WITS World Integrated Trade Solution

About WITS

WITS was developed by the World Bank in close collaboration with the United Nations Conference on Trade and Development (UNCTAD). In addition, the Inter-American Development Bank (IDB) participated in a Steering Group on the project and developed the Help facility.

Description of WITS Nomenclatures

Nomenclatures in WITS are standard internationally recognized classifications used for trade, tariff, industry and national income accounts purposes. These classifications are used by countries and international organizations to standardize the content, format and structure of outputs and make them comparable across countries.

WITS contains three types of classifications:

?? **External Trade and Tariff Classifications**

Five international classifications applied to trade and tariff data are available in WITS:

o **H1** - The Harmonized Commodity Description and Coding System, or Harmonized System (HS), 1996 version with data from 1996. This is a tariff and trade classification maintained by the World Customs Organization (WCO); over 98 per cent of world trade is classified according to HS96;

o **H0** - HS 1988/1992 version with data from 1988. This is a tariff and trade classification maintained by the WCO; it preceded HS96 and most countries using the Harmonized System as the basis for recording their trade and tariffs have made the transition to it.

o **S3** - The Standard International Trade Classification (SITC), Revision 3 with data from 1986. This is a trade classification maintained by the United Nations (UN) and is the last in a series of three revisions of SITC which are used primarily for analysis of trade flows.

o **S2** - SITC, Revision 2 with data from 1976. This is a trade classification maintained by the UN. It is the basis for Revision 3; and,

o **S1** - SITC, Revision 1 with data from 1962. This is a trade classification maintained by the UN. It is the basis for Revision 2.

?? **Industry Classifications**

A single classification is included in WITS:

o **I3** - The International Standard Industrial Classification (ISIC) of All Economic Activities, Revision 3. This is an industry classification maintained by the UN. This classification of economic activities is arranged so that entities can be grouped according to the activity they carry out.

?? **National Income Accounts**

o **B1** - Classification by Broad Economic Categories (BEC). This is a national income accounts classification maintained by the UN. BEC is intended to categorize trade statistics into large economic classes of commodities and was developed in such a way as to provide elements that enable the construction of aggregates approximately comparable to those for the three basic classes of goods in the 1968 UN System of National Accounts (SNA).
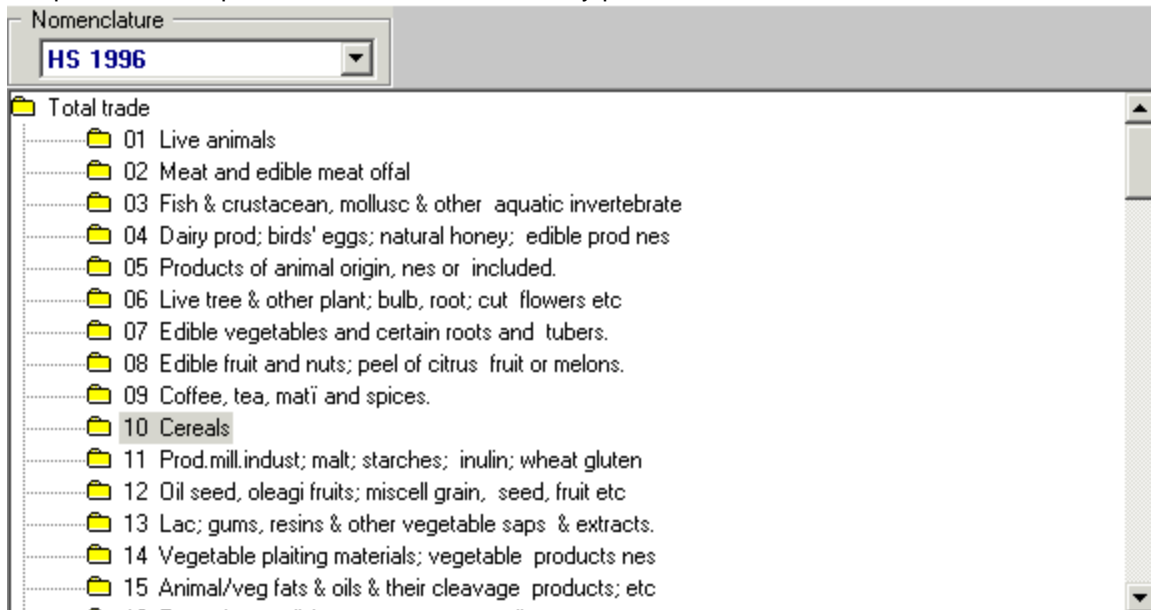
For detailed information on the international family of classifications and their uses, go to the United Nations Statistical Divisions Classifications Registry: http://esa.un.org/unsd/cr/. This web site also provides the complete structure of the classifications in several languages.

These classifications are all hierarchical in structure. That is, they are all constructed to go from very low levels of aggregation to successively higher ones (as will be seen, below). For example, HS96 is a 6-digit classification (Sub-Headings) which can be collapsed into 4-digits (Headings), 2-digits (Chapters) and 1-digits (Sections); SITC (in all of its Revisions) goes from 5-digits (Items) to 1-digits (Sections); and, BEC from 3-digits to 1-digit.

The WITS Nomenclature Screens

As will be seen in the WITS screens, these classifications are easily depicted by using a tree structure which opens up branches to lower and lower dependant levels. All of the trees function in the same way: click on a yellow folder to open the parts of the classification which are included until there are no more included parts to be opened for the particular part of the tree being examined.

For example, HS96 Chapter 10 - Cereals is one of many parts of the classification tree:

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┌─ Nomenclature ──────────────────────┐
│  HS 1996                        ▼    │
└──────────────────────────────────────┘

📁 Total trade                                          ▲
        📁 01  Live animals
        📁 02  Meat and edible meat offal
        📁 03  Fish & crustacean, mollusc & other  aquatic invertebrate
        📁 04  Dairy prod; birds' eggs; natural honey;  edible prod nes
        📁 05  Products of animal origin, nes or  included.
        📁 06  Live tree & other plant; bulb, root; cut  flowers etc
        📁 07  Edible vegetables and certain roots and  tubers.
        📁 08  Edible fruit and nuts; peel of citrus  fruit or melons.
        📁 09  Coffee, tea, matï and spices.
        📁 10  Cereals
        📁 11  Prod.mill.indust; malt; starches;  inulin; wheat gluten
        📁 12  Oil seed, oleagi fruits; miscell grain,  seed, fruit etc
        📁 13  Lac; gums, resins & other vegetable saps  & extracts.
        📁 14  Vegetable plaiting materials; vegetable  products nes
        📁 15  Animal/veg fats & oils & their cleavage  products; etc    ▼
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It has a yellow folder which can be opened to show the next level of the classification which includes all of the 4-digit Headings which make up the 2-digit Chapter (e.g., 1001 - Wheat and meslin, 1002 - Rye, etc.). Likewise, each of the Headings in Cereals can be opened to obtain the 6-digit Sub-Headings.
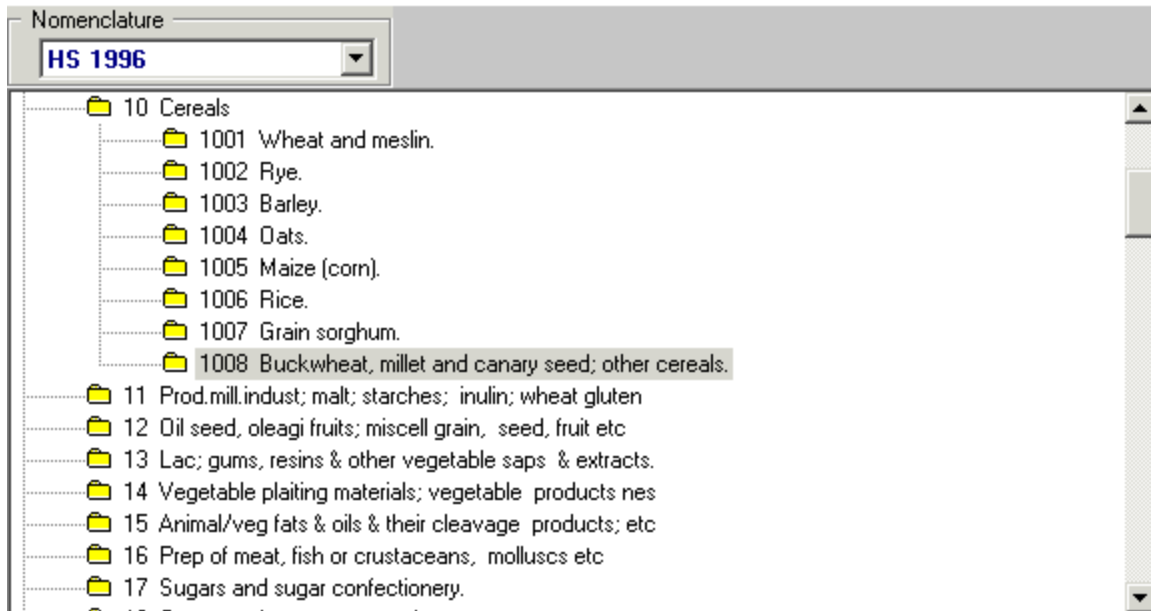
1008 - Buckwheat, millet and canary seed; other seeds is an example:
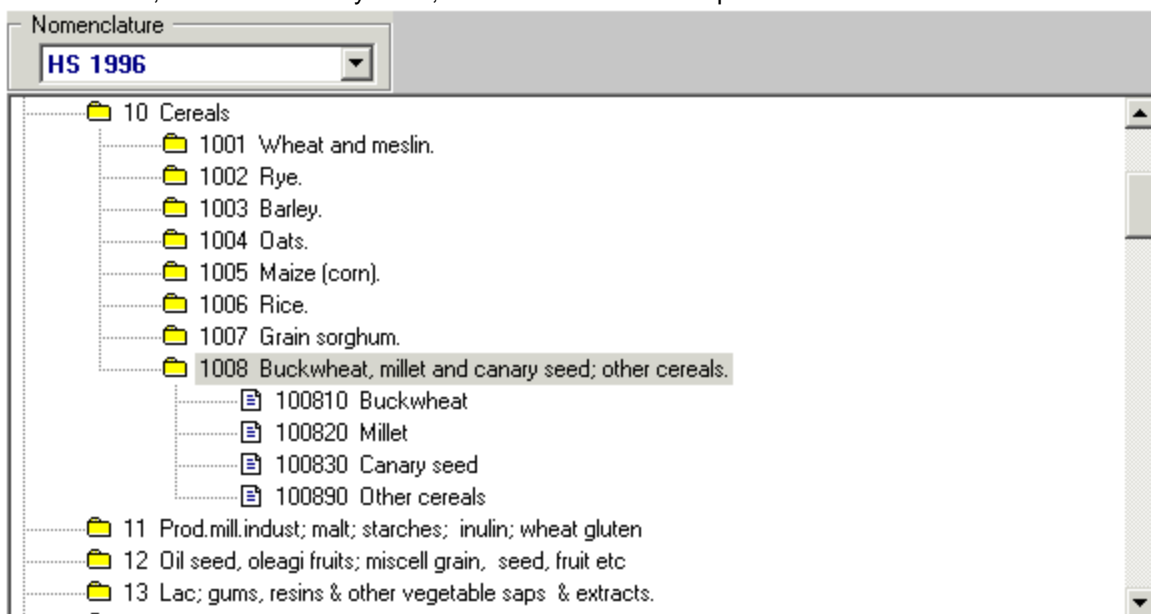
Each of the elements that make up Heading 1008 are shown. Because HS96 is a six-digit classification, this is the end of the tree and each six digit Sub-Heading is shown with the symbol of a page to indicate that there are no more openings.

In HELP on Data Catalogs, it is pointed out that HS provides the building blocks for national tariffs. That is, most countries use HS as the structure for their national tariff and 'open' Sub-Headings to better reflect the commodity classification which is most appropriate for them. This for example, is the case for all countries in the Western Hemisphere which extend the HS to either 8- or 10-digits in order to better reflect their tariffs and import composition.

For example, in HS96, 1001 opens into 100110 - Durum wheat and 100190 - Other. In the case of the United States, 100190 is further opened (sub-divided) into 10019010 - Seed of wheat and meslin and 10019020 - Wheat and meslin other than durum or seed. This type of 'tariff line' information, which is not a part of the official HS classification but fits within its structure, may be found in TRAINS and WTO IDB. It can be accessed in Quick Query which provides users with raw, un-aggregated data.

Following are codes and descriptions used in WITS. Some are used throughout the System (e.g., Country Codes and Names) while others are specific to a particular set of data (e.g., Trade Control Measures from TRAINS).

[WITS System] [COMTRADE]   [TRAINS]   [IDB]

Country Codes

The country code table includes the WITS System country names for statistical purposes and both the International Standards Organization (ISO) 3-digit alphabetic codes and the United Nations Statistics Division (UNSD) 3-digit equivalent numeric codes. The names and codes are used in all of the three data bases.

Country	Country Codes	
	ISO3	UN
Afghanistan	AFG	004
Albania	ALB	008
Algeria	DZA	012
American Samoa	ASM	016
Andorra	AND	020
Angola	AGO	024
Anguila	AIA	660
Antigua and Barbuda	ATG	028
Argentina	ARG	032
Armenia	ARM	051
Aruba	ABW	533
Australia	AUS	036
Austria	AUT	040
Azerbaijan	AZE	031
Bahamas, The	BHS	044
Bahrain	BHR	048
Bangladesh	BGD	050
Barbados	BRB	052
Belarus	BLR	112
Belgium	BEL	056
Belgium-Luxembourg	BLX	058
Belize	BLZ	084
Benin	BEN	204
Bermuda	BMU	060
Bhutan	BTN	064

Bolivia	BOL	068
Bosnia and Herzegovina	BIH	070
Botswana	BWA	072
Br. Antr. Terr	BAT	080
Brazil	BRA	076
British Indian Ocean Ter.	IOT	086
British Virgin Islands	VGB	092
Brunei	BRN	096
Bulgaria	BGR	100
Burkina Faso	BFA	854
Burundi	BDI	108
Cambodia	KHM	116
Cameroon	CMR	120
Canada	CAN	124
Cape Verde	CPV	132
Cayman Islands	CYM	136
Central African Republic	CAF	140
Chad	TCD	148
Chile	CHL	152
China	CHN	156
Christmas Island	CXR	162
Cocos (Keeling) Islands	CCK	166
Colombia	COL	170
Comoros	COM	174
Congo, Dem. Rep.	ZAR	180
Congo, Rep.	COG	178
Cook Islands	COK	184
Costa Rica	CRI	188
Cote d'Ivoire	CIV	384
Croatia	HRV	191
Cuba	CUB	192
Cyprus	CYP	196
Czech Republic	CZE	203
Czechoslovakia	CSK	200
Denmark	DNK	208
Djibouti	DJI	262
Dominica	DMA	212
Dominican Republic	DOM	214
East Timor	TMP	626
Ecuador	ECU	218
Egypt, Arab Rep.	EGY	818
El Salvador	SLV	222
Equatorial Guinea	GNQ	226
Eritrea	ERI	232
Estonia	EST	233
Ethiopia (excludes Eritrea)	ETH	231

Ethiopia (includes Eritrea)	ETF	230
European Union	EUN	918
Faeroe Islands	FRO	234
Falkland Island	FLK	238
Fiji	FJI	242
Finland	FIN	246
Fm Panama Cz	PCZ	592
Fm Rhod Nyas	ZW1	717
Fm Tanganyik	TAN	835
Fm Vietnam Dr	VDR	868
Fm Vietnam Rp	SVR	866
Fm Zanz-Pemb	ZPM	836
Fr. So. Ant. Tr	ATF	260
France	FRA	250
Free Zones	FRE	838
French Guiana	GUF	254
French Polynesia	PYF	258
Gabon	GAB	266
Gambia, The	GMB	270
Gaza Strip	GAZ	274
Georgia	GEO	268
German Democratic Republic	DDR	278
Germany	DEU	276
Ghana	GHA	288
Gibraltar	GIB	292
Greece	GRC	300
Greenland	GRL	304
Grenada	GRD	308
Guadeloupe	GLP	312
Guam	GUM	316
Guatemala	GTM	320
Guinea	GIN	324
Guinea-Bissau	GNB	624
Guyana	GUY	328
Haiti	HTI	332
Holy See	VAT	336
Honduras	HND	340
Hong Kong, China	HKG	344
Hungary	HUN	348
Iceland	ISL	352
India	IND	356
Indonesia	IDN	360
Iran, Islamic Rep.	IRN	364
Iraq	IRQ	368
Ireland	IRL	372
Israel	ISR	376

Italy	ITA	380
Jamaica	JAM	388
Japan	JPN	392
Jhonston Island	JTN	396
Jordan	JOR	400
Kazakhstan	KAZ	398
Kenya	KEN	404
Kiribati	KIR	296
Korea, Dem. Rep.	PRK	408
Korea, Rep.	KOR	410
Kuwait	KWT	414
Kyrgyz Republic	KGZ	417
Lao PDR	LAO	418
Latvia	LVA	428
Lebanon	LBN	422
Lesotho	LSO	426
Liberia	LBR	430
Libya	LBY	434
Liechtenstein	LIE	438
Lithuania	LTU	440
Luxembourg	LUX	442
Macao	MAC	446
Macedonia, FYR	MKD	807
Madagascar	MDG	450
Malawi	MWI	454
Malaysia	MYS	458
Maldives	MDV	462
Mali	MLI	466
Malta	MLT	470
Marshall Islands	MHL	584
Martinique	MTQ	474
Mauritania	MRT	478
Mauritius	MUS	480
Mexico	MEX	484
Micronesia, Fed. Sts.	FSM	583
Midway Islands	MID	488
Moldova	MDA	498
Monaco	MCO	492
Mongolia	MNG	496
Montserrat	MSR	500
Morocco	MAR	504
Mozambique	MOZ	508
Myanmar	MMR	104
Namibia	NAM	516
Nauru	NRU	520
Nepal	NPL	524

Netherlands	NLD	528
Netherlands Antilles	ANT	530
Neutral Zone	NZE	536
New Caledonia	NCL	540
New Zealand	NZL	554
Nicaragua	NIC	558
Niger	NER	562
Nigeria	NGA	566
Niue	NIU	570
Norfolk Island	NFK	574
Northern Mariana Islands	MNP	580
Norway	NOR	578
Oman	OMN	512
Pacific Islands	PCE	582
Pakistan	PAK	586
Palau	PLW	585
Panama	PAN	591
Papua New Guinea	PNG	598
Paraguay	PRY	600
Pen Malaysia	PMY	459
Peru	PER	604
Philippines	PHL	608
Pitcairn	PCN	612
Poland	POL	616
Portugal	PRT	620
Puerto Rico	PRI	630
Qatar	QAT	634
Reunion	REU	638
Romania	ROM	642
Russian Federation	RUS	643
Rwanda	RWA	646
Ryukyu Is	RYU	647
Sabah	SBH	461
Saint Helena	SHN	654
Saint Kitts-Nevis-Anguilla-Aru	KN1	658
Saint Pierre and Miquelon	SPM	666
Samoa	WSM	882
San Marino	SMR	674
Sao Tome and Principe	STP	678
Sarawak	SWK	457
Saudi Arabia	SAU	682
Senegal	SEN	686
Seychelles	SYC	690
Sierra Leone	SLE	694
SIKKIM	SIK	698
Singapore	SGP	702

Slovak Republic	SVK	703
Slovenia	SVN	705
Solomon Islands	SLB	090
Somalia	SOM	706
South Africa	ZAF	710
Soviet Union	SVU	810
Spain	ESP	724
Special Categories	SPE	839
Sri Lanka	LKA	144
St. Kitts and Nevis	KNA	659
St. Lucia	LCA	662
St. Vincent and the Grenadines	VCT	670
Sudan	SDN	736
Suriname	SUR	740
Svalbard and Jan Mayen Is	SJM	744
Swaziland	SWZ	748
Sweden	SWE	752
Switzerland	CHE	756
Syrian Arab Republic	SYR	760
Taiwan	TWN	158
Tajikistan	TJK	762
Tanzania	TZA	834
Thailand	THA	764
Togo	TGO	768
Tokelau	TKL	772
Tonga	TON	776
Trinidad and Tobago	TTO	780
Tunisia	TUN	788
Turkey	TUR	792
Turkmenistan	TKM	795
Turks and Caicos Isl.	TCA	796
Tuvalu	TUV	798
Uganda	UGA	800
Ukraine	UKR	804
United Arab Emirates	ARE	784
United Kingdom	GBR	826
United States	USA	840
Unspecified	UNS	898
Uruguay	URY	858
Us Msc.Pac.I	USP	849
Uzbekistan	UZB	860
Vanuatu	VUT	548
Venezuela	VEN	862
Vietnam	VNM	704
Virgin Islands (U.S.)	VIR	850
Wake Island	WAK	872

Wallis and Futura Isl.	WLF	876
Western Sahara	ESH	732
World	WLD	000
Yemen Democratic	YDR	720
Yemen, Rep.	YEM	887
Yugoslavia	SER	891
Yugoslavia, FR (Serbia/Montene	YUG	890
Zambia	ZMB	894
Zimbabwe	ZWE	716

Coding System for Trade Control Measures

The following codes are used in query outputs from TRAINS for tariffs and para-tariffs measures.

TCM Code	Description
1000	Tariff Measures
1100	Statutory customs duties
1200	MFN duties
1210	MFN duties (Statutory)
1220	MFN duties (Applied)
1230	MFN duties (Bound)
1300	GATT Ceiling duties
1400	Tariff quota duties
1410	Low duties
1420	High duties
1500	Seasonal duties
1510	Low duties
1520	High duties
1600	Temporary reduced duties
1700	Temporary increased duties
1710	Retaliatory duties
1720	Urgency and safeguard duties
1800	Preferential duties under trade agreements
1810	Customs Union
1820	Free Trade Agreement
1830	GSP
1831	GSP to developing countries
1832	GSP to LDCs
1840	Other specific preferential agreements
1841	From developed to developed countries

1842	From developed to developing countries
1843	From developed to LDCs
1844	From developing to developing countries
1845	From developing to LDCs
1846	From developing to developed countries
1890	Preferential agreements n.e.s.
1900	Tariff measures n.e.s.
2000	Para-Tariff Measures
2100	Customs surcharges
2200	Additional taxes and charges
2210	Tax of foreign exchange transactions
2220	Stamp tax
2230	Import licence fee
2240	Consular invoice fee
2250	Statistical tax
2260	Tax on transport facilities
2270	Taxes and charges for sensitive product categories
2271	Charges to protect human health
2272	Charges to protect animal health and life
2273	Charges to protect plant health
2274	Charges to protect environment
2275	Charges to protect wildlife
2276	Charges to control drug abuse
2277	Charge to ensure human safety
2278	Charges to ensure national security
2279	Charges for purposes n.e.s.
2290	Additional charges n.e.s.
2300	Internal taxes and charges levied on imports
2310	General sales taxes
2320	Excise taxes
2370	Taxes and charges for sensitive product categories
2371	Charges to protect human health
2372	Charges to protect animal health and life
2373	Charges to protect plant health
2374	Charges to protect environment
2375	Charges to protect wildlife
2376	Charges to control drug abuse

2377	Charge to ensure human safety
2378	Charges to ensure national security
2379	Charges for purposes n.e.s.
2390	Internal taxes and charges levied on imports n.e.s.
2400	Decreed customs valuation
2900	Para-tariff measures n.e.s.
3000	Price control measures
3100	Administrative pricing
3110	Minimum import prices
3190	Administrative pricing n.e.s.
3200	Voluntary export price restraint
3300	Variable charges
3310	Variable levies
3320	Variable components
3330	Compensatory elements
3340	Flexible import fees
3390	Variable charges n.e.s.
3400	Antidumping measures
3410	Antidumping investigations
3420	Antidumping duties
3430	Price undertakings
3500	Countervailing measures
3510	Countervailing investigations
3520	Countervailing duties
3530	Price undertakings
3900	Price control measures n.e.s.
4000	Finance measures
4100	Advance payment requirements
4110	Advance import deposit
4120	Cash margin requirement
4130	Advance payment of customs duties
4170	Refundable deposits for sensitive product categories
4171	Refundable deposits to protect human health
4172	Refundable deposits to protect animal health and life
4173	Refundable deposits to protect plan health
4174	Refundable deposits to protect environment
4175	Refundable deposits to protect wildlife

4176	Refundable deposits to control drug abuse
4177	Refundable deposits to ensure human safety
4178	Refundable deposits to ensure national security
4179	Refundable deposits for purposes n.e.s.
4190	Advance payment requirements n.e.s.
4200	Multiple exchange rates
4300	Restrictive official foreign exchange allocation
4310	Prohibition of foreign exchange allocation
4320	Bank authorization
4390	Restrictive official foreign exchange allocation n.e.s.
4500	Regulations concerning terms of payment for imports
4600	Transfer delays, queuing
4900	Finance measures n.e.s.
5000	Automatic licensing measures
5100	Automatic licence
5200	Import monitoring
5210	Retrospective surveillance
5220	Prior surveillance
5270	Prior surveillance for sensitive product categories
5271	Prior surveillance to protect human health
5272	Prior surveillance to protect animal health and life
5273	Prior surveillance to protect plant health
5274	Prior surveillance to protect environment
5275	Prior surveillance to protect wildlife
5276	Prior surveillance to control drug abuse
5277	Prior surveillance to ensure human safety
5278	Prior surveillance to ensure national security
5279	Prior surveillance for purposes n.e.s.
5700	Surrender requirement
5900	Automatic licensing measures n.e.s.
6000	Quantity control measures
6100	Non-automatic licensing
6110	Licence with no specific ex-ante criteria
6120	Licence for selected purchasers
6130	License for specified use
6131	Linked with export trade
6132	For purposes other than exports

6140	Licence linked with local production
6141	Purchase of local goods
6142	Local content requirement
6143	Barter or counter trade
6150	Licence linked with non-official foreign exchange
6151	External foreign exchange
6152	Importers' own foreign exchange
6160	Licence combined with or replaced by special import authorization
6170	Prior authorization for sensitive product categories
6171	Prior authorization to protect human health
6172	Prior authorization to protect animal health and life
6173	Prior authorization to protect plant health
6174	Prior authorization to protect environment
6175	Prior authorization to protect wildlife
6176	Prior authorization to control drug abuse
6177	Prior authorization to ensure human safety
6178	Prior authorization to ensure national security
6179	Prior authorization for purposes n.e.s.
6180	License or political reasons
6190	Non-automatic licensing n.e.s.
6200	Quotas
6210	Global quotas
6211	Unallocated
6212	Allocated to exporting countries
6220	Bilateral quotas
6230	Seasonal quotas
6240	Quotas linked with export performance
6250	Quotas linked with purchase of local goods
6270	Quotas for sensitive product categories
6271	Quotas to protect human health
6272	Quotas to protect animal health and life
6273	Quotas to protect plant health
6274	Quotas to protect environment
6275	Quotas to protect wildlife
6276	Quotas to control drug abuse
6277	Quotas to ensure human safety
6278	Quotas to ensure national security

6279	Quotas for purposes n.e.s.
6280	Quotas for political reasons
6290	Quotas n.e.s.
6300	Prohibitions
6310	Total prohibition
6320	Suspension of issuance of licences
6330	Seasonal prohibition
6340	Temporary prohibition
6350	Import diversification
6370	Prohibition for sensitive product categories
6371	Prohibition to protect human health
6372	Prohibition to protect animal health and life
6373	Prohibition to protect plant health
6374	Prohibition to protect environment
6375	Prohibition to protect wildlife
6376	Prohibition to control drug abuse
6377	Prohibition to ensure human safety
6378	Prohibition to ensure national security
6379	Prohibition for purposes n.e.s.
6380	Prohibition for political reasons (embargo)
6390	Prohibitions n.e.s.
6600	Export restraint arrangements
6610	Voluntary export restraint arrangements
6620	Orderly marketing arrangements
6630	Multifibre arrangement (MFA)
6631	Quota agreement
6632	Consultation agreement
6633	Administrative co-operation agreement
6640	Export restraint arrangements on textiles outside MFA
6641	Quota agreement
6642	Consultation agreement
6643	Administrative co-operation agreement
6690	Export restraint arrangements n.e.s.
6700	Enterprise-specific restrictions
6710	Selective approval of importers
6720	Enterprise-specific quota
6790	Enterprise-specific restrictions n.e.s.

6900	Quantity control measures n.e.s.
7000	Monopolistic measures
7100	Single channel for imports
7110	States trading administration
7120	Sole importing agency
7170	Single channel for imports for sensitive product categories
7171	Single channel for imports to protect human health
7172	Single channel for imports to protect animal health and life
7173	Single channel for imports to protect plant health
7174	Single channel for imports to protect environment
7175	Single channel for imports to protect wildlife
7176	Single channel for imports to control drug abuse
7177	Single channel for imports to ensure human safety
7178	Single channel for imports to ensure national security
7179	Single channel for imports for purposes n.e.s.
7200	Compulsory national services
7210	Compulsory national insurance
7220	Compulsory national transport
7900	Monopolistic measures n.e.s.
8000	Technical measures
8100	Technical regulations
8110	Product characteristics requirements
8111	Product characteristics req. to protect human health
8112	Product characteristics req. to protect animal health and life
8113	Product characteristics req. to protect plant health
8114	Product characteristics req. to protect environment
8115	Product characteristics req. to protect wildlife
8116	Product characteristics req. to control drug abuse
8117	Product characteristics req. to ensure safety
8118	Product characteristics req. to ensure national security
8119	Product characteristics req. for purposes n.e.s.
8120	Marking requirements
8121	Marking requirements to protect human health
8122	Marking requirements to protect animal health and life
8123	Marking requirements to protect plant health
8124	Marking requirements to protect environment
8125	Marking requirements to protect wildlife

8126	Marking requirements to control drug abuse
8127	Marking requirements to ensure human safety
8128	Marking requirements to ensure national security
8129	Marking requirements for purposes n.e.s.
8130	Labelling requirements
8131	Labelling requirements to protect human health
8132	Labelling requirements to protect animal health and life
8133	Labelling requirements to protect plant health
8134	Labelling requirements to protect environment
8135	Labelling requirements to protect wildlife
8136	Labelling requirements to control dug abuse
8137	Labelling requirements to ensure human safety
8138	Labelling requirements to ensure national security
8139	Labelling requirements for purposes n.e.s.
8140	Packaging requirements
8141	Packaging requirements to protect
8142	Packaging requirements to protect
8143	Packaging requirements to protect
8144	Packaging requirements to protect
8145	Packaging requirements to protect
8146	Packaging requirements to protect
8147	Packaging requirements to protect
8148	Packaging requirements to protect
8149	Packaging requirements to protect
8150	Testing, inspection and quarantine requirements
8151	Testing, inspection etc. req. to protect human health
8152	Testing, inspection etc. req. to protect animal health and life
8153	Testing, inspection etc. req. to protect plant health
8154	Testing, inspection etc. req. to protect environment
8155	Testing, inspection etc. req. to protect wildlife
8156	Testing, inspection etc. req. to control drug abuse
8157	Testing, inspection etc. req. to ensure human safety
8158	Testing, inspection etc. req. to ensure national security
8159	Testing, inspection etc. req. for purposes n.e.s.
8160	Information requirements
8161	Information requirements to protect human health
8162	Information requirements to protect animal health and life

8163	Information requirements to protect plant health
8164	Information requirements to protect environment
8165	Information requirements to protect wildlife
8166	Information requirements to control drug abuse
8167	Information requirements ensure human safety
8168	Information requirements to ensure national security
8169	Information requirements for purposes n.e.s.
8170	Requirement relative to transit
8180	Requirement to pass through specified customs
8190	Technical regulations n.e.s.
8191	Technical regulations nes. to protect human health
8192	Technical regulations nes. to protect animal health and life
8193	Technical regulations nes. to protect plant health
8194	Technical regulations nes. to protect environment
8195	Technical regulations nes. to protect wildlife
8196	Technical regulations nes. to control drug abuse
8197	Technical regulations nes. to ensure human safety
8198	Technical regulations nes. to ensure national security
8199	Technical regulations nes. for purposes n.e.s.
8200	Pre-shipment inspection
8300	Special customs formalities
8400	Obligation to return used product
8900	Technical measures n.e.s.

Description of WITS Concordances

The various classifications used to record information on tariffs and trade (see HELP on Nomenclatures and Data Catalogs) can be related, one to another depending on the level of detail which they include. Among the classifications used in the data bases in WITS, those that have a higher level of detail can be converted, or concorded, into those that have a lesser amount of detail.

As was seen in HELP on Data Catalogs, the most detailed classification available in WITS is HS 1996 followed by HS 1998/1992, SITC, Revision 3, Revision 2 and Revision 1. The WITS Concordances facility provides users with the possibility of converting the HS family of classifications (H1 and H0) into those of the SITC family (S3, S2 and S1), the ISIC, the BEC and, as well, H1 into H0.

There are two primary reasons for converting one classification into another:
- ?? To obtain a longer time series, i.e., one that spans more years.
  For example, if a country has been collecting trade statistics since 1962, it will most likely have been using a series of classifications over the years - replacing old ones with new ones. From 1962 to 1976 the data would have been recorded in SITC, Revision 1; from 1976 to 1986 in Revision 2; from 1986 to 1988 in Revision 3; from 1998 to 1996 in HS 1998/1992; and from 1996 to 2002 in HS 1996. Using the concordances could produce a unified time series in SITC, Revision 1 from 1962 to the present.

  The consequences of making a conversion from one classification to another is a time series with a greater number of observations, but with less detail. However, depending on the type of analysis to be undertaken, this may be an acceptable trade off.
- ?? To obtain a classification with more economic content, one with which the user is more comfortable or one for a specific purpose (e.g., to look at apparent consumption or to produce national income accounts aggregates).
  There is a long history of trade analysis done with information recorded in a version of SITC. The commodity groupings of SITC are organized in such a way as to provide for economic analysis: materials used in production, the stages of processing, uses of the products, their importance in world trade and technological changes (see http://esa.un.org/unsd/cr/).

  Likewise, it is not unusual to use industrial classifications for trade data. WITS provides concordances into the UN International Standard Industrial Classification of All Economic Activities (ISIC), Revision 3. This classification of economic activities is arranged so that entities can be grouped according to the activity they carry out (see http://esa.un.org/unsd/cr/).

  Finally, The classification by Broad Economic Categories (BEC) maintained by the UN is also available in WITS. BEC is intended to categorize trade statistics into large economic classes of commodities and was developed in such a way as to provide elements that enable the construction of aggregates approximately comparable to those for the three basic classes of goods in the 1968 UN System of National Accounts (SNA) (see http://esa.un.org/unsd/cr/).

The Concordances facility in WITS provides output that can be saved for use outside the WITS system. The output can be used for reference purposes or for processing user data. It is important to remember that WITS automatically uses the various concordances to convert data in the system to a specified nomenclature. For example, output in terms of SITC, Revision 3 can be obtained in any WITS query

<select required concordance>	▼
<select required concordance>	
HS 1986/92 to SITC Revision 1	
HS 1986/92 to SITC Revision 2	
HS 1986/92 to SITC Revision 3	
HS 1996 to HS 1986/92	
HS 1996 to SITC Revision 1	
HS 1996 to SITC Revision 2	
HS 1996 to SITC Revision 3	

using TRAINS as the source for data that are recorded in H1 or H0.

The following Concordances are available in WITS:

Concordances and Maximum Year Span in WITS

From		To		Maximum
Code	Classification	Code	Classification	**Year Span**
H1	HS 1996	H0	HS 1988/92	1988 - Present
H1	HS 1996	S3	SITC, Rev. 3	1986 - Present
H1	HS 1996	S2	SITC, Rev. 2	1976 - Present
H1	HS 1996	S1	SITC, Rev. 1	1962 - Present
H1	HS 1996	I3	ISIC, Rev. 3	1996 - Present
H1	HS 1996		BEC	1996 - Present
H0	HS 1998/92	S3	SITC, Rev. 3	1986 - 1995
H0	HS 1998/92	S2	SITC, Rev. 2	1976 - 1995
H0	HS 1988/92	S1	SITC, Rev. 1	1962 - 1995
H0	HS 1988/92	I3	ISIC, Rev. 3	1988 - 1995
H0	HS 1998/92		BEC	1988 - 1995

The WITS Concordances Screens

The main WITS Concordances screen has a drop down box which lists all of the concordances included in the system. Select a concordance by highlighting it:

This is a typical drop down box that allows the selection of a single item (others may allow multiple selections). By clicking on the arrow in the upper right hand corner, a list of options will drop down. Select one by clicking on it with the left mouse button (highlighting). The output window is dynamically filled with the output - in this case, a concordance as shown in the screen below.

Select concordance:	HS 1988/92 to SITC Revision 1			
Derived Code	Source Code	Multiplier	Derived Product Name	Source Product Name
0011	010210	1	Bovine cattle-including buffaloes-	Live pure-bred breeding bovin
0011	010290	1	Bovine cattle-including buffaloes-	Live bovine animals, other tha
0012	010410	1	Sheep,lambs and goats	Live sheep
0012	010420	1	Sheep,lambs and goats	Live goats
0013	010310	1	Swine	Live pure-bred breeding swine
0013	010391	1	Swine	Live swine weighing <50kg (e:
0013	010392	1	Swine	Live swine weighing >=50kg (i
0014	010511	1	Poultry,live	Live fowls of species Gallus do
0014	010519	1	Poultry,live	Live ducks, geese, turkeys an
0014	010591	1	Poultry,live	Live fowls of species Gallus do
0014	010599	1	Poultry,live	Live ducks, geese, turkeys an
0015	010111	1	Horses,asses,mules and hinnies	Live pure bred breeding horse
0015	010119	1	Horses,asses,mules and hinnies	Live horses, other than for pur
0015	010120	1	Horses,asses,mules and hinnies	Live asses mules and hinnies
0111	020110	1	Meat of bovine animals,fresh,chilled or frozen	Fresh or chilled bovine carcas
0111	020120	1	Meat of bovine animals fresh chilled or frozen	Fresh or chilled unboned bovir

Rows returned: 5012   Alter view   Save

At the top of the screen is a window that indicates the WITS Concordance used: in this case, values in HS1988/92 are concorded to values in SITC, Revision 1. In the output, the HS product codes are the **Source Code** and the SITC, Revision 1 codes are the **Derived Code**.

The **Multiplier** indicates whether or not the concordance between the two classifications is on a 1:1 basis or if some Source codes need to be allocated to more than one Derived code. In the above output, there is one line where the Source code is not completely allocated to the Derived code: HS010600 is divided equally between it and some other Derived code (i.e., the Multiplier is 0.5). Of course, there may be other cases where a single HS1998/1992 code needs to allocated to three or four SITC, Revision 1 codes giving Multipliers of 0.33 and 0.25 respectively.

In WITS and other systems, the allocation of parts of Source codes to a Derived code is mechanical in the sense that the allocation is based solely on the number of Derived codes that a Source code is allocated to. The practical implications of this are that when the concordance is used, trade values are assigned to the Derived codes according to the value of the Multiplier. The alternative, which is outside the scope of WITS, is to have national trade experts make the allocations based on the underlying customs data and their knowledge of the country's trading system.

Finally, in the output screen, the **Derived Product Name** and the **Source Product Name** are the descriptions attached to the Derived and Source codes.

Users may change the presentation of the output screen by selecting **Alter View**. For example, the Multiplier (column 3, above) could be moved to the last column in the output by using the arrows to re-position it. And, it could be deleted from the output by removing the check in the Column box as shown.

Remember that this output can be saved for use outside WITS with other data sets. For example, data available from the Free Trade Area of the Americas initiative (FTAA) (see Contacts), which is in HS96, could easily be converted to SITC, Revision 3 by applying the appropriate concordance obtained in this facility. Likewise, the data could be converted to an industry or national accounts classification in the same manner.

A word of caution. These concordances can be used directly with trade statistics, but require more intervention when using tariffs that are usually in percentage (ad valorem) rather than value terms.

That is, trade statistics can be added to and subtracted from aggregates but some method of averaging would need to be applied to tariffs as they are not additive. In addition, some tariffs are specific (e.g., 0.35$ per kilo) rather than ad valorem and cannot, as such, be averaged.

Query View Designer

Choose headings and columns to view

Heading	Column	Long names (can be edited)
☐	☑	Derived Code
☐	☑	Source Code
☐	☑	Derived Product Name
☐	☑	Source Product Name
☐	☐	Multiplier
☐	☐	
☐	☐	

Tally selected items

Data transposing (pivoting) settings

☐ Use last two selected columns to pivot data, where

Presentation variable (to be shown as cell content) is:

Base variable (to be shown as columns) is:

All other selected columns will be used as row attributes.

☑ Show data in descending time order   Cancel   Ok

Description of WITS Quick Query

Quick Query is just that: submit un-complicated queries to view trade values, tariffs, and non-tariff barriers for one product at a time for many countries and years, or many products at a time for one country and one year.

Because the content of the three data bases in WITS are different (see HELP on Data Catalogs), so too are the Quick Query options available to the user.

?? A Quick Query on the **COMTRADE** data base returns information on export or import values and quantities for:

o **One Product** for one or more years, reporters and partner countries. A QUICK QUERY by Product could be used to find out the value of total imports of the United States and Mexico from Honduras, the Philippines and Egypt for the years 1998 to 2000.

o **One Country/Period** for all products for one reporter, one partner and one year.   A Quick Query by Country/Period (i.e., a year) could be used to obtain all import or export values and quantities between a single reporter and a single partner country in one year. That is, the Quick Query could be used to return all individual products imported by Japan from Indonesia in 1998 or exported by St. Lucia to the United Kingdom in 2000.

?? A Quick Query on the **TRAINS** data base returns information on import values, tariffs and non-tariff barriers. A Quick Query could be used, therefore, to find the value of imports of a product in a market in a single year, the applicable tariffs on that product by type and the non-tariff barriers that apply, also by type. These query outputs can be viewed one by one. So for example, a Quick Query could return the value of Argentine imports of pesticides in 2000, followed by the applicable duty types and rates (e.g., the MFN applied, the intra-Mercosur preference, etc.) and, finally, any non-tariff barriers that may apply (e.g., Prior authorization to protect human health, Prohibition to protect animal health and life, etc.).

Selecting Australia or the United States as markets would, among other tariff types, provide information on the Generalized System of Preferences (GSP) unilaterally accorded by them and some other developed countries to products originating in developing countries.

?? A Quick Query on the WTO **IDB** data base returns information on import values or tariffs. A Quick Query could be used to view imports at the tariff line level and the tariffs for that level by type. IDB includes MFN applied and bound duties, with some countries also notifying preferential tariffs on an optional basis. So, a Quick Query could provide output that would allow for the analysis and comparison of bound and applied duties. Bindings can be zero, equal to the MFN applied rate or at a ceiling, i.e., somewhere above the MFN applied rate.

The data in WTO IDB are restricted and not generally available to users of WITS.

The terms "products" and "commodities" have been used throughout the HELP facility without defining their meaning. They are used inter-changeably and in WITS, the first step in defining a product is the selection of the classification level at which to begin the specification of a query. The product levels, or "Tiers", represent

the logical structures of the various classifications.

The HS begins with Sections (1-digit) and has as its sub-divisions, Chapters (2-digits), Headings (4-digits) and Sub-Headings (6-digits). SITC, Revision 3 begins with Sections (1-digit) followed by Divisions (2-digits), Groups (3-digits), Sub-Groups (4-digits) and Items (5-digits). All of the levels beyond Sections can be referred to as products or commodities. However they are interpreted differently in a query depending on the data base that is being used:

?? In the COMTRADE One Product query, once a Tier is specified, users can select any product which falls within it and the query output returns values at that level. In the COMTRADE One Country/Period query, all values are returned for the Tier level. For example, using HS Headings or SITC Sub-Groups limits the product selection to those commodities that are 4-digits; using HS Sub-Headings or SITC Items, limits the selection to products at 6- and 5-digits, respectively.

?? In TRAINS, for tariffs and non-tariff barriers, and IDB for imports and tariffs, a Tier is used to specify all the tariff line products that fall within it. For example, specifying an HS Heading (4-digits) allows for the selection of any tariff line commodity (8- or 10-digits) falling within that Heading. In the case of both data bases for tariffs, selecting HS Heading 2204 - Wine of fresh grapes, including fortified wines - for Colombia, would return five tariff lines all of which begin with 2204.

Following is a summary of WITS Quick Query outputs by level of detail:

Quick Query Output Summary

Variable	CMT		TRN	WTO
	Level in Digits			
	HS	SITC	HS	
Trade				
Exports	2, 4, 6	1-5		
Imports	2, 4, 6	1-5	6	8 or 10
Tariffs				
Applied			8 or 10	8 or 10
Bound				8 or 10
Preferences			8 or 10	
Non-Tariff Barriers			8 or 10	

The WITS Quick Query Screens
COMTRADE One Product

This query produces output for one product for one or more years, reporters and partner countries. Begin by selecting a **Nomenclature**, **Tier** (classification level), **Flow** and **Product** by clicking on the down arrow and highlighting a choice in each of the drop down boxes. In the One Product option only one selection can be made fore each of these variables.

Then select **Year(s)**, **Reporter(s)** and **Partner(s)** by clicking in the check boxes. Multiple selections can be made for each of these variables in the One Product Quick Query. With check boxes, to un-select a variable, click on a selected item.

This query has been constructed to return output for SITC, Revision 2 at the Section level for Exports of the product Machinery and transport equipment. The selected Years are 1995 and 1998-2000 for Reporters Argentina, Paraguay and Uruguay with Partner Brazil. Paraguay and Uruguay are not visible in the selection screen. They were selected by scrolling down in the Reporters box by dragging the bar in the right hand column of it. Click on **View Data** to execute the query and produce the following output.

Column 1 of the output screen contains either a '+' or a '-' which are the controls for viewing the output. Initially, the screen contains only the country names and a '+' in the first column. By clicking on them, the output here is displayed.

The output is straight forward: **ReporterName** includes the Reporters; **ReporterISO3**, the 3-digit alphabetic country codes for the Reporters; **Year** for the selected years;

1	ReporterName	ReporterISO3	Year	PartnerName	PartnerISO3	Trade Value ($ '000)	Quantity
			2000		BRA	1,973,413.94	0.000
	Argentina	ARG	1999	Brazil	BRA	1,715,536.01	0.000
			1998		BRA	3,137,544.56	0.000
			1995		BRA	1,541,930.55	0.000
			2000		BRA	1,016.46	0.000
	Paraguay	PRY	1999	Brazil	BRA	1,975.09	0.000
			1998		BRA	4,457.08	0.000
			1995		BRA	1,993.74	0.000
			2000		BRA	47,221.53	0.000
	Uruguay	URY	1999	Brazil	BRA	59,043.81	0.000
			1998		BRA	70,423.70	0.000
			1995		BRA	37,532.54	0.000

PartnerName for the Partner along with its **PartnerISO3** alphabetic country code; and the **Trade Value** in thousand US Dollars and **Quantity**. In a highly aggregated output such as this one, Quantity is most likely to be '0' as it is not possible to add different quantity measures together. One final column, **ComtradeQtyCode** is not shown in the screen as it too will be empty for the same reason.

COMTRADE One Country/Period

This query produces output for all products for one reporter, one partner and one year. Begin by selecting a **Nomenclature**, a **Tier** (classification level), a **Flow**, a **Reporting** and **Partner Country** and a **Year**. In this One Country/Period query only a single selection can be made for each of the variables. A user can opt to show **Product Descriptions** by clicking in that box. This option can also be activated later once the query output is available.

This query has been constructed to return output for SITC, Revision 2 at the Section level for Exports. The selected Year is 2000 for Reporter Argentina with Partner Brazil. In this option, only one selection can be made for each variable. However, unlike the query above, all, rather than one, products are returned.

Click on **View Data** to execute the query and produce the following output.

Product Code	Description	PartnerISO3	PartnerCode	Trade Value ($ '000)	Q
Total	Total	BRA	076	6,991,317.287	
0	Food and live animals	BRA	076	1,826,136.380	
1	Beverages and tobacco	BRA	076	13,168.520	
2	Crude materials,inedible,except fuels	BRA	076	174,267.265	
3	Mineral fuels,lubricants and related materials	BRA	076	1,561,304.721	
4	Animal and vegetable oils,fats and waxes	BRA	076	90,838.294	
5	Chemicals and related products,n.e.s.	BRA	076	671,490.523	
6	Manufactured goods classified chiefly by material	BRA	076	531,233.367	
7	Machinery and transport equipment	BRA	076	1,973,413.939	
8	Miscellaneous manufactured articles	BRA	076	149,452.717	
9	Commodities and transactions not elswhere classif.	BRA	076	11.561	

Column 1 of the output contains the Sections from SITC, Revision 2 (**Product Code**) along with the Total followed by their **Descriptions**. **PartnerISO3** contains the 3-digit alphabetic country code for the Partner while **PartnerCode** provides the equivalent 3-digit numeric code. This is followed by **Trade Value** in thousand US Dollars and **Quantity** (not visible). Two other columns are not visible here but can be viewed by using the scroll bar at the bottom of the output: **ShortName** for the Quantity measure and **Estimation Token**. This output can be saved by clicking on the **Save** button in the lower right hand corner of the output screen. Doing so opens a Windows 'Save As' screen which allows the specification of the Directory on the users computer where the output is to be saved along with the file type (Excel, Text or Comma Separated Values (csv).

TRAINS

A Quick Query on the **TRAINS** data base returns information on import values, tariffs, para-tariffs and non-tariff barriers. These query outputs can be viewed one by one.

Start a TRAINS query by selecting a **Market** (Importer), a **Year**, a **Nomenclature**, a **Tier** (classification level) and a **Product**. These selections are made from drop down boxes as above for COMTRADE.

One note on the selection of Nomenclature: TRAINS includes information in either HS96 or HS1988/92 and once a Year is specified, the default Nomenclature for that year is automatically selected. At the moment in Quick Query, data is returned only for the default Nomenclature. Therefore, selecting Year 2000 (default Nomenclature HS96) or 1990 (default Nomenclature HS1988/92) and SITC, Revision 1 will not produce output. Users should select Year prior to Nomenclature in order to insure that the default is used and output obtained.

Once a Product has been specified, the drop down box below it fills up with all of the tariff lines which are contained in the Product selection. That is, by selecting a 2-digit Product, which is made up of many tariff lines for individually specified items, each tariff line is available for selection. The same is true for the selection of a 4- or 6-digit Product, the only difference being the reduced number of tariff lines available as the criteria become narrower and narrower (i.e., going from a 2-digit Chapter in HS to a 4-digit Heading reduces the number of tariff lines since the 4-digit Heading is only one part of a 2-digit Chapter).

This query has been constructed to obtain output for Uruguay in 2000 using HS96 (the Nomenclature default for that year), Chapter 7 - Edible vegetables and certain roots and tubers and the tariff line for 'Onions, shallots, garlic...':

There are two notable features in the query screen: first, users have access to tariff line information. This is not the case in any other WITS function. As will be seen in Custom Query, tariff line data are aggregated to the 6-digit level of the HS or a lower level of it or any other nomenclature. Therefore, if the interest is in doing a commodity study at the most detailed product level, a TRAINS Quick Query is the only place to obtain this

most detailed information.

Second, the tariff line description is in the local language of the country. The closest reference point is the 6-digit level of the HS to which the tariff line belongs: 070310 - Onions and shallots. This information can be obtained by changing the Tier from Chapter to Sub-Heading and looking for the HS96 6-digit product in the Product drop down box (070310) which most closely corresponds to the tariff line (07003101100); or, go to Nomenclatures and open HS96 Chapter 7 down to the Sub-Heading level.

The query output has four sets of possible information for the tariff line: **Tariff Schedules**, **Para-Tariff Schedules**, **Non-Tariff Barriers** and **Imports**. At the moment in WITS, Imports will not be available since TRAINS only has Imports at the 6-digit level of the HS and all queries using TRAINS data are at the tariff line level.

Measure	Code	AdValorum	NonAdValorum	Affected	QR	Origin	Other	Partner	Code
MFN Rates	002	0						World	000

Tariff Schedules | ParaTariff Schedules | Non-Tariff Barriers | Imports

The **Tariff Schedules** output shows an MFN Rate under **Measure**, the Rate **Code**, the **AdValorem** value (percent) which is applied to **Partner** World with a numeric 3-digit country **Code.**. The tariff is not specific, compound or mixed so there is no entry in the **NonAdValorem** column.

The columns that follow are usually associated with preferential rate: **Affected** countries are those not in the general list of beneficiaries which appear in the column Partner; **QR** are for Quantitative Restrictions associated with the (preferential) rate; **Origin** is for special Rules of Origin; and, **Other** is for Other Footnotes such as detailed product descriptions if the preference does not affect all items in the tariff line, etc.

The **Para-Tariff Schedules** screen looks exactly like that for Tariff Schedules, and in this particular query there are none.

The Non-Tariff Barriers output includes information on the **NTB**s applied to the tariff line, the code for the **Measure**, the **StartYear** and **StartMonth** of the Measure, the scope of the Measure in **PartialCoverage** and the **Sources** of the Measures:

Tariff Schedules | ParaTariff Schedules | Non-Tariff Barriers | Imports

NTB	Measure	StartYear	StartMonth	PartialCoverage	Sources
Authorization for plant health protection	6173	1991	7		Decreto N´ 328 de 21/V
Authorization, n.e.s.	6179	1983	3		Decreto N´ 84 de 16/III/
Prod characteristics req. to protect plant health	8113	1983	3		Decreto N´ 84 de 16/III/
Test, inspection and quarantine for plant health	8153	1983	3		Decreto N´ 84 de 16/III/
Transit requirements to protect plant health	8173	1983	3		Decreto N´ 54 de 23/II/
Authorization for plant health protection	9007	1997	10		Decreto N´ 373 de 8/X/
Authorization, n.e.s.	9010	1997	2		Ley N´ 16811 de 21/II/9
Prod characteristics req. to protect human health	9020	1993	12		Decreto N´ 521 de 24/X
Prod characteristics req. to protect plant health	9033	1991	7		Decreto N´ 328 de 21/V

So, the Non-Tariff Barrier 'Authorization for plant health protection' which falls under Non-Automatic Licensing provisions in the TRAINS Trade Control Measures data base, began in August 1991according to 'Decreto N´ 328 de 21/VI/91. Ministerio de Ganadería, Agricultura y Pesca'. To see all of the information under Sources, use the scroll bar at the bottom of the screen to move to the right.

Finally, as mentioned above, no Import values are available in WITS for this output.

WTO IDB

The data in WTO IDB are restricted and not generally available to users of WITS. Therefore, an IDB Quick Query is not described here.

Description of WITS Custom Query

The Custom Query facility gives users the ability to construct complicated queries using the data available in COMTRADE and TRAINS. Unlike Quick Query that focuses on one product at a time for many countries and years, or many products at a time for one country and one year, Custom Query has no such limitations.

That is, Custom Query is a combination of the possibilities in Quick Query as output may be obtained for many products, countries and years with many partners in the same query.

While this is an important difference, it is also important to know that the maximum level of detail for output is at 6-digits whereas in a Quick Query of TRAINS, output is available at the tariff line level (e.g., 8- or 10-digits. See Help on Data Catalog and Quick Query).

So, output of tariff information from TRAINS in Custom Query is aggregated to the 6-digit level which may or may not be important depending on the needs of users and purpose for which the data are required. Additionally, TRAINS output in Quick Query includes information on para-tariffs and non-tariff measures which is not available at all in Custom Query.

The Definition of a Custom Query is composed of the following elements, all of which must be included in order to have a valid query:

?? **Markets**: The importing country or countries and/or group of countries. The definition might, therefore, include as markets, Argentina, Colombia and Japan as well as the country groups Caricom and EU15. That is, there are no limitations on markets or market groups which may be used in a Custom Query;

?? **Products**: Any number of products or groups of products may be used in a Custom Query. That is, a single commodity or commodities may be selected along with any group of commodities. For example, in HS96, several 6-digit commodities could be selected along with some Chapters (2-digit) and Headings (4-digits); or, clusters of products (e.g., All Chapters, All Headings, All Sub-Headings) could also be selected; and, so too could aggregates of products (e.g., Manufactures, Primary Products);

?? **Partner Countries**: As in Markets (above), users are free to select countries and country groups without limitation;

?? **Years**: Any number of years may be used in a Custom Query. The selection may include both contiguous and non-contiguous years and may be shown in the query output in ascending or descending order;

?? **Trade Flows**: Imports, Exports, Re-Exports and Gross Exports; and,

?? **Source**: COMTRADE, TRAINS or WTO IDB (restricted use) may be specified as the source. Remember, COMTRADE only includes trade data while TRAINS includes information on tariffs as well.

All of the elements above are accessible from a tree on the left side of the Custom Query screen (see below). Click on any one of them to get a box in which to make the associated selection for the query.

In the case of three variables, Markets, Partner Countries and Products, Custom Query provides access to utilities for creating groups of countries (the Countries button) and groups of products (the Products button). For a description of the ways in which this may be done, see Create Product Group and Create Country Group in Help on Utilities.

Any groups of countries or products that are created in this manner will be available for use in Custom Query from the selection boxes for Markets, Partner Countries and Products used to define the query.

After all of the elements have been selected, the query must be saved before it can be submitted for execution. Click on **Save** and give the query a name and save it (all saved queries can be used again); click on **Submit** to further define the output from the query and submit it for execution.

Finally, click on **Status** to see if the query has been executed and view the output. Some queries may take considerable time if they are large or particularly complex. In such cases, it may be necessary to check their status several times before there is output for viewing.

The WITS Custom Query Screens

The Custom Query facility has a Toolbar which includes several of the options available. The functions in the Toolbar are grouped into three parts: Query Management, Utilities and Query Execution.

Query Definition and Management

This part of the Toolbar allows users to begin a **New** query, **Open** an existing one, **Save** a newly created one or **Delete** one. Beneath **<new query>** is the tree, mentioned above, which contains each of the variables that must be included in a query for it to be valid:
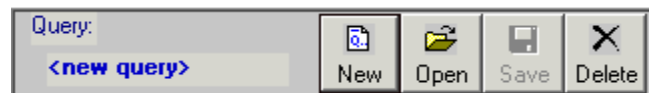
The first variable in the tree is **Markets**. Click on it to get the following selection box:
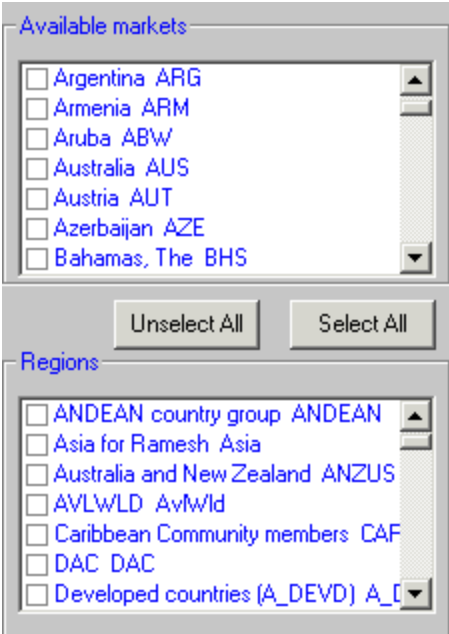
The box contains two selection areas - one for countries (**Available markets**) and the other for groups of countries (**Regions**) and users are free to select as many countries and regions as required. To do so, position the cursor in the check box to the left of a country or region name, click with the left mouse button and a check mark will appear in the box. The names of the selected markets or regions will also appear in the query definition tree.

To delete a previously selected country or region, click on the box with a check mark. The buttons to **Unselect All** and **Select All** can be used with Available markets only.

If the utility to create country groups has been used and a custom group created, it will be available for selection from the list in Regions.

The third variable is **Partner Countries** which is being covered here since the selection process is exactly the same as for **Markets**. That is, partner countries and regions are selected from the same box, and once selected, are included in the query definition tree.

The second variable in defining a query is **Products**. The selection boxes themselves contain a tree. To see how they work and the various classifications available in WITS, go to Help on Nomenclatures. The following screen contains Chapters from the HS96 **Nomenclature** and **Select Product By** for **Item**:

Item allows selections to be made at any level of the classification. In the case of HS96 this is from Chapters to Headings to Sub-Headings. The method of selection is the same for any check box: position the cursor in the check box to the left of a commodity and click with the left mouse button and a check mark will appear in the box. The commodities selected will appear in the query definition tree as well.

It is important to remember that **Years** (see below) are a function of the Nomenclature used for Products. That is, SITC, Revision 1 has data beginning for many countries in 1962 while the first year available in HS96 is 1996. Therefore, users should consider the time period to be covered by the query prior to selecting a Nomenclature.

Commodities may also be selected in **Clusters** (i.e., groups of classification levels);

and, by **Aggregates** (i.e., groups of commodities) as shown here for SITC, Revision 3:

Aggregates would also list any product groups created using the utility for that purpose.

The fourth variable in defining a query is **Years**:

Selection of Years can be done in two ways: click on a check box or position the cursor in the check box for the first year to be selected and, holding down the left mouse button, drag it down the list of years.

Years may be ordered in **Ascending** or **Descending** order to facilitate their selection. Use the scroll bar on the right of the screen to display years not shown.

It is important to remember that the **Nomenclature** (see above) used for Products defines the Years that will be available for a query. That is, SITC, Revision 1 has data beginning for many countries in 1962 while the first year available in HS96 is 1996. Therefore, users should consider the Nomenclature being used for the query prior to selecting Years.

The fifth variable required for a query are the types of **Trade Flows**:

Users are free to select as many of the flows as are required for the query. To select a flow, click on the check box to the left of it. Exports as well as Re-exports and Gross exports may be selected for a query. Gross exports are Exports plus Re-exports for those countries that report Re-exports separately.

The final variable to be selected for a query is the **Data Source**:

UN COMTRADE would be selected if the user was only interested in external trade data. **UNCTAD TRAINS** would be selected to obtain information on external trade and tariffs. Use of **WTO** is restricted.

After making selections from each of the required variables, the following tree presents a graphic example of the selections made:

This example has Australia and New Zealand as well as the group NAFTA as **Markets**; Coffee and Tea from SITC, Revision 3 as **Products**; Colombia and Costa Rica as **Partner Countries**; 2000, 1995 and 1990 as **Years**; Imports as the **Trade Flow**; and, a **Data Source** of UN COMTRADE.

The query uses SITC, Revision 3 which has data beginning in 1986 so the Years selection is valid and will return data if there were actual imports in those years.

Users can go back and change any of the variables included in the query to fine tune it. Or, if the variables are those required, the query may be saved by clicking on the **Save** button on the Toolbar (see above). Users will be prompted to give the query a **Name** and a **Description** (in this example, both are "Test"). Once this is done, click on **OK** to save the query. WITS is now able to execute Test.

This query can also be reused at a later date by clicking on the **Open** button or discarded by clicking on the **Delete** button on the Toolbar.

Query Execution

The third part of the Toolbar has buttons for submitting and checking on the status of queries:

The **Submit** button can be clicked once the color changes from red to green which happens when a query has been completed and saved. The **Status** button is used to see whether or not a query has finished executing and output is available.

Utilities

The Country button and Product button on the Toolbar give access to the **Create Country** and **Create Product** Group Utilities (see [Help on Utilities]). Groups which are created with the utilities can be selected for use in the definition of a Custom Query.

The WITS Custom Query Outputs

Once a query is submitted, a new panel is opened up for specifying the output in more detail. The first **General** option is for the **Output** format for the file. The various types of file formats are include in a dropdown box. High light the type required and click the left mouse button. Most any data base or spreadsheet software can open a Comma separated values (*.csv) file.

The second option is **Breakdowns** where the detail of the query can be specified. In the Test example, NAFTA is included as a group of countries; to see them individually, click on the check box in front of Include market (reporter) breakdowns. The same can be done for product groups and partner country groups.

The third option is to set the **Magnitude** for the trade values. Thousand US Dollars is the default, but millions and billions can also be specified.

The fourth option can be used to **Notify** the user when the query is finished executing and/or to **Email** the results of the query.

The second **COMTRADE** option allows users to specify if they want Estimated quantities for all groups, to include estimated markets and non-traded goods. Users can also **Change Year Baskets** to use adjacent years when there are no values available for the years selected in a query.

Once the required options have been selected or not, click on the **OK** button to submit the query.

Click on **Status** to see if the query has been executed and output is available for viewing:
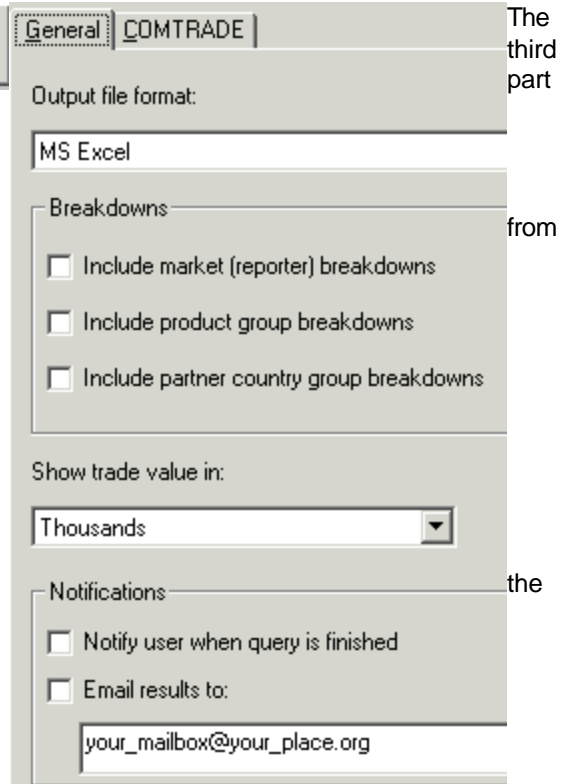
Output for the query Test is available for viewing when the binoculars icon is shown under **View**; click on it to see the output. Or, delete the query by clicking on the wastebasket icon under **Delete**. The rest of the columns provide information on the source of the data and the processing of it.

The Test query output which used the COMTRADE Data Base, is as follows for 1990 (the query also includes 1995 and 2000 which are not shown:

Column one indicates the **Nomenclature** used followed by **Year**, **Reporter**, **Flow**, **Product**, **Partner**, **Trade Value**, **Quantity** and **Quantity Unit**, which need no explanation. The Flow column uses "1" for Imports, "2" for Exports and "3" for Re-exports and the Reporter and Partner columns use ISO 3 country codes.

To obtain an output for all of the variables initially selected for Test, but using TRAINS as the data source, Open Test in Custom Query and select TRAINS (COMTRADE will be deleted as the source). Save the query (in this example as Test1) and submit it for execution.

The output from Test1 is very different than from Test as the focus is on Tariffs (again only partial output is shown):

Explanations for each of the columns in a TRAINS output are given in the Tariff Results Table.

Description of WITS Data Catalog Content

The Data Catalog option accesses the inventory of information in WITS. It provides a complete listing of data availability for the three data bases. As a first step to best understand the content of WITS, look at each of the individual data bases: each contain variables which are the same (e.g., Imports by Partner) and others which are unique (e.g., Non-Tariff Barriers, Most Favored Nation (MFN) Applied and Bound Tariffs).

Furthermore, with a single exception, each of the three individual data base catalogs are equivalent in structure, varying only in content as will be seen below. So, for example, understanding the COMTRADE Data Catalog will make it easier for the user to understand each of the other two.

?? The **COMTRADE** Data Catalog (Source = **CMT**) contains information on external trade data available from the United Nations. The variables included are exports, imports and re-exports (where they are reported) by partner country in US Dollars and quantities in various units.

Several international classifications applied to trade data are used in the data base:

- o **H1** - The Harmonized Commodity Description and Coding System, or Harmonized System (HS), 1996 version with data from 1996. This is a tariff and trade classification maintained by the World Customs Organization (WCO);
- o **H0** - HS 1988/1992 version with data from 1988. This is a tariff and trade classification maintained by the WCO;
- o **S3** - The Standard International Trade Classification (SITC), Revision 3 with data from 1986. This is a trade classification maintained by the United Nations (UN);
- o **S2** - SITC, Revision 2 with data from 1976. This is a trade classification maintained by the UN; and,
- o **S1** - SITC, Revision 1 with data from 1962. This is a trade classification maintained by the UN.

?? The **TRAINS** Data Catalog (Source = **TRN**) contains information on import regimes collected by UNCTAD. The variables included are imports by partner country in US Dollars, Most Favored Nation (MFN) applied tariffs, preferential tariffs, including those of the Generalized System of Preferences (GSP) and non-tariff measures at the tariff line level.   Much of the import statistics in TRAINS are obtained from COMTRADE. The classifications used for the information are HS 1996 and HS 1988/92.

While import values in TRAINS are at the same level of detail as those in COMTRADE, the information on tariffs and non-tariff measures are classified at the "tariff line level" using HS 1996 or HS 1988/92 as the structure. That is, while the maximum level of detail in HS is at six digits, this is often insufficient for recording national tariffs (and imports, see IDB, below) which usually require product specifications at the 8- or 10-digit level. This extension of the national tariff classification to the more detailed levels depends

upon the individual needs of countries to properly reflect their import regimes and collect duties on imports. Therefore, while each national tariff uses HS as its basic structure, the extensions to 8- or 10-digits of any one country need not be those of any other country.

?? The **IDB** Data Catalog (Source = **WTO**) contains the official notifications made by WTO member countries for the Committee on Market Access. Included are imports by partner country in US Dollars and quantities in various units, MFN applied tariffs, bound tariffs and preferential tariffs (optional for official notifications), all at the tariff line level. The classification used for the information is HS 1996.

The bound tariffs recorded in IDB are the concessions granted by countries during the various negotiating rounds in the General Agreement on Tariffs and Trade (GATT), the predecessor of the WTO. Bound tariffs cannot be exceeded by MFN applied tariffs without undertaking new negotiations. Therefore, they represent the currently existing upper limit for a country's tariff.

The length of a time series in any of the data bases, for any given country, depends on when countries began collecting and reporting these kinds of statistics and the classification which they used to do so. While the "when" is obvious, the classification which is used is determinant since the period of application for any one classification is limited (except for SITC, Revision 1 which contains all available observations). As will be seen in HELP on Concordances, in general, larger classifications, i.e., those with more detail, can be collapsed into smaller classifications, i.e., those with less detail.

The most detailed classification used in the data bases is HS 1996 followed by HS 1998/1992, SITC, Revision 3, Revision 2 and Revision 1. Therefore if information on trade is collected using HS 1996, there will also be values for all of the other classifications. Conversely, if SITC Revision 1 is used, only those values will be available in WITS.

The following table summarizes the information available in WITS by source (see the COMTRADE Data Catalog above for variable codes and definitions):

Data Available in WITS

Variable	COMTADE					TRAINS		IDB
Trade								
Exports	H1	H0	S3	S2	S1			
Imports	H1	H0	S3	S2	S1	H1	H0	H1
Tariffs								
Applied						H1	H0	H1
Bound								H1
Preferences						H1	H0	
Non-Tariff Barriers						H1	H0	

The WITS Data Catalog Screens

COMTRADE, TRAINS and WTO Data Catalogs

As mentioned above, the data base Data Catalogs layout and screens are virtually identical. The screens below are for COMTRADE (Data Source = CMT), TRAINS (Data Source = TRN) and IDB (Data Source = WTO) in decending order:

Country	ISO3	Country Code	NomenCode	NomenName	Data Source	1998	1997
Afghanistan	AFG	004	S1	SITC Revision 1	CMT		
Afghanistan	AFG	004	S2	SITC Revision 2	CMT		
Albania	ALB	008	H0	HS 1988/92	CMT	IE.	IE.
Albania	ALB	008	H1	HS 1996	CMT	IE.	IE.

NomenName
HS 1988/92 ▼   Data Source
TRN ▼

Country	ISO3	Country Code	NomenCode	1998	1997	1996	1995	1994	199
Algeria	DZA	012	H0		.T.		I.N	I.N	ITN
Antigua and Barbuda	ATG	028	H0			.T.			

Arg NomenName
Aus HS 1996 ▼   Data Source
WTO ▼

Country	ISO3	Country Code	NomenCode	1999	1998	1997	1996
Honduras	HND	340	H1			.T	I.
Hong Kong, China	HKG	344	H1		.T	IT	IT
Hungary	HUN	348	H1		.T	IT	.T
Iceland	ISL	352	H1		.T	I.	I.

Each of the Data Catalogs contain a column for **Country**, **ISO3**, **Country Code** and **NomenCode**. Country is the country name used for statistical purposes (i.e., the short form of an official country name), ISO3 are the internationally recognized 3-digit alphabetic country codes from the International Standards Organization (ISO), Country Code are the 3-digit numerical equivalents maintained by the United Nations (UN) and NomenCode are the codes for the classifications. WITS uses the Country code for the processing of all information.

In the COMTRADE screen (the first), NomenCode is followed by **NomenName** which provides the description of NomenCode and the **Source** which will always be CMT. Note that in the screen for COMTRADE there may be more than one entry for a country, each one of which is related to a different NomenCode. So, there are two entries for Albania as it has observations in both H0 (HS1998/92) and H1 (HS1996). In the other two catalogs, a NomenName must be initially specified in order to generate a Data Catalog output.

These columns are followed by years - **1999**, **1998**, **1997**, etc - in descending order. Here, the catalogs record available data which is slightly different among them reflecting their different content: Exports are represented by an **E**, Re-exports by **R**, Imports by **I**, Tariffs by **T**, Non-tariff Barriers by **N** and missing possible observations by **.** (a dot). The dot is used when the data matrix in any catalog is not complete. This is the case in COMTRADE if E, I and R are not reported (many countries do not report Re-exports but their absence is recorded anyway); in TRAINS if I, T and N are not available; and, for WTO if I and T are not there.

Glossary of Trade-Related Terms in WITS[1]

A   B   C   D   E   F   G   H   I   J   K   L   M   N   O   P   Q   R   S   T   U   V   W   XYZ

A

ACP: African, Caribbean and Pacific countries, a group of mostly former European colonies.

Actionable subsidy: A type of subsidy that is not prohibited under WTO rules but against which a member may respond by imposing a countervailing duty.

Administered Protection: See Contingent Protection.

Ad valorem: An ad valorem duty (tariff, charge, and so on) is based on the value of the dutiable item and expressed in percentage terms: for example, a duty of 20 percent on the value of automobiles.

Advisory Centre on WTO Law: Entity based in Geneva that provides legal counseling on WTO law and dispute settlement to developing and transition countries that are WTO members on a subsidized basis, depending on the income level of the requesting government. 72 WTO members are eligible to request assistance.

AGOA (African Growth and Opportunities Act): U.S. legislation providing duty-free access for a large number of products for 35 African economies.

Aggregate Measure of Support: Measure of the total support given to an activity as a result of policies such as production subsidies and market price support policies. Used in the WTO Agreement on Agriculture.

Anti dumping: Trade policy used by importing governments to counteract dumping, for example by imposing duties or negotiating price increases.

Appellate Body: WTO body that hears appeals against the findings of dispute settlement panels.

ASYCUDA: Automated System for Customs Data. A computerized customs management system developed and implemented by UNCTAD which covers most foreign trade procedures and handles manifests and customs declarations, accounting procedures, transit and suspense procedures.

B

Binding: See Tariff Concession.

Border Tax Adjustment: Fiscal measure compensating, in whole or in part, for the different treatment either between imports and similar domestic products or between exports and similar products sold on the domestic market. For example, refunds of domestic indirect taxes on goods destined for export; or changes on imports similar to the taxes levied on like domestic products. Also see Duty Drawback.

C

Cairns Group: Coalition of developing and industrialized country exporters of agricultural commodities formed in the Uruguay Round to

negotiate stronger multilateral disciplines on agricultural trade policies.

Capacity-building: In trade context, activities supported by the donor community aimed at strengthening the ability of stakeholders in developing countries to develop national trade policy, undertake analysis and identify their interests in international trade negotiations.

Cartel: Arrangement between firms to control a market – for example, to fix prices or limit competition between members of the cartel.

Ceiling binding: Often used to describe a situation where there is a large difference between the tariff that is actually applied and the level at which the tariff is bound in GATT (the 'ceiling').

C.I.F.: Cost, insurance and freight. The cost of a good delivered to the importing country's port.

CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. Establishes rules for trading such species, up to and including a complete ban on all trade.

Codex Alimentarius Commission: The 'food code'— an international set of standards, codes of practice, and guidelines and recommendations relating to food quality and safety, including codes governing hygienic processing practices, recommendations relating to compliance with standards, limits for pesticide residues, and guidelines for contaminants, food additives and veterinary drugs. The Codex Alimentarius Commission is the body responsible for compiling the standards.

Compensatory Adjustment: Measure taken, after withdrawing of a (tariff or other) concession, to compensate for such withdrawal (GATT Art. XXVIII).

Competition policy: Legislation and regulations designed to protect and stimulate competition in markets by outlawing anticompetitive business practices such as cartels, market sharing or price fixing.

Computable general equilibrium (CGE) models: Mathematical characterizations of the economy, used to predict the impact of policy changes taking into account both direct effects as well as indirect effects that work through labor and other markets.

Concertina approach: Method of reducing tariffs by lowering the highest rates first, then the next highest, etc.

Content, Domestic or Local: Rules establishing a minimum proportion (by value or volume) of a product that has must be domestically or locally produced in order to obtain a benefit (e.g., a tariff concession or permission to be offered for sale).

Contestability: A market is contestable if new suppliers can enter it easily. The threat of such entry is a discipline on the incumbent suppliers and can prevent prices from rising far above costs, because any excess profits will be rapidly followed by entry.

Contingent Protection: Trade barriers that are imposed if certain circumstances (contingencies) are met. Examples include anti-dumping or countervailing duties (to offset subsidies) and safeguards. Also called Administered Protection.

Copyright: Instrument to protect the right of authors of original works (print, audio, video, film, software) from unauthorized copying and use. Generally for the life of the author, plus 50 years.

Cotonou Agreement: Partnership agreement between the EU and the ACP countries signed in June 2000 in Cotonou, Benin. Replaces the Lomé Convention. Its main objective is poverty reduction, "to be achieved through political dialogue, development aid and closer economic and trade cooperation."

Counter trade: Form of barter committing the exporter to offset the value

of his exports, in whole or in part, by imports from his trading partner. Also see Offset Requirement.

Countervailing Duty: Duty levied on imports of goods that have benefited from production or export subsidies. The duty is intended to offset the effect of the subsidy.

Credit (for autonomous liberalization): Mechanism through which developing countries are granted recognition in WTO talks for unilateral liberalization of the trade regime that has occurred in the period before negotiations commence. Past efforts by developing countries to establish such a mechanism were not successful.

Customs Duty: Charge levied on imports and listed in importing country's tariff schedules. Duties may be specific or ad valorem or a combination of the two (ad valorem with a specific minimum, or the greater of the two).

Customs Union: A group of countries forming a single customs territory in which (1) tariffs and other barriers are eliminated on substantially all the trade between the constituent countries for products originating in these countries, and (2) there is a common external trade policy (common external tariff) that applies to nonmembers.

Customs Valuation: Establishment, according to defined criteria, of the value of goods for the purpose of levying ad valorem customs duties on their importation.

D

Decoupling: Action to ensure that subsidies to producers (usually farmers) are unrelated to production so as to provide no incentive to increase production; in contrast, simple subsidies per unit of output tend to increase production.

Deep integration: Inter-governmental cooperation in designing and applying domestic policies such as taxes, health and safety regulations, and environmental standards. May involve either harmonization of policies or mutual recognition; generally occurs in the context of regional integration agreements.

Deficiency Payment: Direct monetary payment by government to producers to compensate for the difference between the market price of a good and a higher guaranteed price for that good in the case of, say, low international commodity prices.

Degressivity: Mechanism to ensure that the application of a measure gradually becomes less severe over time. For example, a tariff set at 50 percent that is reduced by 10 percentage points each year and becomes zero in year 5.

Differential and more favorable treatment. See Special and Differential Treatment and Enabling Clause.

Dispute Settlement Body: WTO body that is responsible for dealing with disputes between WTO members. Consists of all WTO members meeting together to consider the reports of dispute settlement panels and the Appellate Body.

Domestic Content: See Content.

Dumping: A form of price discrimination by which the export price of the product exported from one country to another is less than the comparable price, in the ordinary course of trade—that is, including transport and related costs—for the like product when destined for consumption in the exporting country (GATT Art. VI). Also defined as sales below the estimated cost of production. The margin of dumping is the difference between the two prices.

Duty-drawback Scheme: A duty drawback scheme (often

administratively demanding) is a form of Border Tax Adjustment whereby the duties or taxes levied on imported goods are refunded, in whole or in part, when the goods are re-exported. The idea is to reduce the burden on exporters while maintaining tariffs for revenue or protective purposes. See also Temporary Admission.

E

Economic needs test: Measure requiring a demonstration that an import (of goods, but more usually, natural service providers) cannot be satisfied by local producers or service providers.

Effective Rate of Protection: A measure of the protection afforded by an import restriction calculated as a percentage of the value added in the product concerned. Takes into account the protection on output and the cost raising effects of protection on inputs.

Emergency Action: See Safeguard Action.

Enabling Clause: 1971 GATT Decision on "Differential and More Favorable Treatment, Reciprocity and Fuller Participation of Developing Countries". One of the so-called Framework agreements, it enables WTO members, notwithstanding the nondiscrimination requirements, to "accord differential and more favorable treatment to developing countries, without according such treatment to other contracting parties." See also Generalized System of Preferences.

Escape Clause: Clause in a legal text allowing temporary derogation from its provisions under certain specified emergency conditions. See also Safeguard Action (GATT Art. XIX.)

Europe Agreement: Free trade agreement between the EU and various Central and Eastern European countries.

Everything But Arms: A 2001 EU initiative to grant least developed countries duty- and quota-free access for their exports.

Exchange Control: Restrictions imposed by a government or central bank over the holding, sale, or purchase of foreign exchange. Typically used when the exchange rate is fixed and the central bank is unable or unwilling to enforce the rate by exchange-market intervention.

Exhaustion: Policy stance of a country regarding parallel imports of goods protected under intellectual property rights. Under national exhaustion, rights end upon the first sale of the good within a nation, and right holders may prevent unauthorized imports of the goods concerned. Under international exhaustion, rights end upon the first sale anywhere in the world, after which parallel imports are permitted.

Export Processing Zone (EPZ): A designated area or region in which firms can import duty-free as long as the imports are used as inputs into the production of exports. Traditional EPZs are fenced-in industrial estates specializing in manufacturing for exports. Modern ones have flexible rules that may permit domestic sales upon payment of duties when leaving the zone. EPZs generally also provide a liberal regulatory environment for the firms involved as well as infrastructure services.

*Export promotion***:** A strategy for economic development that emphasizes support for exports through removal of anti-export biases created by policy. May be associated with policies such as duty drawbacks, export subsidies, marketing support or matching grants for exporters.

Externality: Occurs when the action of one agent (person, firm, government) affects directly other agents, making them better or worse off. Beneficial effects are called positive externalities; harmful ones negative externalities.

F

Fast track. A procedure under which the U.S. Congress agrees to consider implementing legislation for international trade agreements on an 'up or down" basis, that is, gives up its right to propose amendments. Now called Trade Promotion Authority.

*Foreign trade zone***:** An area within a country where imported goods can be stored or processed without being subject to import duty. Also called a "free zone," "free port," or "bonded warehouse." See also Export Processing Zone.

Formula Approach: Method of negotiating down tariffs or other barriers to trade by applying a general rule (formula). For example, a rule specifying that all tariffs are to be cut to a certain fraction of their initial level, or that an agreement should cover a certain proportion of economic activity (sectors).

Framework Agreements: The GATT "Agreements Relating to the Framework for the Conduct of International Trade," resulting from the Tokyo Round: (1) Differential and More Favorable Treatment, Reciprocity and Fuller Participation of Developing Countries (the "Enabling Clause"); (2) Declaration on Trade Measures Taken for Balance-of-Payments Purposes; (3) Safeguard Action for Development purposes; and (4) Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance.

Free on board (f.o.b.): The price of a traded good including its value and the costs associated with loading it on a ship or aircraft, but excluding international transportation (freight) costs, insurance and payments for other services involved in moving the good to the point of final consumption.

Free-Trade Area: A group of countries in which the tariffs and other barriers are eliminated on substantially all trade between them. Each member maintains its own external trade policy against nonmembers. Also called free trade agreement or free trade arrangement. Contrasts with Custom Union.

G

G-20: International forum of finance ministers and central bank governors representing 19 countries plus the EU. Created in 1999 by the G-7 with the aim to promote discussion, study and revi ew of policy issues among industrialized and emerging market countries to promote international financial stability. The Managing Director of the IMF, the President of the World Bank, and the Chairpersons of the International Monetary and Financial Committee and Development Committee of the IMF and World Bank participate in G-20 deliberations.

G-24: Established in 1971, an inter-governmental group of 24 developing countries that has the objective to concert the position of the developing countries on monetary and development finance issues. The only formal developing country grouping within the IMF and World Bank. Meets twice a year, preceding the Spring and Fall meetings of the two institutions.

G-7: A group of seven major industrialized countries whose heads of state have met annually since 1976 in summit meetings to discuss economic and political issues. The seven are United States, Canada, Japan, Britain, France, Germany, and Italy.

G-77: A coalition of developing countries within the United Nations, established in 1964 at the end of the first session of UNCTAD, intended to articulate and promote the collective economic interests of its members and enhance their negotiating capacity. Originally with 77 members, it now (in 2002) has 133.

G-8: The G7 plus Russia, which have met as a full economic and political summit since 1998.

GATT: General Agreement on Tariffs and Trade. Major Articles:

I General MFN requirement.

II Tariff schedules (bindings).

III National treatment.

V Freedom of transit of goods.

VI Allows antidumping and countervailing duties. Superseded by the GATT 1994 Agreement on Antidumping, and the Agreement on Subsidies and Countervailing Measures.

VII Requires that valuation of goods for customs purposes be based on actual value. Superseded by the GATT 1994 Agreement on the Implementation of Article VII.

VIII Requires that fees connected with import and export formalities be cost-based.

IX Reaffirms MFN for labeling requirements and calls for cooperation to prevent abuse of trade names.

X Obligation to publish trade laws and regulations; complemented by the WTO's Trade Policy Review Mechanism and numerous notification requirements in specific WTO agreements.

XI Requires the general elimination of quantitative restrictions.

XII Permits trade restrictions if necessary to safeguard the balance of payments.

XIII Requires that quotas be administered in a nondiscriminatory manner.

XVI Established GATT 1947 rules on subsidies. Complemented by the WTO Agreement on Subsidies and Countervailing Measures.

XVII Requires that state trading enterprises follow MFN.

XVIII Allows developing countries to restrict trade to promote infant industries and to protect the balance-of-payments (imposing weaker conditionality than Article XII).

XIX Allows for emergency action to restrict imports of particular products if these cause serious injury to the domestic industry. Complemented by the WTO Agreement on Safeguards.

XX General exceptions provision—allows trade restrictions if necessary to attain non-economic objectives (health, safety).

XXI Allows trade to be restricted if necessary for national security reasons.

XXII Requires consultations between parties involved in trade disputes.

XXIII GATT's main dispute settlement provision, providing for violation and non-violation complaints. Complemented by the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes.

XXIV Sets out the conditions under which the formation of free trade areas or customs unions is permitted.

XXVIII Allows for renegotiation of tariff concessions.

XXVIIIbis Calls for periodic rounds of negotiations to reduce tariffs.

XXXIII Allows for accession

Part IV Calls for more favorable and differential treatment of developing countries. Entered into force in June 1966.

GATS : General Agreement on Trade in Services. Major Articles :

I Definition. Trade in services covers all four modes of supply.

II MFN obligation. Option to invoke exemptions on a one-time basis.

III Notification and publication. Obligation to create an enquiry point.

IV Increasing participation of developing countries. High income countries to take measures to facilitate trade of developing nations.

V Economic integration. Allows for free trade and similar agreements.

VI Allows for domestic regulation. Requirements concerning the design and implementation of service sector regulation, including in particular qualification requirements.

VII Recognition of qualifications, standards and certification of suppliers.

VIII Monopolies and exclusive suppliers. Requires that such entities abide by MFN and specific commitments (Articles XVI and XVII) and do not abuse their dominant position.

IX Business practices. Recognition that business practices may restrict trade. Call for consultations between members on request.

XIV General exceptions. Allows measures to achieve non-economic objectives.

XVI Market access. Defines a set of policies that may only be used to restrict market access for a scheduled sector if they are listed in a member's specific commitments.

XVII National treatment. Applies in a sector if a commitment to that effect is made and no limitations or exceptions are listed in a member's schedule.

XIX Calls for successive negotiations to expand coverage of specific commitments (Articles XVI and XVII).

Generalized System of Preferences (GSP): The GSP is a system through which industrialized high income countries grant preferential access to their markets to developing countries. Also called Generalized System of Trade Preferences.

Geographical indication: Measure aimed to protect the reputation for quality of goods originating in a particular geographic location by limiting the use of distinctive place names or regional appellations to goods actually produced in those locations.

Government Procurement: Purchasing, leasing, rental, or hire purchasing by government entities or agencies.

Graduation: Concept linking the rights and obligations of a developing country to its level of development. Referred to in WTO Trade Policy

Review Mechanism. Generally used in the context of GSP and similar types of preferential treatment of low income countries as a mechanism or set of criteria to determine when countries cease to be eligible for preferences.

Grandfather Clause: A clause exempting signatories from certain treaty obligations for legislation or regulations that were adopted before accession to the treaty and that are inconsistent with the treaty.

Gray-Area Measure: Measure whose conformity with contractual obligations is unclear: for example, voluntary export restraints under pre-WTO rules of the GATT.

Green room: Used to describe discussions in the WTO among a subset of countries, generally the major OECD members and a small number of developing countries.

GTAP: The Global Trade Analysis Project, based at Purdue University in the United States. It provides data and models for computable general equilibrium modeling.

H

Harmonized System (HS): "Harmonized Commodity Description and Coding System". Nomenclature developed by the World Customs Organization for customs tariffs and international trade statistics.

HIPC: Highly Indebted Poor Countries Initiative. An agreement among official creditors to help the most heavily indebted countries to obtain debt relief.

I

Impairment: Damage to, or weakening of, benefits accruing under contractual rights and obligations. (GATT Art. XXIII).

Import Substitution: Theory of and approach to development that focuses on providing domestic substitutes for all imported manufactures via trade protection and various types of industrial policies.

Infant Industry: Infant industry arguments suggest that new (non-traditional) industries must be protected from import competition while they are establishing themselves. This is a so-called 'second-best' argument in that it does not address the fundamental market failures that cause industries to fail to develop (such as financial market imperfections).

Integrated Framework for Trade-related Technical Assistance (IF): Joint activity and donor-financed trust fund managed by six agencies (IMF, ITC, UNCTAD, UNDP, World Bank and WTO) to work with LDCs to undertake diagnostic studies aimed at assisting countries to identify key constraints to better integration into the world economy and to provide follow-up trade-related technical and financial assistance.

Intra-industry trade: Trade in which a country both exports and imports goods that are classified to be in the same industry.

L

Labeling: Requirement, either mandatory or voluntary, to specify whether a product satisfies certain conditions relating to the process by which it was produced.

Least Developed Country (LDC): A country that satisfies a number of criteria established by the United Nations that together imply a very low level of economic development. As of 2002 the UN had classified 49 countries in the LDC group. Used in WTO Subsidies Agreement, where LDCs are granted differential treatment.

Licensing (of imports or exports): Practice requiring approval to be granted by the relevant government authority, or by a body designated

by such authority, as a prior condition to importing or exporting.

? Automatic licensing: where approval is freely granted – for example, licensing for keeping statistical records.

? Nonautomatic licensing: where approval is not freely granted. This may be used as a restriction itself, or it may be used to administer a quota. The license may be subject to certain conditions being met: for example, a requirement to export; the use to which the imported good is to be put; the purchase of a specified quantity of the domestically produced like product; or the availability on the domestic market of the domestically produced like product.

? Discretionary licensing: nonautomatic licensing (see above).

Linking Scheme: An import licensing requirement that forces an importer to purchase specified amounts of the same type of product from domestic producers before they can apply for import licenses. An example is a two-tier quota allocation system for licenses in which obtaining a license to buy or sell on a market is linked to the amount bought or sold in a second market.

Local (or domestic) content requirements: See Content.

Lomé Agreement: Agreement was between the EU and the ACP countries on trade concessions (GSP treatment), development aid and general cooperation. Replaced by the Cotonou Agreement in 2000.

M

MAI: Multilateral Agreement on Investment. Effort by the OECD in the late 1990s to establish a set of disciplines on investment-related disciplines. Negotiations failed and were suspended in 1998.

Market Access: Refers to the conditions under which imports compete with domestically produced substitutes. These are determined by the extent to which foreign goods are confronted with discriminatory taxes and other regulations.

Matching grant: Subsidy that is conditional on a co-payment or contribution by an industry or enterprise.

Maximum (Minimum) Price System (for imports) Price(s) decreed by the authorities of the importing country and above (below) which price(s) imports may not enter the domestic market. Actual import prices below the decreed minimums trigger a protective action, such as the imposition of additional duties or of a quantitative restriction. Different terms are used in different countries and different sectors: basic import price, minimum import price, reference price, and trigger price.

Markup: A measure of the difference between unit price of a good and its marginal cost of production. In WTO terms sometimes used to indicate the extent to which an applied tariff exceeds the bound rate.

Mercantilism: An economic philosophy of the 16th and 17th centuries that international commerce should primarily serve to increase a country's financial wealth, especially of gold and foreign currency. To that end, exports are viewed as desirable and imports as undesirable unless they lead to even greater exports. In WTO context often used to describe the quid pro quo nature of bargaining over trade policies.

Mixing Regulation: Describes two kinds of practices: (1) regulation specifying the proportion of domestically produced content in products offered for sale on the domestic market; (2) regulation specifying, for any imports of a given product, the quantity of a domestically produced like product that must be purchased by the importer.

Mode of supply: Term used in the GATS context to identify how a service is provided by a supplier to a buyer.

Most Favored Nation (MFN) principle: MFN is the 'normal', non-discriminatory, tariff charged on imports of a good. In commercial diplomacy, exporters seek MFN treatment – that is, the promise that they get treated as well as the most favored exporter. Called Normal Trade Relations in the U.S.

Multifiber Arrangement (MFA): "Arrangement Regarding International Trade in Textiles." Negotiated as a temporary exception to the GATT in 1973. Regulates trade in certain textile products between signatories by means of negotiated bilateral quotas. Superceded by the WTO Agreement on Textiles and Clothing in 1995, which specifies that all quotas are to be abolished by 2005.

Mutual Recognition. The acceptance by one country of another country's certification that a product has satisfied a product standard. Often based on formal agreements between countries if the standards are mandatory.

N

National Treatment: Principle that foreign goods, services, and persons (investors), once they have entered a country and satisfied any formalities that are required, are treated in exactly the same way as national goods, services or persons. In particular, they face the same internal taxes and no additional restrictions.

Necessity test: Procedure to determine whether a policy restricting trade is necessary to achieve the objective that the measure is intended to attain.

Negative list: In an international agreement, a list of those items, entities, products, etc. to which the agreement will *not* apply, the commitment being to apply the agreement to everything else. Contrasts with Positive List.

Nominal rate of protection: The proportion by which the (tariff-inclusive) internal price of an import exceeds the border or world price. See also Effective Rate of Protection.

Noneconomic objective: Describes situations where a policy objective is other than the efficient allocation of resources. In the trade policy setting refers to the view that a restriction on imports may serve a purpose that goes beyond the restriction of trade itself. In general desired changes in output, consumption, etc. can be achieved at lower economic cost through other types of policies.

Nontariff barrier (NTBs): A catch-all phrase describing barriers to international trade other than the tariffs – for example, quotas, licensing, voluntary export restraints.

Nontariff measure: Any government action with a potential effect on the value, volume, or direction of trade. Also see Nontarif Barrier.

Nonviolation: Procedure under WTO disputed settlement provisions under which a WTO member argues that actions by another member, even though allowed under WTO rules, nullify or impair benefits expected under the agreement.

Normal Value: Price charged by an exporting firm in its home market. Used to compare with the price charged by the firm on an export market to determine if there is dumping. (GATT Art. VI). See also Dumping.

Nullification: Negation of benefits accruing under the WTO as a result of actions taken by a member. See also Dispute Settlement Body and Panel.

O

Offset Requirement: Requirement, stipulated by the authorities of the importing country, that exporters to that country compensate for their

exports by, say , purchasing products of the importing country or investing in the importing country. Also see Counter trade.

Orderly Marketing Arrangement: See Voluntary Export Restraint.

Origin Rule: Criterion for establishing the country of origin of a product. Often based on whether production (processing) leads to a change in tariff heading (classification) or on the level of value added in the country where the good was last processed.

P

Panel: In WTO, a group of three independent experts nominated by the WTO secretariat from a roster approved by members, and that is responsible for determining the validity of allegations brought by one WTO member against another claiming nullification or impairment of rights or obligations (that is, violation of WTO rules and disciplines).

Parallel imports: Trade that is made possible when a good that is protected under intellectual property provisions (patents, copyrights) is sold in different countries for different prices. A parallel import comprises arbitrage activity and occurs when traders import the good from a lower-price market into a higher-price country.

Para Tariff: Charges on imports that act as a tariff but are not included in country's tariff schedule. Examples include a statistical tax, stamp fees, etc.

Partial Equilibrium Analysis: The study of one market in isolation, assuming that anything that happens in it does not materially affect any other market.

Patent: A right granted to its owner to exclude all others from making, selling, importing or using the product or process described in the patent for a fixed period of time, generally 20 years. To be patentable, inventions have to be novel, non-obvious, and be useful or have industrial applicability.

Phytosanitary Regulation: Pertaining to the health of plants. See SPS Measure.

Plurilateral agreement: In WTO, an agreement to which membership is voluntary, dealing with an issue that is not covered by the WTO. In 2002 there were two plurilateral agreements—on civil aircraft policies and government procurement.

Positive List: In an international agreement, a list of those items, entities, products, etc. to which the agreement *will* apply, with no commitment to apply the agreement to anything else.

PPM: Production and processing method. Used in instances where trade policy action by a country is motivated by a desire to ensure that imports have been produced in a way that satisfies a national or international production or process norm. Often these norms will be environmental in nature.

Poverty Reduction Strategy Paper (PRSP): Document describing a country's macroeconomic, structural and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs. PRSPs are prepared by governments through a participatory process involving civil society and development partners, including the World Bank and IMF, and provide the basis for concessional lending and debt relief under the enhanced HIPC initiative.

Precautionary principle: Policy under which measures are motivated by the possibility that use of certain technologies (e.g., biotechnology, genetically modified organisms, pesticides) could be harmful to human or animal health and safety or the environment, although there is no certainty to that effect.

Predatory pricing: Action by a firm to lower prices so much that rival firms are driven out of business, after which the firm raises prices again to exploit the resulting monopoly power.

Preference: Preferential treatment. In GATT terms, this represents a derogation, in the sense of treatment that is more favorable than MFN. See also Generalized System of Preferences and Special and Differential Treatment.

Preshipment inspection: Mechanism under which goods are inspected and certified in the country of origin by specialized inspection agencies or firms. Often used by importing governments to combat over- or under-invoicing of imports by having the value of consignments determined by independent, foreign entities.

PRSP: See Poverty Reduction Strategy Paper.

Price discrimination: The practice of charging different customers different prices for the same good in order to exploit their different degrees of enthusiasm for it – for example, lower off-peak fares exploit workers' need to travel in the rush hour, while allowing less urgent personal travel to take place at other times. When this occurs internationally and the lower price is charged for export, it is called dumping.

Price undertaking: Commitment by an exporter to either raise prices or reduce sales in a market as a way of settling an antidumping suit brought by import-competing domestic firms. Generally has an effect analogous to a quota.

Principal-Supplier Rule: Rule, in bilateral negotiating procedures, according to which an import concession on a specific product is to be negotiated only with the country that is actually or potentially the principal supplier of that product. Note that the WTO MFN rule requires that the concession be extended to all other members.

Prisoner's dilemma: A situation where agents with perfect information that act rationally (i.e. pursue their "selfish" best interests) are confronted with a set of payoffs (or rewards) in which not cooperating is the dominant strategy, even though cooperation would in principle increase their joint payoffs.

Producer subsidy equivalent: A measure of the aggregate value of the gross transfers from consumers and taxpayers to farmers due to policy measures. Also called producer support estimate.

Protocol of Accession: Legal document recording the conditions and obligations under which a country accedes to an international agreement or organization.

Q

Quad: Refers to the participants in the Quadrilateral meetings, i.e., Canada, the EU, Japan and the U.S..

Quantitative Restriction or Quota: Measure restricting the quantity of a good imported (or exported). Quantitative restrictions include quotas, nonautomatic licensing, mixing regulations, voluntary export restraints, and prohibitions or embargoes.

- ? Global Quota: quota specifying the total volume, or value, of the product to be imported (exported) without regard to the country or countries of origin (destination) of the product.
- ? Bilateral quota: quota applied to imports from (exports to) a specific country.
- ? Quota by country: quota which not only specifies the total volume, or value, of the product to be imported (exported), but also allocates the trade between the various countries of origin

(destination).

Quota rent: The economic rent received by the holder of a right to import under a quota. Equals the domestic price of the imported good, net of any tariff, minus the world price, times the quantity of imports.

Real exchange rate: The nominal exchange rate adjusted for inflation. Unlike most other real variables, this adjustment requires accounting for price levels in two currencies. The real exchange rate is: $R = EP^*/P$ where E is the nominal domestic-currency price of foreign currency, P is the domestic price level, and P^* is the foreign price level. Equivalent to the real price of foreign goods; i.e., the quantity of domestic goods needed to purchase a unit of foreign goods. Also defined as the relative price of traded goods in terms of non-traded goods.

R

Reference Price: See Maximum/Minimum Price System.

Remedy: Legal term to describe a measure recommended by a WTO dispute settlement panel that aims to bring the policies of a member found to have violated WTO rules or disciplines into compliance with its obligations.

Rent-Seeking: Refers to activities that use resources to obtain incomes through transfers but which do not increase national income. Such activities result in an extra cost to society (the loss of income from the diversion of resources away from productive towards rent-seeking activities) beyond the distortionary costs associated with measures that give rise to the rents.

Request-Offer Procedure: Negotiating procedure based on the tabling, by each party, of a list of concessions requested of other parties, followed by an offer list of the concessions that could be granted if its request were met.

Restrictive Business Practice: Practice of business enterprises to limit access to markets and restrain competition (such as the formation of a cartel).

Retaliation: Imposition of a trade barrier in response to another country increasing its level of trade restrictions.

Revealed Comparative Advantage (RCA): The ratio of a country's exports of a good to the world's exports of that good divided by that country's share of exports of manufactures in the world exports of manufactures. The index for country *i* good *j* is $RCA_{ij} = 100(X_{ij}/X_{wj})/(X_{it}/X_{wt})$ where X_{ab} is exports by country *a* (*w*=world) of good *b* (*t*=total for all goods). A value of the index above (below) one, is interpreted as a revealed comparative advantage (comparative disadvantage) for the good .

Rollback: The phasing out of measures inconsistent with the provisions of an agreement.

Round: In WTO context, a multilateral trade negotiation. There have been 8 rounds: Geneva (1947), Annecy (1949), Torquay (1950-1), Geneva (1955-6), Dillon (1960-1), Kennedy (1963-7), Tokyo (1973-9) and Uruguay (1986-94). A ninth multilateral negotiation was launched in Doha, Qatar at the end of 2001.

Rule of Origin: See Origin Rule.

S

Safeguard Action: Emergency protection to safeguard domestic producers of a specific good from an unforeseen surge in imports (GATT Art. XIX), to protect a country's external financial position and balance-of-payments (GATT Art. XII, XVIII:B), or to protect an infant industry in a developing country (GATT Art. XVIII:A or C). See also Escape Clause

Sanitary and Phytosanitary (SPS) Measure: A technical requirement specifying criteria to ensure food safety and animal and plant health. Many international SPS standards are set by the FAO/WHO. See also Codex Alimentarius Commission.

Second-best argument (for protection). Any argument for protection that can be countered by pointing to a less costly policy that would achieve the same desired result**.** Also refers to rationales for protection to partially correct a distortion in the economy when the first-best policy for that purpose is not available. For example, if domestic production generates a positive externality and a production subsidy to internalize it is not available, then a tariff may be second-best optimal.

Selectivity: Application of a rule, regulation, or trade action on a discriminatory basis to certain countries.

Shallow integration: Reduction or elimination of border barriers to trade. Contrasts with Deep Integration.

Special and differential treatment: The principle in WTO that developing countries be accorded special privileges, either exempting them from some WTO rules or granting them preferential treatment in the application of WTO rules.

Special Drawing Right: International payment facility administered by the IMF. Also used as an international unit of accounting, defined in terms of the five most important national currencies in international trade.

Special Safeguard: In the WTO Agreement on Agriculture, a protectionist measure that can be triggered automatically by a decline in prices or an increase in imports.

Specific commitment: Under the GATS, technical term describing the commitments made by WTO members on national treatment and market access for service sectors.

Specific tariff: A specific duty (tariff, import tax) expressed in terms of a fixed amount per unit of the dutiable item. For example, $1,000 on each imported vehicle or $50 on each ton of wheat.

Specificity: A policy measure that applies to one or a subset of enterprises or industries as opposed to all industries.

SPS: See Sanitary and Phytosanitary Measure.

Standard: Rule, regulation or procedure specifying characteristics that must be met by a product (such as dimensions, quality, performance, or safety). When these put foreign producers at a disadvantage, they may constitute a nontariff barrier. See also Technical Barrier to Trade.

State Trading: Trade by a government agency or enterprise or by an enterprise to which the government has granted exclusive or special privileges in respect of international trade. State trading does not necessarily involve a monopoly or quantitative restriction of trade and does not require state ownership (GATT Art. XVII).

Standstill: A commitment not to take any new trade restrictive or distorting measure.

Strategic trade policy: The use of trade policies to alter the outcome of international competition in a country's favor, usually by allowing its firms to capture a larger share of industry profits.

Structural Adjustment: Process of reallocating resources and changing the structure of production and employment of a national economy to reflect changing economic policies or trading conditions.

Subsidy: Assistance granted by government to the production, manufacture or export of specific goods, and taking the form either of direct payments, such as grants or loans (also see Bounty), or of measures having equivalent effect, such as guarantees, operational or

support services or facilities, and fiscal incentives.

Sunset clause: Provision in a legal instrument limiting the duration of validity of a particular measure or policy.

T

Tariff: See Customs Duty.

Tariff Binding: In GATT context, commitment by countries not to raise particular tariff items above a specific or bound level. Also referred to as ceiling bindings. The so-called schedule of tariff concessions of each WTO member is annexed to its Protocol of Accession. See also Ceiling Binding.

Tariff Equivalent: Measure of the protective effect of an NTB—the tariff that would have the exact same effect on imports as the NTB.

Tariff Escalation: Occurs if the tariff increases as a good becomes more processed. Escalation discourages imports of more processed varieties of the good (discouraging foreign processing activity) and offers domestic processors positive levels of effective protection. For example, low duties on tomatoes, higher duties on tomato paste, and yet higher duties on tomato ketchup.

Tariff Peaks: Tariffs that are particularly high, often defined as rates that exceed the average nominal tariff by a factor of more than three.

Tariff rate quotas (TRQs): Measure under which a good is subject to a MFN tariff, but a certain quantity (the 'quota') is admitted at a lower, sometimes zero, tariff. TRQs are mainly applied to agricultural trade and can be seasonal.

Tariffication: Procedure of converting NTBs into their tariff equivalents. In the Uruguay Round, all developed countries' agricultural NTBs were tariffied and bound.

Technical Barrier to Trade: Trade restrictive effect arising from the application of technical regulations or standards such as testing requirements, labeling requirements, packaging requirements, marketing standards, certification requirements, origin marking requirements, health and safety regulations, and sanitary and phytosanitary regulations.

Technical Regulation: A mandatory requirement or standard specifying the characteristics that an imported product must meet. Usually aimed to protect public health or safety. See Technical Barrier to Trade.

Temporary Admission: Customs regime under which firms may import intermediates duty free if use in export production, and are required to document ex post that imports have been used for this purpose. See also Duty Drawback.

Terms of Trade: The price of a country's exports relative to the price of its imports.

Total factor productivity (TFP): A measure of the output of an industry or economy relative to its inputs. The term and its acronym often refers to the growth of this measure.

Trade capacity: The supply-side ability (capacity) of a country to benefit from the opportunities offered by the world market and MFN or preferential access to markets.

Trade creation: Occurs when liberalization results in imports displacing less efficient local production and/or expanding consumption that was previously thwarted by artificially high prices due to protection.

Trade diversion: Occurs when a trade reform discriminates between different trading partners and a less efficient (higher cost) source displaces a more efficient (lower cost) one. Can arise whenever some preferred suppliers are freed from barriers but others are not.

Trade integration: Process of reducing barriers to trade and increasing participation in the international economy through trade. Also used to describe efforts to integrate trade policy and strengthening of trade-related institutions into a country's overall development strategy.

Trade Policy Review Mechanism: WTO mechanism for periodic review of the trade policies and practices of members.

Trade Promotion Authority: See Fast Track.

Trade-related Investment Measure: Policy used by governments to influence the operations of foreign investors by establishing specific performance standards relating to trade. Examples are export performance requirements and local content rules (mandating that investors use a certain proportion of domestic inputs in their production).

Trade-related Technical Assistance: Services financed and/or provided by donors and development agencies to strengthen trade-related institutions and build trade capacity in developing countries. See also Integrated Framework.

Trademark: Distinctive mark or name to identify a product, service or company.

Transaction Value: Used for customs valuation purposes—the price of a good actually paid or payable.

Transparency: Clarity, openness, predictability and comprehensibility (used in regard to individual trade-related regulations and operation of institutions).

Trigger Price: See Maximum/Minimum Price System.

TRIMs: See Trade-related Investment Measure.

TRIPs: Trade-related intellectual property rights. In WTO, used as an acronym for the Agreement on Trade-Related Aspects of Intellectual Property Rights.

TRTA: See Trade-related Technical Assistance.

U

UPOV: International Union for the Protection of New Varieties of Plants. Seeks to ensure that signatories acknowledge the achievements of breeders of new plant varieties by making available to them an exclusive property right, on the basis of a set of uniform and clearly defined principles. Based in Geneva.

V

Value added: The value of output minus the value of all inputs used in production. Equals, by definition, the contribution of, and payments to, primary factors of production (labor, capital and land).

Variable Levy: Variable import charge that brings the import price of a good into line with or above a decreed internal price to protect domestic production from import competition. Given the decreed internal price, the levy will vary inversely with the world price.

Voluntary Export Restraint: Informal agreement between an exporter and an importer, whereby the former agrees to limit exports of a specified good to avoid dislocation of the industry in, and possible imposition of mandatory restrictions by, the importing country. The restraint agreement may be concluded at either industry or government level. In the latter case, sometimes referred to as an orderly marketing arrangement.

Voluntary Restraint Agreement: See Voluntary Export Restraint.

W

Waiver: Authorized deviation from a previously undertaken and legally binding obligation. Can be sought by WTO members through invocation

of Art. IX WTO. Conditions under which waivers are granted are generally negotiated and limited in time.

Welfare: Welfare is the "enjoyment' that consumers are inferred to gain from their consumption. While welfare cannot be measured directly, economists often use a measure of real income or purchasing power as a way of measuring welfare in money terms.

WITS: World Integrated Trade Solution—database and software package developed by UNCTAD and World Bank to allow analysis of market access conditions and the impact of own and partner country liberalization.

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[1] This glossary draws in part on the glossary maintained by Prof. Alan Deardorff on his home page: http://www-personal.umich.edu/~alandear/glossary/ and is forthcoming in Bernard Hoekman, Aaditya Mattoo and Philip English (eds.), Development, Trade and the WTO: A Handbook (Washington DC: World Bank, forthcoming, 2002).

HELP on WITS

This HELP facility orients the user to the content and functioning of WITS.

Know what's available in the system and understand the different classifications used for external trade, tariffs and non-tariff measures, and the relationships among them by going to HELP on **Nomenclatures**, **Concordances** and **Data Catalog**.

Find out what the **Codes** used in WITS outputs mean and understand the terminology used by looking through the **Glossary of Terms**.

Learn how to use WITS to extract information by going to HELP on **Quick Query** and **Custom Query**.

See how to use **Utilities** to keep your WITS application up to date and to create Product Groups and Country Groups; and, find out **About WITS** and additional contacts and related web sites in **Contacts**.

WITS TARIFFS RESULTS TABLE - ADDITIVE MEASURES

Columns, from **RepCode** to **DutyType**, define dimensions of the data.

All other columns, from **Sum_Of_Rates** to **SumTrdValue**, contain additive, interim measures that can be used to calculate final tariff indicators, as it may be required.

By preserving the interim additive measures in the tariffs fact table, it is possible to calculate additional reporter country groups made up of the available reporting country periods.

Displayed title	Internal column name	Description	Default
Reporter	RepCode	Reporter code.	Y
Tariff Year	TrfYear	Year for which tariff measures are calculated. For a group aggregate, the tariff year selected by user (i.e. for some countries, data from other years may be used when the data for that year are not available)	Y
Trade Year	TrdYear	Year for trade data. For a group aggregate, the year selected by user (i.e. for some countries, data from other years may be used when the data for that year are not available)	Y
Weight Code	WghtCode	A code which defines the weights. rrrr <- pppp indicates imports of rrrr (Reporter country/group of countries) from pppp (Partner country/group of countries) used as weights.	Y
Nomenclature	DestNomenCode	Nomenclature in which products have been selected	Y
Product	ProdAggrCode	Product code (can be a single HS code or any product group composed of many HS codes as defined by user).	Y
Partner	RegionCode	Partner country or group of countries whose trade was used	Y

		for weighting. (At present the same as WghtCode above).	
Data Source	DataSource	Data source code. TRN means UNCTAD's TRAINS database, and WTO means WTO Integrated Database.	Y
Duty Type	DutyType	Type of duties: **AHS** – Effectively applied rates, taking into consideration applicable (and available) preferential rates, based on HS 6-digit tariffs fact table. **MHS** – MFN rates based on HS 6-digit tariffs fact table. For future use: **APL** – Effectively applied rates based on tariff line level data, and **MFN** – MFN rates on the same basis.	Y
Simple Mean	SAvg	Simple average for a selected product group calculated from tariff line level (Note 4 below)	Y
Compound Mean	SavgOfSAvgs	Simple average for a selected product group calculated from simple average at HS 6-digit level (Note 3 below)	Y
Weighted Mean	WghtAvg	Weighted average for a selected product group calculated from simple average and selected weights at HS 6-digit level (Note 1 and 2 below)	Y
Variance	Variance	Variance from the Simple Mean (Note 5 below)	Y
Standard Deviation	SDev	Standard Deviation from the Simple Mean (Note 6 below)	Y
Sum of Imports	SumTrdValue	Sum of all imports for a selected product group, including those HS 6-digit items where corresponding tariff rates are not available.	Y
Original Nomenclature	NativeNomenCode	Nomenclature in which native (raw) tariffs and trade are recorded.	N
Sum of Rates	Sum_Of_Rates	Sum of all rates that belong to a selected product group	N

Sum of HS6 Averages	Sum_Of_SAvgRates	Sum of simple average tariff rates calculated for each HS 6-digit code. (This is to support UNCTAD's preferred way to calculate simple tariff averages). The formula: Sum_Of_SAvgRates / Count_Of_SAvgRates_Cases is used to calculate the actual simple rate.	N
Number of HS6 codes	Count_Of_SAvgRates_Cases	Number of HS 6-digit codes for which non-null averages are calculated (i.e. at least one tariff line with ad valorem rate (or AVE))	N
Sum of squared rates	Sum_Of_Squared_Rates	Sum of squared rates. Allows calculating variance and standard deviation in conjunction with other additive measures (see notes on additional calculated measures).	N
Minimum	Min_Rate	Minimum tariff rate within a given product group.	N
Maximum	Max_Rate	Maximum tariff rate within a given product group.	N
Number of AVE lines	Nbr_AVE_Lines	Number of tariff lines with non ad-valorem rates for which AVEs have been calculated. At present no AVEs are available yet. When present, they will eliminate items falling into Nbr_NA_Lines.	N
Number of NA lines	Nbr_NA_Lines	Number of tariff lines with missing (not available) duties. Reflects cases of specific and other non-ad valorem rates for which AVEs are not available	N
Number of Duty-free lines	Nbr_Free_Lines	Number of duty-free lines	N
Number of Dutiable lines	Nbr_Dutiable_Lines	Number of dutiable tariff lines.	N
Number of tariff lines	Nbr_Total_Lines	Number of all tariff lines (this is redundant column).	N
Number of Domestic Peaks	Nbr_DomesticPeaks	Number of tariff lines for which rates are higher than 3 times the	N

		simple average for all items.	
Number of Peaks	Nbr_InternationalPeaks	Number of tariff lines for which rates are higher than 15%.	N
0% to 5%	CountTL_0_to_5	Number of tariff lines for which rates fall between 0 and 5% (0 <= Rate < 5)	N
5% to 10%	CountTL_5_to_10	Number of tariff lines for which rates fall between 5 and 10% (5 <= Rate < 10).	N
10% to 20%	CountTL_10_to_20	Number of tariff lines for which rates fall between 10 and 20% (10 <= Rate < 20).	N
20% to 50%	CountTL_20_to_50	Number of tariff lines for which rates fall between 20 and 50% (20 <= Rate < 50)	N
50% to 100%	CountTL_50_to_100	Number of tariff lines for which rates fall between 50 and 100% (50 <= Rate < 100)	N
Over 100%	CountTL_more_than_100	Number of tariff lines for which rates are above 100% (100 <= Rate)	N
Sum of (Rate x Weight)	SumRateByWghtTrdValue	Simple average tariff rates multiplied by value of imports (weights) at each HS 6-digit, summed over all HS 6-digits selected (used for weighting)	N
Sum of Weights	SumWghtTrdValue4NotNull	Sum of import values used as weights (i.e. Sum of values at HS 6-digit for which corresponding tariff rates are available)	N

Notes on additional calculated measures

1. Weighted average rate is calculated as follows:

SumRateByWghtTrdValue / SumWghtTrdValue4NotNull

2. Simple rate (UNCTAD's approach):

Sum_Of_SAvgRates / Count_Of_SAvgRates_Cases

3. Simple rate using tariff lines:

Sum_Of_Rates / (Nbr_Free_Lines + Nbr_Dutiable_Lines + Nbr_AVE_Lines)

4. Variance can be calculated as follows:

$$\sum x^2/n - (\sum x / n)^2$$

where:

$\sum X^2$ is Sum_Of_Squared_Rates column,

n – is (Nbr_Free_Lines + Nbr_Dutiable_Lines + Nbr_AVE_Lines),

$\sum x$ – is Sum_Of_Rates column.

5. Standard deviation is calculated as:

$$\sqrt{variance}$$

as defined in point 4 above.

Description of WITS Utilities

The WITS Utilities can be used to update the WITS System files on your computer and to create product and country groups. The later two options are also available within Custom Query.

The WITS System files are updated from time to time as revisions and new procedures are added. By selecting **Update Software Now**, WITS scans the users' hard drive for installed files and components and either lists new elements to be updated or returns the message "Your WITS software is up to date. You will be notified when it is necessary to update WITS."

The two other Utilities allow users to define:

?? **Groups of Products**. This Utility allows for the selection of products to make groups of products and to save them for use in the WITS Custom Query facility. For example, Agriculture, as defined by Annex I to the GATT Agreement on Agriculture, or Textiles defined by its Annex, may be groups of products of interest to an analyst. Or, users may be interested in creating groups for Tropical Beverages, Fruits and Vegetables, Electrical Machinery, etc. After selecting each of the products to be included, and naming and saving the groups, they are accessible for use in extracting information on tariffs and trade.

Once a group has been created and saved for further use, it can be modified and a new group or groups may be created from it. Having defined Agriculture as above, this group can then be selected and added to or subtracted from. For example, in Agriculture, Chapter 3 - Fish... could be added if this were of interest to the analyst and Chapter 24 - Tobacco and manufactured tobacco substitutes could be deleted. In this Utility, users are free to create any standard or non-standard groups of products that meet their needs.

?? **Groups of Countries**. This Utility allows for the selection of countries to make groups of countries and to save them for use in the WITS Custom Query facility. For example, Mercosur or the Bangkok Agreement might be groups of countries of interest to an analyst. Or, users may be interested in the Andean group, NAFTA, the European Union, etc. After selecting each of the countries to be included, and naming and saving the groups, they are accessible for use in extracting information on tariffs and trade.

Once a group has been created and saved for further use, it can be modified and a new group or groups may be created from it. Having defined Mercosur, this group can then be selected and added to or subtracted from. For example, analysts may want to add Chile and Bolivia; Costa Rica could be subtracted from the Central American Common Market to arrive at CA4 which negotiates in some fora as a group (e.g., in the FTAA multilateral negotiations or bilaterally with Canada). In this Utility, users are free to create any standard or non-standard groups of countries that meet their needs.

The WITS Utility Screens
Update Software Now

If there is nothing to update, this is the message that is produced (see above). If there are elements to update, WITS will return a screen with a List of New WITS Components:

Select the elements that need to be updated by highlighting them with the mouse and click on the **Update** button.

Create Product Group

The Create Product Group screen contains a number of variables that need to be selected prior to setting up a product group. The first is the **Nomenclature** in which the group is to be constructed. Product groups are specific to the nomenclature selected in the Custom Query facility. The **Tier**, or level of the classification, is used to fill the **Available Products** pane of the screen; in this example, SITC, Revision 1 has been selected along with All products. Selection could have been made at 1- to 5-digits of the SITC, or inthe case of HS96, 2- to 6-digits.

In order to select a product for the group, click on the check box to the left of the product description in **Available Products**; this will select the product and include it in the **Low Code** column of the **Selected Products** pane and give it a **Multiplier** of 1.0 to indicate that the product will be included in the group. A Multiplier can be used to exclude a product from a group when it is preceded by a minus (-) sign. For example, in SITC, Revision 1, Section 6 - Manufactured goods classified chiefly by material includes Division 68 - Non-ferrous metals. To create a group excluding the Division, select Section 6 and Division 68; place the cursor in front of the Multiplier for Division 68 and type a minus (-) sign. The alternative to this is to select each of the Divisions of Section 6, except Division 68.

Another way to create a group of products is to use the **Range** option. Click on Range to get a new window where the first product and the last product in the range can be entered. The first value will be included in the **Low Code** column and the last value in the **High Code** column.

Yet another method for creating a new group is to begin with one that has already been created. For example, select the group **OresMtls** from the list of groups and exclude Division 28 from it.

Once all the products have been selected for the new group, click on the **Save** button for a screen where a **Code** and **Name** may be given to the new group. This new group will be included in the groups of products available for use in the Custom Query facility.

To re-start from scratch after a selection of products has been made, click on the **Reset** button to empty the Selected Products list.

Create Country Group

Country region

Code: <new group> ▼ Save Delete Reset

Name: Please make you selections now

Member countries: Countries to select from:

<<---   Afghanistan
             Albania
<---   Algeria
             American Samoa
             Andorra
             Angola
--->   Anguila
             Antigua and Barbuda
--->>   Argentina
             Armenia
             Aruba
             Australia

The Create Country Group screen is very straight forward. Click on the arrow in the **Code** drop down box to see what groups already exist and use the scroll bar to move from the top of the list to the bottom. Or, begin to make a new group of countries if the list does not include the required one.

To make a new group, start moving countries from the right (**Countries to Select from:**) to the left (**Member countries**). The **<<---** button moves all countries from right to left; the **--->>** moves all countries from left to right. The **<---** moves a single country or a selection of countries from right to left; the **--->** moves a single country or a selection of countries to the right.

Please note that when a country is moved from Countries to Select from to the Member countries list, it is deleted from the Select list. Therefore, there is no possibility of making a mistake and double counting.

To start the creation of a new group select a country. To select a country, high light it with the left mouse button and click on the <--- button; to select more than one contiguous country, hold down the left mouse button and drag the pointer across the countries to be selected and click on <---. To select countries that are not contiguous, click on the first country, hold down the Ctrl key and click on the next and click on <---. To delete a country or countries from the list of Member countries, high light them and click on --->.

Continue until all of the countries for the new group have been moved to the Member countries list. Once this is done, click on the **Save** button. A new screen will be available for entering a **Code** and a **Name** for the new group. Click on **OK** to save it. The new group is now included in the list of country groups and accessible in Custom Queries.

Another method for creating a new group is to begin with one that has already been created. For example, select "ANDEAN" from the list of groups; the Member countries list will include Bolivia, Colombia, Ecuador, Peru and Venezuela. To arrive at the list of countries eligible for US tariff preferences under the Andean Trade Preferences Act (ATPA), remove Venezuela by high lighting it and clicking on --->.

To re-start from scratch after a selection of countries has been made, click on the **Reset** button or on --->> to empty the Member countries list.