

**Bank of England**

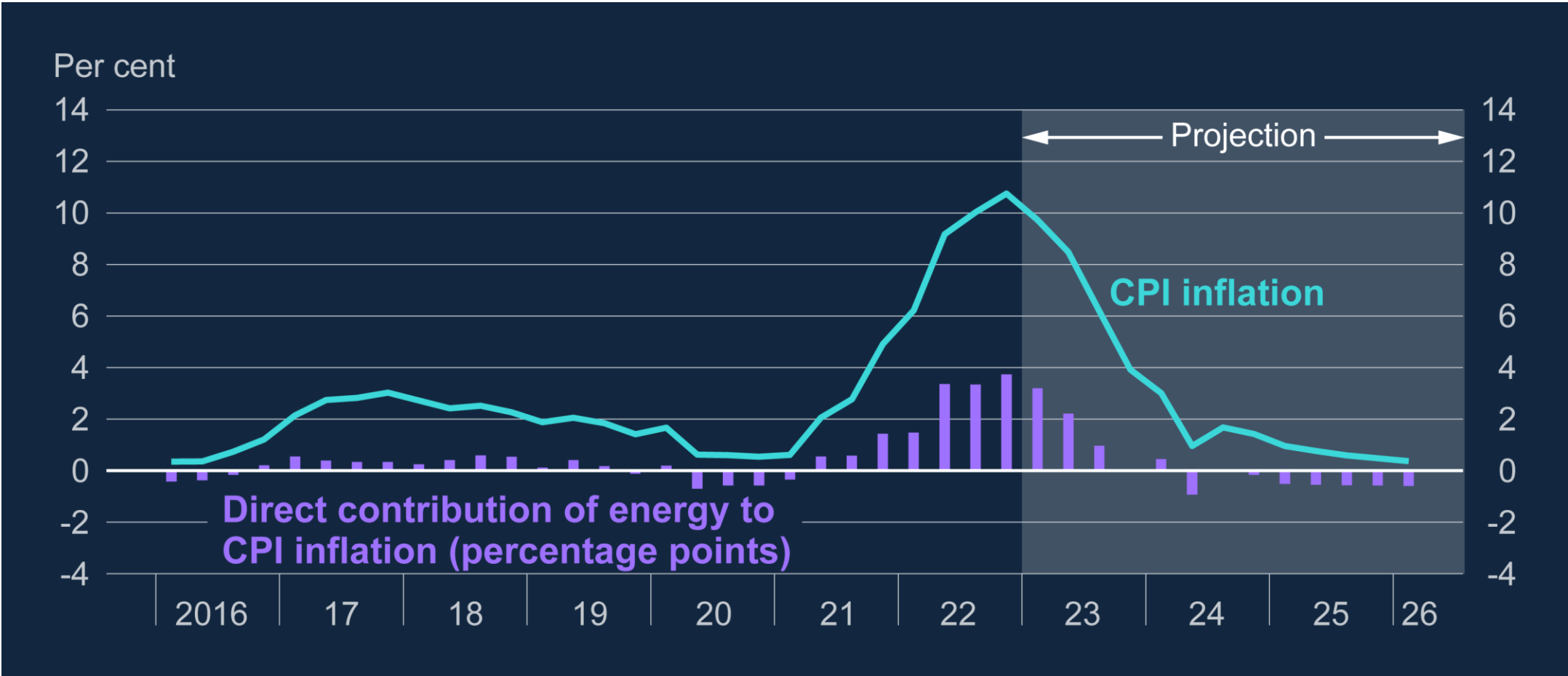
# Monetary Policy Report February 2023

## Press Conference



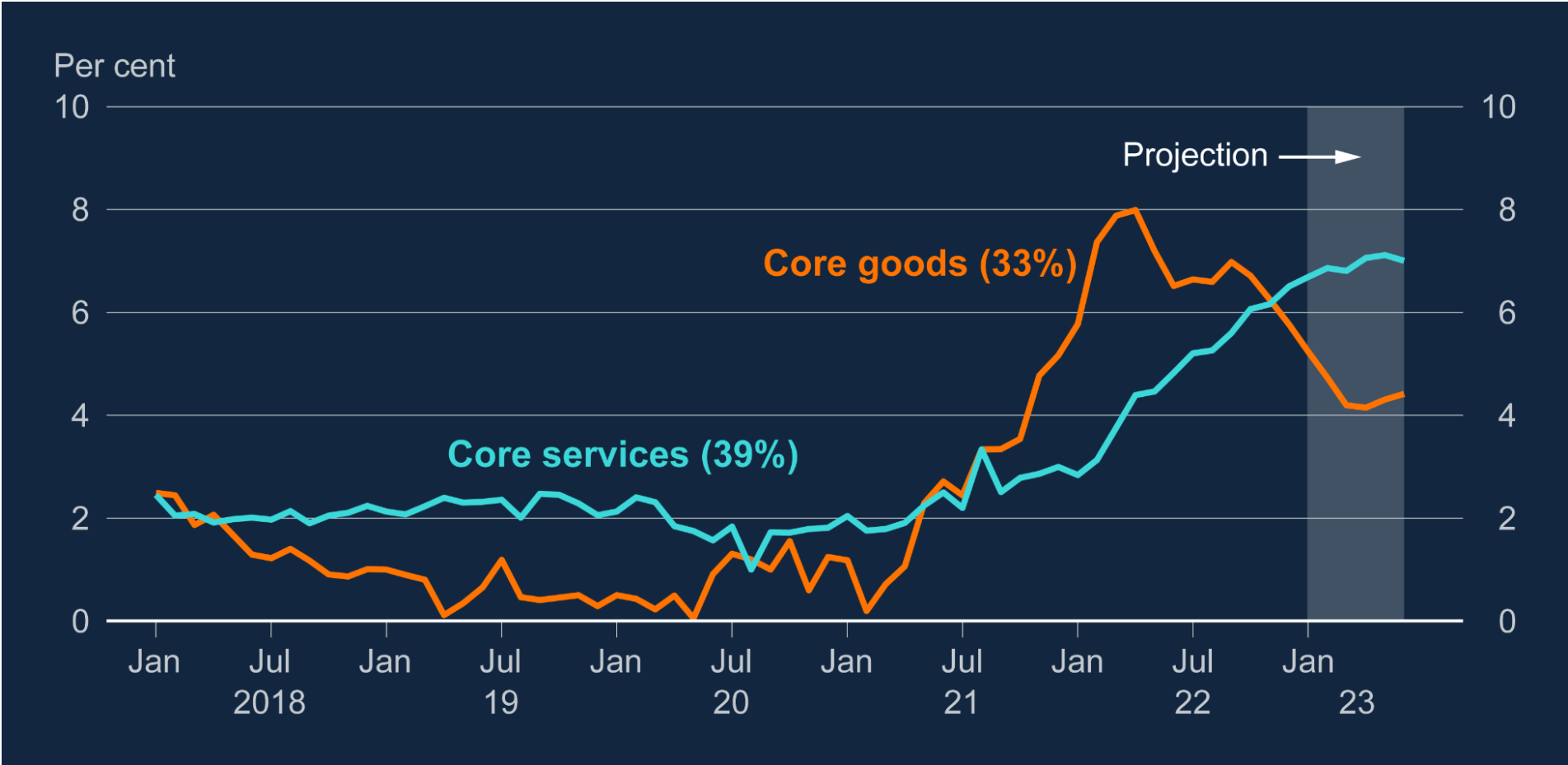
# Chart 1: CPI inflation projection with direct energy contribution

Based on market interest rate expectations



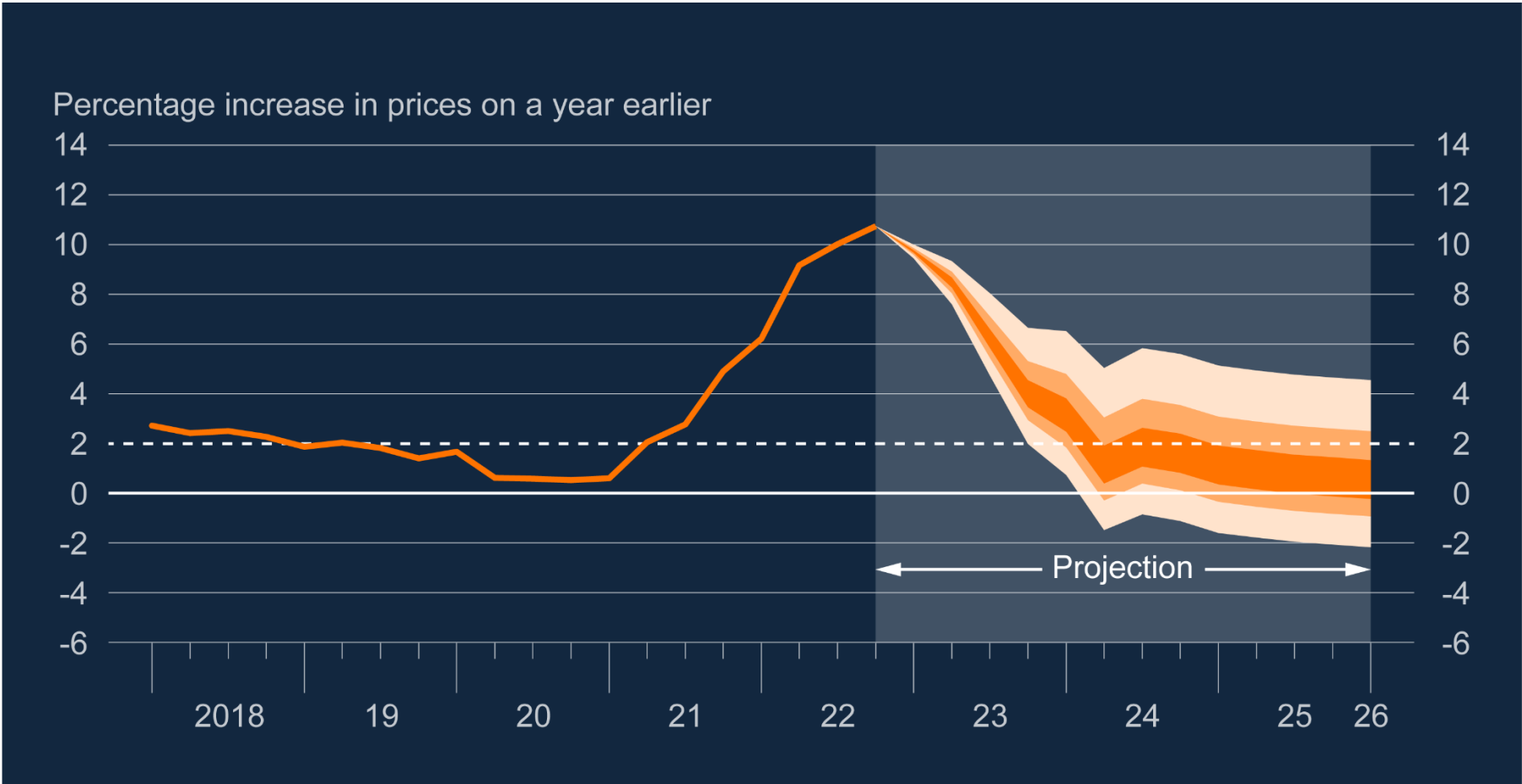
# Chart 2: While core goods inflation has eased, services inflation has not

Core goods and core services inflation



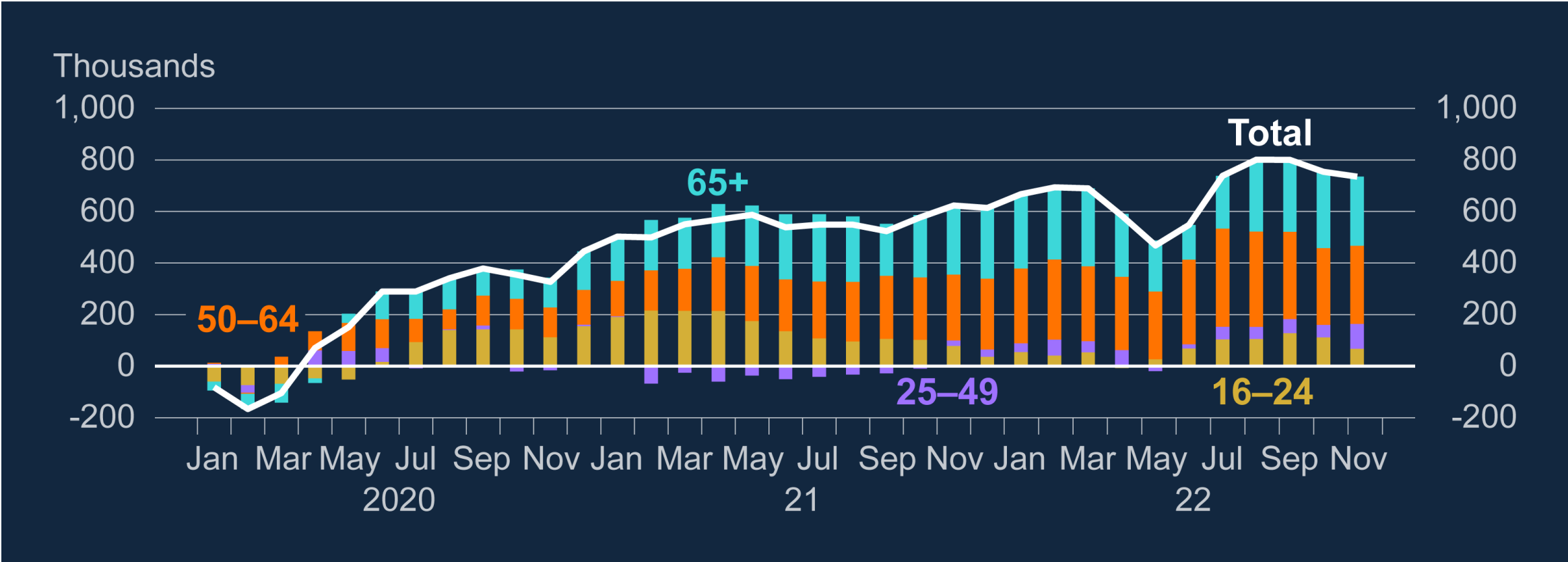
# Chart 3: CPI inflation projection

Based on market interest expectation



# Chart 4: Rising inactivity has been driven by people aged 50+

Change in economic inactivity by age group



# Chart 5: The fall in participation will take time to unwind

Labour force participation and estimated potential participation



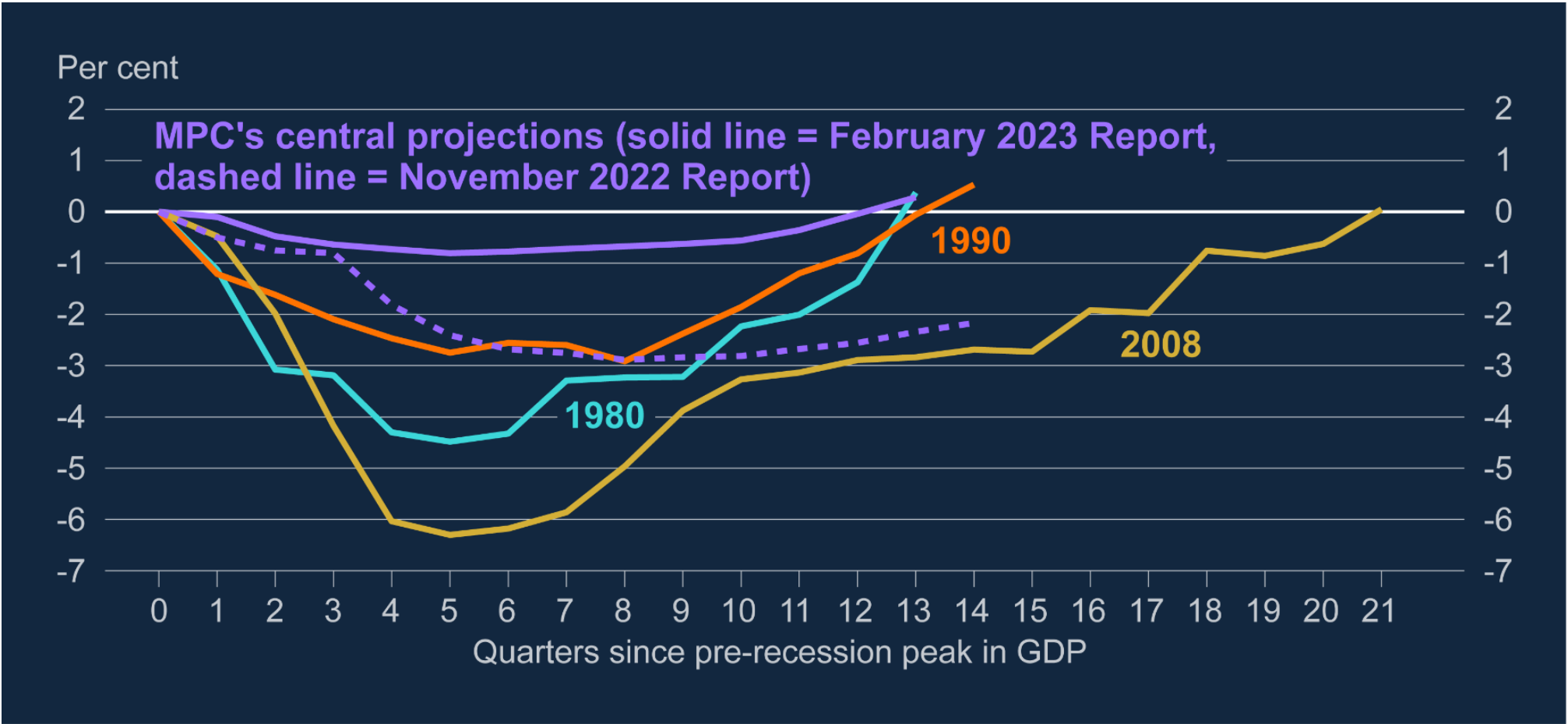
# Chart 6: The level of supply is only expected to recover gradually

GDP and estimated potential supply



# Chart 7: Changes in GDP since pre-recession peaks

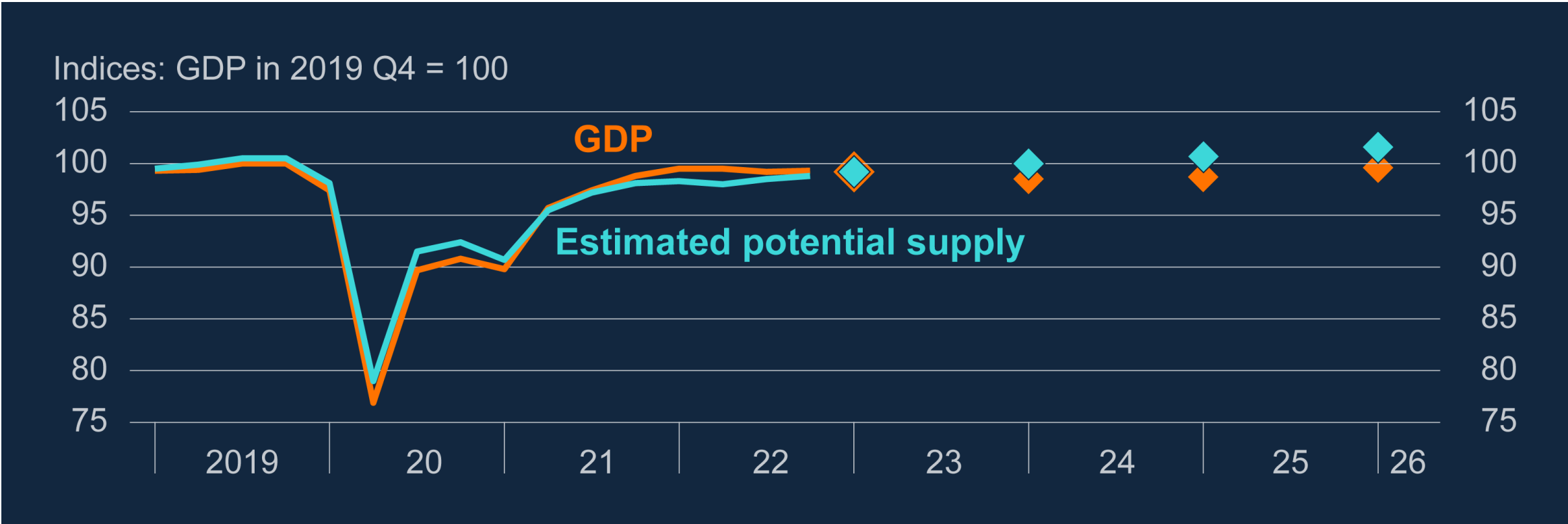
Recessions are defined as at least two consecutive quarters of negative GDP growth



Note: Past recessions began in 1980 Q1, 1990 Q3 and 2008 Q2. The MPC's projection starts in 2023 Q1.

# Chart 8: Headwinds to demand lead to increasing economic slack

GDP and estimated potential supply



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