

Indigenous Solutions for the Cosmetic Sector in Pakistan

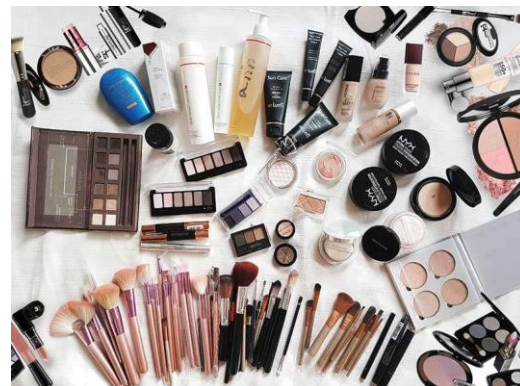
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EXECUTE SUMMARY

This insight has been generated as part of the ORIC's sectoral challenge series. The first episode focuses on the Cosmetic Industry in Pakistan, identifying barriers to innovation and opportunities for local solution development. The reported data reveals a classic case of "resource disconnect": Pakistan has the agricultural potential (e.g., guar, herbs, essential oils) but lacks the industrial capacity to process these into cosmetic-grade inputs. The sector is stuck in a cycle of import-dependence and price volatility, limiting innovation and scalability.



What We Learned (Key Findings)

- The global market focuses on health, safety, and supply chain management, whereas the local market is influenced by health regulations, exchange rates, and supply chain stability.
- There are approximately 150 cosmetic vendors operating in Pakistan.
- The cosmetic industry in Pakistan imports approximately 150 tons of Guar Gum annually.
- This heavy reliance on imports can lead to supply chain disruptions and increased costs for manufacturers.
- Guar Gum is a necessary ingredient in shampoo production.
- Most Guar Gum extracts are exported from Malaysia, China, and India, often routed through Dubai.
- Currently, one local industrial player is producing chemicals for the local cosmetic industry.

KEYWORDS

Cosmetic industry, local ingredients, imports, business development

What Needs to Change (Actionable Insights)

- Invest in Indigenous Ingredient Production – Promote local cultivation and processing of Guar, Aloe vera, neem, and essential oils.
- Incentivize Local R&D and Process Innovation – Support public-private partnerships for formulation chemistry and green technologies.
- Policy & Regulatory Realignment – Provide tax relief, import substitution incentives, and faster approvals for new products.

SOURCE OF INFORMATION

Sector day discussion and input from the industry by



Opportunities for Social and Economic Impact

"Local production of cosmetic ingredients can drive job creation in agriculture, processing, and manufacturing while reducing import costs and capital outflow. It strengthens resilience to global supply shocks and boosts exports of natural and halal-certified products."

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