CLASSIFICATION BY BROAD ECONOMIC CATEGORIES

The fifth revision

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BEC

• Broad Economic Categories (BEC) is an international product classification

• Main purpose is to provide a set of broad product categories that can be utilized for the analysis of trade statistics – linked to end-use of products in SNA
  – Intermediate, Capital and Final Consumption
Why using BEC?

• Trade Research
  – the main focus has been on describing, assessing and explaining observed patterns in international trade, tariff effects, trade policy, and development economics

• Statistics
  – Product flow analysis of imported goods and services
BEC and GVC Analysis

• Trade in terms of end use categories may be useful to highlight relationships in trade of
  – Intermediate and final products

• Intermediate goods play important role in GVC analysis, with BEC Rev.5, more can be done
“Streamlined” Structure of BEC 5

Figure 2. BEC Rev.5 - Relationships

1) Broad Economic Categories
   1. Food, beverages, agriculture, catering
   2. Energy, mining, basic metals and chemicals
   3. Construction, housing, appliances, and furniture
   4. Textile apparel, footwear, and jewelry
   5. Transport equipment and travel services
   6. ICT, business, finance, and media
   7. Health, sports, cultural activities, and education
   8. Government and other

2) Product dimension
   - Goods
   - Services
   - Intermediate consumption
   - Gross fixed capital formation
   - Final consumption

3) SNA end use dimension
   - Intermediate consumption
   - Final consumption

4) Processing dimension
   - Primary
   - Processed

5) Specification dimension
   - Generic
   - Specific

6) Durability dimension
   - Durable
   - Non-durable
Inclusion of Services

• Due to growing importance of services; and growing interest to policymakers

• International sourcing for a wide range of services and business functions

→ Time to include services in the BEC classification
SERVICES FLOWS

- Services from country A to B
- Consumed in country B
- Used as inputs in country B
- Generic services (transport)
- Specific services (computer services)
## Breakdown of CPC and HS categories by top level BEC categories

<table>
<thead>
<tr>
<th>Category</th>
<th>BEC – Broad Economic Categories</th>
<th>CPC Services</th>
<th>HS Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td>Agriculture, forestry, fishing, food, beverages, tobacco</td>
<td>178</td>
<td>972</td>
</tr>
<tr>
<td>Category 2</td>
<td>Mining, quarrying, refinery, fuels, chemicals, electricity, water, waste treatment</td>
<td>75</td>
<td>983</td>
</tr>
<tr>
<td>Category 3</td>
<td>Construction, wood, glass, stone, basic metals, housing, electrical appliances, furniture</td>
<td>224</td>
<td>1313</td>
</tr>
<tr>
<td>Category 4</td>
<td>Textile, apparel, shoes, jewelry, leather</td>
<td>88</td>
<td>895</td>
</tr>
<tr>
<td>Category 5</td>
<td>Transport equipment and services, travel, postal services</td>
<td>136</td>
<td>180</td>
</tr>
<tr>
<td>Category 6</td>
<td>ICT, media, computers, business and financial services</td>
<td>289</td>
<td>441</td>
</tr>
<tr>
<td>Category 7</td>
<td>Health, pharmaceuticals, education, cultural, sport</td>
<td>126</td>
<td>178</td>
</tr>
<tr>
<td>Category 8</td>
<td>Government, military and other</td>
<td>168</td>
<td>139</td>
</tr>
<tr>
<td>Total</td>
<td>All products</td>
<td>1284</td>
<td>5101</td>
</tr>
</tbody>
</table>
Experience from Eurostat

➢ BEC Rev.5 brings together goods and services; and the end-use dimension

➢ For the first time Eurostat estimated the final and intermediate use of the EU trade in services – as an experimental statistics
EU total trade volumes, partner Extra-EU (Billion Euro)
What we did?

- Distribution of the **EBOPS items** to the relevant **BEC codes**;

- The **draft correlation table between CPC, BEC and EBOPS** - established by the Inter-agency Task Force of International Trade Statistics.
AN EXAMPLE
Thank you

Please send your comments to muryawan@un.org