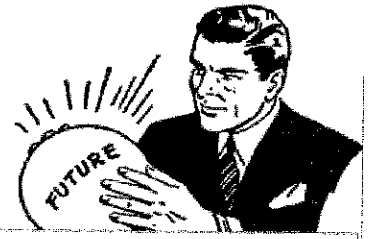
Four Active Reading Skills!

Predict

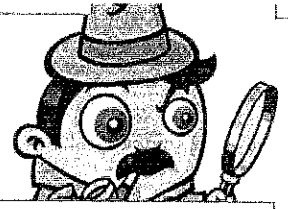


The Predictor

What do you think the text is about?

- I think...because...
- I predict...because...
- I suppose...because...
- I think I will learn...because...

Clarify



The Clarifier

What is the meaning of any new words?

- Try sounding it out
- Think about what would make sense
- Read around the word
- Talk to your partner/group
- Look up the dictionary

Question

The Questioner

Ask some questions that have **answers in the text.**

Ask some questions that can be **inferred (worked out).**

Use the question words: *Who? What? Where? When? Why? How? And What if?*

Summarise

The Summariser

Use your own words to explain (sum up) the main ideas from the text in order.

- This text is about...
- This part is about...
- First...next...in the last paragraph...

Inflation

Does falling inflation mean no more Dear Chancellor letters?

The Bank of England is keeping its fingers crossed that inflation will be back to target in the second half of the year - but things rarely go to plan in the British economy

Every three months since the 2010 general election Sir Mervyn King has penned a missive to George Osborne. Nine letters have been sent from Threadneedle Street to the Treasury explaining why, throughout that period, the annual inflation rate has been more than one percentage point above the government's 2% target.

The governor is hoping that the letter he wrote in February will be the last in the current series, and if all goes well he should not be disappointed. Inflation is well off its peak in the autumn of 2011 and last month came down to 3.4%, its lowest for 15 months. Prices rose strongly in April last year, when the weather was warm and the Royal Wedding prompted a bit of a consumer spending spree, so assuming there is a more modest monthly increase this April there is a good chance that the annual inflation rate will dip below 3%.

What's more, the slack in the economy and the unlikelihood of a repetition of the hikes in domestic energy bills seen in the summer of 2011 means that the trend should continue for the rest of the year. The Bank is keeping its fingers crossed that inflation will be back to target in the second half of the year.

This, though, is Britain where things rarely go exactly to plan so it is worth sketching out what could happen over the coming months to make a mess of Sir Mervyn's predictions.

The first thing to note is that the latest fall in inflation was smaller than expected in the City. Analysts noted that prices in the UK tend to be a bit "sticky", by which they mean that even when demand is weak and unemployment rising (as now) the cost of living remains surprisingly high. The consensus among economists was for the annual inflation rate to fall to 3.3% last month: some experts had pencilled in even lower figures.

The second cause for concern is that the months ahead may see higher food and oil prices. There have already been warnings about a summer drought, and if the UK were to see a rerun of 1976 – or anything like it – the result would be a marked increase in the cost of the weekly grocery bill. Meanwhile, the stand-off between the West and Iran has already led to a $15 a barrel hike in the cost of crude, with knock-on consequences on petrol prices.

Finally, there are signs that UK manufacturers are planning to raise their prices in the months ahead in response to higher fuel costs. That suggests inflation will continue to be "sticky" in the months ahead, putting fresh downward pressure on real incomes. Even were inflation to come down more slowly than the Bank is anticipating, an increase in bank rate still looks a long way off. But further bouts of quantitative easing to boost activity would become less likely.

Larry Elliot

https://www.theguardian.com/business/economics-blog/2012/mar/20/falling-inflation-no-more-dear-chancellor-letters