**China’s National Standard of Industrial Classification (CNSIC)**

**(GB/T 4754-2002)** **Updated by China National Bureau of Statistics on 14 MAY 2003**

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| Industries  | Categories  | Coding  | Classifications  |
| Primary  | A  | 01  | Agriculture  |
|   |   | 02  | Forestry  |
|   |   | 03  | Stock Raising  |
|   |   | 04  | Fishery  |
|   |   | 05  | Supporting Activities for Agriculture, Forest, Stock Raising and Fishery  |
| Second  | B  |   | Mining  |
|   |   | 06  | Coal Mining, Washing and Dressing  |
|   |   | 07  | Extraction of Petroleum and Natural Gas  |
|   |   | 08  | Ferrous Metals Mining and Processing  |
|   |   | 09  | Nonferrous Metals Mining and Processing  |
|   |   | 10  | Nonmetal Minerals Mining and Processing  |
|   |   | 11  | Other Minerals Mining and Processing  |
|   | C  |   | Manufacturing  |
|   |   | 13  | Agricultural By-product Processing  |
|   |   | 14  | Food Manufacturing  |
|   |   | 15  | Beverage Manufacturing  |
|   |   | 16  | Tobacco Processing  |
|   |   | 17  | Textile  |
|   |   | 18  | Garments,shoes and hats- making  |
|   |   | 19  | Leather, fur, feather-made goods manufacturing  |
|   |   | 20  | Lumber processing, wood, bamboo, bine, palm and grass manufacturing  |
|   |   | 21  | Furniture-manufacturing industry  |
|   |   | 22  | Paper-making and paper goods industry  |
|   |   | 23  | Printing and recording media reprography  |
|   |   | 24  | Teaching and sports goods- manufacturing  |

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|   |   | 25  | Petroleum-processing, coking and nuclear fuel-manufacturing industry  |
|   |   | 26  | Chemistry material and products-making industry  |
|   |   | 27  | Medicine-manufacturing industry  |
|   |   | 28  | Chemical fiber-making industry  |
|   |   | 29  | Rubber-manufacturing industry  |
|   |   | 30  | Plastic-manufacturing industry  |
|   |   | 31  | Nonmetal-mineral manufacturing industry  |
|   |   | 32  | Black metal smelting and pressing industry  |
|   |   | 33  | Colored metal smelting and processing industry  |
|   |   | 34  | Metalwork industry  |
|   |   | 35  | General equipment manufacturing industry  |
|   |   | 36  | Speicial equipment manufacturing  |
|   |   | 37  | Transportation equipment manufacturing  |
|   |   | 39  | Electric machinery & equipment manufacturing Communication equipment, computer and electronic  |
|   |   | 40  | product manufacturing industry  |
|   |   | 41  | Apparatus and instrument, culture and office supplies machinery manufacturing industry  |
|   |   | 42  | Arts and crafts, other manufacturing industry  |
|   |   | 43  | Trash, refuse and waste reclaiming industry  |
|   | D  |   | Electricity, Gas, Water Supply Industry  |
|   |   | 44  | Electric power and heat production and supply industry |
|   |   | 45  | Gas production and supply industry  |
|   |   | 46  | Water production and supply industry  |
|   | E  |   | Building Industry  |
|   |   | 47  | Civil engineering architecture industry  |
|   |   | 48  | Achitecture fixing industry  |
|   |   | 49  | Construction and decoration  |
|   |   | 50  | Other construction  |
| Third  | F  |   | Transportation,Storage,Postal Service  |

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| --- | --- | --- | --- |
|   |   | 51  | Railway transportation  |
|   |   | 52  | Road transportation  |
|   |   | 53  | City public transportation  |
|   |   | 54  | Water transportation  |
|   |   | 55  | Air transportation  |
|   |   | 56  | Pipeline  |
|   |   | 57  | Handling & transportation, and other transport service  |
|   |   | 58  | storage  |
|   |   | 59  | postal service  |
|   | G  |   | Information Technology  |
|   |   | 60  | telecommunication and other information delivery  |
|   |   | 61  | computer service  |
|   |   | 62  | software industry  |
|   | H  |   | Wholesale and Retailing  |
|   |   | 63  | Wholesale Trade  |
|   |   | 65  | Retail Trade  |
|   | I  |   | Food and Accommodation  |
|   |   | 66  | Accommodation Industry  |
|   |   | 67  | Catering Services  |
|   | J  |   | Financing  |
|   |   | 68  | Banking Industry  |
|   |   | 69  | Securities Industry  |
|   |   | 70  | Insurance Industry  |
|   |   | 71  | Other Finance Services  |
|   | K  |   | Real estates  |
|   |   | 72  | Real Estate Industry  |
|   | L  |   | Leasing and Commercial Services  |
|   |   | 73  | Leasing Services  |
|   |   | 74  | Commercial Services  |
|   | M  |   | Scientific Research, Professionals  |
|   |   | 75  | Research and Development  |

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|   |   | 76  | Professional and Technical Services  |
|   |   | 77  | Technology Application and Dissemination as well as Science and Technology Exchange Services  |
|   |   | 78  | Geological Prospecting Industry  |
|   | N  |   | Water,Environment,Public facilities  |
|   |   | 79  | Water Conservancy  |
|   |   | 80  | Environmental Management  |
|   |   | 81  | Public Facilities Management  |
|   | O  |   | Residental Service and others  |
|   |   | 82  | Residential Services  |
|   |   | 83  | Other Services  |
|   | P  |   | Education  |
|   |   | 84  | Education  |
|   | Q  |   | Sanitation,Social Welfare  |
|   |   | 85  | Sanitation  |
|   |   | 86  | Social Security  |
|   |   | 87  | Social Welfare  |
|   | R  |   | Culture,Sports,Entertainment  |
|   |   | 88  | Press Industry  |
|   |   | 89  | Radio, Television, Film and Audiovisual Industry  |
|   |   | 90  | Culture and Arts Industry  |
|   |   | 91  | Sports  |
|   |   | 92  | Show Business  |
|   | S  |   | Government and organizations  |
|   | S  | 93  | Communist Party of China  |
|   |   | 94  | National Government  |
|   |   | 95  | National Committee of the Chinese People’s Political Consultative Conference and the Democratic Parties  |
|   |   | 96  | Social Organization and Religious Organization  |
|   |   | 97  | Fundamental Organs of Self-government of the Mass  |
|   | T  | 98  | International Organization  |

**DEFINITION OF SOME VARIABLES USED IN PRIOR ANALYSIS**

*ENDOGENOUS VARIABLES*

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| --- | --- |
| *Ge Ge0 Gs0* *Ga0* *Survival*  | Annual growth rate of employment between 2004 and 2006 Annual growth rate of employment from inception to 2004 Annual growth rate of sales from inception to 2003Annual growth rate of assets from inception to 2003=1 survivor in 2006, 0 otherwise  |

*EXOGENOUS VARIABLES*

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| --- | --- |
| *Size* *Age* *Sales03* *Se* *Ss* *Sa IMR* *Planning* *RDorien**CSorien* *Cfp DwEd* *Descomp* *Sector* *Location*  | Number of full-time employees in 2004 Number of years from inception to 2004 Total net sales in 2003 Size in terms of full-time employees at financial inceptionSize in terms of total net sales at financial inception Size in terms of total net assets at financial inception The inverse Mill’s ratio Number of plans undertaken The degree of R&D orientation: strong (3), weak (2), none (1) The degree of Customer orientation: strong (3), weak (2), none (1) =1 if coming across cash flow problems since inception, 0 otherwise The price elasticity of demand when price decreases 5%, *ceteris paribus*, elastic (4), unitary (3), inelastic (2), perfectly inelastic (1) Description of market competition: weak (1), medium (2), strong (3) *=*1 if a firm locates in manufacturing industries (one-digit CNSIC code is C), 0 otherwise =1 if in Guangzhou, 0 otherwise  |

**FURTHER VARABLE**

|  |  |
| --- | --- |
| *Ads*  | =1 if making advertisements, 0 otherwise  |
| *Adsmedia*  | The number of media types used for advertisements  |
| *Advinet*  | Major sources for advices at inception: small (1), medium (2), large (3)  |
| *Age*  | Number of years from inception to 2004  |
| *CEO*  | =1 if CEO and the board director is the same person, 0 otherwise  |
| *Codes*  | Flexibility of changing company codes: low (1), medium (2), high (3)  |
| *Communi*  | The number of communication methods  |
| *CultureS*  | =1 if enterprise culture is influenced by entrepreneurs, 0 otherwise  |
| *Defestgy*  | The number of defensive strategies taken  |
| *Delegate*  | The level of control: (1) low, (2) medium, (3) strong  |
| *Diploma*  | The degree of higher education among employees: very low (1), low (2), medium (3), high (4), very high (5)  |
| *Ebiz*  | The willingness to do E-commerce: low (1), medium (2), high (3)  |
| *ExInvest*  | =1 if a firm has extra investment after the inception, 0 otherwise  |
| *Ge*  | Annual growth rate of employment between 2004 and 2006  |
| *IMR*  | The inverse Mill’s ratio  |
| *Investage*  | The number of extra investment per year after the inception  |
| *ISO*  | The willingness to adopt international quality standard: low (1), medium (2), high (3)  |
| *Knet*  | The base of financial sources: very small (1), small (2), medium (3), large (4)  |
| *Mmkt*  | The Market extent: local (1), provincial (2), national (3), Asian (4), International (5)  |
| *MSurvey*  | =1 if a firm conducts the market survey, 0 otherwise  |
| *NewPro*  | The innovation of new products: very low (1), low (2), medium (3), high (4), very high (5)  |
| *Npatent*  | The number of patents held valid in a firm  |
| *NStimula*  | The number of stimulation schemes  |
| *Patent*  | =1 if a firm has any patent, 0 otherwise  |

 *Psurvey* The number of survey purposes

 *RDbranch*  The establishment of R&D department: none (1),

informal (2), formal (3)

 *RDexpend* The amount of money spent on R&D activities in 2004: very small (1), somehow below medium (2), medium (3), somehow above medium (4), very large (5)

 *RDorien* The degree of R&D orientation: low (1), medium (2), strong (3)

The ratio of R&D expenditure to profit: very low (1), somehow below

*RDprofit* medium (2), medium (3), somehow above medium (4), very high (5)

*Reputation* The reputation compared to substitutes: below average (1), average (2), good (3)

*Gearing* The degree of risk-taking: very low (1), low (2), medium (3), high (4), very high (5)

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| *Salary*  | The salary level compared to the industry average: relatively low (1), somehow below average (2), average (3), somehow above average (4), relatively high (5)  |
| *Size*  | Number of full-time employees in 2004  |
| *Slogan*  | =1 if a firm has a company slogan, 0 otherwise  |
| *Social*  | The frequency of company socializing activities: very low (1), low (2), medium (3), high (4)  |
| *Software*  | The number of software that a firm employs  |
| *StgyPlan*  | =1 if a firm makes strategic development plans, 0 otherwise  |
| *StockEx*  | The ambition of being listed in the SME board of stock exchange: low (1), medium (2), strong (3)  |
| *Substi*  | =1 if superior to the substitutes, 0 otherwise  |
| *Suppnet*  | The base of suppliers: very small (1), small (2), medium (3), large (4), very large (5)  |
| *Survival*  | =1 survivor in 2006, 0 otherwise  |
| *Tech*  | The technological level: low (1), less advanced (2), moderate (3), moderately advanced (4), highly advanced (5)  |
| *Technet*  | The base of technological support: very small (1), small (2), medium  |

(3), large (4), very large (5)

*Toptrain* The frequency of top management training: very low (1), low (2), medium (3), high (4)

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| *Training*  | =1 if a firm has training programs, 0 otherwise  |
| *Website* *Workcon*  | The willingness of having its own official website: low (1), medium (2), high (3), very high (4) The standard of working condition: poor (1), below average (2),  |

average (3), above average (4), good (5)

**FURTHER DEFINITIONS**

|  |  |
| --- | --- |
| *Access*  | The degree of geographical accessibility: low (1), medium (2), high (3)  |
| *Aexpect*  | =1 if a firm expects the business environment to influence assets, 0 otherwise  |
| *Age*  | Number of years from inception to 2004  |
| *BOF*  | The score in terms of the badness of fit in configuration  |
| *CEO*  | =1 if CEO and the board director is the same person, 0 otherwise  |
| *Cfp*  | =1 if a firm has serious cash flow problems during the operation in the past, 0 otherwise  |
| *Codes*  | The flexibility of changing company codes: low (1), medium (2), high (3) |
| *Communi*  | The number of communication methods  |
| *Control*  | The level of control: (1) low, (2) medium, (3) strong  |
| *Costlead*  | =1 if a firm takes cost leadership strategy, 0 otherwise  |
| *CSorien*  | The degree of Customer orientation: weak (1), medium (2), strong (3)  |
| *Defestgy*  | The number of defensive strategies taken  |
| *Descomp*  | Description of market competition: weak (1), medium (2), strong (3)  |
| *Different*  | =1 if a firm takes product differentiation strategy, 0 otherwise  |
| *Eexpect*  | =1 if a firm expects the business environment to influence employment, 0 otherwise  |
| *Entrdiff*  | The difficulty of entry: very difficult (1), somehow difficult (2), somehow easy (3), very easy (4)  |
| *Exitdiff*  | The difficulty of exit: very difficult (1), somehow difficult (2), somehow easy (3), very easy (4)  |
| *Focus*  | =1 if a firm takes focus strategy, 0 otherwise  |
| *GDPpc*  | GDP per capita of the city where a firm operates  |
| *Ge*  | Annual growth rate of employment between 2004 and 2006  |
| *Imr*  | The inverse Mill’s ratio  |
| *ISO*  | The willingness to adopt international quality standard: low (1), medium (2), high (3)  |
| *nbarrier*  | The number of market entry barriers  |
| *NewPro*  | The innovation of new products: very low (1), low (2), medium (3), high  |

(4), very high (5)

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| --- | --- |
| *Nfdiff*  | The number of financial difficulties encountered at inception  |
| *Npatent*  | The number of patents held valid in a firm  |
| *NPolicy*  | The number of supportive government policies received by a firm  |
| *NSponsor*  | The degree of financial sponsorship: low (1), medium (2), high (3)  |
| *OS*  | The degree of structure flexibility: low (1), medium (2), high (3)  |
| *Pexpect*  | =1 if a firm expects the business environment to influence profits, 0 otherwise  |
| *RDexpend*  | The amount of money spent on R&D activities in 2004: very small (1), somehow below medium (2), medium (3), somehow above medium (4), very large (5)  |
| *RDprofit*  | The ratio of R&D expenditure to profit: very low (1), somehow below medium (2), medium (3), somehow above medium (4), very high (5)  |
| *Sanluan*  | The description of business environment after the renovation action of “san ran” problem: worse (1), same (2), better (3), greatly improved (4)  |
| *Sexpect*  | =1 if a firm expects the business environment to influence sales, 0 otherwise  |
| *Sizea*  | The monetary value of total assets in 2003  |
| *Sizeasq*  | The square of the monetary value of total assets in 2003  |
| *SizeE*  | Number of full-time employees in 2004  |
| *SizeEsq*  | The square of the number of full-time employees in 2004  |
| *Sizes*  | The monetary value of total sales in 2003  |
| *Sizessq*  | The square of the monetary value of total sales in 2003  |
| *Structure*  | The organizational structure: mechanistic (0), moderate (1) and organic (2)  |
| *Substi*  | =1 if superior to the substitutes, 0 otherwise  |
| *Supplier*  | The base of suppliers: very small (1), small (2), medium (3), large (4), very large (5)  |
| *Sur* *Tech*  | =1 survivor in 2006, 0 otherwise The technological level: low (1), less advanced (2), moderate (3),  |

moderately advanced (4), highly advanced (5)