

# Statement

For immediate release



**11<sup>th</sup> August 2010**

Commenting on the Bank of England's latest Inflation Report published today, Graham Morgan, Director of the South Wales Chamber, said:

"The Inflation Report and comments from the Bank's Governor confirm the difficult circumstances facing the UK economy in the year ahead, and reinforce the need for maintaining low interest rates. Welsh business is still facing many challenges and any premature rise in interest rates could trigger a damaging economic setback.

"The report's growth projections, although slightly lower than in May, are still too optimistic. They do not yet acknowledge the full impact of the deficit-reduction measures taken in the emergency Budget. The unpleasant combination of weaker growth and higher inflation can only be dealt with by making it possible for the wealth-creating private sector to rebalance the economy and drive a lasting recovery."

**Ends**

## Notes for editors

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