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National Accounts and Economic Statistics - International Trade Statistics

Item 6 a): Revision of activity and product classifications - implications for trade statistics

7th OECD INTERNATIONAL TRADE STATISTICS EXPERT MEETING ITS
and OECD-EUROSTAT MEETING OF EXPERTS IN TRADE-IN-SERVICES STATISTICS (TIS)

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RECENTLY ADOPTED TRADE-RELATED CLASSIFICATIONS:

SITC, REVISION 4, AND CPC, VERSION 2.0

item 6(a) of the provisional agenda

Note by UNSD

SITC, Revision 4 was accepted by the United Nations Statistical Commission (UNSC) at its thirty-seventh session (7-10 March, 2006). Whereas the final text of SITC, Rev.4 is submitted for printing, electronic copies of SITC, Rev. 4 and of the related correspondence tables are now available on the Internet[1]. UNSC adopted this year – at the same session – the new version of the Central Product Classification (CPC, version 2.0), as well as the new revision of the International Standard Industrial Classification of All Economic Activities (ISIC, Revision 4) and recommended that those classifications be recognized as the international standards for product and economic activity classifications, respectively.

SITC, Revision 4

In 1993, HS was recommended by UNSC as the classification for use in compilation and dissemination of international merchandise trade statistics and, in 1999, UNSC confirmed its recognition of SITC as an analytical tool. Continuity of data series classified according to SITC, Rev.3, was based on appropriate correlation tables between SITC, Rev.3 and each new edition of HS. Over time the original HS was amended four times by the World Customs Organization (WCO) introducing a total of 844 non-original subheadings (17 %) in the subsequent HS editions (1 - in 1992, 267 – in 1996, 316 – in 2002 and 260 – in 2007).

In view of these accumulated changes in HS it was necessary to construct SITC, Rev.4. In the revision process, the scope remained the same as of SITC, Rev.3, in that it covers all goods classifiable in HS except for monetary gold, gold coin and current coin. Since SITC is recommended now only for analytical purposes, all SITC, Rev.4 basic headings (except for 911.0 and 931.0) are defined in terms of HS07 subheadings.

SITC, Revision 4 retains the overall structure of SITC, Revision 3 and consists of the same number of sections, divisions and groups. Changes are at the level of basic headings and some subgroups. In all, 235 basic headings of SITC, Rev.3 were no longer used in SITC, Rev.4 and 85 new basic headings were introduced. The net result is that SITC, Rev.4 contains 2971 basic headings. As mentioned in the introduction, the full description of the headings of SITC, Rev.4, together with the correlation tables with HS07 and SITC, Rev.3 are now available on the website of UNSD.

CPC, version 2.0, and its relation to HS07

As in previous versions of the CPC, one of the goals was to provide a correspondence between the revised CPC and the revised version of the HS to enable users of statistics to compare production and trade

[1] See http://unstats.un.org/unsd/trade/sitcrev4.htm

data. For that reason, the approach using HS subheadings as building blocks for CPC subclasses for goods has again been followed. However, there have been a number of exceptions to this approach, which limit the easy comparability between the two classifications.

The HS classification is constructed for international trade purposes and therefore criteria to delete or retain subheadings may yield different results than criteria based on production purposes. A number of subheadings were deleted in HS07, which caused the deletion of some CPC subclasses. However, in other cases this was not possible because either the CPC subclass was considered significant for local production, or the subclass that “absorbed” the deleted subclasses became too heterogeneous for use in production analysis.

Besides maintaining detailed CPC subclasses where HS07 deleted subheadings, some more detailed CPC subclasses exist where HS provides only very aggregated categories. This applies for instance to “information products” and computer equipment. The CPC now includes subclasses for various types of books, newspapers, software and computer-equipment at a level that is more detailed than HS and deemed more suitable for analysis. One particular change in HS07 was surprising. Whereas in HS02 “software” could not be separately identified as it was part of “recorded tapes”, in HS07 “software” belongs to an even broader category including also “blank tapes”. CPC did not follow this move and identifies the different types of software in detail, separating it from other recorded or blank media. Please see the annex for an overview of the “split” HS links that are now part of CPC, version 2.0.

Another area (not shown in the annex) where CPC has introduced more detail than HS07, is the area of agricultural and food products. This development was supported by FAO, which intends to use this part of CPC as the basis for its agricultural census. In some cases, CPC subclasses simply divided an existing HS subheading, while in other cases a more complex split had to be used.

The Expert Group on International Economic and Social Classifications may bring these more detailed CPC subclasses to the attention of the HS Committee of WCO for possible inclusion in the next version of HS.

Annex

CPC subclasses with partial links to HS07 subheadings

CPC Code	Description	HS07 subheading
32210	Educational textbooks, in print	4901.10*, .99*
32220	General reference books, in print	4901.10*, .91*, .99*, 4905.91
32230	Directories, in print	4901.10*, .99*
32291	Professional, technical and scholarly books, in print	4901.10*, .99*
32292	Children's books, in print	4901.10*, .99*, 4903
32299	Other books n.e.c., in print	4901.10*, .99*
32410	General interest newspapers and periodicals, other than daily, in print	4902.90*
32420	Business, professional or academic newspapers and periodicals, other than daily, in print	4902.90*
32490	Other newspapers and periodicals, other than daily, in print	4902.90*
33310	Motor spirit (gasoline) including aviation spirit	2710.11*
33320	Spirit type (gasolene type) jet fuel	2710.11*
33330	Other light petroleum oils and light oils obtained from bituminous minerals (other than crude); light preparations n.e.c. containing not less than 70 per cent by weight of petroleum oils or oils obtained from bituminous minerals (other than crude), these oils being the basic constituents of the preparations	2710.11*
33340	Kerosene (including kerosene type jet fuel)	2710.19*
33350	Other medium petroleum oils and medium oils obtained from bituminous minerals (not kerosene), other than crude; medium preparations n.e.c. containing not less than 70 per cent by weight of petroleum oils or oils obtained from bituminous minerals (other than crude), these oils being the basic constituents of the preparations	2710.19*
33360	Gas oils	2710.19*
33370	Fuel oils n.e.c.	2710.19*
33380	Lubricating petroleum oils and oils obtained from bituminous minerals, other heavy petroleum oils and heavy oils obtained from bituminous minerals (other than crude), and heavy preparations n.e.c. containing not less than 70 per cent by weight of petroleum oils or oils obtained from bituminous minerals (other than crude), these oils being the basic constituents of the preparations	2710.19*
38510	Dolls' carriages; wheeled toys designed to be ridden by children	9503.00*
38520	Dolls representing human beings; toys representing animals or non-human creatures	9503.00*
38530	Parts and accessories of dolls representing human beings	9503.00*
38540	Toy electric trains, and tracks, signals and other accessories therefor; reduced-size ("scale") model assembly kits and other construction sets and constructional toys	9503.00*

CPC Code	Description	HS07 subheading
38550	Puzzles	9503.00*
38560	Other toys (including toy musical instruments)	9503.00*
45141	Accounting machines, cash registers, postage-franking machines, ticket-issuing machines and similar machines, incorporating a calculating device (except point-of-sale terminals, ATMs and similar machines)	8470.30 - .90*
45142	Point-of-sale terminals, ATMs and similar machines capable of being connected to a data processing machine or network	8470.90*
45221	Portable automatic data processing machines weighing not more than 10 kg, such as laptop and notebook computers	8471.30*
45222	Personal digital assistants and similar computers	8471.30*
45261	Input peripherals (keyboard, joystick, mouse etc.)	8471.60*
45262	Scanners (except combination of printer, scanner, copier and/or fax)	8471.60*
45263	Inkjet printers used with data processing machines	8443.32*
45264	Laser printers used with data processing machines	8443.32*
45265	Other printers used with data processing machines	8443.32*
45269	Other input or output peripheral devices	8471.60*
45271	Fixed media storage units	8471.70*
45272	Removable media storage units	8471.70*
45281	Sound, video, network and similar cards for automatic data processing machines	8471.80*
45282	Network communications equipment (e.g. hubs, routers, gateways) for LANS and WANS	8471.80*
45289	Other units of automatic data processing machines	8471.80*, .90
47213	Television cameras	8525.80*
47214	Video camera recorders	8525.80*
47215	Digital cameras	8525.80*
47530	Magnetic media, not recorded, except cards with a magnetic stripe	8523.29*
47540	Optical media, not recorded	8523.40*
47590	Other recording media, incl. matrices and masters for the production of disks	8523.59, .80*
47610	Musical audio disks, tapes or other physical media	8523.29*, .40*, .80*
47620	Films and other video content on disks, tape or other physical media	8523.29*, .40*
47691	Audio books on disk, tape or other physical media	8523.29*, .40*
47692	Text-based disks, tapes or other physical media	8523.29*, .40*
47699	Other non-musical audio disks and tapes	8523.29*, .40*
47811	Operating systems, packaged	8523.29*, .40*
47812	Network software, packaged	8523.29*, .40*
47813	Database management software, packaged	8523.29*, .40*
47814	Development tools and programming languages software, packaged	8523.29*, .40*

CPC Code	Description	HS07 subheading
47821	General business productivity and home use applications, packaged	8523.29*, .40*
47822	Computer game software, packaged	8523.29*, .40*
47829	Other application software, packaged	8523.29*, .40*