

EFE0: the New Voice for Essential Oils and Related Products Facing Current and Future European Legislation*

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Part One

I am an old fashioned guy. I want to smell eau de cologne made with natural bergamot oil. I want to smell the fragrance of citrus or lavender oils in my cleansing agents. I want to taste cinnamon bark and coriander in Christmas cookies. And, most of all, I wish to continue enjoying these ingredients in the future. The serious questions behind all this are:

- Who cares that we can smell and taste all this in future?
- Who cares for essential oils?

Over the last couple of years, people dealing in the production and trade of essential oils have asked these questions, feeling lost in the floods of directives. Many directives restricted our industry, and will continue to restrict us much more in the future. Not that all regulations are unjustified, but (no doubt) at least some are.

European Centralization

The relevance and importance of the European Parliament to our industry is increasing; most regulatory decisions will be made in Brussels in the future. In turn, the influence of each single member state will decrease. One outstanding example is the euro, which has become, since the start of 2002, much of Europe's new currency. The introduction of the euro must be taken as a clear signal of the unification of Europe, including its growing centralization. And this new Europe will continue to grow. From 2004 onwards the EU will have 10 new member countries, including Poland.

Implications: What does this mean for our industry? I will try to explain this by taking Germany as an example. In Germany the essential oil trading companies are organized as an essential oil department within the Drogen und Chemikalienverein eV Fachabteilung ätherische Öle (Association of Traders of

Herbs and Chemicals, division of Traders of Essential Oils) (VDC). While this group has been very active in the past, it did not have links to Europe or any other national association within the EEC. Also, the cooperation with the associations of producers of flavors and fragrances did not work very well. Actually, perhaps with the exception of UK, there was a similar situation in most other European countries. We, the essential oil industry, did not have any institutional background. So the question was: who cares for essential oils?

Searching for a Solution

Actually, I have come across this question during many talks with my colleagues from all over Europe and the world. And none of us really had a satisfactory answer as to who could best represent our interests — the interests of the small- and medium-sized (mostly family owned) companies within the growing European colossus. Of course, first of all we had to take a look at the already existing associations who came into question, namely IFEAT and EFFA (The European Flavour and Fragrance Association).

Pros and cons of existing institutions: IFEAT is the organizer of the annual congress that has given us the opportunity to present ourselves, for which we thank IFEAT very much. Many within the industry surely think that IFEAT is the natural body through which we should be defending our interests. In some aspects it is, in others not.

- It is — and I paraphrase from IFEAT's Web site — with regard to counteracting unfavorable trading practices.
- It is, when advancing and promoting the commercial viewpoint of essential oils worldwide.

*Based on remarks originally presented at the International Federation of Essential Oils and Aroma Trades in Warsaw, Poland, October 2002 and at Centifolia in Grasse, France.

- It is, when organizing congresses at which people from all over the world can contact and develop their industry relations and participate in discussions over issues affecting our businesses.
- But it is not when lobbying at the relevant institutions, such as EU Commission, EU Parliamentarian, and other national or European bodies.

Why no on this last point? Because European bodies only accept European organizations as their dialogue partners. International associations, in their view, may appear dubious.

The other alternative of already existing organizations is EFFA. EFFA is the European representation of our customers. Of course they must have different standpoints and views than we have. Essential oils are just a very small part of the activities of our customers, but they are vitally important for us. They are essential.

Still, the question — maybe slightly modified— remains unanswered.

Who cares for essential oils in Europe?

A New Industry Advocate

Thinking back, a key moment came in April 2002 when about 40 people came from all parts of Europe and the United States to meet in Düsseldorf to discuss this question. To everybody it was very clear that the national associations representing us were isolated and that there was just one solution: we needed an institution at the EU. We had to build a new and strong federation. After nearly two years of work, including persuasions, consultations and travelling, this was the starting point of something new. People with huge enthusiasm wanted to make this new institution happen. This was the birth of the EFEO — European Federation of Essential Oils. EFEO aspires to be the contact and the voice for all involved in essential oils within Europe or into Europe.

Some important details of EFEO:

- EFEO's founding members are five national associations: the Spanish AMAF, the British Essential Oil Association, a group of south Italian citrus producers, the SIEMPA from France, the essential oils department of VDC Germany, and a number of individual companies from Austria, Italy, France and the United States.
- Through its member associations,

EFEO represents over 100 of the main European trading houses, many of which act as agents or representatives for the most important essential oil producers worldwide.

- EFEO has adopted modern, European-compliant statutes.
- The Federation is represented by the chairman, the vice chairman and a board with representatives from the member associations.
- EFEO's secretariat is located at VDC offices in Hamburg and managed by a team, which has many years of administrative association work experience with specialization in judicial affairs.
- To handle questions, the Federation has installed three subcommittees — technical, communication and economic affairs — in order to be prepared for the challenges the European government and the EU Commission have in store for us.
- EFEO is planning to open a technical hotline to support its members with technical questions and in coordinating information.
- The Federation has launched a Web site at www.efeo-org.org.

Goals: EFEO's main objectives are: to create a lobby to work in favor of the interests of the essential oil industry, to promote and protect essential oils, to be a constructive dialogue partner in contact with governments and associations, to actively participate in the legislative and decision making process from an early stage, and to generally perform in the interest of the essential oil trades.

Membership: Full membership can be granted to companies resident in the EU and to one association per EU member country. To associations from member countries that are already represented we offer an associate membership. To interested parties from outside the EU we offer associated membership — both to associations and federations, as well as individual companies such as producers of essential oils, traders of essential oils and fragrance compounders. In fact, all who do or want to do business in Europe or into Europe are covered by this. We invite all industry members; we request everyone's help, support and cooperation. We, the EFEO, offer close cooperation with all organizations and associations to achieve our mutual goals. This work is in all of our interests and futures.

Conclusion

In the short period of its existence we at EFEO have organized a number strong activities. Next, Thierry Duclos will present an overview of current and future matters EFEO is pursuing.

But first, allow me to summarize in brief: the realization of the European Union makes it necessary for the essential oil industry to have European representation. European directives, once adopted, are irreversible. So we have to engage in the legislative process from an early stage and to intervene when necessary. EFEO wants to do this and EFEO can do

this. We are open to cooperation. Let's, as an industry, talk about it.

To wish that bergamot oil continues to be used in eau de cologne, or cinnamon oil in Christmas cookies — frankly, I don't think this is old fashioned.

Who cares for essential oils in Europe? Let us all get together with EFEO and do this job.

Part Two

First of all, I would like to express my very best thanks to Peter, who is the “father” of this Federation, and to the founding members of EFEO who have devoted so much of their time to achieve the tremendous amount of work that has been done in the last several months.

I would also like to thank our good American friends, especially Dick Pisano and Laure Moutet, who have brought to us such an incredible support from the beginning, and behind them support from IFEAT and FMA. I would like to make a special mention to ONIPPAM (the French state organization in charge of the production of essential oils in France) and Francis Thibaudeau, president of the French Perfumer Society, who have been so helpful.

Since we started this Federation, there is one thing we have constantly heard: your efforts come too late, it is hopeless, there is nothing else to do. When I see where we are today, even though we do not know yet the result, it makes me think of this saying, “Everybody knows it's impossible. One day, someone came who did not realize it was impossible, and he made it.”

The first meeting we had in Dusseldorf in April 2002 was the opportunity to sum up and clearly identify the various problems we were facing and will continue to face, and to decide what action should be taken in priority. The most urgent item was definitely the 7th amendment of the Cosmetic Directive 76/768/EC, which regulates the manufacture and marketing of cosmetic products.

What is This Legislation About ?

As most in the industry know, our problem is linked to the new legislation on animal testing that Brussels has been preparing for years. This legislation required, at different stages and among other things, the following measures:

- A warning statement on the label: “can cause an allergic reaction.”
- A ban on fragrances in cosmetic products intended for children and external intimate hygiene.
- A full ingredient labelling of all fragrance ingredients, instead of simply “perfume.”
- A labelling of 26 substances alleged to be allergens identified by the Scientific Committee for Cosmetics and Non-Food Products (SCCNFP) for all skin contact products.

This amendment was voted at first reading by the European Parliament in April 2001, rejected by the European Council in February 2002, and adopted

again at second reading in June 2002.

Mainly because there are no alternative methods to animal testing, the European Council rejected it a second time. According to the European procedure, the case went to the Conciliation Committee, which consists of the representatives of the 15 member states and 15 delegates from the European Parliament. At this stage either they are required to find a compromise or the amendment is void, which means that we go back to the previous one.

Why Are Essential Oils Involved in This Matter?

First problem: In fact, the SCCNFP proposed a list of 26 chemical substances alleged to be allergens, but did not say a word about essential oils, nor did it base its recommendations on any evidence that essential oils are allergens. However, the organization decided to make no differentiation as to the origin of these substances natural (coming from essential oils) or synthetic.

Second problem: Because of the labelling obligation required by this legislation — I personally insist on a labelling obligation and not an application ban — several cosmetic companies, among them the largest ones, decided in anticipation to refuse showing-allergen substances on their labels. They asked their suppliers of fragrance compounds to submit perfumes or reformulate the old ones without allergens. This was excluding, de facto, all the essential oils containing them naturally — more than 150.

Third problem: When explaining this situation to members of the European Parliament, SCCNFP says that it has not forbidden the use of essential oils. However, it does not understand why cosmetic companies would not include certain materials, and does not believe that there is any threat to essential oil production.

Sixteen of 26 allergens are present in essential oils: benzyl alcohol, benzyl salicylate, cinnamyl alcohol, cinnamic aldehyde, citral, coumarin, eugenol, geraniol, isoeugenol, anisyl alcohol, benzyl benzoate, benzyl cinnamate, citronellol, farnesol, limonene and linalool. Important essential oils and their total percentage of allergens are listed in T-1.

EFEO Action

When we started our action, everybody in Brussels, the authorities from our respec-

Important essential oils and their total percentage of allergens

T-1

%	0	0-5	5-10	10-25	25-50	50-75	75-90	90
	angelica seed cedarwood guaiacwood myrrh parsley patchouli sandalwood spike lavender	star anise aromise benzoin cardamom carrot camomile copaiba estragon eucalyptus galbanum ginger labdanum rosemary teatree vetiver	olibanum eucalyptus nutmeg pine sage tagette red thyme ylang 2	citronella clary sage spearmint	bergamot caraway geranium lavandin lavender petitgrain rose ylang 1 ylang 3 ylang extra	lemon lime mandarin neroli	cinnamon (leaf) cinnamon (bark) coriander litsea	bitter orange clove (leaf) clove (bud) eugenol grapefruit sweet orange tangerine

tive countries, as well as many in the industry told us that it was too late. There are several reasons for this:

- Until EFEO was founded, the national associations specifically representing essential oils were not directly involved in the discussion in Brussels
- The essential oil industry had not previously been impacted like this and, obviously, was not prepared to face such major problems.
- When our customers, the manufacturers of fragrance compounds, started receiving briefs from the cosmetic companies requesting no allergens, all of a sudden it became obvious that essential oils had been totally forgotten in the negotiations.

At the time, there were only two more steps to go before this Directive was adopted at second reading. Time being so short, the most urgent thing for us was to set up a clear position and have it presented as quickly as possible to the leaders of each European party and their chairmen at the Environment Committee. For this, we went to Strasbourg to meet with MEPs (to the ones who did not experience this, I recommend to try; it's like finding one's way in a labyrinth). We met many of them and we got a near-unanimous favorable reply. Obviously it was quite a surprise to these politicians to learn that this legislation was really hurting essential oil sales and production, with dramatic consequences for several regions in Europe (southern France [lavender], and Italy and Spain [citrus]), and even more for other countries in the world where these products are very often the only source of revenue.

Furthermore, our members contacted their ministries in charge of this file, as well as their representatives in Brussels to explain our situation. The consequence of this first wide lobbying action was that, for the first time, essential oils came into the discussion in Brussels, particularly in the Environment Committee, where questions were raised in public. The same happened later during the Parliament debate prior to the vote, which, as expected, approved this Amendment.

Our target at that time was to impress enough MEPs and representatives from member states in order to have a chance that the problem of essential oils became part of the discussion (or horse trading) at the Conciliation Committee. Here we are today and our first (small) success is that most MEPs in charge of the conciliation are fully aware of our action.

What Does EFEO Want ?

All our action is based on the fact that essential oils are not man-made compositions of ingredients (or chemical substances) as suggested in the 7th Amendment, but single ingredients, or entities, as referenced in all the world pharmacopoeias, including the European classification itself (Blue Book). The data we have available as of today seem to prove that most essential oils are not allergenic — even if they contain one or more allergens. The good example is lavender oil, which contains linalool and has been used for so many years as an anti-inflammatory. To bring evidences on this we are contributing to a test program, started in France, on a dozen essential oils, the results of which will be known at the beginning of 2003. In addition, we are coordinating the various test programs launched in several countries so as to avoid useless duplication and make sure that they are coherent.

Meanwhile, we asked Brussels that, in case they maintain this list of allergens, to clearly mention that: essential oils and aromatic products of botanical origin, as defined on the INCI under Council Decision 96/335/EC will need to be labelled properly only if their allergen character has been demonstrated.

On the other hand, we need to bring some figures to the politicians on the impact that such legislation will have on the essential oil productions. We, the EFEO, have set up production data on bergamot and lavender/lavandin oils, which is short and clear enough to be appreciated by the politicians.

This will be used as a base for producers in the world who would like to cooperate on this study. This is a big task and we need a lot of cooperation from the whole industry.

Finally, we have recently made a vast information action aimed at the cosmetic companies and all end-users in Europe to explain our position and what legislation means for the essential oils that are refused labelling. Surprisingly, we received supportive replies from well-known cosmetic and perfume houses, which seems to indicate that, there too, our message has been well received and understood

What Is To Be Done in the Future ?

Considering the new coming legislation, whatever the result is for this pending one, we have not finished with such problems. Just to name some of them:

- SCCNFP position on detergents: same restrictions on allergens as for the cosmetic products.
- White Paper on a strategy for a future policy regarding chemicals: a key element of this White Book is the so-called REACH system (registration, evaluation and authorisation of chemicals), which,

in the next few years, will cause major problems to the chemical industry. We have to be aware that essential oils will be regarded as “chemicals.” A draft EU regulation is expected by end of this year.

- FSC problem: I believe that most of you know about this one, which concerns trade sanctions against the US. For your information, and thanks to the efforts of our German members, the VDC, the original list of essential oils has been shortened.

As you see, we need to be constantly on alert and well organized to be involved with these new cases from the very beginning. We will no longer be late to action. Defending our activity in Europe also means defending the producers/suppliers out of Europe, because it will affect everybody.

We need a strong and active support from the whole profession, from planters to producers to importers to end-users. The larger the number of members, the greater the power of EFEO to be recognized and to have an influence on the decisions made in Brussels.

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