

AGENCY FOR INTERNATIONAL DEVELOPMENT WASHINGTON, D. C. 20523 BIBLIOGRAPHIC INPUT SHEET	FOR AID USE ONLY
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1. SUBJECT CLASSIFICATION	A. PRIMARY Science and Technology
	B. SECONDARY Industrial Development

2. TITLE AND SUBTITLE
An International Compilation of Small-Scale Industry Definitions

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4. DOCUMENT DATE January 1975	5. NUMBER OF PAGES 71p.	6. ARC NUMBER ARC 338.003-A898
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7. REFERENCE ORGANIZATION NAME AND ADDRESS
**Georgia Institute of Technology
Engineering Experiment Station
Atlanta, Georgia 30332**

8. SUPPLEMENTARY NOTES (*Sponsoring Organization, Publishers, Availability*)

9. ABSTRACT

The compilation contains the definitions of "small-Scale Industry," either official or generally understood, supplied by 72 countries which responded to requests for this information. Each entry attempts to define the concept in terms of capital invested, sales, employment, and nature of product. A statistical table of relevant data is included (population, per capita national income, small-scale industry data).

Indications are that no single precise definition of small-scale industry can be applied to all countries, because each area is unique in its social structure, population, educational system, and level of economic development. Only in a few instances do legal definitions exist, although most areas have specific regulations and promotion agencies concerned with indigenous small industries or handicraft operations. Quantitative parameters are not readily available, for the most part, and this indicates the need for further research in this area.

10. CONTROL NUMBER PN-AAB-179	11. PRICE OF DOCUMENT
12. DESCRIPTORS Capital invested, Sales, Employment, Nature of Product, Population, Per Capita National Income, Education	13. PROJECT NUMBER 931-11-995-990
	14. CONTRACT NUMBER AID/CM/TA/G-73-18
	15. TYPE OF DOCUMENT Research Study

Project B-414

AN INTERNATIONAL COMPILATION
OF SMALL-SCALE INDUSTRY DEFINITIONS

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*This information document was prepared under
funding provided by the U. S. Agency for
International Development under a 211(d) grant.*

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Atlanta, Georgia
January 1975

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INTRODUCTION

The Industrial Development Division (IDD), Engineering Experiment Station, Georgia Institute of Technology is currently operating under a 211(d) grant from the U. S. Agency for International Development. The grant, received in 1973, is entitled "Employment Generation through Stimulation of Small-Scale Industry." IDD's First Annual Report summarizes the program's objectives as follows:

The general objective of this program is to strengthen the capabilities of the Georgia Institute of Technology to more effectively apply its present interests, skills, and experience in developing small-scale industries in Georgia and Latin America to the problems of small industry in the less developed countries.

The International Development Data Center (IDDC) was created to provide information and research support for this program. The compilers of this publication, IDDC staff members, recognizing that neither a standardized concept of "small-scale industry" nor a comprehensive listing of individual country definitions of "small-scale industry" existed, attempted to gather such information in the interest of international cooperation and understanding regarding industrial development.

The project had the following objectives:

1. To obtain, from each country, its official or legal definition of small-scale industry, particularly in terms of capital invested, sales, employment, and nature of product.
2. To obtain, from each country (in the absence of a legal definition), the general understanding of what constitutes small-scale industry.
3. To publish and disseminate the documented results of this worldwide survey.
4. To update such publication in 1976.

The approach to accomplish the outlined objectives was as follows: A letter incorporating the aims of this particular information project was formulated and sent to appropriate agencies of each country. In general, the order of correspondence was:

- a. The country's embassy to the United States in Washington, D. C.
- b. An agency in that country to which the compilers were referred by embassy officials.

- c. A country/governmental agency involved in small-scale industry promotion and suggested by embassy officials, other country agencies, or otherwise identified by the IDDC staff.
- d. The country's ambassador to the United Nations, New York.
- e. An agency of the country named by United Nations officials.

When satisfactory data, in terms of the statistics desired, were obtained, correspondence was terminated.

It was necessary to initiate the publication process in January 1975. At that time, 72 countries or areas had graciously responded with their individual definitions of small-scale industry. Later responses will be included in a revised edition of this publication.

The publication consists of two main sections -- excerpted country or area definitions and a statistical table of relevant data. The country definitions are arranged alphabetically by each country's short-form name and are direct quotations from the original correspondence, except in the case of a definition translated from the original letter. Such cases are indicated. Editing of replies occurred only in areas of grammar and spelling to ensure clarity of the information. Interpolations by the editors are enclosed in brackets. Sources of the quoted material are cited below each country definition. Full documentation of all material is maintained at the International Development Data Center.

The statistical table attempts to illustrate quantitative data on several dimensions commonly used in measurement of small-scale industry, namely, population, per capita national income, employment, and capital/fixed assets. The countries are divided into developed and developing areas and then arranged alphabetically under geographic area. In cases where the information provided could not be converted conveniently to tabular format, the reader is referred to the quoted country definition. Sources used in designing the statistical table are indicated at the end of the table.

The results of the IDDC survey indicate that there is no precise definition of small-scale industry that can be applied to all countries, owing to the fact that each area is unique in its social structure, population, educational system, and level of economic development. Only in a few instances do legal definitions exist, although most areas have specific regulations and

promotion agencies concerned with indigenous small industries or handicraft operations. Quantitative parameters are not readily available, for the most part, and may indicate the need for further research in this area.

The International Development Data Center staff hopes that An International Compilation of Small-Scale Industry Definitions will assist those involved in the development of small-scale industry. At the least, it may offer some indication of the future need to design a universal set of criteria for measurement of small industries.

IDDC invites comments concerning the usefulness, format, and accuracy of this publication. A response form is included as an appendix.

IDDC also extends deep appreciation to all those instrumental in the compilation of this work, notably its correspondents throughout the world, translators, editor, and typists.

COUNTRY DEFINITIONS

AUSTRALIA

Commonwealth of Australia

There is no legal definition of small business in Australia. [However, in an address of the Secretary of the Department of Trade and Industry] the definition recommended by an independent committee was that "a small business is one in which one or two persons are required to make all the initial management decisions -- finance, accounting, personnel, purchasing, processing or servicing, marketing, selling -- without the aid of internal specialists and with specific knowledge in only one or two functional areas" . . . and would normally encompass firms with 100 or less employees.

The . . . National Small Business Bureau considers that no single, quantifiable definition can be entirely satisfactory. While it may be sensible to define a small firm in certain areas of Australian manufacturing industry as one with up to 100 employees, quite different figures are likely to be appropriate in non-manufacturing industry or even within certain sectors of manufacturing industry itself, e.g., capital intensive industries.

Source: National Small Business Bureau, Department of Manufacturing Industry, Commonwealth of Australia, quoting and summarizing a statement of the Secretary of the Department of Trade and Industry at a National Small Business Seminar held in Canberra, November 1973.

AUSTRIA

Republic of Austria

In Austria, we do not know a legal definition of small-scale industry. However, small business can be characterized as employing 0-50 persons, although investment, turnover and position in the market are more important as characteristics for the size of the business. (*Translation*)

Source: Institut für Betriebswirtschaftslehre des Gewerbes und der Klein- und Mittelbetriebe (Marketing Institute for Small and Medium Business of the University for World Trade).

There is no legal definition, but criteria for small-scale industry are:

- major portion of the company assets is manager owned
- actual management is in his hands

- the manager oversees the business
- the number of employees is 0-30 (Translation)

Source: Bundeskammer der Gewerblichen Wirtschaft (Department of Labor, Republic of Austria).

BANGLADESH

People's Republic of Bangladesh

Small-scale industry in Bangladesh has been defined in Government policy announcements as a manufacturing and servicing establishment with a capital investment not exceeding Tk.25 lacs (Taka 2.5 million) [US\$307,389] in fixed assets. In this definition, the requirement of working capital has been excluded. At the moment no other criterion except the size of investment in assets is used to determine what is a small-scale industry.

Source: Bangladesh Small Industries Corporation, People's Republic of Bangladesh.

BARBADOS

There is no legal definition of small-scale industry in Barbados. However, it is generally accepted that a small business is one which qualifies under any two of the following three criteria:

- (1) Employment not exceeding 25 persons.
- (2) Annual sales value not exceeding \$250,000.
- (3) Owners' investment not exceeding \$50,000.

Source: Industrial Development Corporation, Barbados.

BELGIUM

Kingdom of Belgium

In Belgium there does not exist a legal definition of small-scale industry. This is a controverted notion, which should be specified by several standards: the nature of the enterprise, the legal form, the amount and the constitution of the capital, the management, and finally, the number of the employed people. In this context an upper limit could be found in the legislation about certain credit facilities for industrial enterprises accessible only to enterprises

employing no more than 50 persons. This does not permit to conclude that there are no medium or big enterprises employing less than 50 persons.

Source: Belgian Administration, as transmitted by the Belgian Embassy in the United States.

BRAZIL

The Federative Republic of Brazil

There is no legal definition of small and medium-scale industry in Brazil. Some semi-official institutions have adopted their own definitions. They read as follows:

- (a) Central Bank of Brazil, National Monetary Council (Conselho Monetario Nacional Banco Central do Brasil) -- Industrial enterprises to be considered small or medium-scale industries have to have annual sales which do not exceed 70,000 times the current minimum wage of the country.
- (b) Bank of Brazil, Inc. (Banco do Brasil S.A. Carteira de Credito Agricola e Industrial) (For industrial development loan purposes - agricultural and industrial) -- Small or medium enterprises are those which do not employ more than 100 employees and sales do not exceed Cr \$12,000,000 [US\$1,716,738].
- (c) Bank of Brazil FUNDIPRA (Banco do Brasil S.A. FUNDIPRA) (For industrial development of fishing, agricultural products) -- Small and medium-scale enterprises are those whose sales are in the bracket between 250 and 750 times the current minimum wage of the country.
- (d) Ministry of Finance of Guanabara State (Secretaria de Financas do Estado da Guanabara) -- Small industry is that which sells less than Cr \$900,000,000 [US\$128,755,360] per year and medium-scale industry is that which sells more than Cr \$901,000,000 per year [US\$128,898,420].
(Translation)

Source: Banco de Dados - DEP/DAMPI/CNI, as transmitted by Confederação Nacional da Industria, Federative Republic of Brazil.

BRUNEI

State of Brunei

We have no official or legal definition of what constitutes small-scale industry. For a small country and for administrative purposes, the definition should be flexible enough to allow for expansion and growth. However, . . . I would personally consider small-scale industries to be employing less than 50 workers and having capital investment in plant and machinery not exceeding B\$250,000 [US\$105,000].

Source: Economic Officer for State Secretary, Brunei.

CAMEROON

United Republic of Cameroon

A small-scale company in Cameroon is one that realizes a turnover of \$4,000 or less per year. Companies classified in this category are not of the industrial type and they are predominantly engaged in retail trade.

Source: Economic Mission of Cameroon in the United States.

CANADA

Dominion of Canada

There is no one definition which adequately suits all situations. Consequently, we now consider the size of business in relation to each specific measure. For example, the Small Business Loans Act has recently been amended to provide guaranteed loans to firms with less than \$1,000,000 in annual gross revenues. This is double the previous limit of \$500,000.

In the area of management counselling, firms are eligible to use the Counselling Assistance to Small Enterprises (CASE) program if they have no more than 100 employees and no more than \$5 million in annual sales. At this time, CASE is available primarily to firms in the manufacturing and tourism sectors.

On the other hand, the Industrial Development Bank (IDB) does not have limitations on the size of the client. The IDB gives particular attention to the needs of small business, and provides financing when credit or other

financial resources would not otherwise be available on reasonable terms and conditions. These criteria have worked out well in the past as the average loan size of the IDB has been under \$50,000.

Source: Small Business Section, Program Development Division, Office of Industrial Policy, Department of Industry, Trade and Commerce, Dominion of Canada.

CHINA

Republic of China

Those manufacturing, processing and handicraft industries which fall under one of the following categories are classified as small- and medium-scale industries:

- (1) An enterprise with a registered capital below NT\$5,000,000 (US\$131,600 at a conversion rate of US\$1 to NT\$38) and total assets below NT\$20,000,000 (US\$526,300); or
- (2) An enterprise with a registered capital below NT\$5,000,000 (US\$131,600) and employment of:
 - (a) 300 or less for electronics, garment and footwear industries;
 - (b) 200 or less for food processing industry;
 - (c) 100 or less for other manufacturing, processing and handicraft industries.

In addition, an enterprise engaged in commerce, transportation and services and employing 50 workers or less with annual sales amounting [to] NT\$5,000,000 (US\$131,600) or less is classified as small- and medium-scale business.

Source: Industrial Development Bureau, Ministry of Economic Affairs, Republic of China.

COLOMBIA

Republic of Colombia

Small industrial enterprises include bakeries, automotive repair shops and manufacturers of footwear, wooden furniture, bricks and tiles, flour and coffee mills. These plants employ between 5 and 24 workers.

Source: Colombia Today, Vol. 9, No. 6 (1974).

COSTA RICA

Republic of Costa Rica

According to the Banco Central de Costa Rica, there is no official definition of small-scale industry. A commission of the Ministry of Economics, Industry and Commerce is working on an official definition. For special purposes, like credit purposes, there are two definitions, and they read as follows:

- a. The National Banking System of Costa Rica defines small-scale industry as follows: "The industrial activity whose principal asset is constituted by the work, technical capability and moral integrity of the proprietor and his relatives is considered small-scale industry.
- b. The Central American Bank of Economical Integration defines, for the purpose of financing, small-scale industry as follows: "An industry to be called small-scale industry must be engaged in the production of finished goods, semifinished goods or of intermediate goods and must:
(1) Preferably use national or regional raw products. (2) Have more than 2 employees but not more than 50. (3) Net worth must be in the bracket of \$CA 2,500 and \$CA 50,000 [US\$2,500-US\$50,000]. (4) The manufacturing process must be based on simple technology, utilizing manual tools, mechanical machinery or equipment and, as possible, it should not use automatic processes or machinery." *(Translation)*

Source: Banco Central de Costa Rica, Republic of Costa Rica.

DENMARK

Kingdom of Denmark

We have no official or legal definition of the concept of "small-scale" industry.

Our industrial statistics cover manufacturing companies with more than 6 employees, and generally speaking the size of Danish industrial companies is fairly small in international comparison.

Source: Industrirådet, Kingdom of Denmark.

ECUADOR

Republic of Ecuador

An industry will be considered small-scale industry if it is engaged in the transformation of raw material or semifinished products into semifinished or finished goods, but in which the use of machinery operations predominates over manual operations. Also, its fixed assets, excluding land and buildings, must not exceed the maximum set by the Comité Interministerial de Fomento de la Pequeña Industria y Artesanía (Committee for Small-Scale Industry) which in no case is to exceed 1,500,000 sucres [US\$59,405]. (Translation)

Source: Codification de la Ley de Fomento de la Pequeña Industria y Artesanía, Ministry of Industries, Commerce and Integration, Republic of Ecuador.

ETHIOPIA

Empire of Ethiopia

We do not have an official, legal definition of what constitutes small-scale industry. However, various studies and surveys have been made on the topic.

The Central Statistical Office of the Ethiopian Government in its 1971 survey used the following criteria to characterize small-scale industries: (1) fixed capital investment of up to Eth.\$100,000 [US\$48,309] and (2) employment level between 10 and 50. The International Bank for Reconstruction and Development used these same criteria in its survey of the Ethiopian economy titled "Recent Economic Performance and Future Prospects in Ethiopia," 1972.

Source: Financial and Economic Affairs Office, Ethiopian Embassy in the United States.

FIJI

We have not as yet evolved a legal definition for small-scale industry. We know that other countries have, and base their definitions on either the number of people employed, the level of capital invested, or both.

The word small-scale industry is used very loosely in this country and at times may refer to an enterprise employing fewer than twenty people.

Source: Ministry of Commerce, Industry and Co-operatives, Fiji.

FINLAND

Republic of Finland

In Finland an enterprise is considered to belong to the category of small industries if the number of workers employed does not exceed 100 and if its annual business turnover is not more than 2 million markkas [US\$522,193].

Source: Report entitled Small Business Administration in Finland, transmitted by the Embassy of Finland in the United States.

GAMBIA, THE

Republic of The Gambia

There exists no legal definition of small-scale industry in The Gambia.

We have indeed, under the auspices of I.L.O., had a number of reports on this subject and intend to establish a small indigenous business advisory service -- but so far there is no strict definition. In the West African context, and perhaps generally, it is best defined negatively; thus it does not:

- (a) Directly fully employ more than circa ten persons.
- (b) Have expatriate management and/or technicians.
- (c) Use a purpose built facility of more than 2,000 square feet.
- (d) Have a capital investment per employee of more than circa \$5,000 (usually far less).
- (e) Have an annual turnover of more than circa \$150,000.
- (f) Does not produce an article or service which requires a high technical skill for most of the employees (there may be one or two highly skilled), excepting artistic production (e.g., handicrafts).

Such small businesses in The Gambia fall within:

- (i) Trading
- (ii) Handicraft production (silversmiths, woodcarvers, et al.)
- (iii) Simple metalwork and mechanical repair services
- (iv) Simple carpentry

- (v) . Construction
- (vi) Fishing
- (vii) Simple food processing
- (viii) Simple manufacture and assembly from imports (e.g., candles)
- (ix) Simple weaving
- (x) Tailoring

Source: Ministry of Economic Planning and Industrial Development, Republic of The Gambia.

GERMANY

Federal Republic of Germany

Dr. Gabler's Economic Dictionary has the following entry:

Small-scale industry is an economic production unit which, given its reduced amount of capital and labor, has a limited production. LIMITS: 1. According to statistics; (a) Agricultural sector: area utilized is 0-5 hectares, (b) Manufacturing sector: industries with 0-5 employees. 2. According to the economic production viewpoint: units with 0-20 employees. Advantages of the small-scale industries: capacity to adapt to market variations; relatively simple social relationships (narrow production community); capacity to utilize rational manufacturing procedures . . . 3. According to trade organizations: Industries with a staff of 5-20 employees, who have the right to vote for the work council . . . (Translation)

Source: Dr. Gabler's Wirtschaftslexikon as transmitted by the Goethe House New York, German Cultural Institute/Branch of Goethe Institute Munich.

GUATEMALA

Republic of Guatemala

Small Industry Characteristics:

- have a limited market or a limited number of clients
- the size of the enterprise corresponds to a limited production program and to the management capacity of the entrepreneur
- manufacture of common products with simple production processes
- few employees

- use local raw materials that are easily accessible or nonfinished products
- simple production equipment and machinery
- simple accounting and control systems (Translation)

Source: Ministerio de Economia, Republic of Guatemala.

GUYANA

A Small Industries Corporation has been set up by Government to promote, stimulate and facilitate the establishment of small industries in the economy of Guyana.

-Emphasis will be placed on those industries which will utilise raw materials produced in Guyana or capable of being produced in Guyana.

-Economies of location might dictate the siting of large-scale industries in urban areas, but small-scale industries may be located in rural and hinterland areas which will assist Government's policy of regionalism by encouraging the establishment of small businesses in rural areas and by utilising human and material resources found in these areas.

The Small Industries Corporation grants loans up to a maximum of \$160,000.

Who are entitled to apply:

- Guyanese owners or intending owners of small manufacturing businesses
- Note this:
 - the value of the fixed assets of the investment should normally not exceed \$200,000
 - the applicant will be expected to provide part of the capital costs of the project
 - if it is a new project, a minimum of 20% of the capital costs must be met by the applicant
 - if it is an existing project, the applicant must meet at least 50% of the capital costs

Source: Publications transmitted by the Consulate General of the Republic of Guyana in New York.

HONDURAS

Republic of Honduras

The definition of small-scale industry is "any enterprise having 5 or less workers." This is the definition that has been used in the recent industrial census and in the industrial survey made by government institutions. In other cases, the criterion used to define small industry is the one with a capital of 10,000 dollars or less. (*Translation*)

Source: Asociación Nacional de Industriales de Honduras, Republic of Honduras.

HONG KONG

Colony of Hong Kong

"Small-scale industry" is defined, for the purposes of this Scheme,^{1/} as "factories employing not more than 200 workers and having not more than HK\$1,000,000 [US\$196,850] in proprietors' funds."

^{1/} The Scheme has been instituted by the Hong Kong Government to assist small industrial enterprises to increase their productivity by the purchase of modern machinery and equipment.

Source: Report entitled "Loans for Small Industry (Revised Terms and Conditions, 1973)," as transmitted by the Colonial Secretariat of Hong Kong.

INDIA

Republic of India

In India, small-scale industry includes all industrial units with capital investment of not more than Rs.750,000 [US\$93,225] in plant and machinery, irrespective of the number of persons employed. This definition dates back to 1966, when a unit could not have capital investment of more than Rs.500,000 [US\$62,150] in order to qualify as a small-scale unit. Moreover, till then, capital investment included not just plant and machinery, but also such assets as land, etc. Thus, since 1966 the definition of small-scale industry has been revised to cover somewhat larger units than used to be the case.

Source: Economic Wing, Embassy of India in the United States.

INDONESIA

Republic of Indonesia

The definition for small-scale industries is: those industries which have 1-4 labourers and utilise power equipment or 5-9 labourers without power equipment.

Source: Embassy of Indonesia in the United States.

IRAN

Empire of Iran

According to the Organization for Small-Scale Industries and Industrial Estates of Iran, "small-scale industry" covers the category of an industry owning not more than Rials 7.5 million [US\$110,913] worth of machinery and equipment, and not being of a handicraft nature.

Source: Iranian Economic Mission, Embassy of Iran in the United States.

IRAQ

Republic of Iraq

We have no legal definition for small-scale industry in Iraq.

For statistical purposes, The Central Statistical Organization which belongs to the Ministry of Planning defines small-scale industry as those establishments which employ 9 persons or less.

Law No. 22 of 1973, "For The Promotion of Industry," confines most of its promotional and organizational articles to industrial establishments with machines and equipments costing not less than I.D. 6.000 [US\$20,263].

Source: State Organization for Industrial Development, Ministry of Industry, Republic of Iraq.

ISRAEL

State of Israel

There is no legal definition of the term "small-scale industry" in Israel.

For the purpose of research, planning and classification, our Ministry applies a single criterion, i.e., the number of employees. Accordingly we define a small-scale industrial enterprise as one having up to 25 employees.

Source: Ministry of Commerce, State of Israel.

ITALY

Italian Republic

For the characterization of small and medium-size business for which the financial aid of the Mediocredito Centrale is reserved, the following criteria have been established by the Comitato Interministeriale Credito e Risparmio:

- number of employees not to exceed 500
- invested capital not to exceed 3 billion lira [US\$454,200]

For the nondepressed area of Northern Italy, the criteria are the following:

- 0-500 employees
- invested capital not to exceed 3 billion lira [US\$454,200]

For the depressed area of Northern Italy, the following criteria apply:

- 0-500 employees
- invested capital not to exceed 5 billion lira [US\$757,000]
- depressed area of Northern Italy: Valle d'Aosta, Trentino Alto Adige, Veneto, Friuli-Venezia Giulia, Emilia-Romagna, Toscana, Marche, Umbria, Lazio

For the depressed area of the "industrial triangle" (Piemonte, Lombardia and Liguria), the following criteria apply:

- New Plants
 - 0-500 employees
 - invested capital not to exceed 1.5 billion lira [US\$227,100]
- Expansions
 - 0-500 employees
 - invested capital not to exceed 3 billion lira [US\$454,200]

For the area of Cassa to the Mezzogiorno:

- .. invested capital not to exceed 6 billion lira [US\$908,400]

In January 1973, the occupational restriction was suspended, applying only the invested capital criterion. (Translation)

Source: General Confederation of the Italian Industry, as transmitted by the Italian Embassy in the United States.

JAMAICA

An enterprise or proprietorship in which the principal owner is involved in the very "core" of the operation of the business and who generally assumes the responsibility of the total operations.

Source: Jamaica Industrial Development Corporation, Small Industries Division, as transmitted by the Embassy of Jamaica in the United States.

JAPAN

The Small Business Policy Act defines "small and medium-sized enterprises" as follows:

- (1) manufacturing, mining and transportation industries -- those with no more than 300 employees or those with no more than 50 million yen in capital [US\$5,072,022]
- (2) commerce and service industries -- those with no more than 50 employees or those with no more than 10 million yen in capital [US\$1,014,404]

Source: Embassy of Japan in the United States.

JORDAN

Hashemite Kingdom of Jordan

No legal definition for small-scale industry in Jordan exists. But only for statistical purposes, industrial establishments with total value of assets in plant, machinery and equipment not exceeding JD 5,000 [US\$15,974] and with total number of employees not exceeding 5 are considered to belong to the small-scale industry.

Source: Industrial Development Bank, Hashemite Kingdom of Jordan.

KENYA

Republic of Kenya

A legal definition of a small-scale industry has not yet been formulated, but we do consider an industry employing less than 50 employees as a small-scale industry.

Source: Ministry of Commerce and Industry, Republic of Kenya.

KOREA

Republic of Korea

The revised size criteria for the definition of small and medium industries are as follows:

Manufacturing...employment from five to 200 workers, or total assets not exceeding 50 million won [US\$125,313].

Mining and transportation...employment from five to 300 workers, or total assets not exceeding 50 million won [US\$125,313].

Construction...employment from five to 20 workers, or total assets not exceeding 50 million won [US\$125,313].

Commerce and services...employment from five to 20 workers, or total assets not exceeding ten million won [US\$25,062].

Source: Quarterly Review of The Medium Industry Bank, Seoul, Korea, September-December 1973, p. 5.

LESOTHO

Kingdom of Lesotho

We regret that we do not have an official, legal definition of small-scale industries. But, for all practical purposes there is an understanding that:

- at the present stage of development there will be only very few large-scale industries
- whatever enterprise does not require expatriate management or (non-national) participation is considered small-scale (which does not mean that a national could not operate a large-scale enterprise)

- we would at present consider any project employing more than 100 people or having more than \$150,000 in fixed assets as being large, but may also do so in much smaller cases.

Source: Ministry of Commerce and Industry, Kingdom of Lesotho.

LIBYA

Libyan Arab Republic

Small Projects:

The purpose of these projects is to satisfy the needs of a limited part of the country over a wide range of consumable commodities.

Small projects are spread all over the country in big numbers and, therefore, it is difficult to define them in the development programme, but a lump sum figure is allocated for their expected investments during the programme period. These projects depend basically on both hand work and rather small simple machines and, therefore, they can be self-financed by the private sector.

Normally, initiation of small projects is started by the private sector and, therefore, the public sector will only be interested in projects which are deemed necessary to the national economy and for which the private sector shows no interest.

In addition to the wide scope open for the private sector to participate in the medium and major projects as explained before, and for the sake of encouragement, the state industrial financing corporations will grant loans at a limit of 60,000 Libyan pounds [US\$202,771] for those projects which are proposed by the private sector and approved by the competent authorities.

Traditional and cottage industries:

Traditional and cottage industries will receive full care and support. Financial resources will be made available to those who are responsible for them and better means for marketing their production will be assured. Also, free technical expertise will be provided on the spot.

Source: The Government's Policy in Respect of the Implementation of Industrial Projects as transmitted by the Embassy of the Libyan Arab Republic in the United States.

LUXEMBOURG

Grand Duchy of Luxembourg

There exists no legal definition of small-scale industry in Luxembourg.

The actual situation is the following in the Grand Duchy:

On the one hand we have the handicraft shops, generally considered as small-scale firms, and on the other hand we have the industrial firms, federated in our "Federation des Industriels Luxembourgeois," including big, medium and small enterprises. When these firms are considered as industrial enterprises -- our board decides this when we have demands for affiliation -- they depend from the Ministry of Economic Affairs and are ruled by this Ministry. The only difficult situation occurs when a handicraft shop grows and is too big to remain among the handicraft sector and still too small, or due to his production, to enter the industry sector.

Source: Federation des Industriels Luxembourgeois.

MALAYSIA

In Malaysia there are five (5) developmental institutions catering to the needs (financial, managerial and technical) of the small sector as part of their respective spheres of activities. They are namely:

1. Majlis Amanah Raayat (MARA)
2. National Productivity Centre (NPC)
3. Malaysian Industrial Development Finance Industrial Consultants (MIDFIC)
4. National Institute for Scientific and Industrial Research (NISIR)
5. Federal Industrial Development Authority (FIDA)

Early in 1973, the National Advisory Council on Consultancy and Advisory Services for Small-Scale Industries and Businesses, comprising the above five institutions, was formed to mobilise and co-ordinate existing efforts and facilities for the effective development and promotion of the small sector. Among its work, the Council has adopted (on March 22, 1973) the following definitions for the small sector:

- a. A small-scale manufacturing unit is "an industrial unit with a total capital investment of about M\$250,000 [US\$103,305] in land, building,

plant, machinery and equipment, regardless of the number of persons employed. Such unit is characterized by the owner/manager performing a wide range of tasks, in addition to production, involving guidance and leadership without the help of full-time specialist officers in his organisation."

- b. "Small-scale businesses are business units with proprietor's or shareholder's capital of about M\$50,000 [US\$20,661] or less and with an annual turnover of M\$250,000 or less, employing simple management techniques. The management of such business unit is identified with ownership."

Source: Federal Industrial Development Authority, Malaysia.

MALTA

There is no legal definition of a small-scale industry in Malta. However, . . . the practice adopted by the Central Office of Statistics and the Director of Labour is that a small-scale establishment is one that employs ten (10) persons or less.

Source: Permanent Mission of Malta to the United Nations.

MEXICO

United Mexican States

Small-scale industries in Mexico . . . are understood as . . . those whose capital investment is no less than 25,000 Mexican pesos [US\$2,001] and no greater than 25,000,000 Mexican pesos [US\$2,001,601].

Source: Ministry of Industry and Commerce, United Mexican States, as transmitted by the Mexican Embassy in the United States.

NETHERLANDS

Kingdom of the Netherlands

The Dutch government does not know a legal definition, nor a uniform statistical criterion for small-scale industry. Only in some cases are quantitative limits specified. Small-scale industry is divided into:

- crafts and small manufacturing industry
- wholesale and retail trade
- service industry (transportation, mail service, dry cleaners, etc.)

(Translation)

Source: Ministerie van Economische Zaken te 's-Gravenhage (Department of Economic Business in The Hague) as transmitted by the Economic Secretary, Royal Netherlands Embassy in the United States.

Generally spoken, the term "small-scale industry" is used for industries with more than 10 but less than 50 employees. (Translation)

Source: Economic Secretary, Royal Netherlands Embassy in the United States.

NEW ZEALAND

Dominion of New Zealand

In effect, most of New Zealand industry is characterised by small-scale enterprises. . . . Approximately 60 percent of all factory establishments in the country have no more than 10 people engaged in employment, whereas less than 2 percent have in excess of 200 employees.

Similarly, only a very small proportion of industrial establishments have an annual turnover greater than \$5,000,000. These would possibly be the only enterprises to be regarded as large-scale in this country.

The large-scale industries in New Zealand operate principally in the fields of forest products, food and beverages, petroleum refining and construction. Small-scale enterprises operate in some of these sectors and are dominant in most other areas of production and manufacturing.

Source: Ministry of Trade and Industry, Dominion of New Zealand.

NICARAGUA

Republic of Nicaragua

According to the National Bank of Nicaragua, there are two classifications for small industries:

- Corresponds to a BNN/AID program, effective since October 1968
 - (a) total assets = C\$300,000 [US\$42,857]
 - (b) employees greater than 5

- Corresponds to a BNN/BID program effective since January 1973

(a) total assets = C\$420,000 [US\$60,000]

(b) employees greater than 5 (Translation)

Source: Ministerio de Economica, Industria y Comercio, Republic of Nicaragua.

NIGERIA

Federal Republic of Nigeria

We have no legal (definitive) definition. However, . . . small-scale industries in Nigerian context would certainly include establishments employing less than 500 personnel, and ones in which fixed capital involved is low and turnover of no higher magnitude than \$50,000.

Source: Embassy of the Federal Republic of Nigeria in the United States.

NORWAY

Kingdom of Norway

In Norway there is no invariable authoritative definition of what constitutes small-scale industry. The Government has, however, felt the need for some kind of such definition in the operation of the Governmental Fund for Handicraft and Small Business. When this fund was reorganized and expanded in 1966, the Government declared that this fund should primarily aim at assisting enterprises with maximum twenty employees. This is the only official attempt to define small-scale industry.

The number of employees used (20) should be viewed in the context of the size of Norwegian industrial enterprises. The majority of those employed in Norwegian industry, approximately 70 percent, are employed in enterprises with less than 200 employees, and the average number of employees in all industrial enterprises is 40 persons.

Source: Royal Norwegian Embassy in the United States.

PAKISTAN

Islamic Republic of Pakistan

Small-scale industries are governed by the Provincial enactments, and the official/legal definitions of the said industry in the Provinces of the Punjab, Sind and North-West Frontier Province are as follows:

Province of Punjab and Sind:

Small-scale industry means an industry engaged in handicrafts or manufacture of consumer or producer goods, the value of the total fixed assets whereof (excluding the cost of land) does not exceed twenty lakhs rupees [US\$200,000].

Province of N.W.F.P.:

Small industry means an industry engaged in handicrafts or manufacture of consumer or producer goods the value of total assets whereof (including land) does not exceed Rs. 30 lakhs [US\$300,000].

Source: Ministry of Industries, Government of Pakistan.

PANAMA

Republic of Panama

Although there is no legal definition of small-scale industry in Panama, a recent study done in conjunction with the Ministry of Commerce and Industry established the following definition of small-scale industry:

A manufacturing enterprise to be considered small-scale industry has to employ 5 to 29 employees and have a fixed assets investment no greater than B/75,000 [US\$75,000].

The limits to which the definition refers are not rigorous. Cases are considered independently.

This definition has been used for planning and financing programs for small-scale industry since 1973. (*Translation*)

Source: Centro de Desarrollo y Productividad Industrial, Ministerio de Comercio e Industrias, Republic of Panama.

PERU

Republic of Peru

At present, there is no explicit legal definition of the term "small-scale industry" (pequeña industria) in Peru. The General Industries Law (Ley General de Industrias, Decreto Ley No. 18350), however, in Article 281 of its by-laws, refers in this respect to Article 2 of the Industrial Communities Law of 1970 (Ley de Comunidad Industrial, Decreto Ley No. 18384), which stipulates that all industrial enterprises having fewer than 6 workers and an annual turnover of less than S/. 1 million [US\$25,840] are subject to pending special legislation. The new law regarding the small industries sector is presently under consideration and probably will be enacted within the next few months.

For the purposes of a Programme of Industrial Extension Services to small industries presently in preparation in this Ministry with bi-lateral and multi-lateral assistance, the selected target group is those industrial enterprises employing less than 20 workers and with a maximum investment of S/. 2 million [US\$51,680] in machinery and equipment.

The National Training Center of Industry and Tourism (SENATI) defines small-scale industries as those employing between 5 and 19 workers.

The Industrial Development Bank of Peru (BIP) has selected as a target group for its small industry credit programme those enterprises with a capital investment of less than S/. 1.2 million [US\$31,007] and an annual turnover of less than S/. 5 million [US\$129,198].

Source: Ministerio de Industria y Turismo, Government of Peru.

PHILIPPINES

Republic of the Philippines

Regarding the legal and official definition of small-scale industry . . . there is none, so far, that we know of, but as embodied in Republic Act No. 3470, creating the National Cottage Industries Development Authority (NACIDA), the term "cottage industry" may also be considered small-scale industry. Section 11 of said Act is quoted below for your information and reference:

Section 11 Definition.- The term "cottage industry" as used in this Act shall mean an economic activity in a small scale which is carried on mainly in the homes or in other places for profit and which is mainly done with the help of the members of the family. It shall include the following: (1) fiber crafts such as making of abaca ropes and twines, buntal fiber extracting and buri leaf braiding; (2) woodcraft such as making wooden shoes, wooden fans, walking sticks (canes) and wood carvings; (3) hat weaving such as Calasiao, buri, rafia, buntal and bamboo hats, salakots, and helmets; (4) mat weaving such as door, sleeping, buri, pandan, balilan, and sabutan mats; (5) metal craft such as making of jewelries, knives, bolces, scissors, razors, silverwares, and brassworks; (6) ceramics such as making of potteries, hollow blocks, tiles, firebricks, clay stoves and other ceramic products; (7) shell crafts such as making of sea shell buttons and coconut shell products; (8) bamboo and rattan crafts such as making of hammocks, basketry, making of sawali and other bamboo and rattan furniture and articles; (9) small agricultural hand tools such as plow points; (10) toy craft such as making of dolls and toys; (11) embroidery industries; (12) needlecraft (including knitting and crocheting); (13) loom weaving such as making of fish nets, making of mosquito nets, weaving of Ilocano cloth, Igorot weaving, pina "barong Filipino," jusi and sinamay; (14) machine parts manufacture such as wheels and stone mortars; (15) poultry including duck raising and "balut" making; (16) piggery; (17) home cigar making; (18) food preservation and canning, including the making of vinegar wine, "bagoong," "mazapan" pill, "tostado comitado" de pill, "bucayo"; (19) small mining operations; (20) other related crafts such as making of brooms, nito and buri bags, "karagomay" bags, bead making, guitar and other musical instruments; and (21) such other industries done in the home with the aid of electrical gadgets and/or by hand manipulation. The cottage industries shall be owned and operated by Filipino citizens, or if a corporation, partnership or cooperative, at least seventy-five percent of its Board of Directors shall be Filipino citizens.

Source: Embassy of the Philippines in the United States.

Any enterprise with total assets of less than 1 million [US\$147,126] is considered a small-scale industry.

Source: Commission on Small and Medium Industries, 1974.

POLAND

Polish People's Republic

An understanding of the definition of "small industry" is best comprehended in the light of the more frequently used term "small manufactures."

Among the many important criteria of the economic characteristics of small manufactures . . . there should be mention of:

1. Production output small in quantity but with great elasticity for adjustment to different or changing necessities and consumer tastes
2. Especially simplified forms of management and administration
3. Secondary position on large market sales and investments
4. Limited accessibility to organized credit market
5. Close ties with local market sales and profiting in underdeveloped places
6. Organizational ties with organs of area administration

Equally applicable . . . are various criteria dealing with the size of the establishments of small industries. Among these, the most useful criterion is the employment in the establishment of less than 100 workers. (*Translation*)

Source: Ministry of Light Industry, Polish People's Republic.

PUERTO RICO

Commonwealth of Puerto Rico

There is no legal definition for small-scale industry in Puerto Rico. . . . A definition of this nature may be based on a wide variety of criteria which depend on the needs of the user.

The only criterion that may be useful . . . is the one given by our Department of Puerto Rican Industries which requires a minimum of \$10,000 to \$15,000 of capital invested and 5 persons employed as one of the requisites for promoting a manufacturing plant.

Source: Office of Economics and Planning, Economic Development Administration, Commonwealth of Puerto Rico.

ROMANIA

Socialist Republic of Romania

There is no legal or official definition of small-scale industry in our country.

However, according to our personal opinion based on actual situation, small-scale industry in our country may be defined as that branch of industry which turns into account local natural resources of a town or a county (there are 39 counties in Romania), and which supplies mainly the local markets with

specific products. Usually the plants, factories, etc., included in the local industry (small-scale industry) are smaller than the factories, plants, etc., of national importance. At the same time, local industry is subordinated to the local governments to which they pay taxes under different forms.

In addition to the state local enterprises, there are also cooperative enterprises in the field of manufacturing different products or supplying various services for the people living in a town or a certain area of a county.

The construction of new units of local industry is financed by the local governments using their own budget.

Source: Office of the Economic Counselor, Embassy of the Socialist Republic of Romania.

SAINT CHRISTOPHER (ST. KITTS)-NEVIS-ANGUILLA

State of St. Christopher (St. Kitts)-Nevis-Anguilla

In St. Kitts, based on the normal practice accepted by the Caribbean Development Bank, the ceiling for fixed investment accepted for small industries is US\$50,000.

In my own view, for small industries the investment should not exceed US\$25,000, but the terms of loans and facilities accorded should be very liberal so that in the developing countries the small man can be helped.

Source: Development and Finance Corporation, St. Kitts, W.I., as transmitted by St. Kitts-Nevis Chamber of Commerce.

SAINT VINCENT

State of Saint Vincent

There is no official, legal definition of small-scale industry that we know of in St. Vincent. In the context of St. Vincent, where there is little industrial activity, no large-scale (by any definition) industrial enterprises, and no foreseeable likelihood of there being any large-scale enterprises, a definition for small-scale industry would be rather otiose and pretentious. What seems more important is to have a set of criteria (which criteria may tally with the characteristics of small-scale industry) by which the suitability of

industrial projects may be assessed. At the moment the Corporation favours projects with a high percentage local value added; projects that are labour intensive; projects which utilize local raw materials where these exist; projects that are export-oriented, particularly enclave projects which export their total output; projects which promote inter-sectoral and inter-industry linkages; import-substitution projects, and especially import displacement projects; and also projects in which there is local proprietary participation.

Notwithstanding, under the Corporation's Small Industry Credit Scheme and under the Corporation's Scheme for the provision of industrial buildings to small industry, eligibility for finance and for industrial building space is determined by the applicant not having a net worth (including the net worth of the applicant's spouse) in excess of \$100,000 East Caribbean Currency [US\$49,261].

Source: Development Corporation, St. Vincent, as transmitted by the Ministry of Trade, Agriculture and Grenadines Affairs, State of St. Vincent.

SAUDI ARABIA

Kingdom of Saudi Arabia

Small-scale industries include all industrial establishments that employ less than fifty workers or with investments in machinery and equipment of less than SR 250,000 [US\$70,422].

Source: Industrial Studies and Development Centre, Kingdom of Saudi Arabia.

SENEGAL

Republic of Senegal

There is not an official definition of small and medium industry in Senegal. Law 72-43, regulating only large-scale industry, states that an investment of 100 million CFA francs [US\$410,255] within 3 years and minimum employment of 50 persons is necessary. Law 72-46, regulating small and medium industry, states that the benefits of this law are limited to those programs which have, among other qualifications, a minimum investment of 5 million

francs [US\$20,512] over a 2-year period, or if an agricultural enterprise, an investment of 3 million francs [US\$12,307]. (Translation)

Source: Publications transmitted by the Societe Nationale d'Etudes et de Promotion Industrielle (SONEPI), Republic of Senegal.

SIERRA LEONE

Republic of Sierra Leone

A small-scale industry is defined by the Central Statistics Office as an industrial establishment employing less than six persons, including the self-employed.

Source: Ambassador and Permanent Representative of the Republic of Sierra Leone to the United Nations.

SINGAPORE

Republic of Singapore

There is no legal or official definition of small-scale industry in Singapore. However, our authorities traditionally consider those manufacturing industries employing less than 50 workers and/or having a capital (not including land and building) of less than S\$250,000 [US\$100,806] as small.

Source: Embassy of Singapore in the United States.

SOMALIA

Somali Democratic Republic

A definition of small industry, and based on that, a law for promoting its development, is still in the offing. However, in general, small industry had been, in the past, understood to cover industrial units using fixed assets of the value around one million Somali shillings [US\$158,856], employing 50 or less workers.

A formal and legal definition of small industry is now being worked [out] and on the basis of investment criteria alone.

The investment ceiling will be fixed for this purpose, keeping in view the specific requirement of Somalia related to the possible use of:

- (a) Private enterprise for the development of small industry.
- (b) Small industrial units as subsidiaries of large and medium industrial plants in the public sector, and
- (3) Industrial co-operatives for the establishment and the management of small industrial units based on modern technology.

Source: Ministry of Industry, Somali Democratic Republic.

SOUTH AFRICA

Republic of South Africa

I regret to advise that I am unfortunately not aware of any "official, legal definition of a small-scale industry" in my country. The Industrial Development Corporation of South Africa, Limited, a semi-government institution, however, considers a small-scale industry as an independent, industrial undertaking with total assets not exceeding R500,000 (five hundred thousand Rand) [US\$725,058].

Source: Economic Minister, Embassy of South Africa in the United States.

SUDAN

Republic of the Sudan

[Small-scale industries are] those in which the fixed capital in an establishment "for machinery, land and building" is less than £S.30,000 [US\$86,157] or the number of operatives is less than 30.

Small-scale industries include metal containers, iron and wooden furniture workshops, general engineering workshops, vegetable oil mills, macaroni and vermicelli units, perfumery works, printing process, etc.

Source: Ministry of Industry and Mining, Republic of the Sudan.

SWAZILAND

Kingdom of Swaziland

A legal definition of small-scale industries does not exist in Swaziland.

As a working guide, we are using the definition that a small-scale industry is an enterprise employing less than 50 people and/or giving a material an added value requiring an investment of less than E50,000 [US\$72,505] and/or with a turnover of less than E200,000 [US\$290,023].

Source: The Small Enterprises Promotion Office, Ministry of Industry, Mines and Tourism, Kingdom of Swaziland.

SWEDEN

Kingdom of Sweden

Legal definitions of small-scale industries in Sweden . . . do not exist. With regard to taxation, a "family business" is defined as a firm with a maximum of ten persons owning 75% or more of the shares, but on other fields than taxation, no legal definitions exist.

However, there are, of course, rather widespread definitions of small-scale industries in Sweden which are not legally founded. These definitions often use some kind of employment figure as a firm size measure. Because of the fact that size distributions of firms differ from one industry branch to another, the exact borderline between small and middle sized firms varies in different branches. Usually the employment level of a small-scale industry is maximized to 100 or (in some large-scale dominated branches) to 200 employees.

There is also a tendency in Sweden to differ between "little" and "small" business firms. This tendency is, however, especially pronounced in the trade and service sector of the economy and not in the industry sector. Little business is, in this respect, equal to the "one-man" firm or a firm where all activities are taken care of within the family or within a small group of relatives.

Source: National Industrial Board, Kingdom of Sweden.

SWITZERLAND

Swiss Confederation

According to official Swiss industrial statistics, firms employing up to 49 persons are considered as small-scale business, firms employing from 50 to

499 persons as medium-scale business, and firms employing 500 and more persons as large-scale concerns.

Source: Embassy of Switzerland in the United States.

THAILAND

Kingdom of Thailand

According to the definition given by our Ministry of Industry, the industrial firm which has registered capital or fixed assets less than 2,000,000 Baht [US\$97,799] is categorized as a small-scale industry. The purpose of this classification is just for the convenience of the government in subsidiary consideration.

Source: Ministry of Industry, as transmitted by the Office of Commercial Counselor, Royal Thai Embassy to the United Nations.

TONGA

Kingdom of Tonga

We do not have an "official, legal definition," but the one which we more or less accept is "an industry having an investment not exceeding T\$100,000 [US\$148,743] may be classified as small-scale industry irrespective of the value of land, building and working capital and the number of workers employed in the project."

Source: Ministry of Labour, Commerce and Industry, Kingdom of Tonga.

TRINIDAD AND TOBAGO

The Trinidad and Tobago Industrial Development Corporation (IDC) is the principal agency in the implementation of Trinidad and Tobago's industrial programme.

While there is no legal definition on what constitutes small-scale industries, there are certain criteria which are used in determining which industries would qualify for help from the IDC. There is a separate unit of the IDC which gives assistance to small businesses in Trinidad and Tobago to (1) provide employment; (2) use local raw materials; (3) satisfy local or foreign

demand. . . . The amount committed by IDC to these enterprises [from May 1970 to April 1972] ranges from TT\$300 to TT\$45,000 [US\$144-\$21,739] and [these establishments] give employment [to] from one person to fifty persons. These are what we consider small-scale industries.

Source: Embassy of Trinidad and Tobago in the United States.

UNITED KINGDOM

United Kingdom of Great Britain and Northern Ireland

The definition of a small firm adopted by the British Government is as follows:

<u>Industry</u>	<u>Statistical Definition of Small Firms</u>
Manufacturing	200 employees or less
Retailing	\$50,000 pa or less
Wholesale Trades	turnover £ 200,000 pa or less [US\$466,417]
Construction	25 employees or less
Mining/Quarrying	25 employees or less
Motor Trades	turnover £ 100,000 pa or less [US\$233,208]
Miscellaneous Services	turnover £ 50,000 pa or less [US\$116,604]
Road Transport	5 vehicles or less
Catering	all excluding multiples and brewery-managed Public Houses

The British Government are well aware that no definition is perfect. Although 200 employees is quoted in the manufacturing field, an electronics firm which has this number of employees will be quite different in character to one of similar size in, say, textiles. A true small firm in the Government's view is, therefore, one that is owner-managed or whose policy is indicated by the owner/director; its policies not being influenced in another factory or group headquarters located elsewhere.

Source: British Embassy in the United States.

UNITED STATES

United States of America

121.3 Statutory provisions.

(a) Small Business Act, as amended.

Sec. 3. For the purpose of this Act, a small business concern shall be deemed to be one which is independently owned and operated and which is not dominant in its field of operation. In addition to the foregoing criteria, the Administrator, in making a detailed definition, may use these criteria, among others: Number of employees, and dollar volume of business. Where the number of employees is used as one of the criteria in making such definition for any of the purposes of this Act, the maximum number of employees that a small business concern may have under the definition shall vary from industry to industry to the extent necessary to reflect differing characteristics of such industries and to take proper account of other relevant factors.

(See attached sheets for full information.)

Source: Federal Register, XXXIX (December 24, 1974), 44423-44438. Title 13- Business Credit and Assistance. Chapter I - Small Business Administration (Revision 13). Part 121 - Small Business Size Standards.

Title 13—Business Credit and Assistance
 CHAPTER I—SMALL BUSINESS
 ADMINISTRATION

[Revision 13]

PART 121—SMALL BUSINESS SIZE
 STANDARDS

This is revision 13 of Part 121 of Chapter I of Title 13 of the Code of Federal Regulations. Revision 13 of Part 121 rescinds revision 12, including amendments 1 through 16 thereto. In addition to incorporating the amendments to revision 12, this revision contains several clarifying and simplifying changes, the most significant of which are described below.

1. Section 121.3-2(a) has been revised by adding thereto material set forth in revision 12, § 121.3-16, *Interpretations*, which section has been deleted by this revision.

2. Section 121.3-2(b) has been revised by adding the procedure for computing a concern's average annual receipts for its preceding 3 fiscal years when the concern has been in business less than 3 years.

3. Section 121.3-2(d) has been reworded to clarify that a concern organized for profit can qualify as a small business even if it is owned by or subject to the control of a nonprofit entity.

4. Section 121.3-2(r) has been revised by adding thereto material appearing in § 121.3-16 of revision 12.

5. Section 121.3-6 has been revised by adding thereto material appearing in § 121.3-16 of revision 12.

6. Section 121.3-16(b)(2)(ii) has been revised to make it clear that an appeal may be taken not only from the industry classification which the contracting officer has designated in the solicitation, but also from his designation of the appropriate Small Business Administration size standard for such industry.

7. Section 121.3-8 has been revised by adding material appearing in § 121.3-16 of revision 12.

8. Section 121.3-9 has been revised by adding material appearing in § 121.3-16 of revision 12. Language has also been added to clarify procedures governing size self-certification and protest by the contracting officer.

9. Section 121.3-10 has been revised by adding material appearing in § 121.3-16 of revision 12. A clause has also been added to clarify what action shall be taken where no financial assistance size standard has been established for an industry, field of operation, or activity. Finally, § 121.3-10(b) has been revised to reflect the elimination from Schedule A of all industries with a 250-employee size standard.

10. Section 121.3-16, *Interpretations*, has been deleted and the interpretative material added to the appropriate sections of the regulation.

11. Schedule A has been revised by:

a. Eliminating all industries with a 250-employee size standard (see new

§ 121.3-10(b) (2) which establishes a 250-employee standard for any manufacturing industry not set forth in Schedule A), and

b. Arranging the industries in numerical rather than alphabetical order. (This conforms with arrangement of Schedule B.)

12. This revision also establishes a definition of a small cable television operator for the purpose of obtaining an SBA loan. The new definition was proposed in the FEDERAL REGISTER on September 6, 1974 (39 FR 32334).

Part 121 of Chapter I of Title 13 of the Code of Federal Regulations is hereby revised as follows:

Sec	
121 3	Statutory provisions.
121 3-1	Purpose and method of establishing size standards.
121 3-2	Definition of terms used in this part
121 3-3	Organization—size functions.
121 3-4	Size determinations
121 3-5	Protest of small business status.
121 3-6	Appeals
121 3-7	Differentials
121 3-8	Definition of small business for Government procurement
121 3-9	Definition of small business for sales of Government property.
121 3-10	Definition of small business for SBA loans
121 3-11	Definition of small business for assistance by small business investment companies or by development companies
121 3-12	Definition of small business Government subcontractors
121 3-13	Definition of small business for the purpose of lease guarantee.
121 3-14	Definition of small business for the purpose of Government leases of uranium prospecting or mining rights
121 3-16	Definition of small business for the purpose of surety bond guarantee assistance

AUTHORITY Pub L 85-536, sec 5(b)6, 73 Stat. 385.

§ 121.3 Statutory provisions.

(a) Small Business Act, as amended.

SEC. 3 For the purpose of this Act, a small business concern shall be deemed to be one which is independently owned and operated and which is not dominant in its field of operation. In addition to the foregoing criteria, the Administrator, in making a detailed definition may use these criteria, among others. Number of employees, and dollar volume of business. Where the number of employees is used as one of the criteria in making such definition for any of the purposes of this Act, the maximum number of employees that a small business concern may have under the definition shall vary from industry to industry to the extent necessary to reflect differing characteristics of such industries and to take proper account of other relevant factors.

SEC. 8(b) It shall also be the duty of the Administration and it is hereby empowered, whenever it determines such action is necessary—

(6) To determine within any industry the concerns, firms, persons, corporations, partnerships, cooperatives, or other business enterprises which are to be designated "small business concerns" for the purpose of

effectuating the provisions of this Act. To carry out this purpose, the Administrator, when requested to do so, shall issue in response to each such request an appropriate certificate certifying an individual concern as a "small business concern" in accordance with the criteria expressed in this Act. Any such certificate shall be subject to revocation when the concern covered thereby ceases to be a "small business concern." Offices of the Government having procurement or lending powers, or engaged in the disposal of Federal property or allocating materials or supplies, or promulgating regulations affecting the distribution of materials or supplies, shall accept as conclusive the Administration's determination as to which enterprises are to be designated "small business concerns," as authorized and directed under this paragraph.

(b) Small Business Investment Act of 1958, as amended.

SEC. 103. As used in this Act—

RULES AND REGULATIONS

(5) The term "small business concern" shall have the same meaning as in the "Small Business Act."

§ 121.3-1 Purpose and method of establishing size standards.

(a) Purpose. This part defines "small business concerns" and establishes standards, criteria, and procedures to determine which concerns are "small business concerns" within the meaning of the Small Business Act, as amended (hereinafter referred to as the "Act") and the Small Business Investment Act of 1958, as amended (hereinafter referred to as the "Investment Act").

(b) Method of establishing size standards—(1) Use of Standard Industrial Classification Manual The Standard Industrial Classification (SIC) Manual, as amended, prepared and published by the Bureau of the Budget (now Office of Management and Budget), Executive Office of the President, will be used by SBA as a guide in defining industries. Its use therefore is advisory and not mandatory.

(2) Size standards policy (1) The fundamental purpose of Small Business Administration assistance is to preserve free competitive enterprise by strengthening the competitive position of small business concerns.

(ii) It is the Small Business Administration's view that, in the absence of proof to the contrary, there is a segment of each industry wherein concerns by reason of their small size are at a competitive disadvantage. Therefore, the definition of small business for each industry should be limited to that segment of the industry struggling to become or remain competitive

(iii) Smaller concerns often are forced to compete with middle-sized as compared with very large concerns. In consideration of this fact, the standard for each industry should be established as low as reasonably possible. It should be lowered in any case where the SBA determines that a few concerns under the size standard umbrella have, because of their size, gained undue competitive

strength as compared with other concerns under the umbrella.

(iv) It is the Small Business Administration's view that concerns which, with or without assistance under the Small Business Act, have grown to a size which exceeds the applicable small business size standard should compete for Government contracts not reserved for small business concerns or should seek commercial markets in the same or related fields. Under such circumstances small business concerns should not rely on continuing assistance under the Small Business Act from the cradle to the grave, but should plan for the day on which they become other than small business and should be able to compete without assistance

(3) Factors in formulating size standards. The following factors shall be considered in formulating industry size standards:

(i) Concentration of output; that is, the portion of the total output of an industry which is accounted for by a limited number of companies.

(ii) Coverage ratio, that is, the ratio of the industry's shipments of its primary products, to the total shipments by all industries of the primary products of the industry in question.

(iii) Specialization ratio, that is, the ratio of the industry's shipments of its primary products to its total shipments of primary and secondary products.

(iv) The total number of concerns in the industry

(v) The size of industry leaders.

(vi) The SBA programs for which the size standard is established. In formulating industry size standards for the purpose of Government procurement, the additional factor of Government procurement history shall be used. The use of this additional factor may cause the size standards for the purpose of Government procurement and the size standards for the purpose of financial assistance to differ for the same industry.

(4) Product classification For size standard purposes, a product or service shall be classified into only one industry, even though, for other purposes, it could be classified into more than one industry. In determining the SIC industry into which particular products shall be classified for size standard purposes, consideration shall be given to all appropriate factors including:

(i) Alphabetic indexes published by the Office of Management and Budget, Executive Office of the President, Bureau of the Census; and the Bureau of Domestic Commerce.

(ii) Description of the product under consideration.

(iii) Previous Government procurements for the same or similar products, and

(iv) Published information concerning the nature of companies which manufacture such products.

A product or service shall be classified in the industry whose definition best describes the principal nature of the product or service being procured. The end use of a product does not govern the

industry into which it is to be classified. In a borderline situation, the product or service shall be classified in the industry whose size standard would best serve to accomplish the purposes of the Small Business Act. When a procurement is for two or more items with different size standards, a bidder must qualify as a small business under the definition of a small business applicable to any item on which it bids. If a multi-item procurement requires the successful bidder to deliver all items and/or perform all services being procured, the applicable size standard is that for the industry whose products or services account for the greatest proportion of the contract price.

(5) Product classification decision. The SBA Regional Director or his delegatee of the SBA Region in which the principal office of the applicant, not including its affiliates, is located, shall determine the appropriate SIC classification, except that for procurement purposes the determination shall be made by the official specified in Section 121.3-8, and for lease guarantee reinsurance purposes the determination shall be made by the Associate Administrator for Finance and Investment. Such determination shall be subject to appeal in the manner provided in § 121.3-6.

§ 121.3-2 Definition of terms used in this part.

(a) Affiliates: Concerns, other than investment companies licensed, or state development companies qualifying under the Small Business Investment Act of 1958 and the regulations issued pursuant thereto, or investment companies registered under the Investment Company Act of 1940, are affiliates of each other when either directly or indirectly (1) one concern controls or has the power to control the other, or (2) a third party or parties controls or has the power to control both. In determining whether concerns are independently owned and operated and whether or not affiliation exists, consideration shall be given to all appropriate factors, including common ownership, common management, and contractual relationships: *Provided, however,* That restraints imposed on a franchise by its franchise agreement shall not be considered in determining whether the franchisor controls or has the power to control and, therefore, is affiliated with the franchisee, if the franchisee has the right to profit from his effort, commensurate with ownership, and bears the risk of loss or failure. Where a concern is a subcontractor pursuant to section 8(a)(2) of the Small Business Act and, in connection therewith, is the subject of a divestiture agreement approved by SBA for the benefit of socially or economically disadvantaged individuals, the receipts, employment, and other factors of the concern attributable to the section 8(a)(2) subcontract shall not be included in determining the size of either concern during the term of such divestiture agreement. Other contracts and business of such subcontractor may also be excluded in determining the size if, in the judgment of SBA, substantial benefi-

aries of such other contracts and business will be the socially or economically disadvantaged individuals in question.

(i) Nature of Control. Every business concern is considered as having one or more parties who directly or indirectly control or have the power to control it. Control may be affirmative or negative and it is immaterial whether it is exercised so long as the power to control exists.

EXAMPLE. A party owning 50 percent of the voting stock of a concern would have negative power to control such concern since he can block any action of the other stockholders. Also, the bylaws of a corporation may be drawn up in such a manner which would permit a stockholder with less than 50 percent of the voting stock to block any actions taken by the other stockholders. Affiliation exists when one or more parties have the power to control a concern while at the same time another party, or other parties, may be in control of the concern at the will of the party or parties with the power to control.

(ii) Meaning of "party or parties." The term "party or parties" includes, but is not limited to, two or more persons with an identity of interest such as members of the same family or persons with common investments in more than one concern. In determining who controls or has the power to control a concern, persons with an identity of interest may be treated as though they were one person.

(iii) Control through stock ownership.

(a) A party is considered to control or have the power to control a concern if he controls or has the power to control 50 percent or more of its voting stock.

(b) A party is considered to control or have the power to control a concern even though he owns, controls, or has the power to control less than 50 percent of the concern's voting stock if the block of stock he owns, controls, or has the power to control is large as compared with any other outstanding block of stock. If two or more parties each owns, controls, or has the power to control less than 50 percent of the voting stock of a concern and such minority block is (1) equal or substantially equal in size, and (2) large as compared with any other block outstanding, there is a presumption that each of such parties controls or has the power to control such concern; however, such presumption may be rebutted by a showing that such control or power to control, in fact, does not exist.

(c) If a concern's voting stock is distributed other than as described above, its management (officers and directors) is deemed to be in control of such concern.

EXAMPLE. In a corporation where the officers and directors own various size blocks of stock totalling 40 percent of a concern's voting stock, but no officer or director has a block sufficient to give him control or the power to control and the remaining 60 percent is widely distributed with no individual stockholder having a stock interest greater than 10 percent, management has the power to control.

(iv) Stock options, convertible debentures, and agreements to merge. Stock options and convertible debentures exercisable at the time of or within a rela-

tively short time after a size determination and agreements to merge in the future are considered as having a present effect on the power to control the concern. Therefore, in making a size determination, such options, debentures, and agreements are treated as though the rights held thereunder had been exercised prior to the date of the determination.

EXAMPLE. If, on the date of the determination, company "A" holds an option to purchase a controlling interest in company "B" and such option can be exercised at any time by company "A," the situation is treated as though company "A" had exercised its rights and had become owner of a controlling interest in company "B" prior to the determination. Further, if, as of the date of a determination, company "A" has entered into an agreement to merge with company "B" in the future, the situation is treated as though the merger had taken place prior to the date of the determination.

(v) Voting trusts. If the purpose of a voting trust or similar agreement is to separate voting power from beneficial ownership of voting stock for the purpose of shifting control of or the power to control a concern in order that such concern or another concern may qualify as a small business within the size regulation, such voting trust shall not be considered valid for this purpose, regardless of whether the trust is or is not valid within the appropriate jurisdiction. However, if a voting trust is entered into for a legitimate purpose other than that described above, and it is a valid trust within the appropriate jurisdiction, it may be considered valid for the purpose of a size determination, provided such consideration is determined to be in the best interest of the small business program.

(vi) Control through common management. A concern is considered as controlling or having the power to control another concern when one or more of the following circumstances are found to exist, and it is reasonable to conclude that under the circumstances, such concern is directing or influencing, or has the power to direct or influence, the operation of such other concern.

(a) Interlocking management. Officers, directors, employees, or principal stockholders of one concern serve as a working majority of the board of directors or officers of another concern.

(b) Common facilities. One concern shares common office space and/or employees and/or other facilities with another concern particularly where such concerns are in the same or related industry or field of operation, or where such concerns were formerly affiliated.

(c) Newly organized concern. Former officers, directors, principal stockholders, and/or key employees of one concern organize a new concern in the same or a related industry or field of operation, and serve as its officers, directors, principal stockholders, and/or key employees, and one concern is furnishing or will furnish the other concern with subcontracts, financial or technical assistance, and/or other facilities, whether for a fee or otherwise.

(vii) Control through contractual relationships—(a) Definition of a joint venture for size determination purposes. A joint venture, for size determination purposes, is an association of persons or concerns with interest in any degree or proportion by way of contract, express or implied, consenting to engage in and carry out a single business venture, such as a Government contract, for joint profit for which purpose they combine their efforts, property, money, skill, or knowledge, but without creating a corporation or partnership in the legal or technical sense of the term.

(b) Joint ventures—financial assistance. For the purpose of financial assistance to a joint venture, the parties thereto are considered as controlling or having the power to control each other and are considered as being affiliated. For the purpose of financial assistance to a concern which has requested assistance for its own use, but which is incidentally a party to a joint venture, such concern is not considered as being affiliated with its joint venturer.

(c) Joint venture—procurement assistance. Concerns bidding on a particular procurement as joint venturers are considered as controlling or having the power to control each other with regard to performance of the contract, and therefore are considered as being affiliated. However, a concern which is a party to one or more joint ventures, but which is bidding on a procurement as an individual concern, is not considered as being affiliated with its joint ventures since they have no power to control its performance of the contract being bid on.

(d) Where a concern is not considered as being an affiliate of a concern with which it is participating in a joint venture, it is necessary, nevertheless, in computing annual receipts, etc., for the purpose of applying size standards to include such concern's share of the joint venture receipts (as distinguished from its share of the profits of such venture).

(e) Franchise and license agreements. If a concern operates or is to operate under a franchise (or a license) agreement, the following policy is applicable: In determining whether the franchisor controls or has the power to control and, therefore, is affiliated with the franchisee, the restraints imposed on a franchisee by its franchise agreement shall not be considered provided that the franchisee has the right to profit from its effort and the risk of loss or failure, commensurate with ownership. Even though a franchisee may not be controlled by the franchisor by virtue of the contractual relationship between them, the franchisee may be controlled by the franchisor or others through common ownership or common management, in which case they would be considered as affiliated.

(b) "Annual receipts" means the gross income (less returns and allowances, sales of fixed assets, and interaffiliate transactions) of a concern (and its domestic and foreign affiliates) from sales of products and services, interest,

rents, fees, commissions, and/or from whatever other source derived, as entered on its regular books of account for its most recently completed fiscal year (whether on a cash, accrual, completed contracts, percentage of completion, or other acceptable accounting basis) and, in the case of a concern subject to U.S. Federal income taxation, reported or to be reported to the U.S. Treasury Department, Internal Revenue Service for Federal income tax purposes. *Provided, however*, if, for the purpose of receiving financial assistance under a Small Business Administration program, it is determined that (1) the applicant has completed at least 3 months of its current fiscal year, (2) its gross receipts for the completed months of its current fiscal year are at least 25 percent lower than its receipts during the corresponding months of its most recently completed fiscal year, and (3) the reduction in receipts was primarily due to the shortage of energy or materials, its "annual receipts" for size determination purposes shall be computed by reducing its annual receipts for its most recently completed fiscal year by the determined percentile.

If a concern has been in business less than a year, its annual receipts for the purpose of a size standard based on 1 year's receipts shall be computed by determining its average weekly receipts for the period in which it has been in business and multiplying such figure by 52. If a concern has been in business less than 3 years, its average annual receipts for the purpose of a size standard based on 3 years' receipts, shall be computed by determining its average weekly receipts for the period in which it has been in business, and multiplying such figure by 52. Except as set forth in § 121.3-10, if a concern has acquired an affiliate during the applicable accounting period, it is necessary in computing the applicant's annual receipts to include the affiliate's receipts during the entire applicable accounting period, rather than only its receipts during the period in which it has been an affiliate. The receipts of a former affiliate are not included even if such concern had been an affiliate during a portion of the applicable accounting period.

(c) "Appeal" means a written communication addressed to the SBA Size Appeals Board requesting it to review a determination relating to a size matter made by a district director or his delegate, or by a contracting officer.

(d) "Area of substantial unemployment," for the purpose of small business size determination, means a geographical area within the United States which is classified by the Department of Labor either as an "Area of Substantial Unemployment," or an "Area of Substantial and Persistent Unemployment."

(e) "Base maintenance" means furnishing at an installation within the several States, Commonwealth of Puerto Rico, Virgin Islands, the Trust Territory of the Pacific Islands, or the District of Columbia, three or more services which may include but are not limited to such

maintenance activities as janitorial and custodial services, protective guard services, commissary services, base housing maintenance, fire prevention services, safety engineering services, messenger services, grounds maintenance and landscaping services, and air-conditioning and refrigeration maintenance; *Provided, however*, That whenever the contracting officer determines prior to the issuance of bids that the estimated value of one of the foregoing services constitutes more than 50 percent of the estimated value of the entire contract, the contract shall not be classified as base maintenance but in the industry in which such service is classified.

(f) "Bona fide feed stocks" means crude and any other hydrocarbon material actually charged to refinery processing units, as distinguished from materials used as components in products to be delivered after merely filtering, settling, or blending.

(g) "Crude-oil capacity" means the maximum daily average crude throughput of a refinery in complete operation, with allowance for necessary shutdown time for routine maintenance, repairs, etc. It approximates the maximum daily average crude runs to stills that can be maintained for an extended period.

(h) "Certificate of Competency" means a certificate issued by SBA pursuant to the authority contained in section 8(b)(7) of the Act stating that the holder of the certificate is competent as to capacity and credit to perform a specific Government procurement or sales contract.

(i) "Concern" means any business entity organized for profit (even if its ownership is in the hands of a nonprofit entity) with a place of business located in the United States and which makes a significant contribution to the U.S. economy through payment of taxes and/or use of American products, material and/or labor, etc. "Concern" includes but is not limited to an individual, partnership, corporation, joint venture, association, or cooperative. For the purpose of making affiliation findings (see paragraph (a) of this section) any business entity, whether organized for profit or not, and any foreign business entity, i.e., any entity located outside the United States, shall be included.

(j) "Contracting officer" means the person executing a particular contract on behalf of the Government and any other employee who is a properly designated contracting officer; the term includes the authorized representative of a contracting officer acting within the limits of his authority.

(k) "Convalescent or nursing home" means those facilities for the accommodation of convalescents or other persons who are not acutely ill or not in need of hospital care but who may require nursing care and related medical services, which facility is privately owned and operated for the purpose of obtaining profits which shall inure to the benefit of its owners, stockholders, or members.

(l) "Department store" means a concern employing 25 or more persons engaged in the retail sale of some items in

each of the following merchandise lines:

(1) Furniture, home furnishings, appliances, radio and television sets; (2) a general line of apparel for the family; and (3) household linens and dry goods; provided, however, that sales within any one of the preceding merchandise lines do not exceed 80 percent of the concern's total sales and the aggregate of such merchandise lines account for at least 50 percent of the concern's total sales.

(m) "Forest products industry" as used in Section 121.3-9(b) means logging, wood preserving, and the manufacture of lumber and wood related products such as veneer, plywood, hardboard, particle board, or wood pulp, and of products of which lumber or wood related products are the principal raw material.

(n) "Gross leasable area" means the total floor area designed for tenant occupancy and exclusive use, including basements, mezzanines, and upper floors, if any, expressed in square feet measured from the centerline of a joint partition and from outside wall faces.

(o) "Hospital" means a health facility duly licensed as a hospital providing inpatient medical or surgical care of the sick or injured, including obstetrics, which facility is privately owned and operated for the purpose of obtaining profits which shall inure to the benefits of its owner, stockholders or members.

(p) "Industry" means a grouping of establishments primarily engaged in similar lines of activity as listed and described in the Standard Industrial Classification Manual, as amended (SIC Manual), prepared and published by the Bureau of the Budget (now Office of Management and Budget), Executive Office of the President.

(q) "Medical and dental laboratory" means those facilities which provide services to doctors, dentists, hospitals and similar health facilities, which facilities are privately owned and operated for the purpose of obtaining profits which shall inure to the benefit of its owners, stockholders, or members.

(r) "Nonmanufacturer" means any concern which, in connection with a specific Government procurement contract other than a construction or service contract, does not manufacture or produce the products required to be furnished by such procurement. Nonmanufacturer includes a concern which can manufacture or produce the products referred to in the specific procurement but does not do so in connection with that procurement. For size determination purposes there can only be one manufacturer of the end item being procured. The manufacturer of the end item being procured is the concern which, with its own forces, transforms inorganic or organic substances including raw materials and/or miscellaneous parts or components into such end item. Whether a bidder on a particular procurement is the manufacturer or a nonmanufacturer for the purpose of a size determination is not for determination by the contracting officer. The decision shall be made by the appropriate SBA regional director or his delegatee, and need not be consistent with the con-

tracting officer's decision as to whether such concern is or is not a manufacturer for the purpose of the Walsh-Healey Act, etc.

(s) A concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration shall be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.

(t) "Number of employees" means the average employment of any concern, including the employees of its domestic and foreign affiliates, based on the number of persons employed on a full-time, part-time, temporary, or other basis during the pay period ending nearest the last day of the third month in each calendar quarter for the preceding four quarters. *Provided, however, if, for the purpose of determining a concern's eligibility for financial assistance under a Small Business Administration program, it is determined that a concern's employment in its most recently completed calendar quarter is at least 25 percent lower than its employment in the corresponding quarter in the preceding calendar year and that such reduction in employment was primarily due to the shortage of energy or materials, its "number of employees" for size determination purposes shall be determined by reducing its average employment for the preceding four calendar quarters by the determined percentile.* If a concern has not been in existence for four full calendar quarters, "number of employees" means the average employment of such concern and its affiliates during the period such concern has been in existence based on the number of persons employed during the pay period ending nearest the last day of each month. If a concern has acquired an affiliate during the applicable accounting period, it is necessary, in computing the applicant's number of employees, to include the affiliate's number of employees during the entire applicable accounting period rather than only its employees during the period in which it has been an affiliate. The employees of a former affiliate are not included even if such concern had been an affiliate during a portion of the applicable accounting period.

(u) "Protest" means a statement in writing from any bidder or offeror on a particular procurement or disposal (or from any other party interested therein) alleging that another bidder or offeror on such procurement is not a small business concern. Such statement shall contain the basis for the protest, together with specific detailed evidence in support of the protestant's claim. A protest received after the time limits set forth in § 121.3-5(a) shall be acted on, but such determination shall not apply to the procurement in question.

(v) "Redevelopment area" for the purpose of small business size determina-

tions means a geographical area within the United States which has been designated as a "redevelopment area" in accordance with the Public Works and Economic Development Act of 1965 (Pub. L. 89-138, sec. 401, 75 Stat. 48)

(w) "Shopping center" means a group of commercial establishments planned, developed, owned, and managed as a unit with off-street parking provided on the property.

(x) "Size determination" means an SBA ruling, in writing, that a concern is or is not, or was or was not, a small business within the meaning of this part. An opinion rendered by SBA to a contracting officer on the basis of published or commonly known information and without the benefit of a formal SBA inquiry, is not a "size determination" as that term is used in this part.

(y) "United States" as used in this regulation includes the several States, the territories and possessions of the United States, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and the District of Columbia.

§ 121.3-3 Organization—size functions.

The Assistant Administrator for Advocacy, Planning and Research shall:

(a) Develop and recommend small business size standards to the Administrator of SBA for promulgation.

(b) Conduct industry hearings pertaining to size matters;

(c) In concert with the Office of General Counsel, issue interpretations of the Size Standards Regulation;

(d) Consider and take appropriate action on written petitions objecting to or requesting amendments or rescission of a published size standard.

(e) Establish procedures for the implementation of all size programs; and

(f) Perform such other related functions as may be appropriate to administer the SBA size program.

§ 121.3-4 Size determinations.

Original size determinations shall be made by the regional director, or his delegatee, serving the region in which the principal office of the concern (not including its affiliates) whose size is in question is located, except that for lease guarantee reinsurance purposes such determinations shall be made by the Associate Administrator for Finance and Investment. The regional director, or his delegatee, or the Associate Administrator for Finance and Investment, promptly shall notify in writing, by certified mail, return receipt requested, the concern in question and other interested persons of his decision. Such determination shall become effective immediately and shall remain in full force and effect unless and until reversed by the Small Business Size Appeals Board pursuant to § 121.3-6. For the purpose of Government procurements or sales, a size determination shall be made only in the event of a protest pursuant to § 121.3-5, a request for a redetermination pursuant to § 121.3-15 (e), a request for a Certificate of Competency, on request by the U.S. General Accounting Office, or if a regional direc-

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for or his delegatee has information which causes him to question the size status of a concern for the purpose of the Small Business Subcontracting Program or Source Search Program, or for any other purpose relating to Government procurement, and he concludes that a size determination is necessary; *provided, however*, That a regional director or his delegatee may, whenever he deems such action necessary, determine the size status of a concern for the purpose of the Government Timber Sales Program.

§ 121.3-5 Protest of small business status.

(a) How to protest. Any bidder or offeror or other interested party may challenge the small business status of any other bidder or offeror on a particular Government procurement or sale. Such challenge shall be made by delivering a protest to the contracting officer responsible for the particular procurement or sale involved. In order to apply to the procurement or sale in question, such protest must be filed prior to the close of business on the 5th day, exclusive of Saturdays, Sundays, and legal holidays, after bid or proposal opening, except that in the case of negotiated procurements, a protest may be filed within 5 days exclusive of Saturdays, Sundays, and legal holidays after receipt from the contracting officer of notification of the identity of the offeror being protested. Such filing must be delivered to the contracting officer by hand, telegram, or mail within the 5-day period allotted, *Provided however*, That a protest shall be considered timely if made by telephone to the contracting officer within the 5-day period allotted and the contracting officer thereafter receives a confirming letter (1) within such 5-day period or (2) post-marked no later than 1 day after the date of such telephone protest. Any contracting officer who receives a protest shall promptly forward such protest to the SBA district office serving the geographical area in which the principal office of the protested concern, not including its affiliates, is located. A contracting officer may at any time after bid opening question the small business status of any bidder or offeror for the purpose of a particular procurement or sale by filing a protest with the SBA district office serving the area in which the principal office of the protested concern, not including its affiliates, is located. A protest by a contracting officer shall be timely for the purpose of the procurement or sale in question whether filed before or after award.

(b) Notification of protest: Upon receipt of such protest, the SBA district director or his delegatee shall immediately notify the contracting officer and the protestant of the date such protest has been received and that the size of the concern being protested is being considered by SBA. The district director or his delegatee shall also advise the protested bidder or offeror of the receipt of the protest and shall forward to the protested bidder or offeror a copy of the protest and a blank SBA Form 355, *Applica-*

tion for Small Business Size Determination, by certified mail, return receipt requested. Such bidder must, within 3 working days after receipt of the copy of the protest and SBA Form 355, file the completed form as directed by SBA, must attach thereto a statement in answer to the allegations of the letter of protest, together with evidence to support such position. If such bidder or offeror does not submit the completed SBA Form 355 within the time period provided above, or within any additional period of time granted by SBA for cause, SBA will rule the protested concern is other than a small business.

(c) Notification of determination. After receipt of a protest and responses thereto, SBA shall determine the small business status of the protested bidder or offeror and, by certified mail, return receipt requested, notify the contracting officer, the protestant, and the protested bidder or offeror of its decision within 10 working days, if possible.

(d) If SBA has determined that a concern is ineligible as a small business for the purpose of a particular procurement, it cannot thereafter become eligible for the purpose of such procurement by taking affirmative acts to constitute itself a small business.

§ 121.3-6 Appeals.

(a) Organization. The Size Appeals Board shall review appeals from size determinations made pursuant to §§ 121.3-4 and 121.3-5 and from product classifications made pursuant to §§ 121.3-8 and 121.3-10 and shall make final decisions as to whether such determinations or classifications should be affirmed, reversed or modified. The Size Appeals Board only has jurisdiction to consider appeals from formal determinations as to a concern's small business size status and appeals from product or service classification determinations made by contracting officers for the purpose of Government procurements. It has no jurisdiction to consider an appeal from an informal opinion or advice concerning a company's small business size status, an opinion as to a company's future small business size status based on proposed but unexecuted changes in its organization, management or contractual relations, or an appeal based on an allegation that the small business size standard established by SBA for a particular industry or field of operation is improper for the purpose intended. Size Appeals Board proceedings are essentially fact-finding and nonadversary in nature. The Size Appeals Board shall conduct such proceedings as it determines appropriate to enable it to discharge its duties.

(1) The Size Appeals Board shall consist of five members, to wit: the Deputy Administrator (Chairman), the Associate Administrator for Procurement Assistance (Vice Chairman), the Associate Administrator for Operations, the Associate Administrator for Finance and Investment, and the Assistant Administrator for Advocacy, Planning and Research.

(2) Each member of the size Appeals Board shall, in writing, designate one or more alternates to serve in his stead

in the event of absence or disability. Each member or his alternate shall have one vote, except that the Chairman, or the Vice Chairman acting in his stead, shall vote only in the event of a tie.

(b) Method of appeal—(1) Who may appeal. An appeal may be filed by:

(i) Any concern or other interested party which has protested the small business status of another concern pursuant to § 121.3-5 and whose protest has been denied by a regional director or his delegatee;

(ii) Any concern or other interested party which has been adversely affected by a decision of a regional director or his delegatee or by the Associate Administrator for Finance and Investment pursuant to §§ 121.3-4 and 121.3-5;

(iii) Any concern or other interested party which has been adversely affected by a decision of a contracting officer regarding product classification pursuant to § 121.3-8, and

(iv) The Small Business Administration Associate Administrator for the Small Business Administration program involved.

(2) Where to appeal. Written notices of appeal shall be addressed to the Chairman, Size Appeals Board, Small Business Administration, Washington, DC 20416.

(3) Time for appeal. (i) An appeal from a size determination or product classification by a regional director, or his delegatee, may be taken at any time except that because of the urgency of pending procurements, appeals concerning the small business status of a bidder or offeror in a pending procurement must be taken within 5 days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of a decision by a regional director or his delegatee. Unless written notice of such appeal is received by the Size Appeals Board before the close of business on the 5th working day, the appellant will be deemed to have waived its rights of appeal insofar as the pending procurement is concerned.

(ii) An appeal from a contracting officer's designation of the Standard Industrial Classification industry into which the product or service being procured is classified, and/or the Small Business Administration size standard applicable thereto may be taken: (a) Not less than 10 days, exclusive of Saturdays, Sundays, and legal holidays, before bid opening day or deadline for submitting proposals or quotations, in cases wherein the bid opening date or last date to submit proposals or quotations is more than 30 days after the issuance of the invitation for bids or request for proposals or quotations, or (b) not less than 5 days, exclusive of Saturdays, Sundays, and legal holidays, before the bid opening day or deadline for submitting proposals or quotations, in cases wherein the bid opening date or last date to submit proposals or quotations is 30 or less days after the issuance of the invitation for bids or request for proposals or quotations, and

(iii) The timeliness of an appeal under paragraph (b) (3) (i) and (ii) of this section shall be determined by the time

of receipt of the appeal by the Size Appeals Board: *Provided, however*, That an appeal received after such time limit has expired shall be deemed to be timely and shall be considered if, in the case of mailed appeals, such appeal is sent by registered or certified mail and the postmark thereon indicates that the appeal would have been received within the requisite time limit but for delays beyond the control of the appellant, or in the case of telegraphed appeals, the telegram date and time line indicates that the appeal would have been received within the requisite time limit but for delays beyond the control of the appellant.

(4) Notice of appeal. No particular form is prescribed for the notice of appeal. However, the appellant shall submit to the Board an original and four legible copies of such notice and, to avoid time-consuming correspondence, the notice should include the following information:

- (i) Name and address of concern on which the size determination was made;
- (ii) The character of the determination from which appeal is taken and its date;
- (iii) If applicable, the IFB or contract number and date, and the name and address of the contracting officer;
- (iv) A concise and direct statement of the reasons why the decision of a regional director, or his delegatee, the contracting officer or the Associate Administrator for Finance and Investment is alleged to be erroneous;
- (v) Documentary evidence in support of such allegations; and
- (vi) Action sought by the appellant.

(c) Notice to interested parties. The Size Appeals Board shall promptly acknowledge receipt of the Notice of Appeal and shall send a copy of such Notice of Appeal to the appropriate regional director or his delegatee and to the contracting officer (if a pending procurement is involved). If the appellant is not the concern whose size status is in question, the Board shall also send a copy of the notice to such concern. The Board shall notify all known interested parties that the appeal has been filed. The Board in its discretion may also provide any of such interested parties with copies of applicant's Notice of Appeal, or parts thereof, when the Board determines that this would be in the interest of fairness or would assist it in the performance of its functions.

(d) Statement of interested parties. After an appeal has been filed, any other interested parties may file with the Board a signed statement, together with four legible copies thereof, as to why the appeal should or should not be denied. Such statement shall be accompanied by appropriate evidence. Such statements and supporting evidence shall be mailed or delivered to the Chairman, Size Appeals Board, Small Business Administration, Washington, D.C. 20410, within 5 calendar days of the receipt of appropriate notification of appeal or other action in the proceeding unless an extension is for cause granted by the Chair-

man of the Size Appeals Board. If the appellant is the concern whose size status is in question, the Board will provide copies of such statements and appropriate evidence submitted in connection with the appeal or a reconsideration thereof to such appellant.

(e) Consideration by the Size Appeals Board. (1) The Size Appeals Board shall consider the appeal on the written submission of the parties. The Board may also, in its discretion, conduct an oral inquiry. After consideration of all relevant information, the Board shall promptly render a decision which shall state the reason for such decision.

(2) Procedures in oral inquiries. In considering size appeals, and in reconsidering size appeals decisions, the Size Appeals Board may hold an oral inquiry to assist it in arriving at facts necessary in deciding the appeal. The following rules shall govern such oral inquiries:

(i) Oral inquiries may be held by the Size Appeals Board upon the request of any party to a size appeal or by the Board on its own motion. The Board will, in its discretion, determine whether an oral inquiry will be of assistance in its determination of a size appeal. The Board shall inform the party making a request for oral inquiry whether its request is granted. If the Board grants the request for an oral inquiry, it will so notify all other interested parties.

(ii) Oral inquiries held by the Board are investigative in nature and not adversary. Such inquiries shall be conducted informally in a manner which will facilitate the Board's factfinding function and insure fairness to all participants.

(iii) Whenever the Board permits the appearance of two or more parties before it in an oral inquiry, cross-examination shall not be permitted between or among such parties; however, any party appearing in such oral inquiry may suggest questions for the Board to direct to other parties which may assist the Board in its determination of relevant facts.

(f) Decision of the Size Appeals Board. The decision of the Size Appeals Board shall be predicated upon the entire record, and it shall state in writing the basis for its findings and conclusions. The Chairman shall promptly notify, in writing, the appellant and the other interested parties of the Board's decision together with the reasons therefor.

(g) Reconsiderations. (1) Following any decision in a size appeals case, an interested party, within no more than 5 business days following the decision, may petition the Board for reconsideration upon presentation of appropriate justification therefor. The petition for reconsideration to the Board may be in any form, with an original and four copies. The Board will notify interested parties that a petition for reconsideration has been received.

(2) The Board shall consider the petition for reconsideration upon the statement and other evidence presented by the petitioners and any other evidence the Board, in its discretion, deems necessary.

(3) Grounds for reconsideration. Grounds for reconsideration shall be:

(i) A material error of fact in the original decision; or

(ii) Relevant information not previously considered by the Board or relevant information not previously available to any of the parties involved;

(iii) When a request for reconsideration is made by any of the interested parties, such requesting party must demonstrate to the Board that the grounds for reconsideration involve facts or information which were not previously presented to the Board through no fault or omission of such party.

(4) If the Board denies the request for reconsideration, it shall notify all parties. If the request for reconsideration is granted, the Board shall so notify all interested parties, setting forth a reasonable time within which the interested parties may, if appropriate, submit additional information. The Board may, in its discretion, provide interested parties with copies of appropriate information submitted by other parties where it determines that this is necessary in the interest of fairness or to better assist the Board in performing its factfinding functions.

(5) Following its reconsideration of the matter, the Board will promptly render a decision pursuant to paragraph (f) of this section. The decision of the Board shall constitute the final administrative remedy afforded by this Agency.

§ 121.3-7 Differentials.

(a) Alaska. If an applicant for a size determination is a concern which has 50 percent or more of its annual sales or receipts attributable to business activity within Alaska then, whenever "annual sales or annual receipts" are used in any size definition contained in this part, said dollar limitation is increased by 25 percent of the amount set forth therein.

(b) Substantial or persistent unemployment areas; areas of concentrated unemployment or underemployment; certified eligible concerns and redevelopment areas.

(1) Financial assistance programs of the Small Business Administration and financial assistance under the Small Business Investment Act of 1958, as amended. Notwithstanding any other provision of this part, the applicable size standards for the purpose of all financial assistance programs of the Small Business Administration, except the surety bond guarantee assistance program, and for the purpose of financial assistance under the Small Business Investment Act of 1958, as amended, are increased by 25 percent whenever the concern maintains or operates a plant, facility, or other business establishment within an area of substantial unemployment or underemployment or redevelopment area as defined in § 121.3-2 (d) and (v) or is designated as a "Certified Eligible" concern by the Department of Labor and agrees to use the assistance within such area, or, if it does not maintain a plant, facility, or other business establishment within such area, agrees to utilize the assistance for the establishment and/or

operation of a plant, facility, or other business establishment within such area.

(2) Government procurement assistance, sales of Government property, and Government subcontracting. Section 121.3-7(b) is not applicable to size determinations for the purpose of Government procurement assistance, sales of Government property, or Government subcontracting.

§ 121.3-8 Definition of small business for Government procurement.

A small business concern for the purpose of Government procurement is a concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operation in which it is bidding on Government contracts and can further qualify under the criteria set forth in this section. When computing the size status of a bidder or offeror, the number of employees, annual receipts, or other applicable standards of the bidder or offeror and all of its affiliates shall be included. In the submission of a bid or proposal on a Government procurement, a concern which meets the criteria provided in this section and which either has not been determined by SBA to be ineligible, or has been determined to be ineligible but subsequently has on the basis of a significant change in ownership, management or contractual relations, applied for recertification and had its application granted, may represent that it is a small business. In the absence of a written protest or other information which would cause him to question the veracity of the self-certification, the contracting officer shall accept the self-certification at face value for the particular procurement involved. If a concern has been determined by SBA to be ineligible as a small business under a particular size standard and it has already self-certified as a small business on a pending procurement subject to the same or lower number of employees or annual receipts size standard (whichever is applicable), it shall immediately notify the contracting officer of such adverse size determination and shall not thereafter self-certify on a procurement subject to the same or a lower employee or annual receipts size standard (whichever is applicable) until it has applied for recertification based on a significant change in its ownership, management, or contractual relations, and has been determined eligible as a small business under such size standard by either the regional office which issued the adverse determination or the Small Business Size Appeals Board. If the contracting officer has cause to question the veracity of a self-certification and elects to do so, he shall refer the eligibility issue to SBA by filing a formal protest pursuant to § 121.3-5. If a procurement calls for more than one item and the bidder can bid on any or all items, the bidder must meet the size standard for each item for which it submits a bid. If the procurement calls for more than one item and a bidder is required to bid on all or none of such items, the bidder can qualify as small business for such pro-

urement if it meets the size standard for the item accounting for the greatest percentage of the total contract value. The determination of the appropriate classification of a product or service shall be made by the contracting officer. Both classification and the applicable size standard (number of employees, average annual receipts, etc.) shall be set forth in the solicitation and such determination of the contracting officer shall be final unless appealed in the manner provided in § 121.3-6. If no standard for an industry, field of operation or activity (e.g., animal specialty; fin fish; management-logistics support to be performed outside of the several States, Commonwealth of Puerto Rico, Virgin Islands, the Trust Territory of the Pacific Islands, or the District of Columbia) has been set forth in this section, a concern bidding on a Government contract is a small business if, including its affiliates, it is independently owned and operated, is not dominant in the field of operation in which it is bidding on Government contracts, and has 500 employees or less.

(a) Construction Any concern bidding on a contract for work which is classified in Division C, Contract Construction, of the Standard Industrial Classification Manual, as amended, prepared and published by the Office of Management and Budget, Executive Office of the President, is:

(1) Small if its average annual receipts for its preceding 3 fiscal years do not exceed \$75 million: *Provided, however*, That, if the requirements of the contracts are classified in an industry set forth in Schedule H of this part, it is small if it does not exceed the size standard established therein for such industry.

(2) Small if it is bidding on a contract for dredging and (i) its average annual receipts for its preceding 3 fiscal years do not exceed \$5 million and (ii) it performs the dredging of at least 40 percent of the yardage advertised in the plans and specifications with dredging equipment owned by the bidder or obtained from another small business dredging concern.

(b) Manufacturing Any concern bidding on a contract for a product it manufactured is classified:

(1) As small if it is bidding on a contract for food canning and preserving and its number of employees does not exceed 500 persons, exclusive of agricultural labor as defined in section (k) of the Federal Unemployment Tax Act, 68A Stat. 454, 26 U.S.C. (I.R.C. 1954) 3306.

(2) As small if it is bidding on a contract for a product classified within an industry set forth in Schedule B of this part and its number of employees does not exceed the size standard established for that industry.

(3) As small if it is bidding on a contract for a product classified within an industry not set forth in Schedule B of this part and its number of employees does not exceed 500 persons.

(4) As small if it is bidding on a contract for pneumatic tires within Census Classification Codes 30111 and 30112: *Provided*, That (i) the value of the pneu-

matic tires within Census Classification Codes 30111 and 30112 which it manufactured in the United States during the preceding calendar year is more than 50 percent of the value of its total worldwide manufacture, (ii) the value of the pneumatic tires within Census Classification Codes 30111 and 30112 which it manufactured worldwide during the preceding calendar year was less than 5 percent of the value of all such tires manufactured in the United States during said period, and (iii) the value of the principal products which it manufactured or otherwise produced or sold worldwide during the preceding calendar year is less than 10 percent of the total value of such products manufactured or otherwise produced or sold in the United States during said period.

(5) As small if it is bidding on a contract for passenger cars within Census Classification Code 37171: *Provided*, That (i) the value of the passenger cars within Census Classification Code 37171 which it manufactured or otherwise produced in the United States during the preceding calendar year is more than 50 percent of the value of its total worldwide manufacture or production of such passenger cars, (ii) the value of the passenger cars within Census Classification Code 37171, which it manufactured or otherwise produced during the preceding calendar year was less than 5 percent of the total value of all such manufactured or produced in the United States during the said period, and (iii) the value of the principal products which it manufactured or otherwise produced or sold during the preceding calendar year is less than 10 percent of the total value of such product manufactured or otherwise produced or sold in the United States during said period.

(6) Rebuilding on a factory basis or equivalent: As small if it is bidding on a contract for rebuilding machinery or equipment on a factory basis, the purpose of which is to restore such machinery or equipment to as serviceable and as like-new condition as possible and its number of employees does not exceed the number of employees specified for the classification code applicable to the manufacturer of the original item.

NOTE: The size standard contained herein is not limited to concerns who are manufacturers of the original item but it is applicable to all bidders or offerors. The term "rebuilding on a factory basis" as used in this subsection does not include ordinary repair services such as those involving minor repair and/or preservation operations.

(c) Nonmanufacturing. Any concern which submits a bid or offer in its own name, other than on a construction or service contract, but which proposes to furnish a product not manufactured by said bidder or offeror, is deemed to be a small business concern when:

(1) Its number of employees does not exceed 500 persons, and

(2) (i) In the case of Government procurement reserved for or involving the preferential treatment of small businesses, such nonmanufacturer furnishes in the performance of the contract the

products of a small business manufacturer or producer, which products are manufactured or produced in the United States; *Provided, however*, if the goods to be furnished are woolen, worsted, knitwear, duck, and webbing, dealers and converters shall furnish such products which have been manufactured or produced by a small weaver (small knitter for knitwear), and if finishing is required, by a small finisher. If the procurement is for thread, dealers and converters shall furnish such products which have been finished by a small finisher. (Finishing of thread is defined as all "dyeing, bleaching, glazing, mildew proofing, coating, waxing, and other applications required by the pertinent specifications but excluding mercerizing, spinning, throwing, or twisting operations.")

(H) If the procurement is for a refined petroleum product, other than a product classified in Standard Industrial Classification Industries No. 2951, Paving Mixtures and Blocks; No. 2952, Asphalt Felts and Coatings; No. 2992, Lubricating Oils and Greases; or No. 2999, Products of Petroleum and Coal, Not Elsewhere Classified; paragraph (g) of this section is for application. For size determination purposes there can only be one manufacturer of the end item being procured. The manufacturer of the end item being procured is the concern which with its own forces transforms inorganic or organic substances including raw materials and/or miscellaneous parts or components into such end item. Whether a bidder on a particular procurement is the manufacturer or a nonmanufacturer for the purpose of a size determination is not for determination by the contracting officer. The decision shall be made by the appropriate SBA regional director or his delegatee, and need not be consistent with the contracting officer's decision as to whether such concern is or is not a manufacturer for the purpose of the Walsh-Healey Act, etc. The Government often purchases items in the form of kits such as, but not limited to, tool kits and survival kits, which are not manufactured items but merely assemblages of separate manufactured items. Accordingly, a concern which purchases some or all of such items and packages them into kit form is considered to be a nonmanufacturer for size determination purposes. Such a concern can qualify as a small business only if it meets all other qualifications of a small nonmanufacturer set forth in this part and if more than 50 percent of the total value of the kit and its contents is accounted for by items manufactured by small business. For the purpose of a size determination, a sawmill is considered as the manufacturer of treated lumber, even if it contracts out the treatment of the lumber. Therefore, a small business sawmill can deliver in the performance of a set-aside procurement lumber which has been treated by a concern which does not qualify as a small business concern. For the purpose of a size determination, a concern which converts liquid oxygen to gaseous oxygen, with or without addi-

tives, is a nonmanufacturer of the gaseous oxygen and, therefore, must furnish gaseous oxygen converted from liquid oxygen manufactured by a small business concern.

(d) Research, development, and testing. Any concern bidding on a contract for research, development, and/or testing is classified:

(1) As small if it is bidding on a contract for research and/or development which requires delivery of a manufactured product and (i) it qualifies as a small business manufacturer within the meaning of paragraph (b) of this section for the industry into which the product is classified, or (ii) it qualifies as a small business nonmanufacturer within the meaning of paragraph (c) of this section.

(2) As small if it is bidding on a contract for research and/or development which does not require delivery of a manufactured product or on a contract for testing and its number of employees does not exceed 500 persons.

(e) Services. Any concern bidding on a contract for services (including but not limited to services set forth in Division I, Services, of the Standard Industrial Classification Manual), not elsewhere defined in this section, is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$1 million.

(1) Any concern bidding on a contract for engineering services other than marine engineering service is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$5 million.

(2) Any concern bidding on a contract for motion picture production or motion picture services is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$5 million.

(3) Any concern bidding on a contract for janitorial and custodial services is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$3 million.

(4) Any concern bidding on a contract for base maintenance is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$5 million.

(5) Any concern bidding on a contract for marine cargo handling services is classified as small if its annual receipts do not exceed \$5 million for its preceding 3 fiscal years.

(6) Any concern bidding on a contract for naval architectural and marine engineering services is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$6 million.

(7) Any concern bidding on a contract for food services is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$4 million.

(8) (i) Any concern bidding on a contract for laundry services including linen supply, diaper services, and industrial laundering is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$3 million.

(ii) Any concern bidding on a contract for cleaning and dyeing including rug cleaning services, is classified as small if its average annual receipts for the preceding 3 fiscal years do not exceed \$1 million.

(9) Any concern bidding on a contract for computer programming services is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$3 million.

(10) Any concern bidding on a contract for flight training services is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$5 million.

(11) Any concern bidding on a contract for motorcar rental and leasing services or truck rental and leasing services is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$5 million.

(12) Any concern bidding on a contract for tire recapping services is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$3 million. This section applies only to procurements requiring the services of tire retreading and repair shops (Standard Industrial Classification Industry No. 7534, Tire Retreading and Repair Shops) and not to procurements for the repairing and/or retreading of pneumatic aircraft tires which, by reason of the extent and nature of the equipment and operations required, are considered for size standards purposes to be manufactured within the meaning of Standard Industrial Classification Industry No. 3011, Tires and Inner Tubes.

(13) Any concern bidding on a contract for data processing services is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$3 million.

(14) Any concern bidding on a contract for computer maintenance services is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$5 million.

(15) Any concern bidding on a contract for services requiring the use of one or more helicopters or fixed-wing aircraft is classified as small if its average annual receipts for its preceding 3 fiscal years do not exceed \$3 million.

(f) Transportation. Any concern bidding on a contract for passenger or freight transportation, not elsewhere defined in this section, is classified:

(1) As small if its number of employees does not exceed 500 persons.

(2) As small if it is bidding on a contract for air transportation and its number of employees does not exceed 1,500 persons.

(3) As small if it is bidding on a contract for either trucking (local and/or long-distance), and/or warehousing, and/or packing and crating and/or freight forwarding, and its annual receipts do not exceed \$5 million.

(g) Refined petroleum products. Any concern bidding on a contract for a refined petroleum product other than a product classified in Standard Industrial Classification Industries No. 2951, Paving Mixtures and Blocks; No. 2952, As-

phalt Felts and Coatings; No. 2992, Lubricating Oils and Grease; or No. 2999, Products of Petroleum and Coal, Not Elsewhere Classified; is classified as small if (1) (i) its number of employees does not exceed 1,000 persons, (ii) it does not have more than 30,000 barrels-per-day crude oil or bona fide feed stock capacity from owned or leased facilities or from facilities made available to such concern under an arrangement such as, but not limited to, an exchange agreement (except one on a refined-product-for-refined-product basis), or a throughput or other form of processing agreement, with the same effect as though such facilities had been leased, and (iii) the product to be delivered in the performance of the contract will contain at least 90 percent components refined by the bidder from either crude oil or bona fide feed stocks, *provided, however*, That a petroleum refining concern which meets the requirements in subparagraph (1) (i) and (ii) of this paragraph may furnish the product of a refinery not qualified as small business if such product is obtained pursuant to a bona fide exchange agreement, in effect on the date of the bid or offer, between the bidder or offeror and the refiner of the product to be delivered to the Government which requires exchanges in a stated ratio on a refined-petroleum-product-for-a-refined-petroleum-product basis, and precludes a monetary settlement, and that the products exchanged for the products offered and to be delivered to the Government meet the requirement in subparagraph (1) (ii) of this paragraph; and, *provided further*, That the exchange of products for products to be delivered to the Government will be completed within 90 days after the expiration of the delivery period under the Government contract, and that any product furnished pursuant to a bona fide exchange agreement must be for delivery in the same Petroleum Administration for Defense (PAD) District pursuant to Schedule C of Part 121, as that in which the small refinery is located, or

(2) Its number of employees does not exceed 500 persons and the product to be delivered to the Government has been refined by a concern which qualifies under subparagraph (1) of this paragraph. The proviso that the product to be delivered in the performance of the contract will contain at least 90 percent components refined by the bidder from either crude oil or bona fide feed stocks contemplates that, in accomplishing such refining, the bidder will utilize its own employees and facilities which it owns or obtains under a bona fide lease as distinguished from any other arrangement having the same effect as a lease. The proviso permitting a concern which meets the requirements in paragraph (g) (1) (i) and (ii) of this section to furnish the product of a refinery not qualified as small business if such product is obtained pursuant to a bona fide exchange agreement which meets prescribed requirements, contemplates that the product exchanged by the bidder for the product to be furnished, shall have

been refined by the bidder utilizing only its own employees and its own facilities or facilities obtained through a bona fide lease.

§ 121.3-9 Definition of small business for sales of Government property.

In the submission of a bid or proposal for the purchase of Government-owned property, a concern which meets the criteria provided in this section and which either has not been determined by SBA to be ineligible, or has been determined to be ineligible but subsequently has, on the basis of a significant change in ownership, management or contractual relations, applied for recertification and had its application granted, may represent that it is a small business. In the absence of a written protest or other information which would cause him to question the veracity of the self-certification, the contracting officer shall accept the self-certification at face value for the particular sale involved. If the contracting officer has cause to question the veracity of a self-certification and elects to do so, he shall enter the eligibility issue to SBA by filing a formal protest pursuant to § 121.3-5. If a concern has been determined by SBA to be ineligible as a small business under a particular size standard and it has already self-certified as a small business on a pending sale subject to the same or lower number of employees or annual receipts size standard (whichever is applicable), it shall immediately notify the contracting officer of such adverse size determination and shall not thereafter self-certify on a sale subject to the same or a lower employee or annual receipts size standard (whichever is applicable) until it has applied for recertification based on a significant change in its ownership, management, or contractual relations, and has been determined eligible as a small business under such size standard by either the regional office which issued the adverse determination or the Small Business Size Appeals Board.

(a) Sales of Government-owned property other than timber. A small business concern for the purpose of the sale of Government-owned property other than timber is a concern, including its affiliates, which is independently owned and operated, is not dominant in its field of operation, and can further qualify under the following criteria:

(1) Manufacturers. Any concern which is primarily engaged in manufacturing is small if its number of employees does not exceed 500 persons: *Provided, however*, That a concern primarily engaged in SIC Industry 2911, Petroleum Refining, is small if its number of employees does not exceed 1,000 persons and it does not have more than 30,000 barrels-per-day crude oil or bona fide stock capacity from owned and/or leased facilities, or from facilities made available to such concern under an arrangement such as, but not limited to, an exchange agreement (except one on a refined-product-for-refined-product basis) or a throughput or other form of processing agreement, with the same effect

as though such facilities had been leased.

(2) Other than manufacturers. Any concern which is primarily not a manufacturer (except as specified in subparagraph (3) of this paragraph) is small if its average annual receipts for its preceding 3 fiscal years do not exceed \$1 million.

(3) Stockpile purchasers. Any concern primarily engaged in the purchase of materials which are not domestic products is small if its average annual receipts for its preceding 3 fiscal years do not exceed \$25 million.

(b) Sales of Government-owned timber. (1) In connection with sale of Government-owned timber a small business is a concern that:

(i) Is primarily engaged in the logging or forest products industry,

(ii) Is independently owned and operated,

(iii) Is not dominant in its field of operation; and

(iv) Together with its affiliates, its number of employees does not exceed 500 persons.

(2) In the case of Government sale of timber reserved for or involving preferential treatment of small businesses when the Government timber being purchased is to be resold, a concern is a small business when:

(i) It is a small business within the meaning of subparagraph (1) of this paragraph, and

(ii) It agrees that it will not sell to a concern which is not a small business within the meaning of this paragraph more than 30 percent of such timber or in the case of timber from certain geographical areas set forth in Schedule E of this part, more than the percentage established therein for such area. The term "sell" includes but is not limited to the exchange of sawlogs for sawlogs on a product-for-product basis with or without monetary adjustment, and an indirect transfer such as the sale of the assets of (or a controlling interest in) a concern after it has been awarded one or more set-aside sales of timber. Under the latter circumstances, if, after being awarded a set-aside sale of timber a small business concern merges with or becomes subject to the control of a large business, so much of such timber (or sawlogs therefrom) shall be sold to one or more small businesses as is necessary for compliance with the 30 percent (50 percent in Alaska) restriction.

(3) In the case of Government sales reserved for or involving preferential treatment of small businesses, when the Government timber purchased is not to be resold in the form of sawlogs to be manufactured into lumber and timbers, a concern is a small business when:

(i) It meets the criteria contained in subparagraph (1) of this paragraph, and

(ii) It agrees that in manufacturing lumber or timbers from such sawlogs cut from the Government timber, it will do so only with its own facilities or those of concerns that qualify under subparagraph (1) of this paragraph as a small business. This provision assumes that the successful bidder will remain a small

business until the products have been manufactured. Accordingly, if, after acquiring the set-aside sale the bidder is purchased by, becomes controlled by, or merged with a large business, so much of such timber (or sawlogs therefrom) as is necessary shall be sold to one or more small businesses for compliance with the 30 percent (50 percent in Alaska) restriction. Any concern which self-certifies as a small business concern for the purpose of award under a small business set-aside sale of Government timber is expected to maintain evidence that it did so in good faith. Accordingly, such a concern will have to maintain for a period of 3 years the names, address, and size status of each concern to whom the timber or sawlogs were sold or disposed, and the log species, grades, and volumes involved. Such concern, and any subsequent small business concern that acquires the sawlogs, also shall require its small business purchasers to maintain similar records for a period of 3 years. Further, if the timber purchased is not to be resold in the form of sawlogs, but is to be manufactured into lumber or timbers by a concern other than the bidder, the bidder must maintain records to show the name, address, and size status of the concern manufacturing the sawlogs into lumber or timbers.

§ 121.3-10 Definition of small business for SBA loans.

A small business concern for the purpose of receiving an SBA loan is a concern, including its affiliates, which, on the date of receipt of the loan application accepted by the SBA, is independently owned and operated, is not dominant in its field of operation, and can further qualify under the criteria set forth below, *provided however*, That a concern which applies for an SBA loan to refinance an existing SBA loan but which, since the date of the original financing, has by natural growth, as distinguished from merger, etc., grown to a size which exceeds the applicable size standard, is considered as small for the purpose of refinancing if SBA administratively determines that refinancing is necessary to protect the Government's financial interest. A concern which is a small business under § 121.3-8 and which has applied for or received a Certificate of Competency is a small business eligible for an SBA loan to finance the contract covered by the Certificate of Competency. If no standard for an industry, field of operation, or activity has been set forth in this section, a concern seeking a size determination shall submit SBA Form 355 to the Assistant Administrator for Advocacy, Planning and Research, Washington, D.C. 20416, who shall determine what size standard shall be used or, on an ad hoc basis until a size standard is established for such industry or field of activity. If an applicant for an SBA loan has external operating affiliates (i.e., affiliates which are primarily engaged in selling to the general public or to concerns other than the applicant concern or an affiliate thereof) and such external operating affiliates are engaged

in industries subject to size standards different than that of the applicant concern the applicant concern's size status shall be determined by computing the percentage that the size of the applicant concern, including any internal operating affiliates (i.e., affiliates primarily engaged in selling to the applicant or an affiliate thereof) is of the size standard for the industry in which the applicant, together with its internal operating affiliates, is of the size standard for the industry in which each external operating affiliate is primarily engaged, and adding to it the percentage that the size of each of its external operating affiliate is primarily engaged. In order for the applicant to be eligible under this revision, the total of such percentages must not exceed 100 percent. If a concern, including its internal operating affiliates, if any, is engaged in more than one industry, the applicable size standard shall be that for its primary industry. In determining which of the industries is the primary industry, consideration shall be given to these criteria among others: Distribution among such industries of receipts, employment, and costs of doing business.

(a) Construction. Any construction concern is small if its average annual receipts do not exceed \$5 million for its preceding 3 fiscal years; *provided, however*, That, if it is primarily engaged in an industry set forth in Schedule I of this part, it is small if its annual receipts do not exceed the size standard established therein for that industry.

(b) Manufacturing. Any manufacturing concern is classified:

(1) As small if it is primarily engaged in an industry set forth in Schedule A of this part and its number of employees does not exceed the size standard established therein for that industry.

(2) As small if it is primarily engaged in an industry not set forth in Schedule A of this part and its number of employees does not exceed 250 persons.

(3) As small if it is primarily engaged in the food canning and preserving industry and its number of employees does not exceed 500 persons exclusive of agricultural labor as defined in subsection (k) of the Federal Employment Tax Act, 68A Stat. 454, 25 U.S.C. (I.R.C. 1954) 3306.

(c) Retail. Any retailing concern is classified:

(1) As small if it is primarily engaged in an industry or subindustry set forth in Schedule D of this part and its annual receipts do not exceed the size standard established therein for that industry or subindustry.

(2) As small if it is primarily engaged in an industry or subindustry not set forth in Schedule D of this part and its annual receipts do not exceed \$1 million.

(d) Services. Any concern primarily engaged in a service industry (including but not limited to service industries set forth in Division I, Services, of the Standard Industrial Classification Manual) is classified:

(1) As small if its annual receipts do not exceed \$1 million;

(2) As small if it is primarily engaged in the hotel and motel industry and its annual receipts do not exceed \$2 million;

(3) As small if it is primarily engaged in the power laundry industry and its annual receipts do not exceed \$2 million.

(4) As small if it is primarily engaged in the trailer court and parks industry and its annual receipts do not exceed \$1 million provided, that a minimum of 50 percent of the annual receipts is derived from the rental of space to tourist trailers for periods not in excess of 30 days.

(5) As small if it is primarily engaged in owning and operating a hospital and its capacity does not exceed 150 beds (excluding cribs and bassinets);

(6) As small if it is primarily engaged in owning and operating a convalescent or nursing home and its annual receipts do not exceed \$1 million;

(7) As small if it is primarily engaged in owning and operating a medical or dental laboratory and (i) it is operated in connection with an eligible proprietary hospital or (ii) it is not operated in connection with an eligible proprietary hospital and its annual receipts do not exceed \$1 million;

(8) As small if it is primarily engaged in the motion picture production industry and its annual receipts do not exceed \$5 million;

(9) As small if it is primarily engaged in the motion picture services industry and its annual receipts do not exceed \$5 million;

(10) As small if it is primarily engaged in rendering engineering services and its annual receipts do not exceed \$25 million;

(11) As small if, including its affiliates, it is primarily engaged in the generation, transmission, and/or distribution of electric energy for sale and its total electric output for the preceding fiscal year did not exceed 4 million megawatt hours;

(12) As small if it is primarily engaged in providing cable television service rental to homes, and its annual receipts do not exceed \$25 million. (See 13 CFR 120.2(d)(4) for SBA policy which bars concerns that originate programs from receiving financial assistance. This policy limitation is not applicable to small business investment company assistance.)

(e) Shopping centers. (1) Any concern primarily engaged in operating shopping centers is small if (i) it does not have assets exceeding \$5 million, (ii) it does not have net worth in excess of \$25 million, (iii) it does not have an average net income, after Federal income taxes, for the preceding 2 fiscal years in excess of \$250,000 (average net income to be computed without benefit of any carryover loss), and (iv) it does not lease more than 25 percent of the gross leasable area to concerns which do not meet the small business definitions contained in this section.

(2) For the purpose of size determinations, shopping center operators will not be considered affiliated with their tenants merely because of lease agreements.

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(f) Transportation and warehousing. Any concern primarily engaged in passenger and freight transportation or warehousing is classified:

(1) As small if its annual receipts do not exceed \$1 million;

(2) As small if it is primarily engaged in the air transportation industry and its number of employees does not exceed 1,000 persons;

(3) As small if it is primarily engaged in the storage of grain and it does not have more than 1 million bushels capacity in owned and leased facilities, and its annual receipts do not exceed \$1 million;

(4) As small if it is primarily engaged in trucking (local and/or long distance) and/or warehousing and/or packing and crating and/or freight forwarding and its annual receipts do not exceed \$5 million;

(g) Wholesale (1) Any wholesaling concern is classified:

(i) As small if it is primarily engaged in an industry or subindustry set forth in Schedule C of this part and its annual receipts do not exceed the size standard established therein for that industry or subindustry

(ii) As small if it is primarily engaged in an industry or subindustry not set forth in Schedule C of this part and its annual receipts do not exceed \$5 million

(2) Any concern primarily engaged in wholesaling, but also engaged in manufacturing, is not a "small business concern" unless it qualifies under both the manufacturing and wholesaling standards.

(h) Mining and mining services. Any mining or mining services concern primarily engaged in an industry set forth in Schedule F of this part is classified as small if its number of employees does not exceed the size standard established therein for that industry.

(i) Custom livestock feeding. Any concern primarily engaged in custom livestock feeding is classified as small if its annual receipts do not exceed \$2 million.

(j) Agriculture production (crops), fish farms and fish hatcheries, etc. Any concern primarily engaged: (1) in an industry set forth in Major Group 01—Agriculture Production—Crops, of the Standard Industrial Classification Manual, (2) in the operation of a fish farm (part of Standard Industrial Classification Industry No. 0279, Animal Specialties, Not Elsewhere Classified), (3) in the operation of a fish hatchery (part of Standard Industrial Classification Industry No. 0921, Fish Hatcheries and Preserves), (4) in the propagation of fur-bearing animals (part of Standard Industrial Classification Industry No. 0271, Fur-Bearing Animals and Rabbits), (5) in the planting of oysters (part of Standard Industrial Classification Industry No. 0913, Shellfish), or (6) in the operation of hatcheries for chicks and poults (Standard Industrial Classification Industry No. 0254, Poultry Hatcheries), where such hatchery operators produce more than 50 percent of the chicks or 50 percent of the poults hatched are retained by the operators

for the production of broilers or turkeys for market, is classified as small if its annual receipts do not exceed \$250,000.

§ 121.3-11 Definition of small business for assistance by small business investment companies or by development companies.

A small business concern for the purpose of receiving financial or other assistance from small business investment companies or development companies is one which:

(a) Together with its affiliates, is independently owned and operated, is not dominant in its field of operation, does not have assets exceeding \$25 million, and does not have an average net income, after Federal income taxes, for the preceding 2 years in excess of \$250,000 (average net income to be computed without benefit of any carryover loss); or

(b) Qualifies as a small business concern under § 121.3-10.

§ 121.3-12 Definition of small business Government subcontractors.

(a) Any concern in connection with subcontracts of \$2,500 or less which relate to Government procurements will be considered a small business concern if, including its affiliates, its number of employees does not exceed 500 persons.

(b) Any concern in connection with subcontracts exceeding \$2,500 which relate to Government procurements will be considered a small business concern if it qualifies as such under § 121.3-8: *Provided, however*, That a nonmanufacturer is considered as small business for the purpose of Government subcontracting if, including its affiliates, its number of employees does not exceed 500 persons.

§ 121.3-13 Definition of small business for the purpose of lease guarantee.

A small business concern for the purpose of lease guarantee is a concern that qualifies as a small business under Section 121.3-11.

§ 121.3-14 Definition of small business for the purpose of Government leases of uranium prospecting or mining rights.

In the submission of a bid or proposal for a Government lease of uranium prospecting or mining rights, a concern whose number of employees does not exceed 100 persons may represent that it is a small business in the absence of a written protest or other information which would cause him to question the veracity of the self-certification at face value for the particular lease involved

§ 121.3-15 Definition of small business for the purpose of surety bond guarantee assistance.

A small business concern for the purpose of surety bond guarantee assistance is a concern that qualifies as a small business under § 121.3-10, with the following exception

(a) Construction. Any construction concern is small if its annual receipts for its preceding fiscal year or its average annual receipts for its preceding 3 fiscal years do not exceed \$2 million: *Provided, however*, That, if the concern is pri-

marily engaged in an industry set forth in Schedule I of this part, it is small if its annual receipts for its preceding fiscal year or its average annual receipts for its preceding 3 fiscal years do not exceed the maximum established therein for that industry.

Effective date: This revision shall become effective on December 24, 1974.

(All SBA programs listed in the Catalog of Federal Domestic Assistance Programs under Nos. 59.001-59.018.)

Dated, December 11, 1974.

THOMAS S. KLEPPE,
Administrator.

SCHEDULE A—EMPLOYMENT SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN MANUFACTURING

(The following size standards are to be used when determining the size status of applicants for SBA business loans, displaced business loans, economic opportunity loans, surety bond guarantee assistance, and as alternate standards for Sections 501 and 502 loans and SBA assistance.)

Census classification code	Industry or class of products	Employment size standard (number of employees) ¹
MAJOR GROUP 20—FOOD AND KINDRED PRODUCTS		
2011	Meat packing plants.....	500
2013	Sausages and other prepared meat products.....	500
2023	Condensed and evaporated milk.....	500
2024	Ice cream and frozen desserts....	500
2026	Fluid milk.....	500
2032	Canned specialties.....	1,000
2033	Canned fruits, vegetables, preserves, jams and jellies.....	500
2034	Dried and dehydrated fruits, vegetables and soup mixes.....	500
2037	Frozen fruits, fruit juices, and vegetables.....	500
2038	Frozen specialties.....	500
2041	Flour and other grain mill products.....	500
2043	Cereal breakfast foods.....	1,000
2045	Blended and prepared flour.....	500
2046	Wet corn milling.....	750
2047	Dog, cat and other pet foods.....	500
2052	Cookies and crackers.....	750
2062	Cane sugar refining.....	750
2063	Beet sugar.....	750
2066	Chocolate and cocoa products.....	500
2067	Chewing gum.....	500
2075	Soybean oil mills.....	500
2078	Vegetable oil mills, except corn, cottonseed and soybean.....	1,000
2079	Shortening, table oils, margarine and other edible fats and oils, n.e.c.....	750
2082	Malt beverages.....	500
2085	Distilled, rectified and blended liquors.....	750
2087	Flavoring extracts and flavoring syrups, n.e.c.....	500
20901	Desserts (ready to mix).....	500
20904	Baking powder and yeast.....	500
MAJOR GROUP 21—TOBACCO MANUFACTURES		
2111	Cigarettes.....	1,000
2121	Cigars.....	500
2131	Tobacco (chewing and smoking) and snuff.....	500
2141	Tobacco stemming and redrying.....	500
MAJOR GROUP 22—TEXTILE MILLS PRODUCTS		
2211	Broad-woven fabric mills, cotton.....	1,000
2221	Broad-woven fabric mills, manmade fiber and silk.....	500
2261	Finishers of broad-woven fabrics of cotton.....	500
2262	Finishers of broad-woven fabrics of manmade fiber and silk.....	500

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Census classification code	Industry or class of products	Employment size standard (number of employees) ¹
2271	Woven carpets and rugs.....	750
2272	Tufted carpets and rugs.....	500
2279	Carpets and rugs, n e c.....	500
2281	Yarn spinning mills cotton, manmade fibers and silk.....	500
2284	Thread mills.....	500
2296	Tire cord and fabric.....	1,000
MAJOR GROUP 23—APPAREL AND OTHER FINISHED PRODUCTS MADE FROM FABRICS AND SIMILAR MATERIALS		
2321	Men's, youths', and boys' shirts (except work shirts) and nightwear.....	500
MAJOR GROUP 25—FURNITURE AND FIXTURES		
2522	Metal office furniture.....	500
MAJOR GROUP 26—PAPER AND ALLIED PRODUCTS		
2611	Pulp mills.....	750
2621	Paper mills, except building paper mills.....	750
2631	Paperboard mills.....	750
2641	Paper coating and glazing.....	500
2643	Bags except textile bags.....	500
2646	Pressed and molded pulp goods.....	750
2647	Sanitary paper products.....	500
2648	Stationery, tablets and related products.....	500
2649	Converted paper and paperboard products, n e c.....	500
2654	Sanitary food containers.....	750
2661	Building paper and building board mills.....	750
MAJOR GROUP 28—CHEMICALS AND ALLIED PRODUCTS		
2812	Alkalies and chlorine.....	1,000
2813	Industrial gases.....	1,000
2816	Inorganic pigments.....	1,000
2819	Industrial inorganic chemicals, n e c.....	1,000
2821	Plastic materials, synthetic resins and nonvulcanizable elastomers.....	750
2822	Synthetic rubber (vulcanizable elastomers).....	1,000
2823	Cellulosic manmade fibers.....	1,000
2824	Synthetic organic fibers, except cellulose.....	1,000
2834	Pharmaceutical preparations.....	750
2841	Soap and other detergents, except specialty cleaners.....	750
2842	Specialty cleaning, polishing, and sanitation preparations.....	500
2844	Perfumes, cosmetics, and other toilet preparations.....	500
2861	Gum and wood chemicals.....	500
2865	Cyclic (coal tar) crudes, and cyclic intermediates, dyes, and organic pigments (lakes and toners).....	750
28651	Cyclic (coal tar) crudes.....	500
2869	Industrial organic chemicals, n e c.....	1,000
2873	Nitrogenous fertilizers.....	1,000
2874	Phosphoric fertilizers.....	500
2875	Fertilizers, mixing only.....	500
2879	Pesticides and agricultural chemicals, n e c.....	500
2892	Explosives.....	750
2895	Carbon black.....	500
28992	Fatty acids.....	500

Census classification code	Industry or class of products	Employment size standard (number of employees) ¹
MAJOR GROUP 29—PETROLEUM REFINING AND RELATED PRODUCTS		
2911	Petroleum refining ¹	1,000
2952	Asphalt felts and coatings.....	750
2997	Lubricating oils and greases.....	500
MAJOR GROUP 30—RUBBER AND MISCELLANEOUS PLASTIC PRODUCTS		
3011	Tires and inner tubes.....	1,000
3021	Rubber and plastics footwear.....	1,000
3031	Reinforced rubber.....	750
3041	Rubber and plastics hose and belting.....	500
3069	Fabricated rubber products, n e c.....	500
MAJOR GROUP 31—LEATHER AND LEATHER PRODUCTS		
3143	Men's footwear, except athletic.....	500
3144	Women's footwear, except athletic.....	500
3140	Footwear, except rubber, n e c.....	500
MAJOR GROUP 32—STONE, GLASS AND CONCRETE PRODUCTS		
3211	Flat glass.....	1,000
3221	Glass containers.....	750
3229	Pressed and blown glass and glassware, n e c.....	750
3241	Cement, hydraulic.....	750
3253	Ceramic wall and floor tile.....	500
3261	Vitreous china, plumbing fixtures and china and earthenware fittings and bathroom accessories.....	500
3262	Vitreous china table and kitchen articles.....	500
3263	Fine earthenware (whiteware) table and kitchen articles.....	500
3264	Porcelain electrical supplies.....	500
3274	Lime.....	500
3276	Gypsum products.....	1,000
3292	Asbestos products.....	750
3293	Gaskets, packing and sealing devices.....	500
3296	Mineral wool.....	750
3297	Nonclay refractories.....	750
MAJOR GROUP 33—PRIMARY METAL INDUSTRIES		
3312	Blast furnaces (including coke over 3) steel works and rolling mills.....	1,000
3313	Electrometallurgical products.....	750
3315	Steel wire drawing and steel nails and spikes.....	1,000
3316	Cold rolled steel sheet, strip and bars.....	1,000
3317	Steel pipe and tubes.....	1,000
3321	Gray iron foundries.....	500
3322	Malleable iron foundries.....	500
3324	Steel investment foundries.....	500
3325	Steel foundries, n e c.....	500
3331	Primary smelting and refining of copper.....	1,000
3332	Primary smelting and refining of lead.....	1,000
3343	Primary smelting and refining of zinc.....	750
3334	Primary production of aluminum.....	1,000
3339	Primary smelting and refining of nonferrous metals, n e c.....	750
3351	Rolling drawing and extruding of copper.....	750
3353	Aluminum sheet, plate and foil.....	750
3354	Aluminum extruded products.....	750
3355	Aluminum rolling and drawing, n e c.....	750
3356	Rolling, drawing and extruding of nonferrous metals, except copper and aluminum.....	750
3357	Drawing and insulating of nonferrous wire.....	1,000
3398	Metal heat treating.....	750
3399	Primary metal products, n e c.....	750

Census classification code	Industry or class of products	Employment size standard (number of employees) ¹
MAJOR GROUP 34—FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND TRANSPORTATION EQUIPMENT		
3411	Metal cans.....	1,000
3412	Metal shipping barrels, drums, kegs and pails.....	500
3421	Cutlery.....	500
3431	Unannealed iron and metal sanitary ware.....	750
3432	Plumbing fixture fittings and trim (brass goods).....	500
3433	Heating equipment, except electric and warm air furnaces.....	500
3452	Bolts, nuts, screws, rivets and washers.....	500
3462	Metal forging and stamping.....	500
3482	Small arms ammunition.....	1,000
3483	Ammunition, (except for small arms, n e c).....	1,000
3484	Small arms, n e c.....	1,000
3493	Steel springs, except wire.....	500
3494	Valves and pipe fittings, except plumbers' brass goods.....	500
3497	Metal foil and leaf.....	500
3499	Fabricated metal products, n e c.....	500
MAJOR GROUP 35—MACHINERY, EXCEPT ELECTRICAL		
3511	Steam, gas and hydraulic turbines and turbine generator sets.....	1,000
3519	Internal combustion engines, n e c.....	1,000
3523	Farm machinery and equipment.....	500
3524	Garden tractors and lawn and garden equipment.....	500
3531	Construction machinery and equipment.....	750
3532	Mining machinery and equipment, except oil field machinery and equipment.....	500
3533	Oil field machinery and equipment.....	500
3534	Elevators and moving stairways.....	500
3536	Hoists, industrial cranes, and monorail systems.....	500
3537	Industrial trucks, tractors, trailers and stackers.....	750
3541	Machine tools, metal cutting types.....	500
3542	Machine tools, metal forming types.....	500
35452	Precision measuring tools.....	500
3546	Power-driven hand tools.....	500
3547	Rolling mill machinery and equipment.....	750
3549	Metalworking machinery, n e c.....	500
3555	Printing trades machinery and equipment.....	500
3561	Pumps and pumping equipment.....	500
3562	Ball and roller bearings.....	750
3563	Air and gas compressors.....	500
3566	Speed changers, industrial-high-speed drives and gears.....	500
3568	Mechanical power transmission equipment, n e c.....	500
3572	Typewriters.....	1,000
3573	Electronic computing equipment.....	1,000
3574	Calculating and accounting machines, except electronic computing equipment.....	1,000
3579	Office machines, n e c.....	500
3586	Air-conditioning and warm-air heating equipment and commercial and industrial refrigeration equipment.....	750
3598	Measuring and dispensing pumps.....	500

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Census classification code	Industry or class of products	Employment size standard (number of employees) ¹
MAJOR GROUP 36—ELECTRICAL AND ELECTRONIC MACHINERY, EQUIPMENT AND SUPPLIES		
3612	Power, distribution and specialty transformers.....	750
3613	Switchgear and switchboard apparatus.....	750
3621	Motors and generators.....	1,000
3622	Industrial controls.....	750
3624	Carbon and graphite products.....	750
3629	Electrical industrial apparatus, n.e.c.....	500
3631	Household cooking equipment.....	750
3632	Household refrigerators and home and farm freezers.....	1,000
3633	Household laundry equipment.....	1,000
3634	Electric housewares and fans.....	750
3635	Household vacuum cleaners.....	750
3636	Sewing machines.....	750
3639	Household appliances, n.e.c.....	500
3641	Electric lamps.....	1,000
3643	Current-carrying wiring devices.....	500
3644	Noncurrent-carrying wiring devices.....	500
3651	Radio and television receiving sets, except communication types.....	750
3652	Phonograph records and pre-recorded magnetic tape.....	750
3661	Telephone and telegraph apparatus.....	1,000
3662	Radio and television transmitting, signaling and detection equipment and apparatus.....	750
3671	Radio and television receiving-type electron tubes, except cathode ray.....	1,000
3672	Cathode ray television picture tubes.....	750
3673	Transmitting, industrial and special purpose electron tubes.....	750
3674	Semiconductors and related devices.....	500
3675	Electronic capacitors.....	500
3676	Resistors for electronic applications.....	500
3677	Electronic coils, transformers and other inductors.....	500
3678	Connectors, for electronic applications.....	500
3679	Electronic components, n.e.c.....	500
3691	Storage batteries.....	500
3692	Primary batteries, dry and wet.....	1,000
3693	Radiographic X-ray, fluorescent X-ray, therapeutic X-ray, and other X-ray apparatus and tubes; electromedical and electrotherapeutic apparatus.....	500
3694	Electrical equipment for internal combustion engines.....	750
3699	Electrical machinery, equipment and supplies, n.e.c.....	500
MAJOR GROUP 37—TRANSPORTATION EQUIPMENT		
3711	Motor vehicle and passenger car bodies.....	1,000
3714	Motor vehicle parts and accessories.....	500
3715	Truck trailers.....	500
3721	Aircraft.....	1,500
3724	Aircraft engines and engine parts.....	1,000
3728	Aircraft parts and auxiliary equipment, n.e.c.....	1,000
3731	Shipbuilding and repairing.....	1,000
3743	Railroad equipment.....	750
3751	Motorcycles, bicycles and parts.....	500
3764	Guided missile and space vehicle propulsion units and propulsion unit parts.....	1,000
3769	Guided missile and space vehicle parts and auxiliary equipment, n.e.c.....	1,000
3795	Tanks and tank components.....	1,000

Census classification code	Industry or class of products	Employment size standard (number of employees) ¹
MAJOR GROUP 38—MEASURING, ANALYZING AND CONTROLLING INSTRUMENTS, PHOTOGRAPHIC, MEDICAL AND OPTICAL GOODS; CLOCKS AND WATCHES		
3811	Engineering, laboratory, scientific and research instruments and associated equipment.....	500
3822	Automatic controls for regulating residential and commercial environments and appliances.....	500
3823	Industrial instruments for measurement, display and control of process variables and related products.....	500
3824	Totalizing fluid meters and counting devices.....	500
3825	Instruments for measuring and testing of electricity and electrical signals.....	500
3829	Measuring and controlling devices, n.e.c.....	500
3861	Photographic equipment and supplies.....	500
3873	Watches, clocks, clockwork operated devices, and parts.....	500
MAJOR GROUP 39—MISCELLANEOUS MANUFACTURING INDUSTRIES		
3911	Silverware, plated ware and stainless steel ware.....	500
3951	Pens, mechanical pencils and parts.....	500
3996	Linoleum, asphalted-felt-base, and other hard surface floor coverings, n.e.c.....	750
3998	Matches.....	500
<p>¹The "number of employees" means the average employment of any concern and its affiliates based on the number of persons employed during the pay period ending nearest the last day of the third month in each calendar quarter for the preceding four quarters.</p> <p>²Together with its affiliates does not employ more than 1,000 persons and does not have more than 30,000 barrels per day crude oil or bona fide feed stock capacity from owned and/or leased facilities or from facilities made available to such concerns under an agreement (except one on a royalty product for a refined product basis) or a throughput or other form of processing agreement with the same effect as though such facilities had been leased.</p> <p>³Includes maintenance as defined in the Federal Aviation Regulations (14 C.F.R. 1.1) but excludes contracts solely for preventive maintenance as defined in 14 C.F.R. 1.1. As defined in the Federal Aviation Regulations, "Maintenance means inspection, overhaul, repair, preservation, and the replacement of parts, but excludes preventive maintenance." "Preventive maintenance" means simple or minor preservation operations and the replacement of small standard parts not involving complex assembly operations."</p>		
SCHEDULE B—INDUSTRY EMPLOYMENT SIZE STANDARDS FOR THE PURPOSE OF GOVERNMENT PROCUREMENT (MANUFACTURING)		
Census classification code	Industry or class of products	Employment size standard (number of employees) ¹
MAJOR GROUP 20—FOOD AND KINDRED PRODUCTS		
2020	Fluid milk.....	750
2032	Canned specialties.....	1,000
2043	Cereal breakfast foods.....	1,000
2046	Wet corn milling.....	750
2052	Cookies and crackers.....	750
2062	Cane sugar refining.....	750
2063	Beet sugar.....	750
2070	Vegetable oil mills, except corn, cottonseed and soybean.....	1,000
2079	Shortening, table oils, margarine and other edible fats and oils, n.e.c.....	750
2085	Distilled, rectified, and blended liquors.....	750

Census classification code	Industry or class of products	Employment size standard (number of employees) ¹
MAJOR GROUP 21—TOBACCO MANUFACTURES		
2111	Cigarettes.....	1,000
MAJOR GROUP 22—TEXTILE MILL PRODUCTS		
2211	Broad-woven fabric mills, cotton.....	1,0
2261	Finishers of broad-woven fabrics of cotton.....	1,000
2271	Woven carpets and rugs.....	750
2295	Fabrics, not rubberized.....	1,000
2296	Tire cord and fabric.....	1,000
MAJOR GROUP 26—PAPER AND ALLIED PRODUCTS		
2611	Pulpmills.....	750
2621	Papermills, except building papermills.....	750
2631	Paperboard mills.....	750
2640	Pressed and molded pulp goods.....	750
2654	Sanitary food containers.....	750
2661	Building paper and building board mills.....	750
MAJOR GROUP 28—CHEMICALS AND ALLIED PRODUCTS		
2812	Alkalies and chlorine.....	1,000
2813	Industrial gases.....	1,000
2816	Inorganic pigments.....	1,000
2819	Industrial inorganic chemicals, n.e.c.....	1,000
2821	Plastics materials, synthetic resins, and nonvulcanizable elastomers.....	750
2822	Synthetic rubber (vulcanizable elastomers).....	1,000
2823	Cellulose manmade fibers.....	1,000
2824	Synthetic organic fibers, except cellulose.....	1,000
2833	Medicinal chemicals and botanical products.....	750
2834	Pharmaceutical preparations.....	750
2841	Soap and other detergents, except specialty cleaners.....	750
2865	Cyclic (coal tar) crudes, and cyclic intermediates, dyes, and organic pigments (lakes and toners).....	750
2869	Industrial organic chemicals, n.e.c.....	1,000
2873	Nitrogenous fertilizers.....	1,000
2892	Explosives.....	750
MAJOR GROUP 29—PETROLEUM REFINING AND RELATED INDUSTRIES³		
2952	Asphalt felts and coatings.....	750
MAJOR GROUP 50—RUBBER AND MISCELLANEOUS PLASTICS PRODUCTS		
3011	Tires and innertubes.....	1,000
30111	Passenger car and motorcycle pneumatic tires (casings).....	1,000
30112	Truck and bus (and off-the-road) pneumatic tires.....	1,000
3021	Rubber and plastics footwear.....	1,000
3031	Reclaimed rubber.....	750
MAJOR GROUP 32—STONE, CLAY, GLASS, AND CONCRETE PRODUCTS		
3211	Flat glass.....	1,000
3221	Glass containers.....	750
3229	Pressed and blown glass and glassware, n.e.c.....	750
3241	Cement, hydraulic.....	750
3261	Vitreous china plumbing fixtures and china and earthenware fittings and bathroom accessories.....	750
3275	Gypsum products.....	1,000
3292	Asbestos products.....	750
3296	Mineral wool.....	750
3297	Nonclay refractories.....	750

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Census classification code	Industry or class of products	Employment size Standard (number of employees) ¹
MAJOR GROUP 31—PRIMARY METAL INDUSTRIES		
3312	Blast furnaces (including cokes ovens), steel works, and rolling mills	1,000
3313	Electrometallurgical products	750
3315	Steel wire drawing and steel mills and spikes	1,000
3316	Cold rolled sheet, strip and bars	1,000
3317	Steel pipe and tubes	1,000
3331	Primary smelting and refining of copper	1,000
3332	Primary smelting and refining of lead	1,000
3333	Primary smelting and refining of zinc	750
3334	Primary production of aluminum	1,000
3335	Primary rolling and refining of aluminum products	750
3336	Rolling, drawing, and extruding of copper	750
3338	Aluminum sheet, plate, and foil	750
3339	Aluminum extruded products	750
3345	Aluminum rolling and drawing, n.e.c.	750
3346	Rolling, drawing and extruding of nonferrous metals, except copper and aluminum	750
3357	Drawing and insulating of leaded wire	1,000
3358	Metals fabricating	750
3359	Primary metal products, n.e.c.	750
MAJOR GROUP 32—FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND TRANSPORTATION EQUIPMENT		
3311	Metal castings	1,000
3331	Fabricated iron and metal sand-castings	750
3357	Structural steel, n.e.c.	1,000
3358	Structural steel, n.e.c.	1,000
3359	Structural steel, n.e.c.	1,000
MAJOR GROUP 33—MACHINERY, EXCEPT ELECTRICAL		
3511	Steam, gas, and hydraulic turbines and turbine generator sets	1,000
3512	Internal combustion engines, n.e.c.	1,000
3531	Construction machinery and equipment	750
3532	Industrial trucks, tractors, trailers and skidders	750
3533	Ball and roller bearings	750
3534	Typewriters	1,000
3535	Electric computing equipment	1,000
3536	Calculating and accounting machines, except electronic computing equipment	1,000
3537	Air conditioning and warm air heating equipment and commercial and industrial refrigeration equipment	750
MAJOR GROUP 34—ELECTRICAL AND ELECTRONIC MACHINERY, EQUIPMENT, AND SUPPLIES		
3612	Power, distribution, and specialty transformers	750
3613	Switchgear and switchboard apparatus	750
3621	Motors and generators	1,000
3622	Industrial controls	750
3624	Carbon and graphite products	750
3631	Household cooking equipment	750
3632	Household refrigerators and home and farm freezers	1,000
3633	Household laundry equipment	1,000
3634	Electric housewares and fans	750
3635	Household vacuum cleaners	750
3636	Sewing machines	750
3641	Electric lamps	1,000
3651	Radio and television receiving sets, except communication types	750
3652	Phonograph records and recorded magnetic tapes	750
3661	Telephone and telegraph apparatus	1,000
3662	Radio and television transmitting, signaling, and detection equipment, and apparatus	750
3671	Radio and television receiving type electron tubes, except cathode ray	1,000

Census classification code	Industry or class of products	Employment size Standard (number of employees) ¹
MAJOR GROUP 36—ELECTRICAL AND ELECTRONIC MACHINERY, EQUIPMENT, AND SUPPLIES		
3672	Cathode ray television picture tubes	750
3673	Transmitting, industrial, and special purpose electron tubes	750
3691	Primary batteries, dry and wet	1,000
3692	Electrical equipment for internal combustion engines	750
MAJOR GROUP 37—TRANSPORTATION EQUIPMENT		
3711	Motor vehicles and passenger car bodies	1,000
37111	Passenger cars (knocked down or assembled)	1,000
37112	Aircraft	1,500
3721	Aircraft engines and engine parts	1,000
3722	Aircraft parts and auxiliary equipment, n.e.c.	1,000
3731	Shipbuilding and repairing	1,000
3732	Railroad equipment	1,000
3733	Guided missiles and space vehicles	1,000
3734	Guided missiles and space vehicle propulsion units and propulsion parts	1,000
3735	Guided missile and space vehicle parts and auxiliary equipment, n.e.c.	1,000
3736	Tanks and tank components	1,000
MAJOR GROUP 38—MULTI-PURPOSE MANUFACTURING INDUSTRIES		
3801	Textiles, including felt hats, and other head surface floor coverings, n.e.c.	750

Industry or sub-industry code	Industry, subindustry, or class of products	Annual sales size standard (maximum, in millions)
5082	Construction and mining machinery and equipment	10
5083	Farm and garden machinery and equipment	15
5084	Industrial machinery and equipment	10
5085	Industrial supplies	10
5111	Printing and writing paper	10
5112	Industrial and personal service paper	15
5122	Drugs, drug preparations, and druggists' sundries	10
5133	Piece goods (woven fabrics)	10
5134	Notions and other dry goods	10
5139	Footwear	10
5141	Groceries, general line	15
5142	Frozen foods	15
5143	Dairy products	10
5147	Meats and meat products	10
5149	Groceries and related products, n.e.c.	10
5152	Cotton	15
5153	Grain	10
6151	Livestock	10
5161	Chemicals and allied products	15
5171	Petroleum bulk stations and terminals	15
5172	Petroleum and petroleum products wholesale, except bulk station and terminal	15
5182	Wines and distilled alcoholic beverages	15
6194	Tobacco and tobacco products	15
6195	Paints, varnishes, and supplies	15

SCHEDULE D—ANNUAL REVENUE SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN RETAILING

(The following size standards are to be used when determining the size status of retailing concerns for the purpose of SBA loans, displaced business loans, economic opportunity loans, and as alternate standards for sections 501 and 502 loans and SBIC assistance. Where a code is followed by a letter, the size standard applies only to the class of product designated.)

Industry or sub-industry code	Industry, subindustry, or class of products	Annual sales size standard (maximum, in millions)
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MAJOR GROUP 52—BUILDING MATERIALS, HARDWARE, GARDEN SUPPLIES, AND MOBILE HOME DEALERS

6271	Mobile home dealers	\$3
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MAJOR GROUP 53—GENERAL MERCHANDISE

5311	Department stores	\$6
5312	Variety stores	5
5411	Grocery stores	6
5423(a)	Meat markets (in part of meat and fish (seafood) markets)	5

MAJOR GROUP 55—AUTOMOTIVE DEALERS AND GASOLINE SERVICE STATIONS

5511	Motor vehicle dealers (new and used)	5
5521	Motor vehicle dealers (used only)	5
5599(a)	Aircraft (in part of automotive dealers, n.e.c.)	3

MAJOR GROUP 56—APPAREL AND ACCESSORY STORES

5611	Men's and boys' clothing and furnishings stores	1.5
5621	Women's ready-to-wear stores	1.5
5651	Family clothing stores	1.5
5661	Shoe stores	1.5

RULES AND REGULATIONS

Census classification code	Industry or class of products	Employment size standard (number of employees) ¹
MAJOR GROUP 27—FURNITURE, HOME FURNISHINGS, AND EQUIPMENT STORES		
5722	Household appliance stores....	1.5
5723	Radio and television stores....	1.5
MAJOR GROUP 28—MISCELLANEOUS RETAIL		
5961	Mall-order houses.....	5

SCHEDULE E—GOVERNMENT-OWNED TIMBER RESALE STANDARDS FOR SPECIFIC GEOGRAPHICAL AREAS

Area from which timber is cut	Percentage of timber purchased that may be sold to other than small business
Alaska.....	50 percent.

SCHEDULE F—EMPLOYMENT SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN MINING AND MINING SERVICES

(The following size standards are to be used when determining the size status of mining and mining services concerns for the purpose of SBA business loans, displaced business loans, economic opportunity loans, and as alternate standards for Section 501 and 502 loans and small business investment company assistance.)

Census classification code	Industry or class of products	Employment size standard (number of employees)
1111	Anthracite.....	250
1112	Anthracite mining services.....	250
1211	Bituminous coal and lignite....	500
1212	Bituminous coal and lignite mining services.....	250

SCHEDULE G—PETROLEUM ADMINISTRATION FOR DEFENSE (PAD) DISTRICTS AS UTILIZED BY THE DEFENSE FUEL SUPPLY CENTER IN THE PROCUREMENT OF REFINED PETROLEUM PRODUCTS

- PAD Districts and States included in PAD District
1. Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Maryland, Delaware, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida.
 2. North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Michigan, Indiana, Ohio, Kentucky, and Tennessee.
 3. New Mexico, Texas, Arkansas, Louisiana, Mississippi, and Alabama.
 4. Montana, Idaho, Wyoming, Utah, and Colorado.
 5. Alaska, Hawaii, Washington, Oregon, Nevada, California, and Arizona.

Industry or sub-industry code	Industry, subindustry, or class of products	Annual sales size standard (maximum, in millions)
1711	Plumbing, heating (except electric), and air-conditioning.....	25
1721	Painting, paper hanging, and decorating.....	1
1731	Electrical work.....	2
1741	Masonry, stone setting, and other stonework.....	1

SCHEDULE H—ANNUAL RECEIPTS SIZE STANDARDS FOR PURPOSE OF BIDDING ON PROCUREMENTS FOR CONSTRUCTION—SPECIAL TRADE CONTRACTORS

Industry or sub-industry code	Industry, subindustry, or class of products	Annual sales size standard (maximum, in millions)
1742	Plastering, drywall, acoustical and insulation work.....	25
1743	Terrazzo, tile, marble, and mosaic work.....	1
1751	Carpentering and flooring.....	1
1752	Floor laying and other floorwork, not elsewhere classified.....	1
1761	Roofing and sheet metal work.....	1
1771	Concrete work.....	1
1781	Water well drilling.....	1
1791	Structural steel erection.....	1
1793	Glass and glazing work.....	1
1794	Excavating and foundation work.....	1
1795	Wrecking and demolition work.....	1
1796	Installation or erection of building equipment, not elsewhere classified.....	1
1799	Special trade contractors, not elsewhere classified.....	1

SCHEDULE I—ANNUAL RECEIPTS SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN CONSTRUCTION (SPECIAL TRADE CONTRACTORS)

Industry or sub-industry code	Industry, subindustry, or class of products	Annual sales size standard (maximum, in millions)
1711	Plumbing, heating (except electric), and air-conditioning.....	25
1721	Painting, paper hanging, and decorating.....	1
1731	Electrical work.....	2
1741	Masonry, stone setting, and other stonework.....	1
1742	Plastering, drywall, acoustical, and insulation work.....	1
1743	Terrazzo, tile, marble, and mosaic work.....	1
1751	Carpentering and flooring.....	1
1752	Floor laying and other floorwork, not elsewhere classified.....	1
1761	Roofing and sheet metal work.....	1
1771	Concrete work.....	1
1781	Water well drilling.....	1
1791	Structural steel erection.....	1
1793	Glass and glazing work.....	1
1794	Excavating and foundation work.....	1
1795	Wrecking and demolition work.....	1
1796	Installation or erection of building equipment, not elsewhere classified.....	1
1799	Special trade contractors, not elsewhere classified.....	1

[FR Doc. 74-29625 Filed 12-22-74; 8:45 am]

UPPER VOLTA

Republic of Upper Volta

We do not have a legal definition for small industry. However, we usually describe a small industry as a productive center having less than 15 workers, a capital in machines and equipment less than US\$100,000, and a yearly turnover around US\$10,000. However, enough elasticity is required to define each small industry further [than by] the described parameters.

Source: Ministry of Commerce, Industrial Development and Mines, Republic of Upper Volta.

VIET NAM

Republic of Viet Nam

In the investment law of Viet Nam . . . enterprises whose initial investment expenditures exceed ten million piasters [US\$16,528] for agricultural and fishing enterprises, or exploration for minerals, and twenty million piasters [US\$33,156] for industrial or other enterprises . . . may be approved to benefit from the incentives prescribed by the law. . . . This is a criterion to be used to separate large-scale and small-scale industries in Viet Nam.

Source: Embassy of Viet Nam in the United States.

YEMEN (San'ā')

Yemen Arab Republic

A legally precise definition of small-scale industry, as far as we can determine, does not exist. By comparison to developed societies, or in most cases L.D.C.'s, industry in Yemen is relatively small.

The following statistical tables may be of some use in illustrating the above.

The majority of industrial establishments in the Y.A.R. have less than \$6,500 in fixed capital and nine employees. Consequently the industrial sector's contribution to the D.N.P. is around 2.7%.

Number of industrial establishments along with employment in 1971

(Value in 000 riyal - riyal = \$.20)

<u>Type of Industry</u>	<u>No. of Es- tablishments</u>	<u>No. of Workers</u>	<u>Invest- ment</u>	<u>Value of Production</u>
<u>1-Salt and Stone</u>	16	502	25,855	3,597
Quarrying				
a. Salt	1	250	25,000	1,710
b. Stone	11	216	683	1,418
c. Gypsum	4	36	172	469
<u>2-Food Industry</u>	78	550	467	6,332
a. Bakery	53	362	410	3,632
b. Confectionary	22	164	30	2,600
c. Spices	3	24	27	100
<u>3-Beverages/Cigarettes</u>	10	402	10,573	8,939
a. Soft Drinks	3	222	3,384	6,642
b. Ice	2	25	89	235
c. Cigarettes	1	121	7,097	1,792
d. Chewing Tobacco	4	34	3	270
<u>4-Textiles</u>	16	2,016	23,872	25,352
a. Ginning	2	192	718	14,808
b. Spinning/Weaving	2	1,499	23,054	9,518
c. Hand Looms	12	325	100	1,026
<u>5-Wood Products</u>	52	396	980	2,260
<u>6-Printing/Publishing</u>	8	92	1,203	1,042
<u>7-Cement/Bricks</u>	51	500	821	4,178
a. Cement, Blocks, Tiles	29	308	623	2,838
b. Bricks, Clay	22	192	248	1,340
<u>8-Steel Doors/Windows</u>	25	227	774	1,862
<u>9-Auto Servicing</u>	63	766	1,445	3,751
<u>10-Electricity</u>	27	1,126	20,110	9,256
<u>11-Miscellaneous</u>	5	129	1,728	3,101
TOTAL	<u>351</u>	<u>6,706</u>	<u>87,828</u>	<u>69,670</u>

No. of Industrial Establishments
By Ownership
1971

Sole Proprietorship	261
Partnership	49
Public Company	13
Cooperative	4
Government	18
Government & Public	<u>6</u>
TOTAL	<u><u>351</u></u>

No. of Industrial Establishments
By Size of Fixed Capital - 1971
(000 Yemeni riyals)

<u>Capital</u>	
1 - 25,000	246
25,000 - 50,000	32
50,000 - 75,000	16
75,000 - 100,000	<u>9</u>
TOTAL	<u><u>303</u></u>

P.S. 48 establishments did not submit requested data.

No. of Industrial Establishments
According to Size of Labor Force
1971

<u>No. of Employees</u>	
5 - 9	217
10 - 14	50
15 - 19	13
20 - 24	10
25 - 29	2
30 - 34	5
35 - 39	4
40 - 44	-
45 - 49	6
50 and above	<u>14</u>
TOTAL	<u><u>351</u></u>

Source: Averroes Inc., consultants to the Embassy of Yemen Arab Republic in the United States.

STATISTICAL TABLE

<u>COUNTRY OR AREA</u>	<u>POPULATION (millions)</u>	<u>PER CAPITA NATIONAL INCOME IN MARKET PRICES (US\$)</u>	<u>SMALL-SCALE INDUSTRY DATA</u>	
			<u>NO. OF EMPLOYEES</u>	<u>CAPITAL OR FIXED ASSETS</u>
INDUSTRIAL COUNTRIES				
Canada	22.12	4,231 ^{1/}	*	*
Japan	108.35	2,462 ^{1/}	0-300 Varies with in- dustry*	Small and Medium-Scale Industry - Manufacturing, Mining and Trans- portation: Up to 50 million yen in capital (US\$5,072,022) Commerce and Service Industries: Up to 10 million yen in capi- tal (US\$1,014,404)
United States	210.40	4,981 ^{1/}	0-1,500 Varies with in- dustry*	*
United Kingdom	55.93	2,503 ^{1/}	*	*
<u>Industrial Europe</u>				
Austria	7.52	2,456 ^{1/}	0-50	*
Belgium	9.76	3,286 ^{1/}	0-50	*
Denmark	5.03	3,853 ^{1/}	*	*
Germany, Federal Republic of	61.97	3,739 ^{1/}	0-20 Varies with type of industry	*
Italy	54.89	1,987 ^{1/}	*	*
Luxembourg	0.35	2,641 ^{2/}	*	*
Netherlands	13.44	3,159 ^{1/}	10-50	*

For sources, footnotes, and general note, see end of table.

COUNTRY OR AREA	POPULATION (millions)	PER CAPITA NATIONAL INCOME IN MARKET PRICES (US\$)	SMALL-SCALE INDUSTRY DATA	
			NO. OF EMPLOYEES	CAPITAL OR FIXED ASSETS
Norway	3.96	3,299 ^{1/}	0-20	*
Poland	33.36	1,650 ^{6/}	0-100	*
Sweden	8.14	4,669 ^{1/}	0-200	*
Switzerland	6.44	2,654 ^{4/}	0-49	*
OTHER DEVELOPED AREAS				
Australia	13.13	2,919 ^{2/}	0-100	*
Finland	4.66	2,571 ^{1/}	0-100	*
Malta	0.32	863 ^{1/}	0-10	*
New Zealand	2.96	2,345 ^{2/}	0-10	*
Romania	20.83	1,200 ^{7/}	*	*
South Africa	23.72 _X	734 ^{1/}	*	Total assets not exceeding R 500,000 (US\$725,058)
LESS DEVELOPED AREAS				
<u>Caribbean and Latin America</u>				
Barbados	0.24	679 ^{2/}	1-25	Owners' investment not exceeding US\$50,000
Brazil	101.71 _X	422 ^{2/}	0-100	*
Colombia	23.21 _X	426 ^{1/}	5-24	*
Costa Rica	1.89	584 ^{1/}	2-50	Net worth between \$CA 2,500 and \$CA 50,000 (US\$2,500-50,000)

For sources, footnotes, and general note, see end of table.

COUNTRY OR AREA	POPULATION (millions)	PER CAPITA NATIONAL INCOME IN MARKET PRICES (US\$)	SMALL-SCALE INDUSTRY DATA	
			NO. OF EMPLOYEES	CAPITAL OR FIXED ASSETS
Ecuador	6.73 _X	295 ^{1/}	*	Fixed assets of not more than 1,500,000 sucres (US\$59,405)
Guatemala	5.54	353 ^{2/}	*	*
Guyana	0.76	333 ^{2/}	*	*
Honduras	2.78 _X	283 ^{1/}	0-5	Capital of US\$10,000 dollars or less
Jamaica	1.98	714 ^{1/}	*	*
Mexico	54.30 _X	681 ^{2/}	*	Capital investment of 25,000- 25,000,000 pesos (US\$2,001- \$2,001,601)
Nicaragua	2.01 _X	457 ^{1/}	*	*
Panama	1.57 _X	689 ^{2/}	5-29	Fixed assets no greater than B/75,000 (US\$75,000)
Peru	14.91 _X	316 ^{2/}	*	*
Puerto Rico	2.92	1,946 ^{2/}	*	*
St. Christopher- Nevis-Anguilla	0.07 _X	Not available	*	*
St. Vincent	0.09 _X	Not available	*	Net worth not more than \$100,000 E. Caribbean currency (US\$49,261)
Trinidad & Tobago	1.06	682 ^{12/}	0-50	*
<u>Middle East</u>				
Iran	31.30 _X	1,242 ^{9/}	*	Capital invested of not more than Rials 7.5 million in machinery and equipment (US\$110,913)

For sources, footnotes, and general note, see end of table.

COUNTRY OR AREA	POPULATION (millions)	PER CAPITA NATIONAL INCOME IN MARKET PRICES (US\$)	SMALL-SCALE INDUSTRY DATA	
			NO. OF EMPLOYEES	CAPITAL OR FIXED ASSETS
Iraq	10.41 _X	278 ^{4/}	0-9	*
Israel	3.18	2,007 ^{1/}	0-25	*
Jordan	2.56	276 ^{1/}	0-5	Total value of assets in plant, machinery and equipment not ex- ceeding JD 5,000 (US\$15,974)
Saudi Arabia	8.199 _{XZ}	1,000 ^{11/}	0-50	Investment in machinery/equipment less than SR 250,000 (US\$70,420)
Yemen Arab Republic	6.06 _X	55 ^{5/}	0-9	Less than US\$6,500 in fixed capital
<u>East and Southeast Asia</u>				
Bangladesh	71.61 _X	60 ^{9/}	*	Capital fixed assets not exceeding Taka 2.5 million (US\$307,389)
Brunei	0.15 _X	91 ^{5/}	0-50	Plant and machinery investment not exceeding B.250,000 (US\$105,000)
China, Republic of	15.5 _Y	467 ^{8/}	0-300 Varies with type of industry *	Registered capital below NT 5,000,000 (US\$131,600) and total assets below NT \$20,000,000 (US\$526,300)
Hong Kong	4.16 _X	1,300 ^{8/}	0-200	Not more than HK \$1,000,000 in pro- prietors' funds (US\$196,850)
India	574.22 _X	110 ^{8/}	*	Capital investment not more than Rs. 750,000 in plant and machinery (US\$93,225)

For sources, footnotes, and general note, see end of table.

COUNTRY OR AREA	POPULATION (millions)	PER CAPITA NATIONAL INCOME IN MARKET PRICES (US\$)	SMALL-SCALE INDUSTRY DATA	
			NO. OF EMPLOYEES	CAPITAL OR FIXED ASSETS
Indonesia	124.60 _X	112 ^{1/}	1-4 (with power equipment) 5-9 (without power equipment)	*
Korea, Republic of	32.91 _X	281 ^{1/}	5-300 Varies with type of industry *	Manufacturing: Total assets not exceeding 50 million won (US\$125,313) Mining and Transportation: Total assets not exceeding 50 million won (US\$125,313) Construction: Total assets not exceeding 50 million won (US\$125,313) Commerce and Services: Total assets not exceeding 10 million won (US\$25,062)
Malaysia	10.95 _X	391 ^{1/}	*	M \$250,000/or less = total capital investment (US\$103,305) M \$50,000/or less = proprietor's or shareholder's capital (US\$20,661)
Pakistan	66.75 _X	205 ^{2/}	*	Punjab & Sind - total assets (ex. land) not exceeding RS. 20 lakhs (US\$200,000) NWFP - total fixed assets (including land) not exceeding RS. 30 lakhs (US\$300,000)
Philippines	40.22 _X	254 ^{1/}	*	Total assets of less than ₱1 million (US\$147,126)

For sources, footnotes, and general note, see end of table.

COUNTRY OR AREA	POPULATION (millions)	PER CAPITA NATIONAL INCOME IN MARKET PRICES (US\$)	SMALL-SCALE INDUSTRY DATA	
			NO. OF EMPLOYEES	CAPITAL OR FIXED ASSETS
Singapore	2.19	1,041 ^{2/}	0-50	Less than S\$250,000 in capital, not including land or building (US\$100,806)
Thailand	39.79 _X	193 ^{1/}	*	Less than 2,000,000 Baht (US\$97,799)
Viet Nam, Republic of	19.37 _X	174 ^{1/}	*	Less than 10 million piasters (US\$16,528) for agriculture and fishing enterprises or exploration for minerals and 20 million for industrial or other (US\$33,156)
<u>Africa</u>				
Cameroon	6.17	166 ^{3/}	*	*
Ethiopia	26.08 _X	75 ^{2/}	10-50	Fixed capital investment of Eth. \$100,000 (US\$48,309) or less
Gambia, The	0.49 _X	118 ^{4/}	0-10	Capital investment per employee up to US\$5,000
Kenya	12.48 _X	151 ^{1/}	0-50	*
Lesotho	0.99 _X	90 ^{10/}	0-100	Less than US\$150,000 in fixed assets
Libyan Arab Republic	2.16 _X	1,850 ^{1/}	*	*
Nigeria	59.61 _X	100 ^{11/}	0-500	*
Senegal	4.23 _X	201 ^{3/}	*	*
Sierra Leone	2.86 _X	158 ^{3/}	0-6	*
Somalia	3.00 _X	67 ^{5/}	0-50	Fixed assets of 1 million Somali shillings (US\$158,856)

For sources, footnotes, and general note, see end of table.

<u>COUNTRY OR AREA</u>	<u>POPULATION</u> (millions)	PER CAPITA NATIONAL INCOME IN MARKET PRICES (US\$)	<u>SMALL-SCALE INDUSTRY DATA</u>	
			<u>NO. OF EMPLOYEES</u>	<u>CAPITAL OR FIXED ASSETS</u>
Sudan	16.90 _X	109 ^{3/}	0-30	Fixed capital for machines, land and building of less than £S.30,000 (US\$86,157)
Swaziland	0.46 _X	215 ^{3/}	0-50	Giving a material added value requiring an investment less than E50,000 (US\$72,505)
Upper Volta	5.74 _X	60 ^{9/}	0-15	Capital in machines and equipment less than US\$100,000
<u>Oceania</u>				
Fiji	0.55 _X	424 ^{2/}	0-20	*
Tonga	0.09 _X	346 ^{3/}	*	Investment not more than T\$100,000 (US\$148,743), excluding land, building and working capital

SOURCES, FOOTNOTES, AND GENERAL NOTE

Country or Area

The categorization of countries and areas as "industrial," "developed," or "less developed" is based on the International Monetary Fund's table of Participants' SDR Positions, March 1974.

Countries and areas are listed by their short form name as given in U. S. Department of State, Bureau of Intelligence and Research, Status of the World's Nations, Geographic Bulletin (revised), 1973.

Population

Primary source: United Nations, Monthly Bulletin of Statistics, November 1974, "Estimates of mid-year population - 1973."

X - designates estimates of questionable reliability.

Y - U. S. Department of State, Background Notes, 1973 estimate.

Z - United Nations, Demographic Yearbook 1972, 1972 estimate.

Per Capita National Income

- 1/ United Nations, Statistical Yearbook 1973, 1972 estimates of per capita national income in US\$.
- 2/ Op.cit., 1971 estimate.
- 3/ Op.cit., 1970 estimate.
- 4/ Op.cit., 1969 estimate.
- 5/ Op.cit., 1963 estimate.
- 6/ U. S. Department of State, Background Notes, 1972 expressed in 1971 prices.
- 7/ Op.cit., 1971 expressed in 1970 prices.
- 8/ Op.cit., 1973 estimate.
- 9/ Op.cit., 1971 estimate.
- 10/ Op.cit., 1971-72 estimate.
- 11/ Op.cit., 1970 estimate.
- 12/ United Nations, Yearbook of National Accounts Statistics, 1972, Volume III, 1974, 1968 estimate.

Small-Scale Industry Data

* Refer to country definition.

Conversions from national currencies to US dollars were based on the most recent exchange rate (April-September 1974) in International Monetary Fund, International Financial Statistics, November 1974.

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APPENDIX

RESPONSE FORM

Return to: Richard Johnson, Research Scientist
International Development Branch
Industrial Development Division
Engineering Experiment Station
Georgia Institute of Technology
Atlanta, Georgia 30332
USA

Respondent's Affiliation: _____

Address _____

Country or Area _____

Small-Scale Industry Data: (include the following information or attach appropriate literature)

No. of employees _____

Capital investment _____

Fixed assets _____

sales _____

Types of industries _____

Legal definition of small-scale industry _____

Operational definition of small-scale industry _____

Comments _____