

WHAT IS THE HARMONIZED SYSTEM?

The Harmonized Commodity Description and Coding System – generally referred to as the Harmonized System or simply the HS – is a multipurpose international product nomenclature developed by the World Customs Organization (WCO). The HS comprises more than 5,000 commodity groups, each identified by a six-digit code, arranged in a legal and logical structure and supported by well-defined rules to achieve uniform classification. More than 200 countries and economies use the HS as a basis for their customs tariffs and for the collection of international

trade statistics. More than 98 % of the merchandise in international trade is classified in terms of the HS. The system is also used extensively by governments, international organizations and the private sector for many other purposes such as internal taxes, trade policies, monitoring of controlled goods, rules of origin, freight tariffs, transport statistics, price monitoring, quota controls, compilation of national accounts, and economic research and analysis.

CAN THE HS SIX-DIGIT CODES CAPTURE PLASTIC SUBSTITUTE GOODS PRECISELY?

The table beside presents an illustrative list of substitute products for single-use plastics as well as the relevant feedstocks, used in their manufacture, together with the corresponding HS codes and product descriptions at the six-digit level. A number of observations can be made from a review of this list.

– The level of precision of the HS varies widely with regard to the type of raw material (feedstock) as well as the end-use product being considered. In general, the problem of precise identification is more of an issue for end-use products.

– In a select number of cases plastic substitute feedstocks and end-use products are relatively easy to identify; e.g. natural fibres such as jute and sisal have their own specific HS code at the six-digit level as do end-use products such as jute fabric and bags and sisal rope.

– No distinct HS six-digit subheading exist for feedstocks such as banana or areca leaves or for end-use products made of such materials. In such a scenario, the code that provides the closest match would need to be considered for any analysis of trade flows. For banana and areca leaves, for example, this would be HS 1410.90 (“Other vegetable materials of a kind used primarily for plaiting” – for example, bamboos, rattans, reeds, rushes, osier, raffia, cleaned, bleached or dyed cereal straw, and lime bark). Similarly, for takeaway containers made from such leaves the subheading HS 4602.19 (“Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from goods of heading 4601; articles of loofah; Of

other vegetable materials”) appears most appropriate. Given the broad range of materials and end-use products included under these HS subheadings, it is difficult to precisely track trade flows for all materials and products.

– In certain cases, it may be difficult to assign a specific HS six-digit code based on the subheading description alone. For example, aluminium bottles could be classified under three different subheadings:

7612.90 Aluminium casks, drums, cans, boxes and similar containers (including rigid or collapsible tubular containers), for any material (other than compressed or liquefied gas), of a capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment; Other

7615.10 Table, kitchen or other household articles and parts thereof; pot scourers and scouring or polishing pads, gloves and the like; Of aluminium

71616.99 Other articles of aluminium

In all three cases the HS subheading is fairly broad, so global trade flows specific to aluminium bottles would be difficult to capture.

WHAT CAN BE DONE TO ENABLE MORE PRECISE CAPTURING OF PLASTIC SUBSTITUTES FOR CUSTOMS AND TRADE DATA PURPOSES?

– New HS six-digit subheadings can be created if member countries of the WCO agree. The time from review and approval to final implementation is long – usually more than five years.

– In the immediate term, countries can decide to create specific national tariff lines at a more detailed specification (8, 10 or 12 digits) that can capture specific feedstocks and end-use products. Although codes and tariff-line descriptions may vary from country to country and collection of global trade flow statistics may not be possible, export and import figures can

nevertheless be tracked at the national level. Import duty concessions on these products can also be facilitated at customs.

HS SUBHEADINGS FOR NON-PLASTIC FEEDSTOCKS AND END-USE PRODUCTS SELECTED FOR BANGLADESH, KENYA AND NIGERIA

	CATEGORY	FEEDSTOCK	CODE (2017)	DESCRIPTION	
SUBSTITUTE MATERIALS	MINERAL PRODUCTS	Aluminium	7601.00	Unwrought aluminium	
		Aluminium waste	7602.00	Aluminium waste and scrap	
		Glass	7001.00	Cullet and other waste and scrap of glass; glass in the mass	
	NATURAL FIBRES	DEDICATED CROPS	Coconut husks	5305.00	Coconut, abaca (Manila hemp or <i>Musa textilis</i> Nee), ramie and other vegetable textile fibres, not elsewhere specified or included, raw or processed but not spun; tow, noils and waste of these fibres (including yarn waste and garnetted stock)
			Cotton	5201.00	Cotton, not carded or combed
		Hemp	5302.10	True hemp, raw or retted	
		Jute	5303.10	Jute and other textile bast fibres, raw or retted	
		Paper and cardboard	4811.90	Other paper, paperboard, cellulose wadding and webs of cellulose fibres	
		Sisal	5607.21 5607.29	Binder or baler twine; Of sisal Other twine, ropes and cables; Of sisal	
	NATURAL FIBRES	AGRICULTURE BY-PRODUCTS	Areca leaves	1401.90	Vegetable materials of a kind used primarily for plaiting (for example, bamboos, rattans, reeds, rushes, osier, raffia, cleaned, bleached or dyed cereal straw, and lime bark); Other
Banana leaves			1401.90	Vegetable materials of a kind used primarily for plaiting (for example, bamboos, rattans, reeds, rushes, osier, raffia, cleaned, bleached or dyed cereal straw, and lime bark); Other	
Wheat husks			1213.00	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form of pellets	
SUBSTITUTE PRODUCTS	FOOD CONTAINERS AND SINGLE-USE ACCESSORIES	Containers: banana/plantain leaf	4602.19	Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from goods of heading 4601; articles of loofah; Of Other vegetable materials	
		Containers: coconut husk	4602.19	Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from goods of heading 4601; articles of loofah; Of Other vegetable materials	
		Containers: paper	4819.10 4819.20 4823.69	Cartons, boxes and cases, of corrugated paper or paperboard Folding cartons, boxes and cases, of non-corrugated paper or paperboard Trays, dishes, plates, cups and the like, of paper or paperboard; Other	
		Straws: paper	4823.90	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres; Other	
		Straws: wheat fibre	4602.19	Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from goods of heading 4601; articles of loofah; Of other vegetable materials	
		GROCERY BAGS/PACKAGING	Cotton	6305.20	Sacks and bags, of a kind used for the packing of goods; Of cotton
	Hemp		6305.90	Sacks and bags, of a kind used for the packing of goods; Of other textile materials	
	Jute		6305.10	Sacks and bags, of a kind used for the packing of goods; Of jute or of other textile bast fibres of heading 5303 (excluding flax, true hemp and ramie)	
	Paper		4819.30 4819.40	Sacks and bags, having a base of a width of 40 cm or more; of paper, paperboard, cellulose wadding or webs of cellulose fibres Other sacks and bags, including cones; of paper, paperboard, cellulose wadding or webs of cellulose fibres	
	LIQUID CONTAINERS	Glass	7010.90	Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, of a kind used for the conveyance or packing of goods; preserving jars of glass; stoppers, lids and other closures, of glass; Other	
			7612.90	Aluminium casks, drums, cans, boxes and similar containers (including rigid or collapsible tubular containers), for any material (other than compressed or liquefied gas), of a capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment; Other	
		Aluminium	7615.10	Table, kitchen or other household articles and parts thereof; pot scourers and scouring or polishing pads, gloves and the like; Of aluminium	
			7616.99	Other articles of aluminium; Other	