



BOP/EBOPS/CPC

**Workshop on Statistics of International Trade in Service:
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Outline of the presentation

- 1. BOP**
- 2. EBOPS**
- 3. CPC**
- 4. Concordance table – EBOPS 2010 and CPC
Ver. 2 -- snapshot**



1. BOP

BMP6 Main proposed services components

1. *Manufacturing services on physical inputs owned by others*
2. *Maintenance and repair services n.i.e.*
3. *Transport*
4. *Travel*
5. *Construction*
6. *Insurance and pension services*
7. *Financial services*
8. *Charges for the use of intellectual property n.i.e.*
9. *Telecommunications, computer, and information services*
10. *Other business services*
11. *Personal, cultural, and recreational services*
12. *Government goods and services n.i.e.*



1. BOP

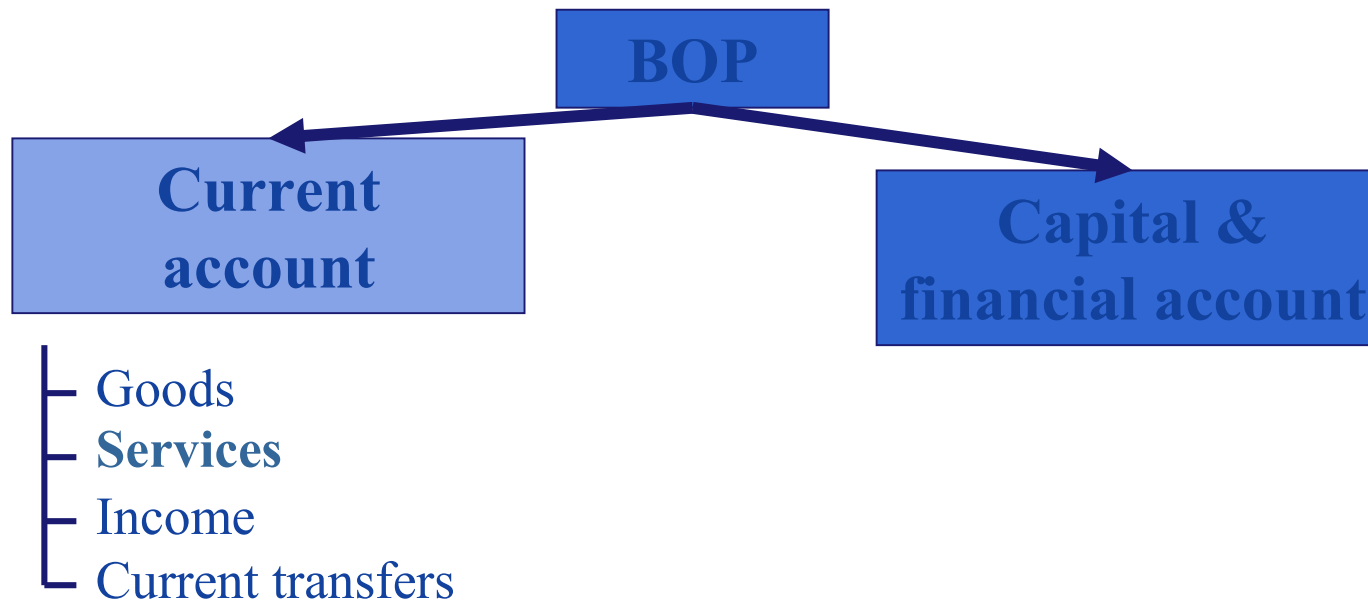
BOP and CPC not fully linked

BOP classification is mainly based on CPC,
but:

- is **not as detailed**, since only international transactions are covered



2. EBOPS



More detail needed than 12 BPM6 services components

➔ **MSITS introduces EBOPS (further breakdown of BPM6 services)**



2. EBOPS

EBOPS main characteristics

- Mainly product-based classification
- Consistent with BPM6 services components
- More detailed than BPM6 services components
- Including additional memorandum items
- Internationally accepted coding system
- **Full description of EBOPS in Chapter 3 of MSITS 2010**
- **Bridge table between EBOPS 2010 and CPC Ver. 2 will be available in electronic version as Annex at the TF SITS web-site**



2. EBOPS

Commercial services

1. Manufacturing services on physical inputs owned by others
2. Maintenance and repair n.i.e.
3. Transport
4. Travel
5. Construction
6. Insurance and pension services
7. Financial services
8. Charges for the use of intellectual property, n.i.e
9. Telecommunications, computer, and information services
10. Other business services
11. Personal, cultural, and recreational services
12. Government goods and services, n.i.e.

**Not in
GATS**



2. EBOPS

Consequences of proposed breakdown of main components for BPM6

3. Transport

- Sea transport (passenger, freight, other)
- Air transport (passenger, freight, other)
- Other transport (passenger, freight, other)
- **Post and courier services**

- Re-arrangement of Communication services
 - Telecommunication to Computer services
 - Postal and courier services to Transport



2. EBOPS

Consequences of Proposed breakdown of main components for BPM6

- Repairs and Processing of Goods to be reclassified as services
- Merchanting excluded from EBOPS
- Construction services – adoption of EBOPS treatment in BPM6
- Inclusion of FISIM

Three areas of EBOPS emphasize the mode of consumption of goods and services rather than the type of product consumed:

Travel, Construction services and Government services, nie



3. CPC

Product Classification

Reference Classification

Harmonized Commodity Description and Coding System, (HS 1996)

Central Product Classification Version 2.0 (CPC 2.0)

Economic Activity Classification

Reference Classification

International Standard Industrial Classification of All Economic Activities, Revision 3.1, (ISIC Rev. 3.1)



3. CPC

A comprehensive classification of all goods and services that can be the object of domestic or international transactions or that can be entered into stocks

It is the standard for all products that are an output of an economic activity, including transportable and non-transportable goods and services

For services, CPC, Version 1.0 was **the first international classification** covering the whole spectrum of outputs of the various industries



3. CPC

Initiative in the 1970s to harmonize international classifications, in which a standard classification for all products (goods and services) was perceived as a key element for international comparison

First version of the CPC (Provisional CPC) published in 1991. This version was used for the original GATS negotiations.

CPC, Version 1.0 published in 1998 - First international classification to cover both goods and services



3. CPC

System of categories that are both exhaustive and mutually exclusive

The CPC classifies products

based on the physical characteristics of goods or on the nature of the services rendered

as well as on the principle of industrial origin (attempt to group into one CPC subclass the products of a single industry)



3. CPC

5 Levels

Section (one-digit code) (10)
Division (2-digit code) (71)
Group (3-digit code)
Class (4-digit code)
Subclass (5-digit code)



3. CPC

Structure of CPC – an example

Section: **7** - Financial and related services; real estate services; and rental and leasing services

Division: **72** - Real estate services

Group: **721** - Real estate services involving own or leased property

Class: **7212** - Trade services of buildings

Subclass: 72122 - Trade services of non-residential buildings

Explanatory note

This subclass includes:

- sales on own account of non-residential buildings and associated land in cases where the sales are treated as sales of trading stock by the seller, but not sales of property where the sales are disposals of the fixed assets of the selling unit. Examples of non-residential properties include:

- factories, office buildings, warehouses
- theatres, multiple-use buildings that are primarily non-residential
- hotels
- agriculture, forestry properties
- similar properties

Note: Such property can either be leasehold or freehold

This subclass does not include:

- sales of non-residential property constructed by the selling unit, cf. 5412
- sales of vacant land, cf. 72130



3. CPC

Structure of CPC – an other example

Section: 6 - Distributive trade services; accommodation, food and beverage serving services; transport services; and utilities distribution services

Division: 64 - Passenger transport services

Group: 642 - Long distance transport services of passengers

Class: 6424 - Air transport services of passengers

Subclass: 64243 - International scheduled air transport services of passengers

Explanatory note

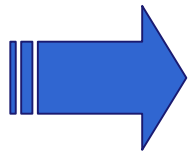
This subclass includes:

- passenger air transportation on regular international routes and on regular schedules supplied in aircraft (including helicopters) of any type
- associated transportation of passenger baggage and other items that may be carried at no extra cost



3. CPC

10 Sections of CPC



0 – 4: Goods (transportable)

- 0 - Agriculture, forestry and fishery products
- 1 - Ores and minerals; electricity, gas and water
- 2 - Food products, beverages and tobacco; textiles, apparel and leather products
- 3 - Other transportable goods, except metal products, machinery and equipment
- 4 - Metal products, machinery and equipment

5 – 9: Services (mainly)

- 5 - Construction services
- 6 - Distributive trade services; lodging; food and beverage serving services; transport services; and utilities distribution services
- 7 - Financial and related services; real estate services; and rental and leasing services
- 8 - Business and production services
- 9 - Community, social and personal services



3. CPC

Use of CPC – for Trade in Services

Provisional CPC was used for elaboration of categories of services during the negotiations leading to GATS 1995

Provisional CPC was also used to describe the BOP services components of BPM5

CPC 1.0 was used to define more the more detailed EBOPS services categories (MSITS – 2002, see Annex 3)

CPC 2.0 is used to define the EBOPS categories in the Revised Manual on SITS (MSITS 2010)



3. CPC

Evolution of CPC

- CPC Provisional (1991) - First version of the CPC
- CPC 1.0 (1998) - Covers both goods and services
- CPC 1.1 (2002) – Amended for changes in economies worldwide and sustained technological advancement



3. CPC

Evolution of CPC



because HS2002 upgraded to HS2007, and CPC is aligned with HS for the Goods part

2005: a revised draft proposal for CPC 2.0 circulated to countries

2006: at the 37th session (March 2006), the UN Statistical Commission adopted **CPC Version 2.0**

→ Information on revision process of CPC on UNSD website

<http://unstats.un.org/unsd/cr/registry/default.asp>

Concordance table – EBOPS 2010 and CPC Ver. 2 -- snapshot

0	Total EBOPS Services		
1	Manufacturing services on physical inputs owned by others		
2	Maintenance and repair services n.i.e.	871	Maintenance and repair services of fabricated metal products, machinery and equipment
2	Maintenance and repair services n.i.e.	873	Installation services (other than construction)
2	Maintenance and repair services n.i.e.	872	Repair services of other goods
3	Transport	64231	Coastal and transoceanic water transport services of passengers by ferries
3.1	Sea transport		
3.1.1	Passenger	64232	Coastal and transoceanic water transport services of passengers on cruise ships
3.1.1	Passenger	66022	Rental services of freight vessels for coastal and transoceanic water transport with operator
3.1.1	Passenger	66021	Rental services of passenger vessels for coastal and transoceanic water transport with operator
3.1.1	Passenger	64239	Other coastal and transoceanic water transport services of passengers
3.1.2	Freight	65211	Coastal and transoceanic water transport services of freight by refrigerator vessels