

## Structure of the Classification

The SSIC 2010 is a classification with a hierarchical structure. At the highest level of aggregation, there are 22 broad categories known as “sections”, each denoted by a single alphabetical letter. Each section comprises one or more divisions, the breakdown of which is shown below:

	<b>Section</b>	<b>Divisions</b>
A	Agriculture and Fishing	01-03
B	Mining and Quarrying	08-09
C	Manufacturing	10-32
D	Electricity, Gas and Air-Conditioning Supply	35
E	Water Supply; Sewerage, Waste Management and Remediation Activities	36-38
F	Construction	41-43
G	Wholesale and Retail Trade	45-47
H	Transportation and Storage	49-53
I	Accommodation and Food Service Activities	55-56
J	Information and Communications	58-63
K	Financial and Insurance Activities	64-66
L	Real Estate Activities	68
M	Professional, Scientific and Technical Activities	69-75
N	Administrative and Support Service Activities	77-82
O	Public Administration and Defence	84
P	Education	85
Q	Health and Social Services	86-88
R	Arts, Entertainment and Recreation	90-93
S	Other Service Activities	94-96
T	Activities of Households as Employers of Domestic Personnel	97
U	Activities of Extra-Territorial Organisations and Bodies	99
V	Activities not Adequately Defined	00

The 83 two-digit divisions constitute the highest numerical category in the SSIC 2010. They are broken down into more detailed categories comprising 205 three-digit groups and 388 four-digit classes. There are altogether 1,097 five-digit items at the most detailed level.

A numerical five-digit coding system is used to distinguish the different levels of classification. The numbering system is hierarchical in nature, showing progressively finer detail from the highest level of aggregation (section) to the lowest level (five-digit). This allows users the flexibility to tabulate, analyse and publish data according to the level of detail required.

<b>Classification</b>	<b>Title</b>	<b>Code</b>
Section	Manufacturing	C
Division	Manufacture of Computer, Electronic and Optical Products	26
Group	Manufacture of Electronic Components and Boards	261
Class	Manufacture of Semiconductor Devices	2611
Item	Semiconductor Wafer Fabrication	26112

In cases where a given level of classification is not divided into categories at the next more detailed level of classification, the last digit of the code for the only category at the next more detailed level would be '0'. For instance, the group 'Construction of Buildings' is coded as 410 as the division 'Construction of Buildings' (code 41) contains only one group. Similarly, the code for the class 'Passenger and Freight Rail Transport' is 4910 as it is the only class within the group 'Transport via Railways' (code 491).

At the three, four and five-digit level, the digit '9' that appears in the last digit position denotes residual activities grouped at the respective level of detail. These residual activities do not usually constitute homogeneous primary activity groups, but rather, diverse activities which are not sufficiently significant to justify separate codes. In the classification, they are grouped together as a separate industry so that no activities, however small or insignificant, are left out of the classification scheme.

The numerical codes of the SSIC 2010 are closely aligned with ISIC Rev. 4 to facilitate easy comparison between the two classifications. As such, the codes at the two, three and four-digit levels may not run consecutively if an ISIC code is not used in SSIC. For instance, the SSIC does not contain the ISIC codes 05 'Mining of Coal and Lignite', 06 'Extraction of Crude Petroleum and Natural Gas' and 07 'Mining of Metal Ores'.

## **Application of the Classification**

### *Outsourcing*

Outsourcing is an arrangement whereby a unit (principal) engages the service of another unit (contractor) to carry out specific tasks in the production process on a fee or contract basis.

If only part of the production process is outsourced, the principal is classified as though it undertakes the complete production process itself. For service industries and construction, the principal is also classified as though it undertakes the production process itself regardless of whether part or all of the production process is outsourced. However, in manufacturing, its classification when all of the production process is outsourced depends on whether it owns the input materials. If it does, it is classified in manufacturing as it owns both the inputs and final output. However, if it does not own the inputs, it cannot be so regarded, as it is in fact purchasing the final goods from the contractor for resale to other parties. As such, it is more appropriate to be classified in section G 'Wholesale and Retail Trade' according to the type of sale and the type of goods sold.

For the various scenarios outlined earlier, the contractors are to be classified in the same activity as units that produce the same goods and services for their own account. The only exception is when a contractor carries out wholesale trade on a contract or fee basis in which case it is classified in SSIC 46100 (wholesale on a fee or contract basis) instead of the other wholesale activities regardless of the type of goods being traded.

### *Firms not yet in Operation*

In some cases, firms may need to carry out preparatory activities before they can commence operations. Shops or restaurants, for example, might need to renovate their premises. If they undertake these activities themselves, they are to be classified based on their intended activity and not their preparatory activity such as interior decoration or construction. While this principle is conceptually to be applied also in the case of large enterprises or establishments (e.g. hotels, factories, theme parks), we should note that it is more likely for them to either outsource the preparatory activities or to establish separate establishments to undertake them. In this case, the large enterprises or establishments are to be classified under their intended activity while the establishments they set up to undertake the preparatory activity are to be classified under the appropriate preparatory activity.

### *Retail Trade of Self-Produced Goods*

In some cases, an economic unit may sell the goods they produce directly to the consumer. As retail trade essentially involves the sale of goods purchased, the earnings or value-added of which is the trade margin, the sale of goods by the producer should not be viewed as a separate activity. A manufacturing establishment which sells its own products is therefore to be classified under manufacturing and not retail trade. For example, a tailor is to be classified under SSIC 14105 (tailoring and dressmaking) in manufacturing and not as a retailer even though he makes and sells clothes to his customers. However, if the manufacturing establishment sells other goods (in addition to self-produced goods), the selling of the other goods is a retail activity. If the value-added arising from the sale of other goods is more than the value-added from the manufacture (and sale) of its own produced good, then its principal activity is retail trade.

### *Provision of Goods and Services through Electronic Means*

The provision of goods and services through electronic means has become increasingly prevalent with the rapid development in Information Communications Technology (ICT) over the past few years. Despite the different medium involved, the approach adopted in classifying these activities is still to classify them based on their principal activity. However, there is one notable exception to this rule. In retail trade, units that undertake their sales exclusively or predominantly through the internet are classified in the class 4791 'Retail Sale via Mail Order Houses or via Internet'.

### *Government Activities*

Not all government activities are classified under the Section O 'Public Administration and Defence'. Activities carried out by government units that are specifically attributable to other sections of the SSIC should be classified in those sections. For instance, government schools are classified in Section P 'Education' while the monetary authority is classified in Section K 'Financial and Insurance Activities'.

### *Repair and Maintenance*

Depending on the nature of the goods, economic units carrying out repair and maintenance activities can either be classified under Section C 'Manufacturing' or Section S 'Other Service Activities'. Units that repair or overhaul capital goods are classified in the same class or activity as the units that produce the goods in Section C 'Manufacturing'. This is because economic units manufacturing such goods often also provide repairing and maintenance services for the same goods. Activities pertaining to the repair of consumer goods (e.g. cars, computers, hand phones, household and personal goods) are classified in the division 95 'Repair of Computers, Personal & Household Goods, and Vehicles' in Section S 'Other Service Activities'.

## Comparison with SSIC 2005

A comparison of the sections in SSIC 2010 and SSIC 2005 is shown in the following table:

SSIC 2010	SSIC 2005
A Agriculture and Fishing	A Agriculture and Fishing
B Mining and Quarrying	B Mining and Quarrying
C Manufacturing	C Manufacturing
D Electricity, Gas and Air-Conditioning Supply	D Electricity and Gas Supply
E Water Supply; Sewerage, Waste Management and Remediation Activities	E Water Supply, Sewerage and Waste Management
F Construction	F Construction
G Wholesale and Retail Trade	G Wholesale and Retail Trade
H Transportation and Storage	H Transport and Storage
I Accommodation and Food Service Activities	J Hotels and Restaurants
J Information and Communications	K Information and Communications
K Financial and Insurance Activities	L Financial and Insurance Activities
L Real Estate Activities	M Real Estate, Rental and Leasing Activities
M Professional, Scientific and Technical Activities	N Professional, Scientific and Technical Activities
N Administrative and Support Service Activities	O Administrative and Support Service Activities
O Public Administration and Defence	T Public Administration and Defence
P Education	P Education
Q Health and Social Services	Q Health and Social Work
R Arts, Entertainment and Recreation	R Arts, Entertainment and Recreation
S Other Service Activities	S Other Service Activities
T Activities of Households as Employers of Domestic Personnel	U Domestic Work Activities
U Activities of Extra-Territorial Organisations and Bodies	V Extra-Territorial Organisations and Bodies
V Activities not Adequately Defined	W Activities not Adequately Defined

The number of broad sections remains at 22 in SSIC 2010, similar to SSIC 2005. One of the major changes is the shift of the two-digit division containing non-real estate rental and leasing activities from the previous section 'Real Estate, Rental and Leasing Activities' to the section 'Administrative and Support Service Activities' in SSIC 2010. As a result, the section 'Real Estate, Rental and Leasing Activities' has been renamed as 'Real Estate Activities'.

There is a change in alphabets for some sections, partly due to the use of "Section I" in SSIC 2010 (but not in SSIC 2005) and partly due to the shift of the section 'Public Administration and Defence' from Section T in SSIC 2005 to Section O in SSIC 2010. The broad sections in SSIC 2010 run consecutively from Section A to Section V.

The number of two-digit, three-digit and four-digit codes has increased significantly in SSIC 2010, which results in finer details at the division, group and class level.

	SSIC 2010	SSIC 2005
Division (two-digit)	83	64
Group (three-digit)	205	164
Class (four-digit)	388	331
Item (five-digit)	1,097	1,089

The more significant new divisions in SSIC 2010 are shown below:

Section	Division	
Section F: Construction	41	Construction of Buildings
	42	Civil Engineering
	43	Specialised Construction Activities
Section G: Wholesale and Retail Trade	45	Wholesale and Retail Trade of Motor Vehicles and Motorcycles
Section I: Accommodation and Food Service Activities	55	Accommodation
	56	Food and Beverage Service Activities
Section J: Information and Communications	60	Radio and Television Broadcasting Activities
Section K: Financial and Insurance Activities	66	Activities Auxiliary to Financial Service and Insurance Activities
Section M: Professional, Scientific and Technical Activities	69	Legal and Accounting Activities
	70	Activities of Head Offices; Management Consultancy Activities
	73	Advertising and Market Research
	75	Veterinary Activities

Section	Division	
Section N: Administrative and Support Service Activities	78	Employment Activities
	79	Travel Agencies, Tour Operators and Reservation Service Activities
	80	Security and Investigation Activities
	81	Cleaning and Landscape Maintenance Activities
Section R: Arts, Entertainment and Recreation	91	Libraries, Archives, Museums and other Cultural Activities
	92	Gambling and Betting Activities
	93	Sports Activities and Amusement and Recreation Activities

A comparison table of SSIC 2010 and SSIC 2005 down to the class (four-digit) level is presented in the Appendix.

At the more detailed level, a number of five-digit codes have been introduced to identify new and emerging industries as well as to highlight existing ones which have become significant, but were combined with other industries previously. Some of these five-digit codes are shown below:

Section	Five-digit Codes Created	
Section C: Manufacturing	20298	Manufacture of Biofuels
	26114	Manufacture of Solar Wafers
	26115	Manufacture of Solar Cells
	27901	Manufacture of Fuel Cells
	28194	Manufacture and Repair of Solar Modules and Panels
Section D: Electricity, Gas and Air-Conditioning Supply	35102	Generation of Electricity by other sources (e.g. solar power, biofuels etc)
	35300	Air-Conditioning Supply
Section J: Information and Communications	59114	Animation Production
	62013	Development of Software for Interactive Digital Media (except games)
Section K: Financial and Insurance Activities	64301	Collective Portfolio Investment Funds (excluding REITs with Rental Income)
	65121	Marine Insurance
	66125	Carbon Credit Brokers/Traders
	66302	Hedge Fund Management
Section L: Real Estate Activities	68105	Real Estate Investment Trusts (REITs) with Rental Income
Section M: Professional, Scientific and Technical Activities	71123	Engineering Services in Clean Energy Systems (e.g. solar photovoltaics)
	72106	Research and Experimental Development on Environment and Clean Technologies
	72107	Research and Experimental Development on Medical Technologies
	74903	Patents Brokerage Activities

Section	Five-digit Codes Created	
	74905	Carbon Consultancy Services
Section P: Education	85410	Sports and Recreation Education (e.g. yoga, sports, martial arts, diving, aerobics)
Section R: Arts, Entertainment and Recreation	92002	Casinos
	93201	Amusement Theme Parks
Section S: Other Service Activities	94991	Philanthropic Trusts, Foundations and related activities
	94995	Organisations for the Protection of the Environment and Animals

In the area of environment, codes have been introduced for a wide range of activities including manufacturing (solar wafers, solar modules), engineering services (clean energy systems), research and development (environment and clean technologies) financial (carbon credit brokers) and consultancy services (carbon consultancy) as well as promotion (organisations for the protection of the environment and animals).

Unique codes have also been created for a variety of services in the media (animation production, development of software for interactive digital media), financial services (marine insurance, hedge fund management), intellectual property (patents brokerage), entertainment (casinos, theme parks) and charitable (philanthropic trusts and foundations) sectors.

On the other hand, codes for activities which have become insignificant (e.g. manufacturing of some audio-video equipment, healthcare management organisations) have been consolidated. Codes in SSIC 2005 which are difficult for a firm's predominant activity to be identified (e.g. mixed construction activities, composite insurance, composite reinsurance) have also been removed in SSIC 2010. Establishments previously classified under these codes will be recoded based on their predominant construction, insurance and reinsurance activity. For establishments previously classified in the activity 'distant learning infrastructure providers', they would be recoded to education service (if they offer education services via long distance learning) or information technology services (if they develop the software).

Codes from SSIC 2005 which are no longer in SSIC 2010 are listed below:

<b>Section (SSIC 2005)</b>	<b>Five-digit Codes Deleted (SSIC 2005)</b>	
Section C: Manufacturing	33301	Manufacture of radio receiving sets and sub-assemblies
	33304	Manufacture of sound reproducing and recording equipment
	33305	Manufacture of video reproducing and recording equipment (including video cameras)
	33903	Manufacture of military electronic products except communications equipment and apparatus
	33909	Manufacture and repair of electronic products nec
Section F: Construction	45230	Mixed construction activities
Section L: Financial and Insurance Activities	66103	Composite insurance
	66203	Composite reinsurance
	66905	Healthcare management organisations
Section P: Education	80502	Distance learning infrastructure providers