CONSULTATION ON THE UK ADOPTION OF INDUSTRIAL CLASSIFICATION OF ECONOMIC ACTIVITY

First published 31 October 2023 Version 1.1 (published 20 December 2023)



Contents

Version tracker	2
Consultation on the UK adoption of industrial classification of economic activity	3
Introduction	5
Considerations	12
General information	14
How to respond	17
Confidentiality and data protection	18
Option A: Adopt ISIC	24
Option B: Adopt NACE	25

Version tracker

Version	Date published	Notes
1.0	31 October 2023	
1.1	20 December 2023	An error was identified on Figure 1 (page 7), which indicated that there are 22 sections, 87 divisions, 256 groups, and 458 classes within ISIC Rev. 5. The correct figures are: 22 sections, 87 divisions, 258 groups, and 463 classes. This document has been updated to reflect the corrected figures. Please note that since the launch of the consultation and following our request, United Nations Statistics Division has now shared the ISIC Rev. 5 spreadsheet with the ONS (draft and subject to change). Eurostat has now also made an Excel version of NACE Rev. 2.1 available on their website. Links to these resources are available on page 6.

Consultation on the UK adoption of industrial classification of economic activity

Industrial classifications of economic activity are a fundamental component of economic statistics, allowing users to monitor trends in economic performance over time. These statistics are vital for informing economic policy. The industrial classification frameworks that enable the UK to achieve this are fully comparable at:

- the global level through the United Nations' (UN) reference framework, the <u>International Standard Industrial Classification of all Economic</u> <u>Activities</u> (ISIC)
- the European level through the <u>Statistical Classification of Economic</u> <u>Activities in the European Community</u> (NACE)

The frameworks are hierarchical, depicting more granularity as a user moves down the structure, from single character "sections" through to four digit "classes".

NACE has been derived from ISIC. This means that all NACE categories are identical to, or form subsets of, single ISIC categories. NACE and ISIC are identical down to the two digit level. Comparability down to the four digit level when using ISIC categories is possible as the groups and classes of NACE can always be aggregated into the ISIC categories from which they were derived.

The United Kingdom (UK SIC) 2007 is currently adopted in the UK. UK SIC has been derived from NACE, which means all UK SIC categories are identical to NACE categories down to the four digit level. The UK SIC also includes a bespoke five digit subclass, allowing for a UK classification at a more detailed level.

UK SIC and ISIC are identical down to the **two digit level**. However, UK SIC five digit subclasses can be aggregated into the NACE categories from which they were derived. UK SIC and ISIC can also be compared down to the four digit class level when using ISIC categories.

The sections, divisions, groups and classes of UK SIC and NACE are identical down to the four digit level. As previously stated, UK SIC five digit subclasses can be aggregated up into the NACE class category. Therefore, comparability of these combined economic activities can still be achieved when using the ISIC categories.

Prior to withdrawal from the European Union (EU), European regulation required the UK to adopt NACE, which is now no longer the case.

Both NACE and ISIC have recently been revised and approved for international adoption. These updated international versions provide the opportunity for the UK to adopt either one of these, or create a UK national version based on one of them. As the UK has no legal obligation to fully adopt either framework, a decision now needs to be made on whether the UK chooses to adopt NACE or ISIC and, if so, to what level. Consideration also needs to be given to the need for the continued use of a national five digit subclass.

Introduction

This public consultation is aimed primarily at statistical users. It is therefore assumed that those users are likely to understand how each of the presented options could affect their current and future use for producing statistics.

The consultation is also open to wider users from across the UK. This allows us to gather a broad set of opinions and better understand what impacts and challenges may result from any change to the current UK SIC.

The Office for National Statistics (ONS), as custodians of the UK SIC framework, aims to provide unbiased representation, and will remain impartial.

We are asking questions on:

- which international classification framework should be adopted?
- if the adopted framework should be adapted to better reflect the UK economy, and if so at what level?

In this document, we provide you with an overview of the economic activity classifications developed by the UN and EU, how they relate to the UK SIC, and how they impact on allied product classifications. Details of the classification revision that has taken place are given as further background.

Your responses to the questions in this consultation are intended to help inform which classification should be adopted by the UK for the collection and reporting of statistics.

Background

Classifications provide a framework for the collection, tabulation, presentation and analysis of data, and their use promotes uniformity. In addition, they can be used for administrative purposes and by non-government bodies as a convenient way of classifying industrial activities into a common structure. The current UK SIC 2007 is used in classifying business establishments and other statistical units by the principal economic activity in which they are engaged. UK SIC 2007 is part of the International Family of Statistical Classifications which includes:

• ISIC

ISIC is the international reference classification of economic activities and is governed by the UN. Its main purpose is to provide a set of categories that can be used for the collection and reporting of statistics. ISIC is an important framework for comparing statistical data on economic activities at the international level. The latest version, ISIC Rev. 4, has undergone revision to address the needs of users for a robust classification that reflects the present-day global economy. The new version is <u>ISIC Rev. 5</u>. (<u>See spreadsheet</u> <u>version</u> made available by the United Nations Statistics Division. This is a draft and subject to change.)

• NACE

NACE, governed by Eurostat (the statistical authority of the European Union), is the classification of economic activities corresponding to ISIC at the European level. Its use is a regulatory requirement for EU member states. The current version, NACE Rev. 2, is more disaggregated than ISIC Rev. 4, although they remain aligned at the top two levels. NACE Rev. 2 has undergone revision to address the needs of users for a robust classification that reflects the present-day European economy. The new version is <u>NACE Rev. 2.1</u>. (See dataset version available on the <u>Eurostat website</u>.)

• UK SIC

UK SIC 2007, governed by the ONS, is currently identical to NACE Rev. 2 down to the four digit (class) level. It also adds an additional UK-specific five digit level, in some areas, to better represent activities of the UK economy. UK SIC 2007 is the current version and it is the next revision on which we are now consulting.

How the classifications are related

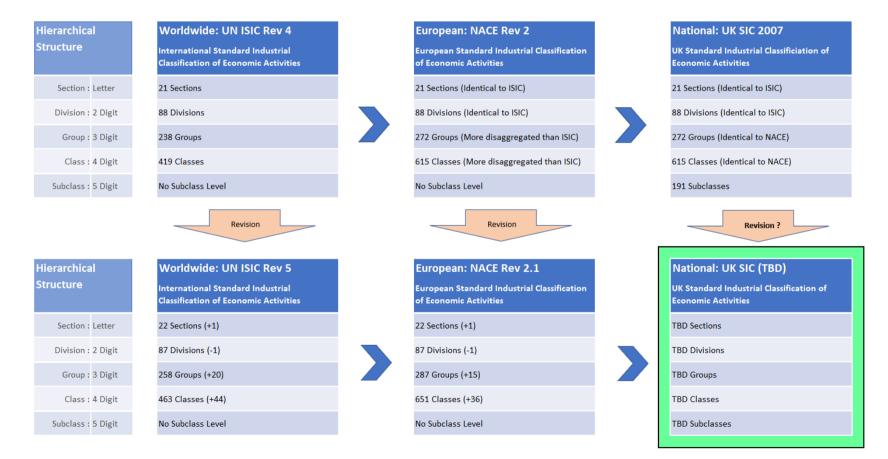
Figure 1 illustrates the relationship between the international classifications, as well as between the newly revised and previous versions of the classifications:

- ISIC Rev. 4, NACE Rev. 2 and UK SIC 2007
- ISIC Rev. 5, NACE Rev. 2.1 and UK SIC 20xx (title to be decided)

The frameworks follow a hierarchical structure. They begin with the section (depicted by a letter), which shows the activity at the most aggregated level. They end with the subclass (depicted by a five digit code), which captures the economic activity at the most granular level.

Figure 1: Alignment between the international classifications and their previous versions

Note: Figure 1 has been corrected in this document to reflect the correct classification breakdown for UN ISIC Rev. 5. See the Version Tracker on page 2 for further information.



ISIC Rev. 4, NACE Rev. 2 and UK SIC 2007 are identical at the section and division level, achieving international alignment at these most aggregated levels. NACE has been derived from ISIC, meaning categories at all levels of NACE are identical to, or form subsets of, ISIC categories and are therefore comparable when using the ISIC categories.

UK SIC is currently identical to NACE down to, and including, the four digit class level. The most granular level, the five digit subclass, is unique to the UK and was developed solely to meet UK needs. There is no direct international comparison possible at this level of detail. However, as UK SIC is identical to NACE down to the four digit class level, international comparability above the five digit subclass remains.

The recent revisions of ISIC and NACE have maintained the international alignment between ISIC Rev. 5 and NACE Rev. 2.1 at section, division, and some group and class levels.

The level of UK SIC alignment to either framework is for consideration as part of this consultation.

UK SIC revision process

To enable our statistics to be internationally comparable following the recent revisions of both ISIC and NACE, the UK must now follow suit and decide on how the UK SIC should be revised. As part of this process, many factors need to be considered.

It is important that the frameworks remain up to date, to continue to reflect the economy, and to ensure our statistics remain relevant.

This must be balanced with the possible need to maintain a time series of comparable economic statistics. This would enable relative economic performance to be assessed.

Although correspondence tables are produced during each revision, they will potentially include a degree of inaccuracy, particularly in cases where economic activities may have been split. This will have an impact on the ability to maintain a time series of economic activity.

Revisions are also resource-intensive to implement and potentially costly. It should also be considered that the time required to develop and implement any revision will be directly influenced by the amount of change required. This would subsequently be dependent upon the level at which we choose to diverge from either framework.

To ensure this balance is achieved and all these factors are considered, the first stage in a revision is a global consultation, led by the UN Statistics Division (UNSD), asking countries if they think a revision is required. The ONS feeds into this consultation on behalf of the UK Government Statistical Service (UK GSS). A recommendation based on the consultation outcome is made to the UN Statistical Commission (UNSC). If a recommendation to endorse a revision is accepted by the UNSC, a Task Team to work on the ISIC Revision is convened. As ISIC and NACE are aligned at the section and division levels, the Task Team to oversee the NACE Review is usually convened once the ISIC revision has commenced.

Similarly, as UK SIC currently disaggregates from the NACE framework, the UK SIC revision will usually commence shortly after the NACE review. The aim is to finalise the frameworks in parallel, so they can be adopted collectively. Any delays in the adoption of a revision means the UK cannot benefit from the revised framework at the earliest opportunity, which has implications for the quality of our industry statistics in terms of reflecting the economy today.

Current international revisions

Both ISIC and NACE have undergone revision. The ONS has been feeding in stakeholder comment to both, as members of the relevant Task Teams. Prior to the UK's exit from the EU, the ONS were members of the NACE Task Team, and Eurostat represented us, and other member states, on the ISIC Task Team (TT-ISIC). Since the UK's exit from the EU, we are no longer members of the NACE Task Team, but we are now members of TT-ISIC.

ISIC:

As stakeholder lead for the GSS and members of the TT-ISIC, the ONS Classifications team have kept stakeholders regularly updated on progress. Stakeholder contributions and comments on the ISIC revision have been invited on issues raised across the structure of the classification.

The TT-ISIC finalised the revised ISIC structure to the three digit level covering section, division and group levels. Following global consultation and a recommendation by the Committee of Experts on International Statistical Classifications (CEISC), this three digit level structure of ISIC was endorsed by the United Nations Statistical Commission (UNSC) in March 2022¹.

The TT-ISIC reconvened to develop the revised four digit class level, explanatory notes, and correspondence tables to enable mapping between ISIC Rev.4 and this latest revision. As members of the TT-ISIC, the ONS continued to engage with GSS stakeholders and feed into the revision process.

¹ <u>Report of the Committee of Experts on International Statistical Classifications</u>

was submitted to UNSC and was endorsed as indicated by the <u>UNSC Decisions Report March 2022</u> see Decision 25: International statistical classifications (Item 3v)

The revised full framework for ISIC, to the four digit class level, was submitted and approved for adoption by the UNSC in March 2023^2 to be known as ISIC <u>Rev. 5</u>. Work continues on completing the explanatory notes and correspondence tables. The UK continues to feed into this process and engage with stakeholders to keep them updated.

Once finalised, implementation activities of the revision can commence. This can be time-consuming; the timetable for implementation is likely to vary by country.

NACE:

The "statistical classification of economic activities" in the European Community (NACE) is the classification of economic activities in the EU. The term NACE is derived from the French "Nomenclature statistique des activités économiques dans la Communauté européenne".

The newest version is <u>NACE Rev. 2 update 1</u> (NACE Rev. 2.1) and was adopted by the European Commission in October 2022.

² <u>Report of the Committee of Experts on International Statistical Classifications</u> was submitted to UNSC and was endorsed as indicated <u>see 54/112 in UNSC Report March 2023</u>

Considerations

In the absence of legal obligations to adopt a specific classification, we are asking users what attributes of an economic activity classification are important to them, and given this, what their preference for the UK would be. NACE and ISIC are both official, well-established frameworks that meet the principles of the <u>UK Taxonomy Best Practice Framework</u>.

The ISIC and NACE frameworks will continue to change over time in future revisions. It is therefore important for users to consider not only which current version of classification should be adopted but it is also essential to consider their requirements for both European and international comparability.

There are several factors that users might wish to consider:

Governance

ISIC is overseen by the <u>United Nations Committee of Experts on International</u> <u>Statistical Classifications</u> (UNCEISC). Prior to the UK's exit from the EU, Eurostat represented the UK in this group. The UK now has direct representation.

NACE is overseen by the European Union and the use of it is mandatory within the European Statistical System under <u>EU Regulation</u>. The regulation allows member states to use a national version derived from NACE for national purposes but this must fit into the structural framework of NACE. As the UK is no longer a Member State, the UK is no longer legally obligated to adopt NACE. This also means that the UK is no longer invited to participate in the NACE Task Team that would develop revisions of the framework.

UK SIC 2007 was derived from NACE to add more granularity for UK specific purposes. This review was led by the ONS, overseen by a cross-government

<u>Steering Board</u>. A similar process for the creation of a revised UK specific framework would be followed.

Granularity and comparability

Both ISIC and NACE are four digit frameworks. The current UK SIC framework offers the most granularity as compared to either of these, as it includes the use of a five digit subclass level.

The time required to develop and implement a revision should also be considered. Resource requirements, in terms of both cost and time, will be directly influenced by the amount of change required, which would be dependent upon the level at which we choose to diverge from any given framework.

Users need to consider the degree of granularity they require from an economic activity classification and its level of alignment and comparability to existing frameworks.

Correlations

ISIC is part of the International Family of Statistical Classifications which has been reviewed and approved by the UN Statistical Commission. There are correlations with other frameworks that are part of the international family. For instance, the product classification the <u>Central Product Classification (CPC)</u> is a classification of goods and services with categories for all products. Each subclass of the CPC consists of goods or services that are mainly produced in a specific class of ISIC. The EU has a separate product classification, the <u>Classification of Products by Activity (CPA)</u> which aligns with NACE. A correspondence table has been produced to enable mapping between the latest versions of the two product classifications <u>CPA 2008 – CPC Version 2</u>.

It is important that users consider that choosing to align with an economic activity classification also has implications for the product classification the UK aligns with, and also impacts the effort required to align with other international frameworks.

UK economy representation

Due to the global variations in economic activity, ISIC provides a framework by which activity can be compared. The ISIC Task Team therefore has global representation to reflect this. NACE, the European framework, is aligned to ISIC at the two digit level, but varies more in structure as it becomes more granular, in order to specifically represent the economic activities across the European community.

Users therefore need to consider whether the European NACE format is, and is likely to continue to be, more representative of the UK economy than the global ISIC format, and whether they are satisfied that any differences can be adequately rectified by using nationalised disaggregation such as the UK five digit subclass.

There is also the option to develop a new UK specific framework that specifically represents the UK economy at a more granular level than the section and division levels.

The time, difficulty and cost of implementing any changes would also need to be considered.

General information

Why we are consulting

To maintain international statistical comparability, the UK SIC must remain aligned to ISIC at the two digit division level.

As a result of the UK's exit from the EU, the UK SIC is no longer legally required to remain aligned with NACE beyond the two digit level.

Following the recent revisions of both the <u>ISIC</u> and <u>NACE</u> frameworks, we are asking users to consider:

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

It is appreciated that representation and visibility of specific industry activities may influence your choice of option. This was covered in the recent international revisions, where the UK was invited to contribute, and therefore new requests for this will not form part of this consultation.

Opportunity for these requests will come following the consultation outcome and when the revision of UK SIC itself commences. Options for inclusion in the structure at any UK bespoke level or the index may be able to be investigated then, if in line with the classification methodology.

For any users who would like to read more about UK SIC classifications in more detail, or have been asked to supply their SIC code, we suggest looking at our <u>current UK SIC webpages</u>. The <u>Main Volume</u> includes full explanatory notes and the <u>Index</u> covers a non-exhaustive list of activities that fall under the framework codes. Using both the Main Volume and Index in combination should enable the correct industrial activity code to be identified. For specific requests for SIC codes, please refer to the requesting organisation for their policy guidance.

Consultation details

Issued: 31 October 2023 Respond by: 23 January 2024

Enquiries to:

ONS Classification Team Post Room Office for National Statistics Segensworth Road Fareham PO15 5RR

Email: sic.consultation@ons.gov.uk

Audiences:

We expect there to be the following groups of people interested in this consultation:

- 1. Policymakers and analysts across government interested in statistics and data related to the UK economy and in particular economic activities
- 2. Trade bodies and associations
- 3. Businesses
- 4. Academia
- 5. Anyone who uses products/data which relates to economic activities
- 6. Anyone who uses any other related classification/product/data which reflects the UK economy.

Territorial extent:

This consultation relates to data for the UK.

After the consultation

We will publish a summary of the comments made within 12 weeks of the consultation closing.

How to respond

We encourage you to submit responses online wherever possible, as this is our preferred method of receiving responses.

However, responses in writing or via email submitted to the below addresses will also be accepted. Should you wish to submit your main response via the e-Consultation platform and any supporting information via hard copy or email, please be clear that this is part of the same consultation response.

Respond online at: <u>https://consultations.ons.gov.uk/external-affairs/uk-</u> <u>sic-consultation</u>

or

Email to: sic.consultation@ons.gov.uk

or

Write to: Classification Team, Office for National Statistics, Post Room, Segensworth Road, Titchfield, PO15 5RR

When responding, please state whether you are responding as an individual or representing the views of an organisation. Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Accessibility

All material relating to this consultation can be provided in large print or other formats on request.

Confidentiality and data protection

The Office for National Statistics (ONS) needs your name and email address to receive your response. We may contact you about your response to the consultation.

We aim to be as open as possible in our decision-making process. As part of this, we plan to publish an anonymised summary of the responses we receive. We will not publish the personal name of any respondent. Names of individuals, organisations and groups will not be linked to any comments that you give.

The names of all organisations and groups responding to the consultation will be published in a list of respondents.

Please be aware that, as a public authority, we are subject to the <u>Freedom of</u> <u>Information Act</u> 2000 and can never completely guarantee that names and responses will not be published. We will not publish personal contact details, such as email addresses. To find out more, read our Privacy Policy: <u>Privacy</u> -<u>Office for National Statistics - Citizen Space (ons.gov.uk)</u>

Quality assurance

This consultation has been carried out in accordance with the government's consultation principles, available here https://www.gov.uk/government/publications/consultation-principles-guidance.

If you have any complaints about the way this consultation has been conducted, please email: <u>external.affairs@ons.gov.uk</u>.

Annex 1 - Consultation questions

Revised versions of International Standard Industrial Classification of All Economic Activities (ISIC) and Statistical classification of economic activities in the European Community (NACE) have been approved and endorsed for adoption by the relevant international bodies, namely the United Nations Statistical Commission and European Commission (Eurostat) respectively.

The UK no longer has any legal obligation to adopt either classification, therefore we are keen to hear from users to inform a decision on which system the next version of UK SIC should be based.

Please note that the UK remains autonomous in the UK SIC revision process, but, following the UK's exit from the EU, no longer contributes to any updates to the NACE framework. It will, however, continue to contribute to updates that are applied to the ISIC framework.

Please answer all questions.

About you

The following questions will ask about you and your use and opinion of the current economic activity classification adopted for use in the UK.

- 1. What is your name? (Required)
- 2. What is your email address? (Required)
- 3. Are you responding on behalf of an orgainsation? (Required)
- Yes
- No
- 4. If yes, what is the name of your organisation?

Your use of economic classifications

- 5. Please explain how you use economic activity classifications in your role. (Required)
- 6. Please share which other, if any, economic activity areas of the classification you are interested in. (Required)
- 7. Please rate how important each of the following factors are to you. (Required)

Regularity of framework reviews

- Not important at all
- Not very important
- Neither important or unimportant
- Quite important
- Extremely important

Level of comparability to the international economy

- Not important at all
- Not very important
- Neither important or unimportant
- Quite important
- Extremely important

Level of comparability to the European economy

- Not important at all
- Not very important
- Neither important or unimportant
- Quite important
- Extremely important

Reflecting the current UK economy

- Not important at all
- Not very important

- Neither important or unimportant
- Quite important
- Extremely important

Level of UK classification granularity

- Not important at all
- Not very important
- Neither important or unimportant
- Quite important
- Extremely important

The UK's ability to contribute and influence the revision process

- Not important at all
- Not very important
- Neither important or unimportant
- Quite important
- Extremely important

8. Please rate how satisfied you currently are with each of the following factors. (Required)

Regularity of framework reviews

- Extremely unsatisfied
- Quite unsatisfied
- Neither satisfied or unsatisfied
- Quite satisfied
- Extremely satisfied

Level of comparability to the international economy

- Extremely unsatisfied
- Quite unsatisfied
- Neither satisfied or unsatisfied
- Quite satisfied
- Extremely satisfied

Level of comparability to the European economy

- Extremely unsatisfied
- Quite unsatisfied
- Neither satisfied or unsatisfied
- Quite satisfied
- Extremely satisfied

Reflecting the current UK economy

- Extremely unsatisfied
- Quite unsatisfied
- Neither satisfied or unsatisfied
- Quite satisfied
- Extremely satisfied

Level of UK classification granularity

- Extremely unsatisfied
- Quite unsatisfied
- Neither satisfied or unsatisfied
- Quite satisfied
- Extremely satisfied

The UK's ability to contribute and influence the revision process

- Extremely unsatisfied
- Quite unsatisfied
- Neither satisfied or unsatisfied
- Quite satisfied
- Extremely satisfied

Consultation options

ISIC and NACE are identical down to the two-digit (division) level. Comparability down to the four-digit level when using ISIC categories will remain possible regardless of any option chosen as groups and/or classes can always be re-aggregated into the ISIC categories from which they were derived.

For reference, the current system in use is Option B, with an additional UK bespoke five-digit level. The continued use of a UK specific fifth digit should be considered alongside each of the options outlined.

Below are the options available for future alignment of UK SIC below the twodigit level. 'Alignment' refers to the level of similarity between the chosen option and the existing international frameworks in terms of hierarchical structure.

Within each of the options below, the phrase 'Not guaranteed' means that, although the hierarchies described may remain similar after revisions, the level of similarity can not be guaranteed.

• Option A : Adopt ISIC

	on A . Adoptiono			
	UK SIC	UK SIC Division Level	UK SIC	UK SIC
	Section Level	(2-digit)	Group Level	Class Level
	(Single letter)		(3-digit)	(4-digit)
ISIC	✓	 Image: A start of the start of	✓	✓
NACE	✓	✓	Not guaranteed	Not guaranteed

Option B: Adopt NACE

	UK SIC	UK SIC Division Level	UK SIC	UK SIC
	Section Level	(2-digit)	Group Level	Class Level
	(Single letter)		(3-digit)	(4-digit)
ISIC	✓	✓	Not guaranteed	Not guaranteed
NACE	✓	✓	✓	✓

Option C: Create bespoke UK groups and classes disaggregated from ISIC categories

categon	62			
	UK SIC	UK SIC Division Level	UK SIC	UK SIC
	Section Level	(2-digit)	Group Level	Class Level
	(Single letter)		(3-digit)	(4-digit)
ISIC	✓	✓	Not guaranteed	Not guaranteed
NACE	✓	✓	Not guaranteed	Not guaranteed

Option D: Create bespoke UK groups and classes disaggregated from NACE categories

	UK SIC Section Level	UK SIC Division Level	UK SIC	UK SIC
	(Single letter)	(2-digit)	Group Level	Class Level
			(3-digit)	(4-digit)
ISIC	✓	✓	Not guaranteed	Not guaranteed
NACE	✓	✓	Not guaranteed	Not guaranteed

- 9. Please identify your first preference for which option the UK should adopt. (Required)
- 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
- 10. Please explain briefly why you have chosen this as your first preference. (Required)
- 11. Please identify your second preference for which option the UK should adopt. (Required)
- I have no second preference
- 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
- 12. Please explain briefly why you have chosen this as your second preference.

Option A: Adopt ISIC

The following questions will ask for your opinion on the implementation of each of the four possible options presented.

	UK SIC	UK SIC Division Level	UK SIC	UK SIC
	Section Level	(2-digit)	Group Level	Class Level
	(Single letter)		(3-digit)	(4-digit)
ISIC	 ✓ 	✓	✓	\checkmark
NACE	1	\checkmark	Not guaranteed	Not guaranteed

- 13. What impacts or challenges, if any, would this option present to you if it were to be adopted? (Required)
- 14. If ISIC is adopted at the four digit (class) level, should the UK continue to use an additional UK-specific (subclass) level? (Required)
 - Yes
 - No
 - Not sure
- 15. Please briefly explain your answer.

Option B: Adopt NACE

The following questions will ask for your opinion on the implementation of each of the four possible options presented.

Option B: Adopt NACE

	UK SIC	UK SIC Division Level	UK SIC	UK SIC
	Section Level	(2-digit)	Group Level	Class Level
	(Single letter)		(3-digit)	(4-digit)
ISIC	✓	✓	Not guaranteed	Not guaranteed
NACE	✓	✓	✓	✓

- 16. What impacts or challenges, if any, would this option present to you if it were to be adopted? (Required)
- 17. If NACE is adopted at the four digit (class) level, should the UK continue to use an additional UK-specific (subclass) level? (Required)
 - Yes
 - No
 - Not sure
- 18. Please briefly explain your answer.

Option C: Create bespoke UK groups and classes disaggregated from ISIC categories

For the following two options, a UK bespoke system would use either the ISIC or NACE framework as a starting point. This would include the option to create or amend groups or classes to better reflect the UK economy.

Option C: Create bespoke UK groups and classes disaggregated from ISIC categories

	UK SIC	UK SIC Division Level	UK SIC	UK SIC
	Section Level	(2-digit)	Group Level	Class Level
	(Single letter)		(3-digit)	(4-digit)
ISIC	✓	✓	Not guaranteed	Not guaranteed
NACE	✓	✓	Not guaranteed	Not guaranteed

- 19. What impacts or challenges, if any, would this option present to you if it were to be adopted? (Required)
- 20. If national three-digit and four-digit levels were created, should the UK continue to use an additional UK-specific five digit (subclass) level? (Required)
 - Yes
 - No
 - Not sure
- 21. Please briefly explain your answer.

Option D: Create bespoke UK groups and classes disaggregated from NACE categories

Option D: Create bespoke UK groups and classes disaggregated from NACE categories

	UK SIC Section Level	UK SIC Division Level	UK SIC	UK SIC
	(Single letter)	(2-digit)	Group Level	Class Level
			(3-digit)	(4-digit)
ISIC	✓	✓	Not guaranteed	Not guaranteed
NACE	✓	✓	Not guaranteed	Not guaranteed

- 22. What impacts or challenges, if any, would this option present to you if it were to be adopted? (Required)
- 23. If national three-digit and four-digit levels were created, should the UK continue to use an additional UK-specific five digit (subclass) level? (Required)
 - Yes
 - No
 - Not sure
- 24. Please briefly explain your answer.
- 25. Is there any other information you would like to submit or make the ONS Classifications team aware of as part of this consultation?
- 26. Would you like to be kept up to date about this consultation, including the response to this consultation, engagement activities, or future developments? (Required)
 - Yes
 - No

OGL

© Crown copyright 2023

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.