

The Situation of China's Industrial Classification

Overall Abstract

In the year of 1984, NBS released the first industrial classification of national economic activities. Since then, the drafting and overall control of statistical classifications were strengthened by the China's NBS.

Following by the more and more wide use of the classification, NBS of China further strengthened comparability the Chinese Industrial Classification and ISIC when revising the China's Industries Classification later. In the year of 1994, it is the first time we revised this classification in the light of ISIC. For the unlike cases in China, we just referred to the ISIC, there is still larger difference with ISIC in concrete industrial classification structure, and the correspondence table was not established at that edition.

Nowadays, with the world economic globalization, the exchange of data become more frequently than before, the comparability of data is becoming more and more urgent and important. At the year of 1998, we initiated a program to revise the industrial classification of version 1994. This edition pays much attention to the relation of correspondence and conversion between ISIC and our classification. After three years' work, NBS have completed the revision of current industrial classification. On May 1, 2002, the new revision of our industrial classification was approved and disseminated by the National Standard Commission, and took effect at Oct 1, 2002. At the end of the year 2002, NBS applied the new industrial classification in the annual statistics.

The principal for the revision of the classification:

(1) The classification must reflect the situation of the development of national industrial.

The national statistical classification should be base on the national economic activities, and measure the situation of the development of the every industry in statistics. So when the classification is revised, we must take into account the needs of the management of national macro-economy, and the needs of other government department as well. On the other hand, we maintain the structure of current classification, adding some new industries that come from the development of economy, and combine some categories in old edition.

(2) The new classification is more comparable to the international one

The current classification that we are using was revised in 1994 with inference to ISIC, but it still has many differences with the ISIC. We do a lot of modifications in the new revision so that it will be more comparably to ISIC. Since the difference between ISIC and the Chinese situation, it is impossible to completely adopt international classification without any modification. We adjust some classes that are quite different with the ISIC.

For instance, "Logging and Related Service Activities" is classified in the section of "Mining" while it is classified in division of "Forestry" in ISIC. We classified it into forestry in the new edition. "ginning of cotton" was classified in the section of "Manufacture" in last edition, in new edition we placed it in "the services of agriculture" in reference to ISIC.

The classification, as a basic benchmark of the statistical data, should be comparable among each nation. In order to promote this work, we also establish a correspondent table with the ISIC at the detail level in the new edition.

(3) Classify the category according to the principle of "homogeneity of activities"

The new revision takes into account more than before the principle of homogeneity of activities when the classification was classified. Some activities in the current classification do not fit the principle, and some classes was classified by which administrative sector the activities are supervised, we readjust this kind of classes and reclassify it into right position. This modification makes the new revision more reasonable than current used.

The feature of the new classification

The new classification was classified 20 sections, 95 divisions, 396 groups and 912 classes. The summary is listed below:

Code	Section	Division	Group	Class
A	Agriculture, Forestry, Animal husbandry and Fishing	5	18	38
B	Mining	6	15	33
C	Manufacture	30	169	482
D	Reduction and distribution of electricity, gas and water	3	7	10
E	Construction	4	7	11
F	Transport, Storage and Post	9	24	37

G	Information transmission, computer services and software	3	10	14
H	Whole sell and retail sell	2	18	93
I	Accommodation and Restaurants	2	7	7
J	Finance and Insurance	4	16	16
K	Real estate	1	4	4
L	Renting and lending, commercial service	2	11	27
M	Science research, technique service and geologic perambulation	4	19	23
N	Water conservancy, Environment resource, Management of public infrastructure	3	8	17
O	Resident service and other service	2	12	16
p	Education	1	5	13
Q	Health, Social security and Welfare	3	11	17
R	Culture, Sports and Recreation	5	22	29
S	Commonality manage and social organizations	5	12	24
T	International organizations	1	1	1
Total	20	95	396	912

The compare between our classification and ISIC

The new classification has more comparability to ISIC3. When we revise the classification, we established at four digital level a correspondence table between our classification and ISIC, and it is as a part of the new revision.

The main difference between our classification and ISIC

(1) Our classification is much detailed than ISIC. In order to meet our needs, we add some classes. For instance, Taking into account the China's situation and the trend of the development of some industry, we add some sections, they are "Information transmission, computer services and software", "real estate", "Water conservancy, Environment resource, Management of public infrastructure".

See the table below:

	Sections	Divisions	Groups	Classes
The China's	20	95	396	912
ISIC	17	61	158	292

(2) Some classes may have same name, but what is included could a slightly differ each other.

For instance, 1) The section "Manufacture" in China does not include "publish".

2) The section “production and supply of water” in China does not include “collection of water”. In China the management of water is a important work, there are many establishment which is concerning with the water. So we classified a division “Water conservancy” under the section N “Water conservancy, Environment resource, Management of public infrastructure”. It is quite different from other countries.

3) The activity “veterinary” is classified in the class of 8520 “veterinary activities” while our classification classified in the “services of farming of animal”. In order to make it comparable to ISIC, we separate it and list as an independent class.

(4)When we are revising the classification, we do our best make the every detailed class comparable to that of ISIC. In regard to the production of some product, it is still different from that of ISIC.

For instance, production of thermometers, we did not classify into 3312 “the manufacture of instrument and appliances for measure, etc” like ISIC, we place them in “the manufacture of medical instrument” .In our correspondence table to ISIC, some of our classes correspond two or three classes in ISIC, But most of correspondence relation is 1 to 1.

In some cases, the class in our classification corresponds more than one class in ISIC. For instance, the class “manufacture of carpets and hand-woven tapestry” was treated as a whole while ISIC split into two classes 1721 and 1722.

The next working plan related to statistical classification in NBS

1) At the present, we are preparing to develop a product classification for statistical use on basis of the new industrial classification in reference to CPA of EU, and establish the correspondence table between CPC and HS and ours. We expect to complete framework of the product classification at the end of 2003.

2) We will develop the tabulation categories for special purpose, such as energy classification, tourism classification, tabulation category related environment protection and information etc. We hope the UN Statistical Office can develop a recommendation for worldwide use, and introduce the experiences and practice of other countries.

3) We will prepare to establish China’s function classification in reference to the COFOG ,COPP, COPNI and COICOP. We hope we can get the Chinese version of the four function classifications earlier as soon as possible.