



The Israel Export & International Cooperation Institute

ISRAEL

Inspired by *innovation*
Cosmetics & Toiletries Industry



Tapping into Nature's Bea

From Mediterranean breeze to olive-kissed hill, from desert crag to Dead Sea mud, Israel is home to rich resources that have enabled the growth of a cosmetics and toiletries industry known around the world for the excellence of its products, and appreciated for enhancing beauty, rejuvenating face, hair and body, and maintaining hygiene.

Companies in this sector range from large concerns with a market presence in many countries to family-run boutique operations. Modern R&D labs and production facilities are the norm, whether for conventional or natural and organic products. Several companies have built brands that are widely recognized, and most offer private label production as well. All take pride in their careful formulations based on exceptional ingredients, advanced manufacturing methods and sought-after results.

Israelis have long been proud of the country's advanced medicine and healthcare system, which demands superior hygiene. Several local suppliers of sanitary and hygiene products have developed into significant players on the international stage.

Alongside companies that manufacture conventional cosmetics and toiletries, others have focused on the growing demand for natural and organic products, incorporating into their offerings local plants with therapeutic qualities. Still others base their products on that unique resource, the Dead Sea, with its salts, black mud, and rich array of minerals.





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Export Success

Israeli cosmetics and toiletries companies sell in the world's most demanding markets, including Europe, which in 2013 took over 53% of exports. Total export volume in 2013 was \$649 million representing a 13% growth compare to 2012. About two-thirds of exports are toiletries.

Major chains carrying Israeli brands include Sephora, Target and T.J.Maxx, while multinationals, including Procter & Gamble, Kimberly-Clark, Wella and CVS, contract manufacture to Israeli private label Producers

2013 Cosmetics & Toiletries Exports by Region

- European Union - 38%
- Rest of Europe - 15%
- Asia - 8%
- North America - 31%
- Central and South America - 3%
- Africa - 2%
- Rest of the World - 3%



Key Segments



Advanced toiletries

Israeli manufacturers have applied their talent for innovation to the toiletries industry. Indicative are their advances in non-woven and paper-based products and the variety available. Product lines in this segment range from wet wipes, diapers, toilet and facial tissues, and incontinence and feminine hygiene products, to dental hygiene and shaving products. Many are formulated with indigenous plants and other resources such as Dead Sea minerals, olive oil, and citrus oils for specialty shampoos, soaps, and creams.

Unique resources lead to unique cosmetics

Scientific research into the curative properties of the Dead Sea's minerals has led to the establishment of nearly 50 companies dedicated to producing skin care and health and beauty products based on these unique resources. Israeli manufacturers have exploited these properties

to create families of body care products geared to the international marketplace and that meet consumer demand. In addition to marketing via overseas offices and distributors, many Israeli cosmetics products can readily be purchased over the Internet.

Organic / natural cosmetics and toiletries

Perched between the Mediterranean Sea and vast deserts to the east, Israel is host to a large variety of indigenous plants, many with therapeutic qualities. The move to organic and natural products in both local and world markets has spurred Israeli companies to develop products that meet this need, manufacturing them to stringent Ecocert standards. The wide range of products includes treatments for the face, hair and body.

Private label production

Leveraging their ability to meet strict quality control procedures and production deadlines, Israeli manufacturers supply private label products. Leading Israeli cosmetics and toiletries manufacturers work with overseas partners to create products that meet local market needs, including fashion-conscious and environmentally-sensitive packaging.

Why Israel?

A strong R&D tradition

Israeli manufacturers have always invested heavily in R&D, enabling them to meet market demands for innovative products that adhere to stringent scientific and quality control standards. At 4.5 percent of GDP Israel has the world's highest R&D intensity, over twice the OECD average of 2.2 percent.

Necessity breeds invention

The blessing of a hot and sunny climate – and the resulting need for skin protection – is a driving force behind the Israeli development of extensive lines of skin care products. Responding to a local need, Israel has become a world leader in developing skin care products that protect against premature aging.





Compliance to standards

All Israeli cosmetics and toiletry manufacturers meet Israeli Ministry of Health standards, which closely follow EU and American requirements. Many bear ISO standards 14001, 13485, 22716 and OHSAS 18001 certification, attesting to their commitment to universally-accepted management and environmental quality standards. Almost all companies offering organic-natural products comply with Ecocert requirements.

Free trade agreements

Israel maintains free trade agreements with many countries, including the United States, Canada and Mexico, the European Union, EFTA, Mercosur and others that grant duty-free entry to Israeli cosmetic and toiletry products. Free trade discussions are underway with India, China, South Korea and Chile.

Shipping

Israel's two Mediterranean ports at Haifa and Ashdod offer fast container service to Europe, the Americas and beyond. The port at Eilat, on the Red Sea, provides a convenient route to Asia. High value products can be shipped by air, with most major cities in Europe served by at least twice-daily flights and often more.





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The Israel Export & International Cooperation Institute, a non-profit organization supported by the government of Israel and the private sector, facilitates business ties, joint ventures and strategic alliances between overseas and Israeli companies.

Charged with promoting Israel's business community in foreign markets, it provides comprehensive, professional trade information, advice, contacts and promotional activities to Israeli companies, and complementary services to business people, commercial groups, and business delegations from abroad.

The Israel Export & International Cooperation Institute is committed to bringing together potential clientele with Israeli manufacturers that suit their needs, ensuring that people throughout the world benefit from the innovation and quality of Israel's cosmetics and toiletries industry.

For further information:

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