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NEGOTIATIONS
THE URUGUAY ROUND

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Negotiating Group on Tropical Products

TROPICAL PRODUCTS: BACKGROUND MATERIAL FOR NEGOTIATIONS

Certain Oilseeds, Vegetable Oils and Oilcakes

Draft Note by the Secretariat

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¹To be issued as Add.1 to this document.

Introduction

1. At the first meeting of the Negotiating Group on Tropical Products held on 26 February 1987, there was a general agreement that the work in the initial phase should start on the basis of the seven product groups selected for the purpose of the consultations on tropical products held in the Committee on Trade and Development in 1982-84, in the understanding that this would not constitute a definition of tropical products nor an exhaustive listing and that other products might be included as negotiations proceed. As a first step in compiling background material for negotiations the Group agreed that the secretariat should be invited to update and revise the background documentation prepared for the 1982-84 consultations, including as appropriate data on the new Harmonized System of tariffs, so as to provide the Group with a summary of current trade flows and the tariff and non-tariff measures relating to the seven individual product groups covered by the consultations.

2. This document provides background material for negotiations with respect to one of the seven product groups covered by the 1982-84 consultations - certain oilseeds, vegetable oils and oilcakes.¹ This document covers the eleven developed country markets as in the background documentation prepared for the consultations. As far as this product group is concerned, any additional information that the Group might wish to have included as background material will be circulated as addenda to this document.

¹ Among various oilseeds and vegetable oils, this document covers those identified provisionally as being of exclusively or primarily of tropical origin (see Tables 1 and 2). This document also covers certain processed products thereof (see Tables 2 and 3), as well as solid residues resulting from the extraction of covered vegetable oils including oil-cakes and defatted meals (Table 4).

3. Sub-section A "tariffs" in Section I includes tables which show tariff rates (MFN and GSP) according to the new Harmonized System classifications and an overview of the tariff situation. Sub-Section B "non-tariff measures" includes tables which show notified non-tariff measures by symbols according to the same classifications, as well as details of such measures. Section II includes country-by-country data on trade flows and consumption with respect to different vegetable oilseeds and oils covered by this document and data which show a broad picture of developments in trade in different varieties of edible/soap fats and oils. Section III documents the activities of other international organizations relevant to this product group. This Section includes also information on certain policy developments, extracted from a FAO document.

4. With respect to the eleven markets referred to above, the Annex to this document provides tariff and trade flow data extracted from the 1984 Tariff Study files. These data are presented according to tariff classifications used before the adoption of the Harmonized System. With respect to pre-HS tariff items covered by the Annex, the secretariat has added corresponding new HS-based tariff item numbers and tariff rates on a provisional basis. It is expected that these data will help identify broadly, if not precisely, major suppliers and the amount of trade involved with respect to the new HS-based tariff items.¹

¹ A number of participants in the Uruguay Round including developed countries will adopt new tariff schedules based on the Harmonized System effective 1 January 1988. The United States and Canada will adopt an internationally standardized tariff nomenclature for the first time. However, it may be noted that import data according to HS-based tariff items will not be available before 1989 or 1990. Thus, there is no other choice but to use the latest available import data for 1984, which are presented in the Annex according to pre-HS tariff classifications, i.e. CCCN, TSUS or CTS.

SECTION I: The commercial policy situation

A. Tariffs

5. Tables 1 to 4 show the tariff rates (MFN and GSP) of eleven developed country markets with respect to certain oilseeds, certain oils and processed oils, vegetable oil products and oilcakes. The MFN rates indicated in these tables are new rates based on the Harmonized System which will take effect on 1 January 1988. The GSP rates should also be those which will take effect on 1 January 1988, but where this information is not available those in force in 1987 have provisionally been given. Tariff data in the tables are presented in a way to show the tariff escalation as clearly as possible. Tariff rates other than MFN and GSP rates are given in the Annex to this document.

An overview of the tariff situation

(a) Certain oilseeds and flours and meals thereof (Table 1)

6. As far as oilseeds are concerned, MFN duty-free or low duty treatment has often been granted although some of these treatments have not yet been bound. The remaining duties include those of the United States, Japan and Australia on groundnuts and the duties or import charges of Finland and Sweden on practically all oilseeds. Flours and meals of oilseeds are often dutiable. Details are given below.

7. With respect to all the items listed in Table 1, the EEC, Norway and New Zealand have granted MFN duty-free treatment. Canada and Austria have granted such treatment except for flours and/or meals of oilseeds. Australia grants GSP duty-free treatment for all the items listed in Table 1 except for groundnuts. While granting many varieties of oilseeds MFN duty-free treatment, the United States and Japan maintain duties on groundnuts and flours and meals of oilseeds. The ad valorem incidence

Symbols used in the tables

* = MFN tariff reductions and GSP improvements after the 1982-84 consultations on tropical products (to the extent that information is available at the secretariat)

MFN rate

B = MFN rate fully bound
P = MFN rate partially bound
U = MFN rate not bound
A = MFN rate applied actually on a temporary basis or otherwise

Examples: (a) 0%B,) Two bound rates at zero and 10 per cent apply on 10%B) the HS item
(b) 10%B) MFN rate is bound at 10 per cent, but a rate of 8%A) 8 per cent is actually applied on the HS item.

GSP rate

blank space = no GSP treatment for MFN duty-free item
- = no GSP treatment for MFN dutiable item
(...%) = GSP rate whose application is subject to quantitative limitations (i.e. ceiling or quota)

- Notes:
1. Information on country limitations for the GSP application is given in footnotes.
 2. Tariff rates other than MFN and GSP rates are available in Add. 1 to this document.
 3. "No GSP treatment" includes the cases where the GSP rate, though it remains on domestic legislation or regulation, no longer maintains preferential margin as a result of the reduction of relevant MFN rate to or below the GSP rate.
 4. Unless otherwise qualified, a single GSP rate indicated against two or more MFN rates means that all indicated dutiable MFN rates have been covered by the GSP rate indicated.

Table 1

Certain oilseeds and flours and meals thereof

Norway: 0%B (all items); New Zealand: 0%B (all items except 1208.90 - 0%U)

H.S. Code No. (CCCN)	Harmonized commodity description		United States (TSUS)	Canada	Japan	EEC	Austria	Finland	Sweden	Switzerland	Australia
1202.10 (1201)	Groundnuts, not roasted or otherwise cooked: - in shell	MFN	9.35¢/kg.U (14520)	0%B	0%B for oil extraction; 20% min. ¥ 14/kg.U 10% A	0%B	0%B	10%U	Variable levy	Sw F 0.001/kg.U	10%U
		GSP	-	-	-	-	-	-	-	-	5%
1202.20 (1201)	- shelled	MFN	6.6¢/kg.U (14548)	0% B	as above	0%B	0%B	10%U	Variable levy	Sw F 0.001/KG.U	10%U
		GSP	-	-	-	-	-	-	-	-	5%
1203.00 (1201)	Copra	MFN	4.1¢/kg.B 0% A (17509)	0%B	0%B	0%B	0%B	19%U ^{1/}	Variable levy	Sw F 0.001/kg.U	2%U
		GSP	-	-	-	-	-	-	-	-	0%
1207.10 (1201)	Palm nuts and kernels	MFN	3¢/kg.B 0% A (17528)	0%B	0%B	0%B	0%B	19%U	Variable levy	Sw F 0.001/kg.U	2%U
		GSP	-	-	-	-	-	-	-	-	0%
1207.30 (1201)	Castor oilseeds	MFN	0%B (17506)	0%B	0%U	0%P	0%U	19%U	0%B	Sw F 0.001/kg.U	2%U
		GSP	-	-	-	-	-	0% if not for feeding	-	-	0%
1207.92 (1201)	Sheanuts (karite nuts)	MFN	0%B (17557)	0%B	0%B	0%B	0%U	19%U	Variable levy	Sw F 0.001/kg.U	2%U
		GSP	-	-	-	-	-	-	-	-	0%
1207.99 (1201)	Other oilseeds and oleaginous fruits	MFN	0%B	0%B	0%B	0%B	0%P other than gourd pips	19%U	0%P, variable levy	Sw F 0.001/kg.U	2%U
		GSP	-	-	-	-	-	ex0%	-	-	0%
1208.90 (1202)	Flours and meals of oilseeds or oleaginous fruits: - other than those of soyabeans	MFN	3%B (18485)	Meals 0%B, Flours 10%B	7%B	0%U	S 2.5/kg.U	20%U	Variable levy	Sw F 0.045/kg.U	2%
		GSP	-	-	-	-	-	-	-	-	0%

^{1/} Duty exempted if used for the manufacture of vegetable oils and fats, subject to conditions stipulated by the cabinet.

Table 2

Certain oils and processed oils

Sweden: Imports are subject to variable levies; Austria OZU for inedible oils and for margarine production.
Finland: Edible vegetable oils are subject to variable levies.

H.S. Code No. (CCCN)	Harmonized commodity description		United States (TSUS)	Canada	Japan	EEC	Austria	Finland	Norway	Sweden	Switzerland	Australia	New Zealand
1508.10 (1507)	Groundnut oil and its fractions: - crude oil	MFN	8.8¢/kg.U (17638)	7.5%B	¥20-28/kg.U ¥17-20.7/kg.A	5%B ^{3/} , 10%B	OZB ^{3/} , 15% ^{5/} , 19.5% ^{5/}	10%U, 16% ^{7/}	NOK 0.16/kg.U	OZU	Sw F 0.1/kg.P	10%U	OZB
		GSP	-	-	-	-	-	-	-	-	OZ ^{3/}	5%	-
1508.90 (1507) (1512)	- other	MFN	8.8¢/kg.U (17638)	15%B	¥28/kg.U ¥20.7/kg.A	8%U ^{3/} , 15%B	OZB ^{3/} , 12%B, 6/	10%U, 16% ^{7/}	17%U	8%U, 15%U	Sw F 0.12-0.35/kg.P	10%U	OZB, 22.5%B
		GSP	-	-	-	-	-	-	-	OZ ^{9/}	OZ ^{3/}	5%	15%
1511.10 (1507)	Palm oil and its fractions: - crude oil	MFN	1.1¢/kg.B OZU (17634)	10%B	7%B	4%B ^{3/} , 6%B	OZB ^{3/} , 15% ^{5/} , 19.5% ^{5/}	10%U, 16% ^{7/}	OZB	OZU	Sw F 0.1/kg.P	2%U	OZB
		GSP	-	-	OZ*	2.5% ^{3/} , 4%	-	-	-	-	OZ ^{3/}	OZ	-
1511.90 (1507) (1512)	- other	MFN	1.1¢/kg.B OZU (17634)	17.5%B	7%B, 5%B, 4%A ^{1*}	8-20% ^{4/}	OZB ^{3/} , 12%B, 6/	10%U, 16% ^{7/}	OZB, ^{8/} 17%U ^{8/}	8%U, 15%U	Sw F 0.12-0.35/kg.P	2%U ^{10/}	OZB, 22.5%B
		GSP	-	-	OZ	ex12%	-	-	-	OZ	OZ ^{3/}	OZ	15%
1513.11 (1507)	Coconut oil and its fractions: - crude oil	MFN	OZB (17617)	10%B	9%, min. ¥10/kg.B	5%B ^{3/} , 10%B, 20%U ^{5/}	OZB ^{3/} , 15%, 19.5% ^{5/}	10%U, 16% ^{7/}	NOK 0.16/kg.U	OZU	Sw F 0.1/kg.P	2%U ^{11/}	22.5%B
		GSP	-	-	-	2.5% ^{3/} , 7%, 18% ^{5/}	-	-	-	-	OZ ^{3/}	OZ	10%
1513.19 (1507)	- other	MFN	OZB (17617)	17.5%B	as above	8%U ^{3/} , 15-17% ^{5/} , 20%U ^{5/}	OZB ^{3/} , 12%B, 6/	10%U, 16% ^{7/}	15%, ^{8/} 17%U ^{8/}	8%U, 15%U	Sw F 0.30-0.35/kg.P	2%U ^{11/}	22.5%B
		GSP	-	-	-	6.5% ^{3/} , 13%, 18% ^{5/}	-	-	-	OZ	OZ ^{3/}	OZ	10-15%
1513.21 (1507)	Palm kernel or babassu oil and their fractions: - crude oil	MFN	OZB (17600) (17633)	10%B	8%B ^{2/} , ¥17-20.7/kg.B	5%P ^{3/} , 10%U, 20%U ^{5/}	OZB ^{3/} , 15%, 19.5% ^{5/}	10%U, 16% ^{7/}	NOK 0.16/kg.U	OZU	Sw F 0.1/kg.P	OZB	OZB
		GSP	-	-	-	2.5% ^{3/} , 7%, 18% ^{5/}	-	-	-	-	OZ ^{3/}	-	-
1513.29 (1507) (1512)	- other	MFN	Edible OZB (13633) inedible 6.6¢/kg.B OZA (17632)	17.5%B	8%B ^{2/} , ¥17-20.7/kg.B	8%P ^{3/} , 15-17% ^{5/} , 20%U ^{5/}	OZB ^{3/} , 12%B, 6/	10%U, 16% ^{7/}	15%U, 17%U ^{8/}	8%U, 15%U	Sw F 0.30-0.35/kg.P	OZB	OZB, 22.5%B
		GSP	-	-	-	6.5% ^{3/} , 13%, 18% ^{5/}	-	-	-	OZ	OZ ^{3/}	-	15%

Footnotes for Table 2

1/ Palmstearin

2/ Palm kernel oil.

3/ Not for human consumption or (in the case of Switzerland) for technical use.

4/ A: solid fraction: I. In immediate packings of
a net capacity of 1 kg.
or less - 20%U, GSP 12%
II. Other - 17%U, GSP 12%
B: other I. Not for human consumption - 8%U
II. Other - 14%B, GSP 12%

5/ In immediate packings of a net capacity of 1 kg. or less (EEC),
5 kg. or less (Austria).

6/ In immediate packings with a content of 5 kg. or less:
pure oil 12% + ZS ?
fractions S 3.15/kg.B. or 19.5%U

7/ Vegetable oils and fats unsuitable as such for human consumption,
and used in industry for the manufacture of soap, leather, lubricating oils
and sulphonated oils shall be dutiable at the rate of 5 per cent ad valorem
subject to compliance with conditions stipulated by the Cabinet. Vegetable
fats and oils, suitable as such for human consumption, and used in industry
for the manufacture of canned food, confectionery, soap, leather,
lubricating oils, building paperboard, colouring matter, sulphonated oils,
medicaments or techno-chemical products shall be exempted from import levy
subject to compliance with conditions stipulated by the Cabinet.

(Source: Schedule of Concessions)

8/ Solid fractions.

9/ GSP not applicable in Bulgaria, Romania and China.

10/ Palm stearine bound at \$0.059/kg.

11/ Bound at \$0.01/litre and the equivalent of the duty, if any, on copra.

Table 2 (cont'd)

Certain oils and processed oils (continued)

H.S. Code No. (CCCN)	Harmonized commodity description		United States (TSUS)	Canada	Japan	EEC	Aus- tria	Fin- land	Nor- way	Swe- den	Swit- zer- land	Aust- tra- lia	New Zea- land
1515.30 (1507) (1512)	Castor oil and its fractions	MFN	3.3¢/ kg.B (17601) (17614) (17615)	0%B ^{2/} , 17.5%B	9%B 7.2%A*	0%B ^{4/} , 8%B	oils 0%B, 7/	0%B	0%B	0%B	Sw F 0.12/ kg.P	0% ^{12/}	0%B 22.5%B
		GSP	0%		-	6%	-				0%	-	15%
1515.60 (1516)	Jojoba oil and its fractions	MFN	5%B (17670)	10%B ^{2/} , 17.5%B	7.5%B	0%B ^{2/} , 4%B	0%B	0%B	0%B	0%B	Sw F 0.12/ kg.P	0%B	0%B
		GSP	0%		0%	0%					0%	-	
1515.90 (1507) (1512)	Other fixed vegetable fats and oils and their fractions	MFN	0%P ^{1/} , 5%P ^{1/}	0%B ^{3/} , 10%B ^{2/} , 17.5%B	¥17-20.7/ kg.B (trop- ical oils)	5-20%U, 0%B tech- nical use	0%B, 15%U, 19.5%U ^{5/} , 7/	10%U 16%U	8/	0%U, 8%U, 15%U 9/	Sw F 0.12/ kg.P	0%P	0%B, 22.5%B
		GSP	0% ¹		-	2.5- 18%	-	-		0% ^{10/}	?		15%
1516.20 (1507) (1512) (3404)	Vegetable fats and oils and their fractions, hydrogenated inter- esterified re-esterified or elaidinized	MFN	11¢/ kg.B (17820)	17.5%B	5%B, 4%A*	5.3%B ^{5/} , 17%P ^{6/} , 20%U ^{6/} , 7/	0%B ^{5/} , 18%U, 23.4%U ^{6/} , 7/	0%B ^{5/} , 20%U	0%B ^{5/} , 7%U	8%U 12%U 9/	Sw F 0.35/ kg.U	0% ^{13/}	0%B, 22.5%B
		GSP	-		0%	11% ^{5/} , 16% ^{5/}	0% fish	- oil	-	0% ^{10/}	?		15%
1518.00 (1507) (1508) (3906)	Animal or vegetable fats and oils and their fractions, boiled, oxidized, dehydrated, sulphurized, blown, etc.	MFN	10%B (17830)	12.5%B	5%B, 4%A*	5%B, 8%B, 12%B	0%B, 10%B, 20%U	0%B	15%U other	0%U, 11/	Sw F 0.12- 0.40/ kg.P	2%U, 10%U ^{14/}	0%P
		GSP	0%		0%	-	0% castor oil		-	11/	0%	0% ^{14/} , 5% ^{14/}	

^{1/} Other than nut oils

^{2/} Crude.

^{3/} 0%B for illipe butter, shea butter, oiticica oil and cashew nut shell oil and fractions thereof.

^{4/} For the production of aminoundecanoic acid for use in the manufacture of synthetic textile fibres or of artificial plastic materials.

^{5/} Hydrogenated castor oil, so called "opal-wax".

^{6/} In immediate packings of a net capacity of 1 kg. or less (EEC), 5 kg. or less (Austria).

^{7/} Fractions: in packings of 5 kg. or less - S 3.15/kg.B or 19.5%U; in other packings 12%B; 0%U for inedible oils and for margarine production.

^{8/} (1) Cashew nuts shell oil, wood oils and oiticica oil: 0%B

(2) Other: crude oil: NOK 0.16/kg.U

non-crude oil: solid fractions 17%U
other 15%U.

^{9/} Imports are subject to variable levies.

^{10/} GSP not applicable to Bulgaria, Romania and China.

^{11/} Castor oil: MFN SEK 0.045/kg.B, GSP 0%.

^{12/} Bound at \$22.96/tonne.

^{13/} Bound at \$0.059/kg. except for hydrogenated castor oil.

^{14/} Epoxidised vegetable oils.

Table 3
Vegetable oil products

H.S. Code No. (CCCN)	Harmonized commodity description		United States (TSUS)	Canada	Japan	EEC	Austria	Finland	Norway	Sweden	Switzerland	Australia	New Zealand
1519.11 (1510) (3404)	Stearic acid	MFN	3.3¢/kg. + 6%B (49012)	12.5%B	5%B 4A*	8%B	0%B	0%B	0%B	0%U	Sw F 0.05/kg.B	10%U	30%U
		GSP	0%		3.2%*	0% ⁷					-	5%	22.5%
1519.12 (1510) (3404)	Oleic acid	MFN	3.3¢/kg. + 5%B (49010)	12.5%B	5%B 4A*	7%B	0%B	0%B	NOK 0.16/kg.B	0%B	Sw F 0.005/kg.B	10%B	30%U
		GSP	0%		3.2%*	3%			-		0%	5%	22.5%
1519.19 (1510) (3404)	Other industrial mono-carboxylic fatty acids	MFN	5%B ^{1/}	12.5%B	5%B 4A*	4.5%B	0%B	5%U	0%B	0%U	Sw F 0.005/kg.B ^{6/}	10%U	30%U
		GSP	ex 0% ^{2/} (49024)		0%	0%		-			0%	5%	22.5%
1519.20 (1510) (3404)	Acid oils from refining	MFN	5%B ^{3/}	8%B	5%B 4A*	4.5%B	0%B	5%U	NOK 0.16/kg.B	0%U	Sw F 0.005/kg.B	10%U	0%B
		GSP	-		0%	0%		-	-		0%	5%	
1519.30 (1510) (3404)	Industrial fatty alcohols	MFN	Oleyl 7.9%B, 5%B ^{4/}	12.5%B 0%B 5/	5%B 4A*	6%B	0%B	0%B	15%B	6%B	Sw F 0.005/kg.B	10%U	0%B
		GSP	-		0%	5%			-	0%	0%	5%	
1520.10 (1511)	Glycerol, crude; glycerol waters and glycerol lyes	MFN	0.4¢/kg.B (42836)	0%B	10%B 6.4A*	1.5%B	5%U	FIM 0.1/kg.B	0%B	0%U	Sw F 0.01/kg.U	2%U	0%B, 10%U
		GSP	0%		0%	0%	0%	-			0%	0%	0%
1520.90 (1511)	Glycerol, other including synthetic glycerol	MFN	1.1¢/kg.B (42838)	12.5%B	10%B 6.4A*	6%B	S 1.75/kg.B	FIM 0.1/kg.B	0%B	0%U	Sw F 0.07/kg.P	10%U	10%U
		GSP	0%		0%	0%	0%	-				5%	0%

^{1/} TSUS 49024, 43020, 49014, 49020, 49022, 49026.

^{2/} Derived from coconut, palm-kernal or palm oil

^{3/} TSUS 49020, 49022, 49026, 49100.

^{4/} TSUS 49065, 49073, 49075.

^{5/} For use in the manufacture of goods of heading No. 3402

^{6/} Palmitine Sw F 0.05/kg.B

^{7/} Having recourse to the escape clause for the EEC GSP scheme (EEC Regulation No. 3926/86, Article 32), EEC has suspended the application of this GSP rate to Malaysia with effect from 1 September 1987 (EEC Official Journal L 251/87).

Table 4

Oilcakes and other solid residues¹

Canada, Japan, Norway and Australia: OZB (all items)

H.S. Code No. (CCCN)	Harmonized commodity description		United States (TSUS)	EEC	Austria	Finland	Sweden	Switzer erland	New Zealand
2305.00 (2304)	Oilcake and other solid residues: - of ground nut	MFN	0.7¢/kg.U (18453)	OZB	Oilcake OZB	10ZU	Variable levies	Sw F 0.002/kg.U	5ZU
		GSP	0%			-	-	0%	0%
2306.50 (2304)	- of coconut or copra	MFN	0.7¢/kg.U (18453)	0%	OZB	10ZU	Variable levies	Sw F 0.002/kg.U	10ZB, 5ZU
		GSP	0%			-	-	0%	0%
2306.60 (2304)	- of palm nuts or kernels	MFN	0.7¢/kg.U (18453)	OZB	OZB	10ZU	Variable levies	Sw F 0.002/kg.U	5ZU
		GSP	0%			-	-	0%	0%
2306.90 (2304)	- of other vegetable fats or oils	MFN	0.7¢/kg.U (18453)	OZB not of olive oil	OZB	10ZU	Variable levies	Sw F 0.002/kg.U	5ZU
		GSP	0%			-	-	0%	0%

¹ The residues may be in the form of slabs (cakes) or meal (defatted). Non-defatted meals fall within HS Code No. 1208.90 (See Table 1.).

of Swiss specific duties on oilseeds is very low at about 0.1 per cent and that on flour and meals of oilseeds is about 4 per cent.

8. Finland maintains MFN rates of 10-20 per cent on items listed in Table 1, although some of these duties can be exempted under certain conditions or for developing countries under GSP. Swedish imports of oilseeds and flour and meals of oilseeds are subject to variable import levies except for castor oilseeds.

(b) Certain oils and processed oils

9. With respect to all the items listed in Table 2 except for groundnut oil and hydrogenated oil (1516.20), the United States provides developing countries duty-free treatment,¹ although some MFN duty-free treatments have not yet been bound. With respect to palm oil, jojoba oil and processed oils (1516.20 and 1518.00), Japan provides developing countries duty-free treatment while imports of other items remain dutiable for developing countries. Australia provides developing countries duty-free treatment except for groundnut oil and certain processed oils (1518.00). In New Zealand most varieties of crude oils have been granted MFN duty-free treatment (bound). However, crude coconut oil and all refined oils and oil fractions are subject to an MFN duty of 22.5 per cent.

10. In the EEC most items listed in Table 2 are dutiable with tariff escalation from inedible oils to edible oils and to oils in packings of a net capacity of 1 kg. or less. The EEC covers most items on Table 2 under its GSP Scheme. The Treaty of Accession of Spain and Portugal to the

¹The expression "provide developing countries duty-free treatment" is used throughout this section to provide a succinct picture of the tariff situation affecting exports from developing countries. Details of such treatment, i.e., whether "duty-free" is on an MFN basis, bound or unbound, or under the GSP, are shown in Tables 1 to 4.

EEC (O.J. L302 of 15.12.1985) includes specific rules on oils and fats. For the oils and fats regimes of both countries, the Treaty sets a transitional period of ten years, including a five-year "standstill period" expiring on 31 December 1990. From 1 January 1991, Spain and Portugal will apply progressively the preferential, contractual or autonomous arrangements applied by the Community to third countries in the sector under consideration until these are applied in their entirety from 1 January 1996. As regards customs duties on vegetable oils, excluding olive oil, Spain and Portugal will maintain them until 31 December 1990 at the level prevailing on 1 January 1985, and will align them progressively on the Common Customs Tariffs in six stages from 1 January 1991 to 1 January 1996. For oilseeds and oilmeals, the duties will be reduced by one eleventh each year and finally eliminated on 1 January 1996. (See "B Non-Tariff measures" for information on other transitional measures).

11. In Austria inedible oils generally enjoy MFN duty-free treatment, but edible oils are dutiable with tariff escalation on oils in immediate packings of a net capacity of 5 kg. or less. In Switzerland inedible oils have been granted GSP duty-free treatment but edible oils are subject to duties and import charges. In Finland imports of vegetable oils are dutiable and in addition, are subject to variable import levies except for certain technical oils. Norway grants palm oil (except solid fractions) and certain technical oils MFN duty-free treatment while maintaining duties on other items. Sweden grants imports of oils from developing countries MFN or GSP duty-free treatment although those imports are still subject to variable import levies. (See "other notified non-tariff measures" for further details on import levies and charges).

(c) Vegetable oil products (Table 3)

12. With respect to all the vegetable oil products listed in Table 3, Austria and Sweden provide developing countries duty-free treatment. the United States provides such treatment except for acid oils and industrial fatty alcohols; Japan except for stearic and oleic acids, EEC, except for

oleic acid and industrial fatty alcohols, and Switzerland, except for stearic acid and refined glycerol. Having recourse to the escape clause for the EEC GSP scheme (EEC Regulation No. 3926/86, Article 32), EEC has suspended the application of GSP rate on stearic acid to Malaysia with effect from 1 September 1987 (EEC Official Journal L 251/87). In Finland, Norway, Australia and New Zealand these items are more often dutiable than the above-mentioned markets.

(d) Oilcakes and other solid residues (Table 4)

13. Most developed-country markets under study provide developing countries duty-free treatment on an MFN basis or under the GSP. Finland maintains a duty of 10 per cent (unbound). Swedish imports are subject to variable import levies.

B. Non-Tariff Measures

14. Tables 5 to 8 show the occurrence of non-tariff measures which have been notified to GATT. Symbols used are as follows:

QR:	Quantitative restriction, usually quota
NAL:	Non-automatic (discretionary) licensing
P:	Prohibition
MLV:	Import levy
SURCH:	Surcharge, special fee or price supplement
NTX:	Internal tax
SN:	Sanitary regulation
PSN:	Phytosanitary regulation
LR:	Labelling regulation

Note: Most indications in the Tables have been derived from AG/FOR series of documentation, which list measures according to CCCN four-digit headings. The products in NTM tables in this document are according to HS headings/code numbers and the measures are therefore open to verification. Delegations concerned are requested to verify and correct these indications.

Table 5

Certain Oilseeds and Flours and Meals Thereof

H.S. Code No. (CCCN)	Harmonized commodity description	United States	Japan	EEC	Finland	Sweden	Switzerland	Australia
1202.10 (1201)	Groundnuts, not roasted or otherwise cooked: -in shell	QR	PSN QR	QR ¹	NAL	MLV ⁴ TXex ⁵	SURCH	PSN LR
1202.20 (1201)	- shelled	QR	PSN	QR ¹	NAL	TXex ⁵	SURCH	PSN LR
1203.00 (1201)	Copra		PSN	QR ²		TXex ⁵	SURCH	PSN LR
1207.30 (1201)	Castor oilseeds		PSN	QR ²	NAL	TXex ⁵	SURCH	PSN LR
1207.92 (1201)	Sheanuts (karite nuts)		PSN	QR ²	NAL	TXex ⁵	SURCH	PSN LR
1207.99 (1201)	Other oil- seeds and oleaginous fruits		PSN	QR ²	NAL	TXex ⁵	SURCH	PSN LR
1208.90 (1202)	Flours and meals of oilseeds or oleaginous fruits: - other than soyabeans		QR	QR ³	QR	MLVex	SURCH	PSN LR

¹ Portugal only: limits apply to supplies intended for human consumption only.

² Portugal and Spain.

³ Portugal only.

⁴ For oil extraction only.

⁵ Quality control tax.

Table 6
Certain Oils and Processed Oils

H.S. Code No. (CCCN)	Harmonized commodity description	EEC	Finland	Norway	Sweden	Switzerland	Australia	New Zealand
1508.10 (1507)	Groundnut oil and fractions: - crude oil	QR ¹	NAL NTXex	LR	SNex, MLVex ²	SURCH	LR	
1508.90 (1507) (1512)	- other			LR		SURCH	LR SN	
1511.10 (1507)	Palm oil and its fractions - crude oil	QR ¹	NAL NTXex	LR	MLVex ²	SURCH	LR	
1511.90 (1507) (1512)	- other			LR	SNex, MLVex ²	SURCH	LR SN	
1513.11 (1507)	Coconut oil and its fractions: - crude oil			LR	MLVex ²	SURCH	LR	
1513.19 (1507)	- other			LR	MLVex ²	SURCH	LR	
1513.21 (1507)	Palm kernel or babassu oil and their fractions: - crude oil	QR ¹	NAL	LR	MLVex ²	SURCH	LR	
1513.29 (1507)	- other			LR	MLVex ²	SURCH	LR SN	
1515.30 (1507) (1512)	Castor oil and its fractions	QR ¹	NAL	LR	MLVex ² SNex	SURCH	LR SN	
1515.60 (1516)	Jojoba oil and its fractions					SURCH		
1515.90 (1507) (1512)	Other fixed vegetable fats and oils and their fractions	QR ¹	NAL NTXex	LR	SNex, MLVex ²	SURCH	LR SN	
1516.20 (1507) (1512) (3404)	Vegetable fats and oils and their fractions, hydrogenated, inter-esterified, re-esterified or elaidinized	QR ¹	NAL NTXex		SNex, MLVex ²	SURCH	LR SN	QR
1518.00 (1507) (1508) (3906)	Animal or vegetable fats and oils and their fractions, boiled, oxidized, dehydrated, sulphurized, blown etc.				MLVex ³	SURCH	LR SN	Pex

¹ Portugal and Spain

² Corresponding fee is charged on certain domestic production.

³ In the last years: free

Table 7
Vegetable Oil Products

H.S Code No. (CCCN)	Harmonized Commodity Description	EEC	Sweden
1519.11 (1510) (3404)	Stearic acid		MLVex ¹
1519.12 (1510) (3404)	Oleic acid		MLVex ¹
1519.19 (1510) (3404)	Other industrial mono- carboxylic fatty acids		MLVex ¹
1519.20 (1510) (3404)	Acid oils from refining		MLVex ¹
1519.30 (1510) (3404)	Industrial fatty alcohols	QR ²	MLVex ¹

¹In the last years: free

²France and Spain

Table 8
Oilcakes and other Solid Residues

H.S. Code No. (CCCN)	Harmonized commodity description	Japan	EEC	Finland	Switzerland	Australia
2305.00 (2304)	Oilcake and other solid residues: - of ground nut	PSN	QR ¹	NAL NTX	QR SURCH	PSN
2306.50	- of coconut or copra	PSN	QR ¹	NAL NTX	QR SURCH	PSN
2306.60 (2304)	- of palm nuts or kernels	PSN	QR ¹	NAL NTX	QR SURCH	PSN
2306.90	- of other vegetable fats or oils	PSN	QR ¹	NAL NTX	QR SURCH	PSN

¹Portugal only

(a) Quantitative Restrictions

15. The United States maintains an annual import quota on groundnuts (peanuts). The 1986 import quota was set at 775 metric tons (shelled), compared to a national production quota of 1,355,000 tons.¹ Japan's imports of groundnuts for direct consumption was subject to a minimum quota allocation of 55,000 metric tons in 1985.² Finland uses a discretionary licensing system for all imports in this sector.³ Switzerland restricts imports of oilcakes by global quota, as provided for in its Protocol of Accession.⁴

16. Amongst EEC members, quantitative restrictions on oilseeds and vegetable oils (excluding olive oil) will remain in effect for Spain and Portugal until 31 December 1990. Import quotas are determined in relation to any domestic supply deficit based on projected requirements. In the case of Portugal, quota limits apply only to supplies intended for human consumption while, for oilmeals, quantitative restrictions will be applied to imports from all sources, including ACP States⁵ until 31 December 1992.⁶ France and Spain restrict imports of industrial fatty alcohols.

¹L/5981

²L/5648; this restriction is part of an Article XXIII:2 panel investigation currently underway in the GATT.

³AG/FOR/REV/FIN/1 and L/5415

⁴AG/DOC/2/CHE/1

⁵Official Journal L172 30 June 1987, Art. 26

⁶FAO document CCP: OF 87/5 "Review of Recent Policy Developments in the EEC".

17. Between 1984 and 1987, New Zealand removed quantitative restrictions on oilseeds, flours and meals, vegetable oil products and oil cakes. Most recently coconut oil was exempted from licensing. In the course of the last few years, global quotas have been lifted on all products except for processed vegetable oil (HS 1516.20).¹

(b) Other notified non-tariff measures

18. Some countries apply import levies and surcharges. Amongst EEC members imports into Spain of most liquid edible vegetable oils (except olive oil) have been subject since March 1986 to variable levies which in August 1986 stood at the equivalent of US\$ 475/ton.² A special fee is applied by Sweden to some oilseeds, refined and unrefined vegetable oils and some oilcakes. In September 1986, these levies were the equivalent of US\$987/ton for most oils and US\$200 for oilmeals³. Switzerland levies price supplements on oilseeds, flours and meals, fixed vegetable oils and oilcakes with a view to maintaining a certain balance between the market shares of vegetable and animal fatty substances.⁴ In September 1986 these ranged between the equivalent of US\$997 and US\$1,260 for fats and oils for food uses and between US\$217 and US\$291 for oilcakes. Finland levies taxes on consumption of edible vegetable oil; in addition, with effect from 1 January 1986, Finland introduced a tax on the consumption of oilmeals which is proportional to their protein content.⁵

¹ New Zealand Import Licensing Schedule 1986.

² FAO, CCP: OF 87/6

³ L/5947/Add.10; AG/FOR/REV/SWE/1; FAO, CCP: OF 87/6

⁴ COM.TD/W/337; FAO, CCP: OF 87/6; AG/DOC/6/CHE/1

⁵ AG/FOR/FIN/2; FAO, CCP: OF 87/6

19. With respect to safeguards for health considerations, some countries have made notifications to the GATT, under Article XX(b), regarding health and sanitary regulations. It should be recognized that all countries are concerned, to varying degrees, with toxic effects of products for human or animal consumption; relevant to oils is the problem of aflatoxin (See Section III). Australia has notified that it maintains phytosanitary laws on a number of products in this group: oilseeds, flours and meals, modified and processed vegetable oils and oilcakes; the importation of some oilseeds are prohibited for health reasons.¹ Japan applies phytosanitary laws to oilseeds and oilcakes² and Sweden has notified a sanitary regulation on processed oils.³ Other measures affecting trade are labelling regulations in Australia for oilseeds, meals and oils and in Norway for oils and processed oil products although not for seeds, meals or cakes.⁴ Japan in order to simplify import procedures as part of the Action Programme for Improved Market Access has recently eliminated the previous import notification procedures for crude vegetable oils.⁵

(c) Non-notified and proposed measures affecting trade

20. The EEC Council Directive 86/354 of 21 July 1986 adds regulatory provisions for the marketing of selected raw materials used as ingredients for preparing compound feeding stuffs. The selected raw materials are "groundnuts, copra, palm kernels, castorseed, babassu, maize and products derived from the processing thereof". The directive stipulates that (i) a maximum content of 200 ppt. of aflatoxin B, would be allowed in these raw materials, (ii) if they were contaminated in the range 50-200 ppt.

¹ AG/FOR/REV/AUST/1

² AG/FOR/JPN/2

³ AG/FOR/REV/SWE/1

⁴ AG/FOR/NOR/1

⁵ L/5858, p.25

aflatoxin B, their trade would be limited to recognized compound feeding stuff manufactures only, and (iii) traders would have to abide by strict labelling rules.¹ In connection with Spain's application of the CAP following its accession to the EEC, the authorities have introduced a prior security deposit of ECU 50 per tonne on imports of groundnuts... in order to monitor the final destination of such imports (i.e. whether for the production of oils or for direct human consumption)².

21. Another measure which was under consideration by the European Communities earlier this year was the possibility of introducing a "consumer price stabilization mechanism", which may result either in the taxation of domestic and imported vegetable (and marine) edible oils or a subsidy to consumers. The revenue would be used to finance the cost of domestic vegetable oil production.

22. In the United States, a programme to expand exports of edible groundnuts was announced on 29 September 1986. Also in the United States a bill has been proposed in Congress that would require products containing tropical oils to specify contents.

SECTION II: Trade flows and consumption

23. Tables 9 to 14 show major exporters of different oilseeds and oils and their gross exports in recent years. All Tables in this section have been compiled on the basis of data supplied by the FAO for the purpose of this

¹Official Journal of the European Communities L212, 2.8.86.
(FAO, CCP:OF 87/7, December 1986)

²C/W/502; paragraph 204

Table 9

GROSS EXPORTS OF PALM OIL

	(in '000 metric tons)			
	1974-76	1981	1983	1985
Malaysia	1,140	2,361	2,913	3,215
Singapore	179	395	387	929
Indonesia	358	206	406	651
EEC	83	112	122	138
Papua-New Guinea	18	44	78	123
Côte d'Ivoire	102	63	53	66
Honduras	-	-	6	20
Zaire	51	6	5	20
Solomon Islands	1	17	20	19
Thailand	1	-	-	12
Brazil	-	4	4	8
Cameroon	11	4	5	7
Paraguay	4	-	4	4
Benin	6	3	3	4
Liberia	1	4	4	4
Developed C.	84	114	123	142
Developing C.	1,889	3,113	3,891	5,091
World	1,974	3,227	4,014	5,233

Table 10

GROSS EXPORTS OF:

- I - Copra
II - Coconut oil

		(in '000 metric tons)			
		1974-76	1981	1983	1985
Philippines	I	617	108	32	36
	II	631	1,040	998	651
Indonesia	I	12	-	3	5
	II	13	4	8	192
Sri Lanka	I	1	2	4	7
	II	46	17	34	67
Singapore	I	10	29	15	34
	II	28	65	35	63
Malaysia	I	23	31	21	56
	II	40	64	68	60
EEC	I	6	-	-	-
	II	-	-	-	47
Papua-New Guinea	I	87	99	79	105
	II	27	35	36	39
Côte d'Ivoire	I	7	-	-	1
	II	-	13	21	34
United States	I	-	-	-	-
	II	13	14	11	19
Fiji	I	-	-	-	-
	II	15	14	15	11
Developed C.	I	6	-	-	-
	II	199	72	71	70
Developing C.	I	912	414	253	370
	II	829	1,285	1,249	1,155
World	I	918	415	256	381
	II	1,028	1,357	1,324	1,233

Table 11

GROSS EXPORTS OF:

- I - Palm kernels
II - Palm kernel oil

		(in '000 metric tons)			
		1974-76	1981	1983	1985
Malaysia	I	-	-	-	-
	II	108	242	371	437
Indonesia	I	30	23	13	23
	II	15	5	-	98
EEEC	I	2	1	-	-
	II	46	28	37	33
Portugal	I	-	-	-	-
	II	-	-	5	3
Côte d'Ivoire	I	32	26	4	-
	II	-	7	13	18
Zaire	I	-	-	-	-
	II	29	19	15	15
Singapore	I	-	-	-	-
	II	8	14	5	14
Brazil	I	-	-	-	-
	II	14	1	12	12
Nigeria	I	210	45	54	25
	II	24	45	37	10
Benin	I	-	-	-	-
	II	4	10	9	4
Paraguay	I	-	-	-	-
	II	6	6	3	3
Thailand	I	-	-	-	2
	II	-	-	1	2
Sierra Leone	I	24	3	8	8
	II	9	1	1	2
Liberia	I	-	-	1	-
	II	6	3	1	1
Papua-New Guinea	I	2	3	9	17
	II	-	1	-	-
Cameroon	I	17	3	6	5
	II	-	2	1	-
Salomon Islands	I	-	3	4	4
	II	-	-	-	-
Guinea-Bissau	I	5	9	5	3
	II	-	-	-	-
Togo	I	7	14	1	1
	II	-	-	2	-
Developed C.	I	2	1	-	-
	II	47	29	42	37
Developing C.	I	351	137	119	92
	II	225	357	472	615
World	I	353	138	120	93
	II	272	386	513	651

Table 12

GROSS EXPORTS OF:

- I - Groundnuts (shelled)
II - Groundnut oil

		(in '000 metric tons)			
		1974-76	1981	1983	1985
Brazil	I	30	16	2	1
	II	54	46	57	79
EEC	I	16	21	14	21
	II	56	67	90	59
China	I	30	239	156	163
	II	20	56	71	52
Senegal	I	41	3	24	-
	II	186	20	164	33
Argentina	I	2	46	86	89
	II	38	35	47	29
United States	I	198	130	206	286
	II	27	20	2	17
South Africa	I	46	57	12	16
	II	11	37	11	13
Gambia	I	50	11	49	23
	II	17	8	11	9
Singapore	I	4	19	17	24
	II	2	4	17	7
Vietnam	I	9	5	28	34
	II	2	1	1	5
Mali	I	20	2	-	4
	II	2	7	2	4
Hong Kong	I	2	36	40	19
	II	2	1	9	3
Sudan	I	204	75	10	10
	II	5	16	2	3
Sweden	I	-	-	-	-
	II	-	1	1	1
Egypt	I	3	7	-	3
	II	-	-	-	-
India	I	105	43	24	25
	II	1	-	-	-
Malawi	I	24	11	4	9
	II	-	-	-	-
Mozambique	I	2	2	1	1
	II	2	-	-	-
Paraguay	I	-	9	9	5
	II	-	-	-	-
Guinea-Bissau	I	9	4	8	7
	II	-	-	-	-
Turkey	I	1	3	3	3
	II	-	-	-	-
Thailand	I	-	-	-	1
	II	1	-	-	-
Developed C.	I	265	210	242	330
	II	96	125	113	91
Developing C.	I	596	534	464	424
	II	352	195	382	224
World	I	861	744	706	754
	II	448	320	495	315

Table 13

GROSS EXPORTS OF:

- I - Sheanuts
II- Sheanut butter

		(in '000 metric tons)			
		1974-76	1981	1983	1985
Burkina Faso	I	20	444	26	30
	II	2	-	1	2
Benin	I	6	-	-	-
	II	-	1	-	1
Côte d'Ivoire	I	2	4	21	15
	II	-	-	-	-
Mali	I	7	25	5	10
	II	-	-	1	-
Togo	I	3	6	6	4
	II	-	-	-	-
Developed C.	I	-	-	-	-
	II	-	-	-	-
Developing C.	I	72	84	63	59
	II	2	1	1	3
World	I	72	84	63	59
	II	2	1	1	3

Table 14

GROSS EXPORTS OF:

- I - Castor beans
II- Castor bean oil

		(in '000 metric tons)			
		1974-76	1981	1983	1985
Brazil	I	5	8	11	7
	II	84	104	43	95
India	I	-	-	-	-
	II	17	46	62	70
Thailand	I	17	-	-	-
	II	-	12	11	7
EEC	I	-	-	-	-
	II	4	5	8	6
China	I	4	13	40	40
	II	-	10	16	3
Ecuador	I	12	-	-	-
	II	-	5	2	1
Philippines	I	4	22	12	22
	II	-	-	-	-
Paraguay	I	10	6	9	11
	II	-	-	-	-
Pakistan	I	3	5	13	7
	II	-	2	1	-
Developed C.	I	-	-	-	-
	II	6	6	8	7
Developing C.	I	59	44	42	47
	II	101	169	119	174
World	I	63	57	82	87
	II	107	184	143	183

study. EEC data in these Tables include intra-EEC trade. With the exception of groundnuts and groundnut oil, all oilseeds and oils covered by these Tables are mostly produced in and exported by developing countries in the tropical zone. Major exporters of groundnut oil include Brazil, EEC, China, Senegal and Argentina. The United States, China and Argentina are predominant suppliers of groundnuts.

24. Tables 15 to 18 show major importers and consumers of different oils and their gross imports of oil (including oil contents of imported oilseeds) and their apparent consumption (production + imports - exports) in recent years. The comparison of import and consumption data reveals various situations. For example, a high level of imports and low consumption means that the country is engaged in entrepôt trade. While the EEC's imports include intra-EEC trade, the EEC's consumption represents approximately its retained imports. When the volume of imports is less than consumption the country depends on domestic supply for part of its consumption. High consumption and no imports suggests that the country is either self-sufficient or restricts imports or both.

25. Table 19 shows major importers of total fats and oils and their gross imports in recent years. Oils and fats are essential food ingredients for any population. They are also used for the production of soap and for various industrial purposes. Thus, the consumption of oils and fats by each country depends largely on the size of population, the level of income and the traditional food pattern and preferences of the population. In addition, the level of imports depends on domestic availability and commercial policy measures.

26. Recent advances in the technology of vegetable oils processing, notably the introduction or development of hydrogenation, interesterification and fractionation, have greatly widened the range of possible end-uses of major vegetable oils and thereby increased their technical interchangeability. This has intensified competition between different oils and fats. However, it may be noted that different oils retain certain specific uses and consumer preferences.

Table 15

PALM OIL

I - Gross imports of oil
II - Apparent consumption of oil

(in '000 metric tons)

		1981	1982	1983	1984	1985
Singapore	I	412	527	408	748	1,080
	II	21	23	21	24	25
EEC (10)	I	688	702	821	686	789
	II	558	587	649	549	626
Spain	I	5	6	15	9	12
	II	10	8	12	12	11
Portugal	I	19	16	20	15	13
	II	19	19	20	15	11
India	I	546	553	647	571	637
	II	546	603	647	571	637
Pakistan	I	233	253	372	345	458
	II	233	253	372	345	458
USSR	I	181	376	316	280	237
	II	181	376	316	280	237
United States	I	122	116	150	148	225
	II	134	117	125	132	124
Japan	I	141	148	162	157	161
	II	141	148	162	156	161
Iraq	I	195	191	154	193	171
	II	115	126	154	153	156
Bangladesh	I	101	82	79	79	158
	II	41	82	109	99	158
Korea, Rep. of	I	54	89	104	66	107
	II	53	89	94	66	87
Saudi Arabia	I	45	95	122	100	99
	II	65	95	102	110	109
Kenya	I	98	93	72	60	83
	II	98	93	72	60	82
Nigeria	I	102	153	138	83	73
	II	774	851	868	783	803
Turkey	I	2	29	35	36	65
	II	2	23	35	36	65
China	I	21	19	10	16	60
	II	185	192	198	200	252
Yemen Arab Rep.	I	10	18	19	25	48
	II	10	10	19	25	44
Egypt	I	9	2	22	45	39
	II	44	53	62	75	100
Indonesia	I	33	-	-	65	37
	II	627	492	534	785	520
Sudan	I	1	12	21	12	29
	II	1	12	21	12	29
Burma	I	24	32	14	14	27
	II	24	32	14	14	27
Canada	I	15	15	19	13	26
	II	66	60	60	72	73
United Arab Emir.	I	8	7	18	16	22
	II	8	7	18	16	22
South Africa	I	5	9	7	19	21
	II	5	9	7	19	17
Malaysia	I	1	1	9	14	15
	II	344	355	385	392	500
Sweden	I	14	10	12	9	10
	II	13	10	11	8	9
Austria	I	8	10	10	9	9
	II	8	10	10	9	9
Norway	I	5	4	7	7	8
	II	2	5	6	7	8
Switzerland	I	6	5	4	4	8
	II	5	5	4	4	8
New Zealand	I	3	5	4	4	5
	II	3	5	4	4	5
Australia	I	21	15	1	2	4
	II	21	15	1	2	4
Finland	I	3	3	3	2	4
	II	3	3	3	2	4
Thailand	I	24	3	12	7	3
	II	54	58	67	84	101
Colombia	I	-	1	1	-	-
	II	80	86	103	118	126
Côte d'Ivoire	I	-	-	-	-	-
	II	97	105	114	118	126
Zaire	I	-	-	-	-	-
	II	159	151	140	147	140
Developed C.	I	1,215	1,429	1,530	1,354	1,531
	II	941	958	1,035	940	1,021
Developing C.	I	2,010	2,265	2,380	2,614	3,346
	II	3,891	4,149	4,519	4,668	4,973
World	I	3,224	3,694	3,910	3,968	4,877
	II	5,204	5,694	6,077	6,100	6,497

Table 16

COCONUT OIL

I - Gross imports of oil plus oil contents of imported oil seeds
 II - Apparent consumption of oil

		(in '000 metric tons)				
		1981	1982	1983	1984	1985
EEC (10)	I	638	671	551	422	466
	II	545	543	468	346	388
Spain	I	27	30	21	15	16
	II	27	29	21	15	16
Portugal	I	15	11	8	7	9
	II	12	5	2	6	-
United States	I	453	407	452	380	451
	II	439	394	441	359	432
Japan	I	84	85	85	67	73
	II	80	85	85	67	73
Singapore	I	82	48	40	52	57
	II	-	-	-	-	-
USSR	I	69	96	77	64	55
	II	70	96	77	64	55
Malaysia	I	13	13	2	27	35
	II	57	64	63	63	70
China	I	23	27	20	23	27
	II	23	27	20	23	25
Canada	I	23	20	22	20	23
	II	23	20	22	20	23
Bangladesh	I	19	20	28	20	22
	II	20	22	30	22	24
Korea, Rep. of	I	15	21	21	19	22
	II	15	21	21	19	22
Australia	I	16	20	19	18	15
	II	41	30	39	23	15
Sweden	I	13	20	13	15	14
	II	14	18	15	16	15
South Africa	I	12	11	11	9	12
	II	12	11	11	9	4
Pakistan	I	12	8	11	10	11
	II	12	8	11	9	10
Turkey	I	2	5	4	3	10
	II	2	5	4	3	10
Norway	I	9	10	6	6	8
	II	8	10	6	5	8
Switzerland	I	4	5	4	5	7
	II	4	5	4	5	7
Austria	I	6	6	5	5	5
	II	5	7	6	5	5
India	I	48	9	13	11	5
	II	259	229	206	224	225
New Zealand	I	4	4	3	4	4
	II	1	1	2	1	1
Finland	I	5	3	4	3	3
	II	5	3	4	3	3
Indonesia	I	1	1	-	-	-
	II	564	475	592	646	563
Philippines	I	-	-	-	-	-
	II	235	228	270	227	328
Developed C.	I	1,355	1,372	1,266	1,028	1,145
	II	1,222	1,166	1,133	880	1,002
Developing C.	I	295	225	191	220	243
	II	1,563	1,454	1,533	1,552	1,576
World	I	1,650	1,597	1,456	1,248	1,389
	II	2,934	2,800	2,830	2,595	2,725

Table 17

PALM KERNEL OIL

I - Gross imports of oil plus oil contents of imported oil seeds
 II - Apparent consumption of oil

(in '000 metric tons)

		1981	1982	1983	1984	1985
EEC (10)	I	261	310	361	344	357
	II	206	264	308	260	278
Spain	I	12	11	11	11	13
	II	12	11	11	9	13
Portugal	I	4	1	6	18	7
	II	3	1	2	2	5
United States	I	70	96	107	92	128
	II	61	68	67	58	56
South Africa	I	9	12	20	16	30
	II	9	12	20	16	20
Singapore	I	10	9	6	19	21
	II	-	-	1	2	2
Japan	I	14	16	19	21	20
	II	13	17	19	21	20
Canada	I	9	1	10	11	11
	II	9	11	10	11	11
Mozambique	I	9	10	16	13	9
	II	9	10	16	13	9
Poland	I	1	1	2	4	6
	II	1	1	2	4	6
Argentina	I	3	5	3	3	6
	II	3	5	3	3	6
German D.R.	I	2	2	2	4	5
	II	2	2	2	4	5
Burma	I	3	2	2	2	4
	II	3	2	2	2	4
Switzerland	I	4	3	4	3	4
	II	4	4	4	3	4
USSR	I	13	13	7	3	3
	II	14	13	7	3	3
Hungary	I	-	-	2	2	3
	II	-	-	2	2	3
Egypt	I	2	4	1	4	3
	II	2	4	1	4	3
Australia	I	1	1	1	1	2
	II	1	1	1	1	2
Malaysia	I	3	2	5	1	2
	II	36	51	37	14	38
Sweden	I	5	1	1	-	1
	II	5	-	1	-	-
Austria	I	-	-	-	-	-
	II	-	-	-	-	-
Brazil	I	-	-	-	-	-
	II	129	130	129	119	120
Finland	I	-	-	-	-	-
	II	-	-	-	-	-
New Zealand	I	-	-	1	1	-
	II	-	-	1	1	-
Nigeria	I	-	-	-	-	-
	II	95	112	104	136	149
Norway	I	-	-	-	-	-
	II	-	-	-	-	-
Developed C.	I	389	467	541	504	572
	II	323	389	444	384	411
Developing C.	I	45	71	43	62	57
	II	443	487	475	483	488
World	I	460	515	603	560	630
	II	804	913	960	902	939

Table 18

GROUNDNUT OIL

I - Gross imports of oil plus oil contents of imported oil seeds
 II - Apparent consumption of oil

(in '000 metric tons)

		1981	1982	1983	1984	1985
EEC (10)	I	447	511	541	405	437
	II	349	375	355	315	322
Spain	I	13	6	8	8	10
	II	13	6	8	8	11
Portugal	I	1	12	15	4	1
	II	1	7	6	5	2
Hong Kong	I	49	55	62	35	44
	II	27	25	29	22	29
Canada	I	37	31	34	35	35
	II	4	4	4	5	8
Nigeria	I	7	12	5	1	31
	II	74	73	67	72	108
USSR	I	22	24	19	28	28
	II	1	1	1	1	1
Japan	I	29	21	28	29	27
	II	1	1	1	1	1
Singapore	I	13	11	24	18	25
	II	1	1	1	1	1
Switzerland	I	17	25	22	20	19
	II	19	25	22	23	18
Malaysia	I	4	4	10	6	9
	II	7	7	10	9	11
Indonesia	I	4	29	19	10	8
	II	18	20	20	18	21
South Africa	I	2	1	18	20	6
	II	25	25	25	33	35
Austria	I	3	3	3	3	3
	II	3	3	2	2	2
Brazil	I	1	5	1	5	3
	II	10	7	8	7	9
Czechoslovakia	I	3	4	4	2	3
	II	-	-	-	-	3
New Zealand	I	3	3	3	2	3
	II	-	-	-	-	-
Norway	I	2	2	2	2	3
	II	2	2	2	2	2
Togo	I	-	-	3	3	3
	II	2	2	4	3	1
Brunei	I	1	2	1	2	2
	II	1	1	1	1	1
Korea, Rep. of	I	3	1	1	2	2
	II	-	-	-	-	-
Mexico	I	3	-	1	-	2
	II	2	2	2	2	2
Sweden	I	1	1	2	2	2
	II	-	-	-	-	-
Yugoslavia	I	2	3	2	2	2
	II	2	3	2	3	2
Australia	I	2	3	1	5	1
	II	8	13	9	5	6
Finland	I	1	1	1	1	1
	II	-	-	-	-	-
United States	I	-	-	2	2	1
	II	57	7	82	64	57
India	I	-	-	-	-	-
	II	1,615	1,281	1,608	1,133	1,237
China	I	-	3	20	1	-
	II	441	508	464	612	860
Burma	I	-	-	-	-	-
	II	93	104	106	126	162
Developed C.	I	574	638	683	560	573
	II	486	471	519	465	467
Developing C.	I	112	147	172	103	142
	II	2,304	1,933	2,225	1,758	1,963
World	I	687	785	856	663	715
	II	-	-	-	-	-

Table 19

TOTAL FATS AND OILS

Gross imports of oil plus oil contents of imported oil seeds

(in '000 metric tons)

	1981	1982	1983	1984	1985
EEC (10)	10,692	11,441	11,375	11,164	12,191
Spain	796	744	665	586	528
Portugal	192	261	315	345	288
Japan	1,906	1,958	2,075	2,019	2,162
USSR	1,392	1,604	1,466	1,300	1,536
Singapore	708	724	632	999	1,302
India	1,586	1,332	1,438	1,608	1,257
USA	840	766	931	811	1,080
Mexico	488	617	579	793	823
Egypt	676	570	616	679	810
Pakistan	574	736	751	879	788
Iran	446	383	660	510	499
Korea, Rep. of	433	389	427	421	459
Algeria	400	342	367	348	454
Taiwan Prov.	303	355	397	365	370
Turkey	177	201	191	309	317
Venezuela	271	207	218	358	314
Bangladesh	202	182	256	225	288
South Africa	128	149	243	253	283
Morocco	207	256	210	208	276
Canada	229	245	235	242	239
Iraq	259	227	182	251	230
Cuba	200	190	244	219	228
Yugoslavia	204	142	255	207	226
China	278	237	163	187	217
Saudi Arabia	142	207	225	196	200
Colombia	191	251	211	231	191
Brazil	222	293	82	210	188
Sweden	157	155	160	163	183
Nigeria	301	421	292	183	170
Poland	269	243	175	149	161
Hong Kong	127	154	177	123	161
Austria	155	154	155	151	153
Norway	107	96	91	105	142
Australia	115	147	154	166	141
Malaysia	81	75	91	125	131
German D.R.	134	132	118	139	125
Indonesia	125	118	83	185	124
Tunisia	90	66	122	128	120
Switzerland	110	123	120	113	124
Israel	111	104	127	121	117
Czechoslovakia	111	118	102	85	96
Finland	54	48	53	39	50
New Zealand	32	74	45	41	42
Developed C.	16,894	17,812	18,009	17,434	19,167
Developing C.	10,460	10,490	10,718	11,690	12,008
World	27,364	28,301	28,726	29,124	31,175

27. Table 20 shows developments of trade (gross exports) in different varieties of edible/soap fats and oils. Between 1979 and 1985 world exports of edible/soap fats and oils increased from about 23 million tons to 29 million tons at an average annual growth rate of 3.9 per cent. Palm oil, coconut oil, palm kernel oil and groundnut oil accounted for 28 per cent of these exports in 1985. While palm oil, sunflower seed oil, rapeseed oil, palm kernel oil and olive oil increased their shares in trade, coconut oil, groundnut oil, soyabean oil, animal fats and marine oils lost their shares between 1979 and 1985.

SECTION III: Activities of other international organizations

Food and Agriculture Organizations (FAO)

28. The Intergovernmental Group on Oilseeds, Oils and Fats meets regularly to review the market situation and outlook and policy developments affecting the sector. At its Sixteenth Session in 1982, the Group decided to carry out reviews of production, consumption and trade policies affecting the sector of selected important producing and trading countries. During its most recent session, in February 1987, the Group reviewed policy developments in the United States, the EEC and Pakistan. The Group expressed concern over the discriminatory effects of the proposed European Community tax ("consumer price stabilization mechanism") on edible vegetable (and marine) oils. Several countries said they would exercise their rights to seek compensation within GATT. Reviewing the achievement of the objectives of its guidelines for international co-operation, the Group noted that there had been a gradual relaxation of export controls whereas import restrictions had experienced an overall increase.

29. Regarding the problem of aflatoxin contamination, which particularly affects groundnut oilcakes, the Group recognized the urgent need for harmonization of standards at the international level. The Group noted the amendment by the European Communities, Council Directive 86/354, adding regulatory provisions for the marketing of selected raw materials

Table 20

WORLD EXPORTS OF DIFFERENT VARIETIES OF EDIBLE/SOAP FATS AND OILS¹

('000 metric tons)

	1979	1981	1983	1985
Total edible/soap fats and oils	22,963 100%	25,351 100%	26,470 100%	28,970 100%
<u>Tropical:</u>	5,557 24.2%	5,992 23.6%	6,909 26.1%	8,084 27.9%
Palm oil	2,845 12.3%	3,227 12.7%	4,014 15.2%	5,233 18.1%
Coconut oil	1,425 6.2%	1,623 6.4%	1,488 5.6%	1,477 5.1%
Palm kernel oil	446 1.9%	451 1.8%	570 2.2%	695 2.4%
Groundnut oil	841 3.7%	691 2.7%	837 3.2%	679 2.3%
<u>Other edible/soap soft oils:</u>	11,626 50.6%	13,084 51.6%	13,756 52.0%	14,742 50.9%
Soyabean oil	7,532 32.8%	8,203 32.4%	8,426 31.8%	8,051 27.8%
Sunflowerseed oil	1,502 6.5%	1,970 7.8%	2,329 8.8%	2,650 9.1%
Rapeseed oil	1,535 6.7%	1,752 6.9%	1,827 6.9%	2,643 9.1%
Olive oil	310 1.3%	269 1.1%	411 1.6%	505 1.7%
Cottonseed oil	387 1.7%	471 1.9%	360 1.4%	429 1.5%
Other edible soft oils	360 1.6%	419 1.7%	403 1.5%	464 1.6%
<u>Edible fats:</u>	1,980 8.6%	2,279 9.0%	1,984 7.5%	2,086 7.2%
Butter (fat content)	1,036 4.5%	1,199 4.7%	1,026 3.9%	1,051 3.6%
Lard	629 2.7%	602 2.4%	577 2.2%	580 2.0%
Margarine and shortening	315 1.4%	478 1.9%	380 1.4%	455 1.6%
<u>Other edible/soap fats and oils:</u>	3,800 16.5%	3,796 15.0%	3,823 14.4%	4,059 14.0%
Tallow and greases	2,385 10.4%	2,557 10.1%	2,493 9.4%	2,464 8.5%
Marine oils	854 3.7%	627 2.5%	790 3.0%	945 3.3%
Miscellaneous	561 2.4%	612 2.4%	540 2.0%	650 2.2%

¹Including oil content of exported oilseeds.

Source: Compiled on the basis of data supplied by FAO

(including groundnuts, copra, palm kernels, babassu) used as ingredients for preparing compound feeding stuffs. The Group requested the joint FAO/WHO Codex Alimentarius Commission to urgently consider establishing internationally agreed limits for aflatoxin contamination, together with recognized methods of analysis and sampling¹, and guidelines for the reduction of contamination either at the production level or by detoxification.

International Trade Centre (UNCTAD/GATT)

30. As a follow-up to the publication of a demand study on "Animal Feed Ingredients, a Study of Selected Markets" (Geneva, 1984), seminars and consultations have been carried out in Asian, African and Latin American countries. A study has recently been concluded on palm oil oleochemicals in the Asian and Pacific region, covering market prospects, marketing requirements and product development. A proposal for a study on the marketing of palm oil products in Africa has been approved, in the framework of technical co-operation between the ITC and the recently founded African Oil Palm Development Association. Related work performed by the ITC includes a study on "The Scope for Increased Trade Between Developing Countries in Vegetable Oils and Other Oilseed Products" (Geneva, 1981). Recently the ITC played a significant rôle at the Asian and Pacific Coconut Community meeting where participants discussed means to combat the proposed EEC oils tax and the campaign of the American Soyabean Association against tropical oils as well as continuing efforts to improve marketing and processing of coconut oil.

¹In 1983, the International Organization for Standardization (IOS) published IOS Reference 665/1983 on the determination of aflatoxin B₁ content in animal feeding stuffs.

Information on certain policy developments extracted from a FAO document

31. In addition to import duties and non-tariff measures as referred to in Section I, there exist other measures applied as part of domestic agricultural and trade policies. Some of these measures apply to substitutable fats and oils and would appear relevant to the consideration of the trade environment. Reproduced below is information on such measures extracted from FAO document CCP:OF 87/6, which was made available at the February 1987 meeting of the Intergovernmental Group on Oilseeds, Oils and Fats.

"Oilseeds, oils and fats production continues to be supported in many countries by means of price support schemes, supplemented in some cases by non-price measures. The available information, though limited, suggests that in 1985-86 there has been a continuation of the tendency for several developed countries to increase support or procurement prices less than in earlier years or even reduce them in terms of national currencies and without taking inflation into account. A number of developing countries have also increased support prices proportionally less than in earlier years although this tendency has been less widespread than in the case of developed countries.

"Among developed countries, those which have either reduced support prices in 1985-86 or increased them proportionally less than in earlier years include Canada (BT¹), the EEC (BT, OLO, SB), Finland (RP), the United States (SB) and Sweden (RP). In addition, support prices in the EEC for sunflower seed and rapeseed, which were reduced

¹ Individual oilseeds, oils and fats are indicated with the following abbreviations: BT: butter, CC: copra, GN: groundnut, OLO: olive oil, PK: palm kernels, PO: palm oil, RP: rapeseed, SB: soybeans, SF: sunflower seed, SAFF: safflowerseed.

in 1985, were not increased at the start of the 1986/87 season and indeed the sunflower seed support price was reduced in consequence of the EEC's new "maximum guaranteed quantity" scheme. Following the accession of Portugal and Spain to the European Community in January 1985, agricultural support in both these countries will be brought into line with the Common Agricultural Policy in the coming years; as a result, support prices in these two countries for most of the major oil crops were increased in 1986 proportionally more than in previous years. Another exception to the general tendency to restrain price support in the developed countries was the price of groundnuts produced in the United States within the marketing quota intended for direct food use; this price was increased by 9 per cent in 1986 following a 2 per cent rise in 1985, while the price of groundnuts produced in excess of the marketing quota was kept practically unchanged at the reduced 1985 level.

"Most of the support prices listed in the foregoing paragraph are set at high levels which require some degree of subsidization, either in the form of direct payments to producers (deficiency payments) or in the form of consumer subsidies. In addition, some price support schemes also involve considerable budgetary outlays to finance exports. In some cases the price support schemes are implemented in conjunction with taxes on consumption and/or levies on imports which are designed to increase prices of competing products, either produced domestically or imported, thereby entailing costs to the national economy less easily quantifiable than those incurred for direct support to producers and/or for financing exports.

"Among developing countries, those which in 1985-86 increased support prices proportionally less than in earlier years or kept them unchanged include Brazil (SB), Colombia (SB), Côte d'Ivoire (CC), India (SB, RA), Indonesia (SB), Nigeria (SB), Pakistan (SB, SF, SAFF), and Tanzania (GN, SF). Exceptions to the general tendency include groundnut and sunflower seed prices in India, groundnut prices in

Nigeria and palm kernel prices in Sierra Leone. In many cases, inflation eroded at least in part the incentive effect of the increases in support prices.

"In some countries, the incentive to production resulting from high support prices continues to be reduced by measures adopted in order to limit the volume of production and/or the cost to the national budget. In the EEC, the system of guarantee thresholds for oilseed production has been replaced by a "maximum guaranteed quantity" scheme. Whereas under the previous system penalties for over-production applied only in the season following over-production, intervention price cuts (up to a maximum of 5 per cent) will now take place in the actual year in which production exceeds the pre-announced ceiling with a consequent strengthening of the disincentive effect of the penalty.

"Subsidization of consumer prices is a policy which continues to be followed by many countries for food fats and oils, and in some cases for oilmeals. The objectives are either to keep the cost of living down, increase consumption within overall nutrition policies, or to increase selectively consumption of those oils and fats which are produced domestically, often at high cost.

"Falling world market prices have also meant a resurgence of interest in new end-uses of fats and oils, especially in exporting countries. Thus, Brazil is reported to have developed an economically viable process to manufacture aviation kerosene from vegetable oils (prosene) and to have already begun to test it successfully. Malaysia completed in late 1985 the construction of a pilot plan for the production of diesel fuel from palm oil; in late 1985 this was reported to be economically viable when the price of crude palm oil was below Malaysian \$736 (US\$297) per ton¹; this project is viewed by

¹The parameters underlying this estimate have now changed reflecting sharp falls in both mineral oil and palm oil prices.

the government as a possible safety net to prevent palm oil prices from dropping below production costs. In early 1986, when vegetable oil prices were extremely low, the Philippines began to use coconut oil as fuel for power plants. Small scale conversion of coconut oil to a diesel fuel substitute is reported to be practised already on a commercial basis in a number of Pacific Islands, based on Australian technology.

"Measures affecting exports: There have been many export liberalization measures taken, inter alia, by most of the largest exporting countries. Argentina reduced again in February 1986 the taxes it levies on exports of all oilseeds/oils/oilmeals, and announced a further drastic reduction to become operative in January 1987. Brazil permitted exports of castorbeans in 1985 for the first time since 1959. Greece partially relaxed in May 1986 the ban imposed in 1985 on exports of olive oil in bulk. India granted from May 1986 exemption of the excise duty on exports of refined castor oil. Indonesia lifted in September 1985 the remaining quantitative restrictions on exports of crude palm oil and in June 1986 cancelled the tax levied on exports of the same oil. Malaysia suspended for one year from end-August 1986 the duties on exports of processed palm oil and in October reduced considerably those on exports of crude palm oil. The Philippines lifted in March 1986 the ban imposed in 1982 on exports of copra, and in July 1986 abolished the duties on exports of coconut products which had already been reduced in October 1985. Sri Lanka reduced considerably in April 1986 the duty on exports of copra and suspended those on exports of coconut products.

"While the aforementioned measures have reduced or eliminated pre-existing export disincentives, other measures have instead represented positive aids to exports, given in the form of direct or indirect financial assistance to exporters. Thus, exports of olive oil and butter from the EEC to third countries continued to be made with the aid of export refunds, with those paid on butter exports

accounting for most of the cost of export aids in the oilseeds, oils and fats sector. Spain also paid in 1985-86 - before its accession to the EEC - substantially increased refunds on olive oil exports to dispose of part of the considerable stocks carried over from previous seasons. In Malaysia, the re-financing facilities offered to exporters of palm oil and palm kernel oil were extended in October 1986; they are now available for a period of 180 days compared with 90 days previously. The United States also provided incentives to exports. As of end-October 1986, 25,000 tons of vegetable oil had been earmarked for sale to India under the Export Enhancement Program announced in May 1985; this programme offers government-owned commodities as bonuses to enable United States exporters to compete at commercial prices in selected foreign markets. Additional export incentives by the United States include those granted under the Targeted Export Promotion Program which offers funds to market specific commodities and promote their sale in specified markets, as well as provide technical assistance to processors to ensure quality production.

"Other countries granting export aids in the oilseeds, oils, fats and oilmeals sector include Austria, Finland and Sweden."