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## Frequently Asked Questions (FAQs)

### What is NAICS and how is it used?

The North American Industry Classification System (NAICS, pronounced Nakes) was developed under the direction and guidance of the Office of Management and Budget (OMB) as the standard for use by Federal statistical agencies in classifying business establishments for the collection, tabulation, presentation, and analysis of statistical data describing the U.S. economy. Use of the standard provides uniformity and comparability in the presentation of these statistical data. NAICS is based on a production-oriented concept, meaning that it groups establishments into industries according to similarity in the processes used to produce goods or services. NAICS replaced the Standard Industrial Classification (SIC) system in 1997. NAICS was initially developed and subsequently revised by Mexico's INEGI, Statistics Canada, and the U.S. Economic Classification Policy Committee (the latter acting on behalf of OMB). The goal of this collaboration was to produce common industry definitions for Canada, Mexico, and the United States. These common definitions facilitate economic analyses of the economies of the three North American countries. The statistical agencies in the three countries produce information on inputs and outputs, industrial performance, productivity, unit labor costs, and employment. NAICS, which is based on a production-oriented concept, ensures maximum usefulness of industrial statistics for these and similar purposes. NAICS in the United States was designed for statistical purposes. However, NAICS is frequently used for various administrative, regulatory, contracting, taxation, and other non-statistical purposes. For example, some state governments offer tax incentives to businesses classified in specified NAICS industries. Some contracting authorities require businesses to register their NAICS codes, which are used to determine eligibility to bid on certain contracts. The requirements for these non-statistical purposes played no role in the initial development of NAICS or its later revisions.

Various agencies and organizations have also begun using NAICS as a basis for their procurement programs, requiring that a NAICS code be provided for each good or service to be procured. NAICS is an industry classification system, not a product classification system, and therefore neither intended nor well suited for this purpose. The North American Product Classification System (NAPCS) is currently under development under the direction and guidance of OMB and also in collaboration with Canada and Mexico. This system is intended to incorporate all of the outputs/ products of the industries defined in NAICS, with "product" referring to goods produced and services provided. For statistical purposes, a business establishment is assigned one NAICS code, based on its primary business activity. Once NAPCS is complete, multiple NAPCS codes could be linked to any one establishment to indicate its various products.

### What is an establishment?

### What are "statistical purposes?"

### What is a "primary business activity?"

### What is the NAICS structure and how many digits are in a NAICS code?

**I have seen NAICS codes with more than 6 digits. What are these, and how can I get a list of them?**

### Where can I get a complete list of 2007 NAICS codes?

### What is the Standard Industrial Classification (SIC) system? Is it still being used?

### How can I determine the correct NAICS code for my business?

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**Who assigns NAICS codes to businesses and how?**

**How can I have my company's NAICS code changed?**

**How can I get a new NAICS code created for my type of business?**

**Can I get a NAICS code or other statistical data for a specific company?**

**How does NAICS 2007 differ from NAICS 2002?**

**Do NAICS codes change over time?**

**Can a business have more than one NAICS code?**

**How do the NAICS codes affect federal procurement and regulatory activities, such as those carried out by the Environmental Protection Agency, the Occupational Safety and Health Administration (OSHA), the Department of Defense, and the General Services Administration?**

**What is the relationship between NAICS and the Small Business Administration's (SBA) size standards?**

**How can I find an occupational NAICS code?**

**How can I find data (payroll, establishment, sales receipts, etc.) for a specific NAICS industry?**

**Will U.S. international trade data be available on a NAICS basis?**

**How does NAICS handle market-based rather than production-based statistical classifications?**

**What is Title 13?**

**How can I purchase a copy of the NAICS manual?**

**How do NAICS codes relate to other classification systems?**

**My company is overseas. What is my NAICS code?**

**If my question isn't here or I still need more information, what should I do?**

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