

United Nations Statistics Division

Questionnaire on issues for a potential revision of the Classification of Individual Consumption According to Purpose (COICOP)

Introduction

The Expert Group on International Statistical Classifications has established a practice of periodically reviewing classifications under its mandate to ensure that they provide a structure and detail suitable for the production of statistics, reflecting current situations.

The issue of reviewing and potentially revising the Classification of Individual Consumption According to Purpose (COICOP) has been raised at various meetings of the Expert Group in the past years, although without concrete problem statements. More recently, other meetings of experts, such as the Group of Experts on Consumer Price Indices (Geneva, 30 May – 1 June 2012), have also stated that there is a strong and growing need to revise COICOP.

Since the introduction of COICOP in 1999 the products offered on consumer markets have significantly changed. Many new products have emerged, others have become obsolete or disappeared from the market and consumption patterns have changed. New or changed products have also made boundaries between some COICOP categories more difficult to observe. There is therefore a need to review and update COICOP to ensure that it provides an adequate structure for the recording of the consumption of households and other phenomena.

Questionnaire on issues for the revision of COICOP

This questionnaire represents the first step in a world-wide evaluation process to assess the scope of a revision to COICOP. The questionnaire aims to solicit proposals, description of problems and general comments on the current version of COICOP that National Statistical Offices and other users wish to be considered in the revision process.

The Expert Group on International Statistical Classifications will at its next meeting in 2013 discuss the outcome of this survey and advise the custodian of COICOP on how to address these issues and set up the revision process.

The responses to this questionnaire will serve as the basis for the discussions on the purpose and scope of the COICOP. Your input is therefore extremely important.

How to use this questionnaire

The questionnaire should be discussed with a wide range of users of the classification in your office or in your country, including analysts, classification experts and producers of statistics using COICOP (such as price indices, household budget surveys, Purchasing Power Parities, National accounts, etc).

The responses resulting from these discussions should address, wherever applicable:

- Opinions on the issues raised in the questionnaire;
- Additional issues in each of the sections outlined below;
- Listings of new products that are not covered in the current version of COICOP.

Please write your answers in the corresponding fields for each question. You can also submit attachments with additional information if necessary.

The questionnaire is divided into four sections on:

- A. Conceptual and structural issues
- B. Cross-cutting issues
- C. Content and boundary issues
- D. Other issues

This division into four sections has been made for practical reasons only and should not preclude other categories of problems or proposals. Problems may cut across these categories and can be listed in any of them or separately.

Please respond to this questionnaire by **30 November 2012**.

Your response should be sent to the Classifications Hotline of the United Nations Statistics Division (UNSD) at

CHL@UN.ORG

Regular mail can be sent to: United Nations Statistics Division Attn: Industrial and Energy Statistics Section DC2-1414 2 United Nations Plaza New York, NY 10044 USA

<u>Note:</u> A copy of this questionnaire in other languages can also be found on the classifications website of the United Nations Statistics Division at <u>http://unstats.un.org/unsd/cr/coicop_review</u>

Questionnaire

Respondent information:	
Country:	
Office:	
Name of contact person:	
Contact info (e-mail):	

A. Conceptual and structural issues

1. Structure of COICOP at the highest level

Currently COICOP has 14 Divisions, which are the highest level groupings in the classification structure. (This covers 12 Divisions for individual consumption and 2 Divisions for individual consumption expenditures for NPISHs and general government).

- 1.1 Is the Division structure still adequate?
- 1.2 Should any of the Divisions be combined? Which ones?
- 1.3 Alternatively, should any new Divisions be created? Which ones?

1.4 Should the other expenditure classifications (COFOG¹, COPNI², COPP³) also be affected by these high-level changes (if you suggested any)?

2. Level of detail

The current structure of COICOP is shown in Annex 1. Please refer to this when answering the following questions.

2.1 Is the level of detail in COICOP adequate?

2.2 Should more detailed categories be introduced and if so, in what Divisions and why?

2.3 Are there areas of COICOP in which there is too much detail? Which ones and why?

3. Extending detail for COICOP to a new level

Many countries use national versions of COICOP, such as for the consumer price index and for household budget surveys, that are more detailed than the international standard version of COICOP.

¹ Classification of the Functions of Government

² Classification of the Purposes of Non-Profit Institutions Serving Households

³ Classification of the Outlays of Producers According to Purpose

3.1 Would a 5th digit be useful in the international classification?

4. Links with the CPC

The Central Product Classification (CPC) is closely linked to COICOP. Correspondence tables have been established between the detailed categories of CPC and COICOP. Nevertheless, in some cases it is not possible to reclassify a COICOP class into a single product subclass in the CPC and vice versa. (There are inherent differences in concepts between the two classifications, which create natural limitations.)

4.1 Should stronger links between COICOP and CPC be established (i.e. avoiding or reducing many-to-many links)?

4.2 In which parts of the classification should this have priority?

4.3 Do you have specific suggestions for COICOP classes or CPC subclasses that should be subdivided or redefined to establish a better link between the two classifications?

5. Breaks in time series

Any change to the COICOP structure or detail or even to individual class definitions will have an impact on the comparability of time series.

5.1 Considering time series, what are the requirements for stability of the classification, whether in terms of codes, at certain levels of detail or the ability to link with the current version of COICOP?

6. Separation between goods and services

While product classifications like the CPC or frameworks like the National Accounts do not make an explicit distinction between goods and services, for many users and applications such a separation will be useful or necessary.

6.1 Will a systematic separation between goods and services be useful in the revised COICOP?

6.2 Do you see any reason for not applying this rule systematically? Which exceptions would you make?

6.3. Should COICOP make an explicit distinction between non-durable, semidurable and durable goods?

7. Other structural and conceptual issues

7.1 Please add any other structural and conceptual issues you would like to see addressed in a COICOP revision.

B. Cross-cutting issues

Cross-cutting issues are issues that affect many parts of the classification.

8. Bundling

Bundling is a marketing tactic that involves offering two or more products (goods or services) as a package deal for a discounted price. The group of products may be only available as a bundle and not sold separately, or the products may be sold both as bundles and as individual units.

Bundling of goods and/or services can be found in telecommunication, software and computers, warranty services, published products, automobiles, vacation packages, fast food restaurants and others.

In COICOP, bundled goods or services are required, if feasible, to be separated and the individual items to be classified under their respective COICOP classes, which can involve multiple COICOP classes. Nevertheless, splitting the price is in general not possible, unless the bundle is itemized and can easily be divided into the parts. In the present version of COICOP some guidance is provided on how to deal with mixed purpose goods and services but these rules are not always possible to apply or they provide too much freedom to get comparable results.

8.1 How should COICOP deal with bundles?

8.2 Should the classification include some commonly used bundles? If yes, which do you propose? (Note that this would also affect the links with the CPC.)

9. Other cross-cutting issues

9.1 Please add any other cross-cutting issues you would like to see addressed in the revision.

C. Content and boundary issues

10. Ready-made meals

Ready-made meals have now an important place in consumption.

Presently, ready-made meals should be classified according to the main ingredient (such as, mainly a meat, fish, rice or pasta dish). (This would remain if no separate category for ready-made meals gets created.) In many cases this classification is difficult and arbitrary because it is not always easy to identify the main ingredient.

10.1 Do you think that ready-made meals should have a specific 4-digit class?

10.2 If no specific class were created, would the existing criteria still be the best? If not what other criteria could be formulated?

10.3 Furthermore, there is a need for clarification which ready-made meals are considered in Food (COICOP 01) and which are elsewhere in COICOP; for example

sandwiches sold in supermarkets; prepared meals, hot or for micro-wave. Are there any that should be classified outside of Division 01? What could be the criteria?

11. Milk cheese and eggs

The class 01.1.4 (Milk, cheese and eggs) looks heterogeneous and it doesn't seem very logical to mix dairy products with eggs.

11.1 Do you think that COICOP should have a separate class for Milk and cheese and another class for Eggs? If so, at what level? (Consider also question 3.1)

12. Potatoes

12.1 Do you think that this product should have a specific category? If so, at what level? (Consider also question 3.1)

13. Communication equipment and services

Communication equipment has considerably changed in the last years and the boundary between communication and audio-visual, photographic and information processing equipment is becoming less clear and may become more difficult to observe in the future. (E.g. many portable phones have photographic and information processing functions.)

13.1 What criteria should be used for classification or disaggregation?

13.2 Is there more detail needed in COICOP to address these issues? If so, where?

13.3 Shall we regroup these products in a different way? If yes, how?

13.4 Do we need more detail or other criteria to address fast changes for telecommunication products (goods and services), computer products and Internet products? If so, which ones?

14. Video on demand

Many new products or services (like video on demand) exist now in the area of audio-visual, photographic and information processing equipment, which do not really fit in any existing class or could be classified into more than one.

14.1 What changes do we need to introduce in COICOP to cope with this?

15. Downloads of music, films or electronic books

Downloads of music, films or electronic books are not mentioned in the present classification.

15.1 How should these products be classified?

16 – Apps

Applications for smart phones (Apps) are complex products which can be used for many different purposes. COICOP should provide some guidance on how to classify them.

- 16.1 How should these products be classified?
- 16.2 Do you think that this product should have a specific 4-digit class?

17. Borderline between medical services and beauty treatments

17.1 Where to classify services like plastic surgery or Botox for non-medical purposes which are on the borderline between medical services and beauty treatments?

17.2 What criteria should be used?

18. Electricity for electric cars

Electric cars are being advertised as mode of choice for transport in the future. In this case conventional fuels are being replaced with a new form.

18.1 Where shall we classify Electricity for electric cars? Like Fuel (07.2.2) or household electricity 04.5.1?

18.2 Shall we introduce a specific class for this item?

19. Other content or boundary issues

19.1 Please add any other content or boundary issues you would like to see addressed in the revision.

D. Other issues

20. Any other issue

20.1 Please add any other issue not mentioned above that you would like to see addressed in the revision.

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Annex 1 – Structure of COICOP

The complete COICOP publication (including explanatory notes and introductory guidelines) can be found on the United Nations Statistics Division website at http://unstats.un.org/unsd/cr/registry/regdntransfer.asp?f=142.

The following lists all codes and the corresponding titles of COICOP categories.

- 01-12 Individual consumption expenditure of households
- 01 Food and non-alcoholic beverages
- 01.1 Food
- 01.1.1 Bread and cereals (ND)
- 01.1.2 Meat (ND)
- 01.1.3 Fish and seafood (ND)
- 01.1.4 Milk, cheese and eggs (ND)
- 01.1.5 Oils and fats (ND)
- 01.1.6 Fruit (ND)
- 01.1.7 Vegetables (ND)
- 01.1.8 Sugar, jam, honey, chocolate and confectionery (ND)
- 01.1.9 Food products n.e.c. (ND)
- 01.2 Non-alcoholic beverages
- 01.2.1 Coffee, tea and cocoa (ND)
- 01.2.2 Mineral waters, soft drinks, fruit and vegetable juices (ND)
- 02 Alcoholic beverages, tobacco and narcotics
- 02.1 Alcoholic beverages
- 02.1.1 Spirits (ND)
- 02.1.2 Wine (ND)
- 02.1.3 Beer (ND)
- 02.2 Tobacco
- 02.2.0 Tobacco (ND)
- 02.3 Narcotics
- 02.3.0 Narcotics (ND)
- 03 Clothing and footwear
- 03.1 Clothing
- 03.1.1 Clothing materials (SD)
- 03.1.2 Garments (SD)
- 03.1.3 Other articles of clothing and clothing accessories (SD)
- 03.1.4 Cleaning, repair and hire of clothing (S)
- 03.2 Footwear
- 03.2.1 Shoes and other footwear (SD)
- 03.2.2 Repair and hire of footwear (S)
- 04 Housing, water, electricity, gas and other fuels
- 04.1 Actual rentals for housing
- 04.1.1 Actual rentals paid by tenants (S)
- 04.1.2 Other actual rentals (S)
- 04.2 Imputed rentals for housing
- 04.2.1 Imputed rentals of owner-occupiers (S)
- 04.2.2 Other imputed rentals (S)
- 04.3 Maintenance and repair of the dwelling
- 04.3.1 Materials for the maintenance and repair of the dwelling (ND)
- 04.3.2 Services for the maintenance and repair of the dwelling (S)
- 04.4 Water supply and miscellaneous services relating to the dwelling
- 04.4.1 Water supply (ND)
- 04.4.2 Refuse collection (S)
- 04.4.3 Sewage collection (S)
- 04.4.4 Other services relating to the dwelling n.e.c. (S)
- 04.5 Electricity, gas and other fuels
- 04.5.1 Electricity (ND)
- 04.5.2 Gas (ND)

- 04.5.3 Liquid fuels (ND)
- 04.5.4 Solid fuels (ND)
- 04.5.5 Heat energy (ND)
- 05 Furnishings, household equipment and routine household maintenance
- 05.1 Furniture and furnishings, carpets and other floor coverings
- 05.1.1 Furniture and furnishings (D)
- 05.1.2 Carpets and other floor coverings (D)
- 05.1.3 Repair of furniture, furnishings and floor coverings (S)
- 05.2 Household textiles
- 05.2.0 Household textiles (SD)
- 05.3 Household appliances
- 05.3.1 Major household appliances whether electric or not (D)
- 05.3.2 Small electric household appliances (SD)
- 05.3.3 Repair of household appliances (S)
- 05.4 Glassware, tableware and household utensils
- 05.4.0 Glassware, tableware and household utensils (SD)
- 05.5 Tools and equipment for house and garden
- 05.5.1 Major tools and equipment (D)
- 05.5.2 Small tools and miscellaneous accessories (SD)
- 05.6 Goods and services for routine household maintenance
- 05.6.1 Non-durable household goods (ND)
- 05.6.2 Domestic services and household services (S)
- 06 Health
- 06.1 Medical products, appliances and equipment
- 06.1.1 Pharmaceutical products (ND)
- 06.1.2 Other medical products (ND)
- 06.1.3 Therapeutic appliances and equipment (D)
- 06.2 Outpatient services
- 06.2.1 Medical services (S)
- 06.2.2 Dental services (S)
- 06.2.3 Paramedical services (S)
- 06.3 Hospital services
- 06.3.0 Hospital services (S)
- 07 Transport
- 07.1 Purchase of vehicles
- 07.1.1 Motor cars (D)
- 07.1.2 Motor cycles (D)
- 07.1.3 Bicycles (D)
- 07.1.4 Animal drawn vehicles (D)
- 07.2 Operation of personal transport equipment
- 07.2.1 Spare parts and accessories for personal transport equipment (SD)
- 07.2.2 Fuels and lubricants for personal transport equipment (ND)
- 07.2.3 Maintenance and repair of personal transport equipment (S)
- 07.2.4 Other services in respect of personal transport equipment (S)
- 07.3 Transport services
- 07.3.1 Passenger transport by railway (S)
- 07.3.2 Passenger transport by road (S)
- 07.3.3 Passenger transport by air (S)
- 07.3.4 Passenger transport by sea and inland waterway (S)
- 07.3.5 Combined passenger transport (S)
- 07.3.6 Other purchased transport services (S)
- 08 Communication
- 08.1 Postal services
- 08.1.0 Postal services (S)
- 08.2 Telephone and telefax equipment
- 08.2.0 Telephone and telefax equipment (D)
- 08.3 Telephone and telefax services
- 08.3.0 Telephone and telefax services (S)
- 09 Recreation and culture
- 09.1 Audio-visual, photographic and information processing equipment

- 09.1.1 Equipment for the reception, recording and reproduction of sound and pictures (D)
- 09.1.2 Photographic and cinematographic equipment and optical instruments (D)
- 09.1.3 Information processing equipment (D)
- 09.1.4 Recording media (SD)
- 09.1.5 Repair of audio-visual, photographic and information processing equipment (S)
- 09.2 Other major durables for recreation and culture
- 09.2.1 Major durables for outdoor recreation (D)
- 09.2.2 Musical instruments and major durables for indoor recreation (D)
- 09.2.3 Maintenance and repair of other major durables for recreation and culture (S)
- 09.3 Other recreational items and equipment, gardens and pets
- 09.3.1 Games, toys and hobbies (SD)
- 09.3.2 Equipment for sport, camping and open-air recreation (SD)
- 09.3.3 Gardens, plants and flowers (ND)
- 09.3.4 Pets and related products (ND)
- 09.3.5 Veterinary and other services for pets (S)
- 09.4 Recreational and cultural services
- 09.4.1 Recreational and sporting services (S)
- 09.4.2 Cultural services (S)
- 09.4.3 Games of chance (S)
- 09.5 Newspapers, books and stationery
- 09.5.1 Books (SD)
- 09.5.2 Newspapers and periodicals (ND)
- 09.5.3 Miscellaneous printed matter (ND)
- 09.5.4 Stationery and drawing materials (ND)
- 09.6 Package holidays
- 09.6.0 Package holidays (S)
- 10 Education
- 10.1 Pre-primary and primary education
- 10.1.0 Pre-primary and primary education (S)
- 10.2 Secondary education
- 10.2.0 Secondary education (S)
- 10.3 Post-secondary non-tertiary education
- 10.3.0 Post-secondary non-tertiary education (S)
- 10.4 Tertiary education
- 10.4.0 Tertiary education (S)
- 10.5 Education not definable by level
- 10.5.0 Education not definable by level (S)
- 11 Restaurants and hotels
- 11.1 Catering services
- 11.1.1 Restaurants, cafés and the like (S)
- 11.1.2 Canteens (S)
- 11.2 Accommodation services
- 11.2.0 Accommodation services (S)
- 12 Miscellaneous goods and services
- 12.1 Personal care
- 12.1.1 Hairdressing salons and personal grooming establishments (S)
- 12.1.2 Electric appliances for personal care (SD)
- 12.1.3 Other appliances, articles and products for personal care (ND)
- 12.2 Prostitution
- 12.2.0 Prostitution (S)
- 12.3 Personal effects n.e.c.
- 12.3.1 Jewellery, clocks and watches (D)
- 12.3.2 Other personal effects (SD)
- 12.4 Social protection
- 12.4.0 Social protection (S)
- 12.5 Insurance
- 12.5.1 Life insurance (S)
- 12.5.2 Insurance connected with the dwelling (S)
- 12.5.3 Insurance connected with health (S)
- 12.5.4 Insurance connected with transport (S)

10 E E	Other incurrence (C)
12.5.5	Other insurance (S)
12.6	Financial services n.e.c.
12.6.1	FISIM (S)
12.6.2	Other financial services n.e.c. (S)
12.7	Other services n.e.c.
12.7.0	Other services n.e.c. (S)
13	Individual consumption expenditure of non-profit institutions serving households
	(NPISHs)
13.1	Housing
13.1.0	Housing (S)
13.2	Health
13.2.1	Pharmaceutical products (ND)
13.2.2	Other medical products (ND)
13.2.3	Therapeutic appliances and equipment (D)
13.2.4	Outpatient medical services (S)
13.2.5	Outpatient dental services (S)
13.2.6	Outpatient paramedical services (S)
13.2.7	Hospital services (S)
13.2.8	Other health services (S)
13.3	Recreation and culture
13.3.1	Recreational and sporting services (S)
13.3.2	Cultural services (S)
13.4	Education
13.4.1	Pre-primary and primary education (S)
13.4.2	Secondary education (S)
13.4.3	Post-secondary non-tertiary education (S)
13.4.4	Tertiary education (S)
13.4.5	Education not definable by level (S)
13.4.6	Other educational services (S)
13.5	Social protection
13.5.0	Social protection (S)
13.6	Other services
13.6.1	Religion (S)
13.6.2	Political parties, labour and professional organizations (S)
13.6.3	Environmental protection (S)
13.6.4	Services n.e.c. (S)
14	Individual consumption expenditure of general government
14.1	Housing
14.1.0	Housing (S)
14.2	Health
14.2.1	Pharmaceutical products (ND)
14.2.2	Other medical products (ND)
14.2.3	Therapeutic appliances and equipment (D)
14.2.4	Outpatient medical services (S)
14.2.5	Outpatient dental services (S)
14.2.6	Outpatient paramedical services (S)
14.2.7	Hospital services (S)
14.2.8	Public health services (S)
14.3	Recreation and culture
14.3.1	Recreational and sporting services (S)
14.3.2	Cultural services (S)
14.4	Education
14.4.1	Pre-primary and primary education (S)
14.4.2	Secondary education (S)
14.4.3	Post-secondary non-tertiary education (S)
14.4.4	Tertiary education (S)
14.4.5	Education not definable by level (S)
14.4.6	Subsidiary services to education (S)
14.5	Social protection
14.5.0	Social protection (S)

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