The ASEAN Harmonized Cosmetic Regulatory Scheme: Its Impact to the ASEAN Cosmetic Industry

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INTRODUCTION

ASEAN is a very important player in the global trade, regardless of product category, with a market of >500 million as compared to EU’s only >300 million. ASEAN with its now 10 Member Countries namely Brunei Darussalam, Cambodia, Indonesia, Malaysia, Myanmar, Lao PDR, Philippines, Singapore, Thailand and Vietnam, has always been focused on its economic and social growth.

The cosmetics industry has responded well to the challenges of global competition and regional integration. As the industry continues to address the market demands in ASEAN, its interest and support to realize the vision of AFTA are much welcomed by the ASEAN governments. In fact, the cosmetic industry has been instrumental in bringing to ASEAN’s attention the need to harmonize cosmetic product regulatory systems so that they do not pose as technical barriers to trade.

HARMONIZATION - ITS IMPACT AND BENEFITS.

The primary objective of the ASEAN Harmonization of Cosmetic Regulations is to open trade and allow the free flow of goods from one country to another, without compromising safety and quality. This, in turn, will boost the economic growth of the ASEAN region and of course, the individual 10 Member Countries. In the process, all stakeholders should benefit from it. First and foremost, is the ASEAN consumers - there would be faster development/entry of initiatives in the market, consumers will have a wider range of cosmetics they can choose for their use. Also, this will result to a simplified regulatory system for the cosmetic agencies and eliminate diversity from one country to another. And for the cosmetic industry, this would allow the cosmetic manufacturers/companies to widen their market. Instead of only targeting local consumption, the prospect now is to produce for the ASEAN market, for the entire ASEAN population. All of these are expected to result to the growth of the ASEAN economy as we have seen in the EU region.

THE ASEAN HARMONIZED COSMETIC REGULATORY SCHEME

The ASEAN harmonization effort is embodied in the Agreement of the ASEAN Harmonized Cosmetic Regulatory Scheme which was recently signed by the 10 ASEAN Member Countries in Phnom Penh, Cambodia. The Agreement has specific objectives - one, is to enhance cooperation amongst Member States in ensuring the safety, quality and claimed benefits of all cosmetic products marketed in ASEAN and two, to eliminate restrictions to trade of cosmetic products amongst Member States through harmonization of technical requirements, Mutual Recognition of Product Registration Approvals (MRA) and adoption of the ASEAN Cosmetic Directive.

The ACCSQ Cosmetic Product Working Group has developed common minimum requirements under the ASEAN Harmonized Cosmetic Regulatory Scheme which are basic and necessary to evaluate the quality and safety of the cosmetic products that will be placed on the ASEAN market. This would facilitate the realization of the objectives of the Agreement as the MRA starts implementation in Year 2004 for the countries who are ready to get on board the Phase I. Eventually, ASEAN is targeted to move to Phase II – The ASEAN Cosmetic Directive – by Year 2008. In between, there are infrastructures that need to be in place within ASEAN so that Phase II can be fully implemented as scheduled. Infrastructure programs such as the ASEAN Cosmetic Good Manufacturing Practice (CGMP), the ASEAN Scientific Cosmetic Body (ASCB) and the Post Marketing Surveillance/Safety Evaluation, are being developed to achieve this.

By Year 2008, the vision is to have one regulatory system for cosmetic products in the ASEAN region. The governments and the industry are working together to make harmonization work and help ASEAN and its respective Member Countries to move forward and progress economically.