Surprise Drop in UK Inflation Due to Lower Clothing Prices

Description

Image not found or type unknown
Getty Images Woman looking at a pair of jeans in a clothing store

UK inflation dropped more than expected in February. The decrease to 2.8% from 3% in January was mainly because of lower prices for clothing and shoes due to a high number of sales. Grant Fitzner, chief economist at the Office for National Statistics (ONS), highlighted that women's clothing was the main factor behind the decline.

The fall in clothing prices was not fully offset by slight increases in other categories like alcoholic drinks. This marked the first time clothing and footwear prices fell since 2021. Children's clothing and accessories such as hats and scarves were also affected. Economists had predicted a 2.9% inflation rate, but the actual figure, though lower, remained above the Bank of England's target of 2%.

Image not found or type unknown
Line chart showing the UK Consumer Price Index annual inflation rate, from February 2016 to February 20

Looking ahead, prices are expected to rise further in the coming months due to increases in council tax, energy, water bills, and other factors. Stay tuned for the Chancellor's Spring Statement, where more economic plans will be revealed.

Vocabulary List:

1. **Inflation** /ɪnˈfleɪʃən/ (noun): The rate at which the general level of prices for goods and services is rising.
2. **Decrease** /dɪˈkriːs/ (verb): To make or become smaller or fewer in size amount intensity or degree.
3. **Economist** /ɪˈkɒnəmɪst/ (noun): An expert in economics; a social scientist who studies the production distribution and consumption of goods and services.
4. **Accessory** /əkˈsɛsəri/ (noun): A supplementary item that enhances or complements something else.
5. **Predicted** /prɪˈdɪktɪd/ (verb): To declare or indicate in advance; to make an educated guess about a future event.
6. **Economic** /ˌiːkəˈnɒmɪk/ (adjective): Relating to economics or the economy; concerned with the production and management of resources.

Comprehension Questions

Multiple Choice

1. What was the main factor behind the drop in UK inflation in February?

   Option: Decrease in alcoholic drinks prices
   Option: Increase in clothing and shoes prices
   Option: High number of sales in clothing and shoes
   Option: Decrease in council tax

2. Which category saw a decrease in prices in February for the first time since 2021?

   Option: Alcoholic drinks
   Option: Healthcare products
   Option: Clothing and footwear
   Option: Home appliances

3. What was the actual inflation rate in February, compared to the predicted rate of 2.9%?

   Option: 2.8%
   Option: 3.1%
   Option: 2.5%
   Option: 2.7%

4. Which entity highlighted that women's clothing played a significant role in the decline of clothing prices?

   Option: Bank of England
   Option: Office for National Statistics (ONS)
   Option: BBC News
   Option: Chancellor's Spring Statement

5. What is expected to rise in the coming months according to the content?

   Option: Clothing prices
   Option: Council tax
   Option: Water bills
   Option: Home appliance prices

6. Which economic plan is mentioned to be revealed in the Chancellor's Spring Statement?

   Option: Inflation forecast
   Option: Interest rate changes
   Option: Tax policies
   Option: Budget deficit reduction plan

True-False

7. UK inflation increased in February.

8. Clothing and footwear prices fell for the first time since 2021 in February.

9. The actual inflation rate in February was below the Bank of England's target.

10. Economists accurately predicted the inflation rate in February.

11. The Chancellor's Spring Statement will include economic plans.

12. The fall in clothing prices was fully offset by increases in other categories.

Gap-Fill

13. UK inflation dropped to ________________________ in February from 3% in January.

14. The Bank of England's inflation target is set at ________________________.

15. Prices are expected to rise due to increases in council tax, energy, water bills, and other factors in the coming ________________________.

16. Grant Fitzner is the chief ________________________ at the Office for National Statistics (ONS).

17. Stay tuned for the Chancellor's Spring Statement, where more ________________________ plans will be revealed.

18. Children's clothing and accessories like hats and scarves were also ________________________ by the fall in clothing prices.

Answer

Multiple Choice: 1. High number of sales in clothing and shoes 2. Clothing and footwear 3. 2.8% 4. Office for National Statistics (ONS) 5. Council tax 6. Tax policies
True-False: 7. False 8. True 9. False 10. False 11. True 12. False
Gap-Fill: 13. 2.8% 14. 2% 15. months 16. economist 17. economic 18. affected

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What are taxes on imported or exported goods called?

    Option: Opportunities
    Option: Tariffs
    Option: Fluctuations
    Option: Retirement

2. What is the effect or influence of one thing on another?

    Option: Inflation
    Option: Retaliation
    Option: Tariff
    Option: Impact

3. What is the general increase in prices and fall in the purchasing value of money?

    Option: Decrease
    Option: Economist
    Option: Accessory
    Option: Inflation

4. What are difficult situations or obstacles that test someone's abilities?

    Option: Statistics
    Option: Retirement
    Option: Challenges
    Option: Growth

5. What are discussions aimed at reaching agreements?

    Option: Tariff
    Option: Negotiations
    Option: Accessories
    Option: Fluctuate

6. What is the act of putting a decision plan or system into effect?

    Option: Controversies
    Option: Strengthen
    Option: Implementing
    Option: Conerns

7. What is the action of revising or altering something?

Option: Surety
Option: Revised
Option: Economic
Option: Growth

8. What are irregular changes or variations in something?

Option: Invested
Option: Retirement
Option: Borrowing
Option: Fluctuations

9. Who studies the production distribution and consumption of goods and services?

Option: Economist
Option: Accessories
Option: Predicted
Option: Inactivity

10. What is the process of increasing in size or developing?

Option: Challenge
Option: Growth
Option: Statistics
Option: Tariff

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. A ________________________ is a tax or duty to be paid on a particular class of imports or exports.

12. Currency exchange rates tend to ________________________ sometimes leading to gains and other times resulting in losses.

13. He ________________________ a significant amount of money into the startup hoping for a good return on investment.

14. After many years of hard work she decided to enjoy her ________________________ and relax.

15. Taking out a loan is a form of ________________________ money.

16. With change comes new ________________________ for growth and development.

17. She provided a guarantee of payment as ______________________ for the loan.

18. Rapid price increases can lead to high ______________________ rates.

19. The company ______________________ its marketing strategy to better target a younger audience.

20. To be successful a business must continuously ______________________ its position in the market.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. When one country imposes tariffs on another the second country might respond with its own tariffs.
22. The new handbag she bought was the perfect to complement her outfit.
23. Despite the uncertainties the weather forecaster accurately heavy rain for the weekend.
24. The government's primary focus is on improving the country's situation.
25. During the holidays he preferred moments of and relaxation over constant activity.
26. Social media platforms often generate heated debates and over various topics.
27. By analyzing relevant the researchers were able to draw meaningful conclusions.
28. The safety raised by the parents prompted a review of the school's security measures.
29. The company's success led to a period of rapid and increased market share.
30. In times of economic change new business often arise for bold entrepreneurs.

Answer

Multiple Choice: 1. Tariffs 2. Impact 3. Inflation 4. Challenges 5. Negotiations 6. Implementing 7. Revised 8. Fluctuations 9. Economist 10. Growth
Gap-Fill: 11. tariff 12. fluctuate 13. invested 14. retirement 15. borrowing 16. opportunities 17. surety 18. inflation 19. revised 20. strengthen
Matching sentence: 1. retaliation 2. accessory 3. predicted 4. economic 5. inactivity 6. controversies 7. statistics 8. concerns 9. growth 10. opportunities

CATEGORY

1. Business - LEVEL3

Date Created
2025/03/27
Author
aimeeyoung99