



Central Product Classification

Ver. 2 - Draft

United Nations Statistics Division



Previous consultations

- **Combined ISIC and CPC questionnaires in 2001 and 2003**
 - **Conceptual questions**
 - **But: Limited replies**



CPC questionnaire/consultation 2004

- scope and uses of the CPC
- main structure of the CPC
- links to other classifications
- detail of the CPC
- treatment of bundled products
- alternate aggregations
- specific areas for further development

Consultation period: July 2004 – October 2004



CPC questionnaire/consultation 2004

- **Scope of the CPC**
 - CPC covers the output of economic activities, i.e. goods and services
 - including unintended outputs
 - maintain the capability of the CPC to measure inputs, not only outputs, of production processes
 - able to describe inputs and outputs of ISIC activities
- Top structure of the CPC remains unchanged
- Link CPC-EBOPS to be improved by introducing more detail
 - Target: Link EBOPS components to CPC groups



CPC Ver. 2.0 – ISIC Rev.4 link

- Development of detail to have a proper reflection of all industry outputs
- No changes to the structure at the top levels
- Develop detail so that, at the extent possible, each CPC subclass can link to one ISIC producing industry
 - To which extent is this possible?
 - What are the exceptions?



First CPC draft Ver.2.0

- **Detailed proposals were incorporated on:**
 - Agriculture services
 - Health services
 - Information products including originals
 - ICT goods and services
 - Professional services: accounting and bookkeeping, architecture, engineering, advertising and marketing, employment
 - Waste management products
 - Tourism related products
 - Transport services
 - Travel agencies, tour operators and other reservation services
- **Other detail introduced, mostly at subclass level, to correspond to ISIC changes**



Information products including originals

- No separate grouping in CPC
- Components according to origination, production and distribution are classified in:
 - Originals
 - CPC 83 (software), 84 (Radio, TV), 96 (Sound motion picture, other)
 - Physical products
 - CPC 32 (Printed products), 47 (Tapes, discs etc.)
 - On-line products
 - CPC 84
 - Licensing
 - CPC 733



Information products

- **Related services:**
 - **Production services**
 - Software design (CPC 83)
 - Creation of sound recordings, motion pictures, performing arts events etc. (CPC 96)
 - **Distribution services**
 - For tangible information products (CPC 61/62)
 - For intangible information products (CPC 84, 96)
- **More detail added**



Information products

- **Related services**
 - **Infrastructure services (CPC 84)**
 - Revised in 2002, revised again for 2007
 - **Support services**
 - **Related to motion pictures (CPC 961)**
 - E.g. post-production services
 - **IT services (CPC 831)**
 - E.g. IT management, IT consulting, hosting services
- **More detail added**



ICT goods and services

- No separate grouping in the CPC corresponding to ICT goods or services
- ICT definition based on work by WPIIS
 - New CPC provides more detail to fine-tune the ICT definition and provides more detailed and descriptive products
 - ICT services overlap with the support services for information products
- Alternate aggregation will be provided to accommodate users



Waste management products

- ISIC Rev.4 better reflects industries related to waste management and remediation
- Additional detailed products have been added to CPC
 - Covered in previous CPC version, but with insufficient detail
 - New structure and detail is based on proposal discussed at VG meeting in 2003
 - Proposal was based on provisional NAPCS product lists
 - Modified for application in CPC
 - Subclasses increased from 9 to 28 (for Waste mg.&rem.)



Professional services: accounting and bookkeeping, architecture, engineering, advertising and marketing, employment

- **New structure based on NAPCS work**
- **Creation of detail and change of structure**
- **Additional detail proposed for 6th digit in CPC**
 - Rejected, but services added as line items
- **New structure**
 - Reflects products that can be (better) reported by businesses
 - E.g. architectural services defined through type of production process, not through stage in architecture/construction process



Transport services

- **Reorganization of sub-structure for transport services**
 - **ISIC: reflects production structure**
 - By mode of transport
 - Then: passenger vs. freight
 - **CPC: reflects consumption structure**
 - Passenger vs. freight split
 - Then: by mode of transport
- **Small increase of detail for support services (e.g. EBOPS related)**



Transport services

- 64 Passenger transport services
- 641 Local transport services of passengers
- 642 Long distance transport services of passengers
- 65 Freight transport services
- 651 Land transport services of freight
- 652 Water transport services of freight
- 653 Air and space transport services of freight



Health services

- Recognition of new products
- Following concepts of System of Health Accounts
- Groups residential care services with health services
 - Recognizing varying degrees of health service components in the formerly “Social services”



Health services

- **93 Health and social services**
- **931 Human health services**
- **932 Residential care services for the elderly and disabled**
- **933 Other social services with accommodation**
- **934 Social services without accommodation for the elderly and disabled**
- **935 Other social services without accommodation**
- **Slight expansion of detail**



Tourism related products

- **Change in transport services**
- **New detail in accommodation services**
 - **Difficulties to describe separate outputs based on type of unit, quality of product**
- **Moved: travel agencies, tour operators and other reservation services**
- **No separate structure for tourism products**



Treatment of bundled products

- Products are often supplied in bundles
- Cannot be separated into components
- Default treatment: Assign to largest portion
- Should there be new separate categories for bundles?
 - Bundles of goods, services or goods and services
 - How could they be defined or organized?
- Requirements for development of price statistics?



Future work

- **Better evaluation of applications of CPC and their respective needs**
 - Measurement of output (volume/value)
 - Price statistics
- **To what degree can CPC address the needs?**
- **Is in-depth sectoral review the solution?**



Next steps

- TSG meeting will review replies to 2005 questionnaire in October 2005 and prepare revised draft
 - No major changes are expected
- EG will sign off on final draft to be submitted to UNSC



Classifications resources

- Sources for updated information:
 - UN Classifications website + Classifications Registry
<http://unstats.un.org/unsd/class>
 - Current ISIC 4 draft posted at:
<http://unstats.un.org/unsd/cr/isic-4.asp>
 - Current CPC 2 draft posted at:
<http://unstats.un.org/unsd/cr/cpc-2.asp>
 - Classifications Hotline (for all inquiries on classifications)
E-mail: CHL@UN.ORG