

Funding the Future

A budget summary in tweets and charts

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I have now reviewed most of the [Office for Budget Responsibility's forecasts](#) issued with the 2023 budget.

I wrote my review in a series of tweets, each including the charts I referred to:

Richard Murphy @RichardJMurphy · 57m

The Office for Budget Responsibility think we may be heading for deflation and are simultaneously forecasting 4% or more bank rate until 2028, which is a recipe for the most massive recession as households and businesses are crushed by interest payments:

Chart 2.4: CPI inflation fan chart

Note: Successive pairs of lighter-shaded areas around our baseline forecast (black line) represent 20 per cent probability bands. Source: ONS, OBR

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Richard Murphy @RichardJMurphy · 53m

With inflation heading for zero it is insane to think that the economy can support this level of interest payments when it has not paid anything like this level since before 2008 - and we were booming then and many are bust now

Chart 2.2: Bank Rate and gilt yields by year of maturity

Note: March 2023 forecast is an average of the five working days to 8 February 2023, latest is an average of the five working days to 9 March 2023, and November 2022 forecast is an average of the three working days to 26 October. Source: Bank of England, OBR

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Richard Murphy @RichardJMurphy · 48m

More fantasy economics from the Budget. Where is growth coming from without real pay increases and with massive real interest charges forecast for the next five years crushing households and businesses? Growth is just not going to happen.

Chart 2.14: Real GDP growth forecast

That's it: the outlook is grim and the Tories will be making it worse by choice. Those cheers from the Tory benches today will disappear very quickly, I suggest.