



## FINANCIAL STATISTICS AND RESEARCH

**Financial statistics and survey** Over the recent years, the PBC has approached or met international standards in the fields of statistical data collection, process and quality control with clearer categorizing of financial statistical indicators, expanding coverage of financial institutions, increasing service users, and more sophisticated requirements on reports production. At end-2007, there were over 6 thousand indicators in the PBC financial statistics system and more than 10 thousand reporting institutions nationwide, producing altogether tens of millions of data and 14-category of statements.

Facing the trend of statistical data centralization, the PBC enhanced data collection efficiency and data quality, and organized program tests, interface checks, historical data collection and training for financial statistics data convergence system, laying a solid foundation for the launch of the system in 2008. Also, more efforts were made in statistical system research and in establishing agricultural loans statistical system. Surveys on major commercial banks and some smaller local financial institutions were conducted, and initial proposals were put forward on data collection system and action plan. Data collection frequency was enhanced with the main deposits and loans indicators of large financial institutions being reported within two working days after the end of a month, reflecting higher timeliness of financial statistics.

Progress was made in the analysis and survey of major issues in economic and financial performance. Monthly and quarterly economic and financial monitor and analysis were supplemented by continuous monitoring on economic performance in major countries and regions to review the impact of international factors on China's macroeconomic and financial performance. In addition to the study and analysis of money market performance, close attention

was paid to the performance and changes of the capital market and the insurance market. Various econometric methods such as time series and seasonal adjustment were applied to make adjustment and prediction on the economic and financial performance. In 2007, the PBC accomplished a large number of subject surveys such as business climate survey, price survey, household's savings questionnaire survey, banker's questionnaire survey, and import and export business survey, and produced over 50 research and analysis reports including analysis on monetary performance and analysis on financial stability, providing strong support for reviewing the strength and rhythm of macro-economic management.

Improvement was made to statistical information sharing and information disclose. Statistical information sharing and feedback with financial institutions was conducted on the intranet in an automatic way through the financial and statistical data exchange system. With regular joint meetings and information exchanges, the PBC realized statistical information sharing and coordination with the CBRC, the CSRC, the CIRC, and the SAFE. Comprehensive statistical framework for the financial sector took shape. On the Internet and news media, the PBC releases financial performance reports, sources and uses of funds for financial institutions, and monetary reports on a monthly basis, as well as financial performance review and various reports on a quarterly basis so as to enhance the transparency of financial statistical information.

**Financial research** Remarkable progress was made in major project research. After the 17<sup>th</sup> National Congress, the PBC conducted a series of subject researches on liquidity, exchange rate, foreign exchange reserves, income distribution, energy saving and pollutant reduction, asset prices, systematic risks,

relationship between A shares and H shares, and the balance of payments. Relevant policy suggestions were proposed for the reference of the State Council. According to arrangements of the National Financial Working Conference, the PBC organized three subject researches on the reform of the Agricultural Bank of China, the reform of the China Development Bank, and improving macroeconomic management. Cooperating with the CBRC, the PBC initiated two subject researches on financial opening up to the outside world and deposit insurance, and submitted subject reports to the State Council. Also, the PBC engaged in five subject researches and submitted reports to the State Council on rural financial reform, capital market reform and development, insurance sector reform and development, foreign exchange reserves investment, and special treasury bond issuance. Suggestions on personal property collateral proposed by the PBC were absorbed by *the Real Right Law*, which directly pushed forward the establishment of the registration system of the pledge of accounts receivable, mobilized large amount of assets, and partly solved the financing bottleneck for small and medium enterprises.

Macroeconomic analysis was strengthened. More efforts were made on monitor, analysis, and research of macroeconomic and financial performance so as to timely identify and predict new phenomenon and problems in the economic and financial performance and to specify plans for monetary management in a scientific manner. Subject surveys on hot and sensitive issues in the economic and financial performance were continued to improve the timeliness of analysis and research. Macroeconomic time series data was established and improved. Outside expert consulting system was set up. A series of research reports such as *Monetary Policy Report*, *China Financial Stability Report*, and *Price Monitor Report* was released with good response from the public.

Feature research was launched smoothly. As a significant breakthrough for the PBC, the launch of

feature research introduced an effective channel to enhance the quality and efficiency of financial research. In 2007, the PBC Shanghai Head Office and branches began feature research by establishing long term mechanism in policy formation, data accumulation, and staff training. Also, some branches made valuable progress in feature research. Strait financial co-research between Fuzhou Sub-branch and Taiwan Province, private financial market research by Hangzhou Sub-branch, and rural financial research by Guizhou Sub-branch produced a batch of high quality reports.

Research infrastructures operated in good order. Through various platforms such as China Financial Association, China International Relationship Association, China Accounting Association, *the PBC Annual Report*, *Almanac of China's Finance and Banking*, *the Journal of Financial Research*, and *the Journal of Financial Accounting*, the PBC strengthened academic exchange and communication so as to improve the understanding of the public on macroeconomic management. The library accomplished electronic project featuring trial operation of cross-database search, providing better information service for financial research.

Remarkable results were achieved in the research field by the PBC branches. Report on “High-Indebtedness of Middle and Primary School in Rural Area” by Nanchang Sub-branch was commented by Premier Wen Jiabao. Report on “Exchange Mechanism of Carbon Emission” by Haikou Sub-branch, report on “Bankcard Tailored for Migrant Workers” and report on “Rising Price of Grain” by Changsha Sub-branch, and report on “Overseas Financing of Real Estate Enterprises” by Guangzhou Sub-branch were used by General Administration Department of the PBC and submitted to the State Council. Policy proposals including “Venture Capital Promotes Development of Hi-tech Industry” by Chengdu Branch and “Establishing Western China Financial Center” by Xi'an Branch were welcomed by local governments and gradually put into



implementation. To deal with main problems in Beijing economic development such as “traffic jam” and “financial service outsourcing”, the PBC Opera-

tions Office conducted thorough research and proposed to the local government to realize the idea of “serving Beijing”

## Box

### Bankers' Questionnaire Survey

Bankers' Questionnaire Survey (BQS) is a quarterly statistical survey jointly conducted by the PBC and the National Bureau of Statistics (NBS). It has operated smoothly for two years since the beginning of 2004.

The purpose of the BQS is to facilitate the central bank to investigate macroeconomic performance and changes and developments of banking sector operations so as to serve monetary policy decisions. The respondents of the BQS are mainly presidents of domestic banking institutions and foreign commercial banks. The questionnaire formulation is designed on the basis of experiences and practices of survey systems of central banks in the United States, Japan, Sweden, etc. with consideration of China's present situation. The questionnaire surveys have contributed to helping central bank touch pulse of the banking business climate and assess implementing results of monetary policy.

**1. The survey covers a wide range of respondents with comprehensive monitor indicators.**

The survey adopts the methodology of comprehensive survey over various domestic banking institutions above the prefecture level and PPS (probability proportional to size) sampling survey over the rural credit cooperatives respectively, with 2850 targets including 2370 banking

institutions and 480 rural credit cooperatives.

As to formulation of the questionnaire, the PBC, jointly with the NBS, designed a quarterly questionnaire with 28 questions tailored for characteristics and objective of the survey. Meanwhile, temporary questions related to economic and financial performance or bank lending will be supplemented on irregular basis. In addition, one or two temporary survey will be conducted annually considering changes of economic and financial performance. The questionnaire generally includes qualitative questions focused on trend changes, not quantitative ones. The core questions include:

---judgment and prediction on macroeconomic performance;

---judgment and prediction on results of monetary policy implementation;

---judgment and prediction on loan demand and granting;

---judgment and prediction on banking sector climate.

**2. Results of the survey are open to the public, and the survey is still in the process of data accumulation**

In addition to satisfying demands from the central bank and macroeconomic management agencies to assess financial performance and to formulate macroeconomic management policies,

Note: 1. Such as, Senior Loan Officer Opinion Survey on Bank Lending Practices (the Fed); Senior Loan Officer Opinion Survey on Bank Lending Practices at Large Japanese Banks (Bank of Japan).

the survey helps the public to understand banking climate and monetary policy objectives.

Data of the survey takes the form of percentage and index. The analysis of each survey focuses on trend changes of answers to core questions. Climate index produced on the answers to main

questions are arranged into time series and analyzed. Results of survey and analysis are available on the website of the PBC for public reference. Given the short time since being launched, the survey is still in the process of data accumulation.