

UK Economic Insights: April 2021

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Agenda

Labour market

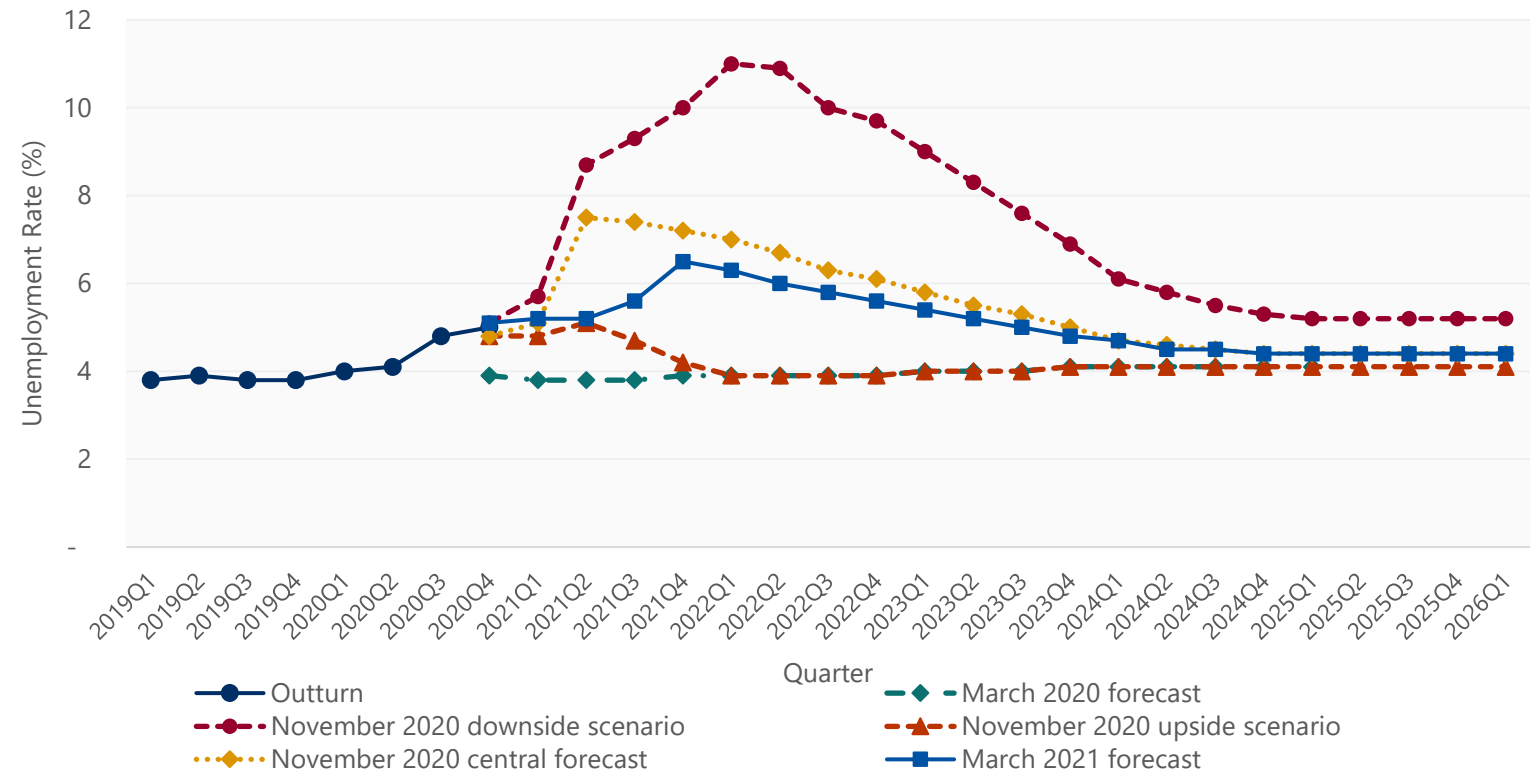
Retail and wholesale sector

Labour Market

Unemployment Outlook

Unemployment Outturn and Forecast

Unemployment outturn and OBR forecasts, March 2020, November 2020 and March 2021, Q1 2019 to Q1 2026



Source: Office for Budget Responsibility (OBR) and Office for National Statistics (ONS)

- January unemployment levels were at just 4.9%
- Strong and sustained government support will delay unemployment peak to 6.5% at the end of this year
- Unwinding of government support will see unemployment levels begin to rise
- March COVID unemployment gap was at 6.2 million people in March

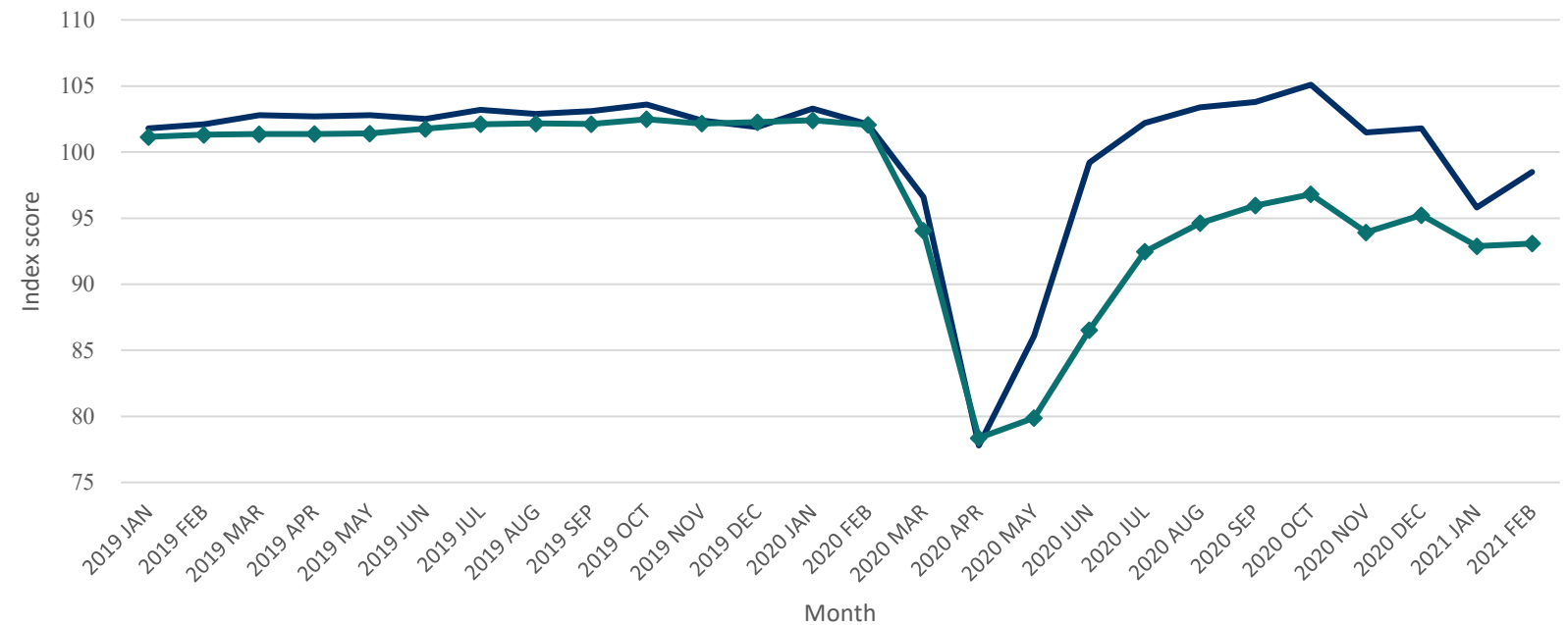
Retail and Wholesale sector

Retail and Wholesale Index

- The Retail and Wholesale index had recovered to February levels by July 2020.
- At its peak in October 2020, the index of services remained 5.1% lower than its index score in February.
- Despite continued restrictions, the Retail and Wholesale index returned to growth in February 2021.

UK Index of services

While largely remaining in line with the index of services prior to the pandemic, wholesale and retail trade recovered at a much faster rate than the wider sector due to increasing reliance on online retail and food retailers.



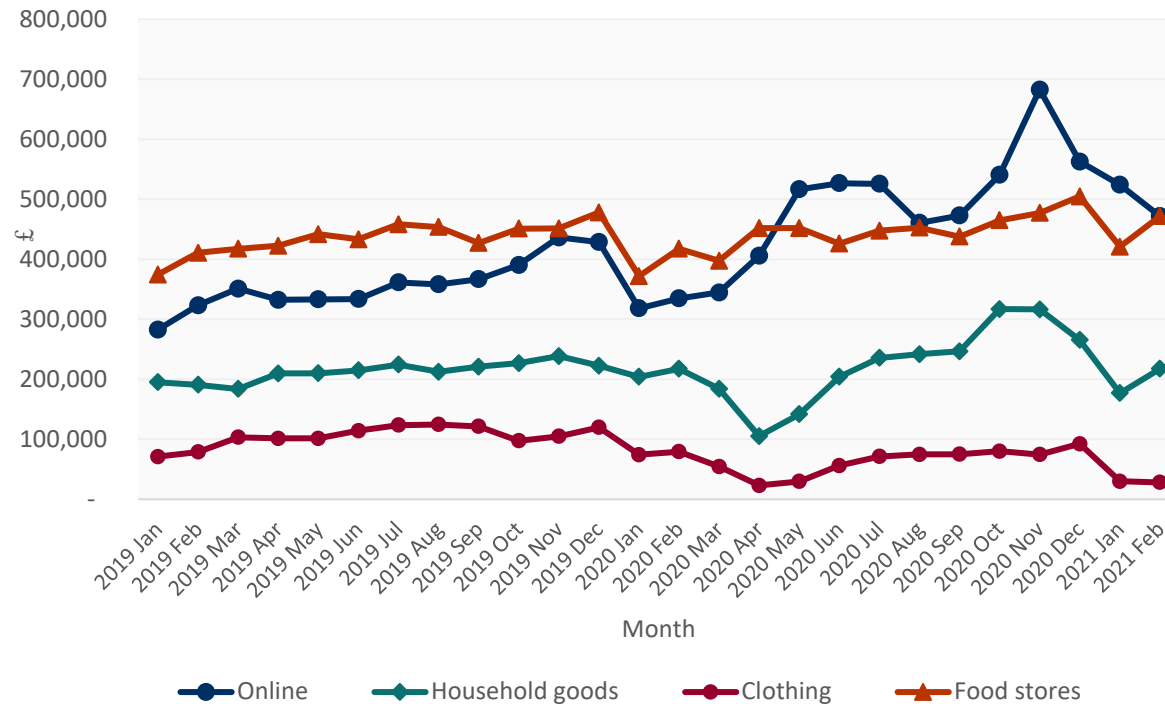
Office for National Statistics (ONS)

— Wholesale and Retail trade — Index of services

Average weekly revenue - Retail

Average weekly revenue of small retail businesses

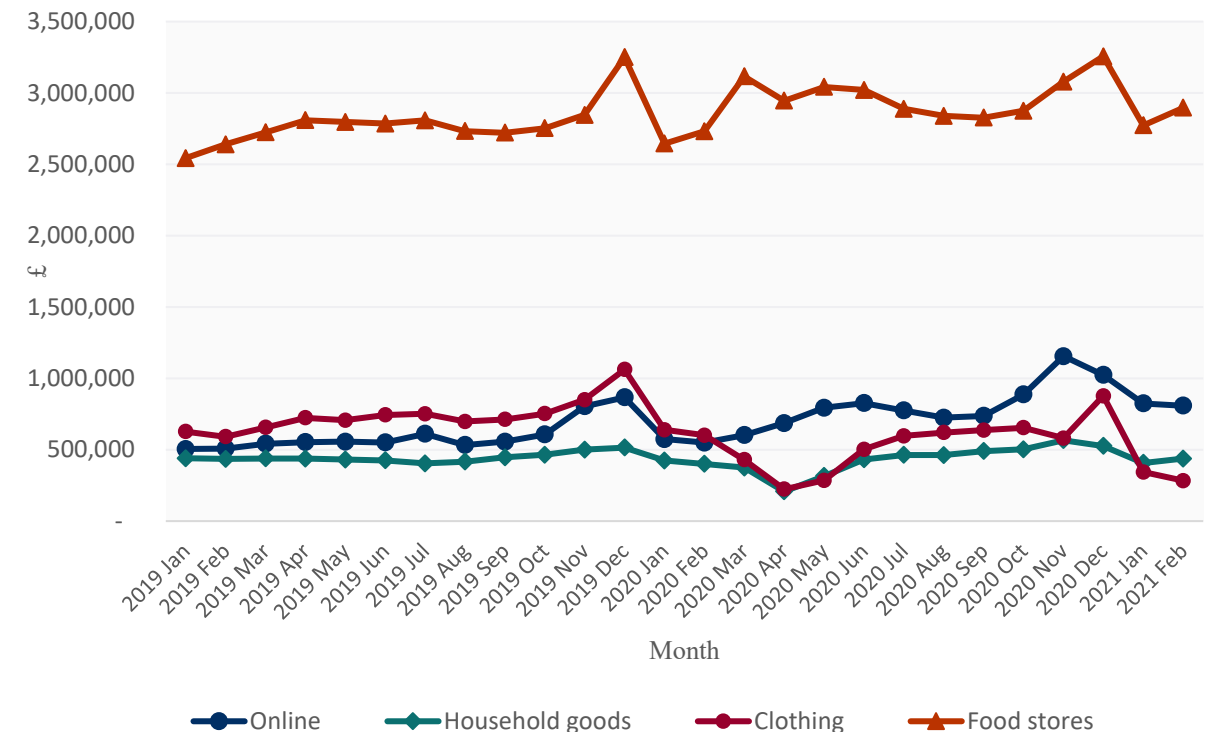
Small Non-store retailers rapidly over took small food retailers following the initial outbreak and have remained higher in each month since.



Office for National Statistics (ONS)

Average weekly revenue for large retail businesses

The scale of UK supermarkets inflates the size of large food stores well above large businesses in other industries, while demand for clothing has plummeted.



Office for National Statistics (ONS)

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