



Macro & Market News

Week 8 2021 – Week ending 26/02/2021



Macro/Economic News

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- **Prime minister Boris Johnson has revealed the roadmap out of lockdown for England:**
 - **8 March:** all schools and colleges will reopen, and two people from different households can meet outside for recreation, including a coffee on a bench. Takeaway food from pubs and restaurants will be permitted.
 - **29 March:** people will be allowed to meet outside, either with one other household or within the "rule of six", including in private gardens. Outdoor sports facilities will reopen, and weddings attended by up to six people can take place.
 - **12 April:** all shops will be allowed to open, and restaurants and pubs will be allowed to serve customers outdoors. UK domestic holidays will be permitted.
 - **17 May:** pubs, restaurants and other hospitality venues will be allowed to seat customers indoors, and people will be allowed to meet in groups of up to 30 outdoors or six people or two households indoors. Cinemas, theatres and hotels will reopen. International leisure travel can resume.
 - **21 June:** all legal limits on social contact will be removed and nightclubs will be allowed to reopen.
- **Vaccine passports:** The government will conduct a review of the “deep and complex” issues around whether Britons should be asked to show a “vaccine passport” before entering venues such as a pub or theatre. The review will both look at whether the government could introduce such certification or, conversely, ban businesses from requiring people to prove their vaccination or covid-testing status.
- **The hospitality sector furloughed** 1.15 million people during January – an increase of 3%. Treasury figures showed a total of 4.7 million people were on the government scheme at the end of the month. By the middle of February a total of £53.8bn had been claimed since the furlough scheme began last year. In total, 11.2 million employees across the UK have been given furlough cash.
- **Rishi Sunak** is considering rolling out lower rates of alcohol duty for pubs and restaurants than for supermarkets as the chancellor prepares to unveil his Budget on 3 March. Conservative MPs have urged the government to treat pubs differently to large retailers to stop them being ‘undercut by cheap supermarket booze’.

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- **Public sector net borrowing** was £8.8 billion in January 2021. This is the highest January borrowing since monthly records began in 1993 and the first January deficit for 10 years.
- **The UK unemployment rate** rose to its highest level in 5 years at 5.1% in the three months to December.
- **Average pay** excluding bonuses was 4.1% higher in the three months to December than a year earlier. Pay including bonuses was up 4.7%, the fastest rate of increase since 2008.
- **Scotland lockdown lifting:** First minister Nicola Sturgeon has outlined the SNP's plans for taking Scotland out of lockdown. There are fewer dates mentioned than was the case in England. The SNP says the reopening should commence in the last week of April but there will be a "progressive easing" of restrictions before then. The 'levels' system will be retained north of the border.



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- **Government support:** More than 200 industry leaders along with sector trade bodies have written to the government warning it that unless a substantial package of support is announced at next week's Budget, more businesses will fail before they have a chance to reopen. The letter warned one in five businesses do not have enough cash to survive the rest of February; almost two-thirds do not have enough cash to survive until the end of May; businesses are spending, on average, £10,000 per month to remain closed; and trading restrictions will leave businesses unable to break even until the June lifting of restrictions.
- **Hospitality leaders in Scotland** have called for the full reopening of the sector on 17 May. The proposal would align with the date set to take place in England and the "Hospitality & Tourism Action Group" – comprising about 80 Scottish businesses – fears failure to reopen on that date would devastate hospitality and tourism and risk the jobs of 285,000 people.
- **Westminster City Council** has announced it is to repeat last summer's alfresco scheme, which saw 60 roads transformed through temporary closures and pavement widening to allow outdoor dining. The latest scheme will start on 12 April, when outdoor dining and drinking is scheduled to begin again under the government's plan for the reopening of the economy.
- **Costa Coffee** has signed a new delivery partnership with Deliveroo, which will see it extend its delivery offer to across 500 of its sites from Monday (1 March). The partnership will allow those with the Deliveroo app in England, Scotland and Wales to order coffee and selected hot and cold food items from Costa's menu.
- **Domino's Pizza** has reported global sales increased +21.7% in its fourth quarter ending 3 January 2021 and +12.5% for the full year. Like-for-like sales were up +11.2% in the US in the quarter and +11.5% in 2020. The international division saw like-for-like sales grow +7.3% during the quarter and +4.4% for the full year. The figures marked the 108th consecutive quarter of international like-for-like sales growth and the 39th consecutive quarter in the US.
- **Greggs** has launched a sustainability plan with ten objectives including offering healthier options, ending food waste and going carbon neutral. The Greggs Pledge aims to hit its targets by 2025.

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- **Burger brand Byron** has outlined its reopening plans, with 16 sites in England set to offer outdoor dining from 12 April – as long as the government lifts restrictions. The company said it would team up with Brooklyn Brewery to offer outdoor drinking in conjunction with restaurant reopenings. Restaurants will be open until about 10pm and Byron said it had seen a “big pick up in bookings” since making the announcement on social media.
- **Fast pizza brand Fireaway** is set for further rapid expansion, and is also heading abroad. The company, launched in London in 2016, now has 55 outlets across the UK and that number will double by the end of 2021. A total of 25 new branches are opening in the next 27 weeks while a further 20 franchise agreements have been signed and locations for them are being sought.
- **The billionaire Issa brothers** behind Asda are attempting to seize control of Caffè Nero with a raid on the coffee company’s £350m debt pile. Mohsin and Zuber Issa, who last week completed a £6.8bn acquisition of Britain’s third-biggest supermarket, are in talks with Alcentra and Partners Group to buy loans totalling £180m.
- **Uber Eats** has launched a new dedicated toy store on its platform in partnership with Hasbro, marking the first time a UK courier service has ventured into non-food.



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