



# ECONOMIC BRIEFING REPORT

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

**April 2021**

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



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US



## SPRING RECOVERY

There are renewed hopes that the UK economy will see a robust economic rebound. Despite the national lockdown, February's economic performance was improved as businesses continued to adapt to operating within health restrictions and to new border rules.

It is estimated that UK households have amassed around £160bn in savings since the pandemic started to February. It's not clear what proportion will be spent, as those are concentrated in the higher income households, while lower income ones had a negative shock to their income since the pandemic started. Moreover, the uncertain economic outlook might encourage people to hold on to their savings.

There are some promising signs that the tax reduction incentive by the government for companies that accumulate capital is working, with investment decisions by firms reaching their highest since July 1997. This would drive up employment and generate long-term growth.

### GDP GROWTH

# 0.4%

% change - MoM, February 2021

Up from -2.2% in January.

### CPI INFLATION

# 0.7%

% change - YOY March 2021

Down from 0.4% in February.

### UNEMPLOYMENT

# 4.9%

February 2021

Down from 5.0% in January.

### WAGE GROWTH

# 4.4%

% change - YOY February 2021

Up from 4.3% in January.

### BRC - KPMG RETAIL SALES

# 13.9%

% change - YOY, March 2021

Up from 1.0% in February.

### CONSUMER CONFIDENCE

# -15

April 2021

The GFK index rose 1 point in April to -15 from -16 in March.



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US



## SPRING RECOVERY

**UK monthly GDP rose by 0.4% in February**, up from -2.2% in January, although below market expectations of 0.6%. Despite the national lockdown, February's economic performance was improved as businesses continued to adapt to operating within health restrictions and to new border rules. However, UK output remains 7.8% below February's 2020 level. With the country still in lockdown in February, growth was anticipated to be subdued.

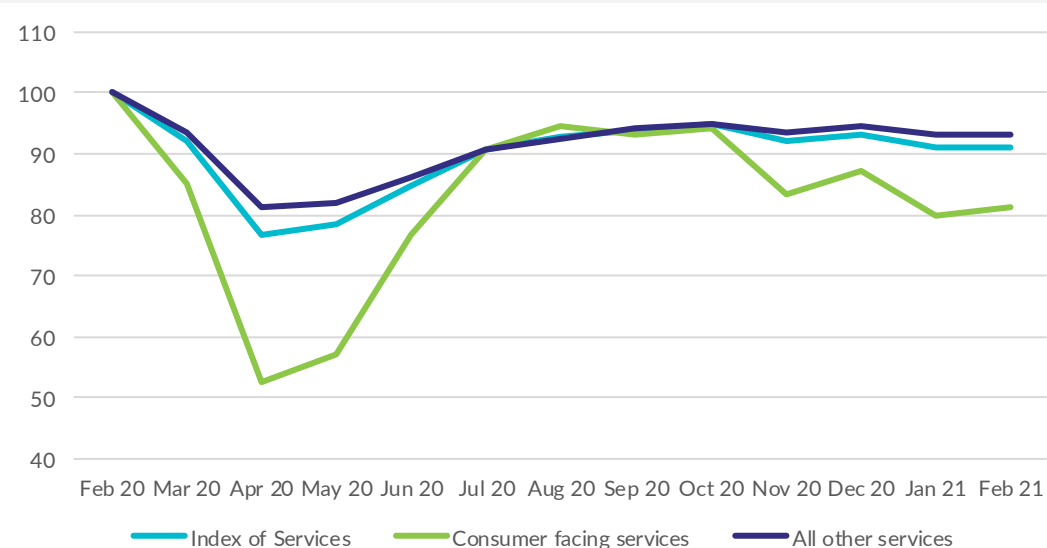
**The service sector increased by 0.2%, driven mainly by growth in the wholesale and retail industry.** Overall, consumer-facing services sectors remained well below pre-pandemic levels (see Figure). That is expected to change in Q2 as restrictions start to ease. The combination of the successful vaccination campaign, built-up savings and improved sentiment in the economy is thought to unlock household spending leading to a fast economic rebound.

**The big question remains how much of the accumulated savings will be spent.** It's estimated that UK households have amassed around £160bn since the pandemic started to February. The OBR estimates that savings will have increased by £180bn between Mar-20 and June-21. This is an astounding figure by historical standards, amounting to almost 10% of last year's GDP. In Q4, household savings ratio rose by 16.1%, the second highest ratio since records began in 1963 – just behind the Q2 2020 figure of 25.9%.

**Most agree that the initial relaxation of restrictions will trigger some "euphoria"**, as many people have waited to treat themselves. The bigger question, on which there is no consensus, is whether we will see a consumption frenzy longer-term.

As significant uncertainties persist and there is no similar precedent, it's difficult to make firm predictions.

GDP, MONTHLY INDEX OF SERVICES, FEB-20 = 100



Source: ONS.

**One source of uncertainty is around the differentiated Covid impacts on incomes**, with households in the top 40% of the income distribution and retired households seeing a marked increase in savings, and households in the bottom 40% experiencing a fall in savings. Economic models suggest that 5-10% of unexpected income would be spent over the following year. However, wealthier people are less likely to spend their savings. And spending likelihood decreases further if, in the meanwhile, these households have converted their savings from cash to pensions or financial investments.

**Another unknown is whether people will feel the need for a safety net for the future.** It's now clear that Covid will be part of our lives for the next few years. The prospect of new variants might mean that some will want to insure themselves against a highly uncertain future by keeping a comfortable level of savings.

**Finally, some people, aware of potential health risks, will be reluctant to go out.** There are no estimates about how large the proportion of this population is in a scenario where vaccination has been rolled out.

**With BRC-KPMG non-food sales falling by 4.7% over the three months to March** (compared to 2 years ago), retail will welcome a splash in consumer spending. Time will tell whether caution or a more risky approach to spending will prevail. Some preliminary data are positive. ONS reports that in the week to 22/04, total credit and debit card purchases rose by 7 percentage points from the previous week to 98% of its February 2020 average, driven mainly by a continued increase in 'delayable' spending, up 21 percentage points from the previous week following the re-opening of non-essential retail stores in England and Wales on 12 April 2021. Both 'staples' and 'delayable' spending were above their February 2020 level at 111% and 110%, respectively. Conversely, 'social' and 'work-related' spending were at 71% and 96% of their average levels in February 2020, respectively.

**There are also encouraging signs from the production side of the economy.** The IHS Markit March PMI (Purchasing Managers' Index), a gauge of private sector activity, showed that business activity grew at its fastest rate since last August, above expectations and following two months of decline. Companies reported an influx of new orders on a scale exceeded only once in almost four years, and business expectations for growth in the year ahead surged to the highest since comparable data were first available in 2012.

**The CBI Quarterly Industrial Trends Survey found that, in the quarter to April, firms expected to increase capital expenditure** on buildings, plant & machinery, product & process innovation, with investment intentions for plant & machinery at their strongest since July 1997. The new super-deduction announced in the March budget which will cut companies' tax bill by 25p for every pound invested in new equipment is likely to be driving this. New investment is likely to drive up employment and generate long-term growth. The furloughing scheme is due to expire at the end of September. One can only hope that an "investment-led recovery" will take off.

Dr. Liliana Danila, Economist

## PROJECTIONS FOR 2021 UK GDP GROWTH

OBR (Mar Forecast)

4.0%

NIESR (Feb Forecast)

3.4%

IMF (Apr Forecast)

5.3%

There are renewed hopes that the UK will see a quick economic rebound.



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US



## COVID-19 IMPACT

### TURNOVER IMPACT

- The share of Wholesale and Retail companies reporting decreased turnover on the year has been declining since February, while the proportion of companies that report unaffected turnover has been increasing since December.
- Over the period 23/03 - 4/04, of the surveyed Wholesale and Retail businesses, 13% reported higher turnover than normal expectations at this time of the year, 42.2% turnover unaffected (highest proportion since Jun-20 when collection of this data series started) and 36% decreased turnover (the lowest share since Jun-20).

### WHOLESALE AND RETAIL ONLINE JOB ADS

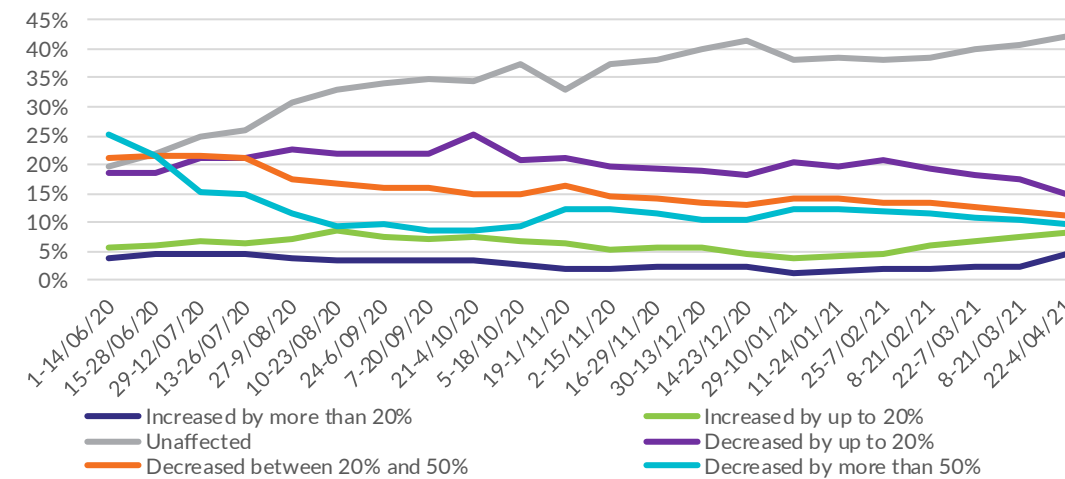
- In Wholesale and Retail, the proportion of online job ads was 18% higher in April than in March. However, that remains 19% lower than the level seen in February 2020.
- In the UK as a whole, on April 23rd, the proportion of total UK online job adverts was at 103% of its average February 2020 level. This is 4 percentage points higher than the previous week and the first time it has exceeded its February 2020 average level since 6 March 2020.

### SPENDING ON DEBIT AND CREDIT CARDS

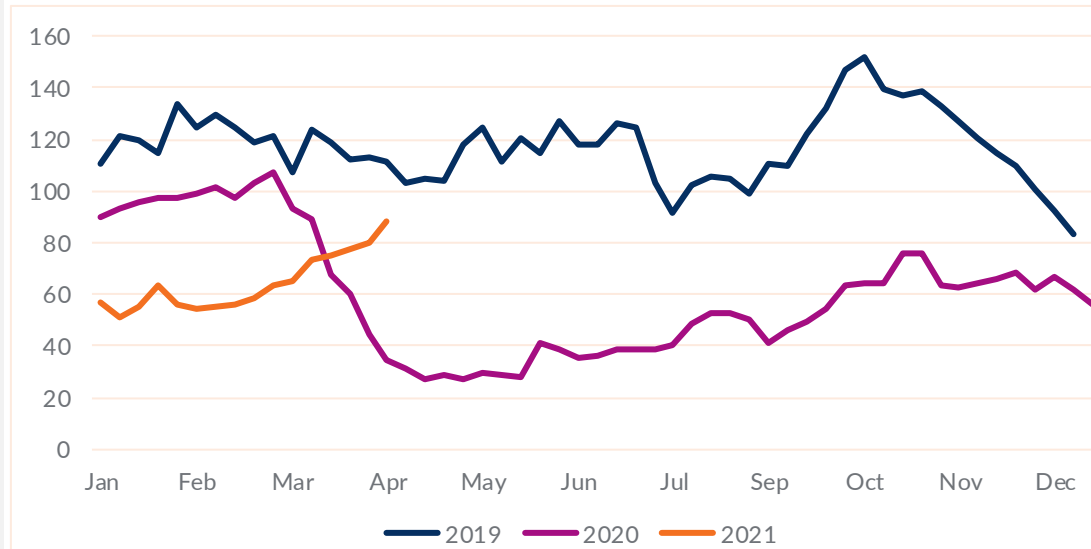
- In the week to 22/04, total credit and debit card purchases rose by 7 percentage points from the previous week to 98% of its February 2020 average.
- This was mainly driven by a continued increase in 'delayable' spending, up 21 percentage points from the previous week following the re-opening of non-essential retail stores in England and Wales on 12 April 2021.
- 'Work-related' spending increased by 8 percentage points.
- Both 'staples' and 'delayable' spending were above their February 2020 level at 111% and 110%, respectively.
- Conversely, 'social' and 'work-related' spending were at 71% and 96% of their average levels in February 2020, respectively.

Source: ONS.

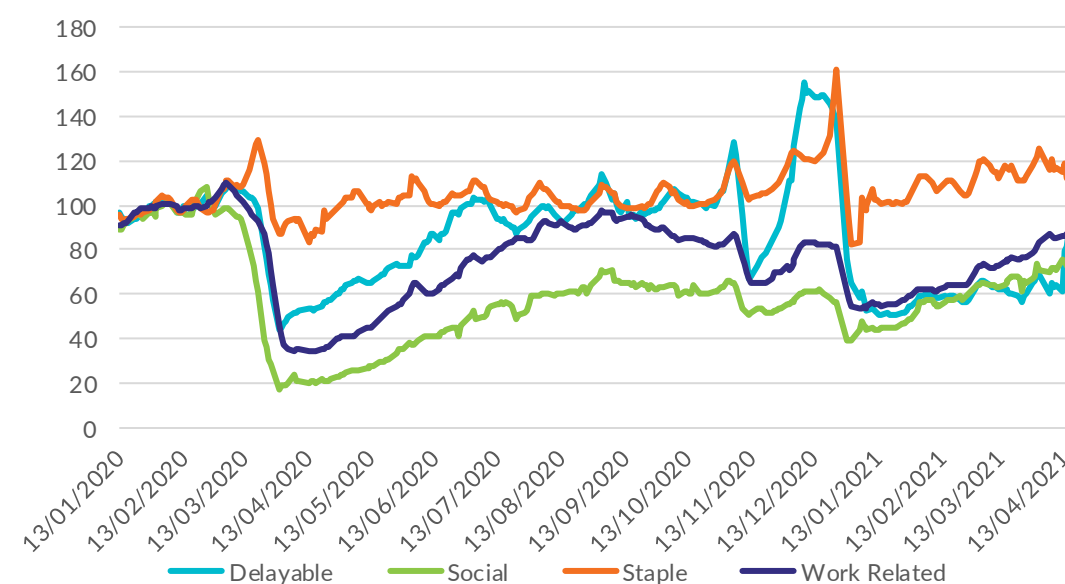
### TURNOVER IMPACT



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



### SPENDING ON DEBIT AND CREDIT CARDS



## SUMMARY

Spending on debit & credit cards

# 98%

Of Feb-2020 level.

“Staples” and “delayable” spending were above their February 2020 level in the week to 22/04.



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US

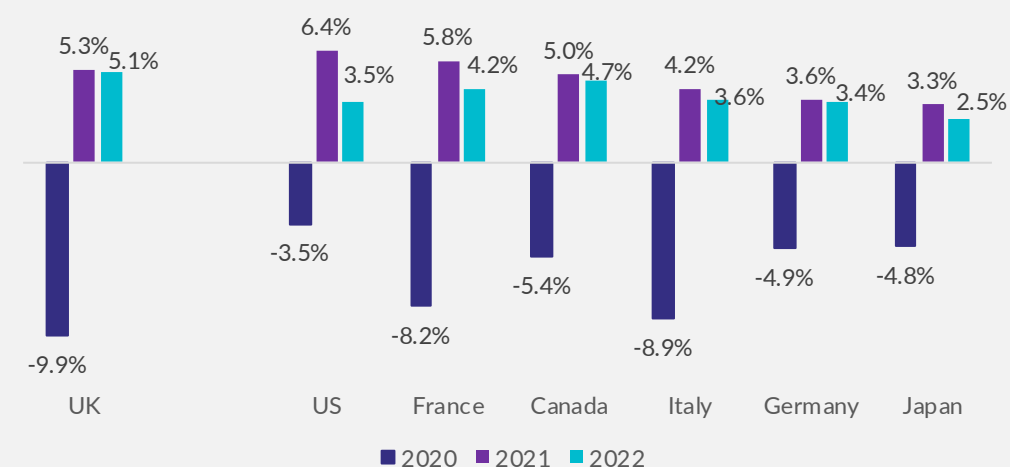


## DIVERGENT RECOVERIES

There are reasons to be optimistic for the short-term for some developed economies, as the second half of the year is likely to see increased spending and fewer restrictions (assuming no vaccine-resistant variants). However, uncertainties persist around the longer-term recovery of production and, therefore, of the labour market. Economies dependent on the travel industry remain particularly vulnerable, as it's likely that international holidays this year will be limited. The biggest risk comes from a vaccine-resistant virus strand, as many governments have exhausted their stimulus capabilities. For this, international cooperation is vital to ensure that developing countries have access to vaccines, to limit the spread of the virus and potential mutations.

**The US GDP rose by 1.6% in Q1, above expectations.** This means that the US economy is only 1% smaller now than its pre-pandemic level. The American growth was fuelled by the massive fiscal stimulus, good vaccination progress and looser restrictions. The \$1.9tn fiscal stimulus enacted in March triggered a sharp rise in household spending, as personal incomes increased by 21% in March compared to February. The rise in household consumption is likely to continue well into the summer, supporting recovery in the short-run. The Fed signalled that the evolution of the virus which will dictate future changes to its accommodative monetary policy approach, despite concerns in the market about price rises. The inflation rate increased to 2.6% in March, up from 1.7% in February and the highest since August 2018. The recovery of the labour market, crucial to long-term recovery, is still to come. In April, 16.6m Americans were seeking jobless benefits.

### GDP GROWTH, APRIL FORECASTS



Source: IMF, The World Economic Outlook.

**Two other stimulus rounds are in the pipeline**, a \$2.3tn infrastructure program and \$1.8tn program to expand social benefits. For now, it is unsure whether these plans would be approved as it has been proposed to be financed by higher taxes on corporations and on the wealthy, while some worry that this spending may be excessive, hence unsustainable.

**In Europe, the picture is quite different, with output in the Eurozone shrinking by 0.6% in Q1**, following a 0.7% contraction in Q4 2020. This reflects less fiscal stimulus spending, as well as a botched vaccination rollout, bringing longer and more restrictions, and dampening sentiment. German GDP shrank by 1.7%, the Italian one by 0.4%, the Spanish GDP by 0.5%, while French output rose by 0.4%. Vaccination rates appear now to have taken off in Europe, leading to increased expectations that the Euro area would grow for the remaining of the year to reach a growth rate of 4.0% (ECB forecast) in 2021. Growth would mainly be supported by rises in household consumption, as households are expected to draw on the savings realised since the pandemic started. The eurozone annual inflation gathered pace in April, with prices rising by 1.6% up from 1.3% in March.

**The EU is now debating proposals to distribute funds from a pandemic rescue fund of €800bn**, which should further stimulate growth. One can expect it to be a tedious process, slowed by the difficult political process within the EU.

**The Chinese economy grew by 0.6% in Q1 compared to Q4 2020, fuelled mainly by private consumption.** China has an ambitious growth target of 6.0% for the year, following growth of 2.3% in 2020. Strong export demand and rising business confidence supports future growth. The real estate market continued strong in April, as monetary easing drove interest rates down. The bigger risks to the Chinese recovery come from the contentious relationships with many to its trade partners, from the EU and the US to Australia, as well as its wider geopolitical approach. Us-Sino relationships continue to see heightened tensions on many fronts, including international trade, intellectual property and cybersecurity, with further risks of protectionist tendencies surrounding technology emerging.

Dr. Liliana Danila, Economist

## 2021 PROJECTED GROWTH – IMF (APRIL)

UK

5.3%

US

6.4%

FRANCE

5.8%

GERMANY

3.6%

JAPAN

3.3%



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US



## ALL EYES ON STORES AS THEY REOPEN

Now that we have begun to annualise against the beginning of the coronavirus crisis period in March 2020, analysing year on year figures has proved challenging, as the comparable conditions from last year are not a representative basis point. Therefore, the headline rates in this report are calculated comparing this month's performance against the same month from 2019.

On a Total basis, in March retail sales increased 8.3% from the level seen at the same point in 2019. This was an encouraging result, given the continued store closures over the course of the month. The easing of social restrictions in the final week of the month, coupled with Easter moving back into March for the month stimulated a release of pent-up demand in the market, which boosted sales significantly. However, the headline growth rate masks underlying challenges in many categories, out of the 13 categories tracked in this report, 8 remained in significant decline. The pandemic has concentrated spend on home centric categories such as food, computing and home appliances. While others, such as fashion and beauty remain in double digit decline compared to pre-pandemic levels.

On a two-year basis, the categories to see the strongest performances during the month followed the trajectories seen over the course of the coronavirus crisis period so far, with those related to indoor products still outperforming those in fashion. As the current lockdown continued for yet another month this result is hardly a surprise, as consumers are still spending the vast majority of their time at home even though the clocks changed during the month, giving more time to enjoy the outdoors. Also, as people are yet to return to the office, home computing goods were once again in demand.

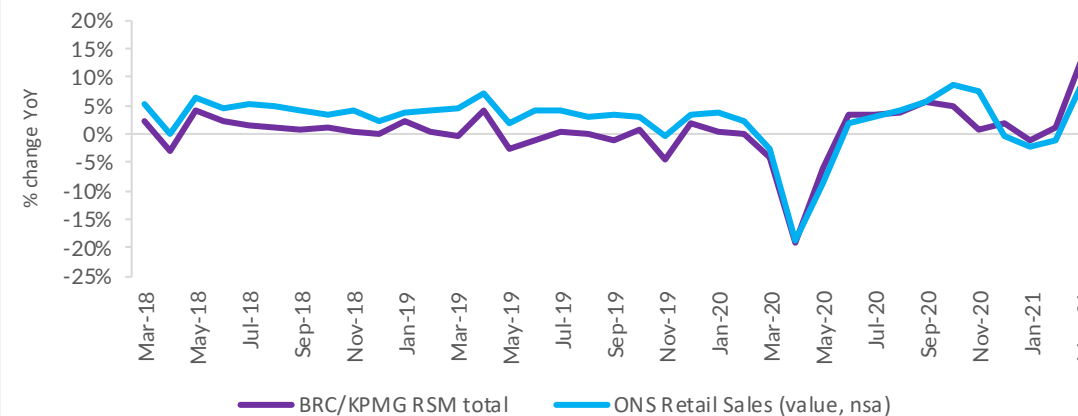
All eyes are now firmly on the much-heralded reopening of stores, given the roll-out of the vaccination programme and the ever-reducing infection rate. It is widely anticipated that this will lead to a glut of activity returning to the high street, especially as other entertainments remain off limits. However, the recovery could be significantly dampened if 'health passport' requirements are enforced.

With little alternative for consumers for the second consecutive month, the Online channel saw another month of stellar growth, albeit narrowly missing the record-setting pace from January. The impending return of non-essential stores to the retail landscape was still too far in the future to lead people to put off purchases before seeing the goods beforehand, but it remains to be seen whether this will impact sales in March as the reopening date approaches.

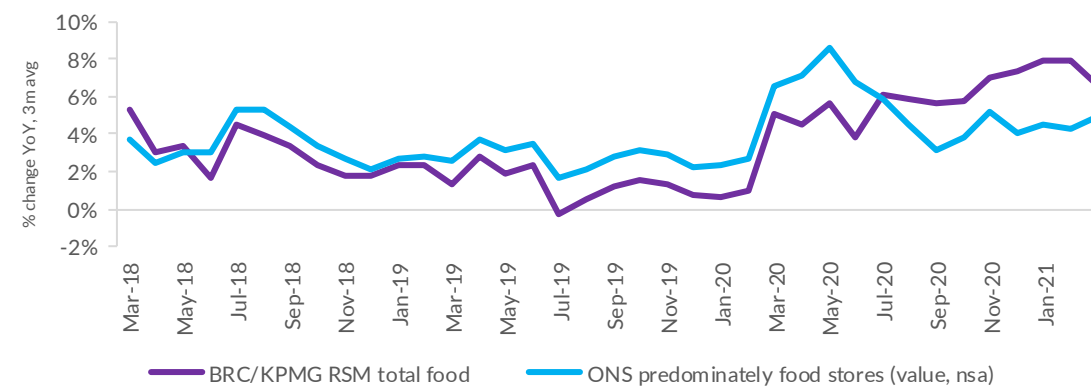
Date	Monthly		3m rolling avg LFL			3m rolling average total		
	LFL	Total	Food	Non-Food	Total	Food	Non-Food	Total
Mar-20	-3.5	-4.3	4.9	-6.7	-1.3	5.1	-6.6	-1.4
Apr	5.7	-19.1	6.0	-4.4	0.3	4.5	-17.5	-7.5
May	7.9	-5.9	8.7	-2.1	2.8	5.6	-21.8	-9.4
Jun	10.9	3.4	7.3	9.5	8.4	3.8	-15.0	-6.4
Jul	4.3	3.2	8.2	7.9	7.9	6.1	-4.3	0.4
Aug	4.7	3.9	6.3	7.7	7.0	5.9	1.4	3.5
Sep	6.1	5.6	5.1	5.2	5.1	5.6	3.2	4.3
Oct	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-21	20.3	13.9	5.7	19.5	12.9	6.6	4.2	5.3

## DATA & CHARTS

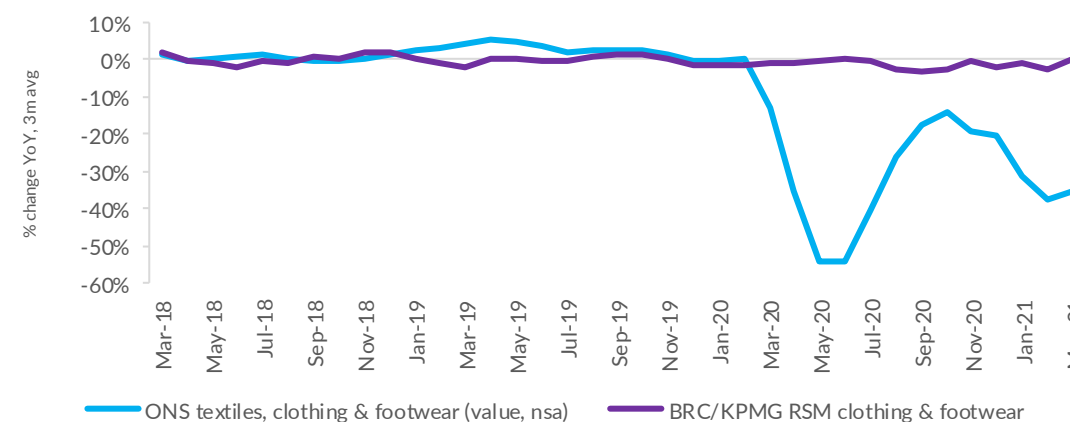
### FIG 1 – RSM vs RSI 3 month rolling average



### FIG 2 – RSM vs RSI food sales



### FIG 3 – RSM vs RSI clothing & footwear



## SUMMARY MARCH

Retail Sales

# 13.9%

Up from 1.0% in February.



Non-Food Sales

# 4.2%

Up from -5.5% in February.



Food sales continued to see robust sales in March, despite the high comparable of a year ago.



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US



## ONS & BRC SALES GROWTH – VALUE TERMS

% change on year ago	RSI sales	RSM Sales	RSM LFL
Jan-21	-2.2	-1.3	7.1
Feb-21	-1.2	1.0	9.5
Mar-21	9.3	13.9	20.3

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
Mar-20	-2.8	11.9	0.5	-36.4	-10.3	-25.5	6.3
Apr	-18.7	5.2	-25.2	-69.5	-51.7	-59.1	23.4
May	-8.8	8.0	-13.9	-61.5	-28.8	-47.1	47.3
Jun	1.7	7.2	-6.8	-35.6	-0.7	-17.0	52.9
Jul	2.9	2.2	-6.2	-24.4	11.3	2.6	33.9
Aug	4.1	3.4	-5.1	-15.6	12.2	-0.2	33.2
Sep	5.6	3.7	-1.4	-13.9	10.4	7.4	31.3
Oct	8.7	4.3	1.2	-12.6	18.5	7.2	43.2
Nov	7.5	7.8	2.7	-31.8	19.5	-4.3	48.4
Dec	-0.3	0.8	-8.5	-17.8	7.4	-5.0	22.5
Jan	-2.2	5.8	-18.1	-46.5	-7.2	-27.4	51.0
Feb	-1.2	7.1	-5.3	-52.6	5.8	-31.1	45.0
Mar-21	9.3	2.6	2.6	-11.7	23.3	6.3	44.1

Source: ONS RSI

## LARGE & SMALL RETAILERS

% change on year ago	ONS Large Retailers	ONS Small Retailers
Jan-21	-5	7.9
Feb-21	-1.7	0.6
Mar-21	5.1	25.4

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
Mar-20	-3.7	9.8	1.8	-35.7	-8.8	-23.6	5.5
Apr	-14.9	-4.1	-24.1	-49.3	-46.1	-44.5	17.7
May	10.2	0.5	13.3	18.4	43.5	23.5	20.1
Jun	13.5	-0.1	8.7	72.9	44.6	65.5	1.3
Jul	2.2	-2.8	0.6	14.9	4.9	19.5	-3.2
Aug	0.5	0.3	0.4	11.4	2.3	-0.3	-4.7
Sep	1.3	0.7	2.8	1.9	0.3	5.9	-1.6
Oct	1.7	0.0	3.2	-0.2	3.4	0.8	6.7
Nov	-3.1	2.7	-2.4	-20.0	0.4	-11.7	-1.6
Dec	0.5	-3.3	-3.8	21.7	-2.2	2.2	1.8
Jan	-8.7	1.4	-14.2	-35.0	-18.9	-25.6	3.9
Feb	2.5	3.1	16.4	-9.3	15.9	-4.2	-1.8
Mar-21	4.9	2.5	7.2	17.5	3.7	13.4	1.3

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
Mar-20	6905.1	1528.3	13.6	22.1
Apr	5965.7	1806.6	34.0	30.3
May	6700.2	2203.7	59.9	32.9
Jun	7538.6	2349.6	73.6	31.2
Jul	7825.4	2209.7	55.2	28.2
Aug	7633.9	2044.5	53.6	26.8
Sep	7711.5	2032.7	53.8	26.4
Oct	8269.1	2344.9	61.7	28.4
Nov	9016.8	3270.7	80.8	36.3
Dec	9663.7	3030.5	45.9	31.4
Jan	6707.4	2443.4	76.0	36.4
Feb	6864.0	2375.2	79.4	34.6
Mar-21	7546.3	2478.6	62.2	32.8

Source: ONS RSI

## SUMMARY MARCH

ONS Sales

**9.3%**



Up from -1.2% in February.

Large retailers

**5.1%**



Up from -1.7% in February.

ONS Food sales grew by 2.6% in Mar, despite the strong comparable last year.



## 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
- LABOUR MARKET P1, P2, P3
- CREDIT & HOUSING
- EXCHANGE RATES
- WEATHER
- FORECASTS
- OTHER REPORTS
- ABOUT US



## CBI COMMENTARY

“Retailers reported sales volumes as being good for the time of year in April for the first time since December 2020, and to the greatest extent since June 2018. This month’s figures are unlikely to accurately represent the impact of non-essential retail stores opening on 12th April as most responses came before this date. Indeed, the sectors with sales significantly above seasonal norms were those that have performed best during the pandemic. This includes hardware & DIY, furniture & carpet retailers, as well as non- store retailers and grocers. Sales are expected to remain above seasonal norms in the year to May.

“Sales volumes grew at the sharpest pace since November 2017 in the year to April. However, this is currently a less useful indicator of demand conditions within the retail sector, as it compares sales this month with April 2020, when amid the first national lockdown sales volumes fell at a record sharp pace.

“Stock levels in relation to expected sales were seen as broadly adequate, with the balance falling to its lowest since August 2009. Relative stock levels are expected to remain adequate next month.

“Wholesalers reported sales as good for the time of year for the first time since December 2020, while motor traders reported sales above seasonal norms for the first time since October 2020. For both wholesalers and motor traders, stock levels in relation to expected sales were reported as too low, with both sectors expecting stocks to be too low again next month.”

## VOLUME OF SALES – REALISED AND EXPECTED

	Balance	Expected
Apr-20	-55	-26
May	-50	-54
Jun	-37	-41
Jul	+4	-48
Aug	-6	-5
Sep	+11	-17
Oct	-23	0
Nov	-25	-26
Dec	-3	-2
Jan	-50	-33
Feb	-45	-47
Mar	-45	-62
<b>Apr-21</b>	<b>+20</b>	<b>+17</b>

Source: CBI Distributive Trades Survey

## SUMMARY APRIL

CBI Balance

# 20

Up from -45 in March.



CBI Expected

# 17

Up from -62 in March.



April sales volumes were expected to be good for this time of the year.





## 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
- LABOUR MARKET P1, P2, P3
- CREDIT & HOUSING
- EXCHANGE RATES
- WEATHER
- FORECASTS
- OTHER REPORTS
- ABOUT US

## 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 footfall decline continued to soften in March at a slow pace and remains significantly below the pre-crisis "normal" levels. However, with the country still in lockdown, this was expected.

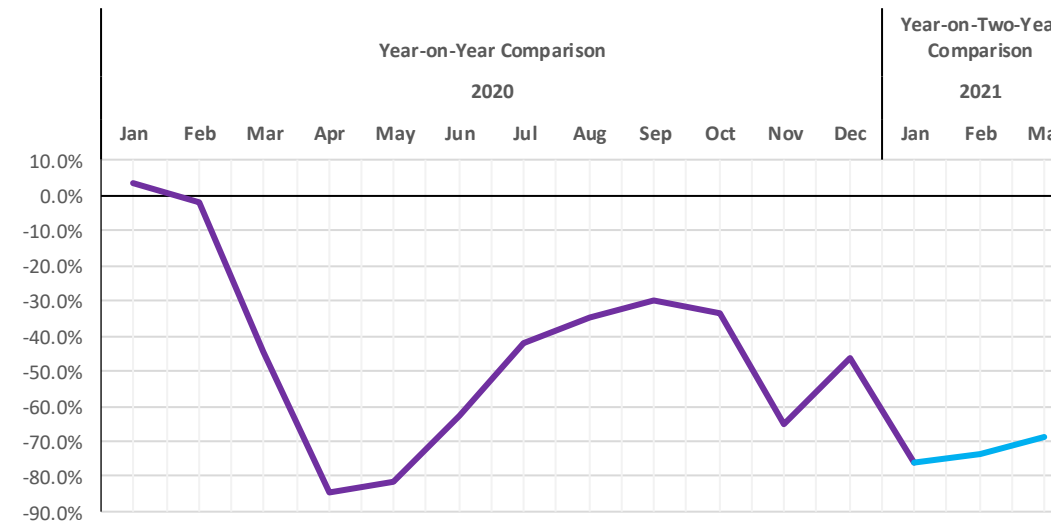
With the UK still in lockdown, Total UK Footfall decreased by 68.7% in March (Yo2Y), with only a 4.9 percentage point improvement from February

### TOTAL FOOTFALL BY CITY (% CHANGE WITH 2019)

GROWTH RANK	REGION	% GROWTH YOY
1	Belfast	-56.6%
2	Glasgow	-68.2%
3	Birmingham	-68.9%
4	Cardiff	-71.3%
5	London	-71.4%
6	Liverpool	-71.7%
7	Bristol	-74.5%
8	Nottingham	-74.5%
9	Leeds	-76.0%
10	Manchester	-83.2%
11	Portsmouth	-92.1%

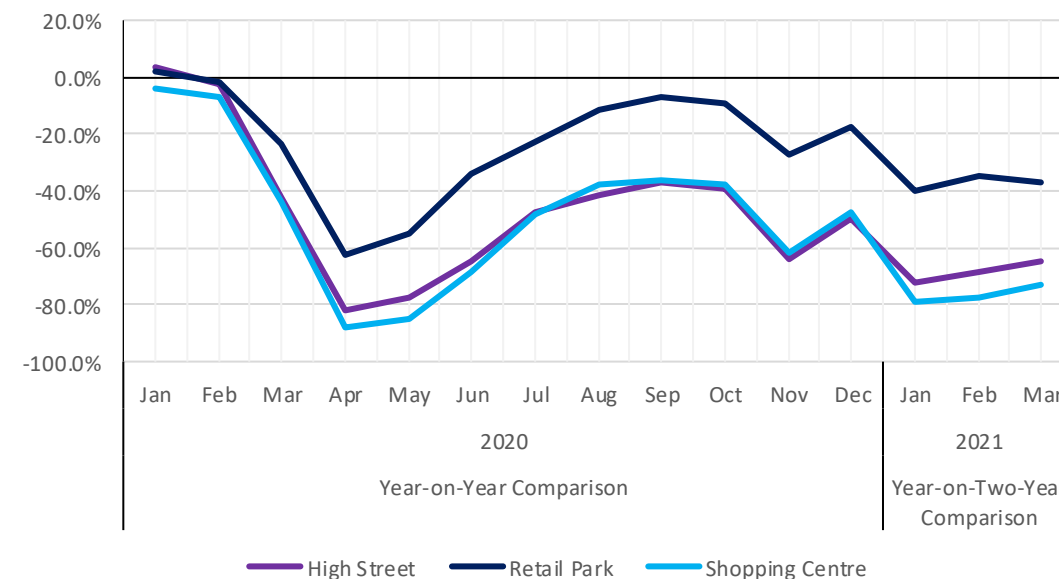
Source: BRC-Sensormatic IQ Footfall Monitor

### TOTAL UK RETAIL FOOTFALL (% CHANGE with 2019)



Source: BRC-Sensormatic IQ Footfall Monitor

### TOTAL FOOTFALL BY DESTINATION (% CHANGE WITH 2019)



Source: BRC-Sensormatic IQ Footfall Monitor

## SUMMARY MARCH

### UK Footfall YO2Y

# -68.7%



Up from -73.6% in February.

### UK Footfall 12-m average

# -54.7%



12-m average, below the 12-m average of -54.4% in January.

## The UK's footfall decline continued to soften in March.





## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

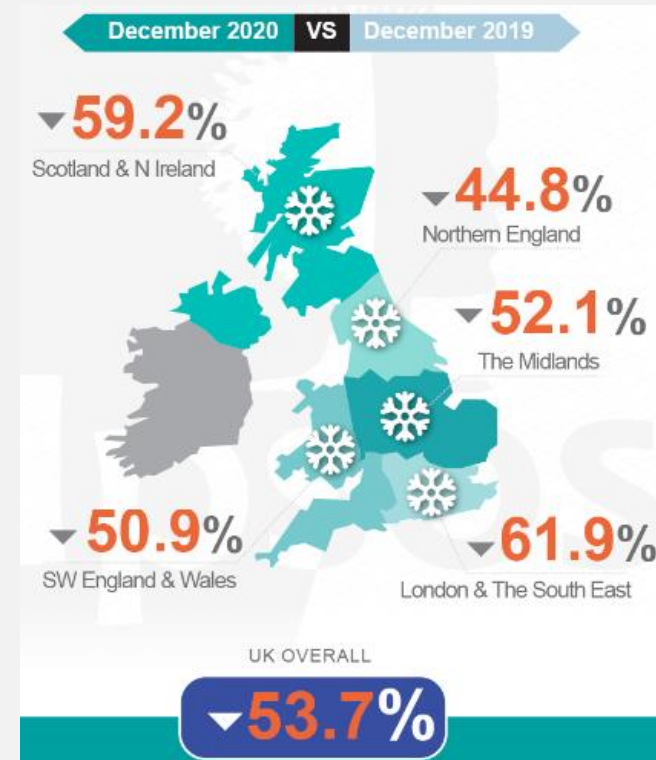
OTHER REPORTS

ABOUT US

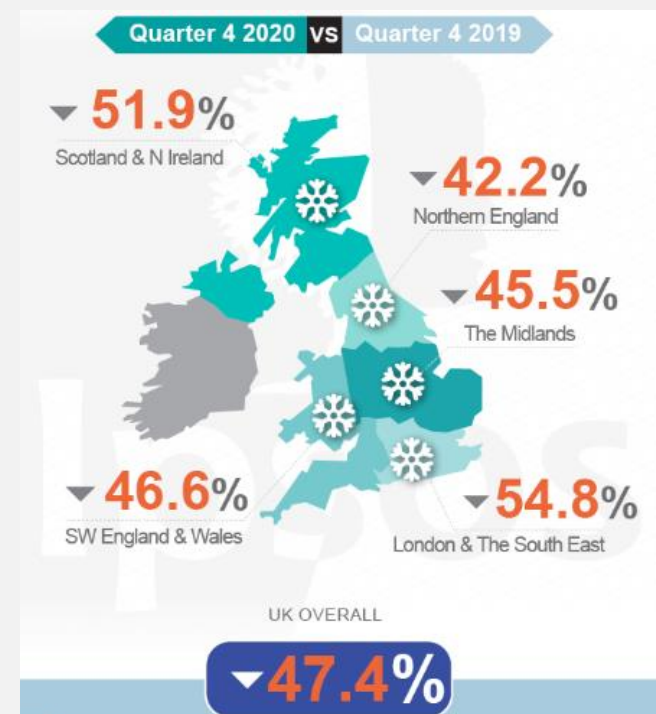


## UK RETAIL TRAFFIC

Year-On-Year change:

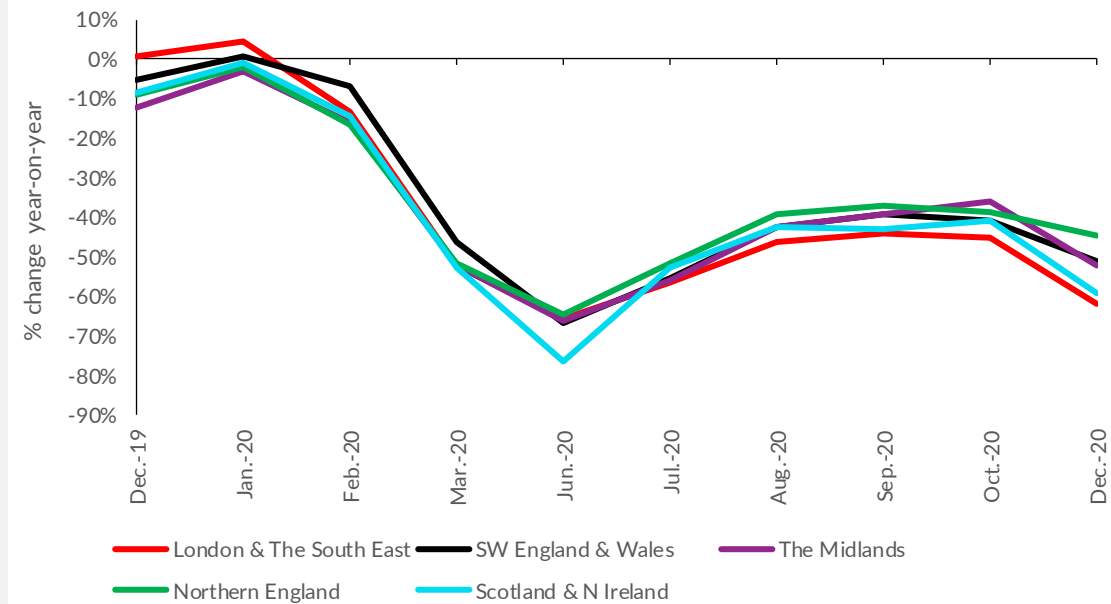


Quarter-On-Quarter change:



Source: IPSOS footfall data (National).  
Note: IPSOS did not release data for the lockdown period.

## REGIONAL FOOTFALL



Note: April, May and Nov 2020 data were not collected.

## REGIONAL FOOTFALL: DEC-20

% CHANGE ON YEAR AGO	
London & The South East	-61.9
SW England & Wales	-50.9
The Midlands	-52.1
Northern England	-44.8
Scotland and N Ireland	-59.2
<b>UK Average</b>	<b>-53.7</b>

Source: IPSOS footfall data (National)

## SUMMARY DECEMBER

UK Footfall

**-53.7%**



Down from -40.4% in October.

BRC-KPMG  
Non-Food sales

**-1.5%**



3-m avg. in December 2020,  
up from 1.3 in November.

Footfall dropped significantly in December as restrictions were reimposed.



## 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
- LABOUR MARKET P1, P2, P3
- CREDIT & HOUSING
- EXCHANGE RATES
- WEATHER
- FORECASTS
- OTHER REPORTS
- ABOUT US



## GfK CONSUMER CONFIDENCE

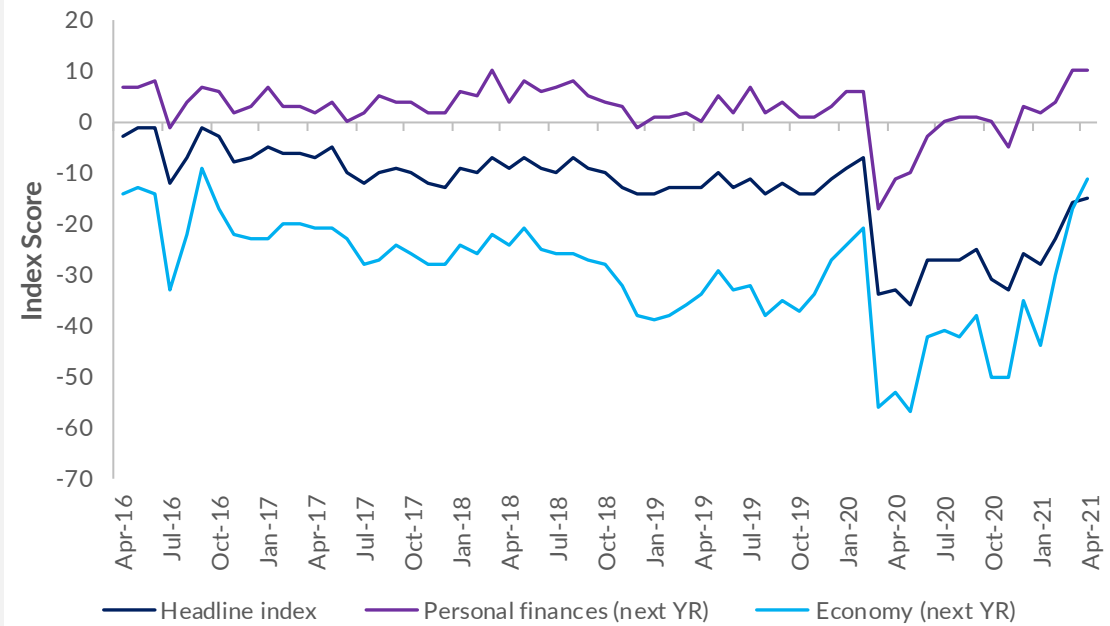
"Confidence has edged up one point in April, with the picture for personal finances in the coming year remaining strong at +10. There is also another big uptick in our view of the general economic situation in the next 12 months, which has improved six points in April, building on the previous 13-point increase in March and 14-point jump in February.

"This clear trend of growing confidence reflects the forecast of a rebound for the UK's economy during the second half of the year. The improvement in the consumer mood since January is welcome, but the pandemic has hit household finances hard and, on the road ahead, we will still see potential concerns over new variants, rising inflation and the debt overhang. Nevertheless, there's every chance that, as the recovery gains momentum and the numbers get stronger, confident consumers will continue to spend and drive the wheels of UK finances into the summer and beyond."

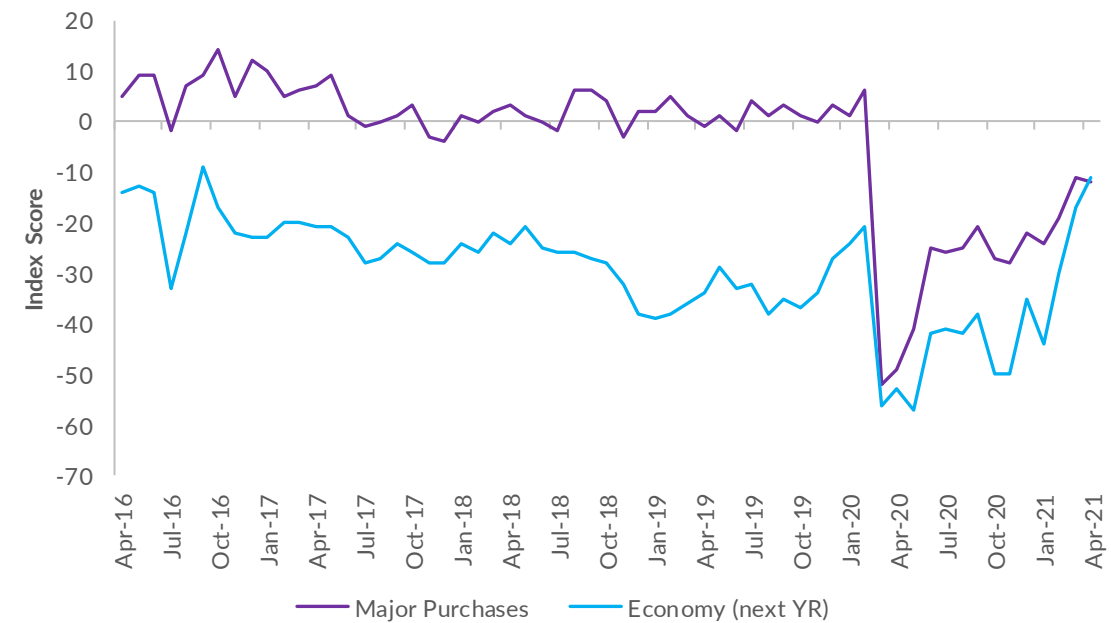
## GfK NOP CONSUMER CONFIDENCE INDEX

	Headline index	Major Purchases	Future savings	Personal finances (past YR)	Personal finances (next YR)	Economy (past YR)	Economy (Next YR)
Apr-20	-33	-49	+25	-4	-11	-48	-53
May	-36	-41	+21	-10	-10	-60	-57
Jun	-27	-25	+23	-5	-3	-60	-42
Jul	-27	-26	+21	-4	0	-61	-41
Aug	-27	-25	+20	-5	1	-62	-42
Sep	-25	-21	+14	-7	+1	-61	-38
Oct	-31	-27	+16	-9	+0	-67	-50
Nov	-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-21	-15	-12	+22	-3	+10	-58	-11

## LONG-TERM TRENDS



Source: GfK Consumer Confidence Index



Source: GfK Consumer Confidence Index

## SUMMARY APRIL

Headline GfK confidence

# -15



Up from -16 in March.

Major Purchases confidence

# -12



Down from -11 in March.

There is growing confidence about the future of the economy.



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US



## WHICH? CONSUMER INSIGHT TRACKER

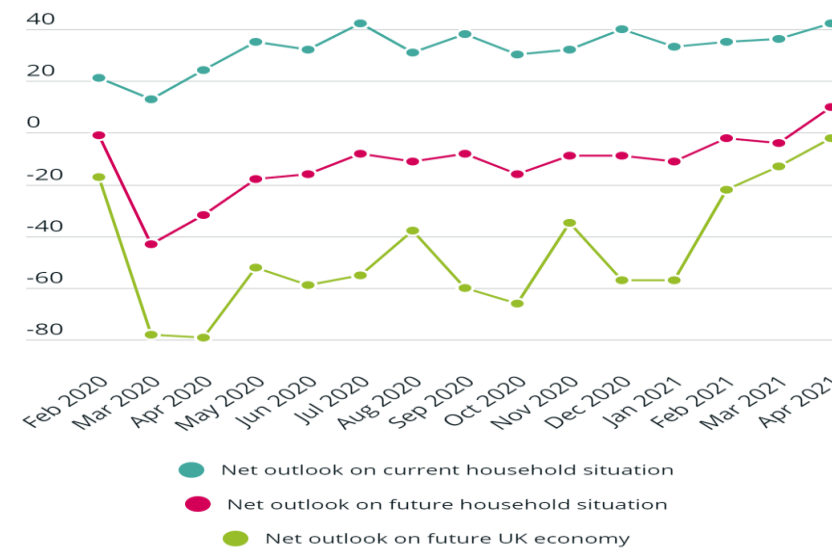
### CONSUMER CONFIDENCE

- Consumer confidence grew in April, continuing an upward trend throughout 2021. People's confidence in the future of their own household finances increased compared to last month. This is the first time since the pandemic began that the score is above zero, meaning that more people are optimistic about their future finances than are pessimistic.
- Confidence in the future of the economy increased this month, which is the highest it has been since September 2016, shortly after the Brexit vote.
- The jump in confidence no doubt reflects the success of the vaccination programme, the relatively low level of infections and the easing of restrictions. Interest now is whether this confidence will lead to a consumer spending splurge that will help the UK economy to recover quickly.

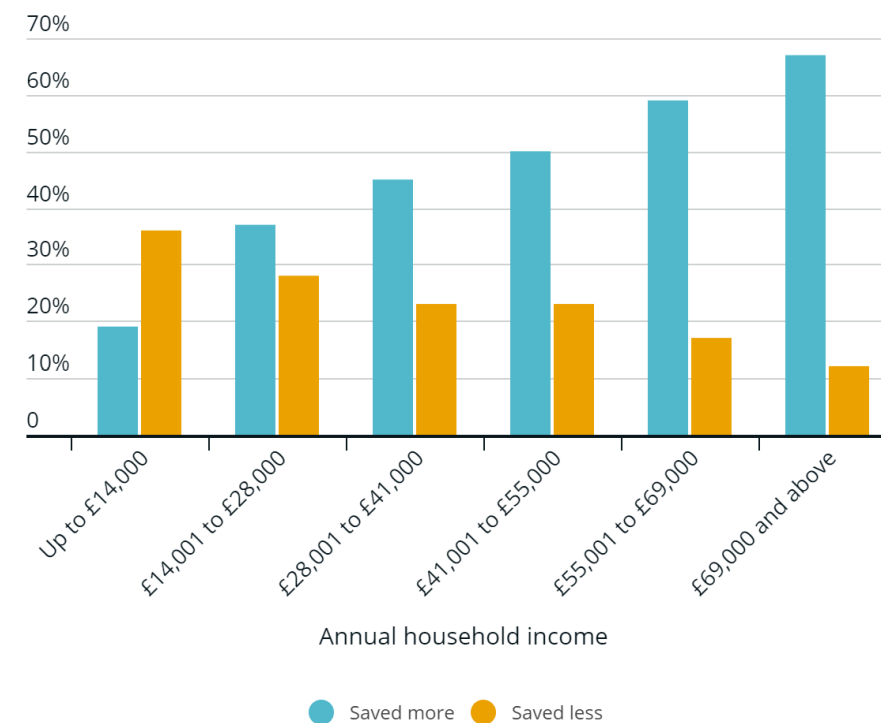
### WILL CONSUMERS SPEND THEIR SAVINGS?

- Consumers have the money to spend. The Bank of England estimated that households saved an extra £125 billion just between March and November last year and this stock of savings will have continued to rise considerably.
- These 'forced' savings are not spread evenly across consumers though. In April, two-fifths of consumers said they had been able to save more over the course of the pandemic, but this was most common among those on higher incomes. This might have implications for how much of the savings are spent in the coming months as wealthier households tend to be more likely to hold on to extra savings.
- To explore this, those consumers were asked who have saved more how much of their additional savings they intend to spend over the rest of this year. The results indicate that, while we can expect spending, a large proportion of the savings is likely to be held back.
- Of those who said they had plans, more than half (52%) intend to keep more as savings than they spend. Only 29% said they intend to spend more of it and 19% said they intended to allocate the same amount to saving and spending. Those on lower incomes (a household income less than £28,000) are more likely to say they would spend more than keep as savings (35%).
- However, many people have no clear intention. Two-fifths said they don't know yet, and those on lower incomes are much more likely to say this. 47% of those with a household income of £28,000 or less said they didn't know how much they would spend versus save, compared to 20% of those with a household income over £55,000.

### ECONOMIC CONFIDENCE CONTINUES TO GROW IN APRIL



### THOSE ALREADY ON HIGHER INCOMES ARE MORE LIKELY TO HAVE SAVED MORE DURING THE CRISIS



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

## SUMMARY APRIL

### Outlook on future of the UK economy

# -2



Up from -13 in March.

### Outlook on future household situation

# 10



Up from -4 in March.

## Confidence rose in Apr to levels as high as in Feb-20.



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
- LABOUR MARKET P1, P2, P3
- CREDIT & HOUSING
- EXCHANGE RATES
- WEATHER
- FORECASTS
- OTHER REPORTS
- ABOUT US

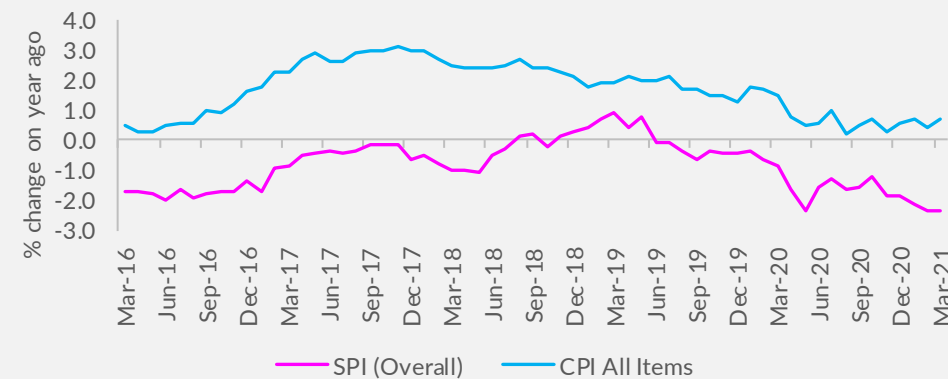


BRC - NIELSENiq SHOP PRICE INDEX

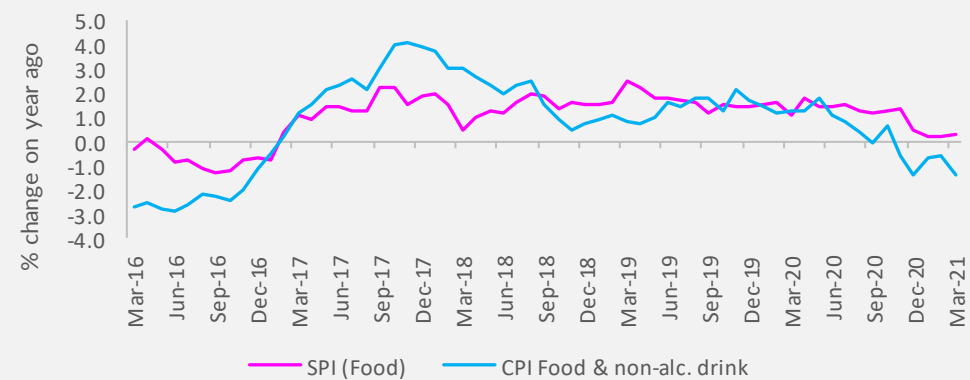
	Overall	Food	Non-food
Apr-20	-1.7	1.8	-3.7
May	-2.4	1.5	-4.6
Jun	-1.6	1.5	-3.4
Jul	-1.3	1.5	-2.9
Aug	-1.6	1.3	-3.4
Sep	-1.6	1.2	-3.2
Oct	-1.2	1.2	-2.7
Nov	-1.8	1.3	-3.7
Dec	-1.9	0.4	-3.2
Jan	-2.2	0.2	-3.6
Feb	-2.4	0.2	-3.9
Mar	-2.4	0.3	-4.0
Apr-21	-1.3	-0.6	-1.7

Source: BRC - NielsenIQ Shop Price Index [\(Read full report\)](#)

BRC - NIELSEN SPI & ONS CPI (ALL)



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

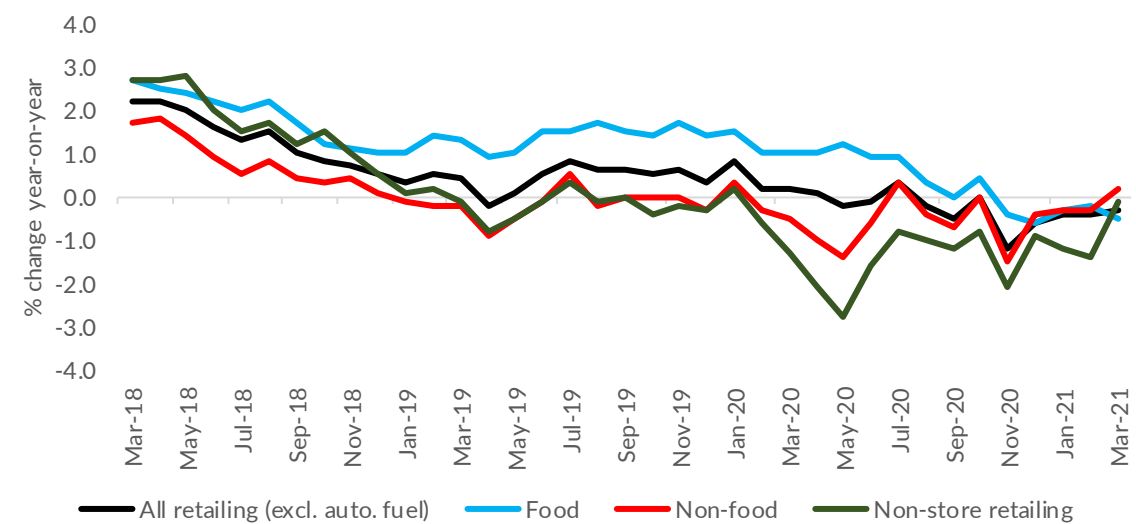


ONS RETAIL SALES IMPLIED DEFLATORS

% change in prices, year-on-year	All retailing (excl. auto. fuel)	Food	All Non-food	Textiles, clothing and footwear	Household goods	Non-store retailing
Mar-20	0.1	0.0	0.0	-0.3	-0.5	-0.5
Apr	-0.7	-0.4	-1.3	-1.5	-1.9	-1.8
May	0.1	0.4	0.4	0.3	1.1	0.1
Jun	-0.1	-0.2	0.3	0.0	0.8	0.6
Jul	-0.4	-0.2	-0.5	-0.7	-0.5	-0.1
Aug	0.2	-0.1	0.3	0.4	0.6	0.4
Sep	0.3	-0.5	1.0	2.2	0.9	0.9
Oct	0.4	0.3	0.6	1.9	-0.5	0.5
Nov	-0.7	-0.3	-0.9	-2.1	-0.3	-0.7
Dec	0.3	-0.2	0.5	0.1	1.6	0.6
Jan	-0.4	0.7	-1.3	-3.9	-1.1	-1.6
Feb	0.5	0.3	0.7	-1.1	1.6	0.4
Mar-21	0.2	-0.3	0.6	1.4	0.5	0.7

Source: ONS Implied deflators (%YoY)

IMPLIED DEFLATORS - YoY SERIES



Source: ONS Implied deflators (%YoY)

SUMMARY APRIL

SPI Inflation

-1.3%



Up from -2.4% in March.

SPI Food Inflation

-0.6%



Down from 0.3% in March.

Food prices fell for the first time since January 2017.



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US



## ONS CONSUMER PRICE INDEX (CPI)

### HEADLINE FIGURES, %, YOY

	CPI	Retail Price Index, all items (RPI)	All Items excl. mortgage interest payments (RPIX)
Mar-20	1.5	2.6	2.7
Apr	0.8	1.5	1.6
May	0.5	1.0	1.3
Jun	0.6	1.1	1.3
Jul	1.0	1.6	1.9
Aug	0.2	0.6	0.8
Sep	0.5	1.1	1.4
Oct	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-21	0.7	1.5	1.6

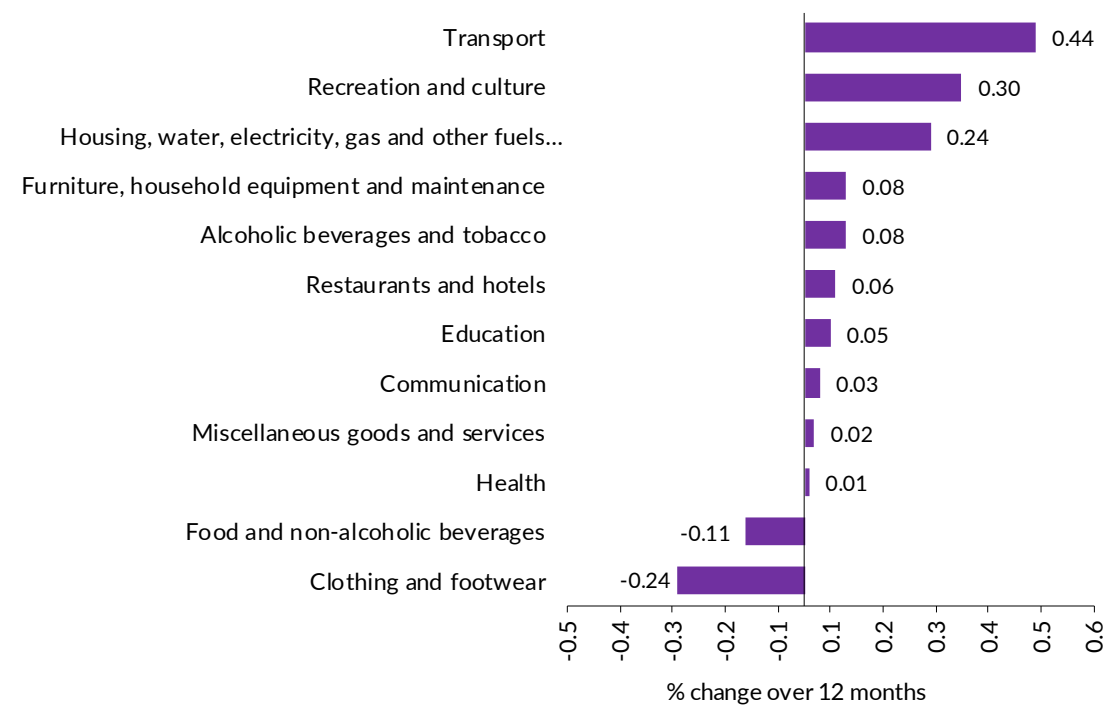
Source: ONS.

### CATEGORY FIGURES, %, YOY

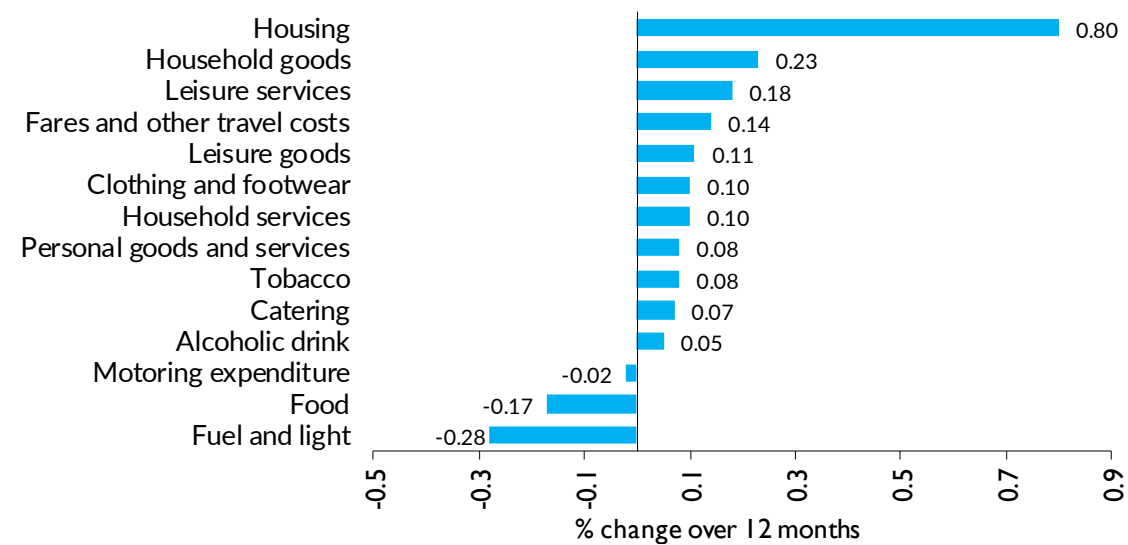
	Food & non-alcoholic beverages	Clothing & Footwear	Housing & household services	Furniture & household goods	Transport	Restaurant s & hotels
Mar-20	1.3	-1.2	1.7	0.0	1.3	2.1
Apr	1.3	-2.9	-1.1	-0.4	-1.0	2.4
May	1.8	-3.1	-1.2	-0.7	-1.7	2.0
Jun	1.1	-2.2	-1.1	-0.5	-1.6	1.8
Jul	0.8	-0.1	-0.9	0.8	-0.7	1.8
Aug	0.4	-1.4	-0.8	0.4	-1.0	-2.8
Sep	-0.1	-1.5	-0.9	-0.5	0.9	-0.7
Oct	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-21	-1.4	-3.9	-0.9	1.5	3.7	1.0

Source: ONS.

## CPIH: CONTRIBUTIONS TO THE ANNUAL RATE



## RPI: CONTRIBUTIONS TO THE ANNUAL RATE



## SUMMARY MARCH

CPI

# 0.7%

Up from 0.4% in February.



CPI Food

# -1.4%

Down from -0.6% in February.



Annual food prices continued to fall.



## 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
- LABOUR MARKET P1, P2, P3
- CREDIT & HOUSING
- EXCHANGE RATES
- WEATHER
- FORECASTS
- OTHER REPORTS
- ABOUT US

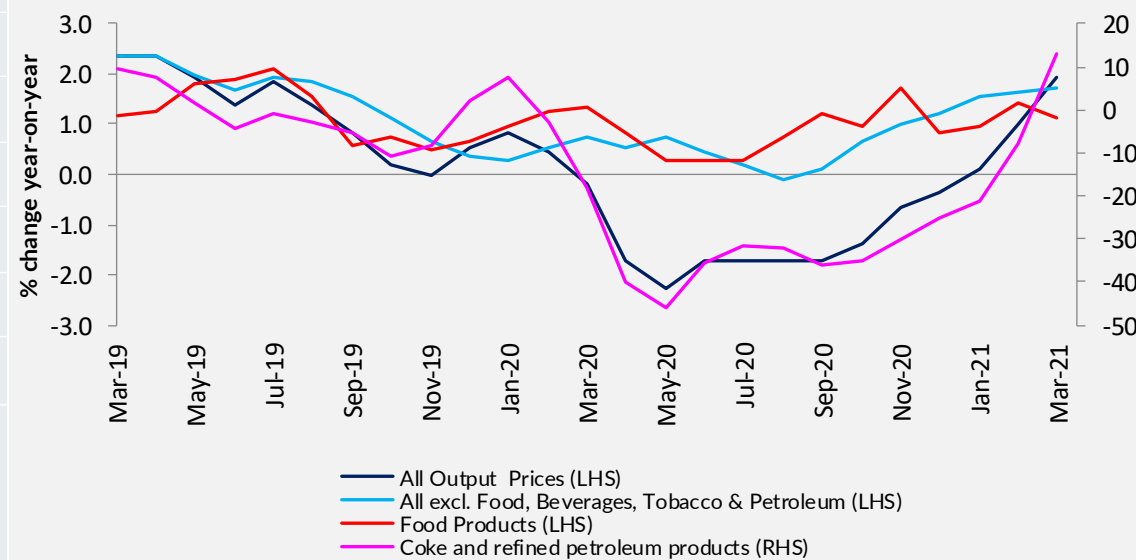


## PPI OUTPUT PRICES

	All Output Prices (LHS)	All excl. Food, Beverages, Tobacco & Petroleum (LHS)	Food Products (LHS)	Coke and refined petroleum products (RHS)
Mar-20	-0.2	0.7	1.3	-18.4
Apr	-1.7	0.6	0.9	-40.0
May	-2.3	0.7	0.3	-45.8
Jun	-1.7	0.5	0.3	-35.4
Jul	-1.7	0.2	0.3	-31.5
Aug	-1.7	-0.1	0.8	-32.3
Sep	-1.7	0.1	1.2	-36.2
Oct	-1.4	0.6	1.0	-35.0
Nov	-0.6	1.0	1.7	-30.2
Dec	-0.4	1.2	0.9	-25.0
Jan	0.1	1.6	0.9	-21.1
Feb	1.0	1.6	1.4	-7.9
Mar-21	1.9	1.7	1.1	13.0

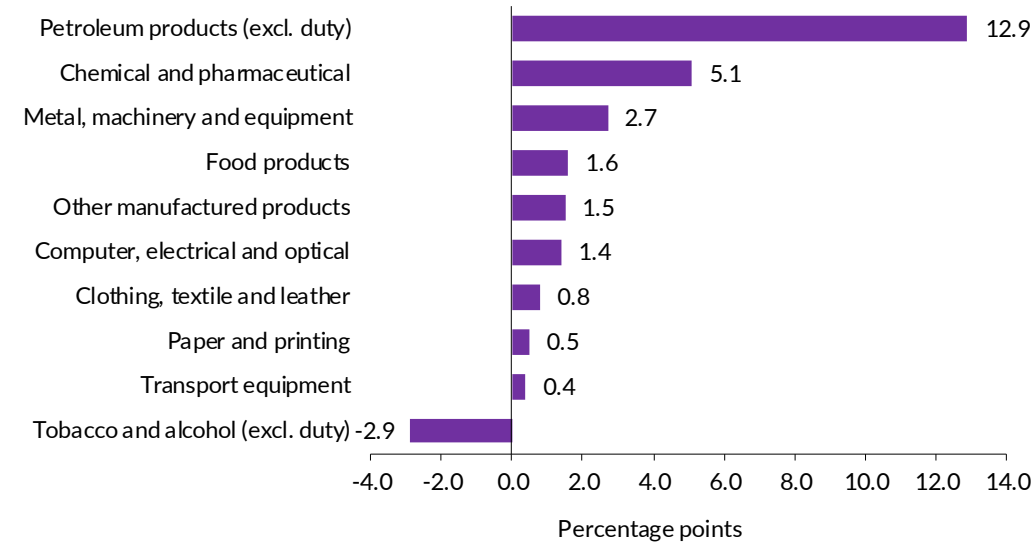
Source: ONS Producer Price Index - Output Prices

## 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 MARCH

### PPI- Output Inflation

# 1.9%



Up from 1.0% in February.

### PPI- Food Inflation

# 1.1%



Down from 1.4% in February.

Output prices rose for the third consecutive month in March.



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US

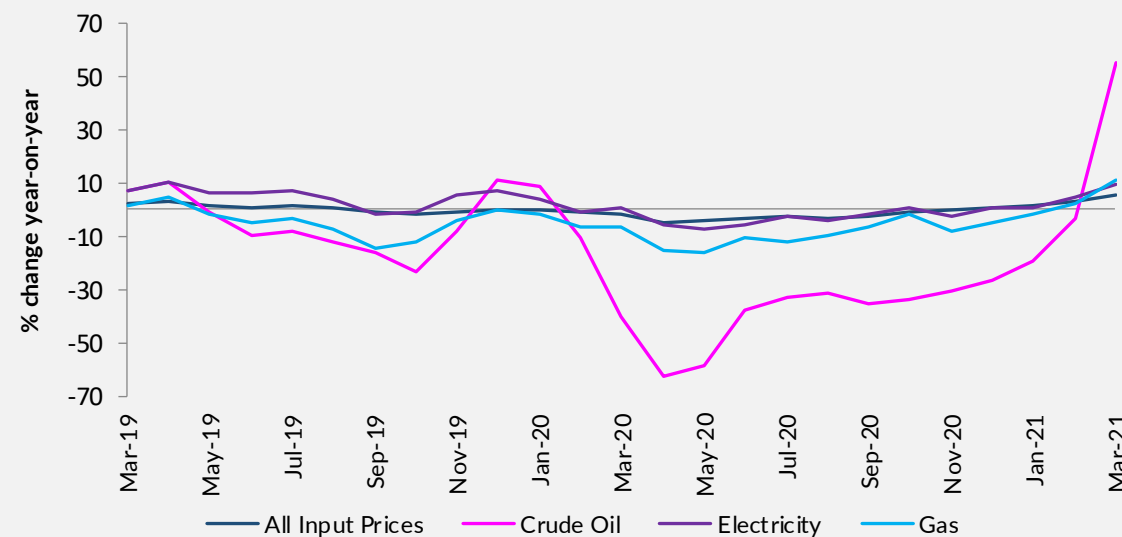


## PPI INPUT PRICES

	All Input prices	Crude Oil	Electricity	Gas	Imported Food Materials	Home-produced Food Materials
Mar-20	-1.8	-40.3	0.4	-6.4	5.8	-2.8
Apr	-4.6	-62.6	-5.9	-15.6	3.1	-6.1
May	-4.3	-58.9	-7.0	-15.8	2.0	-6.8
Jun	-3.0	-37.6	-5.4	-10.6	-0.6	-5.7
Jul	-2.9	-33.2	-2.8	-12.3	-1.2	-5.5
Aug	-3.0	-31.3	-4.5	-9.6	-2.9	-5.8
Sep	-2.3	-35.4	-2.0	-6.8	-0.6	-5.5
Oct	-1.2	-33.9	1.0	-1.6	3.2	-4.1
Nov	-0.3	-30.6	-2.9	-7.9	3.6	-2.7
Dec	0.8	-26.9	0.4	-4.9	3.2	-1.8
Jan	1.8	-19.2	1.0	-1.8	1.7	-1.2
Feb	3.3	-3.4	4.7	2.2	-0.7	0.4
Mar-21	5.9	55.2	9.6	11.0	-2.4	2.4

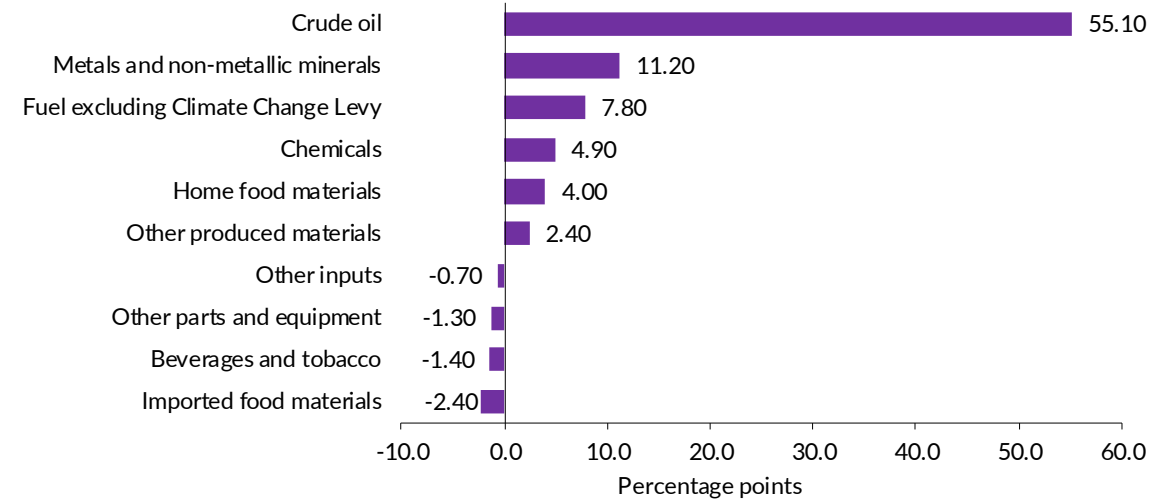
Source: ONS Producer Price Index

## 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 MARCH

PPI - Input Inflation

# 5.9%

Up from 3.3% in February.



Electricity Inflation

# 9.6%

Up from 4.7% in February.



Crude oil provided the largest upward contribution to the change in the annual rate .





## 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

**LABOUR MARKET P1, P2, P3**

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US



## UK EMPLOYMENT

In the three months to February 2021:

- The estimated UK employment rate for all people was 75.1%; this is 1.4 percentage points down on the same period the previous year and 0.1 percentage points down compared with the previous quarter (September to November 2020).
- The estimated UK unemployment rate for all people was 4.9%; this is 0.9 percentage points higher than a year earlier but 0.1 percentage points lower than the previous quarter.
- The single-month and weekly estimates of the employment rate over the three-month period suggest that the rate was lowest in December and increased slightly in January and February.
- Estimates show 32.43 million people aged 16 years and over in employment, 643,000 fewer than a year earlier and down 73,000 on the quarter.
- The single-month and weekly estimates of the unemployment rate suggest that the rate decreased slightly.
- An estimated 1.67 million people were unemployed, up 311,000 on the same period the previous year but down 50,000 on the quarter, the first quarterly decrease since October to December 2019.

## LABOUR FORCE SURVEY

	Claimant Count		Unemployment	
	'000s	% rate	'000s	% rate
Mar-20	1247.7	3.4	1365	4.0
Apr	2091.8	5.7	1367	4.0
May	2649.1	7.2	1384	4.1
Jun	2575.1	7.0	1381	4.1
Jul	2641.0	7.2	1451	4.3
Aug	2681.3	7.3	1522	4.5
Sep	2661.7	7.2	1624	4.8
Oct	2598.6	7.1	1692	4.9
Nov	2637.0	7.2	1724	5.0
Dec	2634.7	7.2	1744	5.1
Jan	2596.3	7.1	1703	5.0
Feb	2663.5	7.3	1675	4.9
<b>Mar-21</b>	<b>2673.7</b>	<b>7.3</b>		

Source: ONS release & data link: Labour Market Statistics [April 2021](#)

## EMPLOYMENT (3 MONTHS ENDING)

Employment (3 months ending) (000s)	Total	Full-time	Part-time
Feb-20	33073	24455	8618
Mar	33005	24356	8650
Apr	32840	24276	8564
May	32744	24341	8403
Jun	32671	24402	8269
Jul	32665	24410	8256
Aug	32591	24390	8200
Sep	32507	24396	8111
Oct	32522	24460	8061
Nov	32503	24489	8014
Dec	32393	24435	7958
Jan	32374	24472	7903
<b>Feb-21</b>	<b>32430</b>	<b>24578</b>	<b>7853</b>

Source: (000s) ONS release & data link: Labour Market Statistics [April 2021](#)

## SUMMARY

Claimant Rate

# 7.3%



Unchanged in Mar from 7.3% in Feb.

Total Employment

# 75.1%



Up to 75.1% in Feb from 75.0% in Jan.

Unemployment fell in February to 4.9% from 5.0% in January.



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
- LABOUR MARKET P1, P2, P3
- CREDIT & HOUSING
- EXCHANGE RATES
- WEATHER
- FORECASTS
- OTHER REPORTS
- ABOUT US



EARNINGS

Between December 2019 and February 2020 and December 2020 and February 2021:

**Regular pay** was estimated to have increased by 0.7% in nominal terms and by -0.2% in real terms.

**Average regular pay (excluding bonuses)** was estimated at £534 per week in nominal terms (not adjusted for inflation), higher than the estimate for a year earlier (£511 per week) and £489 per week in real terms (constant 2015 prices), higher than the estimate for a year earlier (£471 per week), after having fallen back to £465 per week in April 2020.

**Total pay** was estimated to have increased by 4.8% in nominal terms and by 3.9% in real terms.

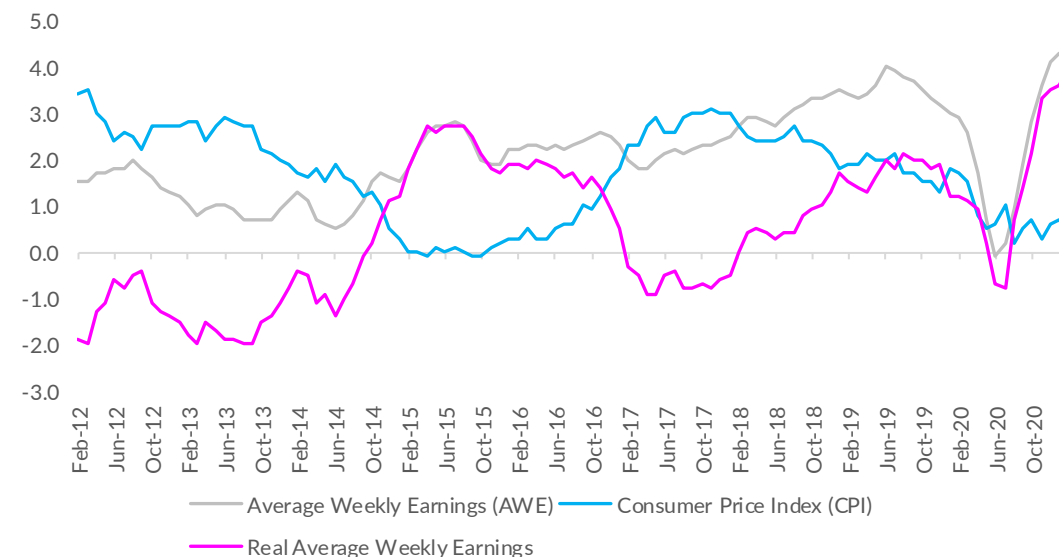
**Average total pay (including bonuses)** was estimated at £568 per week in nominal terms (not adjusted for inflation), higher than the estimate for a year earlier (£546 per week) and £518 per week in real terms (constant 2015 prices), higher than the estimate for a year earlier (£502 per week).

AVERAGE WEEKLY EARNINGS GROWTH

	Average Weekly Earnings	Consumer Price Index (CPI)	Real Average Weekly Earnings
Feb-20	2.9	1.7	1.2
Mar	2.6	1.5	1.1
Apr	1.7	0.8	0.9
May	0.7	0.5	0.2
Jun	-0.1	0.6	-0.7
Jul	0.2	1	-0.8
Aug	0.9	0.2	0.7
Sep	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-21	4.4	0.4	4.0

Source: ONS.

LONG TERM EARNINGS SERIES



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

SUMMARY FEBRUARY

Regular pay growth  
**4.4%**



Up from 4.3% in January.

Total pay growth  
**4.8%**



Unchanged from 4.8% in January.

Pay continued to see robust growth in February, both in nominal and real terms.



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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

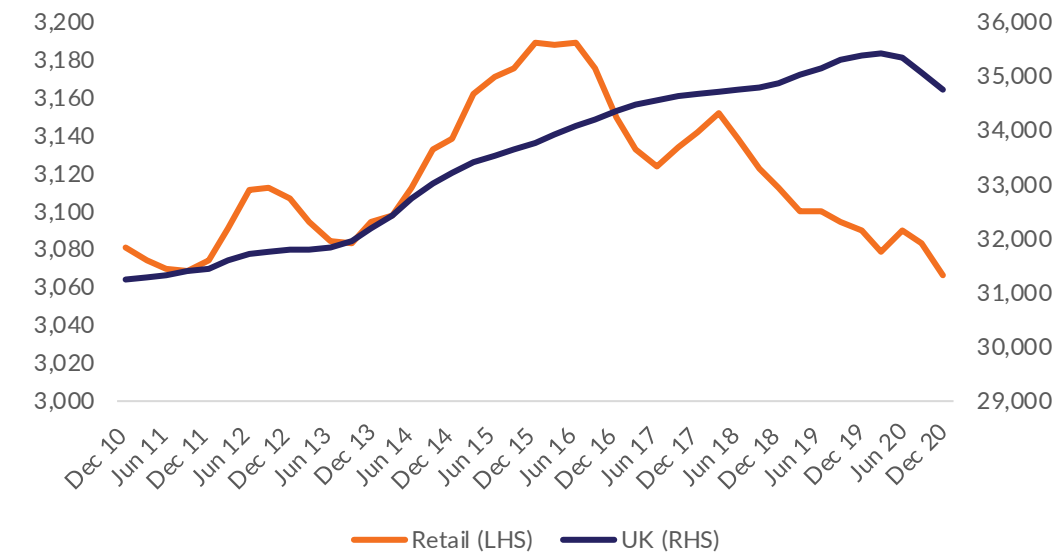
ABOUT US



RETAIL LABOUR MARKET

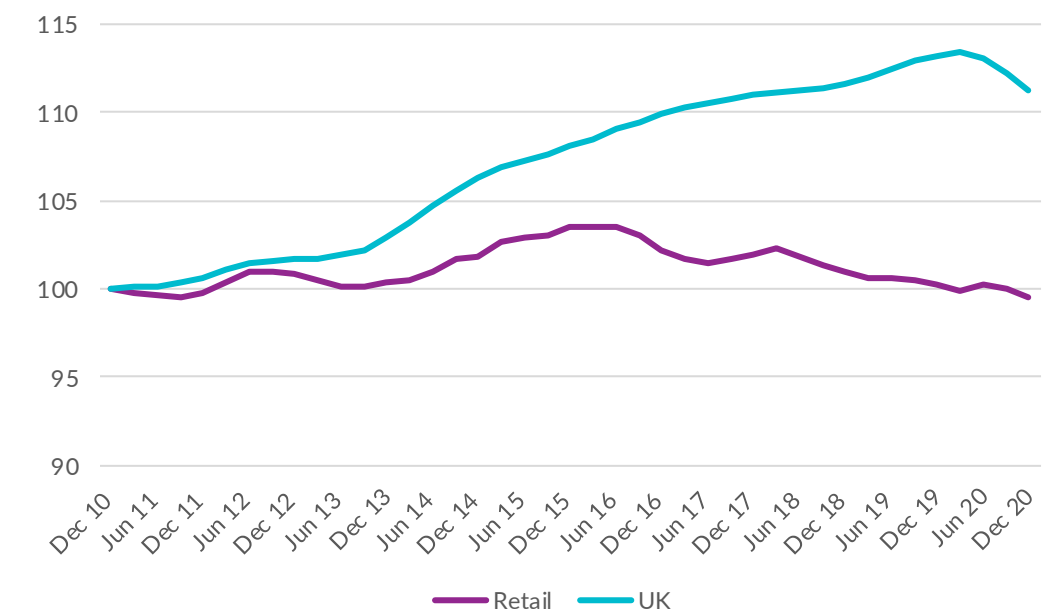
- There were 3.097 mill jobs in retail in Q4 2020, a decline of 2.1% YoY, or 67,000 fewer jobs compared to Q4 2019. This is the lowest Q4 jobs figure for the industry since 1999.
- Using the 4Q averages, there were 3.066mill jobs in retail in 2020, a decline of 24,000 on the year.
- The CJRS distorts the employment figures, as furlough workers are counted as employed. On average, there were 230,000 furloughed retail employees in October, 470,000 in November and 420,000 in December.
- Since 2016, the retail industry lost jobs, while the UK economy grew and added jobs before March of last year. This is easier to see in the bottom graph where the number of jobs was indexed at 100 in December 2010.
- As a result, the proportion of retail jobs out of all UK jobs has been steadily declining: the retail employment share of the UK total employment has been falling: in Q1 2008 it stood at 10.1% of the UK employment, while in Q4 2020 it fell to 8.8%.
- The UK retail industry generated £393.7bn in sales in 2019 and added £103.9bn to the UK's economy, or 5.2% of the UK's Gross Value Added (GVA).
- Retail is the largest UK private employer: through nearly 200,000 separate enterprises, it provides more than 3 million jobs amounting to almost 8.8% of the total UK jobs.

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



Source: ONS.

RETAIL AND UK JOB GROWTH (Dec 2010 = 100)



Source: ONS

SUMMARY Q4 2020

Total Retail Jobs (mill)

3.097

In Q4, there were 67,000 fewer jobs than a year ago.



Retail jobs growth, YOY

-2.1%

Up from -2.5% in Q3.



Retail made up 8.8% of all UK jobs in Q4 2020.



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US



## MONEY & CREDIT

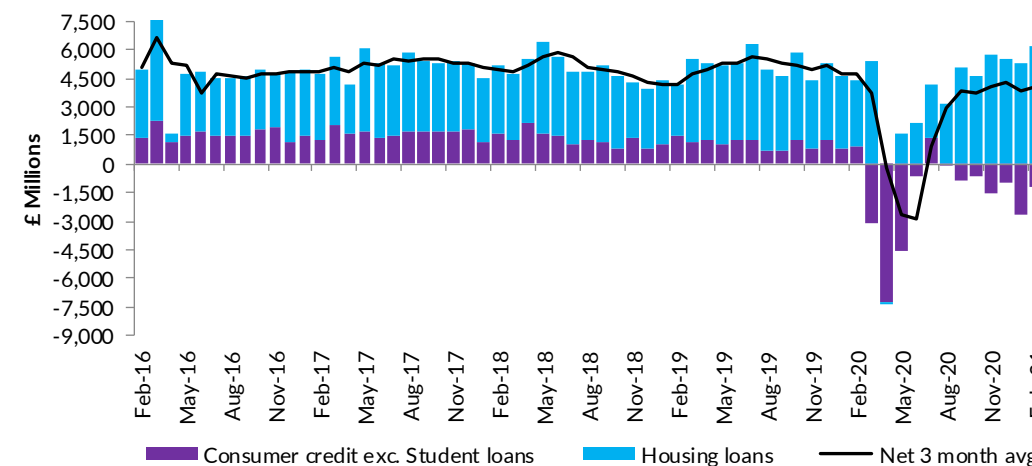
- Net mortgage borrowing was £6.2 billion in February, the strongest since March 2016. Mortgage approvals for house purchase were 87,700 in February: while higher than in February 2020, they have fallen from a peak of 103,700 in November 2020.
- Individuals continued making net repayments of consumer credit in February (£1.2 billion). The effective rate on new personal loans remained low at 5.16%, compared to 7.03% in January 2020.
- Private non-financial companies borrowed £0.7 billion from capital markets in February, compared to a monthly average of £4.5 billion since March 2020. Net bank borrowing by small and medium sized businesses was £0.4 billion in February, whilst large businesses made net repayments of £0.3 billion.
- Households continued depositing significant amounts, with an additional £17.1 billion placed in February. Deposit interest rates remained at historically low levels.

## CONSUMER CREDIT

	Consumer Credit monthly changes £	Credit Cards monthly changes £	Housing loans monthly changes £	Mortgage approvals for house purchase
Feb-20	885	21	3500	73382
Mar	-3123	-2332	5360	56929
Apr	-7223	-4798	-10	16096
May	-4582	-1817	1569	9432
Jun	-659	-386	2144	40681
Jul	1369	951	2787	67811
Aug	-14	-20	3159	86085
Sep	-863	-779	5041	92045
Oct	-690	-674	4641	97264
Nov	-1513	-909	5722	103708
Dec	-923	-860	5482	101252
Jan	-2651	-2325	5283	97350
Feb-21	-1246	-927	6171	87669

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
Sep-20	21879	14.8	-2.0
Oct	24777	13.2	-2.3
Nov	24205	-2.3	3.3
Dec	25568	5.6	13.9
Jan	22606	-11.6	-1.8
Feb-21	24304	7.5	19.3

Source: UK Finance

## SUMMARY FEBRUARY

Net consumer credit

**-1.2bn**

Up from -2.7bn in Jan.

Mortgage lending, YOY

**19.3%**

Up from -1.8% in Jan.

February net mortgage borrowing was at its strongest since March 2016.



## 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
- LABOUR MARKET P1, P2, P3
- CREDIT & HOUSING
- EXCHANGE RATES**
- WEATHER
- FORECASTS
- OTHER REPORTS
- ABOUT US



## DOLLAR, EURO, YUAN, YEN

	US dollar (\$) per pound sterling (£)	Euro (€) per pound sterling (£)	Chinese Yuan (¥) per pound sterling (£)	Japanese Yen (¥) per pound sterling (£)
Mar-20	1.24	1.12	8.30	133.07
Apr-20	1.24	1.14	8.70	133.69
May-20	1.23	1.13	8.67	131.93
Jun-20	1.25	1.11	8.75	134.79
Jul-20	1.27	1.11	8.92	135.44
Aug-20	1.31	1.11	9.04	139.19
Sep-20	1.30	1.10	8.67	136.84
Oct-20	1.30	1.10	8.76	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	8.87	141.52
Feb-21	1.39	1.15	9.05	146.16
Mar-21	1.39	1.16	9.02	150.67

Source: Average monthly exchange rate, Bank of England

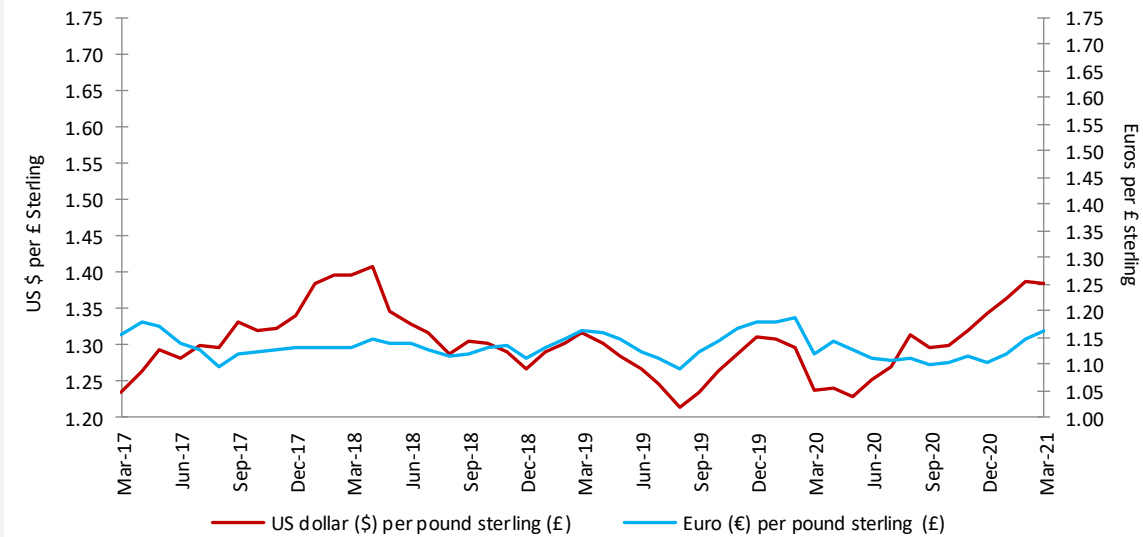
## IMPACTS FROM CURRENCY DEPRECIATION

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.

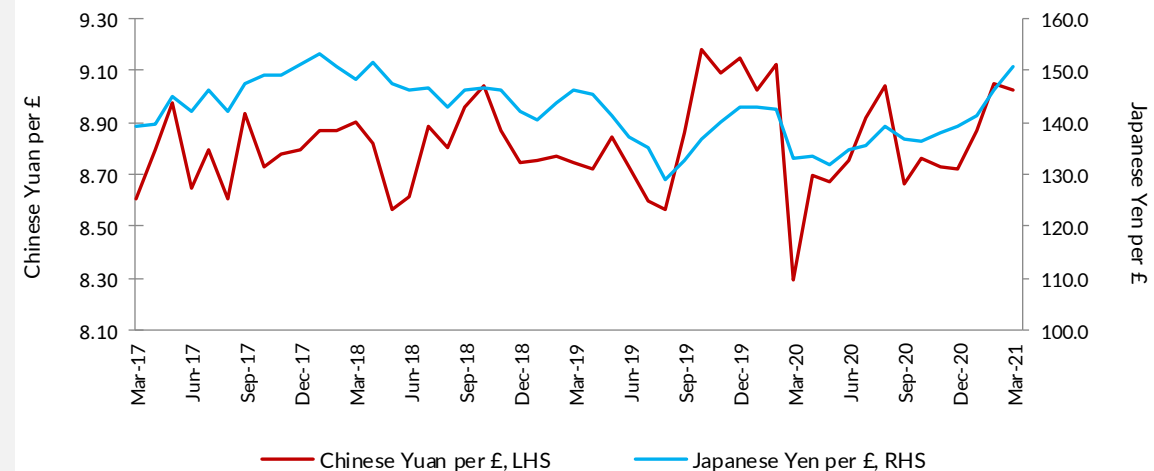
However, this failed to materialise following the post-referendum depreciation from 2016, most likely due to specialised supply chains.

## 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 MARCH

### USD TO GBP, YOY

# 12.1%



Sterling appreciation in relation to the USD, YoY.

### EURO TO GBP, YOY

# 3.6%



Sterling appreciation in relation to the Euro, YoY.

Compared to last year, sterling against both the dollar and the euro.



## 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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

**WEATHER**

FORECASTS

OTHER REPORTS

ABOUT US

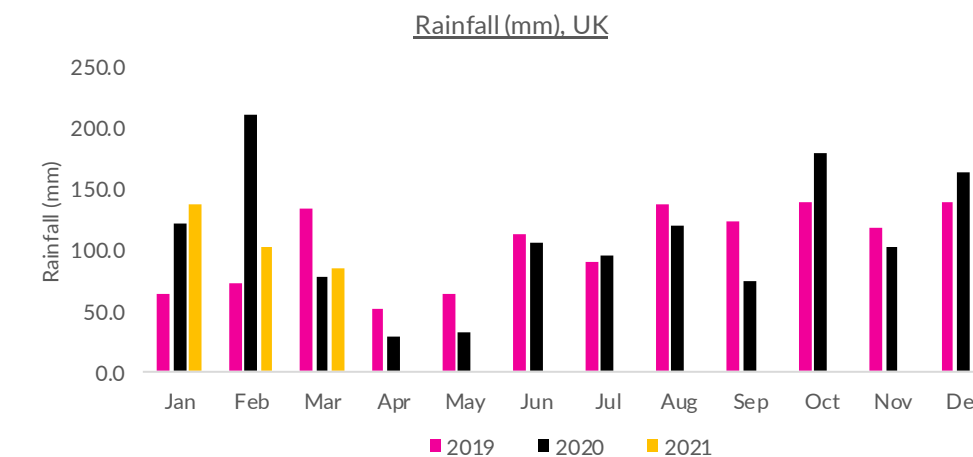
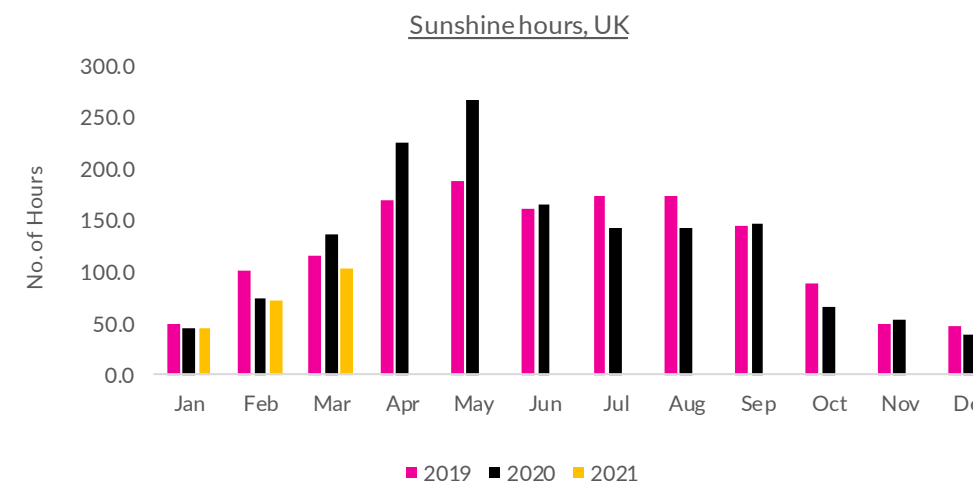
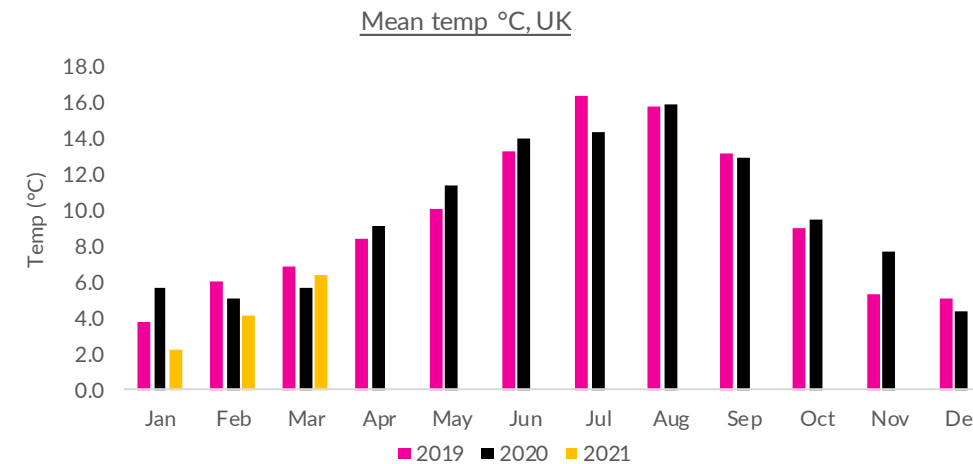


## MET OFFICE WEATHER DATA

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	9.8	0.9	3.0	0.9	6.4	0.9	101.9	100	84.3	89
England	10.6	0.8	3.3	0.7	7.0	0.8	110.6	103	50.0	78
North England	10.0	1.2	3.2	1.2	6.6	1.2	106.1	104	74.9	100
South England	10.9	0.7	3.3	0.4	7.1	0.5	112.9	102	36.8	64
Midlands	10.6	0.9	3.3	0.9	7.0	0.9	102.9	98	45.2	77
Wales	9.8	0.8	3.0	0.4	6.4	0.7	105.5	104	96.9	83
Scotland	8.3	1.1	2.2	1.2	5.3	1.1	91.1	98	140.4	100
N Ireland	10.1	0.8	3.6	1.2	6.8	1.0	74.1	75	74.0	78

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

## TEMPERATURE, SUNSHINE, RAIN



## SUMMARY MARCH

Sunshine hours

# -25%



Mar-21 saw less sun than Mar-20.

Precipitation

# 8.1%



Mar-21 saw more rain than Feb-20.

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



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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

OTHER REPORTS

ABOUT US



# 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
<b>GDP</b>	5.6	4.0	6.0	7.3	2.2	1.7	1.9	1.6
<b>Cons. Spending</b>	5.4	2.9	7.0	11.1	n/a	1.2	n/a	1.8
<b>CPI (Q4)</b>	2.1	1.2	1.7	1.6	1.8	1.7	1.8	1.9
<b>Avg Earnings</b>	4.5	1.9	2.6	2.7	2.9	2.2	3.1	2.8
<b>Bank Rate (Q4)</b>	0.10	0.00	0.10	0.10	0.64	n/a	0.87	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

**5.6%**



Above previous projections of 4.7%.

Avg. Earnings 2021

**4.5%**



Above previous projections of 3.8%.

The UK economy is projected to be smaller at the end of 2021 than in 2019.



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

LABOUR MARKET P1, P2, P3

CREDIT & HOUSING

EXCHANGE RATES

WEATHER

FORECASTS

**OTHER REPORTS**

ABOUT US



# COMING SOON

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





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
- LABOUR MARKET P1, P2, P3
- CREDIT & HOUSING
- EXCHANGE RATES
- WEATHER
- FORECASTS
- OTHER REPORTS
- ABOUT US**



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 21<sup>st</sup> 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



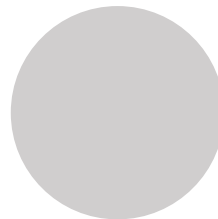
**KYLE MONK**  
HEAD OF INSIGHT & ANALYTICS

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.

CONTACT & DISCLAIMER

THE BRITISH RETAIL CONSORTIUM

01283 829 213  
insight@brc.org.uk

The articles and opinions contained in this publication do not necessarily reflect the views of the BRC. Whilst the BRC endeavours to ensure that the information in this publication is accurate and that the articles contain nothing prejudicial to the position or reputation of any party, the BRC shall not be liable for any damages (including without limitation, damages for loss of business or loss of profits) arising in contract, tort or otherwise from this publication or any information contained in it, or from any action or decision as a result of reading this report.

PUBLICATIONS

MONTHLY

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

QUARTERLY

- FORECASTING
- QUARTERLY TRENDS
- RETAIL EMPLOYMENT MONITOR

ANNUAL

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