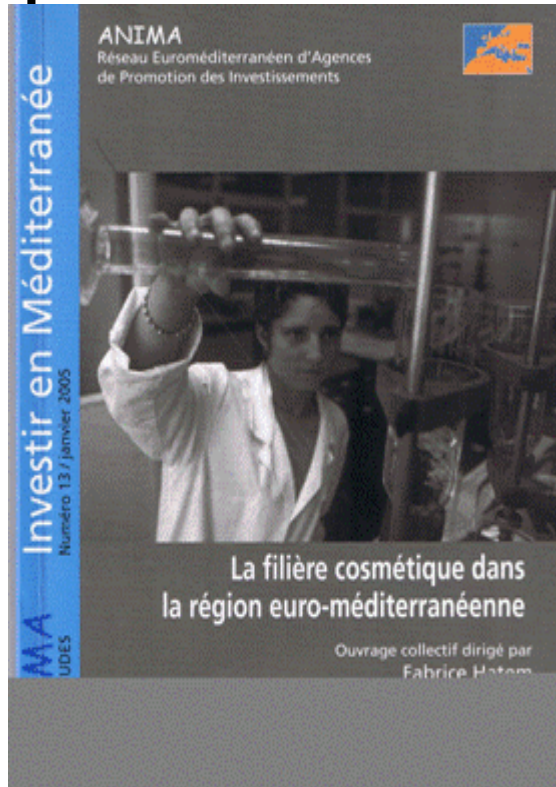


The cosmetics and perfume industry in the South-Mediterranean region : opportunities and threats of internationalization



Cosmobelleza seminar
February the 23th
Fabrice Hatem, AFII



Cosmétique MEDA

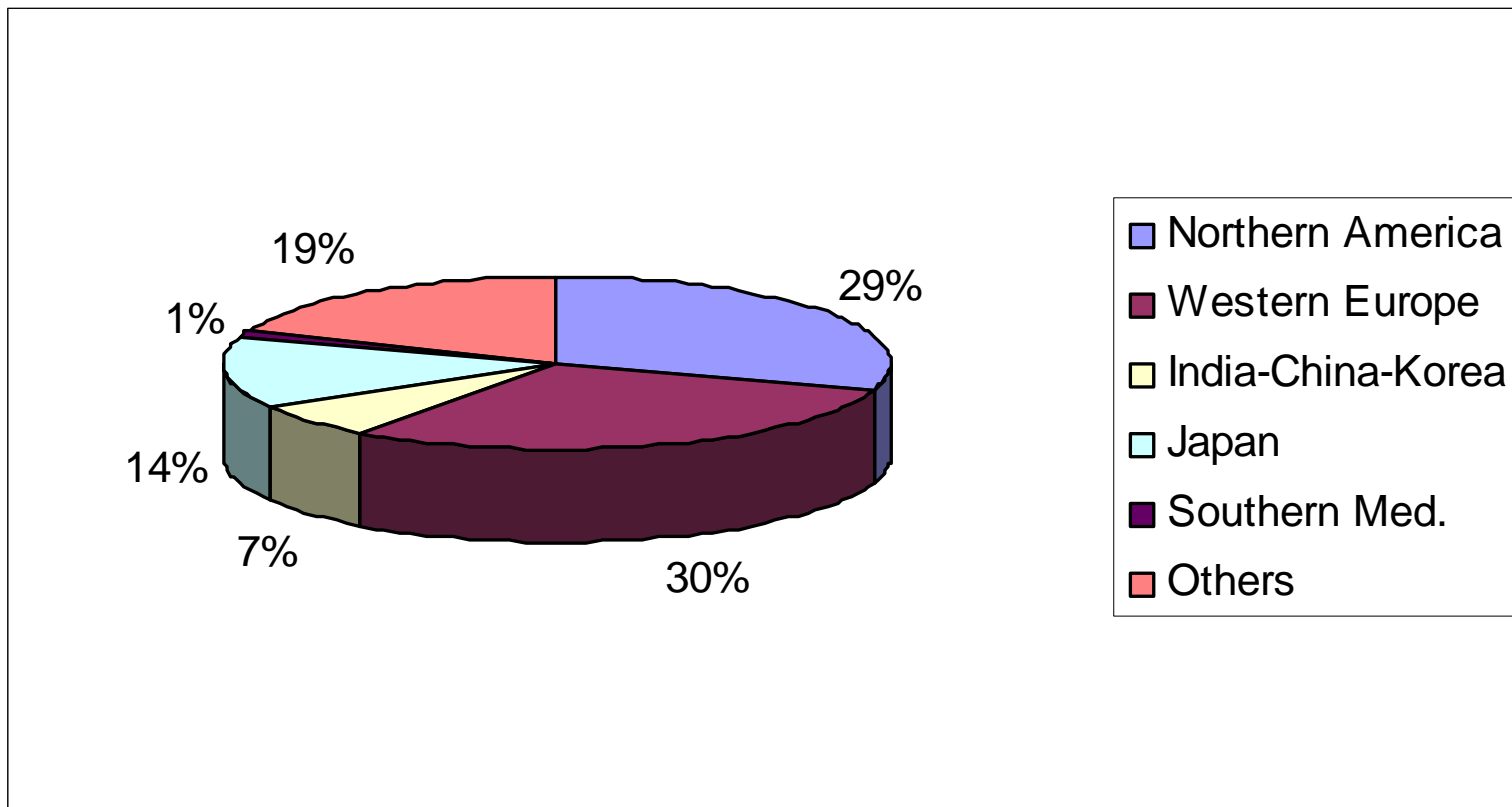
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Euromediterranean Network of Investment Promotion Agencies**

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The world cosmetics and perfumes market : quick growth in the recent years

Breakdown of the world output in 2006



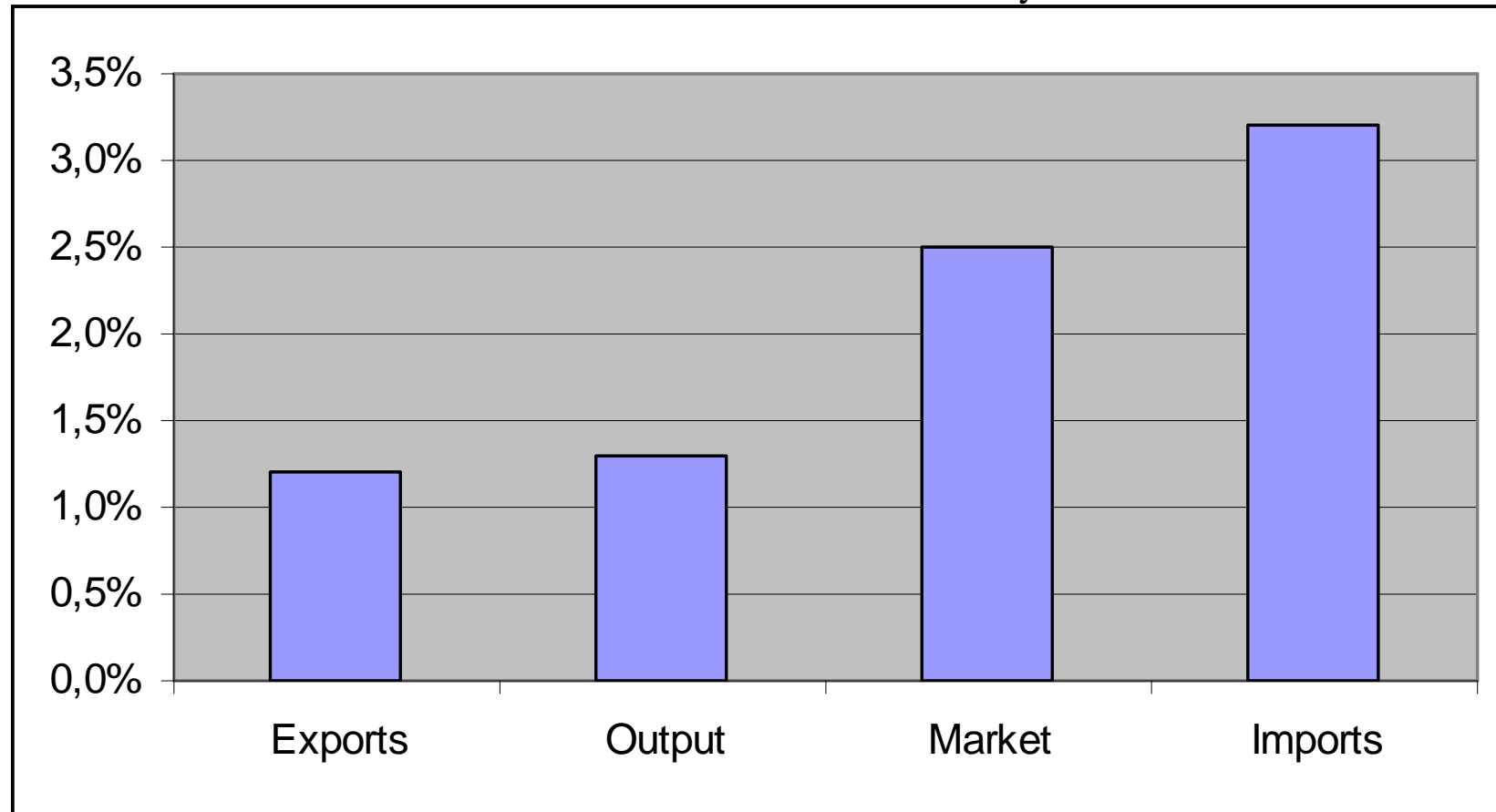
Source : Anima estimates, based on various sources (Colipa..)

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South-mediterranean C&P industry : a marginal position at the world level...

Share of SM countries in worldwide activity in C&P



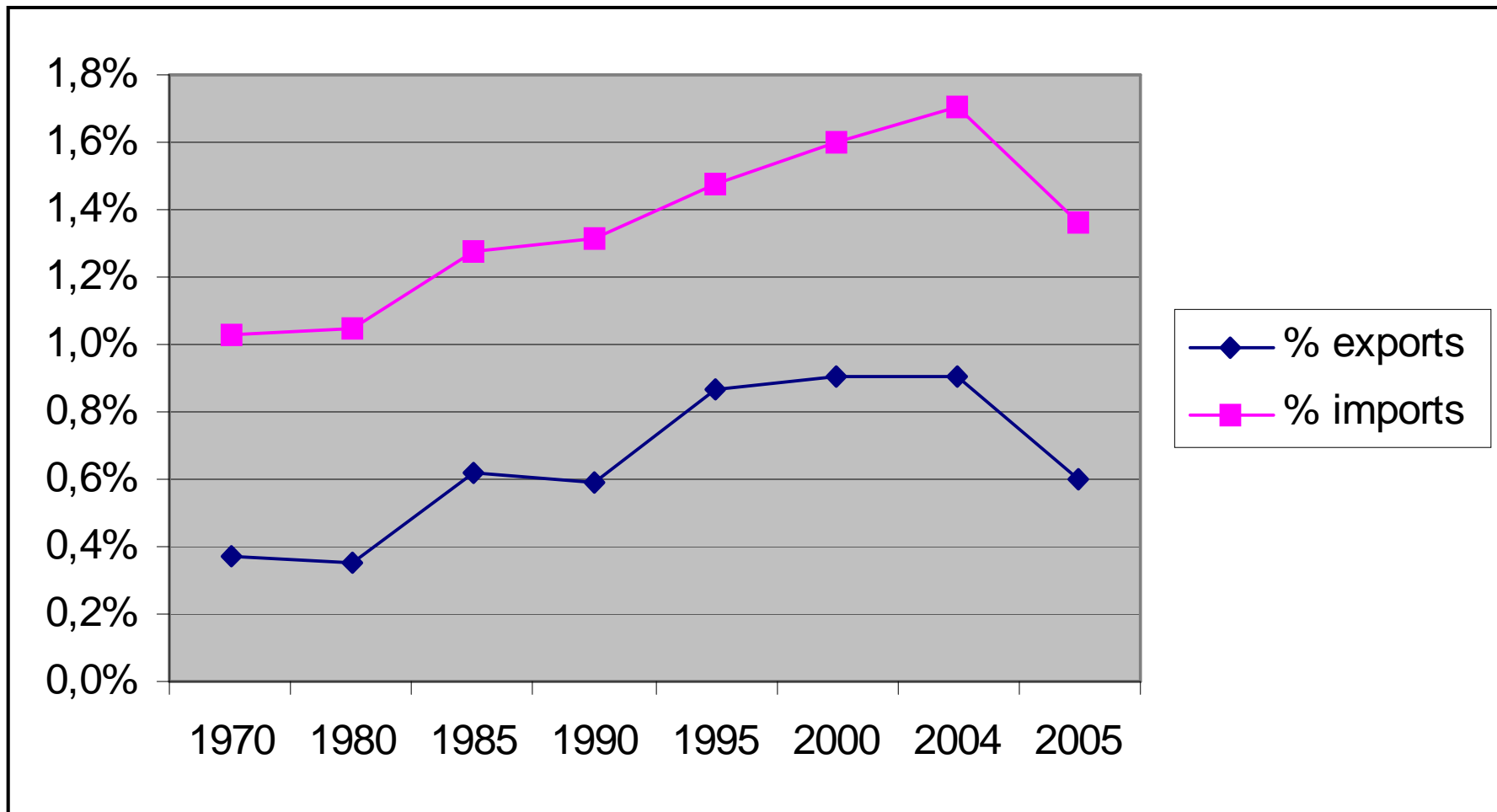
Source : Anima estimates, based on various sources (Chelem, Xerfi...)

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... and a weak external trade position

Share of C&P products in the external trade of SM countries

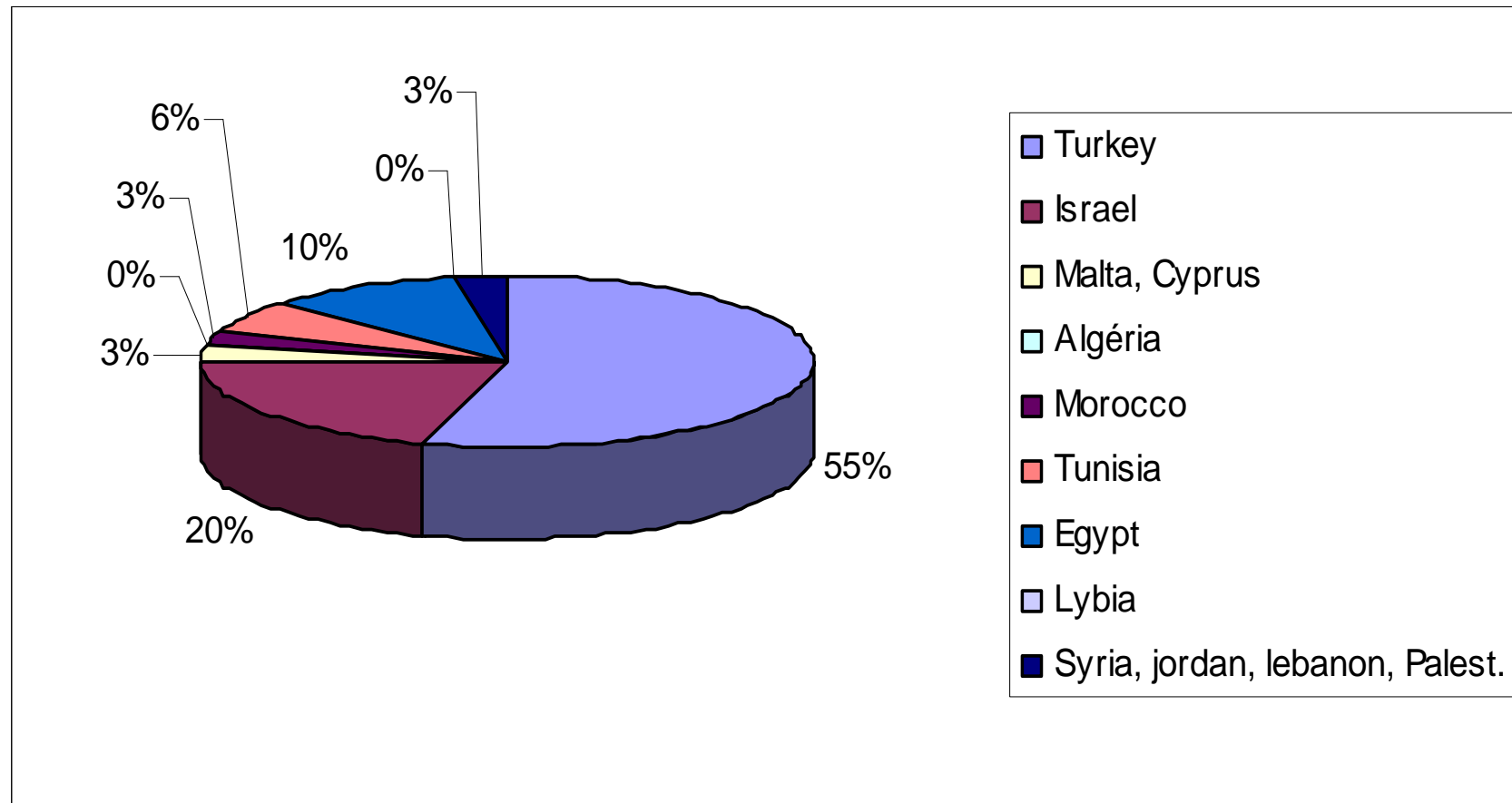


Source : CEPII, Chelem data base

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Différent situation depending on countries



A significant number of industrial success stories



Azbane



Socopar



Luna



Hlavin

...A promising local market



Quick economic and demographic growth...

+ Changes in lifestyles and consumption patterns

= Quick growth of local cosmetics markets



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Meet the expectations of the western consumer



Exotism...



+ Nature...



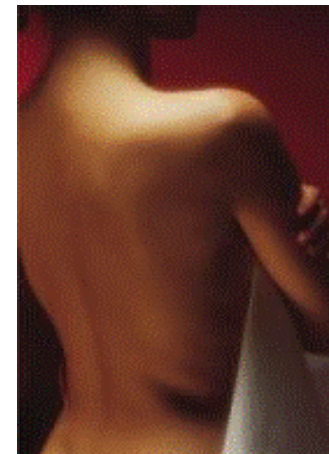
+ Local traditions and crafts...



+ innovative products and packaging...

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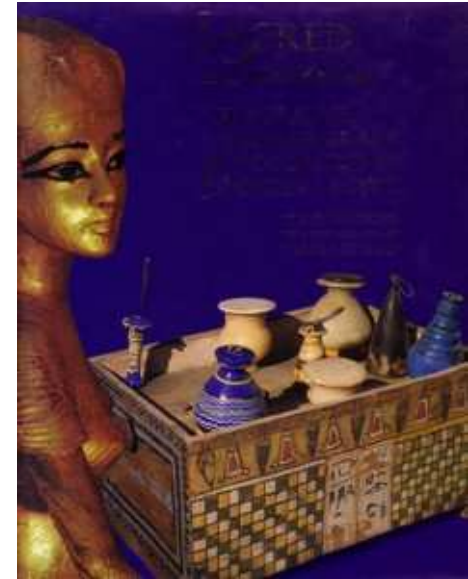


= customer value

A huge local resources potential



Damascus rose



Tradition of body care



Connexion with tourism



Dead Sea products

Growing presence of foreign companies



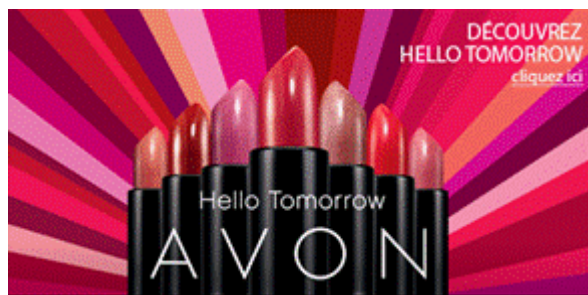
Unilever



Estee Lauder



Marionnaud



Avon

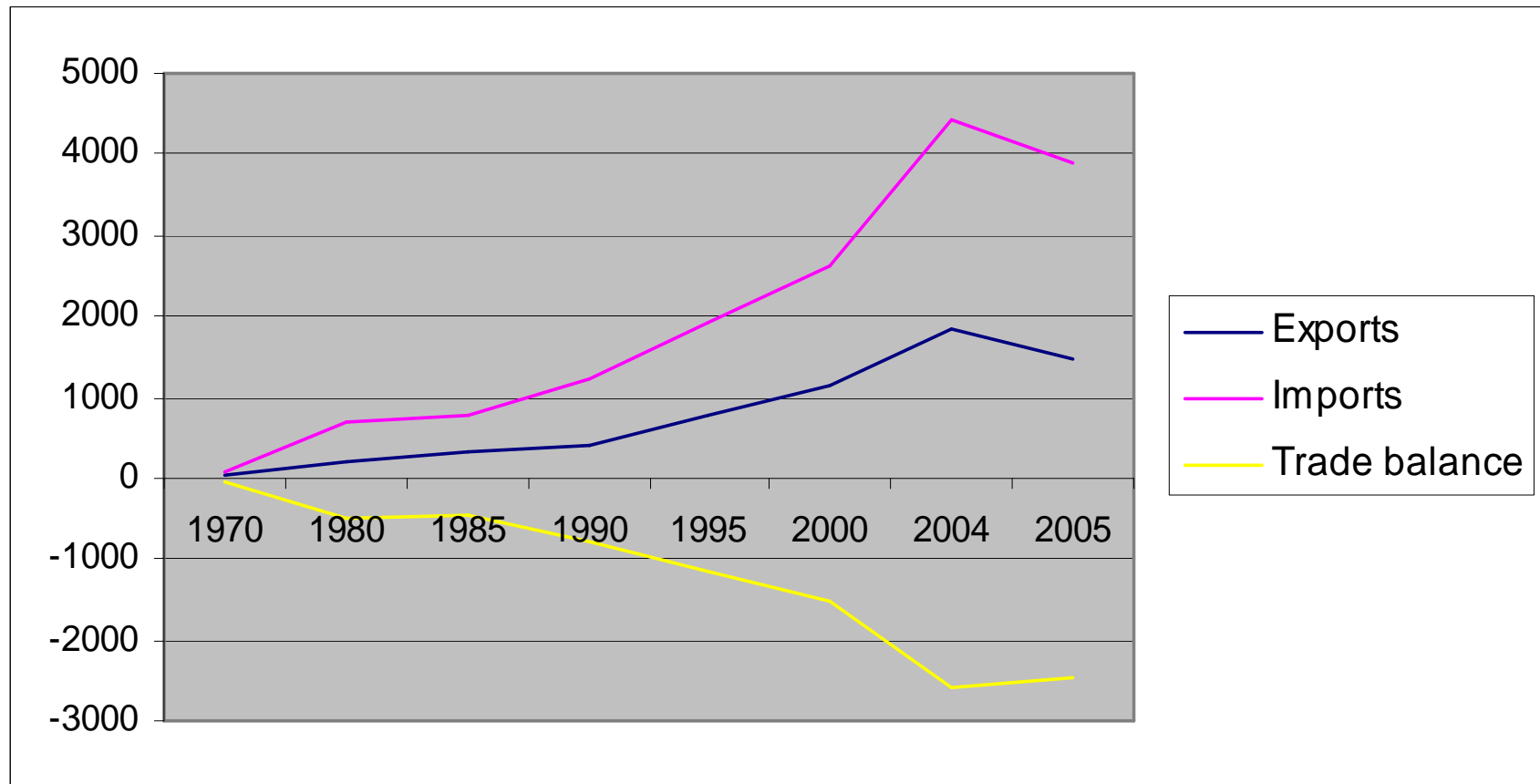
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Yves Rocher

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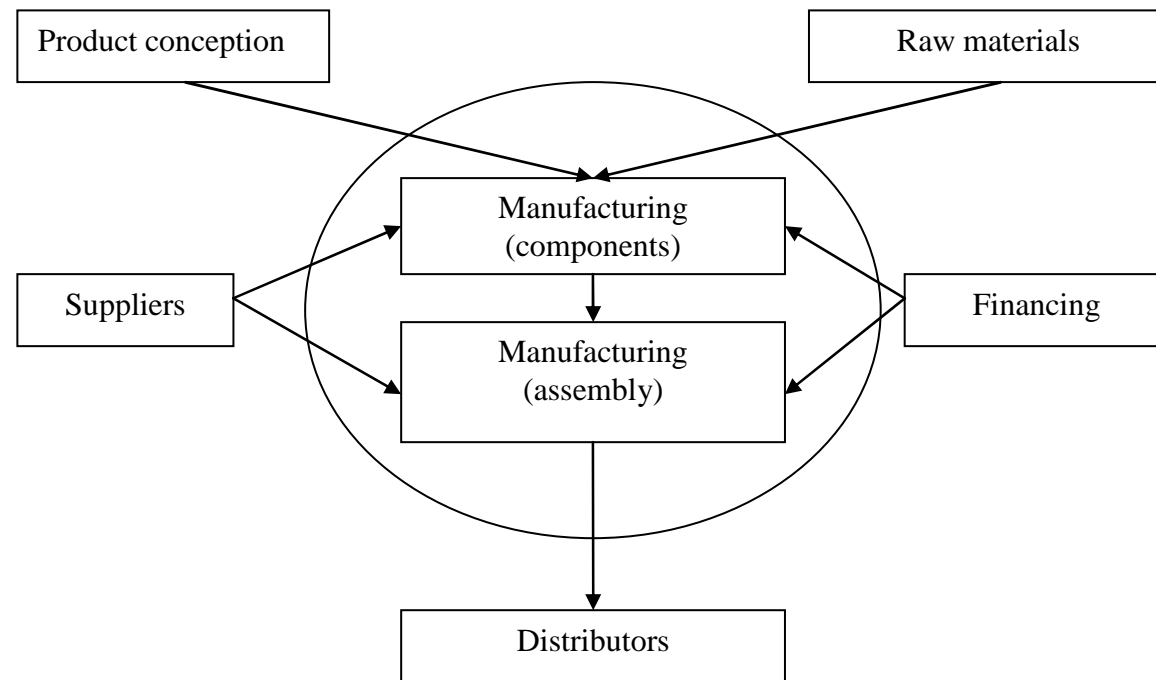
Opportunities and threats linked to market opening



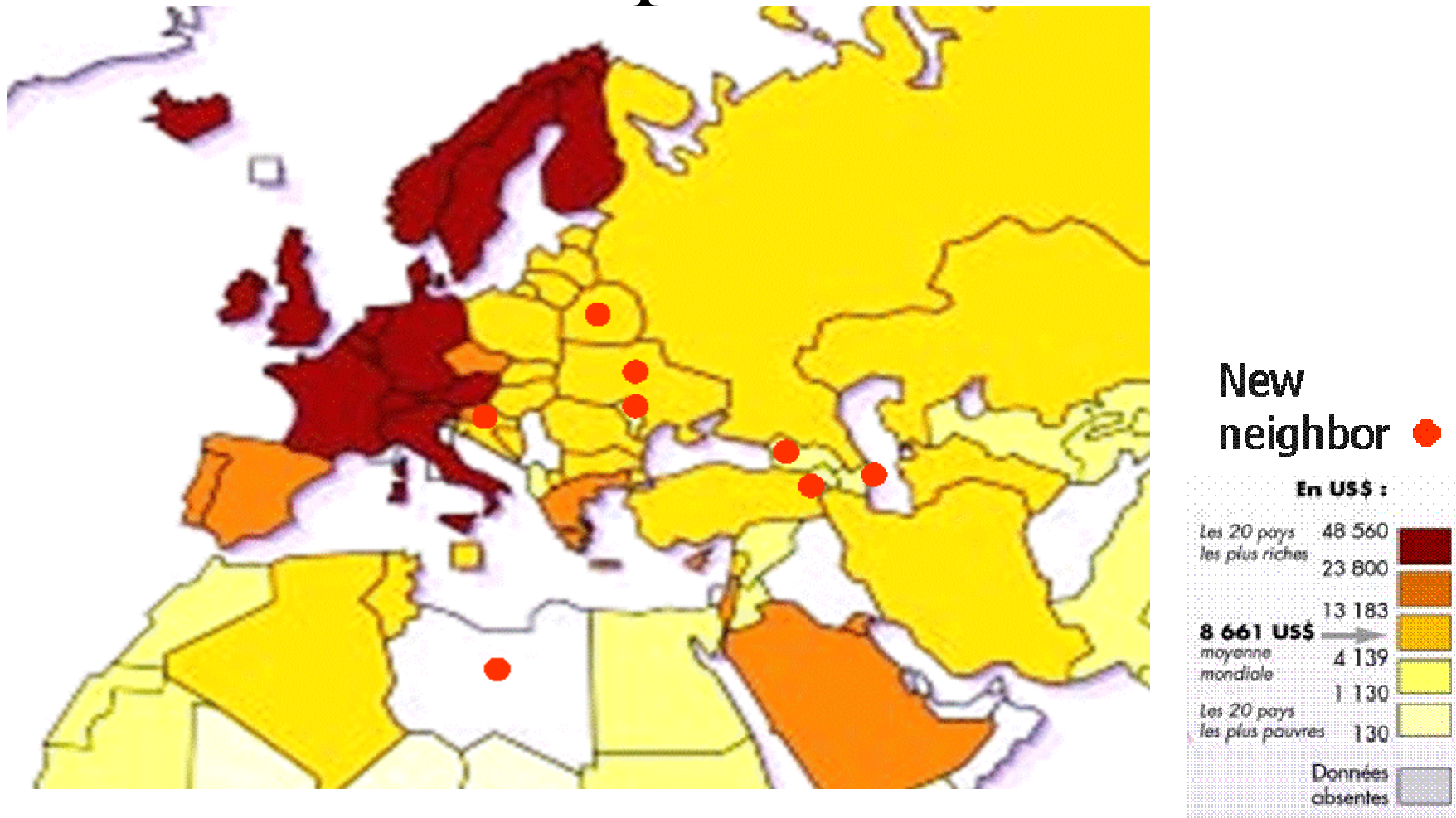
Source : Chelem Data base, Cepii
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The C&P industry chain value



Euro-mediterranean area : n°1 market for C&P products in the world



WESTERN EUROPEAN C&T MARKET 2006 COUNTRY SHARES (%) EUROS / RSP BASIS

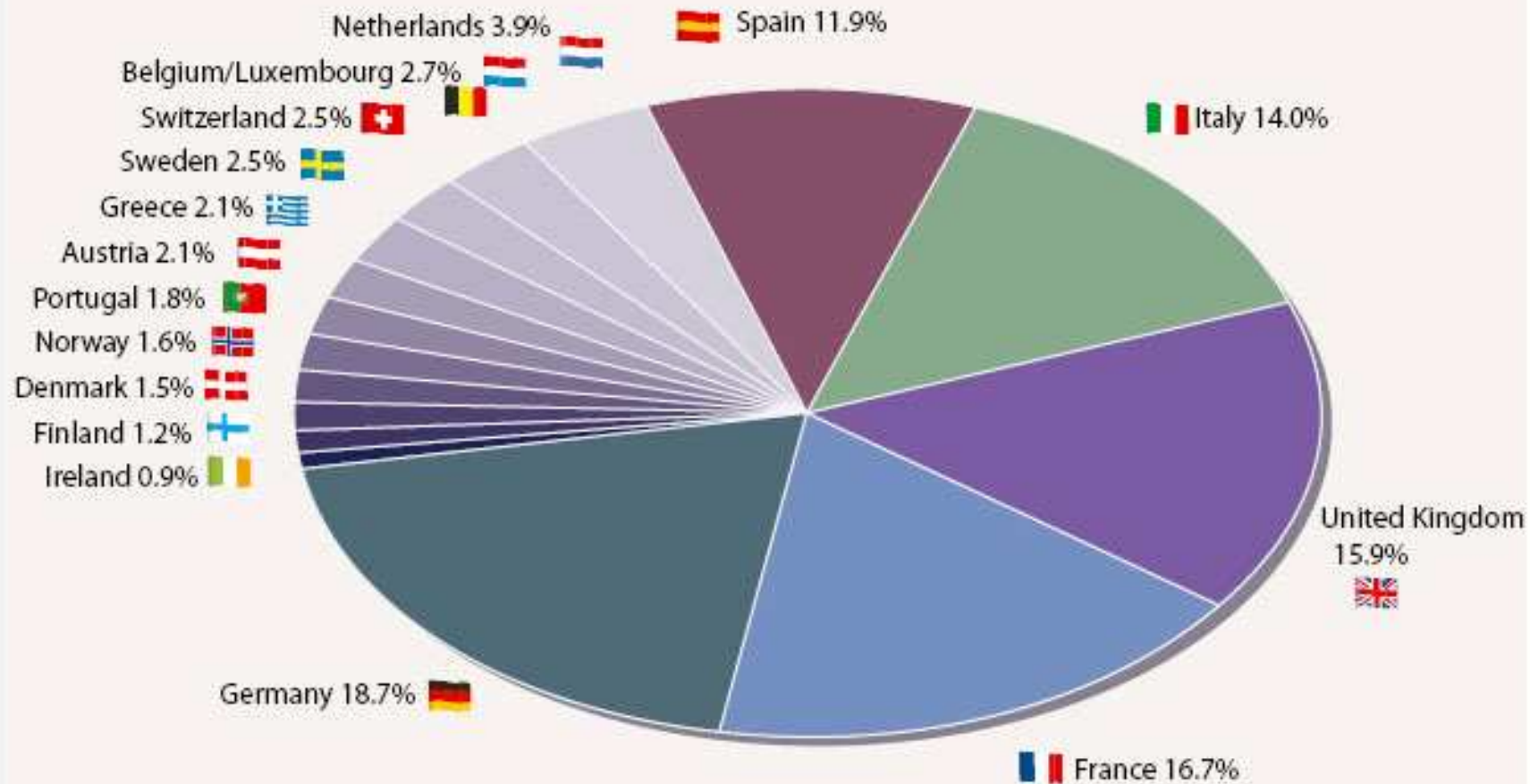


Chart 4

Source: Colipa Statistics Working Group

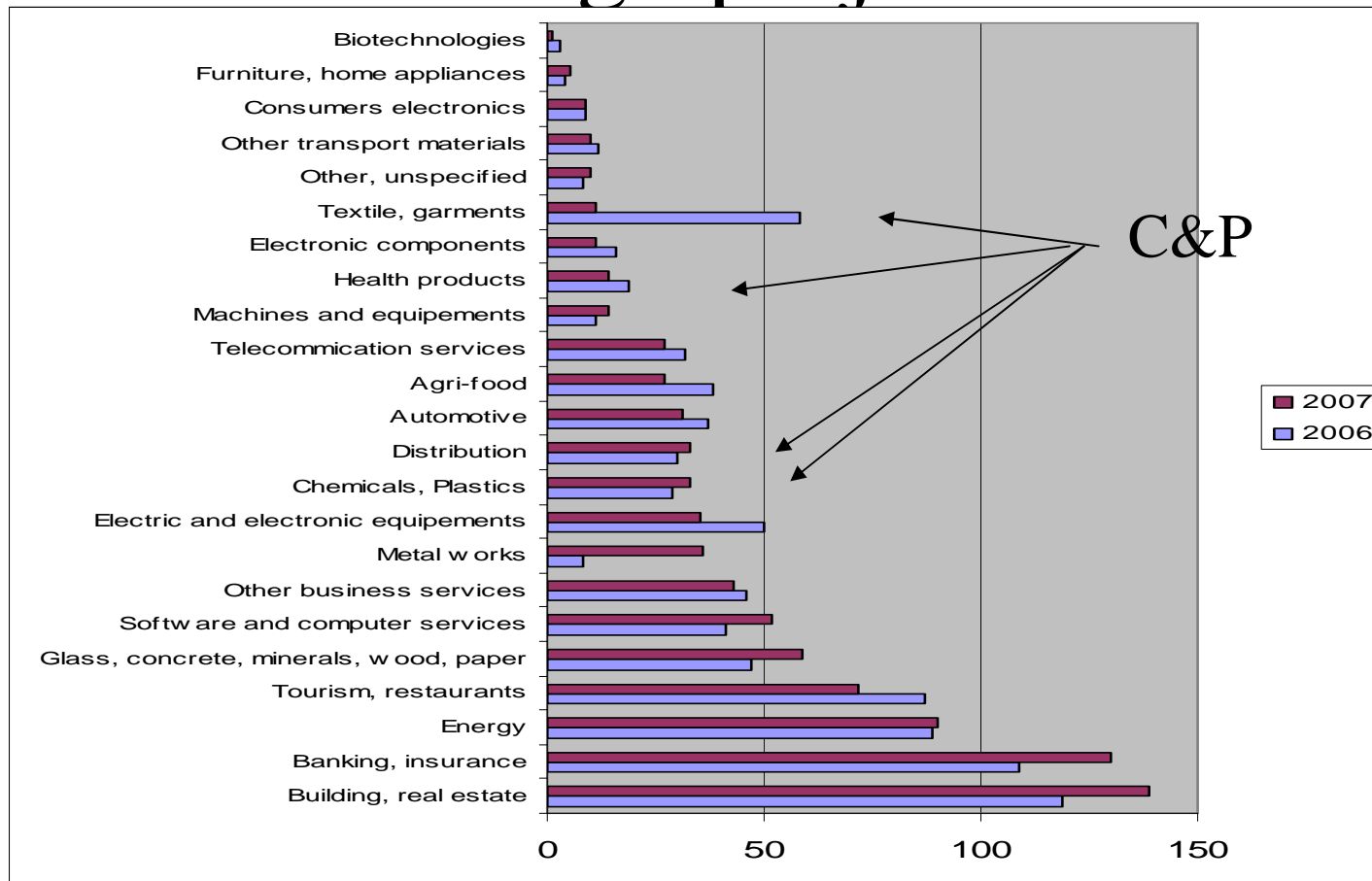
What can foreign investors in C&P bring to host countries ?

Recent foreign investment project in the S-M region

Record year	Welcoming country	Company /Investor	Country of origin
2003	Malta	Toly Products	Germany
2004	Morocco	Hyperminceur	France
2004	Morocco	Dior	France
2004	Morocco	Marionnaud	France
2004	Tunisia	Nocibé	France
2005	Algeria	Yves Rocher	France
2005	Morocco	Beauty Success	Non available
2005	Morocco	Avon Beauty Products	USA
2005	Turkey	Ulric de Varens	France
2005	Turkey	Hutchison Whampoa / Watsons	Hong-Kong
2006	Algeria	Océane	Morocco
2006	Egypt	Marico	India
2006	Israel	L'Oreal	France
2006	Morocco	Ambre International	France
2006	Turkey	Estee Lauder Companies	USA
2006	Turkey	Douglas	Germany
2007	Algeria	Dufry	Switzerland
2007	Egypt	Dufry	Switzerland
2007	Morocco	Procter & Gamble	USA
2007	Turkey	L'Oreal	France
2007	Turkey	Avon Beauty Products	USA

Source : MIPO data base, Anima

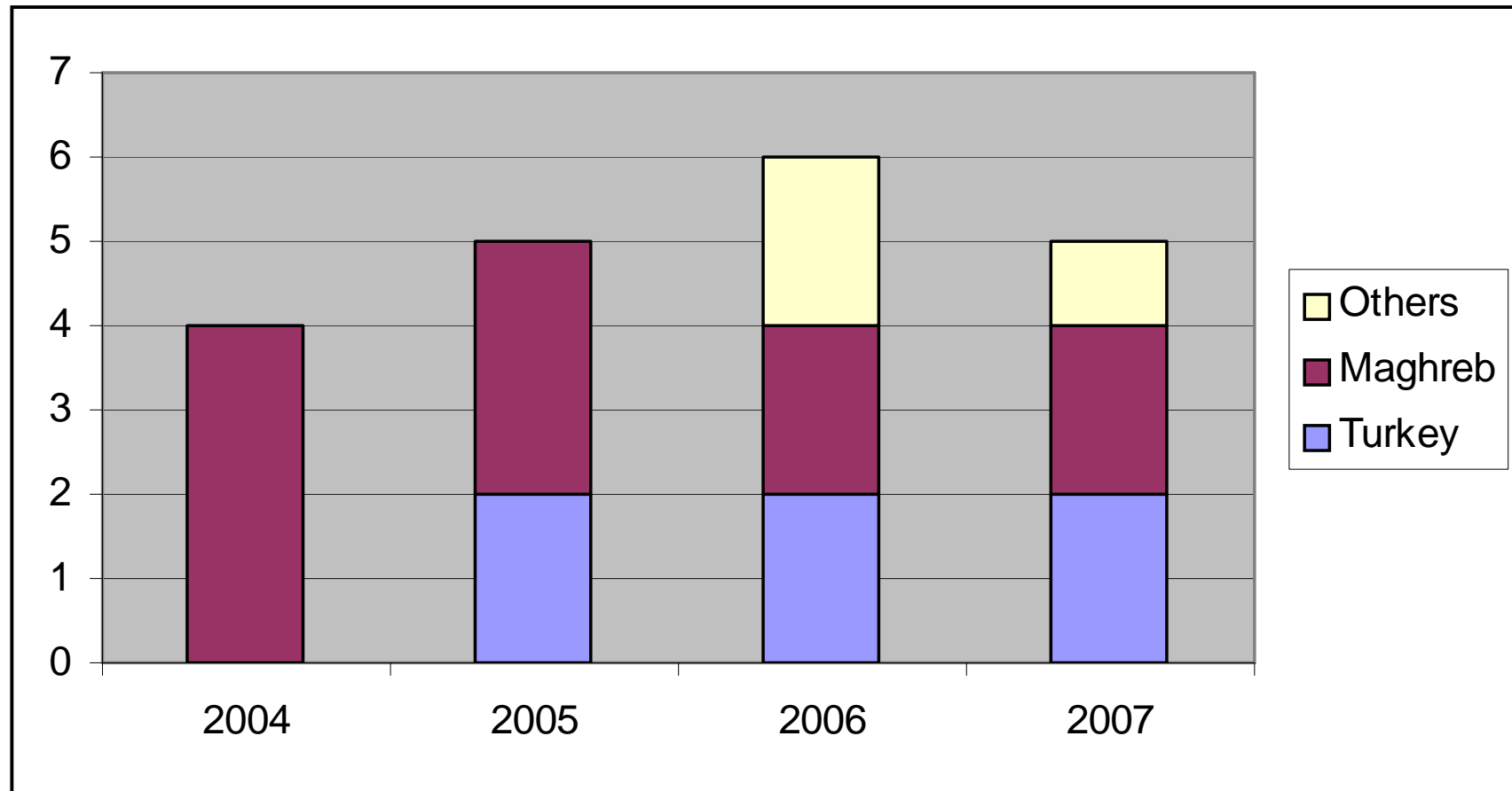
A limited but growing flow of foreign projects...



Source : Mipo data base, Anima

Maghreb countries pave the way, followed by Turkey

Foreign investment projects in C&P industry by host region or country



Source : MIPO Data base, Anima

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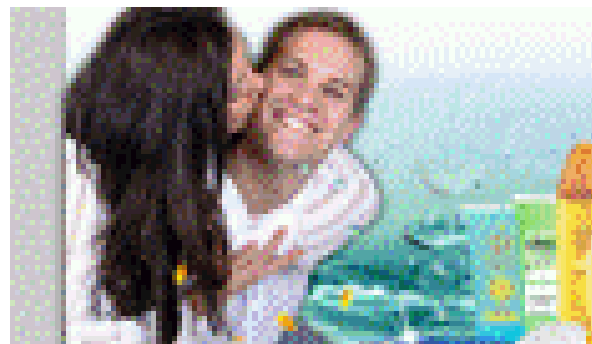
Some success stories on the international market



Maison de l'Argan (Bordeaux)



Dead Sea products



Turkish perfumes based on rose fragrances

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An agenda for success

- **Improve the local business environment**
- **Upgrade SMEs management technical capabilities**
- **Develop resources : train people, R&D...**
- **Value local resources**
- **Capture new market segments (product upgrading)**
- **Develop intra-professional cooperation networks**
- **Promotion and image building**
- **Develop partnerships with foreign companies**



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Thank you –
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