

# CPA 2008 INTRODUCTORY GUIDELINES

## 1. INTRODUCTION AND BACKGROUND

### 1.1. The CPA and its integration in the harmonized system of international classifications

One of the basic requirements for statistical work is the existence of a recognised framework which can accommodate the vast range of statistical data available so that they can be presented and analysed in a meaningful way. Classifications provide that common language for both the compilation and the presentation of statistics.

To achieve an effective single market, it is essential, for both macro- and micro-economic analysis and for commercial marketing, to have a single, up-to-date classification system that can be used in all Member States and by the Community institutions.

Economic statistics require different classifications for different purposes. Hence, international classifications have been developed. These range from the branch classification that is embodied in the System of National Accounts (SNA)<sup>1)</sup> to the International Standard Industrial Classification of All Economic Activities (ISIC)<sup>2)</sup> and the very detailed commodity classification of the Harmonised System (HS)<sup>3)</sup>.

This publication is concerned with the **Classification of Products by Activity (CPA)**.

*Classifications of economic activities* are designed to categorise data that can be related only to the unit of activity (for instance, an individual plant or group of plants comprising an economic entity such as an enterprise). They provide the basis for preparing statistics of output, the various inputs to the production process (labour, materials, energy etc.), capital formation and the financial transactions of such units.

*Product classifications* are designed to categorise products (goods and services) that have common characteristics. They provide the basis for preparing statistics on the production, distributive trade, consumption, foreign trade and transport of such products.

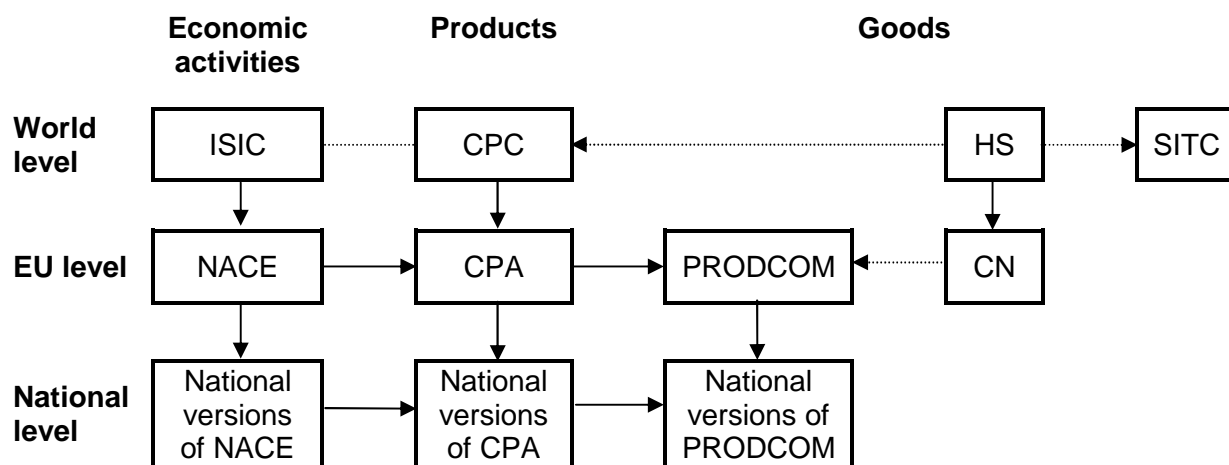
The CPA is part of an integrated system of statistical classifications, developed mainly under the auspices of the United Nations Statistical Division. This system makes it possible to compare statistics produced in different statistical domains. From the European point of view, the system can be represented as follows:

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<sup>1)</sup> System of National Accounts 1993, Commission of the European Communities (Eurostat), International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, World Bank, Brussels/Luxembourg, New York, Paris, Washington, D.C., 1993.

<sup>2)</sup> ISIC Rev.4, International Standard Industrial Classification of All Economic Activities, Statistical Papers, Series M, No. 4, Rev. 4, United Nations, New York, 2008

<sup>3)</sup> Harmonised Commodity Description and Coding System, Customs Cooperation Council, Brussels, 2007.



↓ is the reference classification. Classifications are linked by the structure  
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Where:

- ISIC is the United Nations' International Standard Industrial Classification of all Economic Activities.
- NACE is the statistical classification of economic activities in the European Communities (the acronym is derived from the French title "Nomenclature générale des Activités économiques dans les Communautés Européennes").
- CPC is the United Nations' Central Product Classification.
- CPA is the European Classification of Products by Activity.
- HS is the Harmonized Commodity Description and Coding System, managed by the World Customs Organisation.
- CN is the Combined Nomenclature, a European classification of goods used for foreign trade statistics.
- SITC is the United Nations' Standard International Trade Classification, an international classification of goods used for foreign trade statistics.
- PRODCOM is the classification of goods used for statistics on industrial production in the EU.

## 1.2. Distinction between goods and services

*Goods* are physical objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets. Goods are in demand because they may be used to satisfy the needs or wants of households or the community or to produce other goods or services. The production and exchange of goods are quite separate activities. Some goods may never be exchanged, while others may be bought and sold numerous times. The separation of the production of a good from its subsequent sale or resale is an economically significant characteristic of a good which it does not have in common with a service.

*Services* are entities over which ownership rights cannot be established. They cannot be traded separately from their production. Services are heterogeneous

outputs produced to order and typically consist of changes in the conditions of the consuming units, due to the activities of producers at the demand of the consumers. By the time their production is completed these services must have been provided to the consumers.

Problematic cases are the so-called “knowledge-capturing products”, which are outputs of a creative process carried out on own account. These “products“ do not fit into the definition of services and neither are they physical objects. They may be considered, however, as “intangible goods“ (such as R&D originals), even though the concept does not exist.

### **1.3. Structure and coding system**

The CPA consists of a hierarchical structure (as established in the CPA Regulation), introductory guidelines and explanatory notes. The structure of the CPA is described in the CPA Regulation as follows:

- (a) a first level, comprising headings identified by an alphabetical code (21 sections);
- (b) a second level, comprising headings identified by a two-digit numerical code (88 divisions);
- (c) a third level, comprising headings identified by a three-digit numerical code (261 groups);
- (d) a fourth level, comprising headings identified by a four-digit numerical code (575 classes);
- (e) a fifth level, comprising headings identified by a five-digit numerical code (1 342 categories); and
- (f) a sixth level, comprising headings identified by a six-digit numerical code (3 142 subcategories).

The CPA is a product classification whose elements are related to activities as defined by NACE Rev. 2. Each product - whether it be a transportable or a non-transportable good or a service - is assigned to one single NACE Rev. 2 activity. The linkage to activities as defined by NACE Rev. 2 gives the CPA a structure parallel to that of NACE Rev. 2 at all levels distinguished by NACE Rev. 2. However, the detailed linkage between products and activities could only be established to a certain degree. There are, nevertheless, cases where products can be assigned to activities only at a higher level than the class level or even where a class in CPA 2008 has no activity counterpart in NACE Rev. 2 (see § 5.3.1).

Therefore, the CPA coding has adopted the coding system of NACE Rev. 2 (with the exceptions mentioned under § 5.3.1). However, there is a second dot in the CPA coding between the fourth and fifth digits. In this way the coding system of CPA can be distinguished from the coding system of the HS, which also has a dot between the fourth and fifth digits, but none between the second and third digits.

The coding principles for the first four digits of the CPA are the same as those for NACE Rev. 2. Regarding the five- and the six-digit code level, the first thing to mention is that, for purely practical reasons, the first five-digit code starts with a “1“, whether there is more than one category or not. This is not the case, however, for the six-digit code, which has a “0“ if there is only one subcategory within that

category. Secondly, the codes use numerical digits in a straightforward way, starting with "0" or "1", respectively.

Whenever possible, residual groups, classes, categories and subcategories of the type "others" and/or "n.e.c." (not elsewhere classified) are characterised by the digit 9 (for instance, group 08.9 – "Mining and quarrying products n.e.c.", class 08.99 – "Other mining and quarrying products n.e.c." and subcategory 08.99.29 – "Other minerals").

#### **1.4. Historical background of the CPA**

The CPA is the European version of the CPC, and the purposes it serves are in line with those of the CPC. Whilst the CPC is merely a recommended classification, the CPA is legally binding in the European Union. In addition, specific survey classifications must be linked to the CPA, unless the CPA itself is used as a survey classification.

The CPA was elaborated in 1993, updated in 1996 and again in 2002; a new version, in line with NACE Rev. 2, was introduced in 2008.

#### **1.5. CPA revisions**

As classifications are the basic instruments for categorizing phenomena of the real world, it is necessary to revise them from time to time as the real world changes. Such revisions usually affect not just the individual elements of a classification, but also the whole hierarchical structure. The more a classification is changed in its elements and in its structure, the more the continuity of the time series data based on that classification will be affected. There is, therefore, a trade-off between continuity and the necessary updating of the classification. It is thus advisable not to revise classifications too often. Furthermore, the applicability of a revised classification should be checked thoroughly before it comes into force.

##### **1.5.1. CPA 2008 revision process**

The revision of the CPA is the result of a process that involved a large number of stakeholders, such as National Statistical Institutes, the European Central Bank (ECB), the European Commission, Eurostat, European business associations and everybody else who expressed an interest in the subject. Not only at European level, but also internationally, development work has taken place and input has been provided.

Given the strong links between CPA and NACE/ISIC/CPC, the starting point for the CPA was the first draft of CPC Ver.2, which supplied the building blocks and the level of detail for the CPA. The 4-digit structure of NACE Rev. 2 was extended by adding categories and subcategories to make up the CPA 6-digit structure.

In May 2004, Eurostat launched a broad consultation focusing on the CPA structure. With a draft CPA available which was consistent with the draft ISIC, and taking into account proposals received from the stakeholders mentioned above, for NACE Rev. 2., this initial consultation focused on the CPA 2008 structure. The feedback from users was substantial, resulting in some 2 600 comments and proposals.

The structure became increasingly stable and, in December 2005, Eurostat launched a second broad-based consultation, which was again submitted to the abovementioned stakeholders. This consultation focused on the complete structure of the draft CPA 2008. Again there were many proposals and comments from users (more than 900) which focused on CN-related issues, level of detail, level of CPC detail to be taken into account and clarification of titles, etc.

In November 2006, the Task Force on the drafting of the revised NACE and the CPA finalised the correspondence tables and also the explanatory notes. At that stage of the process the CPA structure was submitted to the European Council and Parliament. The Regulation establishing CPA 2008<sup>1</sup> was adopted by the Council of the European Union in April 2008. However, the application of CPA 2008 will be retroactive, i.e. from 1 January 2008, which is also the date on which NACE Rev. 2 entered into force.

### **1.5.2. Future revisions**

The HS is revised every five years. It was last revised in 2005 for introduction on 1 January 2007.

Since revisions of the linked classifications ISIC/CPC and NACE/CPA should take place simultaneously for reasons of consistency and transparency, Eurostat and the UN have agreed upon a common schedule for updates/revisions; the next update is due in 2012, at which time a revised HS will also be presented.

## **1.6. CPA legal context**

### **1.6.1. Statistical use**

Statistics collected by EU Member States involving classification of products by activity must be compiled according to the CPA or a national classification, derived from the CPA. Therefore, for the statistics involved (national accounts, short term statistics, agricultural and fisheries statistics, structural business statistics) the corresponding legal acts will have to be adapted so as to take into account the revision of the CPA.

### **1.6.2. National versions**

The CPA Regulations allow Member States to use a national version derived from the CPA for national purposes. Such national versions must, however, fit into the structural and hierarchical framework of the CPA in accordance with the following rules:

- a) classifications that are more aggregated than the CPA shall comprise precise aggregations of CPA subcategories;
- b) classifications that are more detailed than the CPA shall comprise headings that are wholly contained within CPA subcategories;
- c) classifications that are derived in accordance with this paragraph may have a different coding and shall include a table of correspondence with the CPA.

The European Commission will be required to verify the conformity of the national classifications with these rules.

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<sup>1</sup> Regulation (EC) No 451/2008 of the European Parliament and of the Council of 23 April 2008 establishing a new statistical classification of products by activity (CPA) and repealing Council Regulation (EEC) No 3696/93

## 2. CPA FOR NON-EXPERT USERS

### 2.1. Where to find information

Both the CPA and the NACE classifications are managed and maintained by the Statistical Office of the European Communities (Eurostat). Eurostat and the EU Member States have put in place a number of on-line based information sources.

As classification-related issues are generally dealt with at national level, particularly when they are related to the classification of individual units, a user may want to contact the national statistical institute for advice. For general matters relating to classification, Eurostat offers a variety of paper, electronic or On-line information.

RAMON, Eurostat's metadata server ([http://ec.europa.eu/eurostat/ramon/index.cfm?TargetUrl=DSP\\_PUB\\_WELC](http://ec.europa.eu/eurostat/ramon/index.cfm?TargetUrl=DSP_PUB_WELC)) contains not only a very large number of classifications and correspondence tables, but also publications, ranging from beginner to advanced levels, that provide additional information on classifications.

A more recent tool is the dedicated web site “NACE Rev. 2 – CPA 2008” (<http://circa.europa.eu/irc/dsis/nacecpacon/info/data/en/index.htm>) that includes classifications and correspondence tables in an electronic format which facilitates the extraction and customisation of tables to meet individual needs. Classifications included there are NACE/ISIC, CPA/CPC and also the Combined Nomenclature (CN).

In addition to telephone and Internet based hotlines in the EU Member States, Eurostat can be contacted via the functional Email address [estat-classifications@ec.europa.eu](mailto:estat-classifications@ec.europa.eu).

### 2.2. Terminology

Article 1(3) of the 2008 Regulation of the Parliament and of the Council establishing the statistical classification of products by activity (CPA) states that “This Regulation shall apply to the use of the classification for statistical purposes only“. This means that the CPA 2008 terminology (like the terminology in NACE Rev. 2) should be interpreted in the context of a statistical purpose, usually with a very specific meaning that may not necessarily be applicable in a different context, which may not even be a legal context.

This relationship between NACE and CPA means that the terminology between the two classifications is aligned in order to facilitate the comparison between the classifications, as well as the electronic search for key words.

For further information, see the glossary (see § 8).

## 3. PRINCIPLES AND METHODS

### 3.1. Principles of CPA

CPA is the European counterpart of CPC, although the components of CPA are in a different structural order. CPC structures products based on the physical properties and the intrinsic nature of the products as well as on the principle of industrial origin; the CPA has the same criteria but gives first priority to industrial origin.

The classes of the CPA are based on several other classifications: CPC, HS/CN and

ISIC/NACE determine the borders of the CPA subcategories. The main principle for classifying products in the CPA is the industrial origin criterion. Each product - whether it be a transportable or a non-transportable good or a service - is assigned to one - and only one - NACE activity at the most detailed level, namely the NACE-class that characteristically produces the product. Thus, classifying products according to industrial origin gives the product classification a different structure to that found in CPC: namely a structure which is parallel to that of NACE Rev. 2.

For the definition of the product classes by industrial origin, CPA and NACE stand in the same relationship as CPC and ISIC (albeit stronger). As NACE is more detailed than ISIC, CPA (with some exceptions) is more detailed than CPC.

For the purposes of harmonisation it is clearly an advantage to use the elements of HS as the building blocks for CPA and all the other product classifications which are attached to CPA. Thus, the smallest building blocks of CPA (and CPC) are in most cases the HS-items. However, in a few cases CPA subcategories are defined not at the subheading level of HS, but at the more detailed level of CN. This is the case where a CPC subclass is split in order to follow the industrial origin according to NACE, and where the subheading level of HS was not detailed enough to do so (industrial origin is one of the criteria of HS, but other criteria are used too). There are a few cases where not even the level of detail provided by CN is appropriate, or where CN is not more detailed than HS. Here, the definition of a specific CPA subcategory in terms of HS or CN respectively could only be made by creating an "ex-case", meaning that this CPA subcategory comprises only a part of that subheading of HS or CN. One example of such an ex-case is "milk". Neither HS nor CN distinguishes between "raw milk" (as a product of agriculture) and "processed milk" (as a product of dairies).

HS and CN are created as classifications for customs purposes. Thus, the level of detail between the ranges of the products covered may be quite different. If the elements of the CPA were only to be based on the elementary items of HS, those products which are never or only occasionally traded internationally, such as heavy or perishable goods, might not be shown at an adequate level of detail. Overall, the level of the CN instead of HS has seldom been used for defining a CPA subcategory.

### **3.2. Specific features: waste and scrap, used goods, parts and accessories, constructions, repair maintenance and installation services, services performed on a fee or contract basis, originals, copyright and patents etc.**

The above chapter described the general principles and procedures used to develop CPA. In addition, however, it is necessary to explain several specific features so that the structure of CPA can be properly understood. These specific features relate to certain types of products for which a more detailed explanation is necessary in order to understand their classification and the concepts behind it. These features will be described in this chapter. Some of these specific features involve deviations from the CPC.

#### **Waste and scrap; used goods**

The revised ISIC and NACE distinguish separate activities for collection, treatment and disposal of waste and scrap (in NACE Rev. 2 groups 38.1 and 38.2) and for materials recovery (in NACE Rev. 2 group 38.3). During the NACE and CPA revision process it was decided to classify in CPA 2008 all waste and scrap intended for further treatment in group 38.1 (Waste; waste collection services), whether they originate from households or businesses (the latter were classified into manufacturing classes in CPA 2002). Waste and scrap resulting from treatment or disposal are included in group 38.2 (Waste treatment and disposal services).

Materials recovery activities process waste and scrap into secondary raw materials. Thus, the inputs of the recovery activity consist of waste and scrap, whereas the output of this activity is secondary raw material, i.e. former waste and scrap made fit for further treatment (transformation process), without being new final products (group 38.3 – "Materials recovery services; secondary raw materials").

HS distinguishes several items for waste and scrap and most of them are classified in CPC division 39. However, division 39 in CPC makes no reference to ISIC Rev.4. In the context of CPA, there were problems of how to establish the relationship between the items for waste and scrap in HS and the materials recovery products. HS provides no guidance on whether or not the waste and scrap items are fit for further processing. Many of these items could be considered as inputs to the materials recovery activity rather than as outputs. Thus, no HS items were classified as materials recovery products (secondary raw material). Moreover, these secondary raw materials can no longer be considered as waste or scrap either, because they have been transformed from waste into useful products

There is a similar problem with "used" goods, because many of these are also covered by CPC division 39 (second-hand clothing). The previous convention has been maintained, i.e. to classify used goods under the same item as new goods.

### **Parts and accessories**

Unless stated otherwise, the general principle applies that the production of specialised "parts and accessories" is classified under the CPA 2008 item which primarily contains the products (machines, apparatus, etc.) to which the parts and accessories belong. Production of parts and accessories arises from many economic activities, but such production is particularly important in connection with machinery and similar equipment, transport equipment and electrical and electronic apparatus. The HS headings for almost all of these particular products include items for parts and accessories.

In most cases, HS gives such a narrow definition of an item for a specific part that there are no problems in assigning these subheadings correctly in one of the 4-digit product classes. On the other hand, there are cases where an HS subheading comprises parts that are of different industrial origin under NACE Rev. 2. In exceptional cases, the more detailed elements of CN indicate a solution for this problem. In other situations, the link between CPA and HS/CN has had to be watered down.

### **Constructions**

Constructions are now part of CPA 2008, and services of developers are included in section F (Constructions and construction works), divisions 41 and 42. In a first stage, it has not been decided if constructions are either the output of developers or the output of constructors. In division 41, therefore, the products have been linked to NACE Rev. 2 at division level simply in order to keep the two options open. This issue does not occur in division 42, where developers and constructors are together in the same classes.

In a second stage, constructions were considered to be the output of developers and construction works were considered to be the output of constructors.



## **Repair, maintenance and installation services**

In accordance with NACE Rev. 2, repair, maintenance and installation services are classified in division 33 for machinery and equipment, in division 43 for elements forming an integral part of a building or another construction object, in group 45.2 for motor vehicles and in division 95 for computers, personal and household goods.

## **Services performed on a fee or contract basis**

The output of contractors performing services on goods that they do not own is classified as “services performed on a fee or contract basis”. Production on a fee or contract basis is usual for some activities distinguished in NACE (e.g. textile finishing). Some particular items have been created in CPA for them, such as group 13.3, division 18 (part), group 24.5 (part), or groups 25.5, 25.6 (most of these services are covered by CPC division 89). However, most often, specific categories and subcategories, which are usually coded zx.yy.9 and zx.yy.99 respectively, come under the heading “sub-contracted operations as part of manufacturing of...”. These subcategories include partial or whole operations within the process of production of the products mentioned, carried out by a contractor on materials owned by the principal. The contractor is paid for the work carried out, and the services rendered can include the provision of a small quantity of additional materials needed for this work. These services are covered by CPC division 88, except for group 13.3, where they are covered by division 89. Sub-contracted operations do not include goods of the same category if the goods are produced by a contractor that owns the main input material.

## **Originals**

CPA 2008 includes original works of authors and artists, originals of software and audiovisual products, originals as a result of compilation of facts, research and development, design, trademarks and franchises and, more generally, original products protected by intellectual property. The location of originals in the CPA is close to the services that are outputs of the related economic activity. Originals may be directly available to consumers or businesses (e.g. originals of plastic arts), but they are more often released by means of derived products, such as “content products” in the information sector.

## **Copyrights and patents**

Licensing services for the right to use intellectual property and natural resources (copyrights, patents, licences, trademarks, franchises, rights related to mineral exploration and evaluation) have been included in CPA 2008. They are classified in group 77.4, except for copyrighted works (books, films, music, software, computer games) which are included in divisions 58 and 59. Management services for rights to industrial property and for copyrights and their revenues are classified in 74.90.20, except those for rights related to artistic, literary, and musical works (58.11.60, 58.12.30, 58.14.40, 90.02.19) or to cinematographic and audiovisual works (59.13.12).

## **4. INTERPRETATION**

### **4.1. Classification rules: UN rules as basic rules for bundles of goods and services**

The prerequisite for harmonised application of the CPA is a harmonised interpretation of the individual items within it. Explanatory notes are a considerable help in order to achieve a single common interpretation.

The explanatory notes consist of two parts: The content of the CPA item is described in the part worded “this section/division/group/class/category/subcategory includes“. Then, in order to draw the borderlines with other CPA items, and to serve as guidance, the line items “this section/division/group/class/category/subcategory excludes“ list the products/services which the user of the classification might expect to be included in that CPA item, but are classified elsewhere in the CPA. A reference indicates the class where they belong. (For more details on the explanatory notes, see § 4.2.1).

Even with explanatory notes available, numerous situations are likely to occur where it is unclear to which of two or more CPA subcategories a particular product should be assigned. NACE and the HS may provide a solution, but sometimes specific rules of interpretation are needed.

The starting point for classifying a product is to define the essential elements of the product to be classified. Products, like activities, may also consist of several components. As with ancillary activities, components of goods and services may also support the main function of a good or the main purpose of a service. Examples are the packing material for goods made up for retail sale, whereby a new good is packed in or the user manual is added - these are meant to support the use of the “main“ product; small parts used to produce the service in category 45.20.1 (Maintenance and repair services of cars and light goods motor vehicles); an advisory opinion to support the service of subcategory 47.00.74 (Retail trade services of pharmaceutical goods). All these products (packing materials, added manuals) should not be seen as separate services, but as part of the “main“ product.

In line with the concept of National Accounts, CPA 2008 views the output of a goods producing process differently, depending on whether the input material is owned by the unit or not. In the second case, the output of the unit is the service performed on and incorporated in the input material, and this is what the contractor is paid for.

Therefore, in general, CPA 2008 distinguishes between goods produced for own account and the services performed on goods on a fee or contract basis (see § 3.2). In the CPC these outputs are referred to as “manufacturing services“.

If it is clear which product has to be classified, the appropriate CPA-code can be searched. First, the general principles of the CPA should be considered. The NACE-class in which the goods or services are produced determines the first four digits of the CPA-class. It may be useful to use the NACE explanatory notes alongside the CPA explanatory notes for additional information. The explanatory notes of the CPA and NACE are not the same. CPA describes products and services, whereas NACE describes activities. However, in addition to this fundamental difference, the explanatory notes of NACE sometimes give some more specific (activity-based) information or describe the activity in different terms. Of course, the assistance of NACE does not go further than the fourth digit and does not always provide the solution. In these cases other types of assistance are available, such as the specific rules for transportable goods from the HS.

HS headings (four-digit HS codes) and subheadings (six-digit HS codes) are the building blocks of CPA, as they also apply industrial origin as one of the main

criteria. Thus, for the products covered by HS, the rules of interpretation of this classification can be applied when NACE does not provide enough information or when it concerns the 5 or 6-digit level.

The main HS-rules are as follows: <sup>2)</sup>

*"Each heading and subheading also includes articles which are incomplete or unfinished, provided that - as presented - the incomplete or unfinished article has the essential character of the complete or finished article. Incomplete articles are as for example machines or apparatus, not fitted yet with an electrical motor; they normally incorporate or motor vehicles, not yet fitted with wheels or tyres or battery or not equipped with the engine or with interior fittings or a bicycle without saddle and tyres. The provisions of this rule also apply to blanks (semi-manufactures having already the shape of the finished articles).*

*Each class with a reference in a heading to a material or substance also includes mixtures or combinations of that material or substance with other materials or substances.*

*Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, are classified following the material or component which gives them their essential character, insofar as this criterion is applicable.*

*When products can be classified under two or more headings, classification shall be done with preference to the heading providing a more specific description of the product."*

Decisions made for HS are of considerable help in interpreting the CPA 2008, considering the fact that the HS rules refer to HS-positions.

A product containing a combination of several elements of goods or services should be classified by the CPA by application of a "top-down" method. This means that first the component products which are in the same highest level (section level) should be combined to determine the main section; the same process is applied in turn for divisions, groups, classes and categories in order to end up with the right subcategory. The importance of the product is measured by the value of the goods. This may differ from the price paid for a package of goods and services, often in order to give the impression that one product is purchased and the other product is free (for instance, mobile phones and phone cards).

The HS-rule which decides that, as a last resort, goods shall be classified under the heading which occurs last in numerical order among those which merit equal consideration is not suitable from an economic point of view, but is necessary for legal reasons when using the HS for customs purposes. In this case the CPA requires goods to be classified according to their similarity. Contrary to the HS,

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<sup>2</sup> Complete rules see: World Customs Organization, The Harmonized Commodity Description and Coding System, fourth edition 2007.

these similarity aspects can also be based on the production process as described in NACE Rev. 2.

In principle, the HS can help to interpret the content of a given CPA item. However, as HS items are often fairly heterogeneous and are allocated to CPA items according to their main content, there are instances where the links between HS and CPA 2008 do not fit precisely in every case. In such situations, the description (title) of CPA 2008 has priority over the HS definition.

Like the 5,252 subheadings of the HS, the 3,142 subcategories of the CPA may not meet the requirements of description of each particular good or service. In such cases it is important to clarify the branch (CPA-class) in which the good is produced or the service is provided, and what product or service within the meaning of the CPA has to be classified. Parallel products from which the correct CPA subcategory is known, or looking for a more general term can give an idea of how a certain good or service should be classified. For example, mayonnaise is "sauce" within the meaning of the CPA (10.84.12) and rental of a snowboard comes under "Rental and leasing services of recreational and sports goods" (77.21.10). If there is no other possibility, goods or services have to be classified under the subcategory appropriate to the goods or services to which they are closest. To find the appropriate subcategories it is sometimes necessary to go via the HS or search top down from CPA groups or classes (e.g. within group 16.2 for products of wood).

If a product is not directly or indirectly mentioned in the title or explanatory notes of any specific item, it has to be classified in one of the residual items, namely "other" or "n.e.c." ("not elsewhere classified"). These items can be recognised by having a "9" as the last digit. Subcategories 25.99.29 (Other articles of base metal n.e.c.) and 82.99.19 (Other miscellaneous business support services n.e.c.) are examples of this.

It should be noted that, if CPA items are utilised for purposes other than statistical ones - for example as a source for the preparation of legal documents or for such purposes as procurement or legal decisions -, it is those who prepare the legal document or make the decision in which reference is made to CPA items, and not the developers of the classification, who are responsible for explaining the use of those items in the legal document or decision.

#### **4.2. Instruments for interpretation: explanatory notes CPA, CPC, HS, CN, PRODCOM, correspondence tables, rulings, trade described by products traded etc.**

##### **4.2.1. Explanatory notes**

In order to achieve a single, common interpretation, explanatory notes are a considerable help. Just as the CPA 2008 is based on CPC Ver.2, the explanatory notes to CPA 2008 are based on those of CPC Ver.2. In general, the explanatory notes of CPC Ver.2 have been taken over as the explanatory notes for CPA 2008. If a CPC subclass is split into two or more CPA subcategories in CPA 2008, the explanatory notes also have to be split. In some cases, the explanatory notes to CPC Ver.2 have been modified or expanded in order to describe the content of the CPA subcategories in more detail.

For transportable products (i.e. goods), the explanatory notes of the HS can be used to interpret the CPA 2008. These notes are well drawn up and their use helps to achieve a common understanding of CPA items when taking into account the limits described in § 4.1.

The CPA 2008 presents detailed explanatory notes in relation to products other than transportable products (i.e. services). These notes provide descriptions of the products that are included in each subcategory and those that are excluded, for reference purposes. In some cases, explanatory notes are also available for items on higher aggregated levels of the CPA 2008 structure. Whenever a product is excluded, such exclusion is accompanied by an exact cross-reference to indicate the code of the subcategory where the product in question is actually classified.

While the title descriptions are intended to define the boundary of the CPA 2008 items, the explanatory notes clarify further the border and content of the items. However, the explanatory notes are not really intended to present an exhaustive list of all the products under each item; they should be regarded simply as lists of examples to illustrate the content. The same applies, respectively, for the explanatory notes on HS or the Combined Nomenclature at European level.

#### **4.2.2. The PRODCOM list**

The List of Products used for the Community Survey of Industrial Production (PRODCOM list) uses the structure of CPA 2008 for structuring the items in the field of the survey. Hence, the details given in the PRODCOM list, which changes annually, provide useful information for the interpreting the CPA 2008.

Furthermore, the PRODCOM list exclusively specifies the “industrial services“ in the field of mining and manufacturing. However for processing contracts the PRODCOM survey has its own rules, which are not in line with the interpretation given in § 3.2 (Services performed on a fee or contract basis), given that Prodcom is concerned with products rather than activities.

The annual versions of the PRODCOM list are available on RAMON, Eurostat's metadata server (<http://ec.europa.eu/eurostat/ramon>).

#### **4.2.3. Correspondence tables**

Correspondence tables are important tools for comparing statistical data that are collected and presented using different classifications. They become necessary when the classification changes over time, or when classifications cannot to be closely related because of differences in the underlying frameworks. Tables of correspondence between different versions of the same classification are used to describe the detailed changes that take place in a revision process.

Since the CPA is used for the collection and presentation of statistics in many areas, there has been a pressing need for correspondence tables between the current CPA and its previous version.

As the NACE Rev. 2 and CPA 2008 were drafted at the same time, a strong link was established between the two classifications. By defining the goods in CPA in terms of the CN whenever possible, a detailed table of correspondence between CN, CPC, ISIC and NACE was established.

Correspondence tables show the links between the classifications mentioned on the lowest level of each classification. Even if they do not provide a textual explanation of the links, they can be used as a tool to interpret CPA 2008. If the classification in CN, CPC Ver.2 or CPA 2002 is known, the corresponding CPA 2008 item can be found easily, with the proviso mentioned in § 5.1.1 and § 5.2.1.

These correspondence tables – as well as many other correspondence tables - are also available on the RAMON metadata server of Eurostat (<http://ec.europa.eu/eurostat/ramon>).

#### **4.2.4. Trade described by products traded**

One practical tool which can help to achieve a uniform interpretation of the CPA 2008 in the field of trade is the document “Trade Described by Products Traded“. This document allocates all transportable products (i.e. goods) to the CPA 2008 subcategories in trade (divisions 45-47 of the classification).

Only those products which are sold in a certain kind of trade are taken into account. For retail sale in the meaning of division 47 of CPA 2008, for example, the goods sold are limited to goods usually referred to as consumer goods or retail goods. Therefore, goods normally not entering the retail trade, such as cereal grains, ores, industrial machinery etc., are not allocated to codes of division 47.

As the items for transportable products (i.e. goods) are more or less heterogeneous it may be the case that the subcategories for goods are not split in a detailed enough manner to allocate them to subcategories in trade. Hence, when classifying trade services, an arbitrary decision might be necessary in certain cases.

The document “Trade Described by Products Traded“ is available on RAMON, Eurostat’s metadata server (<http://ec.europa.eu/eurostat/ramon>).

#### **4.2.5. Rulings**

The European Statistical System Committee (ESSC), can issue decisions concerning the assignment of products to specific CPA subcategories. In most cases, however, these decisions are taken at the level of the NACE/CPA Working group meetings. Such decisions are commonly known as “rulings“.

These rulings are based on specific classification issues that have arisen at national level, i.e. questions which arose in National Statistical Institutes and were presented to the NACE/CPA Working Group for a decision.

Eurostat regularly updates the list of rulings and makes it available on RAMON (<http://ec.europa.eu/eurostat/ramon>).

## **5. RELATIONS BETWEEN CPA AND OTHER CLASSIFICATIONS (MAIN CRITERIA, USE, HARMONISATION, SCOPE)**

### **5.1. CPC**

The CPA is the European counterpart of the CPC (the Central Product Classification), and its goals are in line with those of the CPC. The primary purpose of the two classifications is to classify the goods and services that are the result of economic activity: CPC for any economy and CPA for European economy. Moreover, CPC aims to provide a framework for international comparison and promote harmonisation of various types of statistics dealing with goods and services as well as to strengthen the role of national accounts as an instrument for the coordination of economic statistics. The CPA and CPC are consistent at the most detailed level: the basic items of the CPA are still those of the CPC or subdivisions thereof. International harmonisation between the European Union Member States and the world-wide level is thus ensured.

To better understand the relationship between CPA and CPC, there follows a brief presentation of the use, scope and structure of CPC.

CPC serves as the reference classification for all product classifications within the international system of economic classifications put in place by the United Nations. Thus, one of basic aims is to serve as an international standard for assembling and tabulating all kinds of data requiring product detail, including industrial production, national accounts, service industries, domestic and foreign commodity trade, international trade in services, balance of payments, and consumption and price statistics.

CPC is a complete product classification covering all goods and services that can be the subject of domestic or international transactions or that can be entered into stocks. In general, it follows the definition of products within the SNA. Goods and services are understood as being the results of production.

The scope of the CPC covers (a) physical goods (which include transportable and non-transportable physical goods), (b) intangible goods and (c) services. The concept of intangible goods applies to a number of information products and other originals, which are outputs of economic production, but could otherwise not be included in the CPC. A conceptual review of products covered in the CPC Ver.2 has also led to the introduction of a broader concept of goods and services. As a result, constructions, although they are non-transportable produced goods, have been incorporated in the regular structure of the CPC.

CPC also covers products that may have no value, such as waste products. Although often treated as being without value, they are still (unintended) outputs of a production process, and may also need to be measured as inputs into certain processes. CPC excludes the provision of services by households for own final consumption within the same household, such as SNA.

CPC consists of nine sections. Each section is divided into not more than nine subsections, which are further subdivided into not more than nine groups, and so on. Sections 0 to 4 are for goods corresponding to categories in HS, where the physical property criterion of transportable goods is used primarily for classifying goods. The remaining sections are for construction (section 5) and services (sections 6-9). Service sections of the CPC roughly correspond to the aggregated sections of ISIC.

Each subclass in sections 0 to 4 of the CPC is defined as the equivalent of one heading or subheading or the aggregation of several headings or subheadings of the HS. In cases where the definition of a CPC subclass does not use full subheadings of the HS, concise explanatory notes have been provided.

In the structure of the CPC, the nature of the product and the industry of origin are taken into account, although the CPC structure does not follow a strict industry-of-origin principle in all cases. Unprocessed hides, for example, are considered as raw animal materials, and they are classified in section 0 (agriculture, forestry and fishery products), whereas meat is classified in section 2, among food products even though both products come from slaughterhouses. Metal products of cast iron and other metal products made by casting are another example: these are classified in HS as parts of machinery or other goods. Therefore, the CPC does not provide a link to ISIC group 243 (Casting of metals) for all products that may be an output of that industry.

### **5.1.1. Differences between CPA and CPC**

Although the CPA is the European counterpart of the CPC, it differs from the latter not only in that it is usually more detailed (3,142 subcategories for the former, 2,728 subclasses for the latter), but also as regards its structure.

The higher levels of aggregation of the CPC and the CPA are quite different. The CPA uses the criterion of economic origin according to the structure of NACE, while the CPC has a specific structure which primarily separates goods and services.

The superstructure of the CPC hierarchy places transportable goods in sections 0 to 4, non transportable goods in section 5 and services in sections 6 to 9. Within this framework, installation, repair, maintenance and manufacturing on a fee or contract basis are classified in section 8. The treatment of "intangible goods" in the CPC is more complex as these products are those where the information embedded in the product is the essential part. This information can be embedded in a physical object, such as software on a computer tape or an industrial design concept on a printed form, or it may be available and distributed without a physical carrier (e.g. software or music provided online). In the first case (information embedded in a physical object), the products are treated as goods - sections 0-4; in the second case - no physical carrier - they are grouped within services in sections 8-9.

As a result, many activities producing both goods and services, such as manufacturing activities, or producing both types of "intangible goods" lead to products with different assignments in CPC and CPA: CPA subcategories have to be re-arranged according to their economic origin to fit the structure of NACE. For that reason some goods are classified among services, outside sections A to F: Printed matter for publishing (division 58), recorded data bearing media of a kind used in automatic data processing machines (division 58), magnetic tapes with sound and vision recordings; cinematographic film, exposed and developed; notes (division 59), plans and drawings for architectural, engineering, etc. purpose (division 71), photographic plates and film, other than cinematographic, exposed (division 74), works of art (division 90), museum's collections and antiquities (division 91) and human hair, unworked (division 96).

Furthermore, in agriculture (division 01), CPC Ver. 2 has separate subclasses for seeds in group 01.1, whereas CPA 2008 does not make this distinction. Some distinctions in CPC Ver. 2 are considered to be too detailed for Europe, and CPA 2008 creates groupings for such headings in groups 01.1, 01.2 and 01.4. The situation is similar in other classes and subcategories (see annex 1).



In some areas, changes have been made to the structure of ISIC Rev.4 and NACE Rev. 2 without a parallel modification to CPC Ver.2. Deviations of CPA 2008 from CPC Ver.2 had to be made in order to maintain the alignment of CPA on NACE (see annex 1 for details).

Lastly, some CPA 2008 subcategories do not have a clear correspondence in CPC Ver.2 (see annex 1)

### **5.1.2. Comparison of principles between CPA and CPC**

CPC classifies products based on the physical properties and the intrinsic nature of the products, as well as on the principle of industrial origin. CPA has the same criteria but gives priority to industrial origin, while for CPC the distinction between goods and services and the step of production (raw materials against processed products) are more important.

The industrial origin of goods and services in CPA stands in the same relationship (albeit stronger) as the linkage of goods and services in CPC with respect to ISIC. As NACE is more detailed than ISIC, it was necessary to classify the CPC elements of an ISIC class in one or more NACE classes, which are the specific subdivisions of that ISIC class. Only in a few cases did CPA not accept the industrial origin given in CPC by classifying these products differently from CPC. Furthermore, in contrast to CPC, CPA classifies all products according to industrial origin. In CPC there are products which have no reference to the activity or have a reference only at a more aggregated level, such as the class level. An example of the first case is CPC division 39 (Wastes or scraps). An example of the second case is CPC division 88 (Manufacturing services on physical inputs owned by others). Here, for most of the subclasses distinguished, the industrial origin is only given at ISIC division level.

The elements of CPA are those of CPC, normally in a 1:1 or in an n:1 relation. Thus, all CPC subclasses are entered into CPA either at the same level of detail or are further broken down. The reasons for splitting CPC subclasses were twofold. The first reason had to do with the linkage to NACE. If an ISIC class has been subdivided into two or more NACE classes, it is sometimes necessary to split the corresponding CPC subclass in order to classify correctly according to industrial origin. The second reason was that, for European purposes, a greater level of detail was desired in CPA. However, in some cases, CPC subclasses have not been taken over into CPA at that level of detail, but at a more aggregated level. Here, it was felt that the level of detail in CPC was too detailed to be relevant in Europe. For instance, the distinction between motel and hotel accommodation services is of no relevance for European purposes. There are other examples in fish and other fishing products, preserved meat and meat products. In other cases, products differentiated in CPC are not separated out in CPA because of the difficulties in collecting data on them.

### **5.2. HS and CN**

HS, and its extended version CN which is used in member countries of the European Union, are product classifications for foreign trade used by customs authorities. As noted above, the relationship between CPA and HS/CN is determined using elements of HS/CN as building blocks for transportable goods in CPA. Corresponding with the SNA, the concepts and scope of HS/CN goods are regarded physical objects for which there is a demand, over which ownership rights can be established and the ownership of which can be transferred from one institutional unit to another by engaging in transactions on markets. The joint scope of CPA and HS/CN comprises produced goods in their physical manifestation, while services in principle are excluded from HS because they cannot be traded separately from their production.

The scope of HS covers also energy, used machinery and equipment, such as vehicles, and - by contrast to CPA - does not separate used goods from new goods. As HS/CN were created for customs purposes, products that are never or only occasionally traded internationally, such as heavy or perishable goods like raw milk or perishable meals, are not specifically shown in headings.

The structure of CPA differs from that of HS/CN, which is organised into 21 sections; these comprise products produced by primary producers (such as live animals, fish, vegetables, cereals, etc.) and products made thereof; raw materials (like plastic, rubber, metals, etc.) and products made thereof; refined products e.g. machineries and mechanical appliances; vehicles; optical instruments and the like; arms and ammunition; works of art and antiques.

A distinction is made between the products in HS/CN based on the material of which a product is made, the function that a product fulfils and the degree of processing of a product. Incomplete or unfinished goods are classified in HS/CN as complete or finished goods if they have the essential character of the complete or finished goods. Unassembled or disassembled goods are classified in the same way as assembled goods. For instance, watches and clocks are separated into various subheadings in HS/CN, first by clad (whether or not metal clad with precious metal), and further watches and clocks separated from movements and other parts, then complete and assembled separated from unassembled or partly assembled, also including incomplete but assembled clocks, watches or their movements. In CPC all these belong to the same class and a less strict distinction is made in the subclasses.

As the criterion of industrial origin is not used in HS/CN, some distinctions of CPA are not possible in HS/CN, e.g. fishes according to whether they are fished in oceans, coastal or inland waters or grown in fish farms.

In spite of different classification criteria, in some areas the structures of CPA and HS/CN come closer to each other on the lower level of classifications. However, comparisons between these classifications are possible only by using conversion tables due to some differences of principle in the treatment of particular products.

### **5.2.1. Products where there is no correspondence with HS/CN**

HS covers all products which can be the subject of an international transaction and which have a physical dimension. Thus, the non transportable goods and the services themselves are not covered by HS. However, some service activities result in physical goods, which can then be traded internationally and would be covered by HS. This is typically the case with "intangible goods" when the information is embedded in a physical object. Examples are cinematographic films as products of the film industry, computer CDs and DVDs as products of the software industry or architectural plans as products of the architectural professions. For these, and comparable products, HS provides separate items. However, when there is no physical carrier (e.g. software or music provided On-line), the products have no HS reference.

Since CPC, for transportable goods, has the same coverage as HS, CPC also includes items for the physical products of such kinds of service activities. In addition, CPC also provides items for the services as such (e.g. film producing services, software supply services, architectural services). All these items have been taken over into the CPA, so that both the services as such and their physical products are to be found in the CPA. Thus, in applying the CPA one has to beware of possible double counting of the services and the physical goods which support them.

Other examples of no correspondence between the CPA and HS/CN include many agricultural products such as raw milk from sheep and goats, camels and camelids,

animal embryos for reproduction, freshwater fishes or seaweeds and other algae (not farmed), which are seldom if ever the subject of foreign trade. Correspondingly, under section C (Manufactured products), there are some perishable or locally situated items which have no link to HS/CN, such as cut and packaged vegetables and fruits, prepared meals and dishes, prefabricated buildings of plastic.

Other examples of no correspondence include different kinds of originals (like radio programme and sound recording originals, etc.) under section J (Information and communication services), as well as research and development originals under section M (Professional, scientific and technical services), as these are not typical commercial goods.

### **5.3. ISIC and NACE**

The EU adopted the criterion of economic origin for the development of CPA, with NACE as the reference framework. Each product - whether it is a transportable or a non-transportable good or a service - is assigned to one single NACE activity. Therefore, up to the 4-digit level (classes) the structure of CPA corresponds to NACE. The link between CPA and NACE is evident in the CPA code: at all levels of CPA 2008, the coding of the first four digits is identical to that used in NACE Rev. 2. However, there are some exceptions, because the detailed linkage between products and activities could only be established to a certain degree. Thus, some products were only able to be assigned to activities at a higher level than the class level (see § 5.3.1). It should also be mentioned that there are cases where the classification is based on certain conventions. Moreover, in certain cases, the activity-product link is artificial: this happens when the same products are the outcomes of different activities, with different production processes.

CPA is structurally linked to NACE Rev. 2 through the industrial origin criterion and through NACE to ISIC Rev.4, which is the reference classification to NACE Rev. 2. It has a hierarchical classification with four levels. The first and second levels of ISIC Rev.4 have been taken over unchanged into NACE Rev. 2, but in many cases the third and fourth levels of ISIC Rev.4 are subdivided in NACE Rev. 2 according to European requirements. The aim of the further breakdowns in NACE Rev. 2 is to obtain a classification that is more suited to the structures of the European economies.

The coding systems used in ISIC and NACE are, wherever possible, identical: to easily distinguish between the two, NACE places a dot between the first two digits (division level) and the last two (groups and classes). Since some groups and classes in ISIC Rev. 4 are disaggregated into NACE groups and classes, without introducing additional hierarchical levels, some ISIC codes differ from the corresponding NACE codes. An activity at group or class level may therefore have a numerical code in NACE Rev. 2 which differs from that in ISIC Rev.4.

The coding system of NACE Rev. 2 has been adopted in the CPA coding. However, there is a second dot in the CPA coding between the fourth and fifth digits. Thus, the coding system of CPA cannot be confused with the coding system of HS which also has a dot between the fourth and fifth digits, but none between the second and third digits.

As already mentioned, the main principle for classifying products in CPA is the industrial origin criterion. Thus, each product is classified according to the activity which characteristically produces it, with the activities being defined according to NACE Rev. 2.

In general, the classification of activities does not depend on whether they are carried out on own account or on a contract or fee basis. Although the activities are not distinguished in NACE, the corresponding output is different depending on whether the input material is owned by the manufacturing unit or not. In the second case, the output of the activity is the service performed on and incorporated in the

input material, and this is what the contractor is paid for. Therefore, in general, CPA distinguishes between goods produced for own account and the services performed on goods on a fee or contract basis (see § 3.2).

These subcategories do not include goods of the same category, if produced by a contractor that owns the main input material. In CPA 2008 and CPC Ver.2, these outputs are called "sub-contracted operations" and "manufacturing services" respectively. Industrial services are services which by definition are characteristic outputs of the goods-producing activities. Usually these services are also consumed by those activities. For pragmatic reasons, services which are covered by the activities of NACE Rev. 2 divisions 41 to 99 are not regarded as industrial services.

Within the range of such industrial services, repair and installation services are the most important. However, not all the repair services are industrial, as CPA follows NACE Rev. 2 which also classifies repair activities in the services part, e.g. 45.20 (Maintenance and repair services of motor vehicles), 95.2 (Repair services of personal and household goods), 95.11 (Repair services of computers and peripheral equipment). CPA includes items for repair services, wherever such services are characteristic of a manufacturing activity and where repair services are possible, depending on the products that are produced by that manufacturing activity. The same principle was applied for installation services. Other industrial services have been incorporated in CPA wherever it was observed that such services are part of the characteristic activity, but not covered by the goods already distinguished there, e.g. 38.22.11 (Nuclear waste treatment services), as well as 23.13.91 (Finishing services of drinking glasses and other glassware of a kind used for table or kitchen purpose).

### **5.3.1. Deviations from NACE: mixed farming, fishing, furniture, construction, retail trade**

In NACE Rev. 2 class 01.50 (Mixed farming), growing of crops is combined with farming of animals to which should be classified all agricultural units which grow crops in combination with raising of livestock and whose specialisation ratio in either is less than 66 % of standard gross margins. For this activity, the CPA has no product category, because the products are classified in the specialised agricultural subcategories of groups 01.1, 01.2 and 01.4.

In NACE Rev. 2 the fishing activity (03.1) is separated from aquaculture (03.2) and two classes make the distinction "marine/freshwater" within these groups. As the products originating from these activities cannot be distinguished in HS/CN according to whether they are fished in oceans, coastal or inland waters or grown in fish farms, the CPC does not make any distinction. The CPA 2008 makes the same breakdown as NACE for live fish and fresh or chilled fish; it separates farmed molluscs and other aquatic invertebrates, seaweeds and other algae from the wild ones but does not split live ornamental fish and crustaceans, pearls and other aquatic plants and animals.

In division 31 (Manufacture of furniture) of NACE Rev. 2, the manufacturing of seats had a specific class in NACE Rev. 1.1. In NACE Rev. 2 this is no longer the case; the manufacture of seats is spread over several classes of furniture according to the use criterion. Conversely, in CPA 2008, seats are classified on the basis of the main materials used for inputs.

In division 41 (Construction of buildings), development of building projects has a specific class (41.10). Constructions are considered to be the outputs of developers, but they are not separated at the class level in CPA 2008. However, a strict link between NACE classes and CPA subcategories can be established in division 41.

In division 47 (Retail trade, except of motor vehicles and motorcycles) of NACE Rev. 2, non-specialised retail sale (47.1) and retail sale not in stores, stalls and markets

(47.8 and 47.9) have no specific products in CPA 2008. The products of these activities are the same as the products of NACE Rev. 2 classes 47.2 to 47.7, which include specialised retail sale in stores. So there is only one class in division 47 of CPA 2008, and all the divisions are at the category and subcategory levels.

## **5.4. Relations to other classifications**

### **5.4.1. SITC (Standard International Trade Classification)**

The structure of SITC follows a traditional order in which the main considerations are the materials used, the stage of processing and the end use. The scope of SITC Rev.4 covers all goods classified in HS except monetary gold, gold coins and current coin. Basic headings (except for 911.0 and 931.0) are defined in terms of HS 2007 subheadings. Therefore CPA and SITC are only comparable via the HS/CN building blocks.

SITC is recommended for analytical purposes only.

### **5.4.2. PRODCOM List (Product list for surveys of EU industrial production)**

“PRODCOM“ is the abbreviation for the EU system of production statistics for mining and manufacturing (i.e. excluding services other than “industrial services“). The product classification (PRODCOM list), upon which production statistics are based, is drawn up each year by the PRODCOM committee.

The headings of the PRODCOM list are derived (as regards both their content and their terminology) from the CN, but their code is a further breakdown of the CPA code. PRODCOM headings are coded using an eight-digit numerical code, the first six digits of which are identical to those of the CPA code.

The PRODCOM list is therefore linked to, and thus consistent with, the CPA. The link with the CPA emphasises the link with NACE, enabling the enterprises producing the products to be identified, while the link with the CN allows comparisons between production statistics and foreign trade statistics (see also § 4.2.2).

### **5.4.3. COICOP (Classification of Individual Consumption According to Purpose)**

The Classification of Individual Consumption According to Purpose (COICOP) is used to describe expenditures of private households in national accounts (SNA), Household Budget Surveys (HBS) and the Consumer Price Index (CPI). As COICOP is one of basic classifications of the SNA, it follows the concepts and definitions of the SNA.

COICOP is used to classify both individual consumption expenditure and actual individual consumption. There are 14 major groups, called divisions, of which 12 relate to consumer goods and services of households purchased for their own consumption. The other two groups consist of individual consumption expenditure and services of non-profit institutions serving households or general government.

The primary purpose of COICOP is to classify individual consumption of goods and services according to their main purpose. It also makes a distinction between durable, semi-durable and non-durable consumer goods and services. Intermediate and capital goods are excluded.

All consumption expenditures of households themselves are defined as individual and are classified in divisions 01-12 according to the purposes for which these expenditures are made, e.g. for food, housing, health, communication, recreation and culture, etc.

All consumption expenditures of non-profit institutions serving households are also treated, by convention, as being for the benefit of all individual households. They are classified in division 13 which identifies the purposes for which the expenditures of these institutions are made, e.g. for health, education and social protection.

Only some of the consumption expenditures of general government are defined as individual, namely the expenditures for health, education, social protection and recreation and culture, because they are regarded as having been consumed individually. They are listed in division 14 of COICOP.

Although COICOP is not strictly linked to any other classification, it has proved possible in the past to construct correspondence tables with CPC and CPA. However, the experience gained in building correspondence tables between COICOP and CPC 1.0 on the one hand and CPA 2002 on the other hand revealed certain limitations. Although many COICOP headings have a clearly defined counterpart in CPC/CPA, most of the items do not match exactly, e.g. in cases where the distinction between goods is based on the material used (yarns, garments), when CPC/CPA headings consist of goods that can be used by households for different purposes, or when CPC/CPA headings cover products which can have both domestic and non-domestic uses.

#### **5.4.4. MIGs (Main Industrial Groupings) and BEC (Classification by Broad Economic Categories in Terms of the Standard International Trade Classification)**

BEC is designed to serve as a means for converting external trade data compiled using HS or SITC into meaningful aggregates for the purposes of economic analysis, based on the SNA distinction between capital goods, intermediate goods and durable/non-durable consumer goods. Distinctions based on durability of goods are made by reorganizing CPC subclasses into BEC categories through the correspondences between CPC and SITC Rev.4 and between SITC and BEC.

There is no direct relationship between ISIC/NACE and BEC, as it rearranges the HS or SITC categories into 19 BEC categories. BEC was revised in 1986, based on the third revision of SITC, and the definition of BEC categories in terms of HS subheadings has subsequently been changed to reflect changes made to the HS in 2002 and 2007. There is no correspondence table available either between BEC and ISIC/NACE or between BEC and CPA.

MIGs is the acronym for Main Industrial Groupings, a European classification which groups industries in terms of demand-based products: capital goods, intermediate goods, consumer durable goods, consumer non-durable goods and energy. MIGs cover NACE divisions 05 to 36. All goods belonging to a given NACE division or group are interpreted as capital goods, intermediate goods, consumer durable goods, consumer non-durable goods or energy. The relationship between CPA and MIGs can be regarded in such a way that CPA classes serve as input and MIGs classes are output. MIGs are used for several indicators of short-term statistics, including the index of industrial production (expressed in terms of value added and based on KAU) and the index of producer prices.

#### **5.4.5. CC (Classification of Types of Constructions)**

Constructions are classified in divisions 41 or 42 respectively, depending on whether buildings or civil engineering objects are concerned. CPA is not intended to be used for collecting data on constructions. Data collection will be carried out on the basis of CC, which is much more detailed than CPA 2008 in this area.

The Classification of Types of Constructions (CC) covers all kinds of buildings by intended main use and also civil engineering works. Buildings are further classified into residential buildings by number of dwellings and constructional conception, and into non-residential buildings by use that can be described by industries based on NACE; civil engineering works are classified predominantly by types of constructional structures. Consequently, items of CC can be attached to CPA, but only through NACE. No linkage between items of CPA under section F and classes of CC has been compiled to date. Nevertheless, as CPA is very roughly structured in this area, it is easy to allocate the corresponding CC items.

#### **5.4.6. NST (Standard goods classification for transport statistics)**

NST 2007 is related to statistics for four modes of transport (road, rail, inland waterways and maritime). It takes account of the economic activity from which the goods originate. This means that each of its items is strongly interrelated with an item of CPA 2008 and NACE Rev. 2, which are consistent with CPC Ver.2 and ISIC Rev.4, their counterparts at United Nations' level.

NST 2007 covers 20 divisions which are relevant for Community statistics and 81 standardised groups for more detailed statistics. The classification items of NST 2007 are (as far as possible) defined by CPA 2008 items. At its lowest hierarchical level, CPA 2008 covers just under 2 000 items for (transportable) goods, defining these NST items. In order to classify transportable goods in NST 2007 the good can first be classified according to CPA 2008 and afterwards recoded into NST 2007 using an existing correspondence table. Additional NST 2007 divisions and groups have been defined to deal with special categories of goods which are important for transport statistics and which cannot be defined using the CPA 2008 (e.g. mail or baggage).

### **6. APPLICATIONS/USES OF CPA**

The main purpose of CPA is to provide a framework for the EU Member States to compare products and services statistics at European and international level. The CPA describes the products and services of economic activities using NACE Rev. 2 to provide the basis for preparing production statistics. The CPA plays an important role for short term statistics, national accounts, balance of payments and others statistical uses.

#### **6.1. Statistical uses**

The hierarchical structure provides the basis for compiling and presenting statistics for different analytical uses and a framework for comparable classification of data at different levels of detail. These levels of detail are important and desirable for the different aggregation purposes and uses of the statistics.

### **6.1.1. STS/PRODCOM**

With the entry into force of the Regulation (EC) No 451/2008 of the European Parliament and of the Council of 23 April 2008 establishing a new statistical classification of products by activity (CPA) the short-term statistics governed by Regulation (EC) No 1165/98 are to be produced using the CPA 2008 from 1 January 2009.

The “PRODCOM list” used in the European survey on industrial production concerning Regulation (EC) No 3924/91 of the Council of 19 December is derived from sections B (partially) and C of the CPA 2008.

### **6.1.2. SNA**

The European System of Integrated Economic Accounts (ESA), like the System of National Accounts (SNA) of the United Nations, defines products as a result of a production activity. The CPA includes all products used for various purposes, such as for inputs in the production of other goods and services, as final consumption, or for investment or exchange.

These definitions of the European System of Accounts have been comprehensively adopted by the CPA. The economic accounts have a fundamental role for the economic analysis of a country or region. The application of the CPA within the European system of national and regional accounts according to Regulation (EC) No 2223/96 of the Council provides more comparable and relevant data for better economic governance at Community and national levels.

### **6.1.3. EBoPs**

The definitions of the goods and services of the CPA are aligned with the goods and services defined in Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January of 2005 on Community statistics concerning balance of payments (EBoPs), international trade in services and foreign direct investment.

The application of the CPA to the EBoPs allows better statistical comparability at European and international levels.

### **6.1.4. SBS**

The CPA is not a fundamental classification to organise structural business statistics (SBS). It is a central product classification which provides a comprehensive classification of all goods and services and is applied mainly for short term statistics.

However, for some areas (trade, insurance, credit institutions and business services) some structural business statistics, broken down by products based on the CPA, will be compiled and disseminated as required by Regulation (EC) No 295/2008 of 11 March 2008. Until the reference year 2008, the CPA breakdown of certain SBS characteristics was confined to trade and insurance activities.

### **6.1.5. Tourism products**

Tourism products are included in several NACE classes and in many CPA subcategories. The hierarchical CPA structure provides a sound basis for recompiling and presenting statistics for tourism products. An advantage of CPA is that the detail for tourism products is more homogeneous than in NACE Rev. 2 and this is important



for analyses of different markets, enabling better statistical comparability at European level.

#### **6.1.6. Price statistics PPI**

From 1 January 2009 the short term statistics governed by Regulation (EC) No 1165/98 will be using the CPA 2008. Within the short-term statistics, the CPA has a special role to coordinate the development of the Production Prices Index (PPI). This coordination is ensured by the hierarchical structure of the CPA to create detail that is more homogeneous from the lowest level of the CPA. This detail permits the stabilisation of the production prices, and the aggregation of the prices for different CPA levels is important for analytical uses, including by economic activity.

#### **6.1.7. National uses**

The EU Member States may use the CPA as such or may develop a national classification of products by economic activity derived from CPA (Article 4(3) of the CPA 2008 Regulation). (See § 1.6.2)

### **6.2. Non-Statistical (CPV)**

The CPA 2008 as a central product classification provides a comprehensive classification of all goods and services and was developed to serve as an instrument for assembling and tabulating all kinds of statistics requiring product detail.

The CPA 2008 can be directly applied for statistical or non-statistical uses or to provide detail.

A non-statistical application of CPA is possible in several fields at both European and national levels; at the European Commission level that concerns the Classification for Public Vocabulary (CPV), originally based on CPA. The CPV detail that is derived from CPA enables an efficient public procurement procedure for contracts that are published by the Commission of the European Communities in the Official Journal (OJ).

## **7. CHANGES FROM CPA 2002 TO CPA 2008**

### **7.1. Overview of main conceptual changes**

#### **7.1.1. Changes linked to changes in NACE**

While some of the rules for application of the CPA have undergone changes as a result of the revision in 2008, the overall characteristics of the CPA remain unchanged.

As a consequence of the increase in detail which can be found in NACE Rev. 2 compared to NACE Rev. 1.1, the detail of the CPA 2008 has increased substantially, from 502 to 575 classes. For service producing activities the increase is visible at all levels, including the highest one, while for other activities, such as agriculture, the increase in detail has mostly affected the lower level of the classification.

Also the structure of CPA 2008 has changed: the 17 sections and 62 divisions of CPA 2002 have been increased to 21 sections and 88 divisions in CPA 2008. At the highest level of CPA 2008, some sections can be easily compare with CPA 2002.

However, the introduction of new concepts at the section level, e.g. the information and communication section or the grouping of activities linked to environment, no longer allows easy, overall comparison with the previous versions of CPA.

The table set out below presents the broad correspondence between the sections of CPA 2002 and CPA 2008. Please note that this table presents only the rough one-to-one correspondence between the sections: further details are needed in order to establish a complete correspondence.

<b>CPA 2002</b>		<b>CPA 2008</b>	
Section	Description	Section	Description
<b>A</b>	Products of agriculture, hunting and forestry	<b>A</b>	Products of agriculture, forestry and fishing
<b>B</b>	Fish and other fishing products; services incidental to fishing		
<b>C</b>	Products from mining and quarrying	<b>B</b>	Mining and quarrying
<b>D</b>	Manufactured products	<b>C</b>	Manufactured products
<b>E</b>	Electrical energy, gas, steam and water	<b>D</b>	Electricity, gas, steam and air conditioning
		<b>E</b>	Water supply; sewerage, waste management and remediation services
<b>F</b>	Construction work	<b>F</b>	Constructions and construction works
<b>G</b>	Wholesale and retail trade services; repair services of motor vehicles, motorcycles and personal and household goods	<b>G</b>	Wholesale and retail trade services; repair services of motor vehicles and motorcycles
<b>H</b>	Hotel and restaurant services	<b>I</b>	Accommodation and food services
<b>I</b>	Transport, storage and communication services	<b>H</b>	Transportation and storage services
		<b>J</b>	Information and communication services
<b>J</b>	Financial intermediation services	<b>K</b>	Financial and insurance services
<b>K</b>	Real estate, renting and business services	<b>L</b>	Real estate services
		<b>M</b>	Professional, scientific and technical services
		<b>N</b>	Administrative and support services
<b>L</b>	Public administration and defence services; compulsory social security services	<b>O</b>	Public administration and defence services; compulsory social security services
<b>M</b>	Education services	<b>P</b>	Education services
<b>N</b>	Health and social work services	<b>Q</b>	Human health and social work services
<b>O</b>	Other community, social and personal services	<b>R</b>	Arts, entertainment and recreation services
		<b>S</b>	Other services
<b>P</b>	Services of households	<b>T</b>	Services of households as employers; undifferentiated goods and services produced by households for own use
<b>Q</b>	Services provided by extra-territorial organisations and bodies	<b>U</b>	Services provided by extraterritorial organisations and bodies

### 7.1.2. New products

Recent changes in economies worldwide and sustained technological advances in fast developing industries have led to the introduction of some new products. In addition, extensive detail has been introduced into the CPA 2008 to better describe agricultural and related products, and information products. A conceptual review of products covered by the CPA has also led to the introduction of a broader concept of goods.

The ongoing revision of this classification is evidence of the commitment to systematise the improvement of the classification over time, keeping it current and making it more responsive to existing economic and technological reality.

### 7.1.3. New concepts

New concepts, such as originals, have been introduced at the highest level of the CPA, and new detail has been created to reflect different forms of production (especially concerning the production of goods on a fee or contract basis; see § 3.2) and emerging new industries, mainly in agriculture and services. At the same time, efforts have been made to maintain the structure of the CPA in all areas that do not explicitly require change.

### 7.1.4. Level of detail

The table set out below compares the detail of the different levels of CPA 2002 and CPA 2008

	<b>CPA 2002</b>	<b>CPA 2008</b>	<b>Difference</b>
Sections	17	21	+4
Divisions	62	88	+26
Groups	223	261	+38
Classes	502	575	+73
Categories	1.146	1.342	+196
Subcategories	2.608	3.142	+534

## 7.2. Main changes by sections

The CPA 2002 sections for agriculture and fishing have been combined in CPA 2008. However, the detail under this new section A (Products of agriculture, forestry and fishing) has been substantially increased, due to the fact that CPA is linked with CPC and agriculture is an important part of the economic structure in many developing countries.

New divisions in manufacturing, representing important new industries or old industries that have increased their economic or social relevance, have been created, such as division 21 (Basic pharmaceutical products and pharmaceutical preparations) and division 26 (Computer, electronic and optical products). The scope of the latter differs from division 30 (Office machinery and computers) in CPA 2002, making it a better tool for statistics on high-tech activities. Other new divisions, such as division 11 (Beverages) and division 31 (Furniture) have resulted from splitting existing divisions, thereby raising their components from the previous group level to division level.

Most of the remaining divisions in section C (Manufactured products) are unchanged, except CPA 2002 division 22 (Printed matter and recorded media), of

which substantial portions have been moved to another section (see below), and 37 (Secondary raw materials) which has been moved in its entirety to another section.

Repair, maintenance and installation of machinery and equipment, which in the past was classified under manufacturing of the corresponding type of equipment, is now identified separately in division 33 (Repair and installation services of machinery and equipment). All specialised repair activities are isolated in CPA 2008.

A new section E (Water supply; sewerage, waste management and remediation services) has been created, which includes the "sanitation" services in CPA 2002 division 90, water collection and distribution services in CPA 2002 division 41 and materials recovery services, which broadly correspond to CPA 2002 division 37. Section E groups activities of common policy interest, but is also based on the actual organisation of these activities in a large number of countries. The detail on these activities has been substantially increased.

The concept of "specialised construction services" (also known as "special trades") has been introduced in CPA 2008, replacing the division structure of the previous version, which was based largely on the stage of the construction process.

Repair of household goods has been removed from section G (Wholesale and retail trade services; repair services of motor vehicles, motorcycles and personal and household goods) of CPA 2002. However, the exception for classifying trade and repair of motor vehicles and motorcycles in division 45 of CPA 2008 (corresponding to division 50 in CPA 2002) has been maintained for reasons of comparability and continuity.

The detail in CPA 2008 section I (Accommodation and food services) has been increased to reflect the different nature and degree of specialisation of the services rendered.

A new section J (Information and communication services) has been created, combining services involving production and distribution of information and cultural products, provision of the means to transmit or distribute these products, as well as data or communications, information technology services and the processing of data and other information services. The main components of this section are "Publishing services", including software publishing (division 58), "Motion picture, video and television programme production services, sound recording and music publishing" (division 59), "Programming and broadcasting services" (division 60), "Telecommunications services" (division 61) "Computer programming, consultancy and related services" (division 62) and other "Information services" (division 63). These services were included in CPA 2002 sections D (Manufactured products), I (Transport, storage and communication services), K (Real estate, renting and business services) and O (Other community, social and personal services), thus having a strong impact on comparability with the previous CPA version. However, this new way of dealing with information and communication services ensures a more consistent approach than the previous version of CPA, which was based on the nature of the services carried out.

In CPA 2008 section K (Financial and insurance services), two classes have been introduced that go beyond the traditional scope of CPA in covering economic production: these are 64.20 (Services of holding companies) and 64.30 (Services of trusts, funds and similar financial entities).

The CPA 2002 section K (Real estate, renting and business services) has been split into three sections in CPA 2008. Real estate is now represented as a stand-alone section (section L) due to its size and importance in the SNA. The remaining services have been divided into section M (Professional, scientific and technical services), covering services that require a high degree of training and make

specialised knowledge and skills available to users, and section N (Administrative and support services) covering services that support general business operations and do not focus on the transfer of specialised knowledge. "Computer and related services" (CPA 2002 division 72) are no longer part of this section. Computer repair services have been grouped together with repair of household goods in section S (Other services), while software publishing and IT services have been grouped in the new section J (Information and communication services).

The scope of "Education services" (section P) has been changed explicitly to include specialised sport, cultural and other educational services, as well as specialised support services.

More detail has been added under CPA 2008 section Q (Human health and social work services), creating three divisions in place of one. In addition, the focus has been narrowed and includes only "human health" services, providing a better tool for measuring this important part of the economy. As a result, veterinary services have been removed from this section and put in a division of CPA 2008 section M (Professional, scientific and technical services).

Substantial parts of CPA 2002 section O (Other community, social and personal services) have been moved to CPA 2008 sections E (Water supply; sewerage, waste management and remediation services) and J (Information and communication services), as described above. The remaining services have been grouped together in two new sections for "Arts, entertainment and recreation services" (section R) and "Other services" (section S). As a result, services such as creative arts, library services and gambling services have been raised to the level of a division. Repair services of computers and personal and household goods are now included in this new section S.

### 7.3. Correspondence tables

See § 4.2.3.

## 8. GLOSSARY

This glossary gives a further description of some of the terms used throughout the CPA 2008 Introduction and Explanatory Notes. Every effort has been made to try to ensure that the descriptions are consistent with the definitions of the terms when used elsewhere, but these descriptions are not intended to give all-purpose definitive meanings of the words. The purpose of this glossary is merely to help users of CPA to interpret it correctly.

*By-product:* An exclusive by-product is a product that is technologically linked to the production of other products in the same group, but which is not produced in any other group (for example, molasses linked to the production of sugar). Exclusive by-products are used as inputs for the manufacture of other products. An ordinary by-product (i.e. a by-product which is not exclusive to a single group) is a product that is technologically linked to the production of other products, but which is produced in several groups (for example, the hydrogen produced during petroleum refining is technologically linked to that produced in petrochemical manufacture and coal carbonisation and identical to that produced in the group comprising other basic chemical products).

*Capital goods:* Capital goods are goods, other than material inputs and fuel, used for the production of other goods and/or services. They include factory buildings, machinery, locomotives, lorries and tractors. Land is not usually regarded as a capital good.

Commodity: A commodity is a transportable good that may be exchanged. It may be one of a run from a production line, a unique item (Mona Lisa) or the material medium for a service (software diskette). This is the concept used for customs classifications.

Finished product: Products for which processing has been completed.

Industrial services: See "sub-contracted operations".

Goods: Physical objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets.

Machinery: domestic or household: Machinery and equipment of a type designed principally for use in domestic premises, for example household washing machines.

Machinery: industrial: Machinery and equipment of a type designed principally for use in non-domestic premises, for example machine tools or laundry-type washing machines.

Manufacturing services: See "sub-contracted operations".

Product: A product is the outcome of economic activity. It is the generic term applied to goods and services.

Production: Production is an activity resulting in a product. It is used with reference to the whole range of economic activities. The term is not reserved for the agricultural, mining or manufacturing sectors. It is also used in relation to the services sector. More specific terms may be used to denote production: provision of services, processing, manufacturing, etc., depending on the branch of activity. Production may be measured in various ways, either in physical terms or by value.

Semi-finished product: Products that have undergone some processing but require further processing before they are ready for use. They may be sold to other manufacturers or transferred to sub-contractors for further processing. Typical examples include rough metal castings sold or transferred for finishing elsewhere.

Services: Entities over which no ownership rights can be established. They cannot be traded separately from their production.

Sub-contracted operations: Partial or whole operations within the process of production of the products mentioned, carried out by a contractor on materials owned by the principal. The contractor is paid for the work carried out and can include the provision of a small quantity of additional materials needed for this work. These services are covered by CPC division 88, except for group 13.3 which is covered by division 89. Sub-contracted operations do not include goods of the same category, if produced by a contractor that owns the main input material.

Treatment: A process that is carried out, inter alia, for the purpose of protecting certain products, for giving them certain properties or for preventing any harmful effects that might otherwise result from their use. Examples are the treatment of crops, wood, metals and waste.

## Annexes

### Deviations from CPC:

#### 1) Cases where CPC Ver.2 was considered too detailed for Europe and regrouped in CPA 2008

01.11.1	Wheat
01.11.2	Maize
01.11.3	Barley, rye and oats
01.11.41	Sorghum
01.11.42	Millet
01.11.81	Soya beans
01.11.82	Groundnuts, in shell
01.11.84	Cotton seed
01.11.99	Other oil seeds n.e.c.
01.12.10	Rice, not husked
01.13.39	Other fruit-bearing vegetables n.e.c.
01.13.59	Other edible roots and tubers with high starch or inulin content
01.14.10	Sugar cane
01.19.10	Forage crops
01.22.12	Bananas, plantains and similar
01.22.19	Other tropical and subtropical fruits
01.25.19	Other berries, the fruits of the genus vaccinium n.e.c.
01.25.90	Other tree and bush fruits n.e.c.
01.26.90	Other oleaginous fruits
01.41.10	Dairy cattle, live
01.41.20	Raw milk from dairy cattle
01.42.1	Other cattle and buffaloes, live
01.47.14	Ducks and guinea fowls, live
01.49.12	Farmed birds n.e.c., live
01.49.19	Other farmed animals n.e.c., live
01.49.22	Raw milk n.e.c.
01.49.27	Animal embryos for reproduction
03.00.44	Other molluscs and aquatic invertebrates, live, fresh or chilled, farmed
10.11.11	Meat of bovine animals, fresh or chilled
10.11.20	Edible offal of bovine animals, swine, sheep, goats, horses and other equines, fresh or chilled
10.11.31	Meat of bovine animals, frozen
10.11.39	Other meat and edible offal, fresh, chilled or frozen
10.11.50	Fats of bovine animals, sheep, goats or pigs
10.11.60	Raw offal, inedible
10.12.10	Meat of poultry, fresh or chilled
10.12.20	Meat of poultry, frozen
10.12.30	Fats of poultry
10.20.22	Fish livers and roes dried, smoked, salted or in brine; flours, meals and pellets of fish, fit for human consumption
10.20.34	Crustaceans, otherwise prepared or preserved; molluscs and other aquatic invertebrates, otherwise prepared or preserved
10.39.11	Vegetables, frozen
10.39.17	Other vegetables (except potatoes), preserved otherwise than by vinegar or acetic acid, except prepared vegetable dishes
10.39.25	Other prepared or preserved fruits

10.41.12	Fats and oils and their fractions, of fish and marine mammals
10.41.19	Other animal fats and oils and their fractions, whether or not refined, but not chemically modified
10.51.30	Butter and dairy spreads
10.51.40	Cheese and curd
10.51.51	Milk and cream, concentrated or containing added sugar or other sweetening matter, other than in solid forms
10.51.56	Dairy products n.e.c.
10.81.11	Raw cane or beet sugar, in solid form
10.84.23	Cinnamon (canella), processed; other processed spices
10.89.12	Eggs, not in shell, and eggs yolks fresh or preserved; eggs in shells preserved or cooked; egg albumin
11.01.10	Distilled alcoholic beverages
13.10.50	Yarn of wool put up or not put up for retail store; yarn of fine or coarse animal hair or of horse hair
13.10.61	Cotton yarn (other than sewing thread)
13.10.84	Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale
13.20.12	Woven fabrics carded or combed wool or fine animal hair or of coarse animal hair or of horsehair
13.20.20	Woven fabrics of cotton
13.20.31	Woven fabrics of synthetic filament yarn and artificial filament yarn
13.20.32	Woven fabrics of synthetic staple fibres
13.20.33	Woven fabrics of artificial staple fibres
13.20.41	Woven pile fabrics and chenille fabrics (other than terry towelling and narrow fabrics)
16.21.12	Other plywood, veneered panels and similar laminated wood
20.13.24	Hydrogen chloride; oleum; diphosphorus pentoxide; other inorganic acids; silicon and sulphur dioxide
20.20.19	Other pesticides and other agrochemical products
24.10.12	Ferro-alloys
24.10.35	Flat rolled products of other alloy steel, not further worked than hot rolled, of a width of $\geq 600$ mm
24.31.20	Cold drawn bars and solid profiles of alloy steel, other than stainless steel
24.32.10	Flat cold rolled steel products, uncoated, of a width of $< 600$ mm
24.45.30	Other non-ferrous metals and articles thereof: cermets; ash and residues, containing metals or metallic compounds
25.93.12	Barbed wire, of iron or steel; stranded wire, cables, plaited bands and the like, of copper or aluminium, not electrically insulated
25.99.29	Other articles of base metal n.e.c.
26.20.11	Portable automatic data processing machines weighing $\leq 10$ kg, such as laptop and notebook computers; personal digital assistants and similar computers
26.20.16	Input or output units, whether or not containing storage units in the same housing
26.20.21	Storage units
26.40.33	Video camera recorders and other video recording or reproducing apparatus
26.51.86	Parts and accessories of instruments and apparatus of 26.51.11 and 26.51.62
28.30.59	Harvesting and threshing machinery n.e.c.
28.41.22	Machine tools for drilling, boring or milling metal; machine tools for threading or tapping metal n.e.c.
29.32.20	Safety seat belts, airbags and parts and accessories of bodies
32.99.11	Safety headgear and other safety products
38.11.56	Textile waste
38.11.58	Non-hazardous metal waste
38.11.59	Other non-hazardous recyclable waste, n.e.c.
38.12.26	Hazardous metal waste
38.32.21	Secondary raw material of precious metals



38.32.29	Other metal secondary raw materials
38.32.39	Other non-metal secondary raw materials
41.00	Buildings and building construction works
42.11.10	Motorways, roads, streets and other vehicular or pedestrian ways and airfield runways
42.11.20	Construction works for motorways, roads, streets and other vehicular or pedestrian ways and airfield runways
42.13.10	Bridges and tunnels
42.21.13	Irrigation systems (canals); water main and line constructions; water treatment plants, sewage disposal plants and pumping stations
42.21.23	Construction works for irrigation systems (canals), water mains and lines, water treatment plants, sewage disposal plants and pumping stations
42.21.24	Water well drilling and septic system installation works
42.91.10	Coastal and port constructions, dams, locks and related hydro-mechanical structures
42.91.20	Construction works for coastal and port constructions, dams, locks and related hydro-mechanical structures
42.99.11	Mining and manufacturing constructions
42.99.21	Construction works for mining and manufacturing
43.21.10	Electrical installation works
43.22.11	Water plumbing and drain laying works
43.22.12	Heating, ventilation and air conditioning installation works
43.29.19	Other installation works n.e.c.
43.99.30	Pile driving works; foundation works
43.99.90	Specialised construction works n.e.c.
46.11.19	Wholesale trade services on a fee or contract basis of other agricultural raw materials, textile raw materials and semi-finished goods
46.12.13	Wholesale trade services on a fee or contract basis of industrial chemicals, fertilisers and agrochemical products
46.13.12	Wholesale trade services on a fee or contract basis of building materials
46.14.11	Wholesale trade services on a fee or contract basis of computers, software, electronic and telecommunications equipment and other office equipment
46.14.19	Wholesale trade services on a fee or contract basis of other machinery and industrial equipment n.e.c.
46.15.19	Wholesale trade services on a fee or contract basis of cutlery and household goods n.e.c.
46.16.11	Wholesale trade services on a fee or contract basis of textiles
46.16.12	Wholesale trade services on a fee or contract basis of clothing, fur and footwear
46.17.11	Wholesale trade services on a fee or contract basis of food
46.18.11	Wholesale trade services on a fee or contract basis of pharmaceutical and medical goods, perfumery and toilet articles and cleaning materials
46.18.12	Wholesale trade services on a fee or contract basis of games and toys, sports goods, bicycles, books, newspapers, magazines and stationary, musical instruments, watches, clocks and jewellery, photographic and optical equipment
46.18.19	Wholesale trade services on a fee or contract basis of other particular products n.e.c.
47	Retail trade services, except of motor vehicles and motorcycles
49.20.19	Other railway transport services of freight
58.11.20	Books on disk, tape or other physical media
78.20	Temporary employment agency services
78.30	Other human resources provision services
82.19.12	Mailing list compilation and mailing services
91.02.20	Museum collections

**2) Cases where new CPA 2008 codes have been introduced to fit the structure of ISIC Rev.4 and NACE Rev. 2, without parallel modification in CPC Ver.2.**

01.25.20	Fruit seeds
01.30.10	Planting material: live plants, bulbs, tubers and roots, cuttings and slips; mushroom spawn
02.10.11	Live forest tree plants
02.10.12	Forest tree seeds
02.10.20	Forest trees nurseries services
02.40.10	Support services to forestry
08.92.10	Peat
08.93.10	Salt and pure sodium chloride; sea water
10.39.30	Vegetable materials and vegetable waste, vegetable residues and by-products
10.61.40	Bran, sharps and other residues from the working of cereals
10.84.30	Food-grade salt
10.89.19	Miscellaneous food products n.e.c.
13.91.19	Other knitted or crocheted fabrics, including imitation fur by knitting
13.99.14	Textile fibres ≤ 5 mm in length (flock), textile dust and mill neps
13.99.19	Other textiles and textile products n.e.c.
16.29.14	Wooden frames for paintings, photographs, mirrors or similar objects and other articles of wood
17.22.12	Sanitary towels and tampons, napkins and napkin liners for babies and similar sanitary articles and articles of apparel and clothing accessories, of paper pulp, paper, cellulose wadding or webs of cellulose fibres
19.10.30	Pitch and pitch coke
19.20.13	Briquettes, ovoids and similar solid fuels manufactured from peat
20.14.23	Diols, polyalcohols, cyclical alcohols and derivatives thereof
20.14.73	Oils and other products of the distillation of high temperature coal tar, and similar products
20.41.32	Detergents and washing preparations
20.42.19	Shaving preparations; personal deodorants and antiperspirants; bath preparations; other perfumery, cosmetic or toilet preparations n.e.c.
20.52.10	Glues
20.59.51	Peptones, other protein substances and their derivatives, n.e.c.; hide powder
20.59.60	Gelatines and gelatine derivatives, including milk albumins
22.19.73	Other articles of vulcanised rubber n.e.c.; hard rubber in all forms and articles thereof; floor coverings and mats, of vulcanised cellular rubber
22.29.29	Other articles of plastics
23.44.12	Ceramic wares for laboratory, chemical or other technical uses, other than of porcelain or china
24.33.30	Sandwich panels of coated steel sheet
25.11.23	Other structures and parts of structures, plates, rods, angles, shapes and the like, of iron, steel or aluminium
26.30.40	Aerials and aerial reflectors of all kind and parts thereof; parts of radio and television transmission apparatus and television cameras
26.30.60	Parts of burglar or fire alarms and similar apparatus
26.51.12	Rangefinders, theodolites and tachymetres (tachometers); other surveying, hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances
26.51.33	Instruments for measuring length, for use in the hand (including micrometers and callipers) n.e.c.
26.70.21	Sheets and plates of polarising material; lenses, prisms, mirrors and other optical elements (except of glass not optically worked), whether or not mounted, other than for cameras, projectors or photographic enlargers or reducers
27.31.12	Optical fibres and optical fibre bundles; optical fibre cables (except those made up of individually sheathed fibres)
27.32.11	Insulated winding wire
27.33.1	Wiring devices

27.40.39	Other lamps and lighting fittings n.e.c.
27.40.42	Parts of lamps and lighting fittings
27.90.33	Parts of other electrical equipment; electrical parts of machinery or apparatus n.e.c.
28.11.24	Wind turbines
28.12.14	Hydraulic and pneumatic valves
28.12.15	Hydraulic assemblies
28.25.20	Fans, other than table, floor, wall, window, ceiling or roof fans
28.29.31	Weighing machines for industrial purposes; scales for continuous weighing of goods on conveyors; constant weight scales and scales for discharging a predetermined weight
28.29.39	Other weighing and measuring machinery
28.29.41	Centrifuges n.e.c.
28.41.11	Machine tools for working metal by removal of material by laser, ultrasonic and the like
28.41.40	Parts and accessories for metalworking machine tools
28.94.15	Auxiliary machinery for use with machines for working textiles; textile printing machinery
28.99.20	Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays
28.99.51	Parts of machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays
29.10.11	Spark-ignition reciprocating internal combustion piston engines for vehicles, of a cylinder capacity $\leq 1\ 000\ \text{cm}^3$
29.10.12	Spark-ignition reciprocating internal combustion piston engines for vehicles, of a cylinder capacity $> 1\ 000\ \text{cm}^3$
29.31.30	Parts of other electrical equipment for motor vehicles and motorcycles
29.32.10	Seats for motor vehicles
30.30.50	Other parts of aircraft and spacecraft
30.30.60	Overhaul and conversion services of aircraft and aircraft engines
30.91.31	Spark-ignition reciprocating internal combustion piston engines for motorcycles, of a cylinder capacity $\leq 1\ 000\ \text{cm}^3$
30.91.32	Spark-ignition reciprocating internal combustion piston engines for motorcycles, of a cylinder capacity $> 1\ 000\ \text{cm}^3$
31.00.11	Seats, primarily with metal frames
32.12.14	Other articles of precious metal; articles of natural or cultured pearls, precious or semi precious stones
32.13.10	Imitation jewellery and related articles
32.50.13	Syringes, needles, catheters, cannulae and the like; ophthalmic and other instruments and appliances n.e.c.
32.50.21	Therapeutic instruments and appliances; breathing appliances
32.50.22	Artificial joints; orthopaedic appliances; artificial teeth; dental fittings; artificial parts of the body n.e.c.
32.50.41	Contact lenses; spectacle lenses of any material
32.50.50	Other articles for medical or surgical purposes
32.99.22	Parts, trimmings and accessories of umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips and the like
32.99.59	Other miscellaneous articles n.e.c.
38.11.39	Other non-recyclable non-hazardous waste
38.11.69	Services of transfer facilities for other non-hazardous waste
38.12.29	Other hazardous waste
38.21.10	Non-hazardous waste treatment for final disposal services
58.12.10	Directories and mailing lists printed or on physical media
61.10.5	Home programme distribution services over wired infrastructure
61.20.50	Home programme distribution services over wireless networks
61.30.20	Home programme distribution services via satellite

62.02.30	IT technical support services
62.09.20	Other information technology and computer services n.e.c.
74.90.20	Other professional, technical and business services n.e.c.
82.99.19	Other miscellaneous business support services n.e.c.
93.13.10	Services of fitness facilities
96.04.10	Physical well-being services

**3) Cases where new CPC Ver.2 codes have been introduced without parallel modification in CPA 2008 (list of corresponding CPA 2008 headings involved)**

01.15.10	Unmanufactured tobacco
10.41.29	Other vegetable oils, crude
10.41.59	Other oils and their fractions, refined but not chemically modified; fixed vegetable fats and other vegetable oils (except maize oil) and their fractions n.e.c. refined but not chemically modified
10.62.14	Maize oil
10.71	Bread; fresh pastry goods and cakes
10.72.19	Other dry or preserved bakers' wares
20.15.10	Nitric acid; sulphonitric acids; ammonia
20.15.79	Mineral or chemical fertilisers containing at least two nutrients (nitrogen, phosphate, potash) n.e.c.
21.20.21	Antisera and vaccines
21.20.22	Chemical contraceptive preparations based on hormones or spermicides
21.20.23	Diagnostic reagents and other pharmaceutical preparations
21.20.24	Adhesive dressings, catgut and similar materials; first-aid boxes
24.10.64	Other bars and rods of stainless steel, not further worked than forged, hot rolled, hot-drawn or extruded, but including those twisted after rolling
24.31.30	Cold drawn bars and solid profiles of stainless steel
26.30.23	Other telephone sets and apparatus for transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network)
26.40.33	Video camera recorders and other video recording or reproducing apparatus
26.40.44	Reception apparatus for radio-telephony or radio-telegraphy n.e.c.
46.76.12	Wholesale trade services of textile fibres
78.30	Other human resources provision services

**4) Cases where there were already differences between the previous versions of CPA and CPC**

01.25.3	Nuts (excluding wild edible nuts, groundnuts and coconuts)
01.26.20	Coconuts
01.28.30	Plants used primarily in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes
10.41.29	Other vegetable oils, crude
10.51.54	Lactose and lactose syrup
10.62.13	Glucose and glucose syrup; fructose and fructose syrup; invert sugar; sugars and sugar syrups n.e.c.
10.62.14	Maize oil
10.83.15	Herb infusions
14.13.40	Worn clothing and other worn articles
20.59.52	Modelling pastes; dental wax and other preparations for use in dentistry with a basis of plaster; preparations and charges for fire-extinguishers; prepared culture media for development of micro-organisms; composite diagnostic or laboratory reagents n.e.c.

23.19.11	Glass in the mass, in balls (except microspheres), rods or tubes, unworked
24.10.14	Granules and powders, of pig iron and spiegeleisen, or steel
24.10.42	Flat rolled products of stainless steel, not further worked than cold rolled, of a width of $\geq 600$ mm
24.10.66	Other bars and rods of other alloy steel, not further worked than forged, hot rolled, hot-drawn or extruded, but including those twisted after rolling
24.10.72	Open sections, not further worked than hot rolled, hot-drawn or extruded, of stainless steel
24.10.73	Open sections, not further worked than hot rolled, hot-drawn or extruded, of other alloy steel
24.31.20	Cold drawn bars and solid profiles of alloy steel, other than stainless steel
24.33.12	Open sections cold formed or folded of stainless steel
25.91.12	Tanks, casks, drums, cans (except those to be closed by soldering or crimping), boxes and similar containers, for any material (excluding gas), of iron or steel, of a capacity $< 50$ l, not fitted with mechanical or thermal equipment
26.20.40	Parts and accessories of computing machines
26.30.40	Aerials and aerial reflectors of all kind and parts thereof; parts of radio and television transmission apparatus and television cameras
26.40.52	Parts of radio receivers and transmitters
26.51.81	Parts of radar apparatus and radio navigational aid apparatus
26.70.17	Flashlights; photographic enlargers; apparatus for photographic laboratories; negatoscopes, projection screens
27.40.31	Photographic flashbulbs, flashcubes and the like
28.12.11	Linear acting hydraulic and pneumatic motors (cylinders)
28.12.16	Hydraulic systems
28.23.21	Photo-copying apparatus incorporating an optical system or of the contact type and thermo-copying apparatus
28.23.26	Parts and accessories of photocopying apparatus
28.30.94	Parts of milking and dairy machines n.e.c.
28.93.31	Parts of machinery for beverage processing
28.94.14	Knitting machines; stitch-bonding machines and similar machines; machines for tufting
28.94.15	Auxiliary machinery for use with machines for working textiles; textile printing machinery
28.99.14	Other printing machinery, excluding those of the office type
28.99.40	Parts of printing and book-binding machinery
32.50.22	Artificial joints; orthopaedic appliances; artificial teeth; dental fittings; artificial parts of the body n.e.c.
32.99.16	Slates and boards; date, sealing or numbering stamps and the like; typewriter or similar ribbons; ink-pads
35.12.10	Transmission services of electricity
35.13.10	Distribution services of electricity
35.14.10	Trade services of electricity
35.22.10	Distribution services of gaseous fuels through mains
35.23.10	Trade services of gas through mains
35.30.12	Steam and hot water supply services through mains
35.30.22	Cooled air and chilled water supply services
36.00.20	Treatment and distribution services of water through mains
38.11.51	Glass waste
38.11.52	Paper and paperboard waste
38.11.54	Other rubber waste
38.11.55	Plastic waste
38.11.57	Leather waste
38.11.59	Other non-hazardous recyclable waste, n.e.c.
38.21.40	Ashes and residues from waste incineration
38.32.11	Sorted metal materials recovery services
38.32.22	Secondary raw material of ferrous metals

38.32.23	Secondary raw material of copper
38.32.25	Secondary raw material of aluminium
38.32.29	Other metal secondary raw materials
38.32.32	Secondary raw material of paper and paperboard
38.32.33	Secondary raw material of plastic
38.32.34	Secondary raw material of rubber
38.32.35	Secondary raw material of textile
38.32.39	Other non-metal secondary raw materials
45 (except 45.20, 45.40.40, 45.40.50)	Wholesale and retail trade and repair services of motor vehicles and motorcycles
46.39.11	Wholesale trade services of frozen food, non-specialised
46.39.12	Wholesale trade services of food, not frozen, beverages and tobacco, non-specialised
46.47.13	Wholesale trade services of carpets and rugs
46.74.12	Wholesale trade services of plumbing and heating equipment and supplies
46.90.10	Non-specialised wholesale trade services
47.00.91	Retail trade services of antiques
47.00.92	Retail trade services of second-hand books
47.00.99	Retail trade services of other second-hand goods
64.19.2	Credit granting services by monetary institutions
64.92.1	Other credit granting services, other than by monetary institutions

## 5) Cases where CPA 2008 codes have no correspondences in CPC Ver.2

02.10.30	Forest trees
03.00.69	Other aquatic plants, animals and their products n.e.c.
10.39.14	Cut and packaged vegetables and fruits
63.11.11	Data processing services
98.10.10	Undifferentiated goods produced by private households for own use
98.20.10	Undifferentiated services produced by private households for own use