

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

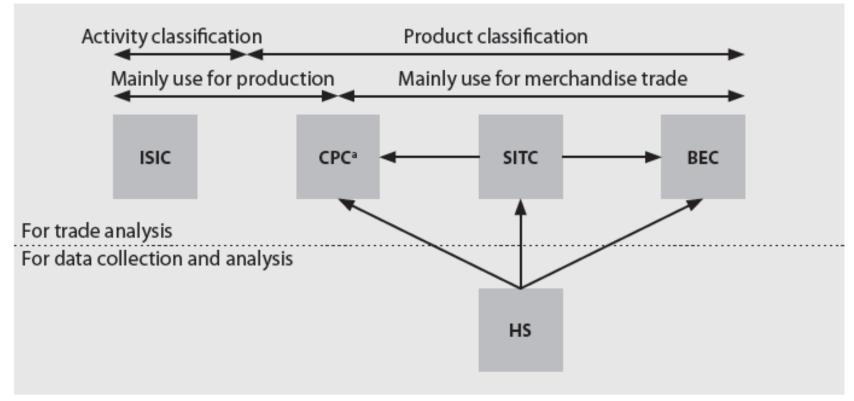
What, How, When, Where

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



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



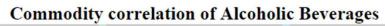


Correlation among different commodity classifications

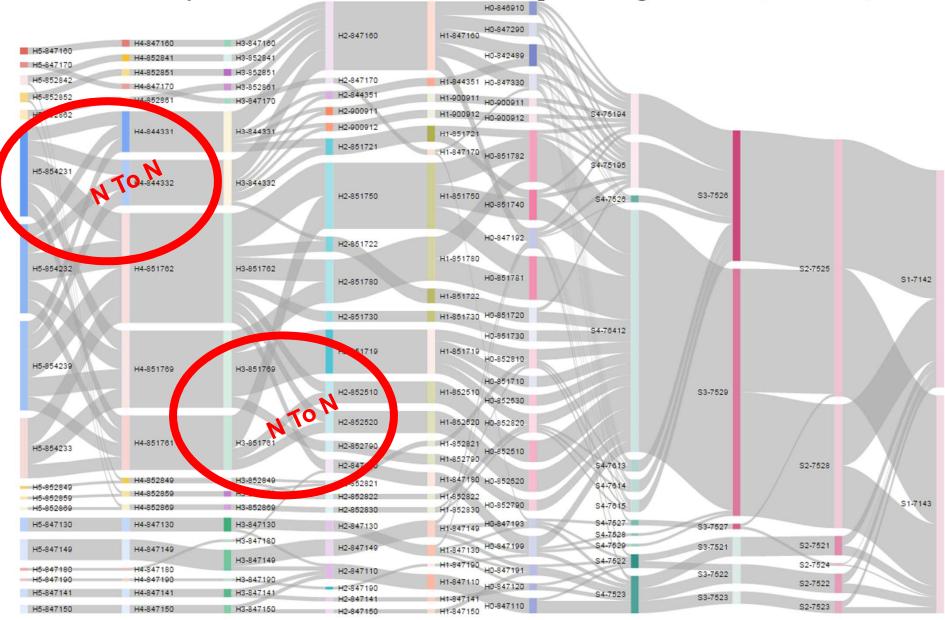
Correlation Tables

 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



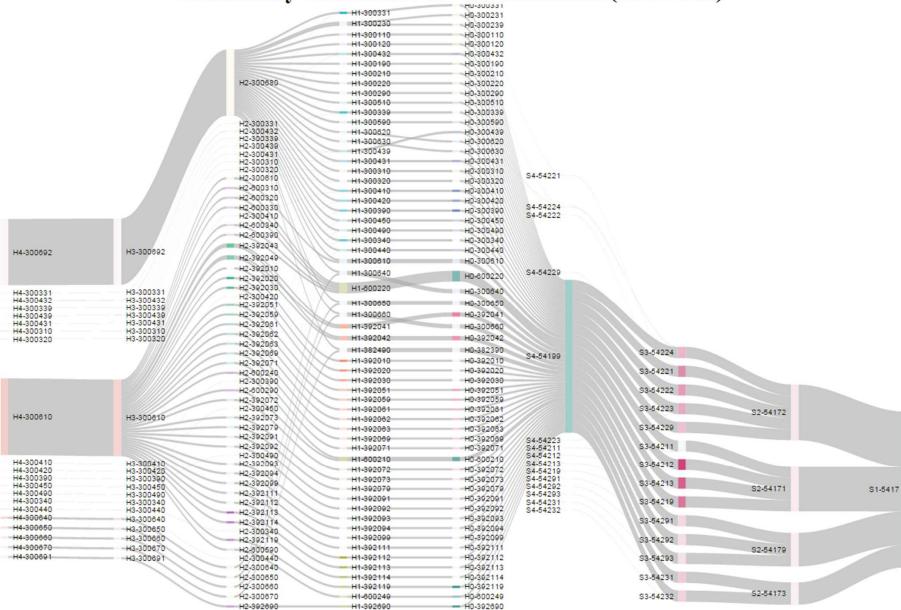
H5-210610	H4-210810	H3-210610	H2-210610	H1-210610	H0-210610
H5-220300	H4-220300	H3-220300	H2-220300	H1-220300	H0-220300
H5-220410	H4-220410	H3-220410	H2-220410	H1-220410	H0-220410
H5-220421	H4-220421	H3-220421	H2-220421	H1-220421	H0-220421
H5-220422 H5-220429	H4-220429	H3-220429	H2-220429	H1-220429	HD-220429
H5-210690	H4-210890	H3-210690	H2-210890	н1-210890	H0-210890
H5-220430	H4-220430	H3-220430	H2-220430	H1-220430	H0-220810
H5-220510	H4-220510	H3-220510	H2-220510	H1-220510	
H5-220590	H4-220590	H3-220590	H2-220590	H1-220590	H0-220510
H5-220600	H4-220600	H3-220600	H2-220600	H1-220600	H0-220590
H5-220820	H4-220820	H3-220820	H2-220820	H1-220820	H0-220600
H5-220830	H4-220830	H3-220830	H2-220830	H1-220830	H0-220820
H5-220840	H4-220840	H3-220840	H2-220840	H1-220840	H0-220830
H5-220850	H4-220850	H3-220850	H2-220850	H1-220850	H0-220840
H5-220860	H4-220860	H3-22082	9.220880	H1-220860	HD-220850
H5-220870	H4-220870	13-220870	H2-22087	H1-220870	110.000000
H5-220890	H4-220890	H3-220890	H2-220890	H1-220890	H0-220890



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

Commodity correlation of "Medicaments (SITC 542)"

	·	H2-847141		
		H2-847110	H1-847110	H0-847110
H4-847141	H3-847141	R269/110		HD-846910
H4-847160	H3-847160			H0-847290
H4-852841	H3-852841		H1-847160	10-04/280
H4-852851	H3-852851	H2-847160		HD-842489
H4-852861	H3-852861		H1-847141	H0-847330
H4-847150	H3-847150	H2-847130	H1-847130	H0-847192
H4-847130	H3-847130	H2-847150	H1-847150	HU-54/192
11101/100	1.501115			H0-847120
H4-847149		H2-847149	H1-847149	HD-847193
	H3-847149	H2-847170	H1-844351	H0-847191
H4-847170	H3-847170	H2-844351	H1-847170	HU-SHITIET
		H2-851721	H1-851721	H0-847199
H4-844331	H3-844331	H2-900911	H1-847190	
		H2-847190	H1-847180	H0-851720
H4-844332	H3-844332	H2-900912	H1-851722	H0-851730
H4-044332	H3-044332	H2-847180	H1-900911	H0-851740
H4-847190	H3-847190	H2-851722	H1-900912	
H4-847180	H3-847180	H2-851730	H1-851730	HD-851782
		H2-851750	H1-851750	
H4-851762	H3-851762			H0-851781
		H2-852510	H1-851780	H0-900911 H0-900912
H4-851781	H3-851761	H2-851780	H1-852510	H0-852510
	10001101	H2-852520	H1-852520	HD-852520
				H0-851710
H4-851769	H3-851769	H2-851719	H1-851719	H0-852530
		H2-852790	H1-852790	H0-852810
H4-852849	H3-852849	H2-852821	H1-852821	
H4-852859	H3-852859	H2-852822	H1-852822	H0-852820
H4-852869	H3-852869	H2-852830	H1-852830	H0-852790



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

Correlation Conversion H2-847141 H1-84/141 H0-847120 H3-844331 H3-847141 H2-844359 H2-847110 H1-847110 HD-847110 H3-844332 H3-847150 H2-847150 H1-847150 H0-847191 H2-844351 H1-844351 HD-842489 H3-847130 H2-847130 H1-847130 HD-847193 H2-847110 H1-847110 H0-847110 H1-847149 H2-847149 H3-847149 H0-847192 H3-847130 H2-847130 H2-847170 H1-847170 H1-847130 H3-847170 H0-847120 H3-847141 H2-847141 H0-847330 H1-84714 H3-847149 H2-847149 H1-847149 H3-847160 HD-846910 H2-847160 H1-847160 HD-847191 H3-847150 H3-852841 H2-847150 H1-847150 HD-847290 H3-852851 H3-847160 H3-852861 HD-842489 H1-844351 H2-844351 H3-852841 H2-847160 H1-847160 H0-847192 H2-900911 H1-900911 H0-900911 H3-852851 H3-844331 H1-900912 H2-900912 H0-900912 H3-852861 H1-851721 H2-851721 H0-847199 H3-847170 H2-847170 H1-847170 HD-847193 H1-847190 H2-847190 H3-844332 HD-851720 H3-847180 H2-851722 H1-847180 H2-847180 H1-847180 HD-847199 H3-847190 H2-847190 H1-851722 H1-847190 H2-847180 H3-847190 H0-851740 H3-847180 H2-851719 H1-851719 H0-851710 H2-851730 H1-851730 HD-851730 H3-851762 H2-851780 H1-851780 H3-851769 H0-851782 H2-851750 H1-851750 HD-851782 H2-851721 H1-851721 H3-851762 H2-851722 H1-851722 H0-851720 H2-851730 H1-851730 H2-852510 HD-851730 H1-851780 H0-851781 H3-851761 H2-851750 H1-851750 H0-851740 H2-852510 H1-852510 HD-852510 H2-851780 H3-851761 H0-852510 H1-852510 H2-852520 H1-852520 H0-852520 H2-852790 H1-852790 H0-852790 H2-852520 H1-852520 H0-852520 H3-852849 H0-851710 H2-852821 H1-852821 H3-852859 H2-851719 H1-851719 H3-851769 H0-852530 H0-852810 H2-852830 H3-852869 H1-852830 HD-852790 H2-852822 H1-852822 H0-852820 H1-852790 H2-852790 H0-852810 H3-852849 H2-852821 H1-852821 H2-900911 H1-900911 H0-900911 H3-852859 H2-852822 H1-852822 H0-852820 H2-900912 H1-900912 H0-900912 H3-852869 H1-852830 H2-852830

Correlation and Conversion of "Automatic data processing machines (SITC 752)"

The complex relationships (left) are simplified (right)

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Conversion Tables (cont.)

• UNSD maintains matrix of correlation and conversion

Complete correlations among HS_SITC and BEC (1) (2010)

Conversion and Correlation Tables

from / to	HS 2007	HS 2002	HS 1996	HS 1992	SITC 4	SITC 3	SITC 2	SITC 1	BEC
HS 2012	8	4	4	8	1	3	3	3	8
HS 2007	-	4	4	8	1	3	3	3	8
HS 2002	-	-	4	8	-	3	3	3	8
HS 1996	-	-	-	8	-	8	3	3	8
HS 1992	-	-	-	-	-	8	3	3	-
SITC 4	-	-	-	-	-	-	-	-	-
SITC 3	-	-	-	-	-	-	3	3	8
SITC 2	-	-	-	-	-	-	-	3	3
SITC 1	-	-	-	-	-	-	-	-	-

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



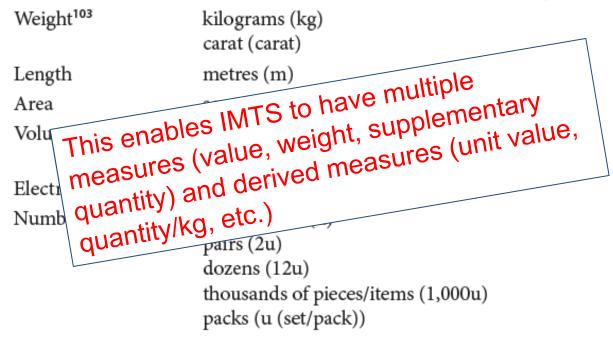
Quantity Information

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



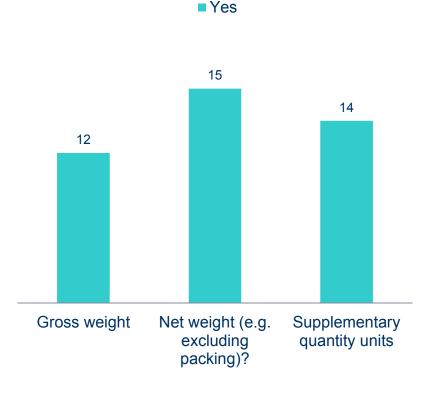
5.4. In the WCO recommendation, one of the above standard units of quantity is specified for each HS six-digit subheading.¹⁰⁴

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 <u>African IMTS Survey</u>

- 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

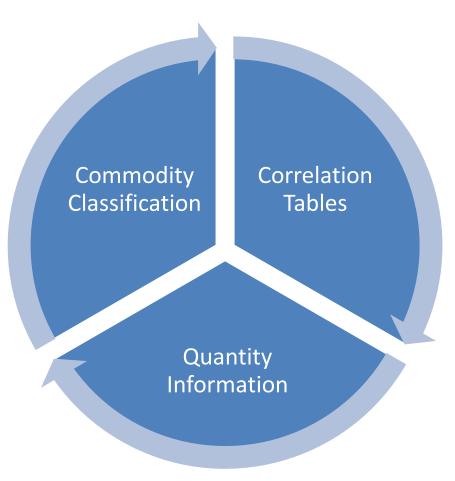
Methods to check quantity

- 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 muryawan@un.org