A. Standard International Trade Classification, Revision 4

27.2. Use of SITC for dissemination and analysis. The history of SITC is described in IMTS 2010 and is not reproduced here. It should be recalled, however, that in 1999, the Statistical Commission, at its thirteenth session, recognized that there would be a continuing need by users for international trade statistics analysed according to SITC,[5] and IMTS 2010 (para. 3.19) recommended that, in addition to HS, countries use SITC for the dissemination and analysis of trade statistics according to user requirements. The majority of countries and international organizations continue to use SITC for various purposes, such as market research and study of long-term trends in international merchandise trade.

27.3. Classification criteria underlying the structure of SITC. While the fourth revision of SITC (SITC, Rev.4) is based on the HS07 classification, it retains the classification scheme of SITC, Rev.3, and classifies goods based on the following considerations:

(a) Nature of the merchandise and the materials used in its production;
(b) Processing stage;
(c) Market practices and the uses of the product;
(d) Importance of the commodity in terms of world trade;
(e) Technological changes.

27.4. Development of SITC, Rev.4. SITC, Rev.4, which was prepared by the United Nations Statistics Division in cooperation with a number of interested international organizations, was issued in 2006. The scope of SITC, Rev.4, remains the same as that of SITC, Rev.3, that is, SITC, Rev.4, covers all goods classifiable by HS except for monetary gold, gold coin and current coin. All SITC, Rev.4 basic headings (except for 911.0 and 931.0) are defined in terms of HS07 subheadings. Since SITC is now recommended only for analytical purposes, there was no need, except in several special cases, to create new basic headings in SITC, Rev.4, that would be in one-to-one correspondence with the new HS07 subheadings.

27.5. SITC, Rev.4, retains the overall structure of SITC, Rev.3, and consists of the same number of one-digit sections, two-digit divisions and three-digit groups. The changes made were at the level of basic headings and some subgroups. The classification contains 3,993 basic headings and subheadings, which are assembled in 262 groups, 67 divisions and 10 sections. The SITC sections are as follows:

0 Food and live animals
1 Beverages and tobacco
2 Crude materials, inedible, except fuels
3 Mineral fuels, lubricants and related materials
4 Animal and vegetable oils, fats and waxes
5 Chemicals and related products, not elsewhere specified
6 Manufactured goods classified chiefly by material
7 Machinery and transport equipment
8 Miscellaneous manufactured articles
9 Commodities and transactions not classified elsewhere in SITC

27.6. The coverage of the individual sections in all revisions of SITC is very similar, so that historical series of data are largely comparable at this level of aggregation. The historical comparability is also preserved for numerous series at the more detailed levels of the classification.

27.7. National practices in use of SITC. According to a survey conducted by UNSD in 2006, SITC remains an important analytical and dissemination tool for most countries, especially developed ones (82 per cent of developed countries and 56 per cent of developing countries use it). Many developing countries prefer to use the HS for dissemination, as this reduces their data-processing and data dissemination burden. However, the dissemination of trade data in terms of SITC by all countries is seen as a good practice, which provides both national and international users with data of high analytical value. The conversion of the data compiled in terms of HS into SITC commodity groupings requires minimal resources if it is conducted electronically using appropriate conversion tables. Currently, UNSD converts all HS data into SITC data and may assist interested developing countries in setting up the conversion procedures.

27.8. International practices in use of SITC. SITC is widely used in international databases, and trade data expressed in terms of SITC are in great demand by research institutions, as the SITC commodity aggregates are more suitable for analytical purposes and their time series are available starting from the 1950s. The UN Comtrade database stores SITC time series starting from 1962, and major international organizations like the World Trade Organization (WTO), the United Nations Conference on Trade and Development (UNCTAD) and the World Bank publish SITC trade data and use them for analytical purposes. For example, UNCTAD has defined product groups based on SITC, Rev.3, for research and analysis purposes (see box. XXVII.1).
Box XXVII.1

UNCTAD product groups based on SITC, Rev.3

In macroeconomic research and analysis, SITC is further aggregated into two broad commodity groups: primary commodities, precious stones and non-monetary gold; and manufactured goods. This is done to monitor the economic development of a country which normally starts by exporting mainly primary commodities, then moves up into commodities with higher value added (manufactured goods). However, for some countries with a high proportion of fuels exports in their total trade, it is necessary to exclude fuels in the analysis, in order to better monitor real economic development. In addition to those two broad groups, more detailed groups are created owing to special analytical interests, such as iron and steel (as an indication of construction activities), agricultural raw materials (normally used as intermediate inputs in various industries) and textile fibres, yarn, fabrics and clothing (important manufactured goods exported by developing economies). Other groups that do not fit within the main structure are attached as memorandum items.

Total all products
All allocated products (SITC 0 to 8 + 961 + 971)
Primary commodities, precious stones and non-monetary gold (SITC 0 + 1 + 2 + 3 + 4 + 68 + 667 + 971)
Primary commodities (SITC 0 + 1 + 2 + 3 + 4 + 68)
Primary commodities, excluding fuels (SITC 0 + 1 + 2 + 4 + 68)
All food items (SITC 0 + 1 + 22 + 4)
Food, basic excluding tea, coffee, cocoa and spices (SITC 0 + 22 + 4 less 07)
Beverages and tobacco (SITC 1)
Agricultural raw materials (SITC 2 less 22, 27 and 28)
Ores and metals (SITC 27 + 28 + 68)
Nonferrous metals (SITC 68)
Other ores and metals (SITC 27 + 28)
Fuels (SITC 3)
Pearls, precious stones and non-monetary gold (SITC 667 + 971)
Manufactured goods (SITC 5 to 8 less 667 and 68)
Chemical products (SITC 5)
Machinery and transport equipment (SITC 7)
Other manufactured goods (SITC 6 + 8 less 667 and 68)
Iron and steel (SITC 67)
Textile fibres, yarn, fabrics and clothing (SITC 26 + 65 + 84)
Unallocated (SITC 911 + 931)
Memo: Primary commodities, precious stones and non-monetary gold, excluding fuels (SITC 0 + 1 + 2 + 4 + 68 + 667 + 971)
Memo: Ores, metals, precious stones and non-monetary gold (SITC 27 + 28 + 68 + 667 + 971)

See http://unctadstat.unctad.org/UnctadStatMetadata/Classifications/Methodology&Classifications.html