

Workshop for Developing Countries on the Revision of
the International Recommendations for International
Merchandise Trade Statistics
Bangkok, 9-12 September, 2008

Commodity Classification and Quantity Measurement

(Review of existing recommendations; Other concerns)

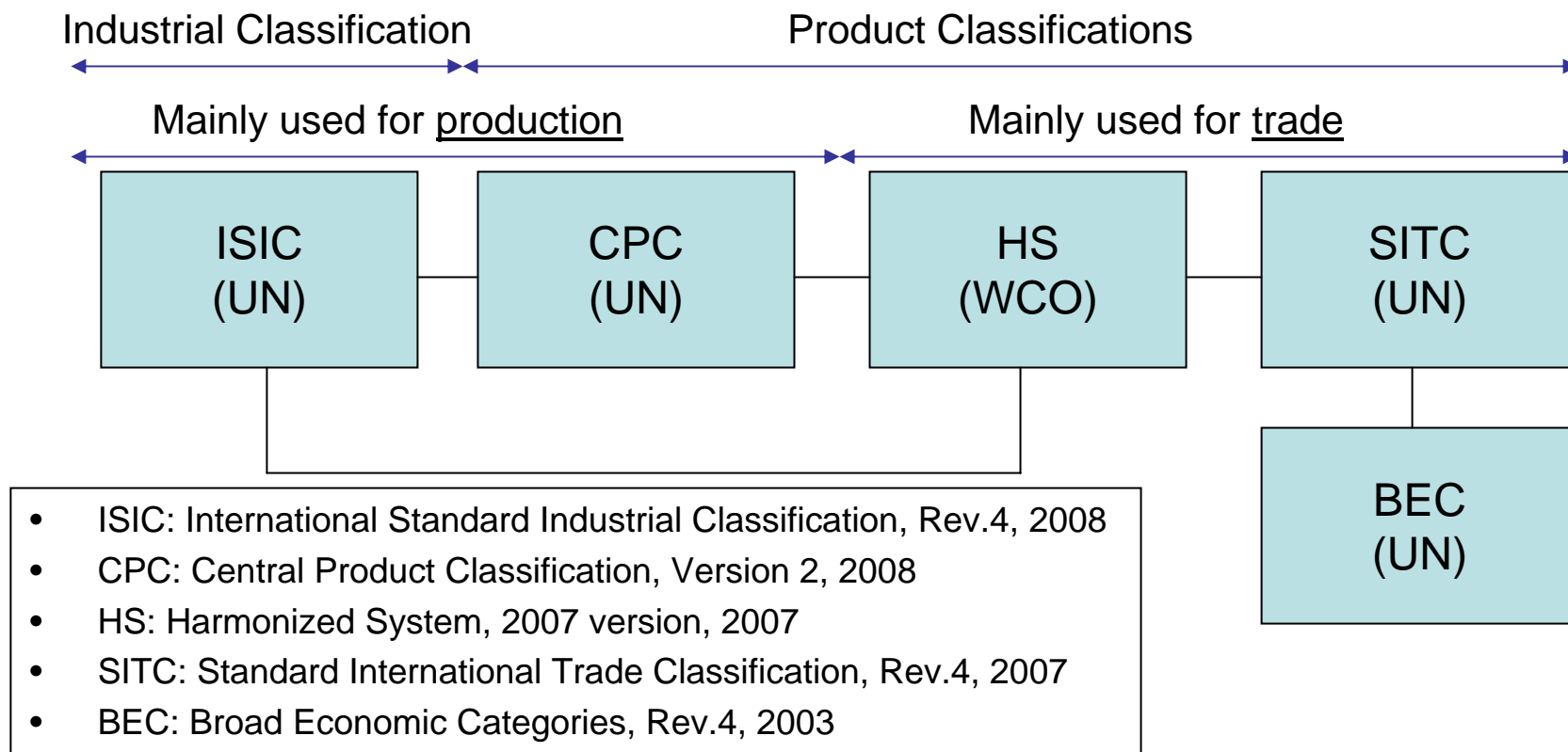


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Commodity Classification

Relationship between different classifications



Commodity Classification

1. Current recommendation(s)

It is recommended that countries use HS for the collection, compilation and dissemination of international merchandise trade statistics.

Refer to IMTS, Rev.2, para. 100

2. Result from the 2006 NCDP Questionnaire

Question 6.01 – 6.06 :	Yes	No	N/A
Do you use the Harmonized System (HS) as the basis for your detailed commodity trade database?	93.9	3.0	3.0
Do you use the Harmonized System for dissemination purposes?	85.6	10.6	3.8
Do you publish any data in terms of SITC ?	63.6	34.8	1.5
Do you publish any data in terms of CPC ?	9.1	85.6	5.3
Do you publish any data in terms of BEC ?	45.5	47.7	6.8
Do you publish any data in terms of ISIC ?	22.0	72.7	5.3

Commodity Classification

3. UNSD observation of 2006 NCDP result

- Confirmation of almost universal use of HS for compilation and dissemination of IMTS
 - Significant increase compared with 1996 NCDP result (77% vs. 93%)
- Steady use of SITC (Standard International Trade Classification) for data publication
 - No change compared with 1996 NCDP result (65% vs. 64%)
- Since its released in 1988, BEC (Broad Economic Categories), defined in terms of SITC Rev.3, has gained popularity and is used by 45% of respondents
- Low usage of ISIC (International Standard Industrial Classification) and CPC (Central Product Classification)

Commodity Classification

Needs of correlation tables

- Due to periodic update of HS respective correlation tables require update as well:
 - SITC Rev. 4 was approved by Statistical Commission in 2006 and is defined in terms of HS2007 subheadings
 - UNSD issued draft correlation tables between HS2007 and BEC and asked UN Expert Group on classifications for opinion

Potential problem during conversion of data

- Use of commodity conversion
 - Maintenance of comparable data series, reconciliation of data obtained from various sources, re-aggregation for another analytical purposes
- However, split relationship (1:n and n:n) may cause problem to achieve the goals mentioned above

Quantity Measurement

Importance of quantity

- It may provide a more reliable indicator of international movement of goods because it is free of valuation problems
- It can be used in checking the reliability of the value data
- It is indispensable in the construction of index numbers and for transportation statistics

The standard units of quantity recommended by WCO

- Standard units of quantity is specified for each HS six-digit subheading
- The units are *kilograms (kg)*, *carat (carat)*, *Length metres (m)*, *Area square metres (m²)*, *Volume cubic metres (m³)*, *litres (l)*, *Electrical power 1,000 kilowatt-hours (1,000 Kwh)*, *Number (units) pieces/items (u)*, *pairs (2u)*, *dozens (12u)*, *thousands of pieces/items (1,000u)*, *packs (u(set/pack))*

Quantity Measurement

1. Current recommendation(s)

It is recommended that countries use the WCO standard units of quantity when collecting and reporting international merchandise trade on the basis of the Harmonized System.

It is also recommended that:

- (a) In the case of the HS headings (subheadings) where the standard unit is other than weight, a weight also be collected and reported;
- (b) Weight figures be reported on a net weight basis;
- (c) Countries that use units of quantity other than the WCO standard units provide the conversion factors to the standard units in their statistical nomenclatures.

Refer to IMTS, Rev.2, para. 133

Quantity Measurement

2. Result from the 2006 NCDP Questionnaire

Question 6.07 – 6.09:	Yes	No	N/A
Do you collect quantity data?	92.4	4.5	3.0
Do you record or estimate net weight for quantity measurement of all commodities, where applicable?	73.5	22.7	3.8
Do you record or estimate the World Customs Organizations (WCO) recommended units of quantity for each of the headings of the HS?	67.4	24.2	8.3

3. Quantity data received along with 2007 trade data submission

% of countries (from totals of 107 countries) ↓	% of records →	< 50	50 - 75	> 75
		reported net weight	4.7	15.0
reported WCO recommended supplementary quantity unit		6.5	44.9	48.6

Quantity Measurement

4. UNSD observation of 2006 NCDP result and quantity data submission

Majority of countries (92.4%) are able to collect quantity data, especially net weight for all commodities (74.5%). It is confirmed with 2007 trade data submission which shows 80.4% of reporters reported net weight.

However, some countries are unable to fully comply with WCO recommended supplementary quantity units for each of the headings of the HS.

Quantity units in UN Comtrade

Quantity units obtained from countries by UNSD are, where necessary and possible, *converted / estimated* to WCO Recommended Units

UN Comtrade disseminates data with WCO recommended quantity units and tries to complete data series, where quantities are missing.

Possible issues for discussion

Commodity Classification

- Use and importance or concerns regarding SITC, BEC, ISIC and CPC for IMTS
- Conversion of data frequent discussion point at workshops with countries - Are further recommendations or guidelines regarding data conversion needed ?

Quantity Measurement

- How to increase compliance with WCO recommended units?
- Should it be recommended to estimate quantities and publish its estimation methods?
- Collection of good practices in quantity estimation and put them in the updated compilers manual.

Thank you for your attention