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DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
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**Meeting of the Expert Group on  
International Statistical Classifications  
New York, 19-22 May 2015**

**Report of the Bureau of the Expert Group on International Statistical  
Classifications on work carried out in 2013-2015**



## **I. Introduction**

1. The Bureau of Expert Group on International Statistical Classifications was established as a result of the revision to the Mandate for the Expert Group in 2011.
2. The Bureau distributes tasks, carries out day-to-day management and acts as a bridge between Expert Group meetings and as a relationship manager with agencies developing and maintaining international statistical classifications.
3. The Bureau is supported by the UN Statistics Division, as Secretariat, and it is important to acknowledge the work done in that capacity, without which the Bureau would have difficulty functioning.
4. The present report provides an overview of the main activities overseen and progressed by the Bureau since the 2013 meeting of the Expert Group.

## **II. Activities for the period 2013-2015**

5. As a result of the meeting of the Expert Group on International Statistical Classifications in New York on 13-15 May 2013, where a wide range of topics were discussed the Bureau has endeavoured to ensure that work has progressed on those issues and topics where necessary. This includes establishing the scope of and guidelines for the Family of International Statistical Classifications, the review of development and revision work on a number of international classifications in conjunction with their respective custodians, better communication with classification users, national and regional efforts to further progress with the implementation of revised classifications by national statistical agencies, as well as the effective management of classifications.
6. The Expert Group created a number of Technical Subgroups to work on specific issues under the guidance of the Expert Group itself. The Technical Subgroups created were:
  - International Standard Industrial Classification (ISIC) Rev 4.
  - Classification of Individual Consumption According to Purpose (COICOP)
  - Central Product Classification (CPC) Ver 2.1
  - Review of Best Practices
  - Review of the Family of International Statistical Classifications
  - Classification by Broad Economic Categories (BEC)
7. The Bureau has enabled the Expert Group to continue to collaborate with, and support the work done by international agencies such as the Food and Agriculture Organization of the United Nations (FAO), the United Nations Office on Drugs and Crime (UNODC), the International Labour Organisation (ILO) and the UNESCO Institute of Statistics.
8. The Bureau has met on a regular basis to ensure that individual work elements were carried out, and that guidance and communication was facilitated for the Expert Group on matters pertaining to international statistical classifications. The minutes of the Bureau meetings and action item lists are circulated to Expert Group members to provide transparency in the process and keep the Expert Group informed on progress in the many areas of work it is involved in.

### **III. Work of the Technical Subgroups**

#### **A. International Standard Industrial Classification (ISIC) Rev. 4**

9. At the Expert Group meeting in May 2013 a number of interpretation questions for ISIC Rev.4 were considered along with a proposal for a revised treatment of specific outsourcing arrangements. The interpretation questions reflect multiple requests for interpretation of ISIC in specific situations that are not explicitly addressed in the existing ISIC structure, explanatory notes or application rules.

10. A key discussion point for the Technical Subgroup on ISIC Rev. 4 was the classification of factoryless goods producers, as presented by the UNECE Task Force on Global Production and the Advisory Expert Group on National Accounts. Discussions on this matter were unable to be resolved via electronic means and this resulted in a face-to-face meeting taking place in New York in October 2014 between the Technical Subgroup and Task Force members. The outcome of this meeting was that whilst factoryless goods producers are an emerging phenomenon there is insufficient data available to make an informed decision on their treatment within the ISIC structure. It was agreed that a research plan and guidelines be developed for national statistical agencies to assist in understanding the phenomenon, and to enable an appropriate treatment to be determined.

11. Other outstanding issues pertaining to ISIC that were noted in the UN Classifications Discussion Forum were also resolved.

12. The ability of UNSD to finalise completion of the ISIC Implementation Guide continues to be a concern for the Bureau. The resource constraints have resulted in delays in progress and have put pressure on the finalisation of the Guide.

#### **B. Classification of Individual Consumption According to Purpose (COICOP)**

13. A certain number of problems in the application of the COICOP had been raised in previous meetings of the Expert Group on International Statistical Classifications, as well as during classifications workshops and meetings conducted by various agencies.

14. The results of a global questionnaire were discussed during the 2013 meeting of the Expert Group. The general view among countries was that there is a need to review and revise COICOP to ensure that it provides an adequate tool for the recording of households' consumption expenditures and the other uses of COICOP.

15. The Technical Subgroup has resolved many of the known issues through application of agreed case laws, however it was recognised that after this exercise there were still significant issues for resolution remaining, including the need to make structural changes to the classification.

16. As a result of this work, the Technical Subgroup is recommending launching a revision procedure of the COICOP classification.

### **C. Central Product Classification (CPC) Ver.2.1**

17. The Technical Subgroup considered a number of issues and in particular the issue of energy product-related issues. A number of smaller clarifications, and work on the correspondence tables was undertaken, along with a follow-up review of agricultural and food products by the FAO. The FAO provided a large number of proposals for change within the CPC to not only improve the detail but ensure consistency with the relevant version of the Harmonised System (HS). As part of the final review of CPC a translation into Spanish was to be undertaken by the Working Group on International Classifications of the Statistical Conference of the Americas (GTCI).

18. The relationship of the CPC to the Standard International Energy Product Classification (SIEC) identified a number of issues including boundary issues in the categories of SIEC for energy products that were not able to be addressed at this time. These should be addressed in a review process for SIEC to ensure better alignment with the next CPC review.

19. Explanatory notes and the introductory paragraphs for the CPC were reviewed by the Technical Subgroup in preparation for the final publication of the CPC.

20. As a long-term project, the development of a complete set of explanatory notes for the goods part of the CPC has been proposed, which would eliminate the need to consult the Harmonized System notes, which are not publicly available, for CPC interpretation questions. As a first step, the FAO will start the development of such notes for the agriculture and food products in sections 0 and 2 of the CPC.

### **D. Review of Best Practices**

21. Work has been undertaken to produce a document that provides guidelines for best practice in the development, maintenance and implementation of international statistical classifications. The best practice guidelines have been primarily developed for use by international agencies, national statistical agencies, and other organisations that may develop, maintain and implement statistical classifications. These guidelines are to be read alongside the original Basic Principles document approved by the Statistical Commission in 1999. The new guidelines align with the Generic Statistical Information Model of the High Level Group on Modernisation of Statistical Processes and Services (GSIM) Terminology model and include an updated definition of a statistical classification.

### **E. International Family of Statistical Classifications**

22. The Bureau has continued to coordinate an approach for operationalising the Family of International Statistical Classifications to include all international classifications that represent standards for a given statistical domain, whether explicitly approved by the Statistical Commission (or similar body) or not. The intention is that the family will (a) provide a better overview of what is actually required by countries to follow; (b) will allow an assessment of the quality of classifications according to the list of criteria being developed; (c) will allow a better assessment of the linkages between existing classifications; and (d) will provide more value to users.

23. UNSD has prepared a first comprehensive draft of a list of classifications in this extended notion of the Family which has been reviewed by the Bureau prior to discussion at the Expert Group meeting.

24. Work has also been done on developing a supporting document to assist custodians promoting a classification into the Family of International Statistical Classifications, along with a grading criteria document to enable international statistical classifications to be classified as either reference, derived, related or other.

#### **F. Broad Economic Categories (BEC)**

25. The revision of the BEC has undertaken to address the following four points:
- (i) Re-defining the BEC structure to better reflect current economic reality,
  - (ii) Extending the scope of the BEC to include services as well as goods, while giving extra attention to the definition of intermediate goods,
  - (iii) Improving explanatory materials to help both compilers and users of data disseminated according to BEC, and
  - (iv) Providing updated correspondence tables to link BEC with other statistical classifications.

26. The draft version of the 5th Manual of the Classification by Broad Economic Categories was sent for a global consultation in June 2014 to the statistical offices of all United Nations member states. Offices were requested for their opinion on the overall content of the manual and on some specific questions on the proposed revisions regarding the structure, scope, and definitions of the BEC.

### **IV. Other work on International Classifications**

27. The Bureau, on behalf of the Expert Group has continued to liaise and collaborate with custodians who are reviewing their statistical classifications, by providing best practice advice, reviewing the concepts and principles of existing and emerging international classifications; facilitating the harmonization of related classifications; reviewing classifications against the criteria for inclusion in the International Family; and facilitating or undertaking classification reviews where appropriate.

#### **A. International Classification of Crimes for Statistical Purposes**

28. The ICCS has been developed as a reference standard for the production of crime statistics data. The Bureau has been working with the UN Office on Drugs and Crime (UNODC) to support adoption of best practice and to facilitate thinking around implementation following endorsement of the classification by the UN Statistical Commission.

#### **B. International Classification for Time Use Statistics (ICATUS)**

29. The revision of the Trial International Classification of Activities for Time Use Statistics, has continued particularly in relation to the adoption of the new resolution on work statistics, employment and labour underutilization at the 19th International Conference of

Labour Statisticians held in Geneva in October 2013; and comments received from national statistical offices.

30. The finalization of ICATUS was delayed due to the ongoing work between the Statistics Division and ILO to reconcile and align ICATUS with the new ILO definition of work. The Bureau has monitored progress and at this point a technical subgroup is yet to be established.