EU Workshop on recent developments in business and consumer surveys

NACE Rev. 2

The revised classification of economic activities and its implication for business surveys

Alice Zoppè
Classification section - Eurostat Unit DDG02
International system of activities and products classifications

**ACTIVITIES**

- Global Level (UN)
  - ISIC
  - CPC

- EU Level
  - NACE
  - CPA
  - PRODCOM (goods)

- National Level
  - National version of NACE
  - National version of CPA
  - National version of PRODCOM

**PRODUCTS**

- GOODS
  - HS (transportable goods)
  - SITC
  - BEC

- MIG

International system of activities and products classifications (ISIC, SITC, HS, NACE, PRODCOM, CPA, National version of NACE, National version of CPA, National version of PRODCOM, BEC, MIG)
2002: Worldwide revision of classifications

Principles guiding the revision of ISIC and NACE:

- **Relevance**: adaptation to the technological and organisational developments of the economy

- **Comparability**: convergence between different regional and/or international classifications of economic activities

- **Continuity**: long time series necessary for economic analysis and forecasts
EP/C Regulations establishing NACE and CPA

- Regulation establishing NACE Rev. 2: expected publication in the OJ by 31 December 2006
- Provisions for coordinated implementation all over the EU and in various statistical domains
- Regulation establishing the revised CPA: expected adoption by mid June 2007.
Main changes from NACE Rev. 1.1 to NACE Rev. 2

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<th>NACE Rev. 1</th>
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Main changes from NACE Rev. 1 to NACE Rev. 2

9 new sections, especially in services, e.g.:

- Electricity, gas, steam and air conditioning supply
- Water supply, sewerage, waste management and remediation services
- Information and communication
- Professional, scientific and technical activities
- Administrative and support services activities
From “Manufacturing” to “Services”

Publishing activities:

- In NACE 1 under Div. 22 “Publishing, printing and reproduction of recorded media” – Section D “Manufacturing”
- In NACE 2 under new Section J “Information and communication”

Recycling

- In NACE 1 under Division 37 “Recycling” – Section D “Manufacturing”
- In NACE 2 under new Section E “Water supply, sewerage, waste management and remediation activities”
Implementation plan for NACE Rev. 2

General reference year: 2008

- National Business Registers will assign a new code NACE 2 to each unit
- Application of NACE Rev. 2 from 2008 onwards

Exceptions

- 2009: Short Term Statistics; Labour Cost Index
- 2011: National Accounts; Balance of Payments; Economic Accounts for Agriculture
Availability of statistics according to NACE Rev. 2

April 2009
Short Terms Statistics and Labour Cost Index

December 2009
Structural Business Statistics (provisional data for year 2008)

September 2011
National Accounts; Balance of Payments; Economic Accounts for Agriculture
The change of classification implies a break of time series: data from previous years are not comparable with the new ones.

Back-casting: old statistics can be « transformed » and expressed according to the new classification.
Impact on Business and Consumer Surveys

- **Consumer, construction and retail surveys:** none

- **Manufacturing and services:** changes in the sample (if extracted from Business Register)

- **Magnitude of the impact:** only if the responses of the “moved respondents” are significantly different from the “non moved respondents”

- **Pilot studies could be recommended**
How to reduce the potential risks

- **Re-define the coverage of the surveys in terms of NACE Rev. 2**: no difficulties on this issue (slight differences already existing between countries)

- **Change over to NACE Rev. 2 simultaneously for all countries**: if well anticipated, no difficulties are to be expected

- **When**: as Business Registers will implement NACE Rev. 2 in 2008, January 2009 could be a good choice, but other dates could be considered.