

SCDI PRESS RELEASE

INTEREST RATE FREEZE THE RIGHT DECISION SAYS SCDI

08 May 2008

Reacting to the MPC's decision to hold interest rates at 5%, SCDI's Chief Economist Iain Duff said:

"This is the right decision, with the committee having to balance inflationary pressures against slowing growth.

"The MPC also has to take into account the impact on the strength of the pound. Whilst the weakness of the sterling is a help to exporters, it stokes inflation by pushing up the cost of imported goods such as food.

"There is also growing evidence from our members that the depreciation of the pound is discouraging migrant workers, with some companies reporting that they are losing staff to competitors in the Eurozone as their salaries in pounds are no longer worth as much when changed into staff's own currency."

ENDS

For further information please call Niall Stuart, Press and Government Affairs Manager on 07814 167477