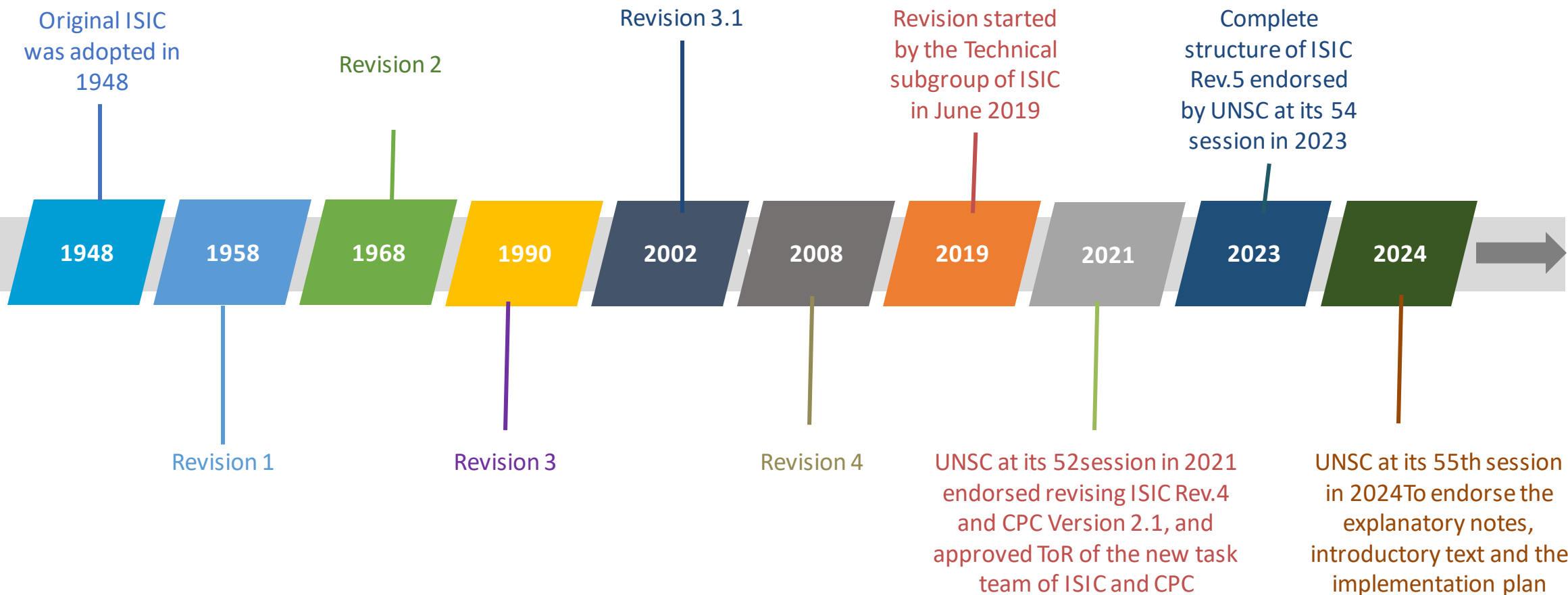


# Update on ISIC, Rev. 5

Meeting of the United Nations Committee of Experts  
on International Statistical Classifications  
New York, 24 - 27 October 2023

# ISIC Revision Process



## Main changes in ISIC – intermediation services

- Identification of intermediation service activities
- Definition of non-financial intermediation service
- No distinction in the ISIC classification criteria between “digital” and other means (face-to-face, telephone, mail, email, etc.)
- A number of groups and classes were created exclusively for intermediation services
  - ✓ ...
  - ✓ 4790 Intermediation service activities for retail sale
  - ✓ ...
  - ✓ 5540 Intermediation service activities for accommodation
  - ✓ ...
  - ✓ 6120 Telecommunication reselling activities and intermediation service activities for telecommunication
  - ✓ ...

## Main changes in ISIC – FGP

- Updated criteria for defining Factoryless Goods Producers (FGPs)
  - Ownership of input also includes intellectual property products (IPP)
  - FGPs should cover some aspects of the control of the transformation process, including quality control and oversight of the production process
  
- FGPs will continue to be classified in the same class where they would be classified if they carried out the manufacturing process themselves in Section C (Manufacturing).

## Main changes in ISIC – section G (Wholesale and retail trade)

- Elimination of distinction between online and in-store sales channels in section G
- New treatment of wholesale and retail trade and repair of motor vehicles and motorcycles
  - ISIC, Rev. 4 division 45 (Wholesale and retail trade and repair of motor vehicles and motorcycles) was removed, and its activities were moved to other divisions.
  - The activities of maintenance and repair of motor vehicles and motorcycles
    - moved away from ISIC section G to section T (Other service activities)
    - placed in Division 95 (Repair and maintenance of computers, personal and household goods, and motor vehicles and motorcycles), together with the repair of computers and personal and household goods.
  - Activities on the wholesale and retail trade of motor vehicles and motorcycles were moved to the respective divisions on wholesale and retail trade.

## Main changes in ISIC – new activities in ICT and finance

- A split of ISIC, Rev. 4 Section J (Information and communication) into two
  - ISIC Rev.5 Section J - Publishing, content production and distribution
  - ISIC Rev.5 Section K - Telecommunications, computer programming, consultancy, computing infrastructure, and other information service activities.
- The distinction at the group level between wired, wireless, and satellite telecommunications activities has been removed.
- A new group, ISIC Rev. 5 group 631 “Computing infrastructure, data processing, hosting and related activities” containing a single class “Computing infrastructure, data processing, hosting and related activities” has been created to include activities such as cloud infrastructure , platform provision and cloud computing
- A new group, ISIC Rev. 5 group 639, “Web search portal activities and other information service activities”.
- Cybersecurity activities will be integrated in activities of software development, programming, consultancy activities and incident/information management

## Main changes in ISIC – new activities in finance

- More breakdowns for financial activities and updated explanatory notes to reflect new technology
- Compared to section K in ISIC, Rev. 4, the new section L (Financial and Insurance activities) includes some new classes for financial services
  - ...
  - 6422 Activities of financing conduits
  - 6431 Activities of money market funds
  - 6491 Financial leasing activities
  - ...

## Main changes in ISIC – education, arts, culture

- Updated the structure of section P on education to better align with International Standard of Classification of Education (ISCED).
  - For example, ISIC Rev. 4 Group 851 - "Pre-primary and primary education" was split into two new groups: "Pre-primary education" and "Primary education".
- More breakdowns for activities related to Section S on arts and cultural activities.
  - The structure of ISIC Rev. 4 division 90 - "Creative, arts and entertainment activities" and division 91 - "Libraries, archives, museums, and other cultural activities" were reorganized to distinguish arts creation activities, performing arts, museums, collections, historical sites, and monuments activities, 913 - Conservation, restoration and other support activities for cultural heritage, etc.



# Main changes in ISIC –environment, and others

- Environmental Issues
  - Division 39 (remediation and other waste management service activities): inclusion of carbon remediation, capture and storage activities
  - New classes 3511 and 3512 on electric power generation activities from non-renewable sources vs. renewable sources
  - New class 8413 - Regulation of the activities of providing environmental services
  - Class 8130 (Landscape service activities) - Improved explanatory notes to reflect selected activities on managing and conserving ecosystem and biodiversity
  - Separate Nature reserve activities (9412) from Botanical and zoological garden activities (9411)
- Other changes at the class level
  - Further breakdown of 2610: new class for the manufacture of solar cells and panels, and photovoltaic inverters vs. for other electronic components
  - Further breakdown of 3100: news class for the manufacture of wooden furniture vs. for other furniture

## Changes in the ISIC, Rev. 5 explanatory notes

- Comprehensive review of specific activities. A few examples among the many changes are given below:
  - Quails are explicitly included in 0146 (Raising of poultry).
  - Manufacture of intercontinental ballistic missiles (ICBM) is removed from 3030 (Manufacture of air and spacecraft and related machinery) and implicitly included in 2520 (Manufacture of weapons and ammunition)
  - Distinction between 5510 (Hotels and similar accommodation activities) and 5520 ( Other short term accommodation activities) in the relevant explanatory notes
- Alignment with SNA guidance notes
  - Treatment of crypto assets with and without liabilities in 6310, 6499, 6612, 6619 and 8299
  - No change in ISIC, Rev. 5 on Islamic finance

## Changes in the ISIC, Rev. 5 introductory text

- Increased alignment with 2008 SNA (e.g., para 39 on the characteristics of activities)
- Updated description on the treatment of repair and maintenance activities (pp. 138-139)
- Updated criteria on FGPs (pp. 146-150)
- New discussion on intermediation services (pp. 157-159)
- New discussion on financial activities (e.g. SPEs, in pp. 160-164)
- List of changes from ISIC, Rev. 4 to Rev. 5

## The way forward with ISIC, Rev. 5

- Explanatory notes of ISIC, Rev. 5
  - Draft version is prepared by TT-ISIC
  - Available on the UNCEISC meeting webpage
- ISIC, Rev.5 implementation plan
- Planned work on correspondences:
  - ISIC, Rev. 4 – ISIC, Rev. 5
  - ISIC, Rev. 5 – NACE, Rev. 2.1
  - ISIC, Rev. 5 – CPC Ver. 3.0
- More planned work on ISIC
  - Develop other supplementary materials, such as alphabetical index, a case law center, alternative structure, implementation guidelines, etc.
  - Establish a Standing Task Team on ISIC, make ISIC revision process more predictable and transparent in the future, and keep ISIC responsive to new user needs and emerging issues.

# Questions to UNCEISC

- Do you think ISIC, Rev. 5 explanatory notes are fit for general release?
- Do you think ISIC, Rev. 5 introductory text are fit for general release?
- Do you have any suggestions on the way forward with ISIC, Rev. 5?

Thank you