

## Bank of England set to release Recession 2: The Sequel ...

Published: January 13, 2026, 1:52 am

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It looks like the Bank of England wants to send us back into recession. [As the FT notes:](#)

*Mervyn King, governor of the Bank of England, has forecast slower growth and higher inflation, warning that Britain faces a "difficult time ahead".*

*Even with the weak outlook, the Bank signalled on Wednesday that there was likely to be a rate rise this year, economists said. According to Mr King's forecasts, inflation is on track to hit 5 per cent this year and remain higher than the Bank's 2 per cent target.*

As King admitted yesterday, much of this inflation is down to fuel prices. A lot of the rest is VAT rises. Putting up interest rates will not impact either in any material way but it will drive up the cost of living of millions of households, so tipping the economy back into recession.

The madness of neoliberal economics continues to reign.

King got it wrong before the crash. It looks like he's not learned much as a result of it.

I quietly despair.