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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**on the exercise of the power to adopt delegated acts conferred on the Commission by
Regulation (EU) No 1893/2006 of the European Parliament and of the Council of 20
December 2006 establishing the statistical classification of economic activities NACE
Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC
Regulations on specific statistical domains**

1. INTRODUCTION

Regulation (EC) No 1893/2006 of 20 December 2006¹ laid down Revision 2 of the statistical classification of economic activities (NACE). This piece of legislation ensures that European classifications are relevant to the economic reality and improves the comparability of national, European and international classifications. It therefore improves the comparability of national, European and international statistics.

Article 6(2) of Regulation (EC) No 1893/2006² empowers the Commission to adopt delegated acts (in accordance with Article 6a of the Regulation) amending Annex I to the Regulation to take account of technological or economic developments or to align NACE with other economic and social classifications.

Under the terms of Article 6a(2), the power to adopt delegated acts is conferred on the Commission for a period of 5 years, starting from 26 July 2019. The delegation of power will be tacitly extended for additional five-year periods, unless the European Parliament or the Council opposes this extension no later than 3 months before the end of each period. Furthermore, the Commission must draw up a report on the delegation of power no later than 9 months before the end of the five-year period. This report fulfils that obligation.

2. COMMISSION EXERCISE OF DELEGATED POWERS UNDER REGULATION (EC) NO 1893/2006

Following the adoption by the Statistical Commission of the United Nations of Revision 5 of the International Standard Industrial Classification of All Economic Activities ('ISIC Rev. 5'), the NACE classification had to be adapted to maintain its comparability and consistency with the standards for classifying economic activities used at international level.

The Commission has adopted Commission Delegated Regulation (EU) 2023/137³ to take account of technological developments and to align NACE with other economic and social classifications, most notably ISIC Rev. 5. Article 2(2) of that Regulation postpones its application for a number of transmissions to the Commission (Eurostat). It has since transpired

¹ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains, OJ L393, 30.12.2006, p. 1.

² As amended by Regulation (EU) 2019/1243 of the European Parliament and of the Council of 20 June 2019 adapting a number of legal acts providing for the use of the regulatory procedure with scrutiny to Articles 290 and 291 of the Treaty on the Functioning of the European Union, OJ L 198, 25.7.2019, p. 241.

³ Commission Delegated Regulation (EU) 2023/137 of 10 October 2022 amending Regulation (EC) No 1893/2006 of the European Parliament and of the Council establishing the statistical classification of economic activities NACE Revision 2, OJ L19, 20.1.2023, p. 5.

that for an optimal roll-out of NACE, it might be necessary to postpone the date of application for some additional data transmissions.

An up-to-date NACE classification is central to the Commission's ongoing efforts to modernise the production of European statistics. This up-to-date classification is expected to contribute, through more comparable and relevant data, to better economic governance at both the European Union and national levels.

3. CONCLUSION

The Commission has exercised the power to adopt delegated acts conferred on it by Regulation (EC) No 1893/2006. The Commission considers that it should continue to have the delegated powers under Regulation (EC) No 1893/2006, as it needs to adopt delegated acts in the future in a timely manner to regularly update the NACE classification. Because it can update the NACE classification by means of a delegated act, the Commission is able to support the European Statistical System by providing a classification that makes it possible to produce accurate statistics that: (i) are of high quality; (ii) reflect the structure of the European Union economy; and (iii) are consistent with other economic and social classifications.

Furthermore, in the future it may also be necessary to adapt by means of a delegated act the application dates set out in Regulation (EC) No 1893/2006, as amended by Commission Delegated Regulation (EU) 2023/137.

The Commission invites the European Parliament and the Council to take note of this report.