

# Economic recovery? Don't hold your breath: OECD and Bank chief raise fears of triple-dip recession

The Daily Mail



## Spivs Comment.

"Hopes of a recovery"? Don't make me laugh. There will be no recovery, just slavery, unless these vile deviants are removed from power. For as long as we allow these parasites to steal from us, they will continue to do so. Who the fuck ever heard of a triple dip recession?

Hopes for recovery were dealt a fresh blow yesterday after leading economic experts sharply reduced their forecast for next year's growth to below 1 per cent.

The influential Organisation for Economic Cooperation and Development had predicted in May that GDP would rise by 1.9

per cent in 2013.

Sir Mervyn King, the Governor of the Bank of England, added to fears that Britain is in danger of re-entering recession, saying that the economy was at a 'tipping point'.

The OECD prediction made grim reading for David Cameron and George Osborne and sets the scene for a torrid Autumn Statement next week.

It overshadows confirmation that the economy grew by 1 per cent between July and September, ending the longest double-dip recession since the Second World War.

The downgrade by the Paris-based OECD comes as the threat of a full-blown global recession mounts. 'The world economy is far from being out of the woods,' said OECD secretary general Angel Gurría.

'Failure to solve the euro area debt crisis could lead to a major financial shock and global downturn.' The think-tank said Mr Osborne's budget plans 'remain appropriate to ensure the sustainability of the public finances' following the damage done by Labour – but only for now.

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It said austerity could be eased in the short-term if economic growth turns out to be weaker than feared, even if it means the Chancellor has to ditch his cast-iron budget rules.

The OECD said many of the UK's problems stem from abroad, not only in the eurozone but also as a result of a global slowdown. Pier Carlo Padoan, the OECD's chief economist, said: 'The risk of a major new contraction cannot be ruled out.'



'Far from being out of the woods': OECD secretary general Angel Gurría (right) said that 'failure to solve the euro area debt crisis could lead to a major financial shock and global downturn' but that George Osborne's (left) budget plans will appropriately maintain public finances after the damage done by Labour

Facing the Commons Treasury Committee, Sir Mervyn admitted that the Bank's forecasts had been too optimistic for far too long.

Asked why it had taken so long for the Bank to downgrade the outlook, the Governor said: 'We should have done it earlier and we didn't.

'There are times where you debate something and you finally decide, well look, our judgment really has to change now.' Sir Mervyn said the Bank will be in 'very good hands' when his successor Mark Carney takes over next year – but underlined the mammoth task he faces.

The Canadian was named as the next governor in an audacious move by Mr Osborne on Monday.

'It may be unreasonable to expect anything other than a slow and protracted recovery,' Sir Mervyn said. 'We do not think the chances of very rapid growth in 2013 and 2014 are very great.'

# KING WON'T SAY SORRY TO SAVERS

SAVERS were disappointed yesterday after the Bank of England Governor refused to apologise for record low interest rates.

In a two-hour grilling by MPs, Sir Mervyn King insisted he has simply stuck to his job to meet the two per cent inflation target by keeping the base rate at an historic low of 0.5 per cent since 2009.

Tory MP Brooks Newmark said pensioners who have saved up their whole life had effectively become 'dissavers' and asked if it was 'a price worth paying'.

But Sir Mervyn said simply: 'Our job is to try and meet the inflation target. In order to do that, like all

central banks around the world, we have lowered interest rates and made monetary positions easier.

'That's the remit that you and Parliament gave us to do and we have carried it out.'

His reponse follows a report last week by financial data firm Moneyfacts which showed low interest rates have blighted a new saving scheme. The £80billion 'Funding for Lending' was introduced in August, but has since suffered a dramatic drop in savings rate.

Sylvia Waycot of Moneyfacts said: 'Where does this leave savers? It leaves them in free fall without a shred of hope for a soft landing.'

Read

more: <http://www.dailymail.co.uk/news/article-2239507/OECD-Mervyn-King-raise-fears-triple-dip-recession.html#ixzz2DVavg0ff>

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