

## Trade in natural products: Market Access

### *Ximenia spp* Ximenia

Whilst there is limited trade in Ximenia products at present, there is strong potential for increased trade in this high value cosmetic oil. The presence in the oil of valuable fatty acids gives it a 'sticky' quality with excellent skin tightening properties ideal for face creams. Estimates indicate that six countries in Southern Africa alone could sustainably supply 1,590mt of ximenia fruit per annum.

#### Trade information

There is potential demand for ximenia as a cosmetic, pharmaceutical, food and industrial ingredient. Potential and focus markets are European Union (EU), United States (US), Japan and South Africa (SA). Potential demand exists in all major and minor developed and developing economies.

#### Tariff analysis

Since international trade in ximenia is still minimal, it needs to

be regularized at some point. There are no specific tariff codes in existence for the product but the following Harmonised System (HS) codes are considered the best fit.

#### Key market access issues that need to be addressed

- Residual tariffs on ximenia and its potential products in high value markets need to be negotiated away
- Tariff escalation still exists in some markets such as Japan and the US
- Significant non-tariff barriers, such as cosmetic regulations may limit exports
- Documentation and customs clearance procedures for regional trade needs streamlining
- Transit and freight charges pose problems for lower volume natural products

Product	HS Code	Market
Fresh fruit pulp	081090, 080990	For processing into pulp and seed extraction
Dried fruit	0813.40	Finished food or ingredient
Seed oil	120999, 121190.80 121190.90, 121190.30 121190.20	Pharmaceutical or cosmetic ingredient
Seed oil	15159040, 330190.50	Cosmetic ingredient Pharmaceutical or cosmetic ingredient
Jam, jelly	20071091	Finished food
Food supplement	29369019	Food fortifier
Skin cream	33049950	Personal care
Soap	340119	Personal care
Shampoo	34022090	Personal care

Sources: <http://export-help.cec.eu.int>; <http://www.usitc.gov>; <http://www.apectariff.org>; <http://www.macmap.org/SouthAfrica>

Tariff issues	Non-tariff issues
<ul style="list-style-type: none"> <li>■ Ximenia has no specific HS code, so volumes of trade are difficult to measure</li> <li>■ All countries in the region have preferential duty free market access for the fresh ximenia fruit to the EU except for SA.</li> <li>■ In the region the product and its by products have duty free market access.</li> <li>■ Other markets apply escalatory tariffs or tariff peaks on ximenia. For example Japan and US apply 12% and 21.3% tariff for jam respectively.</li> <li>■ 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.</li> <li>■ 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.</li> </ul>	<ul style="list-style-type: none"> <li>■ Complex, overly protective and overlapping rules of origin could be a potential threat to market access and regional collaboration in the natural products trade. 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.</li> <li>■ Ximenia 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.</li> <li>■ Harmonisation of custom procedures in the region is of essence to promote free trade in natural products.</li> <li>■ Intellectual property management regimes may threaten future access and benefit sharing rights to products.</li> <li>■ Trade facilitation issues such as availability and cost of containers and transshipment difficulties as well as poor infrastructure could discourage investment in the sector.</li> <li>■ Variations in VAT and slow tax rebates discourage regional collaboration for exports of ximenia.</li> </ul>

#### For more information

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