



Macro and Market News

Week 25 2024 – Week ending 21/06/2024

21 JUNE 2024





Macro/Economic News

Week 25 2024 – Week ending 21/06/2024

Macro/Economic News (1 of 2)

Week 25 2024 – Week ending 21/06/2024

- The ONS** has reported that the Consumer Prices Index rose by 2.0% in the 12 months to May 2024, down from 2.3% in the 12 months to April. On a monthly basis, CPI rose by 0.3% in May 2024, compared with a rise of 0.7% in May 2023. The largest downward contribution to the monthly change in CPI annual rates came from food, with prices falling this year but rising a year ago; the largest upward contribution came from motor fuels, with prices rising slightly this year but falling a year ago.
- The ONS** figures show that London is dragging down Britain's productivity growth as office staff continue to work from home. Productivity in the capital tumbled in 2022, taking output per hour worked – a key tool to measure each employee's efforts – to its lowest level since 2009. London's productivity dropped by 2.7% between 2019 and 2022, the ONS said, with Wales the only other region to fall. The strongest growth came in the northwest of England, where productivity jumped by 7.9% over the same period. Dwindling productivity in the capital is a hangover from the pandemic, according to economists, as they said remote working has harmed growth. Despite its poor performance since the pandemic, London remains the UK's most productive region by a long way. Output per hour in London was 26.2% higher than the UK average. The southeast was the only other region to see productivity levels outperform the national average, with output per hour 10.8% above the national norm. Wales, meanwhile, propped up the productivity table, with output per hour 17.3% below the national average. Outside London, the strongest performer was North Hampshire, where productivity is around 54% higher than the national average. Although London maintained its position as the country's most productive area, the productivity gap – the difference between London and the rest – is the smallest it's been on record. Back in 2007, London was just under 40% more productive than the average region.
- The Bank of England** at its meeting on 20 June held interest rates at 5.25% for the seventh time in a row. The vote, however, at 7-2 with the dissentient voters suggesting a 0.25% cut, does open up the prospect of a cut in August with maybe a second in November.
- GfK** has released its UK consumer confidence numbers for June saying that, ahead of the election, consumers' confidence rose for the third time since March 'driven by optimism about UK economy.' It says that its measure 'increased three points to minus 14 in June. Three measures were up, one was down, and one was unchanged in comparison to last month's announcement.'
- Public Policy Research** analysis suggests that the UK has underinvested and has now ranked last across G7 nations for the third year running. The PPR says the UK was 28th out of 31 countries in the Organisation for Economic Co-operation and Development.

Macro/Economic News (2 of 2)

Week 25 2024 – Week ending 21/06/2024

- **New takeaways** will be banned from opening across most of Newcastle in an effort to combat obesity rates in the city. ITV News reports that restrictions agreed by Newcastle City Council's cabinet mean no new fast-food outlets will be allowed to be set up in wards where more than 10% of Year 6 pupils are obese. This currently covers every single part of the city, aside from the wealthy suburbs of Gosforth and South Jesmond. Takeaways will also be banned from opening within 400 metres or a ten-minute walk of schools, parks and community centres, as well as in wards where the volume of takeaways exceeds the UK average. The rules will be in force everywhere in Newcastle other than in its retail core in the heart of the city centre and will apply to both new-build and change-of-use planning applications.



Market News

Week 25 2024 – Week ending 21/06/2024

Market News (1 of 3)

Week 25 2024 – Week ending 21/06/2024

- **Patisserie Valerie** is set to reopen more of its cafes, according to Propel. In December, the company reopened its store in Cribbs Causeway, Bristol, as it looked to start reopening some of its once 200-strong estate, the majority of which closed following its collapse into administration in 2019. As well as circa 30 shops, Patisserie Valerie also has concessions inside around 400 Sainsbury's stores. It comes as Patisserie Valerie launches a new business-to-business arm. For the first time, independent cafés and hotels will be able to order Patisserie Valerie's whole cakes, gateaux slices and afternoon tea as part of their foodservice delivery from Brakes – designed to cater to a variety of tastes and occasions. Patisserie Valerie said the partnership represents a significant milestone in its aim to reach a broader audience.
- **Chaiwala** opened its first airport site, launched 14 June, at London Luton. This is the first time any food brand will be offering dedicated Indian street food in an airport setting. The new 30-seat venue spans 1,500 square feet and provides both an all-day dining in option as well as a selection of a grab-and-go items. Operating approximately 16 hours a day between 4am and 10pm, it is the earliest opening of any of the 89 Chaiwala sites in the UK (and 106 globally). Earlier this month, the brand secured a site for its second drive-thru location – at Mellor Brook, Blackburn – again in partnership with EG Group. Established in 2015 in Leicester, Chaiwala has a stated target of expanding to 500 stores globally over the next ten years, with a keen focus on key growth markets including the US, Canada and the Middle East.
- **Puccino's**, a travel hub coffee brand, has launched a new site in Wimbledon. The launch is Puccino's 37th in travel hubs, mainly in London and the southeast, and number 38 will follow later this summer at Rochester station, in partnership with Southeastern Trains. It is understood that Puccino's is looking to expand into new sectors as it seeks to grow to 125 sites by 2028, including leisure, education and health, as well as exploring further travel hub opportunities.
- **Esquires** has reported its UK sales grew by 30.1% in last ten weeks, with like-for-like sales up 5.5%, and with new store openings "contributing significantly". The company has opened five new UK stores since the end of its last financial year – in Colliers Wood, Newport, Sudbury, Pinner and Ruislip – bringing its estate here to 65 stores. These new stores accounted for 34.6% of total sales in this period. In Ireland, sales were up 11.7% and like-for-likes up 8%. One new store was opened in the period, at Galway's Wellpark, and this contributed 17.1% of total sales for the period. Total UK and Ireland Esquires store sales for the period increased by 23.7%. "For the past seven weeks, Esquires branded stores in the UK and Ireland achieved aggregate sales exceeding £600,000 each week and recorded over 80,000 transactions weekly," the company said.
- **Supermac's** has opened its first site in an airport and is looking at expanding into the UK. The brand, which operates circa 120 sites across Ireland, has opened in Dublin airport's Terminal 2 landside building alongside Papa John's.

Market News (2 of 3)

Week 25 2024 – Week ending 21/06/2024

- EG Group** plans to add more than 120 sites across the UK over the next three years through its EG On The Move division, which it set up last year to run the forecourts it was not selling to Asda, as it looks to roll out its foodservice brand partners. EG Group works with operators including Starbucks, Popeyes, Subway, Greggs, Cinnabon, Sbarro and Chaiwala. Colliers' automotive and roadside, retail and licensed and leisure teams will be working with EG Group to acquire properties for in-line, petrol forecourt, foodservice and convenience retail development.
- Shake Shack** is planning to increase its regional presence in the UK with an opening in Birmingham on the former @pizza site in the city's Grand Central shopping scheme, located above New Street railway station. Since the original Shack opened in 2004 in New York's Madison Square Park, the company has expanded to more than 430 locations including 140 international outposts. There are 14 other Shake Shacks in London and one each in Cardiff and Oxford, as well as restaurants at Gatwick airport and Lakeside in Essex. Shake Shack is also set to further strengthen its footprint in London with an opening in Notting Hill Gate. The company is opening the venue in the former Royal Bank of Scotland premises at 78 Notting Hill Gate.
- Six by Nico** is lining up an opening in Newcastle. The company has submitted plans to open on the former Cooperative Bank site within Norfolk House in Grey Street. The site would mark its debut in the northeast. Last month, the business opened a site on the rooftop of the Westgate shopping centre in Oxford. Since opening in Finnieston in 2017, Six by Nico now has 15 locations including two in London, two in Manchester and three in Glasgow, as well as sites in Aberdeen, Belfast, Dublin, Edinburgh, Birmingham, Leeds and Cardiff. The company will open two new sites in Edinburgh this summer, including one under its fledgling bar concept, Somewhere by Nico, which launched in Glasgow earlier this year.
- Banana Tree** is to open a 21st site on Thursday, 25 July on the former Firejacks site in Stevenage, at the Hertfordshire town's leisure park in Six Hills Way. Big Table Group acquired the then nine-strong Banana Tree for an undisclosed sum in September 2022 and has since converted 11 of its existing sites, the majority Café Rouges, to Banana Tree. At the end of last year, Big Table Group chief executive Alan Morgan told Propel that he believes the company can grow Banana Tree to a "Las Iguanas-sized business (i.e. 50+ stores) in 18-24 months".
- Costa Coffee** has unveiled its latest store design after reopening its Tooley Street store in London following a "major refurbishment". The new store features updated colour, furniture and lighting, contributing to "creating a much lighter and brighter feel". The business said it has also implemented new technology in the store to improve convenience, including touch screen ordering machines and charging points.
- Slim Chickens** is set to open a new restaurant in Somerset. It will open its 53rd UK site at Clarks Village in Street on Friday, 21 June, creating 50 jobs and offering space for more than 50 guests.

Market News (3 of 3)

Week 25 2024 – Week ending 21/06/2024

- **Knoops** has opened its latest store at 26-28 Albion Street in the Leed's Trinity Centre. It is a 19th UK store for Knoops, with openings in York, Bristol and Newcastle also in the pipeline as it works towards a target of 40 stores by next summer. This year, the brand has already made its Midlands debut, in Nottingham, and opened its first Scottish site, in Edinburgh.
- **Amigos Burgers & Shakes** has secured a deal to open five new branches in Birmingham. The first will open at 326-328 Ladypool Road in the Balsall Heath area of the city, which will be the brand's Birmingham debut. Amigos was launched in Acton, west London and has since expanded to 20 sites across the capital, with a second store in Shepherd's Bush in 2015. Their first franchise store followed in 2017, in east London. The brand has previously said it is aiming for national expansion and has targeted building a 100-store estate over the next five years.
- **Popeyes UK** will later this summer launch its third restaurant in Scotland for its 18th opening of 2024. The outlet will open in Glasgow's Sauchiehall Street, following previous launches in the country in Aberdeen and Barrhead. The new restaurant will be situated at 108-110 Sauchiehall Street and seat up to 80 people for dine in, with takeaway also available. The offer will include Popeyes' breakfast menu, with items such as the Big Cajun breakfast roll, Brekkie wraps, Cajun hash browns and Nutella-topped buttermilk biscuits.
- **Giggling Squid** will open its 50th site next month, in Muswell Hill, north London. The Muswell Hill Road restaurant – which will welcome customers from Tuesday, 2 July – will have capacity for 100 guests indoors as well as 40 outdoors and create around 30 jobs. A takeaway menu will also be available for click and collect as well as delivery a few weeks after opening. In April Giggling Squid has added a site in Cobham, Surrey, to its openings pipeline. The brand has acquired the former 63rd+1st site in High Street that Hostmore has shut after curtailing the rollout of the concept. Giggling Squid also has openings lined up in Exeter, Liverpool, Portsmouth, York and Knowle in the West Midlands.
- **Chopstix** will open two new units at Haven holiday park sites this month, at Devon Cliffs in Exmouth and Hafan y Môr in Gwynedd, bringing the total number of Chopstix sites with Haven up to six. Full management of the restaurants will be overseen by the holiday park operator, with all team members undergoing a full Chopstix induction. Chopstix said expansion through franchise sites has been decisive in driving the brand's growth trajectory, with a long-term ambition to reach 300 sites by 2027.

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