Why there is such a large discrepancy when data is converted from H3 to H1?

Question

Hello As part of my investigation into the Comtrade Database, I have noticed some irregularities in UK Chapter 88 data.

When viewing the "As reported" import data for the United Kingdom for Chapter 88, the trade values appear to be consistent. When the same data is fetched from the HS1996 (H1) dataset, there is a very large drop in traded value between 2006 and 2007. This drop sees the total trade value drop from roughly $15,200,000,000 in 2006 to $7,300,000 in 2007 for H1 data. The equivalent "as reported" (H3) data states roughly $15,200,000,000 in 2006 (same as H1) and $15,900,000,000 in 2007. I have looked at the correlation tables between H1, H2 and H3 data and the only change I have seen is the removal of 2 six digit codes due to low trade volume. As such, I cannot understand why there is such a large discrepancy when data is converted from H3 to H1. Below are the URLs to query for this information:

As Reported
http://comtrade.un.org/db/dqBasicQueryResults.aspx?cc=88&px=HS&r=826&y=all&p=0&rg=1&so=999999999999

HS1996 (H1)
http://comtrade.un.org/db/dqBasicQueryResults.aspx?cc=88&px=H1&r=826&y=all&p=0&rg=1&so=999999999999

If you could please provide an answer to this concern, it will help my analysis greatly.

Answer:

We have investigated the query and found out that the large discrepancy came from confidential items (or nonstandard HS codes) in Chapter 88. When we processed the data from the country, we "converted" those nonstandard HS codes in Chapter 88 into 88CF00 (so called memorandum item) while the detailed non-standard codes were removed from the data. When we aggregated 'as reported' import data for the UK into the 2-digit level, these 88CF00 were included in Chapter 88. This is why you found the values for 'as reported' series appear to be consistent for years from 2007 to 2009 at the 2-digit level. On the detailed 6-digit level code 999999 contains the value required to make 6-digit data sum up to the total (meaning this code contains all values of non-standard codes which were removed from the detailed data).

When we do data conversions from H3 to H1, the current practices are that the conversions are exclusively based on the most detailed level data (6-digit standard code to 6-digit standard code) while all higher level data are aggregated from this detailed data. This means in converted data neither chapter 88 nor any other chapter (except 99) does include
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memorandum item information. Instead the value of chapter 99 is higher. We will review this practice as part of the planned UN Comtrade update.

Trade Knowledgebase
http://unstats.un.org/unsd/tradekb/Knowledgebase/50470/Why-there-is-such-a-large-discrepancy-when-data