

STATISTICAL COMMUNIQUE OF THE PEOPLE'S REPUBLIC OF CHINA ON THE 2000 NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT

NATIONAL BUREAU OF STATISTICS PEOPLE'S REPUBLIC OF CHINA

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In 2000, under the correct leadership of the Central Party Committee and the State Council, governments at all levels implemented in real earnest a series of policies aiming at expanding domestic demand, as well as the pro-active financial policy and the solid monetary policy. Due attention was focused on cultural and ethical progress. With the joint efforts made by people of all nationalities, national economic and social development achieved new progress; various targets of development and reforms were met. The main tasks of the "Ninth-Five-Year" program were fulfilled in an all round way.

I. General Outlook

Economic growth speeded up with enhanced comprehensive strength. According to preliminary estimation, the gross domestic product (GDP) of the year was 8,940.4 billion yuan, up by 8.0 percent over the previous year at comparable prices. This growth rate was 0.9 percentage points higher than that in 1999. The growth of the primary industry was 2.4 percent, and that of the secondary industry was 9.6 percent, and 7.8 percent growth for the tertiary industry. At the current exchange rate, the gross domestic product of China had topped 1,000 billion US dollars.

Market prices were stable. The consumer price level of the year was up by 0.4 percent over the previous year, reversing the trend of declining for consecutive two years starting from 1998. Analyzed by category of commodities, the prices for service items went up by 14.1 percent, and 4.8 percent growth for housing. Except the price rise for aquatic products and vegetables, prices for food continued to decline. On the other hand, influenced by price rise of petroleum on the international market, the ex-factory price of manufactured goods rose by 2.8 percent, and the purchasing price for energy, raw materials and power went up by 5.1 percent.

Work on employment was further strengthened. By the end of 2000, the total of employed people in China numbered 711.50 million, or 5.64 million more than at the end of 1999. Of this total, 212.74 million were employed in urban areas, an increase of 2.6 million persons over that at the end of 1999. New progress was made in the implementation of reemployment project. By the end of 2000, the number of laid-off workers of state-owned enterprises was 6.57 million, an increase of 47,000 persons as compared with that at the end of 1999. In the year

2000, about 3.61 million laid-off workers found new jobs through various measures. By the end of 2000, the urban unemployment rate through unemployment registration was 3.1 percent.

China's balance of payment was in good position and the foreign exchange reserves continued to increase. The utilization of foreign capital was stable. The actually utilized foreign direct investment of the year was 40.7 billion US dollars, an increase of 400 million US dollars over the previous year. The size of favorable balance of foreign trade was narrowed down. The trade surplus of the year was 24.1 billion US dollars, a decrease of 5.1 billion US dollars over the previous year. Foreign exchange reserves continued to increase. By the end of 2000, foreign exchanges reserves reached 165.6 billion US dollars, an increase of 10.9 billion US dollars as compared with that at the beginning of the year. The exchange rate of RMB was stable. The exchange rate stood at 1 US dollar = 8.2781RMB yuan at the end of the year, an appreciation of 12 basic points.

Economic efficiency improved noticeably and the quality of economic performance was further strengthened. Following consecutive years of high growth, tax income kept fairly fast growth. The total tax collected as government income of the year stood at 1,266.0 billion yuan, up by 22.8 percent, or an increase of 234.8 billion yuan over the previous year. Profits made by industrial enterprises increased by a large margin. The profits made by industrial enterprises above designated size reached 426.2 billion yuan, hitting the record since 1990s, or up by 86.2 percent over the previous year. In particular, the profits made by state-owned and state-holding enterprises increased by a fast speed with its profits made reaching 239.2 billion yuan, or 1.4 folds increase. The total losses by state-owned and state-holding loss-suffering enterprises were down by 26.7 percent over the previous year. The overall efficiency index for industrial enterprises was 117.8 percent, or 16.1 percentage points higher than the figure for the previous year, representing the highest level since 1992.

Major problems that remained in economic performance and social development included: the still prominent irrational economic structure as was reflected by the unsound base for economic pick-up, and the incomplete system of sustained social demand; the difficulties in life condition for some people due to the slow increase of farmers' income and the high pressure for employment; the tough task in transforming the operational system of state-owned enterprises in issues such as the lack of capability in innovation and in accommodating to the market demand of enterprises and the operational difficulties encountered by some enterprises; and the need for improvement in social and economic order to reduce the frequent occurrence of serious accidents and to fight against the production and selling of shoddy products on markets.

II. Agriculture

Structural adjustment for agricultural production was enhanced. Thanks to the consecutive four years of bumper harvest during the "Ninth-Five-Year" program period with the balanced supply and demand, there was surplus of agricultural products. Therefore, every region made vigorous adjustment of the structure of

cultivation in the aim of meeting the need of markets. The sown areas of cash crops increased, its share in the total sown areas of farm crops was over 30 percent for the first time.

The output of grain decreased by a large margin while the product mix was further optimized. Influenced by severe droughts and structure adjustment of sown areas, the total output of grain for the whole year was 462.51 million tons, down by 9 percent over the previous year. Of this total, the output of summer grain was 107.50 million tons, down by 9.3 percent; that of early rice was 37.47 million tons, down by 8.5 percent; and that of autumn grain was 317.54 million tons, down by 9 percent.

Of the major cash crops, the output of cotton and oil-bearing seeds increased, and that of sugar decreased. Since the domestic textile industry was turning for the better, the demand of cotton increased, resulting in picking up of prices for cotton. Farmers were enthusiastic in planting cotton, the sown areas of cotton increased by 300,000 hectares over the previous year, up by 8.1 percent. The total output of cotton for the whole year was 4.35 million tons, up by 13.6 percent over the previous year. The output of oil-bearing seeds was 29.50 million tons, up by 13.4 percent. The sown areas of sugar decreased, the output of sugar was 74.50 million tons, down by 10.6 percent over the previous year.

With the structural adjustment, the production of vegetables grew at fast speed. The total sown areas for the whole year reached 14.70 million hectares, up 10.1 percent over the previous year. The product mix of vegetables was further optimized with more quality, special and fine products.

Steady progress was seen in animal husbandry industry. Due to large price decrease for feedstuff and comparatively stable prices for pigs since its pick-up in the second half of 1999, the economic return of pig raising was increased, the production of pig was stable. The production of beef, mutton and poultry kept fast growth. The total output of meat reached 62.70 million tons, up by 5.4 percent.

Fishery industry developed stably. The total output of aquatic products for the whole year stood at 42.90 million tons, up by 4.1 percent.

Forestry production kept its momentum of development due to the initiation of natural forest protection project and strengthened grain for green campaign in the west. The total afforested area in 2000 was 5.16 million hectares, of this total, that of grain for green was 710,000 hectares, up by 5.3 percent and 9.2 percent respectively.

Farmland irrigation construction was further enhanced. Over 800,000 hectares of land were converted into farmland with effective irrigation system.

III. Industry and Construction

Fast growth was registered in industrial production. In 2000, the total value-

added of the industrial sector was 3,957.0 billion yuan, up by 9.9 percent over the previous year. The value-added of state-owned and state-holding industrial enterprises and those non-state-owned industrial enterprises with an annual sales income over 5 million yuan (referred to as industrial enterprises above designated size hereafter) was 2,368.5 billion yuan, up by 11.4 percent. Of this total, the value-added created by state-owned enterprises and joint-ownership enterprises where state held the controlling share was 1,403.2 billion yuan, up 10.1 percent, representing the highest growth since 1994. The value-added of collective enterprises was 330.1 billion yuan, up 7.4 percent; of joint-stock enterprises, 495.4 billion yuan, up 14.5 percent; of enterprises invested by foreigners or investors from Hong Kong, Macao and Taiwan, 533.3 billion yuan, up 14.6 percent. In terms of light and heavy industry, the value-added of light industry was 950.6 billion yuan, up by 9.5 percent, and that of heavy industry was 1,417.9 billion yuan, up by 13 percent. Production and marketing situation continued to improve, the sales ratio of industrial enterprises above designated size was 97.71 percent, up by 0.46 percentage points.

Industrial structural adjustment made significant progress. Fast growth was registered in the production of those products that enjoyed high technology and added value. The output of new industrial products was up 26.3 percent over the previous year. Manufacturing of electronic and telecommunications products became the first pillar of the industry. The production capacity of equipment manufacturing industry improved to some extent: about 70 percent equipment needed by the new rail transportation projects in cities was purchased domestically. The environment protection facilities continued using domestic products. The production of metal cutting machines was up 34.3 percent over the previous year; electric tools, up 37.1 percent; smelting machines, up 9.2 percent; chemical equipment, up 4.4 percent; air pollution protection equipment, up 6.2 percent. The close of small coal mines and the reduction of coal production in coal industry achieved progress. The prices for coal were stable with the trend of picking up. As a result, the total losses of coal industry shrunk by a large margin. Active progress was seen in controlling the total production by metallurgy industry. The output of steel for the whole year grew with slow speed and the prices for steel rose up with significant improvement of profits made. The sugar-refining industry, which suffered from losses for consecutive four years, had turned loss into profits through optimizing the structure of planting areas, adjusting and cutting down the outdated production capacity. Some 150 sugar refineries were closed, cutting sugar production capacity by 2.73 million tons. Undergoing three years of adjustment, the textile industry witnessed fast growth of profits in 2000, following the previous year's making up of the deficit.

The targets set for the reform of state-owned enterprises (SOEs) and lifting those enterprises out of difficulty had been met. Modern enterprises system was initially set up in most of the large and medium-sized SOEs. In particular, some large enterprises and enterprise groups were merged and reorganized according to international conventions. They were successfully listed on the international capital market. Measures such as reorganization, combination and merging promoted the transformation of operating mechanism of small SOEs and the improvement of their performance. Analyzed by region, state-owned industry

achieved overall deficit removing or profit making in 31 provinces, autonomous regions or municipalities directly under the central government. Analyzed by industry, the same result was also achieved by the end of 2000 in 12 industries out of the 14 major industries that were under the state-monitoring program. Over 70 percent of the 6,599 large and medium SOEs that were suffering from losses at the end of 1997 either became profit-making or were merged or reorganized by the end of 2000.

The construction industry developed steadily, and the economic efficiency was turning for the better. In 2000, the value-added of construction enterprises was 591.8 billion yuan, up by 6.2 percent over the previous year. The profits made by construction enterprises at and above grade four reached 16.6 billion yuan, up by 7.0 percent; the taxes turned over stood at 35.8 billion yuan, up by 5.4 percent. The total numbers of construction projects reached 680,716, of which projects through bidding stood at 311,924, accounting for 45.8 percent of the total projects. The total floor space of buildings under construction during the year was 1,551.75 million square meters, an increase of 79.13 million square meters. Floor space of buildings completed during the year was 738.35 million square meters, a decrease of 898,000 square meters. The numbers of loss-suffering enterprises of construction industry were 9,553, or 134 less as compared with that in the previous year. Loss suffering enterprises made up 19.2 percent of all construction enterprises, 1.3 percentage points lower than the previous year.

Some 249 new mineral deposits were discovered through national land resource survey and geological surveys. Thirty-eight minerals were found to have increased (or prospective) reserves, including 762 million tons of crude oil, 493.1 billion cubic meters of natural gas and 1,459 million tons of coal. There were 31 geological environmental monitoring stations, which made successful forecasts on 83 geological disasters.

VI. Investment in Fixed Assets

Investment in fixed assets kept fast growth. Driven by central government's active fiscal policy and other policies on expanding domestic demand, investment in fixed assets reversed the trend of significant slow-down of the growth rate in the previous year and showed the momentum of fast growth. The completed investment in fixed assets of the country in 2000 was 3,261.9 billion yuan, representing an increase of 9.3 percent over the previous year. In terms of different economic entities, the investment of state-owned units and other type of units was 2,328.4 billion yuan, up by 9.2 percent. That of collective units was 473.9 billion yuan, up by 9.2 percent over the previous year. The investment of urban and rural residents was 459.6 billion yuan, up 9.5 percent. Analyzed by purposes, investment in capital construction was 1,321.5 billion yuan, up by 6.1 percent, that in technical updating and transformation reached 507.7 billion yuan, up by 13.2 percent, and that in real estate development was 490.2 billion yuan, up by 19.5 percent. Other investment was 942.5 billion yuan, up by 7 percent.

Investment structure was adjusted to some extent. Among the investment in basic industry and infrastructure facilities, the investment in agriculture, forestry,

animal husbandry, fishery and water conservancy was 89.3 billion yuan, up by 8.0 percent. Investment in transportation, posts and telecommunications was 539.2 billion yuan, up by 7.2 percent. Investment in industry speeded up; the total complete investment for the whole year was 769.9 billion yuan, up by 9.3 percent. Some 6 high-tech industrialization key projects in the fields of information technology, biological technology and new materials had absorbed another 13.1 billion yuan worth of investment.

Due to the positive influence of the west development strategies set by the central government, investment in west areas increased rapidly. The investment in east and central areas was 1,401.5 and 543.2 billion yuan respectively, or up by 8.3 and 13.8 percent accordingly. The investment in west areas was 394.3 billion yuan, up by 14.4 percent, or 6.1 and 0.6 percentage points higher than that in east and central areas.

The preferential fiscal policies such as discount rate had spurred the investment in technical updating and transformation of enterprises and structural optimization. The share of investment in technical updating and transformation of the total investment rose from previous year's 15.0 percent to 15.6 percent. Of the investment in technical updating and transformation, the share of investment in saving energy and raw materials rose from 4.4 percent to 4.9 percent. The share of investment in improving product quality rose from 5.8 percent to 7.0 percent.

The newly-increased annual production capacity in 2000 through capital construction projects included: 15.95 million tons of coal mining, 19.61 million tons of oil extraction, and 3.3 billion cubic meters of natural gas extraction, 18.84 million kilowatts of power generation by large and medium-sized generators, 69.31 million kilovolt-amperes of power transformer equipment each with a capacity of or over 110,000 kilovolts. The year 2000 also saw the operation of 153 kilometers of new trunk railways, 662 kilometers of double-track railways, and 32,115 kilometers of newly constructed highways, including 4,562 kilometers of express highways; 29.46 million tons of cargo-handling capacity of coastal harbors; 25.66 million gates of the installed capacity of telephone switchboards; 300,000 kilometers of long distance optical-fiber cables; installed capacity of switchboards capable of accommodating 50.99 million digital cellular mobile phone subscribers.

V. Education and Science

In 2000, education development accelerated in the course of reform and adjustment. Higher education developed fast with breakthrough in the reform of management system. There were 1,041 general universities in China with 5.56 million enrolled undergraduate students, including 2.21 million new entrants; and 772 institutions of adult higher education, with 3.54 million enrolled students, including 1.56 million new entrants. There were 738 universities or institutions that offered courses leading to postgraduate degrees, with 301,000 enrolled graduate students, including 129,000 new entrants. Senior secondary education was enlarged. There were 12.01 million students studying in 14,600 ordinary senior secondary schools including 4.73 million new entrants, and 12.95 million students in secondary vocational or technical schools of various types including 4.25 million new entrants. Progress was achieved in the implementation of 9-year

entrants. Progress was achieved in the implementation of 9-year compulsory education program and the targets set for eliminating illiteracy among the youth and the mid-aged were basically met. The 9-year compulsory education programme covered 85 percent of the total population, and the illiteracy rate of the youth and the mid-aged was lower than 5 percent. Students enrolled in junior secondary schools totaled 62.56 million, the new entrants stood at 22.96 million with an enrollment rate of 88.6 percent. Pupils enrolled in primary schools numbered 130.13 million, and the new entrants were 19.46 million, with the enrollment rate of primary-school-age children being 99.1 percent. The drop-off rate of junior secondary school and primary school students was 3.21 percent and 0.55 percent respectively. There were 378,000 students in special education schools, with 53,000 new entrants. There were 22.44 million kids in kindergartens. Adult technical training schools offered courses to 96.42 persons. A total of 2.58 million people completed basic literacy courses in 2000.

Scientific and technical personnel developed steadily. By the end of 2000, China had 29.26 million professionals and technicians of all specialization working in state-owned enterprises and institutions, an increase of 0.75 percent over the figure at the end of 1999. A total of 2.81 million people were engaged in scientific and technological activities including 1.56 million scientists and engineers.

New progress was achieved in technical innovation. In 2000, the state organized 280 technical innovation projects and 1,329 key pilot production projects of new products. Another 101 key projects concerning the development and approval of major technical equipment were conducted. Cooperation between enterprises and universities and scientific research institutions was further strengthened. In 2000, some 4.6 million people from 400,000 enterprises and institutions participated in 140,000 projects characterized by such type of cooperation.

Scientific and technological undertakings made new achievements. In 2000, China gained 30,260 key scientific results, including 2,420 results in the field of basic theories, 26,020 results in applied technologies and 820 results for soft science. About 300 results received prizes from the state. A total of 170,690 applications for patent were received from domestic and overseas applicants, while 105,344 patents were authorized, up 27.2 percent and 5.2 percent respectively. Markets for the transfer of technology became more brisk. In 2000, a total of 265,000 contracts on the transfer of technology were signed, involving a transaction value of 63.0 billion yuan, up by 20 percent over the previous year.

New headway was scored in space technology. The year 2000 saw the successful launching of 6 satellites.

Further improvement was made in technical services such as quality inspection, standardization, metrology and weather forecast. By the end of 2000, there were altogether 5,500 institutions in China that were responsible for the inspection and supervision of the quality of manufactured products, including 230 state inspection centers. Surveys were conducted by authorized institutions to check the quality of 9,705 kinds of products of 235 categories from 8,142 enterprises. There were 59 quality authentication institutions, of which 23 were product authentica-

tion institutions, which provided product authentication service to 13,194 enterprises throughout the nation. There were altogether 4,505 authorized measurement inspection institutions, which enforced compulsory inspection on 40.69 million measuring instruments. A total of 1,087 national standards of various types were formulated or amended, including 196 state compulsory standards and 605 new state standards. There were 951 urban and rural weather forecast service and transmission stations, 315 satellite cloud map receiving stations, 1,234 seismology-monitoring stations and 27 remote monitoring network stations. Some 20.70 million records of marine data were collected through 927 marine monitoring spots. Surveying and mapping departments published 1,150 kinds of maps and 364 kinds of books.

