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THE IMPLEMENTATION OF THE SITC, REVISED
(Report by the Secretary-General)

1. In 1950 the Economic and Social Council, at the suggestion of the Statistical Commission, advised Governments to compile trade-by-commodity data according to the Standard International Trade Classification (SITC) (Council resolution 299 (XI)). The SITC had been devised by the United Nations Secretariat with the aid of expert consultants and in consultation with Governments and interested international organizations to permit the analysis of external trade into internationally comparable commodity categories adapted to the needs of economic analysis.

2. By 1960, more than 80 per cent of world trade was being reported according to the SITC. The data were being assembled by the Statistical Office of the United Nations in Commodity Trade Statistics (quarterly SITC group-by-country and section-by-country data) and the Yearbook of International Trade Statistics (annual section and group figures supplemented by selected item and division data but without analysis by partner countries). Furthermore it has been possible for the Statistical Office to make matrixes, covering essentially all of world trade in each year since 1953, for commodity classes based on the SITC sections and for selected SITC divisions. These usually appear in the March and April issues of the Monthly Bulletin of Statistics. International agencies have adopted the SITC as the basis of trade-by-commodity data, thus much simplifying the task of Governments in supplying the required basic data. Annex I to this paper lists the countries currently making use of the SITC.

. trying to further the implementation of the SITC by under-developed countries, it became clear to the Statistical Office that the lack of a simple and explicit relation between the items of the SITC and the items traditionally appearing in customs nomenclatures was making it difficult for them to produce SITC data. With the generous co-operation of the Brussels Customs Co-operation Council (CCC) which, in 1955, had promulgated a Tariff Nomenclature (BTN) designed along traditional lines, and with the help of experts from the CCC, other international organizations and Governments, the Statistical Office suggested to the eleventh session of the Commission a revision of the SITC which took account of recent changes in the pattern of commodity trade and, without seriously altering the original structure of the SITC, presented it as a re-arrangement of the BTN items into statistical order. To make this possible, the CCC agreed to the sub-division for statistical purposes of a certain number of BTN items. In resolution 6 (XI), the Commission approved the changes embodied in the SITC, Revised,^{1/} and asked the Statistical Office to arrange in its publications a smooth transition from the original to the revised SITC.

4. Enough countries provided 1960 data according to the SITC, Revised, to permit the shift to the new basis in the January-December 1960 issue of Commodity Trade Statistics (CTS). In presenting the statistics of countries which had not yet made the change, groups of the original SITC were, where necessary and possible, renumbered to fit the SITC, Revised; this process is simple enough to be fully described in half a page of the introduction to CTS. Its actual implementation was readily accomplished by the electronic computer which now processes CTS data. Data according to the two classifications are compared in CTS wherever countries have themselves classified both ways in a single period.

5. Data according to the SITC, Revised, are now being reported by twenty-six countries accounting for nearly 65 per cent of world trade; they are specified in Annex I. Such a rapid response to the new classification indicates the importance countries attach to comparing their own data in detail with the figures of other countries. Not only government officials and economists are feeling this necessity but also the growing number of business men whose plans have to

^{1/} Since issued in printed form: Standard International Trade Classification, Revised, Statistical Papers, Series M, No. 34.

take account of international trade. This broadening of interest in a standard classification that provides useful summary categories at various levels, as well as full commodity detail, appears furthermore to be creating a demand for the unification of the numerous nomenclatures on which the different controls over external trade have, conventionally, been based within individual countries. As the use of the statistics increases, the inconvenience of having one classification for statistical purposes, a second for customs tariffs and, perhaps, a third for financial records is becoming more and more apparent. And since international economic considerations must be taken increasingly into account, countries, when selecting a single classification, usually wish to choose one useful for economic analysis and in terms of which wide international comparison can be achieved. A recent example of the importance of disposing of international data according to a classification based on economic principles is contained in a resolution on tariff questions proposed by the President of the United States to the House of Representatives (H.R. 9900). When it was desired in some of the provisions of the resolution to take account of the regional flows of world trade in certain commodity classes, the classes were defined to be groups (3-digit code headings) of the SITC (even though the tariff nomenclature of the United States is not itself directly related to the SITC).

6. Further recent evidence is provided by the information, received by the Statistical Office, that New Zealand is introducing a single classification, based on the SITC, Revised, for statistical and customs tariff purposes and by the appearance of a draft classification of much the same sort prepared as a draft common tariff nomenclature for use in the West Indies.

7. The Statistical Office is revising the 1953 edition of the Commodity Indexes for the SITC, now out of print, to take account of the changes resulting from the revision of the SITC. The Office is also considering the use of electronic computation radically to improve the usefulness of international trade-by-commodity statistics; a separate paper (E/CN.3/300) informs the Commission of the status of this matter.

8. In considering the effects of the revisions made in the SITC at its last session, the Commission may wish to take note of the extent of its implementation by Governments and of the recent increases in the domain of usefulness of the SITC.

ANNEX I

Countries compiling trade statistics according to the SITC

The countries listed here accounted for about 80 per cent of world trade in 1960. Those compiling quarterly as well as annual data, marked by an asterisk (*), accounted for about 70 per cent.

Aden	Dominica	Japan*	Sarawak
Afghanistan	Dominican Rep.	Korea, Rep.	Seychelles
Argentina	Ecuador	Liberia	Sierra Leone
Australia*	El Salvador*	Libya	Singapore* <u>1/</u>
Austria* <u>1/</u>	Falkland Is.	Malta	Somalia
Barbados	Fed. Malaya* <u>1/</u>	Mauritius	South Africa <u>1/</u>
Belg.-Lux.* <u>1/</u>	Fiji	Mexico <u>1/</u>	Spain
Brazil	Finland*	Netherlands* <u>1/</u>	Surinam
Br. E. Africa	France* <u>1/</u>	Neth. Antilles*	Sweden* <u>1/</u>
Br. Guiana	Gambia	New Guinea (Aust)	Switzerland* <u>1/</u>
Br. Honduras	Germany F.R.* <u>1/</u>	New Zealand* <u>1/</u>	Thailand*
Br. Solomon Is.	Ghana* <u>1/</u>	Nicaragua	Trinidad Tob.*
Brunei	Greece* <u>1/</u>	Nigeria*	Turkey* <u>1/</u>
Burma	Honduras	N. Borneo	U.A.R.
Canada*	Hong Kong*	Norway* <u>1/</u>	United Kingdom* <u>1/</u>
Ceylon	Iceland* <u>1/</u>	Panama	United States* <u>1/</u>
Colombia	India*	Papua	Venezuela
Cook, Niue Is.	Indonesia	Philippines	Western Samoa
Costa Rica	Ireland* <u>1/</u>	Portugal* <u>1/</u>	Yugoslavia* <u>1/</u>
Cuba	Israel* <u>1/</u>	Rhod.Nyas.F.	Zanzibar, Pemb.
Cyprus	Italy* <u>1/</u>	St.Kitts, Nevis	
Denmark* <u>1/</u>	Jamaica	St. Vincent	

1/ Now using the SITC, Revised.

