



Macro & Market News

Week 6 2021 – Week ending 12/02/2021



Macro/Economic News

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- **ONS** has estimated that the economy shrank by 9.9% last year, the largest decline since 1708. In December however, the economy grew by 1.2%, after shrinking 2.3% in November. It looks that economy will avoid what could have been its first double-dip recession since 1970s.
- **Hotel quarantine** - From Monday, 15 February, all returning UK residents from 33 'red listed' countries will have to quarantine in an assigned hotel room for 10 days from the time of arrival. Before they travel, they will have to book, through an online platform, and pay for a quarantine package, costing £1,750 for an individual travelling alone, which includes the hotel, transport and testing.
- **Testing for international arrivals** – Also from Monday, 15 February, all international arrivals, whether under home quarantine or hotel quarantine, will be required by law to take further PCR tests on day 2 and day 8 of that quarantine. Passengers will have to book these tests through our online portal before they travel.
- **Lockdown** – The government is to make an announcement on February 22nd about lockdown lifting. It is expected that pubs and restaurants could reopen as soon as April if they agree not to sell alcohol under options being discussed to allow the widespread relaxation of coronavirus restrictions after Easter.
- It is expected that **the 10pm curfew** will not return when pubs finally reopen in May and the requirement to serve a substitution meal with drinks will be scrapped.
- **Halifax** reported that UK house prices slipped by -0.3% in January, the biggest monthly fall since April last year. It says prices are up by around 5.4% on the same month last year.
- **Transport Secretary** Grant Shapps has said that it is too early to say whether holidays, at home or abroad, will be permitted in the summer. Shapps says 'it's not about the prevalence of the virus elsewhere now, it's about the variants.' He added that he didn't 'want to unnecessarily raise people's hopes.'



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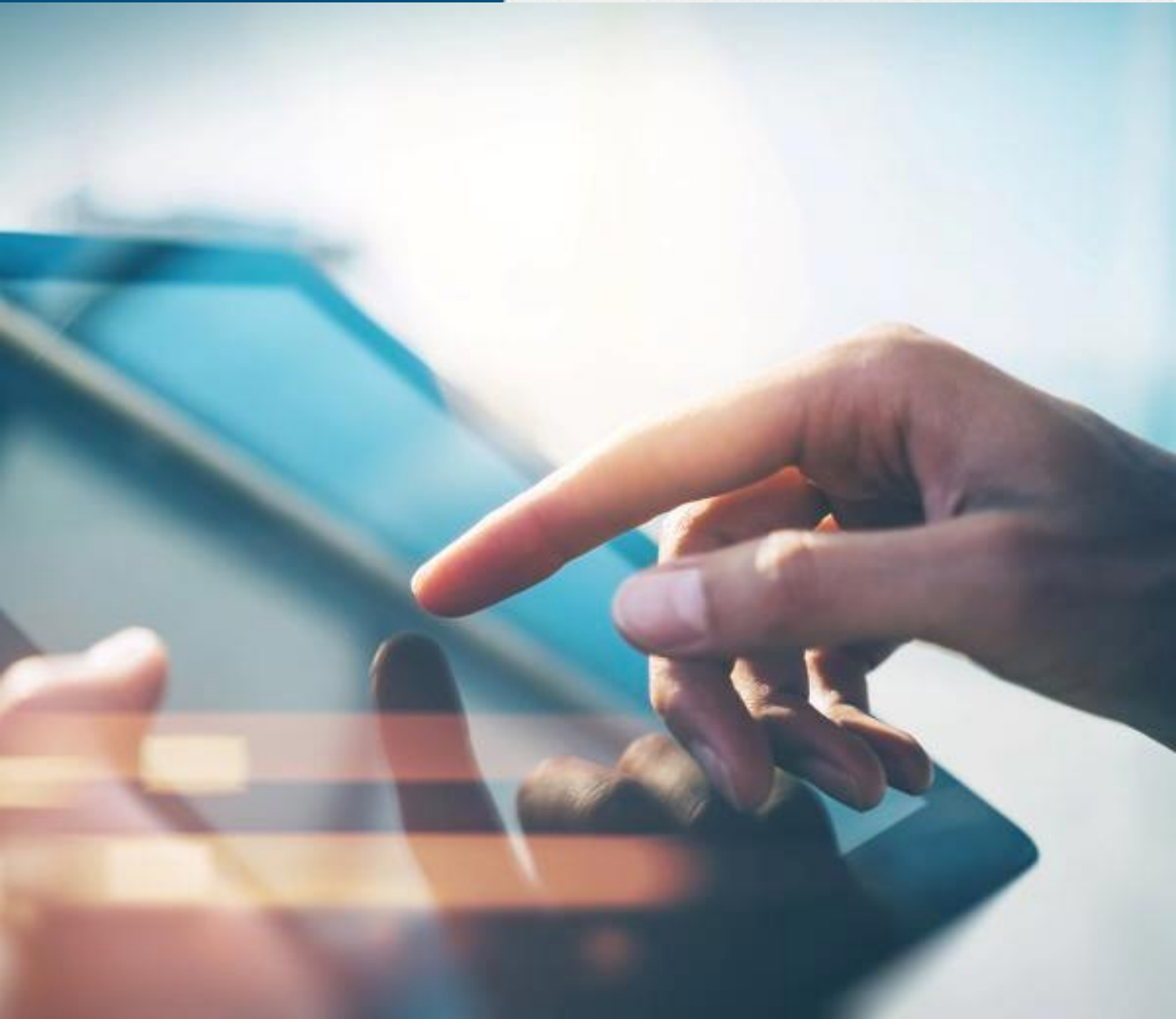
- **Prezzo's** new owner, Cain International, the privately held investment firm, has acquired Prezzo from its administrators through a pre-pack arrangement. The action protects the vast majority of Prezzo's 2,900 team members' jobs and will enable the brand to continue serving its customers and communities once hospitality is allowed to open again. A total of 22 of Prezzo's 178 restaurants will not reopen, resulting in 216 people leaving the business as part of this process.
 - **McDonald's** announced that they intend to start reopening for walk-in takeaway from Monday 22nd February 2021. Due to current lockdown restrictions, they will not be able to reopen takeaway in Scotland at this time. The new safety measures that enabled the re-opening of takeaways will include visors as well as face coverings for customer-facing employees, additional restrictions on the number of customers and couriers allowed into our restaurants, revised guidance and processes for the couriers from Uber Eats and Just Eat to support their safe working, enhanced processes for managing the flow of people, employees and couriers inside the restaurant.
 - **Burger King US** is piloting its new Royal Perks loyalty rewards programme in five US cities – Los Angeles, Long Island, Miami, New Jersey and New York City – as part of its digital platform overhaul.
- Customers will earn ten “crowns” for each dollar spent, which can be used to get free items across the menu. The platform also allows daily perks, the possibility of earning points for delivery through the website and smartphone app, and double rewards in a user's birthday month.
- **Sainsbury's** joined Tesco's Aldi price match scheme. Prices will be cut on 250 popular items including meat, chicken, fresh fruit and vegetables and dairy. Tesco launched its Aldi price-match in March 2020 and extended it to around 500 products in September.
 - **Wendy's** is lining up a site in Oxford after it has already secured a site in Reading as it makes a new attempt to break into the British fast-food market. The company plans to enter the UK with company-owned and operated restaurants in the first half of 2021 and, in its second phase, it will launch in priority areas with multi-unit franchisee operators. In July last year, Wendy's announced it would return to Britain, 20 years after it closed its UK outlets to focus on its North America base. The company opened restaurants in the UK in 1992 but pulled out seven years later due to high real estate and operating costs. Wendy's has more than 6,700 outlets in 30 countries around the world.

Market News (continued)

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- **Paul**, a French-owned artisanal bakery group, has said that it intends to double the size of its UK estate in the next five years via a mix of both own-managed and franchised expansion. The company currently has 38 units, largely in London.

- **PepsiCo Inc** has reported Q4 numbers and said that it expects pre-pandemic sales growth as lifestyles return to more normal patterns. The company said its Q4 revenue rose 8.8% to \$22.46 billion. CFO Hugh Johnson says 'we have figured how to do well in this environment.'



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