

British gov't borrowing increases in December

LONDON, Jan. 22 (Xinhua) -- The latest official data shows that the British government borrowed more than expected in the last month of 2012, making people doubting about the government's efforts in fulfilling its deficit-cut plan.

The Office for National Statistics (ONS) said on Tuesday that public sector net borrowing, excluding financial interventions like bank bailouts, was 15.4 billion pounds (about 24.5 billion U.S. dollars) in December last year, which is 600 million pounds higher net borrowing than in the same period in 2011, when net borrowing was 14.8 billion pounds.

However, the newly-released figure is higher than the previous expected 15.2 billion pounds.

"Public sector current budget deficit stood at 13.0 billion pounds in December, 0.5 billion pounds higher than that in December 2011, when there was a deficit of 12.5 billion pounds," said the ONS.

December's figure takes total borrowing so far this financial year, excluding a transfer of Royal Mail pension assets, to 106.5 billion pounds, 7.2 billion pounds higher than for the same period in 2011.

Public sector net debt was 1,111.4 billion pounds at the end of December 2012, equivalent to 70.7 percent of gross domestic product (GDP), according to the official figures.

Britain had escaped from its double-dip recession in the third quarter of 2012, with GDP growing 1.0 percent, but the outlook darkened after some economists forecast that the country would suffer a triple-dip recession should GDP contract in both the fourth quarter of last year and the first quarter of 2013.

Finance minister George Osborne warned early last month Britons that they faced an extra year of austerity measures and insisted that reversing his belt-tightening measures now would be a "disaster".

Osborne said Britain would face spending cuts and tax hikes until 2018.