



Cabinet Office

Prime Minister's Economy Morning Meeting

Dashboard 14

29 October 2020
OFFICIAL - SENSITIVE (COMMERCIAL)

INQ000281288_0001

Economy Overview

Retail Sales

September saw the fifth consecutive month of growth in retail sales; increasing by 1.5% when compared with August. This brings retail sales – which account for around one-third of consumption – to 5.5% above February's pre-pandemic level.

Consumer Confidence

Consumer confidence has fallen since the start of September and mobility is trending down.

Business Confidence

Business confidence fell in October for the first time in 5 months; driven by a decrease in optimism about the economy.

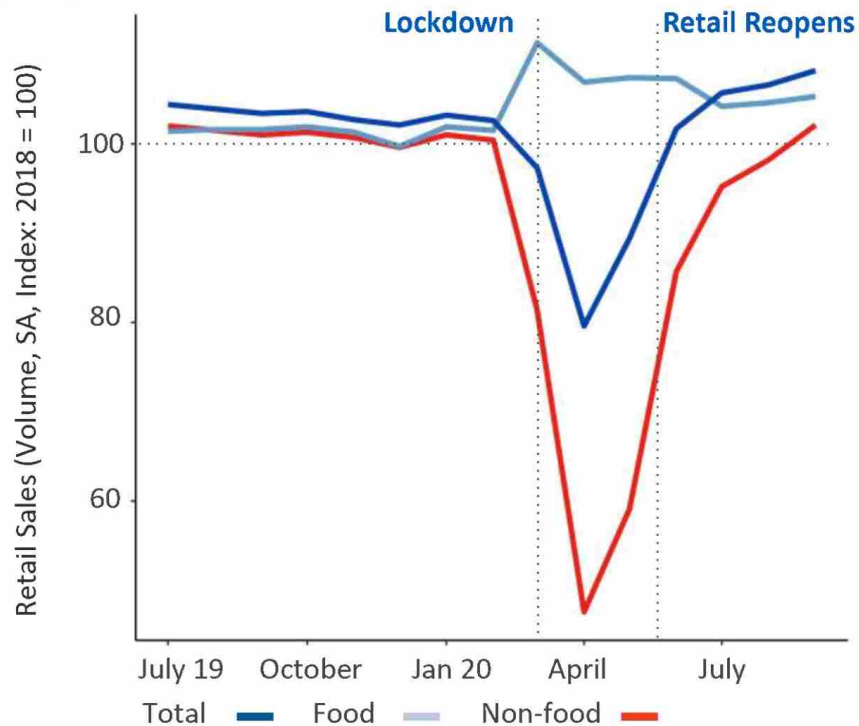
Labour Market

3.3 million workers were on the CJRS scheme at the end of August, and the latest survey data suggests that 9% of the workforce were on the scheme in the middle of October.

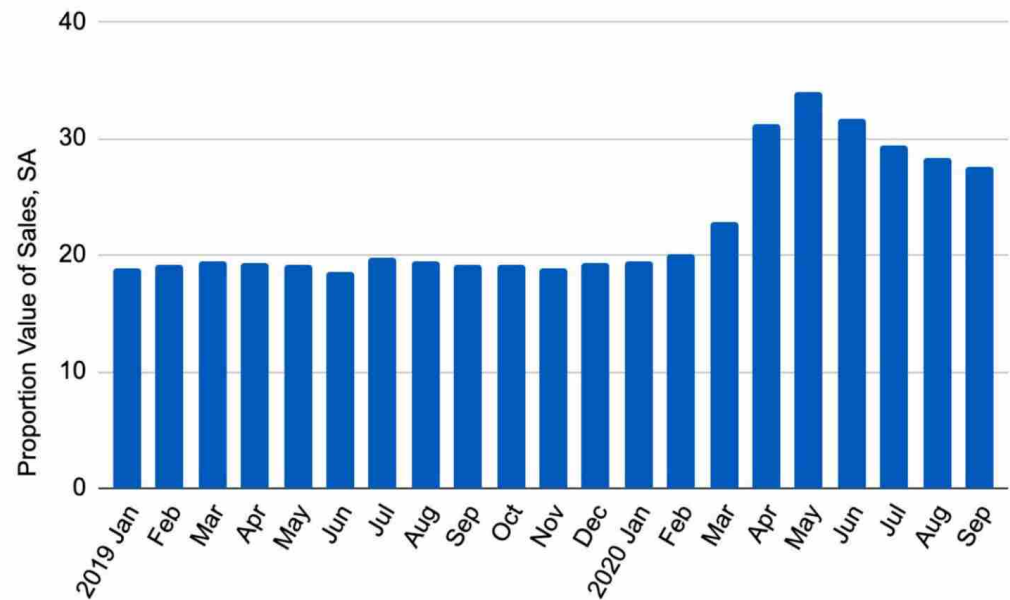


Retail Sales

Total retail sales increased for the fifth consecutive month; standing 5.5% above pre-pandemic levels



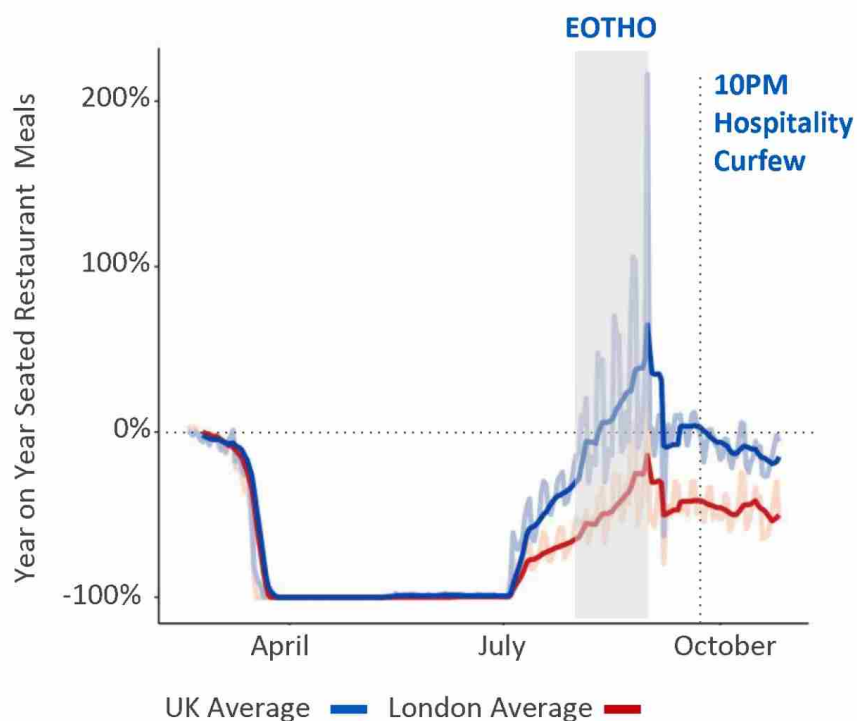
The proportion of retail sales purchased online peaked in May during lockdown; subsequently decreasing but remaining above pre-pandemic levels



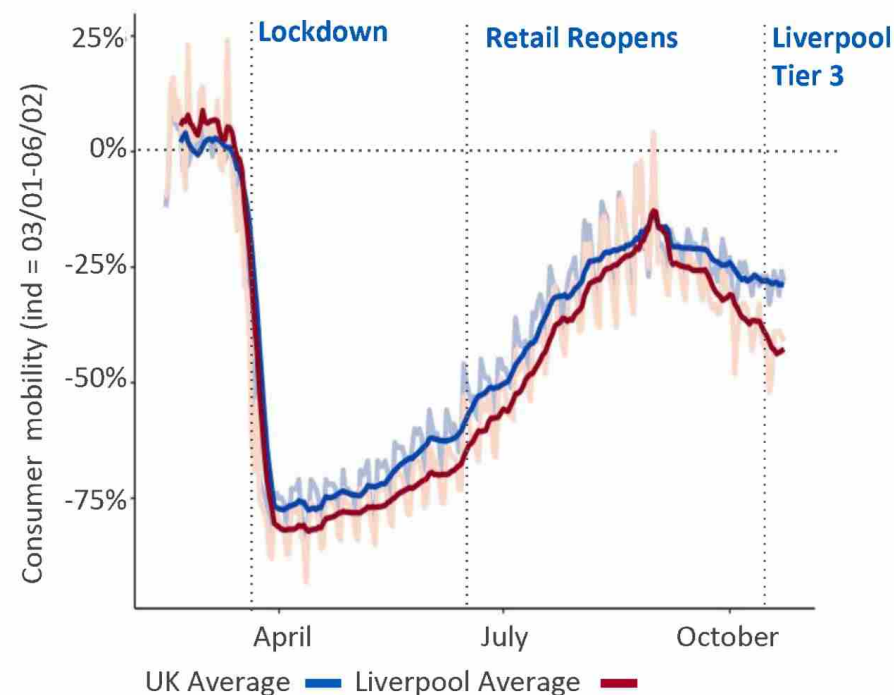
Sources: 1.1 and 1.2 Retail sales, Great Britain: September 2020 (ONS - [Link](#))

Eat Out and Mobility

Restaurant table bookings have fallen from the levels seen during the Eat Out to Help Out Scheme in August



Consumer mobility remains 29% lower than pre-lockdown levels, with mobility in Liverpool declining further after being placed under Tier 3

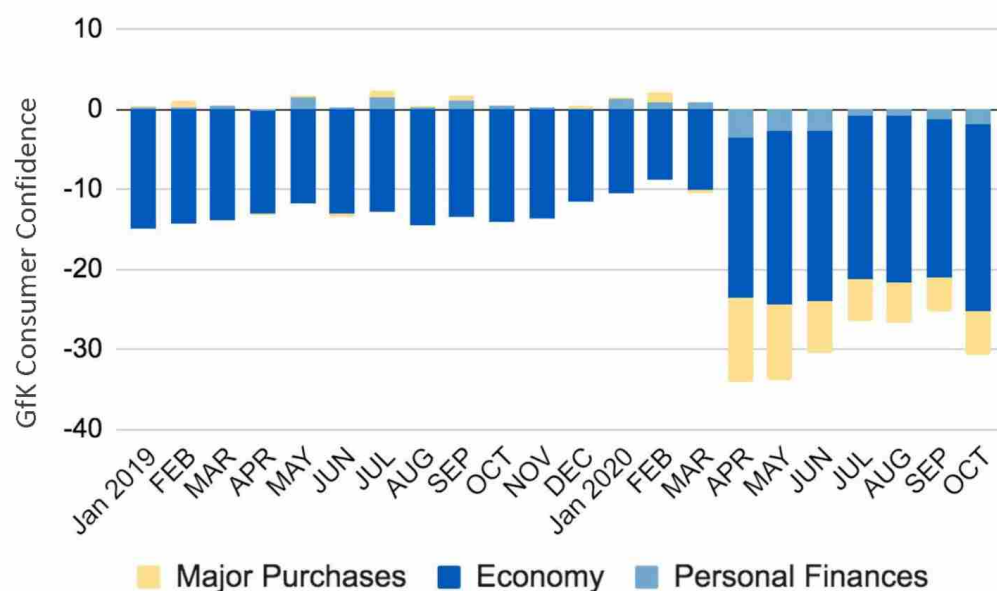


Sources: 2.1 OpenTable ([Link](#)) and 2.2 Google mobility (HMT)

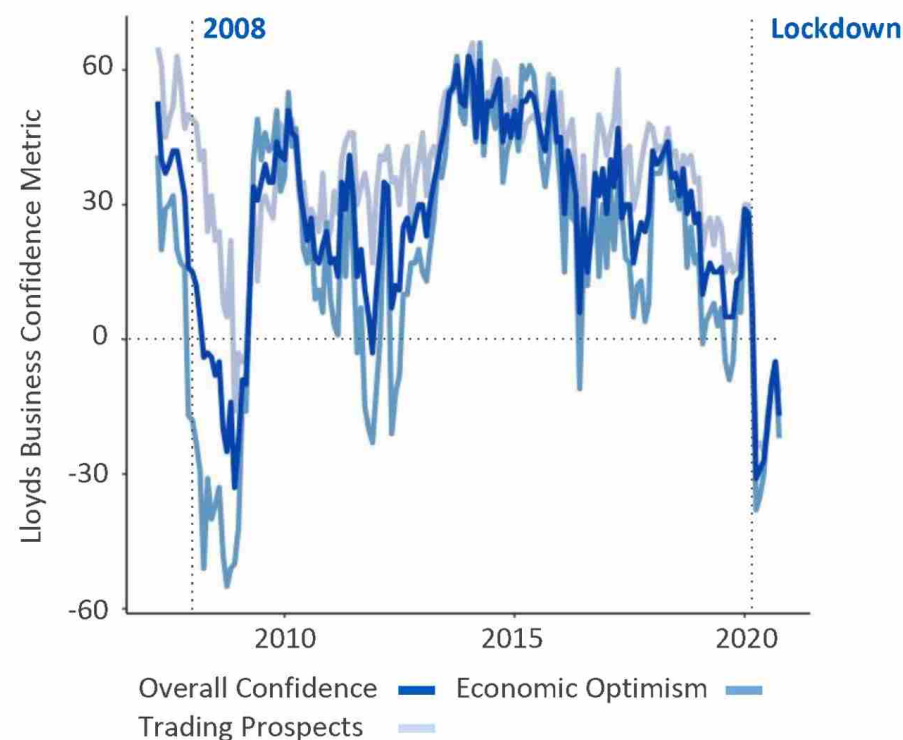


Consumer and Business Confidence

Consumer confidence has fallen since September, returning to levels last seen in June



Business confidence fell in October for the first time in five months, driven by a decrease in economic optimism

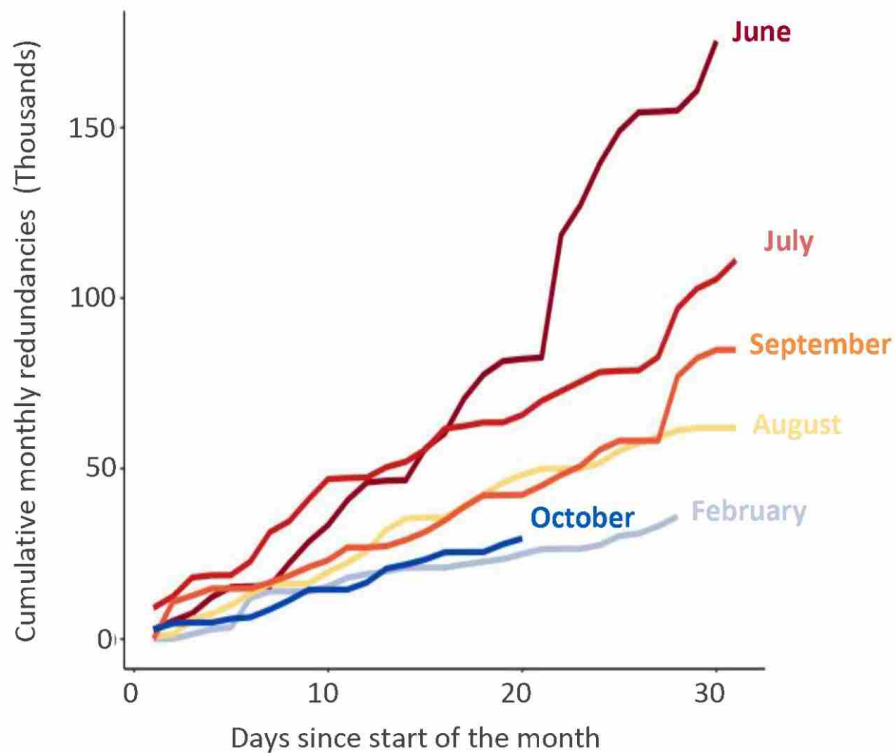


Sources: 3.1 GfK Consumer Confidence (HMT) and 3.2 Lloyds BB (HMT)

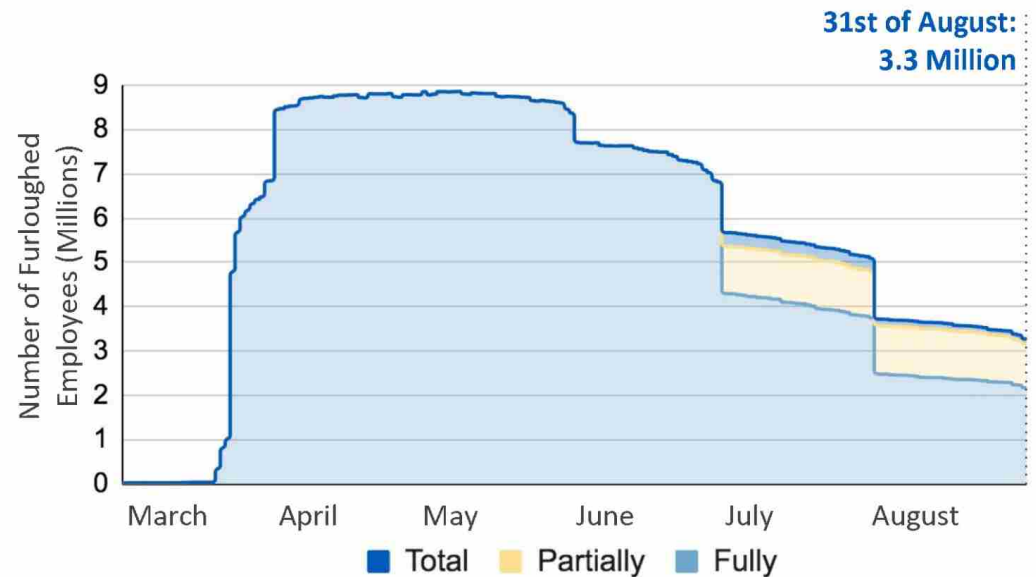


Labour Market

Redundancies in October are currently tracking lower than in September



3.3 million workers were on the CJRS scheme at the end of August and the latest survey data suggests 9% of the workforce were on the scheme in the middle of October



31st of August:
3.3 Million

Sources: 4.1 HR1 Redundancy RTI (HMRC) and 4.2 CJRS Data (HMT)





















Cabinet Office

Annex Slides:

29 October 2020
OFFICIAL - SENSITIVE (COMMERCIAL)

INQ000281288_0007

Annex 1 - Sectors Overview

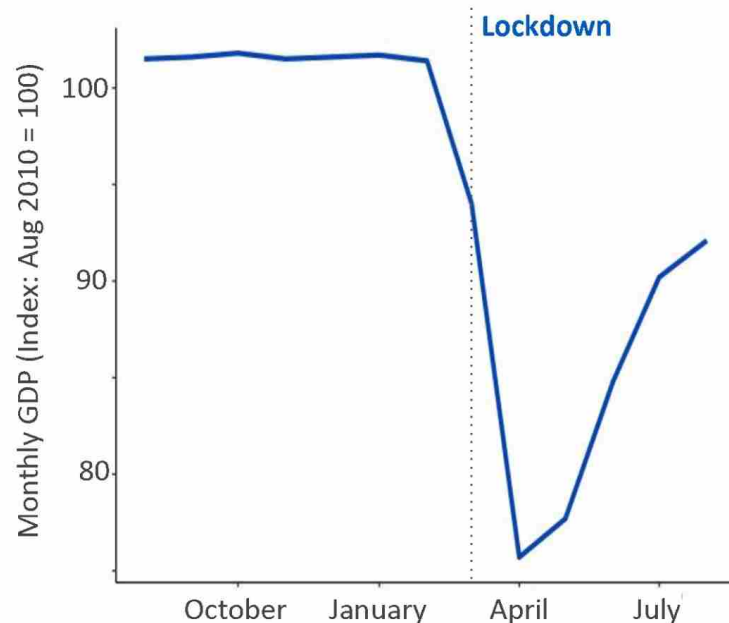
Key Top 3 sectors most impacted for each indicator Significant change		Sector size (2019)		Impact of Covid-19 crisis			
		GVA (£bn)	Employment (m)	August output change (% YoY)	% businesses not trading (5/10 – 18/10)	Job loss notifications (01/02 – 22/10)	% on furlough (21/09– 4/10)
All sectors		1,970	35.7	-9%	4%	592,585	8%
Able to operate remotely 	Professional, scientific & technical	153	3.2	-11%	6%	39,586	5%
	Information & communication	137	1.5	-7%	7% 	20,189	5%
	Financial & insurance	126	1.1	-4%	-	15,683	5%
Physical presence of workers 	Manufacturing	192	2.7	-8%	1% 	88,269 	5%
	Construction	129	2.3	-13%	3%	18,689	5%
	Administration & support	105	3.0	-23% 	5%	55,551	15% 
	Mining, energy & water supply	73	0.5	-5%	3% (water supply only)	11,852	1% (water supply only)
	Agriculture, forestry & fishing	13	0.4	-5%	-	388	5%
Physical presence of consumers 	Wholesale & retail	205	5.0	0%	1%	72,753 	4%
	Transport & storage	81	1.8	-17%	2%	20,006	13%
	Real estate	78	0.6	-1%	0%	4,140	7%
	Accommodation & food services	59	2.5	 -11% Up from -49% in July	7% 	 116,218 	35% 
	Arts, entertainment & recreation	32	1.0	-28% 	14% 	24,130	35% 
	Other services	34	1.0	-28% 	5%	12,011	13%

INQ000281288_0008

Annex 2 - Macroeconomic Statistics

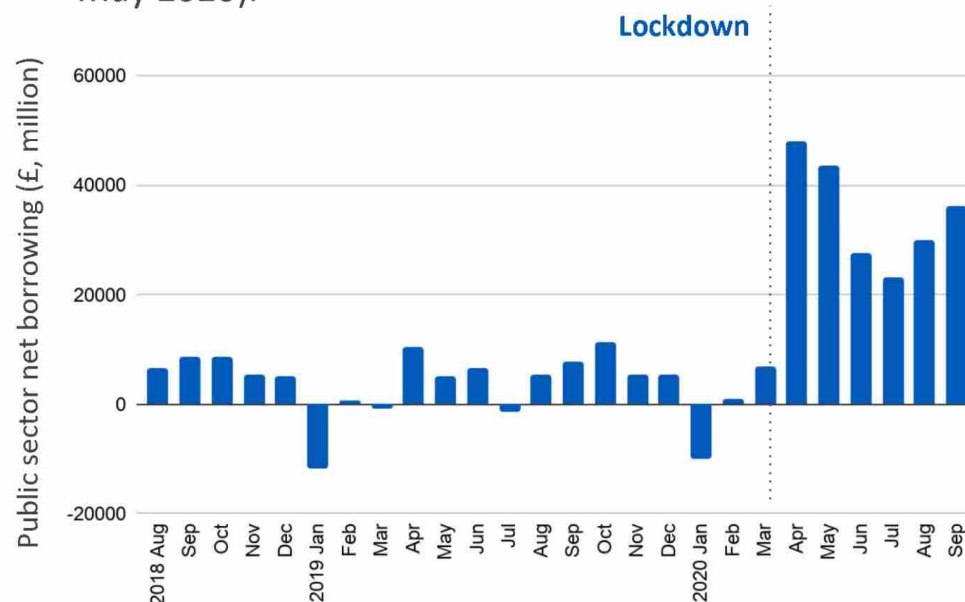
A2.1 Economic output (GDP)

Gross domestic product (GDP) grew by 2.1% in August 2020, the fourth consecutive monthly increase, but this is much slower growth than last month where GDP grew by 6.6%.



A2.2 Public sector net borrowing

PSNB in September 2020 was provisionally £36.1bn, £28.4bn more than September 2019 and the third highest monthly borrowing on record (after April and May 2020).

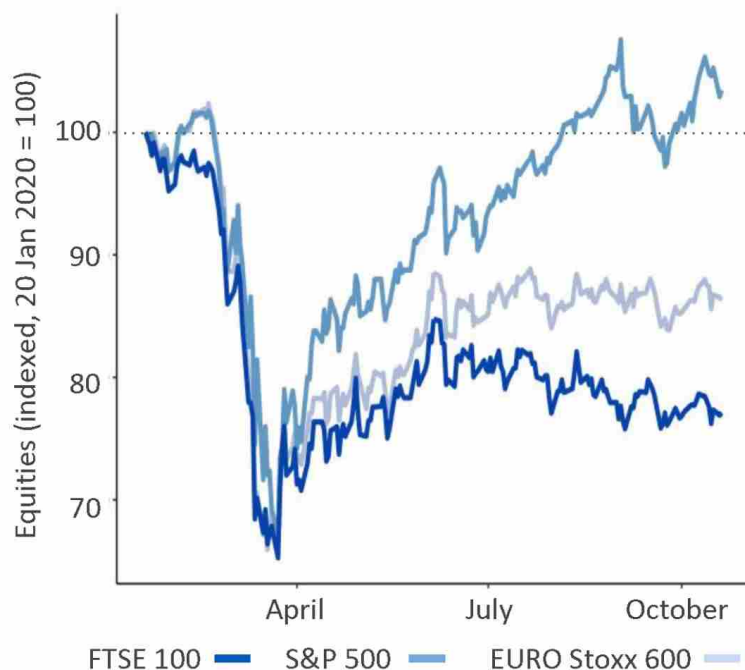


Sources: A2.1 GDP monthly estimate, UK: August 2020 (ONS - [link](#) - Next release 12/11) and A2.2 Public sector net borrowing, excluding public sector banks (ONS).

Annex 3 - Global Markets

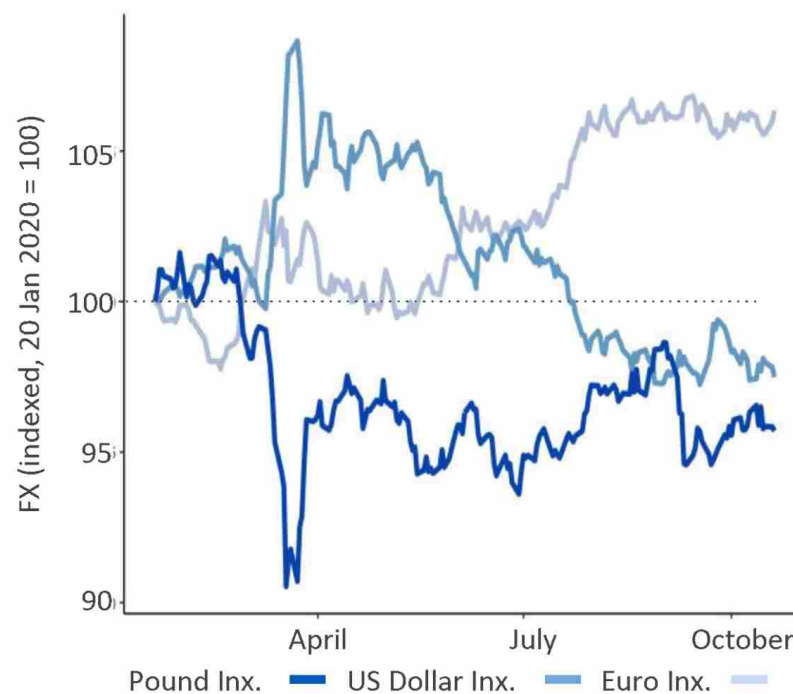
A3.1 Equity markets

Equities continued to slip following further increases in COVID-19 cases and yesterday's European lockdown announcements.



A3.2 FX markets

FX markets have remained relatively cautious today with daily trading volumes down 50-65% down overnight as markets look ahead to the US election.



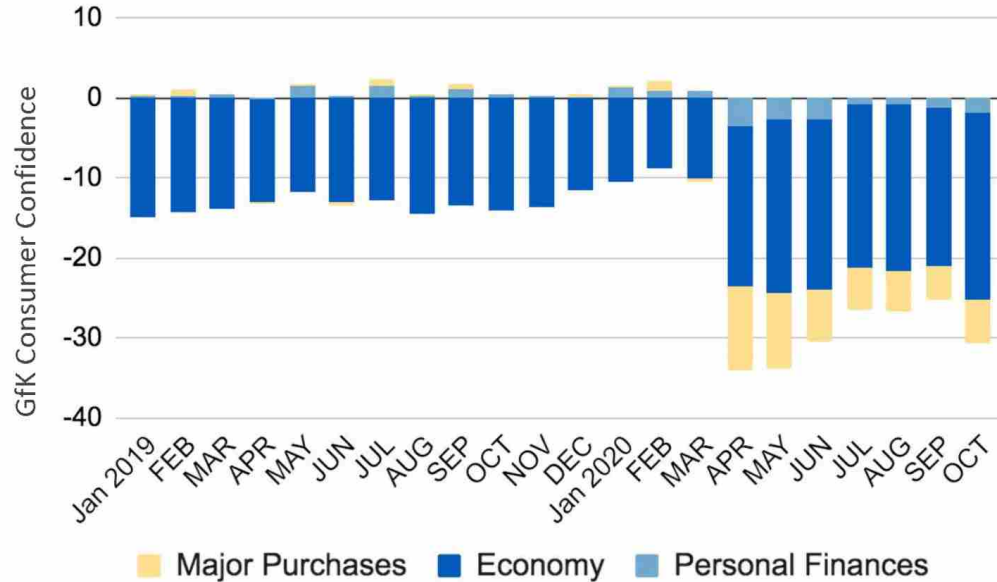
Sources: A3.1 Bloomberg (HMT - RTI) and A3.2 Bloomberg (HMT - RTI).



Annex 4 - Consumer Spend and Confidence

A4.1 Consumer Confidence

Consumer confidence has fallen since September, returning to levels last seen in June.



A4.2 Consumer card spend

Consumer spending is broadly flat on the year, but continues to fall after spiking in August.

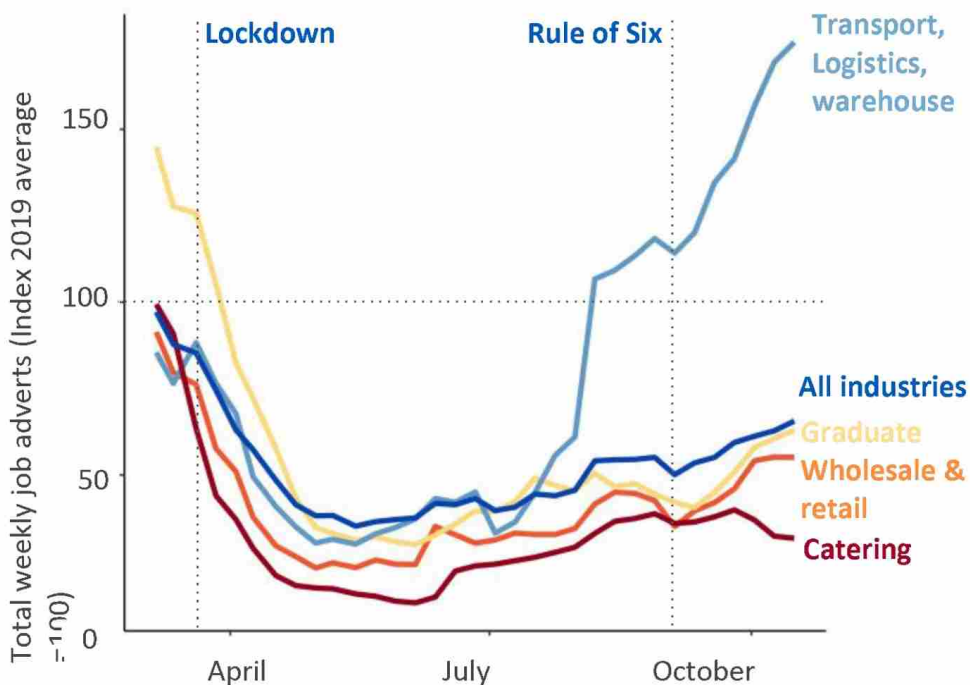


Sources: A4.1 GfK Consumer Confidence (HMT) and **Irrelevant & Sensitive**

Annex 5 - Labour Market

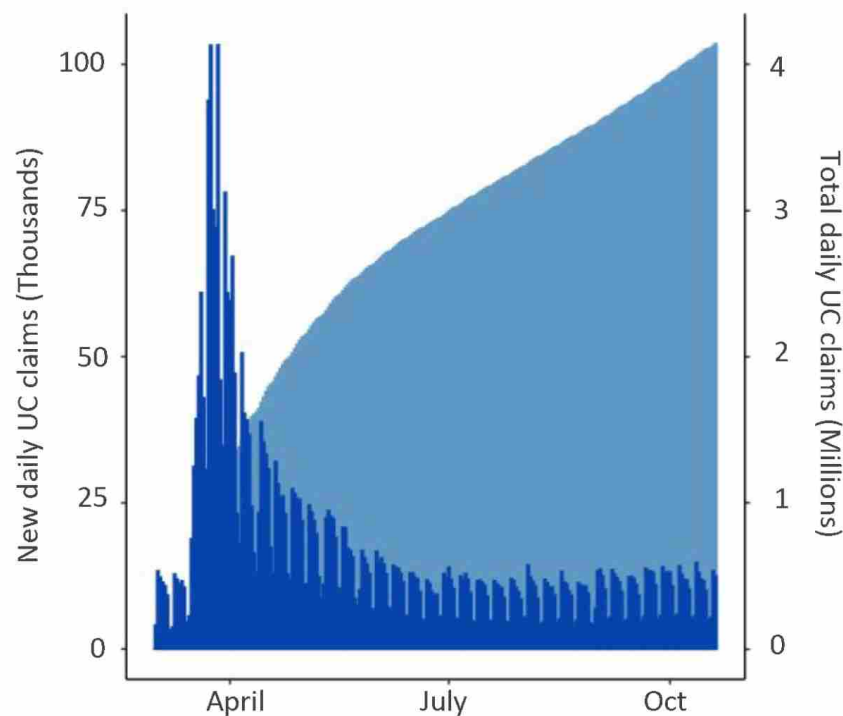
A5.1 - Vacancies

Total vacancies remain below their 2019 average; however adverts for jobs in transport, logistics, and warehouse have increased sharply.



A5.2 - Universal Credit claims

Average weekly universal credit claims have remained reasonably stable since July.

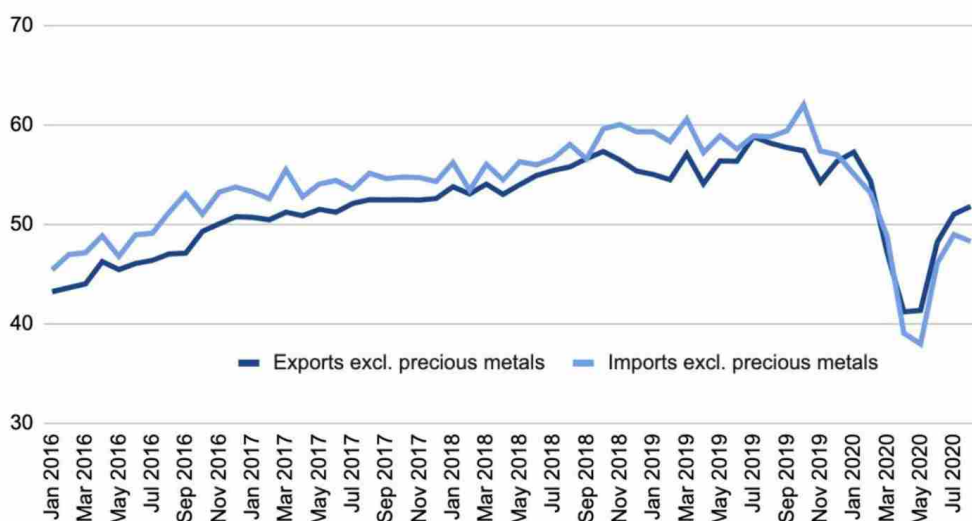


Sources: A5.1 Adzuna vacancies RTI (ONS) and A5.2 Universal credit claims (DWP).

Annex 6 - International Trade

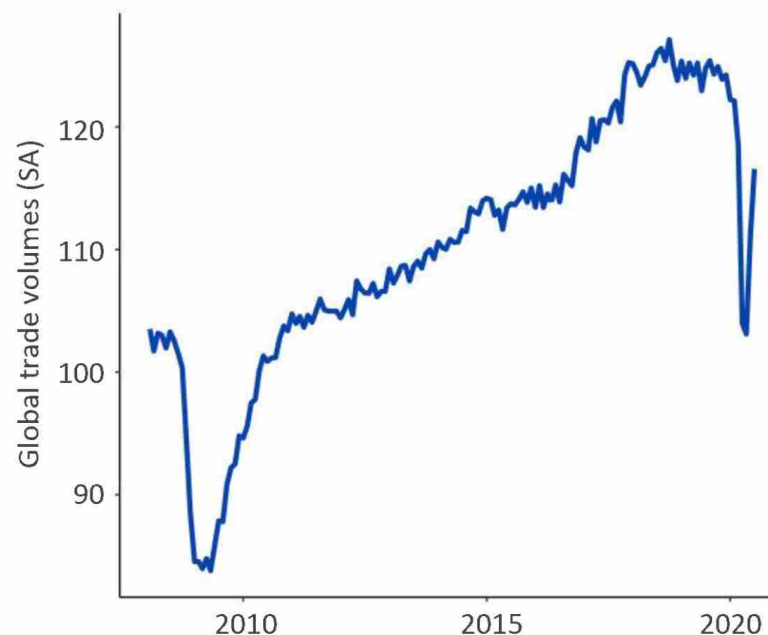
A6.1 UK imports and exports

UK exports and imports continue to grow but growth has slowed to 1.5% (£0.78bn) and 2.2% (£1.1bn) respectively in August compared to July. This followed record decreases for exports in March and imports in April.



A6.2 Global international trade

In August 2020 world trade grew again, by 2.5% compared to July 2020. This is less than the growth in July, which was 5.0% compared to June.

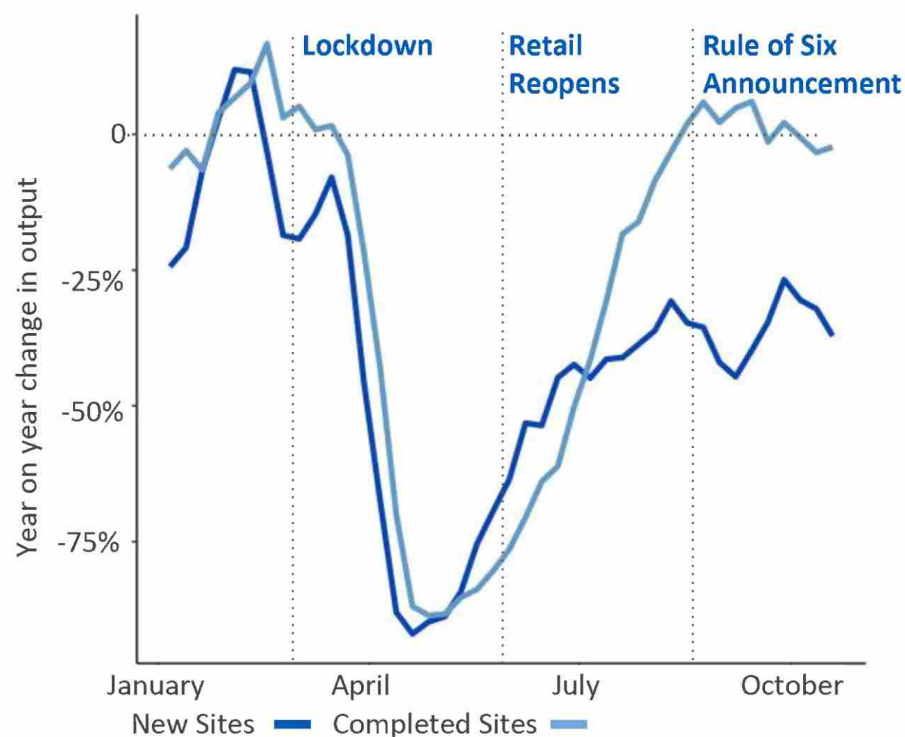


Sources: A6.1 Monthly UK trade (DIT) and A6.2 CPB World Trade Monitor July 2020 (CPB - [link](#) - next update 23/10/2020).

Annex 7 - Housing Market

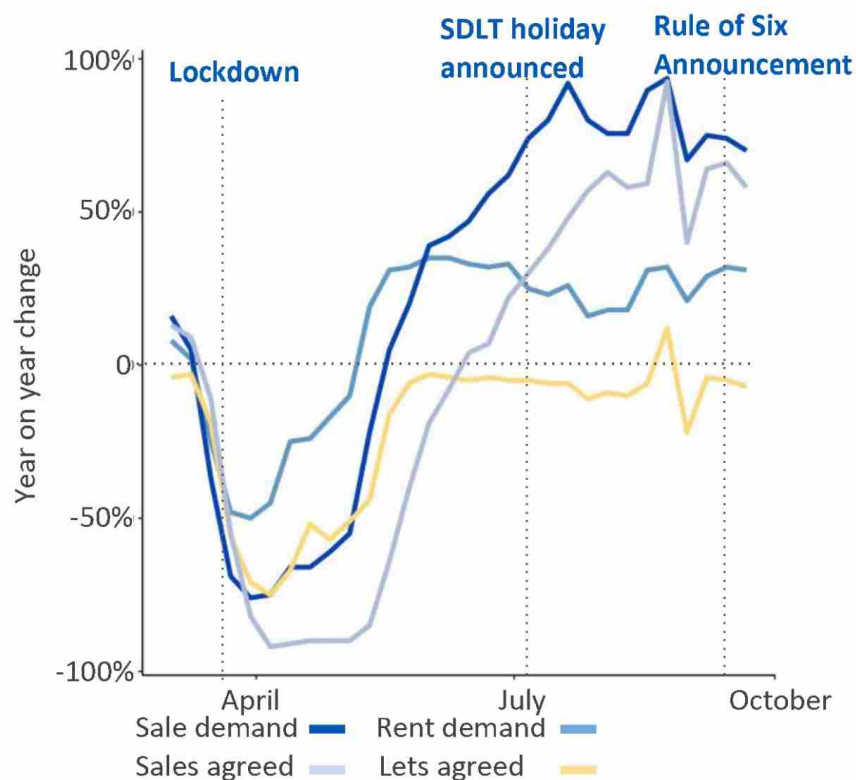
A7.1 House building

Despite recovering to 2019 levels, site completions has begun to decline along with the number of new sites.



A7.2 Sales and rental demand

Following a contraction in March and April, sales and rental demand have grown on the year.

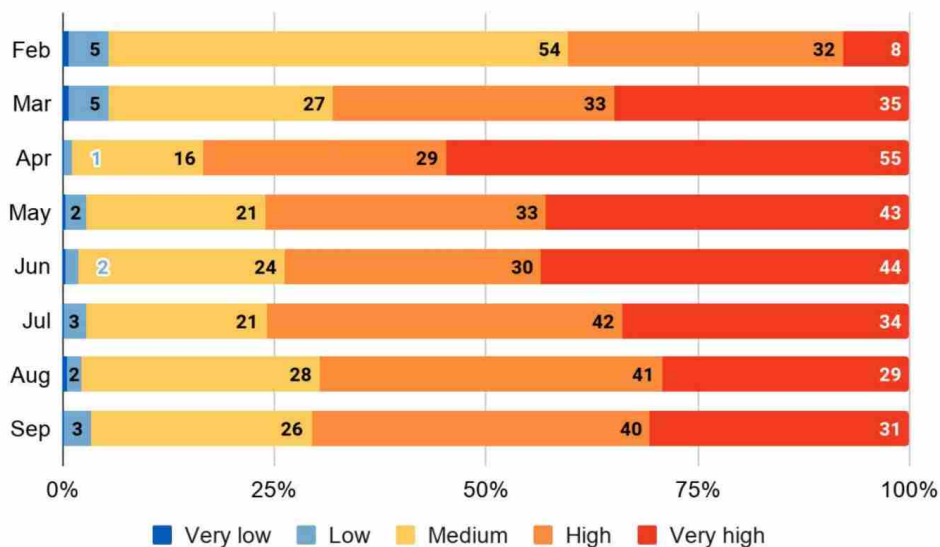


Sources: A7.1 NHBS (HMT) and A7.2 Rightmove data (HMT).

Annex 8 - Business sentiment

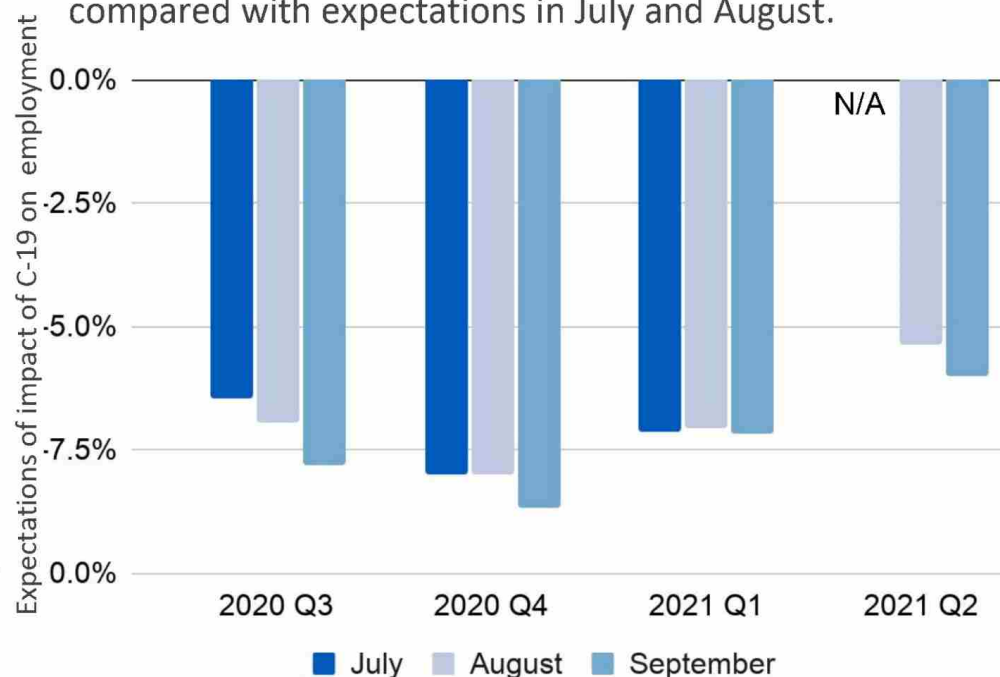
A8.1 Business uncertainty

Overall business uncertainty remains elevated, with over 70% of respondents reporting high levels of uncertainty.



A8.2 Business sentiment on employment

Companies expect Covid-19 to have a greater and longer negative impact on employment when compared with expectations in July and August.



Sources: A8.1 BICs 7-20 Sept (ONS) A8.2, DMP (HMT)