

Standards Division of Statistics Canada in the early 1970's and given limited circulation in the form of an unpublished draft in August, 1973. That draft has provided valuable assistance in the preparation of this Classification of Services for International trade. Both the Statistics Canada draft and this classification are designed as classifications of services per se, that is, as companions to a commodity classification like the SCC or the SITC.

A different kind of service classification has been developed by the United Nations as part of a combined classification of commodities and services known as the International Standard Classification of all Goods and Services (ISCGS)<sup>1</sup>. This is a structure in which commodities and services are grouped within the industrial categories of the International Standard Industrial Classification (ISIC)<sup>2</sup>, each commodity group and service group being assigned uniquely to the industrial category with which it is considered to be primarily associated. The ISCGS is one of a set of classification systems especially designed to be used in assembling data for incorporation into the System of National Accounts. Many countries have classifications of the ISCGS type and such a grouping is useful for some purposes, for example, in assembling data on commodities and services from different statistical survey sources and preparing them for inclusion in an industry/product matrix for input-output analysis. On the other hand an arrangement that postulates a unique relationship between each product (commodity and service) group with a particular industrial category ignores the range of products that actually constitute the output of most industries and therefore is of little use in some kinds of analysis, eg. in marketing studies, or in designing schedules or questionnaires for the collection of production data from respondents. In linking the structure of the classification of goods (commodities and services) to the framework of the industrial classification, the ISCGS approach also limits the flexibility of both systems in that they must then be amended in tandem, at least to some extent. In a time of rapidly changing technology the relationship between goods (commodities and services) and the industries in which they are produced is changing constantly. Care should be taken, of course, to arrange each classification system so that they are integrated in the sense that the groupings of one can be re-arranged into the structure of the other so far as possible. When this is done an arrangement of the ISCGS type can be obtained as needed and the basic classifications can be used in collecting, tabulating and publishing the basic data. This is the practice followed in Canada and in most countries.

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\*1.-International Standard Classification of all Goods and Services, United Nations, New York - unpublished.

2.-International Standard Industrial Classification of all Economic Activities, United Nations, New York. Statistical Papers Series M, No.4.