

**Eighteenth Meeting of the
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Revision of the CPC and Relationships to EBOPS: An Update

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Introduction

This note provides an update on the revision of the Central Product Classification (CPC) and the relationship with Extended Balance of Payments Services Classification (EBOPS). It should be read in conjunction with the paper *Revision of the CPC and the relationships to EBOPS* (BOPCOM-04/14B) presented at the BOPCOM meeting in Pretoria, South Africa 2004.

It is recalled that an important aspect of the revision process of the CPC is the consideration of links to other classifications covering the same subject matter area. For instance in the goods part of the CPC, great care has been taken to base definitions of CPC subclasses on complete subheadings of the Harmonized System (HS).

For the services part of the CPC, a strong link between CPC and the EBOPS has been identified as a major goal for the CPC revision process. Reciprocally, this should also be a goal of the EBOPS revision.

It is clear that the situation in this case is different from that for HS and CPC. Since by its nature the CPC is more detailed than EBOPS, it seems reasonable to expect that the EBOPS categories could be defined in a way that they represent an aggregation of complete CPC categories. This could be done for CPC subclasses (5-digit level), but it would be easier to describe the link and use existing data, if this link could operate at a higher level of aggregation, such as the CPC group level (3-digit level) or class level (4-digit level).

A comparison shows, that in many cases a link between EBOPS items and aggregations of CPC groups or classes is possible (mostly groups). An aggregated correspondence between EBOPS and CPC ver.1.1 is shown in Annex I. This correspondence is based on the detailed correspondence between EBOPS and CPC version 1.0, as shown in the *Manual on Statistics of International Trade in Services*. Changes between CPC Ver.1.0 and Ver.1.1 have been applied to this and the correspondence is shown at a more aggregated level, which indicates the level of comparison between the two classifications.

At this point in time, there seems to be no strong request for introducing more detail in EBOPS, so that the correspondence shown in Annex I can be used as a basis for further discussion.

Based on the latest developments, the following revisions to the CPC have been made to allow for an improved link with EBOPS. Further work on the EBOPS revision should complement these revisions in the CPC.

At this point in time, no clear interagency mechanism is in place to ensure a revision of EBOPS in line with CPC. Therefore a question has been formulated at the end of the note to seek guidance from the BOPCOM on this matter.

206-232 Transport

Support services in CPC 676.

6769 has already been split to accommodate support for coastal and transoceanic transport versus inland waterway transport. A similar split will be done for 67610, 67620 and 67630.

Also a split is introduced for support services between air and space transport in 677.

246 Postal and courier services

“The messenger services by bicycle couriers” have been removed from 65140 “Miscellaneous local delivery services” and placed into “Courier services” 68120. EBOPS 246 now should link to CPC 681 “Postal and courier services”.

254-256 Life insurance and pension funding, freight insurance, other direct insurance

The major headings in EBOPS are as listed in the above title; whereas the three digit groupings in CPC are 713 “Insurance and pension” and 714 “Reinsurance”. Within 713, the four digit groupings are “life and pension”, “accident and health” and “non-life”. Within this last one “non-life” is the freight insurance that EBOPS lists as a separate 3-digit. As stated in the 2004 BOPCOM paper, no easy improvement is possible without major restructuring of the CPC, and the CPC breakdown seems to reflect the reality; therefore EBOPS might consider a change in its breakdown. Also EBOPS should consider placing portfolio management related to life insurance in financial services.

263 Computer services

The link with 4-digit CPC groupings after introducing the ICT services categories is maintained and the CPC Ver.1.1 85960 “Data processing services” has dissolved into these new ICT groupings. The repair of computers and peripheral equipment (87130) is not included in the ICT services categories, therefore the link will continue to work at the four digits. This EBOPS component also includes computer training which in revised CPC will be a line item under 92919 “Other education and training services, n.e.c.” As suggested in the 2004 BOPCOM paper, EBOPS might consider moving computer training under component 895 (education).

284 Other business services

EBOPS could move trade fair organization in 284.

288 Audio-visual and related services

EBOPS might want to reconsider the scope and definition of what is included in this component in order to improve the link with CPC.

Question

The Committee may wish to advise on the interagency mechanism for the revision of EBOPS to ensure a proper concordance with CPC and Balance of Payments (BOP)?

Annex 1

EBOPS	EBOPS Title	EBOPS	CPC Ver.1.1	Comments
206+227	Sea transport + Inland waterway transport	207+208+209+228+229+230	651+652+676	all except maintenance; support services in CPC 676 are not split between sea and inland water, otherwise the split would work (i.e. 207+208+209=651, 228+229+230=652); links still work at CPC 4-digit level, except support services and maintenance
211	Air transport, passenger	211	661+664*	rental of aircraft is not split according to passenger/freight in CPC
212	Air transport, freight	212	662+664*	rental of aircraft is not split according to passenger/freight in CPC
213	Air transport, other	213	677*	except maintenance (CPC 87149*); support services for air and space transport are not split in CPC
218	Space transport	218	663+677*	support services for air and space transport are not split in CPC
219	Rail transport	220+221+222	642+674	except maintenance; EBOPS split possible at 4-digit CPC (except for maintenance); problems linking CPC 641 (mixed mode transport)
224+225	Road transport, passenger and freight	224+225	643*	except for a portion of CPC64340 (other miscellaneous delivery services), which are linked to Postal and courier in EBOPS (246); except for this delivery portion and maintenance, links of EBOPS splits to CPC at 4-digit are possible; = 6431+6432; problems linking CPC 641 (mixed mode transport)
226	Road transport, other	226	675	except maintenance
231	Pipeline transport and electricity transmission	231	644+69111	why is electricity transmission and pipeline transport combined in EBOPS? CPC groups it with electricity distribution
232	Other supporting and auxiliary transport services	232	671+672+673+679	except maintenance
246	Postal and courier services	246	681+642*	in CPC courier services are part of 681; what 'other miscellaneous delivery services' (CPC64340) are included in EBOPS and which ones are not? - this should be reevaluated (also for CPC)
247	Telecommunications services	247	841+842	
249	Construction services	249	54 (=541...548)	
254+255+256	Life insurance and pension funding, freight insurance, other direct insurance	254+255+256	713+715*	only part of portfolio management of CPC 715 is included here; except for portfolio management, split in CPC between the EBOPS components is possible at the 5-digit level
257	Reinsurance	257	714	

EBOPS	EBOPS Title	EBOPS	CPC Ver.1.1	Comments
258	Insurance services, auxiliary services	258	716	
260	Financial services	260	711+712+715*	part of portfolio management (CPC 71531) is linked to life insurance and other direct insurance (254, 256)
263	Computer services	263	8314+8315+8316+8596+8713+92900*	this links only at the 4-digit level; the part of 92900 refers to computer training (CPC does not detail education and training services at all - this should be considered for CPC); also for the CPC revision, the grouping of 8314+8315+8316 in a separate group (computer related) should be considered; treatment of 8596 (data processing services) should be discussed in EBOPS and CPC
266	Royalties and license fees	266	733	
270	Merchanting	270	611*+612*(?)	(could be part of wholesale)
271	Other trade-related services	271	612	
272	Operational leasing services	272	731+732*	except 73220 (renting and leasing of video tape), which is linked to 288 (audiovisual services)
275	Legal services	275	821	
276	Accounting, auditing, book-keeping and tax consulting services	276	822+823+824	
277	Business and management consultancy and public relations services	277	8311+8312+83190*	83190 is split between EBOPS 277 and 285 - this should be reviewed and clarified
278	Advertising, market research, and public opinion polling	278	836+837+85970	Review if CPC 85970 (Trade fair and exhibition organization activities) should really be here (maybe in 284?)
279	Research and development	279	811+812+813	
280	Architectural, engineering, and other technical services	280	83131+832+833+835+8399	CPC 83139 (Other scientific and technical consulting services) is linked to EBOPS 284 - it would be better placed here (and allow for a link at the 4-digit level)
282	Waste treatment and depollution	282	941+942+943+949+894	
283	Agricultural, mining and on-site processing services, other	283	861+862+881+882+892+893+9322+9329	CPC 4-digit necessary to exclude veterinary services for pets

EBOPS	EBOPS Title	EBOPS	CPC Ver.1.1	Comments
284	Other business services	284	678+691*+692+7211+7221+7224+83139+834+838+8391+851+852+853+854+8591+8592+8593+8594+8595+8599+863+8711*+8712*+8715*+8729*+873+891	This is a 'catch-all' category, which by design is heterogeneous. Are subdivisions possible/useful? Items to consider: - consider moving CPC 83139 to EBOPS 280 - treatment of electricity transmission in EBOPS and CPC (CPC 69111) - remove EBOPS link for packaging of coins - treatment of data processing in CPC (8596) - placement of trade fair organization (CPC 8597) in EBOPS 284 - treatment of maintenance of household appliances in EBOPS (CPC 87151) - general treatment of repair - new class for real estate appraisal (CPC 7224) linked to this EBOPS item
285	Services between affiliated enterprises n.i.e.	285	83190*	see Manual Chapter 3 for coverage problems
288	Audio-visual and related services	288	7322+961+963*	CPC 96310 and 96320 are also linked to EBOPS 897 - should be reviewed
292	Embassies and consulates	292	990*	CPC 990 does not separate types of extraterritorial bodies (is this the proper link? - review)
293	Military units and agencies	293	990*	CPC 990 does not separate types of extraterritorial bodies (is this the proper link? - review)
294	Other government services n.i.e.	294	91+92*+931*+990*	This EBOPS item covers public hospitals and public education; CPC does not split this - review if this is the right approach for EBOPS?; CPC 990 does not separate types of extraterritorial bodies (is this the proper link? - review)
890	Other information provision services	890	843	
895	Education services	895	92*	private education only (no split in CPC); excludes computer training (see note for 263)
896	Health services	896	931*	private health services only (no split in CPC)
897	Other personal, cultural, and recreational services	897	6323+6329*+845+9321+933+95+962+963*+964+965+966+969+97+98	includes catering services and part of other food serving services (as part of CPC632) - should be reviewed; CPC 96310 and 96320 are also linked to EBOPS 288 - should be reviewed
889	News agency services	899	844	
957	Memorandum item: Expenditure on accommodation and restaurant services	957	631+6321+6322+6329*+633	does not include catering (see 897); part of other food serving services is included here - review the relationship to EBOPS 897
N/A		N/A		(parts of wholesale); retail sale; trade services and sales of land or buildings and associated land, whether on a fee basis or not; repair of household appliances and household goods

