



The Development, Reform and Challenge of China's National Accounts

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**International Conference on Experiences and Challenges
in Measuring National Income and Wealth in Transition
Economies**

19 September, 2007

Introduction on the paper

- **This paper reviews the establishment and development of China's National Accounts and covers the whole period and major issues in the national accounts**

Introduction on the paper

- **This review discusses the issues on GDP estimation, Input-Output tables, institutional sector accounts (flow of fund tables) and balance sheet accounts.**

Introduction on the paper

- **This paper is so informative and comprehensive. It is almost an impossible mission for me to introduce the major points of paper in such a short presentation. So the following presentation is much more based on personal preference. The audiences are strongly encouraged to read paper itself.**

Introduction on the paper

- **Some important dates of statistics practice in China:**
- **NBS started to deliver an annual SNA based GDP estimation using the production approach in 1985,**
- **an annual GDP estimation using the expenditure approach in 1989**
- **quarterly GDP estimation using the production approach in 1992.**

Introduction on the paper

- **NBS extrapolated the 1978-1984 and 1952-1977 historical production and expenditure GDP data using the previous MPS National Income and other related historical data sources.**

Introduction on the paper

- **This paper describes some changes of China's national accounts during and after the 2004 Economic Census.**

Introduction on the paper

- **Compared with GDP estimation in the regular years, there are many revisions of GDP estimation in 2004 based on the Economic Census, including revision of coverage, basic classification, data sources, calculation methods, and adjustments for some special treatments, etc.**

Introduction on the paper

- **The revision of data sources is the most important, which explains the significant changes of the level, structure, and growth rate of GDP.**

Introduction on the paper

- **The revision of methods used for GDP estimation in 2004 includes the following two aspects:**
- **1) GDP estimation in 2004 was based on value-added estimations, without using the extrapolation method for industries that have no complete statistics in regular years, such as enterprises, administrative units, individual businesses and auxiliary establishments used in regular years.**

Introduction on the paper

- **2) GDP estimation in 2004 used the production approach, the income approach and the expenditure approach simultaneously and provided three independent GDP estimations.**

Introduction on the paper

- **After Economic Census, NBS conducted a revision of historical GDP time series. The historical data for GDP estimation based on the production approach were revised back to 1993.**

Introduction on the paper

- **The revision of the historical GDP based on the expenditure approach is an on-going project, which is going to cover the period from 1978 to 2003.**

Introduction on the paper

- **In 2003, The State Council decided to conduct Economic Censuses for every five years while NBS decided that the historical GDP revision should be conducted after the Economic Census, if the new data sources impacting GDP estimation are explored, or the methodology and classification are changed.**

Introduction on the paper

- **The paper discusses the difficulties and problems of current China's National Accounts. The blueprint for the further reform and development of China's National Accounts has been drafted.**

Introduction on the paper

- **The regular service statistics in China still have some coverage problems.**
- **GDP estimation at constant prices have some weakness due to the two factors:**
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Introduction on the paper

- **The producer price indices for the service industries are not available.**
- **The trade price indices in service sectors are not available.**

The comments

- **The weakness in GDP estimates at constant price may cause the problems in the economic performance evaluations, which is quite important for the macroeconomic analysis in the government and academic community.**

The comments

- **The method used for historical GDP data revision is the “trend deviation” .**
- **However, it should be very careful to use this method in the regular statistics after Economic Census year.**

The comments

- **The price indices for investment (capital formation) is important. It would be very nice to deliver the monthly investment data both in nominal term and real term.**

The comments

- **It would be very useful to deliver the monthly retail price indices (not just CPI) accompanying with the retail value indices in current price, which will help a lot the consumption analysis.**

The comments

- I want to emphasize again as Mr. Xu already mentioned in his paper: the more frequently GDP estimates based on expenditure approach with its components including consumption, investment and government consumptions would be enormous useful for the macroeconomic analysis and policy making.

The comments

- It is very important to pursue the internal consistency between the GDPs based on production approach and expenditure approach, between the national accounts and input-output table, as well as consistency of the data over time.

The comments

- **The appreciation of Chinese currency since 2005 has made it clear that the exchange rate is not a reliable converter for international comparison of GDP between China and other countries. The study of comparison based on PPP is important which will clean the confusion on the size of Chinese economy in an international comparable valuation.**

Thank you !