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Fishy figures cast doubts on state lines.

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The next time someone tells you to invest in China, remember the fable of the Canadians and the fish.

Scientists at the University of British Columbia made a shocking discovery at the end of last year.

Contrary to the worries of the environmentalist movement, the United Nations had widely accepted statistics showing that fish stocks rose by 350,000 tonnes a year during the 1990s.

However, according to an independent report by British Columbia researchers Dr Daniel Pauly and Dr Reg Watson, global stocks of fish were actually falling by 400,000 tonnes per year.

How on earth did this statistical mismatch occur?

Three out of every 10 fish caught in the world comes from the waters around the mainland and, as a result, so does much of the data used to measure fish stocks.

While the UN was willing to take the official Chinese figures at face value, the Canadians were not. They did their own research, hence the sizable difference.

Some economists with an eye on China have also long suspected that official statistics in general from the mainland are, well, decidedly fishy.

Using yardsticks such as airline passenger growth figures, electricity usage and the number of Celine Dion songs piped through the muzak systems of department stores, independent economists have managed to piece together a picture of gross domestic product growth which did not quite match the central Government's quarterly reports.

Some have argued that Chinese government statistics are as bent as a nine bob note.

If the government said 7 per cent or 8 per cent growth, lop a few percentage points off and you were closer to the truth.

Thomas Rawski, an economist at the University of Pittsburgh, for example, estimated in September last year that China's economy grew at an annualised rate of between 3 per cent and 4 per cent last year - or nearly half the official 7.3 per cent.

The more optimistic view, shared by Morgan Stanley's chief Asian economist Andy Xie Guoshong among others, is that, far from overselling the rosiness of the Chinese economy, mainland statistics actually underestimate growth on the ground.

There is a sizable grey economy at work, for example, which is not captured by official statisticians.

Mr Xie's boss, global economist Stephen Roach, returned from China last April maximum bullish.

Mr Roach had been yomping around the mainland with a gang of fund managers last year and it was not long before one of them brought up the question about the reliability of the statistics. By the end of the trip, however, it seemed that the once-doubting fund manager had something of a change of heart.

"The GDP is right - if anything, China's growth targets are probably too conservative," Mr Roach quoted him as saying in one of his reports.

Of course, this under-reporting could well apply to Chinese fishing grounds. The sceptics at the University of British Columbia may well have missed out on shoal upon shoal of prime seafood.

The Chinese authorities have strenuously denied - they only ever deny things strenuously - that they had pulled an Enron on their fish statistics.

Yang Jian, director-general of the Agriculture Ministry's Bureau of Fisheries, brushed aside the Canadian research and said that Chinese fish statistics were "basically correct".

The Canadians could respond that they were basically correct, give or take 750,000 tonnes.

Still, the Canadians could take comfort that the bureau did not adopt a line allegedly taken by staff at Shanghai-listed fisheries firm Hubei Jianghu Ecology.

Researcher Liu Shuwei queried financial information released by the firm and police questioned Hubei Jianghu employees over the alleged misdeeds last month. Since making her accusations, Ms Liu said she had been the subject of four death threats.

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