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**Items for discussion and decision: statistical classifications**

**Revised  
Classification of Individual Consumption According to Purpose  
(COICOP 2018)**

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**Introductory guidelines**

Prepared by the  
Technical Subgroup for the Revision of COICOP  
(TSG-COICOP)



**DRAFT**

**Introductory guidelines to  
COICOP 2018**

**Version 2018-01-15**

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## Historical background

The Classification of Individual Consumption According to Purpose (COICOP) is part of a set of classifications of expenditures according to purpose, also known as "functional" classifications, which are part of the System of National Accounts (SNA) since 1968.

The idea of classifying household consumption expenditure at the international level was mentioned for the first time in October 1923 at the first International Conference of Labour Statisticians organized by the International Labour Organization (ILO).

The ILO document "Methods of Conducting Family Budget Enquiries"<sup>1</sup> stated that:

*"The information required with regard to expenditure is of necessity more detailed than that on income. The various items on which the families expend their income may be combined into a small number of fairly clearly defined groups — for example, food, housing accommodation, clothing, fuel and light — and also miscellaneous items of expenditure which may be combined together either into one general group or into several special classes or sub-groups."*

In the third International Conference of Labour Statisticians, held in October 1926 the issue of having an international household expenditure classification was discussed and the conclusion was that consumption expenditure should be classified into the following groups: food, clothing, housing accommodation, fuel and light, furniture and furnishings and miscellaneous<sup>2</sup>. The suggested classification covered the very basic necessities of life: food, clothes and housing, and everything else was considered as "miscellaneous".

This issue was again discussed at the seventh International Conference of Labour Statisticians (1951). The conference agreed to a list of expenditure topics more detailed than previous, and listed food (including, as separate items, food consumed away from home and alcoholic beverages), housing (including, as separate items, rent, fuel and light, and household furnishings and appliances), clothing and miscellaneous (including, as separate items, the following ten subgroups: medical care, personal care, insurance and other contributions, education and reading, telephone and postage, recreation, transport, tobacco, gifts and charities, servants).

The 1953 SNA<sup>3</sup> provided a classification of consumption expenditure by type of commodity and service in table VIII "Composition of private consumption expenditure". The classification included 12 categories for household final consumption as well as three categories for adjusting the domestic concept to the international concept. The classification included the same basic categories for necessities – food, clothing and housing – as the list proposed by the ILO conference almost thirty years earlier, but housing was divided into more detailed groups. In addition to existing groups for rent, fuel and light,

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<sup>1</sup> ILO: "Methods of Conducting Family Budget Enquiries". Studies and Reports, Series N, No. 9. Geneva, 1926

<sup>2</sup> See resolution "Methods of Family Budget Enquiries" adopted by the 3<sup>rd</sup> International Conference of Labour Statisticians, 1926.

Available at [http://www.ilo.org/public/libdoc/ilo/ILO-SR/ILO-SR\\_N12\\_engl.pdf](http://www.ilo.org/public/libdoc/ilo/ILO-SR/ILO-SR_N12_engl.pdf)

<sup>3</sup> United Nations, 1953, A System of National Accounts and Supporting Tables, New York.

Available at <https://unstats.un.org/unsd/nationalaccount/docs/1953SNA.pdf>

furnishings and household equipment, household operations was created as a separate group, and the miscellaneous group was divided into personal care and health expenses, transportation and communication, recreation and entertainment and miscellaneous services.

The 1968 SNA<sup>4</sup> presented the next version of the classification called the “Classification of household goods and services”. This classification was composed of eight divisions determined by the main purpose of the consumption:

1. Food, beverages and tobacco
2. Clothing and footwear
3. Gross rent fuel and power
4. Furniture, furnishings and household equipment and operation
5. Medical care and health expenses
6. Transport and communication
7. Recreation, entertainment, education and cultural services
8. Miscellaneous goods and services.

The classification was also designed to separate goods from services and to draw distinctions between durable, semi-durable and non-durable goods.

The 1968 SNA “Classification of household goods and services” was revised to develop the first version of COICOP, which was adopted by the United Nations Statistical Commission in March 1999 and published in 2000<sup>5</sup> together with the other three functional classifications: the Classification of the Purposes of Non-Profit Institutions Serving Households (COPNI), the Classification of the Functions of Government (COFOG) and the Classification of the Outlays of Producers According to Purpose (COPP).

COICOP 1999 classifies individual consumption into 14 divisions: Divisions 01 to 12 cover individual consumption expenditure of households; Division 13 covers individual expenditure of Non-Profit Institutions Serving Households (NPISHs); and Division 14 covers the individual consumption expenditure of general government.

During its meeting in 2015 the Expert Group on International Statistical Classifications recommended a full revision of COICOP 1999. The revision process is explained in detail in § 94-104.

The revised COICOP is referred to as COICOP 2018.

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<sup>4</sup> United Nations, 1968, A System of National Accounts and Supporting Tables, New York. Available at <https://unstats.un.org/unsd/nationalaccount/docs/1968SNA.pdf>

<sup>5</sup> United Nations, DESA (1999): Classifications of Expenditure According to Purpose, Statistical Papers, Series M No. 84, ST/ESA/STAT/SER.M/84. Available at <http://unstats.un.org/unsd/cr/registry/regdntransfer.asp?f=142>

## Acknowledgements

The COICOP 2018 revision process was carried out under the auspices of the United Nations Statistical Commission by the United Nations Expert Group on International Statistical Classifications and its Technical Subgroup for the revision of COICOP (TSG-COICOP).

Inputs for the revision process were obtained from two global consultations. In the first consultation, 68 countries and 4 international and regional organizations participated, and in the second consultation, 100 countries and 15 international and regional organizations participated. Furthermore, a series of meetings were held and contacts were made with international and regional agencies, such as the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO).

The revision process benefited from the coordination and support of the Chair of the Technical Subgroup, Ms. Ana Franco of Eurostat, and the following members of the Subgroup: Ms. Kate Lamb (Australia), Mr. Norbert Rainer (Austria), Ms. Alice Born (Canada), Mr. Andrew Hancock (New Zealand), Ms. Severa Belista De Costo (Philippines), Ms. Cindia Alexia Duc Sfez (Switzerland), Ms. Veronica Gianfaldoni (FAO), Ms. Valentina Ramaschiello (FAO), Ms. Valentina Stoevska (ILO), Ms. Li Fa Cheung Kai Suet (IMF), Ms. Gabriela Flores Pentzke Saint-Germain (WHO), Mr. Herman Smith (Inter-secretariat Working Group on National Accounts (ISWGNA) / UNSD), Ms. Francette Koechlin, (Inter-secretariat Working Group on Price Statistics (IWGPS) / OECD), Mr. Carsten Boldsen (UNECE), Mr. Ralf Becker (UNSD), Mr. Alexander Loschky (UNSD) and Mr. Benson Sim (UNSD).

Final coordination of COICOP 2018 was undertaken by Mr. Alexander Loschky of the United Nations Statistics Division, who assisted the chair of the TSG-COICOP during the various stages of the revision process, including the preparation of the structure of the classification, the text of the explanatory notes; and the organization of meetings and consultations. Mr. Loschky worked under the supervision of Mr. Ralf Becker and was assisted by Mr. Byungkwan Lee of the United Nations Statistics Division.

## Support for COICOP users

The United Nations Statistics Division is responsible for the development and maintenance of COICOP. National and regional statistical offices and other institutions using COICOP may find it in their interest to establish contact with the Statistics Division to receive notification about plans for updates or revisions, information concerning interpretations and rulings, and general technical support in applying the classification. Users are encouraged to request clarification.

Updated information on COICOP, indexes, proposals for revisions and the revision process are available on the classifications website of the United Nations Statistics Division at <http://unstats.un.org/unsd/classifications>.

Communications should be addressed to the Director, United Nations Statistics Division, Attention: Industrial and Energy Statistics Section,

by mail:

2 United Nations Plaza

Room DC2-1414

New York, NY 10017

United States of America

or by e-mail to the Classifications Hotline: [CHL@un.org](mailto:CHL@un.org)

## Acronyms and abbreviations

COFOG	Classification of the Functions of Government
COICOP	Classification of Individual Consumption According to Purpose
COPNI	Classification of the Purposes of Non-Profit Institutions Serving Households
COPP	Classification of the Outlays of Producers According to Purpose
CPC	Central Product Classification
D	durables
ECOICOP	European Classification of Individual Consumption According to Purpose
FAO	Food and Agriculture Organization of the United Nations
FISIM	Financial intermediation services indirectly measured
GDP	gross domestic product
ILO	International Labour Organization
IMF	International Monetary Fund
ISCED	International Standard Classification of Education
ISIC	International Standard Industrial Classification of All Economic Activities
ISWGNA	Inter-Secretariat Working Group on National Accounts
IWGPS	Inter-Secretariat Working Group on Price Statistics
n.e.c.	not elsewhere classified
ND	non-durables
NPISH	Non-profit institutions serving households
OECD	Organisation for Economic Co-operation and Development
PACCOICOP	Pacific Classification of Individual Consumption According to Purpose
SD	semi-durables
S	services
SNA	System of National Accounts
TSG-COICOP	Technical Subgroup for the Classification of Individual Consumption According to Purpose
UNECE	United Nations Economic Commission for Europe
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNSD	United Nations Statistics Division
WHO	World Health Organization

## Introduction

### Overview and scope of the classification

1. The 2008 SNA<sup>6</sup> uses four classifications of expenditure according to purpose. These four classifications are used to analyze consumption by different institutional sectors according to the purpose for which the expenditure is undertaken. These classifications are referred to as functional classifications and are as follows:

COICOP: **C**lassification of **I**ndividual **C**onsumption by **P**urpose

COPNI: **C**lassification of the **P**urposes of **N**on-Profit **I**nstitutions Serving Households

COFOG: **C**lassification of the **F**unctions of **G**overnment

COPP: **C**lassification of the **O**utlays of **P**roducers by **P**urpose

2. The four classifications are designed primarily to answer the question of why outlays are incurred. They classify transactions undertaken by households, non-profit institutions serving households (NPISH), government and producers which result in “payables” - that is, money paid or due for the acquisition of current and capital goods or of labour and other services, for the acquisition of financial assets or for the extinction of financial liabilities.
  - COICOP is used to classify only a single kind of outlay - namely, the individual consumption expenditures of households, NPISH and general government.
  - COPNI and COFOG are used to classify a range of transactions, including outlays on final consumption expenditure, intermediate consumption, gross capital formation and current transfers, by NPISH and general government respectively.
  - COPP is used to classify intermediate consumption and capital outlays of financial and non-financial corporations, or producers.
3. The objective of COICOP is to provide a framework of homogeneous categories of goods and services, which are considered a function or purpose of household consumption expenditure, which are those expenditures that are made for the benefit of individual persons or households.

### Individual consumption

4. Individual consumption expenditures are incurred by three institutional sectors, namely: households, NPISH and general government:
  - **All** household consumption expenditures are defined as individual and are presented in COICOP 2018 Divisions **01 through 13**.
  - **All** consumption expenditures of NPISH are also treated, by convention, as being for the benefit of individual households and are presented in COICOP 2018 Division **14**.
  - Only **some** of the consumption expenditures by general government are defined as individual. Expenditures on general public services, defence, public order and safety, economic affairs, environmental protection and housing and

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<sup>6</sup> United Nations, European Commission, International Monetary Fund, Organisation for Economic Co-operation and Development and World Bank (2009). *System of National Accounts 2008*. Sales No. E.08.XVII.29E.08.XVII.29 .

Available at: <https://unstats.un.org/unsd/nationalaccount/sna2008.asp>

community amenities are considered to be for the benefit of the community as a whole rather than for individual households. They are termed *collective consumption expenditures* (or *actual final consumption of general government* or *actual collective consumption*) and are excluded from COICOP. COICOP 2018 Division 15 identifies those government expenditures that are regarded as individual and classifies them by purpose, namely, health, education, social protection, recreation and culture.

5. In the SNA, the individual consumption expenditures of both NPISH and general government are termed *social transfers in kind* and are added to the individual consumption expenditures of households to obtain an aggregate called *actual final consumption of households* (or *actual individual consumption*). By bringing together the relevant expenditures of households, NPISH and general government, COICOP identifies the expenditures that make up this aggregate and classifies them according to the purposes they are designed to achieve.

### Uses of COICOP

6. COICOP is an integral part of the SNA, but it is intended also for use in several other statistical areas such as: household expenditure statistics based on household budget surveys and the analysis of living standards; consumer price indices (for which it is used to establish weights and aggregate prices); international comparisons of gross domestic product (GDP) and its component expenditures through purchasing power parities; and statistics relating to culture, sports, food, health, tourism.
7. For all these uses, the basic COICOP classification needs to be more detailed in terms of subcategories; and at the same time there are clear advantages in maintaining the basic structure of COICOP to enable comparison between countries, over time and between statistics in different domains. It must be recognized, however, that COICOP follows the concepts and definitions of the 2008 SNA and these are not necessarily directly applicable, at the most detailed level, for other applications. For example, in household budget surveys it is not practical to ask households about expenditure on insurance service charges as required by COICOP, and in consumer price indices some countries may include interest on housing loans, which is excluded from COICOP.
8. The purposes defined in COICOP are based on the classifications of consumption expenditures which national statistical offices have developed for their own use and which have been found to serve a variety of analytic applications. Although COICOP is not strictly linked to any particular model of consumer behaviour, the purposes broadly reflect differences in income elasticities. For example, low-income households spend relatively high proportions of their budgets on food, clothing and housing while richer households spend more on transport, education, health and recreation.
9. COICOP 2018 class and subclass levels are also divided into “services” (S), “non-durables” (ND), “semi-durables” (SD) and “durables” (D). This supplementary classification provides for other analytic applications. For example, it is sometimes useful to estimate the stock of “capital goods” held by households; COICOP classes identified as “durables” provide the basic elements for such estimates.
10. COICOP is also useful for the collection and dissemination of data on expenditures and consumption of food worldwide, which accounts for a considerable share of

household expenditure, particularly in developing countries<sup>7</sup>. However, previous versions of COICOP lacked suitable detail which resulted in heterogenic food classification lists across countries and consequently limited international comparability.

11. Because of the importance of having comparable information on food purchased and consumed, Division 01 Food and non-alcoholic beverages has been significantly revised. The additional detail of Division 01 allows for:
  - (a) a common framework and reference classification for food lists for household budget surveys;
  - (b) the compilation and comparison of consumption data coming from other sources such as food and nutrition surveys (in which detail on food goes generally beyond COICOP); and
  - (c) the reconciliation of data coming from other domains, such as production and trade.
12. The additional detailed classification of Division 01 includes new goods grouped by source (e.g., cereal, meat, seafood), where raw primary commodities are at the top of the hierarchy within each group, followed by processed commodities and preparation of composites. A new class for ready-made food and other food goods n.e.c. has also been introduced to Division 01.
13. In addition to the new detail available related to food due to the addition of a subclass level in COICOP 2018, an additional 307 codes at the six-digit level are also provided in an annex to supplement the five-digit subclass structure. This Annex 2 has been prepared by the FAO as a guideline for countries to further expand Division 01 in their national versions (see section “Optional high detail structure for food goods”) (§21-23).
14. The World Health Organization (WHO) is supporting a methodological research project aiming at improving the measurement of health expenditures in household surveys and COICOP 2018 plays a critical role to achieve this as most household budget surveys or household income/expenditure surveys do follow this classification. COICOP enables the measurement of the financial burden households are exposed to because of the health expenditures they face when using health care services. Such measurement is critical to inform the post 2015 Sustainable Development Goal Agenda.
15. Expenditure by individuals and households on cultural or sporting goods and services can be considered as a proxy for participation in cultural and sport activities, which in turn provides the key to completing the analysis of data available from other sources (e.g., dedicated surveys on cultural participation).

### COICOP 2018 structure and coding system

16. The COICOP 2018 has a hierarchical structure consisting of four (4) levels with the number of categories, and therefore the level of detail increasing from the two-digit level to the five-digit level. The example below demonstrates the coding system:

Division	03	CLOTHING AND FOOTWEAR
Group	03.1	CLOTHING
Class	03.1.1	Clothing materials (SD)
Subclass	03.1.1.0	Clothing materials (SD)

<sup>7</sup> World Bank, Global Consumption Database <http://datatopics.worldbank.org/consumption/>

17. Each of the categories are numerically coded where a period between the digits indicating the different levels. The division level is denoted by a two-digit number (Divisions 01 to 15). The group, class and subclass levels consist of one additional digit each. Sequential numbering is used at the division and group levels starting with 1. If a classification category is not further subdivided at the next lower hierarchical level, a zero (0) is used. Nine (9) is used to designate residual categories at the class and subclass levels (e.g. 04.4.4.9 Other services related to the dwelling).
18. The number of categories at each level of the classification in COICOP 1999 and COICOP 2018 are presented in Table 1.

**Table 1 Comparison of the number of categories between COICOP 1999 and COICOP 2018 by level**

COIOP level	Number of categories	
	COICOP 1999	COICOP 2018
Division	14	15
Group	58	63
Class	117	185
Subclass	NA	337

### Use of different levels of the classification

19. It may be desirable to utilize less detailed classification categories of COICOP for some areas of statistics, or where the number and size of the categories for which reliable statistics are presented may depend on both their source and confidentiality considerations. For example, it may not be feasible to present data on the different purposes of health inpatient/outpatient services (e.g. dental, curative, rehabilitative or long term) if not based on a household survey. Or it may not be necessary to present data on household consumption expenditures in as great detail in national accounting as in price statistics. By providing four hierarchical levels (divisions, groups, classes and subclasses), COICOP 2018 provides a framework for comparable classification of data at different levels of detail. It is important to note, however, that the fact that a category has been defined at the class level in COICOP will not prevent it from being larger in a particular national economy than a category defined at the group level or even at the division level in another national economy.
20. Similarly, for specific domains like Food, the detail provided by COICOP 2018, even at its most detailed level, will often not be sufficient for the required analysis. In such cases, COICOP 2018 subclasses can be further subdivided for specific purposes, as necessary (see §21-23). It is suggested, however, that the additional detailed categories still be aggregated to the existing COICOP subclasses for comparability reasons.

### Optional high detail structure for food goods

21. There are many applications of the COICOP for which different levels of detail may be needed. To satisfy different user needs, rearranging the COICOP structure to form alternative structures is a possibility. This is a general principle applicable to all international classifications: the Central Product Classification (CPC), for example, has a long established practice in this sense.

22. Such alternative structures can take different forms. They can be:
- (a) rearrangements of all COICOP categories, or of a subset of categories, into a new structure that still preserves the original detailed categories as building blocks; or
  - (b) expansions of certain areas of interest for sectoral purpose beyond the detail provided in the published classification.
23. Due to the fact that the expenditure of households on food represents the highest portion of household expenditure in many countries, and that more detail is often needed at the national level for food security monitoring and policy interventions, an extension to a six-digit level is provided for Division 01 as an official annex to COICOP 2018. This Annex 2 can be used as a guideline for countries to further extend Division 01 in their national versions and to compare consumption data coming from other sources such as food and nutrition surveys, when there is a need for detailed information on food and non-alcoholic beverages. This level was developed by the Food and Agriculture Organization of the United Nations (FAO) and includes 307 six digit codes to supplement the Subclass structure.

### Units of classification

24. For the household consumption expenditures in Divisions 01 through 13, the units of classification are consumption expenditures made by households for satisfying their needs or wants for various goods and services. The basic data on consumption expenditure usually come from one or more of the following sources: household budget surveys, statistics on retail trade sales, and product flow estimates which involve allocating the total supply of goods and services to intermediate and final uses. The important point to note is that the units of classification are expenditures on specific goods and services – they are not expenditures on purposes as such. Divisions 01 to 13 of COICOP 2018 convert these basic statistics into a purpose classification by grouping together the expenditure on various goods and services that are deemed to fulfil particular purposes, such as nourishing the body, protecting it against inclement weather, preventing and curing illness, acquiring knowledge, travelling from one place to another.
25. The units of classification for COICOP 2018 Division 14 are the same as for COPNI. In principle, COPNI classifies individual outlays of NPISH according to the purpose they serve.
26. The units of classification for COICOP 2018 Division 15 are the same as for COFOG. The units of classification are, in principle, individual transactions. This means that each purchase, wage payment, transfer, loan disbursement or other outlay should be assigned a COFOG code according to the function that the transaction serves.

## Underlying principles of the classifications

### Conceptual basis of COICOP

27. The 2008 SNA (9.81) defines household actual consumption as consisting of three components:
- (a) Households' final consumption expenditure.
  - (b) Government units' expenditure on consumption goods and services provided to households as social transfer in kind.
  - (c) NPISHs' expenditure on consumption goods and services provided to households as social transfer in kind.
28. "Household final consumption expenditure" is defined in 2008 SNA (9.56). It includes the expenditures on goods and services purchased for final use by the household plus the estimated or imputed value of barter transactions, goods and services received in kind and goods and services produced and consumed by the same household. Household final consumption expenditure includes the consumption expenditures of the resident households, whether the expenditure takes place in the country or abroad. The treatment of the different types of goods and services that enter into household final consumption expenditure is explained in more details in the following paragraphs.

### Types of products

29. Most classes and subclasses comprise either goods or services. Classes and subclasses containing goods are denoted by "ND", "SD" or "D" indicating non-durable, semi-durable or durable respectively. "S" denotes classes or subclasses consisting of services.
30. The distinction between non-durable and durable goods is based on whether the goods can be used only once, or repeatedly or continuously over a period of considerably more than one year (§ 9.42 of the 2008 SNA). Moreover, durables, such as motor cars, refrigerators, washing machines and televisions, have a relatively high purchasers' price. Semi-durable goods differ from durable goods in that their expected lifetime of use, though more than one year, is often significantly shorter and their purchase prices are substantially less.
31. Although a systematic separation between goods and services was carried out in this revision of COICOP, some classes and subclasses contain both because it is difficult for practical reasons to break them down into goods and services. Such classes and subclasses are usually assigned an "S", as the service component is considered to be predominant. Similarly, there are classes that contain either both non-durable and semi-durable goods, or both semi-durable and durable goods. Again, such classes and subclasses are assigned an "ND", "SD" or "D" according to which type of good is considered to be predominant.

### Imputed transaction values

32. The SNA records the exchange of goods, services and assets between institutional units in the form of transactions. Typically, transactions are carried out through the exchange of money and products. However, many goods or services are not actually sold but are nevertheless supplied to other units: for example, they may be bartered for other goods or services or provided free as transfers in kind. In other cases, there is an implicit exchange of services which are recorded as transactions even though no money was exchanged. The transactions of such

goods and services must also be included in the accounts even though their value has to be estimated.

33. Thus, estimates and imputations are needed in order to be able to record transactions not disposed of in monetary transactions with other units. Such estimates and imputations should not be interpreted as introducing hypothetical activities or flows of goods and services into the SNA. Their purpose is the opposite, namely, to capture in the accounts major flows of goods and services actually taking place in the economy that would otherwise be omitted. Strictly speaking, the imputation refers to the value of goods or services involved and not to the expenditure itself. In other words, it is the valuation that is imputed, not the fact that the transaction takes place.
34. Transactions that are not directly observable, e.g. from household income and expenditure surveys, and need to be estimated are own account production of goods for own final consumption, income in kind in the form of goods or services provided free of charge or at very low prices to households by government and NPISHs, services provided by financial intermediaries which are measured indirectly in the SNA and the production of housing services for their own final consumption by owner occupiers. These imputed values of household consumption expenditure are not directly observable from household income and expenditure surveys.
35. The production of housing services for their own final consumption by owner occupiers has always been included within the SNA production boundary, although it constitutes an exception to the general exclusion of own-account service production. The ratio of owner-occupied to rented dwellings can vary significantly between countries, between regions of a country and even over short periods of time within a single country or region, so that both international and inter-temporal comparisons of the production and consumption of housing services could be distorted if no imputation were made for the value of own-account housing services. The imputed value of the income generated by such production is taxed in some countries.
36. Persons who own the dwellings in which they live are treated as owning unincorporated enterprises that produce housing services that are consumed by the household to which the owner belongs. The housing services produced are deemed to be equal in value to the rentals that would be paid on the market for accommodation of the same size, quality and type. The imputed values of the housing services are recorded as final consumption expenditure of the owners.
37. Expenditure that owners, including owner-occupiers, incur on the decoration, minor repairs and maintenance of the dwelling that would normally be seen as the responsibility of a landlord and are not treated as household final consumption expenditure but as intermediate expenditure incurred in the production of housing services. These expenditures may consist either of payments for services provided by professional builders or decorators or purchases of materials for “do-it-yourself” repairs and decoration.
38. Financial services may be paid for explicitly or implicitly and some transactions in financial assets may involve both explicit and implicit charges. There are four main ways in which financial services are provided and charged for:
  - (a) Financial services provided in return for explicit charges. Expenditures on services for which financial institutions do make charges are recorded in the usual way.

- (b) Financial services provided in association with interest charges on loans and deposits. These sorts of services are known as financial intermediation services indirectly measured (FISIM) and are calculated as the difference between the actual bank interest receivable and the SNA interest receivable by financial corporations on the loans they issue, and the difference between SNA interest payable and the actual bank interest payable by financial corporations on the deposits of their customers.
- (c) Financial services associated with the acquisition and disposal of financial assets and liabilities in financial markets. When households acquire or dispose of foreign exchange and some other financial assets, the dealer in the financial asset will typically quote a buying price and a selling price for the asset. The difference between the price actually receivable or payable and the average of the buying and selling price at the time of the transaction is also treated as expenditure on the services of financial institutions.
- (d) Financial services associated with insurance and pension schemes. Service charges for insurance are classified by type of insurance, namely: life insurance and non-life insurance. The service charge for non-life insurance is estimated as total premiums earned plus investment income earned from investing the premiums less adjusted claims incurred. The service charge for life insurance is estimated as premiums earned plus investment income earned from investing the premiums less benefits due less increases (plus decreases) in life insurance technical reserves. The indirect service charges of pension fund services are estimated as the excess of the investment income receivable by the schemes less the amount added to the reserves to meet present and future pension entitlements.

### **“Do it yourself” repairs and maintenance to consumer durables and dwellings**

- 39. “Do it yourself” repairs and maintenance to consumer durables and dwellings carried out by members of the household constitute the production of services for own final use. The production of services for own final use is excluded from the production boundary of the SNA and therefore also from consumption expenditure. However, the materials purchased for repair and maintenance are treated as final consumption expenditure (§ 6.36 of 2008 SNA) and are therefore included in COICOP.
- 40. In relation to dwellings, “do it yourself” activities cover decoration, maintenance and small repairs, including repairs to fittings, of types that are commonly carried out by tenants as well as by owners (§ 6.37 of 2008 SNA). The expenditure to purchase materials to undertake these activities are included in COICOP. On the other hand, more substantial repairs, such as re-plastering walls or repairing roofs, carried out by owners, are essentially intermediate inputs into the production of housing services; the production of such repairs by an owner-occupier is a secondary activity of the owner in his capacity as a producer of housing services. The purchases of materials for repairs in these cases are intermediate expenditures incurred in the production of housing services and are out of scope of COICOP.

### **Multi-purpose goods and services**

- 41. The majority of goods and services can be unambiguously assigned to a single purpose, however, some goods and services could plausibly be assigned to more than one purpose. Examples include:

- Motor fuel which may be used to power vehicles classified as transport as well as vehicles classified as recreational,
  - Bicycles which may be purchased for transport or recreation purposes.
42. The general rule followed has been to assign multi-purpose goods and services to the division that represents the predominant purpose. Hence, motor fuel is shown under the Transport division.
43. Where the predominant purpose varies among countries, multi-purpose items have been assigned to the division that represents the main purpose in the countries where the item concerned is of greatest importance. As a result, bicycles are assigned to the Transport division (07) because transport is its usual function in the regions where most bicycles are purchased, that is to say Africa, South-East Asia, China and the non-mountainous countries of Europe.
44. Other examples of multi-purpose items and their treatment include:
- Camper vans which are shown under Recreation, sport and culture (09) and not under Transport (07);
  - Basketball shoes and other sports footwear suitable for everyday or leisure wear are shown under Clothing and footwear (03) and not under Recreation, sport and culture (09).

### Bundled goods and services

45. Single expenditure outlays (i.e. where there is no itemized price information for the individual goods or services) may sometimes comprise a bundle of goods and services that serve two or more different purposes. For example, the purchase of:
- telecommunications bundles including a combination of home telephone, mobile phone, internet and television services as well as mobile phone(s) (good);
  - all-inclusive package tours including payment for transport, accommodation and catering services;
  - education services that include payments for health care, transport, accommodation, board, educational materials, etc.;
  - in-patient hospital services that include payments for medical treatment, accommodation and catering; and
  - transport services that include meals and accommodation in the ticket price (e.g. passenger air transport).
46. Single outlays covering two or more purposes and not separately invoiced are dealt with on a case-by-case basis with the objective of obtaining a purpose breakdown that is as precise as possible and consistent with practical considerations of data availability. Hence, there is no attempt to isolate expenditure values related to separate purposes for telecommunication bundles, package tours, in-patient hospital services or transport services with accommodation and catering included in the single price. In all of these cases, the outlay should be categorized with the predominant good or service. However, specific classes for the above mentioned bundles are also included in COICOP 2018.
47. Health care, transport, accommodation, board and educational materials linked with education, on the other hand, should be allocated as far as possible to Health (06), Transport (07), Restaurants and accommodation services (11), and Recreation, sport and culture (09).

## Internet-enabled and other virtual services

48. The Internet has enabled services such as the streaming of movies and music, and subscriptions to games, thus removing the need for a physical product to be purchased and in many cases facilitating the rental of these products rather than outright purchase. For this reason, these services are in general classified with more traditional forms of the rental of similar goods.
49. While related products can exist in either physical or virtual forms (e.g. books, music, videos, games), in COICOP the product should be categorized in the one class based on predominant purpose. Therefore, the purchase of virtual books (e.g. e-books, audiobooks) should be classified in the same class or subclass as paper books because they are consumed for the same purpose. As stated previously, this principle can impact the type of product (i.e. D, SD, ND or S) associated with that class.
50. Where the Internet is being used for the rental of a product, either in its physical or virtual form, this activity is still a service and not the purchase of a product. For example subscription fees to play online games (i.e. streaming) are classified to 09.4.3.1 Rental of games software and subscription to online games. The outright purchase of video game software, in its physical or virtual form, are classified to 09.2.1.1 Video game computers, game consoles, game apps and software.

## Software and apps

51. Software is a set of instructions, data and associated documentation which tells a computer to perform certain tasks. The definition of software includes operating systems of computers, applications, database programs, and mobile apps.
52. The classification of software will be different if they are associated with the provision of a service to the household or not.
53. Examples of software that are not associated with the provision of a service to the household are operating systems, office suites, photo editors, computational programs, programming languages, database programs, and computer games. This type of software may be installed physically on the computer or provided via a local network or the Internet. The expenditure for software and apps that are not associated with the provision of a service is classified under 08.2.0.0 Software for regular software or under 09.2.1.1 Video game computers, game consoles, game apps and software for gaming software.
54. If the payment is actually not for the software but for an associated service which is provided with the help of the software or app, then this expenditure should be classified under the corresponding service. Examples include: the ordering of a car with a driver using a smartphone app and the subsequent payment for the taxi service through the app is classified under 07.3.2.2 Passenger transport by taxi and hired car with driver because the payment is for a transportation service. Likewise, the expenditure for a dating app should be classified under 13.9.0.9 Other services n.e.c. because the payment is for a dating service.
55. For bundles of hardware and software (e.g. a computer with preinstalled operating systems and software applications), the outlay should be classified with the predominant product, which normally is the hardware (e.g. the computer).
56. For bundles of goods and services (e.g., the subscriptions of an office suite which includes cloud storage services), the general rules for bundled goods and services apply (see § 45 to 47).

57. Firmware is a special type of software that is embedded in a hardware device or equipment and provides the low-level program control for the device or equipment. Firmware can be found in appliances (e.g. refrigerators, ovens), communication equipment (e.g. mobile phones, tablets, routers), computers and peripherals (e.g. the bios of a computer, printers, DVD-Rom drives), entertainment devices (e.g. television sets, set-top boxes, amplifiers, DVD players, MP3 players, digital cameras), and transport equipment (e.g. the software controlling the on-board computers and sensors in a car). Being an integral part required for the functioning of the good, firmware is normally not sold or priced separately. Firmware updates, providing corrections or new functions for the good, are often also provided free of charge. However, in some cases firmware updates are not free. The expenditure on firmware updates should be classified together with the expenditure for the good for which the firmware update is meant.

### **Treatment of second-hand goods**

58. Since second-hand goods are used for the same purpose as new goods, expenditure on second-hand goods are not classified separately from the original good in COICOP.

59. The only exception relates to second-hand motor vehicles for which a separate subclass was created because of the substantial market for these goods and the high value of these transactions. Although the full value is usually recorded for price statistics and other uses, it should be noted that only the trade margin on second hand cars are part of household consumption expenditure and not the whole value of the car, except in cases where the vehicle previously belonged to businesses or government or was imported.

### **Treatment of rental and leasing**

#### **Renting of land**

60. Rent is the income receivable by the owner of a natural resource such as land (the lessor or landlord) for putting the natural resource at the disposal of another institutional unit (a lessee or tenant) for use of the natural resource (§ 7.109 of 2008 SNA). Rent is a form of property income (§ 7.107 of 2008 SNA), thus the payment by households for renting land alone is out of scope of COICOP and should be excluded. This is in line with the definition of consumption of goods and services (§ 9.39 of 2008 SNA): Consumption of goods and services is the act of completely using up the goods and services in a process of production or for the direct satisfaction of human needs or wants. Since the renting of land for parking lots, garden allotments or animals (e.g. horses) for recreational purposes does not consume the land, the related household expenditure on renting land is out of scope.

#### **Rental services**

61. There are many categories in COICOP that relate to the “rental” or “hiring” of a product or service. Rental in this sense refers to expenditure on the service of renting or hiring a product or service that is owned by another party and is in scope of COICOP (e.g. rental or hiring of clothes or furniture). Note that the hiring of contractors to undertake substantial repairs to the dwelling are out of scope.

#### **Leasing**

62. The 2008 SNA distinguish between operating leases (2008 SNA § 17.301) and financial leases (2008 SNA § 17.304).

63. In the case of operating leases, the legal owner is also the economic owner, accepts operating risks and provides maintenance and repair of the asset. § 17.302 states: "The payments made under an operating lease are referred to as rentals and are recorded as payments for a service." Hence, this type of leasing is treated as rental.
64. In the case of financial leases, the legal owner transfers economic ownership to the lessee who accepts operating risks and undertakes repair and maintenance. Payments are not treated as rentals but as payment of interest and repayment of principal to the legal owner/lessor. Therefore, financial leasing of a good is classified as purchasing a good.

### **Ready-made meals (Division 01) and Take-away food services (Division 11)**

65. Ready-made meals have been added to Division 01 of COICOP 2018 due to the increasing availability of prepared meals. Ready-made meals are generally sold in supermarkets, where the meal can also be produced or prepared in some cases. Ready-made meals are commonly intended for consumption at home, where they can be eaten as they are or after heating, but without cooking. Also when consumed at the supermarket or market premises, ready-made meals are still to be classified as goods in Division 01.
66. Services provided by restaurants, cafés and the like are classified in Division 11. Serving services, which range from full (with a waiter and seating) to limited and self-service. In contrast to ready-made meals in Division 01, the predominant component of services provided by restaurants, cafés and the like is the price paid for providing the serving and cooking service, which includes the goods such as the food and beverage for immediate consumption. Expenditure on such food and beverage serving services are to be classified in Division 11 even when food is purchased at the restaurant, and the like, and consumed at home. If food is purchased in a restaurant and home delivered, the expenditure for delivery is to be classified under Division 07, if separately invoiced. The criterion therefore to distinguish between Division 01 and Division 11 is not where the food is consumed (at home vs. away from home) but rather on the type of expenditure (for the good or for the serving service.)

### **Dwelling, domestic and household services**

67. The services included under Division 04 Housing, water, electricity, gas and other fuels are those that enable the use of the dwelling (e.g. cleaning the road or footpath to provide access to the dwelling, chimney sweeping, snow removal). Services included under Division 05 Furnishings, household equipment and routine household maintenance relate to household maintenance or services that support households rather than the dwelling. Division 05 differentiates further between domestic and other household services. Domestic services (05.6.2.1) are services provided by personnel employed by households, such as butlers, maids, cooks, nannies, governesses, cleaners, au pairs, gardeners) who receive a compensation or wage for their services. Domestic services also include services such as babysitting, gardening and cleaning supplied by enterprises and self-employed persons. Other household services (05.6.2.9) are services provided by enterprises and self-employed persons that are not routinely provided by staff employed by households, such as carpet cleaning, pest extermination, disinfection.

## Housing (Division 04) and Accommodation Services (Group 11.2)

68. COICOP uses the concepts of principal dwellings, secondary dwellings and vacation homes as defined in § 2.26 and § 2.27 of the International Recommendations for Tourism Statistics (IRTS) 2008<sup>8</sup>, and provided below:
69. Principal dwelling – each household has a principal dwelling (sometimes also designated as main or primary home), usually defined with reference to time spent there, whose location defines the country of residence and place of usual residence of this household and all of its members. All other dwellings (owned or leased by the household) are considered secondary dwellings (IRTS 2008, § 2.26). See also § 29.89 of the 2008 SNA.
70. Secondary dwelling – not all secondary dwellings are necessarily vacation homes. For example, if a family lives in a country area close to a city, with one household member working in the city centre and the household owns or leases a secondary dwelling in the city, both dwellings are considered part of the usual environment and are therefore not vacation homes.
71. In COICOP, expenditure related to the principal, or secondary dwellings is classified in Division 04 Housing. Expenditure related to accommodation services away from the principle or secondary dwelling (excluding vacation homes), such as resorts, hotels, motels and vacation homes is classified to Group 11.2 Accommodation services. Further explanation is provided in the relevant division and group descriptions.

### Tips, gratuities and unofficial payments

72. Expenditure on tips, gratuities and unofficial payments (in the following only called tips) are classified with the service to which the tipping relates. For example:
- tipping a maid for cleaning your hotel room, the tip is included with the expenditure for the accommodation service (i.e. in 11.2.0.1 Hotels, motels, inns and similar accommodation services);
  - tipping waiters in a restaurant, the tip expenditure is included in 11.1.1.1 Restaurants, cafes and the like – with full service; and
  - tipping food delivery drivers: if the fee for delivery of the food is included in the cost of the food, this expenditure is included in Division 11. However, if the delivery of the food is undertaken by a different business or separately invoiced, the expenditure is included in 07.4.9.2 Delivery of goods.

### Gifts and donations

73. Outlays on gifts or donations are recorded in the SNA as transfers and therefore out of scope for COICOP. On the other hand, goods or services obtained as gifts or donations are recorded in the SNA as household consumption expenditure by the receiving household. They are valued at the market value of the goods or services received. The costs of the expenditures are being met from transfers received as described above.

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<sup>8</sup> United Nations 2016, International Recommendations for Tourism Statistics 2008 - Compilation Guide, New York.

Available at: <https://unstats.un.org/unsd/tradeserv/tourism/E-IRTS-Comp-Guide%202008%20For%20Web.pdf>

## Delivery fees

74. Throughout COICOP delivery fees are classified separately from the good being delivered, where this is possible (i.e. the delivery fee is separately invoiced). The need for this distinction arises from the SNA valuation principle which treats transport services separately invoiced as transport margins. The objective is to separate the cost of the delivery service from the cost of the product being delivered (§ 14.130 of the 2008 SNA).

## Other clarifications

75. In a small number of situations, the logic for allocating goods or services to particular divisions is not immediately evident. For example:

- textbooks are classified in Division 09 Recreation, sport and culture, rather than Division 10 Education services;
- food consumed from a food service establishment (e.g. restaurant, café) is classified in Division 11 Restaurants and accommodation services, and not Division 01 Food and non-alcoholic beverages.

76. These situations are not dealing with multi-purpose goods or services, but rather with the predominant purpose and type of product. Division 10 relates to education services only and therefore excludes expenditure on goods typically required to undertake education services (e.g. text books, school uniforms). Food consumed in food-service establishments commonly includes a service component (e.g. to prepare and serve a meal) and therefore is more appropriately classified to Division 11 which is predominately related to services.

## Application of COICOP

### Explanatory notes and rules of interpretation

77. Explanatory notes provide supporting information about the classification category, assisting the user in determining its boundaries. Explanatory notes are available in each level of the COICOP.
78. In addition, examples of products that are included or excluded are listed to clarify ambiguous cases that might be difficult to classify. Whenever an exclusion statement is provided, it is accompanied by the cross-reference to the category where the product in question is classified. The order in which exclusions are presented does not indicate a ranking by importance, in most cases they are sorted by cross-referenced codes in numerical order.
79. Items listed under "Includes also" are a list of borderline cases, which belong to the described category.
80. It should be noted that the explanatory notes are not intended to present an exhaustive list of all the products under each heading; they should be regarded only as lists of examples to illustrate the content. Consequently, users may need further guidance from the United Nations Statistics Division (UNSD) on the interpretation of the exact content of COICOP categories.
81. Users should be aware that the explanatory notes of the COICOP are developed for statistical purposes, in many cases they are the results of choices made by statisticians following some conventions that may be valid in their domains but that may not apply for other purposes.
82. New products or products with special characteristics may not be explicitly described in the explanatory notes. If guidance is needed, users are invited to contact UNSD to clarify where these products should be classified. Special rulings may be issued that clarify the treatment of specific products in the classification and will be made available on the United Nations Classifications website<sup>9</sup>.

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<sup>9</sup> <https://unstats.un.org/unsd/classifications>

## Relationships to other classifications

### Relation to COPNI, COPP, COFOG

83. COICOP 2018 is divided into three parts:

Divisions 01 to 13	Individual consumption expenditure of households
Division 14	Individual consumption expenditure of NPISH
Division 15	Individual consumption expenditure of general government

84. The purpose breakdowns within Divisions 14 and 15 of COICOP 2018 replicate the purposes in the classifications for NPISH in COPNI and general government in COFOG. Thus, once the consumption expenditures of NPISHs and general government have been classified according to COPNI and COFOG, the individual consumption expenditures in these two classifications can be transferred directly into Divisions 14 and 15 of COICOP 2018.

### Relation to CPC

85. The CPC is closely linked with COICOP, since expenditures on products are the basic building blocks of COICOP classes, and correspondences can be established between categories in the two classifications.

### Relation to ISCED

86. The International Standard Classification of Education (ISCED 2011) of the United Nations Educational, Scientific and Cultural Organization (UNESCO) is used to define the breakdown of educational services in Division 10 Education. The content of Division 10 was also modified to better align it with ISCED 2011.

### Relation to ICHA

87. Division 06 Health was considerably revised to improve the consistency of COICOP 2018 with ICHA (International classification for health accounts). This will allow the reconciliation of health accounting with the System of National Accounts and its accompanying classifications.

## Using the COICOP for establishing national classifications of individual consumption according to purpose

88. As an international standard classification, COICOP is the primary tool for collecting and presenting internationally comparable statistics on individual consumption according to purpose. It is therefore of great importance that at the national level data are collected using classifications that are compatible with COICOP.
89. Countries may choose to either use COICOP directly for their national purposes or to develop their own national classification. Indeed, the need for international comparability does not imply that countries must adopt COICOP as it is, without modification. Countries can use COICOP as a guide in adapting their national classifications to the international standard. Wherever countries lack the infrastructure required to develop and maintain their own individual consumption classification, they may adopt COICOP as their national classification with little or no modification. This is often done by extending or collapsing the detail of COICOP while maintaining its general structure. Other countries may have historically developed a classification that suits their particular needs. Those countries should make efforts to adapt their classification in a way that allows for the provision of data according to COICOP without substantial loss of information e.g. through developing correspondence tables.
90. For a national classification to be compatible with COICOP, the most detailed categories of the classification in the national scheme should either coincide with, or be aggregations of, or dissections of the individual subclasses of COICOP. In other words, each of the most detailed categories of the national classification should either (1) have the same scope as a COICOP subclass, (2) be a subset of a COICOP subclass, or (3) be composed of two or more complete COICOP subclasses, preferably from the same COICOP class. The first two options are the preferred methods, as they provide the maximum opportunity for international data comparability at the detailed level of the COICOP, while the third option allows for comparability at a more aggregated level only. Provided these requirements are met, the compatibility of the national classification with COICOP would not necessarily be affected by its structure or the position of the categories at its most detailed level.
91. If additional detail is desired, expanded classifications based on COICOP may be constructed by subdividing each subclass into as many as nine (or more, if needed) subcategories. This may be done by appending one (or more, if needed) decimal place to the COICOP five-digit code. Alternatively, the subdivision of classes into subclasses in COICOP may, in some cases, be expanded by replacing the subclasses in a given class with a greater number of more detailed categories at the five-digit level.
92. Some countries may need to reduce the level of COICOP detail in their national classifications. Some COICOP categories may be relatively unimportant in certain countries while data concerning other COICOP categories may simply be unavailable. They may find it more appropriate to combine some, or all, of the subclasses or classes in each of these divisions into single categories at the most detailed level of their classification. In so doing, one should take into account the principles described in §90 above.
93. During the revision of COICOP the need for increased detail for food goods was identified. At the same time it was decided not to include all the desired detail in the main structure of COICOP but to provide users with an option to use an

extended version of Division 01. If countries need to add more detail to Division 01, it is recommended using the “Optional high detail structure for food products” as provided in Annex 2 to COICOP 2018 classification or making their extended version compatible to this high-detail structure.

## History of the COICOP 2018 revision

94. Although the formal revision process of the COICOP started in 2015, the idea of revising this classification was raised for the first time in 2011 in the United Nations Expert Group on International Statistical Classifications meeting. The revision work was carried out in three distinct phases; the first two phases represented the preliminary work that led to the decision to revise COICOP 1999.

### Phase 1 (2011-2013): Proposal to revise COICOP and first global consultation

95. A proposal to revise the COICOP 1999 was presented at the meeting of the United Nations Expert Group on International Statistical Classifications in 2011. The proposal was based on issues related to the application of COICOP 1999 raised during previous Expert Group meetings and classification workshops. The Expert Group acknowledged the need for clarification and improvement of COICOP 1999 but also noted that a revision of this classification might have possible implications on the other “purpose classifications” used in the SNA.

96. Considering that the SNA, at that time, had just been revised, it was decided that, before launching any formal revision, a global consultation should first be conducted in order to assess the need and scope for such a revision. A Technical Subgroup (TSG-COICOP) was formed to look at the issues raised in the global consultation and to evaluate whether a revision was needed.

97. The global consultation was carried out between October and December 2012, resulting in more than 70 responses from countries and international organisations. The results showed that countries were generally in favour of an update or revision of COICOP 1999, to ensure that it continues to provide an adequate tool for the recording of households’ consumption expenditures. In particular, it was concluded that a revision was needed to reflect the significant changes in goods and services in some areas: for example, new products had emerged in some areas of household consumption (mainly in Divisions 08 and 09), while some products had disappeared from the market.

### Phase 2 (2013-2015): Clarification of issues raised during the first global consultation

98. Preliminary results from the global consultation were presented and discussed during the United Nations Expert Group meeting in 2013. The TSG-COICOP identified three main groups of issues: issues which would imply a change in COICOP; issues which could be solved by case laws but ideally by a change in structure; and issues which could be solved just by case laws.

99. The TSG-COICOP prepared clarifications on all issues and presented its report at the 2015 Expert Group meeting, also recommending to launch a full revision of the COICOP as there were enough and sufficiently important requests for change.

100. Concerning the other purpose classifications in the SNA, it was decided that the COICOP should be revised first and that an impact assessment on COFOG, COPNI and COPP should be conducted.

### Phase 3 (2016-2018): Drafting the revised COICOP

101. In March 2016 the TSG-COICOP drafted a first proposal for a new revised structure of COICOP using the issues raised during the first global consultation as a starting point. In addition, the TSG also aimed at a better separation of goods and services, and introduced an additional level of detail that would better serve the various uses of COICOP in different statistical domains.

102. A global consultation on this draft was carried out between September and November of 2016, resulting in responses from more than 100 countries and organizations. In addition, special expertise on selected areas was provided by specialized agencies such as the FAO, the UNESCO and the WHO. Based on the feedback received, the TSG-COICOP updated the draft classification.
103. In September 2017 the United Nations Expert Group reviewed and endorsed the draft of the revised COICOP. Documents explaining the main changes to the classification and detailing the TSG's decisions regarding the feedback received from the countries and international organizations are available on the meeting website.
104. In March 2018, the 49<sup>th</sup> Session of the United Nations Statistical Commission endorsed the revised COICOP classification – COICOP 2018.

## Changes between COICOP 1999 and 2018

105. The original version of the COICOP dates back to the late 1990s and consumer markets have since changed, consequently some categories of the classification have become obsolete, new products and services were difficult to classify in the existing classification, and boundaries between categories became less clear.
106. The revision of COICOP was therefore necessary. A significant challenge of this revision process was to modernize the classification taking into account new consumption patterns while limiting resulting breaks in time series as much as possible.
107. The first global consultation in 2012 provided extensive guidelines for the revision:
- The **introduction of a fifth digit Subclass level** was supported by the majority of countries.
  - A **better correspondence between COICOP and CPC** was viewed as useful. Better links between production and consumption is of course beneficial and the present many-to-many correspondences are not of much help in practical implementation work, especially in national accounts when the links are used for product flow. However, it was recognized that there were limitations for the improvement of correspondences and a stronger link should not be a goal in itself.
  - **Divisions 08 and 09 needed an extensive revision.** These divisions include telecommunication equipment and services and audio-visual, photographic and information processing equipment, which have been revolutionized since the development of COICOP 1999. Many new products have emerged, certain functionalities are no longer restricted to specific products, and a large variety of internet services that did not exist in the 1990s and which are partly replacing traditional products (e.g. newspapers, videos, online streaming or downloading of music and films) are now common in use. The distinction between communication and recreation and culture products needs to be considered and clarified now that some products cross purposes e.g. laptops, tablets and smartphones contain cameras and enable games to be played.
  - **Division 12 Miscellaneous goods and services were too heterogeneous,** and different proposals were provided on possible regroupings within this Division or with other Divisions.
  - A **systematic separation between goods and services** was deemed useful by the majority of countries and is relevant for the most detailed level of COICOP 1999 (four-digit level). In the COICOP 1999 such a separation is embedded but not throughout the classification. While it was seen as a useful and important distinction, it was also indicated that this might not always be feasible, especially in the case of bundles of goods and services.
  - A great majority of replies was in favour of **keeping the distinction between non-durable, semi-durable and durable goods.**
  - Concrete proposals of change were also made for all the divisions.

### A more detailed classification

108. A major change that COICOP 2018 brings is the introduction of a fourth level corresponding to a fifth digit.
109. COICOP 1999, as well as the other purpose classifications, had a hierarchical structure with three levels:

- Division (or two-digit level)
- Group (or three-digit level)
- Class (or four-digit level)

The revised COICOP introduces a fourth level denominated subclass.

110. The introduction of the subclass level was considered for the following reasons:

- Most of the national statistical offices collect more detailed data. Therefore, introducing another detailed level in COICOP improves harmonization of data collection and consequently of the results.
- Adding a 5<sup>th</sup> digit makes correspondence to CPC easier, and thus reconciliation with production data.
- The introduction of a five-digit level facilitates the separation between goods and services without introducing major breaks in the time series. Subclasses of goods will be also more homogeneous in terms of durability (D, SD, ND).
- Most countries answering the first global consultation were in favour of adding a 5<sup>th</sup> digit.
- Some regional classifications (e.g., ECOICOP for the European Union countries and PACCOICOP 2012 developed by the Secretariat for the Pacific Community) have already a 5<sup>th</sup> digit remaining fully consistent with the UN COICOP.

111. Consumption on food and beverages ranges from around 20% to more than 50% (and reaching up to 70%) of the national total household consumption among the World's countries. Due to the fact that the household expenditure of households on food is the highest in many countries, detail is often needed and available at the national level for food security monitoring and policy making. Therefore, an expansion at six digits for Division 01, fully consistent with the five-digit classification, is provided as an official Annex 2 to the COICOP 2018. See more details in § 21-23.

### **Better correspondence between COICOP and other classifications**

112. As stated previously, a better correspondence between CPC and COICOP was considered relevant to analyze product flows. Therefore, some changes were introduced to produce better correspondence between the two classifications. However, full correspondence between the two classifications cannot be achieved due to scope differences between the two classifications i.e. COICOP classifies individual consumption according to purpose while CPC classifies products as the outcome of production. Division 06 was completely restructured according to a proposal from the WHO. The new structure allows an alignment of COICOP with the International Classification for Health Accounts (ICHA) and its family of classifications.

113. Division 10 was revised to better align with the latest version of the International Standard Classification of Education (ISCED 2011).

### **Structural changes at division level**

114. The highest level of the classification, the division level, remained mostly unchanged to reduce breaks in time series. However, Divisions 08 and 09 were considerably reorganized to Information and communication (Division 08) and Recreation, sport and culture (Division 09). The content of Division 08 was revised to encompass the new equipment to communicate and receive

information. As technology changes rapidly in this area, the classification has mainly a purpose perspective, and tries as much as possible to be independent of progress in technology.

115. As requested in the first global consultation due to its heterogeneity and increasing empirical significance in some countries, Division 12 was split into two divisions:

- Division 12 Insurance and financial services
- Division 13 Personal care, social protection and miscellaneous goods and services

116. Division 07 Transport that was previously dedicated to the transportation of individuals, now also includes the transportation of goods.

117. Detailed changes in each division are presented in Annex 1.

### Separation between goods and services

118. COICOP 2018 includes the distinction between goods and services wherever this is possible and new classes or subclasses were created systematically for services like repair, maintenance, installation or rental of products.

119. However, it is known that in many situations expenditures on services and goods cannot be identified separately.

120. For example, restaurants or other food and beverages serving services where expenditure for food and drinks (goods) cannot be identified separately from the service.

121. Expenditures on repairs often include the materials used for the repair. However, wherever the expenditures on materials can be identified, they should be classified separately from the service. For this reason, the following sentence was included systematically in all “repair” classes and subclasses: “The cost of materials is included only if the materials are not separately invoiced.”

122. Another exception to this rule is in Division 06 for “inpatient care services”. In most countries, it will be difficult to make the distinction between health care goods and services received during an inpatient contact for care.

123. The distinction between goods and services was clarified in the case of some on-line services that facilitate downloads for the purchase of music and books. Although the transaction could be viewed as the purchase of a service, the product acquired serves the same purpose as similar physical products traditionally viewed as goods (e.g. DVDs, paper books). Being a purpose classification, expenditure on these products is classified together with the goods used for the same purpose.

124. Finally, telecommunication bundles often include goods (e.g. the mobile phone device) and the services (to make national and international calls, access the internet, SMSs, MMSs, etc.). These bundles are classified as explained in § 46.

### Classification by durability

125. The majority of countries support the distinction of products as durable, semi-durable and non-durable goods and services for analytical purposes.

126. The distinction was made at the class and subclass level.

**Modernization of the classification**

127. The list of inclusions and exclusions of all classes was carefully revised to include goods and services that didn't exist when the previous version of the classification was drafted. Conversely some products that no longer exist in the market were excluded from the list of inclusions.

## Annex 1 - Main changes by division

### Division 01 Food and non-alcoholic beverages

In this division, most of the classes from COICOP 1999 were retained. Further detail was introduced at subclass level providing extra information on the different types of processing (i.e., for meat and fish) or to ensure a better consistency with CPC (i.e. for vegetables and fruits).

A new subclass for ready-made food was introduced due to the increased importance of the consumption of these goods worldwide.

A new group, **01.3 Services for processing primary goods for food and non-alcoholic beverages**, was added to this division. This new group, class and subclass cover services purchased for the processing of primary products provided by households to produce food and non-alcoholic beverages for own final consumption by households. It includes services like grinding of cereals to produce flour, oil pressing or fruit/vegetable crushing, and pressing services to produce juices.

### Division 02 Alcoholic beverages, tobacco and narcotics

Division 02 remained relatively unchanged at the group and class levels.

More detail was introduced in wines in order to identify the difference between wine from grapes and from other sources. A new subclass was added, 02.1.9 Other alcoholic beverages to separately identify mixed alcoholic-based drinks such as soda-water or mineral-water based alcoholic drinks (alcopops) and cocktails.

Similar to Division 01, a new group (02.2 Alcohol production services) was added to Division 02 along with a new group, class and subclass to cover services purchased for the processing of primary goods provided by households to produce alcohol for own final consumption by households. They include services like fruit and vegetable crushing and pressing services for the production of alcoholic beverages, distilling and fermentation services, brewing services and aging and bottling services.

The Tobacco class is further broken down into three subclasses: Cigarettes, Cigars and Other tobacco products.

### Division 03 Clothing and footwear

Division 03 has the same groups and classes as in COICOP 1999.

At the subclass level, 03.1.2 Garments were broken down into Garments for men or boys, Garments for women or girls, Garments for infants (0 to under 2 years) and School uniforms. The first three subclasses enable a better consistency with CPC, and the identification of expenditure on school uniforms allows a more complete picture of all education expenditures as Division 10 only covers education services. The group 03.2 Footwear was broken down into Footwear for men, Footwear for women and Footwear for infants and children.

Unisex garments and footwear should be classified according to the gender of the person wearing them.

A difference is made between made-to-measure and tailoring. Made-to-measure refers to the service of providing custom-fitted clothing when the retailer supplies all of the materials. Tailoring refers to creating clothing garments where the main material is supplied by the customer. The first is to be coded with the good and the second with the service.

Cleaning of footwear is now included in the title of the class and subclass previously called Repair and hire of footwear. Tailoring is now included in the title of the class and subclass previously called Cleaning, repair and hire of clothing.

#### **Division 04 Housing, water, electricity, gas and other fuels**

Group 04.1 has the same classes as the COICOP 1999, but the class Other actual rentals is subdivided into Actual rentals paid by tenants for secondary residences and garage rentals and other rentals paid by tenants.

Groups 04.1 and 04.2 now clarify when the classes and subclasses refer to rentals paid for the main residence or for a second residence.

Fitted carpets and linoleum were moved from Division 05 to Division 04 because they are part of the dwelling and normally cannot be removed when the occupants move out of the dwelling. The same principle applies to door fittings, power sockets and wiring flex. For consistency reasons, the services of laying fitted carpets and linoleum and its repair were also moved from Division 05 to Division 04.

A new subclass for security equipment was included and contains surveillance and security equipment for individual dwellings, which is not part of the building structure and can hence be easily moved to a new dwelling. These include smoke detectors, security alarms, security and surveillance cameras, door phone for dwellings and fire extinguishers. These articles were previously in Division 05.

The previous classes 04.4.1 Water supply and 04.4.3 Sewage collection were further subdivided into:

04.4.1.1 Water supply through network systems

04.4.1.2 Water supply through basic systems

04.4.3.1 Sewage collection through sewer systems

04.4.3.2 Sewage collection through basic sanitation systems

These breakdowns enable better information on the water supply and sewage collection through basic systems.

Charges for self-produced solar energy were added to 04.5.1 Electricity due to the emerging trend of households producing more solar power and feeding this back into the electricity supply grid and in some countries, these households are being charged storage costs.

Biofuels for domestic use and alcohol for fireplaces were added to the content of 04.5.3 Liquid fuels.

Biomass (i.e., from agriculture production) and dry animal dung were added to the content of 04.5.4 Solid fuels.

Class 04.5.5 was renamed to "Other energy for heating and cooling" to better reflect the content of the class.

#### **Division 05 Furnishings, household equipment and routine household maintenance**

Group 05.1 and class 05.1.1 were renamed to Furniture, furnishings and loose carpets.

Fitted carpets and linoleum were moved from 05.1.2 to 04.3.1 because they are part of the dwelling and normally cannot be removed when the occupants move out. The same applies to door fittings, power sockets and wiring flex. For consistency reasons, the service of laying fitted carpets and linoleum and its repair was also moved from Division 05 to 04.3.2.

Expenditures on delivery and installation of furniture or electric appliances are only included in the class of the good if not separately invoiced. In the case that the expenditure on delivery can be separately identified, it should be classified in Division 07.

The class 05.1.3 Repair of furniture, furnishings and floor coverings was renamed "Repair, installation and rental of furniture, furnishings and loose carpets" to also include installation and rental services.

A new class 05.2.2 Repair, rental and made to measure of household textiles was created to separate the service from the good; sewing services of household textiles was added to the list of associated services.

The title of class 05.3.3 was replaced by Repair, installation and rental of household appliances to reflect the inclusion of installation and rental in the list of services.

Class 05.5.1 was renamed Motorized tools and equipment to show that all tools and equipment in this class should be motorized.

Class 05.5.2 was renamed Small non-motorized tools and miscellaneous accessories to show that all tools and equipment in this class should be non-motorized.

A new class 05.5.3 Repair and rental for motorized and non-motorized tools and equipment was created to separate the goods from the services.

Tutors were moved from 05.6.2 to Division 10 Education.

Fire extinguishers, previously in class 05.6.1 were moved to the new Security equipment created in Division 04.

### **Division 06 Health**

Division 06 was completely restructured to allow for better alignment of COICOP 2018 with the International Classification for Health Accounts and its family of classifications.

The distinction between outpatient services and hospital services in COICOP 1999, was considered inappropriate because it was based on the provider and not on the nature of the service. For this reason, in COICOP 2018, the services are broken down into Outpatient care services, Inpatient care services and Other health services that cover essentially diagnostic imaging services, medical laboratory services, patient emergency transportation services and emergency rescue. The overnight stay criterion is the main distinction between Outpatient care services (06.2) and Inpatient care services (06.3). The type of provider is irrelevant.

Another feature of Division 06 is distinguishing health consumption according to the health outcome objective (preventive, curative, rehabilitative and long-term). As this level of detail is not always easily available and would request extra questions on the household surveys, this information is requested at subclass level to allow the users of COICOP 2018 to be able to have information at class level when the detail is not available.

Herbal medicines and homeopathic products are identified separately as a subclass.

### **Division 07 Transport**

The main change in Division 07 was adding a group for transportation services of goods (07.4), which were previously included in the expenditure on the good itself and in Division 08.

The main reason for this change is that the consumption of postal services by households is now predominantly related to parcel delivery services of items bought on the Internet. Furthermore, services to deliver goods like furniture, supermarket shopping, take-out meals, groceries and prescription drugs are increasingly offered as a specific service and charged separately.

Crash helmets for motorcycles and bicycles were moved from 03.1.3 Other articles of clothing and clothing accessories to subclass 07.2.1.3 Accessories for personal transport equipment. These items are considered essential security equipment, rather than clothing accessories, and therefore align better with accessories for personal transport equipment. For similar reasons, baby and child seats for cars, motorcycles and bicycles were also moved from 12.3.2 Other personal effects to 07.2.1.3.

Although new and second-hand articles are classified in the same class elsewhere in the classification, it was considered useful to have this distinction at the subclass level for cars due to the significant of these transactions and difference in prices.

E-bikes were added to the list of examples in 07.1.3 Bicycles (D). To distinguish e-bikes from motorized bicycles, it was clarified that the latter have a combustion engine.

Class 07.2.1, previously called 07.2.1 Spare parts and accessories, for personal transport equipment (SD), was renamed Parts and accessories for personal transport equipment (SD) because the word "spare" was considered misleading in this context.

Electricity, as fuel for cars, and hydrogen were added as examples in 07.2.2.3 Other fuels for personal transport equipment.

Examples of more modern means of transport were added, such as light-rail and high speed trains, maglevs, trolleybus, share taxis, passenger drones and multicopters, transporter bridges, elevators, and incline elevators throughout the classes in Division 07.

Subclass 07.3.2.2 Passenger transport by taxi and hired car with driver includes payments for private arrangements of sharing a means of transport (e.g. carpooling, dynamic ridesharing).

Group 07.3, previously named Transport services, was renamed Passenger transport services because other services related to transport equipment are classified in Group 07.2, and Group 07.4 relates to transport services of goods.

### **Division 08 Information and communication**

Division 08 was renamed Information and communication to better reflect its content. The list of examples reflects existing electronic products, but at the same time aims to provide an enduring list that deals with the fast developments in this area.

Postal services were moved from the previous Division 08 to Division 07 Transport. Most of the postal services used by households are for sending and receiving parcels, and rarely to send letters. The delivery of parcels has strongly increased in importance with e-commerce. For this reason, it was considered that the purpose of the postal services is more accurately reflected as transportation of goods.

Previous classes 09.1.1 Equipment for the reception, recording and reproduction of sound and vision, 09.1.3 Information processing equipment and 09.1.4 Recording media were moved to Division 08 as this type of equipment is now mainly used for information and communication. The related services for repair and rental of information and communication equipment, licenses fees for television and subscriptions to television networks were also moved from previous Division 09 to Division 08.

Group 08.1 was renamed Information and communication equipment. It contains fixed and mobile telephone equipment, smartphones and tablets, information processing equipment, equipment for the reception, recording and reproduction of sound and vision, unrecorded recording media and other information and communication equipment.

Group 08.3 covers Information and communication services. It contains fixed communication services, mobile communication services, internet access provision and net storage services, bundled telecommunication services, repair and rental of information and communication equipment and other information and communication services.

### **Division 09 Recreation, sport and culture**

Division 09 was renamed Recreation, sport and culture to better reflect its content.

Previous classes 09.1.1 Equipment for the reception, recording and reproduction of sound and vision, 09.1.3 Information processing equipment and 09.1.4 Recording media were moved to Division 08 as this type of equipment is now mainly used for information and communication. The services for repair and rental of information and communication equipment, licenses fees for television and subscriptions to television networks were also moved from Division 09 to Division 08.

Division 09 was re-organized to:

- Recreational goods in Groups 09.1 to 09.3

- Recreational services in Group 09.4

- Culture goods in Group 09.5

- Cultural services in Group 09.6

- Newspapers, books and stationery in Group 09.7

- Package holidays in Group 09.8

Group 09.1 was renamed 09.1 Recreation durables

Class 09.1.2 Major durables for outdoor recreation was renamed Major durables for recreation to include indoor and outdoor durables, and is a merge of the previous classes 09.1.1 and 09.1.2.

The previous group 09.3 Other recreational items and equipment, gardens and pets is now split into 09.2 Other recreational goods and 09.3 Garden products and pets.

Groups 09.6 and 09.7 correspond to previous groups 09.5 and 09.6.

Musical instruments now have a specific class: 09.5.1.

09.5.3 Audio-visual media is a new class that includes all kinds of media containing music or films.

09.6.1 Books (SD) are further subdivided into:

09.6.1.1 Educational or text books

09.6.1.2 Other books

to allow the compilation of all education-related expenditures.

Toner and ink cartridges were moved to Division 08.

### **Division 10 Education services**

The breakdown of education services in COICOP 1999 was based on the 1997 International Standard Classification of Education (ISCED-97) of the United Nations Educational, Scientific and Cultural Organization (UNESCO), which has since been revised. The breakdown of Division 10 in COICOP 2018 aligns with the latest version of ISCED (ISCED 2011).

As Division 10 covers exclusively education services, other expenditures linked with education have been separately identified across other divisions to enable the calculation of all education-related expenditures. These education-related expenditures include 03.1.2.4 School uniforms, 07.3.2.3 Passenger transport for students to and from school, 09.71.1 Educational books, 11.1.2.1 Canteens, cafeterias of universities, schools, and kindergartens, and 11.2.0.3 Accommodation services of boarding schools, universities and other educational establishments.

Group 10.5 Education not defined by level was extended to include independent tutors, tutor centres, homework help centres and the like. Language immersion courses and travelling for learning languages are included in 10.5 as well as languages courses on line, in the form of software or audio tapes.

Student excursions and exchanges, which are part of the normal school programme are now included on the corresponding class of early childhood, primary, secondary, and tertiary education. This includes travel, catering and accommodation costs.

### **Division 11 Restaurant and accommodation services**

Division 11 was renamed Restaurant and accommodation services to better reflect the content of the division.

The notion of full and limited service was introduced to breakdown the class 11.1.1 Restaurants, cafés and the like. The distinction between full service and limited service relates to the range of the food- and beverage-serving service: a service by waiters to the individual customer seated at tables qualifies as full service.

Canteens, cafeterias of universities, schools, and kindergartens are now separately identified at subclass level to allow the compilation of all education-related expenditures. For the same reason subclass 11.2.0.3 Accommodation

services of boarding schools, universities and other educational establishments was also introduced.

### **Division 12 Insurance and financial services**

Division 12 was divided into two divisions: Division 12 Insurance and financial services, and Division 13 Personal care, social protection, and miscellaneous goods. The decision to split the division as based on Division 12 in COICOP 1999 being too heterogeneous, and the proportion of expenditures in the division to total expenditures in some countries was high compared to other COICOP divisions.

Although the existing classes remained the same, the list of examples of insurances were expanded, and insurance connected with transport was further broken down into:

12.1.4.1 Personal transport insurance

12.1.4.2 Travel insurance

Class 12.6.2 Other financial services n.e.c. in COICOP 1999 was split in COICOP 2018 into:

12.2.2 Explicit charges by deposit-taking corporations

12.2.9 Other financial services n.e.c.

### **Division 13 Personal care, social protection and miscellaneous goods**

Division 12 was divided into two divisions: Division 12 Insurance and financial services, and Division 13 Personal care, social protection, and miscellaneous goods. The decision to split the division as based on Division 12 in COICOP 1999 being too heterogeneous, and the proportion of expenditures in the division to total expenditures in some countries was high compared to other COICOP divisions.

A new class of Devotional articles and articles for religious and ritual celebrations (13.2.2) as well as a subclass for Religious services (13.9.0.2) were created.

Social protection is split into the following subclasses:

13.3.0.1 Child care services

13.3.0.2 Non-medical retirement homes for elderly persons and residences for disabled persons

13.3.0.3 Services to maintain people in their private homes

13.3.0.9 Other social protection services

Rental is included in the list of services classified in 13.2.9.2 Repair or rental of other personal effects.

Expenditure on prostitution was not considered to be large enough to remain at the group level, and was considered to be of similar importance as other personal services such as legal services and estate agents. For this reason, prostitution was demoted to subclass 13.9.0.1.

**Division 14 Individual consumption expenditure of non-profit institutions serving households and Division 15 Individual consumption of general government**

The scope of this revision covered only Divisions 01 to 12 of the COICOP 1999 (01 to 13 of COICOP 2018), therefore previous Divisions 13 and 14 remained unchanged at the group and class level. The divisions were renumbered to Division 14 and Division 15. The subclass level was added for consistency with the rest of the classification but subclasses are identical to the corresponding classes.

## Annex 2: Optional high detail structure for food goods

01 FOOD AND NON-ALCOHOLIC BEVERAGES	
01.1 FOOD	
01.1.1	Cereals and cereal products
01.1.1.1	Cereals
01.1.1.1.1	<i>Wheat</i>
01.1.1.1.2	<i>Rice</i>
01.1.1.1.3	<i>Sorghum</i>
01.1.1.1.4	<i>Barley</i>
01.1.1.1.5	<i>Millet</i>
01.1.1.1.6	<i>Maize (corn)</i>
01.1.1.1.7	<i>Quinoa</i>
01.1.1.1.8	<i>Teff</i>
01.1.1.1.9	<i>Other raw cereals</i>
01.1.1.2	Flours of cereals
01.1.1.2.1	<i>Flours of wheat</i>
01.1.1.2.2	<i>Flour of rice</i>
01.1.1.2.3	<i>Flour of sorghum</i>
01.1.1.2.4	<i>Flour of barley</i>
01.1.1.2.5	<i>Flour of millet</i>
01.1.1.2.6	<i>Flour of maize or cornmeal</i>
01.1.1.2.7	<i>Flour of quinoa</i>
01.1.1.2.8	<i>Flour of teff</i>
01.1.1.2.9	<i>Other flours of cereals</i>
01.1.1.3	Bread and bakery products
01.1.1.3.1	<i>Bread</i>
01.1.1.3.9	<i>Other bakery products</i>
01.1.1.4	Breakfast cereals
01.1.1.4.0	<i>Breakfast cereals</i>
01.1.1.5	Macaroni, noodles, couscous and similar pasta products
01.1.1.5.0	<i>Macaroni, noodles, couscous and similar pasta products</i>
01.1.1.9	Other cereal and grain mill products
01.1.1.9.0	<i>Other cereal and grain mill products</i>

<b>01.1.2</b>		<b>Live animals, meat and other parts of slaughtered land animals</b>
01.1.2.1		Live land animals
	01.1.2.1.1	<i>Bovine animal, live</i>
	01.1.2.1.2	<i>Pigs, live</i>
	01.1.2.1.3	<i>Goats, lambs and sheep, live</i>
	01.1.2.1.4	<i>Poultry, live</i>
	01.1.2.1.5	<i>Hares and rabbits, live</i>
	01.1.2.1.9	<i>Other live animals</i>
01.1.2.2		Meat fresh, chilled or frozen
	01.1.2.2.1	<i>Meat of bovine animals, fresh, chilled or frozen</i>
	01.1.2.2.2	<i>Meat of pig, fresh, chilled or frozen</i>
	01.1.2.2.3	<i>Meat of goat, lamb and sheep, fresh, chilled or frozen</i>
	01.1.2.2.4	<i>Meat of poultry, fresh, chilled or frozen</i>
	01.1.2.2.5	<i>Meat of hares and rabbits fresh, chilled or frozen</i>
	01.1.2.2.6	<i>Meat of horses and other equines, fresh, chilled or frozen</i>
	01.1.2.2.7	<i>Meat of camels and camelids, fresh, chilled or frozen</i>
	01.1.2.2.9	<i>Other meat, fresh, chilled or frozen</i>
01.1.2.3		Meat dried, salted, in brine or smoked
	01.1.2.3.1	<i>Meat of bovine, salted, dried or smoked</i>
	01.1.2.3.2	<i>Meat of pig, cuts, salted, dried or smoked (bacon and ham)</i>
	01.1.2.3.9	<i>Other meat dried, salted or smoked</i>
01.1.2.4		Offal, blood and other parts of slaughtered animals, fresh, chilled or frozen, dried, salted, in brine or smoked
	01.1.2.4.0	<i>Offal, blood and other parts of slaughtered animals fresh, chilled or frozen, dried, salted, in brine or smoked</i>
01.1.2.5		Meat, offal, blood and other parts of slaughtered animals' preparations
	01.1.2.5.1	<i>Sausages and similar products of meat, offal or blood</i>
	01.1.2.5.2	<i>Canned meat</i>
	01.1.2.5.3	<i>Pâté, including liver pâté</i>
	01.1.2.5.9	<i>Other meat, offals or blood preparations n.e.c.</i>
<b>01.1.3</b>		<b>Fish and other seafood</b>
01.1.3.1	-	Fish, live, fresh, chilled, or frozen
	01.1.3.1.1	<i>Freshwater fish, live, fresh, chilled, or frozen</i>
	01.1.3.1.2	<i>Salmonoidae, live, fresh, chilled, or frozen</i>
	01.1.3.1.3	<i>Flatfish, live, fresh, chilled, or frozen</i>
	01.1.3.1.4	<i>Gadiformes, live, fresh, chilled, or frozen</i>
	01.1.3.1.5	<i>Tunas, skipjack or stripe-bellied bonito, live, fresh, chilled, or frozen</i>

01.1.3.1.6	<i>Other pelagic fish, live, fresh, chilled, or frozen</i>
01.1.3.1.9	<i>Other fish, live, fresh, chilled, or frozen</i>
01.1.3.2	Fish, dried, salted, in brine or smoked
01.1.3.2.1	<i>Salmonoidae, smoked</i>
01.1.3.2.2	<i>Gadiformes, dried, salted or in brine</i>
01.1.3.2.9	<i>Other fish, dried, salted, in brine, smoked</i>
01.1.3.3	Fish preparations
01.1.3.3.1	<i>Tunas, skipjack or stripe-bellied bonito, prepared or preserved</i>
01.1.3.3.2	<i>Other pelagic fish, prepared or preserved</i>
01.1.3.3.3	<i>Caviar and caviar substitutes</i>
01.1.3.3.9	<i>Other fish, prepared or preserved</i>
01.1.3.4	Other seafood live, fresh, chilled or frozen
01.1.3.4.1	<i>Shrimps and prawns, live, fresh, chilled, or frozen</i>
01.1.3.4.2	<i>Other crustaceans, live, fresh, chilled, or frozen</i>
01.1.3.4.3	<i>Bivalves, live, fresh, chilled, or frozen</i>
01.1.3.4.4	<i>Cephalopods, live, fresh, chilled, or frozen</i>
01.1.3.4.5	<i>Other molluscs, live, fresh, chilled, or frozen</i>
01.1.3.4.9	<i>Other aquatic invertebrates, live, fresh, chilled, or frozen</i>
01.1.3.5	Other seafood dried, salted, in brine or smoked
01.1.3.5.1	<i>Shrimps and prawns, dried, salted or in brine; smoked</i>
01.1.3.5.2	<i>Other crustaceans, dried, salted or in brine; smoked</i>
01.1.3.5.3	<i>Bivalves, dried, salted or in brine; smoked</i>
01.1.3.5.4	<i>Cephalopods, dried, salted or in brine; smoked</i>
01.1.3.5.5	<i>Other molluscs, dried, salted or in brine; smoked</i>
01.1.3.5.9	<i>Other aquatic invertebrates, dried, salted or in brine; smoked</i>
01.1.3.6	Other seafood preparations
01.1.3.6.1	<i>Shrimps and prawns, prepared or preserved</i>
01.1.3.6.2	<i>Other crustaceans, prepared or preserved</i>
01.1.3.6.3	<i>Bivalves, prepared or preserved</i>
01.1.3.6.4	<i>Cephalopods, prepared or preserved</i>
01.1.3.6.5	<i>Other molluscs, prepared or preserved</i>
01.1.3.6.9	<i>Other aquatic invertebrates, prepared or preserved</i>
01.1.3.7	Livers, roes and offal of fish and of other seafood in all forms
01.1.3.7.0	<i>Livers, roes and offal of fish and of other seafood in all forms</i>

<b>01.1.4</b>	<b>Milk, other dairy products and eggs</b>
01.1.4.1	Raw and whole milk
01.1.4.1.1	<i>Raw and whole milk of cattle</i>
01.1.4.1.2	<i>Raw and whole milk of buffalo</i>
01.1.4.1.3	<i>Raw and whole milk of sheep and goat</i>
01.1.4.1.4	<i>Raw and whole milk of camels and other camelids</i>
01.1.4.1.9	<i>Other raw and whole milk</i>
01.1.4.2	Skimmed milk
01.1.4.2.0	<i>Skimmed milk</i>
01.1.4.3	Other milk and cream
01.1.4.3.1	<i>Condensed or evaporated milk</i>
-	01.1.4.3.2 <i>Powdered milk</i>
-	01.1.4.3.3 <i>Cream</i>
-	01.1.4.3.9 <i>Other milk</i>
01.1.4.4	Non-animal milk
01.1.4.4.1	<i>Coconut milk (drink)</i>
01.1.4.4.2	<i>Almond milk</i>
01.1.4.4.3	<i>Soy milk</i>
01.1.4.4.4	<i>Rice milk</i>
01.1.4.4.5	<i>Oat milk</i>
-	01.1.4.4.9 <i>Other non-animal milk</i>
01.1.4.5	Cheese
01.1.4.5.0	<i>Cheese</i>
01.1.4.6	Yoghurt and similar products
01.1.4.6.0	<i>Yoghurt and similar products</i>
01.1.4.7	Milk-based dessert and beverages
01.1.4.7.0	<i>Milk-based dessert and beverages</i>
01.1.4.8	Eggs
01.1.4.8.1	<i>Eggs of hen and other birds in shell, fresh</i>
01.1.4.8.2	<i>Eggs of other animals, in shell, fresh</i>
01.1.4.8.9	<i>Other eggs</i>
01.1.4.9	Other dairy products
01.1.4.9.0	<i>Other dairy products</i>

<b>01.1.5</b>	<b>Oils and fats</b>
01.1.5.1	Vegetable oils
01.1.5.1.1	<i>Sunflower-seed and safflower-seed oil</i>
01.1.5.1.2	<i>Palm oil</i>
01.1.5.1.3	<i>Olive oil</i>
01.1.5.1.4	<i>Soya bean oil</i>
01.1.5.1.5	<i>Groundnut oil</i>
01.1.5.1.6	<i>Coconut oil</i>
01.1.5.1.7	<i>Corn oil</i>
01.1.5.1.9	<i>Other edible vegetable oils n.e.c.</i>
01.1.5.2	Butter and other fats and oils derived from milk
01.1.5.2.1	<i>Butter</i>
01.1.5.2.9	<i>Other fats and oils derived from milk</i>
01.1.5.3	Margarine and similar preparations
01.1.5.3.0	<i>Margarine and similar preparations</i>
01.1.5.9	Other animal oils and fats
01.1.5.9.1	<i>Lard</i>
01.1.5.9.2	<i>Tallow</i>
01.1.5.9.3	<i>Edible fats and oils of fish</i>
01.1.5.9.9	<i>Other animal oils and fats n.e.c.</i>
<b>01.1.6</b>	<b>Fruits and nuts</b>
01.1.6.1	Dates, figs and tropical fruit, fresh
01.1.6.1.1	<i>Avocados</i>
01.1.6.1.2	<i>Bananas</i>
01.1.6.1.3	<i>Dates</i>
01.1.6.1.4	<i>Figs</i>
01.1.6.1.5	<i>Mangoes, guavas and mangosteens</i>
01.1.6.1.6	<i>Papayas</i>
01.1.6.1.7	<i>Pineapples</i>
01.1.6.1.8	<i>Coconut</i>
01.1.6.1.9	<i>Other tropical fruits, fresh</i>
01.1.6.2	Citrus fruits, fresh
01.1.6.2.1	<i>Pomelos and grapefruits</i>
01.1.6.2.2	<i>Lemons and limes</i>
01.1.6.2.3	<i>Oranges</i>
01.1.6.2.4	<i>Tangerines, mandarins and clementines</i>
01.1.6.2.9	<i>Other citrus fruits, fresh</i>

01.1.6.3	Stone fruits and pome fruits, fresh
01.1.6.3.1	<i>Apples</i>
01.1.6.3.2	<i>Pears and quinces</i>
01.1.6.3.3	<i>Apricots</i>
01.1.6.3.4	<i>Cherries</i>
01.1.6.3.5	<i>Peaches and nectarines</i>
01.1.6.3.6	<i>Plums and sloes</i>
01.1.6.3.9	<i>Other stone fruits and pome fruits, fresh</i>
01.1.6.4	Berries, fresh
01.1.6.4.1	<i>Currants</i>
01.1.6.4.2	<i>Gooseberries</i>
01.1.6.4.3	<i>Raspberries</i>
01.1.6.4.4	<i>Blackberries, mulberries and loganberries</i>
01.1.6.4.5	<i>Strawberries</i>
01.1.6.4.6	<i>Blueberries</i>
01.1.6.4.7	<i>Cranberries</i>
01.1.6.4.9	<i>Other berries, fresh</i>
01.1.6.5	Other fruits, fresh
01.1.6.5.1	<i>Grapes</i>
01.1.6.5.2	<i>Kiwi fruit</i>
01.1.6.5.3	<i>Cantaloupes and other melons</i>
01.1.6.5.4	<i>Watermelons</i>
01.1.6.5.5	<i>Persimmons</i>
01.1.6.5.6	<i>Cashewapple</i>
01.1.6.5.9	<i>Other fruits, fresh, n.e.c.</i>
01.1.6.6	Frozen fruit
01.1.6.6.0	<i>Fruits uncooked or cooked, frozen</i>
01.1.6.7	Fruit dried and dehydrated
01.1.6.7.1	<i>Raisins</i>
01.1.6.7.2	<i>Plums, dried</i>
01.1.6.7.9	<i>Other dried fruit</i>
01.1.6.8	Nuts, in shell or shelled
01.1.6.8.1	<i>Almonds</i>
01.1.6.8.2	<i>Cashew nuts</i>
01.1.6.8.3	<i>Chestnuts</i>
01.1.6.8.4	<i>Hazelnuts</i>
01.1.6.8.5	<i>Pistachios</i>

01.1.6.8.6	<i>Walnuts</i>
01.1.6.8.7	<i>Brazil nuts</i>
01.1.6.8.8	<i>Groundnuts</i>
01.1.6.8.9	<i>Other nuts, in shell or shelled</i>
01.1.6.9	Fruit and nuts ground and other preparations
01.1.6.9.1	<i>Fruit flour</i>
01.1.6.9.2	<i>Canned fruit</i>
01.1.6.9.3	<i>Homogenized fruit preparations</i>
01.1.6.9.4	<i>Nuts and seeds roasted, salted or otherwise prepared</i>
01.1.6.9.9	<i>Other fruit and nuts preparations</i>
<b>01.1.7</b>	<b>Vegetables, tubers, plantains, cooking bananas and pulses</b>
01.1.7.1	Leafy or stem vegetables, fresh or chilled
01.1.7.1.1	<i>Asparagus</i>
01.1.7.1.2	<i>Cabbages</i>
01.1.7.1.3	<i>Cauliflowers and broccoli</i>
01.1.7.1.4	<i>Lettuce and chicory</i>
01.1.7.1.5	<i>Spinach</i>
01.1.7.1.6	<i>Artichokes</i>
01.1.7.1.7	<i>Cassava leaves</i>
01.1.7.1.9	<i>Other leafy or stem vegetables, fresh or chilled</i>
01.1.7.2	Fruit-bearing vegetables, fresh or chilled
01.1.7.2.1	<i>Chillies and peppers, green</i>
01.1.7.2.2	<i>Cucumbers and gherkins</i>
01.1.7.2.3	<i>Eggplants (aubergines)</i>
01.1.7.2.4	<i>Tomatoes</i>
01.1.7.2.5	<i>Pumpkins, squash and gourds</i>
01.1.7.2.6	<i>Okra</i>
01.1.7.2.9	<i>Other fruit-bearing vegetables, fresh or chilled</i>
01.1.7.3	Green leguminous vegetables, fresh or chilled
01.1.7.3.1	<i>Beans, green</i>
01.1.7.3.2	<i>String beans, green</i>
01.1.7.3.3	<i>Peas, green</i>
01.1.7.3.4	<i>Broad beans and horse beans, green</i>
01.1.7.3.5	<i>Soya beans, green</i>
01.1.7.3.9	<i>Other green leguminous vegetables, fresh or chilled</i>
01.1.7.4	Other vegetables, fresh or chilled
01.1.7.4.1	<i>Carrots and turnips</i>

01.1.7.4.2	<i>Garlic</i>
01.1.7.4.3	<i>Onions and shallots</i>
01.1.7.4.4	<i>Leeks and other alliaceous vegetables</i>
01.1.7.4.5	<i>Mushrooms and truffles</i>
01.1.7.4.6	<i>Edible seaweeds and other aquatic plants</i>
01.1.7.4.7	<i>Olives</i>
01.1.7.4.8	<i>Green maize (green corn)</i>
01.1.7.4.9	<i>Other vegetable, fresh or chilled n.e.c.</i>
01.1.7.5	Tubers, plantains and cooking bananas
01.1.7.5.1	<i>Potatoes</i>
01.1.7.5.2	<i>Sweet potatoes</i>
01.1.7.5.3	<i>Cassava (manioc, yuca)</i>
01.1.7.5.4	<i>Yams</i>
01.1.7.5.5	<i>Taro</i>
01.1.7.5.6	<i>Yautia</i>
01.1.7.5.7	<i>Plantains and cooking bananas</i>
01.1.7.5.9	<i>Other tubers</i>
01.1.7.6	Pulses
01.1.7.6.1	<i>Beans, dry</i>
01.1.7.6.2	<i>Broad beans and horse beans, dry</i>
01.1.7.6.3	<i>Chick peas, dry</i>
01.1.7.6.4	<i>Lentils, dry</i>
01.1.7.6.5	<i>Peas, dry</i>
01.1.7.6.6	<i>Cow peas, dry</i>
01.1.7.6.7	<i>Pigeon peas, dry</i>
01.1.7.6.8	<i>Bambara beans, dry</i>
01.1.7.6.9	<i>Other pulses</i>
01.1.7.7	Other vegetables, tubers, plantains and cooking bananas, dried and dehydrated
01.1.7.7.1	<i>Other vegetables, tubers, plantains and cooking bananas, dried and dehydrated</i>
01.1.7.8	Vegetables, tubers, plantains and cooking bananas, frozen
01.1.7.8.0	<i>Vegetables, tubers, plantains and cooking bananas, frozen</i>
01.1.7.9	Vegetables, tubers, plantains, cooking bananas and pulses ground and other preparations
01.1.7.9.1	<i>Flour of vegetables, pulses, tubers, plantains and cooking bananas</i>
01.1.7.9.2	<i>Canned vegetables</i>
01.1.7.9.3	<i>Preserved olives</i>

01.1.7.9.4	<i>Chipped potatoes, frozen</i>
01.1.7.9.5	<i>Tofu</i>
01.1.7.9.6	<i>Tempeh, soy meat and burgers</i>
01.1.7.9.9	<i>Other vegetables, pulses and tubers preserved or processed</i>
<b>01.1.8</b>	<b>Sugar, confectionery and desserts</b>
01.1.8.1	Cane and beet sugar
01.1.8.1.1	<i>Cane sugar</i>
01.1.8.1.2	<i>Beet sugar</i>
01.1.8.2	Other sugar and sugar substitutes
01.1.8.2.0	<i>Other sugar and sugar substitutes</i>
01.1.8.3	Jams, fruit jellies, marmalades, fruit purée and pastes, honey
01.1.8.3.1	<i>Honey</i>
01.1.8.3.9	<i>Other jams, fruit jellies, marmalades, fruit purée and pastes</i>
01.1.8.4	Nut purée, nut butter and nut pastes
01.1.8.4.0	<i>Nut purée, nut butter and nut pastes</i>
01.1.8.5	Chocolate, cocoa, and cocoa based food products
01.1.8.5.1	<i>Chocolate, including white chocolate</i>
01.1.8.5.2	<i>Cocoa beans</i>
01.1.8.5.3	<i>Cocoa powder</i>
01.1.8.5.9	<i>Other cocoa-based foods and cocoa-based dessert preparations</i>
01.1.8.6	Ice, ice cream and sorbet
01.1.8.6.0	<i>Ice, ice cream and sorbet</i>
01.1.8.9	Other sugar confectionery and desserts n.e.c.
01.1.8.9.1	<i>Vegetables, fruits, nuts, fruit-peel and other parts of plants, preserved by sugar</i>
01.1.8.9.9	<i>Other sugar confectionery and desserts n.e.c. (not containing cocoa)</i>
<b>01.1.9</b>	<b>Ready-made food and other food products n.e.c.</b>
01.1.9.1	Ready-made food
01.1.9.1.0	<i>Pre-cooked dishes based on pasta and cereals</i>
01.1.9.1.1	<i>Pre-cooked dishes based on meat and/or fish</i>
01.1.9.1.2	<i>Read-made meals (TV dinners)</i>
01.1.9.1.3	<i>Composed salads and prepared dishes based on vegetables</i>
01.1.9.1.4	<i>Sandwiches, pizzas, quiches, meat or fish pies, frozen or not</i>
01.1.9.1.5	<i>Omelettes, crepes and other ready-made food based on eggs</i>
01.1.9.1.9	<i>Ready-made soups</i>

01.1.9.2	Baby food
01.1.9.3.1	<i>Baby formula</i>
01.1.9.3.2	<i>Baby rice cereals and flours for baby meals</i>
01.1.9.3.3	<i>Homogenized baby food</i>
01.1.9.3	Salt, condiments and sauces
01.1.9.3.1	<i>Salt</i>
01.1.9.3.9	<i>Other sauces and condiments</i>
01.1.9.4	Spices, culinary herbs and seeds
01.1.9.4.0	<i>Spices, culinary herbs and seeds</i>
01.1.9.9	Other food products n.e.c.
01.1.9.9.0	<i>Other food products n.e.c.</i>
<b>01.2 NON-ALCOHOLIC BEVERAGES</b>	
<b>01.2.1</b>	<b>Fruit and vegetable juices</b>
01.2.1.0	Fruit and vegetable juices
01.2.1.0.0	<i>Fruit and vegetable juices</i>
<b>01.2.2</b>	<b>Coffee and coffee substitutes</b>
01.2.2.0	Coffee and coffee substitutes
01.2.2.0.1	<i>Coffee</i>
01.2.2.0.9	<i>Coffee substitutes</i>
<b>01.2.3</b>	<b>Tea, maté and other plant products for infusion</b>
01.2.3.0	Tea, maté and other plant products for infusion
01.2.3.0.1	<i>Green tea, leaves</i>
01.2.3.0.2	<i>Black tea, leaves</i>
01.2.3.0.3	<i>Iced tea</i>
01.2.3.0.4	<i>Instant tea powder</i>
01.2.3.0.5	<i>Maté</i>
01.2.3.0.9	<i>Other plant products for infusion</i>
<b>01.2.4</b>	<b>Cocoa drinks</b>
01.2.4.0	Cocoa drinks
01.2.4.0.0	<i>Cocoa drinks</i>
<b>01.2.5</b>	<b>Water</b>
01.2.5.0	Water
01.2.5.0.0	<i>Water</i>
<b>01.2.6</b>	<b>Soft drinks</b>
01.2.6.0	Soft drinks
01.2.6.0.0	<i>Soft drinks</i>
<b>01.2.9</b>	<b>Other non-alcoholic beverages</b>

01.2.9.0	Other non-alcoholic beverages
<i>01.2.9.0.0</i>	<i>Other non-alcoholic beverages</i>
<b>01.3 SERVICES FOR PROCESSING PRIMARY GOODS FOR FOOD AND NON-ALCOHOLIC BEVERAGES</b>	
<b>01.3.0</b>	<b>Services for processing primary goods for food and non-alcoholic beverages</b>
01.3.0.0	Services for processing primary goods for food and non-alcoholic beverages
<i>01.3.0.0.0</i>	<i>Services for processing primary goods for food and non-alcoholic beverages</i>