GDP, inflation, input prices, labour market, wider economic situation

Weather, footfall, number of visitors to e-commerce websites

Retail sales, consumer confidence, and consumer purchasing power

BRC INSIGHT

ECONOMIC BRIEFING REPORT

A detailed summary of trading conditions, consumer demand, and how the UK economy is performing.

November 2021

OMICRON ADDS TO UNCERTAIN OUTLOOK

The current economic environment could be described by a steady economic rebound, balanced against both a relatively tight labour market and rising price pressures.

The future outlook is highly uncertain as headwinds seem to pick up speed. Fresh restrictions or changes in behaviours due to the new variant might dampen consumer spend and business investment. And future higher rates will mean higher borrowing costs, further weakening spend in the economy. Moreover, a short-term fix for labour shortages is not obvious, so they will persist.

GDP GROWTH

1.3%

% change – QoQ, Q3 2021

Down from 5.5% in Q2 2021.

CPI INFLATION

4.2%

% change - YOY October 2021

Up from 3.1% in September.

UNEMPLOYMENT

4.3%

September 2021

Down from 4.5% in August.

WAGE GROWTH

4.9%

% change – YOY September 2021

Down from 6.0% in August.

BRC – KPMG RETAIL SALES

1.3%

% change – YOY, October 2021

Up from 0 .6% in September.

CONSUMER CONFIDENCE

-14

November 2021

Up from -17 in October.

INSIGHT

Omicron adds to uncertain outlook

GDP continued to recover, but it's still to reach its's pre-pandemic level: Q3 GDP increased by 1.3%, down from 5.5% in Q2, when many restrictions lifted. This puts current GDP 2.1% below Q4 2019 level. Services and production output rose in Q3, as health restrictions continued to ease to varying degrees, however, construction output fell. Looking on the expenditure side, household spend was the driver of the recovery. Even so in Q3 it was 4.4% below its Q4 2019 level. Business investment grew slightly, by 0.4% on the quarter, and it is 12.4% smaller than it used to be before the pandemic. This is worrisome as business investment drives medium and long term growth.

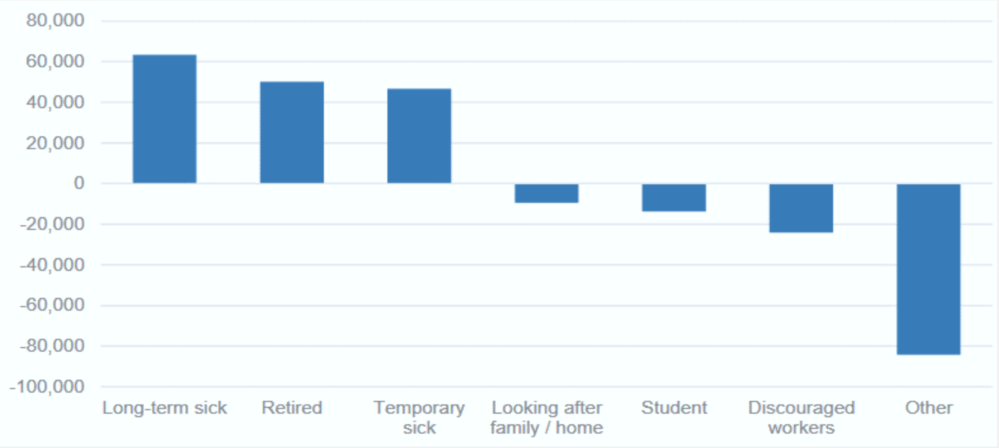
The latest IHS Markit PMI points to a robust rebound in both October and November, with an acceleration of new business inflows in November, signalling that output growth should remaining buoyant in December, assuming that no restrictions will be imposed to tackle the spread of the newly discovered Omicron variant.

UK inflation picked up pace in October, threatening future recovery. UK prices rose by 4.2% year-on-year in October, above market expectations of 3.9%, and the highest rate of growth in a decade. One of the main drivers of October's inflation was the rise in households' energy bills, as the regulator caps on retail electricity and gas price increased. Although many other prices rose, such as: air travel, accommodation and restaurants, second-hand cars and materials for maintenance and repair.

Rising commodity and energy prices coupled with labour and raw material shortages over the last twelve months meant that production costs have been pushed up for many businesses. Global commodity prices have been rising since November 2020, now 30% higher than a year ago, and global food prices have seen double-digit increases on an annual basis since January 2021. Shipping rates have risen five-fold since November 2019. With supply chain pressures now filtering into final consumer prices and with producer costs rising at higher rates, inflation is set to continue for the medium term. The Bank of England projects inflation to reach 5.0% in April of next year, when another rise in retail energy prices is expected, and to fall back to 3.4% in Q4 2022.

At the beginning of the year, many analysts viewed inflation as temporary. Change in consumption patterns and shutting down of ports due to Covid was deemed to be short-lived. It was thought that prices that fell in 2020 would return to their previous levels in 2021 and that the surge in global demand for goods, which triggered production bottlenecks and pushed up prices of raw materials, would retreat.

CHANGE IN THE LEVEL OF ECONOMIC ACTIVITY BY REASON, SEP-20 TO SEP-21



Source: Institute for Employment Studies, Labour Market Statistics, Nov-21.

Current reality diverges significantly from those expectations. Global demand for goods has persisted and, as such, global commodity prices continue to increase, with few signs of abating in the near-term. The steep surge in energy prices has taken many by surprise. In October, annual gas prices for UK consumers rose by 28% and electricity prices by 19%, and a certain new rise in retail energy prices in April 2022. Finally, price rises are not isolated to only a handful of sectors, sustained rise in supply chain costs pushing prices up across the board. All of this points to the fact that inflation will persist and might pick up pace as well.

The risk now is that inflation would become entrenched into the public's expectations. If people start believing that inflation will continue, they will demand higher wages. And if businesses believe they will continue to raise prices, inflationary expectations can become a self-fulfilling prophecy, whereby expectations of inflation will perpetuate inflation. In October, consumers' inflation expectations hit 4.4% for the coming year, the highest in over a decade. This is a concern for monetary policy makers. The Bank of England has signalled that it stands ready to increase interest rates to tame inflation. Rising rates would not solve any of the current supply-side issues, but it would signal to the public that the Bank stands by its 2% inflation target and, in economics speak, would anchor inflation expectations to the policy target.

Unsurprisingly, the general rise in prices has worried many people. This makes it very likely for households to rein in their discretionary spending. In October, BRC-KPMG retail sales grew by to 1.3% year-on-year, up from September's 0.6%. Food sales slowed to their lowest since the onset of the pandemic, growing 1.5% year-on-year, and Non-Food sales slowed down to 1.8%. Non-Food sales were helped by early purchases of Christmas-related goods, as shoppers attempt to avoid disappointments in light of stock shortages.

The other stumbling block to the recovery is labour shortages. The labour market improved yet again in Q3, with employment rising to 75.4% and unemployment to 4.3%. The single month estimate for unemployment in September stands at 4.0%, the same rate as in February 2020. The driver behind these figures is a record number of people moving into work combined with record job-to-job moves: nearly three quarters of a million people a month started a new job between July and September.

Despite this, vacancies have reached a record figure of 1.17mill in the three months to October and show little signs of slowing. Vacancies are above pre-crisis levels in every sector, with health, social care, hospitality and "professional" jobs leading the way. Retail saw 5,000 more vacancies than 2 years ago, or 6% more. The industry is confronted with shortages of drivers, warehouse workers, workers willing to work unsocial hours, and of highly skilled employees in the digital field.

And the inactivity rate remains stubbornly high. Over the last twelve months it seems that economic inactivity has been driven by increasing levels of ill-health among those out of work and more people exiting entirely to retirement. While student numbers have edged down and inactivity for 'other' reasons has fallen. This is troublesome, as it's not clear how public policy could create incentives to pull people out of early retirement or that could reverse long-term illnesses.

In sum, the current economic environment could be described by a steady economic rebound, balanced against both a relatively tight labour market and rising price pressures. The future outlook is highly uncertain as headwinds seem to pick up speed. Fresh restrictions or changes in behaviours due to the new variant might dampen consumer spend and business investment. And future higher rates will mean higher borrowing costs, further weakening spend in the economy. Moreover, a short-term fix for labour shortages is not obvious, so they will persist.

Dr. Liliana Danila, Economist

PROJECTIONS FOR 2021 UK GDP GROWTH

Bank of England (Nov Forecast)

7.0%

NIESR (Nov Forecast)

6.9%

IMF (Oct Forecast)

6.4%

COVID-19 IMPACT

UK AND RETAIL FURLOUGHS

- The Coronavirus Job Retention Scheme, the Government's flagship program to support employees and businesses to weather the pandemic, came to an end in September. Still, on September 30th, 1.1mill employees in the UK were still on furlough, 180,000 fewer than on August 31st.
- Of those, 80,000 workers were in the retail industry, or 2.7% of the retail workforce.

WHOLESALE AND RETAIL ONLINE JOB ADS

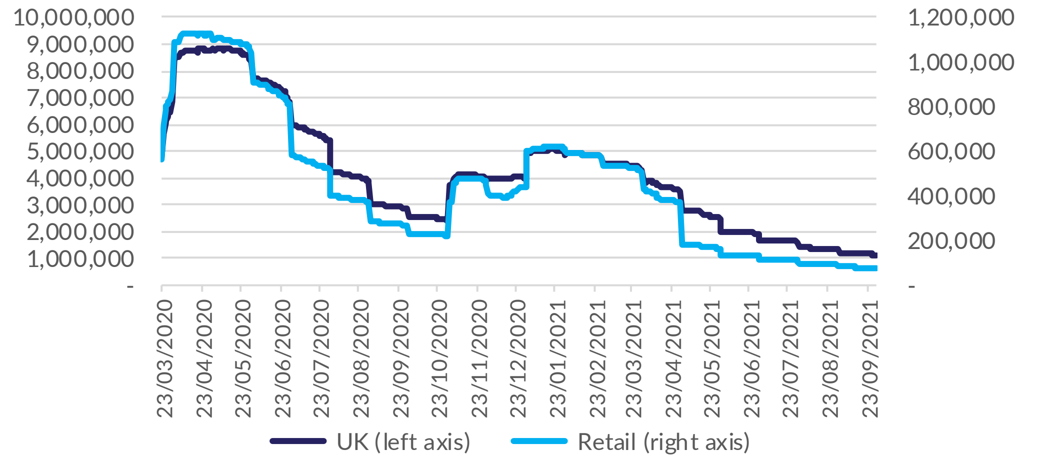
- The total volume of online adverts in Wholesales and Retail were 50% higher in November (up to 19/11) compared to November 2019, and 3% higher on October. The volume of online adverts was 90% above the level of February 2020.
- The total volume of online job adverts on 19 November 2021 was unchanged from the previous week at 144% of its February 2020 average level; the highest level of job adverts relative to its February 2020 level continues to be in "transport, logistics and warehouse" at 382%, while the largest weekly increase was in the "travel and tourism" category, rising by 11%.

SPENDING ON DEBIT AND CREDIT CARDS

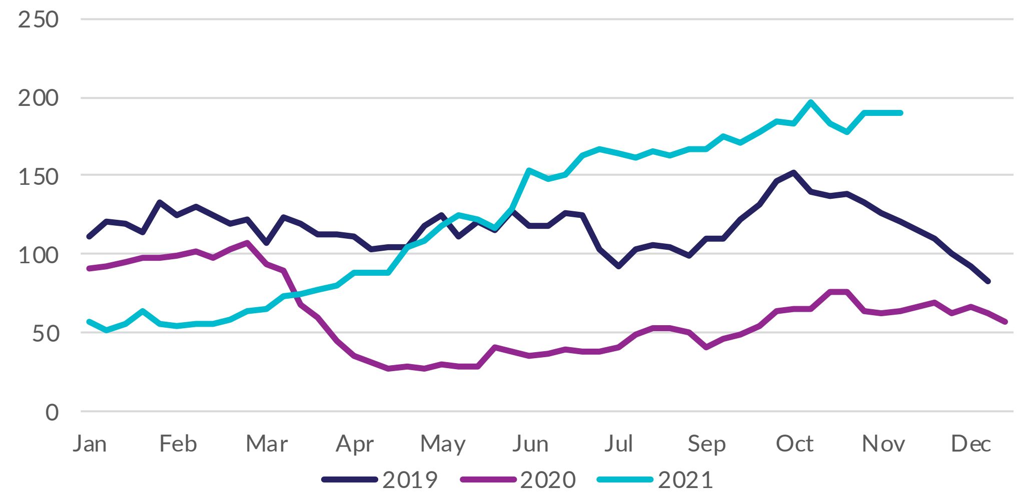
- In the first two weeks of November, the aggregate CHAPS-based indicator of credit and debit card purchases rose to 102.8% of its February 2020 average.
- Compared to February 2020, Delayable spending was 1.5% higher than its February 2020 level, Social 6% below, Staples 8.9% higher%, and work-related spending at 18.2% higher.

Source: ONS.

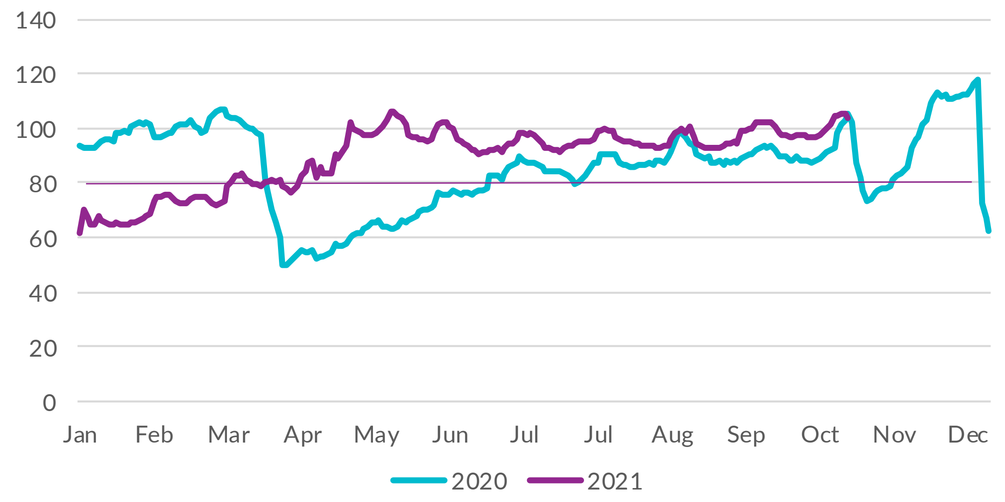
UK AND RETAIL FURLOUGHS



WHOLESALE AND RETAIL ONLINE JOB ADS, Feb-20= 100, ADZUNA



SPENDING ON DEBIT AND CREDIT CARDS, FEB 2020 = 100



SUMMARY

Total spending on debit and credit cards

103%

of Feb-20 level

In November, Social spending was 6% below its February 2020 level.

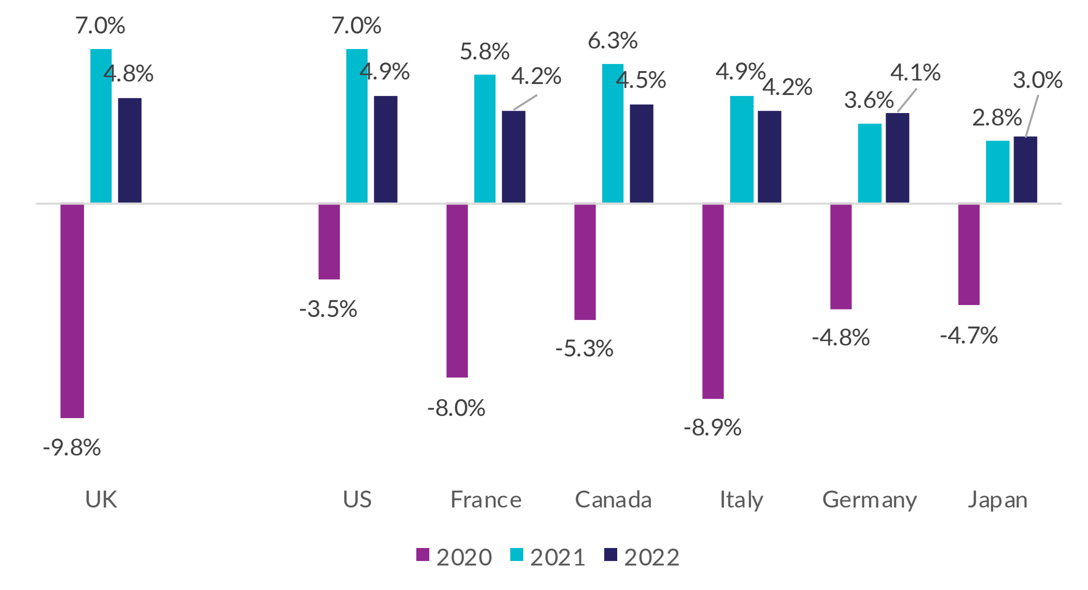
GLOBAL BOTTLENECKS, GLOBAL INFLATION

The growth in the global economy is threatened by the Delta variant and supply bottlenecks. The chip shortage has worsened as infections are rising in South-Asia, with the three largest car producers announcing fresh disruptions to their assembly lines. And adding to the months-long containers shortages and a lack of berths in ports, now a lack of ships is adding pressures to global logistics. These are likely to stall growth, as the global demand for durable goods shows little signs of slowing.

The US economy grew by 6.6% on an annualised basis in Q2, up from 6.3% in Q1, driven by a rise in consumer spend. But momentum appears to have slowed in early Q3 amid a resurgence of infections. Credit card data suggests spending on services like airfares, cruises as well as hotels has been slowing. In addition, consumer confidence has dropped sharply in August to its lowest level since February.

The Eurozone economy expanded by 13.6% in Q2, up from -1.6% in Q1 and ending a 5-quarter period of contraction. Germany's economy grew by 1.6% (from -2.0% in Q1), France's by 1.1% (up from 0.0% in Q1), Italy's by 2.7% (up from 0.2% in Q1) and Spain's by 2.8% (up from -0.4% in Q1). The IHS Markit August Eurozone PMI shows Eurozone business activity has expanded at nearly its fastest pace for 15 years, just slightly below its 15-year high recorded in July. This signals that the bloc is on course for strong Q3 growth. However, shortages of material and components weighed on factory production and driving businesses' costs at some of the fastest rates seen for 20 years.

GDP GROWTH, JULY FORECASTS



Source: IMF, The World Economic Outlook.

Inflation is on the rise globally, as the world economy rebounds from the impact of the pandemic, increasing pressure on central banks to start winding back the monetary stimulus launched at the beginning of the pandemic. Higher energy prices and supply chain bottlenecks, from labour shortages in hospitality to a shortage of semiconductors and shipping containers have triggered rapid rises in prices in many economies. The Fed had already announced that it would start scaling back its asset purchases this year.

US inflation steadied at 5.4% in July, a 13-year high. The Fed believes these rises to be temporary. However, inflationary pressures have broadened to impact air fares and other travel, housing costs and personal services. And the current administration's $3.5tn budget plan has led to a fresh debate about the potential inflationary effects of increased public spending at a time when US consumer prices are rising rapidly.

Inflation in the eurozone has risen to its highest level since November 2011, increasing pressure on the European Central Bank to slow the pace of its bond purchases. The economic recovery pushed August prices up by 3.0% compared to a year ago, above expectations. Energy prices were 15.4% higher on the year, food alcohol and tobacco prices rose 2.0% and industrial goods prices increased 2.7%. It's expected inflation would slow next year, as these temporary pressures would subside.

Dr. Liliana Danila, Economist

2021 PROJECTED GROWTH – IMF (JULY)

UK
7.0%

US
7.0%

FRANCE
5.8%

GERMANY
3.6%

JAPAN
2.8%

MENU

EXEC SUMMARY
UK ECONOMY
UK – COVID-19 IMPACT
WORLD ECONOMY
RETAIL SALES
BRC vs ONS
ONS
CBI TRADES SURVEY
CUSTOMER TRAFFIC
BRC–SENSORMATIC IQ FOOTFALL
IPSOS FOOTFALL
CONFIDENCE P1, P2
INFLATION P1, P2, P3, P4
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CREDIT & HOUSING
EXCHANGE RATES
WEATHER
FORECASTS
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RETAIL GETS BACK ON TRACK AHEAD OF CHRISTMAS

Retail sales growth accelerated in October, increasing to 1.3% on a Total basis year-on-year, from September's meagre 0.6%. While this rate was still below the strong figures seen over the summer, it was still an encouraging result ahead of the Christmas period as the comparable month from last year was boosted by the looming November 'firebreak' that had consumers rushing to the shops ahead of their closure. Also, there has been a considerable squeeze on consumer spending as the year has gone on, due to rising costs of living for many.

On a three-month basis, Food sales slowed to its lowest rate since the onset of the pandemic, with 1.5% growth year-on-year. However, it was reported that items intended for Christmas gifts started to see a significant increase in demand. On the other side of the consumer spending equation, Non-Food sales also saw a slowdown from the strong growth rates seen during the summer, with only 1.8% growth year-on-year. This was primarily a consequence of the strong comparable month from last year, as described above, however, in a similar fashion to Food sales, Christmas related goods were said to sell well earlier in the season than would be considered normal pre-pandemic. This resulted in a similar pattern to the sales seen last year but brought on by different motivations for consumers. Last year, consumers were forced to bring spending forward due to the upcoming store closures, whereas this time around the threat of stock shortages has driven consumers to get more organised to avoid disappointment.

Within Non-Food, the change of season continued to encourage spending on Clothing and other fashion-related items. This particularly came to the benefit of formal dresses, as festive social calendars began to fill up and people continued to return to office-based working. The aforementioned stock problems had a negative impact on other categories, that primarily source goods from the far east, with Furniture finding the conditions particularly challenging, while computing and gaming suffered due to the ongoing worldwide chipset shortage.

Online sales once again failed to keep pace with the stellar results posted last year, but this was expected given the reluctance of consumers to visit stores during the height of the pandemic. In contrast, stores saw growth against the same month last year, despite the rush on Christmas shopping seen last October, but remained below their pre-pandemic levels.

	Monthly		3m rolling avg LFL			3m rolling average total		
Date	LFL	Total	Food	Non-Food	Total	Food	Non-Food	Total
Oct-20	5.2	4.9	5.2	5.7	5.4	5.8	4.0	4.9
Nov	7.7	0.9	6.4	6.4	6.3	7.0	1.3	3.9
Dec	4.8	1.8	6.8	5.1	5.8	7.3	-1.5	2.5
Jan	7.1	-1.3	7.5	5.6	6.4	7.9	-5.6	0.6
Feb	9.5	1.0	7.6	6.6	7.0	7.9	-5.5	0.6
Mar	20.3	13.9	5.7	19.5	12.9	6.6	4.2	5.3
Apr	39.6	51.1	3.3	40.4	23.0	5.7	34.6	21.4
May	18.5	28.4	0.2	48.3	25.7	3.8	51.6	29.8
Jun	6.7	10.4	-0.2	38.8	20.5	3.2	49.6	28.4
Jul	4.7	6.4	0.8	17.6	9.7	2.9	24.6	14.7
Aug	1.5	3.0	1.9	6.8	4.5	2.9	10.3	6.9
Sep	-0.6	0.6	1.7	1.6	1.7	2.3	3.8	3.1
Oct-21	-0.2	1.3	0.9	-0.1	0.3	1.5	1.8	1.7

DATA & CHARTS

FIG 1 – RSM vs RSI 3 month rolling average

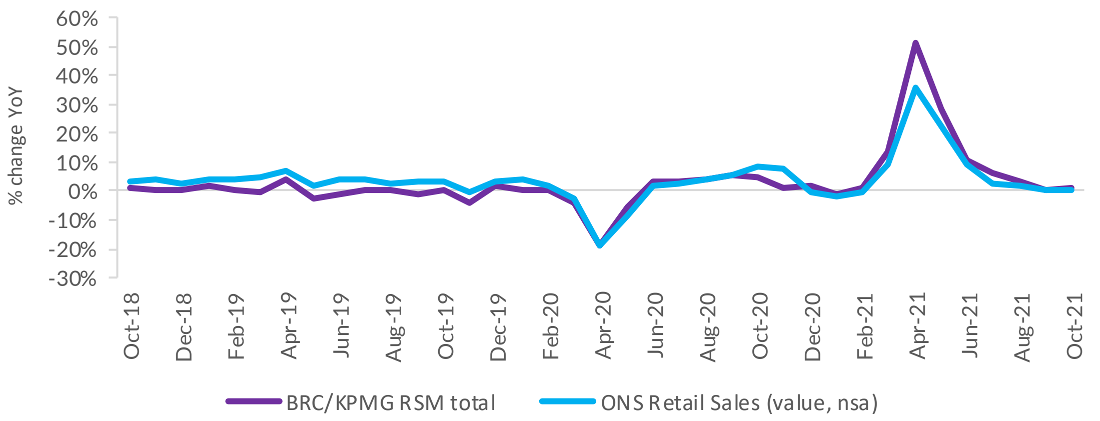


FIG 2 – RSM vs RSI food sales

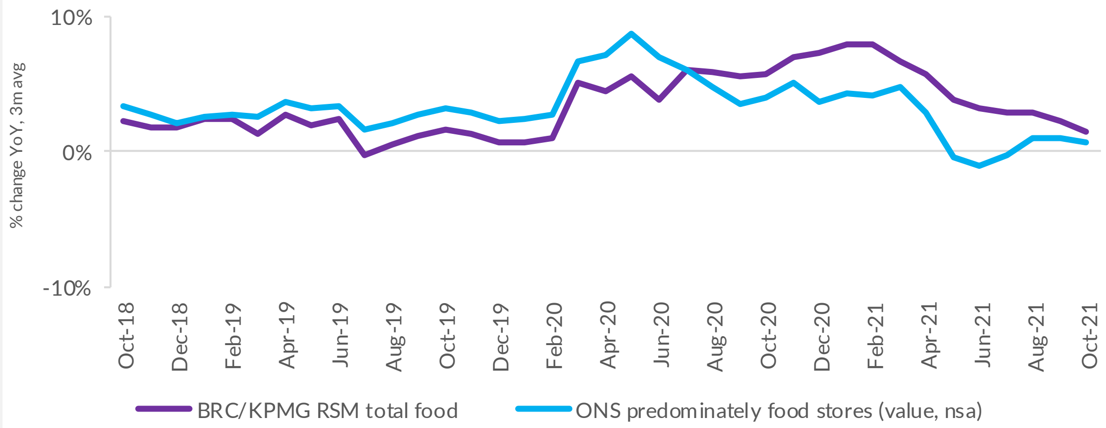
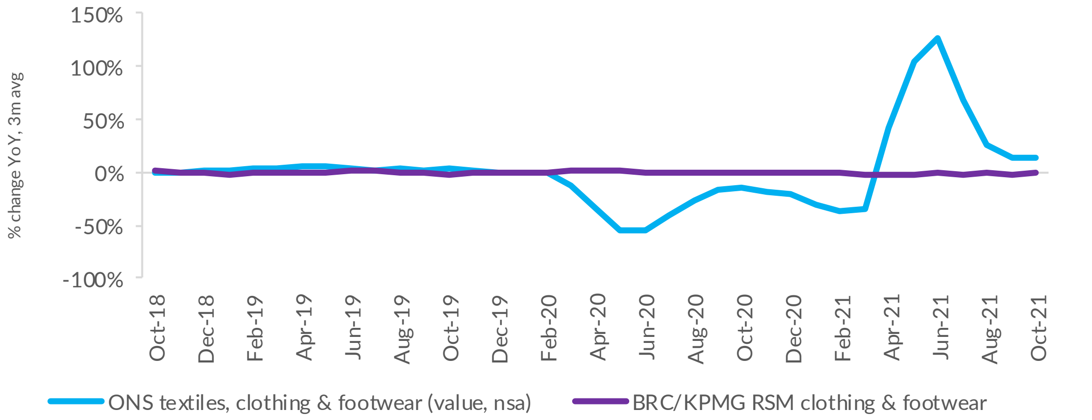


FIG 3 – RSM vs RSI clothing & footwear



SUMMARY OCTOBER

Retail Sales

1.3%

Up from 0.6% in September.

Non-Food Sales

1.8%

Down from 3.8% in September.

Retail sales picked up in October, despite the rising costs of living.

BRC INSIGHT

ONS & BRC SALES GROWTH – VALUE TERMS

% change on year ago	RSI sales	RSM Sales	RSM LFL
Aug-21	1.8	3.0	1.5
Sep-21	0.7	0.6	-0.6
Oct-21	0.7	1.3	-0.2

Source: ONS RSI & BRC RSM

ONS RETAIL SALES GROWTH – VALUE TERMS

M-Y	All (excl. fuel)	Predom. food stores	Depart. stores	Textiles, cloth. & footwear	Household goods	Oth. non-food	Non-store retailing
Oct-20	8.6	3.9	1.2	-13.1	18.3	8.6	42.8
Nov	7.4	7.4	2.9	-32.0	16.5	-2.1	49.0
Dec	-0.7	0.6	-9.9	-17.7	5.1	-4.8	22.6
Jan	-2.1	5.9	-17.2	-47.3	-8.9	-24.5	49.7
Feb	-0.7	6.8	-3.7	-52.3	5.0	-28.5	45.6
Mar	9.5	2.2	1.3	-11.6	22.9	11.0	44.3
Apr	36.1	-0.3	35.6	204.0	154.2	154.0	26.2
May	22.4	-3.8	15.3	150.5	85.1	113.9	0.0
Jun	8.9	0.7	4.7	44.8	21.1	37.4	-9.4
Jul	2.7	2.2	0.7	17.5	7.0	4.9	-7.8
Aug	1.8	0.3	-1.3	11.0	3.3	9.5	-6.4
Sep	0.7	0.7	-0.2	10.8	-4.8	3.8	-4.9
Oct-21	0.7	0.8	-0.8	16.6	-6.3	8.7	-10.8

Source: ONS RSI

LARGE & SMALL RETAILERS

% change on year ago	ONS Large Retailers	ONS Small Retailers
Aug-21	3.8	-4.1
Sep-21	2.8	-5.7
Oct-21	2.1	-3.3

Source: ONS RSI

ONS SALES GROWTH – VOLUME TERMS

M-Y	All (excl. fuel)	Predom. food stores	Depart. stores	Textiles, cloth. & footwear	Household goods	Oth. non-food	Non-store retailing
Oct-20	1.6	-0.5	2.3	0.5	2.1	1.9	6.9
Nov	-3.4	2.1	-1.8	-19.7	-1.3	-11.7	-1.7
Dec	0.4	-3.1	-5.0	22.2	-1.6	1.8	1.1
Jan	-8.0	2.4	-12.2	-36.2	-18.8	-22.3	2.4
Feb	2.1	1.7	16.6	-6.8	16.7	-4.2	-1.7
Mar	3.9	1.4	4.3	16.5	3.5	13.9	0.1
Apr	9.0	-0.7	4.5	68.1	9.9	24.1	1.8
May	-2.1	-5.2	-6.3	-2.5	8.1	7.9	-5.5
Jun	-0.4	4.0	-2.2	-4.2	-9.9	2.6	-4.2
Jul	-3.1	-1.8	-1.6	-2.1	-5.9	-6.5	-2.8
Aug	-0.8	-1.4	-1.8	2.9	-1.3	0.8	-2.2
Sep	-0.4	0.5	2.8	1.3	-7.7	-0.2	-1.4
Oct-21	1.6	-0.3	0.6	6.2	-0.3	7.2	-0.4

Source: ONS RSI

ONS INTERNET SALES

M-Y	Av. Weekly value of all retail sales	Av. Weekly value of internet retail sales	Internet sales % YoY	Internet sales as a % of total sales
Oct-20	8261.8	2393.7	65.0	29.0
Nov	9011.4	3339.9	84.6	37.1
Dec	9629.1	3017.8	45.3	31.3
Jan	6712.7	2527.0	82.0	37.6
Feb	6893.8	2449.7	85.0	35.5
Mar	7560.3	2558.3	67.4	33.8
Apr	8124.7	2362.7	30.6	29.1
May	8216.4	2230.9	1.4	27.2
Jun	8208.7	2191.7	-7.1	26.7
Jul	8040.1	2083.1	-6.0	25.9
Aug	7785.4	2005.6	-2.9	25.8
Sep	7768.6	2017.7	-2.0	26.0
Oct-21	8321.7	2192.2	-8.4	26.3

Source: ONS RSI

SUMMARY OCTOBER

ONS Sales

0.7%

Unchanged from 0.7% in September.

Large retailers

2.1%

Down from 2.8% in September.

Smaller retailers continue to see lower sales on the year.

BRC INSIGHT

CBI COMMENTARY

“Retailers reported sales in November as good for the time of year and to the greatest extent since September 2015. The sub-sectors that saw the largest upward swing in balances for this question were clothing, department and ‘other normal goods’ stores (jewellery, flowers, homeware etc.) indicating that Christmas shopping activities are being brought forward this year. Sales are expected to remain above seasonal norms to broadly a similar extent next mouth.

“Retail stock levels in relation to expected sales were seen as broadly adequate for the first time since April in November, having hit a series of record lows during the previous six months. Stock adequacy for the distribution sector as a whole was still seen as too low, although to a lesser degree than at any time since May.

“Quarterly questions found that selling prices grew at the fastest pace since May 1990 in the year to November and are expected to increase at a broadly similar pace next month. Total employment grew in the year to November, the first time that headcount in the retail sector has risen since November 2016, with a similar rate of growth expected next month.

“Investment intentions for the year ahead grew strongly for the third consecutive quarter, albeit at a slightly slower pace than last quarter. Optimism in the sector also continued to rise, with the balance of retailers expecting an improvement in conditions over the next quarter the most positive November 2016.

“Meanwhile, wholesalers reported sales above seasonal norms to the greatest extent since January 2018, while motor traders reported sales as above seasonal norms for the eighth successive month, although to a lesser extent than in October. Wholesalers expect sales to remain good for the time of year next month, but motor traders’ expectations have turned negative, with sales tipped to be poor for the time of year.”

VOLUME OF SALES – REALISED AND EXPECTED

	Balance	Expected
Nov-20	-25	-26
Dec	-3	-2
Jan	-50	-33
Feb	-45	-47
Mar	-45	-62
Apr	+20	+17
May	+18	+10
Jun	+25	+16
Jul	+23	+46
Aug	+60	+29
Sep	+11	+39
Oct	+30	+29
Nov-21	+39	+35

Source: CBI Distributive Trades Survey

SUMMARY NOVEMBER

CBI Balance

39

Up from 30 in October.

CBI Expected

35

Up from 29 in October.

November retail stock levels in relation to expected sales were seen as broadly adequate for the first time since April.

CUSTOMER TRAFFIC – BRC-SENSORMATIC IQ FOOTFALL

BRC-SENSORMATIC IQ FOOTFALL MONITOR

Note: For meaningful comparisons to changes in footfall, all 2021 figures are compared with 2019 (pre-pandemic). This means our 2021 figures are now year-on-two-years (Yo2Y), rather than year-on-year (YoY). With many retail outlets bouncing between being opened and closed in 2020, comparison with 2020 would not provide any useful insight.

The UK's retail Footfall levels took a stronger step in the right direction in October, following last month's slowdown. Bolstered by half-term and Halloween, October represented the highest recovery point compared to pre-pandemic levels yet this year.

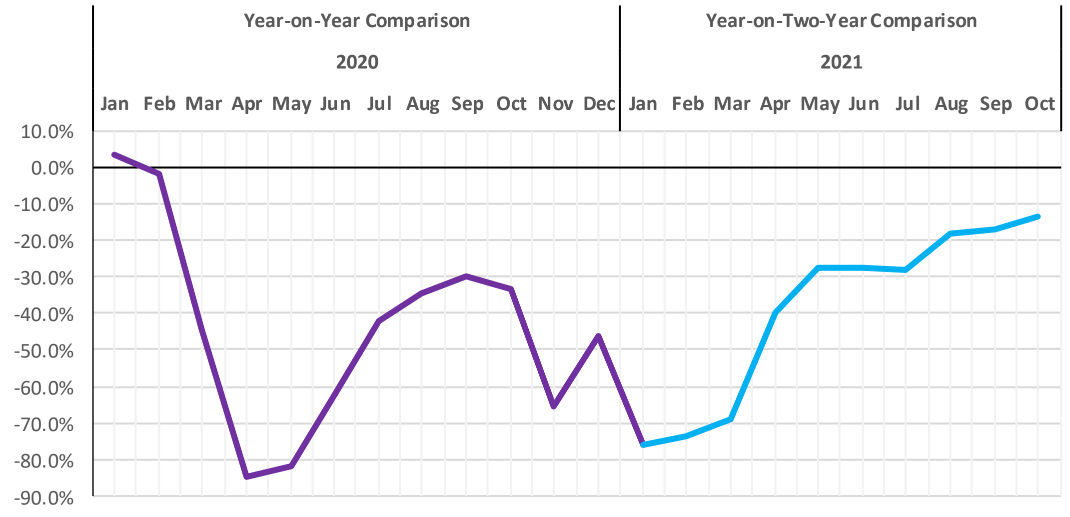
Total UK Footfall decreased by 13.7% in October (Yo2Y), with a 3.2 percentage point increase from September. This is above the 3-month average decline of 16.0%.

TOTAL FOOTFALL BY CITY (% Yo2Y)

GROWTH RANK	REGION	% GROWTH YOY
1	Portsmouth	-2.9%
2	Liverpool	-5.3%
3	Manchester	-6.2%
4	Belfast	-8.6%
5	Leeds	-9.0%
6	Nottingham	-9.5%
7	Cardiff	-10.5%
8	Bristol	-12.7%
9	Birmingham	-17.5%
10	Glasgow	-18.4%
11	London	-20.5%

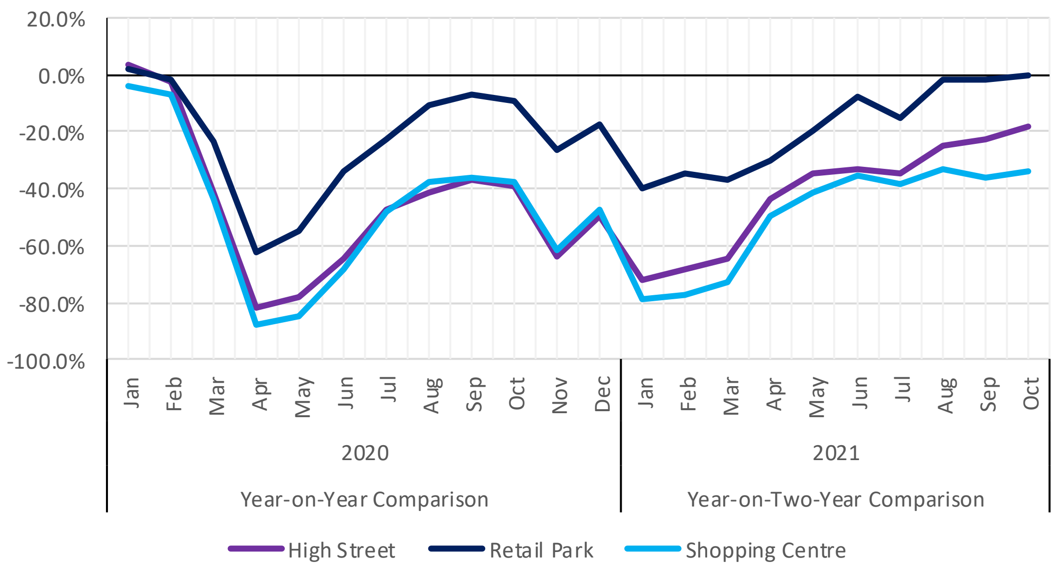
Source: BRC-Sensormatic IQ Footfall Monitor

TOTAL UK RETAIL FOOTFALL (% Yo2Y)



Source: BRC-Sensormatic IQ Footfall Monitor

TOTAL FOOTFALL BY DESTINATION (% Yo2Y)



Source: BRC-Sensormatic IQ Footfall Monitor

SUMMARY OCTOBER

UK Footfall YO2Y

-13.7%

Up from -16.9% in September.

UK Footfall 12-m average

-12.1%

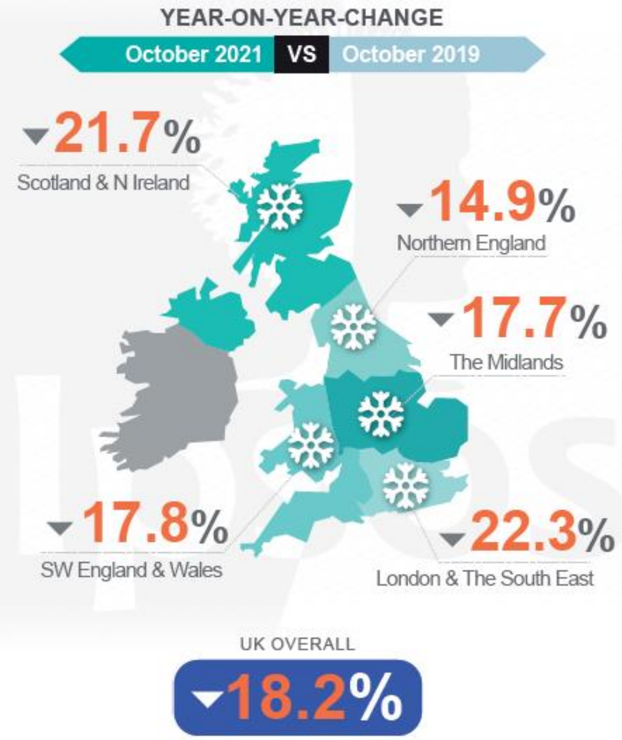
12-m average, above the 12-m average of -17.5% in September.

UK's footfall saw the strongest recovery in October, though it remains below pre-pandemic levels.

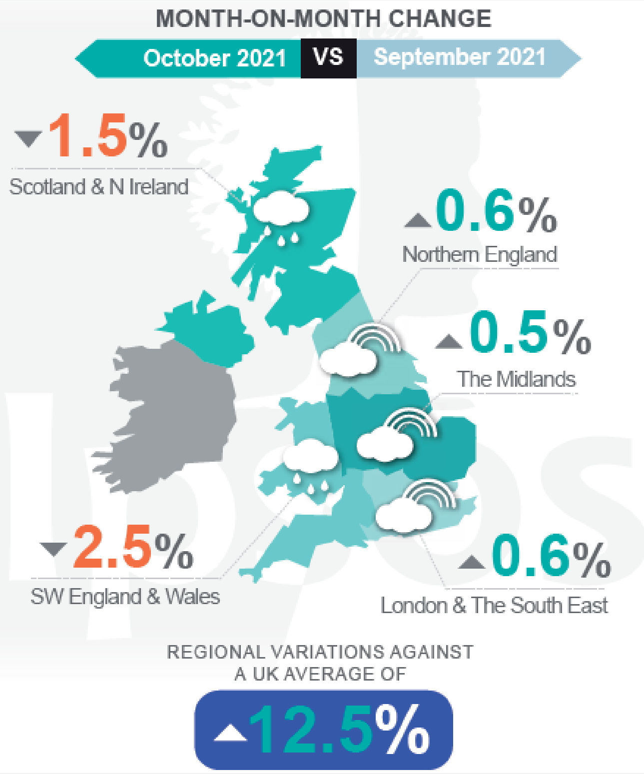
BRC INSIGHT

UK RETAIL TRAFFIC

Year-On-Year change:

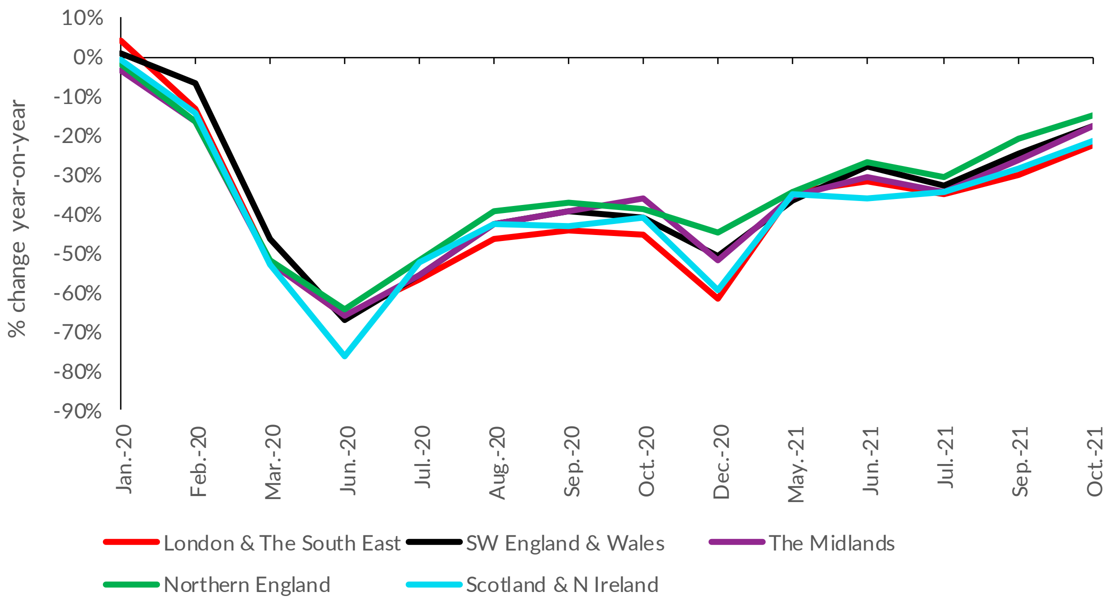


Month-On-Month change:



Source: IPSOS footfall data.

REGIONAL FOOTFALL



Please note:
Apr, May and Nov 2020 - UK data was not collected.
Jan, Feb and Mar 2021 - UK data was not collected.
Apr 2021 - Scotland and N Ireland data was not collected.
Aug 2021 - UK data was not collected.

REGIONAL FOOTFALL: OCT-21

% CHANGE ON YEAR AGO	
London & The South East	-22.3%
SW England & Wales	-17.8%
The Midlands	-17.7%
Northern England	-14.9%
Scotland & N Ireland	-21.7%
UK Average	-18.9%

Source: IPSOS footfall data (National)

SUMMARY OCTOBER

UK Footfall

-18.9%

Up from -26.2% in September.

BRC-KPMG
Non-Food sales

1.8%

3-m avg. in October, down from 3.8% in September.

Footfall recovery is the weakest in London & the SE.

CONSUMER CONFIDENCE (PAGE 1)

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BRC INSIGHT

GfK CONSUMER CONFIDENCE

“Headline consumer sentiment has ticked upwards this month despite decade-high inflation, fears of higher prices and worries over rising interest rates, and as the deepening cost-of-living squeeze leaves UK household finances worse off this winter.

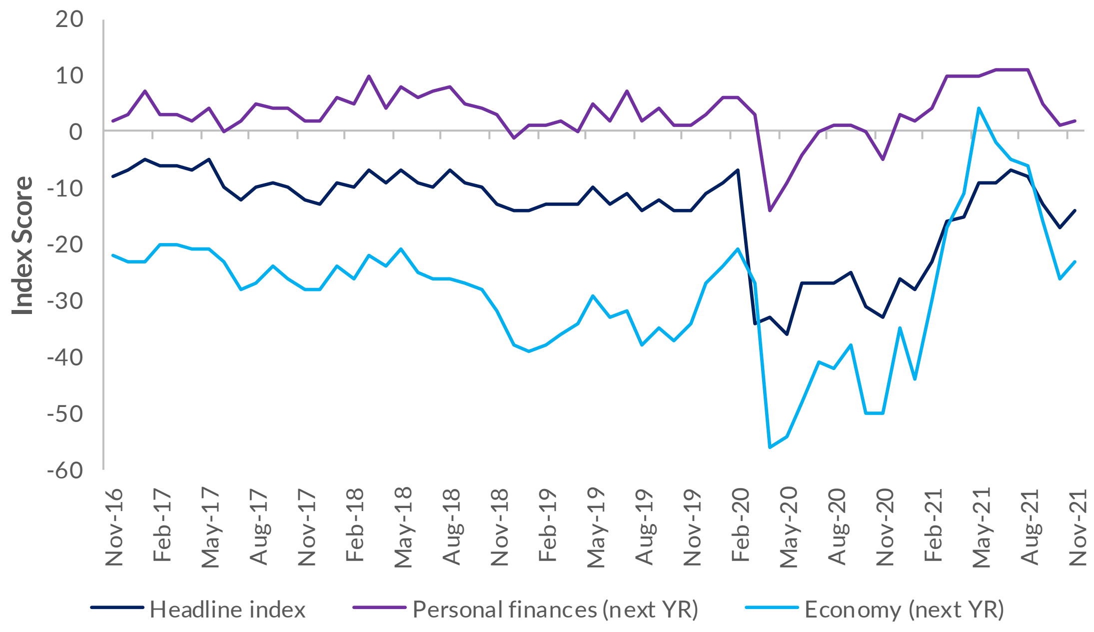
"The view on the general economic situation over the past year and year to come is better this month (up six points and three points respectively) but consumers are slightly less buoyant on their personal finances. This weakness is important as it reflects day-to-day plans to save or spend and is a strong driver of overall UK economic growth.

"However, one highlight for both physical and virtual retail is the seven-point jump in major purchase intentions in the run-up to Black Friday and Christmas. Is this a sign that shoppers are ready to bounce back, after last year’s cancelled family gatherings, with a Christmas splurge in coming weeks? That’s how it looks - but consumers also know that when the festivities are over it’s going to be a tough year in 2022.”

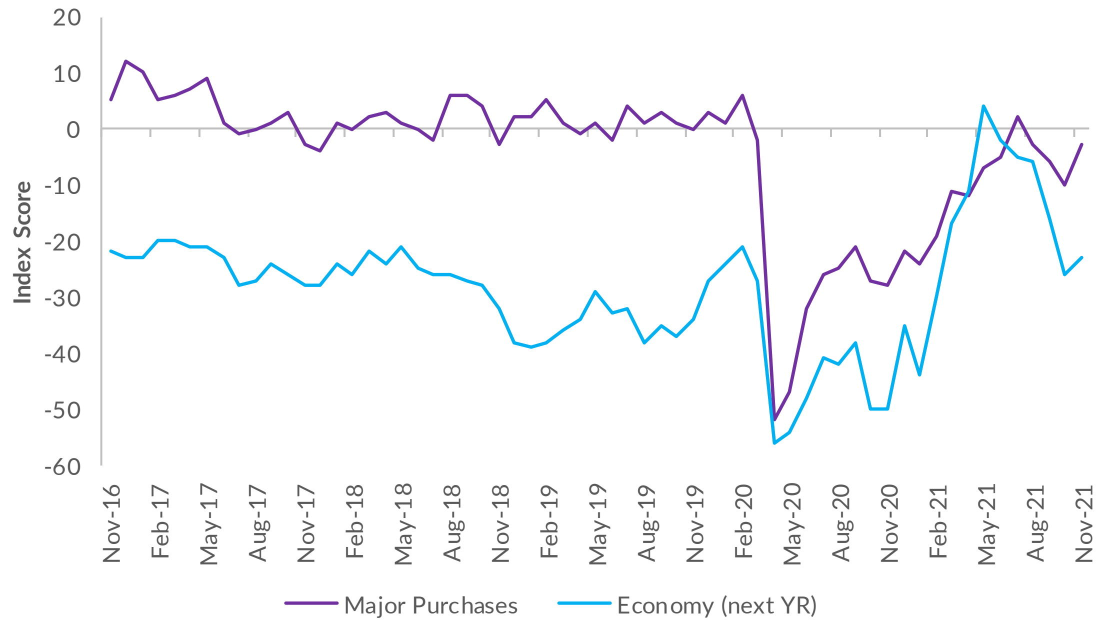
GFK NOP CONSUMER CONFIDENCE INDEX

	Headline index	Major Purchases	Future savings	Personal finances (past YR)	Personal finances (next YR)	Economy (past YR)	Economy (Next YR)
Nov-20	-33	-28	+21	-16	-5	-67	-50
Dec	-26	-22	+21	-9	3	-65	-35
Jan	-28	-24	+11	-8	+2	-67	-44
Feb	-23	-19	+19	-8	+4	-64	-30
Mar	-16	-11	+21	-2	+10	-60	-17
Apr	-15	-12	+22	-3	+10	-58	-11
May	-9	-7	+22	-4	+10	-48	4
Jun	-9	-5	+21	0	+11	-47	-2
Jul	-7	2	+20	-1	+11	-43	-5
Aug	-8	-3	+25	0	+11	-42	-6
Sep	-13	-6	+22	-4	+5	-43	-16
Oct	-17	-10	+22	-5	+1	-46	-26
Nov-21	-14	-3	+15	-7	2	-40	-23

LONG-TERM TRENDS



Source: GFK Consumer Confidence Index



Source: GFK Consumer Confidence Index

SUMMARY NOVEMBER

Headline GFK confidence

-14

Up from -17 in November.

Major Purchases confidence

-3

Up from -10 in October.

Major purchases intentions jumped ahead of Black Friday and Christmas, signalling shoppers are ready to spend despite inflationary pressures.

MENU

WHICH? CONSUMER INSIGHT TRACKER

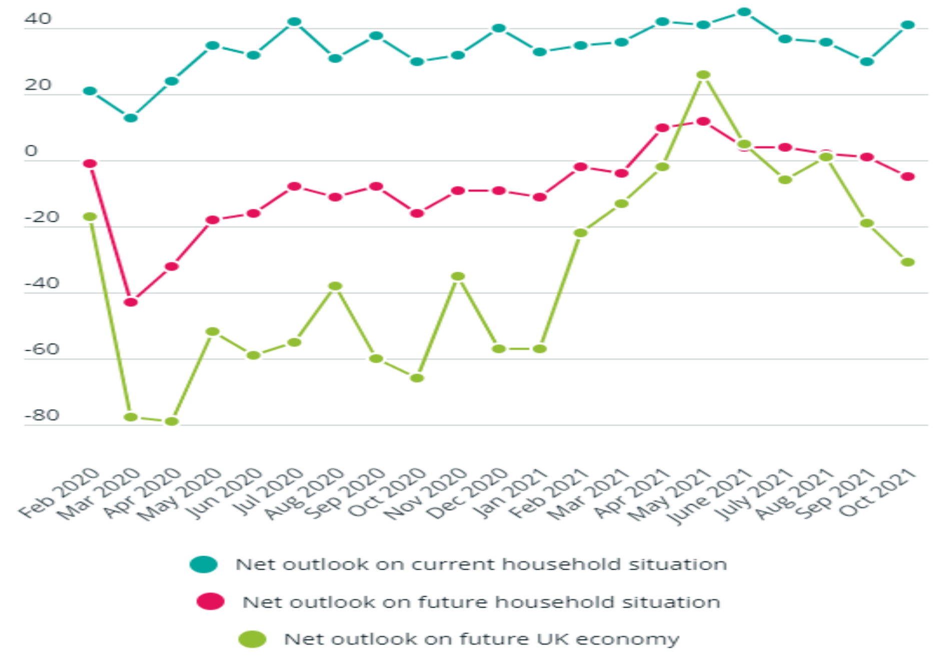
CONSUMER CONFIDENCE DROPPED IN OCTOBER

- Confidence in the future of the economy fell again in October, dropping to its lowest point since January of 2021.
- Confidence in the future of household finances also appears to be declining, albeit much less steeply than confidence in the economy. Confidence in future household finances was at -5 in October, with a slightly higher proportion thinking their situation will worsen than improve over the next year. Still, consumers are much less pessimistic than at the pandemic low of -43 in April of last year.
- Consumers have a much more optimistic outlook on their current household situation, with over half saying their situation is good and 13% saying their situation is poor. This stopped the downward trend of the previous three months.
- Declining confidence in the future economy and household finances may be attributable to high inflation rates, supply shortages and predicted increases in the cost of living over the coming months.

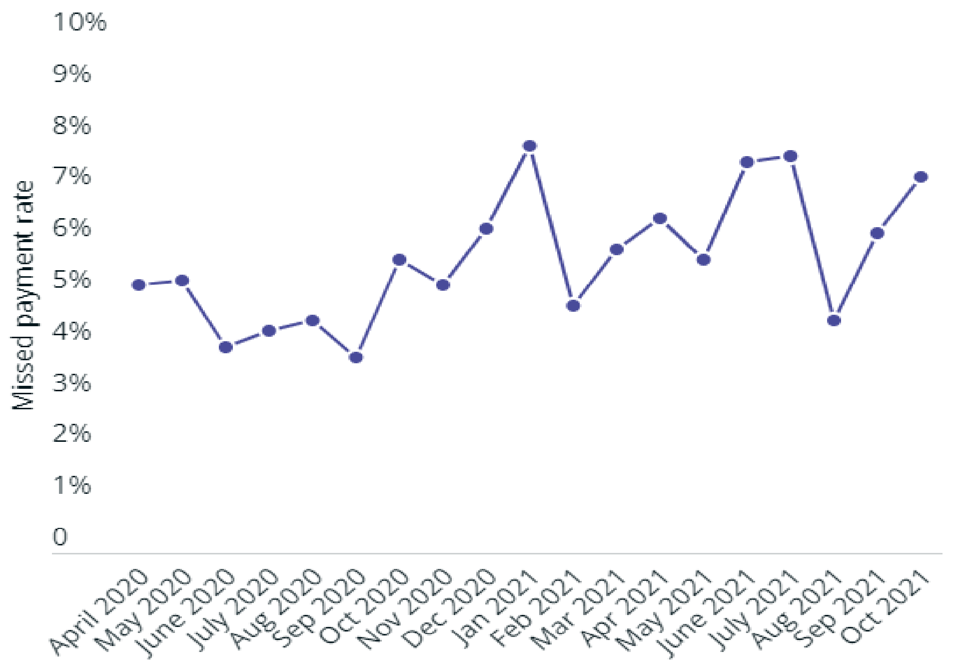
MISSED PAYMENT RATES ARE ON THE INCREASE

- The proportion of consumers who missed or defaulted on a payment in the last month increased slightly to 7.3%. This is one of the higher figures seen since the beginning of the pandemic (higher than the 5.7% seen this time last year) and comes at a time before the full impacts of cost-of-living increases have been felt by consumers. Other measures of financial difficulty remained consistent with previous months, with 44% having made one of a number of adjustments (e.g. using money from savings or borrowing) to cover essential spending.
- Just under 200 consumers in the survey sample said they currently receive universal credit payments. Of these, 29% also reported having missed a payment in the past month, several times higher than the 7.3% seen in the sample as a whole.
- Since the uplift to universal credit ended just two weeks ago, the full effect is unlikely to have been felt among this group and this missed payment rate reflects pre-existing higher levels of financial difficulty. Not only that, increases in the cost of living, particularly energy prices, will continue to bite over the coming months. Work by the Resolution Foundation highlights the disproportionate impact this will have on low-income households, who spend a greater proportion of their budget on energy compared to higher income households.

CONFIDENCE IN THE FUTURE OF THE ECONOMY FELL AGAIN IN OCTOBER



MISSED PAYMENT RATE INCREASED AGAIN IN OCTOBER



Source: Which? Consumer Insight Tracker October 2021. Data is collected via online poll for approximately 2,000 respondents each wave. Results are weighted to be nationally representative

SUMMARY OCTOBER

Outlook on future of the UK economy

-31

Down from -19 in September.

Outlook on future household situation

-5

Down from 1 in September.

Confidence in the future of the economy dropped to its lowest since January.

BRC INSIGHT

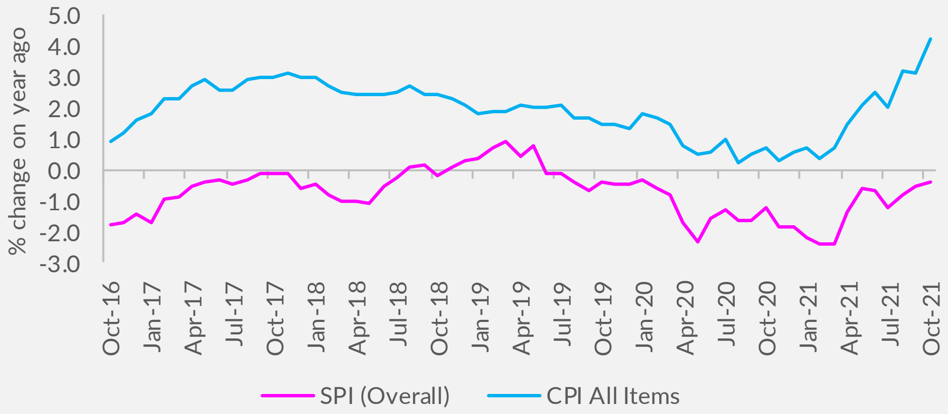
INFLATION (PAGE 1)

BRC - NIELSENIQ SHOP PRICE INDEX

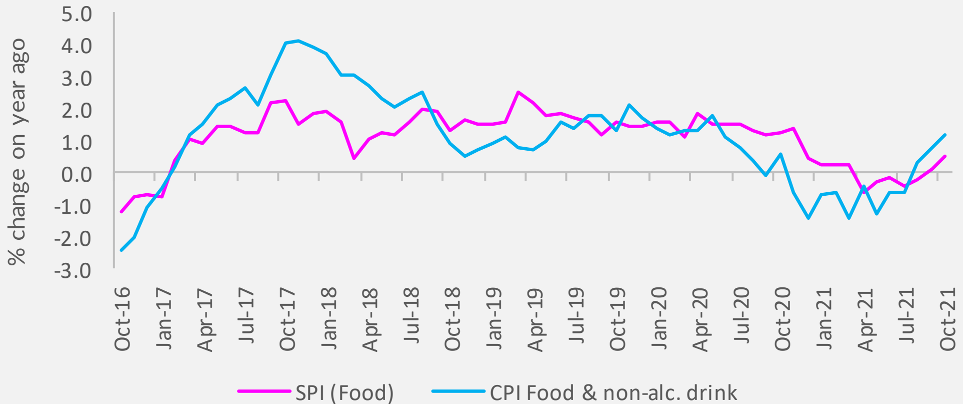
	Overall	Food	Non-food
Oct -21	-1.2	1.2	-2.7
Nov	-1.8	1.3	-3.7
Dec	-1.8	0.4	-3.2
Jan	-2.2	0.2	-3.6
Feb	-2.4	0.2	-3.9
Mar	-2.4	0.3	-4.0
Apr	-1.3	-0.6	-1.7
May	-0.6	-0.3	-0.8
Jun	-0.7	-0.2	-1.0
Jul	-1.2	-0.4	-1.8
Aug	-0.8	-0.2	-1.2
Sep	-0.5	0.1	-1.0
Oct-21	-0.4	0.5	-1.0

Source: BRC - NielsenIQ Shop Price Index (Read full report)

BRC - NIELSENIQ SPI & ONS CPI (ALL)



BRC- NIELSENIQ SPI (FOOD) & ONS CPI (FOOD & DRINK)

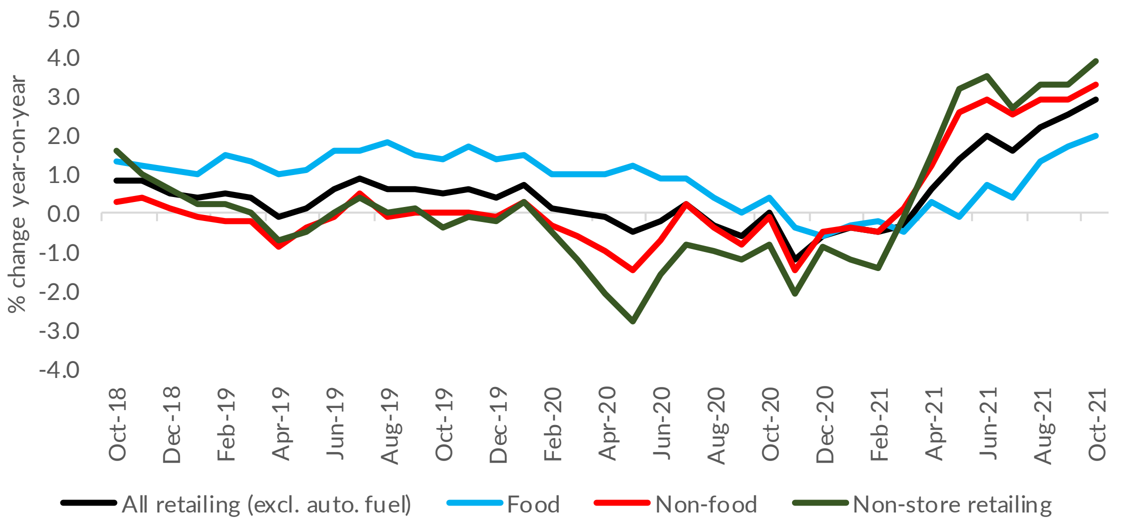


ONS RETAIL SALES IMPLIED DEFLATORS

% change in prices, year-on-year	All retailing (excl. auto. fuel)	Food	All Non-food	Textiles, clothing and footwear	Household goods	Non-store retailing
Oct-20	0.5	0.3	0.6	1.9	-0.6	0.5
Nov	-0.6	-0.3	-0.8	-2.1	0.0	-0.7
Dec	0.3	-0.2	0.5	0.1	1.6	0.6
Jan	-0.5	0.7	-1.5	-3.9	-1.3	-1.6
Feb	0.4	0.3	0.5	-1.1	1.5	0.4
Mar	0.2	-0.3	0.6	1.3	0.4	0.7
Apr	0.1	0.5	-0.2	1.9	-0.5	-0.2
May	1.0	0.0	1.6	1.9	1.5	1.8
Jun	0.6	0.5	0.6	0.7	1.5	0.9
Jul	-0.7	-0.4	-0.8	-1.7	-0.5	-0.9
Aug	0.8	0.8	0.7	0.3	1.2	0.9
Sep	0.5	0.0	1.0	1.8	1.6	0.9
Oct-21	0.9	0.6	1.0	1.4	0.8	1.1

Source: ONS Implied deflators (%YoY)

IMPLIED DEFLATORS – YoY SERIES



Source: ONS Implied deflators (%YoY)

SUMMARY OCTOBER

SPI Inflation

-0.4%

up from -0.5% in Sep.

SPI Food Inflation

0.5%

Up from 0.1% in Sep.

October Food inflation was the highest since November 2020.

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ONS CONSUMER PRICE INDEX (CPI)

HEADLINE FIGURES, %, YOY

	CPI	Retail Price Index, all items (RPI)	All Items excl. mortgage interest payments (RPIX)
Oct-20	0.7	1.3	1.5
Nov	0.3	0.9	1.1
Dec	0.6	1.2	1.4
Jan	0.7	1.4	1.6
Feb	0.4	1.4	1.6
Mar	0.7	1.5	1.6
Apr	1.5	2.9	3.2
May	2.1	3.3	3.4
Jun	2.5	3.9	3.9
Jul	2.0	3.8	3.9
Aug	3.2	4.8	4.9
Sep	3.1	4.9	5.0
Oct-21	4.2	6.0	6.1

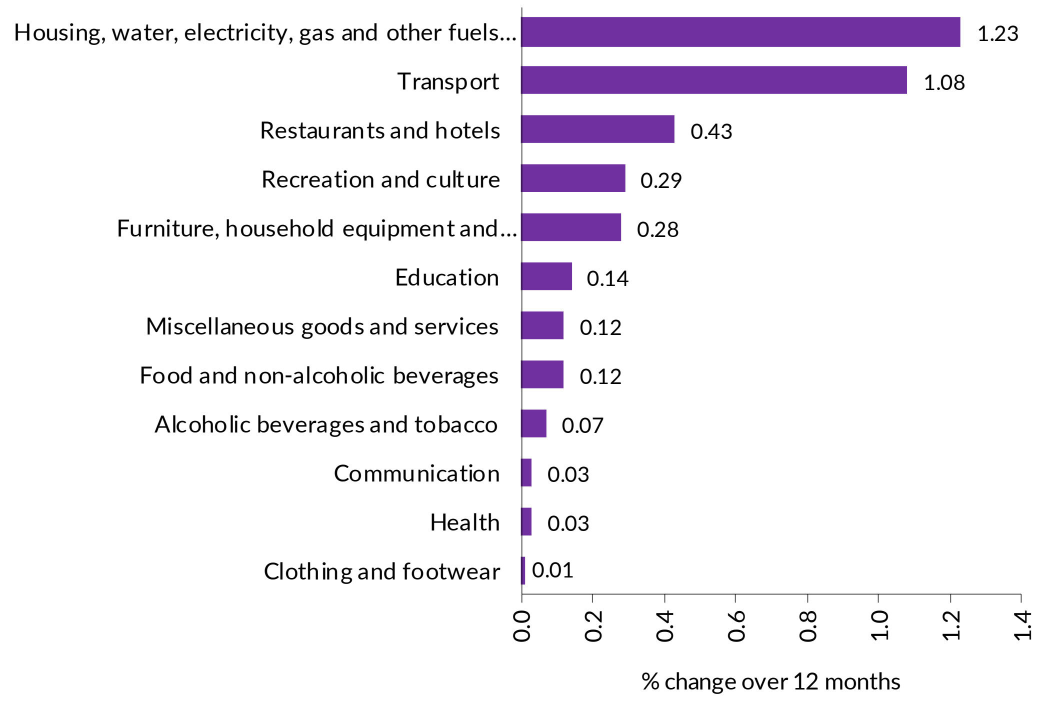
Source: ONS.

CATEGORY FIGURES, %, YOY

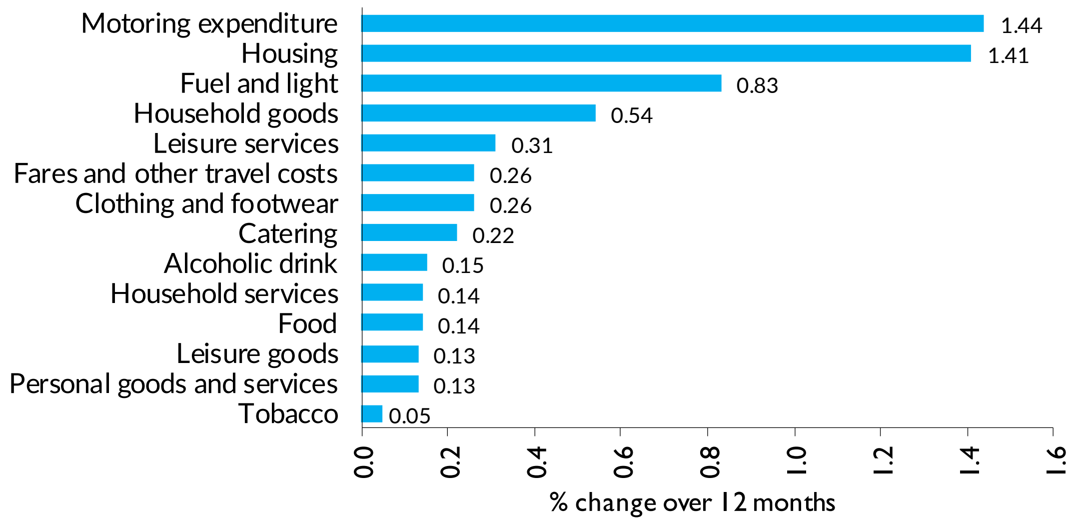
	Food & non-alcoholic beverages	Clothing & Footwear	Housing & household services	Furniture & household goods	Transport	Restaurants & hotels
Oct-20	0.6	0.0	-1.3	0.1	1.2	-0.5
Nov	-0.6	-3.6	-1.4	-0.3	1.0	0.4
Dec	-1.4	-1.8	-1.3	-0.7	1.9	0.1
Jan	-0.7	-3.4	-1.2	1.0	2.1	1.1
Feb	-0.6	-5.7	-1.1	0.8	2.4	0.9
Mar	-1.4	-3.9	-0.9	1.5	3.7	1.0
Apr	-0.4	0.1	1.7	2.7	4.8	1.0
May	-1.3	2.1	1.8	2.8	6.3	1.8
Jun	-0.6	3.0	1.8	3.3	7.2	2.5
Jul	-0.6	1.7	1.7	2.9	7.7	2.2
Aug	0.3	1.3	1.8	3.7	7.8	8.6
Sep	0.8	0.6	1.9	4.5	8.4	5.1
Oct-21	1.2	-0.4	6.8	5.7	9.9	6.3

Source: ONS.

CPIH: CONTRIBUTIONS TO THE ANNUAL RATE



RPI: CONTRIBUTIONS TO THE ANNUAL RATE



SUMMARY OCTOBER

CPI

4.2%

Up from 3.1% in September.

CPI Food

1.2%

Up from 0.8% in September.

October's Consumer Price Inflation was at the highest in a decade.

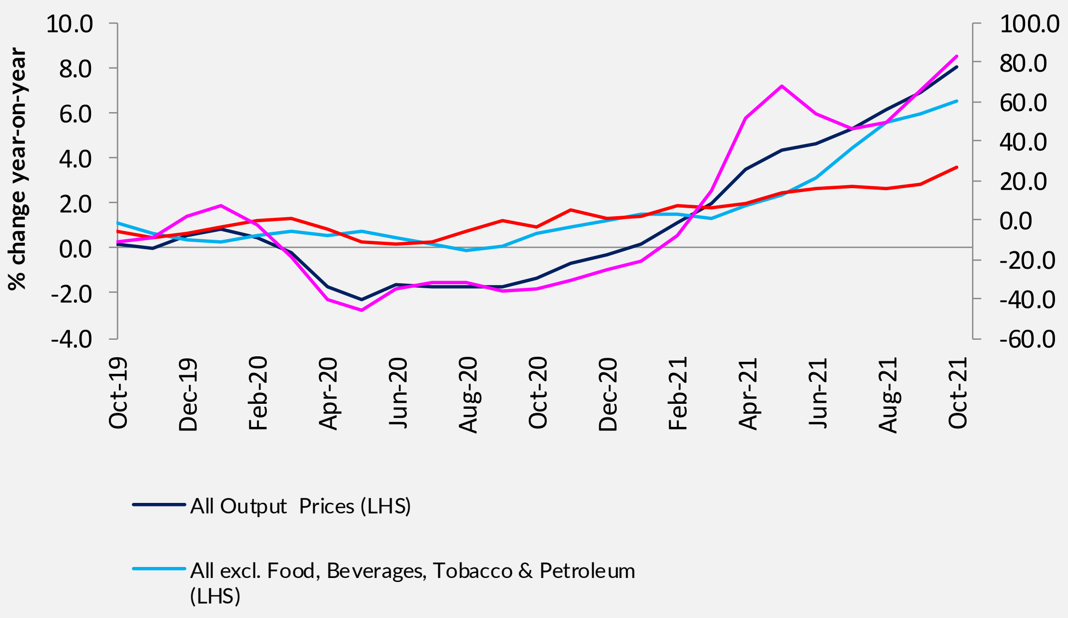
BRC INSIGHT

PPI OUTPUT PRICES

	All Output Prices	All excl. Food, Beverages, Tobacco & Petroleum	Food Products, beverages and tobacco	Coke and refined petroleum products
Oct	-1.4	0.6	1.0	-35.0
Nov	-0.6	0.9	1.7	-30.2
Dec	-0.3	1.2	1.3	-25.0
Jan	0.2	1.6	1.4	-21.1
Feb	1.1	1.6	1.9	-7.9
Mar	1.9	1.4	1.8	15.0
Apr	3.5	1.9	2.0	51.9
May	4.4	2.4	2.4	68.3
Jun	4.6	3.1	2.6	54.3
Jul	5.3	4.4	2.7	46.1
Aug	6.1	5.5	2.6	49.9
Sep	7.0	6.0	2.8	65.9
Oct-21	8.0	6.5	3.6	83.3

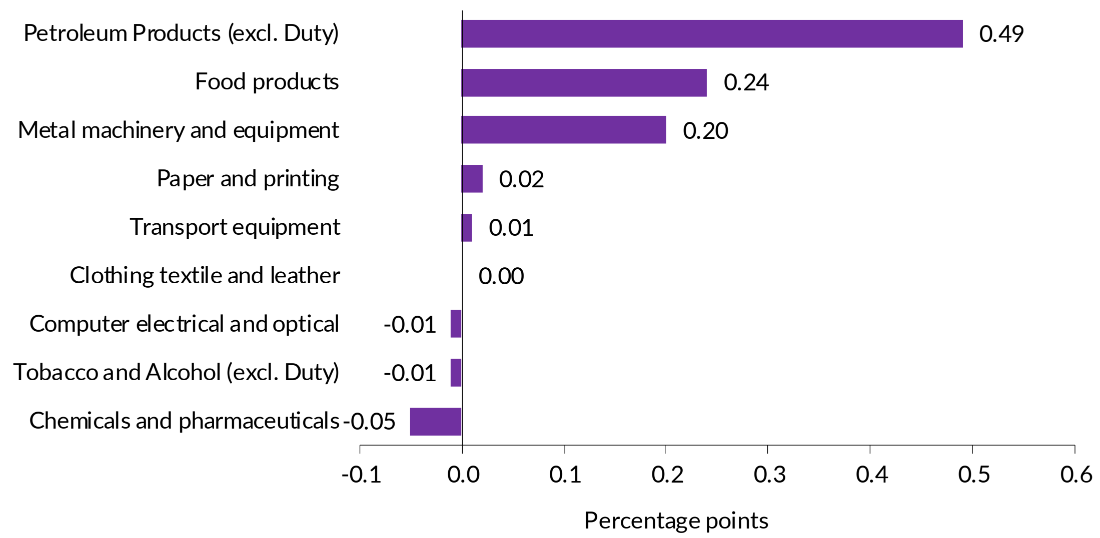
Source: ONS Producer Price Index – Output Prices

PPI OUTPUT PRICES



Source: ONS Producer Price Index – Output Prices

OUTPUT PPI, CONTRIBUTIONS TO THE 12-MONTH RATE



Source: ONS Producer Price Index.

The factory gate price (PPI output price) is the amount received by UK producers for the goods that they sell to the domestic market. It includes the margin that businesses make on goods, in addition to costs such as labour, raw materials and energy, as well as interest on loans, site or building maintenance, or rent.

SUMMARY OCTOBER

PPI- Output Inflation

8.0%

Up from 6.7% in September.

PPI- Food Inflation

3.6%

Up from 2.8% in September.

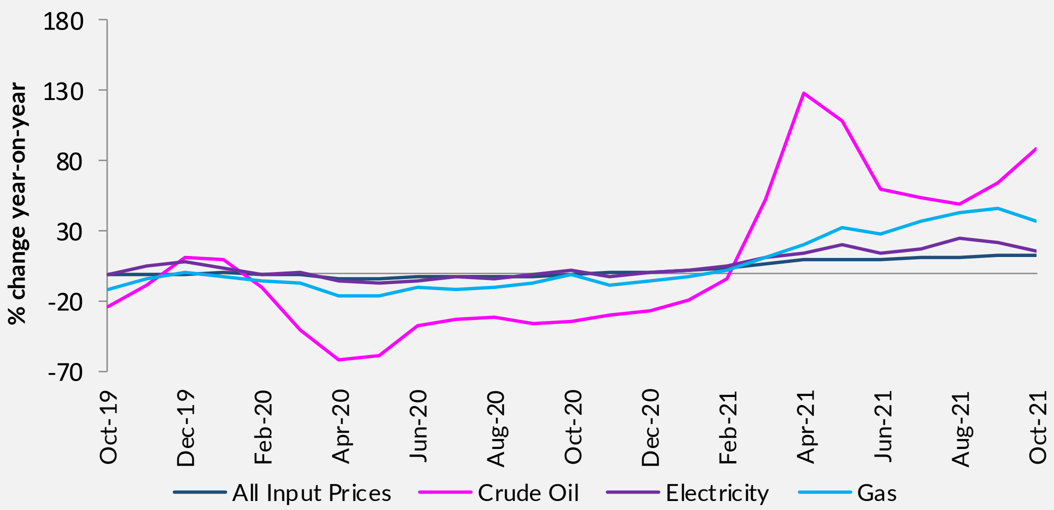
Output inflation continued to pick-up speed in October for the tenth consecutive month.

PPI INPUT PRICES

	All Input prices	Crude Oil	Electricity	Gas	Imported Food Materials	Home-produced Food Materials
Oct	-1.1	-33.9	1.6	-1.6	3.0	-3.7
Nov	-0.3	-30.6	-2.6	-7.9	3.3	-2.4
Dec	0.8	-27.0	0.6	-5.0	2.9	-1.4
Jan	1.9	-19.2	1.6	-1.8	1.2	-0.8
Feb	3.2	-3.4	5.3	2.0	-1.4	0.9
Mar	6.1	52.8	11.6	11.6	-3.4	3.2
Apr	9.6	128.4	13.9	20.7	-1.6	7.1
May	10.3	107.7	19.6	31.7	0.4	8.6
Jun	9.7	60.0	14.1	27.2	1.5	10.7
Jul	10.5	54.4	16.7	37.6	3.2	12.8
Aug	11.3	49.5	24.8	42.6	2.9	15.0
Sep	11.9	65.0	21.6	45.4	3.4	16.8
Oct-21	13.0	88.0	15.7	36.6	0.4	18.2

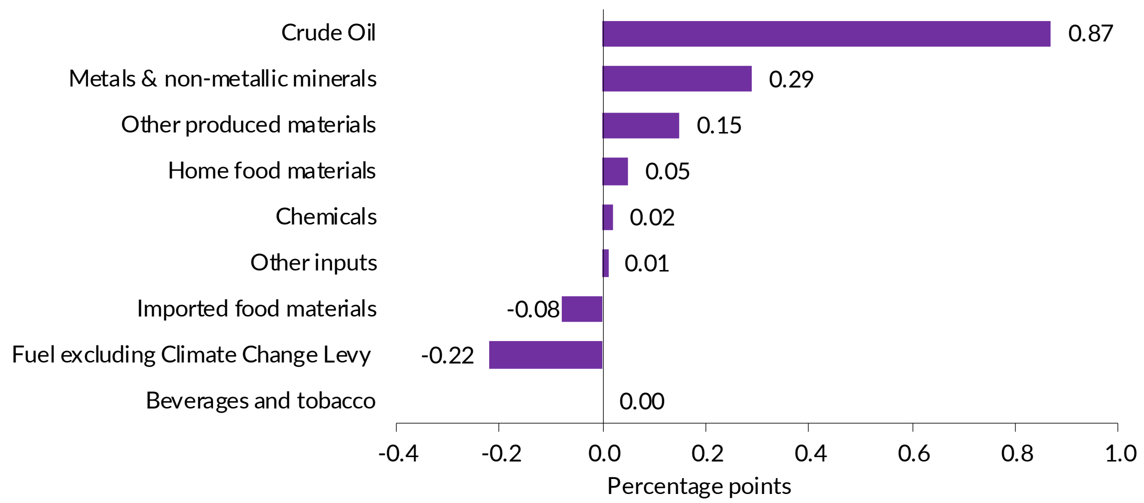
Source: ONS Producer Price Index

PPI INPUT PRICES



Source: ONS Producer Price Index

INPUT PPI, CONTRIBUTIONS TO THE CHANGE IN THE 12-MONTH RATE



Source: ONS Producer Price Index.

The PPI input price measures the price of materials and fuels bought by UK manufacturers for processing. It includes materials and fuels that are both imported or sourced within the domestic market. It is not limited to materials used in the final product but includes what is required by businesses in their normal day-to-day running, such as fuels.

SUMMARY OCTOBER

PPI - Input Inflation

13.0%

Up from 11.9% in September.

Electricity Inflation

15.7%

Down from 21.6% in September.

Input inflation accelerated in October.

BRC INSIGHT

UK EMPLOYMENT

In the three months to September 2021:

- Estimates show a continuing recovery in the labour market, with a quarterly increase in the employment rate, while the unemployment rate decreased, and the economic inactivity rate was largely unchanged.
- Total hours worked increased on the quarter with the relaxation of many coronavirus (COVID-19) restrictions.
- The UK employment rate was estimated at 75.4%, 1.1 percentage points lower than before the coronavirus pandemic (December 2019 to February 2020), but 0.4 percentage points higher than the previous quarter (April to June 2021).
- The UK unemployment rate was estimated at 4.3%, 0.3 percentage points higher than before the pandemic, but 0.5 percentage points lower than the previous quarter.
- The UK economic inactivity rate was estimated at 21.1%, 0.9 percentage points higher than before the pandemic, but largely unchanged on the quarter.

LABOUR FORCE SURVEY

	Claimant Count		Unemployment	
	'000s	% rate	'000s	% rate
Oct-20	2598.6	6.5	1719	5.0
Nov	2637.0	6.5	1739	5.1
Dec	2634.7	6.5	1771	5.2
Jan	2596.3	6.4	1738	5.1
Feb	2663.5	6.6	1705	5.0
Mar	2644.1	6.6	1653	4.9
Apr	2588.3	6.4	1637	4.8
May	2436.9	6.0	1637	4.8
Jun	2300.8	5.7	1600	4.7
Jul	2251.9	5.6	1550	4.6
Aug	2163.9	5.4	1510	4.5
Sep	2078.0	5.2	1448	4.3
Oct-21	2112.8	5.2		

Source: ONS release & data link: Labour Market Statistics November 2021

EMPLOYMENT (3 MONTHS ENDING)

Employment (000s)	Total	Full-time	Part-time
Sep-20	32350	24269	8081
Oct	32313	24294	8018
Nov	32304	24326	7978
Dec	32149	24235	7914
Jan	32113	24269	7844
Feb	32155	24359	7796
Mar	32181	24420	7761
Apr	32174	24443	7731
May	32180	24462	7718
Jun	32276	24461	7815
Jul	32357	24526	7831
Aug	32416	24440	7976
Sep-21	32523	24500	8024

Source: ONS release & data link: Labour Market Statistics November 2021

SUMMARY

Claimant Rate

5.2%

Unchanged in October from 5.2% in September.

Total Employment

75.4%

Up from 75.3% in August.

Unemployment fell to 4.3% in September, approaching the pre-pandemic rate of 4.0%.

EARNINGS

Between July 2021 and September 2021:

- **Regular pay** was estimated to have increased by 4.9% in nominal terms and by 2.2% in real terms.
- **Total pay** was estimated to have increased by 5.8% in nominal terms and by 3.1% in real terms.

Between July 2020 and September 2020 and July 2021 and September 2021:

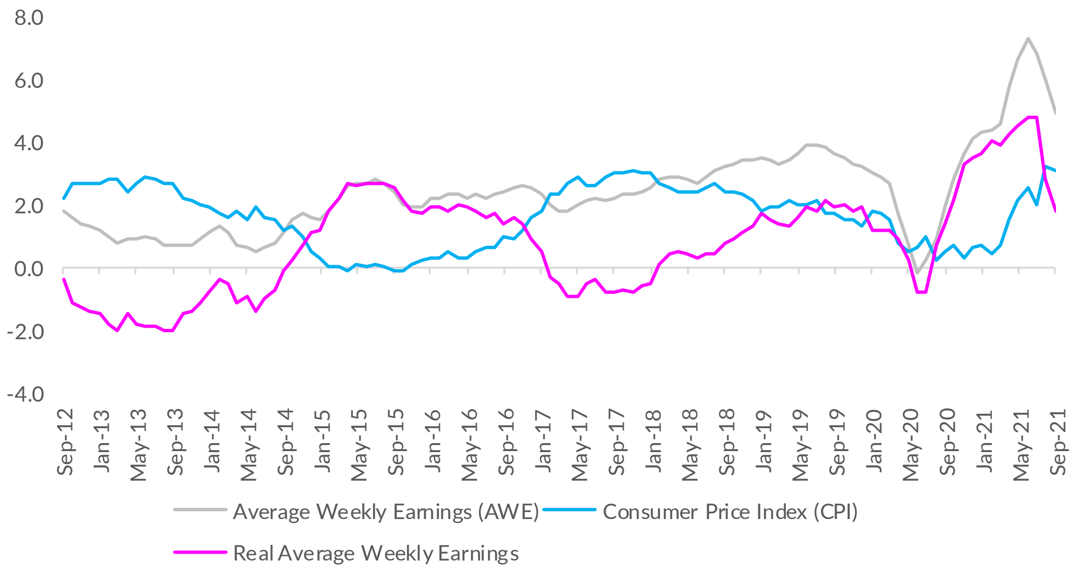
- **Average regular pay (excluding bonuses)** was estimated at £544 per week in nominal terms (not adjusted for inflation), higher than the estimate for a year earlier (£524 per week) and £486 per week in real terms (constant 2015 prices), higher than the estimate for a year earlier (£481 per week).
- **Average total pay (including bonuses)** was estimated at £584 per week in nominal terms (not adjusted for inflation), higher than the estimate for a year earlier (£559 per week) and £522 per week in real terms (constant 2015 prices), higher than the estimate for a year earlier (£514 per week).

AVERAGE WEEKLY EARNINGS GROWTH

	Average Weekly Earnings	Consumer Price Index (CPI)	Real Average Weekly Earnings
Sep-20	1.9	0.5	1.4
Oct	2.8	0.7	2.1
Nov	3.6	0.3	3.3
Dec	4.1	0.6	3.5
Jan	4.3	0.7	3.6
Feb	4.4	0.4	4.0
Mar	4.6	0.7	3.9
Apr	5.7	1.5	4.2
May	6.6	2.1	4.5
Jun	7.3	2.5	4.8
Jul	6.8	2.0	4.8
Aug	6.0	3.2	2.8
Sep-21	4.9	3.1	1.8

Source: ONS.

LONG TERM EARNINGS SERIES



Note: The average weekly earnings measure used is 'regular pay,' which excludes bonuses and arrears.

SUMMARY SEPTEMBER

Regular pay growth

4.9%

Down from 6.0% in August.

Total pay growth

5.8%

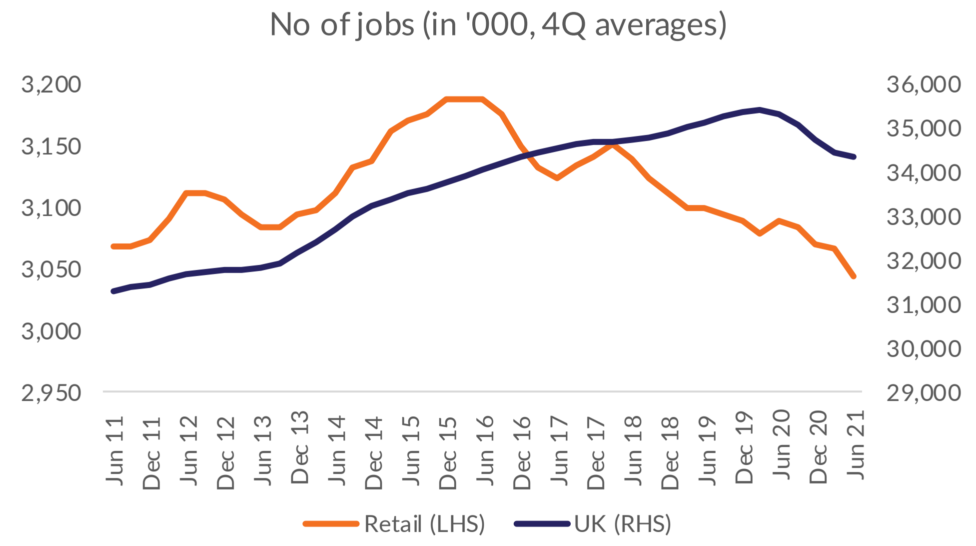
Down from 7.2% in August.

Pay growth slowed again in September as temporary factors that have inflated the rate are now reducing.

RETAIL LABOUR MARKET

- There were 3.015mill jobs in retail in Q2 2021, a loss of 89,000 jobs (or a decline of 2.9%) compared to a year ago and of 47,000 compared to two years ago (-1.5%). The UK economy lost 343,000 jobs on the year, but gained 346,000 on the quarter.
- At the end of July, 106,000 retail workers were still on furlough, down from 132,300 at the end of June. This is the lowest number since the start of the pandemic.
- Retail and wholesale job vacancies have been rising since February. In August, there were 60% more job adverts in wholesale and retail compared to August 2019.
- Vacancy Rates in Great Britain continued to rise in Q2, increasing (and extending the record) to 14.5%. This was 0.4 percentage points higher than it was in Q1 and 2.1 percentage points higher than the same point the previous year.
- There were 386 retail insolvencies in the first half of this year. In 2020, there were 918 insolvencies, a marked decline compared to the 1,368 figure of 2019.
- In the first half of 2021, there were 10 retail CVAs. In 2020, the industry saw 29 CVAs , broadly unchanged since 2019 when there were 28.
- Retail labour productivity rose by 7.8% in Q1 2020 year-on-year above to a 0.9% rise in productivity in the UK economy as a whole. Compared to the previous quarter, retail productivity fell by 4.4% in Q1, while UK productivity rose by 0.7%.

NUMBER OF JOBS (in '000, 4Q average)



Source: ONS.

RETAIL AND UK JOB GROWTH (Dec 2010 = 100)

Source: ONS

SUMMARY Q2 2021

Total Retail Jobs (mill)

3.015

In Q2, there were 89,000 less jobs than a year ago.

Retail jobs growth, YOY

-2.9%

Down from 0.03% in Q1 2021.

There were 89,000 fewer jobs in retail in Q2 compared to a year ago.

BRC INSIGHT

MONEY & CREDIT

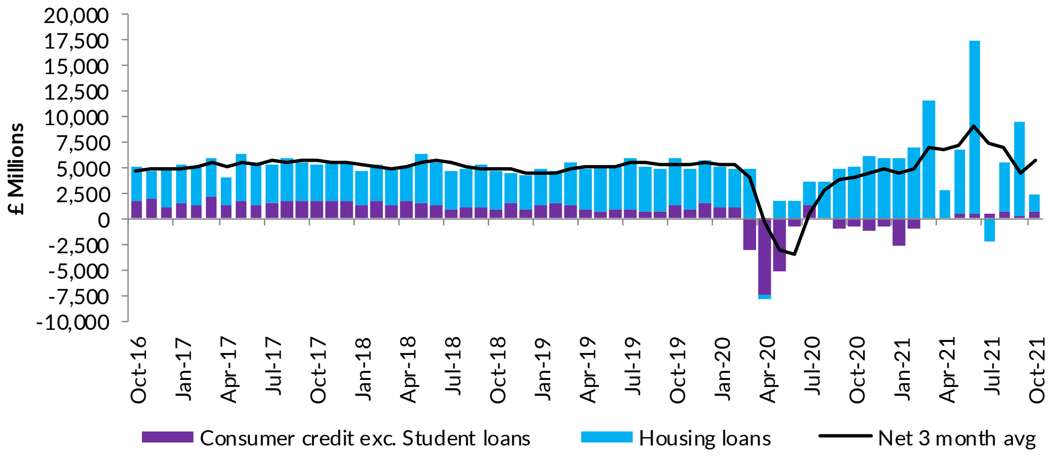
- Net borrowing of mortgage debt by individuals amounted to £1.6 billion in October, the lowest since July 2021. Mortgage approvals for house purchase fell further to 67,200 in October from 71,900 in September, close to the 12-month average up to February 2020 of 66,700.
- Consumers borrowed an additional £0.7 billion in consumer credit, on net. The effective rate on new personal loans increased to 6.27% in October, and is the highest since March 2020 but remains below the January 2020 level.
- Households' net flow into deposit accounts fell in October to £5.5 billion. The effective interest rate paid on individuals' new time deposits with banks and building societies rose to 0.36% in October.
- Large businesses borrowed £2.0 billion in loans from banks in October, whilst small and medium sized businesses repaid £1.6 billion. Private non-financial companies (PNFCs) raised £0.3 billion in net finance from capital markets in October, compared to an average net issuance of £0.7 billion in the twelve months to September 2021.

CONSUMER CREDIT

	Consumer Credit monthly changes £	Credit Cards monthly changes £	Housing loans monthly changes £	Mortgage approvals for house purchase
Oct-20	-732	-691	5012	98047
Nov	-1259	-755	6239	103600
Dec	-680	-671	5975	101056
Jan	-2695	-2327	5995	96948
Feb	-856	-715	6928	87198
Mar	28	-4	11597	82383
Apr	163	80	2712	85341
May	576	336	6249	86143
Jun	525	274	16804	80159
Jul	437	285	-2172	75191
Aug	622	367	4980	74214
Sep	289	578	9282	72645
Oct-21	706	637	1604	67199

Source: Bank of England, all figures in millions

CONSUMER CREDIT (5-YEAR SERIES)



Source: Bank of England

GROSS MORTGAGE LENDING

	Gross Mortgage Lending £m	MOM	YOY
Apr-21	21464	-36.7	60.3
May	20517	-4.4	52.4
Jun	43870	113.8	166.6
Jul	17159	-60.9	-14.3
Aug	21293	24.1	11.5
Sep-21	32349	51.9	47.6

Source: UK Finance

SUMMARY OCTOBER

Net consumer credit

706mill

Up from 289mill in September.

Net credit card lending

637mill

Up from 578mill in September.

The effective rate on new personal loans increased to 6.3% in October, the highest since March 2020.

EXCHANGE RATES

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DOLLAR, EURO, YUAN, YEN

	US dollar ($) per pound sterling (£)	Euro (€) per pound sterling (£)	Chinese Yuan (¥) per pound sterling (£)	Japanese Yen (¥) per pound sterling (£)
Oct-20	1.30	1.10	8.73	136.61
Nov-20	1.32	1.12	8.73	137.92
Dec-20	1.34	1.10	8.72	139.42
Jan-21	1.36	1.12	8.86	141.52
Feb-21	1.39	1.15	9.09	146.16
Mar-21	1.39	1.16	9.02	150.67
Apr-21	1.38	1.16	8.98	150.75
May-21	1.41	1.16	9.11	153.72
Jun-21	1.40	1.16	9.01	154.44
Jul-21	1.38	1.17	8.90	152.22
Aug-21	1.38	1.17	8.85	151.59
Sep-21	1.37	1.17	8.83	151.27
Oct-21	1.37	1.18	8.80	154.94

Source: Average monthly exchange rate, Bank of England

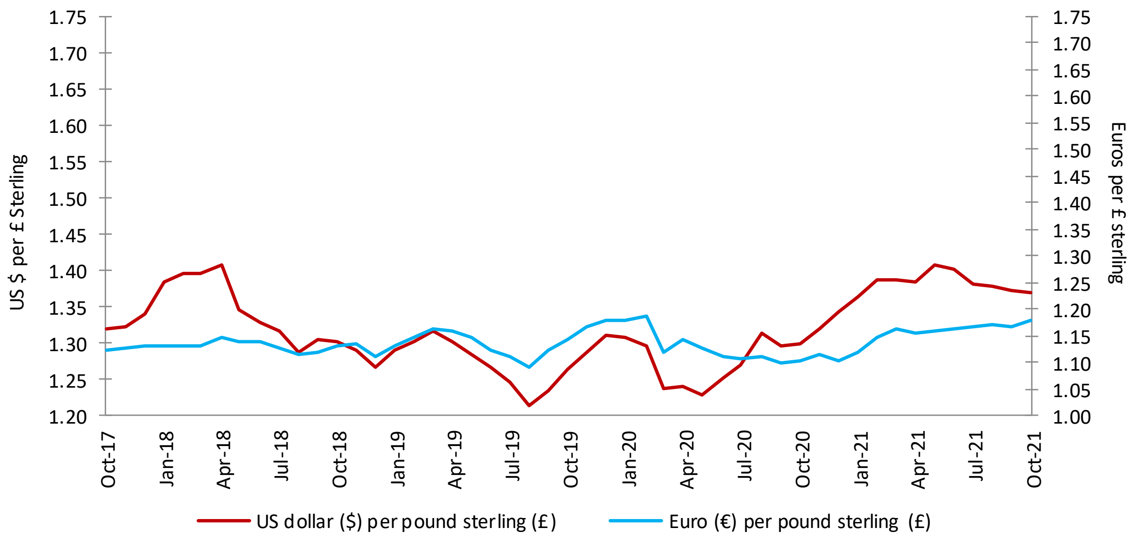
IMPACTS FROM CURRENCY DEPRECIATION

If Sterling depreciates, it can buy less foreign currency and therefore fewer foreign goods. This means retailers have to pay more for imports overall. There is no impact in the short-run, however, with retailers commonly using 6-12 months hedging contracts to protect themselves against currency fluctuations. Any permanent shock to the currency - i.e. a sustained sterling depreciation - takes one to two years to feed through in final consumer prices.

From the perspective of the wider economy, in theory, a pound depreciation should also stimulate exports, since domestically produced goods are cheaper to foreigners, which would increase the demand for UK produced goods.

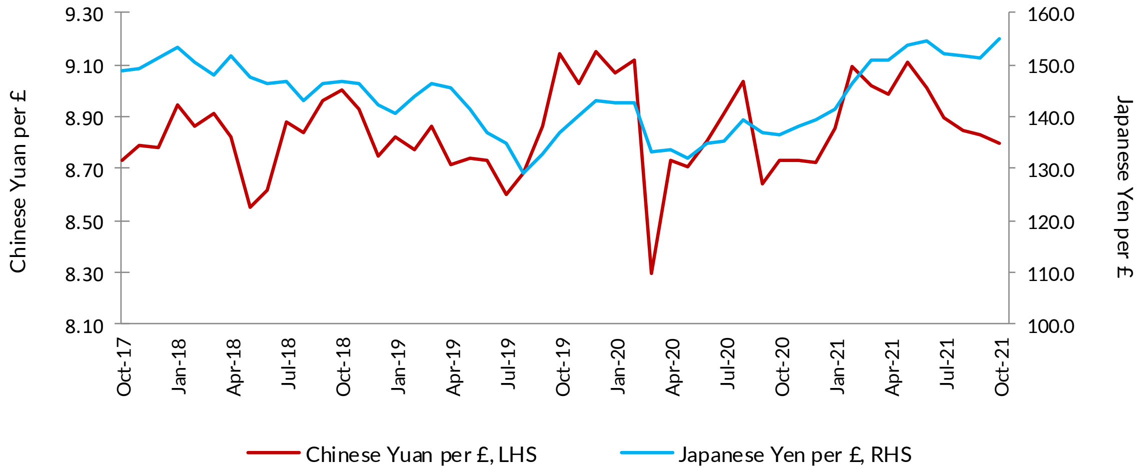
However, this failed to materialise following the post-referendum depreciation from 2016, most likely due to specialised supply chains.

USD PER GBP, EURO PER GBP



Source: Average monthly exchange rate, Bank of England

YUAN PER GBP, YEN PER GBP



Source: Average monthly exchange rate, Bank of England

SUMMARY OCTOBER

USD TO GBP, YOY

5.4%

Sterling appreciation in relation to the USD , YoY.

EURO TO GBP, YOY

6.4%

Sterling appreciation in relation to the Euro, YoY.

The Sterling appreciated on the year in October in relation to both the US dollar and the Euro.

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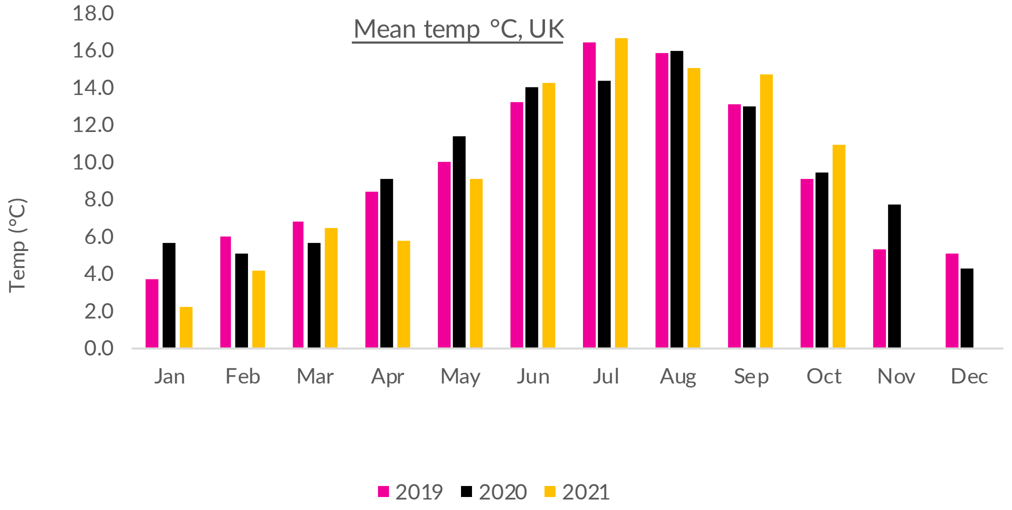
BRC INSIGHT

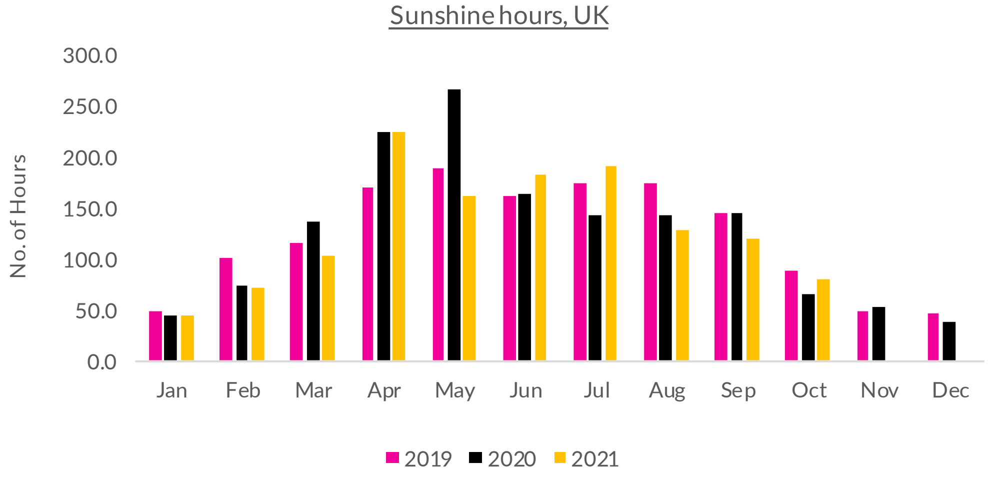
MET OFFICE WEATHER DATA

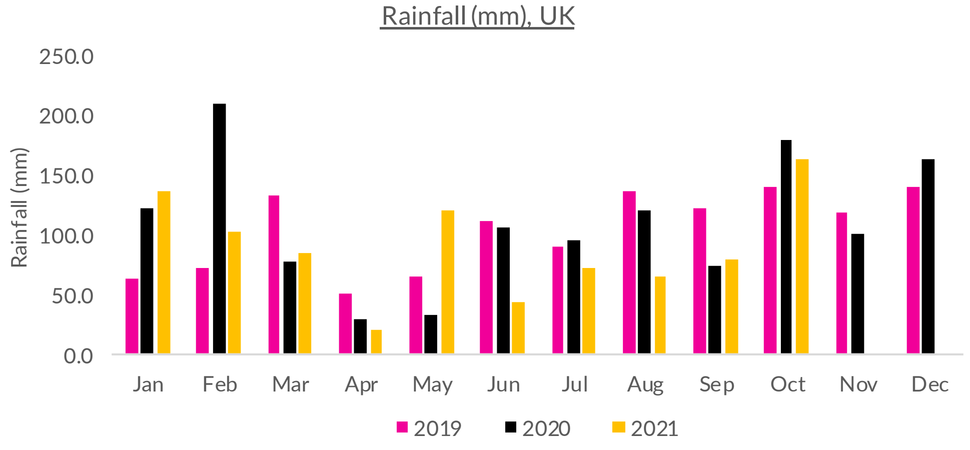
Regions	Max Temp		Min Temp		Mean Temp		Sunshine Hours		Rainfall	
	Actual	Anomaly	Actual	Anomaly	Actual	Anomaly	Actual	Anomaly	Actual	Anomaly
	°C	°C	°C	°C	°C	°C	Hours	%	mm	%
UK	14.0	1.2	7.8	1.6	10.9	1.4	80.2	87	162.7	128
England	15.2	1.3	8.5	1.6	11.8	1.4	95.0	92	124.6	136
North England	14.1	1.2	8.0	1.8	11.0	1.5	86.1	92	137.8	137
South England	15.7	1.3	8.8	1.6	12.2	1.4	99.6	92	117.7	136
Midlands	15.0	1.4	8.5	2.0	11.8	1.7	93.6	94	102.3	125
Wales	14.2	1.2	8.6	2.0	11.4	1.6	77.1	83	209.0	123
Scotland	12.1	1.1	6.5	1.6	9.2	1.3	55.4	74	219.3	125
N Ireland	14.2	1.5	7.8	1.6	11.0	1.6	86.0	98	126.5	106

The columns headed 'Anomaly' show the differences from or percentages of the long-term averages

TEMPERATURE, SUNSHINE, RAIN







SUMMARY OCTOBER

Sunshine hours

21.5%

Oct-21 saw more sun than Oct-20.

Precipitation

-9.3%

Oct-21 saw less rain than Oct-20.

October was warmer and had more sun and less rain than a year ago.

LONG-TERM FORECASTS FOR THE UK ECONOMY

LONG-TERM ECONOMIC FORECASTS, CITY, OBR AND INDEPENDENT AVERAGE

	2021		2022		2023		2024	
	City	OBR	Indep.	OBR	Indep.	OBR	Indep.	OBR
GDP	7.0	6.5	5.1	6.0	2.2	2.1	1.6	1.3
Cons. Spending	4.1	4.7	6.5	9.8	n/a	1.3	n/a	1.7
CPI (Q4)	3.9	2.3	2.4	4.0	2.6	2.6	2.5	2.1
Avg Earnings	5.3	5.0	3.4	3.9	2.9	3.0	3.0	2.2
Bank Rate (Q4)	0.14	0.10	0.51	0.40	0.98	n/a	1.30	n/a

Source: City, OBR and Independent average forecasts: Long-term economic forecasts by city forecasters (average in last 3 months) & independent average from 2020 onwards, OBR.

SUMMARY FORECASTS

GDP 2021

7.0%

Unchanged from previous projections of 7.0%.

Avg. Earnings 2021

5.3%

Unchanged from previous projections of 5.3%.

The consensus forecast for 2021 UK growth in November remained at 7.0%

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COMING SOON

If you have any questions or feedback on anything in this report please contact retailinsight@brc.org.uk

PUBLICATIONS

MONTHLY

- RETAIL SALES MONITOR
- SHOP PRICE INDEX
- FOOTFALL MONITOR
- DIGITAL RETAIL INSIGHTS
- ECONOMIC BRIEFING REPORT

QUARTERLY

- FORECASTS
- QUARTERLY TRENDS
- RETAIL EMPLOYMENT MONITOR

ANNUAL

- ANNUAL SALES REVIEW
- WORKFORCE SURVEY
- CRIME SURVEY
- PAYMENTS SURVEY
- EMPLOYEE PERCEPTIONS SURVEY

BRC INSIGHT

BRC INSIGHT

The BRC has a diverse team of experts dedicated to providing insight into the UK's retail industry. They work across several specialities to bring together cutting-edge data sources and provide in-depth analysis of both into fast moving market developments and longer-term structural trends. We work with everyone from Amazon to Aldi, helping these organisations to better benchmark their performance against their peers.

The BRC both works with leading data suppliers and also produces some of the leading measures of UK retail performance, including sales, footfall, vacancies and more.

The dashboard below gives you a snapshot of the latest figures for retail sales and other KPIs. You can find out more about our reports by exploring the other pages in this Retail Insight & Analytics section of the website.

THE ECONOMIC BRIEFING REPORT

The BRC's Economic Briefing Report (EBR) is our monthly measure of the global & UK economy, the wider trading environment, and a collection of performance market measures within this context.

The EBR has been running for over a decade, however the BRC are now looking to bring it into the 21st century – and are currently exploring new partnerships and data sources to make this a reality.

If you have any thoughts or feedback on how we might be able to improve this report – please do get in touch.

THE TEAM

KYLE MONK
HEAD OF INSIGHT & ANALYTICS

Kyle has worked in the retail industry for nearly a decade, working on diverse projects to build a better understanding of the industry.

DR. LILIANA DANILA
ECONOMIST

Liliana joined the BRC after a career in academia. At the BRC, her work focuses on economic commentary and forecasting. She holds a PhD. in Economics from Clemson University, SC, USA.

ASIM DEY
INSIGHT EXECUTIVE

Asim has worked across a diverse number of industries, from Finance to Programmatic Advertising. He holds an Actuarial Science degree from Cass Business school.

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