

Answers

a) Key Words in Context

Covid-19 and Inflation

In normal times, inflation is quite gradual. The process normally happens so slowly that the average person hardly notices when the price of bread **creeps up** by just a few cents. However, in the current economic crisis, inflation **is soaring** at a rate which most people have never experienced. Most people are hoping that inflation will soon slow down, or at least **hit a peak** before decreasing.

The current inflation began with the Covid 19 crisis, during which economic output **plummeted**, because many people couldn't go to work, and the hospitality and travel sectors almost collapsed. Governments printed a lot of money in order to **stabilise** the situation. As soon as the strength of the covid virus started to **dwindle**, the world began to open up and the hospitality sector started to **pick up**. All of this was good news for the world economy. However, we are now seeing high inflation as a result of governments' rescue packages during the pandemic.