

National Classification of Economic Activities (NACE-2025)

Explanatory document

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I Introduction

The NACE is a statistical classification of economic activities. It is used to summarise and present information about the economic activity of companies in economic statistical operations and other domains (social, environmental, etc.). For this purpose, the NACE consists of a hierarchical structure that is divided into four levels:

- **Section:** The most general level, represented by a letter.
- **Division:** A more specific level, identified by two digits.
- **Group:** Adds a third digit for greater precision.
- **Class:** The most detailed level, with four digits.

Various activities of similar nature, that is, activities that share a common productive process, are grouped together under the same category in the NACE.

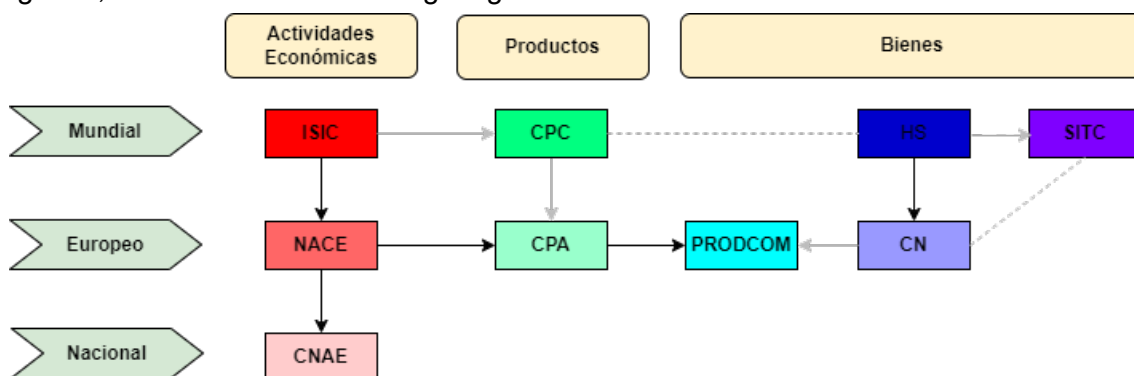
The NACE is an exhaustive classification, meaning all economic activities are included in it, either explicitly or implicitly. It is also exclusive, meaning each economic activity must appear in only one category (at each hierarchical level).

The classification is designed so that the content of each class encompasses a set of economic activities that are statistically significant in the national economy. Otherwise, there could be issues with confidentiality and breaches of statistical secrecy when disseminating the data.

The NACE is related to other international classifications:

- NACE (*European Classification of Economic Activities*): it is developed by the European Statistical System and has four levels. The NACE is aligned with it up to the third level, and it is compatible with the NACE in the fourth level (the classes of the NACE are subcategories of those in the NACE).
- ISIC or CIU (*International Standard Industrial Classification of all Economic Activities*): it is maintained by the UN's Statistics Division. The NACE is developed to coincide with the CIU up to the second level. From the third level onward, NACE categories are subcategories of the CIU.

Both NACE and CIU are related to various statistical classifications of products and goods, as shown in the following diagram:



With this harmonisation between different classifications, international comparability of statistical data is achieved, as well as the possibility to generate new knowledge by crossing data from various domains: economic, social, environmental, etc.

II Review process of the NACE-2009

Statistical classifications are reviewed periodically to reflect the economic and social changes that, in the case of the NACE/NACE/CIIU, lead to the emergence of new economic activities and the diminishing relevance of others. This process ensures that classifications remain useful and accurate tools for the statistical analysis of the economic reality.

In 2019, the review of the CIIU (ISIC) began, which in turn initiated the review of the NACE and, consequently, the NACE.

In this context, a working group was established, comprised of producers and users of official statistics. Periodic presentations were made to the collegiate bodies of the National Statistical System (High Council on Statistics, Interministerial Statistics Commission, Interterritorial Statistics Committee), with representation from multiple sectors of society. Additionally, between September and November 2022, an initial consultation was conducted to gather proposals and comments on a preliminary version of NACE-2025. Between March and April 2023, a second open consultation was launched via the INE website, allowing all citizens to submit comments, suggestions, and proposals regarding a second preliminary version of the classification.

As a result of all these processes, new versions of the following classifications were developed: ISIC Rev.5, NACE Rev.2.1, and NACE-2025.

III Main changes between NACE-2009 and NACE-2025

Below is a summary of the main changes in NACE and NACE regarding the number of categories:

	NACE-2009	NACE-2025	NACE Rev.2	NACE Rev.2.1
Sections	21	22	21	22
Divisions	88	87	88	87
Groups	272	287	272	287
Classes	629	664	618	651

Main changes:

- Intermediation activities: due to the increase in this type of activity as a result of technological advances and digital platforms, numerous new classes have been created for these activities, which were previously grouped either within the classes of products or services being intermediated or under class *82.99 Other business support activities n.e.c.*
- Manufacturing industry:
 - New classes have been created for product finishing activities that are typically carried out by third parties.
 - The manufacturing of specific parts and the manufacturing of an entire product are now classified under the same class.
 - New classes have been created for the manufacturing and repair of military vehicles, ships, and aircraft.
- Trade:
 - Division 45 Sale and repair of motor vehicles and motorcycles has been removed, and its activities are now included under division 46 Wholesale trade, 47 Retail trade, and 95 Repair and maintenance of computers, personal and household goods, and motor vehicles and motorcycles.
 - Due to the rise of online commerce, classification criteria based on retail sales channels (physical, online, markets, etc.) have been eliminated.
- The production classes within group *35 Electricity, gas, steam, and air conditioning supply* have been restructured, emphasising whether the energy source is renewable or not.
- Division *38 Waste collection, treatment, and disposal activities* has been restructured. Greater emphasis has been placed on how waste is reused.
- The classes for land passenger transport within division *49 Land transport and pipeline transport* have been restructured.
- Section *J Information and communications* has been divided into two new sections:
 - J Publishing, broadcasting, and content production and distribution activities.
 - K Telecommunications, computer programming, consultancy, IT infrastructure, and other information services.

As a result, subsequent sections have changed their letter designation.

IV Uses of the NACE

The NACE is primarily used by producers of official statistics (National Statistics Institute, Ministerial Statistical Units, Central Statistical Bodies of the Autonomous Communities, etc.) for the compilation of economic statistics.

Various organisations and institutions use the NACE for non-statistical purposes (administrative purposes regarding taxes, social contributions, subsidies, etc.). In these non-statistical areas, the INE has no responsibility over the use of the NACE, nor over the regulations and administrative implications. The INE also has no knowledge of the NACE codes assigned to companies outside the field of statistics. However, for some time now, efforts have been made to coordinate various public bodies to match statistical information. Additionally, the INE, as the general coordinator of the statistical services of the State Administration, offers its assistance and support for the classification of economic activities according to the NACE, following international statistical standards.

V Classification of economic activities and combined activities

Nowadays, it is common for a company to engage in multiple economic activities. For the production of official statistics, the methodology establishes that a single code identifying the primary activity must be selected. This procedure is established in the European Statistical System through the top-down method (which can be consulted in the Introductory Notes of NACE-2025), ensuring the consistency and comparability of economic statistics.

Due to the nature of a statistical classification, whose goal is to group and summarise information, the categories of the NACE usually encompass more than one economic activity. These activities must be similar in terms of classification, meaning they share a common production process for goods or services.

Within a single company or federation of companies, it is common to carry out more than one economic activity. These economic activities can either be grouped under the same NACE class or classified under multiple categories throughout the structure of the NACE, often even in different hierarchical branches. Due to the inherent characteristics of a statistical classification, where categories must be exclusive, it is not possible to create categories for combined activities that are already separately listed under different categories of the classification.

VI Coding in NACE-2025 and the automatic coder CodIA

The new NACE-2025 classification has been developed as a result of the revision of the NACE-2009, reflecting the economic and social changes of recent decades, and matching the international statistical classification systems described earlier.

Out of the 630 classes in NACE-2009, 425 of them correspond to a single class in the new NACE-25. This means that, in most cases, if a NACE-2009 code exists for an economic activity, determining the corresponding NACE-2025 code would be automatic. To do this, you can consult the [Correspondence tables](#) between both classifications, which are available on the INE website.

For the other cases, or to directly code a specific economic activity in NACE-2025, the INE has developed a tool called [CodIA](#), based on Machine Learning technology.

CodIA allows user to input a description of the economic activity and, if known, the NACE-2009 code, to obtain a list of possible codes for that activity, with the aim of assisting the user in obtaining the correct NACE code.

Additionally, the following technical documentation is available for consultation and coding assistance:

- **Explanatory notes** of NACE-2025
- **Introductory notes**, which include the classification rules.
- **Correspondence tables** between the NACE-2009 and NACE-2025 and other classifications.

This material can be found at the following [location](#).

VII Implementation of the NACE-2025 in the INE

In the statistical field, the Delegated Regulation (EU) 2023/137 of the Commission was approved on 10 October 2022 (<https://eur-lex.europa.eu/legal-content/ES/TXT/?uri=CELEX%3A32023R0137>), which establishes the use of NACE Rev.2.1 in European statistics. This delegated regulation also defined the timeline for the various members of the European Statistical System to transmit data using the new nomenclature.

In line with this, the INE will gradually incorporate the use of NACE-2025, starting from 1 January 2025, in the various statistical operations for which it is responsible, in order to comply with European legislation.

VIII Implementation of the NACE-2025 in other organisations

In the non-statistical field, the INE is not responsible for the use of the NACE, nor for the regulations and administrative implications. Therefore, it will be these organisations that will provide the corresponding regulations.

Nevertheless, the INE offers assistance in coding economic activities, both according to NACE-2009 and NACE-2025, through the [CodIA](#) tool.

IX Technical documentation

Below is the list of technical documentation related to NACE-2025 and where it can be accessed:

- [NACE-2025 Structure](#)
- [NACE-2025 Explanatory notes](#)
- [NACE-2025 Explanatory document](#)
- [NACE-2025 Introductory notes](#)
- [Correspondence tables between NACE-2009 and NACE-2025](#)
- [Correspondence tables between NACE-2025 and NACE Rev.2.1](#)
- [NACE Rev.2.1 documentation](#)
- [Correspondence tables between NACE-2025 and CPA 2.2](#)
- [Royal Decree approving NACE-2025](#)

If, after reviewing the available material, you need clarification on any aspect of NACE, you can contact the INE coding experts via email at nomenclaturas@ine.es.