

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/3F/W/15

27 September 1974

Special Distribution

---

## Multilateral Trade Negotiations

### GROUP 3(f) - ESSENTIAL OILS AND RESINOIDS

#### Note by the Secretariat

1. This note contains available information in respect of trade flows and commercial policy in developed countries affecting certain essential oils identified as being mainly of tropical origin.
2. Essential oils are used as perfume and flavouring materials in the perfumery and food industries and for other purposes. They are of vegetable origin, mostly volatile and contain alcohols, aldehydes, ketones, phenols, esters, ethers and terpenes in varying proportions. More than 100 principal varieties of essential oils are listed in the Explanatory Notes to the Brussels Nomenclature. An indicative list of essential oils and resinoids mainly of tropical origin together with identified supplying countries and territories is provided in Table 1.
3. Developed country imports by value of essential oils and resinoids during 1972 together with information on imports from the main suppliers are shown in Table 2. Total imports in that year amounted to \$176 million of which \$81 million, 46 per cent of the total, came from developing countries. It is estimated that imports from tropical producing countries amounted to approximately \$50 million. By far the largest suppliers of essential oils as a whole were the EEC and the United States. Principal suppliers among developing countries or territories include Indonesia, Brazil, Reunion, Mexico, Haiti, Spain, Madagascar, Morocco, India, Paraguay, Guatemala, Argentina, Ivory Coast, Egypt, Turkey, Singapore, Greece, Yugoslavia, Tunisia, Bahamas, Jamaica and Sri Lanka.
4. In its 1974 publication, "The Market for Essential Oils and Oleoresins", the UNCTAD/GATT International Trade Centre has stated that the relative share of natural essential oils in the steadily growing consumption of fragrances and flavourings is declining, while that of synthetic products is increasing. The market for natural essential oils is, nevertheless, fairly stable, and even expanding slightly because of the overall consumption increase and also because synthetic materials cannot be substituted for certain natural oils.

### Tariffs

5. Table 3 provides details of the tariff situation, including most-favoured-nation (m.f.n.) and Generalized System of Preferences (GSP) rates of duty, applying to these items in a number of developed country markets. Essential oils are not subject to duty in Austria, Finland, New Zealand or Sweden. Canada, Norway and Switzerland have granted duty-free entry to imports of these products from developing countries under their respective GSP schemes (Spain and Greece are subject to reduced GSP rates in the Swiss market). Duty-free imports into the European Economic Community from developing countries under the GSP are subject to ceiling limitations. Japan also permits imports from developing countries under the GSP either duty-free or at reduced tariff rates, but these are also subject to ceiling limitations. For imports into the EEC<sup>1</sup> and Japan from developing countries in excess of the ceiling, the m.f.n. duties would apply.

6. In the United States tropical oils such as those of benzoin, cajeput, cananga, cardamom, chenopodium, copaiba, gingergrass, guaiacwood, mace, nutmeg, ocotea pratiiosa and pimento leaf attract an m.f.n. duty of 3 per cent under a tariff heading covering miscellaneous essential oils.

7. One point of interest lies in the m.f.n. duty rates established for miscellaneous positions relating to essential oils in certain national tariff schedules. In five of the countries examined (Canada, Japan, Norway, Switzerland and the United States), specified essential oils are either not dutiable or generally subject to low rates of duty whereas those unspecified and falling under the miscellaneous "other" position are either dutiable or subject to higher rates of duty. In Australia and the FEC, however, unspecified items falling under "other" are duty-free or subject to generally lower rates of duty. To the extent that concessions on m.f.n. duties might be sought in the trade negotiations, there may be scope, where relevant, for seeking the specification of certain essential oils now unspecified in some national tariff schedules, in order to achieve concessions for such items.

### Non-tariff measures

8. Few details have been notified concerning the application of non-tariff measures to essential oils and resinoids. However, imports of essential oils of citrus fruit, not terpeneless, into Italy are subject to discretionary licensing and resinoids of vanilla to a consumption tax of F 110.50 per kg. net in France. The import of hop oil into New Zealand is restricted and in Finland, imports of essential oils require the approval of the alcohol monopoly if the ethyl alcohol content exceeds 2.20 per cent by weight.

---

<sup>1</sup>Special preferential suppliers have unrestricted duty-free access (see Table 3).

TABLE 1

Indicative List of Essential Oils and Resinoids (BTN 33.01)  
Supplied by Tropical Producing Countries or Territories<sup>1</sup>

Main Supplying Countries and Territories

Benzoin	Indonesia, Laos, Thailand
Bois de Rose (Rosewood)	Brazil, Peru
Cajeput	Indonesia
Cananga	Indonesia
Cardamom	Sri Lanka, India, Guatemala
Cassia	South Vietnam, Laos, China
Chenopodium (Wormseed)	Brazil, India, Indonesia
Cinnamon (bark and leaf)	Sri Lanka, Seychelles
Citronella	Sri Lanka, Indonesia, Argentina, Guatemala, Brazil, China
Clove	Madagascar, Indonesia, Tanzania
Copaiba	Brazil, Venezuela, Colombia
Geranium	Reunion, Morocco, Algeria, Egypt, Kenya
Gingergrass	India
Guaiacwood	Paraguay
Lemongrass	India, Guatemala, China, Argentina
Lime (Limette)	Mexico, Haiti, Dominica, Guatemala, Ghana, Jamaica, Grenada, Guyana
Mace and Nutmeg	Indonesia, Sri Lanka, Grenada
Ocotea Pratiiosa (Brazilian Sassafras)	Brazil, Paraguay
Palmarosa	Madagascar, India, Brazil, Guatemala
Patchouli	Indonesia, Singapore, Malaysia, Seychelles
Petitgrain "Paraguay"	Paraguay, Uruguay, Argentina
Pimento leaf	Jamaica
Sandalwood	India, Singapore, Haiti, Australia
Vetivert	Haiti, Madagascar, Reunion, Indonesia
Ylang-ylang	Madagascar, Indonesia

---

<sup>1</sup>Certain essential oils and resinoids are produced primarily in consuming countries from raw materials of tropical origin, e.g. pepper, tolu, vanilla and rhizomes.

TABLE 2  
Trade in Essential Oils and Resinoids - 1972

Importers		EEC	Canada f.o.b.	Australia (1971)	New Zealand (1971)	Austria	Norway	Sweden	Switzerland	Finland	Japan	US f.o.b.	Total
Main suppliers													
Morocco		2,961	-	-	-	-	-	-	19	-	17	57	3,054
Tunisia		1,031	-	-	-	-	-	-	44	-	-	77	1,152
Egypt		1,328	-	-	-	-	-	-	61	-	-	268	1,657
Ivory Coast		1,763	-	-	-	-	-	-	-	-	-	60	1,820
Madagascar		1,699	-	-	-	-	-	-	111	-	199	1,745	3,754
Reunion		5,965	-	-	-	-	-	-	306	-	114	1,341	7,726
India		1,398	-	-	-	-	1	1	270	-	261	1,781	5,712
Sri Lanka		520	-	-	-	3	-	-	29	-	24	233	811
Singapore		487	11	-	-	-	-	-	138	-	153	347	1,136
Indonesia		5,106	7	-	-	2	-	-	284	-	348	3,771	9,518
Mexico		505	48	-	-	38	3	-	34	-	189	4,340	5,259
Haiti		1,545	19	-	-	-	-	-	255	-	47	2,649	4,515
Guatemala		769	-	-	-	-	-	-	33	-	118	1,037	1,959
Jamaica		290	16	177	-	-	-	-	-	-	25	314	822
Bahamas		319	78	-	-	-	-	-	-	-	186	325	908
Brazil		5,197	9	-	-	12	-	11	219	19	811	2,480	8,758
Paraguay		1,564	3	-	-	-	-	-	115	-	276	874	2,832
Argentina		324	5	-	-	-	-	-	16	-	6	2,226	2,577
Greece		150	-	-	-	-	-	-	-	-	-	1,098	1,248
Spain		2,838	14	-	-	17	24	38	195	-	111	1,099	4,356
Turkey		1,510	-	-	-	141	-	-	106	-	3	20	1,639
Yugoslavia		653	-	-	-	-	-	-	140	-	-	220	1,139
Switzerland		1,453	144	-	-	76	30	47	-	67	234	315	2,566
United States		17,782	6,627	950	126	186	102	305	667	41	6,532	-	33,278
EEC		-	1,010	815	167	560	299	492	7,746	411	11,385	16,729	39,614
USSR		3,377	-	-	-	-	-	-	25	-	1	95	3,498
Bulgaria		1,812	-	-	-	70	-	5	433	-	94	542	2,956
China		5,655	12	281	-	2	17	37	554	-	1,371	303	8,240
Imports from world		74,122	8,105	2,809	580	1,324	504	945	12,668	554	25,456	48,969	176,036
Imports from developing countries		41,186 56%	260 3%	507 18%	83 14%	213 16%	56 11%	59 6%	3,030 24%	31 6%	5,825 23%	29,597 60%	80,847 46%

Sources: Trade by Commodities - OECD. Commodity Trade Statistics - UN.

TABLE 3  
Tariffs and GSP on Essential Oils in Developed Countries<sup>1</sup>

AUSTRALIA\*

Tariff items and description	M.f.n. tariff	British preferential tariff	GSP
33.01.100 Citrus essential oils, concretes and absolutes other than bergamot, bitter orange and neroli	15%	7.5%	5%
.200 Oil of ginger	\$A 28.94 per kg., less 46% of V; or if higher 10%	\$A 28.94 per kg., less 56% of V	\$28.94 per kg., less 57% of V
.900 Other	6%	Free	Free

V = Value of the goods

\*Duties lower than British preferential tariffs and GSP rates apply to "Declared Preference Countries" including Cyprus, Gambia, Ghana, Guyana, Jamaica, Kenya, Malaysia, Malta, Mauritius, Nigeria, Sierra Leone, Singapore, Sri Lanka, Tanzania, Tonga, Trinidad and Tobago and Uganda.

<sup>1</sup>Essential oils are not subject to duty when imported into Austria, Finland, New Zealand and Sweden.

CANADA

Canadian tariff items and description	M.f.n. tariff	British preferential tariff	GSP
26400-1			
Essential oils, natural, namely: Bergamot, citronella, clove, geranium, lemon, lemon grass, mandarin, orange, rose, vetiver and ylang-ylang	Free	Free	-
26405-1			
Essential oils, natural and synthetic, n.o.p.; essential oils, natural and synthetic, containing other non-alcoholic material, n.o.p., for use in the manufacture of products or preparations for medicinal, flavouring, toilet, or other purposes, under such regulations as the Minister may prescribe	7.5%	Free	Free

EEC\*

Tariff items and description	M.f.n. tariff	Tariff applying to EFTA (1974) <sup>1</sup>	Tariff applying to AASM, AOCT Greece, Turkey, Morocco, Tunisia, East African Community	GSP (applicable to imports within ceilings)
33.01 A. Essential oils, not terpeneless:				
I. Of citrus fruit	11%	6.6%	Free	(Free)
II. Other:				
(a) Geranium, clove, niaouli and ylang- ylang oils	3.2%	1.9%	Free	(Free)
(b) Other	Free	Free	Free	-
B. Essential oils, terpeneless:				
I. Of citrus fruit	12%	7.2%	Free	(Free)
II. Other	6.4%	3.8%	Free	(Free)
C. Resinoids	5.6%	3.3%	Free	(Free)

\*Intermediate duty rates apply to Israel, Spain, Malta, Cyprus, Egypt and Lebanon.

<sup>1</sup>Under the agreements between the EEC and certain EFTA countries, duties on essential oils will be eliminated by 1 July 1977.

JAPAN

Tariff items and description	M.f.n. <sup>1</sup> tariff	GSP (applicable to imports within ceilings)
33.01 1 Essential oils, including concretes and absolutes:		
(1) Bay leaf oil, bergamot oil, cananga oil, cassia oil, cinnamon leaf oil, cedar oil, citronella oil, clove oil, eucalyptus oil, fennel oil, gingergrass oil, lemon oil, orange oil, palmarosa oil, petitgrain oil, rosemary oil, rosewood oil, sandalwood oil, star anise oil, thyme oil, ylang-ylang oil and gyusho oil	Free	-
(2) Geranium oil, lavender oil, lemongrass oil, patchouli oil, vetiver oil and Ho oil		
Lemongrass oil	Free	-
Patchouli Oil	5% <u>4%</u>	(Free)
Vetiver oil	5% <u>4%</u>	(Free)
Geranium oil	5% <u>4%</u>	(Free)
Lavender oil	5% <u>4%</u>	(Free)
Ho oil	5% <u>4%</u>	(2%)
(3) Other		
Peppermint oil, obtained from Mentha arvensis: Containing more than 65% by weight of total menthol when determined by the testing method stipulated by a Cabinet Order:		
For the quantity (quota) stipulated by a Cabinet Order, on the basis of the quantity of prospective domestic demand in the coming fiscal year (April-March) with deduction of the quantity of prospective domestic production, and also in consideration of international market situation and other relevant conditions	15% <u>Free</u>	-
Other	15% <u>12%</u>	(6%)
Other	15% <u>12%</u>	(6%)
Other peppermint oil	15% <u>4%</u>	(Free)
Spearment (Mentha viridis) oil	5% <u>4%</u>	(Free)
Rose oil	10% <u>4%</u>	(Free)
Jasmin oil	10% <u>4%</u>	(Free)
Other	10% <u>4%</u>	(Free)
2 Resinoids	5% <u>4%</u>	(Free)

<sup>1</sup>Currently applied provisional rates of duty are indicated in square brackets.

NORWAY\*

Tariff items and description	M.f.n. duty	EFTA Denmark	GSP
	NKr per kg.	UK	
33.01 A. Juniper, birch and pineneedle oils	0.14	Free	Free
B. Rosemary oil	1.25	Free	Free
C. Citronella, palmarosa, sandalwood, vetiver, peppermint, and oleoresins from roots	Free	Free	-
D. Others	4.00	Free	Free

\*Intermediate rates (to be eliminated by 1 July 1977) apply to imports from the EEC countries other than Denmark and the United Kingdom.

SWITZERLAND\*

Tariff items and description	M.f.n.duty	GSP	
		Spain and Greece	Other
33.01	per 100 kg. gross	per 100 kg. gross	
10 Citrus fruit, eucalyptus and sandalwood oil	Sw.F 5.00 (0.26%)**	Sw.F 3.50	Free
12 The following oils: absinthe, pineneedle, anise, spike-lavender, star anise (badian), gurjun balsam, bay, cabreuva, cedar, guaiacwood, rosewood (including Mexican linaloe), camphor, cananga, cinnamon, caraway, citronella, juniper, geranium, clove, lavender, lemongrass, litsea-cubeba, peppermint (including curled mint and European pennyroyal), palmarosa, patchouli, petitgrain, rosemary, rue, sassafras, ho (shiu), thyme and vetiver	Sw.F 10.00 (0.44%)**	Sw.F 7.00	Free
20 Other essential oils, such as the following: camomile, coriander, iris, jasmine, neroli, rose, ylang-ylang, etc.; resinoids	Sw.F 75.00 (0.36%)**	Sw.F 52.50	Free

\*Imports from other EFTA countries, Denmark and the United Kingdom are free of duty. Intermediate rates (to be eliminated by 1 July 1977) apply to the EEC member countries other than Denmark and the United Kingdom.

\*\*Average ad valorem incidence reported in the Swiss Trade Statistics for 1973.

UNITED STATES

U.S. Tariff items	Description	M.f.n. tariff
	Oils, distilled or essential, including terpeneless oils:	
452.02	Almond, bitter	Free
452.04	Anise	Free
452.06	Bergamot	Free
452.08	Camphor	Free
452.10	Caraway	Free
452.12	Cassia	Free
452.14	Cedar leaf	Free
452.16	Cinamon	Free
452.18	Citronella	Free
452.20	Clove	Free
452.22	Cornmint, including "peppermint" derived from <u>Mentha arvensis</u>	Free
452.24	Eucalyptus	3.5%
452.26	Geranium	Free
452.28	Grapefruit	6%
452.32	Lavender and spike lavender	Free
452.34	Lemon	8.5%
452.36	Lemongrass	Free
452.38	Lime	Free
452.40	Lignalee or bois de rose	Free
452.42	Neroli (orange flower)	Free
452.44	Orange	6%
452.46	Origanum	Free
452.48	Orris	3%
452.50	Pal arosa	Free
452.52	Patchouli	Free
452.54	Peppermint derived from <u>Mentha piperita</u>	12.5%
452.56	Petitgrain	Free
452.58	Pineneedle	2%
452.60	Rose (attar of roses)	Free
452.62	Rosemary	Free
452.64	Sandalwood	Free
452.66	Thyme	Free
452.68	Vetivert	Free
452.70	Ylang-ylang (cananga)	Free
452.80	Other	3%