

Classification of products and productive activities for tourism

Developing National Systems of Tourism Statistics: Challenges and Good Practices Regional Workshop for South East Asian countries, 16 – 19 June 2009







Outline of the presentation

- Central Product Classification (CPC)
- International Standard Industrial Classification of All Economic activity (ISIC)





- Product Classification
- Central Product Classification Version 2.0 (CPC 2.0)

The Central Product Classification (CPC) constitutes a complete classification covering goods and services.

It is intended to serve as an international standard for assembling and tabulation all kinds of data requiring product detail, including industrial production national accounts, services industries, domestic and foreign commodity trade, international trade in services, balance of payments, consumption and price statistics. Other basic aims are to provide a framework for international comparison and promote harmonization of various types of statistics dealing with goods and services.



CPC

A comprehensive classification of <u>all goods and services</u> that can be the object of domestic or international transactions or that can be entered into stocks

It is the standard for all products that are an output of an economic activity, including transportable and non-transportable goods and services

For services, CPC, Version 1.0 was **the first international classification** covering the whole spectrum of outputs of the various industries



CPC - background

Initiative in the 1970s to harmonize international classifications, in which a standard classification for all products (goods and services) was perceived as a key element for international comparison

First version of the CPC (Provisional CPC) published in 1991. This version was used for the original GATS negotiations.

CPC, Version 1.0 published in 1998 - First international classification to cover both goods and services



Evolution of CPC

- CPC Provisional (1991) First version of the CPC
- CPC 1.0 (1998) Covers both goods and services
- CPC 1.1 (2002) Amended for changes in economies worldwide and sustained technological advancement
- CPC 2.0 (2008) Revised to take into account the update of System of National Accounts - 2008 SNA



CPC - classification

System of categories that are both <u>exhaustive</u> and <u>mutually</u> <u>exclusive</u>

The CPC classifies products

based on the physical characteristics of goods or on

the nature of the services rendered

as well as on the principle of industrial origin (attempt to group into one CPC subclass the products of a single

industry)



CPC

Use of CPC - for Trade in Services

Provisional CPC was used for elaboration of categories of services during the negotiations leading to GATS 1995

Provisional CPC was also used to describe the BOP services components of BPM5

CPC 1.0 was used to define more the more detailed EBOPS services categories (MSITS – 2002, see Annex 3)

CPC 2.0 will be used to define the EBOPS categories in the Revised Manual on SITS (MSITS – 2010)



The breakdown of CPC

- Broad and detailed structure
 - •Section (one-digit code) (10)
 - •Division (2-digit code) (71)
 - •Group (3-digit code)
 - Class (4-digit code)
 - Subclass (5-digit code)
- Explanatory notes



CPC - sections

Structure of CPC - 10 sections

o – 4: Goods (transportable)

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

5 – 9: Services (mainly)

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



Structure of CPC – an example

- •Section: 6 Distributive trade services; accommodation, food and beverage serving services; transport services; and electricity, gas and water distribution services
- •Division: **63** Accommodation, food and beverage services
- •Group: **631** Accommodation services for visitors
- •Class: **6311** Hotel and motel lodging services
- Subclass: 63110 Room or unit accommodation services for visitors

Explanatory note

This class includes:

- accommodation services consisting of rooms or units, with or without kitchens, for persons away from their place of residence, for purposes of leisure or business, typically provided on a daily or weekly basis

CPC - example



Structure of CPC – an other example

- •Section: <u>6</u> Distributive trade services; accommodation, food and beverage serving services; transport services; and utilities distribution services
- •Division: <u>64</u> Passenger transport services
- •Group: <u>642</u> Long distance transport services of passengers
- •Class: <u>6424</u> Air transport services of passengers
- •Subclass: 64243 International scheduled air transport services of passengers

Explanatory note

This subclass includes:

- passenger air transportation on regular international routes and on regular schedules supplied in aircraft (including helicopters) of any type
- associated transportation of passenger baggage and other items that may be carried at no extra cost





- Economic Activity Classification
- International Standard Industrial Classification of All Economic Activities, Revision 4.0, (ISIC Rev. 4.0)

The International Standard Industrial Classification of All Economic Activities (ISIC) is the international reference classification of productive activities. Its main purpose is to provide a set of activity categories that can be utilized for the collection and reporting of statistics according to such activities.

Wide use has been made of ISIC both nationally and internationally in classifying data according to kind of economic activity in the fields of economic statistics, such as for production or national income, employment, population and others. A number of countries have utilized ISIC as the basis for developing their national industrial classifications.





The breakdown of ISIC

Broad and detailed structure

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Section (capital letter) (21)
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Division (2-digit code) (88)
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Explanatory notes



ISIC - sections and divisions

The individual categories of ISIC have been aggregated into the following 21 sections:

Section	Divisions	Description
Α	01-03	Agriculture, forestry and fishing
В	05-09	Mining and quarrying
C	10-33	Manufacturing
D	35	Electricity, gas, steam and air conditioning supply
E	36–39	Water supply; sewerage, waste management and remediation activities
F	41-43	Construction
G	45–47	Wholesale and retail trade; repair of motor vehicles and motorcycles
Н	40 53	Transportation and storage
	55-56	Accommodation and food service activities
J	58-03	Information and communication
K	64-66	Financial and insurance activities
L	68	Real estate activities
M	69-75	Professional, scientific and technical activities
N	77-82	Administrative and support service activities
0	84	Public administration and defence; compulsory social security
Р	85	Education
Q	86-88	Human health and social work activities
R	90-93	Arts, entertainment and recreation
S	94–96	Other service activities
Т	97–98	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use
U	99	Activities of extraterritorial organizations and bodies

Section I Accommodation and food service activities

Division	Group	Class	Description
Division 55			Accommodation
	551	5510	Short term accommodation activities
	552	5520	Camping grounds, recreational vehicle parks and trailer parks
	559	5590	Other accommodation
Division 56			Food and beverage service activities
	561	5610	Restaurants and mobile food service activities
	562		Event catering and other food service activities
		5621	Event catering
		5629	Other food service activities
	563	5630	Beverage serving activities



ISIC - groups and classes (4 digits)

Section I
Accommodation and food service activities

Division	Group	Class	Description
Division 55			Accommodation
	551	5510	Short term accommodation activities
	552	5520	Camping grounds, recreational vehicle parks and trailer parks
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ISIC - explanatory notes

Section I

Accommodation and food service activities

This section includes the provision of short-stay accommodation for visitors and other travelers and the provision of complete meals and drinks fit for immediate consumption. The amount and type of supplementary services provided within this section can vary widely. This section excludes the provision of long-term accommodation as primary residences, which is classified in Real estate activities (section L). Also excluded is the preparation of food or drinks that are either not fit for immediate consumption or that are sold through independent distribution channels, i.e. through wholesale or retail trade activities. The preparation of these foods is classified in Manufacturing (section C).

55 Accommodation

This division includes the provision of short-stay accommodation for visitors and other travelers. Also included is the provision of longer-term accommodation for students, workers and similar individuals. Some units may provide only accommodation while others provide a combination of accommodation, meals and/or recreational facilities. This division excludes activities related to the provision of long-term primary residences in facilities such as apartments typically leased on a monthly or annual basis classified in Real Estate (section L).

551 Short term accommodation activities

See class 5510.



ISIC - explanatory notes

5510 Short term accommodation activities

This class includes the provision of accommodation, typically on a daily or weekly basis, principally for short stay by visitors. This includes the provision of furnished accommodation in guest rooms and suites or complete self-contained units with kitchens, with or without daily or other regular housekeeping services, and may often include a range of additional services such as food and beverage services, parking, laundry services, swimming pools and exercise rooms, recreational facilities and conference and convention facilities.

This class includes the provision of short-term accommodation provided by:

- -hotels
- -resort hotels
- —suite / apartment hotels
- -motels
- —motor hotels
- -guesthouses
- -pensions
- -bed and breakfast units
- —visitor flats and bungalows
- —time-share units
- —holiday homes
- —chalets, housekeeping cottages and cabins
- —youth hostels and mountain refuges

This class excludes:

—provision of homes and furnished or unfurnished flats or apartments for more permanent use, typically on a monthly or annual basis, see division 68



ISIC - explanatory notes

552 Camping grounds, recreational vehicle parks and trailer parks See class 5520.

5520 Camping grounds, recreational vehicle parks and trailer parks

This class includes:

- —provision of accommodation in campgrounds, trailer parks, recreational camps and fishing and hunting camps for short stay visitors
- —provision of space and facilities for recreational vehicles

This class also includes accommodation provided by:

—protective shelters or plain bivouac facilities for placing tents and/or sleeping bags

559 Other accommodation

See class 5590.

5590 Other accommodation

This class includes the provision of temporary or longer-term accommodation in single or shared rooms or dormitories for students, migrant (seasonal) workers and other individuals. This class includes accommodation provided by:

- -student residences
- -school dormitories
- —workers hostels
- —rooming and boarding houses
- —railway sleeping cars