FEBEA
FÉDÉRATION DES ENTREPRISES DE LA BEAUTÉ

BEAUTY INDUSTRY PACKAGE

FEBEA’s 5 priorities for a competitive and sustainable cosmetics industry

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As the global leader, the French cosmetics industry constitutes a fundamental pillar of the national economy and a key driver of competitiveness for both France and the European Union. With a turnover of €35.6 billion and exports exceeding €22.5 billion in 2024, the sector generates a trade surplus of €17.6 billion, making it the second-largest contributor to France's trade balance. This performance reflects the industry's ability to compete effectively on the global stage and to create significant added value. Furthermore, the sector supports 300,000 direct and indirect jobs across France, which bolster the competitiveness of the «Made in France» label, as well as nearly 3 million jobs at the European Union level. Such a contribution underscores the sector's strategic role as a center of excellence, a lever for economic sovereignty, and a driver of European competitiveness.

This economic and strategic performance is complemented by a strong identity: the French cosmetics industry embodies a widely recognised excellence, synonymous with luxury, well-being, innovation, and cultural heritage. It actively contributes to France's global influence, while supporting the vitality of local regions through a dense network of companies - mainly SMEs and mid-sized companies, deeply rooted at the local level. Committed to a sustainable transition, the sector is investing significantly in research and development (R&D), eco-design, and the use of more natural ingredients in its formulations. Beyond its economic impact, cosmetics play a vital role in everyday life, meeting public health needs (hygiene, sun protection, dermo-cosmetics), as well as contributing to individual well-being and quality of life.

However, the leadership of the French and European cosmetics industry is increasingly challenged on several fronts. The sector must contend with the rise of international competitors who have been investing successfully for several years. It is also vulnerable to escalating trade tensions, particularly with the United States -its main trading partner after the European Union. A number of warning signs are emerging: while export growth remains broadly positive, with a 6.8% increase in 2024, this represents a noticeable deceleration compared to the 10.8% growth recorded the previous year. Furthermore, the increasing complexity of the administrative and regulatory environment is significantly constraining the sector's innovative potential. When surveyed last January, half of French cosmetics executives stated that the current economic, political, and international context is compelling them to put projects or investment decisions on hold. Their top priorities include lowering the cost of skilled labor, simplifying regulations, and reducing production-related taxes.

To address the risk of industrial decline, a response is required at both the French and European levels. A strategic approach for the sector, developed in partnership with public authorities, is essential to achieve the following benefits:

- Enhancing regional attractiveness, driving re-industrialisation, and fostering job creation rooted in 'Made in France' manufacturing ;
- Strengthening the French and European economies by reinforcing the European Union's soft power and economic sovereignty ;
- Accelerating the ecological transition through ambitious and innovative collective initiatives ;
- Providing consumers with safe, high-quality products, supported by transparent and reliable information.

Strengthening the competitiveness of the French cosmetics industry on its primary market -the European Union, which accounted for over €9 billion or 40% of exports in 2024- is a key strategic priority.

In this context, FEBEA calls for the launch of **a coordinated national and European action plan to preserve and enhance the sector's competitiveness in France and across Europe**. This plan should be structured around five core priorities:

1. **Defending free and fair trade**

   a) Taking into account sectors with a trade surplus in the response to US tariffs.

   b) Leveraging trade agreements in a context of heightened global competition

   c) Reinforcing the protection of know-how and intellectual property

2. **Fostering innovation**

   a) Preserving the access to essential ingredients that are safe for use in cosmetics

   b) Supporting innovation through taxation by maintaining the Research Tax Credit and IP Box schemes

3. **Simplifying the regulatory framework**

   a) Accelerating the digitalisation of consumer information

   b) Harmonising the control process for manufacturing practices

   c) Preserving the license to operate for cosmetics packaging

4. **Ensuring fair treatment**

   a) Revising the Urban Waste Water Treatment Directive to ensure a fair and sustainable Extented Producer Responsibility's scheme

   b) Guaranteeing an effective right of appeal failing objective and transparent impact assessments

5. **Protecting industry and consumers from unfair practices and counterfeiting**

   a) Combating illicit products

   b) Fighting illicit trade

THE FRENCH COSMETICS SECTOR

In a few key figures

35.6 MRD €

Turnover (from cosmetic manufacturing, domestic sales, and exports).

22.5 MRD €

Total value of exports

2nd largest contributor to France's trade balance, after aeronautics and ahead of wines and spirits

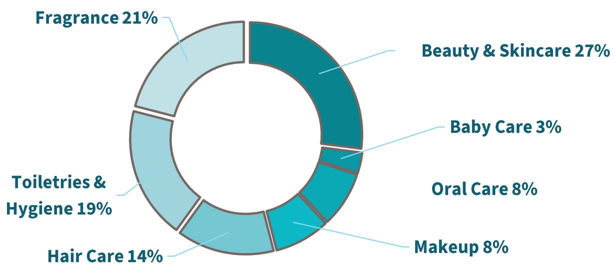
300 000

direct and indirect jobs

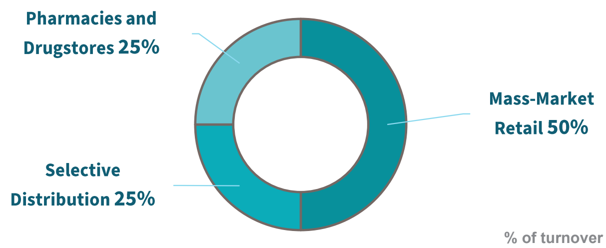
60 %

female employment rate

Product sales by category



Sales by distribution channel



% of turnover

1 Defending free and fair trade

In a context marked by rising trade tensions and the growing fragmentation of global value chains, maintaining free, fair, and reciprocal international trade is vital for the highly export-oriented French, and by extension European, cosmetics industry. The sector is largely internationally focused, with two-thirds of French production being exported. France and the European Union must pursue an ambitious trade policy that protects the sector's strategic interests and respond in a coordinated manner to discriminatory practices that undermine the competitiveness of European companies.

Taking into account sectors with a trade surplus in the response to US tariffs

France and the United States have long-standing commercial ties in the cosmetics sector, both in terms of trade flows and the mutual presence of brands and investment on both sides of the Atlantic. As recent U.S. trade measures target the European Union as a whole, it is essential to ensure a coordinated and proportionate European response, in order to avoid any unilateral escalation.

With regard to cosmetics, both France's and the EU's trade balance with the United States is strongly positive. In particular, French cosmetics' exports to the United States amount to €2.9 billion, while the import flow from the United States stands at €500 million.

FEBEA therefore calls for :

- **the removal of cosmetics from any potential list of retaliatory measures considered by the European Union against the United States, as such measures would unfairly put at risk a strategic sector of the European economy and expose French cosmetics companies to trade retaliation, given the sector's French identity;**
- **a strengthened transatlantic dialogue aimed at establishing a reciprocal, stable, and balanced trade framework.**

Leveraging trade agreements in a context of heightened global competition

In response to the current wave of U.S. tariff measures, companies in the sector support a trade agenda that is both ambitious and balanced, grounded in openness. The European Union should actively pursue:

- **the effective implementation of existing trade agreements,** particularly by removing technical barriers to trade through enhanced regulatory dialogue between authorities, notably with partners such as Canada and South Korea;

- **the negotiation of new trade agreements that include a dedicated "cosmetics chapter",** in order to safeguard the sector's products from technical trade barriers in certain third-country markets, such as India, and from prohibitive import duties, such as Brazilian tariffs on French cosmetics amounting up to 200%, which remain outside the scope of the Mercosur agreement currently under negotiation.

Reinforcing the protection of know-how and intellectual property

China has recently introduced a new cosmetics regulation (CSAR – Cosmetic Supervision and Administration Regulation) aimed at ensuring the quality and safety of products placed on its market. However, the regulation imposes particularly stringent requirements on companies seeking to sell their products in China. European regulators consider that these requirements are disproportionate in terms of product safety assessment and raise serious concerns over the potential unauthorised disclosure of sensitive and proprietary information. Concerted action by the European Union and France is necessary to strengthen the protection of industrial know-how and intellectual property rights, in line with international competition law.

2 Fostering innovation

The cosmetics sector is a flagship of applied research in France, at the crossroads of life sciences, green chemistry, and formulation technologies. To preserve this dynamism, it is crucial to preserve access to essential ingredients that are safe for use in cosmetics and to ensure a stable and incentive-based tax environment. France must uphold a regulatory framework grounded in realistic, science-based risk assessment, while protecting the research support mechanisms that underpin the strength of its innovation ecosystem.

Preserving access to essential ingredients that are safe for use in cosmetics

The cosmetics and fragrance industry is currently facing a critical situation due to a significant inconsistency between chemical legislation, particularly the CLP Regulation on the classification, labelling, and packaging of substances, and cosmetics regulation. Under current rules, the classification of certain substances under CLP results in their automatic ban from cosmetic products, without consideration of specific uses or actual exposure risks. While protecting human health and the environment is a shared priority, the prevailing approach, based almost entirely on the intrinsic hazards of substances, could jeopardize the continued availability of thousands of cosmetic products, including iconic fragrances, even when their safety has been scientifically demonstrated. This leads to costly reformulations, large-scale stock destruction, and stifles innovation.

The example of heliotropin offers a particularly striking illustration of this inconsistency: although scientifically recognised as safe and still allowed in food products, the substance is now at risk of being banned in cosmetics. This situation is all the more concerning that an increasing number of substances are facing similar restrictions, amid a broader trend by European authorities to move towards stricter classifications. The same applies to fluoride and ethanol, for which a ban as a biocide could have very serious consequences for all their other harmless uses. Such regulatory choices unnecessarily compel cosmetics companies to incur significant costs to reformulate their products, diverting resources from more innovative investments,and ultimately hinder formulation-driven innovation.

FEBEA therefore calls for:

- **a more balanced regulatory assessment, grounded in robust risk analysis that considers both the intrinsic hazards of substances and the actual conditions of consumer exposure;**
- **a simplification of Article 15 of the Cosmetic Products Regulation, through a "Chemicals" Omnibus and/or the draft guidelines proposed by the European Commission, without waiting for the full evaluation and revision of the Cosmetic Products Regulation. This clarification would benefit all stakeholders and, above all, provide the industry with greater legal certainty, based on a clear allocation of roles and responsibilities and realistic timelines for assessments.**

Supporting innovation through taxation

The cosmetics industry invests heavily in innovation and research. It is one of the most dynamic sectors in terms of patent filings, particularly in the field of biotechnology and relies on several internationally renowned research centres based in France. With 3.7 patents filed per million euros invested in R&D, the sector exceeds the industrial average. This innovation capacity is supported by a well-structured ecosystem, underpinned by effective tax incentives—most notably the Research Tax Credit (Crédit d'Impôt Recherche, CIR) and the IP Box.
Innovation in the cosmetics sector relies on an ecosystem supported by proven tax incentives, particularly the Research Tax Credit (Crédit d'Impôt Recherche - CIR) and the IP Box regime. However, the current budgetary context poses a threat to these key mechanisms, which could be scaled back or tightened in the 2026 Finance Bill. Such a development would directly compromise the research investments made by companies in the sector.
FEBEA therefore calls for the CIR and IP Box to be preserved, ensuring continued eligibility for cosmetics-related research expenditures and providing long-term stability, an essential prerequisite for strategic investment planning in innovation.

3 Simplifying the regulatory framework

Regulatory inflation, exacerbated by inconsistencies, generates administrative complexity that hampers the competitiveness of cosmetics companies, 82% of which are SMEs and Very Small Enterprises. A targeted and genuinely effective simplification plan is therefore essential. It must clarify applicable standards and streamline procedures to stimulate innovation. Beyond simplification, the consistency of rules and the alignment of implementation timelines between French and European levels are also critical, with concrete business implications in terms of compliance costs, resource allocation, and operational planning. Maintaining the sector's competitiveness overall implies protecting companies from the risks of internal market fragmentation, over-transposition or anticipated implementation of European rules (e.g. environmental labelling, Triman, PFAS), and from diverging interpretations by national authorities. In this regard, the cosmetics sector offers concrete proposals to reduce administrative burdens, strengthen consumers' trust, and support the environmental transition, without constraining manufacturers' capacity to innovate.

Accelerating the digitalisation of consumer information

Cosmetic products are subject to a dense and evolving regulatory framework, which results in frequent labelling changes - sometimes several times a year. These changes are driven in particular by the French anti-waste law for a circular economy (AGEC), the Packaging and Packaging Waste Regulation (PPWR), environmental information requirements, and sector-specific regulatory provisions, for example concerning consumer information on allergens.For French cosmetics companies, often SMEs or mid-sized businesses, the estimated cost of bringing labelling and packaging into compliance can range from several hundred thousand euros to several tens of millions of euros.

To address these constraints, **FEBEA proposes launching a pilot initiative aimed at digitalizing the consumer information currently printed on cosmetics packaging.** This approach would provide consumers with more accurate and easily accessible information, while streamlining labelling processes, thereby reducing both costs and environmental waste.

Through more agile updates, digitalisation would enhance transparency, help prevent online misinformation, and facilitate product authentication, contributing to the fight against counterfeiting, which costs the industry an estimated €5 billion each year. It would also help reduce the use of secondary packaging, particularly for formats under 20 ml, which alone account for 50% of the market. This initiative anticipates the forthcoming Digital Product Passport, which will soon become mandatory under the European Ecodesign for Sustainable Products Regulation (ESPR).

Harmonising the control process for manufacturing practices

In Europe, the manufacture of cosmetic products must comply with Good Manufacturing Practices (GMP), as set out in Article 8 of the Cosmetic Products Regulation and detailed in the international standard ISO 22716.

The regulatory framework is based on a self-declaration of GMP compliance, underpinned by operator responsibility and a posteriori controls carried out by the competent authorities. In France, the DGCCRF (Directorate-General for Competition, Consumer Affairs and Fraud Control) now holds sole responsibility for monitoring cosmetics establishments and products, as well as issuing the certificates required for export.

In the context of the forthcoming revision of the Cosmetic Products Regulation, **it is essential to limit divergences in interpretation between national authorities regarding GMP application, in order to avoid fragmentation of the internal market,** an issue of particular concern for SMEs.

In the meantime, an inspection framework that is clear, proportionate, and tailored to the specificities of the sector is needed. This is the focus of ongoing discussions with the DGCCRF, aimed at avoiding over-interpretation of ISO 22716. The industry's shared objective is to uphold a high level of consumer protection while safeguarding the international competitiveness of French manufacturers.

Preserving the license to operate for cosmetics packaging

The cosmetics sector was the first to commit, as early as 2021, to reducing the plastic footprint of its packaging, by launching an ambitious and structured action plan: the Plastic Act. This initiative is built around four key objectives, the "4 Rs», to be achieved by 2025. Results are already tangible, with significant progress made by companies in the sector in terms of plastics reincorporation, recycling, and reduction.

As a proactive stakeholder in the environmental transition, FEBEA calls for the various legislations stemming from the Green Deal to be implemented in an harmonized and proportionate manner, aligned with industrial realities. In particular, greater clarity is needed on how French legislation aligns with European regulations, especially on key issues such as packaging reuse and recyclability.
Several provisions of the Packaging and Packaging Waste Regulation (PPWR) raise significant operational challenges for companies in the cosmetics sector : notably, the recyclability requirement, which will mandate that all packaging placed on the market be recyclable as of January 1, 2030, and the minimum recycled plastic content targets set for 2030 and 2040 for all plastic-containing packaging.
Access to such materials, particularly in light of existing supply constraints upstream in the recycled plastics value chain, could lead to difficulties in terms of compliance requirements.

The cosmetics sector anticipates a very high economic and operational impact from the implementation of this Regulation, given the specific characteristics of cosmetics packaging, the technical challenges involved in making it recyclable, and the current limited availability of viable alternatives.
Against this backdrop, **it is essential to establish realistic implementation timelines and to take the specificities of the cosmetics industry into account when drafting secondary legislation and forthcoming standards.**

4 Ensuring fair treatment

The cosmetics sector is too frequently penalized by regulatory measures based on impact assessments that are manifestly flawed, incomplete, or methodologically unsound. This practice contravenes to the core principles of the European Union's Better Regulation agenda, which requires public policy to be evidence-based and to minimize unnecessary burdens. To ensure fair and proportionate regulation, it is essential to guarantee the quality, transparency, and objectivity of impact assessments from the earliest stages of their development, in full alignment with EU guidelines, and to ensure meaningful stakeholder consultation. Furthermore, an accessible appeal mechanism should be established to allow for challenges to impact assessments whose quality or methodology are found to be clearly deficient.

Revising the Urban Waste Water Treatment Directive to ensure a fair and sustainable Extended Producer Responsibility's scheme

The revision of the Urban Wastewater Treatment Directive provides for the introduction of a new Extended Producer Responsibility (EPR) scheme targeting micro-pollutants. Under the current proposal, 80% of the associated costs would be allocated to the pharmaceutical and cosmetics industries. However, this allocation is based on a flawed assessment of each sector's actual contribution, resulting in a financial burden on the cosmetics industry that is disproportionate to its real environmental impact. The cosmetics industry is responsible for only around 1% of micropollutants in wastewater, whereas the current cost allocation puts the industry's share at 26%. This situation constitutes a clear violation of the fundamental principle of proportionality.
FEBEA therefore calls for an urgent correction of this allocation, based on rigorous and transparent scientific data, to ensure fair treatment between the different contributing sectors. In particular, this involves:

- **Reassessing the provisions of Article 9 related to the EPR and the Annex III, and introducing an implementing act establishing a scientifically-based and sector-neutral positive list of substances, to clarify that Member States will have to set up EPR schemes based on the micro-pollutants actually discharged into urban wastewater;**
- **Guaranteeing fair application of Article 9 (1), by ensuring that each contributor bears a share of the de-pollution costs proportionate to its actual responsibility.**

Under the European Water Resilience Strategy, the European Commission has recently announced its intention to launch an updated study into the potential costs and impacts of the Urban Wastewater Treatment Directive (UWWTD) on affected sectors. Furthermore, there is a pressing need to re-evaluate the scope of the Extended Producer Responsibility (EPR) scheme for micropollutants, as provided for in the directive

Guaranteeing an effective right of appeal

FEBEA calls for all new European regulations to be systematically accompanied by a robust, public, and transparent impact assessment, including a sector-specific cost-benefit analysis, meaningful stakeholder consultation, and access to the scientific data underpinning the proposed provisions. In cases of non-compliance with these requirements, we call for the establishment of a streamlined mechanism allowing for judicial review before the European courts.

Such a mechanism would reinforce democratic oversight of the EU regulatory process, which remains too often opaque, as demonstrated by the file on the Urban Wastewater Treatment Directive, and would help ensure the practical enforceability and effectiveness of adopted measures.

5 Protecting industry and consumers from unfair practices and counterfeiting

Tariff measures implemented under the Trump administration, along with the trade escalation seen notably with China, have exacerbated the negative consequences linked to the growing influence of foreign online commerce platforms. The rapid rise of various forms of online intermediaries, marketplaces, influencers, social media platforms, and others, has facilitated the proliferation of illicit, counterfeit, or potentially unsafe products. It has also contributed to the growth of unauthorized parallel trade, undermining selective distribution networks.

Combating illicit products

The rise of « dupes », which are merely a new form of counterfeiting, must be combatted at every level, given the risks they create for consumers and their health, as well as for the entire sector and its know-how. **The marketing and sale of dupes incurs liability under trademark law, consumer law (specifically concerning misleading commercial practices and unlawful comparative advertising), and even civil law (in matters of unfair competition and parasitism/free-riding).** This applies to all actors involved in the sale and promotion of dupes. Indeed, according to a landmark ruling by the CJEU of 10 February 2009, the unauthorised use of a trademark in comparative lists constitutes trademark infringement.
The proliferation of dupes through social media, e-commerce platforms, discounters, and other fast fashion players, is therefore incomprehensible, despite the efforts of enforcement authorities. We therefore call for these authorities to be allocated resources commensurate with the scale of this phenomenon, in order to combat more effectively this threat that today affects the entire French and European industry.

The management and handling of consumer reviews should not be overlooked in these actions, drawing on the position adopted by the German Federal Court of Justice on 24 April 2025, which ruled that the use of consumer reviews constitutes a form of online advertising for which operators are fully liable. In France, a similar approach is essential: the publication of consumer reviews on a website triggers specific obligations for online editors.

Fighting illicit trade

It is essential to establish clear and enforceable legal liability for these digital intermediaries, allowing for sanctions when they directly or indirectly enable the placement on the market of illicit products, whether counterfeit or non-compliant with cosmetics regulations.

This liability must also apply to cases where the modalities of sale itself are unlawful, particularly when they infringe on the integrity of selective distribution systems (parallel trade).

Three legal avenues could be pursued to strengthen the fight against illicit online sales:

- Extend the scope of Directive 2019/633 of April 17, 2019 on unfair trading practices in B2B relationships, by incorporating elements inspired by Article L.442-2 of the French Commercial Code, in order to establish a clearer legal basis to address unauthorized resale;
- Leverage the Unfair Trading Practices Directive of May 11, 2005 (B2C), particularly Articles 5 and 6 and Annex I, which already offer relevant entry points. These provisions could be further clarified to explicitly classify unauthorized resale as an unfair practice banned under all circumstances;
- Amend Article 15 of the EU Trademark Regulation (June 14, 2017) concerning the exhaustion of rights, to explicitly recognize unauthorized resale as a legitimate ground to oppose the exhaustion principle.

The ongoing consultation on the EU's 2025–2030 policy agenda, which includes priorities such as digital fairness and stronger enforcement of consumer protection rules, offers a timely opportunity to advance these proposals. This should also be considered as part of the broader European discussions on Territorial Supply Constraints.

ABOUT FEBEA

FEBEA - Fédération des Entreprises de la Beauté, is the trade association for companies in the cosmetics sector (perfumery, make-up, skincare, hygiene, toiletry and hair care products).
It brings together some 350 French beauty and well-being companies, 82% of which are small and medium-sized businesses.

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