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Classification by Broad Economic Categories Rev.5

Defined in terms of the Harmonized Commodity Description and Coding System (2012) and the Central Product Classification, 2.1

The BEC Rev.5 process benefited from the coordination and support of the Chairman of the Expert Group on International Economic and Social Classifications, Andrew Hancock of Statistics New Zealand, as well as the Chair of the Technical Subgroup of the BEC Revision, Norbert Rainer of Statistics Austria. Helpful comments were also provided by the following members of the Subgroup: Ashish Kumar and Dr. Sinha (India), Ana Franco, Axel Behrens, Michael Mietzner and Veijo-Ismo Ritola (Eurostat), Nadim Ahmad, Fabienne Fortanier, Bettina Wistrom, Norihiko Yamano, Sebastien Miroudot and Colin Webb (OECD), Olga Memedovic and Shyam Upadhyaya (UNIDO), Tom Beris (WCO), Joscelyn Magdeleine and Andreas Maurer (WTO), Federico Dorin (UNECLAC), Karoly Kovacs, Markie Muryawan, Luis Gonzalez, Matthias Reister and Ronald Jansen (UNSD) and Tim Sturgeon as consultant for UNSD.

5. After being defined in terms of the basic headings of the SITC, the original BEC was issued in 1971. Although its overall structure and coverage has remained unchanged since, it has been revised four times:

1. The first revision, in 1976, conformed the BEC to the changes in SITC Revision 2.
2. The second revision, in 1984, conformed the BEC to SITC Revision 3.
3. The third revision, in 1986, corrected some oversights in the 1984 revision.
4. The fourth revision, in 2002, took into account the more detailed description of commodities provided by the 2002 edition of the HS classification, and guidelines for determining the main end-use (see third column of Table 1).

Figure 1. BEC Rev.4 - Relationships

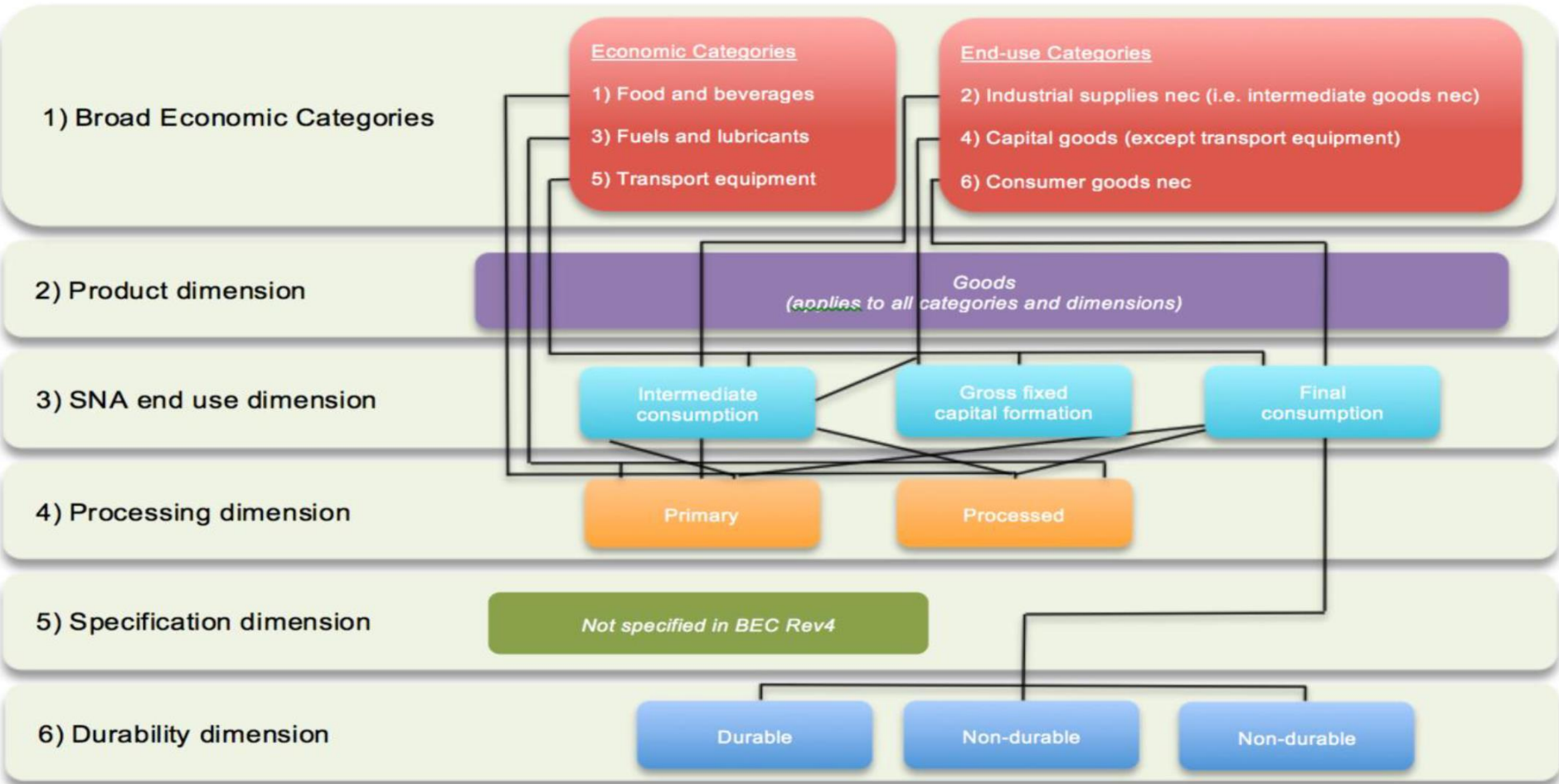


Figure 2. BEC Rev.5 - Relationships

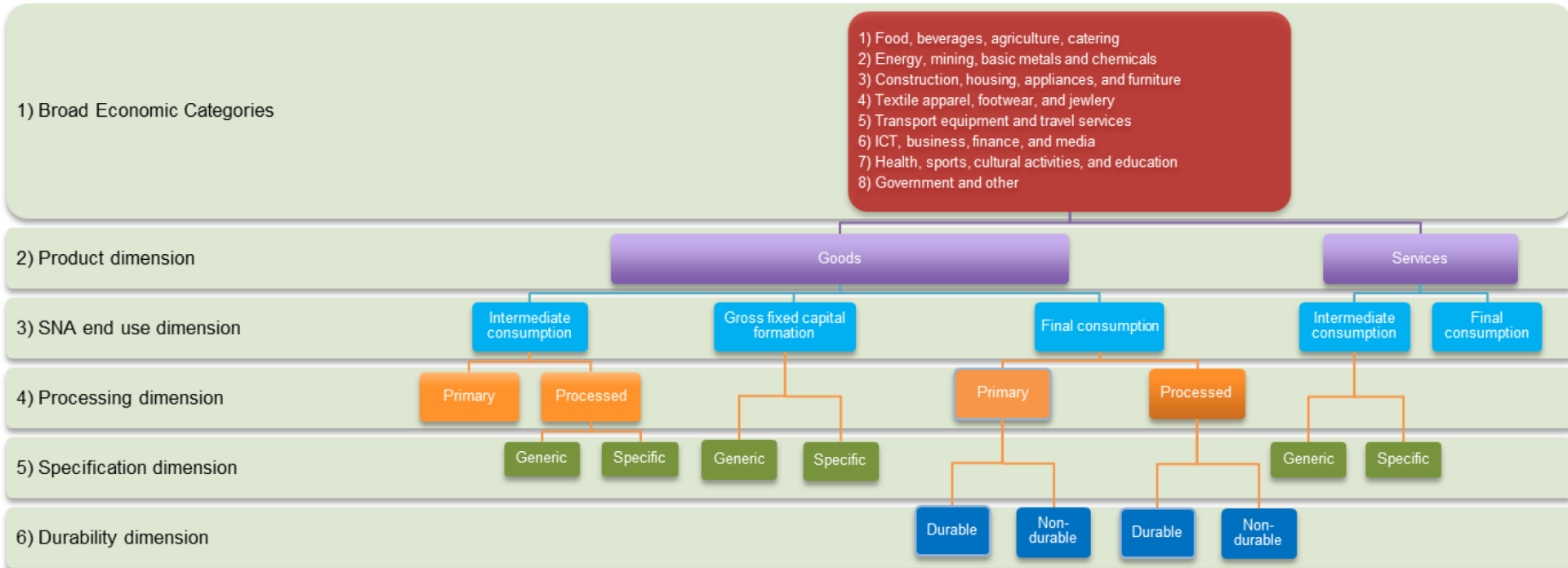


Table 2. Breakdown of CPC and HS categories by top level BEC categories

BEC – Broad Economic Categories		CPC Services	HS Goods
Category 1	Agriculture, forestry, fishing, food, beverages, tobacco	178	972
Category 2	Mining, quarrying, refinery, fuels, chemicals, electricity, water, waste treatment	75	983
Category 3	Construction, wood, glass, stone, basic metals, housing, electrical appliances, furniture	224	1313
Category 4	Textile, apparel, shoes, jewelry, leather	88	895
Category 5	Transport equipment and services, travel, postal services	136	180
Category 6	ICT, media, computers, business and financial services	289	441
Category 7	Health, pharmaceuticals, education, cultural, sport	126	178
Category 8	Government, military and other	168	139
Total	All products	1284	5101

ANNEX 1: STRUCTURE OF THE BEC REV.5

Code **BEC – Broad Economic Categories**

1 **Agriculture, forestry, fishing, food, beverages, tobacco**

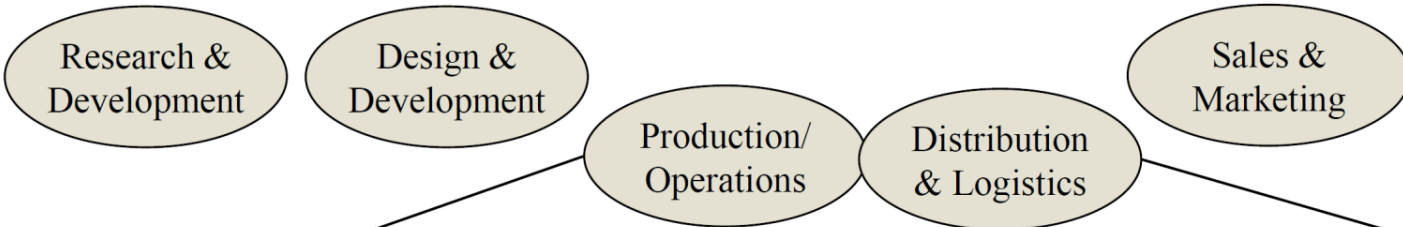
11	Goods
111	Intermediate Consumption
1111	Primary
1112	Processed
111210	Generic
111220	Specified
112	Gross Fixed Capital Formation
112010	Generic
112020	Specified
113	Final Consumption
1131	Primary
113101	Non-durable
113102	Durable
1132	Processed
113201	Non-durable
113202	Durable
12	Services
121	Intermediate Consumption
121010	Generic
121020	Specified
123	Final Consumption

2 **Mining, quarrying, refinery, fuels, chemicals, electricity,**

BEC and Global Value Chain analysis

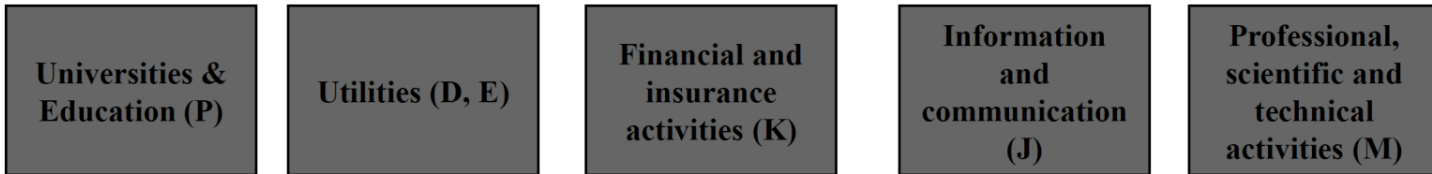
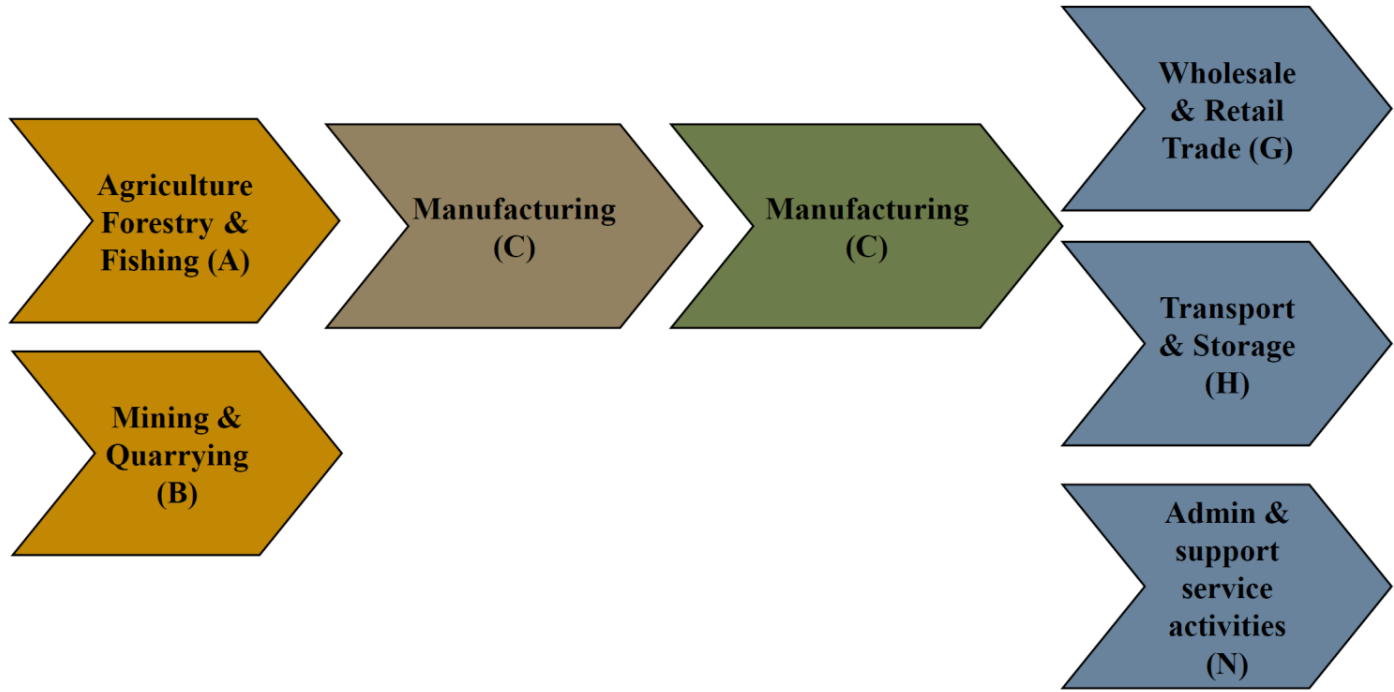
Four Parts of Value Chain Model

KEY VALUE-ADDING ACTIVITIES Business Functions



Top row: Non-manufacturing activities that account for most "value-added"

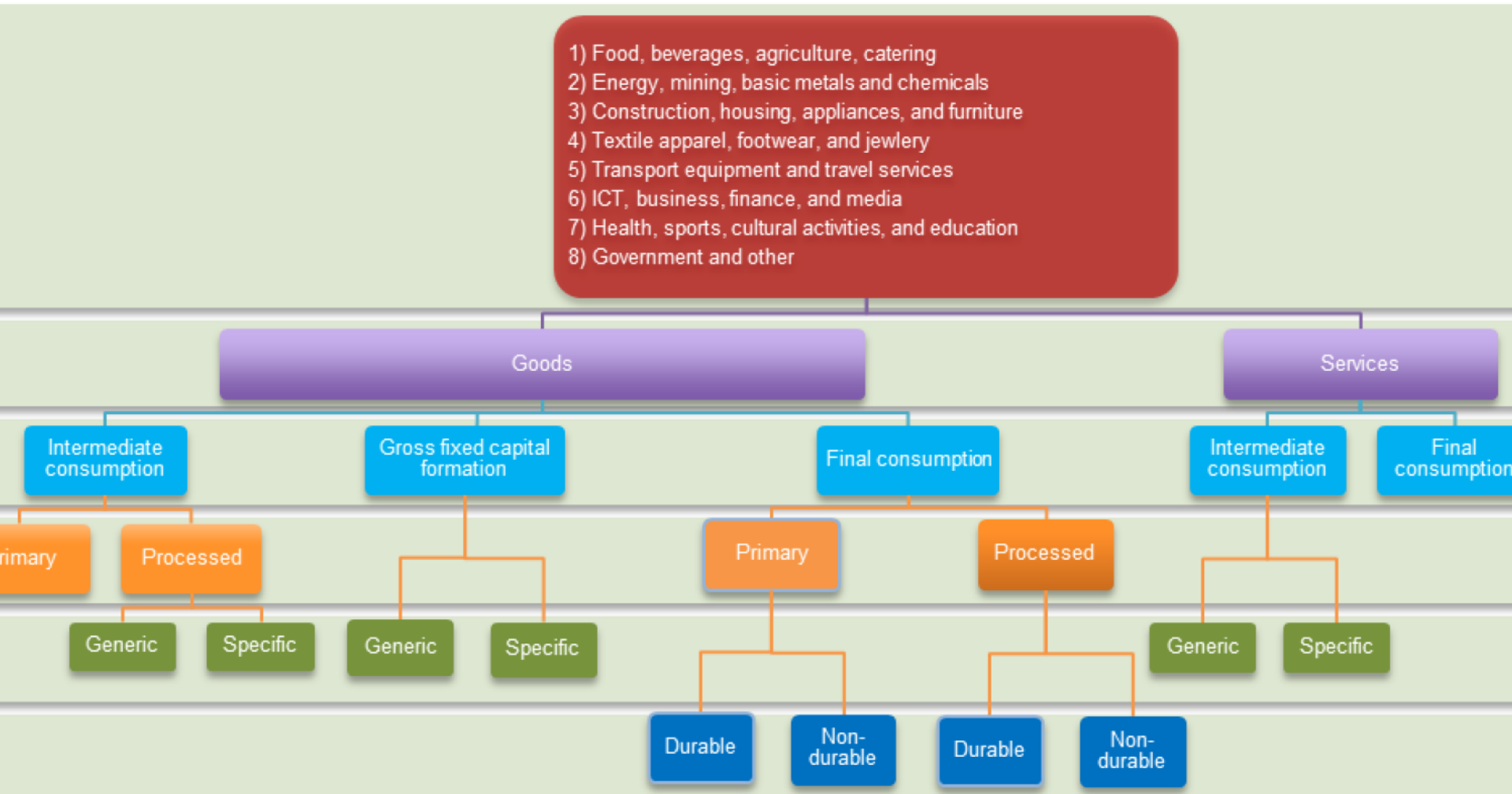
SUPPLY CHAIN STAGES



END MARKETS/ BUYERS & SUPPORTING INDUSTRIES

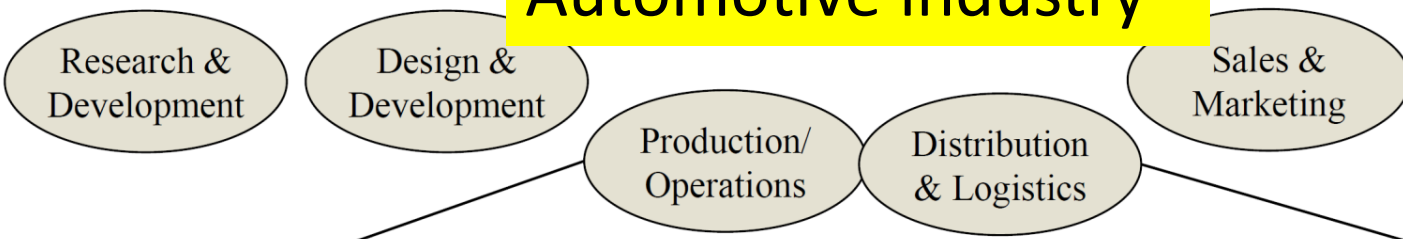
Source: Frederick, S. (2014). Represents ISIC 4 sections

Figure 2. BEC Rev.5 - Relationships



Automotive industry

KEY VALUE-ADDING ACTIVITIES Business Functions



Top row: Non-manufacturing activities that account for most "value-added"

SUPPLY CHAIN STAGES



- Raw Material
 - Steel & PU (Polyurethane) are the most basic materials required for exterior and interior respectively

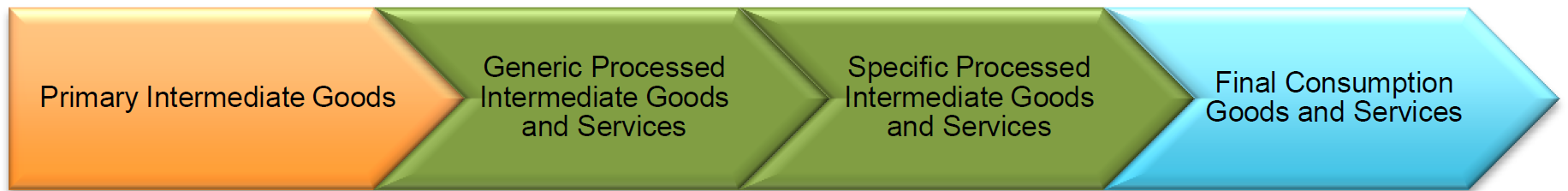
- Manufactures sub-components for a number of basic automobile components
 - Tier 2 suppliers are well integrated in the supply chains of major tier 1 suppliers
 - Operate on thin margins

- Make major components for the OEMs
 - Highly integrated into the supply chain of major OEMs
 - Usually dedicatedly supply to a major OEM

- Assembles the components and produces the automobile
 - Few & specialized players
 - Most critical link in the entire value chain
 - Implements & drives innovation & efficiency across the entire chain

- Dedicated point of sale for each OEM
 - Usually have sound financial background & market presence
 - Provide after sales support to customers
 - Represent OEM to the customers, thus critical for overall customer satisfaction

Figure 3. BEC Rev.5, Value Added Chain



Correspondence of HS-2012 detailed codes to BEC

HS-2012	Description	BEC	Description
870891	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof // Parts and accessories of the motor vehicles of headings 87.01 to 87.05. // - Other parts and accessories : // -- Radiators and parts thereof	511220	Specified Processed Intermediate Good – Transport equipment and services, travel, postal services
870892	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof // Parts and accessories of the motor vehicles of headings 87.01 to 87.05. // - Other parts and accessories : // -- Silencers (mufflers) and exhaust pipes; parts thereof	511220	Specified Processed Intermediate Good – Transport equipment and services, travel, postal services
870893	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof // Parts and accessories of the motor vehicles of headings 87.01 to 87.05. // - Other parts and accessories : // -- Clutches and parts thereof	511220	Specified Processed Intermediate Good – Transport equipment and services, travel, postal services
870894	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof // Parts and accessories of the motor vehicles of headings 87.01 to 87.05. // - Other parts and accessories : // -- Steering wheels, steering columns and steering boxes; parts thereof	511220	Specified Processed Intermediate Good – Transport equipment and services, travel, postal services
870895	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof // Parts and accessories of the motor vehicles of headings 87.01 to 87.05. // - Other parts and accessories : // -- Brakes and parts thereof	511220	Specified Processed Intermediate Good – Transport equipment and services, travel, postal services

Thank you