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EXTERNAL TRADE STATISTICS

SUMMARY OF THE COMMENTS RECEIVED FROM VARIOUS COUNTRIES REGARDING
THE PROPOSALS FOR THE REVISION OF THE CLASSIFICATION OF "PAPER,
PAPERBOARD, AND MANUFACTURES THEREOF" (DIVISION 64) IN THE STANDARD
INTERNATIONAL TRADE CLASSIFICATION, REVISED

Report of the Secretary-General

1. The Organisation for Economic Co-operation and Development (OECD) has approached the Statistical Office of the United Nations concerning a revision of the classification of "Paper, paperboard, and manufactures thereof" (Division 64) in the Standard International Trade Classification (SITC)^{1/} in order to meet their requirements for the collection and publication of statistics of world production and trade in these commodities.
2. Annex I to this paper contains the proposal for this revision promulgated by the Special Committee for Pulp and Paper of the OECD. Annex II contains an alternative scheme suggested by the Statistical Office, and annex III contains the OECD proposal in terms of existing SITC headings and the suggested subdivisions thereto proposed in the scheme set out in annex II.
3. The classification of paper and paperboard proposed by the OECD Special Committee raises a number of problems with respect to both the

1/ Standard International Trade Classification, Revised, Statistical Papers, Series M, No. 34.

SITC and the Brussels Tariff Nomenclature (BTN):

(a) In several instances, one of the suggested code numbers covers more than one BTN heading thus destroying the precise one-for-one correlation between the SITC and the BTN;

(b) The excessive subdivisions of BTN headings to meet their requirements;

(c) The use of existing SITC numbers to designate a new set of commodities which would lead to confusion and would destroy comparability over time which is so important for economic analysis; and

(d) The difficulty of applying end-use criteria which have been proposed as a substitute for the criterion of material composition on which the SITC is based.

4. The alternative scheme proposed by the Statistical Office does not necessitate a change in the framework of the SITC; it attempts to meet the needs of OECD by subdividing existing SITC headings. This counter-proposal was not acceptable to OECD.

5. To ensure international uniformity of classification, changes must be acceptable to all the many countries using the SITC and/or BTN throughout the world. About 122 countries (covering approximately 87% of world exports), many of them with limited statistical resources, regularly compile data according to the SITC. In a number of countries, the SITC is the basis of legislation and changes in its structure require further legislative procedures. Frequent major changes would discourage countries, particularly those with limited statistical resources, from using the SITC.

6. There is, at present, a precise one-for-one correlation between the SITC and the BTN and it is in the basic interest of all concerned that this

relationship be maintained. Changes to the SITC of the type proposed by OECD would, therefore, require numerous modifications and amendments. Amendments to the BIN can only be made under the rather involved and lengthy legal procedures laid down in the Nomenclature Convention of the Customs Co-operation Council. Modifications of the BIN resulting from subdivisions of the current SITC of the type put forth in the Statistical Office proposal can be much more easily effected.

7. The two proposals were distributed to the central statistical offices of selected countries, the regional economic commissions of the United Nations and other international organizations with a letter pointing out the four main difficulties presented by the OECD proposal and requesting their views as to (a) the need for the changes set out in annex I, and the extent to which the categories suggested respond to their current requirements, and (b) how any changes which are considered necessary should be given effect, i.e. whether by subdividing existing SITC headings as in the scheme in annex II or by structural changes of the type shown in annex I. Replies up to the end of October 1967 were received from the following countries and organizations: Argentina, Barbados, Belgium, Burma, Chile, Colombia, Cyprus, Democratic Republic of the Congo, Ecuador, El Salvador, Federal Republic of Germany, Greece, Hong Kong, Hungary, Italy, Jamaica, Japan, Kenya, Liberia, Netherlands, New Zealand, Pakistan, Panama, Republic of Korea, Saudi Arabia, Sierra Leone, Singapore, Surinam, Trinidad and Tobago, Turkey, United Arab Republic, United Kingdom, United States, ECIA, ECA, ECAFE, EEC, UNESCO, IASI and the Customs Co-operation Council.

8. None of the replies indicated that it was in favour of the OECD proposal and its adoption by the Statistical Commission, and most felt that if there is a need for revision of Division 64 and if it is undertaken, it should be done within the framework of the existing SITC along the lines suggested in the alternative scheme proposed by the Statistical Office, since it is most important (a) to maintain the one-for-one correlation between the SITC and the BTN, which was a significant advance in statistical practice, (b) to avoid discontinuity in statistical time series, (c) to avoid the possibility of affecting the international comparability of foreign trade statistics which the SITC has achieved, and (d) to keep intact the basic criterion of material composition inherent in the SITC.

9. Some felt that since end-use classification is generally unsatisfactory, subdivisions should be made only for products which can clearly be distinguished by their properties and not by their intended use. They further pointed out that problems of definition for products such as "special thin papers" and "special foodboard" would create difficulties for customs officials having to identify these commodities. In addition, the Customs Co-operation Council questioned whether it is really possible on technical grounds to identify all the different types of paper and paperboard which the OECD would like to see separately mentioned in the SITC and the BTN. Some also mentioned that Division 64 would be the only part of the SITC classified by end-use, thus departing from the criteria used throughout the rest of the classification.

10. It was also indicated that some of the categories suggested in the OECD proposal are of so particular a nature that many countries would hardly be in a position to supply relevant foreign trade statistics.

11. Some countries were concerned with the creation of 6-digit codes in the Statistical Office proposal because of the difficulties this might cause countries with national computer programmes and suggested that a way should be found to express these 6-digit subdivisions in 5 digits. The Statistical Office of the European Communities (SOEC) has, in co-operation with the statistical offices of the EEC countries, prepared a counter-proposal in which a maximum of 5 digits will suffice. In this proposal (set out in annex IV) existing SITC subgroup 641.7, which is unimportant in world trade, becomes 641.98. This makes it possible to change existing SITC items 641.93 and 641.95 into subgroups 641.7 and 641.8. In this scheme no subdivisions are made for special foodboard, folding boxboard, construction paper and paperboard, household and sanitary tissue paper, and special thin papers, thus not meeting the needs of OECD. It should be noted that the sixth digit was not meant to be regarded as an integral part of the SITC and was introduced by the Statistical Office of the United Nations merely to accommodate the requirements of OECD. Furthermore, the counter-proposal of SOEC gives rise to some of the same difficulties inherent in the OECD proposal, namely, (a) the use of existing SITC codes (i.e. 641.7 and 641.9) to designate a new set of commodities, and (b) the need for further subdivisions of BTN headings.

12. A number of countries objected to the piecemeal revision of the SITC for fear that, if piecemeal changes are considered in isolation, it might lead to distortions in the classification as a whole.

13. Concern was also expressed with regard to the setting of a precedent which would involve further piecemeal changes in other fields if the requested revision of Division 64 is made.

CONCLUSIONS

14. The Statistical Commission will wish to thank those countries and organizations which have sent comments on, and suggestions for, the proposals for the revision of the classification of "Paper, paperboard, and manufactures thereof" in the SITC.

15. The Commission may wish to recommend that when a major revision of the SITC is again undertaken, the matter of the classification of paper, paperboard, and manufactures thereof be given serious consideration in line with the OECD proposal and those of other international organizations and Governments.

16. The Commission may wish to recommend that, until such time as a periodic review and updating of the SITC as a whole is undertaken, countries whose trade in paper and paperboard is important obtain data for the categories proposed by OECD by subdividing the existing SITC headings as shown in the proposal of the United Nations Statistical Office.

17. Finally, the Commission may wish to recommend a standard procedure for dealing with such matters in the future.

Annex I

1.

Suggested Revision of S.I.T.C. Revised Groups 641 and 642

OECD Committee's suggested SITC/R-Revised Code Number	Commodity (English text description)	Commodity (French text description)	Present SITC/Revised Code Number	BTM Classifications
(1)	(2E)	(2F)	(3)	(4)
641	<u>Paper and Paperboard</u>	<u>Papiers et cartons</u>	641	
641.1	Newsprint	Papier journal	641.1	48.01 A
641.2	Other printing and writing paper (machine-made), in rolls or sheets	Autres papiers impression-écriture (fabriqués mécaniquement) en rouleaux ou en feuilles.	641.2	
641.2(1)	Uncoated	Non couchés	641.2(1)	48.01 B
641.2(2)	Coated	Couchés	641.2(2)	48.07 A
641.3	Wrapping and packaging paper and paperboard, coated and uncoated, in rolls or sheets	Papiers et cartons d'emballage et d'empaquetage, couchés et non couchés, en rouleaux ou en feuilles.		
641.3(1)	Vegetable parchment, greaseproof, glassine paper	Papiers sulfurisés véritables, simili- sulfurisés et papier cristal	641.9(1)	4803
641.3(2)	Kraft liner	Papiers kraft de couverture	ex 641.3	ex 4801 C
641.3(3)	Sack Kraft	Papiers kraft pour sacs	ex 641.3	ex 4801 C
641.3(4)	Fluting (Corrugating) paper except straw paper	Papiers de cannelure autres que paille	ex 641.3; ex 641.5	ex 4801C; ex 4801E
641.3(5)	Special foodboard	Cartons spéciaux pour l'alimentation	ex 641.3; ex 641.5; ex 641.9(5)	ex 4801C; ex 4801E; ex 4807B
641.3(6)	Folding boxboard except special foodboard	Cartons pour boîtes pliantes autres que les cartons spéciaux pour l'alimentation	ex 641.3; ex 641.5; ex 641.9(5)	
641.3(9)	Other wrapping and packaging paper and board	Autres papiers et cartons d'emballage et d'empaquetage	ex 641.3; ex 641.5	ex 4801C; ex 4801E;
641.4	Household and sanitary tissue, in rolls or sheets; special thin paper, in rolls or sheets	Papiers pour la maison et papiers hygiéniques; Papiers minces spéciaux.		
641.4(1)	Household and sanitary paper	Papiers pour la maison et papier hygiénique	ex 641.5; ex 641.9(3)	ex 4801E; ex 4805
641.4(2)	Special thin paper	Papiers minces spéciaux.	641.4; ex 641.5	ex 4801D; ex 4801E
641.5	Construction paper and paperboard in rolls or sheets	Papiers et cartons de construction en rouleaux ou en feuilles	ex 641.3; ex 641.5	ex 4801C; ex 4801E
641.9	Other paper and paperboard, in rolls or sheets	Autres papiers et cartons en rouleaux ou en feuilles		
641.9(1)	Other paper	Autres papiers	ex 641.3; ex 641.5; 641.7; ex 641.9(3); ex 641.9(5)	ex 4801C; ex 4801E; 4802; ex 4805; 4807B
641.9(2)	Other board	Autres cartons	ex 641.3; ex 641.5; 641.7; ex 641.9(3); ex 641.9(5)	ex 4801C; ex 4801E; 4802; ex 4805; 4807B
642	<u>Manufactures of paper or of paperboard (including articles made of paper pulp)</u>	<u>Papiers et cartons fabriqués mécaniquement (y compris les articles faits de pâtes à papier)</u>		

Annex I (continued)

2.

OECD Committee's suggested SITC/R-Revised Code Number (1)	Commodity (English text description) (2E)	Commodity (French text description) (2F)	Present SITC/R-Revised Code Number (3)	RTN Classifications (4)
642.1	Converted paper and paperboard (in rolls or sheets)	Papiers et cartons transformés (en rouleaux ou en feuilles)	ex 641.9	
642.1(1)	Composite paper and paperboard, in rolls or sheets	Papiers et cartons fabriqués mécaniquement en rouleaux ou en feuilles	641.9(2)	4804
642.1(2)	Fluted, (corrugated) etc. paper or paperboard, in rolls or sheets	Papiers ou cartons de cannelure (ondulés) etc., en rouleaux ou en feuilles	641.9(3)	4805 4806
642.1(3)	Ruled, lined or squared paper or paperboard, not otherwise printed, in rolls or sheets	Papiers et cartons simplement réglés, lignés ou quadrillés (sans autres impressions) en rouleaux ou en feuilles	641.9(4)	4808
642.1(4)	Filter blocks, slabs and plates, of paper pulp	Blocs ou plaques en pâte à papier pour masses filtrantes	641.9(6)	4808
642.1(5)	Wallpaper and lincrusta; window transparencies	Papiers de tenture, lincrusta et vitrauphanies	641.9(7)	4811
642.2	Paper bags, paperboard boxes and other containers, of paper or paperboard	Sachets en papier, boîtes en carton et autres emballages en papier ou carton	642.1	
642.2(1)	Packing containers of paper or paperboard	Contenants rigides en papier ou carton	642.1(1)	4816
642.2(2)	Filing containers of paper or paperboard	Contenants en papier ou carton, pour classement	642.1(2)	4817
642.3	Envelopes, writing blocks, letter pads and similar paper stationery, of the kind used in correspondence, n.e.s.	Enveloppes, papier à lettres en blocs, blocs sténo, et autres articles de correspondance n.d.s.	642.2	4814
642.4	Exercise books, registers albums, diaries, memorandum blocks and other stationery, of paper or paperboard	Cahiers, registres, albums, agendas, blocs mémorandums de bureau et autres articles scolaires, de bureau ou de papeterie en papier ou carton	642.3	4818
642.9	Articles of paper pulp, paper or paperboard, n.e.s. (including paper and paperboard, cut to size)	Articles en pâtes à papier, papiers ou cartons n.d.s. (y compris papiers et cartons coupés à format)	642.9	
642.9(1)	Cigarette paper, cut to size	Papier à cigarettes, découpé à format	642.9(1)	4810
642.9(2)	Carbon and other copying papers, cut to size	Papier carbone et autres papiers pour duplication, découpés à format	642.9(2)	4813

Annex I (continued)

OECD Committee's suggested SITC/R-Revised Code Number (1)	Commodity description (English text description) (2E)	Commodity description (French text description) (2F)	Present SITC/Revised Code Number (3)	BTW Classifications (4)
642.9(3)	Other paper and paperboard, cut to size	Autres papiers et cartons, découpés à format	642.9(3)	4815
642.9(4)	Bobbins, spools, cops, etc., of paper pulp, paper or paperboard	Tambours, bobines, busettes, etc. de pâte à papier, papiers et cartons	642.9(4)	4820
642.9(9)	Other articles of paper pulp, paper, paperboard or cellulose wadding	Autres ouvrages en pâte à papier, carton ou ouate de cellulose	642.9(9)	4821

It is suggested that SITC/R 641.6 (BTW 48.09) Fibreboards and other building boards of woodpulp or vegetable fibres, be transferred to SITC/R group 631 as sub-group 631.5.

ANNEX II

Suggested subdivisions to existing SITC headings made by Statistical Office
to meet OECD's requirements

<u>Existing SITC No.</u>	<u>Description</u>	<u>OECD's suggested Code No.</u>
641.3	Kraft paper and kraft paperboard	
	<u>Suggested subdivisions</u>	
641.31	Kraft liner	641.3(2)
641.32	Sack kraft	641.3(3)
641.33	Kraft fluting (corrugating) paper (except strawpaper)	ex 641.3(4)
641.34	Special kraft foodboard, uncoated	ex 641.3(5)
641.35	Kraft folding boxboard, uncoated (except special foodboard)	ex 641.3(6)
641.36	Kraft wrapping and packaging paper and paperboard, in rolls or sheets, n.e.s.	ex 641.3(9)
641.37	Kraft construction paper and paperboard	ex 641.5
641.38	Kraft paper, n.e.s.	ex 641.9(1)
641.39	Kraft paperboard, n.e.s.	ex 641.9(2)
641.5	Machine-made paper and paperboard, simply finished, in rolls or sheets, n.e.s.	
	<u>Suggested subdivisions</u>	
641.51	Fluting (corrugating) paper (except kraft and strawpaper)	ex 641.3(4)
641.52	Special foodboard, uncoated (except kraft)	ex 641.3(5)
641.53	Folding boxboard, uncoated (except kraft and special foodboard)	ex 641.3(6)
641.54	Wrapping and packaging paper and paperboard, n.e.s.	ex 641.3(9)
641.55	Household and sanitary tissue paper (except corrugated), in rolls or sheets	ex 641.4(1)
641.56	Special thin paper (except cigarette paper), in rolls or sheets	ex 641.4(2)
641.57	Construction paper and paperboard (except kraft)	ex 641.5
641.58	Other machine-made paper, in rolls or sheets	ex 641.9(1)
641.59	Other machine-made paperboard, in rolls or sheets	ex 641.9(2)
641.93	Corrugated, etc. paper and paperboard in rolls or sheets	
	<u>Suggested subdivisions</u>	
641.931	Corrugated household and sanitary tissue paper	ex 641.4(1)
641.932	Other corrugated paper in rolls or sheets	ex 641.9(1)
641.933	Other corrugated paperboard in rolls or sheets	ex 641.9(2)
641.934	Fluted (corrugated) paper and paperboard, converted, in rolls or sheets	642.1(2)
641.95	Paper and paperboard, impregnated, coated, etc., in rolls or sheets, other than printing and writing paper	
	<u>Suggested subdivisions</u>	
641.951	Special foodboard, coated	ex 641.3(5)
641.952	Folding boxboard, coated (except special foodboard)	ex 641.3(6)
641.959	Paper and paperboard, impregnated, coated, etc., n.e.s.	ex 641.9(2)

Note: If the aforementioned suggested subdivisions are made in the official statistics, users will be readily able to add the figures for the relative subdivisions to arrive at totals for the proposed headings (e.g., to obtain proposed code 641.4(2), add suggested Statistical Office subdivision "641.56" to existing SITC heading 641.4).

ANNEX III

1.

OECD's proposal for revision of Groups 641 and 642 of the SITC, Revised in terms of existing SITC, Revised headings and suggested subdivisions thereto proposed by Statistical Office

OECD's suggested Code No.	OECD Suggested Description	Existing Code No.	SITC, Revised heading Code No. of suggested subdivisions	
641	<u>Paper and Paperboard</u>			
641.1	Newsprint	641.1		
641.2	Other printing and writing paper (machine made), in rolls or sheets	641.2		
641.21	Uncoated	641.21		
641.22	Coated	641.22		
641.3	Wrapping and packaging paper and paperboard, coated and uncoated, in rolls or sheets			
641.31	Vegetable parchment, greaseproof, glassine paper	641.91		
641.32	Kraft liner		641.31	
641.33	Sack Kraft		641.32	
641.34	Fluting (Corrugating) paper except straw paper		641.33 + 641.51	
641.35	Special foodboard		641.34 + 641.52	+ 641.951
641.36	Folding boxboard except special foodboard		641.35 + 641.53	+ 641.952
641.39	Other wrapping and packaging paper and board		641.36 + 641.54	
641.4	Household and sanitary tissue, in rolls or sheets; special thin paper, in rolls or sheets			
641.41	Household and sanitary paper		641.55 + 641.931	
641.42	Special thin paper	641.4 +	641.56	
641.5	Construction paper and paperboard in rolls or sheets		641.37 + 641.57	
641.9	Other paper and paperboard, in rolls or sheets			
641.91	Other paper		641.38 + 641.58 + 641.932	
641.92	Other board	641.7 +	641.39 + 641.59 + 641.933 + 641.959	

ANNEX III (continued)

2.

<u>OECD's suggested Code No.</u>	<u>OECD Suggested Description</u>	<u>Existing Code No.</u>	<u>SITC, Revised heading Code No. of suggested subdivisions</u>
642	Manufactures of paper or of paperboard (including articles made of paper pulp)		
642.1	<u>Converted paper and paperboard (in rolls or sheets)</u>		
642.11	Composite paper and paperboard in rolls or sheets	641.92	
642.12	Fluted (corrugated) etc. paper or paperboard, in rolls or sheets		
642.13	Ruled, lined or squared paper or paperboard, not otherwise printed, in rolls or sheets	641.94	
642.14	Filter blocks, slabs and plates of paper pulp	641.96	
642.15	Wallpaper and linocrusta; window transparencies	641.97	
642.2	Paper bags, paperboard boxes and other containers. of paper or paperboard		
642.21	Packing containers of paper or paperboard	642.11	
642.22	Filing containers of paper or paperboard	642.12	
642.3	Envelopes, writing blocks, letter pads and similar paper stationery, of the kind used in correspondence, n.e.s.	642.2	
642.4	Exercise books, registers, albums, diaries, memorandum blocks and other stationery, of paper or paperboard	642.3	

ANNEX III (continued)

3.

<u>OECD's suggested Code No.</u>	<u>OECD Suggested Description</u>	<u>SITC, Revised heading</u>	
		<u>Existing Code No.</u>	<u>Code No. of suggested subdivisions</u>
642.9	Articles of paper pulp, paper or paperboard, n.e.s. (including paper and paperboard, cut to size)	642.9	
642.91	Cigarette paper, cut to size	642.91	
642.92	Carbon and other copying papers, cut to size	642.92	
642.93	Other paper and paperboard, cut to size	642.93	
642.94	Bobbins, spools, cops, etc., of paper pulp, paper or paperboard	642.94	
642.99	Other articles of paper pulp, paper, paperboard or cellulose wadding	642.99	

(proposed by Statistical Office of the European Communities)

New SITC-Code	Description	BTN heading	Rel. heading of SITC-rev.
<u>641</u>	<u>Paper and paperboard</u>		641
641.1	Newsprint paper	48,01 A	641.1
641.2	Other printing and writing paper (machine-made) in rolls or sheets		
641.21	Uncoated printing and writing paper	48,01 B	641.21
641.22	Coated printing and writing paper	48,07 A	641.22
641.3	Kraft paper and kraft paperboard	48,01 C	641.3
641.31 *	Kraft liner		
641.32 *	Sack kraft paper		
641.33 *	Packaging kraft paper		
641.34 *	Other kraft paper		
641.35 *	Kraft paper board		
641.4	Cigarette paper in bulk	48,01 D	641.4
641.5	Machine-made paper and machine-made paperboard in rolls or sheets, n.e.s.	48,01 E	641.5
641.51 *	Cellulose wadding		
641.52 *	Felt paper and felt paperboard, wool felt paper and wool felt paperboard, filter paper and filter paperboard		
641.53 *	Paper and paperboard, consisting of at least two different layers of paper or paperboard, rolled together in the wet state without the use of adhesive, e.g., duplex, triplex, and multiplex paperboard		
641.54 *	Strawpaper and straw paperboard		
641.55 *	Fluting (corrugating) paper		
641.56 *	Sulfit paper		
641.57 *	Other paper and other paperboard		
641.6	Fibreboards and other building boards of wood pulp or of vegetable fibres	48,09	641.6
641.7 *	Paper and paperboard, corrugated, creped, crinkled, etc., in rolls or sheets	48,05	641.93
641.71 *	Creped or crinkled paper		
641.72 *	Corrugated paper and paperboard		
641.73 *	By embossing or goffering designed or perforated paper and paperboard		
641.8 *	Paper and paperboard impregnated, coated, permeated, etc. in rolls or sheets, other than printing and writing paper	48,07	641.95
641.81 *	Paper and paperboard, coated, other than printing and writing paper		
641.82 *	Paper and paperboard, impregnated, permeated, surface-coloured or printed paper		
641.9	Paper and paperboard in rolls or sheets, n.e.s.		
641.91	Parchment paper or paperboard and imitations thereof	48,03	641.91
641.92	Composite paper and paperboard	48,04	641.92
641.94	Ruled or squared paper and paperboard	48,06	641.94
641.96	Filterblocks of paper pulp	48,08	641.96
641.97	Wallpaper and linocrusta	48,11	641.97
641.98 **	Hand-made paper and paperboard	48,02	641.7
<u>642</u>	<u>Articles made of paper pulp, of paper or of paperboard</u> unchanged		

* new item

** transposed item