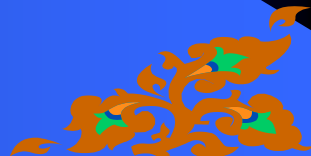
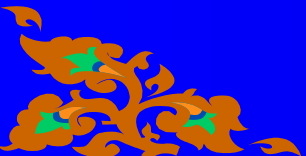
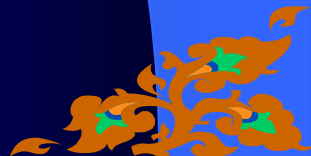
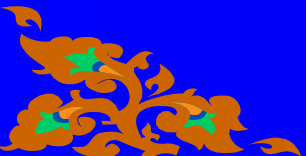


Reform and Development of Construction Industry in China



Part I. General situation on the development of construction industry



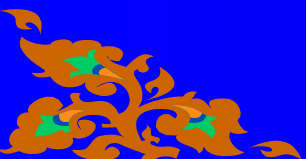
1. Sustained and stable development of construction industry

	1998-2002	2003
Gross output value of construction industry	15.2% (annually average growth rate)	23%
Floor space of construction	10.9% (annually average growth rate)	22.2%
As % of GDP	6.6%-6.8%	7%

2003 target: refer to general contracting and professional contracting construction enterprises with a grade of qualification, excluding labor service subcontracting construction enterprises, the same below

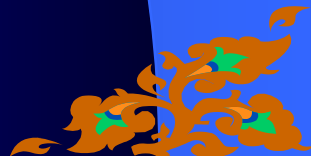
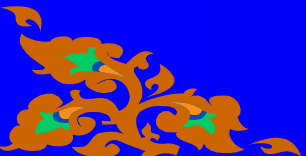
2. Continuously optimized industrial structure

First, there have been numerous specialized and miniaturized enterprises, and more and more enterprises engaging in professional contracting or labor service subcontracting.



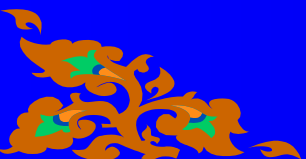
2. Continuously optimized industrial structure

Second, a group of grouping enterprises emerged. They have stronger overall strength. Many construction enterprises advantaged in brand and strong in competitive power have strengthened their overall strength.



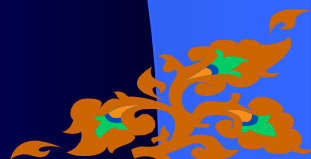
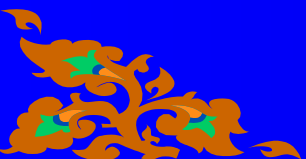
3. Restructured ownership and multiple investors

Since 1998, the number of state-owned and state-holding construction enterprises as well as their share of the total number of construction enterprises have been falling.



4. Continuously rising construction level

The quality of works has been improving. The construction gets safer. With the expansion of industrial scale, the project construction level has been rising continuously.



5. Basically established legal system for construction industry

National Law

The Construction Law, Bidding Law, Contract Law, etc.

Administrative rules

*Rules on Quality Management of Construction Projects;
Rules on Survey & Design Management of Construction Projects;
Rules on Safe Production Management of Construction Projects, etc.*

Local regulations (omitted)

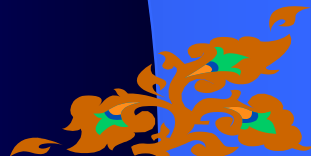
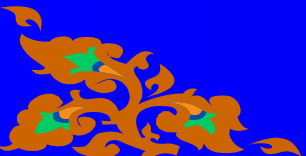
Departmental regulations

*Regulations on Qualification Management of Construction Enterprises;
Regulations on Qualification Management of Construction Project Supervision Enterprises;
Regulations on Qualification Management of Construction Project Survey & Design Enterprises;
Regulations on Market Management of Construction Project Survey & Design, etc.*

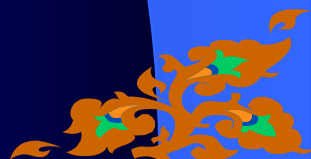
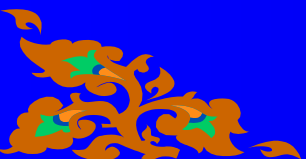
Local regulations (omitted)

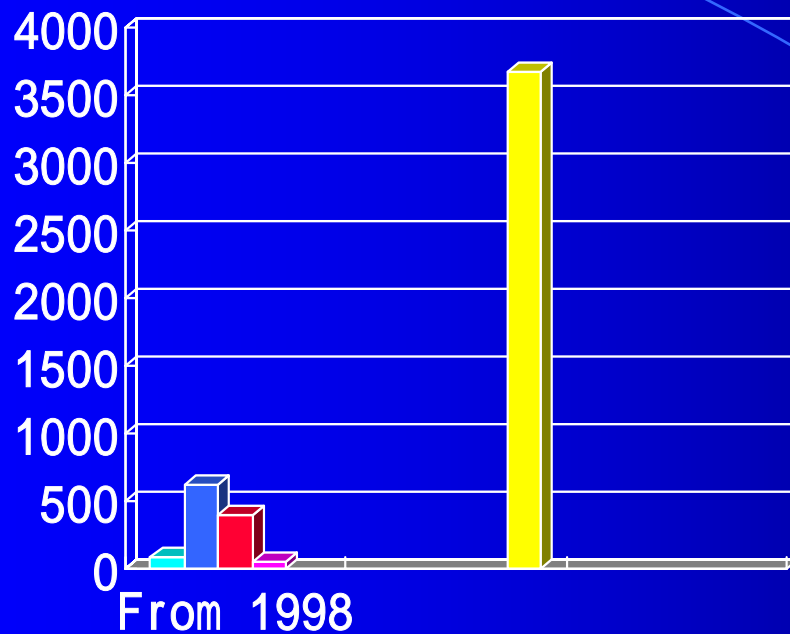
5. Basically established legal system for construction industry

These have constituted a uniform and standard system of laws and rules on the construction industry. And a management system for the construction industry has been built preliminarily, which meets the requirement of market economy.



6. Gradually improved system of project construction standards



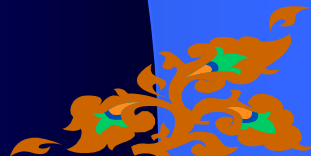
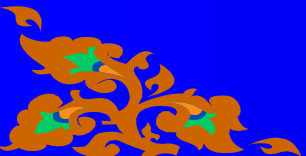


- national standards
- industrial standards
- local standards
- association standards
- the total number of project construction standards

7. Rapidly development of foreign contracting works

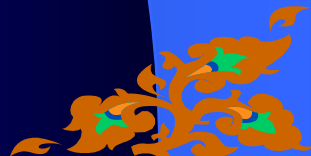
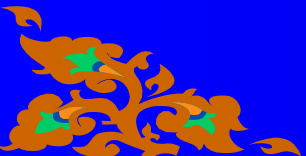
	Foreign Contracting Works		Newly Signed Contract	
	Turnover (USD billion)	Growth rate Y-O-Y	Contract Value (USD billion)	Growth rate Y-O-Y
2002	112	25.8%	150.6	15.5%
2003	138.4	23.6%	176.7	17.4%

**Part II. Measures taken by
Chinese Government to promote
the development of construction
industry**



1、 Build and perfect the system of laws and rules

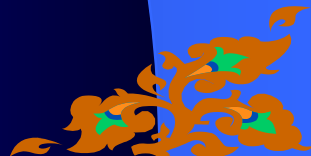
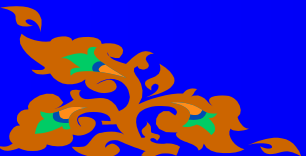
Since 2001, Chinese government has formulated series of departmental regulations in respect of perfecting the legal construction procedures, bid invitation and application, construction supervision and management in accordance with the Construction Law, Bidding Law and other laws and rules.



2、 Deepen the system reform

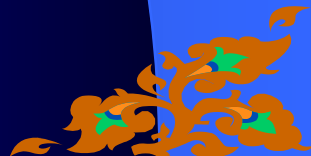
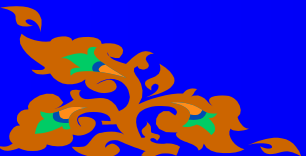
Firstly , vigorously built a tangible construction market, regulated the performance of tangible construction market and promoted the sound development of tangible construction market;

Secondly, urged local areas to abolish the regulations with regional quarantines to make the construction market more open ;



Thirdly, controlled the scale and optimized the structure to eliminate the imbalance between supply and demand as well as overheated competition ;

Fourthly, initiated e-government, and built preliminarily the system of credibility records of relevant enterprises and professionals in the construction market ;

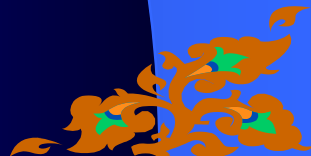
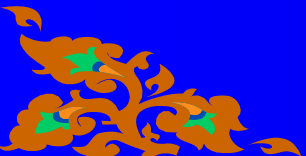


Fifthly, organized and carried out multiple seminars on the reform in project bidding system, reform in government-funded project management, project risk management ;

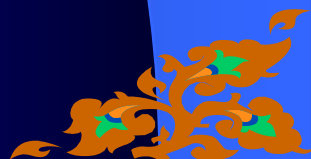
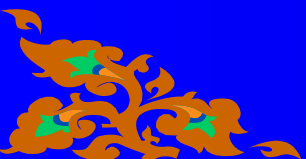
Sixthly, administrated according to law, had stronger supervision on the market, and controlled the market more skillfully .

3、 Continuously drive the technological innovation and improve the quality of employees

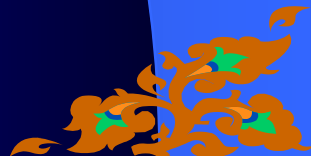
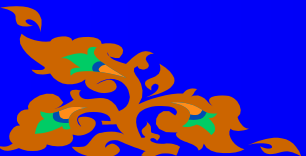
Monographic studies are conducted against the most outstanding problems in the project quality to increase the technological content of construction products and improve the project quality through the developing and spreading new technologies, new materials, new techniques, new machines and apparatus.



At the same time, China is steadily pushing forward the system of personal registered practice to gradually build and perfect the practice qualification system of employees; paying attention to the training for employees .



Part III. Prospect



Thank you !

