

## **British central banker: recovery in sight, road ahead not smooth**

LONDON, Feb. 13 (Xinhua) -- Britain's central bank governor on Wednesday said the country's economy is set for a recovery but the road ahead will not be smooth.

Services and manufacturing, which make up the bulk of the British economy, had grown by 1.2 percent during 2012, close to a 1.5-percent growth in the U.S. and considerably stronger than in Japan and the eurozone, Mervyn King said at a press conference.

The weakness in overall output largely reflected sharp falls in the construction sector, which is "unlikely to be repeated in 2013", he added.

"Growth is likely to be weak in the near term," the governor said, adding that both domestic and overseas demand are weak.

The British central bank said a monthly report that inflation to remain above the bank's target of 2 percent in the next two years, and will probably rise to 3 percent by this summer.

In its previous report released in November, the bank forecast the inflation to drop back to 2 percent in the second half this year.

Attempts to bring inflation back to target sooner would risk "derailing the recovery," King said.

Analysts said the bank continued to prioritize the goal of "supporting the economic recovery" to "controlling inflation" amid uncertain economic prospects.

The Bank of England has kept benchmark interest rate at a record low of 0.5 percent for over three years and launched a series of quantitative easing measures totalling 375 billion pounds (582 billion U.S. dollars) since the outbreak of the financial crisis in 2008.

Britain's gross domestic output contracted by 0.3 percent in the fourth quarter of 2012, triggering worries that the economy would return to recession if the first quarter saw contraction again.