

PRESS RELEASE

SCDI WELCOMES RATES CUT

8 January 2009

The Scottish Council for Development and Industry has welcomed the Monetary Policy Committee's decision to cut interest rates by 0.5 per cent.

SCDI spokesperson Niall Stuart, said:

"A further cut in rates was definitely needed as most economic indicators continue to head in the wrong direction.

"Previous rates cuts are now working their way through the system, leading to lower borrowing rates. However, the big challenge appears to be increasing the availability of credit to consumers and businesses, whether for house purchases, cash flow or investment in new plant and property.

"We want to see the Bank of England and the UK Government work with the banking industry to look at ways of increasing lending. This has got to be the priority for ministers, and it may ultimately require some form of government guarantee for lenders to get investment flowing again."

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