



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

19 March 2007

Bank of England Quarterly Bulletin - Q1 2007

The Q1 issue of the Bank of England Quarterly Bulletin is published today. It contains the following articles and reports:

- *Foreword*, by Charles Bean, Chief Economist and Executive Director of Monetary Policy, Bank of England.
- *Markets and operations*. This regular quarterly commentary discusses recent developments in sterling financial markets before the recent turbulence in international equity and credit markets. It also outlines changes in sterling market structures and summarises recent changes to the Bank's documentation for the sterling monetary framework.
- *The Monetary Policy Committee of the Bank of England: ten years on*. This is a reprint of the Monetary Policy Committee's submission to the Treasury Committee's inquiry into the first ten years of the MPC.
- *The macroeconomic impact of globalisation: theory and evidence*. The emergence and integration of industrialising economies, such as China and India, into the global economy has accelerated since the early 1990s. This article examines the likely impact of globalisation using an economic model, and assesses whether some key macroeconomic variables have responded as theory would have predicted.
- *The macroeconomic impact of international migration*. This article explores the various channels through which migration can affect the macroeconomy. It suggests that there is some evidence that recent migration flows may have had a larger impact on supply than demand, helping to depress inflationary pressures.
- *Potential employment in the UK economy*. This article examines the different factors that can affect potential employment. Rapid population growth, structural changes in the labour market and a fall in the equilibrium unemployment rate, are likely to have boosted UK potential employment. But those developments have been partly offset by the continued downward trend in desired working hours.
- *The role of household debt and balance sheets in the monetary transmission mechanism*. Recent Bank of England research suggests that the build-up in household debt has had little effect on the sensitivity of consumer spending to changes in their financial position. This is likely

to because the benign economic environment and favourable lending conditions have made it easier for households to smooth over adverse shocks.

- *Gauging capacity pressures within businesses*. This article reviews a variety of ways to measure spare capacity within businesses and shows that they have moved in a broadly similar way over the past.
- Summaries of recent Bank of England working papers and speeches.

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) or at

<http://www.bankofengland.co.uk/publications/Pages/quarterlybulletin/default.aspx>