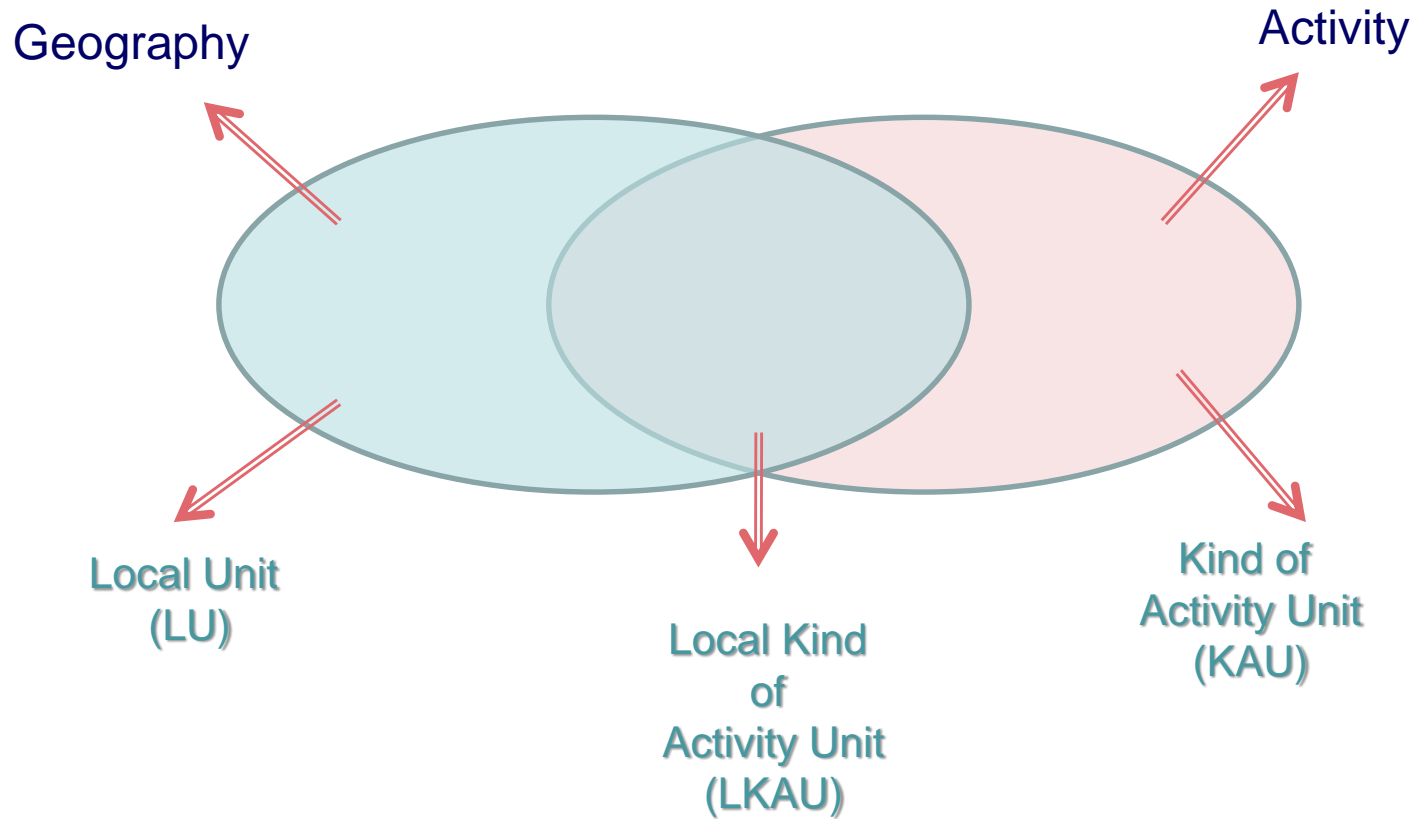# CLASSIFICATIONS

Uğur KAYIŞ
Classification Division
Statistician

Economical Classification

Social Classification

Statistical Units

Geography

Activity

Local Unit
(LU)

Local Kind
of
Activity Unit
(LKAU)

Kind of
Activity Unit
(KAU)

Just for the households' own consumption

Informal Economy

Legal Unit = Local Unit = Enterprise

Classification

Classifications are defined as a common language that separate observation units of the universe into homogeneous groups as much as possible according to the aim of the statistical study and are used in the harmonious collection, processing and presentation of data.
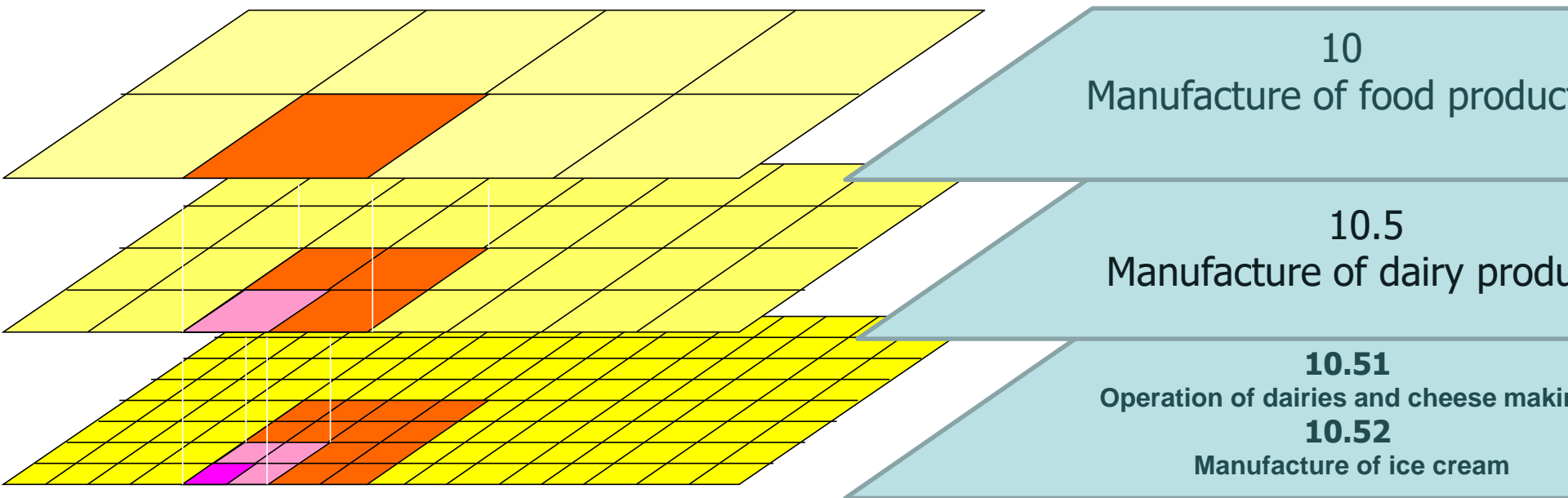
Legal Basis

STATISTICS LAW OF TURKEY

Classifications

Article 11- **Institutions and organisations are obliged to use the statistical definitions and classifications introduced by the Presidency; in cases where they use the classifications determined according to their needs, they are obliged to take measures to ensure the transition of these classifications into those determined by the Presidency.**

Creating subsections

10
Manufacture of food produc

10.5
Manufacture of dairy produ

10.51
Operation of dairies and cheese makir
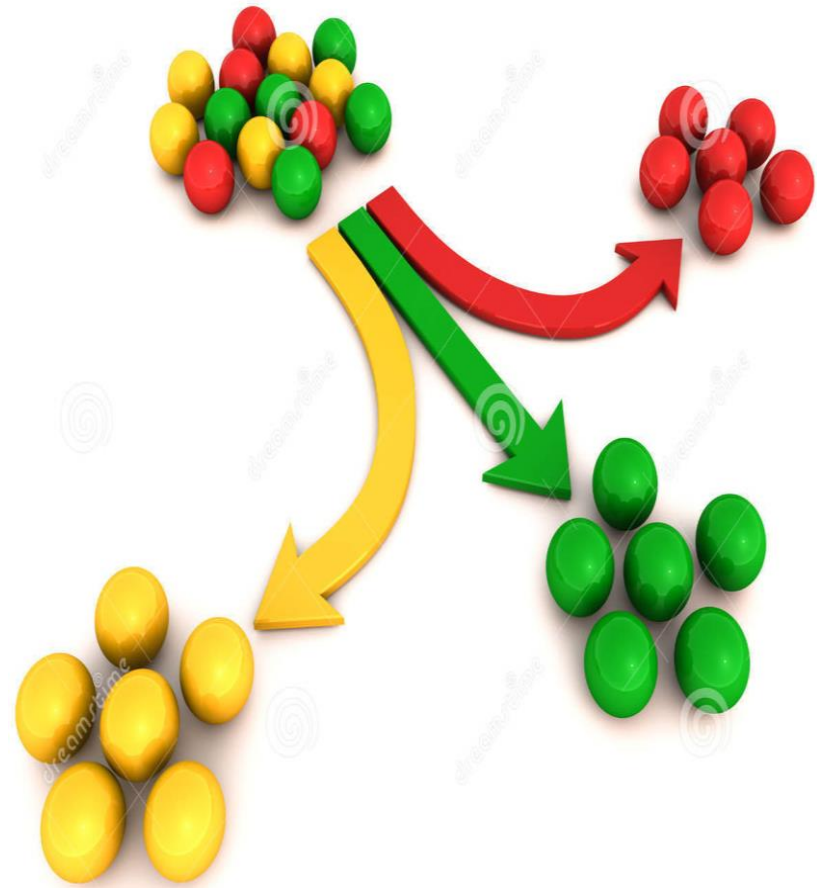**10.52**
Manufacture of ice cream

Main characteristics of classification

Complete coverage of the observational universe;

**One category:
the necessity of classifying each element into only one category;**

Methodological principles that ensure that elements are placed in accordance with the various categories of classification.

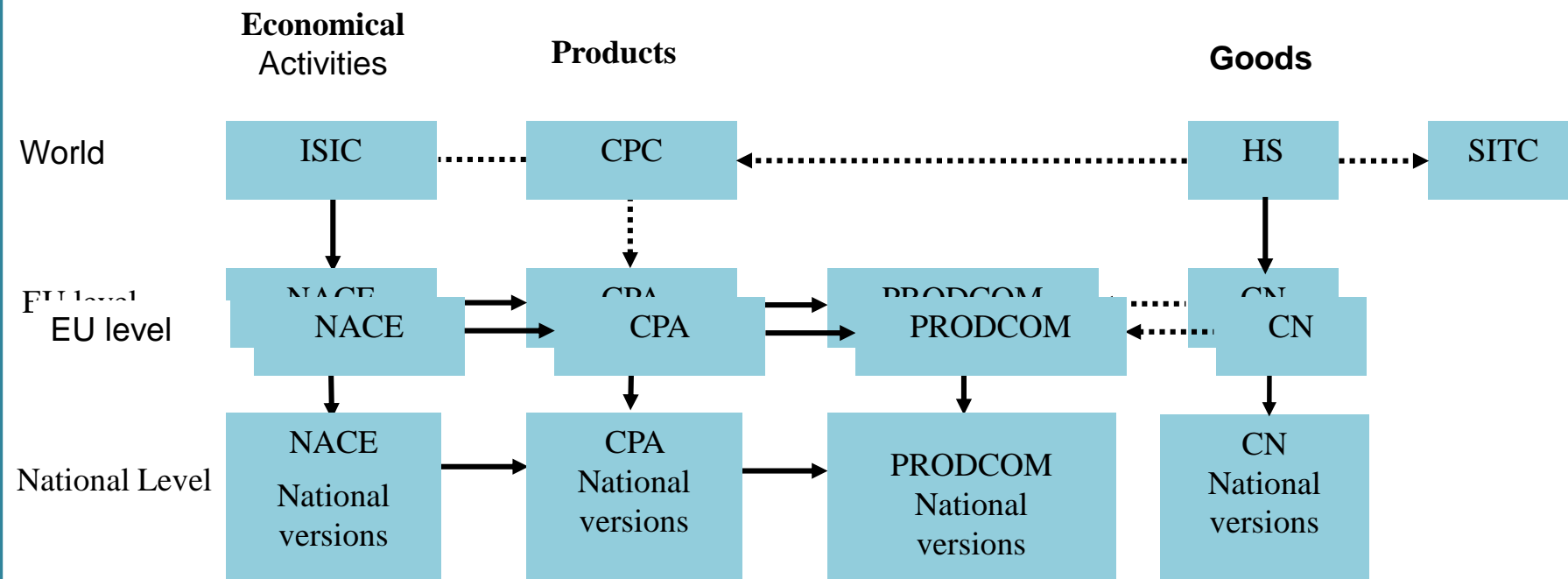**Describe the boundaries of a category in detailed and presicely,**

Economic Classifications

The International System of Economic Classifications

The system was developed under the auspices of the United Nations Statistical Division.

• Economic statistics require different classifications for different purposes. To establish relation between different classifications, it is needed a system which communicates among them.

• If a classification is a part of this system, it will be possible to compare statistics produced in different statistical domains.

Economical Activities

Products

Goods

World	ISIC ········ CPC ◄········ HS ·······► SITC		
EU level	NACE → CPA → PRODCOM ◄····· CN		
National Level	NACE National versions → CPA National versions → PRODCOM National versions	CN National versions	

Reference classification. Classifications are structurally related.

Reference classification. Classifications are associated with transition tables.

Classifications are associated with tansition tables.

Abbreviations of Economic Classifications in the International System

- **ISIC** is the United Nations' International Standard Industrial Classification of all Economic Activities.

- **SITC** is Standard International Trade Classification of the United Nations.

- **CPC** is the United Nations' Central Product Classification.

- **HS** is the Harmonized Commodity Description and Coding System, managed by the World Customs Organisation.

- **NACE** is the European Classification of Economic Activities.

- **CPA** is the European Classification of Products by Activity.

- **PRODCOM** is the classification of goods used for statistics on industrial production in the EU.

- **CN** stands for the Combined Nomenclature, a European classification of goods used for foreign trade statistics.

Classifications Used by TurkStat

Economic Classifications:

NACE (Statistical classification of economic activities in the European Community)

CPA (Statistical classification of products by activity in the European Economıc Community)

PRODCOM (European production statistics for mining and quarrying and manufacturing)

GTİP (Customs Tariff Statistics Position)

…

Social Classifications:

ISCO (The International Standard Classification of Occupations)

ISCED (International Standard Classification of Education)

…

Coding   NACE   CPA   PRODCOM   NATIONAL

KOD	DEFINITION	UNIT	UNIT CODE	P	Nota Referans	HS/CN
10.84						
10.84.11						
10.84.11.30.00	Vinegar and substitutes for vinegar made from wine	litre	2000	S		2209.00.1
10.84.11.90.00	Vinegar and substitutes for vinegar (excluding made from wine)	litre	2000	S		2209.00.9
10.84.12	Sauces; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard					
10.84.12.10.00	Soya sauce	kg	1500	S		2103.10
10.84.12.30.00	Tomato ketchup and other tomato sauces	kg	1500	S		2103.20
10.84.12.53.00	Mustard flour and meal	kg	1500	S		2103.30.10
10.84.12.55.00	Prepared mustard	kg	1500	S		2103.30.90
10.84.12.70		kg	1500	S		2103.90
10.84.12.70.01		kg	1500	S	TR	2103.90
10.84.12.70.02	fanugrek	kg	1500	S	TR	2103.90
10.84.12.70.03	tabasco	kg	1500	S	TR	2103.90

Transition of Classifications

Sector	Classification/index that the inquired activity first found				
All	NACE Rev.2_TR ⟶	NACE Rev.2			
All	CPA 2008 ⟶	NACE Rev.2			
B, C, D	PRODTR 2010 ⟶	CPA 2008 ⟶ NACE Rev.2			
A, B, C	GTİP 2010 ⟶	CN 2010 ⟶	CPA 2008 ⟶ NACE Rev.2		
Manufacturing/Mining	GTİP 2010 ⟶	PRODTR 2010 ⟶ CPA 2008 ⟶ NACE Rev.2			
All	NAICS ⟶	NACE Rev.2			
All	CPC Ver.2 ⟶	CPA 2008 ⟶ NACE Rev.2			
Trade	CPA 2008 Manufacturing code ⟶	TRADE ⟶	CPA 2008 trade ⟶ NACE Rev.2		
Retail Trade	CPA 2008 Manufacturing code ⟶	TRADE ⟶	CPA 2008 trade ⟶	FR transition ⟶	NACE Rev.2

STATISTICAL CLASSIFICATION OF ECONOMIC ACTIVITIES IN THE EUROPEAN COMMUNITY
NACE Rev.2

(Nomenclature statistique des Activités économiques dans la Communauté Européenne)
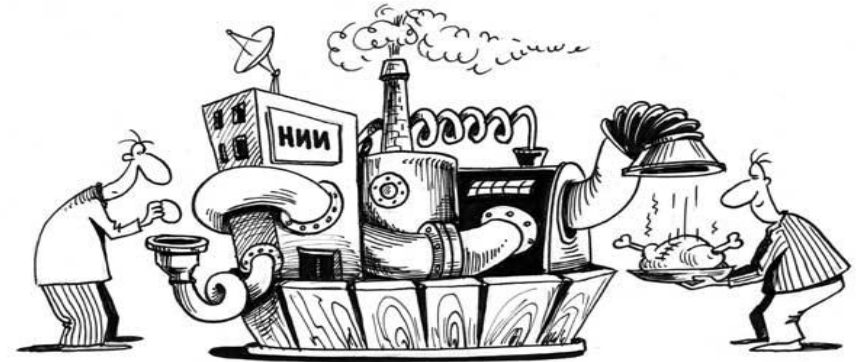
Purpose of NACE

NACE aimed to provide a framework for collecting and presenting statistical data according to economic activity in economical statistics (such as production, employment, national accounts, etc.) and in the other statistical fields based on economic activities.

NOTE: Statistics produced on the basis of NACE are comparable at international level, since NACE was developed by EU based on ISIC.

Scope and Borders

The following factors have been taken into account in defining the categories in NACE:

- **Inputs**

- **Production process**

- **The qualification of the final products and their usage areas**

- **Similar goods or services**

- **Place where production/service is performed**

Scope and Borders (con't)

✓ NACE is not interested in legal status of establishments (being a part of incorporated enterprise or not, nationality of the parent enterprise, consisting of more than one establishment or not, partnership etc.).

✓ NACE does not distinguish between traditional or modern techniques.

✓ NACE does not distinguish between formal and informal productions.

✓ NACE does not distinguish between market activities and non-market activities.

✓ NACE does not distinguish between govermental or non- govermental agencies.

! In shorhtly, NACE is related to the activity itself.

Structure and Coding

Level 1: 21 sections is defined with alphabetical codes from A to U.

Level 2: 88 divisions is defined by two-digit numeric codes.

Level 3: 272 groups is defined by three-digit numeric codes.

Level 4: 615 classes is defined by four-digit numeric codes.

Structure and Coding (con't)

The code used at the section level is not integrated with the NACE code that identifies the division, the group and the class that describe a spesific activity. For example, the activity "Manufacture of glues" is described in Division 20, Group 20.5 and Class 20.52; however, Section C, to which this class belongs, does not appear in the code itself.

	Code	Description
SECTION	C	Manufacturing
DIVISION	20	Manufacture of chemicals and chemical products
GROUP	20.5	Manufacture of other chemical products
CLASS	20.52	Manufacture of glues

NACE

Statistics produced on the basis of NACE are comparable at international level, since **NACE** was developed by the EU based on **ISIC**.

Fundamental Statistical Application Areas of Nace
1. Business registers
2. National and regional accounts
3. Structural business statistics
4. Short term business statistics
5. Labor force statistics
6. Transportation, energy and waste statistics

NACE Rev.2-With Six Digits
Economic Activities Classification

Structure XX.XX   .   XX

⬆   ⬆

NACE   **NATIONAL LEVEL**

NACE Rev.2-With Six Digits was developed in order to the (economic)

activities are codified in the same standard by the relevant

institutions.

Stakeholders of the Work

- Ministry of Customs and Trade

- General Directorate of Trades and Craftsman

- Ministry of Finance, Revenue Administration,

- Ministry of National Education

- Ministry of Labour and Social Security

- Turkish Statistical Institute (TURKSTAT)

- The Union of Chambers and Commodity Exchanges of Turkey

- Small and Medium Enterprises Development Organization

- Confederation of Turkish Tradesmen and Craftsmen

- Vocational Qualifications Authority

CPA General Description

- Statistical Classification of Products by Activity (CPA) in the European Economic Community

- CPA is a part of an integrated statistical clasifications system.

- Product classifications are designed to categorise products (goods and services) that have common characteristics.

CPA General Description (con't)

- CPA is the European counterpart of CPC (United Nations' Central Product Classification).

- CPA provides the basis for preparing and comparing the statistics related to goods and services.

CPA General Description (con't)

- Product is the outcome of economic activity. It is the general term applied to goods and services. Each product can be a transportable or a non-transportable good or a service.

- Goods are physical objects for which a demand exists, over which **ownership** rights **can be** established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets.

- Services are entities over which **ownership** rights **cannot be** established. They cannot be traded separately from their production.

Structure and Coding System of CPA

Structure   XX.XX.XX

Level 1   21 Sections

Level 2   88 Divisions

Level 3   261 Groups

Level 4   575 Classes

Level 5   1342 Categories

Level 6   3142 Subcategories

Structure and Coding System of CPA (con't)

Elements of CPA 2008:

- Related to activities as defined by NACE Rev.2,

- Structure parallel to structure of NACE Rev.2,

- Whether a transportable or a non-transportable good or a service, each product is assigned to one single activity in NACE Rev. 2,

- There are some cases that products can be assigned to activities only at a higher level than the class level, or even a product has no activity counterpart in NACE Rev. 2 .

Prodcom (PRODuction COMmunautaire)

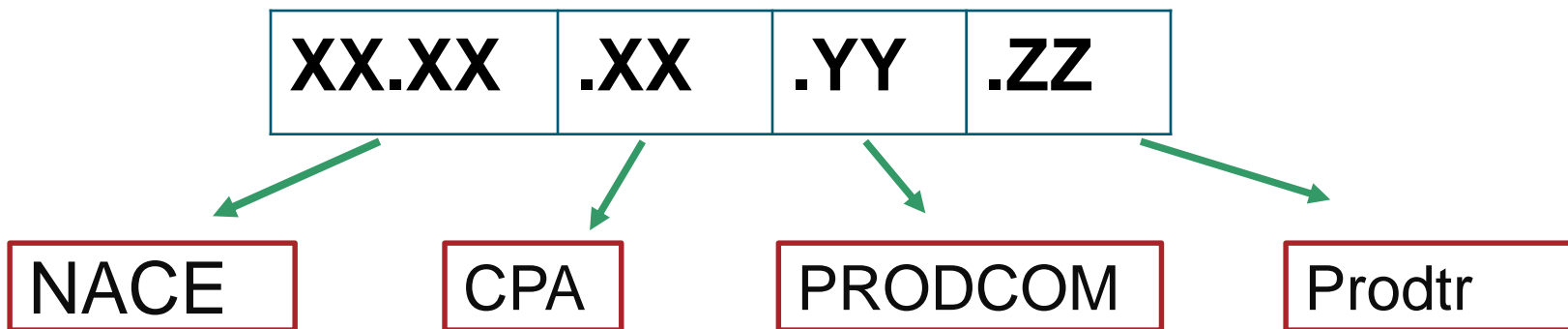PRODCOM is the title of the EU production statistics for

- Mining and Quarrying
- Manufacturing,

It consists of sections B and C of the Statistical Classification of Economic Activities in the European Community (NACE Rev. 2)

Purpose

❖ PRODCOM is a survey to collect statistics on the amount of production of each of the products in the PRODCOM list based on Council Regulation (EEC) No 3924/91 on the establishment of a Community survey of industrial production

❖ The regulation states that only enterprises with more than 20 employees should be surveyed.

❖ The regulation stipulates that national survey methods should ensure that 90 % coverage across the whole 4-digit NACE class is achieved.

Structure of National Version of PRODCOM (PRODTR)

XX.XX	.XX	.YY	.ZZ

NACE   CPA   PRODCOM   Prodtr

NACE Rev.2 class   : **245**
CPA 2008 category   : **1522**
PRODCOM headings : **3852**
PRODTR headings   : **4445**

Statistical Application Areas of PRODCOM

✓ Annual Business Statistics

✓ Short Term Business Statistics

✓ National Accounts

* It is also used by Ministry of Industry

GTİP (Customs Tariff Statistics Position)

It is a 12-digit classification created by 8-digit codes of CN classification used by EU in foreign trade statistics according to national needs.

It is used in production of foreign trade statistics in TURKSTAT.

It is also used by the Customs Ministry.

Thank you...