



Macro & Market News

Week 24 2021 – Week ending 18/06/2021



Macro/Economic News

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Macro / Economic News (1)

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- **Boris Johnson** has delayed the lifting of all coronavirus restrictions in England beyond 21 June. Restrictions will be lifted on 19 July. Mr Johnson said the first date was a 'not-before' date and the 19 July is a 'terminus' date. The limit on wedding guest numbers has been removed – but venues still have to adhere to other rules – and 40,000 people will be allowed into Wembley to watch the Euro 2020 semi-finals and final. Wimbledon will go ahead with full capacity crowds for both finals.
 - **Scottish restrictions** are "unlikely" to be eased in any area on 28th June - the date it had been hoped all of Scotland would move into level zero restrictions - First Minister Nicola Sturgeon has said.
 - **The UK economy** grew 2.3% in April, its fastest monthly growth since July last year, according to the Office for National Statistics (ONS). It says High Street rose on the reopening of non-essential shops and says there was also more spending in pubs, cafes and restaurants. Construction output was modestly lower. Chancellor Rishi Sunak said that the data were "a promising sign that our economy is beginning to recover".
 - **Retail sales** fell by 1.4% between April and May as people chose to visit reopened bars and restaurants instead of buying food at supermarkets. The Office for National Statistics said sales fell most significantly at food stores as consumers took advantage of Covid restrictions being lifted in the hospitality sector to eat out.
- In contrast, sales at non-food shops rose on demand for outdoor furniture. The proportion of online sales dipped as people returned to physical shops. It is the third month in a row that the proportion of online sales has fallen, but the ONS said they "remain nearly 60% higher than the level seen in February 2020" before the pandemic.
- **Workers on payrolls** saw a record rise in May as the jobs market continued to recover. The ONS said there were 197,000 more people in payrolled employment last month compared with April, the highest rise since records began in 2014. It came as the unemployment rate fell again to 4.7% in the three months to April, down from 4.8% previously. But unemployment remained high among the young and those in based in London.
 - **The UK service sector** grew rapidly again in April, according to the NIESR, driven by the re-opening of sectors affected by Covid-19 restrictions. Re-opening of non-essential retail, outdoor hospitality and near-full attendance in schools resulted in a 2.3 per cent growth in monthly GDP. The NIESR expects the recovery to have continued in May and June, forecasting monthly growth of 1.5 per cent and 0.9 percent respectively.

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- **UK food and drink exports to the European Union** almost halved in the first three months of the year, compared with the same period in 2020. The Food and Drink Federation (FDF) figures show EU sales dropped by 47%. The trade body said the decline was largely due to changes in the UK's trading relationships, but said the pandemic was also a factor.
- **London's Oxford Circus** will be transformed into two, pedestrian-friendly piazzas as part of plans unveiled by Westminster City Council and The Crown Estate. The new Oxford Circus plans will be delivered through a phased approach, starting with two "car-free" piazzas in Oxford Street, either end of the Circus, with a target delivery by end of 2021. Work on the transformed Circus will begin later in the year with the scheme also set to include significant improvements to the public spaces in and around Oxford Circus, creating more pleasant places to eat, drink, shop and enjoy the centre of the city. It will also introduce additional planting and seating to improve the overall look and feel of the area and encourage dwell time.



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- **Sector leaders in England** have written to prime minister Boris Johnson demanding support for the industry, following the delay to the roadmap for reopening that will mean restrictions are not removed until 19 July at the earliest. The group, which includes trade bodies UKHospitality, the British Beer & Pub Association, British Institute of Innkeeping and the Campaign for Real Ale, as well as the Independent Family Brewers of Britain, which collectively run about 3,500 UK pubs, have urged Johnson to delay the reintroduction of business rates payments, which would cost the sector some £93m in just July, by at least three months. They have also called on the prime minister to prioritise the additional £1.5bn business rates support package announced back in March, to ensure eligible businesses such as brewers could apply as soon as possible.
- **Perspex screens**, which the hospitality industry has invested considerable sums on, are unlikely to have any benefit in terms of preventing transmission of covid and should be scrapped. According to a Whitehall document seen by news outlet Politico, problems arising from the screens include them not being positioned correctly, with the possibility they actually increase the risk of transmission by blocking airflow.
- **McDonald's** has won a planning row over using English wording on a digital screen at a drive-thru restaurant in Caernarfon, Wales. Gwynedd Council refused permission for larger screens at the restaurant last year on the grounds that all public signs in the county are required to be in Welsh and English. But the council backed down after McDonald's argued the site already included bilingual signs on its self-service ordering facilities.
- **Just Eat Takeaway.com** has completed the acquisition of Grubhub for £5.75bn, bringing it into the online food delivery market in the US. The enlarged group is now built around four of the world's most attractive markets in online food delivery – the US, the UK, the Netherlands and Germany. The combined company will have more than 70 million active customers who place close to 600 million orders a year.
- **Papa John's** has opened six new stores in locations across the UK in the past month and is set to add more to its 450-plus portfolio in Britain over the next few months. The new stores are all run by different multi-unit franchisees and Papa John's are expecting to open multiple more outlets over the next couple of months too. As well as launching in high street locations, the company is looking at leading leisure venues, sports stadiums and holiday parks. Papa John's has also recently introduced the option for delivery to selected outdoor locations around the UK. Customers visiting the park or the beach can now find the closest delivery spot to their location.

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- **BP** has rolled out its partnership with anti-food waste app Too Good To Go across its entire 292-store estate. The move includes all company-owned sites and BP operated M&S Food stores in the UK. It follows a trial that kicked off in Scotland and Essex last August. The forecourt operator has so far saved 138,000 bags of surplus stock from going to waste in the trial.
- **Leon** has closed its operations in Scandinavia to focus on its business in the UK and other parts of Europe. In 2017, the company, which earlier this year was acquired by EG Group, the forecourt and roadside operator, entered into an agreement with Umoe, which now runs more than 360 restaurants and cafes in Norway, Sweden and Denmark, to open sites across the region.
- **Carluccio's** will open its first trial site of its Carluccio's Counter at the Leamington Spa branch of Sainsbury's on Thursday, 24 June. It will offer cupboard ingredients sourced from Italy, including Puglian penne regine and orecchiette durum wheat pastas. Freshly made dishes will also be available, including handcrafted pasta bakes, rotisserie chicken and 12-inch hand stretched, stone-baked Neapolitan pizzas made fresh to order and available ready to eat, cold or as an at-home kit. The launch of Carluccio's Counter follows the opening of Caffè Carluccio's in St Albans earlier this month and is part of a wider trial between Sainsbury's and Carluccio's – a third concept will open in Selly Oak, Birmingham next month.
- **PizzaExpress** has revealed its 'summer of innovation', which includes an extended supermarket range, available from Tesco and Ocado from Monday, 28 June, as well as a new menu at its restaurants. The new restaurant menu – available from Monday (21 June) – features 16 additional dishes, including new recipes for its dough ball range. New pizzas include a vegan variety of the Sloppy Giuseppe's – Sloppy Vegan. The extended supermarket range features three dipping sauces.
- **Chipotle** is set to further add to its UK presence with an opening in Canary Wharf later this year. It will become the brand's 12th opening in the UK, and fourth in 2021, as the business looks to ramp up its expansion plans here. The company recently opened new restaurants in Chiswick and Clapham.



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