

6.3 More Topics on CPC Version 3.0

**Definition of Goods & Services
Treatment of Energy Products**

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Outline

Definition of Goods & Services

- Goods, Services and Products
- 'Other Products' in CPC 2.1
- 'Knowledge-Capturing Products' in SNA
- Updates in CPC 3.0

Treatment of Energy Products

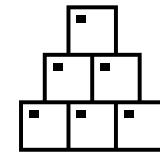
- Changes in CPC 3.0
 - SIEC Alignment
 - Other Changes



Definition of Goods & Services

Goods

- Physical, produced objects
- Ownership rights can be established/transferred
- Production can be separated from subsequent sale



Services

- Result of a production activity that changes the conditions of the consuming units, or facilitates the exchange of products or financial assets
- Ownership rights cannot be established
- Cannot be traded separately from their production
 - Change-effecting (change condition of the consumer or their goods) &
 - Margin services (facilitate exchange of products/financial assets)



Definition of Goods & Services

Goods + Services = Products

Products

- Are the result of production
- Exchanged and used for various purposes
 - As inputs in the production of other products
 - As final consumption
 - As investment

CPC meant to cover all products



Definition of Goods & Services

‘Other Products’ in CPC 2.1

*Among the variety of criteria generally used for distinguishing between goods and services (tangible versus intangible, storable versus non-storable or transportable versus non-transportable), **none provides a valid, practical and unambiguous distinction between goods and services in all cases*** (para. 38)

*...it becomes clear that the problem lies not only in the boundary between goods and services, but in the fact that the **definitions of goods and services in the SNA are not all encompassing** and certain products meet neither one of these definitions (para. 41)*

*Therefore, in the strict sense of the SNA definitions, these products [i.e. software or industrial design concepts without a physical carrier] **are neither goods nor services** and as a consequence, the universe of all products in the SNA is divided into **three categories**: “goods”, “services” and “other products”* (para. 44)

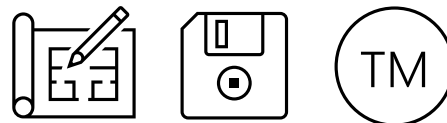


Definition of Goods & Services

'Other Products' in CPC 2.1

Refers to products that do not strictly meet the definitions of either goods or services

- *Products where the **information embedded in the product is the essential component***
This information can be embedded in a physical product, such as software on a storage device or an industrial design concept on a printed form or may be available and distributed without a physical carrier (para. 41)
- *A number of information products and other originals, also characterized as **intellectual property products**, which are outputs of economic production, but are neither goods nor services (para. 46)*



Definition of Goods & Services

Examples of Other Products in CPC

8431 On-line text-based information

- 84311 On-line books
- 84312 On-line newspapers and periodicals
- 84313 On-line directories and mailing lists

8432 On-line audio content

- 84321 Musical audio downloads
- 84322 Streamed audio content

8433 On-line video content

- 84331 Films and other video downloads
- 84332 Streamed video content

8434 Software downloads

- 84341 System software downloads
- 84342 Application software downloads

8439 Other on-line content

- 84391 On-line games
- 84392 On-line software
- 84393 On-line adult content
- 84394 Web search portal content
- 84399 Other on-line content n.e.c.

83143 Software originals

83920 Design originals

83960 Trademarks and franchises



Definition of Goods & Services

Goods, Services & Other Products in CPC 2.1

- 0. 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

Goods

-
- 5. Constructions and 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

**Services and
Other Products**

“Other products” are grouped with services that are outputs of the same economic activity

For example, design originals (8392) are grouped with design services (8391)



Definition of Goods & Services

‘Knowledge-Capturing Products’ in SNA

CPC definitions of **goods and services** are from SNA, so they are equivalent

However, the SNA refers to **knowledge-capturing products**:

*...concern the provision, storage, communication and dissemination of information, advice and entertainment in such a way that the consuming unit can access the knowledge repeatedly. The industries that produce the products are those concerned with the provision, storage, communication and dissemination of information, advice and entertainment in the broadest sense of those terms including the production of general or specialized information, news, consultancy reports, computer programs, movies, music, etc. The outputs of these industries, over which ownership rights may be established, are often stored on physical objects (whether on paper or on electronic media) that can be traded like ordinary goods. **They have many of the characteristics of goods in that ownership rights over these products can be established and they can be used repeatedly.** Whether characterized as goods or services, these products possess the essential common characteristic that they can be produced by one unit and supplied to another, thus making possible division of labour and the emergence of markets (2008 SNA, 6.22)*



Definition of Goods & Services

‘Knowledge-Capturing Products’ in SNA

- **‘Other products’ in CPC**

‘...The universe of all products in the SNA is divided into three categories: “goods”, “services” and “other products”’

- **Knowledge-capturing products’ in SNA**

‘...Whether characterized as goods or services...’



Definition of Goods & Services

“Knowledge-Capturing Products” in SNA

2008 SNA —→ 2025 SNA

*Knowledge-capturing products concern the provision, storage, communication and dissemination of information, **data**, advice and entertainment in such a way that the consuming unit can access the knowledge repeatedly ... The outputs of these industries, over which ownership rights may be established, are often stored on physical objects (whether on paper or on electronic media) that can be traded like ordinary goods. They have many of the characteristics of goods in that ownership rights over these products can be established and they can be used repeatedly. Whether characterized as goods or services, these products possess the essential common characteristic that they can be produced by one unit and supplied to another, thus making possible division of labour and the emergence of markets. **It is important to note that these knowledge-capturing products should be recorded as either goods or services, and that they should not be classified as a distinct category of products***

(Draft 2025 SNA, para. 7.22)



Definition of Goods & Services

Updates in CPC 3.0

- No longer refers to “Other products” (Chapter titled changed to “Goods and Services”)
- Now adopts to SNA terminology “Knowledge-capturing products”
- Added text:

*Products where the information embedded in the product is the essential component or are characterized as intellectual products can be considered either as goods or as services in SNA. **In contrast, CPC Ver. 3.0 uses the rule of transportability** in the actual treatment of these products. There is considerable overlap between the two, as these “information” products are often the most difficult to conceptualize...*



Definition of Goods & Services

Updates in CPC 3.0

- **CPC 2.1**

*Therefore, in the strict sense of the SNA definitions, these products are neither goods nor services and as a consequence, the universe of all products in the SNA is divided into **three categories**: “**goods**”, “**services**” and “**other products**”. The 2008 SNA does not explicitly recognize or label the third group of products (para. 44)*



- **Draft CPC 3.0**

*... to clarify the characteristics of these products and to improve the alignment of SNA and CPC, the concept of **knowledge-capturing products** defined in the 2025 SNA was introduced in CPC Ver. 3.0
... Knowledge-capturing products **do not constitute a third category of products** (para. 43-44)*



Definition of Goods & Services

Goods, Services & Other Products in CPC 3.0

- 0. 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
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Goods (including transportable KCPs)

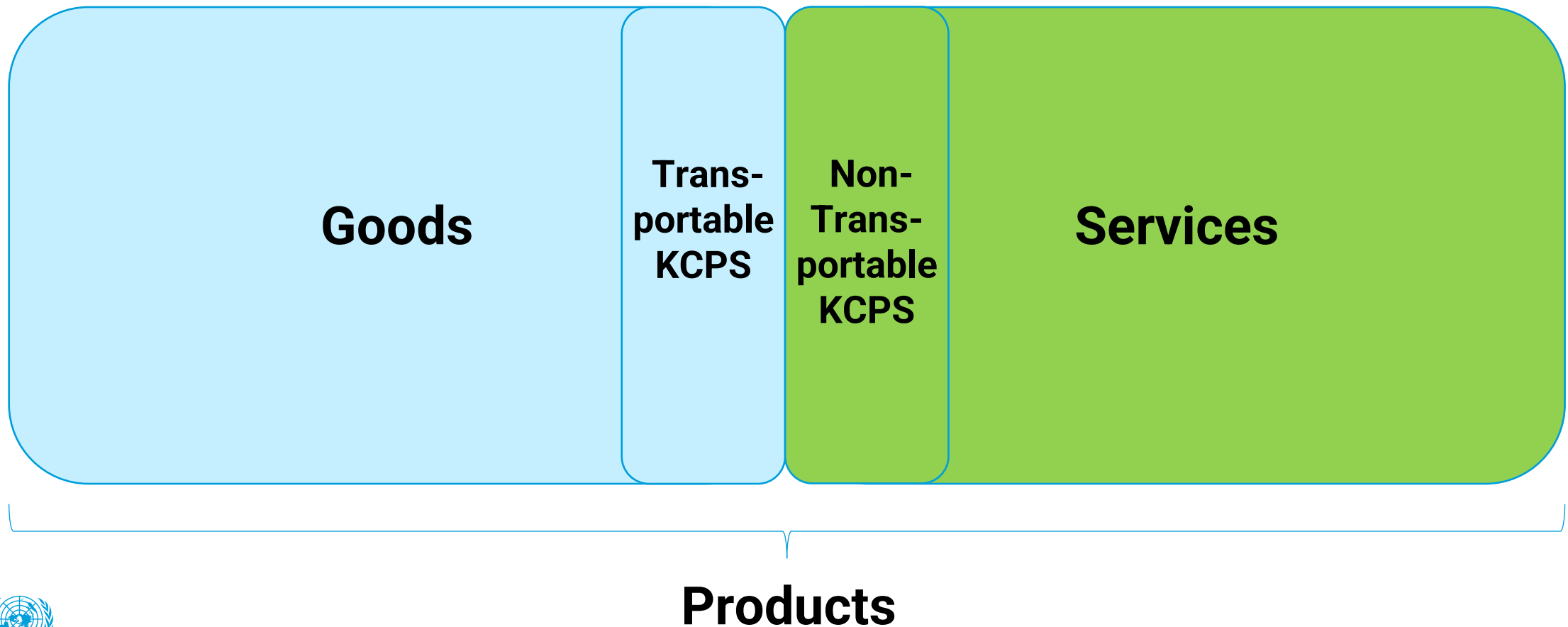
- 5. Constructions and construction services
- 6. Distributive trade services; accommodation, food and beverage serving services; transport services; and electricity, gas and water distribution services
- 7. Financial and related services; real estate services; and rental and leasing services
- 8. Business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

Services (including non-transportable KCPs)



Definition of Goods & Services

Updates in CPC 3.0



Treatment of Energy Products

Changes in CPC Ver. 3.0

SIEC Alignment

- Coal, peat, coal gases, crude oil

Other Changes in CPC Ver. 3.0

- Solar water heaters



Treatment of Energy Products

CPC Ver 2.1	
1	Ores and minerals; electricity, gas and water
11	Coal and peat
110	Coal and peat
1101	Hard coal
11010	Hard coal
1102	Patent fuel and similar solid fuels manufactured from hard coal
11020	Patent fuel and similar solid fuels manufactured from hard coal
1103	Brown coal
11030	Brown coal



CPC Ver 3.0	
1	Ores and minerals; electricity, gas and water
11	Coal and peat
110	Coal and peat
1101	Hard coal
11011	Anthracite
11012	Bituminous coal
1102	Patent fuel and similar solid fuels manufactured from hard coal
11020	Patent fuel and similar solid fuels manufactured from hard coal
1103	Brown coal
11031	Sub-bituminous coal
11032	Lignite



Treatment of Energy Products

CPC Ver 2.1	
1	Ores and minerals; electricity, gas and water
11	Coal and peat
1105	Peat
11050	Peat



CPC Ver 3.0	
1	Ores and minerals; electricity, gas and water
11	Coal and peat
1105	Peat, whether or not agglomerated
11051	Peat
11052	Peat briquettes

Treatment of Energy Products

CPC Ver 2.1	
3	Other transportable goods, except metal products, machinery and equipment
...	...
33	Coke oven products; refined petroleum products; nuclear fuel
331	Coke and semi-coke of coal, of lignite or of peat ; retort carbon
3310	Coke and semi-coke of coal, of lignite or of peat ; retort carbon
33100	Coke and semi-coke of coal, of lignite or of peat ; retort carbon
332	Tar distilled from coal, from lignite or from peat , and other mineral tars
3320	Tar distilled from coal, from lignite or from peat , and other mineral tars
33200	Tar distilled from coal, from lignite or from peat , and other mineral tars



CPC Ver 3.0	
3	Other transportable goods, except metal products, machinery and equipment
...	...
33	Coke oven products; refined petroleum products; nuclear fuel
331	Coke and semi-coke of coal, of lignite or of peat ; retort carbon
3311	Coke and semi-coke of coal, or of lignite; retort carbon
33110	Coke and semi-coke of coal, or of lignite; retort carbon
3312	Coke and semi-coke of peat
33120	Coke and semi-coke of peat
332	Tar distilled from coal, from lignite or from peat , and other mineral tars
3321	Tar distilled from coal, from lignite, and other mineral tars
33210	Tar distilled from coal, from lignite, and other mineral tars
3322	Tar distilled from peat
33220	Tar distilled from peat



Treatment of Energy Products

CPC Ver 2.1	
1	Ores and minerals; electricity, gas and water
17	Electricity, town gas, steam and hot water
172	Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons
1720	Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons
17200	Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons



CPC Ver 3.0	
1	Ores and minerals; electricity, gas and water
17	Electricity, town gas, steam and hot water
172	Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons
1720	Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons
17201	Coke oven gas
17202	Gas works gas (and other manufactured gases for distribution)
17203	Recovered gases

Treatment of Energy Products

CPC Ver 2.1	
1	Ores and minerals; electricity, gas and water
12	Crude petroleum and natural gas
120	Crude petroleum and natural gas
1201	Petroleum oils and oils obtained from bituminous minerals, crude
12010	Petroleum oils and oils obtained from bituminous minerals, crude



CPC Ver 3.0	
1	Ores and minerals; electricity, gas and water
12	Crude petroleum and natural gas
120	Crude petroleum and natural gas
1201	Petroleum oils and oils obtained from bituminous minerals, crude
12011	Crude oil
12012	Petroleum oils and oils obtained from bituminous minerals

Treatment of Energy Products

CPC Ver 2.1	
4	Metal products, machinery and equipment
44	Special-purpose machinery
448	Domestic appliances and parts thereof
4482	Domestic cooking and heating equipment, non electric
44826	Water heaters, instantaneous or storage, non electric



CPC Ver 3.0	
4	Metal products, machinery and equipment
44	Special-purpose machinery
448	Domestic appliances and parts thereof
4482	Domestic cooking and heating equipment, non electric
44826	Solar water heaters
44827	Other non-electric water heaters

Thank you!