



# Press Release

For immediate release  
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## **Bank right to proceed with caution, says IoD**

Today's decision by the Bank of England to leave interest rates unchanged was welcomed by the Institute of Directors (IoD).

Graeme Leach, Chief Economist at the IoD, said:

"We expect the Bank of England to proceed with caution over the next two months, but one further quarter point interest rate rise in the current cycle is still possible.

"Although latest figures show household lending and earnings growth are strong, the UK economy may appear temporarily weaker than it really is in January-February. Firstly, because the impact of the Tsunami may dampen consumer spending for a short time - less because of the amount of charitable giving and more because of a reluctance to display conspicuous consumption. Secondly, due to the growth in on-line consumption which may fall outside officially recorded figures and retail surveys."