

## How can we avoid inflation?

The UK's monetary policy is far less expansionary than the US, with only growth at half the US rate adjusted for the size of the economies. The fiscal stance in the U.K. is far tighter than the US who have just announced a monster \$1.9tn spend and borrow programme on top of all the previous pandemic measures. If any country is going to have an inflation problem from their response to pandemic it will be the USA.

The U.K. has offered a larger public spending and borrowing boost than most European countries and has accelerated its. Obey growth in line with the ECB. Our inflation rate according to official forecasts will rise a bit but will stay anchored near the 2% target. Others think it could get a bit livelier than that.

Given that we do need stimulus to fuel recovery, and given that an early return to austerity deficit control could make the deficit worse, the U.K. does need Finance an expansion. Given the global inflationary pressures like to break out the best response for the U.K. is to expand domestic capacity rapidly to avoid shortages and undue price hikes in popular areas. we need more domestic capacity in everything from electricity to timber, from food to broadband To cut the risks from present monetary and fiscal policy.