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**Items for discussion and decision: international
statistical classifications**

Report of the Committee of Experts on International Statistical Classifications

Note by the Secretary-General

In accordance with Economic and Social Council decision 2021/224 and past practices, the Secretary-General has the honour to transmit the report of the Committee of Experts on International Statistical Classifications. In the report, the Committee of Experts describes the work related to the development and implementation of international statistical classifications in various fields and describes its work on the coordination of classifications and the family of international statistical classifications. The Committee of Experts also provides an update on the work of the task team on the revision of the International Standard Industrial Classification of All Economic Activities (ISIC), including the ISIC draft revised structure, as well as updates on the work of the task team on the revision of the Central Product Classification (CPC) and the development of the classification of business functions.

The Commission is requested to discuss the points contained at the end of the present report.

* E/CN.3/2022/1.



Report of the Committee of Experts on International Statistical Classifications

I. Introduction

1. The Committee of Experts on International Statistical Classifications, formerly known as the Expert Group on International Statistical Classifications, was charged by the Statistical Commission at its thirtieth session, held from 1 to 5 March 1999, with improving cooperation on international classifications and ensuring harmonization and convergence among classifications in the international family of statistical classifications ([E/1999/24](#), chap. VII).

2. The international family of statistical classifications comprises those classifications that play the role of standard classifications in individual or multiple statistical domains and that have been reviewed and approved as guidelines by the Statistical Commission or another competent intergovernmental body on such matters as economics, demographics, labour, health, education, social welfare, geography, environment and tourism.

3. The present report provides an overview of the main activities in the area of international statistical classifications carried out since the fifty-second session of the Statistical Commission, held in 2021.

II. Activities of the Committee of Experts since 2021

4. Since the previous report ([E/CN.3/2021/15](#)) of the Committee of Experts, formerly the Expert Group, to the Statistical Commission in 2021, the Committee has continued its role as the central body for the current and future work on classifications that are the responsibility of the Statistics Division of the Department of Economic and Social Affairs of the Secretariat. The Committee has promoted the adoption of best practices in the development of international statistical classifications, coordinated work on statistical classifications that are members of the international family of statistical classifications and ensured that international statistical classifications are fit for purpose and suitable for use across a range of statistical activities.

5. The work of the Committee was administered by the Bureau, which meets to ensure that the Committee functions consistently throughout the period, that individual work elements are carried out, and that guidance and communication is facilitated for the Committee on matters pertaining to international statistical classifications.

III. Work of the task teams

A. International Standard Industrial Classification of All Economic Activities, revision 4

6. The task team for the revision of the international statistical classifications progressed in its work and in the resolution of issues identified in the background document of the Technical Subgroup on the International Standard Industrial Classification of All Economic Activities (ISIC) presented in 2021 to the Statistical Commission.

7. Regular virtual meetings of the task team on ISIC were held, along with the use of a wiki to facilitate the discussion and resolution of the issues raised. The task team developed a draft revised structure of ISIC as requested by the Statistical Commission at its fifty-first session. The draft revised ISIC structure is provided to the Commission as a background document.

8. The Statistical Commission is invited to endorse the draft revised structure for ISIC and provide comments on the issues and timeline for completion of a fully revised ISIC, which will be presented for approval at the fifty-fourth session of the Statistical Commission, in 2023.

B. Central Product Classification, version 2.1

9. The Committee of Experts, following endorsement by the Statistical Commission at its fifty-second session, has established a task team to revise the Central Product Classification (CPC). The task team comprises experts on statistical classifications and subject matter experts on, inter alia, national accounts, environmental accounts and trade statistics, to ensure that the classification supports the international statistical standards.

10. Regular virtual meetings of the task team on the revision of CPC were held, along with the use of a wiki to facilitate the discussion and compile a preliminary list of issues so that a global consultation could be launched at the end of 2021. Many of the economic activity issues identified in the assessment of issues pertaining to ISIC have been incorporated into the revision of CPC.

11. In addition, a proposal for a revision of the Standard International Energy Product Classification (SIEC) is being considered within the wider framework of the CPC revision. This is discussed in more detail in section D, below.

C. Classification of business functions

12. Work has been undertaken to produce a classification of business functions to support international sourcing surveys and their need to collect information on both domestic and international sourcing. The classification is intended for use in the production of business statistics and as a tool for statistical analysis. The scope of the classification is restricted to enterprises as defined by System of National Accounts (SNA) 2008.

13. The classification is intended to go beyond the traditional product or activity breakdown (CPC or ISIC) and provide categories that are more relevant for the way in which companies structure their operations. Such a classification will be of great importance in the measurement of outsourcing and the distribution of global value chains, as well as in relating business functions to international trade flows.

14. A global consultation on the classification of business functions took place in 2021, and at the end of 2021 the task team on the classification of business functions is finalizing and submitting for endorsement to the Committee of Experts an international classification of business functions, its relationship to CPC and ISIC and the guidelines for its implementation. The classification of business functions is provided to the Commission as a background document.

15. The Commission is invited to endorse the new classification of business functions for use as an international standard classification.

D. Standard International Energy Product Classification

16. As noted within the discussion of CPC, above, a revision of the Standard International Energy Product Classification is proposed to address definitional and content changes that have been identified by users. In addition, a better harmonization between CPC and SIEC Classification will facilitate the analysis of physical and monetary data as done in the energy accounts of the System of Environmental-Economic Accounting, as physical energy accounts use SIEC and monetary accounts use CPC. Given the overlap in content with CPC, the Committee of Experts has considered whether a traditional revision of SIEC should take place, or whether SIEC can be fully integrated within the structure of CPC or created as a derived view, aggregation or appendix to CPC.

IV. Other work on international classifications

17. The Committee of Experts has continued to liaise and collaborate with custodians and task teams who are reviewing their statistical classifications, by providing advice on best practices; 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 when appropriate.

18. The Committee of Experts continues to engage in emerging initiatives in global and regional statistical classifications, as well as in work undertaken on metadata standards and associated classification management systems.

19. Key areas of engagement relate to:

- The review of the classification of statistical activities.
- The review of the International Standard Classification for teacher-training programmes.
- The International Labour Organization technical working group on the revision of the International Standard Classification of Occupations.
- The Expert Group on Innovative and Effective Ways to Collect Time-Use Statistics.
- The technical working group on Sendai Hazard Definitions and Classification of the United Nations Office for Disaster Risk Reduction and the International Science Council.
- The joint task team on interactive and digitally enabled statistical standards for economic statistics and classifications
- The joint task team on statistical units, together with experts on national accountants, balance of payments, statistical classifications, business and trade statistics.

V. Future work of the Committee of Experts on International Statistical Classifications

20. The Committee of Experts will continue to expand its areas of interest to include wider statistical classification matters and to work on new and innovative approaches for the development and maintenance of international statistical classifications in an

effort to rationalize and reduce the time and cost associated with the cyclical review process. In addition, the Committee of Experts is considering initiating a review of the Classification of the Functions of Government in the light of the recent revision of the Classification of Individual Consumption According to Purpose.

VI. Action to be taken by the Statistical Commission

21. The Commission is invited:

(a) **To endorse the draft revised structure for the International Standard Industrial Classification of All Economic Activities, revision 4;**

(b) **To take note of the progress of work on the revision of CPC;**

(c) **To endorse the classification of business functions for use as an international standard classification;**

(d) **To initiate the revision of the Standard International Energy Product Classification;**

(e) **To comment on the work carried out by the Committee and its future work.**
