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INTERNATIONAL ECONOMIC CLASSIFICATIONS

Progress report on the harmonization of international economic classifications

Report of the Secretary-General

SUMMARY

At its twenty-first session, the Statistical Commission requested that a progress report on the harmonization of international economic classifications be prepared for the twenty-second session; the present document, submitted to the Commission for information, is the response to that request. There has been further development of "identification headings" to harmonize international activity classifications, in conjunction with the preparation of categories of goods considered suitable for harmonizing classifications for production and international trade statistics. A third session of the United Nations Statistical Office/Statistical Office of the European Communities Joint Working Group on World Level Classifications was held in 1981 (paras. 15-20). A fourth session of the Working Group is expected to meet in early 1983, and an expert group onharmonization of classifications (convened by the United Nations Statistical Office) is proposed for late 1983. A draft revised International Standard Industrial Classification of All Economic Activities (ISIC) is expected tobe available for consideration by the Statistical Commission at its twenty-third session (paras. 21-25). It may not necessarily be appropriate to introduce harmonization with ISIC and a production classification fully at an aggregated level of the Standard International Trade Classification (SITC) (paras. 26-32). The Harmonized Commodity Description and Coding System of the Customs Co-operation Council is scheduled to be available for implementation on 1 January 1985 (paras. 35-37).

^{*} E/CN.3/1983/1.

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INTRODUCTION

- 1. At the twenty-first session, the Statistical Commission requested, for its twenty-second session, a progress report on the harmonization of economic classifications, including (a) an outline of the status of the revision of the International Standard Industrial Classification of All Economic Activities (ISIC) 1/ and its co-ordination with the Standard International Trade Classification (SITC) 2/ and (b) co-ordination between activity and goods classifications of the United Nations and other organizations. 3/ The present document was prepared in response to that request.
- 2. The Commission also requested a draft of the third revision of SITC. 4/ The draft of SITC, Rev.3, has been submitted to the Commission at its present session (E/CN.3/1983/12).
- 3. In addition, the Commission requested a report on co-ordination in relation to four fields of activity, including standards. 5/ The report on co-ordination has been submitted to the Commission at its present session (E/CN.3/1983/26) and includes mention of co-ordination of ISIC and SITC.

I. EARLIER WORK

- 4. At the seventeenth session of the Statistical Commission, the twenty-first session of the Conference of European Statisticians and meetings of members of both bodies with the secretariats of international organizations, there was general agreement on the need to improve the harmonization between the various classifications in the economic field (and, where appropriate, in other fields), which had been prepared under the auspices of the United Nations and other international bodies.
- 5. In 1974, the United Nations Statistical Office convened an Expert Group on Harmonization of Statistical Classifications, which met at United Nations Headquarters. 6/ The main objective of the Expert Group was to make

^{1/} United Nations publication, Sales No. E.68.XVII.8.

^{2/} United Nations publication, Sales No. E.75.XVII.6.

^{3/} Official Records of the Economic and Social Council, 1981, Supplement No. 2 (E/1981/12), para. 271, item 7.

^{4/} Ibid., para. 41.

^{5/} Ibid., para. 212.

 $[\]underline{6}/$ "The harmonization of statistical classifications: report of a meeting of an Expert Group" (ST/ESA/STAT/78).

recommendations to enhance the harmonization of international statistical classifications and to frame the recommendations in the form of a work programme, so that the Statistical Office and other co-operating agencies might carry out the recommendations.

- On the basis of the Group's report and comments from national statistical offices and organizations within and outside the United Nations system, the Commission, at its nineteenth session, approved a programme of harmonization of international economic classifications, with the long-term objective being the development of a combined trade/production goods classification and associated classifications for non-transportable goods and for services. 7/ These classifications would be directly linked to ISIC and, if possible, to other widely used activity classifications; they would delineate goods and services in so far as possible according to the three basic categories of economic use as specified in A System of National Accounts 8/ (SNA), namely, capital formation, intermediate consumption and household consumption. The trade/production classification was to use the detailed subheadings of the Harmonized Commodity Description and Coding System (HS) of the Customs Co-operation Council (CCC) as building blocks. classifications would then form what is now being termed an Integrated System of Classifications of Activities and Products (SINAP). So that SINAP would be efficient, it was considered essential to adapt the underlying structures (particularly ISIC and HS). This would require changes in ISIC and the introduction of dissections in HS to reflect industrial origin.
- 7. For the dissections in HS, the United Nations Statistical Office needed to intensify its participation in the work of the CCC Harmonized System Committee (HSC). Close liaison with other international bodies was also needed to harmonize their activity classification and other classifications with those of the United Nations. The Statistical Commission noted with appreciation that the European Economic Community had agreed to co-ordinate the work of revising its activity classification with the work of the United Nations Statistical Office in revising ISIC. The Commission recommended the establishment of a continuing informal consultative panel that would be available for advice and guidance throughout the programme of harmonization.
- 8. At its twentieth and twenty-first sessions, the Commission reviewed reports on progress in the work (E/CN.3/514 and E/CN.3/545) and strongly supported its continuation. 9/ A consultative panel had been formed and, with material assistance from the Statistical Office of the European Communities, had met at Brussels in November 1977 and in Luxembourg in June 1979. It was known as the United Nations Statistical Office/Statistical Office of the European Communities

^{7/} Official Records of the Economic and Social Council, Sixty-second Session, Supplement No. 2 (E/5910), paras. 122-128.

^{8/} United Nations publication, Sales No. E.69.XVII.3.

^{9/} Official Records of the Economic and Social Council, 1979, Supplement No. 3 (E/1979/23), paras. 78-90; ibid., 1981, Supplement No. 2 (E/1981/12), paras. 78-93.

Joint Working Group on World Level Classifications, and included experts from countries at various stages of economic development and with various types of economic systems, from all regions of the world, as well as experts from the regional commissions and international organizations.

- 9. At its first session, the Working Group considered proposals for a revision of ISIC; the relationship between ISIC and the General Industrial Classification of Economic Activities within the European Communities 10/ (NACE); the role of HS in the harmonization work; and proposals for methodological approaches to the harmonization of activity and goods classifications. The experts subsequently studied these matters further and provided written comments on the proposals for revision and methodological principles. The main accomplishment at the second session of the Working Group was agreement on proposals for some 57 "identification headings" (IHs), covering activities producing transportable goods (and certain associated activities producing non-transportable goods or services), which could be introduced at intermediate levels in the international activity classifications under study (including, it was hoped, the Classification of the Branches of National Economy of the CMEA Member Countries 11/ (CBNE)).
- 10. While the Statistical Commission considered that SINAP would be invaluable in carrying out economic analyses, it noted that the creation of such a system would be difficult, and that even at the national level similar work had encountered difficulties.
- 11. Regarding the revision of ISIC, there was a view that its present structure was satisfactory and ought to be changed very little. Also mentioned was the need to take account of the special conditions in developing countries, especially the need to distinguish, within an industry, establishments employing traditional methods from those employing modern methods.
- 12. Regarding the relative importance of the three criteria controlling the work, namely, (a) industrial organization and structure, (b) harmonization of activity and goods classifications and (c) harmonization of ISIC, NACE and CBNE, the Commission was advised that the approach adopted by the Working Group was pragmatic. It was noted that an activity classification had above all to reflect industrial organization and structure, but that a proliferation of different international activity classifications burdened national statistical offices; it was further noted that harmonization with goods classifications was essential for sound economic analysis and planning.
- 13. The Commission noted that the need to revise SITC was imminent and recognized that work on harmonization of economic classifications had awaited the moment when both goods and activity classifications would be undergoing revision that is, the

^{10/} Statistical Office of the European Communities, Luxembourg, 1970.

^{11/} Council for Mutual Economic Assistance, Standing Commission on Statistics, Moscow, 1975.

moment when their structures would be sufficiently fluid to allow adjustments to be made in both types of classifications to achieve harmonization. In addition, the Commission urged the United Nations Statistical Office to promote co-ordination between groups engaged in classification tasks (such as the United Nations Statistical Office/Statistical Office of the European Communities Joint Working Group on World Level Classifications and expert groups on trade classification).

- 14. The Commission also urged the United Nations Statistical Office to keep all interested Member States fully informed on detailed proposals being developed by the Working Group.
 - II. PROGRESS IN REVISION OF THE INTERNATIONAL STANDARD INDUSTRIAL CLASSIFICATION OF ALL ECONOMIC ACTIVITIES AND HARMONIZATION OF INTERNATIONAL ACTIVITY CLASSIFICATIONS
- 15. The outlook for co-ordination between international activity classifications continues to improve, particularly as a result of the third session of the Working Group on World Level Classifications, which was held in Luxembourg in May 1981, with material assistance from the Statistical Office of the European Communities. The experts gave attention to, inter alia, further development and definition of IHs covering activities producing transportable goods, and considered a proposal for IHs covering activities producing non-transportable goods and services. The agenda and list of documents before the Working Group are given in annexes I and II to the present report. Attendance at the session included an expert in international trade statistics from the United Nations Statistical Office, consistent with the request by the Commission at its twenty-first session to promote improved co-ordination by ensuring appropriate and, if possible, overlapping membership in groups engaged in classification tasks. Regrettably, some of the organizations invited to send experts were unable to do so.
- 16. The IHs are activity categories which it is proposed should be introduced into ISIC and NACE (and also CBNE, if possible), generally at intermediate levels in the structure of each classification (such as at the three-digit major-group level of ISIC). Data compiled according to one of the classifications could then be simply recast within another at the level of the IHs.
- 17. The Working Group reaffirmed its view that IHs were a suitable basis for harmonization at an intermediate level of a revised ISIC and NACE. The IHs may be aggregated in different ways in the various classifications to obtain different broad structures, and they may be dissected in different ways to obtain different detailed categories. However, the Working Group expressed the view that the detailed categories formed by dissecting the IHs in ISIC and NACE should, if possible, be the same in both classifications. Where this was not achievable, matters should be so arranged that the classification with more detailed categories should be, to the extent possible, aggregatable to an integral category of the other classification.
- 18. Following the second session of the Working Group, the Statistical Office of the European Communities carried out work on the elaboration and refinement of IHs

covering activities producing transportable goods, on the basis of decisions at that session. This involved, particularly, studies of relationships between IHs and goods classifications in order to establish the content of the IHs and to strengthen the relationship between activities and goods classifications (see para. 26 below), and had been completed for about one half of the IHs. In conjunction with this work, the Statistical Office of the European Communities formulated dissections of IHs which could be considered for incorporation in ISIC and NACE (see annex V).

- 19. On the basis of this work and studies by other experts, the Working Group reviewed the list of IHs on which there had been general agreement at the previous session. The IHs as tentatively proposed following this review are listed in annex III. The experts agreed that finalizing the IHs should be interrelated with work on trade/production classifications and harmonization of the IHs and SITC (see para. 26 et seq. below). It was considered that definitive decisions could only be put forward after the work on both approaches was completed.
- 20. With regard to activities producing non-transportable goods and services, the Working Group considered a proposal for IHs prepared by the United Nations Statistical Office (see annex IV). While the experts felt that the proposals were reasonably well balanced, they saw merit in attempting to reduce somewhat the number of IHs proposed. The view was expressed that for coding purposes it would be helpful if the total number of IHs (including the IHs proposed for activities producing transportable goods) did not exceed 100. It was pointed out that the construction and service sectors were already important in most national economies and that the trend seemed likely to continue; the long life expectancy of the revised activity classifications which the proposed IHs would affect gave the question of appropriate balance between individual IHs and groups of IHs particular relevance. Views on individual IHs were also expressed by the experts. agreed that they would send detailed comments to the United Nations Statistical Office and the Statistical Office of the European Communities. Further, it was noted that one of the activities involved, namely financial leasing, would be discussed by working parties of the European Communities and the Organisation for Economic Co-operation and Development.
- 21. The Commission of the European Communities indicated that it would examine the possibility of organizing a fourth session of the Working Group in Luxembourg in 1982, provided that no other organization or Government wished to arrange it. Subsequently, it became clear that the session could not be held before 1983.
- 22. The Statistical Office of the European Communities is continuing its work on the elaboration and refinement of IHs covering activities producing transportable goods, and expects to have it completed before the fourth session of the Working Group (see para. 18 above). Segments of the work are being sent as they are completed, together with the SINAP proposals for goods categories (see para. 27 below), to the participants in the Working Group for comment.
- 23. Work is also proceeding on revision of the proposed IHs covering activities producing non-transportable goods and services, taking into account the discussions at the third session of the Working Group and written comments subsequently forwarded by experts.

- 24. It is expected that the Working Group at its fourth session will consider this work on IHs, as well as associated work on classifications of goods in production and international trade (see paras. 27 et seq. below). In addition, the United Nations Statistical Office expects to submit proposals for a revised ISIC, based on the work on IHs.
- 25. Following the fourth session of the Working Group, the United Nations Statistical Office expects to circulate a draft revision of ISIC to countries and international organizations for comment. Late in 1983, the Office expects to convene an expert group on harmonization of economic classifications which would, among other things, review the work on revising ISIC. The Office expects to submit a draft revision of ISIC to the Statistical Commission at its twenty-third session.
 - III. CO-ORDINATION OF THE INTERNATIONAL STANDARD INDUSTRIAL CLASSIFICATION OF ALL ECONOMIC ACTIVITIES AND THE STANDARD INTERNATIONAL TRADE CLASSIFICATION; HARMONIZATION OF CLASSIFICATIONS OF GOODS IN PRODUCTION AND INTERNATIONAL TRADE
- 26. As mentioned in paragraph 18 above, the Statistical Office of the European Communities has been pursuing studies of the relationships between IHs and goods classifications. They have resulted in proposals for categories of goods, considered suitable for use in both production and international trade statistics, and corresponding to the IHs and their proposed dissections. In addition to categories of goods corresponding to the IHs, the proposals for goods are being made at two levels: a level which is expected ultimately to have of the order of 100 to 150 categories (called "large blocks") and a more detailed level expected to have about 1,000 categories. The "large blocks" would provide for a strong link between the goods and activity classifications (at the level of the proposed dissections of IHs), while the level of about 1,000 categories would be suitable for more detailed comparison of production and trade statistics. These sets of categories of goods and activities would form elements of SINAP.
- 27. Tentative proposals for the SINAP elements for goods within about one half of the IHs were considered at the third session of the Working Group (in conjunction with consideration of the IHs themselves). These categories are listed in annex V. Some changes in the categories were suggested at the session, and further comments were forwarded by experts following the session. The experts felt that production and external trade statistics could be best correlated on the basis of categories of this sort. Drafts of further segments of the SINAP elements for goods (as well as activities, as noted in para. 22 above) are being prepared by the Statistical Office of the European Communities and circulated to participants in the Working Group for comment. The Statistical Office of the European Communities expects to complete this work before the fourth session of the Working Group.
- 28. The Working Group generally agreed that the most promising means to achieve harmonization between activity classifications, production classifications and SITC seemed to be by introducing the "large blocks" (modified, where appropriate) into SITC, and that this approach warranted a detailed study. The Working Group generally agreed that the proposal would not seriously affect the current structure

of SITC, but this would need to be demonstrated by completion of the study. The United Nations Statistical Office engaged a consultant (who was a member of the Working Group) to undertake the study, for consideration in the revision of SITC, and to show, inter alia, that the introduction of the blocks would not greatly disturb the current structure of SITC. His report listed proposals for changes in SITC (and made proposals for modifying the draft SINAP elements available at the time) to provide for comparability between the categories of products used in international trade statistics and production statistics.

- 29. After completion of the study by the consultant, it became clear that it would not be generally agreed that the introduction of the blocks would not greatly disturb the current structure of SITC. This was confirmed in March 1982 by an expert group on the revision of SITC, convened by the United Nations Statistical Office. Participants in the expert group included the consultant who had undertaken the study, others who had participated in the Working Group on World Level Classifications and experts on other aspects of international trade statistics. Some thought that the structure of SITC would not be seriously affected, while others thought that it would. Needs for recognition of other categories in the SITC structure were expressed, as well as needs to maintain time series. If these needs are to be met, it would seem that the "large block" approach to harmonization would not be viable.
- 30. If harmonization were not achieved at the "large block" level but at a more detailed level, then studies relating production and international trade statistics at an aggregated level such as the "large block" level would not be able to use data compiled according to the more aggregated levels of SITC, but would need a rearrangement and reaggregation of more detailed SITC data. Concern has been expressed that, in this situation, the benefits of harmonization would not be available to many users of statistics. However, the United Nations Statistical Office would be able to compile international trade statistics according to "large block" type categories, as well as according to the more aggregated categories of SITC, and make both compilations available to users.
- 31. A view which has also been expressed is that when development of the combined trade/production classification is completed, it might replace SITC, so that international trade statistics would be compiled by the United Nations Statistical Office according to the new classification but not according to SITC. A contrary view has also been expressed that there will be a continuing need for SITC to be maintained generally under the principles used in its development hitherto.
- 32. Taking account of all the considerations regarding the level of the SITC at which harmonization with a production classification should take place, it may not necessarily be appropriate to introduce harmonization fully at an aggregated level (such as the level of the three-digit groups) of SITC. There are strong needs to maintain the SITC structure at the more aggregated levels, which would not be met if the structure were altered to introduce harmonization fully at those levels. The aim should be, however, to introduce harmonization at the highest level possible in each part of the classification, taking account of all the needs to be served. It is also desirable, in developing SINAP, to take account of the SITC structure, to the extent possible, consistent with other needs to be met.

- 33. The time-table for revision of SITC has posed a problem for the co-ordination of ISIC and SITC. At its twenty-first session, the Statistical Commission noted that a third revision of SITC would need to be considered at its twenty-second session in order to be available for use effective 1 January 1985. 12/ This was necessary in order to maintain the close correlation of SITC with the Nomenclature for the Classification of Goods in Customs Tariffs 13/ (CCCN) (a revision of which is scheduled to become effective on 1 January 1985) and to establish a relationship with HS (which is scheduled to become effective on the same date). A draft of the SINAP elements (for goods) was not complete at the time the draft revised SITC had to be prepared, and those segments which were complete had not yet been subject to the normal approval.
- 34. The view has been expressed that the revised CCCN and HS might not be applied by countries before 1986 or 1987 because of delays in obtaining parliamentary approval for customs tariff changes and in negotiating duty rates under the General Agreement on Tariffs and Trade. If delays were to occur, it could mean that the application of the revised SITC might also be delayed. This could allow time for additional work on revision of SITC to take account of further SINAP proposals (see para. 27 above), with the aim of having a further draft revised SITC available for consideration by the Commission at its twenty-third session to be held in 1985, as well as a draft revised ISIC (see para. 25 above).
 - IV. STATUS OF THE WORK ON THE HARMONIZED COMMODITY DESCRIPTION AND CODING SYSTEM OF THE CUSTOMS CO-OPERATION COUNCIL AND ON THE PARTICIPATION IN THE WORK BY THE UNITED NATIONS STATISTICAL OFFICE
- 35. In accordance with the wishes of the Statistical Commission, the United Nations Statistical Office has continued its participation in the work of the Harmonized System Committee (HSC) of the Customs Co-operation Council (CCC) in the manner endorsed by the Commission at its twenty-first session. In addition, following on from the studies done by the Statistical Office of the European Communities of the relationships between IHs and goods classifications, the Working Group on World Level Classifications has put a number of proposals to HSC to amend HS to incorporate dissections reflecting industrial origin, and, in some cases, other criteria (including end use). In making the proposals, account was taken of their likely acceptability by customs administrations and the importance of the affected commodities as items in external trade or as items in production. On this basis, a limited number of proposals were made to HSC, and most were accepted. The relative success of the proposals was due to their limited number and practical nature.

^{12/} Official Records of the Economic and Social Council, 1981, Supplement No. 2 (E/1981/12), para. 41 (a).

^{13/} Customs Co-operation Council, Brussels, fifth edition, 1976.

- 36. The United Nations Statistical Office joined others in expressing concern following the deletion by HSC of the dissection of refined petroleum products from HS. Subsequent recognition of the exceptional importance of these goods led to the proposal to facilitate the collection of statistics (see document E/CN.3/1983/12, which has been submitted to the Commission at the present session).
- 37. The review of the four-digit headings of CCCN and their dissection to form the six-digit subheadings of HS took over seven years to complete, with regular sessions of HSC devoted to the work. A final over-all review of the whole HS was then made over three sessions of HSC. Attention was then to be concentrated on preparation of interpretive rules and explanatory notes and an instrument for implementation of the system. The CCC Nomenclature Committee and the CCC Chemists' Committee have also been involved in the work. The target date for finalization of the work by the Committees is mid-1983, to allow time for CCC and participating Governments to take the action necessary to allow HS to be implemented on 1 January 1985. However, as mentioned in paragraph 34 above, HS might not be applied by countries before 1986 or 1987 because of delays in obtaining parliamentary approval for customs tariff changes and in negotiating duty rates under GATT.

Annex I

AGENDA OF THE THIRD SESSION OF THE WORKING GROUP ON WORLD LEVEL CLASSIFICATIONS

- 1. Adoption of agenda
- 2. Reports of statistical bodies on classification questions
 - 2.1. Report on the twenty-first session of the United Nations Statistical Commission
 - 2.2. Report on the recent sessions of the Directors General of National Statistical Institutes of Countries of the European Community
 - 2.3. Other reports
 - 2.31. Reports on activities in the field of classifications undertaken by United Nations regional commissions and specialized agencies
 - 2.32. Reports on activities in the field of classifications undertaken by other bodies and organizations: HSC, CMEA, OECD, IASI
- 3. Further development and definition of "Identification Headings" (IHs) covering transportable goods
 - 3.1. Amendments to IHs resulting from study of relationships between HS, ICGS, NIPRO and SITC
 - 3.2. Proposals to CCC to amend HS to improve its industrial origin dimension
- 4. Trade/production classifications: further proposals concerning harmonizing IHs and SITC
- 5. A first proposal for the harmonization of industries producing non-transportable goods (construction), distribution (wholesale and retail trade), transportation (land, sea and air), finance (banking, insurance), business services, government services and other services
- 6. Further work
- 7. Other business
- 8. Date and place of next meeting
- 9. Adoption of the report of the meeting

Annex II

LIST OF DOCUMENTS BEFORE THE WORKING GROUP ON WORLD LEVEL CLASSIFICATIONS AT ITS THIRD SESSION

Document Symbol	Agenda item	<u>Title</u>
ı.		ared especially for consideration Group at its third session
UNSO/SOEC/3/1	1	Provisional agenda
UNSO/SOEC/3/2	2	Reports of statistical bodies on classification questions - Report on the twenty-first session of the United Nations Statistical Commission, January 1981 (paras. 78 to 93)
UNSO/SOEC/3/2/Add.1	2.2	Reports of statistical bodies on classification questions: Addendum - Report on the last meeting of the Directors-General of National Statistical Institutes of Countries of the European Community
UNSO/SOEC/3/2/Add.2	2.31	Reports of statistical bodies on classification questions: Addendum - Information concerning statistical activities of the United Nations Economic Commission for Western Asia (ECWA)
UNSO/SOEC/3/2/Add.3	2.3	Reports of statistical bodies on classification questions: Addendum - 1. Work of the Conference of European Statisticians in the field of classifications. Note by the secretariat of the United Nations Economic Commission for Europe. 2. Activities in commodity classifications, 1979-1981. Note by Douglas H. Parks, General Secretariat of the Organization of American States
UNSO/SOEC/3/2/Add.4	2.31	Reports of statistical bodies on classification questions: Addendum - Information concerning classification activities of the United Nations Economic Commission for Africa (ECA)
UNSO/SOEC/3/2/Add.5	2.31	Reports of statistical bodies on classification questions: Addendum - Information concerning classification activities of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

Document Symbol	Agenda item	<u>Title</u>
UNSO/SOEC/3/2/Add.6	2.32	Reports of statistical bodies on classification questions: Addendum - Some comments on problems encountered by OECD in using international classifications of activities and products
UNSO/SOEC/3/2/Add.7	2.32	Reports of statistical bodies on classification questions: Addendum - Harmonized Commodity Description and Coding System - Work of the Harmonized System Committee since June 1979
UNSO/SOEC/3/3	3.1	Amendments to IHs resulting from study of relationships between ISIC, NACE, HS, ICGS, NIPRO, NIMEXE and SITC
UNSO/SOEC/3/4	3.2	Proposals to CCC to amend HS to improve its industrial origin dimension
UNSO/SOEC/3/5	4	Proposals to improve harmonization between classifications for the study of production and classifications for the study of external trade
UNSO/SOEC/3/6	5	A first proposal to harmonize at an intermediate level ISIC and NACE industries producing non-transportable goods and services
II. Conf	erence room	papers (CRPs) for the third session
UNSO/SOEC/3/CRP.I	5	First draft: Links between IHs in UNSO/SOEC/3/6 and CBNE
UNSO/SOEC/3/CRP.II	l and 9	List of documents before the Working Group at its third session
UNSO/SOEC/3/CRP.III	3.1	Diagram by Mr. O. Forsmo concerning the question of the principal functions of IHs
UNSO/SOEC/3/CRP.IV	9	Draft report, part I
UNSO/SOEC/3/CRP.V	9	Draft report, part II
UNSO/SOEC/3/CRP.VI	9	Draft report, part III
UNSO/SOEC/3/CRP.VII	9	Draft time-table of future work
	III	. Other documents
HAR/NOM/GEN 08	3.1	Note on prefabricated building

Annex III

IDENTIFICATION HEADINGS FOR ACTIVITIES PRODUCING TRANSPORTABLE GOODS AND CERTAIN ASSOCIATED ACTIVITIES AS PROPOSED FOLLOWING THE THIRD SESSION OF THE WORKING GROUP ON WORLD LEVEL CLASSIFICATIONS

(See para. 19 above)

01	Agricultural production
02	Livestock production; hunting; trapping
03	Agricultural and livestock services
04	Forestry and logging
05	Fishing
06	Iron-ore mining
07	Non-ferrous metal mining
08	Stone quarrying; clay and sand pits
09	Mining of other non-energy minerals, non-metallic
10	Coal mining; agglomeration of coal and lignite
11	Crude petroleum and natural gas extraction; extraction of bituminous shale or tar sands
12	Services to petroleum and natural gas producers
13	Nuclear fuel processing
14	Petroleum refineries
15	Coke ovens
16	Production and distribution of electricity, steam and hot water
17	Gasworks and gas distribution
18	Basic food industries
19	Other food industries
20	Beverage industries
21	Tobacco industry
22a	Spinning; weaving; finishing
22b	Other textile industries
23	Wearing apparel industries
24	Tanneries; fur dressing and dyeing industries; leather goods
27	industries
25	Footwear industry
26	Sawmills; planing and other wood mills
27	Manufacture of wood and cork products (except furniture)
28	Manufacture of paper and paper products
29	Printing, publishing and allied industries
30	Manufacture of basic chemicals
31	Man-made fibres industry
32	Manufacture of other chemical products
33	Manufacture of rubber products, including tyres and tubes
34	Manufacture of plastic products
37	Manufacture of glass and glassware
	Manufacture of other non-metallic mineral products
39	Ferrous metal basic industries
40	Non-ferrous metal basic industries

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41	Foundries
42	Manufacture of structural metal products and of boiler house products
43	Manufacture of metal products not elsewhere classified
45	Manufacture of special-purpose machinery
46/44	Manufacture of general-purpose machinery
47	Manufacture of office, computing and accounting machinery
48	Manufacture of electrical machinery, apparatus and appliances
49	Manufacture of radio, television and communication equipment and apparatus etc.
50	Manufacture of motor vehicles
51	Manufacture of aircraft
52a	Shipbuilding, including drilling rigs
52b	Manufacture of non-motorized transport equipment
52c	Manufacture of other transport equipment
53/54	Precision engineering; manufacture of watches and clocks
55	Manufacture of furniture
56	Other manufacturing industries
57	Water works and supply

Annex IV

IDENTIFICATION HEADINGS FOR ACTIVITIES PRODUCING NON-TRANSPORTABLE GOODS
AND SERVICES CONSIDERED BY THE WORKING GROUP ON WORLD LEVEL CLASSIFICATIONS
AT ITS THIRD SESSION

(See para. 20 above)

- 60 Building construction
- 61 Construction other than building construction
- 62 Special trade construction
- 63 Wholesaling of farm produce and farm supplies
- Wholesaling of minerals, metals, industrial chemicals and fuels; lumber, building materials and builders' hardware; agricultural, industrial, commercial and transport equipment
- 65 Wholesaling of other goods except scrap and waste
- 66 Wholesaling of waste and scrap
- 67 Retailing of a wide range of goods
- Retailing of food, beverages, tobacco, pharmaceuticals, medical goods, cosmetics and cleaning materials
- 69 Retailing of clothing, footwear and household textiles
- 70 Retailing of motor vehicles, motorcycles, parts and accessories thereof, motor fuels and lubricating oils
- 71 Retailing of other goods
- 72 Restaurants, cafés and other eating and drinking places
- 73 Hotels, rooming houses, camps and other lodging places
- 74 Land transport
- 75 Supporting services to land transport
- 76 Water transport
- 77 Supporting services to water transport
- 78 Air transport carriers
- 79 Supporting services to air transport
- 80 Services allied to transport
- 81 Communication
- 82 Financial institutions
- 83 Insurance
- 84 Real estate operation including letting of real estate by owner
- 85 Business services except machinery and equipment rental
- 86 Administration of general government services
- 87 Administration of public order and safety
- 88 Administration of national defence
- 89 Administration of services for the development of human resources
- 90 Administration of other government services, e.g., economic services
- 91 Sewerage systems, refuse disposal, fumigation, sanitation and similar services
- 92 Cleaning services
- 93 Pre-primary, primary and secondary education services

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94	Higher education services
95	Education services not elsewhere classified
96	Research and scientific institutes
97	Hospital services
98	Other health services
99	Veterinary services
100	Welfare institutions
101	Business, professional and labour associations
102	Other social and related community services
103	Motion picture production, distribution and projection
104	Radio and television broadcasting
105	Libraries, museums, botanical and zoological gardens and other cultural services not elsewhere classified
106	Recreational and cultural services not elsewhere classified
107	Repair of personal and household goods
108	Provision of personal services
109	Domestic services
110	International and other extra-territorial bodies

The following three additional IHs were mentioned in connexion with proposals for the treatment of renting and leasing activities:

- Renting and leasing of machinery and equipment without operators, other than transport equipment
- 2 Renting and leasing of motor vehicles (passenger cars, lorries and other over-the-road vehicles)
- Renting and leasing of personal and household goods and clothing (except amusement and recreational goods)

Annex V

ELEMENTS OF AN INTEGRATED SYSTEM OF CLASSIFICATIONS OF ACTIVITIES AND PRODUCTS (SINAP) CONSIDERED BY THE WORKING GROUP ON WORLD LEVEL CLASSIFICATIONS AT ITS THIRD SESSION

(See paras. 18, 26 and 27 above)

The categories of activities with two-digit codes are the "identification headings" (IHs). Not all of the IHs are listed: only the IHs for which more detailed SINAP elements were considered at the third session of the Working Group are listed. The IHs for activities producing transportable goods, as proposed following the third session of the Working Group, are listed in annex III. The IHs for activities producing non-transportable goods and services considered by the Working Group at its third session are listed in annex IV.

The categories of activities with three-digit codes are the dissections of IHs proposed by the Statistical Office of the European Communities.

The categories of goods with three-digit codes were proposed for the level of SINAP, which is expected to ultimately have 100 to 150 categories (called "large blocks").

Categories of goods with four-digit codes, formed by subdividing the three-digit categories, were also considered by the Working Group. These categories, which were proposed for the level expected to ultimately have about 1,000 categories, are not listed here because of space limitations.

Activities

Goods

- 01 AGRICULTURAL PRODUCTION
 - 01 VEGETABLE PRODUCTS
- Oll Growing of field crops
 - 012 Cereals
 - 013 Other field crops
- 014 Horticulture; tree nurseries
 - 015 Flowers, ornamental plants, trees, shrubs and bushes (excl. forest products)
 - 016 Vegetables
- 017 Growing of permanent crops
 - 018 Fruits and nuts
 - 019 Coffee, tea, maté, cocoabeans and spices; sugar cane
- 02 LIVESTOCK PRODUCTION; HUNTING; TRAPPING
 - 02 LIVESTOCK; LIVESTOCK PRODUCTS; PRODUCTS OF HUNTING AND TRAPPING
- 021 Raising of bovine cattle, sheep, goats, horses, asses, mules and hinnies (grazing livestock)
 - 022 Bovine cattle, sheep, goats, horses, asses, mules and hinnies

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Activities

Goods

023 Raw milk

024 Fleece wool

- 025 Raising of other land animals; hunting and trapping
 - 026 Live poultry
 - 027 Live swine
 - 028 Other live land animals
 - 029 Products of live land animals (other than raw milk or fleece wool)
- 04 FORESTRY AND LOGGING
 - 04 FORESTRY AND LOGGING PRODUCTS
- 040 Forestry and logging
 - 041 Non-coniferous and coniferous standing trees
 - 042 Wood in the rough
 - 043 Natural rubber; cork, resins, natural gums and other raw forest products
- 05 FISHING
 - 05 FISH, CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC PRODUCTS
- 050 Fishing; fish hatcheries
 - 050 Fish, crustaceans, molluscs and other aquatic products
- 06 IRON ORE MINING
 - 06 IRON ORE
- 060 Iron ore mining
 - 060 Iron ore
- 07 NON-FERROUS METAL MINING
 - 07 NON-FERROUS METAL ORES
- 071 Mining of non-ferrous metal ores, other than nuclear ores
 071 Non-ferrous metal ores (other than nuclear ores) and their
 concentrates
- 072 Mining of ores containing fissile or breeder materials
 - 072 Ores containing fissile and breeder materials
- 08 STONE QUARRYING; CLAY AND SAND PITS
 - 08 STONE, CLAY AND SAND
- 080 Stone quarrying; clay and sand pits
 - 081 Monumental and building stone (crude stone, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a square or rectangular shape)
 - 082 Gypsum; limestone flux; limestone and calcareous stone for lime or cement industry; chalk
 - 083 Clays (whether or not calcined; excl. activated or expanded clays)
 - 084 Sands, pebbles, gravel, natural asphalt and bitumen
- 09 MINING OF OTHER NON-ENERGY MINERALS; NON-METALLIC
 - 09 OTHER NON-ENERGY MINERALS, NON-METALLIC
- 091 Salt mining
 - 091 Salt (sodium chloride)
- 092 Chemical and fertilizer mineral mining
 - 092 Mineral and natural fertilizers and minerals for the chemical industry

Act	iv	it	ies

Goods

000	*** - 1 1 - 1	- 6	- 4 1		
093	Extraction	OI	otner	minerals	, n.e.c.

093 Other minerals, n.e.c.

10 COAL MINING; AGGLOMERATION OF COAL AND LIGNITE

10 COAL; LIGNITE; PEAT; BRIQUETTES AND OTHER SOLID FUELS MANUFACTURED FROM COAL, LIGNITE AND PEAT

101 Coal mining; agglomeration of coal

101 Coal; briquettes and other solid fuels manufactured from coal

102 Lignite mining; agglomeration of lignite

102 Lignite; briquettes and other solid fuels manufactured from lignite

103 Extraction of peat; agglomeration of peat

103 Peat, whether or not agglomerated

11 CRUDE PETROLEUM AND NATURAL GAS EXTRACTION; EXTRACTION OF BITUMINOUS SHALE OR TAR SANDS

11 CRUDE PETROLEUM AND NATURAL GAS; BITUMINOUS SHALE OR TAR SANDS

111 Crude petroleum extraction

lll Crude petroleum

112 Natural gas extraction

112 Natural gas

113 Extraction of bituminous shale or tar sands

113 Bituminous shale or tar sands

13 NUCLEAR FUEL PROCESSING

13 NUCLEAR FUELS

130 Nuclear fuel processing

131 Fissile or fertile materials

132 Non-irradiated fuel elements

133 Spent (irradiated) fuel elements

14 PETROLEUM REFINERIES

14 REFINED PETROLEUM PRODUCTS

140 Petroleum refineries

141 Refinery gases

142 Fuels; naphtas

149 Miscellaneous non-energy-generating refinery products

15 COKE OVENS

15 COKE OVEN PRODUCTS

150 Coke ovens

150 Coke oven products

PRODUCTION AND DISTRIBUTION OF ELECTRICITY, STEAM AND HOT WATER

16 ELECTRICITY, STEAM AND HOT WATER

160 Production and distribution of electricity, steam and hot water 160 Electricity, steam and hot water

17 GAS WORKS AND GAS DISTRIBUTION

17 DISTRIBUTED GAS

170 Gas works and distribution of gas

170 Manufactured gas; distributed gas of all kinds

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Activities

Goods

18 BASIC FOOD INDUSTRIES

18 BASIC FOOD PRODUCTS

181 Manufacture of vegetable and animal oils and fats
18A Refined animal fats; vegetable oils and fats

182 Meat industry

18B Meat, fresh, chilled, frozen, salted, dried, smoked or in brine

18C Raw hides and skins; non-edible raw offal

18D Preparations and preserves of meat

183 Dairy industry

18E Dairy produce

184 Fish industry

18F Preparations and preserves of fish

185 Fruit and vegetable processing industry

18G Prepared and preserved vegetables

18H Prepared and preserved fruits

186 Sugar industry

18I Sugars and sugar syrups

187 Grain mills

18J Flours, groats and meals of cereals; prepared rice

18Z By-products of basic food industries

19 OTHER FOOD INDUSTRIES

19 OTHER PREPARED FOOD-STUFFS

191 Manufacture of cocoa, chocolate and sugar confectionery

191 Cocoa, chocolate and sugar confectionery

192 Manufacture of bread and flour confectionery

192 Bread and flour confectionery

193 Manufacture of spaghetti, macaroni and similar farinaceous products

193 Spaghetti, macaroni, ravioli and similar farinaceous products

194 Coffee and tea industries

194 Coffee; tea; conditioned infusion plants

195 Manufacture of vinegar, sauces and condiments

195 Vinegar; sauces; condiments

196 Starch industry

196 Starch and starch products

197 Manufacture of compound animal feed

197 Compound animal feed

199 Other food-stuff industries n.e.c.

199 Other food products n.e.c.

20 BEVERAGE INDUSTRIES

20 BEVERAGES

20Z Secondary products of beverage industries

201 Distilling of ethyl alcohol from fermented materials; spirit distilling and compounding

201 Ethyl alcohol produced by fermentation of agricultural products; spirituous beverages

Activities

Goods

~ ~ ~	•		
202	Wine	industr	y

202 Wine of fresh grapes

203 Other fermented beverage industries

203 Other fermented beverages

204 Breweries and malting

205 Beer

206 Malt, roasted or not

207 Soft drinks and mineral waters industries

207 Soft drinks; mineral waters

21 TOBACCO INDUSTRY

21 MANUFACTURED TOBACCO

210 Tobacco industry

210 Manufactured tobacco

30 MANUFACTURE OF BASIC CHEMICALS

30 BASIC CHEMICALS

301 Nitrogen and fertilizer industry

301 Products of the nitrogen industry; chemical fertilizers

302 Basic plastic and synthetic rubber industry

302 Synthetic resins and plastic material in primary forms; synthetic rubber

303 Manufacture of other basic chemicals

304 Industrial gases, stable isotopes and radio nuclear materials

305 Electrolytic and electrothermic products

306 Basic chemicals of animal or vegetable origin

309 Other basic chemical products

31 MAN-MADE FIBRES INDUSTRY

31 MAN-MADE FIBRES

Man-made fibres industry

310 Man-made fibres, whether or not textured but not carded or combed

32 MANUFACTURE OF OTHER CHEMICAL PRODUCTS

32 OTHER CHEMICAL PRODUCTS

321 Manufacture of pharmaceutical products

321 Pharmaceutical products

322 Manufacture of varnishes, lacquers, enamels, paints, inks and mastics 322 Varnishes, lacquers, enamels, paints, inks and mastics

Manufacture of soap and detergents, perfume and toilet preparations

323 Soap and detergents, perfume and toilet preparations

324 Manufacture of cleaning and polishing preparations

324 Cleaning and polishing preparations

325 Manufacture of other chemical products n.e.c.

325 Other chemical products n.e.c.

35 MANUFACTURE OF ARTICLES OF STONEWARE, EARTHENWARE, PORCELAIN OR CHINA

35 ARTICLES OF STONEWARE, EARTHENWARE, PORCELAIN OR CHINA

351 Manufacture of ceramic sanitary fixtures

351 Ceramic sanitary fixtures

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Activities

	Goods
352	Manufacture of ceramic domestic and ornamental articles
	352 Ceramic domestic and ornamental articles
353	Manufacture of ceramic laboratory, chemical or industrial wares
	353 Ceramic laboratory, chemical or industrial wares
354	Manufacture of ceramic flags and pavings
	354 Ceramic flags and pavings
36	MANUFACTURE OF STRUCTURAL CLAY PRODUCTS
	36 STRUCTURAL CLAY PRODUCTS
360	Manufacture of structural clay products
	361 Refractory ceramic goods
	362 Other structural clay products (other than refractory)
37	MANUFACTURE OF GLASS AND GLASSWARE
	37 GLASS AND GLASSWARE
370	Manufacture of flat glass and similar products
	371 Unworked glass, flat glass and pressed or moulded glass for
	construction
	372 Glass fibres and yarns, glass wool and similar glass products
	373 Other glass articles
38	MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS
	38 ARTICLES OF STONE, OF PLASTER, OF CEMENT OR OF OTHER
	NON-METALLIC MINERAL MATERIAL
381	Manufacture of monumental or building stone and articles thereof 381 Monumental or building stone and articles thereof
202	
382	Manufacture of cement, lime and plaster 382 Cement, lime and plaster
202	382 Cement, lime and plaster Manufacture of concrete, cement or plaster products for construction
383	purposes
	383 Concrete, cement or plaster products for construction purpose
389	Manufacture of other non-metallic mineral products
303	389 Other non-metallic mineral products
44	MANUFACTURE OF ENGINES AND TURBINES
44	44 ENGINES AND TURBINES
441	Manufacture of engines
	441 Engines other than for aircraft, vehicles and cycles;
	parts thereof
442	Manufacture of turbines
	442 Turbines other than aircraft turbines; parts thereof
45	MANUFACTURE OF SPECIAL-PURPOSE MACHINERY
	45 SPECIAL-PURPOSE MACHINERY
451	Manufacture of agricultural machinery
	451 Agricultural machinery
452	Manufacture of machinery for the food, beverage and tobacco industries
	452 Machinery for the food, beverage and tobacco industries

Activities

Goods

- 453 Manufacture of machinery for the paper and paperboard industries and for the printing industry
 - 453 Machinery for the paper and paperboard industries and for the printing industry
- 454 Manufacture of machinery for the textile, the ready-made clothing and the leather industries
 - 454 Machinery for the textile, the ready-made clothing and the leather industries
- 455 Manufacture of machinery for the metallurgical industries, for mining and quarrying, for boring and for the construction industry
 - 455 Machinery for the metallurgical industries, for mining and quarrying, for boring and for the construction industry
- 456 Manufacture of machine-tools for working metal by removal of material 456 Machine-tools for working metal by removal of material
- 457 Manufacture of metal-forming machine-tools
 - 457 Metal-forming machine-tools
- 458 Manufacture of other machine-tools; manufacture of tools, parts and accessories for machine-tools
 - 458 Other machine-tools; tools, parts and accessories for machine-tools
- 459 Manufacture of other special-purpose machinery
 - 459 Other special-purpose machinery
- 46 MANUFACTURE OF GENERAL-PURPOSE MACHINERY
 46 GENERAL-PURPOSE MACHINERY
- 461 Manufacture of pumps and compressors
- and complessors
- 461 Pumps and compressors
 462 Manufacture of non-electric ovens and furnace burners
 - 462 Non-electric ovens and furnace burners
- 463 Manufacture of machinery and equipment for the treatment of materials by a process involving a change of temperature, n.e.s.
 - 463 Machinery and equipment for the treatment of materials by a process involving a change of temperature n.e.s.
- 464 Manufacture of centrifuges, filtering or purifying machinery and apparatus, for liquids or gases
 - 464 Centrifuges, filtering or purifying machinery and apparatus, for liquids or gases

- 465 Manufacture of lifting and handling equipment
 - 465 Lifting and handling equipment
- 466 Manufacture of roller bearings, gears, gearing and driving elements
 466 Roller bearings, gears, gearing and driving elements
- 467 Manufacture of terrestrial military weapons
 - 467 Terrestrial military weapons
- 469 Manufacture of other general-purpose machinery, n.e.s.
 - 469 Other general-purpose machinery, n.e.s.