

## Amendment of the listings of *Aquilaria* spp. and *Gyrinops* spp. in Appendix II

Amend Annotation #14 with the underlined text:

“All parts and derivatives except:

- a) seeds and pollen;
- b) seedling or tissue cultures obtained *in vitro*, in solid or liquid media, transported in sterile containers;
- c) fruits;
- d) leaves;
- e) exhausted agarwood powder, including compressed powder in all shapes; and
- f) finished products packaged and ready for retail trade, this exemption does not apply to wood chips, beads, prayer beads and carvings.”

### Proponent: United States of America

**Summary:** *Aquilaria* and *Gyrinops* are two genera of trees in the family Thymelaeaceae, distributed from India to New Guinea. The CITES Checklist currently recognises some 25 species of *Aquilaria* and eight of *Gyrinops*. In some trees, a still imprecisely understood combination of wounding, vectors of infection (bacterial infection, fungus) and resinous response induces the formation of a resinous heartwood (agarwood) that is fragrant and highly valued. The primary source of agarwood in reported trade is *Aquilaria malaccensis*. Agarwood is used in perfumes, incense and traditional medicines, and as an essential oil, distilled from the wood. Carvings and beads, including prayer beads, are also produced from the wood. So-called exhausted wood powder – the residue left after the distillation process – is often compressed to make incense sticks and small statues.

All agarwood-producing taxa are currently included in Appendix II; *Aquilaria malaccensis* was listed in 1994, and the rest of the genus *Aquilaria* and all *Gyrinops* spp. in 2004. They are currently covered by annotation #14, agreed at CoP16 (Bangkok, 2013), including all parts and derivatives except:

- a) seeds and pollen;
- b) seedling or tissue cultures obtained *in vitro*, in solid or liquid media, transported in sterile containers;
- c) fruits;
- d) leaves;
- e) exhausted agarwood powder, including compressed powder in all shapes; and
- f) finished products packaged and ready for retail trade, this exemption does not apply to beads, prayer beads and carvings.

International agarwood trade is complex, as it is traded in a variety of forms and at various stages of processing, from raw whole pieces to finished products such as perfumes, which may contain only small amounts of agarwood oil. Some processing of agarwood to produce end-products takes place in range States; some takes place elsewhere with resulting products, either sold domestically or re-exported to other consumer countries.

One of the major products in trade is wood chips, which may be traded for burning as ‘incense wood’, or for further processing to produce products such as beads, prayer beads, medicines, incense sticks, perfumes and tea. Such chips are exported in large quantities from range States and therefore adhere to the recommendations for inclusion in Appendix II set out in *Res. Conf. 11.21 (Rev CoP16)*, which state that commodities listed should be those that dominate the trade and the demand for the wild resource.

It is not possible to distinguish wood chips destined for further processing from those intended to be used as an end-product. Because of this, concern has been expressed that substantial quantities of wood chips intended for further processing could be entering trade ostensibly as finished products packaged and ready for the retail trade. Under the current listing, wood chips that appear to be packaged and ready for retail trade are not covered by the Convention.

Consultations undertaken by the Standing Committee Working Group on Annotations indicated that there was variability in how trade in agarwood chips packaged for retail trade was regulated, with some such trade taking place with CITES permits, even though this was not currently required.

Conversely, in some cases it seemed as if such chips had been confiscated because they lacked CITES documentation, even though such documentation was not required.

Information from the CITES Trade Database confirms the importance of wood chips as a product in trade (ca. 7000mt of *Aquilaria* reported as exported and 10,000mt reported as imported between 2005 and 2015; ca. 180mt of *Gyrinops* reported as exported and 230mt reported as imported in the same period), and also indicates numerous transactions of less than 5kg, reported as grammes or kilogrammes. Reported small transactions such as these account for only a very small proportion of overall trade in wood chips (ca. 500kg in total, or 0.01% by weight of trade in *Aquilaria* as reported by exporters, and just 5kg of *Gyrinops* in total for the period 2005 to 2105). The amount of trade in wood chips packaged and ready for retail trade currently unregulated by CITES is unknown.

**Analysis:** Wood chips are a major trade item for agarwood, included in Appendix II as *Aquilaria* spp. and *Gyrinops* spp. The current annotation for agarwood exempts wood chips that are packaged and ready for retail trade from CITES controls. This exemption is reported to be inconsistently applied. Removal of the exemption, as proposed here, would ensure that all agarwood chips, however packaged, were subject to CITES controls (apart from those exempt under personal effects as specified in *Res. Conf. 13.7 (Rev CoP16)*), thereby bringing more of the agarwood trade under CITES control and, in theory, simplifying implementation.