

**TRADE DIFFICULTIES ENCOUNTERED IN THE EXPORT OF SRI LANKAN
CINNAMON TO THE EUROPEAN COMMUNITIES¹**

Communication from Sri Lanka

Background

1. Since July 2004, Sri Lanka has encountered problems with a number of consignments of "Ceylon Cinnamon" exported to the European Communities on the grounds that consignments contained sulphur dioxide (SO₂). The EC authorities have cited that this action was taken under a technical regulation relating to import of foodstuffs to the European Communities contained in European Parliament and Council Directive No. 95/2/EC of 20 February 1995 and its subsequent amendments.

2. According to the Directive, which covers food additives, only those food additives which satisfy the requirements set down therein can be used in foodstuffs. Appendix II - Part B of the Regulation deals with sulphur dioxide (SO₂) and sulphites and lists different sources of sulphur dioxides (E220 – E228) and the maximum tolerance levels of SO₂, expressed in mg/kg or mg/l for various foodstuffs. Certain types of herbs and spices, namely, ginger and mustard, which, like cinnamon, are used as food additives are included in the list of foodstuffs and the tolerable limits for SO₂ content defined. However cinnamon is not included in the list of foodstuffs as at present.

3. The practice of using SO₂ (generated by burning elemental sulphur) for fumigation purposes has been applied by the cinnamon industry in Sri Lanka for many generations as an acceptable method for fumigation, to obtain a better colour and also to protect the end-product from possible fungus and insects. This practice does not require direct application of sulphur into cinnamon.

Work in Codex on sulphur dioxide

4. Initiatives have been taken in Codex to agree to a maximum level of SO₂ (500 ppm) for all herbs and spices including seasoning and condiments, which should also include cinnamon. However, no final decision has been arrived on this matter. Indeed, the proposal for defining maximum levels of SO₂ in herbs and spices including seasoning and condiments, is at step 3 in the Codex process – suggesting that agreement may be some time away yet.

5. As there are no international standards that govern the use of SO₂ in cinnamon at present, it is up to the individual countries to adopt their own regulations. It is however pertinent to mention that although the CAC General Standards for Food Additives (CODEX STAN 192 – 1995 (Rev. 5 – 2004) states that only the food additives listed therein are permitted for use in foods, footnote 1 of the same document recognizes that the lack of reference to a particular additive or to a particular use of an

¹ Any WTO Member interested in obtaining a copy of the detailed proposal submitted by Sri Lanka to the WTO Secretariat may kindly approach the Secretary of the WTO SPS Committee.

additive in a specific food in the General Standard as currently drafted does not imply that the additive is unsafe or unsuitable for use in food.

6. This provision in the General Standard is a clear demonstration that the absence of a reference to SO₂ content in cinnamon (or for all herbs and spices) in the General Standards developed by Codex does not imply that SO₂ is unsafe or unsuitable for use in food as an additive.

7. According to this interpretation, the mere fact that there is no international standard governing the use of SO₂ in cinnamon does not permit the European Communities to inform the exporting country (Sri Lanka) that until an international standard is developed, Sri Lanka's exports will not be accommodated in its market.

8. As per the chemical evaluation undertaken by the JECFA in 1998, it has been accepted that SO₂ in acceptable quantities as a food additive does not produce any adverse effects on human health. Furthermore, both the Codex, and the European Communities itself, recognize maximum levels of SO₂ content in other products in which it has been accepted for use as a food additive. For example, dry ginger, which is a similar commodity to cinnamon and used in much larger quantities than cinnamon, is included in the EC list of foodstuffs and the tolerable limit of SO₂ content has been defined as 150 mg/kg.

Trade implications

9. As the European Parliament and Council Directive has not identified sulphur dioxide as a substance that can be present in cinnamon, the European Spice Association (ESA) is of the view that it would not be possible to import cinnamon from Sri Lanka into the European Communities under the present circumstances. This decision of the ESA will drastically reduce or eliminate Sri Lanka's exports to the European Communities, and may have a cascading effect on other export markets.

10. At present, Sri Lanka is the single largest exporter of true cinnamon in the world with well over 85 per cent share of the world market of cinnamon, and accounts for well over three quarters of global output. The industry supports the livelihood of over 70,000 smallholder cinnamon growers in the southern province of Sri Lanka who have depended on this trade for generations.

Sri Lanka's proposal

- Sri Lanka will be submitting a formal proposal to the CAC to identify cinnamon as a foodstuff and to recognize SO₂ as a food additive as indicated in the proposal before the Codex Commission in 2001² where a maximum level for SO₂ had been identified for all herbs and spices including seasoning and condiments at 500 ppm.
- Sri Lanka requests that the European Communities suspend its ban on Sri Lanka's export of cinnamon containing SO₂ and establish an interim standard of 150 ppm until such time as the Codex develops a standard.

Sri Lanka is of the view that this proposal would satisfy the EC obligations on food safety vis-à-vis its own consumers and its obligations under Articles 5.5 and 10.1 of the SPS Agreement.

² Report of the 33rd Session of the Codex Committee of Food Additives and Contaminants (Alinorm 01/12A), page 144.