

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



51978

Distr.
GENERAL



E/CN.14/387
E/CN.14/STC/WPCA/9

9 January 1967

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

REPORT OF THE
STUDY GROUP ON TARIFF CLASSIFICATION
AND TRADE DOCUMENTATION

(Addis Ababa, 5-20 December 1966)

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I. ORIGIN AND PURPOSES OF THE STUDY GROUP

1. The Study Group was convened by the Economic Commission for Africa under the authority of Resolutions 100(VI) and 107(VI) to give effect to Projects 81 and 86 of the ECA Programme of Work and Priorities for 1965 and 1966. The first of these is concerned with the standardization of customs tariff nomenclatures and the second with the training of customs officials. The following paragraphs will explain the connexion between these projects.
2. Fourteen English-speaking countries are in the process of adopting or have very recently adopted the Brussels Tariff Nomenclature (BTN) as a standard form of customs tariff framework, largely at the instance or with the assistance of ECA. Two further countries have operated it for a few years only. Thus sixteen countries are experiencing in varying degrees the difficulties of introducing a novel and unfamiliar tariff instrument. They are handicapped in these efforts towards standardization and rationalization by lack of experience on the part of their staff, not only in the character, objectives, advantages and physical structure of the BTN but also in the technological meaning and use of many articles described in it. This situation pervades both professional customs staff and officials of the ministries concerned with customs tariff affairs.
3. The Secretariat feels that whenever the ECA Work Programme involves any novel or unfamiliar administrative measure in the member countries, it should not only be prepared, if requested, to provide advice or technical assistance in introducing such measures but should also be prepared to offer instruction in implementing it. It is in line with this reasoning therefore that Project 86 was linked with Project 81, thus leading to the organization of this Study Group.

4. It should also be mentioned that Recommendations B and F of the Joint Meeting of the ECA Working Party on Intra-African Trade and OAU ad hoc Committee of Fourteen on Trade and Development had a direct influence on the existence and content of the Study Group. The first of these recommended resumption of the customs training which had been organised annually by the Secretariat from 1962 to 1964. The second urged acceptance of the proposals for standardization and simplification of trade documents. In this connexion, it was recommended that instruction in trade documentation should also be included in the customs training programme.

II. PARTICIPATION AND ORGANIZATION

5. The Executive Secretary mentioned in his letter of invitation that the Study Group was designed to attract the departmental training officials of national customs administrations and those elements of headquarters and ministries who are responsible for the practical implementation of new Brussels-type tariffs and the introduction of the new techniques in trade documentation.

6. The Study Group met in Addis Ababa from 5 to 20 December 1966 at the headquarters of ECA. There were 23 participants, representing 8 English-speaking African countries. Two consultants were provided by the Customs Cooperation Council, Brussels, and one by the Swedish Government. The Study Group was organised and directed by ECA Secretariat staff.^{1/}

III. SUMMARY OF THE WORK

7. The programme of the Study Group consisted of five main items. Under the first of these, the purposes of the meeting were set out in an opening address by the Executive Secretary, Mr. R.K.A. Gardiner.^{2/}

^{1/} See Annex I for a full list of participants.

^{2/} See Annex II.

He also made a brief reference to certain other customs projects included in the ECA Programme of Work and Priorities for 1965 and 1966.^{1/} Items 2 and 3 consisted of a short introductory study of the economic conditions which have induced African countries to adopt the Brussels Nomenclature as an instrument for interpretation of certain fiscal, commercial and monetary policies; and the special characteristics of the BTN which appeared to make it the ideal instrument for this purpose. This study also included a historical survey of progress made in the adoption of the BTN in each country of the African region. Two documents were presented to cover these items: The Brussels Nomenclature in Africa (E/CN.14/STC/WPCA/5)^{2/} and the Origins, Characteristic Features and Field of Application of the Brussels Nomenclature (E/CN.14/STC/WPCA/6)^{3/}

8. Most of the work of the Study Group was devoted to Items 4 and 5. These items, which represented the main objectives of the meeting, were of an essentially technical nature. Item 4 consisted of a study of the Brussels Nomenclature by means of a careful dissection of its entire contents, chapter by chapter and heading by heading. Since every product and article known to international commerce is classifiable under one or other heading of the BTN, it followed that this review of the contents of the BTN by the Study Group covered a very wide field which automatically included a certain amount of technology. A number of visual aids to this technological instruction, which greatly facilitated the recognition of products and processes, were provided in the form of samples, technical films and visits to factories and other installations. A list of these facilities is shown in Annex III. In drawing up the programme of work, it was the policy to concentrate on those Sections of the BTN which were causing the most difficulty to administrations. The views of the latter on this had previously been obtained and it was accordingly possible to allocate more time to them than to the more straightforward Sections of the BTN.^{4/}

1/ Projects 84 and 85. See documents E/CN.14/STC/WPCA/7 and 8 in Annex V.
2/ Prepared by the Secretariat of ECA.
3/ Prepared by the Secretariat of the CCC.
4/ For the full programme, see Annex IV.

9. A feature of the work was the practical experience in the classification of goods which was afforded to the participants. This was achieved by requiring them to form themselves into their own unofficial nomenclature committee after the style of the official Nomenclature Committee of the Customs Cooperation Council. A number of complex classification problems were debated by this means. At the end of the proceedings, the decisions of this simulated committee were compared with those on the selfsame products by the Nomenclature Committee of the CCC. In the majority of cases, the Study Group arrived at the same decisions as the Nomenclature Committee and in each case an analysis of the reasons for the official decisions of the latter were made, thereby giving the participants an insight into the judicial manner in which the official classifications are made. The Chairmanship of this unofficial tutorial committee rotated between Mr. G.W. Thorne (CCC), Mr. D.J. Allen (ECA), Mr. A.S.H. Saville (CCC), Mr. J.A. Codjoe (Ghana), Mr. W.E.O. Boyle (Sierra Leone), Ato Assefa Tessema (Ethiopia) and Mr. Mohamed Ata El Mannan (Sudan). At the end of the proceedings, the publications of the Customs Cooperation Council which had been in use throughout were distributed to participants.

10. Item 5 of the programme was devoted to a detailed study of the techniques which have recently been evolved and applied in the standardization and simplification of trade documents by means of an aligned series based on the ECE lay-out key. For this purpose, the services of one of its senior officials had been made available to the Study Group by the Government of Sweden, the country which pioneered this system. This official, Mr. G.E. Roos, has been associated with this work from the outset in both the national and international spheres. In the latter he acts in the capacity of Technical Adviser to ECE and ECA.

11. As under the previous subject, it was first considered necessary to provide a clear picture of the general background on which the particular techniques were to be superimposed. Only therefore after a wide-ranging survey of the general field of trade documentation did the work proceed to the main subject, i.e., the method of introducing an aligned series of export documents. For this purpose, the programme was sub-divided into the following items:

- (1) Introduction (purpose, background, approach, etc.)
- (2) Simplification of formalities
- (3) Principles of simplification and coordination of forms
- (4) Office procedure
- (5) Office techniques
- (6) Simplified trade documents
- (7) Further aids to the completion of forms
- (8) International Cooperation
- (9) How to design a series of trade documents
- (10) Conclusions.

12. To supplement the verbal instruction, participants were given a summarised version of each lecture. These Notes contain a body of information on trade documentation rarely found assembled in such comprehensive and concise form in one single document.^{1/} Matters of this sort, which deal with the practical machinery under which modern business is conducted, could not fail to arouse considerable interest amongst customs officials and some of the liveliest discussions of the meeting were generated by this subject. The participants also had available the report on the ECA proposals for the adoption of an aligned series by African countries in the form of the document: Work on Current ECA Customs Projects in West and Eastern Africa (E/CN.14/STC/WPCA/8). A full list of the documents tabled and the publications of the Customs Cooperation Council made available to participants appears in Annex V.

13. The work of the Study Group was summed up in addresses by Mr. D.J. Allen (ECA) and Mr. G.W. Thorne (CCC). The proceedings ended with a closing address by Mr. N.A. Cox-George (ECA).

^{1/} It is intended to publish this shortly in the form of a Manual.

ANNEX I

LIST OF PARTICIPANTS AND RESOURCE PERSONNEL

ETHIOPIA

Ato Bekele Wolde Guiorgis
Director-General
Control Division
Customs Department

Ato Assefa Tessoma
Director-General
Railway Customs

Ato Seyoum Kassaye
Director
Airport Customs

Ato Alemu Mulatu
Director
Accounts Division
Customs Department

Ato Mulugeta Habte Wold
Director
Post Office Customs

Ato Lemma Argaw
Acting Director
Training Division
Customs Department

Ato Makonnen Wolde
Chief Inspector
Massawa Customs

Ato Idris Nur Amer
Chief Inspector
Customs Department

Ato Kiflemariam Beratu
Inspector
Assab Customs

Ato Getachew Sene Hiwot
Chief of Export Trade Statistics
Statistics Division
Customs Department

THE GAMBIA

Mr. I.E.M. Jobe
Collector of Customs
H.M. Customs & Excise

GHANA

Mr. Joseph A. Codjoe
Senior Collector of Customs & Excise
Ghana Customs & Excise

Mr. Victor K. Quaye
Collector of Customs & Excise
Ghana Customs & Excise

LIBERIA

Mr. C.O.S. Thomas
Inspector of Customs
Bureau of Customs

MALAWI

Mr. V.B. Bismarck
Customs Examining Officer
Department of Customs & Excise

Mr. B.L. Kulombe
Customs Examining Officer
Department of Customs & Excise

SIERRA LEONE

Mr. W.E.C. Boyle
Collector of Customs
Customs & Excise, Sierra Leone

Mr. R.J.A. Williams
Principal Officer
Customs & Excise, Sierra Leone

SUDAN

Mr. Gasfer Ahmed Chadour
Controller of Tariff
Customs Headquarters

Mr. Mohamed Ata El Mannan
Inspector of Foreign Relations
Customs Headquarters

ZAMBIA

Mr. J.N. Nkunika
Senior Examining Officer
Customs & Excise

Mr. Godfrey M. Sifaya
Examining Officer
Customs & Excise

Mr. Alick S.B. Tembo
Examining Officer
Customs & Excise

CONSULTANTS

Mr. G.W. Thorne
Chief Technical Officer
Nomenclature Directorate
Customs Cooperation Council

Mr. G.E. Roos
Special Consultant

Mr. A.S.H. Saville
Special Consultant

SECRETARIAT

Mr. N.A. Cox-George
Head
Trade, Fiscal and Monetary Division

Mr. D.J. Allen
Regional Customs Adviser

ANNEX II

OPENING ADDRESS BY MR. R.K.A. GARDINER, EXECUTIVE SECRETARY
OF THE ECONOMIC COMMISSION FOR AFRICA

Gentlemen,

First of all, allow me to extend to you on behalf of the Secretariat of the Commission a warm welcome to this Study Group on Tariff Classification and Interpretation and on Trade Documentation.

This is not a new activity. It is, in fact, the fourth of a series of regional meetings organised by the Commission for the orientation and advanced training of the senior officials of African customs administrations. The difference on this occasion is that there is more specialization in the subject matter of the instruction. This has become necessary to keep in line with specific administrative measures being taken by your governments in conformity with the requirements of those parts of the Commission's Work Programme which deal with the technical aspects of sub-regional economic co-operation and other technical customs considerations.

In this respect, the Study Group comes, I believe, at a very opportune time, dealing as it does with subjects which are of some prominence in the current economic affairs of the countries which you represent. To illustrate this point I need only mention that sixteen African countries, including your own, are at present or have recently been engaged in tariff revision on a considerable scale. I refer of course to the operation of changing over to a modern, systematic and standard form of tariff structure, based on the international tariff instrument known as the Brussels Nomenclature.

The stage has now in fact been reached when these countries have almost completed the work of transposition to the modern Brussels-type structures which are more in keeping with the new policies of industrialization and economic co-operation. The next step is to concentrate more

on the task of familiarising the staffs of the national administrations with the workings of the novel and comprehensive instrument which they have been recently called upon to apply. The Commission has consistently advocated the need for tariff standardization as an element of its programme of economic co-operation. The reasoning behind this Study Group, therefore, is that, having induced countries to standardize, the Commission would be failing in its duty if it did not follow this up by offering instruction in the working of the particular instrument of standardization, wherever this was needed. We do not presume to be able to reach the entire staffs of your administrations in our programme of training but we do believe that we can train a nucleus of senior personnel who can then return to impart authoritative knowledge to the rest of their staff.

Mention must also be made of the opportunity which you will have during this Study Group to learn something of the recent techniques in the simplification and standardization of export documents. The countries in which these techniques have been developed and applied have derived substantial benefits from them and an extension of these benefits to African countries will shortly result from a recommendation of the recent ECA Working Party on Intra-African Trade. It is at the specific request of this Working Party that instruction in the techniques of standardized export documentation has been included in the programme of this Study Group. It is therefore hoped that as a result, you will be able to help your countries in the adoption of these techniques.

Besides the particular aspects of your work in this Study Group, I think that I should take the opportunity of dwelling briefly upon the general subject of customs objectives and responsibilities in the wider spectrum. I would like to describe these as the customs contribution towards economic development in Africa. This may be divided into what might be called the national and the international aspects. On the national side there is first and foremost the fiscal responsibility of providing

sufficient revenue stability to ensure sustained implementation of development plans. Next there is the necessity for keeping tariff revision in line with advances in industrialization (and here I refer both to the nomenclature and the rate-structure of tariffs). Lastly there is the need for improving the capacity of customs administrations to meet these commitments by means of systematic national programmes of training.

On the international side, efforts should be directed towards harmonization of duty rates between neighbouring countries in order to lead towards the creation of common external tariffs and to protect new industrialization projects. It is of course possible to promote economic co-operation without supra-national legislation of a common tariff, merely by neighbouring countries independently levying duties at the same rates as the other countries concerned.

Another important objective at the international level is to lay the foundations of full-scale customs integration by standardizing the type of tariff nomenclature throughout the continent. This is of course the subject with which we are concerned at this Study Group and it is possible to say that the goal of a standard all-African tariff nomenclature is now in sight. Such a step is essential towards both the harmonization and the standardization of tariffs.

Again at the international level, customs arrangements must keep pace with the progress being made in the sub-regional groupings of African countries for purposes of coordinated industrial development, so that the specialized production of each member of the group will have free access to the markets of the other members.

Pending these medium- or long-term measures for customs integration, steps can be taken to aid the expansion of intra-African trade over existing frontiers by introduction of common customs procedures and common frontier installations. These steps should be directed towards regimes which are particularly concerned with existing substantial commercial movements across customs frontiers in Africa. These regimes at present relate

largely to the warehousing in and forwarding in transit through coastal countries of goods destined for inland countries; or in some cases to the forwarding of goods in transit from one country to another (or from one part of a country to another part of the same country) through one or more intervening countries.

Before concluding, I should like on behalf of the Commission to express my thanks to the Secretary-General of the Customs Cooperation Council for the considerable assistance he has given us in the servicing of this Study Group and indeed for his co-operation at all times in the implementation of our programme of tariff standardization.

Finally, I would express my earnest wish that this and future Study Groups will be of direct and practical benefit to your countries in enabling them to enjoy the real benefits to the economy inherent in the adoption of the Brussels system and the considerable increase in efficiency which is obtainable from the use of an aligned series of standardized export documents.

ANNEX III

LIST OF FACILITIES TO RECOGNITION OF PRODUCTS AND PROCESSES

Reference in Brussels Nomenclature:	Product or Process	Medium
Section	Chapter	
III	15 Margarine: process of manufacture from raw material to finished product.	Film
IV	17 Sugar: collection and milling of cane; refining and packing for retail; sugar confectionery.	Visit to refinery
VI	34 Soaps and detergents: chemical composition and properties; materials and method of manufacture.	Film
VII	39 Plastics: chemical composition and properties; materials, method of manufacture, finished products and uses.	Film
X	47, 48 Paper: preparation of pulp from fibrous vegetable material; treat- ment of pulp and manufacture into paper; examples of the diverse uses of paper.	Film
XI	51, 55, 56 Textiles: raw cotton, carded and combed cotton, cotton yarn, woven fabrics of cotton; processes of manufacture from raw cotton to fabrics and machinery used; man-made fibres; incorporation of staple fibre into cotton yarns and woven fabrics.	Visit to spinning and weaving mills

Reference in Brussels Nomenclature:		<u>Product or Process</u>	<u>Medium</u>
<u>Section</u>	<u>Chapter</u>		
XIII	69	Refractories: uses of the various types of heat-resisting material; quarrying of dolomite for conversion into dolomitic lime; combination with sea water to form refractory magnesia; manufacture of refractory bricks.	Film
XIII	70	Glass: raw materials; processes for manufacturing drawn glass, polished plate glass and float glass.	Film
XV	76	Aluminium: stages of production from bauxite to ingots, sheets and finally to finished products; examples of the diverse uses of aluminium.	Film
XVI	84	Agricultural machinery: evolution of; and categorization by branches of agriculture; methods of use; effects and advantages of mechanisation.	Film
XVII	87	Motor vehicle assembly: all stages of production; components at each stage; assembly-line techniques.	Film

ANNEX IV
PROGRAMME OF WORK

<u>Item</u>	<u>Subject</u>	<u>Speakers</u>
1.	Opening address	Mr. R.K.A. Gardiner, Executive Secretary of ECA
2.	The Brussels Tariff Nomenclature in Africa	Mr. D.J. Allen, Regional Customs Adviser, ECA
3.	Introduction to the Brussels Tariff Nomenclature	Mr. G.W. Thorne, Chief Technical Officer, Nomenclature Directorate, CCC
4.	Detailed Study of the Brussels Tariff Nomenclature	Mr. G.W. Thorne (CCC) Mr. A.S.H. Saville (CCC) and Mr. D.J. Allen (ECA)
5.	Trade Documentation	Mr. G.E. Roos, Technical Adviser (ECA)

ANNEX V

LIST OF DOCUMENTS AND PUBLICATIONS

<u>Symbol</u>	<u>Title</u>
E/CN.14/STC/WPCA/5	The Brussels Nomenclature in Africa.
E/CN.14/STC/WPCA/6	Origins, Characteristic features and Field of Application of the Brussels Nomenclature.
E/CN.14/374/Add./1 E/CN.14/STC/WPCA/7	Provisional Recommendations for the Introduction of a Transit Regime in West Africa based on a Modified R.I.R. Convention.
E/CN.14/374 E/CN.14/STC/WPCA/8	Work on Current ECA Customs Projects in West and Eastern Africa.
E/CN.14/387 E/CN.14/STC/WPCA/9	Report of the Study Group on Tariff Classification and Trade Documentation.
-----	ECA Notes on Customs Policy and Administration.
-----	ECA Notes on Trade Documentation.
-----	The Brussels Nomenclature for the Classification of Goods in Customs Tariffs (CCC).
-----	Explanatory Notes to the Brussels Nomenclature (CCC).
-----	Alphabetical Index to the Explanatory Notes to the Brussels Nomenclature (CCC).
-----	Compendium of Classification Opinions (CCC).
