Pitfalls of China’s Industrial Statistics: Inconsistencies and Specification Problems*

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China’s industrial statistics are used for numerous purposes, from comparing enterprise profitability and efficiency to gauging the relative significance of the state economic sector. Yet, as this paper shows, definitions of variables and the categorization of enterprises have changed frequently in the two decades of reform. Two major statistical breaks occurred in 1993 and 1998, and numerous partial revisions also took place in other years. These changes, most of which have gone unnoticed in the literature, have caused severe comparability problems in both time series and cross-sectional data. Although detailed data that are in line with Western national income accounting standards are available for the 1990s, inconsistencies due to periodic adjustments abound. Far less data are available for the 1980s, when industrial statistics were constructed in accordance with the Material Product System, but these data are somewhat more consistent.

Introduction

The publication of the China Statistical Yearbook (Statistical Yearbook