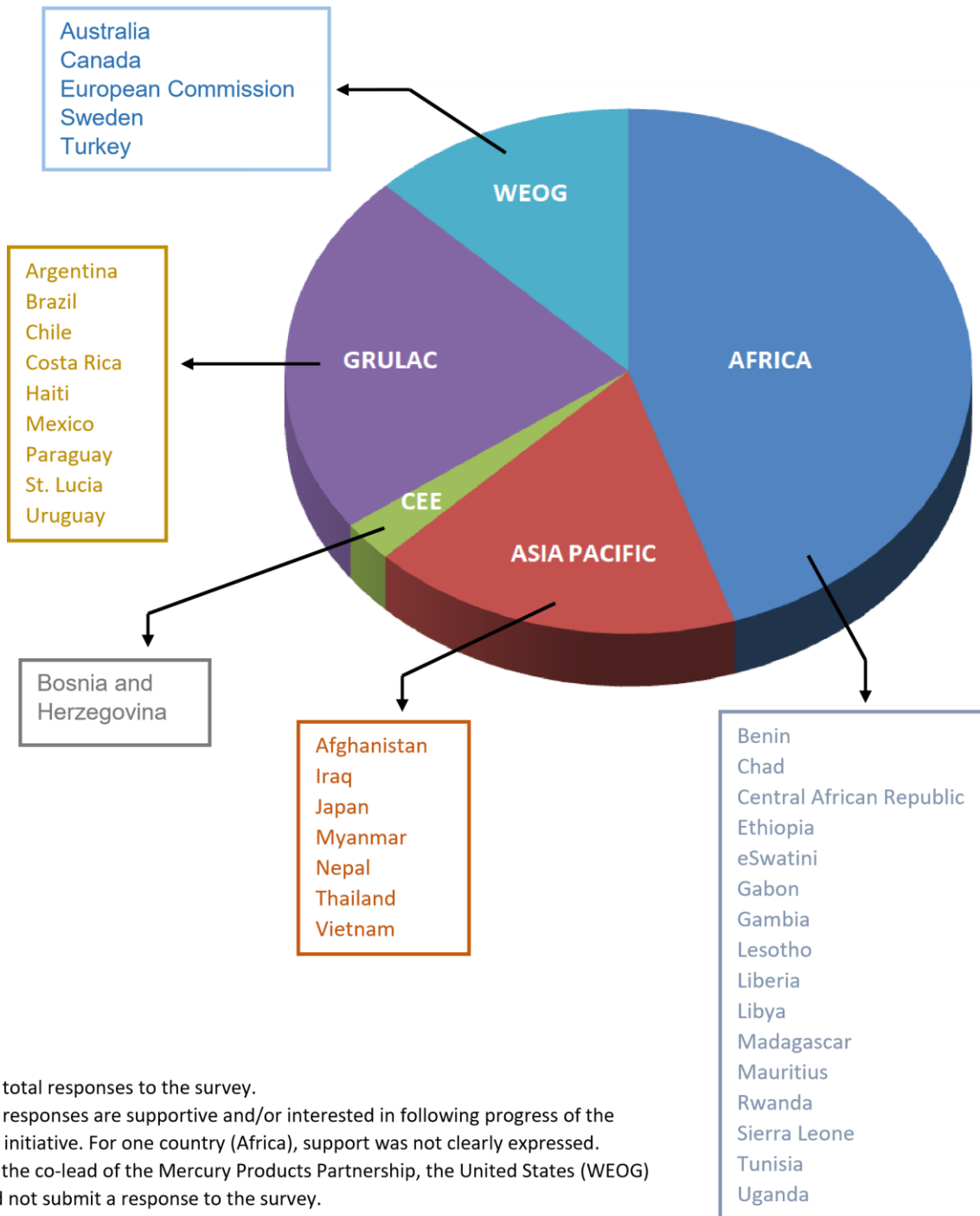




CUSTOM CODE HARMONIZATION FOR MERCURY-ADDED PRODUCTS

1. The Harmonized Commodity Description and Coding System, generally referred to as "Harmonized System" (HS) was developed by the World Customs Organization (WCO) and is used by customs authorities around the world as the basis for their customs tariffs and for the collection of international trade statistics. The HS is also used by governments, international organizations, and the private sector for other purposes such as internal taxation, trade policy, monitoring controlled goods, compiling transport statistics, and economic research and analysis. A number of governments are considering using these codes to better understand the domestic production and use, as well as import and export of mercury-added products, to prioritize mercury reduction activities, to assist in the implementation of the Minamata Convention Article 4 obligations to phase out the manufacture, import, and export of mercury-added products listed in Annex A, and to facilitate Article 21 reporting requirements.
2. For many of the mercury-added products listed in Annex A, the HS codes do not distinguish between mercury-added products and non-mercury products. For example, international trade in "liquid-filled thermometers" is recorded under the 6-digit HS code 9025.11. The liquid could be mercury, or it could be some other liquid such as alcohol. Therefore, the customs codes as currently defined may not be sufficient to be used by a government for estimating imports or exports of mercury-added thermometers or to support the implementation of the Minamata Convention or domestic policies concerning mercury.
3. Governments, on their own initiative, may add two or more digits to the existing 6-digit harmonized code in order to better identify the imports or exports of specific products. For example, additional digits could be used to distinguish between mercury-added and non-mercury thermometers. With the additional digits, import and export data specific to mercury-added thermometers could be obtained. Similarly, creating specific HS codes for other mercury-added products could provide better information on the imports and exports of these products.
4. Some governments have already recognized the potential benefits of adding digits to HS codes and are taking steps to move in this direction. A globally coordinated approach could foster greater consistency among participating governments and maximize benefits.
5. In July 2018, the UN Global Mercury Products Partnership distributed a survey through the Minamata Convention Secretariat seeking to determine the level of interest and support for a coordinated process to consider mercury-product specific customs codes. As summarized in the following figure, 40 responses have been received with the overwhelming majority expressing support for this initiative.

Global level of support¹ by region for a Harmonized System (HS) code initiative, based on current responses² to the Products Partnership survey³



¹ 40 total responses to the survey.

² 39 responses are supportive and/or interested in following progress of the HS initiative. For one country (Africa), support was not clearly expressed.

³ As the co-lead of the Mercury Products Partnership, the United States (WEOG) did not submit a response to the survey.