



UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION

ESA/STAT/AC.340/19
30 August 2017

**Meeting of the Expert Group on
International Statistical Classifications
New York, 6-8 September 2017**

**Adoption and Regionalization of International Classification:
Case of Afristat Countries**

Tabo Symphorien Ndang, Afristat



Observatoire Economique et Statistique d'Afrique Subsaharienne

**ADOPTION AND REGIONALIZATION OF
INTERNATIONAL CLASSIFICATION: CASES OF
AFRISTAT COUNTRIES**

EXPERT GROUP ON INTERNATIONAL STATISTICAL CLASSIFICATIONS

From 6 to 8 September 2017, New York (USA)

Table des matières

1	Context	3
2	Actions taken to implement the NAEMA Rev 1 and NOPEMA Rev 1	4
2.1	Actions taken by AFRISTAT	4
2.2	Actions by Member States	4
3	Main national adaptation criteria	4
4	Details of NAEMA Rev1 and NOPEMA Rev1.....	5
5	Status of Implementation of NAEMA Rev 1 and NOPEMA Rev 1.....	6
6	What are the difficulties encountered in the process of harmonizing classification.....	6
6.1	organizational:.....	6
6.2	Techniques	7
7	Outlook.....	9
8	Annex.....	9

1 Context

AFRISTAT, in its mission to ensure the harmonious development of statistics in its member states and with a view to comparability of data, is constantly undertaking work to harmonize methods and tools.

It is within this framework that the harmonization of the classifications of activities and products was undertaken in the early 2000s. In 2001, the nomenclature of AFRISTAT Member States (NAEMA) and products (NOPEMA) were adopted. They were designed with reference to international nomenclatures, in particular the International Standard Industrial Classification of All Economic Activities (ISIC rev3) and the Central Product Classification (CPC ver. 1), while taking into account the specificities of States.

In 2008, the United Nations Statistical Commission adopted new versions of ISIC and CPC (ISIC rev4 and CPC ver2)). These new versions take into account the global economic changes that have taken place over the last decade, particularly in the areas of communication and information.

AFRISTAT, having constructed its NAEMA and NOPEMA with reference to the above-mentioned international nomenclatures, was to carry out their revision.

To this end, it set up a working group in 2009 to conduct this operation. The working group composed of AFRISTAT experts, Member States and an international consultant, has prepared a first version of the revised nomenclatures currently available and will serve as a basis for work.

The stages of the revision of NAEMA include:

- announcement of the review to Member States and sub-regional organizations;
- the request to the NSIs of the implementation reports of the old nomenclatures (difficulties and suggestions);
- work on revision of nomenclatures by the working group;

- Validation and adoption of revised classification.

In April 2011, the Council of Ministers of AFRISTAT adopted Regulation No. 002 / CM / AFRISTAT / 2011 amending Regulation No. 001 / CM / 2000 of the Council of Ministers of 19 September 2000

This Regulation makes it possible to make available to States the revised classification of activities (NAEMA, rev1) and products (NOPEMA, rev1). The nomenclatures are accompanied by explanatory notes in order to facilitate their understanding and use.

2 Actions taken to implement the NAEMA Rev 1 and NOPEMA Rev 1

2.1 Actions taken by AFRISTAT

- Here are some actions carried out by AFRISTAT since 2011 Revised nomenclatures have been adopted and published Widespread dissemination in the sub region
- technical assistance to States for the implementation of nomenclatures was provided to the majority of the Member States (especially those who officially expressed the request to AFRISTAT)
- Technical support has often focused on national adaptations

2.2 Actions by Member States

The following steps were followed:

- Adaptation of revised classification at national level;
- Application of revised classifications to business registers;
- Application of revised classifications to short-term and structural statistics;
- Application of methodologies and replenishment of series - national accounts

3 Main national adaptation criteria

Criteria observed by countries are:

- Relevance
- Comparability
- continuity: Maintaining close links with the previous version of NAEMA:
- Sections et divisions are not amended (ISIC Rev 4)
- Groups are not amended (NAEMA Rev1);
- Class and categories can be amended (breaks or groupings): It is at this level that adaptations will focus

4 Details of NAEMA Rev1 and NOPEMA Rev1

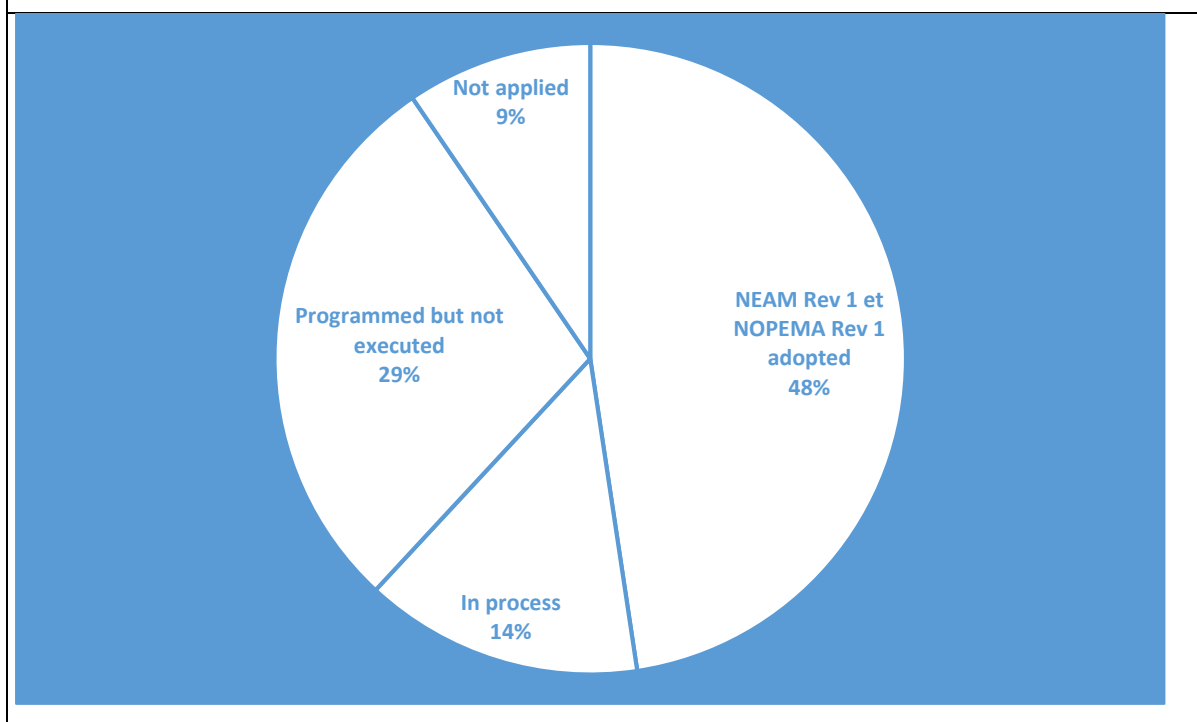
Table 1: Number of positions in the classifications ISIC, rev4; NAEMA Rev 1; NAEMA, rev1

Level	CITI, rev4	NAEMA	NAEMA, rev1	CPC Rev 2	Old NOPEMA	NOPEMA Rev 1
Sections (letters)	21	17	21			
Divisions (2 digit numeric codes)	88	60	88			
Groups (3 digit numeric codes)	238	149	157			
Classes (4 digit numeric codes)	419	262	287			
Category (5 digit numeric codes)				2600	573	675

Source: AFRISTAT

5 Status of Implementation of NAEMA Rev 1 and NOPEMA Rev 1

Figure 1: Status of Implementation of New Nomenclatures in AFRISTAT Member States



Source: AFRISTAT

See the list of AFRISTAT countries that have adopted NAEMA Rev 1 and NOPEMA Rev1 in the Annex.

6 What are the difficulties encountered in the process of harmonizing classification

6.1 Organizational:

Until recently, activity and product classifications remain the business of NSI national accountants, who are among the main users. In some NSIs, there is no broad consensus on the adoption of nomenclatures. The consequence, users whose national accountants adopt the existing classifications for their internal use. Fortunately, the situation is changing more and more with the creation of the coordination and dissemination departments that act as promoters of classifications. There are even national nomenclature committees in the majority of AFRISTAT member states.

One consequence of the lack of consultation is the existence of revised classification that conform to international standards but are not nationally validated or unpublished. They are therefore unknown to the general public and therefore under exploited.

Other organizational difficulties, since AFRISTAT does not have a coercive power over the member states, these regulations, whatever imposed on the countries, are not necessarily applied. Hence a clear heterogeneity in the application of these regulations in the implementation of classifications within the AFRISTAT area.

An example of good practice is the planning and execution of Community programs, similar to the PSR UEMOA 2015-2018 (West African economic and monetary union (**WAEMU**), where funds and technical support are provided to the Member States for a number of activities, Implementation of national nomenclatures.

AFRISTAT leads the project with UEMOA funding and provides technical support. The budget allocated to the harmonization of classifications amounts to about CFAF 22,000,000 (US \$ 40,000) for classification adaptation.

It is a very rewarding experience that obliges all member states to harmonize statistical instruments and tools including classifications, SNA2008, economic indicators, etc. As this program significantly accelerates the implementation of national nomenclatures in the sub region. This is a good strategy for harmonization and integration.

The Central African economic and monetary union (CEMAC) will also soon follow the experience of WAEMU.

6.2 Techniques

The African context marked by a proliferation of the informal sector means that certain activities are difficult to classify in the format envisaged.

Below are some cases that are often mentioned but not exhaustively:

Case 1: the resale of the telephone recharge cards: is it part of the commerce division or should it be classified in telecommunications? What happens is that if the seller is an agent of a telecommunications company, it is classified in telecom. Otherwise, it is a trade service.

Case 2: confusion about “ice”. The classification of "Ice cream" in dairy products and "water ice" in "Production and distribution of gaseous fuels and ice". This is not obvious to all countries.

Case 3: In oil refining, biofuel does not appear explicitly.

Case 4: Drinking-water activities: this concerns only purchases for immediate consumption. What about take-away purchases. Often there is confusion between the production of trade and the take-away.

Case 5: Milk-based drinks are sometimes classified in dairy products, sometimes in beverages. The demarcation is not clear in practice.

Case 6: Printing: Printing of notebooks, binders, registers, accounting books, business forms, etc. are not part of the printing products for the simple reason that what is printed is not the main purpose. They are rather classified in "Manufacture of paper, cardboard and paper or cardboard articles". It's hard for some countries to understand.

Case 7: Borders are also confused between real estate agencies and civil engineering construction companies, especially as some real estate agencies also do civil construction.

Case 8: The demarcation of the points below are not very explicit in the explanatory notes:

74 OTHER PROFESSIONAL ACTIVITIES IN SPECIALIZED SERVICES

90 CREATIVE, ARTISTIC AND SHOW ACTIVITIES

66 ACTIVITIES OF FINANCIAL AUXILIARIES AND INSURANCE

Case 9: Another more general case is the level of detail of classifications in the countries. It varies enormously from country to country. Some felt that it was important to remember the basics and others wanted to respond to all potential requests from users. This is misunderstanding times.

7 Outlook

- Continue support for the adaptation of revised classification in all AFRISTAT countries;
- Take advantage of the renewal of the base year of the national accounts in the context of the migration to the 2008 SNA to bring all States to harmonize their classification;
- Promote community-based harmonization projects

8 Annex

Table 1: Status of Implementation of New Nomenclatures in AFRISTAT Member States

	Country	NAEMA REV1 (CITI Rev 4)	NOPEMA REV1 (CPC Rev 2)	OBSERVATIONS
1	BENIN	1	1	
2	BURKINA FASO	1	1	
3	BURUNDI	1	1	
4	CABO VERDE	0	0	
5	CAMEROUN	1	1	
6	COMORES	0	0	
7	CONGO Brazaville	1	1	
8	COTE D'IVOIRE	1	1	
9	DJIBOUTI	0	0	In progress
10	GABON	0	0	
11	GUINEE BISSAU	1	1	
12	GUINEE CONAKRY	1	1	
13	GUINEE EQUATORIALE	0	0	
14	MADAGASCAR	0	0	
15	MALI	0	0	
16	MAURITANIE	0	0	In progress
17	NIGER	1	1	
18	RCA	0	0	Planned for 2018
19	SAO TOME ET PRINCIPE	0	0	
20	SENEGAL	1	1	
21	TCHAD	0	0	Planned for 2018
22	TOGO	0	0	Work is done but not yet validated
	TOTAL	10	10	

Source: AFRISTAT