

The Role of the State in China`s Economy Advancing or Retreating?

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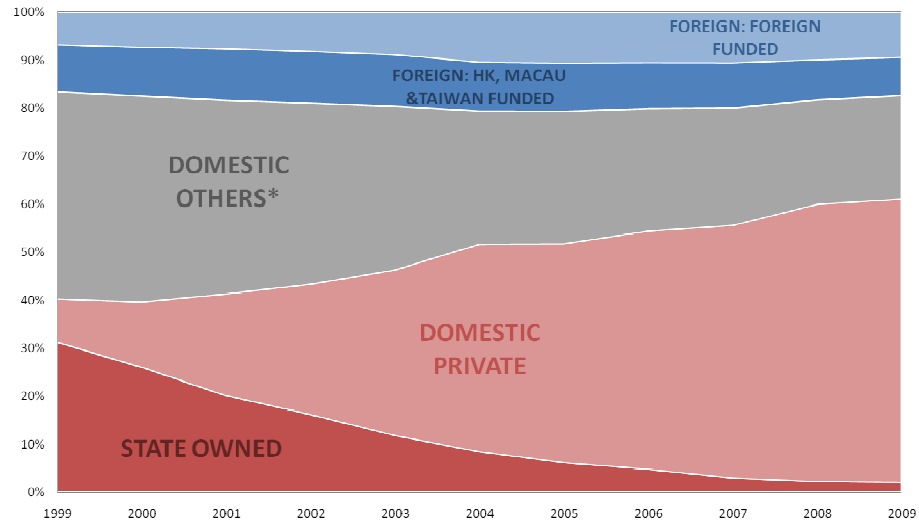
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The State in China`s Post-Reform Economy: Retreating



Number of Chinese Industrial Enterprises by Ownership

% of total firms

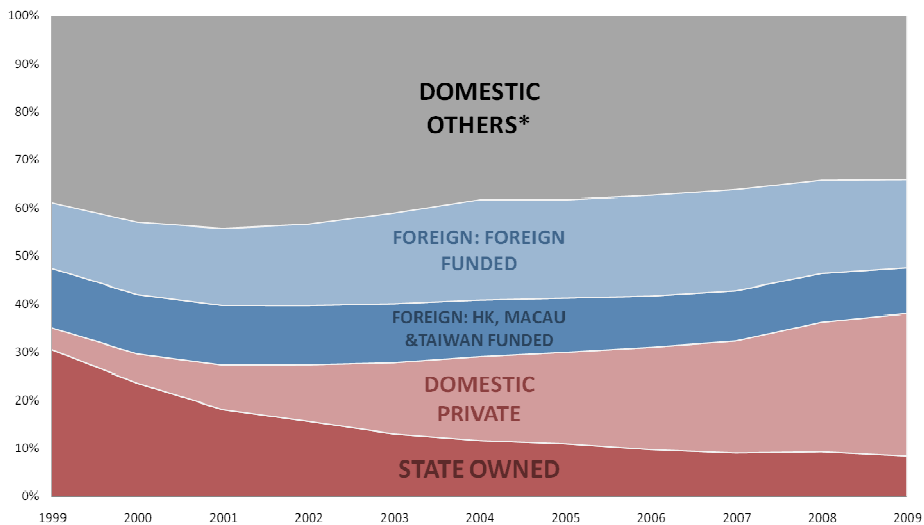


Source: NBS, CEIC, RHG. * includes Limited Liability Corporations, Share Holding Corporations, Collective Owned, Cooperative s, Joint Ownerships, etc.

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Industrial Output by Firm Ownership

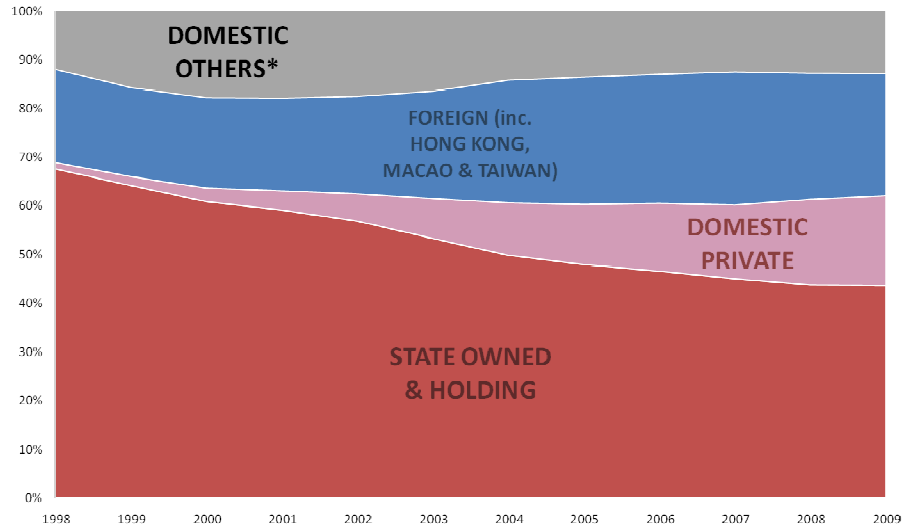
% of total output, 1999-2009



Source: NBS, CEIC, RHG. * includes Limited Liability Corporations, Share Holding Corporations, Collective Owned, Cooperative s, Joint Ownerships, etc.

Total Industrial Assets by Ownership

% of total assets

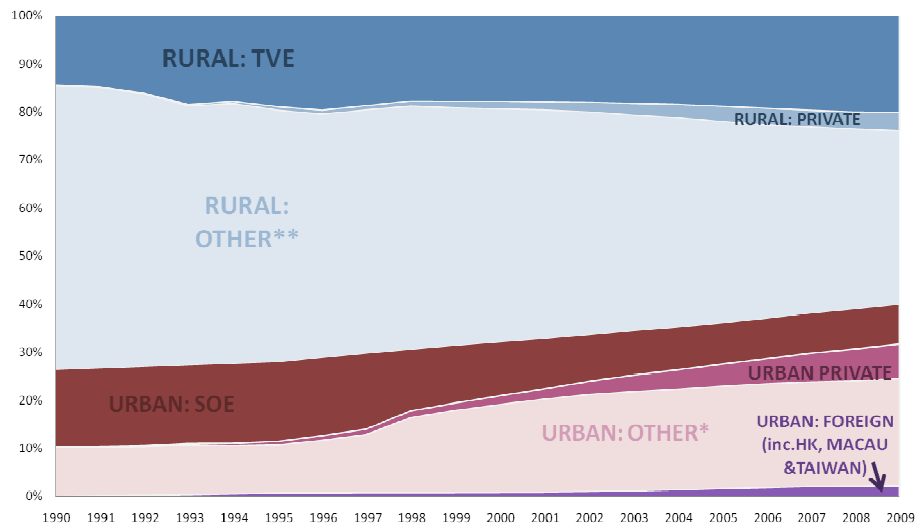


Source: NBS, CEIC, RHG. * includes Share Holding Corporations, Collective Owned, etc.

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Employment by Ownership

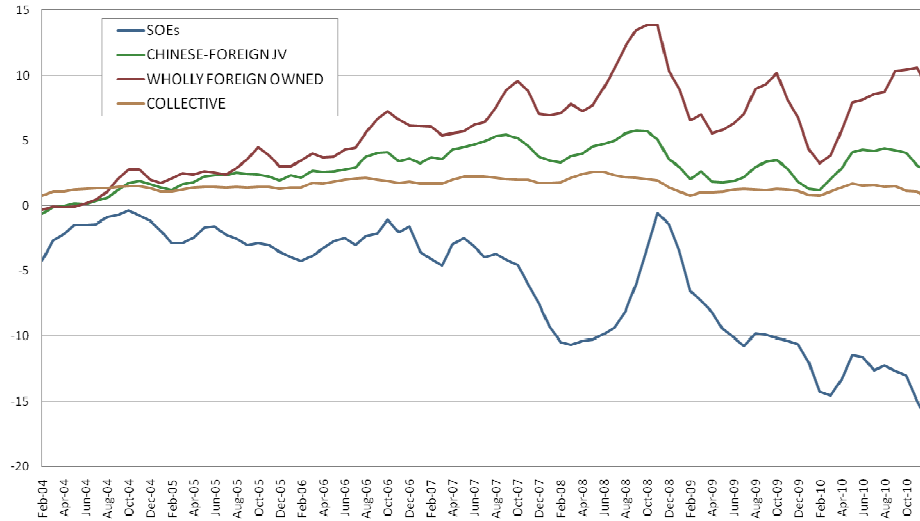
% of total work force



Source: NBS, CEIC, RHG. * includes Limited Liability Corporations, Share Holding Corporations, Joint Ownerships, etc. ** includes Self-employed etc.

Trade: China's Trade Balance by Firm Ownership

Monthly balance*, \$bn, 3mma



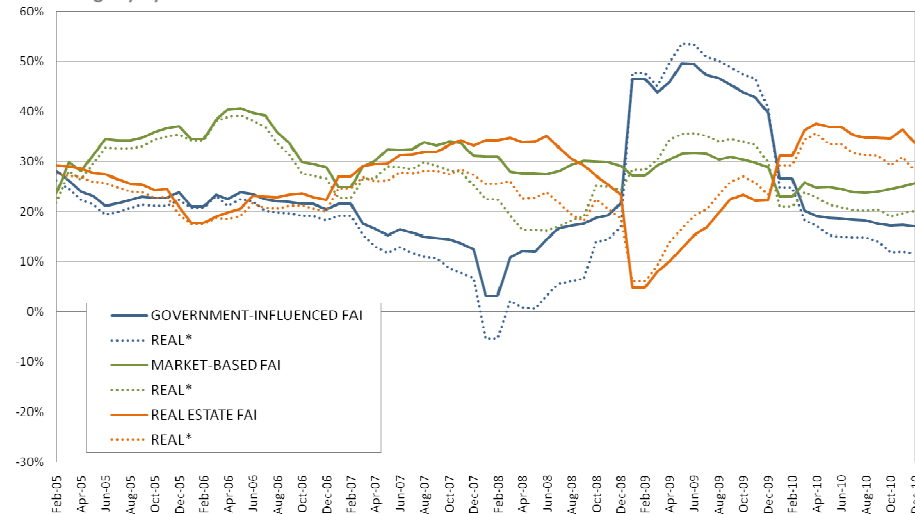
Source: China Customs, NBS, CEIC, RHG, *chart does not include all ownership categories

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The State in the 2008/2009 Financial Crisis: Advancing

Urban FAI: Government-Influenced vs. Market-Based

% change yoy

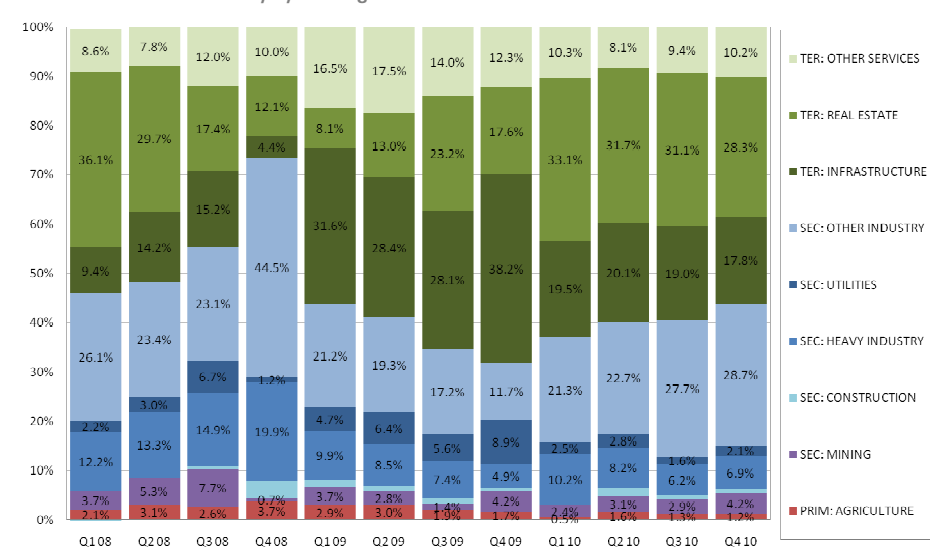


Source: NBS, CEIC, RHG; *adjusted with FAI price deflator. "Government influenced FAI" includes utilities, transportation and information infrastructure, banking and insurance, infrastructure services and environmental management, education, healthcare and public administration; "Market-based FAI" includes all other sectors; "Real estate" only includes the property sector.

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Marginal Contribution to Urban FAI Growth

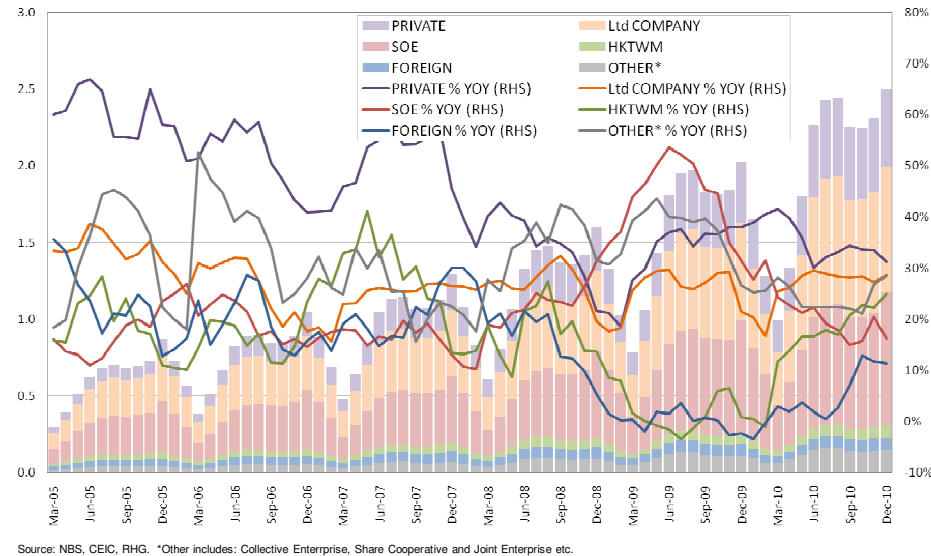
% contribution to total yoy change



Source: NBS, CEIC, RHG

Urban FAI by Firm Ownership

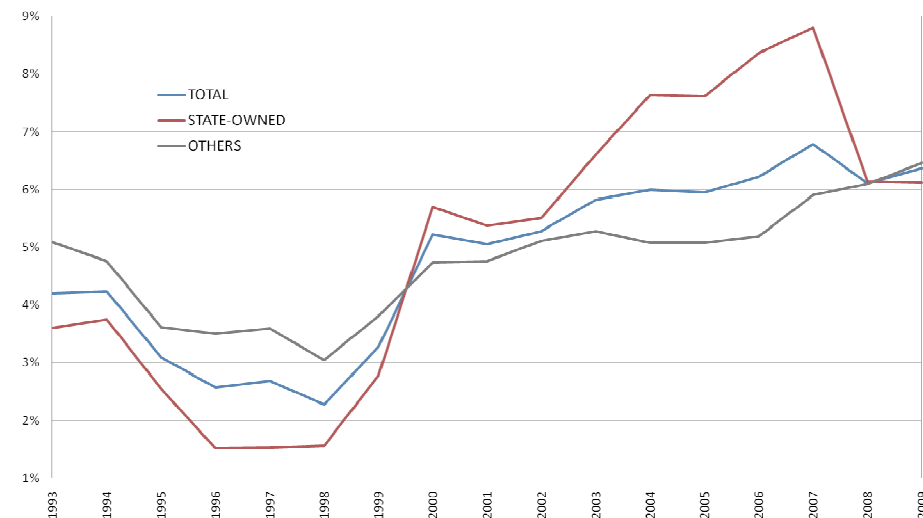
RMB trn, % yoy change nominal, 3mma



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Profit Margins of Industrial Enterprises by Firm Ownership

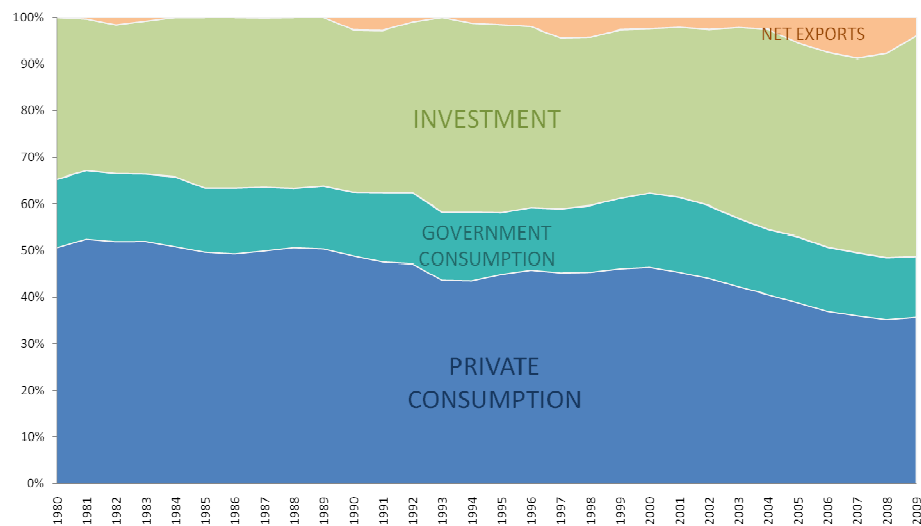
% of sales revenue



The State in a Rebalanced Economy: Advancing and Retreating!

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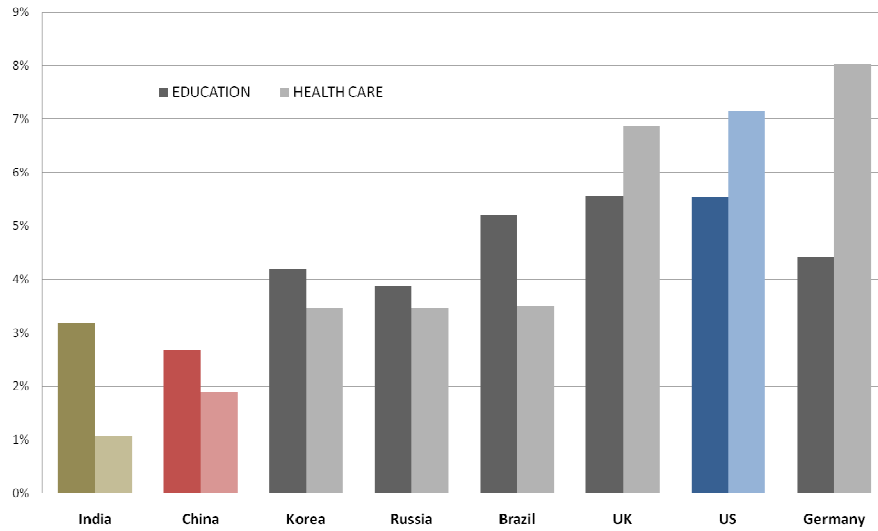
GDP by expenditure
% of the total, 1980-2009



Source: NBS, CEIC, RHG

Public Spending as a Share of GDP

% of GDP, 2007

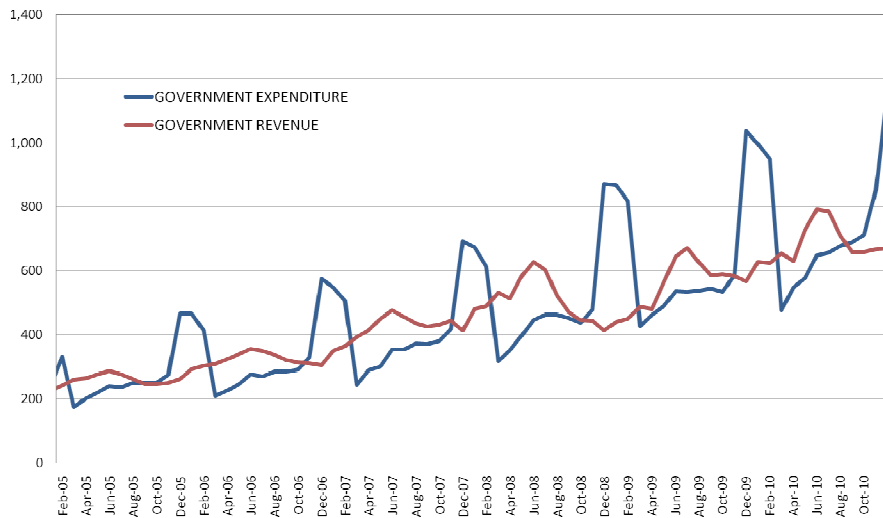


Source: World Bank, CEIC, RHG.

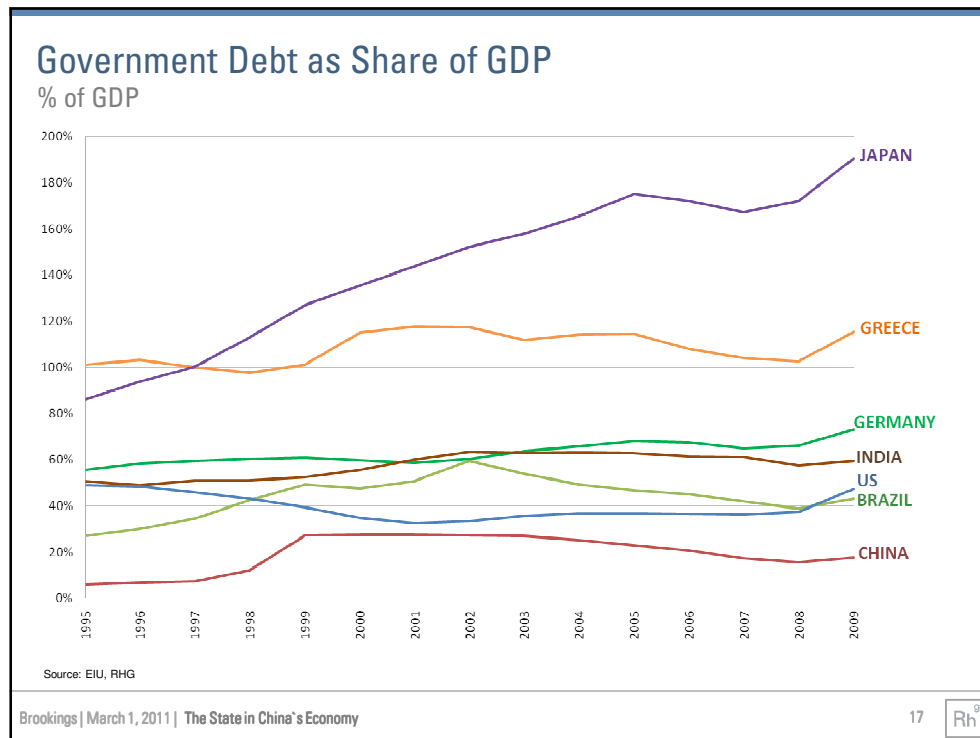
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Government Revenue and Expenditure

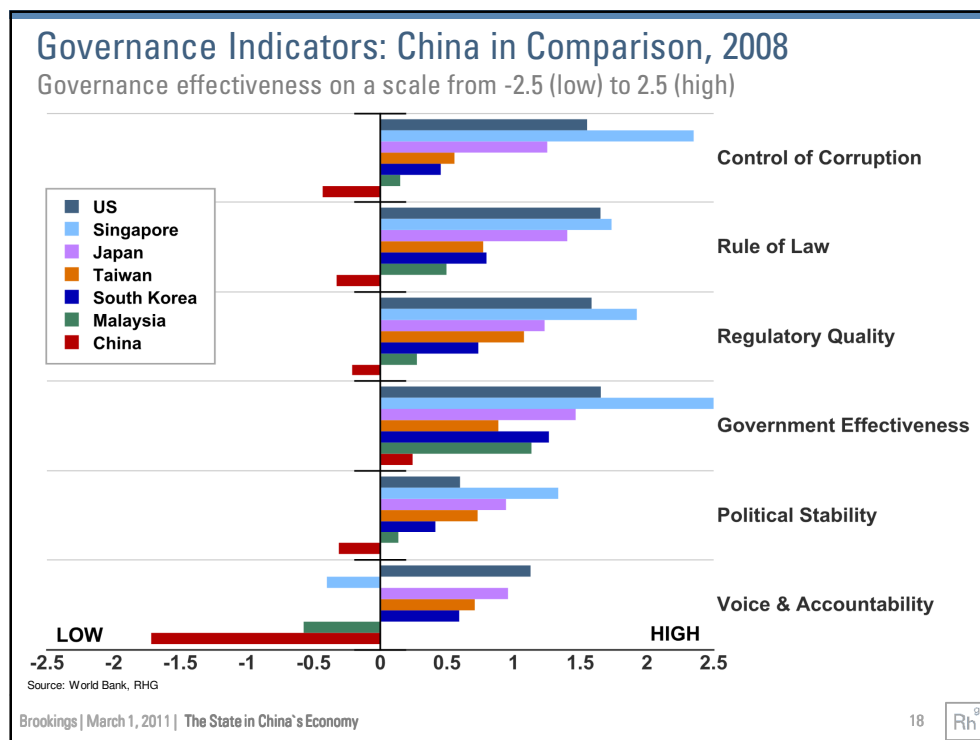
RMB bn, all government levels, 3 months moving average



Source: MOF, CEIC, RHG

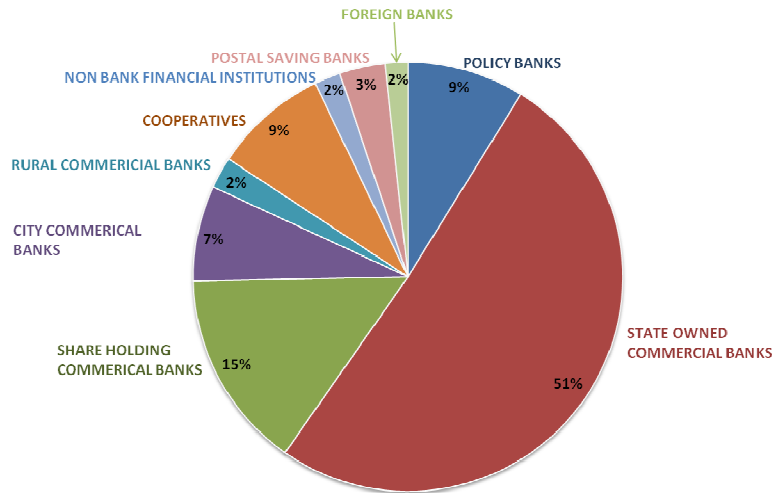


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Distribution of Domestic Banking Assets, 2009

% share of total domestic banking assets

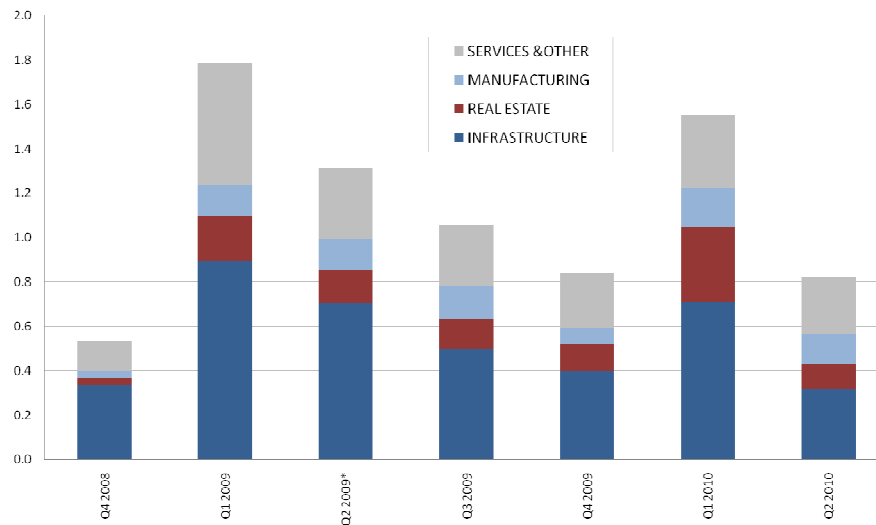


Source: CBRC, CEIC, RHG

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Breakdown of Lending by Sector

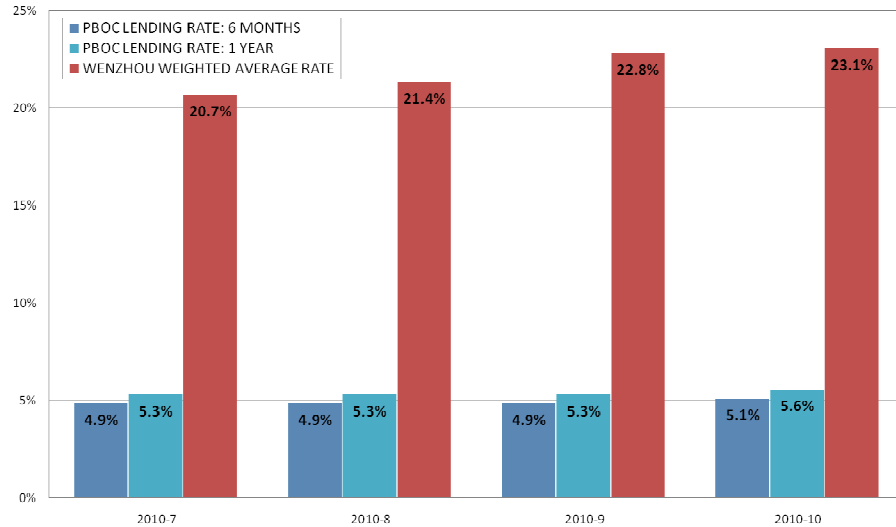
New Medium and Long Term Loans, RMB trn



Source: PBoC, *RHG estimates

Informal Borrowing Rates: Wenzhou

% p.a.

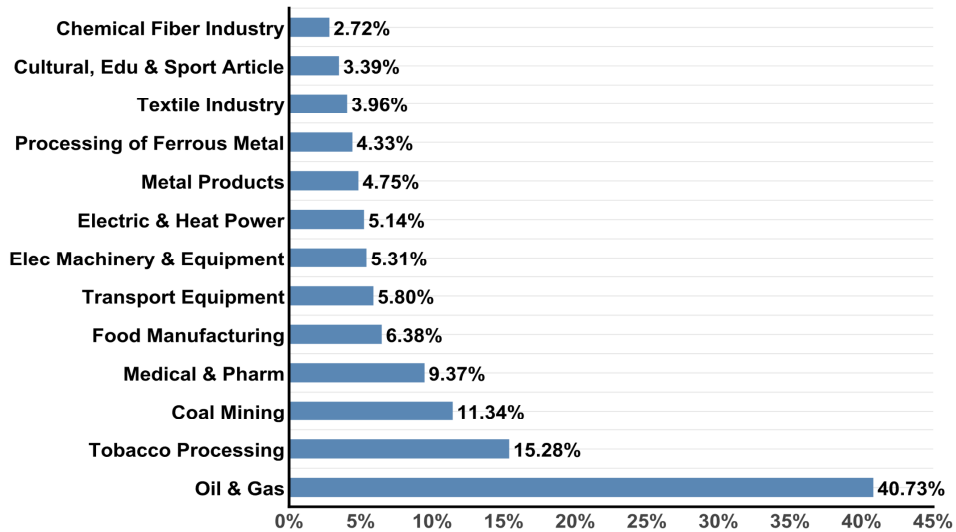


Source: PBoC, CEIC, RHG

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Average Profit Margins of Selected Industries

% 2005-Nov 2009



Source: NBS, CEIC, RHG