

WORLD TRADE ORGANIZATION

RESTRICTED

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Committee on Specific Commitments

DETAILED ANALYSIS OF THE MODIFICATIONS BROUGHT ABOUT BY THE REVISION OF THE CENTRAL PRODUCT CLASSIFICATION

Note by the Secretariat

Addendum

CONSTRUCTION

1. Paragraph 5 of the report of the meeting of the Committee on Specific Commitments held on 10 October 1996, states that "*...the Secretariat should take up contact with the Voorburg Group with a view to informing the Committee in the near future of any proposed changes to the CPC which could be of interest in the Committee's deliberations*".
2. The statistical committee of the United Nations adopted in its 10-14 February 1997 Session the CPC Rev.1 proposed by the Voorburg Group. The relevant parts of this classification for construction are annexed to this note. They comprise the concordance tables from CPC provisional to CPC Rev.1 (annex 1), the concordance tables from CPC Rev.1 to CPC provisional (annex 2), the definitions of CPC provisional (annex 3) and the definitions of the CPC Rev.1 (annex 4).
3. The purpose of the present note is to analyse in detail the modifications brought by the CPC Rev.1 in the construction sector. It will proceed through a comparison of the content of the two-digit items of both classifications and a comparison of their descriptive parts. It will follow the order of the concordance table between the provisional CPC and the CPC version 1. The provisional CPC will be referred to as "*prov*", CPC rev.1 as "*rev*", CPC provisional items as "*pXXXX*", and CPC rev.1 items as "*r XXXX*".

The signification of the asterisks in the rev column in the concordance table is the following:

xxx*: the new item in rev.1 is wider than the original one. It has also another or several other corresponding items in prov.

xxxx

****1

****2 The asterisks are there to avoid the repetition of the four-digit position.

xxxX

xxxY

****1 The two four-digit positions are sub-divided the same way at a five-level digit (example retail and wholesale in food and non-food goods).

xxxX

xxxY

****1* The five-digit items (which can be found in each four-digit item) is wider than its five-digit counterpart in the old version.

CPC prov 51: Construction work

4. The item "*construction work*" p51 has been split into two new items "*construction services*" r54 and "*other professional, scientific and technical services*" r83.

5. In fact the shift towards r83 concerns only "*pre-erection work at construction sites*" (p511) and is designed to attach the activity of choices of sites to architectural services or engineering services instead of construction services.

6. This means first of all that p5111 "*site investigation work*" which is described by prov as "*investigation work aiming at finding the most suitable site for a construction project and demarcation work i.e. demarcation of a locality where one or more major stages or processes of construction work are being carried on*" is now considered as a part of "*architectural services*" (r8321) or as a part of "*advisory and pre-design services*" (r8333), the border between the two according to the Voorburg Group being the more technical character of the advisory and pre-design services as compared to the architectural services.

7. At a five-digit level p51110 "*site investigation work*" which is described exactly as p5111 is split between one five-digit category for "*architectural services*": r83211* "*architectural advisory and pre-design permits*" and four five-digit categories for "*advisory and pre-design services*": 83331 "*for building construction*", 83332 "*for civil engineering work*" 83333 "*for industrial plant, machinery and process design*" and r83339 "*for other projects*". This modification would complicate matters in the hypothesis of a conversion as the construction regimes are generally more liberal than the architectural ones, where there may be no commitment or a permit regime. One would have to create an exception that would be typically drafted this way "r8322 *architectural services*: unbound (except for *site investigation work*: none)".

8. p51150 "*site preparation for mining*" has been aggregated with p51130 "*site formation and clearance work*" in a new position: r54320 "*site formation and clearance services*". This also complicates matters as the mining regime tends to be one from prospection, to tunnelling, extracting and refining, and subject to permits, and to be less liberal than the regime of simple excavation. There again in the hypothesis of a conversion an exception should be created inside the new item, but a less liberal one: "r54320 *excavating and clearance services*: none (except *site preparation work for mining*: unbound)".

9. The construction services of building have been reordered to correspond to the new classification of construction itself. The old order was designed according to the purpose of buildings, that is, at four digit level: one or two dwelling building/multi-dwelling buildings/warehouse and individual buildings/commercial buildings/public entertainment building/hotel and restaurant building/educational buildings/health buildings/ other buildings. In this case the five-digit level added nothing.

10. The new order is simpler: at a similar four-digit level it consists of r5411 "*general construction services for residential building*" and of r5412 "*general construction of non-residential building*". At a five-digit level r5411 (*residential building*) is divided into "*one or two dwelling buildings*" and "*multi-dwelling buildings*", and r5412 (*non-residential*) into: "*industrial buildings*" (r54121), "*commercial building*" (r54122) and "*other non residential building*" (r54129). This latter includes stadia that were

classified as civil engineering work (p513, p51372) in the provisional CPC. The "*construction of sports grounds*" (p 51371) remains part of civil engineering (r 542, r 54270* "*general construction services of outdoor sport and recreational facilities*" which is a wider item as it includes also p51372 "*other sports installations such as swimming pools, golf courses and tennis courts*"). Globally speaking, the disaggregation for construction of buildings has been simplified and pushed to the fifth digit.

11. As far as civil engineering is concerned the modifications mostly consist of re-numbering (from p51 to r54) and in the substitution of the word "*services*" for the word "*works*" without changing the substance of the items.

12. One may note, however, the appearance of the word "*irrigation*" in r5483 "*general construction services of harbour waterways, dams, irrigation and other water works*" as compared to the title of the corresponding p5133. This is just a precision as irrigation was already included in the description.

13. The disaggregation of p51340 "*construction work for long-distance pipelines communication and power lines (cables)*" into two new five-digit positions r54241 "*general construction services of long-distance pipelines*" and r52242 "*general construction services of long-distance communications and power lines*" is worth noting.

14. Similarly p51510 "*foundation work, including pile driving*" has been split into two items r54511 "*pile driving services*" and r54512 "*foundation services*".

15. One may note that the exclusions of excavation work and concrete work that appeared in the descriptive part of prov. do not appear in the descriptive part of rev. According to the Voorburg Group this has no consequence, the exclusion remains but was not quoted because it would have overburdened the description. In general exclusions are mentioned when they help to dissipate an ambiguity, which was not judged to be the case here.

16. p5152 "*waterwell drilling*" has been enlarged to include "*septic system installation services*" which used to be part of p 516620 "*waterplumbing and drainlaying work*". The new item is therefore titled r5434* "*waterwell drilling and septic installation services*".

17. p5153 "*roofing and waterproofing*" has been disaggregated in order to make appear individually the framing activities included in the roofing services. Those "*roof framing services*," r54532 are part of a wider and new item r 5453* "*constructions framing services*".

18. p5155 "*steel bending and erection (including welding)*" changes its name into r5456 "*structural steel erection services*" with a definition that now excludes the erection of self manufactured steel framework, which is considered by the statistical conventions as being an element of an industrial activity and not of a construction activity.

19. p516 "*installation work*" has also been disaggregated in two items: r 546 "*installations services*" and part of r547* "*building completion and finishing services*". This in fact corresponds to the shift of "*fencing and railing construction work*" (p 5166, p51660) from "*installation work*" (p 516) to "*building completion and finishing services*" (r547) for a simple logical and chronological reason. Those operations are contemporary with those of glazing, plastering, painting and floor and wall tiling services which are part of completion and finishing services.

20. The name of p5171 "*glazing works and window glass installation work*" has been changed into r5471 "*glazing services*" but the definitions remain identical.

21. p 5178 and 51780 "*ornamentation fitting work*" disappear as specific items and are partially

merged with *p5176* and *p51760 "wood and metal joinery and carpentry work"* in a new *r54760* and *54760 "wood and metal joinery and carpentry services"*. Another part of *p5178* and *p51780* is affected to *r5479 "other building completion and finishing works"*. Similarly *p5177* and *p51770 "interior fitting decoration work"* are merged with *p5179* and *p51790 "other building completion and finishing work"* in a new item *r 5479 "other building completion and finishing services"*.

CPC prov. 52 construction and CPC 53 land

22. Those parts of CPC are not relevant to the work of the committee as they classified tangible goods and not services.

CPC 51 CONSTRUCTION WORK

| PROVISIONAL CPC | CPC VERSION 1 |
|--|---|
| 51 CONSTRUCTION WORK | 54 CONSTRUCTION SERVICES |
| | 83* OTHER PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES |
| 511 PRE-ERECTION WORK AT CONSTRUCTION SITES | 543 SITE PREPARATION SERVICES |
| | 545* SPECIAL TRADE CONSTRUCTION SERVICES |
| | 832* ARCHITECTURAL SERVICES AND URBAN PLANNING AND LANDSCAPE ARCHITECTURAL SERVICES |
| | 833* ENGINEERING SERVICES |
| 5111 SITE INVESTIGATION WORK | 8321* ARCHITECTURAL SERVICES |
| | 8333* ADVISORY AND PRE-DESIGN SERVICES |
| 51110 Site investigation work | 83211* Architectural advisory and pre-design services |
| | 8333* Advisory and pre-design services for: ****1 Building constructions ****2 Civil engineering works ****3 Industrial plant, machinery and process design ****9 Other projects |
| 5112 DEMOLITION WORK | 5431 DEMOLITION SERVICES |
| 51120 Demolition work | 54310 Demolition services |
| 5113 SITE FORMATION AND CLEARANCE WORK | 5432* SITE FORMATION AND CLEARANCE SERVICES |
| 51130 Site formation and clearance work | 54320* Site formation and clearance services |
| 5114 EXCAVATING AND EARTHMOVING WORK | 5433 EXCAVATING AND EARTHMOVING SERVICES |
| 51140 Excavating and earthmoving work | 54330 Excavating and earthmoving services |
| 5115 SITE PREPARATION WORK FOR MINING | 5432* SITE FORMATION AND CLEARANCE SERVICES |
| 51150 Site preparation work for mining | 54320* Site formation and clearance services |
| 5116 SCAFFOLDING WORK | 5458 SCAFFOLDING SERVICES |
| 51160 Scaffolding work | 54580 Scaffolding services |
| 512 CONSTRUCTION WORK FOR BUILDINGS | 541 GENERAL CONSTRUCTION SERVICES OF BUILDINGS |
| 5121 FOR ONE- AND TWO-DWELLING BUILDINGS | 5411* GENERAL CONSTRUCTION SERVICES OF RESIDENTIAL BUILDINGS |
| 51210 For one- and two-dwelling buildings | 54111 General construction services of one- and two-dwelling buildings |
| 5122 FOR MULTI-DWELLING BUILDINGS | 5411* GENERAL CONSTRUCTION SERVICES OF RESIDENTIAL BUILDINGS |

| PROVISIONAL CPC | | CPC VERSION 1 | |
|-----------------|--|---------------|---|
| 51220 | For multi-dwelling buildings | 54112 | General construction services of multi-dwelling buildings |
| 5123 | FOR WAREHOUSES AND INDUSTRIAL BUILDINGS | 5412* | GENERAL CONSTRUCTION SERVICES OF NON-RESIDENTIAL BUILDINGS |
| 51230 | For warehouses and industrial buildings | 54121 | General construction services of industrial buildings |
| 5124 | FOR COMMERCIAL BUILDINGS | 5412* | GENERAL CONSTRUCTION SERVICES OF NON-RESIDENTIAL BUILDINGS |
| 51240 | For commercial buildings | 54122 | General construction services of commercial buildings |
| 5125 | FOR PUBLIC ENTERTAINMENT BUILDINGS | 5412* | GENERAL CONSTRUCTION SERVICES OF NON-RESIDENTIAL BUILDINGS |
| 51250 | For public entertainment buildings | 54129* | General construction services of other non-residential buildings |
| 5126 | FOR HOTEL, RESTAURANT AND SIMILAR BUILDINGS | 5412* | GENERAL CONSTRUCTION SERVICES OF NON-RESIDENTIAL BUILDINGS |
| 51260 | For hotel, restaurant and similar buildings | 54129* | General construction services of other non-residential buildings |
| 5127 | FOR EDUCATIONAL BUILDINGS | 5412* | GENERAL CONSTRUCTION SERVICES OF NON-RESIDENTIAL BUILDINGS |
| 51270 | For educational buildings | 54129* | General construction services of other non-residential buildings |
| 5128 | FOR HEALTH BUILDINGS | 5412* | GENERAL CONSTRUCTION SERVICES OF NON-RESIDENTIAL BUILDINGS |
| 51280 | For health buildings | 54129* | General construction services of other non-residential buildings |
| 5129 | FOR OTHER BUILDINGS | 5412* | GENERAL CONSTRUCTION SERVICES OF NON-RESIDENTIAL BUILDINGS |
| 51290 | For other buildings | 54129* | General construction services of other non-residential buildings |
| 513 | CONSTRUCTION WORK FOR CIVIL ENGINEERING | 541* | GENERAL CONSTRUCTION SERVICES OF BUILDINGS |
| | | 542 | GENERAL CONSTRUCTION SERVICES OF CIVIL ENGINEERING WORKS |
| 5131 | FOR HIGHWAYS (EXCEPT ELEVATED HIGHWAYS), STREETS, ROADS, RAILWAYS AND AIRFIELD RUNWAYS | 5421 | GENERAL CONSTRUCTION SERVICES OF HIGHWAYS (EXCEPT ELEVATED HIGHWAYS), STREETS, ROADS, RAILWAYS AND AIRFIELD RUNWAYS |
| 51310 | For highways (except elevated highways), streets, roads, railways and airfield runways | 54210 | General construction services of highways (except elevated highways), streets, roads, railways and airfield runways |
| 5132 | FOR BRIDGES, ELEVATED HIGHWAYS, TUNNELS AND SUBWAYS | 5422 | GENERAL CONSTRUCTION SERVICES OF BRIDGES, ELEVATED HIGHWAYS, TUNNELS AND SUBWAYS |
| 51320 | For bridges, elevated highways, tunnels and subways | 54220 | General construction services of bridges, elevated highways, tunnels and subways |

| PROVISIONAL CPC | | CPC VERSION 1 | |
|-----------------|---|---------------|--|
| 5133 | FOR WATERWAYS, HARBOURS, DAMS AND OTHER WATER WORKS | 5423 | GENERAL CONSTRUCTION SERVICES OF HARBOURS, WATERWAYS, DAMS, IRRIGATION AND OTHER WATER WORKS |
| 51330 | For waterways, harbours, dams and other water works | 54230 | General construction services of harbours, waterways, dams, irrigation and other water works |
| 5134 | FOR LONG DISTANCE PIPELINES, COMMUNICATION AND POWER LINES (CABLES) | 5424 | GENERAL CONSTRUCTION SERVICES OF LONG DISTANCE PIPELINES, COMMUNICATION AND POWER LINES (CABLES) |
| 51340 | For long distance pipelines, communication and power lines (cables) | 54241 | General construction services of long distance pipelines |
| | | 54242 | General construction services of long distance communication and power lines (cables) |
| 5135 | FOR LOCAL PIPELINES AND CABLES; ANCILLARY WORKS | 5425 | GENERAL CONSTRUCTION SERVICES OF LOCAL PIPELINES AND CABLES AND RELATED WORKS |
| 51350 | For local pipelines and cables; ancillary works | 54251 | General construction services of local pipelines |
| | | 54252 | General construction services of local cables and related works |
| 5136 | FOR CONSTRUCTIONS FOR MINING AND MANUFACTURING | 5426 | GENERAL CONSTRUCTION SERVICES OF MINES AND INDUSTRIAL PLANT |
| 51360 | For constructions for mining and manufacturing | 54260 | General construction services of mines and industrial plant |
| 5137 | FOR CONSTRUCTIONS FOR SPORT AND RECREATION | 5412* | GENERAL CONSTRUCTION SERVICES OF NON-RESIDENTIAL BUILDINGS |
| | | 5427 | GENERAL CONSTRUCTION SERVICES OF OUTDOOR SPORT AND RECREATION FACILITIES |
| 51371 | For stadia and sports grounds | 54129* | General construction services of other non-residential buildings |
| | | 54270* | General construction services of outdoor sport and recreation facilities |
| 51372 | For other sport and recreation installations (e.g. swimming pools, tennis courts, golf courses) | 54129* | General construction services of other non-residential buildings |
| | | 54270* | General construction services of outdoor sport and recreation facilities |
| 5139 | FOR ENGINEERING WORKS N.E.C. | 5429 | GENERAL CONSTRUCTION SERVICES OF OTHER ENGINEERING WORKS N.E.C. |
| 51390 | For engineering works n.e.c. | 54290 | General construction services of other engineering works n.e.c. |
| 514 | ASSEMBLY AND ERECTION OF PREFABRICATED CONSTRUCTIONS | 544 | ASSEMBLY AND ERECTION OF PREFABRICATED CONSTRUCTIONS |
| 5140 | ASSEMBLY AND ERECTION OF PREFABRICATED CONSTRUCTIONS | 5440 | ASSEMBLY AND ERECTION OF PREFABRICATED CONSTRUCTIONS |
| 51400 | Assembly and erection of prefabricated constructions | 54400 | Assembly and erection of prefabricated constructions |
| 515 | SPECIAL TRADE CONSTRUCTION WORK | 545 | SPECIAL TRADE CONSTRUCTION SERVICES |

| PROVISIONAL CPC | CPC VERSION 1 |
|--|--|
| | 543* <i>SITE PREPARATION SERVICES</i> |
| 5151 FOUNDATION WORK, INCL. PILE DRIVING | 5451 PILE DRIVING AND FOUNDATION SERVICES |
| 51510 Foundation work, incl. pile driving | 54511 Pile driving services |
| | 54512 Foundation services |
| 5152 WATER WELL DRILLING | 5434* <i>WATER WELL DRILLING AND SEPTIC SYSTEM INSTALLATION SERVICES</i> |
| 51520 Water well drilling | 54341 Water well drilling services |
| 5153 ROOFING AND WATER PROOFING | 5453* <i>CONSTRUCTION FRAMING SERVICES</i> |
| | 5454 ROOFING AND WATER PROOFING SERVICES |
| 51530 Roofing and water proofing | 54532 Roof framing services |
| | 54540 Roofing and water proofing services |
| 5154 CONCRETE WORK | 5455 CONCRETE SERVICES |
| 51540 Concrete work | 54550 Concrete services |
| 5155 STEEL BENDING AND ERECTION (INCL. WELDING) | 5456 STRUCTURAL STEEL ERECTION SERVICES |
| 51550 Steel bending and erection (incl. welding) | 54560 Structural steel erection services |
| 5156 MASONRY WORK | 5457 MASONRY SERVICES |
| 51560 Masonry work | 54570 Masonry services |
| 5159 OTHER SPECIAL TRADE CONSTRUCTION WORK | 5459 OTHER SPECIAL TRADE CONSTRUCTION SERVICES |
| 51590 Other special trade construction work | 54590 Other special trade construction services |
| 516 INSTALLATION WORK | 546 INSTALLATION SERVICES |
| | 547* <i>BUILDING COMPLETION AND FINISHING SERVICES</i> |
| 5161 HEATING, VENTILATION AND AIR CONDITIONING WORK | 5463 HEATING, VENTILATION AND AIR CONDITIONING INSTALLATION SERVICES |
| 51610 Heating, ventilation and air conditioning work | 54631 Heating installation services |
| | 54632 Ventilation and air conditioning installation services |
| 5162 WATER PLUMBING AND DRAIN LAYING WORK | 5434* <i>WATER WELL DRILLING AND SEPTIC SYSTEM INSTALLATION SERVICES</i> |
| | 5462 WATER PLUMBING AND DRAIN LAYING SERVICES |
| 51620 Water plumbing and drain laying work | 54342 Septic system installation |
| | 54621 Water plumbing services |
| | 54622 Drain laying services |
| 5163 GAS FITTING CONSTRUCTION WORK | 5464 GAS FITTING INSTALLATION SERVICES |
| 51630 Gas fitting construction work | 54640 Gas fitting installation services |