



UNITED NATIONS  
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION

**Meeting of the Expert Group on  
International Statistical Classifications  
New York, 13-15 May 2013**

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**Final report**

1. The meeting of the Expert Group on International Statistical Classifications, organized by the United Nations Statistics Division (UNSD) was held in New York from 13 to 15 May 2013.

2. The meeting was attended by 33 experts from 23 countries and 5 international organizations.

3. The meeting was chaired by Ms. Alice Born, Director of Standards Division, Statistics Canada.

4. The meeting was opened with a statement by Mr. Stefan Schweinfest, Acting Director of UNSD. In his remarks, Mr Schweinfest referenced the strong results the group had delivered in the past and noted the revised mandate and enlarged scope of the work of the Expert Group and the Family of International Classifications that will place new demands on the group. He noted that the establishment of a larger Family, combined with a clear set of criteria for inclusion and guidelines for the development of classifications would be of tremendous use to developers and users of classifications. He also noted the large number of classifications that were being discussed in detail at this meeting, showing the strong cooperation between the Expert Group and many custodians of international classifications.

5. The meeting was organized according to several thematic topics. For each topic, a number of papers on relevant, and often interconnected issues, was available and the papers were introduced through short presentations at the beginning of each session that highlighted the main issues raised and questions posed to the Expert Group.

6. In total, 24 papers were submitted for the meeting, accompanied by PowerPoint or oral presentations at the meeting. In addition 8 presentations on additional topics have been given at the meeting. All papers and presentations are available on the meeting's website at: <http://unstats.un.org/unsd/class/intercop/expertgroup/2013/ac267-2.asp>

7. Annex 1 shows a list of action items agreed at this meeting of the EG. Annexes 2 and 3 list Technical Subgroups to be formed or to continue under the auspices of the EG, as well as groups with which the EG will coordinate future work on classifications.

### **Main discussions and conclusions**

8. The Expert Group considered a wide range of topics during its meeting, including documents addressing the work within the Family of International Classifications and broader considerations of standards, the review of development and revision work on a number of international classifications in cooperation with their respective custodians, better communication with classification users, national and regional efforts to further progress with the implementation of revised classifications, as well as the effective

management of classifications. The main discussions and conclusions related to these different topics are presented below.

### **Topic 1 – Family of international classifications**

9. In this topic, the Expert Group considered issues related to the scope and guidelines for the Family of International Classifications.

#### **Best practices document**

10. The document on best practices has been revised since the last meeting of the Expert Group. In particular, the structure was changed to separate it into a general Best Practice document and a separate document describing criteria for inclusion of a classification into the Family of International Classifications. It was confirmed that the current documents should be considered as supplements to the original Best Practices document of 1999, not as a replacement. Some overlap between the documents may exist, since they are targeted for different audiences.

11. In the discussion, feedback on several issues was provided.

12. It was agreed that the terminology in the document(s) should be aligned with the Neuchatel model to avoid confusion in the interpretation by users and to promote a more harmonized approach to the handling of classifications concepts. There may also be some feedback into the Neuchatel Model discussion.

13. The document should not be restricted to international classifications only, as many countries are looking for guidance in adapting a national classification. This should be addressed in additional paragraphs, but not in an entirely new document.

14. Other recommendations include:

- Some of the criteria spelled out in the document should be made more strict (e.g. mutual exclusivity should be phrased as a strict requirement, rather than a recommendation; statistical balance should get clear statement)
- The order of the document should be reviewed
- Requirements for case-law system and explicit revision policy should be added
- While there seems to be a need for more info, the size of the document should remain roughly as-is.

15. All EG members should provide additional comments to Andrew Hancock (New Zealand). The draft will be revised by Andrew and will be discussed within a small group (Austria, New Zealand, ILO, UNSD) before being submitted back to the whole Expert Group. Target date for completion and submission to the EG: 31 Dec. 2013.

## **International Family of Classifications**

16. The Expert Group agreed that the concept of the International Family of Classifications should be maintained and its scope broadened beyond those historically included (i.e. a group of about 15 classifications). The Family will be restricted to international classifications only (i.e. it will not include regional or national classifications and it will be restricted to statistical classifications).

17. It was confirmed that the scope of the Family will include all international classifications that represent standards for a given statistical domain, whether explicitly approved by the Statistical Commission (or similar body) or not. This may include classifications developed at a regional level that have become de facto international standards in the absence of explicit international classifications. While this may result in a long list of classifications, this list will (a) provide a better overview of what is actually required by countries to follow, (b) will allow an assessment of the quality of classifications according to the list of criteria being developed, (c) will allow a better assessment of the linkages between existing classifications and (d) will provide more value to users of the Family.

18. It was agreed to use internationally approved standards (frameworks) as a starting point and develop a first list of the family by including all classifications referenced in these frameworks. This will be supplemented with information from specialized agencies about their respective field of expertise.

19. At a later stage, after review of the classifications in the list, a decision will be taken on how to categorize the classifications according to their degree of compliance with the best practices criteria. At that point the reintroduction of the concepts of “derived” and “related” classifications will be considered.

20. UNSD will prepare a list of standards/frameworks as the first step in this process and circulate it to the EG. Upon approval, UNSD will prepare the list of classifications in these frameworks to produce a first draft of the list of the Family, including basic information about these classifications. UNSD will also prepare a first draft of a potential grading system, including definitions of “derived” and “related” classifications. This will be submitted to the Bureau for decision of subsequent action.

21. Target for the first step (list of frameworks) is Aug. 2013.

## **Scope of EG work**

22. The Expert Group agreed that the scope of its work should cover the international statistical classifications included in the Family, as defined above. The work of the Expert Group itself should focus on setting directions and ensuring harmonization of work on classifications, as well as the promotion and implementation of best practices for

classifications in the Family. The EG does not have to be involved in detailed discussions for each of the classifications in the Family, unless requested by the custodians.

### **Registry of national classifications**

23. The Expert Group reviewed the progress in the recent update of the Registry on national classifications and the survey carried out by UNSD.

24. The EG supported the continuation of this project, not only to provide general overviews of the use of international classifications in a national setting, but also to assess the implementation of the revised classifications, like ISIC Rev.4, CPC Ver.2 or ISCO-08.

25. Efforts for increasing the response rate for this round of the survey have been discussed. The questionnaire will be resent to EG members that have not responded; EG members should promote this to countries with whom they have working relationships; Regional Commissions should be more strongly involved.

26. UNSD will report back to the EG regularly on progress, including an assessment of the ISIC and CPC implementation based on the responses to this survey.

27. This survey should be repeated/updated every 5 years to obtain new information related to implementation of the latest standard classifications.

### **Regional efforts for implementation of classifications**

28. The EG was informed about ongoing work of the Working Group on International Classifications of the Statistical Conference of the Americas. The report highlighted the achievements already made and the next steps planned for the group.

29. The group has developed a programme of action to facilitate and support the implementation of the new international classifications (ISIC, CPC, ISCO) in its member countries by developing general implementation strategies, sharing information among countries, setting up communication mechanisms between countries in the region, arranging for horizontal collaboration among member countries, conducting training workshops for member countries and developing methodological guidance on the development and implementation of classifications, including data-related issues such as backcasting. In particular the guidance documents are expected to be used also by GTCI non-members.

30. The work of the group also includes the translation of the international classifications into Spanish, based on a more detailed review of the terminology applicable to member countries. In the course of this work, additional feedback is provided to the international organizations (e.g. to UNSD in the case of ISIC and CPC)

that will be used to improve the original text of the classifications, while specific glossaries are being developed that benefit countries using these classifications.

31. Since the scope of work of the GTCI covers also ISCO, the International Labour Organization (ILO) was invited to participate in the GTCI. In addition, it was noted that the Food and Agriculture Organization of the United Nations (FAO) expressed its willingness to support the GTCI and that it requested GTCI support in answering the questionnaire on product classifications used nationally for the collection and dissemination of agricultural and food statistics, since the response rate in the region had been very low.

32. The next meeting of the GTCI is scheduled for June 2013.

33. The EG took note of the progress that had been made and the contributions that this group provides to the revision process of international classifications, in particular the CPC Ver.2.1. The EG agreed to support the activities of this group and recommended its working methods also to other regions.

## **Topic 2 – International Standards**

### **International statistical standards**

34. The EG reviewed a paper on international statistical standards. The paper addressed the issue of defining international standards and international standard classifications, what their impact on statistical work is and what barriers exist to fully and consistently adopt such standards in all countries.

35. The issue of underutilization of standards was raised, with an expectation that international standards be applied without modification in all countries. While there could be certain advantages (like cost-saving), this notion was not shared by the whole group, citing the need to develop national versions of existing standards as a priority to address specific national needs – in particular in the area of classifications. Another question was whether standards developed for a particular set of countries (e.g. a region) would be suitable for other countries.

36. The discussion highlighted that while different definitions of standards may exist, their ultimate goal is always to provide a consistent set of rules or guidelines that allow for the production of comparable statistics across countries.

37. No specific decision was taken, but the subject will remain on the list of issues to pursue by the Expert Group and members were invited to provide comments on the presented document.

## **Global inventory of statistical standards**

38. The EG was informed of the ongoing work on the Global Inventory of Statistical Standards, initiated by the Statistical Commission and now maintained by UNSD. While the overall scope of the Global Inventory goes beyond the scope of work of the EG, the classifications referenced in the Global Inventory should have the approval of the EG, i.e. should be aligned with classifications in the Family.

39. The work on the Family (with its expanded scope) will be monitored by the EG also in light of a process to decide which classifications should be included in the Global Inventory.

## **Neuchatel Model**

40. The EG was informed of current developments in updating the Neuchatel model and the Generic Statistical Information Model (GSIM). The issue of linking the two processes was discussed. However, due to the different purposes of the two models, it was suggested to continue treating them as separate entities.

41. Most attending countries reported that their own systems use the Neuchatel Model or are mostly consistent with it.

42. Concerns were raised that the actual revision of the Neuchatel Model may be outside the scope of work of this Expert group, since this is essentially a database design issue and the EG may not have the necessary experience for this. However, input from classifications experts is required.

43. The EG will continue to follow the developments in the Neuchatel Model revision. There will be no explicit involvement by the EG in the revision process. However, Alice Born of Statistics Canada is a member of the group tasked with revising the Neuchatel Model and will serve as contact point in this case, should involvement by the EG be required.

## **Topic 3 - Review of work on international classifications**

44. In this topic, the Expert Group reviewed the progress of work on a number of international classifications that are either being developed at this time, are going through a revision process, or are being scheduled for a review (to determine if changes are necessary). Presentations have been made by the custodians of these classifications.

## **Standard International Energy Product Classification (SIEC)**

45. The Expert Group was briefed on the current state of the Standard International Energy Product Classification (SIEC) and its relationship to the Central Product Classification (CPC). The improvement of the link between SIEC and CPC had been a goal of the ongoing update of CPC to Version 2.1.

46. A number of links between SIEC and CPC Ver.2 had been identified in the early stages of the CPC update process and during the preparation of the International Recommendations for Energy Statistics (IRES) that should be targeted for improvement. The categories involved did not allow for a one-to-one link at detailed or higher levels of the classifications due to different concepts employed in both classifications and different levels of detail of data needs. This list, together with expectations for the type of improvement, had been added to the list of issues for the CPC update.

47. During the work on these issues it became apparent that the problem is not simply an issue of introducing additional detail in the CPC or adjusting current definitions – a process that would be restricted by the link between the CPC and the Harmonized System – but that the boundaries of categories in SIEC are currently not always well defined. Further review of SIEC, also based on its expected increasing use in the future, is necessary to obtain more clarity of the actual scope of several SIEC categories.

48. Due to the uncertainty of some SIEC definitions – and in a few cases the corresponding interpretations of the Harmonized System – it was decided not to move ahead with changes in the CPC for these issues, as these could potentially be incorrect. Instead, a review process for SIEC will be initiated to make changes and clarifications in line with the next CPC review scheduled for 2017.

## **International Standard Classification of Education (ISCED)**

49. The Expert Group was briefed on the current state of work on the International Standard Classification for Education (ISCED). The overall ISCED – previously just one classification – now comprises three separate components: ISCED-P (programs), ISCED-A (attainment) and ISCED-F (fields), which are being discussed and revised separately.

50. The EG was informed about the currently ongoing process of revising the ISCED component on Fields of Education and Training. The consultation process has been concluded, which benefited also from responses by EG members. A final draft is expected to be submitted for adoption to the UNESCO General Conference in November 2013.

51. No additional action by the EG is required at this point.

## **International Classification of Crime for statistical purposes**

52. The United Nations Office on Drugs and Crime (UNODC) informed the EG about the current status of work on the International Classification of Crime for statistical purposes.

53. The classification categories and structure are based on behaviour, not on a legal framework, allowing its application worldwide, independent of national legal specifics. The classification is based on five main attributes (target, seriousness, state of mind of perpetrator, modus operandi, policy relevance), supplemented by a series of “tags” that further qualify and describe crimes.

54. The main attributes are used to define the 11 top-level categories of the classification. Consensus exists for this top level, but further work is needed for the subsequent levels (four levels are planned for the classification).

55. A first draft of the classification will be developed in the 2<sup>nd</sup> quarter of 2013, followed by a testing in volunteer countries in the 4<sup>th</sup> quarter of 2013. An Expert group meeting to review the testing results and finalize the classification is planned for 2014, with submission of the classification to the Statistical Commission expected in 2015.

56. The EG requested a complete draft of the classification and agreed to provide comments on this draft by September 2013. The representatives of the Philippines and Australia volunteered to be involved in this work with UNODC and will keep the EG informed on developments. (No explicit subgroup of the EG has been formed.)

## **International Classification of Diseases (ICD)**

57. The Expert Group was briefed on the progress made and tools used in the revision of ICD.

58. A set of field trials is now underway to test the ICD-11 for different purposes, such as morbidity statistics etc. The next planned steps are:

- 2013-2015 field trials of the Beta version
- 2015 Development of final version of ICD-11 for approval by the World Health Assembly
- 2015 Start of implementation of ICD-11

59. No additional input from the EG is required at this point.

## **Correspondence between EBOPS and CPC**

60. The EG was briefed on the current status of the correspondence table between the Extended Balance of Payments Services Classification (EBOPS) and the CPC. The

EBOPS was revised in 2010 based on the updated balance of payments Manual (BPM6). The correspondence table has been developed by the Trade Statistics Branch of UNSD.

61. The EG noted several issues that might require more clarification, such as the inclusion of some goods in links to service categories.

62. In the discussion, future arrangements were proposed in which the EG would be contacted if there were any issues with the correspondence table and the EG would receive regular updates on ongoing work.

63. A version of the correspondence table is already available on the UNSD website. Although this is considered “final”, the possibility for making corrections still exists.

64. The time line for the next steps includes an expert group meeting in June. A report on the correspondence table will be provided to the EG by end of July and the EG is then expected to comment on this in the fall of 2013. The Bureau will decide on the exact mechanism within the EG for this.

#### **International Classification for Time Use Statistics (ICATUS)**

65. Two presentations were given related to Time Use Classifications. The first presentation, prepared by Statistics New Zealand, discussed general characteristics of time-use classifications and provided some guidance on the development and adaptation of such classifications for national use, citing work with ICATUS as an example. The second presentation, given by the Demographic and Social Statistics Branch of UNSD, briefed the EG on the current status of work on ICATUS.

66. ICATUS was not submitted to the EG for approval at this point, and the report and presentation were only intended to provide an update on the current status and to list outstanding issues and their expected path of resolution.

67. The classification at this point is not final. While certain discussions are still ongoing, there is a clear commitment to base the classification on SNA concepts. A particular issue is the dependence of major principles in the classification on the definitions of categories for new forms of labour in the International Classification of Status in Employment (ICSE) – see also discussion below – which will be brought up for discussion at the next International Conference of Labour Statisticians (ICLS) in October 2013. The EG took note of the fact that the work on ICATUS will not be finalized until these issues are clarified and supported this approach.

68. In addition to the classification, a handbook on time-use statistics is being developed by United Nations Economic Commission for Europe (ECE) under the auspices of the Conference of European Statisticians (CES) and the work is in its final stages. The EG urged that these processes be coordinated and that care should be taken that the CES/ECE guidelines not be published before ICATUS is completed.

69. The proposed timeline for completing ICATUS depends on the decisions at the ICLS as a major milestone, after which a review will be done and the timeline revised. It is expected that the classification be submitted to the EG for review in 2014 and to the United Nations Statistical Commission (UNSC) for adoption in 2015.

70. It was indicated that a Technical Group would be formed, which will consist of time-use experts and classifications experts. The Bureau will suggest nominations for this technical Group that will be formed after the ICLS took place.

### **International Standard Classification of Occupations (ISCO)**

71. The EG was briefed on the current state of work on the International Standard Classification of Occupations (ISCO-08). ISCO-08 has been published in English in 2012. The issuance of the classification in other languages is still pending; while there is work being carried out with different countries, no clear timeframe can be given at this point.

72. The next ICLS in October 2013 is expected to produce a resolution concerning statistics of work and the labour force, which will have implications for classifications such as ISCO, ICSE and ICATUS. In this context, the issue of a potential revision of ISCO was discussed. Such a revision would address issues arising out of the ICLS resolution, as well as a number of smaller problems that have been reported and might also look at splitting skill level 2 into two groups. A consultation on such a revision will be conducted soon.

73. The EG urged that EG members and labour experts from participating countries respond to ILO's consultation. ILO will inform the EG about the outcome of the ICLS discussion/resolution.

### **International Classification of Status in Employment (ICSE)**

74. The EG was informed about the ongoing work on ICSE. While different options exist at this point, a revision cannot be finalized prior to the 19<sup>th</sup> ICLS in October 2013. (see similar comments above)

75. The EG noted the importance of this classification, which despite its small size has important links and impacts on other classification interpretations. An encompassing consultation process should be carried out to ensure that not only the needs of labour statisticians are met, but also the needs in business statistics are addressed.

76. ILO will review its plans for the consultation process. The EG will be involved in this process, once the conclusions of the ICLS are known.

## **Agriculture classifications**

77. The Food and Agriculture Organization (FAO) informed the EG about its work on classifications used in its agricultural statistics programme. The FAO is very much engaged in the development and revision processes of standard classifications that have applications in agricultural statistics. This applies to product classifications, such as the recent update of CPC Ver.2.1 for agriculture, fishery and forestry and the Harmonized System (HS) for which the FAO has submitted proposals for revision to the 2012 and 2017 versions, as well as to land use and land cover classifications, through FAO contribution to the SEEA review and update of the FAO land use questionnaire.

78. The FAO proposals for agricultural and food products in the CPC Ver.2.1 account for the majority of changes in this CPC update. The focus of the FAO work has not only been on introducing appropriate detail in the CPC, but also to ensure the consistency of these proposals with the relevant version of the Harmonized Commodity Description and Coding System (HS) and to make corresponding proposals for the revision of the HS.

79. An additional review of the changes to the CPC has been scheduled between UNSD and FAO, to be completed by August 2013.

80. The FAO also conducted a survey on national agriculture and food products classifications and, based on its results, is planning the development of guidelines and training material for countries under the *Global Strategy to Improve Agricultural and Rural Statistics*.

## **International Standard Industrial Classification of All Economic Activities (ISIC)**

81. The International Standard Industrial Classification of all Economic Activities (ISIC) is a standard topic of discussions at meetings of the EG. The key questions at this point are the progress in implementing ISIC Rev.4 and the need for future updates or revisions. The issue of implementation has been addressed in the discussions on the registry of national classifications and the regional work on classifications. The issue of potential changes to ISIC has been supported by three presentations, namely on ISIC issues recorded by UNSD through its standard feedback mechanisms, on discussions ongoing in the Voorburg Group on services statistics and a discussion paper on the treatment of Factoryless Goods Producers (FGPs).

82. The presentation by UNSD indicated that despite numerous questions received in the Classifications Hotline, only very few issues have been raised that require clarification in ISIC Rev.4. These can be grouped into categories that can be described as Internet-based activities, Internet sales-related activities and “Resale of services”. In each of these cases, it may be possible to provide additional clarifications to ISIC (i.e. interpretation guidelines) without affecting the structure or definition of any ISIC existing ISIC category. The guidelines for the treatment of units engaged in outsourcing activities have also been discussed in UNSD workshops, but the existing guidelines have been

considered as sufficient and no counterproposals have been observed in the past few years. The EG agreed that it seemed possible to resolve the issues without making changes to ISIC itself, but asked that a Technical Subgroup consider these matters in detail.

83. A separate discussion on the treatment of FGPs has taken place in an ECE Task Force and a paper was submitted to the EG for discussion. The paper proposed that in addition to ownership of materials, the ownership of intellectual property products should be a deciding factor in the classification of such units. The initial reaction of the EG to the outlined proposal was sceptical since it would contradict existing concepts in the System of National Accounts (SNA), maybe difficult to implement based on existing experience in countries with trying to determine IIP ownership, raise a number of new issues (like the boundary to work made to order), does not conform with general concepts of manufacturing and would have serious implications for the consistency of production and labour data.

84. The paper on FGPs is also expected to be discussed at an upcoming meeting of the Advisory Expert Group on National Accounts (AEG). The EG requested to receive a report of the opinion of the AEG on this issue. Despite the initial sceptical reaction, the EG confirmed that this issue will also be taken up by the Technical Subgroup created for ISIC. The TSG is expected to report back to the EG by end of December 2013.

85. No decision on whether or not to initiate a revision or update to ISIC Rev.4 was taken at this time. Such a decision will be considered again when the TSG has reported back to the Bureau, which will initiate a discussion within the EG before the next meeting of the EG.

### **Implementation Guide**

86. The EG was informed about the current status of work on the Implementation Guide for ISIC Rev.4. Due to resource constraints, not much progress has been made since the last meeting of the EG. In addition, expected contributions that were agreed upon at the last meeting were still missing. These contributions were intended to provide more information/guidance for the application of ISIC in non-business surveys.

87. The EG was also informed that efforts are already underway to translate the Implementation Guide into other languages (see GTCI work described above), which puts additional pressure on the finalization of the Guide.

88. The EG agreed that the Implementation Guide should be completed as soon as possible, using the materials available without further delays that might be caused by outstanding contributions. UNSD will circulate the final draft to the EG for approval by end of 2013.

## **Classification of Individual Consumption by Purpose (COICOP)**

89. Based on issues raised at previous meetings of the EG, as well as information collected in classifications workshops and meetings by various agencies, a subgroup of the EG has distributed a worldwide questionnaire on a potential revision of COICOP in October/November 2012. The subgroup now presented the findings of this survey.

90. The questionnaire was not intended to directly collect input into a revision of COICOP, but rather to ascertain whether an explicit revision process should be started. A set of questions had been selected to guide respondents. Summarizing the responses to the questionnaire, a number of common concerns have been identified that could form the basis for future revision work. These include:

- A general support of a 5-digit level in COICOP
- Considering the structure of divisions 08, 09 and 12 as problematic, needing change
- Improving the link to the CPC, even though this is considered as difficult due to the existence of many m:n links
- A separation of goods and services (generally useful, but problematic for bundled products)
- A separation of durable and non-durable products
- Better reflection of products related to: meals, telecommunication, downloads, electricity for electric cars

91. Additional input had been sought from the Inter-Secretariat Working Group on National Accounts (ISWGNA), but no response had been received at the time of the EG meeting.

92. In the discussion, the EG acknowledged the need for clarification of the issues listed above, but did not agree on an immediate need for a revision, especially one that would affect the structure of the classification, like the introduction of a 5-digit level. A revision at this point may also conflict with the current SNA implementation. Still, better harmonization with other classifications and a clarification of basic conceptual issues (like the treatment of bundles) would be desirable.

93. The EG agreed to form a Technical Subgroup that would look at case law issues for COICOP as a first step, which may then be expanded into broader considerations for a revision of COICOP and other classifications of expenditures according to purpose. This subgroup will initially consist of EG members, but at a later point bring in price statistics experts and national accounts experts.

## **Central Product Classification (CPC)**

94. The EG was briefed on the current status of work in the update to CPC Ver.2.1. The subgroup created at the last meeting of the EG has considered a list of issues that was provided to the EG and to the Statistical Commission in a background report. Most issues

have been addressed, with the exception of energy product-related issues (see discussion of SIEC above). A number of smaller clarifications, mostly related to correspondence table issues, remain and would benefit from additional discussions within the subgroup. The EG agreed that these questions should be circulated to the subgroup by end of August and responses should be provided by end of September. The subgroup will also review the draft of the introduction to the CPC.

95. In addition, two separate processes continue to provide input into the final review: the translation of the CPC into Spanish by the GTCI (see discussion above) and a detailed follow-up review of agricultural and food products by the FAO. Inputs from both processes will be used by UNSD in the finalization of the document.

96. The EG will review the final complete publication, but there will be no additional worldwide consultation on the text. The complete publication should be reviewed and finalized by Dec. 2013.

97. The issue of providing a complete set of explanatory notes in the CPC was raised. Right now, no explanatory notes are provided if the CPC subclass can be defined in terms of complete HS subheadings (this applies to sections 0-4 only). In these cases, the HS serves as the detailed definition of this CPC subclass. While it would be easier for CPC users to have a complete set of explanatory notes, providing shorter notes that are still consistent with the HS definitions is very difficult to do. The HS notes themselves cannot be copied for copyright reasons.

98. The FAO proposed to start a process to develop such a complete set of explanatory notes for agricultural and food products. UNSD will follow this – resources permitting – with drafts of notes for additional areas. As this work progresses, the explanatory notes will be made available on the UNSD website within the CPC structure. There is no deadline for this process, but progress reports will be provided to the EG.

### **Classification by Broad Economic Categories (BEC)**

99. The EG was briefed on the current state of the revision of the Classification by Broad Economic Categories (BEC), which was initiated at the last meeting of the EG and involved the creation of a Technical Subgroup. The work so far has resulted in a proposal for a new structure, which was presented in a paper to the EG, but is not yet considered final. A proposed timeline outlined final steps that would produce a draft for the EG by Dec. 2013.

100. During the discussion, the EG raised a number of issues that should be considered in the future work, including:

- The BEC is not only used for trade, but also for commodity flow analysis, which should be considered in defining the categories
- The distinction between “generic” and “customized” needs to be reconsidered in terms of feasibility

- The BEC and COICOP categories should be harmonized as much as possible
- The names of categories should be self-standing (e.g. “generic” is not sufficient)
- The uses of the BEC need to be clearly identified

101. The EG also noted that the process so far has not been as transparent as expected, as many TSG members were excluded from the discussions.

102. The Technical Sub-group will continue its work and send a progress report to the Bureau of the EG by the middle of November.

### **Classification of business functions**

103. The EG was briefly informed on the current state of the development of a classification of business functions, which was initiated at the last meeting of the EG and involved the creation of a Technical Subgroup.

104. To date not much progress has been made. Most of the initial contact partners were still unsure about the scope of this exercise and the concepts to be employed. An overview of surveys and questionnaires used in this area has been started and the materials are being further studied. The EG reiterated several points already made at the last meeting, including the need for a clear description of applications of such a classification and a clear definition of the concept of “business functions” and “core business functions”. The EG acknowledged that there is interest in globalization statistics, but it is not clear what role such a classification would play and how it would differ from an alternative aggregation of ISIC or CPC, which already provide all the needed components.

105. The Technical Subgroup on Business Functions will be called for a meeting in the fall of this year. A progress report back to the Bureau is expected at the beginning of next year.

### **Classifications Website**

106. UNSD presented a brief overview of its ongoing work on the classifications website, including the feedback mechanism that was introduced based on a decision at the last EG meeting. While the vast majority of entries in the new feedback form are spam, the remaining entries still provide useful information for improving the classifications or their presentation and give users an additional option of requesting information. The EG agreed to continue with this form of user feedback.

107. UNSD will also continue to provide information on case laws, updated classification structures, background documents and information about the EG and its subgroups on the website. The information on updated classification structures will also

include the unofficial explanatory notes that are being developed for the CPC (see discussion above).

#### **Topic 4 – Management of classifications**

##### **Classifications management**

108. New Zealand briefed the EG on new developments of classification management systems, which had been discussed at the last meeting of the EG. It is expected that the system being developed by Statistics New Zealand be made available to others, potentially even free of charge. The system is expected to be available in 2014.

109. The EG acknowledged the development of such a system as a step towards changing databases from repositories to management systems.

#### **Topic 5 – Future work**

##### **Future work and organization of the Expert Group**

110. The EG reviewed the progress made and working arrangements since the last meeting of the EG in 2011. This was the first period in which the EG had worked with a Bureau.

111. Overall, the working arrangement with a Bureau was considered extremely useful. It has allowed the EG to function more consistently throughout this period, carry out more timely follow-ups on individual work elements and provided in general a better and more consistent guidance to the EG's work. Still, more frequent communication between the Bureau and the EG may be useful for some projects. It was acknowledged that working on the Bureau requires a commitment of time and resources to this function.

112. The EG agreed to continue working with an elected Bureau between the physical meetings of the EG, continuing the terms of reference set out at the last meeting. For the period starting with this meeting, the EG elected the following members of the Bureau:

- Andrew Hancock (New Zealand), Chair
- Alice Born (Canada)
- Ana Franco (Eurostat)
- Eva Castillo (Mexico)
- Severa De Costo (Philippines)
- Ralf Becker (UNSD), ex-officio

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## Annex 1 - Summary of action items

	<b>Action item</b>	<b>Responsibility</b>	<b>Target date</b>
1	Provide additional comments on Best practices document to Andrew Hancock (New Zealand)	All EG members	Sept. 2013
2	Review of revised Best Practices document (and return to whole EG)	Austria, New Zealand, ILO, UNSD, Eurostat	31 Dec. 2013
3	Prepare a list of standards/frameworks as basis for enumerating internationally used classifications (and submit to EG)	UNSD	Aug. 2013
4	Produce first draft list of classifications based on identified standards/frameworks, including basic information	UNSD	June 2014
5	Develop first draft of a grading system for classifications (derived, related etc.) (and submit to the Bureau)	UNSD	Mar. 2014
6	Follow-up with non-responding countries in the national classifications survey; assess implementation of ISIC and CPC; prepare Newsletter article on this	UNSD	Dec. 2013
7	Provide comments on NZ paper on international standards	all	Dec 2013
8	Provide comments on revised ICCF draft to UNODG	Australia, Philippines	Sep. 2013
9	Send report on EBOPS-CPC correspondence to EG	UNSD/TSB	End September 2013
10	Provide comments on EBOPS-CPC correspondence	tbd	Oct/Nov. 2013
11	Nominate members for the ICATUS Technical group	Bureau	Oct/Nov. 2013
12	Provide comments on ILO's consultation on the ISCO revision	all	tbd
13	Ensure involvement of EG in ICSE revision process	Bureau	Oct./Nov. 2013
14	Finalize CPC 2.1 for agriculture and food products	UNSD, FAO	Aug. 2013
15	Review ISIC 4 issues (UNSD list and FGP paper by ECE and AEG)	TSG-ISIC	Dec. 2013
16	Submit final draft of ISIC 4 implementation guide to EG	UNSD	December 2013

	<b>Action item</b>	<b>Responsibility</b>	<b>Target date</b>
17	Submit text for ISIC 4 Implementation Guide to UNSD	ILO	August 2013
18	Distribute remaining issues for CPC to TSG	UNSD	August 2013
19	Finalize CPC introduction	UNSD	August 2013
20	Draft complete explanatory notes for CPC	UNSD, FAO	Ongoing
21	Submit CPC Ver.2.1 for publication	UNSD	December 2013
22	TSG-BEC send progress report to EG	TSG-BEC	Mid-November 2013
23	Virtual meeting TSG-BF	UNSD/TSB	Oct. 2013
24	Report on TSG-BF to EG	UNSD/TSB	Jan. 2014
25	Determine membership of outstanding technical groups (see annex 2 and 3)	Bureau	(depending on group)

## Annex 2 – List of Technical Subgroups to be created

This is a list of Technical Subgroups that have been created or will be created by the EG and that work directly under the guidance of the EG.

<b>Group</b>	<b>Members</b> (coordinator in bold)
ISIC Rev.4	<b>UNSD</b> , Brazil, France, Morocco, New Zealand, ILO, Eurostat, Switzerland, United States, Austria, Canada
CPC Ver.2.1	UNSD, Canada, Eurostat, France, US, FAO, IEA
COICOP- case laws	<b>Austria</b> , Eurostat, Australia, FAO, ILO, Philippines, ECE, Switzerland
Best practices	<b>New Zealand</b> , Austria, Eurostat, UNSD
Family of International Classifications	tbd
BEC	<b>UNSD/TSB</b> , Australia, New Zealand, OECD, WCO, UNIDO, Austria, Eurostat, plus additional experts identified by UNSD (ITSB)
Business functions	<b>UNSD/TSB</b> , Australia, New Zealand, OECD, India, Statistics Denmark, plus additional experts identified by UNSD (ITSB).

The composition of these groups is still pending approval by the Bureau.

## Annex 3 – List of other groups to be supported

This is a list of technical groups that have been created by bodies other than the EG, but with which the EG will work and coordinate. These groups do not work directly under the guidance of the EG.

<b>Group</b>	<b>EG member who serves as contact</b>
Neuchatel - GSIM	Canada
Crime classification	Philippines, Australia
EBOPS-CPC	Tbd (Bureau)
Time-use classification	Tbd (Bureau), after ICLS
ICSE	Tbd (Bureau), after ICLS

The confirmation of the contacts for these groups is still to be done by the Bureau.