

Prospecção de Mercado - PMR

Discriminação <i>Código do Posto (4 dígitos)/número sequencial (4 dígitos)/ano (4 dígitos)</i>	0658/0005/2006
Número de série	0005
Posto/SECOM	PEQUIM
Data de preenchimento	07/08/2006
Código NCM	3304
Descrição do produto	Produtos de beleza ou de maquilagem preparados e preparações para conservação ou cuidados da pele (exceto medicamentos), incluídas as preparações anti-solares e os bronzeadores; preparações para manicuros e pedicuros
Limite de validade	08/2007
País importador	China
Observações	-
Responsável pela elaboração	ACMR - All China Industry Research
Função/Cargo	ACMR Customer Service Line
Telefone	(8610) 68032288
Fax	(8610) 68012338
E-mail	sales@acmr.com.cn
Nome do arquivo Word	PMR_0658_0005_2006.DOC
Aprovado por	Sec. Luciano Pereira de Souza - Chefe do SECOM



**Market Research on
Chinese Imports of
Beauty/Skin-care Products
– 2005 –**

Commercial Section

Embassy of Brazil in Beijing

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1. Product Definition

This report covers beauty or make-up preparations and preparations for the care of skin under the customs code of 3304 (hereinafter called beauty/skin-care products).

2. Comments on cosmetic products in the Chinese Market

Statistics show that in the past five years, Brazil only exported beauty/skin-care products to China in 2002 and 2003, accounting for less than 1% of the Chinese imports. Reasons for the small exports are:

- 1) Less competitive products;
- 2) Little market influence: in comparison with France, the United States and Japan, Brazilian beauty/skin-care products have little market influence in China;
- 3) Less market popularization;

Chinese beauty/skin-care products imports increased continuously in the past five years. In 2004, China imported beauty/skin-care products worth USD 138 million, indicating a y-o-y growth of 75.24%. It is estimated that the booming Chinese economy will further motivate imports of beauty/skin-care products in the coming years; in which, high-end products will be the major driving force of the imports

The United States takes a leading position in the Chinese beauty/skin-care products imports in the past five years. In 2004, China imported 2,049 tons of beauty/skin-care products from the U.S. (26.27% of the total), equaled USD 27.19 million (19.70% of the total); in the same year, China imported 1,800 tons of beauty/skin-care products from France (23.08% of the total), which equaled to USD 45.28 million (32.81% of the total); Japan, South Korea and Taiwan are also major sources of Chinese

beauty/skin-care products imports.

The Chinese beauty/skin-care industry is experiencing fast growth. The market size witnessed a growth of 23.8% in 2004, and sales in 2004 reached RMB27.19 billion. Foreign beauty/skin-care products manufacturers entering into the Chinese market were the major driving force of the fast growth.

In the Chinese beauty/skin-care market, foreign brands steadily hold the mid/high-end market segment, while domestic brands concentrate on the mid/low-end segment.

Major cosmetics brands available in the Chinese market are:

International brands: SK-II, Lancome, CD, Estee Lauder, Shiedo, etc.;

Localized foreign brands: Aupres, O'Loreal, Revelon, Kose, etc.

Domestic brands: Chinfie, Cheng Ming Ming, Dabao and Maxam, etc.

According to statistics, the ten beauty/skin-care brands that took the largest market shares in China are: Olay (25.86%), Aupres (10.40%), Yuesai (7.49%), O'Loreal, Caisy, Cheng Ming Ming, Long Li Qi, Maxam and Little Nurse. The foreign brands hold 60% of Chinese beauty/skin-care products sales, but in terms of value, they are taking a market share of 90%.

As some beauty/skin-care products contain animal derived materials, China tightens quarantine over such imports from epidemic-stricken countries or regions.

2.1. Size of the Chinese Beauty/Skin-care Products Market

Chart 1. Size of the Chinese Beauty/Skin-care Products Market from 2000 to 2004

Unit: 100 million RMB

	2000	2001	2002	2003	2004
Domestic production	137.93	172.33	207.79	235.29	291.02
Export	9.56	12.39	16.75	26.13	30.16
Import	3.56	3.85	3.52	6.30	11.04
Market capacity	131.94	163.79	194.56	215.46	271.90
Percentage of imports	2.70%	2.35%	1.81%	2.92%	4.06%

Source: China Association of Fragrance Flavor and Cosmetic Industry

Sorted by ACMR

Chinese domestic production fluctuated from 137.9 billion RMB to 291.0 billion RMB from 2000 to 2004; the average increase rate was 20.61%. Chinese import sum of beauty/skin-care products kept increase trend. Chinese Gross import sum of beauty/skin-care products increase to 11.04 billion RMB in 2004, up 75.24% from the previous year.

Chinese beauty/skin-care products export sum increased from 2000 to 2004. The gross export sum reached at the peak of 30.16 billion RMB, in 2004.

2.2. Chinese Imports of Beauty/Skin-care Products

Chart 2. Chinese Imports of Beauty/Skin-care Products from 2000 to 2004 (Volume)

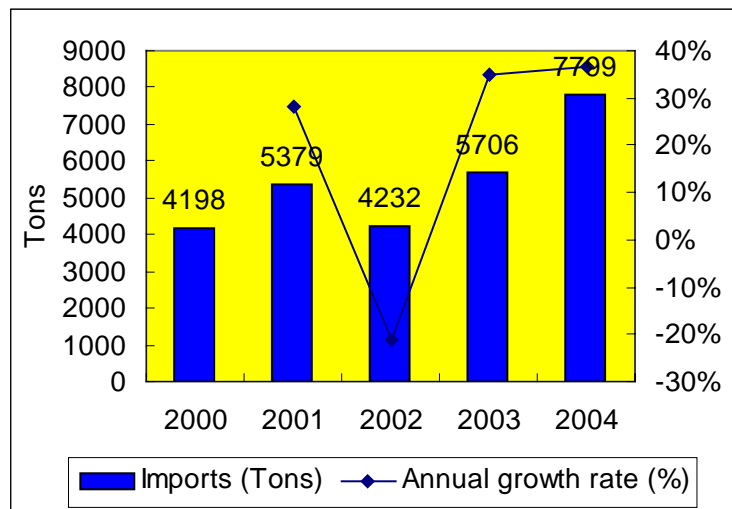


Chart 3 Chinese Imports of Beauty/Skin-care Products from 2000 to 2004 (Volume)

	2000	2001	2002	2003	2004
Imports (Ton)	390	225	220	430	515
Annual growth rate (%)		-42.31%	-2.22%	95.45%	19.77%

Source: China Customs

Chinese Imports of beauty/skin-care products amount declined to 225 tons, down 42.31% from the previous year in 2001, and it kept decline in 2002. Nevertheless it shoots up after 2002, with 430 and 515 tons in 2003 and 2004 respectively.

Chart 4. Chinese Imports of Beauty/Skin-care Products from 2000 to 2004 (Value)

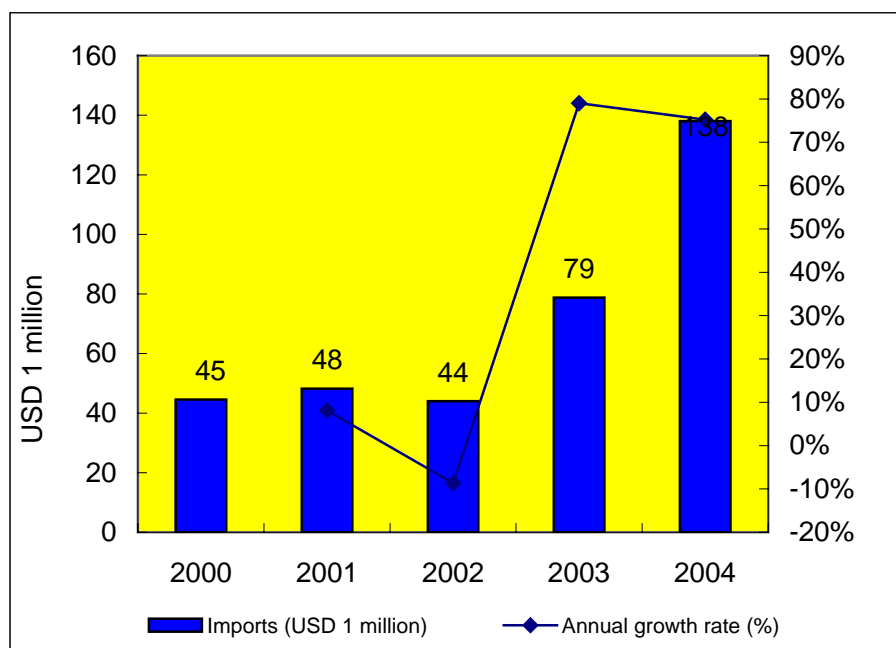


Chart 5 Chinese Imports of Beauty/Skin-care Products from 2000 to 2004 (Value)

	2000	2001	2002	2003	2004
Imports (USD 1 million)	44.56	48.17	43.99	78.76	138.02
Annual growth rate (%)		8.10%	-8.68%	79.04%	75.24%

Source: China Customs

Chinese beauty/skin-care imports maintain a stable growth in recent years. In 2001 and 2002, affected by the dull global economy, Chinese imports of beauty/skin-care products and perfume dropped significantly. With the recovery of the global economy, the Chinese imports of aforesaid products increased to the level (before the depression) and showed a growing momentum.

2.3. Origins of Chinese Beauty/Skin-care Products

Imports

Chart 6 Origins of Chinese Beauty/Skin-care Products Imports from 2000 to 2004

Origin	2000	2001	2002	2003	2004			
	Import (Tons)	Import (Tons)	Import (Tons)	Import (Tons)	Import (Tons)		Import (USD 1 million)	
					Absolute value	Percentage	Absolute value	Percentage
The U.S.	1379	2135	1598	2208	2049	26.27%	27.19	19.70%
France	561	544	651	924	1800	23.08%	45.28	32.81%
Taiwan	497	947	787	982	1122	14.38%	4.37	3.17%
Japan	324	412	201	455	1022	13.10%	31.87	23.09%
Korea	138	185	170	173	278	3.56%	3.65	2.64%
Others	1299	1156	825	964	1529	19.60%	25.66	18.59%
Total	4198	5379	4232	5706	7800	100.00%	138.02	100.00%

Source: China Customs

With the recovery of the global economy and the life quality of China consumers are increasing, the gross import amount of Chinese beauty/skin-care products increased from 2000 to 2003, and the products mainly imported from America, France, Taiwan and Japan. The gross import amount of Chinese beauty/skin-care products from these 4 countries increase to 5,993 tons in 2004, occupy 76.83%.

2.4. Brazilian Beauty/Skin-care Products Exports to China

In recent years, Brazil exported very few beauty/skin-care products to China. According to statistics of the China Customs, China only imported 46 kg (valued USD 368) of materials of beauty/skin-care products in form of processing trade.

2.5. Chinese Exports of Beauty/Skin-care Products

Products

Chart 7. Chinese Exports of Beauty/Skin-care Products from 2000 to 2004 (Volume)

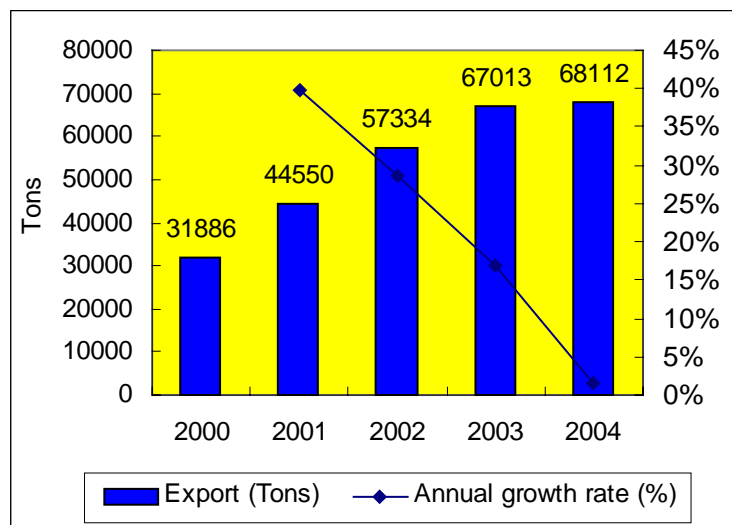


Chart 8 Chinese Exports of Beauty/Skin-care Products from 2000 to 2004 (Volume)

	2000	2001	2002	2003	2004
Chinese exports (Tons)	31886	44550	57334	67013	68112
Annual growth rate %	--	39.72%	28.70%	16.88%	1.64%

Source: China Customs

Chinese export amount of beauty/skin-care products kept increase trend from 2000 to 2004. The gross export amount increased to 68.1 thousand tons, up 1.64% from the previous year in 2004.

Chart 9. Chinese Exports of Beauty/Skin-care Products from 2000 to 2004 (Value)

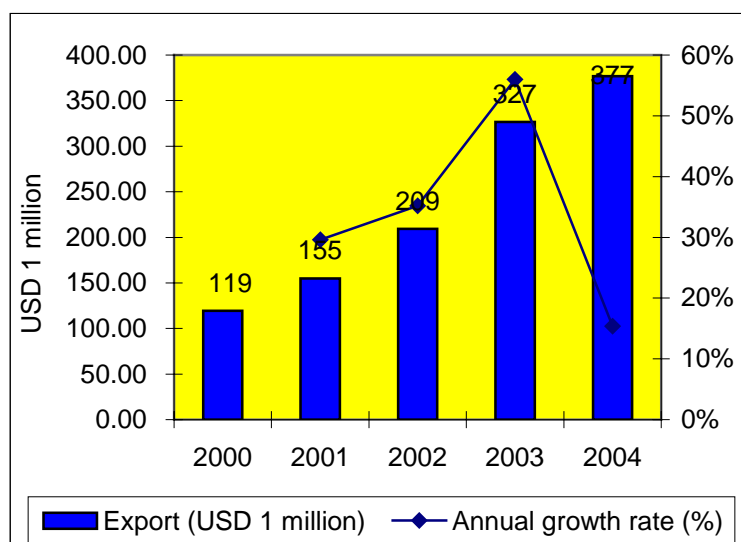


Chart 10. Chinese Exports of Beauty/Skin-care Products from 2000 to 2004 (Value)

	2000	2001	2002	2003	2004
Exports (USD 1 million)	119.49	154.89	209.37	326.65	376.98
Annual growth rate %		29.63%	35.17%	56.02%	15.41%

Source: China Customs

Chinese export of beauty/skin-care products maintained a growing momentum in the past five years. Although the growth slowed down in 2004, due to lack of new products and innovative technologies, it is expected that exports of hair-care products will keep a slow but steady growth.

2.6. Consumption of Beauty/Skin-care Products in the Chinese Market

The special cosmetics sector of the Chinese beauty/skin-care market develops very fast in recent years. At present, there are millions of beauty salons in China. Thanks to the booming economy, Chinese consumers, especially those female consumers, have higher demand for skin care. Major customers of beauty salons are young women between 20 to 50 years old. With higher income and better education, they are willing to spend more money on various new services. In consequence, although the market penetration rate is only 20%, the industry indexes increase fast in recent years. In average, a Chinese consumer spends RMB118.3 for each time.

Beauty/skin-care products containing natural ingredients (like aloe or vitamin) are becoming popular in the Chinese market despite higher price. We are aware that the new generation beauty/skin-care products that contain marine biotechnology ingredients, Chinese herbal medicine and rain forest plant ingredients are accepted by more consumers in Europe and the United States; and materials for beauty/skin-care products that are developed by advanced biological engineering and biomimetic chemistry technologies will be the future market trend.

Beauty/skin-care products for children are another fledging sector. Although domestic manufacturers boast great advantages in price, they offer less choices to customers. We noticed that parents linger around the beauty/skin-care products counter, but couldn't find a suitable product for their children. This also indicates huge market potential.

As anti-aging has become an important research topic, we feel beauty/skin-care products for old people deserve attention. Chinese consumers senior than 50 years old have large demand for beauty/skin-care products that suits their requirement.

3. Market access information on the product

3.1. Influence of Competing Countries

The Chinese Beauty/skin-care market is dominated by foreign brands that come from France, the United States and Japan.

French beauty/skin-care products

French beauty/skin-care products dominate the high-end segment in the Chinese market. The market leader, O’Loreal Group possesses many famous beauty/skin-care and perfume brands (Lancome, HR, Biotherm, O’Loreal, CD, Chanel and Maybelle).

American beauty/skin-care products

The complete series of American beauty/skin-care products are mainly available in the mid/high-end market. Famous brands are P&G and Avon, etc. P&G offers a variety of products in the Chinese market, including shampoo, soap and skin-care products, and takes a large market share.

Japanese beauty/skin-care products

Famous Japanese beauty/skin-care brands, like Sheshido, Aupres, SK-II, Kao and Kose, mainly compete in the mid/high-end segment.

Korean beauty/skin-care products

Korea exports more beauty/skin-care products to China. Korean products boast competitive prices and mainly concentrate on the mid-end market.

3.2. Transportation and Technological Requirements of Cosmetics Imports

Cosmetic products must be transported following instructions on boxes (no crash, avoid sun exposure or fresh water and rain damage).

Cosmetic products should be stored in warehouses with good ventilation and the temperature within should not be higher than 38 °C; products should be piled on shelves 20cm above ground, and leaves a space of 50cm to walls; no up-side-down; away from water or heater; first in, first out. If service life exceeds three years, and package is complete, date stamping is not necessary; if service life is less than three years, date stamping (from the date of production) is necessary.

3.3. Special comments on the Brazilian products

Brazil does not export beauty/skin-care products to China now; however, as Brazil has become the fifth largest personal hygienic and make-up preparation exporter in the world, we believe it will export beauty/skin-care products to China in the coming years.

Advantages of Brazilian beauty/skin-care products are competitive price and unique materials of the Latin America. For example, some beauty/skin-care products containing rainforest ingredients are very popular in the European and the American market. We suggest Brazilian beauty/skin-care products manufacturers to emphasis these advantages in their popularization in the Chinese market.

However, transportation cost is a significant disadvantage of Brazilian beauty/skin-care products in entering the Chinese market, which should be considered by the Brazilian beauty/skin-care manufacturers. Please note, Korean products that are competitive in price also have obvious advantage in transportation costs.

In conclusion, we suggest the Brazilian beauty/skin-care manufactureres to emphasize competitive prices of their products and enhance popularization in China. In addition, as agents mainly distribute imported beauty/skin-care products, we'd suggest Brazilian beauty/skin-care products manufacturers to recruit suitable agents.

4. Major Beauty/Skin-care Product Importers

Major Beauty/Skin-care Product Importers

Company	Location	Telephone	Fax	Email/website
Maybelline (Suzhou)	Suzhou, Jiangsu	86-512-62983000	86-512-62983000	http://www.maybellinechina.com/ (Chinese and English web)
Yingkou Sanxi Maching Ltd.	Yingkou	86-417-6235172	86-417-6235171	yksan1@mail.ykptt.ln.cn
Suzhou Shangmei International Cosmetic Ltd.	Suzhou, Jiangsu	86-512-62983000	86-512-62983001	http://www.lorealchina.com/h/_zh/_cn/ (Chinese and English web) lcontact@online.sh.cn
Shanghai Balidi Chemical Commodity Ltd.	Shanghai	86-21-54421882	86-21-54422728	paristy@online.sh.cn
China Base Jiayuan Import & Export Co., Ltd	Beijing	86-10- 82076324	86-21- 82076325	cbjy@vip.sina.com
Guangzhou Hanyang Trade Ltd.	Guangzhou	86-20-83649289	86-20-83649279	N/A
Shanghai Laneige Cosmetic Co., Ltd	Shanghai	86-21-63353147	86-21-63353149	http://www.laneigechina.com/Front-Page/index1.jsp (Chinese and English web)
Beijing Zhongchuang Universal Logistics Tax-bonded Co., Ltd.	Beijing	86-10- 87692854	86-10-87694013	http://www.zclogistics.com/ (Chinese web)

Note: N/A means that the enterprise has no web.

Source: China Customs, checked by ACMR

5. Relevant Taxes

In 2006, import tariff on cosmetics is 11.6%. Besides, China levies a 17% value-added tax on perfume imports.

Import tariff

Customs code	Product	Tariff %	Most favorable country %
33041000	Lip make-up preparations	150	10
33042000	Eye make-up preparations	150	10
33043000	Manicure or pedicure preparations	150	15
33049100	Powders, whether or not compressed	150	10
33049900	Other	150	12.8

Source: China Customs

In addition, the consumption tax rates of lip make-up preparations, eye make-up preparations, manicure or pedicure preparations, powders, whether or not compressed and others were 30% in 2005. The consumption tax rate of skin-care was 8% in 2005.

Chinese government adjusted the consumption tax of skin-care products from April 1, 2006. But the detailed rules of implementation will be issued at the end of April 2006.

6. Non-tariff control on import product

1. The Administration Measures on Supervision and Inspection for the Importation and Exportation of Cosmetics that came into force on April 1, 2000 requires that all cosmetics entering into the Mainland China market must first obtain the Application Form for Verification of I&E Cosmetics Labeling, and then go through inspection and be labeled. The product quality, hygienic and chemical ingredients and microbiology are to be inspected.

2. The Administration Measures provide that inspection over imported cosmetics should be conducted according to the agreements reached by the involving parties of the transaction; if the contract does not specify the quality standards, the inspection authority will adopt the exporting country's standards, international standards or the Chinese standards in its inspection.

3. Thirty-four categories of skin-care, hair-care and make-up preparations are required to obtain production licenses:

- 1) Skin-care: vanishing cream, balm, lotion, cleanse cream, talcum powder, prickly-heat powder, compressed powder and powder;
- 2) Preparations for use on hair: shampoo, conditioner, cream shampoo, cold wave agent, hair dye, hair dye powder, hair dye agent, hair cream, hair oil, mousse, hair gelly, etc.;
- 3) Make-up preparations: lipstick, nail oil, toilet waters and perfumes.

4. Enterprises that have obtained the production license should indicate the license and its number on the exterior and interior packages (bottle/bag) of the product and the directions of the product. The uniformed label should be XK16-108 followed by the license number.

5. The Administration Measures also provide that when a cosmetic product is imported for the first time, the importing unit is required to submit to the health administrative department under the State Council three copies of the Application Form for Hygienic Permit of Imported Cosmetic. The following documents and samples should be submitted along with the Application Form:

(i) Proper or Common Name, Type of Cosmetics;

(ii) Ingredients of Cosmetic Product and Contents of Ingredients Restricted use in Cosmetic Product;

(iii) Product quality standards, inspection measures and the Chinese translation (three copies of each document);

(iv) Certificate of production and sales approved by the county of origin (three copies);

(v) Certificate of registration and approval for sales in other countries (three copies);

(vi) Evaluation reports certificate that the product has passed inspection for production, registration and approval for sales in the country of origin and other countries, as well as the Chinese translation of the documents (five copies of each document);

(vii) Evaluation materials concerning product hygiene and safety, or inspection report concerning product hygiene and quality (five copies);

(viii) Product labels and manual of use, and their Chinese translation (three copies of each document);

(ix) Samples with package for test (three samples).

6. The Chinese laws provide that in importing cosmetics, the following materials should be submitted to inspection authorities (one original copy and 13 copies):

- (i) Application Form for Hygienic Permit of Imported Cosmetic;
- (ii) Formula of the product in concern;
- (iii) Name of the active ingredient of the product, appropriate testimonial materials, inspection method (special cosmetics);
- (iv) Production techniques and the procedure;
- (v) Manufacturer's quality standard;
- (vi) Inspection Report by the agency of hygienic inspection and test of cosmetics designated by the Ministry of Health;
- (vii) Product package (including product label);
- (viii) Directions of the product;
- (ix) The unit entrusting another unit to undertake the application should submit certificate of entrustment;
- (x) Certificate of production and sales approved by the county of origin;
- (xi) Other materials that facilitates evaluation of the product;

Three samples with package for test

The inspection report should be arranged according to the following order:

- ◆ Report of microbiology test
- ◆ Report of hygienic chemical test
- ◆ Report of the determination of the pH
- ◆ Report of the acute oral toxicity test
- ◆ Report of the acute skin irritation test

- ♦ Report of multiple skin irritation test
- ♦ Report of eye irritation test
- ♦ Report of the skin allergic reaction test
- ♦ Report of the ames test
- ♦ Report of the vitro mammalian chromosome aberration test
- ♦ Inspection report of prohibited or restricted contents of ingredients: including Ultra—Violet Absorber, hormone, restricted ingrideient in hair dye products and tartaric acid
- ♦ Report of safety and functional evaluation for cosmetics on human body

7. An importer of cosmetics or its agent should submit the application for labeling to the inspection unit designated by the AQSIQ (General Administration of Quality Supervision, Inspection and Quarantine of PRC) before inspection. The applicant should present the following documents as well (three copies of each document):

- ♦ Application Form for Inspection and Approval of Cosmetics Labelling;
- ♦ Certificates of the product's function and method for testing;
- ♦ Ingredients of cosmetic product;
- ♦ Manufacturer's quality standard;
- ♦ Certificate of production and sales approved by the county of origin;
- ♦ Six samples of the cosmetics labels; if it's hard to provide samples, photos are acceptable;
- ♦ The importing country's relevant provisions concerning

cosmetics labeling should be submitted in applying for inspection and approval of exported cosmetics labels;

- ♦ Other necessary materials.

In applying for inspection of cosmetics labels, the applicant should submit adequate and representative samples. It is the State Administration For Entry-Exit Inspection and Quarantine of China that approves applications for labeling; the CCIB (China Commodity Inspection Bureau) China Import & Export Commodity Inspection Technology Institute undertakes inspection, coding and issuance of the certificates; the bureaus for entry-exit inspection and quarantine in Beijing, Shanghai, Guangdong, Xiamen and Hubei carry out preliminary inspections and submit the results to the CCIB (China Commodity Inspection Bureau) China Import & Export Commodity Inspection Technology Institute. Local inspection and quarantine institutions are entitled to accept applications for inspection.

8. Companies that apply for launching advertisements of imported cosmetics should have the following certificates:

- ♦ Approval for cosmetics import issued by the hygienic administrative authority under the State Council;
- ♦ Certificate issued by the national commodity inspection authorities proving that the cosmetics are up to standards;
- ♦ Certificate of production approved by the county of origin (with Chinese translation).

9. On April 23, 2002, the Chinese Ministry of Health (MOH) issued a public notice, prohibiting import and sales of cosmetics containing cow/sheep derived materials that originate from countries or regions troubled by the mad cow disease. Importing other cosmetics from such countries should present official quarantine certificates, which should contain the following information:

(i) The imported cosmetics from epidemic-stricken countries or regions should present official quarantine certificate, which guarantees that the animal-derived ingredients are not the 73 ingredients listed in the List I of Cow and Sheep Deprived Materials or the 12 ingredients in the List II of Cow and Sheep Deprived Materials. With these certificates, the product can be sold in the Chinese market. If the product contains ingredients listed in the List II of Cow and Sheep Deprived Materials, the importer should present a risk evaluation report of the ingredient in addition to the official quarantine certificate, and sell the product in the Chinese market only after it passes inspection by the approval of the MOH.

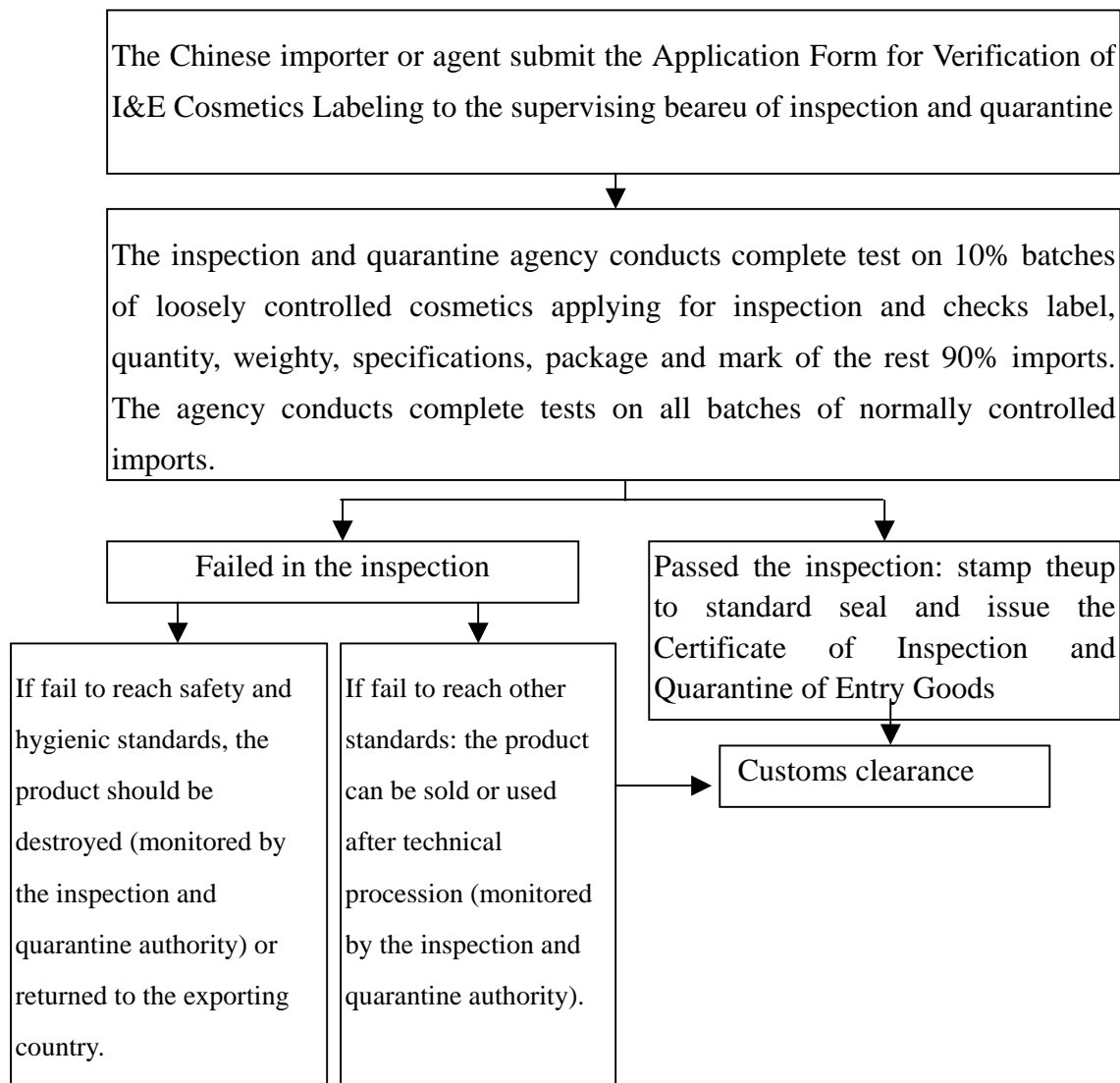
(ii) The official quarantine certificate should be issued by government authorities in charge of cosmetics inspection and administration. The certificate should clearly identify the relevant government authority's name, the manufacturer and its address, proper or common name of the product, the agency that issues the certificate, date of issuance, signature or stamp of the issuing agency. The official quarantine certificate should be in Chinese and the language of the country of origin; if no Chinese version is available, the certificate should be translated into Chinese, notarized by a Chinese notary authority. The manufacturer should guarantee in writing that the submitted materials are true and sign or stamp on the document.

10. Product standard

Standard	Name
GB 7916-1987	Hygienic standard for cosmetics
GB 7919-1987	Procedures and methods of safety evaluation for cosmetics

Source: Standardization Administration of China

Import process



7. Distribution Channels of Imported Beauty/Skin-care Products

In general, beauty/skin-care products are distributed mainly through four types of channels:

- (i) Manufacturer -- consumers (like that adopted by Amway)
- (ii) Manufacturer – retailer – consumers
- (iii) Manufacturer – wholesaler – retailer – consumers (mainly adopted in distribution of consumer goods) or manufacturer – agent – retailer -- consumers
- (iv) Manufacturer – agent – wholesaler – retailer – consumers

Chinese domestic manufacturers usually adopt the second and the third modes, while foreign beauty/skin-care products manufacturers mainly apply the forth mode in sales.

Major distribution channels for beauty/skin-care products in China include: super markets, wholesale markets, department stores, retailing stores and cosmetic shops. In recent years, beauty salosn, hairdresser's and cosmetological schools develop fast, and consumers spend more on skin care and hair. Beauty/skin-care products are the major driving force in the beauty/skin-care market.

China strictly prohibits pyramid selling. Therefore, Avon, MaryKey and Amway who adopted pyramid selling in the past now adopt direct sale. In consequence, the direct sale market has become a major distribution channel for beauty/skin-care products.

8. Main fairs concerning to the sales of the product

10th BHC Beijing 2006

Contact person: Fang Zheng

Tel: 86-10-58220436/37/38

Mobile: 13717596150

Fax: 86-10-58220436

Web: <http://www.newbeauty365.com> (Chinese web)

E-mail: bjsblfy@126.com

Address: Beijing, China

Date: April 10th-12th, 2006

7th BHC Qingdao 2006

Contact person: Mr. Lin Sen

Tel: 86-532-85807385 85820590

Fax: 86-532-85833615

Web: <http://www.chinamrong.com/info/expodetail.php?fid=377>
(Chinese web)

Address: Qingdao City, Shandong province, China

Date: July 17th-19th, 2006

2006 China International Perfume and Convention Exhibition

Contact person: Mr. Lu

Tel: 86-571-87169058, 87656438

Fax: 86-571-87656438

Web: <http://www.chinamrong.com/info/expodetail.php?fid=370>
(Chinese web)

Address: Hangzhou, Zhejiang province, China

Date: April 26th- 28th, 2006

9. Associations and Trade Organizations

Chian Association of Fragrance Flavor and Cosmetic Industry

Address: Room 127, No. 6, East Section of the Chang'an Street,
Beijing

Contact person: Chen Shi-neng (Chairman)

Telephone: 86-10-65239557

Fax: 86-10-65241617

Website: www.caffci.com.cn (Chinese web)

E-mail: caffci@caffci.com.cn

Chamber of Beauty Culture and Cosmetics under the All-China Federation Of Industry & Commerce

Address: Yunjian Tower, No. 34, Zengguang Road, Haidian District,
Beijing, China

Contact person: Zhang Long-zhi (Vice-chairman)

Telephone: 86-10-88516451

Fax: 86-10-88516455

Website: www.chinacbc.org (Chinese web)

Email: info@chinacbc.org

10. Conclusions

1. Despite the fact that it has become the fifth largest personal hygienic and cosmetics exporter, Brazil did not export beauty/skin-care products to China in the past five years.

2. Chinese beauty/skin-care products imports increased continuously in the past five years. In 2004, China imported 7,799 tons beauty/skin-care products that worth USD 138 million, indicating y-o-y growth rates of 36.68% and 75.24%, respectively.

3. In the past five years, China mainly imported beauty/skin-care products from the United States, France and Japan. In 2004, beauty/skin-care products imports from the three countries accounted for 62.45% of total import volume, or 75.6% of total import value.

4. In 2004, the beauty/skin-care market size reached RMB27.19 billion. It is estimated that in the coming years, the market will further expand and consumers will have strong demand for imported high-end cosmetics.

5. China adopts very strict inspection and quarantine measures on beauty/skin-care products imports; such measures include inspection on product quality and microbiology, as well as hygienic and chemical inspection.

6. To enter the Chinese market, we suggest the Brazilian beauty/skin-care products manufacturers to enhance their popularization in China and introduce uniqueness of Brazilian beauty/skin-care products to more Chinese consumers. Brazilian beauty/skin-care products manufacturers can attend exhibitions organized by relevant chambers or associations, or entrust powerful agents to launch promotions.