

Explanatory Notes on Main Statistical Indicators

Industrial Classification of National Economy

The *Industrial Classification of National Economy* (GB/T 4754-2017) was organized by the National Bureau of Statistics, and the new Classification was came into force on October 1, 2017. The revision taking into more consideration of demand of management and statistic than ISIC/Rev.4 of the United Nations in major divisions and divisions, and the demand of management is more considered in major groups, besides aforesaid factors, combine with ISIC/Rev.4 of the United Nations is ensured in groups. The revised version of the *Industrial Classification of the National Economy* (GB/T 4754-2017) is composed of 20 major divisions, 97 divisions, 473 major groups and 1381 groups.

Category of Three Industries

The *Category of Three Industries* is the most commonly used industrial structure classification in the world, the categories vary from country to country. According to the *Regulations on the Category of Three Industries* and the *Industrial Classification of the National Economy* (GB/T 4754-2017), the categories of three industries are:

Primary Industry includes agriculture, forestry, animal husbandry and fishery (excluding professional and auxiliary activities of agriculture, forestry, animal husbandry and fishery).

Secondary Industry includes minerals mining (excluding mining professional and auxiliary activities), manufacturing (excluding metal products, machinery and equipment repair), production and supply of electricity, heat, gas and water and construction.

Tertiary Industry namely service industry, includes all other industries not included in primary or secondary industry.

Legal Entity

Refers to a unit meet the following conditions at the same time: Established by law, it has its own name, organization and location, ability to independently bear civil liability; Independently owned and use (or authorize the use of) assets or funds, assume liabilities, and entitled to sign contracts with other units; Having accounts including balance sheet, including, or can prepare accounts according to needs. Legal entities including corporate, legal institutions, corporate bodies, corporate social groups, private non-enterprise legal persons and other legal entities.

Industrial Activity Units

Refers to a unit which is established with the approval of legal procedures and can not bear civil liability independently. It contains: the branches or business units approved and registered

by industrial and commercial administrative organs at all levels and receiving business license; and the branches of public institutions and social organizations established by the registration authorities at all levels or approved by the competent departments at all levels in accordance with relevant laws and regulations. Industrial units should also meet the following conditions: engaged in a place or primarily in a social economic activity; a relatively independent production activities or operating activities; the ability to provide income and expenditure and other related information.

Registration Status

The Registration Status of the enterprises grouped by registered type in market supervision agencies. For the Registered Type of government agencies, institutions and social organizations, which are classified mainly by their sources of funding and manner of management. According to the actual instance, confirming in accordance with *Provisions on the registration of enterprises registered type*.

Enterprises (units) are grouped by the following several registered type in market supervision agencies:

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*. Excluded from this category are sole state-funded corporations in the limited liability corporations.

Collective-owned Enterprises refer to economic units where the assets are owned collectively and which have 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 divided according to capital share.

Joint Ownership Enterprise 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, and 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 Corporate Enterprises*, 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 exclusive state-funded limited liability 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 Corporate Enterprises*, 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-owned enterprises, private partnership enterprises, private limited liability corporations, private share-holding corporations Ltd. and sole private enterprises registered in accordance with the *Corporation Law*, *Partnership Enterprises Law*, *Interim Regulations on Private Enterprises* and *sole proprietorship enterprise law*.

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

Joint Venture Enterprises with Funds from Hong Kong, Macao and Taiwan refer to Enterprises established by investors from Hong Kong, Macao and Taiwan with enterprises in the mainland of china in accordance with the *law of the People's Republic of China on Sino-foreign joint ventures* and other relevant laws, Where the establishment of the investment and the sharing of profits and risks are stipulated under joint venture contract.

Cooperative Enterprises with Funds From Hong Kong, Macao and Taiwan established by investors from Hong Kong, Macao 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, risks and deficits are stipulated under cooperative contract.

Enterprise with Sole 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 *law of the People's Republic of China on Wholly Foreign-owned Enterprises* and other relevant laws.

Share-holding Corporation Ltd. With Investment from Hong Kong, Macao and Taiwan refer to share-holding corporations Ltd. Established with the approval from Ministry of Commerce of the People's Republic of China (the former Ministry of Foreign Trade and Economic) Relations in line with

relevant state regulations, where the share of investment from Hong Kong, Macao and Taiwan businessmen exceeds 25% of the total registered capital of the corporation. In case the share of investment from Hong Kong, Macao and 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, Macao and Taiwan refer to partnership enterprises with investments from Hong Kong, Macao and Taiwan established within the territory of China in accordance with *Administrative Measures on the Establishment of Partnership Enterprises in China by Foreign Enterprise or Foreign Individuals* and *Regulation for the Administration of the Registration of Foreign-invested Partnership Enterprise*.

Joint Venture Enterprise with Foreign Investment refer 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.

Cooperative Enterprise with Foreign Investment refer to enterprise 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, risks and deficits are stipulated under cooperative contracts.

Enterprises with Sole Foreign Investment refer to enterprise 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 refer to share-holding corporations Ltd. Established with the approval from Ministry of Commerce of the People's Republic of China (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 *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*.

The Division Standard of Urban and Rural Areas

According to the *Regulation on the Division of Urban and Rural Areas in Statistics of State Department* No.60 [2008], the division standard of Urban and Rural Areas is as follows: based on the administrative division, with the residents' committee and

village committee areas confirmed by The Department of Civil Affairs as the division objects, with the actual construction as the division basis, our region is divided into urban and rural areas.

The actual construction refers to the public facilities, residential facilities and other facilities which are completed or under construction.

Urban Area including city and township.

City refers to the residents' committee and other areas connected with the actual construction of district and municipal government in the districts of city and the city without districts.

Township refers to the residents' committee and other areas connected with the actual construction of district and municipal government outside city zones and other areas. Township also including the independent mining areas, development areas, scientific research units, universities and other special areas, as well as the station of farms and forest farms, which are not connected with the actual construction of government and the resident population is more than 3000 people.

Rural areas refer to the areas besides urban areas defined by the regulation.

Actual Price (current price)

includes all other industries not included in primary or secondary industry, including transport, storage, post services; information transmitting, computer services and software; wholesale and retail trade; accommodation and catering services; finance; real estate; leasing and business services; scientific research, technical services and geological prospecting; management for water conservancy, environment and public facilities; resident services and other social services; education; health care, social security and social welfare; culture, sports

and recreational services; public management and social organizations and so on.

Average Annual Increase 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:

$$\text{Average Annual Growth Rate} = \text{Average Speed of Development} - 1$$

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 except for the growth rate of investment in fixed assets. 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 1978 is shown as the average annual growth rate of 1979-2021 without showing the base year 1978.