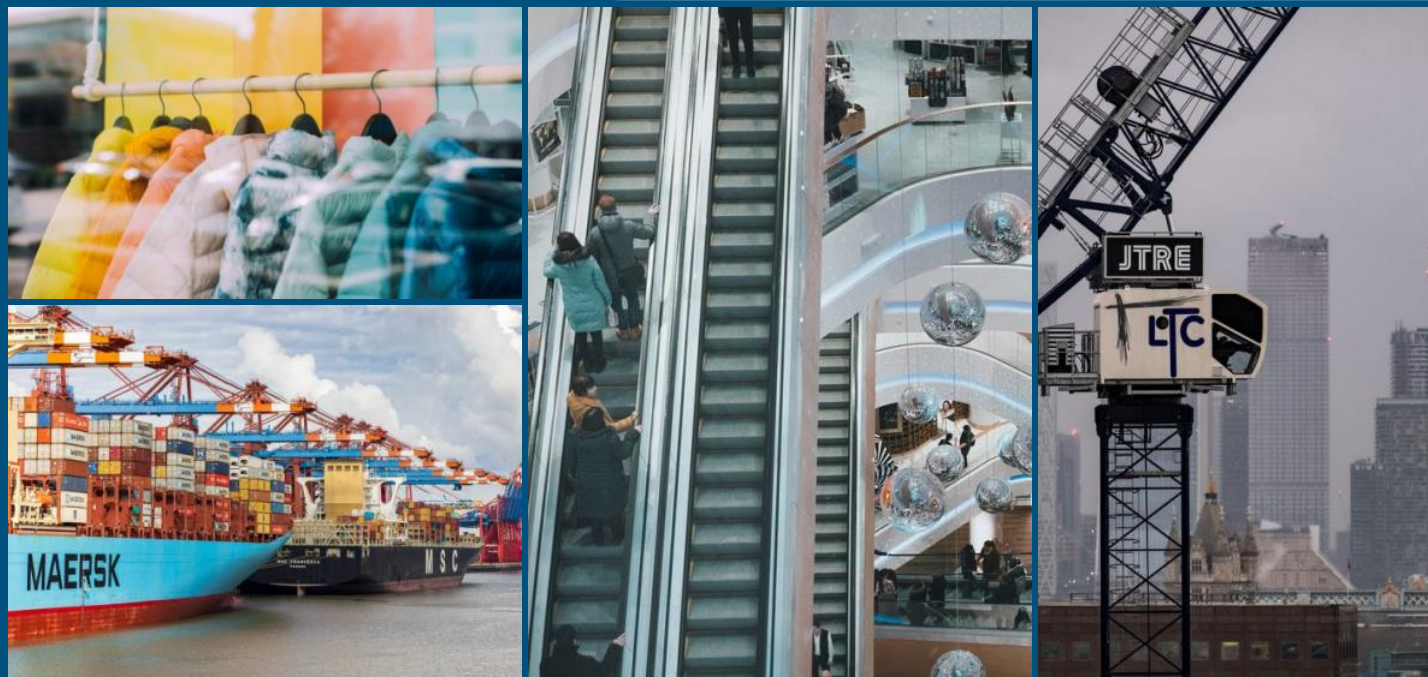




Macro & Market News

Week 16 2021 – Week ending 23/04/2021



Macro/Economic News

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- **Government borrowing:** The cost of measures to support the economy during the coronavirus pandemic has pushed government borrowing to the highest level since the end of World War Two. Government borrowing - the difference between spending and tax income - hit £303.1bn in the year to March, the Office for National Statistics said.
- **CPI:** The ONS has reported that the rate of UK CPI rose to 0.7% in March from 0.4% in February. Transport, clothing & footwear and other costs are higher. The ONS says, however, that 'food prices fell back on the year, as prices of some staples were lower than at the start of the pandemic.'
- **Retail sales:** Shoppers on the lookout for new clothes helped to lift retail sales by 5.4% in March, continuing a partial recovery that started in February. The Office for National Statistics (ONS) said clothing saw the biggest rise in sales volumes last month, with a 17.5% increase.
- **The reopening of the hospitality and tourism** sectors in Northern Ireland have been fast-tracked as part of a series of lockdown relaxations agreed by Stormont ministers. Pubs and restaurants can serve customers outdoors in groups of six from no more than two householders from Friday, 30 April. Operators can then resume indoor operations from Monday, 24 May.



Market News

Week 16 2021 – Week ending 23/04/2021

Market News (1)

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- **Re-opening:** Hospitality venues that were able to open in England last week enjoyed a stronger bounce in sales than they did after the first national lockdown in July 2020, despite being limited to outdoor service. Data from CGA showed like-for-like sales at pubs, bars and restaurants that were trading in the seven days from last Monday (12 April) were 45% higher than in the week from 4 July 2020, when they were able to resume both inside and outdoor service. Like-for-like sales at venues that were open last week were 21% down on the equivalent week in 2019 – though that period did include the Easter weekend. But when compared with the previous week in April 2019, like-for-like sales were 1% higher.
- **Sector trade bodies** have again called for a three-month extension to the business rates cancellation as a survey revealed almost a quarter of operators believe their business will be unviable before the end of the year based on current trading estimates.
- **The Restaurant Group (TRG)**, owner of Wagamama and Frankie & Benny's, has added a kebab-focused brand called Babago to its delivery portfolio. Available through TRG's Chiquito estate, Babago focuses on kebabs and wraps, with items including the Baba Wrap & Go Bundle, which features a warm kebab wrap, portion of fries and drink for £9.95. The group's range of virtual delivery brands has included Chicken Cartel, Cornstar Tacos, Levi Roots' Kitchen, Kick Ass Burrito, Stacks, Birdbox, K-Bird, Pyjama Hotel, Daily Naan, Baragara and Jumping Pans.
- **Leon:** Owners of ASDA and Euro Garages, the Issa brothers, have bought fast food chain, Leon, which has over 70 restaurants across the UK and Europe, in a deal for between £80m and £100m. Prior to the addition of the Leon store network, EG Group already operates more than 700 foodservice outlets in the UK & Ireland of which 310 operate from standalone premises. EG Group said its acquisition of Leon was complementary to its strategy of seeking significant growth in its non-fuel and foodservice operations.
- **Burger King UK** has set ambitious new targets in its bid to reduce carbon emissions by 2030. A reduction in meat will play a key role in the business' sustainability ambitions, as well as waste reduction and supplier engagement. On meat reduction, the restaurant plans to expand its meat-free menu offerings and sustainable sourcing of key ingredients, including soy.

Market News (2)

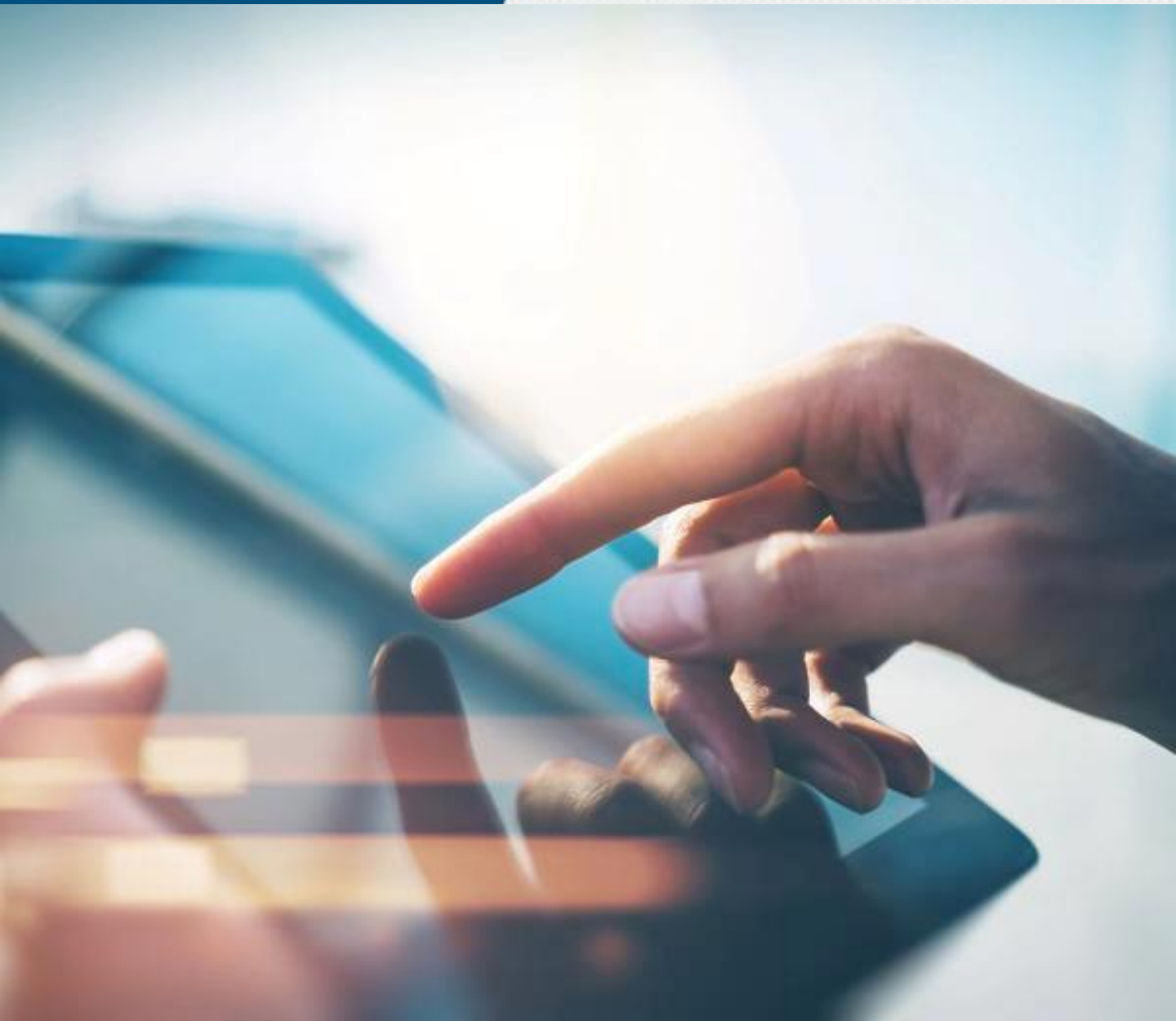
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- **Itsu** has launched a “build your own” feature on its app. The company said it was in response to the “abundance of popular dietary trends and growing appetite for personalised options”, and strengthened the brand’s digital customer experience. Customers can build bespoke hot and cold Itsu dishes – from rice and noodle bowls, right through to sushi boxes – and features more than 1,000 different combinations. The function will also limit contact in store, making it a safer environment for both consumers and restaurant staff.
- **Coffi Lab:** James Shapland, the co-founder of Coffee#1, has lined up a debut site for his new coffee concept, Coffi Lab. It is understood the company, which is led by former SA Brain finance director Hannah Gillard, has submitted a planning application to occupy the former Edinburgh Woollen Mill store in Monnow Street, Monmouth, and convert it to a coffee shop and cafe.
- **Just Eat** is planning to create more than 1,500 jobs in Liverpool by the end of the year as part of its expansion of the new UK agency worker model for couriers. All couriers contracted through this model are entitled to hourly pay, minimum/living wage, pension contributions and certain statutory benefits including holiday pay and sick pay.
- **Wetherspoon** is to open a further 44 pubs in England on Monday, 26 April. The company opened 394 of its pubs in England on Monday, 12 April.
- **Leon co-founder John Vincent** has partnered with Australian entrepreneur Dennis Turner and former Deliveroo global head of restaurant strategy Cengiz Rahmioglu to launch a Thai-focused concept called Burning Rose. Burning Rose is aimed more at the fast-casual/casual dining category. The menu at Burning Rose, which Rahmioglu said was aimed at an average spend per head of £13 to £15, is overseen by Matthew Albert, previously head chef of the highly acclaimed Nahm Restaurant in London, when it became the first Thai restaurant in the world to be awarded a Michelin star.
- **Wagamama** reports ‘UK revenue decreased 37.8% to £219.9 million in YTD Q4 2020.’ It says ‘Covid-19 restrictions significantly impacted the ability to trade with periods of full closure and out of restaurant only trade. Where possible to trade for eat in dining, sales recovered strongly.’ It says it saw ‘strong sales performance in the first 8 weeks of Q1 2020 delivered 8.4% UK like for like sales. Our reopening for eat in dining together with the Government’s ‘Eat out to help out’ scheme significantly benefited the business with 7.4% UK LFL sales in Q3 2020.’

Market News (3)

Week 15 2021 – Week ending 16/04/2021

- **YO!** has signed an agreement to supply YO! Food to Go products to WHSmith. Launching this month, the trial will see a specially selected range of YO! Food to Go items initially on offer in seven WHSmith stores. The initial trial will run in hospitals at Pinderfields in Yorkshire, and Southampton, as well as several travel hubs. The company said the move reinforced YO!'s growth into retail channels, and specifically its expansion in the grab-and-go market. YO! Food to Go pre-packaged sushi is already available in 600 Sainsbury's stores, 160 Co-op stores and 100 David Lloyd Leisure Centres. The group's Taiko brand is also available in Waitrose. In addition, the YO! Group has 52 kiosks in Tesco stores and 37 kiosks under the Panku brand in Asda offering food for now and food for later.
- **Cake Box**, the specialist retailer of fresh cream cakes, is eyeing 52 new stores ahead of an expected record year of revenue. The company said it anticipates delivering a strong performance for the year ending 31 March 2021. Cake Box opened 17 new stores in the second half of the year, taking the total number of new sites to 24 last year. The group has 157 sites in total. It said it was heading for a record revenue for the year, estimated to be up about 16% on the previous period.
- **Taco Bell** has opened a digital-only Cantina, in New York. The site in Times Square features ten digital ordering kiosks, digital pick-up cubbies and exclusive menu items. Taco Bell previously hinted at the opening of the "completely digital, yet in-person experience" in March when the company outlined its growth plans and focus on new store layout concepts. It is the latest location for Taco Bell's 20-plus Cantina offshoot brand, which usually offers alcoholic drinks and custom menus – and is the first with a completely digital-only experience. The store has also installed a wall of heated digital cubbies where customers can pick up their orders placed ahead of time online or via the Taco Bell app. They enter the order number and a cubby will light up.
- **Starbucks** is to launch a new research and rapid innovation facility to find new ways to design, build and operate its stores in a "planet-positive way". The facility, in partnership with Arizona State University, is scheduled to open in December. It will work to help Starbucks build "greener" stores as well as explore alternative menu items, including plant-based offerings and protein sources.



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