

CREDIT-CRUNCH TIME LINE

(All sources acknowledged)

Predictions

1985 - December

In my quarterly newsletter to clients and contacts, I said “Costs in the property industry have reached record levels. The actual amount of money involved in day-to-day transactions imposes constant pressure to meet critical financial targets. Any attempt to question or stop is met by a barrage of vested interests intent upon maintaining momentum. The cost of error is rapidly reaching the point whereby individual foresight will be crushed by the weight of uncontrollable dynamism. In the prime shop market, the corporate income of some retailers is inextricably bound up with the consumer’s willingness to keep on spending on credit. It only needs a few months’ lull for the structure to crack under the weight of operating costs.”

Warning Signs

2004-2006

Between 2004 and 2006 US interest rates rose from 1% to 5.35%, triggering a slowdown in the US housing market. Homeowners, many of whom could only barely afford their mortgage payments when interest rates were low, began to default on their mortgages. Default rates on sub-prime loans - high risk loans to clients with poor or no credit histories - rose to record levels. The impact of these defaults were felt across the financial system as many of the mortgages had been bundled up and sold on to banks and investors.

2005 - 7 October

Latest CBI survey says Retail sales performance weakest figures for 22 years.

2006 - 19 April

More than 10% of shops at Bluewater shopping centre are either empty or on the market as soaring rents and tough trading conditions hit.

Beginnings

2007 - April

New Century Financial, which specialises in sub-prime mortgages, files for Chapter 11 bankruptcy protection and cuts half of its workforce. As it sold on many of its debts to other banks, the collapse in the sub-prime market begins to have an impact at banks around the world.

2007 - 17 April

Sterling hits \$2, its highest in 2 years

2007 - July

Investment bank Bear Stearns tells investors they will get little, if any, of the money invested in two of its hedge funds after rival banks refuse to help it bail them out.

Federal Reserve chairman Ben Bernanke follows the news with a warning that the US sub-prime crisis could cost up to \$100bn (£50bn).

Credit-crunch

2007 - 9 August

Defined as "a severe shortage of money or credit", the start of the phenomenon has been pinpointed as 9 August 2007 when bad news from French bank BNP Paribas triggered sharp rise in the cost of credit, and made the financial world realise how serious the situation was.

Investment bank BNP Paribas tells investors they will not be able to take money out of two of its funds because it cannot value the assets in them, owing to a "complete evaporation of liquidity" in the market. It is the clearest sign yet that banks are refusing to do business with each other.

The European Central Bank pumps 95bn euros (£63bn) into the banking market to try to improve liquidity. It adds a further 108.7bn euros over the next few days. The US Federal Reserve, the Bank of Canada and the Bank of Japan also begin to intervene.

2007 - 17 August

The Fed cuts the rate at which it lends to banks by half of a percentage point to 5.75%, warning the credit crunch could be a risk to economic growth.

2007 - 4 September

The rate at which banks lend to each other rises to its highest level since December 1998. The so-called Libor rate is 6.7975%, way above the Bank of England's 5.75% base rate; banks either worry whether other banks will survive, or urgently need the money themselves.

2007 - 13 September

The BBC reveals Northern Rock has asked for and been granted emergency financial support from the Bank of England, in the latter's role as lender of last resort.

Northern Rock relied heavily on the markets, rather than savers' deposits, to fund its mortgage lending. The onset of the credit crunch has dried up its funding. A day later depositors withdraw £1bn in what is the biggest run on a British bank for more than a century. They continue to take out their money until the government steps in to guarantee their savings.

2007 - 18 September

The US Federal Reserve cuts its main interest rate by half a percentage point to 4.75%.

2007- 19 September

After previously refusing to inject any funding into the markets, the Bank of England announces that it will auction £10bn.

2007 - 1 October

Swiss bank UBS is the world's first top-flight bank to announce losses - \$3.4bn - from sub-prime related investments. The chairman and chief executive of the bank step down.

Later, banking giant Citigroup unveils a sub-prime related loss of \$3.1bn. A fortnight on Citigroup is forced to write down a further \$5.9bn. Within six months, its stated losses amount to \$40bn.

2007 - 30 October

Merrill Lynch's chief resigns after the investment bank unveils a \$7.9bn exposure to bad debt.

2007 - 6 December

US President George W Bush outlines plans to help more than a million homeowners facing foreclosure.

The Bank of England cuts interest rates by a quarter of one percentage point to 5.5%. The first cut since 2005.

2007 - 13 December

The US Federal Reserve coordinates an unprecedented action by five leading central banks around the world to offer billions of dollars in loans to banks.

The Bank of England calls it an attempt to "forestall any prospective sharp tightening of credit conditions". The move succeeds in temporarily lowering the rate at which banks lend to each other.

2007 - 17 and 18 December

The central banks continue to make more funding available. There is a \$20bn auction from the US Federal Reserve and, the following day, \$500bn from the European Central Bank to help commercial banks over the Christmas period.

2007 - 19 December

Ratings agency Standard and Poor's downgrades its investment rating of a number of so-called monoline insurers, which specialise in insuring bonds. They guarantee to repay the loans if the issuer goes bust. There is concern that insurers will not be able to pay out, forcing banks to announce another big round of losses.

2007 - 21 December

Retail Week report that “accountancy firm Ernst & Young said that retailers had posted 46 profit warnings this year, up 53% on last year. There have been 11 since the start of October alone, including French Connection, Moss Bros, Alexon and Sports Direct. Consumers are reining in their spending amid fears over the credit-crunch. Markdowns in high street stores are running at their highest level - an average of 36% which is 1% higher than Christmas 2006. Some stores are offering up to 80% off selected products.”

2008 - 9 January

The World Bank predicts that global economic growth will slow in 2008, as the credit crunch hits the richest nations.

2008 - 21 January

Global stock markets, including London's FTSE 100 index, suffer their biggest falls since 11 September 2001 (“9/11”).

2008 - 22 January

The US Fed cuts rates by three quarters of a percentage point to 3.5% - its biggest cut in 25 years - to try and prevent the economy from slumping into recession. It is the first emergency cut in rates since 2001. Stock markets around the world recover the previous day's heavy losses.

2008 - 31 January

A major bond insurer MBIA, announces a loss of \$2.3bn - its biggest to date for a three-month period -blaming its exposure to the US sub-prime mortgage crisis.

2008 - 7 February

US Federal Reserve boss Ben Bernanke adds his voice to concerns about monoline insurers, saying he is closely monitoring developments "given the adverse effects that problems of financial guarantors can have on financial markets and the economy".

The Bank of England cuts interest rates by a quarter of one percent to 5.25%.

2008 - 10 February

Leaders from the G7 group of industrialised nations say worldwide losses stemming from the collapse of the US sub-prime mortgage market could reach \$400bn.

2008 - 17 February

After considering a number of private sector rescue proposals, the British government announces that struggling Northern Rock is to be nationalised.

2008 - March Warren Buffett, the world's second-richest man warned in his famous and plain-spoken "annual letter to shareholders" that the rapidly growing trade in derivatives poses a "mega-catastrophic risk" for the economy and most shares are still "too expensive", The derivatives market has exploded in recent years, with investment banks selling billions of dollars worth of these investments to clients as a way to off-load or manage market risk. But Mr Buffett argues that such highly complex financial instruments are time bombs and "financial weapons of mass destruction" that could harm not only their buyers and sellers, but the whole economic system. (Derivatives are financial instruments that allow investors to speculate on the future price of, for example, commodities or shares - without buying the underlying investment. Derivatives generate reported earnings that are often wildly overstated and based on estimates whose inaccuracy may not be exposed for many years.

2008 - 17 March

Wall Street's fifth-largest bank, Bear Stearns, is acquired by larger rival JP Morgan Chase for \$240m in a deal backed by \$30bn of central bank loans. (A year earlier, Bear Stearns had been worth £18bn.)

2008 - 28 March

Nationwide predicts UK house prices will fall by the end of the year, revising its previous forecast of no change in prices.

2008 - March

New lending for homes at lowest in 30 years

2008 - 2 April

Moneyfacts, which monitors financial products, says 20% of mortgage products have been withdrawn from the UK market in the just seven days.

2008 - 7 April

Five days later the 100% mortgage disappears when Abbey withdraws the last home loan available without a deposit.

2008 - 8 April

The International Monetary Fund (IMF), which oversees the global economy, warns that potential losses from the credit crunch could reach \$1 trillion and may be even higher. It says the effects are spreading from sub-prime mortgage assets to other sectors, such as commercial property, consumer credit, and company debt.

2008 - 10 April

The Bank of England cuts interest rates by a quarter of one percent to 5%.

2008 - 14 April

Retail Week report that, “according to figures from Ernst & Young British companies have issued more than 100 profit warnings for the second consecutive quarter,, with retail the hardest hit. According to research by the accountancy firm yesterday, UK PLCs have seen “no respite” in the first quarter of 2008. Profit warnings reached 114, the highest figure since 2001 and an 11 per cent increase on the first quarter in 2007. retail profit warnings usually peak during the first quarter, after Christmas and January Sales, but it said it was clear that this year “the sector is in more distress” than last year. In the year to the end of March 2007, 26 per cent of the sector issued a warning, compared with 42 per cent of FTSE general retailers that did so in the year to date ending March 2008. Ernst & Young likened the financial situation to that of the end of the dot-com boom in 2001 and warned that worse could be yet to come as the general credit crunch and downturn in consumer demand, particularly for big ticket purchases, continue to take effect. “There have already been ten notable retail administrations in this quarter and the outlook looks bleak for the second quarter and beyond. The early Easter and far chillier Spring than we enjoyed in 2007 will hit like-for-like figures,” said the report.”

2008 - 17 April

Retail Week report that “Littlewoods chairman and fashion grandee David Jones expected home shopping to be resilient, but said the sector in general was reeling. “I can’t remember it being as bad as this, I truly can’t,” he said. “One thing I am sure of is more businesses will go bust. I have no crystal ball, but there will definitely not be recovery this year.” His pessimism was echoed by George Davies, creator of seminal businesses including Marks & Spencer’s Per Una and Next. “It is as tough as it has been in the past 10 to 15 years,” he said. Peacocks chief executive Richard Kirk said trading conditions were harsh, but strong fashion retailers would emerge intact. He said: “Unquestionably, we are in a recession, but the huge declines are not all about that – they are about needing to be a good retailer in the first place. “How do retailers trade through? They have to change. They have to be of a certain size and critical mass. Those that have struggled recently haven’t been able to compete.” ”

2008 - 21 April

The Bank of England announces details of an ambitious £50bn plan designed to help credit-squeezed banks by allowing them to swap potentially risky mortgage debts for secure government bonds.

2008 - 22 April

Royal Bank of Scotland announces a plan to raise money from its shareholders with a £12bn rights issue - the biggest in UK corporate history. The firm also announces a write-down of £5.9bn on the value of its investments between April and June - the largest write-off yet for a British bank.

2008 - 25 April

Persimmon becomes the first UK house builder to announce major cutbacks, citing the lack of affordable mortgages and a fall in consumer confidence. It adds sales have fallen by a quarter since the beginning of the year.

2008 - 30 April

The first annual fall in house prices for 12 years is recorded by Nationwide. Prices were 1% lower in April compared to a year earlier after a "steep decline" in home buying over the previous six months. Later in the week, figures from the UK's biggest lender Halifax, show a 0.9% annual fall for April.

2008 - 22 May

Swiss bank UBS, one of the worst affected by the credit crunch, launches a \$15.5bn rights issue to cover some of the \$37bn it lost on assets linked to US mortgage debt.

2008 - 11 June

UK unemployment figures rise.

2008 - 17 June

UK Prime Minister Gordon Brown freezes Ministers pay.

2008 - 25 June

Barclays announces plans to raise £4.5bn in a share issue to bolster its balance sheet. The Qatar Investment Authority, the state-owned investment arm of the Gulf state, will invest £1.7bn in the British bank, giving it a 7.7% share in the business. A number of other foreign investors increase their existing holdings.

2008 - 1 July

Property sales in Britain fall to 30 year low.

2008 - 4 July

Retail Week report that "Consumers have less spare cash to spend than at any time in the past five years as the cost of living rockets. The average household's discretionary monthly spend as a proportion of gross income has fallen to just below 20 per cent after tax and bills, compared with 28 per cent five years ago. Disposable income plummeted almost 12 per cent over the course of the past year – the greatest fall in five years – and is 15 per cent below the 2003/2004 level, according to Ernst & Young's Annual Discretionary Income study published today. Cash-strapped households have £772.79 to spend a month after fixed outgoings, compared with £909.84 in 2003/2004. Monthly mortgage repayments have rocketed by an average 78 per cent to just below £735 as a result of higher interest rates and bigger mortgages, while energy bills average £95.80 a month – a 110 per cent increase over five years. Petrol costs have climbed by almost a third.

2008 - 8 July

The gloomy findings of a survey of its members prompt the British Chambers of Commerce (BCC) to suggest that the UK is facing a serious risk of recession within months. Meanwhile, the FTSE 100 stock index briefly dips into a "bear market", in which the market suffers a 20% fall from its recent highs.

2008 - 14 July

Financial authorities step in to assist America's two largest lenders, Fannie Mae and Freddie Mac. As owners or guarantors of \$5 trillion worth of home loans, they are crucial to the US housing market and authorities agree they could not be allowed to fail. The previous week, there had been a panic amongst investors that they might collapse, causing their share prices to plummet.

2008 - 21 July

Just 8% of HBOS investors agree to take up the new shares offered in its £4bn rights issue, because they are priced higher than existing shares are trading on the stock market. But HBOS still gets the £4bn it wanted, as the unsold new shares are bought by the issue's underwriters.

2008 - 22 August

Figures show zero growth in the UK economy between April and June.

2008 - 28 August

Nationwide reveals that UK house prices have fallen by 10.5% in a year.

2008 - 29 August

Bradford and Bingley posts losses of £26.7m for the first half of 2008, blaming surging mortgage arrears for a rise in impairment. Looking ahead, it warned it expected arrears to remain at high levels for the rest of the year.

2008 - 30 August

Chancellor Alistair Darling warns that the economy is facing its worst crisis for 60 years in an interview with the Guardian newspaper, saying the current downturn would be more "profound and longlasting" than most had feared.

2008 - 2 September

In an effort to kick-start the UK housing market the Treasury announces a one year rise in stamp duty exemption, from £125,000 to £175,000.

2008 - 4 September

UK car sales fall to lowest in 40 years

2008 - 5 September

A raft of negative news from around the world sees the FTSE notch up its steepest weekly decline since July 2002. The US labour market figures, which showed the unemployment rate rising to 6.1%, were a further jolt to investors who have had to swallow a slew of poor economic data in recent days.

2008 - 7 September

Mortgage lenders Fannie Mae and Freddie Mac - which account for nearly half of the outstanding mortgages in the US - are rescued by the US government in one of the largest bailouts in US history. Treasury Secretary Henry Paulson says the two firms' debt levels posed a "systemic risk" to financial stability and that, without action, the situation would get worse.

2008 - 10 September

Wall Street bank Lehman Brothers posts a loss of \$3.9bn for the three months to August.

2008 - 15 September

After days of searching frantically for a buyer, Lehman Brothers files for Chapter 11 bankruptcy protection, becoming the first major bank to collapse since the start of the credit crisis. Former Federal Reserve chief Alan Greenspan dubs the situation as "probably a once in a century type of event" and warns that other major firms will also go bust.

Meanwhile, another US bank Merrill Lynch, also stung by the credit crunch, agrees to be taken over by Bank of America for \$50bn.

2008 - 16 September

The US Federal Reserve announces an \$85bn rescue package for AIG, the country's biggest insurance company, to save it from bankruptcy. AIG gets the loan in return for an 80% stake in the firm.

2008 - 17 September

Lloyds TSB announces it is to take over Britain's biggest mortgage lender HBOS in a £12bn deal creating a banking giant holding close to one-third of the UK's savings and mortgage market. The deal follows a run on HBOS shares.

2008 - 18 September

UK FSA bans short selling of bank shares

2008 - 25 September

In the largest bank failure yet in the United States, Washington Mutual, the giant mortgage lender, which had assets valued at \$307bn, is closed down by regulators and sold to JPMorgan Chase.

2008 - 28 September

The credit crunch hits Europe's banking sector as the European banking and insurance giant Fortis is partly nationalised to ensure its survival. In the US, lawmakers announce they have reached a bipartisan agreement on a rescue plan for the American financial system. The package, to be approved by Congress, allows the Treasury to spend up to \$700bn buying bad debts from ailing banks. It will be the biggest intervention in the markets since the Great Depression of the 1930s.

2008 - 29 September

In Britain, the mortgage lender Bradford & Bingley is nationalised. The British government takes control of the bank's £50bn mortgages and loans, while its savings operations and branches are sold to Spain's Santander.

The Icelandic government takes control of the country's third-largest bank, Glitnir, after the company faces short-term funding problems.

The US House of Representatives rejects a \$700bn rescue plan for the US financial system - sending shock-waves around the world. It opens up new uncertainties about how banks will deal with their exposure to toxic loans and how credit markets can begin to operate more normally. Wall Street shares plunge, with the Dow Jones index slumping 7% or 770 points, a record one-day point fall.

2008 - 30 September

Dexia becomes the latest European bank to be bailed out as the deepening credit crisis continues to shake the banking sector. The Belgian, French and Luxembourg governments say they will put in 6.4bn euros (\$9bn; £5bn) to keep it afloat. The Irish government says it will guarantee all deposits in the country's main banks for two years.

2008 - 2 October

Retail Week report that "Retail sales were floored last week as global financial turmoil prompted already fearful consumers to rein in their spending dramatically. Sales began to slide steeply just over a fortnight ago in the wake of Lehman Brothers' collapse and the HBOS crisis and by the end of last week they had "fallen off a cliff". Additional pressure was highlighted this week by retail collapses, job losses and appeals to landlords to ease rent conditions as payment day came around. Almost every retail sector was hit hard by last week's sales disaster. Most non-food retailers' like-for-likes are understood to have suffered a mid-teens fall, while others' – especially big-ticket retailers – plunged by between 20 and 50 per cent. Unusually mild weather delivered an additional blow to fashion. One leading industry figure said: "Last week's numbers were very poor – absolutely awful. It's a whole different environment." The chief executive of one specialist retailer said there had "absolutely" been a fall-off in trade as the financial crises unfolded. "There is no confidence," he said. A fashion group director said: "The bottom fell out of the market." Even those retailers that outperformed warned of a troubled outlook. Dune chairman Daniel Rubin said: "I have never seen it so tough. This is exceptional." "

2008 - 3 October

The US House of Representatives passes a \$700bn (£394bn) government plan to rescue the US financial sector. The 263-171 vote is the second in a week, following its shock rejection of an earlier version on Monday.

The UK's City watchdog, the Financial Services Authority (FSA) raises the limit of the amount of deposits that are guaranteed should a bank go bust to £50,000.

2008 - 6 October

Germany announces a 50bn euro (\$68bn; £38.7bn) plan to save one of the country's biggest banks. The deal to save Hypo Real Estate, reached with private banks, is worth 15bn euros more than the first rescue attempt, which fell apart a day earlier.

Iceland announces part of a plan to shore up its troubled banking sector. The country's largest banks agree to sell some of their foreign assets.

Shares plunge in biggest fall since Black Monday in 1987

2008 - 7 October

The Icelandic government takes control of Landsbanki, the country's second largest bank, which owns Icesave in the UK.

2008 - 8 October

The UK government announces details of a rescue package for the banking system worth at least £50bn (\$88bn). The government is also offering up to £200bn (\$350bn) in short-term lending support.

The US Federal Reserve, European Central Bank (ECB), Bank of England, and the central banks of Canada, Sweden and Switzerland make emergency interest rate cuts of half a percentage point. The Fed cuts its base lending rate to 1.5%, the ECB to 3.75%, and the Bank of England to 4.5%.

IMF forecasts British recession.

2008 - 11 October

Finance ministers from leading industrialised nations pledge action to tackle the financial crisis. The G7 nations issue a five-point plan of "decisive action" to unfreeze credit markets, after a meeting in Washington.

2008 - 13 October

The UK government announces plans to pump billions of pounds of taxpayers' money into three UK banks in one of the UK's biggest nationalisations. Royal Bank of Scotland (RBS), Lloyds TSB and HBOS will have a total of £37bn injected into them.

The takeover of troubled US bank Wachovia by Well Fargo is approved by regulators. Banking giant Citigroup had tried to block the move after it launched rival bid.

Estate agent branches report they are selling fewer than 1 property a week.

2008 - 14 October

The US government unveils a \$250bn (£143bn) plan to purchase stakes in a wide variety of banks in an effort to restore confidence in the sector. President George W Bush says it will help to return stability to the US banking sector and ultimately help preserve free markets.

2008 - 15 October

Figures for US retail sales in September show a fall of 1.2%, the biggest monthly decline in more than three years, as hard-up consumers avoid the shops. The figures underscore fears that the wider US economy is now being hit by the financial crisis. The Dow Jones index falls 733 points or 7.87% - its biggest percentage fall since 26 October 1987.

2008 - 24 October

The UK is on the brink of a recession according to figures released by the Office for National Statistics. The economy shrank for the first time in 16 years between July and September, as economic growth fell by 0.5%.

2008 - 30 October

The Federal Reserve cuts its key interest rate from 1.5% to 1%. The Commerce Department issues figures showing the US economy shrank at an annualised rate of 0.3% between July and September.

Nationwide Building Society reports UK house prices fall nearly 15% in a year.

2008 - 6 November

The International Monetary Fund (IMF) approves a \$16.4bn loan to Ukraine to bolster its economy, shaken by global financial turmoil.

The Bank of England slashes interest rates from 4.5% to 3% - the lowest level since 1955.

The European Central Bank lowers eurozone rates to 3.25% from 3.75%.

2008 - 9 November

China sets out a two-year \$586bn economic stimulus package to help boost the economy by investing in infrastructure and social projects, and by cutting corporate taxes.

2008 - 12 November

US Treasury Secretary Henry Paulson says the government has abandoned plans to use some of the \$700bn bail-out money to buy up banks' bad debts and decided instead to concentrate on improving the flow of credit for the US consumer.

UK unemployment hits 1.82 million, an 11-year high.

Sterling falls below \$1.50

2008 - 14 November

The eurozone officially slips into recession after EU figures show that the economy shrank by 0.2% in the third quarter. Leaders of the G20 developed and emerging economies gather in Washington to discuss ways to contain the financial crisis and agree on longer-term reforms.

2008 - 20 November

The International Monetary Fund (IMF) approves a \$2.1bn (£1.4bn) loan for Iceland, after the country's banking system collapsed in October. It is the first IMF loan for a Western European nation since 1976.

British companies cut 24,000 jobs in a week.

2008 - 23 November

The US government announces a \$20bn (£13.4bn) rescue plan for troubled banking giant Citigroup after its shares plunge by more than 60% in a week.

2008 - 24 November

The UK government announces a temporary cut in the level of VAT - to 15% from 17.5% - in its pre-Budget report. Chancellor Alistair Darling also says government borrowing will rise to record levels, but defends the move as essential to save the UK from a deep and long lasting recession.

2008 - 25 November

The US Federal Reserve announces it will inject another \$800bn into the economy in a further effort to stabilise the financial system and encourage lending. About \$600bn will be used to buy up mortgage-backed securities while \$200bn is being targeted at unfreezing the consumer credit market.

2008 - 26 November

The European Commission unveils an economic recovery plan worth 200bn euros which it hopes will save millions of European jobs. The scheme aims to stimulate spending and boost consumer confidence.

2008 - 1 December

The US recession is officially declared by the National Bureau of Economic Research, a leading panel including economists from Stanford, Harvard and MIT. The committee concludes that the US economy started to contract in December 2007.

2008 - 4 December

French President Nicolas Sarkozy unveils a 26bn euro stimulus plan to help France fend off financial crisis, with money to be spent on public sector investments and loans for the country's troubled carmakers.

2008 - 11 December

Bank of America announces up to 35,000 job losses over three years following its takeover of Merrill Lynch. It says the cuts will be spread across both businesses.

The European Central Bank, as well as central banks in the UK, Sweden and Denmark, slash interest rates again.

2008 - 16 December

The US Federal Reserve slashes its key interest rate from 1% to a range of zero to 0.25% - the lowest since records began.

2008 - 19 December

President George W Bush says the US government will use up to \$17.4bn of the \$700bn meant for the banking sector to help the Big Three US carmakers, General Motors, Ford and Chrysler.

2008 - 29 December

The US Treasury unveils a \$6bn bail-out for GMAC, the car-loan arm of General Motors.

2008 - 31 December

The FTSE 100 closes down 31.3% since the beginning of 2008 - the biggest annual fall in the 24 years since the index was started. The Dax in Frankfurt lost 40.4% over the year while the Cac 40 in Paris dropped 42.7%.

2009 - 5 January

US President-elect Barack Obama describes America's economy as "very sick" and says that the situation is worsening.

2009 - 6 January

All UK Woolworths stores close today.

2009 - 8 January

The Bank of England cuts interest rates to 1.5%, the lowest level in its 315-year history, as it continues efforts to aid an economic recovery in the UK.

2009 - 9 January

Official figures show the US jobless rate rose to 7.2% in December, the highest in 16 years. The figures also indicate that more US workers lost jobs in 2008 than in any year since World War II.

2009 - 13 January

China's exports register their biggest decline in a decade. German Chancellor Angela Merkel unveils an economic stimulus package worth about 50bn euros (\$67bn; £45bn) to kick-start Europe's largest economy.

2009 - 14 January

The UK government unveils a plan to guarantee up to £20bn of loans to small and medium-sized firms, to help them survive the downturn.

US Commerce Department figures show retail sales fell by more than expected in December, as shoppers cut back on spending over the Christmas period. The news prompts big falls in share prices in the US and Europe.

2009 - 15 January

The European Central Bank (ECB) cuts eurozone interest rates by half a percentage point to 2%. The ECB has now reduced rates four times from 4.25% in September as it continues efforts to bolster the eurozone economy.

The Irish government says it is to nationalise the Anglo Irish Bank after deciding pumping money into the lender was not enough to secure its future.

2009 - 16 January

The US government reaches an agreement to provide Bank of America with another \$20bn in fresh aid from its \$700bn financial rescue fund. The emergency funding will help the troubled bank absorb the losses it incurred when it bought Merrill Lynch. Struggling US banking giant Citigroup announces plans to split the firm in two, as it reports a quarterly loss of \$8.29bn (£5.6bn).

2009 - 23 January

The UK has officially entered a recession as fourth quarter GDP falls by 1.5% compared to the previous three months.

2009 - 24 January

President Obama pledges that his economic recovery package will be at the centrepiece of his administration. Mr Obama says that 80% of the spending will take place within 18 months.

2009 - 28 January

World economic growth is set to fall to just 0.5% this year, its lowest rate since World War II, warns the International Monetary Fund (IMF). It now projects the UK will see its economy shrink by 2.8% next year, the worst contraction among advanced nations.

The International Labour Organization said that as many as 51 million jobs worldwide could be lost this year because of the global economic crisis.

2009 - 5 February

The Bank of England cuts interest rates to a record low of 1% from 1.5% - the fifth interest rate cut since October 2008.

2009 - 10 February

The former bosses of the two biggest UK casualties of the banking crisis - RBS and HBOS - apologise "profoundly and unreservedly" for their banks' failure.

2009 - 17 February

US President Barack Obama signs his \$787bn (£548bn) economic stimulus plan into law, calling it "the most sweeping recovery package in our history". The plan is aimed at saving or creating 3.5 million jobs and boosting consumer spending and rebuilding infrastructure.

2009 - 2 March

Insurance giant AIG reports the largest quarterly loss in US corporate history of \$61.7bn (£43bn) in the final three months of 2008. The firm is also to receive an extra \$30bn from the US government as part of a revamped rescue package.

Meanwhile, HSBC confirms it is seeking to raise £12.5bn (\$17.7bn) from shareholders through a UK rights issue. The news came as HSBC revealed pre-tax profits for 2008 of \$9.3bn (£6.5bn), down 62% on the previous year.

2009 - 14 March

Finance ministers from the G20 group of rich and emerging nations have pledged to make a "sustained effort" to pull the world economy out of recession. The main summit takes place in London in April.

2009 - 18 March

The US Federal Reserve says it will buy almost \$1.2 trillion (£843bn) worth of debt to help boost lending and promote economic recovery.

2009 - 2 April

Leaders of the world's largest economies reach an agreement at the G20 summit in London to tackle the global financial crisis with measures worth \$1.1 trillion (£681bn).

2009 - 22 April

The IMF raises its forecast of total financial sector write-downs to \$4 trillion. It says in its Global Stability Report that only \$1 trillion has been written down so far, and that almost half the exposure is outside the US.

2009 - 22 April

The UK reveals its most pessimistic Budget forecast yet. Chancellor Alistair Darling says the UK economy will shrink by 3.5% in 2009 and predicts a £175bn budget deficit amounting to more than 10% of GDP.

2009 - 1 May

One of the "big three" US carmakers, Chrysler, enters bankruptcy protection after pressure from the US government. The majority of its assets are to be sold to Fiat.

Bankers made "an astonishing mess" of the financial system, the UK Treasury Committee says. The effects of the banking crisis will be felt for generations, the MPs warned.

2009 - 4 May

EU economies will shrink by 4% in 2009, the European Commission has forecast in its bleakest forecast to date. It also says unemployment will rise to 10.9%.

2009 - 8 May

Ten of the biggest US banks have failed their stress tests and need fresh capital the US Treasury has said. It says they need to raise an additional \$74.6bn, with the Bank of America the most exposed.

2009 - 1 June

The world's largest carmaker, GM, enters bankruptcy protection after bondholders agree to a deal that means they lose 90% of their money. The US government loans the company an additional \$50bn.

2009 - 9 June

UK unemployment rate rises to 7.1% with 2.22 million people out of work in the first three months of 2009, the ONS says.

Cushman & Wakefield, in its quarterly report, say that the amount of empty space on certain high streets has in fact declined as the rate of retail administrations has slowed. The agency's head of global retail John Strachan said: "There's a real sense in the property market that we're past the worst of it. The difference between the 11.8 per cent and the long term average of 6 to 7 per cent is almost entirely down to administrations, which are slowing." But Strachan added a note of caution, saying: "Nobody's pretending that it's not very difficult out there. It is."

2009 - 10 June

Global oil consumption fell for the first time since 1993 in 2008, according to BP's global energy outlook, in another sign of the depth of the recession.

2009 - 10 June

Ten of the largest US banks say they will be able to repay the US Treasury the money they were lent under the TARP bail-out in October. The banks would have faced restrictions on executive pay.

2009 - 11 June

Japan's economy contracted at an annualised rate of 14.2% in the first three months of 2009, a record rate of decline.

2009 - 17 June

The US government announces a major reform of banking regulation to prevent future financial crises. President Barack Obama describes it as the biggest shake-up of the US system of financial scrutiny since the 1930s.

2009 - 24 June

The Organisation for Economic Co-operation and Development says the world economy is near the bottom of the worst recession in postwar history, predicting that the 30 most industrialised nations will see negative growth of 4.1% this year.

2009 - 10 July

General Motors says it has emerged from bankruptcy protection after creating a "new GM" made up of the carmaker's best assets. The leaner GM will own four key brands including Cadillac and will be 61% owned by the US government.

2009 - 14 July

US bank Goldman Sachs beats analysts' forecasts with a net profit of \$3.44bn (£2.1bn) for April to June. It says it has set aside \$6.65bn for pay and bonuses in the quarter. Several - but not all - other US banks subsequently announce big profits. However, analysts warn that the US banking crisis is not yet over.

2009 - 15 July

UK unemployment rose by a record 281,000 to 2.38 million in the three months to May, the Office for National Statistics says. The jobless rate increased to 7.6%, the highest in more than 10 years.

2009 - 16 July

China's economy grew at an annual rate of 7.9% between April and June, up from 6.1% in the first quarter, thanks to the government's big stimulus package. Beijing now expects China to achieve 8% growth for 2009 as a whole.

2009 - 24 July

The UK economy contracted 0.8% between April and June, more than double the figure economists had expected. The latest figures take the annual rate of decline to 5.6%, the biggest fall since records began in 1955.

2009 - 3 August

Barclays announces an 8% rise in first-half profits, boosted by its investment banking division. In subsequent days, as other UK banks announce their results for the period, a mixed picture emerges.

2009 - 25 August

Report Week reports : Figures show 12.6% of prime sites are vacant or available to lease, according to the new Retail Availability report from real estate adviser Cushman & Wakefield. The 0.4% increase is an improvement on February's figure, when the number of vacancies grew 0.8% Administrations accounted for 3.3% of vacant sites - a figure that has remained unchanged since May. Worst affected areas were the South West and Wales which saw an increase of 4.2% since May, meaning 17.7% of high street shops remain vacant or available. The South East and Central London have the lowest levels of availability at 7.6% and 8.9% respectively. John Strachan, head of retail services, Cushman & Wakefield believes we have "now seen most of the major high street administrations". He said: "The average availability of shops across the UK has risen by only 0.4% indicating that we may be at or approaching a peak in vacancies. The retail market remains very challenging but we are seeing rising sales and confidence that the country will return to economic growth before the end of the year." "

2009 - 17 September

UK unemployment rate hits 14-year high to 2.47 million in July 2009. UK Office for National Statistics said unemployment rate was 7.9% in the three months to July 2009, up 0.7% from the three months to April 2009 and up 2.3% from a year earlier. One in five people aged between 16 and 24 is now seeking work, the highest on record since the ONS started keeping records from 1992.

2009 - 18 September

UK public sector borrowing surged by £16.1Bn in August to highest on record.

Multiple Retailers

in administration, or receivership, or change of ownership, or pre-pack

2002

November Fads - DIY business to be sold for the third time. 103 shops.

2003

10 January Wax Lyrical, candles retailer.
24 January What Everyone Wants.
7 February Sports Connection.
7 February Paragon, parent company Margaux Fashions.
14 March YHA Adventure shops
6 June Andy's Records
4 July Les Smith
22 August PowerHouse
19 September Proibito
19 September Ciro Citterio
3 October Box Clever
7 November Northern Electric Retail
5 December Our Price records

2004

9 January County Bookshops
16 January Sanity
14 May Warner Bros Studio Stores
10 September Legends Surf Shops
17 September Your More Store
24 September Traesko, furniture
15 December Courts, furniture

2005

19 January Pilot
2 February Alders department stores
21 April Basebuy
22 April Gadget Shop
3 August Granville Technology t/a Tiny t/a The Computer Shop and Time
12 August Episode in trouble
19 August Klaussner
7 October All:sports
7 October Furnitureland
7 November Feather & Black
8 December Walmsley Furnishing
9 December Tiles R Us
15 December Offshoot Clothing

2005 continued

21 December Unwins
30 December Past Times

2006

22 March MVC
22 March Adjustbetter t/a Kookai UK
22 March HPJ Jewellers
24 March Sock Shop
4 April Silverscreen
4 April Dewhurst butchers
10 April Actif t/a Elle in UK
27 April QS and Bewise
1 June Capo
7 July Morgan UK
14 July Mikey, jeweller
2 August PowerHouse (again)
11 August Hawkshead
12 September Toymaster
13 October European Home Retail Group, t/a Farepack - estimated 100,000 families could lose Christmas savings

2007

4 January Music Zone
4 January Greeting Card Group t/a Cardfair and Card Warehouse
29 January Right Price Tiles (again)
13 February David Flatman t/a Bookworld, Bargain Books
13 February Filmnight t/a Apollo Video, Primetime and Vidbiz
2 March Owen Owen, department store
9 March Toyworld
10 May Klaussner
1 June Dream Direct
3 July Fopp, records
9 July Kwik Save
21 August Choices UK
19 September ePlay
4 October Lambert Howarth
20 December Ponden Mill

2008

21 January	Dolcis
28 January	Stead & Simpson
11 February	The Works, bookseller
8 February	Base Menswear
11 February	Elvi
26 February	Select Retail, women's fashion
1 April	Sleep Depot
1 April	Toyzone
3 April	Springfield Retail t/a Art
15 April	Ethel Austin
21 April	National Schoolwear Centres
1 May	Sound Control, musical instruments
6 May	Vision express buys G C Bateman, opticians
7 May	Fabric Warehouse
7 May	Internationale t/a Au Naturele
12 May	New Heights
21 May	MK One
25 June	Ilva, furniture
2 July	ProCook
3 July	ScS (sold)
17 July	General Trading Company
22 July	Floors-2-Go
28 July	Beds Direct
4 August	Wrapit, on-line wedding gift service
18 August	Jumpers
10 September	Faith, shoes
26 September	Rosebys
30 September	Joy
1 October	Hardy Amies
1 October	Miss Sixty
7 October	MFI retail and property divisions
31 October	Ghost
20 November	MK One (again)
26 November	Woolworths
2 December	J A Magson, toy and stationary distributor
3 December	Pinnacle, one of the UK's leading entertainment distributors
4 December	The Pier
15 December	Strategic Retail shares suspended - t/a Fads, Leveys and Texstyle World
18 December	Envy sold
23 December	Whittard (bought out same day)
23 December	Officers Club
24 December	Zavvi

2008 continued

29 December Adams
29 December USC

2009

5 January Wedgwood
5 January Passion for Perfume
7 January Viyella
12 January Land of Leather
12 January McLeish Brothers
19 January Empire Direct, the UK's largest independent electricals retailer
23 January Sofa Workshop
26 January Stylo Barratts, Stylo Barratts Properties, Priceless Shoes
28 January Blooming Marvellous
6 February Baugur - stakes in House of Fraser, Hamleys, Aurum, Iceland
10 February Qube, Original Shoe Company
13 February Two suppliers of mid-market womenswear
27 February Elvi
2 March Mosaic - pre-pack
3 March Diamonds and Pearls
3 March Shoe Studio (sold to Dune)
5 March Aurora, t/a Karen Miller, Coast, Oasis, Warehouse, seeks rent relief from landlords
7 March Principles
19 March Smallbone (re-sold)
31 March Nevada Bob UK (pre-pack)
2 April Findel shuts down Cotswold Company and Letterbox
6 April Robert Dyas - rescued
24 April Bay Trading
27 April JJB Sports - CVA approved
20 May Birthdays
10 June Oliver Sweeney
23 June Mr Shoes
25 June Allied Carpets
15 July The Big Label
28 July Hornsea Freeport shopping village
31 July Lombok (pre-pack)
3 August Focus DIY - CVA proposal
4 August Whole Foods makes £35.9M loss in UK
7 August OKA shuts two-thirds of its shops
4 September Acorn Pet Centres
8 September High & Mighty (pre-pack to N Brown)