

Standard Industrial Classification

The Standard Industrial Classification was first issued in 1948. Its object was to secure uniformity and comparability in the Statistics published by Government Departments in the United Kingdom, such as the reports of the Censuses of Production and Distribution, the Census of Population 1951, and the labour statistics of the Ministry of Labour and National Service. Experience of actual use of the Classification during the last ten years, together with the inevitable changes in the structure of industry, have made it necessary to re-examine the Classification and to publish an amended edition⁽¹⁾.

2. The amended Classification will be brought into use as soon as possible. It has already been adopted in the revised index of industrial production published this month and it will be adopted in the Census of Production for 1958 (to be taken in 1959) and the Census of Population in 1961. For most other statistics the amended Classification will be brought into use during 1959; it is expected that it will be adopted in the index of wholesale prices and in the industrial accident statistics early in the year, in statistics of employees, employment, unemployment and wage rates about the middle of the year and in the earnings and hours enquiry of the Ministry of Labour and National Service to be taken in October 1959. The Blue Book on National Income and Expenditure for 1959 will also follow the amended Classification.

3. The basis of the Classification remains unchanged. As before, the aim is to conform with the organisation and structure of industry and trade as it exists within the United Kingdom. The unit classified is the establishment, which is normally the whole of the premises, such as a farm, mine, factory, shop or office at a particular address. The criterion of classification is industrial activity and it is not affected by the fact that the establishment to be classified may be owned or controlled by the Central Government or local authorities or by private enterprise. The Classification is not based on occupations; the considerable differences between an industrial and an occupational classification are illustrated by the fact that certain occupations such as "clerk" and "labourer" are to be found in the majority of industries.

4. Although the number of amendments incorporated in the new edition is large, the effect on the continuity of statistical series is minimised by a number of factors. Some of the amendments merely clarify or make explicit the treatment of certain minor industrial activities while others modify prescribed classifications which have been found in practice to be unworkable. Where radical changes have been introduced every attempt has been made to introduce them in a way which will facilitate the re-classification of earlier statistics on the new basis.

5. A re-examination of the structure of industry has led to a number of changes; the following are typical examples:—

Metal manufacture. It has been recognized that the manufacture of pig iron at blast furnaces is not always a readily distinguishable activity. Most blast furnaces

are integrated either with steel works or with iron foundries and in consequence the separate Classification of blast furnaces has been abolished.

Mechanical and electrical engineering. The structure of this industry group is very complex and experience gained in attempting to collect statistics for clear cut sub-divisions of it during the past few years has shown the need for a complete recasting of the Headings within it. Among the changes made in the mechanical engineering section are the separation of the metal-working machine tools and the engineers' small tools industries, while contractors' plant and quarrying machinery, mechanical handling equipment and office machinery have been taken out of the miscellaneous Heading, "Other non-electrical engineering" and made into separate Headings. In the electrical engineering and electrical goods section, domestic electric appliances have been given a separate Heading.

Textiles. The production of man-made fibres continues to expand while specialisation in the spinning and weaving of cotton, flax and man-made fibres has declined. The revised Classification accepts this development and no longer provides separate Headings for cotton, linen and man-made fibres and silk respectively. Instead, two new Headings have been provided, (1) Spinning and doubling of cotton, flax and man-made fibres, and (2) Weaving of cotton, linen and man-made fibres.

6. Experience has shown the need for a number of new Headings in the Classification. One has been raised in the Professional and Scientific Services to cover all those research and development services which are not appropriate to any single Heading elsewhere in the Classification. Provision has also been made in Miscellaneous Services for the head offices of concerns which, while operating in the United Kingdom are responsible for such a mixture of industrial activities that they cannot be appropriately classified to any single Heading elsewhere in the Classification.

7. In the first edition of the Standard Industrial Classification the word "manufacturing" was understood to include "repair". A reconsideration of the classification of repair work took into account the fact that manufacturing and repairing were not necessarily carried on in close industrial association with each other. In the new edition repair work such as that done on ships, locomotives, aircraft and most kinds of plant and machinery which is closely associated with manufacturing activities continues to be classified to manufacturing. The repair of radio and television sets, watches and clocks and furniture which is largely carried out in establishments whose main business is distribution, is classified to the Distributive Trades. Establishments engaged in the repair and maintenance of buildings are, as before, classified to the building industries. Motor repairing and the repair of boots and shoes are now regarded as service trades and are classified to Miscellaneous Services.

⁽¹⁾ To be published by H.M.S.O. in November, 1958.

8. It is not possible to draw any clear line of demarcation between motor repairs, garages and filling stations, and they are accordingly grouped together. In the first edition of the Classification the combined group was regarded as part of manufacturing industry because of its association with repair work, and accordingly classified in Order VII "Vehicles". The new Heading in "Miscellaneous Services" for motor repairs mentioned above includes these three sections of the trade, and in addition the wholesale and retail distribution of motor vehicles which had previously been classified under Distribution. All these activities are so integrated that a separate classification is impracticable.

9. Changes have been introduced in the classification of a number of establishments undertaking a mixture of manufacturing and non-manufacturing activities. In general, establishments are classified in the fields of manufacturing, distribution, other services, etc., according to their major activity, but in certain trades, where a manufacturing process is commonly carried out by wholesalers or retailers, these mixed establishments are now to be classified in the appropriate distributive industry. Thus milk bottling and processing by wholesale or retail distributors, bakehouses attached to retail establishments, the bottling of drinks by wholesalers, and the manufacture of ice cream by retailers have been transferred from "Food, Drink and Tobacco", while retail bespoke tailoring and dressmaking and work rooms attached to retail clothing establishments are transferred from "Clothing and Footwear". These changes, together with changed treatment of some types of repair work, have narrowed the coverage of the manufacturing industries section of the Classification.

10. In an attempt to obtain a better industrial alignment, a number of changes have been made in the classification of items in Order XVI, "Other Manufacturing Industries". Among these are the following :—

- (i) the transfer of the manufacture of photographic paper and films to the scientific, surgical and photographic instruments trade in Order VI, "Engineering and Electrical Goods";
- (ii) the transfer of the production and printing of cinematograph films to "Cinemas, Theatres, Radio, etc." in Order XVIII, "Miscellaneous Services";
- (iii) the transfer of the manufacture of transparent cellulose film (for wrapping) from Order XV, "Paper, Printing and Publishing".

11. Changes in the services section of the Classification apart from those already mentioned are chiefly to be found in Order XXII, "Professional and Scientific Services". In this Order, which was previously entitled "Professional Services", an attempt has been made to exclude the purely trade and business services which have been transferred to Order XXIII, "Miscellaneous Services". As the Order includes practically the whole of the Health Services of the country, the Medical and Dental heading has been completely redrafted to take into account the structure of the industry as it has evolved under the operation of the National Health Scheme.

12. The total number of Orders remains at twenty-four and the number of Minimum List Headings has been reduced from 163 to 152. Optional sub-divisions have been reduced from 301 to 208. As there has been some re-arrangement of the Orders, a list of the old Orders and the new Orders is given below :—

Old Orders

- I Agriculture, Forestry, Fishing
- II Mining and Quarrying
- III Treatment of Non-metalliferous Mining Products other than Coal
- IV Chemicals and Allied Trades
- V Metal Manufacture
- VI Engineering, Shipbuilding and Electrical Goods
- VII Vehicles
- VIII Metal Goods not elsewhere specified
- IX Precision Instruments, Jewellery, etc.
- X Textiles
- XI Leather, Leather Goods and Fur
- XII Clothing
- XIII Food, Drink and Tobacco
- XIV Manufactures of Wood and Cork
- XV Paper and Printing
- XVI Other Manufacturing Industries
- XVII Building and Contracting
- XVIII Gas, Electricity and Water
- XIX Transport and Communication
- XX Distributive Trades
- XXI Insurance, Banking and Finance
- XXII Public Administration and Defence
- XXIII Professional Services
- XXIV Miscellaneous Services

New Orders

- I Agriculture, Forestry, Fishing
- II Mining and Quarrying
- III Food, Drink and Tobacco
- IV Chemicals and Allied Industries
- V Metal Manufacture
- VI Engineering and Electrical Goods
- VII Shipbuilding and Marine Engineering
- VIII Vehicles
- IX Metal Goods not elsewhere specified
- X Textiles
- XI Leather, Leather Goods and Fur
- XII Clothing and Footwear
- XIII Bricks, Pottery, Glass, Cement, etc.
- XIV Timber, Furniture, etc.
- XV Paper, Printing and Publishing
- XVI Other Manufacturing Industries
- XVII Construction
- XVIII Gas, Electricity and Water
- XIX Transport and Communication
- XX Distributive Trades
- XXI Insurance, Banking and Finance
- XXII Professional and Scientific Services
- XXIII Miscellaneous Services
- XXIV Public Administration and Defence