



# Revision of Private Final Consumption Expenditure (PFCE) under Classification of Individual Consumption According to Purpose (COICOP) 2018

## Households and Non-Profit Institutions serving households (NPISHs)

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## Revision of Private Final Consumption Expenditure (PFCE) under Classification of Individual Consumption According to Purpose (COICOP) 2018 \*

The reclassification of Private Final Consumption Expenditure (PFCE) of Thailand based on Classification of Individual Consumption by Purpose (COICOP) 2018, has been undertaken by Office of the National Economic and Social Development Council. This initiative aims at studying and establishing guidelines for categorization of private final consumption expenditure. The prior classification based on COICOP 1999, has been updated in accordance with COICOP 2018. This recent framework was published by the United Nations Statistics Division (UNSD).

COICOP is an international standard for categorizing private final consumption expenditure. Its purpose is to provide a conceptual framework for classifying goods and services with similar characteristics based on their function or purpose within household consumption expenditure, non-profit institutions serving households (NPISHs), and government expenditure on individual consumption goods and services.

As a key component of the System of National Accounts (SNA), COICOP is adopted in various statistical applications, such as household expenditure statistics from household budget surveys; analysis of living standards; consumer price indices; international comparison of Gross Domestic Product (GDP), and expenditure components through purchasing power parity; and other statistics related to culture, sports, food, health, and tourism.

The process of the revision of COICOP 2018 has been launched in 2015, leading by UNSD in collaboration with experts and users worldwide. This revised COICOP (COICOP 2018) offers higher details of classification than COICOP 1999 in response to an increase in demand from users for high level of granularity while addressing several issues. This improvement appropriately reflects significant changes in goods and services, and enhances linkages between COICOP and other classifications, resulting in alignment with the needs of statistical framework and policy applications across diverse international organizations.

\*Note The reclassification of Private Final Consumption Expenditure (PFCE) of Thailand based on the Classification of Individual Consumption by Purpose (COICOP) 2018 of the United Nations (UN).

## The structure of COICOP 2018 consists of 15 divisions.

Divisions 01–13 are designated for classifying individual consumption expenditure of households, while Division 14 is for individual consumption expenditure of NPISHs. The Division 15 is assigned for individual consumption expenditure of general government.

COICOP 2018 has a hierarchical structure with four levels, coded with numerical digits, starting from two digits at the top level and extending to five digits at the most detailed level. For example, coding system for Division 03 Clothing and footwear.

Division	03	Clothing and footwear (2-digit level)
Group	03.1	Clothing (3-digit level)
Class	03.1.1	Clothing materials (SD) (4-digit level)
Subclass (Goods and Services)	03.1.1.0	Clothing materials (SD) (5-digit level)

The broad structure presents numerical codes with category names at the division and group levels (2-digit and 3-digit levels). For detailed structure, categories are further classified into class (4-digit level) and subclass (5-digit level) accordingly. Classes and subclasses are categorized by product durability as durable goods (D), semi-durable goods (SD), non-durable goods (ND), and services (S) to facilitate further analysis.

In addition, the division level in COICOP 2018 consists of 15 divisions, comparing to 14 divisions in COICOP 1999. Insurance and financial services are separated from miscellaneous goods and services. Consequently, the classification of household consumption expenditures has increased to 13 divisions, from 12 divisions in COICOP 1999. The numbers of categories at group level and class level have also increased from 58 and 157 categories to 63 and 186 categories, respectively. At the most detailed subclass level, there are 338 categories, while the subclass level does not exist in COICOP 1999.

### Comparison of the number of categories between COICOP 1999 and COICOP 2018 by level

COIOP level	Number of categories	
	COICOP 1999	COICOP 2018
Division	14	15
Group	58	63
Class	157	186
Subclass	NA	338

## Significant revisions of COICOP 2018

1. A new category, “Division 12 Insurance and financial services” in COICOP 2018 was separated from “Division 12: Miscellaneous goods and services” in COICOP 1999. In other words, “Division 12 Miscellaneous goods and services” in COICOP 1999 was divided into two categories: “Division 12 Insurance and financial services” and “Division 13 Personal care, social protection and miscellaneous goods and services”. The reason for separation was partly due to highly diverse details of the “Division 12” in COICOP 1999. As a result, the expenditure of this division in some countries presented a substantially high share of total spending.

2. Renaming, redefining descriptions, as well as reorganizing categories within or between divisions for enhancing clarity. Key changes include:

2.1 Classification at the highest or division level remained mostly unchanged to minimize fragmentation and avoid disruption of time-series data. However, “Division 08 Communication” and “Division 09 Recreation and culture” should be reorganized into “Division 08 Information and communication” and “Division 09 Recreation, sport and culture”.

2.2 Items related to information, such as televisions and computers, have been adjusted or relocated from “Division 09 Recreation and culture” to “Division 08 Communication”, and also renamed to “Division 08 Information and communication”. This change aims at improving reflection of details, while encompassing new equipment for communication and information reception.

This will accommodate rapid advancement in technology and communication. However, the classification mainly relies on a purpose perspective and avoids dependence on technology advancement.

2.3 Rename “Division 09 Recreation and culture” in COICOP 1999 to “Division 09 Recreation, sports, and culture” in COICOP 2018 in order to better reflect the details within division. “Class 09.1.1: Equipment for the reception, recording and reproduction of sound and pictures, 09.1.3: Information processing equipment and “09.1.4: Recording media” have been moved to “Division 08 Information and communication”, as this equipment is used for information and communication purposes. Meanwhile, services for repairs and rentals of information and communication equipment, as well as television licensing fees and television network subscriptions, have been moved from Division 09 to Division 08.

2.4 Division 07 Transport has been updated to include Postal services, which were previously in “Division 08 Communication”. This change reflects main usage of postal services by household for sending and receiving parcels, while letter mailing has become rare. Therefore, to better represent the purpose of postal services in COICOP 2018, postal services have been moved to Transport Division.

3. While COICOP 1999 classified items into three levels: division, group, and class, COICOP 2018 distinguishes four levels, with the fourth level being the most detailed level: subclass (Goods and Services). Furthermore, there is an increase in categories for both group and class levels, as shown in the table above.

# Revision of Thailand's Classification of Private Final Consumption Expenditure According to COICOP 2018

1. Mapping of COICOP 1999 codes to COICOP 2018 codes at the most detailed level depends on relational alignment.

**1.1 One-to-one mapping** (mapping item-to-item) compares corresponding items based on definition, meaning, scopes, and establishes code connections. In this case, data can be directly mapped and transferred, especially at the 5-digit detailed level (in case of Thailand) with the new 5-digit codes (COICOP 2018). However, in some instances there could be both cross group or class mappings within the same division, as well as across divisions.

**1.2 Many-to-one mapping** (mapping multiple items to one item) compares and links multiple items from the original 5-digit level (in case of Thailand) to one item at the new 5-digit level (COICOP 2018). Thailand's COICOP 1999 classification has previously been extended to 5-digit level, which provide more details than the COICOP 1999 at 4-digit level. This allows us to conveniently map our items in COICOP 1999 format to the COICOP 2018 at a detailed, 5-digit level.

**1.3 One-to-many mapping** (mapping one item to multiple items) involves breaking down a single item into multiple items according to new classification. This requires further study and information-gathering of relevant data for disaggregating the original item in alignment with the new classification. The information may include direct data, relevant surveys - such as household socio-economic survey, or other relevant indicators.

In addition, classification at subclass level can specify items by durability which can be categorized into durable goods (D), semi-durable goods (SD), non-durable goods (ND), and services (S).

2. Summary of mapping and transfer of private final consumption expenditure data.

2.1 Divisions with no changes in the value of time-series data, include five categories: Alcoholic beverages, tobacco and narcotics; Housing, water, electricity, gas, and other fuels; Furnishings, household equipment and routine household maintenance; Education services; and Restaurants and accommodation services.

2.2 Divisions with an increase in the value of time-series data, include three categories: Food and non-alcoholic beverages, Transport, and Information and communication services.

2.3 Divisions with a decrease in the value of time-series data, include four categories: Clothing and footwear; Health; Recreation, sport and culture; and Personal care, social protection and miscellaneous goods and services.

2.4 New division: Insurance and financial services.

The adjustments and changes do not affect overall value at current market prices, as they represent reclassifications either between divisions or within the same division, in line with the new classification improvements. Each reclassified item corresponds to increases and decreases between divisions. However, differences arise in the value from chain volume measures (CVM) due to changes in the price structure of certain divisions. This can be particularly seen in items with many-to-one or one-to-many relations, which in turn having impacts on the compilation of real values. Nonetheless, these differences do not significantly affect the growth rates in real terms for private final consumption expenditure. In other words, the growth rate in real terms remains unchanged.

## Comparison of the structures between COICOP 1999 and COICOP 2018.

The comparison of the structures between COICOP 1999 and COICOP 2018 at the main category level reveals some changes in names or descriptions, and this also include reallocation of sub-items within or between categories for clarity.

Comparison of previous publication table classified by COICOP 1999  
and new publication table classified by COICOP 2018.

COICOP 1999	COICOP 2018
Individual consumption expenditure of households	Individual consumption expenditure of households
Food and non-alcoholic	Food and non-alcoholic beverages
<i>Food</i>	<i>Food</i>
Bread and cereals	Cereals and cereal products
Meat	Meat
Fish	Fish and other seafood
Milk, cheese and eggs	Milk, other dairy products and eggs
Oil and fat	Oils and fats
Fruit	Fruits and nuts
Vegetables	Vegetables
Sugar, jam, honey, chocolate and confectionery	Sugar, confectionery and deserts
Food products n.e.c.	Ready-made food and other food products n.e.c.
<i>Non-alcoholic beverages</i>	<i>Non-alcoholic beverages</i>
Alcoholic beverages, tobacco and narcotics	Alcoholic beverages, tobacco and narcotics
<i>Alcoholic beverages</i>	<i>Alcoholic beverages</i>
<i>Tobacco</i>	<i>Tobacco and narcotics</i>
Clothing and footwear	Clothing and footwear
<i>Clothing</i>	<i>Clothing</i>
<i>Footwear</i>	<i>Footwear</i>
Housing, water, electricity, gas and other fuels	Housing, water, electricity, gas and other fuels
<i>Housing and water</i>	<i>Housing and water</i>
<i>Electricity, gas and other fuels</i>	<i>Electricity, gas and other fuels</i>
Furnishings, household equipment and routine maintenance of the house	Furnishings, household equipment and routine household maintenance
<i>Furniture and furnishings, carpets and other floor covering</i>	<i>Furniture and furnishings, and loose carpets</i>
<i>Households equipment and routine maintenance of the house</i>	<i>Households equipment and routine maintenance of the house</i>

COICOP 1999	COICOP 2018
Health	Health
Transport	Transport
<i>Purchase of vehicles</i>	<i>Purchase of vehicles</i>
<i>Operation of personal transport equipment</i>	<i>Operation of personal transport equipment</i>
<i>Transport services</i>	<i>Passenger transport services</i>
	<i>Transport services of goods</i>
Communication	Information and communication
Recreation and culture	Recreation, sport and culture
<i>Audio-visual, photographic and information Processing equipment</i>	<i>Recreational durables</i>
<i>Other recreation and entertainment</i>	<i>Other recreation and entertainment</i>
<i>Newspaper, books and stationery</i>	<i>Newspapers, books and stationery</i>
Education	Education services
Restaurants and hotels	Restaurants and accommodation services
	<i>Insurance and financial services</i>
Miscellaneous goods and services	Personal care, social protection and miscellaneous goods and services
<i>Personal care</i>	<i>Personal care</i>
<i>Personal effects n.e.c.</i>	<i>Other personal effects</i>
<i>Financial services</i>	
<i>Other services n.e.c.</i>	<i>Other services</i>
Individual consumption expenditure of non-profit institutions serving households (NPISHs)	Individual consumption expenditure of non-profit institution serving households (NPISHs)
<i>Health, education, and social protection</i>	<i>Health, education, and social protection</i>
<i>Other services n.e.c.</i>	<i>Other services n.e.c.</i>
Private final consumption expenditure in the domestic market	Private final consumption expenditure in the domestic market
Plus : Expenditure of residents abroad	Plus : Expenditure of residents abroad
Less : Expenditure of non-residents in the country	Less : Expenditure of non-residents in the country
Private final consumption expenditure	Private final consumption expenditure