

# BARRINGTONS

Licensed Insolvency Practitioners  
Business Rescue, Recovery & Turnaround

## **“Economy in retreat as downturn gathers a-pace”**

Britain’s economy shrank by one per cent in the three months to November as the pace of the downturn quickened and there is every reason to believe the figure will worsen during the last three months of the fiscal year, yet a further sign of the deepening economic woe.

Said, Phil Wood, managing director of chartered accountants and licensed insolvency practitioners, Barringtons, “It is widely expected that Britain will officially be in recession in January with the reduced availability of bank lending cited as being a major contributory factor.”

The government now faces the risk that, despite it’s budget measures, output is likely to fall more sharply than originally expected to the end of next year.

“The real problem that the government must address is the availability of bank credit. Further interest reductions are unlikely to have much effect. There is now a very real likelihood that the UK will see a period of deflation in 2009,” added Phil.

Additionally, the inflationary impact of the weaker pound would be more than offset by a slower economy, moderate pay and waning energy and food prices.