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Progress on Adoption and Regionalisation of International Classifications in the Pacific

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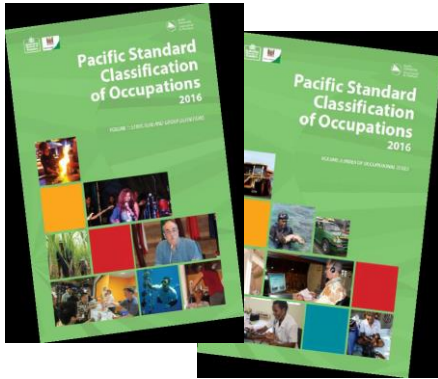Secretariat of the Pacific Community

A   Introduction

1. The Statistics for Development Division (SDD) of the Secretariat of the Pacific Community (SPC) continues to strive for greater harmonisation of statistical standards, classifications and systems to enable its 22-member Pacific Island Countries and Territories (PICTs) that are diverse in size, culture and economy to use common tools for statistical collections. The way it is going about doing this is regionalising International Standards and Classifications.

2. The two *regional classifications* widely used in the Pacific are the:

    2.1. Pacific Classification of Individual Consumption According to Purpose 2012 (PACCOICOP 2012) which has been derived from the United Nations (UNs) Classification of Individual Consumption According to Purpose (COICOP).

    2.2. Pacific Standard Industrial Classification 2014 (PACSIC 2014) which has been derived from the UNs International Standard Industrial Classification of All Economic Activities (ISIC) Revision 4. PACSIC 2014 has also **adopted the new International Standard Classification of Education (ISCED) 2011** for the section on education rather than the old ISCED 1997 which is currently used in ISIC Rev 4.

3. With the adoption of the above two regional classifications, awareness of what classifications are, why they are used and how they are to be used are being understood by the Pacific's National Statistics Organisations and users of statistics.

4. The use of regional classifications across the Pacific also allows SDD to streamline its work.

5. The work on developing regional classifications that SDD is doing is supported by the Pacific Leaders and is guided by the Ten-Year Pacific Statistics Strategy (TYPSS).

B   Progress made since the last Expert Group Meeting in 2015

6. Regional classification on occupations and jobs common in PICTs released

SDD of SPC has released the Pacific Standard Classification of Occupations 2016 (PACSCO 2016), which it has compiled in collaboration with the Australian Bureau of Statistics and the Fiji Bureau of Statistics. Technical Advice was provided by the International Labour Organisation (ILO) and the review of the classification was done by Statistics New Zealand.

PACSCO 2016 has been derived from the International Standard Classification of Occupations 2008, the custodian of which is the ILO. It is a five-level hierarchically structured classification that allows all jobs in the Pacific to be classified into six-digit occupations. These occupations form the most detailed level of the classification structure and are aggregated into four-digit unit groups, three-digit minor groups, two-digit sub-major groups and one-digit major groups, based on their similarity in terms of the skill level and skill specialisation required for the jobs. This allows the production of relatively detailed regionally and internationally comparable data, as well as summary information for only ten groups at the highest level of aggregation.

The classification is contained in two volumes:

- Volume 1: Structure and group definitions
- Volume 2: Index of occupational titles

Volume 1 presents the structure and definitions of all groups in the PACSCO 2016. Volume 2 contains the index of occupational titles.
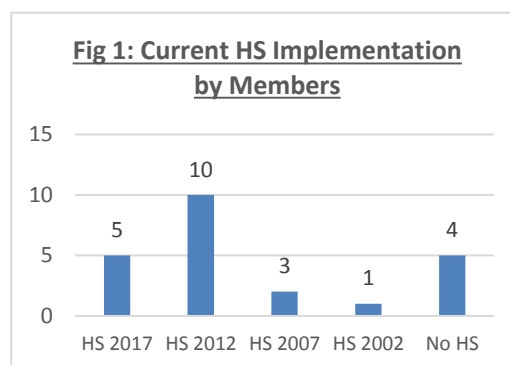
PACSCO 2016 is the first regional classification of occupations for the Pacific. Due to the inclusion of a number of occupations that are unique **but** significant to the Pacific region, it better reflects the world of work in the Pacific. It facilitates comparison of occupation statistics regionally and internationally.

A major use of PACSCO 2016 is for classifying occupation information collected in population censuses and other surveys. It will also be used for designing training programmes to match skill requirements in the labour market.

7. **Work in-progress on classification of international trade in goods**

Despite assistance being provided to PICTs by SDD, International Merchandise Trade Statistics (IMTS) still remains week in the Pacific Region. There still exists a gap between available (and reliable and timely) data and unmet demands. Challenges faced are issues with data from Customs[1] the major being the use of Harmonized Commodity Description and Coding System (HS) classification by PICTs Customs Administrations.

As at April 2017 members (including Australia and New Zealand) of the Oceania Customs Organisation Secretariat[2] (OCO) were at different levels of implementing HS as shown in Figure 1[3]. Most had not implemented HS 2017 since its effective date on 1 January, 2017, the reason being that most customs administrations did not have the necessary skills and resources to nationalise their

Fig 1: Current HS Implementation by Members

classification. Thus the proposed way forward was for SDD to collaborate with OCO to develop a regional HS that would address:

- PICTs Customs Administrations to use the recommended standard to develop their national tariff nomenclature,
- PICTs National Statistics Offices to compile quality and timely IMTS.

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[1] Customs records are the main data source for the compilation of IMTS
[2] The Oceania Customs Organisation (OCO) Secretariat exist to help administrations align with customs international standards and best practice, leading to greater economic prosperity and increased boarder security. Source: http://www.ocosec.org/
[3] Source: OCO

PACHS17 is a regional classification of exports and imports of goods and has been derived from the World Customs Organisation's Harmonized Commodity Description and Coding System 2017. It has been correlated to the UNs Standard International Trade Classification (SITC).

PACHS17 will enable:

a) All Oceania Customs Organisation's members, that are at different levels of implementing HS17, adopt a common benchmark,

b) To better reflect goods exported and imported by the Pacific region using a standardised system of names and codes.

The regional classification also fits well with all PICTs development priorities to address issues like:

- Impact of climate change on countries long-term capacity for food production thus impact on growing import of food.
- High mortality rates due to Non-Communicable Diseases requires access to detailed import data on high-risk commodities like mutton flaps, turkey tails, drinks with high sugar contents.
- Policies targeted toward lower tariffs/preferential trade agreements also require access to detailed, quality/timely commodity data.

The *excel version* of PACHS17 was reviewed through a Regional Workshop that was held from 14 to 16 August 2017. This version has now been finalized by SDD and passed onto OCO for them assist PICTs adopt PACHS17, target being for all PICTs to use this from 1 January 2018.

The *publication version* will be in word and is currently being finalized by SDD. The target date for this to be given to OCO is 31 October. OCO will be responsible for its publication.

8. **Work in-progress on**

Action Item 39 of 2015 Final report on the Meeting of the Expert Group on International Statistical Classifications, New York, 19-22 May 2015

SPC and FAO have collaborated on the use of CPC in the Pacific FOR AGRICULTURE (CROPS, LIVESTOCK AND DERIVED PRODUCTS).

9. Work in-progress on National classification questionnaire

Action Item 9 of 2015 Final report on the Meeting of the Expert Group on International Statistical Classifications, New York, 19-22 May 2015

So far only American Samoa, Fiji, Federated States of Micronesia, Nauru, Palau and Tokelau have completed the questionnaires. A few other countries have responded but the questionnaires have been sent back to them as they contained a lot of gaps. SDD will continue to try to get the completed questionnaires.

C   Future Work

10. PACHS17

As mentioned under 6 above, the *publication version* will be finalized by SDD and passed onto OCO by 31 October.

11. CPC

SDD will check to see if commodities *important* to the PICTs are included in the CPC. Based on the outcome, SDD will then decide on the action to take.

12. Technical assistance to PICTs

SDD will continue providing technical assistance to countries in adopting (latest) classifications whether they desire to use international reference classifications, regional classifications or derive a national classification using the regional classification.