

## Explanatory Notes on Main Statistical Indicators

### Investment in Fixed Assets (Excluding Rural Households)

refers to the total amount of construction and acquisition of fixed assets completed in a monetary form and the total amount of costs associated with it during a given period.

### Investment in Real Estate Development

refers to investment by real estate development companies, commercialized buildings construction companies and other real estate development units of various types of ownership in the construction of buildings, such as residential buildings, factory buildings, warehouses, hotels, guesthouses, holiday villages, office buildings, the complementary service facilities and land development projects, such as roads, water supply, water drainage, power supply, heating supply, telecommunications, land leveling and other infrastructural projects. It does not include activities in pure land development and transactions.

### Private Fixed Asset Investment

refers to the domestic investigation unit and institutions of collective or private or individual, as well as its holding (including absolute holding and relative holding) units within the territory of PRC construction or purchase of fixed assets investment.

### Source of Funds for Investment in Fixed Assets

refers to the received funds for construction project investment in report period, included the state budget, domestic loans, bonds, foreign investment, self-raised funds, and others.

**State Budgetary Appropriation** refers to the financial funds used by governments at all levels for investment in fixed assets, including central budgetary appropriation and local budgetary appropriation. National budget includes the general budget, government fund budget, state-owned capital management budget and social security funds. In various types of budget, funds used for investment in fixed assets are all calculated as state budgetary appropriation. And general budget used for investment in fixed assets includes infrastructure investment, vehicle purchase tax, post-earthquake recovery and reconstruction funds and other financial investments. Government bonds and special government bonds of all levels are also included in the state budgetary appropriation.

**Domestic Loans** refer to loans of various forms borrowed from banks and non-bank financial institutions during the reference period for the purpose of investment in projects under construction, including the bank loans of its own funds and deposits, the domestic loans appropriated by the superior competent department, the national special loans (including coal oil loans, the special loans for reform-through-labour coal mine), the loans of local financial special funds, the domestic bank

loans, revolving credits, etc.

**Foreign Investment** refers to overseas (foreign regions, Hong Kong, Macao and Taiwan) funds received during the reference period (covering equipment, materials and technology), including foreign borrowings (loans from foreign governments and international financial institutions, export credit, commercial loans from foreign banks, issue of bonds and stocks overseas), foreign direct investment and other foreign investments (includes compensation trade, equipment price provided by foreign investors, international leasing, and Reinvestment funds of foreign investment income). Excluded from this category is capital in foreign exchanges owned by China (foreign exchanges owned by the central and local governments, foreign exchanges retained by enterprises, foreign exchanges by enterprises through the regulating mechanism, loans in foreign exchanges issued by the banks within China with its own fund, etc.). In calculating the utilization of foreign capital, foreign currencies are converted into Chinese RMB applying the current exchange rate during the reference period.

**Fundraising** refer to funds raised for investment in projects under construction during the reference period, including self-raised funds of enterprises and institutions, funds invested and borrowed by shareholders, excluding government financial capital, funds borrowed from various financial institutions and foreign funds. Compared with the original fundraising concept, the biggest change is that the local finance all belong to the state budget funds and the fundraising do not contain financial funds.

**Other Sources of Funding** refer to funds for investment in fixed assets received from sources other than those listed above, including bonds, funds raised from individuals and through social donations, and funds transferred from other units.

**Bonds** refer debt instruments issued by enterprises or financial institutions to investors, promising to repay the principal and pay interest according to certain conditions for the purpose of raise funds for fixed asset investment. Bonds include the financial bonds and enterprise bonds.

### Investment in Fixed Assets by Composition of Use

**Construction** refers to the construction of various houses and buildings, it also is called the work volume of construction. It is an important part of fixed assets investment, including construction of various houses, equipment foundations and industrial kilns, pits and stoves, preparation works for project construction, and clearing up works post project construction, geological examination, land-leveling, water, electricity, gas road-cleaning, planting trees, drilling of mines, pavement of railways and roads, highway, bridge, construction of projects of water conservancy, construction of underground air-raid shelters and construction of other special projects.

**Installation** refers to the installation of various kinds of equipment and instruments (work volume of installation). The value of equipment installed is excluded in the value of installation projects. Including various kinds of equipment, i.e. production, power-driven, lifting, transport, transmission, medical experiment etc. and working table, stepladder, railing installation project, pipeline laying project attached to the installed equipment, insulation, anti-corrosion, heat preservation, painting and other work of the installed equipment, in order to measure the quality of the installation project, rot-proofing, try operation of individual equipment and system equipment (excluding put in material try operation).

**Purchases of Equipment and Instruments** refer to the total value of equipment, tools, and vessels purchased or self-produced by construction units, enterprises or institutions, within the reference period, which come up to standards for fixed assets.

Equipment refers to various power equipment, conduction equipment, transportation equipment, etc. Instruments refer to various production tools, work tools and instruments with independent purposes. Such as cutting tools for maintenance, riveting and welding tools, packaging containers that meet the standard of fixed assets, etc.

**Other Expenses** refer to investment in projects under construction excluded in above items, but does not refer to any other financial expenses. Interest expenses on loans used shall be included in the statistics during the project construction period, and shall not be included after the project is completed.

#### Investment in Fixed Assets by Type of Construction

**New Construction** refers to newly constructed units. Projects invested by existing enterprises, institutions and administrative units generally do not belong to new construction. However, in which the value of the original fixed assets of the unit is quite small, and the value of newly added fixed assets exceeds the original ones by three times, the expansion construction is considered as new construction.

**Expansion Construction** refers to construction of new major production workshop(or main projects) or independent production line within a factory or in other locations, or construction of branch factories so as to increase the production capacity of the original products. Newly constructed business houses in institutions and administrative organizations are also classified as expansion, such as added teaching rooms in schools, added outpatient departments or wards in hospitals, etc.

In order to expand the production capacity of the original or new products, the existing investigation unit builds one or more main production workshops (or main projects), branch factories, and carries out renovation projects at the same time, it should also be used as expansion construction.

**Reconstruction and Technical Innovation** refers to construction of technical innovation and transformation of the existing equipment and technical conditions undertaken by enterprises and institutions, (including accessory facilities for production and living purposes). Reconstruction includes construction projects of major product types (such as military industrial enterprises to civilian products, etc.) changed in order to meet the needs of market changes; construction projects that supply the original production capacity but does not increase the production capacity of main products due to the unbalanced capacity among various processes (workshops).

Technical Innovation refers to replace the backward technology and equipment with advanced technology and equipment on the basis, so as to achieve the purpose of changing the backward appearance, expanding reproduction, improving product quality, promoting product upgrading, saving energy, reducing consumption, expanding production scale and improving social and economic benefits. It includes renewal and innovation of machinery equipment and tools, innovation of production technology, energy saving and raw materials, innovation of factory buildings and public facilities, innovation of the "three wastes" for environmental protection, innovation of working conditions and production environment, etc.

#### Newly Increased Fixed Assets

refers to the newly increased value of fixed assets finished construction and purchase in the reference period and delivered to the production or use units, including the value of projects completed and put into production, the value of equipment, tools, and vessels considered as fixed assets, as well as the relevant expenses as investment in fixed assets. Other construction expenses to increase the volume in fixed assets should be calculated into newly increased fixed assets with the project put in use.

#### Floor Space of Commercial Houses Sold

refers to total contracted area of commercialized housing (the area of floor space as designated in the formal contracts signed by both sides) during the reference time. It is constituted by floor space of completed housing and floor space of future housing.

#### Sales of Commercial Houses

refer to the total contracted value (the value of sales/purchase for selling/purchase of commercialized housing as designated in the contract signed by both sides) during the reference time. This indicator has the same coverage as the area of commercialized housing sold, which is constituted by floor space of completed housing and floor space of housing yet to be completed.