



Commodity Classification and Quantity Information

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Commodity Classification

Let's go back to scope

Definition of the scope of international merchandise trade statistics as recording of **goods** which **add to or subtract from** the stock of material resources of a country by **entering** (imports) or **leaving** (exports) its **economic territory**

What, How, When, Where

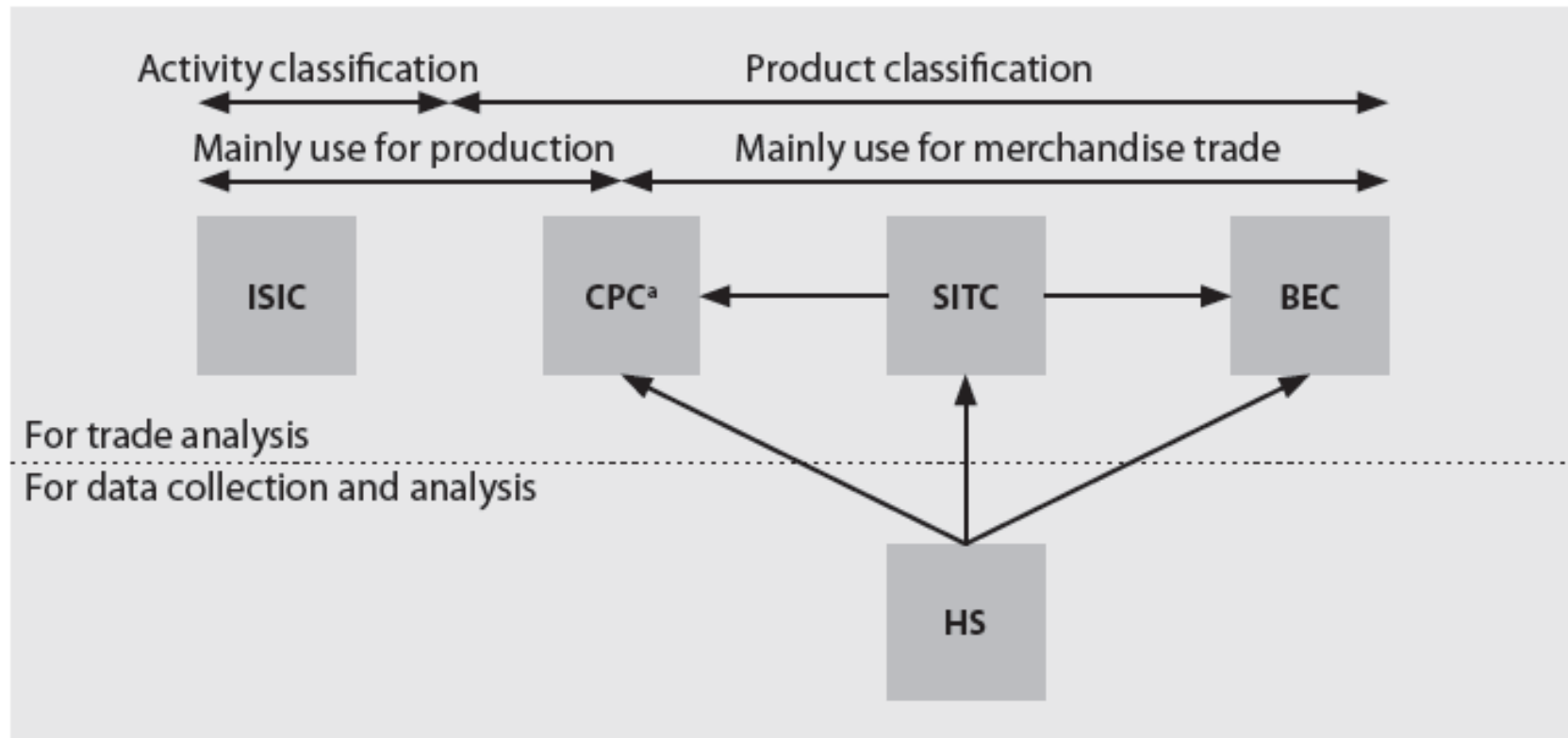


Classification / Nomenclature

- **Common language** in defining and categorizing goods
 - Is a “smart watch” a watch or an electronic device?
- Without it, trade **data would not be comparable**
- Has been **evolving** since 1900 ...from “minimum list of commodities”, SITC, HS

And now ...

Relationship between different classifications



a Includes services.

The latest version

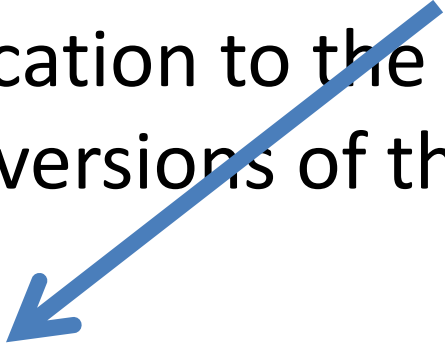
- HS 2017 (in force in 2017) - **WCO**
- SITC Rev. 4 (based on HS 2002) - **UN**
- BEC Rev. 5 (adopted March 2016) - **UN**
- CPC Rev. 2.1 (2015) – **UN**

UNSD maintains **correlation tables** among them

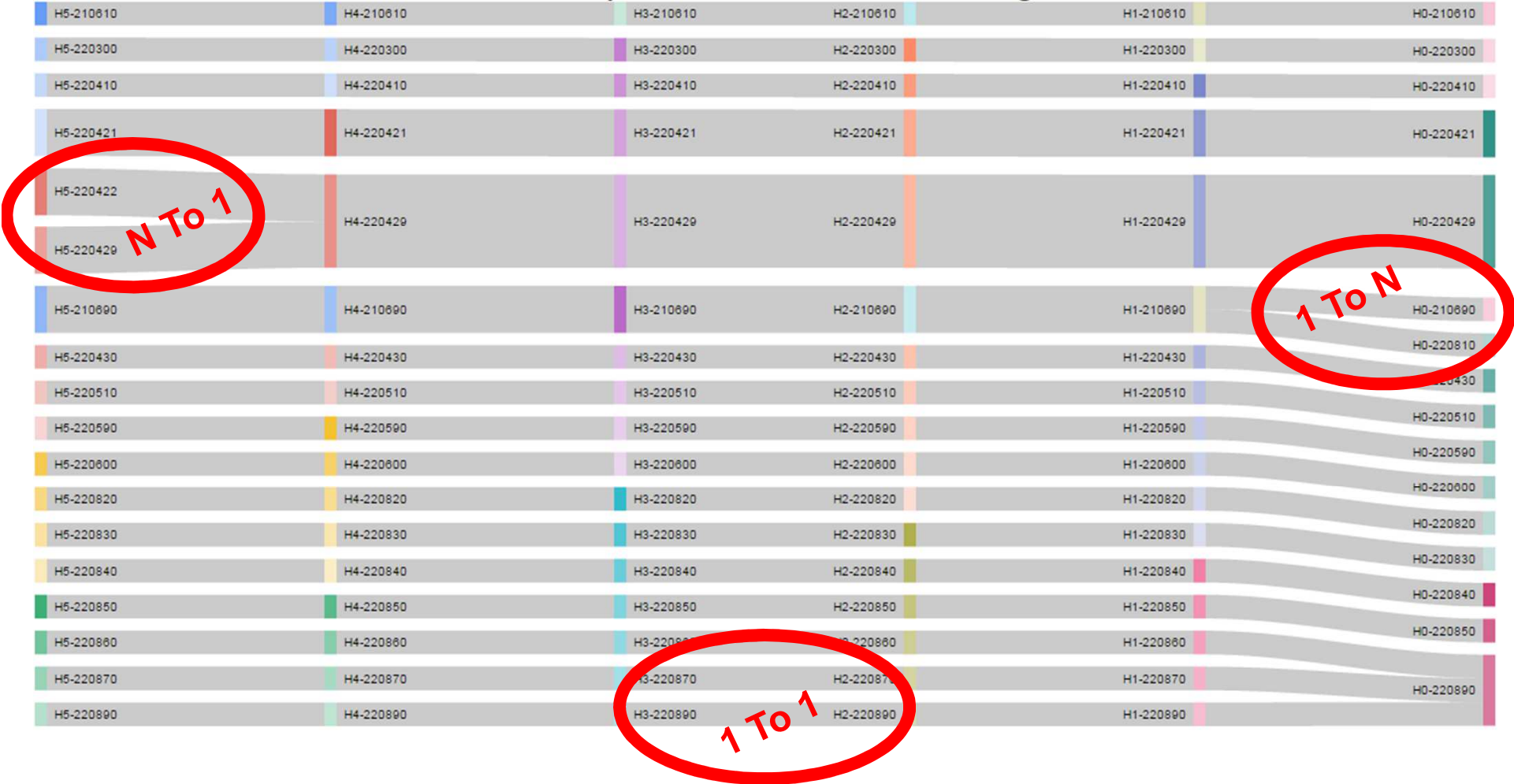


Correlation among different commodity classifications

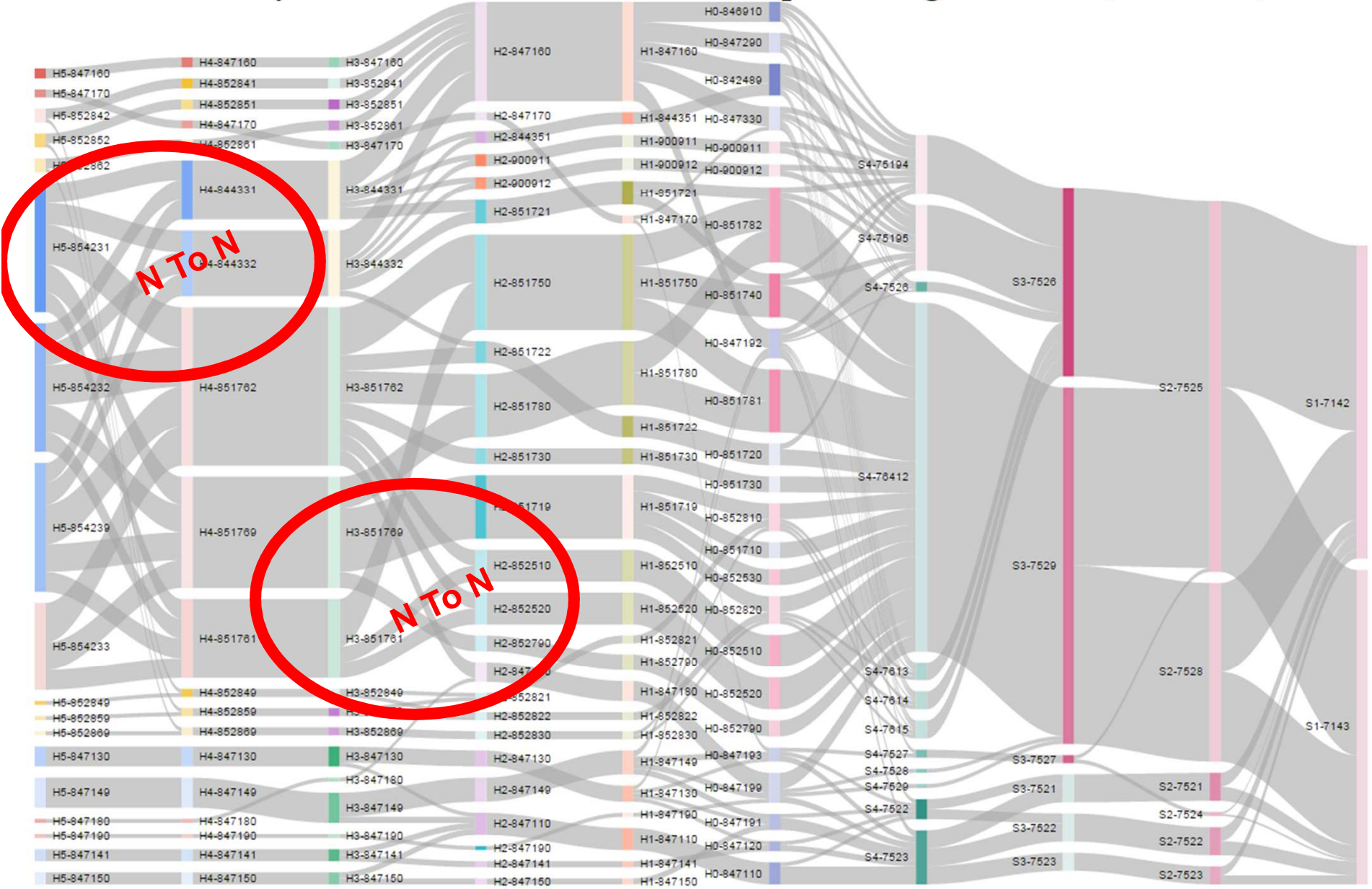
Correlation Tables

- Correlation tables maintain **full relationship** between one classification to the other, or within two different versions of the same classification
 - 1 To 1, 1 To N, N to 1 and N to N
- 

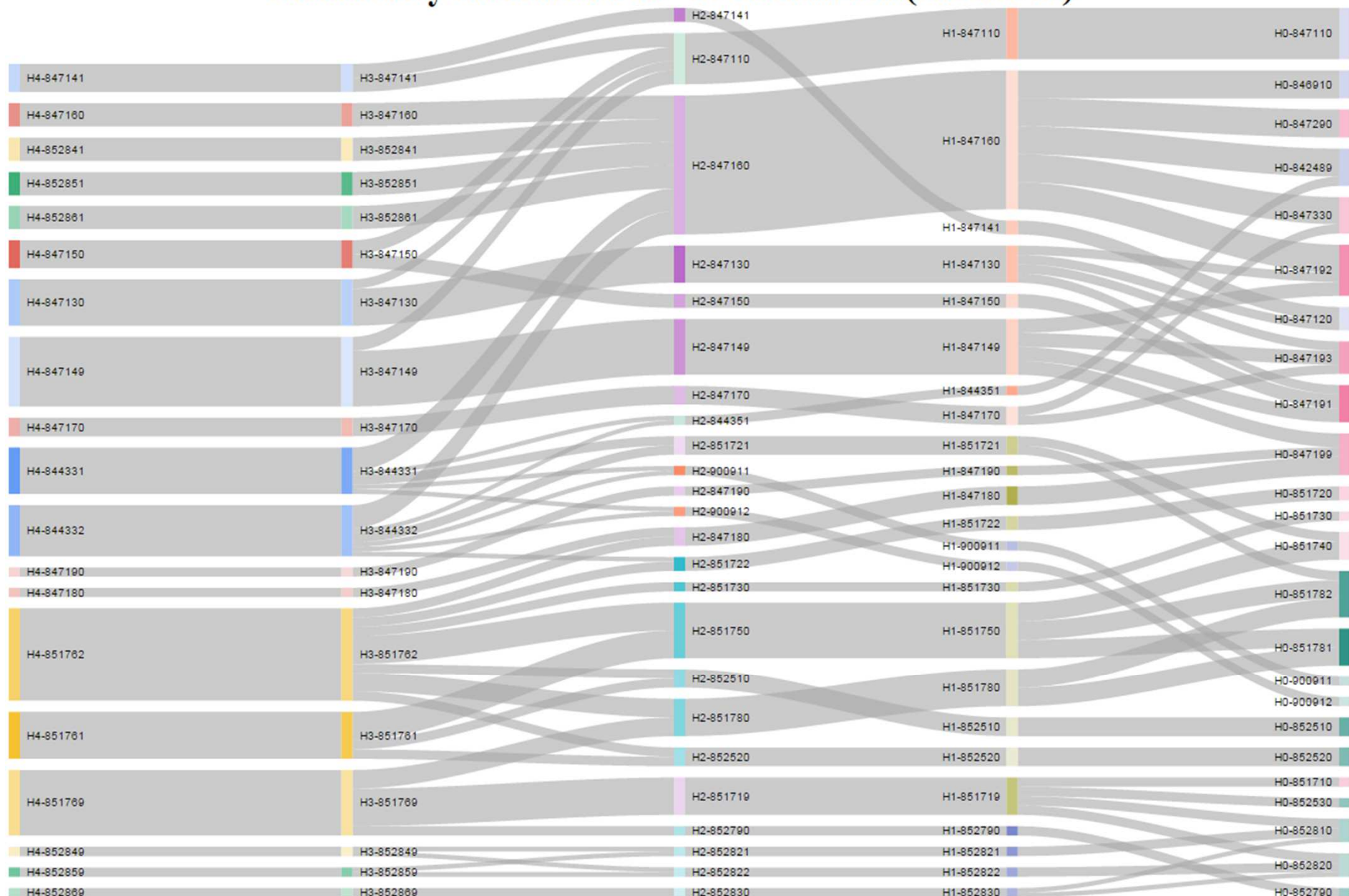
Commodity correlation of Alcoholic Beverages



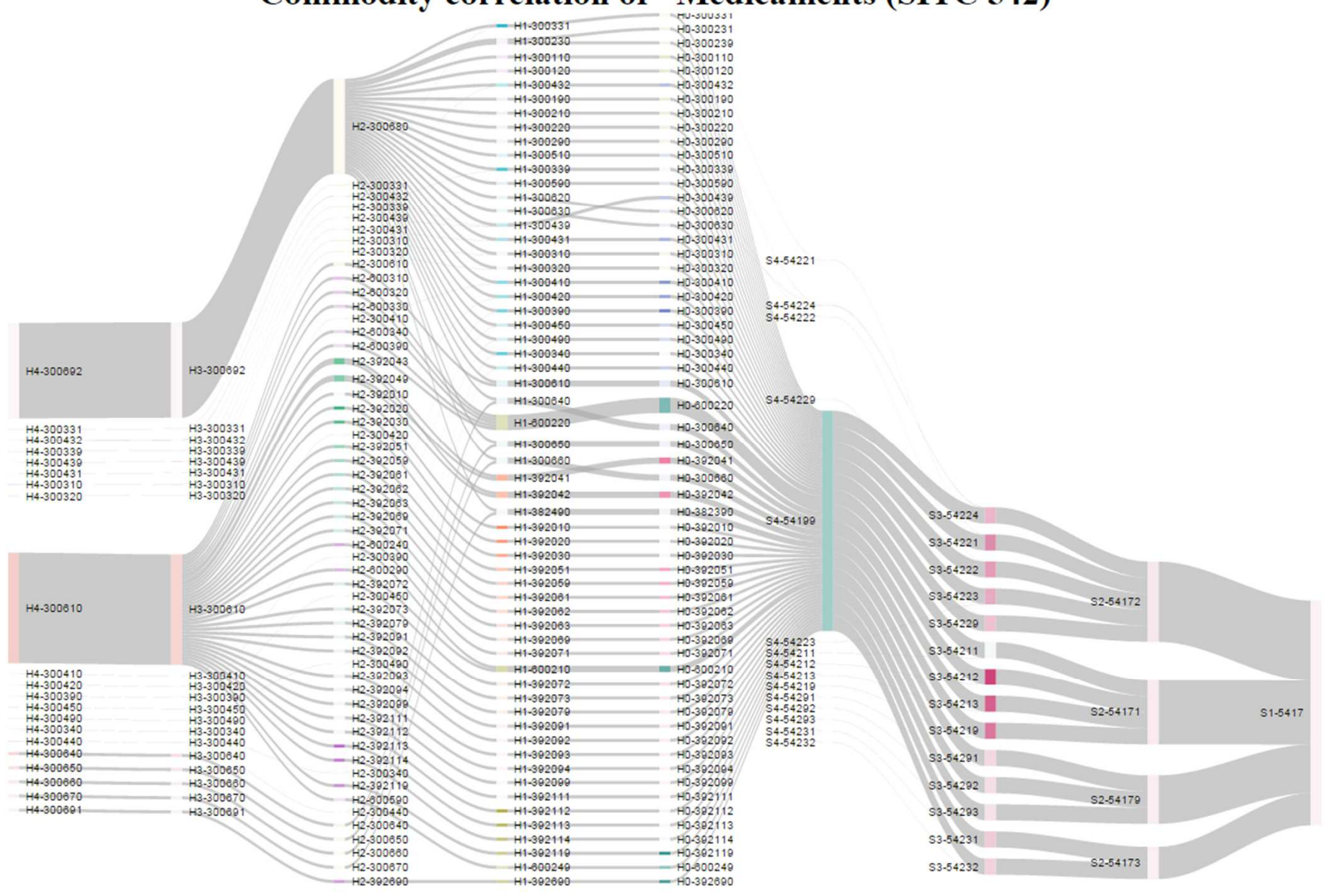
Commodity correlation of "Automatic data processing machines (SITC 752)"



Commodity correlation of "Medicaments (SITC 542)"



Commodity correlation of "Medicaments (SITC 542)"




Conversion Tables





































- Conversion tables show **simplified relationship** between one classification to the other, or within two different versions of the same classification
 - 1 To 1, ~~1 To N~~, N to 1 and ~~N to N~~
- They are used to convert data compiled in one classification to another (**using aggregation**), so that long time series can be maintained

Conversion Tables (cont.)

- UNSD maintains matrix of correlation and conversion

Conversion and Correlation Tables

- Complete correlations among HS, SITC and BEC  (900KB)

| from / to | HS 2007 | HS 2002 | HS 1996 | HS 1992 | SITC 4 | SITC 3 | SITC 2 | SITC 1 | BEC |
|-----------|---|---|---|---|---|---|---|---|---|
| HS 2012 |  |  |  |  |  |  |  |  |  |
| HS 2007 | - |  |  |  |  |  |  |  |  |
| HS 2002 | - | - |  |  | - |  |  |  |  |
| HS 1996 | - | - | - |  | - |  |  |  |  |
| HS 1992 | - | - | - | - | - |  |  |  | - |
| SITC 4 | - | - | - | - | - | - | - | - | - |
| SITC 3 | - | - | - | - | - | - |  |  |  |
| SITC 2 | - | - | - | - | - | - | - |  |  |
| SITC 1 | - | - | - | - | - | - | - | - | - |

- However, countries are welcome to establish their own conversion tables taking into account national circumstance



Quantity Information

Importance of quantity information

- It may provide a more reliable indicator of international movement of goods and economic analysis 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 **external trade indices** and for transportations statistics.

WCO recommended units

5.3. *The standard units of quantity recommended by the World Customs Organization (WCO).* In 1995, WCO adopted a recommendation on the use of standard units of quantity to facilitate the collection, comparison and analysis of international statistics based on the Harmonized System.¹⁰¹ The WCO standard units of quantity are:¹⁰²

| | |
|-----------------------|--|
| Weight ¹⁰³ | kilograms (kg) carat (carat) |
| Length | metres (m) |
| Area | |
| Volume | |
| Electrical | |
| Number | pairs (2u) dozens (12u) thousands of pieces/items (1,000u) packs (u (set/pack)) |

This enables IMTS to have multiple measures (value, weight, supplementary quantity) and derived measures (unit value, quantity/kg, etc.)

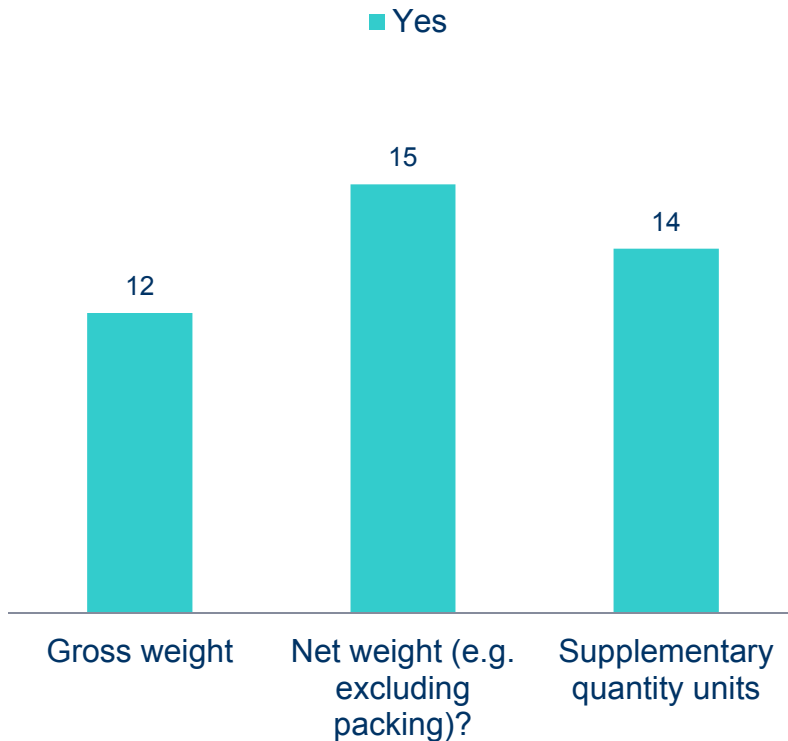
5.4. In the WCO recommendation, one of the above standard units of quantity is specified for each HS six-digit subheading.¹⁰⁴

Recommendations

- Compilation and reporting of quantity information: **collect** or **estimate**, validate and report quantity information in **WCO** standard unit of quantity and in net weight on all trade transactions (para. 5.5);
- Quantity conversion factors: provide **conversion factors** to the recommended standard units in the metadata ... (HS 6 digits codes are used para 5.5).

Main compilation challenge

Q35. Do you collect quantity information (net weight and supplementary quantity units)?



← 2014 African IMTS Survey

- Quantity is **not a mandatory** data item in Customs declaration
- Therefore, quantity are only **partially filled** by traders
- Even if **mandatory**, many are filled with garbage figures

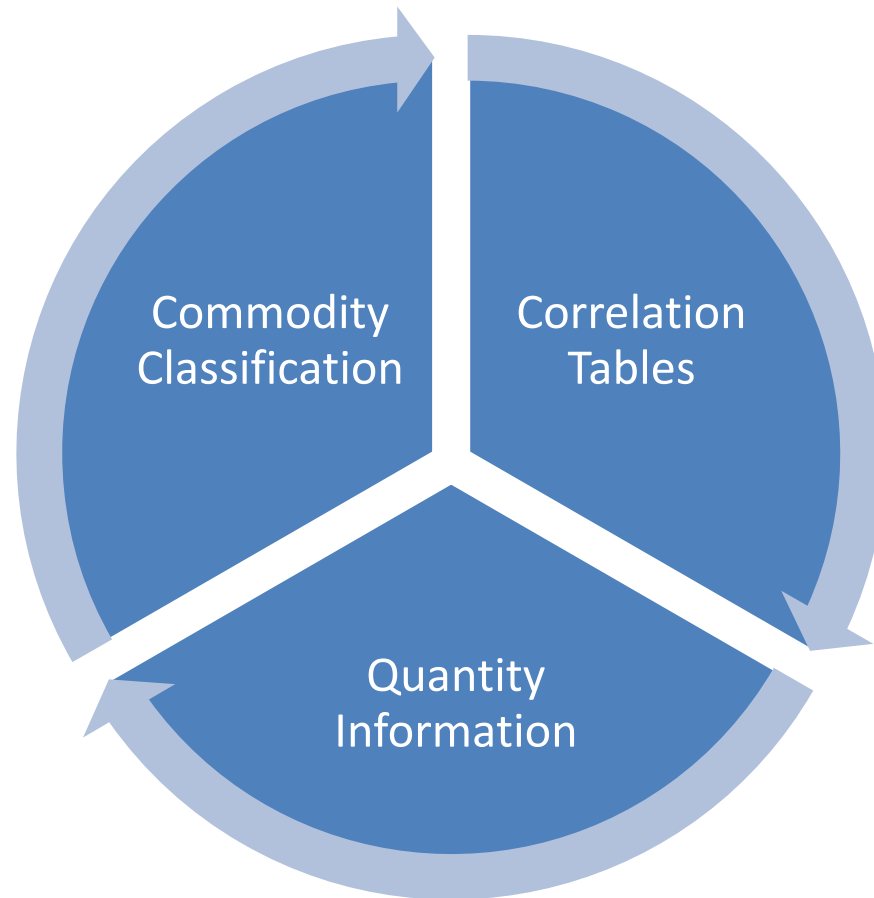
Methods to check quantity

- Using benchmark (Standard Unit Values: SUV)
 - Unit values from customs records;
 - Generation of SUV for every month by commodity by flow and by quantity unit;
 - Outlier must removed
 - Statistical criteria used to check the SUV reliability (especially checks to measure heterogeneity within the most detailed level of HS)

Common corrections and estimation methods

- Cooperate with **Customs** to verify declaration;
- Using **other data sources** (i.e., enterprise surveys, port statistics, etc.);
- Applying **reference prices** (i.e., price of live animal);
- Applying **historical unit values** (i.e., moving average of last X corresponding period);
- Estimating import price based on **consumer price** (by deducting cost of transport, mark up, taxes, etc.);

Questions?



Thank you

Please send your comments to
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