



Macro & Market News

Week 17 2021 – Week ending 30/04/2021



Macro/Economic News

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- **Re-Opening:** In Scotland, pubs and restaurants were allowed to reopen for outside service with alcohol until 10pm and for indoor service until 8pm without alcohol on April 26th. The SBPA says ‘the industry is asking for the extension of opening hours back to normal licensing times, which now is not scheduled to be reintroduced until Level Zero.
- **COVID Passports:** PM Boris Johnson is understood to have shelved plans for Covid passports in pubs. A ‘senior Downing Street source’ has said that no formal decisions have been made yet, but confirmed the focus is on large events and major venues.
- **COVID Passports:** Michael Gove said on April 29th: “Covid-status certification will not be required in any settings at step two and three of the roadmap. The government has committed to setting out the conclusions of the review ahead of step four.” Step four is when lockdown measures are set to be eased completely on 21 June. Gove added: “The government believes covid-status certification could have an important role to play, both domestically and internationally, as a temporary measure.”
- **Consumer confidence:** Deloitte says ‘consumer confidence about their household levels of disposable income jumped by a significant 17 percentage points year on year to -10% the highest level recorded for that measure. Similarly, confidence about levels of debt rose by eight percentage points compared to the same period a year ago, and at 1.5% is at its highest since the Tracker began in 2011.’
- **Republic of Ireland** is to reopen pubs and restaurants for outdoor service from June 7th – sooner than expected. Hotels would be permitted to reopen on June 2nd. People will also be able to travel anywhere in the country next month for the first time since late December. A plan for a phased return to international travel this summer should be agreed by the end of May.



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- **Pret a Manger** is reported to have secured a capital injection of £185m from its shareholders. In its filing with the Companies House the company said: “Social distancing will continue to change consumer habits for some time, and may permanently affect where, when and how customers choose to enjoy Pret's food and drink. Management's priorities remain as the safety of Pret's team members and customers, and protecting the business. It is still too early to know the full impact on the business due to the ongoing uncertainty.”
- **Gousto**, the meal kit company, says it will take on 1,000 more staff after seeing sales grow during the pandemic.
- **Burger King** has added a vegan ‘chicken’ burger and a new plant-based Whopper to its menu. The Vegan Society-certified burger, which is called the Vegan Royale, was launched on 27 April. The “chicken burger” is a crispy coated, plant-based “chicken”. It is topped with iceberg lettuce and vegan mayo in a toasted sesame seed bun. Burger King’s fries are also certified by the Vegan Society. The new plant-based Whopper is made up of a flame-grilled soy-based patty, topped with tomatoes, lettuce, vegan mayo, pickles, ketchup and sliced onions on a sesame seed bun.
- **Waitrose** has entered a two-year partnership with Deliveroo to deliver groceries. After a successful trial, the supermarket chain said that it was expanding its use of the delivery app from 40 to 150 shops with access to about 13 million people in total. Up to 400 new jobs will be created to fulfil the orders from new sites including Cheltenham, Lincoln, Exeter, York and Sheffield. The company began a trial in five stores last September. Customers will be able to order from an expanded range of between 750 to 1,000 products and will have them delivered in 20 minutes from Waitrose shops from London to Scotland.
- **Pubs** are facing a shortage in draught beer after strong demand in pub beer gardens and the like. CAMRA says ‘the beer shortage issues that are being faced by some publicans across the UK is a serious problem that is affecting their ability to trade efficiently and turn a profit. Since reopening, pubs have faced an increase in demand from customers as many people flocked to pubs across the UK, so it is a real shame that some pubs are unable to stock some of their best selling products.’
- **KFC** system sales in the UK rose 16% for the first quarter, ended 31 March 2021, compared with the previous year when many of its stores were shut for some of the period as a result of the pandemic. The increase was the second largest in all of KFC’s markets as the business continues its recovery – the highest was in China, at 24%. The UK accounts for 6% of KFC’s system sales worldwide.

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- **Pizza Hut** system sales in Europe, including the UK, were down 23% – the continent accounts for 8% of Pizza Hut’s system sales globally. Pizza Hut sales were up 11% globally, with like-for-likes increasing 12%. US system sales, which account for 45% of global sales, grew 8% while off-premises sales generated 23% like-for-like growth.
- **Five Guys** plans to open its first UK drive-thru site on Teesside. The company, which will open its 115th UK site on May 3rd in Stevenage Leisure Park, is planning to launch the drive-thru at the former Chiquito restaurant at Teesside Park.
- **McDonald’s** has reported global like-for-likes were up 7.5% in its first quarter ending 31 March 2021 – with the UK seeing “strong” growth. First quarter 2021 global like-for-like sales and revenues surpassed first quarter 2019 levels, even as resurgences and operating restrictions persist in many parts of the world. Like-for-like sales in the quarter for the “international operated” segment, which includes the UK, were up 0.6%. McDonald’s said the results reflected strong positive like-for-like sales in the UK, Australia and Canada, partly offset by significantly negative comparable sales in France and Germany.
- **Domino’s Pizza** has reported global sales increased 16.7% in its first quarter ending 28 March 2021. Like-for-like sales were up 13.4% in the US while the international division saw like-for-like sales grow 11.8%. The figures marked the 109th consecutive quarter of international like-for-like sales growth and the 40th consecutive quarter in the US. Total revenue in the quarter increased to \$983.7m, compared with \$873.1m the year before. The company added 175 net new stores during the period – 139 internationally and 36 in the US.



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