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Interim Committee on Government Procurement Working Group on Statistical Reporting

MAIN ARGUMENTS ADVANCED IN PREVIOUS DISCUSSIONS HELD IN THE COMMITTEE ON GOVERNMENT PROCUREMENT ON A UNIFORM CLASSIFICATION SYSTEM FOR STATISTICAL REPORTING

Note by the Secretariat

1. At its meeting on 15 November 1994, the Working Group on Statistical Reporting of the Interim Committee on Government Procurement requested the Secretariat to prepare a paper on previous discussions held in the Committee on Government Procurement under the Agreement presently in force, summarizing the arguments advanced on the advantages and disadvantages of the various classification systems. This note has been prepared by the Secretariat in an attempt to respond to the above.

2. Article VI:10(b) of the present Agreement calls for statistics to be reported under a "uniform classification system to be determined by the Committee". Currently, statistics are being reported by 11 of the 12 Parties to the Agreement presently in force in accordance with a Committee decision, taken when that Agreement was implemented, to use 26 categories flowing from the Customs Cooperation Council Nomenclature (CCCN) (GPR/M/1, Annex III). From 1987 to 1990, inconclusive discussions took place in the Committee on Government Procurement with a view to determining a uniform classification system. Out of these discussions, three major classifications came forward as possible bases for a uniform classification system: (1) the UN Central Product Classification (UNCPC); (2) the Harmonized Commodity Description and Coding System of the Customs Cooperation Council (HS); and (3) an adaptation of the existing 26 product categories agreed upon by the Committee in January 1981. However, none of these was capable of giving a global answer to all concerns expressed by delegations. These concerns related to the functionality of the systems, details required, inclusion of services, simplicity, comparability and transparency, and a minimum administrative burden. The final thrust of the discussions was that the UNCPC under the circumstances was the best candidate but that any system chosen by the Committee might need to be modified in order to make it more appropriate for the purposes of the Agreement. Arguments advanced during these discussions on the advantages and disadvantages of the three classification systems are reproduced below.

I. The UNCPC

General

3. The UN Central Product Classification (UNCPC) constitutes a complete product classification covering goods, services and assets. It is a system of categories which is both exhaustive and mutually exclusive. Its final draft was adopted in 1989 by the United Nations Statistical Commission and is applied on a provisional basis for as long as improvements to it continue to be suggested. Its purpose is to provide a framework for international comparison of statistics and to serve as a guide for countries developing or revising an existing scheme in order to make it compatible with the international standard. It was designed as an instrument for assembling and tabulating all kinds of statistics that needed product detail such as production, intermediate and final consumption, capital formation and foreign trade. UNCPC was developed primarily to enhance harmonization among various fields of economic and

related statistics. In order to facilitate concordance, only the products that are produced by a single industry are grouped into one CPC sub-class. When dealing with transportable goods, the UNCP, with one exception (subdivision group 333, refined petroleum products), uses the headings and subheadings of the HS as building blocks, i.e., each CPC sub-class is an aggregate of one or more headings or subheadings of the HS. As such, the UNCP is an aggregation of the more detailed HS nomenclature. It consists of 10 sections (identified by the first digit), 69 divisions (identified by the first and second digits), 293 groups (identified by the first three digits), 1,050 classes (identified by the first four digits), and 1,811 subclasses (identified by all five digits, taken together). A copy of the broad structure of the UNCP is contained in Annex 1.

4. Advantages identified by delegations

- UNCP is a product-based system which includes service classifications as well.
- The 26 headings of the CCCN (Customs Co-operation Council Nomenclature) categories in use could be easily transposed to the 39 categories (39 divisions of transportable goods) of which the UNCP consists.

5. Disadvantages identified by delegations

- The UNCP system is a mixture of commodity and industry classification. UNCP is not a commodity classification system based on the type of commodity alone; it is rather an industry classification based on the type of business of the supplier. The same product will carry a different code, depending on the supplier of the product. For instance, a motor vehicle purchased from a manufacturer is coded 4911; if it is purchased from a wholesaler/dealer, it is coded 61111; and from a retailer/dealer, it is coded 61112.
- The UNCP system does not have a specific class or classes for classifying "software packages", a major product procured by governments.
- While the 39 divisions (of transportable goods) at the two-digit level would not be a great improvement over the present system, the 293 divisions at the three-digit level seem excessive.

6. Other observations of delegations

- If adopted, the UNCP should be used as a commodity classification (i.e. no consideration with respect to the type of supplier) with reporting based on the two-digit 39 divisions of transportable goods.
- Conversion programmes between the UNCP and other systems currently being used could be developed in collaboration among signatories using the same system, such as Canada and the United States, in converting the Federal Supply Classification (FSC) to UNCP.

II. HARMONIZED SYSTEM

General

7. The "Harmonized Commodity Description and Coding System" (HS) is an international product nomenclature developed under the auspices of the Customs Co-operation Council (CCC).¹ It is used on an international basis in the classification, description and coding of goods for customs purposes, for the collection of statistical data on imports and exports and for the documentation of transactions in international trade. It was adopted in 1983 and entered into force in 1988. The CONTRACTING PARTIES to the GATT 1947, in their Decision of 12 July 1983, adopted certain procedures to transpose the GATT Schedules of tariff concessions into the Harmonized System Nomenclature. A second revision of the HS is due to be implemented in 1996 and the resulting work linked to GATT concessions will be overseen by the Committee on Market Access in 1995. The HS contains 21 sections, 97 chapters and 1,241 headings at the four-digit level, 930 of which are further divided into subheadings. In total there are 5,019 separate categories of goods identified by a six-digit code. A copy of the broad structure of the HS is contained in Annex 2.

8. The HS covers only goods, not services.

9. Two types of ideas for using the HS for classification purposes have been discussed. One idea was the use of the HS itself. The second idea consisted of "modernizing" the system of 26 product categories by basing them on HS rather than on CCCN as has been the case hitherto.

10. Advantages identified by delegations

- The Harmonized System would bring about harmonization and comparability of statistics, this being one of the system's main purposes.

11. Disadvantages identified by delegations

- The use of HS requires reporting either by 21 sections or by 97 chapters. The 21 sections provide limited details and would in fact be a step backward compared to the existing system of 26 categories of products. The 97 chapters of the HS (two-digit level) would provide extensive details, but require substantial work in gathering and organizing the data.
- The HS is oriented toward commercial items. A classification system for purposes of statistical reporting in the area of government procurement should reflect the needs of governments, including in product areas in which the private sector purchasers are less active. The HS includes several classes for consumer goods, but does not provide details for heavy machinery or military equipment, the main products purchased by government. For textiles, the HS has several chapters; for aircraft, it has only one chapter.
- A tabulation involving the conversion of 616 (four-digit) classes from the FSC system to the HS's two-digit level showed that the FSC classes were barely compatible with the HS sections/chapters. The underlying reason relates to the fact that the FSC and the HS have been designed to serve different purposes: HS is oriented towards commercial items; the FSC system is oriented towards government procurement. The use of the HS, entailing a complex conversion of the FSC system into the HS, would therefore involve significant resources for programming and data collection.

¹Now the World Customs Organization.

- For the above reasons, to adapt the HS for procurement purposes would be difficult and require considerable resources. Assuming that the system chosen by the Committee should be the easiest to adapt to the purposes of the Committee, represent the least amount of work, and be the most efficient, the HS does not seem to be the most appropriate system.

12. Other observations of delegations

- In transposing to the HS, one of the questions to consider would be whether to use HS at the two- or four-digit level. It would be difficult to go beyond the four-digit level.
- A draft transposition of the 26 product categories from the CCCN to the HS, prepared by the delegation of Austria, was circulated in document GPR/W/94 dated 3 April 1989.

III. THE 26 PRODUCT CATEGORIES, ADAPTED

13. The existing system of 26 product categories was designed specifically for purposes of statistical reporting under the Agreement on Government Procurement and agreed upon by the Committee on Government Procurement at its first meeting in January 1981. It is based on the CCCN (Customs Cooperation Council Nomenclature). A complete listing of the 26 categories is contained in Annex 3.

14. Since it was felt that the system did not provide enough detail to identify all products relevant to government procurement, it has been suggested that the number of product categories could be increased from the existing 26 through the inclusion of certain sub-categories for the main products groups purchased by governments. As mentioned in paragraph 9, another idea involved basing the system of 26 categories, in their present form or as adapted, on HS rather than on CCCN, as has been the case up until now.

15. Advantages identified by delegations

- It would be no problem to find concordances between the Federal Supply Classification and the 26 product categories. The existing 26 product categories were manageable and Parties using NIPRO (Nomenclature Commune des Produits Industriels: classification system used by the European Communities to report statistics to the Committee) and the FSC systems could easily re-group commodities into those 26 groups.
- Since it was important not to overburden the reporting system, use of the 26 product categories as a basis for subdividing or adding a few categories in certain fields was preferred.
- Discussion on extension of the number of product categories from the existing 26 could focus on the inclusion of certain sub-categories for the main products groups purchased by governments. For example, category no.14, "Office Machines and Automatic Data Processing Equipment", could be divided to include a sub-category entitled "computers". The Committee could agree on the extent of the breakdown based on the value and volume of procurement in certain product groups.

16. Disadvantages identified by delegations

- The 26 product categories do not cover services.
- The system of 26 product categories is not used by all Parties.

- Identification of some products relevant to procurement requires a more extensive breakdown than the level of detail provided by the current system of 26 product categories.

17. Other observations of delegations

- Further consideration should be given to a suggestion that delegations provide the Secretariat with concordances between the categories used for domestic classification of products procured, and the categories used in the preparation of GATT statistical reports.

ANNEX 1UN Central Product ClassificationI. Broad structure: sections, divisions and number of subdivisions

Division code	Groups	Classes	Sub-classes
0 AGRICULTURE, FORESTRY AND FISHERY PRODUCTS			
01 Products of agriculture, horticulture and market gardening	9	36	41
02 Live animals and animal products	2	11	21
03 Forestry and logging products	3	10	10
04 Fish and other fishing products	3	8	8
	17	65	80
1 ORES AND MINERALS; ELECTRICITY, GAS AND WATER			
11 Coal and lignite; peat	1	4	4
12 Crude petroleum and natural gas	1	3	3
13 Uranium and thorium ores	1	1	1
14 Metal ores	2	6	6
15 Stone, sand and clay	4	8	8
16 Other minerals	3	8	8
17 Electricity, town gas, steam and hot water	3	3	3
18 Water	1	1	1
	16	34	34
2 FOOD PRODUCTS, BEVERAGES AND TOBACCO; TEXTILES, APPAREL AND LEATHER PRODUCTS			
21 Meat, fish, fruit, vegetables, oils and fats	8	34	47
22 Dairy products	2	11	11
23 Grain mill products, starches and starch products; other food products	8	30	39
24 Beverages	4	9	11
25 Tobacco products	1	2	2
26 Yarn and thread; woven and tufted textile fabrics	8	53	53

Division code	Groups	Classes	Sub-classes
27 Textile articles other than apparel	4	18	29
28 Knitted or crocheted fabrics; wearing apparel	3	11	30
29 Leather and leather products; footwear	6	17	17
	44	185	239
3 OTHER TRANSPORTABLE GOODS, EXCEPT METAL PRODUCTS, MACHINERY AND EQUIPMENT			
31 Products of wood, cork, straw and plaiting materials	8	16	21
32 Pulp, paper and paper products; printed matter and related articles	7	22	45
33 Coke oven products; refined petroleum products; nuclear fuel	7	19	19
34 Basic chemicals	8	37	44
35 Other chemical products; man-made fibres	5	28	33
36 Rubber and plastics products	5	24	28
37 Glass and glass products and other non-metallic products n.e.c.	7	33	50
38 Furniture; other transportable goods n.e.c.	8	41	58
39 Wastes or scraps	3	24	32
	58	244	330
4 METAL PRODUCTS, MACHINERY AND EQUIPMENT			
41 Basic metals	6	23	86
42 Fabricated metal products, except machinery and equipment	4	15	35
43 General purpose machinery	6	27	57
44 Special purpose machinery	9	39	98
45 Office, accounting and computing machinery	2	15	15
46 Electrical machinery and apparatus	6	25	35
47 Radio, television and communication equipment and apparatus	5	15	25
48 Medical appliances, precision and optical instruments, watches and clocks	4	26	52
49 Transport equipment	7	22	50
	49	207	453

Division code	Groups	Classes	Sub-classes
5 CONSTRUCTION WORK AND CONSTRUCTIONS; LAND			
51 Construction work	8	48	54
52 Constructions	2	10	31
53 Land	4	4	4
	14	62	89
6 TRADE SERVICES; HOTEL AND RESTAURANT SERVICES			
61 Sale, maintenance and repair services of motor vehicles and motorcycles	3	6	7
62 Commission agents' and wholesale trade services, except of motor vehicles and motorcycles	2	9	66
63 Retail trade services; repair services of personal and household goods	3	8	45
64 Hotel and restaurant services	3	9	15
	11	32	133
7 TRANSPORT, STORAGE AND COMMUNICATIONS SERVICES			
71 Land transport services	3	9	28
72 Water transport services	2	8	15
73 Air transport services	4	7	7
74 Supporting and auxiliary transport services	9	22	22
75 Post and telecommunications services	4	16	27
	22	62	99
8 BUSINESS SERVICES; AGRICULTURAL, MINING AND MANUFACTURING SERVICES			
81 Financial intermediation services and auxiliary services therefor	4	10	45
82 Real estate services	2	2	12
83 Leasing or rental services without operator	2	2	14
84 Computer and related services	6	14	14
85 Research and development services	3	3	12

Division code	Groups	Classes	Sub-classes
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	7	16	54
87 Business services n.e.c.	7	9	37
88 Agricultural, mining and manufacturing services	7	33	39
89 Intangible assets	2	5	5
	40	94	232
9 COMMUNITY, SOCIAL AND PERSONAL SERVICES			
91 Public administration and other services to the community as a whole; compulsory social security services	3	17	32
92 Education services	5	10	10
93 Health and social services	3	6	18
94 Sewage and refuse disposal, sanitation and other environmental protection services	1	7	7
95 Services of membership organizations	3	6	9
96 Recreational, cultural and sporting services	4	13	34
97 Other services	1	4	10
98 Private households with employed persons	1	1	1
99 Services provided by extraterritorial organizations and bodies	1	1	1
	22	65	122

	Sections	Divisions	Groups	Classes	Sub-classes
Totals:					
Manufactured products (sects. 2-4)	3	27	151	636	1,022
Transportable goods (sects. 0-4)	5	39	184	735	1,136
Non-transportable goods and services (sects. 5-9)	5	30	109	315	675
Overall total	10	69	293	1,050	1,811

ANNEX 2

Harmonized System (HS)

SECTION 1

Live Animals; Animal Products

Section Notes.

1. Live animals
2. Meat and edible meat offal
3. Fish and crustaceans, molluscs and other aquatic invertebrates.
4. Dairy produce; bird's eggs; natural honey; edible products of animal origin, not elsewhere specified or included.
5. Products of animal origin, not elsewhere specified or included.

SECTION II

Vegetable Products

Section Note.

6. Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage.
7. Edible vegetables and certain roots and tubers.
8. Edible fruit and nuts; peel of citrus fruit or melons.
9. Coffee, tea, maté and spices.
10. Cereals.
11. Products of the milling industry; malt; starches; inulin; wheat gluten.
12. Oilseeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder.
13. Lac; gums, resins and other vegetable saps and extracts.
14. Vegetable plaiting materials; vegetable products not elsewhere specified or included.

SECTION III

Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes

15. Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes.

SECTION IV

Prepared Foodstuffs; Beverages, Spirits and Vinegar; Tobacco and Manufactured Tobacco Substitutes

Section Note.

16. Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates.
17. Sugars and sugar confectionery.
18. Cocoa and cocoa preparations.
19. Preparations of cereals, flour, starch or milk; pastrycooks' products.
20. Preparations of vegetables, fruit, nuts or other parts of plants.
21. Miscellaneous edible preparations.
22. Beverages, spirits and vinegar.
23. Residues and waste from the food industries; prepared animal fodder.
24. Tobacco and manufactured tobacco substitutes.

SECTION V

Mineral Products

25. Salt; sulphur; earths and stone; plastering materials, lime and cement.
26. Ores, slag and ash.
27. Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.

SECTION VI

Products of the Chemical or Allied Industries

Section Notes.

28. Inorganic chemicals; organic or inorganic compounds of precious metals, or rare-earth metals, of radioactive elements or of isotopes.
29. Organic chemicals.
30. Pharmaceutical products.
31. Fertilizers
32. Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks.
33. Essential oils and resinoids; perfumery, cosmetic or toilet preparations.
34. Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, "dental waxes" and dental preparations with a basis of plaster.
35. Albuminoidal substances; modified starches; glues; enzymes.
36. Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations.
37. Photographic or cinematographic goods.
38. Miscellaneous chemical products.

SECTION VII

Plastics and Articles Thereof; Rubber and Articles Thereof

Section Notes.

- 39. Plastics and articles thereof.
- 40. Rubber and articles thereof.

SECTION VIII

Raw Hides and Skins, Leather, Furskins and Articles Thereof; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (other than silk-worm gut)

- 41. Raw hides and skins (other than furskins) and leather.
- 42. Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut).
- 43. Furskins and artificial fur; manufactures thereof.

SECTION IX

Wood and Articles of Wood; Wood Charcoal; Cork and Articles of Cork; Manufactures of Straw, of Esparto or of Other Plaiting Materials; Basketware and Wickerwork

- 44. Wood and articles of wood; wood charcoal.
- 45. Cork and articles of cork.
- 46. Manufactures of straw, of esparto or other plaiting materials; basketware and wickerwork.

SECTION X

Pulp of Wood or of Other Cellulosic Material; Waste and Scrap of Paper or Paperboard; Paper and Paperboard and Articles Thereof

- 47. Pulp of wood or of other fibrous cellulosic material; waste and scrap of paper or paperboard.
- 48. Paper and paperboard; articles of paper pulp, of paper or of paperboard.
- 49. Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans.

SECTION XI

Textiles and Textile Articles

Section Notes.

- 50. Silk
- 51. Wool, fine or coarse animal hair; horsehair yarn and woven fabric.

52. Cotton.
53. Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn.
54. Man-made filaments.
55. Man-made staple fibres.
56. Wadding, felt and non-wovens; special yarns; twine, cordage, ropes and cables and articles thereof.
57. Carpets and other textile floor coverings.
58. Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery.
59. Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use.
60. Knitted or crocheted fabrics.
61. Articles of apparel and clothing accessories, knitted or crocheted.
62. Articles of apparel and clothing accessories, not knitted or crocheted.
63. Other made up textile articles; sets; worn clothing and worn textile articles; rags.

SECTION XII

Footwear, Headgear, Umbrellas, Sun Umbrellas, Walking-Sticks, Seat-Sticks, Whips, Riding Crops and Parts Thereof; Prepared Feathers and Articles made Therewith; Artificial Flowers; Articles of Human Hair

64. Footwear, gaiters and the like; parts of such articles.
65. Headgear and parts thereof.
66. Umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding crops and parts thereof.
67. Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair.

SECTION XIII

Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials; Ceramic Products; Glass and Glassware

68. Articles of stone, plaster, cement, asbestos, mica or similar material.
69. Ceramic products.
70. Glass and glassware.

SECTION XIV

Natural or Cultured Pearls, Precious or Semi-Precious Stones, Precious Metals, Metals Clad with Precious Metal and Articles Thereof; Imitation Jewellery; Coin

71. Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewellery; coin.

SECTION XV

Base Metals and Articles of Base Metal

Section Notes.

- 72. Iron and steel.
- 73. Articles of iron and steel.
- 74. Copper and articles thereof.
- 75. Nickel and articles thereof.
- 76. Aluminium and articles thereof.
- 77. *(Reserved for possible future use in the Harmonized System)*
- 78. Lead and articles thereof.
- 79. Zinc and articles thereof.
- 80. Tin and articles thereof.
- 81. Other base metals; cermet; articles thereof.
- 82. Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal.
- 83. Miscellaneous articles of base metal.

SECTION XVI

Machinery and Mechanical Appliances; Electrical Equipment; Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of such Articles

Section Notes.

- 84. Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.
- 85. Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles.

SECTION XVII

Vehicles, Aircraft, Vessels and Associated Transport Equipment

Section Notes.

- 86. Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds.
- 87. Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof.
- 88. Aircraft, spacecraft, and parts thereof.
- 89. Ships, boats and floating structures.

SECTION XVIII

Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical
Instruments and Apparatus; Clocks and Watches; Musical Instruments;
Parts and Accessories Thereof

- 90. Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof.
- 91. Clocks and watches and parts thereof.
- 92. Musical instruments; parts and accessories of such articles.

SECTION XIX

Arms and Ammunition; Parts and Accessories Thereof

- 93. Arms and ammunition; parts and accessories thereof.

SECTION XX

Miscellaneous Manufactured Articles

- 94. Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings.
- 95. Toys, games and sports requisites; parts and accessories thereof.
- 96. Miscellaneous manufactured articles.

SECTION XXI

Works of Art, Collectors' Pieces and Antiques

- 97. Works of art, collectors' pieces and antiques.

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- 98. *(Reserved for special uses by contracting parties)*
- 99. *(Reserved for special uses by contracting parties)*

ANNEX 3

The System of 26 Product Categories

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	CCCN headings 84.51-55, 90.10. SITC 75; 881.39.	Office machines and automatic data processing equipment <u>including:</u> typewriters; calculating machines; computers; cash registers; postage-franking, ticket issuing and similar machines; duplicating and photocopying apparatus; apparatus and equipment of a kind used in photographic or cinematographic laboratories; screens for projectors.
15	CCCN headings 85.13-15, 92.11, 92.13. SITC 76.	Telecommunications and sound recording and reproducing apparatus and equipment <u>including:</u> TV and radio receivers and transmitters; gramophones; electrical line telephonic and telegraphic apparatus; microphones; loud-speakers; amplifiers; radio navigational aid apparatus, radar apparatus.
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.

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

Grouping No.	Classification ¹	Product description ²
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.
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.

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

*****X-ray and radiological apparatus etc. of CCCN 90.20 for laboratory and industrial purposes (SITC ex 7742) are placed in grouping 16.

Grouping No.	Classification ¹	Product description ²
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.