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

1) Broad Economic Categories
   - Economic Categories
     1) Food and beverages
     2) Industrial supplies nec (i.e. intermediate goods nec)
     3) Fuels and lubricants
     4) Capital goods (except transport equipment)
     5) Transport equipment
   - End-use Categories
     6) Consumer goods nec

2) Product dimension
   - Goods (applies to all categories and dimensions)
     - Intermediate consumption
     - Gross fixed capital formation
     - Final consumption

3) SNA end use dimension
   - Primary
   - Processed

4) Processing dimension
   - Not specified in BEC Rev4

5) Specification dimension
   - Durable
   - Non-durable
   - Non-durable

6) Durability dimension
Figure 2. BEC Rev.5 - Relationships

1) Broad Economic Categories

2) Product dimension

3) SNA end use dimension

4) Processing dimension

5) Specification dimension

6) Durability dimension

1) Food, beverages, agriculture, catering
2) Energy, mining, basic metals and chemicals
3) Construction, housing, appliances, and furniture
4) Textile apparel, footwear, and jewelry
5) Transport equipment and travel services
6) ICT, business, finance, and media
7) Health, sports, cultural activities, and education
8) Government and other

Intermediate consumption
Gross fixed capital formation
Final consumption
Intermediate consumption
Final consumption
Primary
Processed
Generic
Specific
Generic
Specific
Durable
Non-durable
Durable
Non-durable
<table>
<thead>
<tr>
<th>BEC – Broad Economic Categories</th>
<th>CPC Services</th>
<th>HS Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td>Agriculture, forestry, fishing, food, beverages, tobacco</td>
<td>178</td>
</tr>
<tr>
<td>Category 2</td>
<td>Mining, quarrying, refinery, fuels, chemicals, electricity, water, waste treatment</td>
<td>75</td>
</tr>
<tr>
<td>Category 3</td>
<td>Construction, wood, glass, stone, basic metals, housing, electrical appliances, furniture</td>
<td>224</td>
</tr>
<tr>
<td>Category 4</td>
<td>Textile, apparel, shoes, jewelry, leather</td>
<td>88</td>
</tr>
<tr>
<td>Category 5</td>
<td>Transport equipment and services, travel, postal services</td>
<td>136</td>
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<tr>
<td>Category 6</td>
<td>ICT, media, computers, business and financial services</td>
<td>289</td>
</tr>
<tr>
<td>Category 7</td>
<td>Health, pharmaceuticals, education, cultural, sport</td>
<td>126</td>
</tr>
<tr>
<td>Category 8</td>
<td>Government, military and other</td>
<td>168</td>
</tr>
<tr>
<td>Total</td>
<td>All products</td>
<td>1284</td>
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</table>
## Annex 1: Structure of the BEC Rev.5

<table>
<thead>
<tr>
<th>Code</th>
<th>BEC - Broad Economic Categories</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture, forestry, fishing, food, beverages, tobacco</td>
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<tr>
<td>11</td>
<td>Goods</td>
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<tr>
<td>111</td>
<td>Intermediate Consumption</td>
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<tr>
<td>1111</td>
<td>Primary</td>
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<td>1112</td>
<td>Processed</td>
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<tr>
<td>111210</td>
<td>Generic</td>
</tr>
<tr>
<td>111220</td>
<td>Specified</td>
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<tr>
<td>112</td>
<td>Gross Fixed Capital Formation</td>
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<tr>
<td>112010</td>
<td>Generic</td>
</tr>
<tr>
<td>112020</td>
<td>Specified</td>
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<tr>
<td>113</td>
<td>Final Consumption</td>
</tr>
<tr>
<td>1131</td>
<td>Primary</td>
</tr>
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<td>113101</td>
<td>Non-durable</td>
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<tr>
<td>113102</td>
<td>Durable</td>
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<tr>
<td>1132</td>
<td>Processed</td>
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<tr>
<td>113201</td>
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<td>113202</td>
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<td>12</td>
<td>Services</td>
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<td>121</td>
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<td>121010</td>
<td>Generic</td>
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<tr>
<td>121020</td>
<td>Specified</td>
</tr>
<tr>
<td>123</td>
<td>Final Consumption</td>
</tr>
</tbody>
</table>

2 Mining, quarrying, refinery, fuels, chemicals, electricity,
BEC and Global Value Chain analysis
Figure 2. BEC Rev.5 - Relationships

1) Food, beverages, agriculture, catering
2) Energy, mining, basic metals and chemicals
3) Construction, housing, appliances, and furniture
4) Textile apparel, footwear, and jewelry
5) Transport equipment and travel services
6) ICT, business, finance, and media
7) Health, sports, cultural activities, and education
8) Government and other
Automotive industry

KEY VALUE-ADDING ACTIVITIES
Business Functions
Top row: Non-manufacturing activities that account for most “value-added”

SUPPLY CHAIN STAGES

Raw Materials | Components | Final Products | Distribution & Sales | Markets

Raw Material Suppliers

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

Tier 2 Supplier

- 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

Tier 1 Supplier

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

Original Equipment Manufacturer (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

Dealers

- 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

- Primary Intermediate Goods
- Generic Processed Intermediate Goods and Services
- Specific Processed Intermediate Goods and Services
- Final Consumption Goods and Services
## Correspondence of HS-2012 detailed codes to BEC

<table>
<thead>
<tr>
<th>HS-2012</th>
<th>Description</th>
<th>BEC</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>870891</td>
<td>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</td>
<td>511220</td>
<td>Specified Processed Intermediate Good – Transport equipment and services, travel, postal services</td>
</tr>
<tr>
<td>870892</td>
<td>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</td>
<td>511220</td>
<td>Specified Processed Intermediate Good – Transport equipment and services, travel, postal services</td>
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<tr>
<td>870893</td>
<td>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</td>
<td>511220</td>
<td>Specified Processed Intermediate Good – Transport equipment and services, travel, postal services</td>
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<tr>
<td>870894</td>
<td>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</td>
<td>511220</td>
<td>Specified Processed Intermediate Good – Transport equipment and services, travel, postal services</td>
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<td>870895</td>
<td>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 : // -- other</td>
<td>511220</td>
<td>Specified Processed Intermediate Good – Transport equipment and services, travel, postal services</td>
</tr>
</tbody>
</table>
Thank you