Commodity-Industry Classification Proxy:
A Correspondence Table between SITC Revision 2 and ISIC Revision 3

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Abstract

The correspondence table is one of the important tools in categorizing existing records into different perspective. It helps to understand the pattern of various economic activities from single source of data. Nevertheless, most of the existing correspondence tables have been focusing more on the latest classification and neglect the correspondence for the older version. Since some analysis would require longer series of data, therefore it is necessary to create a correspondence table for the earlier version of classification. This paper devoted to create a correspondence table between SITC Revision 2 and ISIC Revision 3 using a proxy method. The proxy is done using the SITC Rev.2 – SITC Rev.3 correspondence table and the SITC Rev.3 – ISIC Rev.3 correspondence table. This method has capable to directly find an industrial match for more than 98 percent of commodities under SITC Rev.3. For remaining commodities which industrial category cannot be matched directly, the identification was done automatically based on the closest code.

Keywords: UNSD, EUROSTAT, SITC Rev.2, SITC Rev.3, ISIC Rev.3, correspondence table

1. Introduction

Since the second half of 20th century, the advancement in the application of mathematics and statistics in economic study supported by rapid development of information and communication technology (ICT) has enabled economists to conduct a complex empirical analysis on many issues and problems related to the uncertainty and applicability of various theories in economic studies. Advancement in computer technology especially, has brought about to significant quantity and quality improvement of socioeconomics data that are crucial for experimental purpose.[1] Nevertheless, in many cases, experimental data is not always available, and if available—secondary data especially—is not in a ready-to-use form. It usually contains several problems such as irrelevancy and redundancy. For that reason, several international institutions and economists have established a standard references table and system. One of which is very important in the field of international trade analysis is the correspondence table. There several international agencies involve in establishing the correspondence tables. Two of the agencies which provide comprehensive references of the correspondence tables are the United Nation Statistics Division and the EUROSTAT of the European Commission.[2]

The correspondences tables created by these agencies, however, have been focusing more on the latest classification and given less attention to the older version. Although the older classifications do not provide details information compare to the latest version, the older version usually contains longer period of time series data. In any empirical analysis, the length of time series is one of the important criteria. For example, in the field of international trade study, a long time series data is necessary to analyze the trend and the life cycle of traded commodities and industries.

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[1] "Modern science would be inconceivable without computers to gather data and run models and simulations" Henderson, Harry (2009), Encyclopedia of Computer Science and Technology, Facts on File Inc, New York, p. V.

[2] Other agencies involve in establishing the correspondence table are the U.S. Economic Classification Policy Committee (ECPC), Statistics Canada, and Mexico's Instituto Nacional de Estadistica, Geografia e Informatica.