Changes have been introduced with the January 2010 retail sales estimates. These changes were described in two information papers released on 10 February 2010:

- Classification changes in retail sales. Available at: [http://www.statistics.gov.uk/cci/article.asp?id=2359](http://www.statistics.gov.uk/cci/article.asp?id=2359)

This document provides answers to frequently asked questions relating to the changes.

1. What is the Standard Industrial Classification (SIC)?

A Standard Industrial Classification (SIC) was first introduced into the United Kingdom in 1948 for use in classifying business establishments and other statistical units by the type of economic activity in which they are engaged. The classification provides a framework for the collection, tabulation, presentation and analysis of data and its use promotes uniformity. In addition, it can be used for administrative purposes and by non-government bodies as a convenient way of classifying industrial activities into a common structure.

2. Why is the classification changing?

The introduction of SIC 2007 is a major revision of the UK Standard Industrial Classification of Economic Activities and is the outcome of Operation 2007 - a series of consultations started in 2002 and carried out in conjunction with the major revision of the European Union’s industrial classification system.

These revisions are motivated by the need to adapt the classifications to changes in the world economy. The revised classifications reflect the growing importance of service activities in the economies over the last fifteen years, and in particular the developments in information and communication technologies.
3. How often do you change classifications?

The classification system is updated approximately every 5 to 10 years, to reflect changes in industry. In the Office for National Statistics (ONS) the approach has been co-ordinated across surveys. The classification system itself is a harmonised classification system that is used across the EU to assist in the production of harmonised comparable statistics.

4. When will the change in classification take place?

SIC 2007 was introduced on the ONS business register and in most annual statistics from the start of 2008. A number of short term statistics produced by the ONS were based on the new classification from the start of 2010 and National Accounts will move to the new SIC in September 2011. RSI moved to SIC 2007 from January 2010 (data released 19 February 2010).

5. What is the impact of the classification change for retail sales?

There are two main changes for RSI. Repair moves out of retail (into services) and automotive fuel moves into retail sales. Automotive fuel is now presented in the RSI outputs. This includes sales from petrol stations and supermarkets. Previously automotive fuel from petrol stations was covered under Monthly Inquiry into Distribution and Service Sector (MIDSS).

6. Has the classification change caused revisions to previously published estimates?

Yes. Data has been derived to ensure a continuous series over time so that appropriate comparisons can be made. This has meant that previously published estimates have been revised. The impact of the changes for retail sales estimates for the 'All retailing' aggregate do not significantly change the movements over recent time periods.

7. What is the impact of the classification change on National Account estimates?

National Accounts will move to the new SIC in September 2011. Retail sales data used within the National Accounts will continue to reflect the SIC 2003 classification until September 2011. The impact of the changes for retail sales estimates for the 'All retailing' aggregate do not significantly change the movements over recent time periods.

8. Where can I get more information about the classification changes?
If you would like to know more about the new SIC then please see the information papers:

- **Standard Industrial Classification information:**

- **SIC 2007: implementation in ONS:**

- **Implementation of SIC 2007 across the Government Statistical Service:**

- **Implementation of Standard Industrial Classification 2007: December 2009 update:**

- **Classification changes in retail sales:**

**9. Why have you changed your approach to estimating Internet sales?**

The ONS now has an improved series for Internet sales. Since March 2009, a dedicated question asking about the proportion of sales made by individual businesses over the Internet has been included in the RSI questionnaire. This returned information, for all businesses within the RSI, has now been weighted and aggregated together to give an improved overall estimate of average weekly sales by the Internet for all retailers. Retail sales made over the Internet have always been included in the total retail turnover supplied by businesses. This approach is part of a planned continuous improvement in this estimate.

**10. Will the changes lead to historical revisions in the Internet estimates?**

Yes. The use of additional information based on real returns from businesses from March 2009 onwards means that there is a change in the level of the series at this point. To ensure comparability of estimates over time, this change in the level has been blended into the historical data. This will result in revisions to previously published data. This assumes a gradual increase in Internet related activity over this historical period.

**11. Are these Internet estimates better than your previous ones?**

There was nothing wrong with the methods used to derive the previously published Internet estimate which was based on the pilot study and the Monthly Commodity Inquiry. However, the new series uses actual returned data from all businesses from March 2009 and is part of a planned continuous improvement in this experimental estimate.
12. Why has it taken so long to introduce this change to the Internet estimates?

Time was needed to quality assure the returned data and to make sure our methodology was the best available.

13. Where can I get more information on Internet estimates?

The sources of information vary by scope and coverage and users needs to be aware of these differences. A summary of the main issues are available here:

- An experimental measure of Internet retail sales: Changes to methods:
  
  http://www.statistics.gov.uk/cci/article.asp?id=2358

- An experimental measure of Internet retail sales:
  