The GATT International Trade Centre has just released a study in depth on "The Market for Cottonseed Oil in Five European Countries and Japan". Initiated at the request of Nicaragua, a cottonseed and cottonseed oil exporter, the Centre study concentrates on the markets for crude and semi-refined cottonseed oil in the five major Western European importing countries - the United Kingdom, Belgium, the Netherlands, the Federal Republic of Germany and Sweden - and for refined oil in Japan. Together these countries account for more than half of total world imports of these products.

The study analyzes the characteristics of the markets of the six countries, subjecting each to a detailed examination covering imports, consumption and usages, domestic crushing and refining capacity, import channels, commercial practices and regulations, and the outlook for cottonseed oil on the individual markets. A separate section details the recent tariff changes by the European Economic Community in respect of imports of cottonseed oil.

Western Europe takes around 55 per cent of world imports of oils and fats. Self-sufficiency in vegetable oil seeds is very low, domestic production accounting for less than 10 per cent of total demand. Cottonseed and cottonseed oil are therefore totally imported from the other continents, but they account for no more than 3 per cent of world trade in oils and fats. In Europe, the report points out, cottonseed oil is used mainly in margarine. For this usage it is almost entirely interchangeable with other soft vegetable oils. The main reason for substitution is the price relationship. Cottonseed oil has greater stability than other soft oils, but price differences can more than offset such an advantage. In Japan refined cottonseed oil is mostly used for the production of mayonnaise, the demand for which is forecast to increase rapidly.
The analyses of these important markets for cottonseed oil point up the interchangeability of soft oils, and, therefore, the need to maintain a competitive price for cottonseed oil. As regards qualities, the report states that in the United Kingdom, Belgium and the Netherlands, refiners import semi-refined cottonseed oil; while Sweden and the Federal Republic of Germany prefer crude oil to semi-refined. For semi-refined oil the importance of a high and consistent quality in the product is underlined. There are no trade regulations hindering exports of cottonseed oil, but per capita consumption of soft vegetable oils in the five Western European markets surveyed is estimated at close to saturation point; and future prospects for cottonseed oil are difficult to outline. In Japan only refined cottonseed oil is imported, this country preferring to import cottonseed, of which it is the largest single importer in the world. It can be assumed, according to the report, that Japan would be a more promising market for developing countries, if they had the capacity to produce refined cottonseed oil.

According to the report, close relationship between the producer and the importer of cottonseed is important; and it is recommendable that a producer appoint an importer as sole agent in a relationship that should include quick exchange of market information as well as technical co-operation.

Requests for the Market Survey in English, French or Spanish should be sent to the GATT Secretariat, Villa Le Bocage, Palais des Nations, 1211 Geneva 10, Switzerland. Free of charge to governments, government bodies and bona fide traders in developing countries, the report costs $5.00 or Sw F 21.00 for purchasers in developed countries.

The International Trade Centre of the GATT was created in 1964 to assist the developing countries with the promotion of their exports. This it does by operating free, for developing countries, a market information service (of which this study is the latest publication), export promotion training schemes and a trade promotion advisory service; plus a publications programme, including the journal, the International Trade FORUM.