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# WILL THERE BE ANOTHER RECESSION?

The uncertainty caused by the potential outcomes of Brexit deters entrepreneurs and investors from investing into our economy, which decreases our GDP.

## BREXIT



The overall GDP of our economy has been falling recently, which is a common indicator of a recession. The graph below shows the GDP of the UK (blue) relative to the OECD (orange).

## GDP



Similar to what happened in 2008, the rate of employment is falling. Therefore, less consumers are able to spend as much as they did before, damaging the economy.

## EMPLOYMENT



There will be another recession due to the recent changes caused in the economy, measured by gross domestic product (GDP), such as uncertainty and changes in net exports.

## YES



## COULD THERE BE ANOTHER RECESSION IN THE NEAR FUTURE FOR THE UK?

A recession is a downturn in the GDP of an economy for two consecutive quarters. Overall, I believe that another recession in the UK in the near future will be prevented, considering the lessons learned from the last recession around 10 years.

## INTEREST RATE



The Bank of England has reduced the base rates so the saving can be passed on to smaller banks and consumer, encouraging borrowing and spending.

## QUANTITATIVE EASING



The Bank of England has bought £70 billion more government and corporate bonds, which will work to regulate and maintain interest rates at around 2%.

## STRESS TESTING



This is when the Bank of England annually tests if banks can cope with a sudden downturn, through their ability to hold sufficient loss-absorbing capital.

## NO



An upcoming recession in recent years can be prevented by measures carried out by the Bank of England through testing and by learning from the issues in the Great Recession of 2008-09.