

ECONOMICS NEWS

tutor2u

SUMMER 2023 EDITION

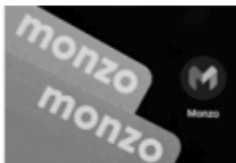
August 2023

Morgan Stanley fined for using Whatsapp

Morgan Stanley were fined £5.4m after energy traders used Whatsapp on private phones to discuss details. By law, traders are expected to use more 'transparent' communication methods to prevent financial institutions from market manipulation and insider trading.

Housing is more 'affordable' compared to 2022 according to The Halifax.

(more on page 4)



Challenger bank Monzo topped a satisfaction league table with 80% of its customers saying that they would recommend the bank to friends and family.

FTSE 100 executives saw a 16% pay rise in 2022
New data shows that FTSE executive pay is 118 times higher than the average wage.

UK ANNOUNCES THAT A TRADE DEAL WITH INDIA IS GETTING CLOSER

UK Trade Secretary Kemi Badenoch is set to visit India to continue talks about a trade deal between the two countries. Any such deal would be one of the biggest achieved by the UK since it left the European Union in 2020. Britain hopes to bring down tariffs on UK exports including cars and whisky.



Former Brexit Party leader Nigel Farage has set up a website to support people who have been 'debanked'

Chancellor asks regulator to examine the extent of 'debanking'

Chancellor Jeremy Hunt has asked the Financial Conduct Authority (FCA) to speed up its investigation on the extent to which UK banks are closing accounts due to customers' political beliefs. The investigation was prompted when former leader of the Brexit Party, Nigel Farage, revealed that he had been 'debanked' by Coutts showing evidence that the closure of his account was due to his political activity.

UK inflation falls to 6.8% in July

For the first time since July 2021, wages are now increasing at a higher rate than inflation with average increases of 7.8%. The Chancellor has warned of the possible risk of increased wages pushing inflation back upwards and causing the Bank of England to increase interest rates yet again in September.

Warm weather in June boosts UK economy

The UK economy grew by 0.5% (to 0.2%) in June thanks to an increase in trade for pubs and restaurants caused by the warmer weather. The UK's construction industry also saw an increase in output.

Government borrows less in June than expected

The UK government's borrowing fell to £18.5bn in June, according to the Office for National Statistics (ONS). That was £400m less than in June 2022 and less than was forecasted. However, this was still the third highest for a June on record. The ONS also said that interest on government debt hit £12.5bn.



Discount retailer 'Wilko' goes into administration. 12,000 jobs at risk.

Please choose **one** of the following options:

1. Choose one or two of the news events and complete a longer article giving more details
2. Explain how each of the events (or a selection) might impact on consumers, producers/businesses, and the government
3. Explain how each of the events (or a selection) illustrates scarcity in an economy
4. Allocate a story to individual students and ask them to complete a more detailed article on that story. Student responses can then be used as a wall display or ask each student to undertake a quick presentation

In addition you may wish to have a read of one of the following or listen to:

- The Armchair Economist - Steven Landsburg
- Doughnut Economics - Kate Raworth
- Freakonomics Radio (Podcast)
- The Undercover Economist - Tim Harford (Podcast)
- More or Less: Behind the Statistics (BBC Radio 4)
- 50 Things that Made the Modern Economy (BBC Radio 4)