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Item 8: Commodity Classification and Mode of Transport

Export and Import Classifications used by the Chilean Customs Service and the Balance of Payments

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PRESENTATION STRUCTURE

- Classifications used by National Customs Service

- Classifications used by Balance of Payments

National Customs Service

Customs data are coded according to international classification systems. In Chile, Customs has adopted the Harmonized System (HS), which is based on the raw materials and the nature of the products. The system is organized from an aggregate level (2 digits), down to 4 digits and a detailed level of 6 digits. However, as this level may be insufficient for local needs, many countries have increased the level of detail, to adapt it to the characteristics of their trade. Chile has added two digits, so the greatest level of detail for the data is of 8 digits.

For dissemination purposes, Customs has a database that , in addition to the 8 digit level of HS, classifies imports and exports at the three digit level of an adapted version of ISIC

Balance of Payments

The Central Bank of Chile has created tables that assign each 8 digit level code of the HS to a certain category of other classification systems which are used for different analytical, compilation and dissemination purposes. In addition to the Harmonized System, other classification systems are:

a) International Standard Industrial Classification (ISIC): It classifies trade statistics according to the economic activity of the producer of the goods.

b) Economic Activity Classification (EAC): This system was developed for the input-output matrix of 1996, and was revised for the 2003 matrix. It is based on ISIC, revision 3, adapted to specific conditions of the Chilean national accounts.

c) Single Product Classification (SPC): It is a product classification system developed for national accounts, and is based on the nature and industrial origin of the products. Common attributes related to intrinsic properties and production technology of the goods, are identified. It is based on the 1986 input-output matrix, ISIC revisions 2 and 3, and the Central Product Classification (CPC). It also incorporates elements of other national classification systems, such as the manufacturing products classification system developed by the National Statistical Office. The latest revision was done for the base year 2003 calculations.

d) Standard International Trade Classification (SITC): this is the most widely used classification system for merchandise trade analysis. Products are classified on the basis of the nature of the goods and the materials employed in their production, the degree of elaboration and the materials employed, market practices and uses of the products, importance in world trade, and technological change.

e) Final Use and duration of goods: This classification applies to imports, and involves three main groups: Consumer goods, intermediate goods, and capital goods. Goods for consumption are further classified into durable, semi-durable and other (perishable) goods.

- Durable goods: may be used for consumption during a period of over three years, and must be relatively high priced.
- Semidurable goods: may be used for consumption during a period of over one year but less than three, and are not relatively high-priced.

Others: those whose useful life span is less than one year.

Modes of Transport

A) National Customs Service

Information of the following ways of transport in separated form is compiled according to the S.A. digits:
- Aerial
- Marine, lacustrine and fluvial
- Railroad
- Road
- Pipeline and gasoducto

In addition information of the nationality of the user of transport means is compiled.

B) Balance of payments

The data Customs are used for the information on imported and exported freights services, complemented with information that are asked to the resident companies of transport directly and to the nonresident ones through the agencies. The main problem resides in the group "other nationalities" of the information that compiles Customs, that has very important numbers and is difficult to identify in this group how many they are resident and nonresident. This is important to calculate the exports and the

imports of services of the different modes of transport. The information of the transport by road is given by National Accounts because it has better information than the one than it gives Customs.

C) National accounts
It use the information provided by Balance of payments in everything what they are not the road freights. It separates by all the above detailed modes of transport.