

Business & Finance

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Interest rates 'will stay at record low till 2014'

INTEREST rates will have to stay at their record low of 0.5 per cent until 2014, a leading economic forecaster says today. The Ernst & Young ITEM Club, which bases its forecasts on the treasury's own economic models, said the Bank of England's base rate would remain on hold to counter-balance government austerity measures. The forecast contrasts with the view in the City and at the Office for Budget Responsibility that interest rates will

rise next year. High energy prices and the increase in VAT will keep inflation above target over the next 18 months but ITEM believes that it will move below two per cent as these effects wear off. 'A base rate of 0.5 per cent will begin to look like the new normal,' said chief economic adviser Peter Spencer. The report says fiscal tightening by the coalition government will slow, but not stop, economic growth in the next two years.



Protest: Vestas employees and environmental groups campaign against the factory closure outside the court in Newport in August. Picture: PA

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Ex-workers set up their own factory

WORKERS who lost their jobs when a wind turbine factory closed are to open their own manufacturing business just metres away, they will announce today.

More than 400 employees were made redundant at Vestas a year ago, sparking an 18-day sit-in at the factory.

Some of those involved in the protest will now be employed at the new company, Sureblades, set up by ex-worker Sean McDonagh.

The business is on the same industrial estate as the former Vestas site and will start producing wind turbine blades in September.

Mr McDonagh, who helped organise the sit-in, said he hoped to employ more than 40 workers within two years at the plant in Newport, Isle of Wight. The first order will be going to a wind energy firm in Ireland.

'It has been hard work but I always knew it was the right thing to do because it was crazy to lose jobs in the

By Jayne Atherton

renewable energy industry,' said Mr McDonagh, 32.

Unemployment on the Isle of Wight stands at more than 3,500 but there are fewer than 200 job vacancies on the island, he added.

A number of former Vestas employees are still out of work and others have taken on short-contract jobs.

Workers in the new company are members of the Rail Maritime and Transport union, which has helped with the venture.

RMT general secretary Bob Crow said the project showed the 'bogus grounds' put forward at the time for the factory's closure and the redundancy of the workforce.

'The real credit lies with the determination and solidarity of the workers who refused to accept they were beaten. They are an inspiration,' he said.

It's no sweat as shirt business goes live

VENTURE Candy winners Oliver Van Emden and Bradley Rose go live with their business today. Their FreshMax shirt line will be available through freshmaxshirts.com. The former Manchester University graduates spent eight years and £1.5million developing their 'smartweave' technology, which claims to prevent ugly sweat patches showing up on shirts. The 31-year-olds won the Design and Technology category in Metro's Venture Candy business competition earlier this year. The £50-a-time shirts are designed to appeal to office workers



Fresh idea: Van Emden and Rose and commuters who face a long trip to work. The FreshMax technology and trademark has earned a US patent and there are patents pending for China, India and Australia.