



# Palestine Trade Centre



## Market Study for Kuwait for Cosmetics

Commissioned by PalTrade

According to your TERM OF REFERENCE (RFQ-PTC-062-07-2018 - Kuwait) to develop a market study to understand market trends and characteristics and to understand the preferences and requirements of potential buyers for the Palestinian organic beauty care products.

This study follows the structure as described in your terms of reference document.





## Contents

1	Introduction .....	4
1.1	Product description.....	4
1.2	Objectives and methodology.....	5
2	Summary of conclusions and recommendations.....	6
2.1	Market overview .....	6
2.2	Distribution channels and import.....	6
2.3	Options to enter the market .....	6
2.4	Market entry recommendations .....	7
	What Alliance experts can do for you .....	8
3	Import profile of the sector .....	10
3.1	Market size .....	10
3.2	Growth rate .....	11
3.3	Market history .....	12
3.4	Market potential .....	12
3.5	Competition in the market.....	14
3.5.1	M.A.C.....	14
3.5.2	The Procter & Gamble Co .....	14
3.5.3	Maybelline .....	15
	The L’Oreal.....	16
3.5.4	The Revlon.....	16
3.5.5	Garnier.....	16
3.5.6	Home Brands .....	17
3.5.7	K7L Cosmetics .....	17
3.5.8	Fashion Fair Cosmetics .....	17
3.6	Distribution channels.....	18
3.6.1	Grocery stores.....	19
3.6.2	Online shopping.....	19
3.6.3	Wholesale channels .....	21
3.6.4	Main retail channels.....	22
3.6.5	Spa’s .....	23
3.6.6	Hotels .....	24
3.7	Market characteristics.....	24



3.7.1	General trends in Kuwait beauty industry .....	25
3.7.2	Main trends in the market.....	25
3.7.3	Ethnic marketing .....	26
3.7.4	Natural and organic products.....	26
3.8.1	Import regulations .....	27
3.8.2	The required documents for import license .....	28
3.8.3	Clearance regulations .....	28
3.8.4	Requirements for specific products.....	29
3.9	Import channels .....	30
3.10	Packaging and labelling .....	31
3.11	Prices (in relation to potential buyers) .....	33
3.12	Commercial practices .....	34
3.13	Sales promotion.....	34
3.13.1	Trade fairs.....	39
3.13.2	Advertisements/blogging .....	40
3.13.3	Magazines.....	41
3.13.4	Direct marketing.....	41
3.13.5	Social media .....	41
3.14	Market prospects.....	42
3.14.1	Market attractiveness of Kuwait beauty market .....	42
3.14.2	Attractiveness of Kuwait retail market .....	43
3.15	Guidelines for specific product categories .....	43
3.15.1	Bathing beauty .....	44
3.15.2	Bathing salt.....	45
3.15.3	Skin cream and lotion .....	47
3.15.4	Bathing soap.....	48
4	Legal, political and economic factors .....	51
4.1	Political climate and stability (Pestle Analysis of Kuwait) .....	51
4.2	International trade developments .....	52
4.3	Trade agreements.....	53
4.4	Trade barriers (both tariff and non-tariff).....	54
5	Acronyms.....	56



## 1 Introduction

The natural cosmetics sector has always been a leading sector in Palestine, especially from the Dead Sea. The formulations are based on modern scientific knowledge combined with traditional recipes. The products consists of 100% natural ingredients (olive oil, natural ingredients, Dead Sea minerals, herbs with healing and nourishing effect, essential oils, natural oils)

The industrial sector in Palestine includes some 15,000 registered companies in the West Bank and Gaza. The majority of these are small and medium family-owned businesses. This study aims at achieving more growth in the economy. It will also focus on possible ways to provide assistance in the UK to increase their market share and penetrate more international markets.

The cosmetics companies involved in this study are:

1. Dead Sea Pearls,
2. Nablus Soap Company and
3. Arab Industrial Co

### 1.1 Product description

- The formulations are based on scientific knowledge combined with traditional recipes from old decades
- Manufacturers are developing and deploying best practices in manufacturing and obtaining/upgrading to international standards
- The beauty products for natural beauty cosmetics are mud enriched with Dead Sea minerals, crystal salts and other natural extracts
- The products consists of 100% natural ingredients (olive oil, natural ingredients, Dead Sea minerals, herbs with healing and nourishing effect, essential oils, natural oils)
- Most of the products are made in small batches ensuring quality and freshness. As the producers use natural ingredients there may be a slight variation in the colour and consistency
- SHE activities at the sector is monitored and controlled by Senior management<sup>1</sup>
- Cruelty Free – No animal testing
- The natural soap doesn't contain colouring additives, flavouring additives, synthetic ingredients nor preservatives

---

<sup>1</sup> Safety, health and environmental protection standards:

<https://www.henkel.com/blob/20072/8eacb38ec1af3756149f679997d91a47/data/she-standards-2018--1-.pdf>



## 1.2 Objectives and methodology

Our primary objective for the Market Study was to gather the information necessary to give Palestinian exporting companies, in particular those who participated in the supply survey, a good overview of the characteristic of the Saudi market, and a perspective on their chances to sell into this market.

In order to do so, we have used the following approach for each of the topics as highlighted in your Terms of Reference:

Describe the <b>characteristics and structure</b> of the Kuwait market; including the identification of <b>potential importers, distributors, end-users</b> etc...;	Compiling existing research reports. We identified the best-selling products currently offered in each category in the market, complete with pictures of the goods and their packaging. Listing leading retailers and wholesaler.
Assess the potential for augmenting <b>demand</b> and/or changing to new sources of <b>supply</b> ;	Research on trends and volumes in the market. Calls with industry organizations and various parties in the value chain.
Identify impediments affecting imports;	Calls and meetings with importers/distributors
Determine areas in which specific enterprise-level assistance may be requested such as: <b>licensing, customs duties, taxes, quality control, other rules and regulations affecting imports</b> etc...	Calls and visits with importers in Kuwait, and exporters on the Palestinian side
Provide information about <b>trade procedures, trade logistics, needed documents and standards to enter Kuwait.</b>	Compiling information obtained from governments, custom authorities, and industry organizations.
Identify areas where <b>measures are required to facilitate imports</b> from diversified sources of supply.	Based on the information gathered for the previous points, we can easily identify these and provide recommendations.



## 2 Summary of conclusions and recommendations

### 2.1 Market overview

With increase in disposable income and demand for beauty products, Kuwait ranks in 4<sup>th</sup> position after Saudi Arabia, UAE, and Oman. In 2016, the trade value of all imports to Kuwait was approximately 9.3 billion Kuwaiti Dinars, compared to 7.6 billion Kuwaiti Dinars in 2012.

Due to high preference for high end beauty products by Kuwaiti women, there's an increase in incoming of high end foreign brand in market. It is said, that 32% of Kuwaiti women prefer to spend their time by shopping<sup>2</sup>. So shopping for cosmetics is more like a hobby for them.

### 2.2 Distribution channels and import

There are different types of distributors in cosmetics and beauty care field, some are very specialized and sells only for their brands, which basically are franchisees and they can't work with others.

The other type has a different sources to supply the beauty care products, but not only that in specific, they import perfumes, make-up, make-up tools, creams, lotions etc, wither from local importer or they import that themselves from abroad.

Pharmacies chains are good to partner with, 200 private retail pharmacies. Around 20% of pharmacies are chain stores, with the majority of the remainder operating independently.

The specialty stores import these products themselves from different countries or they source some products from local importers/distributors.

### 2.3 Options to enter the market

There is a number of major trends in the market, which can be translated into concrete guidelines to enter the market:

- Customisation of cosmetics, e.g. to create a mix of ingredients based on the characteristics of the skin.
- Look good and feel good: paying sufficient attention on how the product is used and what feeling it should give.

---

<sup>2</sup> <http://news.kuwaittimes.net/kuwaiti-women-spend-free-time-shopping-staying-home/>



- Ethnic marketing: in Kuwait, there is increased demand for cosmetics, specifically designed for the rapidly growing number of ethnic consumers. It is estimated that 31.3% of the Kuwait population are Kuwaitis, other Arab 27.9%, Asian 37.8%, African 1.9%, other 1.1% (includes European, North American, South American, and Australian)
- Natural and organic products: the health and wellness trend has increased the demand for more clean, natural and organic perfumes and scented personal care products, creating a strong emphasis on quality ingredients and formulations.

## 2.4 Market entry recommendations

Based on the contacts that we had with potential buyers we see that some importers are open to new products. This openness is not a guarantee for closing a deal but can be a good start. However, this requires a good presentation of the companies and the products.

For those products that are new to the Kuwaiti market, it is important to invest in market development with advertisements, background stories, blogs and sampling. However, this process requires a local consultant who will be involved, as well as local designers and product managers.

**Recommendation 1: help Palestinian exporters to position, package and present their products better.**

For the Palestinian companies, it would be the most efficient to have a joint pavilion on one of the bigger trade fairs in Kuwait, preferably the Kuwait International Perfumes & Cosmetics Exhibition on March 2019. This would also allow to invite the interested importers to see the products and learn more about the companies.

**Recommendation 2: stimulate Palestinian exporters to attend one of these fairs together, with a joint pavilion.**

When a presentation on a trade show does not have the desired effect, there is the option to do an individual importer search. This allows for more intense interaction with an importer. However, this process requires a local consultant who will be involved for a longer period.

**Recommendation 3: do individual importer searches where necessary.**

It would be useful to make these products countrywide available on online Platforms. Souq is open for cosmetics products and offers local warehousing and fulfilment. If a product sells online, it will also be easier to convince potential importers. In order to drive sales, marketing is needed, and for cosmetics in particular this requires good storytelling on the brand, e.g. in the form of blogs and vlogs.



**Recommendation 4: facilitate online sales in Kuwait, and combine this with media publications.**

For exporters looking for a quick start, online sales will be your best bet. Some online platforms are free to sign-up and easy to manage your drop shipping or the local fulfilment. These are cost-effective ways to market your business. Customers must travel to visit your store. With online shopping, you can sell to customers anywhere, anytime. This allows you to serve customers across Kuwait and even more countries in the GCC, or internationally. An online presence allows you to provide more information about your products to your customers. A branded site especially gives sellers a place to provide key content to customers.

### What Alliance experts can do for you

**Recommendation 1: We can provide detailed market insights, packaging and positioning advice**

We now know both the products and the market, and our local specialists can easily point out where the current packaging and positioning go wrong. We can advise your packaging designers, bringing in examples of what works well in the market, or consult with a designer in the target country. We can help reformulate your brand story, enhancing those aspects that are commercially important and can be the basis for a marketing campaign.

**Recommendation 2: We can advise on how to present yourself at a trade fair and invite potential buyers to come to the Palestinian pavilion**

Together with Paltrade and the participating companies in a trade fair we can advise how to best present Palestine and the products of the respective companies. With our current contacts with importers and distributors, we can also personally invite them to visit the Palestinian pavilion and let them meet with the most relevant companies. If necessary, we can also extend this invitation round to more companies. This is a limited extra investment that strongly will increase the yield of participating in the exhibition.

**Recommendation 3: We do individual partner searches**

Alliance experts is specialised in selecting the right agent or distributor in the over 30 countries where we are active. We live there, work there, know the culture and speak the language. And we think from the perspective of the local distributor. This helps us to make connections and arrange appointments.

Based on your strategy for your market entry, we draft a partnering profile, describing your company and the type of partner that you are looking for. In parallel, we list a broad range of potential distributors or agents. We discuss this long-list with you, to see what type of companies you want to focus on. We then approach the companies with your profile in hand. We call them in the local language, get through to the right decision maker, and send your profile and follow-up to see whether he or she is interested in an appointment. Once





we have a short-list of interested companies, we try to arrange meetings for you shortly after one another, so that you can come over and spend your time efficiently.

**Recommendation 4: We facilitate online sales in Kuwait, and combine this with media publications.**

With our initiative <https://exporteers.online> we help companies to sell their products abroad on local e-commerce platforms. We set up a local company who is formally the seller, do the customer care and manage the fulfilment. The only thing you have to do is to ship your goods per box or pallet to a central warehouse from where the individual packages are shipped. Your goods remain your ownership up to the moment we have sold them to the customers. This way your products are easily available in the market. We will offer this service also in the Kuwait starting in 2019.

Having your products online does not guarantee sales. You also have to invest in marketing, and this is strongly dependent on the product. We help you get your product under the attention of blogger, we arrange Facebook postings and can manage your local online advertising. Once your product gets traction, it will also be easier to find a local distributor.



## 3 Import profile of the sector

### 3.1 Market size

Conversely, the GCC cosmetics market is forecast to reach USD 12.81 bn by 2022 (valued at 6.9 bn in 2016) driven by an estimated CAGR of 11.13%, significantly higher than that of the wider region.

With increase in disposable income and demand for beauty products, Kuwait ranks in 4<sup>th</sup> position after Saudi Arabia, UAE, and Oman.<sup>3</sup>

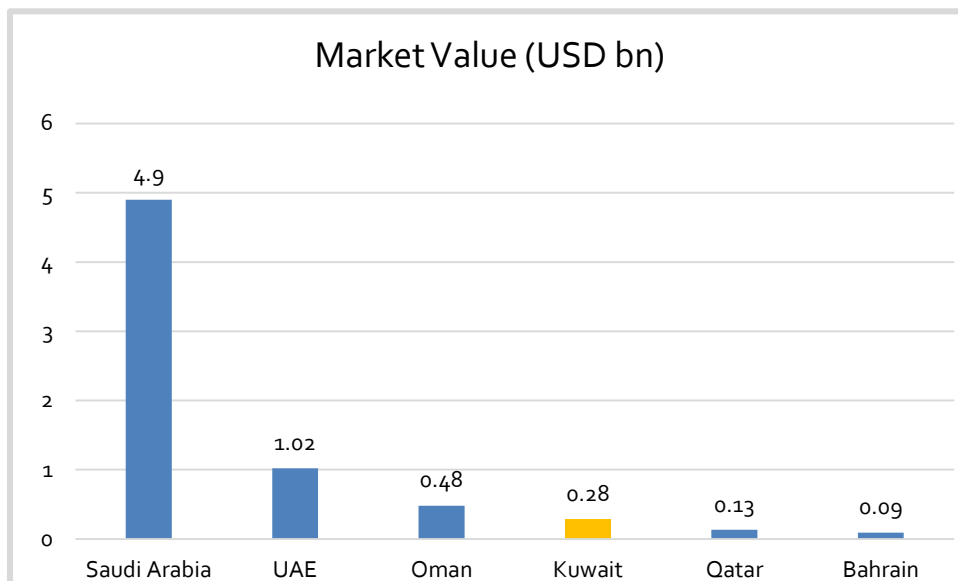


Figure 1 <https://www.beautyworldme.com/blog/trends-and-developments-in-mea-s-women-s-cosmetics-market>

When broken down into product categories, fragrances (36.16%), colour cosmetics (26.51%) and skincare (17.69%) accounted for the largest proportions of the GCC's women's cosmetics market, a trend seen across the wider region.<sup>4</sup>

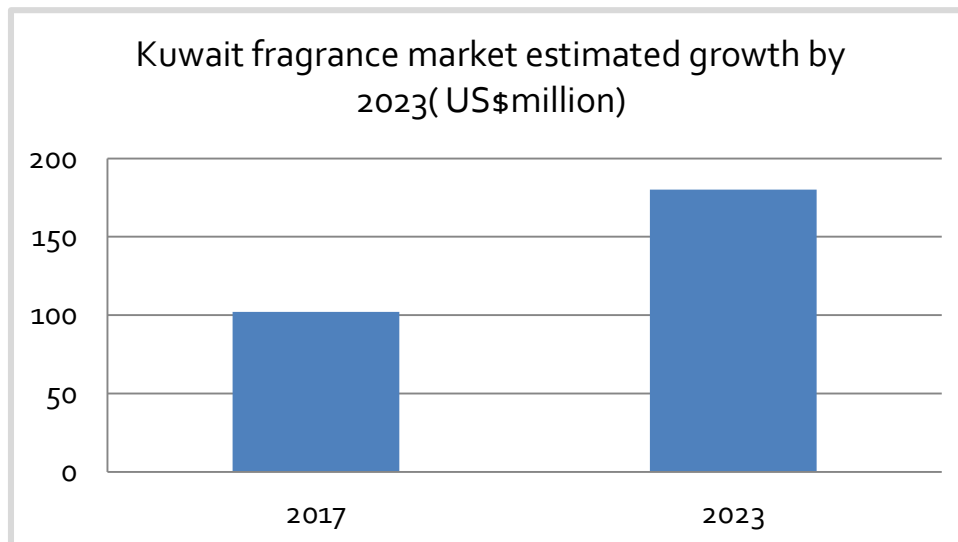
<sup>3</sup> <https://www.beautyworldme.com/blog/trends-and-developments-in-mea-s-women-s-cosmetics-market>

<sup>4</sup> <https://www.beautyworldme.com/blog/trends-and-developments-in-mea-s-women-s-cosmetics-market>



### 3.2 Growth rate

Fragrance market being a successful venture in cosmetic market in Kuwait. The Kuwait perfume market was worth US\$ 102 Million in 2017. The market is further projected to reach US\$ 180 Million by 2023, at a CAGR of 10% during 2017-2023<sup>5</sup>



The fragrance market is expected to register the highest CAGR of 15.8% in the halal cosmetics market

#### Key factors driving the growth:

1. **Increased disposable income:** Kuwait's economic growth in recent years has helped in increasing per capita income.
2. **Increase in the number of Retail Outlets:** Over the recent years Kuwait is likely to continue, with high-end malls holding luxury brands proving popular among Kuwaitis, and as new outlets open their doors in new retail spaces.
3. **Entering of Foreign brands –** Due to high preference for high end beauty products by Kuwaiti women, there's an increase in incoming of high end foreign brand in market.
4. **Spending habits-** It is said, that 32% of Kuwaiti women prefer to spend their time by shopping. So shopping for cosmetics is more like a hobby for them.
5. **Internet penetration-** The rise of online retail can be attributed to a number of factors, among them high internet penetration rates, the greater range of products and lower prices that can be found online, and the growing confidence in electronic transactions as they become increasingly common.

<sup>5</sup> <https://www.marketwatch.com/press-release/the-kuwait-perfume-market---outlook-to-2023-a-180-million-opportunity---researchandmarketscom-2018-09-07>



### 3.3 Market history

The luxury segment in Kuwait has historically been well supplied, but over the past few years the amount of retail space available has increased significantly, as has the number of brands with a presence in the country.

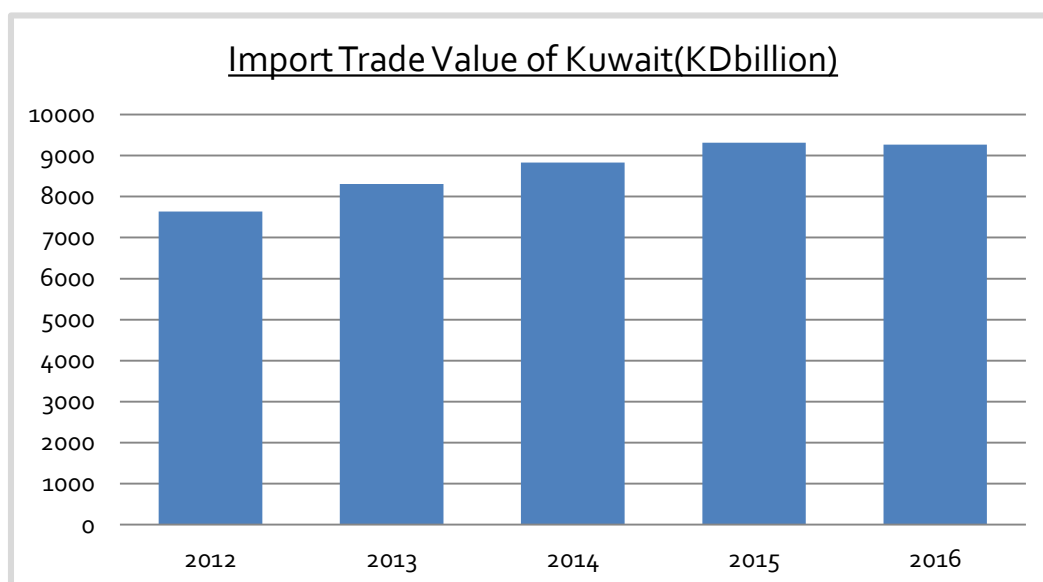
Currently, The Avenues, one of Kuwait’s biggest malls, comprises 270,000 sq metres of gross leasable area, and consists of a number of zones that cater to different segments of the market. Of these, the “Prestige” section houses many high-end fashion brands, anchored by the upmarket British department store, Harvey Nichols, which opened a 10,000-sq-metre store there in 2012.

The Avenues is also home to “The Souk”, which houses retailers selling traditional goods, such as oriental perfumes and traditional Arab dress, which can command a very high price at the upper end of the market. Other shopping malls, such as 360 Mall, also have dedicated high-fashion sections, home to houses such as Cartier, Prada, Jimmy Choo and Salvatore Ferragamo, while the Al Hamra Luxury Centre is home to brands such as Hermès, in addition to boutiques selling Arab scents and jewellery.

In December 2016 , amorepacific, revealed it had signed an agreement with Kuwait retailer alshaya group to team up and open its colour cosmetics label Etude House<sup>6</sup>

### 3.4 Market potential

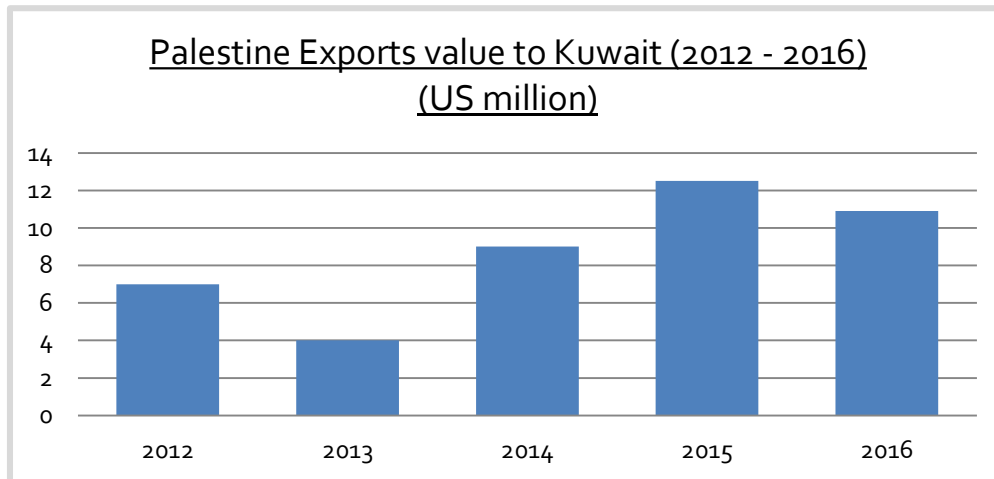
In 2016, the trade value of all imports to Kuwait was approximately 9.3 billion Kuwaiti Dinars, compared to 7.6 billion Kuwaiti Dinars in 2012.



<sup>6</sup> <https://tradingeconomics.com/palestine/exports/kuwait>



Palestine Exports to Kuwait was US\$10.91 Million during 2016, according to the UN comtrade database on international trade.<sup>7</sup>



#### **Palestine exports to Kuwait (2016)**

Exports	Value	Year
Animal, vegetable fats and oils, cleavage products	\$5.56M	2016
Stone, plaster, cement, asbestos, mica or similar materials	\$4.70M	2016
Vegetable, fruit, nut food preparations	\$125.18K	2016
Dairy products, eggs, honey, edible products	\$117.80K	2016
Coffee, tea, mate and spices	\$117.51K	2016
Oil seed, oleagic fruits, grain, seed, fruits	\$66.83K	2016
Edible vegetables and certain roots and tubers	\$66.74K	2016
Plastics	\$24.76K	2016
Articles of apparel, not knit or crocheted	\$22.81K	2016
Salt, sulphur, earth, stone, plaster, lime and cement	\$18.01K	2016

The 2014 Knight Frank Luxury Retail Opportunities Index places the Middle East second only to Africa in terms of growth opportunities, accounting for 30% of predicted growth. Kuwait is ranked 8th worldwide in terms of potential opportunities for global retailers.

Among GCC countries, Kuwait placed behind the UAE (4th place) but ahead of markets such as Saudi Arabia and Oman (16th and 17th, respectively), and ahead of much larger emerging markets, such as Russia, Indonesia and India (12th, 15th and 20th, respectively).<sup>8</sup>

<sup>7</sup> <https://tradingeconomics.com/palestine/exports/kuwait>

<sup>88</sup> <https://www.linkedin.com/pulse/why-brands-should-invest-more-kuwait-laurent-dusausoy>



### 3.5 Competition in the market

The beauty market of Kuwait is flourishing and the sector has respectable number of players, competing for what could be a multi-million-dollar industry in the near future.

The high disposable income and a favourable taste for high end cosmetic brands have led many foreign beauty brands to enter Kuwait market. Any foreign brand before selling in Kuwait need to enter into an agreement with a retailer.

#### 3.5.1 M.A.C.

M.A.C. is the most premium brand in the beauty category in the Kuwait market. M.A.C. cosmetics are available in almost all the premium malls such as The avenues, Al Fanar Mall, Gran Anenue and e-commerce websites of Kuwait.





**Average selling price:**

		
<b>MAC Studio Fix Fluid SPF 15 Face Foundation</b>	<b>MAC Glaze Lipstick</b>	<b>Mac Roller wheel Liquid Liner</b>
Avg.SP-6.491KWD	Avg. SP- 4.827KWD	Avg. SP- 3.834KWD

#### 3.5.2 The Procter & Gamble Co

Ali Abdul wahab Al-Mutawa Commercial Co (AAW) is the largest distributor of fast-moving consumer goods in Kuwait, and the sole distributor of Procter & Gamble products since the 1950s. AAW distributes over 800 P&G products to the Kuwaiti market on a daily basis with a portfolio that includes Pantene and Wella.


**Average selling price:**

			
<b>Olay Natural WhitAll-in-One Fairness Cream, 50g</b>	<b>Olay Beauty Fluid For Sensitive Skin 200 ml</b>	<b>Olay White Radiance Light-Perfecting Clear Facial Oil</b>	<b>OlayPro-X Microdermabrasion Plus Advanced Cleansing System, 1-Kit</b>
Avg. SP- 2.109 KWD	Avg. SP- 2.211 KWD	Avg. SP- 8.073 KWD	Avg. SP- 27.264 KWD

**3.5.3 Maybelline**

Maybelline has more than 264 products in Personal Care & Beauty, Personal Care for Women, Makeup & Accessories, Skincare, Blush & Bronzer & Contour, Mascara, Nail Polish, Brushes & Accessories categories.

The prices of Maybelline products in Kuwait range from KWD 1.00 to KWD 45.00. The hottest Maybelline products are, Maybelline New York Instan Age, Maybelline New York Color Sensational, Maybelline New York Supersta Nail, Maybelline New York 24H Superstay, Maybelline New York Dream Fresh.

**Average selling price:**

			
<b>Maybelline Lash Sensational Intense Mascara - Black</b>	<b>Maybelline Master Camo Color Correcting Concealer Kit 6g - Light</b>	<b>Maybelline New York Superstay 24H Full Coverage Foundation - 30 ml, True Caramel 58</b>	<b>Maybelline Color Sensational Vivid Lipstick 916 Neon Red</b>
AVG. SP – KWD 4	AVG. SP – KWD 5	AVG. SP - 7	AVG. SP - 3






### The L'Oreal

Loreal has more than 200 products in Personal Care & Beauty, Hair Dryers & Stylers, Skincare, Women Hair care, Men Hair care categories.

The prices of Loreal products in Kuwait range from KWD 1.00 to KWD 5.00. The hottest Loreal products are Loreal Paris Casting Creme gloss, L'oreal Paris Excellence 7.1 Light, L'oreal Paris Excellence 8.1 Light, Loreal Elvive UV Filter Caring, L'oreal Elvive Extraordinary Oil For.

#### Average selling price:

		
<b>Loreal True Match Foundation</b>	<b>Loreal Paris * Balmain 469 Fever Color</b>	<b>Loreal Paris Infallible Sculpt Trio Blush</b>
AVG. SP – KWD 4.516	AVG. SP - KWD 4.624	AVG.SP- KWD 2.718

### 3.5.4 The Revlon

Revlon has more than 335 products in Personal Care & Beauty, Personal Care for Women, Hair Dryers & Stylers, Women Perfumes, Weighting Scales, Makeup & Accessories, Skincare, Women Hair care, Men Hair care, Footcare, Blush & Bronzer & Contour, Nail Polish, Brushes & Accessories categories.

The prices of Revlon products in Kuwait range from KWD 1.00 to KWD 26.00. The hottest Revlon products on pricena are Revlon Nail Enamel 731 Knockout, Revlon Super Lustrous Lipstick 663, Revlon Nail Enamel 680 Revlon, Revlon PhotoReady Insta Fix Makeup, Revlon Pediprep Foot Spa.

### 3.5.5 Garnier

It can be segmented as affordable beauty products. The Garnier brand has more than 154 products in Personal Care & Beauty, Makeup & Accessories, Makeup Remover, Wipes, Skincare, Women Hair care, Men Hair care, Soaps & Dispensers, Brushes & Accessories categories.





The prices of Garnier products in Kuwait range from KWD 1.00 to KWD 7.00. The hottest Garnier products on price are Garnier Colour Naturals 7.1 Ash, Garnier Skin Naturals Pure Neem, Garnier Tissue Mask Chamomile, Garnier Skin Renew Dark Circles, Garnier Ultra Doux Marvellous Shampoo.

### 3.5.6 Home Brands

Interesting on the Kuwaitian beauty market is that there are some home grown beauty brand as well. Even the retailers are now collaborating and promoting home grown beauty brands. They are both in luxury and affordable segments.

### 3.5.7 K7L Cosmetics

Kuwait-born K7L Cosmetics focuses on “formulating a line of products that would stand up to the highest standards of professional makeup artists. K7L cosmetics price ranges from KWD 2.5- KD9.

**Average selling price:**

			
<b>Anti-Aging Foundation</b>	<b>Blush</b>	<b>LipSilk Matte</b>	<b>Eyeliner</b>
AVG. SP – KWD 9	AVG. SP – KWD 5	AVG. SP – KWD 6	AVG. SP – KWD 6.5

### 3.5.8 Fashion Fair Cosmetics

Established by 1973 by Shayma Bakhesh, Fashion Fair Cosmetics is not a new brand on the market yet in Kuwait it is still in the infancy stages. With its feminine pink packaging and a wide range of shades, Fashion Fair Cosmetics was strategically marketed in high-end department stores. The brand is known globally as the “makeup of choice” for women of color, and their options are indeed gloriously vast. With over 120 different shades ranging from the lightest to the deepest hues of brown<sup>9</sup>.

There face makeup products ranges from ; \$29-\$35  
 There lip and products ranges from \$ 16-20

<sup>9</sup> <http://www.kuwaitup2date.com/a-new-brand-to-make-you-up-in-kuwait/>



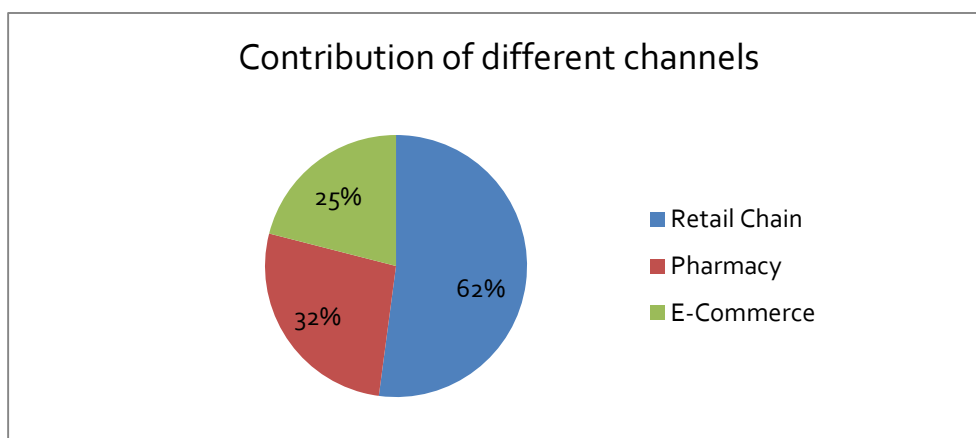
There skincare products ranges from \$32-18<sup>10</sup>

### 3.6 Distribution channels

Kuwait is targeted by many major global luxury fashion brands, which like all foreign firms must partner with local retail groups to operate in the country. Marketing of most foreign products in Kuwait takes place through local agents or distributors. Depending on the location, type of product, and after-market support required, most of the companies work through an agent or representative with access to a distribution network and with some customer support operations in place.

Distribution network in the country is further supported by the variety of widely spread sale and distribution channels in Kuwait, including standalone stores in malls, in addition to over-the-counter sales in salons, pharmacies, as well as bazaars. For supermarkets and pharmacies you may have to pay slotting fees, which is a compensation for the retail chain for the risk they take in granting you shelf space. If you work with local distributor, they mostly passes these costs on to you. To read more about the slotting fees, please visit: <https://www.allianceexperts.com/en/knowledge/exports/listing-slotting-fees/>

However, distribution options for premium beauty brands remain somewhat limited, which could be holding back the development of Kuwait’s beauty market. Occupancy rates in prime malls are around 90%, with demand for retail space increasing, according to an August 2015 report by Maremore Mena Intelligence. The report also notes that while the cosmetics and fragrance categories have a presence in luxury retail, “high-end fashion and accessories enjoy a bigger share of the overall market”. The young, wealthy customer base and penchant for luxury labels should ensure that demand continues to remain strong, paving way for further expansion.



Retails stores are still the most preferred choice for Kuwaiti women for beauty shopping. Hypermarkets are big malls are generally stored for luxury beauty which would cover

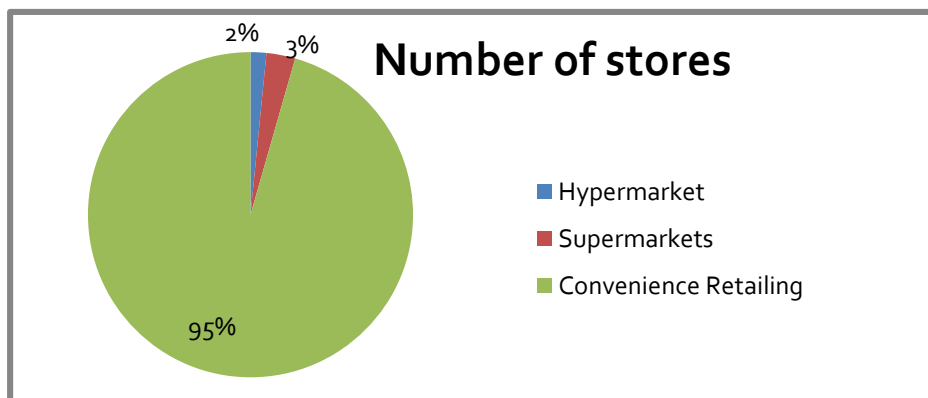
<sup>10</sup> [https://shop.fashionfair.com/Moisturizers\\_s/90.htm?searching=Y&sort=1&cat=90&show=9&page=1](https://shop.fashionfair.com/Moisturizers_s/90.htm?searching=Y&sort=1&cat=90&show=9&page=1)



around 10-20% of the total sales, where as other stores like, general stores, independent beauty stores etc, would cover around 40% of the total sales. Whereas, the rest is covered by e-commerce sales.

### 3.6.1 Grocery stores

As is clear from the list, a large part of personal care products and cosmetics is being sold through general supermarkets or grocery stores.



In number of stores in Kuwait:

- Hypermarkets: 230 stores
- Supermarkets: 420 stores
- Convenience Retailing: 14,000 stores

Among the main hyper- and supermarket groups in Kuwait are Geant, Carrefour, Lulu, Sultan Center and the Kuwaiti Union of Cooperative Societies. Carrefour Group. In Kuwait, Carrefour Kuwait operates a hypermarket at The Avenues, which is one of the largest and busiest malls in Kuwait. Lulu Hypermarkets, part of the UAE-based chain EMKE Group, in February 2015 opened two stores in Kuwait. The first, a 11,150-sq-metre hypermarket at Al Salam Mall in Salmiya, an affluent suburb of Kuwait City, was Lulu’s fifth store in the country and brought the worldwide total for the group to 113. The second was a 21,400-sq-metre hypermarket at Dajeej – the sixth store in Kuwait. The company plans to open another hypermarket at Fintas by the end of 2015, and two more stores at Jahra and Fahaheel by the end of 2016.

### 3.6.2 Online shopping

Kuwait has over four million Internet users. Ecommerce has played a vital role in middle-east’s growth. Countries such as UAE, Bahrain, Kuwait, Oman, Qatar & KSA have seen tremendous growth in this sector in the past 3 years. eCommerce forecast to reach 1.07 billion USD by 2020. 97% of Kuwait’s four million inhabitants use credit/debit cards. Kuwait has 2.6 million internet users with 2.4 of those already shopping online. Online transactions



are split: 70% male and 30% female. Online buyers in their thirties represent 65% of overall online transactions and make up a little over half the population.<sup>11</sup>

The top countries from which Kuwait makes online purchases are the United States and the United Kingdom. The most popular e-commerce sites the consumers are using are: Amazon (US and UK), Net-A-Porter and department stores such as Bloomingdale, Nordstrom Rack and others.

The top four ecommerce websites of Kuwait are the following:

- [www.sephora.com](http://www.sephora.com)
- [www.souq.com](http://www.souq.com)
- <http://store.beauty.com.kw/>
- <https://dairam.com/>
- <https://www.a.ubuy.com.kw/en/search?q=makeup>
- <https://www.k7l.com/en/>
- [https://www.basharacare.com/en\\_kw/makeup](https://www.basharacare.com/en_kw/makeup)

## 1. Nalbes

**Founded in 2017** by two Kuwaiti entrepreneurs, Abdulaziz Alanzi and Bader Alanzi, Nalbes is a one-stop shop for men, women and kids. It is one of the dominant players of Kuwait, in the beauty/fashion domain. Nalbes received a funding of around \$1.5 million, in Series A. Nalbes ships all over the GCC region. Their average price range retails from KWD 5- KWD2000. Brands they deal with- In makeup category- Australis, Kiko Milano, Fresh, The makeup Manual, L.A girl, Palladio, Inglot, Revlon, Color Pop, Pupa, Diego Dalla Palma, Alexandre, Lancaster, Carissa, Carla, Loreal. For bath and body care- Lush, The body shop, Daiso, Optima, Touch beauty, Pupa For skincare- Organique, Tree Hut, Lancaster, Maui Now, Aquolina, Beauty Pro.

## 2. Bootiquaat

Established in 2015 by Mr. Abdul Wahab, Bootiquaat is a virtual makeup showroom of more than 300 brands, where celebrities like Ascia AKF, Yalda Golsharifi, The Real Fouz and Dalalid and many others from all over the world; share the beauty products they use with their audience on their virtual boutiques. It is the most famous beauty startup, in Kuwait today. Boutiquaat is now going beyond selling other labels' goods, partnering up with its influencers to create its own fragrances, hair mists and bakhour.

---

<sup>11</sup><https://www.eshopworld.com/blog/middle-east-ecommerce-kuwait-qatar/>



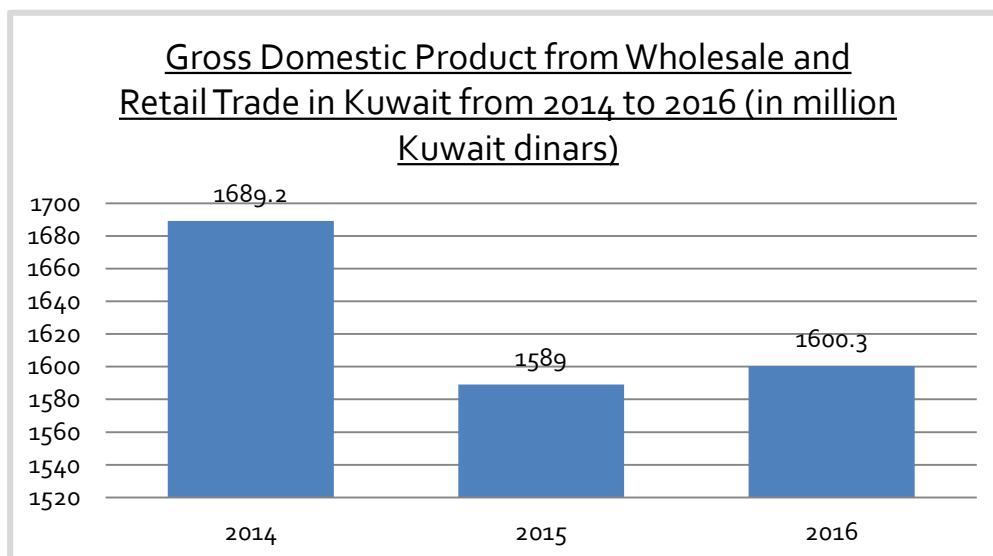
### 3. Apotheca Beauty

The brainchild of three Kuwaiti sisters, Nora, Dana and Sarah Al Ramadhan, Apotheca Beauty was the first online cosmetics hub to bring niche beauty brands to the Middle East. Brands include Lime Crime and Anastasia Beverly Hills among others

Aiming to increase sales, awareness and consumer engagement, most local e-commerce platforms uses influencers in various ways (discount codes, influencer picks, competitions, giveaways, and reviews/tutorials).

#### 3.6.3 Wholesale channels

This statistic shows the gross domestic product for wholesale and retail trade in Kuwait based on a current price from 2014 to 2016. In 2016, the GDP generated in Kuwait from wholesale and retail trade was about 1.6 billion Kuwaiti dinars.



The growth witnessed in retail sector in Kuwait over the recent years are likely to continue, with high-end malls holding luxury brands proving popular among Kuwaitis, and as new outlets open their doors in new retail spaces. Further, Kuwaitis are ranked among the most affluent consumers in the GCC.

Kuwait has at least 45% of population in the 20 to 39 age bracket, and it is natural that these young consumers are keen on spending on retail sector and malls, and in purchasing international brands.<sup>12</sup>

In addition to the mall, the hypermarket is an increasingly popular shopping choice in Kuwait. This is partly attributed to the greater convenience and range that these venues can offer.

<sup>12</sup><https://beautybusinessjournal.com/high-spenders-drive-kuwait-beauty-market/>



While hypermarkets often serve to anchor a major mall, traditional retailers such as small neighborhood shops, markets and cooperative societies continue to account for a fairly large proportion of retail trade in Kuwait. This is partly because they are smaller and nearer to home for many people, and are thereby able to compete on the basis of convenience. However, this preference for convenience on the part of the consumer may tempt big retail groups into introducing smaller-format stores, as has occurred in a number of developed markets over the past few years.

The Kuwait Union of Cooperative Societies, meanwhile, has been in business since the early 1970s. The bulk of co-ops tend to be small neighborhood stores, which offer less variety than the large hypermarkets. However, co-ops devote a quarter of their profits to social and charitable projects in the vicinity, giving consumers an additional incentive to shop locally.

#### **e.g. 1. Old Kuwaiti Souq Market**

This place contains old open shops, wholesale shops, Vegetables, Carpet and most importantly perfumes and many more. To see the Arabic culture it's a very good place.

This place is big and to explore you need at least 2 to 4 hours. Mostly on weekend it's very happening.

#### **e.g. 2. Sultan Centre operates**

Five large wholesale centers as well as many smaller convenience stores. Founded in 1976, it has a presence in Oman, Jordan, Lebanon and Bahrain, in addition to Kuwait, and is listed on the local bourse.

#### **e.g. 3. Geant Kuwait**

Partnership between France's Groupe Casino and Retail Arabia, operates seven stores in Kuwait: a hypermarket at 360 Mall and six smaller-format Geant Easy stores.

### **3.6.4 Main retail channels**

If you look at the main retail channels through which cosmetics products are being sold, you'll see a broad variety:

- Health and Beauty Chains:
  - Boots (20 stores) all over Kuwait
  - Pharmacies: 200 private retail pharmacies. Around 20% of pharmacies are chain stores, with the majority of the remainder operating independently; for names and contact details of the pharmacies available in every region and governorate in Kuwait. Please visit:  
<https://www.e.gov.kw/sites/kgoenglish/Pages/Visitors/TourismInKuwait/EssentialServicesPharmacies.aspx>
- Specialist Retailers:  
Paris Gallery (4 stores); Al SHAYA (10 stores)



- Department Stores:  
Debenhams stores (4); Selfridges (5); Harvey Nichols (1 store)
- Hypermarkets:  
The Sultan Center TSC (19 stores); Lulu Hypermarket (6 stores); City Centre (5 stores); Saveco (4 stores)
- Supermarkets:  
Co-operative Societies (44 Co-operative Societies); Naseem Co-Operative Society (25 stores); Rawda & Hawally Co-Operative Society (9 stores)
- Professional:  
Beauty Salons: there are hundreds of beauty salons in Kuwait, e.g. Rasha Chic, Hanan Dashti, Miss Versailles Salon.



Source: <https://rinnoo.net/en/places/super-and-hyper-markets/kuwait>

### 3.6.5 Spa's

Depending on the product, a good way to introduce your product to the market and have customers gain experience with it, is to offer it to beauty salons and spa's to use it under favourable conditions. This is one of the ways to build a brand without directly having to invest excessively in marketing.

If you look at the most successful spas in the Kuwait, this list can serve as a guideline:

1. Orchid Spa, Kuwait City
2. Talise Spa, Kuwait City
3. Talise Spa at Jumeirah Messilah Beach Hotel & Spa, Kuwait City
4. Six Senses Spa, Salmiya
5. Spa time KIPCO, Kuwait City



6. The Spa at Four Seasons Hotel Kuwait At Burj Alshaya, Kuwait City
7. O2 Spa, Kuwait
8. Viking Club, Kuwait City
9. Antiaging Center, Salmiya
10. Spa Time, Kuwait City

Source: Tripadvisor

### 3.6.6 Hotels

The top hotel toiletries in the Kuwait are:

1. Lemongrass House
2. Le Labo
3. Diptyque
4. Atelier Cologne
5. Mālie Organics
6. Bottega Veneta
7. Asprey
8. Antica Farmacista

Hotel owners or brand and purchasing managers of hotel chains will look at the following:

- 1) To choose the toiletries that fit to the ethos of the hotel
- 2) To choose the right size, more expensive hotels tend to have larger flacons
- 3) To make sure that the toiletries chose have a long term impact

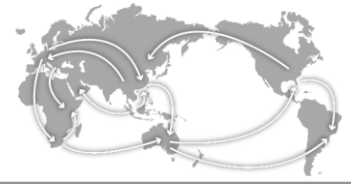
Sources:

<https://www.bighospitality.co.uk/Article/2016/02/02/How-to-choose-the-right-toiletries-for-your-hotel>  
<https://blog.virtuoso.com/hotels/8-of-the-best-luxury-hotel-toiletries/>

### 3.7 Market characteristics

There are many factors which make the Kuwait market interesting. Be at high purchasing power, consumer's spending habits, demand for high- end products or internet penetration. High average incomes coupled with government subsidies give Kuwaitis the means to purchase luxury products.





### 3.7.1 General trends in Kuwait beauty industry

A study released in March 2016 by Kuwait's Al-Qabas daily newspaper, found 205,000 to 230,000 Kuwaiti women spend KD350-400 i.e. \$1,100 – \$1,300 per month on beauty, cosmetics and fitness, bringing their total spending to KD980 million(\$3.21bn) per year.<sup>13</sup>

Around 50 to 60% of Kuwaiti women aged between 15 and 55 spend considerable amounts of money every year on beauty, cosmetics and fitness products. Seek out the latest products in cosmetics products and services, including skincare, fragrances, nails, spa treatments and plastic surgery.<sup>14</sup>

Around 32 % of women in Kuwait have admitted that they prefer shopping in their free time.

There's a new trend that has been emerging in the market and that is the use of botox and fillers among Kuwaiti men. The clinic's consultant in Skin Diseases and Laser Cosmetics, Dr. Ghanima Al-Omar, has revealed that 35% of her clients are males who undergo injectable fillers, botox, and skin whitening.<sup>15</sup>

The population is fairly young, with the majority falling under the age of 40 and some 25% younger than 15.

In spite of its relatively small population, Kuwait has all the makings of a thriving luxury retail market. With GDP per capita among the highest in the world, spending power is consequently very high.

This increased ability to purchase goods, combined with a young population that views shopping as a popular leisure activity in its own right, suggests there is major potential for the luxury retail segment. Female are representing 44% of the workers in the country. This rate is the highest in the region.

Currently, the personal care industry is witnessing a strong growth on account of wider acceptance and willingness by the consumers to invest on self-grooming products. This is fostering the growth of the Kuwait perfume market.

In order to expand their consumer-base, manufacturers are constantly investing in research and development, and coming up with new product launches which are different in terms of packaging, prices and fragrances.

### 3.7.2 Main trends in the market

---

<sup>13</sup><https://beautybusinessjournal.com/high-spenders-drive-kuwaits-beauty-market/>

<sup>14</sup><http://news.kuwaittimes.net/website/kuwaiti-women-spend-kd-989-million-annually-on-cosmetics/>

<sup>15</sup><https://www.arabianbusiness.com/botox-fillers-in-high-demand-from-kuwaiti-men-616883.html>



The rising urban lifestyle and emulation of the Western culture are further prompting consumers to buy luxury goods such as perfumes.

Currently, the personal care industry is witnessing a strong growth on account of wider acceptance and willingness by the consumers to invest on self-grooming products. This is fostering the growth of the Kuwait perfume market.

One of the key trends that have been witnessed in the region is a significant shift towards eco-friendly, alcohol-free and personalized perfumes which can be accredited to the consumer's negative perspective about synthetic fragrances.

The fragrance market is expected to register the highest CAGR of 15.8% in the halal cosmetics market <sup>16</sup>, owing to increase in demand for attar sprays among Muslim consumers. Latin America, Middle East and Africa are expected to dominate the market due to increase in Muslim population countries such as Saudi Arabia, UAE, Kuwait, Bahrain, and others.

### 3.7.3 Ethnic marketing

In Kuwait, there is increased demand for cosmetics, specifically designed for the rapidly growing number of ethnic consumers. It is estimated that 31.3%, of the Kuwait population are Kuwaitis, other Arab 27.9%, Asian 37.8%, African 1.9%, other 1.1% (includes European, North American, South American, and Australian) <sup>17</sup>

### 3.7.4 Natural and organic products

The health and wellness trend has increased the demand for more clean, natural and organic perfumes and scented personal care products, creating a strong emphasis on quality ingredients and formulations.

In Kuwait, organic and natural beauty care products are expected to be expensive. The companies are very selective as for the brands we represent in Kuwait. There are wide range of organic and natural product; creams and lotions, skin products, soap and many other bathing products, and all are free chemicals.

There are major players who distribute organic and natural beauty care products, e.g. Kuwait wind (<http://www.kuwaitwind.com>), a company which represent and distribute products with a real solution to all your skin concerns. Fantastic, Authentic Cosmetic and Skin Care products, they distribute their products to Hospitals, Pharmacies, Private Clinics and Dermatologist.

## 3.8 Import policy and procedures

---

<sup>16</sup> <https://www.alliedmarketresearch.com/press-release/halal-cosmetics-market.html>

<sup>17</sup> [https://www.indexmundi.com/kuwait/demographics\\_profile.html](https://www.indexmundi.com/kuwait/demographics_profile.html)



Ongoing matters of concern for business include Kuwait tax regulations, less than transparent regulations pertaining to industrial standards, highly bureaucratic application procedures, intellectual property rights protection, and less than transparent public contracting and procurement procedures.

Kuwait's economy is liberal. As per the regulation of imports, it is to be known that alcohol drinks, pork meat, gambling machines, subversive and pornographic periodicals and movies as well as goods relating to the Arab boycott towards Israel are prohibited. Used medical equipment and automobiles over five years old cannot be imported.

### 3.8.1 Import regulations

The Commercial Law 36 of 1964, as amended by Commercial Law 68 of 1980, governs the establishing of a business or business relationship in the State of Kuwait. Under the above provisions, a foreign firm (including a partnership) may not establish a branch and may not perform any commercial activities in the country except through a Kuwaiti agent. Foreign and U.S. firms seeking a presence in the Kuwait market may do so utilizing commercial agents, distributors or service agents.

Both agents and, if possible, their principals, should periodically visit existing and new customers since the importance of personal contact in Kuwait cannot be overemphasized. Foreign companies cannot sell directly to the Government nor participate in public tenders except through a local agent. In the oil sector, for instance, supplying companies should be approved by an internal committee and placed on a list of 'pre-approved' companies. For major projects, international companies are usually invited to pre-qualify.

In order to establish a business in Kuwait, the Kuwaiti firm or joint venture needs to apply for a business license issued by the Ministry of Commerce and Industry. Non Kuwaiti inhabitants and 100% foreign capital companies are not allowed to import for commercial purposes.

Cosmetics and pharmaceuticals products require a certificate of free sale stating that the commodities in question are in free circulation in the country of export. Applicants should submit the label and complete formula of the pharmaceutical to be exported. The Food and Drug Administration can issue these certificates. Where both, agent and Palestinian exporters shall work on this together. The agent will submit the request on behalf of the Palestinian company.

The Certificate of Free Sale-Beauty and Health Products shows that the product and ingredients are safe for use, that the company complies with Good Manufacturing Practices (GMP) of the country of origin, and evidence that the product is scientifically safe when used as directed.<sup>18</sup>

---

<sup>18</sup><https://www.export.gov/article?id=Kuwait-Standards-for-Trade>



### 3.8.2 The required documents for import license

All applications documentation for an import license must be in Arabic. Licenses are valid for one year and allow for multiple shipments. Additional licenses or certificates may be required for various products.

The license application should contain:

- Name and nationality of the manufacturer.
- Name and nationality of the marketing company.
- Importer name.
- Justification of importing mentioning the therapeutic advantage that differs from other registered therapeutic alternatives.
- In case of requesting an import license for an unregistered product that has registered alternative, justifications of not obtaining the registered alternative shall be stated.
- In case of requesting an import license from an unregistered companies, the justifications of not importing from registered companies shall be stated.
- The following phrase shall be written in the letter

### 3.8.3 Clearance regulations

In Kuwait, the import clearing process has historically been time-consuming, requiring numerous transfers, large quantities of paperwork and numerous redundancies. However, the Customs Department is currently undergoing a major privatization effort, contracting with a private company to provide customs support services.

For the customs clearance import of such products should be done in accordance with what is mentioned in the import License.

The following document should be submitted for clearance:

- A copy of the clearance application from clearance system or the application number.
- The original invoice of the manufacturer or the marketing company certified by the chamber of commerce at the country of origin or the issuing country.
- Invoice which shall should include the following information:
- The invoice number and date.
- The trade names of the products.
- Concentration and pharmaceutical form.
- Batch number, production date and expiration date.
- Quantity, unit and package size.
- Name, nationality and address of the manufacturer.
- Name of the beneficiary.



- The certificate of origin (original copy) certified by the chamber of commerce at the country of origin or the exporting country.
- The certificate should state the beneficiary name, batch number, quantity, manufacturer's name and its nationality or otherwise, the number and date of the invoice.
- Copy of the import license.
- A copy of the bill of lading.
- A copy of the warehouse and manager's license.
- A certificate of analysis for each batch issued and certified by the quality manager at the manufactory.
- A copy of the custom statement

#### 3.8.4 Requirements for specific products

For products containing plant/s or herbal extract/s must follow the requirements given below: -

- Botanical (scientific) name of the plant/s.
- The plant part/s, extract/s used for the preparation with their concentrations.
- Indication of the particular part of plant/s or herbal extract/s from any authorized reference.
- Benefit of the plant/s ingredient/s in the product.

For products that contain placental lipids, placental proteins, umbilical extract and placental enzymes require a certificate legalized from health authorities in the country of origin stating that the extracts do not deliver any metabolic/endocrine activity and they are free from any detectable pathogenic viruses or infectious agents.

A clinical study is needed to prove the efficacy and safety of the products that claim to cause any physical changes to the body like, whitening, slimming, body sculpturing, hair fall, antidandruff, anti-wrinkle, firming, lifting etc. from the manufacturer.

A certificate from the manufacturer is needed mentioning the type of fibers used for cosmetic hair and body brushes, toothbrushes, loofas and wigs including the name and various types or range of brushes.

Kuwait's Public Authority for Industry has notified the World Trade Organization (WTO) of a draft technical regulation, concerning cosmetics and personal care products. The draft deals with product definitions, safety requirements, labeling, claims, packaging and rules for acceptance and rejection.



### 3.9 Import channels

There are several parties who serve as the formal importer of goods:

- Large department stores and supermarket chains
- Cosmetics wholesalers
- Specialised importers, servicing the above groups

Each group may consist of a great variety of parties, from big to small, from broad to very special. All have their own logistical channels, but in general they import through one of the major airports or sea ports in the country.

Seaports	Airports
<ol style="list-style-type: none"> <li>1. <b>Khor al Muffatta</b> - <a href="https://www.port-directory.com/ports/khor_al_muffatta/#info">https://www.port-directory.com/ports/khor_al_muffatta/#info</a></li> <li>2. <b>Mina Al Ahmadi</b> - Mina Al-Ahmadi is one of the main oil terminals of Kuwait, its management depends on the Kuwait Oil Company. Located just north of Ash Shuaiba, it handles most of the emirate’s oil exports. <a href="https://www.marinetraffic.com/en/ais/detail/ports/3191/Kuwait_port:MINA%20AL%20AHMADI">https://www.marinetraffic.com/en/ais/detail/ports/3191/Kuwait_port:MINA%20AL%20AHMADI</a></li> <li>3. <b>Shuaiba</b> - The trading port of Ash Shuaybah (Ash-Shu'aibah, Shuaiba) was built in 1968 about fifty kilometres south of the capital to develop the industrial area of the same name specialized in petroleum refining, petro chemistry , gas liquefaction, cement manufacturing and fish processing. <a href="http://ports.com/kuwait/port-of-ash-shuaybah/">http://ports.com/kuwait/port-of-ash-shuaybah/</a></li> <li>4. <b>Shuwaikh</b> - The commercial port main Kuwait for non-petroleum products Ash Shuwaykh , it is on the south bank of Kuwait Bay a few kilometres west of the center of the city of Kuwait. <a href="http://ports.com/sea-route/port-of-ash-shuaybah,kuwait/port-of-shuwaikh,kuwait/">http://ports.com/sea-route/port-of-ash-shuaybah,kuwait/port-of-shuwaikh,kuwait/</a></li> </ol>	<p>International airports:</p> <ol style="list-style-type: none"> <li>1. <b>Kuwait City</b> – It is the main international gate of Kuwait, located in Farwaniya, at 16 kilometres south of Kuwait City. Kuwait Airport is a major hub for long distance flights between Europe, Asia and Middle East. As for its location, serves as a hub for Kuwait Airways, Jazeera Airways and Wataniya Airways. <a href="https://www.airport-kuwait.com/">https://www.airport-kuwait.com/</a></li> </ol>



### 3.10 Packaging and labelling

Kuwait strictly enforces labeling requirements. All products must carry a label in Arabic or English/Arabic stating:

- The name of the manufacturer,
- The brand name and
- The name of the product,
- List of ingredients and additives,
- Net and gross weight in metric units,
- Country of origin and
- Its production and expiry dates.
- All fats and oils used as ingredients must be specifically identified on the label.

Points to remember:

- Labels stating the country of origin must be shown on all imported goods in such a manner that it cannot be removed or altered.
- The information appearing on the label must conform to the information listed in the shipping documentation.
- If it were impossible to label a product i.e. a piece of fruit, a label affixed to the package, container or can would be sufficient.
- If the product contains components from more than one country, the % age of each countries components to the overall finished product should be noted.
- The outside marking on each package or container should identify the name of the shipper, the name and address of the consignee, the weight of the package, the number of the package if shipped as a part of a bulk shipment, and the country of origin. If products are of U.S. origin, "Made in the U.S.A." should be clearly marked on the package.<sup>19</sup>

The following information must be given on the packaging or labelling:

#### **Name and address**

The name and address of the responsible person established within a Member State must be on the container and the packaging. Where the product is manufactured, the country of origin must also be given.

#### **Durability**

Where a cosmetic product has a minimum durability of 30 months or less, it must be marked on the container and the packaging with a best-before date or the symbol shown below.

---

<sup>19</sup><https://www.export.gov/article?id=Kuwait-Labeling-Marking-Requirements>



The indication must be in the form 'Best used before the end of', followed by the date (day / month / year, or month / year) or an indication of where the date appears on the packaging. If any particular conditions must be observed to guarantee the stated durability, these must also be described.

Where a product has a shelf life of more than 30 months, it must be marked with the symbol shown below together with an indication (in months, or years and months) of the period after opening for which the product can be used without harming the consumer.

### **Precautions**

Precautions to be observed in use, as shown in the annexes of the Regulation, must be printed on the label. Special precautionary information on cosmetic products for professional use, such as in hairdressing, must appear on the container and packaging.

### **Batch code**

The batch number of manufacture or the reference for identifying the goods

### **Function**

If not otherwise obvious from design and packaging.

### **Ingredients**

All cosmetic products shall be labelled with a list of their ingredients, irrespective of the channel of distribution. This requirement also applies to imported products, professional products, free samples, tester samples, multi-component products, products sold by mail order or via the internet, and products provided in hotels and other public facilities.

### **Additional information**

Additional information must be given where certain ingredients, such as preservatives and UV filters, are present. This information is specified in annexes III, IV, V, and VI of the Regulation.

### **Presentation**

All required information must be visible, indelible and easily legible. The ingredients list must be given in a language that is easily understood by the consumer. All of the other information must be in English and Arabic and can be supplemented by other languages. There is one set of rules about presentation for ingredients lists and another set for the other information.





### Other information

The other information must normally appear on both the container and the packaging. However, if it is not possible for the batch code to appear on the container, it can appear on the packaging only. Similarly, where there are practical constraints, the conditions for use may appear on a leaflet, label, tag, tape or card enclosed with or attached to the product, again with an indication referring the consumer to it.

In the case of loose cosmetic products other than soap, all of the information must be given on the container in which the product is exposed for supply, or on a notice in immediate proximity to the container.

The information that shall be available on the beauty care product package/label:

Required Information	On product's package On outer package
Product name and trade mark (in Arabic or both Arabic and English)	√
Name and address of manufacturer	√
Name and address of the Importer (agent) in Kuwait	√
List of ingredients	√
Storage conditions	√
Batch Number	√
Expiry date (in Arabic or both Arabic and English)	√
Usage instructions	√
Function of the product unless it is indicated from the form of its presentation.	√
Use warnings (in Arabic or both Arabic and English)	√

### 3.11 Prices (in relation to potential buyers)

The cosmetics market is a highly competitive market where high prices can only be justified by either exceptional product quality, or very extensive marketing. But also in the case of exceptional product quality, investments in marketing are necessary to sell at all.

As for pricing, those companies that position their products most high end set a ceiling of what is more or less acceptable in the market. The examples shown in paragraph 3.5, of the major brands, will be a good first indication, as well as the prices are shown for specific product categories in paragraph 3.15

Eventually, prices can be determined with market tests and by talking to retailers. With a fixed product margin, they also have an interest to optimise turnover, which is price time (X) quantities.



### 3.12 Commercial practices

Kuwait's commercial practice is used in practice to regulate commercial agents, distributors and service agents or sponsors. First, commercial agents are the representatives of a foreign business in Kuwait. The commercial agent negotiates on behalf of, possibly concludes deals, and carries them out. Second, distributors promote, import, and distribute products of foreign companies on their own. Finally, foreign companies are required to appoint service agents or sponsors in case they wish to carry out government contracts (Article 24 Law of Commerce, No. 68 of 1980).

The agency or sponsorship agreement between the Kuwaiti and the foreign company must be registered with the Ministry of Commerce and Industry. All new agencies or sponsorship agreements are published weekly in the Government's official Gazette Al Yawn, an Arabic publication widely translated in English and available commercially. Registration of an agency should not take more than two weeks from the time the documents are prepared in Arabic. An agreement will normally contain a description of what the responsibilities of either party are: the activities to be undertaken, the scope of the agent's authority, the remuneration, and the duration of the agency (if limited).

The reliability of an agent is often based on legal advice. Similar legal advice is required on the extent to which a principal is legally bound. It is important to redefine the responsibilities and obligations of both parties even though those obligations are already included in Commercial Law. The remuneration of the agent is a matter of agreement between him and his principal. Often, the agent is paid either a fixed fee or a commission. If an agency agreement is terminated by the principal, it may become necessary to compensate the agent. To terminate an agency or distributor agreement can be a costly matter.

#### 3.12.1 Getting into Kuwait

To obtain the Kuwait visit visa for business the Palestinian company must have a Kuwait sponsor. The visit visa application and security form shall be filled out by the sponsor, which require a copy of the visitor's passport, a copy of the sponsor's signature as registered for business purposes and a copy of the sponsor's letter of invitation to the business, stating the purpose of the visit.

The processing time for a Kuwait eVisa is between one (1) and three (3) business days. Once approved, the eVisa is sent to the traveler by email. This saves the hassle of going to an embassy or consulate to submit a visa application. The Kuwait eVisa is a single-entry visa which allows visitors to spend up to 90 days in Kuwait. To apply for a visa please visit:

<https://application.kuwaitvisa.com/application>



### 3.12.2 Getting exhibits into Kuwait

The following information is a brief guide on how to make exhibiting in Kuwait easy.

- Firstly, always use the recommended forwarders in your country, the chamber of commerce in Palestine can help you on this. They have been recommended to you as they all have extensive knowledge about sending exhibition freight into Kuwait.
- Goods without a Certificate of Origin CANNOT be cleared in Kuwait, speak with the Palestinian chamber of commerce for obtaining one.
- ALL goods MUST have a serial number and country of origin EMBOSSED on them or attached with a PERMANENT sticker that cannot be removed
- Catalogues, Brochures and Literature will be referred to the Ministry of Information for verification and screening. DO NOT SEND any material showing women, women at work, alcohol or pork produce.
- Completing customs clearances in Kuwait is a very delicate and time consuming exercise, so to avoid disappointment please adhere to the arrival deadlines. Please note that customs in Kuwait only work from 8am – 2pm Saturday to Wednesday.
- There is NO temporary importation into Kuwait for exhibitions, all cargo MUST be cleared on a permanent basis by paying customs duties outright, these range depending on product from 5% CIF – 22% CIF. Please take this into consideration when deciding on what is to be shipped, for Palestinian goods the customs duties is 0%.
- Event material, displays and exhibits need to arrive in Kuwait at least four weeks before the exhibition.

### 3.12.3 Patents/trademarks/copyright

The registration of patents in Kuwait is made possible through the provisions of Law No 4 of 1962, amendment in 1999. The validity of a patent of invention is 20 years as of the date of filing the application. However, as of now, all requests for patent filed with the Kuwaiti Patent Office are practically in the application stage since the concerned office is yet to start the process for examining, publishing and granting the patents. However, relevant inventions receive protection for the period of 20 years, counting from the date of filing. In the absence of clear by-laws concerning above, all filed applications shall remain as documentary evidence of ownership and priority claim in case of any conflict.

As per the patent law, patents for utility models will be granted to those applications which include a new technical solution in the shape or formulation for equipment, means, tools, parts thereof or others which are used in commercial applications. An applicant may transform his patent application for utility model into a patent application for an invention, if the conditions are fulfilled, and vice-versa. In both cases, the filing date of the original application shall be taken into consideration.

The International Classification of Goods and Services (8th Edition) is followed. However, class 33, alcoholic goods in class 32, and pork meat in class 29 cannot be registered in Kuwait. A separate application is required for each class. Once the trademark is filed, it proceeds for examination wherein its registrability is examined based on various criterions such as existence of any identical or confusingly-similar marks etc. A rejection by the Registrar on any grounds could only be challenged in the court within 30 days from the



official notification. If the trademark is accepted, it is published in 3 consecutive issues of Kuwait Official Gazette ((Al-Kuwait Al-Youm). Following this, any interested party can raise an opposition within 30 days from the date of the publication of third issue of Official Gazette. An opposition mandates the applicant to submit a counter-statement within 30 days, if he is keen to maintain his application. In the absence of opposition, the application matures for registration and a registration certificate is issued subsequently.

Nevertheless Kuwait is a party to the Gulf Cooperation Council Countries (GCC). A patent granted by the GCC Patent Office will protect the patent in all the GCC member countries.

### 3.12.4 Local representation

Kuwaiti law does not require foreign companies to appoint a commercial agent to do business in the country. Companies can make direct sales to the private sector from outside Kuwait. But in practice, appointing an agent or distributor is the most common procedure for companies wishing to enter the market. Virtually all government purchasing is conducted by local tenders and in the majority of cases only local companies may bid. Foreign companies need a local agent to bid for the government tenders.

### 3.12.5 How and where to start?

Preperations	<ol style="list-style-type: none"> <li>1. Your business profile and website shall be in English and Arabic</li> <li>2. You present your latest brochures, catalogs and products</li> <li>3. You have the contact details of the companies you want to approach</li> <li>4. You email them first; including your business profile and catalogs</li> <li>5. Then, and only after you followed the above steps; You can make the first call</li> </ol>
Introducing your business to Saudis	<ol style="list-style-type: none"> <li>6. During the first call you shall check on your email and make sure the received it, if not make sure to correct that.</li> <li>7. If you sent this email to the general administration then you ask them to forward that to the related department and/or ask them to provide the right email</li> <li>8. Once you have reached the related department (procurement, international business, owner etc ..), you try to make it short and direct to the point, no need to promote the Palestinian products, they are aware of all. This way they will let you know right away whether they are interested to go on or not.</li> </ol>



<p>If they are interested</p>	<p>9. If the person in charge is interested he/she might ask you to send a sample and detailed sheets about your product.</p> <p>10. He/she will ask for price list, so make sure you review your prices and consult with your freightforwarder on shipping costs, customs, taxes etc.. so you provide the right price.</p> <p>11. You shall contact DHL, Aramex to send the sample to the mail of the company (make sure to get it right, sometimes the mails on the websites are not correct, or the facility has moved somewhere else but that is not updated on their website yet).</p> <p>12. Make sure you have more than 1 PCS in your sample package, including catalogs. As they might send that to different parties. And make sure you package them nicely and properly to keep them in good shape.</p>
<p>After receiving your samples</p>	<p>13. Once your samples arrived, make sure to follow up on to get their feedback, ask the person on "when to call to check", don't be noisy and try to be patient.</p>
<p>14. In most of the cases, sending your samples is not enough. They might ask you to come over to meet you in person and discuss the business, sales, prices, marketing activities etc..</p>	

### 3.12.6 What are the other essentials to know?

**Etiquette:** The business and cultural environment of Kuwait is highly conservative. Astute readiness, and a fundamental knowledge of the culture, can make the difference between a successful business deal and a failed negotiation. Conversely it is vital to remember that a wealth of the executives and government officials are familiar with 10 international culture and customs. They are therefore comfortable with the West's approach to business, provided respect is shown both ways.

**Appointments:** Appointments should be made several weeks in advance, followed by verbal confirmation a couple of days ahead of the meeting. When meeting with government officials, a firm date will not be settled upon until being physically in the country. It is not uncommon to have a meeting cancelled at the last minute. Meetings are generally not private until after a relationship of trust has been developed. Interruptions are thus frequent. The following important points should be covered during setting an appointment.



- Try to schedule meetings in the morning when meeting with government officials, since they are restricted to a 6-hour day.
- Many businessmen prefer to meet in the early evening.
- Do not try to schedule meetings in July and August as many Kuwaitis leave the country during the worst of the summer heat.
- Meetings may be interrupted if they interfere with prayer times.
- Meetings are generally not private unless there is a need to discuss matters confidentially.

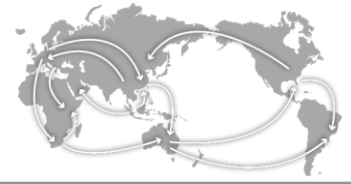
Expect frequent interruptions. Others may wander into the room and start a different discussion. You may join in, but do not try to bring the topic back to the original discussion until the new person leaves<sup>20</sup>

**Negotiations:** Kuwaiti people generally demonstrate great negotiation capacities. During a business meeting, people use body language and eye contact rather than direct words. During the conversation people make assumptions about what is not said. Particular emphasis is placed on tone of voice, the use of silence, and facial cues. It is vital to be aware of these non-verbal aspects of communication in order to avoid misunderstandings. For instance, silence is often used for contemplation and one should not feel obliged to speak during these periods. It is not unusual for them to avoid giving bad news and to give effusive and non-committing acceptances. Meetings are often lengthy, and negotiations may be tough, since they are experts at bargaining. Stay firm and courteous at all times, but be prepared to compromise a little in the long-term interests of the relationship.

- Business will only be discussed once an atmosphere of trust and friendship has been established.
- Kuwaitis are event rather than time-driven. The event of getting together is more important than the timeliness of the meeting or the outcome.
- Kuwait is a hierarchical society. Many companies are structured around the family. Decisions usually come from the top after determining a consensus of the various stakeholders.
- Decisions are reached slowly. If you try to rush things, you will give offence and risk your business relationship.
- Kuwaitis are shrewd negotiators who are especially interested in price.
- Do not use high-pressure sales tactics. They will work against you.
- Repeating your main points indicates you are telling the truth.
- There is a tendency to avoid giving bad news and to give flowery acceptances, which may only mean "perhaps".
- Problems may be discussed outside the meeting in a one-on-one situation rather than in the group meeting room.
- If you change the lead negotiator, negotiations will need to start over.
- Proposals and contracts should be kept simple.
- Although negotiating is done in English, contracts are written in Arabic. If there is both an English and Arabic version, the Arabic will be the one followed.

---

<sup>20</sup> <https://www.commisceo-global.com/resources/country-guides/kuwait-guide>



**Religion:** No public religious expression is permitted other than that of Islam.

**Food and Alcohol:** The import or possession of alcoholic beverages and pork products is not allowed. This is religious law. Offenders are open to penalties.

**Public Holidays:** The weekend falls on Friday and Saturday. Public holidays are taken for the two yearly Eid Festivals. During this period, all government and corporate offices are closed.

**Communications:** The best way to communicate with businesses is by telephone or fax. The use of e-mail is expanding, but it is still not a very reliable method of business to business communication and they often go unanswered. Any postal material should be sent by courier.

**Advertising:** Marketing has garnered much popularity and momentum in recent years. Helped by the overturn of the ban on television spots, businesses now utilise all the advertising avenues available, including TV, newspapers, trade magazines and billboards.

**Transport:** The best way to get around for business visitor is to use a chauffeured car supplied by the hotel or to use taxis. Many local business contacts will be happy to send a car to pick up foreign visitors from their hotel.

**Gift Giving:** It is not obligatory to give gifts when visiting - either at the office or at home - but gifts can be helpful in the relationship building process. When offering a gift, it is likely that the gift will not be opened in front of the giver.

**Saudi Arabian Dress Code:** Visitors are expected to dress in a conservative, smart fashion. Men should wear suits and ties for business meetings, despite the heat and women should wear business suits (not trousers) which leave as little flesh showing as possible. Skirts should be well below the knee and preferably ankle-length. It is also advisable for women to carry a headscarf.

### 3.13 Sales promotion

#### 3.13.1 Trade fairs

The most common and continuous trade fair for beauty market is the Kuwait International Perfumes & Cosmetics Exhibition on March and October 2019 (date yet to decide) at Kuwait International Fairs Ground, Mishref. The last fair was Oct. 24 - Nov. 03, 2018.<sup>21</sup>

The International Perfumes and Cosmetics Exhibition in Kuwait is particularly of interest to ladies, and aims at showcasing beauty products, cosmetics and perfumes from premium companies in Saudi Arabia, France, USA, UK, UAE and other nations. It is one of the major events in the region that blends ancient, oiled scents from Arabian Gulf, modern cosmetic brands and everything else in-between. More than 100 exhibitors participate in this event.<sup>22</sup>

---

<sup>21</sup><https://www.eventseye.com/fairs/f-kuwait-international-perfumes-cosmetics-exhibition-8372-1.html>

<sup>22</sup><https://www.eventseye.com/fairs/f-kuwait-international-perfumes-cosmetics-exhibition-8372-1.html>



### 3.13.2 Advertisements/blogging

Placing advertisements for your cosmetics product is mostly a costly affair, since the target group is very broad and there are various women's and general magazines that you can choose from. The more readers, the higher the price in general, but since the typical spend per customer is relatively low if you offer just one or a few products, advertising is more something for the big brands.

Blogging or digital story telling can be much more effective. This is also being done by the bigger brands, but if you have a good concept and story here, you may get noticed and the effort pays off.

Brands tell stories that create a certain style of life, a feeling of comfort, liberation and empathy, or even a desire to be a better human being. The online marketing landscape is swamping with digital storytelling. Beauty and personal care brands have, with the help of technology, been successfully utilizing the power of storytelling.

A personal care product is not a high commodity, but because of its high market saturation marketers need to tell consumers more than they can actually see.

Below are 5 successful digital storytelling agencies that illustrate how companies utilize different methods of employing narratives.

#### 15. Blue-Mode Creative Studio

An accomplished interactive professional design agency, specialising in branding, editorial design, website design & development, illustration, 3D, video editing, dynamic application development, marketing, and social media. Since 2009 we have helped companies achieve success through intelligent, innovative branding and design.

#### 16. Pencil Designs

Pencil designs is a creative agency crafting beautiful, unique & exciting artwork to help you express your ideas to the world! Based in Cairo & Kuwait – the team is anxious to cater for your next creative and design needs/projects including: Corporate Identity, Branding, Product Launch, Social Media Creative Content and Corporate Presentations.

#### 17. Line Company

Deal with flagship brands and partner with local businesses and start-up companies. They have been award-winning branding and a range of marketing strategies on competitive budgets.

#### 18. Ghaliah

Ghaliah is the leading online communications agency in Kuwait, Saudi Arabia, and now in Qatar. Since the establishment in 2011, Ghaliah provides tailored communications services and mandates to help organisations leverage the increasingly significant role played by Social Media, especially in the era of internet reliance and the widespread use of smart phones. Ghaliah offers a full suite of social media marketing services for your





business. No matter what size of a company you manage, Ghaliah can support branding your business, engaging with customers online, and boosting sales while sustaining reputation.

### 19. Social Republics

Social Republics is a Kuwait-based company specialized in digital\social media practices since 2008. Our main clientele consists of local companies and ad agencies but we service global brands as well. Our services range and vary according to your brand’s specific needs.

### 3.13.3 Magazines

One of the options to create awareness for a brand is through advertisements in magazines and journals. Options here are:<sup>23</sup>

AE Magazine	<a href="http://aeworld.com/beauty">http://aeworld.com/beauty</a>
Harper Bazaar	<a href="https://www.harpersbazaar.com/">https://www.harpersbazaar.com/</a>
Kuwait Times	<a href="http://news.kuwaittimes.net/website/">http://news.kuwaittimes.net/website/</a>

### 3.13.4 Direct marketing

Direct marketing is not a widely used technique in Kuwait. Personal relations between vendors and customers are extremely important. Many types of direct marketing practiced in other countries are not practiced in Kuwait due to Islamic precepts concerning gender segregation and privacy in the home. Limited direct marketing is being conducted through commercials on satellite television providing consumers with a local telephone number to arrange purchase and delivery.

Latest trend used for marketing in the digital era is by collaborating with social media beauty bloggers and influencers. Internet penetration is huge in Kuwait and many actively use social media. So to reach the target audience, the brands now utilize the social media beauty bloggers and influencers by collaborating with them, making them use their product and send a review to their followers.

### 3.13.5 Social media

The use of social networks is very high in Kuwait across all ages – even among older people. People use social networks for a mix of social and



**Fouz Alfahad | the Real Fouz:**  
Fouz Alfahad is a sought-after Kuwaiti makeup artist. This woman knows hair, lips, eyes, and, well...everything.

<sup>23</sup><https://www.expatswoman.com/kuwait/guide/useful-publications-in-kuwait>



informational purposes. Among informational activities, receiving news and information ranks highest, closely followed by exploring various links on social networks to get users to external web pages.

Kuwaitis and Arab expats use social networks similarly. As for the social platforms, WhatsApp is commonly used across all nationalities, while Instagram, Twitter and Snapchat are popular among Kuwaitis, and Facebook is popular among expats.

For launching, promoting or advertising a product or a service, Instagram and Snapchat are the best platforms to reach the Kuwaiti population. This is because target audiences can easily be reached. Kuwaiti social media influencers are frequently hired to market products, services and social events. With a significant number of followers, some companies deem it to be the effective way to deliver content to a large audience.

### 3.14 Market prospects

Market prospects and the right way to approach the market may vary from product to product, and also depends on whether the manufacturer has already established a brand, or typically sells products that are unbranded.

Questions to answer in this respect are:

- Retail versus spa's: this really depend on what product looks like, packaging quantities provided, and positioning of the product.
- Branded product or white label: Either supply the retailer or supermarket with products labelled with own brand name or supply them with unbranded products. The latter are known as "white label" products, which a retailer will then sell under their own brand or label, Supplying white label goods is likely to generate higher volumes but lower profit margins.
- Traditional stores – Inspire of big malls, hypermarkets etc, a quite number of populations still prefer buying from traditional stores. For a depth market penetration, ignoring this segment can be fatal.

#### 3.14.1 Market attractiveness of Kuwait beauty market

High income, rising inbound tourists and Government subsidies allow Kuwaitis the means to purchase luxury products. According to a study released in Kuwait's Al-Qabas daily newspaper in March 2016, 205,000 to 230,000 Kuwaiti women spend KD350-400 (\$1,146 – \$1,310) per month on beauty, cosmetics and fitness, bringing their total spending to KD980 million (\$3.21bn) per year. The study found that between 50% and 60% of Kuwaiti women aged between 15 and 55 spend considerable amounts of money on beauty, and, given their affluence, seek out the latest products in cosmetics products and services, including skincare, fragrances, nails, spa treatments and plastic surgery.<sup>24</sup>

---

<sup>24</sup> <https://beautybusinessjournal.com/high-spenders-drive-kuwait-beauty-market/>



### 3.14.2 Attractiveness of Kuwait retail market

Retail space in Kuwait is increasing and created opportunities for the cosmetics exporters to enter into the market. Following are some advantages and disadvantages in the space.

Advantages	Challenges
Palestine is considered a supplier of natural cosmetics that is gaining popularity in Kuwait	Options for distribution of luxury cosmetics is less in the country
Retail space in Kuwait is increasing and new retail brands hit the market during last 5 years	High-end fashion and accessories enjoy a bigger share of the overall market, as compared to cosmetics some retailers require to get reimbursed for expired products they sell in their outlets.
Consumers have an affinity for trying new luxury products.	

### 3.15 Guidelines for specific product categories

Given the broad scope of this report, we thought it useful to give specific guidelines on what to do while approaching Kuwaiti market for the different product groups.

There is a variety of ways in which Palestinian cosmetic companies can enter the Kuwait. There will be a number of factors that will influence the choice of strategy, including, but not limited to retail marketing, e-commerce, trade shows, private label, and pop up stores.

Below are the import sources per country per product to Kuwaiti market:



### 3.15.1 Bathing beauty

Bar and liquid are well-known and eligible for free shipping at certain amount of online purchasing, the products are available online and in many specialty stores. The body salt spa and scrub from the Dead Sea products are available from 5 KWD to 12 KWD.

<b>Bath and body salt scrub</b> <b>226g</b>	<b>The Body Spa Of The World Mediterranean Sea Salt Body Scrub - 14.1 oz</b>	<b>Cowshed Spearmint Exfoliating Sea Salt Body Scrub - 11.83 oz</b>
		
Average selling price: 1.20 KWD	Average selling price: 12 KWD	Average selling price: 20 KWD
<b>Alba Botanica Hawaiian Sea Salt Body Scrub - 14.5 oz</b>	<b>Shea Moisture Coconut and Hibiscus Dead Sea Salt Body Scrub - 20 oz</b>	<b>Shea Moisture Olive and Green Tea Dead Sea Salt Moisturizing Soak, 20 oz</b>
		
Average selling price: 5.10 KWD	Average selling price: 6.50 KWD	Average selling price: 6.50 KWD

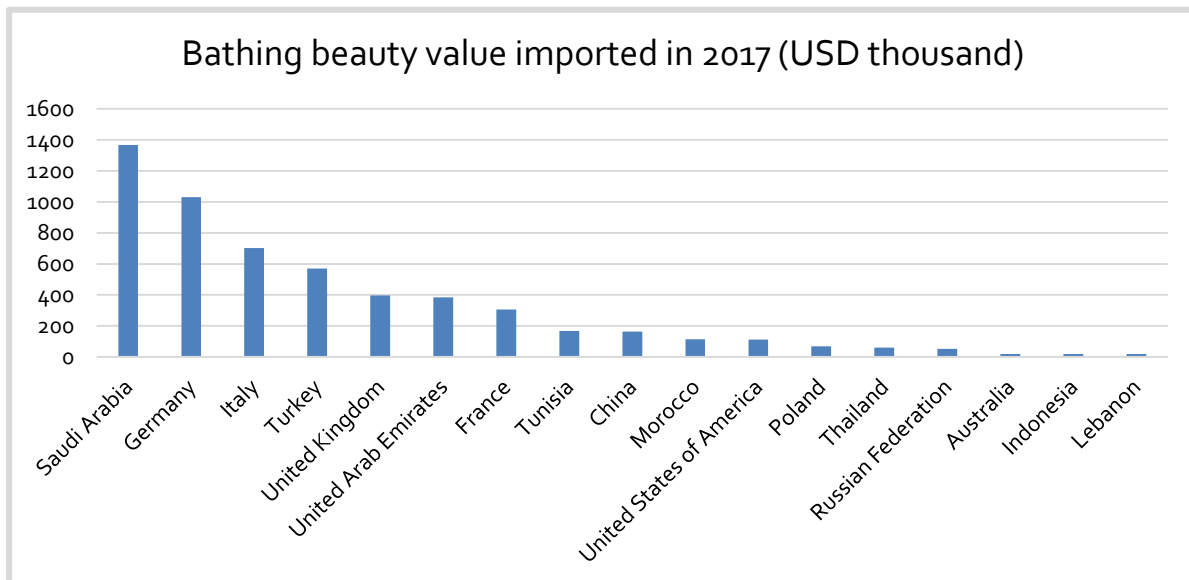



Figure 2 Bathing beauty: bar and liquid 330730/00 <sup>25</sup>

### 3.15.2 Bathing salt

The salt bath and scrubs are well-known products and eligible for free shipping at certain amount of online purchasing, the products are available online and in many specialty stores.

<b>art naturals Tea Tree Foot Soak Salt 20 oz</b>	<b>Argussy Marine Collagen Spa Salt, 300 g</b>	<b>Nourish &amp; Protect Coconut Oil Pure Salt, 1.36 kg</b>
		
Average selling price: 6 KWD	Average selling price: 1.5 KWD	Average selling price: 3.70 KWD
<b>Pure Zechstein Magnesium Chloride -2lb</b>	<b>ZECHSAL PURE MAGNESIUM BATH CRYSTALS 4KG</b>	<b>Herbivore Botanicals - All Natural Coconut Milk Bath Soak (16 oz)</b>

<sup>25</sup> <https://www.trademap.org>



		
<p>Average selling price: 13 KWD</p>	<p>Average selling price: 40 KWD</p>	<p>Average selling price: 30 KWD</p>

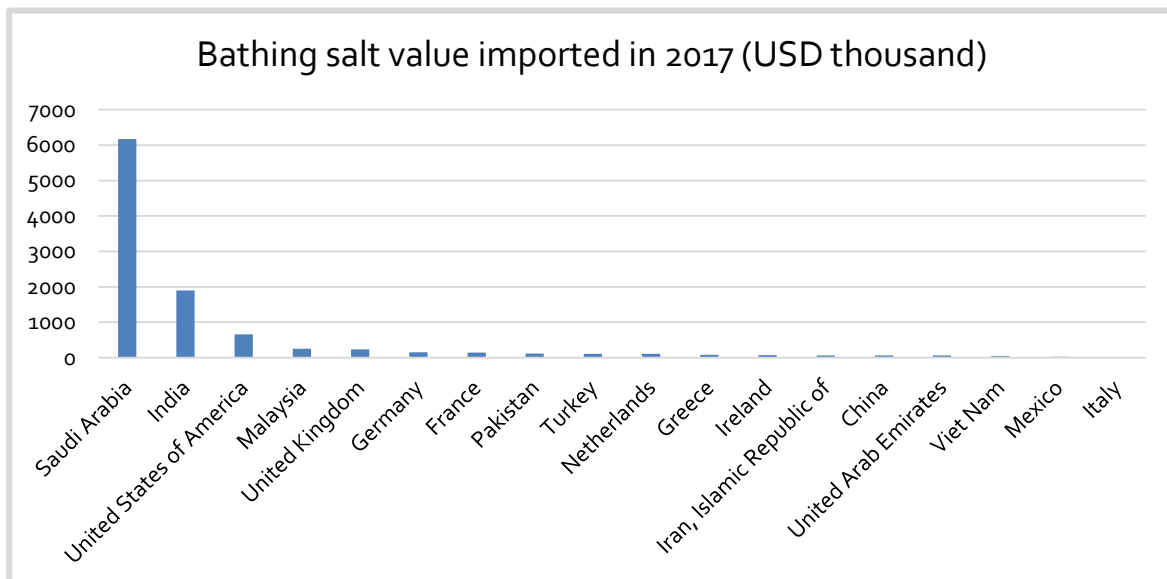


Figure 3 Bathing salt: 250100/90 <sup>26</sup>

<sup>26</sup> <https://www.trademap.org>



### 3.15.3 Skin cream and lotion

The cream and lotions are known and eligible for free shipping at certain amount of online purchasing, the products are available online, supermarkets and in many specialty stores.

<b>Dove Purely Pampering Nourishing Lotion with Almond Cream and Hibiscus, 400ml</b>	<b>Aveeno Skin Relief Moisturizing Lotion Softening Cream, 354 ml</b>	<b>Bath and body works FIJI WHITE SANDS hand cream 29ml</b>
		
Average selling price: 1.80 KWD	Average selling price: 5.90 KWD	Average selling price: 1.75 KWD
<b>Estee Lauder Re-Nutriv Ultimate Lift Age-Correcting, 50 ml</b>	<b>Honey Flower, Hydrate and Nourish, 50ML</b>	<b>Bath and body works Aqua Marine soothing body cream 226g</b>
		
Average selling price: 34 KWD	Average selling price: 1.50 KWD	Average selling price: 4.60 KWD

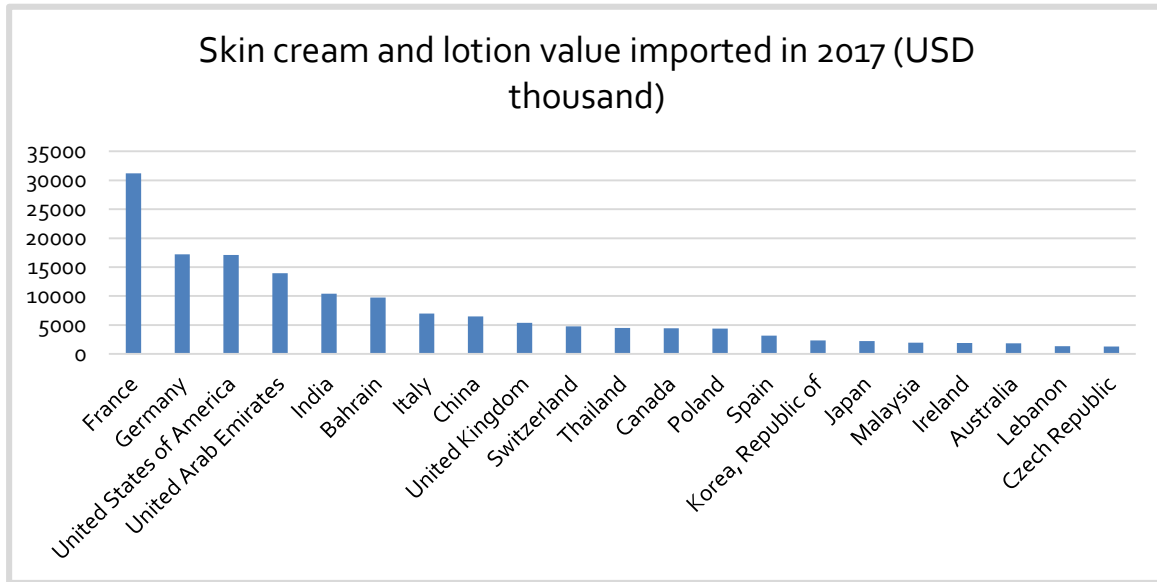


Figure 4 Skin cream and lotion: 330499/30<sup>27</sup>

### 3.15.4 Bathing soap

The organic bathing soap are known and eligible for free shipping at certain amount of online purchasing, the products are available online, supermarkets and in many specialty stores.

Bath and body works citron and sandalwood hand soap with olive oil 295ml	Bath and body works aromatherapy STRESS RELIEF deep cleansing hand soap 236ml	Bath and body works LIME ginger rest hand soap 295ml
		
Average selling price: 3	Average selling price: 3.50	Average selling price: 2.60

<sup>27</sup> <https://www.trademap.org>





KWD	KWD	KWD
<b>Chanel The Bath Fresh Soap - 150 gm</b>	<b>Avalon Organics Bath &amp; Shower Gel - Lavender, 355 ml</b>	<b>Bath and body works Black cherry merlot Creamy LUXE hand soap 236ml</b>
		
Average selling price: 12 KWD	Average selling price: 4.50KWD	Average selling price: 2.80 KWD



Figure 5 Bathing soap: 340111/190 <sup>28</sup>

There is a variety of ways in which Palestinian cosmetic companies can enter the Kuwaiti market. No one market entry strategy works for all international markets. There will be a number of factors that will influence the choice of strategy, including, but not limited to retail marketing, retail demonstration projects and try outs, trade shows, private label, pop up stores, shop-in-a-shop marketing and multi-channel advertising. While these factors may well increase your costs it is expected the increase in sales will offset these costs.

<sup>28</sup> <https://www.trademap.org>



Some tips:

**1. Powerful storytelling to grow**

Storytelling can do wonders for a business: such as turn a brand into a legacy, create a robust marketing strategy, generate profit and win the loyalty and affection of audiences, A clearly story is the backbone of a strong marketing strategy.

**2. Packaging**

By placing product in attractive packaging covers, sellers can attract more customers. Sellers can highlighting the aspects of product punch line that make it different from other products; for example, list the different colours that the beauty care line consists of packaging or the sun protection aspects of the product. Sellers can also consider packaging some products together in a set to increase sales.

**3. Make contact with the industry**

Product appreciation by a beauty editor, established beauty company or professional in the industry makes the marketing of any beauty products easier. Sellers can send beauty editors gift baskets of its products. Host a media breakfast in which sellers can discuss their products with industry professionals. Also, sellers can discuss products with boutique owners, and inquire about placing a small supply at their stores to begin.

**4. Use social media and the internet**

While many companies can benefit from the use of social media to connect to potential customers, social media is ideal for the makeup industry because of the visual aspect of the products. Sellers could make a series of how-to make videos and post them to the web. Moreover, sellers can also write blogs about makeup and feature people wearing their products. Post pictures to your other social media accounts. Send a weekly or monthly newsletter to inform customers about new products or discounts.

**5. Deals**

In Kuwait people are attracted towards deals and discounts. Seller can offer deals to customers to motivate them to buy, including buy one, get one free deals; buy one, get one half off deals; and a free gift with purchase option.

**6. Workshops**

Sellers can host workshops in which they can educate potential customers about skin care and makeup application. Representatives can explain how to dress up a day look to an evening look with a few quick changes. Seller can also discuss how a person's wardrobe and makeup correspond and demonstrate how makeup products work and proper application techniques by having a model on hand. As an alternative, seller can ask a member of the audience to volunteer for the task.

**7. Giveaways**

Sellers can send potential customers free samples of the products. Also, seller can host a monthly giveaway for a basket of free cosmetic products that are advertised on seller website or social media accounts. Additionally, sellers can give customers a certain number of entries based on the number of purchases they make.



## 4 Legal, political and economic factors

### 4.1 Political climate and stability (Pestle Analysis of Kuwait)

#### Political Factors

Kuwait is a U.S. alliance country, in 2011 when Kuwait got freedom from Iraq there were some political disturbances where different parties wanted the present Prime Minister to resign as his policy stated Kuwait to be a closed economy. Where others wanted a liberalised economy for benefiting from the foreign countries. As Kuwait is heavily dependent on export on Oil hence the economy is not as vibrant as Saudi Arabia's economy. Therefore, any fluctuation in oil which creates a serious blow for Kuwait's economy.

#### Economic Factors

In the early 1990s, the economy was based on exports of hides and pearls. Efforts need to be put by the government to diversify the dependency on oil and make Kuwait an open economy. The government supported increase in lifestyle through infrastructure investments and rise in salaries, when oil prices were stable and proved to be an excellent revenue source for the country.

On curbing of financial waste, Kuwait moved up from rank 90 to rank 59. On Quality of Market Organization, Kuwait rose to 62 from 75. On Burden of government laws Kuwait moved up from 108 to 90. Kuwait also made great strides in the World Bank's Doing Business 2018 report index with the global ranking moving higher from 102 to 96. On the ease of starting a business, Kuwait held the 149 positions from its past 173.

#### Social Factors

Kuwait is the hub of expatriates who come from foreign countries to earn their living in the region of the world where salaries are relatively better. Kuwait is a small country with only one natural resource that plays a significant role in GDP growth but it attracts a large number of labours from different developing countries. One of the main issues faced by the citizens is that they don't enter legally and get work permit so that their activities can be monitored. Many illegal workers, have been deported by authorities back to their countries due to multiple law breaking activities.

#### Technological Factors

Central Bank of Kuwait not only acts as financial intermediary and custodian of Kuwaiti's wealth but also finances technological projects in order to promote technological transfer and help Kuwait advance in diversified industries. National Investment Authority formed by



their National Assembly also makes sure that oil mining and exploration projects are carried out with the aid of most modern technology imported from the West.

### **Environmental Factors**

Oil drilling and exploration is also creating environmental mess not only air pollution but also water pollution through oil spills during export of oil. During the Gulf war, it was estimated that on average 3-5 million barrels per day was burnt and there was even danger of acid or nuclear rain as a result of this environmental violation. It was financially damaging but more damage was done on the health side.

### **Law/Legal Factors**

Most astonishing and amazing law that is enforced in Kuwait is there are no taxes on salary and wages. But laws are meant to be strictly followed. Kuwait has been rated as a safe and secure place to live in by US. Researchers. Commercial law alongside the commercial companies are the main axis of the Business laws in Kuwait. The Commercial Law of Kuwait 68/1980 Decree-Law on Trade law and its amendments, covering all commercial activities like commercial contracts, commercial agency, trademarks, trade names, unfair competition, banking operations, bill of exchange, bankruptcy etc. A new company's law in Kuwait 25/2012 offers investors a more attractive investment environment. The law provides more details and clarity than the previous one. Further, it provides guidance in relation to certain matters, as the Non-profit companies are now permissible under the Companies Law in order to undertake a social role. Moreover, new forms of companies have been introduced in the Companies Law, such as a sole person company and the professional companies. Professional companies may take the form of a closed shareholding company, limited partnership or a company with limited liability. <sup>29</sup>

## **4.2 International trade developments**

Kuwait is a major oil supplier and a member of the OPEC consortium. Oil comprises nearly half of Kuwait's GDP, around 95% of exports, and approximately 90% of government revenue.

The Kuwait Petroleum Corporation (KPC) has announced its intention to increase oil production capacity to 4 million barrels per day (mmb/d) by 2020. In addition, KPC has announced intentions to increase natural gas production to four billion cubic feet per day by 2030. Future production increases will depend on actual implementation of several upstream projects including the development of heavy oil capacity of 60 thousand barrels per day.

---

<sup>29</sup> <http://www.nyulawglobal.org/globalex/Kuwait1.html#FocusonBusinessEconomicLawinKuwait>



KPC has announced an approximately \$115 billion investment plan to be executed between 2015-2020 that is divided roughly equally between the upstream and downstream sectors. Thirty% of the invested amount will be on local content.

In 2014, the government issued regulations implementing a 2013 FDI law that aims to ease constraints on doing business in Kuwait. Under the Law for the Promotion of Direct Investment in the State of Kuwait (PDISK; Law No. 116 of 2013, which replaced the Direct Foreign Capital Investment Law, Law No. 8 of 2011) an investor can establish a 100% of a commercial entity in Kuwait, although this ownership was limited to the infrastructure, insurance, hospital, housing, tourism and entertainment sectors.

### 4.3 Trade agreements

GAFTA was declared within the Social and Economic Council of the Arab League as an executive program to activate the Trade Facilitation and Development Agreement that has been in force since January 1st, 1998. The GAFTA includes in its membership 17 Arab countries:

Jordan, Morocco, Kuwait, United Arab Emirates, Syria, Tunis, Bahrain, Lebanon, Libya, Saudi Arabia, Iraq, Sudan, Oman, Egypt, Yemen, Qatar and Palestine.

GAFTA is one of the most important economic achievements in the area of Arab common work. It contributes to efforts towards establishing the Arab Common Market. As of January 1st, 2005, the agreement reached full trade liberalisation of goods through the full exemption of customs duties and charges having equivalent effect between all Arab countries members of the GAFTA, except Sudan and Yemen being less developed countries where customs duties and charges having equivalent effect will be reduced by 16% annually as of January 1st, 2005 to reach full exemption by the end of 2010 (pursuant to the resolution of the Arab League Council at its 14th meeting in Beirut regarding offering less developed Arab countries preferential treatment).

Kuwait is a member of the GCC along with Bahrain, Saudi Arabia, UAE, Qatar, and Oman. People from these countries can travel freely throughout the GCC. There is a 5% duty for goods at the first point of entry to the GCC and then the goods can travel freely throughout the GCC. (Note: Since June 2017 there has been a blockade of Qatar from the UAE, Saudi Arabia, Bahrain, and Egypt. Direct travel between these countries is currently not allowed and Qatari citizens and residents are not able to travel to these countries. Goods cannot travel freely between Qatar and these countries as well.)

#### *Bilateral Investment Treaties*

Kuwait has signed bilateral investment agreements with the following nations (not all have been implemented): Austria, Belarus, Belgium, Bosnia, Bulgaria, China, Croatia, the Czech Republic, Denmark, Egypt, Ethiopia, Finland, France, Germany, Hungary, India, Iran, Iraq, Italy, Jordan, Kazakhstan, Latvia, Lebanon, Lithuania, Malaysia, Malta, Mauritania, Moldova, Mongolia, Morocco, Netherlands, Pakistan, Poland, Romania, Russia, Serbia, Slovenia, Spain, South Korea, Sweden, Switzerland, Syria, Tajikistan, Tunisia, Turkey, the



United Arab Emirates, and Yemen.

*Trade and Investment Framework Agreement*

Kuwait signed a Trade and Investment Framework Agreement (TIFA) with the United States in February 2004. The TIFA is the first step in developing economic reform and trade liberalization criteria to strengthen the U.S.-Kuwait economic relationship. At the first bilateral TIFA Council meeting, held in May 2004 in Washington, D.C., it was agreed that the TIFA process would provide for periodic technical discussions. Several areas in particular stood out as needing further attention: intellectual property rights (IPR), standards-related issues, taxation, and service and investment requirements. There is no move at this point to re-introduce a TIFA.<sup>30</sup>

**4.4 Trade barriers (both tariff and non-tariff)**

Under the "single entry" principle, goods imported into Kuwait (or any other GCC State) are subject to customs duty only at the first point of entry into the GCC, with a redistribution system for collected tariffs among the GCC countries. All goods that enter Kuwait are subject to the common external tariff, at 0% and 5% for most products, and 100% and a specific duty for tobacco products, with some GCC-approved specific exceptions for each member state. According to the authorities, Kuwait has no country-specific exceptions.

Cosmetics and pharmaceuticals may require a certificate of free sale stating that the commodities in question are in free circulation in the country of export. Applicants should submit the label and complete formula of the pharmaceutical to be exported.

Overall, Kuwait's applied MFN tariff displays positive escalation from unprocessed to fully processed products (Chart III.2). This escalation is mainly because the average applied tariff rate on the first stage of processing is relatively low. At a more disaggregated level, the tariff structure reflects that a large number of sectors are subject to flat tariff protection: uniform tariff applies for the three stages of processing for textiles and apparels, wood products, non-metallic mineral products, and other manufacturing. Nonetheless, for certain industries the tariff depicts negative escalation, such as in paper and printing, chemicals and plastics, and fabricated metal products.

Duty Rates:<sup>31</sup>

Item description	Hscode classification	Hscode description	General duty (%)
Cosmetics	33-7-90-90	- - - Other	5
Home & leisure home accessories candles and home fragrances ap gb	33-7-41-90	- - - Other	5

<sup>30</sup> <https://www.export.gov/article?id=Kuwait-Trade-Agreements>

<sup>31</sup> <https://customsdutyfree.com/hs-code-search/>



acacia blossom incense sticks cosmetics			
Suqqu cosmetics	33-1-29-0	-- Other	5
Argan oil cosmetics	33-5-90-30	- - - Hair dyes	5
Cosmetics	33-7-10-90	- - - Other	5
Suqqu cosmetics	33-7-90-10	- - - Depilatories	5
Cosmetics	33-4-30-10	- - - Nail polishes and varnishes	5
cosmetics & tanning cosmetic applicator pad or powder-puff	96-16-20-0	- Powder-puffs and pads for the application of cosmetics or toilet preparations	5
cosmetics & tanning cosmetic brushes 5 < 10 cents	96-3-30-0	- Artists brushes, writing brushes and similar brushes for the application of cosmetics	5



## 5 Acronyms

- USD – United States Dollar
- Bn - Billions
- CAGR - Compound annual growth rate
- KWD - Kuwaiti Dinar
- GDP - Gross domestic product
- WTO- World Trade Organization
- OPEC – Organisation of Petroleum Exporting countries
- KPC - Kuwait Petroleum Corporation
- TIFA - Trade and Investment Framework Agreement
- IPR – Intellectual property rights
- GSO - Gulf Standards Organization
- PAI - Public Authority for Industry