



UNITED NATIONS  
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION



UNITED NATIONS  
ECONOMIC COMMISSION  
FOR AFRICA

**International Workshop on Country Practices in Compilation of  
International Merchandise Trade Statistics, 12-16 November 2007, Addis Ababa**

*Country Presentation*  
**Statistics Malawi**

*Item 14: Commodity classifications*



## COMMODITY CLASSIFICATION & QUANTITY MEASUREMENT

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2. Quantity Measurements used by Customs.
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## CLASSIFICATIONS FOR DISSEMINATING TRADE STATS

- There are three classifications of commodities which we follow during data analysis i.e.
  - a) HS – Classification of goods according to their physical material nature (97 categories/tariff lines).
  - b) SITC Rev. 3 – UN classification of goods for statistical purposes. It also groups commodities by level of processing (10 Categories).
  - c) BEC-Classifies goods according to end use (7 categories).



## QUANTITY MEASUREMENTS USED BY CUSTOMS

The following are the quantity measurements of some commodities used by Customs:

- a) **Kilograms**- Tobacco (*HS Code 2401*) is measured in kgs.
- b) **Pairs**- Footwear (*HS Code 6401*) are measured in pairs.
- c) **Units/Numbers**- Tractors (*HS Code 8701*) are measured in units.
- d) **Litres**- Water (*HS Code 2201*) is measured in litres.
- e) **Square Metres** –Carpets (*HS Code 5701*) are measured in square metres.
- f) **Cubic Metres**-Plywood (*HS Code 4412*) is measured in cubic metres.
- g) **Kilowatts**-Electricity (*HS Code 2716*) is measured in kilowatts.

# Aggregation of Quantity information




Quantities are aggregated by commodity code.

- a) For example, all goods imported from different countries all over the world but having the same HS code are grouped together. This is done automatically during data extraction once the data is available in the computer (EUROTRACE PACKAGE).
- b) Again, if new data set is added to the old one, the data banks are updated. This in turn automatically changes quantities and values already available in the computer.

**SEE THE TABLE ON THE NEXT SLIDE FOR ILLUSTRATIONS**

## IMPORTS(HS) BY QTY AND VALUE IN MALAWI KWACHA

TABLE 3.1 IMPORTS (CHAPTER AND FOUR DIGITS HS) BY QUANTITY AND VALUE IN MALAWI KWACHA				
HS CODE	DESCRIPTION	UNITS	CIF VALUE	
			2005	2005
<b>01..</b>	<b>LIVE ANIMALS</b>	<b>KILOS</b>	<b>49,506</b>	<b>87,539,069</b>
0101	LIVE HORSES, ASSES, MULES AND HINNIES.	KILOS	14	200,225
0102	LIVE BOVINE ANIMALS.	KILOS	10,179	44,577,789
0104	LIVE SHEEP AND GOATS.	KILOS	200	159,896
0105	LIVE POULTRY, THAT IS TO SAY, FOWLS OF THE SPECIES GALLUS DOMESTICUS, DUCKS,	KILOS	38,950	25,355,129
0106	OTHER LIVE ANIMALS	KILOS	163	17,246,030
<b>02..</b>	<b>MEAT AND EDIBLE MEAT OFFAL</b>	<b>KILOS</b>	<b>26,646</b>	<b>12,884,056</b>
0201	MEAT OF BOVINE ANIMALS, FRESH OR CHILLED.	KILOS	6,784	1,266,633
0202	MEAT OF BOVINE ANIMALS, FROZEN.	KILOS	1,876	1,265,800
0203	MEAT OF SWINE, FRESH, CHILLED OR FROZEN.	KILOS	13,619	7,712,273
0204	MEAT OF SHEEP OR GOATS, FRESH, CHILLED OR FROZEN.	KILOS	613	410,312
0206	EDIBLE OFFAL OF BOVINE ANIMALS, SWINE, SHEEP, GOATS, HORSE, ASSES, MULES OR HINN	KILOS	380	457,099
0207	MEAT AND EDIBLE OFFAL OF THE POULTRY OF HEADING NO.0105, FRESH, CHILLED OR F	KILOS	710	207,844
0208	OTHER MEAT AND EDIBLE MEAT OFFAL, FRESH, CHILLED OR FROZEN.	KILOS	413	86,302
0209	PIG FAT, FREE OF LEAN MEAT AND POULTRY FAT, NOT RENDERED OR OTHERWISE EXTRAC	KILOS	6	28,382
0210	MEAT AND EDIBLE MEAT OFFAL, SALTED, IN BRINE, DRIED OR SMOKED, EDIBLE FLOURS A	KILOS	2,245	1,449,411
<b>03..</b>	<b>FISH &amp; CRUSTACEAN, MOLLUSC &amp; OTHER AQUATIC INVERTEBRATE</b>	<b>KILOS</b>	<b>943,718</b>	<b>52,099,943</b>
0301	LIVE FISH.	KILOS	1,000	162,000
0302	FISH, FRESH, OR CHILLED, EXCLUDING FISH FILLETS AND OTHER FISH MEAT OF HEA	KILOS	378	145,396
0303	FISH, FROZEN, EXCLUDING FISH FILLETS AND OTHER FISH MEAT OF HEADING NO.0304	KILOS	75,274	13,366,600
0304	FISH FILLETS AND OTHER FISH MEAT (WHETHER OR NOT MINCED) FRESH, CHILLED OR	KILOS	2,839	446,045
0305	FISH, DRIED, SALTED OR IN BRINE, SMOKED FISH, WHETHER OR NOT COOKED BEFORE O	KILOS	863,925	37,892,639
0306	CRUSTACEANS, WHETHER IN SHELL OR NOT, LIVE, FRESH, CHILLED, FROZEN, DRIED, SALT	KILOS	252	62,904
0307	MOLLUSCS, WHETHER IN SHELL OR NOT, LIVE, FRESH, CHILLED, FROZEN, DRIED, SAL	KILOS	50	24,369



## Problems associated with quantity and value information from customs data.

These are some of the problems:

- a) A car could be measured in tonnes/kgs instead of unit (number). This makes the unit price very small.
- b) Misclassification of codes-For example, diesel is recorded as petrol and viceversa.This in turn causes underestimation/overestimation of quantities for different commodities.
- c) Omission of quantity data for some commodities.
- d) Writing wrong commodity codes. This delays data processing since the data is sent back to MRA for corrections.
- e) Supplementary units are not provided on some forms.



## DATA SOURCES

It is essential to start with data sources before we start looking at quality control as we shall see later:

- Data is submitted to NSO on the 15<sup>th</sup> of every month for the previous month by Malawi Revenue Authority (MRA). This is done through hard copies and soft copies (flash disks, CDs & e-mail). However, there are some delays in data submission which entail follow-ups.
- Major exporting companies e.g. Sugar Corporation
- Electricity Supply Commission of Malawi (ESCOM)
- Some MRA offices capture electronic data in ASYCUDA++. Once this data reaches the National Statistical Office, it is loaded into the server and it is later converted and stored in the EUROTRACE PACKAGE.



## QUALITY CONTROL

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- To ensure quality control,
  - a) goods included in our analysis are: all traded goods from the Customs Declaration Forms.
  - b) For significant results, only goods valued at 1,000 Malawi Kwacha and above are included in our analysis.



## QUALITY CONTROL CONTINUED...

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- Goods excluded in analysis are:
  - a) consignment of goods in direct transit.
  - b) returned merchandise and returned material.
  - c) merchandise repair free of charge.
  - d) personal belongings; removable articles imported on transfer of residences.
  - e) goods imported by diplomatic corps.
  - f) supplies under military defence agreements.
  - g) Commercial samples.

## QUALITY CONTROL CONTNUED...

- Hard copies from Non automated customs offices undergo
  1. Sorting
  2. Manual Checks
  3. Verification of Codes
  4. Wrong and late entries are identified.  
The Bills of Entry are sent back to MRA for physical verification.
  5. Data entry.

## QUALITY CONTROL CONTINUED...

Quality control of electronic data from Automated Customs office involves:

- a) Checking of codes e.g. HS,partner country etc.
- b) The relationship that exists between net weight and supplement unit (pieces).
- c) The checks are built up in the validation rules of the EUROTRACE. For example, **"Quantity must be supplied"** indicates that this value was mistakenly left out.



## AREAS OF SPECIAL CONSIDERATION

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- INDICES.
- DISSEMINATING INFORMATION.
- FREQUENT MEETINGS FOR UPDATE OF INFORMATION.

<<THANK YOU FOR YOUR ATTENTION>>!!!!