C. Classification by Broad Economic Categories

27.13.   *History of the Classification by Broad Economic Categories*. The original version of the Classification by Broad Economic Categories (BEC)[1] was devised mainly to summarize data on international trade by large economic classes of commodities and as a means for converting trade data compiled in terms of SITC into meaningful end-use categories within the framework of the System of National Accounts (SNA)[2], namely, capital goods, intermediate goods and consumption goods.[3] The BEC classification has 19 basic categories that can be aggregated to approximate these three basic classes of goods, thus permitting trade statistics to be considered jointly with other sets of general economic statistics, - such as national accounts and industrial statistics, - for national, regional or global economic analyses.

27.14.   BEC contains 7 sections, which are broken down, as applicable, by other criteria, such as primary and processed goods, durable, semi-durable, and non-durable goods, etc., namely:

1.   Food and beverages

2.   Industrial supplies not elsewhere specified

3.   Fuels and lubricants

4.   Capital goods (except transport equipment), and parts and accessories thereof

5.   Transport equipment, and parts and accessories thereof

6.   Consumer goods not elsewhere specified

7.   Goods not elsewhere specified

27.15.   The Statistical Commission expected BEC to serve as a guideline for the development of national classifications of imports according to broad economic categories.[4] However, at its sixteenth session (5-15 October 1970), the Statistical Commission recognized that countries might wish to adapt the Classification for national purposes in different ways so as to meet national requirements, and concluded that, consequently, the classification was not to be regarded as a "standard" classification in the same sense as, for example, SITC.[5]

27.16.   *Revisions of BEC*. The original BEC was defined in terms of the divisions, groups, subgroups and basic headings of the Standard International Trade Classification, Revised.[6] Over the years several correlation tables between BEC and various revised versions of SITC and the HS were prepared by the United Nations Statistics Division and made available publicly.[7] However, the original structure of BEC has remained unchanged.

27.17.   *National practices in use of BEC*. The United Nations survey of country practices confirmed that BEC is recognized as an important analytical tool and many countries (41 per cent of developed countries and 46 per cent of developing countries) publish trade data in terms of BEC. Many more can make such data available electronically upon request. This is a good practice and should be encouraged. A number of countries use BEC in their compilation of national accounts and for other purposes. There is a significant interest in trade data expressed in terms of BEC among research institutions. In this connection, it should be noted that it is good practice for each country to prepare its own customized conversion table between HS and BEC, as the main use of certain products may differ from country to country.

27.18.   *International practices in use of BEC*. The usefulness of BEC is recognized by UNSD, which converts trade data reported by countries in terms of HS to BEC categories and makes such data available through UN Comtrade. Eurostat also disseminates data according to BEC, and other international organizations make use as well of BEC in their analytical publications.

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[1] United Nations publication, Sales No.E.71.XVII.12.

[2] See Official Records of the Economic and Social Council, Forty-fourth Session, Supplement No. 10 (E/4471), paras. 116 and 118.

[3] See United Nations, *A System of National Accounts*, Studies in Methods, Series F, No.2, Rev.3 (United Nations publication, Sales No. E.69.XVII.3 and corrigendum), para. 1.50.

[4] See Official Records of the Economic and Social Council, Forty-fourth Session, Supplement No. 10 (E/4471), para. 123.

[5] Ibid, Fiftieth Session, Supplement No. 2 (E/4938), para. 95.

[6] Statistical Papers, Series M, No. 34, 1961 (United Nations publication, Sales No. 61.XVII.6).

[7] See http://unstats.un.org/unsd/cr/registry/regot.asp.