

# Embedding statistical classifications in a legal framework: the example of Europe

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### Questions

- How are new classification versions integrated into the statistical system?
- Are there laws, standards, agreements governing the use of a revised classification in the statistical context?
- Or is it done in a simpler way, without the need for directives 'from above'?
- Is there a single approach or are there different methods?
- Are there differences, depending on where a statistical classification is integrated (regional level, national level ...)?



# The NACE Regulation<sup>1)</sup>

- The Commission shall use NACE Rev. 2 for all statistics classified according to economic activities (Art 3)
- Member States' statistics presented according to economic activities shall be produced using NACE Rev.
  2 or a national classification derived therefrom (Art 4, para 1)
- Member States shall forward to the Commission, for its approval prior to their publication, the drafts defining or modifying their national classifications [...] The Member States' national classifications shall include a table of correspondence between the national classifications and NACE Rev. 2 (Art 4, para 3)
- In the event of incompatibility between certain NACE Rev. 2 headings and the national economic structure, the Commission may authorise a Member State to use an aggregation of NACE Rev. 2 headings in a specific sector (Art 4, para 4)
- The Commission shall, together with the Member State concerned, periodically review the authorisations granted under paragraph 4 to verify whether they remain justified (Art 5)

1) Regulation (EC) No 1893/2006 of the European Parliament and of the Council establishing the statistical classification of economic activities NACE Revision 2



## Other classification Regulations

<u>CPA Regulation <sup>2)</sup></u>

. . .

- The Commission shall use the CPA for all statistics classified according to products by activity (Art 3)
- Prodcom Regulation <sup>3)</sup>
  - Member States shall carry out a Community statistical survey of industrial production (Art 1)
  - The production recorded in this field shall be defined by the list of products, hereinafter referred to as the Prodcom list [...] (Art 2)

2) REGULATION (EC) No 451/2008 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a new statistical classification of products by activity (CPA)

3) COUNCIL REGULATION (EEC) No 3924/91 on the establishment of a Community survey of industrial production



### The implementation of classifications

#### NACE Rev 2.1 delegated Regulation <sup>4)</sup>

- Annex I to Regulation (EC) No 1893/2006 is replaced by the Annex to this Regulation (Art 1)
- This Regulation shall apply to the data transmissions to the Commission (Eurostat) relating to each reference period from 1 January 2025 [...]
  - for Regulation (EC) No 2150/2002 of the European Parliament and of the Council, it shall apply to the data transmissions relating to each reference period from 1 January 2026;
  - ....
- Implementation is done by statistical product, based on the EU delegated act, not in the discretion of Member States

4) Commission Delegated Regulation (EU) 2023/137 of 10 October 2022 amending Regulation (EC) No 1893/2006



### Agreements with third Countries

- <u>Regulations with EEA relevance</u>
  - Countries belonging to the European Economic Area must comply with the regulation in the same way as EU Member States
- Bilateral agreements with third Countries (dissemination of statistical data in Eurostat's publications)
  - The mandatory use of official Eurostat classifications is not explicitly mentioned, but data must be sent coded with official Eurostat classifications
- <u>Candidate Countries</u>
  - The use of the official Eurostat classifications is part of the "acquis Communautaire"



### At national level

- EU and EEA countries must apply the EU regulation and have the option of creating a national version of the classifications
- The national versions of the EU statistical classifications must be validated and approved by Eurostat
- Countries can create additional statistical classifications, produced with national stakeholders and validated by national statistical authorities
- Generally, there are no laws for the implementation of additional statistical classifications at national level, but they are integrated into national statistical programs, implementation plans, etc.



### New classifications outside NSIs

- Increasing use of official statistical classifications in administrative data
- Implementation of new statistical classifications in administrative data practically not regulated. Administrative data managers are not always punctual in updating classifications immediately (often associated with high costs)
- Trade associations are less reluctant to introduce the new versions of the statistical classifications



## Summary

- The laws governing the implementation of statistical classifications in the national statistical offices are practically all linked to regional classifications (Eurostat classifications)
- At the national level, there are no legal constraints everywhere
- For administrative data, no need (in general) to regularly update statistical classifications
- Implementation of statistical classifications is made by statistical product not by Member State
- The need to update or reformulate regulations affects the duration of the revision of classifications, lengthening the process





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