

Summary of the Second Webinar of International Statistical Classifications Sprint

29 November 2023

Introduction

1. The second webinar on the International Statistical Classifications, organized by the United Nations Network of Economic Statisticians and the United Nations Committee of Experts on International Statistical Classifications, aimed to provide an outreach opportunity for the classification community on the evergreening and a more efficient revision process for agile and responsive international classifications used sound and informed decisions.

The quality and relevance of statistics rely to a great extent on classifications

2. Presentations, such as that of the European Apparel and Textile Confederation EURATEX, that opened the webinar, showed that classifications are a fundamental element of the quality of statistical information, and not just in the context of official statistics, but also for the production of data by the private sector. Classifications such as the International standard industrial classification of all economic activities (ISIC), the Cooperative Patent Classification (CPC) and the Harmonized System (HS) must reflect the current realities of economic activities, as well as changes in technology and in industrial structures.

3. Trade associations have a fundamental role in updating classifications, as they have a deep knowledge of the production processes taking place in different industries, and may best contribute in correcting and keeping classifications up to date. For this to happen, transparency, cooperation and coordination are imperative throughout the revision cycle of ISIC and CPC.

4. The role of international classifications as an enabler for the comparison, collection, and analysis of data, not exclusively defined for official statistical purposes, was illustrated with the example of the HS. The need for keeping the classification up to date in terms of changes in technology, or patterns of international trade, and the necessity for stability, have led to the need for a five-year revision cycle of this particular classification.

Cooperation, networking, and use of classifications for integrated statistics

5. Cooperation and collaboration are important elements for developing and maintaining international classifications that stay relevant and allow users for comparing and integrating statistical data.
6. An example of such a well-functioning cooperation is the Trilateral Steering Committee (TSC), a formal arrangement between the statistical agencies of Canada, Mexico, and the United States. Since 1995 the TSC has been overseeing the development, implementation and maintenance of the common North American Industry Classification System (NAICS) and North American Product Classification System (NAPCS). The three countries, all of which have full-time resources dedicated to this work, agree on a timetable for the review process, implement a common research agenda, conduct consultations, both within the three statistical organisations and with external stakeholders, consult experts to improve decision-making, and make consensus-based decisions within a defined framework of key negotiating points.
7. The fundamental role of international statistical classifications for the production and publication of standardised economic statistics was underlined by the ECLAC Statistic Division. ISIC is a basic element in the harmonisation process of the national accounts series for Latin America and the Caribbean, for economic surveys, for the international trade in goods and services statistics, and the balance of payments.

Recommendations from the Committee of Experts of International Classification as well as the results from the Revision Cycle Survey

8. The United Nations Statistics Division provided a summary of the recommendations from the Committee of Experts of International Classification. Driven by the need to make the revision process more transparent and predictable, and to ensure that classifications reflect current conditions and support sound and informed decisions, the Committee recommended a **5-year revision cycle for the ISIC and CPC**.
9. One of the main observations from the Revision Cycle Survey was that approximately one third of countries that responded have a regular revision cycle for the national industry and product classification.

Conclusions

10. Classifications are a fundamental factor of the **quality and timeliness** of official statistical **data production**, both in the government and in the private sector.
11. There is a general agreement in having an **evergreening approach** to the classification update process, to have a regular revision cycle of classifications. The Committee of Experts of International Classification (UNCEISC) is going to propose to the

55th session of UN Statistical Commission the introduction of a **5-year revision cycle** for ISIC and CPC, to ensure a more responsive statistical system that reflects the reality in economy, society, and environment in industry and product classifications to improve decision making.

12. The **cooperation and networking** among producers and users of statistical classifications is fundamental and has to be enhanced. Producers of classifications, subject-matter specialists in statistical organizations as well as other users of the classifications (public administration, universities, trade associations, experts etc.) must be considered as **key partners**, and must be integrated in the review processes of statistical classifications.

13. There should not be any more a **real start and end of the revision of classifications**. Consultations must become a **permanent and continuous process**, supported by permanent working groups or committees, which continuously take care of the inputs of the stakeholders and a research agenda.

14. Classification producers rely on personnel with specialized **skills and expertise** which take time and training to develop and maintain.

