Workshop for Developing Countries on the Revision of the International Recommendations for International Merchandise Trade Statistics

Bogotá, 31 March - 3 April, 2009

Commodity Classification and Quantity Measurement

(Review of existing recommendations; Other concerns)

(Item 10)

Presentation by Nelnan Koumtingué

Associate Statistician,
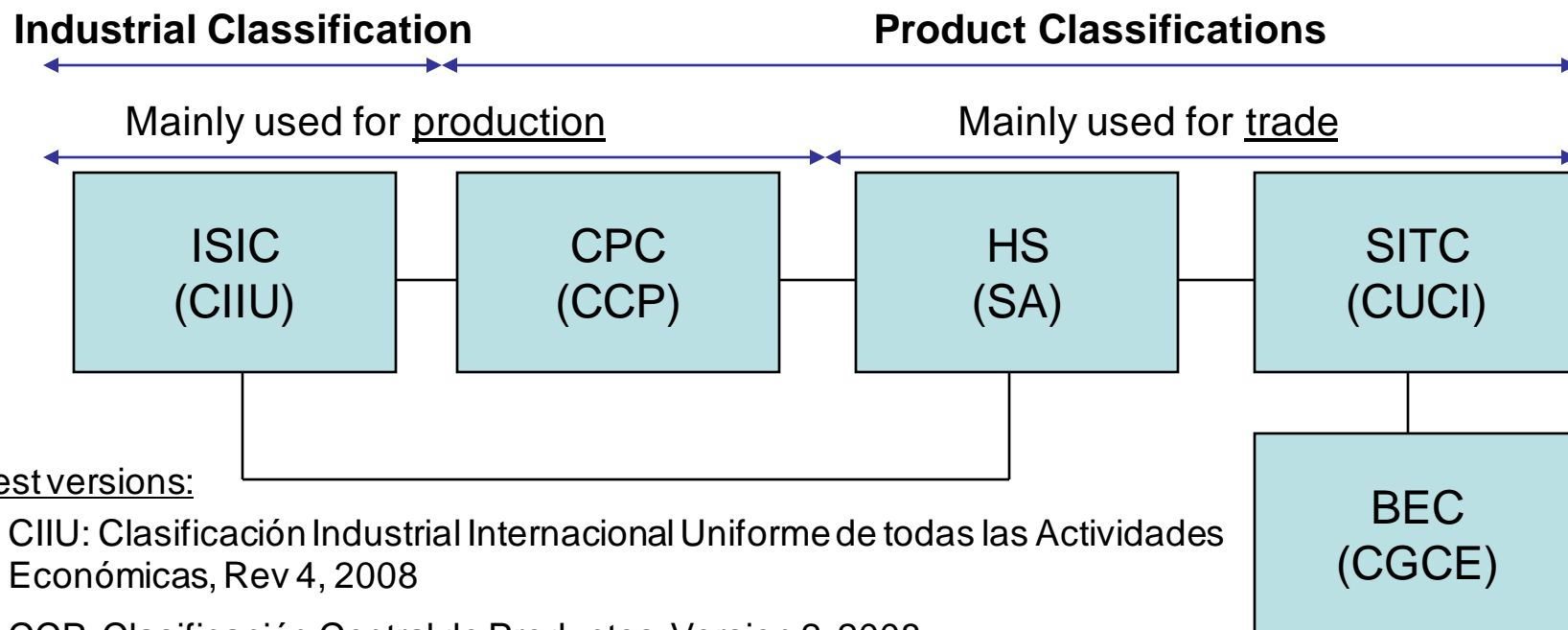**United Nations Statistics Division, International Trade Statistics Section,**
2 United Nations Plaza, DC2-1544, New York, New York 10017,
Phone: (917) 367-5466, Fax: (917) 367-5106, e-mail: koumtingue@un.org

Commodity Classification

I- Commodity Classification

Relationship between different classifications

Industrial Classification   **Product Classifications**

Mainly used for <u>production</u>   Mainly used for <u>trade</u>

ISIC (CIIU)	CPC (CCP)	HS (SA)	SITC (CUCI)

BEC (CGCE)

Latest versions:

- CIIU: Clasificación Industrial Internacional Uniforme de todas las Actividades Económicas, Rev 4, 2008

- CCP: Clasificación Central de Productos, Version 2, 2008

- SA: Sistema Armonizado, 2007 Edition

- CUCI: Clasificación Uniforme para el Comercio Internacional, Revisión 4, 2007

- CGCE: Clasificación por Grandes Categorías Económicas, Rev 4, 2003

I- Commodity Classification

1. Current recommendation (IMTS, Rev.2, para. 100)

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

2. 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 other classifications (ISIC, CPC)

I- Commodity Classification

→ Classifications are regularly updated

- With the HS 2007, the SITC was updated (SITC, Rev. 4)
- To provide time series for users, we produce tables for data conversion
- Appearance and disappearance of products → breaks in series

→ Conversion tables to earlier classifications:

From the latest version HS 2007 to:
- previous editions of HS (2002, 1996 and 1992)
- SITC, Rev. 3 (CUCI, Rev. 3)
- BEC (CGCE)
- Remaining forthcoming: SITC, Rev. 2 and Rev. 1

Quantity Measurement

II- 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 World Customs Organization (WCO) recommended standard units of quantity**

Standard units of quantity is specified for each subheading (6-digit level) of the Harmonized System:

Weight: *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))*

II- 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 Harmonized System 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

II- Quantity Measurement

2. 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%).

→ This 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 HS headings.

In the UN Comtrade

- UN Comtrade disseminates data with WCO recommended quantity units and tries to complete data series with estimates, where quantities are missing or not reported in recommended units.

III- **Possible issues for discussion**

Commodity Classification

- Use and importance or concerns regarding SITC, BEC, ISIC and CPC for IMTS
- The issue of data conversion arises frequently 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

Gracias!