

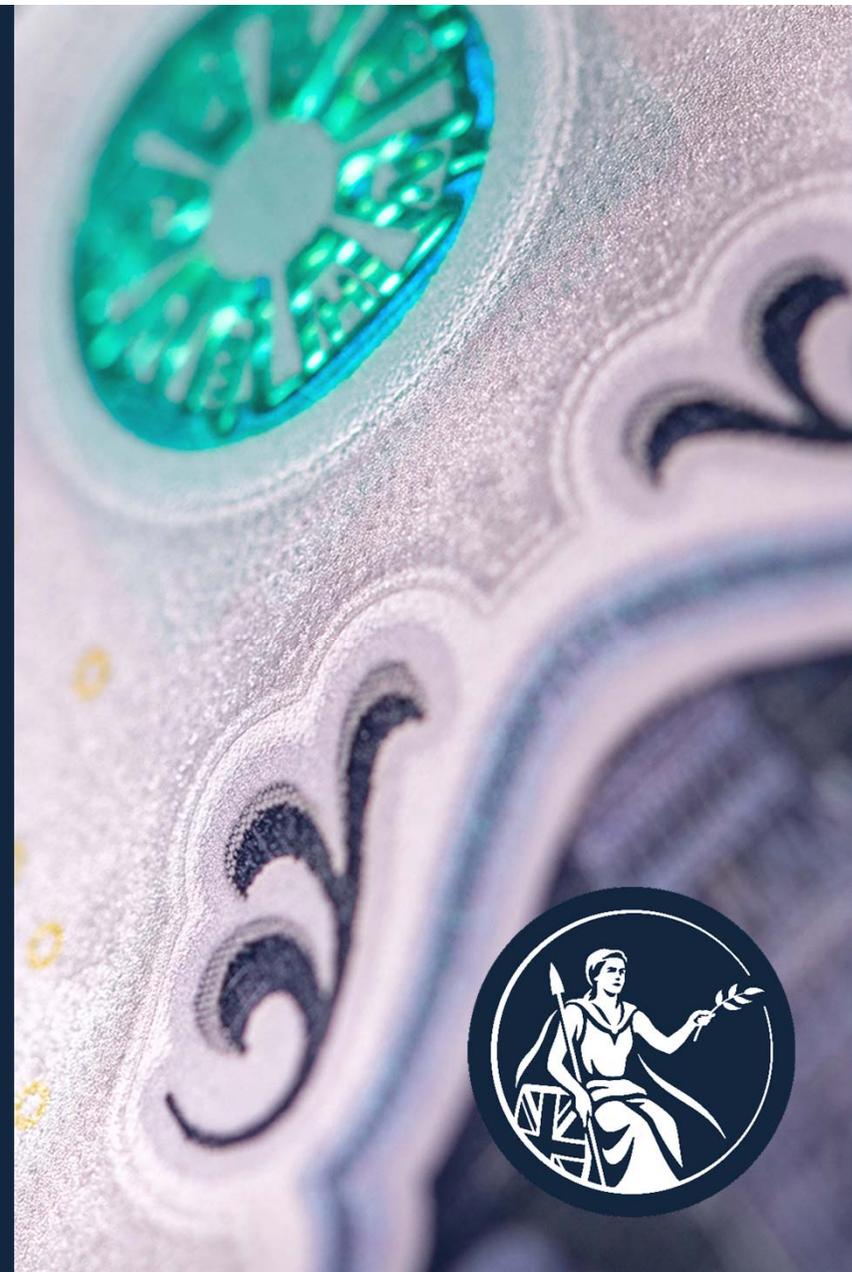
Bank of England

Economic outlook

Sheffield Hallam University

7 July 2022

Huw Pill

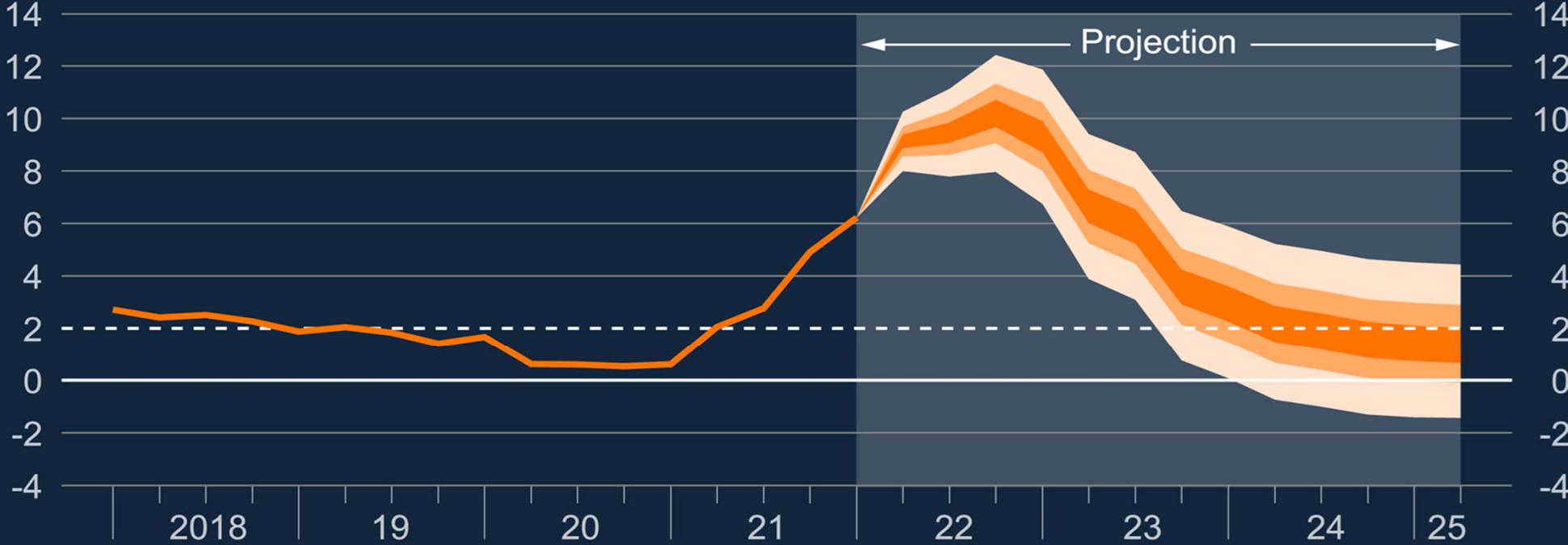


CPI inflation

May MPR projections

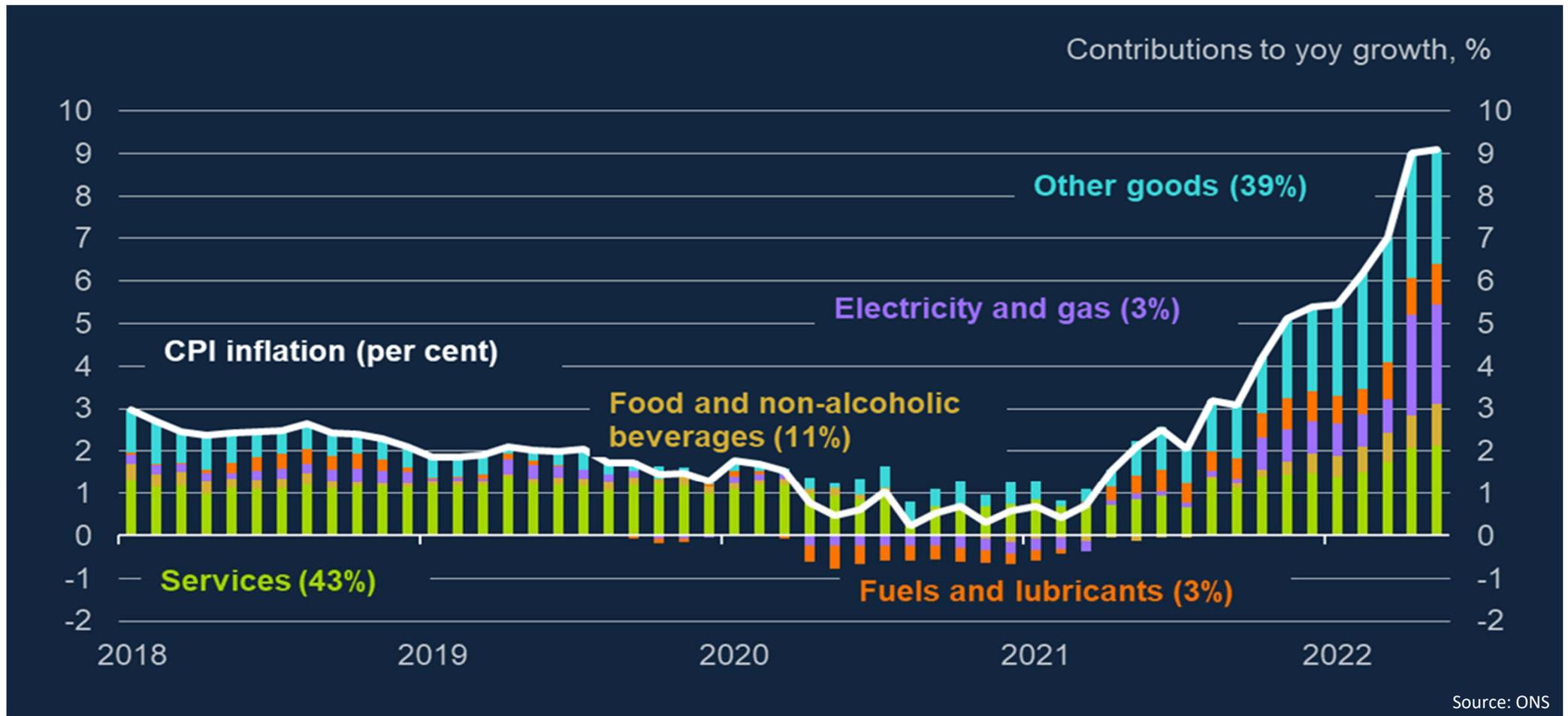
CPI inflation projection based on market interest rate expectations, other policy measures as announced

Percentage increase in prices on a year earlier



Source: Bank of England

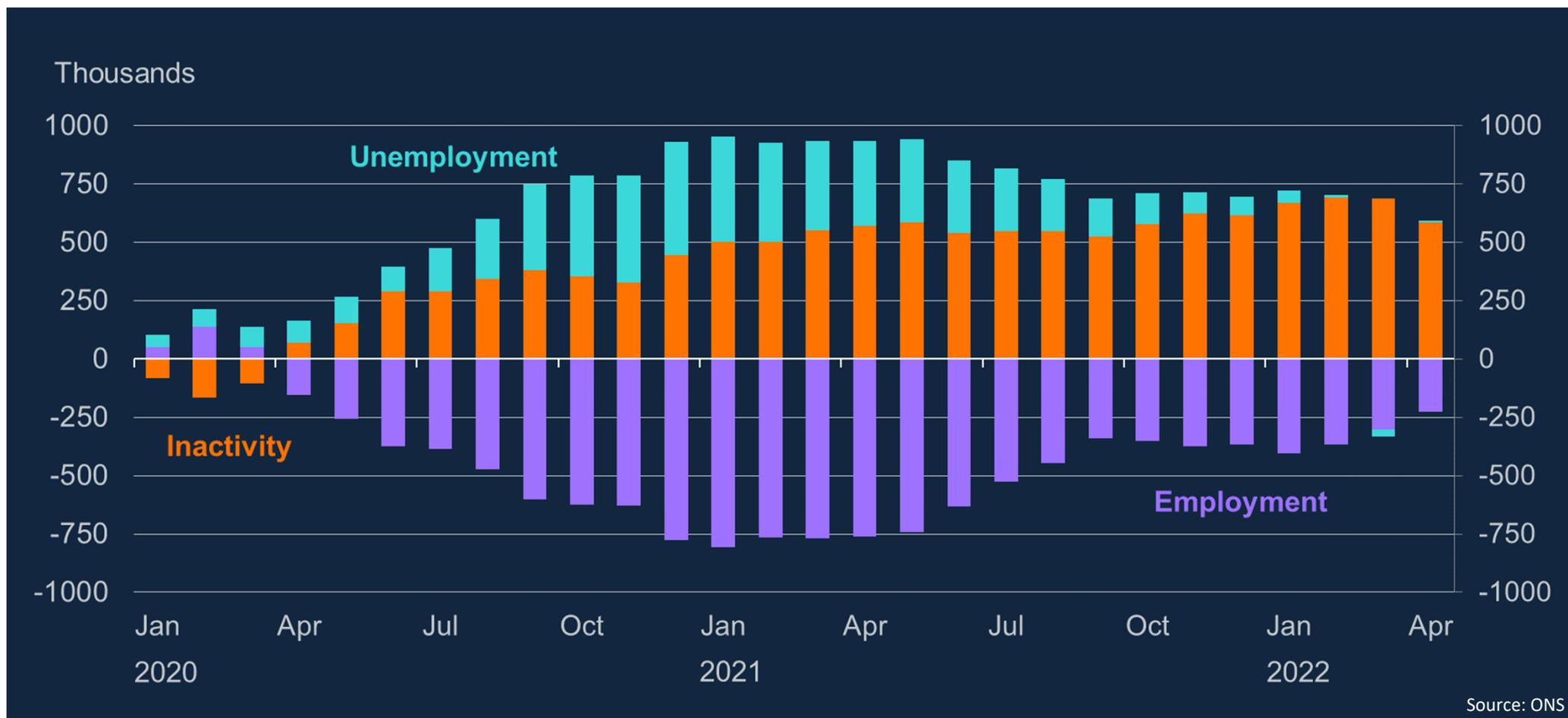
Energy and core goods prices drive rise in CPI inflation



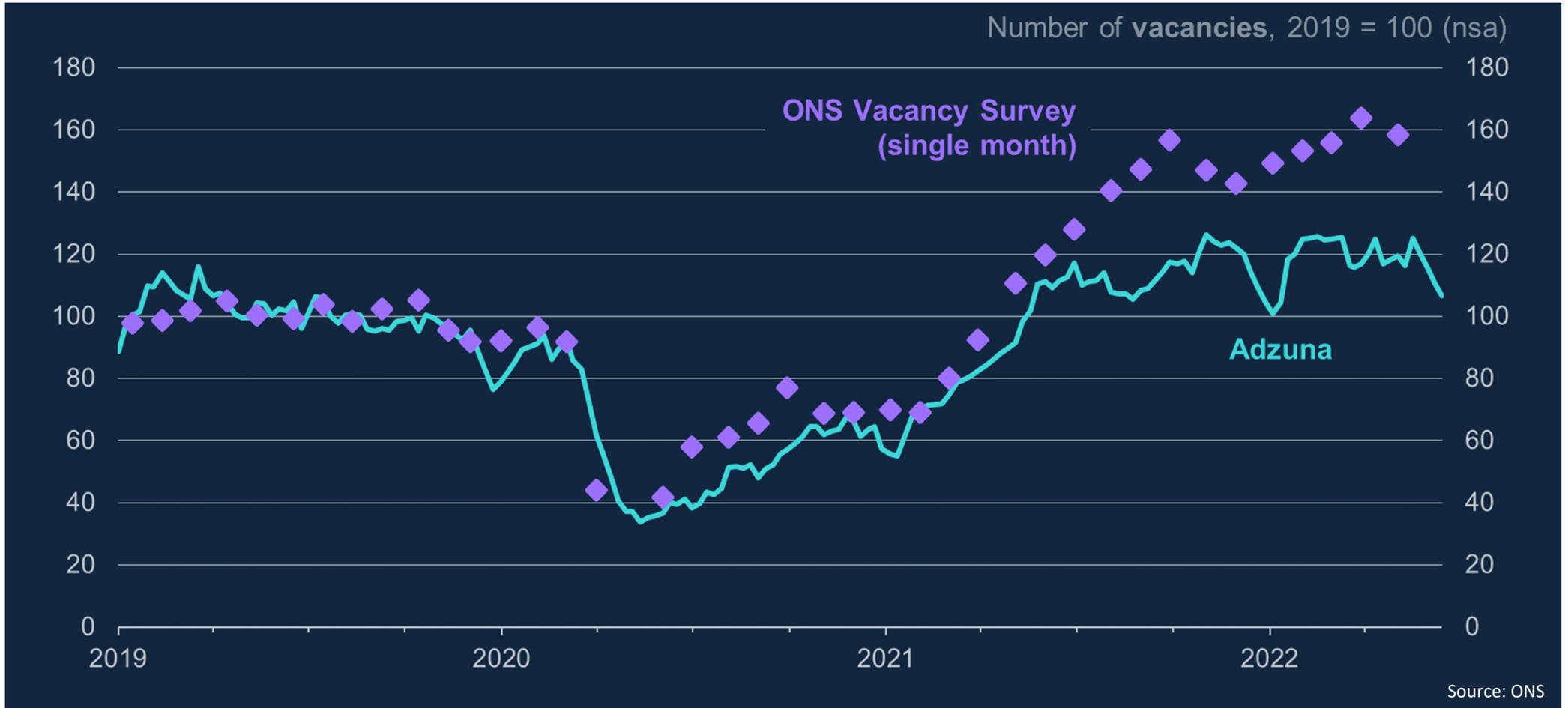
Spot and future wholesale gas prices



Employment, unemployment and inactivity

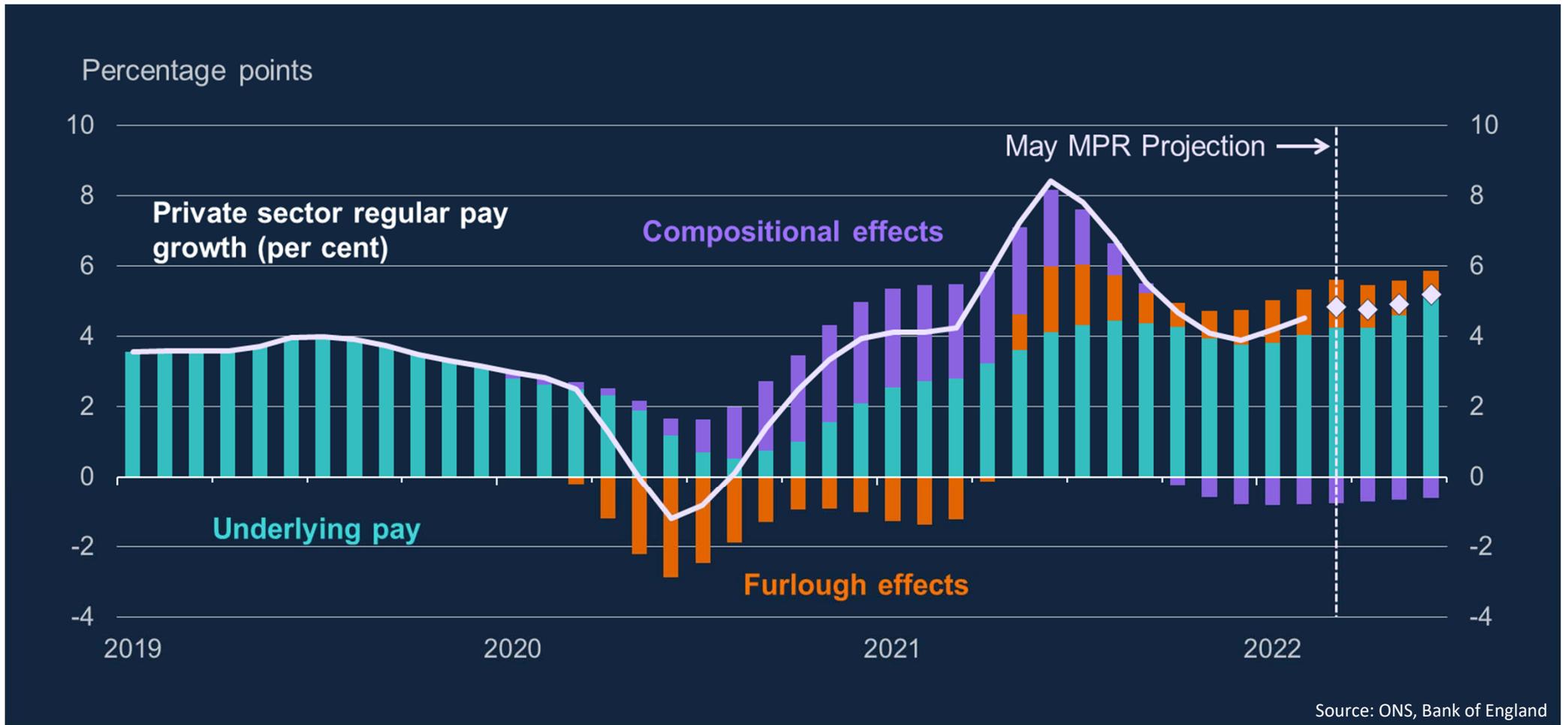


Vacancies and other labour demand indicators

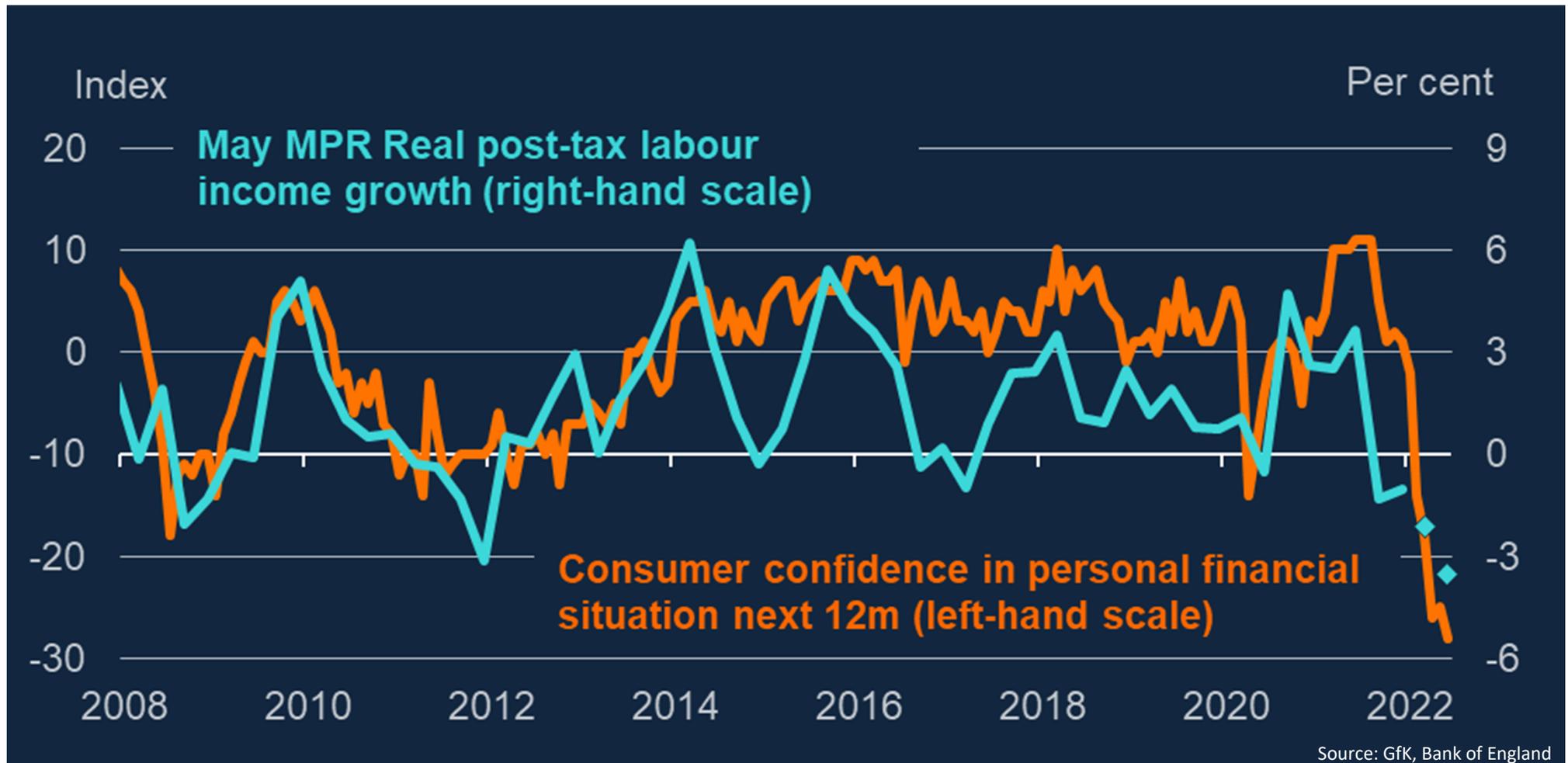


Pay growth above pre-Covid rates

May MPR projections

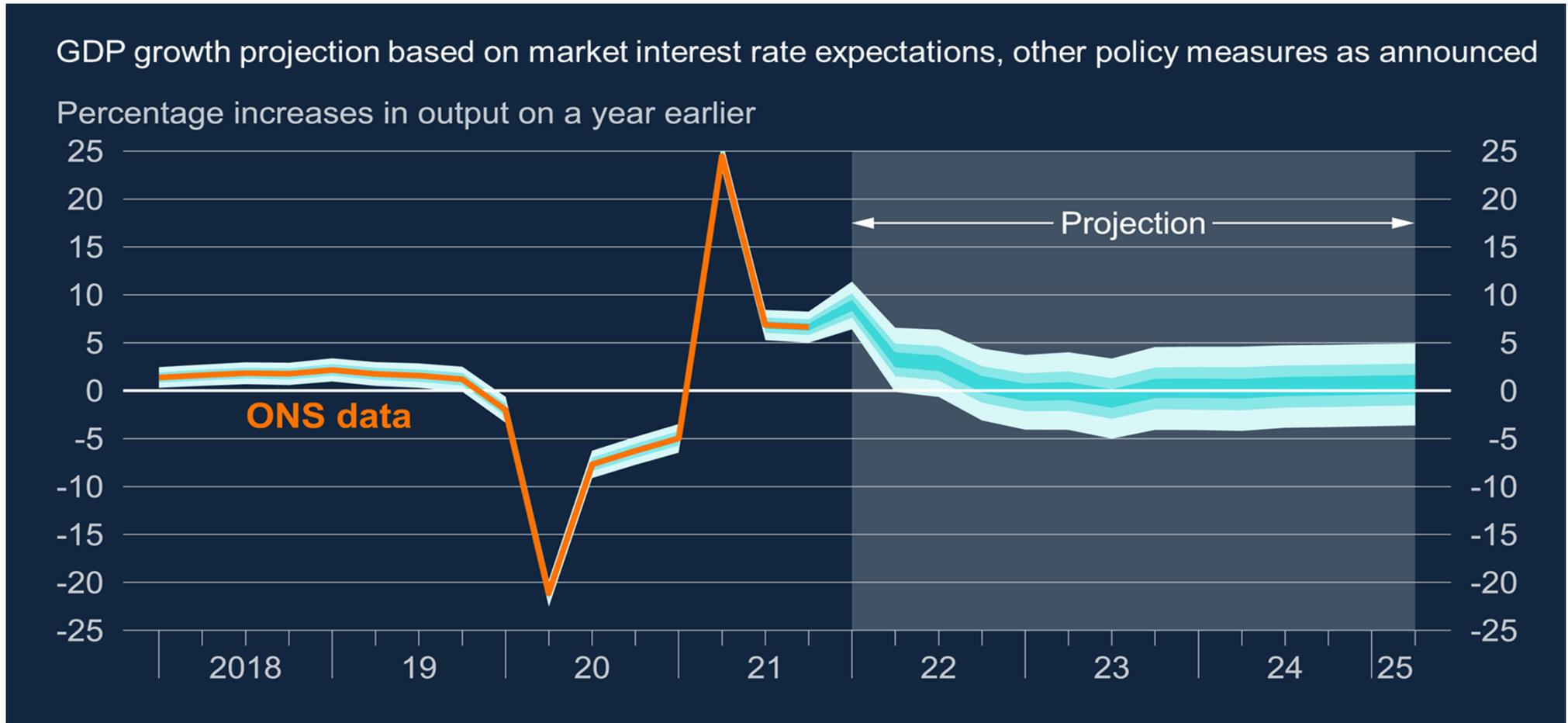


Consumer confidence falls amidst real income squeeze



GDP expected to flat-line through to the end of 2023

May MPR projections



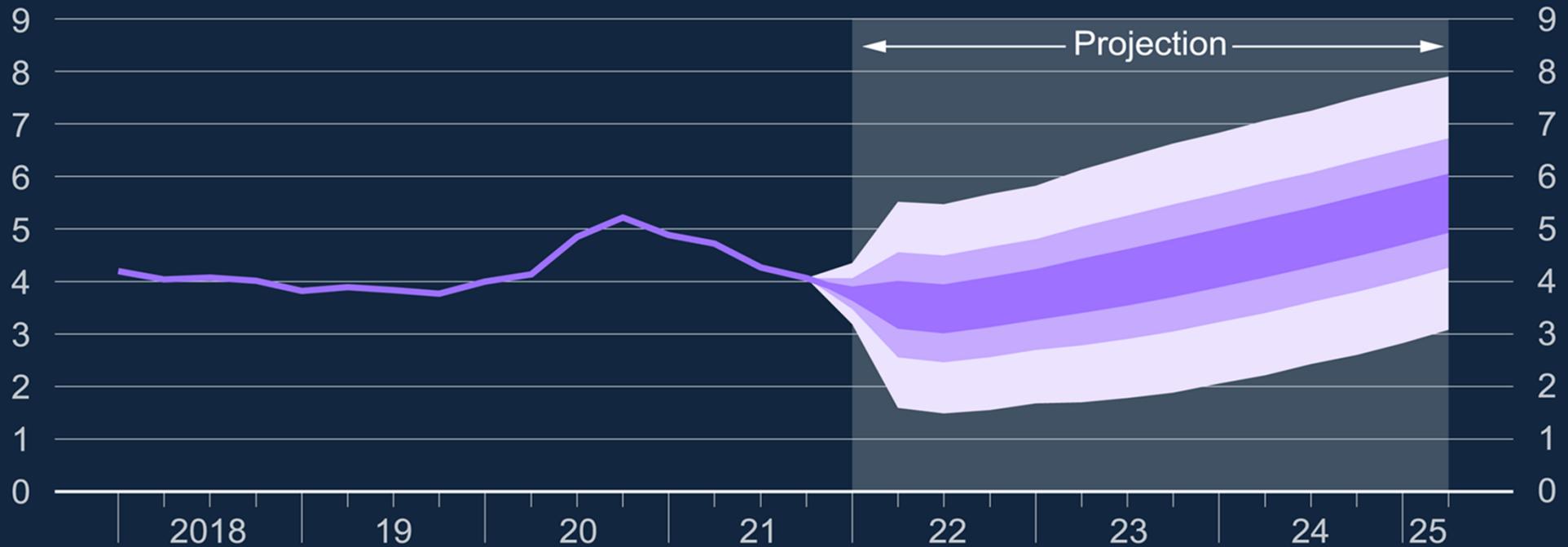
Source: Bank of England

Unemployment rises from 2023

May MPR projections

Unemployment projection based on market interest rate expectations, other policy measures as announced

Unemployment rate (per cent)



Source: Bank of England

Policy-rate expectations have fallen since the June MPC



Source: Bank calculations and Bloomberg



MPC monetary policy summary – June 2022

- The MPC will take the actions necessary to **return inflation to the 2% target** sustainably in the medium term, in line with its remit.
- The **scale, pace and timing** of **any further increases** in Bank Rate will reflect the Committee's assessment of the economic outlook and inflationary pressures.
- The Committee will be particularly alert to indications of **more persistent inflationary pressures**, and will **if necessary act forcefully** in response.