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Using the SSIC — How to Determine the Appropriate Code?

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What is the SSIC?

SSIC is the acronym for the Singapore Standard Industrial Classification. Designed primarily for classifying economic activities in Singapore for statistical purposes, the SSIC is used in the collection and compilation of a wide range of statistics, including Gross Domestic Product (GDP), business statistics as well as social and labour statistics.

The adoption of a common framework for classifying economic activities in Singapore ensures the comparability of data with industry breakdown compiled by different agencies.

How to Determine the Appropriate SSIC Code?

An SSIC code is assigned to an economic unit such as an enterprise or establishment based on its principal activity (see Box 1). Conceptually, the principal activity of an economic unit is determined by the activity that contributes the most value added (VA) using the top-down method (see Box 2).

Value Added Proxies

If information on the VA is unavailable, proxies such as revenue, profit, value of product shipments, total wages and employment may be used to determine the principal activity.

BOX 1 TWO COMMON ECONOMIC UNITS

Enterprise

- ≡ A legal unit that can own goods or assets, incur liabilities, enter into contracts and maintain a record of its own transactions (e.g. financial accounts)
- ≡ May engage in one or more economic activities

Establishment

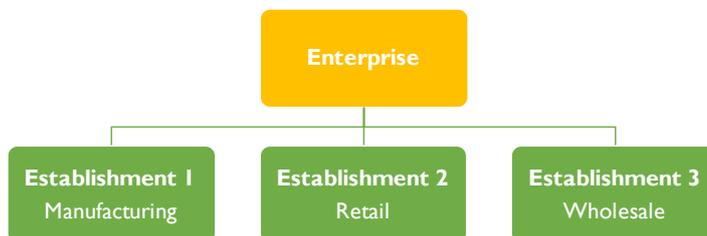
- ≡ An enterprise or part of an enterprise in which only one principal economic activity is carried out
- ≡ Defined for statistical purposes

Illustration of relationship between an enterprise and an establishment

An enterprise in which only one principal economic activity is carried out



An enterprise comprises a group of establishments, each of which carries out one principal economic activity



BOX 2 EXAMPLE OF THE TOP-DOWN METHOD FOR DETERMINING THE PRINCIPAL ACTIVITY

For an economic unit, identify the SSIC Section that corresponds to an activity contributing the highest VA, followed by the Division, Group and then the Class. Finally, select the Item with the highest VA contribution within the Class.

Based on the top-down method, the SSIC code and principal activity for this economic unit is SSIC 27321 'Manufacture of telecommunications cables and wires', which corresponds to Section C 'Manufacturing', as the VA is the highest.

The top-down method ensures that the classification at the lowest level (5-digit SSIC code at the Item level) is consistent with the classification at the highest level (Section).

Section	C 'Manufacturing' (VA = 10)		L 'Real Estate Activities' (VA = 5)
Division	24 'Manufacture of basic metals' (VA = 4)	27 'Manufacture of electrical equipment' (VA = 6)	
Group		273 'Manufacture of wiring and wiring devices' (VA = 4)	275 'Manufacture of domestic appliances' (VA = 2)
Class		2732 'Manufacture of electronic and electric wires and cables' (VA = 3)	2733 'Manufacture and repair of wiring devices' (VA = 1)
Item		27321 'Manufacture of telecommunications cables and wires' (VA = 3)	

In this example, the process of determining the principal activity and thus the SSIC code is outlined.

What Not to Consider when Determining an SSIC Code

Economic units engaged in the same economic activity are classified under the same SSIC code regardless of the following characteristics:

- Type of ownership (e.g. foreign, local, private or government owned)
- Type of legal organisation (e.g. sole proprietorship, partnership, company)
- Mode of operation (e.g. formal or informal production, produced by factories or households)
- Type of production/transaction methods (e.g. modern vs traditional), for instance:
 - Economic units that provide private-hire vehicle booking services through modern technologies (e.g. mobile applications) should be classified with firms that provide similar booking services using traditional means (e.g. radio or call centre).
 - Economic units providing banking services through virtual platforms or at brick-and-mortar banks should be classified together as they carry out the same principal activity.

SSIC 2015 (Version 2018) Publication

The latest SSIC publication is available on the [SingStat Website](#). Sections in the [complete report](#) of

the SSIC 2015 (Version 2018) relating to determining SSIC codes are listed below for easy reference.

- Classification of Industries (Pages 13 - 89)
- Description of Classes (Pages 91 - 255)
- Alphabetical Index (Pages 313 - 366)

If the principal activity of an economic unit is known, there are two possible ways of selecting the SSIC code from the publication viz.

- a) First referring to the Alphabetical Index to look for the term by which the economic activity is known, and confirming the choice of SSIC code by reading the Description of Classes; or
- b) First referring to the Classification of Industries to classify the principal activity broadly either at the Division or Group level before narrowing down to the most appropriate 5-digit code at the Item level. The choice of SSIC code should be confirmed by reading the Description of Classes.

Conclusion

Singapore's economic and industry statistics are compiled using the SSIC. Determining the appropriate SSIC codes for economic units improves the quality and comparability of statistics, which in turn facilitates analyses and planning by the government and business community.