

“Any sense of normality is light years away”

A couple of weeks of good news and lo and behold the green shoots brigade have already assigned the recession to the history books.

Commenting, Phil Wood, managing director of chartered accountants and licensed insolvency practitioners, Barringtons said “Industry will almost certainly benefit from cheaper sterling and there are signs that, for the moment, the housing market seems to have stabilised but the recession is far from over”.

In reality, consumers are sitting on mountains of debt and banks remain exceptionally cautious, even the International Monetary Fund has noted that recessions accompanied by a financial crisis tend to be prolonged.

“We have absolutely no idea what exactly is happening to the global economic climate. For example in the USA, where the housing downturn has already lasted for more than two years, long-term mortgage rates have already risen with the risk that signs of recovery have been negated. Back on the home front the Bank of England will, within the next twelve months, begin to withdraw from the quantitative easing programme the consequences of which remain in un-chartered waters,” added Phil.