United Nations Statistical Commission
Fifty-third session
Item 3 (v) of the provisional agenda
Items for discussion and decision: international statistical classifications

Document E/CN.3/2022/26 – Report of the Committee of Experts on International Statistical Classifications

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Statement provided by:

Chile

Statement:

We are grateful to the Committee of Experts on International Statistical Classifications for its work on the fourth revision of the International Standard Industrial Classification (ISIC). Based on our experience with ISIC in our role as a national statistical office, we believe the timeliness of the proposal stems from the importance of the classification among international economic classifications. Therefore, we think it appropriate that the Commission ratify and initiate the updating of the ISIC structure in 2022, including the definition of its categories and basic principles, and make observations on the proposal and the programming schedule for the final stage in 2023, when the final document will be presented to the Statistical Commission during the fifty-fourth session.

A series of factors that influence the decision to revise a statistical classification must be considered, including globalization and digitalization, which have had a dramatic impact on the productive sector. These changes lead to a natural development of new kinds of activities (in this case economic activities) that are more specialized. Therefore, the need has arisen for other analyses that are based on the classification and that recognize the importance of making ISIC consistent with other classifications in order to maintain the correspondence between international structures.

We support the use of the classification as a standard, in accordance with the observations and recommendations provided to the committee by Chile. We recognize the importance of establishing the Classification of Business Functions as an international standard, according to the objectives and nature of the classification as well as to other factors, such as the boom that business functions have experienced in the global economy, the role played by multinational companies and their relationship with global value chains, and the interest in how operations are structured within economic units and how flows are established with other units. Thus, the possibility of this classification becoming standard would contribute to the exchange of strategic information found in statistical records of business activities and would make data comparable at an international level and within national statistical systems.

Chile agrees with the statement of principles, as well as the use and necessity of this classification. At a conceptual level however, we think it necessary to add greater precision to the concepts of "function" and "activity" because the use of the latter can be confusing in view of the relationship between this classification and ISIC. In addition, other central concepts that structure the classification include "main functions" and "support functions", which we suggest could be integrated conceptually into the structure of the classification.

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In addition, the classification states the intention to go beyond a disaggregation of products and activities, but its categories are similar to the structure of ISIC. It is thus necessary to show more explicitly how the business function classification has been structured.

It should be noted that the subject of business functions has not been addressed in depth by the current international classification standards, such as ISIC, Central Product Classification (CPC), or the International Standard Classification of Occupations (ISCO). Therefore, to harmonize with other classifications, it is important to have a standardized classification and develop tools that link classifications through correspondence tables, which would provide a reference for the content of the categories and thus facilitate comparability of data at the international level and within national statistical systems. Such comparability would in turn contribute to the collection, processing, and publication of strategic information on business activity.

We also support the revision of the energy classification. We welcome the current revision of the CPC and its correspondence with the energy classification because the purpose of the Standard International Energy Product Classification (SIEC), as the tool for compiling and disseminating national and international energy statistics, is to categorize products relevant to energy statistics.

The classification provides a harmonized set of definitions at the international level and links with other international classifications of energy products, such as the CPC and the Harmonized Commodity Description and Coding System, also known as the Harmonized System (HS). Therefore, the SIEC and the CPC must be reviewed in order to improve both classifications and to harmonize them. The decision whether to incorporate the SEIC into the structure or to add it as an appendix to the CPC should consider how the conceptual framework of the energy product classification will be integrated, either by maintaining the existing structure or by articulating it within the updated CPC framework.

The revision of energy classifications illustrates the need to guarantee the quality of statistical processes in light of the demand for compiling energy statistics that are comparable between products of different countries and in light of the demand of other areas of statistics for information on energy-related products that make up part of the economy.

We would like to recognize the work of the Committee of Experts on International Statistical Classifications for its wide range of assignments in direct and permanent collaboration with the custodians and task teams that are revising the classifications, including a periodic review of methodological advances as well as of issues related to indicators and their metadata. This latter subject has led to the creation of the subgroup on metadata, whose purpose is to improve metadata quality and to facilitate its use within the framework of indicators.

We especially welcome the progress made in the area of metadata because its use is important for the dissemination of statistical production, which is directly related to the generation of new approaches that promote the development and maintenance of international statistical classifications. The benefits of using these technological tools include reducing the time and costs involved in normal revisions and, in particular, providing access to original documentation available

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on an official site. Thus, making this statistical data and metadata available would meet the objectives of the United Nations system and other participating international and regional organizations.

Chile joined the ILO Technical Group on the revision of ISCO 08 when it was formed in June 2021. To date, the main issues to be addressed have been discussed and defined, and proposals have been made for their treatment in the updated classification. In 2022, ISCO modernization, emerging and obsolete occupations, as well as a review of the structure and categories of the classification will be discussed in depth, and a draft will be presented at the twenty-first ICLS.

As a result of changes in the labour market, the need to update ISCO is indisputable. These changes include the introduction of new technologies that have redefined the main tasks and required skills of occupations, which have rendered some of them obsolete. Likewise, the ISCO update will contribute to the harmonization with the next revision of the ISIC classification.

Submitted on:	Click or tap to enter a date.