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INTERNATIONAL STANDARD INDUSTRIAL CLASSIFICATION OF
ALL ECONOMIC ACTIVITIES

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ACRONYMS

| ACRONYM | DEFINITION IN SPANISH | DEFINITION IN ENGLISH |
|----------------|--|--|
| ANDIGRAF | Asociación Nacional de Industrias Gráficas | National Association of Graphic Industries |
| CCB | Cámara de Comercio de Bogotá | Bogota Chamber of Commerce |
| ISIC | Clasificación Industrial Internacional Uniforme de todas las actividades económicas | International Standard Industrial Classification of All Economic Activities |
| ISIC A.C | Clasificación Industrial Internacional Uniforme de todas las actividades económicas adaptada para Colombia | The International Standard Industrial Classification of All Economic Activities adapted for Colombia |
| CODEX | Códigos de Actividad Económica – DIAN | Economic Activity Codes – DIAN |
| CPC | Clasificación Central de Productos | Central Product Classification |
| SITC | Clasificación Uniforme para el Comercio Internacional | Standard International trade classification |
| DANE | Departamento Administrativo Nacional de Estadística | National Administrative Department of Statistics |
| DIAN | Dirección de Impuestos y Aduanas Nacionales | National Taxes and Customs Office |
| DIRPEN | Dirección de Regulación, Planeación, Estandarización y Normalización | Statistical Regulation, Planning, Standardization and Normalization Division |
| EAM | Encuesta Anual Manufacturera | Annual Manufacturing Survey |
| N y C | Nomenclaturas y Clasificaciones | Nomenclatures and Classifications |
| NACE | Clasificación Estadística de Actividades Económicas en la Comunidad Europea | Statistical Classification of Economic Activities in the European Community |

NSS

Sistema Estadístico Nacional

National Statistical System

UNSD

Oficina de Estadística de Naciones
Unidas

United Nations Statistics Division

PRESENTATION

The National Administrative Department of Statistics, DANE as the coordinator entity of The National Statistical System (NSS), within the framework of the "Statistical Planning and Harmonization" project, works to strengthen and consolidate the NSS. This is carried out through several processes such as: the production of strategic statistics; the generation, adaptation, adoption and diffusion of standards; the consolidation and harmonization of statistical information, and the connection of instruments, stakeholders, initiatives and products. These actions are carried out in order to improve the quality of strategic statistic information, and its availability and accessibility to respond to users demand.

In this context DANE, aware of the need and obligation to provide better products for its users, developed a standard presentation guide for methodologies. The aim of this guide is to contribute to the visualization and understanding of the statistical processes, allowing further analysis, control, replicability and evaluation. The documents are presented in a standard and comprehensive manner, thus facilitating the understanding of the main technical characteristics involved in the processes and sub-processes of each research, making them available for both specialized users and the general public.

These series of guides promote the transparency and credibility of the technical expertise of DANE, for a better understanding and use of statistical information. This information is produced according to the principles of coherence, comparability, integrality and quality of the statistics.

INTRODUCTION

The International Standard Industrial Classification of All Economic Activities adapted for Colombia (ISIC) A.C is a classification of economic activities by productive processes that classifies statistical units (local units, establishments, enterprises etc.) based upon their main economic activity. The United Nations has conducted four reviews of the ISIC and DANE in accordance with the characteristics of the Colombian economy, has carried out the respective adjustments and updates.

The versions of the ISIC A.C are part of a National System of harmonization and update of classifications. The ISIC is the reference instrument that establishes a standard structure where the updated figures of economic activities have to be presented. This instrument must reflect in the best possible way the characteristics of the various productive sectors of the country. In addition it must enable the comparability at all levels and guarantee the harmonization of the information in order to consolidate a National Statistical System.

The United Nations, through the Statistical Commission recommended its member countries to adopt or adapt The Standard Industrial Classification of All Economic Activities (ISIC). The National Administrative Department of Statistics (DANE), following the recommendations of the Statistical Commission, started from the beginning of the 1970's, the adaptation of the United Nations ISIC second revision, focusing in the Great Division 3 "Manufacturing Industries".

Subsequently, DANE adapted the International ISIC third revision in some sectors, taking into account the conditions of the Colombian productive apparatus, in order to classify the data of the National and Multi-sectoral Economic Census of 1990. Years later, by means of Resolution 0056 of January 1998, DANE officially handed to the users -producers of statistics- a standard classification of economic activities, ISIC Third Revision adapted for Colombia, (the ISIC Rev. 3 A.C.), and in 2006 following the international guidelines, DANE published the ISIC Rev 3.1 A.C. which became The Operational Classification.

Currently, the National Administrative Department of Statistics (DANE), through the Statistical Regulation, Planning, Standardization and Normalization Division (DIRPEN), in its group of Nomenclatures and Classifications, continues the process of consolidating an updated national Nomenclatures and Classifications System. This process involves the adaptation for Colombia of the ISIC Rev 4, taking into account the official international version of the ISIC Rev 4 provided by the United Nations to the international statistical community, so that this adaptation can reflect in its structure and conceptual base the Colombian economic reality.

The versions of the ISIC A.C. follow the structure and the rules under which the International ISIC was established. The adaptation of the ISIC revision 4 is arranged hierarchically from the most aggregated level to the least aggregated level. It is divided

into Sections (level 1), Divisions (level 2), Groups (level 3) and Classes (level 4), so that each category of the lower levels is totally contained by higher-level categories and every lower-level category belongs to one and only one higher-level category.

The present document aims to present the methodology for carrying out the above processes, so as to establish itself as a tool for the study and analysis of economic classifications.

1. BACKGROUND

The original version of the ISIC was approved in 1948 by the Economic and Social Council of the United Nations, which recommended that all governments of the Member countries adopt the classification, in order to make international comparisons in their economies.

In 1958, i.e. ten years after the original version was released, the Statistical Commission of the United Nations approved the First Revision of The ISIC. Subsequently, the Statistics Commission approved the publication of the Second Revision in 1968.

In 1970, DANE made the adaptation of The United Nations' ISIC Rev. 2, focusing on the Great Division 3, "Manufacturing Industries", basically to feed industrial statistics, such as the Annual Manufacturing Survey (EAM) and the Monthly Manufacturing Sample (MMM). With this first adaptation process, concerns over the necessity of showing important economic activities that did not appear as separate activities in the international classification of reference were raised; an example of this is the explicit inclusion of coffee hulling.

On the other hand, the classification groups of the international ISIC Rev. 2 identified at a four-digit level were disaggregated at a five-digit level in order to present a greater level of specificity in economic activities. These in turn were disaggregated at a product level identified by a nine-digit code in order to facilitate the process of classification of goods and raw materials for the domestic industry. The products were the object of study of the statistical operations mentioned above, due to the lack of a classification of products at an international level.

The third revision was reviewed and approved by the Statistical Commission in 1989 and published in 1990. Unlike earlier versions, it required the harmonization with other classifications, such as SITC (Standard International Trade) and CPC (Central Product Classification). This revision introduced a greater level of detail, especially in the part concerning services activities as a result of the growth of this sector in the economy of most countries.

The need to revise the International ISIC Rev. 3 (which the country wanted to adopt), was considered in order to classify the data of the National Multi-sectoral Economic Census of 1990. For this statistical operation the process of adaptation was proposed as follows:

- Redefinition of the different hierarchical levels of the nomenclature system, using as guidance national accounts and the European experience, that is, a new basic structure was proposed.
- Specific definition for certain activities, given the organization of production in Colombia (vertical integration), for example:

- Coffee hulling (defined as an industrial service) for obtaining green coffee or selected threshed coffee.
- Breeding, raising and production of poultry are considered livestock activities.
- A unit in which logging is combined with a lumber mill must be classified within sawing, which is an industrial activity.
- A clay pit combined with brickworks is classified as an industrial activity.
- There is a need to review the formulations used in the "official" translation by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC).

Translation errors

- There are national and regional particularities in definitions of processes and products that need to be taken into account in order to avoid confusion and misinterpretations.
- There is the necessity of including more detailed activities within the different divisions, groups and classes of the classification:

The level of detail was taken into account mainly in the economic sectors of Industry, Trade and Services. These sectors were adapted to the particular conditions of the Colombian productive apparatus. An example of this was the creation of the group 156 "Manufacture of coffee products", which was disaggregated into the following classes:

1561 "Coffee hulling", 1562 "Manufacture of roasted and semi-roasted coffee" and 1563 "Manufacture of other coffee products" (Table 1).

| Table 1. Creation of Group 156 "Manufacture of coffee products" | | | | | |
|---|-------|--|---|-------|--|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 154 | | Manufacture of other food products | 156 | | Manufacture of coffee products |
| | | Does not exist | | 1561 | Coffee hulling |
| | | | | 1562 | Manufacture of roasted and semi-roasted coffee |
| | 1549 | Manufacture of other food products n.e.c | | 1563 | Manufacture of other coffee products |

Source: DANE

Group 224 "Printing" was created in order to identify the activities of the Colombian graphic industry. This group was disaggregated into the following classes: 2241 "Newspaper printing", 2242 "Printing of editorial products", 2243 "Printing of continuous forms and notebooks," 2244 "Security printing", 2245 "Printing of lithographic packaging", 2246 "Printing of cards and educational games, 2247 "Stationery printing", 2248 Printing of commercial advertising", 2249 "Other printing n.e.c". (Table 2)

| Table 2. Creation of Group 224 "Printing" | | | | | |
|---|-------|---|---|-------|--|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 222 | | Printing and service activities related to printing | 224 | | Printing |
| | 2221 | Printing | | 2241 | Newspaper printing |
| | | | | 2242 | Printing of editorial products |
| | | | | 2243 | Printing of continuous forms and notebooks |
| | | | | 2244 | Security printing |
| | | | | 2245 | Printing of lithographic packaging |
| | | | | 2246 | Printing of cards and educational games |
| | | | | 2247 | Stationery printing |
| | | | | 2248 | Printing of commercial advertising |
| | | | | 2249 | Other printing, n.e.c |

Source: DANE

Section F "Construction" was disaggregated in Division 45 in a greater level of detail in order to typify the real structure of the construction industry in Colombia. An example of this was the disaggregation of group 451 "Site preparation" into the following classes: 4511 "Demolition of buildings or other structures", 4512 "Land dismantling and filling", 4513

“Excavating and earthmoving works” and 4514 “Site preparation works for mining”. Moreover, group 452 “Building of complete constructions or parts thereof; civil works” was disaggregated into the following classes: 4521 “General activities of construction of buildings”, 4522 “General activities of construction of civil works”, and 4523 “Specialized activities of construction of buildings and civil works”. (Table 3)

| Table 3. Example disaggregation of group 451 "Site preparation" | | | | | |
|---|-------|--|---|-------|---|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 451 | | Site preparation | 451 | | Site preparation |
| | | | | 4511 | Demolition of buildings or other structures |
| | 4510 | Site preparation | | 4512 | Land dismantling and filling |
| | | | | 4513 | Excavating and earthmoving works |
| | | | | 4514 | Site preparation works for mining |
| 452 | | Building of complete constructions or parts thereof; civil engineering works | 452 | | Building of complete constructions or parts thereof; civil works |
| | | | | 4521 | General activities pertaining to the construction of buildings |
| | 4520 | Building of complete constructions or parts thereof; civil engineering works | | 4522 | General activities pertaining to the construction of civil works |
| | | | | 4523 | Specialized activities pertaining the construction of buildings and civil works |
| 453 | | Building installation | 453 | | Installation works |
| | | | | 4531 | Heating, ventilation, cooling and air conditioning installation works |
| | 4530 | Building installation | | 4532 | Plumbing and sewage installation works |
| | | | | 4533 | Pipe installation works for |

| | | | |
|-----|--------------------------|-------------|--|
| | | | industrial processes |
| | | | 4534 Electrical works |
| | | | 4535 Insulation works (water, thermal, acoustic) |
| | | | 4536 Electrical power stations, transformers, and telecommunications and radar stations installation works |
| | | | 4537 Repair works related to previous activities |
| 454 | Building completion | | |
| | | 453 and 454 | Installation and finishing works |
| | | | 4541 Glass and window installation |
| | 4540 Building completion | | 4542 Painting and plastering works |
| | | | 4543 Walls and floors covering works; tile, parquet, carpet, wallpaper etc., wall and floor coverings |
| | | | 4544 Floor polishing works |
| | | | 4545 Interior decoration installation works |
| | | | 4546 Repair work related to these activities |
| | | | 4549 Other building completion works |

Source: DANE

Section G "Wholesale and retail trade, repair of motor vehicles, motorcycles, personal and household goods", was organized in four divisions:

Divisions 51 and 53 "Wholesale and activities of wholesale intermediaries, except wholesale of motor vehicles and motorcycles".

Divisions 52 and 54 "Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods".

The following are examples of wholesale:

Group 511 "Wholesale on a fee or contract basis" of the international ISIC Rev. 3 was disaggregated into 9 classes. These classes included the activities of commission agents, commodity brokers, auctioneers and other intermediaries acting on behalf of third parties. Their activities consist in contacting sellers and buyers or make commercial transactions on behalf of a principal. (Table 4)

| Table 4. Example of Wholesale | | | | | |
|---|-------|--------------------------------------|---|-------|---|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 511 | | Wholesale on a fee or contract basis | 511 | | Activities of wholesaler intermediaries |
| | | | | 5111 | Activities of wholesaler intermediaries of agricultural raw materials (except coffee) and live animals |
| | | | | 5112 | Activities of wholesaler intermediaries of coffee and "pasilla" (low density grain) |
| | | | | 5113 | Activities of wholesaler intermediaries of food products, beverages and tobacco |
| | | | | 5114 | Activities of wholesaler intermediaries of textiles, clothing and footwear |
| | 5110 | Wholesale on a fee or contract basis | | 5115 | Activities of wholesaler intermediaries of pharmaceutical, medicinal and cosmetic products |
| | | | | 5116 | Activities of wholesaler intermediaries of furniture, household articles, hardware and iron work articles |
| | | | | 5117 | Activities of wholesaler intermediaries of fuels, metals, minerals, building materials, chemical, industrial and technical products |

| | |
|------|---|
| 5118 | Activities of wholesaler intermediaries of machinery, industrial equipment and vehicles other than motor vehicles, motorcycles and bicycles |
| 5119 | Activities of wholesaler intermediaries of products n.e.c. |

Source: DANE

Group 512, "Wholesale of agricultural raw materials, live animals, food, beverages and tobacco" contained in the ISIC Rev. 3 International, was disaggregated in the version of the ISIC for Colombia (in groups 516 and 517). Group 516 "Wholesale of agricultural raw materials and live animals" includes the wholesale of grain, oleaginous fruits, flowers and plants, live animals, fur and leather, etc. This group was also disaggregated into 6 classes, which were defined by the type of products sold in specialized stores.

Group 517 "Wholesale of food, beverages and tobacco" includes the wholesale of the following products: fruits and vegetables, raw tobacco, dairy products, eggs, edible oils and fats, meat, fishery products, sugar, coffee, spices, tobacco products, etc. This group was disaggregated into 6 classes by the types of products sold in specialized stores. (Table 5)

| Table 5. Example correspondence Group 517 " Wholesale of food, beverages and tobacco" | | | | | |
|---|-------|--|---|-------|---|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 512 | | Wholesale of agricultural raw materials, live animals, food, beverages and tobacco | 516 | | Wholesale of agricultural raw materials and live animals |
| | | | | 5161 | Wholesale of grain, seeds, fruits, oleaginous fruits, animal feed, flowers and plants |
| | 5121 | Wholesale of agricultural raw materials and live animals | | 5162 | Wholesale of live animals |
| | | | | 5163 | Wholesale of hides, furs, skins and tanned leather and wool |

| | | |
|---|------|---|
| | 5164 | Wholesale of veterinary drugs |
| | 5169 | Wholesale of other agricultural raw materials n.e.c. |
| | 517 | Wholesale of food, beverages and tobacco |
| 5122 Wholesale of food, beverages and tobacco | 5171 | Wholesale of agricultural foods |
| | 5172 | Wholesale of beverages |
| | 5173 | Wholesale of processed food products ready for consumption, except coffee |
| | 5174 | Wholesale of tobacco products |
| | 5175 | Wholesale of coffee parchment, " <i>pasilla</i> " or low-density coffee grain |
| | 5179 | Wholesale of other edible products n.e.c |

Source: DANE

Group 513 "Wholesale of household goods" of the international ISIC Rev. 3, was disaggregated in the version adapted for Colombia, in groups 531 and 532. Group 531 "Wholesale of textiles, clothing and footwear" was also disaggregated into 5 classes, which were defined by the type of products sold in specialized stores.

Group 532 "Wholesale of other household goods" includes the wholesale of household goods. The group is subdivided into 9 classes detailing the wholesale of appliances, articles and equipment for domestic use. (Table 6)

Table 6. Example group 532 “ Wholesale of other household goods”

Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census

| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
|-------------------|-------|--|---|-------|---|
| Group | Class | Description | Group | Class | Description |
| 513 | | Wholesale of household goods | 531 | | Wholesale of textiles, clothing and footwear |
| | | | | 5311 | Wholesale of textiles |
| | | | | 5312 | Wholesale of bed linen, towels, tablecloths and the like |
| | | | | 5313 | Wholesale of clothing |
| | 5131 | Wholesale of textiles, clothing and footwear | | 5314 | Wholesale of footwear |
| | | | | 5315 | Wholesale of accessories for garments |
| | | | 532 | | Wholesale of other household goods |
| | | | | 5321 | Wholesale of home furniture made from any material |
| | | | | 5322 | Wholesale of household appliances |
| | | | | 5323 | Wholesale of household articles and utensils |
| | | | | 5324 | Wholesale of carpets, rugs, wallpaper (tapestry and the like) |
| | | | | 5325 | Wholesale of pharmaceutical and medicinal products, surgical and orthopedic instruments and devices |
| | 5139 | Wholesale of other household goods | | 5326 | Wholesale of perfumery, cosmetics and toiletries |
| | | | | 5327 | Wholesale of leather goods, |

| | | |
|--|------|---|
| | | except footwear |
| | 5328 | Wholesale of bicycles, tricycles and sporting goods |
| | 5329 | Wholesale of diverse consumer products |

Source: DANE

Part of group 514, "Wholesale of intermediate products, non-agricultural waste and scrap", became group 533, "Wholesale of solid, liquid and gaseous fuels and related products" in ISIC Rev. 3 Census. This group belonged to class 5141 in ISIC Rev. 3 International, described as "Wholesale of solid, liquid and gaseous fuels and related products." (Table 7)

| Table 7. Example formation of group 533 " Wholesale of solid, liquid and gaseous fuels and related products" | | | | | |
|---|-------|--|---|-------|---|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 514 | | Wholesale of intermediate products, non-agricultural waste and scrap | 533 | | Wholesale of solid, liquid and gaseous fuels and related products |
| | 5141 | Wholesale of solid, liquid and gaseous fuels and related products | | 5330 | Wholesale of solid, liquid and gaseous fuels and related products |

Source: DANE

Group 521 "Retail trade in non-specialized stores" of ISIC Rev. 3 international, is equivalent to group 521 "Retail trade in large and small non-specialized stores" of the ISIC Rev. 3 Census. This group includes retail of a variety of products that were distributed into four classes. (Table 8)

| Table 8. Example of group 521 “ Retail trade in non-specialized stores” | | | | | |
|---|-------|---|---|-------|--|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 521 | | Retail sale in non-specialized stores | 521 | | Retail sale in big and small non-specialized stores |
| | 5211 | Retail sale in non-specialized stores, mainly of food (groceries in general), beverages and tobacco | | 5212 | Retail sale in big non-specialized stores, mainly of food (groceries in general), beverages and tobacco |
| | | | | 5213 | Retail sale in small non-specialized stores, mainly of food (groceries in general), beverages and tobacco |
| | | | | 5214 | Retail sale in big non-specialized stores, mainly of goods other than food (groceries in general), beverages and tobacco |
| | 5219 | Retail sale of other products in non-specialized stores | | 5215 | Retail sale in small non-specialized stores, mainly of goods other than food (groceries in general), beverages and tobacco |

Source: DANE

Group 522 “Retail sale of food, beverages and tobacco in specialized stores” of the ISIC Rev. 3 International, is equivalent to group 522 "Retail sale of food, beverages and tobacco in specialized stores" of ISIC Rev. 3 Census. However, since class number 5220 in the ISIC Rev. 3 International version is closed, in the process of adaptation of the ISIC for Colombia, this class was disaggregated into nine classes. These classes include selling of a variety of products made in specialized stores, which in turn sell solely, exclusively or primarily a homogeneous class of goods, corresponding to the ones listed in ISIC Rev. 3 Census. (Table 9)

Table 9. Example standardization of group 522 “ Retail sale of food, beverages and tobacco in specialized stores”

| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
|---|-------|--|---|-------|---|
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 522 | | Retail sale of food, beverages and tobacco in specialized stores | 522 | | Retail sale of food, beverages and tobacco in specialized stores |
| | 5220 | Retail sale of food, beverages and tobacco in specialized stores | | 5221 | Retail sale of fruit and vegetables |
| | | | | 5222 | Retail sale of dairy products |
| | | | | 5223 | Retail sale of meat |
| | | | | 5224 | Retail sale of fish, seafood and related products |
| | | | | 5225 | Retail sale of bread and bakery products |
| | | | | 5226 | Retail sale of confectionery |
| | | | | 5227 | Retail sale of alcoholic and non-alcoholic beverages for off-site consumption |
| | | | | 5228 | Retail sale of eggs |
| | | | | 5229 | Retail sale of food products n.e.c and tobacco |

Source: DANE

A part of group 523 "Retail sale of other new products in specialized stores" in the ISIC Rev.3 International, was disaggregated in groups 523 and 524 as shown in the table below. Group 523 "Retail sale of other new products in specialized stores" of the ISIC Rev. 3 DANE Census, was disaggregated into eight groups. These groups develop their economic activities in specialized stores and they trade, exclusively or primarily, a homogeneous class of goods. An example of this is group 541 "Retail sale of pharmaceutical and medical products, surgical and orthopedic devices and instruments, cosmetics, perfume and toiletries (Table 10)

| Table 10. Example disaggregation of group 523 “ Retail sale of other new products in specialized stores” | | | | | |
|---|-------|---|---|-------|--|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| | | | 523 | | Retail sale of other new products in specialized stores |
| 523* | | Retail sale of other new products in specialized stores | 524 | | Retail sale in used items stores and activities of pawnshops |

Source: DANE * Examples of the Service Sector

Group 651 "Monetary intermediation" of the ISIC Rev. 3 International version, is equivalent to group 651 "Monetary intermediation" of ISIC Rev. 3 DANE Census. This group remains the same in the ISIC international version and in the ISIC Rev. 3 DANE Census, and it is disaggregated in the same manner in the following classes: Class 6511 which corresponds to "Central Banking" and class 6519 "Other monetary intermediation", exhibiting a biunivocal relationship (one to one). (Table 11)

| Table 11. Examples of the Service Sector | | | | | |
|---|-------|-------------------------|---|-------|-------------------------|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 651 | | Monetary intermediation | 651 | | Monetary intermediation |

| | |
|------------------------------------|------------------------------------|
| 6511 Central Banking | 6511 Central Banking |
| 6519 Other monetary intermediation | 6519 Other monetary intermediation |

Source: DANE

Group 702, "Real estate activities on a fee or contract basis" of the ISIC Rev.3 International is equivalent to group 702 "Real estate activities on a fee or contract basis and real estate management activities" contained in the ISIC DANE Census. As part of the adaptation process the description of the title in this version changes. In addition, class 7020 "Real estate activities on a fee or contract basis" of the international ISIC Rev. 3 is disaggregated into three classes for the adaptation of the ISIC DANE Census: 7021 "Real estate activities on a fee or contract basis", 7022 "Real estate management activities, management of horizontal property" and 7023 "Promotion activities and consulting services on real estate"(Table 12)

| Table 12. Examples of the Service Sector | | | | | |
|---|-------|---|---|-------|---|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 702 | | Real estate activities on a fee or contract basis | 702 | | Real estate activities on a fee or contract basis and real estate management activities |
| | | | | 7021 | Real estate activities on a fee or contract basis |
| | | | | 7022 | Real estate management activities, management of horizontal property |
| | | | | 7023 | Promotion activities and consulting services on real estate |

Source: DANE

Subsequently, a multidisciplinary research project was carried out in order to consult the national needs for economic statistics and the conditions and dynamics of the Colombian economy. This research resulted in the ISIC Rev. 3 adapted for Colombia, which was submitted to the national statistics community in the year 1998. In this way, the ISIC Rev. 3 A. C. beyond further strengthening and consolidating the national Integrated Economic

Classification system, it also serves the country's necessities, both in the field of statistical production and in the international comparability of figures.

For the development of this research project the following versions of the ISIC were taken as a reference: the ISIC Rev. 2 International version; DANE ISIC Rev. 2; ISIC Rev. 3 adapted by DANE for the 1990 Economic Census and ISIC Rev. 3 International version.

Furthermore, the Annual Manufacturing Survey (EAM) allowed the evaluation of how economic entities (companies and establishments) developed their economic activities. In addition, the results of the National and Multi-sectoral 1990 Economic Census represented an input for structuring the ISIC Rev. 3 A. C.

These primary sources of research, coming from international organizations, technical divisions of DANE, and potential users of the classification as DIAN, Andigraf, Fenalco (National Federation of Merchants), Supervalores (Superintendency of Securities), Superbancaria (Banking Superintendency), contributed to this project.

Examples contained in ISIC Rev. 3 A. C.

In this adaptation of the ISIC, sections and divisions are identical in their nomenclature, but there is not always identity in the content and nomenclature of the Groups and Classes. (Table 13)

| Table 13. Examples of the Agriculture Sector | | | | | |
|---|--|--|--|--|-------------|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| SECTION A. Agriculture, livestock, hunting and forestry | | | SECTION A. Agriculture, livestock, hunting and forestry | | |
| Division 01 Agriculture, livestock, hunting and related service activities | | | Division 01 Agriculture, livestock, hunting and related service activities | | |
| 011 | Growing of crops; market gardening; horticulture | | 011 | Agricultural production | |
| | 0111 | Growing of cereals and other crops n.e.c. | 0114 | Specialized production of sugarcane | |
| | | | 0115 | Specialized production of cereals and oil plants | |
| | 0112 | Growing of vegetables, horticultural specialties | 0112 | Specialized production of cut flowers indoors and outdoors | |

| | | | | |
|------|--|--|------|---|
| | and nursery products | | 0116 | Specialized production of vegetables and legumes |
| | | | 0111 | Specialized production of coffee |
| 0113 | Growing of fruit, nuts, beverage and spice crops | | 0113 | Specialized production of banana |
| | | | 0117 | Specialized production of fruit, nuts, beverage and spice crops |

Source: DANE

In the process of adaptation of the ISIC for Colombia, categories were disaggregated taking into account the ISIC Rev. 3 international and the guidelines from the ISIC DANE Census. These categories, known as the breakdown of observations, were usually disaggregated within a common branch of a hierarchy, at a more specific level (Tables 14 to 17)

| Table 14. Example of the Fishing Sector | | | | | |
|---|-------|---|--|-------|--|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| SECTION B. Fishing | | | SECTION B. Fishing | | |
| Division 05 Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing | | | Division 05 Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing | | |
| 050 | | Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing | 050 | | Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing |
| | 0500 | Fishing, operation of fish hatcheries and fish farms; service, activities incidental to fishing | 0501 | | Fishing, operation of fish hatcheries and fish farms |
| | | | 0502 | | Service activities incidental to fishing |

Source: DANE

| Table 15. Example of the Mining Sector | | | | | |
|---|-------|-----------------------------------|---|-------|--|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| SECTION C. Mining and quarrying | | | SECTION C. Mining and quarrying | | |
| Division 14 Other mining and quarrying | | | Division 14 Other mining and quarrying | | |
| 141 | | Quarrying of stone, sand and clay | 141 | | Quarrying of stone, sand, clay, lime, plaster, kaolinite and bentonite |
| | | | | 1411 | Quarrying of common stone, sand and clay |
| | | | | 1412 | Quarrying of plaster and anhydrite |
| | 1410 | Quarrying of stone, sand and clay | | 1413 | Quarrying of kaolinite, industrial clays and bentonites |
| | | | | 1414 | Quarrying of sand and silica gravel |
| | | | | 1415 | Quarrying of limestone and dolomite |

Source: DANE

| Table 16. Example of the Industrial Sector | | | | | |
|--|-------|-------------|---|-------|-------------|
| Correspondence between the International Standard Industrial Classification of all economic activities-ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| Division 17 Manufacture of textiles | | | Division 17 Manufacture of textiles | | |

| | | | |
|------|---|------|---|
| 171 | Spinning, weaving and finishing of textiles | 171 | Preparation and spinning of textile fibers |
| | | 172 | Weaving of textiles |
| | | 173 | Finishing of textiles produced in other production unit |
| 1711 | Preparation and spinning of textile fibers; | 1710 | Preparation and spinning of textile fibers |
| 1712 | Finishing of textiles | 1720 | Weaving of textiles |
| 172 | Manufacture of other textiles | 1730 | Finishing of textiles produced in other production unit |
| | | 174 | Manufacture of other textiles |
| 1721 | Manufacture of made-up textile articles, except apparel | 1741 | Manufacture of articles with textiles produced in other production unit, except wearing apparel |
| 1722 | Manufacture of carpets and rugs for floors | 1742 | Manufacture of carpets and rugs for floors |
| 1723 | Manufacture of cordage, rope, twine and netting | 1743 | Manufacture of cordage, rope, twine and netting |
| 1729 | Manufacture of other textiles n.e.c. | 1749 | Manufacture of other textiles n.e.c |
| 173 | Manufacture of knitted and crocheted fabrics | 175 | Manufacture of knitted and crocheted fabrics and articles |
| 1730 | Manufacture of knitted and crocheted fabrics | 1750 | Manufacture of knitted and crocheted fabrics and articles |

Source: DANE

| Table 17. Example modification of the titles and content of the categories | | | | | |
|---|-------|-------------|---|-------|-------------|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| Division 25 Manufacture of rubber and plastics products | | | Division 25 Manufacture of rubber and plastics products | | |

| | | | |
|-----|---|------|---------------------------------------|
| 251 | Manufacture of rubber products | 251 | Manufacture of rubber products |
| | 2511 Manufacture of rubber tires and tubes; retreading and rebuilding of rubber tires | 2511 | Manufacture of pneumatic rubber tires |
| | | 2512 | Retreading of used tires* |

Source: DANE * To view the content of the classes refer to the Explanatory Note ISIC Rev. 3 A. C.
International Recommendations with respect to the ISIC Rev. 3.1

The economic structure of many countries of the world has changed rapidly since the third revision of the ISIC was published. The emergence of new technologies and new divisions of labor between organizations has created new types of activities and industries, which poses a challenge for both providers and users of statistical data. In response to the growing demand from providers and data users, the Group of Experts on international economic and social classifications recommended in its fourth session in 1999, to update the third revision of the ISIC in order to adapt it accurately to the changes in the structures and analytical needs.

In this international process of revision, the participation of all users of the international classification was considered appropriate. This was done in order to guarantee transparency of the process and ensure that in the future, the resulting classification (ISIC Rev. 4) would meet the needs of the users. Colombia, through DANE with its Statistical Regulation, Planning, Standardization and Normalization Division (DIRPEN) and its Coordinating office of Nomenclatures and Classifications, participated in this process of revision by filling out the questionnaires sent by the United Nations for this purpose. DANE also attended the “Workshop on revision of International Economics and Social Classifications”. The objective of this workshop was the process of revision of the Economic and Social Classifications for 2007 (International Standard Industrial Classification of all Economic Activities ISIC Rev. 3.1, Central Product Classification V. 1.1 and International Standard Classification of Occupations ISCO-88).

In the present update of the third revision of ISIC, the classification structure and the demarcation between its components have remained largely unchanged. In addition, the endeavor to provide more detailed explanatory notes was procured in order to enable a more precise interpretation of the content and limits of each class.

DANE, abiding by international recommendations, carried out the upgrade process of the ISIC Rev. 3 A. C. that resulted in the publication of the ISIC Rev. 3.1 A. C. in December 2006, in order to maintain the ISIC in accordance with the economic reality of the country. This classification is used for updating national economic statistics and to ensure comparability, comprehensiveness and harmonization at a national and international level. It is currently used by national entities for different purposes. For example, chambers of commerce adopted the classification from January 2009. The DIAN, by means of Resolution 432 of 2008 applies this classification for the purpose of monitoring and

assessment of taxes, customs and exchange obligations. Moreover, the classification is used by the Ministry of Industry, Trade and Tourism and the Ministry of Social Protection, among others.

Major changes between ISIC Rev. 3 A. C. and ISIC Rev. 3.1 A. C.

The main changes made to ISIC Rev. 3 A. C. in order to upgrade it to the ISIC Rev.3.1 A.C. are listed in general terms below. With respect to the structure, these changes bring mainly as a consequence, a modification in the explanatory notes at the section, division, group and class level, specifically in the economic activities that it included and excluded.

Section A. Agriculture, livestock, hunting and forestry

Class 0112 "Specialized Production of cut flowers indoors and outdoors" changes its description to "Specialized production of cut flowers and plant nursery products."

Class 0201 "Forestry and wood exploitation" changes its description to "Forestry and logging"

Section B Fishing

Group 050 "Fishing and fish farming in fish hatcheries, service activities incidental to fishing", changes its description to "Fishing, aquaculture and service activities."

Class 0501 "Fishing and fish farming in fish hatcheries and fish farms", changes its description to "Fishing and service activities related to fishing."

Class 0502 "Service activities incidental to fishing" changes its description to "Aquaculture and service activities related to fishing."

Section D Manufacturing Industries

Division 15 "Manufacture of food products and beverages"

Group 151 "Production, transformation and preservation of meat and fish" changes its description to "Production, processing and preservation of meat and fish."

Class 1512 "Transformation and preservation of fish and fish derivatives" changes its description for "Processing and preservation of fish and fish products."

Class 1521 "Processing of foods, composed mainly of fruits, legumes and vegetables" changes its description to "Processing and preservation of fruits legumes and vegetables."

Group 155 "Manufacture of bakery products, macaroni, noodles, couscous and similar farinaceous products", was eliminated and the classes that conformed this group became part of Group 158 "Manufacture of other food products," as follows: Class 1582 "Manufacture of bakery products" and Class 1583 "Manufacture of macaroni, noodles, couscous and similar farinaceous products". (Table 18)

| Table 18. Elimination of group "Manufacture of bakery products, macaroni, noodles, couscous and similar farinaceous products" | | | | | |
|---|-------|---|---|-------|---|
| Correspondence between the International Standard Industrial Classification of all economic Activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 154 | | Manufacture of other food products | 158 | | Manufacture of other food products |
| | 1543 | Manufacture of cocoa, chocolate and sugar confectionery | | 1581 | Manufacture of cocoa, chocolate and sugar confectionery |
| | 1541 | Manufacture of bakery products | | 1582 | Manufacture of bakery products |
| | 1544 | Manufacture of macaroni, noodles, couscous and similar farinaceous products | | 1583 | Manufacture of macaroni, noodles, couscous and similar farinaceous products |
| | 1549 | Manufacture of other food products n.e.c. | | 1589 | Manufacture of other food products n.e.c. |

Source: DANE

Division 22 "Publishing, printing and reproduction of recorded media"

Class 2211 "Publishing of books, brochures, musical books and other publications" changes its description to "Publishing of books, brochures and other publications".

Class 2213 "Publishing of recorded material" changes its description to "Music Publishing".

Classes: 2231 "Art, design and composition", 2232 "Photo-mechanics and analog printing", 2233 "Bookbinding", 2234 "Surface finishing or coating" and 2239 "Other related service activities n.e.c.", are added together in class 2230 "Service activities related to printing." (Table 19)

| Table 19. Example Division 22 "Publishing, printing and reproduction of recorded media" | | | | | |
|---|-------|--|---|-------|--|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| 223 | | Service activities related to printing | 222 | | Service activities related to printing |
| | 2231 | Art, design and composition | | | |
| | 2232 | Photo-mechanics and analog printing | | | |
| | 2233 | Bookbinding | | | |
| | | | | 2222 | Service activities related to printing |
| | 2234 | Surface finishing or coating | | | |
| | 2239 | Other related service activities n.e.c | | | |

Source: DANE

Class 2240 "Reproduction of recorded material" changes its description to "Reproduction of recorded media."

Section E Electricity, gas and water supply

Class 4010 "Production, collection, transmission and distribution of electricity" changes its description to "Production, transmission, distribution and commercialization of electricity."

Section F Construction

Class 4512 "Site preparation for civil works" changes its description to "Demolition and site preparation for civil works".

Section G “Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods”.

Division 51 “Wholesale on a fee or contract basis, except of motor vehicles and motorcycles; maintenance and repair of machinery and equipment”

Group 515 “Wholesale of non-agricultural intermediate products, waste and scrap” changes its description to “Wholesale of non-agricultural intermediate products and waste”.

Class 5152 “Wholesale of metals and metal ores in primary forms” changes its description to “Wholesale of metals and metal ores”.

The following classes were created: 5164 “Wholesale of computers, peripheral equipment and computer software” and 5165 “Wholesale of electronic and communications parts and equipment”.

Division 52 "Retail trade, except of motor vehicles and motorcycles, repair of personal and household goods"

Group 525 “Retail sale of second-hand goods and trading activities in specialized stores” changes its description to "Retail trade of second-hand goods and trading activities under resale agreement, in specialized stores".

Class 5252 "Commercial activities in trading or pawnshops" changes its description to "Trading activities under resale agreement."

Section H Hotels and restaurants

Class 5525 was created "Food services under contract (catering)."

Section I "Transport, storage and communications”

Division 63 "Supporting and auxiliary transport activities; activities of travel agencies"

Group 633 "Activities of transport stations" changes its description to "Activities of the stations, roads and auxiliary services for transportation."

Class 6331 "Activities of land transport stations" changes its description to "Activities of stations, roads and auxiliary services for land transport."

Class 6332 "Activities of water transport stations" changes its description to "Activities of stations and auxiliary services for water transport."

Class 6333 "Airport activities" changes its description to "Activities of airports and auxiliary services for air transport."

Class 6390 "Activities of other transport agencies" changes its description to "Activities of other logistics operators."

Division 64 "Post and telecommunications"

Class 6421 "Telephone services" changes its description to "Telephone and basic services."

Class 6422 "Data transmission services through networks" changes its description to "Transmission and data exchange services."

Class 6424 "Cable transmission services" changes its description to "Radio and subscription television broadcasting services."

Class 6425 "Other telecommunications services" changes its nomenclature to code 6429 and includes some services that were in Class 6426 "Telecommunications-related services", since this category was eliminated considering that most of the services in it were reclassified, such as the sale of telecommunications equipment.

Section J Financial intermediation

Division 65 "Financial intermediation, except insurance, pension and severance funds."

Division 65 "Financial intermediation, except insurance, pensions and severance funds" changes its description to "Financial intermediation, except the establishment and management of insurance plans, pensions and severances".

Class 6513, "Activities of savings and housing corporations" is eliminated. Class 6592 "Activities of trust fund organizations" moves to another group and division, and it is located in Division 67 "Activities auxiliary to financial intermediation" under class 6717 "Activities of trust fund organizations."

Section J "Financial Intermediation" is disaggregated into Divisions 65 to 67 in the international version of ISIC Rev. 3.1. These divisions are maintained in the proposed adaptation of ISIC Rev.3 A. C., with some changes in the titles.

Class 6519 "Other monetary intermediation" of ISIC Rev. 3.1 V. I. is disaggregated into classes 6511, 6512, 6513, 6514, 6515, 6516 and 6519 in ISIC Rev. 3 A. C. (Tables 20 and 21)

| Table 20 Section J Financial Intermediation. Correspondence ISIC Rev. 3.1 ISIC adapted for Colombia versus 3.1 International | | | | | |
|---|-------|-------------|---|-------|-------------|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| SECTION J - Financial intermediation (Divisions 65 to 67) | | | SECTION J - Financial intermediation (Divisions 65 to 67) | | |

| Division 65 Financial intermediation, except insurance and pension and severance funds | | Division 65 Financial intermediation, except insurance and pension and severance funds | |
|--|--|--|-------------------------------------|
| 651 | Monetary intermediation | 651 | Monetary intermediation |
| | 6511 Central Banking | | 6511 Central Banking |
| | 6512 Banking activities different to those of the Central Bank | | |
| | 6513 Activities of savings and housing corporations | | |
| | 6514 Activities of financial corporations | | |
| | 6515 Commercial finance activities | 6519 | Other monetary intermediation n.e.c |
| | 6516 Activities of higher-level financial cooperatives | | |
| | 6519 Other monetary intermediation n.e.c | | |

Source: DANE

| Table 21 Section J Financial Intermediation. Correspondence ISIC Rev. 3.1 ISIC adapted for Colombia versus 3.1 International | | | | | |
|---|-------|-------------------------|--|-------|-------------------------|
| Correspondence between the International Standard Industrial Classification of all economic activities -ISIC, Revision 3, International version and the International Standard Industrial Classification-ISIC, Revision 3, adapted by DANE for the 1990 Economic Census | | | | | |
| ISIC Rev. 3 V. I. | | | ISIC Rev. 3, Adapted by DANE for the 1990 Economic Census | | |
| Group | Class | Description | Group | Class | Description |
| SECTION J - Financial intermediation (Divisions 65 to 67) | | | SECTION J - Financial intermediation (Divisions 65 to 67) | | |
| Division 65 Financial intermediation, except insurance and pension and severance funds | | | Division 65 Financial intermediation, except insurance and pension and severance funds | | |
| 651 | | Monetary intermediation | 651 | | Monetary intermediation |

| | |
|--|--|
| 6511 Central Banking | 6511 Central Banking |
| | 6512 Banking activities different to those of the Central Bank |
| | 6513 Activities of financial corporations |
| | 6514 Commercial finance activities |
| 6519 Other monetary intermediation n.e.c | 6515 Activities of financial cooperatives |
| | 6519 Other monetary intermediation n.e.c |

Source: DANE

Division 66 "Insurance and pension plans funding, except compulsory social security."

Division 66 "Insurance and pension funding, except compulsory social security" changes its description to "Establishment and management of insurance, pensions and severances plans except compulsory social security plans".

Division 67 "Activities auxiliary to financial intermediation"

Division 67, "Activities auxiliary to financial intermediation" changes its description to "Service activities auxiliary to financial intermediation."

Group 671 "Activities auxiliary to financial intermediation, except insurance and pension and severance funding" changes its description to "Activities auxiliary to financial intermediation, except the establishment and management of insurance, pension and severance funding."

Section K Real estate, business and renting activities

Section K "Real estate, business and renting activities" changes its description to "Real estate, renting and business activities".

Division 71 "Renting of machinery and equipment without operator and of personal and household goods.

Class 7121, "Renting of agricultural machinery and equipment", changes its description to "Renting of agricultural and forestry machinery and equipment."

Division 72 "Computer and related activities"

Class 7220 "Computer Software consultancy and supply" changes its description to "Computer Software consultancy, development and supply."

Class 7240 "Database activities" changed its description to "Activities related to databases and online distribution of electronic content."

Division 73 "Research and development"

Group 731 "Research and experimental development on natural sciences and engineering" changes its description to "Research and experimental development on natural sciences, health sciences, agricultural sciences and engineering."

Division 74 "Other business activities"

Class 7413 "Market research and public opinion polling" changes its description to "Market studies and public opinion polling."

Class 7493 "Building-cleaning activities" changes its description to "Building-cleaning and industrial cleaning activities."

Section M Education

Group 801 "Pre-school and primary education" changes its description to "Pre-school and basic primary schools."

Class 8022 "Middle education" changes its description to "secondary education."

Class 8023 "Technical and vocational secondary education" is created.

The following groups are eliminated: 803 "Education for employment services", 804 "Establishments that provide different education levels" and 806 "Non-formal education."

Class 8090, "Other education" is created.

Other changes

In general, market activities must be described according to the existing standards for determining the corresponding ISIC code for each activity. However, the application of these standards to the activities of production of goods and services for the use of households has proved to be difficult. These activities often include agricultural, construction, textile and repair works as well as other services. Normally, it is not possible to either assign value added coefficients or adequately determine what the main activity is.

Two new divisions were created in order to locate these joint activities in the classification. Division 96 "Undifferentiated activities of private households as producers of goods for their own use" and Division 97 "Undifferentiated activities of private households as producers of services for their own use" Even though in principle, these divisions will not be relevant for general statistics on economic activities, they will be convenient for compilations of data on households and subsistence activities.

New activities were included at a class level and the description of other activities was improved and/or expanded at the same level.

The fourth revision of the ISIC, which was submitted to the International Statistical Community in August 2008, reflects more accurately the current structure of the global economy. It also recognizes new industries, which emerged in the last 20 years and facilitates international comparisons by increasing the comparability with existing regional classifications. Currently, DANE is adapting this classification to the current features of the national economy.

Main differences between the general structure of ISIC 4 and ISIC Rev.3.1 A. C.

The main differences between these two versions of the ISIC will be described in each of the sections that have a significant change, indicating the necessary modifications, which need to be made if an upgrade of ISIC Rev.3.1 A.C is required according to ISIC 4.

The most important differences are described below:

Section A. Agriculture, livestock, hunting and forestry

This section will contain Section B "Fishing", which will disappear at this level of aggregation.

Groups of this section will be disaggregated according to permanent and temporary crops, which is a different approach from that used in ISIC Rev. 3.1 A. C.

The activities of agricultural and livestock services (currently a closed group with a single closed class) will be disaggregated into 4 classes depending on the type of services provided: Agricultural services activities, Livestock services activities etc.

Group 020 " Forestry, logging and related service activities" will contain two additional classes which will contemplate new activities such as the collection of non-timber forest products. This level of disaggregation at a four level digit is not present in ISIC Rev. 3.1 A. C.

Section B Fishing

Division 05 "Fishing", which will be included in Section A, will constitute its classes in groups. These groups (Fishing and aquaculture) will be subdivided in classes depending on whether these activities are performed in fresh or salt water.

Section C Mining and quarrying

Service activities related to mining and quarrying constitute a new division (In ISIC Rev. 3.1 these activities are presented with bias at a class level because they only contemplate services related to oil and natural gas extraction).

Section D Manufacturing

Division 15 "Manufacture of food products and beverages" will be divided into two divisions: Manufacture of food products and beverage manufacturing.

Division 17 "Manufacture of textiles" is reduced to only two groups, due to a reorganization of its classes and to the transfer of group 175 "Manufacture of knitted and crocheted fabrics" to Division 18 "Manufacture of wearing apparel; dressing and dyeing of fur ". This transfer is the only significant change in division 18.

Division 20 " Processing of wood, manufacture of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials" is reorganized in its structure since most of its classes are grouped in "Manufacture of wood, cork and straw and plaiting materials".

Division 22 "Publishing, printing and reproduction of recorded media" moves to group 221 "Publishing," to a new section called "Information and Communication".

Group 233 "Processing of nuclear fuel" is eliminated from division 23 "Manufacture of coke, refined petroleum products and nuclear fuel". In addition, groups 2321 "Manufacture of petroleum refining products, produced inside refinery" and 2322 "Manufacture of products derived from oil, outside refinery" are aggregated conforming a new closed class.

Class 2423 "Manufacture of pharmaceuticals, medicinal chemicals and botanical products" is eliminated from division 24 "Manufacture of chemicals and chemical products" to constitute a new division itself.

Class 2927 "Manufacture of weapons and ammunition" is transferred from Division 29 to Division 28 "Manufacture of fabricated metal products, except machinery and equipment".

Division 29, "Manufacture of machinery and equipment n.e.c" will include new classes, which contain the manufacture of hydraulic power equipment, which leads to the modification of class 2912 "Manufacture of pumps, compressors, taps and valves".

Division 30 "Manufacture of office, accounting and computing machinery", is disaggregated as follows: One part (Manufacturing of computers and electronic and optical products) moves to a new division and the other part (Manufacture of office equipment other than computers) moves to division 29.

Divisions 32 and 33 disappeared and a new division is created. The new division includes the manufacture of computers and electronic and optical products, which is formed from the activities described in the different classes of Division 32 "Manufacture of radio, television and communication equipment and apparatus", some classes of Division 33 "Manufacture of medical, precision and optical instruments, watches and clocks" and some activities of class 2930 "Manufacture of domestic appliances."

New classes are added to division 31 "Manufacture of electrical machinery and apparatus". The new classes describe new activities such as the manufacture of fiber optic cables and manufacture of household appliances (the division includes most of the

activities under class 2930 "Manufacture of domestic appliances". Consequently, this class is eliminated from division 29).

Division 36 "Manufacture of furniture; manufacturing n.e.c." now includes the activity of manufacture of instruments and medical and dental supplies and safety equipment, which was previously included in division 33.

A new division is created to include the activities of repair, maintenance and installation of equipment. These activities were classified in the ISIC Rev. 3.1 under class 5170 "Manufacture and repair of machinery and equipment" in Section G "Wholesale and retail; repair of motor vehicles, motorcycles and personal and household goods".

Section E Electricity, gas and water supply

This section includes the activity of providing air conditioning.

Activities such as sewage systems, waste collection, treatment and elimination of waste and material recovery, move from division 90 "Sewage and refuse disposal, sanitation and similar activities" and Section D (the part corresponding to division 37 "Recycling") to division 41 "Collection, purification and distribution of water".

Section F Construction

Group 453 "Civil engineering works" is disaggregated into three groups containing activities such as the construction of roads, construction works related to public utilities and other civil engineering works. In addition, Group 452 (Building of complete constructions or parts thereof) becomes a Division.

Groups 451, "Site preparation", 454 "Building and civil work installation" and 455 "Building and civil works completion and finishing", are rearranged into a new division called "Special construction activities."

Section G "Wholesale and retail sale, repair of motor vehicles, motorcycles and personal and household goods"

Group 505, "Retail sale of fuels, lubricants, additives and cleaning products" in Division 50, "Sale, maintenance and repair of motor vehicles and motorcycles, their parts and accessories, retail sale of automotive fuel and lubricants", is eliminated, and becomes part of Division 52 "Retail sale, except of motor vehicles and motorcycles, repair of personal and household goods".

Group 512 "Wholesale of agricultural raw materials, live animals, food, beverages and tobacco" in Division 51, "Wholesale on a fee or contract basis, except of motor vehicles and motorcycles; maintenance and repair of machinery and equipment", is disaggregated into two groups: Wholesale of food, beverages and tobacco and Wholesale of agricultural materials and live animals.

Group 514 "Wholesale of building materials, glass and plumbing equipment and materials" in Division 51, constitutes a new class.

Group 522 "Retail sale of food, general groceries, beverages and tobacco in specialized stores" in Division 52, undergoes a reorganization of its categories.

A new group is created in Division 52, which comprises the retail sale of integrated computer and telephony equipment in specialized stores. In addition the activity of retail sale of music and recordings is included as a new class.

Section I Transport, storage and communications

This section now includes the activities of transportation and storage, since communication activities fall within a new section called: Information and communication.

The classes in this section are now disaggregated in terms of mode of transport (Freight transport and Passengers transport).

Section H Hotels and restaurants

There is a new structure in Group 552 "Sale of food prepared on-site" following the disappearance of some classes and the creation of others.

Section K Real estate, renting and business activities

This section is divided into three sections: Real estate activities, renting and leasing activities and professional scientific and technical activities. This division entails a major restructuring of the part of the ISIC Rev. 3.1 related to services, because it leads to a significant regrouping of categories and the inclusion of a considerable number of new activities. An example of this is the inclusion of travel agencies (which moves from section I) and veterinary activities (which moves from section N) within the professional and technical activities.

Section N Health and Social Work

There is a major restructuring of this section, which involves a rearrangement of its categories and the inclusion of new activities.

Section O Other community, social and personal service activities

Division 92 (Recreational, cultural and sporting activities) undergoes a major restructuring since many of its activities were transferred to the new section (Information and Communication) and the remaining activities were grouped into different divisions, groups and classes.

Division 90 (Sewage and refuse disposal, sanitation and similar activities) is moved to Section E "Electricity, gas and water supply."

Other changes

A specific section is created for the repair and maintenance of computers, personal and household effects.

A new division is created for information and communication activities.

2. DESIGN

2.1 CONCEPTUAL FRAMEWORK

2.1.1 OBJECTIVES

General objective

To establish a uniform classification of productive economic activities, in order to provide a framework for international comparison of national statistics on economic activities.

Specific objectives

- To classify statistical units by main economic activity.
- To be an instrument of the statistical production process for each economic sector.
- To organize statistical data of the country's economic structure.

2.1.2 REFERENCE FRAMEWORK

Conceptual Base

A classification is a grouping of objects or phenomena gathered in homogeneous sets according to established criteria and depending on the use of the classification.

The sets are conformed in a comprehensive way, i.e. they cover all elements of the universe and are mutually exclusive (an object, or a member of the population can be assigned to only one category without duplication or omission).

The purpose of the ISIC is to establish a standard classification of all productive economic activities. Its main goal is to provide a set of categories of activities that can be used for the collection, analysis and presentation of statistics according to such activities. Therefore, the ISIC aims to present this set of categories of activities so that entities can be classified according to the main economic activity they perform.

The degree of detail necessary in the classification by economic activity varies between countries. Geographical and historical peculiarities and differences in the degree of industrial development and the organization of economic activities lead to differences in the degree of detail used by each country when classifying data by type of economic activity.

In the analysis of productive economic activities, the term "activity" must be understood as a process, that is, as a combination of actions that result in a given set of products. In

other words, it can be said that an activity takes place when resources such as equipment, labor, manufacturing techniques or products are combined to obtain certain goods or services.

Thus, an activity is characterized by the input of resources, the production process and the acquisition of products, and by convention, is defined as a process that gives rise to a homogeneous set of products. In this context, a homogeneous set of products is understood as those products that belong to the same category and whose production is a characteristic of a class (the most detailed category) of the activity classification.

According to this definition, an activity may be a single process, e.g. the weaving activity, but may also include an array of sub-processes that are mentioned in different categories of the classification. Thus, the manufacture of a car is considered an activity even though its integrated production process comprises sub-activities such as smelting, forging, welding, assembling, painting, etc. Moreover, even if the manufacture of car components (such as engine, gearbox, accessories or instruments) is part of the same manufacturing process, this combination of processes is considered as a single activity.

There must be a distinction between principal, secondary and ancillary activities. Products resulting from primary and secondary activities are manufactured for sale in the market, to provide them for free or for other purposes not previously determined (for example, to store them for future sale or for further processing).

Ancillary activities are performed in order to facilitate primary or secondary activities of the entity.

The principal activity of an economic entity is the activity that generates most of the value added of the entity or the activity whose value added exceeds that of all other activities of the entity. It is not necessary that the principal activity represents 50% or more of the total value added of the entity. The products resulting from a principal activity can be primary products or byproducts.

Secondary activities are each of the independent activities that generate products intended for third parties and that are not principal activities of the entity in question.

Secondary activities necessarily generate secondary products. Most economic entities produce at least one type of secondary products.

Principal and secondary activities cannot be performed without the support of various ancillary activities, such as bookkeeping, transportation, storage, procurements, sales promotion, cleaning, repairs and maintenance, security, etc. All of the economic entities perform at least one of these activities.

Ancillary activities are the ones performed to support the main production activities of an entity, generating non-durable goods or services for principal or exclusive use of that entity.

The general structure of the ISIC has an alphanumeric notation system (nomenclature) organized hierarchically in four levels of classification integrated to each other: Sections, Divisions, Groups and Classes. In this hierarchical organization, each category is subdivided into a lower level of subsets of categories i.e. each section contains one or more divisions, each division, one or more groups, and each group, one or more classes.

Capital letters are assigned to sections. These sections group together statistical information corresponding to a sector of the economy with homogeneous characteristics. An example of this is Section D: Manufacturing Industries.

Arabic numerals are assigned to the other categories of the classification: The first two digits indicate the division jointly, which corresponds to a more detailed tabulation category and groups activities within the same industry with the highest degree of homogeneity. This process is done taking into account aspects such as: the specialization of economic activities, the characteristics and utilization of produced goods and services as well as the production inputs, process and technology used.

The first three digits identify the group, which constitutes categories of activities organized in a division in a more specialized and homogeneous manner. The formation of groups utilizes the same criteria taken into account for the formation of divisions.

The four digits identify the class, which is the most detailed category and classifies specific characteristics of an activity. Its four-digit notation identifies the division in the first two numbers, the group in the third number and the class in the last (fourth) number.

International referents

The ISIC is a classification of reference, which resulted from international agreements approved by the Statistical Commission of the United Nations. This Commission has recommended that countries classify their data (based on the ISIC or convertible categories according to the ISIC) in areas such as production and employment statistics or national accounts.

To meet the objective of international comparability it is suggested that all countries, to the extent permitted by its particular circumstances, adopt the same principles and general definitions in their industry classification systems.

Colombia has implemented the recommendations of the United Nations so that the ISIC is considered the official classification in terms of economic activity and serves as basis for the adaptation process of the national classification. This classification contains the same principles and definitions, which are incorporated in the international version.

It is important to note that when the United Nations is in the process of preparing a new revision or update of the ISIC, it sends the user countries (including Colombia) a questionnaire where it requests an opinion of technical nature on topics, which will be subject to adjustment.

Colombia through the DANE Nomenclature and Classification Group (DIRPEN) has responded in a timely manner to each of the questionnaires sent by the United Nations, which implies a research process that results in a concept consistent with the economic reality of the country.

2.2 STATISTICAL DESIGN

2.2.1 BASIC COMPONENTS

The universe of this statistical operation are productive economic activities defined as "The process or group of operations that combine resources such as equipment, labor, manufacturing techniques, materials, and that constitute a unit whose result is a set of goods or services."

In the real world, economic entities engaged in the production of goods and services differ in their legal, accounting, organizational and operational structures. To create statistics that will maintain the consistency from one entity to another and that are internationally comparable, it is necessary to define and delineate uniform statistical units that will serve as observation units for the collection and compilation of statistics.

In the ISIC the observation unit is the establishment, defined as an enterprise or part of an enterprise located in one site (location), in which a single productive activity (not auxiliary) is performed, or in which the principal productive activity accounts for most of the value added.

Nomenclatures and classifications

The different versions of the ISIC released by the United Nations to the international community are taken into account to carry out the adoption process. In chronological order, those are: ISIC Rev. 1, ISIC Rev. 2, ISIC Rev. 3, ISIC Rev. 3.1 and ISIC Rev. 4 whose official version has been distributed recently by the UN.

The international version of the ISIC and the latest version of ISIC adapted by DANE are used for the processes of adaptation and updating. In addition the latest version of ISIC adapted for Colombia is used for the maintenance process.

3. STATISTICAL PRODUCTION. INHERENT PROCESS TO CLASSIFICATIONS

3.1 ADOPTION

The adoption of classifications is a process in which an international reference classification is adopted without any kind of adaptation to the particular implementation context.

The following stages must be taken into account in order to carry out this process:

1. Clear identification of the specific requirements of collection, processing and presentation of information for which the use of the classification is necessary.
2. Identification of the existing classification(s) at both a national and an international level in order to meet information needs. In the case of international classifications it is important to consult producer organizations and/or users of these classifications.

The regulatory body of the ISIC is the Statistical Office of the United Nations, an organization that can issue opinions through experts in order to recommend its utilization in the production of statistics by economic activity.

3. Evaluation of the existing classification (can be one or more) in order to confirm whether this classification is really suitable.

This assessment focuses on aspects that have to do with the structure, conceptual basis, operability, comparability (among others) in accordance with the following characteristics:

- Exhaustivity of categories: refers to the possibility of classifying all elements of the context of classification, i.e., a measure of the proportion of elements that cannot be classified under the criteria, principles and structure of the classification.
- Exclusivity of categories: refers to the degree of ambiguity of the classification, i.e. the proportion of elements that can be classified in more than one category.
- Conceptual base: refers to those aspects that give meaning to the classification, such as principles and classification criteria, explanatory notes, interpretive rules, etc.
- Operational Feasibility: A classification must be feasible in practice. This means that even if a classification has a strong conceptual basis, but is difficult to apply, it is not recommended for statistical purposes.
- Comparability: The classification must be a medium that allows the comparison of statistics at a national and international level.

- Experience in its use or application: refers to the level of success that the classification has had in meeting the purpose and objectives for which it was designed.

- General structure: refers to the logical and sequential formation of different categories of the classification.

- Detailed structure: the classification must have a disaggregation of its different categories that enables the accomplishment of the purpose and objectives previously established.

- Agency that makes the classification: refers to the relative importance of the body responsible for the generation or regulation of the classification in the national and international statistical field.

4. Issuance of a final concept specifying the reasons why it is considered appropriate to adopt the classification.

3.2 ADAPTATION

The adaptation of classifications is a process in which the structure of an adopted classification is modified in such a manner that it reflects the economic and social characteristics of a country. For this process, the rearrangement of the categories of the International Version of Reference (elimination, disaggregation, aggregation and inclusion of categories) is required.

The steps required to complete the process of adapting the international ISIC of reference are as follows:

1. Spanish translation of the classification of the reference object of adaptation, in the event that there is no official version in Spanish.

Initially, the text of the version that is the object of translation is compared with the text of the previous version in English. In the parts in which both versions are alike, the Spanish translation provided by the United Nations for the previous version will be taken as definite.

Example: " Actividades complementarias al transporte":

- Operation of storage and warehouse facilities for all kind of goods:

Operation of grain silos, general merchandise warehouses, refrigerated warehouses, storage tanks etc.

ISIC Rev.3.1 (Spanish official translation):

- Funcionamiento de instalaciones de almacenamiento de todo tipo de productos:

Funcionamiento de silos de granos, almacenes para mercancías varias, cámaras frigoríficas, tanques de almacenamiento, etcétera.

ISIC Rev. 4 (English):

Operation of storage and warehouse facilities for all kind of goods:

Operation of grain silos, general merchandise warehouses, refrigerated warehouses, storage tanks etc.

Taking into account that the English texts are alike, the Spanish version for this activity in the ISIC rev.4 would be:

- Funcionamiento de instalaciones de almacenamiento de todo tipo de productos.
- Funcionamiento de silos de granos, almacenes para mercancías varias, cámaras frigoríficas, tanques de almacenamiento, etcétera.

The text is translated into Spanish when the parts of the English versions do not match.

2. Preliminary review of the classification, where a general analysis of the conceptual basis, structure and explanatory notes is made (principles, criteria, rules, etc.)

3. Comparison of the structure and explanatory notes of the reference version with respect to previous versions, in order to identify inclusions, reclassifications or elimination of activities.

4. Identification of major sources (including internal and external users of the ISIC), which could be accessed to obtain necessary information in order to structure a proposal for Colombia.

5. Creation of an information base that enables the understanding of economic phenomena related to the possible categories subject to adaptation. This base is structured by a research work through various means such as:

- Specialized bibliography
- Expert Advice
- Internet
- Regulations on the subject, etc.
- Exploration of production processes
- Economic Surveys

A comprehensive assessment of the economic sector (or subsector) must be made if the volume of information so requires it. This is done in order to understand the sector's current state from the economic activity perspective.

6. Identification of the category (or categories) that can be adapted. This process is done when a category from where quantitative and/or qualitative information relevant to the process can be obtained is identified. At this point it is imperative to:

- Evaluate the information obtained from sources in order to ensure that the categories subject to adaptation address the explicit needs of the users of the ISIC.
- Analyze the information obtained from the information base to identify economic activities that due to their nature must be submitted separately in the classification structure. In addition, this information may result in an enrichment of the Explanatory Notes.

7. Development of the adaptation proposal based on:

- The International reference ISIC object of adaptation
- The current ISIC in operation
- Information obtained from the sources and the information base.

This proposal is the result of the comparison between the structure and explanatory notes of the two classifications mentioned above, taking into account the current ISIC. To perform this exercise it is necessary to have information from sources and the information base, as they are tools to evaluate the type of adjustment to be applied in the structure and which may include:

- Disaggregation of categories: the adaptation is done by subdividing the classification categories of reference in more specific disaggregated categories. These new categories must describe, more accurately, economic activities according to their importance or specialization within the Colombian context. (Table 22)

| Table 22. Example disaggregation of categories for the process of adaptation of the ISIC Rev.3 | | | |
|---|--|------------------|--|
| ISIC Rev. 3 International | | ISIC Rev. 3, A.C | |
| 5131 | Wholesale of textiles, clothing and footwear | 5131 | Wholesale of textiles and products made for domestic use |
| | | 5132 | Wholesale of wearing apparel, clothing accessories and leather goods |
| | | 5133 | Wholesale of footwear |

Source: DANE

-Modification of the titles and content of the categories: the titles of the categories and the phenomena grouped in them must correspond to designations that are appropriate to the economic context of the national reality. Therefore, the proper description of the titles and content of the categories is also part of the adaptation process. In addition, it is necessary

to perform the inclusion, transfer or elimination of phenomena in the content of each category according to the economic characteristics of the country. (Table 23)

| Table 23. Example modification of titles and content of categories for the process of adaptation of the ISIC Rev.3 | |
|---|--|
| ISIC Rev. 3 International | ISIC Rev. 3, A.C |
| <p>2310 Manufacture of coke oven products</p> <p>This class includes the operation of coke ovens for producing mainly coke and semi-coke from hard coal and lignite, and for producing retort carbon and residual products such as coal tar and pitch</p> | <p>2310 Manufacture of coke oven products</p> <p>The coking process consists in separating mineral coal's volatile compounds by high temperature. The mixture of separated volatile products is known as coke gas, while the solid porous material is known as coke.</p> <p>This class includes: The production of coke and semi-coke, from hard coal and lignite, whether in large coke oven batteries or small "beehive" ovens, regardless of the use or further utilization of coke oven gas.</p> |

Source: DANE

- Creating new categories: Consists in including completely new categories in the classification structure of reference. These categories must represent economic phenomena occurring in the country, and which have not been described clearly in the structure. Similarly, the creation of new categories can obey to the necessity of highlighting economic phenomena of interest at a higher hierarchical level since these economic phenomena do not have an adequate hierarchical level in the structure of the reference classification. (Table 24)

| Table 24. Example creation of categories for the process of adaptation of the ISIC Rev.4 | |
|---|--|
| ISIC Rev. 4 International | ISIC Rev. 4 (Adaptation proposal) |
| 19 Manufacture of coke and refined petroleum products | 19 Manufacture of coke, refined petroleum products and blending of fuels |
| 192 Manufacture of refined petroleum products | 192 Manufacture of refined petroleum products |
| 1920 Manufacture of refined petroleum products | 1922 Blending of fuels |

Source: DANE

In ISIC Rev. 4 (international version or reference version) the activity of production and blending of biofuels was included in class 1920 "Manufacture of refined petroleum products." Given the importance of biofuels for Colombia, it is considered appropriate to eliminate this activity from the explanatory note of Class 1920 and disaggregate this activity in a new Class 1922 "Blending of fuels". This is done taking into account the needs of the users of the classification who required measuring this activity separately.

The result of applying the above steps must be a proposal containing the classification structure from its most aggregated level (Section) to the maximum level of disaggregation (Class). At the Class level are shown all the adjustments, which the professional in charge considers necessary to make by analyzing the available information.

Alongside this, the proposed adaptation must be sustained through technical evidences to justify changes, both in the structure, as well as in the titles and explanatory notes of the categories. These technical evidences must mention the source of information used and document all of the aspects, which were taken into account to adjust the classification.

The technical evidence is shown in a document annexed to the proposal of adaptation. It shall be issued in parallel so that no details are omitted since these details may be fundamental at the time of carrying out the technical evaluation. Similarly, there must be a constant accompaniment of all sources of information identified above, as they provide technical criteria to ensure consistency of the proposal of adaptation.

8. Technical evaluation of the proposed adaptation by the competent official of the Nomenclature and Classification group of DIRPEN. This official shall focus on the consistency of the changes taking into account technical evidences and the conceptual basis of the ISIC (principles, criteria, rules, definitions, etc.). This assessment is contained in a document that shall be analyzed by the professional in charge of the subject to make the pertinent corrections. This document specifies the aspects that must be subject to adjustment.

9. Conducting workshops with potential users of the adapted classification to technically assess the implications of the adjustments contained in the proposal. Similarly to the technical evaluation conducted on the Nomenclature and Classification Group, adjustments to the adaptation proposal resulting from the consensus of experts in the field may arise in these workshops.

10. Final technical evaluation of the proposed adaptation, which includes the adjustments, recommended by both the Nomenclatures and Classifications Group and the user workshops.

11. Consolidation of the final document of the adapted ISIC where the following must be done:

- To gather all of the final proposals into a single file that will become the body of the document. Once the proposals are consolidated the next step is to develop the overall and detailed structure of the classification.

- To write the presentation and introduction of the document.
- To revise once again the conceptual basis of the reference classification for its inclusion in the adapted ISIC.
- To include in a single document all of the information related above according to the following order:

1. COVER
2. TITLE PAGE
3. INSTITUTIONAL CREDITS
4. DOCUMENT CREDITS
5. PRESENTATION
6. TABLE OF CONTENTS
7. INTRODUCTION
8. BODY OF THE DOCUMENT

12. Final edition of the adapted ISIC

3.3 UPDATE

It is the process in which a classification remains (largely) unchanged in its structure, its conceptual base and in the demarcation between its components. This process aims to provide more detailed explanatory notes or reclassify activities in the ISIC, due to the emergence of new technologies, new types of economic activities, industries, or to changes in the country's economic structure.

Most of the activities required for a process of adaptation are needed to make the update process taking into account that the proposals for each sector do not contain representative structural changes.

The following steps are required in order to carry out the update of the ISIC:

1. Spanish translation of the classification subject to update if there is no official version in Spanish.

Initially, the text of the version object of translation is compared with the text of the previous version in English. In the parts in which both versions are alike, the Spanish translation provided by the United Nations for the previous version will be taken as definite.

Example "Leasing financiero"

ISIC Rev. 3 (English):

- Leasing where the term approximately covers the expected life of the asset and the lessee acquires substantially all the benefits of its use and takes all the risks associated with its ownership. The asset may or not may eventually be transferred.

ISIC Rev. 3 (Spanish official translation):

- En este tipo de arrendamiento, que cubre aproximadamente toda la vida útil prevista de un bien, el arrendatario adquiere virtualmente todos los derechos de usufructo y asume todos los riesgos inherentes a la propiedad del bien, que eventualmente puede ser o no objeto de traspaso.

ISIC Rev. 3.1 (English):

- Leasing where the term approximately covers the expected life of the asset and the lessee acquires substantially all the benefits of its use and takes all the risks associated with its ownership. The asset may or not may eventually be transferred.

Taking into account that the English texts are alike, the Spanish version for this activity in the ISIC rev.3.1 would be:

- En este tipo de arrendamiento, que cubre aproximadamente toda la vida útil prevista de un bien, el arrendatario adquiere virtualmente todos los derechos de usufructo y asume todos los riesgos inherentes a la propiedad del bien, que eventualmente puede ser o no objeto de traspaso.

The text is translated into Spanish when the parts of the English versions do not match.

2. Preliminary review of the ISIC subject to update, where a general analysis of the conceptual basis, structure and explanatory note is made (principles, criteria, rules, etc.). In addition, a preliminary revision of its structure and explanatory notes is carried out, given that an update process must not contain significant structural changes.

3. Comparison of the structure and explanatory notes of the reference version with respect to previous versions, in order to identify inclusions, reclassifications or elimination of activities.

4. Identification of major sources (including internal and external users of the ISIC) which could be accessed to obtain necessary information in order to structure a proposal for Colombia.

5. Creation of an information base that enables the understanding of economic phenomena related to the possible categories subject to update. This base is structured by a research work through various means such as:

- Specialized bibliography

- Expert Advice
- Internet
- Regulations on the subject, etc.
- Exploration of production processes
- Economic Surveys.

A comprehensive assessment of the economic sector (or subsector) must be made if the volume of information so requires it. This is done in order to understand the sector's current state from the economic activity perspective.

6. Evaluation of the information obtained from sources to ensure that the update process meets the explicit needs of the ISIC users.

7. Development of the update proposal based on:

- The International reference ISIC subject to update.
- The current ISIC in use.
- Information obtained from the sources and the information base.

This proposal is the result of the comparison between the structure and explanatory notes of the two classifications mentioned above, taking into account the current ISIC. To perform this exercise it is necessary to have information from sources and the information base, as they are tools to evaluate the modification in the titles and the content of the categories.(Table 25)

| Table 25. Example update proposal of the ISIC Rev.3 A.C | | |
|--|--|---|
| ISIC Rev. A.C (current ISIC) | ISIC Rev. 3.1 International | ISIC Rev. 3.1 (Update proposal) |
| 9212 Motion picture projection | 9212 Motion picture projection | 9212 Motion picture projection |
| Motion picture projection in movie theaters and outdoors and in private rooms and other exhibition facilities. | Motion picture projection in cinemas and outdoors and in other projection facilities | Motion picture projection in cinemas, outdoors or in other facilities of exhibition of films, such as the multiplex system. |
| | Film club activities | The activities of film clubs, with the purpose of researching and studying filmmaking as an art and as a mean of social |

Source: DANE

The result of applying the above steps must be a proposal containing the classification structure from its most aggregated level (Section) to the maximum level of disaggregation (Class). At the Class level are shown all the adjustments, which the professional in charge considers necessary to make by analyzing the available information.

In addition, the proposed update must be sustained through technical evidences to justify changes in the structure, as well as in the titles and explanatory notes of the categories. These technical evidences must mention the source of information used and document to the extent possible all of the aspects that were taken into account to adjust the classification.

The technical evidence is shown in a document annexed to the update proposal. It must be issued in parallel so that no details are omitted since these details may be fundamental at the time of carrying out the technical evaluation. Similarly, there must be a constant accompaniment of all sources of information identified above, as they provide technical criteria to ensure consistency of the proposed update.

8. Technical evaluation of the proposed update by the competent official of the Nomenclature and Classification Group of DIRPEN. This exercise must be focused on the consistency of the changes taking into account technical evidences and the conceptual basis of the ISIC (principles, criteria, rules, definitions, etc.). This assessment is contained in a document that specifies the aspects that must be subject to adjustment. The document must be analyzed by the professional in charge of the subject to make corrections where necessary.

9. Consolidation of the final document of the updated ISIC where the following must be done:

- To gather all of the final proposals into a single file that will become the body of the document. Once the proposals are consolidated, the next step is to develop the overall and detailed structure of the classification.

- To write the presentation and introduction of the document.

- To revise once again the conceptual basis of the reference classification for its inclusion in the updated ISIC.

- To include in a single document all related information according to the following order:

1. COVER

2. TITLE PAGE

3. INSTITUTIONAL CREDITS
4. DOCUMENT CREDITS
5. PRESENTATION
6. TABLE OF CONTENTS
7. INTRODUCTION
8. BODY OF THE DOCUMENT

10. Final edition of the updated ISIC

3.4 MAINTENANCE

This process consists in making adjustments to already adapted and/or updated versions of the ISIC. These adjustments do not come from international referents but from the operating capacity of the classification itself. They are done mainly in the explanatory notes through inclusion, exclusion or reclassification of activities or due to inaccuracies in the terminology used as determined in the process.

The structure of the classification is not affected during the maintenance process. To ensure the effective maintenance of the ISIC, the following steps must be considered:

1. Identification of major users (internal and external customers) of the ISIC.
2. Identification of possible adjustments made to the ISIC, which can be identified by users (through the format established for this purpose) or by those responsible for the processes of adaptation and update.
3. Analysis of the proposed adjustments for the ISIC, according to the parameters listed below:
 - Study of the information filled out by internal or external users in the "Adjustment Format for classifications or correlatives" (refer to Annex A). This is followed by the approval or disapproval of the suggestion resulting from this study, which is sent to the user by means of a notification. Then, the format containing the technical reasons for approval or disapproval of the adjustment is sent again to the user.
 - DANE's coordination must evaluate the adjustments proposed by the official in charge and the consistency of such changes in the classification.
4. Inclusion of the approved adjustments in the classification's magnetic file.

5. Dissemination among users of the adjusted version of the ISIC subjected to the maintenance process.

4. DIFFUSION

4.1 DATA REPOSITORY MANAGEMENT

The adaptation proposals of the classification with their respective technical evidences are emailed and sent in a CD to the coordination of the Nomenclatures and Classifications Group, which in turn evaluates stores and incorporates the magnetic folders created for that purpose to a DANE's server named systema20.

The latest versions of each of the ISIC-related products, which are the result of adaptation, update and maintenance processes, are stored in magnetic files kept in the computers of both the coordination team and the Nomenclatures and Classifications Group.

The retention period in magnetic folders of systema20 for earlier versions of the classification, adaptation proposals and their respective technical evidence is 5 years. Once the 5 years are completed, they are organized in historical documentation folders of the same system.

4.2 DIFFUSION PRODUCTS AND INSTRUMENTS

The products that are related to the ISIC are:

- International Standard Industrial Classification of all economic activities adapted for Colombia.
- International Standard Industrial Classification of all economic activities updated for Colombia.

The main instrument for the dissemination of the classification is all magnetic storage media (emails, CDs, DANE's website, etc.). Through these media the ISIC is disclosed to its main users. There are also printed publications of the classification, used mainly by the members of the Nomenclatures and Classifications Group and other internal and external users of the classification.

4.3 PROMOTION AND DIFFUSION OF PRODUCTS

When the process of adaptation or update of the ISIC is completed, it is necessary to raise awareness among current and potential users on fundamental aspects of the ISIC-related product that is delivered.

In order to achieve this goal, the following mechanisms are used:

- Sending the ISIC via e-mail to the client list that the Nomenclatures and Classifications Group has.
- Sending the information to DANE's data banks so they can multiply the information about the classification.
- Posting the classification on DANE's website in accordance with the policies of the entity.
- Conducting training processes with current and potential users of the classification to provide them with aspects such as general knowledge about the background, concepts, principles, structure, explanatory notes, application and other features inherent to the ISIC.
- Similarly, given the dynamic nature of classifications, each time a maintenance process of the ISIC is carried out, it is necessary to give to the users the adjusted version through email, or sharing a folder in the appointed official's computer, so that (with the corresponding access permissions) the users can access the information.

Furthermore, training processes are performed according to user requirements, since the true value of the classifications lies in its applicability for the production of information. These training processes are carried out through lectures and case studies, designing a work plan consistent with the required approach.

5. RELATED DOCUMENTATION

The guidelines listed below can be found on Systema20, which constitute a basis for the work done by the Nomenclatures and Classifications Group with respect to the ISIC:

- N and C Guide for adapting classifications: aims to propose a roadmap for developing the process of adaptation of classifications in order to make the process more efficient and with higher quality levels. To meet this goal, the steps to be followed in the development of the adaptation of economic classifications are included, indicating the main changes introduced in the classification of reference during this process.
- N and C, Guide for maintaining classifications and correlatives: Presents the general points to be considered in order to carry out the maintenance process of classifications and correlatives. This guide defines the procedure that external users have to follow to submit aspects where they deem adjustments are necessary. The Nomenclatures and Classifications Group of DIRPEN analyzes this information.
- N and C, Guide for updating classifications: describes the activities to be carried out in order to develop the process for updating classifications. This process aims to incorporate major changes of the reference classification into the adapted operational classification. These changes focus (mainly) on the explanatory notes.

GLOSSARY

Updated classifications: Those classifications that have been adjusted to structure changes and analytical needs, to the rise of new technologies and new divisions of labor among organizations, thus creating new types of economic activities, industries and occupations, which pose challenges for both suppliers and users of statistical data. Generally, the updated classification maintains most of the structure, the conceptual basis and the limits between its components unchanged. Highly detailed explanatory notes are provided to enable a more precise interpretation of the content and limits of a category.

Adapted classifications: Classifications resulting from the modification of an adopted classification structure in such way that it reflects the economic and social characteristics of a country; to do so, the rearrangement of categories in the international reference version is required (elimination, subdivision, combination and inclusion of categories). The adaptation of economic and social classifications should be based on the principle that the final adapted classification must be compatible with the reference classification. To achieve such compatibility, the basic procedures for adaptation should be followed. These procedures can be used jointly or individually, depending on requirements specific to the classification.

Derived classifications: Based on reference classifications. Derived classifications can be prepared either by adopting the structure and categories of the reference classification, providing additional detail to that provided by the reference classification, or adding categories from one or more reference classifications. Derived classifications are often adapted for national or multinational use, such as the Statistical Classification of Economic Activities in the European Community (NACE).

Comparability: Refers to the measurement of the effect of differences in concepts and definitions, when statistics are compared in temporal, geographic and non-geographic scopes (between domains of interest). There is comparability of concepts (definitions, target population, legislation, classifications) and comparability of the level of estimation (accuracy).

Establishment: An establishment is defined as a business or part of a business set in one location where one non-ancillary productive activity is carried out, or where the principal productive activity generates most of the value added.

Classification structure: Refers to how categories are sorted, grouped and subdivided in a classification. Categories within a classification can be arranged in a hierarchical or uniform structure. In uniform classifications, categories are arranged in only one level. Hierarchical classifications have various levels, corresponding to the different degrees of determination (detail) to the extent (specification) of the observed variable. Hierarchical classifications go from general levels (e.g. division) to detailed levels (e.g. class). Uniform classifications (such as gender classification) are not hierarchical.

Explanatory notes: Explanatory notes assist users so that they can distinguish the limitations and scope of each class. Details vary from classification to classification, but the intention is to explain the precise meaning of categories and basic concepts. This is often done through specific examples of inclusions, exclusions and cross-references with other categories.

Value added: The difference between the output and input used to obtain a product. It is the total revenue received from the use of factors of production involved in the production process.

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ANNEXES

ANNEX A. Adjustment form for classifications or correlatives

| | |
|---|---|
|  | ADJUSTMENT FORM FOR CLASSIFICATIONS OR CORRELATIVES |
| Entity that proposes the adjustment: | Date: |
| | City: |
| | Address: |
| Department or office that proposes the adjustment: | Phone: |
| | E-mail: |
| Employee that proposes the adjustment: | Phone: |
| | E-mail: |
| Classification or correspondence table to adjust: | |
| Description of the adjustment: | |
| Reason for the adjustment: | |
| Analysis on proposed adjustment (exclusive for DIRPEN employees): | |
| Final adjustment (exclusive for DIRPEN employees): | |
| Signature <i>DIRPEN employee responsible for the proposed adjustment</i> | Signature <i>DIRPEN employee responsible for approving the proposed adjustment</i> |
| NAME: | NAME: |
| POSITION: | POSITION: |

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