

# Five Common Issues to address when analyzing New Zealand Import or Export Statistics

## Introduction

This paper examines 5 common issues that can arise when analyzing New Zealand Import or Export statistics and how to deal with them. An understanding of these issues will enable a more accurate and detailed analysis to be undertaken.

A successful analysis of New Zealand import or export statistics will enable you to:

- Analyze market shares
- Monitor market size, growth/decline characteristics
- Assess volume and price movements
- Monitor competitor activities and identify new potential sales opportunities
- Identify market segments and analyze them separately
- Identify new entrants into the import/export market or a change in market structure
- Identify transport costs and initial purchase prices
- Analyze New Zealand trade regionally (by Island) and
- Analyze transshipment.

## ISSUE 1. Can I Identify Companies Involved with New Zealand Export or Import trade?

Unfortunately, due to strictly enforced Privacy Laws in New Zealand, New Zealand import or export statistics do not include any company or importer/exporter information. This sort of information is not available from any source in New Zealand as its release is against New Zealand Law.

In some instances, you may be able to deduce company information where you are able to combine trade statistics with other market knowledge you may have. For example:

- a) Let us assume your competitor has factories and warehouses in Jakarta (Indonesia) and you are confident they are the only company exporting to New Zealand from that location. In these circumstances, imports from Jakarta may be deduced as your competitor company imports
- b) Second example - you believe you and your competitor are the only firms exporting from Auckland to Japan. You are then able to subtract from Auckland to Japan exports, your own exports, to estimate your competitors exports volumes and prices.

## ISSUE 2. How are Products Coded in trade statistics? What are HS Codes?

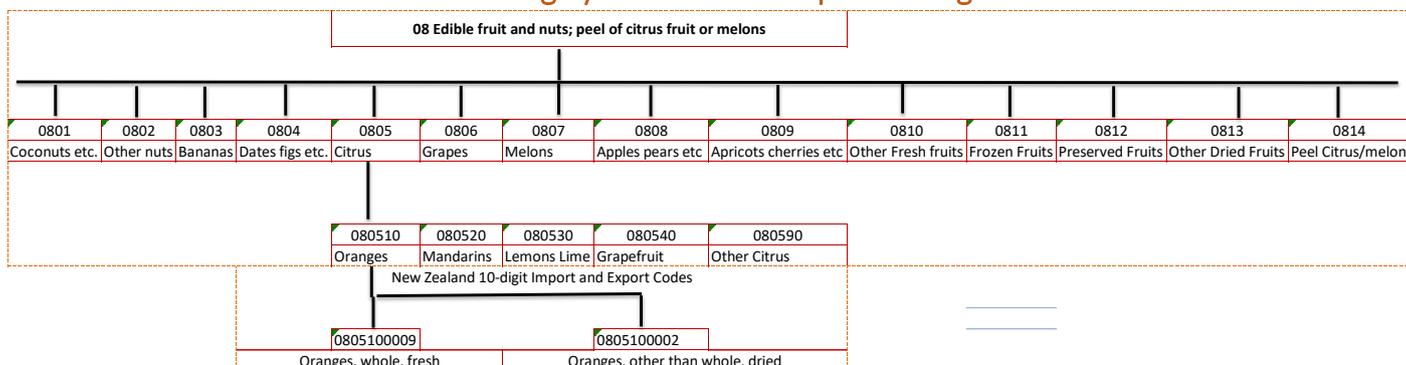
When products are exported or imported their trade is measured in terms of HS codes. All products have a HS code. The HS codes are an international hierarchical system of coding from 2-digits down to 8 or 10-digits. To demonstrate how the coding system works, the table below shows New Zealand Import and Export codes for "Oranges".

At the 2-digit level all fruits and nuts are coded under the 2-digit code 08. Under Code 08 there are 14 different 4-digit codes of which one is 0805 Citrus Fruit. Under the 4-digit code 0805, there are 5 different 6-digit citrus fruit codes. Oranges is found under code 080510 - Fresh or Dried Oranges.

Down to the 6-digit level all countries use the same codes as it is an international standard that they adhere to. So, all countries will classify oranges under code 080510. However, countries can choose to further subdivide to an 8 or 10-digit level if they wish. These 8 or 10-digit codes will comprise the original 6-digit codes (the first 6 digits) and any further digits the country chooses. These 8 or 10-digit codes are then unique to each country. International standardization is only down to the 6-digit level.

In the example below New Zealand does subdivide imports and exports of oranges as shown. The subdivision is into Whole Fresh Oranges (code 0805100009) Exports of Oranges are an important export product for New Zealand, so New Zealand has chosen to further sub-divide the 6-digit code to be able to undertake more detailed or product specific analyses.

### HS Coding System – an example - Oranges



### ISSUE 3. How to Select the Correct HS code?

The first step in any trade analysis is to select the correct HS code for your product. At TradeData we offer you:

- a Free tool to assist you; or
- we are happy to assist - send us an email describing your product(s) we will find the correct code for you.

### ISSUE 4. Does the HS code accurately represent my product to enable accurate analysis?

It is an important initial step to judge how well the chosen HS code represents your product. The best HS codes are those that represent homogeneous products – that is codes that represent products that are similar. An example is the New Zealand export code of 08051009 = Whole Fresh Oranges. If it is a Whole Fresh Orange, it is not a dried orange or mandarin, lemon etc. This code well describes the product.

Other HS codes may have several products within them. If the different products are quite distinctive in terms of their characteristics, a meaningful analysis can usually be undertaken. Dividing import or export statistics into discrete market segments is one of the more important analyses that can be undertaken using trade statistics. TradeData can assist you to undertake these analyses.

The last HS code example is one where the code does not well represent an individual product and is New Zealand Import Code 8443990100 - Printing machinery; parts and accessories, machines for uses ancillary to printing. This code will have a wide range of different parts included within it. In this instance, other than very general information on the total value of imports, little meaningful analysis can be undertaken with this data.

Once you have selected your correct code it is important then to assess how accurately the code(s) represents your product(s) and will this then enable accurate analysis. TradeData are happy to assist in this.

### ISSUE 5. Why, for some HS codes, are Quantities not recorded?

In some instances, where HS codes do not well represent a single or small number of products, no quantities are required to be recorded. This was the case with the above example with New Zealand Import Code 8443990100= Printing machinery; parts and accessories, machines for uses ancillary to printing. The reason for not recording quantities is that the individual items that make up the HS code are so varied that any quantity measure would not be an accurate measure of anything.