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FURTHER WORK ON THE CPC LINK TO EBOPS

Report by UNSD

(jointly by the TSB and ESB/Economic Statistics and Classifications Section)

1. The recommendations on methodology and classification currently under discussion in BOPCOM and the AEG SNA would change the BOP services classification significantly and directly affect the link between EBOPS and the CPC. BOPCOM will decide on the final draft of the new BPM6 in October 2008. The new CPC Ver.2.0 is in a more advanced stage as the Statistical Commission will decide on it in March 2006.
2. Improvement of the link between EBOPS and the CPC has been a major objective of the CPC revision. Annex 1 contains the list of changes done in CPC Ver.2.0 to improve the concordance CPC-EBOPS.
3. The revision of EBOPS provides the opportunity to improve the link to the CPC on the EBOPS side. Annex 2 provides a list of considerations for the EBOPS revision which would improve the correspondence to EBOPS.
4. The provisional timetable for the update of the Manual plans for consultations on the revised EBOPS from February to June 2007. UNSD suggests - having the needs of users in mind - to follow this timeline and to produce a working paper with the new EBOPS and the correspondence tables to the new CPC by end of 2007, ahead of the completion of BPM6 and the Manual. In the meantime, UNSD would like to follow OECD's suggestion to examine links between EBOPS and CPC (please see the OECD paper of this meeting on the same subject) and develop, in cooperation with other international organizations (in particular IMF and OECD) the correspondence table between EBOPS and the CPC Ver.2.0 as soon as the new CPC becomes available – for users but also as part of the work on the revision of EBOPS.

5. There are a significant number of unresolved issues (please see the OECD paper of this meeting on the same subject) while the TF mandate in respect to these issues is not clear. Will these issues be resolved during the BPM5 revision, during the preparation of the BPM6 compilation guide or at the revision of the Manual? The process and timetable of the update of EBOPS and its link to the BPM revision process as well as the work program of the TF requires clarification.

Annex 1:

List of changes done in CPC Ver.2.0 to improve the concordance CPC-EBOPS:

(Please note, that the EBOPS referred to in this annex is the one that appears on the back of the Manual on SITS, not any revised draft version of it.)

1. The “Local delivery services” that are in “Land transportation” in CPC Ver.1.1 have been moved to CPC Ver.2.0 group 681 “Postal and courier services”.
As a result:
EBOPS 246 “Postal and courier services” = CPC Ver.2.0 68 (=681) “Postal and courier services” (this is an improvement)
2. Under CPC Ver.2.0 675 “Supporting services for water transport” splits have been made for support on coastal and transoceanic waters vs. inland waters as follows:
 - a. Under 6751 there are 67511 “Port and waterway operation services, (excl. cargo handling) on coastal and transoceanic waters”, and 67512 “Inland waterway operation services (excl. cargo handling)”.
 - b. Under 6752 “Pilotage and berthing services”, the similar split is done into 67521 and 67522.
 - c. And also under 6753 “Vessel salvage and re-floating services” into 67531 and 67532, for such services on coastal and transoceanic waters vs. in inland waters.
While this does not create a link at the 3-digit level, it allows at least the clean separate allocation of these services as full CPC subclasses to EBOPS components 209 and 230.
3. In CPC Ver.2.0, the supporting services for space transport are separated from the supporting services for air transport. The supporting services for air transport comprise classes 6761, 6762 and 6763 and the supporting services for space transport 6764.
4. Under 6424 “Air transport services of passengers” are recognized domestic and international, scheduled and non-scheduled, air transport services of passengers. This split might be useful for EBOPS in the future.

Annex 2:**List of potential considerations for the EBOPS revision:**

(Please note, that the EBOPS referred to in this annex is the one that appears on the back of the Manual on SITS, not any revised draft version of it.)

1. The supporting services to transport are one of the problems identified in the transport area, and that has been solved with the changes listed in 2 and 3 of Annex 1. The other two: maintenance of transport equipment and mixed mode transport services, still remain unsolved. One solution for the maintenance of transport equipment would be the removal of the maintenance services from the transport component in EBOPS. This could work if the repair services and maintenance services will be grouped together in a new EBOPS component.
2. Regarding the concordance of the components 254-256 “Life insurance and pension funding, freight insurance, other direct insurance”, EBOPS should consider classifying the portfolio management related to life insurance with other financial services under EBOPS 260.
3. The CPC Ver.1.1 classes 8314, 8315 and 8316, have been redrafted for Ver.2.0 with the ICT service categories 8314, 8315, 8316 and 8317 and their subclasses underneath. Also the CPC Ver.1.1 85960 “Data processing services” has dissolved into these new ICT groupings. The maintenance and repair of computers and peripheral equipment (87130) is not included in the ICT service categories, therefore the link of EBOPS component 263 “Computer services” to CPC Ver.2.0 will continue to work at the four digits. This EBOPS component also includes computer training which in CPC Ver.2.0 is a line item under 92919 “Other education and training services, n.e.c.” Therefore, in order to make the link of EBOPS 263 to CPC clean at the four digit level, EBOPS might consider moving computer training under component 895 “Education”.
4. The detailed correspondence of EBOPS 284 “Other business services” to CPC Ver.2.0 will have to be looked at. However a small suggestion at this point in time, would be for EBOPS to include “Convention and trade show assistance and organization services” (CPC 8596).
5. Also the EBOPS might want to reconsider the scope of the component 288 “Audio-visual and related services”, especially in relation to “Services of performing artists” (CPC 96310) and “Services of authors, composers, sculptors and other artists except performing artists” (CPC 96320).
6. The list of areas where the fundamental differences will persist, are basically listed in the paper TSG/6 “Revision of CPC and the relationship to EBOPS” of the 18-21 October 2004 meeting of the Technical Subgroup on Classifications, in “a. General differences between EBOPS and CPC”.

7. A novelty in CPC Ver.2.0 is the introduction of “Originals”, such as software originals, design originals, original works of authors etc. Originals are produced and they are important components of the respective supply chains. They satisfy the definition of a good according to SNA, except for the fact that they are intangible. They are introduced in the CPC in the services part close to the services that produce them. For the CPC-EBOPS correspondence, it should be explored whether this has any impact.
