

Below are the 15 countries that exported the highest dollar value worth of beauty cosmetics and skincare products during 2016:

France: \$7.3 billion (17.3% of total beauty/skin care exports)

United States: \$4.7 billion (11.3%)

South Korea: \$3.4 billion (8.2%)

Germany: \$3.2 billion (7.6%)

Singapore: \$2.8 billion (6.7%)

Japan: \$2 billion (4.7%)

United Kingdom: \$2 billion (4.7%)

Italy: \$1.9 billion (4.5%)

China: \$1.7 billion (4%)

Hong Kong: \$1.4 billion (3.4%)

Poland: \$1.3 billion (3.1%)

Belgium: \$1.3 billion (3%)

Canada: \$1.1 billion (2.6%)

Spain: \$778 million (1.9%)

Switzerland: \$777.5 million (1.9%)

The listed 15 countries shipped 84.9% of all beauty cosmetics and skincare exports in 2016 (by value).

Economic overview

Valued at €77 billion at retail sales price in 2016, the European cosmetics and personal care market is the largest in the world.

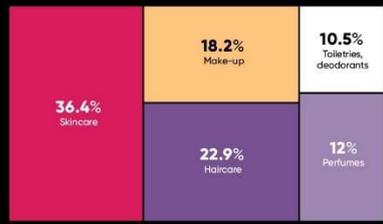
The largest national markets for cosmetics and personal care products within Europe are Germany (€13 billion), United Kingdom (€11.5 billion), France (€11.4 billion), and Italy (€9.9 billion).

GLOBAL MARKET FOR COSMETICS PRODUCTS
(€ BILLION) (COSMETICS EUROPE, 2015)



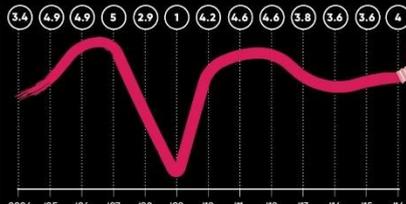
PRODUCT BREAKDOWN OF GLOBAL COSMETICS MARKET

Based on net manufacturer prices excluding soap, toothpaste, razors and blades



Euromonitor 2017

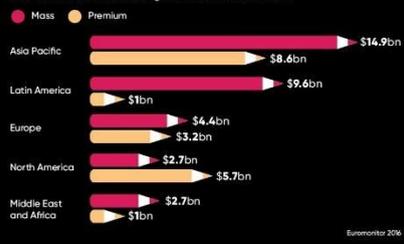
GROWTH RATE OF THE GLOBAL COSMETICS MARKET (%)



Euromonitor 2017

PREDICTED SALES GROWTH OF PREMIUM AND MASS BEAUTY WORLDWIDE

Estimated absolute sales value growth between 2016 and 2021



Euromonitor 2016

TOP 10 BEAUTY AND PERSONAL CARE MARKETS WORLDWIDE (\$BN)



Euromonitor 2017



RACONTEUR

What's driving the surge?

Industry researchers, economists, bankers, and analysts offer a few possible answers:

Mergers and/or acquisitions

- There were 35 strategic acquisitions in the beauty industry in 2011
- Corporate portfolios acquire new brands to broaden their reach in new distribution channels

Innovative products

Premium brands continue to drive innovation in high-tech product development in areas such as:

- Nail polish
- Eco-products
- Skin care

Channel	2011 acquisitions
Skincare	13
Color cosmetics	8
Haircare	13

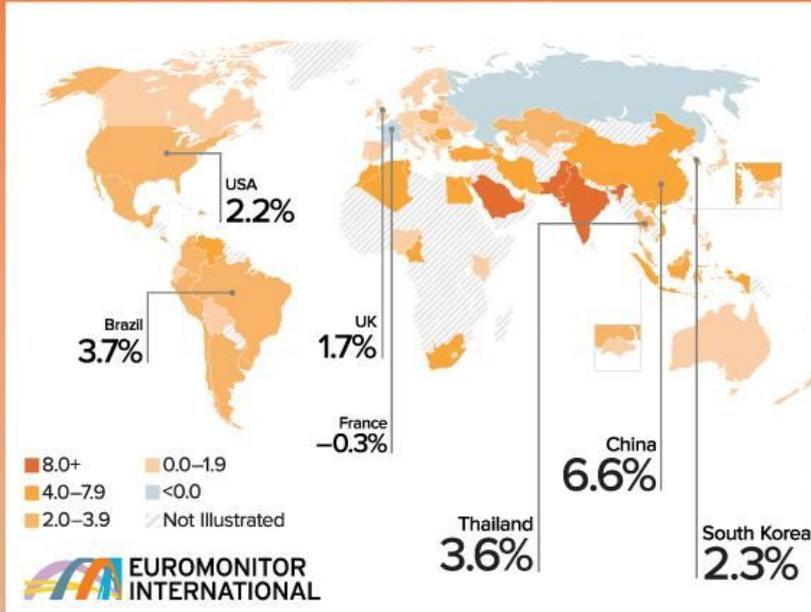
Increased discretionary spending

The increase in the personal consumption growth rate signals "the consumer becoming more confident" spending on themselves, says Robert Brusca, chief economist at Fact & Opinion Economics

More advertising

Personal Care Products companies spent nearly \$6.5 billion on advertising in 2011, a 5.6% increase from 2010

Beauty and Personal Care Market Size Forecast 2015-20, % CAGR

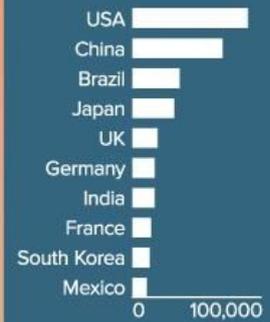


2020 Global Beauty Market



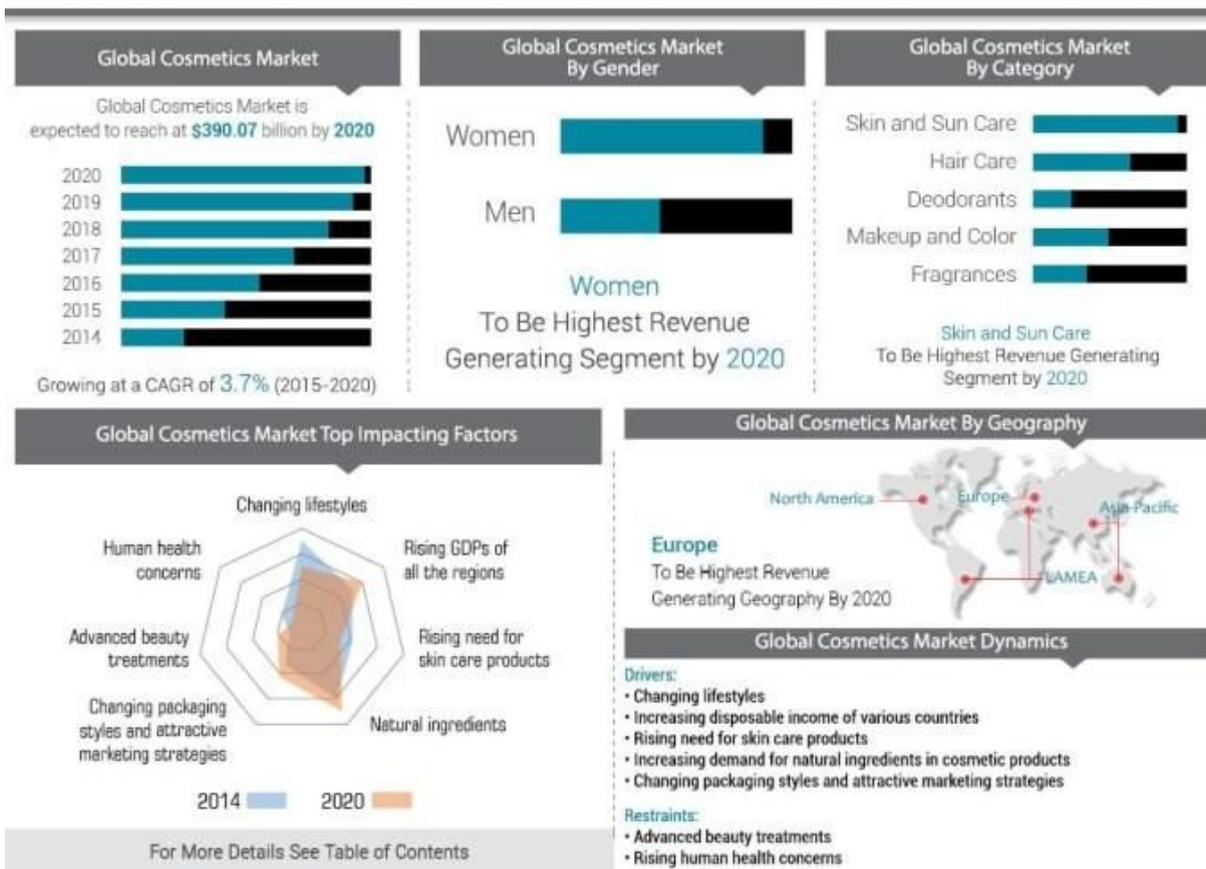
Global Colour Cosmetics, 14%

Top 10 Beauty Markets market size, US\$mn, 2020



Global Cosmetics Market

Size and Forecast (2014 - 2020)



TURKISH COSMETICS MARKET

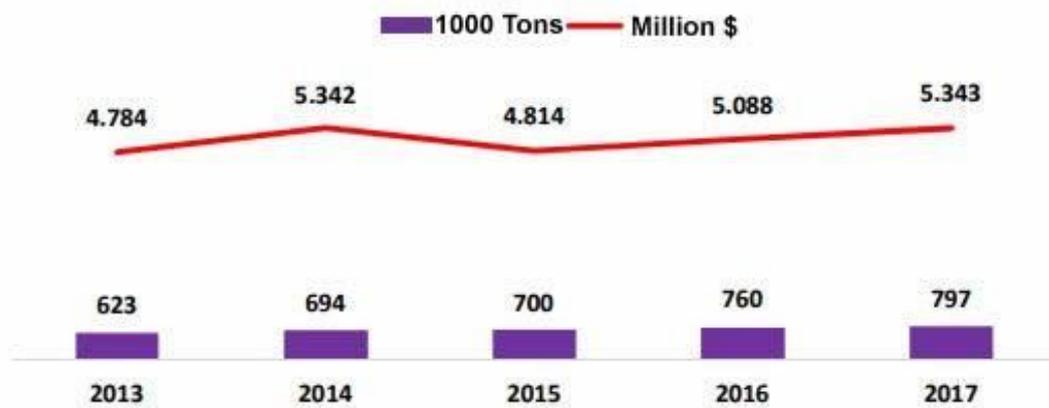
Global cosmetics market size is estimated to be 300 Billion Euros whereas Turkey cosmetics market size is around 5.5 Billion Euros. Researches state that even during the periods of economic crisis, the demand for cosmetics products do not decrease in fact it continues to increase despite the crisis. This situation is a valuable indicator to demonstrate the growth potential of the market.

Turkey creates a bridge between European companies that have powerful market shares, Asia and Pacific companies that have strong growth rate and Middle East countries that have a high demand for cosmetics and personal care products.

Looking at the developments in the cosmetics sector, especially in the last 10 years Turkish cosmetics market is growing rapidly by nearly %10 annually. Also, Turkish companies continue to extend their product ranges and varieties as well as increase their investments nationally and internationally.

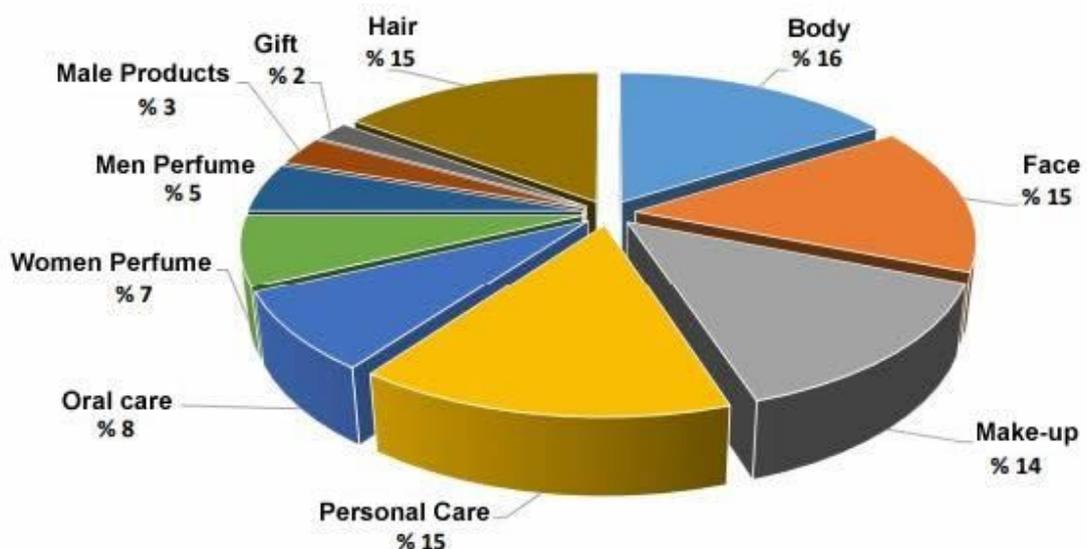
There are many factors that can be attributed to the growth of Turkish cosmetics market, primarily due to Turkey becoming a center of attraction for global cosmetics market with

huge investments coming in. One reason is that Turkey being the youngest and 2nd largest population of Europe with 29 age average and 80 million respectively resulting in rapid increase of cosmetics consumption alongside with increased demand for organic and herbal products and increasing number of tourists who come to Istanbul and Mediterranean cities for shopping attracts cosmetics companies worldwide to enter the Turkish market. Turkey's high manufacturing capacity and logistic advantages results in European cosmetics manufacturing shift to Turkey which creates numerous opportunities for the Turkish market. As of 2017, Turkish cosmetics industry exports to more than 190 countries and export volume is increased by 170% in the last 10 years.



Turkish Cosmetics Consumption

Source: TÜİK ve ITC Trade Statistics

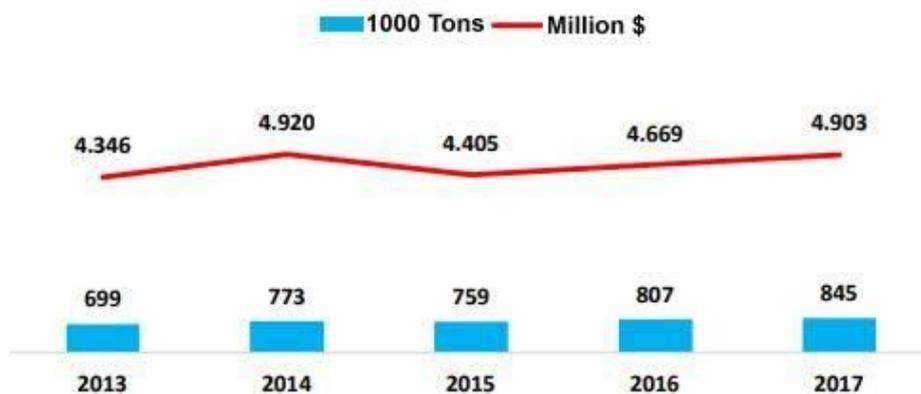


Turkish Cosmetics Consumption by Products

Source: TÜİK ve ITC Trade Statistics

COSMETICS MANUFACTURING IN TURKEY

Many multinational cosmetics companies have manufacturing and sales operations in Turkey and many foreign investors manufacture in Turkey with licensing agreements, contract manufacturing and joint ventures. Turkish cosmetics market shows a significant growth by 10% annually, and imported products constitutes majority of cosmetics products sold in the market. Shaving products, depilatory products, shower gels, shampoos, soaps, lip and eye make-up products, deodorants, perfumes, colognes, wet wipes and diapers are the major products manufactured in Turkey. Manufacture of natural, organic and herbal products are becoming popular in Turkey day by day, which many small sized companies operate in. Especially, the world famous daphne oil and olive soap are manufactured in Turkey in vast amounts. There are 5.000 companies operating in Turkish cosmetics sector including manufacturers, exporters, importers and distributors which employ 120.000 people according to estimations. 170.000 cosmetics products including 46.000 domestic are distributed in Turkey and products are being sold in 220.000 retail points of sale including supermarkets, retail chains, discount stores, concept stores, pharmacies, perfumeries, cosmetics chains and department stores.



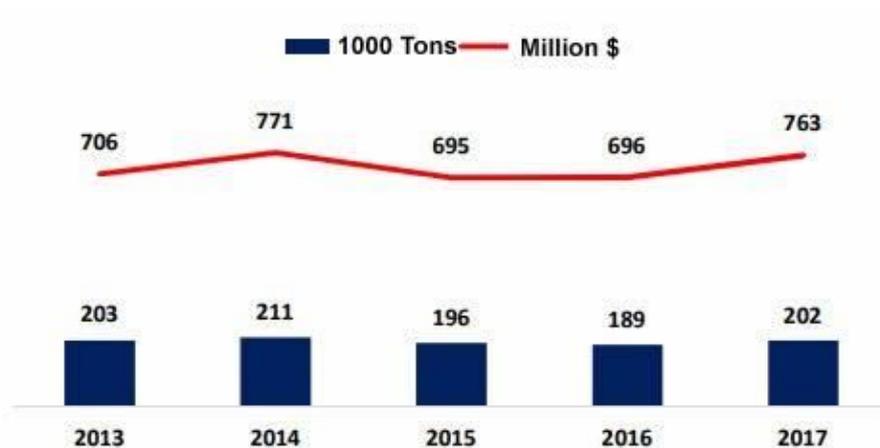
Turkish Cosmetics Manufacturing

Source: TÜİK ve ITC Trade Statistics

TURKISH COSMETICS TRADE

EXPORTS

Turkey's cosmetics exports have been growing for 10 years, reaching 763\$ Million in 2017. Shaving products and deodorants are the primary exported products amounting 288\$ Million followed by hair products by 153\$ Million and color cosmetics, make-up products, skin care products by 139\$ Million. Additionally, Turkey's exports of soaps, detergents and other cleaning products reached 783\$ million value in 2017, reaching a total of 1.55\$ Billion in two sectors.



Turkish Cosmetics Exports

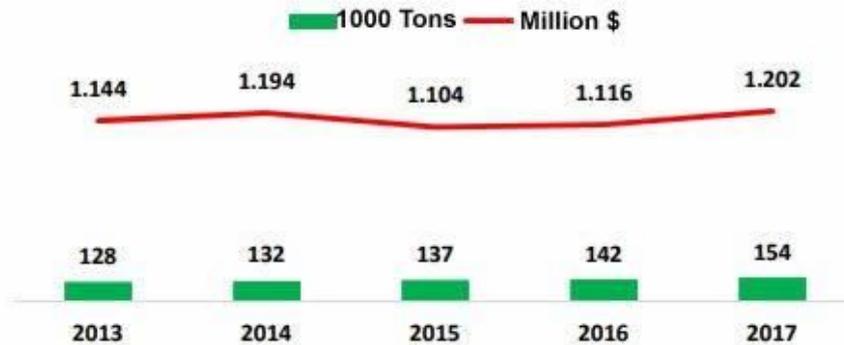
Source: TÜİK ve ITC Trade Statistics

TURKEY'S COSMETICS EXPORTS BY COUNTRIES 2017 (1000\$)

- 1- Iraq 101.906
- 2- Iran 60.027
- 3- France 29.481
- 4- Saudi Arabia 27.507
- 5- Germany 27.216
- 6- Russia 26.031
- 7- England 25.357
- 8- U.A.E. 25.083
- 9- Libya 23.846
- 10- Azerbaijan 17.491
- 11- Romania 16.725
- 12- Poland 15.296
- 13- Algeria 14.982
- 14- Netherlands 13.783
- 15- Ukraine 13.194

IMPORTS

Turkey's cosmetics imports reached 1.1\$ Billion in 2017 and increases stably year by year. Raw materials and ingredients compose the biggest import proportion followed by make-up products, skincare products and hair products.



Turkish Cosmetics Imports
Source: TUIK ve ITC Trade Statistics

TURKEY'S COSMETICS IMPORTS BY COUNTRIES 2017 (1000\$)

- 1- Germany 173.948
- 2- France 156.815
- 3- Ireland 106.771
- 4- Poland 71.136
- 5- England 68.798
- 6- Romania 66.137
- 7- Switzerland 65.170
- 8- U.S.A. 62.314
- 9- Italy 50.798
- 10- India 42.794
- 11- Netherlands 40.557
- 12- Spain 33.521
- 13- China 33.152
- 14- Slovakia 21.924
- 15- Belgium 12.905