Statistics Denmark would like to acknowledge the good work done on the harmonisation of definitions on energy products and flows. Since we are not experts on energy as such our comments mainly concerns the use of the definitions and the framework in which we in the future needs to use the definitions.

First of all we would like to echo the concerns raised by others on the **classification of products**. We think that it is important that the definitions are embedded in a hierarchical classification system. It should be clear where the different products belong and the system should be able to express different levels of aggregation where each level could be suitable for different purposes.

There is a need to start defining the products on its own premises and to do this independent of any classification system, but at the same time it is important to ensure to test the definitions and choice of products groups by embedding them into a classification system, and more broadly consider the use of the definitions for reporting, etc. before the definitions and the list of products are finally agreed upon.

Further, with respect to the definitions we would like to see how the list of products relates to existing classification systems, e.g. the HS and CPC. Such an alignment is in our mind also a natural part of the testing before the final adoptation of the definitions is taken.

Two terms: *commodities* and *products* are used. Consider to use products only.

Waste is divided into industrial waste and municipal waste. This division seems not to be in line with the general principle that the product should be defined in a manner that describes the product nature – rather it is a description of the origin of the product. For the product definitions it could be considered to focus on whether the waste is renewable or non-renewable and to define what that means. The origin of the waste would then be another dimension in the reporting scheme and statistics.

It might be useful to add an overall **definition of what an energy product is.** What is for example the rationale for including paraffin waxes, bitumen (and waste) as energy products? Is it a question of the product nature, or is it also a question of the processes in which the products are inputs or outputs? In fact, in the section on final consumption (pages 38-39) the terms chemical feedstocks and non-energy–products are introduced, and both are defined as *fuels* with specific uses. So on one hand they are non-energy products, but on the other hands they are fuels, which generally would be considered as energy products. By the way, the concept *fuel* seems not to be defined anywhere.

Definition of supply: The definition is not precise, since stock movements are not flows of fuels into the national territory, but flows within the territory. Alternative definition: The total quantity of products available for use on the national territory in the given period.

Production: add *own*: the extraction or capture, within … which are retained for sale or *own* use, and

"Production of secondary fuels *includes* any amounts vented, flared or lost before use".

This sentence is unclear since it mixes up the supply and use side and different units. Suggestion: Production of secondary fuels includes all outputs which are delivered to other units or used by the manufacturing unit, irrespectively of how the output is used (i.e. for further processing, venting, flaring or lost).

Imports and exports: Consider to include in the definition reference to the *general trade principle* (in contrast to the special trade principle). Under the general trade system goods are recorded as they enter or leave the national boundary including goods that are imported into and exported from custom-bonded warehouses and free zones. (Under the special trade system, goods are recorded as trade only when they cross the customs boundary, i.e. enter free circulation).

Consider reference to whether imports and exports should be adjusted for *border trade*, and whether border trade should be described as additional items.

Stock changes: The definition refers to *fuels* only. It should be generalised:
Suggestion: Stocks are quantities of *energy products* held on national territory to maintain…

Transfers: The term includes reclassification items and recycling. It is not clear why it is useful to include these three groups into one item. Consider to include a *reclassification item* for the first two groups, and a *recycling* item for the third.

We suggest to reserve the term *flow* to "real" flows i.e. movements with an origin and destination, and to introduce another term, i.e. unit, entity etc., to designate sectors, industries, consumption, etc. Similarly the definitions should be checked to ensure that there is no mix-up. For instance the definition of the transformation sector gives the impression that the sector is a flow (activities).

Transformation sector:
Definition: *Activities* in which products undergo a process or processes during which there are physical or chemical changes into other products whose intrinsic properties differ from those of the input products.

Suggestion:

Definition: *Production facilities* in which products undergo a process or processes during which there are physical or chemical changes into other products whose intrinsic properties differ from those of the input products.

Final consumption: Although there probably is a long tradition for using this term in energy statistics it would be very useful to change it since it is in conflict with the national accounts' terms and thus the energy accounts' terms. In the national accounts consumption of energy by any industry is called intermediate consumption, and final consumption is restricted to the use of energy by households. A solution to this conflict could be to use e.g. *end use of energy* or *(end) consumption of energy* instead of final consumption of energy.