



# Macro & Market News

Week 50 2022 – Week ending 16/12/2022



# Macro/Economic News

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# Macro / Economic News (1 of 2)

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- **The ONS** has reported that the rate of unemployment rose in the August to October period by 0.1pps to 3.7%. The ONS says 'the economic inactivity rate decreased by 0.2 percentage points on the quarter to 21.5% in August to October 2022. Job vacancies were down. Average pay growth accelerates, but adjusted for inflation, real pay still down.
  - **The ONS** has reported that the CPI fell from 11.1% in October to 10.7% in November. Prices rose by 0.4% in November (having risen by 0.7% in October).
  - **GfK** has updated on consumer confidence in the UK saying there has been a modest improvement to minus 42. It says there is 'no winter cheer as Index remains at historic lows.'
  - **The Bank of England** raised UK rates by half a percentage point on Thursday, 15 December, to 3.5%. The rate is now at its highest level in 14yrs. The Bank has said it will announce further rate rises next year.
  - **The OBR** has reported that GDP is estimated to have grown by 0.5% in October 2022 following a fall of 0.6% in September. Estimates were for around 0.4% growth in October.
  - **The British Retail Consortium** has reported that cash was accounting for just 15% of all transactions in 2021. 90% of retail spending, and 82% of transactions used debit or credit card.
  - **STRIKES:**
    - **Heathrow** claims that the vast majority of travellers will be unaffected by this month's planned strikes by Border Force workers, lasting for several days from Dec 23.
- On Friday, Britain's defence ministry said military personnel were training to carry out passport checks with around 100 troops being sent to Heathrow and Gatwick.
- **The RMT** warns that strikes could continue 'indefinitely' unless ministers back down on key demands. These demands include ministers reneging on calls to remove guards from trains, and for the train network to be a driver-only operation. This week train services were/will be disrupted on Tuesday, Wednesday, Friday and Saturday. Thursday's time tables were also affected as always is the case the day after a strike. Monday's trains were affected (mostly cancelled) by snow.
- **SNOW:**
    - **At least 316 flights** were cancelled across the UK over the weekend, as snow and ice continue to cause aviation disruption. Heathrow had the greatest number of cancellations with 119, equating to 10% of all its scheduled flights. Gatwick was the worst affected, seeing 16% (91) of all its flights cancelled.
    - **Stansted** suspended all flights on Monday, 12 December due to ice, snow and fog. Delays and cancellations due to snow and ice have also affected other airports, as well as train operators.

# Macro / Economic News (2 of 2)

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- **Welsh government's** upcoming draft budget is reported to contain a business support package worth more than £460m over the next two financial years, including a rise in rates relief for hospitality. The package will operate alongside permanent relief schemes from Senedd, which have already provided £240m of relief to ratepayers across Wales this year. The non-domestic rates multiplier has been frozen for 2023-24, at a cost of more than £200m, across the next two years, while a further £113m will provide transitional relief for all ratepayers whose bills increase by more than £300 from 1 April 2023. Another £140m will support businesses in the retail, leisure and hospitality sectors, with eligible ratepayers receiving 75% non-domestic rates relief for 2023-24, a rise from the 50% provided in 2022-23.
- **Zoopla** reports that the cost of a new rental agreement rose 12.1% in the 12 months to October, compared to 6% annual growth in earnings in the three months through September. Renters who stay in the same property faced gentler price hikes, with an average rise of 3.8% over the year.
- **Rightmove** reports that asking prices for UK houses fell by an average of 2.1% in December vs November. Prices are up 5.6% this year as a whole.



# Market News

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# Market News (1 of 3)

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- **Gail's** has reported it would open 26 new sites in its current financial year. The business, which opened its 100th site at the end of October, posted sales in the five months ended February 2022 of £62m, compared with £85m for the entire 12-month period up to February 2021. The company posted adjusted group Ebitda of £3.82m in the five-month period, with a pre-tax loss of £9.91m. For the five months to the end of February 2022, its wholesale division posted sales £25.2m, with its retail division contributing £45.5m.
- **PizzaExpress** has invested £1.5m over the past six months in the operational efficiencies of its delivery offer. In October, the company ended its exclusive delivery partnership with Deliveroo by adding Just Eat and UberEats to its third-party delivery partner options, and earlier this month, it began rolling out Bagasse bases to be used in all of its pizza boxes delivering the brand's thinner Romana pizzas. Examples of efficiencies include: hatches to keep drivers separate from dine-in customers and specific delivery areas in the restaurant to make it easier to service this growing channel. There has also been investment in tech, including integrating the aggregators.
- **Taco Bell** was offering a free crunchy taco from any of 117 UK restaurants on 13 December. Taco Bell promoted the giveaway by airing its first UK TV Christmas advert on 11 December. The advert was created in collaboration with viral YouTube creator AnOnymoosie.
- **Island Poké** has switched to using only Halal meat across its 20 UK locations. The brand has also taken it a step further at its branch in Wembley Boxpark, which now uses fully Halal sauces and dressings too. Made fresh to order, menu options at Island Poké include sashimi grade salmon or tuna, tender chicken thigh and chimichurri steak. Customers can build their own bowls selecting from a range of vegetables such as ginger pickled carrots and salsa.
- **Vapiano** opened the smallest of its six UK restaurants on Wednesday, 14 December. The 4,500 square-foot site, at 50 Eastbourne Terrace in Paddington, offers 168 covers, almost half of its other sites, which average 350. The restaurant is the first Vapiano to open since London's Tottenham Court Road in 2018 and is its fourth site in the capital. It also operates UK sites in Manchester and Edinburgh. In June, Vapiano opened delivery kitchens in London's Nine Elms and Brent, adding to the one it opened in Kentish Town last year.
- **Little Caesars Pizza**, the world's third-largest pizza chain, will make its UK return on Monday, 19 December. The brand, which currently operates in 27 countries and territories, will open in Derby. The site will offer Little Caesars Pizzas' signature hot-n-ready 12-inch pizzas, including pepperoni, margherita and Italian sausage and bacon. The opening in Derby will be followed by two sites in London and an outlet in Liverpool early next year. Little Caesars Pizza previously operated in the UK but pulled out of the market in 2000. The brand says it expects to have 20 sites open in Britain by the end of 2023.

# Market News (2 of 3)

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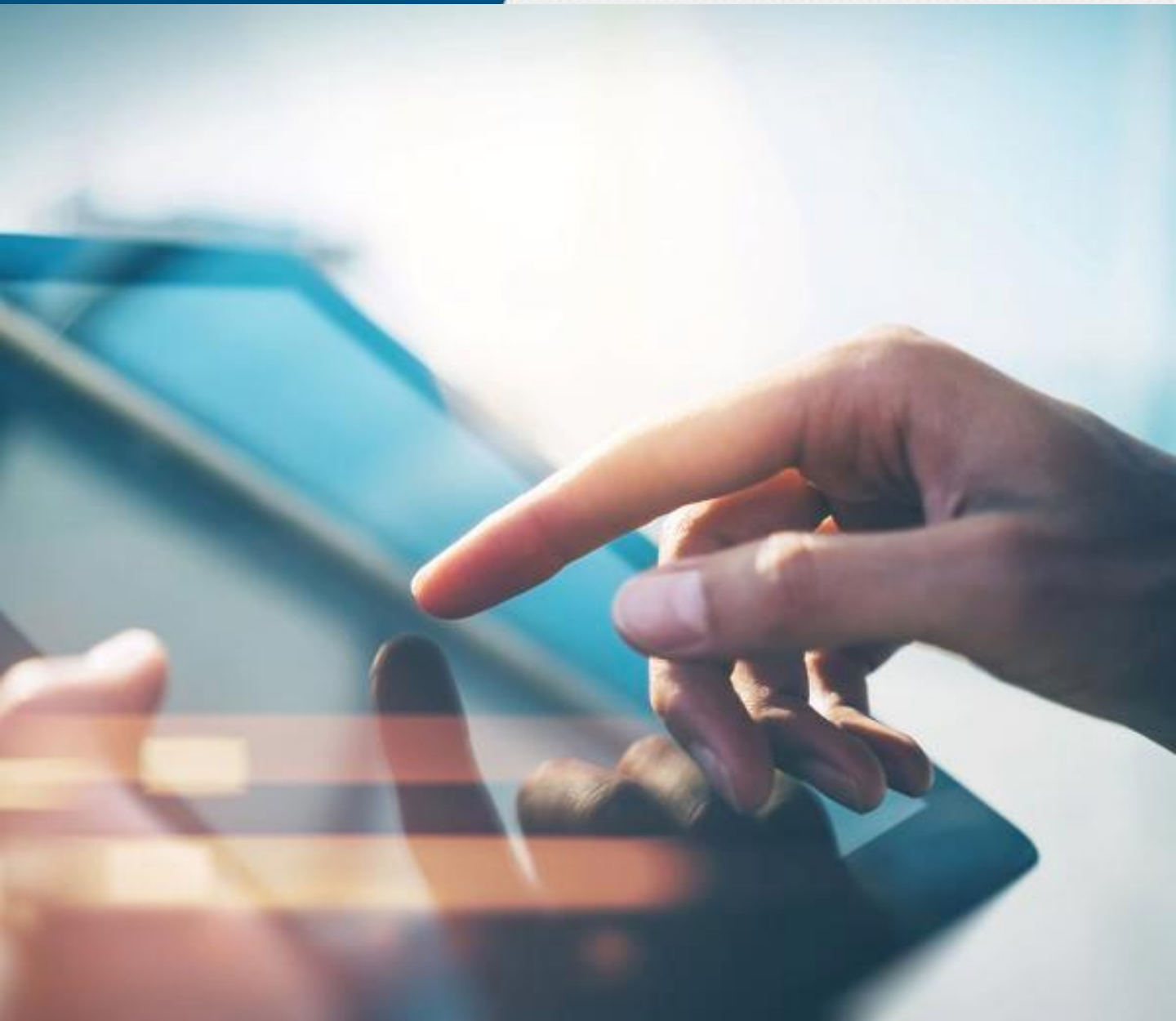
- **Wendy's** has opened its first traditional franchise site in the UK in Sheffield's High Street, with a further site set to open in the former Monsoon Store, in Lincoln's High Street. Wendy's, which has opened 27 outlets since its return to the UK last summer and believes that it could comfortably reach 300 to 400 restaurants over the next few years, has so far approved six franchisees who will take on territories including Scotland and Wales. The company has opened its latest company-owned site, and its 12th in total, in Eden Street, Kingston. It also operates 15 dark kitchen sites in partnership with Reef. Abigail Pringle, president of Wendy's international operations and chief development officer, told The Times the company was likely to end up with 20 to 25 of its own restaurants and the remainder would be franchises. Meanwhile, company-owned units will open in Liverpool and Greater Manchester, while drive-thru sites are planned for Colchester and Peterborough.
- **Heavenly Desserts** is planning to open 25 to 20 new stores following its final UK site opening of 2022, in Canterbury's Riverside development. It is a 44th UK site and 45th overall for the brand, which also made its international debut this month with an opening in Toronto, Canada.
- **Popeyes Louisiana Kitchen** is set to open its first UK drive-thru on a former KFC's site at the Rotherham Parkgate scheme outside Sheffield. The business will open its 11th UK restaurant this weekend, in Leicester. It has also secured a drive-thru site at the Barrhead Retail Park, Glasgow. Further drive-thru sites are expected at the Riverside Retail Park in Nottingham; the Boldon Leisure Park in Tyneside; Woodbury Park, near Bere Regis; and Sixfields, Northampton. The brand has opened ten restaurants and six delivery kitchen sites since it launched in the UK last November. The business expects to open 20 restaurants in 2023, with other sites secured in Cardiff, Cambridge, Reading, central Glasgow, Plymouth, and Croydon.
- **Just Eat** has partnered with Co-op to launch an on-demand online delivery partnership. Initially rolling out to 50 stores early next year, the service is expected to expand to more than 1,000 Co-op stores by the spring. Through the tie-up, shoppers will be able to order items from Co-op via the Just Eat app and website.
- **The Fulham Shore** has reported H1 numbers to 25 September saying the revenues were up by 26% at £49.9m with headline EBITDA of £10.5m (down from £10.6m) and a profit after tax of £0.3m (against £2.4m in FY21). The company says the figures are 'reflecting the absence of the business rates holiday, lower VAT rate, and COVID-19 grants that were in place during the prior year comparable period.' The company reports that, during the period, it opened 11 new Franco Manca pizzerias (one of which was a relocation) and 2 new The Real Greek restaurants. It also closed one due to its lease ending. The group had 93 restaurants operated as at 25 September 2022 (2021: 75). Post the period end, the group has opened 2 further Franco Manca units (to 71 pizzeria) and 2 further The Real Greek sites (to 26 restaurants).

# Market News (3 of 3)

## Week 50 2022 – Week ending 16/12/2022

- **Greggs** has become the latest high street chain to offer pronoun badges. The workers at the bakery are now able to add their preferred pronouns – such as she/her/hers, he/him/his or they/them/theirs – to their name badges. This is also understood to extend to ‘neopronouns’ – third-person terms that are not officially recognised in the language they are used in – like ze/zir/zirs. Greggs first introduced the badges, which are voluntary, in the summer after they were requested by several employees through an internal programme. Its workers are now able to order custom-made badges to the store they work at in line with their preferred name, gender identity and pronouns. Greggs said the badges had been “well-received internally” and sought to expand the initiative so it covers colleagues in other areas of the business.
- **Azzurri Group** has launched a new sustainability strategy called Recipe for a Better Future, with targets include providing carbon labelling for items listed on menus by 2025, and 65% of dishes to be low or very low carbon options by 2030. The strategy counts 19 ambitious goals, which are structured across three pillars – people, planet and plate – and are guided by Azzurri Group's purpose – to create better food businesses that sustain happy, healthy lives. Recipe for a Better Future builds on Azzurri Group's existing commitments, including its 2021 commitment to reach net zero carbon emissions by 2040. As part of its commitments, the group will be designing and refitting restaurants in line with a new ambitious design and construction policy, built on a set of sustainability good practice criteria. The new strategy has also set out goals around the progress of each of the company's 4,500 team members, local communities and those looking to enter the job market, including by 2025, providing all team members with volunteering opportunities, investing 100,000 volunteer hours in local communities by 2030, and by 2030, helping 10,000 individuals enter the job market through apprenticeships, internships, work experience placements, and job and life skills training. The company said it will also increase spend in minority-owned businesses and sustainably certified organisations by 20% by 2030.





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