

**Draft UN/CEFACT recommendation No. 30  
on the Harmonised Commodity Description and Coding System  
for the Coding of Goods and Commodities.**

**SOURCE:** FIATA (Intern. Federation of Freight Forwarders Association)

**CONTENT:** -

**ACTION:** For information, 6<sup>th</sup> UN/CEFACT session  
Agenda Item 5

(Please note that TRADE/CEFACT/2000/CRP.4 is ONLY available in electronic format)

Zurich, March 3, 2000

**Draft UN/CEFACT recommendation No. 30 on the Harmonised Commodity Description and Coding System for the Coding of Goods and Commodities.**

FIATA, the International Federation of Freight Forwarders Association is against the draft UN/ECE recommendation No. 30 based on a new Harmonised System (HS) - commodity code list of some 5.000 6-digit positions instead of the present generic goods descriptions commonly used in transport documents as air waybills, bills of lading, forwarding instructions, etc. In our view it facilitates not international transport for the following reasons:

The draft recommends that governments and business mutually promote and support the use of a commodity code list based on the recommendation 30 as the preferred method to code commodities in international transport, transport related operations, including transport statistic. The recommendation is namely directed to maritime transport, but will also apply to any other mode of transport.

If the use of the WCO HS is compulsory in some countries for customs declarations, that does not mean that recommendation 30 shall replace the short goods description on transport related documents. Further, recommendation 30 is completely contradictory to other regulations where goods descriptions are required. Or you believe that the UN Recommendations on the Transport of Dangerous Goods (Module Regulations) should be rewritten completely only to fulfil the requirements of the recommendation 30?

For your information transport documents provide generic information how to handle, unload, store, or repack goods. These information can only be contained in a short goods description and not in codes. The transport document is a transport contract and for physical handling of goods and not for any other purposes. Human beings handling these goods manually are all related to the description of goods and not numbers.

Further, it is stated that Recommendation 30 will be used for transport statistics (paragraph 7, 7<sup>th</sup> bullet) and in some countries for transit declarations (paragraph 9). We cannot verify either of these statements. The revised uniform goods nomenclature for transport statistics NSTR used in the EU, has a 2-digit code amalgamated into only 24 groups. Despite the limited classification there are no EU-wide maritime transport statistics in terms of commodities. In regard of transit declaration only the community/common transit system requires to state a commodity code. However, this requirement is only restricted to 17 categories of sensitive goods where the 8-digit code of the Combined Nomenclature has to be declared (not the WCO HS-Code). This is a very narrowly defined requirement and is by no mean an argument for the proposed general use of the proposed HS-Code in recommendation 30.

The assumption is wrong that throughout the international supply chain (e.g. producer – freight forwarder – carrier – consignee) a need of a detailed goods description is required. For confidentiality reasons the exporter transmit to the importer more detailed information on the goods directly together with the necessary documents needed for import clearance. A transmission of data along the supply chain would pose liability problems in case of incorrect transmission of messages as well as in regard of the confidentiality of content and reasons of security. Buyer and Seller do not want disclose the nature and value of goods traded to third persons. For gang of thieves an exact good description including the value of the goods is directly an invitation to pilfer the goods without time-consuming searching! Only if the consignment contains restricted articles, forwarders and carriers need in general more information about the nature of goods.

Cargo identification is for cost reasons condensed to the minimum. For instance, big container vessels calling only in 2 or 3 ports have to unload more than thousand containers and load a similar number during a limited waiting time. The shipping lines identify the cargo by the container number when unloaded on feeders , train and trucks for on-forwarding to the final destination.

FIATA is of the opinion that the WCO HS-Code is widely known in international trade and operators will use it only if it facilitates their job. There is no need to introduce a new HS-Code which would only be confusing. Therefore, we are against the proposed sub-set of the HS-Code for transport purposes, because we consider it unnecessary, it may infringe on legitimate business interests, is burdensome and costly. Because of facilitation reasons FIATA and many countries in Europe were against the general use of the HS-Code in the European Transit procedures.

## **FIATA**

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