

Regional Workshop on International Merchandise Trade Statistics

Strengthening Data Compilation and Analytical Capacity

11-13 September, 2017

Suzhou, China

Agenda item 17: BEC, Revision 5



Workshop on IMTS
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United Nations
Statistics Division



BEC

- Broad Economic Categories (BEC) is an international product classification
- Main purpose is to provide a set of broad product categories that can be utilized for the analysis of trade statistics – **linked to end-use of goods in SNA**
 - Intermediate, Capital and Final Consumption



Why using BEC?

- Trade Research
 - the main focus has been on describing, assessing and explaining observed **patterns** in international trade, tariff effects, trade policy, and development economics
- Statistics
 - Commodity **flow analysis** of imported goods



Revisions of BEC

- Original BEC in **1971** (SITC, Rev.1)
- First revision **1976** (SITC, Rev.2)
- Second revision **1984** (SITC, Rev.3)
- Third revision **1986** (corrigendum)
- Fourth revision **2002** (SITC, Rev.4)
- Fifth revision **2016** (HS 2017, CPC 2.1)



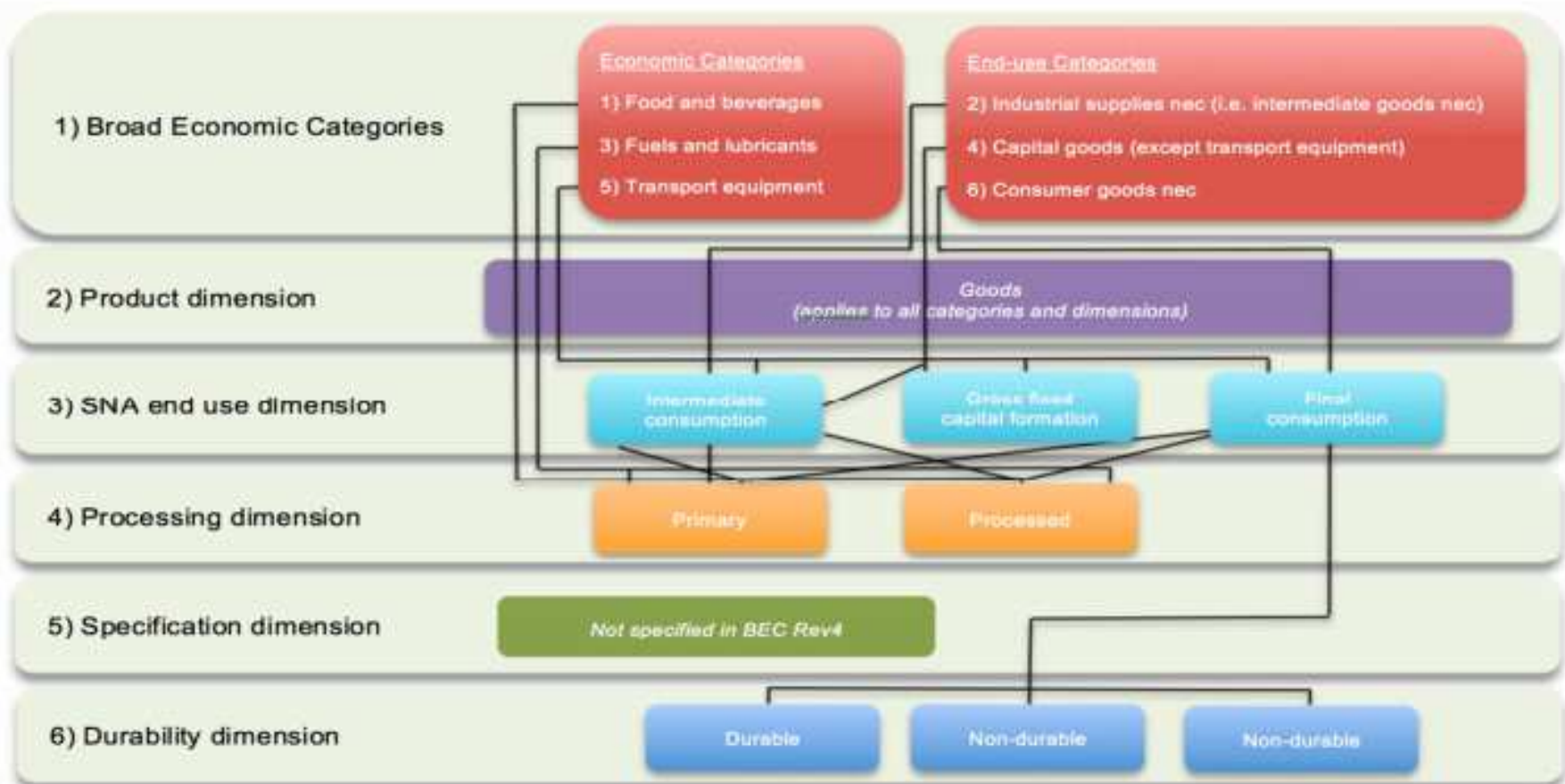
Major changes

- Addition of “**services**” and will therefore refer to products rather than goods
- Separate dimensions for **broad economic categories** and **SNA end-use** in main structure
- Addition of **new dimension** (the specification dimension) to differentiate intermediates that are generic, from those that are specified



“Complex” Structure of BEC 4

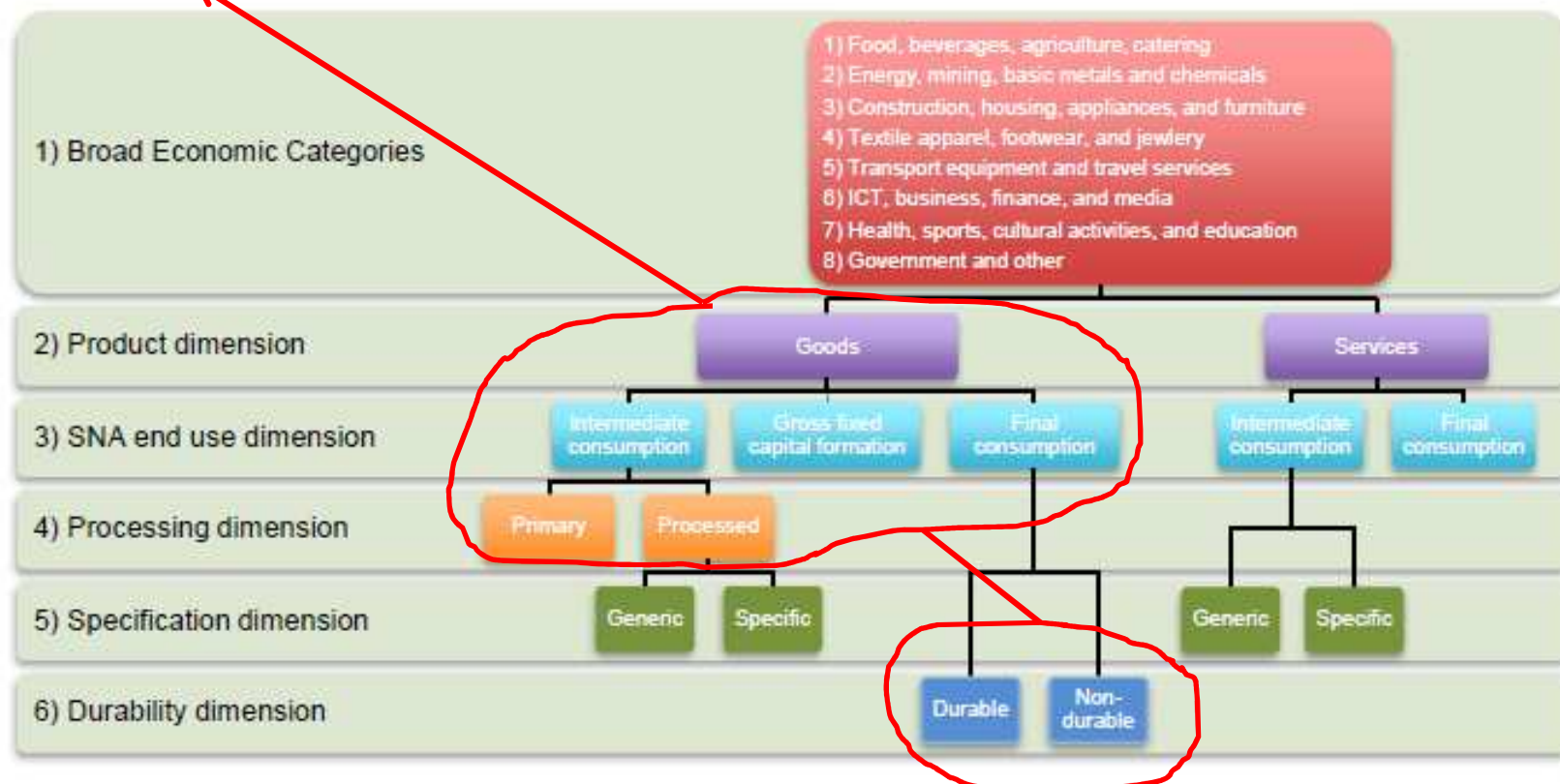
Figure 1. BEC Rev.4 - Relationships



“Streamlined” Structure of BEC 5

BEC Rev.4

Figure 2. BEC Rev.5 - Relationships



Level 1: Broad Economic Categories

- 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

- Reflecting the **economic structure of societies**
- Inspired by ISIC and COICOP
- Linkage to HS (for goods) and CPC (for services) → maintained by UNSD



Level 2: Product Dimension

- Two categories: (1) **Goods** and (2) **Services**;
- This distinction only applies to the end use of intermediate and final consumption; services do not apply to gross fixed capital formation.



Level 3: SNA end use Dimension

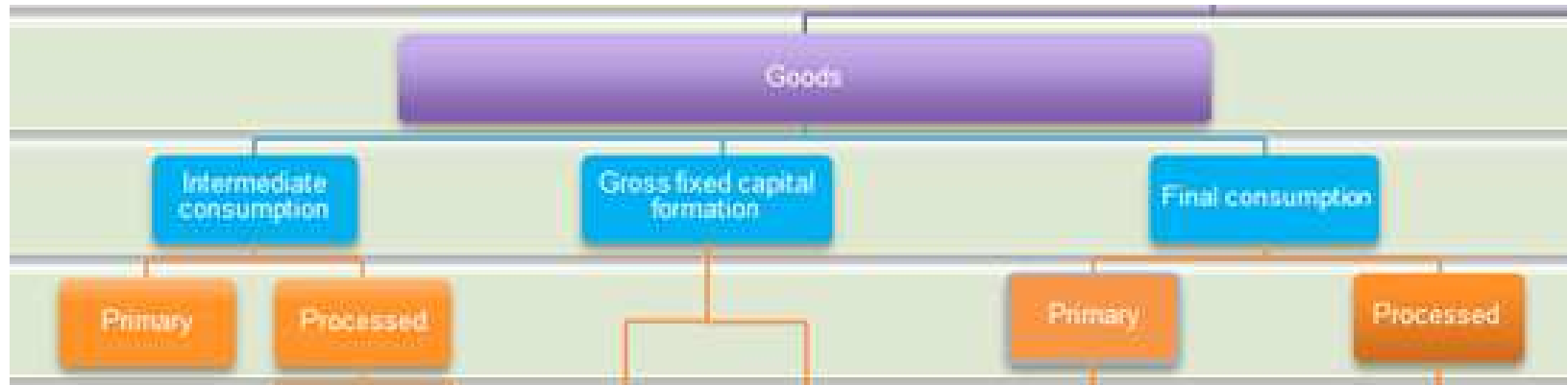


Three categories:

- (1) intermediate consumption;
- (2) gross fixed capital formation;
- and
- (3) final consumption



Level 4: Processing Dimension



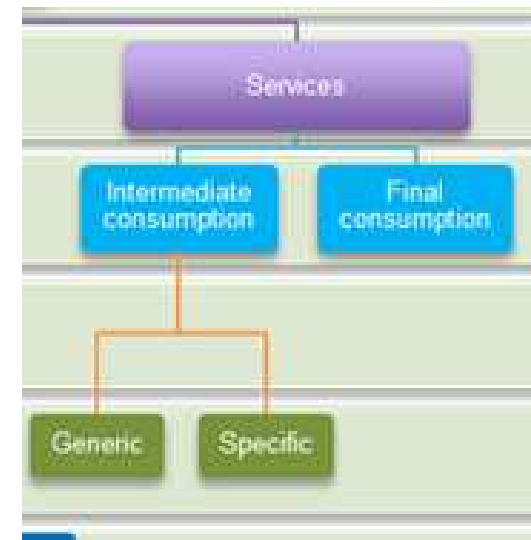
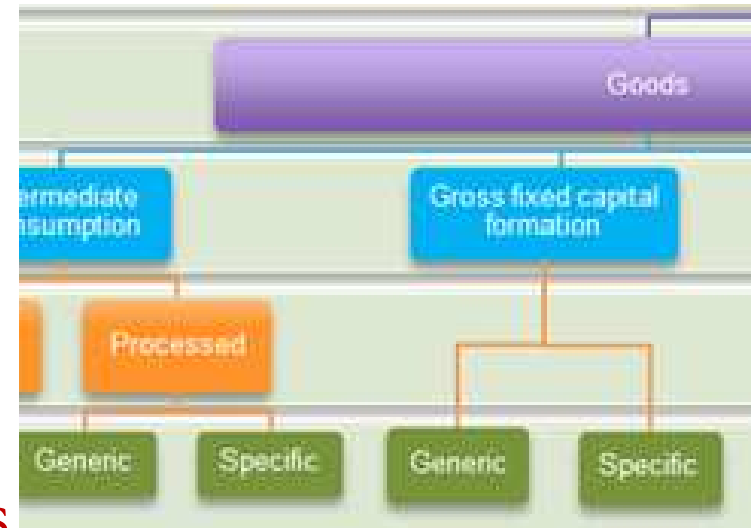
- Two categories: (1) **Primary** and (2) **Processed**
- This distinction only applies to **goods** and only to **intermediate and final consumption** (no primary goods as gross fixed capital formation)

Level 5: Specification Dimension

Two categories:

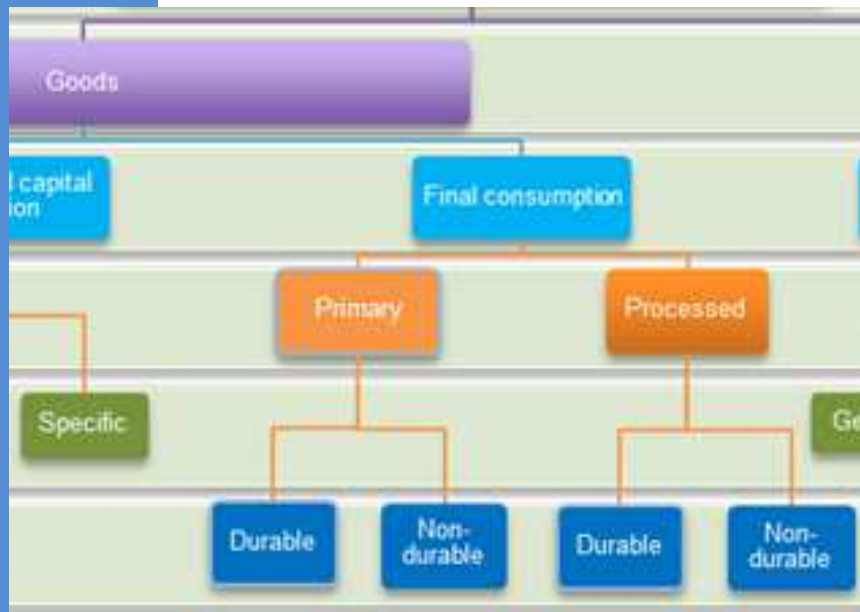
- 1) **Generic** and
- 2) **Specified**;

This distinction **applies to services and processed goods**, applies **mostly to intermediate consumption**, and could apply to goods for gross fixed capital formation



Level 6: Durability Dimension

- Two categories: (1) **Non-durable** and (2) **Durable**; only applies to goods and only to final consumption;



BEC and GVC Analysis

- **Intermediate goods** play important role in GVC analysis,
- BEC Rev.5 can support the GVC analysis

Figure 3. BEC Rev.5, Value Added Chain



Structure of BEC Rev.5 (example)

5	Transport equipment and services, travel, postal services
51	Goods
511	Intermediate Consumption
5111	Primary
5112	Processed
511210	Generic
511220	Specified
512	Gross Fixed Capital Formation
512010	Generic
512020	Specified
513	Final Consumption
5131	Primary
513101	Non-durable
513102	Durable
5132	Processed
513201	Non-durable
513202	Durable
52	Services
521	Intermediate Consumption
521010	Generic
521020	Specified
523	Final Consumption



Coding of BEC Rev.5 (Example)

- Code **111110** is “Agriculture, forestry, fishing, food, beverages, tobacco” and is a generic primary good for intermediate consumption.
- Code **613102** is processed durable good for final consumption belonging to the category of “ICT, media, computers, business and financial services”
- Code **621010** stands for a generic service for intermediate consumption belonging to the category of “ICT, media, computers, business and financial services”



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



Identification of end-use

- For many products, it is relatively simple, for others challenges remain:
 - **Dual use products** especially due to differences in national practices
 - **Level of details** in HS and CPC product classifications
- Allocation in Supply Use Tables can be used as reference point



Work to be done

- Finalize the correspondence tables between BEC Rev.5 and HS and CPC
- Provide advice on allocation of products by end-use categories.



Questions?



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