

Glossary: Kind-of-activity unit and local-kind-of-activity unit

Statistics Explained

The **kind-of-activity unit (KAU)** is a part of an [enterprise](#) . The KAU groups together all the offices, production facilities etc. of an [enterprise](#) , which contribute to the performance of a specific economic activity defined at class level (four digits) of the European classification of economic activities ([NACE Rev. 2](#) .) For example, a kind-of-activity unit might be the combination of all parts of a metal producing enterprise that produce copper (class 24.44 in NACE Rev. 2); within the same enterprise there might be another KAU consisting of those parts that produce aluminium (class 24.42 in NACE Rev. 2). In order to statistically subdivide enterprises into KAUs the enterprise's information system must be capable of indicating or calculating for each KAU at least the value of production, intermediate consumption, manpower costs, the operating surplus, employment and gross fixed capital formation.

The purpose of the KAU is to improve the homogeneity of statistical surveys by economic activity. In the above example, without the use of KAUs, it would be necessary to classify the enterprise either as a copper manufacturer or as an aluminium manufacturer. In such a way rather diverse enterprises might be considered to engage in the same economic activity which would make statistical results less clear and comparable.

The local part of a kind of activity units is called local kind-of-activity unit (LKAU), the term establishment is common as well, e.g. in [SNA](#) or [ISIC](#) .

Related concepts

- [Statistical Unit](#)
- [enterprise](#)
- [Local unit](#)

Source

- [Regulation \(EC\) No 696/1993](#) of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community
- [Notice of intention](#) of the Business Statistics Directors Groups and the Directors of Macroeconomic Statistics on the consistent implementation of Council Regulation (EC) No 696/93 on statistical units