GS1 Global Product Classification

Potential use in cross border trade

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The most common control and enforcement issues stem from lack of quality information.

1 day delay = 1% loss in export value or US$157 billion

Data absence and lack of quality data means errors and slow clearance processes.
How can we bridge the gap between Industry and Government needs?

PRIVATE SECTOR = PUBLIC SECTOR

COMPLEXITY = TIME = SOLUTION
Industry Needs

- **Certainty** making forecasting and planning easier
- **Efficiency** lowering time delays and cost
- **Simplification** through automation and less cumbersome processes
Government Needs

• **Accuracy** with cost effective tariff verification, and automatic identification of goods

• **Enhanced trade facilitation**, with safety in international supply chains

• **Efficient customs** clearance and expedited cargo movement

• **Smarter** work in risk prevention and control with improved **regulatory compliance**
GS1 standards help brand owners and retailers meet consumer demand for trusted product info — no matter how or where they shop.

Physical identification

Digital identification
Identification + Data = Identity
GS1 Classification

**Segment**
- An industry segmentation or Vertical

**Family**
- A broad division of a segment

**Class**
- A group of like categories

**Brick**
- Categories of like products

**Attribute**
- Attribute Value 1

**Brick Attribute 1**
- Attribute Value 1

**Brick Attribute 2**
- Attribute Value 1

**Level**
- Segment
- Family
- Class
- Brick

**Example**
- Food, Beverages, & Tobacco
- Milk, Butter, Cream, Yoghurts, Cheese, Eggs, & Substitutes
- Milk and Milk Substitutes
- Milk and Milk Substitutes (Perishable)

**Milk and Milk Substitutes (Perishable)**
GPC and HS classification – what is the issue?

Two separate worlds that don’t connect:
• Millions of product data records globally exchanged using GS1 standards
• Border agencies require HS – limiting ability of business to use existing systems without incurring extra cost
• **GS1 members could automatically** access HS code for their product
• **Customs** see the **greater product detail**
Mapping HS and GPC opens opportunities for governments and businesses

- Simple vision (1) GTIN, (2) Retrieves GPC, (3) Obtains HS (via scan of physical product, operator selected or machine to machine)
- Businesses using Global Data Pools could input data to single trade windows
- Border agencies gain extensively tested and trusted market data – rather than one-off entry leading to data errors and wasted interventions
- Border agencies get richer information for risk management

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But there are significant mapping challenges

Not always one to one match HS level 6 # brick

Below HS level six often specific country codes

Dynamic - updating for changes – not a static map

New GS1 registry platform not complete yet but well on the way
Approach – At the concept design stage

• Dynamic code “guesser” that offers suggestions where there is no one-to-one match (systems are in place in GPC codes and drilldowns for HS)

• It would use smart algorithm to query (product description):
  - existing classification HS/GPC model coding
  - an initial map HS-GPC (updatable by ingestion of code changes)
  - real world data (Customs/GDSNs/GS1 registry) on user choices

• Next stage: pilot development and testing (May – November 2019)
Governance

There is interest from Government seeing the value of the mapping

- Strategic Cooperation Agreement including GPC-HS mapping Signed with China Customs
- In China a limited mapping of 20 product categories has been initiated, and pilot projects with customs are planned to test the functionality of the mapping
- Also interest from Customs in South America, North America, and Asia-Pacific
- A Project Group to be set up that would target engagement with a **wider stakeholder group** with an interest in the project including
  - **Stakeholder group** could include World Customs Organisation, China Customs, US Customs etc.