



Macro and Market News

Week 10 2024 – Week ending 8/03/2024

8 MARCH 2024





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- National Insurance was cut by another 2p** in Chancellor Jeremy Hunt's Budget, meaning it falls from 10% to 8%. He said the cut, to begin next month, is worth £450 a year for the average worker. Hunt also increased the child benefit threshold from £50,000 to £60,000 and the VAT threshold for small businesses to £90,000, while announcing higher taxes on vapes and business class flights.
- Tax cuts announced in Wednesday's Budget will not make up for the impact of tax increases and rising prices**, a leading think tank has said. The Institute for Fiscal Studies (IFS) said households would be worse off at the election, expected this year, than they were at the start of this parliament. Despite the chancellor announcing a cut to National Insurance worth £10bn, the IFS said it will be a record tax-raising parliament, with new official forecasts saying the government will collect 37.1p per pound of GDP in 2028/29 - the highest level in nearly 80 years. The IFS accused the Conservatives and Labour of a "conspiracy of silence" over the scale of spending cuts or tax rises.
- The OBR** has upgraded its estimates for growth across the UK economy. It now believes that the UK will grow by 0.8% this year (former estimate 0.7%). It is looking for 1.9% growth next year (was 1.4%).
- Business confidence has pulled back but 'remains strong**, according to Lloyds' Bank's latest Business Barometer. It says 'firms also signalled tentatively that labour shortages may have decreased in recent February 2024 months'. it says 'overall business confidence remained elevated despite dipping to 42% in February from last month's 44%, with trading prospects at the second highest level since 2017.
- Wealth inequality between the north and south of England** is projected to widen, with a gap of £228,800 per head by 2030, reports The Institute for Public Policy Research North. The Institute's State of the North report claims that 'It's hard to avoid the conclusion that we are headed in the wrong direction on inequality in health, wealth, power, and opportunity while local government finances languish in chaos.
- Rail fares in England & Wales went up by 4.9% from last Sunday.** They will rise by 8.7% in Scotland from the beginning of April. Sky reports 'critics argue passengers are being "punished" and will be angry at Sunday's rises given the "shocking state" of the network, against a backdrop of disruption caused by rail strikes...'
- Consumer debt levels have reached their lowest point** since at least 1999, down from 23% of household disposable incomes in the mid-2000s to 13% today, according to the Resolution Foundation.
- Voters are more pessimistic about the state of the economy** than they were last year, despite the tax cuts announced by Jeremy Hunt in his budget. The YouGov survey, carried out after the chancellor's statement, found broad support for the measures but widespread scepticism that they were either affordable or would leave them better off. Asked whether the budget changes would improve their personal circumstances just 10 per cent said they would while 21 per cent said they would be worse off and 58 per cent said it would make no difference.



Market News

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- **Greggs has reported full year numbers for the 52 weeks to 30 December saying that revenues rose to £1.81bn** from £1.51bn in the prior year. It reports underlying pre-tax profit up some 13% at £167.7m (headline £188.3m) and says that diluted EPS rose by 18.5% to 139.2p. Gregg's reports that LfL sales in its managed stores rose by 13.7% on the year. It says it has a 'robust' cash position (that has allowed the special dividend) and says that it 'has started 2024 well'. It says that 'like-for-like sales in company-managed shops [are] up 8.2% in the first nine weeks of 2024 and it is targeting 140-160 net openings this year.
- **Nando's, the peri-peri chicken chain, has appointed Mark Standish**, formerly of MotoNovo Finance, as the new chief executive of its circa 480-strong UK & Ireland business.
- **Papa Johns has announced plans to close 50 UK corporate stores in Q2**, reducing the size of its corporate-run estate from 118 to 68 stores. The company currently has 524 restaurants in the UK overall, the majority being franchised units.
- **Wetherspoon is set to open its first pub at a holiday park, The Five Stones**, located at Haven's Primrose Valley holiday park in Filey, North Yorkshire. The previously announced move marks the first commercial partnership between Haven and JD Wetherspoon.
- **Asda said it is focused on "leveraging Leon's heritage as a pioneer** and well-established sector brand". The supermarket operator took full ownership of the circa 75-strong healthy fast-food chain in November after completing the acquisition of EG Group's UK business for an enterprise value of £2.07bn.
- **Young's Group has completed the acquisition of The City Pub Group plc**, merging the two businesses together. The company states that the acquisition strengthens its presence in London and expands into new geographic areas like Cambridge and Norwich, adding 51 well-invested, predominantly freehold pubs to its portfolio.
- **Lamb prices reached record highs** for the first two months of the year, according to analysis by catering butcher Birtwistles. It said Great British deadweight prices have seen "significant jumps" of up to 28p in recent weeks, with the current price, for the week ending 24 February, seeing the standard quality quotation at more than £7/kg, up 37% on the same week last year.
- **Flat Iron is set to open a 150-cover restaurant in 200-204 Deansgate**, Manchester this summer. The site will mark the group's third site outside of London and its 25th venue in total.
- **Lebanese street food concept Mayyil** has secured its first domestic and international franchise partners and is aiming to open both sites this year, ahead of a planned expansion to 20 UK sites in the next five years.
- **Fat Phill's first UK franchisee has lined up a spring opening in south London** for its debut here. Freshly Baked, which has held the UK master franchise for US pretzel brand Auntie Anne's for the last 15 years, is aiming to open its first Fat Phill's site in Clapham in April or May. Freshly Baked had signed a deal to bring the 17-strong Dutch smashed burger business to these shores, with plans for an eventual 100-strong estate.

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- Mission Mars, the BGF-backed operator of Albert's Schloss and Rudy's Pizza Napoletana**, has added a further site in London, in Queensway, to its 2024 openings pipeline for the latter 20-strong brand. The company, which aims to open a further ten pizzerias in FY24, has already secured openings in London's Shoreditch High Street, Tottenham Court Road and Spitalfields, plus in Durham, York and West Bridgford.
- Ballerz, the new competitive socialising concept is preparing to launch in May.** The concept, to be housed in a purpose-built dome with a world class 5G pitch, mini stadium bench and tech-laden skills zones – has lined up Bluewater in Kent for its debut site. The 500-capacity all-weather dome also features stadium-style seating, a players' tunnel, pro changing rooms and real-time pitch technology, with big screen action replays. It will also be home to the Ballerz Cafe and Players' Lounge, which will offer a full menu of light bites, mains, cocktails and drinks and can also host evening entertainment and corporate events.
- The Gentlemen Baristas has been acquired out of administration for £785,000.** A handful of the coffee company's sites were closed earlier in the year. The chain had initially expanded to 11 locations across London but has downsized to four coffee houses, including a flagship in Piccadilly.
- Fast pizza brand Fireaway, the Mario Aleppo-led business, is planning to enter the petrol forecourt market** with a new kiosk express format. Fireaway, which has circa 170 sites, expects its first site under the new format to go live near Gravesend, in Kent, by the end of April, as it looks to make a concerted push into the forecourt sector. In January the company overfunded on its £500,000 crowdfunding campaign to expand its central operations and brand reach and enhance its technology platform.
- Gaucha, which is owned by Rare Restaurants, is launching a "let's do VAT free Fridays" offer** to coincide with the spring Budget and the mayor of London's "off peak Friday" campaign. The company said it is taking the political "bull by the horns" to address both the call for the chancellor to abandon the "tourist tax" in the spring Budget and the mayor of London's campaign to bring back Friday trading in the capital. Diners who visit any of Gaucha's ten central London venues any Friday during March will automatically enjoy a "VAT free lunch" as 20% will be removed from all à la carte dining bills between 12pm and 4pm.
- Quick service restaurant pasta concept Guido's is targeting an estate of 20 to 30 sites** in London, after securing two new sites in Camden. Launched by Guido Oselladore in 2016, the business currently operates three sites in Chancery Lane, Fetter Lane and Kingsway. The first two are takeaway sites, with the latter, which opened last month, the group's first site with seating. It is also the company's first location that is open in the afternoons until 7.30pm.

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