

Future Work on CPC

United Nations Statistics Division

Regional Workshop on International Statistical Classifications Santiago, Chile, 20-22 May 2025



Outline of the Presentation:

- Issues in CPC for future discussion
- Supplementary Materials for CPC Ver. 3.0
- Dissemination of CPC Ver. 3.0



Issues in CPC for future discussion



CPC Issue #1 – Alignment with 2025 SNA

• The definition of goods in 2025 SNA remains unchanged compared to 2008 SNA:

Goods are physical, produced objects, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets... Electricity and heat are also classified as goods.

- 2025 SNA, para. 7.15.
- Should the structure of CPC be reviewed to make a better distinction between goods and services? For example, is there a need to review the current treatment of "data" in CPC Ver. 3.0 subclass 87310, or other types of knowledge-capturing products, which "should be recorded as either goods or services" but not "a distinct category of products" (2025 SNA, para. 7.22)?



CPC Issue #1 – Alignment with 2025 SNA

• 2025 SNA includes a updated definition on services:

Services are the results from a production activity that changes the conditions of the consuming units, or facilitates the exchange of products, non-produced non-financial assets or financial assets. Services are not generally separate items over which ownership rights can be established and cannot generally be separated from their production.

- 2025 SNA, para. 7.17. Highlighted text indicates change from 2008 SNA, para. 6.17
- How should CPC treat the services that facilitate the exchange of non-produced non-financial assets (examples include: natural resources; contracts, leases and licenses; goodwill and marketing assets)?



CPC Issue #2 – Environmental Products

- CPC treats waste in various discrete places at lower levels in its structure:
 - 2617 Jute and other textile bast fibres (except flax, true hemp and ramie), processed but not spun; tow and waste of these fibres
 - 2651 Woven fabrics of silk or of silk waste
 - 39 Wastes or scarps
 - ...
- The definitions of these categories are largely based on HS. Does this treatment of waste need a review?



CPC Issue #2 – Environmental Products

Below are some topics that were discussed before but unfortunately not resolved in CPC:

- Services related to climate change mitigation are (largely) missing in CPC structure.
- The location of "classic" environmental services in CPC division 94 does not mirror the location in ISIC.
- There is no alignment between CPC and the Classification of Environmental Activities (CEA) classifications



CPC Issue #3 – Alignment of CPC with ISIC

- ISIC, Rev. 5 has a narrower scope of retail trade: The goods sold in this division [ISIC, Rev. 5 division 47 Retail Trade] are limited to goods usually referred to as consumer goods or retail goods. Therefore, goods not normally entering the retail trade, such as cereal grains, ores, industrial machinery etc. are excluded. Distribution of digital products, including downloading and streaming services is also excluded.
- Is there a need to review CPC Ver. 3.0 division 62 (Retail trade services) accordingly? For example, should 62187 Nonspecialized store retail trade services, not on a fee or contract basis, of mining, construction and civil engineering machinery and equipment) continue to exist?



CPC Issue #4 – Treatment of Energy Products

- There is ongoing discussion to revise the Standard International Energy Product Classification (SIEC)
 - Breakdown of electricity by source of energy, e.g. from wind, solar energy, etc. This breakdown does not exist in CPC.
 - Non-market energy products, e.g. non-wage collection of fuels, firm- or household-level autoproduction, energy products that are not sold on the market, such as the direct use of geothermal heat and solar thermal heat generated by the same unit.
 - Synthetic fuel: this concept does not exist in CPC structure
- How should CPC keep up with SIEC on the treatment of energy products?



CPC Issue #5 – Treatment of Cultural Services

- How should CPC improve alignment with the 2009 UNESCO Framework for Cultural Statistics?
- CPC Ver. 3.0 subclass 96320 (Services of authors, composers, sculptors and other artists, except performing artists) includes "restoration services for works of art". Should these services be considered as the output of ISIC, Rev. 5 class 9130 (Conservation, restoration and other support activities for cultural heritage)?



Supplementary Materials for CPC Ver. 3.0

- Correspondence table between CPC Ver. 3.0 and HS 2022
- Correspondence table between CPC Ver. 2.1 and CPC Ver. 3.0
- Correspondence table between CPC Ver. 3.0 and ISIC, Rev. 5
- Alternative structures of CPC Ver. 3.0, including the expansion of agricultural products below the five-digit subclass level



Proposal for Next Steps: 2025 and Beyond

- Retire TT-CPC after its mandate is completed (upon the approval of CPC Ver. 3.0 introduction and explanatory notes by the UNSC in March 2025)
- Handover work on CPC to the STT-ISIC-CPC (correspondence tables, expansions, alternative structures, etc.)
- Move toward regular revision cycles (pending discussion by STT-ISIC-CPC)





Dissemination of CPC Ver. 3.0

PDF version of CPC Ver. 3.0 introduction and explanatory notes:

https://unstats.un.org/UNSDWebsite/statcom/session_56/documents/BG-3o-Introduction_to_the_Central_Product_Classification_Version3-E.pdf

- <u>https://unstats.un.org/UNSDWebsite/statcom/session_56/documents/B</u> <u>G-3o-Explanatory_Notes_of_the_Central_Product_Classification_Version3-</u> <u>E.pdf</u>
- Excel version of CPC Ver. 3.0 explanatory notes with some minor edits and corrections - will be available soon on UNSD website:

https://unstats.un.org/unsd/classifications/Econ

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For Discussion by Workshop Participants

- Are there specific products of regional and international importance that you think should be considered in CPC? For example, the treatment of maize/corn (as cereal, vegetable, or both), Brazil nuts (in 01377, as wild edible nuts), electric cars, Artificial Intelligence, etc.
- Do you have any suggestions on the CPC principles, structure, explanatory notes, and coding system?
- Would you like to join the STT-ISIC-CPC and contribute to the ongoing discussion on ISIC and CPC?



Thank you!

!Muchas gracias!

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