

Inflation in UK shops now back at 'normal levels' – as prices for some items fall

The rate of price rises in UK shops has returned to “normal levels”, according to new industry figures.

Overall annual [shop price inflation](#) eased to 0.6% in May, down from 0.8% in April, the British Retail Consortium (BRC) and NielsenIQ said.

The figure is the lowest since November 2021.

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What does the fall in inflation mean?

Non-food products remained in deflation – at -0.8% in May – a fall from -0.6% in the previous month.

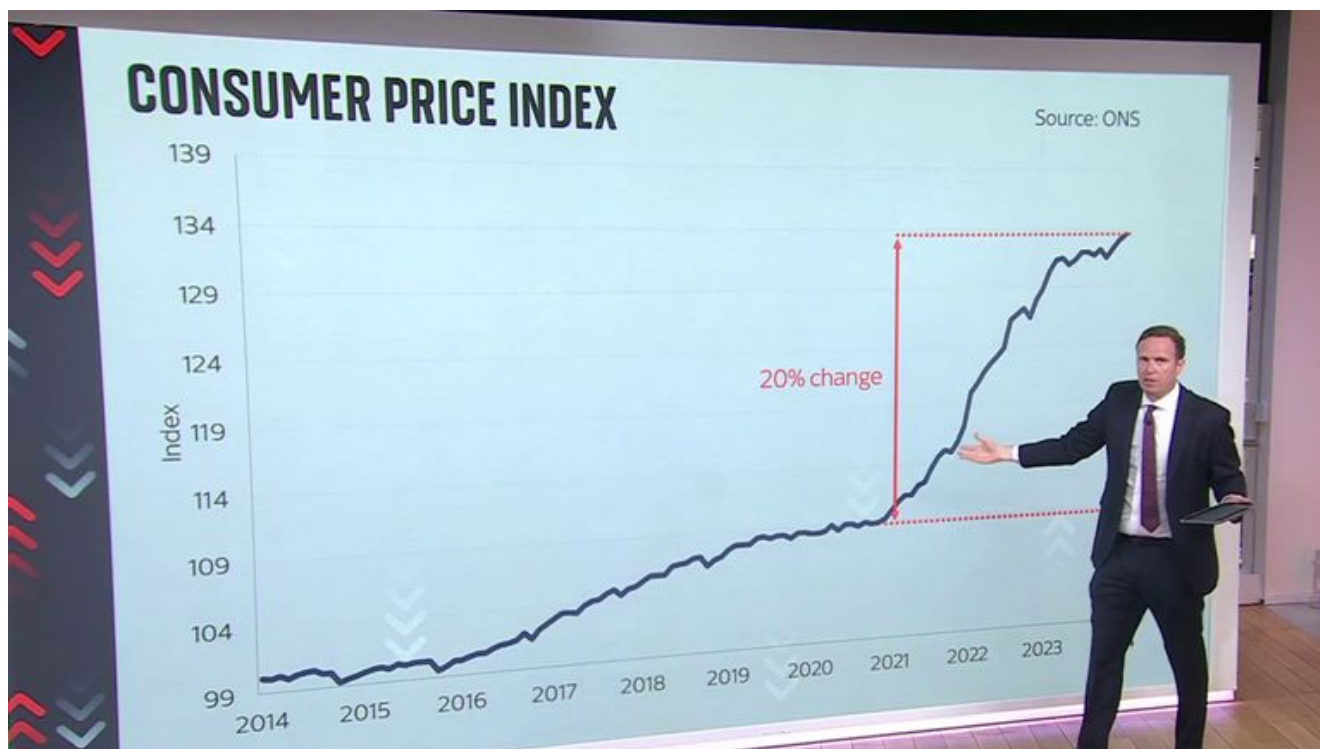
Researchers say shops have been cutting prices in an attempt to revive “subdued” demand for big-ticket items such as furniture and TVs ahead of Euro 2024.

Food prices continued to rise but at a slower rate, with inflation here decelerating slightly from 3.4% in April to 3.2% in May.

The cost of ambient foods that can be stored at room temperature – such as biscuits – has remained stubbornly sticky because of higher global sugar prices.

It follows a [sharp fall in retail sales in April](#), according to official figures released on Friday.

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Why are we still paying more?

The Office for National Statistics (ONS) reported that the number of goods and services bought by households dropped 2.3% during the month, with higher-than-average rainfall partly to blame.

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BRC chief executive Helen Dickinson said further action via “future government policy” was needed to support retailers to keep inflation low.

“With an election in a matter of weeks, it is vital that parties detail their support for customers and retailers in their upcoming manifestos,” she added.

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'I hope it's good news'

Mike Watkins, from NielsenIQ, said: "After a number of months of falling input prices, we are now seeing food inflation stabilise and retailers continue to pass on price cuts to shoppers.

"Across the industry, whilst inflationary pressure has eased and there is some improvement in shopper sentiment, the unseasonable weather has dampened retail sales, so lower prices look set to continue and promotional activity is likely to increase drive demand."

It comes after official figures revealed last week that the overall rate of inflation [eased to 2.3% in April](#) – its lowest level in nearly three years.