

NON-WOOD FOREST PRODUCTS

8

**Trade  
restrictions  
affecting  
international  
trade in  
non-wood forest  
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by  
**M. Iqbal**

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## FOREWORD

Trade restrictions control and influence international trade in forest products, as they do for most products that cross international borders. They range from tariff to the less obvious, but often more complex, non-tariff restrictions. Their significance to countries engaged, or wishing to move into trade, can be quite significant. Without an awareness of the range and size of barriers that must be faced, it may be difficult to plan effectively – or in the initial stages to even determine whether it is preferable to trade outside the country.

Often just determining which, if any, restrictions exist can be a complex, or at the very least, time consuming job. In the case of non-wood forest products (NWFPs) the difficulties are increased because of the wide variety of products involved and the many different levels of their processing.

The present study was developed by FAO to partially remedy this situation. It provides information on the range of restrictions facing various NWFPs, and indicates the degree to which these may present problems to those seeking to develop their international trade in these products. In this it complements an earlier FAO study "International trade in non-wood forest products: an overview" by M. Iqbal, 1993, FO:Misc/93/11 Working Paper, Food and Agricultural Organization of the United Nations, Rome, which provided a preliminary coverage of the characteristics of trade in NWFPs but did not consider the subject of trade barriers.

The present study was undertaken by Dr. Mohammed Iqbal and is based on information found in a wide variety of sources, but particularly individual country customs schedules and the UNCTAD trade database TRAINS. It was funded by FAO's Regular Programme, and was under the supervision of Dr. I.J. Bourke, Forest Products Division.



Karl-Hermann Schmincke  
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## ABBREVIATIONS

|        |  |
|--------|--|
| ACP    | African, Caribbean and Pacific Countries                     |
| BSI    | British Standards Institution                                |
| CACUM  | Central American Common Market                               |
| CCCN   | Customs Cooperation Council Nomenclature                     |
| CITES  | Convention on International Trade in Endangered Species      |
| CENTA  | Combined Edible Nut Trade Association                        |
| EC     | European Community   |
| EFTA   | European Free Trade Association                              |
| EOA    | Essential Oil Association of USA                             |
| FAO    | Food and Agriculture Organization of the United Nations      |
| FDA    | Food and Drug Administration                                 |
| FEMA   | Flavour and Extract Manufacturers Association                |
| FMA    | Fragrance Materials Association of USA                       |
| FTA    | Free Trade Agreement   |
| GATT   | General Agreement on Tariffs and Trade                       |
| GEFCA  | Joint FAO/WHO Expert Committee on Food Additives             |
| GSP    | Generalized System of Preferences                            |
| HS     | Harmonized Commodity Description and Coding System           |
| IFEAT  | International Federation of Essential oils and Aroma Traders |
| ISO    | International Organization for Standardization               |
| LDCs   | Least Developed Countries                                    |
| MFN    | Most Favoured Nations  |
| NAFED  | National Association for Export Development                  |
| NTM    | Non-tariff measures  |
| NWFPs  | Non-Wood Forest Products                                     |
| NTFP   | Non-Timber Forest Products                                   |
| nes    | not elsewhere specified                                      |
| nesi   | not elsewhere specified or included                          |
| OECD   | Organization for Economic Cooperation and Development        |
| SITC   | Standard International Trade Classification                  |
| TRIFED | Tribal Development Federation                                |
| UNCTAD | United Nations Conference on Trade and Development           |
| WTO    | World Trade Organization                                     |
| WWF    | World Wide Fund for Nature                                   |

# INTRODUCTION I

## 1. BACKGROUND

In the context of this report, non-wood forest products (NWFPs) are considered to be as all the biological materials (other than timber and firewood) that may be extracted from natural ecosystems, managed plantations and semi-wild trees growing on farmlands and be utilized within the household, be marketed, or have social, cultural or religious significance. Both plant and animal products are included.

Whereas, the products collected from wild sources (natural forests) can be easily seen as NWFPs, some confusion exists about products collected from plantations (e.g. rubber, some condiments, certain medicinal plants and essential oils), particularly when part of the supplies come from natural forests and part from plantations/cultivations. Between these two extremes are also some products which originate from semi-wild and/or farmland trees. Products originating from all these sources have been considered NWFPs in this report.

NWFPs are of significance primarily in household and local economies. Many also, however, channel into international markets, mostly in unprocessed or semi-processed forms. Such products play a significant role in earning foreign exchange, so valuable for most of the developing economies. These commercial NWFPs which enter international trade are the focus of this report.

International trade in NWFPs, as that in most other products, is controlled and regulated by various trade measures. A wide array of these exist and their nature, significance, extent and impact vary considerably from nation to nation and product to product. Whereas some studies have investigated the effect of such restrictions on wood products (e.g. Bourke, 1988; Bourke, 1991; and Bourke, 1992), no systematic study has so far been conducted to identify such measures and to assess their impact on NWFPs.

## 2. REPORT OBJECTIVES

This study provides information on restrictions facing the international trade in NWFPs. The specific terms of reference of the study were:

- i. To identify information on tariff and non-tariff measures affecting international trade in NWFPs and prepare a listing of these.
- ii. To review the extent to which these measures are affecting international trade in NWFPs and evaluate their impact on trade.
- iii. To identify possible policy action which might be taken to overcome the negative impact of trade restrictions.
- iv. To provide an assessment of the impact of any reductions agreed to in the Uruguay Round on future international trade in NWFPs.
- v. To identify any new restrictions which may increase in future.

### 3. APPROACH

NWFPs entering international trade were identified in an earlier study by the author by reviewing explanatory notes of the harmonized commodity description and coding system<sup>1/</sup> (HS) together with other secondary sources (Iqbal, 1993). This information was further refined and up-dated for the present study. Trade restrictions were then investigated primarily using the UNCTAD trade data base<sup>2/</sup> for major products/group of products thus identified. Other available secondary sources, in particular individual country custom schedules, were also reviewed. The report refers to the total range of products that may be considered as NWFPs.

### 4. SCOPE AND LIMITATIONS

NWFPs face both tariff and non-tariff trade restrictions. The nature of these restrictions varies from country to country and product to product. As the list of importing countries is quite large and the range of products extensive, analysis of the trade restrictions has been restricted to the markets of EC, USA and Japan, which collectively account for about 60% (by value) of international trade in NWFPs (Appendix I).

Although an attempt has been made to give as comprehensive a treatment to the NWFPs entering these markets as possible, some of minor ones may have been missed. The problem of dealing with cultivated products like natural rubber, mulberry silks, honey, beeswax, cultivated medicinal plants like ginseng roots, sisal, etc., is recognised but they have been included because of their connections with the NWFPs, in one form or another or because it has been impossible to differentiate between these and non-cultivated products.

Finally a word of caution regarding the international trade statistics presented. As a very large volume of NWFPs are being traded unregistered, under-reporting or non-reporting, double counting, grouping of NWFPs among themselves and with other products, particularly with agricultural-based products, and the use of unrealistic prices are among the systematic shortcomings of these statistics. At the same time, since there is considerable overlap between some of the NWFPs and agricultural commodities in the trade statistics, there is every likelihood of distortion of the figures. Further, because of the variable availability of trade statistics, the quantities and values indicated for various countries reflect data from different years.

For all of the above reasons the statistics should be accepted with some caution. They do, nevertheless, provide a reasonable indication of the level of magnitude of trade in the various products.

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<sup>1/</sup> Customs Cooperation Council, 1986. Harmonized commodity description and coding system. Explanatory notes.

<sup>2/</sup> UNCTAD 1994. A Users' Manual for Trade Analysis and Information System (TRAINS). United Nations Conference on Trade and Development, Geneva.

# INTERNATIONAL TRADE IN NWFPs II

## 1. MAIN COMMERCIAL PRODUCTS

International trade in NWFPs is composed of imports and exports of numerous products at different stages of processing. Some of the products are unprocessed goods, while others have undergone various degrees of processing.

At least 150 NWFPs, including 26 essential oils are of major significance in international trade. In addition, a large number of botanicals (ranging between 4,000 to 6,000), enter international markets. A summary of NWFPs of commercial significance is given in Table 1.

Most NWFPs are traded in rather small quantities, but some such as ginseng roots, natural honey, walnuts, gum turpentine, rosin, rattan and gum arabic do reach substantial levels. Over US\$ 380 million of ginseng, for example, is imported annually; while natural rubber imports reach well over US\$ 1,000 million, although there is obviously some question as to whether to classify this as a NWFP or an agricultural crop since most is grown in agricultural plantations.

**Pine nuts** (seeds of *Pinus gerardiana*, *P. pinea*, *P. korainsis* and *P. cambra*) are an important NWFP with a growing and high-value market, particularly in countries with a health food awareness. Seeds of Chalghoza pine (*P. gerardiana*) are produced and exported by Afghanistan and Pakistan. China is the world's largest producer and exporter of *Pinus korainsis* seeds – one of the bigger-seeded species – and seeds of *Pinus cambra* – the Siberian equivalent to the edible European nut species (*P. pinea*) (Richardson, 1993). Spain and Portugal are the major producers and exporters of pignolia nuts (*P. pinea*).

Similarly **black mushroom** or **morels**, belonging to genus *Morchella*, are another product of considerable economic and commercial significance. The morels are prized for culinary uses, particularly as a gourmet food. Morels grow naturally in temperate forests of many European countries, USA, Canada, India, Pakistan, Afghanistan, China, Turkey, Nepal, and Bhutan. Total world production is estimated to be approximately 150 tonnes. Pakistan and India are the main producing countries, each producing about 50 tonnes of dry morels annually (equivalent to fresh morels of 500 tonnes), all of which is exported. Total world trade in morels is of the order of US\$ 50 to 60 million.

Like morels, **truffles** are also highly favoured by gourmets in various European countries and USA. France and Italy are the main producers. Whereas production in France was around 1,000 tonnes, 95 years ago, it had fallen to 20 tonnes in 1988<sup>3/</sup>. In Spain, about 15 to 30 tonnes of truffles are collected each year, of which the bulk is exported to France (FAO/ECE, 1988). Truffles are exported in fresh as well as preserved form. In 1989, USA imported 5.4 tonnes of fresh or chilled truffles, mainly from Italy and France, valuing US\$ 1.477 million (c&f) or US\$ 273 per kg<sup>4/</sup>.

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<sup>3/</sup> Financial Times, 30 June 1988.

<sup>4/</sup> The USA Import Statistics, 1989.

**Table 1. List of NWFPs of commercial significance**

| S.No. | Category                              | Products  |
|-------|---------------------------------------|---|
| I     | Food products                         | <ol style="list-style-type: none"> <li>1. <u>Nuts</u>. Brazil nuts, pine nuts, pignolia nuts, malva nut, walnuts and chestnuts.</li> <li>2. <u>Fruits</u>. Jujube, sapodilla and Ginkgo.</li> <li>3. <u>Edible fungi</u>. Morels, truffles and pine mushrooms.</li> <li>4. <u>Vegetables</u>. Bamboo shoots, osmunds, reindeer moss and palm hearts.</li> <li>5. <u>Starches</u>. Sago.</li> <li>6. Birds' nests.</li> <li>7. <u>Oils</u>. Shea nuts, babassu oil, sal or tengkawang or illipe oil.</li> <li>8. Maple sugar.</li> </ol> |
| II    | Spices, condiments and culinary herbs | <ol style="list-style-type: none"> <li>1. Nutmeg and mace.</li> <li>2. Cinnamon and cassia.</li> <li>3. Cardamom.</li> <li>4. Galanga</li> <li>5. Allspice</li> <li>6. Caraway</li> <li>7. Bay leaves</li> <li>8. Oregano, etc.</li> </ol>  |
| III   | Industrial plant oils and waxes       | Tung oil, neem oil, jojoba oil, kemiri or candle or lumbang oil, akar wangi, babassu, oiticica and kapok oils.<br>Carnauba wax.   |
| IV    | Plant gums                            | <ol style="list-style-type: none"> <li>1. <u>Gums for food uses</u>. Gum arabic, tragacanth, karaya and carob gums.</li> <li>2. <u>Technological grade gums</u>. Talha and combretum gums.</li> </ol>   |
| V     | Natural pigments                      | Annatto seeds, logwood, indigo.   |
| VI    | Oleoresins                            | <ol style="list-style-type: none"> <li>1. Pine oleoresin</li> <li>2. Copal, Damar, Gamboge, Benzoin gum, Dragon's blood (Benjamin), and Copaiba oil.</li> <li>3. Amber</li> </ol>   |
| VII   | Fibres and flosses                    | <ol style="list-style-type: none"> <li>1. <u>Fibres</u>. Bamboo, rattan, xateattap, aren, osier, raffia, toquilla straw products, cork, esparto, Erica and other broom grasses.</li> <li>2. <u>Flosses</u>. Kapok or silk cotton.</li> </ol>  |
| VIII  | Vegetable tanning materials           | Quebracho, mimosa, chestnut and catha/cutch.  |
| IX    | Latex                                 | Natural rubber, gutta percha, jelutong, sorva and chicle.   |
| X     | Insect products                       | <ol style="list-style-type: none"> <li>1. Natural honey.</li> <li>2. Beeswax.</li> <li>3. Lac and lac-dye.</li> <li>4. <u>Silk</u>. Mulberry and non-mulberry silks</li> <li>5. Cochineal</li> <li>6. Aleppo galls</li> <li>7. Kermes</li> </ol>  |
| XI    | Incense woods                         | Sandalwood, gharu or aloewood.  |
| XII   | Essential oils                        |   |
| XIII  | Plant insecticides                    | Pyrethrum, Derris, Medang and Peuak Bong.   |
| XIV   | Medicinal plants                      |   |
| XV    | Wild plants                           |   |
| XVI   | Animals and animals' products         | Ivory, trophies, bones, feathers, maleo eggs, butterflies, live animals and birds.  |
| XVII  | Miscellaneous products                | <ol style="list-style-type: none"> <li>1. Bidi leaves.</li> <li>2. Soap berries (soap nut).</li> <li>3. Quillaia bark.</li> <li>4. Betel and cola nuts.</li> <li>5. Chewing sticks.</li> <li>6. Lacquer.</li> <li>7. Dom nuts or ivory nuts.</li> </ol>   |

Source: Iqbal (1993).

**Bamboo shoots** represent an expanding and fashionable export market. China (Taiwan) alone exports over US\$ 20 million annually. In China, tender shoots of about 100 species are edible; their production averaging one million tonnes annually (Sulthoni, 1989). Thailand exported 31,730 tonnes of canned bamboo shoots during 1989, valued at 460.62 million bahts<sup>5/</sup>. The bulk of the exports went to USA and Japan, followed by UK, Germany, Australia, the Netherlands, Canada, Saudi Arabia, Sweden, France and Republic of Korea. Japan is the main market for bamboo shoots in Asia. Small quantities of bamboo shoots are also exported from Indonesia.

**Sago** is a starch rich food obtained from a fresh water palm (*Metroxylon* spp.). Indonesia is the major producing and exporting country. During 1991, it exported 10,107.7 tonnes of sago flour and meal to Japan, Hong Kong and Singapore, valuing US\$ 2.32 million (fob). Malaysia, also produces small volumes.

**Illipe nuts** are oil-bearing seeds of sal trees (*Shorea* spp. and *Madhuca* spp.) The oil resembles butter in its physico-chemical properties. Indonesia dominates world trade in illipe nuts, exporting about 15,000 tonnes annually, worth about US\$ 8 million.

**Salanganes' or birds' nests** are built by two species of cave dwelling swiftlets, *Collocalia fuciphaga* and *C. maxima* in Malaysia and Thailand, which are collected for sale to a Chinese market at home and abroad. Malaysia is the major producer and exporter of birds' nests. Malaysian exports during 1991 totalled 18.6 tonnes, mainly to Hong Kong, Singapore, Japan and China (Taiwan), valuing Malaysian \$ 2.93 million.

**Spices, condiments and culinary herbs** are another important group of NWFPs which constitute a significant component of world trade. Indonesia is the largest world producer of **nutmeg and mace** and accounts for three-quarters of world production and export. Grenada is the second largest producer and exporter. Indonesia produced 15,800 tonnes of nutmeg during 1990, whereas Grenada produced 2,700 tonnes of nutmeg and 200 tonnes of mace, in 1991<sup>6/</sup>.

World trade in **cinnamon** is between 7,500 to 10,000 tonnes annually. Sri Lanka contributes 80% to 90%, most of the remaining balance coming from Seychelles and Madagascar (Smith, 1986). The world trade in **cassia** is of the order of 20,000 to 25,000 tonnes annually, of which Indonesia accounts for two-thirds and China most of the remainder. Minor producers include Viet Nam and India. About 2,000 to 3,000 tonnes of cassia bark are exported from Viet Nam annually (de Beer, 1993). The EC, USA and Japan are the major markets.

**Gum arabic**, an exudate of *Acacia senegal*, is the most widely used and traded plant gum. Current worldwide trade is around 25,000 tonnes, of which about 20,000 tonnes comes from Sudan alone. The remaining 5,000 tonnes originates from other African nations, notably from Nigeria<sup>7/</sup>. The USA is the largest single market, accounting for 25% of the world market.

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<sup>5/</sup> Thailand Foreign Agriculture Trade Statistics, Office of Agriculture Economics, Ministry of Agriculture and Cooperation, Bangkok.

<sup>6/</sup> Fruit and Tropical Products, 1992.

<sup>7/</sup> Chemical Marketing Reporter, 15 February 1993: pp 18-19.

The EC, Switzerland and Scandinavia collectively account for 40% of the world imports, and about 10% is channelled into Japanese markets.

**Gum tragacanth** is the second most important commercial gum and is produced by several shrubby plants of the genus *Astragalus*, growing from Pakistan to Greece, particularly in Iran and Turkey. Iran and Turkey are major exporters. Total world trade is around 400 tonnes. The EC, USA, Japan and former USSR are the major importing regions.

**Gum karaya**, also known as Indian tragacanth, is obtained almost exclusively from Indian plantations of *Sterculia* spp. India is the only regular producer, overwhelmingly dominating international trade in the gum. Total world production is about 5,500 tonnes per annum.

**Carob or locust bean gum** is obtained from the endosperm of the beans of carob tree (*Ceratonia siliqua*), which grows in abundance in the mediterranean region. Total world exports of locust bean gum are currently about 12,000 tonnes per annum, of which over 80% is attributable to Spain, Italy and Portugal.

**Gum Talha** is a water soluble gum derived from a number of *Acacia* species like *A. seyal*, *A. sieberana*, *A. hockii*, *A. ehrenbergiana* and *A. karroo*. Production remains fairly constant at around 6,000 tonnes per annum (Anderson, 1993). About 3,000 to 5,000 tonnes are exported annually, mainly from Sudan.

**Combretum gum** is obtained from *Combretum nigricans*, occurring throughout tropical West Africa, particularly in northern Nigeria, Mali and Niger.

**Annatto** is a reddish-orange colorant, called bixin, derived from seeds of achiote tree (*Bixa orellana*). Average annual production is in the range of 10,000 to 11,000 tonnes. Peru is the largest producer, accounting for 32% of the world's total, followed by Kenya and Brazil.

World production of **oleoresins** (naval stores) from all the sources, is almost stable, ranging between 1.1 and 1.2 million tonnes annually. China and Indonesia dominate the world's production. China has emerged as the world's largest producer of rosin, with annual production level of nearly 400,000 tonnes (Richardson, 1993). The world's annual trade in gum rosin is around 330,000 tonnes. Portugal and China with total annual exports of around 200,000 tonnes, dominate this trade, and China accounts for about one-third of total world's production and exports. The list of countries importing naval store products is quite long – well over 100; Japan, Germany, UK, France, the Netherlands, Italy, Belgium/Luxembourg, Australia, Austria, Canada, Colombia, Switzerland, South Africa, Zaire and Nigeria being the major importers. Japan is the largest importer. About 50% of the total exports of gum rosin from China enter Japanese markets.

The average value of the world's trade in **rattan** is US\$ 66 million. Malaysia, Indonesia, Viet Nam and China, are the main origins. Small quantities also originate from Myanmar, Thailand, and the Philippines. Italy, USA, Spain, France, Japan, the Netherlands and Germany are the major destinations.

Average value of world trade in **bamboo** is of the order of US\$ 36.2 million<sup>8/</sup>. China and Thailand are the main origins; Malaysia, Myanmar, Republic of Korea, Indonesia, Viet Nam,

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<sup>8/</sup> COMTRADE data base.

the Philippines and Bangladesh being minor exporters. France, Germany and the Netherlands are the main markets.

**Kapok** is a mass of silky fibres that clothe the seeds of ceiba tree (*Bombax ceiba*) and is used as a filling for mattresses, life preservers, and sleeping bags and as insulation. The tree grows in many South Asian countries, but Thailand and Indonesia are the main suppliers in the world trade. Japan, China, EC and USA are the major markets. During 1992 total value of world trade was of the order of US\$ 11 million<sup>9/</sup>, of which about 66% was contributed by Thailand and 16% by Indonesia.

Spain, France, Italy, Tunisia, Algeria and Morocco are the main **cork** producing countries. Total world production is estimated to be 250,000 tonnes per annum, of which about 50% is produced in Portugal, 25% in Spain, and remaining 25% in Italy, France, Morocco, Algeria and Tunisia. Morocco's cork oak forests are spread over an area of 100,000 ha. Cork oak cultivation and processing is a very important industry for Moroccan economy, and cork is one of the country's main export earners. Portugal, Spain and Morocco are the major exporting countries; EC and USA being major markets.

Thailand and India dominate world trade in **shellac**, each exporting, on an average, about 6,000 tonnes per annum. Vietnamese annual exports average around 300 tonnes. China produces about 4,000 tonnes, but export statistics are not available. Shellac is exported to about 45 countries, but Germany, Italy, Egypt, Indonesia and USA are the major markets.

World trade in **natural honey** is of the order of 300,000 tonnes, valued at US\$ 300 million. Former USSR, China, USA, Mexico, and Turkey are the major producing countries. Germany, USA, UK and Japan are the major world markets. Whereas treating wild honey as a NWFP would be easily understandable, inclusion of cultured honey as a NWFP could be questioned. Nevertheless, because many plants growing in forests and a number of semi-wild trees constitute an important nectar and pollen source for foraging bees at least a part of cultured honey should be considered as a NWFP. Actual apportionment, however, remains difficult as trade statistics lumps honey from all sources together.

Total value of international trade in **insect waxes** ranges between US\$ 23 to 26 million. The bulk of it is contributed by beeswax, which like natural honey, originates from wild as well cultured sources. China, United Republic of Tanzania, Germany, Canada, the Netherlands, Brazil, Japan, USA and Ethiopia are the main origins; collectively accounting for 70% of the total trade volume. Australia, France, Chile, UK, Dominican Republic and New Zealand are some of the minor origins.

World trade in **essential oils** is of the order of US\$ 1 billion, including both the wild as well as cultivated sources. China, Indonesia, Thailand, India and Brazil are the major suppliers of some of the oils. The EC, USA and Japan are the principal import markets, accounting for 72% of the total world imports.

Indonesia and Malaysia are the world's leading producers of **natural rubber**; collectively accounting for 47% of the world's total output of 5.54 million tonnes in 1992<sup>10/</sup>. Sri Lanka,

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<sup>9/</sup> UNCTAD data base.

<sup>10/</sup> Rubber Statistical Bulletin; 47(7). International Rubber Study Group.

India, Viet Nam, Papua New Guinea, Cambodia, China and Myanmar are other producers. Entire production of natural rubber in these countries, however, comes from plantations. Separate statistics on rubber extracted from wild sources, however, is not available. The EC, USA and Japan are the major markets.

**Gutta percha** is a tough plastic-like substance from latex of several Malaysian trees of genera *Payena* and *Palaquium* that resembles rubber but contains more resin and is used especially as insulation and in dentistry. Malaysia and Indonesia are major producers. Small quantities are also produced in Thailand. Total value of the world trade in gutta percha and other similar lattices is of the order of US\$ 27 million. Japan, EC, USA, Republic of Korea, China and Australia are the major markets.

Total value of world's trade in **tannin extracts** of vegetable origin (HS 3201) was of the order of US\$ 102.7, 102.5, 116.7 and 123.3 million during 1988, 1989, 1990 and 1991<sup>11/</sup>, respectively, which shows a slightly rising trend. During 1991, 50% of the world's supplies of vegetable tannin extracts originated from Argentina (34%) and Brazil (16%). The USA, Italy, former USSR and Japan are the major markets.

Out of the long list of **medicinal plants**, about 4,000 to 6,000 botanicals are of commercial importance. Total world trade in 1992 in medicinal plants was of the magnitude of US\$ 171 million. China is the biggest producer as well as exporter of medicinal plants, accounting for 30% of total world trade (by value) in 1991, followed by the Republic of Korea, USA, India and Chile. Singapore and Hong Kong are the main re-exporters in Asia. Japan, USA, Germany, France, Italy, Malaysia, Spain and UK are the major markets. Hamburg is the world trade centre. About 53 countries supply medicinal plants to Germany, of which important ones are India, Argentina, former Yugoslavia, Greece, China, Poland, Egypt, Hungary, former Czechoslovakia, Zaire, Albania, the Netherlands and France (Iqbal, 1993).

## 2. MAJOR SUPPLIERS AND MAIN MARKETS

The total value of world trade in NWFPs is of the order of US\$ 11 billion<sup>12/</sup>, of which about 60% is imported by EC, USA and Japan (Appendix I). General direction of trade is from developing to developed countries (Iqbal, 1993). Information on major suppliers and markets for some of the important NWFPs is summarized in Table 2.

The list of countries contributing to the world trade in NWFPs is quite diverse, but the forests of Southeast Asia have traditionally remained the major source for many of these. There has been a significant trade in furs and skins, fruits, resins (naval stores, copal), fungi, wild honey, medicines, aphrodisiacs, oil (*Cassia*, *Citronella*), sandalwood, bamboo and rattan ware.

Recently, NWFP trade has reached new heights in China. Probably no country in the world processes as many wild products and there is growing interest worldwide in its natural foodstuffs and medicines. Consequently, it dominates world's trade. India, Indonesia, Malaysia, Thailand and Brazil are other major suppliers of NWFPs to the world markets.

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<sup>11/</sup> COMTRADE data base.

<sup>12/</sup> UNCTAD data base. The figures are, however, indicative only and are to be used with caution.

**Table 2. Trade direction for major NWFPs**

| <b>Product</b>                 | <b>Main origins</b>   | <b>Main markets</b>   |
|--------------------------------|---|---|
| Brazil nuts                    | Brazil, Bolivia and Peru  | USA, UK, Germany, Australia and Canada  |
| Pine nuts                      | China, Afghanistan and Pakistan   | Middle Eastern countries  |
| Pignolia nuts                  | Spain, Portugal   | USA, Canada, Hong Kong, Japan and EC  |
| Walnuts                        | China, India, Afghanistan and Pakistan  | EC, Japan, Canada and Switzerland   |
| Morels                         | Pakistan, India and Afghanistan.  | France, Switzerland and Germany.  |
| Truffles                       | France, Italy   | USA   |
| Pine mushrooms                 | Chile   | USA, France, Peru, Holland, Switzerland.  |
| Bamboo shoots                  | China, Thailand and Indonesia   | USA, Japan, UK, Germany, Australia, the Netherlands, France and Rep. of Korea.          |
| Sago                           | Indonesia, Malaysia   | Japan, Hong Kong and Singapore  |
| Shea nuts<br>(Karite nuts)     | Burkina Faso, Mali, Côte d'Ivoire, Benin, Togo, Ghana, Nigeria, Guinea and Central African Republic     | Japan, Sweden and EC.   |
| Birds' nests                   | Malaysia  | Hong Kong, Singapore, Japan and China (Taiwan).   |
| Nutmeg and mace                | Indonesia and Grenada,  | USA, EC and Japan.  |
| Cinnamon and Cassia            | Sri Lanka, Seychelles and Madagascar  | USA, EC and Japan.  |
| Gum Arabic                     | Sudan and Nigeria.  | USA, EC (UK and Germany), Switzerland Scandinavia and Japan                             |
| Gum tragacanth                 | Iran and Turkey   | EC, USA, Japan and former USSR.   |
| Gum Karaya                     | India   | USA, Japan, France, Germany, UK, Belgium, United Arab Emirates and the Netherlands.     |
| Carob gum                      | Spain, Italy and Portugal   | Western Europe, USA and Japan.  |
| Annatto                        | Peru, Kenya and Brazil  | USA, EC and Japan   |
| Gum rosin                      | China, Indonesia, Portugal  | Japan, Germany, UK, France, the Netherlands, Italy, etc.                                |
| Rattan                         | Malaysia, Indonesia, Viet Nam and China   | Italy, USA, Spain, France, Egypt, Japan, the Netherlands, Germany, Greece and Thailand. |
| Bamboo                         | China, Thailand, Malaysia, Myanmar, Rep. of Korea, Indonesia, Viet Nam, the Philippines and Bangladesh. | France, Germany and the Netherlands.  |
| Cork                           | Portugal, Spain and Morocco   | EC countries.   |
| Lac                            | India and Thailand  | Germany, Egypt, Indonesia and the USA.  |
| Natural honey                  | Former USSR, China, USA, Mexico and Turkey  | Germany, USA, UK and Japan  |
| Beeswax                        | China, former USSR, Morocco, Tanzania, New Zealand, Canada and the Netherlands                          | EC (Germany, France, Italy and UK)  |
| Mulberry and non-mulberry silk | China, India and Brazil   | Italy, Germany, France, Switzerland, the UK, Japan, Rep. of Korea and Hong Kong.        |
| Cochineal                      | Peru and Canary Islands   | EC, the USA and Japan.  |
| Liquorice roots                | China, Pakistan, Syria, former USSR, Turkey, Afghanistan and Iran.                                      | USA, Japan and EC.  |
| Ginseng roots                  | Japan, China, Singapore and EC.   | USA, Rep. of Korea, Canada and China  |
| Essential oil                  | China, India, Indonesia and Brazil.   | EC, USA and Japan.  |

| Product          | Main origins   | Main markets  |
|------------------|--|---|
| Medicinal plants | China, Rep. of Korea, USA, India, Chile, Egypt, Argentina, Greece, Poland, Hungary, Zaire, former Czechoslovakia, and Albania. | Japan, USA, Germany, France, Italy, Malaysia, Spain and UK. |
| Bidi leaves      | India  | Pakistan and Sri Lanka                                      |

Source: Iqbal (1993).

# TRADE RESTRICTIONS III

## 1. GENERAL

Both tariff as well as non-tariff measures (NTMs) are applicable to international trade in NWFPs. They are applied by both importing and exporting countries for a variety of purposes. Tariffs, safety regulations and technical standards are the most common restrictions imposed by the developed countries on the import trade in NWFPs. Developing countries, which are the major suppliers to world markets, also impose measures which restrict or regulate export trade. The most common form is the use of export tariffs levied with the objective of raising revenue for the government.<sup>13/</sup>

## 2. TARIFF MEASURES

### 2.1. Import tariffs

Identification and analysis of tariff measures and their impact on the NWFP trade is relatively straight forward. In addition to the country custom schedules, information is also available in the UNCTAD computerized trade data base. Detailed results of the analysis of the EC, USA and Japan are given in Appendices II, III and IV, respectively, and a summary is given in Table 3.

Table 3. Summary of tariffs faced by NWFPs in EC, USA and Japanese markets

| Market               | No. of NWFP-containing tariff lines | No. of national lines of NWFPs falling under the tariff range (%) of |     |      |       |       |      |
|----------------------|-------------------------------------|--|-----|------|-------|-------|------|
|                      |                                     | 0  | 1-5 | 6-10 | 11-15 | 16-20 | > 20 |
| EC <sup>14/</sup>    | 91                                  | 36   | 24  | 24   | 3     | 2     | 2    |
| USA <sup>15/</sup>   | 98                                  | 46   | 33  | 14   | 1     | 4     | -    |
| Japan <sup>16/</sup> | 95                                  | 44   | 26  | 16   | -     | 6     | 3    |

The concept of "protection" through imposition of import taxes to weaken the competitiveness of the imported products in domestic markets does not hold true in the case of the majority of the NWFPs, particularly in the markets of developed countries, since these products are not produced or collected in these latter countries. Collection and processing of NWFPs is

<sup>13/</sup> A full discussion of the various types of trade restrictions their characteristics and functions can be found in Bourke (1988).

<sup>14/</sup> Autonomous tariff rates have been considered for the products to which conventional rates are not applicable.

<sup>15/</sup> MFN Tariff.

<sup>16/</sup> GATT bound tariff.

quite labour intensive, and in developed countries labour is more expensive. Moreover, such jobs are often considered dirty, tedious and arduous. Consequently, developed countries tend to maintain low tariffs on NWFP imports, in order to ensure a sustained supply of these products to meet their domestic demands.

Generally the tariffs on NWFPs are quite low. For example, custom schedules of EC group NWFPs under 91 tariff lines. Of these 39.6% have no duty, 26.4% are levied a nominal duty of 1-5% (*ad valorem*), 26.4% face a tariff of 6-10%, 3.3% fall in the tariff range of 11-15%, and a few products (4.4%) like natural honey, truffles and spices face rates above 15%.

USA tariffs are even lower. Out of 98 NWFP-containing tariff lines, 47% are free of import duty, 33.7% face a nominal duty of up to 5% (*ad valorem*) and 14.3% are levied a duty of 6-10%. Only one product (luggage and handbags lined with bamboo) faces a duty of 12.50% and four tariff lines, containing various articles of natural cork, face a duty of 18%.

Similarly, in Japan out of 95 NWFP-containing tariff lines, 46.3% are duty-free and 27.4% are levied a nominal duty of up to 5%. Another 17% tariff lines face a duty from 6% to 10%. Only six tariff lines, containing products like nuts (walnuts, chestnuts, etc.), lac and some kinds of processed truffles face duties ranging between 17.5-20%. Three tariff lines containing products like natural honey, maple syrup and truffles (packed in air tight containers) face high tariffs of 30%, 35% and 25%, respectively. In addition to the import duty, consumption tax of 3% is levied on almost all products imported into Japan.

Tariffs on NWFPs imported into developing countries are, however, considerably higher. Tariffs for China and India, two of the main NWFP trading nations, are summarized in Appendices V and VI, respectively. MFN tariffs for these products range from 12% to as high as 65% (*ad valorem*) for China and from 30-60% for India. Here the tendencies of protectionism and/or revenue generation for the respective governments are quite obvious.

## 2.2. Export tariffs

Export tariffs (taxes) are also commonly levied on NWFPs exported from most developing countries. Their main objective is to secure revenue for the state. As examples: a 12% tax is levied on Brazil nuts exported from Brazil. Elur (1992) suggests that if these were removed, there would be an increase in price paid to the nut collectors, increase in total export prices, and enhanced environmental benefits intrinsic to nut gathering. Similarly, a high export tax of 40% is levied on gum arabic exported from Sudan. Such a high tax rate is counter-productive, by encouraging cross-border smuggling of the product, and by causing a reduction in price paid to the collectors. Overseas earnings are therefore reduced as a result (Iqbal, 1993).

## 3. NON-TARIFF MEASURES

Details of non-tariff measures (NTMs) faced by NWFPs entering EC, USA and Japanese markets are given in Appendices II, III and IV, respectively. Species protection controls (CITES) and health and safety regulations are the main categories of NTMs applicable to NWFPs in these markets.

### 3.1. Species protection controls (CITES)

The Convention on International Trade in Endangered Species (CITES) regulates trade in plants and animals. Over 110 countries are now signatories to CITES, but little progress has been made in enforcing its requirements in respect of plants. CITES has three lists or Appendices. Appendix I lists species, subspecies or populations in which trade is prohibited. Appendix II lists all those in which trade is regulated by requiring an export permit issued by the competent government authority in the exporting country. The permit must only be issued if the specimen was legally obtained and export will not be detrimental to the survival of the species. Regulated trade is allowed in these species. Appendix III contains species subject to regulation in individual countries, thus it covers species which are subject to trade controls from certain countries only.

A few countries ban import or export of wild plants, and Australia has developed a comprehensive system of export controls for all its native wild plants. Some individual countries protect certain species by controlling their export; examples are *Harpagophytum procumbens*, a medicinal plant in Botswana, many wild orchids from Costa Rica, the medicinal plant *Rauofolia serpentina* and wild orchids from India.

### 3.2. Health and safety regulations

Regulatory requirements of many countries are being continually tightened and becoming more demanding. There are increasing regulations concerning, in particular, contamination of edible products, **medicinal plants (botanicals)** and their derivatives by pesticide residues, and insistence on a high level of active ingredients and purity. The governments of most industrialized countries insist that plant product be inspected before it is allowed into the country, because many botanicals can be contaminated with micro-organisms or bring unwanted forms of animal life into the country. Exporting countries are sometimes required to furnish phyto-sanitary certificates. Imports of edible fungi (**morels, truffles**, etc.), for example, are subject to phyto-sanitary regulations as elaborated in the CODEX worldwide standards for dried edible fungi (CODEX STAN 39-1981).

Similarly, **spices** imported into the major markets must face with phyto-sanitary regulations, and checks to detect microbiological contamination (particularly that of pesticide residues) are carried out. Some fumigants are banned in Europe, as a result there is a need to develop suitable processes for removing bacteria from spices, and from other wild edible products. Suitable post-harvest handling, storage and packaging methods are also required (Husain, 1992).

Various residues left on plant material (all foreign matter such as grit, sand or other residues) must be removed. Many industrialized countries refuse admission for consignments of plants that show signs of pesticide residues. For example, Germany has regulations concerning the maximum allowable residue level in or on phyto-genic foodstuffs. Similarly, it is mandatory that all plant material be free from microbial contamination.

Although considerable trade distortion is caused as a result of these regulations, they are not unreasonable controls since their enforcement is essential for health and safety reasons. Thus all suppliers of NWFPs must realize that their products, both the samples used for market promotion and the bulk consignment, must conform to the requirements of the country to which they are delivered. Complaints concerning the quality of NWFPs received from

developing countries are frequent and in many cases the product received does not correspond to samples on the basis of which the purchase contract was made (ITC 1982).

### 3.3. Quality and technical standards

#### 3.3.1. *Botanicals*

The regulations and requirements regarding identification, medicinal qualities, characteristics and storage for medicinal plants and their derivatives are well defined in national pharmacopoeias and formulary standards. The EC has unified its national standards into European Pharmacopoeia while specifications for Japan and USA are listed in Pharmacopoeia of Japan and the United States Pharmacopoeia, respectively. WWF has also drawn up certain principles relating to large international trade in medicinal plants.

In general fumigation is not mandatory for botanicals from developing countries, although many of the products will be fumigated on arrival at their country of destination.

#### 3.3.2. *Edible Products*

Like most other food products, quality is the most important factor for successfully exporting edible NWFPs and the laws of importing countries must be adhered to. National food legislation is probably the major obstacle for many potential exporters of edible NWFPs. Most major markets, for example, set legislative requirements for foreign as well as domestic **honey**. These requirements are stringent and often difficult for developing countries to meet (ITC 1986).

All food items imported into UK are subject to the Food and Drug Act, administered by the Ministry of Agriculture, Fisheries and Food. The Act includes both general food hygiene regulations and food labelling and other regulations. The Combined Edible Nut Trade Association (CENTA) has compiled and published rules and regulations affecting the trade in **edible nuts** undertaken by its members (Gunnerod, 1994). For most kinds of nuts internationally recognized standards are used. These are usually produced by the largest producing countries. For example, for **Brazil nuts**, Brazilian standards are used.

Quality considerations are of primary importance in the trade of **culinary herbs**. Cleanliness, flavour, colour and aroma are the most important factors considered by importers and buyers, but no standardized grading system is used. Quality criteria vary from one country to another and from herb to herb and are usually imposed by large importing and processing companies. Requirements regarding cleanliness and admitted levels of pesticides and herbicides are becoming more strict. Most purchases are made on the basis of an analysis of the samples supplied by the exporter in a laboratory selected by the buyer (Maftai, 1992).

#### 3.3.3. *Essential oils*

Numerous bodies monitor product quality and trading procedures and draw up specifications for essential oils. The most widely recognized standards are those set by the International Organization for Standardisation (ISO). Standards have also been established by various national pharmacopoeias. The general interests of traders and users are served by trade associations such as Flavour and Extract Manufacturers Association (FEMA) in USA. International Federation of Essential Oils and Aroma Traders (IFEAT), based in Geneva,

monitors toxicological and other hazardous aspects of various raw materials used in perfume compounds.

International (ISO) standards exist for majority of the essential oils. In the case of **cinnamon leaf oil**, for example, different ranges for the major constituent, eugenol, exist. All major importing countries have established standard specifications for **Brazilian rosewood oil** and there is also an international (ISO) standard. National and international standards exist for **eucalyptus oil** and there is an international (ISO) standard for **sandalwood oil**. Citral content is the most important indicator of oil quality of *Litsea cubeba* oil and an international (ISO) standard specifies a minimum value.

An international (ISO) standard exists for "**gum spirit of turpentine**" intended for use in paints and varnishes. Turpentine purchased by the chemical industry as a source of isolates for conversion to **pine oil** and fragrance and flavour compounds is assessed on the basis of its composition.

While overall olfactory properties are important and will be judged by prospective buyers, the use of **cedarwood oil** as raw materials for derivative manufacture means that chemical composition is also important. International standards exist for Texas and Virginia cedarwood oils. In USA, recent FMA standards replace older EOA ones and are available for Chinese as well as for Texas and Virginia cedarwood oils. Compositional data for the American oils are somewhat different to those cited in the ISO standards and illustrate the fact that standards can only be treated as guidelines for facilitating the assessment of quality.

### 3.4. State control and policies

State control on production, prices and trade also affects international trade of some NWFPs. Such controls have often proved self-defeating in the long run. The Iranian government, for example, fixed prices that made **gum tragacanth** non-competitive in international markets. Iran's recent recovery internationally highlights the fact that a correct understanding of the world market and supply is important to securing improved markets.

Banning or restricting collection of NWFPs by governments also restrains their trade. The Indian government, for example, has closed some forests for collection of **gum karaya**, on the basis that it damages trees, although gum collection is done from mature trees. The Indian Government also tried to control exports, and prohibit private Bombay merchants from shipping gum karaya on the ground that they were making greater financial gains than the tribal populations who tapped the trees and collected the gum. Government exports through the National Association for Export Development (NAFED) were attempted at higher farm-gate prices. These events coincided with an upsurge in availability of substitutes and stimulated replacement of gum karaya. In 1989, NAFED was replaced by another Indian government agency, Tribal Development Federation (TRIFED) to regulate trade in gum karaya, and a certain amount of trading was restored to the traditional Bombay merchants (Anderson, 1993).

Even state regulations at the collection stage are known to have adverse effects on international trade in NWFPs. In Pakistan, for example, two systems of collection of **medicinal plants** have remained in vogue in coniferous forests in north-western parts of the country. Whereas an elaborate system of annual leases through tenders for extracting predetermined and fixed quantities of the herbs was adopted in the forests of Hazara, their collection remained free and unregulated in neighbouring forests of Malakand, where anybody

could collect and trade them. An authorization from Forest Department for their transportation out of Malakand and a fixed amount of royalty and duty were the only restrictions in that region.

Surprisingly, in spite of elaborate departmental controls and regulations, over-exploitation of medicinal plants as well as other NWFPs took place in the forests in Hazara, resulting in a complete ban on their collection. Consequently, none of the forests have been leased out for collection of the herbs for more than a decade. On the contrary, however, there is a flourishing business of medicinal plants and morels collected from forests in Malakand, to the extent that most of these products are exported to other countries directly from the central town of Mengora (Iqbal, 1991a and 1991b).

#### **4. IMPORT BANS AND BOYCOTTS**

NWFP trade does not face import bans and boycotts such as those proposed against timber since most groups, including environmentalists, consider on both economic and ecological grounds, that increased international trade in NWFPs could help reduce the pressures on forests. Analysis of economic and ecological "advantages" of extractivism can be found for example in Peters *et al.* (1989) and Fearnside (1990). Varangis *et al.* (1993), however, note that economic feasibility of large scale extractivism is difficult and may in some case be questionable given the limited size of markets for these products.

# URUGUAY ROUND IV

## 1. BROAD FEATURES

The recently concluded (April 1995) Uruguay Round of multilateral trade negotiations is expected to usher in a new era in world trade. Estimates of the benefits to the world economy of GATT tariff cuts on all goods range from US\$ 212 to US\$ 270 billion a year by the year 2003 (Dunn, 1994). A study by the World Bank and the Organization for Economic Cooperation and Development (OECD) envisages 90% of the annual benefit will come from trade reform, with the remainder reflecting tax cuts on industrial goods. The wealthy industrialized nations of the OECD are expected to reap two-thirds of the benefit from trade liberalization in goods and almost all the gains from liberalization of services. Most countries, developed and developing, will gain on balance, but those likely to suffer most from the new agreement are those which can least afford it: the poorest food importing countries, such as those of the Sahel.

Enhanced market access, through a general reduction in tariff rates, is a feature of the agreement. This will have positive effects on trade not only between developed countries but also between the developed and less developed countries. Developed countries have agreed to reduce tariffs on manufactured goods by 38%, which would mean that the average tariff rate on manufactured products will come down to 3.9%. At the moment, 7% of the total imports of developed countries are subject to high tariff rates (15% and above); after the new trade agreement, only 5% of their imports will be subject to such high rates.

The implementation of the Agreement on Agriculture, which covers many of the products considered to be NWFPs, will start in 1995. There are three elements to the commitment on market access: tariffication, tariff reduction and access opportunities. Tariffication means that specific non-tariff barriers (quotas, variable levies, minimum import prices, discretionary licensing, state trading measures, voluntary restraint agreements and similar border measures) should be converted to equivalent tariff levels. Ordinary tariffs, including those resulting from tariffication, should be reduced by an average 36% (24% by developing countries), with a minimum rate of reduction of 15% for each tariff item. These tariff cuts will be implemented over a period of six years (by the year 2000) for the industrialized countries, while the period being ten years (by the year 2004) for the developing countries.

Of note is the fact that while the commodities included are those normally considered as part of agriculture,<sup>17/</sup> forest products are excluded as are rubber, jute, sisal, abaca and coir, but includes essential oils and spices<sup>18/</sup>. Forest products were covered under a separate category in the GATT negotiations, not that on agriculture, and agreements of relevance include tariff reductions and changes to regulations relating to NTMs.

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<sup>17/</sup> A forthcoming FAO report will provide details of the conditions and likely effects concerning forest products.

<sup>18/</sup> Underlined products also contain NWFPs.

## 2. EFFECTS ON NWFP TRADE

Trade in NWFPs is expected to benefit from the overall trade liberalization policies adapted in the Uruguay Round, as well as from direct tariff reductions.

Although tariff rates with few exceptions are already quite low for most of the NWFPs, the situation will improve further after reductions are implemented. Average reductions of 49.85%, 67.62% and 44.88% are expected in the tariff rates for NWFPs entering EC, USA and Japanese markets, respectively. Average bound rates of custom duty on NWFP-containing tariff lines are 1.70%, 1.95% and 2.96% in the markets of EC, USA and Japan, respectively.

**Table 4. Detail of NWFP-containing tariff lines facing import duty of more than 10% in EC, USA and Japanese markets**

| Market | HS code  | Product description                                    | Bound rate of duty (%) |
|--------|----------|--|------------------------|
| EC     | 04090000 | Natural honey  | 17.3                   |
|        | 07123000 | Mushrooms and truffles                                 | 12.8                   |
|        | 20032000 | Truffles   | 14.4                   |
| USA    | 20049090 | Other (bamboo shoots)                                  | 11.2                   |
|        | 45039060 | Some articles of natural cork                          | 14.0                   |
|        | 46021029 | Some articles of rattan or of palm leaf                | 18.0                   |
| Japan  | 040900   | Natural honey  | 25.0                   |
|        | 110620   | Flour and meal of sago for purposes other than feeding | 15.0                   |
|        | 130110   | Shellac and other refined lacs                         | 17.0                   |
|        | 152190   | Beeswax  | 12.8                   |
|        | 170220   | Maple syrup  | 17.5                   |
|        | 200320   | Some kinds of truffle packings                         | 10.5                   |
|        | 200490   | Bamboo shoots  | 13.6                   |

Source: UNCTAD 1994. Uruguay round of multilateral trade negotiations, Vol. 8a, 11 and 19.

After the GATT reductions have been implemented, duty on the majority (more than 97% of the tariff lines) of NWFPs will be less than 10% (largely less than 5%) in the three major markets of EC, USA and Japan. Only three NWFP-containing tariff lines will be facing duty rates higher than 10% in EC and USA markets, while seven tariff lines will do so in the Japanese market. A few products like natural honey (EC, USA), some articles of rattan or of palm leaf (USA), flour and meal of sago (Japan), shellac (Japan) and maple syrup (Japan) will, however, still be facing custom tariffs higher than 15%.

# CONCLUSIONS V

## 1. CUSTOM TARIFFS

EC, USA and Japan, collectively account for 60% of the world import trade of NWFPs. Custom duties on NWFPs in these markets are generally quite low; 40-47% of the NWFP-containing tariff lines face no duty, while another 24-27% of the tariff lines face a nominal duty of 1-5%. Only a few tariff lines (4% in case of EC and USA and 9.5% in Japanese market), containing products like natural honey, truffles, spices, maple syrup and certain articles of natural cork and bamboo face custom duty higher than 15%. In addition to the import duty, a consumption tax of 3% is levied on almost all products imported into Japan.

Tariffs on the NWFPs imported into developing countries, however, are considerably higher. For example, import tariff rates as high as 60-65% are not uncommon for some NWFPs in the major exporting nations of China and India. Such high tariff rates reflect both the tendencies of "protectionism" as well as revenue generation for the state.

## 2. URUGUAY ROUND

Tariff rates will be reduced further after implementation of decisions of the Uruguay Round. Average bound rate on NWFP-containing tariff lines will be reduced to 1.70%, 1.95% and 2.96% in the EC, USA and Japan, respectively. More than 97% of the NWFP-containing tariff lines will then face import duty less than 10%. A few products like natural honey, some articles of rattan or of palm leaf, flour and meal of sago, shellac and maple syrup will, however, still be facing custom tariffs higher than 15% in these markets.

## 3. EXPORT TAXES

Tariffs (taxes) levied on NWFPs exported from developing countries are also common and can reach high levels. The main objective of these is to secure revenue for the state, although such high rates can prove counter-productive by reducing the profitability and hence the extent of the trade, encouraging cross-border smuggling and reducing the standard of care and protection of the forests and their products.

## 4. NON-TARIFF MEASURES

Species protection regulations (CITES) and health and safety regulations are two common forms of NTMs facing NWFP trade in EC, USA and Japanese markets. The former attempts to regulate trade in plants and animals in order to protect them from extinction; the latter attempts to stop the introduction of micro-organisms and unwanted forms of animal life into the importing countries. The latter are important for legitimate health and safety reasons and hence their enforcement is essential, despite their distorting effect on international trade in NWFPs. It is therefore important that suppliers in developing countries are aware of the importance of effectively meeting the phyto-sanitary regulations and standards of developed countries.

## **5. TECHNICAL STANDARDS**

Elaborate technical and quality standards exist for a number of NWFPs and most purchases are made on the basis of a product analysis of samples supplied by the exporter in a laboratory selected by the buyer. Although most of these are not formal trade restrictions imposed for protective reasons they do constitute major barriers to many suppliers. Most are however legitimate regulations that exporters must adapt to if they are to trade internationally. The more effectively exporters can meet the regulations the more effective their trade will be.

## **6. STATE CONTROL AND POLICIES**

State controls over collection, processing, pricing and trade are common in developing countries, and tend to distort and restrain international trade in NWFPs. Thus, steps should to be taken to minimize these wherever possible, since regulated trade through the private sector is likely to be more effective.

## **7. CONSUMER/TRADE BOYCOTTS**

NWFP trade does not face the same problems of restriction and controls such as consumer/trade boycotts, direct control or bans which face international trade in timber and some other wood products. These are being promoted as solutions to the problems of the world's forests. These efforts to sustain forests do offer good opportunities and prospects for international trade in NWFPs since they are seen as being beneficial to the protection of the forests. Thus this may in fact provide a strong tool for the marketing of NWFPs.

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## APPENDIX I

SHARE OF EC, USA AND JAPANESE MARKETS IN  
WORLD TRADE OF NWFPs

| HS Code | Description  | World's import ('000\$) | Imports by main markets('000\$) |       |        |        |                    |
|---------|--|-------------------------|---------------------------------|-------|--------|--------|--------------------|
|         |  |                         | EC                              | USA   | Japan  | Total  | % of world's total |
| 010600  | Other live animals   | 183922                  | 61673                           | 43481 | 8051   | 123205 | 66.99              |
| 040900  | Natural honey  | 268184                  | 143399                          | 53925 | 35126  | 232450 | 86.68              |
| 041000  | Edible products of animal origin, nes                          | 80389                   | 6756                            | 4024  | 1463   | 12243  | 15.23              |
| 051000  | Ambergris, castoreum, civet and musk, etc.                     | 134088                  | 44485                           | 3027  | 42929  | 90441  | 67.45              |
| 050710  | Ivory, its powder and waste...                                 | 28295                   | 518                             | -     | 23285  | 23803  | 84.12              |
| 060410  | Mosses and lichens for ornamental purposes                     | 9352                    | 5097                            | 1014  | 66     | 6177   | 66.05              |
| 070951  | Mushrooms  | 206543                  | 61829                           | 3921  | 92078  | 157828 | 76.41              |
| 070952  | Truffles, fresh or chilled                                     | 4201                    | 362                             | 1969  | 901    | 3232   | 76.93              |
| 080120  | Brazil nuts, fresh or chilled                                  | 44344                   | 22116                           | 16787 | 209    | 39112  | 88.20              |
| 080231  | Walnuts in shell...  | 115338                  | 91119                           | 32    | 1266   | 92417  | 80.13              |
| 080232  | Walnuts, without shells...                                     | 100562                  | 37686                           | 272   | 13034  | 50992  | 50.71              |
| 080240  | Chestnuts..  | 109958                  | 2015                            | 10465 | 64144  | 76624  | 69.68              |
| 080290  | Other nuts   | 222915                  | 21012                           | 91680 | 24390  | 137082 | 61.50              |
| 081090  | Other fruits, nes  | 685229                  | 263221                          | 51308 | 127912 | 442441 | 64.57              |
| 090610  | Cinnamon and cinnamon tree-flowers, neither crushed and ground | 95626                   | 10056                           | 28912 | 2583   | 41551  | 43.45              |
| 090810  | Nutmeg   | 24166                   | 12568                           | 2518  | 2589   | 17675  | 73.14              |
| 090820  | Mace   | 7595                    | 4281                            | 505   | 349    | 5135   | 67.61              |
| 091099  | Other spices, nes  | 48342                   | 5650                            | 20857 | 2225   | 28732  | 59.43              |
| 110260  | Flour and meal of sago...                                      | 18063                   | 777                             | 922   | 330    | 2029   | 11.23              |
| 120792  | Shea nuts  | 5155                    | 122                             | -     | 3430   | 3552   | 68.90              |
| 121110  | Liquorice roots  | 33455                   | 5746                            | 9395  | 7547   | 22688  | 67.82              |
| 121120  | Ginseng roots...   | 389346                  | 11907                           | 11109 | 39893  | 62909  | 16.16              |
| 121210  | Locust beans   | 22395                   | 18305                           | 450   | 185    | 18940  | 84.57              |
| 121290  | Other plants used in pharmacy...                               | 689926                  | 171234                          | 88595 | 91964  | 351793 | 50.99              |

| HS Code | Description  | World's import ('000\$) | Imports by main markets('000\$) |       |       |        |                    |
|---------|--|-------------------------|---------------------------------|-------|-------|--------|--------------------|
|         |  |                         | EC                              | USA   | Japan | Total  | % of world's total |
| 130110  | Lac  | 25286                   | 4670                            | 9376  | 2381  | 16427  | 64.96              |
| 130120  | Gum arabic   | 101312                  | 53747                           | 18890 | 6188  | 78825  | 77.80              |
| 130190  | Natural gums, resins, ... balsams (excluding gum arabic)     | 92755                   | 29953                           | 11005 | 2141  | 43099  | 46.47              |
| 130212  | Liquorice sap...   | 57279                   | 22797                           | 15483 | 5388  | 43668  | 76.24              |
| 130232  | Mucilages and thickeners of locust beans...                  | 141335                  | 34029                           | 45354 | 25953 | 105336 | 74.53              |
| 130239  | Mucilages and thickeners, ... nes                            | 138579                  | 34638                           | 26410 | 18002 | 79050  | 57.04              |
| 140110  | Bamboos  | 37562                   | 12570                           | 3130  | 7581  | 23281  | 61.98              |
| 140120  | Rattans  | 118987                  | 13752                           | 5446  | 6535  | 25733  | 21.63              |
| 140190  | Vegetable materials for plaiting (excl. bamboos and rattans) | 39670                   | 20902                           | 4738  | 8333  | 33973  | 85.64              |
| 140210  | Kapok  | 11920                   | 1458                            | 731   | 5233  | 7422   | 62.27              |
| 140390  | Vegetable materials primarily for brooms and brushes         | 28111                   | 10203                           | 8593  | 3961  | 22757  | 80.95              |
| 140410  | Raw vegetable material primarily for dyeing and tanning      | 31063                   | 9400                            | 2037  | 2486  | 13923  | 44.82              |
| 140490  | Vegetable products, nes                                      | 63859                   | 18437                           | 11498 | 20293 | 50228  | 78.65              |
| 151540  | Tung oil and its fractions                                   | 49590                   | 4531                            | 9360  | 11860 | 25751  | 51.93              |
| 151560  | Jojoba oil and its fractions                                 | 11599                   | 7611                            | 2299  | 429   | 10339  | 89.14              |
| 151590  | Other fixed vegetable fats and fractions, nes                | 98906                   | 33737                           | 8674  | 10064 | 52475  | 53.06              |
| 152110  | Vegetable waxes  | 44021                   | 13492                           | 13080 | 6139  | 32711  | 74.31              |
| 152190  | Beeswax, other insect wax...                                 | 19146                   | 8653                            | 2387  | 2773  | 13813  | 72.15              |
| 170220  | Maple sugar and maple syrup                                  | 43632                   | 9649                            | 28092 | 1301  | 39042  | 89.48              |
| 200320  | Truffles, prepared or preserved ....                         | 3049                    | 165                             | 828   | 1039  | 2032   | 66.64              |
| 230810  | Acorns and horse-chestnuts, for animal feeding               | 1216                    | 1083                            | 1     | 58    | 1142   | 93.91              |
| 320110  | Quebracho extract  | 51938                   | 20662                           | 6364  | 981   | 28007  | 53.92              |

| HS Code | Description  | World's import ('000\$) | Imports by main markets('000\$) |        |        |        |                    |
|---------|--|-------------------------|---------------------------------|--------|--------|--------|--------------------|
|         |  |                         | EC                              | USA    | Japan  | Total  | % of world's total |
| 320120  | Wattle extract   | 63877                   | 15416                           | 8074   | 5492   | 28982  | 45.37              |
| 320130  | Oak or chestnut extract                                | 8653                    | 1675                            | 2362   | 342    | 4379   | 50.61              |
| 320190  | Tanning extracts of vegetable origin...                | 20515                   | 1540                            | 7592   | 660    | 9792   | 47.73              |
| 320300  | Colouring matter of vegetable and animal origin...     | 152082                  | 32210                           | 31803  | 12944  | 76957  | 50.60              |
| 330126  | Essential oils of vetiver...                           | 6908                    | 3172                            | 1199   | 729    | 5100   | 73.83              |
| 330129  | Essential oils, nes                                    | 312524                  | 95537                           | 108547 | 22431  | 226515 | 72.48              |
| 330130  | Resinoids  | 61359                   | 7929                            | 34884  | 3014   | 45827  | 74.69              |
| 330190  | Concentrates of essential oils in fats ...             | 39952                   | 9234                            | 7308   | 3714   | 20256  | 50.70              |
| 380510  | Gum, wood or sulphate turpentine oils                  | 31232                   | 12169                           | 2128   | 7844   | 22141  | 70.89              |
| 400110  | Natural rubber latex, in primary forms or in plates... | 519925                  | 109243                          | 84080  | 37093  | 230416 | 44.32              |
| 400121  | Smoked sheets of natural rubber                        | 1508240                 | 203003                          | 187727 | 533172 | 923902 | 61.26              |
| 400122  | Technically specified natural rubber...                | 1353322                 | 215113                          | 521715 | 79431  | 816259 | 60.32              |
| 400129  | Other natural rubber...                                | 804356                  | 255691                          | 60825  | 150888 | 467404 | 58.11              |
| 400130  | Balata, gutta-percha...                                | 26726                   | 5259                            | 4874   | 6715   | 16848  | 63.04              |
| 450110  | Natural cork, raw or simply spread                     | 7874                    | 1795                            | 70     | 598    | 2463   | 31.28              |
| 450190  | Waste cork, crushed, granulated or ground              | 18178                   | 2320                            | 5842   | 2881   | 11043  | 60.75              |
| 450200  | Natural cork, debarked or roughly squared              | 8196                    | 508                             | 1033   | 3008   | 4549   | 55.50              |
| 450310  | Corks and stoppers of natural cork                     | 157167                  | 17457                           | 59260  | 6189   | 82906  | 52.75              |
| 450390  | Articles of natural cork, nes                          | 13718                   | 2818                            | 3053   | 1307   | 7178   | 52.33              |
| 450410  | Blocks..., tiles... of agglomerated cork               | 87763                   | 6671                            | 25319  | 9500   | 41490  | 47.28              |

| HS Code                  | Description                                       | World's import ('000\$) | Imports by main markets('000\$) |         |         |         |                    |
|--------------------------|---|-------------------------|---------------------------------|---------|---------|---------|--------------------|
|                          |   |                         | EC                              | USA     | Japan   | Total   | % of world's total |
| 450490                   | Articles of agglomerated cork, nes                | 35942                   | 4455                            | 2757    | 828     | 8040    | 22.37              |
| 460110                   | Plaits and similar products of plaiting materials | 17198                   | 2925                            | 263     | 3100    | 6288    | 36.56              |
| 460120                   | Mats, mattings and screens of vegetable materials | 215957                  | 22038                           | 17130   | 135126  | 174,294 | 80.71              |
| 460191                   | Vegetable plaiting material... in sheet form      | 44732                   | 8921                            | 2645    | 29638   | 41,204  | 92.11              |
| 460210                   | Articles of vegetable plaiting materials..        | 789991                  | 227067                          | 258332  | 98134   | 583,533 | 73.87              |
| 460290                   | Articles of plaiting materials...                 | 64143                   | 32993                           | 8627    | 5518    | 47,138  | 73.49              |
| Grand total (\$ million) |   | 11,108.7                | 2,603.6                         | 2,126.4 | 1,895.4 | 6,625.3 | 59.64              |

Source: UNCTAD data base.

## SUMMARY OF RESTRICTIONS ON NWFP TRADE IN THE EC MARKETS

| HS Code<br>(National<br>line) | Product description <sup>1/</sup>                              | Tariff <sup>2/</sup> |     |            | Non-tariff<br>measures<br>description |
|-------------------------------|--|----------------------|-----|------------|---------------------------------------|
|                               |  | Conventional         | GSP | Autonomous |                                       |
| 04090000                      | Natural honey  | 27.00                | 25  | 30.00      | None                                  |
| 05100000                      | Ambergris, castoreum, civet and musk; cantharides, etc.        | 0.00                 |     | 0.00       | Wildlife protection <sup>3/</sup>     |
| 070951020                     | Mushrooms, fresh and chilled                                   | 16.00                |     | 16.00      | None                                  |
| 07095200                      | Truffles, fresh or chilled                                     | 8.00                 |     | 10.00      | None                                  |
| 071290010                     | Bamboo shoots, whole, cut, sliced, broken or in powder         | 15.00                | 7.5 | 15.00      | Health and safety regulations         |
| 08012000                      | Brazil nuts, fresh or dried                                    | 0.00                 |     | 5.00       | None                                  |
| 08023100                      | Walnuts in shell, fresh or dried                               | 8.00                 |     | 8.00       | None                                  |
| 08024000                      | Chestnuts, fresh or dried                                      | -                    |     | 7.00       | None                                  |
| 09061000                      | Cinnamon and cinnamon-tree flowers, neither crushed and ground | 8.00                 |     | 0.00       | None                                  |
| 09081090                      | Other  | 10.00                | 0   | 5.00       | None                                  |
| 09082010                      | Mace, neither crushed nor ground                               | 0.00                 | 0   | 20.00      | None                                  |
| 09082090                      | Mace, crushed or ground  | 8.00                 | 0   | 4.00       | None                                  |
| 09109991                      | Other spices, neither crushed nor ground                       | 20.00                | 0   | 12.00      | None                                  |
| 09109999                      | Other spices, neither crushed nor ground                       | 25.00                | 3   | 12.00      | None                                  |
| 12112000                      | Ginseng roots, of a kind used in, pharmacy, perfumery, etc.    | 0.00                 |     | 0.00       | None                                  |
| 12119010                      | Pyrethrum  | 3.00                 | 0   | 0.00       | None                                  |
| 12119030                      | Tonquin beans  | 8.00                 | 0   | 3.00       | None                                  |
| 12119050                      | Cinchona bark  | 0.00                 |     | 0.00       | None                                  |
| 12121010                      | Locust beans   | -                    |     | 8.00       | None                                  |
| 13011000                      | Lac  | 0.00                 |     | 0.00       | None                                  |
| 13012000                      | Natural gum arabic   | 0.00                 |     | 0.00       | None                                  |
| 13019000                      | Natural gums, resins, gum-resins and balsams                   | 0.00                 |     | 0.00       | None                                  |
| 13021200                      | Liquorice sap and extract                                      | 5.00                 |     | 10.00      | None                                  |
| 14011000                      | Bamboos  | 0.00                 |     | 0.00       | None                                  |
| 15154000                      | Tung oil and its fractions                                     | 3.00                 | 0   | 3.00       | None                                  |
| 15156010                      | Raw jojoba oil   | 0.00                 |     | 0.00       | None                                  |

<sup>1/</sup> Various special rates may apply for products from ACP, lesser-developed, Andean, EFTA and other countries.

<sup>2/</sup> Add value equivalent, unless otherwise specified.

<sup>3/</sup> Washington Convention on International Trade in Species of Wild Flora and Fauna Threatened by Extinction (CITES).

| HS Code<br>(National<br>line) | Product description  | Tariff       |     |            | Non-tariff<br>measures<br>description      |
|-------------------------------|--|--------------|-----|------------|--|
|                               |  | Conventional | GSP | Autonomous |  |
| 17022010                      | Maple sugar in solid form, containing added flavouring or colouring matter | -            |     |            | Non-automatic licence<br>Agricultural levy |
| 17022090                      | Maple sugar, other   | 10.00        |     |            | Non-automatic licence<br>Agricultural levy |
| 20032000                      | Truffles, prepared or preserved otherwise than by vinegar or acetic acid   | 18.00        | 14  | 20.00      | None                                       |
| 32019010                      | Sumach extract, vallonina extract  | 5.80         |     | 9.00       | None                                       |
| 32019090                      | Other  | 5.30         |     | 9.00       | None                                       |
| 32030011                      | Black cutch ( <i>Acacia catechu</i> )                                      | 0.00         |     | 0.00       | None                                       |
| 32030019                      | Other  | 4.10         | 0   | 0.00       | None                                       |
| 33012610                      | Essential oils of vetiver, non-deterpenated                                | 0.00         |     | 0.00       | None                                       |
| 33012690                      | Essential oils of vetiver, deterpenated                                    | 4.60         | 0   | 2.30       | None                                       |
| 33012911                      | Essential oils (not deterpenated)  | 2.70         |     | 0.00       | None                                       |
| 33012931                      | Essential oils (deterpenated)  | 4.60         |     | 2.30       | None                                       |
| 33012953                      | Essential oil of eucalyptus  | 0.00         |     | 0.00       | None                                       |
| 33013000                      | Resinoids  | 4.10         | 0   | 2.00       | None                                       |
| 33019010                      | Terpenic by-products of the deterpenation of essential oils                | 4.60         |     | 2.30       | None                                       |
| 33019090                      | Other  | 6.00         | 0   | 3.00       | None                                       |
| 38051010                      | Gum turpentine   | 4.00         | 0   | 5.00       | None                                       |
| 38051030                      | Wood turpentine  | 3.70         | 0   | 7.00       | None                                       |
| 38051090                      | Sulphate turpentine  | 3.20         | 0   | 7.00       | None                                       |
| 40011000                      | Natural rubber latex, in primary forms or in plates, sheets or strips      | 0.00         |     | 0.00       | None                                       |
| 40012100                      | Smoked sheets of natural rubber  | 0.00         |     | 0.00       | None                                       |
| 45011000                      | Natural cork, raw or simply prepared                                       | 2.50         |     | 7.00       | None                                       |
| 46019140                      | Other  | 4.10         |     | 3.00       | None                                       |

## SUMMARY OF RESTRICTIONS ON NWFP TRADE IN THE USA MARKETS

| HS Code<br>(National<br>line) | Product description <sup>1/</sup>  | Tariff <sup>2/</sup> |     |                     | Non-tariff<br>measures     |
|-------------------------------|--|----------------------|-----|---------------------|----------------------------|
|                               |  | MFN                  | GSP | Non-MFN             |                            |
| 04090000                      | Natural honey  | 0.066 <sup>3/</sup>  |     | 0.0224              | None                       |
| 05100020                      | Ambergris, castoreum, civet and musk   | 8.00                 |     | 20.00               | None                       |
| 06041000                      | Mosses and lichens for ornamental purposes, fresh, dried, etc.   | 0.00                 |     | 0.00                | None                       |
| 070951020                     | Mushrooms, fresh and chilled   | 0.00                 |     | 0.00                | None                       |
| 07095200                      | Truffles, fresh or chilled   | 0.00                 |     | 0.00                | None                       |
| 08012000                      | Brazil nuts, fresh or dried  | 0.00                 |     | 0.099               | None                       |
| 08024000                      | Chestnuts, fresh or dried  | 0.00                 |     | 0.11 <sup>3/</sup>  | None                       |
| 08109040                      | Fruit nesi, fresh  | 3.40                 | 0   | 35.00 <sup>4/</sup> | Seasonal tariff high rates |
| 09061000                      | Cinnamon and cinnamon-tree flowers, neither crushed and ground   | 0.00                 |     | 0.00                | None                       |
| 09082020                      | Mace, Bombay or wild, ground   | 0.165                | 0   | 0.490               | None                       |
| 09082040                      | Mace, other than Bombay or wild mace   | 0.00                 |     | 0.00                | None                       |
| 09109940                      | Origanum, other than crude or not manufactured   | 7.50                 | 0   | 25.00               | None                       |
| 09109960                      | Spices, nesi   | 3.00                 | 0   | 25.00               | None                       |
| 11062000                      | Flour and meal of sago   | 0.00                 |     | 0.00                | None                       |
| 12112000                      | Ginseng roots, of a kind used in, pharmacy, perfumery, etc.  | 0.00                 |     | 0.00                | None                       |
| 12119060                      | Tonka beans, of a kind used in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes | 0.066 <sup>3/</sup>  | 0   | 0.550               | None                       |
| 12121000                      | Locust beans (including locust bean seeds), fresh or dried   | 0.00                 |     | 0.00                | None                       |
| 13011000                      | Lac  | 0.00                 |     | 0.00                | None                       |
| 13012000                      | Natural gum arabic   | 0.00                 |     | 0.011               | None                       |

<sup>1/</sup> Various special rates may apply for products from Caribbean or other countries in free-trade areas.

<sup>2/</sup> Add value equivalent, unless otherwise specified.

<sup>3/</sup> \$/Kg.

<sup>4/</sup> Plus 0.028 \$/kg.

| HS Code<br>(National<br>line) | Product description   | Tariff |     |                     | Non-tariff<br>measures |
|-------------------------------|---|--------|-----|---------------------|------------------------|
|                               |   | MFN    | GSP | Non-MFN             |                        |
| 14011000                      | Bamboos   | 0.00   |     | 0.00                | None                   |
| 14012020                      | Rattans, in the rough or cut transversely into sections, of a kind used in plaiting   | 0.00   |     | 0.00                | None                   |
| 14012040                      | Rattans, other than those in the rough or cut transversely into sections, of a kind used in plaiting  | 3.10   | 0   | 20.00               | None                   |
| 14021000                      | Kapok   | 0.00   |     | 0.00                | None                   |
| 15154000                      | Tung oil and its fractions  | 0.00   |     | 0.00                | None                   |
| 15156000                      | Jojoba oil and its fractions  | 5.00   | 0   | 20.00               | None                   |
| 15211000                      | Vegetable waxes   | 0.00   |     | 0.00                | None                   |
| 15219040                      | Insect waxes, other than bleached beeswax, ... whether or not refined or coloured   | 0.00   |     | 0.00                | None                   |
| 17022040                      | Maple sugar and maple syrup, nesi   | 0.00   |     | 0.090 <sup>5/</sup> | None                   |
| 20032000                      | Truffles, prepared or preserved otherwise than by vinegar or acetic acid  | 0.00   |     | 0.00                | None                   |
| 32019020                      | Tanning extracts of canaigre, curupay, eucalyptus, larch, tara, myrobalan, sumac, divi-divi, gambier, hemlock, mangrove, urunday or valonia | 0.00   |     | 0.00                | None                   |
| 32019050                      | Tanning extracts of vegetable origin nesi; tannins and their salts, ethers, esters and other derivatives                                    | 3.10   |     | 15.00               | None                   |
| 33013010                      | Prepared oleoresins consisting essentially of non-volatile components of the natural raw plant  | 6.00   | 0   | 25.00               | None                   |
| 33013050                      | Resinoids, nesi   | 0.00   |     | 0.00                | None                   |
| 33012600                      | Essential oils of vetiver   | 0.00   |     | 25.00               | None                   |
| 33012910                      | Essential oil of eucalyptus   | 2.80   | 0   | 15.0                | None                   |
| 33012920                      | Essential oils other than those of citrus fruits, nesi  | 0.00   |     | 0.00                | None                   |
| 38051000                      | Gum, wood or sulphate turpentine oils   | 5.00   | 0   | 5.00                | None                   |
| 40011000                      | Natural rubber latex, in primary forms or in plates, strips or sheets   | 0.00   |     | 0.00                | None                   |

<sup>5/</sup> \$/Kg.

## SUMMARY OF RESTRICTIONS ON NWFP TRADE IN THE JAPANESE MARKETS

| HS Code<br>(National<br>line) | Product description <sup>1/</sup>  | Tariff <sup>2/</sup> |     |            | Non-tariff<br>measures        |
|-------------------------------|--|----------------------|-----|------------|-------------------------------|
|                               |  | General              | GSP | GATT bound |                               |
| 040900000                     | Natural honey  | 30.00                | 0   | 30.00      | Health and safety regulations |
| 051000200                     | Ambergris, castoreum, civet, cantharides, etc.                             | 10.00                |     | 5.00       | Health and safety regulations |
| 060410000                     | Mosses and lichens for ornamental purposes, fresh, dried, etc.             | 10.00                | 0   | 5.00       | Health and safety regulations |
| 070951020                     | Mushrooms, fresh or chilled  | 10.00                |     | 5.00       | Health and safety regulations |
| 070952000                     | Truffles, fresh or chilled   | 10.00                |     | 5.00       | Health and safety regulations |
| 080120000                     | Brazil nuts, fresh or dried  | 20.00                | 0   | 6.00       | Health and safety regulations |
| 080231000                     | Walnuts in shell, fresh or dried   | 30.00                |     | 20.00      | Health and safety regulations |
| 080240000                     | Chestnuts, fresh or dried  | 20.00                |     | -          | Health and safety regulations |
| 080290400                     | Other nuts, fresh or dried   | 20.00                |     | -          | Health and safety regulations |
| 081090020                     | Other fruits, fresh  | 20.00                |     | 8.00       | Health and safety regulations |
| 090610000                     | Cinnamon and cinnamon-tree flowers, neither crushed and ground             | 0.00                 |     | 0.00       | Health and safety regulations |
| 090820100                     | Mace, put up in containers for retail sale                                 | 20.00                |     | 6.00       | Health and safety regulations |
| 090820210                     | Mace, neither crushed nor ground, not put up in containers for retail sale | 0.00                 |     | 0.00       | Health and safety regulations |
| 091099220                     | Other spices, crushed or ground, not put up in containers for retail sale  | 10.00                | 0   | 3.50       | Health and safety regulations |
| 110620110                     | Flour and meal of sago...  | 25.00                |     | 0.00       | Health and safety regulations |
| 121120010                     | Red ginseng  | 10.00                |     | 5.00       | Health and safety regulations |
| 121210000                     | Locust beans (including locust bean seeds), fresh or dried                 | 0.00                 |     | 0.00       | Health and safety regulations |
| 130110100                     | Shellac and other refined lacs   | 25.00                |     | 20.00      | Health and safety regulations |

<sup>1/</sup> Various special rates, or lower temporary rates may apply for many products. A number of products also face a consumption tax of 3% levied on the duty-paid value of the product.

<sup>2/</sup> Add value equivalent, unless otherwise specified.

| HS Code<br>(National<br>line) | Product description  | Tariff  |     |            | Non-tariff<br>measures                         |
|-------------------------------|--|---------|-----|------------|--|
|                               |  | General | GSP | GATT bound |  |
| 130120000                     | Natural gum arabic   | 0.00    |     | 0.00       | Health and safety regulations                  |
| 130190091                     | Gum tragacanth   | 0.00    |     | -          | Health and safety regulations                  |
| 130190099                     | Natural gums, resins, gum-resins and balsams, nes                                | 0.00    |     | -          | Health and safety regulations                  |
| 130232010                     | Locust bean gum  | 0.00    |     | 0.00       | Health and safety regulations                  |
| 140110000                     | Bamboos  | 10.00   | 5   | -          | Health and safety regulations                  |
| 140120000                     | Rattans  | 0.00    |     | 0.00       | Health and safety regulations                  |
| 140210000                     | Kapok  | 0.00    |     | 0.00       | Health and safety regulations                  |
| 151540000                     | Tung oil and its fractions   | 0.00    |     | 0.00       | Health and safety regulations                  |
| 151560000                     | Jojoba oil and fractions   | 15.00   | 0   | 7.00       | Health and safety regulations                  |
| 152190099                     | Insect waxes, nes  | 15.00   | 7.5 | 7.50       | Health and safety regulations                  |
| 170220100                     | Maple sugar  | 41.50   |     | -          | Health and safety regulations; variable levies |
| 170220200                     | Maple syrup  | 35.00   |     | -          | Health and safety regulations; variable levies |
| 200320010                     | Truffles, prepared or preserved in air tight containers not more than 10 kg each | 25.00   |     | -          | Health and safety regulations                  |
| 200320020                     | Truffles, prepared or preserved, nes   | 25.00   |     | 17.50      | Health and safety regulations                  |
| 320190100                     | Tannins and their derivatives  | 10.00   | 0   | 3.70       | Health and safety regulations                  |
| 320190200                     | Tanning extracts of vegetable origin, nes  | 0.00    |     | 0.00       | Health and safety regulations                  |
| 320300100                     | Natural indigo and butter dyes   | 0.00    |     | 0.00       | Health and safety regulations                  |
| 33126000                      | Essential oils of vetiver (including concentrates and absolutes)                 | 10.00   | 0   | 2.40       | Health and safety regulations                  |
| 330129110                     | Cassia oil   | 0.00    |     | 0.00       | Health and safety regulations                  |
| 330129120                     | Cedar oil  | 0.00    |     | 0.00       | Health and safety regulations                  |
| 330129220                     | Ho oil   | 20.00   | 0   | 3.70       | Health and safety regulations                  |
| 330130000                     | Resinoids  | 10.00   |     | 3.70       | Health and safety regulations                  |

| HS Code<br>(National<br>line) | Product description   | Tariff  |     |            | Non-tariff<br>measures        |
|-------------------------------|---|---------|-----|------------|-------------------------------|
|                               |   | General | GSP | GATT bound |                               |
| 380510000                     | Gum, wood or sulphate turpentine oils                                       | 0.00    |     | 3.70       | None                          |
| 400110010                     | Thermosensitive, electropositive and prevulcanised, of natural rubber latex | 0.00    |     | 0.00       | Health and safety regulations |
| 400110090                     | Other natural rubber latex  | 0.00    |     | 0.00       | Health and safety regulations |
| 400121000                     | Smoked sheets of natural rubber   | 0.00    |     | 0.00       | Health and safety regulations |
| 400129000                     | Other natural rubber, in primary forms or in plates, etc, nes               | 0.00    |     | 0.00       | Health and safety regulations |
| 450110000                     | Natural cork, raw or simply prepared  | 0.00    |     | 0.00       | Health and safety regulations |

## TARIFFS (IMPORT DUTY) FACING SELECTED NWFPs IN CHINA

| HS Code  | Description  | Tariff <sup>1/</sup> |         |  | Non-tariff measures               |
|----------|--|----------------------|---------|--|-----------------------------------|
|          |  | MFN                  | General | Other                                      |                                   |
| 04100010 | Edible bird's (salanganes') nests                              | 60.00                | 80.00   | 35.00 <sup>2/</sup><br>35.00 <sup>3/</sup> | None                              |
| 04100020 | Royal jelly, fresh   | 45.00                | 70.00   | 14.00<br>5.00                              | None                              |
| 04100090 | Edible products of animal origin, nes                          | 45.00                | 70.00   | 14.00<br>5.00                              | None                              |
| 05071000 | Ivory; powder and waste, unworked                              | 20.00                | 30.00   | -  | None                              |
| 05100020 | Ambergris, castoreum and civet                                 | 35.00                | 50.00   | -  | None                              |
| 05100030 | Musk   | 15.00                | 20.00   | -  | Import license; import inspection |
| 12112010 | American ginseng roots   | 45.00                | 70.00   | 14.00<br>0.00                              | Import license; import inspection |
| 12112020 | Wild ginseng roots...  | 65.00                | 90.00   | 14.00<br>0.00                              | Import inspection                 |
| 12112090 | Other ginseng roots, of a kind used in perfumery, pharmacy ... | 35.00                | 50.00   | 14.00<br>0.00                              | Import inspection                 |
| 13012000 | Natural gum arabic   | 30.00                | 40.00   | 15.00<br>16.00                             | None                              |
| 14011000 | Bamboos  | 45.00                | 70.00   | 5.00<br>5.00                               | None                              |
| 14021000 | Kapok  | 45.00                | 70.00   | -  | None                              |
| 14041000 | Raw vegetable materials for dyeing and tanning                 | 30.00                | 45.00   | -  | None                              |
| 14049000 | Vegetable products, nes  | 45.00                | 70.00   |  | None                              |
| 32030011 | Natural indigo and products thereof                            | 50.00                | 80.00   | 22.00<br>16.00                             | None                              |
| 32030019 | Colouring matter of vegetable origin, and preparations         | 33.00                | 45.00   | 14.00<br>16.00                             | None                              |
| 32030020 | Colouring mater of animal origin, and preparations             | 35.00                | 50.00   | 14.00<br>16.00                             | None                              |
| 40012100 | Smoked sheets of natural rubber                                | 30.00                | 40.00   | 15.00<br>16.00                             | Import license; import inspection |

<sup>1/</sup> Add value equivalent, unless otherwise specified.

<sup>2/</sup> Product tax and v.a.t.

<sup>3/</sup> Industry and commerce consolidation tax.

| HS Code  | Description                               | Tariff |         |                | Non-tariff measures |
|----------|---|--------|---------|----------------|---------------------|
|          |   | MFN    | General | Other          |                     |
| 40013000 | Balata, gutta-percha... and similar gums  | 30.00  | 40.00   | 15.00<br>16.00 | Import inspection   |
| 45011000 | Natural cork, raw or simply prepared      | 12.00  | 17.00   | 15.00<br>0.00  | None                |
| 45020000 | Natural cork, debacked or roughly squared | 20.00  | 30.00   | 14.00<br>5.00  | None                |

Source: UNCTAD data base.

## TARIFFS (IMPORT DUTY) FACING SELECTED NWFPs IN INDIA

| HS Code  | Description                                   | Tariff <sup>1/</sup> |                  |                           | Non-tariff measures                 |
|----------|---|----------------------|------------------|---------------------------|-------------------------------------|
|          |   | Basic duty (MFN)     | Basic duty (GEN) | Auxiliary duty of customs |                                     |
| 051000   | Ambergris, castoreum, civet and musk          | 60.00                | 60.00            | 45.00                     | Non-automatic license <sup>2/</sup> |
| 11062100 | Shea nuts                                     | 60.00                | 60.00            | 45.00                     | None                                |
| 121110   | Liquorice roots                               | 60.00                | 65.00            | 45.00                     | Non-automatic license <sup>2/</sup> |
| 121120   | Ginseng roots                                 | 60.00                | 60.00            | 45.00                     | Non-automatic license <sup>2/</sup> |
| 130120   | Natural gum arabic                            | 60.00                | -                | 45.00                     | None                                |
| 130190   | Natural gums, resins, gum-resins and balsams  | 30.00                | 60.00            | 45.00                     | Non-automatic license <sup>3/</sup> |
| 320120   | Wattle extract                                | 40.00                | 65.00            | 45.00                     | None                                |
| 320190   | Tanning extracts of vegetable origin...., nes | 65.00                | 65.00            | 45.00                     | Non-automatic license <sup>3/</sup> |
| 320126   | Essential oils of vetiver....                 | -                    | 65.00            | 45.00                     | None                                |
| 330190   | Concentrates of essential oils in fats.....   | -                    | 65.00            | 45.00                     | Non-automatic license <sup>3/</sup> |
| 380510   | Gum, wood or sulphate turpentine oils         | -                    | 65.00            | 45.00                     | Non-automatic license <sup>3/</sup> |
| 450190   | Waste cork; crushed, granulated or ground     | -                    | 60.00            | 45.00                     | None                                |

Source: UNCTAD data base.

<sup>1/</sup> Add value equivalent, unless otherwise specified.

<sup>2/</sup> Negative list.

<sup>3/</sup> Negative list (applied only to a part of tariff line).

# NON-WOOD FOREST PRODUCTS

1. Flavours and fragrances of plant origin (1995)
2. Gum naval stores: turpentine and rosin from pine resin (1995)
3. Report of the International Expert Consultation on Non-Wood Forest Products (1995)
4. Natural colourants and dyestuffs (1995)
5. Edible nuts (1995)
6. Gums, resins and latexes of plant origin (1995)
7. Non-wood forest products for rural income and sustainable forestry (1995)
8. Trade restrictions affecting international trade in non-wood forest products (1995)



Non-wood forest products have considerable potential as a means of increasing the value of the forests and contributing to their effective sustainable management. Many developing countries produce a wide range of these products. In recent years there has been a heightened awareness that they may be underutilized and especially that their potential in international trade may not be adequately recognized, because little is known about markets for many of the products or the tariff and non-tariff barriers they face when traded internationally. Trade restrictions affecting international trade in non-wood forest products provides information on the range of trade barriers facing these products and also the extent to which they may create difficulties for those interested in beginning or expanding trade. It provides an overview for the main products and detailed information for the European Community, United States and Japanese markets, which together account for an estimated 60 percent of the international trade in non-wood forest products. The report will assist those engaged in or contemplating the export of these products. It will also assist government policy-makers. It is particularly intended for readers in developing countries.

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