



### SPECIAL FEATURE:

## TOWARDS IMTS, REV.3 - CONSULTATION PAPER ON THE REVISION OF THE RECOMMENDATIONS FOR INTERNATIONAL MERCHANDISE TRADE STATISTICS (IMTS)

The United Nations Statistical Commission at its 39th session (26-29 February 2008) endorsed the initiative and strategy of the United Nations Statistics Division (UNSD) to revise the existing recommendations for international merchandise trade statistics contained in *International Merchandise Trade Statistics, Concepts and Definitions, Revision 2* (IMTS, Rev.2) and requested that the draft revised recommendations be submitted to the Commission for adoption at its 41st session in 2010.

The key element of the UNSD revision strategy is a worldwide consultation with national trade statistics compilers. The consultation will be conducted in two stages: (i) initial consultation on issues most relevant for setting the scope of the future recommendations (May-July 2008) and (ii) consultation on the full text of the provisional draft of the revised recommendations in 2009.

Starting end of April 2008 a consultation paper was sent to all countries

with the request to participate in the first stage of the consultation process by returning the completed consultation paper by end of July. The consultation paper contains questions on 17 issues on which countries were requested to provide their views. The issues were selected by the Expert Group on International Merchandise Trade Statistics (EG-IMTS) at its first meeting (3-6 December 2007) and endorsed by the Interagency Task Force on International Merchandise Trade Statistics in March 2008.

The consultation paper requested feedback from countries concerning issues of coverage, mode of transport, valuation, partner country, data sources, institutional arrangements, data quality, metadata and various supplementary topics. For more details please go to the website of the EG-IMTS at:

<http://unstats.un.org/unsd/trade/EG-IMTS/EG-IMTS%20web%20announcement.htm>

### DATABASES AND PUBLICATIONS: CONVERTED SITC, REV.3 DATA NOW AVAILABLE

The [Harmonized Commodity Description and Coding System](#) (Harmonized System or HS) is the commodity classifications used by customs administrations around the world and also by merchandise trade statistics compilers for submitting trade data to the United Nations Statistics Division (UNSD). The HS is regularly revised to reflect the appearance of new and disappearance of old products. Consequently, the version

used by data providers to submit their trade data to the UNSD changes across countries and across time. For the convenience of users, UN Comtrade maintains data series in multiple commodity classifications in order to provide data submitted in different classifications and time series data in one single classification. For this purpose, data needs to be converted from the original classi-

*(Continued on page 2)*

### IN THIS ISSUE:

#### **Special feature:**

- *Towards IMTS, Rev.3 - Consultation paper for the revision of the recommendations for the IMTS* 1

#### **Databases and Publications:**

- *Converted SITC, Rev.3 data now available* 1

#### **Cooperation with countries and agencies:**

- *UNSD/UN-ESCWA Workshop on "Data quality and production of external trade indices", 12-15 June 2008, Cairo, Egypt* 2
- *111/112 sessions of the World Customs Organization Council, 26 - 28 June 2007, Brussels, Belgium* 3

#### **You have asked us:**

- *Breakdown for Petroleum Oils, other than crude* 3
- *Are most of the Countries already using the SITC-Rev 4?* 4
- *UN Comtrade classifications* 4

#### **Upcoming events:**

- *UNSD/UN-ESCAP Workshop for Developing Countries on the Revision of the International Recommendations for IMTS, 9-12 September, 2008, Bangkok, Thailand* 4

#### **Editorial note**

4

Visit UN Comtrade  
at:  
[http://  
comtrade.un.org/](http://comtrade.un.org/)

fication to other classifications. This is done by the means of a conversion table, a table assigning to each commodity code in a classification a unique commodity code in another classification. UNSD is only converting data from newer to older classifications and not the other way around. For example, data for countries using the latest revision of the HS (HS2007) is converted into the previous revision (HS 2002).

For a majority of commodity codes the conversion from the most recent to the previous HS revision is without problems as the contents of the codes remain unchanged. Yet, due to the very nature of a revision there are also numerous codes which are the result of splitting or merging of codes of the old classification. In these cases data conversion requires a decision to which commodity code in the earlier classification the commodity code of the newer classification should be converted. These decisions are taken based on the best judgment of the staff at the UNSD, and the resulting conversion tables and converted data have no binding character whatsoever. Data users are free to convert the original data provided by countries into different classifications according to their own criteria.



### HS2007 to SITC, Rev 3:

On 1 January 2007 the latest version of the Harmonized System (HS2007) came into force and the majority of countries has been providing to UN Comtrade their international merchandise trade data for the year 2007 in HS2007. Before June 2008 only the conversion from HS2007 to the previous version of the Harmonized System (HS2002) and to the Standard International Trade Classification, Revision 4 (SITC, Rev.4) were available.

Now, also the conversion from HS2007 to SITC, Rev 3 is available and data reported in HS2007 has been converted to SITC, Rev 3 and released on UN Comtrade. SITC, Rev.3 is particularly important because it is being used by many for historical time series analysis and also for publications such as UNSD's *International Merchandise Trade Statistics Yearbook*.

The conversion tables from HS2007 to earlier versions of the Harmonized System (HS1996 and HS1992), earlier versions of the SITC (SITC, Rev.2 and SITC, Rev.1) and the Classification by Broad Economic Categories (BEC) are not available yet. The work constructing these conversion tables is ongoing and the conversion into HS1996, HS1992 and BEC are expected to be completed by the end of the year.

## COOPERATION WITH COUNTRIES AND AGENCIES: UNSD/UN-ESCWA WORKSHOP ON "DATA QUALITY AND PRODUCTION OF EXTERNAL TRADE INDICES", 12-15 JUNE 2008, CAIRO, EGYPT



UNSD and the Economic and Social Commission for Western Asia (UN-ESCWA) conducted jointly this workshop on data quality of international merchandise trade statistics and the production of external trade indices. The workshop was attended by staff from statistical agencies, customs officers and central banks of the ESCWA member countries. The workshop reviewed the different aspects of the calculation of external trade indices and discussed the practices at national and international level and possible steps for improvements, such

as the development of a step by step guide for the calculation of unit value indices.

This was the second workshop of the Development Account Project: Strengthening the Development of International Merchandise Trade Statistics (IMTS) and the compilation of e-commerce in Member Countries of the Economic and Social Commission for Western Asia (ESCWA). For more information about this project please go to: [http://unstats.un.org/unsd/trade/ESCWA0608/ESCWA\\_Project\\_Introduction.htm](http://unstats.un.org/unsd/trade/ESCWA0608/ESCWA_Project_Introduction.htm)

## COOPERATION WITH COUNTRIES AND AGENCIES: 111/112 SESSIONS OF THE WORLD CUSTOMS ORGANIZATION COUNCIL, 26 - 28 JUNE 2008, BRUSSELS, BELGIUM

During this meeting which is attended by Director Generals of national customs administrations several items highly relevant for the compilation of International Merchandise Trade Statistics (IMTS) were discussed. These include rules of origin, valuation, the Harmonized System, trade facilitation and the enforcement of customs regulations. Important developments which will have effects for the future revised recom-

mendations for IMTS are: (i) the completion of a draft document on the non-preferential rules of origin, (ii) the launch of discussions concerning the inclusion of services in the goods valuation and (iii) the development of a so called framework of standards and a WCO Customs Data Model which will fundamentally redefine customs information systems.

Visit World Customs  
Organization at:  
[http://  
www.wcoomd.org](http://www.wcoomd.org)

### YOU HAVE ASKED US: BREAKDOWN FOR PETROLEUM OILS, OTHER THAN CRUDE

**Q:** We are looking at Petroleum naphtha (the code in the Harmonized System, 1992 is 271016). No data is available after 2005 and we do not know which code to search, because 271016 has disappeared. We are also looking at two other categories, namely gasoline and gas oil. What are the current codes for recent data on these commodities? Can you also explain why the codes change and if it does result in the re-classification of certain commodities?

**A:** The Harmonized System 1992 (HS92) and 1996 (HS96) do not have any breakdown of heading 2710 which contains i.e. petroleum oils other than crude. Nevertheless countries submitting their data in the HS often provided a more detailed breakdown according to a set of specific non-standard codes such as 271016 for Petroleum naphtha.

The 2002 version of the HS (HS02) introduced a breakdown for heading 2710 which ended the reporting of data in these non-standard codes for the countries which use the HS02.

Starting 1.1.2006 a new processing system was introduced which removes all non-standard codes during processing. Hence, all data processed in the new system which includes all data of the year 2005 and later will not contain any data

for these non-standard codes. The only exception is data submitted in HS92 which is for historical reasons still allowed to contain these non-standard codes.

The HS 2002 introduced the following breakdown for heading 2710 'Petroleum oils [...], other than crude [...]':

- Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than waste oils:

- \* 2710.11 Light oils and preparations
- \* 2710.19 Other
- Waste oils:
  - \* 2710.91 Containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)
  - \* 2710.99 Other

Please see HS Nomenclature 2002 Edition at the website of the World Customs Organisation:

[http://www.wcoomd.org/home\\_wco\\_topics\\_hsoverviewboxes\\_tools\\_and\\_instruments\\_hsnomenclaturetable2002.htm](http://www.wcoomd.org/home_wco_topics_hsoverviewboxes_tools_and_instruments_hsnomenclaturetable2002.htm)



## YOU HAVE ASKED US:

### ARE MOST OF THE COUNTRIES ALREADY USING THE SITC, REV. 4?

The Standard International Trade Classification (SITC) is now exclusively used for analytical purposes and we have not really looked into the issue whether countries which apply the Harmonized System, edition 2007 (HS2007) already switched their analytical publications to SITC, Rev.4, which was derived or constructed by using

HS2007 sub-headings as building blocks. UNSD will continue using SITC, Rev.3 in its publications in order to provide time series data. One could assume that some countries will follow the same policy but at the end this depends on the countries own requirements.

## YOU HAVE ASKED US:

### UN COMTRADE CLASSIFICATIONS

In UN Comtrade, users can obtain data in different versions of the following classifications:

(i) The Harmonized Commodity Description and Coding System (HS) is the classification used by almost all countries to submit their data to the UNSD. It is revised regularly by the World Customs Organization. The third revision (HS2007) came into force on January 1, 2007.

(ii) The Standard International Trade Classification (SITC): developed and main-

tained by the UNSD, its fourth revision (SITC, Rev. 4) was released in 2006. It is recommended by the Interagency Task Force on International Merchandise Trade Statistics for use in the analysis of international merchandise trade.

(iii) The Broad Economic Categories (BEC) is also developed by the UNSD. It reclassifies data into 19 end-use categories relevant, for example, for the use in national accounts.

Find more at <http://unstats.un.org/unsd/trade/methodology%20IMTS.htm>

## UPCOMING EVENTS:

### UNSD/UN-ESCAP WORKSHOP FOR DEVELOPING COUNTRIES ON THE REVISION OF THE INTERNATIONAL RECOMMENDATIONS FOR INTERNATIONAL MERCHANDISE TRADE STATISTICS (IMTS), 9-12 SEPTEMBER, 2008, BANGKOK, THAILAND

UNSD in cooperation with the Economic and Social Commission for Asia and the Pacific (UN/ESCAP) will organize a workshop for developing countries on the Revision of the Recommendations for International Merchandise Trade Statistics (IMTS). This workshop is part of a special effort of

UNSD and UN/ESCAP to inform and receive feedback from developing countries on the revision process of the current recommendations on international merchandise trade statistics contained in *International Merchandise Trade Statistics, Revision 2* (IMTS, Rev.2).

Info on our technical assistance activities can be found at:

[http://unstats.un.org/unsd/trade/workshops\\_imts.htm](http://unstats.un.org/unsd/trade/workshops_imts.htm)

## EDITORIAL NOTE

The Trade Statistics Newsletter is a quarterly publication prepared by the International Merchandise Trade Statistics Section of the United Nations Statistics Division – Department of Economic and Social Affairs. This Newsletter is not an official document of the United Nations nor does it express the official position of the United Nations. Editorial team: Nelnan Koumtingué, Matthias Reister, Markie Muryawan and Vladimir Markhonko.

Contact: United Nations Statistics Division, International Merchandise Trade Statistics Section, New York, NY 10017, USA, Email address: [comtrade@un.org](mailto:comtrade@un.org) or visit our website at [http://unstats.un.org/unsd/trade/imts/imts\\_default.htm](http://unstats.un.org/unsd/trade/imts/imts_default.htm).