

The Bogota Region, a solid commitment to the cosmetics industry

Colombia,
is one of the top three countries with the greatest biodiversity per square meter in the world.



- The country has legal instruments in place that provide access to its natural resources for business and research purposes.
- Colombia's geographical position, which makes it a tropical country with all climate zones, is ideal for the production of all kinds of aromatic and medicinal plants (natural ingredients).
- Colombia is home to 10% of known life forms.
- Colombia ranks second in flower diversity with more than 50,000 species, 36% of which are endemic.

Source: World Conservation Monitoring Centre of the United Nations Environment Programme (UNEP-WCMC), 2004. Species Data (pending publication, September 2004). Sistema Colombiano de Información de Biodiversidad (SIB).

Personal care has been rooted deep inside Colombian culture for centuries due to the constant access that their ancestors had to water sources, given the extraordinary hydric concentration of the country.

Offers multiple market development opportunities.

The Colombian Cosmetics Market

- 2017 Market: 3.3 USD Billion
- 2022 Market Forecast: 4.0 USD Billion
- '18-'22 CAGR: 3.7%

Source: Euromonitor.



Sales by category
Colombia 2017
USD Million

- 662** Fragrances
- 580** Men's Grooming
- 509** Hair Care
- 455** Oral Care
- 455** Skin Care
- 359** Color Cosmetics
- 241** Deodorants
- 205** Bath and Shower
- 183** Baby and Child-specific Products
- 49** Sun Care
- 30** Depilatories

Source: Euromonitor.

Note: Sum of categories is greater than market size because the four men's toiletries categories are included in men's grooming as well as in bath and shower, deodorants, hair care and skin care.

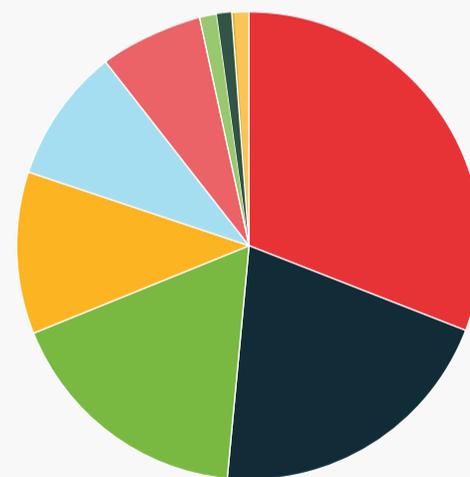
Bogota aims to be the Bio-hub of Colombia,



by the development of bioeconomics. Several opportunities come up for innovation, sustainable use of resources and natural products, to be used by the cosmetic, pharmaceutical and healthcare sectors. (Vision (2025)).

Distribution Channels in Colombia (2017)

- Direct Selling **30.9%**
- Hypermarkets **20.6%**
- Supermarkets **17.4%**
- Independent Small Grocers **11.2%**
- Beauty Specialist Retailers **9.3%**
- Drugstores / Pharmacies **6.3%**
- Hair salons **0.9%**
- Other Grocery Retailers **0.6%**
- Others **0.6%**

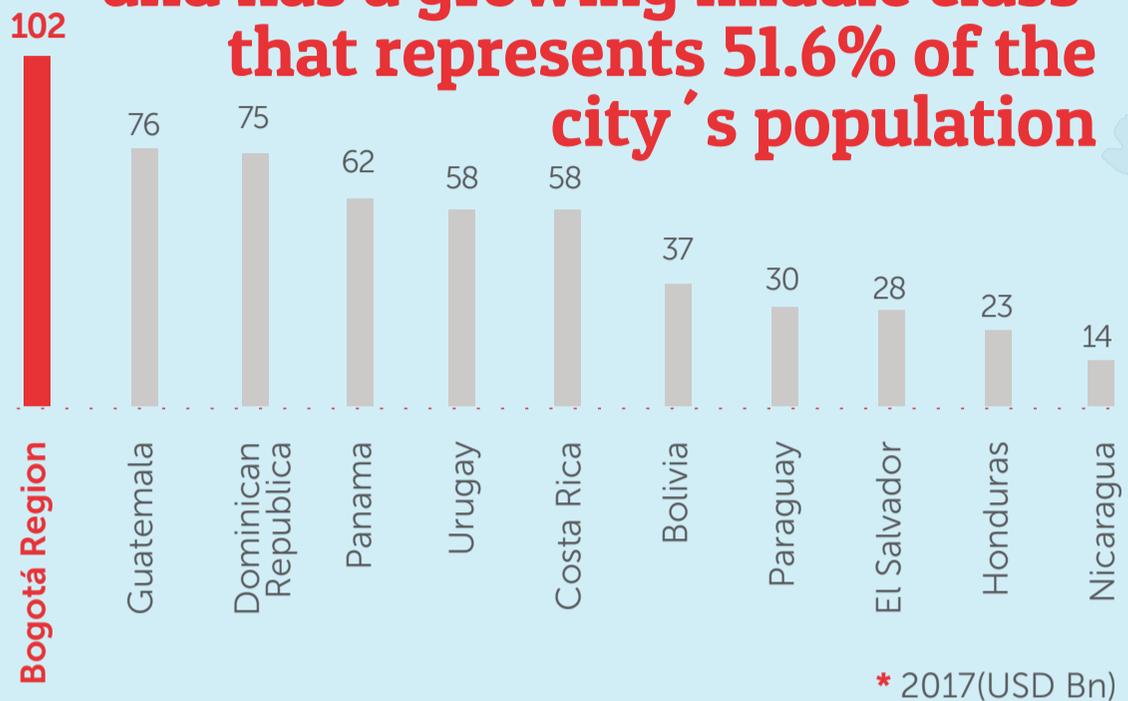


Some companies that chose Bogota as their headquarters

**AMWAY + BEIERSDORF + BELCORP + BENEFIT + ESTÉE LAUDER + HENKEL
JOHNSON & JOHNSON + L'ORÉAL + O BOTICÁRIO + OMNILIFE + MARY KAY
NATURA + NERIUM + ORIFLAME + PROCTER & GAMBLE + UNILEVER + YANBAL**

Bogota's economy is larger than that of many countries

and has a growing middle class that represents 51.6% of the city's population



Middle Class

Colombia 2016 **31.1%**

2016 Bogota **51.6%**

3.7 millions

2013 Bogota **49.8%**

2011 Bogota **43.6%**

GDP and Population

32%

of Colombia's GDP for 2017

9.834

GDP per capita in USD – 2017

10.8

Mn Population 2017

22%

of the country

2x
the country's average



The capital region is the country's leading cosmetics cluster

56% of the personal care and hygiene product manufacturers are headquartered in Bogota Region (2018).

► Incentives

- **Free trade zones**
 - Preferential income tax. 20% rate instead of 33%.
 - Duty free-import and purchase of equipment, supplies, capital goods or services.
- **Income tax deduction**
 - By hiring personnel belonging to certain population groups.
- **Income tax deductions**
 - 100% deduction and 25% discount on investments made in innovation, research and development.
 - Deduction of 200% of the salaries of employees with disabilities.
 - 25% discount of the investments in the control and improvement of the environment.
- **VAT exemption**
 - For R&D centers.
 - Import of equipment for science, technology and innovation projects.

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