

**Workshop on  
Trade in  
Services and  
Digital Economy  
Statistics for  
Mongolia**

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**Session 4**

**The major classifications used in the  
production of SITS and FATS**

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# Need of international classifications

- International classifications are statistical standards developed and adopted by international agencies and recommended for use by national, regional and international statistical institutions.
- The use of international standard classifications to compile statistics makes it possible to compare data globally and across economies.
- Markets analysis requires that trade data can be linked to output data, whether in terms of activities or of products.

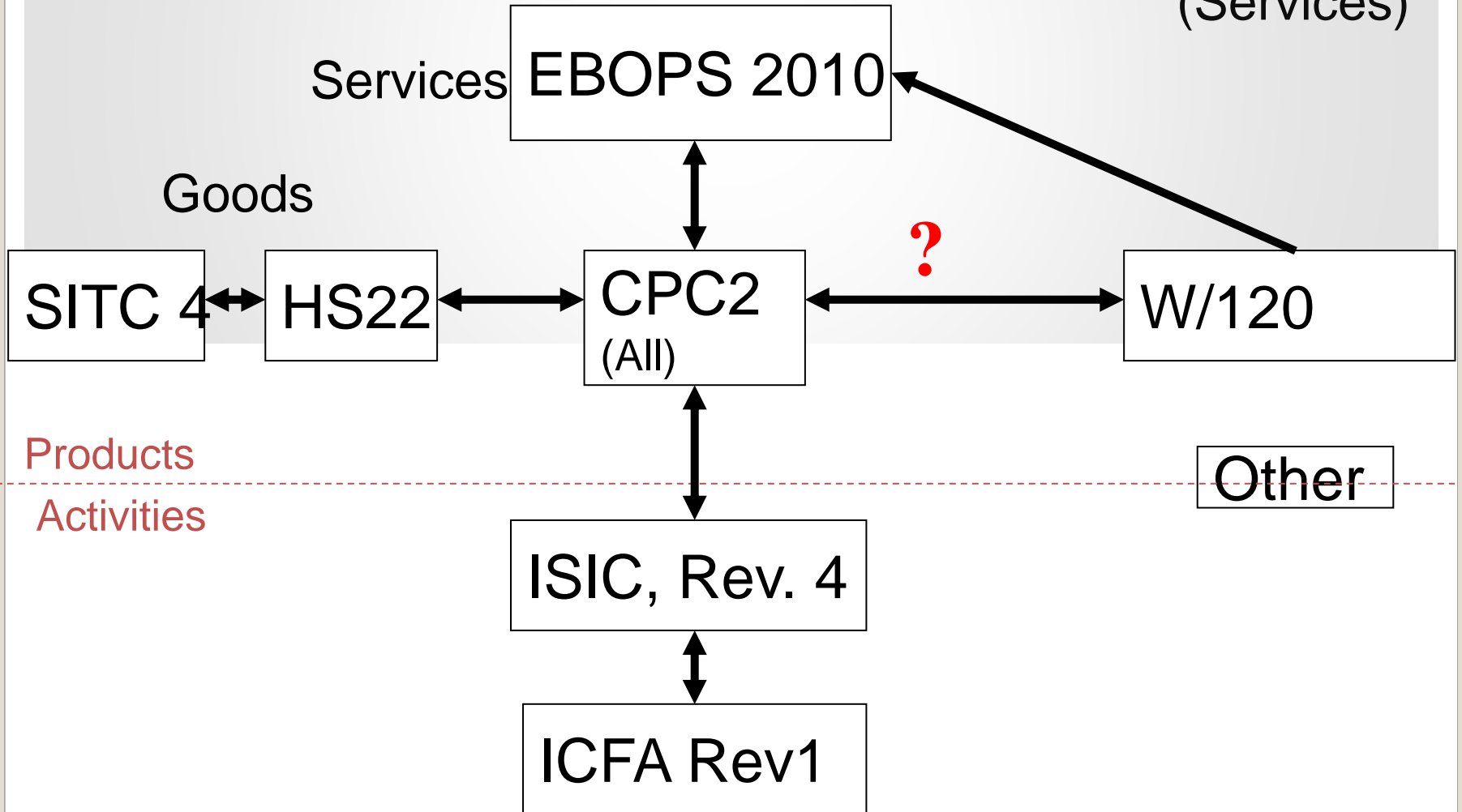
# Need of international classifications

- **Product classifications** are designed to identify and group data relating to products (goods and services).
- **Industry classifications** group businesses engaged in similar activities.
- **BOP and EBOPS classifications** relate to a product classification. However, two categories (travel and government services, grouping goods and services), relate to functional categories.

# Integrated Classifications

Statistics

Negotiations  
(Services)



# Content

- CPC and ISIC classifications.
- BOP and EBOPS classifications of services.
- Tables of correspondence

# 1. *CPC* and *ISIC* classification

# CPC: UN Central Product Classification

- CPC is a **comprehensive classification of all goods and services** which are the subject of domestic and international transactions.
- It is a standard for all products that are an **output of an economic activity** (including goods and services).
- It fulfils a **need for harmonisation** and is a key element for international comparisons, particularly for services which are often heterogeneous kinds of products
- Provisional version in 1991, first version published in 1998, with a further revision in 2013 (CPC v. 2.1) reflecting new types of services.

# CPC hierarchical structure

## A five levels structure

- *Section*: one-digit code (10)
- *Division*: two-digit code (70)
- *Group*: three-digit code (305)
- *Class*: four-digit code (1 167)
- *Sub-class*: five-digit code (2 096)



# The ten sections of CPC

## **0-4: Goods**

- 0- Agriculture, forestry and fishery products
- 1- Ores and minerals; electricity, gas and water
- 2- Food products, beverages and tobacco; textiles, apparel and leather product
- 3- Other transportable goods, except metal products, machinery and equipment
- 4- Metal products , machinery and equipment

## **5-9: Services (mainly)**

- 5- Construction and construction services
- 6- Distributive trade services; accommodation, food and beverage serving services; transport services; electricity, gas and water distribution services
- 7- Financial and related services; real estate services; rental and leasing services
- 8- Business and production services
- 9- Community, social and personal services

# Structure of CPC: an example

- **Section:** [7](#) - Financial and related services; real estate services; and rental and leasing services
- **Division:** [72](#) - Real estate services
- **Group:** [721](#) - Real estate services involving own or leased property
- **Class:** [7212](#) - Trade services of buildings
- **Subclass:** [72122](#) - Trade services of non-residential buildings

# Structure of CPC: an example

## Explanatory note

This subclass includes:

- sales on own account of non-residential buildings and associated land in cases where the sales are treated as sales of trading stock by the seller, but not sales of property where the sales are disposals of the fixed assets of the selling unit.

Examples of non-residential properties include:

- factories, office buildings, warehouses
- theatres, multiple-use buildings that are primarily non-residential
- hotels
- agriculture, forestry properties
- similar properties

This subclass does not include:

- sales of non-residential property constructed by the selling unit (included in 5412)
- sales of vacant land (in 72130)

# ISIC: UN International Standard industrial Classification

- **Standard classification of productive economic activities, linked with the way economic processes are organised in units:**
  - **Establishment:** one activity
  - **Enterprise:** main activity
- ISIC is a basic tool for international comparability among a wide range of economic statistics, including statistics on production, value added, international trade and employment.
- Links to CPC at the lowest level of detail (direct correspondence at a very detailed level)
- Useful for the analysis of international trade in services with an economic sector breakdown (FATS, STEC)

# Example of Classification

- An enterprise's main activity is brewing beer. Its industry is therefore 155 (Manufacturing of beverages).
- It has two secondary products: Brewery tours and a retail shop.
- It therefore consists of **three establishments** each with one product:
  - Brewing (155 - manufacturing of beverages)
  - Tourism services (6304 – Travel agencies and tour operators)
  - Retail services (52 - Retail trade)

# ISIC categories for Foreign Affiliates

## ICFA rev.1

- Particularly important for measuring **FATS**
- First version in MSITS 2002, updated in **MSITS 2010**
- Standardized relevant groups of ISIC categories (all activities are covered, but **more details for services**)
- Also useful for **capturing services produced as secondary activity**

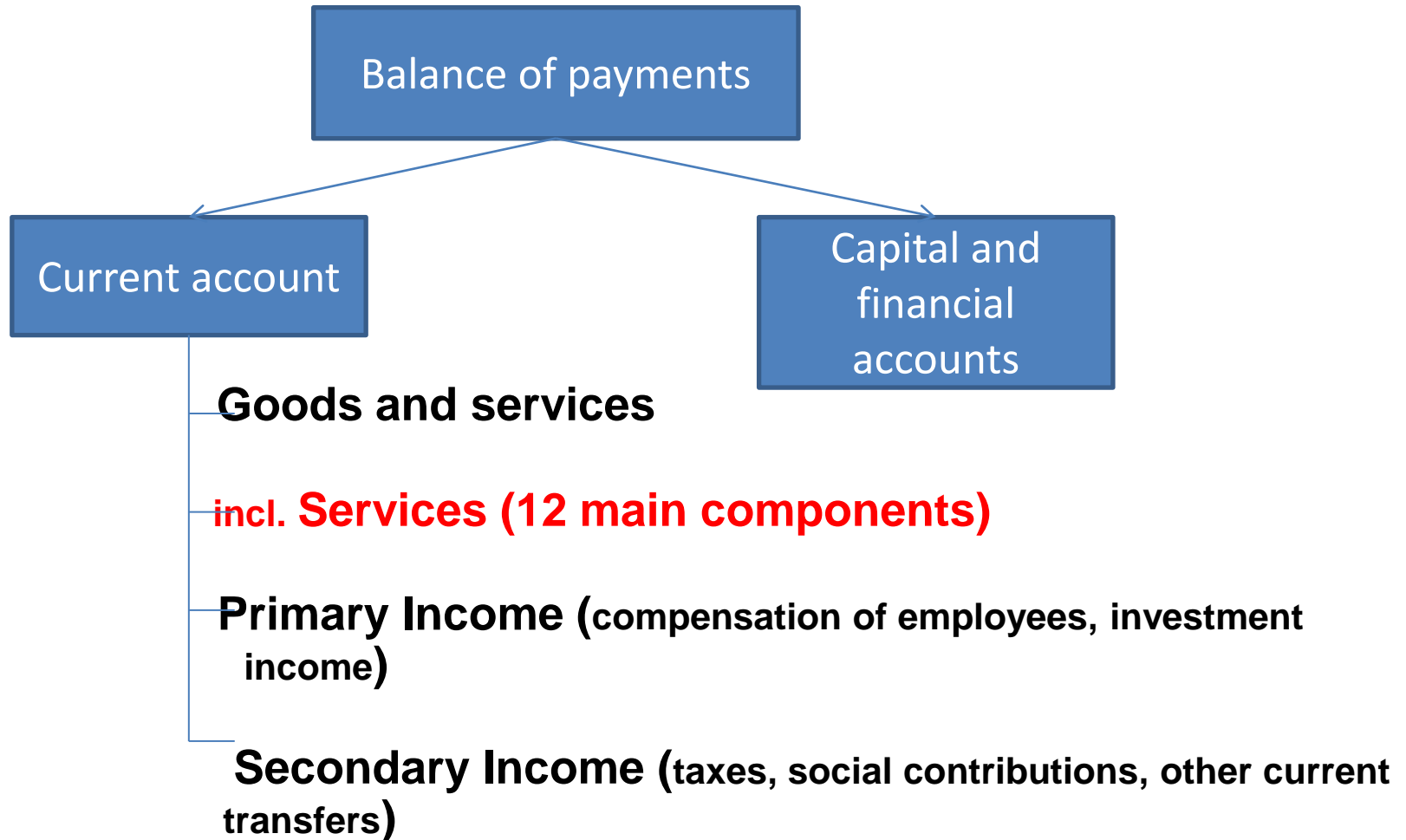
## **2. BOP and EBOPS classifications of services**

# Services in the balance of payments

- BOP and EBOPS classifications relate to the services transactions as recorded in the **balance of payments**.
- BOP, a statistical statement that summarizes all the transactions of residents of an economy with non-residents during a given period.
- Distinction between two kinds of transactions:
  - **Transactions involving the change of economic ownership of goods or the provision of services**, the payment of investment income or the compensation of employees, and all kinds of current transfers which are recorded in the **current account**.
  - **Transactions involving the acquisition of financial assets and liabilities** which are recorded in the **financial account**.



# Balance of payments



# BPM6 services categories

- Manufacturing services on physical inputs owned by others
- Maintenance and repair services n.i.e
- Transport
- Travel
- Construction
- Insurance and pension services
- Financial services
- Charges for the use of intellectual property n.i.e
- Telecommunications, computer and information services
- Other business services
- Personal, cultural and recreational services
- Government goods and services n.i.e

# Extended BOP classification of services (EBOPS)

- The EBOPS classification is an extension of the 12 main services components of the BOP classification.
- EBOPS covers with additional details the wide range of services which are traditionally traded.
- It is a product –based classification closely linked to CPC (exceptions: travel, construction, government services).
- Includes additional memorandum items that were developed with GATS negotiation needs in mind.
- The Manual provides a **correspondence table between EBOPS, CPC and GATS list of services.**

# EBOPS 2010

## **1 Manufacturing services on physical inputs owned by others**

- 1.1 Goods for processing in reporting economy
- 1.2 Goods for processing abroad

## **2 Maintenance and repair services n.i.e**

## **3 Transport**

- 3.1 Sea transport (passenger, freight, other)
- 3.2 Air transport (passenger, freight, other)
- 3.3 Other transport (passenger, freight, other)
- 3.4 Postal and courier services

## **4 Travel**

- 4.1 Business travel
- 4.2 Personal travel

# EBOPS 2010

## **5 Construction services**

5.1 Construction abroad

5.2 Construction in the reporting economy

## **6 Insurance and pension services**

6.1 Direct insurance

6.2 Reinsurance

6.3 Auxiliary insurance services

6.4 Pension and standardized guarantee services

## **7 Financial services**

7.1 Explicitly charged financial services

7.2 Financial intermediation services indirectly measured (FISIM)

# EBOPS 2010

## **8 Charges for the use of intellectual property**

8.1 Franchises and trademarks licensing fees

8.2 Licenses for the use of outcomes of research and development

8.3 Licenses to reproduce and/or distribute computer software

8.4 Licenses to reproduce and/or distribute audiovisual and related products

## **9 Telecommunication, computer and information services**

9.1 Telecommunication services

9.2 Computer services

9.3 Information services

# EBOPS 2010

## **10 Other business services**

10.1 Research and development services

10.2 Professional and management consultancy services

10.3 Technical, trade-related and other business services

## **11 Personal, cultural and recreational services**

11.1 Audio-visual and related services

11.2 Other personal, cultural and recreational services

## **12 Government goods and services n.i.e**

12.1 Embassies and consulates

12.2 Military units and agencies

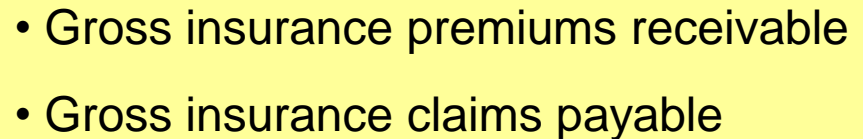
12.3 Other government goods and services n.i.e

# Supplementary Items and Complementary Groupings

- **Supplementary items: useful additional information:**

*Example*

Life  
Freight insurance  
Other

- 
- Gross insurance premiums receivable
  - Gross insurance claims payable

- **Complementary groupings of services (and non-services)**

*Example*

Audiovisual transactions

Audiovisual services

Licenses to reproduce and or distribute audiovisual products

*Audiovisual goods*

*Computer software, Trade-related, Environmental, Cultural transactions;  
Call-centre services, Tourism, etc.*



# The GATS services sectoral list

- The list identifies relevant sectors to enable members to undertake specific commitments. List established in 1991 with the help of CPC, with no further revision.
- The 12 major categories are:
  - ▣ Business services
  - ▣ Communication services
  - ▣ Construction and related engineering services
  - ▣ Distribution services
  - ▣ Educational services
  - ▣ Environmental services
  - ▣ Financial services
  - ▣ Health-related and social services
  - ▣ Tourism and travel-related services
  - ▣ Recreational, cultural and sporting services
  - ▣ Transport services
  - ▣ Other services n.i.e

### **3. Tables of correspondence**

# Example W/120 – EBOPS 2010 correspondence


W/120	CPC Prov.	EBOPS 2010	
<b>1. Business services</b>			
<b>A. Professional services</b>			
<b>a. Legal services</b>	861	10.2.1.1	Legal services
<b>b. Accounting, auditing and book keeping services</b>	862	10.2.1.2	Accounting, auditing, bookkeeping, and tax consulting services
<b>c. Taxation services</b>	863	10.2.1.2	Accounting, auditing, bookkeeping, and tax consulting services
<b>d. Architectural services</b>	8671	10.3.1.1	Architectural services
<b>e. Engineering services</b>	8672	10.3.1.2	Engineering services
<b>f. Integrated engineering services</b>	8673	10.3.1.2	Engineering services
<b>g. Urban planning and landscape architectural services</b>	8674	10.3.1.1	Architectural services
<b>h. Medical and dental services</b>	9312	11.2.1	Health services
		4a.5.1	Health services
<b>i. Veterinary services</b>	932	10.3.2.2	Services incidental to agriculture, forestry and fishing
<b>j. Services provided by midwives, nurses, physiotherapists, paramedical personnel</b>	93191	11.2.1	Health services

# EBOPS 2010 - CPC v2 correspondence: Audiovisual and related services

EBOPS		CPC Code		Annotations
Code	Description	Code	Description	
11.1.1	Audiovisual services	73220	Leasing or rental services concerning video tapes and disks	<p>This covers:</p> <ul style="list-style-type: none"> <li>- transactions between distributors (i.e. the entity which has received the licence to distribute content from the owner of the rights) and exhibitor, tv stations, radios etc. (i.e. the entity bringing the audiovisual product to the public);</li> <li>- transactions between exhibitors, tv stations, radios etc. (i.e. the entity bringing the audiovisual product to the public) and the general public.</li> </ul> <p>This does not cover: transactions corresponding to the licensing right between the owner of the rights (in general the author or producer of the audiovisual product) and the distributor or directly between the owner and the entities providing the audiovisual service to the general public. These are covered under EBOPS 8.4.1. Licenses to reproduce and/or distribute audiovisual products.</p>
11.1.1	Audiovisual services	8461	Radio and television broadcast originals	
11.1.1	Audiovisual services	8462*	Radio and television channel programmes	
11.1.1	Audiovisual services	84632	Home programme distribution services, basic programming package	
11.1.1	Audiovisual services	84633	Home programme distribution services, discretionary programming package	
11.1.1	Audiovisual services	84634	Home programme distribution services, pay-per-view	
11.1.1	Audiovisual services	961	Audiovisual and related services	
11.1.1	Audiovisual services	8432	On-line audio content	
11.1.1	Audiovisual services	8433	On-line video content	
11.1.2	Artistic related services	962	Performing arts and other live entertainment event presentation and promotion services	
11.1.2	Artistic related services	963	Services of performing and other artists	
11.1.2	Artistic related services	84311	On-line books	

# EBOPS 2010 - CPC v2 correspondence

## Education services

EBOPS		CPC Code		Annotations
Code	Description	Code	Description	
4a.5.2	Education services	921	Pre-primary education services	<p><i>Travel breakdown by purpose</i></p>
4a.5.2	Education services	922	Primary education services	
4a.5.2	Education services	923	Secondary education services	
4a.5.2	Education services	924	Post-secondary non-tertiary education	
4a.5.2	Education services	925	Tertiary education services	
4a.5.2	Education services	92911	Cultural education services	
4a.5.2	Education services	92912	Sports and recreation education services	
4a.5.2	Education services	92919	Other education and training services, n.e.c.	
4a.5.2	Education services	9292	Educational support services	
11.2.2	Education services	921	Pre-primary education services	<p><i>Part of personal, cultural and recreational services</i></p>
11.2.2	Education services	922	Primary education services	
11.2.2	Education services	923	Secondary education services	
11.2.2	Education services	924	Post-secondary non-tertiary education services	
11.2.2	Education services	925	Tertiary education services	
11.2.2	Education services	92911	Cultural education services	
11.2.2	Education services	92912	Sports and recreation education services	
3.4	Post and courier services	68	Postal and courier services	<p>Delivered through correspondence courses, via television, satellite, or the internet, or by teachers, among others, who supply services directly in host economies. Excluded are education services provided to non-residents who are present in the territory of the service supplier (included in ... of the transactions may also be assumed by the personnel of ... stationed in foreign ... (sa), see EBOPS 2010 items under 12.</p> 



# EBOPS 2010



# ICFA Rev.1

EBOPS code	EBOPS label	ICFA code	ICFA label	ISIC Rev. 4 code	Annotations
<b>11</b>	<b>Personal, cultural, and recreational services</b>				
11.1	Audiovisual and related services				
11.1.1	Audiovisual services	10.2	Motion picture, video and television programme production, sound recording and music publishing activities	59	excl. rights to reproduce (see 8.4.1)
11.1.2	Artistic related services	10.1.1	Publishing of books, periodicals and other publishing activities	58.11	excl. rights to reproduce (see 8.4.1)
		17.1	Creative, arts and entertainment activities	90	excl. rights to reproduce (see 8.4.2)
11.2	Other personal, cultural, and recreational services				
11.2.1	Health services	16	Human health and social work activities (section Q)	86 to 88	see also 4.2.1
11.2.2	Education services	15	Education (section P)	85	see also 4.2.2
11.2.3	Heritage and recreational services	17.2	Libraries, archives, museums and other cultural activities	91	
		17.3	Sporting and other recreational activities; gambling and betting activities	92+93	



ICFA Rev.1



EBOPS 2010

ICFA code	ICFA label	ISIC Rev. 4 code	EBOPS code	EBOPS label	Annotations
<b>10</b>	<b>Information and communication</b>	<b>section J (58 to 63)</b>			
10.2	Motion picture, video and television programme production, sound recording and music publishing	59	8.4.1	Licenses to reproduce and or distribute audiovisual products	
10.3	Programming and broadcasting activities	60	11.1.1 9.1	Audiovisual services Telecommunications services	see also 10.4
...	...	...	...	...	...
<b>17</b>	<b>Arts, entertainment and recreation</b>	<b>section R (90 to 93)</b>			
17.1	Creative, arts and entertainment activities	90	8.4.2 11.1.2	Licenses to reproduce and/or distribute other products Artistic related services	see also 10.1  see also 10.1 and 13.6
17.2	Libraries, archives, museums and other cultural activities	91	11.2.3	Heritage and recreational services	
17.3	Sporting and other recreational activities; gambling and betting	92+93	11.2.3	Heritage and recreational services	

**Thank You**