

## **Factoryless Manufacturers: Classification and Implementation Challenges**

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This paper describes the U.S. Economic Classification Policy Committee (ECPC) multi-agency subgroup's recommendations for the identification of factoryless manufacturers and their categorization in the North American Industry Classification System (NAICS). NAICS organizes establishments (individual business locations) by type of economic activity, which implies that the classification of factoryless manufacturers will effectively change the traditional definition of the manufacturing sector. This paper also discusses the implementation issues concerning factoryless manufacturers, guidelines on how to interpret the ECPC recommendation, the impact of international guidelines on the data collection of factoryless manufacturers in domestic business surveys, and data requirements for the appropriate recording of factoryless manufacturing transactions in the national accounting framework.