

Trade in natural products: Market Access

Sclerocarya birrea Marula

Marula has the potential to become a major regional export commodity. Sustainable annual production of nearly 900 000 mt of fruit within the region means that 474 000 mt of raw marula fruit pulp and 35 000 mt of unrefined nut oil are potentially available as raw materials for value addition and export.

Trade information

Marula oil is already traded to Europe in commercial quantities. Marula pulp products have market potential world wide as a novel ingredient in numerous foods and beverage products. Potential and focus markets include the European Union (EU), United States (US) Japan and South Africa (SA).

Tariff analysis

Because international trade in marula has yet to be regularized

there are no specific tariff codes in existence for the product but the following Harmonised System (HS) codes are considered best fit.

Key market access issues that need to be addressed

- Residual tariffs on marula and its potential products in high value markets need to be negotiated away
- Tariff escalation still exists in some markets such as Japan
- Significant non-tariff barriers, such as food safety and novelty rules, need to be addressed
- Trade facilitation problems constrain regional and international trade in small quantities of products
- Complex and overlapping rules of origin may impact on development of value added marula products from the region

Product	HS Code	Market
Fresh fruit	08109095	For processing into pulp and seed extract
Frozen fruit	081190	For processing into pulp and seed extract
Fruit skins	08129098	Flavour and fragrance ingredient
Dried fruit	081340	Snack food and food ingredient
Seed oil	16159040	Cosmetic and food use
Fruit juice	20098088	Beverage and food ingredient
Essential oil	33019090	General cosmetic ingredient

Tariff issues	Non-tariff issues
<ul style="list-style-type: none"> ■ Marula has no specific HS code, so volumes of trade are difficult to measure. ■ Many countries in the region have preferential duty free market access to the EU and SA for marula and its products. ■ Namibia, Botswana and Zimbabwe have a residual General System of Preferences (GSP) duty of 5.3% on fresh and frozen fruit to the EU. ■ Favourable tariffs are mostly in the form of non-reciprocal preferences such as the US African Growth Opportunity Act (AGOA) and the Cotonou Agreement with the EU. These need to be locked-in to promote investment in the sector. ■ The natural product sector can expect to find its margin of preference eroded in future trade negotiations and needs to develop its competitive edge accordingly. 	<ul style="list-style-type: none"> ■ Cumulation between African Caribbean and Pacific (ACP) members in different Economic Partnership Agreement (EPA) with the EU is a potential concern as it relates to rules of origin. ■ If marula is to be a major food ingredient export compliance with EU food standards and approval under the Novel Foods Directive will be necessary. This has implications for investment in capacity building in the region. ■ Marula seed oil may have to be registered as Cosmetic ingredient as per the EU Cosmetic Directive: 76/768/CEE, 1976 and as an industrial chemical under the EU's registration, evaluation and authorisation of chemicals (REACH) Directive: EC No 1907/2006. ■ Regional variation and strict access and benefit sharing legislation could limit investment in small scale natural product opportunities. ■ Trade facilitation issues such as availability and cost of containers and transshipment difficulties as well as poor infrastructure could discourage investment in the sector. ■ Variations in VAT and slow reimbursement discourage regional collaboration for exports of marula.

For more information

kristy.faccor@iucn.org
+27 12 342- 8304