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Changes to services products in the Central Product Classification

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Classification Session

Contents

- 1. CPC revision process**
 - 2. Changes in the services part of CPC**
 - a. Transport services**
 - b. Health services**
 - c. Waste management services**
 - d. Professional services**
 - e. IT services and telecommunication services**
 - f. Tourism-related services**
 - g. Originals**
 - h. Other open questions**
 - 3. Future work**
- Annex 1. Summary account of changes in the services part of CPC**

1. CPC revision process

The revision process for the International Standard Industrial Classification of All Economic Activities (ISIC) and the Central Product Classification (CPC), both with a target date of 2007, is being conducted as a multi-stage process, in which subsequent rounds of discussion focus on general and then more detailed aspects of the revision process.

The first two sets of questions relating to the CPC have been circulated in 2001 and 2003. As a result of these discussions, agreed recommendations on the general scope and structure of the future CPC have emerged. The revision process of the CPC has now reached its next stage with the distribution of the first complete detailed draft for the CPC ver.2. This draft structure was distributed as a questionnaire to all statistical offices, seeking comments by end of September 2005.

Earlier rounds of discussion had determined some of the boundaries of this revision process. The most notable among them is certainly the decision not to apply major changes to the overall structure of the CPC for this revision. The discussion had focused earlier on whether the CPC structure should be completely industry-of-origin-based or completely demand based. However, a complete demand-based structure has not been successfully tested yet and experiences from the work on the North American Product Classification System (NAPCS) and a further investigation of COICOP-based structures may provide important inputs into such a structure. For that reason it was decided to maintain the overall structure of the CPC in this revision, rather than changing the structure now (to an industry-of-origin-based structure) and then have another major revision in 5 years. Since most CPC categories at the most detailed level can be linked to a single ISIC industry, an industry-of-origin-based structure may be provided as an alternate structure of the CPC.

The link to the International Standard Industrial Classification of All Economic Activities (ISIC) has the highest priority among users of the classification. While the structure of the CPC will not be rearranged to mirror the ISIC structure, i.e. there will be no industry-of-origin structure in the CPC, efforts will be undertaken to define CPC classes in a way that they uniquely correspond to a single activity in ISIC. This may require the introduction of additional detail in some cases.

Based on these previous agreements, the revision of the CPC now focuses on three major aspects: 1) to reflect changes to the Harmonized System, which go into effect in 2007, in the goods part of the CPC, 2) review the structure and detail of selected services in the CPC and 3) address detail issues for particular purposes, such as agricultural products, ICT and originals.

Discussions on the improvement of the link between the CPC and the Extended Balance of Payments Services Classification (EBOPS) are still ongoing. In most cases a link between EBOPS components and CPC groups (3-digit level) could be achieved. Some outstanding questions are related to the treatment of specific situations, like contract processing, in the underlying framework for EBOPS.

The review of selected services in the CPC has been based on country experiences and proposals that have been discussed in other forums, such as the Voorburg Group. A list of these service areas has been discussed in a previous Newsletter article and background documents had been made available for the previous round of consultations in 2004. The proposed structure for these areas generally follows these earlier proposals.

The feedback from the current consultation will be discussed at the Technical Subgroup meeting in October 2005, resulting in a revised draft of the CPC structure for 2007.

The complete CPC draft documents are available on the UNSD Classifications website at <http://unstats.un.org/unsd/cr/cpc-2.asp>

2. Changes in the services part of the CPC

a) Transport services

The divisions related to transportation have been reorganized. The most visible change is the criterion for delineating top-level categories. While the previous version of CPC subdivided transport services first according to the mode of transport, the revised proposal uses a passenger vs. freight transport split at the highest level. This was done to enhance the analytical use of the classification. Additional detail has been introduced to increase the usefulness of the classification and to provide better links to the Extended Balance of Payments Services Classification (EBOPS).

| Group | Class | Subclass | Description |
|-------|-------|----------|---|
| 64 | | | Passenger transport services |
| 641 | | | Local transport services of passengers |
| | 6411 | | Urban and suburban land transport services of passengers |
| | | 64111 | Urban and suburban railway transport services of passengers |
| | | 64112 | Urban and suburban scheduled road transport services of passengers |
| | | 64113 | Urban and suburban special-purpose scheduled road transport services of passengers |
| | | 64114 | Taxi services |
| | | 64115 | Rental services of passenger cars with operator |
| | | 64116 | Road transport services of passengers by man- or animal-drawn vehicles |
| | | 64117 | Mixed mode urban and suburban transportation services of passengers |
| | | 64118 | Local bus and coach charter services |
| | | 64119 | Other road transportation services of passengers, n.e.c. |
| | 6412 | | Local water transport services of passengers |
| | | 64121 | Inland water transport services of passengers by ferries |
| | | 64122 | Inland water transport services of passengers on cruises |
| | | 64129 | All other inland water transport services of passengers |
| 642 | | | Long distance transport services of passengers |
| | 6421 | 64210 | Interurban railway transport services of passengers |
| | 6422 | | Interurban road transport services of passengers |
| | | 64221 | Interurban scheduled road transport services of passengers |
| | | 64222 | Interurban special-purpose scheduled road transport services of passengers |
| | | 64223 | Long distance bus and coach charter services |
| | 6423 | | Long distance water transport services of passengers |
| | | 64231 | Coastal and transoceanic water transport services of passengers by ferries |
| | | 64232 | Coastal and transoceanic water transport services of passengers on cruise ships |
| | | 64239 | All other coastal and transoceanic water transport services of passengers |
| | 6424 | | Air transport services of passengers |
| | | 64241 | Scheduled air transport services of passengers |
| | | 64242 | Non-scheduled air transport services of passengers except for sightseeing |
| | | 64243 | Non-scheduled air transport services of passengers for sightseeing |
| | 6425 | 64250 | Space transport services of passengers |
| 65 | | | Freight transport services |
| 651 | | | Land transport services of freight |
| | 6511 | | Road transport services of freight |
| | | 65111 | Road transport services of freight by refrigerator vehicles |
| | | 65112 | Road transport services of freight by tank trucks or semi-trailers |
| | | 65113 | Road transport services of intermodal containers |
| | | 65114 | Road transport services of freight by man- or animal-drawn vehicles |
| | | 65115 | Moving services of household and office furniture and other goods |
| | | 65116 | Road transport services of letters and parcels |
| | | 65119 | Other road transport services of freight |
| | 6512 | | Railway transport services of freight |
| | | 65121 | Railway transport services of freight by refrigerator cars |
| | | 65122 | Railway transport services of freight by tanker cars |
| | | 65123 | Railway transport services of intermodal containers |
| | | 65124 | Railway transport services of letters and parcels |
| | | 65129 | Other railway transport services of freight |
| | 6513 | | Transport services via pipeline |
| | | 65131 | Transport services via pipeline of petroleum and natural gas |
| | | 65139 | Transport services via pipeline of other goods |
| | 6514 | 65140 | Miscellaneous local delivery services |
| 652 | | | Water transport services of freight |
| | 6521 | | Coastal and transoceanic water transport services of freight |
| | | 65211 | Coastal and transoceanic water transport services of refrigerated freight by refrigerator vessels |
| | | 65212 | Coastal and transoceanic water transport services of bulk liquid freight by tankers |
| | | 65213 | Coastal and transoceanic water transport services of intermodal containers by container ships |
| | | 65219 | Other coastal and transoceanic water transport services of other freight |

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| | 6522 | | Inland water transport services of freight |
| | | 65221 | Inland water transport services of freight by refrigerator vessels |
| | | 65222 | Inland water transport services of freight by tankers |
| | | 65229 | Other inland water transport services of freight |
| 653 | | | Air and space transport services of freight |
| | 6531 | | Air transport services of freight |
| | | 65311 | Air transport services of letters and parcels |
| | | 65319 | Air transport services of other freight |
| | 6532 | 65320 | Space transport services of freight |

b) Health services

Dynamic growth, structural changes and increasing complexity in the health care sector of economies worldwide warrant changes in the structure of the product classification to adequately reflect current economic realities.

The OECD has published a System of Health Accounts that proposes an International classification for Health Accounts (SHA-ICHA) which contains three components: functions of health care, industries of health care providers and sources of finance for health accounts. In the elaboration of the revised CPC, account has been taken of the functional classification of the ICHA, (ICHA-HC). In the services area, the broad structure of this classification includes: services of curative care, services of rehabilitative care, services of long-term nursing care, ancillary services to health care, prevention and public health services and health administration and health insurance.

In the new structure, the division for health services has been restricted to Human health, i.e. excluding veterinary services from this division (now in group 834 under Professional, technical and business services), also reflecting a similar treatment in the revised ISIC.

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| 93 | | | Human health and social care services |
| 931 | | | Human health services |
| | 9311 | 93110 | Inpatient services |
| | 9312 | | Medical and dental services |
| | | 93121 | General medical services |
| | | 93122 | Specialized medical services |
| | | 93123 | Dental services |
| | 9319 | | Other human health services |
| | | 93191 | Deliveries and related services, nursing services, physiotherapeutic and paramedical services |
| | | 93192 | Ambulance services |
| | | 93193 | Services of medical laboratories and diagnostic imaging |
| | | 93199 | Other human health services n.e.c. |
| 932 | | | Residential care services for the elderly and disabled |
| | 9321 | 93210 | Residential health facilities services other than hospital services |
| | 9322 | 93220 | Welfare services delivered through residential institutions to elderly persons and persons with disabilities |
| 933 | 9330 | 93300 | Other social services with accommodation |
| 934 | | | Social services without accommodation for the elderly and disabled |
| | 9341 | 93410 | Vocational rehabilitation services |
| | 9349 | 93490 | Other social services without accommodation for the elderly and disabled |

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| 935 | | | Other social services without accommodation |
| | 9351 | 93510 | Child day-care services |
| | 9352 | 93520 | Guidance and counselling services n.e.c. related to children |
| | 9353 | 93530 | Welfare services without accommodation |
| | 9354 | 93540 | Other social services without accommodation |

c) Waste management services

The area of products related to environment and waste in particular, is emerging as one of increasing interest globally. As a consequence there was more pressure to take the opportunity to better reflect these areas during the revision of the product classification. The proposed CPC structure has been developed based on a proposal presented to the Voorburg group in 2003. This proposal was reflecting work on the North American Product Classification System (NAPCS) for this area, which had used a broadly consultative process involving businesses, associations and academics with the objective of arriving at new and representative product detail for inclusion in NAPCS.

Reflected in the CPC structure are non-hazardous waste collection, waste treatment and disposal services, hazardous waste collection and waste treatment and disposal services and other environmental protection services. Environmental consulting services are also recognized, however under a different group.

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| 94 | | | Sewage and refuse disposal, sanitation and other environmental protection services |
| 941 | | | Sewage services |
| | 9411 | 94110 | Sewage treatment services |
| | 9412 | 94120 | Tank emptying and cleaning services |
| 942 | | | Refuse collection, treatment and disposal services |
| | 9421 | | Collection services of non-hazardous waste |
| | | 94211 | Collection services of non-hazardous waste, residential |
| | | 94212 | Collection services of non-hazardous recyclable materials, residential |
| | | 94213 | Collection services of non-hazardous waste, non-residential |
| | | 94214 | Collection services of non-hazardous recyclable materials, non-residential |
| | 9422 | | Non-hazardous waste consolidation, treatment, and disposal services |
| | | 94221 | Non-hazardous waste consolidation, storage and preparation services |
| | | 94222 | Non-hazardous recyclable materials consolidation, storage, and preparation services |
| | | 94223 | Sanitary landfill services, non-hazardous waste |
| | | 94224 | Other landfill services, non-hazardous waste |
| | | 94225 | Incineration of non-hazardous waste |
| | | 94229 | Other non-hazardous waste treatment and disposal services |
| | 9423 | | Collection services of hazardous waste |
| | | 94231 | Collection services of hazardous waste, residential |
| | | 94232 | Collection services of hazardous medical and other biohazardous waste |
| | | 94233 | Collection services of hazardous waste, business (except medical and other biohazardous waste) |
| | 9424 | | Hazardous waste treatment and disposal services |
| | | 94241 | Hazardous waste consolidation, storage and preparation services |
| | | 94242 | Hazardous waste treatment services |
| | | 94243 | Hazardous waste disposal services |
| | | 94249 | Other hazardous waste management services |
| 943 | | | Remediation services |

| Group | Class | Subclass | Description |
|-------|-------|----------|---|
| | 9431 | | Site remediation clean-up services |
| | | 94311 | Site remediation clean-up services, air |
| | | 94312 | Site remediation clean-up services, water |
| | | 94313 | Site remediation clean-up services, soil |
| | 9432 | 94320 | Site remediation containment, control and monitoring services and other site remediation services, n.e.c. |
| | 9433 | 94330 | Building remediation services |
| | 9439 | 94390 | Other remediation services, n.e.c. |
| 944 | | | Sanitation and similar services |
| | 9441 | 94410 | Sweeping and snow removal services |
| | 9449 | 94490 | Other sanitation services |
| 949 | 9490 | 94900 | Other environmental protection services n.e.c. |

d) Professional services

A number of groups for specific professional, technical and business activities have been revised. These revisions are based on the proposals presented already in the 2004 CPC questionnaire and affect accounting and bookkeeping services, employment services, management consulting services, architectural and engineering services. The proposed changes better reflect the outputs of the corresponding ISIC industries, based on the way transactions for these outputs are recorded and reported by establishments. For instance architectural services have been regrouped to reflect the type of project to which they are related, rather than the stage in the overall architectural planning and execution process.

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| 82 | | | Legal and accounting services |
| 821 | | | Legal services |
| | 8211 | | Legal advisory and representation services in the different fields of law |
| | | 82111 | Legal advisory and representation services concerning criminal law |
| | | 82119 | Legal advisory and representation services in judicial procedures concerning other fields of law |
| | 8212 | 82120 | Legal advisory and representation services in statutory procedures of quasi-judicial tribunals, boards, etc. |
| | 8213 | 82130 | Legal documentation and certification services |
| | 8219 | | Other legal services |
| | | 82191 | Arbitration and conciliation services |
| | | 82199 | Other legal services n.e.c. |
| 822 | | | Accounting, auditing and bookkeeping services |
| | 8221 | | Auditing services |
| | | 82211 | Financial auditing services |
| | | 82212 | Other auditing services |
| | 8222 | | Accounting and bookkeeping services |
| | | 82221 | Bookkeeping services |
| | | 82222 | Payroll services |
| | | 82223 | Other accounting services |
| 823 | | | Tax consultancy and preparation services |
| | 8231 | 82310 | Corporate tax consulting and preparation services |
| | 8232 | 82320 | Individual tax preparation and planning services |
| 824 | 8240 | 82400 | Insolvency and receivership services |

| Group | Class | Subclass | Description |
|-------|-------|----------|---|
| 83 | | | Other professional, technical and business services |
| 831 | | | Consulting and management services; information technology services |
| | 8311 | | Management consulting services |
| | | 83111 | Strategic management consulting services |

| Group | Class | Subclass | Description |
|-------|-------|----------|---|
| | | 83112 | Financial management consulting services |
| | | 83113 | Human resources management consulting services |
| | | 83114 | Marketing management consulting services |
| | | 83115 | Operations management consulting services |
| | | 83119 | Supply chain and other management consulting services |
| 8312 | | | Business consulting services |
| | | 83121 | Public relations services |
| | | 83129 | Other business consulting services |
| 8313 | | | Scientific and technical consulting services n.e.c. |
| | | 83131 | Environmental consulting services |
| | | 83139 | Other scientific and technical consulting services n.e.c. |
| 8314 | | | Information technology (IT) technical consulting and support services |
| | | 83141 | IT technical consulting services |
| | | 83142 | IT technical support services |
| 8315 | | | Information technology (IT) design and development services |
| | | 83151 | IT design and development services for applications |
| | | 83152 | IT design and development services for networks and systems |
| | | 83153 | Software originals |
| 8316 | | | Hosting and information technology (IT) infrastructure provisioning services |
| | | 83161 | Website hosting services |
| | | 83162 | Application service provisioning |
| | | 83163 | Business process management services |
| | | 83169 | Other IT infrastructure provisioning services |
| 8317 | | | IT infrastructure and network management services |
| | | 83171 | Network management services |
| | | 83172 | Computer systems management services |
| 8319 | | 83190 | Other management services, except construction project management services |
| 832 | | | Architectural services, urban and land planning and landscape architectural services |
| | | 8321 | Architectural services |
| | | 83211 | Architectural services for residential building projects |
| | | 83212 | Architectural services for non-residential building projects |
| | | 83213 | Historical restoration architectural services |
| | | 83214 | Architectural advisory services |
| 8322 | | | Urban and land planning services |
| | | 83221 | Urban planning services |
| | | 83222 | Rural land planning services |
| | | 83223 | Project site master planning services |
| 8323 | | | Landscape architectural services |
| | | 83231 | Landscape architectural services for residential building projects |
| | | 83232 | Landscape architectural services for non-residential building projects |
| | | 83233 | Landscape architectural services for recreational and open-space projects |
| | | 83234 | Landscape architectural services - specific elements |
| | | 83235 | Landscape architectural advisory services |
| 833 | | | Engineering services |
| | | 8331 | Engineering services for building projects |
| | | 83311 | Engineering services for residential building projects |
| | | 83312 | Engineering services for commercial, public and institutional building projects |
| 8332 | | | Engineering services for industrial and manufacturing projects |
| | | 83321 | Engineering services for industrial and manufacturing plant and process projects |
| | | 83322 | Engineering services for industrial and manufacturing product design projects |
| 8333 | | | Engineering services for transportation projects |
| | | 83331 | Engineering services for highway and roadway projects |
| | | 83332 | Engineering services for aviation facility projects |
| | | 83333 | Engineering services for marine and inland water facility projects |
| | | 83334 | Engineering services for railway projects |
| | | 83335 | Engineering services for mass transit projects |
| | | 83339 | Engineering services for other transportation projects |
| 8334 | | | Engineering services for utilities projects |
| | | 83341 | Engineering services for water collection, distribution, treatment, and disposal projects |

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| | | 83342 | Engineering services for household garbage collection and disposal projects |
| | | 83349 | Engineering services for other utilities projects |
| | 8335 | | Engineering services for power projects |
| | | 83351 | Engineering services for power generating unit projects |
| | | 83352 | Engineering services for power transmission and distribution projects |
| | 8336 | | Engineering services for telecommunications and broadcasting projects |
| | | 83361 | Engineering services for wireless network projects |
| | | 83362 | Engineering services for wireline network projects |
| | | 83363 | Engineering services for television and radio broadcasting projects |
| | | 83369 | Engineering services for other telecommunications and broadcasting projects |
| | 8337 | | Engineering services for hazardous and industrial waste projects |
| | | 83371 | Engineering services for hazardous waste remediation projects |
| | | 83372 | Engineering services for industrial waste collection, treatment, and disposal projects |
| | 8338 | 83380 | Engineering services for other projects |
| | 8339 | | Engineering advisory services |
| | | 83391 | Engineering expert witness services |
| | | 83392 | Engineering forensic investigation services |
| | | 83399 | Other engineering advisory services |
| 834 | | | Veterinary services |
| | 8341 | 83410 | Veterinary services for pet animals |
| | 8342 | 83420 | Veterinary services for livestock |
| | 8349 | 83490 | Other veterinary services |
| 835 | | | Scientific and other technical services |
| | 8351 | 83510 | Geological, geophysical and other prospecting services |
| | 8352 | 83520 | Subsurface surveying services |
| | 8353 | 83530 | Surface surveying services |
| | 8354 | 83540 | Map-making services |
| | 8355 | 83550 | Weather forecasting and meteorological services |
| | 8356 | | Technical testing and analysis services |
| | | 83561 | Composition and purity testing and analysis services |
| | | 83562 | Testing and analysis services of physical properties |
| | | 83563 | Testing and analysis services of integrated mechanical and electrical systems |
| | | 83564 | Technical inspection services of road transport vehicles |
| | | 83569 | Other technical testing and analysis services |
| 836 | | | Advertising services and provision of advertising space or time |
| | 8361 | | Planning, creating and placement services of advertising |
| | | 83611 | Full service advertising |
| | | 83612 | Direct marketing and direct mail services |
| | | 83613 | Advertising design and concept development |
| | | 83619 | Other advertising services |
| | 8362 | 83620 | Purchase or sale of advertising space or time, on commission |
| | 8363 | | Sale of advertising space or time (except on commission) |
| | | 83631 | Sale of advertising space in print media (except on commission) |
| | | 83632 | Sale of TV/radio advertising time (except on commission) |
| | | 83633 | Sale of Internet advertising space (except on commission) |
| | | 83639 | Sale of other advertising space or time (except on commission) |
| 837 | 8370 | 83700 | Market research and public opinion polling services |
| 838 | | | Photographic services and photography processing services |
| | 8381 | | Photographic services |
| | | 83811 | Portrait photography services |
| | | 83812 | Advertising and related photography services |
| | | 83813 | Action photography services |
| | | 83814 | Specialty photography services |
| | | 83815 | Restoration and retouching services of photography |
| | | 83819 | Other photographic services |
| | 8382 | 83820 | Photography processing services |
| 839 | | | Other professional, technical and business services n.e.c. |
| | 8391 | | Specialty design services |
| | | 83911 | Interior design services |
| | | 83912 | Other specialty design services |

| Group | Class | Subclass | Description |
|-------|-------|----------|---|
| | 8392 | 83920 | Translation and interpretation services |
| | 8399 | 83990 | All other professional, technical and business services, n.e.c. |

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| 85 | | | Support services |
| 851 | | | Employment services |
| | 8511 | | Personnel search and referral services |
| | | 85111 | Executive/retained search services |
| | | 85112 | Permanent placement services, other than executive search services |
| | 8512 | | Labour supply services |
| | | 85121 | Contract staffing services |
| | | 85122 | Temporary staffing services |
| | | 85123 | Long-term staffing [payrolling] services |
| | | 85124 | Temporary staffing-to-permanent placement services |
| | | 85125 | Co-employment staffing services |
| 852 | | | Investigation and security services |
| | 8521 | 85210 | Investigation services |
| | 8522 | 85220 | Security consultation services |
| | 8523 | 85230 | Security systems services |
| | 8524 | 85240 | Armoured car services |
| | 8525 | 85250 | Guard services |
| | 8529 | 85290 | Other security services |
| 853 | | | Cleaning services |
| | 8531 | 85310 | Disinfecting and exterminating services |
| | 8532 | 85320 | Window cleaning services |
| | 8533 | 85330 | General cleaning services |
| | 8534 | 85340 | Specialized cleaning services |
| 854 | 8540 | 85400 | Packaging services |
| 855 | | | Travel agency, tour operator and related services |
| | 8551 | | Travel agency services and other reservation services |
| | | 85511 | Reservation services for airline seats |
| | | 85512 | Reservation services for cruises |
| | | 85513 | Reservation services for rail seats |
| | | 85514 | Reservation services for vehicle rental |
| | | 85515 | Reservation services for lodging |
| | | 85516 | Reservation services for packaged tours |
| | | 85517 | Other reservation services, n.e.c. |
| | | 85518 | Time-share exchange services |
| | | 85519 | Reservation services for event tickets and other entertainment and recreational services |
| | 8552 | 85520 | Tour operator services |
| | 8553 | 85530 | Tourist guide services |
| | 8554 | | Convention assistance and tourism promotion services |
| | | 85541 | Convention assistance services |
| | | 85542 | Tourism promotion services |
| | | 85549 | Visitor information services |
| 859 | | | Other support services |
| | 8591 | 85910 | Credit reporting services |
| | 8592 | 85920 | Collection agency services |
| | 8593 | | Telephone-based support services |
| | | 85931 | Telephone call centre services |
| | | 85939 | Other telephone-based support services |
| | 8594 | 85940 | Combined office administrative services |
| | 8595 | | Specialized office support services |
| | | 85951 | Duplicating services |
| | | 85952 | Mailing list compilation and mailing services |
| | | 85953 | Document preparation and other specialized office support services |
| | 8596 | 85960 | Trade fair and exhibition organization services |
| | 8599 | | Other support services n.e.c. |
| | | 85991 | Landscape care and maintenance services |
| | | 85999 | Other support services n.e.c. |

e) IT services and telecommunication services

The previous CPC classes for computer consulting services have been restructured to better reflect the products now being offered by the IT services industry.

The structure in division 84 has been adapted to reflect the changed nature of the products provided by the telecommunications industry. In particular, new detail in group 842 (Internet telecommunications services) and 843 (Online information provision services) has been introduced and a separate group 846 (Broadcasting, programming and programme distribution services) has been created. This structure better reflects the outputs of the restructured telecommunications industry in ISIC.

Changes in this area are described in detail in a separate paper presented to the Voorburg Group.

f) Tourism-related services

The Recommended Methodological Framework of the Tourism Satellite Account (TSA-RMF) has integrated the economic measurement and analysis of Tourism into the System of National Accounts (SNA93) and in particular into the Production Accounts of the SNA. The recommended classifications of activities and products for SNA 93 are ISIC and the CPC. The TSA framework focuses attention on the products purchased by “visitors” and the activities that produce them and describes them as Tourism characteristic products and activities and Tourism specific products and activities. For purposes of analysis, these products and activities need to be situated within the context of overall domestic production, exports and imports in the economy, for which it is necessary that they too be defined in terms of the same international standard classifications.

The CPC structure has been reviewed to establish detail that is helpful for creating aggregations of tourism-related products. This is reflected in changes in accommodation and real estate services, food and beverage-serving services, passenger transport services, travel agency, tour operator and other reservation services and selected recreational services. Most notable for the latter is the restructuring of the CPC group for audio-visual and related services.

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| 63 | | | Lodging, food and beverage services |
| 631 | | | Lodging services for visitors |
| | 6311 | | Room or unit lodging for visitors |
| | | 63111 | Room or unit lodging for visitors, with housekeeping and other services |
| | | 63112 | Room or unit lodging for visitors, with limited housekeeping services |
| | | 63113 | Unit lodging with kitchens for visitors, with or without housekeeping services |
| | | 63114 | Unit lodging with kitchens for visitors, in time-share properties |
| | | 63115 | Lodging for visitors, in rooms for multiple occupancy |
| | 6312 | 63120 | Recreational vehicle and tent sites for visitors |
| | 6313 | 63130 | Recreational vacation camps |
| 632 | | | Other lodging services for visitors and others |
| | 6321 | 63210 | Room or unit lodging for students in student residences |

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| | 6322 | 63220 | Room or unit lodging for workers in workers hostels or camps |
| | 6329 | 63290 | All other room or unit lodging |
| 633 | | | Food serving services |
| | 6331 | 63310 | Meal serving services with full restaurant services |
| | 6332 | 63320 | Meal serving services in limited-service facilities |
| | 6333 | 63330 | Food service concession services |
| | 6334 | 63340 | Event catering services |
| | 6335 | | Contract food services |
| | | 63351 | Contract food services for transportation operators |
| | | 63359 | Other contract food services |
| | 6339 | 63390 | Other food serving services |
| 634 | 6340 | 63400 | Beverage serving services for consumption on the premises |

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| 855 | | | Travel agency, tour operator and related services |
| | 8551 | | Travel agency services and other reservation services |
| | | 85511 | Reservation services for airline seats |
| | | 85512 | Reservation services for cruises |
| | | 85513 | Reservation services for rail seats |
| | | 85514 | Reservation services for vehicle rental |
| | | 85515 | Reservation services for lodging |
| | | 85516 | Reservation services for packaged tours |
| | | 85517 | Other reservation services, n.e.c. |
| | | 85518 | Time-share exchange services |
| | | 85519 | Reservation services for event tickets and other entertainment and recreational services |
| | 8552 | 85520 | Tour operator services |
| | 8553 | 85530 | Tourist guide services |
| | 8554 | | Convention assistance and tourism promotion services |
| | | 85541 | Convention assistance services |
| | | 85542 | Tourism promotion services |
| | | 85549 | Visitor information services |

| Group | Class | Subclass | Description |
|-------|-------|----------|--|
| 961 | | | Audio-visual and related services |
| | 9611 | | Sound recording services |
| | | 96111 | Sound recording services |
| | | 96112 | Live recording services |
| | | 96113 | Sound recording originals |
| | 9612 | | Motion picture, video tape, television and radio programme production services |
| | | 96121 | Motion picture, video tape and television programme production services |
| | | 96122 | Radio programme production services |
| | | 96123 | Motion picture, video tape, television and radio programme originals |
| | 9613 | | Audio-visual post-production services |
| | | 96131 | Audio-visual editing services |
| | | 96132 | Transfers and duplication of masters services |
| | | 96133 | Colour correction and digital restoration services |
| | | 96134 | Visual effects services |
| | | 96135 | Animation services |
| | | 96136 | Captioning, titling and subtitling services |
| | | 96137 | Sound editing and design services |
| | | 96139 | Other post-production services |
| | 9614 | 96140 | Motion picture, video tape, television and radio program distribution services |
| | 9615 | | Motion picture and video tape projection services |
| | | 96151 | Motion picture projection services |
| | | 96152 | Videotape projection services |

g) Originals

The previous versions of the CPC did not provide adequate categories for the classification of originals, in particular intangible originals. Originals here are the outputs of a creative activity that has been undertaken on own risk. The output is therefore not a service that is being provided; the transaction is performed on a produced form of knowledge. These outputs, covering originals works of art, software originals, original outputs of research and development activities etc. are classified in the same divisions as the services that can be produced by the same activities. It is being recognized that the originals carry all characteristics of goods (except for the physical appearance) and should therefore be considered as goods rather than services. Still, the classification of these products with the corresponding services seems more logical. This reserves the sections 0-4 of the CPC for transportable goods with a clear link (and definition) in the Harmonized System.

While all other changes represent only a change in structure and detail of the CPC, the introduction of originals is an actual addition to the CPC. While in some cases, e.g. for software, there is some interest in grouping all related occurrences together, this has not been done for the CPC, reflecting earlier decisions to keep the main structure of the CPC unchanged.

g) Other open questions

During this round of discussion on the CPC structure, essentially all areas are open for discussion, as long as major restructuring of the CPC is avoided. In the previous consultation, which took place in 2004, no substantial proposals apart from those reflected in the current draft were made. Recent discussions in light of revising recommendations for distributive trade have put a spotlight again on the current treatment of wholesale and retail services in the CPC, bringing to the fore the following questions:

- a. Should the current matrix approach, combining a breakdown by mode of trade with a breakdown by type product be maintained?
- b. Is there a need to extend the detail by mode of trade, for instance by reflecting more detail from the revised ISIC? (As a specific item: should Internet sales be explicitly recognized?)
- c. What is the most appropriate level and structure for the product breakdown?
 - c1. What detail can actually be observed/reported in terms of sales services (sales margins)?
 - c2. Should the product groupings follow the structure of the goods part of the CPC?
 - c3. Should product groupings for consumption goods be modeled after COICOP? (What would be the criteria for other products?)

Responses to the last questionnaire have indicated that there is some support to maintain the matrix approach, but the remaining questions should still be reviewed for the current revision.

3. Future work

Discussions on future improvements to the CPC, including level of detail, areas of preference, criteria for defining and grouping of products, should be based on needs that arise out of the use of the CPC in statistical data collection and analysis.

For any work on the CPC, related to the topics already considered in this revision and those that may arise in the future, more background information on the application of the CPC in countries, its uses, advantages and shortcomings is necessary.

The detail in the services part will undergo a continued review using inputs from the development process of the North American Product Classification System (NAPCS) and other forums, such as the Voorburg Group.

It has been recommended that special attention should be paid to improving the detail of the services part of the CPC for instance by incorporating price-determining characteristics. The capability of the CPC to act as a guiding tool for the development of detailed product lists needs to be increased.

Frequent requests for additional detail in the CPC seem to indicate that there is more than a need for identifying individual products at the current level. Depending on the application of the CPC, a much greater level of detail may be necessary, such as an additional 6th digit (or more). If this is indeed desired, the use of such detailed categories for other form of statistics, as well as proper criteria for additional breakdown need to be researched.

It is clear that such an extension cannot be accommodated in the current revision. However, this may be the right time to initiate a process that looks at the feasibility of creating a “Prodcom-type” extension of the CPC, which would apply to the goods and services part. The work of the Voorburg Group could be the driving force for the services part of the CPC, taking into account the country experiences on developing turnover and price statistics for services. Targeting the next revision of the CPC, which would be scheduled for 2012, should be discussed for such a process.

Annex1. Summary account of changes in the services part of CPC

The following table shows the number of subclasses affected by change in the current CPC ver.2 draft, compared to the total number of subclasses in each CPC group (sections 5-9 only). Since these changes can take various forms (moving of subclasses, changes in scope, splitting or combining of existing subclasses or even a complete reorganization of a group or class), these numbers can only serve as approximations.

| Code | Description | Number of subclasses changed |
|----------|--|------------------------------|
| 5 | Constructions and construction services | |
| 531 | Buildings | - / 5 |
| 532 | Civil engineering works | 1 / 19 |
| 541 | General construction services of buildings | - / 5 |
| 542 | General construction services of civil engineering works | 6 / 13 |
| 543 | Site preparation services | - / 5 |
| 544 | Assembly and erection of prefabricated constructions | - / 1 |
| 545 | Special trade construction services | - / 10 |
| 546 | Installation services | - / 13 |
| 547 | Building completion and finishing services | - / 8 |
| 6 | Distributive trade services; lodging; food and beverage serving services; transport services; and utilities distribution services | |
| 611 | Wholesale trade services, except on a fee or contract basis | 1 / 62 |
| 612 | Wholesale trade services on a fee or contract basis | 1 / 61 |
| 621 | Non-specialized store retail trade services | 1 / 53 |
| 622 | Specialized store retail trade services | 1 / 53 |
| 623 | Mail order or internet retail trade services | 1 / 53 |
| 624 | Other non-store retail trade services | 1 / 53 |
| 625 | Retail trade services on a fee or contract basis | 1 / 55 |
| 631 | Lodging services for visitors | 7 / 7 |
| 632 | Other lodging services for visitors and others | 3 / 3 |
| 633 | Food serving services | 7 / 7 |
| 634 | Beverage serving services for consumption on the premises | 1 / 1 |
| 641 | Local transport services of passengers | 12 / 12 |
| 642 | Long distance transport services of passengers | 11 / 11 |
| 651 | Land transport services of freight | 15 / 15 |
| 652 | Water transport services of freight | 7 / 7 |
| 653 | Air and space transport services of freight | 3 / 3 |
| 660 | Rental services of transport vehicles with operators | 6 / 6 |
| 671 | Cargo handling services | - / 2 |
| 672 | Storage and warehousing services | - / 3 |
| 673 | Navigational aid services | - / 1 |
| 674 | Supporting services for railway transport | 2 / 2 |
| 675 | Supporting services for road transport | - / 4 |
| 676 | Supporting services for water transport | 9 / 9 |
| 677 | Supporting services for air or space transport | 2 / 4 |
| 679 | Auxiliary and other supporting transport services | - / 2 |
| 681 | Postal and courier services | 1 / 5 |

| Code | Description | Number of subclasses changed |
|-------------|---|-------------------------------------|
| 691 | Electricity distribution services and gas distribution services through mains | - / 3 |
| 692 | Water distribution services through mains | - / 2 |
| 7 | Financial and related services; real estate services; and rental and leasing services | |
| 711 | Financial intermediation services, except investment banking, insurance services and pension services | 14 / 14 |
| 712 | Investment banking services | - / 1 |
| 713 | Insurance and pension services (excluding reinsurance services), except compulsory social security services | 2 / 11 |
| 714 | Reinsurance services | 7 / 9 |
| 715 | Services auxiliary to financial intermediation other than to insurance and pensions | 1 / 16 |
| 716 | Services auxiliary to insurance and pensions | 1 / 5 |
| 721 | Real estate services involving own or leased property | 1 / 5 |
| 722 | Real estate services on a fee or contract basis | 6 / 8 |
| 731 | Leasing or rental services concerning machinery and equipment without operator | - / 13 |
| 732 | Leasing or rental services concerning other goods | - / 8 |
| 733 | Licensing services for the right to use non-financial intangible assets | - / 5 |
| 8 | Business and production services | |
| 811 | Research and experimental development services in natural sciences and engineering | 2 / 7 |
| 812 | Research and experimental development services in social sciences and humanities | - / 5 |
| 813 | Interdisciplinary research and experimental development services | - / 1 |
| 814 | Original works of research and development | 1 / 1 |
| 821 | Legal services | - / 6 |
| 822 | Accounting, auditing and bookkeeping services | 4 / 5 |
| 823 | Tax consultancy and preparation services | 2 / 2 |
| 824 | Insolvency and receivership services | - / 1 |
| 831 | Consulting and management services; information technology services | 17 / 22 |
| 832 | Architectural services, urban and land planning and landscape architectural services | 12 / 12 |
| 833 | Engineering services | 25 / 25 |
| 834 | Veterinary services | 3 / 3 |
| 835 | Scientific and other technical services | - / 10 |
| 836 | Advertising services and provision of advertising space or time | 4 / 9 |
| 837 | Market research and public opinion polling services | - / 1 |
| 838 | Photographic services and photography processing services | - / 7 |
| 839 | Other professional, technical and business services n.e.c. | 3 / 4 |
| 841 | Telephony and other telecommunications services | - / 8 |
| 842 | Internet telecommunications services | 2 / 4 |
| 843 | On-line information provision services | 13 / 13 |
| 844 | News agency services | - / 2 |
| 845 | Library and archive services | - / 2 |
| 846 | Broadcasting, programming and programme distribution services | 8 / 8 |
| 851 | Employment services | 7 / 7 |
| 852 | Investigation and security services | - / 6 |

| Code | Description | Number of subclasses changed |
|-------------|---|-------------------------------------|
| 853 | Cleaning services | - / 4 |
| 854 | Packaging services | - / 1 |
| 855 | Travel agency, tour operator and related services | 14 / 14 |
| 859 | Other support services | 7 / 11 |
| 861 | Services incidental to agriculture, hunting, forestry and fishing | - / 6 |
| 862 | Services incidental to mining | - / 1 |
| 863 | Services incidental to electricity, gas and water distribution | - / 5 |
| 871 | Maintenance and repair services of fabricated metal products, machinery and equipment | 8 / 14 |
| 872 | Repair services of other goods | 2 / 5 |
| 873 | Installation services (other than construction) | - / 7 |
| 881 | Manufacturing services on physical inputs owned by others (except machinery and equipment) | - / 12 |
| 882 | Manufacturing services performed on metals and metal products, machinery and equipment, owned by others | - / 11 |
| 891 | Publishing, printing and reproduction services | 1 / 3 |
| 892 | Moulding, pressing, stamping, extruding and similar plastic manufacturing services | - / 1 |
| 893 | Casting, forging, stamping and similar metal manufacturing services | - / 2 |
| 894 | Recycling services, on a fee or contract basis | - / 2 |
| 9 | Community, social and personal services | |
| 911 | Administrative services of the government | - / 19 |
| 912 | Services to the community as a whole | - / 9 |
| 913 | Administrative services of compulsory social security schemes | - / 4 |
| 921 | Primary education services | - / 2 |
| 922 | Secondary education services | - / 3 |
| 923 | Higher education services | - / 2 |
| 929 | Other education and training services and educational support services | 4 / 4 |
| 931 | Human health services | 8 / 8 |
| 932 | Residential care services for the elderly and disabled | 2 / 2 |
| 933 | Other social services with accommodation | 1 / 1 |
| 934 | Social services without accommodation for the elderly and disabled | 2 / 2 |
| 935 | Other social services without accommodation | 4 / 4 |
| 941 | Sewage services | - / 2 |
| 942 | Refuse collection, treatment and disposal services | 17 / 17 |
| 943 | Remediation services | 6 / 6 |
| 944 | Sanitation and similar services | 2 / 2 |
| 949 | Other environmental protection services n.e.c. | 1 / 1 |
| 951 | Services furnished by business, employers and professional organizations | - / 2 |
| 952 | Services furnished by trade unions | - / 1 |
| 959 | Services furnished by other membership organizations | 1 / 6 |
| 961 | Audio-visual and related services | 17 / 17 |
| 962 | Performing arts and other live entertainment event presentation and promotion services | - / 4 |
| 963 | Services of performing and other artists | 1 / 3 |
| 964 | Museum and preservation services | - / 4 |
| 965 | Sports and recreational sports services | 2 / 4 |

| Code | Description | Number of subclasses changed |
|-------------|--|-------------------------------------|
| 966 | Services of athletes and related support services | 1 / 2 |
| 969 | Other amusement and recreational services | - / 4 |
| 971 | Washing, cleaning and dyeing services | - / 5 |
| 972 | Beauty and physical well-being services | - / 4 |
| 973 | Funeral, cremation and undertaking services | - / 2 |
| 979 | Other miscellaneous services | - / 2 |
| 980 | Domestic services | - / 1 |
| 990 | Services provided by extraterritorial organizations and bodies | - / 1 |