## Planning for ICP Classification Update Task Force



ICP Inter-Agency Coordination Group Meeting
October 20 - 24, 2025
Washington DC

## Purpose of the Session

The Task Force for ICP classification update will be asked to assess and recommend updates to the ICP classification of final expenditure on GDP, ensuring alignment with international statistical standards, particularly COICOP 2018.

This session will advance the planning of the ICP Classification Update Task Force by refining its expected outcomes and discussing its proposed membership with IACG members. It will conclude with a consensus on the Task Force's scope, membership, and draft work program and timeline, which will be submitted for consideration by the Technical Advisory Group.

#### **Outline**

- 1. ICP Classification update
- 2. Recap: ICP & COICOP 2018
- 3. Current efforts
  - I. IMF
  - II. OECD/EUROSTAT
- 4. Possible Scenarios
- 5. The Task Force

## 1. ICP Classification update

# Classification of Final Expenditure on GDP

#### ICP expenditure data

- Essential Components for PPP comparisons
- Deflated and expressed as expenditures in PPP terms.
- Used as weights to aggregate basic heading PPPs through the various levels of aggregation up to GDP.

#### Should be comparable and representative

- Compiled under the same definitions of GDP and its component expenditures.
- Equally exhaustive in their measurement of economic activity.

#### Hence, the ICP classification is developed

- Based on a common national accounts framework (currently 2008 SNA)
- Aligning with other international classifications (e.g. \*COFOG, \*COICOP, \*COPNI, \*CPA, Eurostat PPP classification)
- Relying on the expenditure approach for GDP estimation to allow easier collection of consumer prices vs. producer prices

<sup>\*</sup>COFOG – classification of the functions of government

<sup>\*</sup>COICOP - classification of individual consumption according to purpose

<sup>\*</sup>COPNI – classification of the purposes of non-profit institutions serving households

<sup>\*</sup>CPA - classification of products by activity

Since its establishment, the ICP classification has been revised to incorporate lessons learned and to better align with international statistical standards.

- Previous ICP Classification (ICP 2005 & ICP 2011)
   [Classification (PDF) | Description (PDF)]
- Current ICP Classification (ICP 2017 & 2021 & ICP 2024)
   [Classification (Excel) | Description (PDF)]
- Research took place to revise ICP 2005/11 classification by a dedicated Task Force, established by the ICP TAG
  - 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.

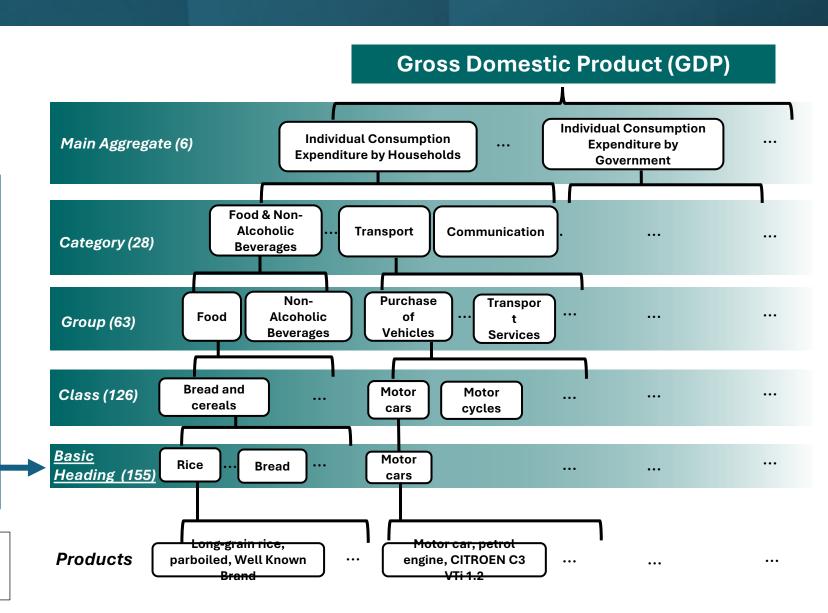
# ICP Classification: History

#### ICP Classification

#### 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.

\*This <u>blog</u> shows the ICP classification tree in interactive charts.



#### 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.
- Participants agreed for the need of ICP classifcaion update and establishment of the Task Force
- (IACG Oct 2023, TAG Nov 2023, IACG Nov 2024, TAG 2025)

#### Agreed considerations:

- Changes will affect price data surveys and national accounts data compilation.
- Some changes will be straightfoward, while others require careful analysis.
- Changes will enhance alignment with CPI, national accounts, and PPP classifications. → Reducing burden.

# Previous Discussions

# Current agenda (1)



#### Updating the ICP Classification is crucial.

- The ICP classification must align with updated international standards: COICOP 2018 and SNA 2025.
- The ICP Task Force was established with endorsement from IACG and TAG.

## The transition must be strategically planned and carefully executed.

- The new classification should:
  - Align with COICOP 2018, while minimizing changes to the current ICP classification structure.
  - Have minimal impact on PPP results.
  - Be compatible with countries' national accounts expenditure compilation to ensure data availability for new basic headings.

#### Interim measure is also needed.

 The EU/OECD have already adopted a COICOP-aligned classification for ICP 2024.



#### Item-Level implications must be analyzed.

- A thorough review of item-level is essential to:
  - Ensure representativeness and comparability of existing items.
  - Assess the need for adding new items and retiring outdated/nolonger needed ones.



#### Many crucial works are ahead.

- Develop and test draft scenarios of the new classification to assess potential impacts.
- Conduct feasibility research and surveys with participating countries
- Initiate item-level discussions to refine the classification.



## Let's not forget about updating operational and submission forms & tools. (A LOT)

- Classification, MORES, all survey forms, metadata questionnaires, data submission form.
- Software tools (Agilis, Survey Solutions..)



#### This must be done urgency with a close coordination.

- The ICP Classification Task Force must launch its work urgently.
- The Task Force should operate with a clear work program and timeline.
- It must include representation from regions, countries, and subject-matter experts.
- IACG's role is critical.

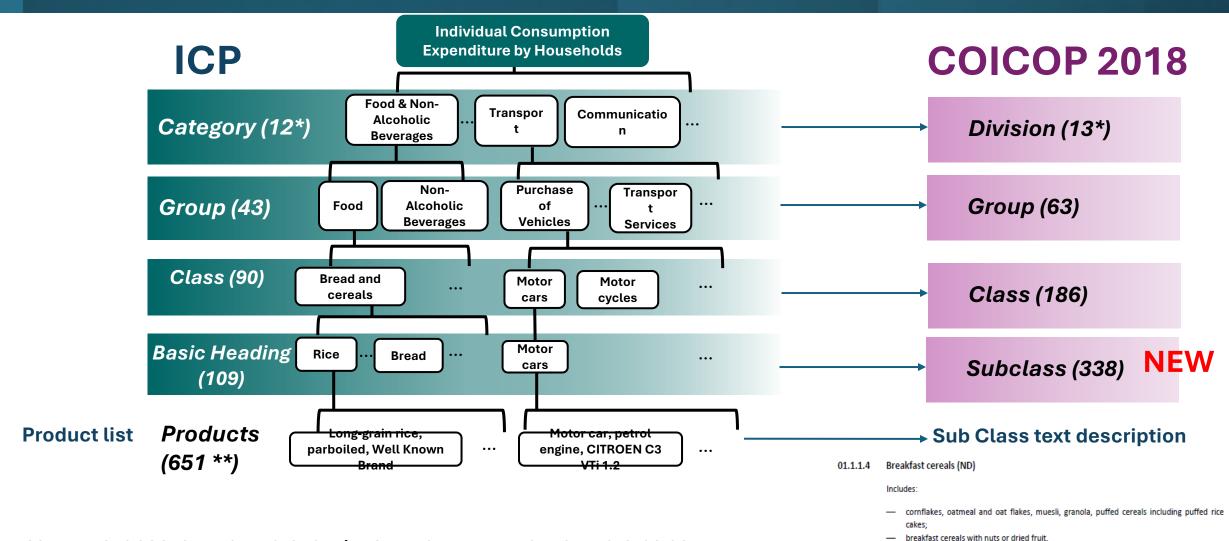
## Current agenda (2)

## 2. Recap: ICP & COICOP 2018

# COICOP 2018 Revision

- The Classification of Individual Consumption According to Purpose (COICOP) 2018
  - Published: 2023
  - Last version : COICOP 1999
  - Integral part of CPI and SNA compilation, but also used in other statistical domains.
  - Revision aims to reflect necessary changes in the consumer market and allow for more granular data compilation for improved comparability.
- COICOP 2018 revision includes
  - Introduction of a detailed Subclass level (similar to ICP's basic heading level)
  - Systematic separation between goods and services
  - Modernized goods and services
- The revision introduces critical challenges to ICP classification, as not all basic headings can be easily mapped on a one-to-one basis.

## ICP Classification & COICOP 2018 (1)



<sup>\*</sup> MISCELLANEOUS GOODS AND SERVICES (ICP) → INSURANCE AND FINANCIAL SERVICES (COICOP 2018) + PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES (COICOP 2018)

#### Excludes:

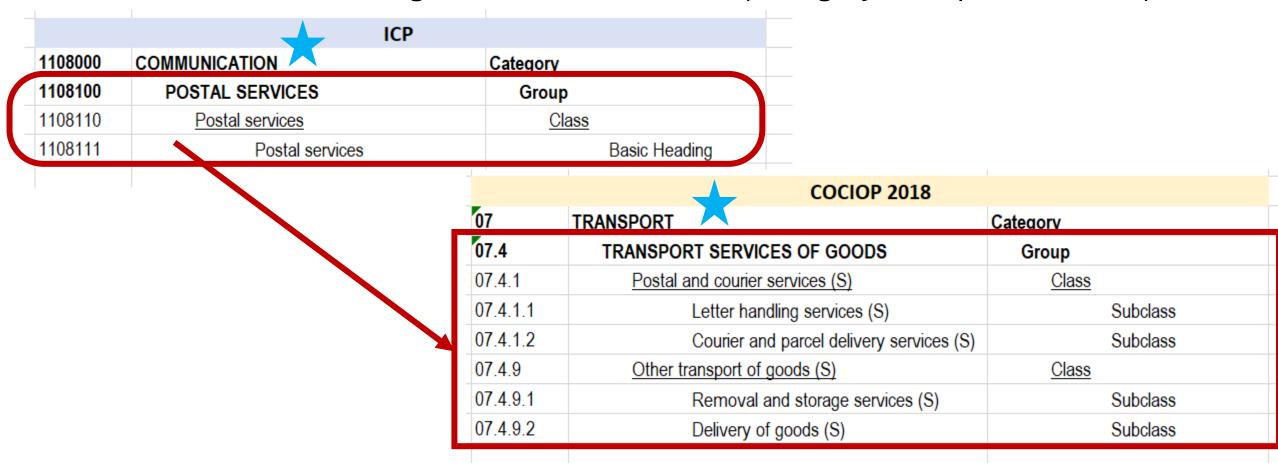
— popcorn (1.1.1.9).

<sup>\*\*</sup> ICP 2021, however, ICP 2024 are almost the same

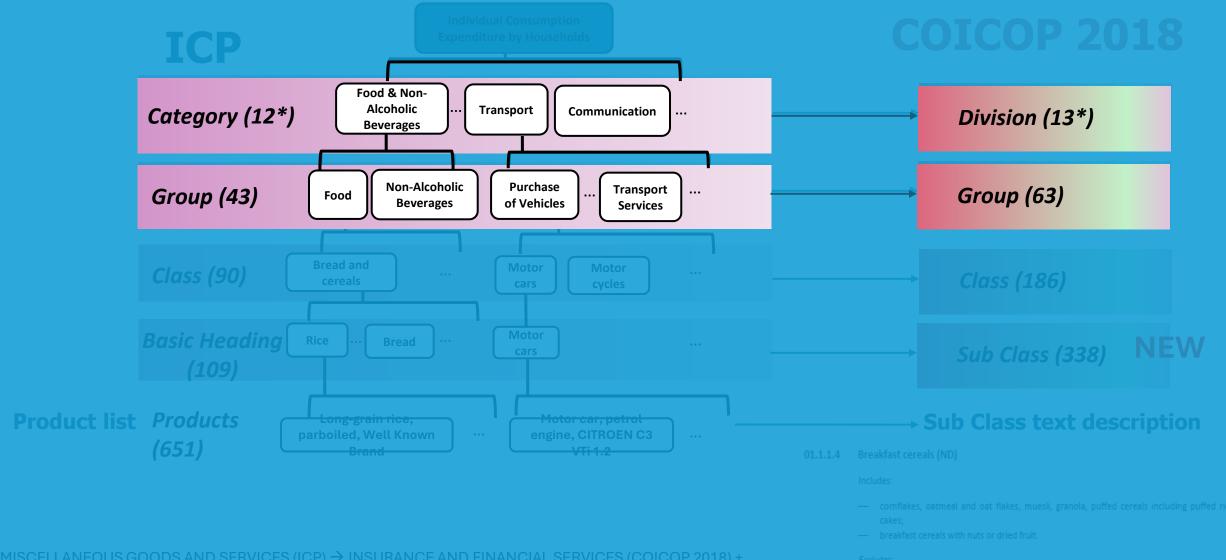
## ICP Classification & COICOP 2018 (2)

#### Changes in all levels

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



## ICP Classification & COICOP 2018 (3)



<sup>\*</sup> 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 (4)

#### Category Level

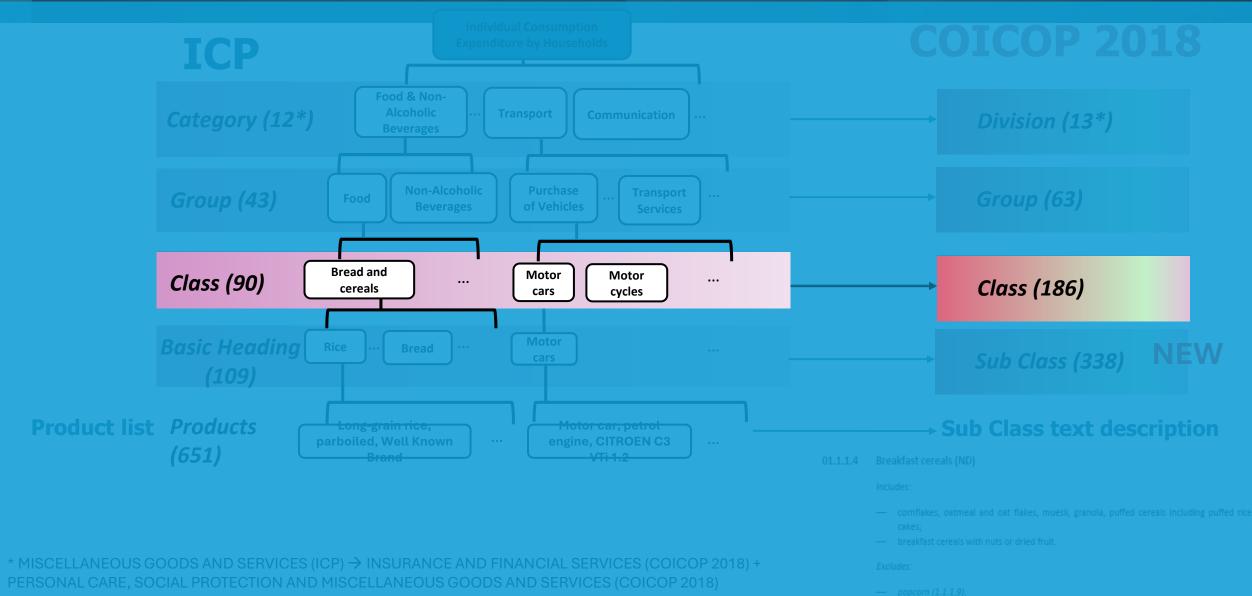
1=1 except for One ICP Category level that became two Categories for COICOP

#### 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 Classification & COICOP 2018 (6)

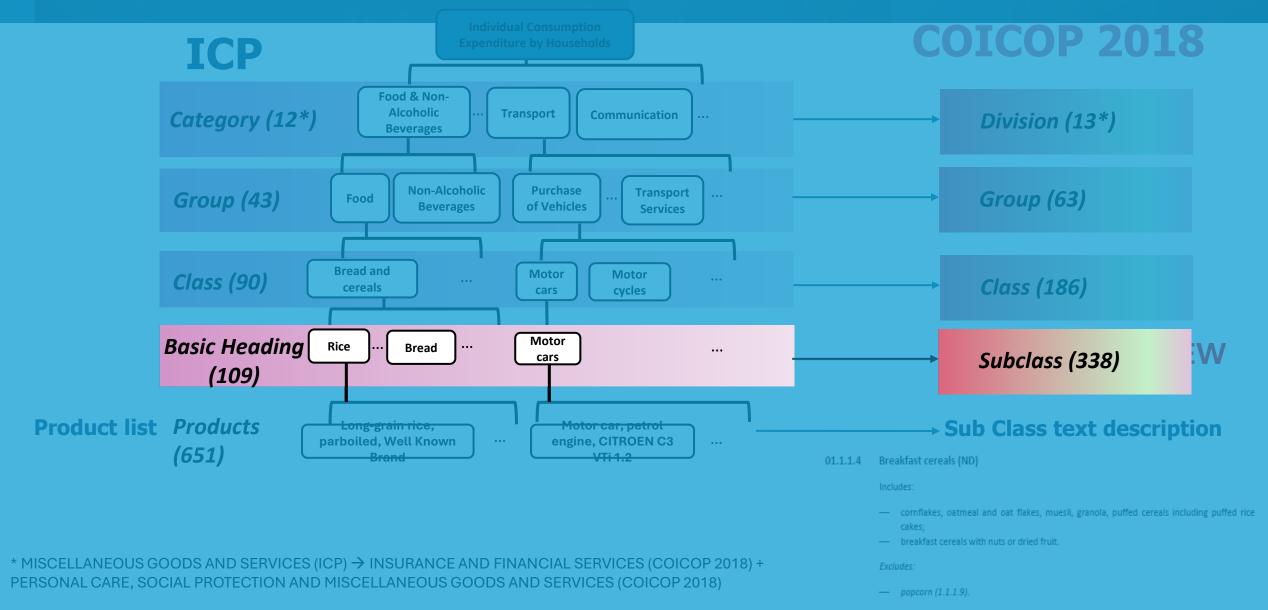
- Class Level
  - Mainly COICOP splitting ICP Class & introducing new Class

1108210	Telephone and telefax equipment	Class		. 4	08.1.1	Fixed telephone equipment (D)
1108211	Telephone and telefax equipment	Basic Heading		5	08.1.1.0	Fixed telephone equipment (D)
				4	08.1.2	Mobile telephone equipment (D)
				5	08.1.2.0	Mobile telephone equipment (D)
				4	08.1.3	Information processing equipment (D)
				5	08.1.3.1	Computers, laptops and tablets (D)
				5	08.1.3.2	Peripheral equipment and its consumable components (D)
				4	08.1.4	Equipment for the reception, recording and reproduction of sound and vision (D)
				5	08.1.4.0	Equipment for the reception, recording and reproduction of sound and vision (D)
			\ \ \	4	08.1.5	Unrecorded recording media (SD)
				5	08.1.5.0	Unrecorded recording media (SD)
			<u> </u>	4	08.1.9	Other information and communication equipment and accessories (D)
				5	08.1.9.1	Other information and communication equipment (D)
				5	08.1.9.2	Other information and communication accessories (SD)
			NEW GROUP	3	08.2	SOFTWARE EXCLUDING GAMES
		computer software, operating systems	NEW CLASS	4	08.2.0	Software (S)
	<b>@</b>		new basic heading	5	08.2.0.0	Software (S)
	9.					

Occasionally merging two ICP Class to one COICOP Class

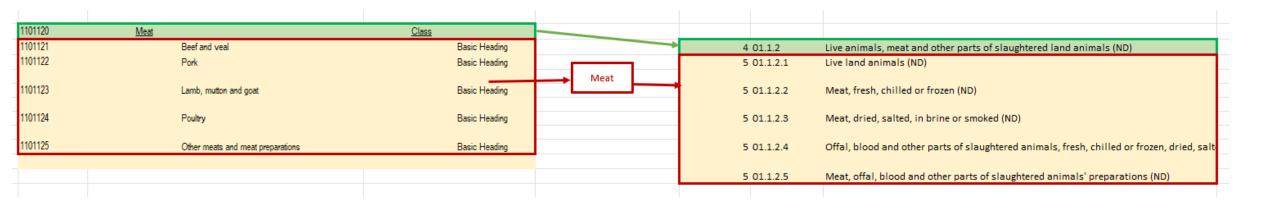
1105100	FURNITURE AND FURNISHINGS, CARPETS A	ND OTHER FLOO Group	3	05.1	FURNITURE, FURNISHINGS, AND LOOSE CARPETS
1105110	Furniture and furnishings	<u>Class</u>	4	05.1.1	Furniture, furnishings and loose carpets (D)
1105111	Furniture and furnishings	Basic Heading	5	05.1.1.1	Household furniture (D)
1105120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

## ICP Classification & COICOP 2018 (7)



## ICP Classification & COICOP 2018 (8)

- 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

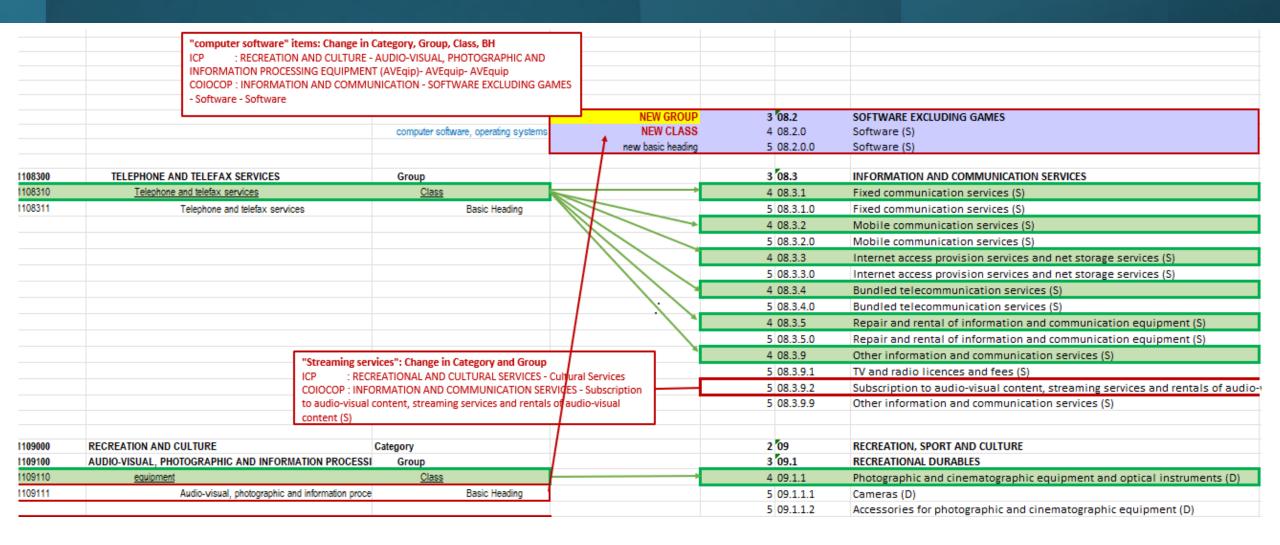


## ICP Classification & COICOP 2018 (9)

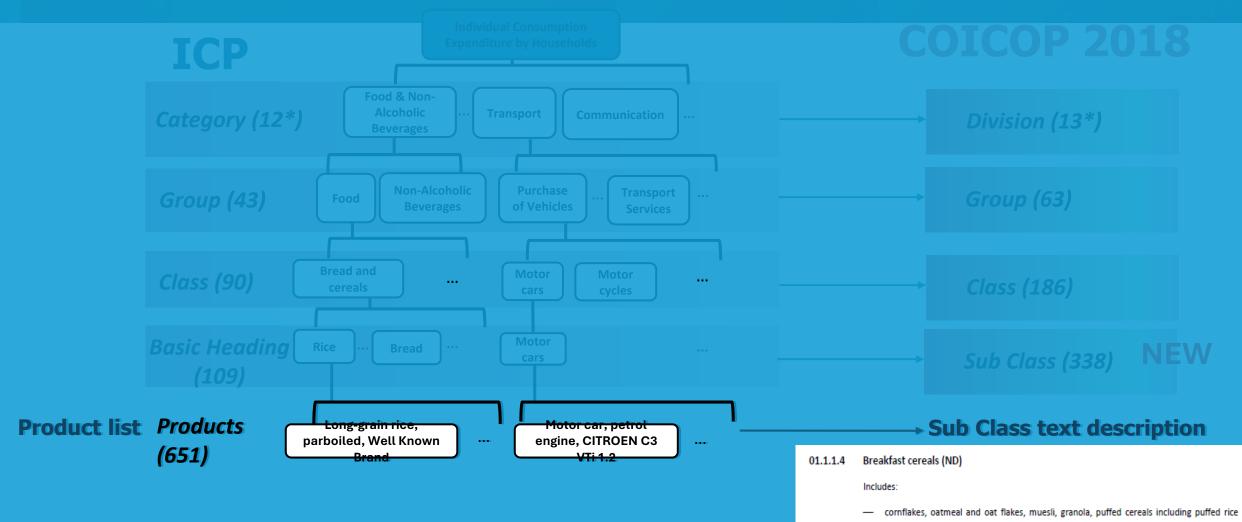
- Basic Heading (BH) Level
  - New BHs sometimes make them to change the Category, Group and Class



## ICP Classification & COICOP 2018 (10)



## ICP Classification & COICOP 2018 (11)



breakfast cereals with nuts or dried fruit.

Excludes:

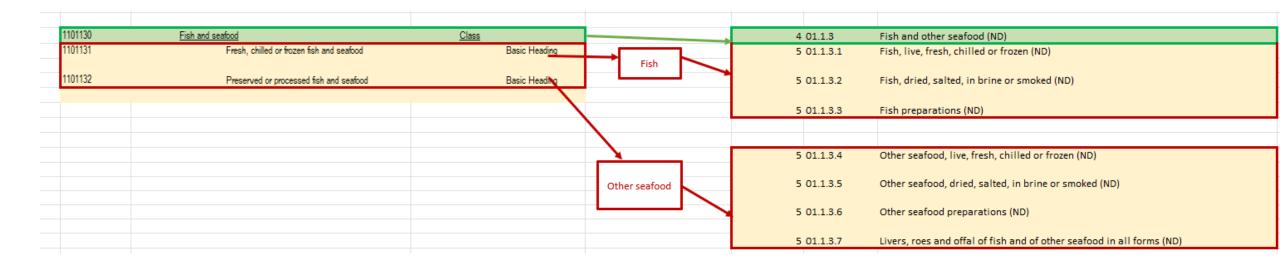
popcorn (1.1.1.9).

<sup>\*</sup> 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 (12)

#### Impact on products

New mapping results in reorganizations of ICP products



<sup>\*\*</sup>Snails and frogs used to be seafood but now "meat" - not in Global list, but incase for Regional lists

## ICP Classification & COICOP 2018 (13)

#### Impact on products

Splitting sometimes creates a challenge for product matching \*

3120 <u>Garments</u>	Class	<del></del>	4	03.1.2	Garments (SD)
121 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)

<sup>\*</sup> 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)

#### Impact on products

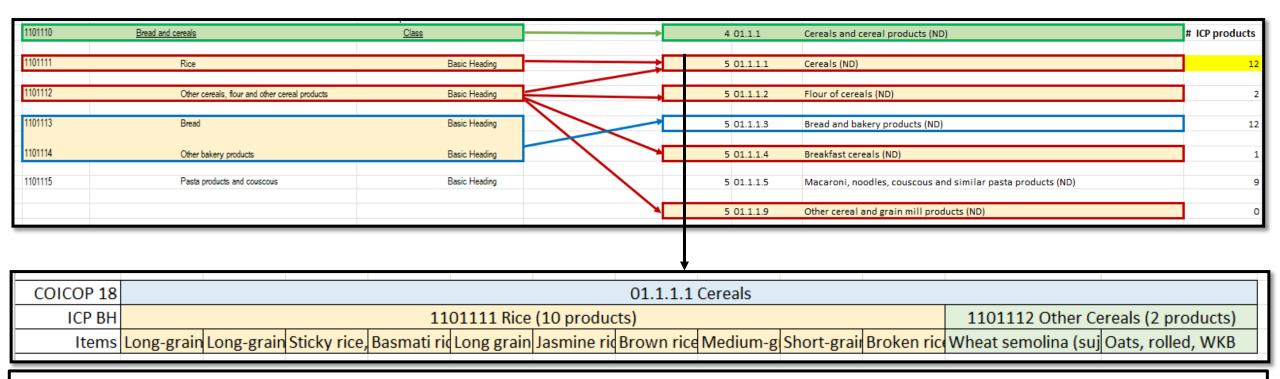
New Basic Headings sometimes make a product to change its Category and Group

11.09.42.1.01.04	Movie/Series streaming subscription,
	NETFLIX

	ICP	
1109400	RECREATIONAL AND CULTURAL SERVICES	Group
1109420	<u>Cultural services</u>	Class
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	Other information and communication services	Class
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)

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



#### **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 (16)

 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	Furniture and furnishings	<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	Carpets and other floor coverings	<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.		05.1.1.3 05.1.1.4	Lighting equipment (D) Furnishings, loose carpets and rugs (D)	<b>0</b>
1105130 1105131	Repair of furniture, furnishings and floor coverings  Repair of furniture, furnishings and floor coverings	<u>Class</u>	Basic Heading	<b></b>		05.1.2 05.1.2.0	Repair, installation and hire of furniture, furnishings and loose carpets (S)  Repair, installation and hire of furniture, furnishings and loose carpets (S)	0

1104400	WATER SUPPLY AND MISCELLANEOUS SERVICES RELATING T	Group		3 04.4	WATER SUPPLY AND MISCELLANEOUS SERVICES RELATING TO THE DWELLING	
1104410	Water supply	<u>Class</u>		4 04.4.1	Water supply (ND)	# ICP products
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	Miscellaneous services relating to the dwelling	<u>Class</u>	$\leftarrow$	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 (17)

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

#### ICP classification and 2018 COICOP

- A better alignment is possible mainly due to the new COICOP subclasses.
- Aligned CPI, National accounts 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.

#### **Observations**

#### **Products / Item lists**

- COICOP 2018 provides valuable suggestions for each subclass level.
- All existing ICP products can be mapped with some requiring remapping.
- Adding new items can be considered (due to new headings).
- Deleting items can be considered (due to merging/deleting of headings).

#### **National Accounts Expenditures**

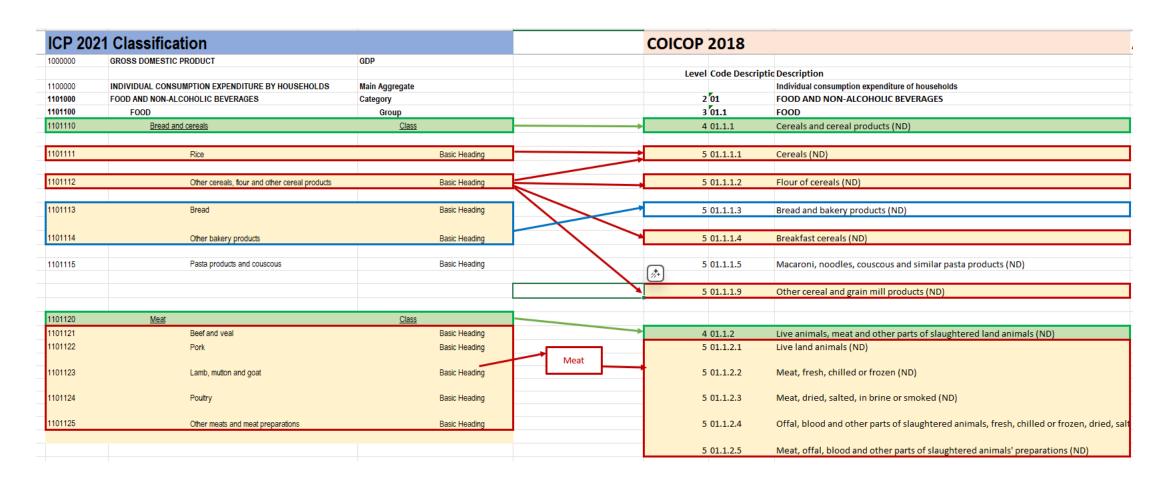
 Each classification change directly impacts GDP estimations at the corresponding level.



## 4. Possible Scenarios

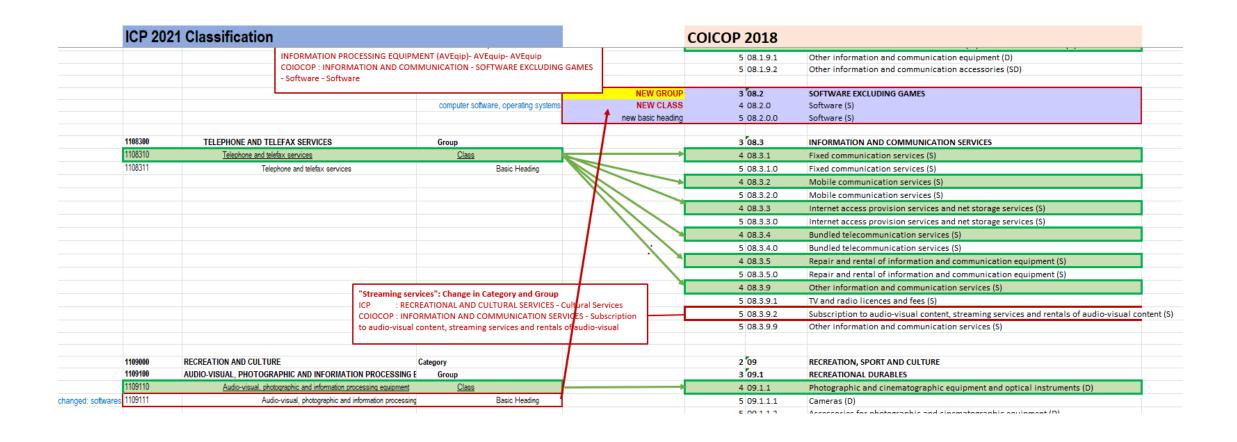
#### Possible Scenarios (1)

Follow COICOP's new structure (with challenge)



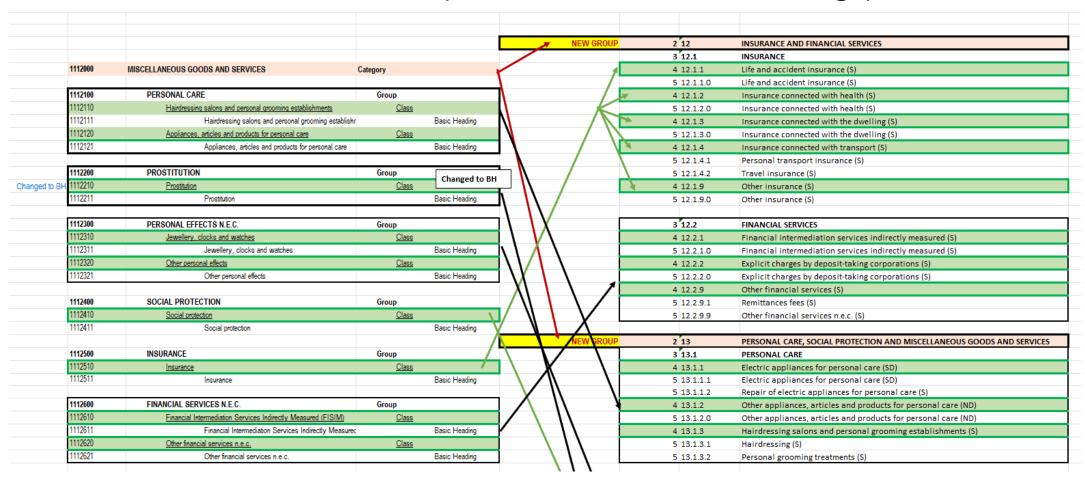
## Possible Scenarios (2)

Follow COICOP's new structure (with more challenge)



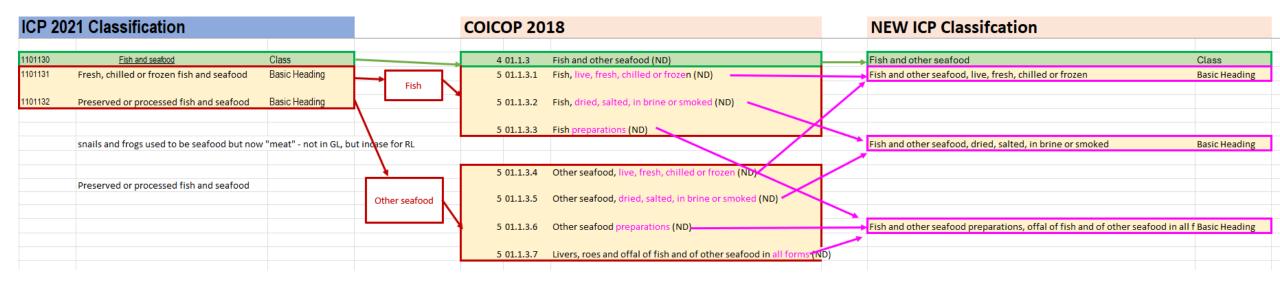
## Possible Scenarios (3)

Follow COICOP's new structure (with more and more challenge)



## Possible Scenarios (4)

Follow some of COICOP's new structure



<sup>\*</sup>Inspiration from OECD's new PPP classification

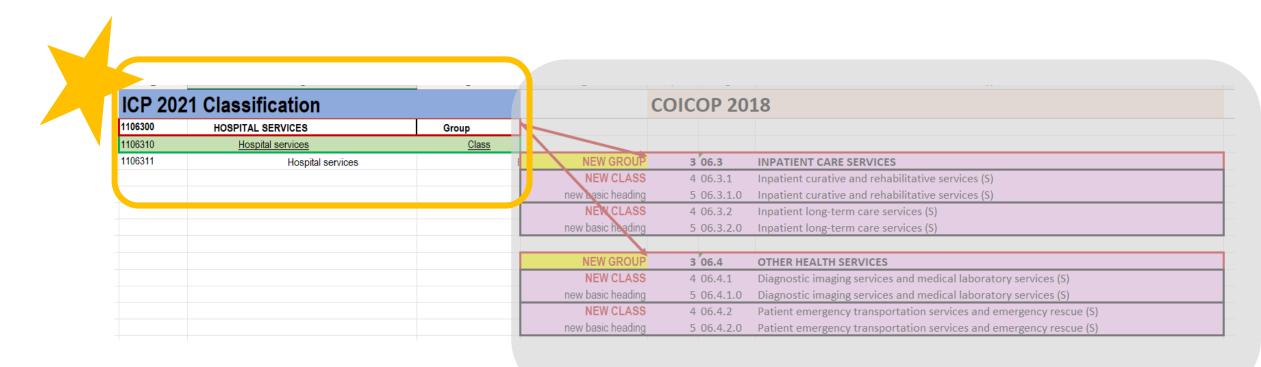
## Possible Scenarios (5)

Introduce new "services" headings (all or selected)

	NEW GROUP	<b>3</b> 01.3	SERVICES FOR PROCESSING PRIMARY GOODS FOR FOOD AND NONAL COHOLIC BEVERAGES
Services for	NEW GROOP	<b>5</b> 01.3 4 01.3.0	
processing primary	NEW CLASS	4 01.3.0	Services for processing primary goods for food and non-alcoholic beverages (S)
products - grinding			
cereals, oil pressing,			
fruit/vege crushing	new basic heading	5 01.3.0.0	Services for processing primary goods for food and non-alcoholic beverages (S)
alcohol, fruit/vege	NEW GROUP	<b>3</b> 02.2	ALCOHOL PRODUCTION SERVICES
crushing, brewing,	NEW CLASS	4 02.2.0	Alcohol production services (S)
aging/bottling,	new basic heading	5 02.2.0.0	Alcohol production services (S)
1	ı	ı	
	NEW CLASS	4 04.3.2	Services for the maintenance, repair and security of the dwelling (S)
	new basic heading	5 04.3.2.0	Services for the maintenance, repair and security of the dwelling (S)
	NEW CLASS	4 05.2.2	Repair, hire and sewing services of household textiles (S)
-			
	new basic heading	5 05.2.2.0	Repair, hire and sewing services of household textiles (S)
	NEW CLASS	4 05.5.3	Repair and hire of motorized and non-motorized tools and equipment (S)
	new basic heading	5 05.5.3.0	Repair and hire of motorized and non-motorized tools and equipment (5)
_	new basic neading	5 05.5.5.0	repair and fine of motorized and non-motorized tools and equipment (3)
_	NEW CLASS	4 06.1.4	Repair, rental and maintenance of medical and assistive products (S)
	new basic heading	5 06.1.4.0	Repair, rental and maintenance of medical and assistive products (5)
	new basic neading	3 00.1.4.0	nepail, rental and maintenance of medical and assistive products (3)

#### Possible Scenarios (6)

Keep ICP Classification







# Scope of work

- 1. Assess the impact of the COICOP 2018 and 2005 SNA updates on the ICP classification.
- 2. Draft an interim classification/approach for ICP 2024.
- 3. Draft an updated ICP classification ICP 2027.
- **4. Analyze possible scenarios** and conduct simulations to assess the impact on PPPs.
- 5. 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.
- **6. Recommend an appropriate timeline** and implementation strategy for the new ICP classification.
- 7. Develop guidelines and recommendations for adopting the updated classification.
- **8. Prepare other documentation** as needed, including needed revisions to ICP operational materials and solutions.

- Develop an updated ICP classification.
- 2. Develop an interim approach for ICP 2024.
- 3. Present its proposed approach to the TAG.
- 4. Draft an interim report for discussion.
- 5. **Refine its methodology** through further research and computations as needed.
- 6. Prepare a final report with recommendations.
- 7. 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.



# **Expected Deliverables**



- 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
- Representatives of the ICP Global Implementing Agency.
- Independent experts/consultants.

- 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.



# Tenure and Work Modality

	2025		20	26		2027				
r discus	ssion	D€	evelop Operat	ional Material	s	Conduct Research and Testing				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Task Force Activity	Finalize Membership	First Meeting (When where?)	Deliver final classificat ion for ICP 2027 (June)	TF secretariat (GO) updates operational materials (summer)	Deliver guidelines and notes (2) interim approach for ICP 2024	- Explore feasibil ICP results - Conduct scena		previous	Deliver final report and other supporting documents	
ICP Activity		TAG (Jan/Feb – online) UNSC (March-NY)	IACG – send GCL suggestion s (based on ICP 2021 list) Summer	TF & TAG Meeting (endorse classificati on + GCL)		ICP 2024 Publication Suppor			ions	
Note		TF: Review draft proposal. GO: prepare proposal	GO works on Product list – on new classificati on	IACG operational materials by <b>Sept 2026</b>			EUO Product list finalized			

## **Next Steps**

- IACG sends us nominations for TF members
  - Countries / experts
- Global Office (TF Secretariat)
  - Administrative
    - Formally invites TF members
    - Set first meeting (in-person) for TF
  - Draft proposals for discussion
    - interim mapping/approach for ICP 2024
    - Suggestions for Global Core List for ICP 2027
    - New ICP classification for ICP 2027
  - Identify operational materials, tools to update
- TF meets for the first time

