



**STATISTICS DIRECTORATE**

**National Accounts and Economic Statistics - International Trade Statistics**

**INTEGRATING THE HARMONIZED SYSTEM 2002 INTO THE OECD'S INTERNATIONAL TRADE  
STATISTICS DATABASE**

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## **INTEGRATING THE HARMONIZED SYSTEM 2002 INTO THE OECD'S INTERNATIONAL TRADE STATISTICS DATABASE**

**- Note by the Secretariat -**

### **Introduction**

1. The Harmonized System 2002 (HS 2002) is the second one to make major amendments since the HS was approved in 1983. The previous recommendation amending the HS nomenclature was effective since 1996.

2. The main sources of the amendments are: technological progress, trade patterns, clarification of texts to ensure uniform application, adaptation of the Nomenclature to reflect trade practise and amendments related to the social and environmental fields.

3. The HS 2002 was implemented into the OECD's ITS database between December 2002 and December 2003 with the following schedule:

- December 2002: creation of the HS 2002 standard nomenclature into a test database;
- May 2003: addition of special codes to the standard nomenclature;
- July and August 2003: creation of correspondence tables with HS 1996 and SITC Rev.3;
- September to November 2003: implementation tests and checks of the correspondence tables into the test database;
- December 2003: migration of the whole nomenclature and correspondence tables into the production database.

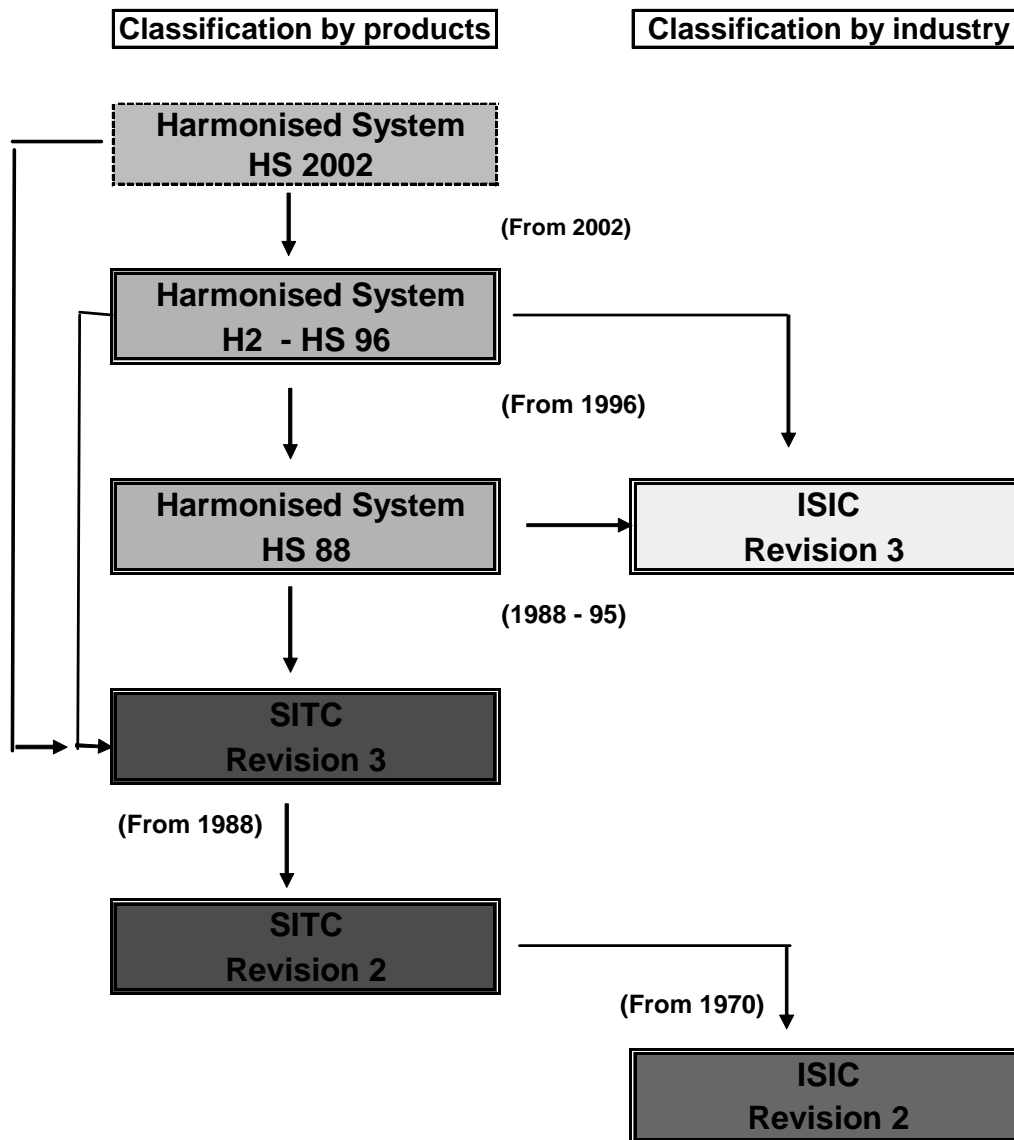
### **1 OECD special codes**

4. The HS 2002 standard nomenclature contains 6564 commodity codes while the OECD nomenclature based on the HS 2002 contains 7150 codes. The difference, 586 codes, concerns special codes: most of them are used to take into account special classification provisions, special transactions and estimations of missing declarations for the Intrastat system.

**2 Conversion schema.**

5. The conversion schema from HS 2002 into other commodity based classifications and activity based classifications is as follow:

**CONVERSION TABLES WITHIN ITS**



6. Two correspondence tables were built to convert HS 2002 data into the 2 other commodity based classifications:

- HS 2002 – HS 1996 correspondence;
- HS 2002 – SITC Rev.3 correspondence.

Data in the four other classifications are obtained by derivation.

### **3 Methodological issue for conversion to older classifications**

7. The correspondence table from HS 2002 into HS 1996 was provided by the UNSD at 6-digit level and the correspondence table between HS 2002 and SITC Rev.3 was provided at 5 and 4-digit level.

8. Instead of converting data at the basic level and then aggregating data in the older classification, the methodology followed by the OECD is to convert data at all digit level available.

9. The 4-digit level correspondences between HS 2002 and HS 96 are quite delicate to establish when a basic level is not allocated to the same heading or chapter (e.g. the HS 2002 code 300670 is correlated to the HS 96 code 382490).

10. Another difficulty occurs when the correlation at the basic level is not a perfect one-to-one correlation. In some cases, the HS 2002 commodity code is only partially included in the HS 1996 commodity code. In these cases the correlation is done at the higher level, the 4-digit level most of the time (e.g. the HS 2002 code 010110 is correlated to the HS 96 codes 010111 and 010120).

11. In some cases, the two previous difficulties are combined. For example, the HS 2002 253090 code is correlated to 3 different HS 96 codes from different headings 252700, 253040 and 253090.

### **4 Consequences and implications for the OECD-UNSD data sharing project**

12. Difficulties mentioned above increased significantly the complexity of the correspondence tables to process properly all specific cases. This treatment also leads to methodological differences with the UNSD in the way of converting data from HS 2002 to older classifications. In fact, the UNSD correlates at the basic level and then aggregates in the older classifications instead of converting data at all digit level available. When there is no one-to-one correlation, the basic level code is allocated to the closest commodity code, where the commodity code is almost fully included.

13. In the framework of the common trade database project, it is necessary to harmonise the OECD and UNSD practises concerning classifications conversions. These aspects are developed in the item 5c of the agenda.