

SESSION 1: CENTRAL PRODUCT CLASSIFICATION (CPC)

Chair: *Mr. Jacob Ryten (Statistics Canada)*

Rapporteur: *Mr. Mark Pollard (UK, ONS)*

The following papers were before the meeting:

1.1 CPC Version 1 - Report of the Classification Sub-Group

Jacob Ryten asked the group to address the issue of the document relating to the CPC which would be transmitted to the United Nations Statistical Division (UNSD) for the consideration of the United Nations Statistical Commission at their February 1997 meeting. Shaila Nijhowne was asked to report the work of the Classification Sub-Group and to present the main outstanding issues on which the Sub-Group needed the guidance of the Group.

It was explained that the Sub-Group had met twice since the last meeting of the Voorburg Group, and that their work on the CPC had mainly concentrated on revising the business services areas of the classification. In the course of their work the Sub-Group have been faced with the fact that in the areas of Wholesale and Retail Trade and Transportation there are two dimensions that need to be reflected in the classification namely the type of service offered together with the goods distributed or transported.

With respect to Engineering Services, they can be described in terms of the types of engineering services offered or projects. Finally published products can be classified by type of product or by the media through which they are disseminated. Presently, these products are grouped by medium in the Harmonised System (HS).

The Group agreed that in the case of both distribution and engineering services, the two dimensions needed to be presented in the classification as there was a demand for data aggregated in both directions.

Some members were of the opinion that the goods dimension was more stable and should be primary in Wholesale and Retail Trade. Others emphasised the importance of portraying the diversity of wholesale and retail trade services.

In Transportation, a product list has not yet been developed by the Sub-Group for the CPC. The covering note to the members had mentioned that the US and Canada were developing an HS based classification for use in their surveys. It was pointed out that a Nomenclature for Transport Statistics (NST) exists in Europe and that Australia has developed a Classification (not HS based) which could also be taken into consideration when a list was developed for the CPC.

In the case of Engineering Services it was reported that Europe were developing a questionnaire to collect data about market segments or projects as well as information about the type of service provided and many members expressed the view that the project dimension was of primary importance.

With respect to Published Products, the view was expressed that the fact that the HS classifies published products by medium should not influence the decision of which way they should be classified in the CPC. However, it was also mentioned that it may not be possible in practice to identify similar categories of products across all media.

With respect to the two dimensions, the Chairman suggested that a consistent approach be adopted in all these cases.

The Group agreed that even though not all parts of the CPC and its structure had been reviewed and revised, significant improvements had been made in the services part of the classification and the goods part had been updated to reflect the 1996 changes in the HS. For these reasons, once this version had been finalised, it should be forwarded to UNSD with the recommendation that the entire classification be published. It was further agreed to recommend to UNSD that this version replace the Provisional CPC and be called CPC version 1.0 in recognition of the fact that it will need to be further revised. The completed classification would be forwarded to UNSD by the beginning of October.

Mary Chamie conveyed to the Group that the Director of UNSD, Herman Haberman had written to Jacob Ryten thanking the Voorburg Group and the classification Sub-Group, for its contribution to the development of the CPC and requesting it to include a review of the classification of goods.

Some members questioned the need for the Voorburg Group to take on responsibility for the goods part of the CPC. UNSD had explained that increasingly, it was difficult to think separately about goods and services, they were all products and that classification expertise resided with the Sub-Group.

It was agreed that members of the Sub-Group would confirm their participation in further work on the CPC and that a reply would be given to UNSD no later than Christmas 1996. This deadline would make it possible for the UN Statistical Commission to discuss future plans for the CPC at its forthcoming meeting in February 1997.