

The Bank of England is getting a terrible reputation fo...

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The ONS released data on Uk company profitability yesterday [about which they noted](#):

* *The profitability of private non-financial corporations (PNFCs) grew by 0.1 percentage points in Quarter 1 (Jan to Mar) 2023 compared with Quarter 4 (Oct to Dec) 2022, with net rate of return now at 9.9%.*

* *The profitability of UK continental shelf (UKCS) companies decreased for the second quarter following a continued drop in gas and crude oil prices; the net rate of return for UKCS companies was 5.7% in Quarter 1 2023, 7 percentage points down from the estimate for Quarter 4 2022 (12.7%), this was the lowest value since Quarter 2 (Apr to June) 2021.*

* *The net rate of return for manufacturing companies increased to 8.8% in Quarter 1 2023, up from 8.4% in Quarter 4 2022.*

* *The net rate of return for services companies stood at 16.1%, an increase of 0.4 percentage points compared with Quarter 4 2022 (15.7%).*

The Bank of England claimed as a result that there was no sign of greedflation as a result. I beg to differ, as I told the Guardian yesterday. There are three reasons for doing so.

First, if during a period of, at best, flat growth profits have risen (as they have) that must be at cost to other parts of the economy, including labour, whose pay we know has fallen.

Second. the treat business as homogenous is absurd. The business sector broadly splits into two, between large and small. The vast majority are small and have had a rough time. A tiny minority by number but not by value are large and have been doing very well. Oil companies, food traders, banks and some retailers have done well from recent events. And they are the drivers of inflation.

Third, that service companies are doing well is another indication that profit is being

made when wages are being held.

All three indicate that greedflation is real. The Bank of England is getting a terrible reputation for its inability to read data.