Classification of Business Functions

Meeting of the United Nations Committee of Experts on International Statistical Classifications, Session 7

New York, 25-28 October 2022

CBF – Inception and Vehicle

- <u>Inception</u>: The **UN Expert Group** on International Statistical Classifications decided in New York at its meeting in **May 2011** that guidance for identifying core business functions and support functions (not necessarily a classification) in relation to their international outsourcing should be developed.

- <u>Vehicle</u>:
  - The Expert Group suggested that a subgroup should be created to discuss how to approach this.
  - The Technical subgroup on the Classification of Business Functions (**TSG-CBF**) was created **in 2012,** and experimental work was carried out in Europe, Canada, and the United States to develop and test a Classification of Business Functions

CBF – Development and Endorsement

- <u>Development</u>**:**

    - **Eurostat took the lead** in building and testing the Classification of Business Functions in EU countries through the International Sourcing/Global Value Chains (GVC) Survey

    - Based on Eurostat's experience, a draft Classification of Business Functions was developed.

- <u>Endorsement</u>: The Statistical Commission of the UNSD, at its **fifty-third session on 4 March 2022**, has **endorsed** the classification of business functions as an international statistical classification while requesting the Committee to develop a maintenance and implementation plan that clarifies implementing issues and supports countries in its use.

European Commission

CBF - Implementation plan

- <u>Custodian</u>: **Eurostat** is the custodian of the classification.

- <u>Correspondence tables</u>: Eurostat aims to create correspondence tables linking CBF to various other statistics, most notably with **ISIC, NACE, CPC, CPA and ISCO**.

- <u>First implementation</u>: Eurostat will implement the CBF in the next GVC survey, to be carried out in 2024 in all EU and some EFTA countries.

- <u>Further development</u>: Eurostat will explore further developing the implementation of the CBF in statistical manuals and frameworks, especially its use in GVC and international sourcing surveys.