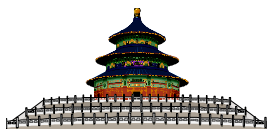


China Tax Update – Issue No. 2005.0301



2004 China Economics and Financial Highlights

On February 28, 2005, the PRC Statistics Bureau delivered a news letter regarding the 2004 China Economics Development Highlights.

2004 Economic Performance at a Glance

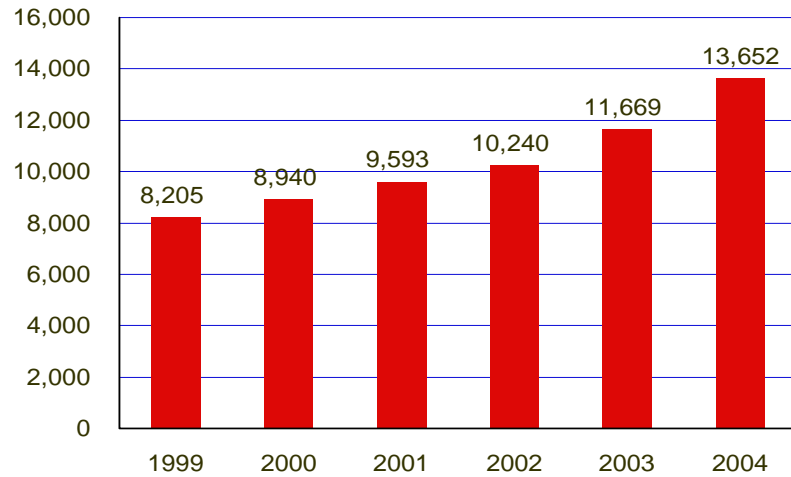
The major economic development indicators of China for the year of 2004 are summarized below:

- Gross Domestic Product ("GDP")**
China's GDP for the year of 2004 reached RMB 13,651.5 billion (approximately US\$ 1,649 billion), up by 9.5% from that of 2003.
- Inflation**
Retail Price Index increased by 2.8% from that of the previous year, while Consumer Price Index increased by 3.9%.
- Industry**
The added value of the industrial sector was RMB 6,281.5 billion, up by 11.5%.
- Fixed Assets Investment**
Total investment in fixed assets for 2004 amounted to RMB 7,007.3 billion, representing a 25.8% increase over that of 2003.
- Financial Figure**
The central financial deficit for 2004 was RMB 319.2 billion (approximately US\$ 38.6 billion). Financial revenue for the year was RMB 2,635.6 billion, up by 21.4% from that of the previous year, representing 111.8% of the budgeted revenue for 2004. Financial expenditure for the year was RMB 2,836.1 billion, up by 15.1% from that of the previous year, representing 105.9% of the budgeted expenditure.
- Import and Export**
The total import and export value for 2004 reached US\$ 1,154.8 billion, up by 35.7% from that of 2003. Of the total, the export value reached US\$ 593.4 billion, up by 35.4%, and the import value was US\$ 561.4 billion, up by 36%, resulting in a trade surplus of US\$ 32 billion.
- Foreign Exchange Reserve**
As of the end of 2004, China's Foreign Exchange Reserve reached US\$ 609.9 billion with an increase of US\$ 206.7 billion over that of 2003.
- Foreign Investment**
The contracted amount of foreign investment was \$ 153.5 billion, increased by 33.4% from that of 2003; the utilized foreign direct investment was US\$60.6 billion, increased by 13.3%.

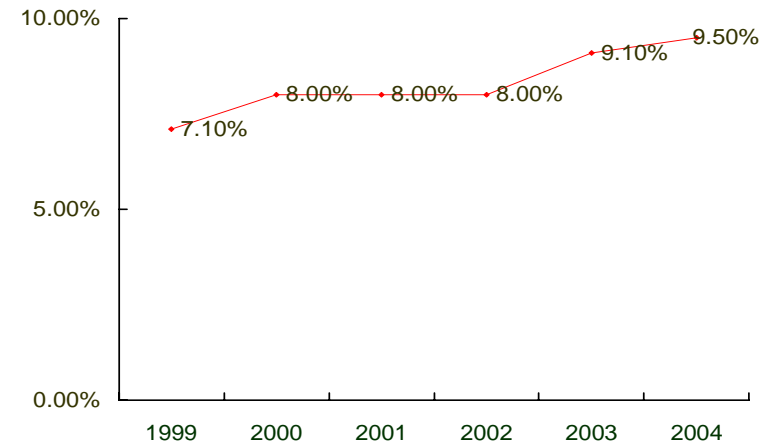
China Economic Data at a Glance

Gross Domestic Product

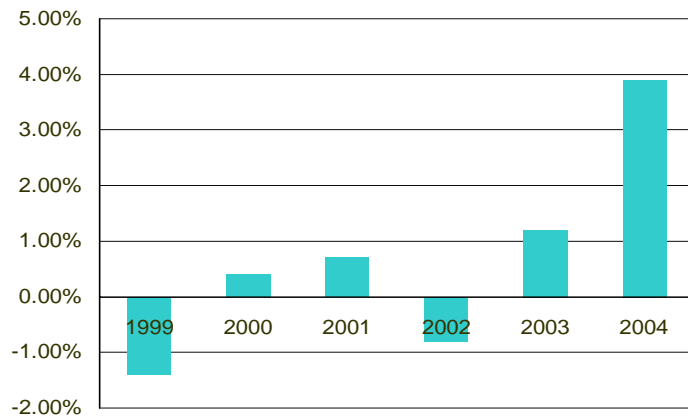
In RMB Billion



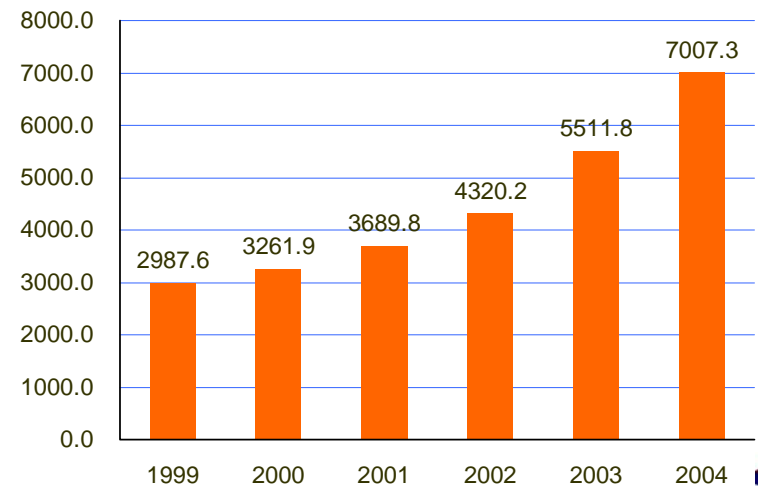
GDP Growth Rate



Inflation (Consumer Price Index)

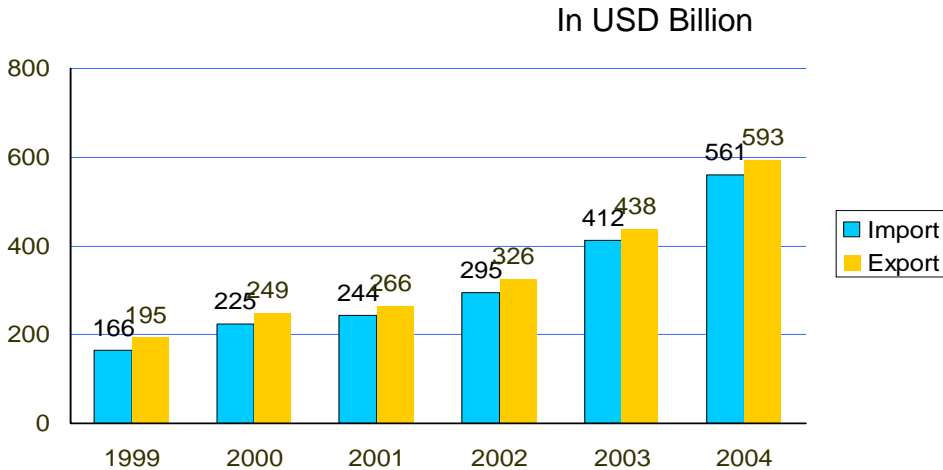


Fixed Asset Investment

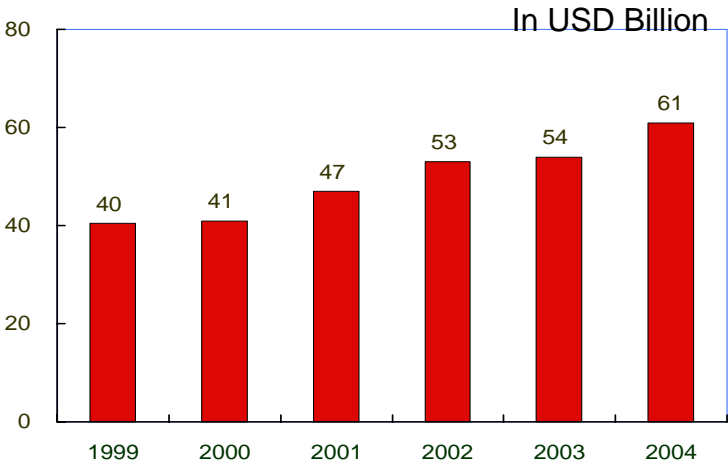


China Economic Data at a Glance

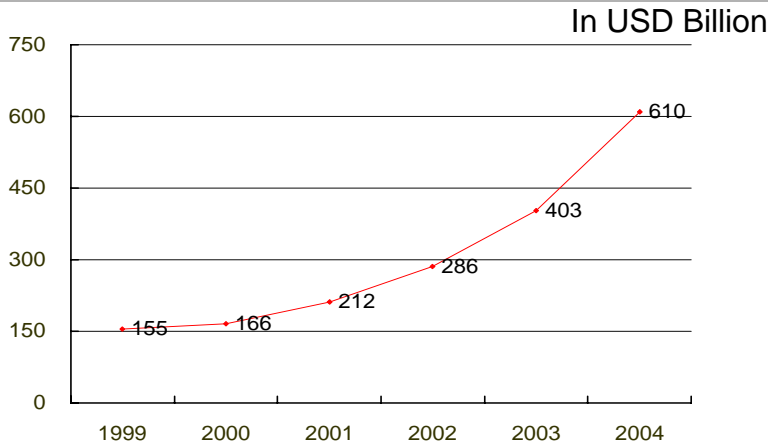
Import/Export



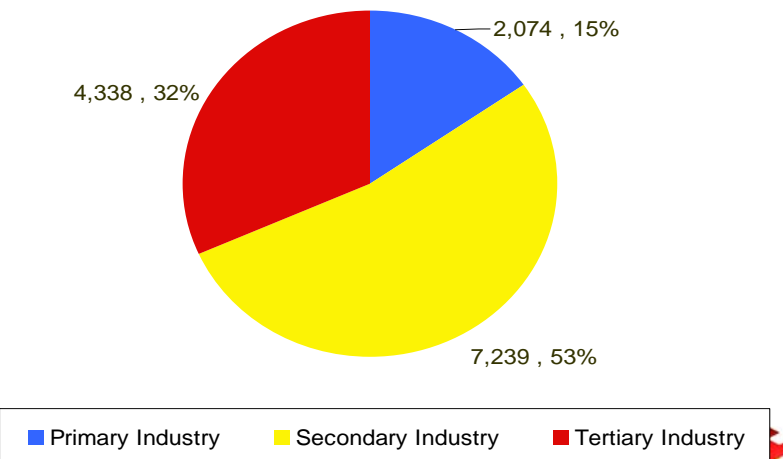
Foreign Direct Investment



Foreign Exchange Reserve

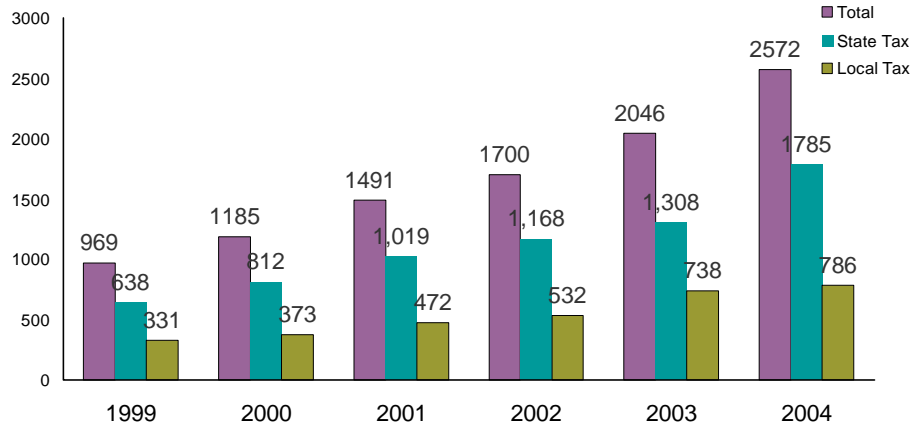


Industrial Structure (2004)

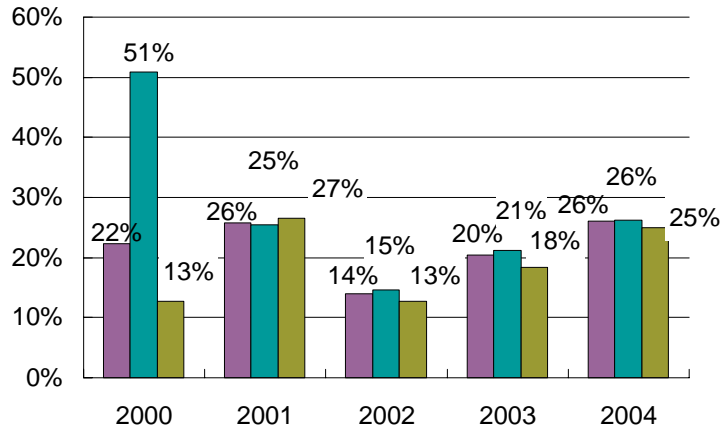


China Tax Revenues

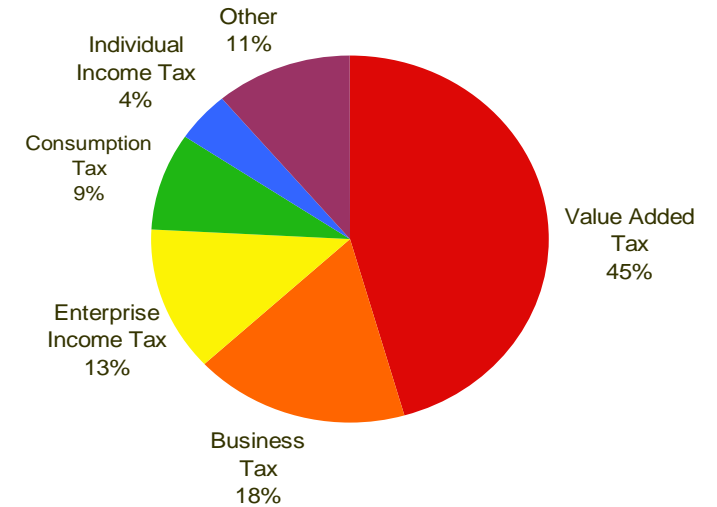
In RMB Billion



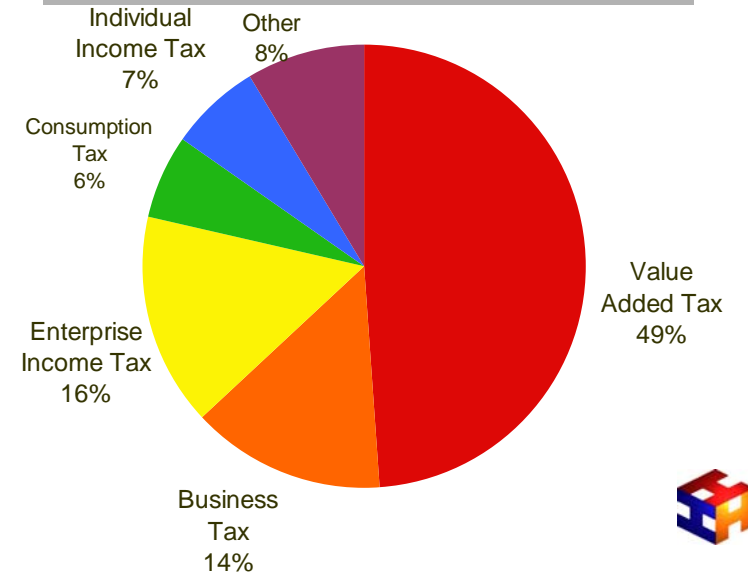
Revenue Growth Rate



1999 Tax Revenue by Type



2004 Tax Revenue by Type



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