



**BANK OF ENGLAND**

# News release

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## **Bank Of England Reduces Interest Rates by 0.50% to 4.0%**

The Bank of England's Monetary Policy Committee today voted to reduce the Bank's repo rate by 0.50% to 4.0%.

The Committee reviewed monetary and economic developments over the three months since the August Inflation Report. World economic activity had weakened further, and evidence on the outlook now suggests that the global slowdown may be somewhat deeper and longer than previously thought. World inflationary pressures, including commodity prices, are weaker.

In the United Kingdom, growth has so far remained close to trend. But reflecting the changed world outlook, the latest surveys of confidence and business activity have weakened. Meanwhile, cost and price pressures are somewhat more subdued.

Against this background, the Committee concluded that a cut in interest rates of 50 basis points was needed in order to meet the inflation target.

The Committee's latest inflation and output projections will appear in the Inflation Report to be published on Wednesday 14 November.

The minutes of the meeting will be published at 9.30am on Wednesday 21 November.

### **Note for Editors**

The most recent change in interest rates was a reduction of 0.25% to 4.5% on 4 October 2001.