



European Commission
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Food and Agriculture Organization
of the United Nations



International Tropical
Timber Organization

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for Europe

An update on IWG on Forest Sector Statistics Proposal for HS 2017 Revision

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Outline

- HS and its revision
- IWG's proposal for HS2017 revision
- Work carried out
- Current status and next steps
- Summary

Harmonized System (HS)



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

- Developed by WCO
- International products classification system for trade
- 150 contracting parties
- over **98%** of the merchandise in international trade is classified using HS
- Almost **all countries** use it for statistical and administrative purposes
- Revised every five years (...2007, 2012, **2017...**)

Harmonized System (HS) Revision

- Influencing the HS means significantly impacting the **availability** and **quality** of trade statistics **world wide**
- Outstanding opportunity for **data harmonization** across countries and different statistical domains

IWG's Proposal for HS2017 Revision

Better scope (8 subheadings) and new codes (31 subheadings):

- Coniferous / Non-coniferous
Tropical / Temperate
Species
Dimensions



Logs

Sawnwood



Plywood



- Agglomerated vs.
not agglomerated

Wood processing residues



- Wood vs. Non-wood

Prefabricated wooden buildings



Chapter 44, heading 4401

HS 2012	HS 2017
Fuelwood	
4401.10 (all)	4401.11 coniferous 4401.12 non-coniferous
Wood waste, agglomerated or not	
4401.31 wood pellets 4401.39 other	4401.31 wood pellets 4401.39 agglomerated other than pellets 4401.40 not agglomerated (sawdust, other wood waste)

Chapter 44, heading 4403

HS 2012	HS 2017
Wood in the rough, treated with paint, etc.	
4403.10 (all)	4403.11 coniferous 4403.12 non-coniferous
Wood in the rough, other (industrial roundwood in JFSQ)	
<u>Coniferous</u> 4403.20 (all)	4403.21 pine, 15 cm or more (logs) 4403.22 pine, <15 cm (pulpwood, other) 4403.23 spruce/fir, 15 cm or more (logs) 4403.24 spruce/fir, <15 cm (pulpwood, other) 4403.25 other coniferous, 15 cm or more (logs) 4403.26 other coniferous, <15 cm (pulpwood, other)

Chapter 44, heading 4403 cont'd

HS 2012

HS 2017

Wood in the rough, other (industrial roundwood in JFSQ)

Non-coniferous temperate

4403.92 (beech)

4403.99 (other)

4403.93 beech, 15 cm or more (logs)

4403.94 beech, <15 cm (pulpwood, other)

4403.95 birch, 15 cm or more (logs)

4403.96 birch, <15 cm (pulpwood, other)

4403.97 poplar/aspens

4403.98 eucalyptus

4403.99 other non-coniferous

Chapter 44, heading 4406

HS 2012	HS 2017
Sleepers	
4406.10 (not impregnated)	Not impregnated: 4406.11 coniferous 4406.12 non-coniferous
4406.90 (impregnated)	Impregnated: 4406.91 coniferous 4406.92 non-coniferous

Chapter 44, heading 4407

HS 2012	HS 2017
Sawnwood	
4407.10 coniferous	4407.11 pine 4407.12 fir/spruce 4407.19 other coniferous
4407.9x (oak, beech, maple, cherry, ash) 4407.99 other non-coniferous	4407.9x 4407.96 birch 4407.97 poplar/aspens 4407.99 other non-coniferous

Chapter 44, heading 4412

Chapter 94, heading 9406

HS 2012	HS 2017
Plywood	
4412.32 other non-coniferous	4412.33 of 18 main temperate non-coniferous genus (eucalyptus, etc.) 4412.34 other non-coniferous
4412.39 other	4412.39 other, with both outer plies of coniferous wood
Prefabricated buildings	
9406.00 (all)	9406.10 of wood 9406.90 other (non-wood)

Chapter 44, note on tropical wood and heading 4409

HS 2012	HS 2017
Subheading note 2 listing tropical wood species	
List of 88 pilot (trade) names	Delete the note and list all (now 404) tropical wood species in detail in Annex to Explanatory notes to Chapter 44
Secondary processed sawnwood	
4409.29 other non-coniferous	4409.22 tropical 4409.29 non-coniferous non-tropical

HS Review Process

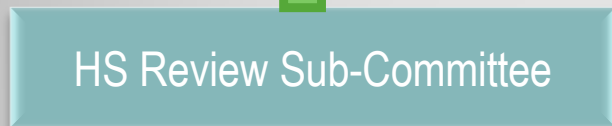
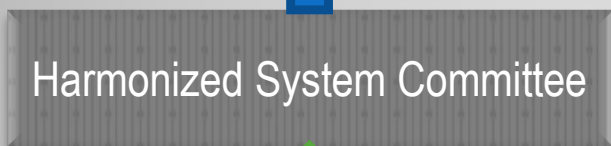
When: Review cycle takes place every 5 years

Who: **HS Committee (HSC)** supported by **HS Review Sub-Committee (RSC)**

- each committee meets twice a year
- attended by WCO member countries
- International Organizations are invited to advise on technical issues: consultative role i.e. not voting power but can make proposal to amend the HS

What: review **Structure**, drafting amendments to **Explanatory Notes**

HS Review Process (structure)



Completed: **June 2014**,
becomes official 6 months later

Discussed: **March 2014**

Discussed: **May & Nov 2012**
May & Nov 2013

Proposal submitted as a part of FAO
Corporate proposal: **March 2012**

Work undertaken

- **May 2012 HS-RSC**
 - Presented FAO proposal on behalf of IWG
 - A number of changes were suggested by countries at meeting
- **November 2012 HS-RSC**
 - Proposal mostly accepted – tropical and wooden buildings held up for better definitions
- **May 2013 HS-RSC**
 - Wooden buildings accepted, tropical list held up
- **Nov 2013 HS-RSC**
 - Tropical list sent for decision to HSC – key question of whether it should be integral part of HS (legally binding) or part of explanatory notes

Work undertaken cont'd

- **March 2014 HSC**
 - Decided tropical list should be part of explanatory notes
 - WCO asked FAO to further improve list
- **November 2014 HS-RSC**
 - Revised list worked on by FAO / ATIBT accepted. Additional clarifications sought.
- **March 2015 - HSC**
 - Revised tropical list (404) accepted.

Results

As of March 2014, all items of the proposal are **approved** by HS RSC and HSC

In a perfect world...

What would happen next...

- WCO endorse approved amendments for HS 2017 in December 2014
- Update correlation tables between HS2012 and HS2017
- Draft explanatory notes (completed by 2016)
- All changes become effective in January 2017

What actually happened...



- Amendments related to ***tropical wood*** and ***wooden prefabricated buildings*** were officially adopted by WCO and will be effective in January 2017
- Other approved changes were accidentally missed by WCO in the official endorsement procedure in 2014
- FAO noticed the problem and filed a request to WCO (Oct 2014)



Remedy Offered by WCO

- Other approved changes will be included in WCO's 2015 official corrigendum procedure (HSC in March, Council in June)
- They will become part of HS 2017 in January 2016 and legally effective in January 2018

What we have done in HS2017 review

- In 2012-2015, attended **7** sessions of WCO HS-RSC & HSC:
 - FAO = 7
 - UNECE = 2
 - ITTO = 1
- Involved experts (ATIBT) check pilot names for tropical lists

HS 2022

- IWG discussed briefly possible products to add for next round:
 - briquettes, torrefied pellets, wood composite pellets, waste paper pellets
 - Separate codes for dry-process fibreboard (MDF) by density (i.e. HDF & MDF)
 - Further plywood split into C/NC
 - Possible further paper products
 - Glulam, CLT and other engineered wood products
- Will discuss further and request input from countries
- Plan to present at WCO in 2016 or 2017

Summary and Future Work

- We're more **proactive** in the process
- **Collaboration** with member states, partner organizations, other departments are critical for the success
- Classification of forest products is improving
- A continuous improvement process: HS 2022 Revision and other international classifications (CPC)

We will continue to work with WCO for better forest products classification, better data

Thank you for your attention!

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