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CONCEPTUAL AND TECHNICAL ISSUES IN THE CPC,
WITH EMPHASIS ON WHOLESALE AND RETAIL TRADE

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Much of the interest in changes to the Central Product Classification (CPC) has centered on the detail needed for individual sectors. Papers of this Group are already addressing some of my concerns. What is most encouraging is that the papers are addressing both conceptual and technical issues at the same time.

This work ties in well with the current U.S. program of research to review it's industry and product systems and detail for the future. One of the most important elements will be the relationship of our systems to those used internationally and by other nations. These comments are thus not based on experience in using the CPC but rather on a comparison of our current practices with what would result from using the system.

Some of the most difficult questions and problems--and these are long-standing--are those which reflect the relationships among broad parts of the system. This paper thus concentrates on selected issues of the boundaries between sectors and the resulting problems, and other more-general aspects of the CPC. Emphasis is placed on wholesale and retail trade.

WHAT DO WE WANT THE PRODUCT DETAIL TO REFLECT?

The CPC objectives and various comments provided earlier to this Group identify general needs from the CPC. Clearly these general guidelines must be translated into specific proposals, and specialists to individual areas will want more detail to meet their needs.

Meet objectives expressed in the Introduction to CPC.

The following are the primary objectives of the system, as applicable to services and as expressed in the Introduction to CPC.

1. It "constitutes a complete product classification covering goods and services". As a product system the detail should be applicable for the collection of the given data regardless of where they originate in the industrial system.
2. The "main intention was to provide a general framework for developing international comparison of data from various types of statistics that present data by kinds of product". Further "it was developed primarily to enhance harmonization among various fields of economic and related statistics and to strengthen the role of the national accounts and balances as an instrument for coordination of economic statistics".

3. It "is intended to be used for different types of statistics, for example, industrial statistics and national accounts, price statistics, foreign trade statistics (including trade in services) and balance-of-payments statistics". In its role as a general-purpose classification "it provides less detail than the other specific classification systems in areas or for applications for which such systems are available". It is thus a core system.

For practical applications, these basic general objectives need specific guidelines. Following are some of the possible guidelines, which are selected here because instances exist where they are not met in the current CPC. It is important to know which of these or other specific guidelines are important for the CPC.

Meet the needs of national accounts.

Robert Parker has indicated previously what the U.S. needs for national accounts purposes. ^{1/} For services, these may be summarized as:

1. Cover all products--same as for CPC.
2. Provide receipts by product where-ever they originate--same as for CPC.
3. Provide receipts by class of customer. This is basically the distinction between personal or household users and other users, and is seen mainly in the subdivisions for sales between wholesale and retail trade. These will be addressed under that section (along with 4 and 5 below).
4. For wholesale and retail trade, the industry detail should reflect variations in margins.
5. Industries should combine establishments that use the same types of capital equipment.
6. The product system should be within the framework of the industry system.
7. Industries at all levels should have input structures that are relatively stable.

Meet the needs of industrial analysis

Much of the emphasis for ISIC and CPC has been on the inter-relationships among systems. But they also need to be suitable for analyzing industries, since they are recommended as guidelines for national use.

^{1/} Robert A Parker, "Industrial Classification Systems for National Economic Accounting--Are Services a Problem?", Voorburg Group, Third Meeting on Service Statistics.

A basic objective of separate categories in ISIC is that the units included should be similar in regard to the characteristics which define the category. For most ISIC categories, this is similarity in terms of the pattern of products handled by individual units. By extension this also applies to how products should be grouped in the CPC or, alternatively, to what products should be separated when ISIC groupings do not conform to such patterns. Apparently it is a fundamental issue among some countries as to whether groupings shall reflect such unit patterns or the perhaps-arbitrary groupings wanted for analysis. Agreement on details does not seem possible if there is not more agreement on this issue.

The more the ISIC and CPC product groupings differ from the actual pattern of products provided by individual units, the more difficult it is to obtain product data. This is a consequence of the increase in detail data that it is necessary for the unit to furnish. Data which conform to actual patterns will be more accurate--because they conform to unit records--and thus permit better analysis and policy.

The previous section noted the need for product detail within the framework of the industry system. The current CPC does not provide any separate product detail for some ISIC categories and provides incomplete detail for others (e.g., ISIC 5190 and detail in CPC 88). It is probably impossible to link the CPC and a primary ISIC fully for transportable goods but this is feasible for the most part for services (outside of wholesale and retail trade). Such detail seems necessary for input-output work and for measuring contracting out and other receipts across national borders. Full detail is also necessary if we expect to measure homogeneity of industry, as indicated by specialization and coverage ratios.

Provide detail for significant sub-industries of the ISIC.

The ISIC categories often cover sub-industries consisting of groups of separate units which meet all industry requirements other than size. These should be recognized in CPC, and many already are. The product detail are what will reveal emerging industries. Many will be future candidates for ISIC separation. Separation in CPC will permit following their growth in size and assessing their conformance to specialization, coverage, and other criteria. They will also permit bridging to systems that do not adopt the full ISIC or CPC detail.

These separate units will automatically provide data in the detail required, so there would be no increase in requirements from those providing data. They also frequently operate in a different manner and have different input patterns from other units with which they are grouped, and serve different users. The product data should also reflect such differences.

Recognize new technologies.

One of the greatest challenges we face is that of meeting the demand to create statistical systems that can recognize rapid changes in technology

and new ways of doing things. Industry systems, including the ISIC and the U.S. SIC, currently do not readily reflect such changes, and this is probably deliberate. The alternative may be product detail.

Reflect priorities among detail.

Detail in the current CPC ranges from situations where a given ISIC has no separate product detail (mostly in CPC 88) to those where another ISIC may have as many as 23 (ISIC 7421, CPC 867) and 21 (ISIC 6420, CPC 752-4) CPC categories. In some cases the detail will probably be excessive for at least some primary producers, and previous Voorburg Group papers have already suggested as much.

In general, we need an overall concept of relative importance which uses the higher levels for the more important distinctions. Criteria might include the above objective to recognize significant sub-industries. Such priorities would also offer guidelines for combinations in cases of relative unimportance in individual nations and of disclosure.

Recognize needs of those who must provide the data.

These include needs both as users of data and as providers. These have generally been addressed above as more specific issues. Thus full product detail for industries and separate product detail for sub-industries will address their needs as data users. And the objective that groupings correspond to actual patterns of products provided and that the amount of detail be restricted and given priorities addresses their needs as data providers.

WHAT TYPES OF PROBLEMS IS THE CURRENT CPC HAVING IN PERFORMING THIS JOB ?

My first inclination is to say there is too much detail for many areas. But this runs into the justifiable criticism that until now we have had insufficient detail for services. We may, however, ask whether it is the correct detail and whether the existing system will meet the needs of national use and international comparability. Many papers of this Group already propose improvements. This paper provides general comments here and specific comments for wholesale and retail trade in a later section.

CPC has deviations from where-ever produced basis.

It has been assumed that the CPC calls for products of a specified type to be classified together regardless of where the product originates. The product output would not be tied to the unit. Thus the reasons for the detail accepted very late in the development process for CPC 754; Telecommunications related services, are difficult to understand. Separate categories were accepted for rentals, wholesale and retail sales, consulting, maintenance (including microcomputers), and other services. These services were and are already covered by other CPC categories. If these are to be covered here and separated, then it raises questions as to

coverage of similar products in other broad categories where they have not been separated. For some CPC categories, the tie to the unit seems to be inadvertent (e.g., references to specialized in CPC 63109, 6329 and 63299).

Linkages

Linkages of various types are built into the system, especially that for transportable goods between ISIC 3 and SITC 3. These latter linkages are limited by the HS detail which does not make all of the necessary distinctions. But for services we should be able to assign each service primarily to one ISIC and think in terms of a 100 percent CPC match to ISIC 3, except for wholesale and retail trade. Linkages between the detail of transportable goods and that of services relate primarily to wholesale and retail trade and are addressed mainly in a later section of this paper.

It is impossible to set the appropriate CPC detail to link between CPC and the ISIC without knowing more about the scope of some ISIC categories. This is particularly significant for CPC 88. This question is important and will be addressed in more detail with the Rules of Interpretation. All that we can do now is provide for appropriate CPC detail wherever the products are found in ISIC. This will permit conversion to other bases where appropriate.

Can be improved for use in industrial analysis

One CPC objective is to provide a core detail usable for industrial statistics, and the system tends to give the impression that it should be sufficient. For example, CPC 02910 is provided in transportable goods for raw milk, and 1800 for natural water, as links to ISIC, even though there are no separate HS classes for these. And the detail provided and proposed for most sectors of services is clearly intended for use in industrial programs.

Detail is not a problem when it is to come from separate units. Such detail in effect represents separate sub-industries and the data are useful for both the industry concerned and for external analysts. Examples include the detail of CPC 516 (except 5164), 517 and 831.

Extensive detail is, however, a problem when it is required from the same individual unit. This detail may be alright for large companies and for sectors where large units predominate. But much of the detail category CPC is to come from relatively small units, which tend to dominate for many service sectors. Examples of such detail may include 5164, 867, 875 and 962. But other Voorburg papers are already addressing these areas in more detailed reviews.

At the same time there are areas where the CPC provides no detail, or incomplete detail, for some service ISIC categories, or for important ISIC subcategories. The most important such case is CPC 88, where manufacturing services are provided for only at the 2-digit ISIC level. Total service receipts for an ISIC could be tabulated from CPC detail but the receipts would not distinguish among important ISIC categories.

For this area we need to consider (1) providing full CPC detail at the ISIC level, and (2) providing for important subcategories of ISIC. For example, the following changes should be considered:

<u>CPC</u>	<u>ISIC</u>	<u>Comments</u>
881	0140	Units that provide complete operation of a business or other unit on a contract basis are classified in ISIC according to the activity (ISIC, page 29, para. 127), and presumably in CPC as services. CPC 88110 and 88120 would then cover services of all of 01, rather than just 0140. This will be quite important for some activities, including growing of poultry. Consider providing separate CPC categories for at least 0121 and 0140.
88110	0140	Provide separate CPC for Ornamental landscape, garden and tree services. These represent separate units and sub-industries. They do not produce agricultural products or provide services to agricultural production but rather to household, construction, real estate, and other non-farm users.
88300	1120	In accordance with the comments for CPC 881 above, CPC 88300 would include complete contract operation of units from throughout 10-14 and not just 1120 (as stated in CPC/EN). Consider separate CPC categories to match at least ISIC 1110 and 1120. Services to prepare mining sites (other than for oil and gas) are provided for in CPC 5115 and ISIC 4510. Exploration services are in CPC 86751 and ISIC 7421. Provide separately for other services in connection with the operation of mines, although their location is not clear (construction?).
88411	15	Consider matching at least ISIC 1511 and 1533.
88421	17	Consider matching at least ISIC 1712 and 1730, and possibly 1721. Note that if CPC does not match 1730 the contract knitting of apparel might fall in CPC 88422 (based on texts as per the Rules), which is tied to ISIC 18.
88422	18	Consider matching at least ISIC 1810. Contract manufacture is extremely important for this category.
88430	20	Consider matching at least ISIC 2010.

<u>CPC</u>	<u>ISIC</u>	<u>Comments</u>
88442	22	Consider matching ISIC 2221, 2222 and 2230. It is assumed that publishing without printing will not be recorded here as services, in which case it should be dropped from the text of 88442.
88491	361	CPC needs to recognize furniture repair including reupholstery. This is important and it is not clear whether it is in ISIC 361 or 5260 or whether household and other are to be separated.
88492	369	Consider matching ISIC 3691.
88510	27	Consider matching at least ISIC 2731 and 2732.
88520	28	Consider matching at least ISIC 2891 and 2892.
88560	32	Consider matching at least ISIC 3210. There is considerable contracting out of these operations across national lines. Subdivision may also be appropriate for 3220 and 3230. Other categories should also be checked to track contracting out.
88570, 88660	33	Provide separate category for dental laboratory services in manufacturing or repairing dentures or dental prostheses to order.
886	27-35	Is rebuilding used merchandise considered manufacture or repair? If unit owns the used merchandise, does it fall with transportable goods? If customer does not get back his same merchandise, what is it?
88610	28	Revise text to provide for possibility of repair of basic metals of ISIC 27 (e.g., castings, pipe fittings). Also consider matching ISIC 2892.
88630	30	What can fall here, in view of ISIC 7250 and CPC 84500 ?
88670	34	Wouldn't CPC 61120 and 61220 cover any repair of these vehicles?
88700	40	Are there any services that can fall here? Wouldn't all services that contribute to the activity of ISIC 40 be ancillary units and included in the revenues of CPC 17 ? There should be no independent units performing other services to fall in 88700.

Need to recognize more sub-industries

Many sub-industries are already separate in CPC but additional cases can be identified. Those already having separate 5-digits should be raised to 4-digits (e.g., 87201-02; 87203-09; 87501-04; and 87505-09). Some of those which do not should be recognized; examples are found in the last section of this paper.

The detail may not always reflect the right distinctions.

ISIC 3 and CPC have grouped together, according to their similarity in production, certain service activities and products which in ISIC 2 were (and in the U.S. still are) grouped with other types of services specialized according to the industry served rather than the service performed. In the old approach, services provided wholly or almost wholly to a single industry were grouped with the industry (presumably on the same argument as grouping malt with malt beverages). Thus rentals to the motion picture and entertainment industries were classified with these industries rather than with rentals. The same situation applied for transport equipment rentals.

The question is whether these relationships should be reflected in CPC. That for transport equipment is already partially separated, but this has resulted in the rental of railroad equipment falling with unrelated equipment in either 83102 or 83105, depending on whether you believe the texts or the EN. We need to separate railroad equipment, clarify railroad rentals, and clarify containers for multi-modal transport. Other examples of situations where distinctions should be recognized and are not are specified in the last section of this paper (e.g., 831, 872, 879, 940, 9619, 96499, 9701, 9703, and 9709).

Does good job on priorities but can be improved.

The detail for services, with the exception of wholesale and retail trade, is generally much better than that for transportable goods, where the CPC seems to put detail at the highest level where there is room. This is probably because the detail here is not restricted by HS and is probably also less restricted by existing national detail.

The priorities for services are generally good. The 3-digit levels almost invariably represent important distinctions and often correspond to separate 2 and 3-digit ISIC categories. The 4-digit categories generally cover activities of a single 4-digit ISIC, but not always. It would be useful to have a 4-digit CPC detail such that each 4-digit CPC converts to a single ISIC (with the exception of cases such as those in retail trade where a given product may be sold by any of the ISIC's that differ as to their method of selling rather than product). A quick review indicates this is not feasible but some changes could be made. For example, CPC 8310 should at a minimum be separated into two 4-digits, one to cover the activities of ISIC 711 and the other those of 712. However, a separate 4-digit CPC for

each 4-digit ISIC does not seem appropriate in this case. CPC 5121-5122 could be made 5-digits under a single 4-digit, and the same for 5123-5129.

Changes in input technologies are still a problem

The ISIC and CPC detail often recognize technological changes in outputs but seldom in inputs. One problem is that of system integrators. This has already been recognized in previous Voorburg papers for computers, but the situation exists for many other types of goods and services. Other units are performing services with computers that were formerly performed by hand, such as mapping (CPC 86754) and graphics. And units are performing activities which utilize new technologies but may be termed something else. For example, there may not be a clear distinction between telephone answering services (CPC 87903) and electronic voice-mail (CPC 752 ?).

The difficult-to-identify technological changes are those that arise on the input or supply side. We will want to research as to whether the CPC product detail should or is capable of recognizing such distinctions for such other areas as robotics, biotechnology and environmental technology.

RULES OF INTERPRETATION FOR THE CPC.

The rules of interpretation for the CPC attempt to apply the rigor of legal rules that are used for the HS product trade detail to the statistical product detail of services and of output in general. They try to be scientific and logical. The problem is that they appear incapable of working, probably even with improvements.

Consistent interpretation is clearly desirable. But it does not appear that the system was based on the rules, but rather that the system and detail came first. It is not clear that the rules have been followed in developing or revising the CPC. It is questionable whether the rules can be applied consistently among different nations, yet it must be acknowledged that guidance is needed if we expect consistent interpretations.

The rules may be summarized as follows:

1. For transportable goods, use the Rules of the HS.
2. For combinations of goods and services, classify according to their main component.
3. For services, classify according to the service in accordance with specified orders of precedence.

Transportable goods.

For transportable goods, the HS constitutes a legal document. It includes precise texts, a system of legal notes, and rules for determining

classification when the first two are insufficient. The system was set up with these all in mind. And the explanatory notes (EN) represent a consensus on interpretation of the system. (The significant problems in using this system for industrial production are not the subject of this Group.)

Combinations of goods and services.

Here the rule states that "Products comprising a bundle (combination) of goods and services shall be classified according to their main component (value added), in so far as the criterion is applicable." But it is not clear to me, for one, what the rule means or where it applies, and there is no further guidance in the CPC. It seems to be intended for conflicts between transportable goods production and services, but the major problems seem to arise between sub-categories of services and to involve wholesale or retail sales.

The rule cannot apply to goods shipped in international trade. Such goods will be classified as goods, whether or not they are combinations of goods and services and regardless of value added. Thus the following will be treated as goods: all computer programs; original documents and photocopies; photographs and X-rays; motion pictures; records and pre-recorded tapes or discs; newspapers and periodicals.

On the other hand many of these are the product of services in production and would probably be classified as such on the basis of their "main component". Some would thus be classified differently in production and international trade. One example is found in CPC 3255 (HS 4906) which covers hand drawn or written plans, drawings, texts, etc. and copies thereof. These are goods in HS and CPC but they are clearly the product of services. Some producers argue that computer programs cannot be products because they are not sold and legal rights are retained by the producer. But they will still be goods in the HS.

In addition valuation is also a problem in comparisons between trade and production for some of these types of goods, because the trade valuation may sometimes include only the carrying media and not the information included.

Services only.

The rules for classification of services only are clearly the rules for the HS converted to a context of services. These may be summarized as follows:

1. Classify according to the terms of the CPC categories.
2. Only categories at the same level are comparable.

3. Different categories have a specified order of precedence.
 - a. A specific description is preferable to a more general one.
 - b. Other composite services consisting of a combination of different services are classifiable according to their essential character.
 - c. Other services are classified in the category which is last in numerical order among those which merit equal consideration.
 - d. Remaining services fall in the category to which they are most akin.

Classification according to the terms of the categories.

Precedence is clearly given to the heading texts (terms) over the EN, and the ISIC is not an element. Often these do not agree. This is in part because the texts are often abbreviated. They are also abbreviated in the CPC for transportable goods, but classification for those goods takes place with the HS texts rather than with those of CPC.

The problem is compounded by a lack of definitional notes at the higher levels. The texts used in the CPC do not have commonly understood international meanings and even within CPC do not always have the same scope between sections. Some are unfamiliar (even in HS), such as flour confectionery and do-it-yourself materials. Others are familiar but are interpreted in an unfamiliar way, such as entertainment and recreation in services and beverages in wholesale and retail trade. These problems of scope are apparent in looking at CPC and its notes, and become even more evident when we compare systems of different nations.

The CPC includes numerous cases of differences between the texts and the EN. For many of these it seems impossible to interpret the texts in the manner specified in the EN. Examples include the inclusion in CPC 5113 of test drilling; in 51642 of fire fighting and fire escape equipment; in 51642 of lightning conductors; in 51691 of staircases; in 6130 of products other than motor fuels; and in 832 of business goods. Some of these differences may reflect second thoughts, for whatever reason, on what the scope should be after the texts had been accepted by the Statistical Commission. But in many cases the original scope is to be preferred.

Only categories at the same level are comparable.

The problems cited above apply with greatest force at the levels above the subclass level, which are not defined, consist of even more abbreviated texts, and lack notes to define their inter-relationships. Their scope is not always clear and does not always agree with the lower level texts. The lower level often specifies products that seem impossible to include on the basis of the higher level text. Such inconsistencies also cast doubt on the scope of both the higher and lower levels.

Most specific description is preferred.

The rules for determining what is "most specific" are probably commonly accepted for customs use. But they are not familiar for use with industrial statistics. For example, between CPC 63251 and 63253 I would regard the stationery of the latter as more specific than the office supplies of 63251. Yet the EN specify that office stationery is in 63251.

Other composite goods are classified according to essential character.

For the ISIC and for transportable goods in trade it is relatively clear what is to be classified or covered in the category--the producing unit in the first case and the product "as presented" in the second. The situation is not as clear-cut for services. Most service units provide services of more than one CPC. Some of these services are related and some are not. (It is assumed that throughout CPC any specified services include any other services regarded in the ISIC as ancillary).

The most important thing to know for services is when we shall treat activity patterns crossing CPC lines as a composite or combination and when we shall separate them into individual components. What constitutes a composite good? In general, this is the same problem as that for bundled or combined goods and services. The CPC apparently intends that categories include related services. This is sometimes made clear in the EN but not in the texts or higher rules or notes. Thus, for CPC 8750, Photographic services, the detail EN of 87501-87504 specify inclusion of integrated services of the type of 87505. CPC 51610, Heating, ventilation and air conditioning work, includes the sheet-metal work that would be included as part of this product. CPC 641 also addresses the issue. And we would interpret CPC 97012 as including integral services of 97011 and 97014, with CPC 97011 and 97014 covering only the described services when performed separately.

A possible rule is needed to clarify these situations. Such a rule might read something like the following:

"The unit to be classified shall consist of the specific services cited and should be interpreted as covering the integrated (related ?) services which normally make up that service and which are normally included in the basic price of such service."

What specific types of services would generally be included as "normal" and "related" or "integrated"? As indicated above these are already specified in some EN. The Section EN for Trade Services references "selling goods for personal or household consumption including services incidental to the sale of the goods (retailing services)" and "services associated with retailers' business, e.g., processing subordinated to selling, warehousing and garage services." But the Rules for services do not give any effect to the EN, and guidance should be provided for all situations and not just a few.

The most desirable solution is to amend the texts to resolve as many potential conflicts as possible, so that recourse would seldom be made to this rule. For example, in CPC 7123 the treatment of the EN seems preferable between CPC 71231 and 71232 and might be put in the texts. But there seems to be a question for containerized furniture, first as to which of 71233 and 71234 is more specific and then to this rule. CPC 71233 seems preferable but this doesn't seem the likely outcome.

General conclusions and comments.

Industry statisticians and those who must provide, collect and classify data need more help than is furnished now in understanding the conceptual intent and practical interpretation of the CPC detail. Even with the relatively precise texts of the HS, it's legal notes, it's legal interpretation, and it's development in close conformity to the Rules of Interpretation, national customs decisions still differ and HSC decisions may come on close votes. And we end up with decisions that make little sense in the production area, such as categorizing concrete mixes and cat litter with chemicals.

But at least the EN for the HS reflect a logical deviation from application of the terms of the headings, the notes, and the rules. This is not true of the CPC/EN, where there are widespread differences between the texts and the EN. This is particularly alarming because of indications that the "provisional" CPC is already being used for important international programs.

Reconcile texts and EN

It is appropriate to place strong reliance on the texts, since these and not the EN will be the primary element of data collection. But in any case we must reconcile the texts and the EN so that they specify the same scope, and neither offers consistently the scope desired. We can clarify many of these by relatively simple changes.

In general, texts that are the same should have the same scope. In some cases differences are unavoidable, such as the somewhat broader scope of motor vehicle parts in retail than in manufacturing. But some CPC differences seem unnecessary and undesirable, such as the apparent inclusion of household linens as "textiles, clothing and footwear" in wholesale (6223) but as "household appliances, articles and equipment in retail (6323) even when these two general categories appear in both areas.

The CPC also specifies beverages in wholesale (62226) and retail (63107) as including fruit juices and vegetable juices. This is not in accordance with the treatment for transportable goods and, at least in the U.S. experience, is not the usual practice.

Texts that are different should in general have a different scope. For example, the texts for CPC 9331 and 9332 and their detail imply that a distinction must be made between "social services" and "welfare services".

CPC 6330 and 63302 imply the same as between "personal" and "household" (Does 63302 exclude electric razors and hair dryers?) These should be clarified, either by changes in text or by definition of the distinctions.

The texts/explanatory notes should help to clarify the scope of the categories, especially in cases where the link to HS suggests coverage that is different from that of normal industry practice. For example, if motor vehicles of CPC 6111 include cranes, drilling equipment, and dumpers designed for off-highway use (as suggested by HS and by CPC), then it includes vehicles which, at least for the U.S., are not normally associated with motor vehicles. It is preferable to have at least one subdivision to make this type of distinction but, at a minimum, the EN should at least mention these. Of course, our preference is that these be excluded from 61 completely, but none of the systems have addressed this issue directly.

The use of CPC references for transportable goods to define categories in services does not work. This occurs primarily, or perhaps wholly, for wholesale and retail trade, so the issue will be addressed there.

Use more rules or notes at higher levels.

Earlier versions of ISIC included relatively broad categories, such that national differences might be relatively unimportant statistically. ISIC 3 has expanded the detail significantly, and CPC even farther. Reliance cannot be placed on the texts alone for services, as suggested by the current CPC rules.

In developing HS it was evident for transportable goods that terms don't have the same meaning among regions or nations. Compromises were achieved by the use of terminology not used domestically (e.g., the indirect texts for metal plate, sheet, and wire, or for paper and paperboard) or of specific definitional notes.

The CPC service texts do not include an essential element of HS--the Section and Chapter Notes. The CPC needs to define and explain the terms used which have a generally accepted meaning for customs authorities but are not familiar to those involved with industrial statistics. These include terms such as "most specific", "composite", "combination", and "essential character". There should be a rule or note to define and explain the inclusion in CPC primary service categories of related services, for example, those regarded as "normal" and "integrated" to such primary services. There should preferably also be further guidance (e.g., examples) on how to treat composites and combinations. Additional notes are also needed to define and clarify some distinctions, such as that between entertainment (961) and recreation (964).

Consider using direct reference from CPC to CPC/EN and ISIC.

The U.S. product system relies on the U.S. SIC industry scope to define the scope of it's product detail. This works satisfactorily for lines

provided for specific products but not necessarily for general categories or residual categories. The same problem occurs when CPC specifies terms like agricultural raw materials (6221), household (6224, 6323), "do-it-yourself" materials and equipment (6324), consumer goods (6226), entertainment (961), and recreational (964). None of these are precise or commonly understood (and their interpretations even contradict general practice), and the CPC scope can only be known by reference to the EN or ISIC.

Even if we accept the CPC/EN, it appears that recourse to the ISIC is necessary for some situations. The most obvious example is CPC 88, in general. For the specific example of mining services it is necessary to refer to the Introduction to ISIC to determine the classification of contract operation of mining facilities. As another example, CPC 9703 and its EN make no reference to animals and these might not be expected to be covered. But an examination of ISIC 9303 indicates that animals are indeed specified. Of course, some of these cases can be clarified by additions to the EN, but at some point the ISIC will incorporate too many index items to specify all in the CPC/EN. It is essential to know the scope of the ISIC categories before we can set the CPC detail and to adopt a definitional approach which recognizes that interpretation of both will be an ongoing project.

PROBLEMS IN THE AREAS OF WHOLESALE TRADE AND RETAIL TRADE.

The previous sections of this paper have described some of the main questions with the CPC. Some relate as much to the ISIC as the CPC. Many of the most difficult involve wholesale and retail trade, either for the internal detail or for the external relationships to other sectors. This is not surprising since these were among the last sectors worked on in drafting ISIC and CPC and work was probably restricted by time. Criticisms are made with recognition that these areas are among the reasons that the CPC is provisional; but the comments are far from comprehensive.

What do we want from the CPC detail for wholesale and retail trade?

For wholesale trade and retail trade the following needs are of major interest:

1. Separation between products sold primarily for household use and those for other purposes.
2. Detail to reflect variations in margins among products.
3. Product data at industry level.
4. Industries (and products) that use same types of capital equipment.
5. Industries (and products) with stable input structure.
6. Provision of linkages among sectors.

Some would like to have wholesale trade and retail trade categories include only the value of the services (margins) and not the value of the goods sold. This would apparently meet the needs of national accounts directly. But in practice, how would we do this? It seems more feasible to determine this on a calculated basis than to expect units to furnish the data directly. Where would the sales figures for the products fall and how would they be valued, especially during the year rather than at the end? How would these be determined on an individual CPC category basis? And doesn't the same type of situation occur anywhere you combine a service with a sale of merchandise (e.g., construction; repairs; photography)?

Scope problems between wholesale trade and retail trade.

The CPC/EN do define the distinction between wholesale trade and retail trade. Nevertheless, there are still questions. We have, first of all, a question of obtaining consistency as to when receipts are treated as wholesale and when as retail.

The U.S. treated units selling primarily to farmers (and consequently their sales) as retail trade until 1972, after which they have been treated as wholesale. The earlier treatment was based on the units selling both goods for household consumption and for farm production. Selling units have since become more specialized and farm production has also been sited more in large business units.

There are also other product categories where the same units provide services (sales) both to households and to business customers. These units generally operate like or from stores, are open to the general public and sell for both household and business consumption, probably sell at the same price to both, sell in relatively small quantities for individual sales rather than in bulk, often provide more individual service, and--most important--do not maintain separate records by the type of customer. These could be primarily retail or primarily wholesale if we followed strict adherence to the general guidelines.

ISIC 3 already provides for units of this general type. In the notes to Division 52, which covers most retail trade, the ISIC specifies that:

"Establishments engaged in selling to the general public, from displayed merchandise, products such as typewriters, stationery, paint or lumber, are classified in this division though these sales may not be for personal or household consumption or use only."

The most important units of this type are those in ISIC 5050 which sell automotive fuel at retail. The system should indicate more specifically which products shall be handled in this manner (e.g., fuel oil of CPC 63297, some tools, glass, computers, computer software, furniture).

ISIC 3 also raises another question with regard to receipts. In the notes to Division 52, it specifies that "The goods sold in this division are for

obvious reasons limited to so called consumer goods." Division 52 covers only units that sell primarily consumer goods, but it does not follow that they sell only consumer goods. For example, retail units may sell office furniture or facsimile machines for personal use and also sell sizable quantities of plumbing and electrical supplies.

Treatment of the above situations in CPC should ideally follow the wholesale/retail distinction. This might be feasible if the U.S. and ISIC treatment had resulted from the need for stability of classification and historical continuity of data. But the main consideration for the U.S. has been the inability to secure reporting of accurate data on this distinction. If this is the case, then the wholesale/retail distinction for products sold by these units seems unattainable.

The U.S. currently handles these products in the following manner:

1. The sales of units classified as wholesale are classified as wholesale.
2. The sales of units classified as retail are classified as retail.

This is a practical treatment rather than an ideal one.

If we want linkages among ISIC sectors and CPC sectors, the chief areas affected in services are wholesale and retail trade. This has been cited as a U.S. need for some time, but the goal has not been implemented. The principal impediment has been that patterns of merchandise handled are not the same in wholesale or retail as in the transportable goods production areas.

The CPC/EN attempt to define wholesale and retail trade in terms of the corresponding CPC for transportable goods, but the attempt is insufficient and does not work. The references to CPC classes in the individual EN are misleading. Often the service CPC being defined covers only part of the products of the referenced CPC (e.g., reference in 62244 to 47 which is the only reference to 47 in 62; also 62243 for 465 and 62289 for 46). The system apparently wants a linkage among CPC sectors (e.g., manufacturing, wholesale, retail) but the references are often too broad to help in interpreting the scope. Specifying a finer level of CPC may help. (Note that the CPC references are probably technically correct.) The CPC service references also often do not specify all appropriate CPC from the transportable goods sectors. It is, of course, possible to use more detailed references and possibly more restrictive references where appropriate (e.g., household goods included in CPC XXXX).

The one potential advantage of the references is that the practice would specify coverage for the non-retail goods that are sold by retailers, e.g., plumbing and heating supplies. We will have to review whether this is the preferred treatment, but note that plumbing and heating supplies, like many other goods, are mainly classified in HS by material (mainly metal) so that the cross references are almost certainly incorrect. These should be in CPC 6324.

An example of these problems is found in CPC 61, Sales, maintenance and repair services of motor vehicles and motorcycles. First of all, the system does not fully separate wholesale and retail trade. The reasons for combining the wholesale and retail industry activities of ISIC 5010 and 5030 are not clear. But having done so, it is even more difficult to understand why these are not separated within CPC 6113 and 6121. If we want to obtain relevant totals, we may also want to provide separately for wholesale commission agent services within CPC 61.

The example of CPC 6113 illustrates that the references in CPC/EN to the CPC of transportable goods do not work. The scope of "motor vehicle parts" is not the same for retail as it is for manufacturing. The retail scope should include goods classifiable in more specific HS/CPC categories, such as batteries, tires, glass mirrors, other glass, and ignition equipment.

The wholesale scope is also thus a problem. Do you follow the scope of motor vehicle parts for retail or for transportable goods? For example, CPC 491-492 exclude tires from motor vehicle parts because they are specifically provided for in a separate category for tires. The options for tires in wholesale are CPC 6113, as parts of motor vehicles, and 62279, as intermediate products. The text of 6113 seems to cover motor vehicle tires more specifically and is preferable, but they are listed in the EN to 62279. The problem is similar for batteries, glass mirrors and other products.

Retail trade.

Retail stores usually have a common pattern in terms of the combinations of goods that they normally sell. Wholesalers tend to be much more flexible for treatment because individual units usually specialize more in terms of products handled. These are exceptions in both cases, but it is more useful to examine the groupings for retail before those for wholesale, and to then use retail as a pattern for wholesale.

U.S. treatment.

The U.S. tries in its SIC to reflect patterns as they actually exist, that is to group products in accordance with the pattern of goods handled by the individual units. However, the product detail itself is tied to just the specialized industries, as in CPC.

For retail trade, as for other sectors, we collect product detail on a where-ever provided basis within a sector but not completely from other sectors. A core detail thus is collected from retail units of all types, including non-store retailers and general merchandise stores. Supplemental detail is then collected for some types of products in the industries where they are particularly important. For some industries, totals are also collected on construction receipts and repair receipts. As indicated earlier, all sales made by retail units are considered as retail sales, without regard to the specific customers. Product data are then published

on the basis of (1) total sales by each industry by type of product and (2) total sales of each product category by retail industry of origin. These two arrangements are the basis for many of the comments presented here.

Scope issues in ISIC/CPC.

There are three main differences in scope between the U.S. SIC and the ISIC. The first is that the U.S. classifies manufacturing and sale at the same unit as retail while the ISIC classifies this as manufacturing. But our work in national accounts groups these operations with manufacturing and the suggestion has been made in general that our SIC should be changed to come closer to the national accounts treatments. The main products concerned are bakery goods, but also involved are candy, furniture, dairy products, draperies, blinds, and various other goods.

One reason for our current treatment is that the same unit may sell both goods made by the unit and goods made by others. The units thus could potentially shift across very broad lines with only a moderate change in activity. There may also be very little manufacturing involved. For example, many bakeries are now small specialized operations making cookies or rolls from purchased doughs. Does Belgium include the small window shops making and selling waffles as manufacturing? What about those who make products at home and sell at stalls or markets?

The main concern right now is how these treatments affect CPC. To conform to the ISIC/CPC treatment, we would need to have many of our retail units separate their product data on this basis. We also need to evaluate the relative effects of including some retail services in manufacturing or some manufacturing in services.

The second scope difference is that the ISIC includes in manufacturing the repair of goods other than personal or household goods and other than office machinery and equipment including computers, while the U.S. includes these with other repairs. (And I understand Canada groups these in wholesale trade.) This distinction between units repairing personal and household goods and those repairing other goods presents class-of-customer problems for classification similar to those between wholesale and retail trade. The same unit may repair both household and business goods, for example, upholstery and other furniture repair. It is not clear if the ISIC expects these similar units to be separated based on their actual receipts pattern, which, like that of the similar store operations, might not be available and might provide unstable classification. It is assumed that, in spite of the fact that "manufacture of" within 885 excludes repairs, the same text for 884 must include repair of these goods when they are not of personal or household types. Thus receipts would apparently have to be distributed between CPC 88491 and 63309, a somewhat difficult distinction.

The third difference is that the U.S. SIC handles some combined sales and related services by convention rather than by interpretation of primary

activity for individual cases. Thus the combined sale and installation of elevators and sprinkler systems is defined into construction, and the sale and installation of certain motor vehicle parts (e.g., transmissions, glass, mufflers) is defined as repairs. This provides for more consistent and stable domestic classification, but could result in international differences.

A review of CPC detail.

The CPC product groupings do not always correspond to groupings found in actual units (sometimes because of ISIC). The major example is CPC 63291, Cleaning materials, wallpaper and floor coverings. I have no idea what these have in common (is it "margins"?). They are not sold by the same units, to any great extent. Cleaning materials are not sold by specialized stores and are not particularly important. In the U.S. they are sold mainly by grocery stores.

Wallpaper is sold by specialized stores but is frequently sold with paint and with other goods of ISIC 5234. Wallpaper will generally not predominate. It is also difficult to see why paint and wallpaper should fall in completely different CPC areas.

Floor coverings are primarily handled by specialized units. Those of textiles are home furnishings and, while excluded from CPC 6323 for retail, are included as such in 6224 for wholesale.

Since the ISIC cannot be changed at this time the preferred treatment is:

1. Provide a separate CPC for wallpaper (preferably under CPC 6324).
2. Merge cleaning materials into CPC 63299 (unless someone will indicate why they are important).
3. Provide a separate CPC for floor coverings (preferably under CPC 6323).

The CPC line for wallpaper may be relatively small but floor coverings are certainly important. Separate data will meet the needs of countries such as the U.S. for data detail that links to both the national and international systems.

Wallpaper is one problem related to ISIC 5234. In addition, these units are also the primary retailers of certain other products that are not clearly provided for in CPC, including powered hand tools, cutlery other than table and kitchen cutlery, and plumbing and heating supplies. These belong in ISIC 5234 but may not fit the texts of the CPC 6324 detail.

CPC 63101 should be restricted to fresh fruits and vegetables, which are sold by very specialized stores which sell relatively little of the processed goods. Note that this would be consistent with the instructions in ISIC 5220 for stores specialized to the fresh goods.

The system does not provide for certain important categories of retail products. This is apparently because there are few (if any) units specialized in the retail sale of such goods. They are mainly household supplies which preferably do not meet the somewhat nebulous category of "articles" of CPC 6327. Many are sold primarily in grocery stores but are assumed to be now in CPC 6329 and linked to ISIC 5239. Separation in CPC would improve the industry/product link, but at a minimum their location should be clarified. Examples of important products not separately provided for are:

1. Soaps (except toilet soap) and detergents.
2. Other household chemicals (e.g., bleach, ironing preparations).
3. Plumbing and electrical supplies (should be in ISIC 5234).
4. Pet foods and pet supplies.
5. Plastics household ware.
6. Aluminum foil and related metal household products.
7. Other household paper products (e.g., towels, plates, bags, toilet paper).

Other problems to be addressed.

This paper has not mentioned in detail the numerous situations for retail trade that need reconciliation among the ISIC, the CPC, and their notes. For example, CPC 6321 and ISIC 5231 have a scope difference depending on whether you look at the CPC (toilet soaps), it's EN (toilet soaps and preparations), or the ISIC (toilet articles).

Some of the individual categories seem to have problems or be lacking in merit. For example, CPC 63237 covers the same type of goods as 63233; the two might be combined. The scope of 63244 is very unclear, in it's EN references to chemicals, colours, and drawing inks, and especially to hobby goods. Most hobby goods are usually sold with games and toys. The EN for CPC 63107 adopts an unfamiliar interpretation of beverages.

Wholesale trade.

U.S. treatment.

The U.S. SIC does not separate agents. We did at one time but the distinction was dropped because many units operate as both agents and merchant wholesalers. We do, however, collect and publish industry and product data by type of operation that provides data on this distinction for both ISIC and CPC. The industry and product detail for both types of operation are the same.

The U.S. industries are defined largely by products sold, but there are exceptions. For example, we sometimes group wholesalers oriented toward a particular market rather than a product. Thus we have separate industry and product detail for wholesaling of bakery, laundry, or janitor supplies and farm supplies. These categories are generally not large. We don't know how their products would split in terms of CPC.

We also group wholesalers oriented toward products but which have specialized characteristics. Examples are those which are specialized in providing packaged frozen foods or canned foods, where the frozen or canned distinction generally takes precedence over the type of food. The groupings are thus tied to the handling and storage characteristics of the products. These differences, in particular, we think should be recognized by modifying the CPC detail.

The U.S. thus tries in its SIC to reflect activity patterns as they actually exist. The product detail are then also tied to the U.S. SIC structure at a minimum at the 4-digit industry level. A broad core level of wholesale product detail is collected from all wholesalers, with supplemental detail collected within some of these broad categories from the units which primarily provide such products. The product data then are published on a basis both of individual products sold by each industry and of individual products where-ever sold, and are separately distinguished for agents, manufacturers' sales offices and manufacturers' sales branches (MSO/MSB), and other. This provides specific evidence of the pattern of goods handled by each industry and type of wholesaler and is the basis for many of the comments here. We also collect some product detail from wholesale units for other types of services.

Scope issues in ISIC/CPC.

The U.S. SIC detail includes MSO/MSB with other wholesalers. These are significant and account for a little over 30 percent of our wholesale sales. We have, however, received proposals to change this treatment, and will be reviewing our position.

In the EN to Division 51, which covers most wholesale trade and commission trade, the ISIC specifies that the division includes "sales branches and sales offices (but not retail stores) which are maintained by manufacturing or mining units apart from their plants or mines for the purpose of marketing their products and which do not merely take orders to be filled by direct shipments from the plants or mines". It is unclear what is meant by "merely taking orders". In the U.S. these units often provide engineering and other consulting services, to other wholesalers or to manufacturers. They do not "merely take orders". This would be a difficult distinction in any case. In addition, the documents of the development of ISIC/CPC indicated that at least one major country regards these as auxiliary. It is important to know how the ISIC is to be interpreted for these units and how they are to be handled in CPC. It is assumed that MSB are in wholesale in 61 and 622, regardless of where the

MSO would fall. If the MSO are considered as wholesale, there is no problem for receipts. If they are to be regarded as manufacturing or ancillary, then how are their receipts to be reported separately in CPC, and where ?

A review of CPC detail.

The major problem with the CPC detail is that it does not provide separately for the goods handled in ISIC 5190. But there is no clear indication in either ISIC or CPC of what 5190 covers (other than general wholesalers). It seems likely that the products include some of the types of goods specified in ISIC 5139 when they are not of the household type, assuming that ISIC 5139 and CPC 6224-6226 cover these only when of the household type. Some of these probably fall in CPC 62279 as intermediate goods, for example, pulp, paper and paperboard; some optical goods; and probably insulated wire and other electrical goods. It will be necessary to clarify the distinction between 6227 and 62287, especially for electrical goods. Other non-household products would include furniture other than office (e.g., for theatres, transport vehicles, churches); ceramic tableware; fabricated metal products; lighting equipment (where are lamp bulbs?); scientific and other instruments; and radio and television broadcast or communication equipment.

It is essential to know the scope of ISIC 5190 before we can agree on the CPC detail for wholesale trade. The goods cited above do not fit in CPC 62289, which seems like the only current alternative. These probably should be in a new CPC, with appropriate detail. It is unclear why so little emphasis is given to the areas of instrumentation, communication equipment, and other electrical machinery and apparatus. These are already large and are growth areas, yet there is no separate CPC provision.

It is difficult to see the logical basis for some of the groupings. As with Retail, it is not clear why cleaning materials are important and specified as a separate CPC 62268. The EN state these are goods of CPC 3533, part of ISIC 2424. ISIC 3 was changed from ISIC 2 to group these with goods of CPC 3531 and 3532 in ISIC 2424, to recognize overlaps and distinction problems. The CPC for wholesale and retail apparently has not recognized this change. Another example is CPC 62253 which includes the rest of the products of ISIC 2424 with perfumery and cosmetics.

There are several important instances in which either the detail and EN are inconsistent with the higher level texts or certain products are not clearly provided for. Examples include the following:

1. CPC 6221 specifies "agricultural raw materials and live animals". Yet the detail includes animal feed (including dog and cat food?), hides, skins, and leather, at a minimum. It may be desirable to include products that are agricultural and have had relatively little processing, but the processing for these is not minimal. There are also apparently agricultural raw materials in CPC 62221, 62222, 62227 and 62277, and it would help if the texts for these made that clear.

2. CPC 6224 specifies household appliances, articles and equipment". Yet the detail includes coopers' ware, which is clearly not household. It also specifies wallpaper, which does not fit the text and is not included under the same text in retail trade. More importantly, references are made to CPC categories and goods when there are no other complementary references elsewhere to non-household types of these goods.

For example, CPC 62243 refers to lighting equipment, 62244 to radio and television equipment, and CPC 62245 to glass and ceramic ware. There are no other wholesale references to these CPC codes. It is essential to know if CPC 6224 includes only household types, or also other types. Some units (e.g., MSO/MSB) may handle both. The scope issue here is probably related to that of ISIC 5190. It is important to note that some of the distinctions necessary for the detail of CPC 6224 and 6226 do not always exist in the HS and thus cannot exist in CPC.

3. CPC 6226 references consumer goods and 62261 specifies paper, paperboard, and their products; again there are no other suitable references in CPC to these when they are not consumer type (including wood pulp of CPC 3211).

The CPC product groupings do not always correspond to patterns handled by actual units. For example, in CPC 6222, specialized units generally handle fresh but not processed fruits and vegetables, and most frozen goods (except dairy) and most canned goods are each handled by specialized units rather than according to the generalized CPC categories. It would thus be preferable if 62221 were restricted to fresh and 62222-9 were modified (see comments to Retail).

The system does not provide separation for some important categories of products. The most significant example is industrial and commercial electrical products. According to the transportable goods references, these apparently all fall in CPC 62289. Based solely on the CPC texts, some might belong in CPC 62279 and 62287. This relates also to the scope of ISIC 5190.

Linkages

Within CPC 62, convertibility at some level is needed between services of agents (CPC 621) and those of other wholesalers (CPC 622). This is necessary for linkages within wholesale and to provide consistency for units that provide data under both CPC 621 and 622. CPC 62115, at a minimum, does not meet this objective. And 621 does not utilize any of the distinctions in 622 for "household", "consumer", and "intermediate" products.

Linkages among sectors are a special problem for wholesale trade. As noted earlier, some inconsistencies among sectors are unavoidable, such as the difference in scope between manufacturing and retail trade for motor vehicle parts. But some of the inconsistencies in CPC are avoidable

and undesirable. For example, hand tools are described under household in wholesale (62249) but elsewhere in retail (63241). Household linens are textiles in wholesale (62232) but household goods in retail (63236). In both cases the retail treatment is preferable.

MISCELLANEOUS COMMENTS AND PROPOSALS

In illustrating some of the individual problems earlier, it was evident that changes are desirable to some CPC (and ISIC) categories, where questions arise or changes may be needed for various reasons, but where the specific change wanted may not yet be clear. There are also cases where decisions had to be made when developing ISIC/CPC but which merit further study by this broad-based group. Some of these are mentioned here as possible problems to be considered when these areas are addressed in detail.

<u>CPC</u>	<u>ISIC</u>	<u>Comment</u>
General		What effect, if any, do the detailed instructions in ISIC on the treatment of ancillary units have on data for the CPC ?
General		To what extent is it desirable to distinguish services between those for personal or household consumption and those for others ?
512	4520	This area includes construction on own account for sale. This product seems quite different from others of the 3-digit. The product will include capital and material investments that are not required for other work which is mainly labor. Consider 4-digits for (1) work on own account, (2) other residential, and (3) other buildings, with the current detail becoming 5-digits. Also review the relationship between the own account work here and CPC 821.
6		What specific types of products would be grouped if we group those with similar margins? Does this objective apply if the products have nothing else in common ?
71112	6021	Merge with CPC 71211. This activity was moved from ISIC 6010 to 6021 because the same unit provides both services. These are integrated systems under common operation where each will feed traffic to the other. Tickets might be purchased at the road portion but most of the service come from rail travel. Separate receipts would not be possible. If don't merge, at least move 71112 to 712.

<u>CPC</u>	<u>ISIC</u>	<u>Comment</u>
832	7130	The treatment of rental and leasing for these goods was a contentious issue in developing ISIC/CPC and the resulting treatment is not always clear. Some services are in effect rentals but are not described as such (e.g., most coin-operated service machine services and many recreational services). Thus some of these are already excluded from rentals, such as those involving laundry services (9701). It is not clear where others fall, such as amusement machines, music machines, and shoe polishing machines. And the major question is for recreational rentals, largely on site (e.g., compare notes and exclusions for ISIC 7130 and 92, and CPC 83204 and 96499).
83102,5	7111	Review whether the appropriate distinction is goods versus other (as now) or railway versus other. The latter distinction is the one most often made for the system. Note that the CPC/EN appear to exclude rail from 83102 but the text does not.
863	7411,2	Aren't services of CPC 86301 more likely to be provided from ISIC 7411 ? From CPC 86303, delete the reference to "planning services" which are covered in 86301.
872	7491	Consider providing a separate 5-digit for units falling here which provide personnel to perform a range of services to other businesses (e.g., janitorial, lawn care, guard) without specializing in any one. These are quite sizeable for the U.S.
879	7499	Consider providing more flexibility by creating a new 4-digit to cover CPC 87903, 87904, 87905, and a new 5-digit for Secretarial services from 87909. These are important and are increasingly being performed by the same unit.
9404-9	9000	I don't believe that these belong in ISIC 9000 but have not yet looked for a better location. They are completely different activities. If they must fall here, place in a single CPC 4-digit.
961	9214,9	CPC 96191-3 do not appear to exhaust ISIC 9214, or 96191-2 to make a worthwhile distinction. Review the distinction between 961 and 964.

- 962 9220 Is it really feasible and desirable to make a primary distinction based on the customer rather than just the service? Is this consistent with the CPC intent? Aren't some identical services provided to more than one category of media? Which category would cover syndicated cartoons and opinion columns?
- 96499 9249 Consider separate CPC for (1) booking and casting activities and (2) coin-operated amusement machine operations. It is completely unclear why the first are in ISIC 9249 rather than in 921 with entertainment. They are services to businesses which are clearly unlike the other personal services of CPC 96499, and should be separated. The second is an important category.
- 9701 9301 Consider changing detail to the following:
1. Rental and leasing of linens, work uniforms, and related articles.
 2. Coin-operated laundry and dry cleaning services.
 3. Other services to clean or wash goods.
 4. Other services, including dyeing and colouring and separate collection or pressing services.
- CPC 97012-13 cover distinctly different services performed by different units and comprise almost all of 9701. CPC 97011, 97014, and 97015 are small and need not be separated.
- The services of #1 above are related to the rentals of CPC 832 and serve primarily businesses, those of #2 have significantly different input requirements (with relatively little labor) and are also related to rentals, and those of #3 are quite different from those of #4. Carpet and upholstery cleaning would fall in #3, but might also be separated. These are all sizeable with separate units and represent useful sub-industries.

Although they are not mentioned in either CPC 9701 or 6330, repair and alterations are presumably included in CPC 63304. These will be charged separately.

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| 9703 | 9303 | Consider separate provision for services to operate and maintain cemeteries (and crematories?). These are different services of different units with significantly different input requirements. Note that the current CPC text does not cover these. |
| 9709 | | Consider whether should separate services of physical well-being activities. |