1. At its third session the Statistical Commission considered and approved the proposed International Standard Industrial Classification of All Economic Activities. The Commission’s report to the Economic and Social Council recommended that the Council urge Member governments to make full use of the classification either by: (a) adopting this system of classification as a national standard or (b) rearranging their statistical data in accordance with this system for purposes of international comparability. A resolution embodying this recommendation was adopted by the Economic and Social Council at its seventh session in August 1948 (ECOSOC resolution 149 VII). Following this action by the Council the classification was distributed by the Secretary-General to all Member governments drawing attention to the recommendations of the Economic and Social Council.

2. During the past eight months a number of inquiries and comments regarding the Standard Industrial Classification have been received by the Statistical Office. Some of these letters contained comments on the initial draft of the classification which were received too late to be considered by the consultant group of experts or by the Committee on Statistical Classification at its session in April 1948 when the revised version of the classification was prepared. Many of the amendments suggested had previously been discussed at length by the expert group, but some appeared to merit careful consideration at such time as a revision may be undertaken. Other letters contained statements of the ways in which the governments concerned would be able to make use of the classification and of the extent to which it was adapted to national requirements. A considerable number of countries have already indicated
that they would be able to use the classification for all or most of
the purposes for which it was intended. Most of these countries stated
their intention to rearrange statistical data tabulated on the basis of
their national industrial classification in accordance with the major
groups or groups of the International Standard Industrial Classification.
While the majority stated that such regrouping of their data could be
accomplished without very much difficulty, a few indicated that it could
only be carried out with some modifications in the recommended grouping.
Several correspondents have furnished detailed descriptions of the
manner in which the classification was being used in connection with
specific projects such as a population census. These letters have also
outlined the difficulties that were being encountered in the practical
application of the classification to these problems. The Statistical
Office has suggested to the governments concerned how these difficulties
might be overcome.

3. Several conclusions emerge from the review of the experience of
countries in the use of the International Standard Industrial
Classification of all Economic Activities. The first points to the
need for the preparation of a manual to facilitate the practical use
of the classification. Several correspondents have already urged that
each group should be provided with a more exhaustive list of examples.
This need can best be met through a manual similar to those which have
been published by a number of countries for use in conjunction with their
national industrial classifications. Such a manual should include a
detailed alphabetical listing showing the group in which establishments
chiefly engaged in the production of each commodity or service of any
importance should be classified. It should also include a more detailed
classified index of the industries that belong in each group listed in
the numerical order of the major groups.

4. A second important conclusion which emerged from a review of the
correspondence is the need for adapting the classification so as to
enable it to be used in a population census to classify the whole
population by industrial affiliation. The classification as it stands
is suitable for classifying the gainfully occupied population by industrial
affiliation which is the purpose for which it was originally designed.
In at least one case however, an attempt has been made to use it to
classify the whole population by including dependents in the same group
as the person who maintains them. This experiment has clearly shown
that it would be desirable at least for this particular purpose, to
extend the scope of division 9 to cover those who are not gainfully
occupied and who are not dependents of a gainfully occupied person as well as those who are seeking work for the first time and those gainfully occupied persons who fail to provide sufficient information about their industrial affiliation to enable them to be classified. In addition to sub-dividing division 9 into three major groups for the above-mentioned groups of individuals, it might prove desirable to introduce a number of separate groups within the first of these major groups so that non-gainfully occupied persons who are not dependents of gainfully occupied persons could be classified into such groups as pensioners and annuitants, inmates of penitentiaries and reformatories, inmates of hospitals and sanatoria, orphans, beggars and vagrants and dependents not elsewhere specified or not adequately described. However, countries which decide to use the classification to classify the whole population by industrial affiliation by classifying dependents in accordance with the industry of the person who maintains them should be urged to tabulate separate figures for the gainfully occupied and the non-gainfully occupied in order to make possible a classification by industry of the gainfully occupied population alone.

5. A third conclusion is the need for a more detailed description of the way in which the decimal system of notation should be used in dividing the groups into sub-groups, particularly in those cases in which it is desired to sub-divide a group of the classification into more than nine sub-groups. A recommended procedure for handling this problem should be included in the proposed manual.

6. The fourth conclusion is that some countries appear to be in need of technical advice regarding the most efficient means of rearranging statistical data tabulated on the basis of a national industrial classification in accordance with the International Standard Industrial Classification of all Economic Activities. Consideration should be given to the inclusion of recommendations on this subject in the proposed manual.