

A NOTE ON INDUSTRIAL AND TRADE CLASSIFICATION

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THE growth and diversification of the production and trade overtime requires changes in the classification. In addition to these changes in the definition of the unit such as factory or establishment, the objectives with which data are collected might also change over time. All these make the task of a researcher engaged in studies concerning changes over time, involving numerous adjustments in making the data comparable over the time, very difficult.

In studies dealing with the problems of relationship between domestic production and external (Import and Export) sector the additional problem of getting a correspondence between classifications used for recording trade and industrial data arises. In this note we propose to establish a correspondence between different classifications used in recording industrial and trade data.

Industrial Classifications

Industrial classification attempts to group together economic activities which are akin in terms of the process adopted, the raw material used and the finished products produced. The basis of the classification being the nature of economic activity, carried on in an establishment, it follows that unit of classification should be an establishment. The ASI census sector defines establishments which are registered under the Indian Factories Act 1948, which employ 50 or more workers with the aid of power or 100 or more workers without the aid of power.

The Standard Industrial Classification (SIC) consists of 9 divisions 55 major groups, 284 groups and 753 sub-groups. It follows International Standard Industrial Classification (ISIC) in its entirety at the division (first digit) level. It deviates slightly at the major group level. At the group (3 digit) level the SIC retains all the groups of ISIC and provides for more. Some of the special features of the Indian economy have been given due recognition at this level. While ISIC stops at the group level the SIC attempts a lower level of classifications in terms of sub-groups so as to meet national requirement adequately. Data in Monthly Statistics of Production of selected Industries, giv-

* Thanks are due to Miss V. Mahajan for her sincere assistance.