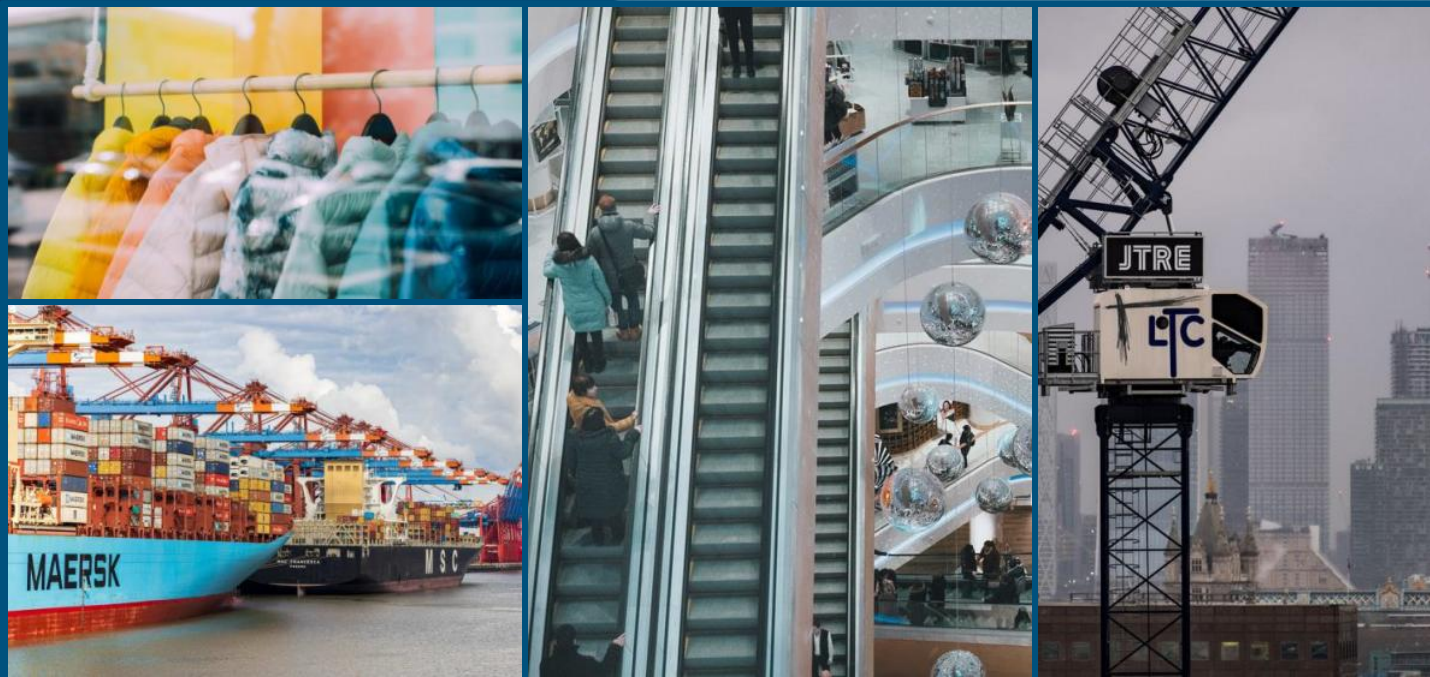




# Macro & Market News

Week 32 2021 – Week ending 13/08/2021



# Macro/Economic News

Week 32 2021 – Week ending 13/08/2021

# Macro / Economic News (1)

## Week 32 2021 – Week ending 13/08/2021

- The UK economy** grew by 4.8% between April and June, according to official figures, as most businesses emerged from lockdown. Data from the Office for National Statistics showed that the expansion in gross domestic product (GDP) was fuelled by retail, restaurants and hotels. Education also boosted the economy as schools reopened in the second quarter. However, the figure was slightly below the 5% the Bank of England expected. The UK economy is now 4.4% smaller than it was before the pandemic.
- Employment** jumped to its highest level so far this year in July after the lifting of lockdown restrictions boosted the hospitality industry. The Times reports that HM Revenue & Customs' payroll data for June found the largest month-on-month increase since the series began in 2014, while the BDO employment index rose 1.57 points to 107.62 in July, from 106.05 in June, lifted by the reopening of pubs and restaurants.
- Retail sales** were boosted last month by the removal of coronavirus restrictions but growth has started to slow as consumers spent more in restaurants rather than shops, a survey has suggested. The Times reported retail sales increased by 6.4% in the year to July, up from 3.2% last year, according to a report by the British Retail Consortium and KPMG. Although the sector has rebounded sharply in recent months as non-essential shops have reopened, growth is starting to slow now restrictions on the hospitality sector have been removed. The British Retail Consortium said growth was lower than the three-month average of 14.7%.
- Jobs that advertise working from home** have increased compared with before the Covid pandemic, recruitment firm Reed has told the BBC. Prior to the pandemic, 1% of recruitment firm Reed's job vacancies advertised remote working, but this rose to 5% in 2021.
- Nightclubs and concert venues** could avoid social distancing rules during future covid surges by agreeing to only admit customers who are double jabbed, under plans being explored by the government.
- Nightclubbers in Scotland** do not have to wear masks while dancing anymore, according to the latest Scottish government guidance. New rules, as most covid restrictions ended in Scotland on Monday, say that face coverings can be removed while dancing, drinking and dining.
- Crisps** has become the latest category to fall victim to shortages amid the ongoing shortage of hauliers. Images of empty shelves and out-of-stock notifications in the crisps aisles in Co-op were posted on social media this week, with users claiming they had also seen range gaps in Sainsbury's. A spokeswoman for Co-op apologised, confirming the retailer had been experiencing shortages. "Like many retailers, we are impacted by some patchy disruption to our deliveries and store operations, but we are working closely with our suppliers to get restocked quickly," she said. A spokesman for the British Retail Consortium (BRC) said the crisps shortage was likely "a side effect of the HGV driver issue in some areas".



# Market News

Week 32 2021 – Week ending 13/08/2021

# Market News (1)

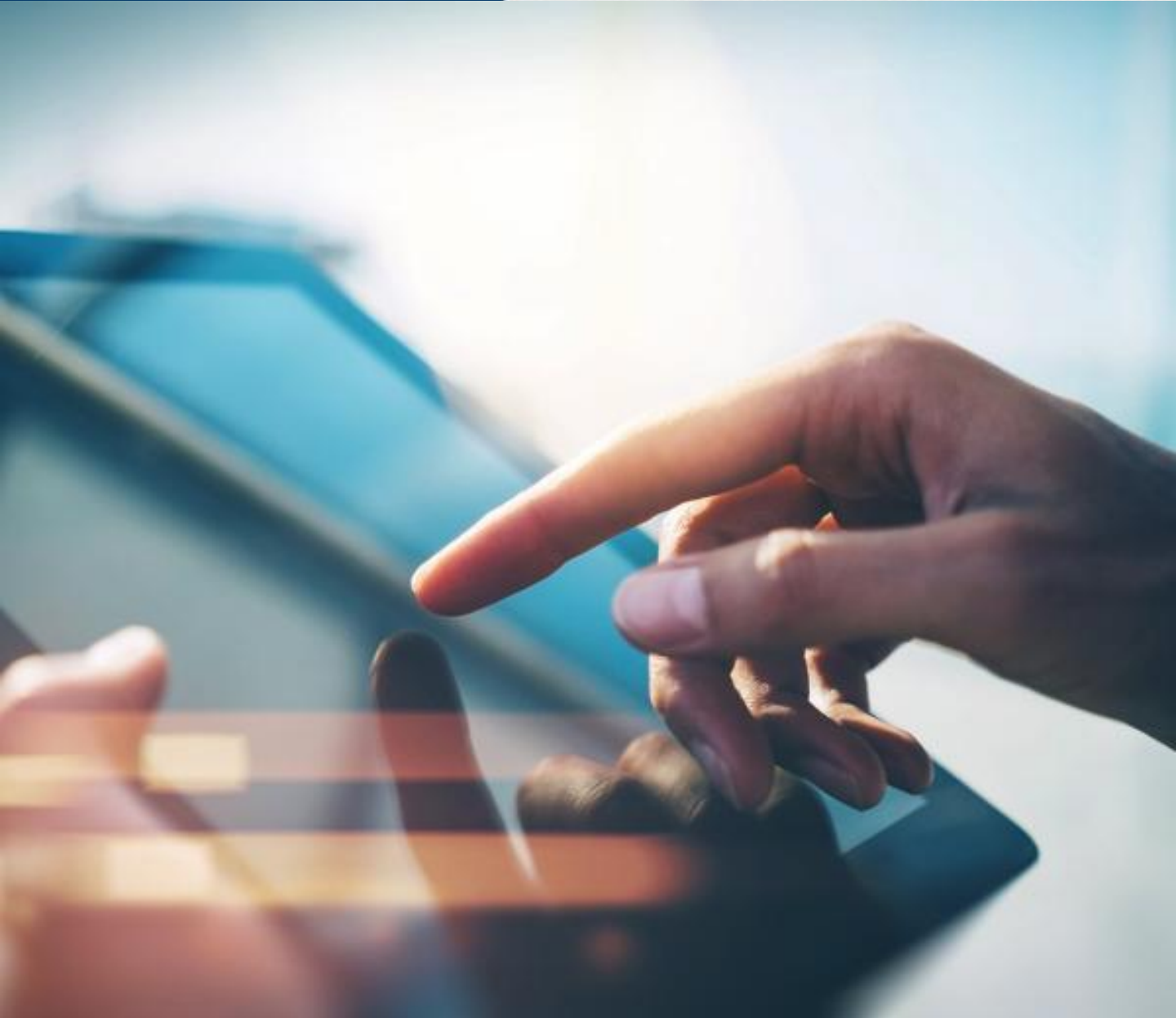
## Week 32 2021 – Week ending 13/08/2021

- **A beer shortage** could be faced during the August bank holiday weekend after delivery drivers voted to strike. Unite the union said the drivers work for logistics firm GXO, which supplies 40% of the UK hospitality industry's beer. According to The Sun, about 1,000 drivers, who work from 26 sites across the UK, will go on strike for 24 hours from 10am on 24 August, with a second walkout planned for 2 September.
- **KFC** has warned customers that disruption is leading to food shortages at its restaurants across the UK. The fast food brand said that its business had been hit by "disruption over the last few weeks". It said that some items on the menu may not be available when customers visit the restaurant or drive-thru. Other items will also be packaged differently than usual. It is not yet known when the disruption will end.
- **Deliveroo** reduced its losses by 18% to £104.8m in its First Half to 30 June as gross transaction value jumped 102% to £3.385.8bn. The company said growth was materially ahead of expectations in its First Half – and consumer engagement post-reopening has been encouraging, with orders and average order value proving resilient despite restrictions easing. The food delivery firm saw orders double to 148.8 million in the first half of this year, while the value of its transactions also doubled. It was the first set of results from the company since it floated on the stock market in March.
- **Pret A Manger** has opened its second site with a Tesco this week in the Tesco Extra at Serpentine Green, Peterborough. This is Pret's second shop inside a Tesco supermarket, following the opening of a site in the retailer's supermarket in Kensington, west London, in June. It will serve a menu of freshly prepared food and organic coffee and teas, all prepared in Pret's on-site kitchen throughout the day. Pret has hired ten new team members to staff the shop. The launch also follows the introduction of Pret's first grocery food range in Tesco earlier this year, through which it sells frozen croissants, granola, coffee pods and ketchups.
- **Pret A Manger** has told its staff that a temporary pay cut will now be made permanent as trade remains "significantly below" pre-Covid levels. The sandwich chain stopped paying workers during their breaks last September in an effort to cut costs. However, it has now told workers that the measure will be kept in place. Pret responded to claims that staff are considering strike action over pay cuts by reintroducing its mystery shopper bonus at the full rate. The service bonus, linked to performance judged by a mystery shopper, was paid at a rate of £1 per hour pre-pandemic. This was scrapped and then reintroduced in April this year at the lower rate of 50p per hour but has now been put back up to £1.

# Market News (2)

## Week 32 2021 – Week ending 13/08/2021

- **AMT Coffee**, which operates a circa 50-strong estate of sites in transport hubs and in hospitals across the UK, is to rebrand as Change Please, under a new partnership with the social enterprise, after coming under new ownership.
- **Welcome Break** said it is seeing record numbers of people at its sites as families embark on UK staycations. It cited a range of new offers is tempting Brits to visit, including its new Ben & Jerry's ice cream units and its "Fill Up When You Fill Up" offer that gives 10p off every litre of fuel purchased for when £10 is spent at its food courts.
- **Stonegate Group**, the UK's largest pub company, has begun the rollout of a new bar concept under the umbrella Live Social. Described as a unique sports and gaming bar, the first variation of the format launched last year as The Hideout, on the former Walkabout site in Derby's Market Square.
- **Crussh** has permanently closed 13 of its circa 30-strong estate due to the impact of the pandemic.
- **Wendy's**, which made its return to the UK with an opening in Reading in June, is planning to open a site in Brighton. The company hopes to eventually open up to 400 sites in the UK.
- **Gloria Jean's**, the US coffee shop brand that has 200 sites in Australia run under franchise, is to kick start its push into the UK market, with just under 20 sites already understood to be signed up.



### About The NPD Group, Inc.

NPD offers data, industry expertise, and prescriptive analytics to help our clients grow their businesses in a changing world. Over 2,000 companies worldwide rely on us to help them measure, predict, and improve performance across all channels, including brick-and-mortar and e-commerce. We have offices in 27 cities worldwide, with operations spanning the Americas, Europe, and APAC. Practice areas include apparel, appliances, automotive, beauty, books, B2B technology, consumer technology, e-commerce, fashion accessories, food consumption, foodservice, footwear, home, juvenile products, media entertainment, mobile, office supplies, retail, sports, toys, video games, and watches.

For more information, visit [npd.com](https://www.npd.com).

**For more details on NPD's Foodservice service in the UK contact:**

Sergey Chekmarev

[sergey.chekmarev@npd.com](mailto:sergey.chekmarev@npd.com)

Director, Client Development, UK Foodservice