

General Australian cosmetic industry association comments in support of a TPP “cosmetics annex”:

- The Australian cosmetics and personal care products industry strongly supports the inclusion of a “cosmetics annex” in the TPP negotiations to achieve closer alignment of international regulations for our highly globalised industry.
- We believe that regulatory alignment (and approvals recognition) for cosmetic and personal care products is critical to facilitating trade, in order to provide the safe, quality products sought after by Australian consumers, and indeed all consumers globally.
- We are convinced that the TPP agreement would contribute to the industry’s growth and competitiveness, both within Australian and internationally.

Additional comments on the current situation for our industry in Australia:

- Existing Australian regulation of our industry’s products has been recognised as being overly complex, fragmented and often out-of-step with that of other advanced nations by a 2008 Productivity Commission study and the ongoing COAG “seamless national economy” agenda. Australian regulation acts as a potential barrier to easy introduction of new products, ingredients and innovations already in safe and approved use in other advanced nations. This is especially when compared to New Zealand’s more ‘trade friendly’ regulatory regime for our sector’s products which employs ‘deemed to comply’ approaches for products in safe, approved use overseas.
- Progress with reforms agreed by the federal government (and the COAG) for streamlining Australian regulation have stalled. Inclusion of a “cosmetics annex” in the TPP negotiations would help to focus local effort on implementing needed reforms. This would benefit the entire Australian cosmetics and personal care industry.
- As is the case for advanced technology items – like smart phones and the iPad – Australian consumers are increasingly demanding access to the latest products and innovations available in the global marketplace, without delay; including cosmetic and personal care products. New York and Paris remain synonymous with luxury cosmetics as well as the latest product trends and innovations in such a way that products associated with these cultural centres are sought after by Australian and global consumers. Greater regional regulatory alignment, facilitated via a “cosmetics annex” in the TPP negotiations, will help consumers access the products on the global market that they are demanding.
- The Australian-based cosmetics and personal care manufacturing industry has a unique selling point in the global marketplace. Australian cosmetic products are sought after in the region, and in growing Asian markets, because of their reputation for quality and their ‘clean, green, natural’ image, especially those locally made products derived from Australian-grown botanical ingredients. Greater regional regulatory alignment, facilitated via a “cosmetics annex” in the TPP negotiations, will open export opportunities for this developing Australian manufacturing industry (e.g. the ongoing global expansion of the quality Australian brand, Aesop®)

TPP Cosmetic Industry: International Trade
(Unit: US Dollar Thousand)

Country	2010 Global Cosmetic Imports	2010 Global Cosmetic Exports
Australia	1,232,138	441,323
Brunei Darussalam	22,128	77
Chile	519,015	70,630
Malaysia	755,764	328,240
New Zealand	319,004	55,921
Peru	324,262	85,787
Singapore	1,912,966	3,144,816
United States	8,244,237	9,094,292
Vietnam	385,202	61,938
World	84,370,968	86,607,291

Source: United Nations Commodity Trade Statistics Database (COMTRADE)