

## **Part XVII--Proposed New Industry Structure for Nonmetallic Mineral Product Manufacturing**

### *Section A--NAICS Structure*

North American Industry Classification System

(NAICS)

Agreement Number 28

This Document represents the proposed agreement on the structure of the North American Industry Classification System (NAICS) for the following industries:

Nonmetallic Mineral Product Manufacturing

The detailed NAICS structure along with a brief description of the structure is attached (Attachments 1 and 2). Each country agrees to release a copy of the proposed NAICS structure to interested data users. Comments received will be shared among the countries and additional discussions will be held before a final decision on the structure is made. Each country may add additional detailed industries, below the 4-digit level of NAICS, as necessary to meet national needs, so long as this additional detail aggregates to a 4-digit NAICS level in order to ensure full comparability among the three countries. This NAICS structure was presented and provisionally accepted at the NAICS Committee meeting held on November 8 and November 9, 1995 in Washington, D.C.

Accepted	Signature	Date
Canada	/S/ Jacob Ryten	11/9/95
Mexico	/S/ Enrique Ordaz	11/9/95
United States	/S/ Jack E. Triplett	11/9/95

### **ATTACHMENT 1--NAICS STRUCTURE**

XX	Nonmetallic Mineral Product Manufacturing
XXX	Clay Product and Refractories Manufacturing
XXXX	Pottery, Ceramics, and Plumbing Fixture Manufacturing
XXXX	Clay Building Material and Refractories Manufacturing
XXX	Glass, Glass Product and Glass Container Manufacturing
XXXX	Glass and Glass Product Manufacturing
XXXX	Glass Container Manufacturing
XXX	Cement and Concrete Product Manufacturing
XXXX	Hydraulic Cement Manufacturing
XXXX	Ready-Mix Concrete Manufacturing
XXXX	Concrete Pipe, Brick, and Block Manufacturing
XXXX	Other Precast Concrete Product Manufacturing

XXX	Lime, Gypsum and Gypsum Product Manufacturing
XXXX	Lime Manufacturing
XXXX	Gypsum and Gypsum Product Manufacturing
XXX	Miscellaneous Nonmetallic Mineral Product Manufacturing
XXXX	Abrasive Product Manufacturing
XXXX	Other Miscellaneous Nonmetallic Mineral Product Manufacturing

## **Attachment 2--North American Industry Classification System**

Draft Classification for:

Nonmetallic Mineral Product Manufacturing

Representatives of the statistical agencies of Canada, Mexico, and the United States agree to a draft industrial classification for these industries.

The draft classification provides for the subsector Nonmetallic Mineral Product Manufacturing. The subsector is sub-divided into five industry groups and twelve industries. This subsector will be part of the Manufacturing sector of the classification.

### *A General Outline*

The Nonmetallic Mineral Product Manufacturing industries produce such products as bricks, refractories, and ceramic products, and glass and glass products, such as plate glass, fiberglass and containers. Also included are cement and concrete products, lime, gypsum and other nonmetallic mineral products, including abrasive products, cut stone and mineral wool. The products are used in a wide range of activities from construction and heavy and light manufacturing to articles for personal consumption.

Processes used in the Nonmetallic Mineral Product Manufacturing industries include grinding, mixing, cutting, shaping, and honing sand, stone, ceramic, and other nonmetallic raw material inputs. Heat often is used in the process, and chemicals are frequently mixed to change the composition, purity, and chemical properties of the intended product. For example, glass is produced by heating silica sand to the melting point (sometimes combined with cullet or recycled glass) and then drawn or blow molded to the desired shape or thickness. Refractory materials are heated and then formed to brick or other shapes for use in industrial applications.

### *Limitations and Constraints of the Classification*

A few factors constrained the structure and detail of the classification in the area under consideration. Most of the activities that take place in one country exist in the others. However, often an activity is not economically significant to the same degree in all countries. Another constraint is the small number of producers in some countries. For example, separate NAICS industries could not be created for refractories or concrete pipe because of confidentiality problems in Canada. Similar limitations prevent creation of more detailed industries for glass and glass products, mineral wool and other nonmetallic minerals products. Each country will publish additional categories that comprise subdivisions of NAICS

industries, to present data for activities that are nationally significant.

For those users requiring detailed commodity information, each country will publish information on the products of these industries. Efforts are also underway to harmonize the commodity classifications to allow for greater comparability of these statistics.

### *Relationship to ISIC*

All NAICS 4-digit industries in this subsector are contained in Division 26, Manufacture of Nonmetallic Mineral Products, of the current International Standard Industrial Classification of All Economic Activities (ISIC, Revision 3) of the United Nations. This means that one can combine the industries of this NAICS subsector and be comparable to ISIC Division 26.

### *Some Changes to the National Classifications*

For Canada, the production of glass yarn was moved from CSIC 1811, Man-Made Fiber and Filament Yarn, and mirrors from CSIC 3259, Other Motor Vehicle Accessories and Parts. Other changes consist of a restructuring of the existing Canadian subsector for Nonmetallic Minerals Product Manufacturing. For example, the production of glass products was separated for establishments producing glass, and those that purchase glass, then manufacture glass products.

For Mexico, all changes are within the existing CMAP class for Nonmetallic Minerals. Changes include the separation of glass fibers (in primary glass production in NAICS) from glass insulation; moving the production of dead burned dolomite from the refractory industry to the NAICS Lime Manufacturing industry; separating decorative glass from glass containers; and moving articles made from plaster of Paris to the Other Nonmetallic Mineral Product Manufacturing industry.

For the United States, little change was made to this subsector. The most important change was the elimination of the all but non-existent asbestos product industry. Two remaining products are made by establishments formerly classified in this industry: (1) brake linings were moved to the brake parts industry in the Transportation Equipment Manufacturing subsector and (2) gaskets were moved to the Other Nonmetallic Mineral Product Manufacturing industry. Other changes within the subsector were to move dry mix cement from the concrete products industry, to move steel wool from the abrasives industry, to move some plaster work into the NAICS industry for Gypsum and Gypsum Product Manufacturing, and to create new industries for cast concrete products.

### *Achievement of Objectives*

The classification meets the objectives for the North American Industry Classification System (NAICS). It includes industries that group establishments with similar production processes, that is, it applies the production-oriented economic concept. In the main, the hierarchical structure of the classification also follows the production concept.

Other objectives of the NAICS project are not as relevant in this area of the classification as in others. These objectives are the delineation of new and emerging industries, service industries and industries engaged in the production of advanced technologies. The industrial

sector in question is relatively mature, generally produces goods, and has employed relatively stable technology. Therefore, the emphasis is on the objectives listed above.

The industries have high specialization ratios, and they are economically significant. The detail (4-digit) level and structures of the classification are balanced in size. This enhances the classification's suitability for sampling, data publishing and other aspects of survey operations. Finally, while disruptions to time series exist, they have been minimized.

The classification achieves comparability for the three participating countries. Based on existing data, all three countries expect to be able to publish data regularly at the industry (4-digit) level of the structure. All countries agree on the detailed definitions of the industries.

#### *Section B-Annex: United States National Industry Detail*

As explained in the *Structure* presentation of this notice, for a number of reasons 4-digit industries in the NAICS industry subsector presented in *Part XVII, Section A--Attachment 1*, contain less detail than is currently in the U.S. SIC system, and less detail than is required to meet important analytical requirements in the U.S. The three country agreement on NAICS envisions that each country may develop national detailed industries below the NAICS industry level, so long as the national detail can be aggregated to the NAICS classification, thus assuring full North American comparability.

The ECPC is proposing U.S. 5-digit industry detail for the NAICS industry subsector covered in Part XVII of this notice. For cases where no 5-digit detail is shown, the ECPC is proposing that the NAICS 4-digit industries will also represent the most detailed U.S. industries.

TABLE 1

The definitions of status codes are as follows: E-existing industry; L-null industry for the U.S.; N-new industry R-revised industry;; and \* means "part of". The abbreviation NEC is used for Not Elsewhere Classified.

1997 NAICS & U.S. description	Status Code	1987 SIC Code	1987 SIC description
XX Nonmetallic Mineral Product Manufacturing			
XXX Clay Product and Refractories Manufacturing			
XXXX Pottery, Ceramics and Plumbing Fixture Manufacturing			
XXXXX Vitreous China Plumbing Fixture and China and Earthenware Fitting and Bathroom Accessory Manufacturing	E	3261	Vitreous China Plumbing Fixtures and China and Earthenware Fittings and Bathroom Accessories
XXXXX Vitreous China, Fine Earthenware and Other Pottery Product Manufacturing	N	3262	Vitreous China Table and Kitchen Articles
		3263	Fine Earthenware (Whiteware) Table and Kitchen Articles
		3269	Pottery Products, NEC
XXXXX Porcelain Electrical Supply Manufacturing	E	3264	Porcelain Electrical Supplies
XXXX Clay Building Material and Refractories Manufacturing			
XXXXX Brick and Structural Clay Tile Manufacturing	E	3251	Brick and Structural Clay Tile
XXXXX Ceramic Wall and Floor Tile Manufacturing	E	3253	Ceramic Wall and Floor Tile
XXXXX Other Structural Clay Product Manufacturing	E	3259	Structural Clay Products, NEC
XXXXX Clay Refractory Manufacturing	E	3255	Clay Refractories
XXXXX Nonclay Refractory Manufacturing	E	3297	Nonclay Refractories
XXX Glass, Glass Product and Glass Container Manufacturing			
XXXX Glass and Glass Product Manufacturing			
XXXXX Flat Glass Manufacturing	E	3211	Flat Glass
XXXXX Other Pressed and Blown Glass and Glassware Manufacturing	E	3229	Pressed and Blown Glass and Glassware, NEC
XXXXX Glass Product Manufacturing Made of Purchased Glass	E	3231	Glass Products, Made of Purchased Glass
XXXX Glass Container Manufacturing	E	3221	Glass Containers
XXX Cement and Concrete Product Manufacturing			
XXXX Hydraulic Cement Manufacturing	E	3241	Cement, Hydraulic
XXXX Ready-Mix Concrete Manufacturing	E	3273	Ready-Mixed Concrete
XXXX Concrete Pipe, Brick and Block Manufacturing			

XXXXX	Concrete Block and Brick Manufacturing	E	3271	Concrete Block and Brick
XXXXX	Concrete Pipe Manufacturing	N	3272*	Concrete Products, Except Block and Brick (concrete pipe)
XXXX	Other Precast Concrete Product Manufacturing	N	3272*	Concrete Products, Except Block and Brick (concrete products, except dry mix concrete, pipe, bricks and blocks)
XXX	Lime, Gypsum and Gypsum Product Manufacturing			
XXXX	Lime Manufacturing	E	3274	Lime
XXXX	Gypsum and Gypsum Product Manufacturing	R	3275	Gypsum Products
			3299*	Nonmetallic Mineral Products, NEC (moldings, ornamental and architectural plaster work)
XXX	Miscellaneous Nonmetallic Mineral Product Manufacturing			
XXXX	Abrasive Product Manufacturing	R	3291*	Abrasive Products (except metallic scouring sponges and scouring pads)
XXXX	Other Miscellaneous Nonmetallic Mineral Product Manufacturing			
XXXXX	Cut Stone and Stone Product Manufacturing	E	3281	Cut Stone and Stone Products
XXXXX	Ground or Treated Mineral and Earth Manufacturing	E	3295	Minerals and Earths, Ground or Otherwise Treated
XXXXX	Mineral Wool Manufacturing	E	3296	Mineral Wool
XXXXX	All Other Miscellaneous Nonmetallic Mineral Product Manufacturing	R	3272*	Concrete Products, Except Block and Brick (dry mixture concrete)
			3292*	Asbestos Products (except brake pads and linings)
			3299*	Nonmetallic Mineral Products, NEC (except moldings, ornamental and architectural plaster work)

TABLE 2

The abbreviation "pt" means "part of". @ means time series break has been created that is greater than 3% of the 1992 revenues for the 1987 SIC industry.

1987 SIC Code	1987 SIC description	1997 U.S. description
3211	Flat Glass	Flat Glass Manufacturing
3221	Glass Containers	Glass Container Manufacturing
3229	Pressed and Blown Glass and Glassware, NEC	Other Pressed and Blown Glass and Glassware Manufacturing
3231	Glass Products, Made of Purchased Glass	Glass Product Manufacturing Made of Purchased Glass
3241	Cement, Hydraulic	Hydraulic Cement Manufacturing
3251	Brick and Structural Clay Tile	Brick and Structural Clay Tile Manufacturing
3253	Ceramic Wall and Floor Tile	Ceramic Wall and Floor Tile Manufacturing
3255	Clay Refractories	Clay Refractory Manufacturing
3259	Structural Clay Products, NEC	Other Structural Clay Product Manufacturing
3261	Vitreous China Plumbing Fixtures and China and Earthenware Fittings and Bathroom Accessories	Vitreous China Plumbing Fixture and China and Earthenware Fitting and Bathroom Accessory Manufacturing
3262	Vitreous China Table and Kitchen Articles	Vitreous China, Fine Earthenware and Other Pottery Product Manufacturing (pt)
3263	Fine Earthenware (Whiteware) Table and Kitchen Articles	Vitreous China, Fine Earthenware and Other Pottery Product Manufacturing (pt)
3264	Porcelain Electrical Supplies	Porcelain Electrical Supply Manufacturing
3269	Pottery Products, NEC	Vitreous China, Fine Earthenware, and Other Pottery Product Manufacturing (pt)
3271	Concrete Block and Brick	Concrete Block and Brick Manufacturing
3272@	Concrete Products, Except Block and Brick Dry Mixture Concrete	Other Miscellaneous Nonmetallic Mineral Product Manufacturing (pt)
	Concrete Pipes	Concrete Pipe Manufacturing
	Other Concrete Products	Other Precast Concrete Product Manufacturing
3273	Ready-Mixed Concrete	Ready-Mix Concrete Manufacturing
3274	Lime	Lime Manufacturing
3275	Gypsum Products	Gypsum and Gypsum Product Manufacturing (pt)
3281	Cut Stone and Stone Products	Cut Stone and Stone Product Manufacturing
3291	Abrasive Products Metallic Scouring Sponges and Scouring Pads	Other Metal Product Manufacturing (pt) (Included in Fabricated Metal Product Manufacturing subsector)



3292@	<p>Other Abrasive Products</p> <p>Asbestos Products</p> <p>Asbestos Brake Linings and Pads</p> <p>Other Asbestos Products</p>	<p>Abrasive Product Manufacturing</p> <p>Motor Vehicle Brake System Manufacturing (pt) (Included in Transportation Equipment Manufacturing subsector)</p> <p>Other Miscellaneous Nonmetallic Mineral Product Manufacturing</p>
3295	<p>Minerals and Earths, Ground or Otherwise Treated</p>	<p>Ground or Treated Mineral and Earth Manufacturing</p>
3296	<p>Mineral Wool</p>	<p>Mineral Wool Manufacturing</p>
3297	<p>Nonclay Refractories</p>	<p>Nonclay Refractory Manufacturing</p>
3299@	<p>Nonmetallic Mineral Products, NEC</p> <p>Moldings, Ornamental and Architectural Plaster Work</p> <p>Other Nonmetallic Mineral Products</p>	<p>Gypsum and Gypsum Product Manufacturing (pt)</p> <p>Other Miscellaneous Nonmetallic Mineral Product Manufacturing (pt)</p>

### *Description of Changes to the U.S. System*

1987 SIC 3272, Concrete Products, Except Block and Brick, was split into three new industries in the 1997 structure for this industry subsector as follows:

Concrete Pipe Manufacturing for international comparability.

Other Precast Concrete Product Manufacturing.

Other Miscellaneous Nonmetallic Mineral Product Manufacturing.

Two activities were transferred out of 1987 Major Group 32, Stone, Clay, Glass and Concrete Products:

Metallic scouring sponges and scouring pads from 1987 SIC 3291, Abrasive Products, were moved into the 1997 NAICS Fabricated Metal Product Manufacturing subsector to achieve comparability with Canada and Mexico and to better meet production concept criteria.

Asbestos brake linings and pads from 1987 SIC Code 3292, Asbestos Products, were moved into the 1997 NAICS Transportation Equipment Manufacturing subsector to match Canada and Mexico, and because the production of brake linings from asbestos and non-asbestos materials are similar processes.

1987 SIC 3262, Vitreous China Table and Kitchen Articles; 1987 SIC 3263, Fine Earthenware (Whiteware) and Kitchen Articles; and 1987 SIC 3269, Pottery Products, Not Elsewhere Classified, were combined into the new Vitreous China, Fine Earthenware and Other Pottery Product Manufacturing national industry. The combination was made because the 1987 SIC's were too small to warrant separation. The new national industry, however, shows strong production concept characteristics.

Also, some activities were transferred within the Nonmetallic Mineral Product Manufacturing subsector. The number of nonmetallic mineral product manufacturing industries decreased by two to 24, from the 1987 SIC. For time series linkage, 23 of the 26 1987 industries are comparable within three percent of the 1997 industries.