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of Economic Classifications
(Geneva, 29 September-1 October 2004)

**Extract*
of**

**International Standard Industrial Classification of All Economic Activities (ISIC),
Revision 4**

**Complete structure draft for discussion
(12 May 2004)**

Submitted by the United Nations Statistics Division

* This extract covers the explicit questions in the ISIC draft and the related explanatory notes.

Determining the principal activity in the case of units engaged in multiple activities

Question: If you support including default treatments such as these directly in the definitions, are there other cases of vertically integrated activities that should also be added? Finally, if you do not support providing specific guidance in the definitions, do you support including language regarding the default classification when value added data are not available?

Question: Are you in favor of adding specific default classifications to the industry definitions for combinations of:

- combined manufacture of new goods and repair of those goods is classified to manufacture (Section C);
- selling fire extinguishers and servicing fire extinguishers is classified to selling fire extinguishers (Section G);
- combined retail sale of new products and repair and maintenance of those products is classified to retail trade (Section G);
- retail sales of new musical instruments combined with rental of instruments or music lessons is classified to selling of new musical instruments (4444);
- combined manufacture and retail sale of goods is classified to manufacturing (Section C);
- combined store and nonstore retail operations (selling through a store front along with catalog sales or internet sales) are classified to store retail (Groups 441-448);
- combined retail sale of a full line of tires combined with a general line of automobile repairs are classified to retailing tires (4230);
- combined retail sale of office supplies and office furniture is classified to retail sale of office supplies (4461);
- combined retail sale of motor fuel and retail sale of convenience store goods are classified to retail sale of motor fuels (4470);
- combined retail sale of motor fuels with restaurant and/or repair services (truck stops) are classified to retail sale of motor fuels (4470);
- combined retail sale of eyeglass frames and grinding lenses to prescription in the same retail location are classified to retail sale of optical goods (4469);
- combined passenger air transportation with air freight transportation are classified to air passenger transportation (4710);
- combined publishing and printing are classified to publishing (Division 53);
- combined sales financing and finance leasing are classified to sales financing (5992);
- combined photocopy services with short run printing, such as lithographic printing, are classified to printing (1811);
- combined installation of hardscape (e.g., walkways, decks, ornamental retaining walls, etc) with installation of landscape plantings are classified to landscape services (7340);
- combined services of waste incinerators and electricity production are classified to waste management (372); and
- accommodations combined with resort activities (such as a golf course) are classified to accommodations (Division 51).

Question: Do you support inclusion of guidance on combined activities within the definitions of ISIC? If you do support the inclusion of specific guidance regarding the classification of common combinations of activities, are there other examples that should also be included?

ISIC Rev.4 draft explanatory notes

A Agriculture, Forestry and Fishing

***Comment:** Organic and GMO agriculture has not been separated, as the actual growing activities are similar (actually identical). While some countries seem to view this distinction (for organic) as product based, this is also not correct, as farmers do not produce mixes of organic and non-organic products.*

The FAO definition of organic agriculture, based on the Codex Alimentarius, could possibly be supported on an activity basis, but we have found no evidence that this distinction is made in countries. If country definitions of organic agriculture vary, we should not introduce this concepts based on a single definition here. Separate identification of those activities, if needed, is suggested at the country level, but not as a major separation in the international classification.

The structure in section A has been changed considerably compared to the previous version of ISIC. Additional discussions for this area will take place involving the Food and Agriculture Organization (FAO). Do you support the changes in this draft?

0141 Production of cattle; dairy farming

This class includes:

- farming of cattle
- production of raw cow milk
- production of bovine semen

This class excludes:

- farm animal boarding, breeding and care, see 0162
 - processing of milk outside the farm, see 1050
-

***Comment:** Should this class definition be maintained or do you prefer separate categories for cattle farming and dairy farming? If a separate class for dairy farming is needed, should it refer to dairy cattle only or should it include all dairy (including goat's milk etc.)?*

0150 Mixed Farming

This class includes:

- generalized farming activities, i.e. farming activities without a specialized production of crops or animals

The size of the overall farming operation is not a determining factor. If either production of crops or animals in a given unit exceeds 66 per cent or more of standard gross margins, the combined activity should not be included here, but allocated to crop or animal farming.

This class excludes:

- mixed crop farming, see groups 011, 012 and 013
 - mixed animal farming, see group 014
-

***Comment:** This category was already included in ISIC Rev.3. How do you implement this definition, to ensure that not all units engaged in combined crop and animal farming are classified here? Are there better ways of naming and defining this category? Does "Integrated crop and*

livestock production" better capture the content of this class or would this title be too ambiguous?

0163 Post-harvest crop activities

This class includes:

- preparation of crops for primary markets, i.e. cleaning, trimming, grading, disinfecting
- cotton ginning
- preparation of tobacco leaves
- preparation of cocoa beans

This class excludes:

- preparation of agricultural products by the producer, see corresponding class in groups 011, 012 or 013
- wholesale of agricultural raw materials, see 4320

***Comment:** Separation of this into beneficiation carried out at the farm vs. carried out in a different setting (or under different ownership) would violate ISIC principles, as the ownership of the material would be the deciding factor for the activity, while everything else remains the same.*

B Mining and quarrying

Mining and quarrying include the extraction of minerals occurring naturally as solids (coal and ores), liquids (petroleum) or gases (natural gas). Extraction can be achieved by underground or surface mining or well operation.

This section includes supplementary activities aimed at preparing the crude materials for marketing, for example, crushing, grinding, cleaning, drying, sorting, concentrating ores, liquefaction of natural gas and agglomeration of solid fuels. These operations are often accomplished by the units that extracted the resource and/or others located nearby.

Mining activities are classified into divisions, groups and classes on the basis of the principal mineral produced. Divisions 05, 06 are concerned with mining and quarrying of fossil fuels (coal, lignite and peat, petroleum, gas); divisions 07, 08 concern metal ores, various minerals and quarry products.

Some of the technical operations of this section, particularly concerning the extraction of hydrocarbons, may also be carried out for third parties by specialized units as an industrial service which is reflected in division 09.

This section also includes:

- agglomeration of coals and ores

This section excludes:

- processing of the extracted materials, see section C (Manufacturing)
 - usage of the extracted materials without a further transformation for construction purposes, see section F (Construction)
 - bottling of natural spring and mineral waters at springs and wells, see 1104
 - crushing, grinding or otherwise treating certain earths, rocks and minerals not carried on in conjunction with mining and quarrying, see 2399
 - collection, purification and distribution of water, see 3500
 - site preparation for mining, see 4110
 - mineral prospecting, see 6610
-

***Comment:** An alternative approach to structuring mining activities would be a separation strictly based on production process. This would result in three divisions for Mining, namely strip mining, underground mining and mining of liquids. While this approach would be on a clean conceptual basis, it would no longer allow aggregations of data for coal production etc. Using this type of split at a lower level would not be useful at the international level. However, the mining of liquefied coal is included under division 06 in this draft.*

0822 Extraction and agglomeration of peat

This class includes:

- peat digging
- peat agglomeration

This class excludes:

- manufacture of articles of peat, see 2399
- service activities incidental to peat mining, see 0910

***Comment:** This class was formerly included in a division with hard coal and lignite. Is the new placement more appropriate, considering process and use of the outputs?*

09 Mining support service activities

This division includes specialized support services incidental to mining provided on a fee or contract basis. It comprises exploration services through traditional prospecting methods such as taking core samples and making geological observations as well as drilling, test-drilling or redrilling for oil wells, metallic and non-metallic minerals. Other typical services cover building oil and gas well foundations, cementing oil and gas well casings, cleaning, bailing and swabbing oil and gas wells, draining and pumping mines, overburden removal services at mines, etc.

***Comment:** The present draft includes all support services to mining and extraction in this division, then splits between "support services to oil and gas extraction" and "support services to other mining and quarrying".*

Do you support this structure?

If not, would you prefer that these support services be split and allocated to the corresponding extracting/mining activity (in divisions 06 to 08)? In this case should they be eventually isolated as specific classes in these divisions or do you want only the support services to oil and gas extraction separately recognized? Should in this case all other support services to mining and extraction remain grouped in division 09?

13 Manufacture of textiles

This division includes preparation and spinning of textile fibres as well as textile weaving, finishing of textiles and wearing apparel, manufacture of made-up textile articles, except apparel (e.g. household linen, blankets, rugs, cordage etc.) and manufacture of knitted and crocheted fabrics and articles thereof (e.g. socks and pullovers). Growing of natural fibres is covered under division 01, while manufacture of synthetic fibres is a chemical process that is classified in class 2030. Manufacture of wearing apparel is covered in division 14.

Comment: *Is there a preference to incorporate a strict differentiation between manufacture of textiles and manufacture of apparel with the consequence that current class 1430 (former ISIC 1730: Manufacture of knitted and crocheted fabrics and apparel) would have to be split into fabric production and article/apparel production? The treatment in ISIC Rev.3 reflects a "unit concept", with default allocation of integrated activities, whereas value-added could be used to assign such units to one division or the other.*

1329 Manufacture of other textiles n.e.c.

This class includes all activities related to textiles or textile products, not specified elsewhere in division 13 or 14 or anywhere else in this classification, involving a large number of processes and a great variety of goods produced.

This class includes:

- manufacture of narrow woven fabrics, including fabrics consisting of warp without weft assembled by means of an adhesive
- manufacture of labels, badges etc.
- manufacture of ornamental trimmings: braids, tassels, pompons etc.
- manufacture of felt
- manufacture of tulles and other net fabrics, and of lace and embroidery, in the piece, in strips or in motifs
- manufacture of fabrics impregnated, coated, covered or laminated with plastics
- manufacture of metallized yarn or gimped yarn, rubber thread and cord covered with textile material, textile yarn or strip covered, impregnated, coated or sheathed with rubber or plastics
- manufacture of tyre cord fabric of high-tenacity man-made yarn
- manufacture of other treated or coated fabrics: tracing cloth, canvas prepared for use by painters, buckram and similar stiffened textile fabrics, fabrics coated with gum or amylaceous substances
- manufacture of diverse textile articles: textile wicks, incandescent gas mantles and tubular gas mantle fabric, hosepiping, transmission or conveyor belts or belting (whether or not reinforced with metal or other material), bolting cloth, straining cloth
- automotive trimmings
- manufacture of pressure sensitive cloth-tape
- artists' canvas boards and tracing cloth
- manufacture of shoe-lace, of textiles
- manufacture of powder puffs and mitts

This class excludes:

- manufacture of needle-loom felt floor coverings, see 1322
 - manufacture of transmission or conveyor belts of textile fabric, yarn or cord impregnated, coated, covered or laminated with rubber, where rubber is the chief constituent, see 2219
 - manufacture of plates or sheets of cellular rubber or plastic combined with textiles for reinforcing purposes only, see 2219, 2220
 - manufacture of cloth of woven metal wire, see 2599
 - manufacture of textile wadding and articles of wadding: sanitary towels, tampons etc., see 1709
-

Comment: *Is manufacturing of narrow woven fabrics as currently included in 1329 (Manufacture of other textiles, n.e.c) considered to be significantly different from 1311 (Preparation and spinning of textile fibres; weaving of textiles), justifying the placement in two different classes? Or should class 1311 be extended to cover the manufacture of all textiles?*

14 Manufacture of wearing apparel

This division covers all tailoring (ready-to-wear or made-to-measure), in all materials (e.g. leather, fabric, knitted and crocheted fabrics etc.), of all items of clothing (e.g. outerwear, underwear for men, women or children; work, city or casual clothing etc.) and accessories. There is no distinction made between clothing for adults and clothing for children, or between modern and traditional clothing. Division 14 also includes the fur industry (fur skins and wearing apparel).

Comment: See comment under division 13.

2594 Manufacture of weapons and ammunition

This class includes:

- manufacture of heavy weapons (artillery, mobile guns, rocket launchers, torpedo tubes, heavy machine guns)
- manufacture of small arms (revolvers, shotguns, light machine guns)
- manufacture of air or gas guns and pistols
- manufacture of war ammunition
- manufacture of military ballistic and guided missiles

This class also includes:

- manufacture of hunting, sporting or protective firearms and ammunition
- manufacture of explosive devices such as bombs, mines and torpedoes

This class excludes:

- manufacture of percussion caps, detonators or signalling flares, see 2029
- manufacture of cutlasses, swords, bayonets etc., see 2593
- manufacture of armoured vehicles for the transport of banknotes or valuables, see 2910
- manufacture of tanks and other fighting vehicles, see 2910

Comment: This class has been moved here from the division of machinery and equipment in ISIC Rev.3.1. Do you agree with this move?

2910 Manufacture of motor vehicles

This class includes:

- manufacture of passenger cars
- manufacture of commercial vehicles:
 - vans, lorries, over-the-road tractors for semi-trailers etc.
- manufacture of buses, trolley-buses and coaches
- manufacture of motor vehicle engines
- manufacture of chassis fitted with engines
- manufacture of other motor vehicles:
 - snowmobiles, golf carts, amphibious vehicles
 - fire engines, street sweepers, travelling libraries, armoured cars etc.
 - concrete-mixer lorries
- tanks, armored amphibious military vehicles and other military fighting vehicles
- ATVs, go-carts and similar including race cars

This class also includes:

- factory rebuilding of motor vehicle engines

This class excludes:

- manufacture of agricultural tractors, see 2821
- manufacture of tractors used in construction or mining, see 2824
- manufacture of electrical parts for motor vehicles, see 2930
- manufacture of bodies for motor vehicles, see 2920
- manufacture of parts and accessories for motor vehicles, see 2930
- maintenance, repair and alteration of motor vehicles, see 4220
- manufacture of off-road dumping trucks, see 2824
- manufacture of armament for tanks and other military vehicles, see 2594

Comment: *Additional breakdown at the national level is possible to separately identify passenger cars and/or motor vehicle engines. Such detail is not recommended at the international level.*

3030 Manufacture of air and spacecraft and related machinery

This class includes:

- manufacture of aeroplanes for the transport of goods or passengers, for use by the defence forces, for sport or other purposes
- manufacture of helicopters
- manufacture of gliders, hang-gliders
- manufacture of dirigibles and hot air balloons
- manufacture of spacecraft and spacecraft launch vehicles, satellites, planetary probes, orbital stations, shuttles
- manufacture of parts and accessories of the aircraft of this class:
 - major assemblies such as fuselages, wings, doors, control surfaces, landing gear, fuel tanks, nacelles, lighting equipment etc.
 - airscrews, helicopter rotors and propelled rotor blades
 - motors and engines of a kind typically found on aircraft
 - parts of turbojets and turbopropellers for aircraft
- manufacture of aircraft launching gear, deck arresters etc.
- manufacture of ground flying trainers

This class also includes:

- overhaul and conversion of aircraft or aircraft engines
- manufacture of aircraft seats

This class excludes:

- manufacture of parachutes, see 1321
- manufacture of military ballistic missiles, see 2594
- manufacture of ignition parts and other electrical parts for internal combustion engines, see 2790
- manufacture of aircraft instrumentation and aeronautical instruments, see 2650
- manufacture of air navigation systems, see 2650
- manufacture of telecommunication equipment for satellites, see 2630
- manufacture of aircraft launching gear, aircraft carrier catapults and related equipment, see 2829

Comment: *Should a separation between air transport equipment and space transport equipment be introduced? The latter should be negligent or non-existing in most countries. A category for space transport equipment would only include the launch vehicles and the maneuverable part of the equipment. The electronic (telecommunications) part of a satellite would be classified in telecommunications equipment, not here.*

3100 Manufacture of furniture

This class covers manufacture of furniture of any kind, any material (except stone, concrete or ceramic) for any place and various purposes.

This class includes:

- manufacture of chairs and seats for offices, workrooms, hotels, restaurants, public and domestic premises
- manufacture of chairs and seats for theatres, cinemas and the like
- manufacture of chairs and seats for transport equipment
- manufacture of sofas, sofasets and sofa sets
- manufacture of garden chairs and seats
- manufacture of special furniture for shops: counters, display cases, shelves etc.
- manufacture of office furniture
- manufacture of kitchen furniture
- manufacture of furniture for bedrooms, living rooms, gardens etc.
- manufacture of cabinets for sewing machines, televisions etc.
- manufacture of laboratory benches, stools, and other laboratory seating, laboratory furniture (e.g., cabinets and tables)
- manufacture of medical, surgical, dental or veterinary furniture
- manufacture of furniture for churches, schools, restaurants

This class also includes:

- finishing such as upholstery of chairs and seats
- finishing of furniture such as spraying, painting, French polishing and upholstering
- manufacture of mattress supports
- manufacture of mattresses:
 - mattresses fitted with springs or stuffed or internally fitted with a supporting material
 - uncovered cellular rubber or plastic mattresses
- decorative restaurant carts, such as a desert cart, food wagons

This class excludes:

- manufacture of pillows, pouffes, cushions, quilts and eiderdowns, see 1321
- manufacture of inflatable rubber mattresses, see 2219
- manufacture of furniture of ceramics, concrete and stone, see 2391, 2395, 2396
- manufacture of lighting fittings or lamps, see 2740
- manufacture of car seats, railway seats, aircraft seats, see 2930, 3020, 3030
- blackboards, see 2817
- modular furniture attachment and installation, partition installation, laboratory equipment furniture installation, see 4129

Comment: Should additional detail be introduced for the manufacture of furniture? If yes, what should be the criteria for separating the detailed categories?

32 Manufacturing n.e.c.

It should be noted that division 32 is a residual division. The usual criteria for grouping classes into divisions have not been applied here.

Comment: Manufacture of goods typically manufactured from various materials (e.g. gaskets,

[cork, textile, plastic, rubber, metal], signs [wood, metal, plastic], blinds [plastic, metal, wood], etc.) could be placed under manufacturing n.e.c, since allocation by material does not reflect the production patterns. The production process is often quite similar, independent of the product and processes using different materials are carried out in the same unit.

In this respect, a class for signs has been created in this division. Is there support for other categories with a similar approach. If yes, for what groups of products.

3299 Other manufacturing n.e.c.

This class includes:

- manufacture of brooms and brushes, including brushes constituting parts of machines, hand-operated mechanical floor sweepers, mops and feather dusters, paint brushes, paint pads and rollers, squeegees and other brushes, brooms, mops etc.
- manufacture of shoe and clothes brushes
- manufacture of pens and pencils of all kinds whether or not mechanical
- manufacture of pencil leads
- manufacture of date, sealing or numbering stamps, hand-operated devices for printing, or embossing labels, hand printing sets, prepared typewriter ribbons and inked pads
- manufacture of baby carriages
- manufacture of umbrellas, sun-umbrellas, walking sticks, seat-sticks, whips, riding crops, buttons, press-fasteners, snap-fasteners, press-studs, slide fasteners
- manufacture of cigarette lighters and matches
- manufacture of articles of personal use: smoking pipes, combs, hair slides, scent sprays, vacuum flasks and other vacuum vessels for personal or household use, wigs, false beards, eyebrows
- manufacture of miscellaneous articles: candles, tapers and the like, artificial flowers, fruit and foliage, jokes and novelties, hand sieves and hand riddles; tailors' dummies, burial caskets etc.
- taxidermy activities

This class excludes:

- manufacture of lighter wicks, see 1329

Comment: *Should the manufacture of writing materials be separately identified in a separate class?*

3410 Electric power generation, transmission and distribution

This class comprises the generation of bulk electric power, transmission from generating facilities to distribution centers, and distribution to end users.

This class includes:

- operation of generation facilities that produce electric energy; including thermal, nuclear, hydroelectric, gas turbine, diesel and renewable
- operation of transmission systems that convey the electricity from the generation facility to the distribution system;
- operation of distribution systems (i.e., consisting of lines, poles, meters, and wiring) that convey electric power received from the generation facility or the transmission system to the final consumer
- sale of electricity to the user
- activities of electric power brokers or agents that arrange the sale of electricity via power distribution systems operated by others

- operation of electricity and transmission capacity exchanges for electric power

Comment: *In some countries, the deregulation of electricity generation and transmission has led to the emergence of markets for electrical power. In these deregulated environments, the operation of such markets and the intermediation function performed by brokers have become the principal activity of some economic agents. A question has been raised therefore as to where in ISIC to classify these activities.*

Traditionally, the generation, transmission and distribution of electricity in most countries has been carried out by regulated monopolies (so as to guarantee security of supply and because of large infrastructure costs). For this reason, industry classifications have recognized production, transmission and distribution of electricity as a single integrated activity, classified separately with other similar "utilities" (gas, steam and hot water). With the breaking up of these monopolies, units can specialize in generation only, transmission only, distribution, the operation of exchanges, and a variety of intermediation activities between producers and between producers and consumers. If electricity were considered a normal good, each of these activities could be classified to a specific class in ISIC: generation in manufacturing, transmission and distribution in transport, the operation of exchanges in finance and the various types of intermediation in trade. This represents the most disintegrated case. Alternatively, only some activities could be split out and recognized on their own, for example transport (as is the case in ISIC for transportation via pipelines of gas). At the other extreme, all activities related to the generation, transmission and distribution of electricity, including the operation of exchanges and brokering, could be considered together as part of a single class, as in ISIC 3.1.

Given the different stages of deregulation of electricity markets in different countries, the TSG has only considered options that reflect very little or no dis-integration of these activities: 1) that all activities related to the generation, transmission and distribution of electricity, including the operation of exchanges and brokering, be classified in class 3410 of ISIC rev 4; or 2) that the operation of exchanges be broken out and classified along with other commodity exchanges in Administration of financial markets.

Which of these two options would you support?

444 Retail trade of textiles, pharmaceuticals, hardware and household appliances in specialized stores

This group includes retail ale by stores specialized in carrying a particular line of household goods.

Comment: *Is the detail of breakdown is this group appropriate? What other breakdown would you propose?*

4442 Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles

This class includes stores specialized in:

- retail sale of pharmaceuticals
 - retail sale of medical and orthopaedic goods
 - retail sale of perfumery and cosmetic articles
-

Comment: *Does this exist as a sufficiently large separate activity in your country? If not here,*

where else should this be placed / combined?

4492 Retail sale via Internet

This class includes:

- retail sale of any kind of product over the Internet

This class also includes:

- Internet retail auctions

The customer makes a selection of a product based on information provided on a website and places his order over the Internet (usually through special means provided by that website). The products purchased can be either directly downloaded from the Internet or physically delivered to the customer.

***Comment:** Does this exist as a large enough separate activity? Should it be combined with 4491 (Retail sale via mail order houses)?*

4720 Freight air transport

This class includes:

- transport freight by air over regular routes and on regular schedules
- non-scheduled transport of freight by air
- launching of satellites and space vehicles
- space transport of freight and passengers

This class also includes:

- renting of air-transport equipment with operator for the purpose of passenger transportation
-

***Comment:** Should space transport be identified as a separate activity? At the 3-digit level or lower?*

50 Postal and courier activities

This division includes postal and courier activities, such as pickup, transport and delivery of letters and parcels under various arrangements. Local delivery and messenger services are also included.

***Comment:** Postal and courier activities have been separated in previous ISIC versions according to the status of the unit carrying out these activities (national postal authority vs. others). Since this distinction does not reflect the principles of an activity classification, another definition has been used (see classes 5010 and 5020). Other frameworks, such as the BOP, make no distinction between postal and courier activities.*

Is the distinction made in this draft (using the universal service obligation) applicable in all countries? Is the split between postal and courier activities necessary or should these activities be combined? If you prefer a split, what criteria do you use in your country, i.e. what is the character of the units you try to separate?

5110 Hotels and similar accommodations

This class includes the provision of lodging, typically on a daily or weekly basis, principally for short stays by visitors. Units classified here provide furnished accommodation in guest rooms and suites, sometimes with kitchenettes and they offer guests a range of additional services such as food and beverage services, parking, laundry services, swimming pools and exercise rooms, recreational facilities and conference and convention facilities.

This class includes accommodation provided by:

- hotels
- resort hotels
- suite / apartment hotels
- hotels with spas
- hotels with convention facilities
- casino hotels
- motels
- motor hotels

Comment: Please provide common names use in your country for the units classified here. What criteria would you use to distinguish between these, if additional detail were to be created?

K Information and communication

Comment: Note that the "Internet publishing and broadcasting" is not separately identified in the draft, due to the small size of this activity. These activities are subsumed into each and every relevant publishing and broadcasting class. For instance, under 5311 would be also the publishing of books on the internet.

Would you support this approach, or would you like to see "Internet publishing and broadcasting" identified separately as a division?

5520 Cable and other subscription programming

This class includes the activities of broadcasting, of radio and television programmes on a subscription or fee basis, to a third party, such as cable systems or direct-to-home satellite systems, for transmission to viewers. The programming material may originate in the same facility as broadcasting or may be acquired from external sources. The broadcast programming is typically narrowcast in nature (e.g., limited format, such as news, sports, education or youth-oriented).

This class excludes:

- the distribution (furnishing) of cable and other subscription programming, see class 5630

Comment: Is there support for keeping this class or should it be put together with Television Broadcasting (5512)?

5911 Central banking

This class includes:

- taking deposits that are used for clearance between financial institutions
- supervising banking operations
- holding the country's exchange reserves
- issuing and managing the country's currency:
 - monitoring and control of the money supply
- acting as banker to the government

The activities of central banks will vary for institutional reasons.

***Comment:** Suggestion has been made to merge Class 5911 - Central Banking with Class 5919, Other Monetary Intermediation? Would this be an improvement to Group 591?*

5991 Financial leasing

This class includes:

- leasing where the term approximately covers the expected life of the asset and the lessee acquires substantially all the benefits of its use and takes all the risks associated with its ownership. The asset may or may not eventually be transferred. Such leases cover all or virtually all costs including interest.

This generally includes the lending of money for the purpose of providing collateralized goods through a contractual installment sales agreement, either directly from or through arrangements with dealers.

This class excludes:

- operational leasing, see division 63, according to type of goods leased

***Comment:** Does the current distinction between financial and operating leases accord with reality? Are financial and operating leases always separately identifiable? How do countries handle long-term leases?*

5999 Other financial intermediation n.e.c.

This class includes:

- other financial intermediation primarily concerned with distributing funds other than by making loans:
 - investment in securities, e.g. shares, bonds, bills, unit trusts, etc.
 - dealing for own account by securities dealers
 - investment in property where this is carried out primarily for other financial intermediaries (e.g. property unit trusts)
 - writing of swaps, options and other hedging arrangements
 - activities of viatical settlement companies

This class excludes:

- financial leasing, see 5991
- security dealing on behalf of others, see 6112
- trade, leasing and renting of property, see division 62
- operational leasing, see division 63
- activities of financial holding companies 6511
- management of financial holding companies, see 6530
- management of non-financial holding companies, see 6530
- grant-making foundations, see 8499

Comment: *Concerning Grant-making foundations - is there a need to distinguish between: units that invest funds as their primary activity, then engage in the distribution of grants units that continually solicit donations and distribute them as grants. Currently all grant-making foundations are placed in 8499 - Activities of other membership organizations, n.e.c.*

6012 Non-life insurance

This class includes:

- insurance and reinsurance of non-life insurance business:
 - accident and fire insurance
 - health insurance
 - property insurance
 - motor, marine, aviation and transport insurance
 - pecuniary loss and liability insurance

Comment: *Is there a need for additional detail in this area? For example, should health insurance be placed in a separate class?*

6210 Real estate activities with own or leased property

This class includes:

- buying, selling, renting and operating of self-owned or leased real estate:
 - apartment buildings and dwellings
 - non-residential buildings, including exhibition halls
 - land
- providing of homes and furnished or unfurnished flats or apartments for more permanent use, typically on a monthly or annual basis:

This class also includes

- subdividing real estate into lots
- development and sale of land
- operation of residential mobile home sites

This class excludes:

- operation of hotels, rooming houses, camps, trailer camps and other non-residential or short-stay lodging places, see 5110
 - furnished apartments in high-rise buildings that also provide the full range of other services similar to those provided by hotels, see 5110
-

Comment: For investors holding real estate as trading stock, should they be classified here?

6220 Real estate activities on a fee or contract basis

This class includes the provision of real estate activities on a fee or contract basis including real estate related services:

- activities of real estate agents and brokers
- intermediation in buying, selling and renting of real estate on a fee or contract basis
- management of real estate on a fee or contract basis
- appraisal services for real estate
- real estate escrow agents

This class excludes:

- facilities support services, see 7410
- management of facilities, such as military bases, prisons, and other facilities (except computer facilities management), see 7410

Comment: Do we wish to split appraisers into:

- a. Real estate appraisal services - placed in Real Estate; and*
- b. Appraisal services except real estate (e.g. for antiques, jewellery, etc) - placed with Professional, Scientific and Technical Services?*

Or should all appraisal services be put in one place, that is, with Professional, Scientific and Technical Services?

63 Rental and leasing

This division includes the provision of a wide array of tangible goods, such as automobiles, computers, consumer goods, and industrial machinery and equipment, to customers in return for a periodic rental or lease payment.

This division includes the rental and leasing of tangible and non-financial intangible assets. It is subdivided into:

- (1) those that are primarily engaged in renting of transport equipment and (2) those that are primarily engaged in leasing of other machinery and equipment of the kind often used for business operations (3) those that are primarily engaged in the renting of recreational and sports equipment and personal and household equipment and (4) those that are primarily engaged in the leasing of nonfinancial intangible assets.

The provision of operating leases is included in this division. Assigning the rights to assets, such as patents, trademarks, brand names, and/or franchise agreements for which a royalty payment or licensing fee is paid to the asset holder is also included in this division.

Sales financing or sales financing in combination with leasing is excluded from this division, see division 59.

Comment: 1. Should a separate class be introduced in this division for General Rental Centres that do rental of a wide range of consumer, industrial and commercial equipment, e.g. home repair equipment, audio-visual equipment, construction equipment, party supplies and equipment?
2. Should a separate class be introduced for Leasing of Farm Animals, e.g. bloodstock leasing, stud services, etc. or should these be left in Agriculture?

631 Renting of transport equipment

This group comprises the renting of transport equipment e.g. passenger cars and trucks without drivers, and utility trailers. Operation is generally from a retail-like facility. In some instances only short-term rental is offered, in others only longer term leases are, and in yet others both types of services are provided.

Comment: 1. This group has been divided into classes for:

- a. Rental of motor vehicles
- b. Rental of other transport equipment.

Is this breakdown useful at the class level?

6311 Renting of motor vehicles

This class includes:

- renting and operational leasing of the following types of vehicles:
 - passenger cars (without drivers)
 - trucks, utility trailers and recreational vehicles

This class excludes:

- renting or leasing of vehicles or trucks with driver, see 4522, 4523
- financial leasing, see 5991
- renting of accommodation or office containers, see 6329
- renting of leisure and pleasure equipment as an integral part of recreational facilities, see 8329

Comment: Should multi-year rentals count as operational leases?

6323 Renting of office machinery and equipment (including computers)

This class includes:

- renting and operational leasing of office machinery and equipment without operator:
 - computers and computer peripheral equipment
 - duplicating machines, typewriters and word-processing machines
 - accounting machinery and equipment: cash registers, electronic calculators etc.

This class excludes:

- financial leasing, see 5991

Comment: Should we create separate classes for rental of computers and rental of computer peripherals?

6329 Renting of other machinery and equipment n.e.c.

This class includes:

- renting and operational leasing, without operator, of other machinery and equipment that are generally used as capital goods by industries:
 - engines and turbines
 - machine tools
 - mining and oilfield equipment
 - professional radio, television and communication equipment
 - motion picture production equipment
 - measuring and controlling equipment
 - other scientific, commercial and industrial machinery

This class also includes:

- renting of accommodation or office containers

This class excludes:

- financial leasing, see 5991
- renting of agricultural machinery and equipment, see 6321
- renting of construction and civil-engineering machinery and equipment, see 6322
- renting of office machinery and equipment, including computers, see 6323

Comment: *Should the rental for items included in this category follow the breakdown with regard to manufacturing, repair and maintenance, i.e.:*

computer and computer peripheral

communications equipment

office machinery and equipment

Are these large enough to sustain separate categories? In practice, are they usually combined?

64 Legal and accounting activities

This division comprises legal representation of one party's interest against another party, whether or not before courts or other judicial bodies by, or under supervision of, persons who are members of the bar, such as advice and representation in civil cases, advice and representation in criminal actions, advice and representation in connection with labour disputes. It also includes preparation of legal documents such as articles of incorporation, partnership agreements or similar documents in connection with company formation, patents and copyrights, preparation of deeds, wills, trusts, etc. as well as other activities of notaries public, civil law notaries, bailiffs, arbitrators, examiners and referees. It also includes accounting and bookkeeping services such as auditing of accounting records, designing accounting systems, preparing financial statements and bookkeeping.

Comment: *Currently, two separate groups have been created for:*

a. Legal activities and

b. Accounting, bookkeeping and auditing activities; tax consultancy

Should these be combined into one group and disaggregated only at the class level or is the current proposal acceptable?

6511 Activities of financial holding companies

This class comprises the activities of corporations whose principal activities are owning and directing the group. In this class, the preponderant type of activity of the group of corporations as

a whole is financial. The holding companies do not administer, oversee, and manage other units of the company or enterprise whose securities they hold. The activities undertaken in this class are financial asset investment activities.

This class excludes:

- management of head offices, see 6520

Comment: 1. This is an area that is under consideration in the revision of the System of National Accounts (SNA) 1993. Still to be decided is whether there will be a split into bank holding companies versus other holding companies.

2. Are the activities of financial holding companies better placed here, or in Division 59 - Financial intermediation, except insurance and pension funding?

6512 Activities of non-financial holding companies

This class comprises legal entities, known as holding companies (except bank holding) primarily engaged in holding the securities of (or other equity interests in) non-financial institutions for the purpose of owning a controlling interest or influencing the management decisions of these firms. The holding companies in this class do not administer, oversee, and manage other units of the company or enterprise whose securities they hold. The activities undertaken in this class are financial asset investment activities.

This class excludes:

- management of head offices, see 6520

Comment: 1. This is an area that is under consideration in the revision of the System of National Accounts (SNA) 1993. Still to be decided is whether there will be a split into bank holding companies versus other holding companies.

671 Research and experimental development on natural sciences and engineering

This group comprises basic research, applied research, experimental development in natural sciences and engineering.

Comment: A new class has been created to give more importance to Biotechnology as an area of potential growth. Is this split a welcome innovation in ISIC? Should the "other" class 6712 be subdivided also? If yes, how?

68 Advertising and market research

This division includes the creation of advertising campaigns and placement of such advertising in periodicals, newspapers, radio and television, or other media. Design of display structures and sites.

Comment: This is a newly created division, combining two classes which were formerly part of

"Other business activities". The two classes are Advertising and Market Research and Public Opinion Polling.

Should this new division be combined with another newly created Division - Photographic activities and other professional, scientific and technical activities, given that the size of Photographic activities and other professional, scientific and technical activities may be relatively small.

70 Veterinary activities

This division includes the provision of animal health care and control activities for farm animals or pet animals. These activities are carried out by qualified veterinarians in veterinary hospitals as well as when visiting farms, kennels or homes, in own consulting and surgery rooms or elsewhere. It also includes animal ambulance activities.

Comment: *Veterinary activities are now separated from human health activities, with which they were grouped in ISIC rev.3.1. Do you support this new treatment?*

7310 Investigation, Guard, and Armored Car Services

This class includes the provision of one or more of the following: investigation and detective services, guard and patrol services, picking up and delivering money, receipts, or other valuable items with personnel and equipment to protect such properties while in transit.

This class includes:

- Armored car services
- Bodyguard services
- Polygraph services
- Fingerprinting services
- Private detective and investigative services
- Security guard services

This class excludes:

- public order and safety activities, see 8723

Comment: *Should 7310 "Investigation, guard and armored car services" be moved to Public administration?*

7430 Landscape care and maintenance service activities

This class includes:

- landscape gardening, i.e. planting, care and maintenance of:
 - parks and gardens for
 - private and public housing
 - public and semi-public buildings (schools, hospitals, administrative buildings, church buildings etc.)

- municipal grounds (parks, green areas, cemeteries etc.)
 - highway greenery (roads, train lines and tramlines, waterways, ports)
 - industrial and commercial buildings
 - greenery for buildings (roof gardens, façade greenery, indoor gardens)
 - sports grounds, play grounds and other recreational parks (sports grounds, play grounds, lawns for sunbathing, golf courses)
 - stationary and flowing water (basins, alternating wet areas, ponds, swimming pools, ditches, watercourses, plant sewage systems)
 - planting, care and maintenance of plants for protection against noise, wind, erosion, visibility and dazzling
- landscaping measures for protecting the environment and nature as well as landscape maintenance (renaturalization, recultivation, melioration, retention areas, anti-flooding basins etc.)

This class includes minor incidental design and construction service activities.

This class excludes:

- landscape design and architecture activities, see 6610
- construction activities for landscaping purposes, see 4030
- tree nurseries, see 0132

***Comment:** Do you support keeping landscape care and maintenance activities here, or would you favor its placement within Agriculture or Construction?*

7532 Convention and Trade Show Organizers

This class includes the organization, promotion and/or management of events, such as business and trade shows, conventions, conferences and meetings, whether or not including the management and provision of the staff to operate the facilities in which these events take place.

***Comment:** There has been a proposal to broaden the scope of Division 72 "Activities of travel agencies, tour operators and other reservation service activities" to include also this class "Convention and Trade Show Organisers" as a whole, either at the third or at the fourth level of Division 72. What is your opinion?*

7649 Other education

This class comprises the offering or providing of instruction and specialized training, generally for adults, and not comparable to the general education in groups 761-763. It does not include academic schools, colleges, and universities. Instruction may be provided in diverse settings, such as the unit's or client's training facilities, educational institutions, the workplace, or the home, and through correspondence, radio, television, Internet, in classrooms or by other means.

This class includes:

- education that is not definable by level
- academic tutoring services
- college board preparation
- learning centres offering remedial courses
- professional examination review courses
- language instruction and conversational skills instruction
- speed reading instruction

This class also includes:

- automobile driving schools
- flying schools
- lifeguard training
- survival training
- public speaking training
- computer training

This class excludes:

- general secondary education, see 7621
- higher education, see 7630
- adult literacy programmes see 7610
- driving schools for occupational drivers, see 7622

Comment: *The scope of this class has been enlarged in keeping with definitions of ISCED 1997.*

Activities in this class include any organized and sustained educational activities that do not correspond exactly to the definition of formal education. It may cover life-skills, work-skills, and general culture. These programmes may have differing duration.

87 Public administration and defence; compulsory social security

This division includes activities of a governmental nature, normally carried out by the public administration. This includes the enactment and judicial interpretation of laws and their pursuant regulation, as well as the administration of programmes based on them, legislative activities, taxation, national defence, public order and safety, immigration services, foreign affairs and the administration of government programmes. This division also includes compulsory social security activities.

The legal or institutional status is not, in itself, the determining factor for an activity to belong in this section, rather than the activity being of a nature specified in the previous paragraph. This means that activities classified elsewhere in ISIC do not fall under this section, even if carried out by public entities. For example, administration of the school system (i.e. regulations, checks, curricula) falls under this section, but teaching itself does not (see section P), and a prison or military hospital is classified to health (see section Q). Similarly, some activities described in this section may be carried out by non-government units.

Comment: *An alternate structure for the Public administration section has been proposed. The structure is shown below, while detailed explanatory notes for this structure will be posted on UNSD's website.*

*T Public Administration and Safety Services
 87 Public Administration and Safety Services
 871 Public Administration
 8711 Government Administration
 8712 Justice
 8713 Domestic Government Representation
 8714 Foreign Government Representation
 872 Defence
 8720 Defence
 873 Public Order, Safety and Regulatory Services
 8731 Police Services*

8732 Investigation and Security Services

8733 Fire Protection and Other Emergency Services (except Ambulance Services)

8734 Correctional and Detention Services

8735 Other Public Order and Safety Services

8736 Regulatory Services

(The administration of compulsory social security would be classified in class 8711 in this structure, but could also be separated in a new group or class.)

While major components are similar to the structure provided in this draft, activities are grouped in a different way, essentially separating defence from other public order activities at a higher level. In addition, this alternate structure also includes Investigation and Security Services in Public Administration (see also comment under division 73, class 7310). Unlike the question in class 7310, this alternate structure would affect class 7310 and parts of 7320. The remainder of 7320 would then have to be moved to a different class, resulting in the abolishment of division 73.

Do you support this alternate structure or is the structure shown in the ISIC4 draft, which is based on the previous Public Administration section of ISIC, more appropriate?

89 Undifferentiated goods- and services-producing activities of private households for own use

This division contains the undifferentiated subsistence goods-producing and services-producing activities of households.

Comment: *Do you prefer to see these activities combined as presented, or in separate divisions, goods-producing and services-producing as in ISIC 3.1?*