

CEISC Recommendations on Revision Cycle for ISIC and CPC

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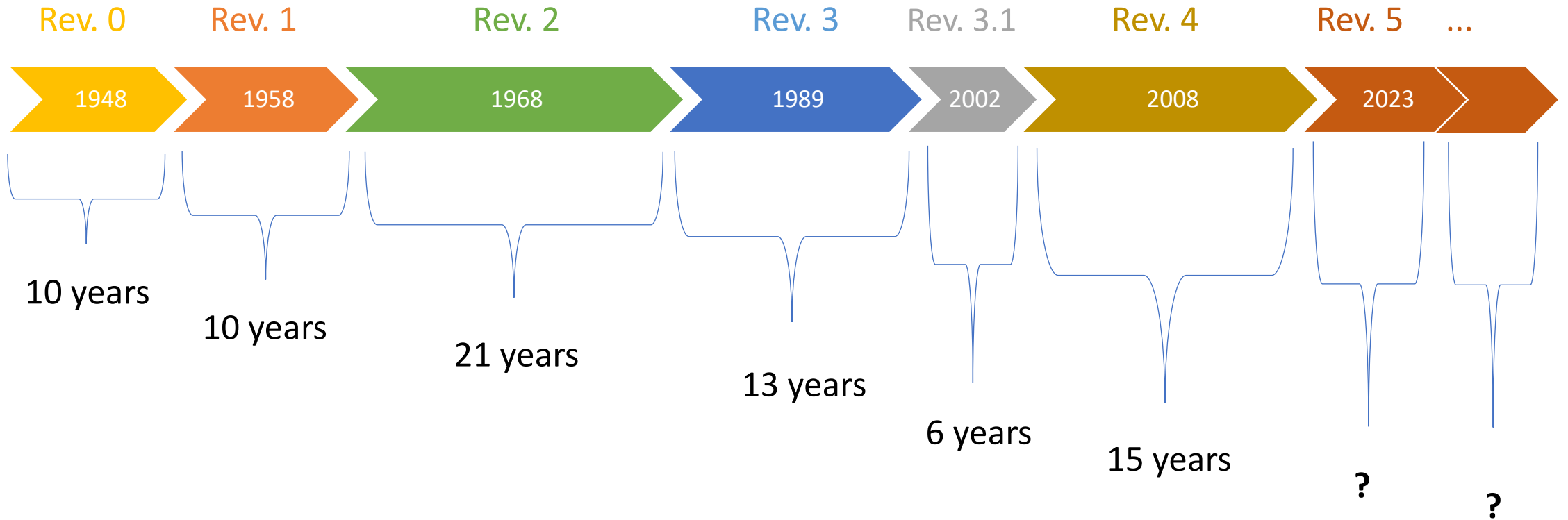
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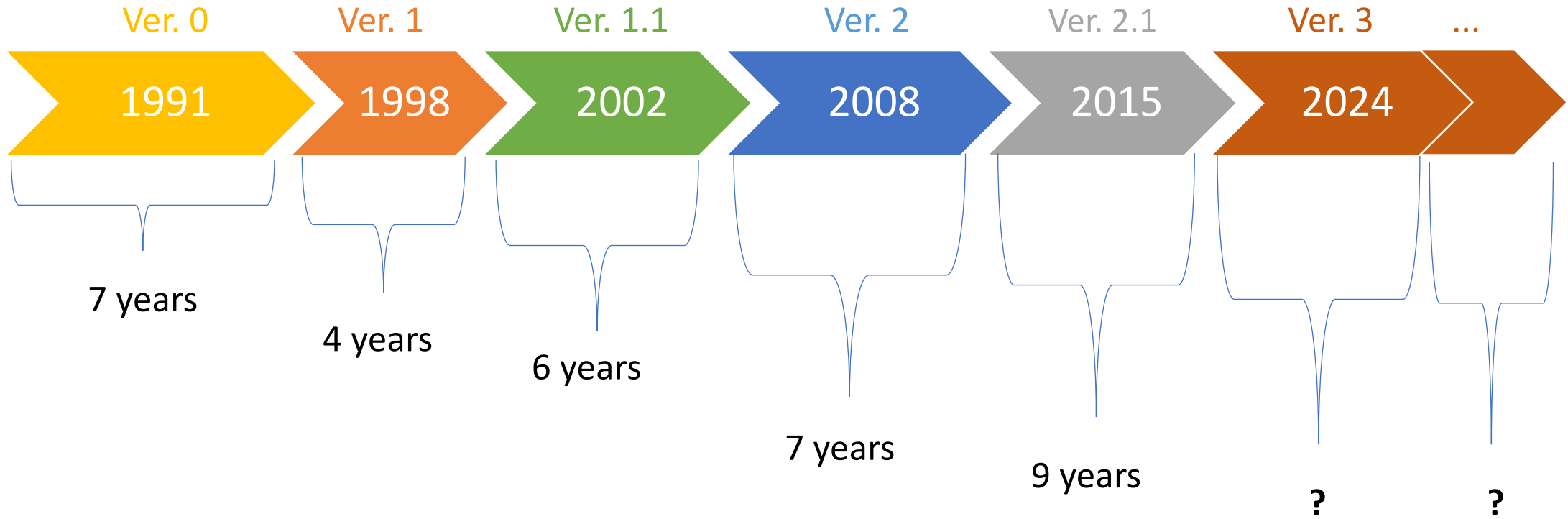


Revision history of the International Standard Industrial classification of All Economic Activities (ISIC)





Revision history of the Central Product Classification (CPC)





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

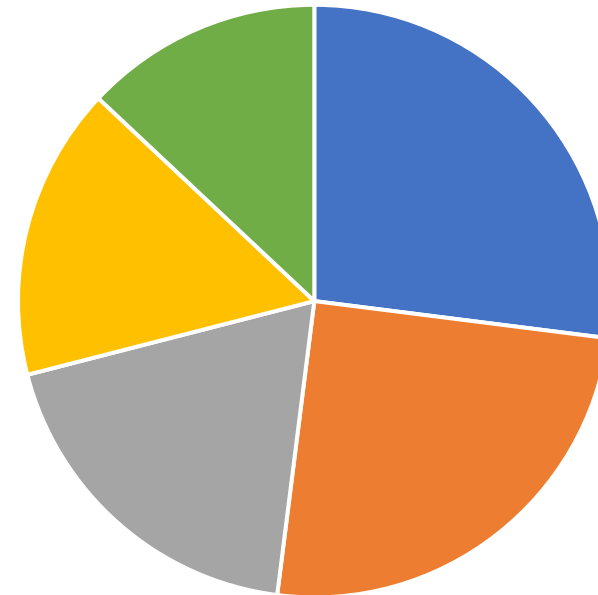
- Explore optimal timing of revision cycles for activity and product classification and their alignment

- 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



Responses

- 96 responses
 - 97% from NSOs
 - 3% from regional organizations
- Regional breakdown
 - Western Europe & Other: 28%
 - Asia-Pacific: 26%
 - Eastern Europe: 19%
 - Africa: 15%
 - Latin American & Caribbean: 13%



- Western Europe & Other
- Eastern Europe
- Latin American & Caribbean
- Asia-Pacific
- Africa

Part A. Industrial Activity Classification

Q1. What classification of industrial activity is used in your country?

- NACE or national adaptation: 42%
- National classification: 28%
- ISIC: 23%
- NAICS or national adaptation: 3%
- ANZSIC: 2%
- NAEMA (AFRISTAT): 1%
- PACSIC: 1%

Part A. Industrial Activity Classification

Q4. Does your country have a regular revision cycle for the national industry classification?

- Yes: 32%
- No: 68%

If no, what are the main factors that prompt a revision of your classification?

- Revision of int'l standards: 64%
- Own reasons (changes in economy; GDP rebasing): 17%
- Revision of int'l standards + own reasons: 12%
- N/A; no classification or never revised: 7%

Part A. Industrial Activity Classification

Q5. Please indicate the revision cycle of the industry classification in your country:

- On a regular cycle: 58%
- On continuous basis: 42%

If on a regular cycle:

- Every 1-2 years: 36%
- Every 5 years: 36%
- Every 10 years: 14%
- Every 10 years (to be continuous): 7%
- When GDP is rebased: 7%

Part A. Industrial Activity Classification

Q6. Is the revision cycle of the national industry classification in your country linked to the revision cycle of any regional or international classification?

- Yes: 80%
- No: 20%

If yes, what is it linked to?

- Revision of ISIC/NACE: 76%
- Revision of ISIC/NACE/other + national circumstances: 16%
- Revision of other regional/national classification: 8%

Part A. Industrial Activity Classification

Q9. Once the industry classification revision process has started, how long does it generally take to complete the revision?

- Less than one year: 16%
- *1 to 5 years: 72%
- More than 5 years: 5%
- Other: 7%

*(Generally 1-3 years, where specified)

Part B. Product Classification

Q1. What product classifications are used in your country?

- | | |
|---|-----|
| • National adaptation of CPC or CPA: | 30% |
| • CPC or CPA: | 28% |
| • National /regional classification: | 11% |
| • CPA/CPC + HS/CN: | 10% |
| • CPA/CPC + HS/CN + others: | 5% |
| • CPA/CPC + national/regional classification: | 3% |
| • HS/CN + national/regional classification: | 3% |
| • HS/CN only: | 3% |
| • N/A: | 3% |
| • Other combinations: | 2% |

Part B. Product Classification

Q5. Does your country have a regular revision cycle for the national product classification?

- Yes: 32%
- No: 68%

If no, what are the main factors that prompt a revision of your classification?

- | | |
|--|-----|
| ○ Revision of int'l standards: | 65% |
| ○ Own reasons (new products; economic census): | 14% |
| ○ Revision of int'l standards + own reasons: | 12% |
| ○ N/A; no classification or never revised: | 16% |

Part B. Product Classification

Q6. Please indicate the revision cycle of the primary product classification in your country:

- On a regular cycle: 55%
- On continuous basis: 45%

If on a regular cycle:

- Every 1-3 years: 50%
- Every 5-6 years: 36%
- Every 10+ years: 7%
- When GDP is rebased: 7%

Part B. Product Classification

Q7. Is the revision cycle of the primary product classification in your country linked to the revision cycle of any regional or international classification?

- Yes: 71%
- No: 29%

If yes, what is it linked to?

- | | |
|---|-----|
| ○ Revision of CPC/CPA: | 77% |
| ○ Revision of HS/CN: | 11% |
| ○ Revision of regional classification: | 3% |
| ○ Revision of PRODCOM: | 3% |
| ○ Revision of CPC/CPA + national circumstances: | 2% |
| ○ Revision of CPA but will soon be independent: | 2% |
| ○ Revision of HS/CN + regional tariff system: | 2% |

Part B. Product Classification

Q10. Once the product classification revision process has started, how long does it generally take to complete the revision?

- Less than one year: 21%
- *1 to 5 years: 71%
- More than 5 years: 5%
- Other: 3%

*(Generally 1-2 years, where specified)

Observations from revision cycle survey

- Around 32% of country have a regular revision cycle for the national industry and product classification. Majority indicated that the main factor driving the revision process at the is the revision of international standards and classifications
- **Most respondents with a regular revision cycle note a 1-5 year cycle for industrial activity classification, and 1-3 cycle for product classification**
- Once the revision has started most respondents note **1-3 years for completion for industrial activity classification, and 1-2 years for completion of product classification**
- All respondents note that their classification is based on at least one other classification; most note that their revision cycle is aligned with an international standard classification
 - The update of the national product classification is linked to the update of ISIC, CPC and HS



Other key aspects to consider

- Discussions on implementation and revision cycle are interlinked
- Increasing the frequency of classification revisions is a recurring discussion and sometimes leads to tension between stakeholders who emphasize stability and others who emphasize relevance of classifications.
- Ideas for evergreening of the revision process to ensure that classifications reflect reality and support sound and informed decisions vs the resources and capacity issue
- The need for the revision process to be more transparent and predictable



CEISC 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

Next step

- The Committee recommendation on the revision cycle for ISIC and CPC will be brought forward to the UN Statistical Commission at its 55th session in 2024 for discussion
- Establishment of a standing task team on ISIC and CPC under the auspices of CEISC to support the regular revision of these classifications
- Tasked the CEISC Bureau and standing task team on ISIC and CPC to further detail the planning of revision cycle of ISIC and CPC

Thank you!