Introduction

While in some areas of the world the economy is growing and the purchasing power of its population increases day by day, in some other areas the situation is not quite similar: people are really poor, and in some cases, have great difficulty in surviving. That is how the capitalistic regime affects the global economy: the rich tends to become richer while the poorer unfortunately usually becomes poorer.

It's also sad to know that within one country there are regions that are very rich and in fast growth, while some other regions are neglected and almost completely abandoned by the government, while they have the potential to grow and to produce in a way that would both benefit the people in these areas but also the country itself.

For this reason and for many others it's important to find a way through which areas that have the potential to produce can do so without having to rely on the bureaucratic system that not only leaves them aside, but also complicates things unnecessarily. One of the possible ideas would be the Sustainable Community Development.

The Sustainable Community Development (SCD) seeks to cover three aspects: the economic, the environmental, but also the social. More specifically, when looking at the economic aspect of the SCD, the concept is that the "community members make local capital investments that will sustain local human and natural resources and yield adequate financial returns to those investments”, while the environmental aspect of the SCD focuses on "reducing the impacts of population growth and development on natural resources and the environment.” Finally, the social aspect of the SCD seeks to offer "equitable access to resources and decision-making processes foster the distribution of foods and benefits across all sectors to the Community” (Swisher et al., Sustainable Community Development, 2003). In other words the SCD seeks to provide an adequate repartition of the human, natural and financial capital without neglecting or negatively affecting any of them.

Kefalonia, the famous island in Greece, who has been hit by a tremendous earthquake back in 1953, has Villages who ever since that unfortunate event have not been properly reconstructed, despite the fact that they have a great potential for olive oil production, but also to be a high touristic attraction. In other words, they have the ability to offer great revenue to the people of the Villages, making their lives sustainable economically.

Greece is not the only country who has such areas. Italy, Jordan, Tunisia, and Palestine, all have Villages that can offer economic sustainability to its habitants, without harming either the environment, nor creating inequalities on the social aspect. And this is why these areas should highly consider entering a sustainable community development program, throughout which they would produce olive oil and products based on olive oil (like soap for instance), and export them towards countries that have a big market and a highly developed economy, in which consumer have a rather strong purchasing power. The US, France and the UK are by far from the biggest markets in the world, thus making them a good target market.

Knowing that the Villages need a good incentive in order to enter a program like the SCD, perhaps a deal with the targeted countries that would import their products (the US, France, and the UK) would be a good idea. A possibility would be that they could be treated favorably for being self-sustainable: working on a basis similar to the Fair Trade ("a trading process that involves a cooperative association that ensures that marginalized and disadvantaged world producers and farmers receive sufficient compensation for goods and produce." (http://www.foodshedproject.ca/glossary.html))

higher prices in the market could be offered, always however with the objective to sustain the Villages and its people so that they can cover their expenses. Evidently, in order to make sure that consumers are not appalled by the prices, a notification on the packaging of the product that the prices are higher for the sustainability of the Village would probably help and even possibly increase sales.

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1 Research investigation prepared by Lara Mourad & Miriam Siwale, Hellenic American University
The purpose of this paper is to find out what the regulations for exporting olive oil and its byproducts towards the US, France and the UK are, considering the customs and the classification of the products, but also the quality standards of the products. This should help the communities in question from the respective countries to have an approximate idea of how things work, and how to proceed with the exporting of their products. It is one thing to have an idea and believe in it, and it is a totally different thing to actually implement it and complete it. This is why, we hope that this paper shall resolve and simplify a number of complications that could come up when the Communities of the Villages start exporting their products.

Agricultural communities to become economically autonomous while fostering principles of sustainable agriculture. Policies are now designed to fund small producers whose practices will preserve the environment and rural communities in order to build their capacity to survive in the market.

Methodology

In order to obtain information regarding import policies for the US and the European countries (France and the UK), we first performed a rather brief and superficial research over the internet, in order to get acquainted with the subject, the terminology that would come up in the import policies, and to obtain a general idea of what was really needed for us to be able to come up with the necessary data. Our main objective was to formulate the necessary questionnaires in order to get in touch with the representative embassies of the countries we were dealing with, since we thought that this would be the most reliable source of information. Little did we know, embassies were not quite the right way to go.

One of the first contacts we had was with the French Embassy. When told what type of information we were looking for, they suggested that we contact the French Economic Mission, so they gave us their phone number. When we contacted the Mission, they said that we had to send an e-mail in which we'd include our inquiries. And so we did, and received a reply 48 hours later. The reply however was rather irrelevant (despite the fact that the questions we asked were straight-forward and only dealt with olive oil import policies towards France and the Fair Trade), and only included some contact numbers in France of importers. We did not lose hope, and contacted the importers, some of them via email (we are still waiting for a reply) and some of them over the phone, where, as usual, bureaucracy rules, and we kept on being balanced from a person to the other, ending up in the middle of nowhere and with no information at all.

The other contact we had was with the US Embassy. We met with a person from the Agricultural Department, hoping that he could help us understand the system of importing products like the olive oil towards the US. Instead, the main points we were provided with had to do with the quality of the product, the safety standards and the process of the application of the safety standards. When asked about the Fair Trade, there didn't seem to be a realization of what exactly that was.

After having gone through the US and the French Embassies, we realized that the UK representatives in Greece would provide us with more or less the same results, so we didn't bother, especially considering the fact that we were not in possession of enough slack time which we could waste.

Basically, after all this non-beneficiary research, we realized that the only way we could find the necessary information was to find data over the internet. We were lucky enough to find some great official documents that dealt with the exact same subject we were looking for. We compared the data that we found in order to increase the probability of having valid information between our hands and then used it.

One actually wonders what would have happened if we weren't in the digital age. Would we have been able to access the necessary information to cover the needs of this project? We’re not quite sure about that.

Analysis

The US Market

US market is considered to be one of the most important target markets when it comes to promotion and distribution of olive oil according to research by
the US Department of Agriculture (2007). Therefore, it is logical that we consider the US market as a possible target for promoting and distributing our olive oil.

The procedures as mentioned in our methodology in order to obtain all the information needed concerning the US market were rather vague. However, we did manage to get some important information about the procedure of importing our product into the United States of America, which is as follows according to the indications made by the US government, the USDA and the US Customs:

**US Import Requirements**

(http://www.americanimporters.org/pages/marketing/USimportrequirements.html)

An individual may make his/her own Customs clearance of goods imported for personal use or business. All merchandise coming into the United States must clear Customs and is subject to a Customs duty unless specifically exempted by law. Clearance involves a number of steps: entry, inspection, appraisement, classification and liquidation.

The U.S. Customs Service does not require an importer to have a license or permit. Other agencies may require a permit, license, or other certification, depending on what is being imported. Customs entry forms do ask for your importer number. This is either your IRS business registration number, or if your business is not registered with the IRS or you do not have a business, your social security number.

The importer must declare the dutiable value of merchandise. The final appraisement is fixed by Customs. Several appraisement methods are used to arrive at this value. The transaction value serves as the primary basis of appraisement. Transaction value is the price actually paid or payable by the buyer to the seller for the goods imported. Other factors may also add to the dutiable value of merchandise, such as packing costs, selling commissions, royalty or licensing fees, etc. When the transaction value cannot be determined, then the value of the imported goods being appraised is the transaction value of identical merchandise. If merchandise identical to the imported goods cannot be found or an acceptable transaction value for such merchandise does not exist, then the value is the transaction value of similar merchandise. Similar merchandise means merchandise that is produced in the same country and by the same person as the merchandise being appraised. It must be commercially interchangeable with the merchandise being appraised. The identical or similar merchandise must have been exported to the United States at or about the same time the merchandise being appraised is exported to the United States.

The importer must determine the classification number of the merchandise being imported. The Harmonized Tariff Schedule of the United States (HTSUS), issued by the United States International Trade Commission, prescribes the classification of merchandise by type of product; e.g., animal and vegetable products, textile fibers and textile products.

The importer must pay estimated duties and processing fees if applicable. Customs makes the final determination of the correct rate of duty. The duty rate of an item is tied to its classification number. The HTSUS provides several rates of duty for each item: general rates for countries with which we maintain normal trade relations (NTR); special rates for special programs (free, or lower than the rates currently accorded NTR countries); and column 2 rates for imports not eligible for either general or special rates. Customs duties are generally assessed at ad valorem rates, a percentage of which is applied to the dutiable value of the imported goods. Some articles, however, are dutiable at a specific rate (so much per piece, liter, kilo, etc); others at a compound rate of duty (i.e., combination of both ad valorem and specific rates).

If formal entry is required - the importer may have to post a surety bond.

It is the importers responsibility to ensure that his or her goods being imported meet admissibility requirements - such as proper marking, safety standards, etc. - and that the proper permits, if
required, have been obtained in advance of the goods arriving in the United States.

**Arrival of Goods**

Imported goods may not legally enter U.S. commerce until the shipment has arrived within the port of entry and Customs has authorized delivery of the merchandise. This is normally accomplished by filing the appropriate documents, either by the importer or by the importer's agent. To expedite this process, Customs entry papers may be presented before the merchandise arrives, but entry will not take place until the merchandise arrives within the port limits.

The Customs Service does not notify the importer of the arrival of the shipment. The carrier of the goods usually makes notification of arrival. Arrangements should be made to ensure that the importer or their agent is informed immediately of arrival so that the entry can be filed and delays in obtaining the goods avoided.

The Customs Service defines "entry" not merely as the arrival of goods at a port, but as the process of presenting documentation for clearing goods through Customs. Imported merchandise not entered through Customs in a timely manner (within 15 calendar days of arrival) is sent by Customs to a general order warehouse to be held as unclaimed. The importer is responsible for paying storage charges while unclaimed merchandise is held at the warehouse. If it remains unclaimed at the end of six months, the merchandise is sold at auction.

Some types of Customs entry must be made at the first port of arrival. Ordinarily entry is made there for consumption, for entry into a bonded warehouse, or for transportation in bond to another port where a consumption or warehouse entry will be made. If an importer is unable to be there to prepare and file the entry, commercial brokers, known as customs brokers and licensed by the Customs Service, may act as an agent for the importer. These brokers charge a fee for their services. A list of customs brokers may be obtained from the local Customs office or found in the yellow pages of the local telephone directory.

In the case of a single noncommercial shipment, a relative or other individual may act as the importer's agent for customs purposes. This person must know the facts pertaining to the shipment and must be authorized in writing to act for the importer.

Customs employees are prohibited by law and American Importers Association employees are prohibited by by-laws from performing these tasks for the importing public. However, US customs employees will advise and give information to importers about Customs requirements.

**Formal vs. Informal Entry**

Informal entries cover personal shipments, commercial shipments and mail shipments that are being entered for consumption, i.e. for use or sale. In most cases informal entry can be used if the merchandise is valued at $2000 or less. There are some exceptions such as textiles, certain types of footwear and other goods subject to quota/visa restrictions. Personal shipments valued over $2000 will also require a formal entry. The difference between an informal entry and a formal entry is the bond requirement and the liquidation process. Liquidation is the final computation of duties or drawback accruing to an entry and is the final step in the entry process.

Formal entries are generally commercial shipments supported by a surety bond to ensure payment of duties and compliance with Customs requirements. A bond is like an insurance policy that is payable to Customs in the event that the importer does not comply with import requirements. Having a bond on file, allows an importer to take possession of his merchandise before the payment of duties, taxes and fees. Bonds can be obtained from a surety, which is an insurance company that has been authorized by the Treasury Department to write Customs bonds.

A port director can require a formal entry for any importation if he or she deems it necessary for the protection of the revenue or for admissibility or enforcement issues.

Goods admitted as informal entries do not require the posting of a bond and goods are liquidated on
the spot. After the importer receives notification of the arrival of merchandise from the carrier and it is determined that all shipping charges are satisfied an invoice is presented to Customs. When an informal entry is being made, the inspector, not the importer, is responsible for determining the classification number of the goods being imported. The inspector also completes the Customs forms used for informal entry.

**Formal Entry of Goods**

To make or file a consumption entry (for imported goods going directly into the commerce of the United States without any time or use restrictions placed on them) the following documents are generally required:

1. A bill of lading, airway bill, or carrier’s certificate (naming the consignee for customs purposes) as evidence of the consignee's right to make entry.
2. A commercial invoice obtained from the seller, which shows the value and description of the merchandise.
3. Entry manifest (Customs Form 7533) or Entry/Immediate Delivery (Customs Form 3461)
4. Packing lists, if appropriate, and other documents necessary to determine whether the merchandise may be admitted.

When a consumption entry is filed, the importer indicates the tariff classification and pays any estimated duty and processing fee. A surety bond containing various conditions, including a provision for paying any increased duty that may be found to be owed at a later date, may also be required.

**Other Types of Entry**

Imported goods may be sent in-bond from the first port of arrival to another Customs port. In-bond entries postpone final Customs formalities including payment of duty and processing fees, until the goods arrive at the final port. Arrangements for in-bond shipments should be made before the goods leave the country of export.

Imported merchandise may also be sent to a bonded warehouse under a warehouse entry. Duties and processing fees are not paid on warehoused merchandise until the goods are withdrawn for consumption. Storage fees are paid to the warehouse proprietor by the importer.

**Classification**

All goods that enter the United States are categorized according to the Harmonized Tariff Schedule. The act of placing goods into the correct category is called classification.

Classification determines how much duty will be collected. Classification is more than simply looking up an item in an index. It is a very complicated process requiring the application of the General Rules of Interpretation; the section, chapter and subheading notes; and the Explanatory Notes. The importer is responsible for properly classifying his merchandise before entry. If he is not sure how to properly classify an item, he can submit a request, in writing, for a binding classification ruling to the National Commodity Specialist Division, U.S. Customs, Attn: Classification Ruling Requests, New York, NY 10048. The rulings will be binding at all ports of entry unless revoked by the Headquarters' Office of Regulations and Rulings. If an importer is not satisfied with the binding ruling received from New York, he or she can appeal it to the Headquarters' Office of Regulations and Rulings, Washington, DC 20229. The Customs Service will not issue binding rulings in response to oral requests. Import Specialists can give oral advisory rulings but the classification-related opinions or advice of Customs Service personnel at one port are not binding on the Customs ports elsewhere. Oral inquiries may be made to Customs offices regarding existing binding rulings that might cover your importation. Binding rulings may also be researched on the Customs web site at www.customs.gov.

**Determining Admissibility/ Customs Examination of Goods**

In simple cases involving small shipments or certain classes of goods such as bulk shipments, examination may be made on the docks, at container stations, cargo terminals, or the importers premises. The
goods are then released to the importer. In other shipments, sample packages of the merchandise may be retained by Customs for appraisal or classification purposes and the remainder of the shipment released. These sample packages will also be released to the importer after examination.

Examination of goods is necessary to determine:

1. The value of the goods for Customs purposes and their dutiable status.
2. Whether the goods are properly marked with the country of their origin. Special marking or labeling may apply. Generally, imported merchandise must be legibly marked in a conspicuous place and with the English name of the country of origin. Certain specific articles are exempt from this requirement. (For further information see Customs Publication No. 539 Marking of Country of Origin on U.S. Imports.)
3. Whether the goods have been correctly invoiced.
4. Whether the shipment contains prohibited articles.
5. Whether the requirements of other federal agencies have been met.
6. Whether the amount of goods listed on the invoice is correct, and no shortage or overage exists.

If necessary, goods may be analyzed by a Customs laboratory to determine proper classification and appraisal, to determine that the goods meet safety requirements, or to ensure that they are not counterfeit or otherwise in violation of U.S. laws.

If Customs determines that the goods are different from the entered descriptions in quantity or value, that the classification of the goods is incorrect, or that a different rate of duty than the one indicated by the importer applies, an increase in duties may be assessed. If Customs determines that the importer has deliberately failed to properly classify and value his goods, he may be liable for a fine, or other penalty.

When all the information has been acquired, including the report of the Customs import specialist as to the customs value of the goods, and the laboratory report, if required, a final determination of duty is made and the entry is liquidated. At this time, any overpayment of duty is returned or under-payments billed.

Protest
Within 90 days after the date of liquidation or other decision, an importer or consignee may protest the decision and receive an administrative review. The protest is filed with the port director whose decision is being protested. At the time the initial protest is filed, the importer or consignee must make a request for further review if one is desired. Review of the port director’s decision by the Customs Service Center or Headquarters is then automatic. Notice of the denial of all or part of the protest will be mailed to the person filing the protest or to his agent. Any person whose protest has been denied may contest the denial by filing a civil action in the United States Court of International Trade.

Mail Shipments
Shipments by mail which do not exceed $2000 in value, whether commercial or noncommercial importations (except for commercial shipments of textiles from all countries and made-to-measure suits from Hong Kong, regardless of value), are entered under a mail entry prepared by a Customs officer after the Postal Service submits the package for Customs examination. The parcel is delivered to the addressee by the Postal Service and is released upon the payment of duty, which is shown on the mail entry accompanying the package. A postal handling fee will also be collected from the addressee at the time the package is delivered. This handling fee is not charged on packages sent through military mail channels.

A formal entry is required for any mail shipment exceeding $2000 in value. Formal entry is also required, regardless of value, for commercial shipments of textiles from all countries and made-to-measure suits from Hong Kong. Certain other articles valued over $250 require a formal entry (billfolds, footwear, fur, gloves, handbags, leather, luggage, plastics, rubber, textiles, toys, games and sports equipment, etc.) If formal entry is required on a parcel, the parcel is held at the Customs international
mail branch and notice is sent to the addressee of the package’s arrival. The addressee can then go to the nearest Customs office to file the formal entry on the package. An entry must be filed in the same manner as for shipments arriving by vessel or airfreight. Once the mail branch has been notified that entry has been filed, the package will be released to the postal service and forwarded to its final destination.

U.S. Import Regulations

Guide to Exporting to the U.S.
(http://www.us-sabc.org/i4a/pages/index.cfm?pageid=3319)

As a WTO signatory, the U.S. has sought to gradually reduce barriers to trade. Imports into the U.S., however, are still restricted by rules and regulations from various governmental agencies, most of which are enforced by the Department of Homeland Security. Be aware that it is ultimately the responsibility of the exporter to seek the advice of knowledgeable U.S. Customs brokers or international trade consultants in order to avoid unnecessary complications with shipments.

Import Licensing

Despite its liberal trade policies, the U.S. still imposes import licenses on a number of items in order to protect local producers from fierce competition. Import licensing can also be used to send a political signal, as in the case of the Cuban and North Korean import bans.

Import Quotas

There are two types of import quotas in the U.S., the majority of which are administered by the Customs Service. Absolute Quotas specify a maximum quantity of goods allowed into the U.S. for a particular period of time, whereas Tariff-rate Quotas allow for the entry of a specified quantity of imported goods at a reduced customs duty during a quota period. Commodities subject to import quotas are classified in accordance with the Harmonized Tariff Schedule of the United States (HTS). The extensive quota list is continuously updated, as are the quota periods and the countries affected by them.

Customs Entry and Valuation

U.S. Custom’s Entry and Valuation Procedures must be fully adhered to in order for merchandise to clear entry into the U.S. By law, goods arriving by commercial carrier have to be cleared for entry into the U.S. by the owner, purchaser, or a licensed customs broker who is designated by the owner, purchaser, or consignee. Imported goods are either considered dutiable or duty free, in accordance with their classification in the Harmonized Tariff Schedule of the United States (HTS).

Customs Documentation

U.S. Customs requires a series of documents to be filed within five working days of the date of arrival of the shipment to the U.S. port of entry. It is essential that all Required Documents are accurate and submitted on time.

U.S. Government Agency Requirements

Apart from the U.S. Customs’ own documentation requirements, the product may also be subject to Specific Government Agency Requirements, which are enforced by the U.S. Customs. These regulations may prohibit entry or restrict shipment routing or storage. They may also limit the product’s entry to certain U.S. ports, require specific labeling, or special treatment, as a condition of their release by Customs.

Intellectual Property Rights Regulations

The U.S. is a member of the Paris Convention for the Protection of Industrial Property. Nationals of member countries enjoy national treatment in the U.S. regarding patent and trademark protection. The U.S. Customs is in charge of protecting trademarks, trade names, and copyrights, which have been recorded with the Intellectual Property Rights Branch. The rights granted under U.S. Patent, Trademark, or Copyright Law is only enforceable in the U.S. and its territories.

Antidumping, Subsidy, and Countervailing Regulations

Under the General Agreement on Trade and Tariffs (GATT) Article 6, the U.S. is permitted to take measures against countries “dumping” goods, or exporting them to the U.S. at a price lower than it
charges in its own home market or lower than the
cost of production. When this occurs, the U.S. may
take action in the form of Countervailable Subsidies
or Anti-dumping and Countervailing Duties to defend
its domestic industries and offset the unfair trade
practice.

**Government Procurement and the “Buy America” Legislation**

About 10 to 15 percent of the U.S. government
procurement is covered by the WTO Government
Procurement code. Besides the procurement
operations covered by U.S. Free Trade Agreements
(NAFTA and Israel), the Buy America Act of 1933 is
the most significant legislation covering the
remaining government procurement operations. The
“Buy America” restrictions contained in the 1933 Act
pertain to government-funded purchases. The
legislation includes the prohibition of goods and
services purchased from foreign suppliers and the
extension of preferential pricing to domestic
suppliers.

New regulations for government bidding were
adopted in 1997, to clarify the bidding process,
 improve the communication between industry and
government, and shorten the cycle time for awarding
contracts. Besides the national government
procurement restrictions, over 40 U.S. states
 maintain their own “Buy America” legislation, set
 aside contracts for their minority-owned programs,
and give preferential treatment to local companies.

**Foreign Trade Zones and Warehousing
Regulations**

Foreign Trade Zones are secure areas that are legally
outside a nation’s customs territory. They usually lie
in or near customs ports of entry, at terminal
warehouse facilities, or at industrial parks. Dutiable
imported merchandise may be placed in a Customs
Bonded Warehouse, where it may be stored or
further processed without being subject to Customs
duties.

**Country of Origin Marking, Labeling, and
Packaging**

When preparing to ship a product to the U.S.,
exporters need to be aware of the U.S. marking,
labeling, and packing requirements. Containers that
arrive at U.S. ports without proper markings and
labels may be denied entry. It is recommended that
care be taken in packaging products so as to avoid
any damage to the shipment. It should be noted that
the U.S. buyer may also have specific packaging
requirements.

**Product Standards**

The U.S. adheres to the WTO “Standards Code.”
Product standards are also regulated on the federal
and state levels. U.S. Customs is in charge of
enforcing the federal standards and regulations, and
may refuse entry to any product that fails a particular
standard. Although not mandatory, the ISO 9000
standards allow manufacturers to certify that their
production processes are in conformity with
published quality standards.

**Safety and Product Liability Regulations**

The U.S. has a complex body of State and Federal
legislation designed to protect the consumer and
supervise product quality and labeling requirements.
Four main agencies are in charge of this mission on
the Federal level. These are the Department of
Agriculture, the Consumer Product Safety
Commission, the Food and Drug Administration, and
the Department of Transportation. By meeting
established safety requirements, products can receive
the certification mark of Underwriters Laboratory,
Inc. (UL), the leading third party product-safety
certification organization in the U.S.

UL’s mission is to provide proof of safety in products,
systems, materials, and components, including
building materials, chemicals, and mechanical
products. In the U.S., product liability law addresses
the issue of allocation of losses resulting from defects
in products, by considering the liability of a
manufacturer or any other entity in the distribution
chain, for property damage, economic loss, or
personal injury resulting from the sale or use of the
defective product. In U.S. product liability law, “the
product” is the finished product, but it is also the
owner’s manual, the product warranty, the spare
parts, the product package, the product
advertisement, and the product labels. For example,
product liability could result from the poor drafting or translation of the owner’s manual. Proper care needs to be exercised in following proper labeling and packaging procedures. Plaintiffs may sue the manufacturer for negligent manufacturing, where the product was properly designed, but was not in conformity with product specifications. Manufacturers may be sued for a number of aspects of product negligence, including use of parts that do not conform to technical specifications, use of defective parts produced by third parties, and failure to conduct quality control testing on the finished product.

Manufacturers can also be found liable for marketing-related negligence, such as failing to give the appropriate warning about potential hazards caused by misuse of the product, or failing to provide proper instructions for proper use of the product. Product liability suits in the U.S. are costly. If successful in their claims, plaintiffs could be awarded compensatory damages, including, but not limited to, coverage of medical expenses, pain and suffering, disability, emotional distress, and potential lost earnings. In addition, several states have set up their own consumer-protection legal apparatus. Some states have passed what is commonly referred to as “lemon laws,” whereby consumers are empowered to seek reimbursement and limited damages when a product fails in its intended use continuously. Other lemon laws also allow the consumer to recover attorney fees from the defendant if they prevail on the claim.

**Guidelines for Faster Customs Clearance**

The U.S. Customs provides a series of Customs Clearance Guidelines to ensure a timely and hassle-free customs clearance. It is to the benefit of the Saudi exporter to closely adhere to these recommendations in order to facilitate the clearance process.

**Guidelines:**

- Provide all required information on Customs invoices
- Prepare clearly-printed or typed invoices, with information matching that on the packing lists
- Mark and number each package in such a way that it can be identified with the marks on the invoice
- Provide a detailed description of each product in each package
- Mark the goods with the appropriate country of origin, unless a prior exception has been granted, and ascertain that all other required markings are present and properly displayed
- Comply with all agency requirements regarding specific products
- Follow sound security procedures to avoid the illicit introduction of forbidden materials in the shipment

**Generalized System of Preferences (GSP)**

The Generalized System of Preferences is a program that confers a duty-free status on merchandise imported from beneficiary developing countries, independent countries, as well as dependent countries and territories, in order to foster their economic development. The GSP eligibility list currently covers a wide range of products classifiable under approximately 4,000 subheadings. GSP merchandise may qualify for duty-free status if imported directly from the designated countries. Saudi Arabia is not a beneficiary of the GSP program. The GSP, the Caribbean Basin Initiative, as well as treaties such as NAFTA, the U.S.-Israel Free Trade Agreement, and the U.S.-E.U. Transatlantic Economic Partnership, all confer a preferential duty status on products from specific regions and countries. Saudi exporters need to be aware of the existence of such treaties as they provide a competitive advantage to goods from certain countries over Saudi products.

This section provides information about:

**Olive Import Requirements**

(http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateN&navID=Oives&rightNav1=Oives&topNav=&leftNav=&page=8eolives&resultType=&acct=fvgeninfo)
**INSPECTION REQUIRED** - All canned ripe olives are required to be inspected and certified prior to importation including a release from custody of the US Customs and Border Protection (CBP). Also, bulk olives for processing into canned ripe olives must be inspected and certified prior to canning.

**Conditions for the Importation of Commodities exempt from import requirements**

The Importer’s Exempt Commodity Form (FV-6) is used for olives destined for consumption in exempt outlets such as charitable organizations or commercial processing into oil.

The white copy of the FV-6 must be presented to CBP at the Port of Entry. The yellow copy of the form must be mailed to the Marketing Order Administration Branch (MOAB) within two days after the commodity enters the United States. The importer must send the pink copy of the FV-6 form with the exempt shipment to the receiver. The receiver must complete Section II of the FV-6, certifying the amount of commodity received and that the commodity will be used for an exempt purpose, and mail it to MOAB within two days after taking possession of the exempt commodity. The blue copy should be retained by the importer.

**Disposition of Olives Failing Inspection**

Olives failing to meet the above import requirements may be: (1) exported; (2) disposed of under Federal or Federal-State Inspection Service supervision with the importer bearing the costs of certifying the disposal of such olives; (3) diverted to an exempt outlet using the FV-6 form (see various approved outlets and procedures listed above); or (4) re-inspected with failed portion disposed of under the procedures of number (2) or (3) above.

Instructions for Obtaining USDA Inspection and Certification

The Processed Products Branch, Fruit and Vegetable Programs, Agricultural Marketing Service, United States Department of Agriculture (USDA), is hereby designated as the governmental inspection agency for the purpose of certifying the quality and size of the olives imported into the United States.

USDA inspection and certification services will be available upon application, in accordance with the rules and regulations governing the inspection and certification of processed fruits and vegetables, processed products thereof, and certain other processed food products [7 CFR Part 52]. The cost of inspection and certification shall be borne by the applicant. Inspection applications should be accompanied by either, (1) an "On Board" bill of lading designating the lots to be entered as canned ripe olives, (2) a list of such lots by variety and their identifying marks, or (3) a list identifying lots by variety of imported bulk olives.

Olive importers should make arrangements at the Western Regional Office for inspection and certification at least 10 days prior to the time when canned ripe olives will be imported, or apply for inspection of bulk olives at the Eastern and Western Regional Offices at least three days prior to their use in the production of canned olives.

![Graph 1.1](image)

**France and the UK**

One of the positive things concerning the regulations in countries that are within the European Union is that they are uniform. Therefore, when it comes to dealing with the import regulations towards France and the UK, the same rules apply. The difference is from the other side of the coin: it actually depends on the country of origin of the olive oil on how regulations apply. In other words, the import regulations that Tunisia is supposed to conform with are different than the regulations Jordan complies with, and so on and so forth.
When wanting to import towards countries of the EU, there are custom regulations that need to apply: products need to be classified according to the Combined Nomenclature. The Combined Nomenclature (CN) is defined as a method for designating goods and merchandise established to meet the requirements both of the Common Customs Tariff and of the external trade statistics of the Community (http://ec.europa.eu/taxation_customs/customs/cust_oms_duties/tariff_aspects/combined_nomenclature/index_en.htm). What this really means is that for every product or merchandise that a country wants to penetrate within the countries of the European Union, there should be a code that would designate what the product/merchandise is. This nomenclature has mainly been established to facilitate transactions with the Third countries (in other words the countries that are not members of the European Union).

The code that is used for the European Union is the TARIC code, an abbreviation of the Integrated Tariff of the European Communities. Its main objective is to “secure the uniform application by all Member States and give all economic operators a clear view of all measures to be undertaken when importing or exporting goods.” (http://ec.europa.eu/taxation_customs/common/data bases/taric/index_en.htm)

So the classification of the product/merchandise is uniform across all the EU countries.

Since what we are interested in is importing olive oil and its by-products towards France and the UK, here’s how, according to the Combined Nomenclature the classification is done:

- Virgin Lampante: 15 09 10 10, at a price of 122.6€/100kg/net
- Virgin Other: 15 09 10 90, at a price of 124.5€/100kg/net
- Other: 15 09 90 00, at a price of 134.6€/100kg/net

Since the olive oil is for consumption purposes, the Lampante is not the category that applies, since it is mainly used for industrial purposes (http://www.thegiftofoil.co.uk/content.asp?oliveoil=12). The category that is most probable to be the one that suits us best is the Virgin other.

As far as the olive oil by-products are concerned, based on the TARIC Code, their classification number is 15 22, under the category of “Degras; residues resulting from the treatment of fatty substances or animal or vegetable waxes”

The sub-category that applies in this case is:

- Residues resulting from the treatment of fatty substances or animal or vegetable waxes, with the code of 1522 00 31, under which fall the categories:
  - Containing oil having the characteristics of olive oil: 1522 00 31
  - Soapstocks: 1522 0031: 29.90€/100kg
  - Other: 1522 0039: 47.80€/100kg

Those were the general rules and classifications that apply for the olive oil and for its byproducts. However, as previously mentioned, each country wishing to import products in the countries of the EU have different obligations:

- Greece and Italy, who belong to the countries of the EU, have no customs to pay when exporting towards other countries of the EU. They belong to the Free Trade zone, and can thereby export their products to France and the UK without being charged
or having any quota in the quantity they wish to export.

- Jordan, who has signed an agreement with the European Community on the 24th of November, 1997, where the gradual deduction of the customs throughout a time frame of twelve years, until the existence of a free trade market between Jordan and the EU countries takes place, is now duty free from any tariff charges for the olive oil and its by-products for exports towards the EU (European Communities-Jordan Euro-Mediterranean Agreement, November 24th, 1997)

- Palestine, who signed an agreement with the EU in February 1997 (and was effective as of the 1st of July, 1997), was provided with a gradual reduction of the customs on the agricultural products they wished to export towards the EU countries. Nowadays, the olive oil is custom-free. The olive-oil by-products, however, are not custom-free, so Palestine needs to pay the tariffs mentioned above concerning the soapstocks and the other products that fall in the category of residues resulting from the treatment of fatty substances or animal or vegetable waxes (1522) http://trade.ec.europa.eu/doclib/html/136446.htm

- Tunisia, last but not least, is the country that has no tariff reductions, and is required to pay all the customs that are mentioned above in order to be able to import towards the countries of the European Union. http://ec.europa.eu/taxation_customs/dds/tarhome_en.htm

All this description had to do about how the products are classified. However, in order for the product to be classified in a specific category, it needs to meet certain criteria. As far as the olive oil is concerned (any 15 09 code olive oil), the chemical requirements should be as follows:

For the Fatty acid composition as percentage of total fatty acids:

<table>
<thead>
<tr>
<th>Fatty acids</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myristic acid</td>
<td>≤ 0,05</td>
</tr>
<tr>
<td>Palmitic acid</td>
<td>7,5-20,0</td>
</tr>
</tbody>
</table>

For the Sterol content as percentage of total sterols:

<table>
<thead>
<tr>
<th>Sterol</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cholesterol</td>
<td>≤ 0,5</td>
</tr>
<tr>
<td>Brassicasterol</td>
<td>≤ 0,1</td>
</tr>
<tr>
<td>Campesterol</td>
<td>≤ 4,0</td>
</tr>
<tr>
<td>Stigmasteryl (1)</td>
<td>&lt; Campesterol</td>
</tr>
<tr>
<td>Betasitosteryl (2)</td>
<td>≥ 93,0</td>
</tr>
<tr>
<td>Delta-7-Stigmasteryl</td>
<td>≤ 0,5</td>
</tr>
</tbody>
</table>

(1) Requirement not valid for virgin lampante oil (subheading 1509 10 10)
(2) Delta-5,23-stigmastadienol + cholesterol + betasitosterol + sitostanol + delta-5-avenasterol + delta-5,24-stigmastadienol.


By meeting these criteria, the olive oil can be classified in one of the codes, and eventually be exported.

These are more or less the results of the research that has been conducted for the EU market, which should help the Villages that seek to import their products towards France and the UK.
**Conclusions and recommendations**

In our conclusion we would like to mention that significant differences were found concerning the US market and EU (France, UK).

The first difference was found on issues concerning the requirements and regulations of France and UK in contrast to USA, which furthermore led us to the discovery that different procedures are applied to the US as compared to the procedures implemented by nations within the European Union. Another difference is the nature of information obtained for the US import policies in comparison to EU (France, UK) policies.

The US policies, regulations and requirements are rather general and apply to any product that any importer wishes to enter into the United States. The procedure even though it seems specific, lots of bureaucracy is involved. The limitations in this case is that the information is general, and do not provide any numbers/figures so as to specify to any importer the quantities and prices or tariffs needed to be paid. About EU policies, regulations and requirements what has been discovered through our research is that even though it is general, it does however provide valuable information about quantities, prices, tariffs; generally anything involving indications so as to see the economic perspective of this project. However, it lacks what the research on US provides; information on procedures in order to enter the product to France and the United Kingdom.

Some of the limitations mentioned also above are that the information was rather general. Another limitation is that no regulations based on the Fair Trade were found and there are very few Fair Trade foundations within Europe that would possibly help us implement this project. And last but not least we discovered contrasting information in some regulating issues.

As a group we would like to recommend that the focus falls on the EU market, due to the fact that because most countries involved in this project are within the European Union or are under a treaty with EU such as Palestine, it is easier in matters of procedures to import to France or UK. However, the results of the other group participating in this project, focused on marketing issues, meaning which market is more profitable etc. The results do indicate that the US market can be more profitable than the EU market.

As a conclusion we propose that even more research is done on both markets so as to have a more clear and distinguished picture that can lead us to making a decision that inspires confidence for every nation that participates or nation that wishes to participate in the future.

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