

**Information for policymakers and regulators on the background, purpose, and function of the World Customs Organization Harmonized System and how it can be used to support the successful implementation of energy efficient product regulatory programmes for lighting products in all sectors**

## BACKGROUND

Many countries have, or are launching, Minimum Energy Performance Standards (MEPS) and energy labelling programmes for lighting products in the domestic, commercial, industrial, and public lighting sectors. For these regulations to be effective, it is vital to have a robust and comprehensive system for monitoring the quantities of products sold in the market. For countries that are not major manufacturers of lighting products, import data from Customs can provide a metric for this. For countries that are major manufacturers, the local manufacturing quantities are required as well as the import and export data. A critical component of the Customs data is the World Customs Organization (WCO) commodity classification system.

This Harmonized Commodity Description and Coding System (Harmonized System) provides an opportunity for enhanced monitoring of lighting product import data, allowing countries to:

- Monitor trends over time for imported products.
- Apply real data to policy development.
- Boost regional harmonization amongst trading partners/countries by sharing import/export volume data in significant detail for lighting products.
- Improve the effectiveness of Monitoring, Verification and Enforcement (MVE) and Monitoring, Reporting and Verification (MRV) activities for controlled goods.
- Deploy customs/economic mechanisms, such as internal taxes, trade policies, freight tariffs, quota controls, compilation of national accounts etc.

## AIM

The aim of the United for Efficiency (U4E) Guidelines on Harmonized System Customs Codes and National Statistical Codes for Energy-Efficient Lighting, is to:

- Provide an introduction to the structure and function of the Harmonized System for lighting products and their key role for successful MVE activities.
- Highlight the important lighting product-related code updates contained in the latest WCO version, HS2022, and provide an overview of amendments from the 2017 version.
- Guide countries in the process of devising national statistical codes, showing how to separate products by technology, application, and market sector.
- Provide a step-by-step example on how to classify LED lighting products using the six-digit Harmonized System codes and four-digit national statistical codes.
- Show how the lighting data that arises from these Harmonized System codes can be analysed, including: how product import trends in time may be graphically displayed, and how apparent data discontinuities due to changes in Harmonized System code numbering for commodities between HS2022 and previous versions can be handled.



## GLOBALLY APPLICABLE CUSTOMS CODES

All imported commodities which pass through customs are classified with a code to assist with their identification and regulatory control. This classification code is, in part, harmonized by more than 200 countries under the World Customs Organization (WCO) Harmonized Commodity Description and Coding System, generally referred to as the Harmonized System, or simply HS.

At the core of the Harmonized System is the internationally recognized six-digit HS code. Individual countries can include additional four-digit national statistical codes which are unique to the country's regulatory and statistical needs. The national component can also provide an opportunity for member nations of economic trading blocks to develop harmonized regulations for energy efficient appliances and lighting by establishing agreed regionally harmonized national tariff and statistical codes.

The six-digit Harmonized System has 21 Sections describing the main categories of commodities, which are separated into Chapters, Headings and Subheadings.

The coding system is revised every five years to ensure that technology evolution and consumer habits are taken into account. This is particularly important when considering the rapidly evolving market for energy efficiency light-emitting diode (LED) lighting. To reflect this, the latest version of the Harmonized System, HS2022, includes significant changes in relation to lighting commodities. The LED product categories have been refined and improved definitions have been implemented which should facilitate more accurate reporting of commodity types and quantities in the future.

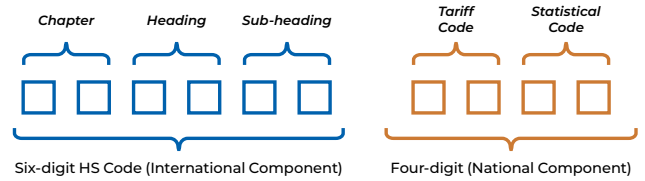


Photo: Courtesy of IIEC

Customs inspection at Port Vila, Vanuatu

## GET INVOLVED AND JOIN US

U4E is a global initiative led by UNEP, supported by leading companies and organizations with a shared interest in transforming markets for lighting, appliances and equipment, encouraging countries to implement an integrated policy approach to energy-efficient products in order to bring about a lasting, sustainable and cost-effective market transformation.

The **Guidelines on Harmonized System Customs Codes and National Statistical Codes for Energy-Efficient Lighting** are a supplement to other international tools, standards and reports on lighting already available from the **U4E portfolio**.

To download the Guidelines and learn more about our other key energy-efficiency market transformation resources, please visit our website at <http://united4efficiency.org>

