

Why Did the Bank of England Keep Interest Rates Unchanged?

The Bank of England (BoE) has decided to keep its benchmark interest rate at 3.75%, signaling caution amid uncertainty in global energy markets. The move comes as policymakers weigh the risk of higher inflation caused by volatile oil and gas prices against signs of slowing economic growth in the UK.

While inflation has eased from previous highs, it remains above the BoE's 2% target. Rising geopolitical tensions and fluctuating energy prices continue to cloud the outlook, making an immediate rate cut risky. The central bank believes maintaining current rates will help keep inflation under control while providing stability to businesses and consumers.

The decision highlights a broader challenge facing central banks worldwide: balancing economic growth with persistent inflation risks in an increasingly uncertain global environment.

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