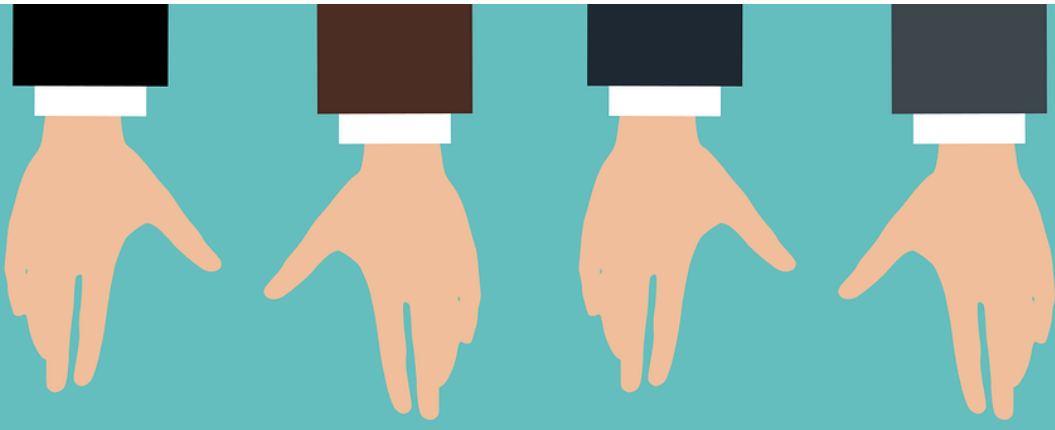




OPPORTUNITY

CACCI

PRODUCT & SERVICE COUNCIL NEWSLETTER

Voice of Business



Confederation of Asia-Pacific Chambers of
Commerce and Industry
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Driving Economic Integration Across Asia-Pacific: A Conversation with Atif Ikram Sheikh

— Vice President
CACCI & President
FPCCI

Q. Tell us about yourself and your experience working with international organizations. How long have you been associated with them?



President of FPCCI

As an entrepreneur, I started my career in a family business in 2000 and am currently leading Mujahid Group of Industries as chief executive, which operates in the fields of oil, ghee, construction, real estate, steel, etc. As a leader, I am serving as the president of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI - an apex trade body representing the private sector).

Internationally, I am serving as the president of the ECO Chamber of Commerce and Industry (an alliance of 10 countries) and vice president of the Confederation of Asia Pacific Chamber of Commerce and Industry (an alliance of 27 countries). I am also a member

of the board of directors of the Islamic Chamber of Commerce and Development, D-8 Chamber of Commerce and Industry, the Shanghai Cooperation Organization Business Council and the OIC Accreditation Council.

Previously, I have served as the president of Islamabad Chamber of Commerce & Industry, Haripur Chamber of Commerce and Industry, and chairman of Pakistan Vanaspati Ghee Manufacturers Association.

Being a policy advocate, I am a member of the board of administrators for the Export Development Fund (EDF), the Economic Advisory Board of the Ministry of Finance, the

board of directors of Pakistan Steel Mills Corporation, and the advisory council of Pakistan Standard & Quality Control Authority, among others.

In recognition of my services, several awards and honors have been conferred by the President and Prime Minister of Pakistan. Being a leading group, my industry has received various export awards and achievement awards from FPCCI and other organizations. I am also a philanthropist and trustee of various organizations.

Q 2 How would you assess the current economic outlook of the Asia-Pacific region? What role can CACCI play in enhancing economic relations among member countries?

The Asia-Pacific region comprises a diverse group of countries encompassing highly industrialized countries, least developed countries, landlocked developing countries, and small islands that are at different stages of development. The region's GDP is twice that of America, three times that of Europe, and eight times that of the Africa. Over the past two decades, economic growth in the region has ranged between 6% and 8% driven by industrialization and international trade. According to projections from the Asian Development Bank and the International Monetary Fund, the region's economic growth will be moderate and will stand in between 5.0% to 6.0% on average in 2025 and 2026.

Current geopolitical tensions in the Middle East and global financial crisis will least impact on this region, as Asia-Pacific economies have remained vibrant compared to other parts of the world. The region contributes around 60% of global GDP and relies heavily on intra-regional trade.



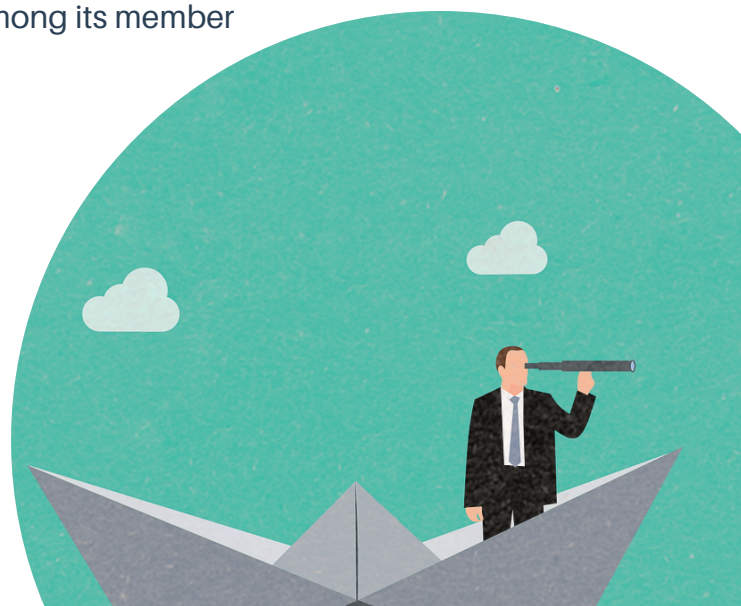
Thanks to abundant opportunities, favorable policies, and the low cost of doing business, the region attracts huge FDI from Europe and America. In addition to agriculture and industry, the tourism and hospitality sectors also contribute significantly in different countries.

Overall, the Asia-Pacific region is expected to lead global growth in the coming years, driven by technological advancement, structural transformation, innovation, high-tech industries, regional connectivity, energy transition, skilled human resources, and tourism potential. Instead of relying on other region, countries within the Asia-Pacific should enhance trade and economic relations within the region.

As a representative body of the private sector, CACCI plays a vital role in the economic development of the Asia-Pacific region by fostering trade, investment, and industrial cooperation among its member countries.

As a platform of chambers of commerce and industry of 27 countries, CACCI aims to reduce trade barriers, promote business linkages, and enhance regional economic integration—ultimately contributing to sustainable growth and prosperity in the region.

CACCI is a good platform for facilitating and promoting trade across the Asia-Pacific region. It should continue to actively serve as a trade bridge between low-income and developed economies in the region by organizing commercial activities, facilitating collaboration and dialogue among members, hosting business networking sessions, arranging trade delegations, and promoting the exchange of information. I have been associated with this organization for the last 14 years.

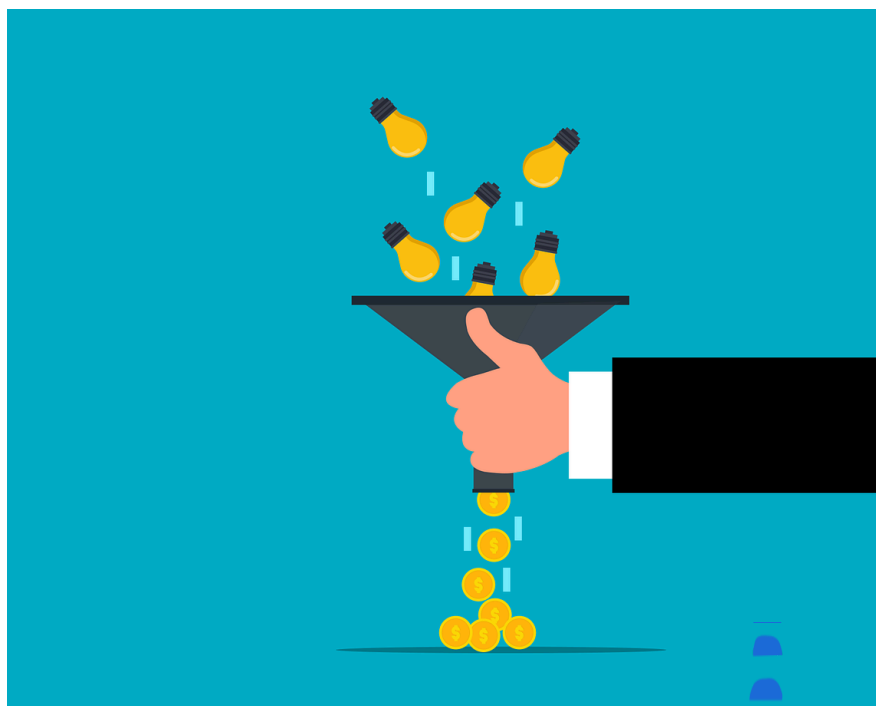


Q 3 How does the business community perceive the future of Asia-Pacific countries in the coming decades?

The business community of the Asia-Pacific region is very much optimistic about the future of its countries as newly industrialized, emerging, export-oriented, and fastest-growing economies are in this region. These economies are diverse in nature and play a crucial role in structural transformation and export and manufacturing led growth.

The region receives significant FDI in technology-driven industries, attracting 40% to 45% of global FDI, which has contributed significantly to its economic development. Cottage industries and SME sector also contributes significantly in countries like Singapore, Japan, Korea, Malaysia, Vietnam, Hong Kong etc. for economic growth and employment generation.

There is deeper economic integration among Asia-Pacific countries, as they are highly interdependent in terms of trade, investment, and the movement of capital and labor. Green industries, e-commerce, digitalization, fintech, high-tech industries, and digital assets etc. are main drivers of economic growth in the region.



Moreover, clean and renewable energy, agro-based industries, and service-oriented industries etc. has also scope because of technological advancement, a large consumer base, and the region's export-oriented economies.

The government of the Asia-Pacific countries are also very supportive of creating a business-friendly environment to attract foreign investment and encourage regional investment. The advanced economies of the region should help the small and low-income economies of the region in their growth and development.



Q How can Asia-Pacific countries enhance trade relations with other regions, such as the European Union and the Americas?

4 Asia-Pacific countries have strong and significant trade relations with the European Union (EU) and the Americas region. According to the World Trade Map, the contribution of Asia-Pacific to EU trade is around 50%, and to the Americas, it is 60%. It is expected that after the imposition of tariffs by the U.S. on a reciprocal basis, exports from many Asian countries will be affected and may decline in the coming years.

The EU and U.S. have bilateral trade agreements with many Asian and Pacific countries that are playing a crucial role in facilitating trade, reducing barriers, and promoting economic integration. Textile, leather, machinery, automobiles, pharmaceutical goods, surgical items, mineral fuels, electronics goods, and agriculture products are the main exports from Asia-Pacific countries to European Countries and the Americas.

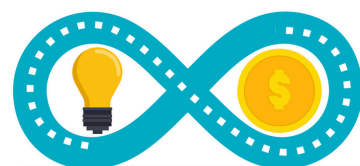
Q What role do trade policies and agreements play in promoting trade within Asia-Pacific countries?

5 Trade agreements and trade policies play a crucial role in fostering economic integration, reducing trade costs, removing of trade barriers, improving competition, and ultimately enhancing trade and investment among countries. Within the region, there are several trade agreements, such as the Asia-Pacific Trade Agreement, the Regional Comprehensive Economic Partnership among ASEAN countries, the Trans-Pacific Partnership, the Pacific Island Countries Trade Agreement, the Indo-Indo-Pacific Economic Framework. These range from free trade agreements to regional economic partnerships.

These agreements facilitate trade through tariff reduction, increased flow of goods and services, simplification of customs procedures, removal of bottlenecks, and boosting economic growth and development among member countries. In addition, trade agreements also facilitate investment, which

Small and underdeveloped economies of the Asia-Pacific region also enjoy different trade accords and preferential statuses with the EU and the U.S., such as Everything But Arms (EBA), Least Developed Countries (LDC) status, Generalised Scheme of Preference (GSP), and GSP+. However, these countries are facing supply chain, economy of scale and productivity related issues.

At present, there is need for multilateral trade negotiations between the Asia-Pacific and the EU and Americas to facilitate broader trade cooperation and promote economic integration. Moreover, trade promotion activities are also the need of the hour, including exchanges of delegations, participation in commercial activities, and the exchange of market information.



contributes to technology transfers, competition, innovation, diversification, and employment generation.

According to the World Trade Organization, the contribution of the Asia-Pacific region accounts for around 60% of the global total of preferential free trade agreements. In addition to multilateral trade agreements, bilateral trade agreements within the Asia-Pacific region are also very common and play a key role in enhancing trade both within and beyond the region. These agreements contribute to almost 55% of intra-regional trade among member countries.

Overall, trade agreements among regional countries are the need of the hour for driving trade and investment flows, facilitating cost efficiencies, and diversifying supply chains, including the use of specialized expertise and resources. They also permit countries to

exhibit advanced technological capabilities, allowing businesses to access cutting-edge innovations and specialized production techniques.

We should work to ensure that the Asia-Pacific remains the world's most dynamic and interconnected regional economy and continue working together to deliver a free, open, fair, non-discriminatory, transparent and predictable trade and investment environment.

Q **6** **As one of Pakistan's leading business figures, how do you view the current state of intra-regional trade and investment within the Asia-Pacific?**

At present, some major economies are moving toward trading more with geopolitically closer partners, while others continue to deepen their international trade networks—both geographically and across the geopolitical spectrum. Asia-Pacific is now the world's second-most integrated trade region, after the EU. Intra-regional trade in the Asia-Pacific is more significant than in other regions, accounting for more than 50%. Similarly, Australia has increased its trade with Asian countries to 50%.

The Asia-Pacific region has undergone a major transformation—from being solely the world's production hub to becoming an important center for consumer demand. With remarkable and constantly evolving networks in trade, investment, and innovation, Asia has progressively positioned itself at the center of the global economy, driven by the rapid growth of manufacturing supply chains across borders.

Asia-Pacific comprises a diverse range of countries that are at different stages of development, indicating a growing trend of regional integration. Trade agreements and supply chains are becoming increasingly interconnected. The major trade routes in the region include the Maritime Silk Road, intra-Asia route, the Strait of Malacca, the Southeast Asia trade bloc, Pacific blocs, and the South



Asian trade blocs. Intra-Asian trade within these regions has surpassed trade with the EU and U.S. markets, indicating the strength and resilience of intra-Asian trade despite economic uncertainty and market turbulence.

There are strong ties among member countries, which have contributed significantly to enhancing intra-regional trade. Over the past decades, Asia-Pacific economies have continued their global presence primarily through investment in renewable energy, natural resources, and information technology.

Pakistan is located at a critical geostrategic position in South Asia and can connect South Asian countries with landlocked Central Asian countries. With a population of 2 billion, South Asia is becoming an economic powerhouse, and the formation of regional economic blocs has become a crucial route for economic growth. Moreover, Pakistan's participation in massive bilateral projects like China-Pakistan Economic Corridor (CPEC) further enhances its position as a key trade hub in the region. For Pakistan, the benefits of trade within Asia-Pacific include access to large Asian market, a diversified supply chain, and an expanded customer base.

Q7

What is your assessment of the business environment in Pakistan? What advice would you give to international investors regarding investment opportunities and the business climate in the country?

Pakistan is an emerging economy situated in South Asia, serving as a gateway to the energy-rich Central Asian states, the financially liquid Gulf states, and the economically advanced Far Eastern tigers. The conducive business environment in Pakistan offers huge investment opportunities in sectors such as corporate farming, leather, mining and quarrying, automobiles, tourism and hospitality, food processing, logistics, housing, construction, renewable energy, information technology etc.

Pakistan's investment policy promotes a investor-friendly environment, by providing a level playing field, focusing on offering incentives, opening up the economy, and marketing its potential for foreign direct investment. Up to 100% foreign ownership and equity is allowed in all sectors, as the country has a market-oriented economy with a rapidly growing private sector. The high rate of return and low cost of doing business continue to attract foreign investors.

The Foreign Private Investment Promotion and Protection Act of 1976 and the Protection of Economic Reforms Act of 1992 provide legal protection for foreign investment. Special Economic Zones (SEZs), particularly those under the China-Pakistan Economic Corridor (CPEC), offer incentives such as customs exemptions and tax holidays. Additionally, initiatives like the Special Investment Facilitation Council (SIFC) offer streamlined support and one-window services to ease market entry and business operations.

Overall, the macroeconomic environment in Pakistan is favorable for new investors, as all sectors of the economy are growing—reflecting an improving business climate. Pakistan's exports are rising, and inflation is



under control, both indicators of business stability and opportunity. Moreover, Pakistan's imports are currently twice its exports, demonstrating the country's interest in attracting new investments in both export-oriented and import-substitution industries.

From the platform of FPCCI and CACCI, I would like to invite all countries and business leaders to visit Pakistan and get first-hand information about the business opportunities available.

Q 8 What key policy recommendations would you propose to accelerate economic development in the Asia-Pacific region, particularly in Pakistan?

The Asia-Pacific is a region of emerging and developing economies, where inclusive and sustainable growth is the need of the hour. In this context, promoting inclusive and green growth, enhancing trade and investment integration, building resilient economies, reforming financial institutions, and structural transformation should be the main agenda for economic growth and development in the Asia-Pacific region.

Moreover, many Asian countries are facing similar challenges—such as climate change, lack of innovation, food insecurity, weak human capital, inadequate infrastructure, etc.—that need to be addressed collectively to achieve the Sustainable Development Goals.

Pakistan should also strengthen its trade and economic relations with Asia-Pacific countries, which would be mutually beneficial and could lead to significant economic and strategic advantages for both sides in terms of trade and investment. At present, Pakistan has trade pacts with Iran, Sri Lanka, China, Indonesia, and Malaysia.

While some of these agreements are favorable for Pakistan, others are less advantageous. Pakistan needs to revisit these pacts and develop broader strategic partnerships with Asia-Pacific countries, particularly given its geographic advantage as a connector between Asia and Europe.

Moreover, we should bring together the business communities of Pakistan and other Asian countries by organizing commercial activities aimed at enhancing trade and economic relations.



Greening Growth: Accelerating Sustainable Manufacturing Across Asia-Pacific – A Blueprint Anchored by the Five-Point Regional Action Plan



Clara Kwan

Secretary-General of Asia Pacific Green Alliance (APGA)
| Chief Sustainability Officer of Singapore Manufacturing Federation (SMF)

Asia-Pacific commands nearly 50% of global manufacturing output, with the sector valued at an estimated US\$31.16 trillion in 2025. This dominant industrial role positions the region at a pivotal crossroads: its manufacturing path will crucially determine not only economic prosperity but also regional and global climate outcomes. Today, Asia-Pacific industries are responsible for about 60% of global industrial greenhouse gas emissions and urgent transformative action is necessary to decarbonize manufacturing while maintaining growth.

Compounding the imperative, climate change threatens physical assets and disrupts supply chains through rising sea levels, extreme weather and resource scarcity. Meanwhile, emerging trade regulations such as the EU's Carbon Border Adjustment Mechanism (CBAM), are imposing carbon-based tariffs that raise costs and limit market access for high-carbon goods, intensifying pressures for sustainability. In this high-stakes context, the challenge – and opportunity – is to embed environmentally responsible manufacturing as the core driver of competitiveness and resilience.

The Five-Point Regional Action Plan: Strategic Pillars for Asia-Pacific's Sustainable Industrial Transformation

To unlock sustainable manufacturing growth across Asia-Pacific at scale, this article sets out a proposed Five-Point Regional Action Plan – focused on actionable, collaborative mechanisms and leveraging the networks of multipliers such as Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) and Asia Pacific Green Alliance (APGA):

1. Green Trade Corridors: Enabling Preferential Market Access for Low-Carbon Goods

Green Trade Corridors entail designated trade routes, preferential tariffs and expedited customs processing for products verified as low emission through credible certification. The model leverages regional trade agreements, including the Regional Comprehensive Economic Partnership (RCEP) (a free trade agreement among 15 Asia-Pacific nations) and harmonizes environmental compliance to lower friction in green product movement.

Economic modelling suggests such corridors can reduce export costs by 10-15%, significantly enhancing the competitiveness of certified goods in intra-Asia-Pacific and global markets.

Singapore's leadership – its green finance hub status and APGA's emerging eco-marketplace, alongside supply chain pilots linking Australia's green aluminium, Indonesia's nickel and manufacturing clusters in Malaysia, Thailand and Vietnam – illustrate potential for scalable green supply chains.

Green Trade Corridors also facilitate carbon footprint transparency and enable real-time tracking through digital tools, maintaining standards and minimizing greenwashing risk, a critical requirement to maintain market trust.



2. Mutual Recognition of Green Certifications: Reducing Compliance Burdens for SMEs

SMEs dominate Asia-Pacific's manufacturing landscape, comprising over 90% of enterprises. Yet they face significant costs navigating disparate sustainability standards – the duplication of certification can add 40-60% to operational expenses and delay exports, dampening incentives for green investment.

To address this, mutual recognition frameworks are needed: sustainability certifications accepted in one economy should be honoured across others, so a 'single certification' unlocks multiple markets. Here, CACCI's network across 27 member economies could be leveraged to harmonize ESG reporting standards and foster regional trust in robust certifications.

Digital tools such as blockchain and digital, product passports can further ensure compliance integrity, reduce fraud and minimize administrative duplication.

3. Joint Green R&D Consortia: Catalyzing Collaboration for Scalable Innovation

Asian-Pacific industrial decarbonization demands innovation: energy-efficient manufacturing, circular process design, carbon capture and digital optimization.

Regional Joint Green R&D Consortia can unite manufacturers, research institutions (such as Singapore's A*STAR), leading universities like Tsinghua University, governments and financiers to share expertise, pool resources and accelerate technology transfer. Such consortia reduce duplication, spread costs and ensure innovations are tailored to diverse production conditions and markets across Asia-Pacific.

Priority areas for research include advanced materials to replace carbon-intensive inputs, digital twins for real-time sustainability management, recycling technologies and scalable clean energy solutions. Cost-sharing and intellectual property arrangements within consortia can facilitate SME inclusion, alleviating their typical resource constraints.



4. Blended Finance for SMEs: Unlocking Capital for Green Investment

Greener manufacturing yields long-term savings, but high upfront investment is a barrier, especially for SMEs. Blended finance mechanisms – combining public,

philanthropic and private capital through guarantees, concessional rates and first-loss provisions – de-risk investment and bridge the financing gap.

Modelling estimates that catalyzing green investments among Asia-Pacific SMEs could create up to 13.7 million green jobs by 2050 and expand financial inclusion in the green economy. Coordinated financing standards and eligibility can ensure fair allocation and facilitate cross-border investment.

This approach bridges the financing gap, making adoption of energy-efficient equipment, cleaner processes and certification procedures accessible to the vast SME cohort critical for regional industrial competitiveness.

5. Sustainability Capacity-Building at Scale: Empowering Industry through Knowledge Multiplication

Closing skills gaps in green technology implementation, environmental compliance and sustainable management is essential to accelerated adoption.

Empowering institutions such as CACCI, APGA and national chambers of commerce as knowledge multipliers enables scalable training, technical support and peer-to-peer learning tailored to local contexts. Models like Chief Sustainability Officer as a Service (CSOaaS), spearheaded by the Singapore Manufacturing Federation (SMF), offers corporates, particularly SMEs and mid-sized manufacturers access to expert sustainability consultancy on demand, speeding adoption and building local expertise, making sustainability actionable without heavy overheads.

Digital learning platforms and train-the-trainer programs can rapidly disseminate best practices, regulatory updates and technology know-how, ensuring readiness to implement green initiatives across broad industrial landscapes and further amplify regional reach.

Multiplying Impact Through Regional Mechanisms: CACCI and APGA in the Ecosystem of Change

Implementing the Five-Point Plan requires robust regional multipliers capable of convening stakeholders, harmonizing standards and operationalizing initiatives.

CACCI unites chambers from 27 economies, representing nearly 3 billion people and over US\$19 trillion in GDP. CACCI champions harmonized ESG reporting, sustainable trade and industrial capacity-building. Leveraging CACCI's business and policy network can drive mutual certification recognition and widespread capability development.

APGA, formed in 2024, specializes in harmonizing sustainability standards, developing region-wide certification marks and managing an eco-marketplace. APGA's initiatives – cross-border green certification pilots and joint R&D dissemination – make it a key catalyst for scaling green corridors and innovation.

These efforts are embedded within a wider ecosystem, including APEC Business Advisory Council (ABAC), ASEAN-BAC and EABC, which facilitate high-level dialogue, policy coordination and investment flows. However, business-facing entities like CACCI and APGA are positioned to operationalize practical industry change at scale.

Industrial Sectors and National Pathways: Diverse Routes to Greening Manufacturing

Singapore: From Carbon Tax Pioneer to Green Manufacturing Hub

Manufacturing accounts for 20.4% of Singapore's GDP. Despite the rigorous carbon tax – S\$25/tonne in 2024, rising to S\$50-80 by 2030 – the sector achieved 8.0% output growth year-on-year in June 2025.

Singapore's electronics sector comprises 47.8% of manufacturing output with energy intensity among the lowest globally at approximately 285 kWh per US\$1,000 output. Biomedical manufacturing makes up 18.2%, grows at over 11% annually and boasts the lowest sector energy intensity of around 180 kWh per US\$1,000 output, underpinned by the presence of seven of the world's top ten pharmaceutical firms operating locally. Precision engineering accounts for 15.3% and grew nearly 19% in the first half of 2025, with production of semiconductor equipment and sustainable energy components. Chemicals, though resource-intensive (420 kWh per US\$1,000 output), are transitioning through circular practices via Jurong Island's decarbonization model.



Malaysia, Thailand, Vietnam, Indonesia and the Philippines: Regional Green Diversity

- Malaysia: Manufacturing makes up 22.6% of national GDP. The country targets a 30% emissions cut by 2030 through digital optimization, circular economy adoption and the National i-ESG framework.

- **Thailand:** The Bio-Circular-Green (BCG) strategy is a government-endorsed plan aiming for integrated sustainable growth, with manufacturing accounting for 37% of energy use and national carbon neutrality by 2050. The BCG incentives have catalyzed decarbonization in cement, automotive and metals sectors.
- **Vietnam:** The government targets a 43% manufacturing emission reduction by 2030, supported by the "Journey to Net Zero" platform, the Just Energy Transition Partnership and a pilot carbon market launching in 2027.
- **Indonesia:** The country holds 55% of global nickel supply, giving comparative advantage for EV battery supply chains. The push for green certification in nine priority subsectors aligns resource development with decarbonization goals.
- **The Philippines:** The Net Zero Carbon Alliance, a cooperation of major firms and institutions, has cut 9% of members' emissions and raised renewables to 59% of energy consumption despite a persistent 44% coal dependency in the electricity mix.

Quantifying the Opportunity and the Urgency

Transitioning Asia-Pacific's manufacturing to circular, net-zero models could reduce resource use by 19%, improve resource efficiency by 12% and cut GHG emissions by 7.2%, generating a potential US\$340 billion GDP uplift and 15 million new jobs by 2050. The green technology sector is forecast to grow at 26.1% CAGR from 2025–2030, with bioeconomy, sustainable transport and circular manufacturing among the highest growth segments.

Private green investment is surging, with Southeast Asia attracting over US\$8 billion between 2023–2024. Delays threaten stranded industrial assets, lost market share to greener competitors and foregone job creation, underscoring the imperative for coordinated regional action.



Conclusion: A Call for Coordinated Regional Leadership For a Competitive Future

Asia-Pacific's path to sustainable manufacturing leadership requires an integrated strategy, concretized by the Five-Point Regional Action Plan. Through trade facilitation, regulatory harmonization, collaborative innovation, targeted finance and capability-building, the region can surmount barriers and scale impact.

With CACCI and APGA serving as operational multipliers, the region can transform climate risks and regulatory pressures into competitive advantage, creating a resilient industrial ecosystem anchored in sustainability.

Asia-Pacific's transformation is underway. The window to act decisively is now, for in the near future, green will no longer be a cost but the new currency of industrial competitiveness.

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The Power of Nature: Why Natural Skincare is the Future of Beauty and Wellness

Khulan Davaadorj

Founder, Lhamour Skincare

Khulan Davaadorj is the founder and CEO of Lhamour, Mongolia's first organic skincare brand. She is a passionate advocate for sustainability, inclusivity, and conscious beauty, working to empower women and build environmentally responsible business models across Asia and worldwide. She is a motivational speaker, a mentor and also thought leader.

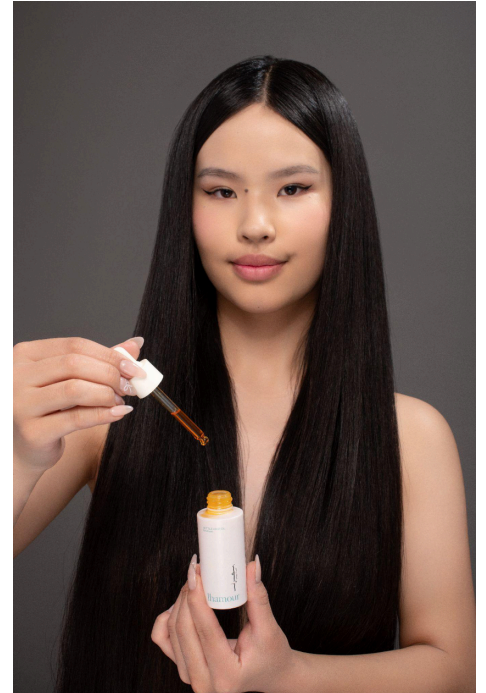


In a world increasingly driven by conscious consumerism, natural skincare has emerged as more than just a beauty trend - it is a movement rooted in sustainability, health, and authenticity. As we witness a shift toward products that are safe, transparent, and environmentally responsible, the importance of natural skincare cannot be overstated. This transformation is not only shaping the beauty industry but also aligning with broader global efforts in economic development, digital innovation, sustainability, and inclusivity and thus should be talked about more often.

The Rise of Natural Skincare: A Global Shift

Today's consumers are more informed than ever. With access to endless information and ingredient transparency, especially through social media, people are making deliberate choices about what they put on their skin. The global natural skincare market is expected to grow significantly in the coming years, driven by a surge in demand for clean, synthetic-free and eco-friendly products. This trend reflects a deeper understanding that what we apply to our skin matters as much as what we eat as our skin is our biggest organ.

Natural skincare products are made using plant-based ingredients, herbs, essential oils, and other naturally derived components. They are often free from synthetic fragrances, parabens, sulfates, and harmful preservatives. This not only makes them safer for long-term use but also beneficial for sensitive or reactive skin types.



Health and Wellness: Skin is the Body's Largest Organ

The skin absorbs up to 60% of what is applied to it. Over time, synthetic ingredients can accumulate in the body, potentially leading to health concerns ranging from allergies to hormone disruption. Natural skincare, by contrast, supports the body's systems rather than burdening them.

Ingredients like rosehip oil, shea butter, calendula, sea buckthorn, and green tea are not only gentle but packed with vitamins, antioxidants, and anti-inflammatory properties. They help the skin heal, regenerate, and protect itself from environmental damage. The holistic benefits of such ingredients contribute to overall wellness, not just aesthetic beauty.





Sustainability and Environmental Responsibility

Natural skincare is inherently tied to sustainability. Many natural skincare brands use ethically sourced, biodegradable ingredients and recyclable packaging. Moreover, the production process often has a smaller environmental footprint compared to synthetic alternatives.

Brands like Lhamour, Mongolia's first organic skincare company, demonstrate how localized, handmade production can create high-quality natural products while supporting sustainable practices. Lhamour not only uses native Mongolian ingredients like sea buckthorn and rosehip but also educates the community on reducing waste and supporting eco-friendly initiatives.

Empowering Women and Local Economies

The natural skincare movement also opens up new opportunities for women entrepreneurs and SMEs in developing regions. By sourcing ingredients locally and crafting products by hand, women-led businesses can create sustainable income, preserve traditional knowledge, and participate in global markets.

In regions like Central Asia, Africa, and Latin America, natural skincare ventures are helping communities thrive by promoting ethical employment, skill development, and economic diversification. The emphasis on fair trade and inclusivity ensures that the benefits of growth are shared across the value chain.





Innovation and Digital Transformation

The natural skincare industry is also embracing digital transformation. Brands are leveraging e-commerce, social media, and digital storytelling to reach global audiences. Education is at the heart of this digital shift —helping consumers understand ingredients, skincare routines, and the science behind natural formulations.

Technological advancements also enable greater transparency. Blockchain, for example, is being explored to trace ingredient sourcing, ensuring ethical standards are met. Augmented reality (AR) and AI-powered skincare diagnostics further enhance the personalized customer experience, making natural skincare both high-touch and high-tech.

Challenges and the Road Ahead

While natural skincare holds immense promise, it also faces challenges:

- **Regulatory Gaps:** "Natural" is not a regulated term in many markets. Clearer guidelines and certifications are needed to protect consumers and ensure authenticity.
- **Scalability:** Handmade and small-batch production must balance with scalability to meet growing demand without compromising quality.
- **Education:** Continued consumer education is vital. Not all natural ingredients are suitable for every skin type, and understanding formulations is key.

Despite these hurdles, the trajectory of natural skincare remains strong. As brands continue to innovate while staying true to their values, the sector is set to lead the next phase of responsible beauty.



Conclusion: Nature as a Path to Progress

Natural skincare represents a harmonious blend of tradition, innovation, and impact. It brings together the power of nature, the science of wellness, and the ethics of sustainability. In doing so, it supports broader goals of economic development, environmental stewardship, and inclusivity.

By choosing natural skincare, consumers are not just making a choice for their health but also casting a vote for a more equitable and sustainable world. For policymakers, entrepreneurs, and industry leaders, investing in this movement offers a chance to drive meaningful change while meeting the evolving demands of global consumers.

Natural skincare is not just about beauty—it's about building a better future, one ingredient at a time.

