

The North American Industry Classification System (NAICS)

The North American Industry Classification System (NAICS) started replacing the U.S. Standard Industrial Classification (SIC) system in 1997. The basic structure of the SIC system had remained the same since the 1930s.

On May 15, 2000, the Small Business Administration (SBA) published in the Federal Register a final rule to establish small business size standard based on the North American Industry Classification System (NAICS) effective on October 1, 2000 (65 FR 30836). NAICS size standards replaced the current size standards based on the Standard Industrial Classification beginning on October 1, 2000. The Federal Acquisition Regulation was updated to reflect this change. A copy of the document can be found at <http://www.sba.gov/size>

The NAICS allows for newer industries and reorganizes the categories on a process-oriented production basis. The SIC system used a mixture of production-based and market-based categories. In 1992 efforts began to create a common industry classification system for Canada, Mexico and the United States. NAICS is the result.

The Small Business Administration's (SBA) PRONet database of small businesses allows users to enter data, or search the database, using NAICS codes. For ITS-related companies, NAICS codes can now be used to more accurately define the range of goods and services their companies offer. As technological advances create new industry categories, the trend will be to list these new industries under NAICS codes.

Conversion tables between the SIC Codes and NAICS codes are available at:
<http://www.census.gov/epcd/www/naics.html>

