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

Alex McCusker
UNECE/FAO Forestry and Timber Section, Geneva

2nd Meeting, UNECE/FAO Team of Specialists on Forest Products Statistics
Geneva, Switzerland

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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)

- 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 worldwide.
- 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):

<table>
<thead>
<tr>
<th>Subheadings</th>
<th>Logs</th>
<th>Sawnwood</th>
<th>Plywood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coniferous / Non-coniferous Tropical / Temperate Species Dimensions</td>
<td><img src="image1.png" alt="Logs" /></td>
<td><img src="image2.png" alt="Sawnwood" /></td>
<td><img src="image3.png" alt="Plywood" /></td>
</tr>
<tr>
<td>Agglomerated vs. not agglomerated</td>
<td><img src="image4.png" alt="Wood processing residues" /></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wood vs. Non-wood</td>
<td><img src="image5.png" alt="Prefabricated wooden buildings" /></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Chapter 44, heading 4401

<table>
<thead>
<tr>
<th>HS 2012</th>
<th>HS 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuelwood</td>
<td></td>
</tr>
<tr>
<td>4401.10 (all)</td>
<td>4401.11 coniferous</td>
</tr>
<tr>
<td></td>
<td>4401.12 non-coniferous</td>
</tr>
<tr>
<td>Wood waste, agglomerated or not</td>
<td>4401.31 wood pellets</td>
</tr>
<tr>
<td>4401.39 other</td>
<td>4401.39 agglomerated other than pellets</td>
</tr>
<tr>
<td></td>
<td>4401.40 not agglomerated</td>
</tr>
<tr>
<td>HS 2012</td>
<td>HS 2017</td>
</tr>
<tr>
<td>----------</td>
<td>---------</td>
</tr>
<tr>
<td>4403.10 (all)</td>
<td>4403.11 coniferous</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wood in the rough, other (industrial roundwood in JFSQ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coniferous</td>
</tr>
<tr>
<td>4403.20 (all)</td>
</tr>
<tr>
<td>4403.21 pine, 15 cm or more (logs)</td>
</tr>
<tr>
<td>4403.22 pine, &lt;15 cm (pulpwood, other)</td>
</tr>
<tr>
<td>4403.23 spruce/fir, 15 cm or more (logs)</td>
</tr>
<tr>
<td>4403.24 spruce/fir, &lt;15 cm (pulpwood, other)</td>
</tr>
<tr>
<td>4403.25 other coniferous, 15 cm or more (logs)</td>
</tr>
<tr>
<td>4403.26 other coniferous, &lt;15 cm (pulpwood, other)</td>
</tr>
<tr>
<td>HS 2012</td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td><strong>Wood in the rough, other (industrial roundwood in JFSQ)</strong></td>
</tr>
<tr>
<td><strong>Non-coniferous temperate</strong></td>
</tr>
<tr>
<td>4403.92 (beech)</td>
</tr>
<tr>
<td>4403.99 (other)</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
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<td></td>
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<tr>
<td></td>
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<tr>
<td></td>
</tr>
</tbody>
</table>
### Chapter 44, heading 4406

<table>
<thead>
<tr>
<th>HS 2012</th>
<th>HS 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sleepers</strong></td>
<td></td>
</tr>
<tr>
<td>4406.10 (not impregnated)</td>
<td>Not impregnated:</td>
</tr>
<tr>
<td></td>
<td>4406.11 coniferous</td>
</tr>
<tr>
<td></td>
<td>4406.12 non-coniferous</td>
</tr>
<tr>
<td>4406.90 (impregnated)</td>
<td>Impregnated:</td>
</tr>
<tr>
<td></td>
<td>4406.91 coniferous</td>
</tr>
<tr>
<td></td>
<td>4406.92 non-coniferous</td>
</tr>
</tbody>
</table>
### Chapter 44, heading 4407

<table>
<thead>
<tr>
<th>HS 2012</th>
<th>HS 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sawnwood</td>
<td></td>
</tr>
<tr>
<td>4407.10 coniferous</td>
<td>4407.11 pine</td>
</tr>
<tr>
<td></td>
<td>4407.12 fir/spruce</td>
</tr>
<tr>
<td></td>
<td>4407.19 other coniferous</td>
</tr>
<tr>
<td>4407.9x (oak, beech, maple, cherry, ash)</td>
<td>4407.9x</td>
</tr>
<tr>
<td>4407.99 other non-coniferous</td>
<td>4407.96 birch</td>
</tr>
<tr>
<td></td>
<td>4407.97 poplar/aspen</td>
</tr>
<tr>
<td></td>
<td>4407.99 other non-coniferous</td>
</tr>
<tr>
<td>HS 2012</td>
<td>HS 2017</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Plywood</strong></td>
<td></td>
</tr>
<tr>
<td>4412.32 other non-coniferous</td>
<td>4412.33 of 18 main temperate non-coniferous genus (eucalyptus, etc.)</td>
</tr>
<tr>
<td></td>
<td>4412.34 other non-coniferous</td>
</tr>
<tr>
<td>4412.39 other</td>
<td>4412.39 other, with both outer plies of coniferous wood</td>
</tr>
<tr>
<td><strong>Prefabricated buildings</strong></td>
<td></td>
</tr>
<tr>
<td>9406.00 (all)</td>
<td>9406.10 of wood</td>
</tr>
<tr>
<td></td>
<td>9406.90 other (non-wood)</td>
</tr>
</tbody>
</table>
### Chapter 44, note on tropical wood and heading 4409

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

WCO Council

Harmonized System Committee

HS Review Sub-Committee

FAO/IWG

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
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!

Alex McCusker
UNECE/FAO Forestry and Timber Section
stats.timber@unece.org