

Bank of England

Monetary Policy Report February 2023

Press Conference



Chart 1: CPI inflation projection with direct energy contribution

Based on market interest rate expectations

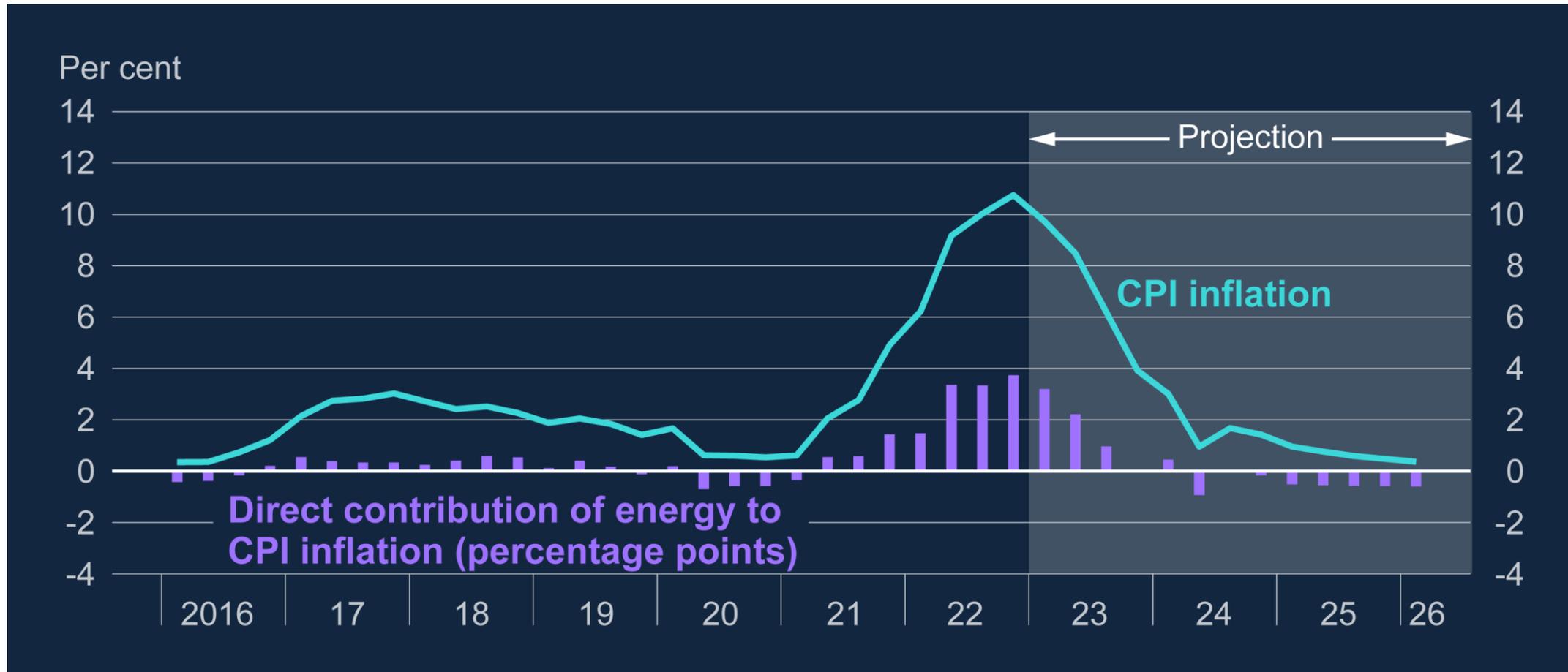


Chart 2: While core goods inflation has eased, services inflation has not

Core goods and core services inflation

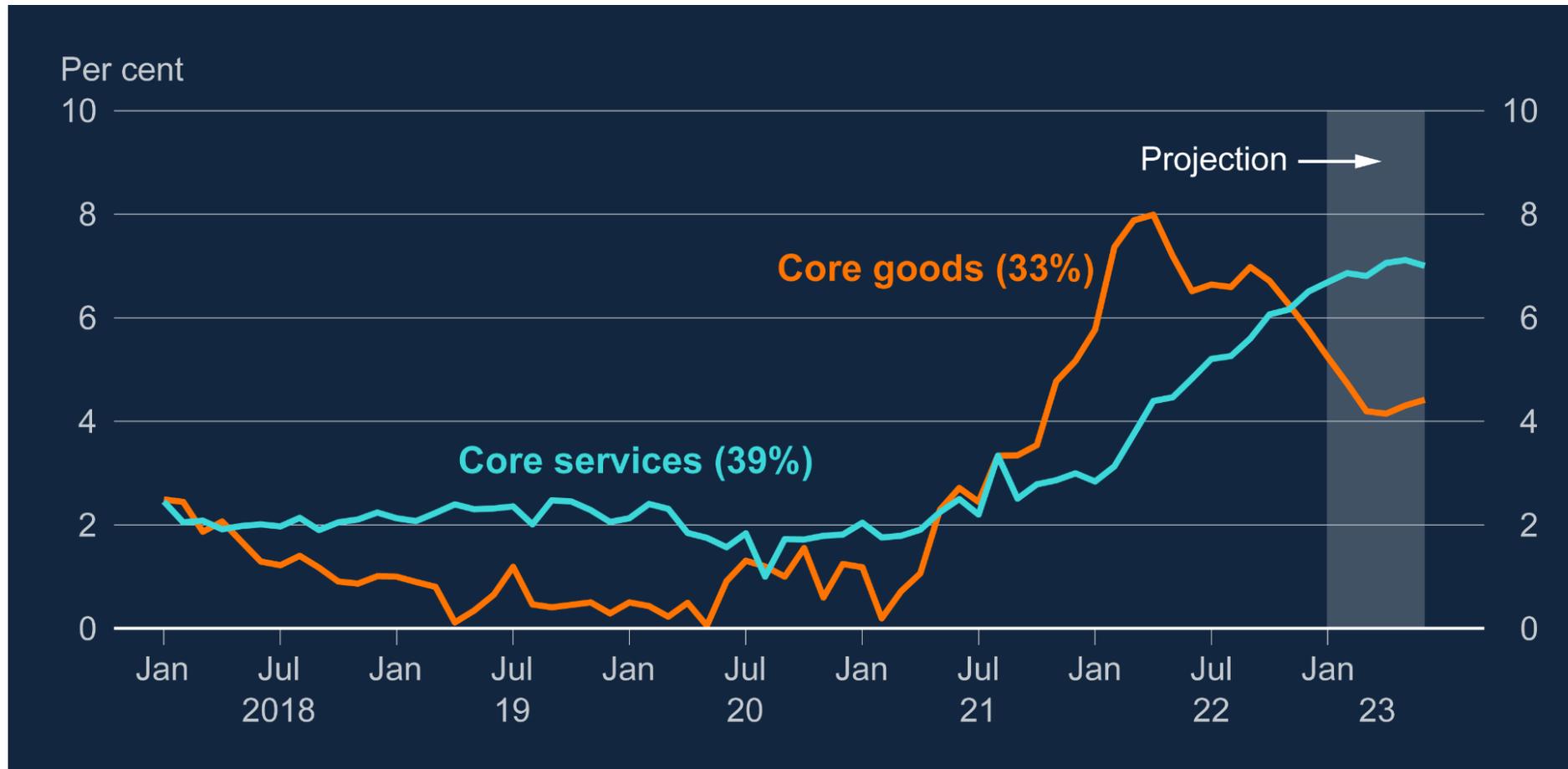


Chart 3: CPI inflation projection

Based on market interest expectation



Chart 4: Rising inactivity has been driven by people aged 50+

Change in economic inactivity by age group

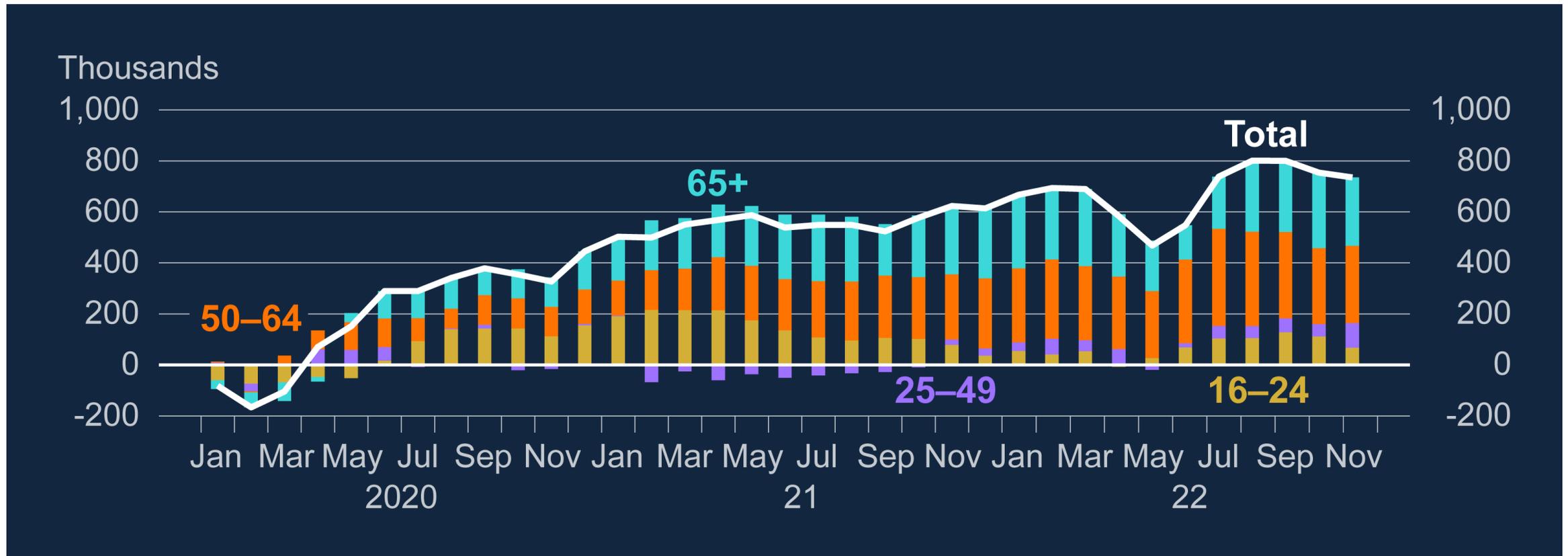


Chart 5: The fall in participation will take time to unwind

Labour force participation and estimated potential participation



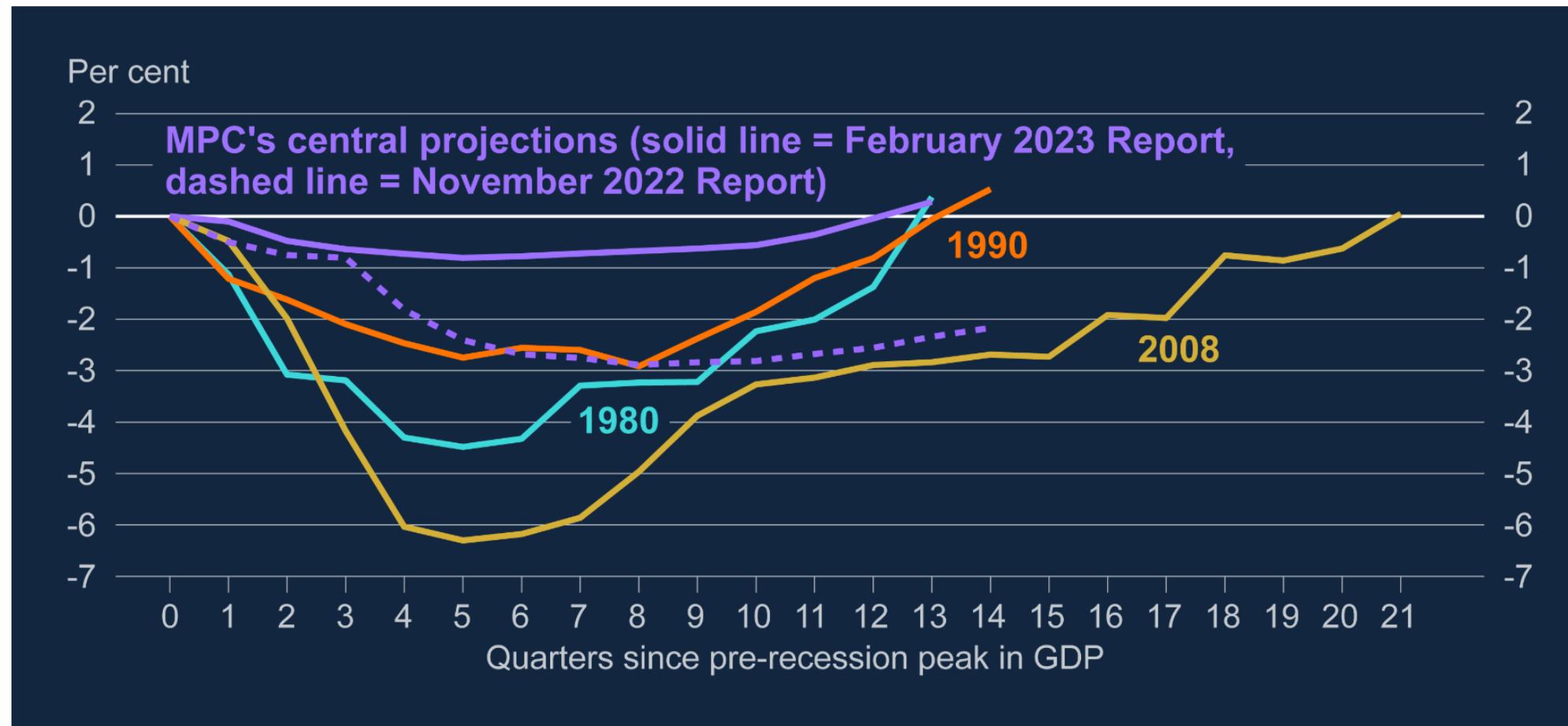
Chart 6: The level of supply is only expected to recover gradually

GDP and estimated potential supply



Chart 7: Changes in GDP since pre-recession peaks

Recessions are defined as at least two consecutive quarters of negative GDP growth



Note: Past recessions began in 1980 Q1, 1990 Q3 and 2008 Q2. The MPC's projection starts in 2023 Q1.

Chart 8: Headwinds to demand lead to increasing economic slack

GDP and estimated potential supply



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