

# WORLD TRADE ORGANIZATION

RESTRICTED

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**Committee on Specific Commitments**

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

Note by the Secretariat

Addendum

### **AGRICULTURAL, MINING AND MANUFACTURING SERVICES**

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 at its 10-14 February 1997 Session the draft CPC Rev.1 proposed by the Voorburg group. A definitive version of Rev.1 has now been finalized and will soon be distributed to Members. This document will allow Members to consult directly the concordances tables and the definitions mentioned in the present note and to compare them with the CPC provisional structure and definitions if they feel it useful to do so. This is why, contrary to the preceding sectoral studies on tourism, energy, transport, distribution and construction, the concordance tables and the definitions have not been annexed to the present note.

3. The purpose of the present note is to analyse in detail the modifications brought by the CPC rev.1 as regards Agricultural, Mining and Manufacturing services, which are parts of the other business services sub-sector in the business services sector as defined in the GNS Classification.<sup>1</sup> It will proceed through a comparison of the complete structures of both classifications as put in concordance by the CPC drafters and as well through 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 "*rXXXX*".

4. In the present note, it has been thought more appropriate to retain the technical terms put forward in the provisional CPC's preface, and used by the Voorburg Group when communicating with the Secretariat, instead of those -- referring to the numbering of the digits -- previously used in the series of notes already issued by the Secretariat as to the tourism, distribution, construction, energy and transport sectors. The coding system of the CPC is described as follows in paragraph 33 of prov CPC preface: "*The coding system of CPC is hierarchical and purely decimal. The classification consists of sections (identified by the first digit), divisions (identified by the first and second digit), groups (identified by the first three digits), classes (identified by the first four digits) and subclasses (identified*

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<sup>1</sup>See document MTN.GNS/W/120. The other components of the other business services sector have been examined in document S/CSC/W/11.

by all five digits, take together). The codes for the section range from 0 through 9 and each section may be divided into nine divisions. At the third digit of the code each division may, in turn, be divided into nine groups which would then be further divided into nine classes and then into nine subclasses." Paragraph 35 of prov CPC preface adds: "Where a given level of classification is not further subdivided, a "0" is used in the position for the next more detailed level." The following chart summarizes the correspondence between these two languages.

One-digit item	Section
Two-digits item	Division
Three-digits item	Group
Four-digits item	Class
Five-digits item	Subclass

5. The abbreviation "n. e. c." means "not elsewhere classified". The signification of the asterisks in the concordance table is the following:

xxx\*: The item is wider than its correspondent in the other version of CPC. This means that it corresponds to several items in the other version of CPC and has consequently a wider scope according to the related explanatory notes. Asterisks always appear in the right-hand column of concordance tables.

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\*\*\*\*2 The series of asterisks before the last digit aims at avoiding the repetition of the four previous digits when a set of items having the same prefix is referred.

6. Division p88 "Agricultural, mining and manufacturing services" has been split into two new rev divisions, division r86 "Production services, on a fee or contract basis", and division r87\* "Maintenance and repair services". As a general matter, the Voorburg Group has indicated to the Secretariat that there has been no change in coverage or content of class: the new division corresponds in full to the old one.

7. At the third digit level, it appears that only one group has been transferred under division r87, namely group p886 "Repair services incidental to metal products, machinery and equipment", all others being transferred under division r86. It should be noted that:

- Group p881 "Services incidental to agriculture, hunting and forestry" and group p882 "Services incidental to fishing" have been merged into a new group r861\* "Agricultural, hunting, forestry and fishing services";
- Group p883 "Services incidental to mining" has been merged with group p887 "Services incidental to energy distribution", both now corresponding to group r862\* "Mining services, and electricity, gas and water distribution services through mains on a fee or contract basis";

- Group p884 *"Services incidental to manufacturing, except to the manufacture of metal products, machinery and equipment"* has been disaggregated into two new rev groups, group r863 *"Manufacture services, except of metal products, machinery and equipment"* and group r869 *"Other manufacture services"*;
  - Group p885 *"Services incidental to the manufacture of metal products, machinery and equipment"* has been split into two new groups, group r864 *"Manufacturing services of metal products, machinery and equipment"* and group r865 *"installation services (other than construction)"*.
8. At the four-digit and at the five-digit levels, modifications brought in general by the CPC rev. 1 are the following<sup>2</sup>:
- In all titles, the *"services incidental to ... "* pattern is replaced by the *"... services"* pattern, except for group p887 *"Services incidental to energy distribution"*, which corresponds to group r862<sup>\*3</sup> *"Mining services, and electricity, gas and water distribution services through mains on a fee or contract basis"*.
  - Four subclasses -- instead of only one subclass (p88700\* *"Services incidental to energy distribution"*) under corresponding class p8870 -- are now attached to class r8622 *"Services incidental to electricity, gas and water supply"*: namely, subclass r86221 *"Electricity transmission and distribution services (on a fee or contract basis)"*, subclass r86222 *"Gas distribution services through mains (on a fee or contract basis)"*, subclass r86223 *"Water distribution services through mains (on a fee or contract basis)"* and subclass r86224 *"Steam and hot water distribution services through mains (on a fee or contract basis)"*.
  - In all titles, the *"manufacture of ... "* pattern is replaced by the *"manufacturing services of ... "* pattern, except when the manufacturing services are designated by a specific verb (such as *"forging, pressing, stamping and roll forming"* in subclass r86421), and except for new rev corresponding subclasses which do not involve manufacturing process (e. g. subclass r86520 *"Installation services of fabricated metal products, except machinery and equipment"*, which corresponds to class p8852 *"Manufacture of fabricated metal products, except machinery and equipment, on a fee or contract basis"*).
  - In all titles, the expression *"on a fee or contract basis"* is deleted, except in the following rev classes and subclasses where it is newly introduced or reintroduced: class r8691 *"Publishing, on a fee or contract basis"* and related single-subclass r86910, class r8692\* *"printing and reproduction services of recorded media, on a fee or contract basis"* and related single-subclass r86920, and class r8693 *"Recycling services, on a fee or contract basis"* and related subclasses r86931 *"Metal waste and scrap recycling services, on a fee or contract basis"* and r86932 *"Non-metal waste and scrap recycling services, on a fee or contract basis"*; this also concerns the whole range of items under group r862 *"Mining services, and electricity, gas and water distribution services through mains on a fee or contract basis"*.

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<sup>2</sup>Except the modifications indicated, explanatory notes in corresponding subclasses remain identical.

<sup>3</sup>The asterisk is due to the fact that this new group includes classes and subclasses related to other part of prov. In fact, to the extent that p887 classes and subclasses are involved, there is a strict correspondence with the new related classes and subclasses.

9. As to group p881, the sole modification brought at the four-digit and at the five-digit levels by the CPC rev 1 is the disaggregation of subclass p88120 *"Services incidental to animal husbandry"* into two new subclasses, subclass r86121 *"Farm animal husbandry services"* and subclass r86129 *"Other animal husbandry services"*.

10. As to group p884, modification brought at the four-digit and at the five-digit levels by the CPC rev 1 are the following:

- At the five-digit level, subclass p88442 *"Publishing and printing, on a fee or contract basis"* has been split into three new subclasses, namely subclass r86910 *"Publishing, on a fee or contract basis"*, subclass r86921 *"Printing services and services related to printing, on a fee or contract basis"* and subclass r86922 *"Reproduction services of recorded media, on a fee or contract basis"*. As a consequence, class p8844 *"Manufacture of paper and paper products; Publishing and printing, on a fee or contract basis"* has been disaggregated into three new classes: class r8634 *"Paper and paper product manufacturing services"*, under which is placed subclass r86340 *"Paper and paper product manufacturing services"* (corresponding to the first subclass under class p8844, i. e. subclass p88441 *"Manufacture of paper and paper products, on a fee or contract basis"*), and class r8691 *"Publishing, on a fee or contract basis"* and class r8692\* *"Printing and reproduction services of recorded media, on a fee or contract basis"*, which are each placed above the two newly created subclasses.
- Class p8849 *"Manufacture of furniture; Manufacture of other articles n. e. c.; Recycling, on a fee or contract basis"* has been split into two new classes, class r8639 *"Other manufacturing services, except of metal products, machinery and equipment"* and class r8693 *"recycling services, on a fee or contract basis"*. At the subclass level, subclass p88491 *"Manufacture of furniture on a fee or contract basis"* and subclass p88492 *"Manufacture of other articles n. e. c., on a fee or contract basis"* have been merged into single-subclass r86390 *"Other manufacturing services, except of metal products, machinery and equipment"*, which is placed under class r8693, and subclass p88493 *"Recycling on a fee or contract basis"* has been disaggregated into two new subclasses, subclass r86931 *"Metal waste and scrap recycling services, on a fee or contract basis"* and subclass r86932 *"Non-metal waste and scrap recycling services, on a fee or contract basis"*, which are placed under class r8693.

11. Since group p885 *"Services incidental to the manufacture of metal products, machinery and equipment"* has been split into two new groups, group r864 *"Manufacturing services of metal products, machinery and equipment"* and group r865 *"installation services (other than construction)"*, it appears that each prov class has been shared between group r864 and group r865, except class p8851 *"Manufacture or basic metals on a fee or contract basis"*, only related to class r8641 *"Basic metal manufacturing services"*, and class p8858 *"Manufacture of motor vehicles, trailers and semi-trailers, on a fee or contract basis"*, which only concords with class r8643\* *"Transport equipment manufacturing services"*.

12. On the one hand, the complete structure of group p885\* corresponds to the structure of new group r865, except for the case of class r8651 *"Installation services of turnkey project"* which has been linked to prov CPC p8673\* *"Integrated engineering services"*, the subclasses of prov CPC under class p8673\* being linked accordingly to the subclasses under CPC rev.1 class r8651.

13. As to the wording of titles, the *"installation services of ..."* pattern has been substituted to the *"manufacture of ..., on a fee or a contract basis"* pattern, with, in the case of class p8854\* and single-subclass p88540\*, deletion in corresponding class r8654 and single-subclass r86540 of *"accounting"*

machinery in the list of the types of machinery already covered (office and computing machinery), and, in the case of class p8857\* and single-subclass p88570, deletion in corresponding class r8657 and single-subclass r86570 of the mention of watches and clocks and addition of the adjective "professional" to the list of adjectives defining the type of instruments installed ("medical, precision and optical").

14. On the other hand, the disaggregation of p885 classes has also partly produced a new single-subclass r8644\* *"Machinery and equipment, except transport equipment, manufacturing services"*, based on the aggregation of the following classes (and none of the others): class p8853\* *"Manufacture of machinery and equipment n. e. c., on a fee or contract basis"*, class p8854\* *"Manufacture of office accounting and computing machinery, on a fee or contract basis"*, class p8855\* *"Manufacture of electrical machinery and apparatus n. e. c., on a fee or contract basis"*, class p8856\* *"Manufacture of radio, television and communication equipment and apparatus, on a fee or contract basis"*, and class p8857\* *"Manufacture of medical precision and optical instruments, watches and clocks, on a fee or contract basis"*. Finally, the aggregation of class p8858 *"Manufacture of motor vehicles, trailers and semi-trailers, on a fee or contract basis"* and of class p8859 *"Manufacture of other transport equipment, on a fee or contract basis"* has produced the new class r8643 *"Transport equipment manufacturing services"*.

15. Subclass p88510 *"Manufacture of basic metals on a fee or contract basis"* has been divided into two new subclasses, subclass r86411 *"Metal casting services"* and r86419 *"Other basic metal manufacturing services"*.

16. Class p8852 *"Manufacture of fabricated metal products, except machinery and equipment, on a fee or contract basis"*, which has no lower level, has been divided into two new classes -- namely, class r8642 *"Fabricated metal product, except machinery equipment, manufacturing services and metal working service"* and class r8652 *"Installation services of fabricated metal products, except machinery and equipment"* --, and into five subclasses:

- subclass r86421 *"metal forging, pressing, stamping and roll forming services"*, subclass r86422 *"Metal treatment and coating services"*, subclass r86423 *"General mechanical engineering services"*, and Subclass r86429 *"Other fabricated metal product manufacturing services and metal working services"*, which all of four depend from class r8642,
- and subclass r86520 *"Installation services of fabricated metal products, except machinery and equipment"*, which depends from class r8652.

17. Subclass p88530 *"Manufacture of machinery and equipment n.e.c., on a fee or contract basis"* corresponds to subclass r86449 *"Other machinery and equipment manufacturing services"* and subclass r86530 *"Installation of machinery and equipment n.e.c."*.

18. Subclass p88540 *"Manufacture of office, accounting and computing machinery, on a fee or contract basis"* concords with r86441 *"Office, accounting and computing machinery manufacturing services"* and r86540 *"Installation services of office and computing machinery"*.

19. Subclass p88550 *"Manufacture of electrical machinery and apparatus n.e.c, on a fee or contract basis"* corresponds to subclass r86442 *"Electrical machinery and apparatus manufacturing services"* and subclass r86550 *"Installation services of electrical machinery and apparatus n.e.c."*.

20. Subclass p88560 *"Manufacture of radio, television and communication equipment and apparatus, on a fee or contract basis"* is connected to subclass r88443 *"Radio, television and communication"*

*equipment, manufacturing services" and subclass r86560 "installation services of radio, television and communications equipment and apparatus".*

21. Subclass *p88570 "Manufacture of medical precision and optical instruments, watches and clocks, on a fee or contract basis"* relates to subclass *r86444 "medical precision and optical instruments, watch and clock manufacturing services"* and subclass *r86570 "Installation services of professional medical, precision and optical instruments"*.

22. Subclass *p88580 "Manufacture of motor vehicles, trailers and semi-trailers, on a fee or contract basis"* corresponds with subclass *r86431 "Motor vehicles, trailer and semi-trailer manufacturing services"*.

23. Finally, subclass *p88590 "Manufacture of other transport equipment"* concords with subclass *r86439 "Other transport equipment manufacturing services"* and subclass *r86590 "Installation services of other goods n. e. c."*.

24. Other modifications brought to p885 at the four-digit and at the five-digit levels by the CPC rev 1 are the following:

- Subclass *p88510 "Manufacture of basic metals on a fee or contract basis"* has been divided into two new subclasses, subclass *r86411 "Metal casting services"* and *r86419 "Other basic metal manufacturing services"*.
- Class *p8852 "Manufacture of fabricated metal products, except machinery and equipment, on a fee or contract basis"*, which has no lower level, has been divided into two new classes -- namely, class *r8642 "Fabricated metal product, except machinery equipment, manufacturing services and metal working service"* and class *r8652 "Installation services of fabricated metal products, except machinery and equipment"* -, and into five subclasses: subclass *r86421 "metal forging, pressing, stamping and roll forming services"*, subclass *r86422 "Metal treatment and coating services"*, subclass *r86423 "General mechanical engineering services"*, which all of three depend from class *r8642*, and subclass *r86520 "Installation services of fabricated metal products, except machinery and equipment"*, which depends from class *r8652*.

25. Group *p886 "Repair services incidental to metal products, machinery and equipment"* corresponds to group *r871 "Maintenance and repair services of fabricated metal products, machinery and equipment"*. The following modifications should be noted:

- On every sub-items, the expression "repair services" have been replaced by the expression "maintenance and repair services", and "metal products" are now referred as "fabricated metal products".
- The structure of group *r871* at the four-digit level is simpler than in *p886*, in so far as new class *r8715\* "Maintenance and repair services of other machinery and equipment"* corresponds to the aggregation of four *p886* classes, namely class *p8862 "Repair services of machinery and equipment n. e. c., on a fee or contract basis"*, class *p8864 "Repair services of electrical machinery and apparatus n. e. c., on a fee or contract basis"*, class *p8865 "Repair services of radio, television and communication equipment and apparatus, on a fee or contract basis"*, and class *p8866\* "Repair services of medical, precision and optical instruments, watches and clocks, on a fee or contract basis"*, and in so far as new class *r8714\* "Maintenance and repair services of transport machinery and equipment"* results from the merger of original class *p8867 "Repair*

*services n. e. c. of motor vehicles, trailers and semi-trailers, on a fee or contract basis"* and class p8868 *"Repair and maintenance services of other transport equipment, on a fee or contract basis"*.<sup>4</sup>

- Class p8863 *"Repair services n. e. c. of office, accounting and computing machinery, on a fee or contract basis"* has been split into class p8712 *"Maintenance and repair services of office and accounting machinery"* and class p8713 *"Computer hardware servicing, repair and maintenance"*. As a result, single-subclass p88630 has been disaggregated into two new subclass r87120 and r87130.
- Class p8866 *"Repair services of medical, precision and optical instruments, watches and clocks, on a fee or contract basis"* has been split into two new rev classes, namely class r8715\* *"Maintenance and repair services of other machinery and equipment"* and class r8722\* *"Watches, clocks and jewellery repair services"*. As a result, at the five-digit level, single-subclass p88660 *"Repair services of medical, precision and optical instruments, watches and clocks, on a fee or contract basis"* corresponds to two new subclasses: subclass r87154 *"Repair services of medical, precision and optical instruments"* and subclass r87220 *"Watches, clocks and jewellery repair services"*.

26. As to group p887, it only appears that single-subclass p88700 *"Services incidental to energy distribution"* has been split into two new subclasses: subclass r86221 *"Services incidental to electricity and gas supply"* and subclass r86222 *"Services incidental to water supply"*. The class p8870 *"Services incidental to energy distribution"* corresponds to the new class r8622 *"Services incidental to electricity, gas and water supply"* (for more information on new developments, see document S/CSC/W/6/Add.1 on energy).

27. Finally, it is important to bear in mind that division p88 has no explanatory notes, except very limited and general ones at the three-digit level. Since the new features of corresponding rev divisions include the attachment of explanatory notes at the five-digit level, a comparison item by item similar to the one which has been proposed for other divisions is impossible to provide.

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<sup>4</sup>Both new class r8715\* *"Maintenance and repair services of other machinery and equipment"* and class r8714\* *"Maintenance and repair services of transport machinery and equipment"* aggregate also classes or parts of classes originated from other prov divisions (p61, p63 and p75). In this respect, asterisks are maintained in so far as these other related subclasses are not cited in the present paper.