

Draft mandate for the Technical Subgroup on a possible revision of the Classification of Individual Consumption by Purpose (COICOP)

Background

The COICOP (Classification of Individual Consumption by Purpose) is a reference classification published by the United Nations Statistics Division and the latest revision of this classification was released in 1999.

A certain number of problems in the application of the COICOP have been raised in meetings of the UN Expert Group on classifications, as well as during classifications workshops and meetings conducted by various agencies.

In 2011/2012 Eurostat together with the Member States elaborated a fifth-digit level of COICOP as the four-digit level was not viewed as being sufficient detailed for European purposes. As part of this work issues of interpretation of certain COICOP classes and problems with allocation of products to classes and sub-classes were also raised. The issues were mainly related to the changes in consumer markets since the elaboration of the current version of COICOP, which have also made some of the boundaries between categories less clear.

The joint UNECE/ILO Expert Group Meeting on Consumer Price Indices in 2012 discussed the need for a revision of COICOP, and it was also stated that there is a strong and growing need to revise COICOP

Therefore, UNSD decided to run a global inventory to ascertain the need and scope for a possible revision of COICOP. In preparing the inventory and also in analysing the results, UNSD was supported by a Task Force consisting of experts from UNECE, Eurostat and Statistics Austria. The global survey was carried out between October and December 2012.

A total of 74 responses have been received from 68 countries and four international organisations (Eurostat, OECD, ILO and World Bank), which reflect a broad interest in this classification.

The results of this questionnaire were discussed during the last Meeting of the Expert Group on International Statistical Classifications which took place in New York, 13-15 May 2013. A number of common concerns have been identified that could form the basis for future revision work.

The EG agreed to form a Technical Subgroup (TSG) 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.

Scope of Work

The TSG should carry out the following tasks:

- 1- Analyse the results of the survey “Questionnaire on issues for a potential revision of the

Classification of Individual Consumption According to Purpose (COICOP)” identifying areas of concern

2- Identify issues for which “case laws” could solve the problem. Propose “rulings” for these issues.

3- Analyse the extent of the remaining issues which could not be solved by case laws and, if they are significant, make concrete proposals of change in the present version of the classification. In case of revision a new structure and explanatory notes should be elaborated.

4- Analyse impact of changes proposed in other related classifications of expenditure according to purpose:

- Classification of the Functions of Government (COFOG)

- Classification of the Purposes of Non-Profit Institutions Serving Households (COPNI)

- Classification of the Outlays of Producers According to Purpose (COPP).

5 – Report to the UN Expert Group on classifications of main conclusions

Composition of the TSG

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Graeme Thompson, Australia

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Angelina Dunga Winterleitner, Switzerland

Carsten Boldsen, UNECE

Ralf Becker, UNSD

Andrew Hancock, New Zealand

Organization of work

The Technical sub-group will mostly communicate via e-mail but phone or video conferences for the main milestones can be envisaged.

Experts from price or National accounts statistics could be consulted during the elaboration of tasks 3 and 4.

Timeline

Task 1: End of January 2014

Task 2: End of March 2014

Task 3: End of June 2014

Task 4: End of August 2014

Task 5: October 2014