

**CENTRAL PRODUCT
CLASSIFICATION
METHODOLOGY**

NATIONAL ADMINISTRATIVE DEPARTMENT OF STATISTICS



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ACRONYMS

ACRONYM	DEFINITION IN SPANISH	DEFINITION IN ENGLISH
CPC A.C.	Clasificación Central de Productos Adaptada para Colombia	Central Product Classification Adapted for Colombia
CUODE	Clasificación según Uso o Destino Económico	Classification according to Use or Economic Destination
DANE	Departamento Administrativo Nacional de Estadística	National Administrative Department of Statistics
DIAN	Dirección de Impuestos y Aduanas Nacionales	National Taxes and Customs Office
DIMPE	Dirección de Metodología y Producción Estadística	Methodology and Statistical Production Division
EAM	Encuesta Anual Manufacturera	Annual Manufacturing Survey
HS	Sistema Armonizado de Designación y Codificación de Mercancías	Harmonized System for Designation and Codification of Merchandise
IMF	Fondo Monetario Internacional	International Monetary Fund
ILO	Organización Internacional del Trabajo	International Labor Organization
ISIC	Clasificación Industrial Internacional Uniforme de todas las actividades económicas	International Standard Industrial Classification of All Economic Activities
NACE	Clasificación Estadística de Actividades Económicas en la Comunidad Europea	Statistical Classification of Economic Activities in the European Community
NSS	Sistema Estadístico Nacional	National Statistical System
SNA	Sistema de Cuentas Nacionales	System of National Accounts
SITC	Clasificación Uniforme para el Comercio Internacional	Standard International Trade Classification
UN	Organización de las Naciones Unidas	United Nations Organization
UNESCO	Organización de las Naciones Unidas para la Educación, la Ciencia y la Cultura	United Nations Educational, Scientific and Cultural Organization
WCO	Organización Mundial de Aduanas	World Customs Organization
WHO	Organización Mundial de la Salud	World Health Organization

PRESENTATION

The National Administrative Department of Statistics, DANE as the coordinator entity of the National Statistical System (NSS), within the framework of the “Statistical Planning and Harmonization” project works to strengthen and consolidate the NSS. This is carried out through several processes such as: the production of strategic statistics; the generation, adaptation, adoption and diffusion of standards; the consolidation and harmonization of statistical information, and the connection of instruments, stakeholders, initiatives and products. These actions are carried out in order to improve the quality of strategic statistic information, and its availability and accessibility to respond to users demand.

In this context DANE, aware of the need and obligation to provide better products for its users, developed a standard presentation guide for methodologies. The aim of this guide is to contribute to the visualization and understanding of the statistical processes, allowing further analysis, control, replicability and evaluation. The documents are presented in a standard and comprehensive manner, thus facilitating the understanding of the main technical characteristics involved in the processes and sub-processes of each research, making them available for both specialized users and the general public.

These series of guides promote the transparency and credibility of the technical expertise of DANE, for a better understanding and use of statistical information. This information is produced according to the principles of coherence, comparability, integrality and quality of the statistics.

INTRODUCTION

The United Nations Statistics Division, in order to address the need to improve the comparability between different economic classifications, approved a program for the harmonization of existing economic classifications. In this sense, the aim was to design a new product classification that included both goods and services. This gave rise to the Central Product Classification (CPC), which has been internationally established as the classification used for the comparison of statistics related to goods and services.

DANE, following the recommendations of the United Nations, created, implemented and developed the adaptation process for the CPC. The goal was to own a national classification system that would enable the harmonization and comparison of statistics related to goods and services, in order to assist decision-making processes in public and private entities across the country.

Within this context, the standards and metadata of processes, methodologies, classifications, nomenclatures and concepts are fundamental instruments for the statistical harmonization. These guarantee compliance with the principles of coherence, comparability, integrality and quality of statistical information. In addition, these instruments establish a framework that allows the national and international comparison of statistics by product type (goods, services and assets).

This document aims to provide users of the classifications with a methodological tool that enables them to know the standard guidelines to be followed in the process of adoption, adaptation and maintenance of the CPC, facilitating its understanding and use.

The first part of this document presents the conceptual and methodological design of the classification. The second part outlines the activities involved in the processes of adaptation and maintenance of the CPC, and in the last part, the mechanisms to diffuse this classification to users of the National Statistical System are explained.

1

BACKGROUND

During the Seventies, in the United Nations Statistics Commission as well as in the Conference of European Statisticians, the need arose to harmonize the various classifications used in the economic sphere.

In 1973, the Customs Co-operation Council (CCC) reviewed the Customs Co-operation Council Nomenclature (CCCN) extending the four-digit system to a six-digit system. This gave rise to the Harmonized Commodity Description and Coding System (HS) which contained 5,019 six-digit sub-headings and had continuity with the Standard International Trade Classification (SITC) Rev. 2 and 3, and the International Standard Industrial Classification of all Economic Activities (ISIC) Rev. 3 by industrial origin. The Harmonized System came into force in 1988, becoming the central reference for the harmonization process of all international economic classifications.

In 1974, the United Nations Statistics Commission summoned a group of experts to formulate recommendations that would strengthen the harmonization of international classifications and statistics. In addition, the Commission created a classification system consisting of different but interrelated economic activities of both goods and services.

In 1977, the Central Product Classification (CPC) is created as an instrument of harmonization based on the Harmonized System. This classification is based on the detailed sub-headings of the Harmonized System using them as unitary elements for the construction of categories related to transportable goods; the System of National Accounts with its basic categories of intermediate consumption, final consumption, capital formation, imports and exports; similarly, the SITC Rev. 2 and 3 were decisive in the development of this classification.

In 1985, the United Nations Statistics Commission confirmed the degree of harmonization obtained between the CPC, the ISIC Rev. 3 and the SITC Rev. 3. In 1987, the Statistics Commission reviewed the first complete draft of the CPC, approving it provisionally so that it could be published and used worldwide. Its implementation would be the best manner to gain experience and suggestions for further reviews.

Since 1970, DANE developed the adaptation of ISIC Rev.2 for Colombia based on the second revision of ISIC published in 1968. This adaptation constitutes the operational classification for the Annual Manufacturing Survey (EAM for its Spanish acronym) and for different uses in several statistical researches. (Table 1)

Table 1. ISIC Rev. 2 DANE- EAM. Structure

Levels	Great Division	Division	Grouping	Group	Activity	Product
Digits	One	Two	Three	Four	Five	Eight

The importance of this structure is that it contains both the activity and the product.

Source: DANE

A provisional version of the CPC was published in 1989 by the United Nations Statistics Division, which recommended that the Member States test the classification in order to gain experience and obtain feedback to create a solid foundation for any subsequent reviews.

DANE initiated the process of adoption and adaptation for Colombia of this classification in 1995, sections 0-9 (Transportable goods, Services and Assets). The unofficial Central Product Classification Adapted for Colombia Version 0 (CPC Ver.0 A.C.) was obtained based on DANE's ISIC Rev. 2, where special importance was given to the manufacturing industry in order to respond to DANE's internal needs, regarding the upcoming Annual Manufacturing Survey.

In 1997, the United Nations Statistics Division reviewed and updated the preliminary version based on the experience of different international users. The final Central Product Classification Version 1.0 was then published.

The main changes are evident in the service sections (5 to 9). This task was undertaken by the Voorburg¹ Group, specialized in service statistics, mainly commercial statistics.

The final review and the implementation phase of the CPC Ver. 1.0 was a cooperative effort of persons from different statistical offices of the world and various organizations like the WTO. The reason for this is that the CPC was used as a source for the preparation of the General Agreement on Trade in Services.

The Voorburg group took the sections corresponding to transportable goods of the provisional CPC and adjusted them based on the changes in the 1996 Harmonized System, the latest version of the SITC Rev. 3 and the corrections found in the ISIC Rev. 3 International Version (Table 2) and incorporated the changes in sections 0 to 4 of the CPC pending a comprehensive review of the final CPC Ver. 1.0.

Chapter 38 of the Harmonized System comprises a considerable amount of materials from the chemical and similar industries.

Given the review and update of the classification, by Decree 2317 of 1996, this chapter has undergone significant changes including the transfer of oleochemicals to chapters of chemicals products.

Table 2 presents an example of how oleochemical products were transferred, since these were listed in Chapter 15 of the Harmonized System and were later moved to Chapter 38 where they were classified as chemicals. This case indicates the changes made to this classification in 1996. Chapter 38 of the Harmonized System comprises a considerable amount of materials from the chemical or similar industries. In the cited example, the transfer from oleochemical products to chemical products was made in order to follow the criterion of the affected industries, in accordance with the regulation of the Harmonized System as agreed by the Andean Group.

¹ The Voorburg Group is a consultative forum of experts, created with the purpose of addressing issues related to the production of service statistics, including: service product outputs and inputs, the estimation of the real product of service activities, price indices of service products and industries, and their implications for product and industry classification (Central Product Classification (CPC) and International Standard Classification of All Economic Activities (ISIC).

Table 2. Example of the changes made to the CPC International Version 1.0 according to changes made to the Harmonized System HS 1996

Central Product Classification			ISIC Rev. 3	HS
Class	Subclass	Description	Class	Tariff
3412	34120	Industrial monocarboxylic fatty acids; acid oils from refining	2411	1511.11-20 3823.11-19 Products are now part of Chapter 38 "Miscellaneous chemical products".

Source: DANE

DANE received the international CPC Ver. 1.0 in 1999 and the Division of Statistical Normalization immediately initiated the adaptation process, following the recommendations provided by the United Nations experts. In 2002, by Resolution 574, DANE submitted to the statistical community the Version 1.0 of the CPC Adapted for Colombia, sections 0 to 4 (transportable goods).

The classification resulted in the aggregation and disaggregation of some categories, but mainly in the inclusion of specific products disaggregated to seven digits. In order to achieve the latter, it was necessary to establish the correspondence between CPC Ver.1 A.C. and ISIC Rev. 3 A.C. The inclusion of the mentioned products represents the largest and most important contribution made to the structure of the classification by the Nomenclatures and Classifications Interdisciplinary Group, providing the users with a product classification that can be used to elaborate statistics that require detailed information on goods.

Adaptation stages CPC Version 1.0 A.C.

The process of adapting the CPC Ver.1.0 A.C. sections 0 to 4 (transportable goods) was mainly focused in the inclusion of the changes made to the International CPC Ver.1.0, which were submitted to a new "round of revisions" both internally and externally.

In order to complete the CPC adaptation, the operative scheme was as follows:

- a. The knowledge and experience acquired during the adaptation process of the ISIC Rev. 3 A.C were applied to a maximum extent.
- b. The provisional CPC Ver. 0 A.C. was used as reference, regarding its structure, functionality, principles and classification criteria.
- c. The international CPC Ver. 1.0 was the basic element of work for the adaptation of the CPC Ver. 1.0 A.C, becoming the reference for each section, division, group, class and subclass. A thorough analysis of each of the levels was made in order to present an adaptation proposal.
- d. The following hierarchical encryption system was created:

Sections: One digit

Divisions: Two digits

Groups: Three digits

Classes: Four digits

Subclasses: Five digits

Products: Seven digits

e. The codes for the sections ranged from 0 to 9.

Sections can be divided into nine divisions.

At the third digit of the code, each division can be divided into nine groups.

Each group can be divided into nine classes.

Likewise, each class can be divided into nine subclasses.

And each subclass can be divided into 99 products.

f. A comparative analysis of the existing product nomenclatures was conducted.

Tariff → ISIC Rev. 2 DANE

Tariff → CUODE through SITC

Tariff → CPC

Nomenclature → SCNCPC

g. Comparative tables were made in order to enable the visualization of the differences and similarities in different categories (Tables 3, 4 and 5).

Table 3. Example of TOTPART correlative

Tariff item number	Year	CUODE	ISIC Rev.2 DANE	ISIC Rev.3 A.C.	ISIC Rev.3.1 A.C.	CPC Ver.1.0 A.C.	SITC Rev.3	Tariff description
2529100000	1996	531	2901	1490	1490	16399	27853	Feldspars
2529100000	1993	531	2901	1490	1490	16399	27853	Feldspars
2529210000	1996	531	2902	1421	1421	16192	27854	Fluorspar containing by weight 97% or less of calcium fluoride
2529210000	1993	531	2902	1421	1421	16192	27854	Fluorspar containing by weight 97% or less of calcium fluoride
2529220000	1996	531	2902	1421	1421	16192	27854	Fluorspar containing by weight more than 97% of calcium fluoride
2529220000	1993	531	2902	1421	1421	16192	27854	Fluorspar containing by weight more than 97% of calcium fluoride
2529300000	1996	531	2901	1490	1490	16399	27853	Leucite; nepheline and nepheline syenite
2529300000	1993	531	2901	1490	1490	16399	27853	Leucite; nepheline and nepheline syenite

Source: DANE

Table 4. Matrix example: Tariff_NA94_NA2000_NA2000MODIF_NA New Base 2005_CUODE_ISIC2_ISIC3_ISIC31_CPC_SITC Rev.2_SITC Rev.3_CBEC

Year	Tariff subheading	Tariff description	SNA base year 1994 6 dig	SNA base year 1994 description	SNA base year 2000 9 dig	SNA base year 2000 description	SNA base year 2000 modified	SNA base year 2000 modified description	SNA base year 2005	ISIC Rev.2 DANE	ISIC Rev.3 A.C.	ISIC Rev.3.1 A.C.	CPC Ver.1.0 A.C.	SITC rev.2	SITC rev.3	CBEC rev.3
1996	2603000000	Copper ores and concentrates	080301	Copper	008001002	Copper	008001002	Copper	008001002	2302	1339	1339	14210	2877	2831	21
1993	2603000000	Copper ores and concentrates	080301	Copper	008001002	Copper	008001002	Copper	008001002	2302	1339	1339	14210	2877	2831	21

Source: DANE

Table 5. Correspondence example between National Accounts Nomenclature vs. CPC 1.1 AC vs. ISIC Rev. 3.1 A.C.

Code	Level	Products			
		Description	CPC Ver.1.1 A.C.	Industrial origin of goods ISIC Rev. 3.1 A.C.	
01	1	Coffee products			
0100	2	Coffee products			
010001	3	Parchment coffee	01611*	0111	
010002	3	Coffee			
03	1	Live animals, animal products and hunting products			
0301	2	Bovine cattle and by-products			
030101	3	Bovine cattle	02111	0121*	
030102	3	Raw milk	02910	0121*	
12	1	Dairy products			
1200	2	Dairy products			
120001	3	Pasteurized and ultra-pasteurized milk	22110	1530*	
120002	3	Milk and cream concentrated or in solid forms	22910; 22920	1530*	
120003	3	Cheese and curd	22950	1530*	
120004	3	Yoghurt and other fermented milk	22930*	1530*	

Table 5. Correspondence example between National Accounts Nomenclature vs. CPC 1.1 AC vs. ISIC Rev. 3.1 A.C.

Code	Level	Description	Products		Conclusion
			CPC Ver.1.1 A.C.	Industrial origin of goods ISIC Rev. 3.1 A.C.	
120005	3	Butter and other fats derived from milk or cream	22120; 22940*		1530*
120006	3	Other dairy products	22930*; 22940*; 22960; 22970; 22980; 22990		1530*
120007	3	Services related to the production of dairy products	8811*		1530*

Source: DANE

The general plan for the adaptation of the CPC Ver.1.0 A.C. was completed based on: the sector diagnosis obtained during the adaptation process of the ISIC Rev.3; the experience gained during the adaptation process of the provisional CPC for Colombia; the conceptual basis and explanatory notes corresponding to the international CPC Ver.1.0; the complementary annexes and the 1996 Harmonized System, in addition to the search for complementary technical information from different sources.

The general plan contains the adaptation proposal, the correspondence with the ISIC Rev. 3 A.C., the Harmonized System and the products of the ISIC Rev. 2 adapted by DANE as well as the corresponding units of measurement reported in the EAM. (Table 6)

Table 6. Adaptation scheme of CPC Ver. 1.0 A.C. in relation to ISIC Rev. 3 A.C., HS and ISIC Rev. 2 DANE

Detailed structure and correspondence between subclasses of CPC Ver.1.0 A.C., ISIC Rev.3 A.C., the HS-96 and ISIC 2 DANE							
CPC Ver.1.0 A.C Detailed structure					Correspondence		
Group	Class	Subclass	Title	UD	ISIC Rev.3 A.C.	Harmonized System 1996	ISIC 2 DANE
SECTION 2			Food products, beverages and tobacco; textiles, apparel and leather products				
	Division 21		Meat, fish, fruit, vegetables, oils and fats				
	211		Meat and meat products				
		2112	Meat and edible offal, fresh, chilled or frozen n.e.c.		1511	0207.11, .13, .24, .26, .32, .34, .35	
		21121	Meat and edible offal of poultry, fresh or chilled	Kg			31117011
		2112101	Chicken, whole	Kg			31117020
		2112102	Duck meat	Kg			31117038
		2112103	Turkey meat	Kg			31117054

Table 6. Adaptation scheme of CPC Ver. 1.0 A.C. in relation to ISIC Rev. 3 A.C., HS and ISIC Rev. 2 DANE

Conclusion

Detailed structure and correspondence between subclasses of CPC Ver.1.0 A.C., ISIC Rev.3 A.C., the HS-96 and ISIC 2 DANE							
CPC Ver.1.0 A.C Detailed structure					Correspondence		
Group	Class	Subclass	Title	UD	ISIC Rev.3 A.C.	Harmonized System 1996	ISIC 2 DANE
		2112104	Poultry viscera	Kg			
		2112105	Chicken rump	Kg			
		2112106	Chicken wings	Kg			
		2112107	Chicken breasts and legs	Kg			
		2112108	Chicken skin	Kg			

Source: DANE

The proposals were submitted to different internal committees specifically created for the task. Adjustments were made taking into consideration the recommendations of these committees, hence obtaining the official CPC Ver.1.0 A.C. sections 0 to 4 (transportable goods).

In 2002, given the demands of different countries' economies and the increasing technological growth, the United Nations Statistics Commission designated a group of international experts in economic classifications to carry out technical, analytical and exploratory tests in order to stimulate the development of the CPC. This led to a new revision of the CPC, resulting in the CPC Ver.1.1.

In view of the above, DANE revised the structure of the CPC Ver.1.0 A.C., updating and adjusting sections 0 to 4 (transportable goods) and sections 5 to 9 (services) according to the international standards. This revision resulted in the unofficial version 1.1 adapted for Colombia. Currently, the section of intangible assets is used in the Annual Services Survey (EAS for its Spanish acronym).

In 2006, following changes made to the Harmonized Commodity Description and Coding System and the 2008 publication of the fourth version of the International Standard Industrial Classification of All Economic Activities - ISIC Rev.4 -, the United Nations started the revision of the CPC Ver.1.1, resulting in the CPC Ver.2. DANE is currently developing the adaptation process for Colombia, in order to stay up to date with the international classifications of reference.

2 DESIGN

2.1. CONCEPTUAL FRAMEWORK

2.1.1. Objectives

General objective

To establish a framework that enables the national and international comparison of statistics by product type (goods, services and assets).

Specific objectives

- To serve as guidance for developing product classifications, derived from the international references.
- To serve as an instrument for the collection and tabulation of various types of statistics (production, foreign trade and productive chains among others), which require detailed information on products.
- To increase harmonization between statistics from different economic sectors and to strengthen the role of national accounts and balances.
- To consolidate the Central Product Classification as the official tool for classifying goods and services for domestic use.
- To establish an appropriate correspondence and harmony between the classification of goods and services with the classifications of economic activities and products suitable for foreign trade, such as the Standard International Trade Classification (SITC).

2.1.2. Reference framework

The Central Product Classification (CPC) is a standard central product classification that was developed as a coordinating instrument for the collection of statistics of goods and services by product type.

Conceptual basis

The classifications are linguistic systems of notation used to statistically communicate and process different phenomena under study. The denomination as system is due to its conformation, since it is based on a set of codes composed by different category levels that allow a homogenous division of the universe of statistical data.

The main purpose of the Central Product Classification (CPC) is to provide a framework for the international comparison of statistics related to products (goods and services) and at the same time, to serve as reference for the development or revision of existing product classifications in order to make them compatible with international standards.

The term product includes goods and services. Goods are usually tangible, storable and transportable, whereas services correspond to products that do not meet the aforementioned characteristics.

Goods are classified in sections 0 to 4 of the CPC. These sections include categories (subclasses), resulting from the reorganization of the headings and subheadings in the Harmonized System. The inclusion of goods in a subclass of sections 0 to 4 of the CPC, is determined by the terms of the headings and notes of chapters, sections and subheadings of the HS

Likewise, services are classified in sections 5 to 9 of the CPC. The structure of the classification in these sections is constructed based on the corresponding categories of ISIC.

The CPC is an exhaustive system in which categories cover goods and services. This means that if a product is not included in a CPC category, it must necessarily belong to another. In accordance with the principles followed, homogeneity between categories is promoted to a maximum extent. The CPC classifies tangible products in categories according to their physical properties and intrinsic nature, degree of manufacture and the principle of industrial origin.

The physical properties and the intrinsic nature of the products are features that distinguish the products themselves. They include, for example, the raw materials used, the production stage or the way goods are produced or the services that are provided and the purpose or type of user to which the products are addressed.

The importance of the industrial origin of goods and services was recognized by the possibility to group into one CPC subclass all products belonging to a single industry of ISIC. However, there is no one-to-one correspondence between the CPC and ISIC due to the fact that the relationship between the classifications is not only complex, but also rarely stable. Since the ISIC is not exclusively focused on production statistics, the CPC gave priority to the origin of the products.

International references

The United Nations Statistics Commission has recommended that Member States use the CPC as a tool for the collection and tabulation of statistics requiring product detail. The Commission also recommends that for countries that do not have the expertise or the resources to develop their own national product classification, they should use the international version of the CPC as the national classification with or without any modification to its structure, depending on the needs and possibilities of each country.

2.2. METHODOLOGICAL DESIGN

The purpose of the CPC is to establish a set of categories that may be used for the production and presentation of statistics related to goods and services that represent the different economic activities in the country.

Nomenclatures and Classifications used as reference

The international versions of the CPC were the only versions considered for the adoption process of the CPC for Colombia. For the processes of adaptation and updating, the latest international versions of the CPC and the CPC version adapted by DANE were considered. And as for the maintenance process, only the latest version of the CPC adapted for Colombia was considered.

3 INHERENT PROCESSES TO THE CLASSIFICATIONS

3.1. ADOPTION

The adoption of a classification is a process in which, an international classification that has not been adjusted to a particular context is taken as reference for a specific application.

The adoption of a product classification such as the CPC should consider the following criteria:

- Exhaustivity of categories: refers to the possibility of classifying all of the products related to the research.
- Exclusivity of categories: refers to the ability to include a product in one and only one category.
- Conceptual basis: refers to the presence of aspects that give meaning to the classification. These may include: objectives, purposes, criteria, principles, explanatory notes, interpretive rules, etc.
- Operational Feasibility: the classification must be easy to implement in the investigations that require it.
- Experience in its use or application: refers to the ability of the classification to meet the purpose and the objectives for which it was designed.
- Structure: the categories of the classification must have a logical and sequential arrangement. Additionally, the structure of the classification must provide sufficient detail for the proper classification of the product and/or product family.
- Entity that elaborates: refers to the relative importance in the national, multinational or international statistical scope, of the entity in charge of the generation or custody of the classification.

3.2. ADAPTATION OF A REVISION

The adaptation of classifications is a process in which an adopted classification is modified, so that it reflects the economic and social characteristics of a country that is considering it. Below are presented the basic aspects that were considered for the adaptation of the CPC Ver.1.0. A.C., which has been established as a revised classification.

A revised classification usually presents a reassessment of the conceptual and structural basis, similarity in criteria and/or scope, and should differentiate from a classification up to date. A revised classification replaces the previous one; in this case the CPC International Ver.1.0 replaced the CPC Provisional Ver.0.

3.2.1. Principles used in the elaboration of the CPC.

The CPC is a category system that covers goods, services and assets. This category system complies with the characteristics required of any classification which include:

Exhaustivity: it comprises all of the elements of the universe. For this particular case, goods and services.

Homogeneity: The structure contains categories grouped by common characteristics.

Mutually exclusive: A product or service can only be classified in one category of the classification.

The CPC classifies products into categories based on its physical properties and the intrinsic nature, as well as the principle of industrial origin of the products.

The physical properties and the intrinsic nature of the products are criteria mainly used by the Harmonized System for the classification of goods, including the following aspects:

- Raw materials used
- Production stage
- The way goods are produced
- Purpose or type of user to which the products are addressed
- Sale price

The industrial origin of the goods and services is considered in the CPC when grouping in one subclass all products manufactured by a single industry. Due to its relation with the ISIC Rev.3 A.C., the CPC Ver.1.0 A.C. presents criteria such as:

- Structure of inputs
- Technology
- Organization of the production

However, in the CPC Ver.1.0. A.C. there are subclasses that relate to more than one class of the ISIC Rev.3 A.C. The relationship between these classifications is complex and rarely stable, for the purpose of ISIC is not only the production statistics. For this reason, priority was given to the nature of the products. The classes of the ISIC Rev.3 A.C. are indicated in the column next to each subclass of CPC Ver.1.0 A.C. (Table 7)

Table 7. Example of the relation of a CPC Ver. 1.0 AC subclass with more than one industrial origin.

Detailed structure and correspondence between subclasses of CPC Ver.1.0 A.C., ISIC Rev.3 A.C., the HS-96 and ISIC 2 DANE							
CPC Ver.1.0 A.C. Detailed structure					Correspondence		
Group	Class	Subclass	Title	UD	ISIC Rev.3 A.C.	Harmonized System 1996	ISIC 2 DANE
161			Minerals for the chemical industry for manure and fertilizer				
	1619		Other chemical minerals				
		16191	Natural sulfate and barium carbonate (other than refined, classified in division 34)		1421 2699	2511	
		1619101	Natural barium sulfate, barite	Kg			29014116
		1619102	Barite processed	Kg			36999187
		1619103	Natural barium carbonate or witherite	Kg			
		1619104	Barium ores	t			29021309

Source: DANE

There are inconveniences for applying the criterion of industrial origin when industries produce goods and services simultaneously. For example: maintenance services + repair services + production on the basis of a fee or contract, where the industrial origin of services is the same as the origin of goods. For the CPC, the nature of services and goods is different; hence the “production services on a fee or contract” are included in Division 86, Section 8.

3.2.2. Work Procedure

The CPC Ver.1.0 A.C. is based on the provisional version and version 1.0 of the international CPC. The industrial origin criterion taken from ISIC Rev.3 A.C. is secondary, conferring the CPC Ver.1.0 A.C. an independent quality regarding ISIC Rev.3 A.C.

The references taken for building the CPC Ver.1.0 A.C. at a seven-digit level were: the Annual Manufacturing Survey (Chapters 8 and 9 corresponding to raw materials and products), ISIC Rev. 2 DANE, the Information System of the Agriculture Sector (SISAC for its Spanish acronym), the Colombian Mining Sector, the basic family basket and the Producer Price Index, PPI.

In order to carry out the adaptation process of the CPC Ver.1.0 A.C, it was agreed upon that the following steps should be followed:

1. To determine the correct description and definition of each of the subclasses included in the CPC Ver.1.0 A.C. according to the homologous subclasses included in the CPC International Ver.1.0 and of the context that shall be given to these in the adaptation process according to the country's reality.
2. To determine the appropriate relation of each of the subclasses of the CPC Ver.1.0 A.C. with the classes of the ISIC Rev.3 A.C. where its industrial origin is found and with the headings and subheadings of the Harmonized System used to structure them.

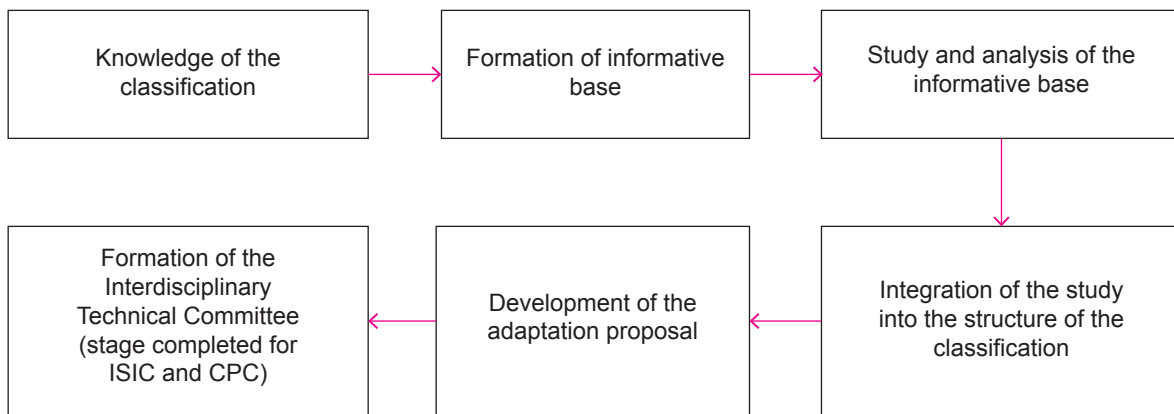
3. To identify misclassified products in any given subclass of the CPC Ver.1.0 A.C. according to the structure of the classification and the terms established in the headings and/or subheadings of the Harmonized System.
4. To verify the five-digit correspondence of the products included in each subclass of the CPC Ver.1.0 A.C. with the classes of ISIC Rev.3 A.C. which are related in the correspondence table of ISIC Rev.3 A.C. vs. ISIC Rev. 2 DANE.

The adaptation of the CPC Ver.1.0 A.C resulted in a series of modifications and/or changes to its original version. These modifications were: changes in a subclass description, a product transfer from one section to another, reclassification of a product within the same section, elimination of a product, change in the name of a product, addition and subtraction of codes and the addition of new products. These modifications were treated as follows:

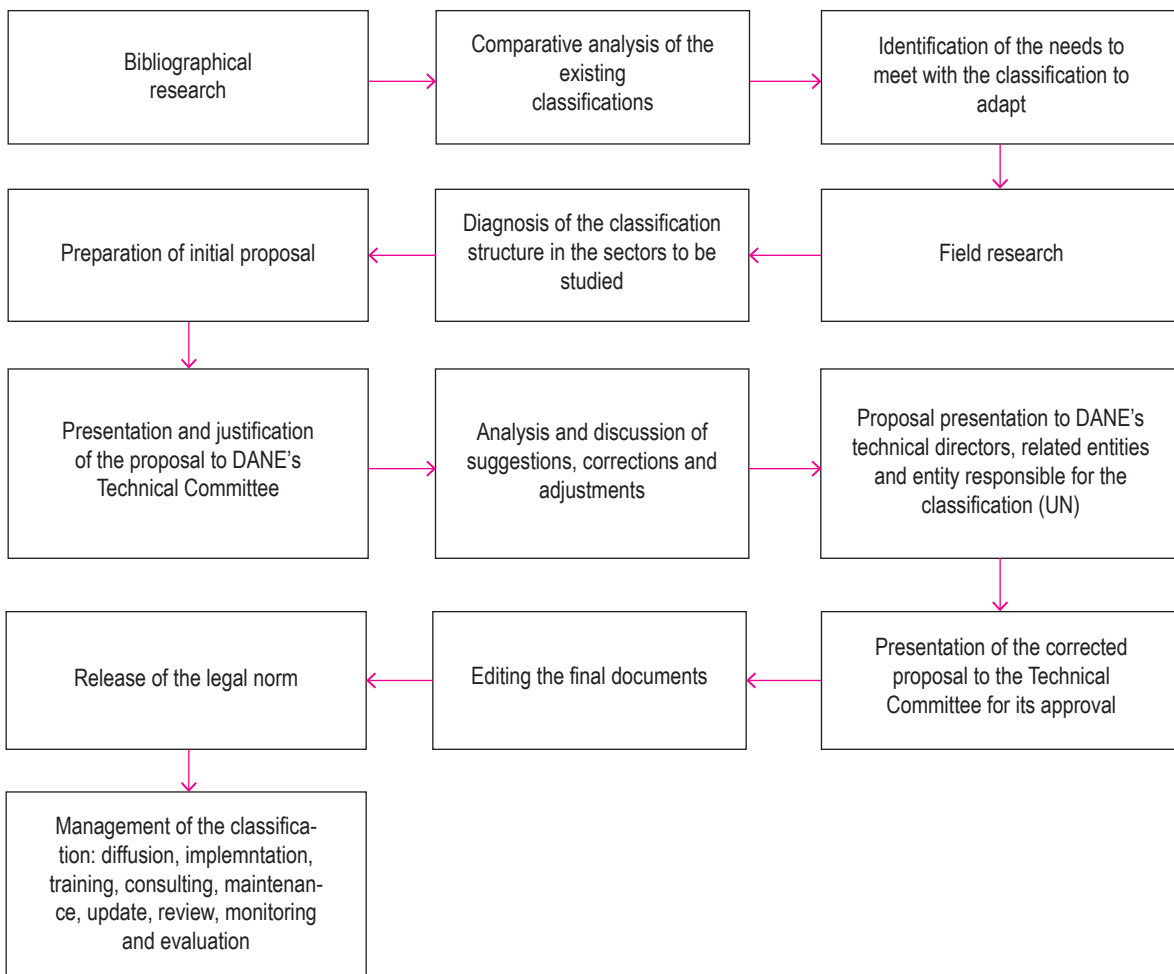
- The products with generic or trade names whose description did not provide sufficient information in its description to allow an accurate classification in specific subclasses were removed from the CPC Ver.1.0 A.C.
- Products with names that differed from their actual characteristics underwent changes in their names. By finding names closer to the actual characteristics, products were classified into specific subclasses of CPC Ver.1.0 A.C.
- Products that under their name included two or more articles were disaggregated into individual items, provided that each of these articles was unambiguously classifiable into specific subclasses of CPC Ver.1.0 A.C.
- Products designated as n.e.c. (not elsewhere classified) were classified into specific subclasses of CPC Ver.1.0 A.C. provided that the inclusion in such subclass was unambiguous. If the inclusion was not possible, the products were eliminated.
- Products that according to their description could belong to more than one subclass of the CPC Ver.1.0 A.C. were kept in the subclass where they were classified. This was done assuming that the product adapted to the description of the subclass, to the terms of the class in ISIC Rev.3 A.C. and the headings and subheadings of the Harmonized System to which that subclass was related.
- The classification of a product in a subclass of CPC Ver.1.0 A.C. was prioritized according to the relationship between the subclass and the headings and subheadings of the Harmonized System to which the structure is correlated.
- Adjustments were made to the descriptions of certain subclasses so that they would be in accordance with the International CPC Ver.1.0. and other related Classification Systems (ISIC Rev.3 A.C and HS).

Methodological outline

A. Procedure Criteria



B. Operative Program



Particular criteria were also used in the revision of each section of the CPC Ver.1.0 A.C. Each of these criterion or considerations was disclosed at the beginning of each section in the technical report presented to justify the changes or modifications made to the classification.

3.2.3. General Structure of the CPC Ver.1.0 A.C. (Transportable goods)

The structure of the CPC Ver.1.0 A.C at general level is hierarchical and its system of codification is decimal and cumulative. (Table 8)

Table 8. Hierarchical levels of the CPC Ver. 1.0 A.C.

Descending scale	Number of digits	Total categories CPC International Ver. 1.0	Total categories CPC Ver. 1.0 A.C. Sections 0 to 4
Section	1	10	5
Division	2	71	39
Group	3	294	186
Class	4	1.162	756
Subclass	5	2.093	1.357
Products	7	0	5.836

Source: DANE

The codes for the sections vary between 0 and 4 in the adaptation for Colombia. Each section was divided into nine divisions; these in turn were divided into 9 groups and so on for the remaining categories, except for the product category that has been settled to 99 consecutive numbers.

In those cases in which a given level of the classification is not subdivided into categories of the following classification level, a “0” is used in the position for a more detailed level. For example:

Group 130 “Uranium and thorium ores and concentrates”

Class 1300 “Uranium and thorium ores and concentrates”

Subclass 13000 “Uranium and thorium ores and concentrates”

All 10 Sections were grouped according to the type of goods and services, as follows:

Transportable goods (corresponding to the adaptation of the official CPC Ver.1.0 A.C.)

Section 0 Agriculture, forestry and fishing products

Section 1 Ores and minerals; electricity, gas and water

Section 2 Food products, beverages and tobacco; textiles, apparel and leather products

Section 3 Other transportable goods, except metal products, machinery and equipment

Section 4 Metal products, machinery and equipment

Sections 2, 3 and 4 comprise all manufactured goods.

Non-transportable goods and services (corresponding to the international CPC Ver.1.0)

Section 5	Intangible resources; soil; constructions; construction services
Section 6	Distributive trade services; lodging; food and beverage serving services; transport services; and utilities distribution services
Section 7	Financial and related services; real estate services; and rental and leasing services
Section 8	Business and production services
Section 9	Community, social and personal services

3.2.4. Limitations of the CPC Ver.1.0 A.C (Transportable goods - Sections 0 to 4)

The CPC Ver. 1.0 A.C. (transportable goods - sections 0 to 4) at its highest level of disaggregation is arranged by 7-digit codes to designate products that, for the most part, belong to the Colombian industry. These products were reported to DANE through the Annual Manufacturing Survey - EAM. It should be noted that the products listed in the CPC Ver. 1.0 A.C. represent only a part of all of those produced by the national industry due to the fact that industries report to the survey given the fulfillment of particular inclusion criteria.

In this sense, both the opening of new 7-digit codes to designate products not included in the CPC Ver. 1.0 A.C., as well as any other change or modification to the classification suggested by potential users was analyzed, evaluated and completed by DANE.

For the development of the CPC Ver. 1.0 A.C., two criteria were taken into account: the type of product and the industry of origin. For the application of these criteria, various practical complications had to be solved. For example, some industries produce goods of very different nature. For instance, meat and leather come from slaughter houses. These products are not grouped in a single category, not even in the same section of the CPC. Since untreated leathers are considered basic raw animal materials, they are classified in Section 0 (agriculture, forestry and fishing products), whereas meat is classified in Section 2, under food products.

In some cases, goods of different industrial origins are included in a single category of the CPC Ver.1.0 A.C., particularly because the industrial origin criterion is not used in the HS. For example, the HS seldom distinguishes between cast iron or metal products and other metallic products. Furthermore, cast products are classified in HS as pieces of machinery or other goods. As a result, the CPC does not have a separate category for cast iron products and therefore makes no reference to Group 273 (Casting of metals) of ISIC Rev. 3 A.C.

3.2.5. Relation of the CPC Ver.1.0 A.C. to other classifications (Transportable goods - Sections 0 to 4)

The structure of the CPC Ver.1.0 A.C., as part of the system of economic classifications is related to other classifications of different nature. These relationships are described below:

Relation of the CPC Ver.1.0 A.C. (Transportable goods - Sections 0 to 4), to ISIC Rev. 3 A.C.

Each subclass of the CPC Ver.1.0 A.C. contains goods that are predominantly produced in one class of ISIC Rev.3 A.C. This class of the ISIC Rev.3 A.C. is indicated in the first column of the correspondence table, next to each subclass of the CPC Ver.1.0 A.C. However there are some subclasses related to 2 classes of ISIC Rev. 3 A.C due to the fact that some of the products contained in a subclass of the CPC Ver.1.0 A.C may be related to two industrial origins. (Table 9)

The International Standard Industrial Classification of All Economic Activities Revision 3 adapted for Colombia - ISIC Rev. 3 A.C., is a classification resulting from a process of adaptation of the third revision of the International Standard Industrial Classification of All Economic Activities developed by the United Nations. This classification provides a set of categories to systematically classify productive activities, which can also be used to analyze and present corresponding statistics. These categories are applied to economic agents that are characterized by the productive processes that they develop. This classification is arranged hierarchically starting from the most aggregate level that classifies sectors of the economy, to lower aggregation levels where economic activities with higher levels of detail are located. It is divided into Sections (level 1), Divisions (level 2), Groups (level 3) and Classes (level 4), so that each category of lower level is fully contained in higher-level categories.

Table 9. Example of the CPC Ver. 1.0 A.C. with two industrial origins

Detailed structure and correspondence between subclasses of CPC Ver.1.0 A.C., ISIC Rev. 3 A.C., the HS-96 and ISIC 2 DANE							
CPC Ver.1.0 A.C - Transportable goods (Sections 0 to 4)					Correspondence		
Detailed structure							
Group	Class	Subclass	Title	UD	ISIC Rev. 3 A.C.	Harmonized System 1996	ISIC 2 DANE
013			Fruits and edible nuts				
	0135	01350	Other fruit, dried		*1521	0801.11, 08031, 0813 0806.20	
		0135001	Plantain, dried	Kg			31137071
		0135002	Bananas, dried	Kg			31133041
		0135003	Prunes	Kg			31133024
		0135004	Raisins	Kg			31133017
		0135005	Shredded coconut	Kg			31219035
		0135006	Fruits, dried	Kg			31137012
		0135099	Other dried fruits whether or not shelled, n.e.c.				31133050
391			Other by-products, waste and scrap from food and tobacco industry				
	3912	39120	Bran and other residues from the working of cereals or legumes; vegetable materials and vegetable waste, vegetable residues and by-products, whether or not in the form of pellets, of a kind used in animal feeding n.e.c.	Kg	1541 *1521	2302, 2308.90	
		3912001	Mogolla – shorts	Kg			31161037
		3912002	Bran	Kg			31161045
		3912003	Pellets - crushed rice	Kg			31161053
		3912004	Rice bran	Kg			31163056
		3912005	Corn bran	Kg			311362033
		3912006	Third-quality barley	Kg			31332044
		3912007	Agricultural by-products of cereals	Kg			11111190
		3912098	Soy bran	Kg			31165156

Table 9. Example of the CPC Ver. 1.0 A.C. with two industrial origins

Conclusion

Detailed structure and correspondence between subclasses of CPC Ver.1.0 A.C., ISIC Rev. 3 A.C., the HS-96 and ISIC 2 DANE							
CPC Ver.1.0 A.C - Transportable goods (Sections 0 to 4) Detailed structure					Correspondence		
Group	Class	Subclass	Title	UD	ISIC Rev. 3 A.C.	Harmonized System 1996	ISIC 2 DANE
		3912099	Cereals and/or legumes bran n.e.c.	Kg			31165091
		3912010	Pellets of cereals and/or legumes n.e.c.	Kg			31165113

Source: DANE

Relation of CPC Ver.1.0 A.C (Transportable goods - Sections 0 to 4) to the Harmonized Commodity Description and Coding System – HS

In the case of transportable goods, there is a very close relationship between the CPC Ver.1.0 A.C. and the Harmonized System, since the structure of the CPC Ver.1.0 A.C for these sections is elaborated through the consolidation and reorganization of entire categories of HS. In this publication, this relationship is indicated in the second column of the correspondence table by a reference next to each subclass indicating the headings or subheadings of the Harmonized System that define the category of the CPC Ver. 1.0 A.C. (Table 10)

Table 10. Relationship between the CPC and the Harmonized System

Detailed structure and correspondence between subclasses of CPC Ver.1.0 A.C., ISIC Rev.3 A.C., the HS-96 and ISIC 2 DANE							
CPC Ver. 1.0 A.C - Transportable goods (Sections 0 to 4) Detailed structure					Correspondence		
Group	Class	Subclass	Title	UD	ISIC Rev. 3 A.C.	Harmonized System 1996	ISIC 2 DANE
411			Basic iron and steel				
	4111		Primary materials of iron and steel metallurgy				
		41111	Pig iron and spiegeleisen in pigs, blocks or other primary forms		2710	7201	
		4111101	Pig iron	t			37102016
		4111102	Pig iron ingots	t			37102075

Source: DANE

The Harmonized System is a classification of tangible and transportable merchandise likely to be traded based on 4 main criteria:

1. Composition
2. Degree of elaboration
3. Industry that uses it
4. Product usability

In 1988, the Harmonized System replaced the Nomenclature of the Customs Cooperation Council (NCCC) generated by the Customs Cooperation Council (CCC), which in 1994 became the World Customs Organization (WCO). The WCO is an international organization that works to develop consensual rules on customs procedures as well as to assist and advise customs services.

In addition to the product classification, the Harmonized System contains legal rules of interpretation as well as principles for their proper management. This legal-technical structure consists of:

- Headings
- Subheadings
- Section legal notes
- Headings legal notes
- Subheadings legal notes
- General classification rules

In addition, the HS has explanatory notes, an alphabetical index and classification criteria issued by the Harmonized System Committee. These criteria are the auxiliary tools of interpretation.

The Harmonized System is the foundation for the harmonization process of all international economic classification undertaken by the Statistical Office of the United Nations and the Statistical Office of the European Community - Eurostat.

The headings and subheadings of this classification are the basis upon which the sections of industrial goods of the classifications and the most disaggregated headings of the UN and UE foreign trade classifications are built upon.

It should be noted that the Harmonized System only comprises tangible and transportable goods or products available for international trade, not services. The maximum level of disaggregation in the HS is of 6 digits (subheadings).

Interpretive rules of the CPC Ver.1.0 A.C. system (Transportable goods - Sections 0 to 4)

The CPC Ver.1.0 A.C. presents a set of interpretive rules to assign each product to one and only one subclass within the structure of the classification. The part of the CPC Ver.1.0 A.C. concerning transportable goods is defined in relation to interpretive rules of the HS. Therefore, these rules which are quoted below constitute the fundamental principles for the classification of goods in the CPC nomenclature:

1. The titles of sections, chapters and subchapters are presented only for ease of reference; for legal purposes [of the Harmonized System], the classification will be determined according to the terms of the headings and any notes to the sections of the relevant chapters and, provided that such items or notes do not indicate otherwise, in accordance with the following rules:

2.
 - a) Any reference to an article in a heading should include a reference to such article in an incomplete or unfinished condition, provided that the unfinished article has the essential characteristics of the complete or finished article. A reference to the complete or finished article (or considered to be classified as complete or finished in virtue of this rule) in an unassembled or disassembled condition should be included as well.
 - b) Any reference to a material or substance in a heading should include a reference to blends or combinations of that material or substance with other materials or substances. Any reference to goods consisting of a given material or substance in a heading should also include a reference to goods consisting entirely or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be regulated by the principles of Rule 3.
3. Where by reason of the application of Rule 2b) or for any other reason, goods are, prima facie, classifiable under two or more headings, the classification shall be as follows:
 - a) The heading that provides the most concrete description of the goods and services will be preferred over headings providing a more general description. However, when each of two or more headings refer only to a portion of the substances or materials contained in mixed or composite goods or to parts of a set put up for retail sale, it will be considered that those headings are equally specific in relation to the merchandise, even if one of them gives a more complete or precise description of the goods.
 - b) Blends, mixed items made from different materials or manufactured from different components and sets of packaged goods put up for retail sale that cannot be classified according to Rule 3a) shall be classified according to the material or component that gives them their essential character, provided that this criterion is applicable.
 - c) Goods that cannot be classified according to rules 3a) or 3b) will be classified in the heading that occupies the last place in numerical order, choosing from those that merit consideration.
4. Goods that cannot be classified in accordance with the above mentioned rules will be classified in the appropriate heading containing the most related goods.
5. In addition to the previous dispositions, the following rules are valid regarding the goods mentioned in them:
 - a) All cases for cameras, musical instruments, guns, drawing tools, necklaces and similar containers, specially shaped or adapted to contain a specific item or set of items, intended for extended use and that are presented along with the articles for which they are made, should be classified with such articles. However, this rule does not apply to containers that give the whole its essential character.
 - b) According to the stipulations set forth in rule 5a), all packaging material and containers presented with goods referred to in rule 5a), will be classified along with those goods provided that they are regularly used for packing such goods. However, this regulation is not binding when the packing material or containers are clearly intended for repeated use.
6. For legal purposes of the Harmonized System, the classification of goods in subheadings will be determined by the terms of those subheadings and any notes referring to relevant subheadings and, mutatis mutandis, the above rules, in the understanding that subheadings are only comparable within the same level. For the effects of the present rule, notes referring to relevant sections and chapters are also applicable, unless otherwise required by the context.

Guide for the classification of products in CPC Ver.1.0 A.C. (Transportable goods - Sections 0-4)

Starting from a correct description of the product, the detailed structure of the CPC Ver. 1.0 A.C. is analyzed to initially classify it in the section level. An agricultural product belongs in Section 0, a mining product in Section 1 and if the product comes from the manufacturing industry Sections 2 to 4 should be considered, which include:

Section 2. Food products, beverages and tobacco; textiles, apparel and leather products

Section 3. Other transportable goods, except metal products, machinery and equipment. It is the case of products made of wood, paper, oil, chemicals, rubber, plastic, glass, furniture, etc.

Section 4. Metal products, machinery and equipment, when it is the case of basic metals, machinery for general and special use; office, accounting, computing and electrical equipment; radio, television and communications equipment; medical devices, precision optical instruments, clocks and transportation equipment.

- Subsequently to the classification of the product in a Section, a Division (2-digit category) must be selected which is the next level within the structure.
- After the classification in the Division level, the Group (3-digit category) to which the product belongs is identified.

Noting the structure of the Group, select the Class (4-digit category) in which it should be included.

- Within the Class structure, select the Subclass (5-digit category).
- Observing the Subclass, locate the product to 7-digits. It is important to confirm that according to the description of the Subclass, the product to be classified corresponds exactly to this category.
- Verify that the Heading (4-digit code) and/or Subheading (6-digit code) of the Harmonized System explicitly contains the product to classify or that its inclusion can be inferred according to the explanatory notes. If the tariff item number (10 digits) is available, the first six digits can be used to verify that the subheading of the HS is the one related to the subclass of the CPC Ver.1.0 A.C.
- Verify that the industrial class in ISIC Rev. 3 A.C related to the subclass contains the economic activity in which the product to be classified mainly originates, based on the principle that from each industrial class, several homogeneous product families that are related to a subclass of the CPC Ver. 1.0 AC are obtained.

Examples:

Product 1: Pilsen beer. Unit of measure: liters.

Through the application of the steps listed above, the product is accordingly classified as follows:

It is inferred that this is an industrial product and as such it should be classified in Sections 2 to 4 of the CPC. Since it is a beverage it is included in Section 2: Food products, beverages and tobacco; textiles, apparel and leather products.

Of the nine divisions in section 2, this product corresponds to Division 24 Beverages. Division 24 has four groups. By analyzing its description it is observed that beer belongs to Group 243 Malt liquors and malt.

Group 243 has two classes, corresponding to this case 2431 Beer. This class is closed thus it consists of a single subclass, corresponding to the code 24310 Beer.

According to the number of products existing in the structure, the code is assigned consecutively. In this case it is the first product, assigning code 2431001 Pilsen beer, unit of measure liters (l).

Subclass 24310 is based on the Harmonized System: 2203 Beer made from malt, whose explanatory notes clarify the scope and content of the heading: "Beer is an alcoholic beverage obtained by the fermentation of must made from malted barley or wheat, which has usually been boiled in water with hops. Unmalted cereals can be used in the preparation of must (e.g. maize and rice). The addition of hops provides bitter and aromatic flavors as they act as a natural preservative. Sugars, colorants, coal dioxide and other substances are usually added to beer. Beer can be pale or dark, sweet or bitter, light or strong; it is distributed mainly in barrels, bottles or sealed cans..."²

It is clear that this heading includes Pilsen beer, and so the product is properly classified in subclass 24310 Beer.

The CPC subclass is related to the ISIC Rev. 3 A.C Class 1593 Manufacture of malt, beer and other malt beverages, whose explanatory notes state:

This class includes:

"...The manufacture of different types of beer such as regular, ale, porter, stout, etc".

It is evident that Pilsen beer is a product obtained from the activity 1593, confirming that the CPC subclass 24310 Beer is correct.

Product 2: Fruit wine. Unit of measure: liters.

In ISIC Rev. 3 A.C this activity is classified as industrial. However, for the CPC Ver.1.0 A.C., it is essential to have clarity on the type of product; it is required to know if the wine is grape wine, sparkling wine, vermouth, flavored wine, etc.

To classify this product in the CPC Ver.1.0 A.C., we have:

It is an industrial product; thus it should be classified in Sections 2 to 4 of the CPC. Since it is a beverage it is included in Section 2: Food products, beverages and tobacco; textiles, apparel and leather products.

Of the nine divisions in Section 2, this product corresponds to Division 24 Beverages. Division 24 has four groups. By analyzing its description it is observed that fruit wine belongs to Group 242 Wines.

Group 242 has two classes, corresponding to this case 2422 Cider, perry, mead and other fermented beverages, their mixtures and non-alcoholic beverages (except wine of fresh grapes and beer made from malt).

Class 2422 is closed thus it consists of a single subclass, corresponding to the code 24220 Cider, perry, mead and other fermented beverages, their mixtures and non-alcoholic beverages (except wine of fresh grapes and beer made from malt).

According to the number of products existing in the structure, the code is assigned consecutively. In this case it is the second product, assigning code 2422002 Fruit wine, unit of measure liters (l).

² Translation from Spanish. cf. WCO, 2007.

In ISIC Rev. 2 DANE, product 31322022, “Fruit wine” was included in the activity “Production of wine of fresh grapes and grape must.”

Since the objective of ISIC Rev.3 A.C is to establish a uniform classification of economic activities, the production of wine is included in the class:

1592 “Manufacture of non-distilled fermented beverages.”

Product 3: Panela in blocks³. Unit of measure: Kg.

Given that this activity is characteristic of our country, it is located in the ISIC Rev.3 A.C 1572 class “Manufacture of panela”.

Given the above, this product is not classified in the international CPC Ver.1.0, which is why a location in the adaptation for Colombia was sought. Group 235 was assigned, designated as “Sugar and panela”.

Analyzing the classes in this group, it was found that panela should be classified in Class 2354 with closed subclass 23540 Sugar cane panela, in solid form, including those containing added flavoring and/or aroma additives.

On a seven-digit level a code is assigned on the basis that it is the first product, leading to the following classification:

2354001 Panela in solid forms

The HS has no specific subheading for this product; however the Andean Community of Nations (CAN for its Spanish acronym) created the subheading 17011110 to identify a product with the name of “chancaca” (panela), characteristic of Venezuela, Ecuador and Peru. This product is also manufactured in Brazil and Mexico, among other countries.

In ISIC Rev.2 DANE the product is located under the code 31182-018 “Manufacture of panela”.

3.2.6. Major changes presented in the reference classification during an adaptation process

Disaggregation of categories

The disaggregation of categories is the process where categories of the reference classification are subdivided into subcategories with higher levels of detail, describing with more precision the phenomena or objects to be classified.

This procedure was applied to the CPC Ver. 1.0 A.C. when a higher level of specificity was needed for certain levels of the structure, depending on the importance or the degree of specialization of phenomena or objects present in the economy or the social sphere of the country. (Table 11)

³ Characteristic product of the Andean region also known as *hardened sugarcane*.

Table 11. Example of disaggregation of categories

CPC VER. 1.0 INTERNATIONAL				CPC VER. 1.0 ADAPTED FOR COLOMBIA						
		Correspondence				Correspondence				
Group	Class Subclass	Title	ISIC Rev.3 International	Harmonized System	Group Class	Subclass	Title	ISIC Rev.3 A.C.	Harmonized System	ISIC 2 DANE
Section 2		Food products, beverages and tobacco; textiles, apparel and leather products			Section 2		Food products, beverages and tobacco; textiles, apparel and leather products			
Division 21		Meat, fish, fruit, vegetables, oils and fats			Division 21		Meat, fish, fruit, vegetables, oils and fats			
211		Meat and meat products			211		Meat and meat products			
2111		Meat and edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen			2111		Meat and edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen			
21111		Meat of bovine animals, fresh or chilled	1511	0201	21111		Meat of bovine animals, fresh or chilled	1511	0201	
21112		Meat of bovine animals, frozen	1511	0202	21112		Meat of bovine animals, frozen	1511	0202	31111013
21113		Meat of swine, fresh or chilled	1511	0203.11-19	21113		Meat of swine, fresh or chilled	1511	0203.11-19	
21114		Meat of swine, frozen	1511	0203.21-29	21114		Meat of swine, frozen	1511	0203.21-29	
21115		Meat of sheep, fresh or chilled	1511	0204.10-23	21115		Meat of sheep, fresh or chilled	1511	0204.10-23	31112028
21116		Meat of sheep, frozen	1511	0204.30-43	21116		Meat of sheep, frozen	1511	0204.30-43	
21117		Meat of goats, fresh, chilled or frozen	1511	0204.50	21117		Meat of goats, fresh, chilled or frozen	1511	0204.50	31112044

Table 11. Example of disaggregation of categories

CPC VER. 1.0 INTERNATIONAL				CPC VER. 1.0 ADAPTED FOR COLOMBIA				Conclusion			
Group	Class	Subclass	Title	Correspondence		Group	Class	Subclass	Title	Correspondence	
				ISIC Rev.3 International	Harmonized System					ISIC Rev.3 A.C.	Harmonized System
	21118		Meat of horses, asses, mules or hinnies, fresh, chilled or frozen	1511	0205			2111701	Meat of goats		31112052
		21118						21118	Meat of horses, asses, mules or hinnies, fresh, chilled or frozen	1511	0205
								2111801	Meat of horses, fresh		31111030
								2111802	Meat of horses, frozen		31111048
								2111803	Meat of horse, ass, mule or hinny species, fresh, chilled or frozen		
								21119	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules, or hinnies, fresh, chilled or frozen	1511	0206
	21119			1511	0206			2111999	Viscera of cattle n.e.c.		31113199

Source: DANE

Aggregation of categories

The aggregation of categories is the process where categories of the reference classification are combined into fewer categories. This process is done when there are categories that represent phenomena or objects of little importance to the economy or social sphere of the country. The aggregation of categories must be carefully evaluated for it leads to a loss of international comparability of information. (Table 12).

Table 12. Example of aggregation of categories

CPC VER. 1.0 INTERNATIONAL				CPC VER. 1.0 ADAPTED FOR COLOMBIA					
Group	Class	Subclass	Title	Correspondence		UD	ISIC Rev.3 A.C.	Correspondence	
				International	Harmonized System			Harmonized System	ISIC 2 DANE
013	0134	01341	Fruits and nuts	0112	0807.11-19	Kg	0117	0807-0810	
			Melons						
013	0134	01340	Other fruit, fresh	0113	0807.20-0810	Kg			
			Melons						
			Watermelons						
			Papaya						
			Strawberries						
			Blackberries and raspberries						
			Apples						
			Pears						
			Peaches						
			Plums						
			Sour sop						
			Banana passion fruit						
			Naranjilla						
Cashew apple									
Peach-palm									
Passion fruit									
Cherries									
Borojó									
Tamarillo									
Pitaya									
Golden berry									
Feijoa / Pineapple guava									

Table 12. Example of aggregation of categories

CPC VER. 1.0 INTERNATIONAL				CPC VER. 1.0 ADAPTED FOR COLOMBIA				Conclusion
Group	Class	Subclass	Title	Correspondence				
				ISIC Rev.3 International	Harmonized System	ISIC Rev.3 A.C.	Harmonized System	ISIC 2 DANE
			Badea / Giant granadilla			UD	Kg	
			Tamarind				Kg	
			Other fruit, fresh n.e.c.				Kg	11115993

Source: DANE

Transfer of categories

Even though this procedure was not applied in the process of adapting the CPC Ver. 1.0 A.C, the transfer of categories consists of the relocation of categories within the overall structure of the reference classification, for purposes of the adaptation process.

Change of the title and content of categories

The titles of the categories and phenomena grouped in these should correspond to names suitable to the national socioeconomic context. Therefore, the proper description of the titles and the content of categories is also part of the adaptation process, indicating changes resulting from the research process that was conducted for each of the topics.

The process of adapting the CPC Ver. 1.0 for Colombia, sections 0 to 4, is mainly concerned with the disaggregation of categories in order to gain higher levels of detail in the classification's structure (subclasses). Therefore, it was possible to create an additional level in the classification to identify products with greater specificity. The process of disaggregation of the CPC was carried out by including products mainly reported in different DANE's researches (Economic Surveys, Indexes, National Survey of Agricultural Performance, National Accounts and requirements for the inclusion of products from, for example, the Colombian mining sector, etc.) in relevant CPC subclasses and then encoding them with seven-digit numbers where the first five digits correspond to the subclass where the product is included.

The inclusion of products was made taking into account the following aspects:

1. Knowledge and detailed analysis of each of the hierarchical levels that constitute the classification, as well as its conceptual basis, which is obtained from the Harmonized System.
2. Description of each one of the subclasses that constitute the CPC adapted for Colombia in accordance with the international reference.
3. Standardization of each one of the subclasses of the CPC adapted for Colombia with a class of the ISIC adapted for Colombia and the headings and subheadings of the Harmonized System.
4. Knowledge of the products to be included in the subclasses of the CPC, by determining the following aspects:
 - Commercial and technical description of the product
 - Raw material
 - Manufacturing process
 - Tariff item number
 - Product use

In order to collect this information the form designed for this purpose must be used, included in the classifications maintenance guide (Annex B).

5. Analysis of the texts of the headings and subheadings of the Harmonized System that make up the subclasses where the products are to be classified, as well as the legal notes of sections and chapters, especially those related to the subclass under consideration.

Regarding sections 5 to 9, the adaptation process is mainly concerned with the addition of new subclasses as a result from the disaggregation of categories of the international classification. The addition happens in accordance with the statistical importance of any given service included within a subclass of the CPC international version. The importance of the identification of a subclass of a particular service as independent may be established by the following criteria:

- Services of historical importance
- Services of specific statistical interest
- Services of accelerated economic and social growth
- Services with special legal regulation

The adjustments made to the international CPC were submitted as an adaptation proposal justified by technical support. The technical evidence clearly identifies the category subject to adaptation, the adaptation made and the technical reason. In some cases, it is appropriate to provide a description or overview of the current status of a product related to the category to be adjusted (Comprehensive Assessment); the technical evidence must also cite the source of information used for the adaptation. Following its preparation, the technical evidence was evaluated along with the adaptation proposal by those who prepared them for submission to the general manager of the adaptation process. At this stage, the necessary adjustments were made regarding the inconsistencies found in both the adaptation proposal and the technical support.

Subsequently, the adaptation proposal was evaluated by the main users, with whom the final adjustments were determined, prior to the formalization of the classification by means of the respective resolution.

Simultaneous or subsequent to the adaptation process, correspondence tables of the adapted CPC were developed, to previous versions of the same classification and to other relevant classifications. A correspondence table is a tool to relate the categories of a classification in terms of the categories of another. (Table 13)

Table 13. Example of changes to titles and contents of categories

CPC VER. 1.0 INTERNATIONAL				CPC VER. 1.0 ADAPTED FOR COLOMBIA							
Group	Class	Subclass	Title	Correspondence							
				ISIC International	ISIC Rev.3	Harmonized System	ISIC Rev.3 A.C.	Harmonized System	ISIC 2 DANE		
SECTION 1			Ores and minerals; electricity, gas and water				Ores and minerals; electricity, gas and water				
Division 11			Coal and lignite; peat				Mineral coal				
110			Coal and lignite; peat				Coal, lignite, peat and other mineral coals (except graphite)				
1101	11010	11010	Coal, not agglomerated	1010	1101	11010	Bituminous coal, anthracite or mineral coal, not agglomerated	1010	2701.11, .12, .19		
						1101001	Anthracite			t	21000108
						1101002	Coking or metallurgical coal			t	21000108
						1101003	Steam coal			t	21000108
						1101004	Mineral coal, crushed or ground			Kg	35999136
1102	11020	11020	Briquettes and similar solid fuels manufactured from coal	1010	1102	11020	Briquettes and similar solid fuels manufactured from coal	1010	2701.20		
			manufactured from coal			1102001	Agglomerated fuel			t	35403019

Source: DANE

3.2.7. Adaptation of the CPC Ver.1.0 A.C based on the ISIC Rev. 2 or CPC Ver.1.0 A.C. (Tables 14 - 84)

The following are a significant number of cases where the process to correctly classify products is shown, based on a comprehensive process of research with sources and their relation to the classifications with which the CPC is built upon and/or complemented.

Case 1

Products 32114041, 32114059, 32114067, in reference to blends, are classified in CPC Ver.1.0 A.C., in the subclass where the composition of the product is less than 85%, taking into consideration classification criterion 2b) previously established. Consequently, the products are now located in subclass 26460. Industrial activity 1710 remains unchanged. (Table 14)

Table 14. Case 1

ISIC Rev.2 DANE description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Yarn of artificial staple blended with wool	32114041	26450	5510.11,12 changes to 5511.30	Changes to CPC 26460
Yarn of artificial staple blended with cotton	32114059	26450	5510.11,12 changes to 5511.31	Changes to CPC 26460
Yarn of artificial staple blended fibers n.e.c.	32114067	26450	5510.11,12 changes to 5511.32	Changes to CPC 26460

Source: DANE

Case 2

Products identified with codes 32114091, 32114105, 32114113, are product blends that reduce yarn composition to less than one hundred percent. Therefore, they are relocated in Subheading 5511.20 of the Harmonized System and Subclass 26440 of the CPC. Considering criterion 2b), industrial activity 1710 remains unchanged. (Table 15)

Table 15. Case 2

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Yarn of synthetic staple fibers blended with wool	32114091	26430	5509.11-42, changes to 5511.20	Changes to CPC 26440
Yarn of synthetic staple fibers blended with cotton	32114105	26430	5509.11-42, changes to 5511.20	Changes to CPC 26440
Yarn of blended synthetic staple fibers n.e.c.	32114113	26430	5509.11-42, changes to 5511.20	Changes to CPC 26440

Source: DANE

Case 3

For better understanding, the word “multiple” is added to the product description in the CPC Ver. 1.0 A.C, to avoid confusion with simple threads, included in Subheadings 5402.41 to 59. (Table 16)

Table 16. Case 3

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Yarn of man-made filaments, <u>multiple</u> or cabled	32114121	26420	5402.61-69 5406.10	Correct

Source: DANE

Case 4

Just as in Case 2, the classification of the product changes to CPC Ver. 1.0 AC Subclass 26440, because yarns are blended with flax. Industrial activity 1710 remains unchanged. (Table 17)

Table 17. Case 4

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Yarn of synthetic staple fibers blended with flax	32114172	26430	5509.11-42; 5511.10	Changes to CPC 26440

Source: DANE

Case 5

In order to identify the type of blended cotton the company that reported production to the EAM was contacted, which provided different blends of this yarn, thus guaranteeing the correct classification in CPC Ver. 1.0 A.C. (Table 18)

Table 18. Case 5

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Cotton yarn, blended	32116043	26370	5206.22	Correct

Source: DANE

Case 6

The product is transferred from Subclass 27320 to 27190 because the tariff item number 6307.90.90 of the Harmonized System explicitly refers to “Shoe laces of textile materials”, with the clarification that all ends are capped, like those used in footwear. The item shall not be confused with strands of yarn or strings, which are classified in Heading 5609. Consequently, economic activity changes from Class 1743 to 1749, making the respective modification in the correspondence table. (Table 19)

Table 19. Case 6

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Shoe laces of textile materials	32119077	27320	5609 changes to 6307.90	Changes to CPC 27190

Source: DANE

Case 7

This product is included in ISIC Rev. 2 DANE, corresponding to 3212-1 “Confection of curtains and ornamental articles with textile materials. Includes articles of plastic material”. In order to homologate the CPC with the HS, tariff item number 3926.90 should be taken into consideration corresponding to “Other articles of plastics and articles of other materials”. However, for classification purposes in CPC Ver.1.0 A.C., the product is classified in Subclass 27130 referring only to “textile materials”. (Table 20)

Table 20. Case 7

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Curtains and drapery <u>elaborated in any textile material</u>	32121012	27130	6303.11-99	Correct

Source: DANE

Case 8

Case 8 presents a similar situation to the previous products (case 7), which is why the word “fabric” is added to differentiate it from products made of plastic, in order to avoid changing products to Tariff Item Number 3926.90.90. Its industrial activity is 1741, corresponding to activity 32123 of ISIC Rev. 2 DANE (Table 21).

Table 21. Case 8

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Tablecloths	32123015	27120	6302.40-59	Correct
Individual tablecloths	32123023	27120	6302.40-59	Correct
<u>Cloth</u> napkins	32123031	27120	6302.40-59	Correct

Source: DANE

Case 9

This product was reclassified in Subclass 27140 with tariff heading 6304 of HS, where covers for furniture are found. In the subclass that had been considered, the covers are for protection of clothing, cars, machines, tennis rackets, etc. Industrial activity 1741 remains unchanged. (Table 22)

Table 22. Case 9

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Covers for furniture	32124046	27190	6307.90.90 changes to 6304.91, 92, 93, 99	Changes to CPC 27140

Source: DANE

Case 10

Products in Table 23 change to CPC Ver. 1.0 A.C., Subclass 29229, for they are considered as characteristic products of the HS Subheadings 4202.20, 90 (handbags). In the previous subclass they were located among diaper bags and other textile products such as sacks and bags for packing. In addition, the description of the first product is modified, clarifying that they can be manufactured in other materials. For better understanding, the word “textile” is added. These two products change from activity 1741 to 1939, and correlate with activities 32126 and 32124 of ISIC Rev. 2 DANE. (Table 23)

Table 23. Case 10

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Diaper bags made of fabric	32124054	27190	6307.90 changes to 4202.20,90	Changes to CPC 29229
Canvas luggage and similar	32126049	27150	6305 changes to 4202.12,19	Changes to CPC 29229

Source: DANE

Case 11

First proposal (before submission to technical committee)

This product was classified under Heading 6217 of the HS correlated to CPC Ver.1.0 A.C Subclass 28238, as clothing accessories, but was transferred to CPC Subclass 27190, given that classification criterion N° 5 predominates: “use or destination of the good”. Even if these are carried around the waist, they do not have the characteristics of belts in heading 62.17 which are used to facilitate particular jobs (belts for professional loggers, electricians, pilots, skydivers, etc.), as well as trunk straps and similar. That is, belts used for technical purposes.

Industrial activity changes from 1810 to 1741. The latter is correlated to 32126 of ISIC Rev. 2 DANE.

Second proposal (after submission to the technical committee)

Following the Committee’s suggestions on the use or destination of the product in consideration, i.e., if it is used for technical purposes or as an accessory, we proceeded to communicate directly with the only company that reports to the EAM, obtaining the following information: the product has multiple uses, including as clothing accessories (sold by the unit) and for technical use (sold by meters) to hang from utility poles. This product made from nylon is called *reata*⁴.

Analyzing the above it is concluded:

The product is poorly named and classified in ISIC Rev. 2 DANE, considering that the raw material is completely different to that described in the product. The raw material of the product, as reported by the company, corresponds to a synthetic fiber (nylon fiber) and not a vegetable fiber obtained from cotton, flax or hemp. Aiming for the company to report the code correctly, it was suggested to create a new product: nylon straps or nylon *riata*, with the same ISIC Rev. 2 DANE code 32126065.

In view of the above and according to the tariff item number provided by the company, this product corresponds to Subclass 26710: “Woven fabrics obtained from high tenacity nylon or other polyamides or polyesters”.

⁴ Commonly known as *nylon belt*.

The product “Canvas belts for technical uses” is left in the CPC Subclass 27190 where it had been initially classified, but no code is included for the product in ISIC Rev. 2 DANE. (Table 24)

Table 24. Case 11

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Canvas belts for technical uses	32126065	28238	6217.10 changes to 6307.20,90	Changes to CPC 27190

Source: DANE

Case 12

First proposal (before submission to technical committee)

The product is reclassified in CPC Ver. 1.0 A.C. Subclass 27150 considering that the use of “drill sacks, bags and similar” refers to the packing of goods for transportation, storage, sale, etc. These products have different shapes and highly variable dimensions. Finally, criterion N°5 is applied for the standardization. Industrial activity 1741 remains unchanged.

Second proposal (after submission to the technical committee)

Following the Committee’s suggestions on the use or destination of the product in question (whether it’s used for transportation of goods or as luggage) we proceeded to communicate directly with one of the two companies reporting to the EAM, obtaining the following information:

Product use or destination: the product is manufactured according to customer needs, mainly Carvajal and El Cid companies. Orders are received for suitcases, briefcases and backpacks for school or promotional use.

These products are made with drill and/or nylon. The company purchases the raw material to manufacture these products. However, sometimes Carvajal imports the material and supplies it to them.

Analyzing the above it is concluded:

The product is poorly named in ISIC Rev. 2 DANE given that it does not correspond to sacks and bags used for the transportation or packaging of goods or as laundry bags, etc. In fact, this product corresponds to nylon briefcases and similar with code 32126049 or “Nylon bags” with code 32126090, which are already encoded in this classification. Therefore, it is suggested to pre-fill the form with the correct code, since the products are incorrectly classified in the suggested subclasses, 27190 and 27150. Given the tariff item number provided by the company, this product corresponds to Subclass 29229: “Luggage, handbags and the like, of materials n.e.c.; travel sets for personal toilet, sewing or shoe or clothes cleaning of materials n.e.c.”. (Table 25 Case 12A)

Table 25. Case 12A

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Canvas luggage and similar	32126049	27150	6305.10-90 changes to 4202	Changes to CPC 29229
Canvas rucksacks	32126090	27150	4202	29229

Source: DANE

Final classification:

For better understanding of the description and classification of the product, the backpack's material must be added: in this case, "canvas" according to criterion No.3 for the classification of textiles and leather. (Table 26)

Table 26. Case 12

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
<u>Canvas</u> rucksacks	32126090	27150	4202.12	Correct

Source: DANE

Case 13

In order to classify it as a product and not an embroidery service, the words "embroidered fabrics" must be included, according to criterion N°1 for the classification of textiles and leathers. (Table 27)

Table 27. Case 13

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
<u>Embroidered fabrics</u> of any textile material	32128017	27913	5810.10-99	Correct

Source: DANE

Case 14

This product is reclassified, given that the use or destination is for floors and they are machine made. It is homologated with ISIC Rev. 3 A.C., Class 1742 specific for this activity. The previous classification corresponds to decorative carpets for rooms, walls and furniture, usually hand-woven and made of fine fabrics. Classification criterion No.5 for textiles and leathers was applied. (Table 28)

Table 28. Case 14

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Tapestry of artificial and synthetic fibers for floors	32143024	27140	5805.00 changes to 5702.10.00	Changes to CPC 27220

Source: DANE

Case 15

Considering classification criterion No.1 for the textiles and leathers, the description of these products was extended to avoid confusion with products in Heading 5908 of the HS corresponding to strands of textile material. The industrial activity is 1743. (Table 29)

Table 29. Case 15

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
<u>Cotton</u> twine	32126049	27150	6305.10-90 changes to 4202	Changes to CPC 29229
Braided <u>cotton</u> cord	32126090	27150	4202	29229

Source: DANE

Case 16

The classification of the product was verified with the company reporting to the EAM, informing that the content by weight is greater than 85% and weighs more than 200 g/m². The tariff item number was also provided 5209.32.00.00, validating the classification in Subclass 26620, with industrial activity 1720. Similarly, product 32161065 has the same specifications as the product mentioned above, with tariff item number 5209.22.00.00. (Table 30)

Table 30. Case 16

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Cotton drill	32161049	26620	5209.32	Correct
Cotton canvas, bleached and dyed	32161065	26620	5209.22	Correct

Source: DANE

Case 17

The previous product was relocated in the CPC Ver.1.0 A.C., moving it from Subclass 26690 to 27922, given that cotton-pressed fabrics are considered nonwoven textiles. Classification criterion No.6 was applied. Industrial activity changes from 1720 to 1749. (Table 31)

Table 31. Case 17

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Pressed cotton fabrics (disposable)	32161081	26620	52512 changes to 5603.91-94	Changes to CPC 27922

Source: DANE

Case 18

This product was classified with Heading 5609 of the HS, changing to CPC Subclass 27320, because wicks for mops are considered cordage or rope, not elsewhere specified or included. Therefore, industrial activity changes from 1741 to 1743. (Table 32)

Table 32. Case 18

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Wicks for mops	32169091	27190	6307 changes to 5609	Changes to CPC 27320

Source: DANE

Case 19

Interlinings are considered as linings placed on the back of garments, they can be impregnated, coated, covered or laminated with plastic. In addition, the description of the product is amended by adding the material with which the item is made (criteria 1 and 5 for the classification of textiles and leather); additionally, interlinings are considered nonwoven textiles and as such, they are reclassified in CPC Ver. 1.0 A.C. Subclasses 26690 to 27922 given the classification of the product in Heading 5603 of the HS. Industrial activity 1749 remains unchanged. (Table 33)

Table 33. Case 19

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Cotton interlinings	32169112	26690	5212 changes to 5603	Changes to CPC 27922

Source: DANE

Case 20

The term “mixed” is understood as blended. Therefore, the product contains less than 85% by weight of wool, according to classification criterion No.2b) of the HS. (Table 34)

Table 34. Case 20

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Mixed woolen cloth	32171036	26540	5111.20;30;90 5112.20;30;90	Correct

Source: DANE

Case 21

These two products are reclassified in the CPC, because they are considered as wearing apparel and accessories made in woven fabrics, specifically as coats (Criterion No.6). Industrial activity 1810 remains unchanged. (Table 35)

Table 35. Case 21

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Wool ponchos for men	32172032	28238	6214 changes to 6101.10	Changes to CPC 28221
Wool ponchos and similar for women	32172041	28238	6214 changes to 6101.10	Changes to CPC 28223

Source: DANE

Case 22

Classification criterion No. 2b) is applied. The company that reports to the EAM was consulted on products 32181023 and 32181040, confirming that these woven fabrics are blended with several materials and are used specifically for making towels. Therefore, the product is moved to Subclass 26790, since the previous subclass only considers “fabrics mainly or solely mixed with cotton”. Industrial activity 1720 remains unchanged. (Table 36)

Table 36. Case 22

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Woven fabrics of mixed artificial fibers	32181023	26730	5408.31,33 changes to 5515.11,12,19,21,29,91,99	Changes to CPC 26790
Woven fabrics of mixed synthetic fibers	32181040	26730	6214 changes to 6101.10	Changes to CPC 26790

Source: DANE

Case 23

This product was initially placed in Subclass 26730, for fabrics containing less than 85% by weight of man-made filaments. However, since it is not specified if the fabric is mixed or blended, the product is relocated in Subclass 26720, for fabrics containing 85% or more by weight of man-made filaments (criterion 2b). Industrial activity 1720 remains unchanged. (Table 37)

Table 37. Case 23

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Woven fabrics of man-made fibers, satin type	32181058	26730	5407.81-94, 5408.31-34 changes to 5407.41-74, 5408.21-24	Changes to CPC 26720

Source: DANE

Case 24

Similar to case 17 where “disposable weave is considered as nonwoven fabrics”, the description is amended based on criterion No.6 by adding the phrase “nonwoven fabrics”. The relocation of the product is consistent with the Subclass 27922 of the CPC Ver 1.0 A.C. and therefore with the HS, and with the ISIC Rev. 3 A.C. industrial origin as well: 1749. (Table 38)

Table 38. Case 24

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Nonwoven fabrics of artificial and synthetic fibers (disposable)	32181082	26730	5407.81-94, 5408.31-34 changes to 5603.11-99	Changes to CPC 27922

Source: DANE

Case 25

The product is relocated in CPC Subclass 27160, classifying it according to its use and not the material from which it is made. In this case they are considered as “tents for camping” (Criterion No.5). This subclass has industrial origin 1741 were “camping tents” are found, correlated to activity 32182 from CIU Rev. 2 DANE. (Table 39)

Table 39. Case 25

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Tents of woven fabrics of artificial and/or synthetic fibers	32182054	26720	5407.41-74, 5408.21-24 changes to 6306.22,29	Changes to CPC 27160

Source: DANE

Case 26

These products are reclassified in subclass 27913, with HS Headings 5810.10; 5810.92, where all embroidered fabrics are located, whether embroidered by hand or machine. According to the Explanatory Notes in Chapter 58, embroidery is understood as the stitching of sequins, beads or textile ornamental motifs, as well as all work done with metal thread or fiberglass. The use of an existing background fabric is what, for the most part, differentiates embroidery from lace. Industrial activity 1749 remains unchanged. (Table 40)

Table 40. Case 26

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Narrow-woven fabrics of artificial and synthetic material	32189032	27911	5806-5808 changes to 5810	Changes to CPC 27913
Wide-woven fabrics of artificial and synthetic fibers	32189041	27911	5806-5808 changes to 5810	Changes to CPC 27913

Source: DANE

Case 27

This product was included in Subclass 46542 because it was considered to be part of a lamp or parts used for garnishing them (page 1706, Section 11, Chapter 94 of the HS). But through research it was concluded that it is not a fundamental piece to its operation, but rather an accessory. (Table 41)

Table 41. Case 27

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Lamp shades	32189059	27998	5908-5911	Correct

Source: DANE

Case 28

The description of the product is amended because the industrial origin in ISIC Rev. 2 DANE (32193) indicates that the product comes from the textile rather than from the leather industry, where by adding chemical additives artificial leather is obtained (Criterion No.1). Likely, the description of the product is also amended in order to make it consistent with its location in CPC Ver. 1.0 A.C. The industrial activity is 1749. (Table 42)

Table 42. Case 28

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Leather imitation fabrics	32193056	27997	5903.10	Correct

Source: DANE

Case 29

The product is relocated, from CPC Ver. 1.0 A.C. Subclass 26790 to 27997, given that the first subclass comprises blended fabrics, but not fabrics impregnated with plastic materials as indicated by the product. Thus, Subclass 27997 with HS Heading 5903 explicitly refers to “textile fabrics impregnated or coated with plastics”. Industrial activity changes from 1720 to 1749. (Table 43)

Table 43. Case 29

CPC Description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Fabrics of artificial and synthetic fibers impregnated with plastics	32193099	26790	5515.99 changes to 5903.10;20	Changes to CPC 27997

Source: DANE

Case 30

The product above is reclassified according to classification criterion No.3 that indicates that the products included in the 5-digit level of the ISIC Rev. 2 DANE are made of wadding. Considering this clarification, it is necessary to make the appropriate changes, as the CPC Ver.1.0 A.C. Subclass 28238 comprises shoulder pads made from horsehair or garneted stock, covered with fabric or felt, while the product in question is made of cotton wadding. Therefore, the product is transferred to Subclass 27991 of the CPC with HS Heading 5601, where the product is explicitly found. Industrial activity changes from 1810 to 1749, corresponding to Class 32195 in ISIC Rev. 2 DANE. (Table 44)

Table 44. Case 30

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Cotton wadding shoulder pads	32195059	28238	6217.90 changes to 5601.21	Changes to CPC 27991

Source: DANE

Case 31

Even if this product is the outcome of an industrial process, comprised in Subclass 3219-9 of ISIC Rev. 2 DANE “use of textile waste”, it is evident that it is not waste in the sense indicated in the subclass. For this reason, the product is reclassified in CPC Subclass 26160 with HS Heading 5203, as a by-product from waste resulting from carding or combing cotton. The industrial activity is 1710. (Table 45)

Table 45. Case 31

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Retrieved cotton fiber	32199011	39214	5202.10 changes to 5203	Changes to CPC 26160

Source: DANE

Case 32

This product was classified in CPC Subclass 39216, as waste of artificial fibers, considering ISIC Rev. 2 DANE subclass, “Use of textile waste”; reviewing the HS Subheading 5911.90 it is concluded that this product, due to its design and special features, is intended for technical use. It is also used in machines, equipment, tools or its parts and therefore, it was reclassified in CPC Subclass 27998 (according to criterion No.5), with ISIC Rev.3 A.C. Class 1749. (Table 46)

Table 46. Case 32

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Discs of textile materials for polishing and/or burnishing	32199046	39216	5505 changes to 5911.90.90	Changes to CPC 27998

Source: DANE

Case 33

The use or destination of these four products is defined as wearing apparel or street clothes but not work or sports clothes (the latter corresponds to ISIC Rev.2 DANE code 32208011 and CPC 28236). If they were classified as sports or work clothes, they would be standardized within the HS with codes 6112 and 6114; for this reason, criteria 1 and 5 are applied, amending their description as well. The industrial activity is 1810. (Table 47)

Table 47. Case 33

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Overalls for men (garment)	32201296	28231	6203.41,42,43,49	Correct
Overalls for boys (garment)	32201300	28231	6203.41,42,43,49	Correct
Overalls for women (garment)	32202268	28233	6203.41,42,43,49	Correct
Overalls for girls (garment)	32202276	28233	6203.41,42,43,49	Correct

Source: DANE

Case 34

This product is properly classified in CPC Ver. 1.0 A.C. Subclass 28233. However the word ‘suit’ should be removed (HS Subheadings 6204.21-29) because dresses (6204.41-49) are different to suits even if they belong to the same heading of the HS: 6204. Further ahead in ISIC Rev.2 DANE the word ‘dresses’ is explicitly found (criterion No.1). This information was corroborated by the company that reports to the EAM, who provided the tariff item number as well: 6204.42.00.00. The industrial activity is 1810. (Table 48)

Table 48. Case 34

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Woven fabrics dresses (suits) of blended fibers, for women	32202071	28233	6202, 6204	Correct

Source: DANE

Case 35

‘Suit’ is defined (according to HS) as an assortment of garments comprising several pieces made out of the same fabric, put up for retail sale, covering the upper body and that can be used separately. The garment can cover as well the lower body, such as trousers, overalls, shorts, and skirts or pant skirts. All pieces of the suit must have the same structure, style, color and composition. Dress is defined as a one-piece women’s garment. Similar to case 34, but this time the word ‘dress’ is removed. The industrial activity is 1810. (Table 49)

Table 49. Case 35

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Linen suits (dresses), for women	32202306	28233	6202, 6204	Correct
Linen suits (dresses), for girls	32202314	28233	6202, 6204	Correct

Source: DANE

Case 36

This product is reclassified in CPC Subclass 27180, with Subheading 9404.30, where item b of its description specifies: “Sleeping bags”, making no distinction between sleeping bags for adults or kids. Industrial activity changes from 1810 to 1741. (Table 50)

Table 50. Case 36

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Sleeping bags for babies	32207049	28235	6202 changes to 9404.30	Changes to CPC 27180

Source: DANE

Case 37

This product is relocated in Chapter 95, Subheading 9506.99 and item 13 of the HS that is related to CPC Subclass 38442 considering that this product is a protective accessory for games or sports, whereas Subclass 28236 (where it was previously located) considers solely sportswear. Industrial activity changes from 1810 to 3693. (Table 51)

Table 51. Case 37

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Special accessories for sports (kneepads, thigh bands, jockstraps, bandages)	32209068	28236	6211 changes to 9506.99	Changes to CPC 38442

Source: DANE

Case 38

The above product is included in ISIC Rev. 2 DANE in the “Making clothing for sports” Group. Therefore the phrase “for sports” should be added so that it is not confused with street clothes. Activity in ISIC Rev. 3 A.C. corresponds to Class 1810. (Table 52)

Table 52. Case 38

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Boxers, shorts, Bermuda shorts and similar for sports	32209084	28236	6211	Correct

Source: DANE

Case 39

First proposal (before submission to technical committee)

According to its features, the product is reclassified in Subclass 36970 due to the fact that it was previously classified and considered as a sportswear item, even when it was explicitly found under the HS Subheading 6506.91 as “Other headgear, including those with rubber or plastic linings”. This code comprises bathing caps. Industrial activity changes from 1810 to 2529, given that the product is made from plastic materials.

Second proposal (after submission to technical committee)

Following the recommendations of the committee members, regarding further research on the material the product is made from, three companies that report to the EAM were contacted, and they provided the following information:

The first one stated that these caps are made from waterproof fabrics or soft PVC. The second one said that they occasionally produced this product. The third one said that these caps are made from natural latex.

Given the above, the caps are made with plastic films, and hence are correctly classified in 36970. (Table 53)

Table 53. Case 39

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Shower caps of plastics	32212107	28236	6211 changes to 6506.91	Changes to CPC 36970

Source: DANE

Case 40

It was verified that the correct location of this product is in Subclass 28238, with HS Subheading 6217.10, which states: "Belts and messenger bags, including elastics". The industrial activity is 1810. (Table 54)

Table 54. Case 40

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Elastic belts	32213031	28237	6212 changes to 6217.10	Changes to CPC 28238

Source: DANE

Case 41

The classification of these products is correct, with the following clarification:

The material from which these products are made corresponds to HS Heading 6210, but in turn are derived from Headings 5903 and 5603 that state that all fabrics impregnated, coated or covered with plastic materials are included in this category, as well as those layered with such material. In addition, they should not be confused with waterproof fabrics comprised in Headings 6101, 6201 and 6202, since they do not meet the condition of being covered with plastic. The corresponding industrial activity is 1810. (Table 55)

Table 55. Case 41

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Raincoats for men	32216013	28250	6210.40;6113	Correct
Raincoats for boys	32216021	28250	6210.40;6113.00	Correct
Raincoats for women	32216030	28250	6210.50;6113.00	Correct
Raincoats for girls	32216048	28250	6210.50;6113.00	Correct

Source: DANE

Case 42

The content of HS Heading 4104 clearly indicates that all leather of bovine or equine animals, pre-tanned or tanned is included. Pre-tanned includes semi-tanned leathers. For this reason, these two products are moved to CPC Ver. 1.0 A.C. Subclass 29120. Industrial activity in ISIC Rev. 3 A.C. is 1910. (Table 56)

Table 56. Case 42

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Tanned flesh side	32311024	29110	4108,4109 changes to 4104	Changes to CPC 29120
Semi-tanned flesh side	32311156	29110	4108,4109 changes to 4104	Changes to CPC 29120

Source: DANE

Case 43

To confirm the correct classification of canine bite toys, a research is conducted with a company that reports to the EAM obtaining the following information:

Flesh side is the main by-product of bovine leather, which is subject to various processes. After the hair is removed, the skin is fleshed to then clean the meat. Afterward the meat is divided into two parts, namely: The leather (top layer) and the product of this division, raw flesh side. Gelatin and toys for dogs can be made from raw fleshing. Fleshing can be tanned to obtain a product similar to leather.

The company also provided the tariff item number of this product, confirming the location of the product in CPC Ver. 1.0 A.C. Subclass 29290.

For this product the correlative with ISIC Rev. 2 DANE is 32323 and the activity in ISIC Rev. 3 A.C. corresponds to Class 1931 (Table 57).

Table 57. Case 43

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Raw hide toys for dogs	32323014	29290	4205	Correct

Source: DANE

Case 44

With the purpose of determining the difference between these two products, the word “industrial” is added to the second product. Industrial activity changes from 1810 to 1931, correlated as well to ISIC Rev. 2 DANE activity 32331. Additionally, they were reclassified in CPC Ver. 1.0 A.C. Subclass 29290. (Table 58)

Table 58. Case 44

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Leather articles for <u>personal</u> protection	32331050	28241	4203.10 changes to 4204	Changes CPC 29290
Leather articles for <u>industrial</u> protection	32331084	28241	4203.10 changes to 4204	Changes CPC 29290

Source: DANE

Case 45

Given that Subclass 28241 comprises wearing apparel, this product is relocated in CPC Subclass 29290. This new subclass comprises all garments and accessories for personal or industrial protection, as stated in the product description. Industrial activity changes from 1810 to 1931, correlated to ISIC Rev. 2 DANE activity 32331. (Table 57)

Table 59. Case 45

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Parts and accessories for industrial protection articles	32331068	28241	4203.10 changes to 4204	Changes to CPC 29290

Source: DANE

Case 46

After analyzing the product, it is concluded that the use of these belts is for the safety of people and not of machines nor as a clothing accessory; for this reason the product is relocated in Heading 4205 of the HS, with CPC Subclass 29290. Industrial activity changes as well from 1810 to 1931, correlated to ISIC Rev. 2 DANE activity 32331. (Table 60)

Table 60. Case 46

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Leather belts for industrial safety	32331092	29290	4205	Correct

Source: DANE

Case 47

These key holders are classified according to the material they are made from and not to its use. Hence they are reclassified in Subclass 36999. Industrial activity changes from 1932 to 2529, corresponding to all products made of plastic. (Table 61)

Table 61. Case 47

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Key holders of plastics	32333079	29222	4201 changes to 3926.90	Changes to CPC 36999

Source: DANE

Case 48

These products are relocated in CPC Ver.1.0 A.C. Subclass 29290, with HS Heading 4205 because they were previously located as a product manufactured with plastic material, and its description clearly states that this product is made of leather. Industrial activity 1931 remains unchanged. (Table 62)

Table 62. Case 48

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Photo albums, frames and similar of leather	32335021	29221	4202,9605 changes to 4205	Changes to CPC 29290

Source: DANE

Case 49

Following the HS exclusions, this product corresponds to Subheading 3926.90, with CPC Subclass 36999. The predominant classification criterion was the material that product is made from. Industrial activity changes from 1932 to 2529, corresponding to products made of plastic. (Table 63)

Table 63. Case 49

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Photo albums, frames and similar of plastics	32335071	29222	4202,9605 changes to 3926.90	Changes to CPC 36999

Source: DANE

Case 50

This product is reclassified in CPC Ver.1.0 A.C. Subclass 29330 given that the material that covers the upper part of the footwear is considered as for industrial use. Therefore, it must be a resistant material such as leather. The activity is reclassified, changing from 1929 to 1921, correctly correlated to ISIC Rev. 2 DANE Subclass 32409. (Table 64)

Table 64. Case 50

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Leather footwear for protection	32409016	29510	6403.40 changes to 6405.10	Changes to CPC 29330

Source: DANE

Case 51

This product is relocated in CPC Subclass 31911, because the material that it is made of predominates, in this case wood. The HS explicitly includes this product under Heading 4417. Industrial activity changes from 1926 to 2090, correctly correlated to ISIC Rev. 2 DANE Subclass 33192. (Table 65)

Table 65. Case 51

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Shoe lasts of wood	33192011	29600	6406 changes to 4417	Changes to CPC 31911

Source: DANE

Case 52

Noting that this product has a chemical industrial origin, and that its activity on ISIC Rev. 3 A.C. is 2430, the product is therefore transferred. It was previously included as a textile product with activity 1710, that is, not produced in the same unit. Consequently, industrial activity changes from 1710 to 2430, correctly correlated with ISIC Rev. 2 DANE activity 35135. (Table 66)

Table 66. Case 52

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Synthetic staple fibers in polyester wick	35135031	26210	5505.20 changes to 5503.20	Changes to CPC 35510

Source: DANE

Case 53

According to the research made, the HS explanatory notes of Subheading 6406.20 state that the sole corresponds to the part of the shoe that touches the ground and it is made of polyurethane, a polymer that exists in several forms such as foam and elastomers. Linings and coatings are used as molding compounds and fibers, and as such should be classified in CPC Ver. 1.0 A.C. Subclass 29600. The industrial activity that corresponds to it is 1926. (Table 67)

Table 67. Case 53

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Polyurethane soles	35594159	29600	6406.20	New product

Source: DANE

Case 54

According to the research made, this product is relocated in Subclass 28243 because it is a piece of flexible plastic foam or cellular plastic, a material that has many open, closed or both cells, spread throughout its mass. This piece is part of dresses and is placed on the shoulders. Therefore, it is considered as an addition to garments and according to HS explanatory notes it is classified under Subheading 3926.20. Industrial activity changes from 2521 to 2529, correlated to ISIC Rev. 2 DANE Subclass 35602. (Table 68)

Table 68. Case 54

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Flexible foam plastic shoulder pads	35602071	36391	3921.11-19, changes to 3926.20	Changes to CPC 28243

Source: DANE

Case 55

According to the research made, the product is relocated in Subclass 36999, because the material that it is made from predominates, in this case plastic. This information is validated by DIAN. Industrial activity changes from 1926 to 2529, equally correlated to ISIC Rev. 2 DANE Subclass 35607. (Table 69)

Table 69. Case 55

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Plastic shoe lasts	35607081	29600	6406 changes to 3926.90	Changes to CPC 36999

Source: DANE

Case 56

According to the research made, the HS explanatory notes state that these products correspond to footwear with plastic uppers and soles, uppers made of straps or thongs assembled to the base by pins. The technical evidence is the same for plastic footwear for men, women or children, because gender is not relevant to the explanatory notes. The industrial activity is 1924. (Table 70)

Table 70. Case 56

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Footwear of plastics for women	35607145	29322	6402.21,91,99	New product
Footwear of plastics for girls	35607137	29322	6402.21,91,99	New product
Footwear of plastics for boys	35607129	29322	6402.21,91,99	New product
Footwear of plastics for men	35607111	29322	6402.21,91,99	New product

Source: DANE

Case 57

According to the research made, the HS explanatory notes state that this product usually corresponds to tubular braids, tightened, of compact structure, made of raw fibers, sometimes dyed or formed by ends of different colors. These may be impregnated with substances that make it rot-proof or be impregnated, covered, coated or sheathed with plastic. The industrial activity is 1743, correlated to ISIC Rev. 2 DANE Subclass 35602. (Table 71)

Table 71. Case 57

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Cord of textile fibers with plastic covering not impregnated	35609075	27310	5607	New product

Source: DANE

Case 58

According to the research made, the text in Heading 4202 of the HS mentions this product. Items listed in this heading may be made of any material. Industrial activity 1939 correctly correlated to ISIC Rev. 2 DANE Subclass 39099. (Table 72)

Table 72. Case 58

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Handbags and similar made of fabrics n.e.c.	39099217	29229	4202	New product

Source: DANE

Case 59

First proposal (before submission to technical committee):

These products are considered to be repeated because given the connotation of the products as “Outer garments or clothing”, it can be understood as dresses, jackets, trousers, suits, blouses, shirts, etc. All of these products are included in ISIC Rev. 2 DANE Group 3220 corresponding to “manufacture of wearing apparel, except footwear”.

It is suggested to either remove these products from the classification or to ask companies to specify which garments are manufactured.

Second proposal (after submission to technical committee):

In order to avoid elimination or to avoid considering them as repeated, the committee decided to add the letters n.e.c., referring to all other items not included in the classification. (Table 73)

Table 73. Case 59

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Outerwear n.e.c. of cotton, knitted, for girls	32132081	28223	6102 y 6104	Correct
Wearing apparel n.e.c. of wool, knitted, for women	32133011	28223	6102 y 6104	Correct
Wearing apparel n.e.c. of wool, knitted, for girls	32133029	28223	6102 y 6104	Correct
Wearing apparel n.e.c. of artificial and synthetic fibers, knitted, for women	32134084	28223	6102 y 6104	Correct
Wearing apparel n.e.c. of artificial and synthetic fibers, knitted, for boys	32134092	28223	6102 y 6104	Correct
Wearing apparel n.e.c. of artificial and synthetic fibers, knitted, for men	32134114	28221	6101 y 6103	Correct
Wearing apparel n.e.c. of blended fibers, knitted, for women	32134122	28223	6102 y 6104	Correct

Source: DANE

Case 60

The product was initially listed as a generic, but given the importance of the product; the suggestion of the committee was to conduct the relevant research:

The only company that produces it and reports to the EAM was contacted, informing that these cut pieces are made from cotton, satin or nylon. The process consists of buying the fabric and then cutting bias bindings for underwear, pajamas, caps and all types of clothing or according to customer needs. Additionally, they provide cutting services to various garments manufacturers. It is important to explain that according to the information provided by the company, they do not manufacture garments (sewing), and all revenues are proportional to the cutting services they provide and the sale of the bias bindings. To accurately classify the product in the CPC Ver.1.0 A.C., a DIAN's officer was contacted, who concluded: "If the fabric is cut into rectangles, squares or other shapes different to clothing patterns, it is considered as clothing pattern; however if the fabric is cut with pre-established clothing patterns ready to be assembled together by thread or by sewing, interpretive rule No.2 of the HS applies".

Consequently, this product should be classified in Heading 6117 of the HS, which corresponds to the CPC Ver. 1.0 A.C. Subclass 28229: "Gloves [...]; knitted or crocheted parts of garments or of clothing accessories". This reclassification does not affect the correlation to ISIC Rev. 3 A.C., Class 1810. (Table 74)

Table 74. Case 60

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Cut pieces for making knitted clothing	32219021	28229	6117	Correct

Source: DANE

Case 61

This product is not currently being produced; therefore, there are no sources of information in the EAM. Coltejer was consulted regarding the term 'género' (cloth) and they stated that it can be any type of fabric and that the term corresponds to a trade name.

Once the product was presented to the committee, it was decided that it corresponds to Heading 5903: fabrics impregnated, coated, covered or laminated with plastic; this reclassification in Subclass 27997 does not affect the industrial activity. (Table 75)

Table 75. Case 61

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Laminated cloth (género)	32191053	27921	5602 changes to 5903	Changes to CPC 27997

Source: DANE

Case 62

Shirts were located within suits, outfits, etc. However, they were reclassified since there is a specific subclass that includes all kinds of shirts for women in woven fabrics. (Table 76)

Table 76. Case 62

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Woolen shirts for women	32206107	28233	6206,6208	Changes to CPC 28234

Source: DANE

Case 63

These products are reclassified taking into account that they are made of knitted and not woven fabrics, as considered in the CPC Subclass 28236. In addition, the ISIC Rev. 2 DANE activity where it comes from comprises all knitted and crocheted garments. Industrial activity 1810 remains unchanged. (Table 77)

Table 77. Case 63

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	Current HS	Location
Men's swimwear	32211011	28236	6112.31,39	28228
Boys' swimwear	32211020	28236	6112.31,39	28228
Women's swimwear	32211038	28236	6112.41,49	28228
Girls' swimwear	32211046	28236	6112.41,49	28228
Sweatshirts	32209050	28236	6112.11-19	28228

Source: DANE

Case 64

Division 28 of CPC Ver.1.0 A.C. has been completely revised, with respect to the description of all subclasses included in it, concluding that each description should be specified according to specific characteristics of the products likely to be classified. (Table 78)

Table 78. Case 64

Class or subclass	Previous description	Current description (according to committee)
2822	Wearing apparel, knitted	Wearing apparel of yarn, knitted or crocheted
28221	Men's or boys' suits, coats, jackets, trousers, shorts and the like, knitted or crocheted	Suits for men or boys, knitted or crocheted
28222	Men's or boys' shirts, underpants, pyjamas, dressing gowns and similar articles, knitted	Men's or boys' shirts, underpants, pyjamas, dressing gowns and similar articles, knitted or crocheted
28223	Women's or girls' suits, coats, jackets, dresses, skirts, trousers, shorts and the like, knitted	Women's or girls' suits, coats, jackets, dresses, skirts, trousers, shorts and the like, knitted or crocheted
28224	Women's or girls' blouses, shirts, underwear, nightdresses, dressing gowns and similar articles, knitted or crocheted	Women's or girls' blouses, shirts, (combinations, petticoats, panties, and similar articles), nightdresses, dressing gowns and similar articles, (except those of class 28237), for women or girls, knitted or crocheted
28227	Babies' garments and clothing accessories, knitted	Babies' garments and clothing accessories, knitted
28228	Track suits, ski suits, swimwear and other garments, knitted n.e.c.	Track suits, ski suits, swimwear and other garments, knitted or crocheted n.e.c.
28229	Gloves, shawls, scarves, veils, ties, cravats and other made-up clothing accessories, knitted; knitted parts of garments or of clothing accessories	Gloves, shawls, scarves, veils, ties, cravats and other made-up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories
2823	Wearing apparel, not knitted or crocheted; brassieres, corsets, suspenders and similar articles, (except knitted or crocheted)	Wearing apparel, of textile fabric, not knitted or crocheted; brassieres, corsets, suspenders and similar articles, whether or not knitted or crocheted
28231	Men's or boys' suits, coats, jackets, trousers, shorts and the like, of textile fabric, not knitted	Men's or boys' suits, coats, jackets, trousers, shorts and the like, of textile fabric, not knitted or crocheted
28232	Men's or boys' shirts, underpants, pyjamas, dressing gowns and similar articles, of textile fabric, not knitted	Men's or boys' shirts, underpants, pyjamas, dressing gowns and similar articles, of textile fabric, not knitted or crocheted

Table 78. Case 64

Conclusion

Class or subclass	Previous description	Current description (according to committee)
28233	Women's or girls' suits, coats, jackets, dresses, skirts, trousers, shorts and the like, of textile fabric, not knitted	Women's or girls' suits, coats, jackets, dresses, skirts, trousers, shorts and the like, of textile fabric, not knitted or crocheted
28234	Women's or girls' blouses, shirts, singlets, underwear, nightdresses, dressing gowns and similar articles, of textile fabric, not knitted	Women's or girls' blouses, shirts, singlets, underwear (combinations, petticoats, panties and the like), nightdresses, dressing gowns and similar articles (except those of subclass 28237), of textile fabric, not knitted or crocheted
28235	Babies' garments and clothing accessories, of textile fabric, not knitted	Babies' garments and clothing accessories, of textile fabric, not knitted or crocheted
28236	Track suits, ski suits, swimwear and other garments, of textile fabric, not knitted or crocheted n.e.c.	Track suits, ski suits, swimwear and other garments, of textile fabric n.e.c., not knitted or crocheted
28237	Brassieres, girdles, corsets, braces, suspenders, garters and similar articles and parts thereof, whether or not knitted	Brassieres, girdles, corsets, braces, suspenders, garters and similar articles and parts thereof, whether or not knitted or crocheted
28238	Handkerchiefs, shawls, scarves, of textile fabric, not knitted n.e.c.	Handkerchiefs, shawls, scarves, of textile fabric, not knitted or crocheted n.e.c.
28269	Other headgear except headgear of rubber or of plastics, safety headgear and asbestos headgear, head-bands, linings, covers, hat foundations, hat frames, peaks and chinstraps, for headgear	Other headgear except headgear of rubber or of plastics, safety headgear and asbestos headgear, head-bands, linings, covers, hat foundations, hat frames, peaks and chinstraps, for headgear

Source: DANE

Case 65

The products are reclassified in CPC Ver. 1.0 A.C. Subclass 28232, since the previous subclass comprises garments made of knitted fabrics and these shirts and tees are made in woven fabrics. Industrial activity 1810 is correct. (Table 79)

Table 79. Case 65

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	Current HS	Location
Woven cotton T-shirts	32206077	28225	6205,6207	28232
Woven fabrics T-shirts of artificial or synthetic fibers	32206085	28225	6205,6207	28232

Source: DANE

Case 66

The product description should read: "knitted vests n.e.c. for women". The word fabric is deleted, because it is considered that the vest is made directly from the thread without the need of a sewing process. Industrial activity changes from 1810 to 1750. (Table 80)

Table 80. Case 66

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	Current HS	Location
Knitted cardigans n.e.c. for men	32202381	28226	6110	Correct
Knitted cardigans n.e.c. for women				

Source: DANE

Case 67

The description for the first three products is extended with the purpose of classifying them correctly according to the type of fabric they are made from. In this case, the word “woven” is added so that they are not classified in knitted wearing apparel. (Table 79) Other is the case for the last four products, “jeans”. Given that the color of the trousers is not a sufficient classification criterion the word “blue” is deleted. Jeans are not necessarily blue and the expression “blue jean” makes reference to a trade name. (Table 81)

Table 81. Case 67

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Woven trousers n.e.c. for men	32201156	28231	6201,6203	Correct
Woven trousers n.e.c. for boys	32201164	28231	6201,6203	Correct
Woven skirts n.e.c.	32202217	28233	6202,6204	Correct
(Blue) Jeans for men	32201172	28231	6201,6203	Correct
(Blue) Jeans for boys	32201181	28231	6201,6203	Correct
(Blue) Jeans for women	32202241	28233	6202,6204	Correct
(Blue) Jeans for girls	32202250	28233	6202,6204	Correct

Source: DANE

Case 68

In order to enable a proper classification, the word “except” is deleted given that the CPC subclass that corresponds to the product comprises all wearing apparel and clothing accessories. (Table 82)

Table 82. Case 68

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Furskins articles n.e.c. (except wearing apparel)	32322026	28320	4303	Correct

Source: DANE

Case 69

Noticeably, there are two types of girdles and corsets: the ones for mere aesthetic use and the ones for medical or surgical use (Heading 9021). Given that there are different classifications according to the use or destination of the product, the phrase “non-orthopedic” is added to the description, to make the differentiation mentioned above. (Table 83)

Table 83. Case 69

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Non-orthopedic girdles and corsets	32205011	28237	6212	Correct

Source: DANE

Case 70

As shown, this product has two industrial origins. The first one corresponding to the “preparation of skins of birds with their feathers and manufacture of feather articles” and the other to “manufacture of bedspreads, pillows, garment bags and furniture covers”. However, for classification purposes in the CPC Ver. 1.0 A.C. they are located in the same Subclass 27180, corresponding to all bedding articles. Therefore, it is necessary to standardize one origin with the other to avoid repetition in the subclass where they are located. In addition, the industrial origin is not a main classification criterion for the inclusion of a product. If the time series aren’t affected, the products are considered to be representative of each other. In this case, the product from the clothing industry is kept. (Table 84)

Table 84. Case 70

CPC description	ISIC Rev. 2 DANE	CPC Ver. 1.0 A.C.	HS	Location
Feather blankets	39093031 and 32124062	27180	9404.30,90	Correct

Source: DANE

3.3. ADAPTATION OF AN OUTLINE

The update is a process in which a classification remains largely unchanged in its structure, conceptual basis and delimitations among its components.

It is intended to provide more detailed explanatory notes or to reclassify activities in the categories of classification, in response to the rise of new technologies, new types of economic activities, industries or changes in economic structure of the country.

In order to carry out the adaptation process of an update coming from a competent intergovernmental body, it is necessary to complete most of the activities required for an adaptation process coming from a review.

The process of adaptation of an update begins with the review and comparison of the conceptual basis (principles, criteria, rules, etc.) and structure (general to specific) of the adapted classification with the conceptual basis and structure of the updated reference classification in order to identify or detect differences between them.

From this comparison and from the need to show the changes in the national product structure, all necessary modifications are identified for the conceptual basis and the structure (disaggregation, aggregation and transfer of categories, changes in categories titles and contents). Such modifications must be properly supported and endorsed, just as with the adaptation process of classifications.

3.4. MAINTENANCE

The maintenance process refers to the adjustments that, in the context of its application, must be made to the adapted classification. The aim is to correct inconsistencies and adjust the classification to the economic or social context. In the CPC, the most important adjustment is the addition of new products in sections 0 to 4.

In order to ensure an effective maintenance of the classification, the following steps should be considered:

1. To identify the main users of the CPC (internal and external).

2. To establish possible adjustments to the classification that can be identified by users or by the responsible subject-matter experts belonging to the Nomenclatures and Classifications Group. Leaders of Nomenclatures and Classifications Group can do this by reviewing the classification.
3. To determine with main users possible adjustments to the classification by means of the established forms. In the case of the CPC that requires permanent inclusion of products from statistical operations such as the Annual Survey of Manufacturing (EAM) and the Producer Price Index (PPI), the process of delivering pre-filled technical data sheets reporting new products must be carried out. This is done so that the Nomenclatures and Classifications Group validates and includes such products in the classification structure, thus guaranteeing the existence of a single file for which DIRPEN can be held responsible.
4. To analyze the proposed adjustments to the classification according to the parameters listed below:
 - To study the information provided by internal or external users in the “Adjustment form for classifications or correspondences” (Annex A). Approve or reject the suggestion and notify the user of the analysis result, by sending back the format with the technical reasons for the approval or disapproval of the adjustment.
 - If a product is to be included in the CPC, the information contained in the product datasheet should be analyzed in order to validate it and/or determine its correct classification by filling out the fields on the form, once the subject-matter expert has completed the investigation process. Subsequently, the product datasheet is sent to the contact officer in DIMPE.
 - The coordination should assess the proposed adjustments by the responsible officer and its consistency within the classification.
5. To include the approved adjustments in the magnetic file of the classification.
6. To disseminate the version of the classification submitted to the maintenance process among the users.

This process is of great importance in the management of the classifications because it allows its continuous improvement.

3.5. TRAINING AND ADVISING CLIENTS

This process aims to provide current and potential users of the CPC adapted for Colombia by DANE, general knowledge about the background, concepts, principles, structure, explanatory notes, rules of interpretation, application and other features inherent within this classification. In this process, training is prepared in accordance with the guidelines in the Training Guide. Trainees submit evaluations of these training sessions.

Similarly, internal or external requirements are met regarding the inclusion of products in different categories of the classification, especially the inclusion of products in sections 0 to 4 of the CPC adapted for Colombia.

4 DIFUSSION

4.1. DATA REPOSITORY MANAGEMENT

The adaptation proposals of the classification with their respective technical evidences are emailed and sent in a CD to the coordination of the Nomenclatures and Classifications Group, which in turn evaluates, stores and incorporates the magnetic folders created for that purpose to a DANE's server named systema20.

The Central Product Classification adapted for Colombia, resulting from the consolidation in digital media of the adaptation proposals approved by the area coordination and endorsed by its main users, lies in the computers of all members of the Nomenclatures and Classifications Group. Versions in digital or physical media are also available in DANE's databases and in the offices of the main users of the classification. It should be noted as well that the overall structure of the classification is available on DANE's website.

The retention period in magnetic folders of systema20 for earlier versions of the classification, adaptation proposals and their respective technical evidence is 5 years. Once the 5 years are completed, they are organized in historical documentation folders of the same system.

4.2. DIFFUSION PRODUCTS AND INSTRUMENTS

The most important outcome of the process is the document that contains the CPC (adapted, updated and adjusted) and the tables of correspondence of the classification with its earlier versions and other classifications.

The main instrument for the dissemination of the classification is all magnetic storage media (emails, CDs, DANE's website, etc). Through these media the CPC is disclosed to its main users. There are also printed publications of the classification, used mainly by the members of the Nomenclatures and Classifications Group and other internal and external users of the classification.

4.3. PROMOTION AND DIFFUSION OF PRODUCTS

Sending the adapted, updated or adjusted classification via e-mail directly to the main users is the main mechanism for the diffusion of the CPC. The main users are identified in a client list that the Nomenclatures and Classifications Group has.

Potential users of the classification may also access the CPC general structure through DANE's website.

GLOSSARY

Adapted classifications: Classifications resulting from the modification of an adopted classification structure in such way that it reflects the economic and social characteristics of a country; to do so, the rearrangement of categories in the international reference version is required (elimination, subdivision, combination and inclusion of categories). The adaptation of economic and social classifications should be based on the principle that the final adapted classification must be compatible with the reference classification. To achieve such compatibility, the basic procedures for adaptation should be followed. These procedures can be used jointly or individually, depending on requirements specific to the classification.

Aggregation: It refers to the combination of related categories, usually within a common branch of a hierarchy, to provide information of general character different from that disclosed in detailed observations.

Category: Generic term for grouping items in any level of a classification, such as categories tabulation, sections, subsections, divisions, subdivisions, groups, subgroups, classes and subclasses. Categories in a classification are usually identified by codes (alphabetical or numeric), which provide a unique ID for each category and denote their location within the hierarchy. They contain elements that are subgroups of the classification to which they belong, such as activities, products, types of occupations, types of education, etc.)

Classification: Grouping of events or objects in homogeneous sets, in a comprehensive and mutually exclusive manner, according to predetermined criteria and to the classification's intended use.

Classification structure: Refers to how categories are sorted, grouped and subdivided in a classification. Categories within a classification can be arranged in a hierarchical or uniform structure. In uniform classifications, categories are arranged in only one level. Hierarchical classifications have various levels, corresponding to the different degrees of determination (detail) to the extent (specification) of the observed variable. Hierarchical classifications go from general levels (e.g. division) to detailed levels (e.g. class). Uniform classifications (such as gender classification) are not hierarchical.

Derived classifications: Based on reference classifications. Derived classifications can be prepared either by adopting the structure and categories of the reference classification, providing additional detail to that provided by the reference classification, or adding categories from one or more reference classifications. Derived classifications are often adapted for national or multinational use, such as the Statistical Classification of Economic Activities in the European Community (NACE).

Disaggregation: It refers to the breakdown of observations, usually within a common branch of a hierarchy, in additional specific levels to which detailed observations are. With standard hierarchical classifications, statistics for related categories can be grouped or combined (aggregated) to provide a more general framework, or categories can be divided (disaggregated) when specific details are required. This is possible by means of the codes assigned to the main observations.

Establishment: An establishment is defined as a business or part of a business set in one location where one non-ancillary productive activity is carried out, or where the principal productive activity generates most of the value added.

Explanatory notes: Explanatory notes assist users so that they can distinguish the limitations and scope of each class. Details vary from classification to classification, but the intention is to explain the precise meaning of categories and basic concepts. This is often done through specific examples of inclusions, exclusions and cross-references with other categories.

Group/ungroup: In a hierarchical or branched classification, categories are grouped from the most general levels to the most detailed ones in each group. Categories within each group can be grouped (aggregated) or ungrouped (disaggregated). For example, a multi-level hierarchical classification is structured in such way so that the sum of the details of each level compares to its previous level. Thus, the observations can be taken to levels of detail relevant to particular purposes. At lower levels, observations can be added to provide aggregate (grouped) observations and, with proper management, at higher levels, observations can be disaggregated (ungrouped) into lower levels.

Harmonization/standardization: It is the process of combining or comparing data for analysis purposes, either through the use of similar standard definitions and classifications, or through a complex set of explanations on how to get comparisons by means of standards and classifications. The harmonization of classifications involves alignment, where possible, of the basic concepts and definitions of similar and different classifications in order to produce classifications that may be related to a possible maximum within the requirements constraints of individual classifications. During a classification harmonization process basic components for grouping and re-grouping common categories are identified, even if they belong to different structures of the classifications. This process is facilitated by the reduction or elimination of minor differences between classifications. Harmonization of classifications requires continuous coordination and regular information exchange between guardians of the relevant classifications. Without such exchange, different interpretations and similar concepts or categories may take place. In the harmonization process, classifications can be described as reference, derived or related.

Harmonized commodity description and coding system headings and subheadings: 4 and 6 digit categories (heading and subheading respectively) of the Harmonized System, which represent the greatest level of detail in the classification.

Harmonized commodity description and coding system: Classification of goods organized according to classification criteria based on raw materials, production stage and industrial origin of goods.

Reference classifications: Economic and social classifications resulting from international agreements approved by the United Nations Statistical Commission or another competent intergovernmental board depending on the subject area, such as the International Labor Organization (ILO), the International Monetary Fund (IMF), the United Nations Educational, Scientific and Cultural Organization (Unesco), the World Health Organization (WHO) or the World Customs Organization (WCO). In this way, reference classifications have achieved broad acceptance and official agreements, thus being approved and recommended as guidelines for the development of classifications. They can also be used as models for the development or revision of other classifications, regarding the structure, character and definition of the categories.

Updated classifications: Those classifications that have been adjusted to structure changes and analytical needs, to the rise of new technologies and new divisions of labor among organizations, thus creating new types of economic activities, industries and occupations, which pose challenges for both suppliers and users of statistical data. Generally, the updated classification maintains most of the structure, the conceptual basis and the limits between its components unchanged. Highly detailed explanatory notes are provided to enable a more precise interpretation of the content and limits of a category.

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ANNEXES

ANNEX A. ADJUSTMENT FORM FOR CLASSIFICATIONS OR CORRELATIVES

		ADJUSTMENT FORM FOR CLASSIFICATIONS OR CORRESPONDENCES
Entity that proposes the adjustment:	Date:	
	City:	
	Address:	
Department or office that proposes the adjustment:	Phone:	
	E-mail:	
Employee that proposes the adjustment:	Phone:	
	E-mail:	
Classification or correspondence table to adjust:		
Description of the adjustment:		
Reason for the adjustment:		
Analysis on proposed adjustment (exclusive for DIRPEN employees):		
Final adjustment (exclusive for DIRPEN employees):		
Signature DIRPEN employee responsible for the proposed adjustment	Signature DIRPEN employee responsible for approving the proposed adjustment	
NAME:	NAME:	
POSITION:	POSITION:	

ANNEX B. ADDITION FORM FOR NEW PRODUCTS CPC VER. 1.0 A.C.

Answer briefly¹:

Trade name of the product:		Technical name of the product:	
General description:			
Physical characteristics of the product:			
Chemical characteristics of the product:			
Describe the production process:			
Unit of measurement (according to the metric system):			
Use or destination of the good:			
Origin:		National ____	Imported ____
Tariff item number:			
Annual value of the raw material (thousands of pesos):			
Observations:			
Name of the reporting establishment:		Technician:	
Phone:	Fax:	E-mail:	Address:

1. This form must be filled out by someone with technical knowledge of the product. If necessary, include additional product information.

FOR EXCLUSIVE USE OF DANE'S MAIN OFFICE	
CPC Ver.1.0 A.C. code	ISIC Rev. 3 A.C. code