Economic and Social Council

Distr.: General
21 December 2015

Original: English

Statistical Commission
Forty-seventh session
8-11 March 2016
Item 3 (g) of the provisional agenda*
Items for discussion and decision: international
statistical classifications

Report of the Expert Group on International Statistical Classifications

Note by the Secretary-General

In accordance with Economic and Social Council decision 2015/216 and past practice, the Secretary-General has the honour to transmit the report of the Expert Group on International Statistical Classifications. In its report, the Expert Group provides updated information on work related to the development and implementation of international statistical classifications in various fields. It also describes the work carried out on the coordination of classifications work and the international family of economic and social classifications and seeks reaffirmation by the Statistical Commission of its role as the central coordination body for current and future work on classifications that are the responsibility of the Statistics Division of the Department of Economic and Social Affairs. Points for discussion by the Commission are contained in section VI, paragraph 41, of the report.

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* E/CN.3/2016/1.

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Report of the Expert Group on International Statistical Classifications

I. Introduction

1.   The Expert Group on International Statistical Classifications was charged by the Statistical Commission at its thirtieth session, held from 1 to 5 March 1999, with improving cooperation on international classifications and ensuring harmonization and convergence among classifications in the international family of economic and social classifications (see E/1999/24, chap. VII).

2.   The international family of economic and social classifications comprises those classifications that play the role of standard classifications in individual or multiple statistical domains and that have been reviewed and approved as guidelines by the Statistical Commission or another competent intergovernmental body on such matters as economics, demographics, labour, health, education, social welfare, geography, the environment and tourism.

3.   The present report provides an overview of the main activities in the area of international statistical classifications carried out since the forty-sixth session of the Statistical Commission, held in 2015.

II. Activities of the Expert Group in 2015

4.   The Expert Group on International Statistical Classifications met in New York from 19 to 22 May 2015 to discuss a wide range of topics, including work within the international family of economic and social classifications such as best practice guidelines and criteria to be used in deciding membership in, and the quality of classifications in, the family. In addition, there were broader considerations of standards and a 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 on the implementation of revised classifications and the effective management of classifications.

5.   The visibility of the Expert Group before the Statistical Commission and the international community was discussed. In particular, the role of the Group in relation to the initiation, development, approval and implementation of international statistical classifications was considered, and it was noted that the Statistical Commission is often asked by agencies and organizations to endorse work on international statistical classifications, without any Expert Group involvement.

6.   The Statistical Commission is asked to reaffirm the role of the Expert Group as the central coordination body for current and future work on all statistical classifications. International agencies are strongly urged to coordinate their work on international classifications at the earliest possible stage with the Group. This will allow the Group to play an effective role in supporting the work of the Statistical Commission in preserving the coherence of the international family of economic and social classifications, for the benefit of all.

7.   The Expert Group finalized the criteria for inclusions in the international family of economic and social classifications along with grading criteria to assign statuses to the classifications proposed for, or included in, the family.

8.   The Expert Group received reports from a number of technical subgroups working on specific issues under the guidance of the Group itself, namely:

- • International Standard Industrial Classification of All Economic Activities (ISIC) Rev. 4
- • Classification of Individual Consumption According to Purpose (COICOP)
- • Central Product Classification (CPC) Ver. 2.1
- • Classification by Broad Economic Categories (BEC)

9.   In addition, the Expert Group continued to collaborate with and support the work done by international agencies such as the Food and Agriculture Organization of the United Nations (FAO), the United Nations Office on Drugs and Crime, the International Labour Organization (ILO) and the Institute for Statistics of the United Nations Educational, Scientific and Cultural Organization.

10.   The work of the Expert Group was administered by the Bureau, which met on a regular basis to ensure that the Group functioned consistently throughout the period, that individual work elements were carried out, and that guidance and communication were facilitated for the Group on matters pertaining to international statistical classifications.

III. Work of the Technical Subgroups

A. International Standard Industrial Classification, Rev. 4

11.   The Expert Group received a report from the Technical Subgroup on ISIC, in which the Subgroup outlined known issues that were resolved at the October 2014 face-to-face meeting held in New York and noted progress on the treatment of factoryless goods producers.

12.   A key discussion point for the Technical Subgroup on ISIC Rev. 4 was the classification of factoryless goods producers, as presented by the Economic Commission for Europe Task Force on Global Production and the Advisory Expert Group on National Accounts. It was determined that while factoryless goods producers are an emerging phenomenon, there is insufficient data available to make an informed decision on their treatment within the ISIC structure. It was agreed that the existing Technical Subgroup on ISIC be mandated to further continue its work, including the development of a typology and the establishment of a methodology for identifying factoryless goods producers.

13.   It was agreed that there was no need to review ISIC Rev. 4 in the immediate future but that this would be reconsidered at the 2017 meeting of the Expert Group.

B. Classification of Individual Consumption According to Purpose

14. The Expert Group received a report from the Technical Subgroup on the Classification of Individual Consumption According to Purpose (COICOP) on work done in resolving known issues in relation to COICOP through the use of case law determinations.

15. The Expert Group undertook to initiate a full review of COICOP in collaboration with the Intersecretariat Working Group on National Accounts and the Intersecretariat Working Group on Price Statistics, with the intention of presenting a first draft of the revised classification at the 2017 meeting of the Expert Group and at a subsequent meeting of the Statistical Commission. There are significant issues now requiring a full review of COICOP to expand coverage, as identified in the global consultation process that took place. The further implications for the System of National Accounts will be considered later in the review process.

16. The Statistical Commission is asked to endorse the proposed revision process for COICOP. The terms of reference for this work are provided in a background document.

C. Central Product Classification Ver. 2.1

17. The Expert Group received a report from the Statistics Division of the Department of Economic and Social Affairs of the Secretariat on work undertaken in finalizing a number of issues that had delayed the completion of the Central Product Classification (CPC). CPC Ver. 2.1 is now available on the Division website.

18. FAO presented the activities undertaken to expand the agricultural component of CPC and to produce an official annex to the classification.

19. The Technical Subgroup on Central Product Classification has also been asked to provide advice on issues raised by the World Trade Organization, in particular stemming from their use of the provisional CPC. In addition, advice was sought on matters relating to the international trade in information and communications technology (ICT) services and ICT-enabled services.

D. Classification by Broad Economic Categories

20. The Expert Group received a report from the Technical Subgroup on Classification by Broad Economic Categories (BEC) giving an overview of work undertaken in the review of BEC.

21. A revised classification introducing new dimensions to reflect current economic reality and to extend its scope to include services has been created and is to be reviewed by the Technical Subgroup before final endorsement by the Expert Group at the end of 2015.

22. The new classification, BEC Rev. 5, has more levels than the previous classification and provides better guidance on end-use categories for analytical purposes. The new dimensions are: broad economic categories; goods and services;

end-use categories; primary and processed generic goods; and durable and non-durable goods.

23. The Expert Group recommends to the Statistical Commission that BEC Rev. 5 be approved for use as an international statistical classification and be included in the international family of economic and social classifications.

E. Business functions

24. A proposal to create a classification of business functions was made before the Expert Group at its meeting in 2011, and the Expert Group created a technical subgroup. The issue was also raised again in the context of the report of the Friends of the Chair group on the measurement of international trade and economic globalization at the last session of the Commission (E/CN.3/2015/2). Work in this area is ongoing.

IV. Other work on international classifications

25. The Expert Group has continued to liaise and collaborate with custodians who are reviewing their statistical classifications, by providing advice on best practices; reviewing the concepts and principles of existing and emerging international classifications; facilitating the harmonization of related classifications; reviewing classifications against the criteria for inclusion in the international family; and facilitating or undertaking classification reviews when appropriate.

A. Integration of statistical and geospatial information, frameworks and standards

26. The Expert Group acknowledged the emerging issues resulting from the global agenda on Sustainable Development Goals and the increasing need to support the integration of statistical and geospatial information. The need for robust statistical classifications and standards was highlighted with particular emphasis given to the System of Integrated Environmental and Economic Accounting and land use and land cover classifications.

27. In addition, support for a statistical geospatial framework and associated metadata standards would benefit from strong classifications input. It was agreed that the Committee of Experts on Global Geospatial Information Management and the Expert Group on International Statistical Classifications would open a dialogue to work more collaboratively and establish an ongoing formal mechanism to achieve this.

B. Harmonized Commodity Description and Coding System

28. The Expert Group was advised on the development of the Harmonized Commodity Description and Coding System (HS) for 2017 and the beginning of the HS 2022 development work. The Expert Group raised the issue as to how national statistical offices could influence the System development process since changes to the System were primarily advised by national customs agencies.

29. It was agreed that the World Customs Organization Secretariat and the Expert Group would hold a dialogue in order to work more collaboratively and establish an ongoing formal relationship between the two groups.

C. International Standard Classification of Occupations

30. A key issue for the Expert Group was the consideration of the need for a revision to the International Standard Classification of Occupations (ISCO), in particular with respect to the changes in skill levels and other structural issues that the classification was now presenting. A recommendation to ILO was to be prepared proposing the creation of a working group to support ILO in determining an approach for the future revision of ISCO.

D. Revision of the International Classification of Status in Employment

31. The Expert Group was informed of the outcomes of the nineteenth International Conference of Labour Statisticians in relation to the review of the International Classification of Status in Employment (ICSE). Given the need to address the overall conceptual framework that underpinned the classification and the emergence of new concepts to be classified, the Expert Group agreed to support ILO and be more fully involved in the working group revising ICSE.

E. Revision of the International Classification of Activities for Time Use Statistics

32. The Statistics Division continues to work on the finalization of the International Classification of Activities for Time Use Statistics (ICATUS) on the basis of the outcomes of the Expert Group Meeting on the Revision of the Trial International Classification of Activities for Time Use Statistics, held in New York from 11 to 13 June 2012; the adoption of the new resolution on work statistics, employment and labour underutilization at the 19th International Conference of Labour Statisticians, held in Geneva in October 2013; and comments received from national statistical offices.

33. Once finalized, ICATUS will be reviewed by the Expert Group and presented to the Statistical Commission for adoption as the International Classification of Activities for Time Use Statistics.

F. Other classification initiatives involving the Expert Group

34. The Expert Group discussed emerging initiatives in global and regional statistical classifications and the work undertaken on metadata standards and associated classification management systems.

35. Key areas presented and discussed related to:

• The work of the Trade and Tourism Statistics branch of the Statistics Division on big data

• The work of the Secretariat of the Pacific Community on regionalization and the adoption of international classifications in the Pacific

• The Economic Commission for Latin America and the Caribbean Working Group on International Classifications

• The development by Statistics New Zealand of a statistical standard and classification for homelessness

• The development by Statistics New Zealand of a statistical standard and classification for gender identity

• The Global Inventory of Statistical Standards

• The Generic Statistical Information Model and the Metadata Standards for Statistical Classification

• The new Classification Management System of Statistics New Zealand

V. Future work and organization of the Expert Group

36.   The Expert Group reviewed the progress made and working arrangements since the previous meeting of the Expert Group, in 2013. The Expert Group had been able to function more consistently throughout that period, with improved communication between the Bureau of the Statistical Commission and the Expert Group and greater involvement in a wider array of international statistical classification matters.

37.   The minutes of the Bureau meetings and action item lists are circulated to the Expert Group to provide transparency in the process and keep the Group informed of progress in the many areas of work in which it is involved.

38.   At its 2017 meeting, the Expert Group will discuss the terms of reference for the Bureau and its continued functioning. In addition, the Expert Group will continue to expand its areas of interest to wider statistical classification matters such as environmental classifications, disaster risk reduction statistics, the integration of statistical and geospatial classifications, the impact of big data and other new areas of official statistics.

VI. Points for discussion

39.   The Commission is invited to:

(a)   Reconfirm the role of the Expert Group on International Statistical Classifications as the central coordination body for current and future work on all statistical classifications;

(b)   Confirm that the initiation of any international classification development by international agencies is coordinated with the Expert Group;

(c)   Endorse the undertaking of a revision of the Classification of Individual Consumption according to Purpose;

(d)   Endorse for use as an international statistical classification the Classification by Broad Economic Categories, Rev. 5.

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