

CHANGES BY INDUSTRY

Changes were introduced in the Standard Industrial Classification of Economic Activities 2003, which mainly involved expanding the classification of high-tech industries. For example, several “groups” (3 digits) were added in the divisions of Telecommunications, Computer and related services, and Research and development. Following changes, the codes of all employed persons in the survey were examined. In that process, it was found necessary to adjust some coding rules, especially in the case of establishments that engage in more than one activity. As a result, the industries were recoded. The data are published below, following that adjustment. The main transitions were between the industries: Public administration; Community services; Education; Health, welfare and social work services; and Services for households.

Typographical errors and errors in coding were also corrected, and the classification of cases coded as “unknown” was also reviewed again. Recoding was only done for the current sample (see Table 2.1).

Main Transitions

Manufacturing

The main transitions in manufacturing were within the category itself, and mainly applied to industries related to manufacture of computers, equipment and electronic components, and telecommunications equipment, as well as to establishments that engage in more than one activity. Additional transitions were between Computer and related services and Research and development. The total number of employed persons in Manufacturing declined from 374.8 thousand according to the old coding, to 372.4 thousand according to the new coding.

Education

The number of employed persons in Education increased from 288.8 thousand to 292.8 thousand. This increase reflects the addition of educational activities related to municipalities, which were classified in Public administration prior to the revision, as well as the addition of activities such as the *Perach* Tutorial Project and the Karev Foundation, which were classified as Personal and social services in the past.

Public Administration

According to the principles of the classification, activities of the municipality that are related to specific industries should be classified together with those industries and not in the category of Public Administration, as was the former coding practice. For example: educational activities or welfare activities that had been classified as Public Administration in the past, were transferred to Education or to Health, Welfare and Social Work Services. Therefore, the number of workers in Public Administration declined from 125.5 thousand to 119.4 thousand in the new classification.

Health, Welfare and Social Work Services

The main change was in Health, welfare and social work services. This category of industries (86) had 85.7 thousand employed persons before the change was introduced, and 92 thousand employed persons after the change. The number of employed persons in this division increased because welfare activity in municipalities, social work services and community services, as well as some *Perach* activities and clubs for elderly persons were transferred to this category. Additionally home care services, which had been coded previously as personal services, were transferred to this category.

Community Services

The number of persons employed in this division declined: *Perach* activities were transferred from this category to the category of Education and to Health, welfare and social work Services, according to the main classification of activities. However, radio and television production and radio and television activities on the Internet were added to this category (the technical aspect of broadcasting was classified in Telecommunications – 66).

Services for Households

The number of persons employed in this division declined, because home care services were transferred to Health, welfare and social work services, and gardeners were transferred to Agriculture.

Business Activities

The number of workers in Business activities increased from 296 thousand to 299.9 thousand, mainly due to the more precise classification of some activities that had been classified in Manufacturing, and were reclassified into the divisions Computer and related services (72),

Research and development (73), and Business activities, n.e.c. (76). Additionally, firms that provide various office services were transferred to the Business activities division after having been previously classified in Telecommunications (e.g., firms that provide central switchboard services for sick funds).

Transport and Communications

The decline in the number of persons employed in this division, from 151.2 thousand to 149.2 thousand, can be attributed to the drop in the number of persons employed in Telecommunications (66) from 34.5 thousand to 32.2 thousand. Notably, firms that were previously classified in Computer and related services (72) but deal with telecommunications were added to this division. Concomitantly, some activities previously classified as Telecommunications were reclassified as Computer and related services (72), Business activities (76 – e.g., switchboard operators), Radio and motion picture production (94), and Sales and repair of cellular phones (52, 53). As a result, there was an overall decline of employed persons in this division.

Trade and Repair of Motor Vehicles

Sales and repair of cellular phones and computers were moved from Telecommunications (66) and from Computer and related services (72) to this division. As a result, the number of persons employed in this division increased from 311.2 thousand to 313.5 thousand.