

**12th East Asian Statistical Conference
13-15 November 2008, Tokyo, Japan**

***Developing and implementing the
Hong Kong Standard Industrial Classification Version 2.0
with reference to ISIC Revision 4***

By

H W FUNG

Commissioner for Census and Statistics

Hong Kong, China

Abstract

Noting the importance to comply with international standards in official statistics, so as to achieve harmonization and comparability in the global context, Hong Kong has kept abreast of the latest developments of the International Standard Industrial Classification of All Economic Activities Revision 4 (ISIC Rev. 4). Hong Kong has recently incorporated the conceptual and structural changes in ISIC Rev. 4 when reviewing the existing Hong Kong Standard Industrial Classification (HSIC). Furthermore, significant changes in the structure of the Hong Kong economy and the emergence of new economic activities have been taken into account when devising HSIC Version 2.0 (HSIC V2.0).

In the course of developing and implementing HSIC V2.0, strategic issues such as impacts on the Central Register of Establishments (CRE), special needs of various users, adaptation needed in various data collection programmes, as well as implications for production and dissemination of relevant statistics have been identified. It is necessary to pay attention to the lead time required for acquisition of resources for implementing the whole project, legal amendments to the respective survey orders, parallel coding in the CRE, sample redesign of relevant statistical surveys and corresponding enhancement to computer systems, and capacity building of all staff concerned. In this connection, high level commitment, advanced planning, timely involvement of stakeholders and proper institutionalization are crucial factors to overcome the various challenges.

The Hong Kong Standard Industrial Classification (HSIC)

The Census & Statistics Department (C&SD) of the Hong Kong Special Administration Region Government devises and maintains the Hong Kong Standard Industrial Classification (HSIC) as a statistical classification framework for classifying economic units into industry classes based on their major activities. This framework not only provides a basic stratification for sample selection of economic units in various surveys, but also serves as a standard industrial classification in Hong Kong for compilation, analysis and dissemination of statistics by economic activity.

2. The HSIC is modelled on the United Nations' International Standard Industrial Classification of All Economic Activities Revision 2 (ISIC Rev. 2) with local adaptation and its first Version 1.0 was introduced in 1990. The HSIC has been reviewed from time to time to reflect changes in the industrial structure of the Hong Kong economy and the emergence of new economic activities. Thus, HSIC Version 1.1 (V1.1), which represented a more significant round of update, has been implemented since 2001.

3. The HSIC has been the basis for compiling and presenting economic statistics (sectoral economic statistics and national accounts statistics) ever since its implementation. Relevant statistics have been made available in different statistical publications as well as on the C&SD website. They have also been widely used by government bureaux and departments for various purposes. For example, HSIC is being extensively used by the Government Economist and his team as a framework for economic analysis and forecast, and by the Labour and Welfare Bureau for manpower projection to take stock of the development in the labour market and to project the future manpower demand and supply in different industries under the HSIC framework.

4. Apart from being a major classification framework for economic survey systems, the HSIC is also used in the population data system for classifying and analysing employment information of Hong Kong residents.

The Central Register of Establishments (CRE)

5. One important application of HSIC is its use on type of business classification in the Central Register of Establishments (CRE) of the C&SD,

which is a computerised database containing information of all business establishments¹ in Hong Kong, including their establishment names, physical addresses, types of economic activity, employment sizes and other contact information. With some 350 000 active establishments, which include commercial undertakings, semi-government organisations and non-profit making bodies (e.g. welfare and education institutions), the CRE serves as a basic sampling frame for surveys on business establishments conducted by the C&SD. Users can make use of the HSIC information in the CRE for stratification purpose to select samples of specific groups of establishments as required. The CRE also provides records of individual establishments to the general public for their survey, publicity, business promotion, market segmentation and research purposes. To protect the rights and interests of individual establishments, only four disclosable particulars of the establishment are released, namely, name, address, type of business and employment size.

6. Information kept in the CRE is updated regularly through administrative records from various government departments and feedbacks from various surveys of the C&SD. The primary administrative records used to keep the CRE comprehensive and updated are the business registration records of the Business Registration Office (BRO) of the Inland Revenue Department, which provide core information including business registration number, business name and address for new business registrations, as well as amendments to the particulars of existing records. Other sources of administrative records include, for example, lists of schools from the Education Bureau, public light bus/taxi licenses from the Transport Department and lists of welfare institutions from the Social Welfare Department.

7. Various surveys conducted by the C&SD are another source for updating the type of business, employment size and operating status (such as active or dormant) of individual establishments in the CRE. Among these surveys, the Quarterly Survey of Employment and Vacancies (SEV), which is a mandatory survey with a large sample of 36 000 establishments per quarter, is a

¹ The basic unit of the CRE records is an establishment. An establishment in the CRE is an economic unit which engages, under a single ownership or control, in one or predominantly one kind of economic activity at a single physical location. Active establishments refer to those undertakings which have engaged one or more workers in carrying out their business activities.

major vehicle for updating the CRE. Through this survey, all CRE records are enumerated and updated at least once in every three years.

Development of HSIC V2.0

8. Noting the importance to comply with the international standards in official statistics, in particular the latest developments of ISIC Revision 4 (ISIC Rev. 4), as well as reflecting the significant changes in the structure of the Hong Kong economy and the emergence of new economic activities, a full-scale revision exercise on the HSIC aiming to achieve relevance, comparability and continuity has been conducted since 2006 and subsequently completed in 2008, leading to a new Version 2.0 for HSIC.

9. As an updated version of HSIC V1.1, HSIC V2.0 has adopted the basic framework and principles of ISIC Rev. 4, which was officially launched by the United Nations Statistics Division (UNSD) in mid August 2008 after several years of discussions in the international statistical community. The changes from HSIC V1.1 to HSIC V2.0 can be viewed as comprising three elements: changes in structure of classification scheme, changes for enhancing international comparability and changes initiated by Hong Kong to better meet the latest requirements of local users. These are highlighted in the paragraphs that follow.

(a) Changes in structure of HSIC

10. In order to incorporate the conceptual and structural changes in ISIC Rev. 4, the general structure of HSIC V1.1 has been changed from a 4-level to 5-level hierarchical system in HSIC V2.0. More details are introduced especially at the first two levels in the services sector to reflect its increasing significance in the Hong Kong economy. The number of top level groups has been increased from 9 in HSIC V1.1 (represented by 1-digit numeral, i.e. 1 to 9) to 21 in HSIC V2.0 (represented by 1 alphabet, i.e. A to U). For example, the Industry Sector “Financing, insurance, real estate and business services” in HSIC V1.1 is split into 4 top level groups in HSIC V2.0. In fact, the 21 top level groups in HSIC V2.0 are in full compliance with those in ISIC Rev. 4. As regards the most detailed level, there are altogether 1 000 6-digit codes in HSIC V2.0, compared with 886 6-digit codes in HSIC V1.1. The hierarchical structures of HSIC V1.1, HSIC V2.0 and ISIC Rev. 4 are summarised below :

HSIC V1.1		HSIC V2.0		ISIC Rev. 4	
Code (digit)	No. of categories	Code (digit)	No. of categories	Code (digit)	No. of categories
1 numeral	9 Industry Sectors	1 alphabet	21 Industry Sections	1 alphabet	21 Sections
3 numeral	84 Major Industry Groups	2 numeral	88 Industry Divisions	2 numeral	88 Divisions
4 numeral	404 Industry Groups	3 numeral	221 Industry Groups	3 numeral	238 Groups
		4 numeral	483 Industry Classes	4 numeral	419 Classes
6 numeral	886 Industries/Trades	6 numeral	1 000 Industry Sub-classes	Not applicable	

11. The two-digit categories of HSIC V2.0 represent the most important local industry sectors and are compatible with those of ISIC Rev. 4. This compatibility serves to follow the recommendation of the United Nations on maintaining compliance at level 2 of ISIC Rev. 4. Furthermore, high degree of conformance is achieved for the third and fourth levels (i.e. 3- and 4-digit) in HSIC V2.0.

12. Six-digit codes of HSIC V2.0, constituting its fifth level, are defined to meet local classification needs. Many of them have their 6-digit counterparts in HSIC V1.1 in order to preserve continuity. In addition, a number of new 6-digit codes are introduced for new industries as well as for the existing ones which have become significant but have previously been subsumed under a broader industry code with other industries (e.g. under those miscellaneous or residual activities codes in various sectors). **Annex 1** shows a crude conversion between the top level classifications of HSIC V1.1 and HSIC V2.0.

(b) Changes for Enhancing International Comparability

13. Aligning with ISIC Rev. 4, HSIC V2.0 serves as an essential tool for international data comparison as many economies have been making efforts to make reference to ISIC Rev. 4, at least at the 2-digit level. The implementation of HSIC V2.0 will bring Hong Kong fully compatible with this major international development and facilitate such users as international organisations and investors in using the official statistics.

14. Accommodating the conceptual and structural changes of ISIC Rev. 4, a number of new groups at higher levels have been introduced into HSIC V2.0. An example is the “Information and communications” industry, which is

characterised by the involvement of intellectual creativity and the products involved are usually protected by copyright. Such activities and the related content transmitting services have been identified as a rapidly growing sector in the Hong Kong economy. They are classified under one of the top level groups in HSIC V2.0 (as level 1 Industry Section “J”), which is in line with ISIC Rev. 4. Besides, a top level group consolidating all environment-related activities, namely, “Water supply; sewerage, waste management and remediation activities”, has been created as a level 1 Industry Section in HSIC V2.0 (Section “E”).

(c) *Changes Initiated by Hong Kong to Better Meet Local Requirements*

15. Similar to many other economies, Hong Kong has her own industrial classification commensurate with local economic structure and local user needs. Hong Kong has experienced significant structural economic shift over the years as revealed through the changing contribution of different industries to the Gross Domestic Product (GDP). In 1991, the service industries as a whole contributed 77.8% to GDP (at current factor cost) and the figure rose to 91.2% in 2006. On the contrary, the contribution of the manufacturing industries decreased from 14.5% of GDP in 1991 to merely 3.2% in 2006. HSIC V2.0 is capable of reflecting the continuous expansion of service industries and the substantial contraction in manufacturing industries.

16. To reflect the importance of service industries in the local economy, selected economic activities of local significance are separately represented at a high level. A typical example is the representation of “Import/Export” as a separate level 2 industry in HSIC, which in ISIC Rev. 4 is subsumed under level 1 Section “G” for “Wholesales and retail trades” with other industries. This is because “Import/Export” has all the time been one of the most important economic sectors in Hong Kong, and its percentage contribution to GDP (at current factor cost) increased from 15.1% in 1991 to 21.4% in 2006. In HSIC V2.0, “Import/Export” is further divided into two level 3 groups, namely, “Import for wholesale” and “Export trade”. The separation of “Import for wholesale” from other industries in HSIC V2.0 (which cannot be singled out in HSIC V1.1) is in particular useful since it can be combined with another level 2 group “Wholesale” to provide a good framework for studies on domestic wholesaling activities. As an illustration, both “Wholesale” and “Import for wholesale” are indicated in bold type in the table below :

HSIC V1.1		HSIC V2.0		
Level 2 (3-digit)	Levels 3 and 4 (4- and 6-digit)	Level 2 (2-digit)	Level 3 (3-digit)	Levels 4 and 5 (4- and 6-digit)
Retail	Product details	Retail	Type of selling means/ products	Product details
Wholesale	Product details	Wholesale	3 rd digit being a dummy zero	Product details *
Import/ Export	Product details	Import and export trade	Export trade	Product details *
			Import for wholesale	Product details *

* 4- and 6-digit codes under the three categories will have the same last 3 digits if they represent the same product(s).

17. For manufacturing industries, along with its decreasing significance, the total number of 6-digit codes is reduced from 372 in HSIC V1.1 to 244 in HSIC V2.0 through merging a number of low level industry groups. For example, “Watches and clocks, mechanical, manufacturing” is no longer divided into four sub-categories “Clocks, mechanical, manufacturing”, “Watches, mechanical, manufacturing”, “Clock movements, mechanical, manufacturing” and “Watch movements, mechanical, manufacturing”, and similarly for “Watches and clocks, electronic, manufacturing”. The drop in the number of codes aligns with the fact that manufacturing operations have largely been relocated to the mainland of China although the back-office service and logistics support are still available in Hong Kong.

18. Refined industries which are significant in the local economy are also accommodated at different lower levels in HSIC V2.0. As an illustration, more industry breakdowns have been introduced in the Industry Sector “Community, social and personal services” in HSIC V1.1 to form groups at different levels in HSIC V2.0. Such a move reflects the changing nature and growing importance of the sector. While many codes at the most detailed level in HSIC V1.1 are to be kept in HSIC V2.0, efforts have been made to study whether some level 3 or 4 codes could be further split into level 5 codes, in particular for those miscellaneous or residual activities codes for education services, amusement and recreational services, and personal services, which are all considered too broad nowadays for analytical purposes and meeting users’ needs. Examples on services singled out as level 5 codes in this regard are “Yoga and gymnastics

instruction”, “Weight control and slimming services” and “Foot reflexology”.

Strategic considerations in developing and implementing HSIC V2.0

19. As revealed in the preceding paragraphs, a number of changes, of different scales, have been introduced into HSIC V2.0. Implementation of HSIC V2.0 in the C&SD means that all the HSIC codes of the establishments currently kept in the CRE have to be converted. Besides, all economic survey systems have to be modified to dovetail with the changes and adopt the new HSIC codes in activities ranging from redesign of sampling scheme to publication of statistics. Their respective computer systems have to be modified accordingly. Recompile of past statistics according to HSIC V2.0 is also required. Furthermore, a wide spectrum of users will be affected when HSIC V2.0 is implemented. All these will have substantial and extensive impacts on the existing statistical infrastructure of the C&SD. As such, issues relating to the development and implementation of HSIC V2.0, such as planning, revision, funding, training and implementation, would need to be identified early and be addressed carefully. The C&SD has adopted a strategic and centrally coordinated approach to face the challenges and to manage the said changes that may occur throughout the course of the project.

(a) Institutionalisation

20. High level commitment as well as proper institutionalisation is no doubt the first step to pave way for the successful completion of the whole project. A “Working Group on Revision of HSIC” has been set up in the C&SD in early 2006 in order to map out the implications of introducing ISIC Rev. 4 for the work of the C&SD; to work out the implementation approach; to advise and monitor the revision of HSIC under the framework of ISIC Rev. 4 taking into account the structure and development of the local economy; and to deliberate issues and make recommendations relating to the implementation of HSIC V2.0.

21. The Working Group is headed by a Directorate officer with senior professionals of the C&SD serving as members. These senior professionals, who are responsible for different economic sectoral statistics and social statistics, play the role of coordinators to seek views of other stakeholders within their respective subject areas. Having considered the time required and the work involved, strategies on development, implementation and communications have

been worked out, and schedules and milestones for the whole project have been planned and endorsed. Implementation plans, progress and issues are reported regularly to the Commissioner for Census and Statistics and the policy bureau overseeing work of the C&SD (the Financial Services and the Treasury Bureau).

22. As mentioned in para 19, respective computer systems have to be enhanced so as to incorporate the new HSIC V2.0 codes. Given that a large funding for this purpose is required, a considerable number of scattered applications are involved, a sizable number of staff are to be employed, and many different software and hardware items are required, it is necessary to monitor the entire project very closely. The PRINCE (PRojects IN Controlled Environments) project management method is considered appropriate for managing the project. As accepted by the Working Group, a Project Steering Committee (PSC) and three Sub-committees on Project Management and Assurance (SPMA) have then been established for the purpose and they are functioning till the completion of enhancements to all computer systems.

23. By monitoring and controlling through well established institutionalised means, the revision and development work has been progressing smoothly.

(b) Consultation

24. Early involvement of stakeholders with accountability recognised is another key factor. During the revision of HSIC and development of HSIC V2.0, consultation was conducted within the C&SD from time to time so that views of data producers could be grasped early and be incorporated into the framework of HSIC V2.0. Similarly, an extensive consultation exercise was conducted for the stakeholders outside the department from January 2007 to February 2007 to ensure that a wide cross-section of stakeholders were involved and the adopted details in HSIC V2.0 were representative of the current economic activities. Parties consulted in the exercise included all government bureaux and departments and more than 210 organisations, comprising semi-government bodies, academic institutions, federations/chambers of commerce and private companies from different industries. Besides inviting written comments, briefing sessions were conducted so that the stakeholders could express their views in depth, and deliberate and clarify issues arising from the drafting of the HSIC. The comments received during the consultation exercise were deliberated by the Working Group and have been incorporated

into the final version of HSIC V2.0 as far as possible.

(c) *Continuity*

25. Statistical work is not a piece of isolated work at a particular point of time. Continuity with previous work done is an important element in order that related statistical results spanning over time are meaningful and useful to data users. To ensure that such an objective can be achieved, in addition to converting the HSIC codes of the existing records in the CRE, it is also important to provide parallel codes, i.e. codes with both HSIC V1.1 and HSIC V2.0, so that they can form a sound basis to allow continuity in various statistical activities of survey systems. The former resulted in the mounting of the CRE Special Updating Exercise (CRESUE) in which considerable number of enumerators and coding staff were engaged. This was because among the 350 000 active establishments in the CRE, around 210 000 establishments involved splitting or regrouping of industry codes. These cases required updating of industry information firstly by telephone interview and failing that, by field enumeration. As regards parallel coding, it required additional staff to perform coding work for eight reference quarters in 2008 and 2009. Recoding of CRE records is a crucial task in the whole project as quality conversion of HSIC codes in the CRE ensures a good start for other consequent activities such as sample redesign of surveys and computer system enhancement. This can save a lot of possible remedial actions which would otherwise be required.

26. Regarding the production and compilation of statistics, it is highly desirable to achieve stability of statistics of the data series and to maintain continuity as far as possible. The availability of parallel codes in the CRE is essential for the data producers to make reference for redesigning their surveys in view of the changes incurred in HSIC V2.0, particularly the possible demand for statistics under the new industry groups. In this regard, data producers will have to face the challenges of striking a balance between sample size requirements, which will have direct impact on the precision requirements of the estimates, and the resources available during the redesign process. They will also have to consider carefully the best means to make use of the parallel codes as benchmark for backcasting historical series in HSIC V2.0.

(d) *Resources acquisition*

27. The implementation of HSIC V2.0 is, to some extent, a great challenge to the C&SD as resources are required to fund many different activities. Among them, the conversion of HSIC codes of the existing records and the provision of parallel codes in the CRE are extremely crucial, which would require substantial additional funding. Timely acquisition of the necessary funding for carrying out the related jobs was thus very important.

28. Extended impacts on the various data collection programmes of the C&SD are also huge, where the compilation, production and dissemination of relevant statistics have to be modified and the corresponding computing systems enhanced. To address this, a coordinated approach had been adopted for drawing up a centralised proposal on resource funding requirement covering all affected programmes. This coordinated approach was efficient in saving a lot of administrative costs, although the time required to complete the process was invariably longer.

29. Even though there is centralised and coordinated effort for acquiring the resources to handle the various jobs, the support of existing staff, who are experienced and knowledgeable on the subject matter than newly employed staff, play an indispensable role throughout the project. The existing staff are involved in the various facets of the project, such as industrial classification, end-user computing systems and field enumeration. Hence, an appropriate internal redeployment plan with harmonisation on the human resources obtained has to be worked out early and carefully.

(e) *Capacity building/implementation tools*

30. The implementation of HSIC V2.0 can be regarded as an important statistical capacity building process. To equip relevant staff, stakeholders and users to manage the changes, a number of tools have been identified for use in the implementation process. These include the self-contained HSIC V2.0 Manual in bilingual form, i.e. Chinese and English, which contains the index of codes for HSIC V2.0, detailed structure and explanatory notes. The e-version of the Manual will also be made available on the C&SD website.

31. Moreover, a computerised search tool for checking HSIC V2.0

information is being developed and will also be made available on the website of the C&SD. Apart from searching based on HSIC V2.0 codes, the tool also allows users to search among code examples as well as among code titles and explanatory text. In addition, a function for displaying a full hierarchy of HSIC V2.0 will be provided through which users can grasp the detailed structure of HSIC V2.0 easily.

32. Since HSIC V1.1 has been used for the collection and presentation of statistics in many areas for years, there is a strong need for concordance tables between HSIC V2.0 and HSIC V1.1 to reveal the detailed changes that have taken place in the revision process. Complete detailed concordances between HSIC V2.0 and HSIC V1.1 will be made available on the website of the C&SD shortly.

33. Training sessions on applying the revised HSIC have been held for all relevant officers of the C&SD. Besides introducing the objectives of implementing HSIC V2.0 and the changes incurred, the more specific issues of adaptation and use of HSIC V2.0 in the data collection programmes were highlighted. These include, for example, the likely changes in the coverage of various existing sectoral economic surveys to accommodate the economic activities that are newly added to HSIC V2.0. Participants were encouraged to raise points for discussion and issues of common interest were subsequently posted to the departmental intranet as an information sharing process for all participants concerned.

34. In the course of developing the various implementing tools for HSIC V2.0, the UNSD website, which contains such rich materials as the Classification Newsletter, Classification Registry, draft versions of ISIC Rev. 4, workshop presentations and documents, and meeting papers of the UN Statistical Commission, Expert Group and Technical Subgroup, is frequently referred to. It is also noted that Eurostat has developed a set of documentations, covering the setting up of the implementation plan, implementation in Business Registers, sampling and estimation of weights, and backcasting, in relation to the implementation of NACE V2.0 (statistical classification of economic activities in the European Community revision 2). These documentations are currently kept at the Communication & Information Resource Centre Administrator and are found very useful and practical references for planning the implementation of HSIC V2.0. Furthermore, documents found at the

websites of government statistics agencies are also very resourceful materials. Such sharing of resource materials, particularly the lessons learned, is very important in our course of developing various strategies and materials for implementing HSIC V2.0.

(f) Other implementation issues

35. The revision of HSIC has resulted in the re-classification of a number of economic activities, in particular the refined service industries as highlighted in para 18 above. This will pose direct impacts on the coverage of the existing sectoral economic surveys. As statistical surveys conducted by the C&SD are put under different survey orders in the Census and Statistics Ordinance, assessments have to be made on whether amendment to or perhaps introduction of new legislations on the conduct of statistical surveys will be required to support the changes.

36. An example on a sectoral survey entitled the Quarterly Survey of Service Industries (QSSI) is given here. In view of the increased breakdown of personal services industries introduced in the Industry Sector “Community, social and personal services” in HSIC V1.1 to form groups at different levels in HSIC V2.0, the coverage of the QSSI has to be redefined, such as including the beauty and body prettifying treatment activities into the survey. It is therefore necessary to amend the legislation for QSSI to ensure that the establishments in these newly covered industries can be sampled for enumeration in the survey. As legislative procedures are time consuming, the work on amending the relevant legislation of QSSI has been started early so that the legal provisions can be put in force in time to empower the C&SD to collect the required data as from the first quarter of 2009.

Implementation plan for HSIC V2.0

37. The implementation plan for HSIC V2.0 is tied in with that for ISIC Rev. 4 as far as possible. With the official release of ISIC Rev. 4 by UNSD on 11.8.2008, HSIC V2.0 is scheduled for official launching on 31.10.2008.

38. As mentioned in para 25 above, CRESUE was started in August 2007 and completed in early 2008, enabling the CRE to fulfill the function of serving as a survey sampling frame and a platform for other survey systems to perform

code conversion and other adjustments as necessary. The CRE is now undergoing parallel coding for reference years 2008 and 2009. As various surveys of the C&SD will adopt HSIC V2.0 progressively starting from reference year 2009, necessary computer system enhancements have been started, and sample redesign and plan for backcasting the historical data series are being undertaken.

39. The introduction of HSIC V2.0 will also affect the compilation of the production based Gross Domestic Product (GDP), which is based mainly on inputs from the Programme of Annual Economic Surveys (PAES) targeted at different industry sectors. The results of the PAES in HSIC V2.0 for reference year 2009 and before will be made available in late 2010. Accordingly, the GDP in HSIC V2.0 for the reference year 2009 and before will be made available in 2011.

40. Relevant government bureaux and departments will also adjust their analytical framework by economic activity with reference to HSIC V2.0 as from 2009. Support from the C&SD will be given from time to time to ensure smooth transition from HSIC V1.1 to HSIC V2.0.

41. The official launching of HSIC V2.0 is not an end to the relevant development and implementation work. Implementation of HSIC V2.0 is an ongoing activity. Issues arising from the implementation will be kept in a registry and shared among stakeholders, and will be useful reference for the future updating of HSIC V2.0

Concluding remarks

42. The implementation of HSIC V2.0 affects not only a specific business register but also many related data collection programmes that rely on the register as a sampling frame. Considerable changes to the existing statistical infrastructure will be introduced, which have to be carefully managed.

43. The completion of various tasks so far hinged on a number of critical factors. High level commitment and structured project management were no doubt key contributors. Given the far reaching impacts, early involvement of stakeholders was essential to solicit their buy-in and commitment. Equally important was the formulation of a capacity building plan and the development

of various implementation tools, in order to enhance readiness of staff to meet the challenges ahead. The experience gathered in the implementation of HSIC V2.0 will serve as valuable knowledge in handling statistical exercises of similar scale in the years to come.

**Crude conversion between the top level classifications of
HSIC V1.1 and HSIC V2.0**

HSIC V1.1		HSIC V2.0	
Industry Sector	Title	Industry Section	Title
1	Agriculture and fishing	A	Agriculture, forestry and fishing
2	Mining and quarrying	B	Mining and quarrying
3	Manufacturing	C	Manufacturing
4	Electricity, gas and water	D	Electricity and gas supply
		E	Water supply; sewerage, waste management and remediation activities
5	Construction	F	Construction
6	Wholesale, retail and import/export trades, restaurants and hotels	G	Import/export, wholesale and retail trades
		I	Accommodation and food service activities
7	Transport, storage and communications	H	Transportation, storage, postal and courier services
		J	Information and communications
Selected trades of various sectors			
8	Financing, insurance, real estate and business services	K	Financial and insurance activities
		L	Real estate activities
		M	Professional, scientific and technical activities
		N	Administrative and support service activities
9	Community, social and personal services	O	Public administration
		P	Education
		Q	Human health and social work activities
		R	Arts, entertainment and recreation
		S	Other service activities
		T	Work activities within domestic households
		U	Activities of extraterritorial organisations and bodies