

## EXPORT TO CANADA NEWS INFORMATION · ADVICE · CONTACT

### COSMETICS, SPA AND BEAUTY MARKET IN CANADA



### MESSAGE FROM THE EXECUTIVE DIRECTOR



STEVE TIPMAN
EXECUTIVE DIRECTOR
TFO CANADA

## Is your company ready to sell to international markets?

Since travel restrictions were mostly removed in the Spring of 2022, I've had the opportunity to meet with many entrepreneurs and beneficiaries of TFO Canada's work in different parts of the world, including Indonesia, Peru, Ghana, South Africa, Tunisia, Morocco, the UK, and Canada. This is certainly one of the most enriching parts of my position at TFO Canada as it is where I get to learn about the many small and medium-sized enterprises (SMEs) that we support.

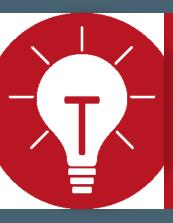
While each country and every business that we work with is unique, there is one area that is remarkably universal: SMEs wanting TFO Canada's help in meeting potential buyers of their products and/or services. It is true that this continues to be a very important service that we offer and those who have worked with us more closely understand that our engagement in this area can be qualified as being a journey. This is critically

important as exporters only have one chance when it comes to meeting with potential importers of their products. Borrowing from a sports analogy that I used when dealing with this topic five years ago, meeting with buyers can be characterized as "game time" while all the efforts and upfront preparations can be viewed as "practice time".

In my estimation, the "practice time" that companies put into getting themselves ready for a trade mission is almost as important (if not more) than the actual event itself. In fact, in many cases, the time companies put into preparing for such missions can help them to determine if they are ready and contribute towards a decision to make the investment in attending or not. All of this can also lead to an even bigger question: "Isyour company ready to sell to international markets?"

To help you answer this question, TFO Canada has much to offer in terms of information, advice, and education. This can also lead to success as an exporter, notably in the competitive Canadian marketplace. I often suggest that your first step should be to register your company on our website. Also, perhaps a second step is to go through the brief questionnaire tool that we have created to help put some context to your level of export readiness. By you taking a few minutes to complete the tool will allow us to immediately quide you to the information and publications that may help start your way to export success.

Successful exporting requires time, resources, and knowledge to prepare your products and your staff for a foreign marketplace. Please think of TFO Canada as your partner who is there to help in achieving your exporting goals.



### Tipman's Trade Tip

It goes without saying that entrepreneurs must be cautious with every step of their expansion into international markets as each new opportunity has its own risks and rewards. Learning about similar products or services and knowing more about their successes or failures in the market you've identified as having potential for your goods helps an entrepreneur to better strategize future success.

TFO Canada is pleased to announce the release of an updated Market Information Paper (MIP) in the Cosmetics, spa and beauty sector. The full guide is available in English on our website. The French and Spanish versions will be published first week of October. Please ensure you are registered with us to access the full document.

### Cosmetics, Spa and Beauty Market in Canada

### By Bertrand Walle, TFO Canada Associate

The 2023 Cosmetics Market Information Paper (MIP) is a treasure trove of information designed to provide relevant intelligence about the Canadian market for would be exporters in the cosmetics industry operating in TFO Canada member countries. The extensive report focuses on key data points and discusses vital topics, including:

- Product category trends and opportunities for importers.
- Market strategies vital for importing success in the Canadian market.
- Canadian product regulations & standards plus labelling requirements.
- Packaging and transportation availabilities when exporting to Canada.
- Primary types of prospective distribution channels available in Canada.
- Trade practices such as importing & inspection, tariffs, and corporate social responsibility.
- Tradeshows as a means to attract buyers.
- Sources for additional information including trade publications.

To get the full Canadian experience, importers will need to know how these topics shape the attitudes of Canadian buyers and impact how they go to market. In the updated report you will find discussions on:

The Impact of COVID-19: When the pandemic began, the market for cosmetics suffered an immediate shock. Retail on-and-off closures caused traditional shopping habits to be replaced by panic buying and long-established processes to replenish supplies hit many roadblocks. After the initial shock, Canadian consumers began to behave differently. In what has been described as a 'flight to safety', Canadians chose products and shopping styles that were perceived to be 'safer', regardless of whether they were related to COVID-19 or not. This section details some of those buying habits and distinguishes between new habits brought on by the pandemic with ones merely accelerated by it. Presently there is a re-balance of brick & mortar shopping and online shopping experience.

**Regulations:** Since the last report, there have been significant advancements in regulations resulting in various governmental legislative changes in both the manufacturing process and product requirements of a product in Canada. Some of the topics to be especially aware of are microbeads, animal testing, MoCRA, products claims and the French language law in labelling to name a few. This updated report outlines the specific changes in addition to giving the online links for even further information specific to the Canadian cosmetics industry.

**Corporate Social Responsibility:** While a discussion of Corporate Social Responsibility (CSR) is not new to this publication, the 2023 edition takes a deeper look at this opportunity for importers. In addition to listing the various organizations supporting CSR initiatives in Canada, this year's publication details some of the more popular initiatives undertaken by Canadian organizations and provides advice on how importers can get involved in their own programs while communicating their efforts to customers.

This year's report along with all its new content is vital reading for any cosmetics supplier from TFO Canada beneficiary countries interested in doing business in the lucrative Canadian market.



### Preparations Underway for the Buyer's Mission to Vietnam

TFO Canada, in collaboration with the Vietnam Trade Promotion Agency (Vietrade) and the Embassy of the Socialist Republic of Vietnam in Canada, selected up to 30 Vietnamese small and medium-sized enterprises (SMEs) in the processed food sector to participate in a Canadian buyers mission to Vietnam. Currently, matchmaking efforts are underway for the business-to-business meetings scheduled to take place in November 2023.

### SME Training in Export Readiness in Indonesia and Vietnam

In June 2023, additional training on export readiness was conducted for 13 SMEs engaged in the Processed food sector from Indonesia (11 Women-owned/Led).

In September 2023, 22 small and medium-sized enterprises (SMEs) in the processed food sector of Vietnam received additional training on how to be export-ready. Among the participants, 20 SMEs were women-owned or led.During the event, Mrs. Quynh TRAN, Ph.D., Commercial Counsellor at the Embassy of the Socialist Republic of Vietnam in Canada, gave a presentation on the Canadian food distribution system, market perspective, and how to make use of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to enhance sourcing and selling strategies in Canada.



Processed food export readiness training for SMEs in Vietnam

### Preparations begin for Montreal International Gaming Show

With the support of the Directorate General of National Export Development (DGNED), Indonesian Trade promotion Center (ITPC), and Trade Attache Office of the Embassy of Indonesia in Canada, seven Indonesian SMEs engaged in game animation, development and production were selected for 01-on-01 consultations in preparation for the Montreal International Game Summit (MIGS 2023) in November 2023.

### **TECH-UP Project in Palestinian Territories**

TFO Canada completed the market research on the Canadian and Palestinian ICT markets in July 2023. The study provided an analysis of the opportunity Palestinian ICT service providers have to sell into the Canadian market and recommendations for potential market entry.

## Enhancing Risk Management in the Import Control and Inspection System for Fish and Fishery Products in Indonesia

With funding from the Global Alliance for Trade Facilitation (the Alliance), TFO Canada is implementing a trade facilitation project in Indonesia (Enhancing risk management). The project tackles trade barriers with a business mindset, bringing together governments and the private sector to identify trade barriers and design and implement targeted reforms that deliver commercially quantifiable results. After the successful implementation of the first component by signing a decree (which will come into effect in 2024), TFO Canada is currently implementing activities under the second component (including capacity building of Fish Quarantine Inspection Agency (FQIA) on "Food Safety & Quality" (FSQ) and "Biosecurity & Fish Disease" (BS-FD) and Hazard Analysis Critical Control Point (HACCP), awareness raising for private sector, and an in-country study visit for FQIA staff to share best practices in monitoring and control system.

## PROGRAM UPDATES Africa and Haiti

### Market Familiarization Tour to NY for SMEs from Ethiopia and Lesotho



Info-session for SMEs from Ethiopia and Lesotho during the Market Familiarization Tour in New York

Under the SMO-LUME Project, funded by the Government of Canada, TFO Canada in collaboration with the Ministry of Industry (Mol), Entrepreneurship Development Institute (EDI) and Oromia Chamber of Commerce and Sectoral Association from Ethiopia, and the Lesotho Chamber of Commerce and Industry, Lesotho National Development Corporation and Basotho Enterprises Development Corporation of Lesotho organized a market familiarization tour for 14 women-led and one man-led small and medium-sized enterprises engaged in the textiles, crafts, and leather-fashion accessories sectors. Under the guidance and counseling of experts from Aid to Artisans, the delegation visited <a href="New York NOW">New York NOW</a> and <a href="ShoppeObject">ShoppeObject</a> trade shows, as well as a series of retail stores and facilities.

### **Supporting Haitian SMEs project**

TFO Canada completed the first phase of the "Supporting Haitian SMEs Project" in the aromatherapy and luxury artisanal sub-sectors. During this phase, TFO Canada assisted 20 SMEs operating in the aromatherapy sector in Haiti, helping them access the North American market. The first phase was a resounding success, with over 160 promising business meetings, three successful trade missions, and several export contracts in negotiation, with success stories already coming to fruition.

### Export Launchpad Uganda – Certificate Ceremony

A certificate ceremony was held in Kampala, Uganda in recognition of the successful completion of the export readiness training under the Export Launchpad Uganda program. Export Launchpad Uganda is a joint initiative of the International Islamic Trade Finance Corporation (ITFC), Trade Development Fund, and Global Affairs Canada through its Women in Trade for Inclusive and Sustainable Growth (WITISG) project, implemented by TFO Canada in collaboration with the Uganda Export Promotion Board.



Export Launchpad Uganda - Certificate Ceremony in Kampala

In this empowering journey, more than 50 district commercial officers, and 112 women-led SMEs (40 in Kampala, 36 in Lira, and 36 in Kabale), engaged in the agri-food value chains and subsectors, were trained with the necessary tools and knowledge to expand their businesses in international markets.

Congratulations to all the SMEs and training trainers on this achievement! In the words of Kobi Yamada - "She turned her can'ts into cans, and her dreams into plans."

### PROGRAM UPDATES

### Africa and Haiti

### Market Access and Value Chain Management Training Workshop in Morocco

Within the framework of the implementation of the Program of Women Empowerment in the field of international market access of Organization for Islamic Cooperation (OIC) member countries, Islamic Centre for Development of Trade (ICDT) and TFO Canada organized in collaboration with the Cooperation and Capacity Development Department of Islamic Development Bank (CCD) a "Training Workshop on Access to markets and Management of value chain for the benefit of Women-owned Enterprises and Cooperatives in OIC Arab Speaking Countries".

The five-day training session was held from July 17 to 21, 2023 in the Kingdom of Morocco in Casablanca. The training was conducted in Classical Arabic, with an additional effort made to adapt explanations to four different local and regional Arabic dialects, whenever possible. This was done to ensure that the 35 female participants who came from varying educational and cultural backgrounds (26 from Morocco, two from Bahrain, two from Mauritania, two from Egypt, one from Tunisia, and two from the Kingdom of Saudi Arabia) could benefit from the material. After the event, attendees decided to form a federation that would continue the positive energy of the training. They aim to use it as a catalyst for prosperity, stability, and women's empowerment through exports.



SMES from Haiti at COSMOPROF Trade Show in Las Vegas, U.S

# G-X-G-T

Canadian Buyers Delegation in Morocco

## TFO Canada Hosts SMEs from Haiti at COSMOPROF North America

TFO Canada, in partnership with CFI Haïti - Centre de Facilitation des Investissements, hosted six SMEs from Haiti engaged in the cosmetics and natural health products industry at Cosmoprof North America Las Vegas Trade Show in the U.S. from July 11-13 2023. The SMEs showcased their aromatherapy and beauty industry offerings and established meaningful connections with international buyers, distributors, and professionals.

A total of 46 B2B meetings were held with international buyers, and two potential orders materialized as a result of the meetings.

### **Canadian Buyers Mission to Morocco**

TFO Canada in collaboration with the Exporters Association of Morocco (ASMEX), and the Moroccan Investment and Export Development Agency - AMDIE organised a Canadian buyers Mission to Casablanca from September 17-22, 2023. The buyers participated in more than 200 B2B meeting with SMEs engaged in processed food products sector and visited distribution warehouses and the prestigious port of Casablanca.

The Canadian delegation's mission in the country, which includes Moroccan Canadians, holds great importance as they express their solidarity with the nation in light of the recent earthquake that struck the Al\_Haouz region on September 8. Trade will bring economic benefits to small and medium enterprises along the entire Moroccan product value chain, including to several producers and processors which are based in and around the region impacted by the earthquake.

## PROGRAM UPDATES Latin America and the Caribbean

The Women in Trade for Inclusive and Sustainable Growth (WITISG) project in the region made progress in the development and promotion of gender inclusion, capacity building, and market access activities.

### Gender and Social Inclusion Assessment Survey in Guatemala



Guatemala Export Association Gender Assessment survey participants

In Guatemala, a gender assessment survey was launched by the Guatemala Export Association (Agexport) as part of their Gender and Social Inclusion (GESI) Action Plan. An analysis of the results provided a description of the level of women's participation and leadership in Agexport's member companies. The report emphasized the importance of continuing to identify and raise awareness of the challenges faced by women in trade.

### Export Readiness Training for SMEs in Guatemala and Colombia

25 women-led companies in Guatemala received training to improve the SMEs skills in identifying Canada as a potential market, adapting their export plans to Canadian requirements, and implementing best practices related to environment and climate change, corporate social responsibility, digital marketing, and e-commerce.

In Colombia, 15 small and medium-sized enterprises (eight women-led) from the produce sector received training on technical and export-related topics. This was in preparation for participating in market access activities.

### Preparations Underway for Global Produce & Floral Show in USA

In partnership with ProColombia, 10 SMEs in the Produce sector have been selected to participate in the Global Produce & Floral Show in Anaheim, California, USA in October 2023. These SMEs are currently being equipped with the necessary skills to participate in market access activities. To aid in their preparation, TFO Canada is organizing a virtual information session for the SMEs, which will feature guest speakers from the Canadian Food Inspection Agency (CFIA), Dispute Resolution Corporation (DRC), and US Food and Drug Administration (FDA). Moreover, a Market Familiarization Tour will be conducted to showcase the variety of products available in the North American market to help the SMEs identify their competitors and the main brands.

### **Coffee Buyers Mission to Honduras**

With the support of the Chamber of Commerce and Industries of Cortez, 20 SMEs were pre-selected and provided with guidance to create export profiles and tailor their export plans for participation in a Buyer's Mission in the coffee sector.

### SPOTLIGHT ON TFO CANADA ACTIVITIES

### Webinar: Introducing TFO Canada Online Services

TFO Canada hosted three webinars this summer introducing the website and online services. The webinar provides guidelines to exporters on TFO Canada's website registration process, access to market information and tools.



L to R: Linda H. Desaluriers, S.Trade Commissioner, Steve Tipman TFO Canada Executive Director, Amb. Jacqueline Delima-Baril, Marysabel Gonzalez, TFO Canada Program Director and Janin Mendoza, Project Manager, Latin America and the Caribbean.

### TFO Canada Meets Canadian Ambassador to Dominican Republic

TFO Canada met with the Canadian Ambassador to the Dominican Republic, H.E. Jacqueline DeLima-Baril, and New Senior Trade Commissioner Linda Hernández-Deslauriers. It was an opportunity to discuss and explore potential opportunities between TFO Canada and the Dominican Republic

### **Regional Updates**

### Susan Baka, TFO Canada Ontario Regional Representative

Attending apparel shows was on the summer agenda for Ontario's Regional Representative in Toronto who participated at:

- <u>Toronto Market Week/Mode Show</u>, August 13-15: Held twice annually and dubbed Canada's fastest growing fashion, gift and home trade show, it featured a growing number of exhibitors and permanent showrooms. The next one will be held January 28-30, 2024.
- <u>Apparel Textile Sourcing Canada Show (ATSC)</u>, August 21-23: Exhibitors from Bangladesh, Vietnam and Ghana were among the exporting companies at this year's ATSC event.

These shows presented opportunities to meet Canadian buyers and importers and educate them about sourcing from developing countries and how TFO Canada can help, and also to introduce exhibitors from overseas to our online resources to assist them in exporting to North America.



Ethiopia-Canada Business and Investment Forum participants

### Fifth Annual Ethiopia-Canada Business and Investment Forum

The Ontario regional representative attended and delivered a presentation at the fifth annual Ethiopia-Canada Business and Investment Forum on September 18, 2023 in Toronto. The presentation highlighted TFO Canada's role, programs and tools available to support SME exporters from developing countries.



Indonesian Trade Promotion Center in Vancouver

## Allison Boulton, TFO Canada British Columbia Regional Representative

The regional representative in British Columbia visited the Indonesian Trade Promotion Center in Vancouver to learn about the wide range of Indonesian products available to Canadian buyers. She met with Mr. Andri Satria Permana, Director, ITPC Vancouver and Ms. Liza Wajong, Co-Founder, Archipelago Marketplace who showcased a number of export offerings from fashionable batik clothing, homewares, to folding bikes and unique foods like turmeric noodles, and banana chips.

## CHOKO LAKAY: AN EXPERIENCE IN HOW TO SUCCESSFULLY ENTER THE CANADIAN MARKET



Jheline Avrilien, General Manager of Choko Lakay

Choko Lakay is a Haitian company founded in 2016, renowned for the processing of organic, fair trade, sustainable and profitable cocoa. Located in the commune of Cap-Haitien in the department of Nord, the company brings together more than 200 rural women who specialize in the production of cacao.

The company has worked in aromatherapy and in the food industry and offers a range of premium quality chocolate products: cocoa powder, cocoa mass, cocoa butter, cocoa nibs, cocoa tea, chocolate bar; soap, massage oil, and coca-based lip balm. The aim is to promote the cocoa sector and its exports and to add value to the cocoa/ chocolate value chain and the sustainable development of agribusiness.

The company has a social commitment and participates in social and cultural activities. Choko Lakay works on "*Transparence Cacao"*, a project in which the company liaises with a cooperative that groups at least 200 cocoa producers from various regions in the north of the country, mostly women.

"With this project, we work on social responsibility with producers, by providing them with training in cocoa processing and production that will enable them to increase the productivity of their plantations," explains Brisly Germeus, owner of Choko Lakay.

The "We use company committed to environmental protection. natural gas wood," "In biodegradable instead of coal says Brisly. addition, packaging." we use

Choko Lakay is one of the SME beneficiaries of the "Support for private sector development through investment promotion" project, financed by the Inter-American Development Bank and executed by TFO Canada in partnership with the Centre de facilitation des investissements en Haïti (CFI-Haïti).

After several months of preparation and hard work, Choko Lakay successfully completed its first export to the Canadian market in July 2023! The products were exported to Montreal, and the process was successful and well planned. The company is grateful for TFO Canada's support throughout this experience:

"Before, as an SME, we thought it was difficult to export to Canada, and we didn't know what to do," explains Jheline Avrilien, General Manager of Choko Lakay. "But now we have learned that you just need to plan properly and be well-informed, to understand the market in advance. With the training we received from TFO Canada on export planning, we did everything exactly in order, and the products arrived in Canada and the customers received the merchandise and their invoices. Everything was well planned, nothing was difficult because we received complete training. Also, with the experience at SIAL, we talked about our projects, our company and our country with people we met from all over the world. After this great experience, we see that we have no limits."

"A great service that TFO Canada offered us was the guidance on packaging", adds Avrilien "In Haiti, we can't really have good packaging. We must [adapt] to different markets and be able to innovate. TFO Canada provided us with training from a packaging expert during our first trip to Canada in November 2022. This enabled us to work on and improve our packaging for export. It was a great experience and it really helped us, emphasizes

### CHOKO LAKAY: CONTINUED

Avrilien. During this first visit to Canada, Choko Lakay benefitted from a market familiarization tour in Montreal organized by TFO Canada that allowed it to assess the Canadian landscape for processed foods.

According to Brisly, "The experience with TFO Canada is a very enriching one for Choko Lakay. TFO Canada provided experts in export planning. Thanks to this training, we understand how to plan for successful exporting and we succeeded in our first export. We understood how to enter and operate in the Canadian market and the difference between the Canadian and other markets".

Choko Lakay participated as an exhibitor at SIAL Toronto in May 2023. "Our greatest recent success was the participation in the SIAL trade show in Toronto", notes Brisly, "it was a great experience that enabled us to see how innovation works in the cocoa sector. The trade show gave us confidence in the international market and credibility thanks to the support of TFO Canada."

TFO Canada is pleased to see the implementation of strategies provided during trainings to SMEs, and to enhance the access of these companies to international markets through participation in trade fairs. We are committed to gender equality through our work by creating sustainable business partnerships for exporters from developing countries. We would like to thank Mr. Brisly Germeus, the owner, and Ms. Jheline Avrilien, the general manager, for sharing their experiences.



TFO Canada improves lives through the creation of sustainable trade partnerships for exporters from developing countries with Canadian and foreign buyers. We facilitate access to the Canadian marketplace and share Canadian trade expertise for the benefit of smaller male and female owned/managed exporters from developing countries and for the men and women they employ. Founded in 1980, TFO Canada is a non-governmental, non profit organization.

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