CLASSIFICATIONS AT UNSD

Economics Statistics, UNITED NATIONS STATISTICS DIVISION
http://unstats.un.org/unsd/class/

Economic statistics

WHAT ARE CLASSIFICATIONS?

Classifications form the basis for data collection and data dissemination in every area of statistics. They provide standardized concepts used to describe phenomena such as economic activity, products and expenditure. They are useful in determining similarities in these phenomena within and across countries and geographical regions. International reference classifications set standards for internationally comparable classifications, which serve as models for the development of corresponding national, multinational and regional statistical classifications and form the basis for internationally comparable data. They are tools that are used by national statistical organizations, international agencies, academia and other users, including the legal community.

CLASSIFICATIONS IN UNSD

• Within UNSD, the development of classifications has been an integral part of its work programme from the beginning. The first session of the Statistical Commission after its inaugural meeting saw a Committee on Industrial Classifications elected to formulate proposals for an international standard classification of industry. The Statistical Commission has accorded constant attention to this area, recognizing that an "essential requisite for any real comparability is the greatest possible extent of uniformity of definitions and classifications". The Expert Group on International Economic and Social Classifications, with UNSD functioning as secretariat, provides global leadership in this area of statistics.

WHY ADOPT CLASSIFICATIONS STANDARDS?

• International reference classifications function as "international languages" for communicating in statistics. If you wish your national data to be understood, appreciated, used or quoted widely, international reference classifications are an important tool.
• They facilitate international comparability by providing standardized sets of categories which can be assigned to specific variables. These categories' definitions are widely accepted and understood.
• International reference classifications for which UNSD is custodian, like the International Standard Industrial Classification of All Economic Activities (ISIC) and the Central Product Classification (CPC) are updated or revised periodically to ensure their relevance to current economic structures. Attention is paid to new trends in technology and differing economic structures over time. For example, a new section on Information and communication has been introduced into the latest version of ISIC that includes: the production and distribution of information and cultural products; the provisions and means to transmit these products; as well as information technology, data processing and other information service activities. Additionally, since services are absorbing an ever larger share of economic activity, this has been reflected in ISIC and the CPC through increased visibility - a larger part of the structure and more detailed categories.
• These classifications are designed to be used in their original state or can be adapted to national specifics. Using them instead of developing a national classification from scratch, saves national statistical offices financial and technical resources.

WHERE DOES YOUR COUNTRY STAND?

Classifications are an essential mechanism for harmonization and coordination of data compilations. As a result, they facilitate a country's inclusion in global statistical activities. When international reference standards are not employed, national statistical offices risk their data not being comparable with those of other countries and miss out on opportunities to see how their statistical indicators compare with overall world development. They forego the opportunity to promote their data, and subsequently their country, when their data cannot be published within the internationally recognizable frameworks. Classifications remain an important aspect of collaboration and coordination efforts in the presentation of data.

In preparing national statistics, the best possible tools should be used for describing the economy. This often means that the international standards must be adapted to national economic conditions for better relevance and applicability. This will facilitate the use of the classification as an appropriate tool for policy development and policy analysis. A majority of countries make use of the international reference classifications in this manner.

Recently revised classifications such as ISIC and CPC have been developed after extensive collaboration and consultation with counterpart classifications developers. Stakeholders such as national statistical offices, international agencies and a cross section of users have been involved in all phases of their development. This was most evident in the three rounds of world-wide consultation which were undertaken, where stakeholders provided input into the discussion regarding concepts, structure and detail of the classifications. The resulting structures and organization of the classifications are therefore truly global in nature.

TECHNICAL COOPERATION – WHAT IS AVAILABLE?

Technical assistance for classifications is available in a variety of forms:
- **Website:** A United Nations Classifications Website is maintained as part of the UNSD website at http://unstats.un.org/unsd/class/.
- **Classifications Newsletter:** A newsletter is published bi-annually, providing information on the latest developments in the area of international statistical classifications.
- **Classifications Hotline:** An electronic hotline is available at chl@un.org to provide assistance with regard to the interpretation, structure and use of ISIC, CPC and the Classifications of Expenditure According to Purpose.
- **Expert meetings:** The Expert Group on International Economic and Social Classifications meets biennially to set guidelines, review progress and coordinate international work in the development and implementation of statistical classifications. Its Technical Subgroup on ISIC and CPC has been meeting more frequently, on a biannual basis, to advance technical work in the revisions of ISIC and CPC.
- **Workshops:** UNSD organizes workshops, sometimes jointly with regional commissions and other agencies of the United Nations, to provide countries with information on the development and application of economic and social classifications.

WHAT IS THE INTERNATIONAL FAMILY OF ECONOMIC AND SOCIAL CLASSIFICATIONS?

The International Family of Economic and Social Classifications is comprised of those classifications that have been registered into the United Nations Inventory of Classifications and have been reviewed and approved as guidelines by the United Nations Statistical Commission or other competent intergovernmental boards on such matters as statistics, economics, demographics, education, social welfare, labour, health, geography, environment or tourism. It also includes those classifications on similar subjects that are registered into the Family and are derived or related to the international classifications and are primarily, but not solely, used for regional or national purposes.

Membership in the Family confers legitimacy on the registered classifications. It certifies that such classifications are technically defensible and have adhered to basic principles in their development and implementation. They are therefore regarded as models in the area of statistical classifications.

There is a strong collaborative element to the development of classifications within the Family. The current round of classifications revisions, to be completed in 2007/2008, will result in revised classifications for ISIC, CPC, the Standard International Trade Classification (SITC), the International Standard Classification of Occupations (ISCO), the Balance of Payments (BOP) classifications and other classifications within the System of National Accounts. Collaboration in their development was sustained over the entire revision process. Correspondence tables between classifications within the Family are an integral part of these classifications, providing enhanced means for harmonization and coordination of statistics.

DID YOU KNOW?

➢ **Fact**: The Statistical Commission deliberated on statistical classifications at its first meeting after the inaugural session.

➢ **Fact**: The development of statistical classifications for economic analysis was receiving the attention of the League of Nations even before the United Nations was set up.

➢ **Fact**: The International Standard Industrial Classification of All Economic Activities (ISIC) has been adopted as a standard for data collection since 1948.

➢ **Fact**: The Statistical Commission has recommended that all Member states adapt their national classifications to be able to report data at least at the two-digit level of ISIC, Rev. 4 without loss of information.

➢ **Fact**: The number of categories in ISIC has increased by 373% since the initial version was published in 1948, reflecting a growing need for more detailed comparable statistics.

Contact the Economic Statistics and Classifications Section for enquiries at: chl@un.org