

IMF Statement on the UK (September 27, 2022)

“We are closely monitoring recent economic developments in the UK and are engaged with the authorities. We understand that the sizable fiscal package announced aims at helping families and businesses deal with the energy shock and at boosting growth via tax cuts and supply measures. However, given elevated inflation pressures in many countries, including the UK, we do not recommend large and untargeted fiscal packages at this juncture, as it is important that fiscal policy does not work at cross purposes to monetary policy. Furthermore, the nature of the UK measures will likely increase inequality. The November 23 budget will present an early opportunity for the UK government to consider ways to provide support that is more targeted and reevaluate the tax measures, especially those that benefit high income earners.”