



WHERE KNOWLEDGE IS POWER

Economic Insights: COVID-19

Presented by UK Industry Analysts:

Christian Shiba

Tom Burgess

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Table of Contents

Table of Contents

Section	Slides
Title Slide	1
Table of Contents	2-3
Government Response	4-5
Economic indicators	6-8
Transportation and Storage	9-10
Agriculture	11-12
IBISWorld COVID-19 resources	13-14

Government response

United Kingdom government response

Updated Government measures:

- A sustained shift the government approach to restrictions, from national to local levels. This has been seen in areas such as Manchester, Luton and Leicester

Other developments:

- The further relaxation of government restrictions on larger events, weddings and high-risk beauty treatments were delayed from August 1st to August 15th
- On August 5th the government launched a package of grants for the Arts, Entertainment and Recreation sector, worth £1.6 billion, with individual grants of up to £3 million
- The Self-Employment Income Support Scheme was extended for a further round, providing grants of up to £6,570

Economic indicators

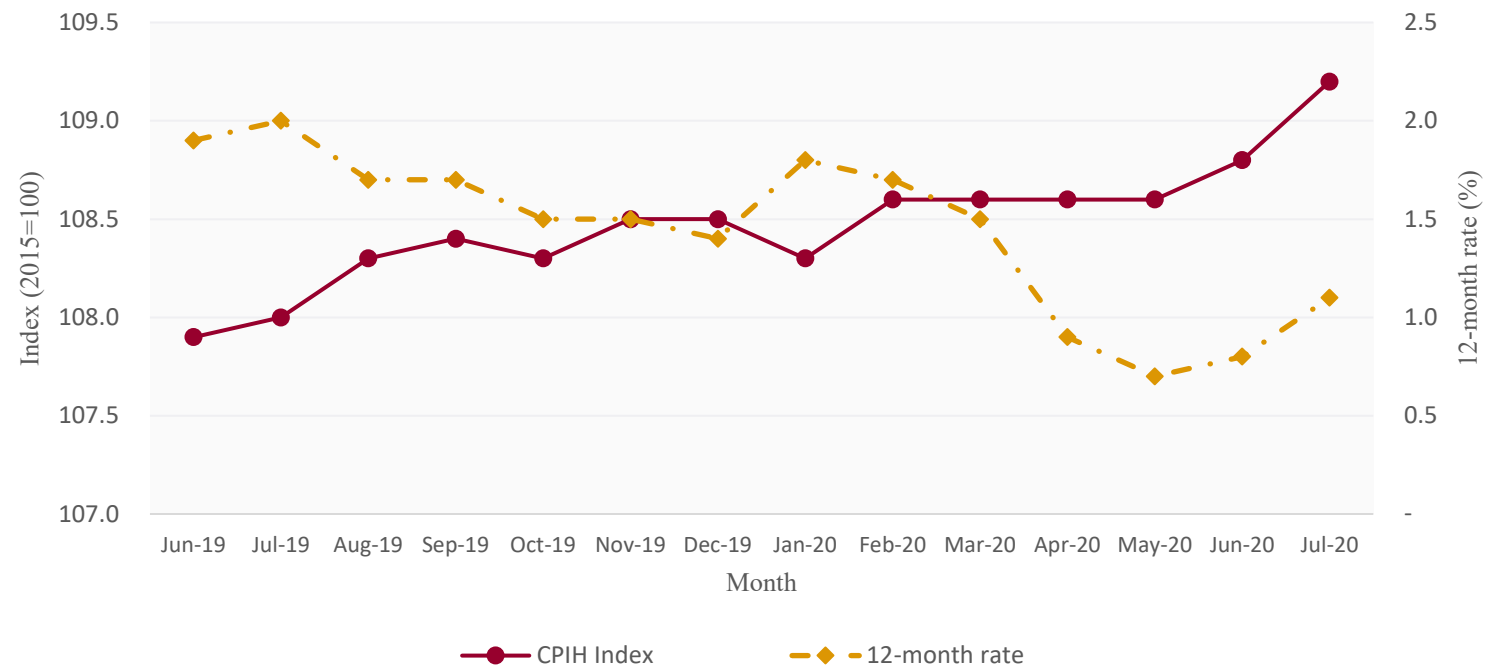
CPIH Inflation

Key trends

- The CPIH was at just 0.8% for the year through June 2020
- The 12-month rate of inflation rose by 0.1% compared to the previous month
- Downward contributions to inflation have primarily been from lower household costs and transportation

Inflation Rate

Graph showing Consumer Price Index including Owner Occupiers' Housing Costs and 12-month inflation rate



Source: Office for National Statistics

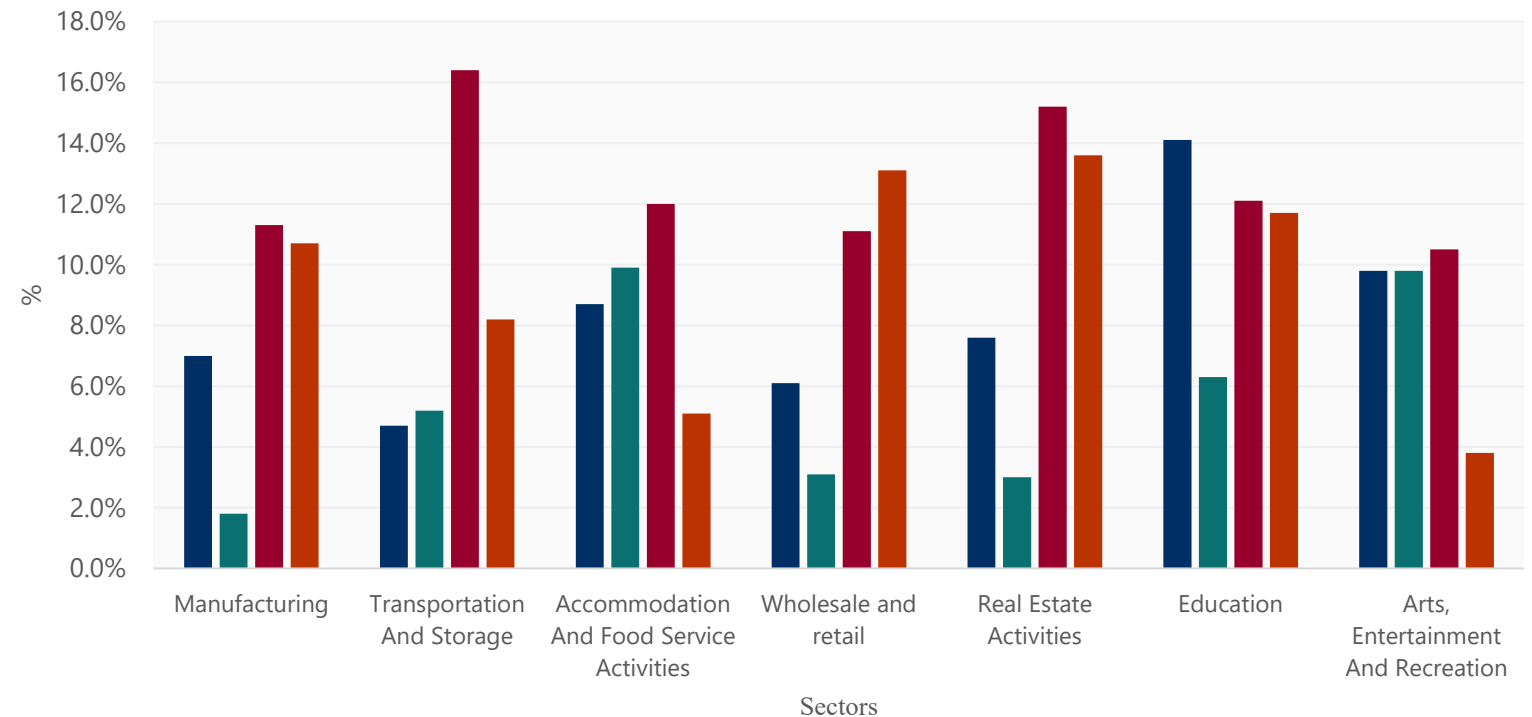
Operating Costs

Key trends

- The transportation and storage sector has the highest rate of respondents reporting no profit in the two weeks through July 26
- Arts, Entertainment and Recreation, and Accommodation and Food Service sectors are facing unstable cost structures

Operating costs vs Revenue

Survey respondents from the Wholesale and Retail sector are showing stable cost structures



Source: Office for National Statistics

■ OC 20% > R ■ OC 50% > R ■ OC=R ■ R 50% > OC

Transportation and Storage

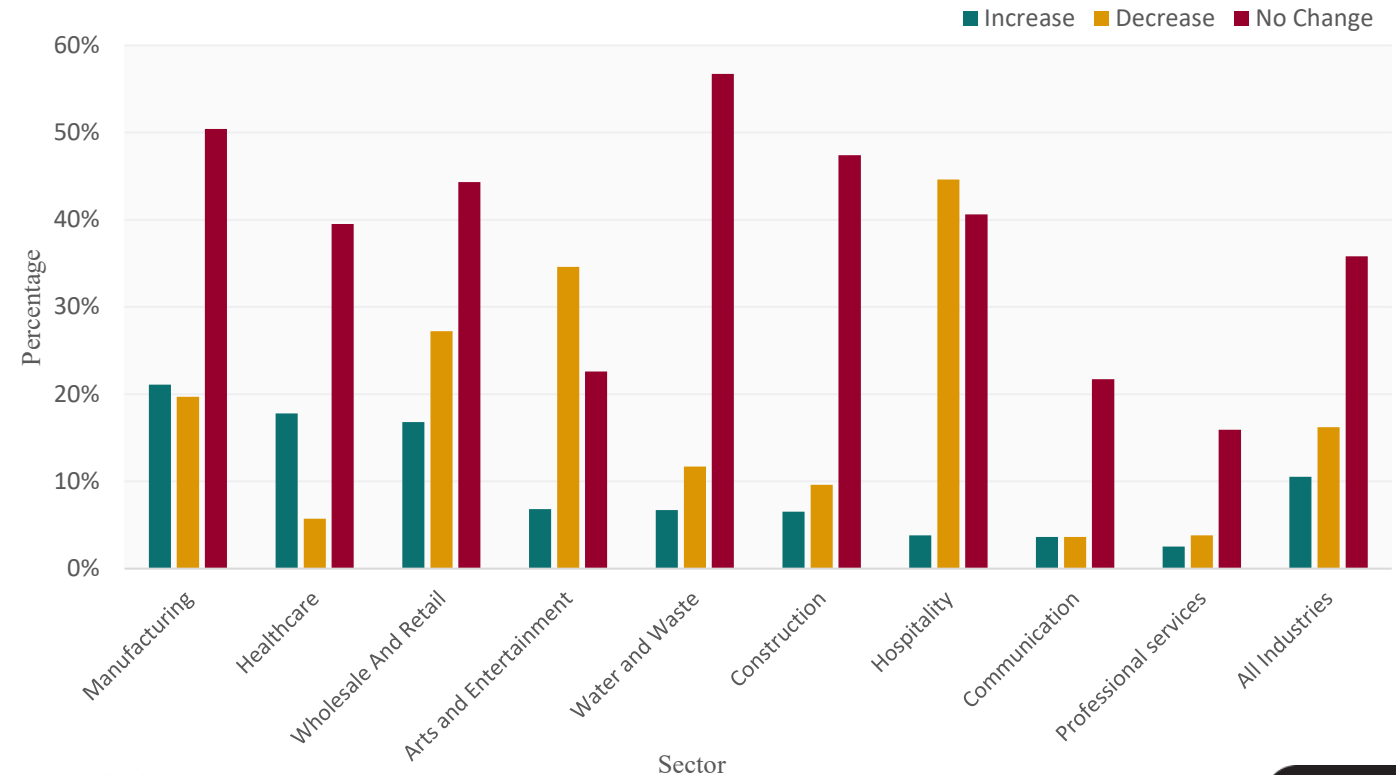
Transportation and storage sector

Key facts

- The ONS reports sectoral output drops 30% in the first quarter of 2020-21
- Demand for June reaches three-quarters of February levels, up from 61.2% in April
- Vacancy data from August suggests continued recovery
- Some industries are recovering at a much slower rate

Stock levels since the COVID-19 outbreak

Proportion of firms reporting a change in stock levels over the two weeks through July 26th



Source: Office for National Statistics

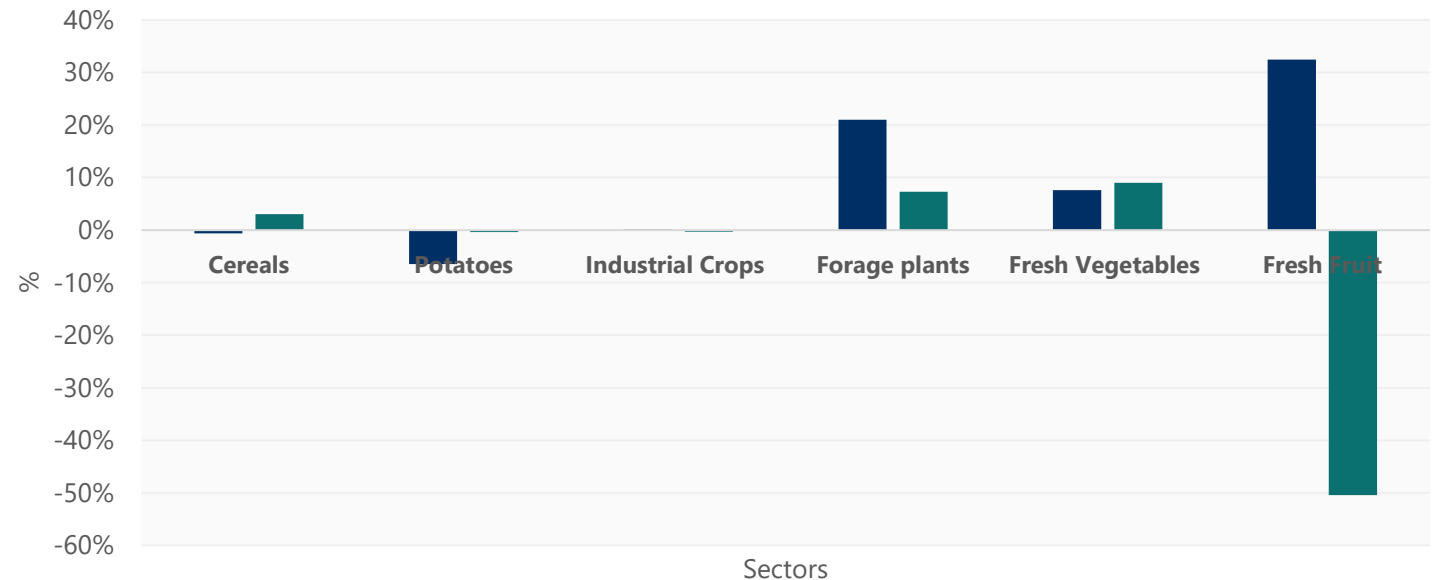
Agriculture

Agriculture

- A shortage of labour in the sector is expected to be leading to production losses and price volatility
- Vegetable imports are forecast to satisfy 57.5% of domestic demand in the current year
- The Feed the Nation Campaign employed only 112 pickers from a total of 36,000 initial applicants in its first month

Annual and monthly changes in crop prices for June

Crops which are heavily reliant on hand picked harvests have faced the highest rate of price volatility



Source: Department for Environment Food and Rural Affairs

■ Annual change ■ Monthly change

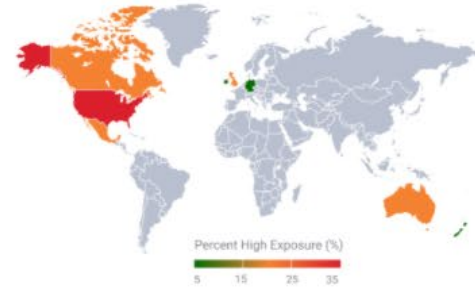
IBISWorld COVID-19 resources

Coronavirus Insights

IBISWorld is closely monitoring the COVID-19 pandemic's effects on industries and providing insights and analysis to keep you in the know. Scroll down to find insightful articles, on demand webinars and useful statistics.

We're also providing our [Exposure Analysis Tool](#) to help you detect potential points of exposure that will inform your strategy. This top-level analysis provides an indicator of exposure to early disruptions already resulting from the virus as well as areas of interest for potential further research.

Industry Exposure Intensity by Country



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