

[China completes satellite station network](#)

A network of remote sensing satellite ground stations that cover all of China's territory and 70 percent of Asia passed its final acceptance examination on Wednesday.

The network is headquartered in Beijing and features three ground stations in a suburb in Beijing, Kashgar in Xinjiang Uygur Autonomous Region and Sanya in Hainan Province, respectively.

It will be used to support various remote-sensing systems, especially for the western part of the country and the South China Sea, according to the examination committee.

The project began in 2007.

[SNP manifesto: what it means for rural and remote communities](#)

We have now launched our manifesto for the General Election on 8 June. It sets out how we will ensure that there is strong opposition to a re-elected and increasingly hard line Tory government at Westminster.

[The futures of the NHS and our schools are at stake in this election – Jeremy Corbyn](#)

At a media launch in London today, Jeremy Corbyn, Leader of the Labour Party, Jonathan Ashworth, Shadow Health Secretary and Angela Rayner, Shadow Education Secretary, turned the spotlight on public services, arguing that this election is vital for the future of the NHS and our schools.

Labour has

published research highlighting the threat to our schools and hospitals posed by five more years of the Conservatives and have committed the party to reversing years of Tory neglect.

New

analysis of the Tory threat has revealed that if the current rate of deterioration under the Tories continues, by 2022 our health and education services could be facing huge problems. It could mean:

In a Tory

NHS and social care system:

- 5.5 million people on waiting lists in England, 1.8 million more than at present.
- Almost 1.5 million older and vulnerable people with unmet social care needs.

In a Tory

education system:

- 650,000 pupils crammed into primary classes of over 30.
- Families left almost £450 worse off per child as a result of the Tories' plan to scrap free school meals for 1.7 million children.

The choice

at the election is stark. The Tories have no plan to properly fund our public services, pushing them further into crisis. Labour will take a different approach, we will rebuild our public services for the many by modest tax rises

for companies and the richest 5 per cent.

Labour will

build an NHS and social care system for the many:

- Labour will invest £37 billion in our NHS and take one million people off the waiting list by the end of the next Parliament.
- Labour will invest £8 billion in social care over the course of the next Parliament and lay the foundations of a National Care Service to integrate health and social care.

Labour will

build an education system for the many:

- Labour will cap class sizes at 30 for 5-, 6- and 7-year-olds.
- Labour will provide free school meals to all primary school children by removing VAT exemption on

private
school fees.

**Jeremy
Corbyn, Leader of the Labour Party, said:**

“The
futures of our NHS and schools are at stake in this election.

“Over the
last seven years the Tories have starved the public services we rely on of
resources, running them down and pushing them into disrepair.

“Patients
are suffering ever longer waits and overcrowded wards; those who need care
have
been left without it. Children are crammed into overcrowded and crumbling
classrooms. It has to change.

“Labour
will invest in our people, schools and hospitals. We will cut class sizes,
take
a million people off the NHS waiting list and ensure people get the care they
deserve.

“By
contrast another five years of the Tories would be disastrous for our public
services. At the rate we’re going we could see 5.5 million people on the
English waiting list and 1.5 million older people with unmet care needs. And
young people and their families face the prospect of more overcrowding in
schools and having to pick up the bill for the Tories’ unfair plan to scrap
free school meals for hundreds of thousands of children.

“On June 8th there’s only one party that will improve
our public services for the many not the few, that’s the Labour Party.”

Notes to editors:

- Please find link to Labour’s full analysis on threat to our schools and hospitals posed by five more years of the Conservatives: <http://www.labour.org.uk/atrisk>

**[Benoît Cœuré: Greece: progress,
challenges and the way forward](#)**

Speech by Benoît Cœuré, Member of the Executive Board of the ECB, at a conference organised by The Economist: “Greece: a comeback to the financial markets? A glimpse into Europe’s financial landscape”, Frankfurt am Main, 31 May 2017

Thank you for inviting me to speak here today.

The topic of this conference is very timely. As you know, in recent weeks the Greek authorities have made significant progress in adopting measures to finalise the second review of the ESM programme. Discussions on medium-term debt measures and a new IMF programme are ongoing and expected to be concluded in the weeks ahead.

In my short remarks this morning, I will explain why timely clarity on debt measures and debt sustainability is important – not only to restore trust in public finances but also to help rebuild confidence in the Greek economy more generally, and the financial sector in particular.

But I would first like to focus on one element of the Greek adjustment programme where I believe the ECB’s advice is of particular relevance – the financial sector strategy.

Financial sector reforms are a key element of macroeconomic adjustment programmes, for one simple reason: any sustainable economic recovery needs to be supported by an adequate supply of credit. Without credit, firms may not be able to invest in productive capital, create new employment or cover ongoing expenses.

A healthy credit supply is also important for our monetary policy to filter through to households and firms: it is one of the main ways in which we can affect bank lending conditions and, ultimately, price developments. Indeed, the broad-based and solid recovery we are currently observing in the euro area economy owes much to our policy measures having been effective in repairing the bank lending channel – that is, in overcoming credit supply restrictions and in bringing bank lending rates down to levels consistent with our monetary policy stance.

Greece is a sad exception, unfortunately. Bank loans to the domestic non-financial private sector have contracted in every quarter since end-2008 and by a cumulative 28% up until the end of last year. And although the level of loans to the private sector has stabilised recently, rates on loans to firms are still some 250 basis points above the current euro area average.

Main challenges for the Greek financial sector

This means, of course, that there is still important work to do to allow credit to become a net contributor – rather than an impediment – to growth in Greece and to allow the Greek economy to reap the full benefits of the

firming and broadening euro area recovery.

But still, we have seen progress.

The situation of Greek banks has improved in several ways since the summer of 2015 when the third programme was negotiated. Capital adequacy, for example, has been strengthened from CET1 ratios of around 11% in the third quarter of 2015 to around 16-17% at the end of last year, following the successful recapitalisation of the four main banks in late 2015. Bank governance has also improved, as shown by the significant changes in the composition of Greek bank boards over the past year. And, importantly, bank profitability recovered in 2016 after years of substantial losses. The average return on assets improved from -1.9% in 2015 to 0.1% in 2016, based on continued operations.

What, then, are the main obstacles that still need to be overcome?

I would argue that they are mainly related to the fragile state of banks' balance sheets – on both the asset and liability sides.

Let me start with the asset side.

As you know, non-performing loans (NPLs) are a problem in many euro area countries. But in Greece 45% of all bank loans are non-performing. They severely depress the profitability of banks and their ability to extend new, productive loans to firms and households.

Decisive and rapid action is therefore needed. The roadmap was drawn up last year when ECB Banking Supervision agreed with the four main Greek banks on a 50% reduction in their NPL stock by the end of 2019.

Progress so far has been broadly in line with agreed targets, but NPL objectives for this year and the next two years are ambitious. A step change in NPL resolution activities will be needed – in particular after the weak performance in the first months of 2017 that was, in part, also due to the uncertainties related to the delay in the second review.

But I am happy to see that the Greek authorities recently passed several important pieces of legislation to support NPL resolution. Full and timely implementation of these reforms in the months ahead will be crucial to support the required step change in NPL resolution efforts.

Let me highlight three elements that are of particular importance:

- First, the overhaul of the out-of-court workout framework. This element is of particular importance in Greece, where many firms are heavily indebted both to banks and the state.
- Second, legal provisions to facilitate debt restructuring agreements by reducing the liability of the individuals involved.
- And third, after many delays, a framework for electronic auctions for the recovery of claims. An electronic auction platform has become increasingly important as physical auctions have essentially come to a standstill, which has caused significant losses for creditors, debtors

and the economy as a whole.

Let me now briefly turn to the liability side of banks' balance sheets.

Deposits are the cornerstone of any sound banking system. A stable deposit base allows banks to engage in maturity transformation and to extend credit to the real economy.

So far, however, there is no evidence of a sustained return of private deposits in Greece. Since the summer of 2015, when capital controls were imposed, private sector deposits have only recorded a modest 2.5% increase. They remain some 25% below their levels at the end of 2014 before deposit outflows accelerated noticeably.

The upshot is that Greek banks still rely to a significant extent on central bank funding. Although recourse to our facilities, including emergency liquidity assistance, has fallen from 41% of total assets in June 2015 to around 21% of assets today, total central bank funding still amounts to more than 35% of Greek GDP.

Part of the reduction in central bank funding is attributable to improved access to wholesale financing. This is certainly good news. Greek banks have gradually returned to the interbank market and were able to perform repo transactions with a wide range of mostly international counterparties – also thanks to the ECB, in June last year, reinstating the waiver affecting the eligibility of Greek government-related assets for Eurosystem monetary policy operations.

But for credit to become a vital source of economic growth in Greece again, a lot will depend on banks being able to regain the trust of private depositors and rebuild stable funding lines in wholesale funding markets.

Of course, this is not only in the hands of banks. Broader macroeconomic stabilisation is essential, as I will explain in a second. But banks need to contribute actively to this process by making further progress in repairing the asset side of their balance sheets – that is, by reducing the amount of non-performing loans.

Debt sustainability and the public sector purchase programme

Restoring confidence, of course, also means dispelling uncertainty about the sustainability of Greek government debt – and this brings me back to my opening remarks. I think we all agree that uncertainty about high public debt levels has undermined confidence in the Greek economy in general, and the financial system in particular.

In this respect, we regret that no clear definition of debt relief measures was reached at the last Eurogroup meeting. Discussions are ongoing, but in my view it is important that an agreement is reached at the Eurogroup meeting on 15 June.

According to the framework agreed in May last year, debt measures would be implemented in mid-2018, at the end of the programme. But being sufficiently clear on the measures *today* would help frontload many of the beneficial effects, in particular the rebuilding of confidence of both the international and domestic community in the ability of the Greek economy to return to a path of normality and stability.

Clarity about debt measures is also a necessary condition for Greek government bonds to be potentially eligible under the ECB's public sector purchase programme (PSPP).

In June last year, the Governing Council clarified that it would examine possible purchases of Greek government bonds under the PSPP, taking into account the progress made in the analysis and reinforcement of Greece's debt sustainability, as well as other risk management considerations. Any decision by the Eurosystem will be taken independently and autonomously.

This means that one important element in our deliberations is our assessment of the sustainability of Greece's public debt. But we can only make an informed assessment if we have a clear view of the nature and extent of the envisaged debt measures. Then we can assess how much they would contribute to the sustainability of Greek debt. In other words, we need a sufficient degree of specificity. And as for any other decisions, we will look at all the relevant information. The IMF's debt sustainability analysis will be an important input in this respect.

Concluding remarks

Let me conclude.

To bring the Greek programme to a successful conclusion it is essential that the Greek authorities continue to show a serious commitment to the goals set and measures taken in the context of the programme. Only with such a commitment can all stakeholders be confident that reforms will be strengthened in the aftermath of the programme and not reversed.

At the same time, other stakeholders have to do their part to put in place the conditions that will ultimately allow the Greek banking system to fully recover and to enable the country to return to the financial market.

These efforts are not only about Greece – they are also about the euro area as a whole. Based on currently available information, Greece is the only euro area country whose economy contracted, albeit marginally, at the start of this year, despite the cyclical recovery becoming increasingly solid and broad-based – thanks in large part to our monetary policy measures, which have led to a pronounced easing of financing conditions and a convergence of funding costs across countries. But convergence will only be achieved if all euro area countries are involved.

I therefore encourage all parties to continue working hard on making the programme a complete success.

Thank you.

China to terminate all military paid services by 2018

The Central Military Commission (CMC) will terminate all paid services provided by the military by the end of June 2018, according to a military professor.

In the first stage, services in 10 fields should stop by the end of this June, said Jiang Luming, professor at the National University of Defense Technology in an interview with Xinhua.

The 10 fields are nursery education, press and publications, culture and sports, communications, personnel training, barrack projects, storage and transportation, militia armament repair, repair technology and driver instruction, he said.

Projects in another five fields – real estate rentals, agricultural products, accommodation services, medical care and scientific research – should be ceased by the end of June 2018, he added.

In February 2016, the CMC issued a circular urging the end of all paid services by the armed forces and the armed police.

Jiang said that the military has received support from local governments and courts.