

# The UK is very likely in recession now, and the economy...

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It feels like only a week or so ago that trolls were all over this blog suggesting that I was wrong to say that the UK was likely to be in recession.

They claimed that I did not know that a recession meant a fall in growth for two quarters in a row. They also suggested that this was unlikely in the first quarter of this year. But what they failed to note was that I wrote in the present tense: I said that I thought that by April 2022 the UK was in recession. I was covering the quarter from February (and I really don't care if they want to argue that I have to use calendar quarters because that would be quite ridiculous).

So, let me turn to today's GDP data for March, published this morning. [The highlights are:](#)

- \* Gross domestic product (GDP) fell by 0.1% in March 2022, after no growth in February 2022 (revised down from 0.1% growth).
- \* Services fell by 0.2% on the month and was the main contributor to March's fall in GDP, reflecting a large decrease (15.1%) in the wholesale and retail trade and repair of motor vehicles and motorcycles industry.
- \* Production also fell on the month by 0.2%; these falls were partially offset by construction, which grew by 1.7%.
- \* Output in consumer-facing services fell by 1.8% in March 2022, following a 0.5% (revised down from 0.7%) growth in February 2022; non-consumer facing services grew by 0.2% on the month following a 0.1% fall in February (revised down from 0.0%).

So, February was not as good as expected and March is worse and will, in my opinion, be revised downwards in due course. As for April, if anyone thinks the economy grew last month when consumer confidence was plummeting then they are suffering from misplaced optimism, to be kind.

So, as I suggested, it is highly likely that we have already had a quarter of negative

growth and, I suggest, that is likely to continue for some time given the cost-of-living crisis, inflation and the state of the world economy, plus the measures being taken by the Bank of England to deliberately make everything very much worse. In that case, it is quite reasonable to conclude, as I did, that we are already in a recession now.

This matters. The government said only this week, in the Queen's Speech, that the way to tackle the cost-of-living crisis was to grow the economy, and claimed that is what they will do. The reality is that the opposite is happening. That is hardly surprising, because they lie continually, and must have known this data was coming. But what it says is that even if growth was the answer to all the problems that we face (and by itself, it is not) that option is not on the table, meaning that they need to do something else. But they have no announced plan to do anything else either. In which case people are going to suffer.

I always presumed that the political mindset that allowed the starvation in Ireland to happen in the 1840s as a consequence of deliberate policy, harshly backed up by the law, would never recur. I am having to reappraise that opinion. The mindset of abuse that caused that starvation to be imposed on millions still exists and is to be found in this government and in the Bank of England, which actively wants things to get worse. That is what troubles me, because I cannot see where this ends right now.