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EXTERNAL TRADE STATISTICS

PROGRESS REPORT ON THE REVISION OF THE STANDARD
INTERNATIONAL TRADE CLASSIFICATION

Report of the Secretary-General

1. At its fifteenth session the Statistical Commission recommended, as one of the ad hoc projects of high priority, the revision of the Standard International Trade Classification (SITC) (E/4471, para. 159 (23)).
2. In compliance with the recommendation, a meeting of a group of experts to consider the general revision of SITC was convened by the Statistical Office at United Nations Headquarters from 17 to 21 November 1969. The meeting was attended by fifteen experts representing the following seven countries and eight international organizations: Australia, Brazil, France, Ghana, Japan, United Kingdom of Great Britain and Northern Ireland, United States of America, United Nations, United Nations Conference on Trade and Development, Food and Agriculture Organization of the United Nations, General Agreement on Tariffs and Trade, Customs Co-operation Council, European Economic Community, Inter-American Statistical Institute and Organization for Economic Co-operation and Development.
3. Countries and selected international organizations had been asked to communicate to the Statistical Office those headings of SITC which they considered required revision and to put forth any suggestions which they wished to make. A summary of these comments and suggestions was supplied to the experts in order to

facilitate their work in laying out the general outline of detailed work and in defining the areas for study in depth.

4. The group of experts, in general, agreed that the main objective of the revision of SITC was an improved classification which would reflect the current pattern of international trade while at the same time retaining a correlation with the Brussels Tariff Nomenclature (BTN) and preserving continuity with the past. A further objective, it was felt, was to provide a statistical classification useful for a variety of analytical purposes and for linking to other classifications, such as the International Standard Industrial Classification (ISIC) and the "Draft classification by broad economic categories" (E/CN.3/408).

5. The group recognized that a close link to BTN is highly desirable in terms of making the precision of definition achieved in BTN available to SITC; enabling the many countries whose tariff nomenclatures are based on BTN easily to recast customs data into the form of SITC for economic and statistical purposes; obtaining good reporting and achieving international comparability in the reporting of data. However, since BTN is designed specifically as a tariff nomenclature, it contains items which are not required in a classification based on economic criteria. The experts, therefore, recommended that where it is necessary to modify the one-for-one SITC/BTN relationship, this should be done by having a single statistical heading relate to one or more BTN headings. This modification permits continuation of the use of BTN to define SITC headings, facilitates comparable reporting and, at the same time, gives individual nations further freedom to subdivide SITC for their own analytical needs without the restrictions of the tariff distinctions of BTN.

6. A considerable amount of discussion by the group of the structure of the proposed revised SITC took place. Although some diversity of views on this issue existed, the discussions tended to move in the direction of attempting to find ways of accommodating changes with a minimum of disturbance to the existing structure. At the conclusion of the meeting, the participants were required to submit any recommendations supplementing those previously sent, taking account of the discussions at the meeting.

7. Some of the experts, after giving further thought and consideration to the question of grouping and structural changes to SITC, keeping in mind the views

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expressed by the group, at the meeting, provided the Statistical Office, early in 1970, with revised specific proposals.

8. The proposals of the experts, together with the results of the studies in depth, will be taken into account in preparing a draft of the revised SITC, which it is expected will be completed by the end of 1970 or early in 1971. The draft will then be circulated to Governments for comment.

9. Another meeting of the same group of experts will be scheduled for the latter part of 1971 to consider comments received from Governments and to finalize the revision before presenting it to the Commission in 1972.
