

Explanatory Notes on Main Statistical Indicators

Industry refers to the material production sector which is engaged in the extraction of natural resources and processing and reprocessing of minerals and agricultural products, including (1) extraction of natural resources, such as mining, salt production (but not including hunting and fishing); (2) processing and reprocessing of farm and sideline produces, such as grain and oil processing, food processing, silk reeling, spinning and weaving and leather making; (3) processing and reprocessing of mineral products, such as steel making, iron smelting, chemicals manufacturing, petroleum processing, machine building, timber processing, and production and supply of electricity, gas and water; (4) repairing and renovating of industrial products such as the machinery.

In industrial surveys, the units of enquiry are industrial corporate units.

Industrial corporate units refer to corporate units engaging in industrial production and operation activities, which meet the following requirements: (1) They are established legally, having their own names, organizations, location, and are able to take civil liability independently; (2) They possess (or are authorized to use) assets independently, assume liabilities and are entitled to sign contracts with other units; (3) They have accounts including the balance sheets or can compile the accounts according to the need.

The scopes of industrial enterprises above designated size were: all State-owned industrial enterprises and the non-State-owned industrial enterprises with revenue from principal business over 5 million yuan from 1998 to 2006; all industrial enterprises with revenue from principal business over 5 million yuan from 2007 to 2010; and all industrial enterprises with revenue from principal business above 20 million yuan since 2011.

State-holding Enterprises cover the original state-owned enterprises and state-holding enterprises. They are classified according to the actual investment made by the contributor of state-owned part in the paid-in capital of the enterprises, or the degree of control or dominance of the contributor on the assets of the enterprises. The following cases are regarded as state-holding: (1) Absolute state-holding in which the contributor of state-owned parts possess more than 50% of all the paid-in capital (stocks) of the enterprises; (2) Relative state-holding in which the contributor of state-owned parts possess no more than 50% of the paid-in capital (stocks) of the enterprises, but more than that of any other contributors; or Agreed state-holding in which the contributor of state-owned parts possess no more than other contributors but have actual control over the enterprises according to agreements; (3) In the case both contributors possess 50% and it is not clear which one is in absolute holding position, the enterprise is regarded as state-holding enterprise if one of the contributor has state-owned elements.

For explanation of types of registration covered in this chapter, please refer to General Survey.

Light Industry refers to the industry that produces consumer goods and hand tools. It consists of two categories, depending on the materials used:

(1) Industries using farm products as raw materials. These are branches of light industry which directly or indirectly use farm products as basic raw materials, including the manufacture of food and beverages, tobacco processing, textile, clothing, fur and leather manufacturing, paper making, printing, etc.

(2) Industries using non farm products as raw materials. These are branches of light industry which use manufactured goods as raw materials, including the manufacture of cultural, educational articles and sports goods, chemicals, synthetic fiber, chemical products for daily use, glass products for daily use, metal products for daily use, hand tools, medical apparatus and instruments, and the manufacture of cultural and clerical machinery.

Heavy Industry refers to the industry, which produces capital goods, and provides various sectors of the national economy with necessary material and technical basis. It consists of the following three branches according to the purpose of production or the use of products:

(1) Mining, quarrying and logging industry refers to the industry that extracts natural resources, including extraction of petroleum, coal, metal and non-metal ores and logging.

(2) Raw materials industry refers to the industry that provides various sectors of the national economy with raw materials, fuels and power. It includes smelting and processing of metals, coking and coke chemistry, chemical materials and building materials such as cement, plywood, and power, petroleum refining and coal dressing.

(3) Manufacturing industry refers to the industry that processes raw materials. It includes machine-building industry, which equips sectors of the national economy, industries of metal structure and cement products, industries producing means of agricultural production, such as chemical fertilizers and pesticides.

According to the above principle of classification, the repairing trades which are engaged primarily in repairing products of heavy industry are classified into heavy industry while these engaged in repairing products of light industry are classified into light industry.

Total Assets refer to all resources that are owned or controlled by enterprises through previous trades or transactions with expectation of making economic profits. Classified by the degree of liquidity, total assets include current assets and non-current assets. Current assets can be classified into monetary capital, trading financial assets, notes receivable, accounts receivable, advanced payments, other receivables and inventories. Non-current assets can be divided into long-term equity investment, fixed assets, intangible assets and other non-current assets. Data on this indicator can be obtained from the year-end figures of total assets in the *Balance Sheet* of accounting records.



Total Current Assets refer to the assets that meet one of the following requirements: (1) expected to be cashed, sold or used in a normal operation cycle, mainly including inventory and accounts receivable; (2) be owned for trading purpose mainly; (3) expected to be cashed in one year (including one year) from the day of the Balance Sheet; (4) unlimited cash or cash equivalents that can be exchanged with other assets or being capable of settling debts during one year since the day of the Balance Sheet. Included are monetary capital, notes receivable, accounts receivable and inventories. Data on this indicator can be obtained from the year-end figures of total current assets in the *Balance Sheet* of accounting records.

Original Value of Fixed Assets refers to the cost of fixed assets, or the total expenditure of an enterprise spent on certain fixed assets, through purchase, construction, installation, transformation, expansion or technical upgrading. It is reported according to the year-end debit balance of fixed assets of accounting records.

Total Liabilities refer to payable liabilities of enterprises that accumulated from previous trades or transactions with expectation of economic profits leaking out. In terms of payment, it can be divided into liquid liabilities and long-term liabilities. Data on this indicator can be obtained from the year-end figures of total liabilities in the *Balance Sheet* of accounting records.

Total Owner's Equity refers to the residual ownership of enterprise investors by deducting total liabilities from the total assets, including the paid-in capital, accumulation of capital, operating surplus and non-distributed profits. Data can be obtained from the year-end figures of total equity in the *Balance Sheet* of accounting records.

Business Revenue refers to the total revenue recognized by an enterprise in its principal business operations. Business revenue includes "revenue from principal Business". It comes from this year's cumulative report of "business revenue" items form the "income statement".

Business Cost refers to the total cost incurred by an enterprise in its principal business and other business operations. It includes various expenditures incurred by enterprises (units) in their daily activities of selling goods and providing labour services during the reporting period. It includes "Cost of principal business" and "Cost of other business". It comes from this year's cumulative report of "operating cost" items from the "income statement".

occurred from the principal business of the enterprise. Data can be obtained from the year-end debit balance of "cost of principal business" in the accounting record of enterprise (before carryover).

Selling Expense refers to the cost during the sale of goods and materials, providing labour services, including insurance, packing, exhibition fees and advertising fees, merchandise maintenance costs, expected product quality guarantee loss, transportation fees, handling fees, and operating expenses for the sales of the company's products such as

employee compensation, business expenses, depreciation costs for dedicated sales offices (including sales outlets, after-sales service outlets, etc.).

Administrative Expense refers to the expenses for the organization and management of enterprise operating, including the start-up costs during the construction of enterprises, funds occurred during enterprises operating by board of directors and executive management in the enterprise management, or burden by enterprises. It comes from current amount of management cost in income statement.

Financial Expenses refers to cost of raising fund for enterprises to raise funds for production and operation, including interest payments (a reduction in interest income), exchange loss (less exchange gains) and related fees during the period of production. It comes from this year's cumulative current amount of financial expenses in income statement.

Total Profits refers to the operation results in a certain accounting period, and it is the balance of various incomes minus various spendings in the course of operation, reflecting the total profits and losses of enterprises in reference period. Data are obtained from this year's cumulative amount of total profits in the profit statement of the accounting record of enterprise.

Annual Average Employees refers to the number of persons engaged in the enterprise production and operation activities in the reporting period, which are actually owned by the enterprise.

Ratio of Profits, Taxes and Interests to Average Assets reflects the profit-making capability of all assets of the enterprise and is a key indicator manifesting the performance and management and evaluating the profit-making potential of the enterprise. It is calculated as follows:

$$\text{Ratio of profits, taxes and interests to average as sets} = \frac{\text{total profits} + \text{total taxes} + \text{net interest payment}}{\text{average assets}} \times 100\%$$

In the above formula, total taxes is the sum of tax and extra charges from principal business and value-added tax payable; and average assets is the arithmetic mean of the sum of beginning assets and ending assets.

Ratio of Debts to Assets reflects both the operation risk and the capability of the enterprise in making use of the capital from the creditors. It is calculated as follows:

$$\text{Ratio of debts to assets} = \frac{\text{total debts}}{\text{total assets}} \times 100\%$$

Ratio of Profits to Total Industrial Costs refers to the ratio of profits realized in a given period to the total costs in the same period, which reflects the economic efficiency of input cost and is calculated as follows:

$$\text{Ratio of profits to total industrial cost} = \frac{\text{total profits}}{\text{total costs}} \times 100\%$$

Total costs in the above formula are the sum of cost of principal business, marketing cost, management cost and financial cost.