

2.National Industrial Classification – Economy

Culmination Ceremony of the 75th Anniversary of the National Sample Survey (NSS) and World Statistics Day 2025. The Ministry of Statistics & Programme Implementation (MoSPI) has released the National Industrial Classification (NIC) 2025, replacing the 2008 version with a new 6-digit coding system. Aligned with the UN's ISIC Rev. 5, this revision aims to capture data on emerging sectors like the digital economy, green energy, and traditional industries like Aayush and Handlooms.

1. Context and Launch

Release Event – The Ministry of Statistics & Programme Implementation (MoSPI) released the NIC 2025.

Occasion – The launch coincided with the 75th anniversary of the National Sample Survey (NSS) and World Statistics Day.

Location – The event took place in Udaipur, Rajasthan.

2. Understanding National Industrial Classification (NIC)

Definition & Mandate

Official System – It is India's official statistical classification system designed to categorize economic activities across all sectors (Agriculture, Industry, Services).

Nodal Agency – Developed and maintained by MoSPI.

Core Purpose

Standardization – It provides a standardized framework for collecting, organizing, and publishing economic data.

Consistency – It ensures consistency in national accounts, industry surveys, and government databases.

Key Applications

NIC codes are mandatory or widely used for – Company Registration (MCA). GST Filings. Labour Surveys (PLFS). Economic Censuses. Industrial Licensing. National Income Accounting (GDP calculation).

3. Evolution and Global Alignment

Historical Timeline – India's classification system has evolved significantly to keep pace with the economy – NIC 1962 – 1970 – 1987 – 1990 – 1998 – 2004 – 2008. NIC 2025 is the latest revision after a significant gap since 2008.

Global Compliance – NIC 2025 is aligned with the UN's International Standard Industrial Classification (ISIC) Revision 5.

Benefit – This ensures that Indian economic data is comparable with global statistics.

4. Need for the 2025 Revision

The revision was necessitated by dynamic changes in the global and Indian economy.

Economic Transformation – To capture rapid changes driven by technology, innovation, fintech, e-commerce, and digital intermediation.

Recognizing Indigenous Sectors – Specific inclusion of Indian-origin sectors such as Ayush-based healthcare and the handloom industry, which were previously not distinctly categorized.

Structural Shifts – To incorporate changes in production systems, organizational models, and emerging business structures.

Environmental Imperatives – To account for the growing "Green Economy," covering activities like carbon capture and environmental remediation.

5. Key Features of NIC 2025

New Coding Structure

6-Digit System – Introduces a new 6-digit code system, replacing the earlier 5-digit system (NIC-2008).

Benefit – Offers greater granularity (detail) and flexibility in capturing niche emerging activities.

Digital Economy Coverage

Distinct classifications have been created for – Cloud infrastructure.
Blockchain technologies.

1. Platform-based services.
2. Web search portals.

C. Enhanced Intermediation Services – Reflects the expanding role of "middlemen" or platforms in the economy. New classes introduced in Power, Retail, Logistics, Healthcare, Education, Real Estate, and Food Services.

D. Environmental & Green Economy Focus

Expanded coverage for –

1. Carbon capture and storage.
2. Waste management.
3. Environmental remediation.

Alignment – Aligns with Sustainable Development Goals (SDGs) and the SEEA (System of Environmental-Economic Accounting) framework.

E. Methodology

Technology-Agnostic – It categorizes activities based on the output or activity type, rather than the specific technology used to produce it.

6. Comparison – NIC-2008 vs. NIC-2025

Feature	NIC-2008	NIC-2025
Coding Structure	5-Digit System	6-Digit System (Higher Granularity)
Global Standard	Aligned with UN ISIC Rev. 4	Aligned with UN ISIC Rev. 5
Traditional Sectors	General categories	Specific recognition of Aayush & Handlooms
Digital Economy	Limited coverage	Dedicated codes for Blockchain, Cloud, AI
Green Economy	Basic coverage	Aligned with SEEA & SDGs (Carbon capture, etc.)

7. Significance and Applications

National Accounts – Improved accuracy in compiling GDP (Gross Domestic Product), GVA (Gross Value Added), and IIP (Index of Industrial Production).

Sunrise Sectors – Better mapping and data collection for emerging sectors like Renewable Energy, AI, and Data Centres.

Policy Formulation – The 6-digit level data provides granular insights, aiding precise policy-making.

Ease of Doing Business – Standardizes classifications across various regulators – Goods and Services Tax Network (GSTN). Ministry of Corporate Affairs (MCA). Employees' Provident Fund Organization (EPFO). Reserve Bank of India (RBI).

Surveys – Supports more accurate employment, MSME, and sectoral surveys.

8. About UN's International Standard Industrial Classification (ISIC)

Overview – A United Nations system for classifying economic activities to ensure consistency across different countries.

Nodal Agency – Developed and maintained by the United Nations Statistics Division (UNSD).

Purpose – Serves as a universal framework to organize industries, enabling countries to produce harmonized economic statistics.

Structure – Hierarchical division into Sections → Divisions → Groups → Classes.

Usage – Used globally for GDP compilation, labour-force surveys, and business registers.

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