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UN/CEFACT recommendations and standards

Report of the 2015 Conference on the United Nations Code for Trade and Transport Locations (UN/LOCODE)*

I. Introduction and attendance

1. A UN/LOCODE Conference took place on 27 April 2015 at the Palais des Nations in Geneva. It was organized by the secretariat of the United Nations Economic Commission for Europe (UNECE) in association with the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT).

The objective of the Conference was threefold:

 • To draw UN Member States' attention to the issue of UN/LOCODE maintenance;

 • To seek more support for UN/LOCODE maintenance by increasing the number of UN/LOCODE National Focal Points (NFPs); and

 • To engage in a discussion with key users on how to improve UN/LOCODE.

2. The following countries were represented: China, Estonia, Finland, India, Italy, Japan, Republic of Korea, Libya, Mauritania, Morocco, The Netherlands, Nigeria, Norway, Saudi Arabia, Switzerland, Thailand, the United States of America and Ukraine. The following United Nations Agency took part in the Conference: International Maritime Organization (IMO). The following international organizations took part in the conference: GS1, the International Organization for Standardization (ISO) and the International Air Transport Association (IATA). Private sector representatives that participated in the conference included GT Nexus, Hapag Lloyd, IHS Maritime & Trade, International Port

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Community Systems Association, INTTRA, Maersk Line, and members of the foundation on behalf of companies and organizations working in the maritime industry (SMDG).

II. Background presentations

A. Welcoming address

3.   The Director of the UNECE Economic Cooperation and Trade (ECT) Division opened the Conference jointly with the Chair of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT).

4.   The Director gave an overview of the history and importance of UN/LOCODE in international trade. The user community of UN/LOCODE, she recalled, includes the private sector, governmental agencies (in particular customs authorities) and international organizations. She highlighted the need to enhance the engagement of the user community in the maintenance of UN/LOCODE, namely to mobilize the resources and support for sustainable maintenance and improvement of the standard, in particular in the light of ongoing budget reductions within the UN system. She also mentioned the need to revise the UNECE Recommendation on UN/LOCODE (UNECE Recommendation No.16 – 1998 version) to reflect current trade requirements. The Chair of UN/CEFACT stressed the importance of UNECE Recommendation No. 16 within the suite of UN/CEFACT standards.

B. Presentation of UNECE Recommendation No. 16

5.   The Deputy Director of the UNECE ECT Division presented the core principles and main features of UNECE Recommendation No. 16. The presentation provided participants with the background, basic concepts and data structure of UN/LOCODE as well as with the challenges and opportunities related to the maintenance and improvement of UN/LOCODE.

C. Presentation of the preliminary findings from the survey on UN/LOCODE

6.   The UNECE secretariat presented the preliminary results from a survey on UN/LOCODE. The survey was aimed at shedding light on the extent, nature and concerns of the UN/LOCODE user community, including their practices when using the UN/LOCODE and expectations.

7.   The majority (65%) of the responses to the survey came from the private sector; the remaining 35% of responses were from governmental agencies.

8.   The widespread perception amongst users was that the vast majority of UN/LOCODE entries were extremely relevant for international trade, but data quality needed to be improved. Respondents also stressed that it was crucial to distinguish between locations that are commercially relevant and those that are not. The survey responses also suggested that the UN/LOCODE user community was confused about the columns "function" and "status" in the UN/LOCODE directory. Survey respondents welcomed the organization of the UN/LOCODE Conference and suggested that it be held on an annual basis.

III. Technical discussion

A. Presentation of the practical aspects of the use of UN/LOCODE

9.   The UNECE secretariat presented statistics on the use of UN/LOCODE by the user community while noting that the secretariat lacked specific statistics on a global scale that

could provide information on the actual use of specific UN/LOCODE entries. The value and importance of UN/LOCODE and the costs to industries arising from changes in UN/LOCODE were also recalled.

10.   The UNECE secretariat explained that its key objective is to improve the quality of the database by increasing the number of codes with an "A" type designation – i.e. codes that are validated by national administrations. A key factor in achieving this is an increase in the number of UN/LOCODE National Focal Points (NFPs), as these are the only bodies that can undertake the necessary validation required for the "A" designation.

11.   It was highlighted that both private and public sector users should provide more information in connection with their Data Maintenance Requests (DMRs) or with requests for codes for new locations.

12.   Conference participants emphasised the need to have advance notification of changes to major trade locations, giving, as an example, the changes in codes for Chinese ports which were changed since the UN/LOCODE release 2014-1. It was stressed that a standard procedure for changing codes at the country level would be welcome, with a view to improving communication and giving a notice period, for instance six months, to give users time to adapt their systems to changes in UN/LOCODE.

13.   Several private sector representatives inquired about the tasks of NFPs. They highlighted the potential threat related to lack of awareness on the NFP's side of the impact that changes to UN/LOCODE could have on the user community, particularly in terms of costs. SMDG, an association of several shipping companies, stated that currently there are three different coding systems for identifying terminals. SMDG found several conflicts and duplications of UN/LOCODE for ports, which prevents the specific identification of terminals. SMDG expected that NFPs could help address this issue.

B.   Presentation by the China National Institute of Standardization (CNIS)

14.   The China National Institute of Standardization (CNIS) representative, on behalf of the Chinese NFP, made a presentation on how the Chinese Government manages UN/LOCODE. She presented the case of Port Rugao as an example of the importance of requesting a UN/LOCODE for commercial locations.

15.   China has created a national standard (GB/T 15514) for national codes of ports and other locations, and the standard is in line with UN/LOCODE China entries. The State Council is in charge of approving newly opened ports through China Ports Management Office. CNIS has been designated by the Government to maintain national location code standards in consultation with the General Administration of Customs in China.

16.   The representative took Rugao as an example to demonstrate the benefit of using UN/LOCODE in international trade. Rugao is a port located near Shanghai. Before 2014, it had no UN/LOCODE and thus all imports of goods had to be shipped to Shanghai ports and then transported to Rugao by road. In 2014, the Government approved Rugao as an international open port and thus it was assigned a UN/LOCODE according to UNECE Recommendation No.16. The Rugao UN/LOCODE has enabled a local company to save up to almost USD 200 million annually, since now imported stones can be shipped directly to the port of Rugao instead of transiting through the port of Shanghai.

C.   Presentation by the International Maritime Organization (IMO)

17.   The IMO representatives recalled that IMO specializes in the rule-making process for its sector and develops standards. IMO plays an important role in facilitating maritime traffic, with a department dedicated to this area of work.

18.   The IMO representatives described how UN/LOCODE is used by IMO. The IMO Global Integrated Shipping Information System (GISIS) uses UN/LOCODE as a core data component. GISIS is an online portal, currently composed of thirty interconnected modules, which are developed and maintained internally by the IMO secretariat for the collection, processing and publishing of IMO Member State data with extended direct reporting capabilities, in accordance with convention requirements and facilities adopted by the Organization. GISIS uses UN/LOCODE to identify ports and this serves various purposes such as: long-range identification and tracking systems, notification of ship arrival information, maritime security and port reception facilities.

19.   When GISIS was first published in 2005, many IMO Member States noted that certain UN/LOCODE entries were out of date and needed to be revised. IMO indicated that the IMO Long-Range Identification and Tracking (LRIT) system on exchange of information related to ports also uses UN/LOCODE.

20.   The IMO GISIS uses the XML data format. UN/LOCODE's 5-digit entries are used by IMO for port identification. IMO assigns an additional four digits following the UN/LOCODE characters for sub-location identification, as is the case for terminal facilities.

21.   IMO stressed that it found that several UN/LOCODE entries were duplicated or inaccurate when importing UN/LOCODE into the GISIS. Also, IMO stated that its system has a different format of coordinates than UN/LOCODE, and suggested that the format of coordinates should be harmonized.

22.   IMO also highlighted that UN/LOCODE lends itself to an impressive variety of potential uses, including environmental protection in relation to the identification of Low Carbon Emission Zones.

D.   Presentation by the Ministry of Communication and Information Technology of India (MCITI)

23.   The MCITI representative made a presentation on the use of UN/LOCODE in India. The Indian government has an inter-agency committee tasked with the review of the Data Maintenance Requests and other UN/LOCODE requests. India submits between 10 and 100 new code requests per year. UN/LOCODE is an integral part of the national eTrade project led by the Department of Commerce to facilitate trade. For local use, the NFP has added a function classifier as a sixth digit of UN/LOCODE to clearly differentiate airports, seaports, or multimodal facilities at the same location.

24.   Mr. Khan suggested that, in the future, only the NFP should be in charge of accepting DMRs for the country and that the communication between the UNECE secretariat, NFPs and the user community should be strengthened.

E.   Presentation by INTTRA

25.   The INTTRA representative made a presentation on the use of UN/LOCODE by the private sector serviced by INTTRA. INTTRA is an ocean shipping electronic marketplace, information and service provider that books the industry's largest volume of shipping containers. She explained that INTTRA facilitates the communication flow among its clients (mostly carriers, shipping professionals, and alliance partners) using UNECE standards (UN/LOCODE included). Among its services, INTTRA helps its customers to file DMRs and to communicate with the UNECE secretariat.

26.   INTTRA emphasized that any code changes would have significant impacts on its clients, and particularly costs associated with adjustments. If the change is unavoidable, INTTRA would expect the national authority or the UNECE secretariat to give advance

notification so that the user community can have sufficient time to adjust to the changes. The representative stated that INTTRA proposed to the UNECE secretariat to create or clarify a Standard Operation Procedure (SOP) on DMRs and to improve communication with the user community.

27.   INTTRA highlighted that its customers are provided with the implementation guides of the UNECE (such as EDIFACT, XML, and other key standards), along with guidance on how to use the UN/LOCODEs, UN package codes or UN container codes.

28.   Several shipping companies also expressed the same opinion as INTTRA on any change to UN/LOCODE, and they raised the necessity of receiving advance notifications of changes in codes so that they could have time to adjust. They added that attention should be dedicated to the issue of terminal code lists. A code list is maintained for terminals, they suggested, but that only works in combination with UN/LOCODE. The UNECE secretariat added that an advance notification process could be set up.

IV.   Presentation of NFPs and pilot projects on a new work programme with NFPs

A.   Introduction of NFPs by the UNECE secretariat

29.   The UNECE secretariat gave an overview of the background situation and current status of cooperation with NFPs. The key responsibilities of the NFP are to:

- Review existing UN/LOCODE entries;
- Validate requests for new codes and modifications;
- Summarize requests to the UNECE secretariat;
- Collect feedback from the user community; and
- Promote the use of UN/LOCODE.

30.   As previously stated, UNECE seeks to increase the number of NFPs as a matter of urgency and the secretariat sees this as one of the key factors that will help improve data quality. The proposed deadline for the nomination of NFPs is 30 June 2015. The most up-to-date NFP list is available on the UN/LOCODE website (http://www.unece.org/cefact/locode/focalpoint.html).

31.   Two pilot projects conducted with the NFPs from China and Japan were discussed. For China, the online DMR submission was disabled for individual users and all DMRs for locations in China had to be sent directly to the Chinese NFP for further consultation. For Japan, the UNECE secretariat practice was to send DMRs to the Japanese NFP every three months instead of biannually. The current practice in Japan is presented below.

B.   Presentation by the Japanese NFP

32.   The Japan Association for Simplification of International Trade Procedures (JASTPRO) representative gave a presentation on the current NFP work. It was reported that JASTPRO devoted one working day per trimester of one staff member to the validation and processing of UN/LOCODE DMRs.

33.   JASTPRO directly contacts applicants if there are questions regarding their submission. When there are issues which cannot be dealt with using a standardized rule and procedure, JASTPRO discusses these with the UN/LOCODE Japan Committee and follows the result of the discussion. They have a standard process for communicating with

applicants regarding the requests. After validation, JASTPRO communicates the results and any changes to the applicant as well as to UNECE.

34.   In the future, JASTPRO would like to be able to validate and update DMRs directly through the web-based DMR system, or through a potential real time ICT system.

35.   The Japanese NFP highlighted that JASTPRO is a type of national trade facilitation body supported by three ministries and the private sector. He suggested that using bodies such as a UN/LOCODE NFP could be an interesting solution to solve issues related to the allocation of responsibilities for UN/LOCODE within a country, as they can generally be ascribed to more than one national authority within an individual country.

C.   Presentation by the Norwegian NFP

36.   The Norwegian Costal Administration representative introduced their current NFP work. The Norwegian NFP mainly focusses on ports. He expressed the need for support from other governmental agencies within Norway before they would be able to act as the NFP to control all locations.

37.   He reported that Norway has a national Single Window system to manage UN/LOCODE. UN/LOCODE in Norway is mostly used in relation to fishery catch data registration and fisheries management systems in general. He reported that the NFP is in the process of continuing the review of the existing entries to improve data quality.

38.   He reported that Norway was in need of inter-agency coordination to establish an NFP. Work is already being carried out on a list of agencies concerned with the work of the NFP.

39.   In the debate that followed the presentations by Japan and Norway, a representative of the Electronic Transaction Development Agency of Thailand reported that there is no official national-level focal point for Thailand because the focal point's work involves many stakeholders among different governmental agencies. Moreover, it was reported that many stakeholders are present in the country and this could represent an issue, in particular in relation to the geographical position of the given commercial location. This makes it more difficult to decide as to who should be the unique NFP for Thailand.

40.   In addition, Thailand is facing language difficulty for UN/LOCODE since the location name in Thailand normally has two versions: one in English and one in Thai; as a consequence, the difference between these two expressions is significant. Thailand sought support from the UNECE secretariat to solve the issues related to language with a view to establishing closer cooperation between the UNECE secretariat and the Thai NFP after its establishment.

D.   Workshop on National Focal Points during the lunch break

41.   During the lunch break, the UNECE secretariat held a technical workshop on the role and tasks of NFPs. More than 15 participants from existing NFPs, potential NFPs, international organizations, and representatives of the private sector took part in the workshop.

42.   Participants proposed that "Function 5" – for postal exchange office – should be authorized by the Universal Postal Union (UPU). It was suggested that in the future, the DMR system should ask users to indicate whether a request for a location with "Function 5" has already been verified by UPU before submission.

43.   Participants indicated that there was confusion regarding the column "status" of the UN/LOCODE directory, with special reference to the differences among statuses starting with "A":

- "AA": Approved by competent national government agency;

- "AC": Approved by Customs Authority;

- "AF": Approved by national facilitation body;

- "AI": Code adopted by international organisation (IATA or ECLAC);

- "AS": Approved by national standardisation body.

44.   Status "A" indicates codes approved by public authorities; therefore it is necessary to create a subcategory to identify the specific authority that has approved the location. It was requested that the revision of UNECE Recommendation No.16 should consider this point to avoid or reduce confusion. Participants pointed out that the status "AF" will be particularly relevant in view of the Trade Facilitation Agreement of the World Trade Organization (WTO).

45.   The cost incurred by users due to subdivision changes in UN/LOCODEs was also discussed by participants. It was suggested that NFPs should remind the relevant government agencies of such costs if they planned to change subdivisions, and that this responsibility should be clearly listed in the Terms of Reference (ToRs) for NFPs.

46.   Participants expressed the will to change the data structure of the UN/LOCODE directory by adding more attributes, such as local names of locations, especially for Arabic, Chinese, and Korean locations.

47.   At the request of the participants, the deadline for the submission of comments on the draft ToRs for NFPs was extended to 15 May 2015. A revised version was prepared, based on these comments for the April 2016 session of the UN/CEFACT Plenary.

V.   Presentation of key issues and challenges

48.   The Deputy Director of the UNECE ECT Division summarized the key issues and challenges around UN/LOCODE that arose from the discussions held in the morning session as follows:

- There is a need to receive support for UN/LOCODE maintenance and development in a sustainable way;

- There is a need to significantly increase the number of NFPs, particularly for countries that submit the largest volumes of new UN/LOCODE DMRs;

- The latest version of UNECE Recommendation No.16 needs revision, as all other changes depend on a revision of this instrument in the first place. Such changes would relate, in particular, to subdivision, coordinates, and data structure of UN/LOCODE;

- A UN/LOCODE Advisory Group (AG) should be established with specific ToRs, and should include representatives from the whole user community;

- There is a need to consult with and give advance notification to users when major changes to UN/LOCODE, and indeed changes to specific codes for major ports, are proposed;

- DMRs for "Function 5" should be preliminarily authorized by UPU;

- The user community should be engaged in discussions on implementing changes to the UN/LOCODE Database; and

• There is a need for support in order to achieve optimal management and improvements in data quality.

49.   SMDG gave a short presentation on issues related to duplication and confusion, as UN/LOCODE does not appear to be the unique global standard for commercial locations. It stressed that the existing entries should be reviewed and improved to avoid such conflicts.

50.   The representative from IATA gave a short overview of the role of IATA and its coding activities for airports. He explained that any changes to the existing IATA codes has huge cost implications for its users and thus IATA prefers to keep the existing codes. He reaffirmed IATA's willingness to cooperate with the UNECE on UN/LOCODE to avoid future conflicts.

51.   The representative of IHS Maritime described the use of UN/LOCODE within his company. IHS Maritime has used UN/LOCODE for decades on maritime and trade issues and the company assigns individual numbers to ports based on UN/LOCODE coupled with a unique suffix for each port, thus creating a unique numbering system.

A.   Roundtable on the potential use of UN/LOCODE

52.   An open roundtable discussion on potential new uses of UN/LOCODE mentioned the potential for UN/LOCODE to be used for environmental management issues, oil platforms in national and international waters and the possibility to launch a map of UN/LOCODEs. The prefix (UN/LOCODE) – suffix (other purpose) coding structure was mentioned by participants for potential new uses of UN/LOCODE.

53.   For instance, it was suggested that low sulfur areas, where ships are not allowed to burn fuels with sulfur, are defined in navigation systems and could also be allotted a UN/LOCODE under the present scenario.

54.   It was also reported that a meeting with Norway was held in relation to oil platforms, which currently have a UN/LOCODE, and the issue was raised about areas not yet covered by UN/LOCODE. It was suggested that the same rationale could apply to waste management areas, including nuclear waste management areas.

55.   Some participants, however, warned against the risk that these innovations could stretch the scope of UN/LOCODE far beyond commercial locations connected to international trade transactions. The secretariat emphasized that the role of UN/LOCODE was to facilitate international trade and that this would continue to be the main focus for the foreseeable future.

56.   The Chinese representative reiterated the need for specifications for terminals. Codes for terminals are important for both IMO and business sectors and it is important to incorporate UN/LOCODE into some prefix/suffix coding system for identifying terminal locations. IMO used UN/LOCODE as prefix to identify ports and four digits as suffix for terminals. Terminals are coded at least in three different systems: IMO's, NDG's, and UN/LOCODE, which also appear to cover some terminals. As a consequence, there appears to be a need for standardizing terminal coding systems.

B.   Summary points raised by participants

57.   In the wrap-up phase of the conference, participants recalled the need for solving the issue of multiple codes for the same locations (in particular ports), and sought solutions from the UNECE secretariat. The UNECE secretariat noted that this issue was closely linked to national policies.

58.   IMO expressed the hope that the UNECE secretariat would take the initiative to coordinate various UN agencies and international organizations with a view to standardizing and harmonizing codes for locations.

59.   IMO representatives expressed a request for other UN/LOCODE formats, like XML, as well as the possibility of having it updated more than twice a year.

60.   INTTRA encouraged providing an explanation accompanying changes to major commercial locations, such as Chinese ports, and requested a standard operating procedure for changing codes at the country level in order to improve communications and give a notice period, e.g. six months, to allow users to adapt their systems.

VI.   Decisions and way forward

61.   The Deputy Director of the ECT Division summarised the main conclusions of the Conference as follows:

- There is a need to receive support for UN/LOCODE maintenance and development in a sustainable way;

- There is a need to significantly increase the number of NFPs, particularly for countries that submit the largest volume of new LOCODE DMRs, in order to improve data quality;

- A network of NFPs should be established;

- A UN/LOCODE "advisory group" should be established with membership from amongst key stakeholders;

- The UNECE secretariat should consult with users when major changes to UN/LOCODE are envisaged;

- The secretariat should give advance notice to users when changes to specific codes for major ports are anticipated;

- UNECE Recommendation No. 16 should be revised according to the official UN/CEFACT procedures; the Chair of UN/CEFACT recalled that most of the work could be done through conference calls, without travel expenses or other additional costs for the project team;

- A Guide for UN/LOCODE NFPs should be prepared;

- The deadline for comments on the draft ToRs for UN/LOCODE NFPs will be extended to 15 May 2015;

- Technical follow-up meetings should be held between UNECE and other organizations to improve the maintenance of UN/LOCODE;

- Cooperation and coordination with other international organizations should be strengthened;

- UNECE should act as a coordinator to standardize and harmonize location coding systems developed by UN agencies and other international organizations; and

- A plenary session of the UN/LOCODE Conference should be held on an annual basis.

62.   It was recognised that this is a rather significant list of requirements from users. Given the scarce resources of the UNECE secretariat, the Deputy Director indicated that UNECE would reach out to the user community to seek support for the further

development, enhancement and maintenance of UN/LOCODE. He said that it was clear from the Conference that UN/LOCODE is a very valuable instrument in international trade and that UNECE would work closely with the user community to deliver the best possible product and service.

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