August 2026

Indonesia Beauty & Personal Care Snapshot

A market overview for Swedish companies

Introduction

Sweden and Indonesia share a long and constructive relationship, built on Swedish industry's reputation for quality, innovation, and responsible business. Within beauty and personal care, considerable opportunities remain for Swedish companies to broaden their presence in one of Southeast Asia's largest and fastest-growing consumer markets.

This report provides an overview of Indonesia's beauty and personal-care market and highlights where Swedish products and expertise are particularly relevant. It is deliberately practical. Indonesia is a complex market spanning 38 provinces across more than 17 000 islands, each with its own regulatory and commercial realities, and the way of doing business is not the same as in Sweden.

SwedCham Indonesia exists to help Swedish companies develop business in Indonesia. We are a connector: we open doors, convene the right people, and connect our members with partners and networks. We do not replace expert advice — we help companies find it. If this report encourages you to explore Indonesia more closely, we would welcome the conversation.

2. Executive Summary

Indonesia is one of the largest and fastest-growing beauty and personal-care markets in Asia, and one that Swedish companies have engaged only lightly to date. This report sets out why the market merits closer attention, and where the openings lie.

Beauty and personal-care retail sales reached SEK 54,4 billion in 2023 and are forecast to reach SEK 80,9 billion by 2028 — an implied annual growth rate of roughly 8%, with some category-level estimates running higher still. Growth is underpinned by a large, young, and increasingly urban population of 287,9 million, rising disposable income, and a digitally native consumer base: 72,78% of the population is online, and online channels are expected to reach 19,9% of beauty and personal-care revenue by 2026.

Skin care is the largest and fastest-growing category, expanding at an estimated 10–13% annually and considerably faster still at the premium and professional end. Hair care is the second pillar, growing more slowly on a volume-led mass market. Domestic manufacturers — led by Paragon Corp, owner of Wardah, Make Over, Emina, and Kahf — dominate by volume and have built the market's most credible halal proposition; multinational majors including L'Oréal, Unilever, P&G, and Shiseido compete alongside them, primarily at the premium and specialist end.

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The market's defining regulatory event is the mandatory halal certification deadline of 17 October 2026, after which uncertified cosmetics must carry a non-halal label. This lands on a supply chain that is structurally import-dependent: an estimated 90% of cosmetic raw materials used in Indonesia are imported, which is itself a source of policy concern and a durable opening for upstream Swedish and Nordic suppliers. Sweden holds a distinct advantage here — SHC Sweden is accredited by BPJPH, allowing Swedish companies to complete halal certification from Sweden rather than through a separate Indonesia-based process.

Investment activity confirms the market's momentum: General Atlantic's acquisition of a 54% stake in Sociolla, Indonesia's leading beauty retail platform, was announced in December 2025; Unilever Ventures has taken venture stakes in two Indonesian beauty start-ups since 2022; and L'Oréal's Jababeka plant, its largest factory in the world when opened, continues to serve as the company's ASEAN production hub. Taken together, the market needs what Swedish industry is known for: product safety and traceability, science-led formulation, and reliable supply chains — capabilities that translate directly into the halal-compliance and quality challenges Indonesian beauty companies are working through now.

Three caveats temper the case. Indonesia is not a single market: conditions, retail infrastructure, and consumer spending power vary widely across 38 provinces, and a strategy calibrated to Java will not translate automatically elsewhere. A local partner or entity is effectively a precondition for market access, since only an Indonesian legal entity can hold a BPOM notification. And competition is intense: domestic brands built around halal credibility and price now out-compete multinationals in several categories, including makeup by e-commerce sales. SwedCham Indonesia's role is to help Swedish companies navigate these realities — as a connector to the partners, expertise, and networks that turn an opportunity into market entry.

Fast facts

Key figures for market size, structure, and the regulatory timeline that shapes entry.

Market size (2023)	SEK 54,4 billion beauty and personal-care retail sales; forecast SEK 80,9 billion by 2028
Population	287,9 million (2026); 72,78% internet penetration (2024); approximately 87% Muslim

Largest category	Skin care — over one-third of sales, growing an estimated 10–13% annually
Raw material imports	Approximately 90% of cosmetic ingredients used in Indonesia are imported (industry estimate)
Relevant finished-product imports (2024)	SEK 7,02 billion (HS 3303–3307); Sweden not in the top ten origin countries
Halal certification deadline	17 October 2026 — no further postponement confirmed by BPJPH
Swedish halal route	SHC Sweden is BPJPH-accredited; certification can be completed from Sweden
Trade outlook	Indonesia–EU CEPA concluded 2025; implementation targeted for 2027
Last reviewed	August 2026

Figure 1. Beauty and personal-care retail sales, Indonesia, 2022–2028F, converted to SEK. Source: Euromonitor data reported by JETRO; FX conversion per Sources and disclosure.

3. Indonesia at a Glance

The fundamentals that drive consumer demand for beauty and personal-care products in Indonesia, and the geographic reality that shapes how the market is reached.

3.1 Macro and demographic fundamentals

Indonesia is the world's fourth-most populous country, with 287,9 million people in 2026, spread across more than 17 000 islands. GDP per capita reached approximately SEK 51 100 in 2026, placing the country firmly in the middle-income band; the economy has been growing around 5% annually. Around 57% of the population is urban, a share expected to reach 71% (209 million people) by 2030.

The population is comparatively young: Gen Z and millennials represented 53,81% of the population at the last census, and the median age is around 30 years. This is a structural driver of demand for trend-led, digitally discovered beauty products, in contrast to markets where an ageing population shapes category growth.

3.2 Consumer and category trends

Interest in premium and international brands is rising, alongside growing demand for environmentally sound and safety-verified products. Trust is a stated consumer concern: shoppers report difficulty verifying that products are free of questionable ingredients, and counterfeit products remain widespread — a dynamic that favors brands able to demonstrate verifiable sourcing and certification.

K-beauty has shaped consumer expectations on ingredient transparency and multi-step routines, though Indonesian consumers show a distinct preference for products suited to a tropical climate — humidity, sun exposure, and pollution feature heavily in product positioning. Men's grooming and gender-inclusive beauty are gaining traction as a genuine growth layer, extending existing skin care and color cosmetics lines with dedicated male-oriented ranges.

Halal status is increasingly treated as a mainstream product claim rather than a niche one. Wardah, Indonesia's largest domestic cosmetics brand, has built its market position substantially around halal credibility, and multinational players including L'Oréal have moved to incorporate halal certification into their own Indonesian offerings ahead of the October 2026 deadline.

3.3 Market size in context

Reported market-size figures vary meaningfully by scope and provider, which is normal for market research but worth flagging before citing any single number externally. The broadest published estimate — beauty and personal-care retail sales including skin care, hair care, color cosmetics, fragrance, and hygiene products — was SEK 54,4 billion in 2023 (Euromonitor, reported by JETRO), forecast to reach SEK 80,9 billion by 2028. A narrower government figure values the “cosmetics market” specifically at approximately SEK 19,0 billion (2025), growing 4,73% annually; a separate Statista estimate puts the same narrower decorative-cosmetics segment at SEK 19,9 billion (2025). These figures should not be used interchangeably — the product scope differs across each.

On average, per-category growth is more informative than the headline market size for entry planning. Skin care — the largest category by value — has grown at an estimated 10–13% annually in 2022–2025, with the premium and professional tier (priced above SEK 53 per unit) growing faster still, at 12–15% annually. Hair care, by contrast, is a more volume-led, mass-market category growing around 6–8% annually.

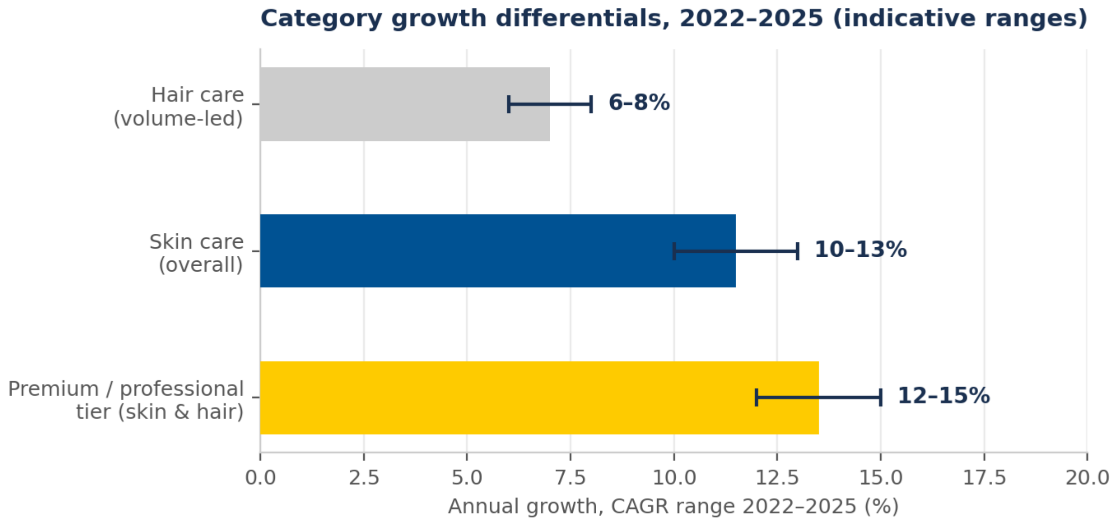

Figure 2. Category growth differentials, 2022–2025, indicative ranges by source. Estimates vary; see Sources and disclosure.

3.4 One country, many markets

Indonesia is not a single market. It comprises 38 provinces across roughly 17 000 islands, with the highest concentration of beauty retail infrastructure, prestige counters, and premium spending power in Java, and Jakarta specifically. Distribution beyond Java requires its own logistics and regional retail strategy — a national retail chain's store count in Jakarta says little about its reach in Sumatra, Kalimantan, or eastern Indonesia. A launch strategy calibrated to Jakarta will not translate automatically to the rest of the country.

Section sources: BPS; World Bank; Euromonitor via JETRO; Statista; IndexBox; Mintel; Ken Research. Latest available figures (2024–2026).

4. The Beauty & Personal Care System

4.1 Stakeholder landscape

Regulatory authority over cosmetics in Indonesia is divided among several bodies:

- BPOM (National Agency of Drug and Food Control) evaluates, approves, and registers cosmetic products for the market through the Notifkos digital portal, and oversees labeling, advertising, and manufacturing standards (CPKB/GMP).
- BPJPH (Halal Product Assurance Organizing Body) administers mandatory halal certification under Government Regulation No. 42 of 2024, including the accreditation of foreign halal certification bodies through Mutual Recognition Agreements.

- Ministry of Trade sets import policy and licensing (Permendag 16/2025 and 22/2025), including the Surveyor Report requirement that replaced the earlier cosmetics import license.
- Ministry of Industry (Kemenperin) oversees domestic manufacturing policy, local-content (TKDN) frameworks, and industrial investment promotion.

For a foreign entrant, the practical point is that market access runs through two largely independent regulatory tracks — BPOM product safety and notification, and BPJPH halal certification — which must both be satisfied, generally in parallel, ahead of the October 2026 deadline.

4.2 Halal certification: the mandatory framework

Mandatory halal certification for cosmetics takes effect on 17 October 2026, under Government Regulation No. 42 of 2024 on the Implementation of Halal Product Assurance. BPJPH confirmed in June 2026 that there will be no further postponement. Products without certification may still circulate but must carry a clear non-halal label — a requirement market researchers expect to weaken marketability significantly in the mainstream segment, where halal status has become a default consumer expectation rather than a differentiator.

Certification scope covers finished products and the full raw-material supply chain: glycerin, emulsifiers, surfactants, fatty alcohols, active ingredients, and fragrance systems each require documented, traceable origin, verified through a full supply-chain audit covering sourcing, manufacturing, packaging, and storage. This traceability requirement is the practical bottleneck for most companies, foreign and domestic alike, because — as set out in Section 8 — the great majority of raw materials used in Indonesian cosmetics manufacturing are imported from countries whose own traceability standards do not always align with LPPOM MUI or BPJPH requirements.

Sweden holds a specific and practical advantage in this framework. SHC Sweden is accredited by BPJPH to issue halal certification recognized in Indonesia, meaning Swedish companies — whether exporting finished products or raw materials — can complete the certification process from Sweden rather than undertaking a separate Indonesia-based certification route. This is a meaningfully shorter and more predictable path than is available to companies whose home country lacks a BPJPH-recognized certification body.

4.3 Retail structure

Indonesia's beauty retail market spans large health-and-beauty chains, beauty specialists, prestige retail, department stores, and dominant online marketplaces. The table below summarizes the retailers most relevant to a Swedish brand considering market entry; a fuller listing appears in Appendix 1.

Retailer	Scale	Positioning

Sociolla	~150 stores; leading omnichannel platform	Beauty specialist; strongest digital reach; acquired 54% by General Atlantic, Dec 2025
Guardian	367 stores (2025)	Health-and-beauty chain; dermocosmetics and science-led skin care
Watsons	~204–219 stores	Health-and-beauty chain; mass and masstige skin care, hair care, wellness
Dan+Dan	374 stores (2025)	Neighborhood chain; accessible pricing, mass-market
Sephora	25 locations	Prestige specialist; premium skin care, makeup, fragrance
BeautyHaul	28 stores, 21 cities	Trend-driven omnichannel; strong social-media connection

Table 1. Selected beauty retailers relevant to Swedish market entry. Store counts as publicly reported, 2025–2026.

4.4 Government and industry priorities

- Halal roadmap completion. The October 2026 deadline is the near-term regulatory priority for the entire industry; BPOM and BPJPH are both under pressure to complete system integration ahead of it.
- Local-content and manufacturing self-sufficiency. Policy consistently favors domestic production, reflected in BPOM's active promotion of locally sourced ingredients and rising compliance among SMEs — self-reported compliance rates rose from 73,11% in 2022 to 93,26% in 2024.
- Supply-chain resilience. Import dependence on raw materials is a recognized policy concern (see Section 8), and industry bodies including KNEKS have flagged that Indonesia's largest raw-material supplier countries are themselves non-Muslim nations, complicating halal traceability.
- Regulatory modernization. BPOM Regulation No. 18/2024 (labeling and advertising), No. 25/2025 (ingredient and registration revisions, effective October 2026), and No. 8/2026 (CPKB manufacturing practice) have each raised the compliance bar since late 2024.

Section sources: BPOM; BPJPH; Ministry of Trade; Ministry of Industry; KNEKS; in-cosmetics.com industry briefing (2026).

5. Opportunities for Swedish Companies

Indonesia's beauty and personal-care market is opening at a point where several trends reinforce one another, converging on segments where Swedish companies have credible strengths: product safety, ingredient traceability, and science-led formulation.

- Scale and growth. A market of SEK 54,4 billion growing toward SEK 80,9 billion by 2028, with skin care — the largest category — growing faster still (Section 3).
- A halal-compliance moment. The October 2026 deadline is forcing every company selling in Indonesia, domestic and foreign, to prove supply-chain traceability — a discipline Swedish quality and regulatory systems are well suited to support (Section 4.2).
- Upstream import dependence. Roughly 90% of cosmetic raw materials used in Indonesia are imported, and the government has flagged this as a structural vulnerability — a durable opening for Swedish and Nordic specialty-chemical and ingredient suppliers, not only finished-product brands (Section 8).
- A privileged halal route. SHC Sweden's BPJPH accreditation gives Swedish companies a shorter path to halal certification than most competitors — a genuine, exportable advantage (Section 4.2).
- A digitally native distribution system. E-commerce and social commerce are core, not supplementary, sales channels, lowering the practical barrier to reaching consumers once a company has a compliant local entity in place (Section 9).

5.1 Where the openings are

- Skin care and dermocosmetics. The largest and fastest-growing category, with strong demand for products addressing tropical-climate concerns — sun protection, humidity, sensitive skin — and a growing premium tier willing to pay for clinically substantiated claims.
- Ingredients and raw materials. Emulsifiers, surfactants, fatty alcohols, actives, and fragrance systems with documented, traceable origin are structurally scarce domestically; Swedish and Nordic specialty-chemical suppliers are well placed to fill this gap, particularly with halal-traceable supply chains.
- Halal-compliance and quality systems. Testing, certification support, supply-chain traceability software, and quality-assurance expertise are all in growing demand as the October 2026 deadline approaches.
- Men's grooming and gender-inclusive beauty. An emerging category with less-entrenched domestic competition than core skin care, and rising consumer awareness.
- Beauty technology. FOREO's presence through Sephora Indonesia demonstrates that Swedish beauty-technology products, not only formulated cosmetics, have traction in the market (Section 11).

5.2 Qualifying the opportunity

- Indonesia is not a single market. Conditions, retail infrastructure, and consumer spending power vary across 38 provinces; a strategy calibrated to Java will not automatically translate to the rest of the country.
- Local presence is effectively a precondition. Only an Indonesian legal entity — a PT PMA or an appointed local partner — can hold a BPOM notification; foreign brands cannot register directly (Section 10).
- Domestic competition is strong, not weak. Paragon Corp's Wardah and its sister brands compete on both price and halal credibility, and out-compete some multinationals in category e-commerce sales.
- Registration and certification both take time. BPOM notification typically runs four to nine months end to end, and halal certification requires a full supply-chain audit; plan launch timelines to clear both well ahead of the October 2026 deadline where relevant.

5.3 Investment flows

Investment activity in Indonesian beauty and personal care has picked up materially, spanning private equity, corporate venture capital, and direct manufacturing investment.

Transaction	Detail
General Atlantic — Sociolla	Acquired a 54% stake in Social Bella (Sociolla), announced December 2025; the company had raised approximately SEK 2,10 billion across prior rounds from Temasek, L Catterton, EV Growth, and others since 2015.
Unilever Ventures — Esqa and Luna Daily	Led Esqa's Series B (2024, following a 2022 Series A) and invested over SEK 26 million in intimate-care brand Luna Daily (2024) — direct corporate venture investment into Indonesian beauty start-ups.
L'Oréal — Jababeka plant	SEK 1,10 billion investment; opened 2012 as L'Oréal's largest factory in the world at the time; serves as the company's ASEAN production hub; L'Oréal has signaled commitment to establishing a halal-certified factory ahead of the 2026 deadline.
Paragon Corp	Family-owned; largest domestic cosmetics manufacturer; GMP and Halal Assurance System certified; over 11 000 employees (2025); no near-term IPO plans as of early 2025.

Table 2. Selected recent investment and manufacturing activity. Figures as publicly reported; some (e.g. Sociolla's precise valuation) are undisclosed.

Section sources: DealStreetAsia; Tracxn; PersonalCareInsights; L'Oréal Finance; Heaptalk; company disclosures.

6. Skin Care and Color Cosmetics

Skin care is the largest single category within Indonesian beauty and personal care, and the one where Swedish quality and ingredient-safety credentials are most directly relevant.

6.1 Market structure

Estimates of skin care's precise value vary by provider and scope — one estimate places the Indonesian skin care market at SEK 29,3 billion in 2025, forecast to reach SEK 44,2 billion by 2032 at a 6,1% CAGR; within the narrower Statista Beauty & Personal Care taxonomy, skin care similarly represents the largest single sub-category. What is consistent across sources is the ranking: skin care leads, followed by hair care, with color cosmetics and fragrance smaller but growing.

Facial care — cleansers, moisturizers, serums, and sunscreen — represents the largest portion of skin care spending, reflecting both a rising multi-step routine culture influenced by K-beauty and genuine climate-driven need for sun protection and humidity management.

6.2 Category breakdown

Growth rates differ meaningfully within the category. Skin care overall has grown at an estimated 10–13% annually in 2022–2025 (see Figure 2), while the premium and professional price tier — above roughly SEK 53 per unit for skin care — has grown faster still, at 12–15% annually, driven by ingredient education, K-beauty influence, and the rise of clinical-efficacy claims. Color cosmetics is smaller but shows strong new-product velocity: functional and beauty-enhancing claims accounted for the large majority of 2024 color-cosmetics launches tracked by Mintel's Global New Products Database.

Men's grooming and gender-inclusive positioning are an emerging growth layer across both skin care and color cosmetics, as brands extend existing lines with dedicated or gender-neutral formulations.

6.3 Pricing and channel dynamics

Approximately 60% of the market by volume remains price-sensitive and mass-market, trading toward value-tier products; this segment increasingly favors private-label and lower-priced domestic alternatives, compressing margins for mid-tier brands without local manufacturing scale. The premium tier is smaller but growing faster and is where imported and multinational products are most competitive, since price sensitivity is lower and ingredient or brand credentials carry more weight.

Import duties on cosmetics and skin-care products are generally cited around 10%, plus VAT of 11% (12% for luxury-goods categories); actual rates vary by HS code and product classification, and companies should confirm the applicable rate for their specific product before pricing.

6.4 Where foreign players fit

Domestic manufacturers, led by Paragon Corp, dominate mass-market skin care and color cosmetics on price and halal credibility; competing head-on in that segment is not a realistic entry strategy for most foreign brands. The more promising openings are:

- Premium and clinically substantiated skin care, where ingredient transparency and efficacy claims carry a price premium and domestic competition is thinner.
- Specialty actives and formulation ingredients, supplying both domestic and multinational manufacturers rather than competing with them on finished product.
- Sun care and climate-adapted formulations, an underpenetrated category relative to genuine need.
- Men's grooming and gender-inclusive lines, where domestic brand loyalty is less entrenched than in core women's skin care.

6.5 Policy direction

- Structural — halal as baseline. Policy and consumer expectation are converging on halal certification as a default requirement, not a differentiator, ahead of October 2026.
- Structural — input dependence. Despite strong finished-product manufacturing capacity, the sector depends on imported raw materials, leaving a durable upstream opening (Section 8).
- Short-term — testing and compliance rigor. BPOM's 2026 regulatory updates (Section 4.4) have raised documentation and testing requirements across microbial limits, heavy metals, and ingredient stability.

Section sources: Business-Indonesia (Inkwood Research); Statista; IndexBox; Mintel; Ken Research; BPOM.

7. Hair Care, Fragrance, and Personal Care

7.1 Market size and trajectory

Hair care is Indonesia's second-largest beauty and personal-care category, structurally different from skin care in being volume-led rather than premium-led: shampoo and basic conditioning products drive most sales, and growth has run at an estimated 6–8% annually in 2022–2025 — roughly half the pace of skin care. Fragrance, by contrast, remains a comparatively weak-performing category by both value and volume relative to peer Asian markets such as Thailand and South Korea, with many Indonesian consumers substituting indirectly with scented personal-care products rather than standalone fragrance.

7.2 Import dependence as the opportunity

Unlike finished skin care, where domestic brands are strong, hair care and personal-care hygiene products show a more mixed competitive picture, with multinational brands (Unilever's Sunsilk, Clear, TRESemmé, Dove; P&G's Pantene) holding significant share alongside domestic players. This is a category where Swedish personal-care and hair-care brands can compete more directly on brand and formulation credentials, rather than needing to displace an entrenched halal-led domestic incumbent.

7.3 Segment detail

- Hair care. Shampoos, conditioners, treatments, and styling products; mass-market volume leader, with a smaller but growing premium and salon-professional tier.
- Fragrance. A comparatively underdeveloped category by regional standards, but one where distributors such as C&F specialize and where premium and niche positioning has room to grow, aided by social-media-driven micro-trends.
- Body and bath care. Body lotions, washes, and sunscreen — a natural extension of the skin care growth story, particularly for climate-adapted and sun-protective formulations.
- Oral care. A stable, large-volume category dominated by established multinational and domestic brands; a harder category for new entrants absent a clear differentiation.
- Men's grooming. The fastest-growing personal-care sub-segment, led domestically by Kahf (Paragon Corp) but still open to international entrants building credible male-focused ranges.

7.4 Regulation

Hair care, fragrance, and personal-care hygiene products fall under the same BPOM notification and halal-certification requirements as skin care and color cosmetics (Section 10); there is no separate, lighter-touch regime for these categories. Household and industrial-strength hygiene products (detergents, surface cleaners) sit outside the scope of this report.

7.5 Local content and manufacturing

As in skin care, domestic manufacturing capacity in hair care and personal care is substantial, but leans on imported raw materials and packaging components. Companies planning local manufacturing or contract-manufacturing partnerships should expect the same GMP (CPKB) and halal-traceability requirements described in Sections 4.2 and 10.

Section sources: Statista; IndexBox; Ken Research; marketresearch.com category summaries; company brand portfolios.

8. Ingredients and Raw Materials

The upstream ingredient supply chain is where Indonesia's cosmetics industry is most structurally exposed — and where Swedish and Nordic specialty-chemical suppliers have the clearest, most durable opening.

8.1 Import dependency

An estimated 90% of the raw materials used in cosmetics manufactured or sold in Indonesia are imported, according to industry figures cited by BPOM-adjacent bodies and repeated consistently across trade sources. This dependency sits awkwardly alongside a domestic manufacturing base that is, on paper, self-sufficient in finished-product terms: Indonesia has more than 1 600 registered cosmetics manufacturers, yet the great majority source glycerin, emulsifiers, surfactants, fatty alcohols, actives, and fragrance systems from abroad.

The dependency is not evenly distributed. As one illustrative example, an estimated 70–80% of cosmetic-grade mica used in Indonesia is imported, primarily from India and China *[narrower industry estimate; illustrative rather than economy-wide]*, underscoring that raw-material sourcing constraints run through specific ingredient categories, not only aggregate volume.

8.2 The halal traceability challenge

KNEKS (the National Committee for Sharia Economy and Finance) has flagged a specific structural risk: Indonesia's top five raw-material supplier countries are themselves non-Muslim nations, including China, South Korea, and France. Current traceability standards in these markets do not always align with LPPOM MUI or BPJPH documentation requirements, creating a genuine risk of supply-chain disqualification — or of ingredient suppliers being unable to support their Indonesian customers' halal certification at all.

This is precisely the gap a BPJPH-accredited Swedish supplier, certified through SHC Sweden, is positioned to fill: an ingredient or raw-material supply chain that can demonstrate halal traceability from the point of Swedish or Nordic origin removes a documented compliance risk for Indonesian manufacturers racing to meet the October 2026 deadline.

8.3 Local sourcing and quality standards

BPOM has actively promoted the use of locally sourced ingredients, and Indonesia's natural-ingredient base — the country is home to a significant share of the world's essential-oil plant species — supports a genuine domestic natural-ingredients export industry running in parallel to the import-dependent conventional supply chain. This does not remove the opening for Swedish suppliers of specialty, high-purity, or halal-traceable ingredients, but it does mean natural and botanical positioning alone is not a differentiator in a market where domestic natural-ingredient sourcing is already well established.

Section sources: in-cosmetics.com / Infinisia (2026); incorp.asia; IndexBox; KNEKS; BPOM public statements.

9. Digital and Retail Channels

9.1 E-commerce platforms

Online retail is the largest single distribution channel for beauty and personal care in Indonesia by most measures, and is forecast to reach 19,9% of total Beauty & Personal Care revenue by 2026. Shopee and TikTok Shop are the two dominant marketplace platforms for the category: one estimate for the second quarter of 2026 placed Shopee at approximately 64% and TikTok Shop at approximately 34% of Indonesian beauty and personal-care marketplace sales, with Lazada, Tokopedia, and Blibli occupying smaller remaining shares.

9.2 Social commerce and livestream selling

TikTok Shop in particular is described in industry commentary as a discovery and conversion engine rather than a passive marketplace — livestream selling, creator partnerships, and short-form video content drive a meaningful share of new-brand trial. For a Swedish entrant without pre-existing brand recognition in Indonesia, a credible creator and livestream strategy is close to a precondition for online traction, not an optional add-on.

9.3 Physical retail networks

Despite the strength of online channels, physical retail remains commercially important because consumers want to test shade, texture, and product suitability before buying: Sociolla reports that 68% of its omnichannel customers prefer visiting physical stores to test products before purchasing. Trade-show and exhibition activity has also expanded materially: Jakarta X Beauty 2026 drew roughly 400 brands (70% local) and targeted 120 000 visitors over four days; Cosmobeauté Indonesia (October 2026) is adding a dedicated Halal Pavilion for the first time and continues to expand its supply-chain exhibition area covering packaging, OEM/ODM, machinery, and ingredient and formulation sectors — directly relevant for Swedish ingredient and equipment suppliers, not only finished-brand exporters.

9.4 Opportunities for Swedish companies

- Omnichannel retail partnership. Combining a marketplace presence (Shopee, TikTok Shop) with a physical footprint through a beauty specialist such as Sociolla or Guardian mirrors how successful entrants, domestic and foreign, have built trust and trial.
- Trade-show and B2B channels. Cosmobeauté Indonesia's supply-chain exhibition area is a direct route for Swedish ingredient, formulation, and equipment suppliers to reach Indonesian manufacturers, distinct from the consumer-facing brand shows.
- Creator and livestream partnerships. A necessary complement to any retail listing, particularly for skin care and color cosmetics launches targeting younger, digitally native consumers.

Section sources: Statista; Magpie market analysis; Sociolla company disclosures; Cosmoprof / Cosmobeauté Indonesia exhibitor materials.

10. Regulatory and Market Access Essentials

10.1 Product registration

All cosmetics require BPOM notification through the Notifkos digital portal before sale. Only an Indonesian legal entity — a PT PMA or an appointed local partner — can hold a notification; foreign brands cannot register directly from overseas. Review takes approximately 14 working days once a complete application is submitted (three days for perfumes), but total process time, including entity setup and documentation, typically runs four to nine months. Notification is valid for three years, and a product name can be held by only one company at a time, so the choice of local partner carries multi-year consequences.

Imported cosmetics also require import certificates issued by BPOM: an SKI Post Border certificate for cosmetic ingredients, obtained before or within seven days of goods clearing customs, and an SKI Border certificate for finished cosmetic products, required prior to release from the customs area. Since January 2026, BPOM has standardized the testing parameters and Certificate of Analysis requirements underpinning SKI Border applications (BPOM Decree No. 627/2025), with heightened scrutiny on microbial limits, heavy metals, and ingredient stability under tropical storage conditions.

10.2 Halal certification

Halal certification runs on a separate track from BPOM notification, administered by BPJPH, and becomes mandatory for cosmetics from 17 October 2026. The process requires a full supply-chain audit — raw materials, manufacturing, packaging, storage, and logistics — and a foreign halal certificate is only accepted if issued by a certification body BPJPH formally recognizes through a Mutual Recognition Agreement. SHC Sweden holds this recognition, giving Swedish companies a certification path that does not require a separate Indonesia-based audit process. Companies relying on non-recognized foreign certifiers should expect to complete certification through Indonesia's domestic route instead.

10.3 Trade framework

Cosmetics imports were simplified under Ministry of Trade Regulation No. 16/2025 (further updated by Regulation No. 22/2025): cosmetics now require a Surveyor Report at the border rather than a full import license with technical ministry sign-off. Import duties on cosmetics and skin care are generally cited around 10%, with VAT at 11% (12% for goods classified as luxury); companies should confirm the applicable rate for their specific HS code, as reported duty figures vary by source and product classification.

The Indonesia–EU Comprehensive Economic Partnership Agreement (CEPA) was concluded in 2025, with implementation targeted for 2027; it is expected to remove tariffs on 98,5% of

Indonesian tariff lines once in force. Current trade should not assume preferential tariffs ahead of implementation. Indonesia's ASEAN Economic Community membership additionally means cosmetics meeting the ASEAN Cosmetic Directive can, in principle, move more easily within the regional bloc — relevant for companies planning an Indonesia-first Southeast Asian expansion.

Section sources: BPOM; BPJPH; Ministry of Trade; ChemLinked Indonesia Cosmetic Regulation; European Commission (CEPA).

11. Market Entry Pathways

11.1 Distributor versus local establishment

Because only an Indonesian legal entity can hold a BPOM notification, every foreign brand faces the same initial choice: appoint a local distributor or importer to hold the notification on the brand's behalf, or establish a PT PMA (foreign-investment company) and hold it directly. A distributor route is faster to market and lower-cost up front, but concentrates commercial control — including pricing, retailer relationships, and renewal decisions — with the local partner. A PT PMA offers direct control but requires a larger upfront investment in entity setup, compliance infrastructure, and local staffing.

Because a product notification can be held by only one company at a time, the choice of distributor is not easily reversible: switching distributors generally means re-registering the product, with the delay and cost that implies. Reference checks and a clear contractual exit path are standard practice before signing.

11.2 Local manufacturing and partnership

Local manufacturing or contract-manufacturing partnerships offer a route to both faster market access and stronger positioning on local-content and halal-traceability requirements, since domestically manufactured products can more directly demonstrate supply-chain compliance to BPJPH auditors. This mirrors the pattern seen in other regulated Indonesian sectors: the right local partnership for manufacturing, licensing, or technology transfer is often a practical precondition for durable market access rather than merely one option among several.

11.3 Swedish precedent

Oriflame has operated in Indonesia for nearly 40 years, making it the most established Swedish presence in the market. Its products carry BPJPH halal certification across 22 certificates spanning manufacturing and logistics, at Grade A status, and the company won the Top Halal Award for perfume for a third consecutive year in 2025 — the clearest existing case study of a Swedish beauty brand adapting fully to Indonesia's halal requirements, built on a direct-selling model rather than retail distribution.

FOREO is present through Sephora Indonesia, illustrating a different entry model: retail distribution through an established prestige partner rather than direct selling, and evidence that Swedish beauty technology, not only formulated cosmetics, has genuine traction in the market.

Between them, Oriflame and FOREO demonstrate that both direct-selling and retail-distribution models can succeed for Swedish brands, depending on product category and target consumer segment.

11.4 Practical pitfalls

- Underestimating registration timelines, which results in launch dates set before BPOM notification or halal certification is realistically achievable — particularly for companies targeting an October 2026 halal-compliant launch without having started the process well in advance.
- Choosing a distributor primarily on initial terms rather than long-term fit, which is costly to reverse given that product notifications cannot be transferred without re-registration.
- Assuming natural or Scandinavian-origin positioning is sufficient differentiation, when domestic natural-ingredient sourcing and halal-led domestic brands already occupy much of that positioning space (Section 8.3).
- Treating Jakarta and Java as representative of the whole country, when retail infrastructure, spending power, and logistics vary substantially across Indonesia's 38 provinces (Section 3.4).
- Underinvesting in social commerce and creator partnerships, which function as a precondition for online traction in this market rather than a supplementary marketing channel (Section 9.2).

Section sources: ANTARA News; Oriflame Indonesia; Sephora Indonesia; SwedCham member experience.

Sources and disclosure

Market-size and category figures: Euromonitor data reported by JETRO; Statista; Ken Research; IndexBox; Mintel; Inkwood Research (via Business-Indonesia). Demographic and macroeconomic data: BPS; World Bank. Regulatory and halal-certification detail: BPOM; BPJPH; Ministry of Trade; Ministry of Industry; ChemLinked. Investment and company detail: DealStreetAsia; Tracxn; L'Oréal Finance; PersonalCareInsights; Heaptalk; company disclosures. Per-section sources are noted at the foot of each section. Estimates drawn from commercial market-research providers vary by scope and methodology; figures are presented as reported, with ranges noted where sources conflict.

Currency conversion. All monetary figures in this report are given in SEK. Conversions use indicative mid-market rates as of 18 August 2026: SEK 9,53 per USD; SEK 11,02 per EUR; SEK 13,00 per GBP; and SEK 1,00 per approximately IDR 1 875 (derived cross-rate). Exchange rates fluctuate; figures should be treated as indicative rather than exact. Original-currency figures are available from the cited sources.

Attribution

This market overview was developed by the Sweden Chamber of Commerce Indonesia.

It is intended as a general orientation, not as legal or regulatory advice. Regulations, standards and the mandatory list change over time; companies should verify the requirements applicable to their own products before relying on them for market-entry decisions.

SwedCham Indonesia

The Swedish Chamber of Commerce Indonesia is a member-driven, non-profit organization strengthening business, trade and professional relations between Sweden and Indonesia. SwedCham serves as a connector for Swedish companies operating in or entering the Indonesian market — linking members to relevant networks, insights and partners across sectors.

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Appendix A — Key Retailers and Distribution Partners

A reference listing of Indonesia's principal beauty and personal-care retail channels, organized by format.

Beauty specialists and health-and-beauty chains

Retailer	Scale	Notes
Sociolla	~150 stores	Leading beauty-specialist platform; e-commerce, physical stores, SOCO review platform, Beauty Journal media
Guardian	367 stores	Nationwide chain; newer flagships add dermocosmetics and skin consultations
Watsons	~204–219 stores	Physical stores, own website, and marketplace shops
Dan+Dan	374 stores	Operated by PT Sumber Indah Lestari within the Alfamart group
BeautyHaul	28 stores, 21 cities	Carries 200+ Indonesian, Korean, and international brands
Boots Indonesia	~30+ locations	Operated within the MAP retail group; relevant for imported European brands

Prestige and department-store beauty

Retailer	Scale	Notes
Sephora Indonesia	25 locations	Principal prestige beauty specialist; major urban malls; operated within MAP
SOGO Indonesia	17 stores, 8 cities	Prestige skincare and fragrance counters

SEIBU / Galeries Lafayette	Jakarta only	Highly selective premium locations, operated by MAP
Matahari	140+ stores, ~80 cities	Broad geographic reach; mass and middle-income beauty counters

Fragrance and specialist distribution

- C&F Store / C&F Perfumery — 150+ retail doors nationwide; distributes a number of international fragrance, skincare, makeup, and hair-care brands.

Online marketplaces

- Shopee — largest marketplace channel for beauty and personal care; price-, promotion-, and review-driven.
- TikTok Shop (via Tokopedia) — influential for beauty discovery, creator content, and livestream selling.
- Lazada, Tokopedia, and Blibli — smaller shares; relevant primarily through official brand stores.

Appendix sources: Company disclosures and store locators (Sociolla, Guardian, Watsons, Sephora, SOGO, Matahari, C&F, BeautyHaul, Boots Indonesia); DFI Retail Nusantara annual report; Magpie market analysis. Store counts as publicly reported, 2025–2026, and subject to change.