

Why we're still in recession

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The [Guardian has reported](#) that Eurozone car sales were down 16% in December.

Now that is possibly because there were two fewer trading days, but that seems unlikely.

What seems likely to me is that people are saving.

Economic recovery is dependent upon four things. One is increased consumer spending. Another is increased net business investment. A third is increased net exports. The last is increased government spending. Those are the four variables in the equation.

What is clear is that consumers are not spending here or abroad.

That means business is not investing and exports are not rising.

So it's all down to government spending. And George isn't playing.

That's why we're still in recession. And why we'll stay that way too, and the deficit won't clear and the debt will rise. It's all rather obvious.

As is the solution. Unless you're George.