



# HS and Trade Statistics



## The Harmonized System and Accuracy of Merchandise Trade Statistics

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Directorate

October 2007

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# HS and Trade Statistics

## Excerpt from the **Preamble**

- Desiring to facilitate international trade,
- Desiring to facilitate the collection, comparison and analysis of statistics, in particular those on international trade,
- Desiring to reduce the expense incurred by redescribing, reclassifying and recoding goods as they move from one classification system to another in the course of international trade and to facilitate the standardization of trade documentation and the transmission of data,
- Considering that changes in technology and the patterns of international trade require extensive modification of the Convention on nomenclature for the Classification of Goods in Customs tariffs, done at Brussels on 15 December 1950,
- Considering the importance of accurate and comparable data for the purposes of international trade negotiations,...



# HS and Trade Statistics



## Article 9

The Contracting Parties do not assume by this Convention any obligation in relation to rates of Customs duty.



# HS and Trade Statistics



## I. HS issues affecting accuracy of trade statistics



# HS and Trade Statistics



## Development of the HS

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# HS and Trade Statistics

## Nomenclatures Consulted

In development of the HS

**Closely Related to CCCN**

- CCC Nomenclature
- SITC Rev. 2
- Customs Tariff of Japan
- Tariff Nomenclature for the Latin American FTA (NABALALC)
- Nomenclature of Goods for the External Trade Statistics of the (European) Community and Statistics of Trade between Member States (NIMEXE)

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# HS and Trade Statistics



## Nomenclatures Consulted (cont.)

### Not closely related to CCCN

- Customs Tariff of Canada, Import and Export Commodity Classifications
- Tariff Schedules of the United States Annotated (TSUSA), Schedule B
- International Union of Railways Standard Commodity Nomenclature (NUM)
- International Air Transport Association Worldwide Air Cargo Commodity Classification (WACCC)
- Freight Tariff of the Association of West India Trans-Atlantic Steamship Lines (WIFT)
- Standard Transportation Commodity Code (STCC)



# HS and Trade Statistics



## Article 3 (b)

Each Contracting Party shall also make publicly available its import and export trade statistics in conformity with the six-digit codes of the Harmonized system, or, on the initiative of the Contracting Party, beyond that level, to the extent that publication is not precluded for exceptional reasons such as national confidentiality or national security.





# HS and Trade Statistics



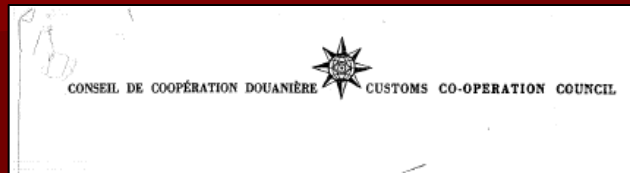
**Tariff – related needs**

**“Tariff-Statistical Nomenclature”**

**Statistics – related needs**



# HS and Trade Statistics



Brussels, 28 March 1973.

REPORT TO THE CUSTOMS CO-OPERATION COUNCIL  
OF THE STUDY GROUP FOR THE DEVELOPMENT OF  
A HARMONISED COMMODITY DESCRIPTION AND CODING SYSTEM  
FOR INTERNATIONAL TRADE



# HS and Trade Statistics



## Characteristics of an effective product nomenclature

- ☑ Categories are mutually exclusive
- ☑ Categories are collectively exhaustive
- ☑ Categories are organized into hierarchical structures
- ☑ Products identified (if possible) by technological characteristics
- ☑ Language is legally sound (recognized by the legal community)
- ☑ Trade terminology is used when consistent with the above



# HS and Trade Statistics



The BTN (CCCN) served as the starting point for the development of the HS

- Updated
- Extended to 6-digit level of detail
- Modified to reflect needs of statistical community
- Incorporated existing tariff and statistical categories

to reiterate, ➔



# HS and Trade Statistics



## Nomenclatures Consulted

In development of the HS

**Closely Related to CCCN**

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- SITC Rev. 2
- Customs Tariff of Japan
- Tariff Nomenclature for the Latin American FTA (NABALALC)
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# HS and Trade Statistics



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- Freight Tariff of the Association of West India Trans-Atlantic Steamship Lines (WIFT)
- Standard Transportation Commodity Code (STCC)



# HS and Trade Statistics



Taking tariff needs into consideration in the design of the HS has resulted in some categories that can be difficult to understand



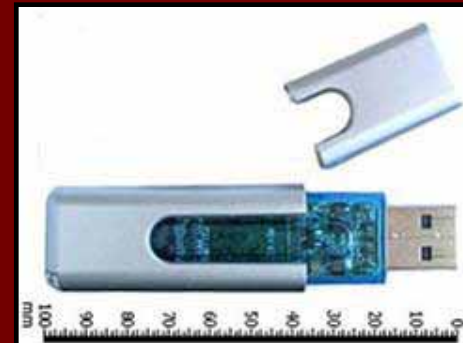
# HS and Trade Statistics



## “solid-state non-volatile storage devices”

Note 4 (a) to Chapter 85

“Solid-state non-volatile storage devices” (for example, “flash memory cards” or “flash electronic storage cards”) are storage devices with a connecting socket, comprising in the same housing one or more flash memories (for example, “E2PROM FLASH”) in the form of integrated circuits mounted on a printed circuit board. They may include a controller in the form of an integrated circuit and discrete passive components, such as capacitors and resistors;







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- 87.02 Motor vehicles for the transport of ten or more persons, including the driver.**
- 87.03 Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.**
- 87.04 Motor vehicles for the transport of goods.**
- 87.05 Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological units).**



# HS and Trade Statistics



87.05 Motor vehicles for the transport of ten or more persons, other than motor vehicles principally designed for the transport of persons (other than those including station wagons and racing cars).

87.05 Special purpose motor vehicles, principally designed for the transport of goods (for example, breakdown lorries, fire fighting vehicles, concrete pump lorries, sweeper lorries, spraying lorries, mobile radiological units).



# HS 2007 Technology Sector



## Note 6 to chapter 85 (1996 amendment)

Records, tapes and other media of heading 85.23 or 85.24 remain classified in those headings when presented with the apparatus for which they are intended.

This Note does not apply to such media when they are presented with articles other than the apparatus for which they are intended.



# HS and Trade Statistics



## **1992 AMENDMENT**

- MAINLY EDITORIAL
- # of HS CODES : 5019 to 5018

## **1996 AMENDMENT**

- 393 SETS OF AMENDMENTS
- # of HS CODES : 5018 to 5113

## **2002 AMENDMENT**

- 374 AMENDMENTS APPROVED
- # of HS CODES : 5113 to 5224

## **2007 AMENDMENT**

- 354 AMENDMENTS APPROVED
- # of HS CODES : 5224 to 5052



# HS and Trade Statistics



## II. Tools to Assist Users of the HS



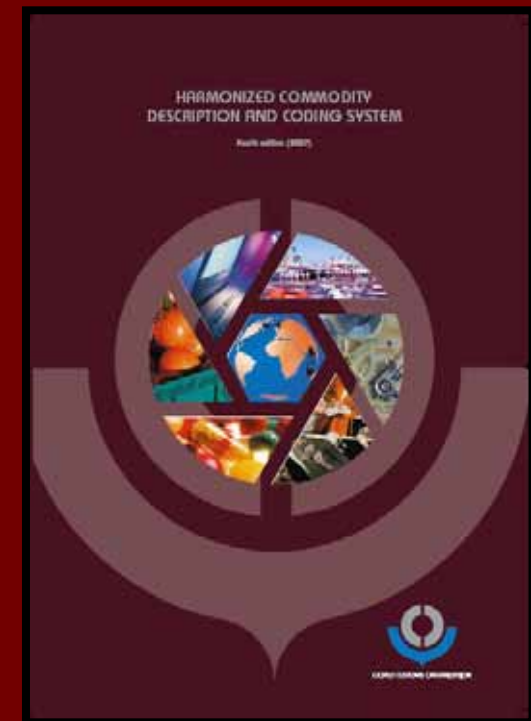
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## WCO Resources

(French and English versions)

Harmonized System  
(legal text)



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## WCO Resources

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### HS Explanatory Notes (6 volumes)





# HS and Trade Statistics



## WCO Resources

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### Compendium of Classification Decisions



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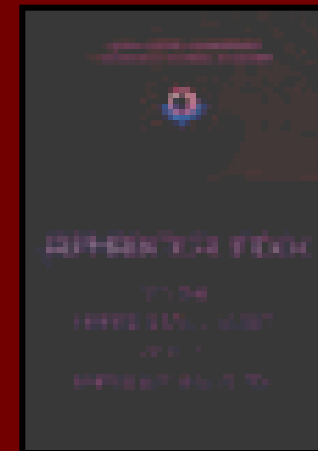
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## WCO Resources

(French and English versions)

Alphabetical Index to  
the HS  
(2007 available soon)





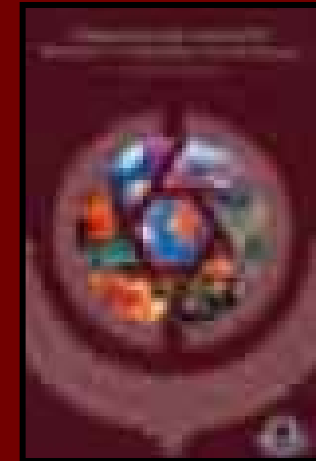
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## WCO Resources

(French and English versions)

Amendments to the  
HS Nomenclature  
Effective from 1  
January 2007  
(incl. correlation  
tables)





# HS and Trade Statistics



## WCO Resources

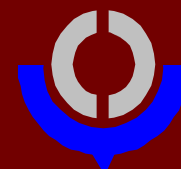
(French and English versions)

HS, ENs and HS  
Commodity Database  
(On-Line or CD-ROM)





# HS and Trade Statistics



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Address <http://wcoweb04.wcoomd.org/hs2006/en/commodity.jsp> Go

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## Explanatory Notes and Commodity Data Base

Login Search Browse Explanatory Notes **Commodities** Classification Opinions Subscription Information

List

30 commodities found for aspirin in version 2007

291822 - aspirin aluminum  
291822 - dihydroxyaluminum aspirin  
292241 - aspirin lysine salt  
300440 - aluminium glycinate, aspirin and codeine phosphate put up for retail sale as a medicament  
300440 - aspirin and codeine sulphate put up for retail sale as a medicament

Print

Details

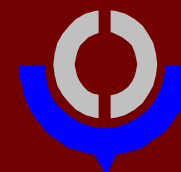
COMMODITY	291822	aspirin aluminum
Sub Heading	291822	O-Acetylsalicylic acid, its salts and esters
Heading	2918	CARBOXYLIC ACIDS WITH ADDITIONAL OXYGEN FUNCTION AND THEIR ANHYDRIDES, HALIDES, PEROXIDES AND PEROXYACIDS; THEIR HALOGENATED, SULPHONATED, NITRATED OR NITROSATED DERIVATIVES.
Chapter	29	ORGANIC CHEMICALS
Section	VI	PRODUCTS OF THE CHEMICAL OR ALLIED INDUSTRIES

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Address <http://wcoweb04.wcoomd.org/hs2006/en/commodity.jsp>

En>French Fr>Anglais

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## Explanatory Notes and Commodity Data Base

Login Search Browse Explanatory Notes **Commodities** Classification Opinions Subscription information

### List

30 commodities found for aspirin in version 2007

- 300490 - aspirin, chlorpheniramine maleate and phenyl propanolamine hydrochloride put up for retail sale as a medicament
- 300490 - medicament containing aspirin, put up for retail sale
- 300490 - medicament containing ethoheptazine cit., meprobamate and aspirin, put up for retail sale
- 300490 - medicament containing methocarbamol and aspirin, put up for retail sale
- 300490 - medicament containing metoclopramide hydrochlor. and aspirin, put up for retail sale

Print

### Details

COMMODITY	300490	medicament containing metoclopramide hydrochlor. and aspirin, put up for retail sale
Sub Heading	300490	Other
Heading	3004	MEDICAMENTS (EXCLUDING GOODS OF HEADING 30.02, 30.05 OR 30.06) CONSISTING OF MIXED OR UNMIXED PRODUCTS FOR THERAPEUTIC OR PROPHYLACTIC USES, PUT UP IN MEASURED DOSES (INCLUDING THOSE IN THE FORM OF TRANSDERMAL ADMINISTRATION SYSTEMS) OR IN FORMS OR PACKINGS FOR RETAIL SALE.
Chapter	30	PHARMACEUTICAL PRODUCTS
Section	VI	PRODUCTS OF THE CHEMICAL OR ALLIED INDUSTRIES

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**Explanatory Notes and Commodity Data Base**

Login Search Browse Explanatory Notes **Commodities** Classification Opinions Subscription Information

**Explanatory notes**

By description  ☐ And ☐ Or

By section/chapter/heading number

**Commodities**

By description  ☒ And ☐ Or

By section/chapter/heading number/subheading number

**Classification opinions**

By description  ☐ And ☐ Or

By section/chapter/heading number/subheading number

**Search in**

Language ☐ EN ☐ FR ☒ Both

Version ☐ 1996 ☐ 2002 ☒ 2007

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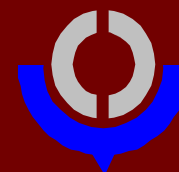
(French and English versions)

## HS e-Learning Modules





# HS and Trade Statistics



## HS e-Learning Modules

The Harmonized System

1 2 3 4 5 6 7 8 9 10  
11 12

COURSE

Presenting the HS

The Harmonized System was born out of a pressing need for a standard international Customs nomenclature.

A standard nomenclature was consequently urgently required to :

- Ensure the systematic classification of goods;
- Classify all goods on a sound basis in all tariffs;
- Adopt a common Customs language that could be readily understood by users;
- Simplify the negotiation and interpretation of Customs and trade treaties and agreements;
- Facilitate the collation of data to compare statistics.

QUIT INSTRUCTIONS BACK NEXT





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## WCO Resources

(French and English versions)

## HS e-Learning Modules





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## WCO Resources

(French and English versions)

Seminars for the  
Public

Seminars for Member  
Administrations





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## Government Resources

Seminars offered by  
Government Agencies





# HS and Trade Statistics



## Government Resources

Advice on a case-by-  
case basis from  
Governments



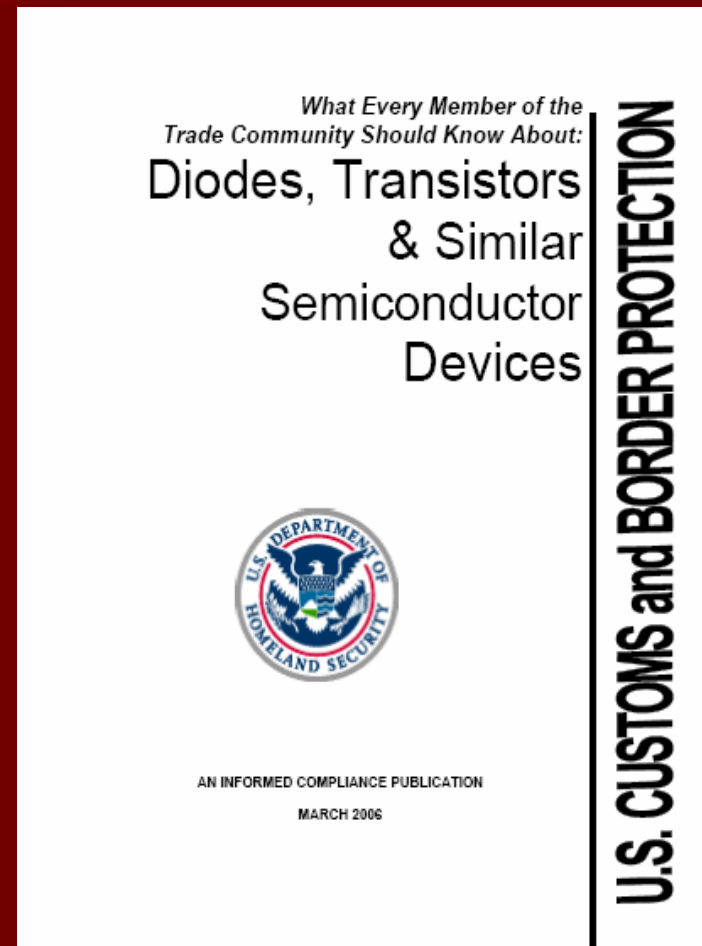


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## Government Resources

Government advice on classification





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## Government Resources

## Government BTIs on-line



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## Other Resources

Private sector resources



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