

## Explanatory Notes on Main Statistical Indicators

In the fourth quarter of 2012, the NBS launched its reform on the household survey programme, to develop an integrated survey, instead of two separate urban and rural household surveys. The reform aims at regulating the division of urban and rural areas, integrating the concepts, classifications and standards, implementing the integrated household survey, and collecting household data in the whole country thereafter. Data from 1978 to 2012 are estimated based on the historical data of Urban Household Survey and Rural Household Survey according to the comparable definition and coverage of main income and consumption indicators of Household Survey on Income and Expenditure and Living Conditions.

### I. Disposable Income of Residents

Disposable Income of Residents refers to the income of residents for purpose of final expenditure and savings. It includes income both in cash and in kind. By sources of income, disposable income includes four categories: income from wages and salaries, net business income, net income from properties and net income from transfers.

**Income from Wages and Salaries** refers to remuneration and benefits of all kinds of employed persons, including those employed by other units or individuals, freelance workers, part-time jobs, and sporadic workers.

**Net Business Income** refers to net income earned by households and their members engaged in production and business activities. It refers to the net income of operating revenue minus operating costs, depreciation of productive fixed assets, and production taxes. The formula is:

Net business income = operating revenue - operating costs - depreciation of productive fixed assets - production tax

**Net Income from Properties** refers to the net income received as returns by households or members through lending of their financial assets, non-financial assets such as housing, to other institutions, households or individuals, minus relevant costs. Net income from properties includes net income of interest, bonus income, net income from saving insurance, net income from transferring management rights of contract land, income from lending of housing, income from lending other assets, net converted rents of self-owned housing. Net income from properties does not include premium of transferring ownership of assets.

**Net Income from Transfer** The formula is:

Net income from transfer = income from transfer - expenditure from transfer

**Income from Transfer** refers to the regular transfer received from governments, institutions, social organizations to households and between households. It includes old-age and retirement pension, regular donation and compensation, reimbursement of medical fees, supporting income between households, income from non-resident members of households, etc. Income from transfer does not include gifts in kind between households.

**Expenditure from Transfer** refers to regular or obligatory transfer paid to governments, institutions,

households or individuals. It includes tax payments, expenditure on all kinds of social security, supporting expenditure, regular donation, compensation payment and other regular transfer expenditures.

According to Household Survey on Income and Expenditure and Living Conditions, main changes in population coverage of per capita disposable income of urban and rural residents include: migrant workers residing in urban areas are included in the denominator when calculating per capita disposable income of urban residents, and not included in denominator when calculating per capita disposable income of rural residents; students studying in universities or colleges in other places who are supported by the households are regarded as permanent residents of the households.

### II. Consumption Expenditure of Residents

Consumption Expenditure of Residents refers to all expenditure of residents for living expenses to satisfy family daily living. It includes expenditure in cash and in kind. It includes eight categories: food, tobacco and liquor; clothing and footwear; housing; household equipments, furnishings and services; transport and communications; education, culture and recreation; health care and medical services, and miscellaneous goods and services.

**Food, Tobacco and Liquor** refers to expenditure for food, tobacco and liquor of all kinds.

**Clothing and Footwear** refers to expenditure related to clothing, including clothes, clothing materials, footwear, other clothing and accessories, processing services related to clothing.

**Housing** refers to expenditure related to housing, including rents, water, electricity, fuel, property management, as well as imputed rent on owner-occupied dwellings.

**Household Equipments, Furnishings and Services** refers to expenditure of households and individuals on equipment, furnishings and articles for living purposes and on household services. It includes furniture and interior decoration, home appliances, home textiles, household miscellaneous daily items, personal articles, and household services.

**Transport and Communications** refers to expenditure on transport and communication and related services, maintenance and repairs, and vehicle insurance.

**Education, Culture and Recreation** refers to expenditure on educational, cultural and recreational activities.

**Health Care and Medical Services** refers to expenditure on drugs, supplies and services of medical and healthcare. It includes medical appliances and drugs, and medical services.

**Miscellaneous Goods and Services** refers to expenditure on all other articles and services that can not be classified into the above categories.

**Service Consumption** refers to consumption expenditure of households for various living services, including catering services, clothing and footwear processing services, housing services, household services, transportation and communication services, education, culture and entertainment services, medical services and other services.