

## Explanatory Notes on Main Statistical Indicators

**Divisions of Administrative Areas** refer to the division of administrative areas by the State. The relative laws define the administrative division as follows: 1) the whole country is divided into provinces, autonomous regions and municipalities directly under the Central Government; 2) provinces and autonomous regions are further divided into autonomous prefectures, counties, autonomous counties and cities; 3) autonomous prefectures are further divided into counties, autonomous counties and cities; 4) counties and autonomous counties are further divided into townships, ethnic townships and towns; 5) municipalities directly under the Central Government and large cities are divided into districts and counties; 6) the State shall, when necessary, establish special administrative regions.

**Average Annual Growth Rate** shows the average growth rate of social and economic development during a longer period. It can not be directly calculated by chain based growth rate. The relation is:

Average growth rate = average speed of development – 1

Average speed of development is the time series average of speed which is obtained through chain-based calculation. Because the reference bases during the different periods are different, average speed of development can not be calculated by the general method. Level approach and accumulative approach for calculating average speed of development rate are applied. The “level approach”, or geometric average approach, is derived by the formula of geometric average of the chain-based speeds of development by continuous multiplication. The other is called the “accumulative approach”

or the “equation” method, which is derived by the summation of the actual figure of each year in the interval divided by the figure in the base year. The level approach focuses on the level of the last year, while the accumulative approach emphasizes the aggregate development for the entire duration.

The average annual growth rates listed in the *Yearbook* are calculated by the level approach except for the growth rate of investment in fixed assets. The base year is not listed in the duration for which average annual growth rates are computed. For instance, the average annual growth rate of the 43 years since 1949 is shown as the average annual growth rate of 1950-1992 without showing the base year 1949.

### Industrial Classification of the National Economy

The new *Industrial Classification of the National Economy* (GB/T 4754-2017) is introduced starting from the compilation of 2017 annual statistics and 2018 monthly or quarterly statistics. The revision, based on the 2011 classification, was organized by the National Bureau of Statistics taking into consideration of the characteristics of economic activities in China and the *International Standards of the Industrial Classification of All Economic Activities* (ISIC/Rev.4) of the United Nations. The new *Classification* was promulgated by the former National Administration of Quality Supervision, Inspection and Quarantine and the Standardization Administration of the People's Republic of China on June 30, 2017. The revised version of the *Industrial Classification of the National Economy* (GB/T 4754-2017) is composed of 20 sections, 97 divisions, 473 groups and 1382 classes.