



Centre for ASEAN Studies



Centre for International Management  
and Development Antwerp

ISSN-2031-4027

## **Market profile: potentials for make-up cosmetics exports of Thailand to Japan<sup>1</sup>**

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**ASEAN Business Case Studies No 32**

**August 2013**

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## Abbreviations

HS	Harmonized System
WCO	World Customs Organization
HTS	Harmonized Tariff Schedule
NTL	Non-Tariff Line
FDA	Food and Drug Administration
EPA	Economic Partnership Agreement
GDP	Gross Domestic Product
JPY	Japanese Yen
MHW	Ministry of Health and Welfare in Japan
WTO	World Trade Organization

## Executive summary

The purpose of this market profile is to describe the cosmetics market in Japan and identify the future prospects for new cosmetic suppliers entering the market. This market profile can be used as a guideline for new Thai cosmetic manufacturers or exporters to conduct a business plan to enter the Japan cosmetics market, as well as by Thailand's export promotion agency.

Japan is the world's second largest beauty market with JPY 1.4 trillion (US\$ 17.5 billion/EUR 12.7 billion) in 2011. The most significant categories in value terms in the industry are skin and body care products, and hair care products. The cosmetics market in Japan is known to be one of the most sophisticated and competitive markets worldwide. Over 1,000 cosmetic manufacturers operate in Japan, including foreign companies. The Japanese cosmetics market places high value on quality and functionality, and is also a trend-setting market for the rest of Asia.

Japan's beauty and personal care product market in a broader sense is reportedly over 40% of the aggregate Asia-Pacific markets. From the viewpoint of not only the size but also the trend and market demand, Japan can be regarded as a gateway to the Asian markets. Success in the Japan market can raise brand profile and visibility in other international markets, particularly in Asia.

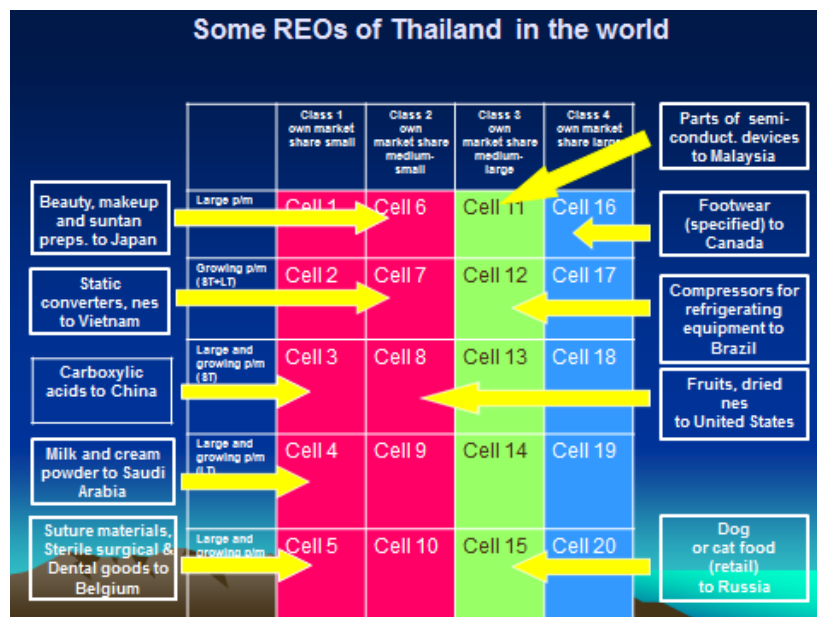
Japan is a great potential market as it offers competitive imported brands and products rewarding opportunities. According to the Cosmetic Importers Association of Japan, the import value of cosmetics in January–June 2012 reached JPY 95.5 billion (US\$ 1.1billion/EUR 868 million). All categories, Fragrances, Make-up cosmetics, Skin care cosmetics and Hair cosmetics surpass the value of 2011. Total imports of make-up cosmetic products amount at JPY 10.7 billion.

# 1. Introduction

This market profile illustrates the Japanese market of beauty or make-up cosmetic products and is intended for the use of Thailand's manufacturers and exporters, as well as for Thailand's export promotion agencies.

The analysis conducted starts from the realistic export opportunities (REOs) as detected using the decision support model approach (see Cuyvers, Steenkamp and Viviers, 2012). Together with other opportunities, "Beauty, make-up and suntan preparations, not elsewhere specified" HS 330499, was found to offer interesting export potentials in Japan.

**Figure 1: Some REOs of Thailand in the world according to Thailand's market position and import market characteristics**



According to Figure 1, the export opportunity investigated is in a large import market. Moreover, Thailand is already exporting the products which belong to HS 330499 to the Japanese market, for which it has already a moderately low market share (see Cell 6 in Figure 1).

In the recent past world imports of beauty, make-up and suntan preparations n.e.s. have been growing at an annual rate of 16.4 %, and during the 2003-2007 period world imports expanded at an annual rate of 15.8 %. The growth of the Japanese import market of HS 330499 is however not above the minimum growth threshold values of 17.8 % and 6% for long term and short term growth, which were set in the DSM calculations. The Japanese market is large in size and Thailand has a considerable comparative advantage in exporting beauty, make-up and suntan preparations n.e.s., as the country's market share of this product group in the world exports is ca. 828 % of its average market share in world exports.<sup>7</sup>

<sup>7</sup> This percentage is measured by the so-called "revealed comparative advantage index":  $RCA = (X_{Thailand}^{HS330499} / X_{Thailand}^{total}) / (X_{World}^{HS330499} / X_{World}^{total})$ , where  $X_{Thailand}^{HS330499}$  and  $X_{World}^{HS330499}$  stands for total exports of HS 330499 of Thailand and the world, respectively, and where  $X_{Thailand}^{total}$  and  $X_{World}^{total}$  denotes total exports of Thailand and of the world respectively. A country is considered as having a revealed comparative advantage if  $RCA \geq 1$ . Thailand's RCA for beauty, make-up and suntan preparations n.e.s. is 8.28.

Taking the average value of Japan's beauty, make-up and suntan preparations n.e.s. imports of the exporting countries which represent 80 % of the total Japanese imports of this product group as an indicator of the potential export value of the REO for Thailand, this amounts at 115,733,000 USD.

According to the results of the DSM, import market concentration of the US market of HS 330499, which is measured by the Herfindahl-Hirschman index (see Cuyvers, Steenkamp and Viviers, 2012) is 0.24, and therefore also passes the assigned threshold values of import market concentration.

No attempt was made to assess and quantify the various factors affecting market access for beauty, make-up and suntan n.e.s., but rather to look at the index for revealed absence of trade barriers

$$m_{i,j} = \frac{\frac{X_{Indo,i,j}}{X_{Indo,j}} + \frac{X_{Mal,i,j}}{X_{Mal,j}} + \frac{X_{Fil,i,j}}{X_{Fil,j}} + \frac{X_{Sing,i,j}}{X_{Sing,j}}}{\frac{X_{World,i,j}}{X_{World,j}}}$$

where  $X_{k,i,j}$  stands for the exports of country  $k$  (Indonesia, Malaysia, Philippines, Singapore, or the world, respectively) of product  $i$  (here HS 330499) to country  $j$  (here Japan),  $X_{k,j}$  for total exports of country  $k$  to country  $j$  (Cuyvers, Steenkamp, Viviers, 2012:10). It appears that the four ASEAN countries considered are exporting beauty, make-up and suntan preparations n.e.s. to Japan and that  $m_{i,j} = 10.74$ , which is well above the threshold value of 0.95 used (Cuyvers, Steenkamp, Viviers, 2012: 11). It implies that these ASEAN competitors have a comparative advantage in the Japanese market for beauty, make-up and suntan preparations n.e.s., and that, as a consequence, there is high market accessibility.

## 2. Product description and international market situation

Cosmetics (colloquially known as make-up) are care substances used to enhance the appearance or odour of the human body. They are generally mixtures of chemical compounds, some being derived from natural sources, many being synthetic. They are used for cleansing, beautifying, promoting attractiveness, or altering the appearance without affecting the body's structure or functions. Make-up is mostly done by women and girls. Cosmetics generally include skin-care creams, lotions, powders, perfumes, lipsticks, finger-nail and toe-nail polish, eye and facial make-up, coloured contact lenses, hair colours, hair sprays and gels, deodorants and many other products.

Cosmetics are classified into "make-up cosmetics" including foundation creams, lipsticks and eye make-up, "skin care cosmetics" including facial cream, skin lotion, skin milk and cleansing cream, "hair care products" including hair dye, shampoo and hair treatment, and "special-purpose cosmetics" including sunscreen, "perfume and eau de cologne" including fragrance. Soaps are also classified as cosmetics.

### 2.1 HS code, National Tariff Line (NTL) for the importing country and for Thailand

Specific codes to identify the cosmetics category are as follows:

HS (Harmonized System) Code

- 330499 – Beauty or make-up preparations including sunscreen or sun tan preparations

*National Tariff Line for Thailand*

- 330499.30000 Beauty or make-up preparations including sunscreen or sun tan preparations: Other face or skin creams and lotions
- 330499.90000 Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; Manicure or pedicure preparations
- 330499.10000 Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; Manicure or pedicure preparations: face and skin creams and lotions
- 330499.20000 Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; Manicure or pedicure preparations: anti acne creams

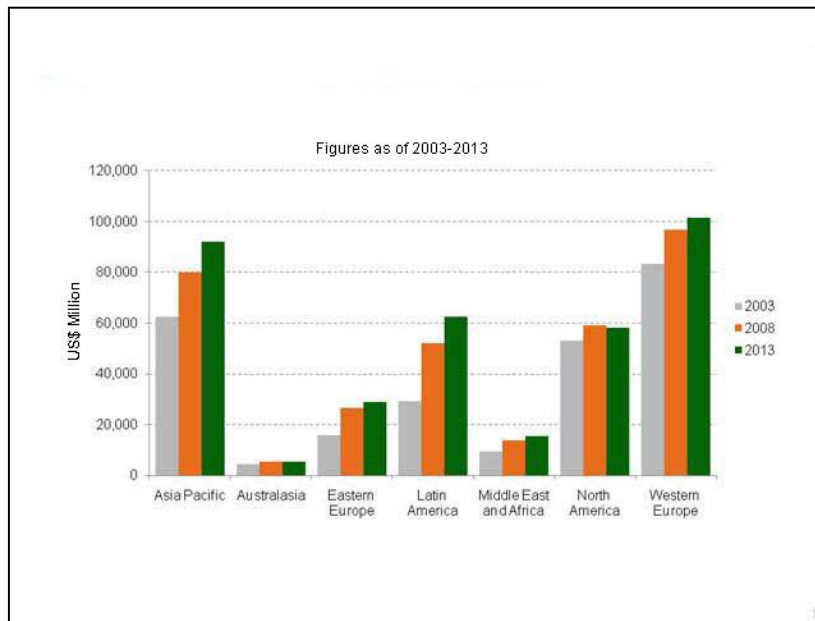
*National Tariff Line code in Japan*

- 330499.011 Beauty or make-up preparations including sunscreen or sun tan preparations; Creams and other preparations with a basis of oil, fat or wax; Foundation creams
- 330499.012 Beauty or make-up preparations including sunscreen or sun tan preparations; Creams and other preparations with a basis of oil, fat or wax; In liquid form
- 330499.019 Beauty or make-up preparations including sunscreen or sun tan preparations; Creams and other preparations with a basis of oil, fat or wax; Other
- 330499.090 Beauty or make-up preparations including sunscreen or sun tan preparations; Other

## **2.2 World production**

Since 2012, the global cosmetics market is expanding annually at a compound rate of 7.7% and is expected to reach 31.84 billion US dollars. The major share consists of the skin and hair care products market. The cosmetics industry is ruled by a very few multinational companies such as the L'Oreal Group, Procter & Gamble Company, Unilever, Shiseido Company Limited, Estée Lauder Company Inc. and a few more upcoming companies. The L'Oreal Group is the largest in the world. Europe is the world leader in the cosmetics market, contributing around 50%. It is also the largest cosmetics exporter in the world with 62% of its production being exported to other parts of the world. Figure 1 shows that Western Europe, Asia-Pacific and North America are the top leaders in the cosmetics market.

**Figure 1: Cosmetics market size in world regions**

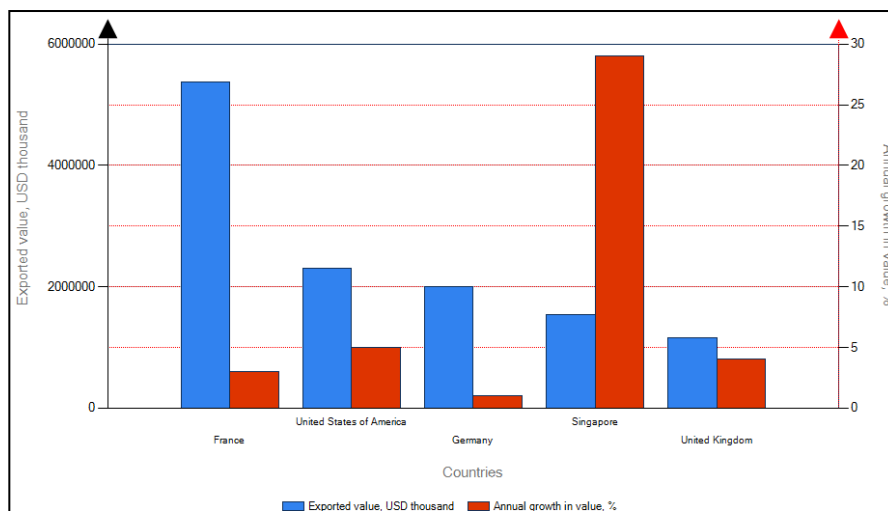


In 2012, the top five producers of make-up cosmetics in the world were:

1. France (exporting 213,127 tons)
2. the United States of America
3. Germany
4. Singapore
5. United Kingdom

**Figure**

**make-**

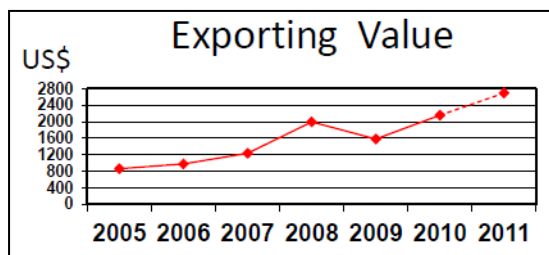


**2: The Top 5  
producers of  
up cosmetics**

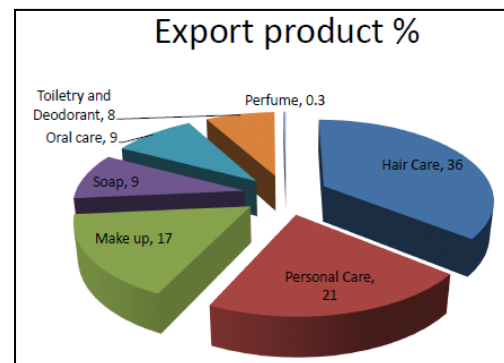
### 2.3 Thailand's production

Thailand is ranked 17<sup>th</sup> in world production. Thailand's cosmetics industry has grown significantly, by 10-20% annually over the past 10 years. Its exports represent 1.28% of world exports for make-up cosmetic products. Thailand is one of the most advanced cosmetics markets in Asia, behind Japan and South Korea, in terms of technology and formulation. In 2011, Thailand's cosmetics industry posted 50 billion Baht (1.2 billion €) in domestic sales and another 6.5 billion Baht (0.2 billion €) in exports. The main cosmetics export product are Hair care (36%), Personal care (21%) and Make-up cosmetics (17%) respectively.

**Figure 3: Thailand Cosmetics Export Value**



**Figure 4: % of Cosmetics Export by Product**



According to Figure 5, the main markets of Thailand's cosmetics are Japan (21%), Indonesia (9%), Malaysia (8%) and the Philippines (8%).

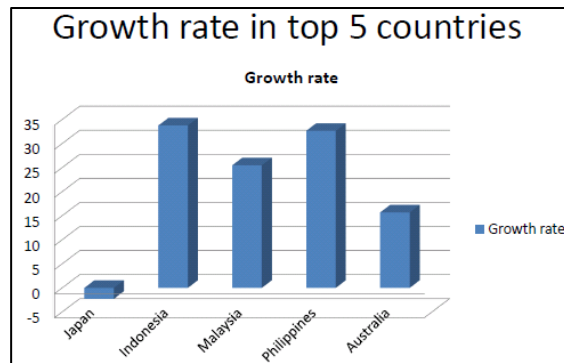
**Figure 5: Top 10 Export Markets**



As indicated before and as shown in Figure 6, the annual percentage growth rate in Japan is very low, such that Thailand will have to put a more suitable export promotion strategy into place to increase its market share in Japan.

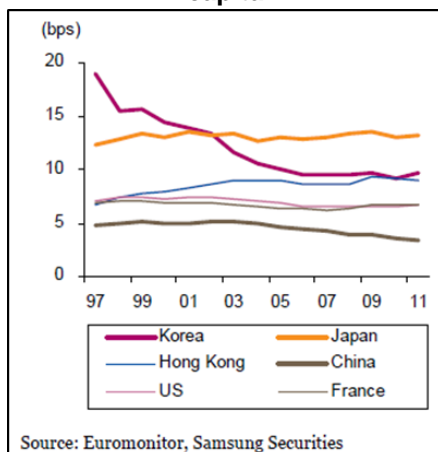


**Figure 6: Annual growth rate of cosmetics imports in the Top 5 Export Markets**



As per Figure 7, the consumption of make-up cosmetics product in Japan tends to increase upon the increase of GDP per capita. In addition, Figure 8 shows that Japan is ranked 3<sup>rd</sup> as men's skincare market, as men are also becoming significant consumers of cosmetics.

**Figure 7: Make-up consumption in GDP per capita**

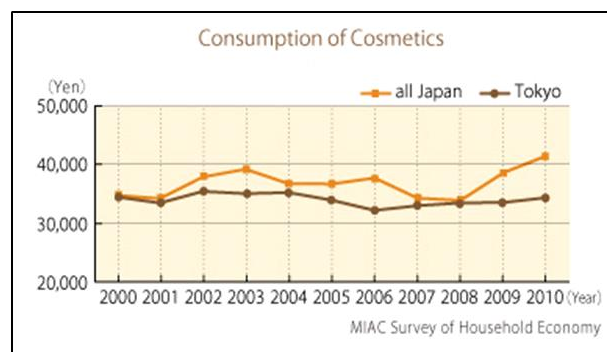


**Figure 8: Global Men's Skincare Market Ranking**



According to the survey on household carried out by the Ministry of Internal Affairs and Communications, the average amounts expended in Japan on cosmetics are JPY 32,000 – 35,500 which is stable in the last 10 years, while in Tokyo, it exceeds JPY 40,000 per household since 2009. Average annual spending per woman JPY 35,510 (~US\$430), with 17 items bought.

**Figure 9: Consumption of Cosmetics in Japan**



### 3. Potential importing markets and market conditions

#### 3.1 World trade characteristics for make-up cosmetic products

The product category 330499 (Beauty or Make-up preparations including sunscreen or sun tan preparations) is forecasted to grow worldwide at the rate of 3.4% over the next five years with the majority of the demand coming from Europe and the Asia-Pacific region. The global annual growth rate for the cosmetics industry is predicted to reach the value of 19.2 billion US\$ by the year 2015 due to rising consumer incomes and changing lifestyles that are driving the global beauty care product industry.

#### 3.2 World imports characteristics

The three largest importers of make-up cosmetics in 2012 were Hong Kong, the United States of America, and the United Kingdom with shares in the world imports of 9.0%, 7.8% and 5.7% respectively.

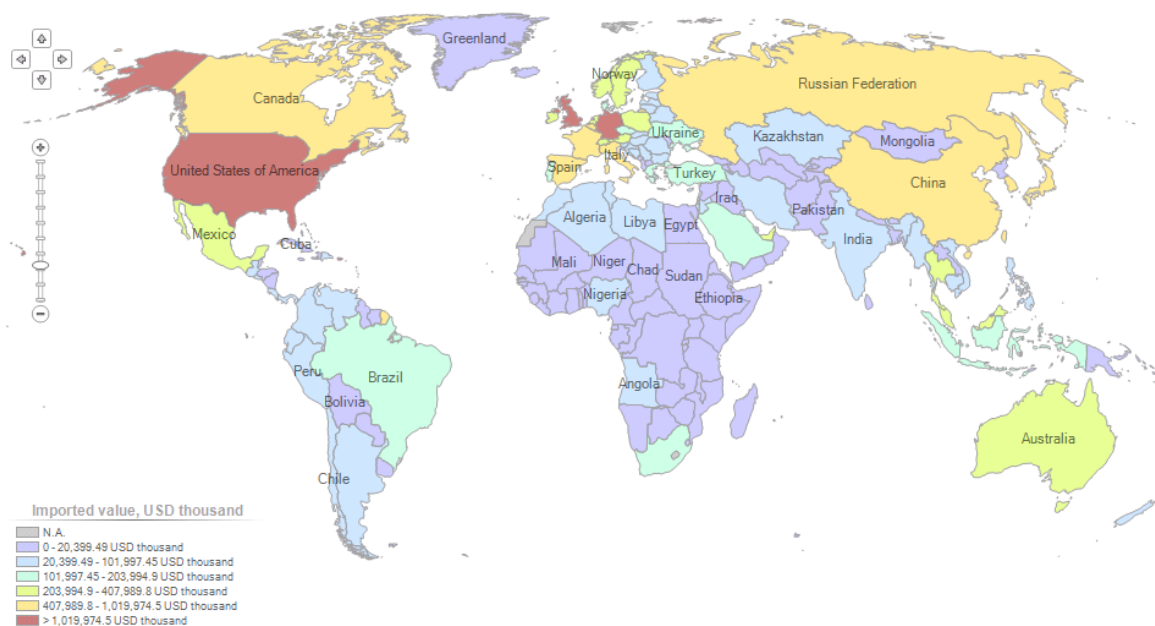
**Table 1: The main importers according to the world imports share of make-up cosmetics in 2012**

Ranking	Importers	Share in World Imports, %
1	Hong Kong	9.0
2	USA	7.8
3	United Kingdom	5.7

Source: Trademap

Figure 10 below shows the map of all the major importers of make-up cosmetics. The main importers in Asia are China, Singapore, Japan and Korea. Japan is ranked 7th in the list of the main importers of make-up cosmetic products. The total quantity imported in 2012 was 21,213 tons with a value of 842.04 million USD.

**Figure 10: Map of the main importers of make-up cosmetics according to value in 2012**



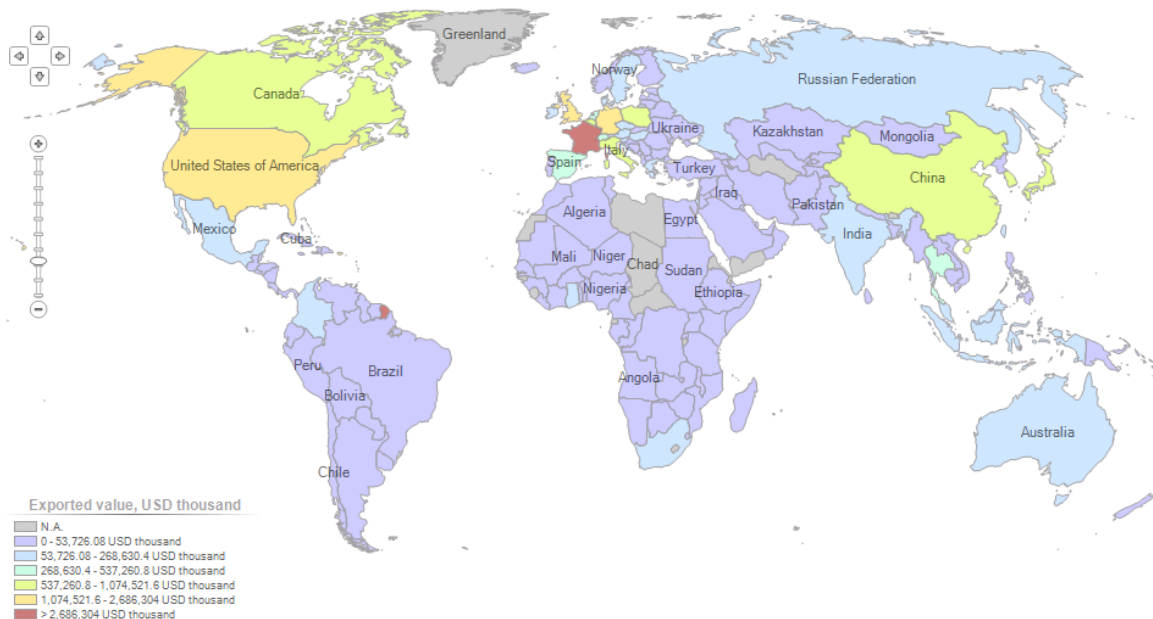
Source: Trademap

### 3.3 World exports characteristics

France, the USA and Germany were the main exporters in 2012, with France ranked 1<sup>st</sup> with 23% of the world exports, while the USA and Germany followed with 9.9% and 8.6% respectively. It follows that these three exporters represented almost 40% of total exports in the world.

The main exporters of cosmetic products are shown in Figure 11 below. The largest exporting country with 23% of the global export share (France) is in red, the other exporting countries are in yellow and green.

**Figure 11: Map of the main exporters of make-up cosmetics according to value in 2012**



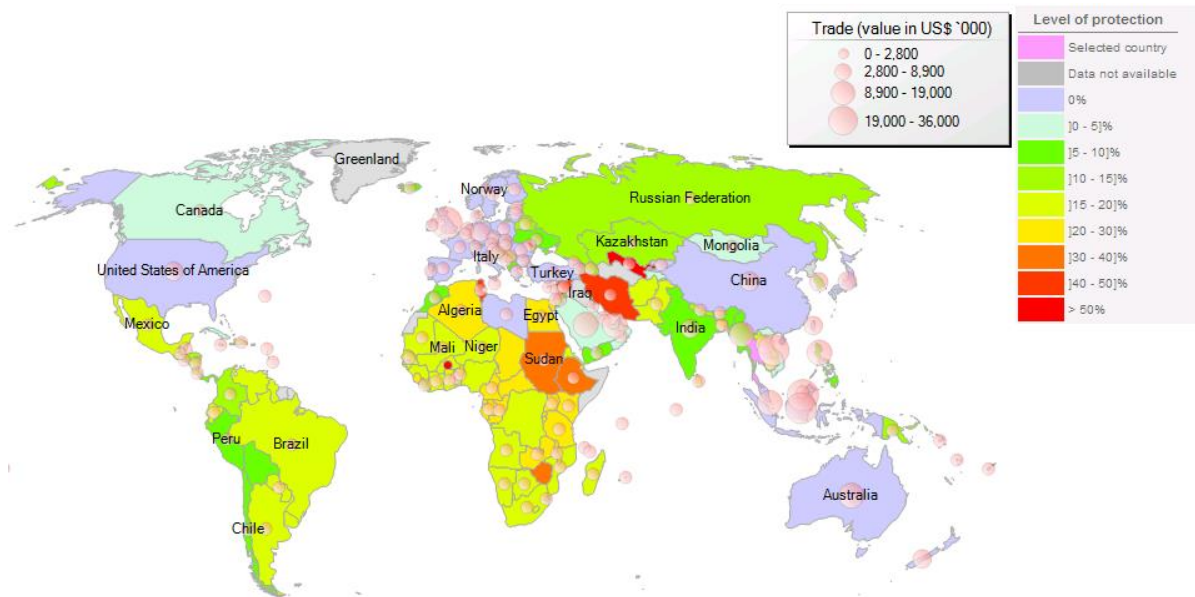
Source: Trade Map

### 3.4 Thailand's export performance for HS 330499

Thailand is the 17<sup>th</sup> largest exporter of cosmetics in the world with a share of 1.3% of the world exports. In 2012, Thailand exported 298,037,000 US\$ worth of cosmetics to the world at a UNSD estimate of 43,567 tons valued at 6,841 US\$ per ton. Cosmetics exports of Thailand have grown 14% in value and 19% in quantity from 2008-2012. In 2012, the three largest market for Thailand's cosmetic export are Indonesia (35,828,000 US\$), the UK (30,520,000 US\$) and Cambodia (25,521,000 US\$) at 12%, 10.2% and 8.6% of export shares respectively.

Thailand faces high tariffs in Australia for cosmetics exports at 20%, followed by 10% in India and Myanmar, and 5% in the United Arab Emirates. However, the Japanese import tariff is 0%.

**Figure 12: Equivalent Ad Valorem Tariffs that importing countries apply to the product “330499 – Beauty or Make-up Preparations including sunscreen or sun tan preparations” originating from Thailand**



### 3.5 Market screening of Thailand's top four export markets

A important instrument for screening potential markets of a product is the Market Attractiveness Index (MAI). The MAI includes factors like import growth, import value, tariff and tariff advantages, and distances to transport cargo.

In analysing the market potentials for HS 330499 (Beauty or Make-up preparations including sunscreen or sun tan preparations) of Thailand, we will look at the top four attractive markets, based on Thailand's 2012 export statistics of beauty products, make-up and skin care products, namely: Korea, Japan, the UK and the US. Korea and Japan are key importers of beauty and cosmetics products in Asia, while the UK and the USA are large markets in the West.

The 2012 value of the cosmetics imports from Thailand by the UK, the USA, Korea and Japan, amounts at 30,520,000 US\$, 2,910,000 US\$, 4,707,000 US\$ and 11,000,000 US\$ respectively, according to Trade Map. The growth of cosmetics imports in value in 2008-2012 from Thailand by the UK, the USA, Korea and Japan was 29%, 33%, 26% and 59% respectively. Tariffs imposed on cosmetics and make-up products imported from Thailand are 0% in the UK, the USA and Japan, while 5 % in Korea. The fees levied on a 20-foot container from Thailand entering the UK, the USA, Korea and Japan is 950 US\$, 1,090 US\$, 665 US\$ and 880 US\$ respectively. These expenses are for documents, terminal handling charges and inland transport, administrative fees for customs clearance, technical control fees, customs broker fees and are not including the tariff duties or trade taxes. Transportation costs from Bangkok port to these countries can be calculated by the distance, being from London, New York, Inchon and Tokyo 9,078, 10,964, 2,620 and 2,991 nautical miles respectively.

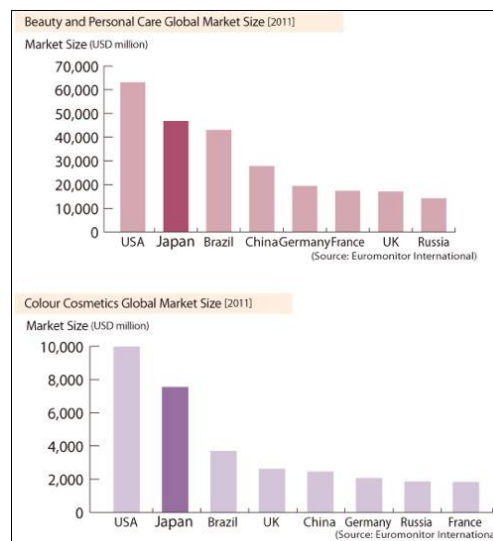
**Table 2: General market characteristics of Thailand's top four export markets**

Importers (imported from Thailand)	%Import Growth in value from 2008-2012	Imported value in 2012 (USD Thousand)	Political Risk	Commercial Risk
South Korea	26%	4707	1	A
Japan	59%	11000	1	B
UK	29%	30520	1	B
US	33%	2910	1	A

Note: Political Risk → 1 is low risk, Commercial Risk → A is low risk

Source: Trademap, ITC calculations based on UN COMTRADE statistics

Considering market attractiveness, among others based on Table 2 and the previous information, Japan ranks second of the four most important potential import markets in import value (11,000,000 US\$ behind the UK at 30,520,000 USD), but Japan ranks first in terms of import growth in value measured from 2008-2012 (59%) and although facing the same 0% import tariff rate as in the UK, transportation costs and fees are lower. Another factor we are considering is Thailand's exports growth of HS 330499 which comes out to be -11% for the UK, 39% for the US, -1% for Korea and 43% for Japan.

**Figure 13: Beauty Global Market Size**

## 4. Japan as target market for Thailand's cosmetics exports

### 4.1 Thailand's trade performance in the target market

Thailand is already exporting cosmetics to Japan, being the 8<sup>th</sup> largest exporter of cosmetics to Japan with a total value imported in Japan of 15,639,000 US\$ and a imports market share of 1.5% (quantity share of 1.9%). The quantity of imports in 2012 was 2,797 tons (5,591 US\$ per unit). The annual growth rate of the cosmetics imports in value amounted at 59% from 2008-2012, and in 2011-2012 43%. From 2008-2012, the cosmetics imports growth rate in quantity of cosmetics from Thailand was 60%.

Moreover, certain segments of product category 330499 from Thailand is also in demand in Japan. These include products like organic cosmetics, which have been on the rise in demand for the past three years and is still in its infancy, worth JPY 2 trillion (with organic skin care, make-up and hair care being the largest

segments). Thailand's cosmetic industry is also moving towards organic products with lots of indigenous plants and herbs for extraction for production. Many global cosmetics companies have already established factories to harvest organic components for their products, so production is of an international standard. Overall, Thailand's cosmetics industry is quickly becoming well-known and accepted worldwide and its standards have risen to meet the global standards, while several Thai brands in the organic cosmetic segment like Erb, Harnn and Thann have already made name in Japan and Europe.

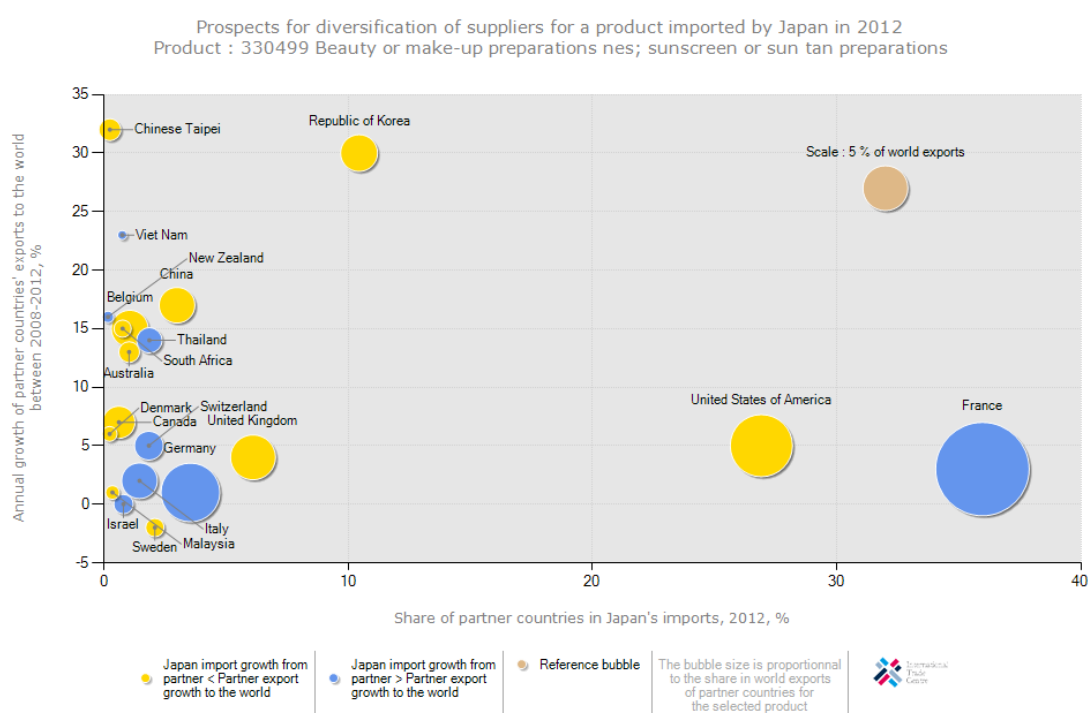
## 4.2 Competition in the target market

The Japanese market of cosmetics is relatively concentrated. In 2012, Japan imported make-up cosmetics from France equal to 4,552 tons.

**Table 3: Top 10 of supplying countries for make-up cosmetics imported by Japan in 2012**

Rank	Exporters	Share in Japan's Imports (%)	Imported Quantity 2012 (Tons)	Imports growth in value between 2008-2012 (% p.a.)
1	France	36	4552	5
2	United States of America	26.9	3623	4
3	Republic of Korea	10.4	4328	21
4	United Kingdom	6.1	1047	3
5	Germany	3.5	559	2
6	China	3	1362	14
7	Sweden	2.1	14	-4
8	Thailand	1.9	2797	59
9	Switzerland	1.8	171	6
10	Italy	1.5	219	7

**Figure 14: List of supplying countries for the make-up cosmetics product imported by Japan in 2012**



## 5. Country overview

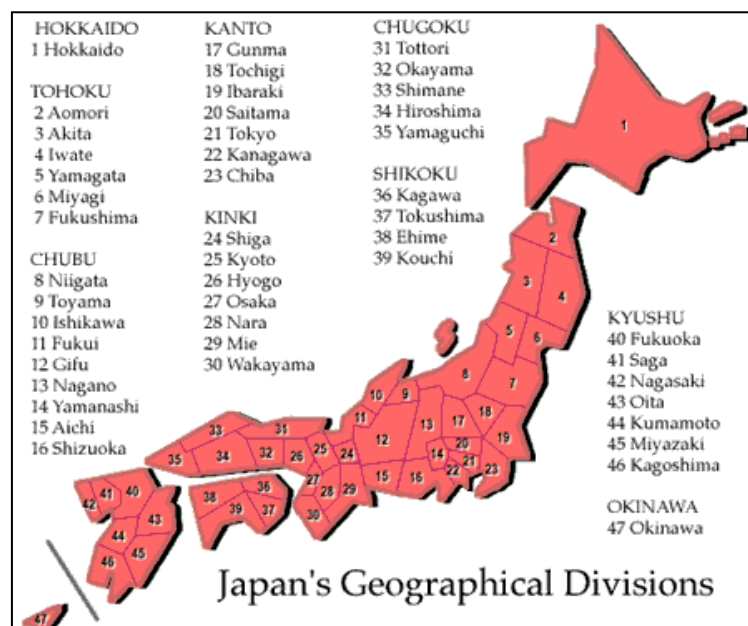
Japan has a total of 6,852 islands extending along the Pacific coast of East Asia. The main islands, from north to south, are Hokkaido, Honshu, Shikoku and Kyushu. The Ryukyu Islands, including Okinawa, are a chain to the south of Kyushu.

About 73% of Japan is forested, mountainous, and unsuitable for agricultural, industrial, or residential use. As a result, the habitable zones, mainly located in coastal areas, have extremely high population densities. Japan is one of the most densely populated countries in the world.

### 5.1 Economic factors

Japan is the second largest economy in the world after the USA. Its Gross Domestic Product (GDP) per capita is among the highest in the world. Japan's economy grew at an annual rate of 3.5% in the first 3 months of 2013. According to Data Monitor's forecasts, the economy was expected to grow by an average of 1.9% between 2012 and 2015. The GDP in Japan amounts at 5867.15 billion US\$ in 2011. The GDP value of Japan represents 9.46 % of the world economy (World Bank Group). Historically, from 1960 until 2011, Japan GDP averaged 2335.4 billion US\$, still amounting at 44.3 billion US\$ only, in December of 1960, and reaching an all-time high of 5867.2 billion US\$ in December of 2011.

**Figure 15: Graphical presentation of Japan regions**



Source: [www.japan-zone.com](http://www.japan-zone.com)



**Table 4: Key economic indicators of Japan**

	The Japanese Economy				
	2010	2011	2012	2013	2014
Real GDP (% yoy)	4.7	(0.5)	1.9	0.4	1.8
Unemployment (%)	5.1	4.6	4.3	4.6	4.7
Inflation (%)	(0.7)	(0.3)	0.0	(0.5)	1.1
Consumer spending (% yoy)	2.8	0.5	2.3	0.8	1.3
Exports (nominal % yoy)	30.6	7.1	(1.3)	(1.8)	6.3
Exchange rate (JPY/CAD)	85.06	80.48	79.78	84.36	89.31

Source: Oxford Economics, 2013; Bank of Canada, 2013.

### Current strengths

- High per capita GDP

In terms of GDP, Japan is behind the USA. In real terms, however, Japan is on better ground due to its per capita GDP, which demonstrates a country's average standard of living. GDP per capita increased at a rate of 2.1% during 2005–08, slightly higher than the 1.9% recorded by the USA and the 1.4% recorded by Germany. In 2010, it ranked second among the G8 economies in terms of per capita GDP at 39,281 US\$, behind only the USA.

- Well-developed manufacturing and financial services industry

After World War II, Japan moved quickly towards industrialization, and emerged as an economic power by setting up a large number of technologically advanced industries. Before the economic crisis of the 1990s set in, the country had an undisputed leadership position in the electronics and automotive segments. Its manufacturing base and technological knowhow remain unrivalled. The manufacturing sector, dominated by the electronics and automotive industries, accounted for 25% of GDP in 2010.

### Future prospects

- Growing foreign exchange reserves

Japan's foreign exchange reserves were 1.14trillion (tn) US\$ at the end of May 2011, compared to 1.04 tn US\$ at the end of May 2010 and 911 bn US\$ at the end of May 2007. The country's foreign reserves increased due to higher foreign bond prices, particularly US treasury bonds and profits on foreign asset holdings. Japan is the second country after China with official reserves exceeding 1 trillion US\$. Japan, China, and South Korea have also reached an agreement to contribute to a reserve pool on a 2:2:1 basis to help overcome foreign capital flow shortages.

- Current account surplus

Japan posted current account surplus growth consistently between 2001 and 2007. The current account surplus increased to more than 211 bn US\$ in 2007. Despite recession in 2008, it still managed to post a surplus of around 155 bn US\$. Although the current account surplus declined in 2009 to 142 bn US\$, in 2010 it recovered to 196 bn US\$. The current account surplus as a percentage of GDP averaged around 3.5% between 2005 and 2010, reflecting the country's strong external trade and the strength of the Japanese economy.



## 5.2 Social factors

Japan is one of the most highly developed nations in the world, with one of the highest GDPs per capita. The country's poverty level has declined considerably, and the number of households in the 20,000 US\$ and above income bracket has inched closer to 90% of the total population. The country is also building compact cities around metropolitan towns to reduce congestion, and to enable it to improve delivery of its welfare benefits. However, Japan is beset with the problem of an aging population, while a declining fertility rate has compounded the problem. The declining population has serious implications for the availability of labour in the future. The Japanese government has reacted to this situation boldly, increasing its budget allocation for social welfare and implementing various policies supporting childcare.

### Current strengths

- Social welfare initiatives

A major portion of Japan's national budget is set aside for social welfare initiatives. In March 2010, the Lower House of parliament in Japan passed a bill that will make tuition free for public high school students, and will provide allowances to families raising children. Under the bill, households with children of junior high school age (16) or younger will be entitled to JPY13,000 (144 US\$) per month to help with child-rearing costs, while private and state high schools will be paid between JPY120,000 (US\$ 1,330) and JPY240,000 (US\$ 2,660) towards the tuition costs of young people. Young individuals attending state-run high schools will not have to pay tuition fees under the bill. The country's initial budget for the Fiscal Year 2011, announced in December 2010, promised to spend nearly 50% for social security and tax grants.

- Low poverty levels

Japan is considered to be a modern, prosperous, and socially equitable country. The Gini coefficient, which ranges from zero (perfect income equality) to 100 (perfect income inequality) of Japan scored 24.9 for 2000–10. Poverty levels in the country also declined between 2000 and 2010, with the population living on 1–2 US\$ per day declining from 6.8 million in 2000 to 6.2 million in 2010. In 2010, more than 87% of households had income of 20,000 US\$ or more.

### Future prospects

- Compact cities

Japan is home to one of the most populated cities in the world. Tokyo, the capital, is inhabited by around 9 million people, making it the most congested city in the country. In addition, there are many other highly populated cities in the country that also suffer from limited living space and heavy traffic. To reduce congestion in the cities, the government has introduced the concept of compact cities. Compact cities are constructed in such a manner as to reduce the distance between offices and homes, easing the kind of traffic congestion prevalent in larger cities. Moreover, when commercial and public facilities are within walking or cycling distance, access for senior citizens improves. The concentration of urban infrastructure not only encourages consumption but reduces the costs of maintenance and renewal. In addition, the reduced need for cars results in a reduction of exhaust emissions, thereby improving the environment. The cities of Sendai and Aomori are the best examples of compact cities in Japan.

### 5.3 Technological factors

Japan is one of the most technologically advanced countries in the world. Its most important asset is its strong knowledge base, which has earned the country many accolades. It maintains the world's third largest R&D budget at 174bn US\$, and was home to over 840,300 research and development personnel in 2010. The country is the world leader in robotics. An aging population and a corresponding rise in wage costs are the major problems Japan is faced with in the technology arena. In the coming years, emerging nations such as China and India may become strong competitors, due to their low cost research facilities and wages.

#### Current strengths

- Strong knowledge base

Japan is historically known to be a land of innovation. Over the years, the country has developed many cutting edge technologies in advanced fields like robotics. The researchers of Japan are among the country's most important assets, as they are responsible for developing sophisticated and innovative technology products. Japan is a leading nation in the fields of scientific research, technology, machinery, and medical research, as well as in robotics.

#### Future prospects

- Increasing patents

Japan has one of the highest numbers of patents in the world after the USA. The country is ahead of scientifically advanced countries such as Germany, France, and Canada. Statistics show that of all the new patents filed in the world each year, at least 40% belong to Japan. In 2010, Japan filed 46,978 patents with the US Patent and Trademark Office, positioning the country as one of the most active in the world. An increasing number of patents offers a positive signal as to scientific growth, and positively influences further research and development.

- Increasing R&D expenditure

Government R&D expenditure increased by around 36%, from 128bn US\$ in 2001 to 174bn US\$ in 2010. It is also expected that R&D will remain one of the Japanese government's priorities, irrespective of other economic policies. Increasing R&D expenditure augurs well for the country.

### 5.4 Consumer trends for cosmetics

Japanese consumers are very sophisticated and particular about the quality and safety of the products they buy and use. Products must be nicely designed, packaged and promoted. Their needs and tastes may change with seasonal trends and fashion changes, and they may be eager to try something new and different from time to time. Thus, in order to cultivate and attract consumers, new foreign brands may need to invest in developing brand awareness, as well as in user education. Japanese consumers have high standards for beauty and personal care. They are traditionally more interested in skincare than make-up and fragrances. The skincare segment accounts for the largest share of the market, a striking contrast to western countries where make-up preparations have the largest share. Japanese cosmetics consumers are known to be highly brand and quality conscious.

Mainstream products are anti-aging, skin lightening, and skin moisturizing cosmetics and toiletries. High performance and quick-acting skincare products, including for specific parts of the body, or those cosmetics with multi/complex functional ingredients such as “doctor’s cosmetics,” are also popular items. Furthermore, organic or natural products, luxury products, and unique or branded products are in demand in the marketplace. Men’s skincare and personal care products are drawing an increasing amount of attention in the marketplace in Japan.

Among Japanese consumers there are mainly two groups, low-price-oriented young women and middle-aged/older women who seek functionality and high-value-added items. Market segmentation of beauty and cosmetic products in Japan can be identified by demographic segmentation which is gender, age and income. The beauty and cosmetic product market in Japan is dominated by females between 22-36 years old (working adult) and high/middle income.

Japanese consumers are not interested in taking a look at a new product or brand presented to them unless the product is sharp looking and has an “attention getting story” to tell (i.e., how the concept has been developed, famous people who use it, unique characteristics, etc.). This is because Japanese consumers do not just buy a cosmetics product, but rather buy the total value or total appeal of the product. Industry sources suggest that well-known celebrity endorsements may contribute to a successful launch.

However, we have to develop a product mix with unique features and ingredients to target the correct market channel in order to attract the interest of buyers and Japan’s highly demanding consumers.

## 6. Market access

### 6.1 Import tariffs

Normally the order of precedence for application of tariff rates is Preferential, WTO, Temporary, and General. However, Preferential rates are only eligible when conditions stipulated by law or regulations are met. WTO rates apply when those rates are lower than Temporary or General Rates. Refer to "Customs Tariff Schedules of Japan" (by Customs and Tariff Bureau, Ministry of Finance) for a more complete interpretation of the tariff table and for more details on economic partnership agreements (EPAs) with each country. (See Annex 2 – Japan's Tariff Schedule).

**Table 5: Tariffs applied for make-up cosmetics in the Japanese market**

	Market share	Tariffs faced
Thailand	1.9%	0%
Thailand's main competitors in target market	Market share	Tariffs faced by competitors
1 - France	36%	0%
2 – USA	26%	0%
3 – South Korea	10%	0%

Source: ITC Trade Map

Consumption tax is calculated as (CIF value + Tariff duties) x 5%

## 6.2 Non-tariff barriers

Most Japanese non-tariff barriers on cosmetics have been removed in recent years. The Ministry of Health and Welfare (MHW) lists more than 2,400 approved ingredients. Imports containing these ingredients are approved automatically for sale in Japan.

Japan's non-tariff barriers are regulations and standards. The cosmetics products sold in Japan are requiring quality control and registration, label and ingredients approval by MHW and certification (provide safe products – testing - for human health and the environment)

Japan requires premarket approval for certain products classified as quasi-drugs under the Pharmaceutical Affairs Law. The approval process includes requirements that are burdensome, lack transparency, and do not appear to enhance product safety, quality, or efficacy. In addition, restrictions on advertising claims for cosmetics and quasi-drugs prevent companies from conveying product benefits to consumers. However, most of these procedures now have been completely eliminated or greatly simplified.

Apart from non-tariff barriers in Japan, Thailand's exporters of cosmetics are confronted with regulatory standards and regulations in Thailand. The Ministry of Commerce in Thailand is authorised to subject products to export control and exported cosmetics are requiring an export license from the Thai Food and Drug Administration (Thai FDA) and the Ministry of Public health, based on the Cosmetics Act, B.E 2535 (1992) and the Export Standards Act, B.E. 2503 (1960). The purpose of the Export Standards Act is to ensure that such goods comply with set quality standards when being exported from Thailand.

## 6.3 Regulatory standards and regulations in Japan

The importation of cosmetics is subject to the provisions of the Pharmaceutical Affairs Act. The Customs Tariff Act prohibits the importation of fake name brand products and knock-off copies, and such items are subject to confiscation or destruction at customs, based on the provisions of the Customs Act. Importers can even be subject to criminal penalties, including fines and imprisonment. However, the Pharmaceutical Affairs Act imposes no restrictions on substances that are imported into Japan as raw materials for cosmetics and then subjected to domestic processing.

When importing and distributing cosmetics, under the provisions of the revised Pharmaceutical Affairs Act, which went into effect as of June 1, 2009, the importer must obtain a primary distributor's license for cosmetics. The primary distribution business refers to the sale, rental, or lending of manufactured (including delegated to another, but not including manufacturing conducted for another) or imported cosmetics. Consequently, companies that do not possess their own manufacturing facilities may still obtain a license. Primary distributor's license applications are filed with the competent prefectural pharmaceutical affairs division with jurisdiction over the business office where the marketing supervisor-general serves. Licenses are to be renewed every five years. Applicants must conform to the Good Quality Practice (GQP) standards and Good Vigilance Practice (GVP) standards, and they must appoint a marketing supervisor-general. The Act clearly assigns responsibility to primary distributors to assure post-marketing product quality, and to undertake appropriate actions for safety management. Applicants are required to obtain a business code number in advance. Documents required for application include a copy of the corporate registration (in the case of a corporation), a list of the segregation of duties, a medical certificate per applicant, documents certifying the qualifications of the marketing supervisor-general and an employment contract, documents

verifying the quality management system and the post-marketing safety management system, a floor plan of the business office and storage facility, and others. Application for a cosmetic manufacturer's license (under the classification of "packaging, labelling, and storage only") requires an outline of the physical facility, a floor plan of the manufacturing facility, documents certifying the qualifications of the responsible engineering manager and an employment contract, a copy of any contract with a testing laboratory (when used).

After obtaining the primary distributor's license but before initiating product importation, the primary distributor must file a Notification form of cosmetic manufacture or importation brand name (with the Pharmaceutical and Medical Devices Agency (PMDA)), the Notification form of primary distribution of cosmetics (with the same prefecture as that which has granted the primary distributor's license), and the Import notification form of cosmetics for primary distribution (with the Kanto-Shinetsu Regional Bureau of Health and Welfare, or the Kinki Regional Bureau of Health and Welfare). Either they must attach to those forms an ingredients list from the import supplier manufacturer or, if this list cannot be obtained, a record of the testing and inspection results verifying that the product does not contain any prohibited combination.

The Cosmetics Standards (Ministerial Notification in September 2000) defines the ingredients that are subject to prohibition or restriction in cosmetics combinations, and those that are allowed in cosmetics combinations in specific ingredient groups. Antiseptics, ultraviolet ray absorbents and tar colouring are subject to a positive list that indicates the maximum mixture quantities. All other ingredients may be used in cosmetics combinations after the safety verification and selection at their own liability, except those covered by a negative list of combinations that either prohibits or limits them. In this regard, however, all ingredient names must be listed in the labelling. Provided the ingredients do not violate the Cosmetics Standards and all the ingredients are indicated on the labelling, approval for primary distribution by product item is not required. However, products containing amounts of ingredients in excess of the notifiable limit, or new ingredients without a history of prior usage, or which contain non-disclosed ingredients, must obtain primary distribution approval for each product item.

## **6.4 Packaging and labelling regulations**

The labelling of cosmetic components requirements in Japan started off as a set of regulations to strengthen the Japanese Pharmaceutical Affairs Act. The Japanese standards can be easily adapted as an international standard. Thus, with the practice of ingredients labelling, it is necessary that companies which are manufacturers of cosmetic products comply with the safety regulations.

Any primary distributor engaging in the final packaging, labelling in the Japanese language, or storage of the imported product, is required to obtain a cosmetic manufacturer's license. Even if the product was labelled overseas in the Japanese language, in addition to obtaining a primary distributor's license, the importer of that product must obtain a cosmetics manufacturer's license (under a classification of "packaging, labelling, and storage only") (excluding the case of manufacturing that is delegated to another licensed manufacturer), because the product must be temporarily stored in a facility that has a manufacturer's license in Japan, and availability of shipment must be judged after the necessary tests.

The Pharmaceutical Affairs Act requires that the container, packaging, or package inserts of cosmetics be labelled with the specified items so as to ensure appropriate usage and handling, ensure quality, and clarify liability. All must be expressed in the Japanese language and must be clearly and explicitly listed. Labelling with false or potentially misleading expressions, and unapproved claims of effect -efficacy in labelling are prohibited.

There is also labelling under the Fair Competition Codes and under the Law for Promotion of Sorted Collection and Recycling of Containers and Packaging. There is no voluntary labelling based on the provisions of the law for cosmetics. The Japan Cosmetic Industry Association has compiled a Japanese version of the "List of Cosmetic Ingredient Label Names" to be used in conjunction with the Pharmaceutical Affairs Act's requirement.

## 7. Price

Despite a recent government call for businesses to follow the depreciation of the Japanese yen in setting prices, a number of Japanese cosmetics companies are raising the prices of their products, with increases from as low as 3% to as much as 16%.

According to a report by Euromonitor, Dior, Chanel, Lancôme and Biotherm lifted their unit prices at the beginning of 2011; retail price for some products may go up by up to 10%. Unilever, Procter & Gamble have also hiked their prices for some personal care categories like shower and hair care products (Euromonitor: Beauty and Personal Care in Japan, May 2013).

As Thailand has a market share in Japan's imports of only 1.9% for HS 330499, Thailand's cosmetics companies should adopt a penetration pricing strategy to set a relatively low initial entry price to attract new customers and to increase market share and sales volume. After a market entry stage, competition-based pricing should be selected to use the competitors' price as a benchmark to set the final price.

## 8. Distribution channels

Distribution of make-up cosmetic products from the exporting country can be via ocean or air cargo. Ocean cargo takes longer while the costs are considerably lower when compared to the air shipment.

The list of the major sea ports and airports in Japan is as below:

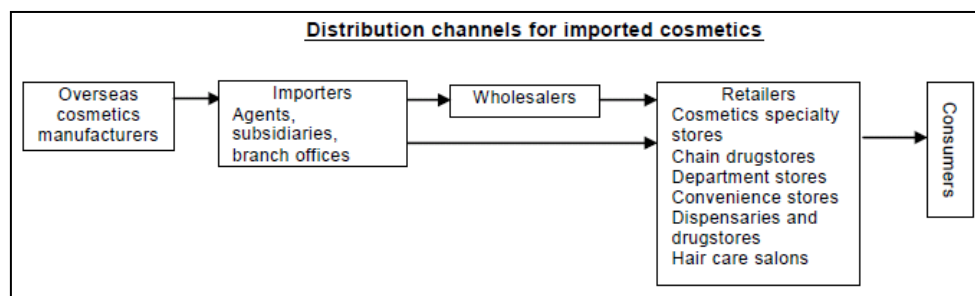
**Table 6: Main Ports and Airports in Japan**

Sea Ports	Airports
Port of Tokyo	Tokyo International Airport
Port of Yokohama	Kansai International Airport
Port of Nagoya	Narita International Airport
Port of Kobe	Chubu International Airport
Port of Osaka	Osaka International Airport
Port of Moji	
Port of Tomakomai	

(Source: <http://en.wikipedia.org/>)

**Figure 16: Map of Japan Main Ports**

The basic distribution pattern for imported cosmetics is from the importers, through wholesalers, to the retailer. Some Japanese subsidiaries of foreign manufacturers and importers sell directly to the retailers (department stores, cosmetics specialty stores, mass merchandisers, drugstores, etc.)

**Figure 17: Distribution Channels of Imported Cosmetics**

Source: JETRO

Channel specialization is a major characteristic of the Japanese market. Consumers buy mass marketed products inexpensively at supermarkets, discount stores and drug stores. High-end consumers tend to buy higher priced products at department stores and cosmetics specialty stores. Companies that are able to market to both channels tend to be domestic cosmetics companies with large sales forces that can cover both segments. Due to pricing structure, imported cosmetics usually fall into the category of the high-end market where a strong story, branding and excellent packaging are essential. According to Euromonitor, department stores, hypermarkets and health and beauty retailers were the three most popular sales channels for beauty and personal care products in 2011 (Euromonitor: Beauty and Personal Care in Japan, May 2013).

**Department stores** play an important role in brand building.

**Supermarkets/hypermarkets** are important channels particularly for low-to-mid-range cosmetics products or products with lower unit prices

**Cosmetics professional stores** provide one-stop services for consumers so that they can buy cosmetics products and accessories in different quality and price tiers in the same store.

**Specialty stores:** cosmetics brand owners can achieve autonomy over store operation through opening specialty stores. Specialty stores help promote brand image, ensure standardized prices and services. It is expected that specialty stores will become another key retail channel for cosmetics products.

**Internet retailing** has grown exponentially in recent years. According to Euromonitor, the market share of internet sales increased from only 0.8% in 2007 to 5% in 2011.

## 9. Promotion

### 9.1 Export promotion strategy

The realistic export opportunity of Thailand associated with the exports of HS 330499 to Japan, belongs to Cell 6 of the matrix of Figure 1. By 2007 (the last year on which the DSM results are based), Thailand had already achieved a medium small market share. According to Cuyvers, De Pelsmacker, Rayp and Roozen (1995) such opportunities require an offensive export promotion strategy of market exploration (in contrast to opportunities showing a market presence for Thailand which is medium large and which require an offensive strategy of market expansion). As the imported volumes are large, Thailand's export promotion efforts should focus on "breaking in" (see Cuyvers, Viviers, Sithole-Pisa and Kühn, 2012, 187). The export promotion strategy should also adopt a niche market approach. The dissemination of market information and participation of the potential exporters in high-profile trade missions, has to be supported by media campaigns (Cuyvers, Viviers, Sithole-Pisa and Kühn, 2012, 188).

As mentioned, the offensive market exploration strategy of Thailand's export promotion agency of "breaking in into the large market" should help and support Thai exporters in finding a market niche in Japan's cosmetics market. It seems to be appropriate to start introducing make-up cosmetic products which are unique and different from these of other competitors in the market. Because Japan is very strict about the safety regulations, import procedures during customs clearance might take a longer time. Therefore Thailand's export promotion strategy should cope with this disadvantage and support all endeavours to shorten e.g., the testing procedures, even by exempting cosmetics exported from Thailand from the physical testing, such that a Thai Certificate of Analysis and Thai testing documents submitted to the Japan customs should be sufficient.

Media campaigns, possibly together with other Thai life style products, should be set up and supported such that Thai brand cosmetics will be easily recognized and the brand image become more attractive in quality cosmetics. In addition, beauty products should become more self-serviced due to display in leading department stores, convenient stores and drugstores, attracting more attention in the massive mid-priced mid-market. This requires the provision of specialised information to the Thai cosmetics exporters, as well as introduction to the decision makers in these Japanese distribution systems, e.g., on the occasion of participation of the cosmetics producers in trade missions to Japan.

Japanese consumer insist on learning everything about the products they want to use. The companies' promotion strategies have to provide knowledge about its cosmetics by counter cosmetics displays at department stores or convenient stores, free sampling, giveaway products, and make-up demonstrations by



beauty advisors, as well as store events, make-up gift vouchers to be used on a next purchase or a free make-up tutorial.

The use of media and recruitment of celebrities as a spokesperson for a specific brand or product is a major marketing tool of cosmetics companies. Products are better recognised and often develop into a trend from commercials, magazine ads, and poster ads. On-line sales and TV home shopping sales show continuous growth as people are more familiar and spend more time in such media.

In order to increase the consumer awareness, Thai cosmetics producers should be given special financial and other help by Thailand's export promotion agency, to participate in both local and international cosmetics trade fairs.

Some examples of relevant cosmetic trade fairs are as follows:

#### **Local trade fairs**

The 6th Cosmetic Ingredients & Technology Exhibition Japan (CITE Japan 2013)

Date: 15 – 17 May, 2013

Venue: Pacifico, Yokohama, Japan

Organiser: Federation of Japanese Cosmetic Ingredients Associations

Contact: +81-3-3219-3647      E-mail: [cite@ics-inc.co.jp](mailto:cite@ics-inc.co.jp)

#### **International trade fairs in Japan**

1. COSME Tokyo 2013 -2<sup>nd</sup> International Cosmetics Trade Fair  
 Date: 26 – 28 June 2013      Venue: Tokyo Big Sight, Japan  
 Organiser: Reed Exhibitions Japan Ltd.      Contact: +81-3-3349-8518
  2. BEAUTYWORLD JAPAN (The Biggest Fair in one of the World's Biggest Markets)  
 Date: 13 – 15 May 2013      Venue: Tokyo Big Sight, Japan  
 Organiser Mesago Messe Frankfurt Corporation
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# APPENDICES

## Annex 1: Japan's Tariff Schedule

Statistical code		Description	Tariff rate				Tariff rate (EPA)												
H.S. code			General	WTO	GSP	LDC	Singapore	Mexico	Malaysia	Chile	Thailand	Indonesia	Brunei	ASEAN	Philippines	Switzerland	Viet Nam	India	Peru
33.04		Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations.					Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free
3304.10	000	Lip make-up preparations	5.8%	Free	Free														
3304.20	000	Eye make-up preparations	5.8%	Free	Free														
3304.30	000	Manicure or pedicure preparations	6.6%	Free	Free														
		Other																	
3304.91		Powders, whether or not compressed	5.8%	Free	Free														
	010	- Toilet powders																	
	090	- Other																	
3304.99		Other	5.8%	Free	Free														
		- Creams and other preparations with a basis of oil, fat or wax:																	
	011	-- Foundation creams																	
	012	-- In liquid form																	
	019	-- Other																	
	090	- Other																	

Unit is in Kilogram

(I.I.) Including Inner Packing

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**Annex 2: Potential Prospect**


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**Cosmetic Import Agency****H.E.C. Group Corporation**

Address: 10th floor, Umeda Yachiyo Building,  
2-22 Taiyujicho, Kita-Ku, Osaka 530-0051,  
Japan

Tel: +81-6-6361-8639

Fax: +81-6-6361-8639

Email: [hec@hecgroup.com](mailto:hec@hecgroup.com)

Website: [www.hecgroup.com](http://www.hecgroup.com)

**Vintage Japan Co., Ltd.**

Address: Neohaitsu Daimyo II-602 1-15-31,  
Daimyo, Chuo-ku Fukuoka-shi, Fukuoka, 810-  
0041, Japan

Tel: +81-92-714-6890

Fax: +81-92-714-6891

Email: [info@vintage-j.net](mailto:info@vintage-j.net)

Website: <http://vintage-j.net>

**Japan Taiwado Co., Ltd.**

Address: Samling Bldg F4,3-2-7  
Akasaka, Minato-ku, Tokyo 107-0052 Japan

Tel: +81-3-5574-8989

Fax: +81-3-3585-5388

Website: <http://www.taiwado.co.jp>

**Astra Japan Corporation**

Address: 〒567-0009

3-24-13 Yamatedai, Ibaraki City, Osaka

Tel: +81-72-649-4622

Tel: +81-72-649-5347

Email: [astra@astrajapan.com](mailto:astra@astrajapan.com)

Website: <http://www.astrajapan.com>

**Retailers****Ritsubi Co., Ltd.**

Address: Tokyo Fashion Town (TFT) Building,  
East Wing 8th Floor, 3-6-11 Ariake, Koto-ku,  
Tokyo 135-8071, Japan

Tel: +81-(0) 3-3599-4606

Website: <http://www.ritsubi.co.jp>

**COSTCO Wholesale Japan Co., Ltd.**

Address: 9-3-1 Utsukushigaoka Ichijo, Kiyota-  
ku, Sapporo City, Hokkaido 004-0811, Japan

Tel: +81-(0) 1-1887-5550-

Website: <http://www.costco.co.jp>

**Matsumotokiyoshi Co., Ltd.**

Address: Matsumoto Kiyoshi in Shinjuku  
Sancho 2<sup>nd</sup> Fl. 17-3 Shinjuku Shinjuku-ku  
Tokyo Japan

Tel: +81-(0)3-3870-6358

Website: <http://www.matsukiyo.co.jp>

**Isetan Shinjuku Stores**

Address: 3-14-1, Shinjuku, Shinjuku-ku,  
Tokyo Main, Japan

Tel: +81-(0)3-3352-1111

Website: <http://www.isetan.co.jp>

**Sapporo Drug Store**

Address: Kakodate Hinode Store 〒040-0022  
17-22 Hinode-cho, Hakodate, Japan

Tel: +81-(0)1-4274-335

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**Annex 3: Useful Addresses and Market Information**


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### **Embassy, trade representatives**

#### **Thai Embassy in Japan**

Address: 2-2-1, Kudan-Minami

Chiyoda-Ku, Tokyo 102-0074

Phone: +81-3-3222-4101

Fax: +81-3-3222-4114

Email: infosect@thaiembassy.jp

#### **Cosmetic Importers Association of Japan**

Phone: +81-3-3560-3041

Fax: +81-3-5439-5321

Email: info@ciaj.gr.jp

Website: <http://www.ciaj.gr.jp>

#### **Japan Cosmetic Industry Association**

Address: Toranomon45MTbldg.6F, 5-1-5,  
Toranomon, Minato-ku, Tokyo105-0001, Japan

Phone: +81-3-5472-2530

Fax: +81-3-5472-2536

Email: info@jcia.org

Website: <http://www.jcia.org>

#### **Japan Cosmetic Suppliers Association**

Address: 1-4-8, Nihonbashi-Bakurocho, Chuo-  
ku, Tokyo, 103-0002 Japan

Phone: +81-3-3662-2562

Fax: +81-3-3662-2568

Email: info@jcsa.ne.jp

Website: <http://jcsa.ne.jp>

### **National Federation of Cosmetic Retail Cooperative**

Address: 〒103-0004 2-10-5 Japan

Phone: +81-3-3861-7733

Fax: +81-3-3861-7731

Email: [crc@cosme.or.jp](mailto:crc@cosme.or.jp)

Website: <http://www.cosme.or.jp>

### **Pharmaceuticals and Medical Devices**

#### **Agency (PMDA)**

Address: Shin-Kasumigaseki Building, 3-3-2  
Kasumigaseki, Chiyoda-ku, Tokyo 100-0013  
Japan

Phone: +81-3-3506-9601

Website: <http://www.pmda.go.jp>

### **General Affairs Division, Pharmaceutical and Food Safety Bureau, Ministry of Health, Labour and Welfare**

(Pharmaceutical Affairs Act in general)

Address: 1-2-2 Kasumigaseki Chiyoda-ku  
Tokyo, 100-8916 Japan

Phone: +81-3-5253-1111

Email: [www-admin@mhlw.go.jp](mailto:www-admin@mhlw.go.jp)

Website: <http://www.mhlw.go.jp>

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**Annex 4: List of Sources**

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“ITC TradeMap” [www.trademap.org](http://www.trademap.org)

<http://www.ondd.be/WebONDD/Website.nsf/weben/Country+risks?OpenDocument>

<http://www.jetro.org/>

<http://www.jetro.go.jp/thailand/>

Cosmetics Market in Japan: Key Research Findings 2012, Yano Research Institute Ltd.

<http://blog.bharatbook.com/index.php/tag/cosmetic-industry/>

[http://www.beautyworldjapan.com/english/tokyo/exh\\_info.php](http://www.beautyworldjapan.com/english/tokyo/exh_info.php)

<http://www.export-japan.com>

<http://www.japaninc.com/article.php?articleID=1390>

<http://www.tradingeconomics.com/japan/gdp>

<http://www.cosmeticsdesign.com/Market-Trends/Global-beauty-market-to-reach-265-billion-in-2017-due-to-an-increase-in-GDP>

<http://www.transparencymarketresearch.com/cosmetic-and-toiletries-market.html>

<http://www.worldbank.org>

<http://www.sea-distances.com>

<http://eurobiz.jp/2012/07/organic-cosmetics/>

<http://www.chiangraitimes.com/news/3516.html>

[http://www.thaitradeusa.com/home/?page\\_id=3207](http://www.thaitradeusa.com/home/?page_id=3207)