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DEPARTMENT OF ECONOMIC
AND SOCIAL AFFAIRS
STATISTICS DIVISION



ANDEAN COMMUNITY
GENERAL SECRETARIAT



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ECONOMIC COMMISSION FOR
LATIN AMERICA AND THE
CARIBBEAN

**Regional Workshop on Country Practices in Compilation of
International Merchandise Trade Statistics, 7-11 May 2007, Lima**

Agenda item No. 10: Commodity Classifications and Quantity Measurements

Presentation

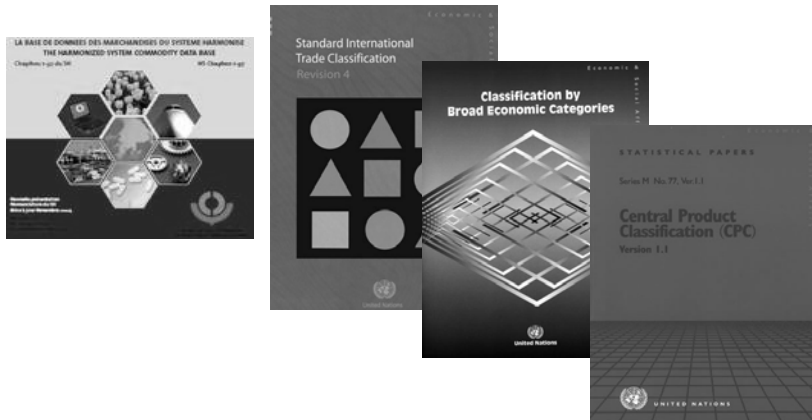
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HS, SITC, BEC AND CPC

Presentation by

United Nations Statistics Division (UNSD)

HS, SITC, BEC and CPC



IMTS Workshop, Lima,
7-11 May, 2007

United Nations Statistics Division

Slide 1

“The Harmonized System: The Language of International Trade” (WCO)

1. **HS-2007 Classification**
2. **Trade Time Series and HS-2007**
3. **SITC, Rev.4**
4. **Classification by Broad Economic Categories (BEC)**
5. **Central Product Classification**

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Slide 2

Main Commodity Classifications

- **Harmonized System**, editions 1988, 1992, 1996, 2002 and 2007
- **Standard International Trade Classification**, original (1951), Revised (1960), Revision 2 (1976), Revision 3 (1988), Revision 4 (2007)
- **Central Product Classification**, Provisional (1991), version 1.0 (1998), version 1.1 (2002), version 2.0 (2007)

- **HS was recommended by the UN Statistical Commission as the commodity classification for Compilation and Dissemination of international merchandise trade statistics (in 1993)**
- **Since 1988, 842 new headings were added to HS which contains about 5000 headings (1 - in 1992, 267 – in 1996, 316 – in 2002 and 260 – in 2007)**

The Preamble to the HS Convention emphasizes the importance of ensuring that the Harmonized System is kept up to date in the light of changes in technology or in patterns of international trade.

General scope of the amendments of HS-2007

This is in fact the third major revision of the Harmonized System and it includes 354 sets of amendments, namely:

- Technological progress;
- Change in trade patterns;
- Clarification of texts to ensure uniform application;
- Better reflect trade practice;

Amendments related to the social and environmental fields, i.e., new subheadings to facilitate the monitoring and control of :

- certain species of fish;
- products of bamboo (INBAR (FAO))
- pesticides (Rotterdam Convention)
- ozone-depleting substances (Montreal Protocol)
- products containing asbestos

Harmonized System Classification

- **Reasons for deleting codes:**
 - **Low value in world trade (based on UN Comtrade)**
 - **Splitting into two or more codes**
- **Reasons for adding codes:**
 - **New products**
 - **Special interest products**
- **Some codes stay but have amendments in content**

Harmonized System Classification

TABLE I – CORRELATING THE 2007 VERSION
TO THE 2002 VERSION OF THE HARMONIZED SYSTEM

2007 Version	2002 Version	Remarks	Relevant documents (Session of HSC)
0105.94	0105.92 0105.93	Subheadings 0105.92 and 0105.93 have been merged into new subheading 0105.94, covering all fowls of the species <i>Gallus domesticus</i> .	Annexes D/1 and M/4 to Doc. NC0796E2 (HSC/32)
0208.90	0208.20 0208.90	Deletion of subheading 0208.20 entails the transfer of these products to subheading 0208.90.	Annexes E/1 and N/3 to Doc. NC0845B2(HSC/33)
0301.94 0301.95 0301.99	ex0301.99 ex0301.99 ex0301.99	New subheadings 0301.94 and 0301.95 have been created for bluefin tunas and southern bluefin tunas.	Annexes F/1 and N/8 to Doc. NC0730E2 (HSC/31)
0302.67 0302.68 0302.69	ex0302.69 ex0302.69 ex0302.69	New subheadings 0302.67 and 0302.68 have been created for swordfish and toothfish.	Annexes F/1 and N/8 to Doc. NC0730E2 (HSC/31)

Harmonized System Classification

2007 Version	2002 Version	Remarks	Relevant documents (Session of HSC)
0802.60 0802.90	ex0802.90 ex0802.90	New subheading 0802.60 has been created for macadamia nuts.	Annexes E and N/8 to Doc. NC0590B2 (HSC/29)
0810.90	0810.30 0810.90	Deletion of subheading 0810.30 entails the transfer of these products to subheading 0810.90.	Annexes E/1 and N/3 to Doc. NC0845B2 (HSC/33)
0906.11 0906.19	ex0906.10 ex0906.10	Subheading 0906.10 has been subdivided to provide separately for Ceylon cinnamon (<i>Cinnamomum zeylanicum Blume</i>).	Annexes F/2 and N/3 to Doc. NC0845B2 (HSC/33)
0910.99	0910.40 0910.50 0910.99	Deletion of subheadings 0910.40 and 0910.50 entails the transfer of these products to subheading 0910.99.	Annexes E/1 and N/3 to Doc. NC0845B2 (HSC/33)

Time Series of Trade Data

- HS-2007 headings will be correlated to those of many other classifications like (1) earlier HS editions, (2) SITC, (3) CPC, (4) BEC and (5) ISIC
- Principles: (i) one to one, (ii) many to one, or (iii) arbitrary correlation, if one to many.
- HS to HS conversions have few problems at 2- or 4-digit level

- **HS to SITC**
 - HS07 to SITC, Rev4 is perfect
 - HS07 to SITC, Rev3 is questionable
 - HS07 to SITC, Rev2 is not good
 - HS07 to SITC, Rev1 is bad
- HS to BEC is OK, some national interpretation advisable

- **Examples of Time Series data in UN Comtrade**
 - Disappearing Codes
 - Appearing Codes
 - Consistent Codes
 - Warning Flags
 - **SITC time series in detailed commodities**

Time Series of Trade Data

Time Series Problem

- **HS-2007** appearing code **0105.94**
- **HS-2002** disappearing codes **0105.92** and **0105.93**
- **0105.92 = Chicken < 2 Kg**
- **0105.93 = Chicken > 2 Kg**
- **0105.94 = 0105.92 + 0105.93**
- **Which code to choose for Time Series continuation in HS-2002 as of 2007 ?**

Time Series of Trade Data

Address: <http://comtrade.un.org/db/qd/qdBasicQueryResults.aspx?cc=01092,%2001093&pc=H1&r=276p=0&g=2&so=20>

Selected commodities: 01052 (Fovls, domestic, live wt), 01053 (Fovls, domestic, live wt)
 Selected reporters: Germany
 Selected years: All
 Selected partners: World
 Selected trade flow: Export

Sort Order: [Comm,Year,Rep,Flow,TradeVal,] Refresh

Modify Selection View Graph & Map Printable Format View Explanation Notes XDRX Download Download View Not Available Data

Period	Trade Flow	Reporter	Partner	Code	Trade Value	NetWeight (kg)	Quantity Unit	Trade Quantity
1996	Export	Germany	World	01052	\$79,535,164	90,279,104	#	90,279,104
1997	Export	Germany	World	01052	\$44,538,374	81,450,000	#	81,450,000
1998	Export	Germany	World	01052	\$75,224,000	90,908,000	#	90,908,000
1999	Export	Germany	World	01052	\$82,229,492	86,574,576	#	86,574,576
2000	Export	Germany	World	01052	\$85,580,144	65,246,924	#	65,246,924
2001	Export	Germany	World	01052	\$56,512,152	61,989,040	#	61,989,040
2002	Export	Germany	World	01052	\$37,583,124	56,780,444	#	56,780,444
2003	Export	Germany	World	01052	\$33,890,000	40,550,611	#	40,550,611
2004	Export	Germany	World	01052	\$90,105,000	75,659,221	#	75,659,221
2005	Export	Germany	World	01052	\$71,284,000	82,411,604	#	51,137,733
1996	Export	Germany	World	01053	\$12,722,626	14,485,601	#	14,485,601
1997	Export	Germany	World	01053	\$18,424,454	22,710,000	#	22,710,000
1998	Export	Germany	World	01053	\$22,395,000	30,938,000	#	30,938,000
1999	Export	Germany	World	01053	\$27,559,040	45,240,300	#	45,240,300
2000	Export	Germany	World	01053	\$42,995,454	78,191,184	#	78,191,184
2001	Export	Germany	World	01053	\$78,711,936	125,132,640	#	125,132,640
2002	Export	Germany	World	01053	\$86,642,776	154,416,592	#	154,416,592
2003	Export	Germany	World	01053	\$70,150,000	99,178,323	#	99,178,323
2004	Export	Germany	World	01053	\$101,849,000	120,046,913	#	120,046,913
2005	Export	Germany	World	01053	\$100,406,000	119,713,496	#	10,894,748

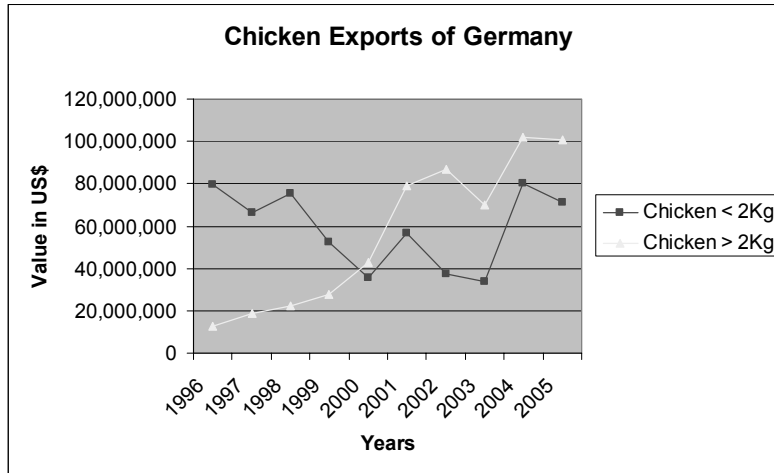
not yet available reporters of 2005 data

1. United Arab Emirates [0.22%]
2. Czech Rep. [0.74%]
3. Portugal [0.41%]
4. Algeria [0.31%]
5. Kuwait [0.30%]
6. Nigeria [0.28%]
7. Kazakhstan [0.22%]
8. Libya [0.18%]
9. Viet Nam [0.14%]
10. Others [1.90%]

*Based on UN country totals
 Percentage of world trade is given in brackets

Database: Trade Services Knowledge Base Community Forum Export Forum
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Time Series of Trade Data



Time Series of Trade Data

Time Series No Problem

- **HS-2007 code 2301.10** [“Beer from Malt”]
- **HS-2002, HS-1996, HS-1988 code 2301.10**
- **SITC code 121.3 = HS code 2301.10**
 - Long time series available
- **Which code to choose for Time Series ?**
 - SITC, Revision 1

Time Series Problem



UN Comtrade on Commodity Basis

- Mostly consistent codes
- Removing of misleading codes
- Warning flags on almost consistent codes

Standard International Trade Classification

Standard International Trade Classification, (SITC)

- Original (1951)
- Revised (1960)
- Revision 2 (1976)
- Revision 3 (1988)
- Revision 4 (2007)

SITC, Rev. 3

At its 1976 session the UN Statistical Commission took a policy decision that UN economic classifications should be harmonized by using the Harmonized System (HS) subheadings as building blocks.

SITC, Rev. 3, ISIC Rev. 3 and CPC Provisional were prepared based on this decision

SITC, Rev. 4

- At its March 2004 session, the UN Statistical Commission recommended that UNSD produce a fourth revision of the SITC
- The revision took into consideration all the amendments of the HS from the 1992, 1996, 2002 and 2007 editions.

SITC, Rev. 4

- The scope of SITC, Rev. 4 remains the same as that of SITC, Rev. 3.

- Deleted SITC, Rev. 3 basic headings 380
- New SITC, Rev. 4 basic headings 87
- Total SITC, Rev. 4 basic headings 2,970

Classification by Broad Economic Categories (BEC)

- Initially developed by UNSD for internal purposes
- With time countries started using BEC for variety of purposes including economic analysis and setting tariffs
- The latest revision is BEC 4 issued in 2003
- BEC has 19 categories and three derived classes, namely (1) capital, (2) intermediate and (3) consumption goods

Central Product Classification

- Integrates Goods and Services categories
- For Production and Trade purposes
- More detail than HS in some areas like
 - Printed Matter
 - Petroleum Products
 - Computer related products

Central Product Classification

Structure of CPC

➤ 5 Levels

- Section (one-digit code) (10)
- Division (2-digit code) (70)
- Group (3-digit code) (305)
- Class (4-digit code) (1167)
- Subclass (5-digit code) (2096)

Central Product Classification

10 Sections of CPC

0 – 4: Goods (transportable)

- 0 - Agriculture, forestry and fishery products
- 1 - Ores and minerals; electricity, gas and water
- 2 - Food products, beverages and tobacco; textiles, apparel and leather products
- 3 - Other transportable goods, except metal products, machinery and equipment
- 4 - Metal products, machinery and equipment

5 – 9: Services (mainly)

- 5 - Construction services
- 6 - Distributive trade services; lodging; food and beverage serving services; transport services; and utilities distribution services
- 7 - Financial and related services; real estate services; and rental and leasing services
- 8 - Business and production services
- 9 - Community, social and personal services

Central Product Classification

33310	Motor spirit (gasoline) including aviation spirit	2710.11*
33320	Spirit type (gasolene type) jet fuel	2710.11*
33330	Other light petroleum oils and light oils obtained from bituminous minerals (other than crude); light preparations n.e.c. containing not less than 70 per cent by weight of petroleum oils or oils obtained from bituminous minerals (other than crude), these oils being the basic constituents of the preparations	2710.11*
33340	Kerosene (including kerosene type jet fuel)	2710.19*
33350	Other medium petroleum oils and medium oils obtained from bituminous minerals (not kerosene), other than crude; medium preparations n.e.c. containing not less than 70 per cent by weight of petroleum oils or oils obtained from bituminous minerals (other than crude), these oils being the basic constituents of the preparations	2710.19*
33360	Gas oils	2710.19*
33370	Fuel oils n.e.c.	2710.19*
33380	Lubricating petroleum oils and oils obtained from bituminous minerals, other heavy petroleum oils and heavy oils obtained from bituminous minerals (other than crude), and heavy preparations n.e.c. containing not less than 70 per cent by weight of petroleum oils or oils obtained from bituminous minerals (other than crude), these oils being the basic constituents of the preparations	2710.19*

Central Product Classification

47530	Magnetic media, not recorded, except cards with a magnetic stripe	8523.29*
47540	Optical media, not recorded	8523.40*
47590	Other recording media, incl. matrices and masters for the production of disks	8523.59, .80*
47610	Musical audio disks, tapes or other physical media	8523.29*, .40*, .80*
47620	Films and other video content on disks, tape or other physical media	8523.29*, .40*
47691	Audio books on disk, tape or other physical media	8523.29*, .40*
47692	Text-based disks, tapes or other physical media	8523.29*, .40*
47699	Other non-musical audio disks and tapes	8523.29*, .40*
47811	Operating systems, packaged	8523.29*, .40*
47812	Network software, packaged	8523.29*, .40*
47813	Database management software, packaged	8523.29*, .40*
47814	Development tools and programming languages software, packaged	8523.29*, .40*

Central Product Classification

Future Challenges

- Recommend to align HS with CPC in next revision of HS in areas of standard software and petroleum products, where CPC provides more detail

**Thank you
for your attention**