



**United
Nations**

Department of
Economic and
Social Affairs



Statistics Division

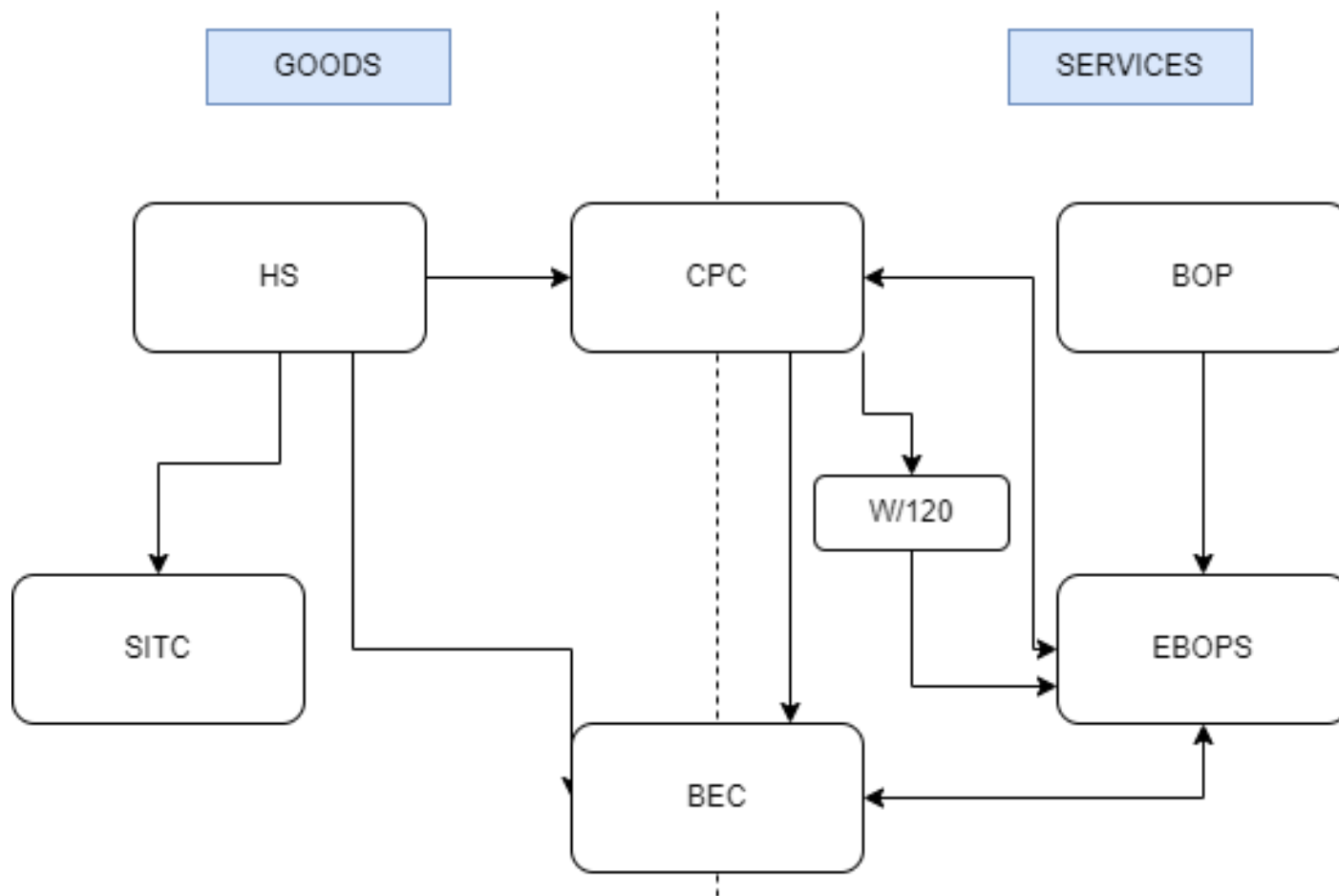
Trade related classifications

EBOPS (Services)

SITC Rev 5 (Services)

Markie Muryawan
Trade Statistics Section / UNSD
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Relationship among (trade) product classifications



- Primary classification in data collection
 - HS
 - EBOPS
- Analytical classifications
 - SITC
 - BEC
 - W/120
 - CPC goods/services

EBOPS = Extended Balance of Payments Services

Based on the forthcoming BPM7



BOP and EBOPBS Services

- Mainly product-based, and three of them transactor-based
 - There was a push in BPM7 to make it purely product-based, but it was rejected
- EBOPS further breaks down the services categories in connections with GATS (General Agreement on Trade in Services)

General merchandise on a balance of payments basis

Of which: Re-exports

Net exports of goods under merchanting

Goods acquired under merchanting (negative exports)

Goods sold under merchanting (exports)

Nonmonetary gold

Total goods

Balance on trade in goods

Manufacturing services on physical inputs owned by others

Maintenance and repair services n.i.e.

Transport

Travel

Construction

Insurance and pension services

Financial services

Charges for the use of intellectual property n.i.e.

Telecommunications, computer, and information services

Other business services

Personal, cultural, and recreational services

Government goods and services n.i.e.

Total services

Balance on trade in services

Total goods and services

Balance on goods and services

Note: This table is expository; for Standard Components, see Appendix 9.



Summary of BOP Guidance Note C6 Update

- Moderate changes on the first level of breakdown
 - Because countries focus first to compile the first level before the deeper granular level
 - In Telecommunications, computer, and information services
 - In Other business services
- No changes on the information needed by globalization and digitalization
 - Follow the CPC revision

<i>BPM6</i>	Proposed Changes
1.A.b.9 Telecommunications, computer, and information services	1.A.b.9 Telecommunications services
<u>1.A.b.9.1 Telecommunications services</u>	1.A.b.10 Computer, and information services
<u>1.A.b.9.2 Computer services</u>	<u>1.A.b.10.1 Computer services</u>
<u>1.A.b.9.3 Information services</u>	<u>1.A.b.10.2 Information services</u>

<i>BPM6</i>	Proposed Changes
1.A.b.10 Other business services	1.A.b.11 Research and development services
<u>1.A.b.10.1 Research and development services</u>	1.A.b.12 Professional and management consulting services
<u>1.A.b.10.2 Professional and management consulting services</u>	1.A.b.13 Trade-related services
<u>1.A.b.10.3 Technical, trade-related and other business services</u>	1.A.b.14 Operating leasing services
	1.A.b.15 Technical and other business services



Status

- Further consider progress in BMP7 drafting
- Intention of waiting until ISIC and CPC are finalized this/following year;
- ISIC (classes and the explanatory notes) being finalized in 2022 for UNSC endorsement in 2023.
- Also, CPC being finalized in 2023 for UNSC endorsement in 2024



Issues (of high importance)

- Scope between goods, services, and other products
- Treatment of bundled services (travel, construction)
- Treatment of services with new delivery systems, including digital trade
- Treatment of intermediation of services
- Alternative aggregations to facilitate various user needs, including for GVCs, gender, environment and other purposes

SITC = the Standard International Trade Classification

Based on the forthcoming HS 2027



Background

- Analytical framework classification
- Indications are that many users still find the classification useful for analytical purposes
 - ❑ In a decennial survey (2016-2017), 82 out of 108 respondents publish data in SITC
 - ❑ The global consultation on ITS research topics in Dec 2021 re-affirmed the need for SITC revision
- The last revision of SITC 4 was undertaken in 2006, aligning with HS 2002



Issues

- Deteriorating correspondence with newer version of HS
 - ❑ Amendments in HS 2022, notably on electronic components
 - ❑ Increasing number of 1:N and N:N relationships
- Revision cycles, if required

Relationships between HS editions and SITC 4

	SITC 4			
	1To1	NTo1	1ToN	NToN
HS 2002	1867	3157	65	381
HS 2007	1996	3056	0	0
HS 2012	1923	3230	18	127
HS 2017	1779	3496	24	704
HS 2022	1257	4156	23	7759



Summary / Discussion

The outcome of global consultation on research topics in Dec 2021 shows that SITC is actively being used by compilers/users.

The plan is to align the next revision of SITC with HS 2027

Another issues is about the revision cycle:

Should it be aligned with HS in a fixed cycle or depending on the scale of drifting with HS?

Thank you