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# **Market Research on Chinese Imports of Hair-care Products – 2005 –**

Commercial Section

Embassy of Brazil in Beijing

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## **1. Product Definition**

This report covers preparations for use on hair that are under the customs code of 3305 (hereinafter referred to as hair-care products).

## **2. Comments on hairs-care product in China market**

Statistics show that Brazil exported little hair-care products to China in the past five years. Major reasons are: first, China is the largest producer and exporter of hair-care products; second, Chinese consumers are loyal to their accepted brands, and it is hard for a new brand to enter the market; third, less popularization of Brazilian products in China; and fourth, Brazilian products are not as competitive as those from Japan and the United States.

Chinese hair-care products imports increased in the past five years. In 2004, China hair-care product imports reached USD 16.59 million, which increased 45.65% over 2003. In which, shampoo still took the dominant position; besides imports of preparations for permanent waving or straightening and hair lacquers increased fast.

At present, the per capita use of hair-care products is much less than that in the developed countries. This, coupled with the booming Chinese economy, indicates huge market potential for imports, and the high-end products will be the major driving force of the imports.

In the past five years, China mainly imported hair-care products from Japan, South Korea, Indonesia and Spain. In 2004, China imported 1,273 tons of hair-care products from Japan, which increased 209% over 2003. Imports from South Korea, Indonesia and Spain increased as well. Among these imports, quite a lot are produced in China by OEM and then re-exported to China. The numerous beauty salons and hairdresser's are the

major consumer groups of imported hair-care products.

China boasts the largest shampoo production and sales in the world. In 2004, size of the shampoo market exceeded RMB20 billion. In average, a household purchases five bottles of shampoo; besides, market of conditioners and hair gel is also huge (in 2004, it's size was RMB 4 billion, and has great potential).

Currently, the structure of the hair-care product market is quite stable. There are mainly three brand groups competing in the market:

Group 1: Rejoice, Pantene, Vidal Sassoon, Head-Shoulders, Lux, Hazeline of P&G and Unilever;

Group 2: Sleek of C-Bons Group, Sifone of Kao, Fa of Henkel, Colgate-Palmolive and Bainian Runfa;

Group 3: newly emerge brands, like Houdy, Yiranmei, Mingren, Lafang, Bolisi and Liangzhuang, etc.

**Chart 1 Structure of the Chinese Hair-care Product Marke**

<b>Position</b>	<b>Manufacturer</b>	<b>Brand</b>
<b>Group 1</b>	P&G, Unilever	Rejoice, Pantene, Vidal Sassoon, Head-Shoulders, Lux, Hazeline
<b>Group 2</b>	C-Bons Group, Kao, Chongqing Olive	Sleek, Sifone, Olive, Engying, Shunshuang
<b>Group 3</b>	Others	Houdy, Yiranmei, Mingren, Lafang, Bolisi and Liangzhuang

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

## 2.1. Size of the Chinese Hair-care Product Market

Chart 2. Size of the Chinese Hair-care Product Market from 2000 to 2005

Unit: 100 million RMB

	2000	2001	2002	2003	2004	2005
<b>Domestic production</b>	152.76	186.42	200.79	220.29	240.2	
<b>Export</b>	2.09	2.06	2.98	5.20	5.92	6.52
<b>Import</b>	0.82	0.60	0.77	0.91	1.33	1.56
<b>Market capacity</b>	151.49	184.96	198.58	216.00	235.61	
<b>Percentage of imports</b>	0.54%	0.32%	0.39%	0.42%	0.56%	

Source: China Association of Fragrance Flavor and Cosmetic Industry

Sorted by ACMR

Chinese domestic production fluctuated from 152.8 billion RMB to 240.2 billion RMB from 2000 to 2004, the average increase rate to 12.12%. Chinese gross import of hair-care products increase to 1.33 billion RMB, which is the most import from 2000 to 2004. And the percentage of imports increases to 0.56% in 2004.

Chinese hair-care products export sum mainly shows increase trend from 2000 to 2004, especially, the export sum to 5.2 billion RMB, up 74.5% from the previous year in 2003.

Along with the consumer standard of living increase, the market capacity of hair-care products enlarge, to 235.61 billion RMB, up 9.07% from the previous year in 2004.

## 2.2. Chinese Imports of Hair-care Products

Chart 3 Chinese Imports of Hair-care Products from 2000 to 2005  
(Volume)

Unit: tons

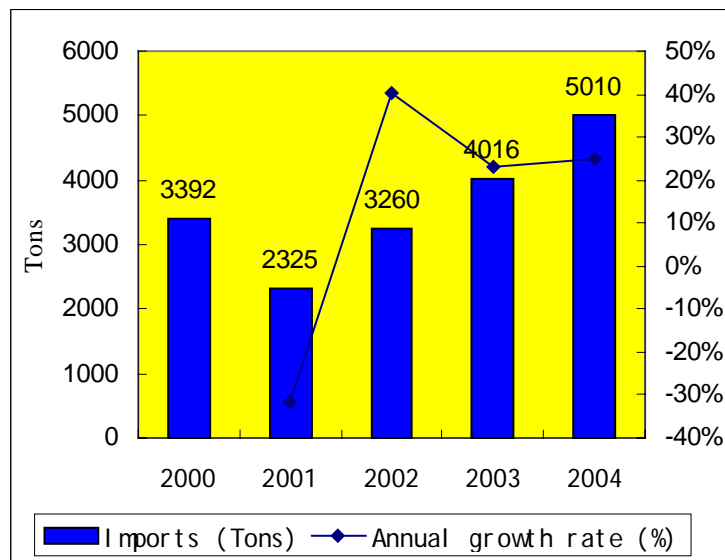


Chart 4 Chinese Imports of Hair-care Products from 2000 to 2005  
(Volume)

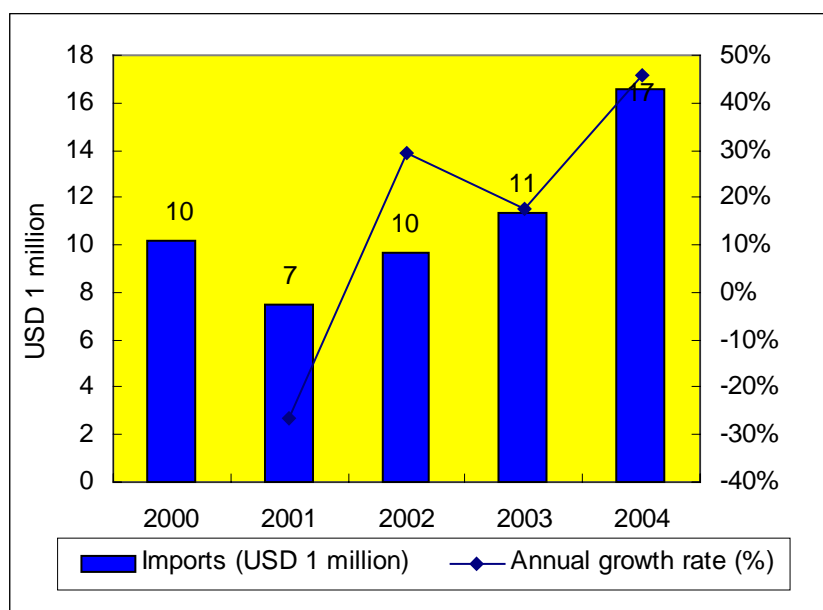
	2000	2001	2002	2003	2004	2005
<b>Imports (Ton)</b>	3392	2325	3260	4016	5010	5758
<b>Annual growth rate (%)</b>		-31.46%	40.22%	23.19%	24.75%	14.93%

Source: China Customs

Chinese imports of hair-care products declined to 2.3 thousand tons; down 31.46% from the previous year in 2001. Nevertheless the import shows increase from 2002, up to 5.01 thousand tons and increase 24.75% from the previous year in 2004.

**Chart 5. Chinese Imports of Hair-care Products from 2000 to 2004 (Value)**

**Unit: USD 1 million**



**Chart 6 Chinese Imports of Hair-care Products from 2000 to 2004 (Value)**

	2000	2001	2002	2003	2004	2005
<b>Imports (USD 1 million)</b>	10.2	7.48	9.68	11.39	16.59	19.46
<b>Annual growth rate (%)</b>		-26.67%	29.41%	17.67%	45.65%	17.29%

Source: China Customs

Chinese hair-care products imports increased in the past five years. In 2004, China hair-care product imports reached USD 16.59 million, which increased 45.65% over 2003. In which, shampoo still took the dominant position; besides imports of preparations for permanent waving or straightening and hair lacquers increased fast.

## 2.3. Origins of Chinese Hair-care Products Imports

Chart 7.Origins of Chinese Hair-care Products Imports from 2000 to 2004

	2000	2001	2002	2003	2004			
					Import (Tons)		Import (USD 1 million)	
					Absolute value	Percentage	Absolute value	Percentage
<b>Japan</b>	156	162	116	412	1273	25.41%	4.61	27.76%
<b>South Korea</b>	405	402	954	999	1094	21.84%	2.15	12.96%
<b>Indonesia</b>	344	208	280	408	633	12.64%	2.68	16.13%
<b>China</b>	10	12	2	372	596	11.89%	1.19	7.19%
<b>Spain</b>	13	1	116	262	498	9.93%	1.95	11.77%
<b>Other</b>	2464	1540	1794	1562	916	18.29%	4.02	24.20%
<b>Total</b>	3392	2325	3260	4016	5010	100%	16.59	100%

Source: China Customs

Along with the life quality increase of China consumers, the gross import of Chinese hair-care products keep increase trends from 2000 to 2004, which main import from Japan, South Korea, Indonesia, China, Spain.

The gross import amount of Chinese hair-care products from these 5 countries increase to 4,094 tons, occupied 81.71% in 2004.

## 2.4. Chinese Exports of Hair-care Products

Chart 8. Chinese Exports of Hair-care Products from 2000 to 2004  
(Volume)

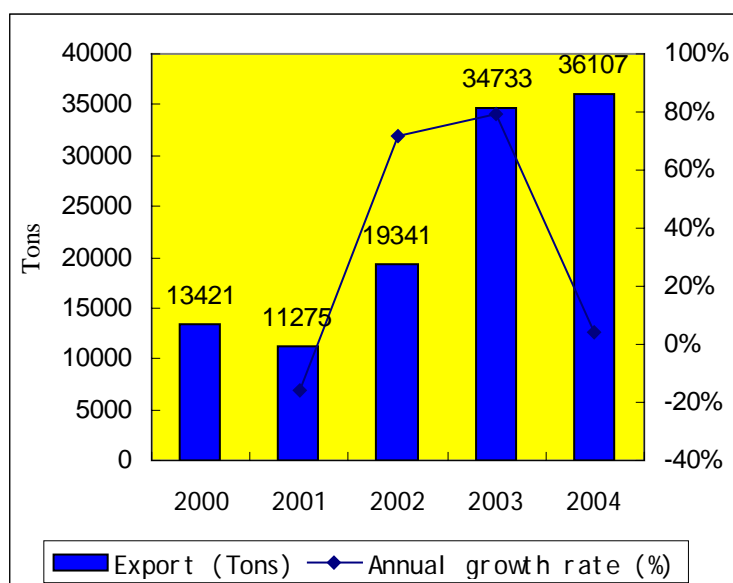


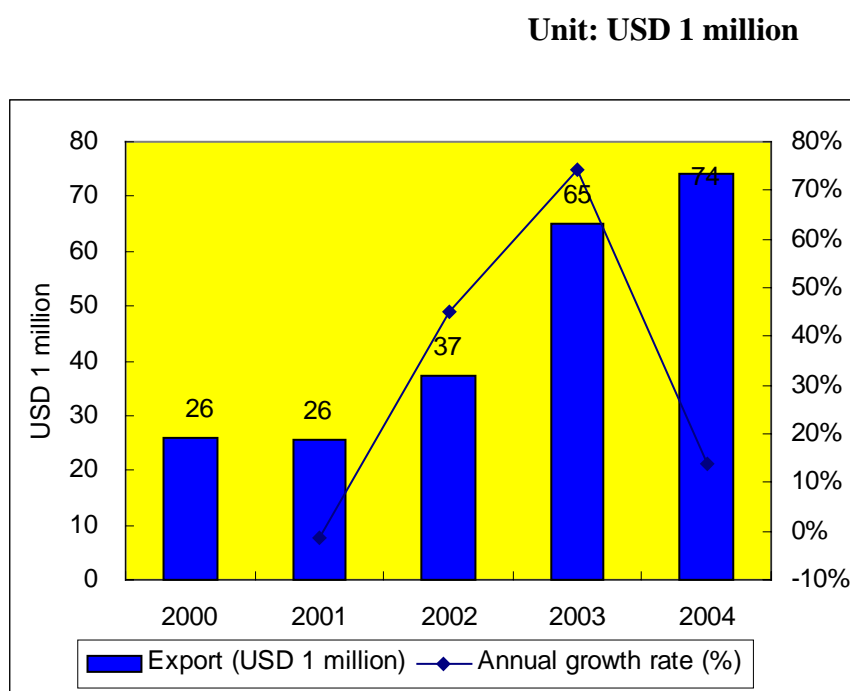
Chart 9 Chinese Exports of Hair-care Products from 2000 to 2004  
(Volume)

	2000	2001	2002	2003	2004
<b>Export (tons)</b>	13421	11275	19341	34733	36107
<b>Annual growth rate (%)</b>		-15.99%	71.54%	79.58%	3.96%

Source: China Customs

Chinese export of hair-care products declined to 11.3 thousand tons, down 15.99% from the previous year in 2001. But the export amounts of hair-care products was seen a obviously increase to 19.3 thousand tons, up 71.54% from the previous year in 2002. In the same way, the export amount of hair-care products keep the same step growth rate in 2003. The export amount of hair-care products is 36.1 thousand tons, up 3.96% from the previous year in 2004.

**Chart 10 Chinese Exports of Hair-care Products from 2000 to 2004 (Value)**



**Chart 11 Chinese Exports of Hair-care Products from 2000 to 2004 (Value)**

	2000	2001	2002	2003	2004
<b>Exports (USD 1 million)</b>	26.06	25.73	37.29	65.02	73.98
<b>Annual growth rate (%)</b>		-1.30%	44.94%	74.37%	13.78%

Source: China Customs

Chinese export value of hair-care products keeps as same change as that of China hair-care products export amount from 2000 to 2004.

Chinese hair-care products export sum maintained a growing momentum in the past five years. In 2004, although the growth slowed down 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.

## **2.5. Consumption of Hair -care Products in the Chinese Market**

China boasts an enormous shampoo market, which has at least 320 million consumers. However, per capita shampoo consumption in China is less than RMB 10/year, indicating large market potential. Statistics show that an American washes hair five times a week; in Japan, it is 5 times/week, in Hong Kong, it's 7 times/week; in other western countries, it is 6.4 times/week. However, even in more developed urban area in China, the frequency is only 2.5 times/week. Assuming that each Chinese spends RMB 20 on hair-care products each year, the market capacity will reach RMB 24 billion.

At present, consumers' requirements for shampoos are: mid/high-end grade, good effect and natural ingredients. It is estimated that in the future, customers demands are: easy combing, wash away and cure dandruff, nourish hair, eliminate unpleasant smell of hair, shinning hair, fragrance after hair wash and the feeling of freshness.

Special functions and supplementary functions of shampoos are specialized to meet consumers' diversified demands. Nutritious, natural ingredients and freshness will be the future trend. In addition to the traditional functions (eliminating dandruff and prevent loss of hair), shampoos also adopt new concepts, like sunscreen, vitamin, tartaric acid and extract of animal/plant ingredients, Chinese herbal medicine, wash-free conditioner, etc. to attract consumers.

Other notable trends of shampoo products are various designs of packages and reasonable price.

Packages of shampoos are mainly bottle and bags; specifications of the packages vary (5ml/150ml/200ml/250ml/355ml/400ml/750ml), however, the 200ml and 400ml bottles are the most popular packages in the market. We believe new packages (of wood, glass, paper or metal) in different shapes,

colors and sizes will appear in market.

Mid/high-end products will dominate the market.

### **3. Market access information on the product**

#### **3.1. Influence of Competing Countries**

Hair-care products originate from the United States, Japan and the E.U. dominate the Chinese market.

##### **The U.S. hair-care products**

P&G is the leader of the Chinese hair-care product market. Its sub-brands, including Rejoice, Pantene, Vidal Sassoon and Head-Shoulders, take a large market share.

Mainly using Chinese domestic materials;

Faces young and middle-aged female consumers in the urban area;

Most products are 2-in-1 (shampoo and conditioner);

Emphasizes its product quality;

Reasonable price.

##### **British hair-care products**

Unilever is another market leader in the Chinese hair-care market. It owns famous sub-brands (Lux and Hazeline). Unilever products present similar features as those of P&G, and its products dominate the mid/high-end hair-care market in China.

### **Japannes hair-care products**

Most Japanese shampoos are imported high-end products that are available in fancy department stores in large cities, like Shiseido and Kose. Usually, shampoos and conditioners are available in separate packages. Japanese products emphasize repair function, rich nutrition and many fragrances, as well as new concepts (vitamin, protein, extract from plants, etc.) These products are purchased by stable consumer groups.

Hair-care products from South Korea and Taiwan mainly focus mid/low-end market, and take small market shares.

## **3.2. Transportation and Technological Requirements of Hair-care Products**

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

Hair-care 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**

At present, Brazil does not export hair-care products to China; however, as Brazil is the fifth largest personal hygienic and cosmetics exporter in the world, and hair-care products is an important category of its exports, we are confident that Brazilian hair-care products will be exported to China in the coming years.

To enter the Chinese market, Brazilian hair-care products should be very competitive in price to survive in fierce competition; in addition, large investment in advertisement is also quite necessary. Market leader, like P&G and Unilever spend millions in launching ads in TV, magazines and newspapers to promote their products.

The established distribution channels and logistics systems are essential in distributing large volumes of hair-care products in the vast Chinese market. The Brazilian manufacturers need to take this into consideration.

We'd suggest the Brazilian manufacturers to demonstrate uniqueness of their products to survive the intensified competition in the Chinese market.

## 4. Major Hair-care Product Importers

### Major Hair-care Product Importers

Company	Location	Telephone	Fax	Email/website
Beijing Pacific Ocean Logistics Corp., Ltd.	Beijing	86-10-69410871	86-10-69411788	<a href="http://www.bpl.com.cn">http://www.bpl.com.cn</a> (Chinese and English web) bp1-bj@bpl.com.cn
China Base Jiayuan Import & Export Co., Ltd.	Beijing	86-10- 82076324	86-21- 82076325	cbjy@vip.sina.com
DiChain Logistics Service (Shenzhen) Co., Ltd. (short for "DiChain Longistics")	Shenzhen	86-755-83591223	86-755-83591236	<a href="http://www.dichainasia.com.cn/">http://www.dichainasia.com.cn/</a> (Chinese and English web) marketing@dichainasia.com.cn
SHISEIDO (China) Invest Corp., Ltd.	Shanghai	86-21-62798379	86-21-38950023	chenglifeng@shiseido.cn
Shanghai Shenyuan Int' Logistics Corp., Ltd.	Shanghai	86-21- 62207750	86-21-62207753	<a href="http://www.goldgu.cn/CH/lianxiwomen.htm">http://www.goldgu.cn/CH/lianxiwomen.htm</a> (Chinese, English and Japanese web) linrong@goldgu.cn
Shanghai Yike Industry Co., Ltd.	Shanghai	86-21-64462233	86-21-64012330	<a href="http://www.echochina.cn/">http://www.echochina.cn/</a> (Chinese Web) CNMS@PUBLIC9.STA.NET.CN
Shanghai Nlosh	Shanghai	86-21-65954412	86-21-65954405	<a href="http://www.nlosh.com/">http://www.nlosh.com/</a>

Logistics Co., Ltd.				(Chinese web)
Yingkou Sanxi Maching Ltd.	Yingkou	86-417-6235172	86-417-6235171	yksan1@mail.ykptt.ln.cn
LVMH Group (China)	Shanghai	86-21-58683900	86-21-58667703	<a href="http://www.lvmh.com.cn/">http://www.lvmh.com.cn/</a> (English Web)

Source: China Customs, checked by ACMR

## 5. Relevant Taxes

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

Customs code	Product	General	MFN
33051000	Shampoos	150	10.6
33052000	Preparations for permanent waving or straightening	150	15
33053000	Hair lacquers	150	15
33059000	Others	150	10

Source: China Customs

In addition, the consumption tax rates of hair-care products were 8% in 2005.

Chinese government adjusted the consumption tax of hair-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:

Skin-care: vanishing cream, balm, lotion, cleanse cream, talcum powder, prickly-heat powder, compressed powder and powder;

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.;

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 tests

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 ingredient 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 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 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 country 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 Derived 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 penal of the MOH.

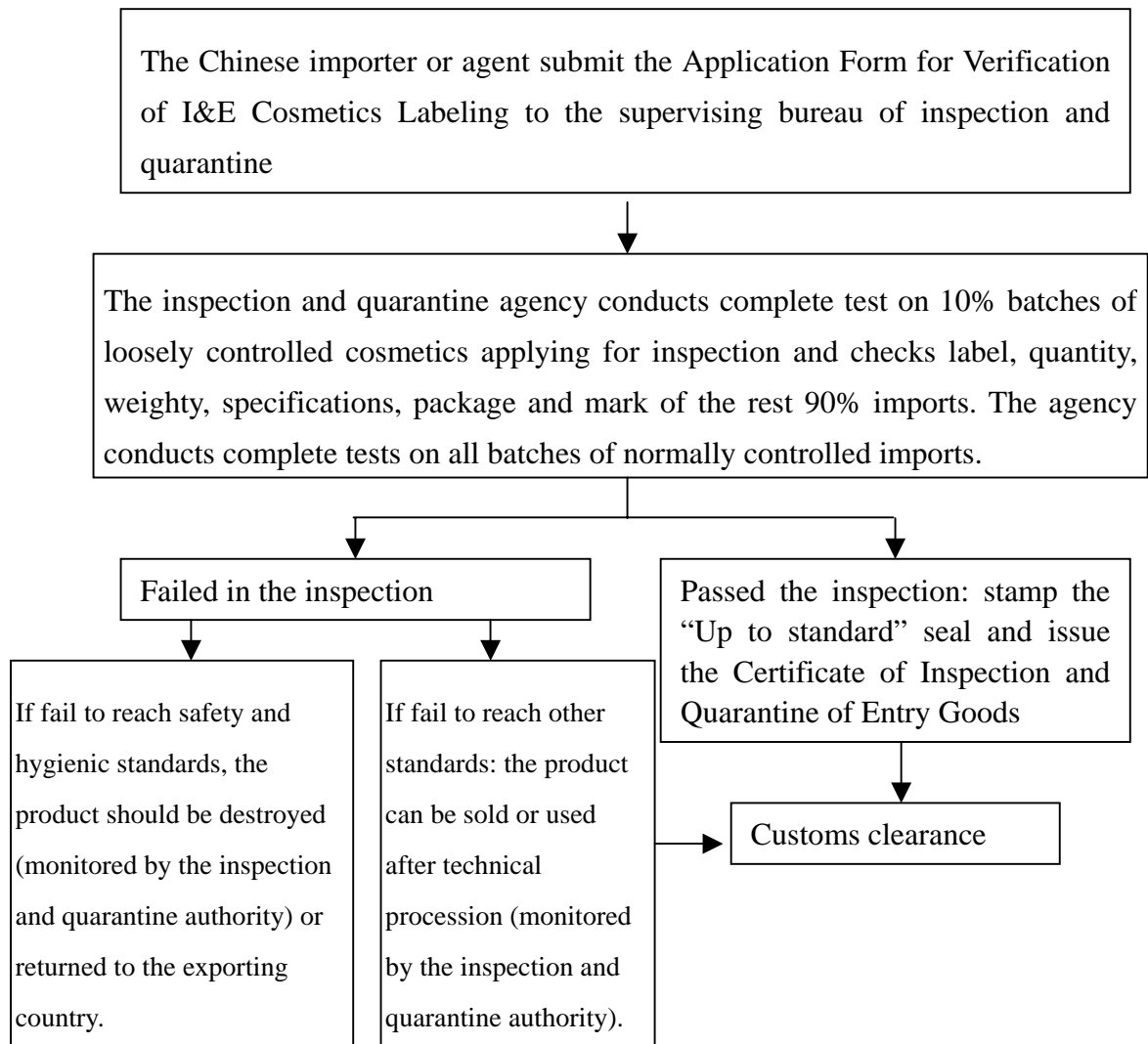
(ii) The official quarantine certificate should be issued by government authorities in charge of cosmetics inspection and administration. The certificate should clearly identify the relevant government authority's name, the manufacturers and its address, proper or common name of the product, the agency 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**

<b>Standard</b>	<b>Name</b>
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 Hair-care Products**

In general, hair-care products are distributed mainly through three types of channels:

1. Manufacturer – retailer – consumers

2. Manufacturer – wholesaler – retailer – consumers (mainly adopted in distribution of consumer goods) or manufacturer – agent – retailer -- consumers

3. Manufacturer – agent – wholesaler – retailer – consumers

China strictly prohibits pyramid selling. Therefore, Avon, MaryKay and Amway began to adopt direct sale. In consequence, the direct sale market has become a major distribution channel for hair-care products.

## **8. Main fairs concerning to the sales of the product**

### **10<sup>th</sup> BHC Beijing 2006**

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Address: Beijing, China

Date: April 10<sup>th</sup>-12<sup>th</sup>, 2006

### **7<sup>th</sup> 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>

Address: Qingdao City, Shandong province, China

Date: July 17<sup>th</sup>-19<sup>th</sup>, 2006

### **2006 China International Perfume and Convention Exhibition**

Contact person: Mr Lu

Tel: 86-571-87169058, 87656438

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

Address: Hangzhou, Zhejiang province, China

Date: April 26<sup>th</sup>- 28<sup>th</sup>, 2006

## **9. Associations and Trade Organizations**

### **China Association of Fragrance Flavor and Cosmetic Industry**

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

Contact person: Chen Shi-neng (Chairman)

Telephone: 86-10-65239557

Fax: 86-10-65241617

Website: [www.caffci.com.cn](http://www.caffci.com.cn) (Chinese web)

E-mail: [caffci@caffci.com.cn](mailto:caffci@caffci.com.cn)

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

Address: Yun Jian 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](http://www.chinacbc.org) (Chinese web)

Email: [info@chinacbc.org](mailto:info@chinacbc.org)

## **10. Conclusions**

1. Brazil did not export hair-care products to China in the past five years despite the fact that it is the fifth largest personal hygienic and cosmetics exporter in the world;

2. Chinese hair-care products imports increased in the past five years. In 2004, China hair-care product imports reached USD 16.59 million, or 5,010 tons, indicating y-o-y growth of 24.75% and 45.65%, respectively;

3. In the past five years, China mainly imported hair-care products from Japan, South Korea, Indonesia and Spain. In 2004, Japanese imports increased by six folds and ascended to the largest hair-care products exporter to the Chinese market;

4. In 2004, size of the Chinese shampoo market reached RMB 23.561 billion. It is estimated that the market size will further expand, and the demand for high-end imported hair-care products will increase significantly;

5. China adopts very strict inspection and quarantine measures on hair-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, Brazilian hair-care manufacturers should enhance popularization of their products to reveal uniqueness of Brazilian products to Chinese consumers; establish distribution and logistics systems and attract Chinese consumers by competitive prices.