Initial Reflections for a HS Strategic Review in support of the 2030 Agenda for Sustainable Development

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Outline

• Relationship between Harmonized Commodity Description and Coding System (HS) and other economic classifications, e.g. the Standard International Trade Classification (SITC)

• Sustainable development perspective

• Insights from ad-hoc user survey of UN Comtrade database users

• Correspondences among classifications
Relationship between HS and other economic classifications

- ISIC
- CPC
- SITC
- BEC
- HS

For trade analysis
For data collection and analysis

- Mainly use for production
- Mainly use for merchandise trade

27% 4%

69%
a Includes services.
Sustainable development perspective

Major issues:

• **Globalization of production arrangements** would benefit from details in the end-use of goods such as in intermediate (specialized and generic product), capital or consumption foods.

• **Technology** focusing on the high-technology content in traded goods would
  • Facilitate a measure of a country technological advancement
  • Link with the end-use of product such as the use of capital goods in industrial production
  • Reduce the misclassification in high-tech products and bilateral asymmetries

• **Sustainability** focusing on the Sustainable Development Goals (SDG) framework would warrant further details in specific environmentally related content embedded in goods and trade in environmental goods building on reference list available from statistical agencies.
Insights from ad-hoc user survey of UN Comtrade database users

Figure: Users profile: Proportion of used classification crossed with affiliation in %
Insights from ad-hoc user survey of UN Comtrade database users

Figure: Additional HS classification criteria demanded by users in %

- Technological contents (low vs. high tech goods)
- New vs. used goods
- Mass produced vs. hand-made goods
- End use (intermediate vs. final consumption, gross capital formation)
- Industry origin
- Specification (generic vs. specific/exclusive goods)
Correspondences among classifications

Figure: Correlations between CPC 2.1 Group 452 “Computing machinery and parts and accessories thereof” and HS 2012/2017
Figure: Correlations between CPC 2.1 Group 452 “Computing machinery and parts and accessories thereof” and ISIC 4.0 and HS 2017
Correspondences among classifications

Figure: Correlations between CPC 2.1 Group 452 “Computing machinery and parts and accessories thereof” and ISIC 4.0 and HS 2012
Conclusions

• HS has not only a unique role in the analysis of trade statistics but also of socio-economic and environmental statistics
• HS Strategic Review has the potential to advance the broader measures of economic progress and performance
• Future HS classification could provide additional detail for measuring global value chains, technological innovation and sustainable development
• Proposed structural changes outside the regular HS amendment cycle would benefit from a close collaboration with the statistical community