



***The Cosmetic, Toiletry & Fragrance Association of South Africa  
is the industry's voice committed to maintaining the high  
quality and safety of cosmetic products.***

***By guiding our members on the Self-regulatory Codes of Practice  
& Standards the CTFA provides an environment  
that allows the South African cosmetic industry to flourish.***

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***CTFA encouraging a strong, united responsible industry***





## **Chairman's Report January – December 2008**

**Scott Maddock**

I am pleased to report that the CTFA, which continues to play a unifying role in our industry, has ended 2008 on solid financial footing in these increasingly uncertain times.

During the year, the CTFA made great progress working with the South African Department of Trade and Industry (the “dti”) on addressing the need for a new and energetic dti-supported export council for our industry. Such an export council will assist members with the many challenges to exporting goods and will be particularly helpful to our many SMME members.

The CTFA has also re-engaged with the government on the many concerns expressed by our members with South Africa’s ad valorem excise duty regime. We will maintain this important dialogue during 2009.

Our technical team, led by Jill Gardiner, has continued its excellent work with member companies, government departments, and other trade associations and global bodies in encouraging compliance with regulations and advocating harmonization of global standards wherever possible.

The CTFA continues to promote and defend industry interests, with the Association’s underlying strength being the fact that it represents companies of all sizes who manufacture and market a diverse range of cosmetic products. Our industry makes a valuable contribution to the South African economy through investment and employment.

We encourage our members to play an active role in the Association by participating in our committees and working groups where we rely on members’ expertise and guidance in reviewing regulatory, technical and commercial issues of a common non-competitive interest.

As we look forward, we understand the challenging economic environment in which the CTFA and its members must operate. The CTFA remains well positioned to weather the storm by maintaining an efficient overhead structure and an adequate retained surplus on its balance sheet.

I thank Pam Dillon for another year of fine leadership of the CTFA team and her team’s contribution to our industry. I hope that you will continue to support the efforts of the CTFA and assist us in ensuring a strong united and thriving industry.



The Cosmetic, Toiletry & Fragrance Association of South Africa (CTFA) was formed in 1994, when it became clear that no matter how strong individual companies were they needed a united force for stronger effect if they were to achieve their goals. CTFA guides members on the South African Self-regulatory Codes of Practice & Standards to ensure that the cosmetic industry flourishes. Our industry is a responsible one, the safety of the consumer is our utmost priority.

Communication is key to the continued success of the South African cosmetic industry. By seeking new projects and opportunities and strengthening existing alliances we promote the value of the industry and the Self-regulatory Codes of Practice and Standards our members abide by. We negotiate actively with government to ensure that standards and regulations developed are compatible with industry development marketing. In this rapidly moving self-regulatory environment it is essential that members are kept abreast of the latest changes & developments. It is also extremely important that members are part of the decision making process that shapes self-regulation and representations that are made from time to time on behalf of the industry.

The South African cosmetic industry is regulated by a very powerful Self-regulatory system. The industry abides by the requirements as set out in the CTFA Cosmetic Compendium. These requirements have been developed by industry, government, the CTFA, the South African Bureau of Standards and are in line with international norms.

The reason Self-regulation is very powerful is that industry itself becomes the “watchdog”. No manufacturer or distributor wants any other company to have the competitive edge.

The CTFA Cosmetic Compendium 3rd Edition consists of a number of Codes of Practice and Standards pertaining to various aspects of the cosmetic industry, as well as seven Annexes which deal with ingredients for cosmetic products. The Compendium covers all the requirements ensuring the safety of cosmetic products in South Africa. The Annexes ensure that very stringent requirements are in place in terms of ingredients allowed to be used.

The cosmetic, toiletry & fragrance industry is innovative, vibrant and dynamic, comprising of an interesting mix of multinational corporations, small, medium and large local brand owners and emerging entrepreneurial companies.

CTFA membership is for all manufacturers, distributors, importers and exporters of cosmetic products, as well as raw material and packaging suppliers, associations and companies affiliated to the industry.





## **CTFA Key Roles**

- To promote the strengths of a self-regulated industry.
- To promote best practices by working with members to ensure high quality cosmetic products, made to the highest possible safety standards.
- To provide technical expertise for members, government and other key stakeholders.
- To grow the cosmetic industry, promote export growth for the economy and provide protection for local manufacturers.
- To maximise the opportunities for companies to innovate and provide consumers with the choice they demand.
- To provide a forum for members to network, collaborate and work together for the benefit of the industry.
- To provide ongoing communication to members of association work relevant to their business and the industry in general.

## **Benefits of Membership**

- Being kept up to-date and guided on Self-regulation and compliancy.
- Receiving technical expertise and advice on ingredients, claims, labelling, packaging.
- Receiving valuable, individual advice and guidance as issues arise.
- Industry updates through functions, networking seminars.
- Participation in Working Groups/ Committees and assisting with industry's requirements.
- Certificates of Free Sale / Good Manufacturing Practices documentation required for exporting.
- Industry statistics.





## Review of the year

Pam Dillon – Executive Director

2008 has been another successful year for the CTFA, with membership continuing to grow steadily as more cosmetic companies realise the importance of our support and guidance for the industry.



We are totally aware that we could never be successful on our own. The great year we have had in 2008 has only been possible through the time, expertise and resources made freely available by member companies, participation in the various councils, committees and working groups. We thank all those active members for their dedication and support.

One of the great achievements and milestones of 2008 was the concession received for cosmetics containing up to 2,5% Sodium Hyaluronate. This is great news for all our manufacturers and distributors of skin care products. Unfortunately 2008 was still a fairly difficult year with the ongoing problems of Parallel Imports, Port Health impoundments and Ad Valorem duties. Unfortunately these are still unresolved but we are continuing in our endeavours with these extremely difficult and challenging industry issues.



Through a number of our initiatives, working groups and committee together with our members we have continued to actively pursue industry issues and ensure our regulations are regularly updated. CTFA will continue to play a highly active role in influencing the South African cosmetic industry and environment in which we operate. We need to remind ourselves that we are a highly successful, thriving, innovative and valuable industry to the South African economy. In addition as a responsible industry we need to continually emphasise the importance of compliance and ensure our focus clearly remains on consumer safety.

For a relatively young Association, only 14 years old, and with a very small staff of 5 people, we can be very proud of all that has been achieved for the industry and our members.

**Events** - Once again we hosted both informative and fun-filled events and functions for our members. In addition to the Conference and Gala dinner, MD's Networking Forums were held in Johannesburg and Cape Town.

**The Annual CTFA Gala Dinner – “Crystal Fantasy”**

On the 22<sup>nd</sup> May we hosted the industry's “night of the year”, an evening of glitz and glamour. Our guests turned up looking glamorous and gorgeous in all their finery, even the men looked really good. Rocking to the hit songs of world renowned “Mean Mr Mustard”, one of South Africa's top bands, the crowd danced the night away.



There was an excellent turnout, and the dinner continues to grow every year, thanks to all our guests for making it such a memorable occasion.

Our thanks also go to our fantastic sponsors for the lovely gifts donated for our guests, your generosity is overwhelming and greatly appreciated.



*A few pictures of the night to show our glamorous guests.*





## **Business Conference – “Creating Advantage In Our Changing Economic Environment”**

The conference focused on issues facing the South African economy and our cosmetic industry.

The programme was chosen to emphasise that it is no simple task meeting the demands of today's ever-changing business and economic environment.

Our distinguished speakers addressed these demands by sharing their expertise on various business and industry related issues.

Delegates raved about the exceptional programme, the high calibre of speakers, declaring that they were professional and informative.

Pam Dillon opened the conference with an update on the CTFA, the cosmetic industry in general and industry's growth. Graphs were presented showing industry statistic figures, product and sector splits.

Leading SA Economist, Chris Hart, had everyone hanging on every word. His presentation SA Economy: Evaluating the business and investment horizons was extremely insightful and daunting. He showed Graphs on Inflation highlighting the relentless rise since mid-2006 through costs of food, fuel and the weak rand. He explained key economic issues, GDP growth and cycles evident. He warned that the vicious cycle could become more violent due to an extreme current account gap, that with interest rates we were heading for a recession in consumer sectors; we could expect an above inflation target for at least the next 1 to 2 years. He commented that interest rates and the weak rand were not helping.

He closed with “Keeping Perspective” - cycles are a natural part of any economy; our position – that we are in a down cycle at present and there is further downside to come.

Ending with that “2008 will be rough! Two years hence the up-cycle should resume with greater strength due to lessons learned in this cycle. A very informative and thought provoking presentation. On reflection he was spot on!

Our second speaker Riaan le Roux, Chief Director: Export Development and Promotion in Trade and Investment South Africa, the Department of Trade and Industry explained the

Design and Implementation of the dti's Export Strategy. Riaan explained the South African Economic Climate, real economic growth for 2006 at 5% and 5,3% in 2007; unemployment decreased from 32% to 23% in the past 4 years; inflation had reached 10,1% in March 2008 surpassing the inflation target; depreciation of the Rand; the repo and interest rates; export growth despite exchange rate fluctuations; trade imbalance imports/exports; perspectives on foreign trade; export strategies and South Africa's Global Trade.

Carine Kiala, Business Analyst from Emerging Market Focus focused on “Doing Business in the Rest of Africa - A guide to crossing the Limpopo”. Expanding business outside SA; the changing business environment on the continent; gave useful tips on how to manage risks; emerging markets and new opportunities; route to market and entry strategies. She gave the 5 P's to moving ahead in Africa -product, place, promotion, people and price.

Carine advised on how to achieve successful market entry; geopolitics of SA in the African Markets; the huge potential in Africa that must be pursued, warned that competition from Asia is likely to increase then closed stating that SA is well-positioned to dominate Sub-Saharan Africa.

Our next speaker needed no introduction and kept the delegates enthralled with his presentation and laughing at his fabulous sense of humour even with his serious topic

- The World & South Africa in the 2010's. Clem Sunter declared that we live in a world that is constantly evolving, and yet within this evolution history seems intent on repeating itself.

Interestingly, our world has remained relatively predictable in one aspect for the last few centuries.

The West has been the dominant force in global politics and economics – a veritable superpower apart from the former Soviet Union. But the game has changed quite dramatically over the last three decades, with the emergence of new, and highly influential, players answering to different rules while tilting the global playing field their way. First it was the re-emergence of Japan, then the arrival of the Asian tigers and now the ascent of China. All in all, we are at a significant moment in the long time frame of human history because real change is happening literally before our eyes.

Back by popular demand was William Janisch Director, Empowerment Services, sharing his expertise on BEE, commenting on where we are now and where we should be, what is “Best-Practice” is; BEE awareness, education and implementation. William updated delegates on BEE, what companies should be doing and why explained the delays in finalising Verification Methodologies and Accrediting Verification Agencies as well as the delays in launching the BEE label and Equity Equivalent. He concluded with a couple of case-studies.

Our final presentation was on South Africa’s Industrial Policy, by Nkosi Madula, Director: Industrial Policy, Enterprise and Industry Development Division (EIDD), Industrial Policy Directorate, the Department of Trade & Industry. Nkosi explained the role, vision and objectives of the National Industrial Policy Framework (NIPF); SA’s economic performance and industrialisation challenge and the 13 strategic industrial polices/ programmes.

**Certificates of Free Sale** – The CTFA processed 114 Certificates of Free Sale and GMP Certificates for member companies, providing them with timely documentation for exporting their products around the world. These certificates are required by governments of certain countries that need assurance that products exported from South Africa may be freely marketed within the Republic of South Africa in accordance with the South African Regulations. They specify that the products are manufactured under Good Manufacturing Practices for cosmetics acceptable to the South African authorities and do not contain any raw materials not permitted in South Africa, thereby fully complying with the requirements of the South African CTFA Cosmetic Compendium.

**Exports / Export Promotion** – CTFA continued throughout the year in discussions and negotiations with the dti, to bring cosmetic exports under the umbrella of the CTFA. Our thoughts are unwavering that should be one strong all encompassing body covering all sectors of the SA cosmetic industry. The Export Council would be an independent entity run under the guidance of CTFA.

The proposed new Exports Council will in conjunction with the Department of Trade & Industry, SA Embassies/ Economic Offices and cosmetic association offices worldwide, create an exporting environment that promotes increased business for SA companies, as well as prove to the global market that South Africa produces world class cosmetic products. Even though we had not been officially authorised by the dti to handle cosmetic exports, we were approached to assist with export promotion and company participation in international exhibitions and trade missions.

**Norwegian Trade Mission** - CTFA in conjunction with Innovation Norway accompanied 8 companies to Norway in September – Demaxime; African Extracts; I-Slices Manufacturing Annique; Skin Nutrition; Creighton Products; Rain; Indigo Cosmetics. The aim of the mission was to promote new SA brands to the Norwegian market. Pam Dillon represented the industry, members and highlighted the importance of SA regulations and compliance.

The SA Ambassador hosted a networking cocktail party for the delegates and Norwegian cosmetic companies. Comments from a few of the participating companies:  
‘Superb! The quality and calibre of the buyers was exceptional. The mission was beyond my expectations and I could not have done better myself or at a trade show.’ – Richard Purvis, Skin Nutrition.

‘I feel privileged to have been a part of this mission. The one-on-one meetings were very beneficial and I learnt a great deal from the opportunity, gaining a deeper understanding of doing business globally.’ – Rob van Wieringen, Creighton Products.

'I found the presentations given on the Norwegian market by Steinar Magnussen to be valuable. He gave us a very good impression of the industry very quickly. Through meeting the people that we did, it was easy to identify who deals with specific target markets and if this mission hadn't been set up through Innovation Norway, with the backing of Norad, I would not have had the opportunity to meet such powerful Norwegian buyers.' – Rob Tiffin, Scentpac

'This trade mission was far more structured and cost-effective than a pavilion or any other trade mission I have been on and I feel this is definitely the route we should take in the future.' – Estelle October, Annique.

**Beyond Beauty / Cosmeeting Exhibition, Paris, 5 – 7 October** – CTFA put together a mini SA Pavilion with 4 companies at the exhibition in September – Ladine; Bush Baby Cosmetics; Beige Holdings and African Daze Trading.

**Cosmoprof Bologna** – in April Pam Dillon and Maria Laughland, CEO of Ladine and Vice-chair of the CTFA Executive Council, visited Cosmoprof Bologna to assess the exhibition for potential National Pavilions. As the largest beauty exhibition in the world it definitely would be a great platform for SA cosmetic export to showcase their products.

Discussions were held with the organisers for the 2009 exhibition. In addition CTFA received complimentary VIP Visitor Tickets from Unipro, the Italian Cosmetics Association which were given to CTFA members visiting Cosmoprof.

**Inward Italian Trade Mission, 13 to 15 October** – At the request of the Italian Trade Commission in Johannesburg and Unipro, CTFA assisted with a small inbound trade mission of Italian manufacturers seeking SA distributors. One-on-one meetings were set up with potential distributors, as well as a combined meeting at the CTFA Offices. In addition to the Italian delegates and the potential distributors, the CTFA meeting was attended by Dr. Gianpaolo Bruno, Italian Trade Commissioner and Mirella Bernardini Deputy Italian Trade Commissioner. It was highly successful for the Italian companies – Oyster Cosmetics Spa; Muster e Dikson Service Spa; Bioclin Srl / Ist. Ganassini; LCA - Laboratori di Chimica Applicata Srl; Rudy Profumi Srl.

**Inward USA Trade Mission, 17 October** – at the request of Jennifer Cheong, Marketing Officer: Trade and Investment Embassy of the Republic of South Africa in Washington we invited CTFA members to meet with Advent Beauty LLC who were seeking a manufacturer in South Africa. The meeting held in the CTFA offices was very well attended by interested CTFA members and follow-up meeting were made with a couple of the companies to visit their manufacturing facilities.

**Parallel Imports** – The problem of Parallel Imports continues to be a major problem for members. Our Working Group continued to meet but in a lot of instances our hands are tied with the only Government legislation being that signage must be placed in-store by the retailer, when selling "unauthorised branded products" advising that they are not the "authorised distributor" and that the authorised South African distributor of the products is under no obligation to honour guarantees /warrantees or provide after-sales service. CTFA and the working group will continue to investigate

and address Parallel Imports in 2009.

**Global Harmonisation** – CTFA has continued to play an active role in global harmonisation. Jill Gardiner is an extremely proactive and vocal member of the GMP; Sun and Microbiology ISO Working Groups. Jill Gardiner is the project leader for the GMP Training Document. This document which has been developed and written in conjunction with Philippe Masson, is currently out for International comment and agreement.

**Industry Self-monitoring Committee** – The committee, chaired by Jill Gardiner, continued to meet regularly throughout the year to investigate unsafe cosmetic products. The SMC adhered to the objectives, policies and procedures set, by only discussing products deemed to be unsafe or making questionable claims, and only products from non CTFA members. Our main role being to

educate non-members on compliance. The purpose of this committee is to educate and raise awareness of the self-regulatory to non-members, whilst protecting the safety of the consumer. All complaints received were treated with the utmost confidentiality.

Through the products brought to our attention it is very clear that the SMC certainly has a role to play. A number of companies contacted with regards to their products were very receptive, although unfortunately some just turned a deaf ear. CTFA is a regulatory, advisory body whose aim is to guide the cosmetic industry on safe, quality, complaint products. We are not a policing body and therefore cannot force companies who are non-compliant, we can only guide and educate on South African regulations.

**Ad Valorem** – As ever a very emotive and contentious issue with members. As one of our ongoing strategies we are endeavouring to advocate the removal or simplification of Ad Valorem on Cosmetic Products. Following numerous requests the Ad Valorem Working Group made up of Scott Maddock, Revlon; Ernest du Toit, Annique, Rod Lichkus, Lichkus & Associates and Pam Dillon, eventually managed to get a meeting with Treasury, meeting on the 28 October. Cecil Morden had assumed all was going well with Ad Valorem after the agreement had been made to reduce the tariffs in 1998. We explained that since 1998 the industry has evolved (e.g. more third-party contract manufacturers, greater number of SMME's), complications have arisen and that there is a lack of clarity within SARS on how to apply the rules for items such as returned goods, testers, samples, etc.

We agreed to provide him with a written list of our issues so that his team could take it up with SARS and provide a business case for any recommendations we had. The business proposal was submitted and will be followed through in 2009. We totally understand how difficult it is for companies experiencing problems and will do whatever possible to lessen the burden for members.

**2008 Strategies** - The following strategies were set by the Executive Council:

- Export Council and Trade Missions / Pavilions
- Advocate removal or simplification of Ad Valorem on Cosmetic Products (Ongoing)
- Parallel Imports / Counterfeits (Ongoing)
- Self-monitoring Committee (Ongoing)
- CTFA Business Conference / Gala Dinner – 22nd May 2008
- CTFA Statistics
- Update SANS 1557:2005, Sunscreen Products
- Convert the Alpha / Beta Hydroxy Acid Products Code of Practice into a National Standard (SANS) (2 year strategy)
- Convert the Cellulite Code of Practice into a National Standard (SANS) (2 year strategy)
- Update of Appendix C, ASA Code of Practice
- ISO responsibilities - Sun, GMP and Microbiology Working Groups (Ongoing)
- Investigate update of Local GMP COP

**Additional achievements during the year:**

- Sodium Hyaluronate Concession - A concession for cosmetics containing up to 2,5% Sodium Hyaluronate/Hyaluronic Acid was granted and Gazetted on 05/09/2008. This is a very important milestone for the industry.
- Hair Care Standard was published on 15/09/2008.
- Adoption of ISO Microbiology Standards - the first two ISO micro standards have been adopted, these will be added to the Compendium during 2009.

### **Look Good...Feel Better Foundation**

The CTFA is proud to be affiliated with Look Good...Feel Better, a programme set up by the cosmetic industry to help cancer patients cope with the appearance related side-effects of cancer treatment. Anyone working in the beauty industry recognises the significance of the "feel good factor" of cosmetics. The enhancement of self-esteem and self-confidence has been proven to have a direct effect on people's health and well-being. Nowhere is this seen to greater effect than through the work of Look Good...Feel Better.

To assist members with BEE scorecard points our focus in 2008 has been to raise the ratio of non-white/white patients, the goal we eventually hope to achieve in a couple of years being a 75% non-white/white ratio. Once this has been achieved LGFB members will be entitled to claim their full subscription spend towards the Socio-Economic Development element of their BEE Scorecard. We ended the year on a 60%:40% split.

The programme is now being run in 6 regions – Pretoria; Johannesburg; Port Elizabeth; Durban; Bloemfontein; Cape Town. This year we have increased the number of Provincial Hospitals – Addington; Helen Joseph; Steve Biko to assist with our BEE goal. The programme touched numerous women suffering with various forms of cancer as well as a few men. A total of 2 209 patients participated in the workshops held in provincial and private oncology centres.

The patients treated to makeovers in the workshops, are women in active cancer treatment, suffering from the side effects of chemotherapy and radiation. They are guided through a 12 step skincare and make-up regime and have great fun with the colour cosmetics. The patients arrive at the workshops feeling unwell and self-conscious, and leave laughing and joking, once again feeling good about themselves.

Our sincere thanks once again go to all the CTFA members enrolled as members and we welcome the new LGFB members who signed up in 2008. You can be proud to be part of this incredible rewarding programme and know that through your generous efforts and support you are putting a smile on a cancer patient's face. The financial support and products donated have been invaluable to the success of the Foundation.

We urgently need more CTFA members to embrace the Foundation and join as members.

### **Executive Council**

The Executive Council continued in 2008 under the excellent leadership of Scott Maddock, Managing Director, Revlon SA Maria Laughland, CEO Ladine standing, Vice-chair. We welcomed as new Council members - Philippe Raffray, L'Oreal ; Ernest du Toit, Annique ; Maurits Rood, Incolabs and Mattia de Dominicis, Reckitt Benckiser who were all voted in at the AGM in May. The CTFA secretariat truly appreciates our Council members' dedication, expertise, advice and support which is always freely given, ensuring a strong Association for our members.

### **2008 Executive Council:**

Scott Maddock	Revlon Chairman
Maria Laughland	Ladine Vice Chairperson
Ernest du Toit	Annique
Kevin Hayes Avon	Justine
Russell Pollard	Colgate Palmolive
David Goodhand	Estée Lauder
Maurits Rood	Incolabs
Susan O'Keeffe	Indigo Cosmetics
Philippe Raffray	L'Oréal
Mattia de Dominicis	Reckitt Benckiser
Chris Stofberg	Wella
Pam Dillon	CTFA
Jill Gardiner	CTFA

The role of the Executive Council has been clearly defined emphasising a more business orientated focus:

- To define key deliverables for CTFA
- To represent its members
- To review CTFA objectives
- To be proactive on current issues
- To seek ways to improve the industry
- To set direction and pace
- To drive projects with special portfolios
- To ensure that the publicity and marketing of CTFA is effective
- To represent the industry at senior government level
- To attend government meetings when necessary

The industry is indeed fortunate to have so many dedicated senior industry executives who are prepared to give up their valuable time to steer the industry forward through the CTFA. It is through members playing an active role in the Association by volunteering to sit on the Exco that we are able to ensure we are a strong body for the industry.

### Members and Revenue

Elmarie Groeneveld – Accountant CTFA



Membership of the CTFA continues to be strong and stable. For the past 3 years we have endeavoured to keep the annual increase in membership fees to the minimum – 2.5 – 5% annually. Once again members who paid their subscription before 1st of March received a 2.5% early settlement discount. 79 Members took advantage of early settlement offer - 19 more than in 2007.

In financial terms 2008 was a successful year, with the Association’s finances continuing to be carefully managed. There was a loss of R21 088 for the year.

### Subscriptions increased by 11.5%. We had 23 new members joining the CTFA.

Aquasia CC	Lesmed Products CC
Bio Sculpture SA (Pty) Ltd	Nolken Hygienic Products (SA) CC
Bush Baby Cosmetics (Pty) Ltd	Protea Speciality Chemicals
Catwalk Cosmetic Laboratories cc	RegimA Internat. Skin Treatments
Contactim (Pty) Ltd	Sanisco Distributions
Degro Commodities (Pty) Ltd	Silky Touch
EH P Consultants cc	Skin Nutrition
Flowerday Laboratories (Pty) Ltd	Spanjaard Limited
GA Active Wholesalers	Tabrar & Earle CC
iSlices Manufacturing (Pty) Ltd	Tartan Timbers (Pty) Ltd t/a SOiL
JD Consulting	The Victorian Garden
JO'M Cosmetics (Pty) Ltd	

### The following 7 members cancelled their membership.

Tip Top Products	Quintessence Collections cc
Medi Quip	AJ North (Pty) Ltd
Zandile Cosmetics	Prime Product Manufacturing
Brazilian Importers & Exporters cc	

### Total income and total expenditure, 2007 versus 2008 are given below:

	2007	2008
<b>Income</b>	R2 596 739	R2 782 638
<b>Expenditure</b>	R2 496 530	R2 803 726

The full audited financial statement is issued as a separate document.

## **Cosmetics – Setting the Standard**

Jill Gardiner – Technical Director CTFA



This was the year of consolidation on the Technical front of the CTFA, the year that saw the publication, adoption and development of a number of new South African National Standards. It also brought to conclusion the controversial Sodium Hyaluronate issue.

The year got off to a quick start with the first ISO Meeting of 2009 being hosted in Paris. WG 1 met to discuss the latest Micro Standards and WG 6 met to drive the GMP Training document forward.

The ISO Plenary Meeting was held in Jordan in June and good progress was made in WG 1 (Microbiology), WG 4 (Terminology), WG 6 (GMP) & WG 7 (Sun Protection Methods), with active participation by South African experts.

South Africa participated in a UVA in vitro ring test in order to determine reproducibility of the UVA in vitro method internationally. This work was discussed at a subsequent ISO WG 7 Meeting which was held in Barcelona in October. There are still a lot of areas that need attention on the Sun Protection Methodology front and work will continue here into 2009.

The huge amount of work put in by South Africa at the ISO level needs to be beneficial to the SABS, CTFA and the South African Cosmetic Industry. Thus it is imperative that South Africa looks at adoption ISO standards for use in our country wherever relevant or appropriate. During 2008 South Africa, in the absence of local Microbiological Standards, agreed to adopt the first two ISO Micro Standards. We also looked at the feasibility of adopting the ISO GMP Document, but it was agreed that this could not happen until the ISO GMP Training Document was completed, as the documents go hand in hand particularly for small in companies.

On the home front the CTFA Sunscreen Working Group started work on the revision of the Sunscreen Standard (SANS 1557) in January. This task took the WG through the entire year until agreement and circulation of the Committee Draft which was made in November. We expect the new Sunscreen Standard to be published by mid 2009. This is a document that we can be proud of as it is representative of all the agreements that have been reached at the ISO level on in vivo SPF testing.

Further work was required on the Hair Care Standard, still at CD level as there were some areas of concern regarding anti dandruff that needed to be clarified with the Department of Health. This were ironed out and consensus reached, which then saw the publication of the Hair Care Standard – Hair Care Products – general requirements SANS 10393:2008, in September.

The SMC under the new Chairpersonship of Jill Gardiner continued its valuable education of non-members in terms of products which pose a risk to the safety of our SA consumers. In most cases the CTFA SMC guidance has been welcomed by the offending companies as in most instances these companies were not aware of the SA Cosmetic Regulatory system.

The biggest coup for the CTFA Technical Division came with the granting of the concession, from the MCC Scheduling Committee, for cosmetic products containing Sodium Hyaluronate. This process has taken 3 long years, but has finally been resolved with what is believed to be a suitable concession. The concession allows for cosmetic products to contain up to 2,5% Sodium Hyaluronate.

## **Look Good...Feel Better Foundation**

Margaret Hewson – Programme Director

Look Good...Feel Better, South Africa, rose to new heights in 2008 as 2209 women in active cancer treatment participated in one of the 225 LGFB workshops held in 33 oncology hospitals, clinics and interim homes in Pretoria, Johannesburg, Cape Town, East London, Port Elizabeth, Durban and Bloemfontein.



Two very successful men's workshops were held, one at Cape Town's Constantiaberg Haematology the other at Parklands in Durban.

### **The LGFB**

Founder Members and programme focused on addressing the BEE requirements and the year ended with a 60:40% split of patients as three new provincial hospitals came on board: Addington (Durban), Helen Joseph (Johannesburg) and Steve Biko Pretoria Academic Hospital. And LGFB membership increased when Fascination Wigs pledged their support as Beiersdorf, NCP Alcohols and Trind Hand Care as Members.

We greatly value the role our Members play and appreciate their generosity of financial support, product donations, and staff input without which we could not run this unique programme.

Fundraising opportunities increased this year. 192 golfers participated in the 4<sup>th</sup> annual LGFB Golf Day held in August at Randpark Club in Johannesburg. R77 717 was raised from this fun filled, memorable event. Vibrant Leanne Manas was MC for the Prize Giving

Avon Justine found the perfect way to celebrate women's month in August with two star studded Itemba Avon Justine Look Good...Feel Better events, one in Pretoria on 23 August the other in Johannesburg on 30 August. Guests were inspired by our cancer patients some of South Africa's most talented personalities including Wilma van der Bijl Tapanlis; Nataniel; Kate Turkington and Noeleen Maholwana- Sangqu who all gave of their time, talent and passion to ensure that the events were an uplifting success! The proceeds of R169 830 were donated to LGFB.

Two Durban Volunteers accepted the challenge to walk the Great Wall of China and chose LGFB as their charity raising R17 280 for LGFB in 2008 through a Mid Illova Ladies' Tea and a Tarts and Tiara fun walk.

An outing to the Barnyard in September raised R 8 965 and Dawn to Dawn Modelling School in Bloemfontein organised a 24 hour modelling marathon to raise R1 900 in support of LGFB.

Indigo Cosmetics made a significant difference to many more women cancer patients through their very generous sponsorship of R200 000 for all the Cape Town workshops held in November and December.

LGFB received substantial pro bona support during 2008: over R5 million in media coverage; accommodation (Southern Sun); car hire (Imperial); computer maintenance (Netcad); Courier services ( Cosmotech, Special Freight Services); printing (CTF Labels); exhibition stands (Professional Beauty), CosmeticWeb (redesign and maintenance of website).

Volunteer training and recognition teas were held in each region.

### **2008 Look Good...Feel Better Members**

#### **Founder Members**

Avon Justine

Avroy Shlain

Clarins

Colgate Palmolive

Elizabeth Arden

Environ Skincare

Estée Lauder

Companies

Fascination Wigs

Indigo Cosmetic

L'Oréal

Procter & Gamble

Revlon

Sara Lee

Unilever SA

## Members

African Extracts	Ladine	The Prestige Cosmetics Group
Beiersdorf	NCP Alcohols	Tip Top
Black Like Me	Prime Products	Trind Hand Care
Delfini Solutions	Reckitt Benckiser	Twincare International
Forever Young -	SDV Pharmaceuticals	Union Swiss
Annique	Sharon Bolel	Vanda Cosmetics
Johnson & Johnson	Sh'Zen	Wella SA

## Associate Members (non CTFA Members)

Endermologie, SA	The Sorbet Experience	Vitaderm
Galderma		

No other cancer charity cuts across all cancers afflicting women with an exclusive focus on their social and emotional needs and well-being.



## IN CONCLUSION

At CTFA, we are extremely proud of all that has been accomplished this past year, and will continue to address the numerous challenges facing our industry in 2009. We are highly aware that we are going forward into an extremely difficult year in a very difficult economic climate, but will strive with drive, determination and passion to continue in our endeavours to grow our membership and incorporate all those companies out there which still operate outside the South African Cosmetic Regulations. CTFA will continue playing an active role to ensure the growth and success of our industry, by seeking new projects and opportunities and strengthening existing alliances we will continue to promote the value of the industry and the Self-regulatory Codes of Practice & Standards our members abide by.

Through our continued interaction with government, the SA Bureau of Standards and industry with regulations to ensure that standards and regulations developed are compatible with industry practice and will not impose additional burdens on product development and marketing. In so doing ensure our longstanding commitment to product safety, quality and innovation. Through industry interaction and co-operation we can ensure that we are all working towards common goals as well as sustainable business & economic growth.

By the end of 2009 we hope to have received the dti's and industry's approval to bring the Cosmetic Export Council under the umbrella of CTFA, ensuring our goal of one strong all encompassing industry body, serving all the needs of the South African Cosmetic industry. With our regulatory experience we will be able to assist, guide and educate exporting companies on compliance, the South African Self-regulatory system and international regulations and tariffs. South Africa is admired throughout the world for its Cosmetic Regulations and it is important that companies are given the guidelines to ensure that their products can compete with first world countries.

Together we can continue to grow this vibrant & dynamic industry. As long as we maintain our commitment and live up to the responsibility of making the health, beauty and safety of consumers our top priority, our industry will continue to thrive, grow and make a difference. Through ensuring all South African products manufactured, distributed and exported are in compliance with the Self-regulatory system, and through responsible marketing, we can guarantee results in an industry of which we can all justifiably be proud.

The CTFA secretariat and Executive Council thank our members for their wholehearted support during 2008. Together we can go forward into 2009 with drive and determination to ensure a successful and profitable year. We need to strengthen our alliances with members and reinforce our position as the voice of the industry.

***CTFA encouraging a strong, united, responsible industry.***

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**Independent Auditors Report**

By Brendan Graham – Watermans Chartered Accounts SA