

## The signs for 2016 aren't good

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There is a plethora of bad economic news in the FT this morning. [Start with this:](#)

*Manufacturers are scaling back their hiring and investment plans for the first time in almost six years as their confidence buckles in the face of slower global trade.*

*The latest quarterly survey from the EEF manufacturers' association shows that, for the first time since the start of 2010, more respondents replied "no" than "yes" when asked whether they planned to hire and invest more in the next 12 months.*

That scuppers the investment and employment growth plans that underpin George Osborne's forecasts for the next five years. Then [add this:](#)

*According to a poll of UK contractors by Aecom, an infrastructure and support services group, labour shortages are driving up costs so much that contractors are putting up prices and turning down work from projects and clients they perceive to be high risk.*

*Aecom [also] said that parts of the industry are already cutting their exposure to the residential market because of fears the capital's house price boom may be starting to falter.*

If manufacturing and both residential and commercial building are in trouble that's a triple blow for the UK. Which [is compounded by this report:](#)

*Sovereign wealth funds in the Gulf have been pulling money out of asset managers at the fastest rate on record as they rush to boost their economies following the collapse in the oil price.*

*At least \$19bn was withdrawn by state institutions during the third quarter, according to data provider eVestment, denting investment managers' profits and raising concerns about the prospect of further outflows.*

So, the emerging markets are in trouble, and could be exporting recession to us.

And the FT [also carries commentary](#) on why the EU QE programme cannot work now, which I think to be true whilst noting, to add to the woes, that in the US interest rates are likely and [that the Bank of International Settlements](#) is telling other central bankers to follow suit, come what may. To put it another way, now the bankers have run out of ideas they are promoting recession as a policy.

In the light of all this if we survive 2016 without a significant downturn I will be surprised. We might, but I cannot see how right now. And that is worrying for us all, most especially when we have no plan for how to deal with it.

And we'll only have that when People's Quantitative Easing is accepted as a necessary step to manage such a situation.