



China Desk has been set up in EEPC Head Office at Kolkata. A number of articles containing general information including country profile, economic overview, bilateral trade etc. of China will be appearing in alternate issues of Info Bulletin. Members may kindly give their suggestions, valuable inputs.

## Country Profile – China

(Continued from Issue dated 24th August, 2005)

### Time Zone

Although China crosses all or part of five international time zones, it operates on a single uniform time, China Standard Time (CST; Greenwich Mean Time plus eight hours), using Beijing as the base. China does not employ a daylight savings time system.

### Currency and Exchange Rate

Chinese Money is called Renminbi (RMB) (means “People’s Currency”). The popular unit of RMB is Yuan. The official exchange rate between U.S. Dollar and Renminbi Yuan currently is about 1 : 8.3 (1.00 Dollar = 8.30 Yuan). 1 Yuan to 10 Jiao, 1 Jiao to 10 Fen (There are parts of China the Yuan is also known as Kuai and Jiao is known as Mao. Chinese currency is issued in the following denominations : one, two, five, ten, fifty and a hundred Yuan; one, two and five Jiao; and one, two and five Fen.

Fiscal Year – Calendar Year

### Natural Resources

China has substantial mineral reserves and is the world’s largest producer of antimony, natural graphite, tungsten, and zinc. Other major minerals are bauxite, coal, crude petroleum, diamonds, gold, iron ore, lead, magnetite, manganese, mercury, molybdenum, natural gas, phosphate rock, tin, uranium, and vanadium. With its vast mountain ranges, China’s hydropower potential is the largest in the world.

### Mining and Minerals

Mineral resources include large reserves of coal and iron ore, and there are adequate to abundant supplies of nearly all other industrial minerals. Besides being a major coal producer, China is the world’s fifth largest producer of gold and in the twenty-first century has become an important producer and exporter of rare metals needed in high-technology industries. The rare earth reserves at the Bayan Obi mine in Inner Mongolia are thought to be the largest in any single location in the world. Outdated mining and ore-processing technologies are being replaced with modern techniques, but China’s rapid industrialization requires imports of minerals from abroad. In particular, iron ore imports from Australia and the United States have soared in the early 2000s as steel production rapidly outstripped domestic iron ore production.

## China Economy

### Overview

In late 1978 China leadership began moving the economy from a sluggish, inefficient, Soviet-style centrally planned economy to a more market oriented system. Before 1978, China’s economy had a weak foundation in agriculture, and the ratio between light and heavy industries was unbalanced. Since 1978, China has adopted a series of policies and measures giving priority to the development of light industry, expanding the import of top-quality consumer goods, strengthening the construction of basic industry and facilities, and devoting major efforts to developing tertiary industry, so as to make China’s economic structure more coordinated, optimised and balanced. Actually the growth of secondary industry becomes the main engine of rapid development for China’s economy. The long-term goal of the Government is to quadruple GDP of 2000 by 2020.

### Economic Indicators

The first four columns provide the most recent quarterly data; the last three columns provide full year data. Percentage change is year-on-year, cumulative unless otherwise indicated, from the same period of the year before. Data is from Chinese sources unless otherwise indicated.

	05Q2	05Q1	04Q4	04Q3	2004	2003	2002
<b>Indicator</b>							
GDP Growth Rate (%)	9.5	9.4 <sup>vi</sup>	9.5	9.5	9.5	9.3 <sup>iii</sup>	8.0
GDP Quarterly Growth Rate (%) (Non-cumulative)	9.5	9.4	9.5	9.1			
Agriculture (%)	5.0	4.6	6.3	5.5	6.3	2.5	2.9
Industry (%)	11.2	11.1 <sup>vi</sup>	11.1	10.9	11.1	12.5	9.9
Services (%)	7.8	7.7 <sup>vi</sup>	8.3	8.5	8.3	6.7	7.3
<b>Per Capita Income</b>							
Urban Disposable Income Growth (%)	9.5	8.6	7.7	7.0	7.7	9.3	13.4
Urban per capita Disposable income (USD)	650.2	355.5	1140.0	855.7	140.0	1028.4	932.0



	05Q2	05Q1	04Q4	04Q3	2004	2003	2002
Rural net Income Growth (%)	12.5	11.9	6.8	11.4	6.8	4.3	4.8
Rural per capita Annual Net Income (USD)	191.9	117	355.2	255.3	355.2	317.2	299.6
<b>Trade</b>							
Export Growth (nominal %)	32.7	34.9	35.4	35.3	35.4	34.6	22.3
Import Growth (nominal %)	14.0	12.2	36.0	38.2	36	39.9	21.2
Total Exports (USD Bn)	342.3	155.9	593.4	416.2	593.4	438.4	325.6
Total Imports (USD Bn)	302.7	139.3	561.4	412.3	561.4	412.8	295.2
Foreign Exchange Reserves (USD Bn)	711.0	659.1	609.9	514.5	609.9	403.3	286.4
<b>Investment</b>							
Total Fixed Asset Investment (%)	25.4	22.8	25.8	27.7	25.8	26.7	16.1
State Sector Investment (%)	10.8	7.3	14.5	24.9	14.5	28.2	17.4
FDI, Contracted (USD Bn)	86.2	35.2	153.5	107.4	153.5	115.1	82.8
FDI, Actual (USD Bn)	28.6	13.4	60.6	48.7	60.6	53.5	52.7
<b>Inflation Indicators (% Change From Previous Year)</b>							
Consumer Price Index	2.3	2.8	3.9	4.1	3.9	1.2	-0.8
Retail Sales Price Index	1.1	1.6	2.8	3.0	2.8	-0.1	-1.3
Producer Price Index	5.6	5.6	6.1	7.9	6.1	2.3	-2.2
Corporate Goods Price Index (Non-cumulative)	3.7	3.5	5.3	9.6	5.3	2.3	-2.3

	05Q2	05Q1	04Q4	04Q3	2004	2003	2002
Retail Sales Real Growth	12.0	11.9	10.2	9.7	10.2	9.2	8.8 <sup>v</sup>
<b>Financial Indicators</b>							
Base Interest Rate (% 12 Month Working Capital Loan)	5.58	5.58	5.58	5.31	5.58	5.31	5.31
Money Supply (M2) (%)	15.7	14.0	14.6	13.9	14.6	19.6	16.8
Growth of Domestic Credit (%)	13.3	13.0	14.5	15.8	14.5	21.7	15.8
Growth of total Deposits (%)	16.8	15.6	15.3	15.2	15.3	20.2	18.5
<b>Fiscal Indicators</b>							
Budget Deficit (% GDP) <sup>ii</sup>	N/A	N/A	1.47	N/A	1.47	2.8	3.0
External Debt (% GDP) <sup>ii</sup>	N/A	N/A	13.86	N/A	13.86	13.74	13.6
Debt Service (% of Exports) <sup>iii</sup>	N/A	N/A	32.06	N/A	32.06	6.85	7.9
Gross Tax Revenue Growth (%)	13.4	20.4	25.7	26.3	25.7	20.3	12.1
<b>Social Indicators</b>							
Labour Force (Millions) <sup>ii</sup>	N/A	N/A	N/A	N/A	N/A	744.3	737.4
Unemployment (Official Urban Rate)	N/A	4.2	4.2	4.2	4.2	4.3	4.0

i. State sector investment includes the investment from both state-owned and "other" entities, including enterprises with mixed public-private ownership and Sino-foreign joint ventures.

ii. China releases these figures only on an annual basis.

iii. Revised from 9.1 per cent to 9.3 per cent on Oct. 14, 2004.

iv. Revised from 9.7 per cent to 9.8 per cent on May 17, 2004.

v. Nominal growth rate. China's National Bureau of Statistics releases the real growth figures for retail sales since the year 2003.

vi. GDP growth revised from 9.5 per cent to 9.4 per cent on May 20, 2005; industry growth revised from 11.3 per cent to 11.1 per cent; service growth revised from 7.6 per cent to 7.7 per cent.

(Source : "US Embassy in China" website)

(To be continued at Issue dated 21st September, 2005)