

B. Comparison of specific categories of goods

19.4. Table XIX.1 below summarizes the definition and comparison of categories of goods that might be difficult to distinguish.

Table XIX.1

Definition and comparison of specific categories of goods ^a

Category of good	Definition	IMTS 2010	Distinguish from	Additional considerations
<i>Goods on consignment</i> (IMTS 2010, para. 1.17)	These are goods intended for sale but not actually sold when they cross the border	Include	Goods being simply transported through a country or temporarily admitted or withdrawn are to be excluded (see IMTS 2010, paras. 1.41-1.44)	Goods on consignment can be returned but their identification as returned goods might be difficult
<i>Goods for processing with or without change of ownership</i> (IMTS 2010, paras. 1.19-1.21)	Goods for processing are goods that are sent abroad or brought into a country under a specific arrangement between the involved parties (which may or may not include the change of ownership) and for specific operations as defined by the statistical authorities of the compiling country	Include and identify separately	Goods for repair and maintenance are to be excluded but to be separately recorded (IMTS 2010, para. 1.57)	Identify separately goods for processing where no change of ownership takes place; identify separately re-exports and reimports
<i>Goods for storage/goods transferred from or to a buffer stock organization</i> (IMTS 2010, para. 1.27)	A buffer stock organization is one that maintains a stock of certain commodities and sells or buys them in order to influence supply and demand on the world market	Include	Goods being simply transported through a country or temporarily admitted or withdrawn are to be excluded (see IMTS 2010, paras. 1.41-1.44)	
<i>Goods simply being transported through a country</i> (IMTS 2010, paras. 1.41-1.42)	Goods are considered as simply being transported through a country if they (a) enter and leave the compiling country solely for the purpose of being transported to another country, (b) are not subject to halts not inherent to the transportation and (c) can be identified when both entering and leaving the country	Exclude	Goods that add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory	Goods simply being transported include goods under "in transit" or "in transshipment" customs procedures but are not limited to them
<i>Goods temporarily admitted or dispatched</i> (IMTS 2010, paras. 1.43-1.44)	At the time of admission/dispatch, it is known that their intended stay in the receiving country is temporary (as defined by the statistical authority of a country) and after their stay they can be withdrawn/returned in the same state (except for normal wear and tear). This category includes, but is not limited to, goods identified in the Kyoto Convention and the Convention on Temporary Admission (Istanbul Convention) as goods covered by the "temporary admission subject to re-exportation in the same state" customs procedure	Exclude	Goods for processing and goods under financial lease are to be included (see IMTS 2010, paras. 1.19-1.21 and 1.28)	It may not be known whether admitted or dispatched goods are expected to be brought back within a limited time period. Countries may wish to use one year (or less) of stay as an approximation for temporary admission
<i>Goods for repair or maintenance</i> (IMTS 2010, para. 1.57)	This category comprises goods temporarily crossing borders for repair or maintenance abroad. Such activities reinstate or maintain the quality of the goods and do not result in the creation of a new product	Exclude but identify separately	This category does not include goods temporarily admitted or dispatched (see IMTS 2010, paras. 1.43 and 1.44), which are to be excluded, or goods for processing (see IMTS 2010, paras. 1.19-1.21), which are to be included	The identification of goods for repair or maintenance should be determined in cooperation with balance-of-payments compilers

^a **Note:** Re-exports (and reimports) are part of exports (imports) and not a specific category of goods for inclusion or exclusion in the sense of this table, as they are always to be included. Re-exports are exports of foreign goods that were previously recorded as imports and reimports are imports of goods that were previously exported. It is recommended that re-exports and reimports be separately identified (see IMTS 2010, paras. 2.16-2.18). Goods for processing constitute the category of goods operation upon which usually entails a re-export and reimport unless the processing operations conveys origin or the processed goods remain (e.g., are sold) in the country where the processing takes place (see chap. XX for details). Goods on consignment can be returned and should in this case be identified as re-exports (in the country of initial import) and reimports (in the country of initial export) at return.

19.5. *Example involving goods on consignment.*^[1] In a typical case involving goods on consignment, goods are sent to a marketplace specific for that type of goods in another country for the purpose of their being sold. Such marketplaces can exist for diverse goods, such as live animals, cars and crude oil. The marketplace brings together buyers and sellers. The physical inspection of the goods at local or global distribution centres or changes in market conditions might result in the goods' not being sold and subsequently returned. There might be many other situations and circumstances in which goods are sent to another country to be sold but are returned after not being sold.^[2]

19.6. *Example involving goods for processing.* Global manufacturing and global production chains exist for many products such as cars and electronic devices such as mobile phones). In all such cases, parts of the production process and the manufacturing of the components of the final product take place in several countries. In this sense, all trade transactions that precede the shipment of the final product can be regarded as constituting trade in goods for processing.

19.7. *Example involving goods for storage.* Certain important commodities such as oil and gas and wheat and rice are frequently stockpiled at specific locations for the purpose of future distribution and use. For example, some small island States store large amounts of fuels to ensure that visiting ships and aircraft can be properly refuelled. While these supplies might be fully under the control of a foreign entity, they nevertheless form part of the material resources of the country.

19.8. *Example involving goods simply being transported through a country.* Large trading places such as Rotterdam (for oil) and Dubai and China, Hong Kong SAR (for merchandise) are frequently the destination of goods that are then forwarded to another destination. It can be difficult to determine whether these goods are entering the country on consignment, for storage or only as goods in transit.

19.9. *Example involving goods temporarily admitted or dispatched.* This category includes, but is not limited to, goods identified in the revised Kyoto Convention (RKC) and the Istanbul Convention^[3] as goods covered by the "temporary admission subject to re-exportation in the same state" customs procedure. Such goods include display equipment for trade fairs and exhibitions; art exhibits, commercial samples and pedagogic material; animals for breeding, show or racing; packaging, means of transport, containers and equipment connected with transport; and equipment for the working of lands adjacent to the border by persons resident abroad. In cases where movements of goods are not covered by a specific customs procedure, the statistical authorities should establish criteria for determining whether the movement of goods should be considered temporary.

19.10. *Example of goods for repair or maintenance.* Ships and aircraft frequently undergo repair and maintenance in other countries which is to be recorded as a service transaction. Regular repair or maintenance might be difficult to distinguish from refitting or refurbishing, which results into an essentially new product whose import and subsequent export need to be included in IMTS (see also subsequent chaps. XX and XXIII).

[1] Goods on consignment in this *Manual* refer to goods on consignment as defined in IMTS 2010. Countries might have additional and divergent definitions of goods on consignment and a specific customs procedure for those goods which might or might not be in line with the above statistical meaning of the term given in IMTS 2010. In the revised Kyoto Convention (RKC), the term "consignment" is used to refer to a single shipment rather than to a general standard customs procedure, except in the special case of the "Relief consignments" procedure covered in Specific Annex J (Chapter 5).

[2] See IMTS 2010, para. 4.15 (f) for the valuation of returned goods.

[3] The Convention on Temporary Admission, signed in Istanbul on 26 June 1990, provided a means of bringing together, and simplifying, various instruments governing temporary admission of goods.