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United Nations Economic Commission for Europe  
Statistical Division

## The Revision of ISIC and NACE

Dushanbe, 14 – 16 November 2007

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### International Family of Economic and Social Classifications



- ❖ Integrated system of statistical classifications:
  - Registered in the UN inventory of Classifications;
  - Developed and approved as guidelines by UN SC or other intergovernmental body;
  - Includes also registered regional and national classifications derived from or related to international classifications.
  
- ❖ Comparability of statistics at world level

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## International Family of Economic and Social Classifications



- ❖ Includes classifications in the following subject matter areas:
  - Economic activity (ISIC, NACE, NAEMA, NAICS,...);
  - Products (CPC, HS, CPA, ..);
  - Expenditures according to purpose (COICOP, COPNY, COFOG, COPP);
  - Employment (ICSE), Occupation (ISCO) and Education (ISCED);
  - Social, health....

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## International Family of Economic and Social Classifications



- ❖ Types of classifications in the family:
  - Reference classifications – product of international agreements, approved by UNSC or other body, serve as guidelines for development of other classifications;
  - Derived classifications – based on ref classification and adopt their structure and building blocks, full correspondence;
  - Related classifications – differ in structure and or building blocks, linked mainly by correspondence tables (often only partial correspondence).

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## Activity classifications

- ❖ Reference classification
  - ISIC (UN, Global level)  
17 Sections, 62 divisions, 161 groups, 298 classes
- ❖ Derived classifications
  - NACE (EU level)  
17 Sections, 62 divisions, 224 groups, 514 classes
- ❖ Related classifications
  - NAICS (US, Canada, Mexico)  
20 sectors, 103 sub-sectors, 328 ind. groups, 728 industries, national industries
  - ANZSIC (Australia and New Zealand), JSIS (Japan), etc.

*Classifications of the Branches of National economy (CBNE)*

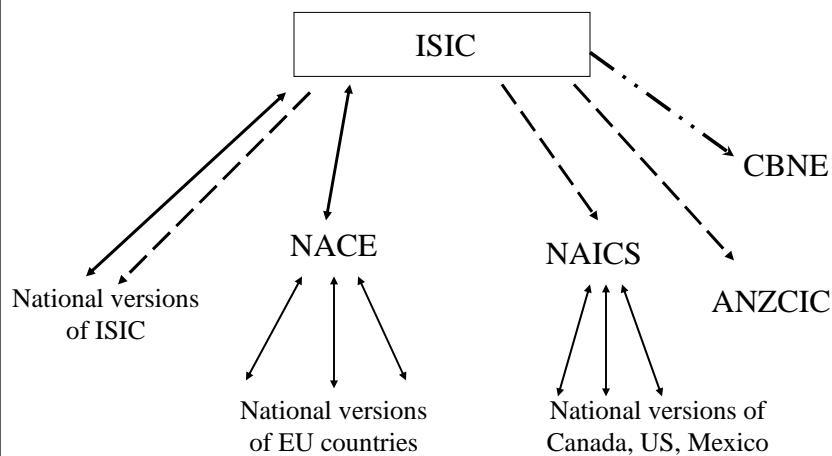
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## Activity classifications



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## Revision of ISIC



- ❖ The revision of the whole system ISIC, CPC and HS started in 1999;
- ❖ UN SC adopted ISIC Rev. 4 in March 2006;
- ❖ Objectives:
  - Relevance – address the economic changes;
  - International comparability – convergence of NAICS, NACE, ANZSIC;
  - Continuity;
- ❖ Consider the larger frame of revised international standards (SNA, BoP).

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## ISIC Rev.4



- ❖ Purpose and scope of the classification
  - Covers the productive economic activities as defined by the SNA (few exceptions);
- ❖ Structure of the classification: sections, divisions, groups and classes;
- ❖ Statistical units: legal entities, institutional units, enterprises, establishments.

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## ISIC Rev.4

- ❖ Principal, secondary and ancillary activity
- ❖ Classification of units:
  - Determined by the ISIC class where the principal activity belongs;
  - Definition of principal activity by value added principle (or substitutes based on gross output, sales, inputs) and a top-down method.

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## Defining Principal Activity

Enterprise

C - Manufacturing				E - Construction	M - Professional, scientific and technical activities
<b>70</b>				35	30
28 - Manufacture of machinery and equipment n.e.c.		24 - Manufacture of basic metals		42 - Civil Engineering	71 - Architectural and engineering activities; technical testing and analysis
<b>42</b>		28		35	30
281 - Manuf. of general-purpose machinery	282 - Manufacture of special purpose machinery	241 - Manuf. of basic iron and steel	243 - Casting of metals	421 - Construction of roads and railways	711 - Architectural and engineering activities and related technical consultancy
17	<b>25</b>	15	13	35	30
2816 - Manuf. of lifting and handling equipment	2822 - Manuf. of metal-forming machinery and machine tools	2410 - Manuf. of basic iron and steel	2431 - Casting of iron and steel	4210 - Construction of roads and railways	7110 - Architectural and engineering activities and related technical consultancy
17	<b>20</b>	5	8	5	35
<b>20</b>				35	30

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## Main changes in ISIC Rev.4

- ❖ The number of detail has significantly increased especially in services (9 to 13 Sections);
- ❖ New sections for areas of specific policy interest e.g. ITC, environment protection, human health;
- ❖ Specific categories for “support services” close to the corresponding activities;
- ❖ New treatments of integrated activities (horizontally and vertically).

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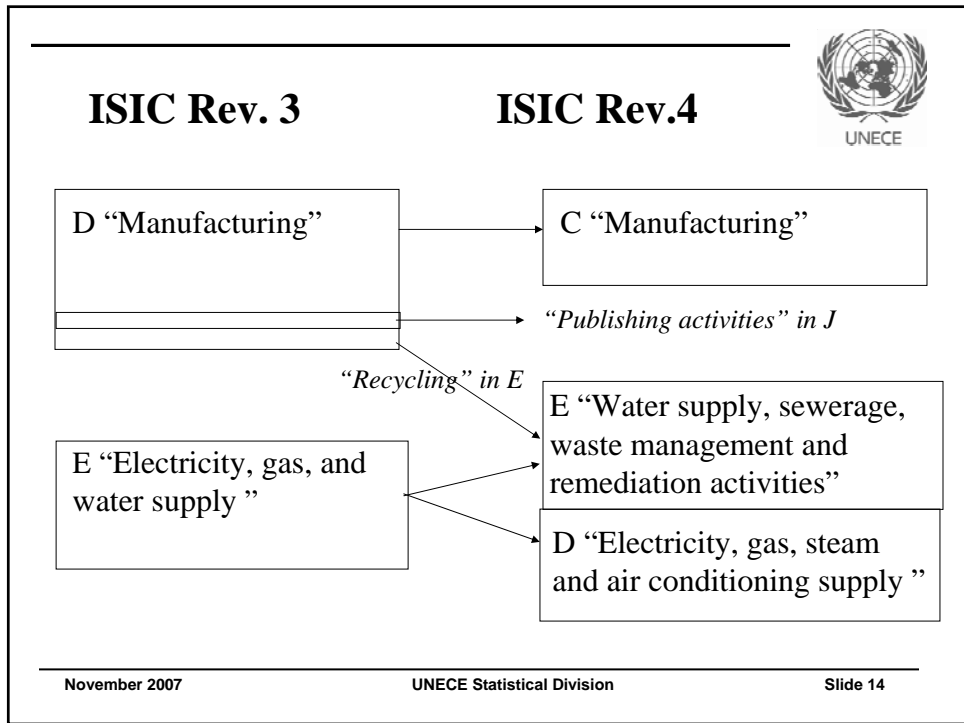
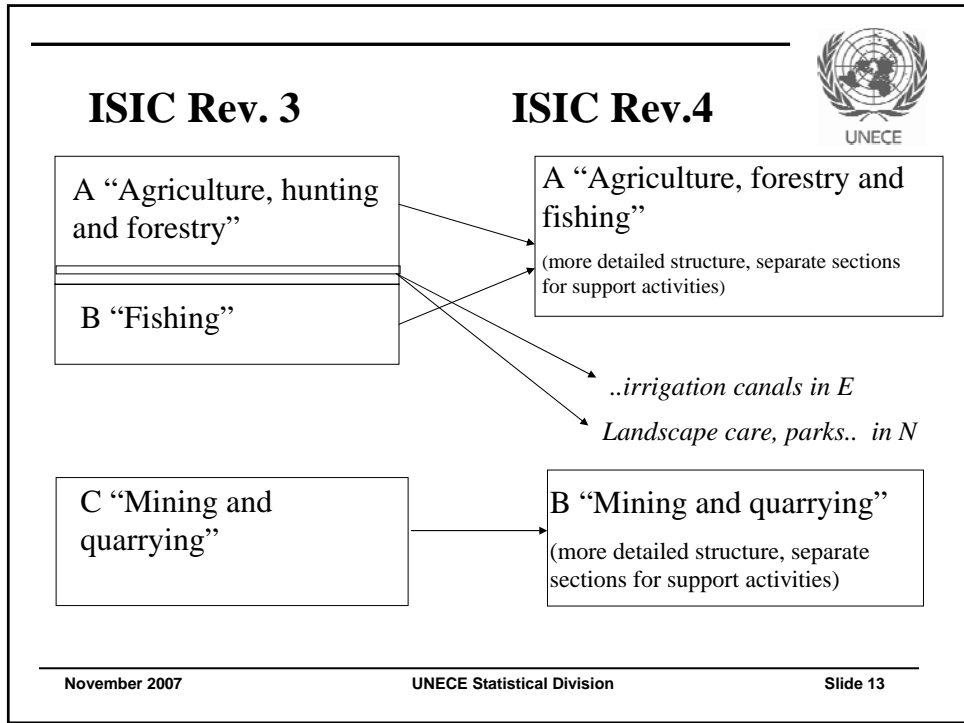
## Main changes in ISIC Rev.4 (cont.)

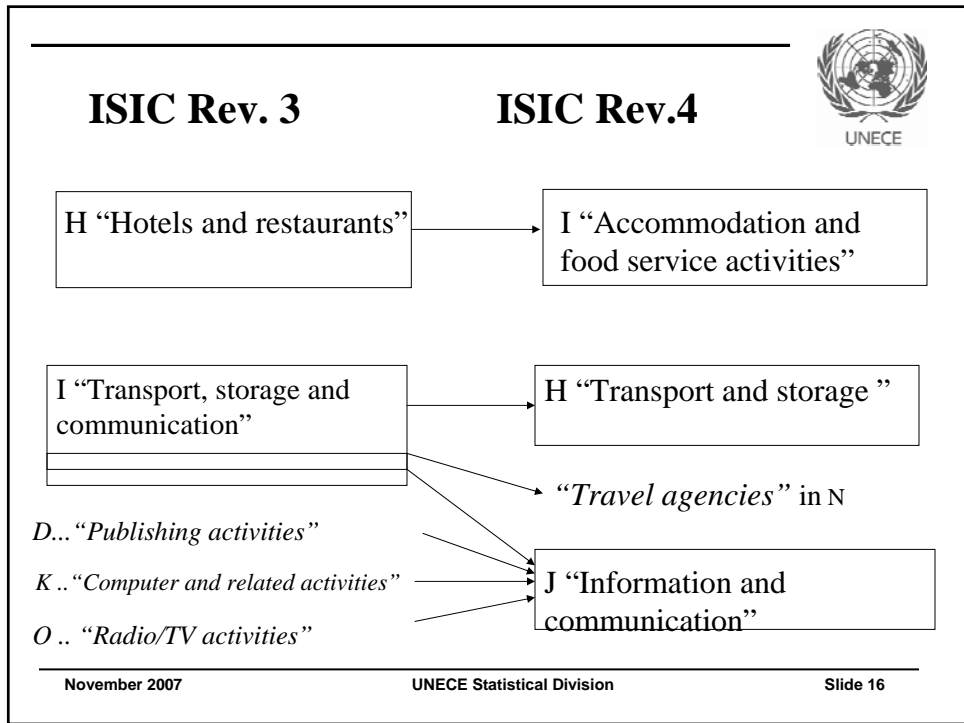
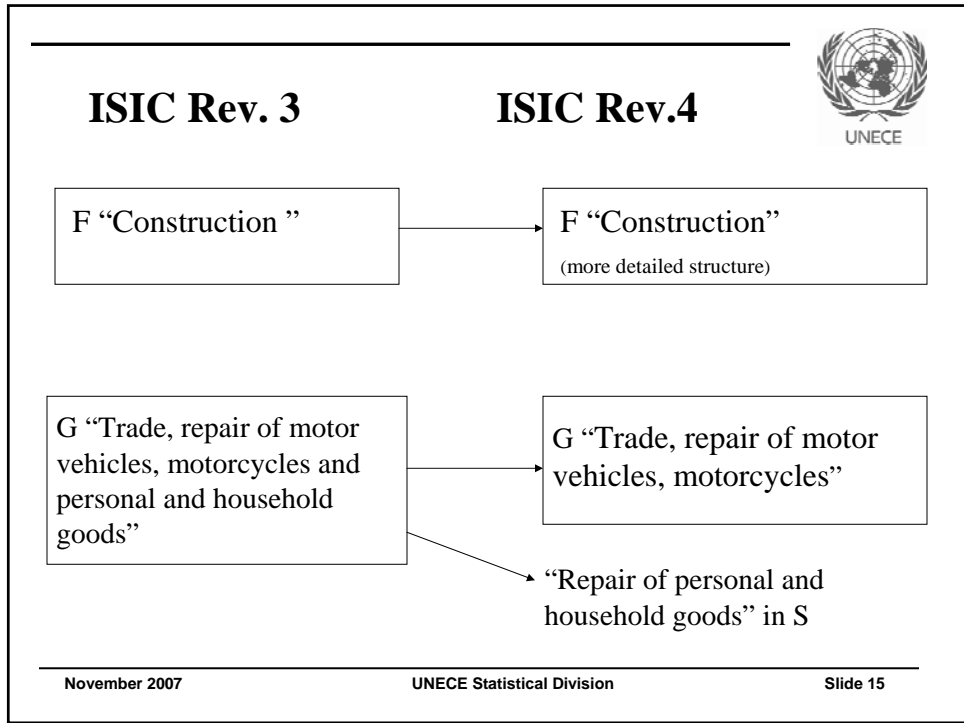
	ISIC Rev. 3.1	ISIC Rev. 4	NACE Rev.1.1	NACE Rev.2
<b>Sections</b>	<b>17</b>	<b>21</b>	<b>17</b>	<b>21</b>
<b>Divisions</b>	<b>62</b>	<b>88</b>	<b>62</b>	<b>88</b>
<b>Groups</b>	<b>161</b>	<b>238</b>	<b>224</b>	<b>272</b>
<b>Classes</b>	<b>298</b>	<b>420</b>	<b>514</b>	<b>615</b>

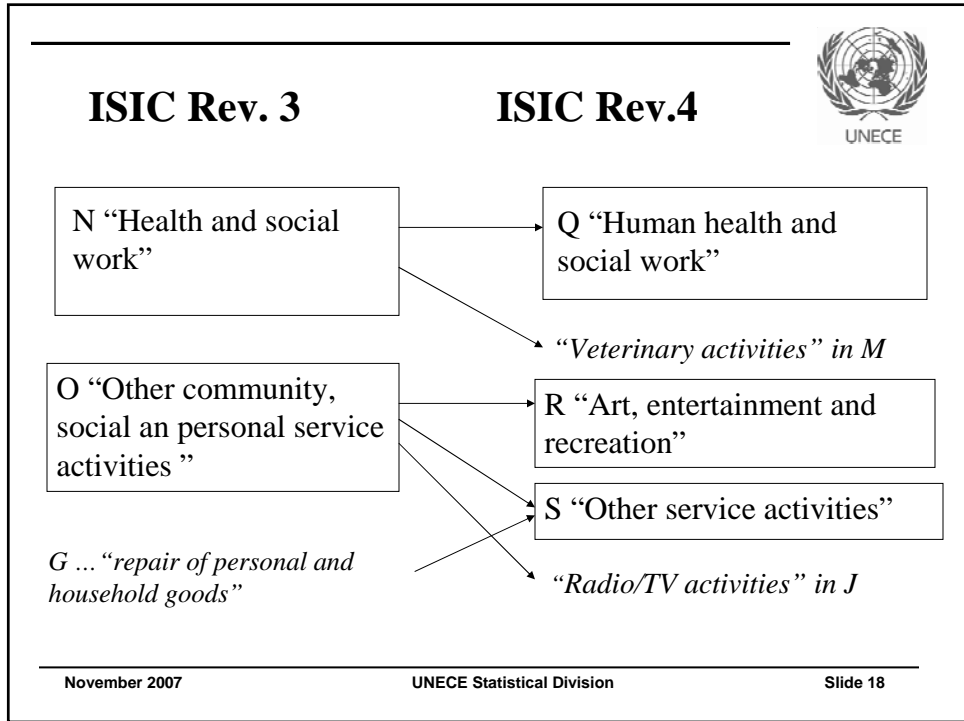
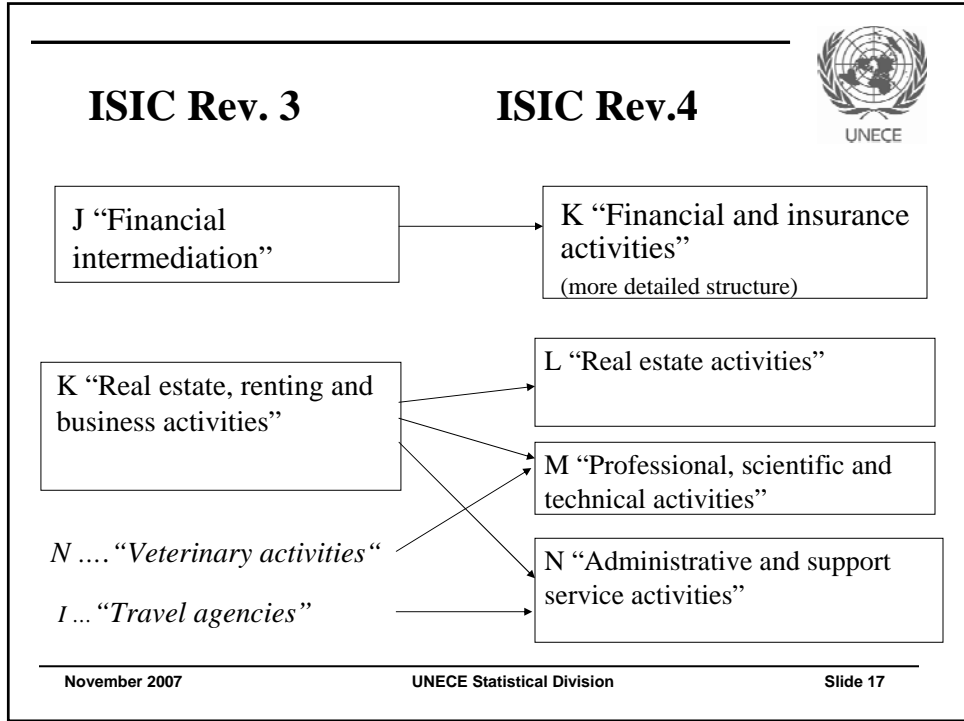
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## Specific aggregation levels

- ❖ Two specific SNA/ISIC aggregation levels have been developed for worldwide reporting of NA data: a top-top level **A\*10** and an intermediate level **A\*38**;
- ❖ At the EU level **A\*66** level will also be introduced;
- ❖ In NA other characteristics of producing units are also important in addition to ISIC Groupings: type of producer, type of ownership, institutional sector;
- ❖ Alternative aggregations for other specific needs could also be developed: informal sector aggregates, ITC sector, etc.