

# ICT services in the CPC

A proposal by the Working Party on  
Indicators for the Information Society  
(WPIIS)

# The questions addressed

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- What is the WPIIS trying to achieve?
- Why is there a need to revise the CPC?
- What are the main features of the proposed classification?
  - The scope
  - The product categories
- What does experience tell us about the proposed classification?
- What feedback have we received to date?
- What are the next steps?
- How can you help?

# What is WPIIS trying to achieve?

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- Complete the technology-centric model
  - ICT sector
  - ICT goods
  - ICT services
- By making the best possible use of existing classifications
- To enable and promote the elaboration of comparable economic statistics

# Which existing classifications?

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- The Central Product Classification
  - International recognition
  - Close link to CPA
  - Already used for statistical application in a number of countries
- The North American Product Classification
  - Recognizes recent trends
  - Benefit of testing

# Why should the CPC be revised?

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- The CPC does not explicitly isolate some core ICT services. For example,
  - Web hosting
  - Infrastructure and application provisioning
  - Network management services

# Defining the scope of ICT services

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- A pragmatic approach
  - Apply guideline used to select service industries - Products enabling the function of information processing and communication by electronic means
- With pragmatic assumptions
  - The primary outputs of ICT service industries are, for the most part, ICT services.
  - The production of ICT services as primary outputs by non-ICT industries is not material.

# Identifying core ICT services

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- Products of the following ISIC categories
  - 6420 – Telecommunications
  - 7200 – Computer and related services
  - 7123 – Renting of office machinery & equipment
- With the possible exception of CPC
  - 84170 – Program distribution services
  - 84300 - On-line information provision services
  - 83633 – Sale of internet advertising space

# Products of telecom industry (6420)

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- 8411 - Carrier services
- 8412 - Fixed telephony services
- 8413 - Mobile telecommunications services
- 8414 - Private network services
- 8415 - Data transmission services
- 8416 - All other telecommunications services
- **8417 - *Program distribution services***
- 8421 - Internet backbone services
- 8422 - Internet access services
- 8429 - Other internet telecommunications services



# Products of leasing industry (7123)

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- 73123 - Leasing or rental services concerning office machinery and equipment (excl. computers) without operator
- 73124 - Leasing or rental services concerning computers without operator

# Products of the computer services industry (7200) – From this ....

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- 83141 - Hardware consultancy and systems integration services
- 83142 - Software consultancy services
- 83149 - Other computer consultancy services
- 83150 - Computer facilities management services
- 83160 - Systems maintenance services
- 85960 - Data processing services
- 47520 - Records, tapes and other recorded media
- 73310 - Licensing computer software
- **83633 - Sale of internet advertising space**
- **84300 - On-line information provision services**
- 87130 - Computer hardware servicing, repair and maintenance

# Products of the computer services industry (7200) – To this ...

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- 8314 - IT technical consulting and support services
  - 83141 - IT technical consulting
  - 83142 - IT technical support services
- 8315 - IT design and development services
  - 83151 - IT design and development services – Applications
  - 83152 - IT design and development services - Network and systems
- 8316 - Hosting and IT infrastructure provisioning services
  - 83161 - Web hosting
  - 83162 - Application service provisioning
  - 83163 - Business process management
  - 83169 - Other IT infrastructure provisioning services
- 8317 - IT infrastructure and network management services
- 8318 - Published Software

# Principles behind the proposal

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- IT technical consulting and support services – Know how, expertise and skills
- IT design and development services – Custom IT solutions
- Hosting and IT infrastructure provisioning services – IT infrastructure and human resources to host ICT applications
- IT infrastructure and network management services – Management and monitoring of a client's IT infrastructure.
- Software - Software technology developed for multiple sales or licensing.

# Experience in Canada

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- More detailed version of the classification proved relevant and applicable
  - Products account for significant share of revenues (at least 4% in most cases)
  - 70 % of establishments produce > 1 service
- Provided for good coverage
  - Unclassified revenues, no more than 7.5%
- Measure of market size, industry of origin and specialization
- New information on output structure

# Experience in the United States

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- Single IT services classification used to collect product data for a number of industries covered by Annual Services Statistics Program (Software Publishers, ISPs and Web Search Portals, Data Processing and Hosting, and Computer Design and Related Services)
- Significant increase in the amount of product detail published from the program
- Data provide new insights on the output structure of the targeted industries

# Comments on the proposal

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## ■ From the UK

- More current but less detailed than CPA
- Better aligned on ISIC/NACE 2007
- Software – Technology, content or both?
- Program distribution is a technology service

## ■ From Australia

- Possible to link our telecom products to proposal but more difficult for computer services commodities
- Too detailed (refers to the NAPCS)

# Comments on the proposal

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## ■ From France

- Software should not be distinguished according to supporting media but rather according to technology or content
- Agree with proposal to revise the CPC
- Agree with the list of ICT services if it excludes program distribution, on-line services and Internet advertising
- Agree with process to formalize classification
- Add link to CPA



# Next steps

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- Submit document to the UN classification sub-committee that focuses on CPC revision
- Formalize link to CPA in annex
- Continue discussions to determine scope of ICT services, in particular whether or not to include:
  - Program distribution
  - Multi-media software

# How can you help?

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- Make sure your UN rep is well informed
- Engage in dialogue with interested parties
- Your views on the multi-media software and program distribution issues
- Support the proposal