

Bridge Opens

Cars run on the newly opened Yangtze River Bridge in Maanshan, Anhui Province on December 31, 2013.

Upon the completion of the bridge, the travel time between

Hefei, capital of Anhui, and Shanghai will be shortened by an hour and the travel time between Hefei and Hangzhou, capital of Zhejiang Province, will be shortened by half an hour.



Government Debt

The National Audit Office (NAO) said on December 30, 2013 that governments at various levels in China had been liable for a total direct debt of 20.7 trillion yuan (\$3.4 trillion) as of the end of June 2013. (See page 40)

The results came after a two-month-long nationwide audit of government debt by the NAO in August and September of 2013.

In summary, the audit results showed that direct debt owned by the Central Government stood at 9.81 trillion yuan (\$1.62 trillion) at the end of June 2013, while the remaining 10.89 trillion yuan (\$1.8 trillion) was owned by local governments.

The debt guaranteed by the Central Government was 260 billion yuan (\$42.98 billion), while debt guaranteed by local governments

totalled 2.67 trillion yuan (\$441.4 billion), according to the NAO.

Over the past year or so, the market has experienced anxiety over the scale of local government debt, as there has been no official update on it since mid-2011, when the NAO put the nationwide figure at around 10.7 trillion yuan (\$1.77 trillion) for the end of 2010.

PMI Drop

China's purchasing managers' index (PMI) for the manufacturing sector dropped to 51 percent in December 2013, down from 51.4 percent in November, according to official data released on January 1.

December marked the first time since June 2013 that the manufacturing PMI had declined, according to a statement jointly released by

the National Bureau of Statistics (NBS) and the China Federation of Logistics and Purchasing (CFLP). An index above 50 indicates expansion while an index below 50 indicates contraction.

Zhao Qinghe, an economist from the NBS, said that the weaker momentum indicated by December's PMI is due to seasonal factors. "The PMI figure still shows expansion in December, and it has remained above 50 for 15 consecutive months, which means the general industrial situation is stable," said Zhao.

Chen Zhongtao, an analyst from the CFLP, said that during the process of accelerating structural rebalance and controlling overcapacity, the growth rate of manufacturing industries may continue to slow in the near future.

"A key task for 2014's macroeconomic policies is to expand domestic demand in order to stabilize overall growth, and to be careful about possible sharp contractions of exports since the international environment is complicated," said Chen.

Supportive measures are also needed to help the growth of small-scale manufacturing businesses, which will strengthen entrepreneur confidence, he added.

Economic Census

China's third national economic census entered its registration phase on January 1, after months of preparation, according to the NBS.

The census is designed to paint a wide economic picture of China's fast-expanding secondary and tertiary industries and to compile a database covering all economic sectors, NBS Commissioner Ma Jiantang said.

The census will survey over 10 million companies and 60 million privately or individually owned businesses over the next three months.

Nearly 3 million statisticians will collect data related to enterprise ownership, staff size, financial status, production capacity and research and development activities during the census.

According to Ma, refusal to register accurate data, leaking of census data by census officials and institutions, and tampering with data



Villagers make red lanterns in Donghua Feng Village of Jiaozuo, central China's Henan Province. As the Lunar New Year approaches, hand-made lanterns from the village are in high demand

Numbers

5

Number of firms that China's securities regulator has approved for listing on mainland stock exchanges in January 2014, breaking the one-and-a-half-year IPO drought brought on by a regulatory ban

5.3 mln

Number of vehicles recalled across China in 2013, up 65.5 percent from a year earlier

40 mln

Sales target for smartphone manufacturer Xiaomi Corp. in 2014, more than double their 2013 target

8.76 mln

Average number of passengers that Beijing subway network carried daily from January to November 2013, up 30.5 percent on year



NEW AIRCRAFT

Two ARJ21-700 aircraft roll off the assembly line on December 30, 2013 in Shanghai. The dual-turboprop planes will be delivered to Chengdu Airlines Co. Ltd. by the end of 2014



will all be dealt with seriously. He added that data gathered during the census cannot be used as evidence for legal prosecution.

The final results will be released in the second half of 2014, according to the NBS. The census is conducted once every five years.

New Nuclear Plant

The first generating unit of the Yangjiang Nuclear Power Plant in south China's Guangdong Province was connected to the power grid and began trial operations on December 31, 2013.

The plant, which cost an estimated 73.2 billion yuan (\$12.1 billion), is scheduled to start operations in a few months.

Construction of the first unit of the second nuclear power plant in Guangdong started in mid-December 2008. Its six units will generate 48 billion kWh of electricity within a year after go-

ing into commercial operations around January 2019.

The Yangjiang plant will reduce coal consumption by 15.6 million tons of coal a year. It can also help cut emissions of carbon dioxide by 38.3 million tons and sulfur dioxide by 370,000 tons annually.

Prudent Policy

China should continue its current prudent monetary policy and maintain appropriate liquidity in 2014, the monetary policy committee advised the People's Bank of China (PBC), the country's central bank, on December 31.

The PBC should also keep money supply and total social financing growing at a reasonable pace, and optimize financing and credit structures, said the statement, which came after a regular quarterly

meeting of the committee.

The central bank should embed reforms in its daily macroeconomic management and continue improving the efficiency of China's financial market, it said.

More work should be done on interest rate liberalization, reforming the yuan exchange rate regime and keeping the yuan exchange rate stable at a reasonable and balanced level, it said.

The 15-member monetary policy committee, headed by central bank governor Zhou Xiaochuan, is a consultative body for the forming of monetary policy by the PBC.

The committee is usually comprised of senior government officials from the finance ministry, statistics bureau and other financial regulators, as well as academics. It meets quarterly to make policy suggestions.

Railway Car Construction

Workers from CNR Changchun Railway Vehicles Co. Ltd. assemble subway vehicle components in Changchun, capital of northeast China's Jilin Province.

In 2013, the company ranked No.1 in terms of orders for railway vehicles.

