

Funding the Future

The UK is facing economic failure on a grand scale, and...

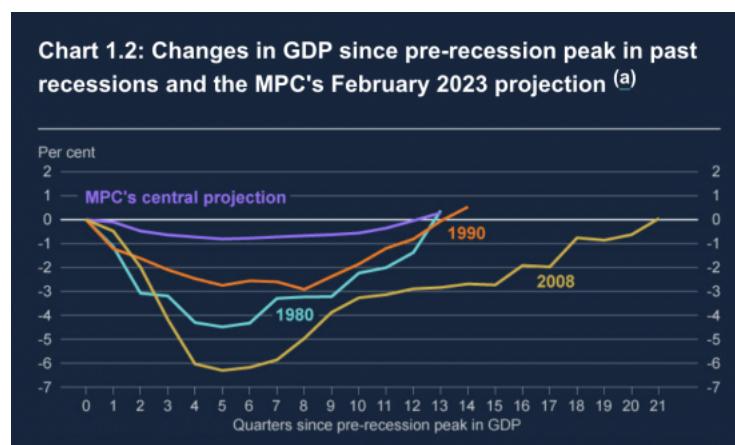
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The Bank of England [Monetary Policy Committee report](#) issued yesterday makes grim reading. These charts are all from the first chapter on the economic outlook:

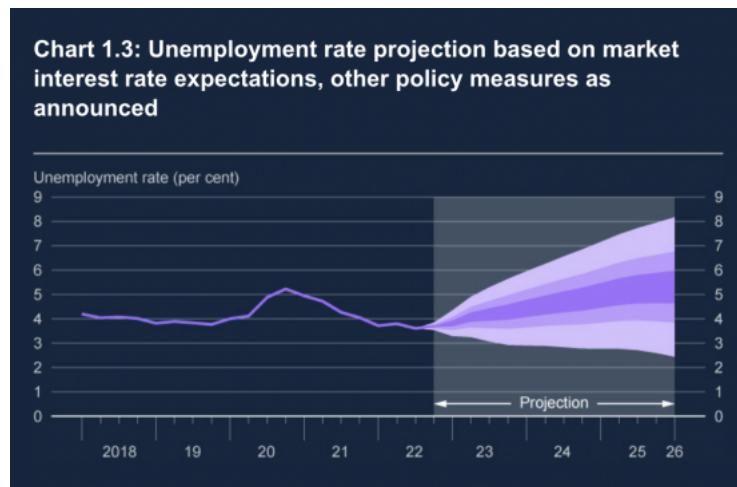


The Bank is not expecting growth until 2026. You might call that its own mark on its own mismanagement of the economy.

As a result we, singularly in the G7, will take until 2026 to recover from Covid, assuming nothing else happens in the meantime to knock us off course (which is a mighty big assumption):

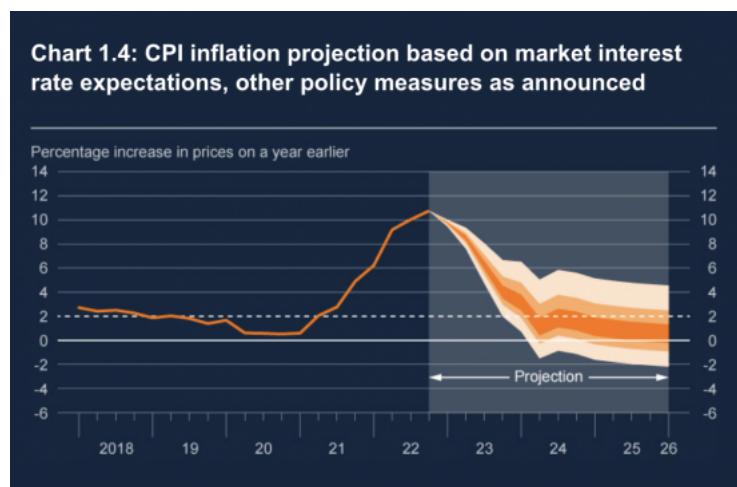


The price of this incompetence is to be borne by people who will be unemployed:

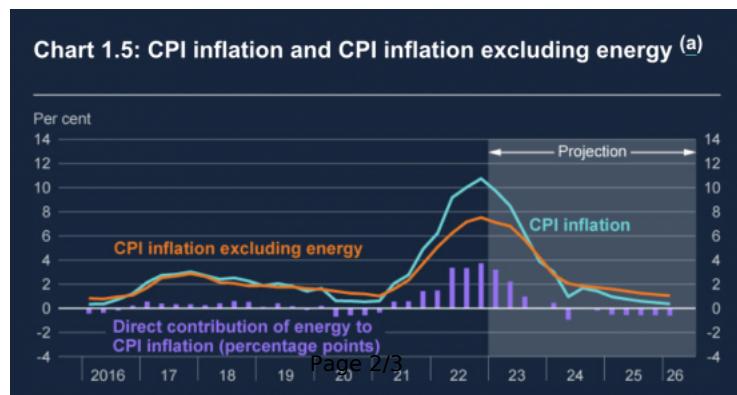


You would think they did not care, given the casualness with which they make such forecasts.

And what is staggering is that they increased interest rates even though they admitted that a) there is no way that the rate rises that they have already delivered have impacted inflation to any significant degree and b) there is no scenario in which they can imagine inflation rising again, as this chart shows:



As they in fact show, energy costs are actually going to pull inflation down now:



But even though they know the underlying cause of inflation is going, they are still wanting to impose recession on the UK.

Why? The great unspoken reason is that outside the EU the UK economy is basically unable to grow because it has not got the people to do so.

This could, of course, be celebrated. We would be the first post-growth economy. The trouble is there is no plan for that. All the old objectives are still in place, with a shrugged-off recognition that there is no chance of delivering against them.

This is economic failure on a grand scale, and the Bank of England is just compounding it.

But so too are the entire political class that refuses to talk about Brexit. Rarely has politics been so utterly irresponsible.