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International statistical classifications

Report of the Secretary-General

Summary

The present report provides updated information on work related to the development and implementation of international statistical classifications in various fields. In particular, the report presents to the United Nations Statistical Commission the outcome of the work on updating the Central Product Classification, as proposed at the forty-third session of the Commission. The Commission is invited to take note of the report.

* E/CN.3/2013/1.

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I. Introduction

1. The present report provides an overview of the main activities in the area of international statistical classifications carried out since the forty-third session of the United Nations Statistical Commission, held in 2012.

2. The information contained in the report is based on contributions provided by the organizations carrying out the particular activities.

II. Classifications work carried out by the United Nations Office on Drugs and Crime and the National Institute of Statistics and Geography of Mexico

International classification of crimes for statistical purposes

3. In 2012, the Statistical Commission and the Commission on Crime Prevention and Criminal Justice agreed on the importance of developing an international classification of crimes for statistical purposes and requested the United Nations Office on Drugs and Crime (UNODC) and the National Institute of Statistics and Geography of Mexico (INEGI) to assess the feasibility of developing such a classification.

4. The building of a crime classification was initiated by a task force established in 2009 by the Conference of European Statisticians, which first developed a set of principles for developing an international crime classification system for statistical use. In 2011, the task force concluded its work by developing the International Crime Classification Framework, which was endorsed by the Conference in June 2012.

5. A first testing of the Framework was conducted between July and September 2012. It involved 16 volunteer countries from Europe, the Americas and Asia.[1] The testing corroborated the feasibility of building an international classification of crimes for statistical purposes based on the principles set out in the Framework. The major challenge in creating such a classification is that definitions of crime can vary greatly across countries because of different national legal systems. In order to overcome this shortcoming, the Framework considers facts and conditions related to criminal events, not the legal provision or codification; the various layers of the classification are determined by taking into account factors such as the target of the act/event, its seriousness, the intent of the perpetrator, the degree of completion of the act and the affected policy area. During the testing phase, this approach proved to be successful.

6. Countries that participated in the testing also engaged in an informal consultation to discuss the framework and develop the preliminary skeleton of the classification. UNODC and INEGI are presenting to the Statistical Commission a

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[1] The countries that participated in the first testing of the International Crime Classification Framework are: Australia, Brazil, Canada, Chile, Colombia, Ecuador, France, Germany, Italy, Mexico, Netherlands, Philippines, Poland, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America. South Africa was asked to participate in the testing but did not reply to the request.

proposal for a consultation process and a plan for the finalization of the full classification to be submitted to the Commission in 2015 (see E/CN.3/2013/10). The workplan envisages consultation with a wide range of countries from different regions and with different crime-recording systems and includes the development of the classification with definitions, examples for inclusion and exclusion, and the finalization of a manual to support its implementation.

III. Classification work carried out by the International Labour Organization

A. International Standard Classification of Occupations

7.   Recent activity by the International Labour Organization (ILO) related to the International Standard Classification of Occupations, 2008 (ISCO-08) has been concerned primarily with the provision of support for implementation at the national and regional levels. Support has been provided through a variety of means, including participation in a web-based discussion hosted by Eurostat (open to all countries in the world), provision of regional and national training workshops and direct technical assistance, and preparation and distribution of relevant documentation.

8.   Volume 1 of ISCO-08, entitled "Structure, group definitions and correspondence tables", was published in English in May 2012. It is also available at the ILO website. The detailed definitions of groups included in this publication are based on material made available at the ILO website in July 2009. This volume also includes methodological notes that provide advice on the application of ISCO at the national level. French, Spanish and Russian versions are being prepared. Volume 2 of ISCO-08, entitled "Index of occupational titles", will be available in English and French early in 2013 and in Spanish and Russian as soon as possible thereafter.

9.   In line with the recommendations of the Expert Group on International Statistical Classifications, ILO is preparing a report outlining the case for starting work on a revision or update of ISCO-08, or for making no change for the time being. This report will be considered at the Nineteenth International Conference of Labour Statisticians, to be held in October 2013. The ILO Department of Statistics is consulting with national experts on the classification of occupations to ensure that all problems and concerns encountered in implementing ISCO-08 are identified and taken into consideration in preparing the report.

B. International Classification of Status in Employment

10.   ILO has commenced work on the development of proposals to revise the International Classification of Status in Employment (ICSE-93). This classification was adopted in a resolution of the Fifteenth International Conference of Labour Statisticians, in January 1993. It classifies jobs according to the type of explicit or implicit contract of employment between the job holder and the economic unit in which he or she is employed. The following five substantive categories are specified: employees, employers, own-account workers, members of producers'

cooperatives and contributing family workers. The last four categories can be aggregated to form the self-employed.

11. There is concern that these categories no longer provide sufficient information to adequately monitor changes in employment arrangements that, in many countries, are blurring the boundaries between self-employment and salaried employment. It is also felt that the classification does not provide sufficient detail for the provision of statistics that adequately satisfy user needs. In 2008, the Eighteenth International Conference of Labour Statisticians identified the changing structure of the labour force, and therefore the need to revise ICSE-93, as a priority for the future methodological work of ILO in labour statistics.

12. ILO has also developed a detailed proposal for revising and extending the standards for statistics on employment, unemployment and underemployment. These new standards will be considered for adoption by the Nineteenth International Conference of Labour Statisticians, in October 2013, in the form of a resolution on labour force and work statistics. It is likely that this revision will have a significant impact on the scope and nature of statistics on status of employment, and will lead to a change in the boundary, for statistical measurement purposes, between employment and other forms of work. It is difficult, however, to develop a complete proposal for the revision of ICSE-93 for consideration by the Nineteenth International Conference of Labour Statisticians, since any resolution on status of employment would have to anticipate the outcome of deliberations on labour force and work statistics at the same conference.

13. ILO is therefore preparing a discussion paper that will summarize the known problems with ICSE-93, as well as the range of existing national practices with respect to statistics on status of employment and other aspects of the employment relationship. The paper will also identify ways in which either ICSE-93 could be modified, and/or other standard classifications and variables could be developed as a complement to status of employment, in order to reflect contemporary realities and economic and social concerns. It will present various options for the revision of ICSE-93 depending on possible outcomes from the deliberations at the International Conference of Labour Statisticians on the standards for labour force and work statistics. The paper is intended to form the basis for a working group discussion on revising ICSE-93 at the Nineteenth International Conference of Labour Statisticians, with a view to seeking guidance on the proposed options and on how best to make progress on a revision of ICSE-93.

IV. Classification work carried out by the United Nations Educational, Scientific and Cultural Organization

A. Activities carried out by the Institute for Statistics of the United Nations Educational, Scientific and Cultural Organization

14. A revision of the International Standard Classification of Education (ISCED) was commissioned by the States members of the United Nations Educational, Scientific and Cultural Organization (UNESCO) at the thirty-fourth session of the General Conference of UNESCO, held in October 2007, in view of the changes in national education systems (especially at the tertiary level) that had taken place since the 1997 revision. Following an initial review by an international panel of

experts, it was decided that the revision should be carried out in two stages according to the two main cross-classification axes of ISCED: level and field of education.

15. An in-depth review that included regional discussions and a global consultation among members of the Expert Group on Economic and Social Classifications[2] took place between 2008 and 2011, resulting in a revised framework of the levels of education (ISCED 2011) that was approved by the UNESCO General Conference at its thirty-sixth session, in November 2011. The 2011 revision resulted in two parallel classifications of levels of education programmes (ISCED-P) and levels of educational attainment of qualifications (ISCED-A).

16. The revision of the fields of education commenced in 2012 and is expected to be completed in 2013, in time for submission for approval to the UNESCO General Conference, at its thirty-seventh session, at the end of the year.

B. Implementation of the International Standard Classification of Education, 2011

17. The UNESCO Institute for Statistics has provided training and other support to countries adapting their education data reporting systems to the new ISCED in time for the first international surveys foreseen in 2014. Since November 2011, regional workshops have taken place for Arab States and countries in Central Asia, East Asia, Latin America and the Caribbean, Southern and East Africa, and South and West Asia. Remaining developing regions will be targeted in 2013. Eurostat and the Organization for Economic Cooperation and Development (OECD) have taken the lead in providing support and advice to their member States and partner countries.

18. In addition, the teams of regional and cluster statistical advisers of the UNESCO Institute for Statistics based in the Arab States and in Africa, Asia and Latin America have been providing in-country support to statisticians and national counterparts in their respective regions as part of their regular work with countries.

19. The UNESCO Institute for Statistics is developing an Operational Manual to provide further guidance and examples to countries. Eurostat and OECD are also producing similar materials for surveys undertaken by their respective member States.

20. The UNESCO Institute for Statistics and its education data collection partners, Eurostat and OECD, are adapting their education surveys to the new ISCED and working with countries to adapt their education programmes and qualifications to ISCED 2011. The first international education surveys will be launched in 2014.

C. Revision of the fields of education in the International Standard Classification of Education

21. In parallel with activities to support the implementation of ISCED 2011, work has begun on a revision of the ISCED 1997 fields of education. A new technical

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[2] The Expert Group has since been renamed "Expert Group on International Statistical Classifications".

advisory panel, which was established to guide the revision, held its first meeting in Montreal, Canada, in May 2012. Members of the new panel are classification or education experts nominated by partner agencies (Eurostat, OECD and ILO) or bodies (the United Nations Expert Group on Classifications), as well as experts from developing regions (Asia, Africa and Latin America).

22.   A three-level hierarchical classification based on the ISCED 1997 fields of education and the Eurostat 1999 Fields of Education and Training Classification has been developed and reviewed extensively by members of the panel. A final draft was ready by the end of 2012 for a global consultation of all UNESCO member States similar to that conducted in 2010 on the revision of the levels of education. Ministries of education and national statistical offices will be consulted, as will the Expert Group on International Statistical Classifications.

23.   Following the global consultation, which is expected to take place at the beginning of 2013, a final revised framework will be prepared, ideally in time for submission and adoption at the thirty-seventh session of the UNESCO General Conference.

V.   Classification work carried out by the Food and Agriculture Organization of the United Nations

A.   Adoption of version 2.1 of the Central Product Classification, expanded for the Food and Agriculture Organization of the United Nations to include more information on agriculture

24.   Given the progress made for integrating agriculture products into version 2 of the Central Product Classification and the increased harmonization between the Central Product Classification and the Harmonized System, in July 2011 the Statistical Coordination Working Group of the Food and Agriculture Organization of the United Nations (FAO) approved the implementation of the Central Product Classification as the main classification for agriculture products in the production domain. However, as a general purpose scheme, the Central Product Classification provides less detail on agriculture than is required by FAO. Therefore, in implementing the Central Product Classification FAO will use an expanded structure to further disaggregate the available agriculture statistics. This structure will help overcome the limitations resulting from a lack of information on primary products in the Central Product Classification at five digits, by adding detail beyond the subclass level (sixth level[3]), as in the examples below. The Expert Group on International Classifications agreed to include the expansion for agriculture as a sectoral annex to the Central Product Classification, version 2.1.

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[3] Since detail in FAO may exceed nine items, the Central Product Classification has been expanded to range from 0 to 99 positions (.00-.99); in the standard structure of the Central Product Classification, each level can be divided into no more than nine sub-levels.

Table
Example of expansion in the Central Product Classification for pulses

Group	Class	Subclass	Definition
017			Pulses (dried leguminous vegetables)
	0170		Pulses (dried leguminous vegetables)
		01709	Pulses, n.e.c.
		01709.01	*Cow peas, dry*
		01709.02	*Pigeon peas*
		01709.03	*Bambara beans*
		01709.04	*Vetches*
		01709.05	*Lupins*
		01709.90	*Pulses nes*

Note: FAO expansion in italics.

B. Participation of the Food and Agriculture Organization of the United Nations in the review of the Harmonized System

25. Since 2008, FAO has contributed significantly to the review of the Harmonized System. As a result, the 2012 edition of the System includes more than 300 new agriculture and fishery items, making it more suitable and useful for agricultural and fisheries statistics and for establishing a solid correspondence and harmonization with the Central Product Classification. At the forty-second session of the Review Subcommittee in November 2011, FAO renewed its willingness to cooperate with the World Customs Organization on the updating and enhancement of HS 2017. Accordingly, a new proposal was submitted at the forty-third session of the Review Subcommittee, in May 2012, and is currently being evaluated by the members of the World Customs Organization. The new proposal is quite comprehensive and, in addition to including fishery and agriculture products, covers forestry products and agricultural inputs. Partner organizations have contributed to the preparation of the FAO proposal, notably: the National Oceanic and Atmospheric Administration, the Fish and Wildlife Service and the Department of State of the United States, Eurostat, the International Tropical Timber Organization, the Economic Commission for Europe of the United Nations, the German Engineering Federation, the Brazilian Association of Machinery and Equipment and the Argentine No Till Farmers Association.

C. Questionnaire of the Food and Agriculture Organization of the United Nations on national agriculture and food products classifications

26. FAO has designed a questionnaire on national classifications used for agriculture and food products in order to assess countries' practices and the extent to which international standards are implemented, with a particular reference to the Central Product Classification. Another aim of the questionnaire is to understand how classifications are managed (i.e. stored, maintained and disseminated) and to

identify country needs on technical assistance and capacity development in this domain. The results of the survey are expected to provide useful information for decreasing the reporting burden of countries and enhancing the FAO data collection system, thus enhancing agriculture and food data harmonization at the international level.

27. The questionnaire was first disseminated in January and February 2012 to national statistical offices and ministries of agriculture in 68 countries. It was made available in English, in both hard and electronic copy (accessible at www.surveymonkey.com/s/faoclassifications). Thirty-five countries, of which 11 are members of the European Union, have replied to the questionnaire, which had an overall response rate of 51 per cent after approximately one month. More than 90 per cent of respondents indicated that they used the Central Product Classification or a Central Product Classification-aligned scheme for agriculture statistics. The questionnaire was disseminated in a second round in November and December 2012, in English, Spanish and French.

D. Online database on FAOSTAT commodity classifications

28. FAO has developed a database where information on the FAOSTAT Commodity List is organized, stored and searchable. It includes search functions by code and key word, and allows users to easily search and visualize correspondences between the List, the Central Product Classification and the Harmonized System. The database also contains correspondence tables between the List and some agriculture product lists used at the country level. At this stage, information on national classifications has been provided by the CountrySTAT project; in the future, it could be extended to all countries. The database is available at the FAO statistics webpage on classifications[4] and is currently available in English.

E. Classifications management: extension to the Simple Knowledge Organization System

29. The FAO Knowledge Standards and Services Team, as part of its work to promote good practices in information management, participated in the development of an extension to the popular Simple Knowledge Organization System, a World Wide Web Consortium (W3C) recommendation,[5] to meet the needs of classification schemes. This new draft standard, known as "XKOS", is designed to facilitate the interoperability of micro and macro data, both within and outside the statistics domain, and to complement existing standards such as the Statistical Data and Metadata Exchange, the Data Documentation Initiative and the Resource Description Framework Data Cube. A product of the combined efforts of organizations such as the Institut national de la statistique et des études économiques, the National University of Ireland, the Population Center of the University of Minnesota, the United States Bureau of Labor Statistics, the Leibniz

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[4] http://www.fao.org/economic/ess/ess-standards/commodity/en.

[5] A W3C recommendation is the final stage of a ratification process of the World Wide Web Consortium (W3C) working group concerning a technical standard. This designation signifies that a document has been subjected to a public and W3C-member organization's review. It aims to standardize the Web technology (www.w3.org/TR/2009/REC-skos-reference-20090818).

Institute for the Social Sciences, the Open Data Foundation and FAO, XKOS will soon be published as a W3C working draft and be open for comments from the statistical community. This proposed extension to the Simple Knowledge Organization System may well become the basis for improving the visibility and discoverability of statistical data on the semantic web, as well as a mechanism to maintain and disseminate classification schemes according to a standard, cross-domain, machine-readable format.

VI. Classifications work of the Economic Commission for Latin America and the Caribbean

Working Group on International Classifications

30.   At its sixth meeting, held in November 2011, the Statistical Conference of the Americas approved the creation of the Working Group on International Classifications. The general objective of the Working Group is to support countries of the region in adopting or adapting the new versions of the international classifications, in order to contribute to the development of official statistics in the various statistical programmes.

31.   The first meeting of the Working Group took place in Santiago from 10 to 14 September 2012 and was attended by representatives of 12 countries (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Honduras, Mexico, Panama, Paraguay, Peru and Uruguay), as well as by the Secretariat of the Andean Community, the Economic Commission for Latin America and the Caribbean, the Statistics Division of the Department of Economic and Social Affairs and ILO.

32.   The goal of that first meeting was to inform participants about the purpose, scope and organization of the Working Group, as well as the planned work programme and mechanisms to facilitate its work, such as the online forum. The meeting was also aimed at establishing a first overview of the current status of classifications work by the participating countries (on classifications in scope of the work of the Working Group), gather information on key issues related to the interpretation and application of the classifications, and discuss steps to assist countries in implementation.

33.   Participating countries prepared documents and presentations on the current status of implementation of international classifications and the plan of implementation of the new classifications in different statistical programmes for their respective countries. Following the agreed scope of work of the Working Group, the documents relate to the International Standard Industrial Classification, the Central Product Classification, the International Standard Classification of Occupations and the Harmonized System. The information provided for each of these classifications includes: when implementation of each classification had started or would start, the status of adaptation of the national classification, whether the classification had been adopted or adapted in individual statistical programmes or the system of national accounts, and if or what kind of work had been carried out to maintain or convert time series. The presentations also addressed issues encountered during the national adaptation of the international classification (including technical, administrative and other problems) and how they had been resolved or whether additional support was necessary.

34. The information provided in the question-and-answer sessions of the meeting not only made it possible to obtain guidance from the international custodians (in particular on specific activities or products in the International Standard Industrial Classification and the Central Product Classification), but also highlighted the need for different levels of training related to these classifications.

35. In addition, the presentations, comments and contributions from participating countries made it possible to identify the strengths and needs of countries and led to the identification of solutions.

36. Necessary actions identified at this first meeting to address the needs of countries include:

(a) Further promote the creation of specific units responsible for classifications in national statistical offices;

(b) Develop mechanisms for the transfer of knowledge on classifications;

(c) Promote horizontal collaboration between national statistical offices in the area of classifications;

(d) Ensure direct support of custodians of the classifications to resolve conceptual and practical classification issues;

(e) Ensure the availability of Spanish language versions of version 2 of the Central Product Classification and changes for version 2.1;

(f) Ensure availability of a Spanish language version of the implementation guide to *International Standard Industrial Classification, Revision 4*;

(g) Ensure continuity of the existence and work of the Working Group on International Classifications;

(h) Provide options for training on classifications;

(i) Promote the Working Group and its work to a wider range of users;

(j) Form subgroups that will focus on specific tasks within the Working Group's work programme.

37. In order to address some of these issues, the Working Group created two subgroups, namely:

(a) A subgroup to produce Spanish translations of versions 2 and 2.1 of the Central Product Classification (based on a list of updated items), as well as the implementation guide for *International Standard Industrial Classification*, *Revision 4*;

(b) A subgroup to develop a training programme and training materials for classifications within the scope of the work of the Working Group.

38. The Working Group will develop all documents and actions relating to the International Standard Industrial Classification, the Central Product Classification and the International Standard Classification of Occupations by and for the countries involved, i.e. it will develop materials and programmes to assist countries in implementing the classifications. Once applied and approved by the member countries of the Working Group, these resources will be made available to other countries in the region of the Economic Commission for Latin America and the Caribbean.

39. Currently the Economic Commission for Latin America and the Caribbean and the Andean Community are developing documents to solicit funding for this project from supporting organizations.

40. The tentative date of the second meeting of the Working Group is the first week of June 2013.

VII. Classifications work carried out by the Statistics Division

41. At its forty-third session, in 2012, the United Nations Statistical Commission took note of the report of the Expert Group on International Economic and Social Classifications, in which the Expert Group proposed a number of projects to be carried out in the following two-year period. The Expert Group agreed to form a subgroup to review the proposal for revising the Classification by Broad Economic Categories, a subgroup to review the proposal to establish an international classification of business functions and a subgroup to update the Central Product Classification. The following section describes projects that were carried out by the Statistics Division with the guidance or involvement of the Expert Group.

A. Review of the Classification of Individual Consumption According to Purpose

42. 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.

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

44. Since the introduction of the Classification of Individual Consumption According to Purpose in 1999, the products offered on consumer markets have changed significantly. 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 the boundaries between some categories more difficult to observe. There is therefore a need to review and update the Classification, to ensure that it provides an adequate structure for recording the consumption patterns of households and other phenomena.

45. As a first step in a worldwide evaluation of the scope of a revision to the Classification of Individual Consumption According to Purpose, a questionnaire has been developed and distributed to national statistical offices and other users of the Classification. The questionnaire aims to elicit proposals, descriptions of problems and general comments on the current version of the Classification of Individual Consumption According to Purpose that users wish to be considered in the revision process.

46. The questionnaire is intended to be discussed with a wide range of users of the Classification in statistical offices, including analysts, classification experts and producers of statistics using the Classification of Individual Consumption According to Purpose (such as price indices, household budget surveys, purchasing power parities, national accounts etc.).

47. The questionnaire includes a predefined set of questions on conceptual and structural issues, cross-cutting issues and content and boundary issues, but also allows respondents to raise new issues.

48. At the time of writing the present report, this worldwide consultation process had not been concluded and the results were not yet available.

49. The Expert Group on International Statistical Classifications will, at its next meeting, in 2013, discuss the outcomes of the questionnaire and advise the custodian of the Classification of Individual Consumption According to Purpose on how to address the issues raised and set up the revision process.

B. Revision of the Classification by Broad Economic Categories

50. The terms of reference of the technical subgroup on the revision of the Classification by Broad Economic Categories stipulated that the subgroup should revise the existing Classification and improve it on four points, namely by:

(a) Redefining its structure to better reflect the current economic reality;

(b) Extending its scope, including with regard to services and goods;

(c) Improving the explanatory materials to help both compilers and users of data disseminated according to the Classification;

(d) Providing updated correspondence tables to link the Classification with other statistical classifications.

51. Moreover, the definition of intermediate goods should be given extra attention. The revised Classification should be submitted for approval and endorsement to the Statistical Commission at its forty-fifth session, in 2014.

52. The first meeting of the technical subgroup was a virtual meeting and was held from 7 to 18 May 2012 to discuss (i) the scope and purpose of the Classification by Broad Economic Categories; (ii) the descriptions of the Classification's categories; and (iii) the organization of work. The conclusions were that the main purpose of the Classification is to present international trade in terms of the end-use categories of the System of National Accounts, namely intermediate and final consumption, and gross fixed capital formation; that services should be added, and a goods-services dimension should be visible; that important economic sectors should be visible; and that, if possible, the following distinctions should be included: (a) primary versus processed; (b) intermediate versus finished; (c) generic intermediates versus customized intermediates.

53. At the moment, a draft proposal for a revised Classification by Broad Economic Categories is being developed and will need to be finalized during 2013 by the technical subgroup. It contains a first level of broad economic categories, a second level distinguishing goods and services and a third level with the end-use categories of intermediate consumption, capital formation and final consumption,

which are further broken down in generic intermediates and customized intermediate products, and in durable, semi-durable and non-durable final consumption products.

C. Development of a classification for the outsourcing of business functions

54. In their search for efficiency gains and low labour costs, companies are increasingly moving business functions that are currently performed in-house or domestically outsourced to non-affiliated and affiliated enterprises located abroad. This typically results in jobs being moved abroad, thus affecting domestic employment and economic activity. In two recent studies (conducted in 2007 and 2012), a number of European countries tried to measure the international sourcing of business functions. An important feature of the study was the breakdown of activities carried out by the enterprises into a number of core and support business functions. Core business functions are the primary activities of the enterprise. Support business functions, also called ancillary activities, are carried out in order to permit or facilitate the production of goods or the provision of services. Support functions include services such as distribution, marketing, after-sales services, information and communications technology, administration and research and development.

55. In order to be able to internationally replicate and compare the results of the European studies, a standardized classification of business functions needs to be developed. Such a classification would go beyond the traditional product or activity breakdown (as in the Central Product Classification or the International Standard Industrial Classification) and provide categories that are more relevant to the way in which companies structure their operations. Such a classification would be key in measuring global value chains, as well as in relating business functions to international trade flows. A draft classification with correspondence to Central Product Classification products was prepared and submitted to the attention of the Expert Group on International Statistical Classifications, which mandated a technical subgroup to develop a new classification.

56. A basic classification of business functions exists and is being updated on the basis of experience and information gained from the 2012 exercise in Europe. The updated classification will be discussed in a meeting of the technical subgroup at the beginning of 2013.

D. International Classification of Activities for Time Use Statistics

57. The United Nations expert group meeting on the revision of the trial International Classification of Activities for Time Use Statistics was held in New York from 11 to 13 June 2012.

58. The meeting brought together national, regional and international experts working in the area of time use surveys and on the classification of activities for time use statistics. The main objective of the meeting was to review the International Classification of Activities for Time Use Statistics to ensure that it was meaningful for a broad range of objectives and that it could be used as a

dissemination framework for time use statistics that are internationally comparable and relevant for both social and economic policies. Comments were received from both international and national experts and representatives of countries with experience in adapting and using the classification in its trial version. The Statistics Division and the experts are still in consultation with the purpose of finalizing the classification. The full list of recommendations is contained in the final report of the meeting.[6]

E.   Update of the Central Product Classification, version 2.1

59.   At its meeting in 2011, the Expert Group agreed to undertake an update of the Central Product Classification during the scheduled review for 2012. It was emphasized that this would be an update only, not a revision, focusing on improving the detail and structure of the Classification in selected areas and at low levels of the classification only.

60.   A detailed proposal listing the changes to be made to the Central Product Classification has been provided to the Statistical Commission at its forty-third session, in 2012, as a background document, which was referenced in the report to the Commission.

61.   A complete draft of the final structure and explanatory notes of the Central Product Classification, version 2.1, are now presented as a background document to the Statistical Commission for adoption.

62.   This final draft reflects the changes originally proposed in 2012, incorporated into the previous structure of the Central Product Classification. As indicated in the proposal made at the last session of the Commission, they were based on (a) a regular assessment of the impact of the 2012 amendments to the Harmonized System, which forms the building blocks for sections 0-4 of the Central Product Classification; (b) an assessment of the linkages between the Central Product Classification and the Standard International Energy Product Classification (SIEC), with a view to improve the comparability of the two classifications; (c) a proposal by FAO to adapt the detail of the Central Product Classification in selected areas of agriculture and food products so that the Classification can be used directly for data collection in agricultural statistics; and (d) feedback received on Central Product Classification issues received through the Statistics Division Classifications Hotline. No additional proposals were received during the period under review.

63.   The drawing of conclusions on a number of issues related to energy statistics was postponed and will be taken up again at the next scheduled review, in 2017. This postponement is the result of detailed discussions that have revealed definitional problems that need to be clarified with users of the energy product classification and may require adjustments within that classification. Making changes to the Central Product Classification based on the current definitions of the energy product classification would have been premature and could have resulted in unnecessary deviations from established Central Product Classification standards.

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[6] Available from http://unstats.un.org/unsd/demographic/meetings/egm/EGM%20June%202012/list_of_docs.htm.

64. After finalizing the work on the updated structure of the Central Product Classification by the Technical Subgroup and subsequent approval by the Expert Group, a final round of comments will be solicited from national statistical offices and other interested users.

F. Update of the national classifications register

65. In the second half of 2012, a survey to update the register of national classifications, which is maintained by the Statistics Division, was carried out. The information from this survey is being used to provide an overview of the use and adaptation of international statistical classifications for activities, products, occupations, expenditures and other matters.

66. The survey enables the collection of information about the structure and detail of the national classifications, their relationship to the relevant international standard, deviations from the standard, statistical and non-statistical applications of the classifications, the status of implementation or revision, the existence of supporting documents, issues encountered in the adaptation or implementation of the classification, and capacity-building needs.

67. Specifically, the information will provide a measure of the progress made in implementing newly revised classifications such as the International Standard Industrial Classification, Revision 4, the Central Product Classification, version 2, and the International Standard Classification of Occupations (ISIC-08).

68. At the time of writing the present report, information from about 80 countries, covering more than 250 classifications, has been received. Detailed information about these classifications is made available on the classifications website of the Statistics Division.

G. Ongoing classifications work of the Statistics Division

69. The Statistics Division has continued to maintain its classifications website, issue the Classifications Newsletter and respond to inquiries through the Classifications Hotline.

70. Maintenance of the website includes the ongoing development of correspondence tables and other tools, often based on user requests. In addition, a new feedback feature has been added to the website to make it easier for users to express the need for additional guidance, point out shortcomings in current classification definitions and make explicit proposals for changes to the classifications.

71. The Classifications Hotline and the Classifications Newsletter have provided users, over many years, with useful information on classification developments, clarifications of interpretation and implementation issues, and an easy way for users of the classification to propose changes that have then been considered in revision processes. However, a lack of resources makes it difficult to maintain these activities, which is why it is proposed that these activities be suspended.

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