



United Nations Statistics Division : 2002 Voorburg Group Meeting

2007 Revision
of the
Central Product Classification
Emerging Issues

17th Voorburg Group Meeting,
Nantes, 23-27 September 2002



Emerging Issues

2007 Revision of the CPC

Discussion Points

- ◆ Background
- ◆ Modus operandi
- ◆ Scope of changes
- ◆ Links to other classifications
- ◆ Future work



Background

Mandate

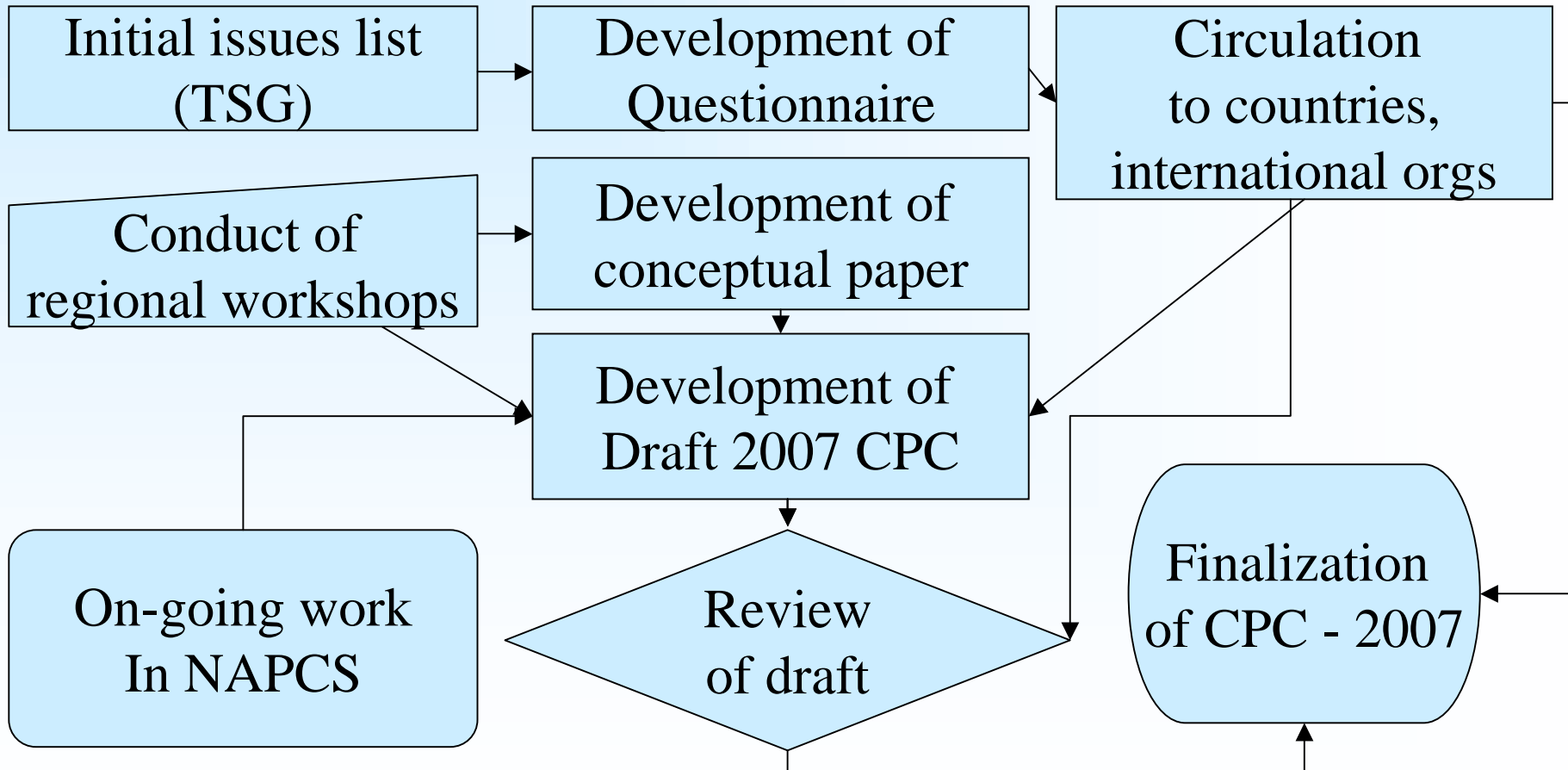
- United Nations Statistical Commission mandate

Objectives

- Respond to user needs - national level
- Enhance comparability - international level



Revision Process for CPC - 2007





Scope of Changes

- Conceptual and structural issues
- Cross-cutting issues
- Boundary definition and detail issues



Conceptual and Structural Issues

1. Link between economic activities and products (ISIC and CPC):
 - strict linkage (e.g. NACE/CPA)
 - or
 - independent/limited relationship



Conceptual and Structural Issues contd.

2. Level of aggregation:

A defining characteristic of the Central Product classification is its centrality

- argument that it is too highly aggregated, need for greater detail
- argument that it is too detailed to facilitate analytical work



Conceptual and Structural Issues contd.

3. A mix of underlying concepts:
 - Sections 0-4 based on HS
 - Physical properties and intrinsic nature of products used as distinguishing characteristics
 - Industrial origin used as underlying principle



Conceptual and Structural Issues contd.

3. Mix of underlying concepts:

Industrial origin contd

- goods with same intrinsic characteristics can be linked to different parts of ISIC (fish – aquaculture or fishing; electricity from thermal, coal, nuclear, etc, but only one industry in ISIC. This does not adequately account for differences)



Conceptual and Structural Issues contd.

Links to other classifications - HS

HS continues to be the reference classification for the Goods part of the CPC (HS has been on 5-year schedule for update – can pose some challenges for stability)



Conceptual and Structural Issues contd.

Links to other classifications – SITC

- SITC is relatively stable
- correspondences change with HS update
- SITC/HS link is useful in generation of trade statistics



Conceptual and Structural Issues contd.

Links to other classifications– BEC

- The Classification by Broad Economic Categories (BEC) is compiled on the basis of the SITC
- Its usefulness is in the SNA context
- Correspondence has been requested



Conceptual and Structural Issues contd.

Links to other classifications – BOP

Another of the links which is emerging as an important consideration w.r.t. the Statistical Commission 2001 request for more coordination, synchronization of product classifications is the BOP

- At present time, changes to BOP are being considered
- CPC/BOP link will be considered once this has been settled



Cross-cutting issues - Environment

Better recognition of “environment” in the CPC and ISIC”

For completeness, environment functions should encompass:

- waste absorption (neutralization, recycling, etc)
- environmental service functions
- resources (recommendation for separate asset classification)

Conceptually difficult to constitute an “environment” category



Cross-cutting issues - Tourism

- Tourism Satellite Account (TSA)
committed to CPC and ISIC
- WTO circulating questionnaire for analysis
of tourism-related activities and products
- Feedback to CPC and ISIC revision process



Cross-cutting issues - Other

“New economy”

Proposal being made to include “new economy” concept in the CPC:

This appears to be limited to

- biotechnology
- e-commerce
- recycling

This proposal is yet to be assessed



Future work

- Conceptual paper
- NAPCS contribution
- Regional workshop
 - ESCWA
 - ASEAN (Working Group)
 - Latin American Region
- Development and circulation of Draft
- Finalization