

Appendix A: NAICS Definitions

North American Industrial Classification System (NAICS): Sector Definitions

Agriculture, Forestry (NAICS 11)

This sector comprises establishments primarily engaged in growing crops, raising animals, harvesting timber, harvesting fish and other animals from their natural habitats and providing related support activities.

Establishments primarily engaged in agricultural research or that supply veterinary services are not included in this sector.

Mining and Oil and Gas Extraction (NAICS 21)

This sector comprises establishments primarily engaged in extracting naturally occurring minerals. These can be solids, such as coal and ores; liquids, such as crude petroleum; and gases, such as natural gas.

The term *mining* is used in the broad sense to include quarrying, well operations, milling (for example, crushing, screening, washing, or flotation) and other preparation customarily done at the mine site, or as a part of mining activity.

Establishments engaged in exploration for minerals, development of mineral properties and mining operations are included in this sector. Establishments performing similar activities, on a contract or fee basis, are also included.

Manufacturing (NAICS 31-33)

This sector comprises establishments primarily engaged in the physical or chemical transformation of materials or substances into new products. These products may be finished, in the sense that they are ready to be used or consumed, or semi-finished, in the sense of becoming a raw material for an establishment to use in further manufacturing.

Related activities, such as the assembly of the component parts of manufactured goods; the blending of materials; and the finishing of manufactured products by dyeing, heat-treating, plating and similar operations are also treated as manufacturing activities.

Manufacturing establishments are known by a variety of trade designations, such as plants, factories or mills. Manufacturing establishments may own the materials which they transform or they may transform materials owned by other establishments. Manufacturing may take place in factories or in workers' homes, using either machinery or hand tools.

Wholesale Trade (NAICS 41)

This sector comprises establishments primarily engaged in wholesaling merchandise and providing related logistics, marketing and support services. The wholesaling process is generally an intermediate step in the distribution of merchandise; many wholesalers are therefore organized to sell merchandise in large quantities to retailers, and business and institutional clients. However, some wholesalers, in particular those that supply non-consumer capital goods, sell merchandise in single units to final users.

This sector recognizes two main types of wholesalers, that is, wholesale merchants and wholesale agents and brokers.

Retail Trade (NAICS 44-45)

The retail trade sector comprises establishments primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

The retailing process is the final step in the distribution of merchandise; retailers are therefore organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers, that is, store and non-store retailers.

Information and Cultural Industries (NAICS 51)

This sector comprises establishments primarily engaged in creating and disseminating (except by wholesale and retail methods) information and cultural products, such as written works, musical works or recorded performances, recorded dramatic performances, software and information databases, or providing the means to disseminate them. Establishments that provide access to equipment and expertise to process information are also included.

The main components of this sector are the publishing industries (except exclusively on Internet), including software publishing, the motion picture and sound recording industries, the broadcasting industries (except exclusively on Internet), the internet publishing and broadcasting industries, the telecommunications industries, the internet service providers, web search portals, data processing industries, and the other information services industries.

Finance and Insurance (NAICS 52)

This sector comprises establishments primarily engaged in financial transactions (that is, transactions involving the creation, liquidation, or change in ownership of financial assets) or in facilitating financial transactions. Included are:

- Establishments that are primarily engaged in financial intermediation. They raise funds by taking deposits and/or issuing securities, and, in the process, incur liabilities, which they use to acquire financial assets by making loans and/or purchasing securities. Putting themselves at risk, they channel funds from lenders to borrowers and transform or repackage the funds with respect to maturity, scale and risk.
- Establishments that are primarily engaged in the pooling of risk by underwriting annuities and insurance. They collect fees (insurance premiums or annuity considerations), build up reserves, invest those reserves and make contractual

payments. Fees are based on the expected incidence of the insured risk and the expected return on investment.

- Establishments that are primarily engaged in providing specialized services that facilitate or support financial intermediation, insurance and employee benefit programs.

In addition, establishments charged with monetary control - the monetary authorities - are included in this sector.

Real Estate and Rental Leasing (NAICS 53)

This sector comprises establishments primarily engaged in renting, leasing or otherwise allowing the use of tangible or intangible assets.

Establishments primarily engaged in managing real estate for others; selling, renting and/or buying of real estate for others; and appraising real estate, are also included

Professional, Scientific and Technical Services (NAICS 54)

This sector comprises establishments primarily engaged in activities in which human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an assignment basis.

The main components of this sector are:

- legal services industries;
- accounting and related services industries;
- architectural, engineering and related services industries;
- surveying and mapping services industries;
- design services industries;
- management, scientific and technical consulting services industries;
- scientific research and development services industries;
- Advertising services industries.

The distinguishing feature of this sector is the fact that most of the industries grouped in it have production processes that are almost

wholly dependent on worker skills. In most of these industries, equipment and materials are not of major importance. Thus, the establishments classified in this sector sell expertise.

Management of Companies and Enterprises (NAICS 55)

This sector comprises establishments primarily engaged in managing companies and enterprises and/or holding the securities or financial assets of companies and enterprises, for the purpose of owning a controlling interest in them and/or influencing their management decisions.

They may undertake the function of management, or they may entrust the function of financial management to portfolio managers

Educational Services (NAICS 61)

This sector comprises establishments primarily engaged in providing instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities and training centres.

These establishments may be privately owned and operated, either for profit or not, or they may be publicly owned and operated. They may also offer food and accommodation services to their students.

Health Care and Social Assistance (NAICS 62)

This sector comprises establishments primarily engaged in providing health care by diagnosis and treatment, providing residential care for medical and social reasons, and providing social assistance, such as counselling, welfare, child protection, community housing and food services, vocational rehabilitation and child care, to those requiring such assistance.

Accommodation and Food Services (NAICS 72)

This sector comprises establishments primarily engaged in providing short-term lodging and complementary services to travellers, vacationers and others, in facilities such as hotels, motor hotels,

resorts, motels, casino hotels, bed and breakfast accommodation, housekeeping cottages and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps.

This sector also comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer order, for immediate consumption on and off the premises.

Public Administration (NAICS 91)

This sector comprises establishments primarily engaged in activities of a governmental nature, that is, the enactment and judicial interpretation of laws and their pursuant regulations, and the administration of programs based on them.

Legislative activities, taxation, national defence, public order and safety, immigration services, foreign affairs and international assistance, and the administration of government programs are activities that are purely governmental in nature.