

Inflation eases slightly to 10.7% as price rises slow

The rate of [inflation](#) fell to 10.7 per cent last month raising hopes that the worst of the cost of living crisis may soon be over.

The bigger than expected fall in November's Consumer Prices Index – the headline measure of inflation – from a 42 year high of 11.1 per cent in October will come as a huge relief to Chancellor [Jeremy Hunt](#) and the [Bank of England](#).

It is likely to be enough to allow the Bank's Monetary Policy Committee (MPC) to slow the pace of interest rate hikes from 0.75 per cent to 0.5 per cent when it publishes its decision on Thursday.

The Office for National Statistics (ONS) said the slight slowing in the rate of inflation was largely due to lower fuel prices after the cost of filling up the car fell sharply.

However, there was no let up in the soaring price of food and drink which went up 16.5 per cent, the highest rate since September 1977. The rate of food inflation has risen for 16 consecutive months, from -0.6 per cent in July 2021.

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Chancellor Jeremy Hunt said: “The aftershocks of Covid-19 and Putin’s weaponisation of gas mean high inflation is plaguing economies across Europe, and I know families and businesses are struggling here in the UK.

“Getting inflation down so people’s wages go further is my top priority, which is why we are holding down energy bills this winter through our Energy Price Guarantee Scheme and implementing a plan to help halve inflation next year.

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“I know it is tough for many right now, but it is vital that we take the tough decisions needed to tackle inflation – the number one enemy that makes everyone poorer. If we make the wrong choices now, high prices will persist and prolong the pain for millions.”

Inflation has exploded over the past 18 months as a spike in demand after pandemic lockdown restrictions were lifted; a range of supply chain problems; and most importantly, surging energy, fuel and food prices after Russia’s invasion of Ukraine in February.

The CPI has climbed a cliff edge since it bottomed out at just 0.2 per cent in August 2020.

It is still racing far ahead of wages, contributing to the biggest fall in real living standards since detailed records began in the 1950s.

On Wednesday, the ONS said real pay fell 2.7 per cent in the three months to October; only slightly smaller than the record fall of 3 per cent in the April to June quarter.

Between 1993 and 2021, the UK inflation rate never exceeded 5.4 percent and was usually at much lower levels.

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Shadow Chancellor Rachel Reeves said: “The question people across Britain will be asking themselves this morning is do I and my family feel better off under the Tories. The answer will be no.

“Today’s numbers show just our weak our economy continues to be, but we do not have to continue on this path of managed decline.

“Labour will get our economy growing and make it stronger, so that living standards can go up and so we can lead on the global stage again.”