EGM Meeting on International Economic and Social Classification

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Implementation Guide for ISIC and CPC
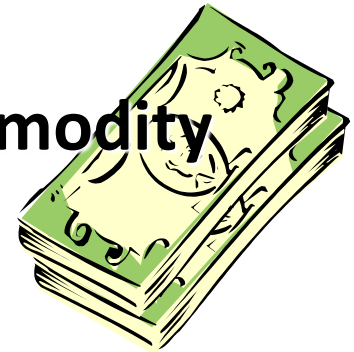
Experiences and Views of India

A
Presentation

by

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INDIA

ISIC Rev. 4 and CPC 2.0
Vs
Classifications followed in INDIA

- **National Industrial Classification**

  (All Economic Activities)

  (latest Ver. NIC 2008)

- **Annual Survey of Industries Commodity Classification**

  (latest Ver. ASICC 2009)

National Industrial Classification (NIC 2008)

➢ National Industrial Classification (NIC) is the standard classification followed for classifying all economic activities in India

➢ India being a part of the UN Expert Group on classification, decided to adopt ISIC Rev. 4 as a basis to build up revised version of its own activity classification

➢ Principles & procedures laid down in the United Nations International Standard Industrial Classification (ISIC) have been followed in revising NIC 2008

➢ Changing composition of the economy activity, requirements of users, and comparability with international standards have been taken into account while developing NIC 2008

National Industrial Classification (NIC 2008)

➢ NIC 2008 has 21 Sections, 88 Divisions, 238 Groups, 403 Classes and 1304 Sub-classes

➢ The structure of NIC 2008 is identical to the structure of ISIC Rev. 4 up to 4-digit level 'class'. Classes were then divided into 5-digit 'sub-classes' according to national requirements

➢ The revised NIC 2008 provides a more contemporary industrial classification system

National Industrial Classification (NIC 2008)

➢ Under 4 digit classes of NIC 2008, inclusion and exclusion statements have been included in the detailed structure itself to remove ambiguity in the scope of classification and to facilitate the classification of economic activity distinctly

➢ The structural difference between NIC 2004 (based on ISIC Rev. 3.1) and NIC 2008 (based on ISIC Rev. 4) is in grouping of activities since more emphasis on '**relevance**' was considered rather than *type of operation* and *scale of operation*

➢ The concept of shadow classes introduced in NIC 2004 has thus been done away with in NIC 2008

Annual Survey of Industries Commodity Classification (ASICC 2009)

- In 1998, ASICC was first developed independently considering all products that are an output of economic activities in India
- The primary objective was to have uniform classification and coding of input/output items of a production unit to facilitate sectoral input-output analysis
- Recently ASICC 2009 has been revised and implemented in the collection of data in ASI
- Concordance of this with international classification CPC/HS is being explored

Annual Survey of Industries Commodity Classification (ASICC 2009)

➢ It has 9 Sections, 64 Divisions and 242 Sub-divisions in the updated version of ASICC 2009

➢ ASICC has been structured based on the requirements of ASI data collection

➢ Feasibility of adopting CPC Ver 2.0 is being explored for data collection

➢ Concordance between ASICC 2009 and CPC Ver. 2.0 is under preparation

Observation on Implementation Guide for ISIC

- I must appreciate the excellent job done by the Expert Group
- Any Classification meant for statistical purposes facilitates collection and compilation of information that in turn facilitates:
    1. Cross sectional evaluation and studies of the parameters
    2. More importantly, measuring changes over time – may be short-term or long-term
    3. Priority should be given for measuring change over time

- Thus the revision of classification should ensure these requirements
- Between ISIC Rev. 4 and Rev. 3.1, perfect concordance (one-to-one, or one-to-many, or many-to-one) at the 4-digit do not exists in many cases

Observation on Implementation Guide for ISIC

•Separate chapters could have been provided to classify and indentify the economic activities for environmental economic accounting

•Suggestions made by UNSD in the discussion note on 'Classification of Physical Flows and Related Solid Wastes' is well accepted for future expansion/revision

•Further expansion of individual chapter may be done by the individual countries depending upon their statistical requirements and purposes

Thank you...