

# GDP Per Capita

According to the Guangdong Statistical Yearbook, the per capita GDP of a country or region is obtained by dividing the total GDP in a year by the population of that country or region in the same year. This is the standard definition in the Chinese Mainland and in most jurisdictions around the world.

In the past, the GDP per capita figures for the Pearl River Delta Economic Zone suffered from the same problems as the population figures. In most years, the typically reported figure for per capita GDP has appeared to be based on the 'registered population' rather than the 'Census population'. In 2005, however, all the Pearl River Delta jurisdictions released GDP per capita figures based on their permanent populations which in turn were derived from the 2005 Interim Census. The 'official per capita GDP' of the Pearl River Delta region in 2005 was 41,990 yuan (US\$5,127). We call this an 'official figure' because it is given as a specific line item in the 2006 Guangdong Statistical Yearbook. This figure has as its denominator the region's permanent population. It differs substantially from the 65,561 yuan (US\$8,005) one gets from dividing the Pearl River Delta region's 2005 GDP by its 2005 registered population.

In the case of the Yangtze River Delta region, the Jiangsu Bureau of Statistics has issued a per capita GDP figure of 35,147 yuan (US\$4,245) for 2004. This official per capita GDP figure is somewhat higher than the per capita GDP of 32,912 yuan (US\$3,975) obtained by dividing the Yangtze River Delta region's 2004 GDP by its 2000 Census population. It is only 0.3 percent higher than the per capita GDP figure obtained by dividing the Yangtze River Delta region's 2004 GDP by 2004 registered population.

There are no such difficulties with the Hong Kong and Macao figures. These show that Hong Kong's per capita income is roughly five times the most defensible per capita income figures for the Pearl River Delta region and Yangtze River Delta region. Macao's income level is nearly five times that of the two Delta regions of the Chinese Mainland. The affluence of Hong Kong and Macao pushes the GDP/2005 Interim Census population figure for the Greater Pearl River Delta region to US\$7,745. On a per capita basis, the Greater Pearl River Delta region is the most affluent region in China by a substantial margin.

Given the difficulty with the per capita income figures, we include a measure of retail sales of consumer goods to approximate the strength of consumer markets in the Pearl River Delta Economic Zone and the Yangtze River Delta region. As can be seen, the Pearl River Delta Economic Zone accounts for 567.13 billion yuan (US\$69.25 billion) in retail sales or 8.44 percent of the total of the Chinese Mainland.<sup>17</sup> The Yangtze River Delta region accounts for 1,061.19 billion yuan (US\$129.57 billion) or 15.80 percent of the total for the Chinese Mainland. Again this represents a substantially larger market than that of the Pearl River Delta Economic Zone, which is not surprising given the disparities in population, but a more comparable market is that of the Greater Pearl River Delta region (US\$96.58 billion) that includes Hong Kong and Macao.

## Comments

In our view, the 'best measure' of GDP per capita that can be obtained directly from existing statistical series for the Pearl River Delta Economic Zone is the one obtained by dividing 2005 GDP by 2005 Interim Census population. It uses a Census sampling of the number of people resident in the region without mixing different years. It should

<sup>17</sup> The 2005 retail sales figure is slightly overstated as it includes the whole of Huizhou and Zhaoqing including parts that fall outside the definition of the Pearl River Delta Economic Zone.

be kept in mind that even using this measure, the resulting per capita GDP figures for the Pearl River Delta region are overstated because the 2005 Interim Census population figure used in the denominator fails to capture the full population of the region. Moreover, the actual income distribution in the region is missing in publicly available statistics.

The Greater Pearl River Delta region is, on average, by far the most affluent region in China. This is largely due to the high income levels found in Hong Kong and Macao, though increasing wealth in places like Shenzhen, Guangzhou, and Zhuhai also play a part.

