

**International Comparison Program (ICP)
Technical Advisory Group (TAG)**

Task Force on ICP Classification



**March 7-8, 2025
New York, USA
Ease Hospitality 1345**

Background



ICP Classification – History

Previous ICP Classification [[Classification](#) (PDF) | [Description](#) (PDF)]

- ICP 2005 & ICP 2011

Current ICP Classification [[Classification](#) (Excel) | [Description](#) (PDF)]

- ICP 2017 & 2021 & ICP 2024

Research took place to revise ICP 2005/11 classification

by a dedicated Task Force, established by the ICP Technical Advisory Group

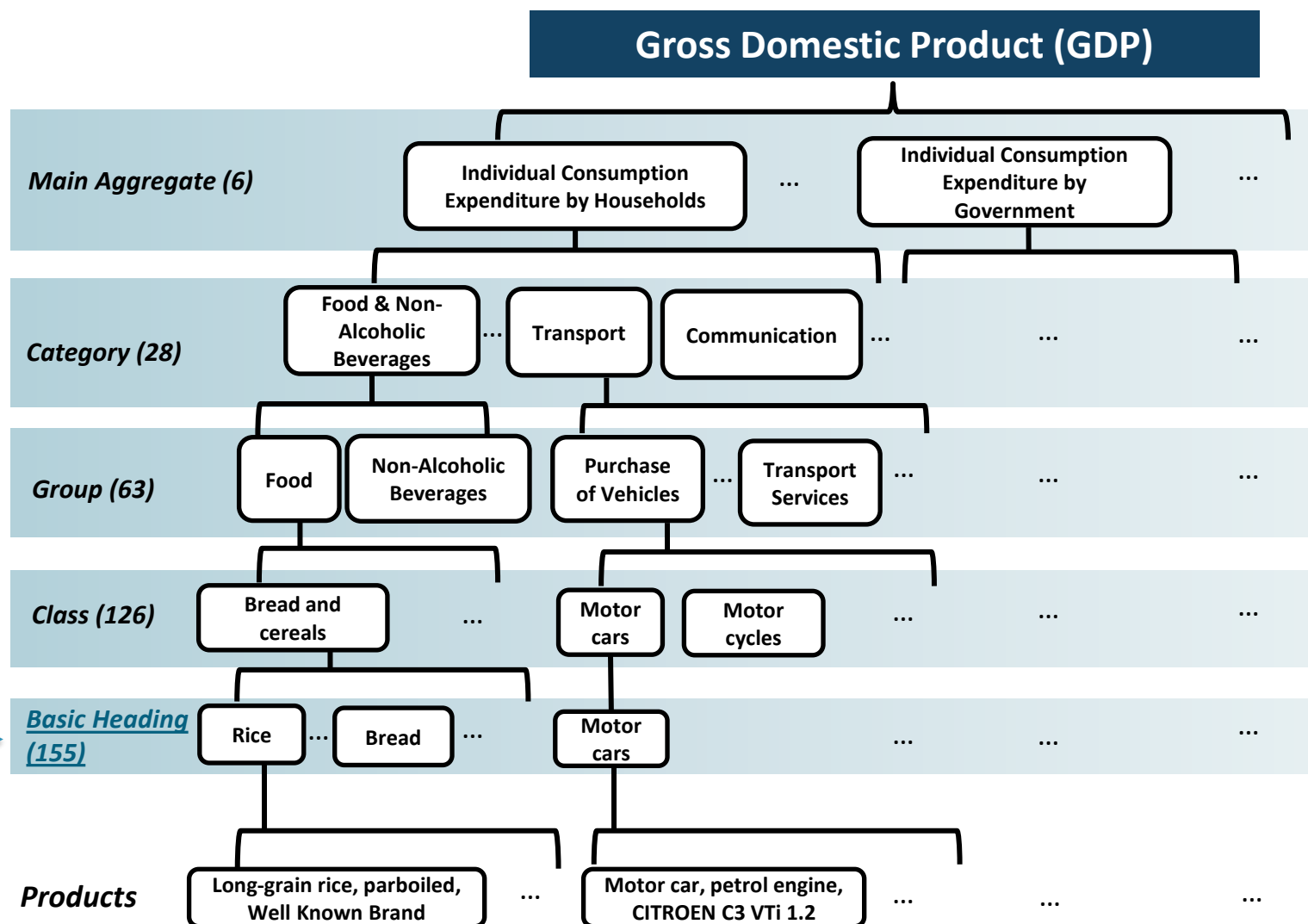
- To reduce the number of BHs: combining BHs with comparable products.
- To improve the homogeneity of the BHs: splitting BHs found to be too heterogeneous.
- To be coherent with the expenditure classifications of regions with their own comparison programs (Eurostat-OECD, CIS: with more glandular classification) .

The revised classification (ICP 2021 / 2017) largely remained the same – keeping the comparability between cycles, less burden to countries & regions.

ICP Classification – Tree version

At the **basic heading** level:

- Expenditures are defined and estimated.
- Products are selected for pricing.
- Prices are collected and validated.
- PPPs are first calculated then averaged.



ICP Classification – Interactive version

- 6 Main aggregates
- 28 expenditure categories
- 63 expenditure groups
- 126 expenditure classes
- 155 basic headings



<https://blogs.worldbank.org/opendata/how-does-icp-measure-price-levels-across-world>

ICP & Other International Classifications



COICOP – classification of individual consumption according to purpose

COPNI – classification of the purposes of non-profit institutions serving households

COFOG – classification of the functions of government

CPA – classification of products by activity

COICOP (Classification of Individual Consumption According to Purpose) 2018



- **Objectives**

- Provides a structured framework for classifying goods and services based on household consumption.
- A core component of the System of National Accounts (SNA) but extends beyond national accounting.

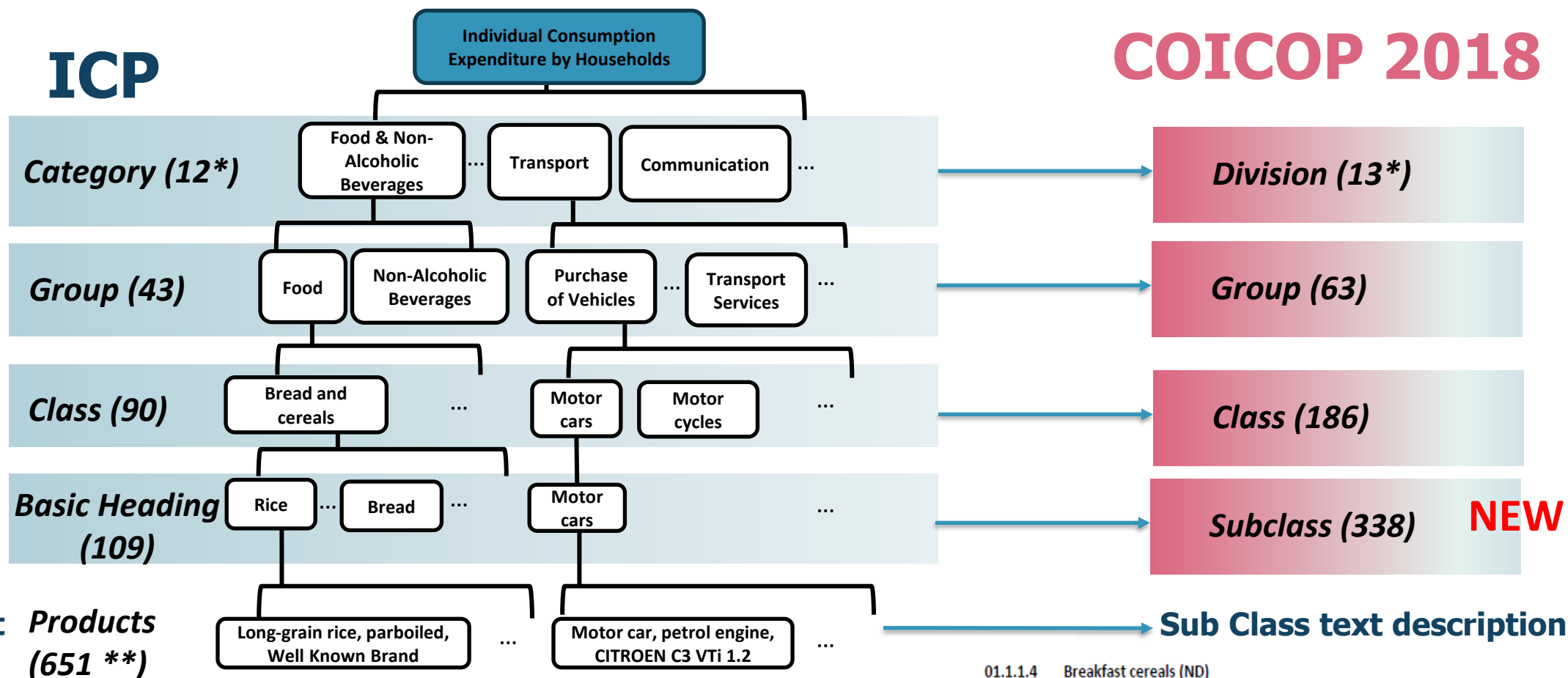
- **COICOP 2018**

- The first revision since COICOP 1999.
- Significant changes from the previous version
 - Introduction of a detailed Subclass level (similar to ICP's basic heading level).
 - Updates to reflect evolving statistical and policy needs. (introducing modernized goods and services).
 - Systematic separation between goods and services.

- **ICP and COICOP 2018**

- COICOP 2018 updates will require major revisions to the ICP classification.
- Changes possibly affect
 - Classification structures across different levels.
 - Realigning products to new structures.
 - PPP methodologies and calculations.
- Adjustments need scenario testing to assess impact on PPP results.

ICP Classification & COICOP 2018 (1)



* MISCELLANEOUS GOODS AND SERVICES (ICP) → INSURANCE AND FINANCIAL SERVICES (COICOP 2018) + PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES (COICOP 2018)

** ICP 2021, however, ICP 2024 are almost the same

ICP Classification & COICOP 2018 (2)

- **Products / Item lists**

- COICOP 2018 provides valuable suggestions for each subclass level.
- For all ICP products on regional and global product list.
 - All existing products can be mapped (some requiring re-mapping).
 - Adding new products can be considered (due to new headings).
 - Deleting products can be considered (due to merging/deleting of headings).

- **National Accounts Expenditures**

- Each classification change directly impacts GDP estimations at the corresponding level.

ICP Classification & COICOP 2018 (3)

- **ICP classification and 2018 COICOP classification**
 - A better alignment is possible mainly due to the new COICOP subclasses.
 - Aligned CPI, NA and PPP classifications benefit data production, including CPI-ICP item mapping, PPP weight estimation and PPP extrapolations.
 - However, revising the ICP classification entails various operational steps and considerations that need careful assessments and planning.
 - Also, national timelines for adopting the COICOP 2018 for CPI purposes vary.

2025 SNA (System of National Accounts)



2025 SNA

- **ICP classification and 2018 COICOP classification**

- The 2008 SNA is currently undergoing revision.
 - Addresses key global economic developments, including Globalization, Digitalization, Well-being & sustainability.
- Major Updates
 - Recognition of data as a produced asset.
 - Accounting for natural resource depletion as a production cost.
 - Refinement of central banks' output measurement.
- The impact on the ICP classification appears minimal, but further investigation is required.

Summary of previous discussions



Previous discussions (1)

- **Previous discussions with ICP Technical Advisory Group (TAG) and Inter-Agency Coordination Group (IACG)**
 - The ICP Global Office outlined key COICOP changes and their impact on the ICP classification. ([IACG Oct 2023](#), [TAG Nov 2023](#), [IACG Nov 2024](#))
 - Participants agreed for the need of ICP classification update
 - The update would ensure comparability and alignment with COICOP 2018.
 - Many economies and regional agencies have adopted or plan to adopt COICOP 2018 in near future.
 - SNA 2025 updates further emphasize the need for revision.

Previous discussions (2)

- **Expected Impacts**

- Changes will affect price data surveys and national accounts data.
- Some adjustments will be straightforward, while others require further analysis.
- Enhanced alignment with CPI, national accounts, and PPP classifications.
- Reduction in burden on economies and regional agencies.

- **Proposed Action**

- Establishment of an ICP Task Force.
 - Inclusion of international, regional, and national experts.

- **Goal**

- Address updates and ensure a smooth transition.

Task Force on ICP classification



Scope of work

- **Assess the impact** of the COICOP 2018 and 2025 SNA updates on the ICP classification.
- **Draft an updated ICP classification.**
- **Draft an interim approach** to link the current ICP classification with the new Eurostat-OECD PPP classification
- **Analyze possible scenarios** and conduct simulations to assess the impact **on PPPs.**
- **Explore the feasibility** of revising previous ICP cycle results to be aligned to the new classification and review the implications **on PPP time series data.**
- **Recommend an appropriate timeline** and **implementation strategy** for the new ICP classification.
- **Develop guidelines** and recommendations for adopting the updated classification.
- **Prepare other documentation** as needed, including needed revisions to ICP operational materials and solutions.

Membership

- The Task Force on ICP classification will be formed of experts and/or practitioners in the field of index numbers, PPPs, price statistics, national accounts, and international statistical classification. These may include:
 - Representative(s) of the **ICP Technical Advisory Group**
 - Representatives of the **ICP Regional Implementing Agencies**
 - Representatives of the **ICP National Implementation Agencies** from each ICP region
 - Representatives of the **ICP Global Implementing Agency**.
 - Independent experts/consultants.

Tenure and Work Modality

- The Task Force on ICP classification will have a fixed tenure of two years upon its establishment.
- The Task Force will meet both virtually and in person, as needed.
- Members may participate in Inter-Agency Coordination Group meetings to discuss the operational implications and feasibility of their proposals.
- They may join ICP Technical Advisory Group (TAG) meetings to present their findings and recommendations for TAG's consideration.
- The ICP Global Implementing Agency will serve as the secretariat for the Task Force on ICP classification.

Expected Deliverables

- Develop an updated and interim ICP classification.
- Present its proposed approach to the TAG.
- Draft an interim report for discussion.
- Refine its methodology through further research and computations as needed.
- Prepare a final report with recommendations.
- If a methodological changes, stemming from the update, are proposed, the Task Force should conduct and document an assessment of its impact on the results.

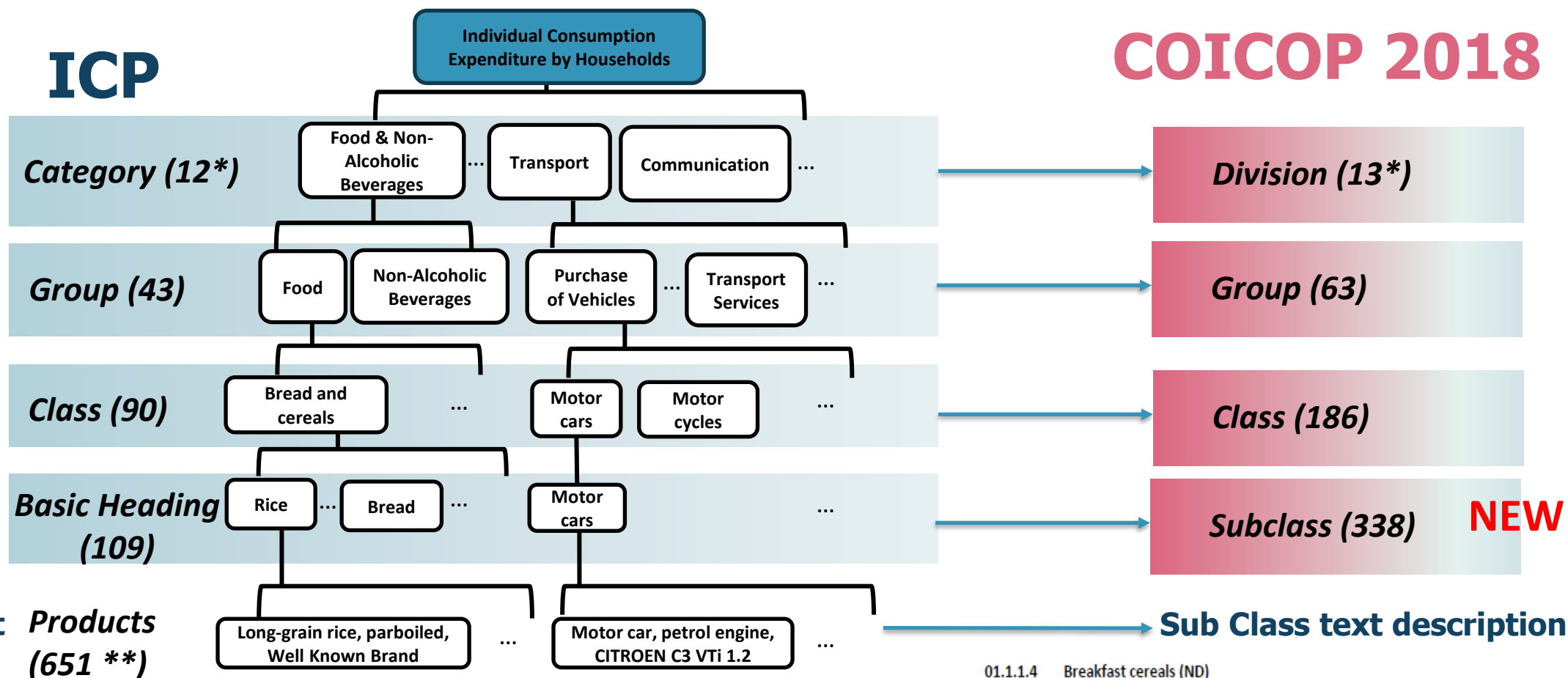
Thank you



Annex: COICOP 2018 & ICP Classification



ICP Classification & COICOP 2018 (1)



* MISCELLANEOUS GOODS AND SERVICES (ICP) → INSURANCE AND FINANCIAL SERVICES (COICOP 2018) + PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES (COICOP 2018)

** ICP 2021, however, ICP 2024 are almost the same

ICP Classification & COICOP 2018 (2)

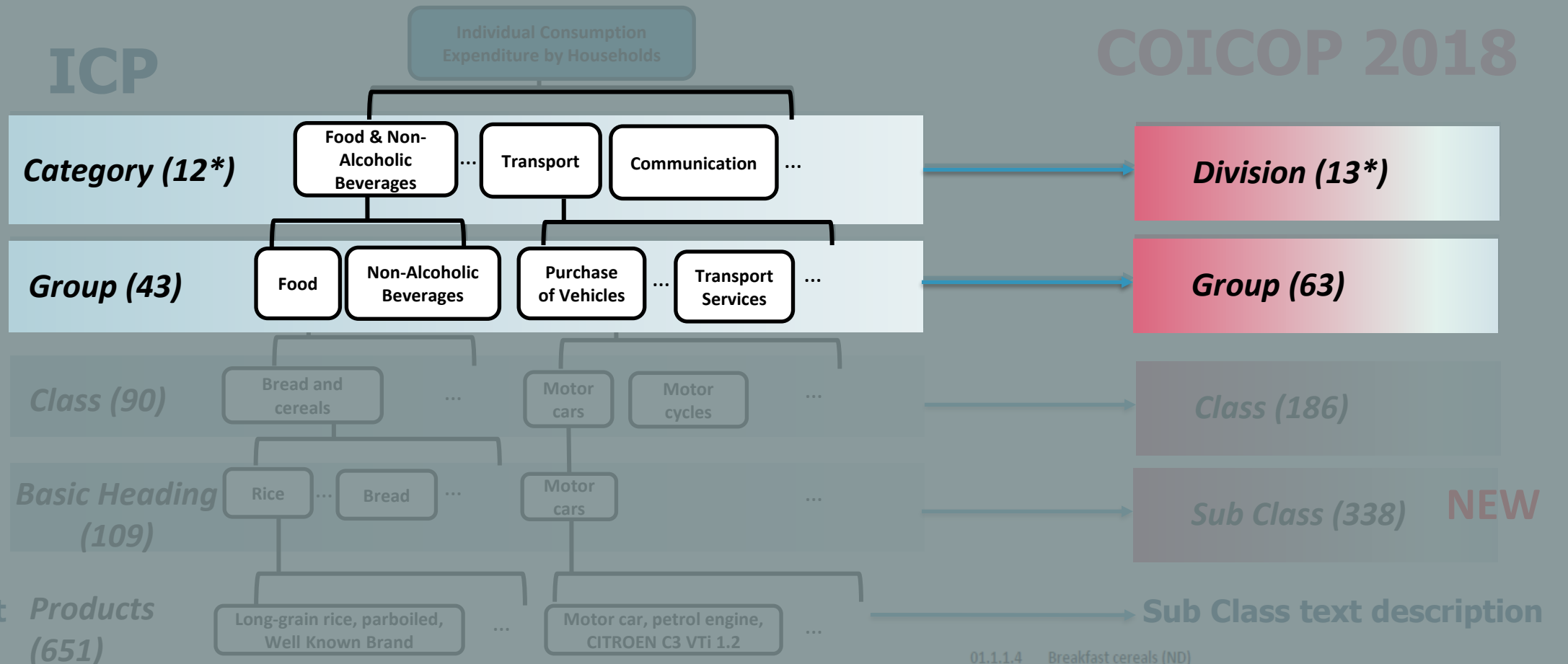
- Changes in all levels

- Some instances, changes occur on all 4 levels (Category, Group, Class & BH)

ICP		
1108000	COMMUNICATION	Category
1108100	POSTAL SERVICES	Group
1108110	<u>Postal services</u>	<u>Class</u>
1108111	Postal services	Basic Heading

COCIOP 2018		
07	TRANSPORT	Category
07.4	TRANSPORT SERVICES OF GOODS	Group
07.4.1	<u>Postal and courier services (S)</u>	<u>Class</u>
07.4.1.1	Letter handling services (S)	Subclass
07.4.1.2	Courier and parcel delivery services (S)	Subclass
07.4.9	<u>Other transport of goods (S)</u>	<u>Class</u>
07.4.9.1	Removal and storage services (S)	Subclass
07.4.9.2	Delivery of goods (S)	Subclass

ICP Classification & COICOP 2018 (3)



* MISCELLANEOUS GOODS AND SERVICES (ICP) → INSURANCE AND FINANCIAL SERVICES (COICOP 2018) + PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES (COICOP 2018)

01.1.1.4 Breakfast cereals (ND)

Includes:

- cornflakes, oatmeal and oat flakes, muesli, granola, puffed cereals including puffed rice cakes;
- breakfast cereals with nuts or dried fruit.

Excludes:

- popcorn (1.1.1.9).

ICP Classification & COICOP 2018 (4)

- **Category Level**

- 1=1 except for One ICP Category level that became two Categories for COICOP

- **Group Level**

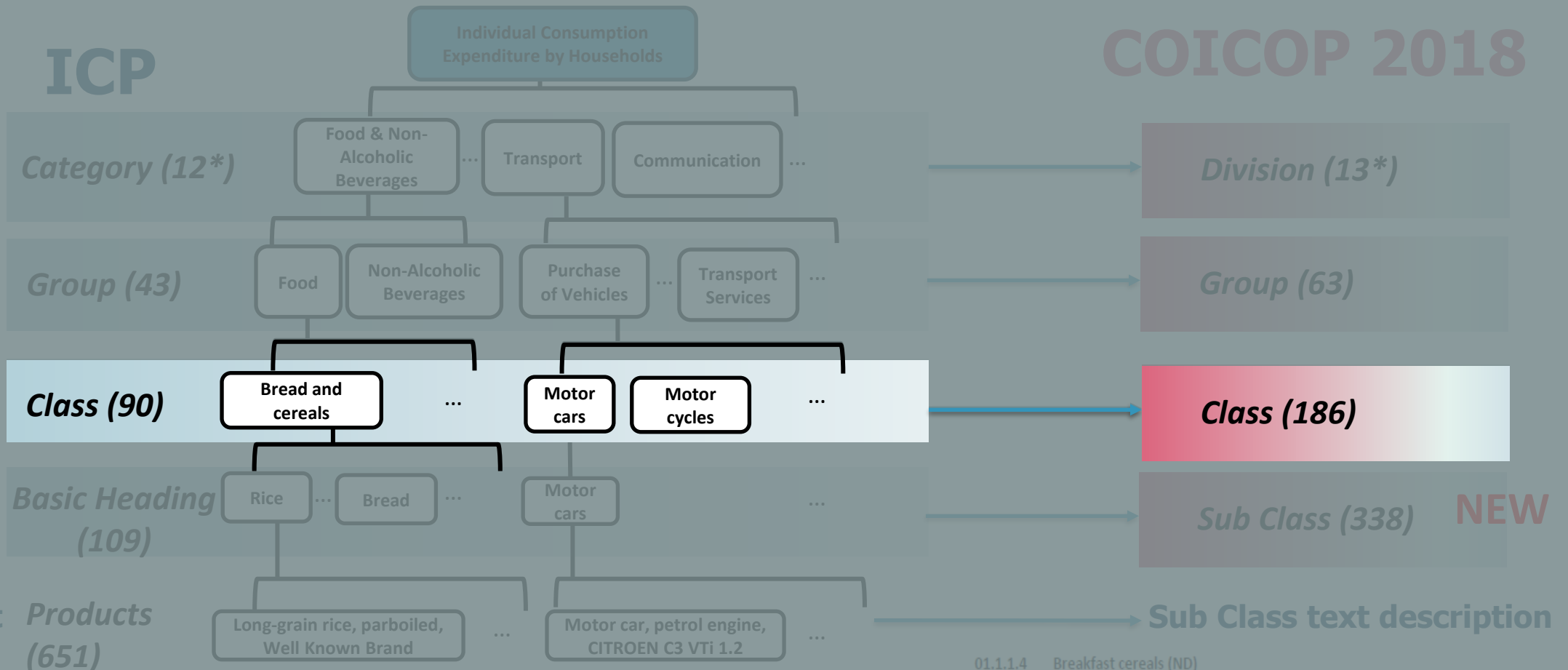
- Mainly COICOP splitting ICP Group & introducing new Groups

1106300	HOSPITAL SERVICES	Group			
1106310	Hospital services	Class			
1106311	Hospital services	Basic Heading			
			NEW GROUP	3 06.3	INPATIENT CARE SERVICES
			NEW CLASS	4 06.3.1	Inpatient curative and rehabilitative services (S)
			new basic heading	5 06.3.1.0	Inpatient curative and rehabilitative services (S)
			NEW CLASS	4 06.3.2	Inpatient long-term care services (S)
			new basic heading	5 06.3.2.0	Inpatient long-term care services (S)
			NEW GROUP	3 06.4	OTHER HEALTH SERVICES
			NEW CLASS	4 06.4.1	Diagnostic imaging services and medical laboratory services (S)
			new basic heading	5 06.4.1.0	Diagnostic imaging services and medical laboratory services (S)
			NEW CLASS	4 06.4.2	Patient emergency transportation services and emergency rescue (S)
			new basic heading	5 06.4.2.0	Patient emergency transportation services and emergency rescue (S)

ICP Classification & COICOP 2018 (5)

ICP

COICOP 2018



* MISCELLANEOUS GOODS AND SERVICES (ICP) → INSURANCE AND FINANCIAL SERVICES (COICOP 2018) + PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES (COICOP 2018)

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Excludes:

- popcorn (1.1.1.9).

ICP Classification & COICOP 2018 (6)

- **Class Level**

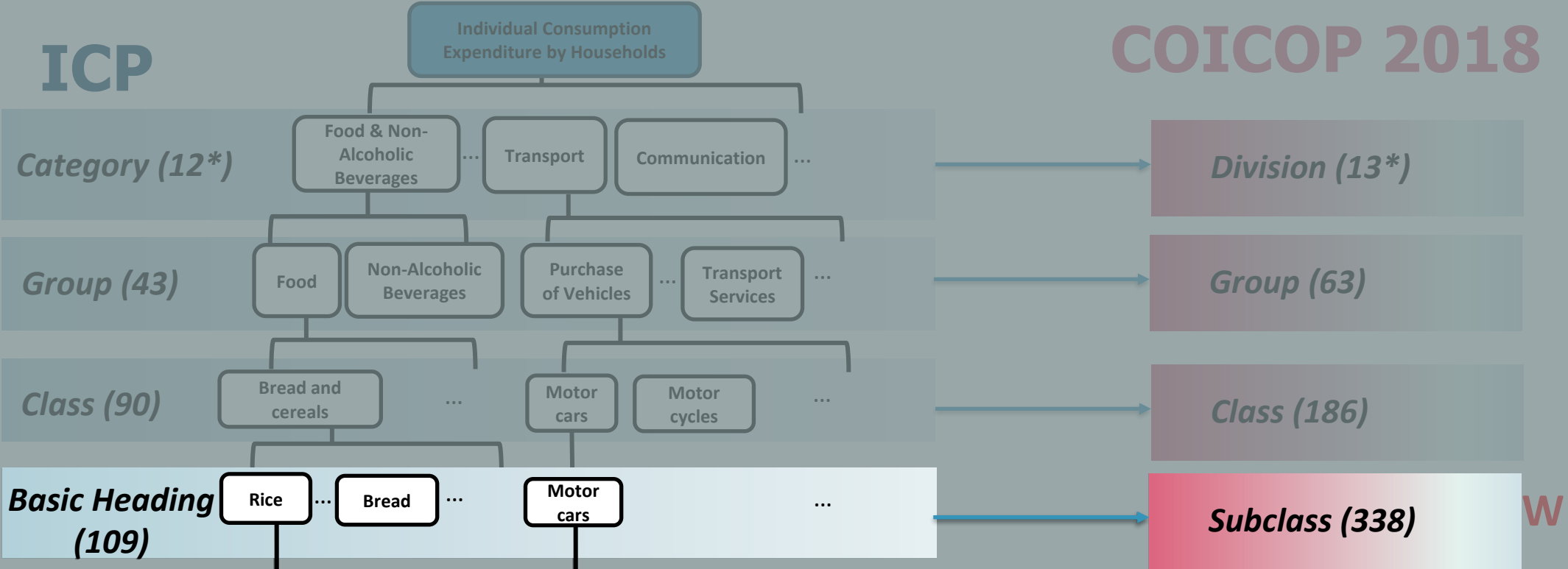
- Mainly COICOP splitting ICP Class & introducing new Class

[illegible]

- Occasionally merging two ICP Class to one COICOP Class

1105100	FURNITURE AND FURNISHINGS, CARPETS AND OTHER FLOOR COVERINGS	Group	3	05.1	FURNITURE, FURNISHINGS, AND LOOSE CARPETS
1105110	Furniture and furnishings	Class	4	05.1.1	Furniture, furnishings and loose carpets (D)
1105111	Furniture and furnishings	Basic Heading	5	05.1.1.1	Household furniture (D)
1105120	Carpets and other floor coverings	Class	5	05.1.1.2	Garden and camping furniture (D)

ICP Classification & COICOP 2018 (7)



Product list *Products*
(651)



Sub Class text description

01.1.1.4 Breakfast cereals (ND)

Includes:

- cornflakes, oatmeal and oat flakes, muesli, granola, puffed cereals including puffed rice cakes;
- breakfast cereals with nuts or dried fruit.

Excludes:

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* MISCELLANEOUS GOODS AND SERVICES (ICP) → INSURANCE AND FINANCIAL SERVICES (COICOP 2018) + PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES (COICOP 2018)

ICP Classification & COICOP 2018 (9)

■ Basic Heading Level (continued)

- New Basic Headings sometimes make a BH change its Category, Group and Class

"Postal Services": Change in Category, Group, Class, BH ICP : Communication - Postal Services COICOP : Transportation - Transport Services of Goods			NEW GROUP	3	07.4	TRANSPORT SERVICES OF GOODS
			NEW CLASS	4	07.4.1	Postal and courier services (S)
			new basic heading	5	07.4.1.1	Letter handling services (S)
			new basic heading	5	07.4.1.2	Courier and parcel delivery services (S)
			NEW CLASS	4	07.4.9	Other transport of goods (S)
			new basic heading	5	07.4.9.1	Removal and storage services (S)
			new basic heading	5	07.4.9.2	Delivery of goods (S)
1108000	COMMUNICATION	Category				
1108100	POSTAL SERVICES	Group				
1108110	Postal services	Class				
1108111	Postal services	Basic Heading				
				2	08	INFORMATION AND COMMUNICATION

ICP Classification & COICOP 2018 (10)

"computer software" items: Change in Category, Group, Class, BH
 ICP : RECREATION AND CULTURE - AUDIO-VISUAL, PHOTOGRAPHIC AND INFORMATION PROCESSING EQUIPMENT (AVEqip)- AVEqip- AVEqip
 COICOP : INFORMATION AND COMMUNICATION - SOFTWARE EXCLUDING GAMES - Software - Software

computer software, operating systems

NEW GROUP

NEW CLASS

new basic heading

3 08.2

SOFTWARE EXCLUDING GAMES

4 08.2.0

Software (S)

5 08.2.0.0

Software (S)

TELEPHONE AND TELEFAX SERVICES

Group

Telephone and telefax services

Class

Telephone and telefax services

Basic Heading

3 08.3

INFORMATION AND COMMUNICATION SERVICES

4 08.3.1

Fixed communication services (S)

5 08.3.1.0

Fixed communication services (S)

4 08.3.2

Mobile communication services (S)

5 08.3.2.0

Mobile communication services (S)

4 08.3.3

Internet access provision services and net storage services (S)

5 08.3.3.0

Internet access provision services and net storage services (S)

4 08.3.4

Bundled telecommunication services (S)

5 08.3.4.0

Bundled telecommunication services (S)

4 08.3.5

Repair and rental of information and communication equipment (S)

5 08.3.5.0

Repair and rental of information and communication equipment (S)

4 08.3.9

Other information and communication services (S)

5 08.3.9.1

TV and radio licences and fees (S)

5 08.3.9.2

Subscription to audio-visual content, streaming services and rentals of audio-

5 08.3.9.9

Other information and communication services (S)

"Streaming services": Change in Category and Group

ICP : RECREATIONAL AND CULTURAL SERVICES - Cultural Services
 COICOP : INFORMATION AND COMMUNICATION SERVICES - Subscription to audio-visual content, streaming services and rentals of audio-visual content (S)

RECREATION AND CULTURE

Category

AUDIO-VISUAL, PHOTOGRAPHIC AND INFORMATION PROCESSI

Group

equipment

Class

Audio-visual, photographic and information proce

Basic Heading

2 09

RECREATION, SPORT AND CULTURE

3 09.1

RECREATIONAL DURABLES

4 09.1.1

Photographic and cinematographic equipment and optical instruments (D)

5 09.1.1.1

Cameras (D)

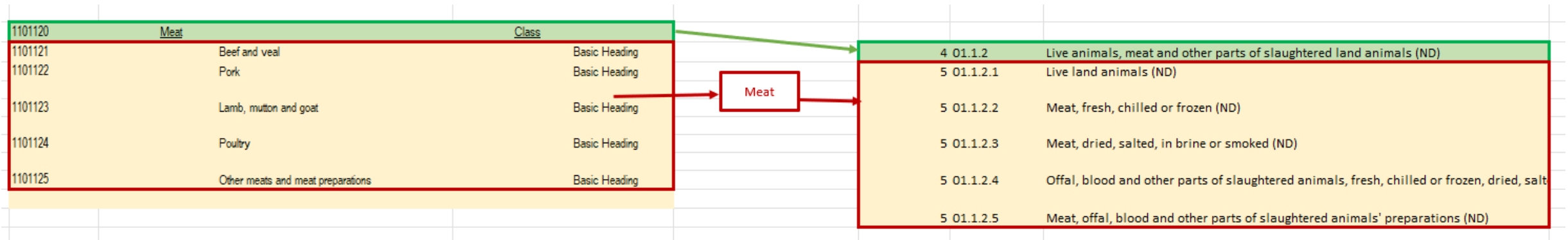
5 09.1.1.2

Accessories for photographic and cinematographic equipment (D)

ICP Classification & COICOP 2018 (11)

■ Basic Heading (BH) Level

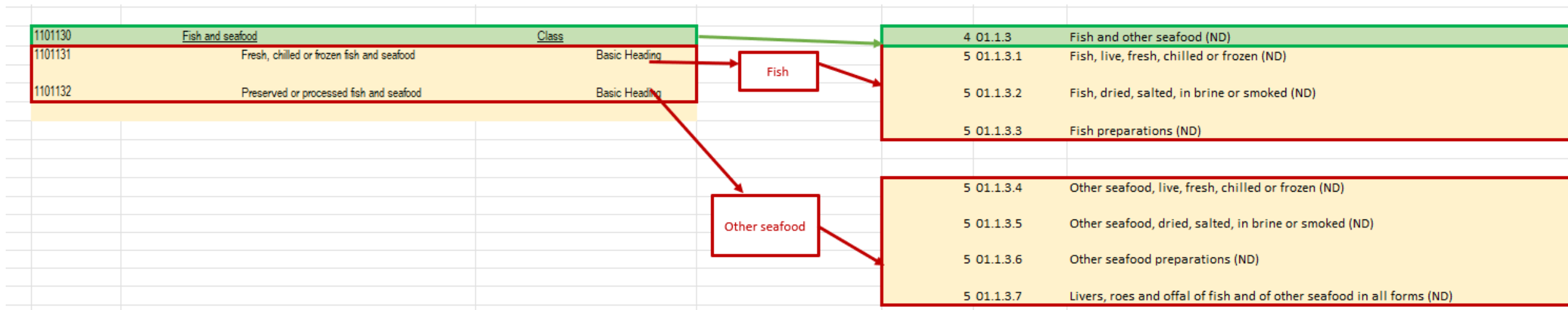
- COICOP's new Subclass level is equivalent to the ICP BH level
- Mainly COICOP splitting ICP BHs & introducing "new" BHs
- Merging of BHs can create a challenge for heading and product matching



ICP Classification & COICOP 2018 (12)

- **Basic Heading Level (continued)**

- New mapping results in a significant reorganization of ICP products



Snails and frogs used to be seafood but now "meat" - not in Global list, but incase for Regional lists

ICP Classification & COICOP 2018 (13)

- **Basic Heading Level (continued)**

- Splitting sometimes creates a challenge for product matching *

1103120	<u>Garments</u>	<u>Class</u>		4 03.1.2	Garments (SD)
1103121	Garments	Basic Heading		5 03.1.2.1	Garments for men or boys (SD)
				5 03.1.2.2	Garments for women or girls (SD)
				5 03.1.2.3	Garments for infants (0 to under 2 years) (SD)
				5 03.1.2.4	School uniforms (SD)

* COICOP 2018 specifies and splits the ICP Garments Basic Heading by age and gender, except for the school uniforms. However, there are several non-gender specified children's clothing in ICP item list. (e.g. Children's parka, Children's T-shirt, Children's blue jeans..etc)

ICP Classification & COICOP 2018 (14)

- **Basic Heading Level (continued)**

- New Basic Headings sometimes make a product to change its Category and Group

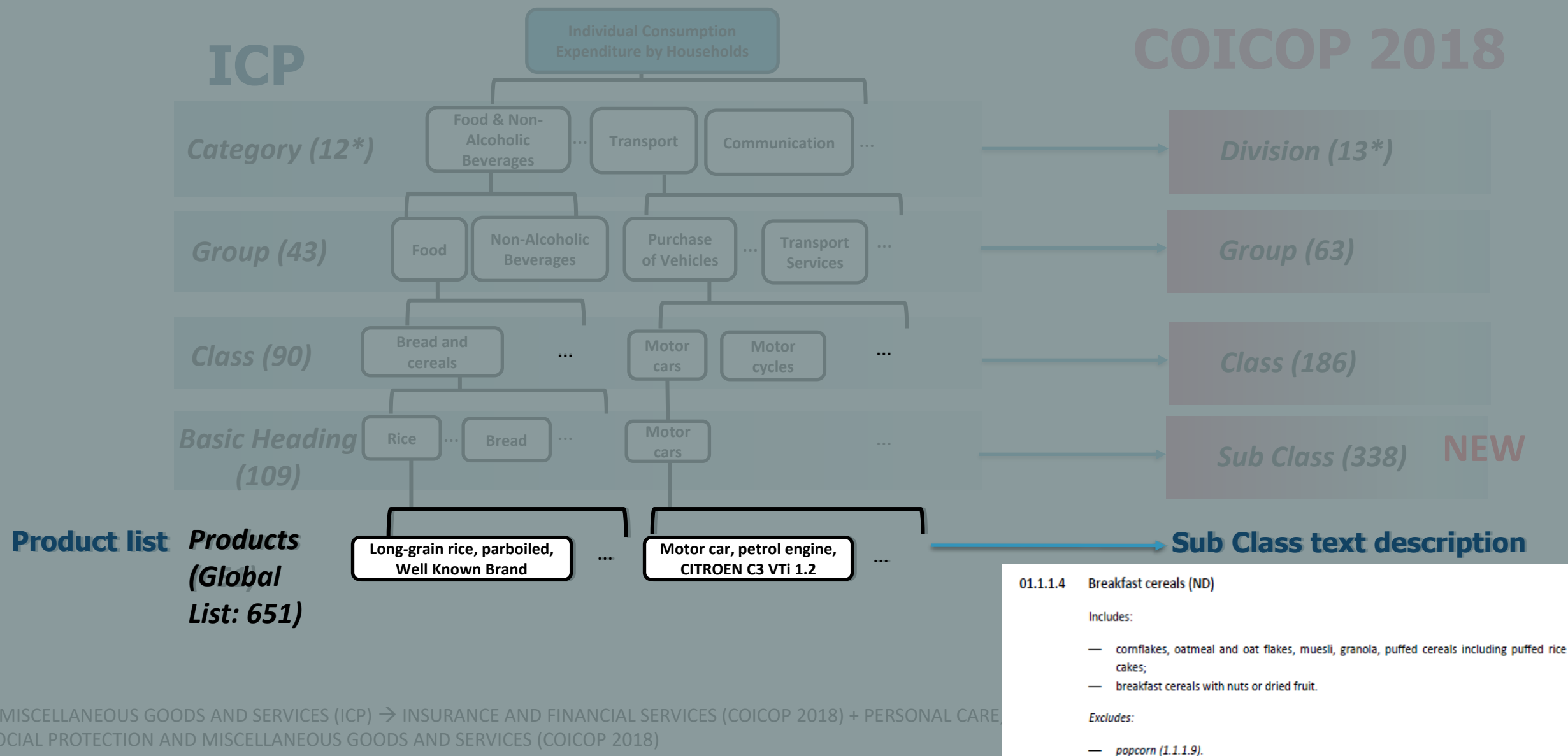
11.09.42.1.01.04

Movie/Series streaming subscription, NETFLIX

ICP		
1109400	RECREATIONAL AND CULTURAL SERVICES	Group
1109420	<u>Cultural services</u>	<u>Class</u>
1109421	Cultural services	Basic Heading
11.09.42.1.01.04	Movie/Series streaming subscription, NETFLIX	

COICOP 2018		
08.3	INFORMATION AND COMMUNICATION SERVICES	Group
08.3.9	<u>Other information and communication services</u>	<u>Class</u>
08.3.9.2	Subscription to audio-visual content, streaming services and rentals of audio-visual content	Subclass
	Movie/Series streaming subscription, NETFLIX	

ICP Classification & COICOP 2018 (15)



ICP Classification & COICOP 2018 (16)

■ Basic Heading Level (continued)

- Merging of BHs may lead to considerations of deleting & adding products

1101110	Bread and cereals	Class	4 01.1.1	Cereals and cereal products (ND)	# ICP products
1101111	Rice	Basic Heading	5 01.1.1.1	Cereals (ND)	12
1101112	Other cereals, flour and other cereal products	Basic Heading	5 01.1.1.2	Flour of cereals (ND)	2
1101113	Bread	Basic Heading	5 01.1.1.3	Bread and bakery products (ND)	12
1101114	Other bakery products	Basic Heading	5 01.1.1.4	Breakfast cereals (ND)	1
1101115	Pasta products and couscous	Basic Heading	5 01.1.1.5	Macaroni, noodles, couscous and similar pasta products (ND)	9
			5 01.1.1.9	Other cereal and grain mill products (ND)	0

COICOP 18	01.1.1.1 Cereals											
ICP BH	1101111 Rice (10 products)										1101112 Other Cereals (2 products)	
Items	Long-grain	Long-grain	Sticky rice,	Basmati ric	Long grain	Jasmine ric	Brown rice	Medium-g	Short-grain	Broken ric	Wheat semolina (suj	Oats, rolled, WKB

COICOP 18. 01.1.1.1. Cereals

- Dried grains of cereals, whether or not broken or precooked (steamed), but not further prepared.

Includes: wheat; rice, including parboiled rice; sorghum; barley; millet; maize (corn); quinoa; teff. Includes also: bulgur; rye; oats; triticale; buckwheat; canary seed; quihuicha or Inca wheat; canagua or coaihua; adlay or Job's tears; mixed cereal grains, in the form of dried grains, also including other ingredients (provided that these are not the main ingredient) but not further processed.

ICP Classification & COICOP 2018 (17)

■ Basic Heading Level (continued)

- Splitting and introduction of “BH”s (COICOP’s subclass) can ask for adding more products

1105100	FURNITURE AND FURNISHINGS, CARPETS AND OTHER FLOOR	Group		3 05.1	FURNITURE, FURNISHINGS, AND LOOSE CARPETS	# ICP products
1105110	<u>Furniture and furnishings</u>	<u>Class</u>		4 05.1.1	Furniture, furnishings and loose carpets (D)	
1105111	Furniture and furnishings	Basic Heading		5 05.1.1.1	Household furniture (D)	9
1105120	<u>Carpets and other floor coverings</u>	<u>Class</u>		5 05.1.1.2	Garden and camping furniture (D)	0
1105121	Carpets and other floor coverings	Basic Heading	COICOP: ceiling lights, standard lamps, globe lights and bedside lamps, light and LED strings.	5 05.1.1.3	Lighting equipment (D)	0
				5 05.1.1.4	Furnishings, loose carpets and rugs (D)	4
1105130	<u>Repair of furniture, furnishings and floor coverings</u>	<u>Class</u>		4 05.1.2	Repair, installation and hire of furniture, furnishings and loose carpets (S)	
1105131	Repair of furniture, furnishings and floor coverings	Basic Heading		5 05.1.2.0	Repair, installation and hire of furniture, furnishings and loose carpets (S)	0

1104400	WATER SUPPLY AND MISCELLANEOUS SERVICES RELATING TO THE DWELLING	Group		3 04.4	WATER SUPPLY AND MISCELLANEOUS SERVICES RELATING TO THE DWELLING	# ICP products
1104410	<u>Water supply</u>	<u>Class</u>		4 04.4.1	Water supply (ND)	
1104411	Water supply	Basic Heading		5 04.4.1.1	Water supply through network systems (ND)	2
			public fountain/tank	5 04.4.1.2	Water supply through other systems (ND)	0
1104420	<u>Miscellaneous services relating to the dwelling</u>	<u>Class</u>		4 04.4.2	Refuse collection (S)	
1104421	Miscellaneous services relating to the dwelling	Basic Heading		5 04.4.2.0	Refuse collection (S)	0
				4 04.4.3	Sewage collection (S)	
				5 04.4.3.1	Sewage collection through sewer systems (S)	0
				5 04.4.3.2	Sewage collection through onsite sanitation systems (S)	0
				4 04.4.4	Other services relating to the dwelling n.e.c. (S)	
				5 04.4.4.1	Maintenance charges in multi-occupied buildings (S)	0
				5 04.4.4.9	Other services related to dwelling (S)	0

ICP Classification & COICOP 2018 (18)

■ Basic Heading Level (continued)

- New BHs sometimes make a product to change its Category , Group, Class, and BH

11.09.42.1.01.04

Movie/Series streaming subscription, NETFLIX

ICP		
1109400	RECREATIONAL AND CULTURAL SERVICES	Group
1109420	<u>Cultural services</u>	<u>Class</u>
1109421	Cultural services	Basic Heading
11.09.42.1.01.04	Movie/Series streaming subscription, NETFLIX	

COCIOP 2018		
08.3	INFORMATION AND COMMUNICATION SERVICES	Group
08.3.9	<u>Other information and communication services</u>	<u>Class</u>
08.3.9.2	Subscription to audio-visual content, streaming services and rentals of audio-visual content	Subclass
	Movie/Series streaming subscription, NETFLIX	