

What is the demand for natural ingredients for cosmetics on the European market?

The European cosmetics market presents good opportunities for exporters of natural ingredients from developing countries. Demand for natural ingredients from the European cosmetics sector is increasing. The main drivers of this demand are the growing consumer awareness of natural cosmetics and the desire of cosmetics companies to replace synthetic ingredients with natural variants.

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1. Sector description

Natural ingredients for cosmetics are defined as any raw materials derived from plants or animals that are used in the production of cosmetics and personal care products. This study focuses on natural ingredients for cosmetics that are produced in developing countries. Natural ingredients for cosmetics can be categorised as follows:

- Vegetable or animal derived oils, fats and waxes;
- Essential oils and oleoresins;
- Vegetable saps and extracts;
- Raw plant materials;
- Colouring matter of vegetable or animal origin.

2. What makes Europe an interesting market for natural ingredients for cosmetics?

[Europe has the largest cosmetics market in the world](#), presenting good opportunities for ingredient exporters in developing countries. Demand for natural ingredients used in cosmetics and toiletries is growing, a trend expected to continue into the future.

Natural ingredients are increasingly used in conventional cosmetics and personal care products. Companies are replacing synthetic chemicals with natural ingredients, partly because of consumer demand and partly because of a move towards sustainable raw materials. This trend is described in the CBI trends report on natural ingredients for cosmetics.

Thanks to its large consumer population, Europe's cosmetics market is expected to continue to grow in the future and maintain its leading position in the coming years. However, the cosmetics markets in Asia and Latin America are also showing significant growth. Increasing disposable income in developing countries, such as India, China, Brazil and countries in Southeast Asia, has been sustaining growth in these markets.

Figure 1 shows that the personal care market in Europe has been growing at a steady rate. Growth is expected to continue at a healthy rate, barring any long-term impacts of the COVID-19 pandemic.

Cosmetic products increasingly use natural ingredients. [Consumer concerns about synthetic chemicals in cosmetics and toiletries](#) are helping to support this demand. Research shows that consumers are avoiding

chemicals such as parabens, phthalates and sodium lauryl sulphate, as they are concerned about associated health risks. Consumers view natural ingredients as safer for human health and the environment. A growing number of cosmetics companies are therefore replacing synthetic chemicals with natural ingredients.

This trend is driving the demand for natural and organic personal care products in Europe.

Natural cosmetics are defined as products made from natural ingredients, containing minimal levels of synthetic substances, such as petrochemicals and parabens. According to this definition, the European natural cosmetics market was valued at €3.6 billion in 2018; this is a market share of less than 5% of the European cosmetics market. However, the European natural cosmetics market is growing faster than the overall cosmetics market.

Figure 2 shows historic growth rates for the European market for natural cosmetics. Ecovia Intelligence projects the market will grow at a healthy rate from 2019 to 2023. Consumer demand for cosmetics and toiletries that avoid contentious chemicals is expected to help fuel market growth. Robust demand for natural ingredients provides opportunities for potential suppliers in developing countries.

According to feedback from European buyers, organic certification is in demand for natural ingredients, mainly in Western Europe. The COVID-19 pandemic has stimulated demand for certain types of products, as well as natural ingredients for cosmetics. According to an exporter of natural ingredients in India, *"the demand has increased for Aloe vera, because Aloe vera is also used in sanitizers."* Certain products such as soaps also saw an increase in demand during the COVID-19 pandemic.

Tips:

Look into the criteria to get ingredients certified as natural or organic, as this is likely to increase your chances of entering the European market. The most popular standards in Europe are [COSMOS](#) and [NATRUE](#).

Identify a certification body in your country that provides [COSMOS](#) and [NATRUE](#) certification. Buyers also see these European standards as a sign of quality. Once certified, your ingredients are likely to get premium prices in the market. Ensure you use appropriate logos and labels on your marketing materials.

Ensure you do market research on what types of products are popular in the European market. For example, skincare is traditionally the biggest product category, but haircare and colour cosmetics are also important. Different ingredients are required for different product categories.

Research current market developments on the European cosmetics market. For example, the ageing European population will drive anti-ageing skincare segment sales. Review the [CBI study Exporting anti-ageing extracts to Europe](#) for more information on this topic.

Focus on building long-term relationships with European buyers and ensure you communicate this to them. Although growth may be slow in the cosmetics market overall, Europe is expected to have the largest cosmetics markets in the world.

The European cosmetics market is quite diverse. Demand for natural ingredients comes from large conventional cosmetics companies, contract manufacturers and dedicated natural cosmetics companies, as well as formulators and product developers.

Figure 3 shows the largest cosmetics markets in Europe. Germany leads with a market size of €14 billion.

France has the second-largest market, valued at €11.4 billion.

The UK and Italy have the third and fourth-largest cosmetics markets, worth €10.7 billion and €10.5 billion respectively. Despite being the third-largest market, most cosmetic products sold in the UK are produced in mainland Europe, so raw materials, including natural ingredients, are not used as much in the UK.

The European cosmetics market offers good opportunities for natural ingredient exporters in developing countries. There is strong demand in the skincare and haircare product categories, as well as in toiletries.

Skincare is the most important product category, in which a wide range of products use natural ingredients. Commonly used ingredients include vegetable oils with functional or active properties for body and face products. Essential oils are mainly used as fragrances. Various plant-based extracts are also used for their active properties.

The haircare product category is the third-largest product category in terms of value and is the second-most important category for natural ingredients. Vegetable oils and botanicals in this category offer opportunities because of their active properties. Argan oil, coconut oil and *Aloe vera* are used in haircare products because of their nourishing and emulsifying properties.

Other product categories, such as colour cosmetics, toiletries and perfumes make less use of natural ingredients in comparison. Nonetheless, a growing number of products in these categories use natural ingredients. For instance, natural ingredients such as vegetable oils, colourants, essential oils and botanicals are used in soaps, colour cosmetics and deodorants.

Natural ingredient exporters should target producers of skincare products, toiletries and haircare products. These three categories represent 70% of total cosmetics sales in Europe.

Figure 5 shows the leading country markets for natural personal care products. It shows that the biggest country markets are Germany, France, Italy and the UK. These countries comprise almost 80% of the European natural and organic personal care products market. Other countries have a market share of less than 10%. Switzerland and Greece have 3% market share each.

Tips:

For more information on trends in the cosmetics industry in Europe, look into the reports published by [Cosmetics Europe](#).

Make sure to research cosmetics markets of individual European countries. For more information, visit the websites of cosmetics associations, such as [IKW](#), [FEBEA](#), [CTPA](#), [Cosmetica Italia](#) and [STANPA](#).

Read the European Commission's [economic forecasts](#) to stay up to date on country economic forecasts.

Read the [CBI requirements study on requirements for natural ingredients for cosmetics](#) to learn about the regulations that natural ingredients must comply with to enter the European market.

3. Which European markets offers most opportunities for natural

ingredients for cosmetics?

Germany and France are considered the best prospective European markets for exporters of natural ingredients. These two countries have the largest consumer markets for cosmetics in Europe and are also major production centres. Many conventional and natural cosmetics companies are based in Germany and France. After these two countries, the UK and Italy are the most attractive country markets.

Spain has the fifth-largest personal care products market in Europe; it is also a leading importer of natural ingredients for cosmetics. The Netherlands is a significant entry point for raw materials to Europe. The six most prospective country markets for exporters of natural ingredients from developing countries are the leading importing countries of natural ingredients and not necessarily the biggest markets.

Germany

Table 1: Imports of natural ingredients for cosmetics to Germany

2019	000 Tonnes	% Change Volume (2015-2019)	m EUR	% Change Value (2015-2019)	Cosmetics Market 2019	Natural and Organic Cosmetics Market 2018
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Vegetable saps and extracts	55.8	7.9%	473.8	14.2%	EUR 14 billion	EUR 1.3 billion
Coconut, palm kernel and babassu oil	530.8	-20.7%	396.9	-37.1%		
Fixed vegetable fats and oils	26.4	46.6%	109.3	26.4%		
Colouring matter of vegetable and animal origin	5.7	18.6%	95.9	17.9%		
Plants and parts of plants	30.8	22.0%	122.4	53.1%		
Essential oils and oleoresins	20.7	-1.3%	340.0	18.2%		

Source: Eurostat, Cosmetics Europe, Ecovia Intelligence

Germany is also the European leader in natural cosmetics. Its €1.3 billion market gives Germany a 35% share of Europe's total market. Natural products comprise almost 10% of total cosmetics sales in Germany. Natural and organic cosmetics have been established in the German market for decades now.

Distribution is a major factor behind the high market share of natural cosmetics in Germany, as these products are sold in a wide range of retail and non-retail outlets. Unlike other countries, a large share of natural cosmetics are sold in drugstores and pharmacies. Organic food shops, health food retailers, department stores and beauty retailers are also important channels.

Germany has a robust processing sector for cosmetics. [Beiersdorf](#) is the most important cosmetics company. Important natural and organic cosmetics companies include [Lavera](#), [Logona](#) (L'Oréal), [Dr. Hauschka](#) and [Primavera Life](#). The Swiss natural cosmetics company [Weleda](#) also has a manufacturing facility in Germany.

Some of these companies source natural ingredients directly from developing countries. For instance, Primavera Life is a producer of natural cosmetics and essential oils. The company uses a wide range of essential oils in its products, including lemongrass from Bhutan and Nepal and cajeput from Cambodia.

Germany is also a leading importer of raw materials for cosmetics. According to exporters of natural ingredients for cosmetics in developing countries, ingredients such as vegetable oils, essential oils and botanical extracts are in high demand in Germany.

There is also a high demand for organic ingredients on the German market. Some traders in Germany specialise solely in organic ingredients. An example is SanaBio GmbH. Suppliers of natural ingredients for cosmetics are advised to target German buyers when supplying organic ingredients.

France

Table 2: Imports of natural ingredients for cosmetics to France

2019	000 Tonnes	% Change Volume (2015-2019)	m EUR	% Change Value (2015-2019)	Cosmetics Market 2019	Natural and Organic Cosmetics Market 2018
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Vegetable saps and extracts	31.3	-1.5%	255.6	17.6%	EUR 11.4 billion	EUR 720 million
Coconut, palm kernel and babassu oil	67.1	-14.0%	67.1	-19.7%		
Fixed vegetable fats and oils	70.5	25.0%	156.4	9.1%		
Colouring matter of vegetable and animal origin	4.8	13.6%	62.9	11.0%		
Plants and parts of plants	5.8	4.0%	38.5	17.0%		
Essential oils and oleoresins	11.1	23.2%	391.7	14.1%		

Source: Eurostat, Cosmetics Europe, Ecovia Intelligence

Table 2 shows imports of selected natural ingredients for cosmetics to France. France is the leading importer of fixed vegetable fats and oils. Import volumes showed an increase in almost all categories between 2015 and 2019. The volumes of imported coconut oil, palm kernel oil and babassu oil decreased in the last five years because of a shift in demand to other European countries.

France has the second-largest conventional and natural cosmetics market in Europe, valued at EUR 11.4 billion and EUR 720 million, respectively. The French market is characterised by a large number of French brands — more than 100 — and an emphasis on sourcing raw materials locally. For example, the natural and organic cosmetics company [Lea Nature](#) sources 70-100% of its ingredients within France.

Some of the major cosmetics companies in France are [L'Oréal](#), [Groupe Rocher](#), Laboratoire Nuxe, [Bioderma Laboratories](#) and [Pierre Fabre](#). France has a sizeable natural and organic cosmetics market. Major natural and organic cosmetics companies in France include L'Occitane, Caudalie, Léa Nature Group, Cattier Laboratoires and Nature et Strategie. French consumers have high awareness of and demand for high-quality products. Large multinationals have entered the French natural cosmetics market. For instance, L'Oréal has launched several new natural products in the last five years. [Garnier Organic](#) was launched in February 2019, and the [Botanëa](#)

hair colour line was introduced in 2018. Raw materials for the Botanēa line are sustainably sourced from India.

France is a prospective target country for exporters of natural ingredients for cosmetics, as it has a robust processing sector. Certified organic ingredients are also in high demand.

The Netherlands

Table 3: Imports of natural ingredients for cosmetics to the Netherlands

2019	000 Tonnes	% Change Volume (2015-2019)	m EUR	% Change Value (2015-2019)	Cosmetics Market 2019	Natural and Organic Cosmetics Market 2018
Vegetable saps and extracts	31.0	207.14%	162.7	89.21%	EUR 2.8 billion	EUR 66 million
Coconut, palm kernel and babassu oil	612.3	13.17%	455.7	-12.28%		
Fixed vegetable fats and oils	55.9	9.82%	121.3	25.35%		
Colouring matter of vegetable and animal origin	7.8	-40.25%	104.4	20.22%		
Plants and parts of plants	3.3	326.53%	15.3	197.23%		
Essential oils and oleoresins	13.3	-0.48%	253.9	57.33%		

Source: Eurostat, Cosmetics Europe, Ecovia Intelligence

Table 3 shows that imports of almost all categories increased in terms of volume in the last five years. The Netherlands is a leading importer of oils, fats and butters used in personal care products.

The Netherlands is an important entry point for natural ingredients to Europe. [Tradin Organic](#) and [IMCD](#) are some of the largest traders of natural ingredients for cosmetics in Europe.

Exporters of natural ingredients in developing countries should target Dutch importers, which usually re-export to other European countries. It is likely that the Netherlands will remain an important export destination for natural ingredients for cosmetics in the future, due to its strategic position as an entry point for raw materials into Europe.

Italy

Table 4: Imports of natural ingredients for cosmetics to Italy

2019	000 Tonnes	% Change Volume (2015-2019)	m EUR	% Change Value (2015-2019)	Cosmetics Market 2019	Natural and Organic Cosmetics Market 2018
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Vegetable saps and extracts	25.1	20.03%	176.6	32.44%	EUR 10.5 billion	EUR 425 million
Coconut, palm kernel and babassu oil	132.8	22.01%	114.2	6.62%		
Fixed vegetable fats and oils	14.4	-0.06%	37.6	-15.79%		
Colouring matter of vegetable and animal origin	9.1	52.23%	62.7	60.44%		
Plants and parts of plants	5.1	-11.93%	27.3	-4.57%		
Essential oils and oleoresins	3.8	29.50%	69.0	22.88%		

Source: Eurostat, Cosmetics Europe, Ecovia Intelligence

Table 4 shows that Italy is a leading importer of coconut, palm kernel and babassu oil. Imports of vegetable saps and extracts, colourants and essential oils increased at a double-digit rate between 2015 and 2019.

The Italian market is in third place in Europe. Valued at EUR 425 million, it is also characterised by a large number of domestic brands, many of which are small companies that focus on the Italian market.

There is also growing demand for natural and organic cosmetics. Italian consumers are becoming more aware of the environmental impact of cosmetics ingredients. Leading natural and organic companies include [L'Erbolario](#), [Helan](#), ISMEG, Lacote and Bema Cosmetici. The Italian natural and organic cosmetics market has been growing at a healthy rate for many years.

Herbalist shops and organic food shops are important sales channels for natural cosmetics in Italy. Few natural cosmetics brands have made inroads in supermarkets, hypermarkets and mass market retailers. The professional channel, including hair salons and spas, is important for Italian brands such as [Oway](#).

Italy is a prospective country market for exporters of natural ingredients in developing countries, because of its

size and big processing sector. As the demand for natural and organic cosmetics is increasing in Italy, exporters of organic ingredients should target this market.

The UK

Table 5: Imports of natural ingredients for cosmetics to the UK

2019	000 Tonnes	% Change Volume (2015-2019)	m EUR	% Change Value (2015-2019)	Cosmetics Market 2019	Natural and Organic Cosmetics Market 2018
Vegetable saps and extracts	34.8	83.30%	188.7	18.60%	EUR 10.7 billion	EUR 360 million
Coconut, palm kernel and babassu oil	60.4	4.92%	66.0	-20.27%		
Fixed vegetable fats and oils	25.3	147.71%	62.6	48.12%		
Colouring matter of vegetable and animal origin	6.5	26.71%	68.7	10.17%		
Plants and parts of plants	10.3	156.22%	30.7	80.58%		
Essential oils and oleoresins	10.8	-24.78%	228.4	-12.70%		

Source: Eurostat, Cosmetics Europe, Ecovia Intelligence

Imports of fixed vegetable fats and oils and vegetable saps and extracts increased the most between 2015 and

2019. The UK is a leading importer of butters, such as shea butter for personal care products. Imports of essential oils decreased in volume and increased in value, due to increased imports of some value-added essential oils to the UK.

The UK natural cosmetics market is valued at EUR 360 million. Despite being one of the largest natural cosmetics markets in Europe, the uncertainty caused by Brexit raises questions about future developments. For more details about Brexit effects, see the CBI report on [trends in natural ingredients for cosmetics](#).

Organic food shops and pharmacies are important sales channels for natural cosmetics in the UK, but supermarkets and mass market retailers are not very important.

[Unilever](#) and [Elemis](#) are two leading cosmetics companies. Unilever launched its Love, Beauty and Planet brand of sustainable cosmetics in 2017. The natural and organic cosmetics market is showing healthy growth. Leading UK natural and organic brands include Neal’s Yard Remedies, REN Skincare (Unilever), The Organic Pharmacy and Faith in Nature. The leading UK brand, [Neal’s Yard Remedies](#), has set up supply chains for many of its essential oils and raw materials. Examples include chiuri butter from Nepal, neroli essential oil from Egypt and Morocco, [frankincense from Oman](#), geranium oil from the Democratic Republic of Congo and tea tree oil from Kenya.

Spain

Table 6: Imports of natural ingredients for cosmetics to Spain

2019	000 Tonnes	% Change Volume (2015-2019)	m EUR	% Change Value (2015-2019)	Cosmetics Market 2019	Natural and Organic Cosmetics Market 2018
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Vegetable saps and extracts	22.1	-16.54%	194.5	22.71%	EUR 7.1 billion	EUR 69.3 million
Coconut, palm kernel and babassu oil	97.2	49.40%	75.8	21.95%		
Fixed vegetable fats and oils	11.5	-0.46%	34.9	83.54%		
Colouring matter of vegetable and animal origin	5.8	54.75%	83.0	18.67%		
Plants and parts of plants	7.3	-28.07%	25.0	5.85%		
Essential oils and oleoresins	5.5	-37.31%	121.2	-1.88%		

Source: Eurostat, Cosmetics Europe, Ecovia Intelligence

Spain is the fifth-largest cosmetics market in Europe. Imported natural ingredients for cosmetics to Spain are often re-exported to other European countries. Spain is used as an entry point because of its closer proximity to exporting countries.

There is a growing demand for natural and organic cosmetics in Spain. Some of the leading domestic players include Disna and Alqvimia. The demand for natural and organic personal products is also increasing annually.

Exporters of natural ingredients in developing countries should target the Spanish market because it has a large cosmetics industry, and there is high demand for natural raw materials.

Tips:

Focus on Western Europe when targeting natural and organic cosmetics companies. The markets in Central and Eastern Europe are relatively small, but Poland has the most prospective market among these countries.

Approach importers of raw materials if you want to supply to natural and organic cosmetics companies. Most importers are small and medium-sized firms that buy ingredients from specialised ingredient firms. Examples of such companies include [Henry Lamote](#), [IMCD](#) and [Surfachem](#).

Stay up to date on natural and organic cosmetics markets using [Ecovia Intelligence](#) reports and other sources, including [NATRUE](#) and [organic-market.info](#).

For more information, see also the sites of [CTPA](#) and the [Confederation of British Industry](#).

4. Which products from developing countries have most potential on the European natural ingredients for cosmetics Market?

Demand for natural ingredients from the cosmetics sector in Europe is growing. A wide range of natural ingredients are used in cosmetic applications, the top six of which in terms of opportunities are shea butter, coconut oil, mango butter, frankincense essential oil, patchouli essential oil and liquorice extract.

Apart from other applications, shea butter and coconut oil can be used as alternatives for palm kernel oil. Cosmetics companies are looking into replacing palm kernel oil with substitutes, in a trend that is partly driven by consumer awareness of palm plantations being linked to deforestation in Southeast Asia. Mango butter is used as an emollient with properties for specific personal care segments, such as anti-ageing products.

Botanicals and their extracts, such as *Aloe vera* and liquorice, are used in cosmetic products for their functional properties, partly because of consumer demand for natural and healthy products. The ageing population in Europe is also stimulating demand, since some of these extracts have anti-ageing properties.

Essential oils are commonly used as fragrances in cosmetic products. There is a lot of competition in the essential oils market, so suppliers of essential oils in developing countries should focus on niche oils that are native to their specific countries. Frankincense and patchouli have good potential in the European cosmetics market. These are considered the most attractive ingredients for exporters of natural ingredients in developing countries.

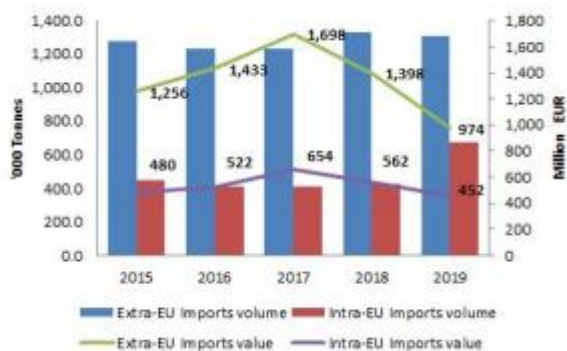
Vegetable or animal derived oils, fats and waxes

Vegetable oils and fats are derived from plants, either from seeds or, less often, from other parts of fruits. The most common vegetable oils are palm oil, coconut oil, sunflower oil, rapeseed oil, hemp oil and avocado oil. Animal oils and fats are extracted from animal parts and include fat of cattle, fat of sheep and fat of buffalo. Vegetable waxes are waxes of plant origin that are commonly present as thin flakes.

An estimated [50% of all products on supermarket shelves](#) contain palm oil, palm kernel oil or their derivatives. Since palm oil is linked to deforestation in Southeast Asia, its use in consumer products is turning into an issue for some companies. Some cosmetics companies are looking for alternatives to reduce or phase out use of palm kernel oil. For instance, British ethical cosmetics company [Lush](#) is planning to phase out palm oil from its supply chains. Such developments present an opportunity for vegetable oil producers in developing countries.

Figure 6 shows that import volumes of palm kernel oil to Europe fluctuate year on year. The reason behind this is not necessarily a substantial decrease in demand.

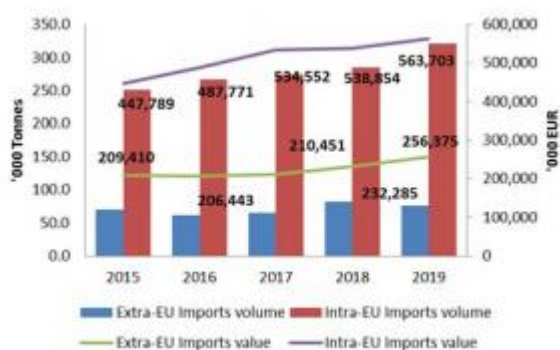
Figure 7: Imports of coconut, palm kernel and babassu oil to Europe, 2015-2019



Source: Eurostat

Figure 7 shows that import volumes of coconut, palm kernel and babassu oil into the EU have been increasing overall and are expected to continue to rise in the coming years. The market has decreased in value over the last five years. This indicates that the price decreased between 2015 and 2019. It is likely that imports of coconut oil and other palm oil alternatives will rise at the expense of palm kernel oil.

Figure 8: Imports of fixed vegetable fats and oils to Europe



Source: Eurostat

Figure 8 shows imports of fixed vegetable fats and oils, under which shea butter and mango butter are traded. It shows that the import volumes have increased in the last five years. The main reason behind this is increasing demand for natural ingredients from the cosmetics sector in Europe. The imports increased both in volume and in value at a single-digit growth rate.

Many vegetable oils can be used as alternatives to palm kernel oil. These include rapeseed oil, soybean oil, sunflower oil, olive oil, coconut oil, cocoa butter, shea butter, babassu oil, sal butter and illipé butter. Suppliers of natural ingredients in developing countries should focus on palm oil alternatives that do not grow in Europe, so that excludes sunflower, rapeseed and olive oil. For more details, see the CBI product factsheet on palm oil alternatives.

Tips:

Consider supplying vegetable oils that are replacing palm oil. See the [CBI study on palm oil alternatives](#).

For more information on commercially available alternatives to palm oil, read [this article](#).

Stay informed on developments in sustainable palm oil via [the RSPO website](#).

The supply chain of palm oil is very complex. The oil goes through many stakeholders, from agents, farmers, producers of all sizes and traders to processors and consumer goods manufacturers. Many importing countries, such as India and China, put less emphasis on sustainability than on price, which creates conflicts of interest among multiple stakeholders. Read more about [investigations into the palm oil supply chain](#).

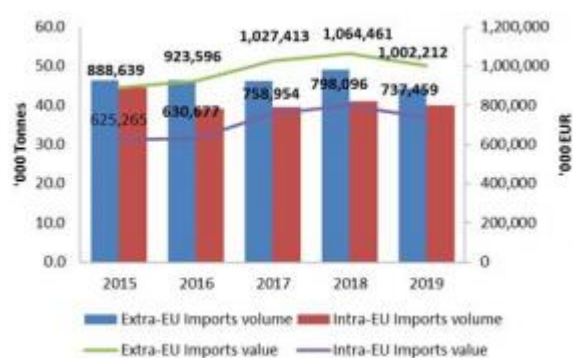
Read the CBI studies on exporting [palm oil alternatives](#) and [shea butter](#) to Europe, as they can be used as alternatives to palm kernel oil.

Essential oils and oleoresins

Essential oils are natural oils that are typically obtained by distillation, having the characteristic odour of the plant or other source from which they are extracted. Oleoresins are a mixture of an essential oil and a resin found in nature.

A large number of countries produce natural essential oils, including China, India, Indonesia, Sri Lanka and Vietnam. An estimated 65% of the [world production](#) comes from low-cost operations in developing countries.

Figure 9: Imports of essential oils and oleoresins to Europe



Source: Eurostat

Imports of essential oils and oleoresin have decreased slightly between 2015 and 2019. However, the import value has increased. The majority of essential oils are used in the food sector. Higher-priced essential oils are usually used in the perfumery and personal care sector.

According to the European Federation of Essential Oils (E.F.E.O), fragrances, cosmetics and aromatherapy generate about one-third of the demand for essential oils. Demand from the cosmetics sector is expected to increase in the coming years, as a growing number of natural and conventional cosmetics companies are using essential oils as fragrances.

Germany, the Netherlands, the UK and France are the leading importing countries in Europe.

France and Germany are the most important producers of essential oils in Europe. France has a strong fragrance industry and exports essential oils throughout Europe. It is an important supplier of high-value essential oils. Germany has a strong extraction industry and is a significant producer of refined essential oils. Germany and the Netherlands are significant re-exporters of essential oils to other European countries.

A recent trend for fragrance-free products in Europe could slow demand for essential oils. Consumers with

sensitive skin tend to look for natural cosmetic products and fragrance-free products. Particularly in Scandinavian countries, there has been a growing shift towards fragrance-free cosmetic products.

The opportunities for suppliers of essential oils from developing countries lie in supplying essential oils from plants that do not grow in Europe. Obtaining organic certification can also increase the competitiveness of essential oils suppliers from developing countries.

Synthetic essential oils are not considered to pose a threat to essential oils coming from developing countries. The general trend is that demand for natural essential oils is increasing, partly because of consumer demand and companies trying to switch to natural ingredients.

Tips:

Learn about the [applications of essential oils in cosmetics products](#) from the Council of Europe.

Visit [the website of Ecomundo](#) for more information on regulations for using essential oils in finished products.

See the CBI studies on [exporting essential oils for aromatherapy](#) and on [exporting essential oils for fragrances](#).

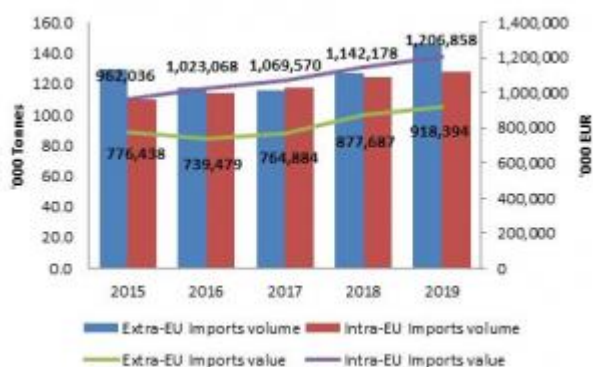
For more information about the socio-economic importance of essential oils production, read [this report of the International Trade Center](#).

Vegetable saps and extracts

Figure 10 shows that the import volume and value of vegetable saps and extracts to Europe increased in the last five years. The imports have been growing at a single-digit rate. Demand for vegetable extracts is expected to increase in the coming years. In the cosmetics industry, demand mostly comes from the skincare and haircare product categories, since vegetable extracts can have antioxidant and antimicrobial properties.

Growth in the cosmeceuticals market is also generating demand for plant extracts. Cosmeceutical products are defined as [cosmetic products with biologically active ingredients purporting to have medical or drug-like benefits](#).

Figure 10: Imports of vegetable saps and extracts to Europe



Source: Eurostat

Table 7 shows examples of natural extracts used in cosmetics and personal care products, which are gaining in

popularity in Europe. They are used for various functions, but some extracts have multi-functional attributes. For example, pomegranate extract helps protect the skin from ultraviolet A and B rays. *Aloe vera* extracts have soothing properties and are proven to [improve the psoriasis](#) skin condition. Lavender, sea buckhorn and rosemary extracts can be used for brightening properties, while liquorice is used for its firming properties.

Table 7: Vegetable extracts used in cosmetics and personal care products

Name	INCI	Origin
Acerola fruits, dry extract	<i>Malpighia puniceifolia</i> (acerola) fruit extract	Latin America, Asia
<i>Aloe</i> extract	<i>Aloe barbadensis</i> leaf extract	Grown in tropical climates
<i>Anthyllis</i> extract	<i>Anthyllis vulneraria</i> extract	Europe, Asia Minor, Iran, North Africa
<i>Artemisia</i>	<i>Artemisia Abrotanum</i> flower/leaf/stem extract	Eurasia, Africa and North America
Black tea extract	<i>Camellia sinensis</i> leaf extract	Tropical and subtropical regions
<i>Bryophyllum</i> extract	<i>Kalanchoe daigremontiana</i> leaf extract	Madagascar
Buckwheat extract	<i>Polygonum fagopyrum</i> (buckwheat) leaf extract	Asia, Central and Eastern Europe
Burdock root, extract	<i>Arctium lappa</i> root extract	Temperate regions in Europe, the Middle East and Asia
Cabbage rose flower extract	<i>Rosa centifolia</i> flower extract	Bulgaria, Italy, Spain, France, India and others
<i>Calendula</i> extract	<i>Calendula officinalis</i> flower extract	Europe, Asia and the United States
Cane sugar bio	<i>Saccharum officinarum</i> (sugar cane) extract	Subtropical regions
Cane sugar bio (sap)	<i>Saccharum officinarum</i> (sugar cane) extract	Subtropical regions

Crystalline ice plant extract	<i>Mesembryanthemum crystallinum</i> extract	Africa, Southern Europe, the Americas and Australia
Fennel fruits, extract	<i>Foeniculum vulgare</i> (fennel) seed extract	Worldwide
Ginkgo extract	<i>Ginkgo biloba</i> leaf extract	Worldwide
Goldenrod extract	<i>Solidago virgaurea</i> (goldenrod) extract	Europe, North Africa and Asia
Hawthorn extract	<i>Crataegus monogyna</i> leaf/fruit extract	Europe, West Africa and Asia
Hops extract	<i>Humulus lupulus</i> (hops) cone extract	Europe, Asia and North America
Lemon balm extract	<i>Melissa officinalis</i> flower/leaf/stem extract	Europe, Central Asia and the Americas
Lemon grass extract	<i>Cymbopogon citratus</i> extract	Europe, Central Asia and the Americas
Lemon peel extract	<i>Citrus limon</i> (lemon) peel extract	Europe, Central Asia and the Americas
Lime blossoms, extract	<i>Tilia cordata/platyphyllos</i> flower extract	Subtropical regions
Liquorice root extract	<i>Glycyrrhiza glabra</i> (liquorice) extract	The Middle East and Central Asia
Madonna lily extract	<i>Lilium candidum</i> bulb extract	Europe, North Africa and Mexico
Marshmallow leaves, extract	<i>Althaea officinalis</i> leaf extract	Europe, Asia and North Africa
Marshmallow root, extract	<i>Althaea officinalis</i> root extract	Europe, Asia and North Africa
Myrrh extract	<i>Commiphora myrrha</i> extract	The Arabian Peninsula and Africa

Nasturtium/Indian cress extract	<i>Tropaeolum majus</i> flower/leaf/stem extract	Endemic to the Andes from Bolivia to Colombia
Neem tree leaves, extract	<i>Melia azadirachta</i> leaf extract	Asia and Australasia
Oak bark, dry extract	<i>Quercus robur</i> bark extract	Europe, China and North America
Oak bark, extract	<i>Quercus robur</i> bark extract	Europe, China and North America
Olive leaves, extract	<i>Olea europaea</i> (olive) leaf extract	Subtropical regions
Pansies extract	<i>Viola tricolor</i> extract	Eurasia
Papaya fruit extract	<i>Carica papaya</i> fruit extract	The Americas
Pineapple fruit, extract	<i>Ananas sativus</i> (pineapple) fruit extract	Tropical regions in the Americas
Pomegranate	<i>Punica Granatum</i> fruit extract	The Middle East, Japan, Armenia and North Africa
Quince seeds, extract	<i>Pyrus cydonia</i> seed extract	Asia
Rathany root extract	<i>Krameria triandra</i> root extract	Endemic to Bolivia and Peru
Rose blossoms, extract	<i>Rosa damascena</i> flower extract	Europe, the Middle East and Turkey
Rosehip extract	<i>Rosa canina</i> fruit extract	Europe, West Africa and Asia
Rosehip extract	<i>Rosa rubiginosa</i> extract	Europe and Asia
Rosemary herb, extract	<i>Rosmarinus officinalis</i> (rosemary) leaf extract	Mediterranean Region
Sea algae extract	<i>Chondrus crispus</i> extract	Europe and North America

Sea buckthorn berries extract	<i>Hippophae rhamnoides</i> fruit extract	Cold climates in Europe and Asia
St. John's wort extract	<i>Hypericum perforatum</i> flower/leaf/stem extract	Temperate regions
Stinging nettle extract	<i>Urtica dioica</i> (nettle) extract, <i>Urtica urens</i> leaf extract	Worldwide
Wood sorrel extract	<i>Oxalis acetosella</i> extract	Europe and Asia

Source: Various

Suppliers in developing countries are advised to focus on extracts that are not available or have low supply in Europe.

Liquorice has been gaining popularity among cosmetics formulators. It is used in personal care products because of its anti-ageing and firming properties. Since the European population is ageing, it creates an opportunity for suppliers of liquorice extract.

Some of the main exporting countries of liquorice to Europe are Iran, China, the USA and Turkmenistan. Western European countries are the main importers of liquorice: Germany, France and the Netherlands.

A growing number of cosmetics companies are using natural extracts in their product formulations. Extracts from *Aloe vera*, sugar cane, lemon, lime, liquorice, myrrh, pomegranate, pineapple and papaya are interesting for exporters in developing countries. Many companies in developing countries are successful in exporting such extracts to Europe. For instance, Indian company Kancor Ingredients has a range of extracts which includes frangipani, jasmine grandiflorum, lotus, mimosa and tuberose.

An essential tool for potential exporters, [CosIng](#) is an official database cosmetics ingredients that are banned and allowed in the EU. It is important to check whether there are any restrictions on natural ingredients that exporters from developing countries plan to supply. The database also provides information on the functions of these ingredients.

Tips:

For more information on the European Commission database for information on cosmetic substances and ingredients, go to <http://ec.europa.eu/growth/tools-databases/cosing/>.

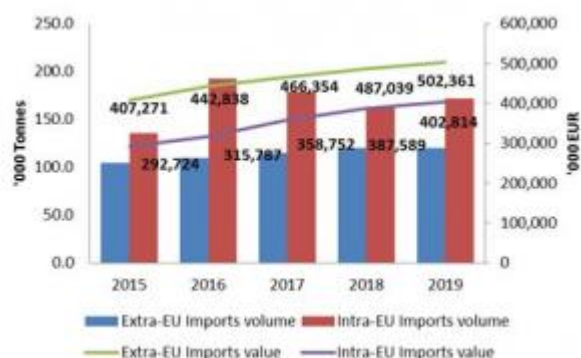
Focus on supplying vegetable saps and extracts that do not grow in temperate regions of Europe. These include *Aloe vera*, papaya, liquorice and pineapple. Companies such as [Weleda](#) use these extracts.

For more information on importing specific extracts, see specific CBI studies, such as the CBI report on [exporting liquorice extract for cosmetics to Europe](#).

Raw plant materials

A wide range of raw plant materials are used in the production of cosmetic products. 'Raw plant materials' usually refers to oily materials such as oils, fats, wax esters and ester oils, as well as surface-active agents which are used as emulsifiers, solubilising agents, etc. Humectants, thickening agents, film formers as well as polymers are used as powders, ultraviolet absorbents, antioxidants, sequestering agents, colouring agents, such as dyes and pigments, along with vitamins and pharmaceutical agents, such as plant extracts and perfume. Some of these raw plant materials are included in other categories, such as oils, fats, waxes, colourants and dyes.

Figure 11: Imports of raw plant materials to Europe



Imports of raw plant materials to Europe have increased between 2015 and 2019. The import volume and value increased at a single-digit growth rate year-on-year. It is expected that this trend will continue in the near future.

A substantial amount of raw plant materials are sourced from European countries, such as Romania, Bulgaria and France. Demand for raw materials within Europe is likely to rise in the future, but raw plant materials such as lavender, honey and rosemary can be sourced from Europe.

Table 10 shows examples of raw plant materials used in cosmetics and personal care products, including a wide variety of raw plant materials available in Europe. There are specific raw plant-based materials that come from tropical and subtropical regions, including oranges, green tea and sandalwood. These exotic ingredients could represent an opportunity for suppliers from developing countries. Indeed, many producers are already taking advantage of this opportunity. For instance, Sri Lankan company [HDDES Group](#) supplies ingredients based on sandalwood, frangipani and kevada.

Table 10: List of raw plant materials used in cosmetics and personal care products

Name	INCI	Country of Origin
Apple water	<i>Pyrus malus</i> (apple) fruit water	Worldwide, including central Asia in Kazakhstan, Uzbekistan and Afghanistan
Clover honey	Honey (mel)	Temperate regions worldwide, including Georgia and Armenia
Comb honey	Honey (mel)	Worldwide

Common horsetail	<i>Equisetum arvense</i>	Widespread in the northern hemisphere, including India and Iran. Southern hemisphere countries include Indonesia, Argentina, Brazil and Madagascar
Green tea	<i>Camellia sinensis</i> leaf	Tropical and subtropical regions, including Vietnam, Indonesia and Kenya
Honey	Mel	Worldwide
Lavender	<i>Lavandula angustifolia</i>	Mediterranean, as well as Kenya, South Africa and Tanzania
Lavender water	<i>Lavandula angustifolia</i> (Lavender) flower water	Mediterranean, as well as Kenya, South Africa and Tanzania
Marigold flower/ <i>Calendula</i>	<i>Calendula officinalis</i>	Worldwide, including Mexico, Peru and India
Nettle	<i>Urtica dioica</i> herb	Worldwide, including Morocco, Kenya and South Africa
Orange flower water	<i>Citrus aurantium amara</i> (bitter orange) flower water	Tropical and subtropical regions, including Mexico, Egypt and South Africa
Rosemary	<i>Rosmarinus officinalis</i>	Morocco, Mexico and South Africa
Royal jelly (<i>gelée royale</i>)	Royal jelly	Worldwide
Sandalwood water	<i>Santalum album</i> (sandalwood) wood water	Southeast Asia and Northern Australia, Indonesia, Thailand and Malaysia
Spring flower honey	Honey (mel)	Worldwide

Source: Various

The [use of food ingredients in cosmetics has grown in recent years](#). Two reasons for this are the global

coronavirus pandemic and the need for innovation in the cosmetics industry. However, some food ingredients have beneficial properties on the skin. For example, natural cosmetics brand [Dr. Hauschka](#) uses a range of natural ingredients in its cosmetic products. Illustration 2 shows how it is marketing products with sandalwood water.

Since raw plant materials are usually obtained from agriculture and forestry, their main limitations are fluctuations in supply, quality, seasonal variation and dependency on harvests.

In developing countries, climate change will cause declines in crop production, and some farmers are already feeling the effects. For example, orange growers in Bhutan were hit by effects of greening disease and irregular rainfall. These fluctuations affect soil quality and slow down fruit growth, forcing farmers to switch to other crops, such as cardamom.

Tips:

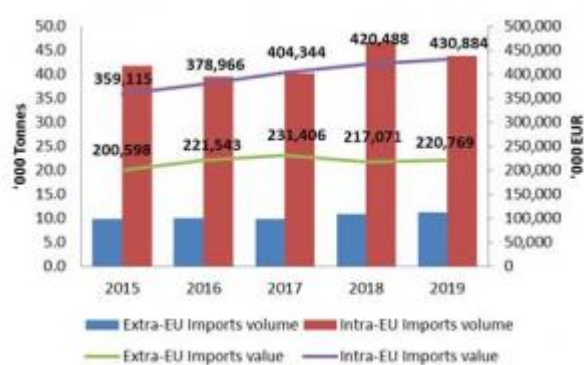
For more information, [read this paper on safety of raw materials in cosmetics](#).

For more information on [using honey in cosmetics](#), [read this article](#).

Colouring matter of vegetable or animal origin

Natural colourants are [dyes](#) and colourants derived from [plants](#), [invertebrates](#) and [minerals](#). The most common natural colourants are derived from various parts of plants and other biological sources such as [fungi](#) and [lichens](#). Cosmetics companies are increasingly looking for natural dyes to replace synthetic dyes in product formulations.

Figure 12: Imports of colourants of vegetable and animal origin to Europe



Source: Eurostat

Figure 12 shows that import volumes of colouring matter of vegetable and animal origin have been increasing. The volume increased at a single-digit growth rate every year between 2015 and 2019. The import value of colouring matter of vegetable and animal origin has also increased in the last five years.

Table 12 lists natural colourants and their origin, including beetroot, *Calendula*, chamomile, nettle and rosehip, which are available in Europe. However, colourants such as henna, turmeric, hibiscus, spirulina, sandalwood and indigo are imported into the European market.

Table 12: Natural colourants used in cosmetics and personal care products

Name	INCI	Colour	Country of Origin
Açaí	<i>Euterpe oleracea</i> extract	Purple (extract)/green (oil)	Brazil, Colombia, Venezuela, Ecuador and the Guianas
Alkanet	<i>Alkanna tinctoria</i> root extract	Red/purple	Hungary, Southern and Eastern Europe, Turkey and North Africa
Annatto	<i>Bixa orellana</i> seed extract	Orange/red	Latin America
Avocado	<i>Persea gratissima</i> oil	Green/yellow	Mexico, the Dominican Republic, Peru, Indonesia, Colombia and Brazil
Blue tansy	<i>Tanacetum annuum</i> flower oil	Blue	Temperate regions in Europe, Asia and North America
Buriti	<i>Mauritia flexuosa</i> fruit oil	Red/orange	Latin America
Butterfly pea	<i>Clitoria ternatea</i> flower extract	Purple/blue	Southeast Asia, Africa, Australia and the Americas
<i>Calendula</i>	<i>Calendula officinalis</i> flower extract	Orange	Europe, Western Asia and the United States
Carrot root	<i>Daucus carota sativa</i> root extract	Orange	Worldwide
Chamomile	<i>Matricaria recutita</i> flower oil	Blue	Native to Western Europe, India and Asia

Elderberry	<i>Sambucus nigra</i> extract	Red/purple	Europe, North America, Australasia and South America
Henna	<i>Lawsonia inermis</i> extract	Red/orange	Asia and Africa
Hibiscus	<i>Hibiscus rosa-sinensis</i> flower extract	Red/pink	Tropical and subtropical regions
Indigo	<i>Indigofera tinctoria</i> extract	Blue/mauve	Tropical and subtropical regions in Asia and Africa
Iris	<i>Iris germanica</i> extract	Purple/blue/green	Temperate regions in the northern hemisphere
Madder	<i>Rubia tinctorum</i> extract	Red/purple	The Eastern Mediterranean and Asia
<i>Monascus purpureus</i>	<i>Monascus</i> extract	Red/purple	East Asia
Nettle	<i>Urtica dioica</i> leaf extract	Green	Worldwide
Paprika	<i>Capsicum annuum</i> extract	Red/purple	Worldwide
Pomegranate	<i>Punica granatum</i> fruit extract	Red/purple	The Middle East, Japan, Armenia and North Africa
Red Cabbage	<i>Brassica oleracea</i> leaf extract	Pink/purple	Worldwide
Red Clover	<i>Trifolium pratense</i> extract	Golden yellow	Worldwide

Red Sandalwood	<i>Pterocarpus santalinus</i> extract	Red	India
Rosehip	<i>Rosa canina</i> fruit oil	Red/orange	Native to Europe, West Africa and Asia
Safflower	<i>Carthamus tinctorius</i> seed oil	Yellow/red	Asia and the Americas
Saffron	<i>Crocus sativus</i> extract	Yellow	Iran, Spain, India, Greece, Azerbaijan, Morocco, Italy, Iran and Spain
Sea buckthorn	<i>Hippophae Rhamnoides</i> fruit oil	Orange	Endemic to cold, temperate regions of Europe and Asia
Spinach	<i>Spinacia oleracea</i> leaf extract	Green/yellow	Europe, Asia and North America
Spirulina	<i>Spirulina platensis</i> extract	Blue/green	Mainly found in Africa, but also in Asia
St. John's Wort	<i>Hypericum perforatum</i> flower extract	Red	Worldwide
Tomato	<i>Solanum lycopersicum</i> extract	Red/orange	Worldwide
Turmeric	<i>Curcuma longa</i> extract	Yellow/orange	Asia and Latin America
Walnut	<i>Juglans nigra</i> shell extract	Orange/brown	China, the United States, the EU, Ukraine, Chile, Turkey and Moldova
Woad	<i>Isatis tinctoria</i> leaf extract	Blue/indigo	Europe, Asia and North America

Yarrow	<i>Achillea millefolium</i> oil	Blue	Temperate regions worldwide
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Source: Various

Colourants such as henna and indigo are used in hair colour products. For example, German natural cosmetics company Logocos markets hair colours that contain henna under the Logona and Sante brands.

In 2018, French cosmetics company L'Oréal launched a natural hair colour line using henna, indigo and cassia under the Botanēa brand name. The company has implemented a [three-year responsible sourcing programme for these ingredients in India](#), aiming to improve the economic situation of farmers and local communities. UK cosmetics company Lush uses blue spirulina, hibiscus and turmeric as colourants in its products. Natural colourants are often used to dye soaps.

There are opportunities for developing country exporters in natural dyes, considering their growing use and the fact that many come from plants that do not grow in Europe.

Suppliers of natural ingredients in developing countries should focus on exporting via importers and traders. Large companies, such as L'Oréal, have resources to establish sourcing partnerships, but most cosmetics companies prefer to source indirectly.

Environmentally friendly production methods are important for cosmetics manufacturers. Suppliers of natural ingredients from developing countries should make sure that their raw materials are sourced sustainably. Quality and reliability of supply, however, are the most important factors that European buyers take into account.

One of the main advantages of natural dyes is safety. Natural dyes are considered safer for human health. Indeed, they do not cause health problems if ingested. Since natural dyes are from a renewable source, the plant sources may require large areas of agricultural land, which raises sustainability concerns.

Tips:

Learn more about this topic by reading [The Importance of Natural Dyes](#), which provides further information about uses of natural dyes.

Consider sustainable ways of making natural colourants, since companies are looking to reduce their environmental footprint. For example, the brand [Dr. Craft](#) uses waste skins of blackcurrants to make natural hair dyes. See this CosmeticsDesign-Europe article on [using blackcurrants for natural and sustainable hair dyes](#).


Focus on plant-based dyes as opposed to animal-based dyes, such as carmine. Vegan cosmetics are high in demand in Europe. Visit [Vegan Society](#) for more information on this topic. According to a survey, [the vegan population in the UK will increase significantly](#) in the coming years.

Research ethical brands that do not use animal derived ingredients. See what kind of claims they are making and what kind of ingredients they use instead. For example, read [this article on cruelty-free vegan lipsticks](#).


This study has been carried out on behalf of CBI by [Ecovia Intelligence](#).

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