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Implementation of NACE Rev. 2 in the Member States

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NACE/CPA Working Group meeting 27 April 2010
Agenda item 3.3

1. Introduction

In the last NACE/CPA working group we have informed you that Eurostat has established a system of early warning if any problem is expected on the different aspects of the implementation of NACE Rev. 2 and CPA 2008.

This system includes periodic reporting to Eurostat Directors Meeting and ESSC and also the consultation of the NACE/CPA working group to check internally some of the steps of the implementation of this classification.

Therefore we have sent an e-mail with the following 3 questions to all Members of the NACE/CPA working group:

1 – In annex you can find the Calendar for the implementation of NACE Rev.2 in the different Statistical domains. Is there any difficulty in fulfilling this calendar for:
- the provision of the first NACE Rev.2 data?
- The provision of the back casted data?
- The dual coding according to NACE Rev. 2 and NACE Rev. 1.1

2 - CPA 2008 should be used in the following statistical domains:
- Short-term statistics (STS)
- Supply, Use and Symmetric Input-output Tables
- Structural business survey (SBS)
- ESA - classification of homogeneous branches used in the input-output tables

Could you please report on the national implementation of CPA 2008 and if any particular problems were detected.

3 - When the new system of revised classifications is fully implemented in all countries and data based on these classifications collected regularly there will be a growing need for correspondence tables between all these classifications (and possibly some other external ones).

Many correspondence tables have already been developed (NACE Rev. 2 - ISIC Rev. 4, CPA 2008 - CPC Ver. 2, CPA 2008 - HS 2007, etc.); however some might still remain to be done, for instance NACE Rev. 2 - NAICS 2007.

If you know of other correspondence tables that will be need to be developed please tell us so; we shall then analyze your replies and decide on a possible strategy (if needed) to have these concordances developed.

The following document summarizes the results of the answers received. The detailed answers from the Member States can be found in the Excel file called "Implementation of NACE and CPA - WG 2010".

2. Implementation of NACE Rev.2 in the different Statistical domains

As a part of the early warning system for eventual problems concerning the different aspects of the implementation of the new NACE we kindly ask all the delegates of the NACE/CPA working groups to inform us as soon as they have detected any possible problem on the delivery of the first NACE Rev. 2 data, compulsory back casted or dual coding in the framework of the 36 statistical domains producing data according to economic activity.

Presently, according to the answers received (from all EEA countries with the exception of Bulgaria, Estonia and Malta) for most of the statistical domains NACE Rev. 2 is being implemented smoothly. In the case of possible delays mentioned we have informed the concerned Eurostat unit. The following problems were mentioned:
- Ireland is still facing problems in delivering all short term statistics according to NACE Rev. 2. WPI data will be delivered at the end of April 2010
- Belgium, Denmark and Germany will provide Job vacancy statistics with some delay
- Ireland and the Netherlands will only apply NACE Rev.2 in the strikes statistics in 2009
- Gender pay gap data transmission according to the new classification was delayed by Ireland and Italy.

- Cyprus will only provide data on Annual labour costs and earnings, Net earnings and Tax rates after June 2010 (deadline was November 2009)
- Energy statistics will use NACE Rev.2 data only in 2009 in the Netherlands and Ireland and data will be released in November 2010.
- The Netherlands will only deliver the Environmental expenditure data based on SBS on autumn 2010. Ireland raised a possible problem of confidentiality and Greece thinks that data delivery can be delayed because of methodological issues as regards the definition of the "environmental expenditure"
- The implementation of NACE Rev.2 in EODS and ESAW in Italy is not currently possible because their production is based on an administrative archive produced by another organization that uses the NACE Rev.1.1 (considered only in the first two digits) instead of NACE Rev.2.
- Balance of payments data according to NACE Rev.2 will only be delivered in September 2012 by Luxembourg
- Luxembourg will not provide Census data according to the new NACE and Ireland

Back-casted data is only compulsory for 4 statistical domains: Short Term Statistics, Labour Cost Index, Balance of Payments and National Accounts. Most of the countries can provide this back casted data according to the delays fixed, there are nevertheless some difficulties in delivering the complete time-series and in some cases the length of the time series is shorter than the requested.

The dual coding according to NACE Rev 1.1 and NACE Rev. 2 should be provided for Job Vacancy statistics, Structural Business Statistics, EU-Survey on Income and Living Conditions, Environmental expenditure based on SBS, Labour Cost Survey, Water Statistics and Balance of Payments. No major problems were reported except the one already known for Italy with the EU-SILC where 25 % of the sample could only be coded according to NACE Rev. 1.1.

3. Implementation of CPA 2008 in the different Statistical domains

CPA 2008 is used in 4 statistical domains Short Term Statistics, Structural Business Statistics
Supply, Use and Symmetric Input-output Tables, ESA - classification of homogeneous branches used in the input-output tables. Most of the countries reported that CPA 2008 was not raising any problems of implementation.
Nevertheless some methodological problems were also raised:
- By France: Production of homogeneous branches data could be difficult for years 2008 and 2009 for some SBS services data at the most detailed level of CPA, regarding about 30 subcategories. This could be improved for year 2010 by redesigning survey questionnaires.
- By Hungary: he SUT tables would require full compliance between the CPA and NACE at four digit level in order to facilitate producing NACE classes' data from CPA items data. However, the first four digits of the following divisions of CPA differ from the digits of the corresponding NACE classes: 03, 31, 41, and 47. The linkage of data based on NACE and CPA requires correspondence tables for these problematical divisions
- The Price Statistics Division in Lithuania had a problem with the calculation of the price index for second-hand cars; nevertheless, this division proceeds with the calculation of these prices because imports of second-hand cars into our country make up a relatively big share in foreign trade statistics. The problem arose because we could not find the correlation between CN (8701.20.90, 8701.90.50, 8703.32.90 and other codes) and CPA 2008 codes. We had no problems of this kind when we used CPA 2002.
- By Austria: PRODCOM faces the following problems, because the structure of PRODCOM is based on the CPA:

   o The symmetry of the structure between NACE Rev. 2 and CPA 2008 is not given for all categories and classes. (A03 "Fish and other fishing products; aquaculture products; support services to fishing", C 31.00 "Seats and parts thereof; parts of furniture", F 41.0 "Buildings and building construction works" and G 47.0 "Retail trade services, except of motor vehicles and motorcycles")

- The creation of the special groups (33.1 and 33.2) for the repair and installation of industrial machinery and equipment is a serious problem for the collection of data as well as for the presentation of data. The old solution, the classification of repair and installation together with the manufacturing of the goods, was much more practical.

- The problem about the classification of industrial facilities (complete plants) is still not solved.

- The clear differentiation between electrical (26..) and electronic (27..) parts is not given. This problem is a result of the missing differentiation in the CN references.

- Several divergences between CPA 2008, NACE Rev. 2 and PRODCOM (e.g. PRODCOM 23.69.19.30 "Pipes of cement, concrete or artificial stone" and CPA 23.69.19, but NACE Rev. 2 classified these pipes in 23.61 "Manufacture of concrete products for construction purposes", …)

These issues could be discussed during the Working Group meeting.

4. Need for new correspondence tables

Most of the Member States welcome the preparation of the correspondence table between NACE Rev.2 and NAICS but they do not feel the need of any other correspondence table.

Only Latvia and Slovenia have made the following proposals:

- between NACE Rev.2 and COFOG,

- between NACE Rev.2 and COPNI

- between CPA and CN for **high technology products**

- between CN chapter 98 and CPA. Is it possible to develop some recommendations how to link CN 8-digit codes related to the complete industrial plants to CPA 2008 codes

- between ANZIC and NACE

The Members of the WG are invited to comment on the interest to produce these tables.