

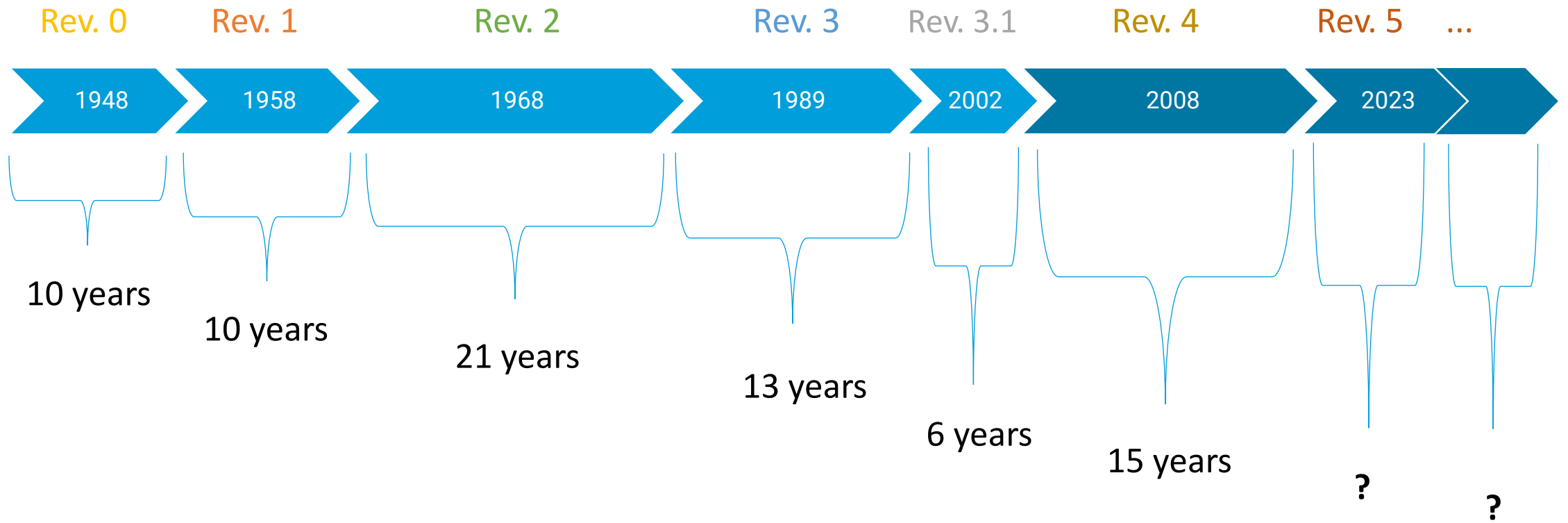


**United
Nations**

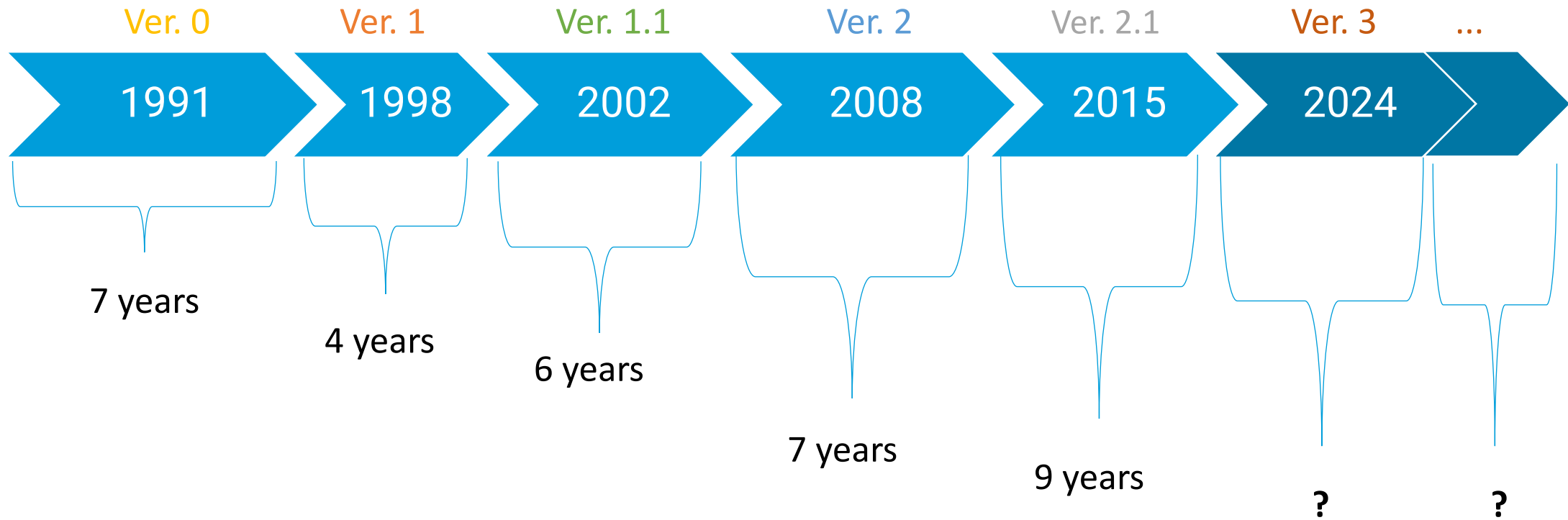
Developing a proposal on regular revision cycle for ISIC and CPC

UNSD, 14 May 2024

ISIC Revision History



CPC Revision History





Context

- Research agenda of the Committee of Experts on International Statistical Classification (CEISC): are revision cycles still needed in the traditional sense?
 - Optimal timing
 - Alignment between like classifications
 - Clarity of scope

- Inconsistency in revision cycles for all major international classifications on activity and product
 - CPC 1989, 1997, 2002, 2008, 2015, 2023/24
 - ISIC 1948, 1958, 1968, 1989, 2002, 2006, 2023

- Explore optimal timing of revision cycles for activity and product classification and their alignment

- The Statistical Commission at its 54th session in 2023 requested the Committee to formulate a proposal for a regular revision cycle of the ISIC and CPC



UNCEISC 2023 Recommendations

- Driven by the need to make the revision process more transparent and predictable and to ensure that the classifications reflect current conditions and support sound and informed decisions, the Committee recommended a **5-year revision cycle for the ISIC and CPC** to expedite the formulation of statistical responses to fast-evolving and emerging socioeconomic and environmental circumstances in a short timeframe.
- Took note that the revision cycle of ISIC and CPC may take into account of the following considerations:
 - Alignment with the update of the System of National Accounts (SNA) and other macro-economic standards, as appropriate
 - Alignment with the Harmonized System (HS) that have a regular 5-year revision cycle, as appropriate

Decisions from UNSC 2024 on regular revision cycle

The Statistical Commission:

Recommended more frequent revision of the International Standard Industrial Classification and the Central Product Classification so that they accurately mirror economic realities and aid in effective policymaking, **noted the recommendation by the Committee of a five-year revision cycle**, **acknowledged the concerns expressed about that frequency**, **noted the need for an adequate statistical infrastructure**, **concerted efforts and dedicated resources** to implement the recommendation, and **requested the Committee to propose and evaluate procedures, stages and milestones for implementing a regular revision cycle** for the International Standard Industrial Classification and the Central Product Classification, leading to the next revision, and to **report back to the Commission by 2028**



Objectives for this session

- Input for an initial proposal on regular revision cycle for ISIC and CPC, leading to the drafting of the proposal by the STT-ISIC-CPC for UNCEISC approval
 - The proposal will describe the recommended revision cycles for ISIC and CPC, including recommendations on the procedures, stages and milestones for implementing a regular revision cycle.
- Input leading to the finalization of the ToR of the standing task team for ISIC and CPC, setting out the overall frame for the methodology, process and deliverable for the maintenance and update for ISIC and CPC



Update on the regular revision cycle for ISIC and CPC

- General agreement
 - Recommended more frequent revision for ISIC and CPC
 - Noted the need of adequate capacity and resources to implement a regular revision cycle
 - Recommended the alignment/synchronization of the revision cycle for ISIC and CPC
- Under discussion to be resolved
 - Frequency of regular revision cycle for ISIC and CPC
- Suggestions
 - The development of the proposal is recommended to be built on the above-mentioned premises to avoid repeating the discussion



Issues required further clarifications by the STT-ISIC-CPC

- ❑ Different interpretations on what it means by implementing a x-year regular revision cycle.
- ❑ Scope of revision
- ❑ Procedures, stages and milestones for implementing a regular revision cycle for ISIC and CPC
- ❑ Monitoring of classification issues that emerge between revisions, and the way to address issues that require an update within regular revision cycle
- ❑ Enabler of implementation of regular revision cycle in terms of:
 - Resources
 - Technology/modernization
 - Implementation stage
- ❑ Development of research agenda



Issue to be addressed: Interpretation of regular revision cycle

- Different interpretations on what it means by implementing a x-year regular revision cycle. For example, assume 5-year revision cycle for ISIC adopted in 2023, this could mean:
 - The process of revision cycle launch in 2028 and ISIC get revised by 2033 (assume 5-year revision cycle)
 - The process starts now and ISIC and CPC get revised by 2028
 - In 2028, UNCEISC/STT-ISIC-CPC will make a decision on launching the revision cycle
- Suggestion: Implementation of x-year regular revision cycle starting in year t means:
 - The process of revision launched in t and the classification get revised by t+x irrespective of scope/size of revision
 - The process of next cycle revision launch at year t+x, the classification get revised by t+2x
 - UNCEISC has the discretion to defer or move ahead the launch of revision cycle based on circumstances



Issue to be addressed: Frequency of regular revision cycle

- Require further assessment
- Current proposal
 - Five year
- Alternative proposals
 - Year between 5-10



Issue to be addressed: Scope of revision

- Suggestions:
 - At the end of year revision cycle (e.g. year t+x), the structure of the classification will be updated, irrespective of whether the change is major, minor, limited, etc.
- Monitoring of classification issues that emerge between revisions.
 - Within revision cycle, would structure change be allow to account for emerging issues? If yes, what should be the scope of change ? If no, how to address emerging issues?
 - Example: Updating procedure for SNA

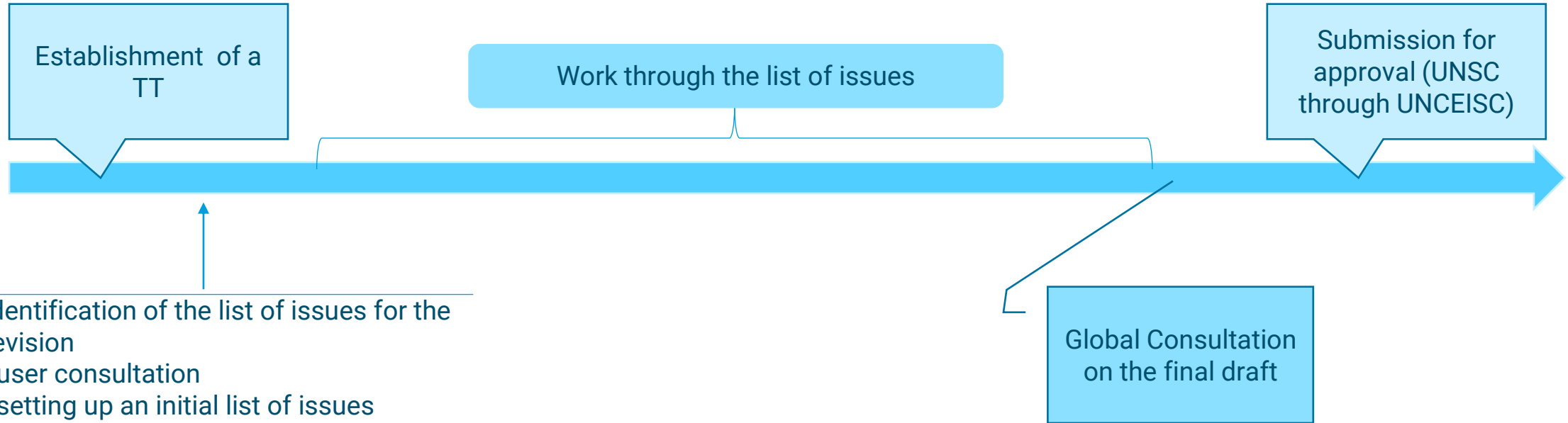
Table 2. Updating procedure for the System of National Accounts

Stage	Type of amendment			
	Editorial	Clarification beyond dispute	Interpretation	Change
Proposal	ISWGNA reviews proposed amendment and classifies it			
Preliminary drafting	ISWGNA	ISWGNA	ISWGNA assisted by the AEG	ISWGNA assisted by the AEG
First discussion	↓	↓	Working parties or regional panels of experts	Working parties or regional panels of experts
Second discussion			↓	National statistical offices in all regions and where relevant Central Banks
Final drafting			ISWGNA assisted by the AEG	ISWGNA assisted by the AEG
Approval	ISWGNA	ISWGNA	Member Countries of the Statistical Commission during a 30-day period	Member Countries of the Statistical Commission during a 30-day period
Publication	Errata	SNA news and Notes, SNA website	SNA news and Notes, SNA website	SNA news and Notes, SNA website



Issue to be addressed: revision process

- Typical process for the revision of classifications:



Identification of the list of issues for the revision

- user consultation
- setting up an initial list of issues
- global consultation on this list
- finalization of the issues for the revision

- Question for discussions:
 - Any step that are missing?
 - Timeline for each step



Discussion questions

- ❑ What are the key elements for a proposal for a regular revision cycle
- ❑ What are the enablers of a more frequent revision cycle
 - Resources
 - Technology/modernization
 - Implementation phase
- ❑ What type of consultation process should be undertaking for a regular revision cycle
- ❑ What type of studies/assessments are recommended to be conducted at the different stages of the regular revision cycle?
- ❑ What are the stages and milestones for implementing a regular revision cycle?



Thank you

