

Explanatory Notes on Main Statistical Indicators

Divisions of Administrative Areas refers to the division of administrative areas by the State. The relative laws stipulate that 1) the whole country is divided into provinces, autonomous regions and municipalities directly under the Central Government; 2) provinces and autonomous regions are further divided into autonomous prefectures, counties, autonomous counties and cities; 3) autonomous prefectures are further divided into counties, autonomous counties and cities; 4) counties and autonomous counties are further divided into townships, ethnic townships and towns; 5) municipalities directly under the Central Government and large cities are divided into districts and counties, 6) the State shall, when necessary, establish special administrative regions.

Average Annual Growth Rate shows the average growth rate of social and economic development during a longer period. It can not be directly calculated by chain based growth rate. The relation is:

Average Annual Growth Rate = Average Speed of Development – 1

Average speed of development is the time series average of speed which calculated by chain based. Because the reference bases during the different periods are not same, average speed of development can not be calculated by the general method. Level approach and accumulative approach for calculating average speed of development rate are applied. The “level approach”, or the method of calculating the geometric average, is derived by the formula of geometric average of the chain-based speeds of development, or comparing the level of the last year of the interval with that of the beginning year; the other is called the “accumulative approach” or the “algebraic average”, “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. The level approach focuses on the level of the last year, while the accumulative approach emphasizes the aggregate development in the duration.

The average annual growth rates listed in the Yearbook are calculated by the level approach. The base year is not listed in the duration for which average annual growth rates are computed. For instance, the average annual growth rate of the years since 2005 is shown as the average annual growth rate of 2006-2016 without showing the base year 2005.

Industrial Classification of the National Economy

The new Industrial Classification of the National Economy (GB/T 4754-2011) is introduced starting from the compilation of 2012 annual statistics. The revision, based on the 2002 classification, was organized by the National Bureau of Statistics taking into consideration of the International

Standards of the Industrial Classification of All Economic Activities (ISIC/Rev.4) of the United Nation. The new Classification was promulgated by the National Administration

of Quality Supervision, Inspection and Quarantine and the Standardization Administration of the People’s Republic of China on April 29, 2011. The revised version of the Industrial Classification of the National Economy (GB/T 4754-2012) is composed of 20 sections, 96 divisions, 432 groups and 1094 classes.

Registration Status of Enterprises Enterprises are classified into 3 categories, namely domestic-funded enterprises, enterprises with investment from Hong Kong, Macau and Taiwan, and enterprises with foreign investment, according to the registration status of an enterprise in industrial and commercial administration agencies. Domestic-funded 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, Macau and Taiwan and enterprises with foreign investment are joint-venture enterprises, cooperative enterprises, sole investment enterprises and share-holding corporations Ltd, etc. For government agencies, institutions and social organizations which are not registered in industrial and commercial administration agencies, they are classified mainly by their sources of funding and manner of management.

State-owned Enterprises refers to non-corporation economic units where the entire assets are owned by the State 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. Not included from this category are solely State-funded corporations in the limited liability corporations.

Collective-owned Enterprises refers 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 refers 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 refers 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 voluntary participation, equality, and mutual benefits. They include State joint ownership enterprises; collective joint ownership enterprises; joint State-collective



enterprises; and other joint ownership enterprises.

Limited Liability Corporations refers 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 solely State-funded limited liability corporations and other limited liability corporations.

Share-holding Corporations Ltd. refers 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 capital 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 refers 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 limited liability corporations, private share-holding corporations Ltd., private partnership enterprises and private-funded enterprises registered in accordance with the Company Law, the Law on Partnership Business and Interim Regulations on Private Enterprises.

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

Joint Venture Enterprises (Funds are from Hong Kong, Macau and Taiwan.) are enterprises established by investors from Hong Kong, Macau and Taiwan with enterprises in the mainland of China in accordance with the 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 and risks are stipulated under joint venture contracts.

Cooperative Enterprises (Funds are from Hong Kong, Macau and Taiwan.) refers to enterprises established by investors from Hong Kong, Macau and Taiwan with enterprises in the mainland of China in accordance with the 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 are stipulated under cooperative contracts.

Enterprises with Sole (exclusive) Investment from Hong Kong, Macau and Taiwan refers to enterprises established in the mainland of China with exclusive investment from investors from Hong Kong, Macau and Taiwan in accordance with the Law of the People's Republic of China on Wholly Foreign-owned Enterprises and other relevant laws.

Share-holding Corporations Ltd. with Investment from

Hong Kong, Macau and Taiwan refers to share-holding corporations Ltd. established with the approval from the former Ministry of Foreign Trade and Economic Relations in line with relevant State regulations, where the share of investment from Hong Kong, Macau or Taiwan businessmen exceeds 25% of the total registered capital of the corporation. In case the share of investment from Hong Kong, Macau or Taiwan 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 Funds from Hong Kong, Macau and Taiwan refers to partnership enterprises with investment from Hong Kong, Macau and Taiwan established within the territory of China in accordance with 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 refers to enterprises jointly established by foreign enterprises or foreigners with enterprises in the mainland of China in accordance with the Law of the People's Republic of China on Sino-foreign Equity Joint Ventures and other relevant laws, where the sharing of investment, profits and risks is stipulated under contract.

Cooperative Enterprises with Foreign Investment refers to enterprises jointly established by foreign enterprises or foreigners with enterprises in the mainland of China in accordance with the 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 are stipulated under cooperative contracts.

Enterprises with Sole (exclusive) Foreign Investment refers to enterprises established in the mainland of China with exclusive investment from foreign investors in accordance with the Law of the People's Republic of China on Wholly Foreign-owned Enterprises and other relevant laws.

Share-holding Corporations Ltd. with Foreign Investment refers to share-holding corporations Ltd. established with the approval from 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 refers to partnership enterprises established within the territory of China in accordance with 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.