

Euromonitor 2015 states that beauty and personal care is a US\$465 billion industry globally. Mintel research states that by 2020, cosmetic sales are forecast to reach \$3.4 billion among Black Americans. Jamaica's fledging cosmetics industry is currently positioned to benefit from some excellent export opportunities for exports and investment along the full value chain, especially as it relates to castor oil, a key ingredient used in many Jamaican cosmetic products.

1. WHAT COMPRISES THE COSMETICS INDUSTRY?

The Cosmetics Industry (make-up or beauty products) is a segment within the Beauty and Personal Care industry. By the Global Industry Classification Standard (GICS), it falls under the Household and Personal Goods Industry. Cosmetics companies deal in skin and sun care products, makeup/colour cosmetics, fragrances, toiletries, and various other grooming products.



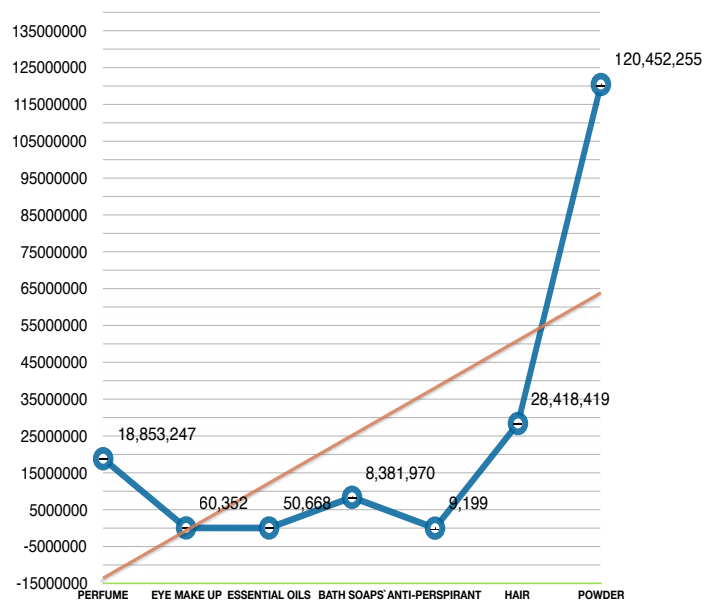
2. DOES JAMAICA HAVE A COSMETICS INDUSTRY?

The Jamaica cosmetics industry comprises primarily MSMEs with relatively small operations but producing high quality, high value products using primarily natural ingredients.

Cosmetics is a relatively new emerging export sector that JAMPRO has engaged, and research will be done to establish the scope of the local industry. Current focus is on manufacturers of natural products in cosmetics and hair care. These manufacturers utilize local raw material such as castor oil, lemon grass, cerassee, aloe vera, sorrel, honey, coconut oil and pimento oil.

Some of the product formulations were developed by the Scientific Research Council (SRC); while others were created by the manufacturers, some of whom have chemistry backgrounds. The products can be found in local retail outlets and increasingly in exports markets in the USA, UK and the Caribbean.

Export data indicates the following breakdown of cosmetics products exported by Jamaica in 2016.



3. WHY DOES THIS INDUSTRY REPRESENT AN OPPORTUNITY FOR JAMAICA?

JAMPRO has identified strong potential for increase of export sales in the hair and cosmetics industry in the UK, North America and other export markets. The Agency has also observed the growth in demand for castor oil-based products, which JAMPRO is working to develop in partnership with the Jamaica Castor Industry Association.

According to Mintel Research "Natural Hair Movement" increasingly becomes the new normal in the global hair care industry. In 2015, expenditures on hair care among black American consumers were estimated at \$2.7 billion,

which includes sales via various retail channels including local independent stores. By 2020 sales are forecast to reach \$3.4 billion.¹ Population growth, rising interest in natural hair, and new product innovations are likely going to drive industry growth.²

More than half of black American women, and nearly four out of 10 black American men believe natural hairstyles are not a fad and are here to stay.³ Wearing their hair natural makes Black women feel liberated, confident, and different from others and gives them a tremendous sense of pride in being Black – embracing their natural beauty.⁴ Indeed, the natural hair movement has had a tremendous impact on relaxer sales – between 2013-15, relaxer sales have plunged by 18.5% and in 2015 relaxer sales are estimated to account for a 21% share of total sales. Meanwhile, sales of styling products, which include Jamaican Black Castor Oil (JBCO) and JBCO related products, grew by 26.8%.⁵ Source: Black Consumers and Hair care. Mintel Market Breakdown. August 2015

4. HOW DOES JAMPRO FACILITATE THE COSMETICS INDUSTRY?

Primarily by identifying the needs of the cosmetics manufacturer and answering those needs, whether through the provision of information gained through research, provision of market trends and intelligence data and/or introduction to buyers in the target markets.

5. WHAT COSMETIC PRODUCTS ARE MANUFACTURED FOR EXPORT FROM JAMAICA?

- **Hair Care products** – shampoos, conditioners, hair growth serums, hair butters, etc.
- **Body care products** – lotions, hand creams, body washes, body butters, scrubs, etc
- **Face products** – facial scrubs, anti-aging, anti-wrinkle serums, masks, etc.
- **Deodorants**
- **Make-up & colour cosmetics** – lipstick, lip balm, eyeshadows, mousse.



6. WHAT ARE THE MANUFACTURING STANDARDS FOR EXPORTING COSMETICS?

The standards are dependent on the focus market.

- **For the Jamaican market** - Companies need to meet local regulatory agency standards. For example, Bureau of standards, Scientific Research Council, Ministry of Health (GMP Certification).
- **For the US market** - FDA approval is the recommended certification.
- **For the UK market** - EU regulations apply and companies, depending on the product, need to complete the EU regulation.

In addition to standards required for market access, there are standards for products being marketed as organic or natural. Five European certification bodies have developed the Cosmetics Organic Standard (COSMOS) in an effort to harmonise organic standards across the globe. This standard is meant to ensure that the product contains guaranteed organic ingredients and is not just label trickery.

(1) Black Consumers and Hair care. Mintel Market Breakdown. August 2015
(2) Black Consumers and Hair care. Mintel Market Breakdown. August 2015
(3) Black Consumers and Hair care. Mintel Market Breakdown. August 2015
(4) Black Consumers and Hair care. Mintel Market Breakdown. August 2015
(5) Black Consumers and Hair care. Mintel Market Breakdown. August 2015

7. WHAT OPPORTUNITIES ARE OFFERED TO COSMETICS BUYERS BY JAMAICAN MANUFACTURERS?

In addition to selling a range of unique and authentically made Jamaica cosmetic products, some Jamaican based cosmetic companies are willing to provide private labeling and contract manufacturing services

8. DOES JAMPRO CHARGE FOR THE SERVICES IT OFFERS TO MANUFACTURERS?

There are no charges for our services. JAMPRO, Jamaica's economic development agency, acts a facilitator for overseas buyers and Jamaican exporters and executes activities to:

- Promote authentic Jamaican products to the export market
- Connect potential buyers with product/service providers
- Assist both buyer and manufacturer to realize export sales

9. WHAT ARE BEST ROUTES TO GET GOODS INTO THE EXPORT MARKET?

There are several ways to get your goods transported out of Jamaica:

- Sea – Shipping large items, bulk commodities and goods to offshore markets that do not require fast delivery is more economical by sea
- Air – Shipping by air is more expensive than surface or sea transport, but the higher costs may be offset by faster delivery
- Courier- DHL/Fedex – Features would include tracking, speed, security, and specialization
- Post Office – an available option when exporting items Air-freight. Eg. DHL
- Jamaica Post

10. CAN JAMPRO PROVIDE A LIST OF FREIGHT FORWARDERS OR CUSTOMS BROKERS TO ASSIST WITH THE SHIPMENT OF MY GOODS?

JAMPRO can share with you a list of freight forwarders or customs brokers to assist with coordinating and consolidation of shipment of your goods. You may contact our Business Information Services department or email us at info@jamprocorp.com

11. CAN JAMPRO HELP ME, A BUYER, TO FIND SUPPLIERS OF COSMETIC PRODUCTS IN JAMAICA?

JAMPRO maintains a database and works closely with some of the best manufacturers of cosmetic products in Jamaica, hence we can coordinate B2B meetings and organize site visits to meet your specific needs.

12. WHAT ARE THE MAIN MARKETS FOR THE OUTPUTS OF JAMAICA'S COSMETICS INDUSTRY?

Jamaica largest export markets for cosmetic products are mainly where there is a large diaspora population; the United States, Canada, and the United Kingdom. These markets have high demand for authentic Jamaican products, especially the Jamaican Black Castor Oil.

13. ARE THERE OPPORTUNITIES BEYOND THE JAMAICA DIASPORA?

With a growing movement towards unprocessed hair and organic cosmetic products, the market opportunities have grown beyond the Diaspora. This coupled with Jamaica's brand appeal presents numerous opportunities in the mainstream market. NCB loan and VISA Credit Card facility.

14. WHAT TRADE AGREEMENTS ARE IN PLACE THAT COSMETIC INVESTORS CAN BENEFIT FROM?

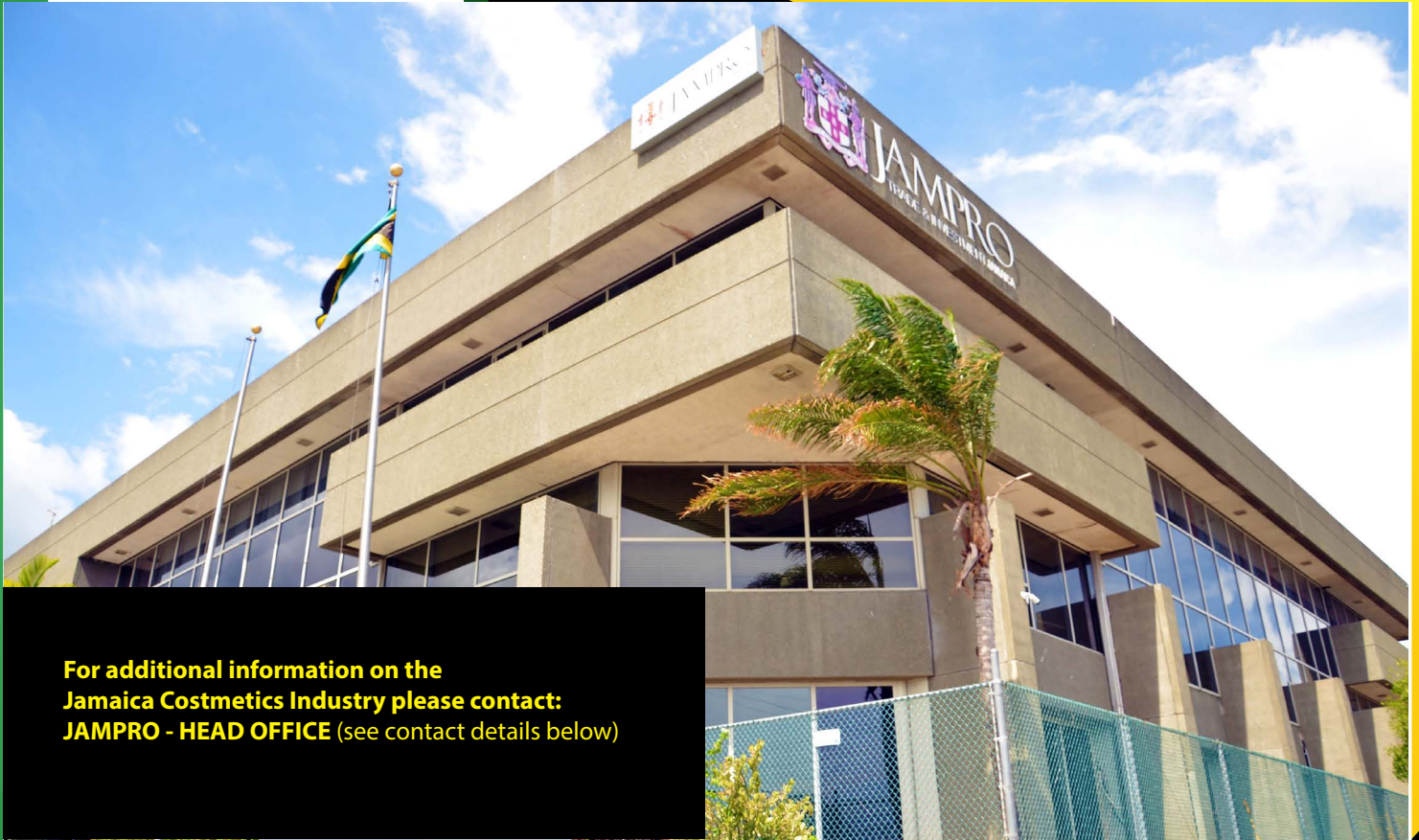
Jamaica has trade agreements with the world's major trading powers such as the European Union, Canada, and the United States, in addition to the Regional CARICOM market. These trade pacts provide a range of opportunities for Jamaican exporters. The major trade agreements are:

- The European Partnership Agreement (EPA)
- Caribbean-Canada Trade Agreement (CARIBCAN)
- Caribbean Basin Initiative (CBI)
- Caribbean Single Market Economy (CSME)

For more information visit JAMPRO's website at dobusinessjamaica.com

15. WHAT INCENTIVES ARE AVAILABLE TO INVESTORS IN THE COSMETICS INDUSTRY?

The incentives will be dependent on whether you are growing inputs for the industry or manufacturing cosmetics products. The Government of Jamaica recently introduced a comprehensive Omnibus Incentives framework designed to create transparency in the granting of incentives.



**For additional information on the
Jamaica Costmetics Industry please contact:
JAMPRO - HEAD OFFICE (see contact details below)**

CONTACT US

HEAD OFFICE

18 Trafalgar Road
Kingston 10, Jamaica W.I.
Phone: +1 876 978 7755; 978-3337
Toll Free: +1 888 INVESTJA (468 4352)
Fax: +1 876 946 0090
Email: info@jamprocorp.com

WESTERN REGIONAL OFFICE

Montego Bay Convention Centre
Rose Hall, Montego Bay
St. James, Jamaica W.I.
Email: jampromobay@jamprocorp.com

NORTH AMERICAN REGIONAL OFFICE

303 Eglinton Avenue East, 2nd Floor
Toronto, Ontario, M4P 1L3, Canada
Tel: 416 932 2200 (main) 416-598-3008
Fax: 416 932 2207
Toll-Free: 1 877 744 2208
Email: jamprocanada@jamprocorp.com

AND

767 3rd Avenue, Second Floor
New York, NY 10017, USA
Tel: 646 213 0101
Email: jampronewyork@jamprocorp.com

LONDON OFFICE

JAMPRO / Jamaica Trade Commission
1 Prince Consort Road,
London SW7 2BZ, England
Phone: + 44 20 7 584 8894
Fax: + 44 20 7 823 9886
Email: jamprouk@jamprocorp.com

