

Country Report

People's Republic of China

by

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Recent Trends and Data of Economy, Labor Market and Migration in China for 2004

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Summary of the Report

(1) Recent trends in the domestic economy

Despite the frustration of the outbreak of the severe SARS epidemic and frequent natural disasters in 2003, China's economy maintained the same vigor as previous years, with even stronger internal drive. According to preliminary estimation and evaluation by China's National Bureau of Statistics (NBS), the Gross Domestic Product of China in 2003 was 11.6694 trillion yuan, up 9.1% over the previous year according to comparable prices, representing the highest growth since 1997. According to current exchange rate, the GDP of China in 2003 was equal to over 1.414 trillion US dollars, with the per capita GDP reaching 1,090 US dollars.

In terms of different industries, the value-added of the primary industry was 1724.7 billion yuan, up 2.5 percent, or 0.4 percentage point lower than the growth of the previous year. The value-added of the secondary industry was 6177.8 billion yuan, up 12.5 percent, or 2.7 percentage point higher than the year before. The tertiary industry stood at 3766.9 billion yuan, up 6.7 percent, or 0.8 percentage point lower than the previous year. In terms of different quarters, GDP in the first quarter was up 9.9 percent, the second 6.7 percent, the third 9.6 percent and the fourth 9.9 percent respectively.

The country's fixed asset investment grew by 26.7 percent. Foreign exchange reserve rose sharply to US\$403.3 billion by the end of 2003.

The country's total foreign trade volume hit a record US\$841.21 billion in 2003, with a rise of 34.6 percent to a record US\$438.37 billion in exports, and a surging 39.9 percent to US\$412.84 billion in imports.

The country's consumer price index (CPI) increased by 1.2 percent in 2003. And the per capita disposable incomes grew faster in urban areas than the countryside with urban incomes up 9.3 percent while rural incomes rose 4.3 percent, reflecting a widening wealth gap.

The government should go on striving to create a fair and favorable environment for non-state capital and companies by speeding up the reform of administration and continuing to lower market entry requirements in an effort to maintain the internal drive.

The NBS predicted that the country's economy will grow above 7 percent year-on-year in 2004. The economy is expected to expand fairly fast in the first quarter, backed by continued investment growth. Consumer demand will be stronger and export growth is likely to slow down due to the change in the country's tax rebate policy and worldwide trade protectionism.

(2) Recent trends in the domestic labor market

The Chinese Government met its target of creating 8 million new jobs for job seekers, re-employment of 4 million laid-off workers and managed to keep the registered urban jobless rate at 4.3 percent, below the goal of 4.5 percent, in 2003. However, the employment pressure for the country still exists.

Since 1998, China has accelerated reforms of state-owned enterprises (SOEs) increasing both efficiency and the number of laid-off workers. About 27.8 million employees have lost their jobs owing to the amalgamation or bankruptcy of SOEs over the past five years. However, the re-employment rate for laid-off workers slid from 42 percent in 1999 to 36 per cent in 2000 and 30 per cent in 2001.

Meanwhile, surplus rural labourers flooded into the cities, widening the gap between labour supply and demand. But the wide use of information technology has cut back on employment in the industrial sector.

The unemployment issue is a result of China's historic economic restructuring and finding a way to address it is crucial to the country's future. The grave unemployment situation will be around for a very long time, in that the population will be increasing by about 8 million a year by 2010 despite a slowdown in births.

Facing the increasingly tougher unemployment issue, the government launched a series of policies favoring re-employment, involving social security subsidies, employment services, tax cuts and exemptions, and small loans for laid-off workers starting their own businesses. The government also focused more on the strategy of creating jobs in working out policies on readjusting the economic structure, lifting the ban on small firms' access to industries monopolized by large SOEs and reducing the red tape which still curbs the growth of small firms.

In last December, Zheng Silin, minister of labor and social security, said that all targets of employment and reemployment set up for 2003 have been completed with the economy maintaining rapid growth and all policies favoring re-employment implemented. He also announced that the Ministry of Labor and Social Security plans to create 9 million new jobs,

help 5 million laid-off workers find jobs and to keep the urban jobless rate at around 4.7 percent in 2004.

(3) Recent trends in migration

(a) Employment of foreigners in China

The employment of foreigners in China consists of two categories. The first category refers foreigners working in China with a status of invited foreign experts. The second category refers to those who have no permanent residence status and are engaged in remuneration work in China.

Foreign experts working in China are categorized into economic & technological experts, and cultural & educational experts. The former refers to those working in industries, commerce, finance, and foreign invested ventures. The latter refers to those working in institutions of higher learning, press and publishing, scientific research and art institutes. In the past decades, the number of foreign experts working in China added up to more than one million from more than 80 countries. After China accessing into WTO, the number of the Country employed foreign experts is increasing rapidly. In 2002, 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.

Regarding the second category of foreigners working in China, there were about 120,000 foreigners employed in China in the period of 1996-2001, and the number of foreigners working in China with work permit was over 70,000 by the end of 2002. The figure in 2003 was estimated much bigger than that of last year, though the exact figure has not been published yet.

(b) Overseas Employment

The overseas employment in China mainly consists of two categories: project engineering and international labor cooperation and overseas employment of individuals. Project engineering and labor cooperation abroad are major forms of overseas employment for Chinese citizens. In the past decades, the value of project engineering and labor contracts has amounted to over 130 billion USD, with more than 2.45 million workers worked overseas. From January to November 2003, 11.24 billion USD worth of project contracts were completed, increasing 32% more than the same period of last year; new contracts worth 14.46 billion USD signed, increasing 25.6% more than the same period of last year; 2.86 billion USD worth of labor cooperation contracts were completed, increasing 8.8%; and new contracts worth 2.63 billion USD signed, increasing 14.2%; 180,000 workers engaging in engineering projects abroad, increasing 3.5% than the same period of last year; and 520,000 workers in total number providing labor service abroad, 35,000 persons more than same period of last year.

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 service agencies have added up to more than 80,000 since early 90s of last century and over 10,000 persons went abroad for employment in 2003. Up to now, there were about 238 overseas employment agencies approved by the Ministry of Labor and Social Security to engage in overseas employment service.

I.Main Report

(1) Introduction

Despite the frustration of the outbreak of the severe SARS epidemic and frequent natural disasters in 2003, China's economy maintained the same vigor as previous years, with even stronger internal drive. According to preliminary estimation and evaluation by China's National Bureau of Statistics (NBS), the Gross Domestic Product of China in 2003 was 11.6694 trillion yuan, up 9.1% over the previous year according to comparable prices, representing the highest growth since 1997. According to current exchange rate, the GDP of China in 2003 was equal to over 1.414 trillion US dollars, with the per capita GDP reaching 1,090 US dollars.

In terms of different industries, the value-added of the primary industry was 1724.7 billion yuan, up 2.5 percent, or 0.4 percentage point lower than the growth of the previous year. The value-added of the secondary industry was 6177.8 billion yuan, up 12.5 percent, or 2.7 percentage point higher than the year before. The tertiary industry stood at 3766.9 billion yuan, up 6.7 percent, or 0.8 percentage point lower than the previous year. In terms of different quarters, GDP in the first quarter was up 9.9 percent, the second 6.7 percent, the third 9.6 percent and the fourth 9.9 percent respectively.

The country's fixed asset investment grew by 26.7 percent. Foreign exchange reserve rose sharply to US\$403.3 billion by the end of 2003.

The country's total foreign trade volume hit a record US\$841.21 billion in 2003, with a rise of 34.6 percent to a record US\$438.37 billion in exports, and a surging 39.9 percent to US\$412.84 billion in imports.

The country's consumer price index (CPI) increased by 1.2 percent in 2003. And the per capita disposable incomes grew faster in urban areas than the countryside with urban incomes up 9.3 percent while rural incomes rose 4.3 percent, reflecting a widening wealth gap.

The number of people newly employed in China's urban areas reached 8.5 million in 2003, exceeding the central government's initial expectation of eight million. In addition, the number of re-employed urban people last year reached 4.4 million, also exceeding the expected number of four million.

The NBS predicted that the country's economy will grow above 7 percent year-on-year in 2004. The economy is expected to expand fairly fast in the first quarter, backed by continued investment growth. Consumer demand will be stronger and export growth is likely to slow down due to the change in the country's tax rebate policy and worldwide trade protectionism.

(2) Domestic economy and labor market

(a) Recent trends in the domestic economy

Despite the frustration of the outbreak of the severe SARS epidemic and frequent natural disasters in 2003, China's economy maintained the same vigor as previous years, with even stronger internal drive. According to preliminary estimation and evaluation by China's National Bureau of Statistics (NBS), the Gross Domestic Product of China in 2003 was 11.6694 trillion yuan, up 9.1% over the previous year according to comparable prices, representing the highest growth since 1997. According to current exchange rate, the GDP of China in 2003 was equal to over 1.414 trillion US dollars, with the per capita GDP reaching 1,090 US dollars.

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The light industry grew at a faster rate and the heavy industry kept a swift growth. The production of state-owned enterprises and joint-stock enterprises grew distinctively, which drove the accelerated growth of the whole industry. In last November, the state-owned and state holding enterprises completed an added value of RMB 175.1 billions Yuan, up by 15.5% over the same month of the previous year, and the growth rate was 2.9% higher than that of the last month; the joint-stock enterprises completed an added value of RMB 164.3 billion Yuan, up by 20.5% over the same period of the previous year, and the growth rate was up by 2.1% over the last month.

The four industries, namely electronic communication equipment manufacturing, transport and communication facilities manufacturing, electric machinery and facilities manufacturing and metallurgy, are the main force driving the industrial production. In last November, the four industries contributed 46.9% to the industrial growth and drove the industrial growth of the month up by 8.4%.

The country's total foreign trade volume hit a record US\$841.21 billion in 2003, with a rise of 34.6 percent to a record US\$438.37 billion in exports, and a surging 39.9 percent to US\$412.84 billion in imports. Industrial product export held over a strong growth momentum. In last November, industrial enterprises realized an export value of shipment of RMB 261.4 billion Yuan, up by 29.6% over the same month of the previous year and the growth rate was higher. Wherein the electronic communication equipment manufacturing realized an export value of shipment of RMB 90.4 billion Yuan, up by 43.1% over the same month of the previous year, that of the electric machinery and equipment manufacturing industry grew by 32.7% and that of the textile industry grew by 25.5%.

The country's fixed asset investment grew by 26.7 percent. Foreign exchange reserve rose sharply to US\$403.3 billion by the end of 2003.

The country's consumer price index (CPI) increased by 1.2 percent in 2003. Total column of retail sales of social consumables was much higher than last year. Commercial house sales increased by 43.9 percent and car sales by 77.1 percent in the first seven months over the same 2002 period.

And the per capita disposable incomes grew faster in urban areas than the countryside with urban incomes up 9.3 percent while rural incomes rose 4.3 percent, reflecting a widening wealth gap.

In 2004, the Chinese Government would go on striving to create a fair and favorable environment for non-state capital and companies by speeding up the reform of administration and continuing to lower market entry requirements in an effort to maintain the internal drive and economic growth.

(b) Recent trends in the domestic labor market

The Chinese Government met its target of creating 8 million new jobs for jobseekers, re-employment of 4 million laid-off workers and managed to keep the registered urban jobless rate at 4.3 percent, below the goal of 4.5 percent, in 2003. However, the employment pressure for the country still exists.

Since 1998, China has accelerated reforms of state-owned enterprises (SOEs) increasing both efficiency and the number of laid-off workers. About 27.8 million employees have lost their jobs owing to the amalgamation or bankruptcy of SOEs over the past five years. However, the re-employment rate for laid-off workers slid from 42 percent in 1999 to 36 percent in 2000 and 30 percent in 2001.

The registered jobless in cities reached 7.1 million, or 4 per cent of the overall labour force, by the end of last year. In rural areas, more than 100 million surplus farm labourers need to be fed, requiring a minimum 10 million non-farm jobs each year.

Meanwhile to create satisfactory job opportunities for demobilized servicemen and civil servants who are left without work as a result of reshuffles in the civil service is also a touchy job.

By most experts' reckoning, China will need more than 23 million non-farm jobs each year to satisfy this grave demand. However, only 8.35 million new jobs were created each year over the past five years - even with a 7.7 per cent average annual GDP (gross domestic product) growth rate.

The unemployment issue is a result of China's historic economic restructuring and finding a

way to address it is crucial to the country's future. The grave unemployment situation will be around for a very long time, in that the population will be increasing by about 8 million a year by 2010 despite a slowdown in births.

Facing the increasingly tougher unemployment issue, the government launched a series of policies favoring re-employment, involving social security subsidies, employment services, tax cuts and exemptions, and small loans for laid-off workers starting their own businesses,

The government also focused more on the strategy of creating jobs in working out policies on readjusting the economic structure, lifting the ban on small firms' access to industries monopolized by large SOEs and reducing the red tape which still curbs the growth of small firms.

Premier Wen Jiabao called for great efforts to develop labor-intensive industries, the tertiary industry and the non-public economic sector mostly composed of small and medium-sized enterprises (SMEs), which were believed to be major sources of jobs.

A decision on issues regarding the improvement of the socialist market economic system, passed by the Third Plenary Session of the 16th Central Committee of the Communist Party of China (CPC) in October, also stressed the importance of increasing employment opportunities.

At the latest symposium on employment held in Beijing, President Hu Jintao called on governments at all levels to place the issue of employment on a "more prominent position" on their agenda. And Premier Wen Jiabao went as far to say that top local authorities be held accountable for generating employment; while urging for the introduction of various pro-employment policies.

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(3) Migration

(a) Employment of foreigners in China

The employment of foreigners in China can be divided into two categories. The first category refers foreigners working in China with a status of invited foreign experts. The second category of foreigners working in China refers to those who have no permanent residence status and are engaged in remuneration work in China. The most difference between the two categories is that, the first category of foreigners are invited as experts; and the second category of foreigners are employed in non-state-owned enterprises or

employing units. The Ministry of labor and Social Security is responsible for the policy-making on foreigner's employment in China.

Foreign experts working in China are categorized into economic & technological experts, and cultural & educational experts. The former refers to those working in industries, commerce, finance, and foreign invested ventures. The latter refers to those working in institutions of higher learning, press and publishing, scientific research and art institutes. In the past decades, the number of foreign experts working in China added up to more than one million from more than 80 countries. After China accessing into WTO, the number of the Country employed foreign experts is increasing rapidly. 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.

The second category of foreigners working in China refers to those who have no permanent residence status and are engaged in remuneration work in China. With the development of reform and opening to the outside, more and more foreign investment flows into China and some non-state-owned enterprises or employing units want to employ foreigners in line with their need. However, Different from the situation in other countries where governments permit foreigners to be employed in their country in the aim of making up the shortage of labor force, China is a country with rich labor resources and low labor cost, the Chinese government has formulated a policy of attracting senior technical and managerial personnel but restricting unskilled laborers in foreigner's employment in China. According the Ministry of labor and Social Security, there were about 120,000 foreigners employed in China in the period of 1996-2001, and the number of foreigners working in China with work permit was over 70,000 by the end of 2002. The figure in 2003 was estimated much bigger than that of last year, though the exact figure has not been published yet.

With a view to regulating the employment of foreigners in China, the Chinese government issued in January 1996 the *Rules on the Administration of Employment of Foreigners in China*, which was promulgated by four ministries and put into effect in May 1st of the same year. According to the Rules, employers should apply for employment permission for the foreigners whom they wish to employ and obtain Employment License for them. The jobs to be filled by foreigners should be those specially needed but could not be filled by qualified domestic employees at the time being and the employment of foreigners shall not violate any regulations. The basic principles should be beneficial to promote the Chinese economic development and secure Chinese civilian's employment rights; should depend on the requirement of the Chinese labor market and foreigners should be those senior professionals and skilled persons with the work and residence permits.

The procedures of applying for work permit, work visa and residence in China for foreigners. The employer or employing unit who want to employ foreigners to work in China should first apply work permit through their labor management organs or

authorities at the Provincial Labor and Social Security Departments. After they get the work permit certificate for the prospective employee, the employer or employing unit may send work visa notification and work permit certificate to the person they will offer job to. Then, he or she may go through visa formalities at their country's local Chinese Embassy or Consulate. Those who have work visa should first sign labor contract with their employers or employing unit as soon as they arrived in China. Meanwhile the employer and employing unit must take the prospective employee's work permit to go to the department concerned to apply work and resident certificates for him/her. Labor contract and effective visa can be applied at the local provincial labor and social security department and local Public Security. Those who have got above-mentioned two certificates mean that they can work and live under the shelter of legislative protection in China.

The Rules stipulate that one of the following categories of foreigners can be exempted from getting employment license and permission from the Ministry of Labor and Social Security:

- a) Foreign experts invited by Chinese Government or government departments and institutions who have the Foreign Expert Card issued by the State Bureau of Foreign Experts;
- b) Foreign workers engaging in off-shore oil drilling operation without need going ashore; and
- c) Foreigners making commercial performance with the Provisional Permit on Commercial Performance issued by the Ministry of Culture.

Referring to the illegal employment of foreigners in China, the phenomenon is rare in China at present and prohibited strictly by the Government. According to the Implementing Rules of the Law on Control of Exit and Entry of Foreigners in China, illegal foreigners employment should be terminated and fined when detected and the foreigners concerned shall be sent out of the country within a stated time in the case of serious. There are no data from the governmental department concerned in this connection.

(b) Overseas Employment

The overseas employment in China mainly consists of two categories: project engineering and international labor cooperation and overseas employment of individuals. Project engineering refers to contracting and implementing engineering projects abroad for foreign governments, enterprises, individuals and international organizations on the basis of international bidding; international labor cooperation refers to exporting laborers abroad for economic, social, science and technology activities under contracts with foreign governments, institutions, enterprises and individual employers in the view of earning remuneration. Overseas individual employment refers to laborers going abroad for employment as an individual under the arrangement of employment service agencies. Among the above two categories, the first one has carried out for some 30 years while the second has been developing from 1990s. Though the individual overseas employment is still in a small scale at present, it is speeding up rapidly among the young generation. The

Ministry of Labour and Social Security and the Ministry of Commerce, formally Ministry of Foreign Trade and Economic Cooperation are separately responsible for the work of overseas employment affairs in China.

Project engineering and labor cooperation abroad are major forms of overseas employment for Chinese citizens. Most of labor contracts concerned are short-term of 1-2 years and workers have to return China after expiration of contracts. In the past decades, the value of project engineering and labor contracts has amounted to over 130 billion USD, with more than 2.45 million workers worked overseas. From January to November 2003, 11.24 billion USD worth of project contracts were completed, increasing 32% more than the same period of last year; and new contracts worth 14.46 billion USD signed, increasing 25.6% more than the same period of last year. In the same period, 2.86 billion USD worth of labour cooperation contracts were completed, increasing 8.8% than the same period of last year; and new contracts worth 2.63 billion USD signed, increasing 14.2% than the same period of last year; 180,000 workers engaging in engineering projects abroad, increasing 3.5% than the same period of last year; and 520,000 workers in total number providing labour service abroad, 35,000 persons more than same period of last year.

Exporting of seamen including fishers is an important part of overseas labour services in China. Since 1970s, there have been 140,000 seamen have employed on foreign ships and 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.

Regarding the market sharing, China's project engineering and labor cooperation business have extended to 180 countries and territories. At present, some 1,600 companies approved by the Ministry of Commerce undertake international project and labor services. 34 Chinese enterprises are in the list of the 225 biggest world contractors by the Engineering News Record (ENR) of the United States.

Individual overseas employment contributes a bit to the employment. Individual overseas employment holds a relative small portion in the total overseas employment. The competent department responsible for the administration of the matter is the Ministry of labor and Social Security. According to the estimated data from the Ministry, labourers employed abroad under the arrangement of overseas employment service agencies have added up to more than 80,000 since early 90s of last century and over 10,000 persons went abroad for employment in 2003. Up to now, there were about 220 overseas employment agencies approved by the Ministry of Labor and Social Security to engage in overseas employment service.

The major operational means and ways that China has run the overseas employment are as follows:

—Labor-force export through signing bilateral government agreements on labour cooperation, such as Sino-Russian labour Cooperative Agreement.

—Labor-force export through overseas projects contracts. The type and number of the expertise for the dispatched labor-force depend on the actual needs of the projects or programs. It also depends on the rules and restrictions that the project owner requires for the labor-force.

—Labor-force export through the overseas employer's contracts. The characteristic of this kind of labor-force export is in the needs of the overseas employers.

—Labor-force export through setting up joint ventures abroad. The Chinese side as one of the cooperative business partners dispatches workforce required by those overseas joint ventures.

—Labor force export through individual, relative or self-employment abroad. The Chinese civilians go abroad to work through the introduction or referral of their overseas relatives, friends, colleagues or invited by foreign employers.

Laws and regulations on the overseas employment includes: *Regulations on Auditing Foreign Labour 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,* " *Regulation on Management of Intermediary Service of Overseas Employment,* a great number of international companies for economic and technical exchange and overseas employment intermediary services have been set up in succession. According to the Provisional Regulation on Sino-foreign Joint and Cooperative Employment Service Agency issued December, 2001, the business of such agencies include, among others, service for Chinese laborers to go abroad for employment. Foreign-funded employment service agencies, however, are not permitted in China at present.

Problems and constraints in the Chinese overseas employment are as follows: comparing with those traditional labor exporting countries, international labor cooperation is not considered as equal important as that of international trade; the legislation and management system in this connection are not perfect; labor exporting channels are not enough to meet the needs; there are unlawful labor exporting activities; laborers feel difficult to adapt themselves to the environments and competition abroad partly because of their qualities; and the legal rights and interests of laborers are not guaranteed sufficiently. Regarding the administration of the overseas employment work, towing to the different departments management, there are some difficulties in co-ordination of the work, such as collecting data statistics. In view of this situation, Chinese government has taken series measures such as taking labor exporting as part of service trade and improving regulations and rules concerned, developing more international labor cooperation channels and simplifying procedures for laborers going abroad; carrying out training activities for laborers to improve their technical and personal skills like language and computing.

Figure 5. Growth of Industrial Export

China National Bureau of Statistics reported that for the first 10 months of 2002, the country's industrial output grows a year-on-year 12.3 percent to 2,531.7 billion Yuan (US\$305 billion). Three major industries of electrics and telecommunications equipment manufacturing, transportation equipment manufacturing, and the chemical industry accounted for 38.6 percent of the industrial output.

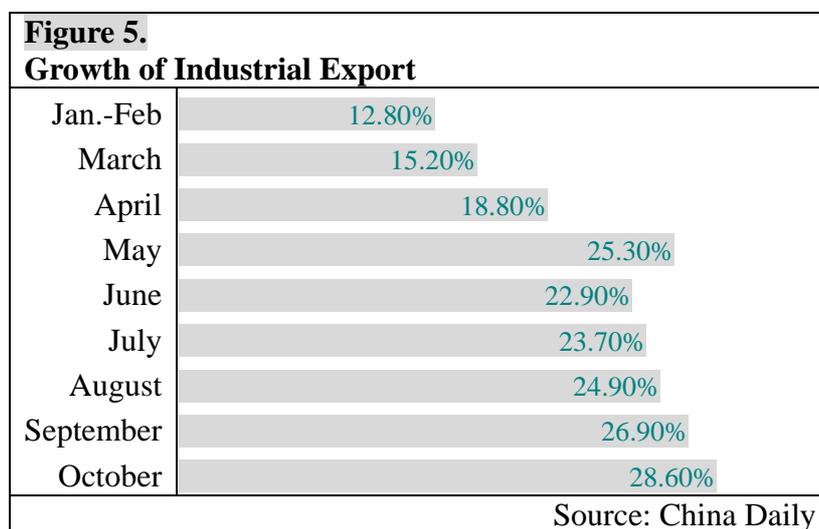


Table 1. Gross Domestic Product Gross National Product

Year	Gross Domestic Income		Gross National Product		Primary Industry		Secondary Industry		Tertiary Industry		Per Capita GDP
	Value((1 billion yuan)	%	Value((1 billion yuan)	%	Value((1 billion yuan)	%	Value((1 billion yuan)	%	Value((1 billion yuan)	%	
1994	4667.0		46759.4		9457.2		237.22		1493.00		3923
1995	5749.49		5847.81		1199.30		2853.79		1794.72		4854
1996	6685.05		6788.46		1384.42		3361.29		2042.75		5576
1997	7314.27		7446.26		1421.12		3722.27		2302.87		6054
1998	7696.77		7834.52		1455.24	3.5	3861.93	8.9	2517.35	8.3	6038
1999	8057.94	7.1	8206.75		1447.20	2.8	4055.78	8.1	2703.77	7.5	6551
2000	8825.40	8.0	8946.81		1462.82	2.4	4493.53	9.6	2990.46	7.8	7086
2001	9572.7	7.3	9731.48		1541.18	2.8	4875.00	8.7	3315.30	7.4	7651
2002	10355.36	8.0	10479.06		1611.73	2.9	5354.07	9.9	3513.26	7.3	8184
2003	11694.00	9.1			1724.70	2.5	6177.80	12.5	3766.90	6.7	

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 in value terms in this table are calculated at current prices.

Table 2. Household Consumption

Year	Value(yuan)			(Urban House-holds =1)	Index (preceding year=100)		Index (1978=100)			
	All House-	Rural House-	Urban House-	Urban/Rural Consumption	All House-hold	Rural House-holds	Urban House-Ratio	All House-holds	Rural House-holds	urban House-holds
1978	184	138	405	2.9	104.1	104.3	103.3	100.0	100.0	100.0
1980	236	178	496	2.8	108.7	108.8	106.3	115.8	115.5	111.9
1985	437	347	802	2.3	113.1	114.1	108.2	181.3	194.4	147.5
1989	762	553	1568	2.8	99.5	99.2	98.4	213.8	218.8	184.4
1990	803	571	1686	3.0	103.4	100.3	107.5	221.0	219.5	198.1
1991	896	621	1925	3.1	108.3	106.7	109.3	239.4	234.2	216.6
1992	1070	728	2356	3.3	112.9	109.8	115.4	270.3	257.2	249.9
1993	1331	855	3027	3.5	108.1	106.1	108.9	292.2	272.8	272.1
1994	1746	1118	3891	3.5	104.3	104.6	101.7	304.8	285.4	276.7
1995	2236	1434	4874	3.4	107.5	108.2	104.6	327.7	308.7	289.6
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

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

Table.3 Balance of Payments (2002)

Item	(USD 1000)		
	Balance	Credit	Debit
I. Current Account	35421968	387534971	352113002
A. Goods and Service	37382671	365395328	328012657
a. Goods	44166574	325650823	281484248
b. Service	-6783903	39744505	46528408
1. Transportation	-7891696	5720208	13611903
2. Tourism	4986584	20385000	15398416
3. Communication Service	79688	550107	470419
4. Construction Service	282587	1246448	963861
5. Insurance Service	-3036793	208944	3245738
6. Financial Service	-38832	51009	89842
7. Computer and Information Service	-494687	638167	1132854
8. Fee for Patent or Royalty	-2981182	132822	3114004
9. Consultation	-1345589	1284937	2630527
10. Advertisement and Publicity	-21601	372846	394447
11. Movies and Audio-video Products	-66350	29674	96024
12. Other Commercial Service	3829110	8761083	4931974
13. Government Service not Elsewhere Classified	-85142	363258	448400
B. Income and Profit	-14945148	8344269	23289418
1. Compensation of Staff and Workers	-276575	673752	950327
2. Profit from Investment	-14668573	7670517	22339091
C. Current Transfer	12984445	13795373	810928
1. Governments	-73650	86492	60142
2. Other Departments	13058095	13708881	650786
II. Capital and Finance Account	32290837	128321306	96030469
A. Capital Account	-49631	0	49631
B. Financial Account	32340469	128321306	95980838
1. Direct Investments	46789569	53073619	6284050
1.1 Chinese Direct Investments Abroad	-2518407	330619	2849026
1.2 Foreign Direct Investments in China	49307977	52743000	3435023
2. Securities	-10342485	2286616	12629101
2.1 Assets	-12094510	14734	12109244
2.1.1 Capital Stock	0	0	0
2.1.2 Liability Stock	-12094510	14734	12109244
2.1.2.1 (Metaphase) Long-term Bonds	-3273190	14734	3287924
2.1.2.2 Money Market Tools	-8821320	0	8821320
2.2 Liabilities	1752025	2271882	519857
2.2.1 Capital Stock	224900	2249000	0
2.2.2 Liability Stock	-496975	22882	519857
2.2.2.1 (Metaphase) Long-term Bonds	-505077	480	505557
2.2.2.2 Money Market Tools	8102	22402	14300
3. Other Investments	-4106616	72961072	77067687
3.1 Assets	-3076740	1377338	16850123
3.1.1 Trade Credit	1098006	1098006	0
Long Term	0	0	0
Short Term	1098006	1098006	0
3.1.2 Loans	-5391120	346619	5737739
Long Term	-29000	0	29000
Short Term	-5362120	346619	5708739
3.1.3 Currencies and Deposit	-2486288	1358664	3844951
3.1.4 Other Assets	3702661	10970094	7267432
Long Term	0	0	0
Short Term	3702661	10970094	7267432
3.2 Liabilities	-1029876	59187689	60217564
3.2.1 Trade Credit	2849350	2849350	0
Long Term	0	0	0
Short Term	2849350	2849350	0
3.2.2 Loans	-4139624	52077237	56216860
Long Term	-4531037	18369855	22900893
Short Term	391414	33707381	33315968
3.2.3 Currencies and Deposits	286818	4102502	3815685
3.2.4 Other Liabilities	-26419	158600	185019
Long Term	7149	76656	69507
Short Term	-33568	81944	115512
III. Reserve Assets	-7550	7060 0	75507060
3.1 Gold Reserves	0	0	0
3.2 SDR (Special Drawing Rights)	-143170	0	143170
3.3 China's Reserve in IMF (International Monetary Fund)	-1121741	0	1121741

3.4 Foreign Exchange	-74242150	0	74242150
3.5 Other Creditor's rights	0	0	0
IV.Net Error and Omission	794255	7794255	0

- 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 Foreign Trade and Economic Cooperation, and debit data are from indirect reporting.
- c) Other data in the table are from indirect reporting.

Table 4. Total Investment in Fixed Assets

Item	2001	2002	Increase Rate in 2002 over 2001 (%)
Total Investment (100 million yuan)	37213.49	43499.91	16.9
Grouped by Ownership			
State-owned Units	17606.97	18877.35	7.2
Collective-owned Units	5278.57	5987.43	13.4
Rural	4235.72	4887.91	15.4
Individuals Economy	5429.57	6519.19	20.1
Rural	2976.56	3123.23	4.9
Joint Ownership Economic Units	94.52	138.19	46.2
Share Holding Economic Units	5663.4	8328.81	47.1
Foreign Funded Economic Units	1415.40	1685.42	19.1
Economic Units with Funds from	1583.29	1765.33	11.5
Hong Kong, Macao and Taiwan Others	141.68	198.19	39.9
Grouped by Channel of Management			
Capital Construction	14820.10	17666.62	19.2
Innovation	5923.76	6750.55	14.0
Real Estate Development	6344.11	7790.92	22.8
Others	10125.52	11291.82	11.5
Grouped by Source of Fund			
State Budgetary Appropriation	2546.42	3160.96	24.1
Domestic Loans	7239.79	8859.07	22.4
Foreign Investment	1730.73	084.98	20.5
Fundraising	19903.12	22813.69	14.6
Others	6566.92	8128.22	23.8
Grouped by Use of Funds			
Construction and Installation	22954.88	26578.89	15.8
Purchase of Equipment and Instruments	8833.79	9884.47	11.9
Others	5424.83	7036.55	29.7
Floor Space of Buildings (10 000 sq.m)			
Floor Space under Construction	276025.40	304428.15	10.3
Floor Space Completed	182437.05	196737.87	7.8
Residential Buildings	130419.64	134002.10	2.7

- a) Total investment grouped by source of funds refers to financial appropriation, and the subentry figures do not add up to the total. The same as in the following tables.
- b) The growth rates are calculated without removing the factor of price. The same as in the following tables.

Table 5. 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
1994	20381.9	10421.8	9960.1	461.7	2366.2	1210.1	1156.1	54.0
1995	23499.9	12451.8	11048.1	1403.7	2808.6	1487.8	1320.8	167.0
1996	24133.8	12576.4	11557.4	1019.0	2898.8	1510.5	1388.3	122.2
1997	26967.2	15160.7	11806.5	3354.2	3251.6	1827.9	1423.7	404.2
1998	26849.7	15223.6	11626.1	3597.5	3239.5	1837.1	1402.4	434.7
1999	29896.2	16159.8	13736.4	2423.4	3606.3	1949.3	657.0	292.3
2000	39273.2	20634.4	18638.8	1995.6	4742.9	2492.0	2250.9	241.1
2001	42183.6	22024.4	20159.2	1865.2	5096.5	2661.0	2435.5	225.5
2002	51378.2	26947.9	24430.3	2517.6	6207.7	3256.0	2951.7	304.3

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

Table 6. 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	
Total Amount of Foreign Capital to Be Utilized through the Signed Agreements and Contracts							
1979-1984	3365	287.69	117	169.78	3248	103.93	13.98
1985	3145	98.67	72	35.34	3073	59.31	4.02
1989	5909	114.79	130	51.85	5779	56.00	6.94
1990	7371	120.86	98	50.99	7273	65.96	3.91
1991	13086	195.83	108	71.61	12978	119.77	4.45
1992	48858	694.39	94	107.03	48764	581.24	6.12
1993	83595	1232.73	158	113.06	83437	1114.36	5.31
1994	47646	937.56	97	106.68	47549	826.80	4.08
1995	37184	1032.05	173	112.88	37011	912.82	6.35
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
Total Amount of Foreign Capital Actually Used							
1979-1984		171.43		130.41		30.60	10.42
1985		44.62		25.06		16.58	2.98
1989		100.59		62.86		33.92	3.81
1990		102.89		65.34		34.87	2.68
1991		115.54		68.88		43.66	3.00
1992		389.60		79.11		110.07	2.84
1993		389.60		111.89		275.15	2.56
1994		432.13		92.67		337.67	1.79
1995		481.33		103.27		375.21	2.85
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
1979-2002		6234.18		1471.57		4462.55	300.06

(2) Statistics on labour market

Table 7. 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 -owned Units	Units of Other Types Ownership	Total	State- owned Units	Urban Collective -owned Ownership	Units of Other Types	Total	State- owned Units	Urban Collective -owned Unit	Units of Other Types of Ownership
1978	615	644	506		106.8	107.0	105.9		106.0	106.2	105.1	
1980	762	803	623		114.1	113.9	114.9		106.1	106.0	106.9	
1985	1148	1213	967	1436	117.9	117.3	119.2	137.0	105.3	104.8	106.6	122.5
1989	1935	2055	1557	2707	110.8	110.9	109.2	113.6	95.2	95.4	93.9	97.7
1990	2140	2284	1681	2987	110.6	111.1	108.0	110.3	109.2	109.7	106.6	108.9
1991	2340	2477	1866	3468	109.3	108.5	111.0	116.1	104.0	103.2	105.6	110.5
1992	2711	2878	2109	3966	115.9	116.2	113.0	114.4	106.7	107.0	104.1	105.3
1993	3371	3532	2592	4966	124.3	122.7	122.9	125.2	107.1	105.7	105.9	107.9
1994	4538	4797	3245	6303	134.6	135.8	125.2	126.9	107.7	108.7	100.2	101.5
1995	5500	5625	3931	7463	121.2	117.3	121.1	118.4	103.8	100.4	103.7	101.4
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

Table 8. Population and Its Composition

(10 000 persons)

Year	By Sex				By Residence				
	Total	Male	Female		Urban	Rural			
	Population	Population	Population	Proportion	Population	Population	Population	Proportion	
1978	96259	49567	51.49	46692	48.51	17245	17.92	79014	82.08
1994	119850	61246	51.10	58604	48.90	34169	28.51	85681	71.49
1995	121121	61808	51.03	59313	48.97	35174	29.04	85947	70.96
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

- 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.

Table 9. Employment and Unemployment Situation

Item	1999	2000	2001	2002
Economically Active Population (10 000 persons)	72791	73992	74432	75360
Total Number of Employed Persons (10 000 persons)	71394	72085	73025	73740
Primary Industry	35768	36043	36513	36870
Secondary Industr	16421	16219	16284	15780
Tertiary Industry	19205	19823	20228	21090
Composition of Employed Persons (total=100)				
Primary Industry	50.1	50.0	50.0	50.0
Secondary Industry	23.0	22.5	22.3	21.4
Tertiary Industry	26.9	27.5	27.7	28.6
Number of Employed Persons by Urban and Rural Areas (10 000 persons)				
Urban Employed Persons	22412	23151	23940	24780
State-owned Units	8572	8102	7640	7163
Urban Collective-owned Units	1712	1499	1291	1122
Cooperative Units	144	155	153	161
Joint Ownership Units	46	42	45	45
Limited Liability Corporations	603	687	841	1083
Share-holding Corporations Ltd.	420	457	483	538
Private Enterprises	1053	1268	1527	1999
Units with Funds from Hong Kong, Macao & Taiwan	306	310	326	367
Foreign Funded Units	306	332	345	391
Self-employed Individuals	2414	2136	2131	2269
Rural Employed Persons	48982	48934	49085	48960
Township and Village Enterprises	12704	12820	13086	13288
Private Enterprises	969	1139	1187	1411
Self-employed Individuals	3827	2934	2629	2474
Number of Staff and Workers (10 000 persons)	11773	11259	10792	10558
State-owned Units	8336	7878	7409	6924
Urban Collective-owned Units	1652	1447	1241	1071
Units of Other Types of Ownership	1785	1935	2142	2563
Number of Female Employment in Urban Units (10 000 persons)	4613	4411	4226	4156
Number of Registered Unemployed Persons in Urban Areas (10 000 persons)	575	595	681	770
Registered Unemployment Rate in Urban Areas (%)	3.1	3.1	3.6	4.0

- a) Since 1990 data on economically active population, the total employed persons and the sub-total of employed persons in urban and rural areas have been adjusted in accordance with the data obtained from the 5th National Population Census. As a result, the sum of the data by region, by ownership or by sector is not equal to the total. The same as in the following tables.

(3) Statistics on migration

Table 10. Economic Cooperation with Foreign Countries or Territories

Year	Number of Countries or Territories with Contracts Signed	Number of Contracts	Contacted Value	Value of Business Fulfilled (USD 100 million)
	Total	206048	1114.12	809.33
1996	178	24891	102.73	76.96
1997	181	28442	113.56	83.83
1998	188	25955	117.73	101.34
1999	187	21126	130.02	112.35
2000	181	23565	149.43	113.25
2001		39400	164.55	121.39
2002		34461	178.91	143.52
2003				

Contracted Projects

1996	1634	77.28	58.21
1997	2085	85.16	60.36
1998	2322	92.43	77.69
1999	2527	101.99	85.22
2000	2597	117.19	83.79
2001	5836	130.39	88.99
2002	4036	150.55	111.94
2003(Jan to Nov.)			112.40

Labor Cooperation

1996	22723	22.80	17.12
1997	25743	25.50	21.65
1998	23191	23.90	22.76
1999	18173	26.32	26.23
2000	20474	19.91	28.13
2001	33358	33.28	31.77
2002	30163	27.52	30.71
2003(Jan to Nov.)			28.60

Source: above all tables are from *China Statistical Yearbook, 2003*.

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