



Supporting ISIC Rev.4 and CPC Ver.2

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Preparing for future revisions



Overview

- ISIC and CPC have been revised
- Implementation tools: to facilitate the implementation
- Update mechanism: to establish decision and communication process on “clarifications”, “interpretations” and “changes” of existing classifications
- Mandate for revisions of classifications
 - Some information from the current implementation process will provide input
 - What are parameters for next revisions?



Implementation tools

- In addition to official ISIC and CPC texts, documents supporting the implementation have been prepared
 - Companion Guide to ISIC and CPC
 - Implementation Guide for ISIC Rev.4
- Additional tools are being prepared
 - Indexes
 - Correspondence tables



Implementation tools

Indexes

- CPC Ver.2 index completed
- ISIC Rev.4 index in preparation
- Indexes are searchable on the Classifications website [\[link\]](#)
- Should a stand-alone coding tool be developed?
 - What are implications for updating?
 - Is an English-only version useful enough?



Implementation tools

Correspondence tables

- A list of requested correspondence tables exists
- Can we set priorities for tables to be developed? (see list in document 14)
 - To what degree should correspondences across versions be developed? (e.g. new CPC to old HS)



Implementation tools

Correspondence tables

- Simplified correspondence tables are useful for data conversion
 - Most users will need those instead of “theoretical”, complete tables
- Can simplified correspondence tables be developed at the international level?
- What are the criteria for simplification?



Updating mechanisms

- At present: the Classifications registry maintains a system for keeping track of changes and corrections to existing versions of classifications
 - Example: ISIC Rev.3.1 class 2230 [[link](#)]
 - A hierarchy has been used to indicate the severity of change
 - Responsibility for such corrections/amendments has been with UNSD



Updating mechanisms

- Review of existing updating practice: alignment with other frameworks (SNA, BOP, see background documents 7 and 8, on updating mechanisms)
- SNA/BPM updates can be divided into four types with different steps in the consultation process:
 - (a) editorial amendments;
 - (b) clarifications beyond dispute;
 - (c) interpretations; and
 - (d) changes.



Updating mechanisms

- Should the EG adopt:
 - Similar terminology?
 - Similar consultation and decision process?
 - Similar communication and publication guidelines?
 - Small modifications may be necessary, in particular for “interpretations”



Revisions of ISIC and CPC

- The existing mandate calls for a review of ISIC and CPC on a regular basis, with revisions of the CPC expected every 5 years and revisions of ISIC expected every 10 years (with intermediate updates for ISIC every 5 years)



Revisions of ISIC and CPC

- Given the recent major revision, in particular for ISIC, these reviews need to be carefully approached
- The emphasis at present is still the implementation of ISIC Rev.4 and CPC Ver.2
- However: We cannot simply walk away from the mandate
- What are the options and what actions should be taken?



Revisions of ISIC and CPC

- Even with the existing schedule, it is clear that that revisions should be undertaken only if there is a need
- How do we establish a need?
 - Updating mechanisms (see above) provide information on shortcomings of the classifications
 - Their evaluation will determine if any and what action needs to be taken
 - Do we need more active methods of establishing a need for changes? (e.g. world-wide review)
 - May not be necessary or advisable



Revision of ISIC

- ❑ At this point, there is no indication of new concepts that need to be introduced in ISIC
- ❑ An updating mechanism will provide information on corrections and it should be evaluated at a later stage if a separate update to the classification is necessary or if the ingoing mechanism is sufficient to take care of this
- ❑ Give the huge costs, there is no strong interest in making fundamental changes to ISIC
- ❑ It may be advisable to keep a 2012 update limited to corrections (as discussed above)



Revision of the CPC

- ❑ Changes in products occur faster than at the industry level, warranting more frequent updates of product classifications
- ❑ At this point, however, no clear direction for updates to the CPC have emerged
- ❑ Similar to the process for ISIC, the updating mechanism will provide additional information over time
- ❑ A decision on a revision of detail or concepts should be taken based on that feedback



Revision of the CPC

- A review of the overall CPC structure remains an unresolved issue
- During the last revision process, a restructuring according to a new concept was discussed
- Options considered were:
 - Industry-of-origin approach
 - Demand-based approach



Revision of the CPC

- No decision was taken due to lack of experience with a demand-based approach
- Are we in a position now to make that determination?
 - If not, the “status quo” may be the most sensible option at this time
- Individual issues, like the placement of originals, may need improvement, but are by themselves not a strong enough reason to revise the classification



Revisions of ISIC and CPC

- Document 14 provides a suggested timeline for the review process (which may or may not become a revision process)
- Does the EG agree to this approach and timeline?



Questions for EG

- The Expert Group is requested to provide guidance on the three main topics:
 - 1) Implementation tools
 - 2) Updating mechanisms
 - 3) Next revisions of ISIC and CPC



Questions for EG

□ 1) Implementation tools

- a. Should a stand-alone coding tool for ISIC or CPC be developed?
- b. Which correspondence tables should be developed for ISIC and CPC? Who can participate in their development?
- c. Should simplified correspondence tables be developed? If so, which principles should be used and how should priorities be set?



Questions for EG

□ 2) Updating mechanisms

- d1. Should the terminology and decision process for updates be established and revised to conform with those for SNA and BOP reviews?
- d2. How should clarifications to the classification be published?



Questions for EG

- 3) Next revisions for ISIC and CPC
 - e. How should the classification reviews / updates / revisions for 2012 be approached, in particular regarding the future structure of the CPC?
 - f. How should information on problems in ISIC and CPC be collected?
 - g. How should information on new proposals for ISIC and CPC be collected?
 - h. Is the suggested timeline appropriate?
 - i. Is the creation of a Technical Subgroup useful for this review / update / revision process?