

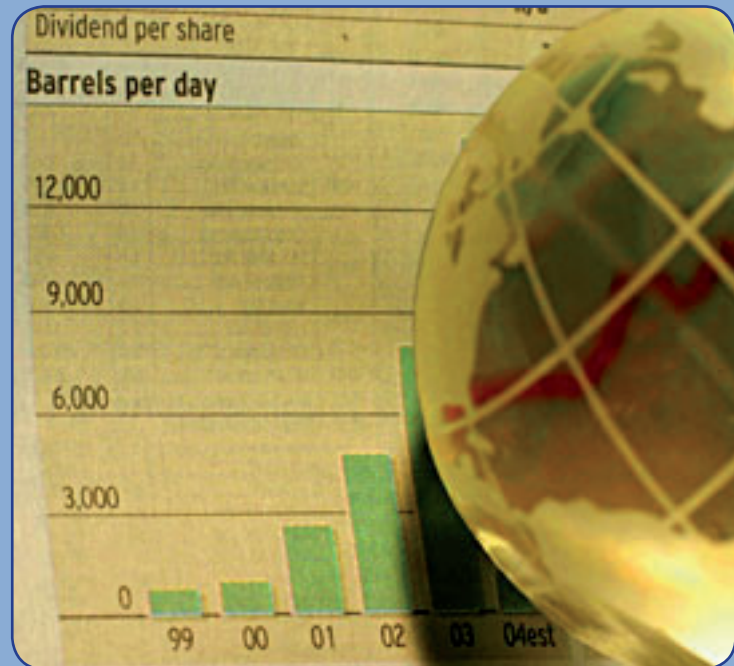
Economic Growth Strong in UK

Latest figures indicate economic growth for the first quarter in the UK has exceeded expectations. Analysts from the Office for National Statistics had previously predicted a 0.6% increase in growth for the January – March period. Instead, the economy grew by 0.7%.

These findings correspond to recent figures which indicate inflation rose in the month of March to 3.1%, prompting concern that interest rates will be hiked up accordingly. Comparing figures year over year, the economy has grown by 2.8%, a figure which accurately reflects previous forecasts.

Already industry analysts are suggesting UK growth may be near its peak. The latest growth figures show that, although growth has continued within mining, agriculture, and energy supply, there has been a tailing off in manufacturing and service industries. This trend suggests the economy is stabilising

Nonetheless, a further interest rate rise in May looks likely. Although the Bank of England maintained interest rates at 5.25% through April, with the 3.1% inflation rate and strong growth, most are expecting interest rates to hit 5.5% next month.



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