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*Presentation*  
**United Nations Statistics Division**

***Item 14: Commodity Classifications – SITC and BEC***

## International Standard Classifications

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## Standard International Trade Classification

### ➤ Standard International Trade Classification, (SITC)

- Original (1951)                      Revised (1960)
- Revision 2 (1976)
- Revision 3 (1988)
- Revision 4 (2007)

## Historical Background

- The Economic and Social Council of the UN upon the recommendation of the Statistical Commission urged all governments to make use of the Original SITC.
- By 1960, many countries were compiling international merchandise trade according to SITC or its national variant. Some countries even used the Original SITC as the basis for their customs nomenclature.
- Increase in volume of trade and the geographical and commodity pattern changes throughout the years has resulted in further revisions of SITC the most important being SITC revision 3.

## Standard International Trade Classification (SITC, Rev. 3)

At its 1976 session the UN Statistical Commission took a policy decision that UN economic classifications should be harmonized by using the Harmonized System (HS) subheadings as building blocks.

SITC, Rev. 3, ISIC Rev. 1 and CPC were prepared based on this decision

**International Merchandise Trade Statistics (IMTS)**

**SITC, Rev. 3 (continued)**

The following considerations were taken into account to produce the third revision of the SITC:

1. Continuity with the previous versions
2. The nature of the merchandise and the material used in its production
3. The processing stage
4. Market practices and the uses of the product
5. The importance of the commodity in terms of world trade
6. Technological changes

The Statistical Commission approved the final draft of SITC rev. 3 in Feb. 1985. SITC rev. 3 is correlated to HS 1988 and the subsequent revisions of HS.

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**SITC Rev. 4**

In 1993, the Statistical Commission endorsed the use of HS at the national level in compilation and dissemination of international merchandise trade.

The HS was amended four times since the release of SITC rev. 3. Owing to significant changes in the HS classification scheme, comparability between the two classifications was being lost over time. In this context, the UN Statistical Commission, in its March 2004 session, recommended that UNSD produce a fourth revision of the SITC. The fourth revision took into consideration all the amendments of the HS from the 1988 to 2007 versions. SITC, rev. 4 retains the overall structure of revision 3.

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### SITC Rev. 4

- SITC rev. 4 covers all goods classified in HS except for monetary gold, gold coin and current coin. All SITC rev. 4 basic headings (except 911.0 and 931.0) are defined in terms of HS subheadings.
- As a general rule, an SITC, rev.3 basic heading was deleted if corresponding HS88 was deleted or its scope could not be defined in terms of HS07 subheadings.
- A new SITC, rev. 4 is introduced if new HS subheadings could not be grouped in a meaningful way to the existing SITC basic headings.

Deleted SITC, Rev. 3 basic headings	380
New SITC, Rev. 4 basic headings	87
Total SITC, Rev. 4 basic headings	2,970

## International Merchandise Trade Statistics (IMTS)

### Classification by Broad Economic Categories (BEC)

- Initially developed by UNSD for internal purposes to reclassify merchandise imports reported in terms of SITC into the product categories relevant to SNA.
- The original BEC, issued in 1971, was defined in terms of the divisions, groups, subgroups and basic headings of the SITC, Revised.
- With time countries started using BEC for variety of purposes including economic analysis and setting tariffs
- The latest revision, BEC rev. 4 issued in 2003, is defined in terms of the SITC, rev. 3 and HS02.

## International Merchandise Trade Statistics (IMTS)

### Classification by Broad Economic Categories (BEC)

BEC has three derived classes:

1. Capital goods
2. Intermediate goods and
3. Consumption goods

BEC has 19 basic categories

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## International Merchandise Trade Statistics (IMTS)

### Classification by Broad Economic Categories (BEC)

- |  |   |
|--|---|
| 1* Food and beverages  | 5* Transport equipment, and parts and accessories thereof |
| 11* Primary  | 51* Passenger motor cars                                  |
| 111* Mainly for industry   | 52* Other   |
| 112* Mainly for household consumption  | 521* Industrial   |
| 12* Processed  | 522* Non-industrial                                       |
| 121* Mainly for industry   | 53* Parts and accessories                                 |
| 122* Mainly for household consumption  | 6* Consumer goods not elsewhere specified                 |
| 2* Industrial supplies not elsewhere specified                                   | 61* Durable   |
| 21* Primary  | 62* Semi-durable  |
| 22* Processed  | 63* Non-durable   |
| 3* Fuels and lubricants  | 7* Goods not elsewhere specified                          |
| 31* Primary  |   |
| 32* Processed  |   |
| 321* Motor spirit  |   |
| 322* Other   |   |
| 4* Capital goods (except transport equipment), and parts and accessories thereof |   |
| 41* Capital goods (except transport equipment)                                   |   |
| 42* Parts and accessories  |   |

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## International Merchandise Trade Statistics (IMTS)

### Correlation tables between different classifications

- A correlation between two classifications (A and B) is a description of the relationship between the scope of their headings. That relationship can be established by means of two tables: table correlating headings A to B and table correlating headings B to A. If the scope of the two headings coincides, one to one relationship, the correlation is definite. There may also exist one-to-many relationship.
- Users of classifications often prepare correlation tables for their own internal purposes. However, official versions are generally issued by the organization which maintains one or both of the classifications involved.
- The main use of correlation tables in trade statistics include maintenance of comparable data and reconciliation of data obtained from various sources.

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## International Merchandise Trade Statistics (IMTS)

### Correlation tables between different classifications

- Compilers should do correlations using the most detailed level of their classifications. If compilers need to recompile their data from one classification to another, they should check with WCO/UNSD about available correlations; this saves resources and enables use of standardized correlations
- UNSD compiles correlation tables between the basic headings (SITC) or subheadings (HS) of :
  1. SITC, rev. 2 and rev. 3
  2. SITC, rev. 3 and rev. 4
  3. SITC, rev. 3 and HS88, HS96, HS02, and HS07
  4. SITC, rev. 4 and subheadings of HS07
  5. BEC, rev. 4, SITC, rev. 3, HS02, and SITC, rev. 4

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**International Merchandise Trade Statistics (IMTS)**

Thank you for your attention

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