

Shop price inflation 'almost halves'

The annual rate of shop price inflation almost halved in March, according to new industry figures.

Falling food costs and competition between retailers contributed to the rate easing to 1.3% last month – [down from 2.5% in February](#), the British Retail Consortium (BRC)-Nielsen Shop Price Index found.

Annual shop price growth is now at its lowest since December 2021, according to the figures.

The report also found that food prices were 3.7% higher than a year ago – down from 5% in February.

[Inflation](#) on products other than food fell to 0.2% in March, a drop from 1.3% the preceding month.

BRC chief executive Helen Dickinson said: “While Easter treats were [more expensive](#) than in previous years due to high global cocoa and sugar prices, retailers provided cracking deals on popular chocolates, which led to price falls compared to the previous month.

“Dairy prices also fell on the month as farmgate prices eased, and retailers worked hard to lower prices for many essentials.

“In non-food, prices of electricals, clothing and footwear fell as retailers increased promotions to entice consumer spending.”

However, she warned [retailers](#) faced significant pressures in the coming months, including rises in business rates and new border checks, which “could put progress on bringing down inflation at risk”.

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Mike Watkins, head of retailer and business insight at NielsenIQ, said: “The slowdown in inflation continues and a key driver this month was a further fall in food prices.

“A year ago, food inflation was 15% so this was to be expected.

“But it is also helped by intense competition amongst the supermarkets as they look to drive footfall, with focused price cuts and promotional offers earlier in the month for Mother’s Day and now again in the weeks leading up to Easter.”

It comes after official figures recently revealed the overall rate of inflation [eased to 3.4% in February](#), with food prices

said to be a major factor in the decline.