

## Explanatory Notes on Main Statistical Indicators

**Divisions of Administrative Areas** refers to the division of administrative areas by the state. The Constitution of the People 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.

**Industrial Classification of the National Economy** The new Industrial Classification of the National Economy (GB/T 4754-2017) is used in **Industrial Classification of the National Economy** starting from the compilation of 2017 annual statistics. This Classification is revised and organized by the National Bureau of Statistics, promulgated by the National Administration of Quality Supervision, Inspection and Quarantine and Standardization Administration of the People's Republic of China on June 30, 2017. This revision is taking into consideration of the International Standards of the Industrial Classification of All Economic Activities (ISIC/Rev.4) of the United Nations, and based on the the Classification Standard in 2011. 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 1380 groups, added 1 division, 41 major groups and 286 groups.

**Registration Status of Enterprises** are classified into 3 categories, namely domestic funded enterprises, enterprises with investment from Hong Kong, Macau and Taiwan, and enterprises with foreign investment, in the light of 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. For government agencies, institutions and social organizations which are not requested to be registered in industrial and commercial administration agencies, 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. 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 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 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 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 limited liability corporations, private share-holding corporations Ltd., private partnership enterprises and private-funded enterprises registered in accordance with the Corporation Law, Partnership Enterprises Law and Interim Regulations on Private Enterprises.

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

**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 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 share of profits and risks is stipulated in the cooperative contract.

**Enterprises with Sole (exclusive) Investment from Hong Kong, Macau and Taiwan** refer 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 Foreign Funded Enterprises 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 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.

**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 Law of the People's Republic of China on Sino-foreign Joint Venture Enterprises and other relevant laws, where the share of investment, profits and risks is stipulated in the contract.

**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 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 share of profits and risks is stipulated in the cooperative contract.

**Enterprises with Sole (exclusive) Foreign Investment** refer 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 Foreign Funded Enterprises and other relevant laws.

**Share-holding Corporations Ltd. with Foreign Investment** refer to share-holding corporations Ltd. established with the approval from the 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.

**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-owned.

(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 owned.

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

(d) 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 trade unions, women 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 trade unions, women 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 owned.

(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 way of management.