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Working Party on International Trade in Goods and Trade in Services Statistics

SUMMARY OF CROSS-CUTTING ISSUES

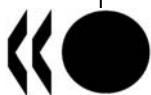
Item 11b iii) of the Agenda

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SUMMARY OF CROSS-CUTTING ISSUES

Adapted from a note prepared by OECD and WTO for a joint meeting of the merchandise trade and trade in services task forces at UNIDO in Vienna 28 March 2008

1. Introductory section

1. The Revisions of 1993 SNA, the Balance of Payments Manual (BPM5), the product classifications CPC and HS, and the industry classification ISIC create a number of fresh challenges for trade statisticians which need to be reflected in the on-going process of the revisions of the International Merchandise Trade Statistics Concepts and Definitions Revision 3 (IMTS Rev.3) and of the Manual on Statistics of International Trade in Services Revision 1 (MSITS Rev.1).

2. Firstly a much greater divergence between the balance of payments trade in goods and merchandise trade statistics can be expected. The former will now follow more strictly the change in ownership principle between residents and non-residents and less the physical movement of goods. With globally organised manufacturing systems, cross-border movements of goods seem increasingly to be occurring during the production and commercialisation processes, without a corresponding change of ownership or with the owner not being located in the country where goods are produced/packaged/stored.

3. Secondly there is increased trade in digitised products that can be delivered either by physical media or electronically, or with which there are a range of licensing agreements to use or reproduce, which challenge the breakdown into goods or services.

4. Thirdly the accounting practices of multinationals, the existence of common markets and currency unions, the mobility of intangible assets, and the rise of e-commerce increasingly complicate the compilation, reconciliation and interpretation of national trade and balance of payments statistics.

5. Fourthly compatibility issues exist between trade statistics and statistics on production and employment when, for example, combining trade statistics with business statistics in input-output tables or in other analytical exercises.

6. Neither the customs-based merchandise trade system nor the balance of payments system are at present conceptually adequate to provide a complete, detailed and analytically useful view of trade in goods and services. It is also becoming more difficult to unambiguously split products into the two categories of goods and services as the distinction is increasingly unclear for some categories of products. In those cases, alternative groupings and divisions may be more interesting. It may become necessary to consider a new view of trade in “products” with a unified classification that meets various trade analytical needs.

7. This note identifies issues that cross-cut goods and services. The following pages set out some relevant decisions of the revision processes of SNA and other frameworks and identifies some questions and ideas on the way ahead.

8. A summary list of cross-cutting issues affecting goods and services includes:
- Goods for processing in IMTS and Manufacturing services in BOP
 - Intra-firm trade in goods and services
 - Merchanting
 - Repairs and maintenance
 - Trade in digital products, like computer software and music, which are partly goods in IMTS and partly services in BOP
 - How to present trade in goods and trade in services together as trade in products
 - E-commerce
 - Linking trade in goods and services to industry data
 - Travel
 - Government n.i.e
 - Are there any others?
9. A particular question is how best to present guidance on the treatment of cross-cutting issues in the revised trade statistics manuals IMTS and MSITS. Should the same guidance appear in both?

2. Decisions on concepts and issues for data collection

Decisions on concepts and issues for data collection					
Issue	Production	Trade		Data collection	
	1993 SNA Rev.1	BOP6/MSITS Rev.1	IMTS Rev.2/3	Present	Issues
<p>Goods for processing/manufacturing services on physical inputs owned by others</p>	<p>AEG decision: The recommendation is for ... recording on a change of ownership basis. [Chapter 26 will describe the new practice but is not available yet], however chapter 14 holds a reference: [14.73] Goods sent abroad from economy X to economy Y for processing without changing ownership, after which they are returned to economy X, are not shown as either exports of goods from X to Y or subsequently as exports of goods from Y to X. Instead the difference in value between the goods after processing compared with the value before processing is shown as an export of service from Y to X.</p>	<p>Included in services account [10.55]. Manufacturing services on physical inputs owned by others cover processing, assembly, labelling, packing, etc., undertaken by enterprises that do not own the goods concerned. The...entity that does not own the goods... is paid a fee by the owner. ...no general merchandise transaction is recorded between the processor and the owner.</p> <p>[10.62] The gross values of goods sent abroad for manufacturing without change of ownership should be identified as supplementary items in economies where they are significant.</p> <p>[10.63] ...only the fee for the service rendered is included under this item.</p> <p>[10.63] If the processed goods are subsequently sold by the owner to a resident of the processing economy or a third economy, the sale of the good is recorded as an export of a good (in general merchandise or possibly merchanting, depending on the arrangements) by the economy of the owner and as an import of a good by the importing country.</p>	<p>IMTS Rev.2 [28] These are goods sent abroad or brought into a country for processing, including processing under contract. Examples are oil refining, metal processing, vehicle assembly and clothing manufacture. These goods and goods resulting from such processing should be recorded as imports and exports of the respective countries.</p> <p>IMTS Rev.3 [EGM] ...include goods for processing with physical inputs owned by others in IMTS but record separately using customs as well as non-customs sources.</p>	<p>Supplement IMTS Compilers Guide[1.10] 93.6% developed and 79.8% of developing and transitional countries include these goods in their merchandise trade statistics. Countries reported also that valuation of such goods is on a gross basis. It should be noted that countries are usually unable to separately identify goods for processing if they are not so declared.</p>	<p>- How to ensure identification of gross flows according to BPM6 [10.62] and [10.63]?</p> <p>- How to estimate the processing fee according to BPM6 [10.63]?</p> <p>- in SNA93 Rev.1 [14.73]: Difference in gross values (after/before) processing taken as processing fee, is this a good estimate?</p> <p>What data are already collected in ITRS and business surveys?</p> <p>Do we need a typology by movement of goods and location of owners?</p> <p>May need to be collected in BOP surveys of trade in goods and services, with special requirements for commodity flow data</p>

<p>Intra-firm trade</p>	<p>Own intermediate consumption [6.120] If a product is delivered by one establishment to another within the same enterprise, it is shown as output of the first establishment and intermediate consumption of the second. However, if a production account is being compiled for the enterprise, it may be preferable to show the product as both output and intermediate consumption of the enterprise rather than to consolidate it out. This may be the case particularly for ancillary services provided by a separate establishment.</p> <p>[6.122] Output for own use should be valued at the basic price at which the goods and services could be sold if offered for sale on the market.</p>	<p>[10.10] Goods and services may be provided between affiliated enterprises. For example, where a direct investor temporarily provides equipment to its direct investment enterprise, there may be an operational lease. Management and ancillary services may also be provided, ... These cases may give rise to issues of valuation,...</p> <p>[10.33] In some cases an estimate of a market-equivalent price may need to be made...For example, ... , provision of goods and services between affiliated enterprises,</p>	<p>IMTS Rev.2 [29] Goods which cross borders as a result of transactions between parent corporations and their direct investment enterprises (affiliates/branches) are to be included in merchandise trade.</p> <p>IMTS Rev.3 [EGM] recommendation for inclusion of intra-firm trade and separate reporting be strengthened.</p>	<p>Supplement IMTS Compilers Guide [1.12] All developed countries include this category of goods into their trade statistics. For developing and transitional countries it proved to be more difficult to implement as only 67% of them confirmed compliance (18% indicated not to include these goods and 14.9% provided no answer or indicated that it was not applicable).</p>	<p>- How to improve identification and valuation of intra-firm trade flows in both trade in goods and services?</p>
<p>Merchanting</p>	<p>AEG recommendation: ...goods acquired by global manufactures, wholesalers and retailers and those cases of commodity dealing being settled in the commodity should be recorded as negative exports on acquisition and positive exports on disposal. The difference between the two appears in exports of goods (consistent with the goal of a zero global balance on goods) but appears as the production of a service in the merchant's economy, consistent with margins applied to domestically produced goods. In the case where goods are acquired in one period and not disposed of until a subsequent period, there will appear in changes in inventories of</p>	<p>Included in goods account</p> <p>[10.40] The treatment of merchanting is:</p> <ul style="list-style-type: none"> • the acquisition of goods by merchants is shown under goods as a negative export of the economy of the merchant; • the sale of goods is shown under goods sold under merchanting as a positive export of the economy of the merchant; and • the difference between sales over purchases of goods for merchanting is shown as the item "net exports of goods under merchanting" <p>This item includes merchants' margins, holding gains and losses, and changes in inventories of goods</p>	<p>IMTS Rev.2 [50] Goods which are acquired and relinquished within the compiling country, by non-residents, within the same recording period, and which do not cross the frontiers of this country. These are excluded from international merchandise trade statistics. Any difference between the value of the goods when acquired and the value when relinquished is recorded as merchanting under other business services in the national accounts and the balance</p>	<p>BPM Compilation Guide [138] Best collected through enterprise surveys, on gross basis and by commodity.</p>	<p>- Moved from services to goods account but who is going to collect the respective figures? May need to be collected in BOP surveys covering trade in goods and services</p>

	<p>the merchant even though these inventories are held abroad. [chapter 26 may include further detail but is not available yet]</p>	<p>under merchanting. As a result of losses or increases in inventories, net exports of goods under merchanting may be negative in some cases. • Merchanting entries are valued at transaction prices, not FOB.</p> <p>[10.41] Merchanting items appear only as exports in the accounts of the economy of the territory of the merchant. In the counterpart exporting and importing economies, export sales to merchants and import purchases from merchants are included indistinguishably with other goods under general merchandise.</p>	<p>of payments.</p> <p>IMTS Rev.3 [EGM] ...exclude goods under merchanting (clarify trade in aircraft and vessels in this respect).</p>		
<p>Repair and maintenance</p>		<p>Included in service account</p> <p>[10.59]. Repairs and maintenance n.i.e. cover repair and maintenance work by residents on goods that are owned by non-residents (and vice versa). The repairs may be performed at the site of the repairer or elsewhere. Repair on maintenance on ships, aircraft and other transport equipment is included. Construction repairs and maintenance are excluded; they are included under construction services. Repairs and maintenance of computers are included under computer services.</p> <p>[10.60]. The value recorded for repairs is the value of the repairs—not the value of the goods before and after repairs.</p>	<p>[61] This category comprises goods temporarily crossing borders for repair abroad, i.e., activity that reinstates the impaired quality of the existing goods and does not result in the creation of a new product...This category excludes construction repairs, computer repairs, and maintenance performed in ports and airports on transportation equipment. These three activities are recorded as services.</p> <p>[123]. ...be valued at the repair only, that is, the fees paid or received, cost of replaced parts, etc.</p>	<p>Supplement IMTS Compilers Guide [Annex 2, p.26] 51.9% of developed countries and 46.8% of developing and transition countries exclude goods for repair from merchandise trade.</p>	<p>- Why do we distinguish computer repair from other repairs?</p> <p>- Can we estimate the services and materials components of repairs?</p>

<p>Computer software (as for some other digitised products/ intellectual property products)</p>	<p>[10.111] The development of computer software represents the development of an intellectual property product. It is treated as an asset if it is to be used in production by its developer for more than one year. The software may be intended only for own use or may be intended for sale by means of copies. If copies of the software are sold on the market, their treatment follows the principles described in paragraph 10.101. Software purchased on the market is valued at purchasers' prices, while software developed in-house is valued at its estimated basic price, or at its costs of production if it is not possible to estimate the basic price.</p> <p>[10.101] A copy sold outright may be treated as a fixed asset if it satisfies the necessary conditions, that is, it will be used in production for a period in excess of one year. A copy made available under a licence to use may also be treated as a fixed asset if it meets the necessary conditions, that is, it is expected to be used in production for more than one year and the licensee assumes all the risks and rewards of ownership. A good, but not necessary, indication is if the licence to use is purchased with a single payment for use over a multi-year period. If the acquisition of a copy of a licence to use purchased with regular payments over a multi-year contract is judged to meet the conditions of capital formation, then it should be regarded as the</p>	<p>see Annex 5 table 10.4</p>	<p>IMTS Rev.2 [27] Goods used as carriers of information and software. This category includes, for example, (a) packaged sets containing diskettes or CD-ROMs with stored computer software and/or data developed for general or commercial use (not to order), with or without a users' manual, and (b) audio- and videotapes recorded for general or commercial purposes ... However, (i) diskettes or CD-ROMs with stored computer software and/or data, developed to order, (ii) audio- and videotapes containing original recordings, and (iii) customized blueprints etc. are to be excluded from international merchandise trade statistics.</p> <p>IMTS, Rev.3 [EGM] ...recommendation of inclusion of standard packaged digital products be clarified.</p>	<p>Supplement IMTS Compilers Guide [Annex 2, p.25] Most of developed (88.9%) and developing and transitional countries (73.4%) include these goods in their statistics of external trade (more precisely, 16.0% of developing and transitional countries indicated not to include these goods and the remaining 10.6% provided no answer or indicated that it was not applicable). Countries reported also that valuation of such goods is based on their full value.</p>	<p>- How well can we implement the international recommendations with respect to software (e.g. differentiate the types of software: goods/services, licences to use/reproduce etc.?)</p> <p>- How well do SNA and BPM6 recommendations fit together?(see paper 29)</p> <p>Both software goods nad services may need to be collected in BOP surveys of trade in goods and services</p>
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	<p>acquisition of an asset under a financial lease. If regular payments are made for a licence to use without a long-term contract, then the payments are treated as payments for a service under an operating lease. If there is a large initial payment followed by a series of smaller payments in succeeding years, the initial payment is recorded as gross fixed capital formation and the succeeding payments are treated as payments for a service. If the licence allows the licensee to reproduce the original and subsequently assume responsibility for the distribution, support and maintenance of these copies, then this is described as a licence to reproduce and should be regarded as the sale of part or whole of the original to the unit holding the licence to reproduce.</p>				
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A possible typology of movement of goods for manufacturing services

Table 4.1 Classification of transactions relating to the processing of goods abroad in IMTS, Rev. 2 and BPM6

Case	IMTS, Rev. 2	BPM6/1993 SNA Rev.1	
	Whether or not substantially processed	Goods	Processing services
i	A: exports of X to B, then imports (or re-imports) of Y from B B: imports of X from A, then exports (or re-exports) of Y to A	A and B: no flow of goods as goods remain the property of sending country (A)	
ii	A: exports of X to B B: imports of X from A	A: exports of Y to B B: imports of Y from A (including processing fee)	A: imports from B B: exports to A
iii	A: exports of X to C B: imports of X from A, the exports (or re-exports) of Y to C C: imports of Y from B (or from A in the case of re-exports)	A: exports of Y to C (including processing fee) C: imports of Y from A (including processing fee)	

The BPM/SNA revision refers to case (i) only. Under previous guidelines, gross flows of goods moving from the sender's country (the client for the processing service) and returning to it needed to be identified separately for recording in a dedicated item, and recording a service transaction was not required.

Source: IMTS Supplement to the Compilers Guide (forthcoming)

Question: The above table appears in the draft "IMTS Supplement to Compilers Guide". Comments of delegates are invited on its adequacy to describe the relevant movements and ownership of goods for processing and manufacturing services?

3 Classification decisions to date

Classification				
Issue	CPC	ISIC Rev 4	BOPS/EBOPS rev 1	HS 2007
Repair and maintenance	Maintenance and repair services of fabricated metal products, machinery and equipment CPC 871 Repair services of other goods CPC 872	*Repair of fabricated metal products, machinery and equipment 331 (part of Section C manufacturing) *Repair of motor vehicles part of 452 (part of G wholesale and retail) *Repair of motor cycles part of 454 (part of G wholesale and retail) *Repair of computers and household goods 951 and 952 (part of S Other services)	Repairs and maintenance n.i.e - <i>BOP Standard Item with services</i> <i>This specifically excludes:</i> Construction repairs and maintenance are part of <i>Construction services</i> Computer repairs and maintenance are part of <i>Computer services</i>	Not applicable, but in practice may be coded at the customs frontier with the same products that change ownership
manufacturing services	Included with services: Manufacturing services on physical inputs owned by others CPC 88 and Other manufacturing services; publishing, printing and reproduction services; materials recovery services CPC 89	Same as manufacturing on own account	Manufacturing services on physical inputs owned by others - <i>BOP Standard Item with services</i> <i>For breakdown see Annex 3</i>	Not applicable, but in practice may be coded at the customs frontier with the products that change ownership
Software	Packaged software (included with goods) CPC 478 Licensing services for the right to use computer software and databases CPC 7331	*Software publishing 582 * Reproduction of software is part of 182 reproduction of recorded media * Retail sale of software, part of 4741 - Retail sale of computers, peripheral units, software and telecommunications	Outright purchase of standard software, on a DVD or CD or other recorded media, that conveys a perpetual license to use is included as part of <i>General merchandise (in goods)</i>	HS 2007 does not distinguish recorded and unrecorded media. Thus a blank DVD, software on a DVD or a video on a DVD would be in principle assigned the same HS 2007 code.

	<p>Information technology (IT) design and development services CPC 8314, which is divided into the following Subclasses:</p> <p>83141 - IT design and development services for applications 83142 - IT design and development services for networks and systems 83143 - Software originals</p> <p>Software downloads CPC 8434 Online use of software CPC 84392</p>	<p>equipment in specialized stores * Computer programming activities 6201 * On-line provision of software (application hosting and application service provisioning), part of 6311 Data processing, hosting and related activities</p>	<p><i>Computer services</i> includes: Sales of customised software; development of customised software; software downloads; licenses to use standard software (with a periodic license fee); sales and purchases of software originals; software installation and maintenance; software consultancy; analysis, design and programming of systems including web page development; etc</p>	
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4 General questions discussed in Vienna

Given i) the anticipated greater divergence between merchandise trade statistics and trade in goods within the balance of payments and SNA and ii) the inclusion as services of e.g. manufacturing services, where a large part of activity is captured in IMTS, and iii) the need to consider the economic characteristics of traders, some questions arise:

- 1 Do the above tables clearly and accurately describe the issues?
- 2 What needs to be done to improve coherence between the revised Manuals on IMTS and the SITS, given their different conceptual bases?
- 3 Do we need to develop new ways to present trade figures?
(An example for illustrative purposes could be a consolidated view of goods and services trade giving as much ISIC-based detail as possible)
- 4 In the revised statistical frameworks, do the two aggregates, trade in goods and trade in services, have as much analytical value as previously?
 - a. If not, what aggregates should we present as the major ones for trade?
 - b. Is there a need for a unified concept of trade in “products” with a purpose-built trade classification linked to CPC?
- 5 What needs to be done to improve the links between trade in goods and services and statistics on production and employment?
- 6 Should we take a broader perspective in addressing also links with Input-Output tables, transport, energy, the role of multinationals and the like?
- 7 Do we need to encourage development of a more detailed standard classification of goods in the balance of payments (e.g. agriculture, mining or manufactures, etc.)?
- 8 What other issues are impacting on measurement of trade in both goods and services?
- 9 What are the current and the foreseeable future analytical needs for trade in goods and services statistics and indicators that we need to address? Suggestions are invited on work that needs to be done by the trade statistical community and in consultation with whom?

Annex 1

Production as an economic activity in 1993 SNA Rev.1

Products are goods and services (including knowledge-capturing products) that result from a process of production.

Goods are physical, produced 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.

Services are the result of a production activity that changes the conditions of the consuming units, or facilitate the exchange of products or financial assets. These types of service may be described as transformation services and margin services respectively. Transformation services are outputs produced to order and typically consist of changes in the conditions of the consuming units realized by the activities of producers at the demand of the consumers. Transformation services are not separate entities over which ownership rights can be established. They cannot be traded separately from their production. By the time their production is completed, they must have been provided to the consumers. Margin services result when one institutional unit facilitates the change of ownership of goods, knowledge-capturing products or financial assets between two other institutional units. Margin services are provided by wholesalers and retailers and by many types of financial institutions. Margin services resemble transformation services in that they are not separate entities over which ownership rights can be established. They cannot be traded separately from their production. By the time their production is completed they must have been provided to the consumers.

The measurement of output – 1993 SNA Rev.1

Production is an activity carried out by an establishment. It may not always be clear whether an establishment is producing a good or is providing a service. For example, an oil refinery processing crude oil that it owns is producing a good (refined petroleum); if the same refinery processes crude oil belonging to another unit, then it is providing a refinery service to that unit. This lack of clarity may often appear for goods passing between establishments of the same enterprise and it is important to know when to record the output of a good and when of a transformation service. When the establishments belong to different enterprises (that is to different institutional units), the defining principle is that of economic ownership.

Annex 2

ISIC Rev.4 (draft) Top level

- A - Agriculture, forestry and fishing
- B - Mining and quarrying
- C - Manufacturing
- D - Electricity, gas, steam and air conditioning supply
- E - Water supply; sewerage, waste management and remediation activities
- F - Construction
- G - Wholesale and retail trade; repair of motor vehicles and motorcycles
- H - Transportation and storage
- I - Accommodation and food service activities
- J - Information and communication
- K - Financial and insurance activities
- L - Real estate activities
- M - Professional, scientific and technical activities
- N - Administrative and support service activities
- O - Public administration and defence; compulsory social security
- P - Education
- Q - Human health and social work activities
- R - Arts, entertainment and recreation
- S - Other service activities
- T - Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use
- U - Activities of extraterritorial organizations and bodies

ISIC Rev.4 Second level

- A - Agriculture, forestry and fishing
 - 01 - Crop and animal production, hunting and related service activities
 - 02 - Forestry and logging
 - 03 - Fishing and aquaculture
- B - Mining and quarrying
 - 05 - Mining of coal and lignite
 - 06 - Extraction of crude petroleum and natural gas
 - 07 - Mining of metal ores
 - 08 - Other mining and quarrying
 - 09 - Mining support service activities
- C - Manufacturing
 - 10 - Manufacture of food products
 - 11 - Manufacture of beverages
 - 12 - Manufacture of tobacco products
 - 13 - Manufacture of textiles
 - 14 - Manufacture of wearing apparel
 - 15 - Manufacture of leather and related products
 - 16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
 - 17 - Manufacture of paper and paper products
 - 18 - Printing and reproduction of recorded media
 - 19 - Manufacture of coke and refined petroleum products
 - 20 - Manufacture of chemicals and chemical products
 - 21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations

- 22 - Manufacture of rubber and plastics products
- 23 - Manufacture of other non-metallic mineral products
- 24 - Manufacture of basic metals
- 25 - Manufacture of fabricated metal products, except machinery and equipment
- 26 - Manufacture of computer, electronic and optical products
- 27 - Manufacture of electrical equipment
- 28 - Manufacture of machinery and equipment n.e.c.
- 29 - Manufacture of motor vehicles, trailers and semi-trailers
- 30 - Manufacture of other transport equipment
- 31 - Manufacture of furniture
- 32 - Other manufacturing
- 33 - Repair and installation of machinery and equipment
- D - Electricity, gas, steam and air conditioning supply
 - 35 - Electricity, gas, steam and air conditioning supply
- E - Water supply; sewerage, waste management and remediation activities
 - 36 - Water collection, treatment and supply
 - 37 - Sewerage
 - 38 - Waste collection, treatment and disposal activities; materials recovery
 - 39 - Remediation activities and other waste management services
- F - Construction
 - 41 - Construction of buildings
 - 42 - Civil engineering
 - 43 - Specialized construction activities
- G - Wholesale and retail trade; repair of motor vehicles and motorcycles
 - 45 - Wholesale and retail trade and repair of motor vehicles and motorcycles
 - 46 - Wholesale trade, except of motor vehicles and motorcycles
 - 47 - Retail trade, except of motor vehicles and motorcycles
- H - Transportation and storage
 - 49 - Land transport and transport via pipelines
 - 50 - Water transport
 - 51 - Air transport
 - 52 - Warehousing and support activities for transportation
 - 53 - Postal and courier activities
- I - Accommodation and food service activities
 - 55 - Accommodation
 - 56 - Food and beverage service activities
- J - Information and communication
 - 58 - Publishing activities
 - 59 - Motion picture, video and television programme production, sound recording and music publishing activities
 - 60 - Programming and broadcasting activities
 - 61 - Telecommunications
 - 62 - Computer programming, consultancy and related activities
 - 63 - Information service activities
- K - Financial and insurance activities
 - 64 - Financial service activities, except insurance and pension funding
 - 65 - Insurance, reinsurance and pension funding, except compulsory social security
 - 66 - Activities auxiliary to financial service and insurance activities
- L - Real estate activities
 - 68 - Real estate activities
- M - Professional, scientific and technical activities
 - 69 - Legal and accounting activities
 - 70 - Activities of head offices; management consultancy activities
 - 71 - Architectural and engineering activities; technical testing and analysis

- 72 - Scientific research and development
- 73 - Advertising and market research
- 74 - Other professional, scientific and technical activities
- 75 - Veterinary activities
- N - Administrative and support service activities
 - 77 - Rental and leasing activities
 - 78 - Employment activities
 - 79 - Travel agency, tour operator, reservation service and related activities
 - 80 - Security and investigation activities
 - 81 - Services to buildings and landscape activities
 - 82 - Office administrative, office support and other business support activities
- Q - Public administration and defence; compulsory social security
 - 84 - Public administration and defence; compulsory social security
- P - Education
 - 85 - Education
- Q - Human health and social work activities
 - 86 - Human health activities
 - 87 - Residential care activities
 - 88 - Social work activities without accommodation
- R - Arts, entertainment and recreation
 - 90 - Creative, arts and entertainment activities
 - 91 - Libraries, archives, museums and other cultural activities
 - 92 - Gambling and betting activities
 - 93 - Sports activities and amusement and recreation activities
- S - Other service activities
 - 94 - Activities of membership organizations
 - 95 - Repair of computers and personal and household goods
 - 96 - Other personal service activities
- T - Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use
 - 97 - Activities of households as employers of domestic personnel
 - 98 - Undifferentiated goods- and services-producing activities of private households for own use
- U - Activities of extraterritorial organizations and bodies
 - 99 - Activities of extraterritorial organizations and bodies

Repair in ISIC 4

- **Group: 331 - Repair of fabricated metal products, machinery and equipment**

Breakdown:

This Group is divided into the following Classes:

- 3311 - Repair of fabricated metal products
- 3312 - Repair of machinery
- 3313 - Repair of electronic and optical equipment
- 3314 - Repair of electrical equipment
- 3315 - Repair of transport equipment, except motor vehicles
- 3319 - Repair of other equipment

Explanatory note

This group includes the specialized repair of goods produced in the manufacturing sector with the aim to restore these metal products, machinery, equipment and other products to working order. The provision of general or routine maintenance (i.e. servicing) on such products to ensure they work efficiently and to prevent breakdown and unnecessary repairs is included.

This group excludes:

- *rebuilding or remanufacturing of machinery and equipment, see corresponding class in divisions 25-31*
- *cleaning of industrial machinery, see 8129*
- *repair and maintenance of computers and communications equipment, see group 951*
- *repair and maintenance of household goods, see group 952*

- **Division: 95 - Repair of computers and personal and household goods**

Breakdown:

This Division is divided into the following Groups:

- 951 - Repair of computers and communication equipment
- 952 - Repair of personal and household goods

Explanatory note

This division includes the repair and maintenance of computers peripheral equipment such as desktops, laptops, computer terminals, storage devices and printers. It also includes the repair of communications equipment such as fax machines, two-way radios and consumer electronics such as radios and TVs, home and garden equipment such as lawn-mowers and blowers, footwear and leather goods, furniture and home furnishings, clothing and clothing accessories, sporting goods, musical instruments, hobby articles and other personal and household goods.

Excluded from this division is the repair of medical and diagnostic imaging equipment, measuring and surveying instruments, laboratory instruments, radar and sonar equipment, see 3313.

Annex 3

CPC Ver.2 (draft)

Top-level structure

- 0 - Agriculture, forestry and fishery products
- 1 - Ores and minerals; electricity, gas and water
- 2 - Food products, beverages and tobacco; textiles, apparel and leather products
- 3 - Other transportable goods, except metal products, machinery and equipment
- 4 - Metal products, machinery and equipment
- 5 - Constructions and construction services
- 6 - Distributive trade services; accommodation, food and beverage serving services; transport services; and utilities distribution services
- 7 - Financial and related services; real estate services; and rental and leasing services
- 8 - Business and production services
- 9 - Community, social and personal services

Second-level structure

CPC Ver.2 (draft)

- 0 - Agriculture, forestry and fishery products
 - 01 - Products of agriculture, horticulture and market gardening
 - 02 - Live animals and animal products (excluding meat)
 - 03 - Forestry and logging products
 - 04 - Fish and other fishing products
- 1 - Ores and minerals; electricity, gas and water
 - 11 - Coal and lignite; peat
 - 12 - Crude petroleum and natural gas
 - 13 - Uranium and thorium ores and concentrates
 - 14 - Metal ores
 - 15 - Stone, sand and clay
 - 16 - Other minerals
 - 17 - Electricity, town gas, steam and hot water
 - 18 - Natural water
- 2 - Food products, beverages and tobacco; textiles, apparel and leather products
 - 21 - Meat, fish, fruit, vegetables, oils and fats
 - 22 - Dairy products and egg products
 - 23 - Grain mill products, starches and starch products; other food products
 - 24 - Beverages
 - 25 - Tobacco products
 - 26 - Yarn and thread; woven and tufted textile fabrics
 - 27 - Textile articles other than apparel
 - 28 - Knitted or crocheted fabrics; wearing apparel
 - 29 - Leather and leather products; footwear
- 3 - Other transportable goods, except metal products, machinery and equipment
 - 31 - Products of wood, cork, straw and plaiting materials
 - 32 - Pulp, paper and paper products; printed matter and related articles
 - 33 - Coke oven products; refined petroleum products; nuclear fuel

- 34 - Basic chemicals
- 35 - Other chemical products; man-made fibres
- 36 - Rubber and plastics products
- 37 - Glass and glass products and other non-metallic products n.e.c.
- 38 - Furniture; other transportable goods n.e.c.
- 39 - Wastes or scraps
- 4 - Metal products, machinery and equipment
 - 41 - Basic metals
 - 42 - Fabricated metal products, except machinery and equipment
 - 43 - General-purpose machinery
 - 44 - Special-purpose machinery
 - 45 - Office, accounting and computing machinery
 - 46 - Electrical machinery and apparatus
 - 47 - Radio, television and communication equipment and apparatus
 - 48 - Medical appliances, precision and optical instruments, watches and clocks
 - 49 - Transport equipment
- 5 - Constructions and construction services
 - 53 - Constructions
 - 54 - Construction services
- 6 - Distributive trade services; accommodation, food and beverage serving services; transport services; and utilities distribution services
 - 61 - Wholesale trade services
 - 62 - Retail trade services
 - 63 - Accommodation, food and beverage services
 - 64 - Passenger transport services
 - 65 - Freight transport services
 - 66 - Rental services of transport vehicles with operators
 - 67 - Supporting transport services
 - 68 - Postal and courier services
 - 69 - Electricity distribution services; gas and water distribution services
- 7 - Financial and related services; real estate services; and rental and leasing services
 - 71 - Financial and related services
 - 72 - Real estate services
 - 73 - Leasing or rental services without operator
- 8 - Business and production services
 - 81 - Research and development services
 - 82 - Legal and accounting services
 - 83 - Other professional, technical and business services
 - 84 - Telecommunications, broadcasting and information supply services
 - 85 - Support services
 - 86 - Support services to agriculture, hunting, forestry, fishing, mining and utilities
 - 87 - Maintenance, repair and installation (except construction) services
 - 88 - Manufacturing services on physical inputs owned by others
 - 89 - Other manufacturing services; publishing, printing and reproduction services; materials recovery services
- 9 - Community, social and personal services
 - 91 - Public administration and other services to the community as a whole; compulsory social security services
 - 92 - Education services
 - 93 - Human health and social care services
 - 94 - Sewage and waste collection, treatment and disposal and other environmental protection services
 - 95 - Services of membership organizations
 - 96 - Recreational, cultural and sporting services
 - 97 - Other services
 - 98 - Domestic services
 - 99 - Services provided by extraterritorial organizations and bodies

Annex 4

BPM6 Trade in Goods and Services
Standard Items with selected *supplementary* items

Overview of Goods and Services Account in BPM6

	Exports (CR.)	Imports (DR.)
General merchandise on a balance of payments basis <i>Of which: re-exports</i>		
Net exports of goods under merchanting <i>Goods acquired under merchanting (negative exports)</i>		
<i>Goods sold under merchanting (exports)</i>		
Nonmonetary gold		
Total goods <i>Balance on trade in goods</i>		
Manufacturing services on physical inputs owned by others <i>Goods for processing in reporting economy</i> - *Goods returned (Credit), Goods received (debit) <i>Goods for processing abroad</i> - *Goods sent (Credit), Goods returned (debit)		
Repairs and maintenance n.i.e.		
Transport		
Passenger		
Freight		
Other		
Travel		
Telecommunications, computer, and information services <i>Telecommunications services</i> <i>Computer services</i> <i>Information services</i>		
Construction		
Insurance and pension fund services		
Financial services		
Charges for the use of intellectual property		
Other business services		
Research and development services		
Professional and management consulting services		
Technical, trade-related, and business services		
Personal, cultural, and recreational services		
Government services n.i.e.*		
Total services <i>Balance on trade in services</i>		
Total goods and services <i>Balance on goods and services</i>		

*n.i.e.—not included elsewhere

Annex 5

Table 10.4 – Draft BPM6

Table 10.4. Classification of Transactions Relating to Intellectual Property

	Use of intellectual property		Sale/purchase of ownership rights ³
Franchises and trademarks	charges for the use of intellectual property		capital account entry
Outcomes of research and development	charges for the use of intellectual property		research and development services
Software, audiovisual and other personal, cultural, and recreational services products, etc.:	License to use excluding reproduction and distribution¹	License to reproduce and/or distribute²	relevant service item
	(a) Customized all types;	relevant service item	
	(b) Non-customized (mass-produced)—downloaded or otherwise electronically delivered;	relevant service item	
	(c) Non-customized (mass-produced)—provided on disks, etc. with periodic license fee;	relevant service item	
(d) Non-customized (mass-produced)—provided on disks, etc. and conveys perpetual use.	goods	charges for the use of intellectual property	

Notes to Table 10.4:

- 1 Covers the case where a specific product is supplied with the right to use the intellectual property embodied in it, but not to copy it for further distribution.. The transactions should be classified under the appropriate goods and services items.
- 2 Covers the case where authority to reproduce and/or distribute the intellectual property is delegated by its owner.
- 3 This column is concerned with the case where there is a change of economic ownership of the whole of the intellectual property right in question.. The seller no longer has any rights or obligations associated with these. This also includes second or subsequent outright sales of intellectual property rights.

For example, the sale/purchase of a copy of a software package that is mass-produced, and is obtained by an individual to load onto a single computer is covered by a license to use which excludes reproduction and distribution. If a manufacturer decides that this piece of software should be included as part of the computers that it produces and sells, then the manufacturer would obtain a license to reproduce the software. This license to reproduce would be provided by the owner of the original.