The classifications’ revision process: the important role of a European Business Association

Roberta Adinolfi, Economic & Statistics Manager

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The EU textiles and fashion industry

- 192,382 companies
- 1,318,000 jobs
- € 168 billion turnover
- € 67 billion exports
- € 138 billion imports

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EURATEX Membership

- EU + other COUNTRIES (Switzerland, Serbia, Norway, Türkiye, UK)
- Mainly textile & clothing manufacturers
- But also: European Branches Associations, fairs, textile care labelling...
The importance of statistics and main challenges

**Statistics needs**
- To *monitor market developments* (economic analysis)
- To *support policy measures* in our main strategic areas (skills, innovation, sustainability and trade)

**Main challenges**
- As *users*: getting detailed, harmonised, reliable, up-to-date statistics from the industry
- As *reporters*: reporting data may be a burden for SMEs (too detailed information, too many requests, lack of ressources...)

*EURATEX*
*The European Apparel and Textile Confederation*
Statistics needs and related classifications

- EU Business Indicators
  - NACE
- EU Production
  - PRODCOM
- Third countries’ business indicators
  - ISIC
- EU consumption expenditures
  - COICOP
- World trade
  - CN, HS

[Image of EURATEX logo]
The importance of classifications and main challenges

Classifications systems are essential:
- Classifications are an important factor in the quality of statistical information.

Main challenges
- Should perfectly reflect the industries/activities and changes in technology and industrial structures.
- Need to be revised from time to time but also keep some stability, avoid major changes and break in series.
- When used for non-statistical purposes, classifications may also have a major impact on the industry.
The role of European Trade Associations in the revision process

**Expertise**
- At sector level
- In the monitoring and revision process.

**Convince**
- Convince Members to participate in review cycles

**Support**
- Provide some support to Members, when needed

**Coordination and collaboration**
- With the EU/International Organisations, Members, and industry at national level.

**Finding compromises**
- Among the different interests.
Euratex Working Group Meeting

What can be done to improve classifications for the T&C sector?

- Correct misclassifications/errors
- Create additional breakdowns
- Simplify by deleting/merging
- Modernise: create new codes following new products/activities

EURATEX PROPOSALS
The Revision process | Submission of proposals

EU Institutions
- Eurostat (NACE/CPA/Prodcom)
- DG TAXUD (CN)

Intern. Institutions
- UNSD (ISIC)
- WCO (HS)

Euratex Members

National Institutes of Statistics

Companies

Other interested parties:
- i.e. Textile and Apparel Associations in the World,...
The Revision process | Some examples (1/2)

Smart textiles/wearables:
- **Euratex proposal**: introduce a new HS legal note in section XI to avoid administrative burdens for companies resulting from outdated classification provisions.
- **Collaboration**: with Members, companies, textile technological institute, non-EU ass., ...
- **Submission**: arguments including a comprehensive definition + products’ samples (sent by companies).

Synthetic grass/Artificial turfs:
- **Euratex proposal**: create a new HS sub-heading(s), to avoid administrative burdens for companies, resulting from unclear classification provisions, and to better monitor this market
- **Collaboration**: with companies, Members (National + sectoral Associations)
- **Submission**: arguments, including market estimations and information on production process (sent by companies).
The Revision process | Some examples (2/2)

Technical/industrial textiles:
- **Euratex proposal**: **complete and correct the NACE explanatory notes**, as these were still far from the operational reality of the companies.
- **Collaboration**: with Euratex Members (Eurostat consultation)
- **Submission**: arguments, including market estimations and a list of related activities

Protective masks:
- **Euratex proposal 1**: create a **new CN breakdown**, as these items were classified in a Combined Nomenclature’s catch-all code “other”.
- **Euratex proposal 2**: better classify face masks in the **NACE explanatory notes**.
- **Collaboration**: with Members (National + sectoral Associations)
To conclude...

- The appropriate **identification** of a product or activity within a classification is crucial for the industry.
- Classifications must be **revised** on a regular basis to reflect changes in technology and industrial structures and to adapt to the new realities.
- The European Business Associations can play an **important role** in the monitoring and revision of EU + International Nomenclatures.
- **Transparency** is needed all along the revision cycle.
- Therefore, **cooperation and coordination** with interested parties is crucial during the consultation phase and during the revision process.
THANK YOU

Roberta Adinolfi,
Economic & Statistics Manager
Roberta.adinolfi@euratex.eu

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