

## CPC Ver.2 Main changes

United Nations Statistics Division

### CPC revision

- Main objectives:
  - Keep main structure unchanged
  - Review scope of CPC
  - Sectoral review for services
    - Focus on products that are outputs of revised / new ISIC industries
    - Service products
    - IT products
    - Originals
  - Review lower-level structure for analytical usefulness

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### CPC structure changes

- Top structure unchanged
- Lower level restructuring in some areas
- Addition of detail
- Scope
  - Assets; by-products
  - Goods and services

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### CPC structure changes

- 0 Agriculture, forestry and fishery products
  - Detail
- 1 Ores and minerals; electricity, gas and water
- 2 Food products, beverages and tobacco; textiles, apparel and leather products
  - Detail

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### CPC structure changes

- 3 Other transportable goods, except metal products, machinery and equipment
  - Published products (books etc.)
- 4 Metal products, machinery and equipment
  - Computer-related products
- General issue in section 0-4:
  - Problems with HS link

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### CPC structure changes

- 5 Constructions and construction services
- 6 Distributive trade services; accommodation, food and beverage serving services; transport services; and utilities distribution services
  - Restructuring of transport services
- 7 Financial and related services; real estate services; and rental and leasing services
  - New detail

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## CPC structure changes

- 8 Business and production services
  - New detail in divisions 83, 84, 85
- 9 Community, social and personal services
  - Detail (health, waste management, audio-visual)

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## CPC Ver.2

Changes for agriculture and food products

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## History

- In previous version of CPC:
  - Section 0 – Agriculture, forestry and fishery products
  - Section 2 – Food products, beverages and tobacco; textiles, apparel and leather products
    - Here: consider only Divisions 21-25
- Major complaint by majority of countries, esp. developing countries:
  - Insufficient detail for agricultural products

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## History (2)

- Goods in the CPC 1.1 and earlier were defined in terms of the Harmonized System
- This limits the detail that is possible in CPC
- Unprocessed agricultural products are not heavily traded internationally
  - Processing is done locally

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## History (3)

- Example for products that were not recognized in HS:

- Sugar cane

12.12		Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh, chilled, frozen or dried, whether or not ground; fruit stones and kernels and other vegetable products (including unroasted chicory roots of the variety <i>Cichorium intybus sativum</i> ) of a kind used primarily for human consumption, not elsewhere specified or included.
	1212.20	- Seaweeds and other algae
		- Other :
	1212.91	- Sugar beet
	1212.99	- Other

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## History (4)

- The limitation of detail has made the CPC less useful for application in agriculture
- For CPC Ver.2, the FAO was consulted to advise on necessary detail
- This has resulted in various drafts that were subsequently refined

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### New detail

	CPC Ver1.1	CPC Ver.2
<b>Agricultural products</b>		
Divisions	4	4
Groups	17	20
Classes	66	86
Subclasses	83	211
<b>Food products</b>		
Divisions	5	9
Groups	23	23
Classes	87	92
Subclasses	111	241

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### New Detail (2)

- Substantial increase at lowest level (subclasses)
- Examples:
  - For agriculture:
    - Recognition of more types of plants, animals
    - Separation of raw from processed products
  - For food products:
    - Separation of meat by type of animal

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### New detail (3)

- Some of the changes make CPC categories more applicable to individual regions
  - E.g. tropical fruits, sheep, goat, camel
- Some changes are relevant to policy interests
  - E.g. BSE (mad cow disease)

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### CPC-HS link

- How is the CPC-HS link affected by this?
  - Many CPC subclasses now refer to parts of HS codes only
    - 91 in Section 0
    - 102 in Section 2
    - Often aligned with HS at class level
  - Explicit explanatory notes are provided in these cases
  - This newly created detail has also been submitted as proposals for the next HS revision
    - If accepted, alignment between CPC and HS will improve

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### CPC Ver.2

#### Changes in CPC services categories

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### History

- CPC is the reference classification for services
- Other classifications that use services base their definitions on the CPC
  - Examples:
    - List of tourism characteristics products
    - Extended Balance of Payments Services Classifications (EBOPS)

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## CPC Services

- As part of the CPC revision process, some services have been reviewed in detail
- The goal has always been to:
  - Provide a complete coverage of outputs
  - Reflect new services
  - Provide better (more precise) definitions of services
  - Define services in a way that facilitates reporting by businesses
  - Group services in a way that makes them more suitable for analysis

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## CPC Services (2)

- Although the CPC does not explicitly define what services are, they have been logically grouped in Sections 5-9
  - Note: there are also some products in 5-9 that are not services!
- Definition of services is done in the SNA!

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## CPC Services (3)

- Specific divisions that have been reviewed in this revision:
  - 64-67 Transportation services
  - 71 - Financial services
  - 84 – Telecommunications, broadcasting and information supply services
  - 88 - Manufacturing services
  - 93 - Human health services
  - 94 - Waste treatment services (etc.)

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### CPC Services (4)

- At lower levels, some areas have also been reorganized
- For example:
  - 851 Employment services
    - To reflect changes in ISIC
  - 832/833 Architecture and engineering services
    - To reflect reporting practices by businesses
  - 855 Reservation services (etc.)
    - To reflect changes in ISIC
  - 961 Audio-visual and related services
    - To reflect changes in ISIC

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### Human health services

- Detail has been changed to reflect new detail introduced in ISIC
- Veterinary services have been moved out
- New detailed services respond to needs for analysis, e.g. in the system of Health Accounts

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### Financial services

- CPC Versions 1.0 and 1.1 included an annex with a suggested alternate detail for financial services
  - More detailed than “regular” division 71
- This alternate detail has now been incorporated into the regular CPC structure
  - Eliminates need for an annex
- In addition, some small detail was added in response to special needs (e.g. travel insurance)

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## Telecommunications services etc.

- Revision mostly affects products related to the on-line distribution of content
  - Part of review of ICT and content product groupings
  - Includes “originals” alongside services of broadcasting etc.
  - Revises previous understanding of services for content distribution

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## Transportation services

- Transportation services have been grouped in a way that is more useful for analysis
  - Interest is primarily for passenger vs. freight transport
  - Secondary, split by mode of transport
- In ISIC, the structure reflects the organization
  - Breakdown first by mode of operation

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## Transportation services (2)

- At lower levels of the structure:
  - Within passenger transport, the breakdown is by local vs. long-distance transport
  - Sightseeing transport services are recognized by mode of transport
  - Passenger air transport is separated into domestic and international travel

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## Manufacturing services

- A manufacturing unit (defined in ISIC) can provide two types of output:
  - Good (if production is done on own account)
  - Manufacturing service (if production is done on account of others)
- The CPC provides categories for both

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## Manufacturing services (2)

- In previous versions of the CPC, the detail of manufacturing services was limited
  - Typically one service class responding to one ISIC division
- In CPC Ver.2 this detail has been increased
  - There is now one CPC service category (subclass) for each ISIC Rev.4 manufacturing class

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## Manufacturing services (3)

- Why are these services necessary?
  - They apply in the case of outsourcing
  - The contractor provides a service (e.g. assembly)
  - Contractor can not report on the value of the goods he has produced
    - He does not sell them on the market
    - He can only report the fee he has received from the principal for his work
  - The data is also important for calculation of short term indicators (weights for indices of production)

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## Waste treatment services

- 94 - Sewage and waste collection, treatment and disposal and other environmental protection services
  - CPC Ver.2 – 28 subclasses
  - New detail created to reflect changes (and more detail) in ISIC Rev.4

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## Waste treatment services (2)

- Main structure:

Code	Description
941	Sewerage, sewage treatment and septic tank cleaning services
942	Waste collection services
943	Waste treatment and disposal services
944	Remediation services
945	Sanitation and similar services
949	Other environmental protection services n.e.c.

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## Waste treatment services (3)

- Within groups 942 and 943, a distinction is made between:
  - Services for hazardous materials
  - Services for non-hazardous recyclable materials
  - Services for other non-hazardous materials

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## Waste treatment services (4)

### • Structure of 942

Code	Description
9421	Collection services of hazardous waste
94211	Collection services of hazardous medical and other biohazardous waste
94212	Collection services of industrial hazardous waste (except medical and other biohazardous waste)
94219	Collection services of other hazardous waste
9422	Collection services of non-hazardous recyclable materials
94221	Collection services of non-hazardous recyclable materials, residential
94229	Collection services of non-hazardous recyclable materials, other
9423	General waste collection services
94231	General waste collection services, residential
94239	General waste collection services, other

## Waste treatment services (5)

- How is this distinction made?
  - Exact definitions for “hazardous” will depend on countries’ laws and regulations
  - Exact list of materials considered “recyclable” will depend on country practices
- What is important here is not the type of waste collected, but whether the collection (or treatment) process is set up in a special way to reflect local concepts of “hazardous” or “recyclable”

## Waste treatment services (6)

- The distinction should be made with the following considerations:
  - Is the collection process set up in a special way to address hazardous material handling?
    - E.g. radioactive materials, oil, batteries
  - Is the collection process set up in a special way to ensure that materials are moved into a recycling process?
    - E.g. separate collection of paper
  - If no special procedures are used, the waste collection is “other”