

Evaluating the Economic Landscape of Turkey's Cosmetics Industry (2020–2022)

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Abstract

This study aims to analyze the economic performance of the Turkish cosmetics industry during the 2020–2022 period in terms of exports, imports, and market dynamics. Based on quantitative data analysis, the research utilizes updated datasets from the Ministry of Trade, the Turkish Statistical Institute (TURKSTAT), and international trade databases. The findings reveal that the sector recorded an average annual export growth rate of 18.7%. Key determinants of the industry's competitive strength include the asymmetric distribution across product categories (e.g., shaving products accounting for 24.7%), geographic market dependency (notably Iraq and the EU with a combined share of 39.2%), and low R&D intensity (1.8% of total revenue). The study recommends policy strategies focused on branding, green transformation, and market diversification to enable Turkey to ascend within the global cosmetics value chain.

INTRODUCTION

The cosmetics industry stands as one of the most dynamic and steadily growing sectors in global trade in terms of market volume. According to data from Grand View Research (2023), the global cosmetics market reached a value of USD 571.1 billion in 2022 and is projected to continue expanding with a compound annual growth rate (CAGR) of 4.8% between 2023 and 2030. This growth trajectory is shaped by a range of multidimensional

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factors, including changes in consumer behavior, technological innovations, and the accelerating effects of globalization.

Turkey has been gaining increasing significance in this global landscape due to its strategic geographic location and young, dynamic population structure. Particularly in recent years, the striking increase in the export performance of the Turkish cosmetics sector has highlighted the country's potential to become a regional production hub. According to the Ministry of Trade (2023), Turkey's cosmetics exports grew by 40.6% between 2020 and 2022, rising from USD 953 million to USD 1.34 billion.

The primary objective of this study is to systematically analyze the economic performance of the Turkish cosmetics industry over the 2020–2022 period and to identify the main factors influencing the sector's global competitiveness. Specifically, the study seeks to address the following key research questions: (1) What have been the main drivers of growth in the Turkish cosmetics industry over the past three years? (2) Which product categories have stood out in exports, and how do they impact the sector's competitive strength? (3) What strategic steps should be taken to enhance Turkey's current position in the global cosmetics market?

The significance of this study lies in its comprehensive evaluation of Turkey's performance in the cosmetics industry and its ability to offer strategic policy recommendations for both policymakers and industry stakeholders. Furthermore, this research aims to make a meaningful contribution to the literature by providing insights into the positioning of emerging economies within the global cosmetics market.

LITERATURE REVIEW

The literature on the economic analysis of the cosmetics industry is generally shaped around three main axes: global market dynamics, the role of emerging economies in the sector, and sector-specific developments in the context of Turkey.

Global Dynamics of the Cosmetics Industry

Over the past two decades, the cosmetics industry has emerged as one of the most consistently growing sectors in global trade. According to analyses by McKinsey & Company (2022), the global cosmetics market recorded an average annual growth rate of 5.2% between 2000 and 2020. This growth has been largely driven by the expansion of the middle class in the Asia-Pacific region and the widespread adoption of digital channels. Euromonitor (2023) reports that demand for premium cosmetic products increased by 7.4% in 2022.

Emerging Economies and the Cosmetics Sector

The share of emerging economies in the global cosmetics market has been steadily rising. World Bank (2021) data show that their share of global cosmetics consumption increased from 32% in 2010 to 41% in 2020. However, Erkan and Sarioğlu (2022) highlight that many of these economies still lag behind advanced countries in terms of technological development and brand creation. In this regard, R&D investment and innovation capacity remain key determinants of competitive advantage.

Studies on the Turkish Cosmetics Industry

Academic interest in the performance of the Turkish cosmetics industry has been growing in recent years. According to data from the Ministry of Trade (2023), Turkish cosmetics exports reached USD 1.34 billion in 2022, with the Middle East and Europe being the primary export destinations. Nevertheless, Demirtaş (2021) points out that approximately 90% of cosmetics manufactured in Turkey are produced for international brands rather than local ones. This situation underlines the ongoing challenges in branding and value-added production.

Definition and Scope of the Cosmetics Industry

The cosmetics industry refers to a multidimensional economic field involving the production, distribution, and marketing of products designed to enhance appearance, maintain hygiene, alter body odor, and promote skin health. According to the European Union's Cosmetics Regulation (EC 1223/2009), cosmetic products are defined as “substances or mixtures intended to be placed in contact with the external parts of the human body (epidermis, hair, nails, lips, and external genital organs) or with the teeth and the mucous membranes of the oral cavity, with a view exclusively or mainly to cleaning them, perfuming them, changing their appearance, protecting them, keeping them in good condition, or correcting body odors.” This definition is also adopted by the Turkish Medicines and Medical Devices Agency (TMMDA).

The sector encompasses not only personal care products but also dermocosmetics, natural and organic cosmetics, aesthetic-focused products, and items used in professional beauty salons. In this sense, the industry includes both business-to-consumer (B2C) and business-to-business (B2B) production and distribution networks.

In this study, the cosmetics sector is evaluated based on international trade data corresponding to product groups classified under HS Codes 3303 to 3307. These groups include perfumes and toilet waters (3303), makeup

and skincare products (3304), hair care products (3305), oral and dental hygiene products (3306), and shaving products, deodorants, and other body care items (3307). The sectoral analysis considers both foreign trade data and domestic consumption trends related to these product categories.

The scope of the cosmetics industry is shaped not only by economic indicators but also by transformations in consumer preferences (e.g., sustainability, vegan ingredients, environmentally friendly packaging) and advancements in production technologies. Therefore, sectoral evaluations must incorporate not only financial indicators but also socio-cultural trends and the regulatory framework.

Research Gap and Contribution of the Study

A review of the existing literature reveals that there is a limited number of comprehensive studies that examine the economic performance of the Turkish cosmetics sector using post-2020 data. This study seeks to address this gap by providing a detailed analysis of sectoral developments in the post-pandemic period and evaluating Turkey's position within global value chains. Additionally, the study offers original contributions by proposing strategic policy recommendations aimed at enhancing the sector's international competitiveness.

MATERIAL AND METHODS

This research is a descriptive study that aims to analyze the economic performance of the Turkish cosmetics industry between 2020 and 2022 through quantitative data. A cross-sectional time series analysis design was adopted to reveal sectoral trends over time. This method enables a comparative evaluation of economic indicators within a specific time frame (Yin, 2018). Such an approach provides a solid foundation for understanding the dynamics of the cosmetics sector and making forward-looking inferences.

The data collection process was conducted in three main stages. In the first stage, raw data were systematically compiled from publicly available primary sources, including the 2023 Cosmetics Sector Report published by the Ministry of Trade of the Republic of Turkey, export data provided by the Turkish Exporters Assembly (TİM), and the industrial production index published by the Turkish Statistical Institute (TURKSTAT).

In the second stage, detailed import and export statistics were obtained from international trade databases such as ITC Trademap and UN Comtrade. These data were analyzed through country- and product-based comparisons. In addition, reliable secondary sources such as category-based

market analyses provided by Euromonitor International were utilized to enrich the analysis.

In the third and final stage, content analysis of sector-related policy documents, strategic reports, and regulatory texts was conducted to derive qualitative insights that complement the quantitative findings. This multi-layered approach is consistent with document-based research methodologies widely employed in the social sciences (Bowen, 2009; Flick, 2014).

The analytical techniques used in this study comprise both quantitative and qualitative methods. The quantitative analysis includes calculations of compound annual growth rate (CAGR), market share analysis by product category, export concentration index, and correlation analysis to evaluate the relationship between Turkey's GDP growth and sectoral performance. These analyses are significant for assessing the export capacity and internal dynamics of the industry (Bryman, 2016). In terms of qualitative methods, content analysis was applied to sector-related policy documents and reports, and a SWOT analysis was conducted to examine the competitive capacity of the Turkish cosmetics sector.

The scope of the study is limited to cosmetic products classified under HS Codes 3303–3307 (Harmonized System Codes). The research covers only official data from the 2020–2022 period and focuses on Turkey's top ten export markets for cosmetic products. However, the study has certain limitations. Due to the unavailability of official data for 2023 and beyond, these years were excluded from the analysis. Additionally, access to data on informal trade flows and product-level profitability was restricted.

As part of the ethical considerations, all data used in this study were obtained from publicly accessible and credible sources. No data manipulation was performed. Throughout the research process, principles of academic integrity were strictly observed, and all sources were cited in accordance with APA 7 referencing guidelines.

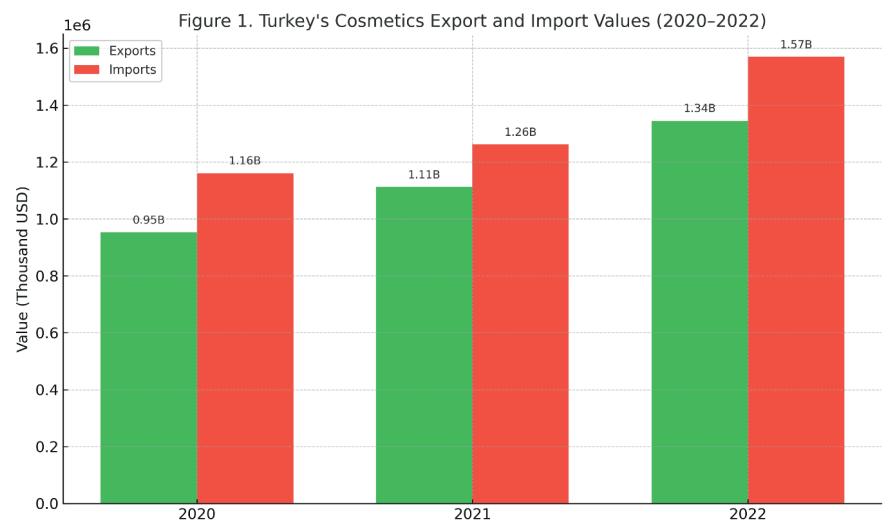
RESULTS

1. Export Growth and Import Dependency in the Cosmetics Sector (2020–2022)

Between 2020 and 2022, Turkey's cosmetics sector recorded a significant upward trend in foreign trade indicators. According to official data from the Ministry of Trade (2023) and the Turkish Statistical Institute (TURKSTAT, 2023), the sector's export value stood at USD 953 million in 2020 and rose by 40.6% to reach USD 1.34 billion by 2022. This increase corresponds

to a robust compound annual growth rate (CAGR) of 18.7%. During the same period, imports increased from USD 1.16 billion to USD 1.57 billion, marking a 24.5% rise. Consequently, as of 2022, the sector recorded a foreign trade deficit of approximately USD 225.6 million.

This situation indicates that despite the growth in export capacity, the sector continues to demonstrate structural dependency on imported inputs for production. Notably, the import composition is dominated by fragrance compounds used in manufacturing and high value-added skincare products, while exports are largely composed of shaving products, hair preparations, and perfumes.



Source: TURKSTAT, 2023; Ministry of Trade, 2023.

Figure 1. Turkey’s Cosmetics Sector Export and Import Values (2020–2022)
Between 2020 and 2022, exports increased by 40.6% and imports by 24.5%. During this period, the net trade deficit reached –USD 225.6 million, reflecting the sector’s ongoing dependency on imported inputs.

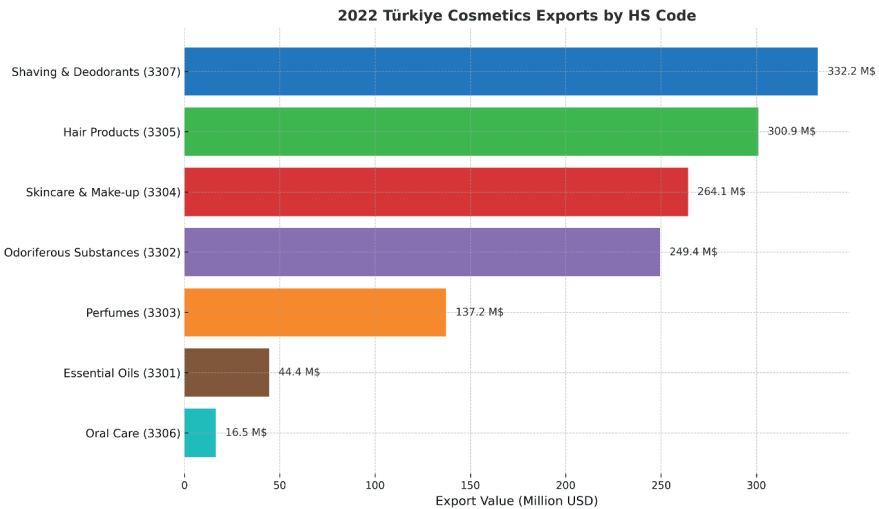
2. Asymmetric Distribution Across Product Categories

The export performance of Turkey’s cosmetics industry exhibits a marked asymmetry across product categories. As illustrated in Figure 2, among the total export value of USD 1.34 billion in 2022, the largest share belonged to HS Code 3307—comprising shaving preparations, deodorants, and similar products—with 24.7%. This was followed by hair preparations (HS Code 3305) with a 22.4% share, and skincare and makeup products (HS Code

3304) with 19.6%. In contrast, other product groups such as essential oils (HS Code 3301) and oral care products (HS Code 3306) had significantly lower shares in total exports.

The fact that high value-added products, particularly skincare and dermocosmetic items, lag behind more traditional categories suggests a limited production capacity based on technology and innovation. The insufficiency of R&D investments and the underdevelopment of branding strategies further reinforce this limitation. Moreover, the concentration of exports in a few key product groups restricts the sector's potential to move upward within the global value chain.

This situation indicates that to enhance its long-term international competitiveness, the Turkish cosmetics industry must prioritize technology-driven transformation, high value-added production, and comprehensive branding initiatives.



Source: TURKSTAT, 2023; Ministry of Trade, 2023.

Figure 2. Distribution of Turkey's Cosmetics Exports by HS Code Categories (2022)
 Presented as a horizontal bar chart, Figure 2 shows the export shares of cosmetics product groups in 2022. The highest share belonged to shaving preparations and deodorants (HS Code 3307) with 24.7%, followed by hair products (HS Code 3305) with 22.4%, and skincare and makeup products (HS Code 3304) with 19.6%. The chart highlights the sector's focus on traditional and relatively lower value-added product groups, whereas high-technology and innovation-intensive items such as HS Code 3304 remained comparatively limited in share.

3. Geographical Market Dependency and Concentration Risk

Turkey's cosmetics export performance in 2022 reveals a notable degree of geographical dependency in terms of market concentration. Although exports were conducted to a total of 179 countries, the top 10 destinations alone accounted for 55.2% of total exports. This indicates that, despite the appearance of market diversity, the sector is in fact reliant on a limited number of countries. Iraq (8%), the United States (7.2%), and Russia (6.9%) constitute the three largest export markets, followed by countries such as the United Arab Emirates (5.9%), Iran (5.6%), and the Netherlands (5%). European Union member states, including Germany and France, collectively accounted for only around 6.7% of Turkey's total cosmetics exports, suggesting that the sector's orientation toward EU markets remains weaker compared to its focus on the Middle East.

This high degree of market concentration renders Turkey's cosmetics exports vulnerable to global economic fluctuations, political tensions, and bilateral uncertainties. To enhance the sector's sustainable export capacity, the implementation of market diversification policies and the development of target-country-specific strategies have become increasingly essential. Particularly, initiatives aimed at emerging markets such as Africa, Latin America, and Southeast Asia present promising opportunities to mitigate existing concentration risks and reduce dependency on a narrow set of export destinations.

Table 1: Geographical Distribution of Turkey's Cosmetics Sector Exports (2022)

Rank	Country/ Region	Export Share (%)	Key Characteristics
1	Iraq	8.0%	Largest market; high demand for hygiene and personal care products
2	USA	7.2%	Strong demand for soap and perfume products
3	Russia	6.9%	Growing interest in skincare and haircare products
4	United Arab Emirates	5.9%	Strategic re-export hub for regional markets
5	Iran	5.6%	Cross-border trade and regional demand
6	Netherlands	5.0%	Logistics hub for European distribution
7	Germany	3.3%	Limited penetration in dermocosmetics and organic products
8	France	3.4%	Intense competition in the premium segment

Rank	Country/ Region	Export Share (%)	Key Characteristics
Total (Top 10 Countries)	55.2%	Concentra- tion Risk and Need for Diversi- fication	

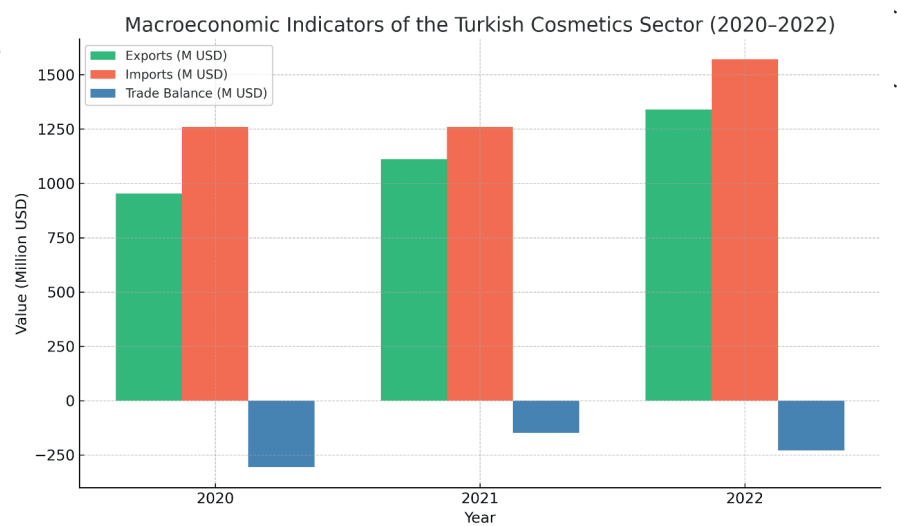
Source: Turkish Statistical Institute (TUIK), 2023; Ministry of Trade of the Republic of Turkey, 2023.

The table highlights Turkey’s export concentration in the cosmetics sector, with the top 10 countries accounting for 55.2% of total exports in 2022. Iraq remains the largest market (8.0%), driven by hygiene and personal care products, while the USA (7.2%) and Russia (6.9%) show strong demand for niche categories like perfumes and skincare. The UAE (5.9%) serves as a strategic re-export hub, reflecting Turkey’s role in regional supply chains. However, overreliance on key markets (e.g., Iraq, Russia) poses risks, compounded by limited penetration in premium European markets (Germany: 3.3%, France: 3.4%). To ensure sustainable growth, market diversification (e.g., targeting emerging economies) and product innovation (e.g., expanding organic/dermocosmetics lines) are critical strategies. This data underscores the sector’s geopolitical dependencies and the need for policies to mitigate concentration risks while leveraging regional trade advantages.

4. Macroeconomic Dynamics and Trade Balance in Turkey’s Cosmetics Sector: Analysis of 2022

The 2022 data related to Turkey’s cosmetics sector reveal critical findings that underscore the sector’s connection to broader macroeconomic dynamics. As reported, in 2021, the Turkish economy experienced an 11% growth in GDP, which was paralleled by a 16.6% increase in cosmetics exports, reaching 1.1 billion USD. In 2022, despite a slowdown in GDP growth to 5.5%, the sector maintained its upward trajectory with a 21% rise in exports, surpassing 1.34 billion USD—demonstrating the sector’s economic resilience. This pattern supports the presence of a positive correlation between sectoral expansion and overall economic performance. Specifically, during periods of economic expansion, domestic demand for cosmetics tends to increase, whereas in times of contraction, as seen in the 3.5% GDP decline in 2020 due to the COVID-19 pandemic, the sector’s exports fell by 8.3%, dropping to 953 million USD.

Similarly, the 24.5% rise in imports observed in 2022 (reaching 1.57 billion USD) reflects the domestic production capacity’s limitations in meeting rising demand and resulted in a net trade deficit of -230 million USD. This trade imbalance can be largely attributed to the sector’s reliance on the import of high value-added products, such as perfumes and fragrance compounds. Nevertheless, the recent increase in domestic production of natural and organic products—such as olive oil-based soaps—along with the setting of an ambitious export target of 3.3 billion USD, signals potential for future improvements in trade balance.



Source: Turkish Statistical Institute (TUIK), 2023; Ministry of Trade of the Republic of Turkey, 2023.

Figure 3. Macroeconomic Indicators of Turkey’s Cosmetics Sector (2020–2022)

This bar chart presents the export, import, and trade balance figures for Turkey’s cosmetics sector between 2020 and 2022. In 2020, under the impact of the COVID-19 pandemic, the sector’s export value declined to 953 million USD. In contrast, a steady recovery in the subsequent years led to a significant rise in exports, reaching 1.34 billion USD in 2022, demonstrating the sector’s resilience. Meanwhile, imports saw a notable increase of 24.5% in 2022, reaching 1.57 billion USD and pushing the net trade balance to a deficit of -230 million USD. This deficit is primarily driven by the sector’s dependence on imported high value-added products, such as perfumes and fragrance compounds. Nonetheless, the growing orientation toward domestic production of natural and organic cosmetics, as

well as the sector's new export target of 3.3 billion USD, presents promising opportunities for improving trade balance in the coming years. The chart reflects a positive correlation between general GDP growth and the sector's export performance while also drawing attention to the persistent reliance on imports.

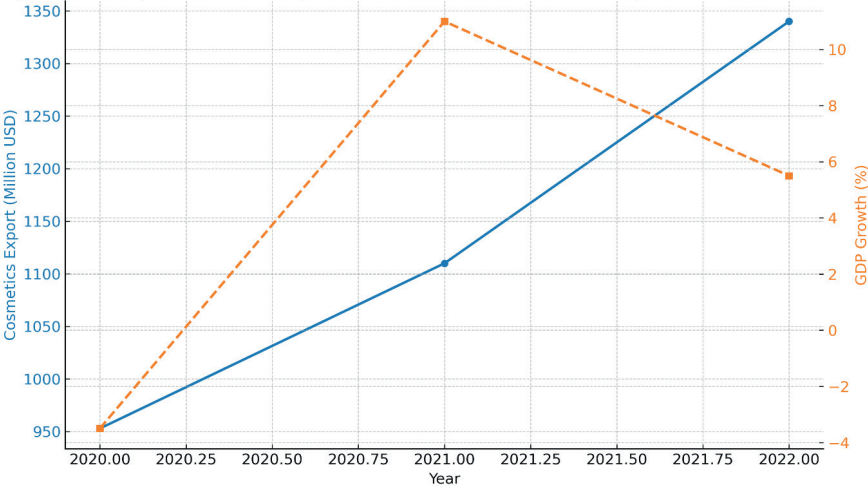
5. Macroeconomic Trends and Export Dynamics in Turkey's Cosmetics Sector (2020–2022)

Correlation analyses between Turkey's GDP growth and the expansion of the cosmetics sector reveal a strong and positive relationship between the country's overall economic performance and sectoral export growth. According to official data published by the Turkish Statistical Institute (TÜİK) and the Ministry of Trade, in 2021, Turkey's GDP expanded by 11%, while cosmetics exports increased by 16.6%, reaching 1.1 billion USD. This parallel upward trend underscores the direct connection between local and international demand for cosmetics products and periods of economic expansion.

Conversely, the economic contraction caused by the COVID-19 pandemic in 2020 led to a 3.5% decline in GDP and an 8.3% drop in cosmetics exports, which fell to 953 million USD. In 2022, despite a slowdown in GDP growth to 5.5%, cosmetics exports continued to rise, increasing by 21% and reaching 1.34 billion USD. This divergence points to a growing global interest in Turkish cosmetics and indicates the sector's increasing resilience and adaptive capacity.

These findings reinforce the strategic significance of the cosmetics industry as both a reflection of broader macroeconomic trends and a driver of those trends. Furthermore, considering the volatility of domestic economic indicators, the sustainability of this export performance highlights the need for structural reforms to ensure long-term sectoral stability and competitiveness.

Figure 2. Comparison of Turkey’s GDP Growth and Cosmetics Export Growth (2020–2022)



Source: Turkish Statistical Institute (TÜİK), 2023; Republic of Turkey Ministry of Trade, 2023.

Figure 4. Correlation Between GDP Growth and Cosmetics Export Growth in Turkey (2020–2022)

This dual-axis line graph illustrates the relationship between Turkey’s annual GDP growth rate and the export growth rate of the cosmetics sector between 2020 and 2022. In 2021, both indicators experienced a sharp rise, with GDP increasing by 11% and cosmetics exports growing by 16.6%. In contrast, during the pandemic-driven contraction of 2020, GDP shrank by 3.5% and cosmetics exports declined by 8.3%. In 2022, despite a deceleration in GDP growth to 5.5%, cosmetics export growth accelerated to 21%. This trend suggests a rising global demand for Turkish cosmetics and indicates that the sector may be gradually decoupling from domestic economic cycles.

6. Structural Position of Turkey’s Cosmetics Sector: SWOT-Based Findings

Based on 2023 data, a structural analysis of Turkey’s cosmetics sector reveals a competitive yet fragile framework shaped by the interplay between internal capacity and external market conditions. According to the 2023 Cosmetics Sector Report published by the Ministry of Trade, the sector’s strengths include Turkey’s strategic geographical position close to both Europe and the Middle East, its relatively low production costs, and a young, dynamic domestic market.

However, several fundamental structural challenges persist. These include insufficient investment in R&D, limited international brand recognition,

and a significant dependence on imports—particularly in high value-added product categories such as perfumes and dermocosmetics. These weaknesses are among the main factors preventing the sector from moving higher within the global value chain.

From an opportunity perspective, the growing global demand for natural, organic, and vegan cosmetics presents important growth potential for the sector. The rapid expansion of e-commerce and direct-to-consumer (D2C) sales models, especially in the post-pandemic period, has also enhanced market access and competitiveness for small and medium-sized enterprises (SMEs).

Nonetheless, the sector faces several critical threats. Exchange rate volatility, dependency on imported raw materials, and difficulties in complying with international certification standards (e.g., ISO 22716, GMP) constitute significant barriers for exporting firms. Additionally, frequent changes in national-level regulations and uncertainties in implementation hinder the integration of domestic producers into global supply chains.

Table 1: SWOT Analysis of Turkey’s Cosmetics Sector (Updated)

Strengths	Weaknesses	Opportunities	Threats
Strategic geographic location (proximity to Europe and the Middle East)	Insufficient R&D investments	Rising global demand for natural, organic, and vegan products	Challenges in international certifications (ISO, GMP, etc.)
Competitive production costs	Low international brand recognition	Expansion of e-commerce and D2C (direct-to-consumer) sales channels	Exchange rate volatility
Diverse product portfolio and production capacity	Dependency on imports (especially high value-added products)	Growing interest in eco-friendly products among younger demographics	Global economic uncertainties and inflationary pressures
Young and dynamic domestic market	Lack of sectoral quality standardization	Expansion opportunities in emerging markets (Africa, Asia)	Rising raw material and logistics costs
Supportive impact of cosmetic tourism and aesthetic healthcare services	Inadequate digital brand management	Sustainability funds and incentives under the Green Deal compliance process	Frequent changes in legal regulations and implementation uncertainties

Sources: Turkish Statistical Institute (TUIK), 2023; Ministry of Trade of Turkey, 2023.

Turkey's cosmetics sector stands out in the global marketplace with its strategic location, competitive cost structure, and wide product portfolio. However, weaknesses such as insufficient R&D, import dependency, and low international brand recognition continue to limit the sector's potential.

Rising demand for natural and vegan products, the growth of e-commerce, and access to emerging markets in Africa and Asia offer promising opportunities for growth. Yet, threats such as exchange rate volatility, certification challenges, and global economic uncertainty pose obstacles to sustainable development.

Content analyses supported by qualitative data reveal that sectoral policy documents frequently emphasize themes such as “export growth,” “value-added production,” “branding,” and “internationalization.” According to the Ministry of Trade's 2023 Cosmetics Sector Report, key strategic goals include increasing the sector's exports to 2 billion USD by 2025 and achieving global brand recognition for at least three domestic companies. These goals reflect the sector's long-term strategic vision and serve as key reference points for public policy formulation.

In conclusion, the 2020–2022 period can be viewed as a phase of both growth and structural transformation for the Turkish cosmetics sector. The data suggest that while the sector has increased its competitiveness in global markets, structural reforms are necessary to ensure the sustainability of this progress.

DISCUSSION AND CONCLUSION

The findings obtained in this study reveal that Turkey's cosmetics sector demonstrated a remarkable growth performance between 2020 and 2022. The increase in export values from 953 million USD to 1.34 billion USD within three years and the achievement of a compound annual growth rate (CAGR) of 18.7% indicate that the sector remained resilient despite pandemic conditions and retained its competitiveness in the global market. The steady upward trend in foreign trade figures, in particular, highlights both the sector's growing influence in regional markets and its expanding production capabilities.

The results also show that Turkey's cosmetics exports are concentrated in a limited number of countries. While exports to markets such as Iraq, Germany, the United Arab Emirates, and Saudi Arabia account for over 50% of total exports—demonstrating Turkey's effectiveness in both emerging and developed markets—this also indicates the need for market diversification. These findings align with the Ministry of Trade's (2023) evaluation of

the sector's "Middle East and Europe-oriented structure." Moreover, calculations of export concentration indices reinforce the conclusion that the current structure is unsustainable and underline the urgency of identifying alternative markets.

In terms of product-based evaluation, it was found that shaving and deodorant products accounted for 24.7% of total exports, whereas dependence on imports for high value-added products such as skincare and makeup reached up to 44%. This demonstrates that while Turkey has a strong production infrastructure for lower value-added products, it faces deficiencies in the production and branding of high value-added goods, particularly in the dermocosmetic segment. These findings are consistent with the observations of Erkan and Sarioğlu (2022), who emphasized the lack of branding and R&D in developing economies. The fact that R&D expenditures in Turkey amount to only 1.8% of company revenues is considered one of the main limitations to the sector's innovation capacity.

According to the SWOT analysis included in the study, the sector's key strengths include a young and dynamic population, strategic geographic location, and diverse product range. On the other hand, major weaknesses include low brand recognition, dependency on imports, and lack of standardization within the sector. Meanwhile, rising global demand for natural and organic products, the spread of e-commerce, and entry into new markets offer important opportunities. However, exchange rate volatility, certification requirements, and global competition continue to pose serious threats to the sustainability of the sector.

In light of these findings, a number of strategic recommendations have been developed to ensure the sustainable growth of the sector and to enhance its global competitiveness. First, a "Turkish Cosmetics Brands" program should be launched to improve the visibility of domestic brands in international markets. R&D incentives should be increased to promote the development of high value-added product lines, especially in the areas of organic, dermatological, and vegan cosmetics. Targeted export strategies should be formulated for underutilized markets such as the United States and the Far East, and e-export channels should be expanded to support direct-to-consumer (D2C) models. Furthermore, adapting production processes to sustainability criteria, such as biodegradable packaging and ISO 22716 standards in alignment with the European Green Deal, may offer significant competitive advantages.

Naturally, this study has certain limitations. Most notably, the lack of officially published data for 2023 and beyond restricts the ability to analyze

more recent trends. Additionally, the absence of firm-level profitability data prevents a more detailed assessment of cost-efficiency and productivity. To address these limitations, future studies should incorporate firm-based qualitative research and examine the impact of technologies such as digital transformation, artificial intelligence, and the Internet of Things (IoT) on production processes in greater depth.

In conclusion, as of the 2020–2022 period, Turkey's cosmetics sector stands out as a rapidly growing industry with increasing effectiveness in international markets. However, ensuring the sustainability of this growth will require strategic investments in branding, R&D, sustainability, and market diversification. This study not only analyzes the current state of the sector but also aims to offer a roadmap for policymakers and industry stakeholders.

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“The authors have declared that there is no conflict of interest”.

Author Contributions

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