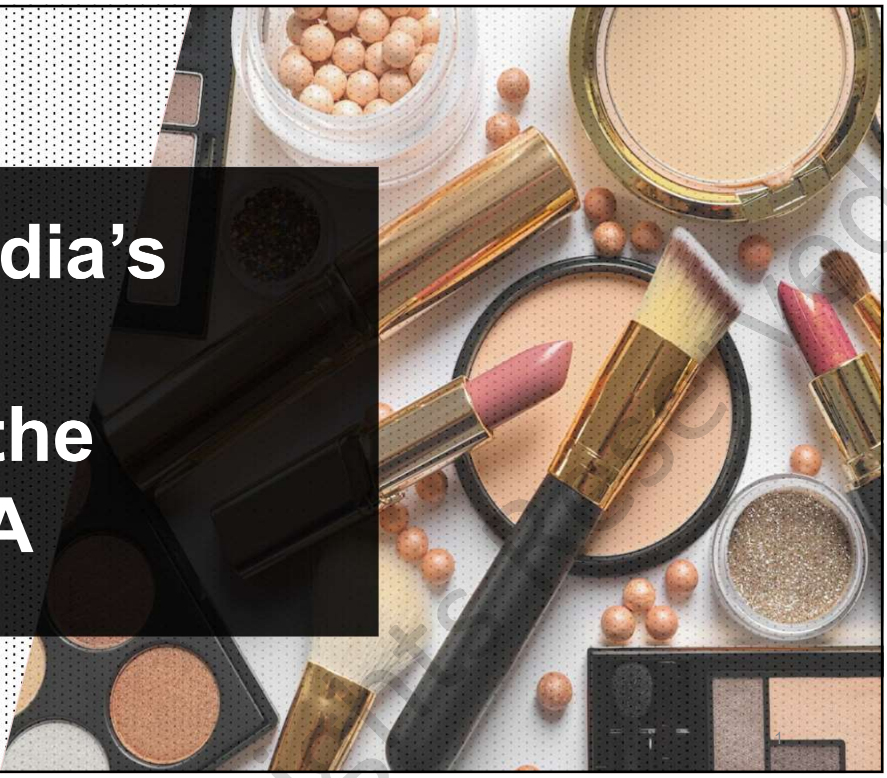
Unlocking India’s Cosmetics Market with the UK–India FTA



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Running Order

UK-India FTA Overview
Presented by: Lyle Wilton, Alex Green

Market Opportunities
Presented by: Divya Divakaran

Perspective from the Indian Government
Presented by: Nidhi Mani Tripathi

CTPA Insights and Support
Presented by: Johanna Irigaray

Q&A

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Department for
Business & Trade

Current trading relationship

India has **a GDP of almost £2.9 trillion** and **population of 1.4 billion.**

India's economy is estimated to **grow an average of 5%** per year between 2021-2050 and is projected to become the **world's third largest economy by 2027**.

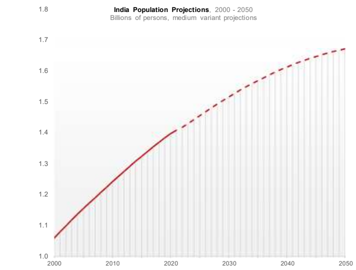
India is estimated to account for **8% (284mn) of the world's middle-class consumers by 2050**, creating a growing market for UK goods and services.

What's going well

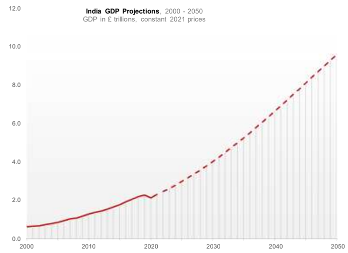
- India is the **UK's 12th largest trading partner**.
- Total trade in Goods and Services with India was worth **£39.0bn** in 2023 (2% of UK total trade).
- In 2023, the UK **exported £6.1bn in Goods** and **£9.7bn in Services** to India.
- Around **9,200 UK businesses exported goods** to India, and around **16,200 UK businesses imported goods** from India in 2023.
- Our trading relationship **supported 142,000 jobs in the UK in 2020**, and our investment relationship **supported 700,000 jobs across both economies in 2023.**

What could be better

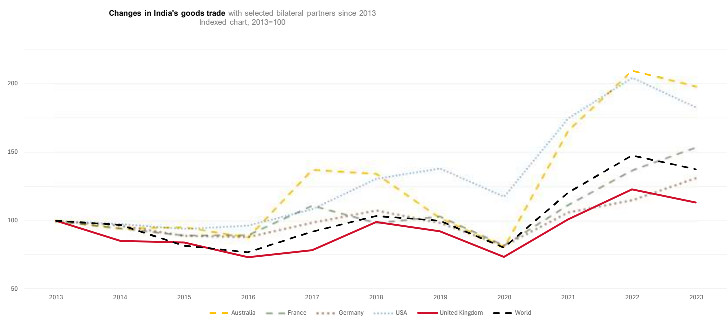
- India is **highly protectionist**, with high tariffs, severe restrictions on services and a complex regulatory framework.
- **India collected an estimated £1.1bn of tariffs on UK exports** in 2022; and that's only on trade that tariffs haven't deterred.
- The Organisation for Economic Co-operation and Development (OECD) currently ranks India as the 8th **most restrictive Services market** in the world.
- An incredibly closed-off Procurement Market, with **Make in India** generally locking foreign firms from the market
- There are also concerns about **Environmental and Labour standards in India**, and the risk these create an uneven playing field for UK competition.



Source: UN Population Prospects 2022



Source: Global Trade Outlook 2023



Source: UN Comtrade. **Note:** This chart shows indexed figures compared to 2013 levels of goods trade, rather than absolute values. Over the last 10 years, India's trade with selected partners and the world has grown faster than their trade with the UK.

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Tariffs

India's market access offer to UK

Chapter	GMA	RoO
33 – Essential oils, perfumery, cosmetics, and toilet preparations	**Current tariffs:** - **33011200 – 33019090:** 22% - **33021010:** 100% / 11% depending on 10-digit code - **33021090 – 33029090:** 11% - **33030010 – 33079090:** 22% **Tariff treatment:** A mix of E10 and R5 to 50%	CTH; or chemical reaction; or mixing and blending
34 – Soap, Organic Surface Active Agents, Washing Preparations etc	**Current tariffs:** - **3401110 – 34029099:** 11% - **34031100 – 34039900:** 8.25% - **34042000 – 34059090:** 11% - **34060010 – 34060090:** 27.5% - **34070010 – 34070090:** 11% **Tariff treatment:** A mix of EIF, and E10	CTH; or chemical reaction

The Qualifying Value Content (QVC) 40% rule refers to the amount of UK content needed to confer origin. Under the build-down method, it's possible to use imported/ non-originating materials as long as they don't exceed 60% of the value of the final good.

Appendix 2A-a: Schedule of Tariff Commitments of India

S. No.	HS Code (2022) (1)	Description (2)	Unit (3)	BCD Rates (in %) unless otherwise specified) (4)	AIDC (in %) (5)	Health cess (in %) (6)	SWS (in (%) unless otherwise specified) (7)	Base Rate (4+5+6+7)	Staging Category
4030	33030010	Eau-De-Cologne	kg.	20	0	0	2	22	R5 to 50%
4031	33030020	Rose Water	kg.	20	0	0	2	22	R5 to 50%
4032	33030030	Keora Water	kg.	20	0	0	2	22	R5 to 50%
4033	33030040	Perfumes And Perfumery Compounds Not Containing Spirit (Excluding Aqueous Distillates)	kg.	20	0	0	2	22	R5 to 50%
4034	33030050	Perfumes Containing Spirit	kg.	20	0	0	2	22	R5 to 50%
4035	33030060	Spirituous Toilet Preparations Not Elsewhere Specified	kg.	20	0	0	2	22	R5 to 50%
4036	33030090	Other	kg.	20	0	0	2	22	R5 to 50%
4037	33041000	Lip Make-Up Preparations	kg.	20	0	0	2	22	E10
4038	33042000	Eye Make-Up Preparations	kg.	20	0	0	2	22	E10
4039	33043000	Manicure Or Pedicure Preparations Other:	kg.	20	0	0	2	22	E10
4040	33049110	Face Powders	kg.	20	0	0	2	22	E10

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Rules of Origin

Provisions

- **Tolerance:** This permits the use of non-originating materials within the same HS classification if they don't exceed 7.5%/12.5% of the value of the final good. This tolerance cannot be applied to the Qualifying Value Content rule.
- **Cumulation:** This permits the use of Indian materials in the production of a good.
- **Roll-up / Absorption:** Once a part or intermediate material obtains originating status under an FTA, it is considered to be 100% originating when used to make the final good. Once originating status is obtained, the non-originating inputs are fully absorbed and not taken into account. In other words, the value of non-originating materials used in the production of the good will be disregarded once this good obtains originating status.
- **Non-alteration:** Originating goods transported through or stored in a third party remain originating as long as they:
  - Remains under customs control, such as in a bonded warehouse
  - Does not undergo further production or any other operation, other than unloading, reloading, splitting up of loads, separation from bulk, storing, labelling, marking, bottling, 5 or any operation necessary to preserve it in good condition.

Procedures

- **Authentication procedures:**
  - UK exporters will need to self-certify and register as exporters with HMRC, using their EORI number.
  - HMRC will share information with Indian customs to authenticate RoO declarations.

One-off registration with HMRC → HMRC shares database with Indian customs → UK trader sends origin declaration to importer and Indian customs → Indian customs checks this against HMRC database to certify authenticity

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Registering on HMRC Portal

The HMRC pre-registration portal is central to enabling tariff reductions for UK exporters. It has experienced technical/data delays, with DBT and HMRC coordinating guidance and launch timing. The portal links to the Rules of Origin requirements and will feed into the "Ready for India" campaign.

You need to register with HMRC if both of the following apply:

- you're a UK producer or exporter exporting goods originating in the UK to India
- you plan to complete origin declarations under the UK-India Free Trade Agreement
- The agreement allows you to self-certify origin, instead of having to obtain an origin certificate from a competent authority each time you send a consignment of goods to India.

Register to complete origin declarations under the UK-India Free Trade Agreement - GOV.UK

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Customs & TBT

Customs

- **Release of goods:** UK and Indian customs authorities will endeavour to release goods within 48 hours of arrival, and release perishable goods in the shortest possible time after arrival – prioritising these for clearance.
    - India currently moves ~75% of goods through customs within 48 hours.
    - India's target for perishable goods is 2-3 hours.
- **Advance rulings:** Advance rulings on tariff classification and origin should be issued to traders as soon as possible, and as a maximum within three months of submitting the request.
- **Simplified procedures:** Provisions that allow the deferral of payment until after goods are released from customs, and offering traders the ability to pay customs duties and taxes covering multiple imports at periodic intervals, amongst others.
- **Customs brokers:** Neither country shall require the mandatory use of Customs Brokers. Traders can still choose to employ the services of a customs broker, but the provision gives greater flexibility in approach.

Technical Barriers to Trade

- **Marking and labelling:** Commitments that allow labelling to be applied in the country of import, the use of stickers, the use of multiple languages, and the prevention of a requirement for registration or approval of product labels prior to offering products for sale.
- **Transparency and harmonisation:** Promotion of the use of international standards, participation in consultation on regulatory development, and a minimum 6-month implementation period for new regulations.

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Intellectual Property

Provisions

- **Trade Marks:** Enshrines obligations for standards of protection, electronic application and renewal, and provision of an online trademark database.
- **Trade Secrets:** Enforcing and protecting trade secrets, including damages and provisional measures in cases of alleged trade secret infringement.
- **Designs:** A minimum of 15 years of protection, reaffirmation of TRIPS commitments, electronic application, a provision for the possibility of protecting unregistered designs, and the possibility for multiple designs to be filed through a single application.

Enforcement

- **Remedies and approach:** Comprehensive text on enforcement to tackle IP infringement, including dedicated sub sections on civil remedies, criminal measures, border measures, enforcement practices and enforcement in the digital environment.
- **Digital Enforcement:** The chapter includes India's first sub-section on enforcement in the digital environment and includes provisions on blocking injunctions (injunctions for infringing digital content).
- **Collaborative measures:** A broad range of interventions with provisions on legislative powers alongside provisions on best practice in public education and raising awareness of the importance of respecting IP rights as well as industry initiatives.

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DBT EXPORT SUPPORT ECOSYSTEM

PLAN

If you have never exported before, sign up to access the resources on business.gov.uk which includes step-by-step guidance and lessons on how to get started, including the Business Academy

RESEARCH

Refer to the market guides to find out about local market opportunities, including all countries where a trade agreement is in place

CONSULT

If you have an exporting plan, or want advice on setting one up, you can see if you are eligible for support from an International Trade Adviser (ITA) and the International Markets Service (DBT regional-based support overseas)

CHECK

When you are ready to export, you can use the Check Duties and Customs for Exporting Goods tool to see what paperwork is required

SUPPORT

You can reach out to the Export Support Service at any time during your journey for support and signposting

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Current Landscape in India

- India BPC market valued at ~USD 31.2B in 2025
- Projected to reach ~USD 40B by 2030
- Growing at ~5% CAGR

(*Source: IMARC*)

- Key categories include skincare, haircare, makeup & color cosmetics, fragrances
- Fastest growing : skincare, makeup, hair care.

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Current Landscape in India

Key Channels: Offline, Online, Quick-commerce

Growth drivers: Rising incomes, Internet access, E-commerce & social media, Preference for natural/organic products

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Consumer Trends

- Growing shift toward high quality, premium products
- Clean, vegan beauty rising
- Growing emphasis on self-grooming
- Ingredient-led, efficacy-first products, AI driven
- Influencer & review-driven discovery
- E-shopper base growing at 20%, highest rate among global peers

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Opportunities for British brands

Across skincare, make-up, hair, nail care,men’s grooming, luxury, natural products, fragrance

- Clean, ethical beauty, cutting edge advantages
- Science backed
- Niche, artisanal
- Climate-adapted products (SPF, anti-pollution)

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UK-India FTA

- A game changer for British beauty brands in India
- Once the FTA comes into effect, tariffs on most cosmetics products will be slashed with gradual elimination over the next decade, for some products it will be halved after five years, and some select products will also gain tariff free entry from day one.
- India has committed to faster product registration timelines and bilateral conversations continue on a single-window customs system for quick border clearance.
- British beauty will be able to bring products into the market quicker and sell them at lower price points without compromising on profit.

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Key Players

Offline

Online

Quick commerce

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Things to consider

- Distributor/IOR mandatory
- Regulatory: CDSCO, Legal Metrology, BIS, FSSAI
- India is price-sensitive but pays for quality & efficacy
- Product awareness, marketing, festival/big sales period

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DBT India support

- Initial market advice
- Introduction to key players
- Launch support – PR/Comms, networking events
- Market access/ trade barriers
- Opportunities to participate in relevant India network events

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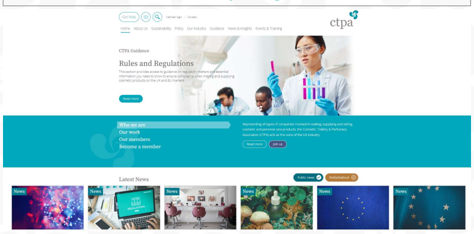
CTPA The voice of the British cosmetics industry

OPSS Regulatory Excellence Awards Winners 2021 — Product Safety

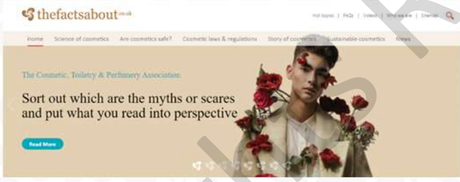
OPSS Regulatory Excellence Awards Winner — Business Award 2022

- The CTPA is the UK trade association representing all types of companies involved in making, supplying and selling cosmetics and personal care products
- As the credible authority for a vibrant and innovative UK industry trusted to act responsibly for the benefit of the consumer, CTPA promotes best practices and advises companies about the strict legal framework for cosmetics and personal care products
- CTPA represents over 250 member companies, of diverse sizes, from micro and SMEs through to multinationals

Public and Member-only websites
Accessible by all member employees worldwide
www.ctpa.org.uk



Dedicated consumer website
A pro-active communication tool for the media, consumers and industry
www.thefactsabout.co.uk



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How we Support Businesses Trading Internationally

ctpa

- Early and regular engagement with DBT during Free Trade Agreement (FTA) negotiations
- Collaboration with the DBT Utilisation Team to ensure businesses can fully benefit from FTAs
- Ongoing engagement with DBT Technical Barriers to Trade and Market Access team to help resolve specific trade barriers
- Support to DBT during beauty trade shows and pre-missions (e.g., Cosmoprof)

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How can you Contribute?

- **Take part** in our International Regulatory and Trade Committee (IRTC) and relevant Working Groups
  - Meeting several times a year
  - Regular engagements in between meetings
  - Discussions on trade barriers and opportunities
- **Reach out to us and DBT** to discuss challenges in accessing a market, or topics of interest and how much you would like to be involved
- **Make use** of tools made available by DBT on export, and reach out to DBT where needed

Make your voice heard and act for meaningful change!

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Q&A

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Thank You!

Your speakers today:

Nidhi Mani Tripathi, Minister Economic India in UK, High Commission of India in London

Lyle Wilton, Head of South Asia and former Deputy Chief Negotiator for the India FTA, Department for Business and Trade

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Johanna Irigaray, Senior International Affairs Manager, Cosmetic, Toiletry and Perfumery Association

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