

# **Country Report**

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## **People's Republic of China**

**by**

**Ma Yongtang**

Professor

Director of Overseas Labour  
and Employment Department

Institute for International Labor Studies  
Ministry of Labour and Society Security, R.P of China

## **Recent Trends and Data of Economy, Labor Market and Migration in China for 2005**

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### **I. Main Report**

#### **(1) Introduction**

China's economy saw a good momentum of steady and rapid growth in the whole year. All regions and departments upheld the scientific approach of development in implementing in real earnest various policies set by the CPC Central Committee and the State Council, with aim to consolidate and expand the achievements of macro-regulation and advance vigorously the reform and opening-up programme.

Preliminary estimates show that, in the first three quarters, the gross domestic product (GDP) totaled 10627.5 billion yuan, a year-on-year rise of 9.4 per cent, or 0.1 percentage point decline from the growth of a year earlier. Of this total, the primary industry registered a value-added of 1351 billion yuan, up 5.0 per cent. The value-added of secondary industry totaled 6044 billion yuan, up 11.1 per cent, and that of the tertiary industry rose 8.1 per cent to 3232.5 billion yuan. The economy showed a steady growth momentum with GDP growth rates standing at 9.4 per cent, 9.5 per cent and 9.4 per cent for the first, second and third quarter respectively.

With the leadership of the Central Government, both of the national economy and employment has got a rapid and stable growth in 2005. "In the first 11 months, there were about 9.35 million urban residents who had found jobs, which accounts for 104 percent of the annual employment target. It means that China had overfulfilled the employment target of 2005," said Mr. Tian Chengping, minister of Labor and Social Security at a national conference in Beijing on Tuesday, 20th, December, 2005.

The Chinese Government planned to create about 9 million new jobs in 2006 and the urban registered unemployment rate has been lowered to 4.6 per cent, 0.1 percentage points lower than this year's control target set at the end of 2004.

As for the employment of foreigners in China, the first category of foreigners with a status of foreign experts issued by the State Bureau of Foreign Experts Affairs are senior professionals and technicians working in long or short terms in the fields of economy, technology, culture and other service sectors. This category of foreign experts also includes those working in scientific research centers, academies, public health, art and sports institutions. Some of them are also working for contracted projects or key construction projects under agreements or economic and commercial contracts signed by the Chinese government with foreign governments, international organizations and other foreign partners. In the past decades, the number of foreign experts working in China added up to more than one million from more than 50 countries. In 2001, the number of foreign

experts working in China amounted to 250,000, of whom 50,000 were cultural and educational experts. Besides that, there were also 190,000 person/time were from Hong Kong SAR, Macao SAR and Taiwan region. Long-term experts occupied 42 percent of the total, while short-term ones occupied 58 percent. As for the second category of foreigners working in China, according to the Ministry of labor and Social Security, there were about accumulated 124,000 foreigners employed in China with permit by the end of 2004.

Regarding the overseas employment, the form of project engineering and labor cooperation abroad are major forms of overseas employment for Chinese citizen. In the past decades, the value of project engineering and labor contracts has amounted to over 164 billion US\$, with more than 3.38 million workers worked overseas. From January to October 2005, 15.7 billion US\$ worth of engineering project contracts were completed, increasing 20.8% more than the same period of last year; new project contracts worth 22.15 billion US\$ signed, increasing 18.7% more than the same period of last year; 3.68 billion US\$ worth of labor cooperation contracts were completed, increasing 31.5%; and new contracts worth 3.12 billion US\$ signed, increasing 16.6%; 190,000 workers sending and engaging in engineering projects and labor cooperation contracts abroad, by increasing 2,785 persons than the same period of last year; and amounted 550,000 workers in total number providing labor service abroad, until the end of October, 2005; and 22,000 persons more than same period of last year. Until now there are about 2000 international economic and technical corporations with licenses authorized by the Ministry of Commerce engaged in project engineering and labor cooperation contracts.

The form of individual overseas employment contributes a bit to the employment. Individual overseas employment holds a relative small portion in the total overseas employment. According to the estimated data from the Ministry of labor and Social Security, labourers employed abroad under the arrangement of overseas employment intermediary agencies have added up to more than 120,000 since early 1990s. It has developed very fast since promulgating of the *Administrative Regulations on Overseas Employment Intermediary Activities* by four ministries in 2002. According to the statistics of the International Exchange Center of the Ministry of Labor and Social Security, in this year, there are more than 31,000 individual persons went abroad for employment and over 63,000 persons in total number working abroad up to the end of October, 2005. The Ministry of Labor and Social Security had already approved 392 overseas employment intermediary agencies in last three years, of which 3/4 are private firms.

## **(2) Domestic economy and labor market**

### **(a) Recent trends in the domestic economy**

In the first three quarters, all regions and departments upheld the scientific approach of development in implementing in real earnest various policies set by the CPC Central Committee and the State Council, with aim to consolidate and expand the achievements of macro-regulation and advance vigorously the reform and opening-up programme. The nation's economy saw a good momentum of steady and rapid growth.

*The nation's economy registered steady and rapid growth*

Preliminary estimates show that, the gross domestic product (GDP) totaled 10627.5 billion yuan, a year-on-year rise of 9.4 per cent, or 0.1 percentage point decline from the growth of a year earlier. Of this total, the primary industry registered a value-added of 1351 billion yuan, up 5.0 per cent. The value-added of secondary industry totaled 6044 billion yuan, up 11.1 per cent, and that of the tertiary industry rose 8.1 per cent to 3232.5 billion yuan. The economy showed a steady growth momentum with GDP growth rates standing at 9.4 per cent, 9.5 per cent and 9.4 per cent for the first, second and third quarter respectively.

**Gross Domestic Product (GDP) (Third Quarter,2005)** (Preliminary Results)

	Absolute Value (100 million yuan )	Growth Rate over the Same Period Last Year (%)
<b>Gross Domestic Products</b>	<b>106275</b>	<b>9.4</b>
Primary Industry	13510	5.0
Secondary Industry	60440	11.1
Tertiary Industry	32325	8.1

Note: Absolute value is computed at current price, growth rate is computed at constant price.

Sources: National Bureau of Statistics Of China, Dec. 2005.

***Conditions favoured agricultural production***

Various preferential policies supporting agriculture and farmers effectively aroused farmers' enthusiasm for planting, which results in good development in agriculture and rural areas. The production of summer grain reached 106.3 million tons, up 5.1 per cent from a year earlier. The production of early rice dropped 1.3 per cent to 31.8 million tons. With the sown areas expanded, the output of autumn crops such as late rice and corn is expected to increase. 2005 will be another bumper year of grain. Good momentum was also found in animal husbandry and fishery as the production of pork, beef, mutton and poultry in the first nine months rose 6.7 per cent and that of aquatic products was up 3.9 per cent from a year earlier.

***Industrial production grew steadily***

Industrial value-added by enterprises above designated size totaled 5045 billion yuan in the first nine months, a year-on-year rise of 16.3 per cent (September alone came to 627.5 billion yuan, up 16.5 per cent). Of this total, the value-added rose 11.3 per cent in state-owned or state-controlled enterprises, 11.9 per cent in collective-owned enterprises, 17.9 percent in shareholding enterprises and 16.2 per cent in foreign enterprises and those funded by Hong Kong, Macao and Taiwan. The value-added in heavy industry and light industry rose 16.9 per cent and 14.9 per cent respectively. Output of coal, electricity and steel products rose 10.2 per cent, 13.4 per cent, and 25.8 per cent from a year earlier. The output of motor vehicles increased 10.0 per cent, of which, that of sedans

was up 17.7 per cent. The sales and production were well linked in the first nine months with the sales ratio in enterprises above designated size standing at 97.86 per cent, the same level as that of a year earlier.

### ***Growth of Investment in fixed assets remained high***

The total investment in fixed assets was 5706.1 billion yuan in the first nine months, up 26.1 per cent year-on-year, representing a 1.6 percentage points decline compared with the growth of a year earlier. Investment in fixed assets in urban areas was 4874.1 billion yuan, up 27.7 per cent, or 2.2 percentage points drop from that of a year earlier (September alone registered 759.1 billion yuan, up 29.4 per cent). Of the total urban investments, real estate development rose 22.2 per cent to 1037.8 billion yuan (it was 145.8 billion yuan in September, up 21.9 per cent). Its growth was 6.1 percentage points lower than that of the previous year. Investment in coal and oil production and in railway transport maintained rapid growth in the same period. Investment registered a 76.8 per cent surge in coal extraction and dressing from a year earlier. It climbed 31.3 percent in oil and natural gas extraction, and 41.1 per cent in railway transport.

### ***Market sales increased gradually***

The total retail sales of consumer goods in the first nine months was 4508.1 billion yuan, a year-on-year rise of 13.0 per cent (September came to 549.5 billion yuan, up 12.7 percent), or a growth of 12.1 per cent in real terms. The real growth was 2.4 percentage points higher than that of a year earlier. The retail sales rose 14.0 per cent to 3030.9 billion yuan in urban areas, and 11.0 per cent to 1477.2 billion yuan in regions at and below county level, reflecting a 13.4 per cent and 9.4 per cent growth in real terms respectively, or 1.3 and 4.2 percentage points higher than the growth of a year earlier. Of the sales by wholesale and retail business above designated size, communication equipments rose 20.1 percent, oil and oil products up 38.3 per cent and automobiles up 13.1 per cent.

### ***Price rise slowed***

Consumer prices in the first nine months had a year-on-year rise of 2.0 per cent (it was up 0.9 per cent in September), or a decline of 2.1 percentage points compared with a year earlier. Prices maintained a moderately upward trend with 1.7 per cent rise in cities and 2.5 per cent rise in rural areas. In terms of categories of commodities, slowed increase in food prices, particularly in grain price was the main reason for a decline in the rise of consumer price index. In the first three quarters, food prices rose 3.3 per cent, or 7.6 percentage points slower than that of a year earlier. Grain prices rose 1.9 per cent, a drop of 26.5 percentage points. Housing prices climbed 5.6 per cent, or 1.2 percentage points higher than that of a year earlier. Prices for recreation, education, culture goods and services rose 2.6 percent. Prices for other goods either maintained the same level or saw a slight decline. Retail sale prices rose 0.8 per cent year-on-year in the first three quarters. In September, it equaled that of the same month a year earlier. Producer's prices of manufactured goods increased 5.4 per cent and purchasing prices of raw material, fuel and power were up 9.2 per cent. In September, the two price indices rose 4.5 and 7.1 per cent respectively.

### ***Foreign trade maintained rapid growth***

The total volume of foreign trade in the first nine months reached US\$ 1024.5 billion, a year-on-year rise of 23.7 per cent, or 0.5 percentage point faster than that of the first six months and 13.0 percentage points decline from that of a year earlier. Exports rose 31.3 per cent to US\$ 546.4 billion and imports rose 16.0 per cent to US\$ 478.1 billion, resulting in a trade surplus of US\$ 68.3 billion.

Actual utilization of foreign investment slid by small margin. The contracted value of foreign direct investment was US\$ 130.3 billion, up 21.8 per cent but the actually utilized foreign capital decreased 2.1 per cent to US\$ 43.2 billion.

China registered a surge in foreign exchange reserves which reached US\$ 769 billion by the end of September, an increase of US\$ 159.1 billion compared with the beginning of the year.

### ***Household income increased rapidly***

The per capita disposable income of urban households totaled 7902 yuan in the first nine months, a year-on-year rise of 9.8 per cent in real terms. Farmers' per capita cash income was 2450 yuan, a year-on-year rise of 11.5 per cent after price factors are considered.

The above statistics demonstrate that, the nation's economy has continued to develop towards the target of macro-regulation as a good momentum of steady and rapid growth is maintained. Nevertheless, there are still problems existing in economic performance including a weak agriculture infrastructure refraining further improvement in grain production and farmers' income, oversize and irrational structure in investment in fixed assets, noticeable foreign trade imbalance and much slowed increase in profits in some industrial sectors. The goals in economic and social development set in the beginning of the year will be achieved for the whole year so long as we continue to implement in real earnest macro-regulation policies and measures in the fourth quarter.

### **(b) Recent trends in the domestic labor market**

With the leadership of the Central Government, both of the national economy and employment has got a rapid and stable growth in 2005. "In the first 11 months, there were about 9.35 million urban residents who had found jobs, which accounts for 104 percent of the annual employment target. It means that China had overfulfilled the employment target of 2005," said Mr. Tian Chengping, minister of Labor and Social Security at a national conference in Beijing on Tuesday, 20th, December, 2005.

According to the statistics issued by the National Bureau of Statistics of China, In first three quarters, the employees in urban units continued to increase compared with the same time of the previous year. The total labor rewards of urban units still had relatively rapid growth in first three quarters.

At the end of September, the total employees in urban units reached 111.030 million persons, increased 1.58 million persons over the same time point of last June. Of this total, state units had 66.63 million employees, decreased 1.59 million persons; collective units had 8.63 million employees, decreased 1.00 million persons; other units had 35.76 million employees, increased 4.18 million persons.

In first third quarters, the total labor rewards of urban units was 12291 yuan, up by 13.6 percent. Of which, the average labor rewards is 12291 yuan, increased by 13.6 percent; that of collective units was 7287 yuan, increased by 14.6 percent; that of other units was 12456 yuan, up by 12.6 percent.

In the promotion of the Chinese employment, the 4.3 million private enterprises on the Chinese mainland which employ more than 100 million people have made "great contribution" to the country's employment and social stability. Domestic private economy now accounts for 49.7 percent of GDP on the mainland, while foreign-funded enterprises and businesses invested by China's Hong Kong, Macao and Taiwan businesspersons make up about 15 percent so far this year.

China's Central Government, the State Council issued a circular recently ordering all localities and departments to further expand employment and do the reemployment work well for those laid-off workers. The circular says that "it is imperative to give more priorities to expanding employment in economic and social development".

According to the circular, the government will implement preferential policies to help jobless people find jobs and encourage businesses to create more job opportunities. After laid-off workers get new jobs, they will enjoy exemption of certain taxes for a maximum period of three years, according to the circular.

The government will provide better employment services and promote vocational training, including granting one-off subsidies for vocational training to job hunters. The circular also says the government will establish a pre-warning mechanism to monitor the unemployment situation and adopt comprehensive measures to adjust the situation and ease various ensuing contradictions.

The government will also further improve the social security system. From 2006, newly laid-off workers shall find reemployment through labor markets. During their jobless periods, urban residents will enjoy unemployment insurance and guarantee their basic living in line with relevant policies and regulations.

China aims to help an additional 9 million urban people find jobs and keep the registered urban unemployment rate below 4.6 percent in 2006, said Mr. Tian Chengping, minister of Labor and Social Security, at a national conference in Beijing.

China will also offer free job training to 40 million migrant workers from rural areas in the next five years, according to the Ministry of Labor and Social Security (MOLSS). The education of rural residents is fundamental to the rural economy and should be incorporated into the country's overall vocational training program. China has rural laborers totaling 480 million, of which 420 million only received primary education or below.

MOLSS will also train 1.9 million technicians and 7 million technical workers, provide vocational training to 20 million laid-off workers and to carry out vocational qualification assessment covering 50 million people. Besides free training, MOLSS also offer subsidies and vocational instructions to domestic migrant workers.

### **(3) Migration**

#### **(a) Foreigners Employed in China**

With a view to regulating the employment of foreigners in China, the Chinese four ministries jointly promulgated in January 1996 the *Rules on the Administration of Employment of Foreigners in China* and effective as of the May 1<sup>st</sup> of the same year. The term "foreigners" in these Rules refers to the persons, who under the Nationality Law of the People's Republic of China do not have Chinese nationality. The term "employment of foreigners in China" refers to acts of foreigners without permanent residence status to engage in remunerative work within Chinese territory in accordance with its laws. These Rules shall apply to employed foreigners within Chinese territory and their employers, but not apply to foreigners who enjoy diplomatic privileges and immunities employed by foreign embassies or consulates, or the offices of the United Nations and other international organizations in China.

The employer shall apply for the employment permission if it intends to employ foreigners and may do so after obtaining approval and the People's Republic of China Employment License for Foreigners. The post to be filled by the foreigner recruited by the employer shall be the post of special need, a post that cannot be filled by any domestic candidates for the time being but violates no government regulations. Any individual economic organizations and private citizens are prohibited from employing foreigners.

Foreigner seeking employment in China shall hold the Employment Visas for their entry (In case of agreement for mutual exemption of visas, the agreement shall prevail.), and may work within Chinese territory only after they obtain the Employment Permit for Foreigner and the foreigner residence certificate.

Foreigners who have not been issued residence certificate (i.e. holders of F, L, C or G type visas), and those who are under study or interim programs in China and the families of holders of Employment Visas shall not work in China. In special cases, employment may be allowed when the foreigner changes his status at the public security organs with the Employment License secured by his employer in accordance with the clearance procedures, under these Rules foreigners changes his status at the public security organs with the Employment License and receives his Employment Permit and residence certificate.

Foreigners may be exempted from the Employment License and Employment Permit when they meet any of the following conditions:

- (1) Foreign professional technical and managerial persons employed directly by the Chinese government or those with senior technical titles or credentials of special skills recognized by their home or international technical authorities or professional associations to be employed by Chinese government organs and institutions and foreigners holding Foreign Expert Certificate issued by State Bureau of Foreign Expert Affairs;
- (2) Foreign workers with special skills who work in offshore petroleum operations without the need to go ashore for employment and hold "Work Permit for Foreign Personnel Engaged in the Offshore Petroleum Operations in the People's Republic of China";



(3) Foreigners who conduct commercialized entertaining performance with the approval of the Ministry of Culture and hold "Permit for Temporary Commercialized Performance".

The employer and its foreign employee should, in accordance with law, conclude a labor contract, the term of which shall not exceed five years. The Employment Permit of the employed foreigner shall cease to be effective upon the expiration of the term of the labor contract between the foreigner and his employer. After the termination of the labor contract, the employer should promptly report it to the labor and public security authorities, return the Employment Permit and the residence certificate of the said foreigner, and go through formalities for his exit from China.

The wage paid to the foreign employee by the employer shall not be lower than the minimum wage in the locality. The working hours, rest and vacation, occupational health and safety as well as the social security of the foreign employees in China shall follow the relevant provisions of the state. The labor disputes between the employer and its foreign employee should be handle in accordance with the Labor Law of the People's Republic of China and the Regulations of the People's Republic of China on Settlement of Labor Disputes in Enterprises.

Violation of theses Rules, i.e. foreigners who work without the Employment Permit or employers, which hire foreigner without the Employment License, shall be handled by the public security organs in accordance with Article 44 of the Rules Governing the Implementation of the Law of the People's Republic of China on the Entry and Exit of Aliens.

For foreigners and employers who forge, alter, falsely use, transfer, buy and sell the Employment Permit and the Employment License, the labor administrative authorities shall take over the Employment Permit and the Employment License in question, confiscate the illegal proceeds and impose a fine between ten thousand and one hundred thousand RMB yuan. In serious cases, which constitute a crime, their criminal responsibility of the perpetrators shall be looked into by the judicial authorities.

As for the employment of foreigners in China, the first category of foreigners with a status of foreign experts issued by the State Bureau of Foreign Experts Affairs are senior professionals and technicians working in long or short terms in the fields of economy, technology, culture and other service sectors. This category of foreign experts also includes those working in scientific research centers, academies, public health, art and sports institutions. Some of them are also working for contracted projects or key construction projects under agreements or economic and commercial contracts signed by the Chinese government with foreign governments, international organizations and other foreign partners. In the past decades, the number of foreign experts working in China added up to more than one million from more than 50 countries. In 2001, the number of foreign experts working in China amounted to 250,000, of whom 50,000 were cultural and educational experts. Besides that, there were also 190,000 person/time were from Hong Kong SAR, Macao SAR and Taiwan region. Long-term experts occupied 42 percent of the total, while short-term ones occupied 58 percent. As for the second category of foreigners working in China, according to the Ministry of labor and Social Security, there were about accumulated 124,000 foreigners employed in China with permit by the end of 2004.

### **(b) Chinese Residents Employed in Overseas**

The overseas employment and international labor cooperation in China, at its very beginning in 1950s, was only one part of the Chinese foreign economic aid projects. After many years practice, especially after 1978 economic reform, it has developed into a new market-oriented system of foreign engineering contracted projects and labor cooperation contracts which brought about labor export. The Ministry of Commerce is in charge of the management work in this field. And the work of individual overseas employment started from early 1990s and is administrated by the Ministry of Labor and Social Security. The new system now has developed into a market-oriented mechanism with its Chinese characteristics as follows: the relative competent departments of the Central Government exercise macro-control and management by administrative, economic and legal methods; the approved labor export and overseas employment firms or agencies with licenses recruit and train overseas job seekers for foreign employers with contracts between both two sides of them, and also provide following services to those international migrant workers during their work abroad with the help of local Chinese commercial consulates; the trade association of labor export and overseas employment firms and agencies implements self-control and management by its own disciplines; and local governments give directly guidance, administration and supervision to the operation of these firms and agencies.

With a view to protecting the legitimate rights and interests of overseas Chinese workers and regulating overseas employment intermediary activities, the three Chinese ministries (Ministry of Labor and Social Security, Ministry of Public Security, State Administration of Industry and Commerce) promulgated the Decree No.15 of *Administrative Regulations on Overseas Employment Intermediary Activities* and effective as of July 1, 2002. These regulations are formulated in accordance with the *Labor Law of the People's Republic of China* and relevant rules and regulations issued by the State Council, setting up main policies and measures for governing overseas employment intermediary activities within the territory of the country.

Overseas employment refers to any act of Chinese citizens of being employed, under a labor contract entered into by and between the same and overseas employers, in order to provide services overseas and to receive remuneration thereby. Overseas employment intermediary activities refer to relevant services provided to Chinese citizens employed to work outside the boundary of the People's Republic of China, or to overseas employers who recruit Chinese citizens to work abroad. An entity engaged in said activities, when duly licensed, shall be known as an overseas employment agency (hereinafter referred to as an agency).

A mechanism of administrative licensing is adopted in overseas employment intermediary activities. Any entity or individual shall not participate in overseas employment intermediary activities if it is not duly approved and registered. Departments of labor and social security are charged with regulating and supervising and inspecting overseas employment related activities. Departments of public security are charged with maintaining the orderliness of entry and exit in relation to overseas employment. And administrative departments of industry and commerce are charged with registration of overseas employment agencies and with maintaining and supervising the economic orderliness of the market where overseas employment intermediary activities are conducted.

AS for sending policies for international labor cooperation, there are also some regulations jointly promulgated by the Ministry of Commerce with other ministries, such as *Regulations on Auditing Foreign Labor Cooperative Projects*, *Regulations on management of Training of Workers sending Abroad*, *Transit Regulation on Establishment of Job Introducing Organization of Sino-Foreign Joint Venture and Sino-Foreign Cooperation* and so on. These regulations and policies have also further strengthened the operational mechanism of Chinese international labor cooperation projects.

The form of project engineering and labor cooperation abroad are major forms of overseas employment for Chinese citizen. In the past decades, the value of project engineering and labor contracts has amounted to over 164 billion US\$, with more than amounted 3.38 million workers worked overseas. From January to October 2005, 15.7 billion US\$ worth of engineering project contracts were completed, increasing 20.8% more than the same period of last year; new project contracts worth 22.15 billion US\$ signed, increasing 18.7% more than the same period of last year; 3.68 billion US\$ worth of labor cooperation contracts were completed, increasing 31.5%; and new contracts worth 3.12 billion US\$ signed, increasing 16.6%; 190,000 workers sending and engaging in engineering projects and labor cooperation contracts abroad, by increasing 2,785 persons than the same period of last year; and amounted 550,000 workers in total number providing labor service abroad, until the end of October, 2005; and 22,000 persons more than same period of last year. Until now there are about 2000 international economic and technical corporations with licenses authorized by the Ministry of Commerce engaged in project engineering and labor cooperation contracts.

Regarding the market sharing, China's project engineering and labor cooperation business have extended to 180 countries and territories. At present, among 2,000 companies approved by the Ministry of Commerce, 34 Chinese enterprises are in the list of the 225 biggest world contractors by the Engineering News Record (ENR) of the United States. As for the scope of vocations of migration workers sending aboard, it has been varied from construction engineering, project engineering, business management, agricultural technology, consulting and designing, computer programming, exploring of natural raw materials, machines-repairing, and other services of culture and education, medical care and sports. Exporting of seamen including fishers is an important part of overseas labor services in China. Since 1970s, there have been over 140,000 seamen have employed on foreign ships and over 20,000 are working abroad at present. With a view to accelerating the development of seamen exporting and protect the interests of Chinese seafarers, the Chinese Government has also adopted regulations concerning administration of business in this connection.

The form of individual overseas employment contributes a bit to the employment. Individual overseas employment holds a relative small portion in the total overseas employment. According to the estimated data from the Ministry of labor and Social Security, labourers employed abroad under the arrangement of overseas employment intermediary agencies have added up to more than 120,000 since early 1990s. It has developed very fast since promulgating of the *Administrative Regulations on Overseas Employment Intermediary Activities* by four ministries in 2002. According to the statistics of the International Exchange Center of the Ministry of Labor and Social Security,

in this year, there are more than 31,000 individual persons went abroad for employment and over 63,000 persons in total number working abroad up to the end of October, 2005. The Ministry of Labor and Social Security had already approved 392 overseas employment intermediary agencies in last three years, of which 3/4 are private firms.

To promote the overseas employment and further safeguard Chinese international migration workers' legal rights, China also attaches importance to sign bilateral labor cooperation agreements with foreign counterparts except to persisting in the above mechanism policies. Up to now, China has signed bilateral labor cooperative agreements separately with Russia, Bahrain, Mauritius and Malaysia. All these bilateral labor cooperative agreements were signed by the Ministry of Commerce representing Chinese side. Besides that, China also signed bilateral memorandums on social security for international migration workers separately with Germany and Korea. It's the Ministry of Labor and Social Security representing Chinese side to sign these memorandums. Both of these bilateral government agreements or memorandums have laid a good foundation for further labor cooperation between China and other countries.

## II. Country Data

### (1) Principal economic indicators

**Table 1. Gross Domestic Product Gross National Product**

Year	Gross	Gross		Primary		Secondary		Tertiary		Per
	National	Domestic		Industry		Industry		Industry		Capita
	Incom	Product		Industry		Industry		Industry		GDP
	Value((1 billion	Value((1 billion	%	Value((1 billion	%	Value((1 billion	%	Value((1 billion	%	Value
	yuan)	yuan)		yuan)		yuan)		yuan)		
1996	6685.05	6788.46	9.6	1384.42		3361.29		2042.75		5576
1997	7314.27	7446.26	8.8	1421.12		3722.27		2302.87		6054
1998	7696.77	7834.52	7.8	1455.24	3.5	3861.93	8.9	2517.35	8.3	6038
1999	8057.94	8206.75	7.1	1447.20	2.8	4055.78	8.1	2703.77	7.5	6551
2000	8825.40	8946.81	8.0	1462.82	2.4	4493.53	9.6	2990.46	7.8	7086
2001	9572.90	9731.48	7.5	1541.18	2.8	4875.00	8.7	3315.30	7.4	7651
2002	10393.53	10517.23	8.3	1611.73	2.9	5354.07	9.9	3513.26	7.3	8214
2003	11674.12	11739.02	9.5	1692.81	2.5	6177.80	12.5	3766.90	6.7	9111
2004	13658.43	13687.59	9.5	2076.81		7238.72		4372.06		10561
2005		10627.50	9.4 (up to the end of Sept.)							

a) Since 1980, the difference between the Gross Domestic Product and the Gross National Income (formly, The Gross National Product) has been the net factor income from abroad.

b) Data of 2004 were preliminary estimation.

Source: *China Statistical Yearbook, 2005*.

**Table.2**                                            **2004 Balance of Payments** (USD 10,000)

Tye of Transaction	Balance	Credit	Debit
<b>I. Current Account</b>	<b>6865916</b>	<b>70069701</b>	<b>63203785</b>
A. Goods and Service	4928364	65582658	60654293
a. Goods	5898228	99339251	53441024
b. Service	- 969863	6243407	7213720
1. Transportation	- 1247627	1206749	2454376
2. Tourism	658970	2573900	1914930
3. Communication Service	- 3174	44046	47220
4. Construction Service	12866	146749	133883
5. Insurance Service	- 574279	38078	612357
6. Financial Service	- 4415	9395	13810
7. Computer and Information Service	38440	163715	125275
8. Fee for Patent or Royalty	- 426025	22636	449661
9. Consultation	- 158179	315252	473431
10. Advertisement and Publicity	15029	84863	69834
11. Movies and Audio-video Products	- 13484	4099	17583
12. Other Commercial Service	747262	1595075	847814
13. Government Service not Elsewhere Classified	- 15249	37850	53099
B. Income and Profit	- 352267	2054410	2406676
1. Compensation of Staff and Workers	63219	201436	138217
2. Profit from Investment	- 415486	1852874	2268460
C. Current Transfer	2289819	2532634	142815
1. Governments	- 8906	9754	18659
2. Other Departments	2298725	2422880	124155
<b>II. Capital and Finance Account</b>	<b>11065976</b>	<b>34335015</b>	<b>23269040</b>
A. Capital Account	-6935		6935
B. Financial Account	11072910	34335015	23262105
1. Direct Investments	5313143	6090578	77435
1.1 Chinese Direct Investments Abroad	- 180505	27578	208083
1.2 Foreign Direct Investments in China	5493648	6063000	569352
2. Securities	1968987	2026212	57224
2.1 Assets	648644	65701	8057
2.1.1 Capital Stock			
2.1.2 Liability Stock	648644	65701	8057
2.1.2.1 (Metaphase) Long-term Bonds	648644	65701	8057
2.1.2.2 Money Market Tools			
2.2 Liabilities	1320344	1369511	49168
2.2.1 Capital Stock	1092320	1092320	
2.2.2 Liability Stock	228024	277191	49168
2.2.2.1 (Metaphase) Long-term Bonds	228347	276432	48085
2.2.2.2 Money Market Tools	- 324	769	1083

3. Other Investments	3790780	76218226	22427446
3.1 Assets	197966	5123602	4525636
3.1.1 Trade Credit	- 1589700		1589700
Long Term	- 133600		133600
Short Term	- 1456100		1456100
3.1.2 Loans	- 965794	10162	975955
Long Term	- 105700		105700
Short Term	- 860094	10162	870255
3.1.3 Currencies and Deposits	2020668	2124139	103471
3.1.4 Other Assets	732792	2989301	2256510
Long Term			
Short Term	732792	2989301	2256510
3.2 Liabilities	3592814	21094624	17501809
3.2.1 Trade Credit	1859500	1859500	
Long Term	286200	286200	
Short Term	1573300	1573300	
3.2.2 Loans	1375289	17453262	16077973
Long Term	481496	1859056	1377560
Short Term	893792	15594206	14700413
3.2.3 Currencies and Deposits	156102	1453894	1297792
3.2.4 Other Liabilities	201923	327968	176045
Long Term	3246	15332	12086
Short Term	19867	312637	113960
<b>III. Reserve Assets</b>	<b>- 20636400</b>	<b>47800</b>	<b>20684200</b>
3.1 Gold Reserve			
3.2 SDR (Special Drawing Rights)	- 16100		16100
3.3 China's Reserve in IMF (International Monetary Fund)	47800	47800	
3.4 Foreign Exchange	- 20668100		20668100
3.5 Other Creditor's rights			
<b>IV. Net Error and Omission</b>	<b>2704508</b>	<b>2704508</b>	

a) Trade data in the table are from customs statistics.

b) Credit data on direct investment in the table are from statistics and from "Approved Leasing of Land" in indirect reporting, both collected by the Ministry of Commerce and debit data are from indirect reporting.

c) Other data in the table are from indirect reporting.

Source: *China Statistical Yearbook, 2005*.

**Table 3. Total Value of Imports and Exports**

Year	100 million Yuan				USD 100 million			
	Total Imports & Exports	Total Exports	Total Imports	Balance	Total Imports & Exports	Total Exports	Total Imports	Balance
.								

	Exports				Exports			
1996	24133.8	1257.64	1155.74	1019.0	2898.8	1510.5	1388.3	122.2
1997	26967.2	15160.7	1180.65	3354.2	3251.6	1827.9	1423.7	404.2
1998	26849.7	15223.6	1162.61	3597.5	3239.5	1837.1	1402.4	434.7
1999	29896.2	16159.8	1373.64	2423.4	3606.3	1949.3	657.0	292.3
2000	39273.2	20634.4	1863.88	1995.6	4742.9	2492.0	2250.9	241.1
2001	42183.6	22024.4	2015.92	1865.2	5096.5	2661.0	2435.5	225.5
2002	51378.2	26947.9	2443.03	2517.6	6207.7	3256.0	2951.7	304.3
2003	70483.5	36287.9	34195.6	2092.3	8509.9	4382.3	4127.6	254.7
2004	95539.1	49103.3	46435.8	2667.5	11545.5	5933.2	5612.3	320.9

a) Data in 1978 were obtained from the Ministry of Foreign Trade, and the data since 1980 have been obtained from the customs statistics

b) A negative balance indicates an unfavourable balance of foreign trade

Source: *China Statistical Yearbook, 2005*.

**Table 4. Total Investment in Fixed Assets**

Item	2003	2004	Increase Rate in 2004 over 2003 (%)
<b>Total Investment (100 million yuan)</b>	<b>355566.6</b>	<b>70477.4</b>	<b>26.6</b>
Grouped by Ownership			
State-owned Units	21661.0	25027.6	15.4
Collective-owned Units	8009.5	9965.7	24.1
Rural	6554.0	8086.6	23.4
Self-employed Units	7720.1	9880.6	27.4
Rural	3201.0	3362.7	5.1
Joint Ownership Economic Units	188.0	217.5	15.9
Share Holding Economic Units	12733.6	1767.9	38.7
Foreign Funded Economic Units	2533.7	3854.0	52.5
Economic Units with Funds from Hong Kong, Macao and Taiwan	2375.1	3113.5	30.5
Others	345.7	720.619	111.9
Grouped by Urban and Rural Area			
Urban	45811.7	59028.2	28.5
Real Estate Development	10153.8	13158.3	28.1
Rural	9754.9	1149.3	17.4
Rural Individuals	3201.0	3362.7	5.1
Grouped by Source of Funds			
State Budgetary Appropriation	2687.8	3255.1	21.1

Domestic Loans	12044.4	13788.0	14.4
Foreign Investment	2599.4	3258.7	26.4
Self-raising Fund	3144.9	41902.9	33.2
Others	9834.9	12963.7	22.0
Grouped by Use of Funds			
Construction and Installation	33447.2	42803.6	27.7
Purchase of Equipment and Instruments	12681.9	16527.0	30.3
Others	9437.5	11468.8	17.7
<b>Floor Space of Buildings (10 000 sq.m)</b>			
Floor Space under Construction	343741.7	376459.1	9.4
Residential Buildings	205286.7	217580.5	5.9
Floor Space Completed	202643.7	207019.1	2.1
Residential Buildings	130160.8	124881.1	-4.1

- a) Total investment grouped by source of funds refers to financial appropriation, and the subentry figures do not add up to the total.
- b) The growth rates are calculated without removing the factor of price.
- c) Figures on total investment and investment in real estate development in value terms are not comparable with previous years as a result of the First Economic Census, whereas increase rates are comparable.

Source: *China Statistical Yearbook, 2005*.

**Table 5. Utilization of Foreign Capital**

(USD 100 million)

Year	Total		Foreign Loans		Direct Foreign Investments		Other Foreign Investments
	Number of Projects	Value	Number of Projects	Value	Number of Projects	Value	
<b>Total Amount of Foreign Capital to Be Utilized through the Signed Agreements and Contracts</b>							
1996	24673	816.10	117	79.62	24556	732.77	3.71
1997	21138	610.58	137	58.72	21001	510.04	41.82
1998	19850	632.01	51	83.85	19799	521.02	27.14
1999	17022	520.09	104	83.60	16918	412.23	24.26
2000	22347	711.30			22347	623.80	87.50
2001	26140	719.76			26140	691.95	27.81
2002	34171	847.51			34171	827.68	19.82
2003	41081	1150.70			41081	1150.69	18.32
2004	43664	1565.88			43664	1534.79	31.09
1979-2004	510624	12708.13	1683	1385.38	508941	10966.06	356.66



**Total Amount of Foreign  
Capital Actually Utilized**

1996	548.04	126.69	417.25	4.10
1997	644.08	120.21	452.57	71.30
1998	585.57	110.00	454.63	20.94
1999	526.59	102.12	403.19	21.28
2000	593.56	100.00	407.15	86.41
2001	496.72		468.78	27.94
2002	550.11		527.43	22.68
2003	564.60		535.05	263.5
2004	640.72		606.30	34.42
1979-2004	7453.45	1471.57	5621.05	360.83

Source: *China Statistical Yearbook, 2005*.

**Table 6. Price Indices**

(preceding year=100)

Year	Consumer Price Index			Retail Price Index	Ex-Factory Price Indices of Industrial Products	Purchasing Price Indices of Raw Material, Fuel and Power	Investment in Fixed Assets Price Index
	Consumer Price Index	Urban Areas	Rural Areas				
1996	108.3	108.8	107.9	106.1	102.9	103.9	104.0
1997	102.8	103.1	102.5	100.8	99.7	101.3	101.7
1998	99.2	99.4	99.0	97.4	95.9	95.8	99.8
1999	98.6	98.7	98.5	97.0	97.6	96.7	99.6
2000	100.4	100.8	99.9	98.5	102.8	105.1	101.1
2001	100.7	100.7	100.8	99.2	98.7	99.8	100.4
2002	99.2	99.0	99.6	98.7	97.8	97.7	100.2
2003	101.2	100.9	101.6	99.9	102.3	104.8	102.2
2004	103.9	103.3	104.8	102.8	106.1	111.4	105.6

Source: *China Statistical Yearbook, 2005*.

**Table 7. Household Consumption Expenditure**

Year	Value (yuan)				(Urban House Index (preceding -holds =1) year=100)			Index (1978=100)		
	All	Rural	Urban	Urban/Rural	All	Rural	Urban	All	Rural	urban
-----										

	House- holds	House- holds	House- holds	Consumption Ratio	House- holds	House- holds	House- holds	House- holds	House- holds	House- holds
1996	2641	1768	5430	3.1	109.1	114.0	102.5	357.5	351.9	296.7
1997	2834	1876	5796	3.1	104.2	103.3	103.5	372.4	363.6	307.0
1998	2972	1895	6217	3.3	105.5	101.8	108.3	393.1	370.2	332.4
1999	3138	1927	6796	3.5	107.9	104.7	111.3	424.2	387.6	370.0
2000	3397	2037	7402	3.6	109.1	104.9	113.1	462.7	406.6	418.5
2001	3609	2156	7761	3.6	106.1	104.4	107.5	491.0	424.6	449.8
2002	3791	2259	7972	3.5	106.1	103.9	107.9	521.1	441.3	485.1
2003	4089	2361	8473	3.6	106.3	102.7	105.0	546.1	460.8	464.0
2004	4552	2625	9105	3.5	107.2	104.7	105.0	585.4	482.5	487.2

Absolute figures in this table are calculated at current prices,  
while indices are calculated at comparable prices.

Source: *China Statistical Yearbook, 2005*.

**Table 8. Average Exchange Rate of RMB Yuan Against Main  
Convertible Currencies (Middle Rate) (RMB yuan)**

Year	100 US Dollars	100 Japanese Yen	100 Hong Kong Dollars	100 Euros
1996	831.42	7.6352	107.51	
1997	828.98	6.8600	107.09	
1998	827.91	6.3488	106.88	
1999	827.83	7.2932	106.66	
2000	827.84	7.6864	106.18	
2001	827.70	6.8075	106.08	
2002	827.70	6.6237	106.07	800.58
2003	827.70	7.1466	106.24	936.13
2004	827.68	7.6552	106.23	1029.00

a) ECU enters the circulating market since 2002.

Source: *China Statistical Yearbook, 2005*.

**Table 9. Average Wage of Staff and Workers and Related Indices**

Year	Average Money Wage (yuan)	Average Money Wage (preceding year=100)	Average Real Wage__ (preceding year=100)
	-----	-----	-----

	Total	State-owned Units	Urban Collective Units	Units of Other Types of Ownership	Total	State-owned Units	Urban Collective Units	Units of Other Types of Ownership	Total	State-owned Units	Urban Collective Units	Units of Other Types of Ownership
1996	6210	6280	4302	8261	112.9	111.6	109.4	110.7	103.8	102.6	100.6	101.7
1997	6470	6747	4512	8789	104.2	107.4	104.9	106.4	101.1	104.2	101.7	103.2
1998	7479	7668	5331	8972	106.6	106.1	102.5	97.7	107.2	106.7	103.1	98.3
1999	8346	8543	5774	9829	111.6	111.4	108.3	109.6	113.1	112.9	109.7	111.0
2000	9371	9552	6262	10984	112.3	111.8	108.5	111.8	111.4	110.9	107.6	110.9
2001	10870	11178	6867	12140	116.0	117.0	109.7	110.5	115.2	116.2	108.9	109.7
2002	12422	12869	7667	13212	114.3	115.1	111.6	108.8	115.5	116.3	112.7	109.9
2003	14040	14577	8678	14574	113.0	113.3	113.2	110.3	112.0	112.3	112.2	109.3
2004	16024	16729	9814	16259	114.1	114.8	113.1	111.6	110.5	111.1	109.5	108.0

Source: *China Statistical Yearbook, 2005*.

## (2) Statistics on Domestic labour market

**Table 10. Population and Its Composition**

(10 000 persons)

Year	By Sex				By Residence				
	Total	Male	Female		Urban		Rural		
	Population (year-end)	Population	Proportion	Population	Proportion	Population	Proportion	Population	Proportion
1996	122389	62200	50.82	60189	49.18	37304	30.48	85085	69.52
1997	123626	63131	51.07	60495	48.93	39449	31.91	84177	68.09
1998	124761	63940	51.25	60821	48.75	41608	33.35	83153	66.65
1999	125786	64692	51.43	61094	48.57	43748	34.78	82038	65.22
2000	126743	65437	51.63	61306	48.37	45906	36.22	80837	63.78
2001	127627	65672	51.46	61955	48.54	48064	37.66	79563	62.34
2002	128453	66115	51.47	62338	48.53	50212	39.09	78241	60.91
2003	129227	66556	51.50	62671	48.50	52376	40.53	76851	59.47
2004	129988	66976	51.52	63012	48.48	54283	41.76	75706	58.24

a) Data before 1982 were taken from the annual reports of the Ministry of Public Security. Data in 1982-1989 were adjusted on the basis of the 1990 national population censuses. Data in 1990-2000 were adjusted on the basis of the estimated on the basis of the 2000 national population censuses. Data in 2001 and 2002 have been estimated on the basis of the annual national sample surveys on population changes. (the next table is the same).

b) Total population and population by sex include the military personnel of Chinese People's Liberation Army, the

military personnel are classified as urban population in the item of population by residence.

c) Data in this table exclude the population of Hong Kong SAR, Macao SAR and Taiwan Province.

Source: *China Statistical Yearbook, 2005*.

**Table 11. Employment and Unemployment Situation**

Item	1999	2000	2001	2002	2003	2004
<b>Economically Active Population (10 000 persons)</b>	<b>72791</b>	<b>73992</b>	<b>74432</b>	<b>75360</b>	<b>76075</b>	<b>76823</b>
<b>Total Number of Employed Persons (10 000 persons)</b>	<b>71394</b>	<b>72085</b>	<b>73025</b>	<b>73740</b>	<b>74432</b>	<b>75200</b>
Primary Industry	35768	36043	36513	36870	36546	35269
Secondary Industry	16421	16219	16284	15780	16077	16920
Tertiary Industry	19205	19823	20228	21090	21809	23011
<b>Composition of Employed Persons (total=100)</b>						
Primary Industry	50.1	50.0	50.0	50.0	49.1	46.9
Secondary Industry	23.0	22.5	22.3	21.4	21.6	22.5
Tertiary Industry	26.9	27.5	27.7	28.6	29.3	30.6
<b>Number of Employed Persons by Urban and Rural Areas (10 000 persons)</b>						
Urban Employed Persons	22412	23151	23940	24780	25639	26476
State-owned Units	8572	8102	7640	7163	10970	6710
Urban Collective-owned Units	1712	1499	1291	1122	1000	897
Cooperative Units	144	155	153	161	173	192
Joint Ownership Units	46	42	45	45	44	44
Limited Liability Corporations		687	841	1083	1261	1436
Share-holding Corporations Ltd.	420	457	483	538	592	625
Private Enterprises	1053	1268	1527	1999	2545	2994
Units with Funds from Hong Kong, Macao & Taiwan	306	310	326	367	409	470
Foreign Funded Units	306	332	345	391	454	563
Self-employed Individuals	2414	2136	2131	2269	2377	2521
Rural Employed Persons	48982	48934	49085	48960	48793	48724
Township and Village Enterprises	12704	12860	13086	13288	13573	13866
Private Enterprises	969	1139	1187	1411	1754	2024
Self-employed Individuals	3827	2934	2629	2474	2260	2066
<b>Number of Staff and Workers (10 000 persons)</b>	<b>11773</b>	<b>11259</b>	<b>10792</b>	<b>10558</b>	<b>10492</b>	<b>10576</b>
State-owned Units	8336	7878	7409	6924	6621	6438
Urban Collective-owned Units	1652	1447	1241	1071	951	851
Units of Other Types of Ownership	1785	1935	2142	2563	2920	3287
<b>Number of Registered Unemployed Persons in Urban Areas (10 000 persons)</b>	<b>575</b>	<b>595</b>	<b>681</b>	<b>770</b>	<b>800</b>	<b>827</b>
<b>Registered Unemployment Rate in Urban Areas (%)</b>	<b>3.1</b>	<b>3.1</b>	<b>3.6</b>	<b>4.0</b>	<b>4.3</b>	<b>4.2</b>

- a) From 1990 to 2000, the total number of employed persons and the sub-total of urban and rural employed persons have been adjusted in accordance with the data obtained from the 5th National Population Census. Since 2001, these data are calculated by the annual population sampling survey. As a result, the sum of the data by region, by ownership or by sector is not equal to the total.

Source: *China Statistical Yearbook, 2005*.

### (3) Statistics on migration

**Table 12. Economic Cooperation with Foreign Countries or Regions**

Year	Number of Contracts				Contacted Value (USD 100 million)			
	Total	Contracted Project	Labor Cooperation	Design Consultation	Total	Contracted Project	Labor Cooperation	Design Consultation
1996	24891	1634	22723	534	102.73	77.28	22.80	2.65
1997	28442	2085	25743	614	113.56	85.16	25.50	2.90
1998	25955	2322	23191	332	117.73	92.43	23.90	1.40
1999	21126	2527	18173	462	130.02	101.99	26.32	1.71
2000	23565	2597	20474	594	149.43	117.19	29.91	2.33
2001	39400	5836	3358	206	164.55	130.39	33.28	0.88
2002	34461	4036	30163	262	178.91	150.55	27.52	0.85
2003	42059	3708	38043	308	209.30	176.67	30.87	1.76
2004	60312	6694	53271	347	276.98	238.44	35.03	3.51
2005								

Source: *China Statistical Yearbook, 2005*.

Continued

Year	Value of Business Fulfilled (USD 100 million)			
	Total	Contracted Project	Labor Cooperation	Design Consultation
1996	76.96	58.21	17.12	1.64
1997	83.83	60.36	21.65	1.82
1998	101.34	77.69	22.76	0.89
1999	112.35	85.22	26.23	0.90
2000	113.25	83.79	28.13	1.34
2001	121.39	88.99	31.77	0.63
2002	143.52	111.94	30.71	0.87
2003	172.34	138.37	33.09	0.88
2004	213.69	174.68	37.53	1.47
2005				

Source: *China Statistical Yearbook, 2005*.

### III. Summary of the Report

#### (a) Recent trends in the domestic economy

China's economy saw a good momentum of steady and rapid growth in the whole year. All regions and departments upheld the scientific approach of development in implementing in real earnest various policies set by the CPC Central Committee and the State Council, with aim to consolidate

and expand the achievements of macro-regulation and advance vigorously the reform and opening-up programme.

Preliminary estimates show that, the gross domestic product (GDP) totaled 10627.5 billion yuan, a year-on-year rise of 9.4 per cent, or 0.1 percentage point decline from the growth of a year earlier. Of this total, the primary industry registered a value-added of 1351 billion yuan, up 5.0 per cent. The value-added of secondary industry totaled 6044 billion yuan, up 11.1 per cent, and that of the tertiary industry rose 8.1 per cent to 3232.5 billion yuan. The economy showed a steady growth momentum with GDP growth rates standing at 9.4 per cent, 9.5 per cent and 9.4 per cent for the first, second and third quarter respectively.

#### **(b) Recent trends in the domestic labor market**

With the leadership of the Central Government, both of the national economy and employment has got a rapid and stable growth in 2005. "In the first 11 months, there were about 9.35 million urban residents who had found jobs, which accounts for 104 percent of the annual employment target. It means that China had overfulfilled the employment target of 2005," said Mr. Tian Chengping, minister of Labor and Social Security at a national conference in Beijing on Tuesday, 20th, December, 2005.

According to the statistics issued by the National Bureau of Statistics of China, In first three quarters, the employees in urban units continued to increase compared with the same time of the previous year. The total labor rewards of urban units still had relatively rapid growth in first three quarters.

At the end of September, the total employees in urban units reached 111.030 million persons, increased 1.58 million persons over the same time point of last June. Of this total, state units had 66.63 million employees, decreased 1.59 million persons; collective units had 8.63 million employees, decreased 1.00 million persons; other units had 35.76 million employees, increased 4.18 million persons.

In first third quarters, the total labor rewards of urban units was 12291 yuan, up by 13.6 percent. Of which, the average labor rewards is 12291 yuan, increased by 13.6 percent; that of collective units was 7287 yuan, increased by 14.6 percent; that of other units was 12456 yuan, up by 12.6 percent.

#### **(c) Migration**

##### ***Employment of foreigners in China***

As for the employment of foreigners in China, the first category of foreigners with a status of foreign experts issued by the State Bureau of Foreign Experts Affairs are senior professionals and technicians working in long or short terms in the fields of economy, technology, culture and other service sectors. This category of foreign experts also includes those working in scientific research centers, academies, public health, art and sports institutions. Some of them are also working for contracted projects or key construction projects under agreements or economic and commercial contracts signed by the Chinese government with foreign governments, international organizations and other foreign partners. In the past decades, the number of foreign experts working in China

added up to more than one million from more than 50 countries. In 2001, the number of foreign experts working in China amounted to 250,000, of whom 50,000 were cultural and educational experts. Besides that, there were also 190,000 person/time were from Hong Kong SAR, Macao SAR and Taiwan region. Long-term experts occupied 42 percent of the total, while short-term ones occupied 58 percent.

As for the second category of foreigners working in China, according to the Ministry of labor and Social Security, there were about accumulated 124,000 foreigners employed in China with permit by the end of 2004.

### ***Chinese Residents Employed in Overseas***

The form of project engineering and labor cooperation abroad are major forms of overseas employment for Chinese citizen. In the past decades, the value of project engineering and labor contracts has amounted to over 164 billion US\$, with more than 3.38 million workers worked overseas. From January to October 2005, 15.7 billion US\$ worth of engineering project contracts were completed, increasing 20.8% more than the same period of last year; new project contracts worth 22.15 billion US\$ signed, increasing 18.7% more than the same period of last year; 3.68 billion US\$ worth of labor cooperation contracts were completed, increasing 31.5%; and new contracts worth 3.12 billion US\$ signed, increasing 16.6%; 190,000 workers sending and engaging in engineering projects and labor cooperation contracts abroad, by increasing 2,785 persons than the same period of last year; and amounted 550,000 workers in total number providing labor service abroad, until the end of October, 2005; and 22,000 persons more than same period of last year. Until now there are about 2000 international economic and technical corporations with licenses authorized by the Ministry of Commerce engaged in project engineering and labor cooperation contracts.

The form of individual overseas employment contributes a bit to the employment. Individual overseas employment holds a relative small portion in the total overseas employment. According to the estimated data from the Ministry of labor and Social Security, labourers employed abroad under the arrangement of overseas employment intermediary agencies have added up to more than 120,000 since early 1990s. It has developed very fast since promulgating of the *Administrative Regulations on Overseas Employment Intermediary Activities* by four ministries in 2002. According to the statistics of the International Exchange Center of the Ministry of Labor and Social Security, in this year, there are more than 31,000 individual persons went abroad for employment and over 63,000 persons in total number working abroad up to the end of October, 2005. The Ministry of Labor and Social Security had already approved 392 overseas employment intermediary agencies in last three years, of which 3/4 are private firms.

To promote the overseas employment and further safeguard Chinese international migration workers' legal rights, China also attaches importance to sign bilateral labor cooperation agreements with foreign counterparts except to persisting in the above mechanism policies. Up to now, China has signed bilateral labor cooperative agreements separately with Russia, Bahrain, Mauritius and Malaysia. All these bilateral labor cooperative agreements were signed by the Ministry of Commerce representing Chinese side. Besides that, China also signed bilateral memorandums on

social security for international migration workers separately with Germany and Korea. It's the Ministry of Labor and Social Security representing Chinese side to sign these memorandums. Both of these bilateral government agreements or memorandums have laid a good foundation for further labor cooperation between China and other countries.

**Ma Yongtang**

**Professor**

**Director of Overseas Labor and Employment Studies**

**Institute for International labor and Information Studies**

**Ministry of Labor and Social Security, P.R. China**

**Tel: 0086-10-6494 1024**

**Fax:0086-10-6491 5342**

**E-mail: [mayongtang@sohu.com](mailto:mayongtang@sohu.com)**

**mayongtang@hotmail.com**