

# Grim read reveals just how bad the near future will be

If you are having a difficult Monday – perhaps a first day back in from summer hols – I urge you to avert your gaze from the analysis of prospects for the UK economy published today by Saxo Bank.

It is a truly grim read. Titled ‘Emerging Market Britain’ it sets out why the [gloomy headlines](#) about the Bank of England’s prognostications last week told only half the story.

Sure the predicted recession will be bad enough – roughly comparable to the early Nineties slump – but unlike some previous downturns the exit will be slow and prolonged.

In three years’ time GDP will still be 1.75% below today’s levels. [Which are themselves, of course, only just above the pre-Covid mark on the economic Plimsoll line.](#)

Unusually, Saxo’s scribe, head of macro analysis Christopher Dembik, goes on to describe the potential social fallout from the economic chaos.

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He rightly warns that the generation of workers now in their early thirties have already spent more than a decade facing suppressed wages and unaffordable housing. Throw in two years of socialising lost to Covid, soaring energy bills and rent with a lengthy recession still to come. [It is a poisonous brew.](#)

Perhaps worse, there is growing evidence that the poorest are faring far worst.

CEBR today revealed how the top 1% are keeping their noses ahead of inflation with pay rises averaging around 10% while the lowest earning decile manage only 1% .

Dembik says that the French would be donning the gilet jaune and [heading for the streets in the same circumstances but that the British do not have the same appetite for mass direct action.](#)

Maybe, but there is a more traditionally British response – old-fashioned strikes.

If Saxo is right the industrial action we have seen so far on public transport will be just the start.

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