

CHINESE STATISTICAL COMMUNIQUE 2002

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In 2002, under the correct leadership of the Central Party Committee and the State Council, people of all nationalities of China held high the great banner of Deng Xiaoping Theory and implemented in full swing the important thought of "Three Represents". United efforts were made to work hard through innovations in a pioneering spirit and to overcome difficulties in the course of development. Main targets set forth for the economic and social development were met. The national economy maintained good momentum and a new high was scored in economic aggregates. The pro-active financial policy and sound monetary policy yielded notable results, bringing about a growing domestic demand. Initial results were achieved in the strategic structural reform of the economic system and progress was made in the optimization and upgrading of the industrial structure. Reforms in various fields deepened and China is opening wider to the outside world. New achievements were made in socialist democracy and legislation and in building up spiritual civilization. Overall progress was registered in education, science and technology, public health, sports and other social undertakings. The living standard of urban and rural households further improved along with the steady increase of their income.

I. General Outlook

The national economy maintained relatively fast growth. The gross domestic product (GDP) of the year topped the 10 trillion yuan level to reach 10,239.8 billion yuan, up by 8 percent over the previous year at comparable prices. The value-added of the primary industry was 1,488.3 billion yuan, up by 2.9 percent. The value-added of the secondary industry was 5,298.2 billion yuan, up by 9.9 percent. The value-added of the tertiary industry was 3,453.3 billion yuan, up by 7.3 percent.

The general price level declined by small margin. The general level of consumer prices in China of the year was down by 0.8 percent over the previous year. Of this total, the consumer price level in urban areas was down by 1 percent, and it was down by 0.4 percent in rural areas. Analyzed by price categories, the prices for commodities dropped by 1.3%, the producers' prices for manufactured goods dropped by 2.2%, and the purchasing prices for raw materials, fuels and power went down by 2.3 percent. The prices for investment in fixed assets were up 0.2 percent. Prices of service items in household consumption rose by 1.8%.

Figure 1: Gross Domestic Product Topped 10,000 Billion

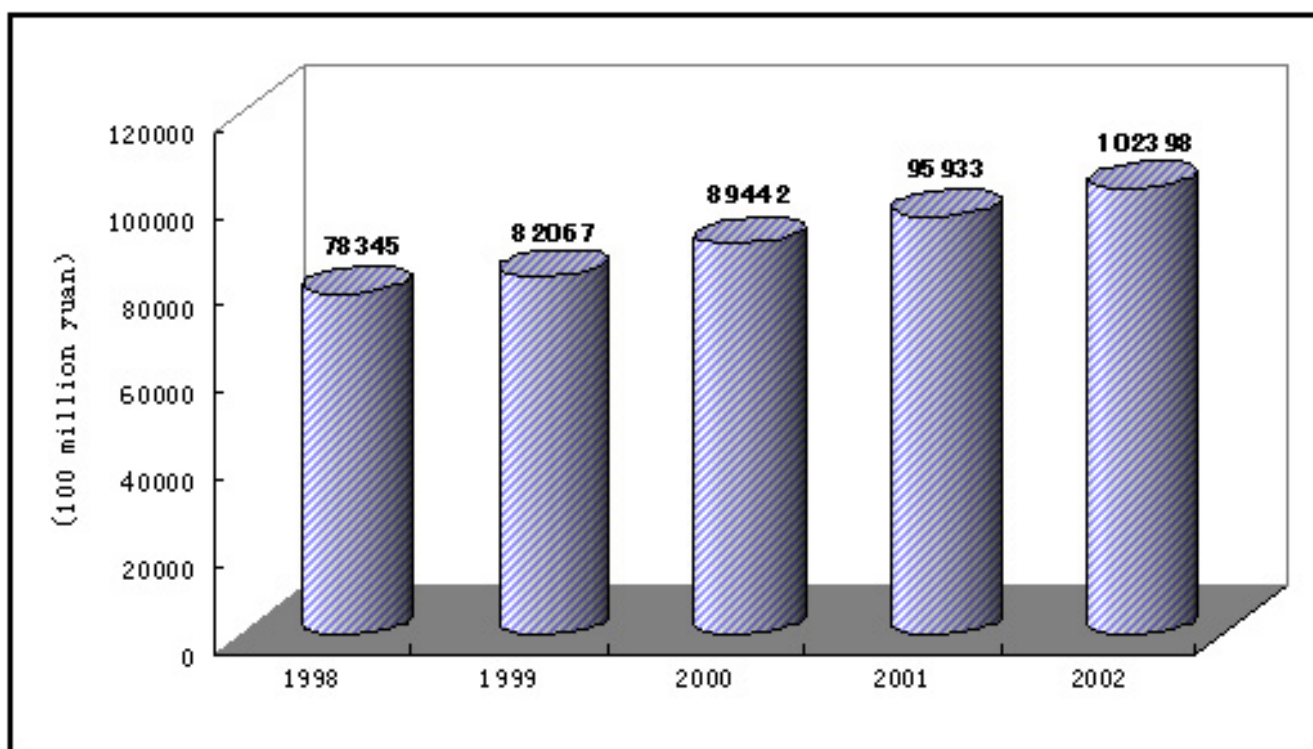


Table 1: Change in Consumer Prices over 2001 (%)

Item	National Average	Urban	Rural
	General level of consumer prices	-0.8	-1.0
Food	-0.6	-0.5	-0.7

of which: grain	-1.7	-1.7	-1.6
Tobaccos and alcohols	-0.1	-0.1	0
Clothing	-2.4	-2.7	-1.6
Household appliances and services	-2.5	-2.7	-2.2
Medical, health and personal articles	-1.2	-2.0	0.1
Transportation and telecommunications	-1.9	-2.0	-1.8
Recreational, educational, cultural articles and services	0.6	0.2	1.2
Housing	-0.1	-0.2	0.1

The size of employment continued to expand. By the end of 2002, the total of employed people in China numbered 737.40 million, or 7.15 million more than at the end of 2001. Of this total, 247.80 million were employed in urban areas, an increase of 8.40 million persons over that at the end of 2001. By the end of 2002, the number of laid-off workers of state-owned enterprises who were not re-employed was 4.10 million, or 1.05 million persons less than that at the end of 2001. The urban unemployment rate through unemployment registration was 4 percent at the end of 2002, up by 0.4 percentage points.

China's balance of payment was in good position. The trade surplus was 30.4 billion US dollars in 2002. The actually utilized foreign direct investment during the year was 52.7 billion US dollars, up by 12.5% over 2001. By the end of 2002, China's foreign exchange reserves reached 286.4 billion US dollars, an increase of 74.2 billion US dollars as compared with that at the end of the previous year. The exchange rate of RMB was stable, standing at 1 US dollar = 8.2773 RMB yuan at the end of the year.

Steady progress was made in the reform of economic system and in the structural adjustment. Competition through the market has taken initial shape in the once monopolies sectors by deepened reform of such sectors as telecommunications, civil aviation, power generation and supply. The reform and loss-reducing of enterprises in defense industry progressed smoothly. Reforms continued in the fields of government finance and taxation, banking, social security, and circulation systems for grain and cotton. Reform of the administrative procedures for examination and approval was pushed forward. Experiments in the reform of the tax and fee collection system in rural areas were gradually expanded and notable progress was made. Positive advancement was scored in the development of the western region, with accelerated progress in the construction of infrastructure and ecological environment. Agriculture production was reoriented towards regional concentration, quality improvement and industrialization. Adjustment of industrial structure was accelerated by expanding the share of industries with high or new technologies characterized by information technology. Innovation took place in domestic trade as is reflected by the rapid development of modern circulation and distribution systems.

Main problems that remained in economic performance included: the restraints on economic growth by insufficient effective demand and irrational supply structure, still high pressure for employment, problems in increasing farmers' income, the difficulties in the life of some urban and rural households, persistent market disorder, and occasional occurrence of serious accidents in production.

II. Agriculture

Structural adjustment for crop production was continued. To meet the changing market, the sown areas of grain was 103.99 million hectares, a decrease of 2.09 million hectares as compared with that in the previous year, and the sown areas of cotton was 4.18 million hectares, a decrease of 630,000 hectares. The sown areas of oil-bearing crops rose by 240,000 hectares to reach 14.87 million hectares, that of sugar crops increased by 150,000 hectares to reach 1.80 million hectares, and that for vegetables rose by 880,000 hectares to reach 17.28 million hectares.

The production of major farm crops increased, including grain, oil-bearing crops and sugar crops, the output of vegetables continued to grow with better variety and quality, while the production of cotton decreased due to significant reduction in the sowing acreage. The total output of grain in 2002 was 457.11 million tons, up by 1 percent over the previous year.

Steady progress was seen in animal husbandry and fishery. The total output of meat for the year reached 65.90 million tons, up by 4 percent. The total output of aquatic products was 45.13 million tons, up by 3 percent.

Table 2: Output of Major Farm Products

Item	Output (10,000 tons)	Increase over 2001 (%)
Grain	45711	1.0
Summer crops	9877	-2.9
Early rice	3025	-11.0
Autumn crops	32809	3.5
Oil-bearing crops	2900	1.2
Peanuts	1495	3.7
Rapeseed	1053	-7.1
Cotton	492	-7.5
Sugar crops	10151	17.3
Sugarcane	8883	17.4
Beetroot	1268	16.4
Cured tobacco	213	3.9
Tea	74	5.7
Fruits	6809	2.3

Forestry and water conservancy made new progress. The total afforested area in 2002 was 7.47 million hectares, up by 51 percent. Of this total, the afforested area through "grain for green" projects was 5.4 million hectares. A total 3,576 kilometers of main embankment along the middle and lower reaches of Yangtze River and 982 kilometers of embankment along the lower reaches of the Yellow River were reinforced and came up to anti-flood standards. Over 900,000 hectares of land were converted into farmland with effective irrigation system, another 1.40 million hectares of land were guaranteed by water-saving irrigation system. Comprehensive land recovery program was applied to over 4 million hectares of once eroded areas.

III. Industry and Construction

Fast growth was registered in industrial production with improved linkage between production and sales. In 2002, the total value-added of the industrial sector was 4,593.5 billion yuan, up by 10.2 percent over the previous year. The value-added of industrial enterprises above designated size (i.e. all state-owned enterprises and those non-state-owned enterprises with an annual sales income over 5 million yuan) was 3,148.2 billion yuan, up by 12.6 percent. The sales ratio of industrial enterprises was 98 percent, or 0.3 percentage points higher than that in the previous year.

Table 3: Value-added of Industrial Sector

Item	Value-added (100 million yuan)	Increase over 2001 (%)
Industrial enterprises above designated size	31482	12.6
Of which: State-owned and state-controlled enterprises	16638	11.7
Of which: Collective enterprises	2769	8.6
Share-holding enterprises	11570	14.4
Enterprises invested by foreigners or investors from Hong Kong, Macao and Taiwan	8091	13.3
Of which: Light industry	12294	12.1
Heavy industry	19188	13.1

Adjustment of the structure of manufactured products made new progress. Fast growth was registered in the production of export-oriented products, high-tech products, and consumer products that suit the upgrading of consumption structure. The output value of new manufactured products increased by 24 percent over 2001, and the value of manufactured products shipped for export rose by 23.4 percent. The output of electronic and telecommunications products rose by over 25.9 percent, including PCs, mobile telephones, semi-conductor integrated circuits, color TV sets. The growth in the output of yarn, cloth, silk textiles and clothing ranged from 8.5 percent to 19.9 percent. The production of motor vehicles was up by 38.8 percent, with the production of cars rising by 55.2 percent. The output of steel and rolled steel went up by 19.7 percent and 19.6 percent respectively. Energy production in 2002 was encouraging, with 1,654 billion kilowatt-hours of electricity, up by 11.7 percent, 1.38 billion tons of coal, up by 18.9 percent, and 167 million tons of crude oil, up by 1.8 percent.

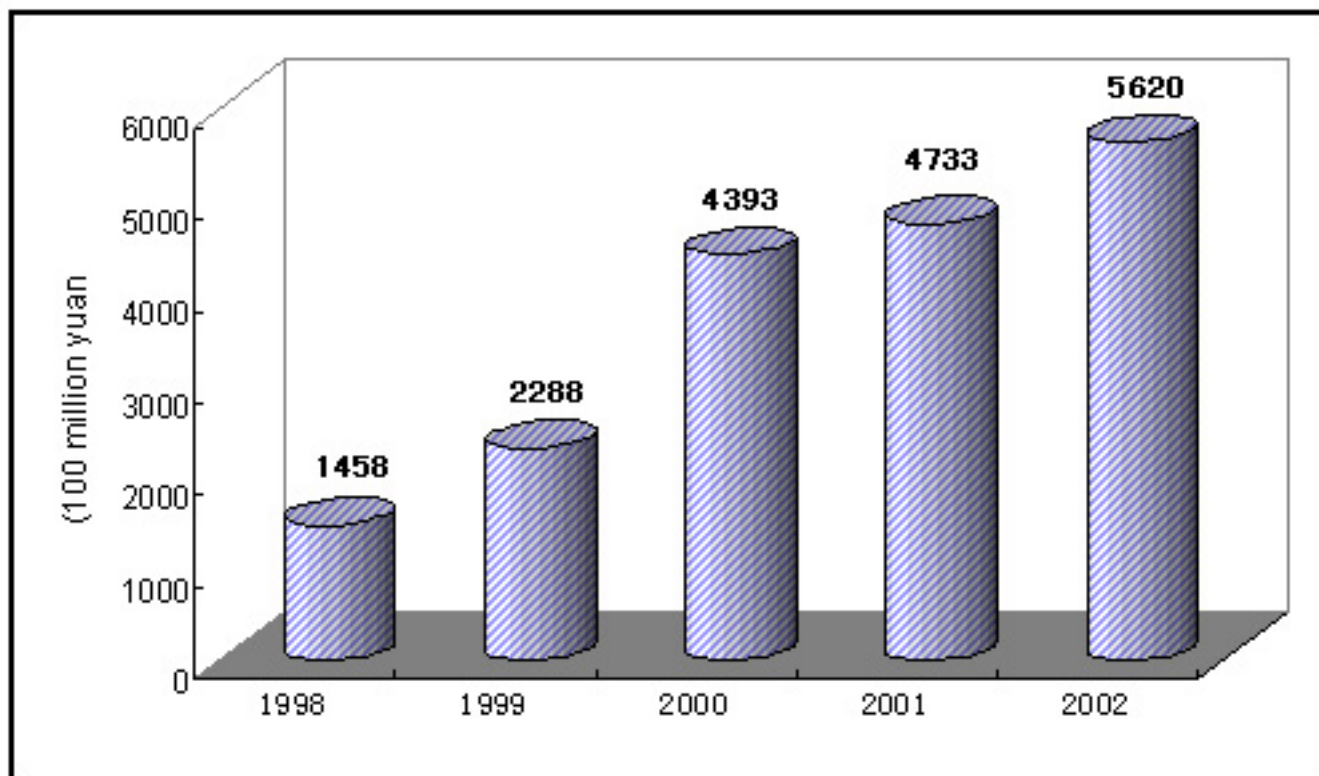
Table 4: Output of Major Industrial Products

Product	Unit	Output	Increase over 2001 (%)
Yarn	10000 tons	850	11.7
Cloth	100 million meters	322	11.2
Chemical fibers	10000 tons	991	17.8
Sugar	10000 tons	926	41.8
Cigarettes	10000 cases	3467	1.9
Color TV sets	10000	5155	25.9

Household refrigerators	10000	1599	18.3
Room air conditioners	10000	3135	34.3
Total energy production	100 million tons of standard coal equivalent	13.87	18.5
Coal	100 million tons	13.8	18.9
Crude oil	100 million tons	1.67	1.8
Electricity	100 million kilowatt-hours	16540	11.7
Steel	10000 tons	18155	19.7
Rolled steel	10000 tons	19218	19.6
Ten kinds of nonferrous metals	10000 tons	1012	14.5
Cement	100 million tons	7.25	9.7
Timber	10000 cubic meters	5035	10.6
Sulfuric acid	10000 tons	3050	13.3
Soda ash	10000 tons	1033	13.0
Ethylene	10000 tons	543	13.0
Chemical fertilizers (100 percent equivalent)	10000 tons	3791	12.1
Power-generating equipment	10000 kilowatts	2121	58.3
Motor vehicles	10000	325.1	38.8
Cars	10000	109.2	55.2
Large & median tractors	10000	4.5	18.9
Integrated circuits	100 million pieces	96.3	51.4
Program-controlled switchboards	10000 lines	5861	-38.5
Mobile telephones	10000	11960	48.9
Fax machines	10000	297	-6.6
Micro-computers	10000	1464	50.1
Optical telecommunications facilities	10000 sets	6.5	-16.6

The profits of industrial enterprises maintained fast growth following the high increase over the past consecutive years. The total volume of profits reached 562 billion yuan during the year, up by 20.6 percent over 2001 on comparable basis. Of the total, the profits of state-owned and state-controlled enterprises stood at 263.6 billion, up by 15.3 percent.

Figure 2. Historical High of Profits by Industrial Enterprises Above Designated Size



Production and profits of construction enterprises continued to grow. In 2002, the value-added of construction enterprises in China was 704.7 billion yuan, up by 8 percent over the previous year. The profits made by construction enterprises with Grade IV or higher qualification reached 33.6 billion yuan, up by 14 percent, and the taxes they paid stood at 53.2 billion yuan, up by 6.6 percent.

IV. Investment in Fixed Assets

Investment in fixed assets kept fast growth. The completed investment in fixed assets of the country in 2002 was 4,320.2 billion yuan, exceeding 4 trillion yuan for the first time, up 16.1 percent over the previous year, representing the highest growth rate since 1996.

Figure 3: Continued Expansion of Investment in Fixed Assets

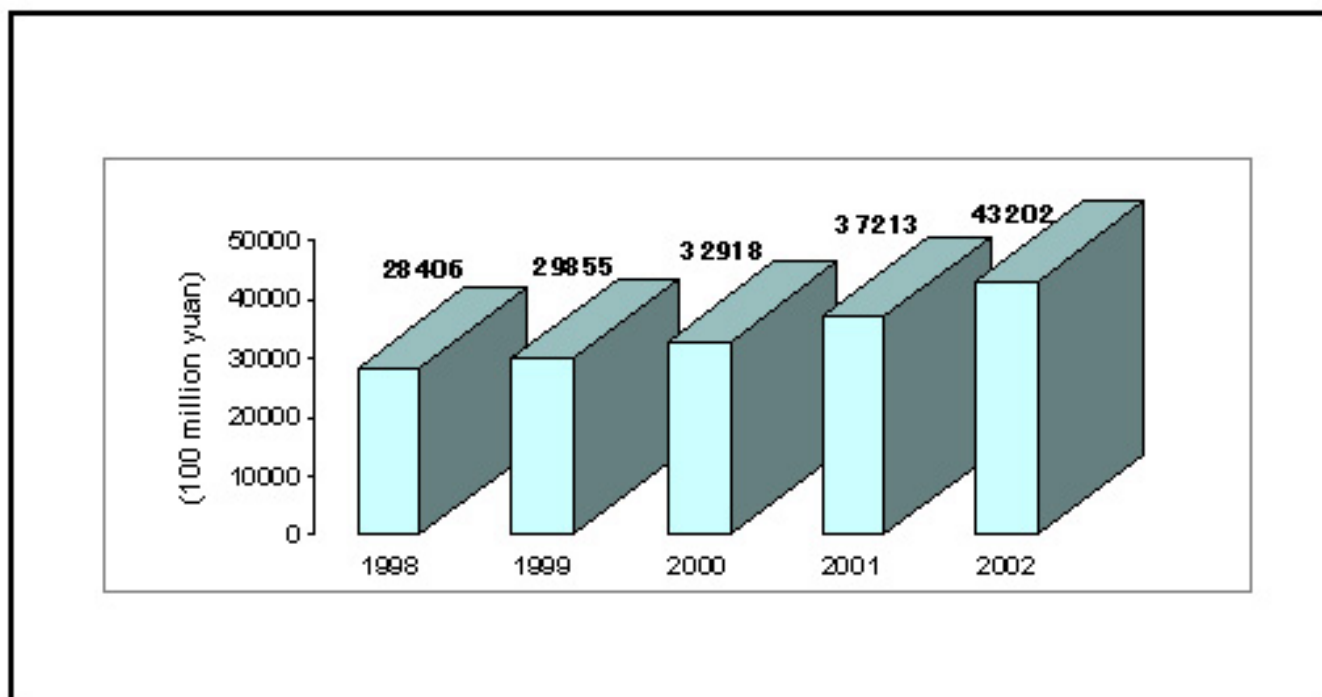


Table 5: Investment in Fixed Assets

Item	Volume (100 million yuan)	Increase over 2001 (%)
Investment in fixed assets	43202	16.1
Of which : State-owned units and others	31020	17.0
Collective units	5901	11.8
Urban and rural individuals	6280	15.7
Of which : Capital construction	17251	16.4
Technical updating and transformation	6584	11.1
Real estate development	7736	21.9

Overall growth was seen in investment in eastern, central and western areas in China. Of the total investment of state-owned units and units with other types of ownership, the investment in eastern areas was 1,845.6 billion yuan, up 16.2 per cent over the previous year, or 2.9 percentage points higher; that in central areas was 758.0 billion yuan, up 20 per cent, or 3.7 percentage points higher; and that in western areas was 567.2 billion yuan, up 20.6 per cent, or 1.3 percentage points higher.

Investment structure was further improved. In 2002, the investment in the primary industry was 110.6 billion yuan, up by 23.5 per cent over the previous year, representing the feature of recovery. Investment in the secondary industry was 1,070.3 billion yuan, up by 22.9 per cent, showing the trend of accelerated growth. Invest-

ment in the tertiary industry kept fast growth, with a total completed investment of 2,113.2 billion yuan for the whole year, up by 14.4 percent.

Table 6: Newly Increased Production Capacity Through Investment in Capital Construction in the Past 5 Years

Item	Unit	1998	1999	2000	2001	2002	Total of 1998-2002
Power generating capacity of large and medium-sized generators	10,000kw	1839	1891	1934	1516	1165	8345
Power transformer equipment with a capacity of over 110,000 kilo-volts	10,000 kilo-volt-amperes	3836	3935	4285	5319	4722	22097
New trunk railways put into operation	Kilometer	1105	1242	655	1246	1696	5944
Double-track railways put into operation	Kilometer	590	1311	698	1504	500	4603
Electrified railways put into operation	Kilometer	988	616	554	2680	866	5704
Newly constructed highways	Kilometer	45677	41978	48069	35855	30796	202375
Of which: Express highways	Kilometer	1663	2639	4467	3149	5545	17463
Newly increased cargo-handling capacity of 10000-ton berths at harbors	10,000 tons	1277	2160	3633	5813	1547	14430
Newly installed capacity of telephone switchboards	10,000 gates	2554	1523	2480	4997	2792	14346
Newly increased length of optical-fiber cables	10,000 km	16	11	43	61	63	194
Newly increased capacity of digital cellular mobile phone switchboards	10,000	1969	3426	6033	9097	5205	25730

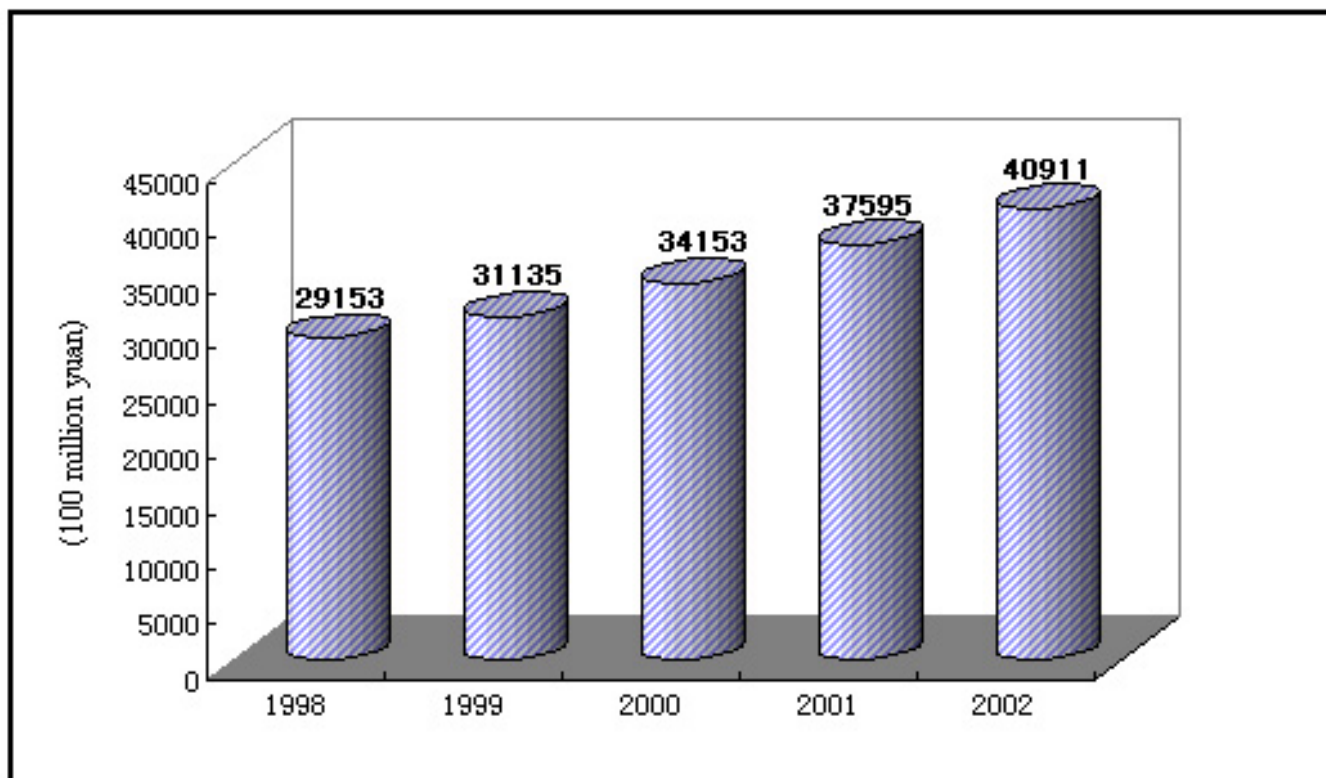
The construction of key projects progressed smoothly, including the successful damming of the headrace and the completion of the principal part of the main dam on the left side of the Three Gorges Project;; the smooth progress of the construction of Qinghai-Tibet railway; the outspread of the southern channel of the West-East electricity transmission project with advancing in the central channel and speeding up of construction in the northern channel; and the start of the West-to-East natural gas transmission project and the South-to-North water diversion project. New headway was made in technical updating and transformation of enterprises, which played an important role in structural adjustment.

V. Domestic Trade

Sales of consumer goods at domestic market increased steadily. In 2002, the total retail sales of consumer goods topped 4 trillion yuan to reach 4,091.1 billion yuan, up 8.8 percent over the previous year. Of this total, the retail sales of consumer goods in urban areas reached 2,589.8 billion yuan, up 10 percent, and the retail sales of consumer goods at and below county level was 1,501.3 billion yuan, up 6.8 percent. In terms of different sectors, the sales of the wholesale and retail industry reached 2,786.0 billion yuan, up 9.2 percent, the sales of the catering industry was 509.2 billion yuan, up 16.6 percent, and the sales of other industries was 795.9 billion yuan, up 3.2 percent. The real growth of total retail sales of consumer goods was 10.2 percent if price factor was taken into consideration.

Telecommunications, motor vehicles and related products had shaped new hotspots in consumption, and the sales of household electric and electronic appliances were brisk. The total retail sales of telecommunication equipment by wholesale and retail enterprises above designated size was up by 69.2 percent over the previous year; that of motor vehicles was up by 73 percent; electric and electronic appliances for household use was up by 14.6 percent.

Figure 4: Steady Growth of Total Retail Sales of Consumer Goods



VI. Foreign Economic Relations

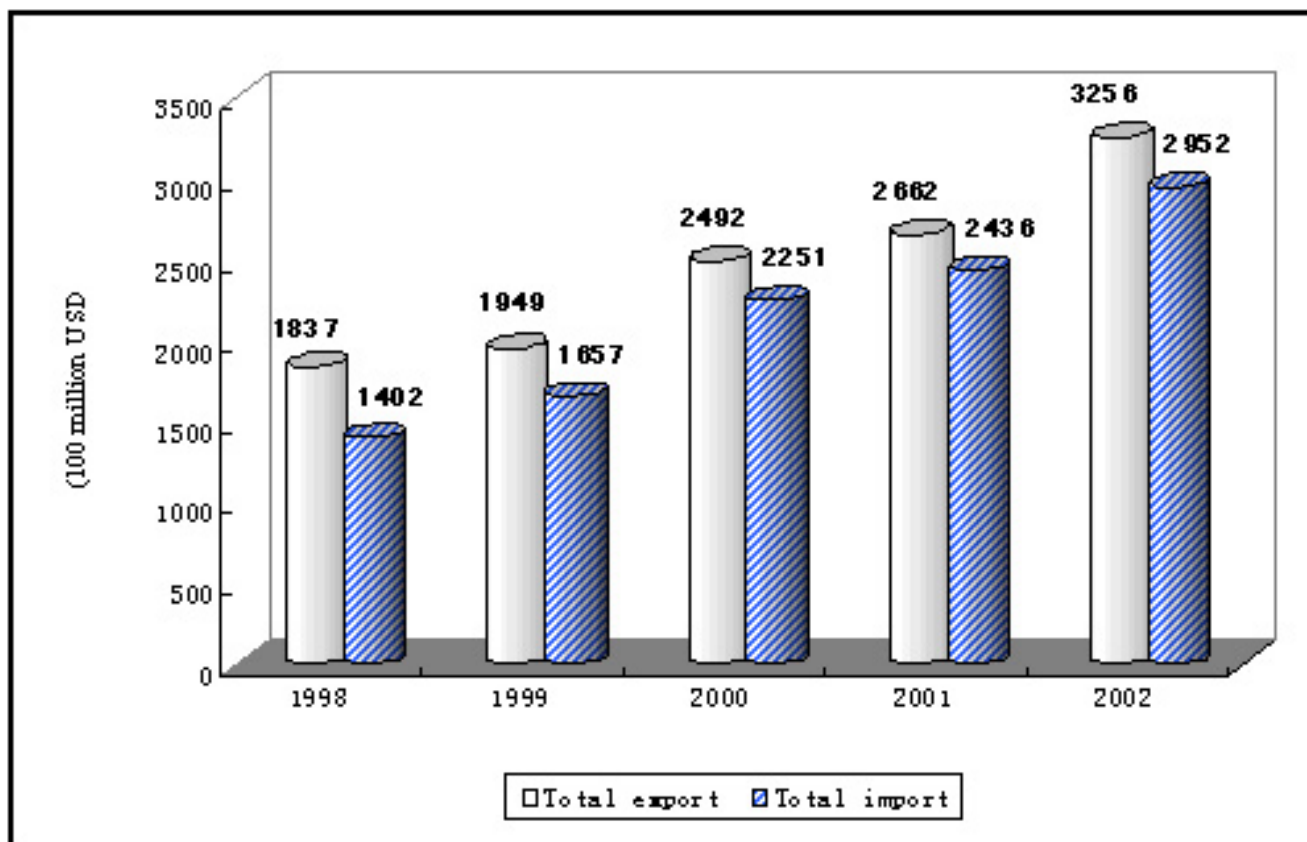
Rapid growth was registered in foreign trade. Total value of import and export in 2002 reached 620.8 billion US dollars, up 21.8 percent over the previous year. The value of export was 325.6 billion US dollars, up 22.3 percent, and the value of import was 295.2 billion US dollars, up 21.2 percent.

Table 7: Import and Export by Major Categories

Item	Volume (100 million USD)	Increase over 2001 (%)
Total export	3256	22.3
Of which: General trade	1362	21.7
Processing trade	1799	22.0
Of which: Mechanical and electrical products	1571	32.3
High and new-tech products	679	46.1
Total import	2952	21.2
Of which: General trade	1291	13.8
Processing trade	1222	30.1
Of which: Mechanical and electrical products	1556	29.1
High and new-tech products	828	29.2

Growth of different degrees was seen in exports to major trade partners. In 2002, China's export to the United States was 70.0 billion US dollars, up 28.9 percent over the previous year; to Hong Kong SAR, 58.5 billion US dollars, up 25.6 percent; to Japan 48.4 billion US dollars, up 7.8 percent; to European Union countries 48.2 billion US dollars, up 17.9 percent; to ASEAN countries 23.6 billion US dollars, up 28.3 percent; to the Republic of Korea 15.5 billion US dollars, up 23.8 percent; to Taiwan Province 6.6 billion US dollars, up 31.7 percent; and to Russian 3.5 billion US dollars, up 29.9 percent.

Figure 5: Notable Increase in Imports and Exports



Foreign direct investment increased steadily. In 2002, the contracted foreign capitals through foreign direct investment stood at 82.8 billion US dollars, up 19.6 percent, and the foreign capitals actually utilized were 52.7 billion US dollars, up 12.5 percent.

Foreign economic and technical cooperation maintained good momentum. In 2002, the accomplished business revenue through contracted projects and labor contracts was 14.4 billion US dollars, up 18.2 percent. The value involved in the new contracts signed was 17.9 billion US dollars, up 8.7 percent.

VII. Transportation, Post, Telecommunications and Tourism

Continued steady growth was scored in transportation, posts and telecommunications. In 2002, the value-added of the sector reached 551.8 billion yuan, up 7.7 percent over the previous year.

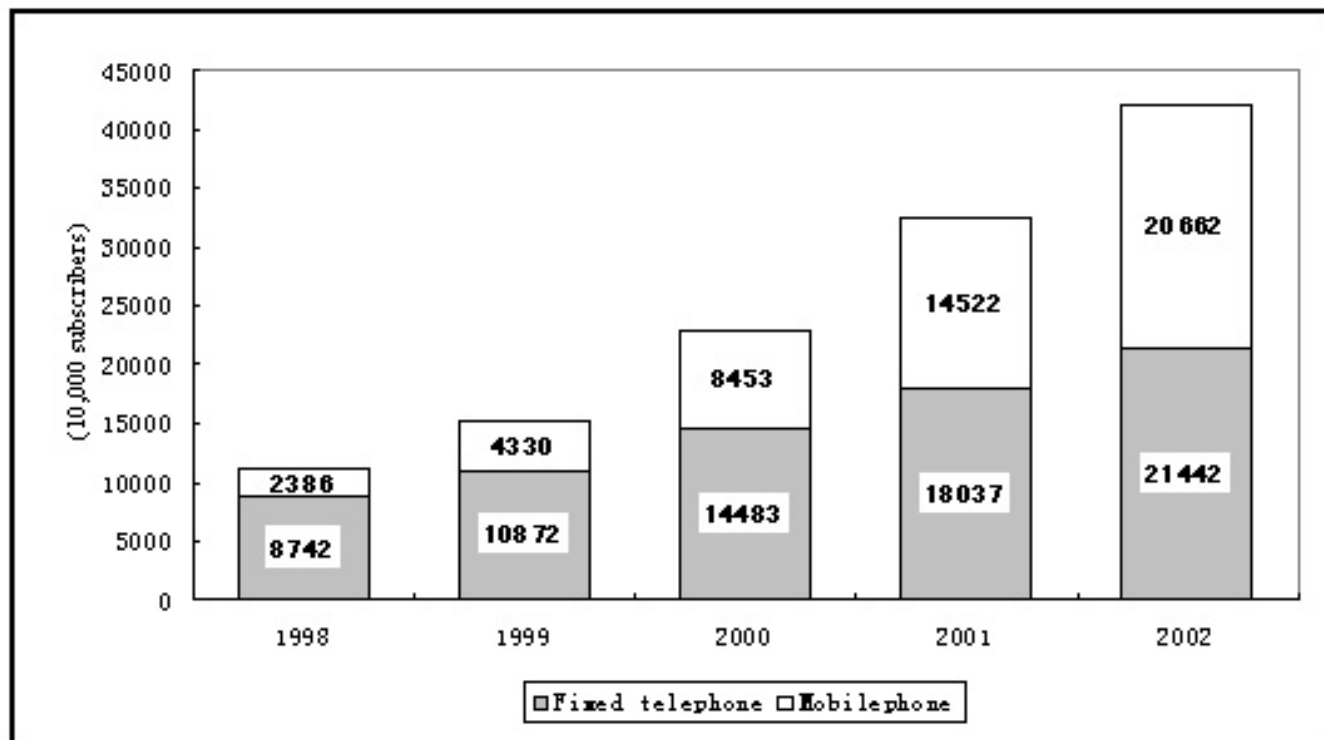
Table 8: Traffic Volume Completed by Various Transportation Means

Item	Unit	Volume	Increase over 2001 (%)
Freight traffic	100 million ton-km	49387	3.8

Of which: Railways	100 million ton-km	15477	6.2
Highways	100 million ton-km	6704	5.9
Waterways	100 million ton-km	26481	1.9
Civil aviation	100 million ton-km	51.5	17.9
Passenger traffic	100 million person-km	13966	6.2
Of Which: Railways	100 million person-km	4969	4.2
Highways	100 million person-km	7643	6.0
Waterways	100 million person-km	85	-5.6
Civil aviation	100 million person-km	1269	16.2
Volume of cargo handled at coastal ports	100 million tons	26.8	11.6
Of which: Cargo for foreign trade	100 million tons	7.6	17.0

The business transactions of postal and telecommunication services in 2002 totaled 554.7 billion yuan, up 21.7 percent over the previous year. Of this total, that of postal services stood at 49.5 billion yuan, up 8.2 percent; that of telecommunication services was 505.2 billion yuan, up 23.2 percent. By the end of 2002, the total capacity of office exchanges reached 283.58 million gates, including 27.92 million gates of newly increased capacity during the year. Fixed telephone subscribers reached 214.42 million with 34.05 million new subscribers. Of this total, 135.95 million were urban subscribers and 78.47 million were rural subscribers. By the end of 2002, the total telephone subscribers and mobile telephone users numbered 421.04 million in China, an increase of 95.45 million as compared with that at the end of previous year. There were 33.7 telephones per 100 persons in China.

Figure 6: Rapid Growth of Telephone Subscribers (Year-end Figures)



Tourism developed continuously. The year 2002 saw 877.82 million domestic tourists, up 12 percent over the previous year. Income from domestic tourism stood at 387.8 billion yuan, up 10.1 percent. In 2002, China received 97.91 million visitors from overseas, up 10 percent. Of all visitors to China, 13.44 million were foreigners, up 19.7 percent; 84.47 million were Chinese compatriots from Hong Kong, Macao and Taiwan, up 8.6 percent. Of all the tourists from overseas, 36.80 million stayed in China for at least one night, up 11 percent. Income of foreign exchange from international tourism reached 20.4 billion US dollars, up 14.6 percent. A total of 16.60 million Chinese went abroad in the year 2002, up 36.8 percent over the previous year, including 10.06 million for private visits, up 44.9 percent and representing 60.6 percent of all out-going visitors.

VIII. Banking, Security and Insurance

Money supply registered rapid increase. By the end of 2002, the money supply of broad sense (M2) was 18,500.7 billion yuan, up 16.8 percent over the previous year, and that of narrow sense (M1) was 7,088.2 billion yuan, up 16.8 percent. The cash in circulation (M0) amounted to 1,727.8 billion yuan, up 10.1 percent.

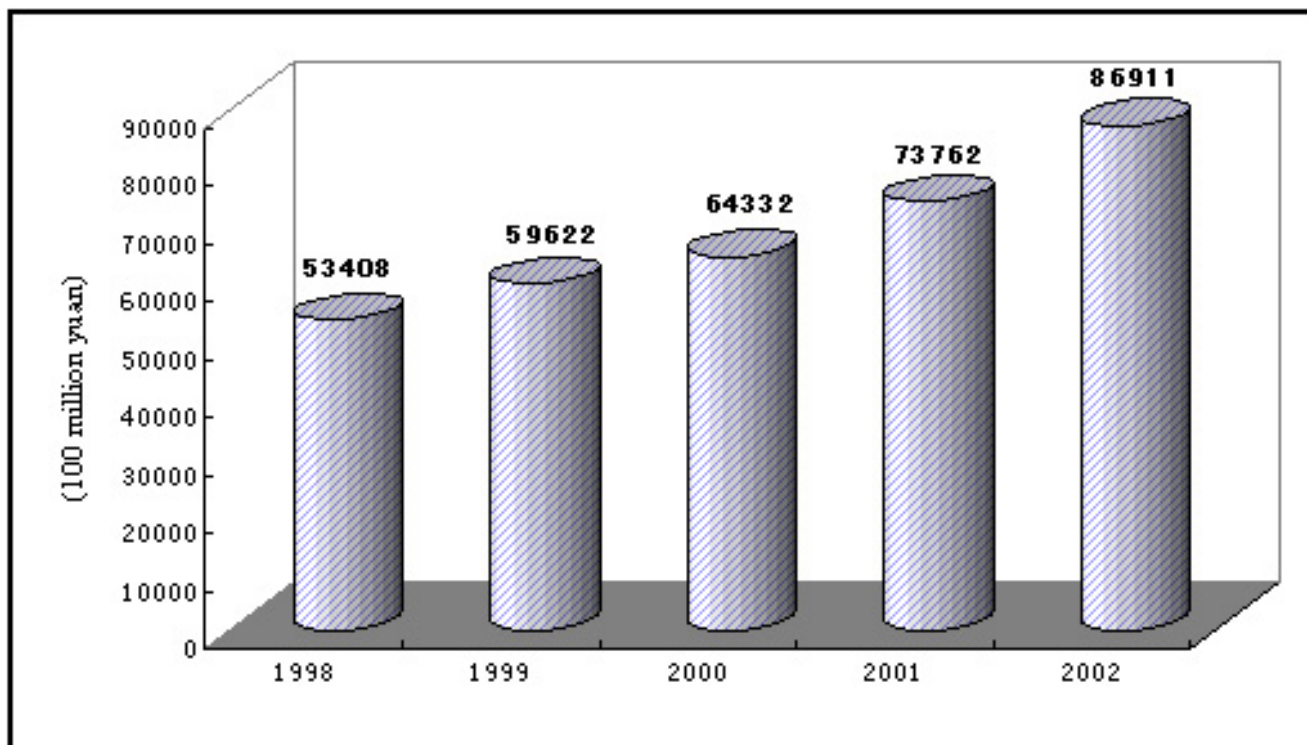
Savings deposits and loans of financial institutions increased by a large margin. The savings deposit in Renminbi and foreign exchange in all financial institutions at the end of 2002 totaled 18,338.8 billion yuan, up 18.1 percent. The loans in Renminbi and foreign exchanges in various forms in all financial institutions reached 13,980.3

billion yuan, up 15.4 percent on comparable basis. The structure of loans continued to improve. The loans by rural credit cooperatives stood at 1,394.0 billion yuan, an increase of 195.3 billion yuan. The consumption loans totalled 1,066.9 billion yuan, an increase of 369.4 billion yuan, of which, the loans for individual housing were 825.8 billion yuan, an increase of 267.1 billion yuan.

Table 9: Savings Deposits and Loans in Renminbi and Foreign Currencies of All Financial Institutions

Item	Year-end figure (100 million yuan)	Increase over 2001 (%)
Savings deposits	183388	18.1
Of which: By enterprises	64299	15.3
By urban and rural residents	94307	17.1
Of which: Deposits in Renminbi	86911	17.8
Loans	139803	15.4
Of which: Short-term	76822	9.9
Medium and long-term	51732	23.2

Figure 7: Significant Increase of Savings Deposits in RMB by Urban and Rural Residents



In 2002, funds raised through issuing stocks and share rights at Shanghai and Shenzhen stock exchanges were 96.2 billion yuan, a decrease of 29.0 billion yuan over the previous year. Of this total, 102 companies issued A shares (including

newly issued and convertible loan stock) and another 22 companies issued A shares rights at Shanghai and Shenzhen stock exchanges, with capital paid-in topped 78.0 billion yuan, a decline of 40.2 billion over 2001. The issue of 16 B shares and H shares helped to draw 18.2 billion yuan worth of foreign capital, an increase of 11.2 billion yuan. The number of listed companies (with A or B shares) in China's stock markets rose from 1,160 at the end of 2001 to 1,224 at the end of 2002, worth of 3,832.9 billion yuan, down by 11.9 percent.

In 2002, the insurance premium of domestic and foreign insurance companies totaled 305.3 billion yuan, up 44.3 percent over the previous year. Of this total, the premium of life insurance was 195.7 billion yuan, that of health and unforeseen accident insurance was 31.8 billion yuan, and that of property insurance was 77.8 billion yuan. The insurance companies paid an indemnity of 70.7 billion yuan as reparations in insurance programs, of which the indemnity of life insurance was 22.5 billion yuan, and that of health insurance was 5.0 billion yuan. Another 43.2 billion yuan was paid as reparations in property and unforeseen accident insurance programs.

IX. Education, Science and Technology

Education of all levels and forms made further development. There were 9.03 million enrolled undergraduates in general universities, including 3.21 million new entrants. Institutions of adult higher education had 5.59 million enrolled students, including 2.22 million new entrants. There were 500,000 enrolled postgraduates in universities or research institutes, including 200,000 new entrants. There were 16.84 million students in general senior secondary schools including 6.67 million new entrants, and 11.97 million students in secondary vocational or technical schools of various types, including 4.70 million new entrants. Students enrolled in junior secondary schools totaled 66.87 million, including 22.81 million new entrants, and 19.04 million were graduated. Pupils enrolled in primary schools numbered 121.57 million, including 19.53 new entrants, and 23.52 were graduated. There were 371,000 students in special education schools, with 53,000 new entrants. Kindergartens accommodated 20.36 million kids.

Table 10: New Entrants and Graduates in Five Years

Unit: 10,000 persons

Item	1998	1999	2000	2001	2002	Total of 1998-2002
Entrants						
Postgraduates	7.3	9.2	12.8	16.5	20.3	66.1
General Universities	108	160	221	268	321	1078
Adult Education	100	116	156	196	222	790
Secondary Vocational Schools	520	473	411	400	470	2274

General Senior Secondary Schools	360	396	473	558	677	2464
Graduates						
Postgraduates	4.7	5.5	5.9	6.8	8.1	31.0
General Universities	83	85	95	104	134	501
Adult Education	83	89	88	93	118	471
General Senior Secondary Schools	252	263	302	341	384	1542

Significant progress was made in R&D activities and in their industrialization. In 2002, the expenditure on R&D for the whole country was 116.1 billion yuan, up 11.3 percent over 2001, accounting for 1.1% of the GDP. Of this total, 7.4 billion yuan was used for basic researches. China had 28.48 million professionals and technicians of all specializations working in state-owned enterprises and institutions at the end of the year. China implemented 219 projects under the National Key Technologies R&D Program and 1812 projects under the Hi-Tech Research and Development Program (863 Program), organized 1318 projects under the China Innovation Fund and 1288 projects under the National New Products Program, and completed the development and evaluation of 105 projects of major technical equipment. A total of 347 demonstration projects were launched for the industrialization of the Hi-Tech research outcomes. A total of 29,000 accomplishments were made at and above the provincial or ministerial levels, including 2,000 accomplishments in basic researches, 25,700 accomplishments in applied researches, and 1,300 accomplishments in soft science researches. A total of 252,632 patent applications were received from domestic and overseas applicants, while 132,401 patents were authorized, up 24 percent and 16 percent respectively. A total of 230,000 contracts on the transfer of technology were signed, involving a transaction value of 88.0 billion yuan, up by 12.5 percent over 2001. Important breakthroughs were made in the areas of IT, biotechnology and manned space technology, represented by the successful development of the CPU chip "Dragon I", remarkable achievements in the genetic code of rice and the successful launching and returning of the spacecraft Shenzhou III and Shenzhou IV.

Comprehensive technical services further improved. There were altogether 5,500 institutions in China responsible for the inspection of the quality of manufactured products, including 240 national inspection centers. There were 122 institutions involved in the certification of product quality and systems, which accumulatively certified products from 46,000 enterprises. There were altogether 4,770 authorized measurement inspection institutions, which enforced compulsory inspection on 31.05 million measuring instruments in 2002. A total of 1,049 national standards were formulated or revised, including 514 new standards. There were 256 meteorological observatories with radar installations and 356 satellite cloud map receiving stations. There were 1,305 seismological monitoring stations and 35 remote monitoring network stations. There were 1,505 marine monitoring spots. Surveying and mapping departments published 1,552 kinds of maps and 340 kinds of books.

Some 156 new mineral deposits of large or medium scale were discovered through national land resources surveys and geological surveys. Increased reserves were found for 43 minerals, including 1,050 million tons of crude oil, 441.1 billion cubic meters of natural gas and 760 million tons of coal. There were 31 provincial geological environmental monitoring stations, which made successful forecasts on 703 geological disasters.

X. Culture, Public Health and Sports

Fairly fast development continued in cultural and art undertakings, in broadcasting, movie and television programs and in news and publishing undertakings. At the end of year, there were 2,592 art-performing groups, 2,847 culture centers, 2,689 public libraries and 1,451 museums in China. There were 306 broadcasting stations, 770 medium and short wave radio transmitting and relaying stations and 360 television stations throughout China. The cable television users reached 96.38 million. China produced 100 feature movies and 69 scientific, educational, documentary or cartoon films. National and provincial newspapers issued 23 billion copies; magazines, 3 billion copies; and books, 6.8 billion copies. There were 3,902 archives in China where 49.08 million documents were made accessible to the public.

Table 11: Radio Broadcasting, Television and Publications in Five Years

	Unit	1998	1999	2000	2001	2002
Radio coverage	%	88.3	90.5	92.5	92.9	93.2
TV coverage	%	89.0	92.0	93.7	94.2	94.5
Magazines	100 million	25.4	28.5	29.4	28.9	29.6
Books	100 million	72.4	73.2	62.7	63.1	67.5

Stable progress was made in public health undertakings. At the end of the year, there were 290,000 health care institutions in China, including 65,000 hospitals and health care stations, with a total of 3.21 million beds, 2.20 million of which in hospitals and health care stations; and 4.44 million health workers, including 2.11 million doctors and 1.30 million senior and junior nurses. China had 5,687 epidemic/disease prevention stations employing 220,000 health workers, and 3,047 maternal and child health-care institutions employing 140,000 health workers. There were 48,000 health-care institutions at township level in rural areas, with 750,000 beds and 1.03 million health workers. Rural villages with medical care stations made up 89.8 percent of all villages in China, employing 1.29 million rural doctors and health workers.

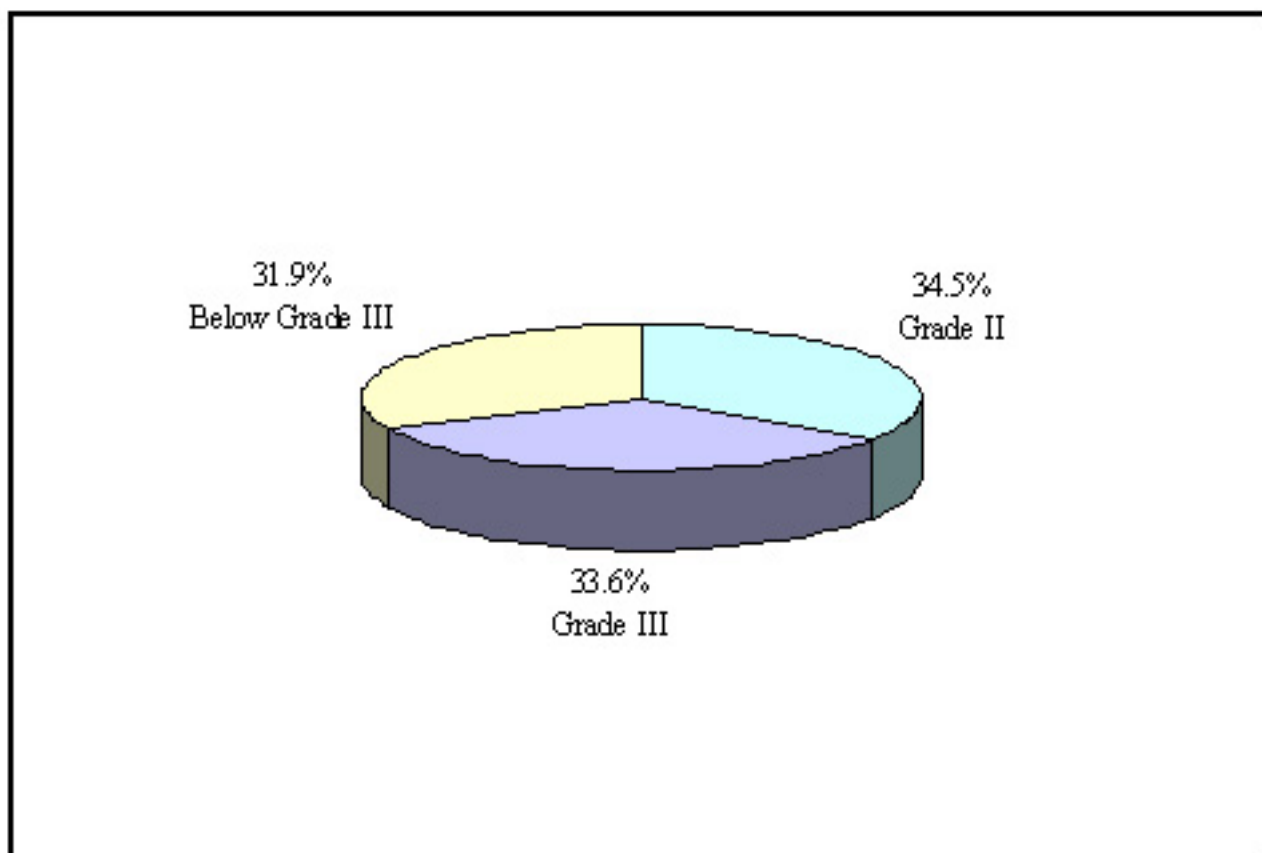
Vigorous development was scored in sports. In 2002, Chinese athletes won 110 world championships at domestic and international sports games. Seventeen athletes and 5 teams broke 29 world records on 33 occasions, 14 athletes and 11 teams broke 24 Asian records on 25 occasions. At the 14th Asian Games, China

won 150 gold medals, 84 silver medals and 74 bronze medals, keeping its first place in terms of gold medals and all medals.

XI. Environment Protection

The air quality in the urban areas picked up gradually. Among the 339 cities under the environment monitoring program, the air quality of 117 cities met Grade II, accounting for 34.5 percent of all, up by 1.1 percentage points over the previous year; 114 cities met Grade III, accounting for 33.6 percent, equal to the previous year; and the rest 108 cities failed to meet Grade III, accounting for 31.9 percent, or down by 1.3 percentage points. Among 322 cities that were under road noise monitoring program, 5 percent had serious noise pollution; as for the 315 cities that were under area noise monitoring program, 52.1 percent of the cities had less noise pollution than the set standard for urban living areas. There were 3,369 smoke/dust control zones established, covering an area of 23,000 square kilometers; and there were another 3,128 zones covering 15,000 square kilometers, where the noise pollution was controlled within the standard.

Figure 8: Air Quality in Monitored Cities



The quality of the ground water made some improvement. In the mainstreams of the seven main river systems, 52.9 percent of the measured sections met National

Grade III, up by 1.2 percentage points over the previous year; 19.0 percent met Grade IV, down by 7.1 percentage points; 7.8 percent met Grade V, down by 5 percentage points; and 20.3 percent failed to meet Grade V, up by 10.9 percentage points. The water quality of the offshore marine areas tended to improve. Out of the 381 offshore monitoring points, 21.3 percent of the points reported that the marine water quality reached National Grade I, up by 7.9 percentage points, 28.3 percent reached Grade II; 14.4 percent reached Grade III; 8.9 reached Grade IV, and the remaining 27.1 percent exceeded Grade IV.

The protection of the ecological system was further enhanced. There were 82 national ecological demonstration zones involving 314 pilot areas or units. China had 1,757 natural reserves including 188 national reserves. The reserves cover 132.95 million hectares or 13.2 percent of the total land areas of the country.

XII. Population, People's Life and Social Securities

The natural growth rate of population continued to decline. At the end of 2002, the total population of China was 1,284.53 million. The year 2002 saw 16.47 million births with a crude birth rate of 12.86 per thousand, and 8.21 million deaths with a crude death rate of 6.41 per thousand. The net growth of population in 2002 was 8.26 million, representing a natural growth rate of 6.45 per thousand.

Table 12: Composition of Population

	Population at end of year (10,000)	Percentage
National Total	12,845.3	100.0
Of which: Urban	5,021.2	39.1
Rural	7,824.1	60.9
Of which: Male	6,611.5	51.5
Female	6,233.8	48.5
Of which: 0-14 years	2,877.4	22.4
15-64 years	9,030.2	70.3
65 years and over	937.7	7.3

The living standard of urban and rural population continued to improve. The annual per capita disposable income of urban households was 7,703 yuan in 2002, a real increase of 13.4 percent with decline in prices taken into consideration. The per capita net income of rural households was 2,476 yuan, a real increase of 4.8 percent. The Engel coefficients (referring to the proportion of expenditures on food to the total consumption expenditures of households) were 37.7 percent for the urban households and 46.2 percent for the rural households, down by 0.2 percentage points and 1.5 percentage points respectively over the previous year. The popula-

tion in poverty in the rural areas was 28.20 million at the end of 2002, 1.07 million less than 2001.

Table 13: Improvement in People's Life in Five Years

	Unit	1998	1999	2000	2001	2002
Per capita disposable income of urban population	Yuan	5425	5854	6280	6860	7703
Per capita net income of rural population	Yuan	2162	2210	2253	2366	2476
Engel coefficient of urban households	%	44.5	41.9	39.2	37.9	37.7
Engel coefficient of rural households	%	53.4	52.6	49.1	47.7	46.2

The social security system was further consolidated. By the end of 2002, 147.31 million people participated in basic pension programs, including 111.28 million staff and workers and 36.03 million retirees. Some 14.34 million retirees received their pension through socialized network. A total of 101.82 million people participated in unemployment insurance programs while 4.4 million received payment from the programs, 1.27 million more than the previous year. The basic health insurance programs involved 94 million people, 17.7 million more than 2001. A national total of 20.54 million urban residents received the minimum income relief from the government.

The social welfare work continued to develop. There were 1.19 million beds in social welfare institutions of various types, accommodating for 890,000 inmates. Some 190,000 service facilities in the communities were established in urban areas, including 8,820 community service centers. In 2002, China sold 17 billion yuan worth of social welfare lottery tickets, collected 6 billion yuan of social welfare funds and received 1.2 billion yuan from direct donations.

Notes:

- 1) All figures in the Communiqué are preliminary statistics.
- 2) Statistics in the Communiqué do not include figures for Hong Kong SAR, Macao SAR and Taiwan Province.
- 3) Figures in value terms on gross domestic product and value-added quoted in the Communiqué are at current prices, whereas growth rates are calculated at comparable prices.
- 4) Newly increased production capacity figures with regard to the telephone switchboards, length of optical-fiber cables and digital cellular mobile phone switchboards include the capacity built through technical updating and transformation projects.
- 5) The value of business transactions of postal and telecommunication services was calculated at the constant prices of 2000.

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