

WORLD TRADE ORGANIZATION

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Committee on Government Procurement

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UNIFORM CLASSIFICATION SYSTEMS

Note by the Chairman

At the Committee's last meeting, the Chairman was requested to come forward with proposals for classification systems in the area of goods and services for the purposes of statistical reporting, on the basis of the work done in the Working Group on Statistical Reporting established under the Interim Committee on Government Procurement and submissions by delegations. This Note is intended to respond to this request.

I. GOODS

At its last meeting, the Committee endorsed the recommendation of the Working Group on Statistical Reporting that the system of 26 product categories be used as a basis for a classification system for products. With a view to identifying the precise level of detail desirable in the system of 26 product categories, delegations agreed to submit their ideas by 15 April 1996 on what categories of the 26 product categories could be usefully divided into sub-headings, and, where a further breakdown would be suggested, to identify the precise product coverage of the proposed new categories.

So far, two submissions have been received. One suggests dividing category 14, office machinery and automatic data processing equipment, into two sub-headings, and category 15, telecommunications and sound recording and reproducing apparatus and equipment, also into two sub-headings. According to the other submission, the existing 26 categories are appropriate in their present form without further sub-headings. At a meeting of the Working Group, one other delegation also suggested subdividing categories 14 and 15.

Based on these submissions, the product classification system at Annex 1 is suggested for consideration and action by the Committee. It maintains the system of 26 product categories as it is, except for a sub-division of categories 14 and 15.

II. SERVICES

It is recalled that, at its last meeting, the Committee endorsed the recommendation of the Working Group on Statistical Reporting that the UNCPC be used as the classification system for services. With a view to reaching some conclusions on the level of detail which would be desirable, delegations agreed to review the 30 UNCPC divisions with a view to advising which of these divisions should be combined and if any sub-divisions would be desirable and to submit their ideas to the Secretariat by 15 April.

Two submissions have been received. One submission suggests to keep in particular category 75, Post and Telecommunication Services, in its present form. According to this submission, the maximum convenience would be attained by maintaining the headings as they figure in Parties' respective Annexes. Another submission stresses the merit of using the UNCPC at its division level rather than at any more detailed level with a view to keeping the number of categories to be reported to a minimum. However, this submission states that some subdivisions are misleading, for instance printing and

publishing services (88442) which is classified under Division 88, agriculture, mining and manufacturing services. Based on its own national coverage, this delegation suggests to combine a number of divisions, such as Divisions 82 and 87, (Division 82 contains real estate services involving own or leased property (821) and "on a fee or contract basis" (822), while Division 87 lists "other business services"), as well as to group together Division 71 (land transport) and Division 73 (air transport) into one category, called "transport".

Based on these submissions, the product classification system at Annex 2 is suggested for consideration and action by the Committee. It maintains 28 UNCPC divisions as they are, except for a sub-division of Division 88 (Agricultural, mining and manufacturing services) into a sub-division 88(a) which would refer to all of Division 88 except printing and publishing, plus a sub-division 88(b) which would refer to subclass 88442: publishing and printing, on a fee or contract basis. Of UNCPC Section 5, "Construction work and construction", only Division 51 is retained since this is the only division of that section which figures in the "Universal list of services" contained in document MTN/GNS/W/120 which negotiators agreed to use as the basis for listing their concessions in Annexes 4 and 5 of Appendix I. These changes bring the total number of categories retained to 29.

ANNEX 1**The System of 26 Product Categories - as Amended**

Grouping No.	Classification ¹	Product description ²
1	CCCN chapters 01-24. SITC 00-12; 22; 268.51; 29; 41-43; 512.16-18; 592.1; 941.	Products from agriculture and from agricultural and food processing industries <u>including:</u> live animals; animal products; vegetable products; animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes; prepared foodstuffs; beverages, spirit and vinegar; tobacco.
2	CCCN chapters 25-27. SITC 27 (exc. 271.1-2, 271.4; 277.1, 277.21); 28 (exc. 282, 287.12, 22 and 32, 288.2, 289.02); 32; 33 (exc. 334.52); 34-35; 661.1-2.	Mineral products <u>including</u> salt; sulphur; stone; clay; lime; cement; metallic ores; coal; coke; mineral fuels; mineral oils.
3	CCCN chapter 28, headings 29.01-16, 29.19, 29.21-31, 29.33-37, 29.43, 29.45, chapters 31-36 and 38. SITC 271.1-2; 271.4; 287.32; 334.52; 51-53 (exc. 512.16- 18); 55-56; 572; 59 (exc. 592.1); 662.33; 895.91; 899.31-32 and 39.	Products of the chemical and allied industries <u>including:</u> inorganic chemicals; organic chemicals; fertilizers; colours; paints; varnishes; waxes; essential oils; soap; washing, polishing and lubricating preparations; enzymes; albuminoidal substances; explosives; matches; disinfectants; insecticides. <u>excluding:</u> medicinal and pharmaceutical products.
4	CCCN headings 29.38-39, 29.41-42, 29.44 and chapter 30. SITC 54.	Medicinal and pharmaceutical products <u>including:</u> vitamins, antibiotics, vegetable alkaloids, hormones, medicaments and other pharmaceutical goods.
5	CCCN chapters 39-41, headings 42.01, 42.04-06, chapter 43. SITC 21; 23; 58; 61 (exc. 612.3); 62; 848.2-3; 893; 899.91.	Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof; rubber, synthetic rubber, factice, and articles thereof; raw hides and skins; leather, furskins and articles thereof, other than articles of apparel and clothing accessories of leather; saddlery and harness; articles of animal gut.
6	CCCN chapters 44-49. SITC 24; 25; 63; 64; 659.11; 659.7; 892.1-8; 899.71.	Wood and articles of wood; wood charcoal; cork and articles of cork; paper making material; paper and paperboard and articles thereof; manufactures of straw, of esparto and of other plaiting materials; basketwork and wickerwork.
7	CCCN headings 42.02-03 and chapters 50-66. SITC 26 (exc. 268.51); 612.3; 65 (exc. 651.95, 654.6, 659.11, 659.7); 775.85; 83; 84 (exc. 848.2- 3); 85; 899.4.	Textiles and textile articles; footwear; headgear; umbrellas; sunshades; walking sticks, whips, riding crops and parts thereof; travel goods; hand-bags and similar containers; articles of apparel and clothing accessories, of leather or composition leather <u>including:</u> electric blankets.

Grouping No.	Classification ¹	Product description ²
8	CCCN chapter 68, headings 69.01-09, 69.11-14, 70.01, 70.03-13 and 70.15-21. SITC 651.95; 654.6; 66 (exc. 661.1-2, 662.33, 667).	Articles of stone, of plaster, of cement, of asbestos, of mica and similar materials; ceramic products, other than sanitary fixtures; glass and glassware, other than illuminating and signalling glassware and optical elements of glass, not optically worked nor of optical glass.
9	CCCN headings 73.01-27, 73.29-36, 73.38 and 73.40. SITC 282; 67; 691.1, 692.11; 692.41, 692.43, 693.11, 693.2, 693.51; 694.01-02; 697.31-33; 697.41; 697.51; 699.2; 699.31-32; 699.41; 699.7.	Iron and steel and articles thereof, other than boilers and radiators for central heating, air heaters and hot air distributors, not electronically heated <u>including:</u> structures; containers; wire; cordage; reinforcing fabric; certain domestic-type, non-electric heating and cooking apparatus.
10	CCCN chapters 74-82, headings 83.01-06, 83.08-09, 83.11, 83.13-15. SITC 287.12 and 22; 288.2; 682-689; 691.2; 692.13; 692.42; 692.44; 693.12-13; 693.52; 694.03; 695-696; 697.34; 697.42-43; 697.52-53; 697.8, 699.33; 699.42; 699.6; 699.8-9; 895.1.	Non-ferrous metals and articles thereof, other than lamp and lighting fittings <u>including:</u> containers; wire; cordage; reinforcing fabric; tools; cutlery; domestic-type, non-electrical heating and cooking apparatus; certain household appliances of base metal; office and stationary supplies of base metal.
11	CCCN headings 84.01-02, 84.04-08, ex 84.59*, 85.01. SITC 71; 771.	Power generating machinery and equipment <u>including:</u> nuclear reactors*; steam and vapour generating boilers; steam engines and vapour power units; internal combustion piston engines; rotating electrical plant; water turbines; various engines and motors; electric power machinery (transformers and others).
12	CCCN headings 84.09, 84.23-39, 84.41-48, 84.50, 84.56-57, ex 84.59*, ex 87.01**. SITC 72 (exc. 724.7); 73 (exc. 737.32).	Machinery specialized for particular industries <u>including:</u> agricultural machinery, tractors, other than road tractors for semi-trailers**, civil engineering and contractors' plant and equipment; textile and leather machinery; machinery for the manufacture of paper articles; printing and bookbinding machinery; food-processing machines; other machinery, equipment and parts specialized for particular industries; metalworking machinery. <u>excluding:</u> nuclear reactors; electric or laser-operated welding, brazing, soldering or cutting machines; certain machinery for washing or cleaning textiles etc. (incl. laundry and dry-cleaning machinery).

*All machines and appliances with individual functions falling under CCCN 84.59 - except nuclear reactors - are placed in grouping 12 in this list. (Nuclear reactors fall in subgroup 718.7 of the SITC.)

**Tractors falling under CCCN 87.01 are placed in this grouping. However, road tractors for semi-trailers (SITC 783.2) are placed in grouping 17 below.

Grouping No.	Classification ¹	Product description ²
13	CCCN headings 84.03, 84.10-14, 84.16-18, 84.20-22, 84.49, 84.58, 84.60-65, 85.11 and 87.07. SITC 697.35; 737.32; 74 (exc. 741.4 and 745.22-23).	General industrial machinery and equipment, and machine parts <u>including:</u> domestic instantaneous or storage water heaters, non-electric; electric welding, brazing, soldering machines and similar electric apparatus for cutting; heating and cooling equipment (e.g. gas generators, furnaces and ovens; air-conditioning machines; laboratory equipment); pumps; compressors; centrifuges; filtering/purifying apparatus; fans and blowers; mechanical handling equipment (e.g. works trucks, lifting, handling, loading/unloading machinery, telfers and conveyors), other non-electrical tools and machinery (e.g. weighing machinery, fire extinguishers, spray guns, jet projecting machines).
14(a)	CCCN headings 84.51, 84.52, 84.54, 84.55 (less ex 84.55.B), 90.10.A, 90.10.B. HS 8469, 8472, 8473 (less 8473.30), 9009. SITC 751, 759.1, 759.9 (less 759.97).	Office machinery
14(b)	CCCN headings 84.53, ex 84.55.B, 90.10.C. HS 8471, 8473.30, 9010, ex 8441.10, ex 8441.90. SITC 752, 759.97, 881.35, 881.36, ex 725.21, ex 725.99.	Automatic data processing equipment
15(a)	CCCN headings 85.13, 85.14, 85.15. HS 8517, 8518 (less ex 8518.30 and ex 8518.90), 8525, 8526 (less ex 8526.92), 8527, 8528 (less ex 8528.10 and ex 8528.20), 8529. SITC 761 (less ex 761.1 and ex 761.2), 762, 764.1, 764.2 (less ex 764.24), 764.3, 764.8 (less ex 764.83), 764.9 (less ex 764.92, less 764.99).	Telecommunications apparatus and equipment
15(b)	CCCN headings 92.11, 92.13. HS 8519 (less ex 8519.99), 8520 (less ex 8520.90), 8521, 8522 (less 8522.90). SITC 763 (less ex 763.83 and ex 763.84), 764.99 (less ex 764.99).	Sound recording and reproducing apparatus

Grouping No.	Classification ¹	Product description ²
16	CCCN headings 84.15, 84.19, 84.40, 85.02-09, 85.12, 85.16-28, ex 90-20 ^{***} . SITC 724.7; 741.4; 745.22-23; 772-773; ex 774.2; 775 (exc. 775.85); 776; 778.	Electrical machinery, apparatus and appliances, and electrical parts thereof <u>excluding:</u> electric blankets; electro-medical apparatus; electric power machinery. <u>including:</u> refrigerators and refrigerating equipment; machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing or labelling bottles, cans, boxes or other containers; other packing or wrapping machinery; laundry or dry-cleaning machinery; switches, relays, switchboards (other than telephone); control panels; resistors; equipment for distributing electricity; machinery based on the use of X-rays, or of radiations from radio-active substances; X-ray generators, tubes; screens, etc., other than for medical purposes ^{***} ; household-type equipment; electro-thermic appliances; valves, tubes; transistors; microcircuits, batteries, accumulators; starting and ignition equipment; electrical traffic-control equipment; electric sound or visual signalling apparatus (e.g. bells, sirens, fire alarms), etc.
17	CCCN headings ex 87.01 ^{*****} , 87.02-06, 87.09-12, 87.14. SITC 78 (exc. 786.13).	Road vehicles <u>including:</u> road tractors for semi-trailers ^{****} ; air-cushion vehicles
18	CCCN chapter 86. SITC 786.13; 791.	Railway vehicles and associated equipment <u>including:</u> railway and tramway locomotives; rolling-stock and parts thereof; railway and tramway track fixtures and fittings; traffic signalling equipment of all kinds (not electrically powered); containers specially designed and equipped for carriage by one or more modes of transport.
19	CCCN chapter 88. SITC 792; 899.98.	Aircraft and associated equipment <u>including:</u> aircraft and parts thereof; parachutes; catapults and similar aircraft launching gear; ground flying trainers.
20	CCCN chapter 89. SITC 793.	Ships, boats and floating structures.
21	CCCN headings 69.10, 70.14, 73.37, 83.07, 85.10. SITC 81.	Sanitary, plumbing, heating and lighting fixtures and fittings, n.e.s. <u>including:</u> boilers; radiators; air heaters and hot air distributors, not electrically heated; sinks; wash basins; lamps and lanterns; illuminating glassware, signalling glassware; lamps and light fittings of base metal.

***X-ray and radiological apparatus etc. of CCCN 90.20 for medical purposes (SITC ex 774.2) are placed in grouping 22.

*****See footnote "***" under grouping 12.

*****X-ray and radiological apparatus etc. of CCCN 90.20 for laboratory and industrial purposes (SITC ex 774.2) are placed in grouping 16.

Grouping No.	Classification ¹	Product description ²
22	CCCN headings 90.03-04, 90.17-18, ex 90.20 ^{*****} , 94.02. SITC 774.1; ex 774.2; 821.21; 872; 884.2.	Medical, dental, surgical and veterinary equipment <u>including:</u> electro-medical apparatus; apparatus based on the use of X-rays or of radiations from radio-active substances, X-ray generators, tubes, screens, control panels, examination tables etc. for medical purposes ^{*****} ; spectacles and spectacle frames, mountings and parts thereof; medical instruments and appliances; mechano-therapy appliances; respirators etc; medical, dental, surgical or veterinary furniture and parts thereof.
23	CCCN headings 94.01, 94.03-04. SITC 82 (exc. 821.21).	Furniture and parts thereof <u>including:</u> bedding, mattresses, mattress supports, cushions and similar stuffed furnishings. <u>excluding:</u> medical, dental, surgical and veterinary furniture.
24	CCCN headings 90.05-06, 90.11-16, 90.21-29. SITC 87.	Professional, scientific and controlling instruments and apparatus <u>including:</u> optical instruments and apparatus; meters and counters; precision, measuring, checking, analysing and controlling instruments.
25	CCCN chapter 37, headings 90.01-02, 90.07-09, Chapter 91. SITC 88 (exc. 881.39).	Photographic apparatus, equipment and supplies and optical goods; watches and clocks <u>including:</u> optical lenses, prisms, mirrors; photographic and cinematographic cameras, cinematographic projectors, sound recorders and sound reproducers and any combination of these articles; image projectors; photographic enlargers and reducers; photographic and cinematographic film, watches and clocks. <u>excluding:</u> apparatus and equipment of a kind used in photographic or cinematographic laboratories; spectacles and frames, mountings and parts thereof.
26	CCCN chapters 67, 71, and 72, headings 87.08, 87.13, 90.19, 92.01-08, 92.10, 92.12, chapters 93 and 95-99. SITC 277.1; 277.21; 289.02; 667; 681; 894; 895 (exc. 895.1, 895.91); 896-898; 899 (exc. 899.31-32, 899.39, 899.4, 899.71, 899.91, 899.98); Section 9 (exc. 941).	Miscellaneous articles.

¹The classification attempts to avoid subdividing CCCN 4-digit headings. However, products classified in headings 84.59, 87.01 and 90.20 clearly belong to different categories and are important enough to justify maintaining the subdivisions. These products have been defined in footnotes.

²Apart from product descriptions, this column also contains some examples of products.

ANNEX 2

The System of 29 Service Categories, based on the UN Central Product Classification, Divisions 51 - 99

Grouping No.	Division Code (UNCPC)	Services Description
1	51	Construction work
2	61	Sale, maintenance and repair services of motor vehicles and motorcycles
3	62	Commission agents' and wholesale trade services, except of motor vehicles and motorcycles
4	63	Retail trade services; repair services of personal and household goods
5	64	Hotel and restaurant services
6	71	Land transport services
7	72	Water transport services
8	73	Air transport services
9	74	Supporting and auxiliary transport services
10	75	Post and telecommunications services
11	81	Financial intermediation services and auxiliary services therefor
12	82	Real estate services
13	83	Leasing or rental services without operator
14	84	Computer and related services
15	85	Research and development services
16	86	Legal, accounting, auditing and book-keeping services; taxation services; market research and public opinion polling services; management and consulting services; architectural, engineering and other technical services.
17	87	Business services n.e.c.

Grouping No.	Division Code (UNCPC)	Services Description
18	88(a)	Agricultural, mining and manufacturing services except printing and publishing
19	88(b)	Printing and publishing on a fee or a contract basis (sub-class 88442)
20	89	Intangible assets
21	91	Public administration and other services to the community as a whole; compulsory social security services
22	92	Education services
23	93	Health and social services
24	94	Sewage and refuse disposal, sanitation and other environmental protection services
25	95	Services of membership organizations
26	96	Recreational, cultural and sporting services
27	97	Other services
28	98	Private households with employed persons
29	99	Services provided by extraterritorial organizations and bodies