

# What is NAICS?

A guide for newcomers to British Columbia



Vancouver Public Library

Funded by:

Financé par :



Immigration, Refugees  
and Citizenship Canada

Immigration, Réfugiés  
et Citoyenneté Canada

## Contents

1. What is an NAICS code? .....	2
2. Hierarchy of numbers.....	3
3. How to select the correct NAICS code .....	5
4. Why do I need a NAICS code for my business?.....	5
5. Additional Resources .....	6

## 1. What is a NAICS code?

### *Introduction*

The **North American Industry Classification System (NAICS)** is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States. It is used by business and government to classify business establishments according to type of economic activity or industry.

The main purpose of the NAICS is to collect, analyze and publish statistical information about the economy. It may also be used for taxation, regulation or other non-statistical purposes.

The most recent revision was in 2017; it is updated every 5 years to reflect changes to emerging industries.

The NAICS replaces the previous classification system, the SIC (Standard Industrial Classification), used until 1980 in Canada.

The full code is available at:

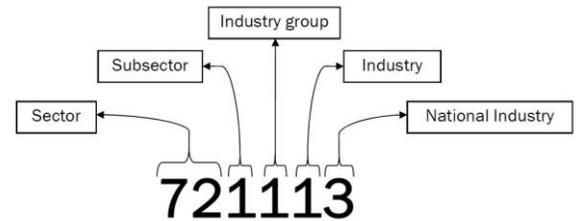
- **NAICS 2017**

<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=307532>

## 2. Hierarchy of numbers

A NAICS code can have up to 6 digits. The breakdown:

- The **1st and 2nd numbers** = economic sector
- The **3rd number** = sub-sector
- The **4th number** = industry group
- The **5th number** = industry
- The **6th number** = national industry (a zero indicates no national industry is needed)



In Canada, there are:

- 20 sectors
- 102 sub-sectors
- 323 industry groups
- 708 industries
- 924 Canadian industries

Four sectors are goods-producing and sixteen are service-producing industries.

## What is NAICS?

### *A guide for newcomers to British Columbia*

Code	Sectors	Sub-sectors	Industry groups	Industries	Canadian industries	Total
11	Agriculture, forestry, fishing and hunting	5	19	41	50	115
21	Mining, quarrying, and oil and gas extraction	3	5	11	30	49
22	Utilities	1	3	6	10	20
23	Construction	3	10	28	29	70
31-33	Manufacturing	21	86	181	251	539
41	Wholesale trade	9	26	72	72	179
44-45	Retail trade	12	27	58	74	171
48-49	Transportation and warehousing	11	29	42	58	140
51	Information and cultural industries	6	11	25	28	70
52	Finance and insurance	5	11	28	52	96
53	Real estate and rental and leasing	3	8	17	20	48
54	Professional, scientific and technical services	1	9	35	41	86
55	Management of companies and enterprises	1	1	1	2	5
56	Administrative and support, waste management and remediation services	2	11	29	34	76
61	Educational services	1	7	12	12	32
62	Health care and social assistance	4	18	30	37	89
71	Arts, entertainment and recreation	3	9	23	39	74
72	Accommodation and food services	2	6	10	18	36
81	Other services (except public administration)	4	14	30	38	86
91	Public administration	5	12	29	29	75
<b>Total</b>		<b>102</b>	<b>322</b>	<b>708</b>	<b>924</b>	<b>2056</b>

Source: <http://www.statcan.gc.ca/eng/subjects/standard/naics/2017/introduction>

### **3. How to select the correct NAICS code**

Businesses are expected to self-select the NAICS code that most closely describes their main business activity. The NAICS Association has a helpful search option that will search possible NAICS codes based on keyword searching.

- **Find your NAICS Code**

<https://www.naics.com/search/>

Many businesses have more than one revenue-producing line of business, so you can assign more than one NAICS code to your business.

Businesses can change their NAICS codes every 5 years, when the NAICS code is updated and industries are added or edited.

### **4. Why do I need a NAICS code for my business?**

Businesses are not required to register a NAICS code directly, but the mandatory Business Register survey from Statistics Canada does require businesses to list a NAICS code when completing the survey.

For small businesses, it is helpful to know your NAICS code to help find information for business plans, marketing plans or looking for economic forecasting information.

Filing corporate income tax returns for your business does require your business' NAICS code. Government agencies look at statistics when determining which industries are given tax incentives and make them available only to certain NAICS industries.

## What is NAICS?

### *A guide for newcomers to British Columbia*

Government contracts often require businesses to provide the NAICS before awarding contracts to identify the type of business is applying for the contract. Also, some government funding for business is available to specific NAICS industries, so it is a good idea to know the NAICS code for your business.

## 5. Additional Resources

- **NAICS Frequently Asked Questions**

<https://www.naics.com/frequently-asked-questions/>

- **About NAICS. Innovation, Science & Economic Development Canada**

<https://www.ic.gc.ca/eic/site/icgc.nsf/eng/home>

- **Industry Classifications**

<http://www.statcan.gc.ca/eng/concepts/industry>

**Questions? Please ask the Information Staff in the Central Branch,  
Vancouver Public Library or telephone 604-331-3603.**

Please note that the information in this guide is also available online through the Skilled Immigrant InfoCentre website at <http://skilledimmigrants.vpl.ca/>