



FAST GROWTH MAINTAINED DESPITE SLOWDOWN OF THE WORLD ECONOMY

2

 2002

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The Chinese economy continued to grow strongly in the second half of 2002, notwithstanding the US-led slowdown of the world economy. GDP increased by 7.9% in the first three quarters and is expected to reach 8% for the full year 2002. Growth was driven by both domestic and foreign demand. Chinese imports increased rapidly as well, supporting overall economic growth in the region. China's first year as a member of the World Trade Organization (WTO) has obviously turned out a success. For the year 2003 we may expect the 'first-round effect' of WTO losing impact and Chinese GDP growth to slow down slightly, probably reaching 7.6% to 7.8%.

Key developments in the first three quarters and prospects for the whole year 2002

On a year-on-year basis, GDP-growth reached 7.6% in the first quarter, 8% in the second quarter and 8.1% in the third quarter. For the last quarter 2002, one might expect an even higher growth rate, probably 8.3%, given the fact that the Chinese economy was in a slump in the last months of 2001. The major driving forces of the economy were the same as in the first six months, with foreign direct investment and foreign demand

gaining importance. *Retail trade turnover* as a proxy for consumer demand expanded at a rate of 10.1% (in real terms) in the first three quarters of the year (January to June: 10.2%). Total investment in fixed assets increased by 21.8% (nominal; January to June: 21.5%). Foreign direct investment reached USD 39.5 billion by the end of September, representing a year-on-year increase of 22.7% after 18.7% in the period January to June. Exports rose by 19.4% and imports by 17.2%, compared to 14.2% and 10.3% respectively in the first half of the year. The Chinese trade surplus increased significantly to an impressive USD 20 billion in September.

On the supply side, preliminary data suggest that both *industrial* and *agricultural* value added accelerated in the third quarter, reaching growth rates of 10% and 3% for the first three quarters of the year. Industrial production obviously took the biggest advantage from expanding foreign demand. In the case of agriculture, favourable weather conditions resulted in a good autumn grain harvest, while the output of summer grain and early rice had fallen below the previous year's levels. Total grain production is estimated to reach 457.5 million tons in 2002, up 1.1% against the

preceding year and representing the first increment in two years.¹ *Services*, still a problem sector of the economy, kept their relatively slow growth pace at 6.6%, significantly below GDP growth.

Rising profits and restructuring support investment

Total investment in fixed assets in the first three quarters of 2002 reached yuan 2583.8 billion (USD 312 billion). Public investment increased fastest, at a rate of 24.3% – but collective units and privately owned enterprises are catching up (18%). A similar trend was observed in the first half of the year already, contrasting sharply with the picture a year earlier when public investment rose by 18.2% and that of collectives and private enterprises by 9.1% only. This development reflects the ongoing restructuring in the Chinese economy with the non-state sectors gaining weight and is supported by rising profits. From January to August, total ‘net’ profits, i.e. all profits minus losses realized by industrial enterprises, reached yuan 324.6 billion and went up 10%, of which the profits of state-owned and state share-controlling enterprises were yuan 152.6 billion, down 4%. The rising role of the private sector as a producer and employer is also reflected in the recent amendment to the Charter of the Communist Party of China, which now welcomes private entrepreneurs as party members (see also further below). In our opinion, the foundations are laid now for private investment to remain an important source of growth in China for the foreseeable future.

Within *public investment*, the biggest part, namely the establishment of new facilities (‘capital construction investment’), expanded at a rate of 25%, while upgrading of existing facilities (‘technical updating and transformation investment’) rose by 16.3% only. The fastest growing part was real estate development (29%). As in the recent past, investment in the western and central provinces rose faster than in the eastern coastal areas – in pursuit of the ‘Go West Policy’, which is an integral part of the

government’s ‘Tenth Five-year Plan 2001-2006’. Public investment will stay strong as the government has already announced to continue its ‘proactive’ fiscal policy in order to support growth and economic development in 2003 and beyond.

Foreign direct investment at record height

The inflow of foreign direct investment (FDI) reached USD 39.5 billion in the first three quarters of 2002 and is expected to surpass USD 50 billion by the end of the year. This would amount to at least USD 5 billion more than the year before, thus hitting another record. Also, with FDI inflows to the US, the most prominent target of foreign investors in the past, slowing down considerably, China may become the world’s largest recipient of FDI in 2002.

The recent strong inflow of FDI into China has various reasons: One important factor is China’s WTO entry, opening new possibilities and opportunities for foreign investors on the domestic market but for exporters as well. Another cause is the rapid and sustained growth of the overall Chinese economy and its relative political stability. Also, given the already large stock of FDI in China (USD 435 billion by the end of September 2002) re-investment of foreign companies has become an important source of FDI lately.²

‘Contracted investment’ (agreements signed for investment) has risen even faster than realized FDI in the period January to September (38.4%), pointing to a continuation of the foreign direct investment boom in the future.

Foreign trade expansion beyond expectations

Both Chinese exports and imports showed a very rapid increase in the first three quarters of 2002. Furthermore, growth accelerated significantly in the third quarter, despite the US-led slowdown of the world economy. It seems that WTO membership has opened new opportunities for exports (imports) compensating for the weak demand in traditional markets. Also, major trading partners in Asia continued to grow strongly. From Chinese customs

statistics we find that in the January-to-September period, Chinese exports to the EU (13.8%) have developed below average, as well as to Japan (4.9%)³, but have increased over-proportionately to so far minor trading partners such as Iran, Turkey, Pakistan and to many countries in the region (Malaysia, Indonesia, Thailand etc.). Surprisingly, exports to the US rose by 24.5% but imports from there to China by only 0.2%. Foreign trade with the ASEAN region showed a high, balanced growth of exports (27.4%) and imports (27%). Apart from the market liberalization effect, the stepwise extension of trading rights to more enterprises in China may have boosted foreign trade. The devaluation of the yuan (pegged to the US dollar) against other major currencies has also supported Chinese exports.⁴ On the import side, too, the extension of trading rights plays a significant role. Apart from lower tariffs (e.g. for cars) and the gradual removal of import quotas⁵, the high share of processing trade in Chinese exports (about 49%) and the strong inflow of FDI have played a decisive role in pushing up import growth.

With Chinese exports of USD 232.6 billion and imports of 212.6 billion, the foreign trade surplus reached USD 20 billion after the first nine months of 2002, contributing 0.7 percentage points to GDP growth.⁶ Foreign exchange reserves stood at USD 258.6 billion, worth ten months of imports. Foreign trade data for October and November suggest that the trade surplus may well extend to USD 30 billion until the end of the year.⁷ However, with the 'first round effect' of WTO membership fading, the trade surplus can be expected to decline in the future. Imports to China will increase faster with foreign suppliers adjusting to China's WTO membership and certain safeguard clauses phasing out and still existing quotas to be removed step by step. One prominent example is the automobile market. Also, there is evidence from other countries that foreign retailers establishing businesses in a country will raise imports significantly. As a matter of fact, import growth has accelerated strongly throughout the year and in

some months imports expanded even faster than exports.

Revaluation of the yuan – no hot topic yet

The prospect of a significantly declining trade surplus is probably the reason why the People's Bank of China is excluding the option of a revaluation of the Chinese currency for the time being. Also, with prices still falling in China, there are no signs of overheating in the domestic economy yet. Furthermore, with the yuan pegged to the US dollar⁸, a recovery of the US currency from the current low will automatically lead to an appreciation of the Chinese currency relative to all non-dollar based currencies, in particular relative to the euro and the yen. However, in case of a persistently large trade surplus, pressure on China to adjust the value of its currency may become stronger, similar to the situation of Japan in the 1980s, which finally led to a significant revaluation of the yen in the framework of the 'Plaza Agreement' of 1984.

Domestic consumption developing on a stable path

Retail trade turnover as a proxy for consumer demand developed steadily at a nominal rate of 8.4% to 8.7% throughout the year. Consumer demand for cars, electronic equipment and housing rose particularly fast. In real terms private consumption was rising at 10.1% in the first three quarters of 2002, as retail prices declined by 1.4% percentage points. Price deflation is plaguing China for more than four years now, despite fast growth of the overall economy. It is mainly due to an oversupply of light industrial products (electrical appliances, clothing etc.) probably because of delayed restructuring. This year, falling prices for imports as a consequence of WTO membership (e.g. prices for cars, but also several raw materials including agricultural products⁹) have put further pressure on the domestic price level. The consumer price index, including private and public services and housing, has fallen less than retail

prices (-0.8%), but one has to take into account that in the same period a year earlier consumer prices had been increasing by 1 percentage point. On the demand side, rising income inequalities and a cautious consumer attitude in view of various economic and social uncertainties hold back consumer expenditures. Household savings again increased strongly, by 18%, in the first three quarters of the year.¹⁰

Persistent urban/rural income gap

The urban/rural income gap has further widened with per capita disposable income of urban residents rising by 17.2% and per capita cash income of peasants increasing at a rate of 5.3% in the first nine months of 2002.

The widening urban/rural income gap together with the high and rising unemployment rate in China are not only hampering further economic development, but must also be seen as a potential source of social and political instability.

In a new attempt to increase farmers' welfare, an important government decision was published in November 2002, setting new rules for the acquisition and transfer of 'land-use rights'.¹¹ It is hoped that this measure will increase productivity and thus incomes of the farmers – either by inducing higher investment in the quality of land and/or consolidation of small unprofitable units to economically more viable units.

In search of the 'true' unemployment rate

Despite unemployment being generally considered a very serious problem in China, no reliable data exist. The official unemployment rate of currently 3.9% refers to *registered urban unemployment*, which is known to be just a small fraction of the actual overall unemployment rate.¹² To fill the gap, a new system for compiling data, based on surveys in line with international practices, will be established gradually. The topics covered will include unemployment, social welfare enjoyed by the jobless and *underemployment*, a measure of

those who work less than 16 hours a week. As a first step, a survey in 66 cities has started, with the results scheduled to be published in February 2003. The government plans to introduce the surveyed unemployment rate as the country's official jobless figure in the future.

Strong rise of industrial production across the board

Driven by rising investment, exports and consumption, value added of the industrial sector increased fast throughout the year, accelerating slightly from quarter to quarter. Judging from information available on the activity of bigger enterprises (with annual sales of more than yuan 5 million) up to November 2002, this trend will continue in the near future. A breakdown of industrial VAD according to ownership for the first three quarters shows that value added rose faster than GDP in all classes of ownership – with collective-owned enterprises at the low end (8.8%), state-owned enterprises in the middle (10.8%) and foreign investment enterprises at the top (13%).¹³ Also, both heavy and light industries enjoyed similar growth. Among the fastest rising product groups were steel and steel products (22%), motor vehicles (32%, cars: 42.3%), machinery (e.g. power generating equipment: 70%; internal combustion engines: 35.9%; high precision metal cutting machine tools: 35%) and electrical equipment (e.g. computers: 185%; micro-computers: 60.5%; colour TV sets: 40.8%; radios: 56%).

Party Congress setting the course for the future

This year's National Congress of the Communist Party of China (CPC), convening in Beijing on 8-14 November, was of particular importance.¹⁴ Firstly, the biggest orderly generational change in the CPC leadership was implemented, setting the stage for a 'rejuvenated' Chinese government to be appointed by the National People's Congress (the Chinese parliament) in March 2003. Secondly, an amendment to the Charter of the CPC was made, extending the Party's membership base to any

'advanced element' of the social strata, which paved the way for entrepreneurs to join the CPC and play an active role in it.¹⁵

The new General Secretary of the Central Committee and chairman of the 'Standing Committee' of the Political Bureau, the top decision making body of the CPC, is now *Hu Jintao*, aged 59, and representative of the so-called '4th generation'.¹⁶ He is the only member of the old Standing Committee to become a member of the new Standing Committee.¹⁷ The most prominent members retiring from the old Committee were State President Jiang Zemin (76), considered the core of the '3rd generation' leadership, Minister President Zhu Rongji (74) and the Chairman of the National People's Congress, Li Peng (74).¹⁸ After this reshuffle in the party leadership, the stage is set for Hu Jintao to follow Jiang Zemin as State President in spring next year and most probably Wen Jiabao (59) will become the successor of Zhu Rongji. Wu Bangguo (60) may follow Li Peng as Chairman of the National People's Congress.

Prospects for 2003

In 2003, domestic forces will remain strong with investment rising again faster than consumption. Yet, the very high trade surplus may decline, dampening especially the growth of industrial production. Therefore, for GDP as a whole, we expect the growth rate to stay slightly below that of 2002, probably reaching 7.7% in 2003.

Private consumption can be expected to expand at about 10% next year, driven by vigorous growth of urban consumption and supported by intensified government measures to raise rural incomes and alleviate poverty. Public investment will remain high as the proactive fiscal policy stance will be maintained. Private investment, too, will continue to grow fast with private entrepreneurs gaining weight and prospects in many sectors bright. Foreign direct investment will play an important part again and may rise further to about USD 58 billion due to increased opportunities and opening-up of new

fields for investment as a consequence of China's WTO membership. But unemployment will stay high due to ongoing restructuring in the state-owned sector and the growing workforce.

The future development of foreign trade faces the greatest risks. Most probably, export growth will slow down and imports will rise faster than in 2002, resulting in a trade surplus of about USD 18 billion, significantly below that of 2002. Chinese imports have been accelerating throughout last year already and are reflecting the stepwise reduction of tariffs and other barriers to trade according to WTO rules.¹⁹ (As for the recent framework agreement between China and ASEAN (ASEAN +1) to establish a Free Trade Area until 2010, starting off with tariff reductions for some agricultural products in 2003 already, no details are known yet.)

Growth prospects for Chinese exports are most difficult to estimate. Despite significant downward revisions by international organizations in autumn, the world economy and in particular world trade is still set to grow faster in 2003 than in 2002 (see Table 1 below). However, recent disappointing information on the development of selected business sectors and indicators of consumer confidence led to even lower 2003 forecasts by the OECD in November, for instance for Japan (0.8%) and for the European Union (1.9%).²⁰ However, emerging Asia, taking a share of 37% of Chinese exports in 2002, is expected to show high growth in 2003 again. With the 'first-round effect' of China's WTO membership phasing out, but overall export demand rising slightly faster than in 2002, we may therefore expect a robust but less vigorous expansion of Chinese exports for the year 2003.

Nevertheless, these projections remain subject to great uncertainties with regard to the effects that a possible war of the US against Iraq may have on the world economy, in particular on oil prices – not to mention the minor possibility that an escalation of the conflict with North Korea may shake up the region.

Notes

- ¹ After record harvests for several years in a row, grain output had been declining by 9% in 2000 and 1.9% in 2001.
- ² 'Reinvested earnings of foreign affiliates in China have become an important source of FDI, accounting for about one-third of the total inflows 2000-2001.' (*United Nations, World Investment Report 2002*, pp. 55 f.) Also, according to IMF estimates, a considerable share of foreign capital inflow is of Chinese origin, re-entering the country in the form of FDI for various reasons (money laundering, taking advantage of foreign investor's privileges, etc.).
- ³ There are, however, always discrepancies in the size of bilateral trade flows, depending on which side is reporting. In the case of China, the large exports (imports) via Hong Kong are a particular problem, as the actual country of destination (country of origin) will not always show up in Chinese statistics.
- ⁴ On 31 December 2002, the dollar exchange rate of the Chinese currency was 827.66 yuan for 100 US dollar, 6.3005 yuan for 100 Japanese yen and 732.63 yuan for 100 euro. On 31 October 2002, the respective figures were: 827.72 (USD), 6.6983 (yen) and 813.23 (EUR). This is a devaluation of the yuan of about 6% against the Japanese yen and of 11% against the euro. Notably, in the region some other currencies are pegged to the US dollar as well (HK-dollar, Malaysian ringgit).
- ⁵ In the first ten months of 2002, car imports rose by 35%, reaching 56 000 cars.
- ⁶ There are various ways to measure the impact of foreign trade on the growth of GDP, depending on the underlying economic theory and sophistication of the model. Here, we follow a simple Keynesian approach which calculates the impact of different components of effective demand on GDP growth. Thus, we started with the trade surplus in the first nine months of 2001 as a percentage of GDP in the same period in 2000 (1.8%) and compared it to the trade surplus of the first nine months 2002 as a percentage of the GDP in the same period 2001 (2.5%). The difference is 0.7 percentage points.
- ⁷ By the end of November, the Chinese trade surplus was already USD 27.2 billion.
- ⁸ The yuan is supposed to fluctuate within a narrow band of 8.276 to 8.278 against the US dollar.
- ⁹ One prominent example are several kinds of fruits imported from Thailand.
- ¹⁰ As of end of September 2002, saving deposits of households reached the enormous amount of yuan 7125 billion (USD 860 billion) equal to the size of China's GDP Jan-Sept 2002.
- ¹¹ In the early 1980s, when economic reform in China started, small pieces of state-owned or collective land were given to the individual farmers for their private 'use'. These use-contracts are valid for a limited time period, typically extending to 30 years. With the end of this period approaching and no solution for the 'time after', farmers have become increasingly unwilling to invest in the quality of their land. Another problem refers to the question of transfer from collective land to state-owned land and compensation thereof.
- ¹² The increase of the registered unemployment rate to 4.3% by the end of the year is expected to happen when many ongoing projects using temporary labour are due to finish.
- ¹³ Chinese private enterprises are not listed as a separate category although they probably represent the most dynamic sector in industry. According to the All China Federation of Industry and Commerce, the 500 biggest private companies in China increased sales by 52% and employment by 46% last year (*Handelsblatt*, 22 October 2002).
- ¹⁴ The National Congress of the Communist Party of China normally takes place every five years, bringing together more than 2000 delegates from all over China. This year's congress was the 16th Party Congress since the foundation of the CPC in 1921.
- ¹⁵ At the core of this amendment are the so-called 'Three Represents': In this wording, the CPC 'represents': (1) the development trend of China's productive forces; (2) the orientation of China's advanced culture, and (3) the fundamental interests of the overwhelming majority of the Chinese people (*China Daily*, 9 November 2002). The first group may be identified with entrepreneurs, the second group with artists and intellectuals, and the third group obviously comprises farmers and workers.
- ¹⁶ The CPC National Congress elects the members of the Central Committee, who will then elect from their members the Political Bureau and the Standing Committee of the Political Bureau, headed by the General Secretary, who is also called 'Party Leader'.
- ¹⁷ The new Standing Committee of the Political Bureau has now 9 members (before: 7): Hu Jintao (Chairman; 59), Wu Bangguo (60), Wen Jiabao (59), Jia Qinglin (62), Zeng Qinghong (62), Huang Ju (63), Wu Guanzheng (63), Li Changchun (58), Lu Gan (66). (For a short profile of these members see *China Daily*, 16-17 November 2002.)
- ¹⁸ The other three leaving the centre of power were: Li Ruihuan (68), Wei Xianxing (71) and Li Lanqing (70).
- ¹⁹ As of 1 January 2003, China will cut import tariffs on more than 3000 items. The average tariff level will drop from 12% to 11%. But in the case of cars, for instance, current tariffs of between 43.8% and 70.7% will be lowered to a range of 38.2% to 43% in 2003. Also, import limits on machinery and electronic products will be lifted for 50 categories (imports of these products increased by 30% in 2002 already). Total vehicles and spare parts quotas will be extended from USD 7.9 billion to 9.1 billion in 2003.
- ²⁰ *OECD Economic Outlook*, Vol. 2002/2, No. 72, December 2002.

Table 1

Overview of the *World Economic Outlook* Projections

(Annual per cent change)

	2000	2001	Current Projections		Difference from April 2002 Projections		Share in Chinese Exports in per cent ¹⁾ 2002
			2002	2003	2002	2003	
World output	4.7	2.2	2.8	3.7	0.0	-0.3	
United States	3.8	0.3	2.2	2.6	-0.1	-0.8	21.6
Japan	2.4	-0.3	-0.5	1.1	0.5	0.3	14.4
European Union	3.5	1.6	1.1	2.3	-0.4	-0.6	14.7
Emerging Asia ²⁾	7.0	5.0	5.9	6.1	0.3	-0.1	37.4 ³⁾
Newly industrialized Asian economies	8.5	0.8	4.7	4.9	1.1	-0.2	
Developing Asia	6.7	5.6	6.1	6.3	0.2	-0.1	
World trade volume (goods and services)	12.6	-0.1	2.3	6.1	-0.4	-0.5	

Notes: 1) Chinese Monthly Statistics 9/2002. - 2) Includes developing Asia, newly industrialized Asian economies, and Mongolia. - 3) Asia excluding Japan.

Source: IMF, *World Economic Outlook*, September 2002, Tables 1.1 and 1.7; <http://www.imf.org>

Table 2

China: Selected Economic Indicators

	1990	1998	1999	2000	2001 ¹⁾	2001 Jan-Sep	2002 Jan-Jun	2002 ¹⁾ Jan-Sep	2002 forecast	2003 forecast
Population, mn pers., end of period	1143.3	1248.1	1259.1	1265.8 ²⁾	1277.3	.	.	.	.	.
Gross domestic product, CNY bn, nom.	1854.8	7834.5	8191.1	8940.4	9593.3	6722.7	4553.6	7168.2	10200.0	.
annual change in % (real)	3.8	7.8	7.1	8.0	7.3	7.6	7.8	7.9	8.0	7.7
GDP/capita (USD at exchange rate)	339.1	758.1	785.7	853.0	907.1	.	.	.	.	.
GDP/capita (USD at PPP - WIIW)	1307.8	3447.0	3717.5	4082.6	4444.3	.	.	.	.	.
Industrial value added										
annual change in % (real)	3.2	9.2	8.8	9.9	8.9	9.3	9.6	10.0	.	.
Agricultural value added										
annual change in % (real)	7.3	3.5	2.8	2.4	2.5	2.5	2.6	3.0	.	.
Services value added										
annual change in % (real)	2.3	7.6	6.9	7.8	7.0	7.0	6.6	6.6	.	.
Goods transport, bn t-km	2620.7	3804.6	4049.6	4445.2	4535.8	3386.1	2319.7	3520.7	.	.
Total investment in fixed assets, CNY bn ³⁾	451.7	2840.6	2985.5	3291.8	3689.8	1591.9	1446.0	2583.8	.	.
annual change in % (nominal)	2.4	13.9	5.1	10.3	12.1	18.2	21.5	21.8	.	.
Construction output, CNY bn	194.8	1374.1	1515.1	1678.1	.	.	.	.	.	.
annual change in % (nominal)	-10.2	10.3	10.3	10.8	.	.	.	.	.	.
Employment total, mn pers., end of period	567.4	699.6	705.9	711.5	.	.	.	.	.	.
annual change in %	2.6	0.5	0.9	1.0	.	.	.	.	.	.
Unemployed (urban) reg., th, end of period	3832	5710	5750	5950.0	.	.	.	.	.	.
Unemployment rate (urban) in %, end of per. ⁴⁾	2.5	3.1	3.1	3.1	3.6	.	.	3.9	4.3	.
Average gross annual wages, CNY ⁵⁾	2140	7479	8346	9371	10962	9752	11103	11233	.	.
annual change in % (real) ⁶⁾	9.2	7.2	13.1	11.1	.	.	.	.	.	.
Retail trade turnover, CNY bn	725.0	2915.3	3113.4	3415.3	3759.5	2679.3	1944.8	2911.1	.	.
annual change in % (real)	0.4	9.4	10.1	11.1	10.9	10.7	10.2	10.1	.	.
Retail prices, % p.a.	2.1	-2.6	-3.0	-1.5	-0.8	-0.6	-1.6	-1.4	.	.
Consumer prices, % p.a.	3.1	-0.8	-1.4	0.4	0.7	1.0	-0.8	-0.8	-0.8	.
General government budget, CNY bn										
Revenues	293.7	987.6	1144.4	1339.5	1637.1	.	.	.	.	.
Expenditures	308.4	1079.8	1318.8	1588.6	1884.4	.	.	.	.	.
Deficit (-) / surplus (+)	-14.6	-92.2	-174.4	-249.1	-247.3	.	.	.	.	.
Money supply, CNY bn, end of period										
M0, Currency outside banks	264.1	1120.4	1345.6	1465.3	1568.9	1500.0	1509.7	1623.4	.	.
M2, Money + quasi money	1468.2	10449.9	11989.8	13461.0	15830.2	15200.0	16960.5	17698.5	.	.
Refinancing rate of NB % p.a., end of period ⁷⁾	7.9	4.6	3.2	3.2	3.2	3.2	2.7	2.7	.	.
Current account, USD bn	12.0	31.5	15.7	20.5	17.4	.	13.6	.	.	17.0
Official forex reserves excl. gold, USD bn	11.1	145.0	154.7	165.6	212.2	195.8	242.8	258.6	.	.
Gross debt, USD bn	52.5	146.0	151.8	145.7	170.1	170.2	160	169.1	.	.
Foreign direct investment, USD bn	3.5	45.5	40.3	40.7	46.9	32.2	24.6	39.5	52.0	58.0
Exports total, USD bn	62.1	183.8	194.9	249.2	266.2	194.8	142.1	232.6	.	.
annual change in %	18.2	0.5	6.1	27.8	6.8	6.9	14.2	19.4	.	.
Imports total, USD bn	53.4	140.2	165.8	225.1	243.61	181.4	128.5	212.6	.	.
annual change in %	-9.8	-1.5	18.2	35.8	8.2	11.2	10.3	17.2	.	.
Trade Balance, USD bn	8.7	43.6	29.1	24.1	22.5	13.4	13.6	20.0	30.0	18.0
Average exchange rate CNY/USD	4.78	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.28
PPP (CNY/USD), WIIW ⁸⁾	1.24	1.82	1.75	1.73	1.69	.	.	.	.	.

Notes: CNY: ISO-Code for the Chinese yuan. - 1) Preliminary. - 2) Census results from 1 Nov. 2000. - 3) 1990 excl. projects with a value of 20,000-50,000 yuan which are not listed in the state plan. - 4) Ratio of registered urban unemployed in per cent of urban employed and unemployed. - 5) Average gross annual wages of staff and workers, defined as: total wages of staff and workers per average number of staff and workers; since 1998: 'staff on duty' only. - 6) Staff and workers cost of living index is used as deflator for calculating real wage. - 7) Overnight rate. - 8) Purchasing power parity, ICP-method; see Ren Ruoan, The Vienna Institute Monthly Report, 1996/2.

Sources: China Statistical Yearbook; International Financial Statistics; Economic Statistics Communiqué for 1995 of the State Statistical Bureau of the PR China; China Financial Outlook of the People's Bank of China; China Monthly Statistics; China Daily.

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