

For immediate release
Thursday 19 February 2004

Sales figures point to future rate rises, says IoD

January's retail sales figures, published today, show consumers are not heeding the warning signals and are still spending at an alarming rate, the Institute of Directors (IoD) said. The figures show seasonally adjusted retail sales volumes rose 6.4% (year-on-year) in January.

Graeme Leach, Chief Economist at the IoD said:

"UK consumers need to get a grip. Unless spending begins to slow significantly, the Bank of England will have to get a lot tougher. Up until now we've strongly believed that interest rates would only need to peak at 4.5% this year, but my doubts are increasing. This economic cycle could yet end in tears"

Ends
22.1.04 No.236

Contact Points:
Richard Taylor, Press Officer, tel. 020 7451 3264
Mobile and out of hours. 07721 734886

David Marshall, Director of Public Affairs, tel: 020 7451 3263
Mobile and out of hours: 07764 883420

Email. Press@iod.com
Web. www.iod.com

Notes to editors

1. The IoD (Institute of Directors), founded by Royal Charter in 1903, is a non-party political organisation with upwards of 54,000 members in the United Kingdom. Membership includes directors from right across the business spectrum - from media to manufacturing, e-business to the public and voluntary sectors. Members include CEOs of large corporations as well as entrepreneurial directors of start-up companies.
2. The IoD offers a wide range of business services which include business centre facilities (including six regional centres), conferences, networking events, issues-led guides and literature as well as information services and free access to a comprehensive business library and enquiry service. The IoD places great emphasis on director development and has established a certified qualification for directors - Chartered Director - as well as running specific board-level and director-level training and individual career mentoring programmes.
3. In addition, the IoD provides an effective voice to represent the interests of its members to government and key opinion-formers at the highest levels. These include ministers, constituency MPs, Select Committee members and

senior civil servants. IoD policies and views are actively promoted to the national, regional and trade media.

4. For further information, visit our website: www.iod.com