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Pearson Edexcel  
Level 3 GCE

Economics B  
Advanced  
PAPER 2: Competing in the global economy

Monday 20 May 2024 – Afternoon

Data Booklet

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## Extract A

### Trade Union Congress report on inflation

Inflation in **2023** has not been driven by pay, it was driven by energy and overseas commodity price shocks. While workers and their unions sought to protect themselves with higher wages, they are not driving price rises. But even though inflation originated from higher costs on international markets, the government has focused on measures that seek to reduce demand in the economy.

The Bank of England's response has been to rapidly raise interest rates from **0·1%** to **5·25%**. This approach hits some groups far harder than others. Costs have increased rapidly for households with unsecured debt, people renting properties, those with outstanding mortgage payments and firms relying on credit. Bank and energy company profits, city bonuses and salaries for certain professional and business services have risen.

## Extract B

### Food poverty and health

In June **2023**, a School And Public Health Nurses Association (SAPHNA) report found a deterioration in children's health due to a rise in the cost of food. The  
5 Vice-Chair of the Local Government Association's Community Wellbeing Board said:

“These findings are deeply concerning and show that a rise in the cost of living is having harmful effects on children's health. Food inflation is at its highest for almost **50** years  
10 and this is hitting the poorest households hardest. If a child has a free school meal, that will save their family **£500** a year. This is now more important than ever.”

In October **2023**, the Deputy Conservative Party Chair, Lee Anderson, claimed that “there is no poverty in Britain”.  
15 Mr Anderson said that he “doesn't believe” in “poverty nonsense” and that the UK “is not an impoverished island”.

## Extract C

### Child Poverty in 2023

Education is starting to be seen as a luxury, as the costs associated with getting a child to school and successfully engaging in education become too much. Many

5 households are going without heating or washing due to the significant costs of doing so. This is leaving children without basic levels of hygiene and wellbeing, with many living in cold, damp homes. They cannot afford the basic standard of physical care required to make their attendance

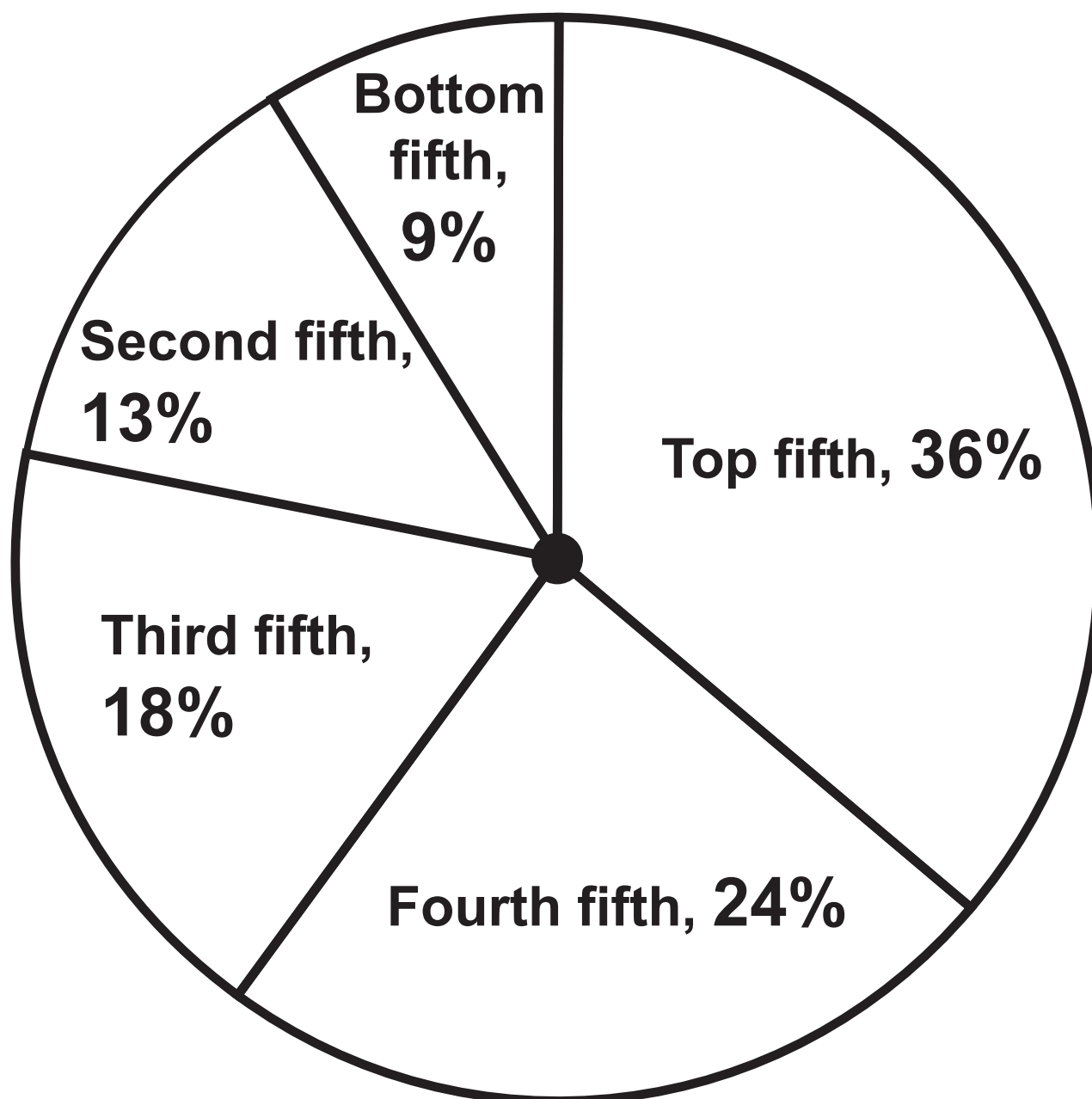
10 in education possible, let alone the essential resources required to travel to their education settings, or access learning online and at home.

**Extract D****The index for bread prices in the United Kingdom from 2018 to 2023**

<b>Year</b>	<b>Average price white sliced bread (800 grams)</b>	<b>Index</b>
<b>2018</b>	<b>£1·05</b>	<b>100</b>
<b>2019</b>	<b>£1·07</b>	<b>102</b>
<b>2020</b>	<b>£1·05</b>	<b>100</b>
<b>2021</b>	<b>£1·06</b>	<b>101</b>
<b>2022</b>	<b>£1·20</b>	<b>114</b>
<b>2023</b>	<b>£1·36</b>	

## Extract E

**How total household disposable income was shared between quintiles in the UK in 2022**



## Extract F

### **Small number of large multinational firms dominate cloud computer services**

In October **2023**, the Office of Communications (Ofcom), the UK Government–approved regulatory authority for the  
5 broadcasting, telecommunications and postal industries, referred the public cloud infrastructure services market to the Competition and Markets Authority (CMA). This was for an independent market investigation to consider whether there are competition concerns and, if so, what  
10 interventions might improve the supply of these important services for UK customers.

Cloud services allow remote access to computing resources. They are being rapidly adopted by many businesses and have become an essential part of how  
15 many digital services are delivered to consumers. Ofcom has estimated that the market for cloud services in the UK was worth up to **£7·5 billion in 2022**.

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**Extract F continued.**

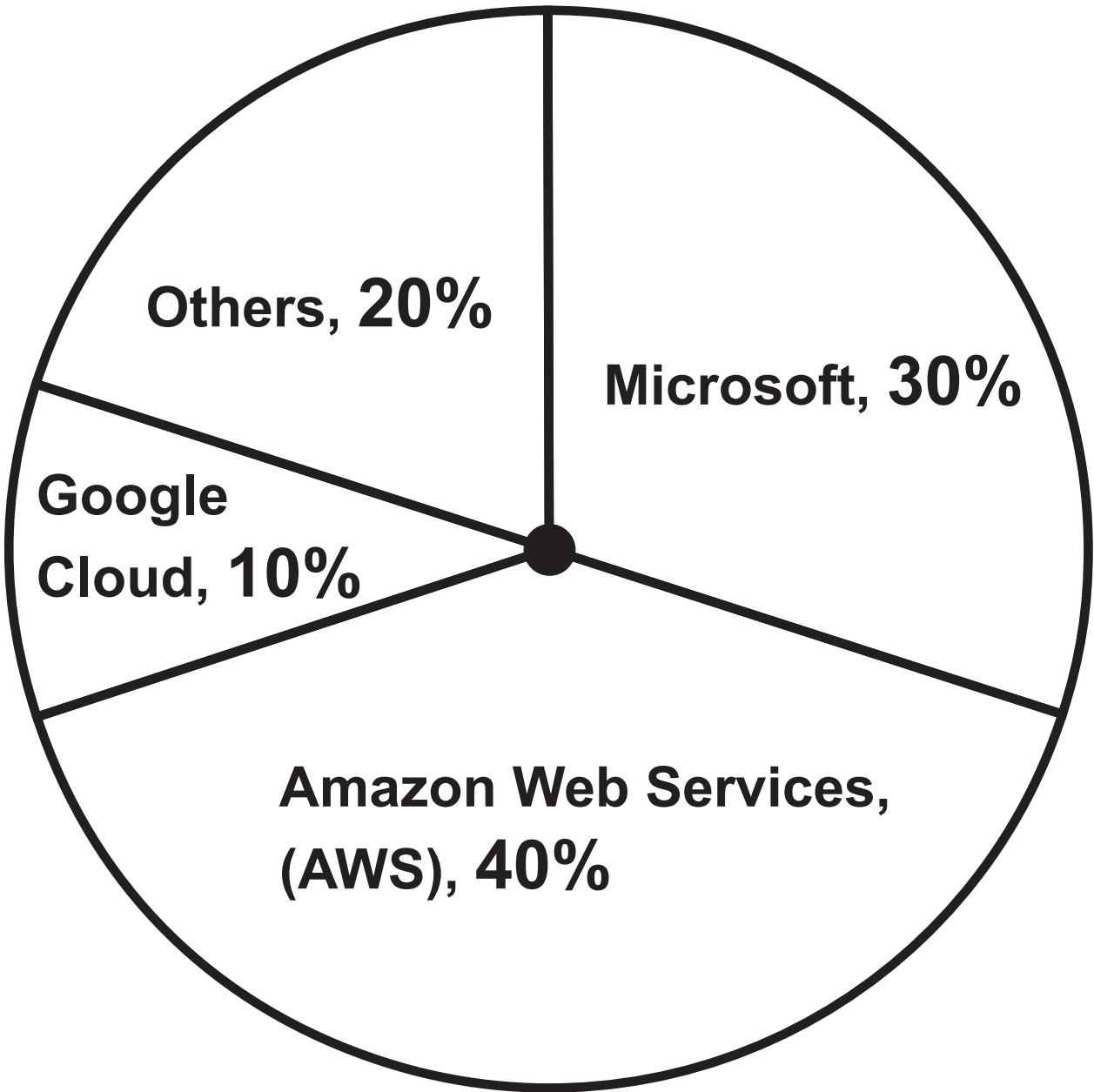
In its study, Ofcom identified several features in the supply of cloud services that make it more difficult for customers  
20 to switch cloud suppliers.

The features that Ofcom is most concerned about are:

- Egress fees – charges that cloud customers must pay to move their data to another supplier
- Discounts – that may incentivise customers to use only  
25 one cloud provider
- Technical barriers to switching – that may prevent customers from being able to switch between different cloud suppliers.

Extract G

UK cloud computer services market share, 2023



## Extract H

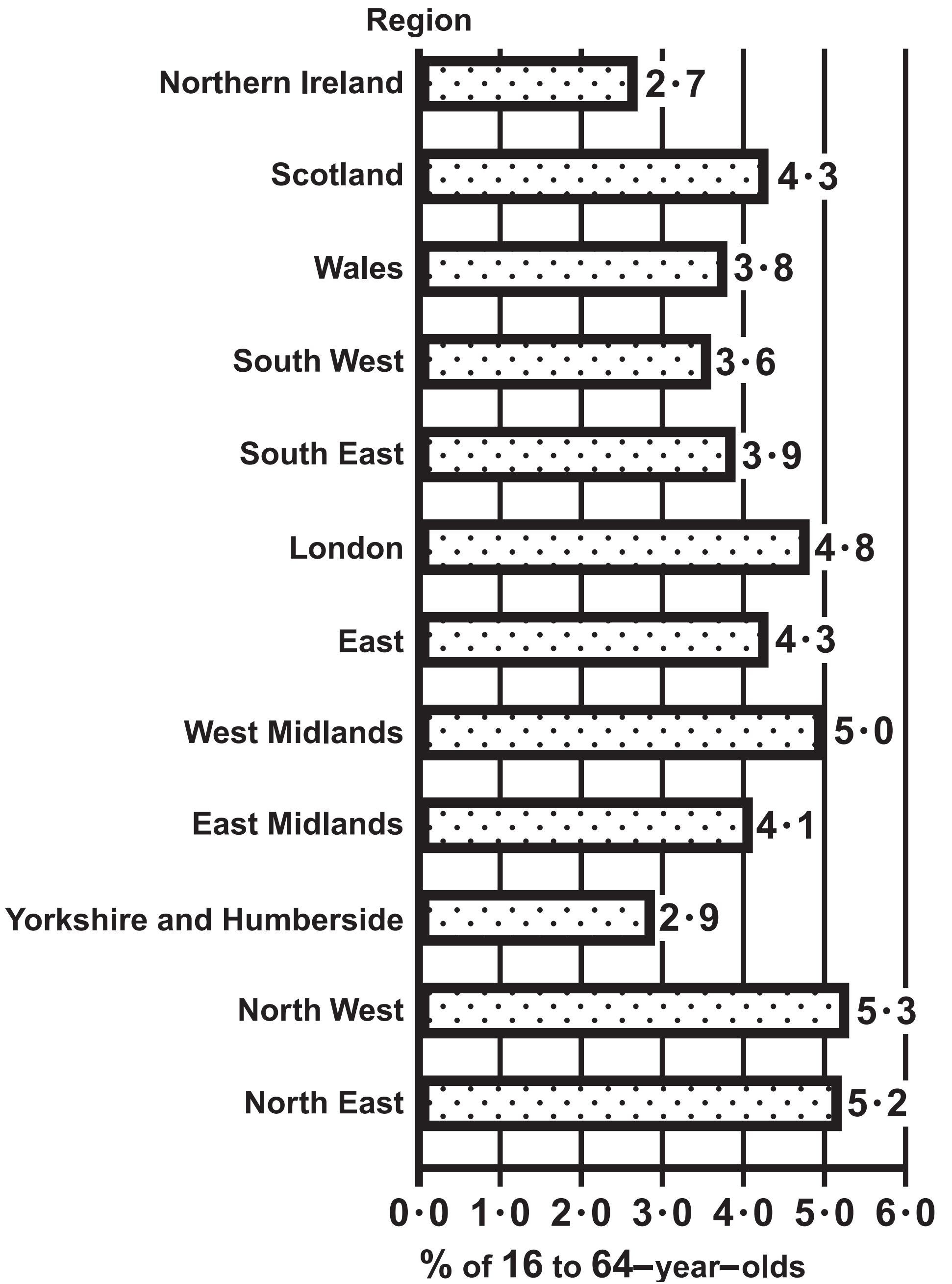
### **Will artificial intelligence (AI) replace people?**

Despite their limitations **ChatGPT** and other recently released AI models hold the promise of automating all sorts of tasks that were previously thought to be only in the realm of human creativity, reasoning, writing, creating graphics and summarising and analysing data. This has left economists unsure how jobs and overall productivity might be affected.

For all the amazing advances in AI and other digital tools in the last 10 years, their record in improving prosperity and widespread economic growth is discouraging. Although a few investors and entrepreneurs have become very rich, most people have not benefitted. Some jobs have completely disappeared after being automated.

Extract I

UK unemployment by region, September 2023



## Sources

### Extract A

(Source: adapted from <https://www.tuc.org.uk/research-analysis/reports/workers-are-not-blame-cost-living-crisis>)

### Extract B

(Source: adapted from <https://www.local.gov.uk/about/news/concerning-food-inflation-rise-impacts-childrens-health-lga-responds-saphna-report> and <https://www.independent.co.uk/tv/news/lee-anderson-poverty-tory-conference-b2423960.html>)

### Extract C

(Source: adapted from <https://buttleuk.org/news/news-list/state-of-child-poverty-2023/>)

### Extract D

(Source: adapted from <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czoh/mm23>)

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Sources continued.

**Extract E**

(Source: adapted from <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2022>)

**Extract F**

(Source: adapted from <https://www.gov.uk/government/news/cma-launches-market-investigation-into-cloud-services>)

**Extract G**

(Source: adapted from <https://www.ofcom.org.uk/news-centre/2023/ofcom-refers-uk-cloud-market-to-cma-for-investigation#:~:text=There%20are%20two%20leading%20providers,70%2D80%25%20in%202022>)

**Extract H**

(Source: adapted from <https://www.technologyreview.com/2023/03/25/1070275/chatgpt-revolutionize-economy-decide-what-looks-like/>)

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**Sources continued.**

**Extract I**

**(Source adapted from: [https://www.ons.gov.uk/employment  
andlabourmarket/peopleinwork/employmentandemployeetypes  
/bulletins/regionallabourmarket/september2023](https://www.ons.gov.uk/employment-andlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/september2023))**