

UK Standard Industrial Classification Revision – Update

16 April 2024



We asked

The Office for National Statistics (ONS) consulted from 31 October 2023 to 23 January 2024 on the UK's adoption of industrial classification of economic activity.

The consultation gathered opinion on the future of the UK Standard Industrial Classification (SIC), following the UK's exit from the EU on 31 December 2020. Since this exit, the UK SIC is no longer legally required to remain aligned with the European classification framework (NACE) beyond the two-digit level.

Following the recent revisions of both the UN international classification framework (ISIC) and NACE frameworks, we asked users to consider:

- which international classification framework the UK should adopt
- to what level of alignment the UK should adopt this framework
- whether the additional UK disaggregation to five digit subclass level should continue
- how different options could impact current users of the classification framework

Alongside this, the consultation provided us with a unique opportunity to gain greater understanding of how users engage with UK SIC, details of what they are satisfied with, and what they find important about the classification and its application.

Respondents were given 4 different options to choose from, regarding which system the UK should adopt going forward. These were:

- Option A: Adopt ISIC
- Option B: Adopt NACE
- Option C: Create bespoke UK groups and classes disaggregated from ISIC categories
- Option D: Create bespoke UK groups and classes disaggregated from NACE categories

In addition to this, respondents were asked if the subclass level should remain in use, and respondents expressed their preference against each of the four options.

For more information, please see the consultation document at the bottom of the page.

You said

We received 51 external responses from a variety of government departments, councils (including devolved administrations), private industry stakeholders and interested individuals. Below is a table that shows a breakdown of the type of respondents who replied to the consultation.

Table 1: Respondent count by sector

Respondent	Respondent count
Government departments and local authorities	20
Private companies	14
Private individuals	6
Trade bodies, associations and organisations	11

The consultation provided us with a substantial amount of quantitative and qualitative data; this will be factored into the final decisions. The data provided has allowed us to better understand how respondents interact with UK SIC, how different options would affect them and where they would like to see change enacted. We identified five common concerns from the free-text comments, including:

- the lack of granularity in ISIC
- the UK's inability to contribute to future NACE revisions since the UK left the EU
- the ability to maintain comparability with EU, down to 4 digits
- potential difficulties with international comparisons if the UK chooses a bespoke option
- potential costs associated with each option

We did

Before and during the consultation, we conducted engagement sessions to further discuss the proposals in the consultation, and for stakeholders to ask any questions they may have had. This was primarily through online webinars, which allowed us to engage with a broad range of users.

Our next steps following the consultation are to:

- analyse all responses and consider these when forming a recommendation to the National Statistician
- engage with senior leadership teams in the ONS, including national account areas, and the National Statistician's Committee for Advice on Standards for Economic Statistics (NSCASE)
- submit a final options paper to the NSCASE in July, who will decide on the option to be recommended to the National Statistician for approval
- seek sign-off on the National Statistician's final approved decision by the end of 2024

Following these steps, plans will then be discussed for the revision of the current UK SIC2007 and subsequent implementation.

We would like to thank all of those who took part in the consultation and provided us with invaluable feedback that will guide the future of the UK Standard Industrial Classification. There will be further opportunities to engage and stay informed with updates on the future of UK SIC later this year.

If you have any further questions or would like to request additional information, then please email sic.consultation@ons.gov.uk.



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