

INTRODUCTION

1. This classification of services has been designed as a general purpose classification system suitable for assembling, compiling and presenting information on all kinds of services. In practice, however, classification systems of this kind tend to be used in connection with economic data which means, in this case, services that are bought and sold or that are provided through indirect payment either by an agency of government (i.e. from taxes or other government revenues) or by institutions (i.e. from revenue sources such as grants, donations and bequests). For present purposes, then, "services may be defined as intangible economic goods produced for sale or distribution through the market mechanism or through established programs or institutions.

In most cases tangible goods (commodities) can be distinguished from intangible ones (services) without difficulty but borderline cases are by no means negligible. Such recent technological developments as those involved in the gathering and distribution of all kinds of information, however, appear now to be responsible for an increasing number of difficult cases. Traditionally, information has been assembled and distributed in the form of publications of various kinds which are unquestionably tangible. Techniques such as broadcasting and forms of telecommunication using terminals that incorporate visual displays and facilities for printout are now combining tangible and intangible products in new ways. This example may serve to illustrate the kind of rule or convention required to deal with borderline cases. Unquestionably the gathering, storage, retrieval, dissemination and display of the information constitute intangible goods (services) but the printout is tangible. The printout, however, may neither be intended nor suitable for general distribution or use as a marketable good. It may be essentially a confirmation or verification of the information, or perhaps a master copy from which others can be derived for distribution and sale, so the whole transaction is made up of services. When it becomes possible to transmit a whole edition of a publication ready for distribution then the transmission will represent the production of a tangible good (a commodity).

Related Classifications

The classification of services is one member of a family of economic statistical classifications, its closest relatives being classifications of tangible economic goods¹. (commodities). Two main kinds of commodity are generally recognized: one is transportable goods that can be stored and shipped and that

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*1. Examples are:

- Standard Commodity Classification (SCC), Statistics Canada, Ottawa, Catalogue No. 12-502
- Canadian International Trade Classification (CITC) Statistics Canada, Ottawa, Catalogue No. 65-502
- Standard International Trade Classification (SITC), United Nations, N.Y. Statistical Papers Series M Number 34/Rev.2.