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UNITED NATIONS DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS STATISTICS DIVISION

Meeting of the Technical Subgroup for the Classification of Individual Consumption According to Purpose New York, 4-6 April 2017

Division 11 FOOD, BEVERAGE AND ACCOMMODATION SERVICES

TSG-COICOP

PLEASE NOTE:

This document lists the comments provided by countries and international organisations during the second global consultation.

The document was compiled by the chair of TSG COICOP Ana Franco.

In addition the document contains comments received by the members of TSG COICOP responding to the comments received during the global consultation. Where this is the case the name and organisation / country of the TSG COICOP member is indicated.

Division 11

1. Comments received

- 68.7 % of the countries are in favour of using the length of stay to distinguish between a housing service and an accommodation service. However only 55.2% agree on the length of 1 month as threshold. Some countries proposed a 3 months limit and one country (Spain) made the proposal of having a double criteria length of less than 3 moths and purpose of the stay (vacation). This however does not work for boarding schools or workers hostels.
- 65.6% agree or strongly agree in general with the proposed new structure for this division and 68.6% consider this proposal with the right level of detail.
- Areas where the classification is considered too detailed or without the appropriate detail:
 - Accommodation in camping grounds, recreational vehicle parks and trailer parks could have a specific class (Poland)
 - Private households are not able to differentiate 11.1.1.1 and 11.1.1.2. (Germany)
 - Food, beverage and accommodation services can be separated into two divisions as they have distinctive purposes. (Singapore)
- The following goods or services within this division were proposed to be moved to a different division:
 - Food and beverages sold through automatic vending machines and street vendors should not be part of function 11 but of relevant positions of function 01 and 02 (which would be more consistent with CPC). Automatic vending machines and street vendors are not providing food or beverages serving services, they are just providing food or beverages. (World Bank)
 - Educational catering services (11.1.2), boarding schools, universities and other educational establishments(11.2.0) should be moved to 10 Education; (United Arab Emirates, UNESCO)
- Some products or services were mentioned as missing in this division. In most of the cases it is only not clear where they should be classified and they just should be included in the list of examples. The following products or services were mentioned:
 - o Entrance fee to dancing establishment and nightclubs (Sweden)
 - Ready to eat food ("food that can be eaten as it is") from Div 01 (Singapore)
- The terminology used is in general considered understandable by the average household by 91.3% of the countries. The following terms were considered needing clarifications:
 - o Cafeteria (OECD)
 - \circ $\;$ Distinction between fast-food and cafes is not obvious. (OECD)
 - The borderline between 11.1.1.2 and 01.9.7 is not always clear (Netherlands, Indonesia, Eurostat)

- The division should be renamed Restaurants and accommodation services to avoid confusion with division 01 (Slovak Republic, Zimbabwe, Israel, Finland, Latvia, Portugal, Poland)
- 11.1 in the group should change the name of Food to the deli from the outside of the home (United Arab Emirates)
- Other relevant comments are:
 - Delete the word "Takeaway" in Sub-class 11.1.1.2 because the restaurants in clause 11.1.1.1 include it (United Arab Emirates)
 - If the length of stay criterion is used, the classification of boarding schools and hostels for young workers and immigrants in Division 11 Accommodation should be reviewed since the length of stay in boarding schools and hostels is usually for an extended period of time. They are similar to rental under Division 4 Housing. (Singapore)
 - 11.1.1.1 Restaurants and cafés Exclude food and beverage provider who operates independently of the venue operator (11.1.1.2) and Canteens (11.1.2.0) (Australia)
 - Website's fees for people to list, find, and rent lodging and travel agency fees for accommodation if priced separately are a form of travel agents' commissions. Travel agency fees for accommodation if priced separately, website's fees for people to list, find, and rent lodging and facilitating peer to peer accommodation services are growing trends and should have own class. (Australia)
 - Why are travel agent fees for travel and accommodation split and classified differently? (Australia)
 - Under 01.9.7 Ready to eat food, food that "can be eaten as it is" is similar to food products for "immediate consumption" in Div 11. They should be classified together to avoid confusion. (Singapore)
 - Bakery items sold at bakeshops e.g. buns can be consumed immediately and are often sold at kiosks as well. Hence, should these items be classified under Div 11? (Singapore)
 - Potential duplication and confusion of porter services/tips in 07.3.6.2 (Luggage forwarding and left luggage) and 11.2.0 (Accommodation services) (Singapore)
 - It is not clear whether food delivery services should be classified in 07.4.9.2 (Delivery of goods) or 11.1 (Food and Beverage Services). (Singapore)
 - o Difficult to define what fast food is (Ireland)
 - Accommodation services provided by private is included in 11.2.0.1, but in ECOICOP in included in another subclass (11.2.0.9) (Spain)
 - o Repeat the exclusions of 11.2.0 Accommodation services at sub-class level (Chile)
 - Hostels for young workers or immigrants Why only young? (Costa Rica)
 - 11.1.1.1 Restaurants and cafes: wondering about shisha lounge purchases, would the table bill include tobacco? Or is it easy to exclude the tobacco purchase? (New Zealand)
 - With the popularity of Airbnb across the world, this type of accommodation could have a separate category. (New Zealand)

2 - Issues not needing discussion

1 – Food and beverages sold through automatic vending machines and street vendors should not be part of function 11 but of relevant positions of function 01 and 02 (which would be more consistent with CPC). Automatic vending machines and street vendors are not providing food or beverages serving services, they are just providing food or beverages.

Ana, Eurostat: | agree

Francette, OECD: Need to discuss distinction between 01, 02 and 11. 011 and 02 is supposed to be for consumption at home as 11 is for immediate consumption. The borderline is not always obvious

Alexander, UNSD: I do not agree. If the street vendor (e.g. a NY food truck) or a restaurant with vending machines (https://en.wikipedia.org/wiki/Automat) is serving food for immediate consumption, then this should be recorded in Division 11 in 11.1.1.2 Fast food and take away food services. The difference between ready meals in Division 01 and the food for immediate consumption in Division 11 is that the former needs at least to be heated / baked, whereas the latter can be consumed right away.

2 - Where to classify Entrance fee to dancing establishment and nightclubs

Ana, Eurostat: This should be included in 11.1.1.1

Andrew, NZ: But isn't the division about food services so I don't see how paying an entrance fee to go dancing sits with restaurants and cafes, unless there is some form of explicit distinction about the fact that you might eat and drink at such a venue. Nightclubs are a bit different because of the alcohol consumption/availability which is part of the reason for going so a bit different, but nightclubs may not provide foods.

Is it more a case that the current wording under 11.1.1 says "in places providing" whereas 11.1.1.1 just says places – so it might just be a need to be consistent in wording across the levels of the classification.

Valentina, FAO: Entrance fee should be in Div. 09 while consumption of beverages/food should be in Div.11 only if priced separately.

Aimee, IMF: Not sure: 11.1.1.1 Restaurants and cafés reads as below. It is the food and beverages services provided by the different places, and not the Entrance fee. See DRAFT

Alexander, UNSD: The food and beverages served in dancing establishment belongs into Division 11, but the entrance fee of the dancing club or nightclub should be recorded in Division 09 under 09.5.4.1 Cinemas, theatres, concerts. Not sure whether the latter also includes nightclubs. If not I think it should be included there.

3 – 11.1 in the group should change the name of Food to the deli from the outside of the home

Ana, Eurostat: No, the proposal doesn't seem to bring any improvement.

4 - Another name should be found for cafeteria.

Ana, Eurostat: Ok, we could just leave canteens or refectories

Andrew, NZ: Disagree. Cafeteria is a very colloquial common term. How uses the term refectory anymore – it is rather archaic

Valentina, FAO: the proposal is not clear

Alexander, UNSD: No, because canteens (British English) are called cafeterias in the US, see: https://en.wikipedia.org/wiki/Cafeteria . We should use both terms not just the British English. I think the explanatory notes make it clear that cafeterias are not equal to cafés.

5 – Bakery items sold at bakeshops e.g. buns can be consumed immediately and are often sold at kiosks as well. Hence, should these items be classified under Div 11?

Ana, Eurostat: No, Division 11 concerns services and a bun is a good, not a service.

Valentina, FAO: Buns sold in bakeries should be under Division 01 while the same buns sold at kiosks or mobile food carts should be under Div.11. However, this needs further discussion.

Alexander, UNSD: Agree with Ana.

6 - Potential duplication and confusion of porter services/tips in 07.3.6.2 (Luggage forwarding and left luggage) and 11.2.0 (Accommodation services)

Ana, Eurostat: They should be excluded in 11.2.0 (Accommodation services)

Andrew, NZ: If the distinction on what a porter is can be sorted as they are two distinct roles within transport, and accommodation, then porters tips needs to be in both. Or it could be that porters tips are treated as solely luggage at transport facilities, and in accommodation it is the bellhop or concierge?

Aimee, IMF: To read 'tips' only. You can have tips for accommodations services also.

Alexander, UNSD: The porter in Division 11 are different porters, they are porters / bellmen of the hotel. Maybe we should call them in Division 11 "bellmen / bellhops / hotel porters" to avoid confusion.

7 – It is not clear whether food delivery services should be classified in 07.4.9.2 (Delivery of goods) or 11.1 (Food and Beverage Services).

Ana, Eurostat: If the delivery service is priced separately it should be 07.4.9.2 (Delivery of goods). Exclusion should be included in 11.1 (Food and Beverage Services).

Valentina, FAO: Food delivery services should be excluded from Div.07 and remain with Div.11, even if priced separately (this is also in line with ISIC Class: 5610 "Restaurants and mobile food service activities").

Valentina, ILO: I agree with FAO. It is the product and the service that the consumer acquire. Otherwise we should also split restaurant bills in food and services charge.

Alexander, UNSD: Agree with Ana. Examples for this are the companies seamless, grubhub, UberEATS which provide a food ordering and delivery services through independent delivery people who just pick up the food at the restaurant and bring it to the consumer for an additional fee.

8 - Repeat the exclusions of 11.2.0 Accommodation services at sub-class level

Ana, Eurostat: Ok

9 - Hostels for young workers or immigrants - Why only young?

Ana, Eurostat: The word "young" will be supressed.

Alexander, UNSD: Ok

10 - 11.1.1.1 Restaurants and cafes: wondering about shisha lounge purchases, would the table bill include tobacco? Or is it easy to exclude the tobacco purchase?

Ana, Eurostat: If shisha is consumed on the lounge, both the tobacco and the service should be recorded in 11.1.1.1. In the same way that food and service is recorded here together.

Valentina, FAO: OK, but what is shisha/narguilé/hooka is smoked without drinking/eating?

Valentina, ILO: To me if shisha/narguilé/hooka is smoked in the lounge, even without eating or drinking is still a service provided by restaurants. More than anything else we pay for the services provided and ambiance rather than the product itself,

3 - Issues needing discussion

1 – Shall we keep the threshold of 1 month to distinguish accommodation and housing services?

Ana, Eurostat: No, it would be better to describe what makes accommodation and housing services different. On my opinion, accommodation services should include more than just a roof and possibly furniture. They should include cleaning and also the provision of blankets, towels, etc. all the rest should be housing. Anyway, this criterion will not work for boarding schools and hostels for young workers and immigrants

Andrew, NZ: What is the need for a threshold? We are noticing in NZ since the earthquakes that people are paying for accommodation on a daily/weekly basis whilst their housing is being repaired. They may move into rental accommodation or move into serviced apartments which is subsidised by the insurance companies, or they may move into motels. There is a distinction in what services they are provided with but would agree that accommodation services should include cleaning, linen etc, whereas housing may simply be a roof and some furniture

Alexander, UNSD: agree, we should work on a good description of what accommodation and housing are and what makes them different. I am not sure if additional services like cleaning could be one of them. We also might want to add to the definition of accommodation that people who use accommodation usually have a permanent / primary residence somewhere else. There are of course always borderline cases. An Airbnb apartments or long stay hotels can be actually housing if the household does not have any other primary residence. (I used Airbnb and long stay hotels when I was moving from one city to another and for me they were my new temporary "home".)

Alana, NZ: The SNZ accommodation survey scope is "units classified as short-term (less than one month) commercial accommodation providers operating in NZ." The one month threshold is used in other surveys – so perhaps COICOP should follow suit for consistency purposes?

2 – Accommodation in camping grounds, recreational vehicle parks and trailer parks could have a specific class

Ana, Eurostat: For the moment, this kind of accommodation is grouped together youth hostels and holiday centres. Perhaps they are an important expenditure in some countries. Why not...

Andrew, NZ: Would be useful to make a distinction if at all possible

Alexander, UNSD: All the mentioned accommodation options are rather low budget options. So maybe we could leave them together. Trailer parks are housing. In the US many low income households live in trailer parks, see: https://en.wikipedia.org/wiki/Trailer_park . What is meant here in Division 11 is not a trailer park, it is a recreational vehicle park or a caravan park, see: https://en.wikipedia.org/wiki/RV_park

3 – Private households are not able to differentiate 11.1.1.1 and 11.1.1.2.

Delete the word "Takeaway" in Sub-class 11.1.1.2 because the restaurants in clause 11.1.1.1 include it.

Ana, Eurostat: I think that the difference has to be better explained. The notion of service has to be introduced and in the first we get served on the table contrary to the second where the service is very limited.

Andrew, NZ: Agree that the difference needs to be explained. In some instances a restaurant will provide a takeaway service eg Indian or Chinese food restaurants but their predominant purpose is as a restaurant. Takeways is exactly that and you have usually limited options compared to a restaurant menu. And the level of service is different.

Valentina, FAO: Agree that the terminology for 11.1.1.1.2 should be reconsidered.

Alexander, UNSD: In our first meeting we were considering to have a classification by level of services: Full service, limited service, no service. Maybe we should revisit this.

4 – Food, beverage and accommodation services can be separated into two divisions as they have distinctive purposes.

Ana, Eurostat: It is true. However the 2 divisions would be quite small. Another idea would be to move the food services to Division 01. In many divisions we have the goods and the services together, why not in this one. It would also make easier the distinction of what falls on Division 01 and division 11.

Valentina, FAO: Agree or even prefer in principle to move food food/beverages services under Div.01. However, this would exclude alcoholic beverages and tobacco, which is not acceptable. The possibility to move Div.11 under Div.01-02 brings further discussion (to happen in person at the meeting).

Alexander, UNSD: I am not really happy with that proposal, because in Division 01 we have what the household would eat at home and in Division 11 we have mostly what the household eats outside or what was prepared for immediate consumption outside the dwelling. Therefore, the purpose is quite different. Furthermore, the expenditure on accommodation services often triggers also expenditure on food services.

Alana, NZ: Would prefer to move the food services to Division 01.

5 – Educational catering services (11.1.2), boarding schools, universities and other educational establishments (11.2.0) should be moved to 10 Education

Ana, Eurostat: This brings again the question if Division 10 Education should regroup all services and goods linked with it. Anyway, if we decide to keep these services here, they should be identified in separate classes/sub-classes.

Andrew, NZ: So if you do this for education, what happens to factory cafeterias/canteens, or workplace catering which is for internal use only ie not open to the public. This whole notion of putting everything educational together goes against the point of the classification as it would need to be a consistent approach.

Valentina, FAO: They should be moved under Div.10 only if included in the tuition fee or similar. If priced separately then they should remain under Div.11. This is also in line with ISIC which includes "operation of canteens or cafeterias" under Class: 5629 "Other food service activities".

6 – Moving Ready to eat food ("food that can be eaten as it is") from Division 01 to Division 11. Under 01.9.7 Ready to eat food, food that "can be eaten as it is" is similar to food products for "immediate consumption" in Div 11. They should be classified together to avoid confusion.

Ana, Eurostat: No, because not all ready to eat food include a service.

7 – Distinction between fast-food and cafes is not obvious

Ana, Eurostat: It is true that in certain cafes one can have a level of service very similar to those get in a fast food. Perhaps they should be moved to 11.1.1.2

Andrew, NZ: Surely the distinction is that fast-food is designed and prepared to be taken away and eaten elsewhere, whereas a café you can choose to takeaway or stay and sit and eat in the café. Also there is a level of service with cafes ie items may be brought to you as opposed to you getting them for yourself.

Valentina, FAO: As in 3. above, agree that the terminology for 11.1.1.1.2 should be reconsidered.

Alexander, UNSD: Most cafés have full service. Of course there are also many stand-up café and self-service cafés. Maybe we can put full-service cafés in 11.1.1.1 and stand-up cafés and self-service cafés in 11.1.1.2. A Classification by level of service would help (see comment on 3).

8 – The division should be renamed Restaurants and accommodation services to avoid confusion with division 01

Ana, Eurostat: Ok if we decide to keep food services in Division 11.

Valentina, FAO: We support the descriptor as proposed in the global consultation "Food, beverages and accommodation services"

9 – Website's fees for people to list, find, and rent lodging and travel agency fees for accommodation if priced separately are a form of travel agents' commissions. Travel agency fees for accommodation if priced separately, website's fees for people to list, find, and rent lodging and facilitating peer to peer accommodation services are growing trends and should have own class.

Ana, Eurostat: I'm not so sure, in most of the cases, it is the owner of the house that should pay the fee therefore there is no expenditure from the household apart from the accommodation service.

Andrew, NZ: There is not usually a fee for searching or finding accommodation. The fee is paid by the person advertising, listing or making the property available, whereas anything provided by a travel agency is there fees which you'd pay for on top of the actual cost ie if the travel agent does the search and discovery of accommodation then they will include that time spent in their fees, whereas if the individual goes onto Expedia or Hotels.com they don't pay any fees.

Alexander, UNSD: No quite true. Airbnb for example charges both the owner and the renter. So the proposal would be to have travel agencies and (online) services or the German "Mitwohnzentralen"

(agencies to find furnished apartments) together? This reminds me that we are missing the fees for realtors / real estate agents / real estate brokers in Division 04, maybe in 04.4.4 Other services relating to the dwelling n.e.c..

Alana, NZ: The website/service/admin fee is usually added to the cost of the accommodation at the time of booking. So the purchaser pays (when doing website bookings).

10 – With the popularity of Airbnb across the world, this type of accommodation could have a separate category.

Ana, Eurostat: We shouldn't mention brands but it could be interesting to identify separately the accommodation services provided by private.

Valentina, FAO: Agree with Ana, brands cannot be mentioned. In addition, we think that house/apartment rentals provided either by privates or companies, are under Div.04.

Alexander, UNSD: No need to identify separately. This is already covered. The fee for Airbnb's service (mediation between owner and renter) should be recorded in 11.2.0.9 Accommodation services of other establishments . The rent for the apartment rented through Airbnb should be recorded in 11.2.0.1 Hotels, motels, inns and similar accommodation services.

Alana, NZ: Is private/boutique accommodation info required?

11 - The definition of services in COICOP Div.02 needs clarifications in line with ISIC Div.56 and CPC Div.63. Terminology needs also to be reconsidered to avoid ambiguities.

11 FOOD, BEVERAGE AND ACCOMMODATION SERVICES

11.1 FOOD AND BEVERAGE SERVICES

11.1.1 Restaurants, cafés and the like

Includes:

- food and beverage services (meals, snacks, drinks and refreshments) provided by restaurants, cafés, buffets, bars, tearooms, etc., including those provided:

- in places providing recreational, cultural, sporting or entertainment services: theatres, cinemas, sports stadiums, swimming pools, sports complexes, museums, art galleries, nightclubs, dancing establishments, etc.;

- on public transport (coaches, trains, boats, aeroplanes, etc.) when priced separately; Also included are:

- the sale of food products and beverages for immediate consumption by kiosks, street vendors and the like, including food products and beverages dispensed ready for consumption by automatic vending machines;

- the sale of cooked dishes by restaurants for consumption off their premises;

- the sale of cooked dishes by catering contractors whether collected by the customer or delivered to the customer's home.

- tips.

Excludes: tobacco purchases (02.2.0); telephone calls (08.3.1).

11.1.1.1 Restaurants and cafés

Includes:

-food and beverage services (meals, snacks, drinks and refreshments) provided by:

- places that serve main meals

- places mainly serving drinks: cafés, buffets, bars, tearooms, etc.

- places providing recreational, cultural, sporting or entertainment services: theatres, cinemas,

sports stadiums, swimming pools, sports complexes, museums, art galleries, nightclubs, dancing establishments, etc.

- self-service restaurants

- the consumption of a water pipe with tobacco in a shisha lounge/bar

Includes: tips.

Excludes: tobacco purchases (02.2.0); telephone calls (08.3.0).

11.1.1.2 Fast food and take away food services

Includes:

-food and beverage services provided by:

- places serving snacks and fast food

- on public transport (coaches, trains, boats, aeroplanes, etc.) when priced separately

Also included:

- Food trucks

- the sale of food products and beverages for immediate consumption by kiosks, food stalls, street vendors and the like, including food products and beverages dispensed ready for consumption by automatic vending machines

- the sale of cooked dishes by restaurants for consumption off their premises

- the sale of cooked dishes by catering contractors whether collected by the customer or delivered to the customer's home

- grilled chickens and the like, for immediate consumption Includes: tips.

11.1.2 Canteens cafeterias or refectories

Includes:

food and beverage services of works canteens or cafeterias, office canteens or cafeterias and canteens or cafeterias in schools, universities and other educational establishments.
university refectories, military messes and wardrooms.

Excludes: food and drink provided to hospital in-patients (06.3).

11.1.2.0 Canteens, cafeterias or refectories

Includes:

- catering services of works canteens or cafeterias, office canteens or cafeterias and canteens or cafeterias in schools, universities and other educational establishments

Also includes:

- university refectories, military messes and wardrooms

Excludes:

- food and drink provided to hospital in-patients (06.3)

11.2 ACCOMMODATION SERVICES

11.2.0 Accommodation services

Includes:

- accommodation services of:

- hotels, boarding houses, motels, inns and establishments offering "bed and breakfast";

- holiday villages and holiday centres, camping and caravan sites, youth hostels and mountain chalets;

- boarding schools, universities and other educational establishments;

- public transport (trains, boats, etc.) when priced separately;
- hostels for young workers or immigrants.
- hotels letting rooms by the hour
- onside (non-mobile) caravans, boats
- accommodation services provided by private when the duration is of 1 month or less
- website's fees for people to list, find, and rent lodging
- travel agency fees for accommodation if priced separately

- tips, porters.

Excludes: payments of households occupying a room in a hotel or boarding house as their main residence (04.1.1); rentals paid by households for a secondary residence or timeshare residence (04.1.2); telephone calls (08.3.1); catering services in such establishments except for breakfast or other meals included in the price of the accommodation (11.1.1); housing in orphanages, homes for disabled or maladjusted persons (13.3.0).

11.2.0.1 Hotels, motels, inns and similar accommodation services Includes:

- accommodation services in hotels and motels

- accommodation services in inns and similar establishments, including boarding houses, inns and establishments offering "bed and breakfast"

- accommodation services provided by private when the duration is of 1 month or less

11.2.0.2 Holiday centres, camping sites, youth hostels and similar accommodation services Includes:

- holiday villages, holiday centres, camping and caravan sites, youth hostels and similar and mountain chalets

- accommodation services in holiday centres and camping sites holiday villages, caravan sites, on site boats

11.2.0.9 Accommodation services of other establishments

Includes:

- boarding schools and other educational establishments when priced separately
- public transport (trains, boats, etc.) when priced separately
- hostels for young workers or immigrants
- hotels letting rooms by the hour
- travel agency fees for accommodation if priced separately
- Website's fees for people to list, find, and rent lodging
- Onside (non-mobile) caravans, boats