

Explanatory Notes on Main Statistical Indicators

Administrative Division refers to the division of administrative areas by the state. The Constitution of the People's Republic of China stipulates that the administrative areas in China are divided as: 1) The whole Country is divided into provinces, autonomous regions and municipalities directly under the central government; 2) Provinces and autonomous regions are divided into autonomous prefectures, counties, autonomous counties and cities; 3) Autonomous prefectures are divided into counties, autonomous counties and cities; 4) Counties and autonomous counties are divided into townships, nationality townships and towns; 5) Municipalities and large cities are divided into districts and counties; 6) The state shall, when necessary, establish special administrative regions.

Average Annual Growth Rate Two methods for calculating average annual growth rate are applied in China, one is often called level approach, the method of calculating geometric average, which is derived by comparing the level of the last year of the interval with that of the beginning year; the other is called accumulative approach or algebraic average or equation method, which is derived by the summation of the actual figure of each year in the interval divided by the figure in the base year. Usually the results calculated by the two methods are fairly close, but they differed sharply when uneven economic development occurred with striking fluctuations in growth.

The average annual growth rates listed in this statistical yearbook are calculated by level approach except for the growth rate of investment in fixed assets. The base years are not listed when the years are listed for average annual growth rates. For instance, the average annual growth rate of 43 years since 1949 is listed as average annual growth rate of 1950-1992 without listing the base year 1949. And the analogy of this is also the same for the rest of the years.

Industrial Classification of the National Economy The new *Industrial Classification of the National Economy* (GB/T 4754-2002) is introduced starting from the compilation of 2003 annual

statistics. The new revision was based on the 1994 classification and organized by the National Bureau of Statistics taking into consideration of the *International Standards of the Industrial Classification of All Economic Activities* (ISIC/Rev.3) of the United Nations, and the new Classification was promulgated by the National Administration of Quality Supervision, Inspection and Quarantine on May 10, 2002. The revised version of the *Industrial Classification of the National Economy* (GB/T 4754-2002) is composed of 20 major divisions, 95 divisions, 396 major groups and 913 groups, including 4 new major divisions, 3 new divisions, 28 major groups and 67 groups. In 2017, the National Bureau of Statistics inspected *Industrial Classification of the National Economy* (GB/T 4754-2017).

Registration Status of Enterprises (units) Enterprises are classified into 3 categories, namely enterprises with domestic investment, enterprises with investment from Hong Kong, Macao and Taiwan, and enterprises with foreign investment, according to the registration status of an enterprise in market supervision administration. Domestic-invested enterprises include state-owned enterprises, collective-owned enterprises, cooperative enterprises, joint ownership enterprises, limited liability corporations, share-holding corporations Ltd., private enterprises and other enterprises. Included in the enterprises with investment from Hong Kong, Macao and Taiwan and enterprises with foreign investment are joint-venture enterprises, cooperative enterprises, sole-proprietorship enterprises and share-holding corporations Ltd. For government agencies, institutions and social organizations which are not requested to be registered in market supervision administration, they are classified mainly by their sources of funds and way of management.

State-owned Enterprises refer to non-corporation economic units where the entire assets are owned by the state and which have

registered in accordance with the *Regulation of the People's Republic of China on the Management of Registration of Corporate Enterprises*. Not included from this category are state sole-proprietorship corporations in the limited liability corporations.

Collective-owned Enterprises refer to economic units where the assets are owned collectively and which have been registered in accordance with the *Regulation of the People's Republic of China on the Management of Registration of Corporate Enterprises*.

Cooperative Enterprises refer to a form of collective economic units (enterprises) where capitals come mainly from employees as their shares, with certain proportion of capital from the outside, where production is organized on the basis of independent operation, independent accounting for profits and losses, joint work, democratic management, and a distribution system that integrates remuneration according to work with dividend according to capital share.

Joint Ownership Enterprises refer to economic units established by two or more corporate enterprises or corporate institutions of the same or different ownership, through joint investment on the basis of equality, voluntary participation and mutual benefits. They include state joint ownership enterprises, collective joint ownership enterprises, joint state-collective enterprises, other joint ownership enterprises.

Limited Liability Corporations refer to economic units established with investment from 2-50 investors and registered in accordance with the *Regulation of the People's Republic of China on the Management of Registration of Corporations*, each investor bearing limited liability to the corporation depending on its share of investment, and the corporation bearing liability to its debt to the maximum of its total assets. Limited liability corporations include state sole-proprietorship corporations and other limited liability corporations.

Share-holding Corporations Ltd. refer to economic units registered in accordance with the *Regulation of the People's Republic of China on the Management of Registration of Corporations*, with

total registered capitals divided into equal shares and raised through issuing stocks. Each investor bears limited liability to the corporation depending on the holding of shares, and the corporation bears liability to its debt to the maximum of its total assets.

Private Enterprises refer to profit-making economic units invested and established by natural persons, or controlled by natural persons using employed labour. Included in this category are private sole-proprietorship enterprise, private partnership enterprise, private limited liability companies, private limited-liability company by shares and individual sole-proprietorship enterprise registered in accordance with the *Company Law, the Law on Partnership Business and the Law on Individual Proprietorship Enterprises*

Other Domestic-funded Enterprises refer to domestic-funded economic units other than those mentioned above.

Joint Venture Enterprises with Hong Kong, Macao and Taiwan are enterprises jointly established by investors from Hong Kong, Macao and Taiwan with enterprises in the mainland of China in accordance with the former *Law of the People's Republic of China on Sino-foreign Equity Joint Ventures* and other relevant laws, where the establishment of the investment and the sharing of profits, taking risks and loss are stipulated in joint venture contracts.

Cooperative Enterprises with Funds from Hong Kong Macau and Taiwan established by investors from Hong Kong, Macau and Taiwan with enterprises in the mainland of China in accordance with the former *Law of the People's Republic of China on Sino-foreign Contractual Joint Venture* and other relevant laws, where the investment or provision of facilities, and the sharing of profits and risks and loss are stipulated under cooperative contracts.

Sole-proprietorship Enterprises with Investment from Hong Kong, Macao and Taiwan refer to enterprises established in the mainland of China with exclusive investment from investors from Hong Kong, Macao and Taiwan in accordance with

the former *Law of the People's Republic of China on Enterprises with Foreign Investment* and other relevant laws.

Share-holding Corporations Ltd. with Investment from Hong Kong, Macau and Taiwan refer to share-holding corporations Ltd. established with the approval from the Ministry of Commerce (the former Ministry of Foreign Trade and Economic Relations) in line with relevant state regulations, where the share of investment from Hong Kong, Macao or Taiwan businessmen exceeds 25% of the total registered capital of the corporation. In case the share of investment from Hong Kong, Macao or Taiwan is less than 25% of the total registered capital, the enterprise is to be classified as domestic-invested share-holding corporation Ltd.

Other Enterprises with Funds From Hong Kong, Macao and Taiwan refer to partnership enterprises with investments from Hong Kong, Macao and Taiwan established within the territory of China in accordance with former *Administrative Measures on the Establishment of Partnership Enterprises in China by Foreign Enterprises or Foreign Individuals and Regulations for the Administration of the Registration of Foreign-invested Partnership Enterprises*.

Joint Venture Enterprises with Foreign Investment refer to enterprises jointly established by foreign enterprises or foreigners with enterprises in the mainland of China in accordance with the former *Law of the People's Republic of China on Sino-foreign Joint Venture Enterprises* and other relevant laws, where the sharing of investment, profits and risks and loss are stipulated in the contracts.

Cooperation Enterprises with Foreign Investment refer to enterprises jointly established by foreign enterprises or foreigners with enterprises in the mainland of China in accordance with the former *Law of the People's Republic of China on Sino-foreign Cooperative Enterprises* and other relevant laws, where the investment or provision of facilities, and the sharing of profits and risks and loss are stipulated in the cooperative contracts.

Sole-proprietorship Enterprises with Foreign Investment refer to enterprises established in the

mainland of China with exclusive investment from foreign investors in accordance with the former *Law of the People's Republic of China on Enterprises with Foreign Investment* and other relevant laws.

Share-holding Corporations Ltd. with Foreign Investment refer to share-holding corporations Ltd. established with the approval from the Ministry Commerce (the former Ministry of Foreign Trade and Economic Relations) in line with relevant state regulations, where the share of investment from foreign investors exceeds 25% of the total registered capital of the corporation. In case the share of foreign investment is less than 25% of the total registered capital, the enterprise is to be classified as domestic-funded share-holding corporation Ltd.

Other Enterprises with Foreign Funds refer to partnership enterprises established within the territory of China in accordance with former *Administrative Measures on the Establishment of Partnership Enterprises in China by Foreign Enterprises or Foreign Individuals and Regulations for the Administration of the Registration of Foreign-invested Partnership Enterprises*.

Government Agencies, Institutions and Social Organizations are classified into following categories by source of funds and way of management taking reference of the registration status of enterprises:

(1) Government Agencies: include state and party agencies, classified in principle as "state-owned". There are exceptions, such as supply and marketing cooperatives which are classified as "collective".

(2) Institutions: include institutions of various types established with the approval by organization and staffing departments of the government, but exclude institutions where enterprise management system is introduced. Institutions are further classified as follows:

(a) Institutions whose main budget is listed in the government budget appropriations or extra-budget funds, or allocated from the budget of

their competent government agencies. Such institutions are classified as “state-owned”.

(b) Institutions whose budget mainly comes from collective units. Such institutions are classified as “collective”.

(c) Institutions other than those mentioned above whose source of budget is not clear. Such institutions are classified by way of management.

(3) Social Organizations: include social organizations established with the approval from the Ministry of Civil Affairs, and organizations that are not covered by social organization management regulations such as Trades unions, women’s federations etc.. Social organizations are further classified as follows:

(a) Social organizations that are not covered by social organization management regulations of the Ministry of Civil Affairs such as Trades unions,

women’s federations, communist youth leagues, youth associations, industrial and commerce associations, scientists associations, overseas Chinese associations, etc., foundations and fund management organizations established with funds from the state, and social organizations whose funds mainly come from the budget of their competent government agencies. Such institutions are classified as “state-owned”.

(b) Social organizations whose budget mainly comes from collective units. Such institutions are classified as “collective”.

(c) Social organizations established by individual or a group of citizens, which are classified as “private”.

(d) Social organizations other than those mentioned above whose source of budget is not clear. Such organizations are classified by manner of management.