

UK inflation hits 41-year high of 11.1%

The figure comes a day before Hunt is scheduled to unveil a new Budget

ASSOCIATED PRESS

16 November

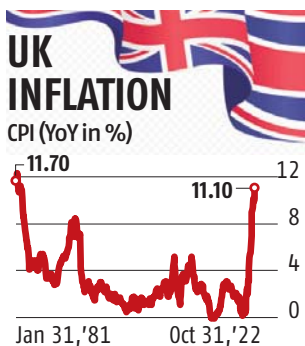
Britain's inflation rate rose to a 41-year high in October, fuelling demands for the government to ease the nation's cost-of-living crisis when it releases new tax and spending plans Thursday.

Consumer prices jumped 11.1 per cent in the 12 months through October, compared with 10.1 per cent in September, said the Office for National Statistics (ONS). The new figure exceeded economists' expectations of 10.7 per cent.

Higher prices for food and energy drove Britain's inflation rate to the highest since October 1981, the ONS said. It exceeds the record 10.7 per cent inflation seen in the 19 European countries using the euro currency and the US rate of 7.7 per cent, which slowed in October.

The figures come a day before Treasury chief Jeremy Hunt is scheduled to unveil a new budget amid growing calls for higher wages, increased benefits and more spending on health and education as raging inflation erodes the spending power of people across the country.

Those demands are complicating Hunt's efforts to close an estimated \$59 billion budget shortfall and restore the government's financial credibility after former Prime Minister Liz Truss' disastrous economic policies undermined investor confidence and sparked turmoil on financial markets.



Source: Bloomberg
Compiled by BS Research Bureau