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Internationalisation of the Polish cosmetics industry: Utilizing six-digit customs codes to identify markets with the highest potential

The internationalisation of the Polish cosmetics industry is a dynamic process that plays a crucial role in the growth and competitiveness of the sector in foreign markets. This article examines the key factors influencing the expansion of Polish cosmetics companies beyond national borders, including market entry strategies, regulatory barriers, and the importance of innovation and marketing. Special attention is given to the role of product quality, brand recognition, and adaptation to local consumer preferences. The aim of this paper is to verify whether Polish entrepreneurs in the cosmetics industry are targeting markets with the highest purchasing potential and to demonstrate how six-digit customs codes can be used to analyse international markets. Additionally, the article discusses the impact of global trends, such as sustainability and digitalisation, on the internationalisation strategies of Polish enterprises. The analysis results indicate that an organisation's success depends on skilfully combining traditional values with modern business strategies and effectively utilizing available export support instruments.

Keywords: internationalisation, cosmetics industry, export, market strategy, competitiveness, Polish companies

JEL: F14, L66, M31, F23

Introduction

The Polish cosmetics industry has been developing dynamically over the last few decades and becoming an important player in international markets. Poland is one of the leading producers and exporters of cosmetics in Europe, with Polish brands increasingly recognised abroad. As globalisation intensifies and new markets emerge, it is crucial for Polish entrepreneurs to identify the most attractive destinations for their products.

The internationalisation of the cosmetics industry requires an in-depth understanding of global market trends, consumer preferences, and regulatory frameworks. One of the key tools supporting market selection is the analysis of trade

data using six-digit customs codes, which allow for precise identification of product flows across countries. By leveraging such data, businesses can make informed decisions about market entry strategies and competitive positioning.

The aim of this paper is to identify and evaluate the degree of alignment between the current export destinations of Polish cosmetic companies and global markets with the highest purchasing potential. This assessment is carried out using six-digit customs codes (HS) as a diagnostic tool for detecting untapped demand and supporting strategic market selection. To achieve this goal, the study examines trade flows, export destinations, and market potential based on available trade statistics.

The paper is structured as follows: the next section reviews the literature on international trade in the cosmetics industry, globalisation, highlighting key factors influencing market selection. Subsequently, the methodology section describes the data sources and analytical approach used in the study. The results section presents key findings regarding the export destinations of Polish cosmetics and their alignment with market potential. Finally, the discussion and conclusion sections summarise the implications of the findings and provide recommendations for businesses and policymakers.

1. International trade and globalisation

International trade is a key element of the global economy, enabling countries and businesses to specialise in the production of specific goods and services and to subsequently exchange them on international markets. According to the World Trade Organization (WTO) definition, international trade includes the export and import of goods and services exchanged between countries based on specific customs and trade regulations [Krugman, Obstfeld, 2012]. Globalisation and technological advancements have significantly contributed to market expansion of many organisations, allowing them to scale their operations and access new consumers worldwide [Kotler, 2021].

Globalisation has not only increased competition in international markets but has also provided businesses with access to a more diverse range of resources, technologies, and markets. Its impact on the cosmetics sector is particularly evident, as consumers worldwide are becoming more aware of products available in the global market, fostering the expansion of companies from various countries [Kapferer, Bastien, 2012]. Through international trade, cosmetics manufacturers can effectively reach customers in distant parts of the world while tailoring their products to local preferences.

International expansion is a crucial element of a company's growth strategy, as it allows for revenue diversification and reduces risks associated with dependence on a single market [Porter, 2008]. Research indicates that companies engaged in international trade tend to be more innovative and generate higher revenues than those operating solely in domestic markets [Dunning, 2015].

2. HS Code

In order to streamline trade processes and ensure a clear classification of goods, a system of customs codes has been established. The key global classification system is the Harmonized System (HS Code), administered by the World Customs Organization (WCO). The HS Code consists of two to six digits and serves as the foundation for tariff classification in over 200 countries [WCO, 2023]. It is standardised globally, allowing for precise customs valuation and global trade flow analysis.

The HS system covers approximately 5,000 product groups, each identified by a six-digit HS Code structured according to a standardised hierarchy [WCO, 2022]. This system ensures uniform classification in international trade and serves as the basis for customs tariffs in over 200 countries while also supporting international trade statistics. Currently, over 98% of goods in global trade are classified under the HS Code system.

Building on the HS classification, the European Union has developed the Combined Nomenclature (CN), which provides a more detailed breakdown of imported product categories. In Poland, this system replaced the Polish Classification of Goods and Services [PKWiU 2008] as of 1 April 2020. The CN number consists of eight digits, with the first six corresponding to the HS Code. Understanding the CN code structure is essential:

- The first two digits (XX000000) indicate the section to which a product is assigned. For example, Section 33 covers essential oils, perfumery, cosmetics, and toiletries,
- The next two digits (00XX0000) specify the product group within the above-mentioned section. For example, 3304 refers to beauty or skincare preparations, including manicure or pedicure products,
- The fifth and sixth digits (0000XX00) further define the product's classification. For example, 330499 refers to beauty or skincare preparations (excluding medicated products), including sunscreens and suntan preparations,
- The seventh and eighth digits (000000XX) are additional EU-specific numbers that provide further product details. For example, 33049900 indicates no further differentiation within the 330499 category.

The Polish ISZTAR system is the national counterpart to the EU's Common Customs Tariff.

For companies analysing potential export markets, the six-digit HS Code is of critical importance. It enables businesses to compare import and export data across different countries and assess trade balances, facilitating the selection of the most promising markets.

When evaluating market analysis and export strategies, six-digit HS Codes offer several advantages over four-digit classifications:

- Precise customs valuation analysis: Six-digit codes allow for a more accurate determination of a product's customs value, directly impacting transaction costs and exporters' competitiveness in international markets [Feenstra, 2017].
- Improved market segmentation: The six-digit classification system enables a more detailed analysis of product competitiveness and export potential, helping companies tailor their strategies to specific market dynamics [Helpman, 2019].
- Trade balance assessment: HS Code data helps identify net-exporting countries, which is particularly relevant for Poland's cosmetics industry. Countries such as Germany, France, Spain, and Italy are both significant importers and exporters of cosmetics, suggesting potential re-export activity or competition with premium brands.
- Comparison of global import and export trends: Analysing imports across the 50 largest markets and comparing them with Polish export data helps determine whether Poland is fully leveraging its cosmetics export potential and whether its products are reaching high-demand markets.
- Strategic export decision-making: Six-digit HS Codes enable businesses to better define their competitive advantages and select markets with the greatest growth potential.

While four-digit HS Codes provide a general market overview, six-digit classifications are essential for precisely assessing export potential and aligning trade strategies with market realities. These codes form the foundation of customs code harmonisation methodologies, facilitating more accurate business decisions on a global scale.

Recent research has underscored the strategic importance of using six-digit HS Codes in analysing international trade flows, particularly in the cosmetics sector. Choi and Shin [2020] demonstrated that the Trade Map, based on HS-coded data, enables small and medium-sized enterprises to identify export opportunities with greater precision, especially in high-growth markets. These findings align with the practical approach used in this study, emphasizing the need for granular trade data to inform export strategies in consumer product sectors such as cosmetics.

Lee and Kwon [2021] conducted a focused analysis of skincare product exports using six-digit HS codes and found that markets with high negative trade balances represent the most fertile ground for expansion. Their results highlight that such granular-level trade data not only reflects supply-demand asymmetries but also serves as an indicator of structural import dependence, particularly relevant for countries like China and Saudi Arabia. These insights provide empirical support for the methodology used in this paper.

3. Aim and Methodology of the Study

The aim of this paper is to examine whether Polish entrepreneurs in the cosmetics industry are targeting markets with the highest purchasing potential and to demonstrate how six-digit customs codes can be used to analyse international markets. The product group selected for the analysis is “Beauty or make-up preparations and preparations for the care of the skin (other than medicaments)” (CN code 330499). This product group accounts for the largest percentage share of global imports and exports.

In the context of customs tariff classification, the term “cosmetics industry” refers to the following four-digit product groups:

- CN3303 – perfumes and toilet waters,
- CN3304 – skin care preparations, manicure or pedicure preparations,
- CN3305 – hair care preparations,
- CN3306 – oral or dental hygiene preparations,
- CN3307 – shaving preparations, deodorants, bath and shower preparations,
- CN3401 – cosmetic soaps.

This classification of CN codes is in line with the definition of a cosmetic product according to Article 2 of Regulation (EC) 1223/2009:

Cosmetic product means any substance or mixture intended to come into contact with the external parts of the human body (epidermis, hair, nails, lips, and external genital organs) or with the teeth and mucous membranes of the oral cavity, whose sole or main purpose is to clean, perfume, change their appearance, protect, maintain them in good condition, or correct body conditions.

Thus, in the context of global market analysis based on CN codes, the term “cosmetics industry” encompasses all the above-mentioned four-digit customs codes. However, to conduct a more precise analysis that reflects the trade flows of a specific product group, the six-digit code is necessary. Industry reports typically do not include this extension, as four-digit codes provide a broader perspective on the sector as a whole. However, for an entrepreneur seeking to analyse the export and/or import opportunities of a particular product, the six-digit code is

more informative, as it is globally standardised (under the HS Code) and enables making a comparison of trade flows across countries.

To illustrate trade flows, data from the EU customs code database within the Trade Map was used [source: <https://www.trademap.org/Index.aspx>]. The Trade Map covers 220 countries and 5,300 products organised under the HS Code system (Harmonized System). The currency used for calculations is the United States Dollar (USD), as most international transactions are settled in this currency.

4. Cosmetics industry in Poland

The cosmetics industry in Poland is one of the most promising sectors, consistently achieving export successes over the years. Poland has a highly dynamic and robust sector, comprising approximately 1,200 companies ranging from large corporations to micro enterprises [Wiadomości Kosmetyczne, 2025]. The sector is consistently recognised by the Polish Investment and Trade Agency as one of the leading industries in Polish exports and is supported by special promotion programs.

According to the Polish Chamber of the Cosmetics Industry Report of July 2024 [Kosmetyczni.pl, 2024]:

- The cosmetics industry in Poland accounts for 5.5% of the gross added value of the European cosmetics market,
- Poland is the fifth-largest cosmetics market in the European Union. In 2023, its share in the EU market was 6.4%,
- During the period from 2014 to 2023, the Polish cosmetics market grew by 75.3%, significantly outpacing the entire EU27 market growth of 34.0%,
- Poland is the ninth-largest exporter of cosmetics in the world (3.8% share of global exports) and the fifth-largest in the European Union (8%),
- In 2023, Poland's cosmetics export amounted to EUR 5.7 billion, while imports totalled EUR 3.3 billion,
- 65% of cosmetics exported from Poland are destined for the European Union market, while the remaining 35% are exported outside the EU,
- From 2004 to 2023, the cumulative trade balance of cosmetics amounted to EUR 22.3 billion, with the export-to-import ratio being higher than the EU average. This overseas expansion contributes to the development of the domestic market, benefiting Polish producers.

5. Global cosmetics market

According to the adopted methodology based on customs codes, the global cosmetics market in terms of imports and exports is presented in Table 1.

Table 1. The value of cosmetics imports in 2023, broken down by four-digit codes

Code	Product label	Value of imports in 2023 (USDk)	Share (%)	Value of exports in 2023 (USDk)	Trade balance (exports minus imports) (USDk)
3303	Perfumes and toilet waters	29 222 037	18.06%	29 646 174	424 137
3304	Beauty or make-up preparations and preparations for the care of the skin, manicure or pedicure preparations	76 417 422	47.22%	75 545 784	−871 638
3305	Preparations for use on the hair	18 368 511	11.35%	17 864 701	−503 810
3306	Preparations for oral or dental hygiene	7 621 268	4.71%	6 973 696	−647 572
3307	Shaving preparations	14 455 483	8.93%	15 636 375	1 180 892
3401	Soap; organic surface-active products	15 746 133	9.73%	15 412 445	−333 688
Total		161 830 854	100.00%	161 079 175	−751 679

Source: Own analysis based on data from [International Trade Centre 2024].

The global imports of cosmetics in 2023 amounted to over USD 161.83 billion, while exports totalled USD 161.07 billion. The overall trade balance [Samuelson, Nordhaus, 2021], that is the difference between exports and imports, was negative and amounted to over USD 751.6 million. This means that, generally, the global market for cosmetics imports exceeded exports.

Only in two product groups, namely perfumes and toilet waters (code 3303) and shaving preparations (code 3307), the trade balance was positive, indicating a surplus of exports over imports.

The group with code 3304, which includes body beautifying products such as creams, accounted for the largest share of global imports. This group represents just over 47% – almost half of the total global cosmetics imports.

Moving on to further analysis, it is necessary to expand the group 3304 into a six-digit code, as shown in Table 2 below.

Table 2. Six-digit cosmetics product codes for group 3304

Code	Product label
330499	beauty or make-up preparations and preparations for the care of the skin (other than medicaments)
330410	lip make-up preparations
330420	eye make-up preparations
330491	make-up or skin care powders, incl. baby powders, whether or not compressed (excl. medicaments)
330430	manicure or pedicure preparations

Source: Own analysis based on data from [International Trade Centre 2024].

Next, it is necessary to examine the trade flows (imports/exports) in these categories, as shown in Table 3.

Table 3. Global imports and exports of group 3304 cosmetics products in 2023

Code	Product label	Value of imports in 2023 (USDk)	Share (%)	Value of exports in 2023 (USDk)	Trade balance (exports minus imports) (USDk)
330499	beauty or make-up preparations and preparations for the care of the skin (other than medicaments)	60 701 493	79.43%	59 578 774	-1 122 719
330410	lip make-up preparations	5 592 846	7.32%	5 258 860	-333 986
330420	eye make-up preparations	5 481 636	7.17%	5 148 896	-332 740
330491	make-up or skin care powders, incl. baby powders, whether or not compressed (excl. medicaments)	3 105 535	4.06%	2 920 191	-185 344
330430	manicure or pedicure preparations	1 535 912	2.01%	1 591 793	55 881
Total		76 417 422	47.22%	74 498 514	-1 918 908

Source: Own analysis based on data from [International Trade Centre 2024].

According to the data shown in the Table 3, the code 3304 product group consists of five subgroups with six-digit codes. The global import totalled over USD 76.41 billion, while exports amounted to USD 74.49 billion. The overall trade balance was negative, amounting to nearly USD 2 billion.

Exports exceeded the global imports in one subgroup only, namely the manicure and pedicure products. The surplus of exports over imports in this group was minor, amounting to USD 55.8 million. The largest and most significant subgroup consisted of code 330499 products, i.e., skin care preparations which accounted for

almost 80% of the entire six-digit subgroup. This group had the largest negative trade balance, which exceeded USD 1.1 billion. In this group, imports significantly outweighed exports, which should serve as an important indicator for exporters when planning expansion for this product category. Table 4 below shows the key data on global imports.

Table 4. Global imports of code 330499 skin care cosmetics in 2023

Variables	Value
Code	330499
Product label	beauty or make-up preparations and preparations for the care of the skin (other than medicaments)
Value of imports in 2023 (USDk)	60 701 493
Share %	79.43%
Trade balance in 2023 (USDk)	-1 122 719
Annual growth in value between 2019–2023 (% , p.a.)	6.00
Annual growth of world exports between 2019–2023 (% , p.a.)	5.00
Average distance between the supplying countries (km)	5 010
Concentration of the supplying countries	0.09

Source: Own analysis based on data from [International Trade Centre 2024].

The data shows that between 2019 and 2023, imports increased by 6%, surpassing the export dynamics, which amounted to 5% for the same period. The average distance from exporting countries was over 5,000 km, and the concentration of exporters in the global market remained relatively low (0.09). This suggests that the global market is not dominated by a few exporters.

Therefore, as mentioned at the beginning of the article, the focus of further analysis will be on products with the customs code 330499. To proceed with the analysis, we first need to look at the main global markets for code 330499 product imports, which is shown in Table 5 below for the selected 50 countries.

Explanations of Table 5 headings:

- Value of imports: the value of imports in USD thousands,
- Trade balance: the difference between exports and imports,
- Annual growth in value: the percentage growth in the value of imports,
- Share in the world's imports: the share in the global imports,
- Concentration of the supplying countries: the concentration of suppliers (exporters in the given market). A concentration index up to 0.18 indicates average concentration; above 0.18, it indicates high concentration,
- Average tariff applied: the average tariff rate applied by a given country.

Table 5. Global imports of 330499 product group cosmetics in 2023

No.	Importers	Value of imports in 2023 (USDk)	Trade balance in 2023 (USDk)	Annual growth in value between 2022-2023 (%)	Share of world imports (%)	Average distance between the supplying countries (km)	Concentration of the supplying countries	Average tariff applied by the country (% , estimated)
0	World	60 701 493	-1 122 719	1	100	5 010	0.09	-
1	China	13 217 115	-11 137 746	-21	21.8	5 925	0.18	13.3
2	Hong Kong, China	5 427 106	-2 196 328	-8	8.9	4 308	0.2	0
3	United States of America	4 640 555	57 025	7	7.6	7 232	0.12	0.6
4	Singapore	2 445 590	2 332 023	-9	4	9 024	0.25	0
5	United Kingdom	2 092 566	-279 416	19	3.4	4 234	0.09	0
6	Germany	2 029 579	1 328 397	7	3.3	2 207	0.12	0
7	France	1 744 891	8 058 723	29	2.9	3 707	0.08	0
8	Netherlands	1 569 054	962	16	2.6	1 857	0.15	0
9	Canada	1 380 118	122 634	10	2.3	3 932	0.36	1.6
10	Macao, China	1 239 781	-1 193 632	-32	2	-	0.4	0
11	United Arab Emirates	1 220 521	44 930	21	2	6 813	0.12	4.5
12	Italy	1 173 598	561 746	25	1.9	1 289	0.25	0
13	Spain	1 166 299	402 979	17	1.9	1 998	0.22	0
14	Belgium	1 100 640	-12 693	8	1.8	1 815	0.13	0
15	Poland	1 094 225	778 909	17	1.8	2 148	0.11	0

16	Japan	1 076 503	2 113 166	9	1.8	5 990	0.24	0.1
17	India	1 059 084	-321 133	191	1.7	6 712	0.22	15.7
18	Russian Federation	876 680	-778 393	35	1.4	3 589	0.16	6.3
19	Australia	860 477	-387 391	18	1.4	13 217	0.13	3.2
20	Taipei, Chinese	804 112	-532 554	9	1.3	6 691	0.17	2.5
21	Republic of Korea	744 305	5 783 161	-2	1.2	8 018	0.16	3.7
22	Saudi Arabia	740 820	-730 836	18	1.2	5 114	0.11	4.5
23	Czech Republic	736 227	86 951	2	1.2	2 178	0.11	0
24	Mexico	634 112	-334 878	24	1	6 772	0.14	9.7
25	Thailand	582 558	93 029	20	1	6 748	0.12	22.2
26	Switzerland	510 180	720 632	3	0.8	1 829	0.16	0.5
27	Malaysia	469 365	-339 582	2	0.8	5 439	0.13	0
28	Sweden	448 224	-134 531	14	0.7	2 010	0.09	0
29	Austria	437 699	-152 400	21	0.7	1 232	0.26	0
30	Türkiye	422 796	-218 753	48	0.7	3 747	0.15	0
31	Ireland	416 882	-273 888	6	0.7	2 846	0.3	0
32	Denmark	337 048	31 244	17	0.6	1 749	0.11	0
33	Norway	318 881	-287 178	10	0.5	3 104	0.1	0
34	Indonesia	317 174	-176 610	40	0.5	6 254	0.21	13.9
35	Portugal	306 656	-217 590	18	0.5	1 124	0.35	0

Table 5. cont.

No.	Importers	Value of imports in 2023 (USDk)	Trade balance in 2023 (USDk)	Annual growth in value between 2022–2023 (%)	Share of world imports (%)	Average distance between the supplying countries (km)	Concentration of the supplying countries	Average tariff applied by the country (% , estimated)
36	Viet Nam	264 067	–184 472	13	0.4	5 453	0.19	15.1
37	Kuwait	260 639	–255 962	12	0.4	5 585	0.11	4.5
38	Romania	244 098	–187 173	16	0.4	1 718	0.09	0
39	Slovakia	243 531	–148 250	28	0.4	1 592	0.12	0
40	Lithuania	223 059	–38 620	28	0.4	1 660	0.13	0
41	Ukraine	213 590	–201 146	75	0.4	3 875	0.09	5.2
42	Greece	211 669	–1 037	11	0.3	2 274	0.2	0
43	Chile	206 109	–199 795	1	0.3	10 000	0.11	3.2
44	New Zealand	199 969	–142 806	2	0.3	11 021	0.13	3.4
45	Colombia	193 599	–66 303	22	0.3	7 614	0.11	11.1
46	Hungary	189 595	–34 580	16	0.3	1 323	0.13	0
47	Iraq	182 554	–182 424	21	0.3	2 694	0.23	...
48	South Africa	175 571	111 958	3	0.3	9 678	0.12	16.6
49	Brazil	173 284	–82 750	14	0.3	9 553	0.14	17.1
50	Kazakhstan	166 004	–143 913	24	0.3	4 396	0.13	4.8

Source: Own analysis based on data from [International Trade Centre 2024].

In 2023, the global imports of HS code 330499 skin care cosmetics amounted to over USD 60.7 billion. The largest importer was Mainland China, with skin care cosmetics imports worth more than USD 13.2 billion, accounting for approximately 22% of the global imports [PKO Bank Polski, 2024]. If we include Hong Kong (ranking the 2nd) and Macao (ranking the 10th), which also belong to China, their combined imports in 2023 reached nearly USD 20 billion (USD 19.884 billion), representing one third (33%) of the total global imports of this group of cosmetics. Importantly, China, Hong Kong, and Macao all had a negative trade balance, i.e., their imports exceed exports (they are net importers).

The average distance between the exporting countries is over 5,900 km, indicating that Mainland China tends to import cosmetics from distant markets. This information is valuable for all exporters as transportation costs may affect their competitiveness. With a distance of over 5,900 km, exporters from distant markets face similar transportation costs and can remain competitive. The market concentration index of 0.18 is also noteworthy, indicating a relatively high concentration of exporters in the Mainland Chinese market. The average tariff rate is 13.3%.

The United States ranked 3rd, with imports exceeding USD 4.6 billion; at the same time, it is a net exporter with a positive trade balance of just over USD 57 million. Therefore, any exporter to the US market must keep in mind that, in addition to high imports, the US also exports the same products. This indicates significant competition in the market, but also opportunities, as the exporter concentration index stands at 0.12. In other words, there are no dominant exporters in the supplier market. The US share of the global import of skin care cosmetics is close to 9%.

Poland ranks 15th in the global imports with a significant positive trade balance (USD 778.9 million), meaning that its exports exceed imports. This confirms earlier information that Poland is an important exporter.

In 2023, all the selected 50 countries imported cosmetics under HS code 330499 worth USD 56.788 billion, accounting for 93.5% of the total global imports. It means that the remaining 200 countries included in the international statistics account for only 6.5% of the total imports value. Therefore, if exporters were deciding how many markets to target, selecting 50 markets provides a solid basis for a reliable analysis.

6. Poland's exports of cosmetics

In order to determine whether Polish exporters make the right decisions as to the export markets they are targeting, it is also necessary to examine 50 countries. The relevant data is provided in Table 6.

Table 6. Polish exports of skin care cosmetics under code 330499 in 2023

No.	Importers	Value of exports in 2023 (USDk)	Trade balance in 2023 (USDk)	Share of Poland's exports (%)	Growth in the value of exports between 2022–2023 (% , p.a.)	Ranking of partner countries in global imports	Share of partner countries in global imports (%)	Average distance between partner countries and all their supplying markets (km)	Concentration of all the supplying partner countries	Average tariffs (estimated) for Poland (%)
0	World	1 873 134	778 909	100	15	–	100	–	–	–
1	Germany	338 118	112 188	18.1	2	6	3.3	2 207	0.12	0
2	United Kingdom	179 669	125 619	9.6	50	5	3.4	4 234	0.09	0
3	Belgium	144 484	–9 425	7.7	–16	14	1.8	1 815	0.13	0
4	Czech Republic	130 267	116 863	7	–26	23	1.2	2 178	0.11	0
5	France	121 294	–47 310	6.5	37	7	2.9	3 707	0.08	0
6	Russian Federation	99 329	99 296	5.3	35	18	1.4	3 589	0.16	6.5
7	Netherlands	66 974	19 003	3.6	32	8	2.6	1 857	0.15	0
8	Ukraine	58 807	57 484	3.1	65	41	0.4	3 875	0.09	0
9	Italy	54 588	–62 113	2.9	41	12	1.9	1 289	0.25	0
10	Spain	50 806	–1 842	2.7	23	13	1.9	1 998	0.22	0
11	United States of America	38 840	–22 074	2.1	76	3	7.6	7 232	0.12	0
12	South Africa	33 472	32 462	1.8	–2	48	0.3	9 678	0.12	0
13	Switzerland	32 964	8 099	1.8	–42	26	0.8	1 829	0.16	0
14	Lithuania	32 008	31 273	1.7	41	40	0.4	1 660	0.13	0

15	Türkiye	30 271	27 417	1.6	55	30	0.7	3 747	0.15	0
16	Sweden	28 861	23 116	1.5	27	28	0.7	2 010	0.09	0
17	Romania	26 999	25 888	1.4	72	38	0.4	1 718	0.09	0
18	Slovakia	26 882	26 113	1.4	43	39	0.4	1 592	0.12	0
19	Hungary	25 804	24 971	1.4	9	46	0.3	1 323	0.13	0
20	Australia	22 790	21 557	1.2	1707	19	1.4	13 217	0.13	5
21	United Arab Emirates	22 540	22 381	1.2	13	11	2	6 813	0.12	5
22	Latvia	20 949	20 573	1.1	51	70	0.1	1 521	0.11	0
23	Hong Kong, China	17 077	17 001	0.9	-11	2	8.9	4 308	0.2	0
24	Ireland	15 464	5 418	0.8	235	31	0.7	2 846	0.3	0
25	Denmark	14 721	13 055	0.8	20	32	0.6	1 749	0.11	0
26	Estonia	13 551	9 257	0.7	66	69	0.1	3 475	0.09	0
27	Austria	13 394	6 726	0.7	11	29	0.7	1 232	0.26	0
28	Saudi Arabia	12 716	12 716	0.7	72	22	1.2	5 114	0.11	5
29	Colombia	11 443	11 423	0.6	28	45	0.3	7 614	0.11	0
30	Kazakhstan	10 110	10 107	0.5	26	50	0.3	4 396	0.13	6.5
31	Morocco	9 559	9 383	0.5	15	59	0.2	2 707	0.27	0
32	Belarus	9 231	9 231	0.5	57	84	0.06	1 895	0.15	6.5
33	Greece	8 808	2 296	0.5	11	42	0.3	2 274	0.2	0
34	Mexico	7 682	7 636	0.4	-9	24	1	6 772	0.14	0

Table 6. cont.

No.	Importers	Value of exports in 2023 (USDk)	Trade balance in 2023 (USDk)	Share of Poland's exports (%)	Growth in the value of exports between 2022–2023 (% , p.a.)	Ranking of partner countries in global imports	Share of partner countries in global imports (%)	Average distance between partner countries and all their supplying markets (km)	Concentration of all the supplying partner countries	Average tariffs (estimated) for Poland (%)
35	Portugal	6 546	5 854	0.3	12	35	0.5	1 124	0.35	0
36	Israel	6 508	3 444	0.3	91	55	0.2	4 690	0.16	0
37	Croatia	6 223	5 842	0.3	62	52	0.3	1 017	0.16	0
38	Iraq	6 157	6 157	0.3	24	47	0.3	2 694	0.23	–
39	Norway	5 821	5 814	0.3	58	33	0.5	3 104	0.1	0
40	China	5 702	–17 051	0.3	75	1	21.8	5 925	0.18	1
41	Serbia	5 394	5 368	0.3	46	68	0.1	1 917	0.15	0
42	Viet Nam	5 372	5 357	0.3	17	36	0.4	5 453	0.19	16.7
43	Bulgaria	5 348	2 573	0.3	27	57	0.2	1 710	0.08	0
44	Area Nes	4 992	4 992	0.3	54	–	–	–	–	–
45	Republic of Moldova	4 900	4 899	0.3	21	88	0.05	3 305	0.1	6.5
46	Georgia	4 563	4 462	0.2	38	72	0.09	3 642	0.1	0
47	Uzbekistan	4 494	4 494	0.2	60	103	0.04	3 679	0.15	30
48	Nigeria	4 228	4 227	0.2	118	99	0.04	5 827	0.25	20
49	Kuwait	4 193	4 193	0.2	27	37	0.4	5 585	0.11	5
50	Luxembourg	3 542	3 459	0.2	68	64	0.1	667	0.28	0

Source: Own analysis based on data from [International Trade Centre 2024].

According to Trade Map data, Poland's exports of skin care cosmetics under code 330499 to global markets in 2023 amounted to over USD 1.8 billion. The overall global trade balance was positive (Poland was a net exporter), with a balance of USD 778 million. Between 2022 and 2023, Poland's exports value increased by 15%. Poland's largest trading partner was Germany, which ranks the 6th globally in terms of the value of skin care cosmetics imports. In 2023, Poland exported cosmetics worth over USD 338 million to Germany, representing 18.1% of Poland's total exports. The second-largest trading partner, the UK, had almost half the share (9.6%). Unfortunately, Poland's exports were highly concentrated on single market i.e. Germany Poland maintained a positive trade balance with both Germany and the United Kingdom, meaning it exported more to these countries than it imported.

The share of the top ten countries in Poland's exports was 66.5%. The value of Poland's exports to these countries in 2023 amounted to over USD 1.2 billion. The remaining countries had shares ranging from 2.1% to 0.2%, as in the case with Luxembourg (ranking the 50th globally). It is evident that outside of the top ten, Poland's exports were highly diversified, with individual countries accounting for only small shares of total exports. Among the top ten countries to which Poland exported, only four were also among the top ten largest importers. Mainland China, the world's largest importer, ranked only 40th in Poland's exports. The USA, the third-largest global importer, was 11th in Poland's exports. This is most likely due to the necessity of obtaining US sanitary permits, which makes administrative issues a barrier to expanding exports to the US market.

The majority of Poland's exports are therefore directed either to the EU market or to nearby European markets such as the UK, Russia, or Ukraine. In the case of Russia and Ukraine, the values of exports are relatively small, amounting to USD 99.3 million and USD 58.8 million respectively (jointly accounting for 8% of Poland's exports). What is striking is that despite the very difficult political and economic situation in these countries, there was a noticeable high growth in sales to them during the period from 2022 to 2023. In the case of Russia, the growth reached 35%, and in Ukraine, 65%. Unfortunately, Polish exporters are not fully exploiting markets such as the United Arab Emirates, which is the 11th largest global importer but ranks only 21st in Poland's exports. The UAE imported cosmetics worth over USD 1.2 billion, while Poland's exports to this market totalled only USD 22.5 million and accounted for just 1.8% of total UAE imports.

It is clear that Polish exporters are not fully leveraging insights from global demand analysis. They mostly export to countries that are not only geographically close but also major exporters with a trade surplus. These include countries such as France, Italy, the Netherlands, and Spain. It would be worthwhile to analyse countries with the largest negative trade balance, i.e., those that are net importers (with imports exceeding exports), as illustrated in Table 7.

Table 7. Countries with the largest negative trade balance in skin care cosmetics under code 330499

No.	Importers	Value of imports in 2023 (USDk)	Trade balance in 2023 (USDk)	Annual growth in value between 2022–2023 (%)	Share in global imports (%)	Average distance between the supplying countries (km)	Concentration of the supplying countries	Average tariffs (estimated) applied by the country (%)
1	China	13 217 115	–11 137 746	–21	21.8	5 925	0.18	13.3
2	Hong Kong, China	5 427 106	–2 196 328	–8	8.9	4 308	0.2	0
3	Macao, China	1 239 781	–1 193 632	–32	2	–	0.4	0
4	Russian Federation	876 680	–778 393	35	1.4	3 589	0.16	6.3
5	Saudi Arabia	740 820	–730 836	18	1.2	5 114	0.11	4.5
6	Taipei, Chinese	804 112	–532 554	9	1.3	6 691	0.17	2.5
7	Australia	860 477	–387 391	18	1.4	13 217	0.13	3.2
8	Malaysia	469 365	–339 582	2	0.8	5 439	0.13	0
9	Mexico	634 112	–334 878	24	1	6 772	0.14	9.7
10	India	1 059 084	–321 133	191	1.7	6 712	0.22	15.7
11	Norway	318 881	–287 178	10	0.5	3 104	0.1	0
12	United Kingdom	2 092 566	–279 416	19	3.4	4 234	0.09	0
13	Ireland	416 882	–273 888	6	0.7	2 846	0.3	0
14	Kuwait	260 639	–255 962	12	0.4	5 585	0.11	4.5
15	Turkey	422 796	–218 753	48	0.7	3 747	0.15	0
16	Portugal	306 656	–217 590	18	0.5	1 124	0.35	0
17	Ukraine	213 590	–201 146	75	0.4	3 875	0.09	5.2
18	Chile	206 109	–199 795	1	0.3	10 000	0.11	3.2

19	Romania	244 098	-187 173	16	0.4	1 718	0.09	0
20	Viet Nam	264 067	-184 472	13	0.4	5 453	0.19	15.1
21	Iraq	182 554	-182 424	21	0.3	2 694	0.23	...
22	Indonesia	317 174	-176 610	40	0.5	6 254	0.21	13.9
23	Austria	437 699	-152 400	21	0.7	1 232	0.26	0
24	Slovakia	243 531	-148 250	28	0.4	1 592	0.12	0
25	Kazakhstan	166 004	-143 913	24	0.3	4 396	0.13	4.8
26	New Zealand	199 969	-142 806	2	0.3	11 021	0.13	3.4
27	Sweden	448 224	-134 531	14	0.7	2 010	0.09	0
28	Brazil	173 284	-82 750	14	0.3	9 553	0.14	17.1
29	Colombia	193 599	-66 303	22	0.3	7 614	0.11	11.1
30	Lithuania	223 059	-38 620	28	0.4	1 660	0.13	0
31	Hungary	189 595	-34 580	16	0.3	1 323	0.13	0
32	Belgium	1 100 640	-12 693	8	1.8	1 815	0.13	0
33	Greece	211 669	-1 037	11	0.3	2 274	0.2	0
34	Netherlands	1 569 054	962	16	2.6	1 857	0.15	0
35	Denmark	337 048	31 244	17	0.6	1 749	0.11	0
36	United Arab Emirates	1 220 521	44 930	21	2	6 813	0.12	4.5
37	United States of America	4 640 555	57 025	7	7.6	7 232	0.12	0.6
38	Czech Republic	736 227	86 951	2	1.2	2 178	0.11	0
39	Thailand	582 558	93 029	20	1	6 748	0.12	22.2

Table 7. cont.

No.	Importers	Value of imports in 2023 (USDk)	Trade balance in 2023 (USDk)	Annual growth in value between 2022–2023 (%)	Share in global imports (%)	Average distance between the supplying countries (km)	Concentration of the supplying countries	Average tariffs (estimated) applied by the country (%)
40	South Africa	175 571	111 958	3	0.3	9 678	0.12	16.6
41	Canada	1 380 118	122 634	10	2.3	3 932	0.36	1.6
42	Spain	1 166 299	402 979	17	1.9	1 998	0.22	0
43	Italy	1 173 598	561 746	25	1.9	1 289	0.25	0
44	Switzerland	510 180	720 632	3	0.8	1 829	0.16	0.5
45	Poland	1 094 225	778 909	17	1.8	2 148	0.11	0
46	Germany	2 029 579	1 328 397	7	3.3	2 207	0.12	0
47	Japan	1 076 503	2 113 166	9	1.8	5 990	0.24	0.1
48	Singapore	2 445 590	2 332 023	–9	4	9 024	0.25	0
49	Republic of Korea	744 305	5 783 161	–2	1.2	8 018	0.16	3.7
50	France	1 744 891	8 058 723	29	2.9	3 707	0.08	0

Source: Own analysis based on data from [International Trade Centre 2024].

Based on these insights, Polish exports should focus on identifying and targeting markets with the largest negative trade balances. As mentioned earlier, the first market worth considering is China which ranks only 40th in Polish exports. When comparing the top ten countries among Poland's main export destinations (based on Polish exports Table 6) with the Table 7 of countries having the largest negative trade balances, the only country that meets this condition is Russia. It ranks 6th in terms of Polish exports and 4th by the negative trade balance. Given the current political and economic context, this represents a very interesting case that merits further analysis. As the top ten leading destinations for Polish exports – such as Germany, France, Italy, the Netherlands, the Czech Republic, or Belgium – they rank much further down when it comes to negative trade balances. Belgium is 32nd, the Czech Republic is 38th, Spain is 42nd, Italy is 43rd, Germany is 46th, and France is 50th. An untapped potential for Polish exports can be identified among European countries with stable economies and negative trade balances, such as:

- Ireland (USD –273.8 million, ranked 24th in Polish exports),
- Portugal (USD –217.5 million, ranked 35th in Polish exports).

In the author's opinion, Portugal deserves special attention, particularly because of its strong ties to Brazil, which ranks 28th in terms of trade deficit (USD –82.7 million). Unfortunately, with its significant import potential, Brazil is not even among the top fifty of Polish exports. It ranks 162nd, with exports from Poland amounting to just USD 42,000 according to www.TradeMap.org. This is a marginal figure, and it should be noted that Brazil ranks 49th in world imports, with an import value of USD 173.2 million (Table 5). The final point of this analysis will involve a comparison of the share of the first ten countries in Polish exports with Poland's share in their imports. This comparison will show the actual strength of Polish exports in these markets (Table 8).

Table 8. Comparison of the share of the value of Polish exports in the imports of a selected countries in 2023

No.	Importers	Share in Poland's exports (%)	Share in country's imports (%)
1	Germany	18.1	11.4
2	United Kingdom	9.6	5.8
3	Belgium	7.7	9.8
4	Czech Republic	7	9.7
5	France	6.5	4.6
6	Russian Federation	5.3	11.3
7	Netherlands	3.6	3.3
8	Ukraine	3.1	15.1
9	Italy	2.9	4.3
10	Spain	2.7	4.5

Source: Own analysis based on data from [International Trade Centre 2024].

As seen in the attached table, Poland's market shares in the top ten countries for Polish exports are relatively small. In the case of Germany, which accounts for 18.1% of Polish exports and is the main sales market, Poland's share in Germany's imports is smaller (11.4%). In the case of the Netherlands, Poland's share in its market is only 3.3%. Particularly notable, as mentioned earlier, are the shares of Russia and Ukraine. Poland's shares in these markets exceed these countries' shares in Polish exports. The Polish share in the Ukrainian market is 15.3%, and in Russia, it is 11.3%. Given the nearly war-like situation in these two countries, this result is astonishing. Unfortunately, in more mature and safer markets for expansion, Poland's market shares are not impressive. In order to start being competitive in the market and not just present in the statistics, market shares should be at least 10% or higher. Apart from Russia and Ukraine, this condition is only met by Germany. It should also be noted that these ten countries account for 66% of Poland's total exports (as per the conclusions from Table 6).

7. Conclusions

The analysis of Polish exports in the cosmetics sector, particularly in the category 330499, reveals that the trade is concentrated in a limited number of markets. The ten largest export destinations account for 66% of total exports, with a clear emphasis on geographically proximate countries. While this approach ensures stable trade relations, it does not fully capitalise on the potential of rapidly growing global markets.

A key observation is that Polish cosmetic companies primarily target European markets, often aligning their efforts with established trade fairs and promotional events within the region. However, a comparison between Poland's main export destinations and the world's largest importers of cosmetics suggests missed opportunities. While Germany, the United Kingdom, France, and the Netherlands are present in both rankings, major global importers such as China, the USA, and Canada remain underutilised. China, the largest global importer of this product category, records a negative trade balance of USD 11.1 billion, yet Polish exports to this market remain negligible. Similarly, Canada, a country with which the European Union has a free trade agreement (CETA), is another high-potential market that has not been effectively targeted.

The case of the United States further highlights the limited reach of Polish cosmetic exports. As the third-largest importer of cosmetics globally, with an import value exceeding USD 4.6 billion in 2023, it represents a significant market. However, Poland ranks only 11th amongst suppliers to the USA, with a modest export value of USD 38.8 million, accounting for a mere 0.7% of the market share. These figures

suggest that Polish exporters are not fully utilizing the market intelligence available in EU trade databases, focusing mainly on well-established European markets.

Furthermore, despite the presence of institutions such as the Polish Investment and Trade Agency (PAIH) and the Pomeranian Trade Office in Beijing, Poland has yet to establish a strong presence in China. Other underutilised markets include Portugal and Brazil, which, despite linguistic and cultural proximity, remain largely unexplored by Polish cosmetic brands. The findings indicate a need for a more strategic and globally oriented promotional approach. The current promotional efforts, funded largely by EU and national resources, appear to lack a cohesive long-term vision aimed at expanding into high-potential markets outside of Europe.

While this study provides valuable insights into the internationalisation patterns of Polish cosmetic exports, certain limitations must be acknowledged. First, the analysis relies on trade data categorised by six-digit customs codes, which, while useful for tracking product movements, do not capture qualitative aspects such as brand perception, consumer preferences, or regulatory barriers in specific countries. Second, the study does not account for firm-level strategies, which may influence export decisions beyond macroeconomic trade flows. Finally, geopolitical factors, such as trade restrictions, diplomatic relations, and sudden economic shifts, have not been analysed in detail but could significantly impact the feasibility of market expansion.

Future research should explore firm-level strategies and decision-making processes regarding market selection, incorporating qualitative insights from industry professionals. Additionally, an in-depth examination of non-tariff barriers, such as regulatory differences, cultural factors, and distribution challenges, could provide a more comprehensive understanding of the obstacles Polish firms face when entering new markets. Finally, further studies could assess the effectiveness of current trade promotion policies and recommend strategies for optimizing the use of available EU and national resources in supporting Polish cosmetic exports.

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