

## The IFS offers more gloom

The IFS tells us in their latest forecasts that we can look forward to more years of tax rises and spending cuts. They expect the UK economy to slow this year, and slow again next year. They are out of touch with the mood to banish austerity and go for growth.

They are more pessimistic about the Eurozone than about the UK. They have lowered their 2017 growth forecast to 1.5% for the Euro area, whilst proposing 1.6% for the UK. They run one scenario which looks at what weak European banks and Brexit could do to their forecast – an unusual pairing with no explanation of why they are lumped together or the relative contributions to their extra gloom on this basis.

They do confess that there are “increasing chances that the forecasts may be too pessimistic”. They accept that the UK consumer carried on spending post the referendum when most forecasters said they would not. They admit that business investment rose a little faster after the vote, instead of falling off the cliff as in many forecasts. They agree that trade which had performed disappointingly last year might add a bit to our economy in 2017.

They confess that “real levels of day to day public service spending have actually fallen very little overall in the last three years”. If they checked the Red Book figures they would see the cash growth in overall public spending actually rose faster than inflation over that time period. They now think removing the deficit should be the priority, which leads them to conclude political parties have to offer some combination of higher taxes and lower spending.

Politically it is much more attractive to square the circle with more growth. More growth brings in more tax revenue without tax rate rises. It cuts the costs of benefits as people move from no pay to low pay, and from low pay to better pay. The issue before us should be what more can we do to promote growth.

I do not accept that growth will be as low as they say in 2017 or 2018. That still makes me keen to find more measures which can promote more growth. A tax rate cutting budget could help, especially if we cut those tax rates that are damaging the revenue collected. Spending enough on social care and health is a cross party priority, and we have to accept these services will continue to need more cash in the future. Investing more when long term interest rates are still so low should make sense, though the state needs to show commonsense over projects chosen and where possible harness the private sector to ensure a proper profit test on the project.

---

## Over 1,600 crocodile skins seized in S. China



Crocodile skins seized by coast guards are on show in Fangchenggang City, South China's Guangxi Zhuang Autonomous Region, Feb. 7, 2017. [Photo: China News Service/ Wang Lidan]

More than 1,600 pieces of crocodile skins and 500 kilograms of what appears to be crocodile meat were seized in south China's Guangxi Zhuang Autonomous Region, coast guards said Thursday.

During a patrol Tuesday, a group of coast guards boarded a boat around 3 a.m., which was carrying a number of large polystyrene boxes. Upon inspection, the boxes contained what appeared to be 1,609 crocodile skins, each around 1.4 meters long, and 506 kilograms of crocodile meat.

The boat and its owner have been detained. A suspect caught said he was hired by a buyer in the city to receive the goods from a port in Vietnam.

Crocodiles are under state protection in China and are also classed as endangered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora. Crocodile skin is the upmarket of consumer goods because of its small quantities and luxurious quality. The smuggling of alligator skins is emerging as the high-end leather market flourishes.

Crocodile skins are often used for luxury handbags.

The investigation continues.

---

## Jail sentences for selling data on 200,000 newborns

Eight people involved in stealing, selling and buying information of more than 200,000 newborns have been sentenced for infringing citizens' personal information.

The Pudong New Area People's Court said yesterday that the defendants included two former employees of the city's Center for Disease Control and Prevention. The eight were sentenced from seven to 27 months, and were ordered to pay penalties ranging from 2,000 to 5,000 yuan (US\$290 to US\$730).

One of the accused, surnamed Han, 41, was working in the city-level Center for Disease Control and Prevention, and another surnamed Zhang, 50, was working for the district-level authority. In 2014, Zhang persuaded Han to steal information of newborns from the center's database to help his friend promote infant health products, promising a commission fee.

From the beginning of 2014 to July last year, Han illegally downloaded the information from the system and sent the details to Zhang via e-mail twice a month. Each time information on about 5,000 newborns was given. Zhang then sold the information to another of the accused, surnamed Fan, who was in the infant health products business. According to the court, Han, Zhang and Fan stole personal information on more than 200,000 newborns.

Moreover, Fan sold more than 250,000 pieces of information to another of the defendants, surnamed Li, who sold on the information to two of the accused, surnamed Huang and Wang. All three were also involved in infant health products. Wang's ex-driver, surnamed Wu, also stole information of more than 70,000 newborns.

All eight confessed their guilt to the court, returned their illegal income and paid the penalties imposed.

---

## Shanghai ranks No. 4 of world's top-30 cities

Shanghai is the highest of five Chinese mainland cities at No. 4 in the list of the world's 30 most dynamic cities, according to the Global City Momentum Index released Thursday by real estate services provider JLL.

Beijing, Shenzhen, Hangzhou and Nanjing are the other four Chinese cities that appeared in the fourth annual list, ranking 15th, 22nd, 26th and 29th, respectively, according to the index, which monitors 134 major business hubs across the world and tracks the rate of change of a city's economy and commercial real estate market.

The most dynamic cities are able to embrace technological change, absorb rapid population growth and strengthen global connectivity, JLL said.

"Shanghai has strong ambitions to continue its growth and explicitly aims to become a global center for both financial services and technological innovation," said Joe Zhou, head of research for JLL China.

"For now, Shanghai's real estate market remains one of the world's most dynamic markets, with strong demand being driven by the growth of domestic firms."

Asian cities made up half of the top 10, with Bangalore in India replacing London to take the top spot for the first time.

"Our research showed that the Asia-Pacific region is home to more than half of the globe's 30 most dynamic cities and real estate markets, highlighting the rise of commercial cities such as Bangalore and Ho Chi Minh City as major hubs of commerce," said Megan Walters, head of research for Asia Pacific at JLL.

---

## 41.2 pct of Chinese hold urban hukou in 2016

China's registered permanent urban residents rose to 41.2 percent of the total population in 2016, after easing of "hukou" (household registration) policy, the Ministry of Public Security announced Thursday.

In 2015, only 39.9 percent of the population held urban status and the current urbanization drive is aiming for 45 percent by 2020.

At a video conference held on Thursday, the ministry of public security called for a more reasonable points system and for registration in most cities for students and migrant workers to become easier still.

The government is gradually bringing the unregistered population into the hukou system, including orphans, second children born illegally during the one-child policy and the homeless.

Last year, more than 1.43 million people formerly without hukou were registered, the ministry said.

Various benefits such as health care and education are based on hukou, and are supposed to be in line with long-term places of work and residence.