

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

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The European market is the biggest market for natural ingredients for cosmetics, and European market demand for natural ingredients for cosmetics is growing. Imports of natural ingredients from developing countries are also increasing. This creates opportunities both for new companies seeking to enter the market and for new and innovative natural ingredients. Safety and efficacy remain keywords for all cosmetic ingredients.

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

The European market is a very interesting market for natural ingredients for cosmetics as it is the biggest market for natural ingredients in the world. Natural ingredients are also very much 'on trend' and cosmetic manufacturers are using a diverse range of natural ingredients to manufacture their cosmetic products. As well as seeking better value on the price, reliability and quality of existing natural ingredients, European buyers of ingredients are also looking for new ingredients. Growth of the European market has resumed since the Covid-19 pandemic. While the economic situation as of January 2023 presents challenges for both consumers and businesses, cosmetic products are generally resistant to economic declines. Companies are still actively looking for opportunities to make their products stand out.

Background information about natural ingredients

Natural ingredients for cosmetics can be categorised into three general groups:

- Vegetable fats and oils
- Essential oils
- Other plant extracts and derivatives (botanicals)

Of these three groups, more botanical extracts are introduced on the market each year. Many hundreds of plants have cosmetic properties and there are many more to be discovered and developed. The challenge with botanical extracts is that most non-food plants are toxic. Therefore, safety studies are needed to determine safe concentrations of use, in addition to efficacy studies to demonstrate the cosmetic properties at safe concentrations.

Alternatives to natural ingredients in cosmetics

Natural ingredients such as vegetable oils, essential oils and plant extracts were the original ingredients used in cosmetics. Over time, alternatives have become available such as emollients derived from palm oil, coconut oil and mineral oil, and fragrance compounds either derived from natural extracts such as essential oils or created in the laboratory. Alternatives are claimed to be easier to handle and use in manufacturing, more reliable in

terms of their specifications, more consistently available in supply chains, to reduce batch-to-batch variation, increase product stability and shelf life (allowing for larger production volumes and global distribution) and can be cheaper. While these arguments may be compelling from a manufacturing perspective, they are increasingly in conflict with what consumers want. Use of natural ingredients continues to rise, and the data presented here provides good reasons for exporters to continue targeting Europe as the most important market for natural ingredients for cosmetics. In addition, as worldwide consumer demand for natural ingredients in cosmetics grows, this is a good time to be in the natural ingredients for cosmetics business.

The challenge of access to data

There is no easily accessible quantitative data on the import and use of cosmetic ingredients. For example, [sesame seed oil](#) is one interesting oil used in cosmetics. However, it is also a popular oil in the food industry. With total sales of €960 billion, its use in the European food and beverage industry is 12 times that of the European cosmetic industry. When looking at import data, it is therefore important to realise that the use of sesame seed oil in cosmetics is hidden in data on imports for food use. There is an HS code for technical use of sesame seed oil, however it does not apply when the oil is primarily imported for food use and diverted for cosmetic use at a later stage. In the case of vegetable oils that are not typically used in foods but are used in cosmetics, such as argan oil, the import data is hidden in data for 'Other vegetable oils' under HS code 151590. In some cases, knowing the likely origin of a vegetable oil makes it possible to estimate imports of certain specific oils. This can help you to understand your competition. For example, in the case of argan oil, one of the major producing countries is Morocco. Hence, exports of HS code 151590 from Morocco are very likely to include a significant percentage of argan oil. Similarly, shea butter is a major exported vegetable fat from West African countries such as Ghana and Burkina Faso. Exports of HS code 151590 from these two countries are likely to include a significant percentage of shea butter. Ghana is also a major exporter of cocoa butter. However, cocoa butter has its own HS code, 1804, making it impossible to determine from the import data how much cocoa butter is used in cosmetics. The majority will be used in the food industry.

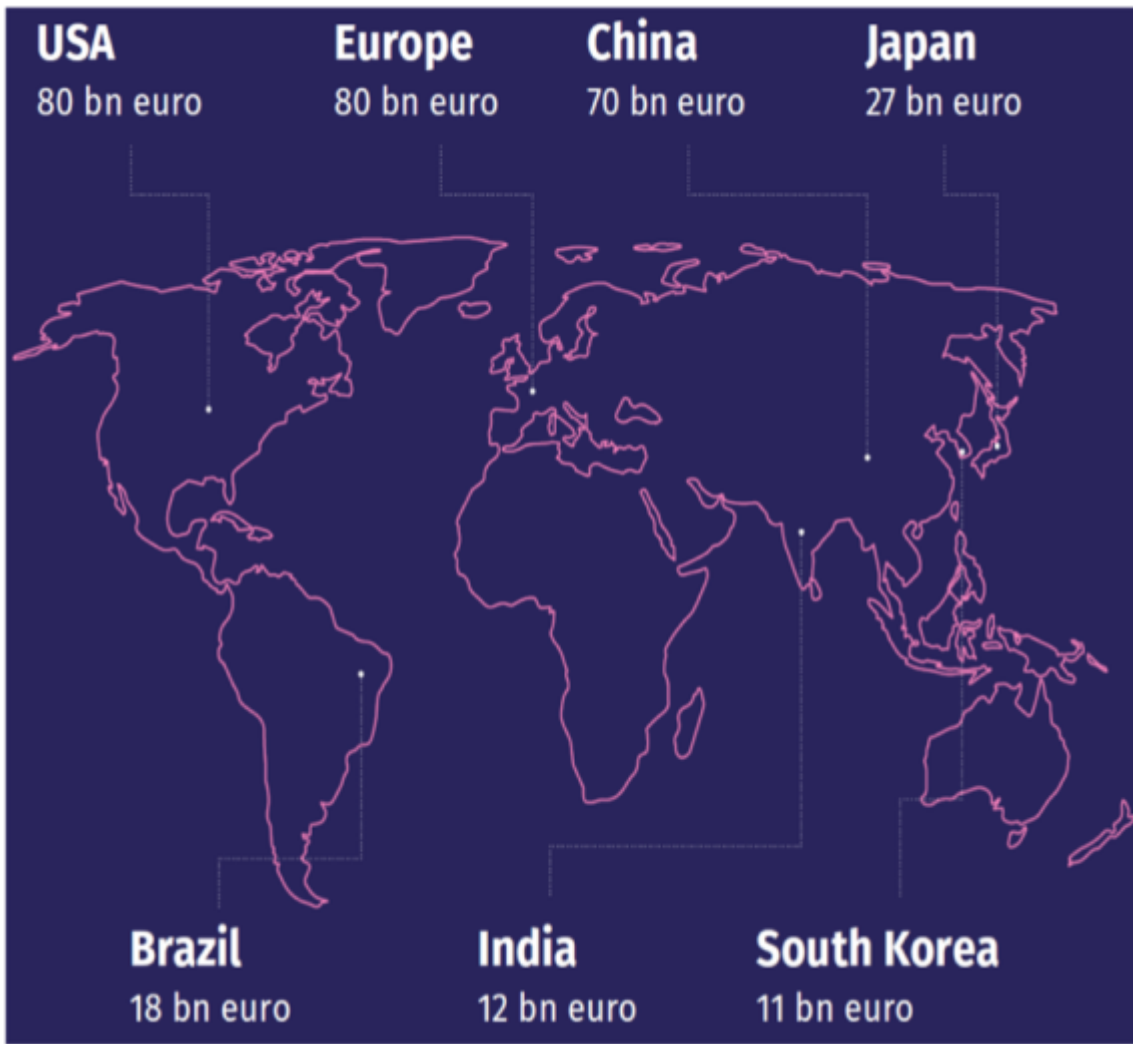
Despite these limitations around import and export data for cosmetic ingredients, it is still possible to draw some conclusions about European market demand and build a solid basis for decision-making. The analysis here will focus on vegetable oils (HS code 151590) and essential oils (HS code 330129). Where the terms 'vegetable oil' and 'essential oil' are used in this report, they refer to vegetable oils and essential oils included in these HS codes, and particularly those that are more likely to be used in cosmetics.

Import/export data for botanical extracts is too fragmented to draw any solid conclusions about cosmetic industry demand. Trend-wise, botanical extracts are of major interest to cosmetic brands and manufacturers, provided they are supported by adequate safety and efficacy data.

The relationship between final cosmetic product and cosmetic ingredients

The European market for cosmetics is one of the biggest in the world (see figure 1). Prior to the pandemic, sales of cosmetic products in Europe were steadily increasing (see figure 2). Retail sales growth resumed in 2021 after problems due to the pandemic, reaching a total of €80 billion, which was equal for the first time to the USA.

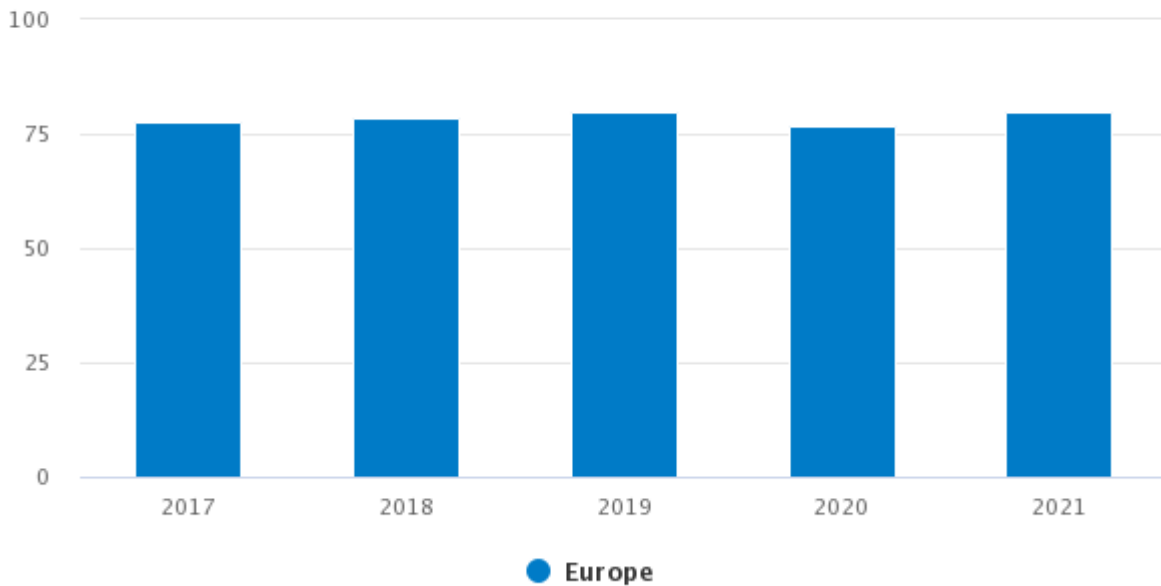
Figure 1: Retail sales of cosmetic products in Europe in 2021



Source: Cosmetics Europe, *Cosmetics Europe Market Performance Report 2021*. P3.
<https://cosmeticseurope.eu/cosmetics-industry/>

Figure 2: Retail sales for European Cosmetics Market

in € billion



Source: Ecovia Intelligence

Source: Fair Venture Consulting

This report assumes a direct relationship between the overall value of retail sales and the quantity of bulk cosmetic product sold. Therefore, Europe (the 27 countries of the European Union plus Norway, Switzerland and the UK) also constitutes the primary market for *quantity of cosmetic product*. Bulk cosmetic product is formulated from cosmetic ingredients. Therefore, Europe is also the primary market for *cosmetic ingredients*.

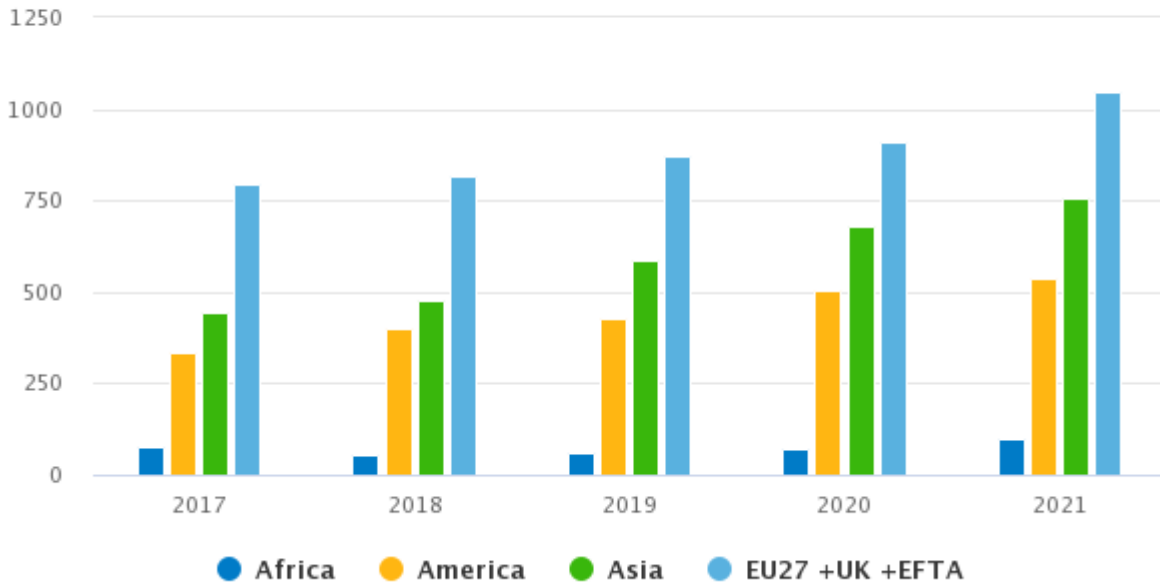
Not only is Europe itself a large market for cosmetic ingredients, it is also a major global exporter of high-quality cosmetics. In addition to €80 billion in sales within Europe, the region also manufactured and exported another €24 billion of cosmetic products to the rest of the world. Based on the assumption that there is a direct relationship between retail sales and ingredient quantities sold, this equates to approximately 25% more bulk cosmetic product and therefore 25% more cosmetic ingredients sold.

Regional importance of Europe

Analysing the data at a regional level, Europe continues to be the most important importer of vegetable oils and essential oils.

Figure 3: Regional import value of vegetable oils 151590

in € millions

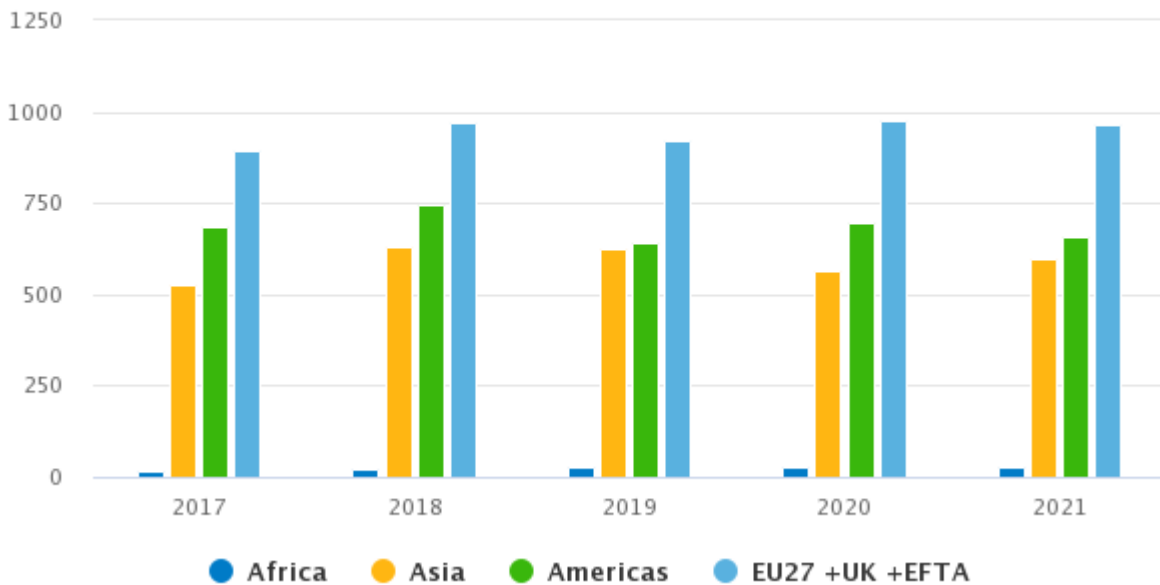


Source: Cosmetics Europe

Source: ITC Trade Map

Figure 4: Regional import value of essential oils 330129

in € millions



Source: Cosmetics Europe

Source: ITC Trade Map

Figures 3 and 4 above clearly show that Europe is the most important region worldwide for imports of vegetable oils and essential oils for cosmetics, and has been for the past five years.

In terms of market requirements, sustainable sourcing is the major overarching expectation of all supply chains

in the cosmetic industry and beyond. Natural ingredient sourcing fits well with this. Many companies in the industry are therefore aligning their activities with the United Nations Sustainable Development Goals (SDGs) and seeking certification for natural, organic, fair trade and ethical sourcing and production and for biodiversity conservation.

In 2020, the natural and organic cosmetic market in Europe was valued at €3.89 billion, up from €3.64 billion in 2018. While this 7% growth rate exceeded the European cosmetic market's overall growth rate, it still amounts to only 5% of the total cosmetic market. Based on the assumptions applied in this report, 5% of the market equals approximately 5% of the ingredients. Put differently, approximately 95% of the natural ingredients are used in cosmetic products that are not certified as natural or organic.

At the same time, increasing demand for natural and organic cosmetics is pushing up overall demand for the use of more natural ingredients in cosmetics and for sustainable sourcing. The more awareness there is about the use of natural ingredients in cosmetics, the more opportunities there will be for exporters of natural ingredients for cosmetics, whether their ingredient is used in a certified natural and/or organic cosmetic or not.

In the organic-certified cosmetic industry, the UK Soil Association (one of the founding members of COSMOS, a private natural and organic certification body) said in its [annual beauty and wellbeing report for 2022](#) that UK market sales of certified organic cosmetics increased by 15% in 2021, to reach £138.23 million. By comparison, retail sales data published by the [Cosmetics, Toiletries and Perfumery Association \(CTPA\)](#) show that overall UK cosmetic sales in 2021 were 1.6% lower than in 2020. Although this growth in organic-certified cosmetics sales is impressive, it is important to realise that the organic-certified cosmetic market makes up only one-sixtieth (1.7%) of all UK cosmetic sales. Based on the assumption of a direct relationship between sales and volumes, the volume of ingredients used in organic-certified cosmetics in the UK constitutes one-sixtieth of the total volume of ingredients used in all UK cosmetics.

Private certification bodies have responded to consumer interest in natural (and organic) ingredients and therefore so have ingredient suppliers, who want to offer their manufacturing customers the widest possible range of certified and non-certified ingredients. This has created some pressure on exporters of natural ingredients to join the natural and organic certification schemes in this market, led by COSMOS and NATRUE.

However, like organic certification, NATRUE and COSMOS certification is most worthwhile for final products that carry the NATRUE or COSMOS label. Intermediaries can pass on the additional costs of certification to the next link in the supply chain. Given the size of the natural and organic market, exporters should carefully consider their options and be sure to do a cost-benefit analysis of natural and organic certification for their own company.

At the time of writing, [COSMOS](#) reports that over 32,000 products in 71 countries carry the COSMOS ORGANIC or COSMOS NATURAL labels. Over 13,000 ingredients carry the COSMOS CERTIFIED label and over 8,000 raw materials carry the COSMOS APPROVED label. No data has been published on the sales value or volume of these products and ingredients.

[NATRUE](#) reports that more than 6,500 products marketed by over 280 brands are certified with the NATRUE label and that the NATRUE certified and approved databases contain over 1,600 ingredients. No data has been published on the sales value or volume of these products and ingredients.

As an alternative to COSMOS and NATRUE certification, you can also consider a self-assessment option as an intermediate step. ISO16128 offers a two-part natural and organic assessment method that companies can do without needing to pay for third-party certification. Some certification companies, such as [Intertek](#) and [ICADA](#), offer technical services for ISO16128, but this is not required. Companies such as [Croda](#), [Provital](#) and [Silab](#) use ISO16128 to classify their ingredients.

As an alternative to NATRUE-certification of your ingredients, the [NATRUE Approved Raw Material procedure](#) is a relatively low-cost procedure that lets you register your non-certified ingredient in the NATRUE database, which

is freely accessible to prospective buyers on their [website](#).

[Fairtrade certification](#) continues to be an important certification for ethical sourcing and there are an increasing number of Fairtrade-certified beauty products on the market. However, no detailed data on sales volumes is available. Fairtrade is a specific product-based certification. Like COSMOS, NATRUE and organic certification, the 'chain of custody' – in which each link in the chain is certified and passes on the costs to the next link – is a basic requirement for Fairtrade certification. In other words, companies that buy Fairtrade-certified ingredients cannot make marketing claims about Fairtrade unless they have also paid the necessary licence fees.

Many ingredients that can be used in cosmetics meet a [Fairtrade standard](#) and have an associated Fairtrade price and premium. These include vegetable oils and essential oils.

To help you identify opportunities for Fairtrade certification of your products, Fairtrade has published a [list of ingredients excepted from Fairtrade certification](#) as they are unavailable. Inclusion on this list means a downstream company is permitted to use a non-Fairtrade source of the ingredient in their products. This creates an opportunity for those seeking Fairtrade status for their products. The list includes vegetable oils and essential oils.

Whereas Fairtrade focuses on ethical sourcing at product level, [SEDEX](#) offers an important recognition of ethical credentials at the company level. SEDEX affiliation can be upgraded to SEDEX certification based on a SEDEX Member Ethical Trade Audit (SMETA). Ingredients buyers are likely to seek out companies certified by SEDEX or that have at least completed their self-assessment questionnaire (a requirement for membership).

Another certification that is becoming increasingly important in sustainable sourcing is the [Union for Ethical BioTrade \(UEBT\)](#). This certification came out of work done by the [United Nations](#) and the [Convention on Biological Diversity](#) and covers the sustainable use and conservation of biodiversity and the rights of traditional knowledge holders. Though UEBT is different from organic and Fairtrade certifications, as with many other certifications there are overlaps. [Companies](#) throughout the value chain subscribe to the UEBT certification standard, from major international corporations such as Natura, L'Oreal and Firmenich to suppliers of essential oils and vegetable oils.

Over the past year, cosmetic industry growth picked up again after declines during the Covid pandemic. Most countries, with the exception of Norway, Lithuania and the Czech Republic, experienced a reduction in sales between 2019 and 2020, in some cases by as much as 10%.

However, the situation almost completely reversed in 2020-2021, when all countries except Germany and the UK saw sales increase from the previous year. The pandemic and its impact on shipping costs and logistics was still affecting vegetable oil and essential oil imports from non-European countries. In 2021 imports from outside Europe were down compared to 2020, as European buyers preferred to buy from other European countries.

In February 2022, Russia invaded Ukraine. This has [negatively affected the European economy](#) and created additional upward pressures on energy and food commodity prices. This in turn is feeding global inflationary pressure and eroding the purchasing power of households. Growth in the euro area was projected to be 2.6% in 2022, moderating to 1.4% in 2023. Annual average inflation was projected to peak in 2022 at a historic high of 7.6%.

As borrowing money becomes more expensive for both consumers and businesses, you can expect your customers to monitor their cash flows more carefully. This will affect purchasing decisions as companies will want to tie up less money in stocks.

Suppliers in developing countries can expect shorter timelines between purchase order discussions and purchase orders being placed. You can also expect payment terms to be extended. This will have a negative effect on your cash flow, too. Like your customers, you should therefore be monitoring your cash flow extra

Carefully and talking with your suppliers about orders and payment terms. If you have not done so already, talking to your bank and other financial service providers about purchase order financing may also be an interesting option. In that case, keeping your customers informed is essential. With the costs of business going up across the board, you need to be open and clear about any cost increases you pass on to your customers.

If you are considering investing in warehouse facilities in Europe to make your service to downstream customers more attractive relative to big importers, now is a good time to look into this option more closely. Being able to supply your customers with products in days instead of weeks will give you an advantage over other suppliers. Of course, you have to examine the business case and risks of such a business model. The long-term gain of maintaining sales and especially finding new customers for your European distribution hub will likely involve some short-term pain. For suppliers of essential oils, this business model will also require REACH registration.

On the regulatory front, major upcoming developments to be aware of are the [European Green Deal](#) and [Corporate Sustainability Due Diligence Directive](#), both of which expect companies to assume a key role in building a sustainable economy and society.

The European Green Deal is a framework for actions focusing on climate, agriculture, energy, industry and the environment. The objective is to transform the EU into a modern, resource-efficient and competitive economy, with “no net emissions of greenhouse gases by 2050, economic growth decoupled from resource use and no person and no place left behind”. As part of the Green Deal, the European Commission has also developed a [Chemicals Strategy for Sustainability](#), which includes a [revision of REACH legislation](#).

The aim of the Corporate Sustainability Directive is to foster sustainable and responsible corporate conduct across global supply chains and to anchor human rights and environmental considerations in companies’ operations and corporate governance. The new rules require businesses to address the adverse impacts of their actions on human rights, as in the case of child labour and exploitation of workers, and on the [environment](#), for example in terms of pollution and [biodiversity loss](#), and to do so across their value chains in and outside Europe.

While neither of these proposed regulations will directly impact you as an exporter, the requirements on European companies may affect you as part of their global supply chains. Once these regulations become law, European companies will be expected to put measures in place to comply with them.

An example of a European industry that is already taking steps to incorporate the new rules into their operations is the International Fragrance Association, which has developed [policy recommendations for the European Green Deal and Chemicals Strategy for Sustainability](#). To prepare policy recommendations, IFRA carried out a [study](#) to assess the sustainability impact of the EU [chemicals strategy](#). The study found that more than a quarter of industry turnover would be somehow affected by the proposed changes, with knock-on effects on consumers including a reduction in the range of products that people consider important for mental and physical wellbeing. IFRA also produced a [Sustainability Charter](#) in collaboration with the International Organisation of the Flavour industry (IOFI) to respond to the growing importance of sustainability.

Tips:

Given the complex chemical makeup of natural ingredients and the importance of the European market for natural ingredients, make sure to align your business with the objectives of the European Green Deal and Corporate Sustainability Directive, and keep up to date on European developments.

Consider NATRUE certification or affiliation for your natural ingredients. You can also use the ISO16128 self-assessment system for your natural ingredients and decide if you need to invest in the COSMOS system at a later stage.

Subscribe to SEDEX’s self-assessment system for ethical auditing. You can always invest in a third-party SEDEX audit (SMETA) later on if needed.

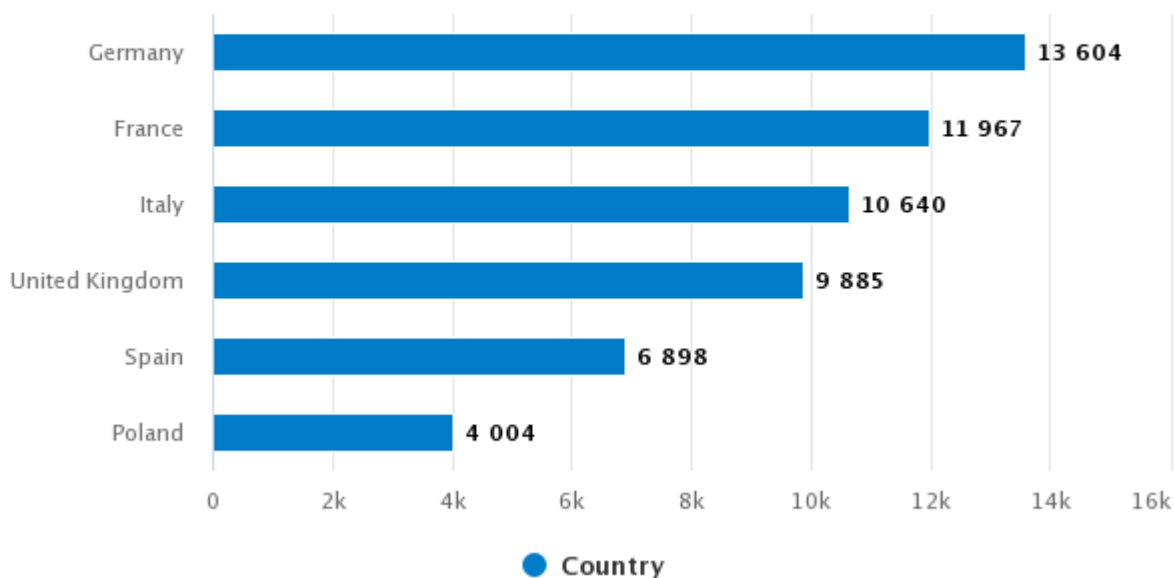
Communicate clearly about your business's social and environmental responsibility actions and results.

2. Which European markets offer most opportunities for natural ingredients for cosmetics?

The top six European markets account for approximately 60-80% of all imports and are therefore assumed to have the most importers. Starting with the cosmetic retail market, the top six European countries for retail sales of cosmetic products are Germany, France, Italy, the UK, Spain and Poland (see figure 5). There is a direct relationship between market size and country population. Germany has the largest population in Europe and France the second largest, and these two countries are also the first and second markets, respectively, for cosmetic product sales.

Figure 5: Top 6 cosmetic retail markets in Europe

retail sales in € millions



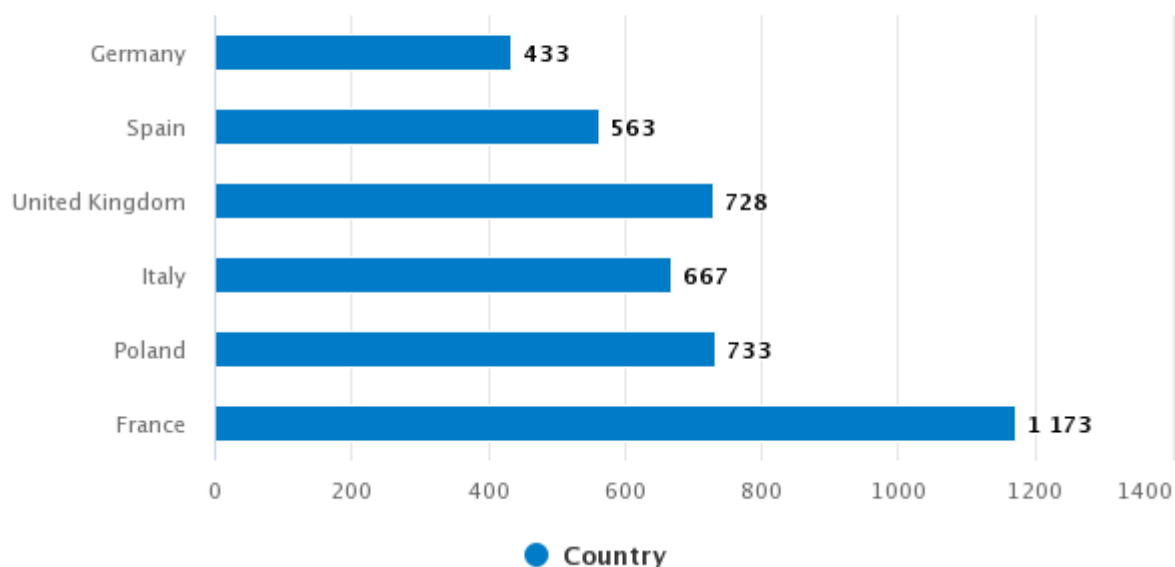
Source: Ecovia Intelligence

Source: Cosmetics Europe, *Cosmetics Europe Market Performance Report 2021*. P6.

<https://cosmeticseurope.eu/cosmetics-industry/>

Figure 6 below ranks European countries by the number of SME cosmetic product manufacturers, shown in descending order. Note that these are the same top six countries as in the figure above, but in a different order.

Figure 6: Top 6 countries in Europe ranked by number of SME manufacturers of cosmetics



Source: tridge.com

Source: Cosmetics Europe, *Cosmetics Europe Market Performance Report 2021*. P7.

<https://cosmeticseurope.eu/cosmetics-industry/>

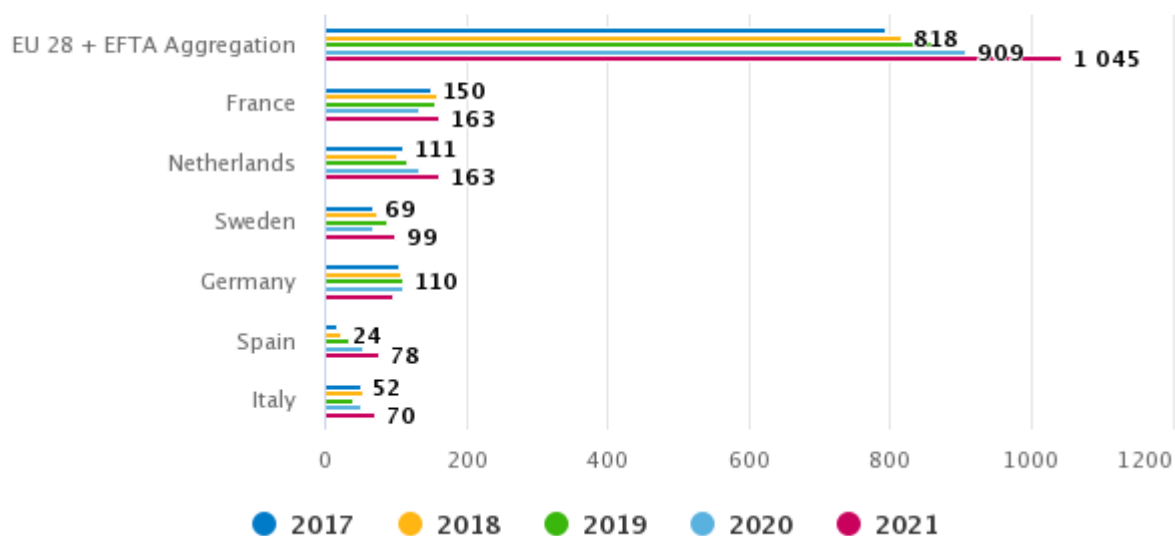
These two graphs provide the overall context for the rest of this study, which next looks at imports of cosmetic ingredients to Europe by the top six European countries that import vegetable oils and essential oils.

The top six European countries that import vegetable oils and essential oils

Figures 7 and 8 show the top six importers of vegetable oils and essential oils in Europe. For vegetable oils, the top six countries are France, the Netherlands, Sweden, Germany, Spain and Italy. In 2021, total European imports including intra-European imports amounted to around €1.045 billion. This was approximately €100 million more than in 2020. This increase will be explained below in the discussion of imports from non-European countries.

Figure 7: Top 6 European country importers of vegetable oils (HS Code 151590)

imported value in € millions



Source: Global Shea Alliance

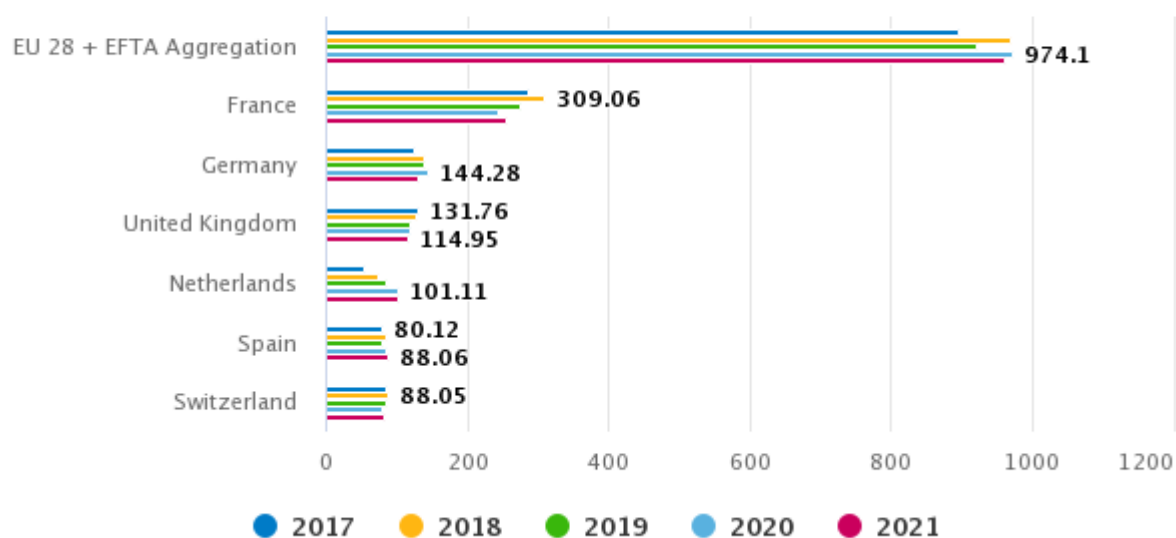
Source: ITC Trade Map

The top six European importers of essential oils, shown in figure 8, are France, Germany, the UK, Spain and Switzerland. In 2021, total European imports including intra-European imports amounted to €963 million, down slightly by €11 million from 2020. However, imports of essential oils by France, Spain and Switzerland actually increased compared to 2020.

Note that the data in these figures includes intra-Europe movement of goods. For example, 51% of French vegetable oil imports in 2021 were from Spain, Germany, the Netherlands and Belgium.

Figure 8: Top 6 European importers of essential oils (HS code 330129)

imported value in € millions



Source: Ecovia Intelligence, GSA, LMC

Source: ITC Trade Map

The top six non-European exporting countries to Europe for vegetable and essential oils

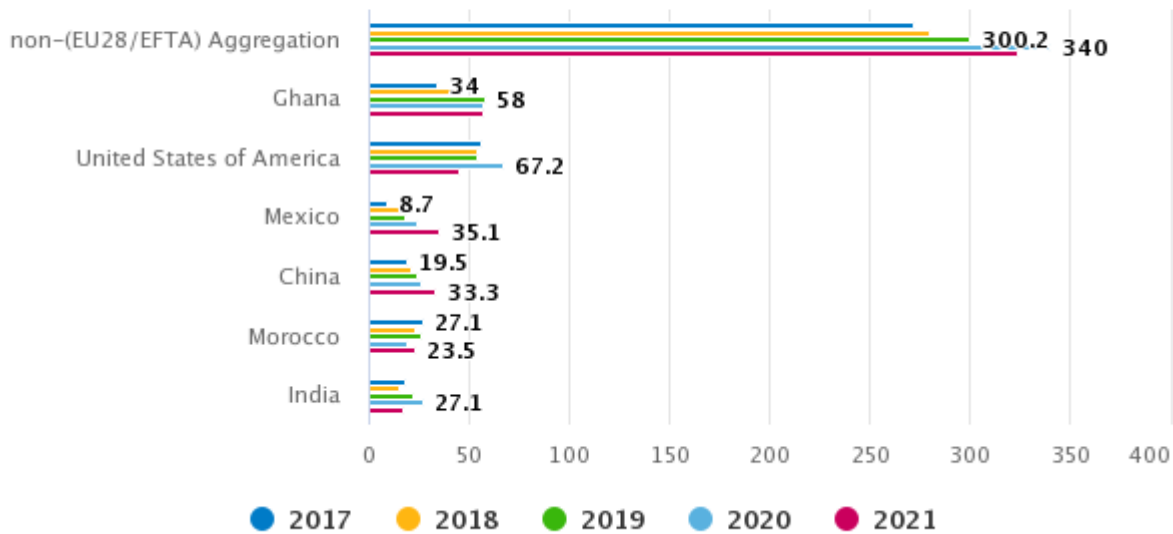
Figures 9 and 10 present data on the top six exporters of the vegetable oils and essential oils that are the focus of this study.

Vegetable oils with HS code 151590

Figure 9 shows the top six countries that export vegetable oils to Europe. They are Ghana, the USA, Mexico, China, Morocco and India. In 2021, exports of HS 151590 vegetable oils by these countries represented 65% of the €325 million total import value of these vegetable oils. In 2021, imports from non-European countries dropped by 4%, probably due to lingering negative effects of the Covid pandemic and logistics challenges. Overall imports including intra-European imports pushed up total volumes from the figures shown in figure 7 above, which suggests that European countries were preferring to buy from other European countries rather than import from outside Europe.

Figure 9: Top six non-European exporters to Europe of vegetable oils (HS code 151590)

imported (by EU28) value in € millions



Source: Eurostat

Source: ITC Trade Map

In the period from 2017 to 2020, imports of these vegetable oils increased by 20%. This far exceeds the 3% growth of the cosmetic industry overall (see figure 3) and underlines the increase in demand for type HS151590 vegetable oils in cosmetics.

Among the top six non-European export countries, Ghana and Mexico stand out. Exports from Mexico increased by 300% over the period from 2017 to 2021. This may be due to the large increase in demand for avocado oil for use in foods and cosmetics. The 65% increase in exports from Ghana is most likely due to the rise in demand for shea butter. Shea butter is very popular in cosmetics as it is an effective emollient and competitively priced at around €2,000 per tonne. It is also used in the food industry.

Essential oils with HS code 330129

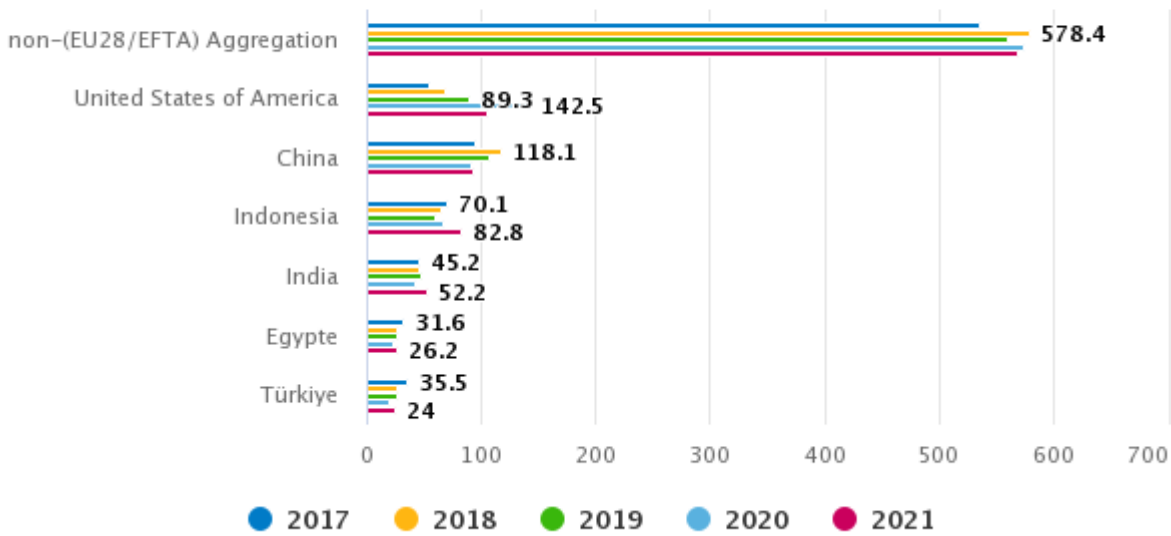
In 2021, total European imports of these essential oils from non-European countries amounted to €569 million, down €5 million (0.8%) from the previous year (see figure 10). This is in line with the 1.1% overall decrease in European imports of these essential oils from all sources, including intra-European imports.

Relative to 2017, however, imports grew by 6% overall. While not as high as the 20% growth in vegetable oil imports over the past five years, this exceeds the cosmetic industry's average 3% growth over the same period.

For HS 330129 essential oils, the top six countries that export to Europe are the USA (€106 million), China (€93 million), Indonesia (€82 million), India (€52 million), Egypt (€26 million) and Turkey (€24 million). European imports from these six countries represent 67% of total imports from non-European countries. Imports from the USA have increased significantly over the past five years. Imports from Indonesia and India also increased.

Figure 10: Top six non-European exporters to Europe of essential oils (HS code 330129)

imported(by EU28) value in € millions



Source: Eurostat

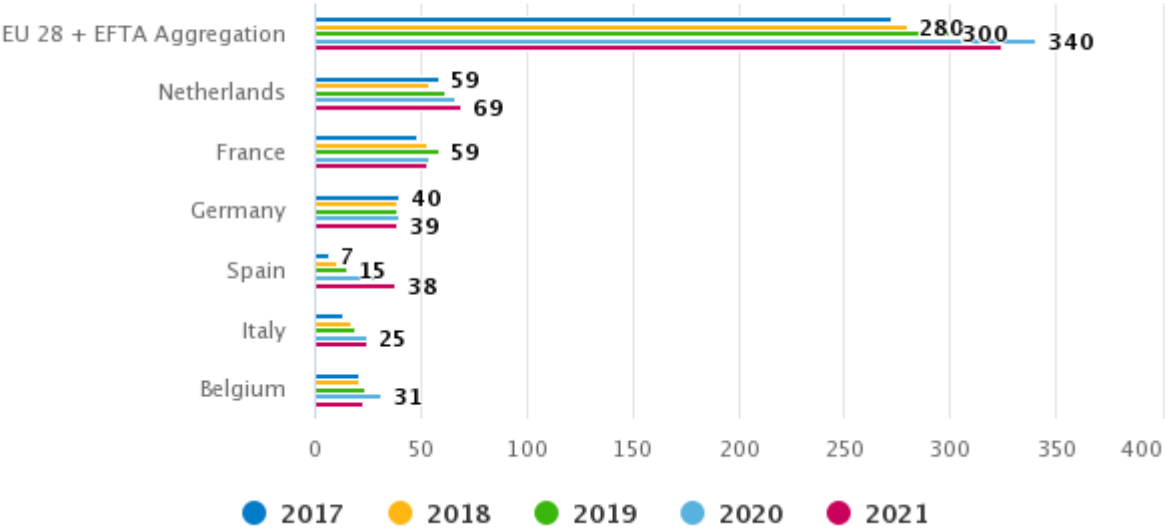
Source: ITC Trade Map

The six major ‘hubs’ in Europe for these commodities

Figures 11 and 12 show imports from outside Europe to Europe’s main hubs. The top six countries for imports of vegetable oils from outside Europe are the Netherlands, France, Germany, Spain, Italy and Belgium. In 2021, total imports of these vegetable oils from outside Europe amounted to €325 million. This represents approximately one-third of the total imports from all origins (see figure 7) and a decline relative to 2020, when imports from non-European countries were valued at €340 million. This difference may be due to post-Covid logistics challenges and a preference for buying from other European sources instead of sources outside Europe.

Figure 11: Major European import 'hubs' for vegetable oils from non-European countries

imported value in € millions



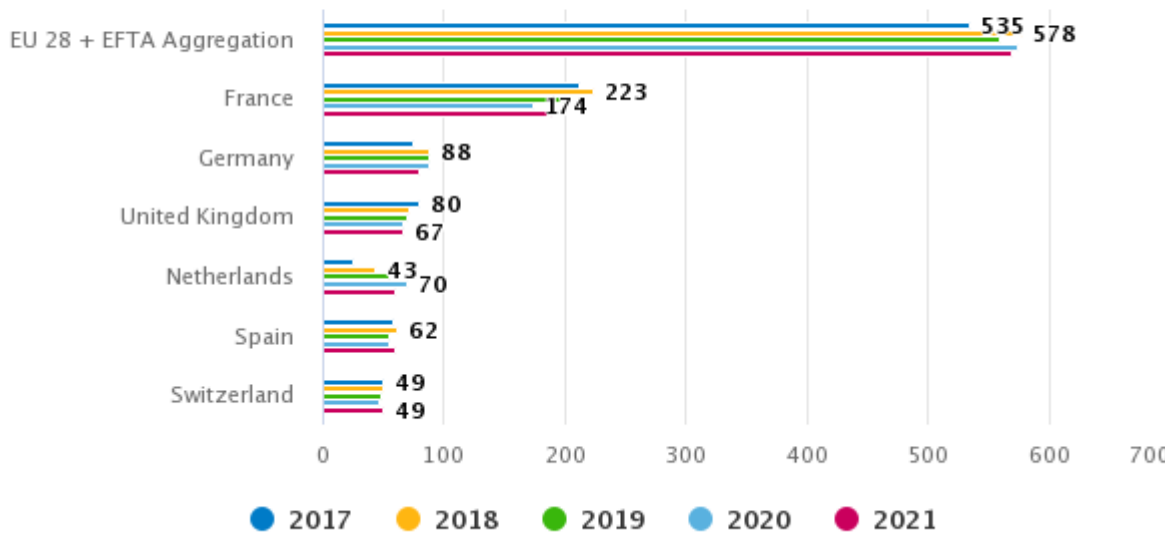
Source: Indexmundi

Source: ITC Trade Map

For imports of essential oils originating outside Europe (figure 12), the top six import hubs are France, Germany, the UK, the Netherlands, Spain and Switzerland. At €569 million, the value of imports in 2021 was down slightly compared to 2020, when imports came to €574 million. The fact that the countries and their order is the same in figure 12 as for imports from all origins in figure 8 suggests that these import countries have secured sufficient, reliable supplies at the right quality and price from their non-European suppliers. It is also possible to speculate that these particular essential oils from these non-European countries have a geographical advantage and that the same plant species do not grow as successfully elsewhere.

Figure 12: Major European import 'hubs' for essential oils from non-European countries

imported value in € millions



Source:

Source: ITC Trade Map

Tables 1 and 2 below show the top five countries exporting to the top six hubs for vegetable oils and for essential oils, respectively. For vegetable oils, China, Ghana and Mexico are important export countries for all of the top six hubs. As mentioned above, imports under this HS code from Ghana and Burkina Faso may include shea butter, from Morocco may include argan oil, and from Mexico may include avocado oil.

This HS code covers many vegetable oils used in cosmetics. Some have specific geographic origins from which they are available in large quantities, such as shea butter from West Africa. Others are niche oils and may be specific to a region, such as sacha inchi oil, Kalahari melon seed oil and cape chestnut oil. Niche oils are only available in limited quantities and therefore would be unlikely to be among the top ten imports even if they had their own HS codes. Vegetable oils such as rosehip oil, avocado butter, mango butter and prickly pear seed oil are available more widely across the world.

Table 1: Main countries exporting vegetable oils to European hubs

European hubs for vegetable oils, HS 151590	Top five non-European exporters in 2021
Netherlands	Ghana, China, USA, Burkina Faso, India
France	Morocco, Burkina Faso, Argentina, USA, Mexico
Germany	China, Morocco, Ghana, Israel, USA, Panama
Spain	Mexico, Kenya, China, Chile, India, Morocco
Italy	Mexico, India, Thailand, USA, Kenya, Morocco

Belgium	Ghana, China, Kenya, Canada, USA, Turkey
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Source: Fair Venture Consulting

Table 2 shows that Indonesia is a key supply country for Europe. Essential oils from Indonesia include patchouli, nutmeg and clove.

Table 2: Main countries exporting essential oils to European hubs

European hubs for essential oils, HS 330129	Top five non-European exporters in 2021
France	Indonesia, India, China, Turkey, Morocco
Germany	USA, China, Indonesia, India, Australia
UK	China, USA, Indonesia, India, Egypt
Netherlands	USA, China, Indonesia, India, Australia
Spain	Indonesia, China, India, Haiti, Tunisia
Switzerland	Indonesia, USA, India, China, Egypt

Source: Fair Venture Consulting

Another way to identify European markets with the most opportunities is to analyse in which countries total imports of a natural ingredient exceed imports of that ingredient from the rest of the world. In other words, countries that import more from within Europe than from the rest of the world present an opportunity to replace the European imports with imports from the rest of the world (ROW). Countries with the smallest ROW imports relative to total imports offer the biggest opportunity. This opportunity is the potential to replace European imports and compete with other European suppliers as well as suppliers from the rest of the world.

The data presented in tables 3 and 4 below show the size of this opportunity for essential oils and vegetable oils in the top six European import countries, calculated as the difference between total imports and ROW imports. The data is ranked by value in euros.

Taking Italy as an example, 85% of its total essential oil (HS 330129) imports are from other European countries and only 15% are from the rest of the world. It is important to realise that these European countries may be specific sources for essential oils that are not available anywhere else, and that the ROW import value of €5,342,000 may likewise be specific to the rest of the world. The interesting point is that you do not know the answer to this question. By contrast, France imports 74% of its essential oils from the rest of the world. This means your main competitors would be ROW suppliers rather than the European companies supplying 26% of French imports.

Table 3: Top six high-potential markets for essential oils

Country	Total imports in €	ROW imports	Opportunity value	Opportunity size
France	€253,986,000	€188,064,000	€65,922,000	26%
Germany	€131,698,000	€79,659,000	€52,039,000	40%
United Kingdom	€114,947,000	€67,211,000	€47,736,000	42%
Netherlands	€100,813,000	€59,200,000	€41,613,000	41%
Switzerland	€82,268,000	€48,462,000	€33,806,000	41%
Italy	€35,384,000	€5,342,000	€30,042,000	85%

Source: Fair Venture Consulting adapted from ITC Trade Map

Applying this methodology to vegetable oils (table 4), you see that Poland has a 92% opportunity, as only 8% of its imports are from non-European companies. Sweden appears to have a 100% opportunity. However, it may be that Sweden has set up a specific supply chain (possibly with only one company) and that its European supplier (Denmark) puts limits on this potential. France, on the other hand, has a €100 million opportunity to replace imports from other European countries.

By now, you should be starting to see the benefits and limits of this methodology. Presenting data this way offers a useful basis and way to focus your further market research on specific questions about supply chains and ranges of essential oils. It shifts the focus away from simple total import volumes towards the context of how much more could potentially be imported from developing countries. Ultimately, this will help to deepen your understanding of the European market.

Table 4: Top six high-potential markets for vegetable oils

Country	Total imports in €	ROW imports	Opportunity value	Opportunity size
France	€163,419,000	€53,457,000	€109,962,000	67%
Sweden	€98,930,000	€247,000	€98,683,000	100%
Netherlands	€142,433,000	€69,207,000	€73,226,000	51%
Austria	€66,857,000	€4,762,000	€62,095,000	93%
Germany	€95,766,000	€39,111,000	€56,655,000	59%
Poland	€58,158,000	€4,910,000	€53,248,000	92%

Source: Fair Venture Consulting adapted from ITC Trade Map

Based on the data presented above, you can now identify the top six European countries that offer the most opportunities for natural ingredients. The method used to do this is to score each country on a scale of 6 (highest) to 1 (lowest) on eight categories as shown in table 5 below. These categories are: retail sales, number of SME manufacturers, vegetable oil imports, essential oil imports, important hub for vegetable oils, important hub for essential oils, opportunities in essential oils for non-European countries, and opportunities in vegetable oils for non-European countries. You then add up the scores to obtain an aggregated ranking (see table 5).

Table 5: Top six European countries with the most opportunities for natural ingredients for cosmetics, ranked by a selection of important statistics

	France	Germany	Netherlands	United Kingdom	Spain	Italy
Retail sales	5	6		3	2	4
Number of SME manufacturers	6	1		3	2	4
Vegetable oil imports	6	3	5		2	1
Essential oil imports	6	5	3	4	2	
Important hub for vegetable oils	5	4	6		3	2
Important hub for essential oils	6	5	3	4	2	1
Opportunities in vegetable oils for non-European countries	6	5	3	4		1
Opportunities in essential oils for non-European countries	6	2	4			
Point total (ranking)	46	31	24	18	13	13

Based on the above scores, the six countries discussed below offer the most opportunities for natural ingredients for cosmetics.

France

The French market offers the most opportunities for suppliers of ingredients used in cosmetics. There is demand for all categories of natural ingredients, especially plant extracts. The fact that France has the highest number of SME manufacturers of cosmetics could also boost opportunities for natural ingredients there. It is often the smaller companies operating in niche markets that are most interested in natural ingredients. There are also high-value opportunities for vegetable oil suppliers outside Europe to replace France's imports from other European countries. Interestingly, France imports 74% of its essential oils from non-European countries.

Germany

The German market offers the second largest opportunity for suppliers of natural ingredients for cosmetics. Germany has many importers of vegetable oils, essential oils and plant extracts, which are supplied to manufacturers in Germany and across Europe. 59% of its total imports of vegetable oils are from within Europe. This creates high-value opportunities for suppliers outside Europe to replace those imports. In general, Germany is known to be highly interested in organic-certified ingredients, though of course there are also companies across Europe supplying them. Suppliers with certified organic vegetable oils should include German importers and distributors in their buyer research.

Netherlands

The Netherlands offers the third largest opportunity for suppliers from developing countries. The Dutch cosmetic market ranks seventh both in retail sales and number of SME cosmetic manufacturers. However, it is recognised as the main European hub particularly for vegetable oils, which it supplies across the whole of Europe. The main country supplying the Netherlands is Ghana. Though no specific data is available, this supply likely is exports of shea butter. There are also several small vegetable oil refineries in the Netherlands that offer third-party refining services. This means suppliers from developing countries could potentially work with such companies to offer their customers refined grades of vegetable oil. While there can be logistics challenges to offering higher value grades, they are used more than unrefined grades in cosmetics. To read more about this, see the CBI study on Buyer requirements.

UK

The UK is the fourth largest market for cosmetic products in Europe and ranks fourth in market opportunities for natural ingredients. The UK is an important market for all cosmetic ingredients and especially for essential oil imports. Despite being a big market for cosmetics and home to many importers of natural ingredients for cosmetics, the UK's BREXIT decision (to leave the European Union) has raised questions about the UK's competitiveness as a supplier of these ingredients to the large European market. BREXIT has furthermore resulted in parallel legislation for cosmetics and chemicals. In the case of chemicals, UK REACH legislation (see the CBI study on Buyer requirements) effectively doubles the costs for companies (including non-European companies) that opt for REACH registration. Apart from UK REACH for essential oils, BREXIT's other outcomes should not affect opportunities for developing country suppliers as the UK is still a big market. There are also many SMEs in the UK interested in niche and exotic ingredients. Attending the SCS Formulate trade fair in November is a great way to meet many of the companies offering cosmetic ingredients to the UK manufacturing sector.

Spain

Spain offers the fifth largest opportunity for suppliers of natural ingredients for cosmetics. It is also the main market for supplies from South America. Spain is not among the top six countries when ranked on the difference between total imports and imports from outside Europe, as a larger share of their imports are already supplied from outside Europe. This makes Spain an important supply market for Europe. It is among the top six hub countries in Europe for imports of vegetable oils and essential oils. Most of these imports come from Mexico, which is a major supplier of avocado oil. Like all of the top six countries, Spain's total import volumes are high. While there are many suppliers in this big market, it is also dynamic and there are opportunities to break into it with a competitive offer.

Italy

Italy presents the sixth most important opportunity for natural ingredients for cosmetics. It is the third largest retail market for cosmetic products and has the third largest number of SME cosmetic manufacturers. Between 2020 and 2021, Italy was the only one of the top six countries to see a drop in the number of SME manufacturers. Italy has big potential for essential oil imports as only 15% of its total imports are currently supplied by non-European countries. As one of the top six European hubs for vegetable oils, its main supply countries are Mexico, India, Thailand, the USA, Kenya and Morocco. While there is no data on which specific oils these countries supply, it is likely that Mexico supplies avocado oil and Morocco argan oil. Kenya supplies a variety of vegetable oils for cosmetics, including macadamia oil and avocado oil.

Tips:

Refer to the CBI study on finding buyers, which provides information about various trade fairs and lists of potential customers in all of the top six countries discussed above.

France is a major importer and an import hub for essential oils, and also has the most opportunities for natural ingredient exporters. To get started in this market, make a list of French companies that offer essential oils.

The Netherlands is a major hub for vegetable oils, and France is a major importer of vegetable oils. Find out if you can add value to your offer by working with intermediate companies that provide refining services in the Netherlands.

Prepare your product offer to target all of the top six countries discussed above.

Visit European trade fairs such as in-cosmetics, where you can meet natural ingredient companies from all over Europe that may be interested in buying your products.

3. Which products from developing countries have most potential on the European natural ingredients for cosmetic market?

The three main groups of natural ingredients with the most potential in cosmetics are plant extracts with active properties, vegetable oils and essential oils. In most cases it is not possible to quantify actual demand due to the limited published data on imports. However, some conclusions can be drawn from other evidence to help you understand the market potential. If you can develop a strong value proposition for the natural ingredients you produce, the European cosmetic industry is a good target market for you.

One way to understand the overall market potential for natural ingredients for cosmetics is to look at the number of natural ingredients registered in the European Commission database for information on cosmetic substances and ingredients, known as CosIng. This database lists more than 2,000 ingredients that are considered natural. In this sense, the market is large. These ingredients can be grouped into the three categories of: vegetable oils and derivatives, essential oils, and plant extracts of various types (see figure 13). However, as mentioned, it is not easy to work out from the published information how much of an ingredient is used by the cosmetic industry. We therefore have to draw conclusions from a mix of quantitative and qualitative data and industry experience.

Table 6: Natural ingredients in the CosIng database

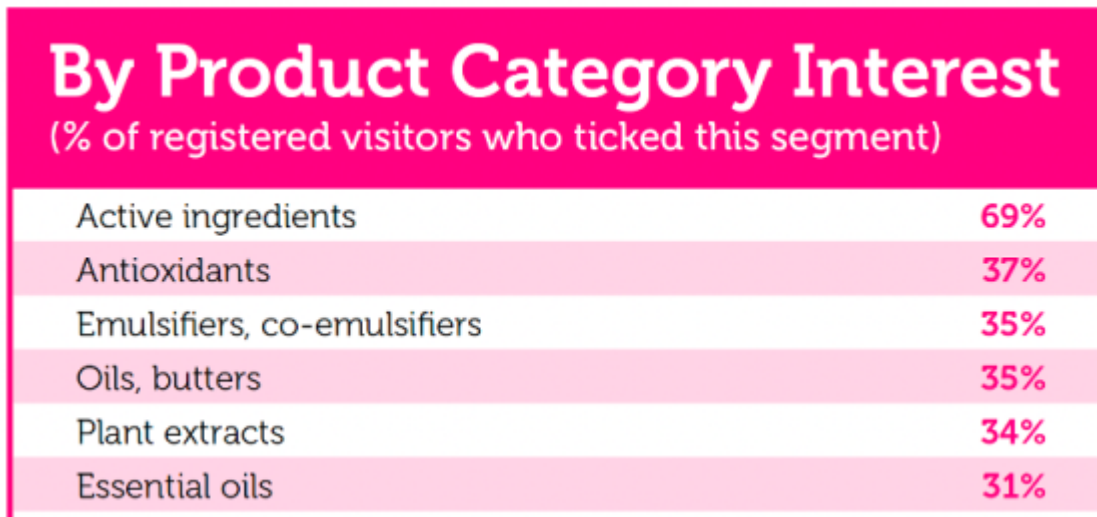
Natural ingredient category	Number
-----------------------------	--------

Vegetable oils and derivatives	660
Vegetable butters and derivatives	114
Essential oils	243
Flower oils (essential oils)	86
Flower extracts	467
Seed extracts	396
Waxes and derivatives	207
Total	2,173

Source: Fair Venture Consulting adapted from CosIng

One useful source of qualitative information is that published by in-cosmetics global, the most important trade fair for cosmetic ingredients in Europe. In the post-show review of the April 2022 edition in Paris, in-cosmetics published data about the types of cosmetics ingredients visitors were most interested in. Figure 13 is taken from the 2022 Post Show Report and shows that the top six most interesting ingredients were active ingredients, antioxidants, emulsifiers, oils and butters, plant extracts and essential oils.

Figure 13: Product category interest among visitors to in-cosmetics 2022



Source: in-cosmetics global Post Show Report 2022

Active ingredients

Figure 13 indicates that active ingredients are the most interesting ingredients for the cosmetic industry. There are more introductions of botanical extracts every year than of vegetable oils and essential oils. The most important active cosmetic benefit companies are looking for in these extracts is anti-ageing, and this trend will continue. A group of substances that reduces visible signs of ageing is antioxidants. Antioxidants are the second

most popular choice in the table above. Examples of antioxidants are vitamin C, vitamin A, vitamin E, co-enzyme Q10, niacinamide and asiatic acid. Plants are the most common sources. However, most plants are toxic, making it important to pay careful attention to the maximum safe concentrations of extracts in cosmetic products and ingredient efficacy in relation to concentration. For more information about this, see the CBI Buyer requirements study. There is no easily accessible data on volumes used by the industry. However, these extracts are generally used at low concentrations in cosmetic products for reasons of safety, efficacy and cost.

Other active ingredient claims made include anti-inflammatory, [chemical exfoliating](#) and general skin and hair conditioning properties. Medical and therapeutic claims are not permitted for cosmetic products.

The Colombian company [Neyber SAS](#) produces plant extracts with active properties. They make extracts from well-known plants such as oats, chamomile and various herbs, and from the country's indigenous biodiversity. They have invested in safety and efficacy testing for these extracts.

[Provital](#) is a Spanish company that offers a wide range of natural active ingredients. It invests social and environmental responsibility and has a number of third-party certifications.

Oils and butters

Vegetable oils and butters are a key component of cosmetic products. They are used for their moisturising properties and to create emulsions that enable other active and/or functional ingredients to be incorporated in cosmetic products. There is always interest in vegetable oils, especially in new oils and those with strong social and environmental credentials.

Table 7 presents some of the vegetable oils most commonly used in cosmetics, listed by HS code. All of these oils have good potential for cosmetic products, but the new vegetable oils are the most interesting for this industry. Therefore, it is a good idea to include a range of both established and new vegetable oils in your portfolio.

As you can see in table 7, though some vegetable oils have their own specific HS code, such as olive oil and cocoa butter, the large majority are grouped together under HS code 151590. When looking at data on imports and import values, it is not possible to identify specific import quantities of individual oils grouped under HS code 151590. Nor is it possible to know how these oils are used by the cosmetic industry. Table 8 presents import volumes and values of these HS codes, grouped by the most common regions of origin.

Table 7: Examples of vegetable oils used in cosmetics, listed by HS code

#	Vegetable oils used in cosmetics	HS code	Typical origin	Wild-harvested (W) or cultivated (C)
1	Olive oils	1509	Europe	C
2	Crude sunflower oil (technical use)	15121110	Eastern Europe	C
3	Crude safflower oil (technical use)	15121110	Eastern Europe	C
4	Coconut oil	151311	Asia	C

5	Babassu oil	151321	South America	W
6	Sesame seed oil	151550	Asia, Africa, Latin America	C
7	Apricot kernel oil	151590		C
8	Argan oil	151590	Africa	W & C
9	Avocado oil	151590	Africa, South America	C
10	Baobab oil	151590	Africa	W
11	Cape chestnut oil	151590	Africa	W
12	Grape seed oil	151590		C
13	Hemp oil	151590		C
14	Joboba oil	151590	South America	C
15	Kalahari melon seed oil	151590	Africa	C & W
16	Mafura butter	151590	Africa	W
17	Mango kernel butter	151590		C & W
18	Marula oil	151590	Africa	W
19	Mongongo oil	151590	Africa	W
20	Prickly pear oil	151590		W
21	Raspberry oil	151590		C
22	Rosehip oil	151590		C
23	Papaya seed oil	151590		C
24	Sacha inchi oil	151590	South America	C
25	Shea butter	151590	Africa	W
26	Strawberry oil	151590		C

27	Ximenia oil	151590	Africa	W
28	Cocoa butter	1804	Africa	C

Source: Fair Venture Consulting

Besides these vegetable oils there are many others available worldwide that can be used in cosmetics. Safety is generally not a concern as all vegetable oils have the same chemical composition. The most important considerations are reliability and price. For example, annual volumes under 5 Mt of oil will raise questions about the viability of your operations and ability to deliver regular supplies.

The table below shows average prices. Based on the assumptions applied in this study, specific prices can be determined for some oils such as shea butter from Ghana (€2.30/kg), rosehip oil from Chile (€4.06/kg) and argan oil from Morocco (€19.35/kg). Other niche vegetable oils are priced higher. As a rule, the more expensive the vegetable oil, the less it is used in cosmetics.

Table 8: Import volumes and values of vegetable oils, listed by HS code, 2021

HS code	Typical origin	Total import volume 2021 (kg)	Total import value (€)	Average price €/kg
1804	Africa, Asia, Latin America	244,489,401	1,046,283,594	4.279
151311	Asia	603,256,990	757,584,969	1.256
151321	South America	494,876,468	548,271,901	1.107
1509	Europe	157,651,301	409,588,826	2.598
151590	Africa, Asia, Latin America	70,323,416	258,656,856	3.678
15121110	Eastern Europe	75,744,578	88,749,647	1.172
151550	Asia and Africa	8,634,629	34,162,578	3.956

Source: Fair Venture Consulting

Many vegetable oils used in cosmetics have specific geographic origins. For example, shea butter is supplied mainly from Ghana and Burkina Faso, avocado oil from Mexico and argan oil from Morocco. Knowing this allows you to make educated guesses about the makeup of HS 151590 data, yielding useful market information if you

are in a region that can also supply a given product. Conversely, if you are in a geographic region where specific plant species do not grow well, this kind of analysis can help you understand the overall market.

For example, table 8 above and the data on vegetable oil imports by European hubs show that the Netherlands' top supplier is Ghana, followed in third place by Burkina Faso. Therefore, this data most likely refers to shea butter. Similarly, the top supplier to the French hub market is Morocco, so these imports are likely argan oil. Spain's main supplier of HS 151590 vegetable oils is Mexico, and therefore is likely to be avocado oil.

Table 9 presents the most likely primary vegetable oils supplied by Burkina Faso, Chile, Ghana, Kenya, Mexico and Morocco.

Table 9: Most likely vegetable oils supplied by selected countries

Country of origin	Likely main vegetable oils exported to Europe
Burkina Faso	Shea butter
Chile	Rosehip oil
Ghana	Shea butter
Kenya	Avocado oil, macadamia oil
Mexico	Avocado oil
Morocco	Argan oil

Source: Fair Venture Consulting

Essential oils

Essential oils are an important component of cosmetics. As well as being added directly to cosmetics, they are also used in the perfume industry and are the foundation of the aromatherapy segment. Essential oils are natural ingredients and, like vegetable oils, can be produced under high social and environmental responsibility standards. Demand for essential oils is furthermore increasing, driven by increased demand for aromatherapy products. Among visitors to the in-cosmetics trade fair, they were chosen as the sixth most popular ingredient (see figure 13).

As with vegetable oils, there is no specific data available on the use of essential oils in cosmetics. Many of the HS codes for essential oils cover a whole group of essential oils.

In the case of HS 330129, we can make an educated guess about trends and demand as it includes many essential oils that are used more in cosmetics than in food, similar to HS 151590 for vegetable oils. However, it is important to note that HS 330129 does not cover all essential oils used in cosmetics. Tables 10 and 11 below present the HS code data, including average prices, for essential oils

Table 10: Essential oils, listed by HS code

Essential oils	HS code
----------------	---------

Essential oils of citrus	
• orange	330112
• lemon	330113
• other	330119
Essential oils other than citrus	
• peppermint	330124
• other mints	330125
• other essential oils	330129

Source: Fair Venture Consulting

Table 11: Import volumes and values of essential oils, listed by HS code, 2021

HS code	Total import volumes 2021 (kg)	Total import value (€)	Average price €/kg
330129	9,666,291	416,021,494	43.038
330113	5,334,010	198,537,732	37.221
330112	15,639,007	116,028,668	7.419
330119	2,577,345	73,556,208	28.540
330125	2,525,355	48,409,645	19.169
330124	849,203	26,709,463	31.452

Source: Fair Venture Consulting

Table 12 below shows essential oils commonly used in cosmetics and which therefore offer opportunities in this market. Of this list of 34 essential oils, which represent around 10% of all commonly known essential oils, only four – lemon, neroli, peppermint and spearmint – are not classified under HS code 330129.

Table 12: Selected essential oils used in cosmetics

#	Essential oil
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1	Black Pepper	18	Lemon Myrtle
2	Cardamom	19	Lemongrass
3	Chamomile Roman	20	Myrrh
4	Chamomile Blue	21	Myrtle
5	Cinnamon Leaf	22	Neroli
6	Cinnamon Bark	23	Nutmeg
7	Citronella	24	Oregano
8	Clove Bud/Leaf	25	Palmarosa
9	Coriander	26	Patchouli
10	Cypress	27	Peppermint
11	Dill	28	Rosemary
12	Eucalyptus	29	Rose Geranium
13	Frankincense	30	Sandalwood
14	Ginger	31	Spearmint
15	Helichrysum	32	Tea Tree
16	Lavender	33	Vetiver
17	Lemon	34	Ylang Ylang

Source Fair Venture Consulting

Many essential oils are specific to a particular region. This means you have to work out which essential oils can be produced in your location before you can develop a strong value proposition for the European market. Furthermore, while demand for essential oils remains high, interest in new essential oils is low. The 300+ essential oils currently available cover existing market needs for both pure essential oils and for derivatives used in fragrances and flavours. The biggest opportunity would be discovery of a plant species with higher concentrations of particular derivatives that is also available in large quantities. New essential oils are always subject to stringent safety testing before they can be used.

Plant extracts

Apart from the plant extracts used as active ingredients, discussed above, there are also a wide range of other plant extracts with potential uses in cosmetics. Though mainly used as functional ingredients, such as

thickeners, they may also have cosmetic benefits such as natural exfoliation. There is no published statistical data on the use of plant extracts in cosmetics. The information presented here highlights the wide range of plant extracts used and opportunities for introducing new plant extracts. In particular, plant extracts offer opportunities to tap into the growing trend of upcycling, which adds value to by-products that previously had low or no value.

There are a range of HS codes that can be used to study the trade data. However, unlike HS codes 151590 and 330129, which are more closely tied to the cosmetic industry, data on plant extracts covers use by not only the cosmetic industry but also the food industry and pharmaceutical industry.

The most relevant [HS codes](#) are:

HS code 11: products of the milling industry
HS code 12: oilseeds and oleaginous fruits
HS code 13: lac, gums, resins and other vegetable saps and extracts

The [Access2Markets website](#) lets you search HS codes to look up more details about these three major commodity groups. As many of these products can be used as cosmetic ingredients, there are HS codes for a wide variety of ingredients with cosmetic uses.

Many of the product sub-categories in all three HS code groups include natural ingredients that can be used in cosmetics, especially cereal and legume flours (HS codes 1102 and 1106) for face and body masks, and vegetable (plant) extracts under HS code 1302. However, as before, it is not possible to isolate data about cosmetic industry use and so to draw meaningful conclusions about this demand. HS code 1211 is a particularly interesting category that must cover at least some product use in cosmetics, although the main industry importing products under this code is the pharmaceutical industry. There is no information available about quantitative demand for the cosmetic industry.

Shea butter

One of the most important vegetable oils used in cosmetics is shea butter. Shea butter is a very effective moisturiser and very competitively priced thanks to its use as a cocoa butter equivalent and use in foods. Shea butter is also a popular natural ingredient in cosmetics because its commercialisation brings major social benefits to people involved in the early stages of the value chain, especially women. These social benefits are even greater when the women are involved in collecting and processing the [shea butter](#).

Shea butter is extracted from shea nuts harvested from shea trees, which grow across 21 countries in Africa, known as the 'shea belt'. Two of the leading shea butter suppliers are Ghana and Burkina Faso. The food industry uses approximately 90% of all the shea nuts processed into shea butter, with the remaining 10% used in the [cosmetic industry](#).

Import data for HS 151590 shows that the vast majority of imports from Ghana and Burkina Faso are of shea butter. According to data published on the European Commission's Access2markets website, Europe imported 23,791 tonnes of shea butter from Ghana, valued at €54.85 million, in 2021. This was more than any other country exported to Europe under this commodity code (see table 13).

Table 13: Exports of HS code 151590 to Europe by non-European countries in 2021

Country	Value (€)	Volume (kg)	Avg. price €/kg
Total non-EU	258,656,233	70,323,416	3.678
Ghana	54,853,583	23,791,160	2.306

Mexico	35,233,805	7,650,704	4.605
China	23,754,900	3,427,757	6.930
Morocco	20,470,776	1,057,597	19.356
United States	15,835,779	3,536,051	4.478
India	14,629,594	4,038,125	3.623

Source: [Access2markets](#)

Other major suppliers of shea butter are Burkina Faso (8,000 tonnes per year) and Togo (1,000 tonnes), while smaller volumes are supplied by Mali, Benin, Nigeria, Uganda and other countries in the shea belt. As 10% of these imports are used in the cosmetic industry, this makes shea butter one of the most important vegetable oils used in cosmetics.

Looking to the future, shea butter offers good potential for increased use in cosmetic products. To boost demand, you should focus primarily on cosmetic brands and highlighting the social benefits of using more shea butter in products, combined with its excellent moisturising properties. Shea butter's relatively low price means it can be incorporated in relatively [high concentrations](#), which can also boost demand. At higher concentrations consumer will moreover experience more of its moisturising benefits.

Sesame seed oil

Sesame seed oil has great potential in the cosmetic industry. European market demand for sesame oil is growing. In cosmetics, its firming and anti-inflammatory properties make it ideal for use in many skincare products. It is especially popular as an aromatherapy massage oil, where it is used as a carrier for essential oils. Demand for such aromatherapy products is also booming. Tapping into these trends and the trend for ethical and sustainable sourcing offers good opportunities for sesame seed oil.

Though well-known in the food industry, sesame seed oil is already used in the cosmetic industry and offered by some European companies. The oil's unique skincare properties and wide range of applications make it an attractive ingredient for cosmetic companies and consumers.

Another benefit of sesame seed oil is that it is cultivated extensively across the world. This creates opportunities for new suppliers to enter the sesame seed oil business. As sesame seed oil is also used in foods, you can supply both markets and thereby reduce your business risk.

While most sesame seed oil is processed in Asia, Africa is the major sesame seed producer. Burkina Faso is the fifth largest exporter of sesame seed oil to Europe. This illustrates the potential for least developed countries to supply European industry needs.

Having a strong value proposition is critical in this competitive market. A focus on social and environmental responsibility combined with reliability, good quality and a competitive price is essential. As the table below shows, the average price of sesame seed oil from Burkina Faso is slightly less than that from the market leader, Mexico. This should be a key part of your market entry strategy.

Table 14: Exports of sesame seed oil to Europe in 2021

Country	Value (€)	Volume (kg)	Avg. price €/kg
Total non-EU	36,159,240	8,999,792	4.02
Mexico	12,152,657	3,388,619	3.59
India	3,456,022	1,424,502	2.43
China	3,929,393	781,758	5.03
Singapore	3,996,498	669,942	5.97
Burkina Faso	1,299,231	375,250	3.46
Japan	2,347,228	366,590	6.40

Source: [Access2markets](#)

Tips:

Investigate the wild and cultivated oilseeds in your area and the sustainable volumes that are available. Find out the percentage of oil contained in oilseeds and work out how much you can supply per year. Always calculate the viability of your operation before approaching the market, especially if you are offering a new ingredient. It is better to under-promise and over-deliver than the other way around.

Research the cosmetic properties of plants in your area. Before bringing any extracts to the market, make sure you are compliant with laws on the use of biodiversity and traditional knowledge.

For plant extracts, work with botanists to ensure 100% botanical identity and traceability, and with chemists who can prepare standardised extracts with known and stable active ingredient compositions.

Introducing new ingredients for the cosmetic industry can take 24-36 months. Introducing established ingredients can take 12-24 months. Ensure your company stays viable both during and after this time and that you can meet safety, efficacy, quality and reliability expectations.

Be flexible in your offer to customers. If more customers want to buy small quantities, calculate your costs accordingly.


This study has been carried out on behalf of CBI by [Fair Venture Consulting](#).

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