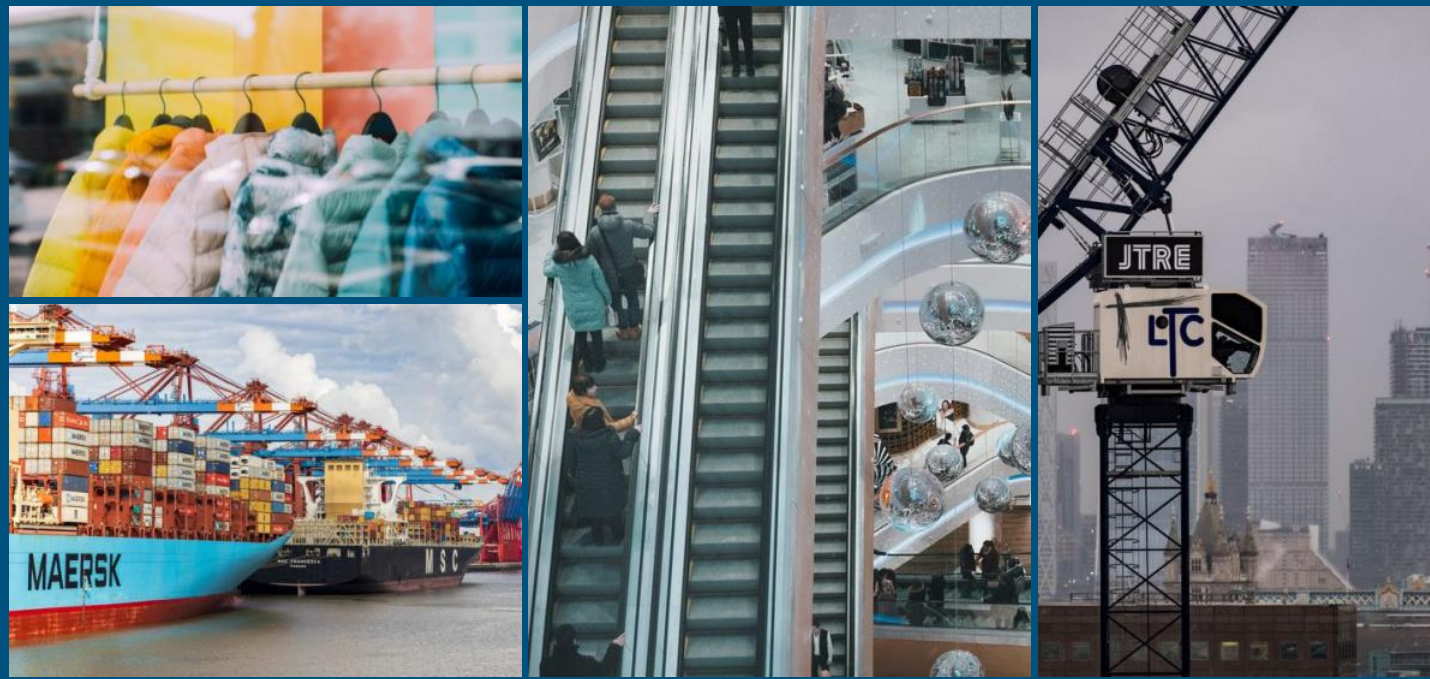




Macro & Market News

Week 11 2021 – Week ending 19/03/2021



Macro/Economic News

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Macro / Economic News

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- **The Bank of England's** MPC yesterday decided unanimously to maintain Bank Rate at 0.1%. Bank Economist Andy Haldane says we should see a "rapid recovery soon". The Bank says the outlook for the UK economy remains "unusually uncertain" and 'continues to depend on the evolution of the pandemic, measures taken to protect public health, and how households, businesses and financial markets respond to these developments.'
- **The ONS** reported that the economy shrank by 4.9% month-on-month to leave it some 9% smaller than it had been in January 2020.
- **The NIESR** expects a contraction of 2.4 per cent in the first quarter of 2021. This would leave GDP in the first quarter of 2021 also around 9 per cent lower than its level in the last quarter of 2019, before the pandemic struck.
- **The ONS** also reported that the proportion of the UK workforce on furlough remained unchanged at 19%.
- **In Wales**, self-contained accommodation can welcome customers again from Monday, 29 March. In England, self-catering accommodation can reopen again on Monday, 12 April, while foreign holidays will not be allowed until at least Monday, 17 May under the UK government's route out of lockdown.
- **GfK's** Consumer Confidence index has surged to its highest level since the start of the pandemic on the back of the government's announcement of a roadmap out of lockdown. The index rose by seven points to minus 16 in March as households responded to the news. The rise in the index was driven by optimism about household finances.
- **Uber** said that it would guarantee its 70,000 UK drivers a minimum hourly rate alongside holiday pay and pensions. Sky reports that Uber Eats riders will be excluded from the deal. The experts say that gig economy companies should take note – this is the end of the road for bogus self-employment.

Macro / Economic News continued

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- **Alcohol, tobacco & fuel duty** - All alcohol duties are to be frozen for second year running, with no extra tax on spirits, wine, cider or beer. Fuel duty to be frozen for eleventh consecutive year, while tobacco duties to rise by inflation plus 2%.
- **Environment, transport, infrastructure & housing** – A new UK Infrastructure Bank is to be set up in Leeds. It will have £12bn in capital, with aim of funding £40bn worth of public and private infrastructure projects. In addition, £15bn in green bonds, including for retail investors, were announced to help finance the transition to net zero by 2050.
- **Brexit** - The EU says a UK move to unilaterally extend grace periods for Irish Sea border checks will be a breach of international law. The grace periods mean EU import procedures and checks are not yet fully applied. The first of these periods will expire at the end of March, but the UK has said it will be extended until October. The European parliament has postponed setting a date for ratifying the trade and security deal with Britain.
- **Northern Ireland** - Details of NI lockdown exit plan has been revealed. Unlike plans announced in England, NI's blueprint does not include a timetable.
- **Isle of Man** - A 21-day "circuit-breaker" lockdown has been announced to limit the spread of Covid-19 on the Isle of Man, the chief minister has said.
- **Wales** - Hospitality, leisure and tourism businesses affected by ongoing coronavirus restrictions in Wales could see an additional £180m in extra support, the Welsh Government has announced. Businesses are expected to receive an initial extra £30m, and pending the outcome of the Government's upcoming review on 12 March, a further £150m in grants could be made available to firms through the Non Domestic Rates (NDR) scheme if coronavirus restrictions are extended.
- **Scotland** - Scotland's lockdown could end sooner than ministers thought possible as coronavirus cases and hospital admissions continue to plummet, first minister Nicola Sturgeon has said. She said: "We have every reason now to believe the exit from lockdown might be quicker and come sooner than we believed would be the case just a few weeks ago."
- **Retail footfall** - footfall in UK retail destinations in February rose by +16% from January 2021 according to Springboard data. This result has strengthened the annual drop in footfall to -61.0%, from -65.6% in January 2021. Footfall rose between January and February 2021 in all three destination types, but the largest increase of +18% was in high streets, followed by retail parks (+16.7%) and then shopping centres (+11.7%).



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- **Pret A Manger** is to launch its first grocery food range, in partnership with Tesco, as a further part of its transformation plan, which aims to bring the brand to more people. The new bake-at-home frozen croissants range was made available across circa 700 Tesco stores from 15 March and will consist of three different bestselling flavours – classic all butter, chocolate filled and vegan. The Sunday Times reported the business could be set to introduce a franchise model as it looks to back up the Tesco deal by opening sites in more suburban areas.
- **JD Wetherspoon** has unveiled a seven-point plan in preparation for an outdoor re-opening from April 12th, which includes customers being able to come into the pub to use the toilet – or if it is the only way to reach the outdoor area. In and out routes will be marked for those customers entering and leaving the pub, while test and trace will be in operation – as it was last time pubs were open. The company will encourage customers to use its app to place orders, though customers can still pay via a member of staff. There will be a slightly reduced menu that will still include breakfast options, burgers, pizza, deli deals, fish and chips and British classics. But customers will not be able to book places ahead of their visit – Wetherspoon will instead opt for a first-come-first serve policy. The company will reopen 60 of its 61 pubs in Scotland from 26 April. The only one not reopening is The Blacksmith's Forge in Dalkbeith, Midlothian, which is closing permanently. In accordance with Scottish government rules, the reopened pubs will serve food and non-alcoholic drinks inside and will also be able to serve alcohol – without the requirement for a meal – in external areas.
- **JD Wetherspoon** has reported a 53.9% decline in like-for-like sales in the 26 weeks to 24 January 2021, with revenue down by 53.8% to £431.1m (2020: £933.0m).
- **Mitchells & Butlers** plans to open up to 300 pubs in England on the date. The plans assume we will have normal April weather. In pubs which do reopen, customers will be encouraged to use apps to both pre-book and then to order from their table.
- **Greene King** plans to reopen 442 of its managed pubs outdoors in England from 12 April. Greene King Pub Partners tenants, who make up a further 875 pubs across England, will also be deciding on an individual basis whether to reopen their outdoor areas from that date, the company said.

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- **Greggs** has reported full year numbers for the 53 weeks to 2 January saying that the group is well-positioned for growth having held the decline in total sales for the year to 31%. Sales for the year were £811m (2019: £1.17bn) and like for like sales were down by 36.2%. the company says that it saw a ‘progressive recovery in sales levels through second half of year.’ Gregg’s reports a pre-tax loss of £13.7m, including government support for job retention and relief from business rates (2019: £108.3m profit).
- **Thornton’s** has said it will shut all its 61 shops in the UK, putting over 600 jobs at risk. Retail director Adam Goddard says, ‘the obstacles we have faced and will continue to face on the High Street are too severe.’ The company has been on the High Street for over 100yrs.
- **Supper**, London-based premium food delivery service, has secured access to key pick up areas within central London parks. Supper uses a fleet of specially adapted scooters and directly employed drivers to cater for the premium end of the market.
- **The Stonegate Pub Company** has reported 52-week numbers to 27 September 2020. Following its purchase of EI Group during the period under review, Stonegate is the largest pub company in the country by pub numbers, with some 4,708 pubs at the financial year end. Revenues for the year down to £707m from £853m in the prior year. The underlying loss before tax is £207m and the reported loss is some £746m. The retained loss since incorporation is £763m.
- **The Coca-Cola Company** has said a handful of entrepreneurs from across the UK will get exclusive access to senior experts at Coca-Cola GB, Coca-Cola European Partners, Costa Coffee and Innocent, to gain a rare look under the bonnet of these brands and discuss how their own business can respond to the challenge presented by three national lockdowns. They will also have dedicated one-to-one consultations with behavioural scientists Influence at Work. The company hopes this programme will help some of its high street partners survive and thrive in the post-covid era.
- **Punch** is to invest £1m on supporting its pubs prepare for outdoor reopening in April. The company said the scheme will allow many pubs to open outdoors on 12 April, including plenty that previously would have not had the capacity. Punch said 662 of its sites (72%) in England are set to welcome guests back to their local next month.
- **PizzaExpress** is planning to open 118 of its sites in England (a third of its estate), for what it is calling “Al Fresco April”. The chain is yet to confirm when its restaurants in Wales, Scotland or Northern Ireland will welcome back customers.

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- **KFC** has revealed a major expansion of its partnership with Deliveroo, with the launch of up to 200 new restaurants across the UK this year to the platform. The companies have also signed a new, multi-year partnership with exclusive offers only on Deliveroo. It comes following the launch of KFC on Deliveroo at 130 sites in 2020. The expansion means KFC will be available to Deliveroo customers from a total of circa 330 sites. To mark the expansion, KFC and Deliveroo are re-running the 20% discount offer on “Wings Wednesday”, available to order from all restaurants via the Deliveroo platform.
- **Five Guys** is believed to be in talks on two or three sites for its drive-thru debut in the UK. Its move into drive-thrus will come on the back of the success of its “kerbside” pick-up option, which it launched in Britain in May, and operates from 21 sites, including the new High Wycombe outlet.
- **Street Burger**, a Gordon Ramsay fledgling concept, has lined up a second London-based ex-Byron site in Kensington High Street for an opening later this summer. Ramsay has also confirmed that he had secured the ex-Byron site in London’s Charing Cross Road for an opening under the new burger concept, which he launched at the start of December last year in the One New Change development in St Paul’s. It is thought the chef is also to take the ex-Gourmet Burger Kitchen site in Maiden Lane, Covent Garden, and former Giraffe site in The Oracle in Reading.



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