



# **IMTS Concepts and Definitions**

**Commodity Classifications/  
Valuation/Quantity Measurement**

**PRESENTED AT THE TRAINING COURSE ON  
'INTERNATIONAL TRADE STATISTICS'  
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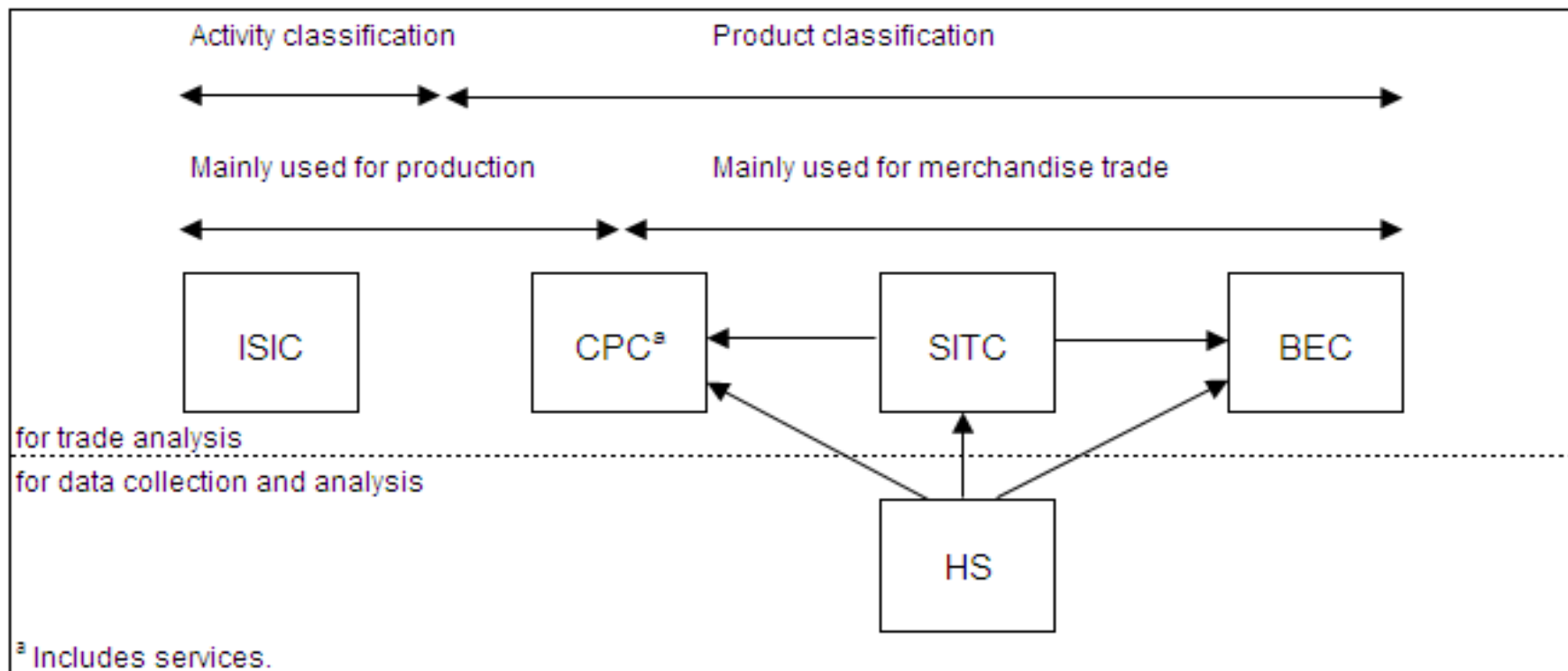
# Outline

- 1. Commodity Classification**
- 2. Valuation**
- 3. Quantity Measurement**



# Classifications

## 1. Commodity classifications



**ISIC: International Standard Industrial Classification of All Economic Activities**

**CPC: Central Product Classification**

**SITC: Standard International trade Classification**

**BEC: Broad Economic Classification**

**HS: Harmonized Commodity Description and Coding System (Harmonised System )**



# Classifications

## 1. Commodity classifications

### IMTS2010 Recommendations:

- *Use HS for the collection, compilation and dissemination of IMTS*
- *In addition to HS, use SITC for the dissemination and the analysis of IMTS according to users requirements*

### IMTS2010 Encouragement:

- *Use the most current version of HS*

**Correspondence tables:** *describe the relationship between different classifications or different versions of the same classification by providing the relationship between the elements (codes) of the two classifications at the detailed level (see UNSD website).*



# Classifications

## 1. Commodity classifications

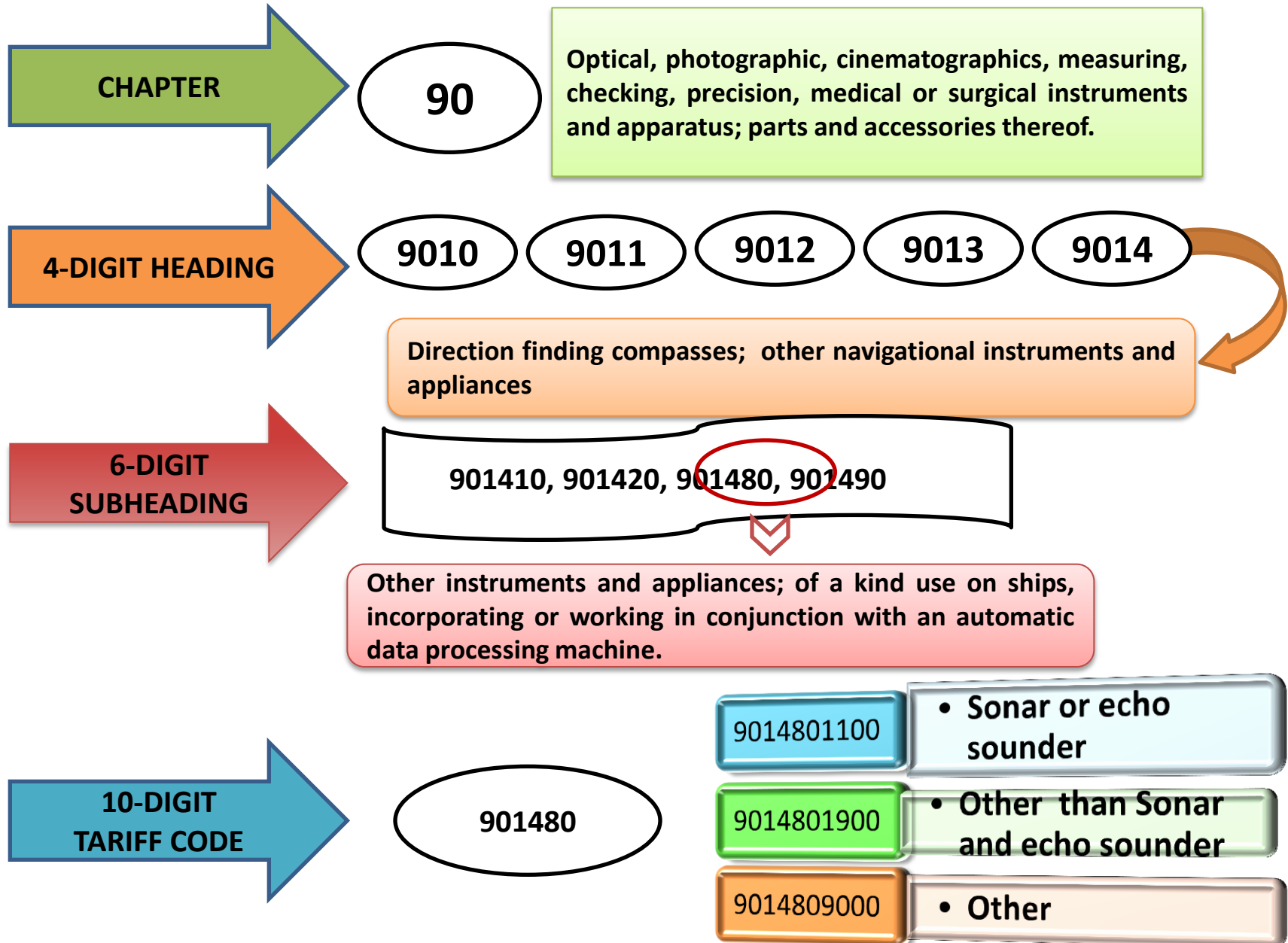
### *Harmonised System:*

- *The latest version of the HS is known as HS 2012 and came into force on 1st January 2012. This is the fourth major revision of the HS developed by the World Customs Organisation, since the system was adopted in 1983 and implemented in 1988. Previous revisions were in 1996, 2002, and 2007.*
- *The HS follows a hierarchical structure, comprising 21 sections, 98 chapters (2 digit), 1231 headings (4 digit), and 5,212 sub-headings (6 digit). This structure is generally broken down at more detailed level at national level or at Customs Union level.*
- *The amendments take in account the technological progress and changes in trade patterns, clarify the text to ensure uniform application of HS, and provide a legal basis for decisions taken by the Harmonized System Committee.*

## HS and AHTN STRUCTURE

<b>STRUCTURE</b>	<b>2002</b>	<b>2004</b>	<b>2007</b>	<b>2012</b>	<b>2017</b>
<b>Sections</b>	<b>21</b>		<b>21</b>	<b>21</b>	<b>21</b>
<b>Chapters</b>	<b>96</b>		<b>96</b>	<b>97</b>	<b>97</b>
<b>4-digit headings</b>	<b>1,244</b>		<b>1,221</b>	<b>1,221</b>	<b>1,222</b>
<b>6-digit subheadings</b>	<b>5,224</b>		<b>5,052</b>	<b>5,052</b>	<b>5,387</b>
<b>HS (9-digit)</b>	<b>18,593</b>		<b>10,404</b>	<b>9,450</b>	<b>Nil.</b>
<b>AHTN (10-Digit)</b>		<b>12,181 (introduced in 2004)</b>	<b>12,339</b>	<b>12,324</b>	<b>11,691</b>

# HS STRUCTURE





# Classifications

## 1. Commodity classifications

### ***SITC (Standard International Trade Classification):***

- ***Created in 1950 to report and analyse international trade statistics***
- ***SITC revision 4 issued by United Nations in 2006***
- ***It contains 3,993 basic headings and subheadings, which are assembled in 262 groups, 67 divisions and 10 sections***

### ***BEC (Broad Economic Categories)***

***Devised by UNSD for summarization of trade data by large economic classes of commodities***

- ***Three basic classes of goods in SNA: capital goods, intermediate goods and consumption goods.***
- ***BEC has 19 basic categories that can be aggregated to approximate these three basic classes of goods, thus permitting trade statistics to be considered jointly with other sets of general economic statistics - such as national accounts and industrial statistics - for national, regional or global economic analysis***



# SITC STRUCTURE

## SECTION (1-DIGIT)

- **0**
- Food and Live Animals
- Total section:  
**10**

## DIVISION (2-DIGIT)

- **05**
- Vegetables and Fruit
- Total Division:  
**67**

## GROUP (3-DIGIT)

- **057**
- Fruit and nuts (not including oil nuts), fresh or dried
- Num. of groups:  
**262**

## SUB-GROUP (4-DIGIT)

- **0571**
- Oranges, mandarins, clementine and similar citrus hybrids, fresh or dried
- Num. of subgroups:  
**1,023**

## BASIC HEADING (5-DIGIT)

- **05711**
- Oranges, fresh or dried
- Num. of basic headings:  
**2,970**

## SITC (9-DIGIT)

- **057110100**
- Oranges, fresh or dried
- Total num.:  
**16,345**



# Classifications

## Product classification

### ***CPC (Central Product Classification):***

- ***The Central Product Classification (CPC) originated from initiatives in the early 1970s to harmonize international classifications. The new classification was intended to cover both goods and services (products) and would use the detailed subheadings of the Harmonized System as building blocks for the part dealing with transportable goods.***
- ***In 2008, the work on CPC, Version 2.0 was completed. This version of CPC is divided into 10 sections, 71 divisions, 324 groups, 1,267 classes and 2,738 subclasses***



# Classifications

## Industry classification

### ***ISIC (International Standard Industrial Classification of All Economic Activities):***

- ***Unlike HS, SITC, BEC and CPC that are product classifications, ISIC is the international reference classification of productive activities.***
- ***Its main purpose is to provide a set of activity categories that can be utilized for the collection and reporting of statistics according to such activities.***
- ***Correspondence table between HS, SITC, CPC and ISIC can be established***
- ***This correspondence may be useful when analyzing trade flows by activity categories...***
- ***However, alternative approach by identifying the activity of the trader, should be given preference***

# CORRESPONDENCE TABLES



United Nations  
Statistics Division

**HS 6-digit**

- SITC (5-digit)
- BEC
- CPC

**CPC**

- ISIC

## CORRESPONDENCE TABLES (cont.)

HS	SITC (UN)	BEC (UN)	CPC (UN)	ISIC (UN)
854420100	773120100 Coaxial cable and other coaxial conductors	22 -Industrial supplies not elsewhere specified -- Processed <b>(Intermediate Goods)</b>	46320 Coaxial cable and other coaxial electric conductors	2732 (n:1) Manufacture of other electronic and electric wires and cables
854420200	773120200			
854420900	773120900			
847170100	752700010 Storage unit	41 -Capital goods (except transport equipment) & parts & accessories thereof	45271 Fixed media storage units	2620 (n:1) Manufacture of computers and peripheral equipment
847170200	752700030			
847170300	752700070	--Parts and accessories <b>(Intermediate Goods)</b>	45272 Removable media storage units	
080510100	057110100 Oranges, fresh or dried	112 -Food and beverages --Primary ---Mainly for household consumption <b>(Consumption Goods)</b>	01323 Oranges	0123 (n:1) Growing of citrus fruits
080510200	057110200		21419 Other dried fruit, n.e.c	1030 (n:1) Processing and preserving of fruit and vegetables



# Summary UN recommendations

## 2. Valuation

It is recommended that:

- *for all goods covered in international merchandise trade statistics whether sold, exchanged or provided without payment, a **statistical value** is recorded following the specific rules as defined below...*
- *the **customs value**, when established in compliance with the WTO Agreement on Customs Valuation, should form the basis for the statistical value*
- *countries adopt the WTO Agreement on Customs Valuation as the basis for valuation of their international merchandise trade for statistical purposes (whether a country is a WTO member or not). This recommendation for determining the statistical value applies to both imports and exports.*

The WTO Agreement on Customs Valuation adopts the transaction value (the price actually paid or payable for goods including some adjustments) as the customs value of imported goods, provided that certain conditions for a fair, uniform and neutral valuation are met (IMTS 2010 Annex D)



# Summary UN recommendations

## 4. Valuation

- To promote the comparability of international merchandise trade statistics and taking into account the commercial and data reporting practices of the majority of countries and analytical needs, it is **recommended** that:
  - (a) The statistical value of exported goods be an **FOB-type value**;*
  - (b) The statistical value of imported goods be a **CIF-type value**;*
- However, countries are **encouraged** to compile FOB-type value of imported goods as supplementary information
- Countries which compile only CIF-type values of imports are encouraged to compile separately data for freight and insurance, at the most detailed commodity and partner level possible...



# Summary UN recommendations

## 2. Valuation – Specific cases

Valuation of special categories of goods

- *Media, whether or not recorded:* to be valued at their full transaction value (i.e. not at the value of the empty diskettes or CD-ROMs), except customised software
- *Goods under financial lease:* Goods which are part of a financial lease should be recorded using a value equivalent to the price of the goods if offered for sale
- *Goods for processing with or without change of ownership:* Goods for processing should always be valued at their full (gross) value
- *Returned goods:* if identifiable, are to be valued as at the initial transaction.





# Summary UN recommendations

## 2. Valuation – Specific cases

Valuation of special categories of goods

International transaction in goods that may not require goods valuation by parties involved:

- trade and barter agreements based on quantities without stated prices
- food and other humanitarian aid
- goods on consignment
- goods for processing
- migrants' effects
- cross-border movements of unsold articles and gifts and donations made by private agencies or persons.

➔ In these cases, following the general recommendation, the value of the goods should be established in accordance with the WTO Agreement on Customs Valuation (including the use of transaction value of identical or similar goods, or a computed value)



# Summary UN recommendations

## 3. Quantity measurement

**Quantity information is needed for various for various policy and analytical purposes including:**

- the planning of transport infrastructure,
- the compilation of energy, agricultural and other commodity balances,
- the assessment of the impact of international trade on environment,
- the verification of trade values
- the construction of trade index numbers

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

The standard units of quantity are specified for each HS 6-digit subheading



# Summary UN recommendations

## 3. Quantity measurement

### WCO standard units of quantity

- Weight: kilograms (kg), carat (carat)
- Length: metres (m)
- Area: square metres (m<sup>2</sup>)
- Volume: cubic metres (m<sup>3</sup>), litres (l)
- Electrical power: 1,000 kilowatt-hours,
- Number (units): pieces/items (u), pairs (2u), dozens (12u), thousands of pieces/items (1,000u), packs (u(set/pack))



# Summary UN recommendations

## 3. Quantity measurement

### Recommendations:

- It is recommended that countries collect or estimate, validate and report quantity information in the **WCO standard units of quantity and in net weight** on all trade transactions
- Apply the same quantity units within one sub-heading (6-digit HS). If not, provide a clear description
- Where non-standard units are used, provide conversion factors to the standard units
- Identify estimated quantities, as deemed necessary and provide information of methodology used

спасибо  
danke 謝謝  
ngiyabonga  
teşekkür ederim  
tapadh leat  
dank je  
gracias  
mochchakkeram  
go raibh maith agat  
arigatō takk dakujem  
merci  
ευχαριστώ  
감사합니다  
terima kasih  
kop khun krap  
sukriya  
sagolun  
dziękuję  
hvala maururu  
bedankt  
obrigado