OFFICE OF MANAGEMENT AND BUDGET

North American Industry Classification System—Update for 2002

AGENCY:

marked recent decades. Industry statistics presented using NAICS are also comparable with statistics compiled according to the latest revision of the United Nations' International Standard Industrial Classification (ISIC, Revision 3) for some sixty high-level groupings.

For the three countries, NAICS provides a consistent framework for the collection, tabulation, presentation, and analysis of industrial statistics used by government policy analysts, by academics and researchers, by the business community, and by the public. However, because of different national economic and institutional structures as well as limited resources and time for constructing the 1997 NAICS, the NAICS structure was not made entirely comparable at the individual industry level across all three countries at that time. The completion effort represented in this notice originally focused on the construction and wholesale trade sectors. In the 1997 NAICS these two sectors were comparable at the two-digit level for all three North American countries.

Throughout its development, NAICS has been guided by four principles:

(1) NAICS is erected on a production-oriented or supply-based conceptual framework. This means that producing units that use the same or similar production processes are grouped together in NAICS.

(2) NAICS gives special attention to developing production-oriented classifications for (a) new and emerging industries, (b) service industries in general, and (c) industries engaged in the production of advanced technologies.

(3) Time series continuity is maintained to the extent possible, given the need to reflect changes in the economy and proposals from data users. Adjustments will be required for sectors where the United States, Canada, and Mexico have incompatible industry classification definitions in order to produce a common industry system for all three North American countries.

(4) The system strives for compatibility with the two-digit level of the International Standard Industrial Classification of All Economic Activities (ISIC Rev. 3) of the United Nations.

The ECPC is committed to maintaining the principles of NAICS. For example, the proposed split in the national industry for department stores will separately identify two distinct and economically significant types of operations in the United States in accordance with principle 1. The ECPC is recommending the revisions for nonstore retailers and new Internet information businesses based on NAICS principle 2. The rapid growth of Internet companies and the lack of a structural method for identifying these emerging industries justify the additional NAICS and U.S. national detail. The current round of completion activities is limited in scope based on NAICS principle 3 ng tPity, TCom.

States. A further split by project delivery method would further expand the number of detailed industries and reduce the size of each.

The majority of the comments received that related to Wholesale Trade requested a change in the previously agreed upon scope of the sector. After extensive discussions with Canada and Mexico, the representatives decided to recommend that the basic delineation between Wholesale Trade and Retail Trade should remain unchanged. Further, the representatives agreed to undertake a complete restructuring of the distribution network industries (wholesale, retail, transportation, and warehousing) in NAICS 2007. In the interim, the United States has restructured NAICS United States 1997, Sector 42, Wholesale Trade to more closely align with

erection of residential buildings and the erection of nonresidential buildings. Each of these industry groups includes establishments that are responsible for an entire building or building renovation project. These industry groups include general contractors and design-builders working for owners and operative builders who undertake the entire project on a speculative basis. Establishments in the Construction of Buildings subsector may perform specific construction activities or

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2372 Land Subdivision

[redacted]

2373 Land Subdivision

[redacted]

421140 Motor Vehicle Parts (Used) Wholesalers

Agents and Brokers 425120 Wholesale Trade Agents and Brokers (pt)

Merchant Wholesalers 423460 Ophthalmic Goods Merchant Wholesalers

512199 Other Motion Picture and Video Industries

installation)

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