in their cosmetic and personal care products.

**Conclusion:**

Cosmetics or Makeup are substances to enhance the beauty of the human body, apart from simple cleaning. Their use is widespread, especially among women in Western countries. Cosmetics, general term applied to all preparations used externally to condition and beautify the body, by cleaning, coloring, softening, or protecting the skin, hair, nails, lips, or eyes. Perfumery is usually excluded from the field of cosmetics. Although perfumes are commonly manufactured in coordination with cosmetics. The use of cosmetics is worldwide and dates from the remotest antiquity. Although it is generally believed that cosmetics as they are now known originated in the Far East, the study of simple cultures indicates that forms of cosmetic beautification have been practiced in every part of the world. Annual retail sales of men and women toiletries in the U.S. today make cosmetic manufacturing a multibillion-dollar industry. Cosmetics are designed for cleansing, beautifying, promoting attractiveness and altering appearance of skin. There are an ever-growing number of ingredients included in cosmetics that are purported to be beneficial for the skin, but often little information on these ingredients is available.

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