



**Economic and Social Council**

UN LIBRARY

DEC 19 1984

Distr.  
GENERAL

E/CN.3/1985/7  
3 October 1984

ORIGINAL: ENGLISH

STATISTICAL COMMISSION  
Twenty-third session  
25 February-6 March 1985  
Item 5 of the provisional agenda\*

INTERNATIONAL ECONOMIC CLASSIFICATIONS

Harmonization of international economic classifications

Report of the Secretary-General

SUMMARY

At its twenty-second session, the Statistical Commission requested the Secretary-General to submit to it, at its twenty-third session, a progress report on the harmonization of international economic classifications. In addition, the Commission requested the submission to it of a draft of the part of the proposed revision of the International Standard Industrial Classification of All Economic Activities (ISIC) covering activities producing transportable goods, a draft of the proposed combined trade/production goods classification and a revised draft of the third revision of the Standard International Trade Classification (SITC).

The present report contains an outline of work on the Integrated System of Classifications of Activities and Products (SINAP) which forms the basis for the harmonization of international economic classifications (sect. I), information on the present situation and plans for the future with regard to the Harmonized Commodity Description and Coding System (HS) of the Customs Co-operation Council (CCC) (sect. II), as well as descriptions of the above-mentioned three drafts (sects. III-V). Points that the Commission may wish to discuss are also included (sect. VI).

\* E/CN.3/1985/1.

# CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
INTRODUCTION .....	1	3
I. INTEGRATED SYSTEM OF CLASSIFICATIONS OF ACTIVITIES AND PRODUCTS (SINAP) .....	2 - 12	3
II. DEVELOPMENT AND IMPLEMENTATION OF THE HARMONIZED COMMODITY DESCRIPTION AND CODING SYSTEM (HS) OF THE CUSTOMS CO-OPERATION COUNCIL (CCC) .....	13	5
III. REVISION OF THE INTERNATIONAL STANDARD INDUSTRIAL CLASSIFICATION OF ALL ECONOMIC ACTIVITIES (ISIC) .....	14 - 23	6
A. General remarks .....	14 - 16	6
B. Activities producing transportable goods .....	17 - 22	6
C. Activities producing non-transportable goods and services .....	23	7
IV. DEVELOPMENT OF THE COMBINED TRADE/PRODUCTION GOODS CLASSIFICATION .....	24 - 40	7
V. REVISION OF THE STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC) .....	41 - 48	10
VI. POINTS FOR DISCUSSION .....	49 - 50	12

## Annexes

I. AGENDA OF THE FOURTH SESSION OF THE WORKING GROUP ON WORLD LEVEL CLASSIFICATIONS, HELD IN LUXEMBOURG FROM 16 to 20 MAY 1983 .....	16
II. LIST OF DOCUMENTS BEFORE THE WORKING GROUP ON WORLD LEVEL CLASSIFICATIONS AT ITS FOURTH SESSION, HELD IN LUXEMBOURG FROM 16 to 20 MAY 1983 .....	17
III. AGENDA OF THE EXPERT GROUP MEETING ON HARMONIZATION OF ECONOMIC CLASSIFICATIONS, HELD AT UNITED NATIONS HEADQUARTERS FROM 12 TO 16 DECEMBER 1983 .....	20
IV. LIST OF DOCUMENTS BEFORE THE EXPERT GROUP MEETING ON HARMONIZATION OF ECONOMIC CLASSIFICATIONS, HELD AT UNITED NATIONS HEADQUARTERS FROM 12 TO 16 DECEMBER 1983 .....	21

## INTRODUCTION

1. The Statistical Commission, at its twenty-second session, considered the progress made in the harmonization of international economic classifications and in the third revision of the Standard International Trade Classification (SITC), and requested the Secretary-General to submit to it, at its twenty-third session, a progress report on the harmonization of international economic classifications. The Commission also requested the submission to it of a draft of the part of the proposed revised International Standard Industrial Classification of All Economic Activities (ISIC) covering activities producing transportable goods, a draft of the proposed combined trade/production goods classification and a revised draft of the third revision of SITC. 1/ The present report has been prepared in response to the Commission's requests. The above-mentioned three drafts, issued in a limited number of copies, will be circulated to the members of the Commission and other participants prior to the twenty-third session.

### I. INTEGRATED SYSTEM OF CLASSIFICATIONS OF ACTIVITIES AND PRODUCTS (SINAP)

2. The programme on the harmonization of international economic classifications (E/CN.3/494) was approved by the Statistical Commission at its nineteenth session 2/ and endorsed at subsequent sessions. The programme has as its goal the revision of ISIC 3/ and, directly linked to it, a product classification consisting of a combined trade/production goods classification and associated classifications of non-transportable goods and services. The combined trade/production goods classification is to use the subheadings of the Harmonized Commodity Description and Coding System (HS) of the Customs Co-operation Council (CCC) as building blocks. In addition, the Statistical Commission, at its twenty-second session, requested the Statistical Office of the United Nations Secretariat to undertake further work on the third revision of SITC, 4/ bearing in mind, among other things, the need for harmonization with ISIC and the Integrated System of Classification of Activities and Products (SINAP) but maintaining the character and structure of SITC. 5/

3. Another objective of the work is to harmonize ISIC and the other major international classifications of activities in particular the General Industrial Classification of Economic Activities within the European Communities (NACE) and, if possible, the Classification of the Branches of National Economy of the Council of Mutual Economic Assistance (CMEA) Member Countries (CBNE).

4. The basis for this harmonization will be formed by the Integrated System of Classifications of Activities and Products (SINAP), which is an interim classification drawn up under the auspices of the United Nations Statistical Office/Statistical Office of the European Communities Joint Working Group on World Level Classifications and prepared by the Statistical Office of the European Communities (EUROSTAT). The current draft SINAP consists of 95 identification headings, most of which are broken down into several activity and/or product categories.

/...

5. The work on the harmonization of economic classifications has been proceeding as follows:

(a) The development of tentative identification headings which are activity categories that are proposed to be introduced into ISIC and NACE (and also CBNE, if possible), generally at intermediate levels in the structure of each classification (such as at the three-digit major group level of ISIC); data compiled according to one of the classifications could then be simply recast within another at the level of the identification headings;

(b) The formulation of dissections of identification headings that could be considered for incorporation into ISIC and NACE; for ISIC, this would generally mean incorporation at the four-digit group level;

(c) The preparation of proposals for categories of goods that are considered suitable for use in both production and international trade statistics and that correspond to the identification headings and their proposed dissections.

In addition, it is proposed to draft categories of non-transportable goods and services that correspond to the identification headings and their dissections.

6. The identification headings, their dissections and the categories of goods and services have been viewed as categories to be included, as appropriate, in all individual classifications. These categories would then be the elements by which the individual classifications would be linked; they have been referred to as "SINAP elements" or "SINAP categories".

7. Proposals for SINAP categories of activities and transportable goods were considered by the United Nations Statistical Office/Statistical Office of the European Communities Joint Working Group on World Level Classifications at its fourth session which was held in Luxembourg from 16 to 20 May 1983. The Working Group also gave consideration to the most appropriate structure for the revised ISIC and proposals for the combined trade/production goods classification, as well as the revision of SITC in relation to the harmonization of classifications. The agenda for the session and the list of documents before the Working Group are given in annexes I and II respectively.

8. On the basis of the discussions held by the Working Group and subsequent written comments received from the participants, EUROSTAT prepared revised SINAP proposals which were used as the basis for the preparation of first drafts of the revision of the part of ISIC covering activities producing transportable goods 6/ and the combined trade/production goods classification. 7/ The proposals were also used as the basis for amendments to the draft of the third revision of SITC, which is aimed at improving the harmonization of SITC with ISIC and the combined trade/production goods classification. The first drafts of the partial revision of ISIC and the combined trade/production goods classification were considered by an expert group meeting on the harmonization of economic classifications which was convened at United Nations Headquarters from 12 to 16 December 1983. The revision of SITC in relation to the harmonization of classifications was also considered. The agenda for the meeting and the list of documents before the expert group are given in annexes III and IV, respectively.

/...

9. After the meeting of the expert group, the above-mentioned first drafts, together with the report of the meeting, were widely circulated in early 1984 to Governments and international organizations. The draft of the part of the proposed revised ISIC covering activities producing transportable goods and the draft of the proposed combined trade/production goods classification that are to be made available to members of the Commission were prepared taking into consideration, as far as possible in view of the very tight timing constraints, the discussions of the expert group and the subsequent comments received from members of the group, Governments and international organizations. 8/

10. It is now clear that the time made available for comment was insufficient. Many Governments were not able to provide comments as early as requested and, with the time constraints faced by the Statistical Office, it was not possible to give adequate consideration to some of the later comments in the preparation of the draft part of ISIC now before the Commission. It is proposed that these comments should be taken into consideration at a subsequent stage in finalizing the revision of ISIC.

11. Also, it is expected that a draft revision of the part of ISIC covering activities producing non-transportable goods and services and drafts of the classifications of non-transportable goods and services could be made available for consideration by the Statistical Commission at its twenty-fourth or twenty-fifth session.

12. On this basis, it is expected that the revision of ISIC, the development of the combined trade/production goods classification and the development of the classifications of non-transportable goods and services could be completed around 1990, when the revision of the System of National Accounts (SNA) is scheduled to be accomplished.

## II. DEVELOPMENT AND IMPLEMENTATION OF THE HARMONIZED COMMODITY DESCRIPTION AND CODING SYSTEM (HS) OF THE CUSTOMS CO-OPERATION COUNCIL (CCC)

13. The Harmonized Commodity Description and Coding System (HS) of the Customs Co-operation Council (CCC) was approved by CCC in June 1983 and the Convention has been opened for signature. In the Convention, 1 January 1987 is specified as the earliest date for its entry into force. The Council also approved corresponding amendments to the CCC Nomenclature for the Classification of Goods in Customs Tariffs (CCCN) 9/, with provision that they come into effect at the same time as HS. In addition, CCC has set up the Interim Harmonized System Committee and the Joint Working Party of the Nomenclature Committee and the Interim Harmonized System Committee. Explanatory notes to HS are being finalized with the expectation that they will be approved by CCC in 1985. Correlation tables between the present CCCN and HS are also being prepared. Work on an alphabetical index to HS and its explanatory notes, similar to that prepared for the present CCCN, will begin after the explanatory notes have been finalized.

III. REVISION OF THE INTERNATIONAL STANDARD INDUSTRIAL  
CLASSIFICATION OF ALL ECONOMIC ACTIVITIES (ISIC)

A. General remarks

14. The third revision of ISIC is unlike previous revisions of ISIC because of the additional requirement for its harmonization with other activity classifications and with goods classifications. This requirement has added considerable complexities and constraints that did not apply in the earlier revisions of ISIC.

15. The revised draft of the third revision does not contain introductory explanatory material, such as that in ISIC, Revision 2. <sup>3/</sup> The reason for this is that although the structure has been changed somewhat and the number of categories shown has been increased considerably, the purposes and nature of the classification remain unchanged. The number of levels and the decimal notation in the draft are the same as in the current version. No changes are contemplated in the way in which the classification is to be applied in international work and no changes or further suggestions are expected with regard to the matter of establishing national activity classifications that can be converted into ISIC.

16. The statistical units (establishment, kind-of-activity unit, ancillary unit, technical unit), however, may be subject to some adaptations. The development of modern practices in structuring economic units and the ongoing revision of SNA should be considered. Suggestions in this context from Governments will be welcomed. In its final form, ISIC will contain explanatory material on all of these matters.

B. Activities producing transportable goods

17. The draft of the part of the proposed third revision of ISIC covering activities producing transportable goods, which is to be made available to members of the Commission, shows the proposed structure, the descriptions of the four-digit groups and, in section 3, provides a broad comparison with the present ISIC and with the first draft that was circulated in early 1984 (see para. 9 above).

18. The structure of the draft differs from that of the present ISIC in a number of ways. The present single major division for manufacturing (major division 3) has been split into two in order to provide a separate major division for the manufacture of metal products, machinery and equipment (draft major division 3). The remaining manufacturing activities form major division 2 in the draft. (The present major divisions 1 and 2 are recorded as 0 and 1.) A change of this nature received wide support at the expert group meeting held in December 1983.

19. At the two-digit level, two of the present divisions have each been split into three divisions. The new separate divisions in the draft are: 25 (Manufacture of chemicals and chemical products), 26 (Manufacture of refined petroleum products, coke and nuclear fuel), 27 (Manufacture of rubber and plastic products), 32 (Manufacture of fabricated metal products, except machinery and equipment), 33 (Manufacture of machinery and equipment, except transport equipment) and 34 (Manufacture of transport equipment).

/...

20. At the three-digit level, the draft contains about 35 per cent more major groups than in the present ISIC and, at the four-digit level, it has about 60 per cent more groups. The three-digit major groups and the four-digit groups of the draft are based on the identification headings and their dissections mentioned in section I above.

21. In the preparation of the draft, attention was given to the need that had been expressed to provide for the separate identification of activities in developing countries for which modern techniques are used and of those for which traditional techniques are used. However, it was impossible to include such a distinction in the draft, in particular because of differing country practices in the identification of traditional techniques.

22. Attention was also given to recycling activities, in particular the transformation of unusable waste and scrap into usable waste and scrap by means of an industrial process. It was suggested that such activities should be included as a separate four-digit group in manufacturing, since they involve an appreciable amount of processing and capital equipment. However, it was also claimed that the processing was mainly associated with dealing and that such activities should be included in the services part of ISIC as a separate category within wholesale trade. For the current draft, the latter view was followed and a separate category for recycling activities is not shown.

#### C. Activities producing non-transportable goods and services

23. On the basis of the identification headings considered by the United Nations Statistical Office/Statistical Office of the European Communities Joint Working Group on World Level Classifications at its fourth session, work is under way in EUROSTAT on the preparation of proposals for SINAP categories relating to non-transportable goods and services. It is planned to complete the proposals in time for their consideration by the Working Group at its fifth session. It is expected that the draft revision of the relevant part of ISIC, as well as a draft of the second part of the product classification that will deal with non-transportable goods and services, will be available for the consideration of the Statistical Commission at its twenty-fourth or twenty-fifth session.

#### IV. DEVELOPMENT OF THE COMBINED TRADE/PRODUCTION GOODS CLASSIFICATION

24. The main purposes of the combined trade/production goods classification, as outlined in the programme on the harmonization of economic classifications approved by the Commission at its nineteenth session, are "the harmonization of activity, production and trade data, and the strengthening of the role of the national accounts and balances as an instrument for the co-ordination of economic statistics." 10/

25. The draft of the proposed classification towards this end. A high degree of harmonization has been achieved, specifically:

(a) A direct link exists between the four-digit level of the draft part of ISIC, and the four-digit level of the draft combined trade/production goods classification, in so far as this is permitted by the detailed subheadings of HS;

(b) The six-digit subclasses of the draft combined trade/production goods classification can be rearranged and aggregated to the three-digit groups of the revised draft of the third revision of SITC;

(c) The five-digit items of the revised draft of the third revision of SITC can be rearranged and aggregated to the six-digit subclasses of the draft combined trade/production goods classification.

26. In order to achieve the direct link to ISIC, the draft combined trade/production goods classification has been developed as an industrial-origin based classification of goods, derived from the draft part of ISIC. This aspect of the classification is modelled on a similar feature in the draft International Standard Classification of All Goods and Services (ICGS) 11/ which was also considered by the Commission at its nineteenth session.

27. Headings at the one-digit, two-digit and three-digit levels, in addition to headings at the four-digit level, are shown in the draft classification and are specified in terms of goods produced by a certain industry category (rather than merely as industry headings, as in ICGS). Showing only the names of the commodity groups, with no reference to the industry groups that produce them, was suggested by several experts.

28. At the expert group meeting held in December 1983, a number of experts expressed the view that in the combined trade/production goods classification, the commodities should be grouped and distinguished according to their physical properties, although a close relationship should be maintained with ISIC. They argued that, for several purposes, such groupings are more adequate, that the origin of many goods differs from country to country, that HS sometimes combines in one subheading commodities of different origin (see para. 34 below) and that the pure-origin approach has already been taken by ICGS. Other experts were of the opinion, however, that more effort should be exerted in drawing the combined trade/production goods classification into closer accordance with industrial origin.

29. The strict industrial-origin structure for the draft classification was adopted, taking into consideration that a goods classification with such a structure was required for a number of purposes for trade and production statistics and that a simple direct relationship between the combined trade/production goods classification and ISIC was more likely to be understood by users of statistics than a more complex relationship. As a result, some goods appearing in HS are not shown in the draft because they are produced in industries belonging to the second part of ISIC.

30. There is a one-to-one correspondence between the four-digit groups of the draft part of ISIC and the four-digit groups of the draft combined trade/production goods classification in all cases, except in two cases in which a combination of groups in the draft part of ISIC corresponds to a single group in the goods



classification and in two cases in which there are separate groups for miscellaneous waste products produced in a number of ISIC groups (as also occurs in ICGS).

31. The four-digit groups of the combined trade/production goods classification are subdivided into five-digit classes which are further subdivided into six-digit subclasses. The five-digit classes are intended to provide a strong linkage between the goods classification and ISIC and other activity classifications and the six-digit subclasses are intended to provide a more suitable basis for detailed comparisons of production and international trade statistics. There are 314 five-digit classes and 1,134 six-digit subclasses.

32. The corresponding HS code(s) is shown against each subclass, except in the case of refined petroleum products for which, as in the revised draft of the third revision of SITC, a further dissection of the HS subheading is made (see para. 48 below). The scope of each subclass is specified by reference to the HS code(s). For brevity in presentation, the HS codes have been shown in summary form wherever appropriate.

33. Also shown against each subclass is the three-digit code of the group in the revised draft of the third revision of SITC with which it is linked. The subclasses can be rearranged and aggregated to the three-digit groups of the revised draft of SITC. In order to achieve this, some significant changes from the SINAP proposals and the first draft of the combined trade/production goods classification were made, in particular with regard to chemicals.

34. Although efforts were made in the development of HS to incorporate industrial-origin distinctions, a number of cases remain in which goods characteristically produced in two or more industries are combined in an individual HS subheading. In some cases, this may be unavoidable. For instance, liquefied hydrocarbons are produced in large quantities in both the oil and gas mining industry and the petroleum refining industry. In the draft part of ISIC, those produced in the mining industry are designated characteristic products of mining and those produced in the refining industry are designated characteristic products of manufacturing. This distinction cannot be made in HS, since once the products are removed from the place of production, it may not be possible to identify the way in which they were produced. Accordingly, such products are shown in only one place in the draft combined trade/production goods classification and a note indicates their omission from the other place. In the preparation of the draft part of ISIC, efforts were made, in the interest of harmonization of goods classifications, to define industry groups in such a way as to reduce the incidence of such cases of overlapping to a minimum.

35. In other cases, an individual HS subheading combines separately identifiable goods that are characteristically produced in different industries. For instance, raw milk, produced in the agricultural industry, is combined in a single HS subheading with processed fresh liquid milk which is a product of the manufacturing industry. In this case and in similar cases, separate subclasses are shown in the draft combined trade/production goods classification, with the HS code being shown against only one of the subclasses and a note to indicate the HS treatment of the

goods. Notes such as this may be useful in the future in identifying the HS subheadings that require attention in the revision of HS.

36. Further work will be needed to identify all of the cases in the combined trade/production goods classification that need these sorts of treatment.

37. Further work will also be needed to ensure that in all cases the combined trade/production goods classification delineates goods, as far as possible, according to the three basic categories of economic use as specified in the System of National Accounts (SNA), namely capital formation, intermediate consumption and household consumption.

38. In addition, further work will be needed in relation to the select list of items characteristically produced in the mining, manufacturing, electricity and gas industries, for which the Statistical Office regularly compiles production data, and in relation to the items of agricultural, forestry and fishing products, for which the Food and Agriculture Organization of the United Nations (FAO) regularly compiles data. It is expected that these items will fit under the subclasses of the combined trade/production goods classification but some adjustments may be needed to achieve this.

39. The first draft of the proposed combined trade/production goods classification was circulated at the same time as the first draft of the part of ISIC covering activities producing transportable goods and similar problems were encountered regarding the time allowed for comment. It is proposed that the comments that could not be given adequate consideration in the preparation of the draft classification be taken into account in finalizing the classification.

40. The relationship between the proposed combined trade/production goods classification and the proposed classifications of non-transportable goods and services will need to be clarified as work continues on the harmonization of classifications. The form of association among those classifications will need to be determined. Alternatively, it may be decided to merge them into a single classification which would then, in principle, be like ICGS which covers both goods and services.

#### V. REVISION OF THE STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC)

41. The Statistical Commission, at its twenty-second session, considered a draft of the third revision of SITC 4/ and requested the Statistical Office to undertake further work on the third revision, taking into account the relevant comments and suggestions made by the Commission as well as any additional comments that might be made by users, and bearing in mind the need for harmonization with ISIC and SINAP, but maintaining the character and structure of SITC. The Commission requested the Statistical Office to submit the revised draft to it at its twenty-third session. 5/

42. The first and second revisions of SITC 12/ enjoyed close correlation with CCCN. 9/ This has been of considerable benefit since international trade statistics are normally obtained as a by-product of customs administration. A

revised CCCN, together with the new HS being developed under the auspices of the CCC, is scheduled to become effective on 1 January 1987. The need to maintain the close correlation with CCCN and to establish a relationship with HS has led to the need to revise SITC at the present time.

43. The development of HS is being undertaken in order to facilitate the identification of goods moving in international trade in terms of different classifications for purposes of customs, statistics and transport. It represents an expansion of the revised CCCN into 5,016 detailed categories which incorporate many of the distinctions required for these purposes.

44. In preparing the revised draft of the third revision of SITC, the Statistical Office has taken into account the need to co-ordinate ISIC, SINAP and SITC, the comments and suggestions received from national statistical offices and international organizations, as well as the views expressed by expert groups on the revision of SITC 13/ and on the harmonization of economic classifications. 14/ It has also taken into account the need for continuity with the previous versions of SITC, as well as the following considerations:

- (a) The nature of the merchandise and the materials used in its production;
- (b) The processing stage;
- (c) Market practices and the uses of the product;
- (d) The importance of the commodity in terms of world trade;
- (e) Technological changes.

45. The revised draft of the third revision of SITC is comprised of 10 sections (with one-digit codes), 67 divisions (with two-digit codes), 258 groups (with three-digit codes) and 1,014 subgroups (with four-digit codes). Of the subgroups, 751 have been divided into 2,840 items (with five-digit codes). Thus, the basic headings in the draft, that is, the items together with the undivided subgroups, provide a total of about 3,100 categories that constitute the most detailed individual headings of the draft.

46. The detailed individual headings represent combinations of the six-digit headings of HS (except in the case of refined petroleum products, see para. 48 below), and can be rearranged to provide the four-digit headings of the revised CCCN, as well as the six-digit headings of the draft combined trade/production goods classification.

47. As with the previous revisions of SITC, the third revision may be expanded, by further dividing the basic headings, or contracted, by showing data at the next highest level of commodity detail. Also, use may be made of the symbol "x" as a special code to refer to totals of relevant miscellaneous categories which, for some reason or other, may not be available in the detail recommended at the country level. For example, the group "cheese and curd" is divided into four headings at the four-digit level. If the total trade in the group is known, but for some

reason only "processed cheese, not grated or powdered" can be identified in the statistics, the data would be shown as follows:

024	Cheese and curd	Total
024.3	Processed cheese, not grated or powdered	A
		<hr/>
024.x		B = Total - A

The "x" in the last part of the code would automatically inform the user that the heading was not standard or necessarily comparable with goods identified by the same code for another country, since the commodities for which data were available could be very different. Such a method would also avoid the use of residual headings, such as 024.9 "other cheese", outside their precise definitions in the revised draft of the third revision of SITC.

48. In HS, a breakdown of refined petroleum products into individual types of products, such as that included in SITC, Revision 2, is not provided since it was not possible to reach international agreement on definitions of the individual products suitable for customs purposes. The possibility that, as a result, a breakdown may not be available in international trade statistics in the future has been a cause for concern among many users of statistics, particularly those involved in studies of energy. For this reason, a breakdown of these products has been included in the revised draft of the third revision of SITC, on the understanding that CCC might be willing to recommend that countries use a corresponding breakdown for statistical purposes in conjunction with HS. The headings shown in SITC, Revision 2, have been retained for this purpose and rearranged into three subgroups (at the four-digit level), distinguishing between light oils, medium oils, heavy oils and miscellaneous heavy preparations.

## VI. POINTS FOR DISCUSSION

49. The Commission may wish to review and approve the draft of the part of the proposed revised ISIC covering activities producing transportable goods, and the draft of the proposed combined trade/production goods classification, subject to the incorporation of amendments considered appropriate in the light of the comments received by the Statistical Office after the preparation of the drafts, as well as the other work required as noted above. The Commission may also wish to discuss the following points:

(a) The need for adaptations in the definition of the statistical units (see para. 16 above);

(b) The treatment of recycling activities in ISIC (see para. 22 above);

(c) The texts of the headings in the proposed combined trade/production goods classification at the one-digit to four-digit levels (see para. 27 above);

/...

(d) The strict one-to-one correlation between ISIC and the combined trade/production goods classification (see paras. 28 and 29 above);

(e) The future of the ICGS (see para. 28 above);

(f) The need for a commodity index to ISIC and the combined trade/production goods classification;

(g) Arrangements with CCC to ensure that any further revision of HS will take into account, to the extent possible, the industrial origin of goods (see paras. 34-35 above).

50. The Commission may also wish to review and approve the revised draft of the third revision of SITC. If the Commission approves the revised draft in its present form, it may also wish to discuss the following points:

(a) Arrangements for the implementation of the third revision of SITC, including:

(i) A recommendation that Governments, in particular those which presently compile data according to SITC, Revision 2, should, wherever convenient, use the third revision of SITC and that Governments implementing the provisions of section E of Economic and Social Council resolution 299 (XI) of 12 July 1950 for the first time should do so, if possible, on the basis of the third revision of SITC (it being understood that the Governments of Member States which have based customs nomenclatures on the original SITC or the first or second revisions thereof may not wish to make the change until they review their customs nomenclature, particularly when adopting HS);

(ii) A recommendation that Governments which are not able to adopt for certain commodities the full, detailed third revisions of SITC (e.g., when their trade does not justify compiling statistics in the detail provided by a given level of the third revision of SITC) should adopt the special coding procedures described in paragraph 47 above;

(iii) A request to CCC to recommend that members and customs and economic unions formed by certain members incorporate in their customs tariffs or in their statistical nomenclatures, to the extent possible, items of the third revision of SITC in cases in which HS is not fully applied;

(b) Arrangements with CCC regarding correlation between the third revision of SITC and HS, including:

(i) Arrangements to distinguish in HS the statistical subheadings required to provide the details of petroleum products that are necessary for the compilation of significant statistics in this important section;

(ii) Arrangements to ensure that any future revision of HS should take into account the needs that have arisen in the third revision of SITC;

/...

- (c) The need for commodity indexes to the third revision of SITC;
- (d) The need for a revision of the Classification by Broad Economic Categories (BEC) 15/ to take account of the third revision of SITC;
- (e) The need, in publishing the third revision of SITC, to include correlation codes between the third revision and SITC, Revision 2, HS, CCCN and BEC;
- (f) The need for the establishment, if possible, of correspondence tables between the third revision of SITC and the Standard Foreign Trade Classification of CMEA, in co-operation with the Conference of European Statisticians;
- (g) The publication of data by United Nations bodies in accordance with the third revision of SITC (with an adjustment for this purpose, in agreement with Member States of the United Nations, of data reported according to previous versions of SITC, wherever necessary);
- (h) The publication of data which show the effects of the more important differences between the second and third revisions of SITC.

#### Notes

- 1/ Official Records of the Economic and Social Council, 1983, Supplement No. 2 (E/1983/12 and Corr.1), paras. 51 and 75).
- 2/ Ibid., Sixty-second Session, Supplement No. 2 (E/5910), para. 128 (c).
- 3/ United Nations publication, Sales No. E.68.XVII.8.
- 4/ Provisional ST/ESA/STAT/SER.M/34/Rev.3. For the Standard International Trade Classification, Revision 2, see United Nations publication, Sales No. E.75.XVII.6.
- 5/ Official Records of the Economic and Social Council, 1983, Supplement No. 2 (E/1983/12 and Corr.1), para. 51 (a).
- 6/ (ESA/STAT/AC.19/3).
- 7/ (ESA/STAT/AC.19/4).
- 8/ The two drafts will be circulated as provisional documents (ST/ESA/STAT/SER.M/4/Rev.3(Part I) and ST/ESA/STAT/SER.M/77, respectively).
- 9/ Nomenclature for the Classification of Goods in Customs Tariffs, 5th ed. (Brussels, Customs Co-operation Council, 1976).
- 10/ E/CN.3/494, para. 36.
- 11/ E/CN.3/493 (Introduction and Parts I-IV).

Notes (continued)

12/ United Nations publications, Sales Nos. E.61.XVII.6 and E.75.XVII.6, respectively.

13/ "Report of the Expert Group Meeting on the Third Revision of the Standard International Trade Classification" (ESA/STAT/AC.14/3).

14/ United Nations Statistical Office/Statistical Office of the European Communities Joint Working Group on World Level Classifications, "Report of the fourth session of the Working Group" (UNSO/SOEC/4/7); "Report of the Expert Group Meeting on Harmonization of Economic Classifications" (ESA/STAT/AC.19/9); and Conference of European Statisticians, "Report on the meeting in economic classifications" (CES/AC.59/7).

15/ Classification by Broad Economic Categories: Defined in Terms of SITC, Rev. 2 (United Nations publication, Sales No. E.76.XVII.7).

Annex I

AGENDA OF THE FOURTH SESSION OF THE WORKING GROUP ON  
WORLD LEVEL CLASSIFICATIONS, HELD IN LUXEMBOURG FROM  
16 TO 20 MAY 1983

1. Adoption of agenda.
2. Reports of statistical bodies on classification questions.
3. Proposals for SINAP:
  - 3.1. Transportable goods;
  - 3.2. Non-transportable goods and services.
- 3 bis. Revision of SITC.
4. Structure of new ISIC and trade/production classification.
5. Further work.
6. Other business.
7. Date and place of next meeting.
8. Adoption of report of meeting.



Annex II

LIST OF DOCUMENTS BEFORE THE WORKING GROUP ON WORLD LEVEL  
CLASSIFICATIONS AT ITS FOURTH SESSION, HELD IN LUXEMBOURG  
FROM 16 TO 20 MAY 1983

<u>Document symbol</u>	<u>Agenda item</u>	<u>Title</u>
UNSO/SOEC/4/5	1	Provisional agenda
UNSO/SOEC/4/1/0	3.1	Presentation of the revised draft proposal for the harmonization of economic classifications (transportable goods)
UNSO/SOEC/4/1/1	3.1	Revised proposal for the harmonization of economic classifications
UNSO/SOEC/4/1/2	3.1	List of identification headings (transportable goods)
UNSO/SOEC/4/1/2/Rev.1	-	Revised list of identification headings (transportable goods)
UNSO/SOEC/4/2/0	3.2	Presentation of the counter-proposal to document UNSO/SOEC/3/6 dealing with IH services
UNSO/SOEC/4/2	3.2	Counter-proposal to document UNSO/SOEC/3/6 dealing with IH services
UNSO/SOEC/4/3	4	Structure of new ISIC
UNSO/SOEC/4/4	2	Reports of statistical bodies on classification questions: report on the twenty-second session of the Statistical Commission of the United Nations

/...

<u>Document symbol</u>	<u>Agenda item</u>	<u>Title</u>
UNSO/SOEC/4/4/Add.1	2	Report on the work of the Conference of Directors General of National Statistical Institutes of Member Countries of the European Communities (DGINS) in the field of harmonization of economic classifications
UNSO/SOEC/4/4/Add.2	2	Brief notes provided by the Council for Mutual Economic Assistance (CMEA) about some results of the co-operation between CMEA and the Economic Commission for Europe (ECE) of the United Nations in the field of comparisons and links of international classifications used by CMEA and the United Nations
UNSO/SOEC/4/4/Add.3	2	Activities of the Economic Commission for Europe in the field of economic classifications
UNSO/SOEC/4/6/1	3.1	Comments on the presentation document for transportable goods (UNSO/SOEC/4/1/0) and on the proposals for the identification headings 01-57 (UNSO/SOEC/4/1/1)
UNSO/SOEC/4/6/2	3.1 and 3 <u>bis</u>	Proposals for the harmonization of SINAP and SITC
UNSO/SOEC/4/6/3	3.1	Comments on document UNSO/SOEC/4/1/1: "Revised proposals for the harmonization of economic classifications"
UNSO/SOEC/4/6/4	3.1	FAO census items
UNSO/SOEC/4/6/5	3.1	Comments by OECD on categories 28x

/...

<u>Document symbol</u>	<u>Agenda item</u>	<u>Title</u>
UNSO/SOEC/4/6/6	6	A proposal for establishing common international acronyms (or abbreviated names)
UNSO/SOEC/4/6/7	6	Proposals for improving the descriptions in ISIC
UNSO/SOEC/4/DR/1 and addendum	8	Draft report: part 1
UNSO/SOEC/4/DR/2	8	Draft report: part 2
UNSO/SOEC/4/DR/3	8	Draft report: part 3
UNSO/SOEC/4/DR/4	8	Draft report: part 4

Annex III

AGENDA OF THE EXPERT GROUP MEETING ON HARMONIZATION OF ECONOMIC  
CLASSIFICATIONS, HELD AT UNITED NATIONS HEADQUARTERS, FROM  
12 to 16 DECEMBER 1983

1. Opening of meeting.
2. Election of officers.
3. Adoption of the agenda and other organizational matters.
4. Reports of statistical bodies on classification questions.
5. Revision of the part of the International Standard Industrial Classification of All Economic Activities (ISIC) covering activities producing transportable goods.
6. Development of the combined trade/production goods classification.
7. Revision of the Standard International Trade Classification (SITC).
8. Proposals for categories of activities producing non-transportable goods and services, and corresponding categories of non-transportable goods and services, for an Integrated System of Classifications of Activities and Products (SINAP).
9. Future work.
10. Other business.
11. Report of the meeting.

Annex IV

LIST OF DOCUMENTS BEFORE THE EXPERT GROUP MEETING ON HARMONIZATION  
OF ECONOMIC CLASSIFICATIONS, HELD AT UNITED NATIONS HEADQUARTERS,  
FROM 12 to 16 DECEMBER 1983

<u>Document symbol</u>	<u>Title</u>
ESA/STAT/AC.19/1	Provisional agenda
ESA/STAT/AC.19/2	Reports of statistical bodies on classification questions: report on the twenty-second session of the Statistical Commission of the United Nations (March 1983)
ESA/STAT/AC.19/2/Add.2 <u>a/</u>	Reports of statistical bodies on classification questions: activities of the Economic Commission for Europe in the field of economic classifications
ESA/STAT/AC.19/3	Revision of the part of the International Standard Industrial Classification of All Economic Activities (ISIC) covering activities producing transportable goods
ESA/STAT/AC.19/4	Proposals for the combined trade/production goods classification
ESA/STAT/AC.19/5	Revised proposal for the harmonization of economic classifications: transportable goods (SINAP 2: IH 01 - IH 56)
ESA/STAT/AC.19/6	Revised proposal for the harmonization of economic classifications: non-transportable goods and services (SINAP 2: IH 57 - IH 95)
ESA/STAT/AC.19/7	Harmonization between ISIC, NACE and SINAP
ESA/STAT/AC.19/8	Comments concerning guidelines, principles, broad structures etc. in economic classifications for discussion in the harmonization work of the United Nations

Notes

a/ ESA/STAT/AC.19/Add.1 was not issued.

-----