



Macro & Market News

Week 20 2021 – Week ending 21/05/2021



Macro/Economic News

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- **Re-Opening:** An estimated 45,000 pubs have reopened on May 17th following the lifting of restrictions, but beer sales are expected to be 65% lower than pre-pandemic, according to the British Beer & Pub Association. The BBPA also estimated some 2,000 pubs – 5% of all the pubs in the UK – would remain closed despite indoor reopening because they are reliant on people being able to stand due to their small footprints.
- **Work from Home:** The ONS says that 25.9% - or 8.4 million people - were working from home recently compared with 12.4% in 2019. This does not include people on furlough – as they are not permitted to undertake work. Sky reported that ‘the data showed that 46.4% of people employed in London said they worked at home at some point in 2020.’
- **Unemployment** fell to 4.8% in the UK in the quarter to March (from 4.9% in the quarter to February). A tightening jobs market could lead to inflation – though the end of the furlough scheme could push in the opposite direction. UK job vacancies have hit their highest level since the start of the pandemic. Average weekly earnings rose 4.0% in the three months to March. The NIESR says it ‘predicts that average weekly earnings growth will be 5.3 per cent in the second quarter of 2021.’
- **Inflation** in the UK rose to 1.5% in April from 0.7% in March reports the ONS. Factory gate inflation rose by 3.9% in the year to April. However, governor of the Bank of England Andrew Bailey said that there was no strong evidence that higher prices paid by manufacturers were feeding through to consumer prices.
- **Average house prices** rose 10.2% in the year to March reports the ONS. This is the highest rate of growth in 14yrs.
- **Holding mass events** without masks and social distancing can be as safe as going to a restaurant or shopping centre, government trials suggest. Preliminary data from the events research programme is understood to have found that with screening, improved ventilation and other mitigating factors the risk of virus transmission can be significantly reduced, reducing fears that sports matches and concerts could cause big outbreaks. The results will boost hopes that the end of restrictions can go ahead as planned on 21 June despite the spread of the Indian variant.
- **Consumer Confidence Index** as measured by GfK has increased six points to minus 9 in May. GfK says ‘the financial mood of the nation has bounced back to its pre-lockdown figure of minus 9 this month, meaning confidence has made up all the ground lost to COVID-19. UK consumer confidence is being driven by continued optimism for our future personal finances and for the wider UK economy in the next 12 months.’
- **Carrier bags** price in English shops rises to 10p from Friday, May 21st.



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Market News (1)

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- **Costa Coffee** is installing rapid electric vehicle (EV) chargers at up to 200 more drive-thru sites across the UK. The company has partnered with InstaVolt to install the chargers at new and existing stores, delivering charging speeds of up to 120kW on a pay-as-you-go basis. Building on Costa Coffee's existing network of 176 EV charging points at selected locations across the UK the collaboration will help Costa contribute to the retail sector's ambition to achieve net zero by 2040.
- **Costa Coffee** has launched its first in-store dedicated zone for remote workers. The area has opened on May 17th within the revamped store in West Hampstead in north London, which also includes a range of new enhanced digital features. Positioned across the ground floor level of the store, the zone for remote workers features individual pods to work from. These spaces have been divided by screens to ensure personal space and privacy, with each section featuring a power socket and the use of free Wi-Fi. The site also has a street-facing service counter and is only the second UK Costa Coffee store to offer a half-caffeine option. Customers can personalise the amount of caffeine in their coffee – standard caffeine, half-caffeine or decaf, with the help of a state-of-the-art grinder, which can accommodate multiple blends. The renovated store is also equipped with new intelligent digital menu boards
- **Pret A Manger** had 366 shops from its 389-strong estate open for dine-in, takeaway and delivery from May 17th. The sites will continue to operate with reduced hours and the company said menu items available will also vary by shop for the time being.
- **Pret A Manger** is to open new shops in petrol stations owned by Motor Fuel Group (MFG), the largest forecourt operator in the UK with more than 900 sites nationwide. Through the partnership, Pret will initially trial one shop in the MFG-owned and BP-branded station in Southgate, north London with a view to opening a second shop by the end of 2022.
- **Burger King UK** has launched its first dark kitchen site in London's Kentish Town in collaboration with Foodstars. A trial was launched on Sunday May 16th, with customers ordering initially through Deliveroo. The company said Just Eat and Uber Eats will follow. The kitchen will have the potential to reach around 400,000 customers, covering Camden and up to Highgate. BK is expected to team up with Foodstars again to launch a further dark kitchen site in Wandsworth, while a third trial site will be with Deliveroo. If the trial sites are successful, it is thought Burger King will explore doing further delivery kitchen units.

Market News (2)

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- **Nando's** has announced that it will become carbon neutral across its scope one, two and three emissions by November this year, on its roadmap to becoming Net Zero by 2030. The company said this builds on its existing science-based targets, which will see it reduce the carbon footprint of the average Nando's meal by almost 50% by 2030. This is over and above the 40% reduction which has already been achieved since 2015. As part of its strategy to cut emissions, the company's restaurants in England, Scotland and Wales already run on 100% renewable electricity and gas, with those in Ireland set to follow; its new menu offerings created for the reopening includes more plant-based options than ever before, enabling customers to make lower-carbon choices; and it is working with suppliers to reduce emissions, including those associated with chicken farming, whilst also improving welfare.
- **Morrisons** has invested more than £16m in its 406 cafes as it welcomes customers back for indoor dining. Customers can expect an improved dining experience from the cafes as well as a refreshed and healthier menu, the company said. Highlights include fresh fish and bread that comes directly from Market Street counters, a separate vegetarian and vegan menu, and the inclusion of Morrisons "The Best" products. New technology such as order and pay has been introduced and screens have been installed around all tables to turn them into booths. All indoor dining areas have been given a fresh lick of paint as part of the improvements and new outdoor furniture has been installed at 136 cafes. All cafes are also operating a takeaway service via the Morrisons app.
- **Jollibee** opened its new flagship store in the UK in London's Leicester Square on May 20th. The restaurant is spread over three floors and has 200 covers. The company hopes to have 11 sites operating in the UK by the end of the year. The brand said it would invest £30m to open 50 sites in the UK by 2025 with 20 opening next year.



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