

UK public finances are OK

The latest figures for public spending, tax revenue and borrowing published yesterday showed more progress in reducing the running deficit. Total state borrowing adjusted for the bonds the Bank of England has bought in remains at a moderate level, around 65% of GDP.

The main reason new borrowing is reducing is the continued good growth in tax receipts. In the period April 2016 to January 2017 tax revenues were 5% higher than in the same period of the previous financial year. This reflects the continued growth of the UK economy. Self assessment income tax receipts and corporation tax receipts showed especially strong growth based on improved business activity and investment prospects.

This increase in tax allowed an increase of 2% in public spending and a reduction in the rate of new borrowing. In the financial year to date central government current spending is up by 1.4% and local government current spending up by 10.2%. Central government net investment rose by 6%. (ONS official figures). There are some areas where it may be necessary to spend more.

It is still a good idea to spend money wisely. Ending our EU contributions is an obvious improvement to make. There are issues with poor value for money in parts of the overseas aid budget. There are more opportunities to help people into work, to cut the benefit bill by substituting earnings from work. There are many efficiency improvements to be made in areas like railway spending, which is running at high levels.

The government also needs to be careful over tax rates. Taxing income may be a necessity, but it is not wise to tax working and investing too heavily as it can do considerable economic damage and prove self defeating. The budget is an ideal time to review current rates and ask which taxes should be lower in order to raise more revenue as and when economic growth delivers more cash.

Former HK chief executive Donald Tsang jailed 20 months for misconduct



Former Hong Kong Chief Executive Donald Tsang Yam-kuen [File photo: Chinanews.com]

Hong Kong's former Chief Executive Donald Tsang Yam-kuen was sentenced to 20 months in prison on Wednesday for misconduct while in office.

He will be sent to prison immediately.

Justice Andrew Chan of Hong Kong's High Court said he had set a starting point of 30 months in prison, but gave a discount of ten months because of Tsang's past good character and service to Hong Kong.

Tsang was found guilty last Friday of a charge of misconduct for failing to declare a conflict of interest when he approved applications for radio broadcasting license by a broadcasting company Wave Media.

He had faced two charges of misconduct and one charge of bribery. The nine jurors entered a majority verdict last Friday of one charge of misconduct. Tsang was cleared of another charge of misconduct.

The jury could not reach a decision on whether Tsang was guilty of accepting advantage. The judge has tentatively scheduled the proceeding to September, but a date has yet to be fixed.

Boost set for economic, social goals

China will "stabilize and improve its macroeconomic policies" and deepen

reforms to achieve its economic and social development goals this year, according to a statement released after a key meeting on Tuesday.

The nation will continue to adopt proactive fiscal policy and prudent monetary policy, according to the meeting of the Political Bureau of the Communist Party of China Central Committee, which was presided over by Xi Jinping, general secretary of the CPC Central Committee.

Coordination of industrial, regional, investment, consumption, price, land and environmental protection policies will be strengthened, and reforms in key fields will be deepened to achieve better results, the meeting decided. Innovation will be promoted to help improve the efficiency of the economy and release domestic growth potential, participants agreed.

The meeting highlighted the significance of 2017, since the 19th CPC National Congress will convene later in the year.

Acknowledging that China has scored a strong start for the 13th Five Year Plan (2016-20) period, the meeting called for further efforts to balance multiple economic tasks this year, including stabilizing growth, advancing reforms, pushing restructuring, improving people's livelihoods and preventing risks.

The meeting was held ahead of the two sessions—the annual meetings of the country's top legislature and the top political advisory body that will be held in early March.

Supply-side structural reform will be further pushed and people's livelihoods should be improved, the meeting statement said.

The meeting also decided that China will push the supply-side reform of agriculture to ensure healthy growth and increased income for farmers.

Tuesday's meeting also decided that the government should improve governance to "better serve the people".

According to the statement, 247 Party organizations have been inspected by teams sent from the CPC Central Commission for Discipline Inspection, the Party's top anti-graft agency, since the inspection effort was launched in 2013.

The inspections, with a focus on sticking to the Party's leadership, have functioned as a "political microscope" and a "political searchlight", under which supervision of following the Party's rules has been enhanced, said the statement.

On Tuesday, the CCDI disclosed information on its recent 11th round of inspections of Party and government agencies, institutes, associations and news media, such as the Supreme People's Court, the Party School of the Central Committee of the CPC and China Central Television.

"The meeting highlighted the most important tasks for China this year," said Liang Haiming, chief economist of the China Silk Road iValley Research

Institute. "It highlights reform, innovation and people's livelihoods."

It is a must for China to further carry out reforms because the international situation has changed rapidly, Liang said.

[Ancient gigantic Buddha statue with puzzling background](#)

After Taliban blew up the world's two largest Buddha statues in Bamyān, Afghanistan, 16 years ago, the 32-meter-high standing statue of Buddha in Sichuan became the largest on Earth.



The world's tallest standing Buddha statue in Sichuan Province in Southwest China. [Photo:scol.com.cn]

However, despite its splendid view on Mt. Baxian, 891 meters high above the sea level, the origin of the statue remains elusive.

Its builders and dynasties have yet to be identified, and its hairstyle, earlobes and dressings are different from conventional Buddha statues. For example, Buddhas don't usually wear bracelets. Moreover, this Buddha statue looks like it's wearing an apron, which distinguishes its clothing from others.

Although the ambiguous elements of the statue perplexes historians, experts still believe the Buddha statue has distinctive historic value.

Ministry issues penalties for nuclear safety

The Chinese Ministry of Environmental Protection (MEP) issued two administrative penalties on Feb. 14 for compromises in nuclear security.



Members of the IAEA-led Integrated Regulatory Review Service (IRRS) and staff from the Chinese National Nuclear Safety Authority visit the Fuqing Nuclear Power Plant to review safety upgrades carried out as part of work to improve safety following the 2011 Fukushima accident in Japan. The September 2016 visit was part of an IRRS review of China's regulatory framework for nuclear and radiation safety. [Photo: NNSA/MEP]

Dalian Teikoku Canned Motor Pump Co., Ltd., a Japanese-funded company and the biggest canned motor pump manufacturer in China, was deemed by the MEP to have violated operating protocols in the welding of nuclear power units of Yangjiang Nuclear Power Station in Guangdong Province, and failed to register the design of the canned motor pump to be used in Hongyanhe Nuclear Power Station in Liaoning Province.

Dalian Teikoku also received another penalty for its welder Zhou Shundong for violating protocol in repair welding, which has led to severe quality risks.

The MEP demand Dalian Teikoku immediately halt unauthorized activities and pay a fine of 200,000 yuan (US\$29,093). The MEP also revoked Zhou's qualification licence.

The devices involved in the penalties were still in the manufacturing stage and did not compromise the actual safety or construction of the aforementioned nuclear facilities, according to MEP statements.

Nuclear safety has been given greater attention in the wake of Japan's Fukushima incident, which was triggered by a major earthquake and the

subsequent tsunami.

Minister of Environmental Protection, Chen Jining, has cautioned against nuclear risks now that China is rapidly developing its nuclear energy and nuclear technologies, posing increasing pressure on safety supervision. He urged that precautions must be in place right from the very source, in order to maintain security capabilities and reliability.

Chen said that there must be bottom lines in terms of the safety for nuclear power generation in order to implement all possible measures to lower the risk of accidents. He also called for the enhancing of emergency response responsibilities.

MEP's statement shows that the operational nuclear power-generating units and the nuclear reactors for civil researches have maintained a sound safety record. None of the nuclear power plants nationwide have had any incident or accident above the second degree category. The accident rate involving radioactive sources has dropped to under one case in 10,000 sources each year, from above 2.5 cases in the period 2006-2010.

Liu Hua, the vice minister of Environmental Protection and director of National Nuclear Safety Administration said that there was no "absolute safety" in the nuclear industry, only "relative safety." He said a country's nuclear safety could only be guaranteed as long as the industry keeps improving its technology and the national regulator keeps enhancing its supervision capabilities, in addition to drawing lessons from previous nuclear accidents and incidents.