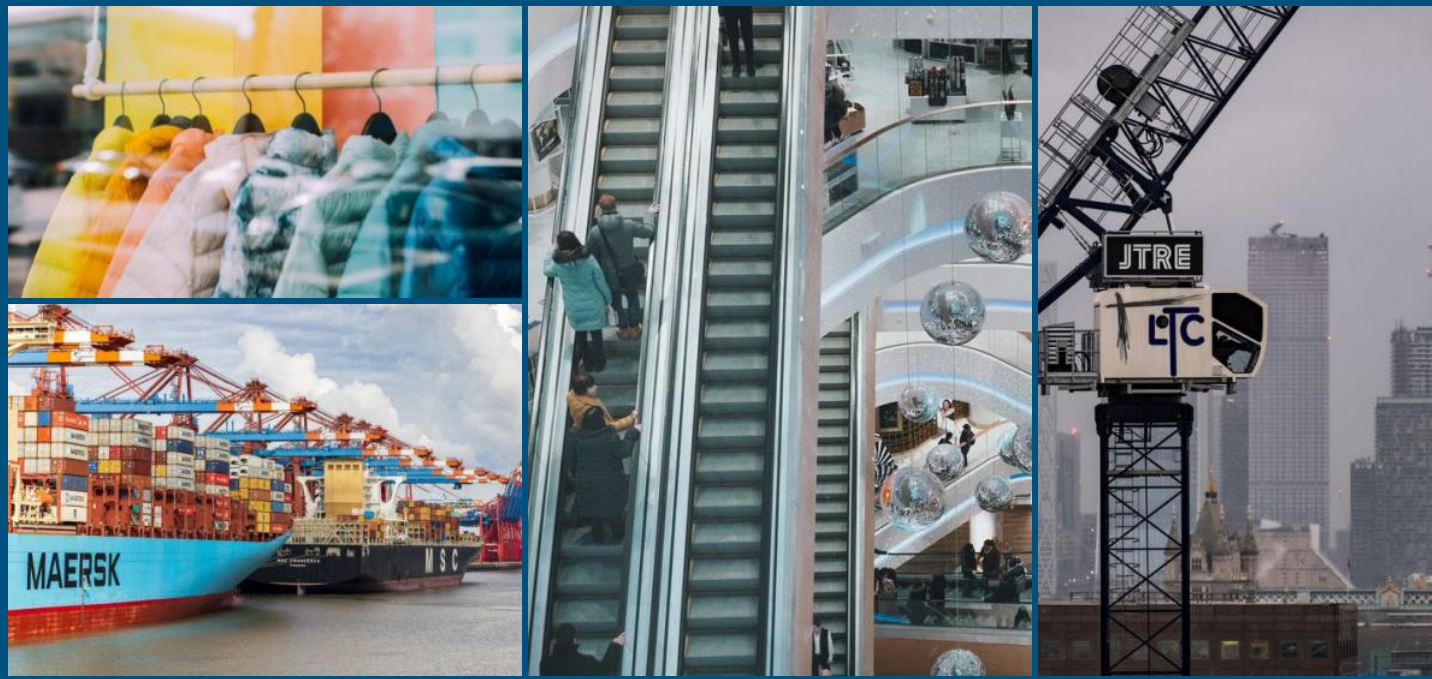




Macro & Market News

Week 5 2021 – Week ending 05/02/2021



Macro/Economic News

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- **Bank of England** - British households repaid the most money borrowed on credit cards and loans in 2020 since records began almost three decades ago, as consumers cut back spending during the coronavirus pandemic. Figures from the Bank of England show £16.6bn of net repayments on credit cards, personal loans, student borrowing and car finance last year – the most repaid since 1993 and the first annual net reduction since 2011.
- **Bank of England** – separately, the bank released its latest Monetary Policy report, with expectations that the UK economy will shrink -4.2% in the first three months of 2021, amid tighter lockdown restrictions to slow the spread of the virus. But policymakers expect a rebound this spring as consumer confidence returns.
- **South African Covid-19 variant** - Tens of thousands of people will be tested in a door-to-door “two-week sprint” to halt the spread of the South African coronavirus variant as cases were found across England. Squads of health officials, firefighters and volunteers have been established to deliver and collect PCR test kits door-to-door and mobile testing units will be sent to each area.
- **UK House prices** - fell in January for the first time since June, as demand eased before the end of the stamp duty holiday on 31 March. The average price of a home fell by 0.3% to £229,748 between December and January, said Nationwide. The annual growth rate also eased for the first time since June, to +6.4% from +7.3%.
- **Irish Sea Border** - The UK government and the EU have vowed to “work intensively” to quell tensions over post-Brexit checks at Northern Ireland ports. The talks were arranged after checks at some ports were suspended following “sinister” threats made to staff.
- **Retail Footfall** – footfall data from Springboard indicates a sharp decline in UK retail destinations in January - the first full month of Lockdown 3 - to -65.6%, from -41.9% in December 2020. The drop in footfall was not as severe as the decline of -80.1% recorded in April 2020 which was the first full month of Lockdown 1. Highest footfall declines were seen in the High Street (-72.6%) and in Shopping Centres (-73.6%), compared to retail parks (-42.1%).



Market News

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- **Isle of Man** - Hospitality sites across the Isle of Man were allowed to reopen just after midnight on Monday (1 February) as all covid-19 lockdown restrictions were lifted – the first part of the UK to do so. Social distancing and face mask rules have also been scrapped. All businesses, including pubs, restaurants and gyms, have been allowed to reopen.
- **Yum! Brands** - has reported KFC's system sales in the UK rose 14% for the fourth quarter ended 31 December 2020, compared with the previous year – the biggest rise in all its markets. For the full year, system sales in the UK were only down 2% on the previous year despite the coronavirus pandemic. The UK accounts for 6% of KFC's system sales worldwide. Globally, KFC like-for-like sales were down 2% in the quarter and 9% in the full year. Meanwhile, Pizza Hut system sales in Europe, including the UK, were down 22% in the fourth quarter and 17% in the year – the continent accounts for 8% of Pizza Hut's system sales globally.
- **Deliveroo** - has launched a new subscription service for orders over £25, which will offer couples, families and groups unlimited free delivery for £3.49 per month. Deliveroo has claimed the new 'Plus for a family' service is the first of its kind to launch in the UK by an online food delivery company. In addition to orders from restaurants, the subscription service also includes orders from its grocery partners. In addition, Deliveroo has launched a major global expansion of its 'Signature' order service, and plans to sign up 50 new restaurant partners by the end of the month. Already partnered with brands including Nando's, Pizza Express and Wagamama, Signature enables customers to order delivery, pick up and table service via restaurants' own websites and apps.
- **Shake Shack** is set to launch its latest delivery only kitchen next week in Cambridge. Due to open for orders next Tuesday (9 February), the Editions site will be Shake Shack's third outside of London, following openings in Brighton and Reading last year. With 12 walk-in restaurants in the UK, the brand launched its first Editions kitchen in May last year in London's Battersea, and has since grown its Editions estate to eight sites.

Market News (continued)

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- **Chipotle** - Brian Niccol, chairman and chief executive of US brand Chipotle, has said the company is ready to move forward with its UK business. Speaking after the company's fourth-quarter update, Niccol said: "We've got some plans in place for places that we already have our foot in the door."
- **Uber** has announced plans to acquire US-based alcohol delivery service Drizly in a \$1.1bn (£810m) deal. Following the completion of the transaction, which is expected to close within the first half of this year, Drizly's marketplace will be integrated with the UberEats app.
- **Loungers** has further strengthened its 2021 site pipeline after securing another two ex-PizzaExpress sites. The cafe-bar operator has secured the former PizzaExpress sites in Church Street, Blackpool, and in Sandside, Scarborough, respectively.



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