



Explanatory Notes on Main Statistical Indicators

Total Investment in Fixed Assets in the Whole Country refers to the volume of activities in construction and purchases of fixed assets and related fees, expressed in monetary terms. It is a comprehensive indicator which shows the size, structure and growth of the investment in fixed assets, providing basis for observing the progress of construction projects and evaluating results of investment. Total investment in fixed assets in the whole country includes, by type of ownership, the investment by the state owned units, collective units, individuals, joint ownership units, share holding units, as well as investment by businessmen from foreign countries and from Hong Kong, Macao and Taiwan, and by other units.

Investment in Real Estate Development refers to the investment by the real estate development companies, commercial buildings construction companies and other real estate development units of various types of ownership in the construction of house buildings, such as residential buildings, factory buildings, warehouses, hotels, guesthouses, holiday villages, office buildings, and the complementary service facilities and land development projects, such as roads, water supply, water drainage, power supply, heating, telecommunications, land leveling and other projects of infrastructure. It excludes the activities in pure land transactions.

Total planned investment refers to total investment needed to complete all the items of a project under construction as laid out in the overall design (or the budget estimate or budget of the design).

Sources of Funds for Investment in Fixed Assets include fund from state budget, domestic loans, foreign investment, self raised funds, and others depending on the source of investment.

(1) Fund from state budget consists of budgetary appropriation and loans from state budget. More specifically, it includes, from the budget of the central government, capital construction fund (operation fund and non-operational fund), special expenses (e.g. expenses on substituting petroleum with coal), loans from repayment, discount fund, expenses on innovation and trial production of new products, expenses on urban construction, expenses on temporary construction by trade departments, development fund for less developed areas, as well as local budgetary fund transferred from the central budget.

(2) Domestic loans refer to loans of various forms borrowed by investing units from banks and non-bank financial institutions during the reference period for the purpose of investment in fixed assets, including loans issued by banks from their self owned funds and deposit, loans appropriated by higher responsible authorities, special loans by government (including loan for substituting petroleum with coal, special loan for reform through labour coal mines), loans arranged by local government from special funds, domestic reserve loan, and working loan, etc.

(3) Foreign Investment refers to foreign funds received during the reference period for the construction and purchase of

investment in fixed assets (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 investment. Excluded in this category are capitals 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 regulating mechanism, loans in foreign exchanges issued by the Bank of China with its own fund, etc.). In calculating the utilization of foreign capitals, foreign currencies are converted into Chinese Renminbi applying the current exchange rate when the foreign capitals are actually used.

(4) Self-raised funds refer to extra budgetary funds for investment in fixed assets received by investing units from central government ministries, local governments, enterprises and institutions, including their self raised funds.

(5) Others refer to funds for investment in fixed assets received from the sources other than those listed above, including capitals raised through issuing bonds by enterprises or financial institutions, funds raised from individuals and through donations, and funds transferred from other units.

Investment in Fixed Assets by Sector The classification of construction projects by sector is determined by the major products or the purpose of the projects when they are put into production or use, and by the nature of their social economic activities. In general, one project or one enterprise or institution can only be classified into one sector.

Investment in Fixed Assets by Type of Construction The construction projects in general can be classified, by the type of construction, into new construction, expansion, reconstruction and technical transformation, moving and restoration. However, investment by type of construction is not applied to investment by real estate development units.

(1) New construction in general refers to newly constructed enterprises, institutions, administrative agencies or independent projects from scratch. Construction in the existing enterprises, institutions or agencies is not considered as new construction. In case the assets of the existing unit is quite small, and the value of newly added fixed assets exceeds the original value of assets by three times, the expansion will be considered as new construction.

(2) Expansion refers to construction of new major production workshop, branch factory or independent production line within a factory or in other locations, for the purpose of increasing the production capacity (or improving efficiency) of the original products. Newly constructed houses for the operation of institutions and administrative organizations (such as the newly constructed buildings for teaching in schools, buildings for clinics or wards in hospitals, etc.) are also



classified as expansion.

Also included in the expansion are investments by existing enterprises or institutions in building major production line(s) or branch factory(ies) along with some work on innovation, for the purpose of expending the production capacity of original products or producing new products.

(3) Reconstruction refers to construction projects by existing enterprises or institutions in innovation or technical transformation of the old facilities (including auxiliary production equipment and welfare facilities). Also considered as reconstruction is the construction of new workshops by the existing enterprises or institutions to change the variety of products to meet the market demand (such as the production of civil products by defence industries), or to bring the designed production capacity into full play through a more balanced production process on production lines. Technical transformation refers to replacement of old technology or equipment by new technology or equipment, in order to expand the reproduction through improvement of technology contents in production, to improve product quality, to promote new products, to save energy and reduce consumption and to improve overall social economic efficiency. Contents of technical transformation include: updating of machinery, equipment and tools; reforming production process by using energy or materials saving technology; construction of factory workshops and transformation of public facilities; improvement of working conditions and environment, etc.

Investment in Fixed Assets by Structure By their contents, investment activities are classified into 3 categories, i.e. construction and installation, purchase of equipment and instrument, and other expenses.

(1) Construction and installation (work volume of construction and installation) refers to the construction of various houses and buildings and installation of various kinds of equipment and instruments. They include construction of various houses; equipment foundations, industrial kilns and stoves, and metal structure work; preparation works for project construction, and clearing up works post project construction; pavement of railways and roads, drilling of mines and putting up of oil pipes; construction of projects of water conservancy; construction of underground air raid shelters and construction of other special projects; value of equipment for heating, sanitation, ventilation, lighting, gas, painting, etc. that are covered by the budget of housing projects; laying out of various pipelines (for steam, compressed air, petroleum, tap water and sewage) and lines for electric power and for communications; installation of various machinery equipment, testing operation for pre testing the quality of installation projects, and land and other development work conducted by real estate developers for commercial housing. The value of equipment installed is not included in the value of installation projects.

(2) Purchase of equipment and instruments refers to the total value of equipment, tools, and instruments purchased or self produced which come up to standards for fixed assets by the construction units or investing enterprises or institutions. Equipment, tools and instruments purchased or self produced for new workshops by newly established or expanded units are categorized as “purchase of equipment and instruments” no matter whether they come up to the standards for fixed assets.

(3) Other expenses refer to expenses occurring during the construction or purchase of fixed assets other than those mentioned above.

Projects under Construction refer to projects with construction and installation activities undertaken in the reference period. All projects that have construction activities undertaken during the reference period are reported as projects under construction irrespective of the length of construction work. The number of projects under construction can reflect the actual size of investment in fixed assets during a given period, and when compared with the number of projects completed and put into use during the same period, it demonstrates the results of investment in fixed assets. Depending on the nature of construction activities, projects under construction can also be classified into projects under construction in current year, winding up projects in current year and stopped or suspended projects in previous years (with preservation work in current year).

Projects Completed and Put into Use Industrial projects refer to the major projects and accessory facilities completed which result in forming production capacity and have been checked and accepted while the living and welfare facilities have been completed and can ensure normal production and formally put into production. Non industrial projects refer to the major projects and accessory facilities completed which possess the designed capacity and have been checked, accepted and formally put into production.

Newly Increased Fixed Assets refer to the newly increased value of fixed assets, constructed or purchased, that have been transferred to the investors. This is an indicator that demonstrates the results of investment in fixed assets in monetary terms, and an important indicator to reflect the speed of construction and to calculate the efficiency of investment.

Area of Commercial Housing Sold refers to total contracted area of commercial housing (i.e. area of floor space as designated in the formal contracts signed by both sides) during the reference time. It constitutes floor space of completed housing and floor space of future housing.

Value of Commercial Housing Sold refer to total value of contracts (i.e. value of sales/purchase for selling/purchase of commercial housing as designated in the contracts signed by both sides) during the reference time. It has the same coverage as the area of commercial housing sold, constituting completed housing and floor space of future housing.