



Lloyds TSB

47/07

Thursday 5 April 2007

## **LLOYDS TSB COMMENTS ON BASE RATE DECISION**

Commenting on today's decision by the Bank of England Monetary Policy Committee (MPC) to leave rates on hold at 5.25 per cent, **Trevor Williams, chief economist, Lloyds TSB Corporate Markets** said:

“The MPC has decided to wait and see this month, which is wise, if a little predictable. It can take some time, often years, to see the full effect of a single interest rate rise, so holding on gives a chance for the impact of past rate increases to start showing through.

“Having said that, it's hard to see the MPC waiting too much longer before another hike. Inflation is still a concern, having risen slowly last month, and the economy is still enjoying a period of growth – with house prices and consumer spending still rising.

“Last month's meeting resulted in an 8-1 vote for a rate hold, so a swing back the other way may have been a bit too much to expect. But before long we could be looking at a very different picture indeed.”

**-ends-**

**For more information:**

Emile Abu-Shakra

Lloyds TSB Press Office

Tel: 020 7356 1878

[emile.abu-shakra@lloydstsb.co.uk](mailto:emile.abu-shakra@lloydstsb.co.uk)

[www.mediacentre.lloydstsb.com](http://www.mediacentre.lloydstsb.com)