Update on the work on International Statistical Classifications

Sixteenth Meeting of the UN Committee of Experts on Environmental-Economic Accounting

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Outline

• Main decisions of the UN Statistical Commission on International Statistical Classifications
• State of play of ISIC
• State of play of CPC
Decisions of the UN Statistical Commission at its 52\textsuperscript{nd} session

- Endorsed the recommendation of the Expert Group to revise ISIC Rev. 4 and CPC Ver.2.1
- Endorsed the new name and mandate of the Expert Group (UN Committee of Experts on International Statistical Classifications)
- Encouraged the work on new and innovative approaches for the development and maintenance of international statistical classifications

See \textit{E/CN.3/2021/30}
State of play of the revision of ISIC

• 18-20 June 2019 - TSG-ISIC meeting
  • To review the treatment of issues that were raised at the meeting of the Expert Group in May 2016 as well as emerging issues including an assessment of the works of Eurostat/NAICS on changes to ISIC, digital economy and its impact on defining ISIC classes, factoryless goods producers (FGP) and statistical units, and to investigate if these issues can be addressed in the current structure of ISIC with additional guidance provided to the user

• Aug-Sept 2019 - Global consultation with countries on these issues and consultation on additional issues

• Oct 2019 - Sept 2020 - TSG-ISIC detailed review of these issues

• 18, 23 Sept and 2 Oct 2020 - TSG-ISIC meeting
  • To finalize its recommendations to the Expert group on international Statistical Classification (available here)

• Dec 2020 - Final report of the EGISC and to the UNSC
Expert Group agreed that a comprehensive revision of ISIC should take place during 2021 with the submission of an updated ISIC to the Statistical Commission in March 2022. This takes into consideration the ongoing revision processes of relevant regional industry classifications such as NACE and NAICS. It is envisaged that a possible new update could be undertaken in 2025, along with the update of other international statistical standards of the system of economic statistics.
Expected timeline for the revision of ISIC

• Apr-Nov 2021 – finalize the list of proposal changes; consultation with group of experts for gathering additional issues; global consultation on the draft structure of ISIC

• Dec 2021 – submission of the complete draft structure of the revised ISIC to UNSC through the UNCEISC

• Jan 2022-Dec 2022 – Finalize explanatory notes, correspondences to ISIC Rev.4, CPC Ver.2, and a coding index; circulate the finalized classification for global consultation and submit for approval process of the revised International Standard Industrial Classification of All Economic Activities (ISIC)

• Dec 2022 – submission of the revised ISIC for adoption by the UNSC in March 2023

The terms of reference of the Task Team on ISIC are available here
Examples of issues currently being considered

- Structure and content of Section J: Information and Communication
- Section G: Wholesale and retail trade (distinction between wholesale and retail trade; structure of Division 45,
- Intermediaries (including digital intermediaries)
- New activities in the financial sector (e.g. Fintech, peer-to-peer lending, crypto assets)
- New activities related to the digital economy (3D printing, social media and search engines; online education, robotics and AI, cloud technologies, cybersecurity activities)
- Production of biofuels, electric cars, energy production and storage…
- Statistical units, classification criteria,….

For a more complete list of issues, please click here
State of play of the revision of CPC

• TSG-ISIC also recommended a revision of CPC since possible solutions of ISIC issues may require a change in the classification of products.

• The Expert Group noted that a revision of CPC would be of great assistance in the resolution of the issues pertaining to ISIC and ensure the link with HS 2022 and the Standard International Energy Product Classification.

• Draft terms of reference for the Task team on CPC (TT-CPC) were submitted to the Statistical Commission (available here).
Main task of the TT-CPC

• Assess the proposed solutions to issues raised as presented in the TT-ISIC report to the Expert Group for relevance and impact on CPC and identify any further issues for resolution
• Global consultation with countries and relevant international and regional organizations on those issues to take place
• Assess changes to the Harmonised System 2022 for impact on CPC
• Analyse the result of the consultation and develop a draft structure for CPC V3.0 including definitional text and guidance notes
• Circulate the proposed draft structure and content of a revised CPC to the UNCEISC for review
• Revise the draft CPC based on UNCEISC feedback
• Circulate revised draft CPC for a final global consultation and finalization
• Develop correspondences to CPC Ver.2, HS2022, ISIC and BEC
• Finalise the revised CPC and present with a report to the UNCEISC for endorsement
Expected timeline

- Mar 2021 – UNSC mandates the revision of CPC
- Apr-Nov 2021 – conduct a global consultation to collect issues with the classification and review results of that consultation
- Dec 2021 to Dec 2022 – Develop a complete draft structure of the revised CPC, elaboration of explanatory notes and correspondences, circulate the finalized classification for global consultation and submit for approval process of the revised Central Product Classification
- Mar 2023 – adoption of the revised CPC by the UNSC

Currently the TT-CPC is being set up and the work plan is being reviewed in order to initiate the revision process
Thank you!