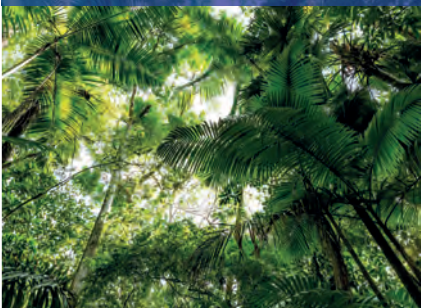




JANUARY 2018



# EUROPEAN UNION

Non-tariff measures (NTMs) applicable to biodiversity and BioTrade products: Personal care, food and phytopharma sectors

## TECHNICAL FACT SHEET

### 1. INTRODUCTION

#### Key findings for the European Union market

The majority of product groups studied faced **sanitary and phytosanitary measures (SPS)**, accounting for **71 per cent** of the measures identified, particularly for **vegetable fats and oils, oil seeds, gums and resins and edible vegetables**. Some **26 per cent** of the measures were **technical barriers to trade (TBT)**, affecting the product categories **oil seeds, vegetable alkaloids, miscellaneous edible preparations and gums and resins**. The most burdensome NTMs identified by exporting and importing companies, as well as exporting governments, relate to the **listing of ingredients and/or substances** (e.g. cosmetic ingredient database [CosIng], Novel Foods), as well as specific regulations, such as the **European Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)**; **European Union labelling and health claims, certification and standards**, among others. Specifically for the **food sector**, the major concern refers to the **Novel Food regulation and the legislation on maximum levels of cadmium in foodstuffs (EU 488/2014)** for the **cocoa sector**. **Understanding of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) import and export requirements** was also seen as a limitation for companies trading those species, as well as topics related to border and domestic requirements and standards.

To address these burdensome NTMs, actions include **product standardization; human resources development at company and government level, including customs; contingency planning and risk management; revision of the Harmonized System (HS) codes; product documentation and traceability; and inclusion of native biodiversity ingredients and products into official listing in importing and exporting markets**. Further information can be found in Sections 6, 7 and 8.

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UNITED NATIONS  
UNCTAD

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## Biodiversity and BioTrade

Source: Adapted from Lojenga and Oliva, 2016.

<p><b>Biodiversity</b> The variety of life on Earth, including the wide range of plants, animals and microorganisms, the genetic variety within the species, and the different ecosystems.</p> 	<p><b>Sectors involved in BioTrade activities:</b></p> <ul style="list-style-type: none"> <li>• Personal care</li> <li>• Pharmaceuticals/ phytopharma</li> <li>• Food</li> <li>• Fashion</li> <li>• Ornamental flora and fauna</li> </ul> 	<p><b>BioTrade impact in figures</b></p> <p><b>€4.3 billion</b></p> <p>Sales of BioTrade beneficiary companies and associations (2015).</p> <p>A significant increase from \$40 million in 2003.</p>
<p><b>BioTrade</b> Collection, production, transformation and commercialization of goods and services derived from native biodiversity (species and ecosystems) under environmental, social and economic sustainability criteria.</p>	<ul style="list-style-type: none"> <li>• Handicrafts</li> <li>• Textiles and natural fibres</li> <li>• Sustainable tourism</li> <li>• Forestry-based carbon credit activities.</li> </ul> 	<p><b>5 million</b></p> <p>Number of beneficiaries* worldwide</p> <p><i>*Includes producers, farmers, collectors, hunters</i></p>

Non-tariff measures (NTMs) are policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods – changing quantities traded, or prices, or both. (UNCTAD)

### Examples of NTMs:

#### Sanitary and phytosanitary measures (SPS)

Measures applied to protect human or animal life from risks arising from: additives, contaminants, toxins or disease-causing organisms in food. For example:

- **Geographical restrictions on eligibility:** Imports of dairy products from countries.
- **Registration requirements for importers:** Importers of certain food items need to be registered at the ministry of health.
- **Irradiation:** This technology may be applied to meat products, fresh fruits, spices and dried vegetable seasonings.

#### Technical barriers to trade (TBT)

Measures referring to technical regulations and procedures to assess conformity with technical regulations and standards.

For example:

- **Product identity requirements:** For a product to be identified as “chocolate”, it must contain a minimum of 30 per cent cocoa.
- **Labelling requirements:** To facilitate the comparison of products in different packaging sizes, it is appropriate to retain the requirement that the mandatory nutrition declaration should refer to 100 g or 100 ml amounts and, if appropriate, allow additional portion-based declarations. (European Union law on food information to consumers, Regulation EU No. 1169/2011.)

### BioTrade projects on NTMs

Identify HS codes	Mapping of NTMs used	Company survey	National workshops	NTMs fact sheets	Online database: <a href="http://unctad.org/ntm">unctad.org/ntm</a>
<p><b>58 HS codes identified and listed</b> for BioTrade products from Colombia, Peru and Viet Nam in the selected sectors (Section 3)</p>	<p><b>5 importing countries' NTMs</b> mapped for the 58 HS codes, in collaboration with UNCTAD Trade Analysis Branch (TAB) (Sections 3 and 4)</p>	<p><b>231 surveyed companies</b> involved in BioTrade and biodiversity-based products from the selected exporting and importing markets (Section 5)</p>	<p><b>3 national workshops</b> (Colombia, Peru and Viet Nam) for sharing and validating the NTMs mapping and company survey findings and recommendations (Section 6)</p>	<p><b>4 fact sheets</b>, one per import market, providing the findings of the BioTrade NTMs project</p>	<p>NTMs information available in UNCTAD TAB online databases: <a href="http://i-tip.unctad.org/">http://i-tip.unctad.org/</a></p>

**Three exporting countries**

- Colombia
- Peru
- Viet Nam







**Five importing countries/region**

- China
- European Union
- Japan
- Switzerland
- United States of America

## 2. MARKET INFORMATION: EUROPEAN UNION

### Region Overview 2016

#### General Information 2016

<b>Population<sup>1</sup></b>	<b>Exchange rate<sup>3</sup></b>	<b>GDP<sup>1</sup></b>
<b>511,360,932 million</b> (2016) 	<b>0.90404€/\$</b> 	<b>\$16.487 trillion</b> 
<b>Land area<sup>1</sup></b>	<b>CPI growth<sup>2</sup></b>	<b>GDP growth<sup>1</sup></b>
<b>4.383 million km<sup>2</sup></b> 	<b>0.3%</b> 	<b>1.9%</b> 

Sources: (January 2018):

1 World Bank.  
<http://databank.worldbank.org/data/reports.aspx?source=2&country=EUU>.

2 Eurostat.  
[http://ec.europa.eu/eurostat/statistics-explained/index.php/File:HICP\\_all-items,\\_annual\\_average\\_inflation\\_rates,\\_2006-2016\\_\(%25\)\\_YB17.png](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:HICP_all-items,_annual_average_inflation_rates,_2006-2016_(%25)_YB17.png).

3 UNCTADSTAT.  
<http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=117>.

#### International merchandise trade (EU28)

Total merchandise trade (\$ at current prices in millions)				
	2005	2010	2015	2016
Merchandise exports	4,074,385	5,183,905	5,387,844	5,375,795
Merchandise imports	4,151,828	5,325,169	5,239,413	5,253,105
Merchandise trade balance	-77,443	-141,263	148,431	122,690








Sources:

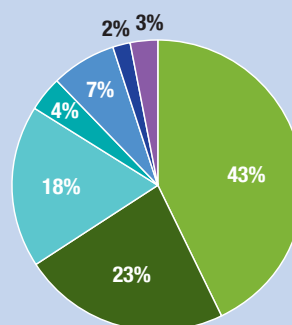
European Commission.  
[http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_122530.04.2018.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122530.04.2018.pdf) (1 August 2018).

World Bank.  
<https://data.worldbank.org/region/european-union> (1 August 2018).

#### Export structure by product group in 2016

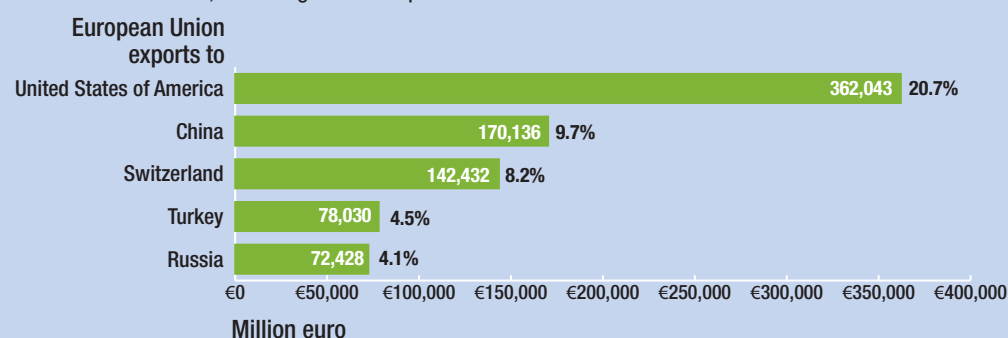
Share of each product group in total extra-European Union exports, based on trade value.

-  Machinery and transport equipment
-  Other manufactured goods
-  Chemicals and related products
-  Mineral fuels, lubricants and related materials
-  Food and drinks
-  Crude materials
-  Other



#### EU28 top five partners in 2016

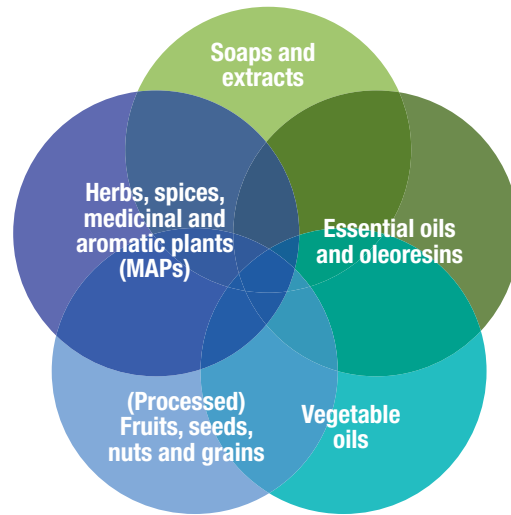
In merchandise trade, excluding intra-European Union trade.



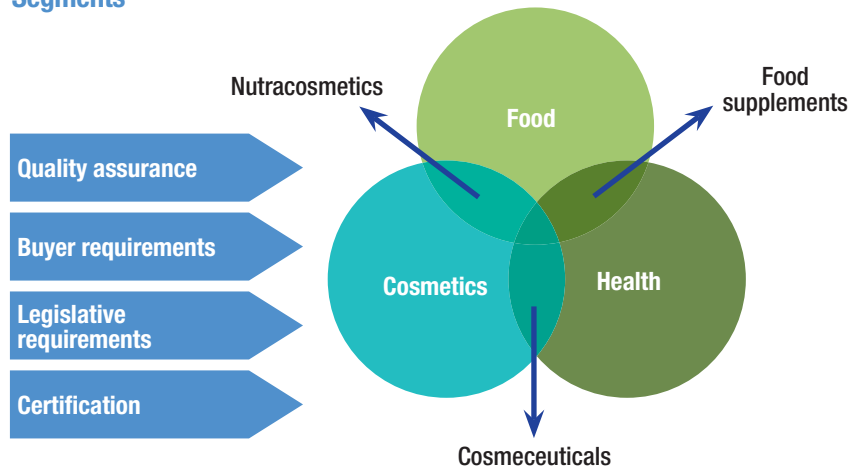
## Market information by sector

### Products

Source: Centre for the Promotion of Imports from developing countries (CBI) and ProFound (2016). Trade segments, channels and structures for food, food ingredients and natural ingredients for health products. CBI Expo Vitafoods 2016: Natural Ingredients Export Coaching Programme - Pakistan (adapted with permission of Klaus Duerbeck Consulting [KDC]).

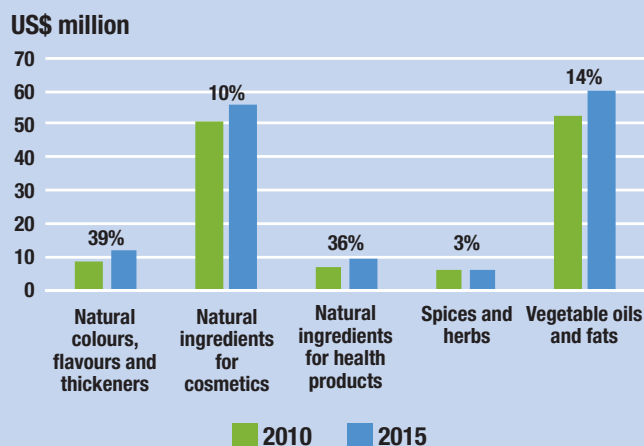


### Segments



Source: International Trade Centre (ITC) (2017). Trade statistics (<http://www.intracen.org/itc/market-info-tools/trade-statistics/>).

### Natural ingredients imported by the European Union in 2010 and 2015



Note: The percentage change between 2010 and 2015 is shown above each category.

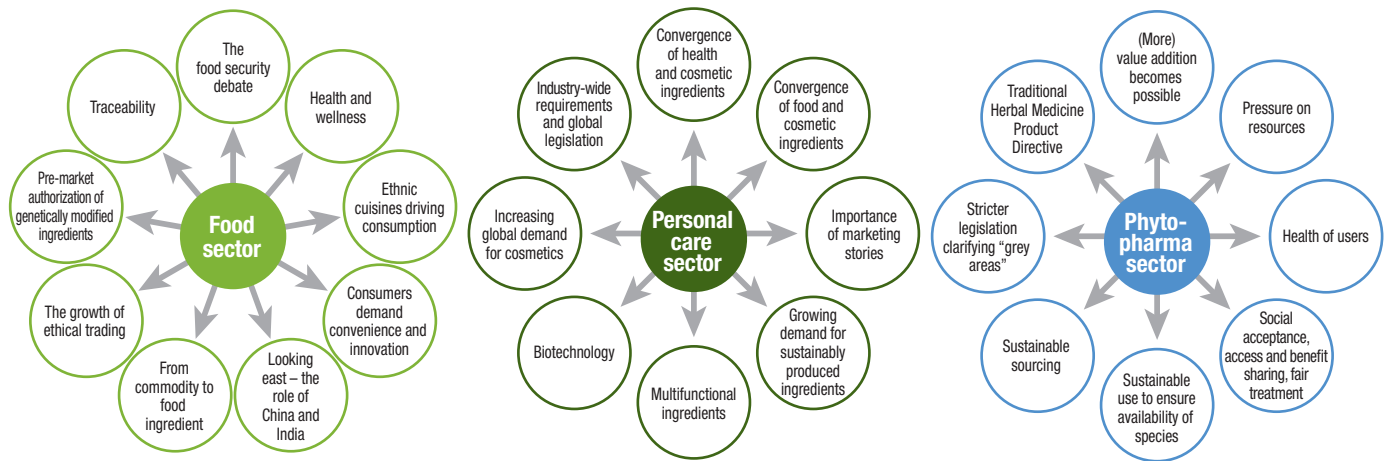
Imports from Colombia, Peru and Viet Nam represent less than 1 per cent of European Union total imports, except for Vietnamese spices and herbs (5.7 per cent for 2015).

Colombia and Viet Nam, had double-digit growth in their exports in all categories for the period 2010 and 2015. In the same period, Peruvian exports in natural ingredients for health products grew 20 per cent and vegetable oils and fats 450 per cent, while they decreased in natural ingredients for cosmetics (-33 per cent), natural colours, flavours and thickeners (-51 per cent) and spices and herbs (-95 per cent).

Imports from Colombia, Peru and Viet Nam represent less than 1 per cent of European Union total imports, except for Vietnamese spices and herbs (5.7 per cent for 2015).

# Market trends in the European Union

## Trends by sector



Source: CBI and ProFound (2015). Market information. Study. Oilseeds (as adapted with permission of KDC (2016) and Véronique Rossow (2017)).

## Trends by value chain actor

Company trends	Consumer trends	Supply chain trends	
<b>Safe products</b> <ul style="list-style-type: none"> <li>• Safe to process and use</li> <li>• Safe in terms of supply</li> <li>• Safe in terms of sustainability</li> <li>• Safe in terms of proof of efficiency</li> <li>• Safe in terms of transparency and traceability</li> <li>• Documentation</li> </ul>	<p>Taste the “new” versus desire for the “known”</p> <p>Market polarization – “affluence versus economizing”</p> <p>Time pressure and stress</p> <p>Sustainability concerns</p> <p>Ageing population</p> <p>Smaller households</p> <p>Natural and healthier lifestyle choices</p> <p>Inadequate quality brand management</p> <p>Local sourcing versus exotic</p>	<b>Concentration (retail processing, importing)</b> <ul style="list-style-type: none"> <li>• More mergers and acquisitions</li> <li>• Increasing buying power of few players</li> <li>• Global compliance and trading of ingredients</li> <li>• Shorter distance between buyers and management</li> <li>• Preferred suppliers in integrated supply chains based on financial criteria</li> </ul>	
<b>Ecological standards</b> <ul style="list-style-type: none"> <li>• European Union regulation on organic farming – organic certification</li> <li>• Different rules apply for labelling and marketing – food, cosmetics, health</li> </ul>		<b>Extended processing in production countries</b> <ul style="list-style-type: none"> <li>• (More) value addition becomes possible</li> <li>• Pressure on resources</li> </ul>	
<b>Social standards</b> <ul style="list-style-type: none"> <li>• Fair treatment/CSR: SA 8000, OHSAS 18001, ISO 26000</li> <li>• Fair sharing of benefits: BioTrade Principles and Criteria, Fair trade</li> </ul>		<b>New responsibility for resource management</b> <ul style="list-style-type: none"> <li>• Safety of users</li> <li>• Social acceptance, access and benefit-sharing, fair treatment</li> <li>• Sustainable use to ensure availability of species</li> </ul>	
<b>BioTrade</b> <ul style="list-style-type: none"> <li>• BioTrade verification and certification: Union for Ethical BioTrade (UEBT)</li> </ul>			
<b>Sustainable wild collection</b> <ul style="list-style-type: none"> <li>• Management and certification standards: FairWild standard</li> </ul>			

Source: KDC (2016) and Véronique Rossow (2017).

### 3. Mapping NTMs and HS codes used

#### NTMs classification (TAB, UNCTAD)

The classification of NTMs includes those measures considered relevant to international trade today, divided into two broad categories.

- **Import measures:** These are applied by the government of the importing country on the imported goods. They encompass technical measures (sanitary or environmental protection measures) and others traditionally used as instruments of commercial policy (e.g. quotas, price control).
- **Export measures:** These are applied by the government of the exporting country on exported goods. These can be restrictions on the quantity of goods exported to a specific country for reasons such as shortage of goods in the domestic market, regulating domestic prices or export price-control measures, measures on re-export, etc.

The classification is shown below and more information is available in UNCTAD's International classification of non-tariff measures (Version 2012).

Import measures			Export measures
Technical measures	Non-technical measures		
A: Sanitary and phytosanitary (SPS)	E: Non-automatic licensing, quotas, prohibitions and quantity control measures other than for SPS or TBT reasons	I: Trade-related investment measures	P: Export-related measures (e.g. export taxes, export quotas and export prohibitions)
B: Technical barriers to trade (TBT)	F: Price-control measures, including additional taxes and charges	J: Distribution restrictions	
C: Pre-shipment inspection and other formalities	G: Financial measures	K: Restrictions on post-sales services	
D: Contingent trade-protective measures	H: Measures affecting competition	L: Subsidies	
		M: Government procurement restrictions	
		N: Intellectual property	
		O: Rules of origin	

Source: UNCTAD (2015). International classification of non-tariff measures (Version 2012). United Nations. (UNCTAD/DITC/TAB/2012/2/Rev.1). Available at: [http://unctad.org/en/PublicationsLibrary/ditctab20122\\_en.pdf](http://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf)

#### HS codes analysed for the European Union

Based on information from BioTrade partners in Colombia, Peru and Viet Nam

Preparations of cereal, flour, starch or milk	Preparations of vegetables, fruits, nuts or other parts of plants	Miscellaneous edible preparations	Beverages, spirits and vinegar	Vegetable alkaloids	Oil seeds	Gums and resins, extracts	Vegetable fats and oils	Tannins, dyes	Essential oils
1904	2007 2009	2106	2202	2939	1207	1301	1508	3201	3301
					1211 and 121190	1302 and 130231	1513 1515	3203	
					1212, 121220 and 121292	1404	1516 1521		

Edible vegetables	Edible fruits and nuts	Coffee, tea, maté and spices	Cocoa	Cereals	Products of the milling industry	Sugar, syrups and candies	Beauty, make-up, etc.	Odoriferous substances and mixtures	Medicaments n.e.c
0709	0801	0902	1801	1001	1106	1702	3304, 330410, 330420, 330430, 330491 and 330499	3302	3004 and 300490
0710	0802	0903	1803	1005					
0712	0804	0909	1804	1008					
0713	0810	0910	1805						
0714	0811		1806						
	0813								

Note: n.e.c. (not elsewhere classified).

## 4. NTMs analysis: European Union

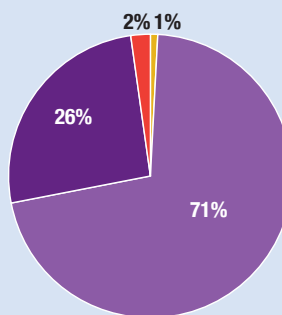
Source: UNCTAD Trade Analysis Branch (2017). Mapping of European Union NTMs (Excel sheets).

### Most frequently identified NTMs for all product groups

For the European Union market, exporters and importers of selected biodiversity and BioTrade products commonly encounter technical measures:

- Related to SPS
- Related to TBT

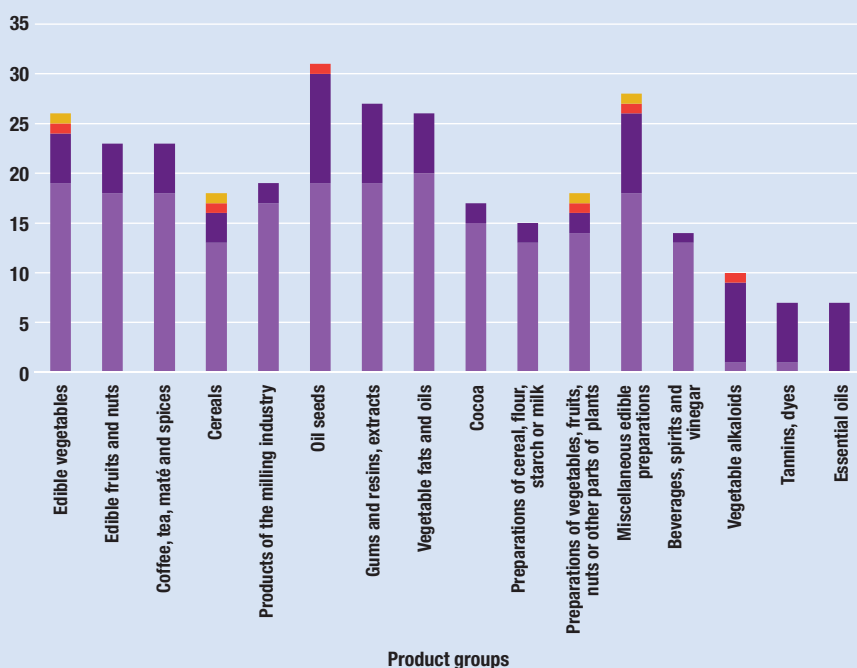
Total measures identified for the European Union: 309



#### Key

- A** Sanitary and phytosanitary (SPS)
- B** Technical barriers to trade (TBT)
- E** Non-automatic licensing, quotas, prohibitions and quantity control measures other than for SPS or TBT reasons
- G** Finance measures

### Number of distinct NTMs by product for selected product groups



The majority of product groups face SPS measures. These measures are highest for the vegetable fats and oils, followed by oil seeds, gums and resins and edible vegetables. These products are also affected by TBT, particularly oil seeds, vegetable alkaloids, miscellaneous edible preparations and gums and resins.

## NTMs identified by product group

Edible vegetables	Edible fruits and nuts	Coffee, tea, maté and spices	Cereals	Products of the milling industry	Oil seeds	Gums and resins, extracts	Vegetable fats and oils	Cocoa	Preparations of cereals, flour, starch or milk	Preparations of vegetables, fruit, nuts or other parts of plants	Miscellaneous edible preparations	Beverages, spirits and vinegar	Vegetable alkaloids	Tannins, dyes	Essential oils
A12	A12	A12	A13	A12	A12	A12	A12	A12	A13	A13	A12	A13	A42	A42	B11
A13	A13	A13	A15	A13	A13	A13	A13	A13	A15	A15	A13	A15	B11	B11	B14
A14	A14	A14	A19	A14	A14	A14	A15	A14	A21	A21	A15	A21	B14	B14	B15
A15	A15	A15	A22	A15	A15	A15	A19	A15	A22	A22	A21	A22	B15	B15	B22
A19	A19	A19	A31	A19	A19	A19	A21	A21	A31	A31	A22	A31	B31	B31	B31
A21	A21	A21	A32	A21	A21	A21	A22	A22	A33	A33	A31	A33	B33	B33	B33
A22	A22	A22	A33	A22	A22	A22	A31	A31	A41	A41	A33	A41	B83	B84	B84
A31	A31	A31	A41	A31	A31	A31	A32	A33	A42	A42	A4	A42	B84		
A32	A33	A33	A42	A32	A32	A32	A33	A41	A63	A63	A41	A63	B851		
A33	A41	A41	A63	A33	A33	A33	A4	A42	A85	A83	A42	A85	E112		
A41	A42	A42	A83	A41	A41	A41	A41	A63	A851	A85	A63	A851			
A42	A63	A63	A84	A42	A42	A42	A42	A85	A852	A851	A82	A852			
A63	A83	A83	A852	A63	A63	A63	A63	A851	A853	A852	A83	A853			
A83	A84	A84	B14	A85	A83	A83	A82	A852	B14	A853	A84	B31			
A84	A85	A85	B31	A851	A84	A84	A83	A853	B31	B14	A85				
A85	A851	A851	B7	A852	A85	A85	A84	B14		B31	A851				
A851	A852	A852	E1	A853	A851	A851	A85	B31		E1	A852				
A852	A853	A853	G11	B14	A852	A852	A851			G11	A853				
A853	B14	B14		B31	A853	A853	A852				B11				
B14	B31	B31			B11	B11	A853				B14				
B31	B32	B32			B14	B14	B11				B15				
B32	B7	B7			B15	B15	B14				B31				
B7	B84	B84			B21	B31	B15				B33				
B84					B31	B33	B31				B81				
E1					B32	B81	B33				B82				
G11					B33	B82	B84				B84				
					B7	B84					E1				
					B81						G11				
					B82										
					B84										
					E1										

**A** Sanitary and phytosanitary (SPS)

**B** Technical barriers to trade (TBT)

**E** Non-automatic licensing, quotas, prohibitions and quantity control measures other than for SPS or TBT reasons

**G** Finance measures

For more information on the NTMs classification and the description of each measure (e.g. A, B, E and G), see UNCTAD's International classification of non-tariff measures (Version 2012). Available at: [http://unctad.org/en/PublicationsLibrary/ditctab20122\\_en.pdf](http://unctad.org/en/PublicationsLibrary/ditctab20122_en.pdf).

## Highlights

The most common NTMs are SPS and TBT, with vegetable fats and oils being the product group with the biggest number of NTMs identified (20). Vegetable alkaloids come up against most TBT measures, making up 80 per cent of the total identified measures for the product category.

The most common SPS measures are:

- **A1: Prohibitions/restrictions of imports for SPS reasons**, such as plants and plant products and their protection in Regulation (EC) No. 1107/2009 of the European Parliament and of the Council (OJ L-309 24/11/2009) (CELEX 32009R1107) or general foodstuffs hygiene rules contained in Regulation (EC) No. 852/2004 of the European Parliament and of the Council.
- **A8: Conformity assessments related to SPS**, e.g. Novel Foods (i.e. foods and food ingredients that have not been used for human consumption to a significant degree within the European Union before 15 May 1997) must also undergo a safety assessment before being placed on the European Union market.

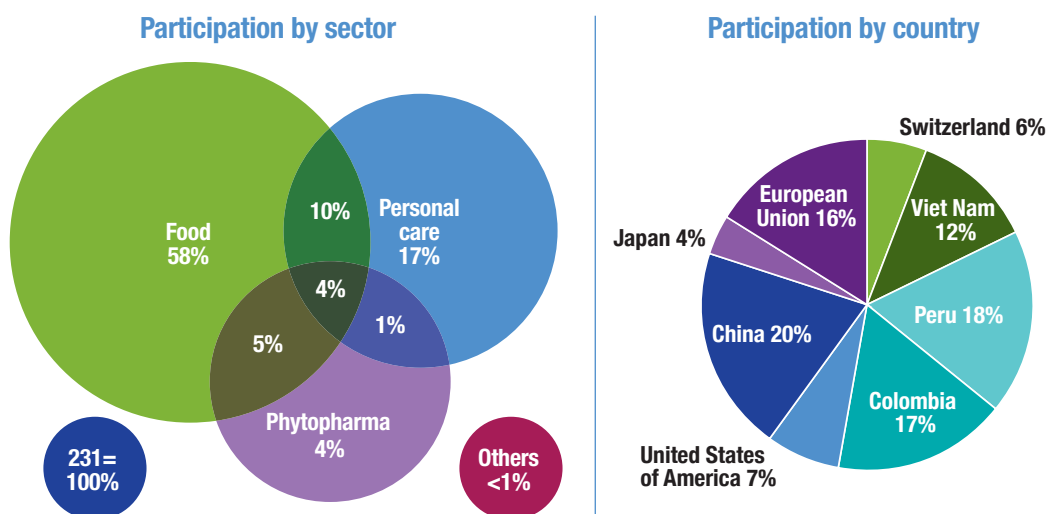
For more information on NTMs and to access full regulatory data, visit: [TAB, UNCTAD www.unctad.org/ntm](http://www.unctad.org/ntm)



## 5. NTMs company survey

Source: UNCTAD BioTrade Initiative (2016).

### General overview



**42%**  
of the surveyed companies  
apply BioTrade principles

**43%**  
of the surveyed companies  
know BioTrade

**43%**  
of European companies  
surveyed apply BioTrade  
Principles and Criteria

### General information from 231 surveyed companies

Most surveyed companies from Colombia, Peru and Viet Nam are exporters, whereas most companies from the European Union, Japan, Switzerland and the United States of America are both importers and exporters.

Number employees	Turnover in \$	Trade experience	Value chain actor
<ul style="list-style-type: none"> <li>&lt;20: 31.6%</li> <li>20–250: 44.6%</li> <li>&gt;250: 16.9%</li> <li>N/A: 6.9%</li> </ul>	<ul style="list-style-type: none"> <li>&lt; 1 million: 21.2%</li> <li>1 to 5 million: 11.3%</li> <li>&gt; 5 million: 29.9%</li> <li>N/A: 37.7%</li> </ul>	<ul style="list-style-type: none"> <li>Importing: 4.3%</li> <li>Exporting: 54.1%</li> <li>Importing and exporting: 37.2%</li> <li>No international experience: 4.3%</li> </ul>	<ul style="list-style-type: none"> <li>Producer: 27.4%</li> <li>Processor: 27.4%</li> <li>Manufacturer: 33.5%</li> <li>Service provider: 11.8%</li> </ul>

### Information from European Union companies surveyed

Around 47 per cent of the European companies employ between 20 and 250 employees and 50 per cent have an annual turnover of more than \$5 million.

Number employees	Turnover in \$	Trade experience	Value chain actor
<ul style="list-style-type: none"> <li>&lt;20: 12</li> <li>20–250: 18</li> <li>&gt;250: 6</li> <li>N/A: 2</li> </ul>	<ul style="list-style-type: none"> <li>&lt; 1 million: 3</li> <li>1 to 5 million: 2</li> <li>&gt; 5 million: 19</li> <li>N/A: 14</li> </ul>	<ul style="list-style-type: none"> <li>Importing: 8</li> <li>Exporting: 5</li> <li>Importing and exporting: 25</li> <li>No international experience: 0</li> </ul>	<ul style="list-style-type: none"> <li>Producer: 9</li> <li>Processor: 15</li> <li>Manufacturer: 21</li> <li>Service provider: 12</li> </ul>

**50%**  
have an annual  
turnover of more than  
**\$5 million**

## Trade experience and share of biodiversity-based exports

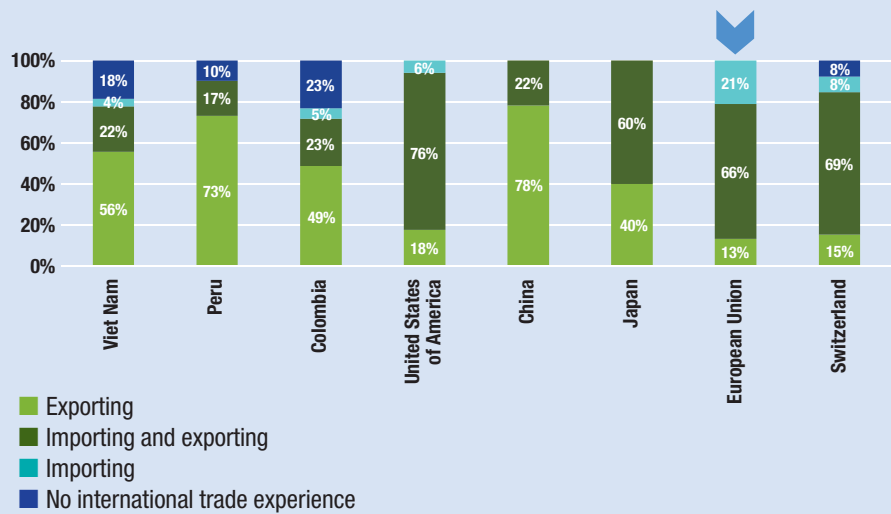
**79%**

of the European Union companies are exporters, out of which

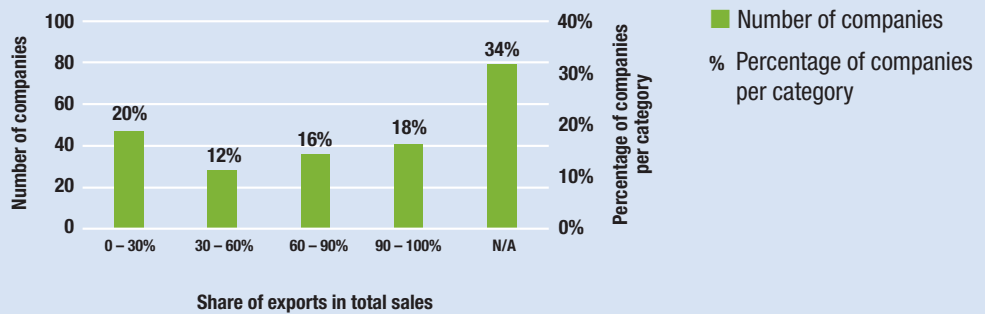
**13%**

are also importers

### Trade experience of surveyed participants by country (percentage)



### Percentage of exports in total sales

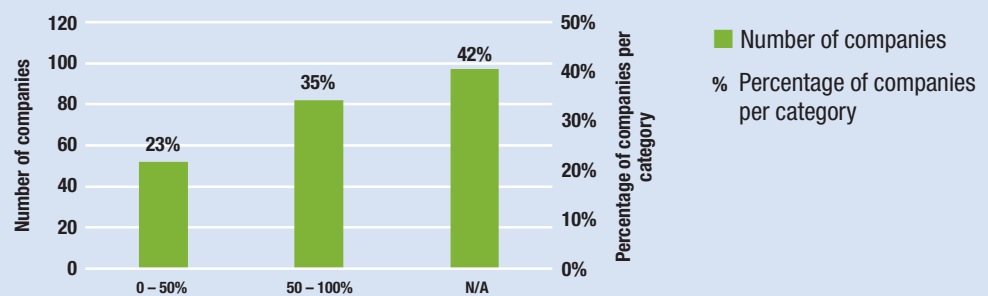


More than **60%**

of the European Union companies analysed have a biodiversity-based products share between

**50** and **100%**

### Number and share of companies with biodiversity-based exports



### NTMs in the other markets analysed (China, Japan, Switzerland and the United States of America) compared with the European Union market

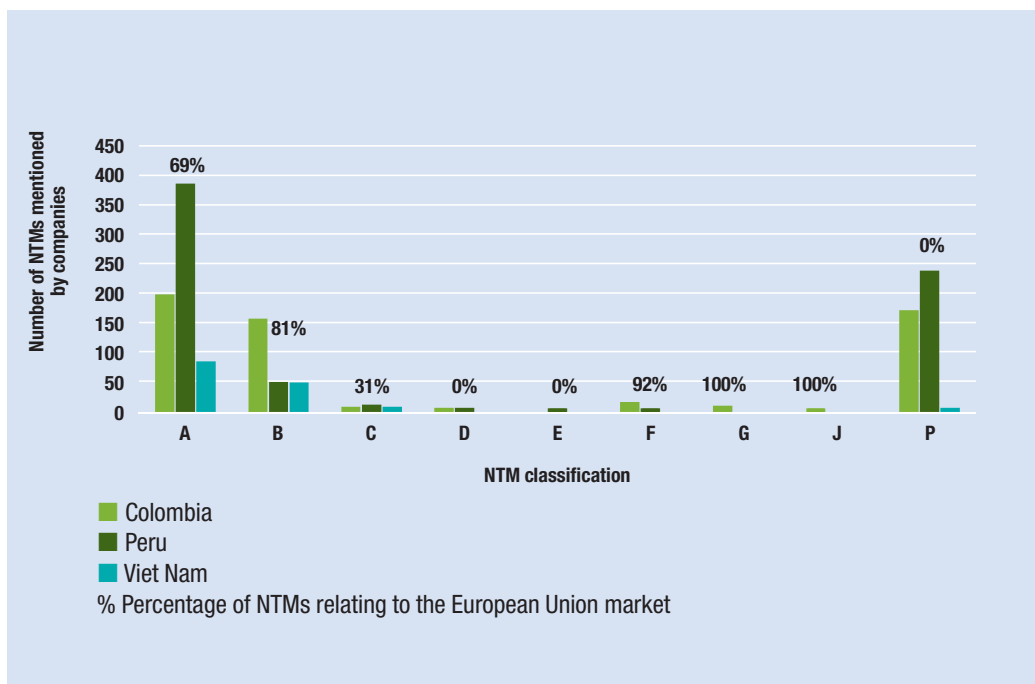
#### For other markets

SPS measures (A) are the most commonly identified by the surveyed participants. Category A1, which deals with prohibitions and restrictions of imports for SPS and its subcategories, represents 16 per cent of all the identified NTMs. Peruvian companies identified more NTMs than Colombia and Viet Nam.

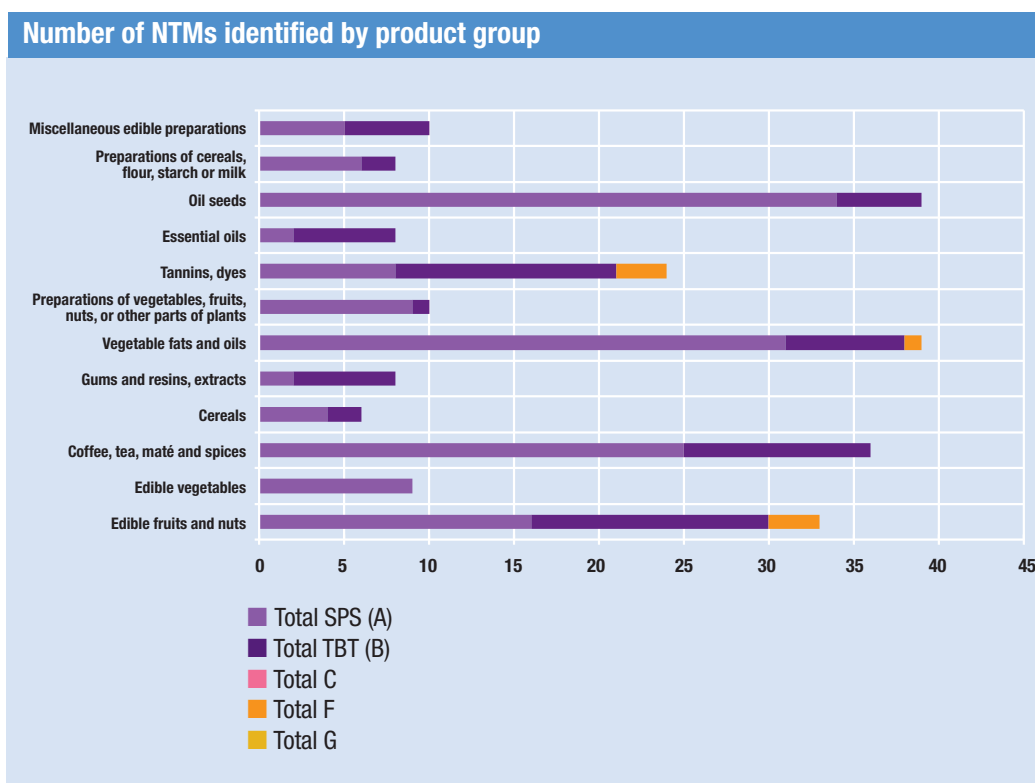
#### For the European Union market

100 per cent of the NTMs identified for finance measures (G) and distribution restrictions (J) were from this market, as well as 92 per cent of the price-control measures, including additional taxes and charges (F), and 81 per cent of the TBT measures (B).

## NTMs identified in the company surveys for the European Union market



## Challenging European Union NTMs identified for selected HS codes



Total NTMs identified:

**235**

■ SPS (A): 151

■ TBT (B): 72

■ Pre-shipment inspection and other formalities (C): 2

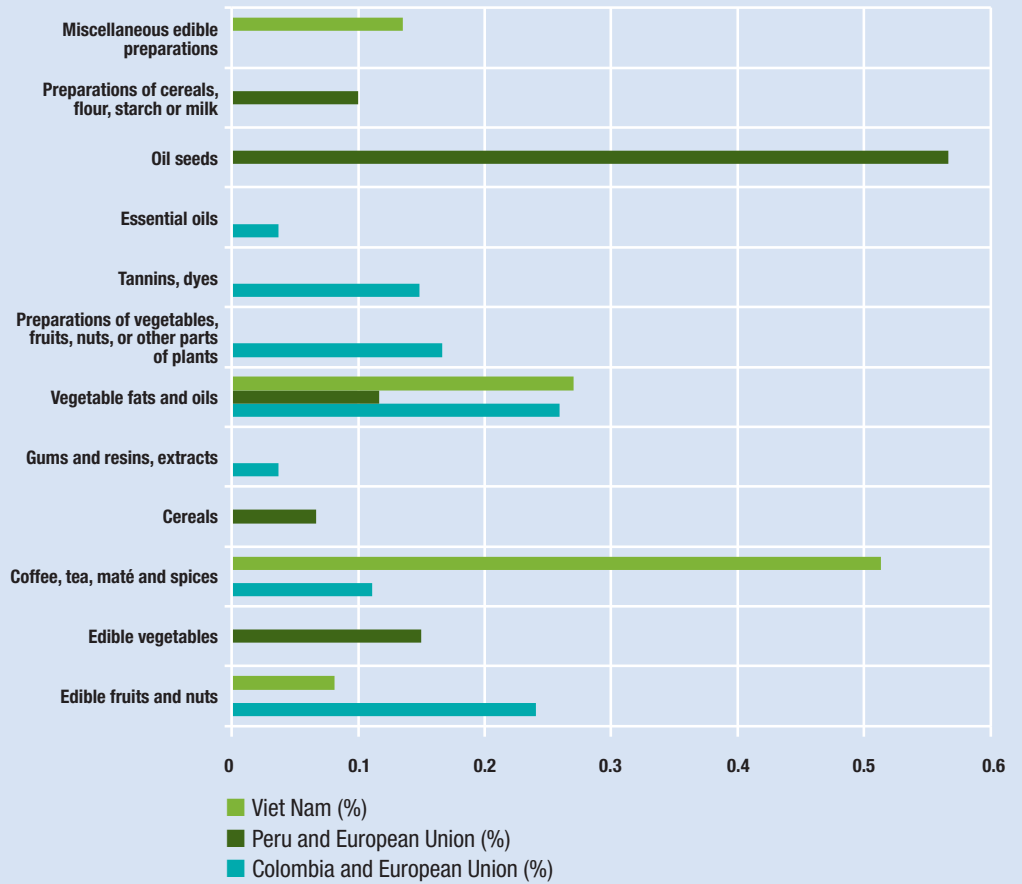
■ Price-control measures, including additional taxes and charges (F): 7

■ Finance measures (G): 3

List of HS codes identified during the survey

- Edible vegetables: **0712**
- Cereals: **1008**
- Oil seeds: **1207; 1211**
- Preparations of cereals, flour, starch or milk: **1904**
- Tannins, dyes: **3201; 3203**
- Essential oils: **3301**
- Edible fruits and nuts: **0801; 0804; 0810**
- Coffee, tea, maté and spices: **0902; 0903; 0909**
- Gums and resins, extracts: **1302**
- Preparations of vegetables, fruit, nuts or other parts of plants: **2009**
- Vegetable fats and oils: **1513, 1515**
- Miscellaneous edible preparations: **2016**

SPS measures identified per product group in each exporting country (percentage)



Note: Accuracy is related to number of interviewers.

NTMs most frequently identified by companies surveyed

**A** SPS

**A13:** Systems approach

**A14:** Special authorization requirement for SPS reasons

**A15:** Registration requirements for importers

**A21:** Tolerance limits for residues of or contamination by certain (non-microbiological substances)

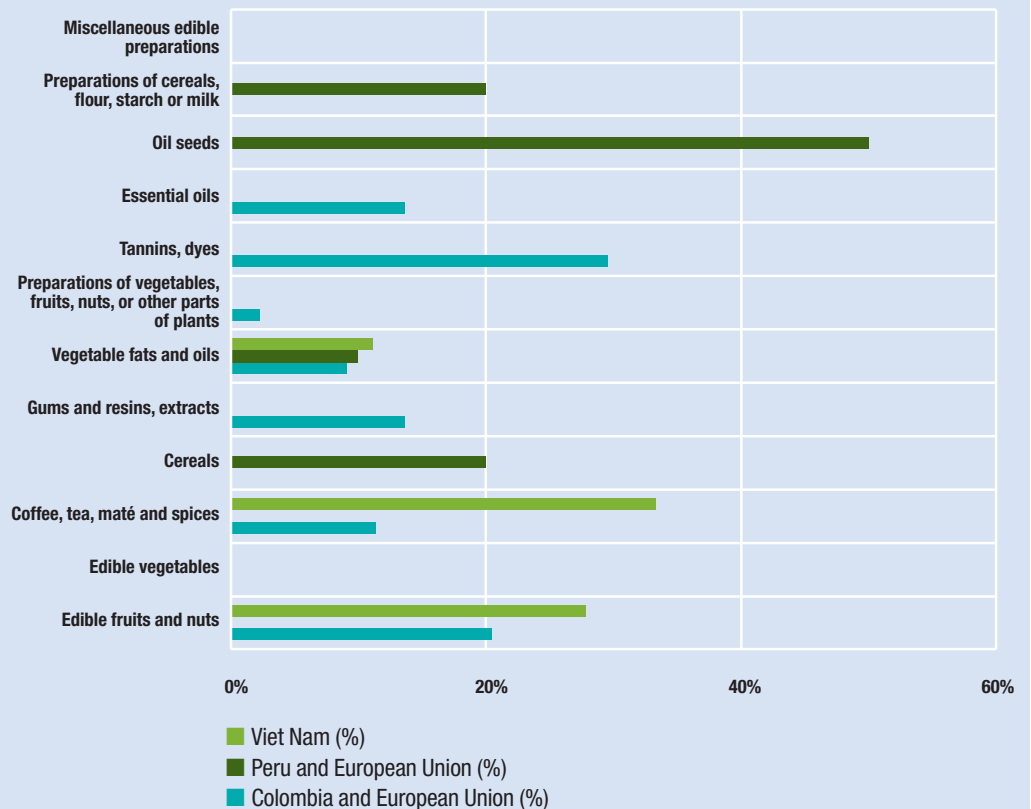
**A31:** Labelling requirements

**B** TBT

**B31:** Labelling requirements

**B33:** Packaging requirements

TBT measures identified per product group and country (percentage)

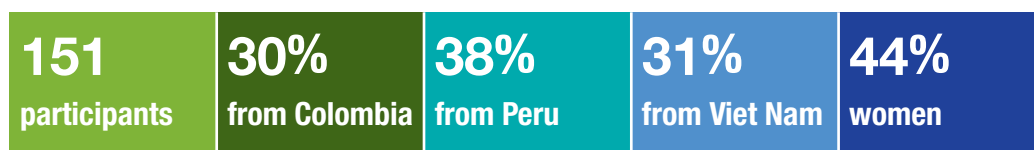


Note: Accuracy is related to number of interviewers.

## 6. Challenging NTMs identified in the workshops

Source: UNCTAD BioTrade Initiative (2016).

The workshops aimed to increase understanding and raise awareness of policymakers and private stakeholders on the main NTMs identified when exporting BioTrade and biodiversity-based products from Colombia, Peru and Viet Nam to the personal care, food and phytopharma sectors of China, the European Union, Japan, Switzerland and the United States of America.



### Specific barriers identified by workshop participants from Colombia, Peru and Viet Nam

#### Personal care sector

Legislation, NTMs or barrier identified	HS codes affected	Participating countries
European Union Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), EC 1907/2006	3201 3203	Colombia Peru Viet Nam
Good manufacturing practices (GMP) and good laboratory practices (GLP)	3304	Colombia
Norms for cosmetic ingredients (oils)	1515900090	Peru
Personal Care Product Council (for substances to be included in the labelling list), particularly when registering as new ingredients	3301 1515 1302	Colombia
Cosmetic ingredient database (CosIng) as contained in the EC 1223/2009 for substances to be included in the labelling list), particularly when registering as new ingredients	3301 1515 1302	Colombia and Viet Nam
Common criteria for the justification of claims used in relation to cosmetic products (EU Regulation 655/2013)	Cosmetic products in general	Viet Nam
Product certificate of analysis (or certificate of analysis)	Not specified	Viet Nam
Limited knowledge and understanding of CITES	Not specified	Colombia
	<i>Aquilaria crassna</i> (agarwood)	Viet Nam
Sanitary registration in the importing country; also understood as the “sales permit”, as well as sanitary notifications	Not specified	Colombia
Product traceability and certification	3201	Colombia
Sustainable sourcing – systems approach (FairWild, UEBT, HACCP, GACP – particularly European Union GACP, GMP, Fair trade, access and benefit-sharing)	Not specified	Viet Nam

#### Personal care sector HS codes:

**1302** (Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products)

**1515** (Fixed vegetable fats and oils [including jojoba oil] and their fractions, whether or not refined; but not chemically modified)

**1515900090** (Oils for cosmetic use)

**3201** (Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives)

**3203** (Colouring matter of vegetable or animal origin [including dyeing extracts, not animal black]; whether or not chemically defined; preparations based on colouring matter of vegetable or animal origin)

**3301** (Oils; essential [concretes, absolutes]; concentrates thereof in fats, fixed oils, waxes or the like [obtained by enfleurage or maceration] aqueous distillates, solutions and terpenic by-products thereof; resinoids; extracted oleoresins)

**3304** (Cosmetic and toilet preparations; beauty, make-up and skin care preparations [excluding medicaments, including sunscreen or sun tan preparations], manicure or pedicure preparations)

## Food sector

### Food sector HS codes:

**0802** (Nuts [excluding coconuts, Brazils and cashew nuts]; fresh or dried, whether or not shelled or peeled)

**0810** (Fruit, fresh; n.e.c. in chapter 08)

**0903** (Maté), **0909** (Seeds of anise, badian, fennel, coriander, cumin, caraway or juniper), **0910** (Ginger, saffron, turmeric, thyme, bay leaves, curry and other spices)

**0910110000** Ginger, saffron, turmeric [curcuma], thyme, bay leaves, curry and other spices, neither crushed nor ground

**1801000000** (Cocoa)

**2101** (Extracts, essences, concentrates of coffee, tea or maté; preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes and extracts, essences and concentrates thereof)

**3201** (Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives)

**3203** Colouring matter of vegetable or animal origin [including dyeing extracts, not animal black]; whether or not chemically defined; preparations based on colouring matter of vegetable or animal origin)

Legislation, NTMs or barrier identified	HS codes affected	Participating countries
Codex Alimentarius, particularly the registration of new ingredients	0903	Colombia
Automated Fingerprint Identification System (AFIS)	0903 0810	
European Food Safety Authority (EFSA) standards	3201 3203	
Certifications and international standards. For example, laboratories with GLP	0802 2101	
Maximum residue limits (MRL)	0802 2101 0910110000	Colombia Peru
Certifications and standards	Not specified	Peru
Novel Food	Sacha inchi ( <i>Plukenetia volubilis</i> L.) (oil), algarrobo or mezquite ( <i>Prosopis pallida</i> ), cañihua ( <i>Chenopodium pallidicaule</i> )	Peru
REACH	Not specified	
Legislation on maximum levels of cadmium in foodstuffs (EU 488/2014) applicable (to become mandatory from 1 January 2019)	1801000000	
European Union labelling and health claims	Not specified	Viet Nam
Technical difficulties, e.g. control of microbiological organisms in products as irradiation is not allowed in European Union	Not specified	
Anti-dumping laws in import markets	Not specified	

## Phytopharma sector

Legislation, NTMs or barrier identified	HS codes affected	Participating countries
Technical barriers (European Union GACP, food safety)	Not specified	Viet Nam
Product certificate of analysis (or certificate of analysis)	Not specified	
Limited knowledge and understanding of CITES	Not specified <i>Aquilaria crassna</i> (agarwood)	Colombia Viet Nam
Sanitary registration in the importing country; also understood as the “sales permit”	Not specified	Colombia
Sustainable sourcing – systems approach (e.g. FairWild, UEBT, HACCP, GACP - particularly European Union GACP, GMP, Fair trade, access and benefit-sharing)	Not specified	Viet Nam

## Other measures also identified by workshop participants

Export-related measures by country	Participating countries
Product analysis required at country level	Colombia
Clarity regarding the standardization of natural ingredients in line with international standards	
Customs procedures and inspections (drug-related inspections)	
Limited knowledge of customs authorities regarding the biodiversity product exported (e.g. containers polluted or the frozen chain was broken, under which HS codes they should be included)	
P3 Export price-control measures	
P6 Export technical measures	
Ensure quality of raw material for production	Viet Nam
Certificate of origin issued by government institutes and forms as required by buyer	
P5 Export taxes and charges	Colombia, Viet Nam
Limited clarification of the HS codes	Colombia, Peru and Viet Nam
Certifications and permits for products (e.g. phytosanitary and those delivered by Servicio Forestal y de Fauna Silvestre [SERFOR])	Peru
Lack of phytosanitary requirements for new products	
Identification of species and its corresponding scientific and technical information needed for the trade of biodiversity-based products such as essential oils, vegetable oils, extracts, etc. (toxicology, nutritional values, etc.). Identified species are: aguaymanto ( <i>Physalis peruviana</i> ), sacha inchi ( <i>Plukenetia volubilis</i> L.), cañihua ( <i>Chenopodium pallidicaule</i> ) and algarrobo or mezquite ( <i>Prosopis pallida</i> )	
Harmonization of national and international requirements, regulations and norms related to biodiversity-based products (e.g. aguaymanto [ <i>Physalis peruviana</i> ]) as well as other issues (e.g. accredited laboratories which are accepted by [European Union] importers)	
Limited knowledge/capacity of customs authorities to carry out inspections	
Enhance statistics for BioTrade products	

## Non-sector specific information

Legislation, NTMs or barrier identified	HS codes or products affected	Participating countries
Certification of products (A83 and B83)	3201	Colombia
A85 Traceability requirements	3201	Colombia
	Not specified	Viet Nam
Certification of origin (O)	Not specified	Colombia
Sanitary permits in the country of origin	Not specified	Colombia
P62 Certification required by the exporting country	Not specified	Peru
Limited understanding of the scope and how to implement the Nagoya Protocol, and the differences it has between countries and regions	Not specific	Peru*

**Non-sector specific information HS codes:**  
**3201** (Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives)

\* This topic was mentioned during the peer review process by experts and organizations, including SERFOR.

**Non-sector specific information HS codes:**

**3201** (Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives)

**Non-sector specific information (continued)**

Legislation, NTMs or barrier identified	HS codes or products affected	Participating countries
A5 Treatment for elimination of plant and animal pests and disease-causing organisms in the final product (e.g. post-harvest treatment) A13 Systems approach A14 Special authorization requirement for SPS reasons A15 Registration requirements for importers A21 Tolerance limits for residues of or contamination by certain (non-microbiological) substances A22 Restricted use of certain substances in foods and feeds and their contact materials A31 Labelling requirements A32 Marking requirements A33 Packaging requirements (directly related to food safety) A41 Microbiological criteria of the final product A42 Hygienic practices during production A63 Food and feed processing A82 Testing requirement A83 Certification requirement A84 Inspection requirement A86 Quarantine requirement B33 Packaging requirements C3 Requirement to pass through specified port of customs	Not specified	Viet Nam
Identification of potential suppliers for materials, inner and outer carton, hygienic requirements, certified package or not, residuals of the materials made for the package	Not specified	Viet Nam
Market information	Not specified	Viet Nam

## 7. Summary of potential trade barriers to the export of biodiversity and BioTrade products to the European Union

**Summary of potential trade barriers to the export of biodiversity and BioTrade products to the European Union**

- Limitations to trade – general and specific to the European Union
- Standards
- Requirements – both at the border (B) and internal/domestic (I)

Limitations to trade – general and specific to the European Union	Standards
<b>General</b>	Sanitary and phytosanitary conditions
REACH and European Union labelling and health claims	Process standards
Understanding of import and export requirements: CITES	Product standards
<b>Specific</b>	Corporate social responsibility
European Union Novel Foods Regulation (food sector)	Packaging and labelling
Legislation on maximum levels of cadmium in foodstuffs (EU 488/2014) for cocoa sector	
Listing of substances/ingredients (e.g. Codex Alimentarius and Personal Care Products Council)	



Requirements – both at the border (B) and internal/domestic (I)	
Safety and security (B)	Consumer protection (I)
Environmental health (B)	Inadequate Infrastructure (I/B)
Rules of origin (B)	Intellectual property (I/B)
Lengthy customs procedures (B)	Corruption (I/B)
HS codes classification – to avoid inconsistencies, overlap in the registration of the biodiversity products exported (B)	Knowledge and understanding of trade policies affecting the products and sectors exported (I/B)
Product classification, as the product identity and right classification are essential for export (B)	

## 8. Recommendations for addressing the NTMs identified

Standardization	Standardization of processes and documentation along the entire chain (production processes, harvesting, processing, sampling, documentation, etc.); standard operating procedures (SOPs), GMP, GACP (WHO), etc. This standardization should be aligned with international market requirements, including those from the export market.
Human resource development	Raise awareness and capacity-building of second-line leadership, regular training of staff regarding procedures, trade development, language, etc. Importantly, another training course should refer to the NTMs identified per sector, as depending on the material to be traded, obligations vary. Training should also address the gaps between what is identified by practitioners versus what importers need to fulfil in terms of obligations. Therefore, pragmatic support should be provided, for example, by listing obligations by HS code (e.g. traded material), by sectorial use, and in using this information to train the various categories of stakeholders (to complement this point, see listing of legal obligations point below). Additionally, there is a need to enhance the capacity of public and private stakeholders to implement and understand biodiversity-related agreements and protocols, such as CITES and the Nagoya Protocol, and their implications for biodiversity-based businesses.
Contingency plan and risk management	Develop a risk management tool, which will provide a clear action plan indicating what to do in case an outcome is different from what was expected. For example, if the product has different qualities between samples and lots; if the company has storage problems; or there are disruptions in the production chain.
Revision of HS codes	Consistency of HS codes to better identify biodiversity and BioTrade-related products; revision of botanical identification.
Product documentation and traceability for certification	Carry out extensive, in-depth and coherent compilation of documents, studies and other information needed beforehand to obtain and maintain the products' traceability and certification.
Training for customs	Raise awareness, capacity-building and regular updates on the most recent changes in policies by the customs authorities, and the differences between countries and products in relation to, for example, rules on the validity of the exit of the product from the country of origin as well as its entry into the destination country.
Transport costs	Realistic cost calculation and knowledge on inter-/national packaging and transportation requirements, documentation and the respective costs.
Better infrastructure	Improve infrastructure in every possible context – company, internal, national and international. For example, establishing quality laboratories that are recognized in international markets.

### Recommendations for addressing the NTMs identified:

- Contingency plan and risk management
- Revision of HS codes
- Product documentation and traceability for certification
- Training for customs
- Transport costs
- Better infrastructure
- Inclusion of native biodiversity-based ingredients and products in official listings at national and international levels
- Listing of legal obligations either by HS code or by sector

## Recommendations for addressing the NTMs identified (continued)

Inclusion of native biodiversity-based ingredients and products in official listings at national and international levels	Adding to standardization and product documentation, exporting countries and companies need support to include their native biodiversity-based ingredients into importing markets listings such as PCPC, Codex Alimentarius or country-specific (e.g. the Inventory of Existing Chemical Substances Produced or Imported in China [IECSC]). This also applies in domestic markets, e.g. the Colombian approval process and technical requirements to include new ingredients derived from native biodiversity into official listings in cosmetic products are challenging.
Listing of legal obligations either by HS code or by sector	Mapping of NTMs by selected HS codes and by sector is important, so that companies and government representatives have access to a list of legal obligations. This is already done by TAB (UNCTAD) for all HS codes, and accessible at: <a href="http://www.unctad.org/ntm">www.unctad.org/ntm</a> . However, training on this online database could be envisaged for BioTrade and biodiversity-related companies, governments and other relevant stakeholders.

## 9. Sources of market and NTMs information

- UNCTAD BioTrade Initiative: [www.biotrade.org](http://www.biotrade.org)
- UNCTAD Integrated Trade Intelligence Portal (i-TIP): <http://i-tip.unctad.org>
- UNCTAD Integrated Trade Intelligence Portal (ASEAN): <http://asean.i-tip.org>
- World Integrated Trade Solutions (WITS): <http://wits.worldbank.org>
- Organisation for Economic Co-operation and Development (OECD): [www.oecd.org](http://www.oecd.org)
- European Commission (Trade): <http://ec.europa.eu/trade>
- Centre for the Promotion of Imports from developing countries (CBI): [www.cbi.eu](http://www.cbi.eu)
- Swiss Import Promotion Programme (SIPPO): <http://www.sippo.ch>
- Asociación Latinoamericana de Integración (ALADI): [www.aladi.org](http://www.aladi.org)
- Comunidad Andina: [www.comunidadandina.org](http://www.comunidadandina.org)
- Sistema Integrado de Información de Comercio Exterior (Peru): [www.siicex.gob.pe](http://www.siicex.gob.pe)
- Ministry of Health (Peru): [www.digesa.minsa.gob.pe](http://www.digesa.minsa.gob.pe)
- Drug Administration of Viet Nam: [www.dav.gov.vn](http://www.dav.gov.vn)

## 10. Partners

### Country partners

Colombia	Peru	Viet Nam
Ministry of Environment and Sustainable Development (MADS)	Ministry of Foreign Trade and Tourism (MINCETUR)	BioTrade Implementation Group (BIG Viet Nam)
Ministry of Commerce, Industry and Tourism (MinCIT)	National Commission for the Promotion of BioTrade	Vietnam Trade Promotion Agency (VIETRADE)
ProColombia	Peru Export and Tourism Promotion Agency (PROMPERU)	Vietnam Society for Medicinal Materials (VIMAMES)
Cámara de la Industria Cosmética y de Aseo/Asociación Nacional de Empresarios de Colombia (ANDI)	Ministry of Environment (MINAM)	HELVETAS Swiss Intercooperation - Viet Nam
Cámara de Comercio de Bogotá		

### Global partners

Global
UNCTAD BioTrade Initiative and Trade Analysis Branch (TAB)
Klaus Duerbeck Consulting (KDC)
Asociación Latinoamericana de Integración (ALADI)
Union for Ethical BioTrade (UEBT)

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- Council Regulation (EC) No 1907/2006 of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). Accessed on 13 June 2018. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02006R1907-20140410>.
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## Acronyms

<b>AFIS</b>	Automated Fingerprint Identification System	<b>KDC</b>	Klaus Duerbeck Consulting
<b>CBI</b>	Centre for the Promotion of Imports from developing countries	<b>MAPs</b>	medicinal and aromatic plants
<b>CITES</b>	Convention on International Trade in Endangered Species of Wild Fauna and Flora	<b>MRL</b>	maximum residue limits
<b>CPI</b>	consumer price index	<b>NTMs</b>	non-tariff measures
<b>EFSA</b>	European Food Safety Authority	<b>REACH</b>	Registration, Evaluation, Authorisation and Restriction of Chemicals
<b>GLP</b>	good laboratory practices	<b>SERFOR</b>	Servicio Forestal y de Fauna Silvestre (Peru)
<b>GMP</b>	good manufacturing practices	<b>SOPs</b>	standard operating procedures
<b>HS</b>	Harmonized System	<b>SPS</b>	sanitary and phytosanitary measures
<b>IECSC</b>	Inventory of Existing Chemical Substances Produced or Imported in China	<b>TAB</b>	Trade Analysis Branch (UNCTAD)
<b>ITC</b>	International Trade Centre	<b>TBT</b>	technical barriers to trade
		<b>UEBT</b>	Union for Ethical BioTrade
		<b>UNCTAD</b>	United Nations Conference on Trade and Development

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*This fact sheet has been edited externally.*