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INTERNATIONAL ECONOMIC CLASSIFICATIONS

Harmonization of international economic classifications

Report of the Secretary-General

SUMMARY

At its twenty-third session, the Statistical Commission requested the Secretary-General to submit to the Commission at its twenty-fourth session a progress report on the harmonization of international classifications. In addition, the Commission requested the submission to it of a draft of the complete revised International Standard Industrial Classification of All Economic Activities and a draft of the complete Central Product Classification.

The present report contains an outline of work on the Integrated System of Classifications of Activities and Products, which forms the basis for the harmonization of international economic classifications (paras. 2-8), information on the present situation with regard to the Harmonized Commodity Description and Coding System of the Customs Co-operation Council (paras. 9-10), as well as descriptions of the above-mentioned two drafts (paras. 11-50). A short note is included on the revision of the Standard International Trade Classification, a draft of which was adopted by the Commission at its twenty-third session (para. 51). Points that the Commission may wish to discuss are also included (para. 53).

* E/CN.3/1987/1.

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INTRODUCTION

1. The Statistical Commission, at its twenty-third session, endorsed the work concerning the harmonization of international economic classifications and requested the Secretary-General to submit to the Commission at its twenty-fourth session a further progress report on that subject. The Commission also approved the Standard International Trade Classification (SITC), Revision 3, as it appeared in its second draft, subject to the Statistical Office making a number of editorial corrections, and requested the submission to the Commission of a draft of the complete revised International Standard Industrial Classification of All Economic Activities (ISIC) and a draft of the complete Central Product Classification (CPC). 1/ The present report has been prepared in response to the Commission's requests. The above-mentioned drafts, issued in a limited number of copies, will be circulated to the members of the Commission and other participants prior to the twenty-fourth session.

I. INTEGRATED SYSTEM OF CLASSIFICATIONS OF ACTIVITIES AND PRODUCTS

2. The programme on the harmonization of international economic classifications (see E/CN.3/494) was approved by the Statistical Commission at its nineteenth session, in 1976, 2/ and endorsed at subsequent sessions. The programme has as its goal the development of a system of different but interrelated classifications of economic activities and goods and services, forming together an integrated system of classifications of activities and products. As far as the United Nations classifications are concerned, this involves the revision of ISIC 3/ and, directly linked to it, the development of a Central Product Classification including transportable goods as well as non-transportable goods and services. It also involves the third revision of SITC. 4/ Both CPC and SITC are to use the headings and subheadings of the Harmonized Commodity Description and Coding System (HS) of the Customs Co-operation Council (CCC) as building blocks and should be harmonized with ISIC. At the same time, ISIC and SITC should maintain their main character and structure.

3. Another objective of the work is to harmonize the United Nations classifications and other major international classifications. In particular, ISIC should be harmonized with the General Industrial Classification of Economic Activities within the European Communities (NACE) and, if possible, the Classification of the Branches of National Economy (CBNE) of the Council of Mutual Economic Assistance (CMEA).

4. The basis for this harmonization work was formed by the Integrated System of Classifications of Activities and Products (SINAP), an interim classification prepared by the Statistical Office of the European Communities (EUROSTAT) under the auspices of the Joint Working Group on World Level Classifications of the Statistical Office of the United Nations Secretariat and the Statistical Office of the European Communities.

5. The work on harmonization of economic classifications has been proceeding as follows:

(a) The development of tentative identification headings which are activity categories that are proposed to be introduced into ISIC and NACE (and also CBNE, if possible), generally at intermediate levels in the structure of each classification (such as at the three-digit major group level of ISIC); data compiled according to one of the classifications could then be simply recast within another at the level of the identification headings;

(b) The formulation of dissections of identification headings that could be considered for incorporation in ISIC and NACE; for ISIC, this would generally mean incorporation at the four-digit group level;

(c) The preparation of proposals for categories of goods and services that are considered suitable for use in both production and international trade statistics that correspond to the identification headings and their proposed dissections.

The current SINAP draft consists of 95 identification headings, most of which are broken down into several activity and/or product categories.

6. Proposals for SINAP categories of activities and products were considered by the above-mentioned Joint Working Group during a number of sessions in Luxembourg. The fifth session was held in June 1984. The SINAP draft discussed during that meeting was the first complete draft covering all sectors of the economy and all goods and services. The Working Group also gave consideration to the most appropriate structure for the revised ISIC and the future CPC.

7. The results of the discussion held by the Working Group and subsequent written comments received from participants were used as a basis for the "First complete draft of the revised International Standard Industrial Classification of All Economic Activities, including explanatory notes" (ESA/STAT/AC.25/4) and the "Draft of the Central Product Classification" (ESA/STAT/AC.25/5), which were then discussed by an expert group meeting at United Nations Headquarters in April/May 1986. It was noted during the meeting that, especially in the area of services, the improvement of statistics is vitally dependent upon development and improvement of classifications and that this should be done within an internationally agreed framework because the emergence of different and incompatible classifications is particularly acute in the areas of new technology and information.

8. An important issue that should be considered is the level of detail of ISIC and CPC. ^{5/} Both are developed from SINAP, which is already fairly detailed. The current draft of ISIC contains 125 three-digit categories (an increase of 76 per cent as compared with ISIC, Rev.2) and 260 four-digit categories (an increase of 65 per cent) and CPC contains some 1,500 items. Some but not all of the increase is because of the extension of the services area. Several comments were received which cast doubt on whether this detail is needed in an international standard and whether, in particular, developing countries can handle this. On the

one hand, it may be noted that such detail provides useful guidance on how to treat specific categories of activities and their outputs. On the other hand, it may force reporting organizations (countries or businesses) to leave out some detail which is not available to them and, since this will be done on an individual basis, this will doubtless lead to less harmonized statistical data.

II. HARMONIZED COMMODITY DESCRIPTION AND CODING SYSTEM OF THE CUSTOMS CO-OPERATION COUNCIL

9. The Harmonized Commodity Description and Coding System of the Customs Co-operation Council was approved by the Council in June 1983 and the Convention has been open for signature. The Convention specifies 1 January 1987 as the earliest date for its entry into force. However, since to date the number of countries or customs unions that signed the Convention without reservation of ratification is still far short of the minimum number of 17 contracting parties, the revised date for implementation is now 1 January 1988. The Council also approved corresponding amendments to its CCC Nomenclature for the Classification of Goods in Customs Tariffs (CCCN), with provision that they come into effect at the same time as HS. In addition, the Interim Harmonized System Committee prepared explanatory notes to HS which were approved by the Council in June 1985, and work is in progress on the review of the Compendium of Classification Opinions, as well as on the preparation of an alphabetical index to HS and its explanatory notes. These are expected to be available before the end of 1987.

10. It should be noted that the Convention on HS requires that "Each Contracting Party shall ... make publicly available its import and export trade statistics in conformity with the six-digit codes of the Harmonized System, or, on the initiative of the Contracting Party, beyond that level, to the extent that publication is not precluded for exceptional reasons such as commercial confidentiality or national security".

III. REVISION OF THE INTERNATIONAL STANDARD INDUSTRIAL CLASSIFICATION OF ALL ECONOMIC ACTIVITIES

A. General remarks

11. The third revision of ISIC is unlike previous revisions because of the additional requirement of harmonization with other activity classifications and with goods classifications. That requirement has added considerable complexities and constraints that did not apply in the earlier revisions of ISIC.

12. At this point the revised draft of the third revision does not contain introductory explanatory material, such as that in ISIC, Revision 2. 3/ The reason for this is that although the structure has been changed somewhat the purposes and nature of the classification remain unchanged. No changes are contemplated in the way in which the classification is to be applied in international work and no changes or further suggestions are expected with regard to the matter of establishing national activity classifications that can be converted into ISIC.

13. The statistical units (the establishment, the kind-of-activity unit, ancillary unit, technical unit), however, may be subject to some adaptations. The development of modern practices in structuring economic units and the ongoing revision of the System of National Accounts (SNA) should be considered. Suggestions in this context from Governments will be welcomed. In its final form, ISIC will contain explanatory material on all of these matters.

14. Another subject that merits consideration is the coding system of ISIC. The current version of ISIC has a purely decimal coding system, starting with major division 1 up to major division 9. The greatest detail in most activity classifications around the world occurs in the parts dealing with the manufacturing industries. For this reason it has already been decided to split that part of ISIC into two major divisions, the first one dealing with the metal industry and the second one with the rest of the manufacturing industry.

15. This solution, however, still leaves little space to identify important industries at a sufficiently high level. Many comments, for instance, were received that suggested the elevation of the man-made fibre industry to the two-digit level, but in the structure of the draft there is no room for this. Several other similar suggestions had to be turned down for the same reason. Moreover, in the second part of ISIC, dealing with the service industries, many important new industries emerged that merit a two-digit category in ISIC, especially when compared with some existing categories. The current system, with only 10 major divisions and 10 divisions within each major division, sometimes compels the combination in one category of activities that have very little in common.

16. To deal with that problem it was proposed to introduce a new coding system for ISIC, Revision 3, in which an alpha code would be introduced at the one-digit level. This allows for 26 major divisions on the one hand and for more than 10 divisions per major division on the other.

17. This proposal has, of course, the disadvantage that the current familiar structure of ISIC will be altered. It has been argued that such an alteration may limit the ability of users of data classified at the one-digit level of ISIC to make historical comparisons. Moreover, concern has been expressed about the added costs of training and supervision involved in introducing and maintaining a mixed alpha-numeric classification system. ^{6/} However, the impact of these potential disadvantages will have to be realistically assessed. For example, if the new one-digit level alpha categories are suitably chosen it will be very easy to recast data obtained according to the new schedule into the old structure. Moreover, the practical problems involved in using an alpha-numeric system, including the problem that an alpha-numerical system creates difficulties in languages that do not use the Roman alphabet, is subject to empirical verification and testing. The Commission's guidance on the wisdom of introducing an alpha code at the one-digit level would be particularly helpful.

18. To harmonize the names that are used in international classifications for their respective categories, some new names were introduced in ISIC and the same names appear in the proposed CPC. These names are as follows: section, division,

group and class for, respectively, the one-, two-, three- and four-digit level categories. These names coincide with those used in SITC and several other classifications.

19. Harmonization with other international classifications is in progress. The Statistical Office of the European Communities is in the process of revising its NACE and the drafts developed so far show a considerable similarity with the emerging ISIC draft. Also, the most recent draft of a Standard International Classification of Energy-Producing Activities, prepared by the Economic Commission for Europe (ECE), is well in line with ISIC, although some minor differences still exist. As suggested by the Statistical Commission, all energy-producing activities are classified in ISIC at the two-digit level and the classification contains an annex that specifically lists all these activities.

B. Activities producing transportable goods

20. Only a few changes were made in Sections 0 to 4 of ISIC as compared with the draft considered by the Statistical Commission at its twenty-third session. The following changes were introduced: a new group 014 (Hunting, trapping and game propagation) has been created and the order of the sections dealing with the metal industries and other industries was inverted. Contrary to some suggestions, service activities related to agriculture, livestock farming and forestry were left in the same group as the activities they serve instead of being grouped together in one group since this would allow users of statistics to aggregate crop farming, livestock farming and forestry with their respective service activities. Moreover, such treatment is consistent with the treatment in other parts of ISIC, where an activity is classified in the same category whether it is carried out for our account or on a free or contract basis.

21. Some experts suggested the creation of a new group for "Growing of crop, combined with farming of livestock", because in many countries this kind of mixed farming often occurs and creates considerable problems in classifying such establishments. Since the main activity of such establishments can easily change from one year to the next, statistical time series can easily be disturbed. A special category for mixed farming could prevent such problems. Other experts, however, argued that such a category was not preferable since it would render the statistical data loose. The Study Group on Food and Agricultural Statistics in Europe also expressed the view that such a group should not exist and that the structure of ISIC, Revision 2, should be retained. However, if the Statistical Commission considers that a group for mixed farming would be useful it could easily be introduced.

22. Other less important changes include the creation of a new class (1103) for "Extraction and agglomeration of peat"; the merger of manufacture of basic precious and non-ferrous metals into one group (212) and the upgrading of the manufacture of domestic appliances to the three-digit level. Recycling activities are, as suggested by the Commission, included as a separate group in the manufacture area.

C. Activities producing non-transportable goods and services

23. This part of the classification proves to be extremely complicated particularly because very little experience exists in the field both in classifications and in statistics. An inquiry held by the Statistical Office in 1985 showed that, even in the statistically most developed countries and international organizations, not much progress has been made in the field of services statistics. On the one hand, this is regrettable. On the other, it is an indication that this might be the right moment to establish harmonization in guidelines for these statistics before each country or organization draws up its own guidelines. Classifications should obviously be part of these guidelines and therefore establishing the parts of ISIC and CPC dealing with services in conformity with new developments in this sector seems a conditio sine qua non for comparability of statistics in this field.

24. The current draft of ISIC contains a complete proposal for the services area, including explanatory notes. For the parts dealing with banking and insurance and with government activities, two consultants expressed their views. The other parts were derived directly from SINAP and from some existing national and international classifications. Suggestions received before, during or after the expert group meeting of April/May 1986 were, as far as possible, inserted. A few problems, however, remained. The following paragraphs list those problems, as well as some major changes proposed as compared to the current version of ISIC.

25. In the area of wholesale and retail trade, ISIC, Revision 2, had no subdivisions at all. Some national and international classifications contain a breakdown according to the products sold and this tradition was followed by SINAP. It was also suggested, however, to subdivide these sectors, in particular retail trade, according to kind of organization of the sales or the way the goods are sold, for example, in department stores, specialized stores, market trade, mail order houses, house-to-house sales etc. It was argued that such a subdivision would better reflect the kind of activity carried out by each unit and would furnish more relevant statistical information, especially when presented in combination with output data subdivided according to products sold. If activity and output classifications are of a similar structure, very little extra information will be obtained when data obtained according to these classifications are used in combination with each other.

26. On the other hand, several comments indicate that, although this alternative may intellectually be more attractive, the traditional breakdown is preferred because users of statistics are accustomed to it and it is expected to be easier to classify units, especially in an internationally co-ordinated way.

27. The current draft is, as suggested by the expert group, more or less a combination of the two approaches, that is, in wholesale trade more emphasis is on the type of goods sold and in retail trade more emphasis is on the way the goods are sold. Another solution might be to introduce the way the goods are sold in CPC (see para. 48). The Commission may wish to express its views on this matter.

28. In the section for transport, storage and communication a separate division 74 was created in which all supporting and auxiliary activities were grouped regardless of the mode of transport they serve. The main reason for this was that many of these activities are carried out by independent units that often work for different modes of transport, especially when more than one mode of transport is involved in a particular shipment.

29. As indicated above, the draft involving financing and insurance was inspired by the report of a consultant. The expert group suggested that financial leasing should be included in the banking area and that efforts should be made to avoid confusion between insurance and social security. The latter should remain in public administration.

30. A new division was made for all renting and leasing activities in order to regroup activities that were previously scattered throughout the classification but that are from several points of view very much alike. Computer services also form a new division in ISIC. These activities have become increasingly important and therefore a number of subdivisions are proposed.

31. The expert group agreed that all publishing, irrespective of the media used, should be classified in the services area in order to obtain a more co-ordinated treatment of this activity. This suggestion was followed in the draft. In addition, it was suggested that, as is done for the energy sector, an appendix should be added to ISIC, covering the entire information area. This has not been done yet mainly because it is not clear which activities should be included. Moreover, if it were done, this would open the gates for many other special purpose classifications to be included in an annex to ISIC.

32. Also, the draft concerning public administration and social security was made according to the advice of a consultant. The view was expressed that, although the present ISIC does not contain sufficient detail, it may be difficult to agree on a more detailed classification since there are so many different forms of government organizations. It was agreed, however, that the Classification of the Functions of Government (COFOG) 7/ should serve as a guideline for the classification. Suggestions from the Commission would be welcome.

33. In the area of education, an attempt was made to stay close to the International Standard Classification of Education (ISCED), a classification developed by the United Nation Educational, Scientific and Cultural Organization (UNESCO) for this purpose. The expert group expressed its agreement with this but stressed that more detail should be introduced, particularly in CPC. Because of the different education systems and qualifications in the world, it may, however, be very difficult to reach an agreement on this detail. In the area of health and social work, it was suggested to seek co-ordination with work undertaken by the World Health Organization (WHO) in the field of classifications.

34. As a whole, sections 8 and 9, dealing with financing, insurance, real estate, renting and business activities and with community, social and personal service activities, respectively, are considerably more detailed than in the current version of ISIC. Most of this was in response to requests and proposals received from many countries and organizations that were sent previous proposals.

IV. DEVELOPMENT OF THE CENTRAL PRODUCT CLASSIFICATION

A. General remarks

35. During the twenty-third session of the Statistical Commission several representatives noted that the strict relationship between ISIC and CPC had led to inadequate descriptions of CPC categories and in some instances to unrealistic regroupings in CPC. It was also suggested that, to obtain a better harmonization with SITC and to establish a useful product classification, the items of CPC should be arranged according to their physical properties while maintaining, however, the idea of a direct relationship with ISIC, that is, all CPC items should consist of products that have their origin in only one ISIC class.

36. That idea was followed in the current draft of CPC as far as the relationship with HS allows. At the same time, the coding system of CPC was brought back from six digits in the previous draft to five digits in the current one. Since the coding of ISIC and CPC are thus no longer completely parallel, a reference was introduced for each CPC category indicating its industrial origin, guaranteeing the direct relationship between the two classifications.

37. As indicated in paragraph 2 above, CPC items for transportable goods use the headings or subheadings of HS as building blocks. This means that there is always a 1:m correspondence between CPC and HS. The only exception is the area of refined oil products, where HS has no subdivision at all and where CPC took the same subdivisions as were agreed upon for SITC. The draft CPC contains references to HS categories that correspond with them.

38. This strict relationship between CPC and HS implies that the content of each CPC category is defined by the corresponding HS categories and that thus also the explanatory notes to HS apply to them. For this reason no separate explanatory notes are proposed for this part of CPC. The SITC that was adopted by the Commission in 1985 contains the same references to HS. It could be questioned whether each statistical office has the HS explanatory notes readily available. Drafting special notes for CPC is, however, a time-consuming and labour-consuming task. Moreover, to do so might create confusion in the light of the reference material associated with HS.

39. For the services part of CPC references were made to the International Standard Classification of All Goods and Services (ICGS). The correspondence is not as straight as that between CPC and HS because the content of the ISIC categories that form the basis for ICGS have been changed. The references are in many cases only partial. Since there is no other existing material available that can be referred to for the services part, it is necessary to draft a special set of explanatory notes for this part of CPC. This again will be a big task and can only be done after the finalization of the classification itself.

40. Apart from references to ISIC and HS, the CPC draft contains a correspondence table with the new SITC, Revision 3. The correspondence between CPC and SITC is 1:n, which means that each CPC category consists of one or more complete SITC items. Moreover, the classifications were drafted so that it is possible to

reaggregate CPC items into exact SITC three-digit groups. Since the correspondence between the two classifications occurs at the most detailed level, it will be possible to compare statistics only if data can be obtained at the lowest level of the classifications.

41. Although it was stressed at a very early stage of the work on harmonization of economic classifications that in CPC the broad categories of users of the products should be taken into account, this has not been done in a consequent way in all stages of its development. As a result, no sharp distinction exists between capital goods, intermediate goods and consumer goods. Since HS did not take into account these criteria either, it is doubtful if these distinctions can still be introduced. It may be possible, however, to make a correspondence between CPC and the Classification by Broad Economic Categories (BEC) 8/ because this classification is defined in terms of SITC and will in due course be revised using SITC, Revision 3, as its basis.

42. When drafting CPC two main principles were set as the basis of its structure and content. First it was thought that, since the classification is meant to be a "central" product classification, the use of which should not be limited to one kind of statistics, it should contain all products that can be the object of a transaction or that can be stocked and thus be covered by any kind of statistics. This means that not only all products that are produced by a certain ISIC category should be represented but also transaction units that are related to the natural endowment or that arise from legal contracts and can be traded such as debts and claims or rights. The latter transaction units are treated in SNA as assets and liabilities (see also paras. 45 and 49).

43. The second principle that was followed was that there should be a strict separation between four basic categories: transportable goods, non-transportable goods, services and intangible assets. The transportable goods are to be found in the draft CPC sections 0 to 6, the non-transportable goods in a part of section 7 and the services and intangible assets in sections 7 to 9. As a result of this, services provided by the manufacturing industries are included in a separate division of section 8 (see also para. 49).

B. Transportable goods

44. Apart from some rearranging, not many important changes were made as compared to the previous draft of CPC. As explained in paragraph 35 the products appear in grouping according to their physical properties rather than to their industrial origin. A few examples for this are: all waste from agriculture and food industries is combined in one division (37) and all other waste and scrap is put in division 67. All engines and turbines are taken together in one group irrespective of their applications which only appear at class-level. Parts of machinery and equipment are regrouped in a separate class at the end of the group to which they belong.

C. Non-transportable goods

45. As explained in paragraph 43, a separate part of section 7 contains a proposal for the classification of land and buildings. Part of this proposal was borrowed from the International Recommendations for Construction Statistics 9/ and parts from other existing national and international classifications.

D. Services and intangible assets

46. For CPC, even more than for ISIC, the part concerning services and intangible assets was definitely the most difficult part. This first draft must therefore be considered as a tentative one. Although useful comments were received from various countries and organizations and although consultants advised about two areas of CPC, there is still much to be done to obtain a classification that can be applied in different statistical fields. One of the more important tasks that should be undertaken is writing the explanatory material for this part of CPC because no reference material exists like HS for the part dealing with transportable goods.

47. A main problem in the services area is that many different industries provide similar services. Examples include public relation services, which are rendered by advertising agencies, professional organizations and others; representation before official bodies, which is being done by lawyers, labour organizations, accountants etc.; providing meals and drinks, which is being done by hotels, restaurants, hospitals, prisons etc. Although the customers may be different in each case, the services are identical. These services are thus characteristic for each of these industries, which means that, even more than in the manufacturing industry, in the services area the same services are provided by very different industries. It is therefore not sufficient to characterize the services provided by a labour organization as "labour organization services"; all the individual services rendered to its members should be identified individually. These services are, for example, representation, negotiation, dissemination of information and public relations. Some of these services are also provided by other industries. This might be the only way to determine what the activities of such industries really are. It may, however, prove to be a very difficult task and even if it could be done it might still be difficult to obtain separate data for them.

48. However, even in this preliminary stage, some problems occurred and should be discussed. As referred to in paragraphs 25 to 27, it was considered that similar structure for ISIC and CPC in wholesale and retail trade would not provide much statistical information. One solution might be to introduce a new structure in ISIC as suggested in its draft. An alternative could be to introduce a different structure for CPC. The output actually created in the trade industry is not the goods sold but the trade margin which is a payment for the services rendered. These services differ according to the type of store involved and therefore they could be the classification objects in CPC. Since the goods themselves are already classified in considerable detail in the first part of CPC, there seems to be no need to repeat this in the classification of trade services which are similar for different goods. No attempt was made to work this out at the present time but suggestions would be welcome.

49. A separate group was introduced in CPC for agricultural, mining and industrial services (see also para. 43). This category is meant to provide output categories, which can also appear in international trade, for whatever work is done on a fee or contract basis. Many industries are involved in repair or maintenance of capital goods, others produce goods but do not own the raw materials or the produced articles. In all these cases there are no commodities sold but services. In ISIC, several separate industry categories exist for such industries but work on a fee or contract basis can occur in almost every other industry as well. Moreover these services are provided more and more often between different countries and therefore enter in international trade.

50. Another category introduced in CPC is one for intangible assets. Although they are not regarded as production of goods and services in SNA, it seems necessary to deal with them in CPC because there is an enormous national and international trade in them and many organizations are interested in the collection of data about them. It very often involves great amounts of money. The subdivision of this category was borrowed from SNA.

V. REVISION OF THE STANDARD INTERNATIONAL TRADE CLASSIFICATION

51. The Statistical Commission at its twenty-third session, in 1985, approved the draft SITC, Revision 3, subject to the Statistical Office making a number of editorial corrections and subject to amendments to take into account the various suggestions made during the session. Those corrections and amendments have been made and the classification has been printed and published during 1986. To obtain better harmonization between SITC and CPC some changes were introduced in both classifications. The correspondence now is such that SITC items at the lowest level can always be aggregated to whole CPC categories, whereas CPC items can in turn be aggregated into whole SITC groups at three-digit or higher levels.

VI. FUTURE WORK

52. If no unforeseen circumstances occur, it is expected that a final draft of the complete ISIC, Revision 3, and the new CPC will be presented to the Commission at its twenty-fifth session in 1989. If at that time the Commission approves those drafts, the classifications could be published in 1989 and come into use in early 1990. The time schedule for the revision of NACE (see para. 19) is more or less parallel to the one for the United Nations statistical classifications. Several countries are in the process of revising their national activity classifications and are in close contact with the Statistical Office of the United Nations Secretariat. It may therefore be expected that some years after 1990 the first data can be obtained using ISIC, Revision 3, and CPC as their classifications.

VII. POINTS FOR DISCUSSION

53. The Statistical Commission may wish to review the draft of the proposed revised ISIC and the draft of the proposed CPC, subject to the incorporation of amendments considered appropriate in the light of comments received by the Statistical Office after the preparation of the drafts, as well as other work required as noted above. The Commission may also wish to discuss the following points:

- (a) Should the level of detail in the drafts of ISIC and CPC be limited in general to accommodate developing countries and to obtain better harmonized statistical data (see para. 8 above);
- (b) The desirability to introduce an alpha-numerical coding system at the one-digit level in ISIC (see paras. 14-17 above);
- (c) Should a category for mixed farming be introduced (see para. 21 above);
- (d) Would it be advisable to introduce a breakdown in the trade area of ISIC representing different ways of sale or should this be done in CPC (see paras. 25-27 and 48 above);
- (e) Does the Commission favour the introduction of other annexes to ISIC (special purpose classifications) defining a number of industry groups by means of ISIC categories (see para. 31 above);
- (f) Should separate explanatory notes be developed by the Statistical Office for the CPC parts dealing with transportable goods and/or services (see paras. 38, 39 and 46 above);
- (g) Does the Commission agree with the two principles that were set as the basis of CPC and thus with the content of the draft of it (see paras. 42, 43, 49 and 50 above).

Notes

- 1/ Official Records of the Economic and Social Council, 1985, Supplement No. 6 (E/1985/26), para. 57.
- 2/ Ibid., 1976, Supplement No. 2 (E/5910), para. 128 (c).
- 3/ United Nations publication, Sales No. E.68.XVII.8.
- 4/ United Nations publication, Sales No. E.75.XVII.6.
- 5/ The two drafts will be circulated as provisional documents, ST/ESA/STAT/SER.M/4/Rev.3 and ST/ESA/STAT/SER.M/77, respectively.

Notes (continued)

6/ See, for example, "Report of the expert group on the 1990 world population and housing census programme" (ESA/STAT/AC.24/15).

7/ United Nations publication, Sales No. E.80.XVII.17.

8/ United Nations publication, Sales No. E.76.XVII.7.

9/ United Nations publication, Sales No. E.68.XVII.11.
