

THE UK IS IN RECESSION FOR THE FIRST TIME IN 11 YEARS

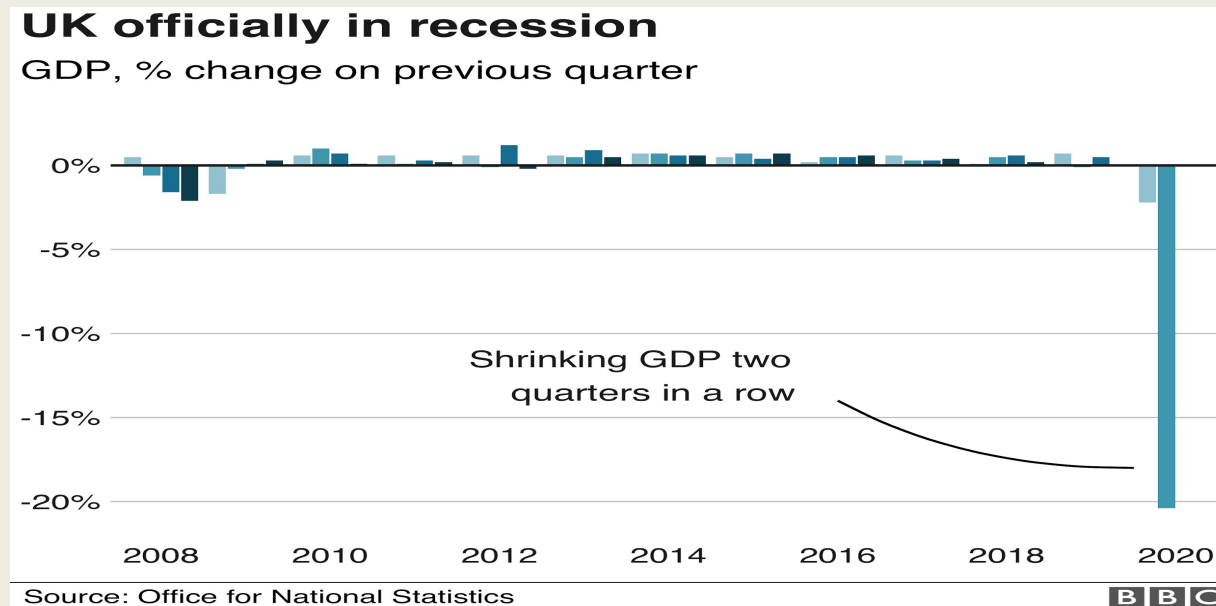
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<https://rg.ru/2020/08/12/london-oficialno-obiavil-o-nachale-recessii-v-albione.html>

What pushed the UK into recession?

Official figures released on 12 August confirmed that the UK had entered a recession for the first time in 11 years.

- UK GDP fell by 2.2% in the first quarter of 2020 (January to March), as the economy began to feel the effects of lockdown.
- Figures for the second quarter (April to June) showed the steepest fall on record, of 20.4%, as the lockdown brought many areas of the economy to a complete standstill.



Why does it matter?

When the economy shrinks, all these things go into

- More jobs ^{reverse.}
- Companies are more profitable and can pay employees and shareholders more
- The government receives more money in taxes (so it can cut taxes or spend more on benefits, public services and government workers' wages)

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- T!**• Some people may lose their jobs, or find it harder to get promotions, or a pay rise.
 - Graduates and school leavers could find it harder to get a first job.

However, the pain of a recession is typically not felt equally across society, and inequality can increase.

For instance, many UK homeowners who kept their jobs during the last recession did OK. Mortgage interest payments for many fell considerably, leaving them with more spending money.

Dictionary

- Recession is a significant decline in economic activity that lasts for months or even years.
- Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
- Mortgage interest is the **interest** charged on a loan used to purchase a piece of property. **Interest** is calculated as a certain percentage of the full **mortgage** loan. **Mortgage interest** may be fixed or variable and is compounding.