



BANK OF ENGLAND

News release

Press Office

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

press@bankofengland.co.uk

www.bankofengland.co.uk

18 June 2002

Bank of England Quarterly Bulletin - Summer 2002

The Bulletin is published on 18 June, and among the articles in this issue are the following:

Durables and the recent strength of household spending

Household consumption in the United Kingdom grew by about 4% during 2001. This was largely accounted for by unusually strong spending on durable goods, with growth in spending on other goods and services slowing to around a six year low. This article discusses why spending on durable goods needs to be analysed differently from that on other types of goods, and provides some possible explanations for its recent unusual strength. In addition, an alternative estimate of consumption is presented that replaces the expenditure on durable goods with the flow of services derived from them. Over the past year, this alternative measure has grown less strongly than the standard expenditure series.

No money, no inflation - the role of money in the economy

Deputy Governor Mervyn King examines the apparent contradiction that the acceptance of the idea that inflation is a monetary phenomenon has been accompanied by the lack of reference to money in the conduct of monetary policy, during its most successful period. He suggests that the disappearance of money from the models used by economists is, however, more apparent than real, with official interest rates playing the leading role as the instrument of policy, with money in the wings off-stage. Nevertheless, he warns, there are real dangers in relegating money to this behind-the-scenes role.

Note to Editors

Copies of the Quarterly Bulletin are available from the Publications Group, Bank of England, Threadneedle Street, EC2R 8AH (Tel: 020 7601 4030; fax 020 7601 3298).

Key Resources

Quarterly Bulletin, Summer 2002 – complete issue

<http://www.bankofengland.co.uk/archive/Documents/historicpubs/qb/2002/qb0202.pdf>