

# Future of the British High Street

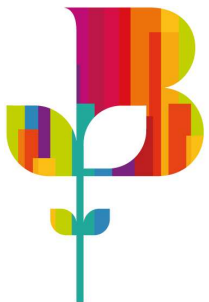
## Sectoral Overview & Understanding the Impact of Covid-19

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[@GMChamber](#), [@GMCC](#) Subrah

3<sup>rd</sup> September, 2020



Greater Manchester  
Chamber of Commerce



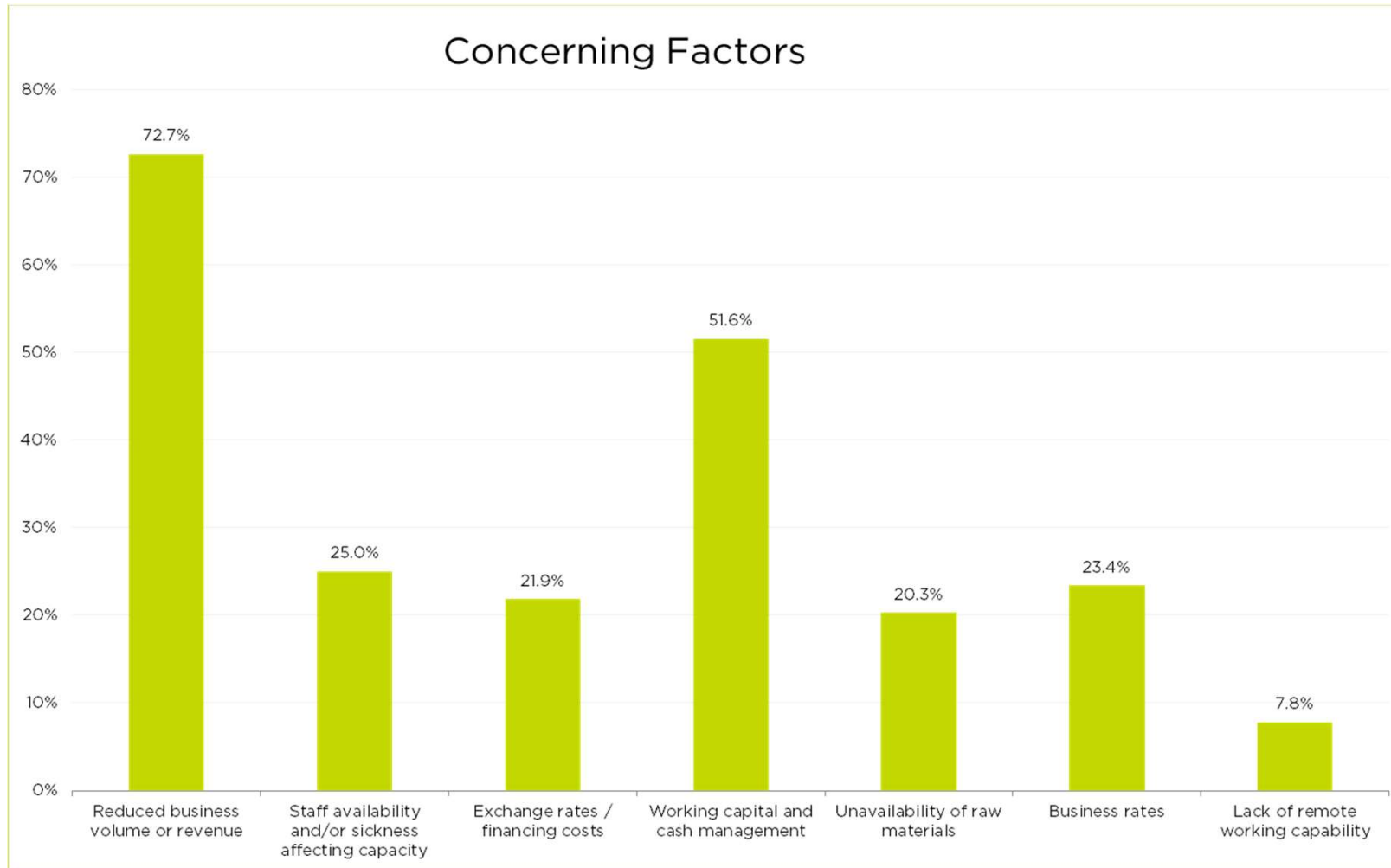
## Agenda



- Economic impact of Covid-19
- Overview of retail and hospitality
- Economic contribution and jobs
- The rise of e-commerce



# GM Recovery Tracker: The COVID-19 scare...

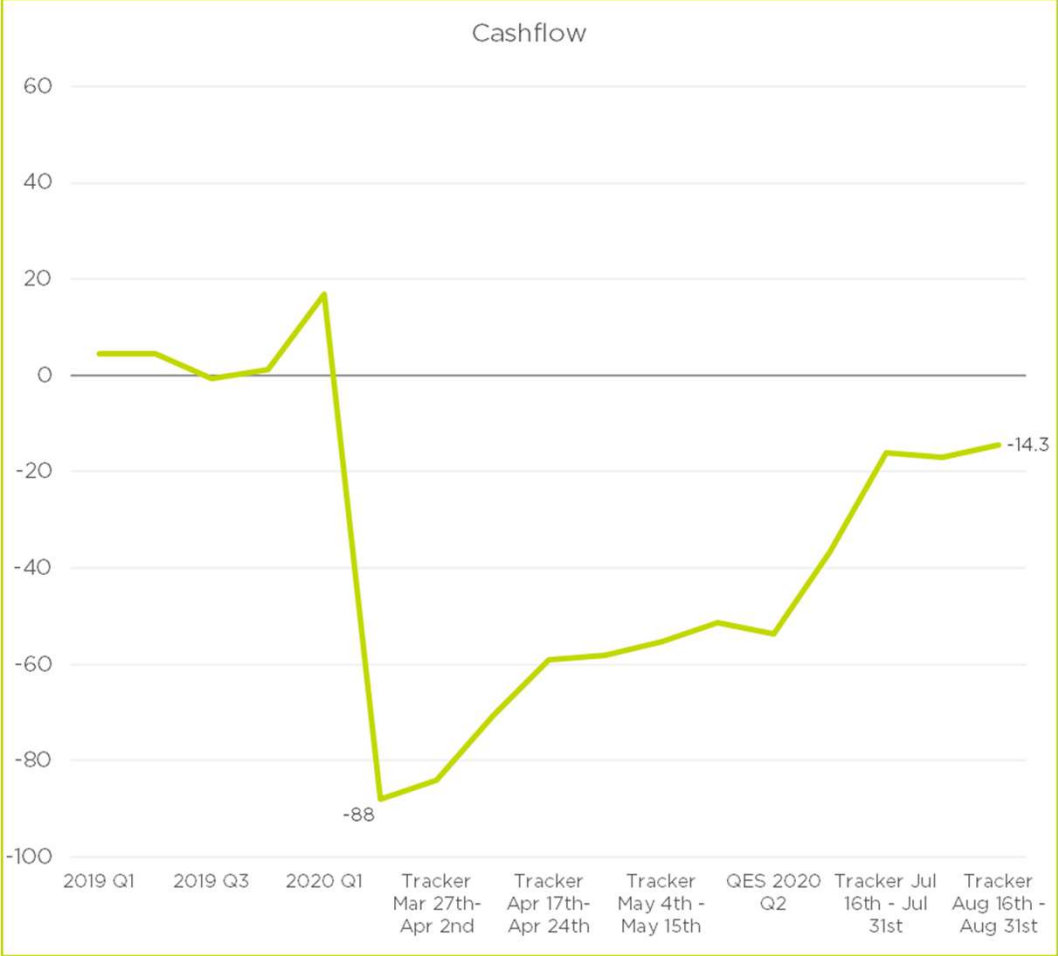
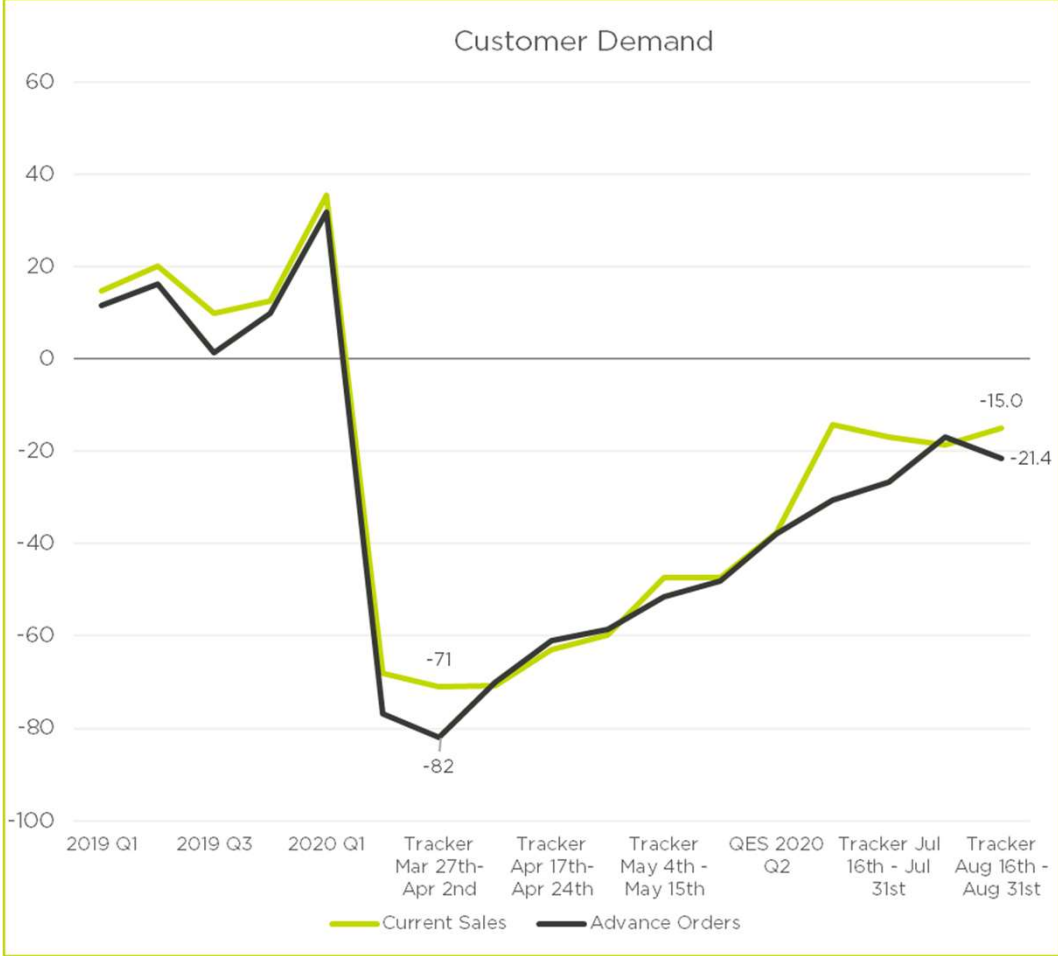


The absolute majority of businesses are still concerned about the fall in customer demand and the consequent impact on cash management.

Source: Fourth GM Recovery Tracker



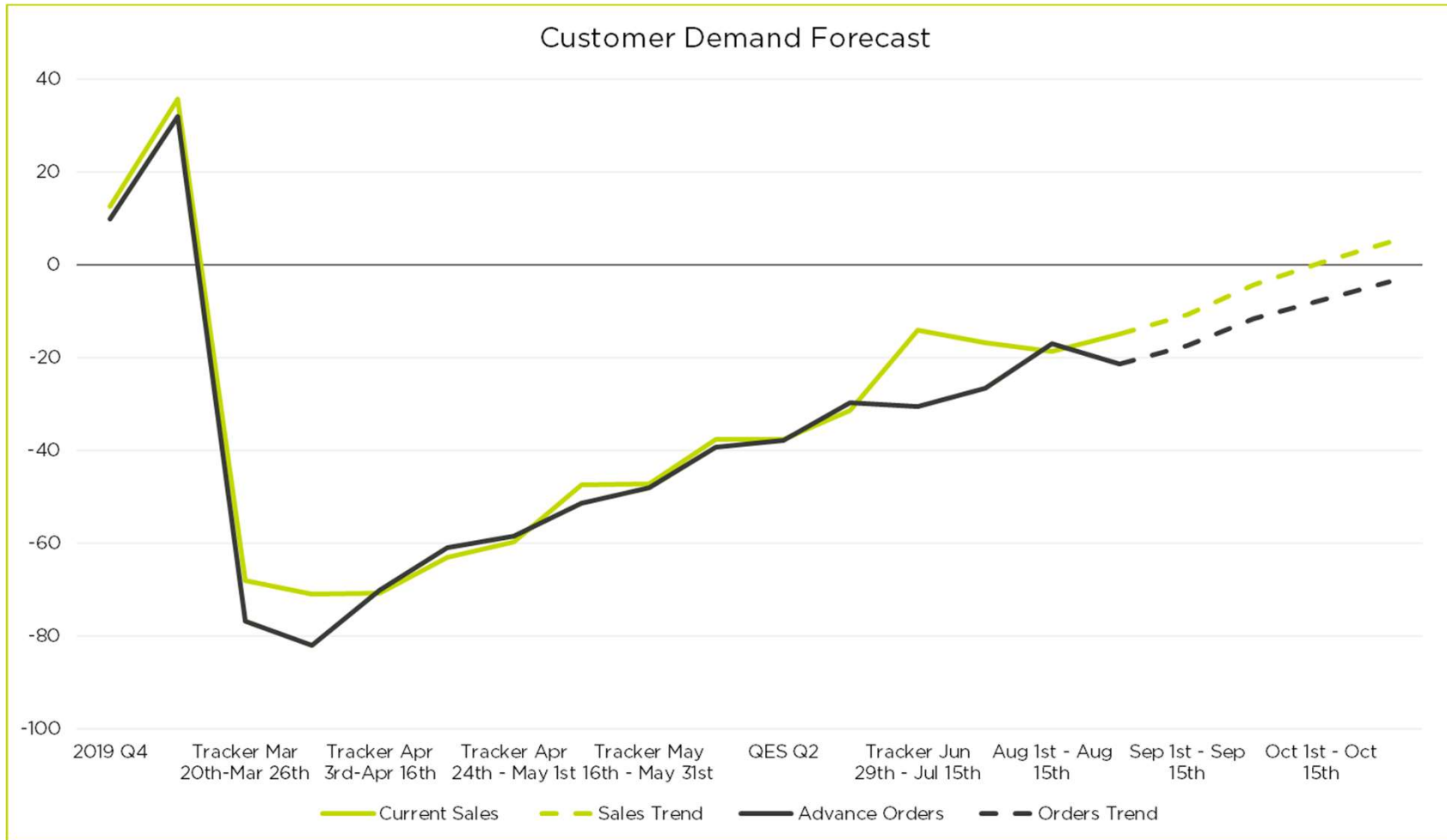
# GM Recovery Tracker: Demand & Cash flow



Source: GMCC QES, GM Business Monitor and GM Recovery Tracker



# GM Recovery Outlook

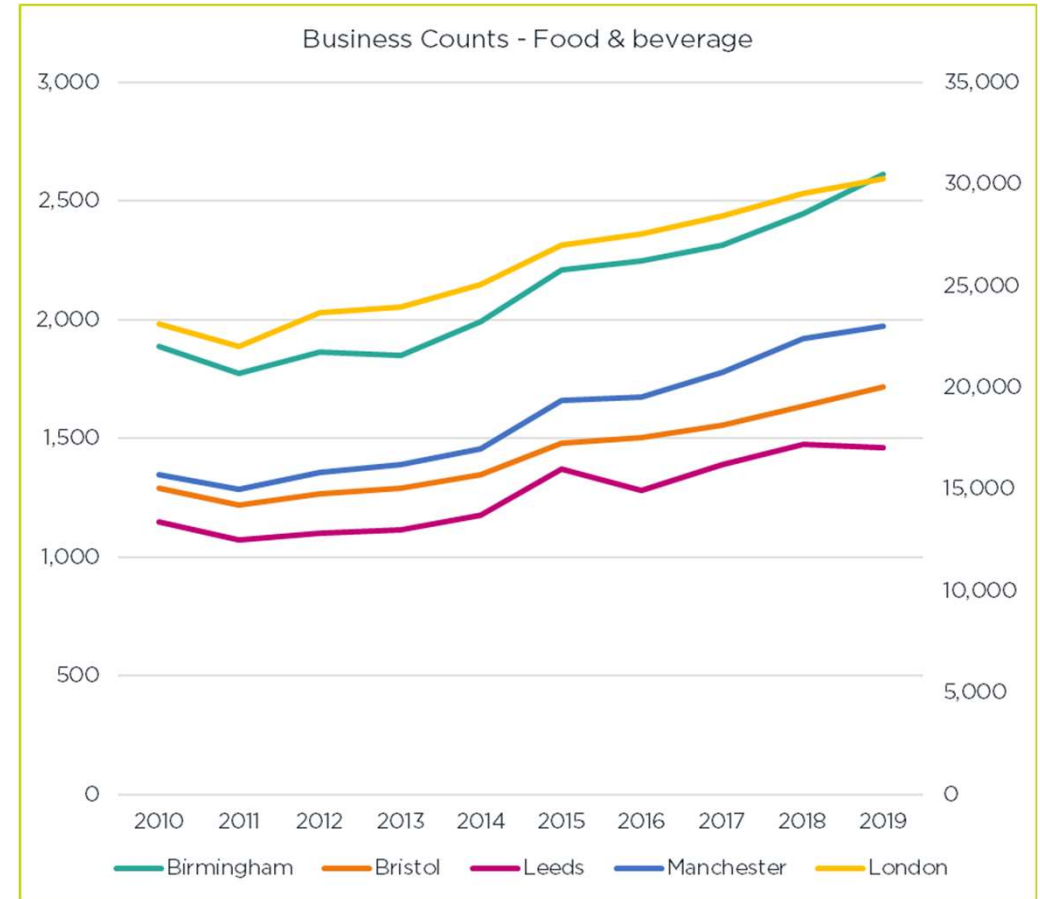
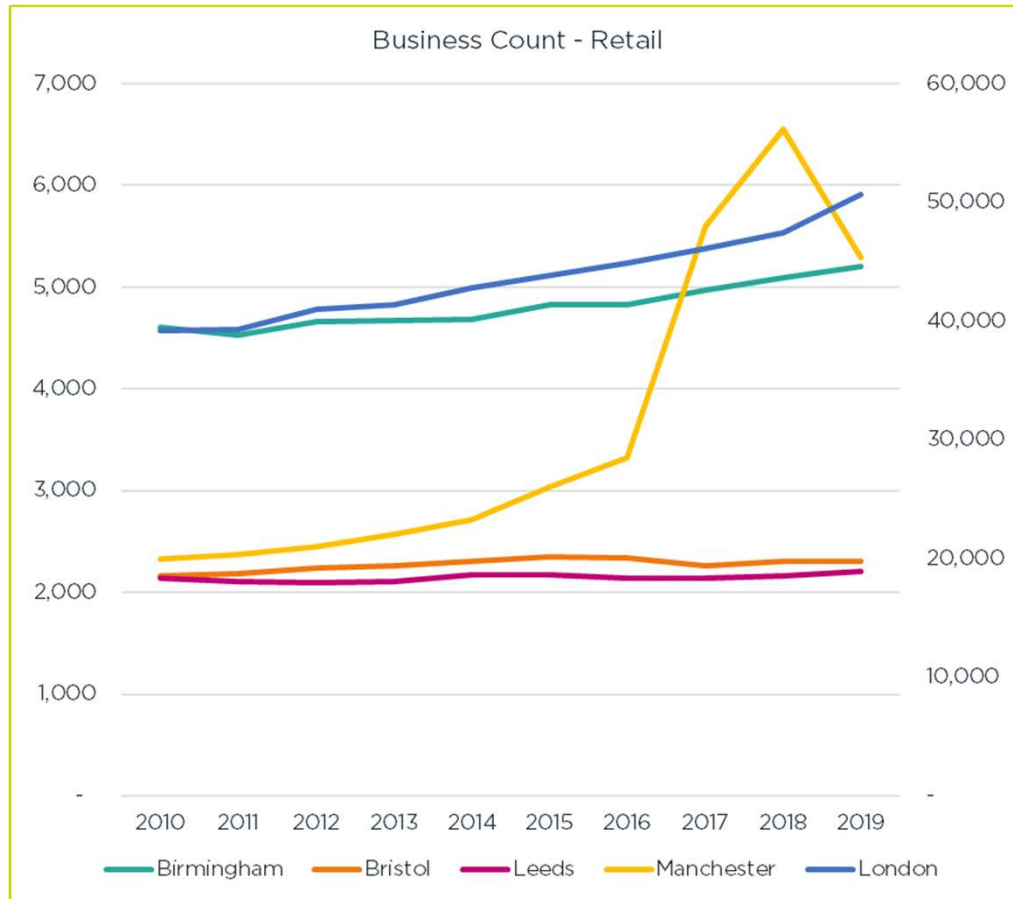


- The revised outlook has been shown to have a more muted recovery trend
- Current balances are lower than initially expected

Source: GMCC QES, GM Business Monitor and GM Recovery Tracker



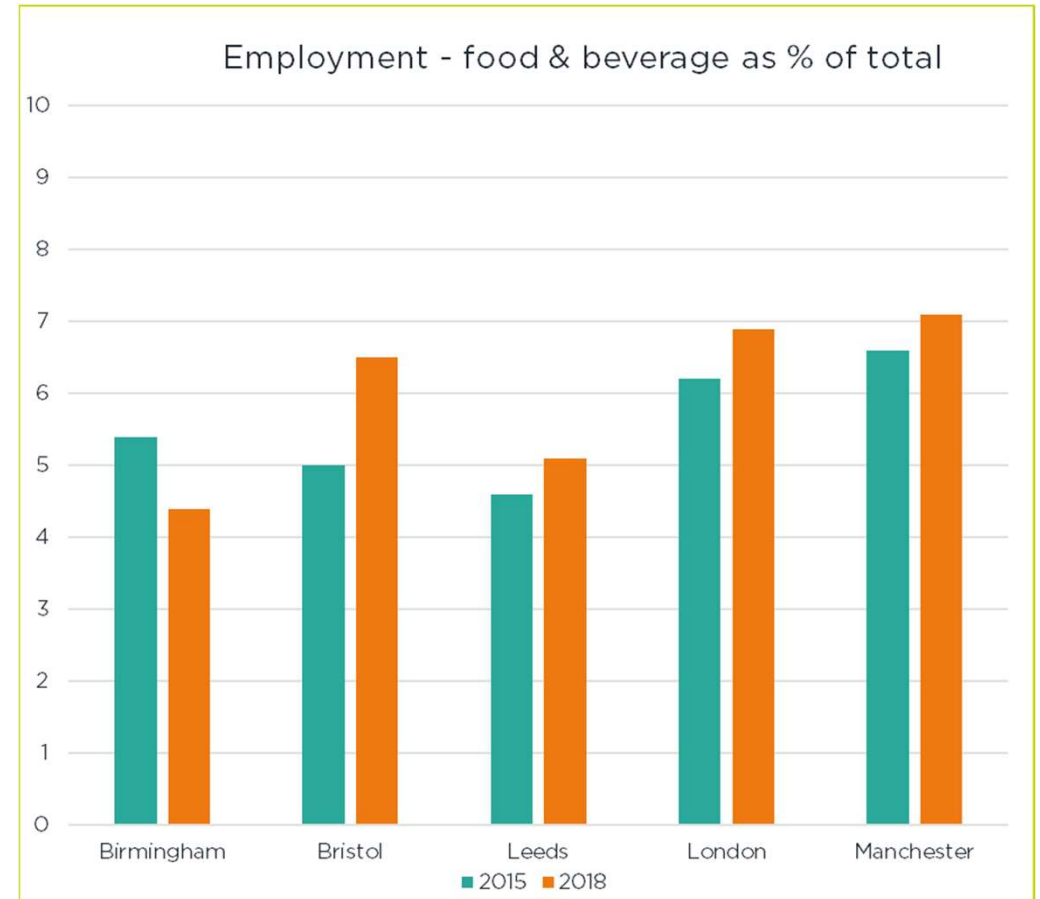
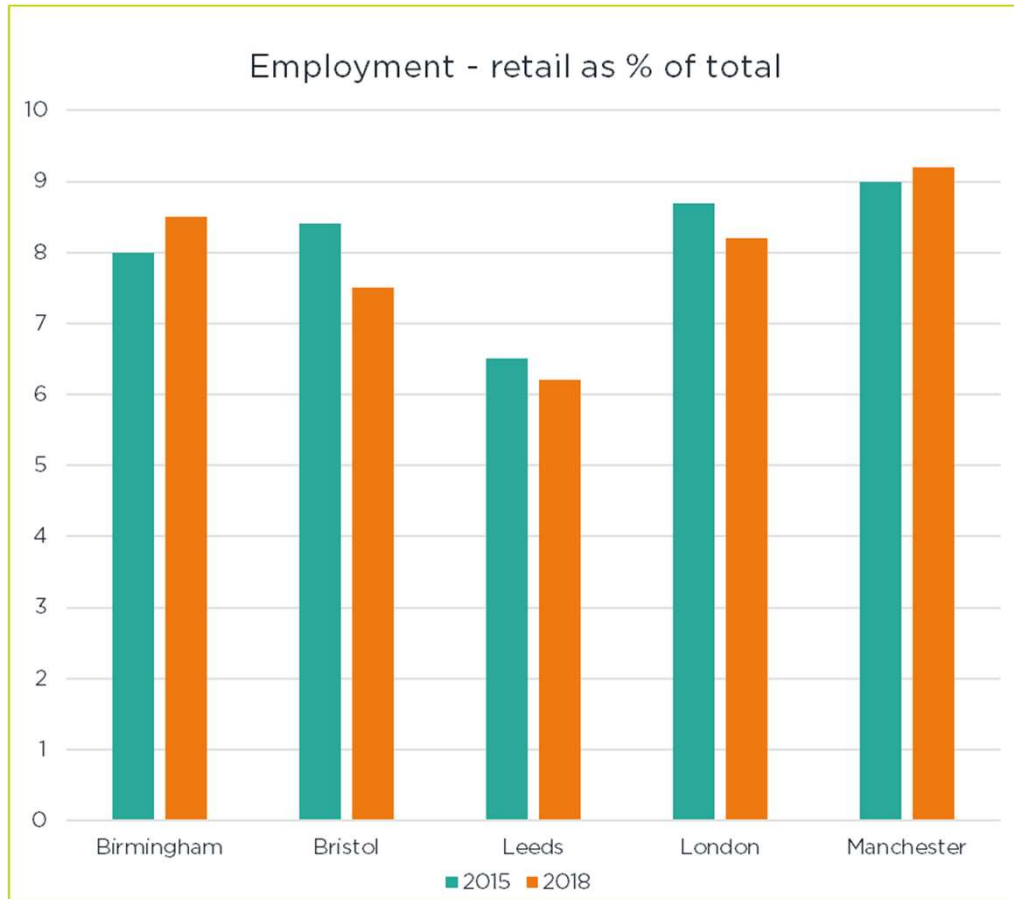
# The number of businesses in the key sectors have grown...



Source: UK Business Counts



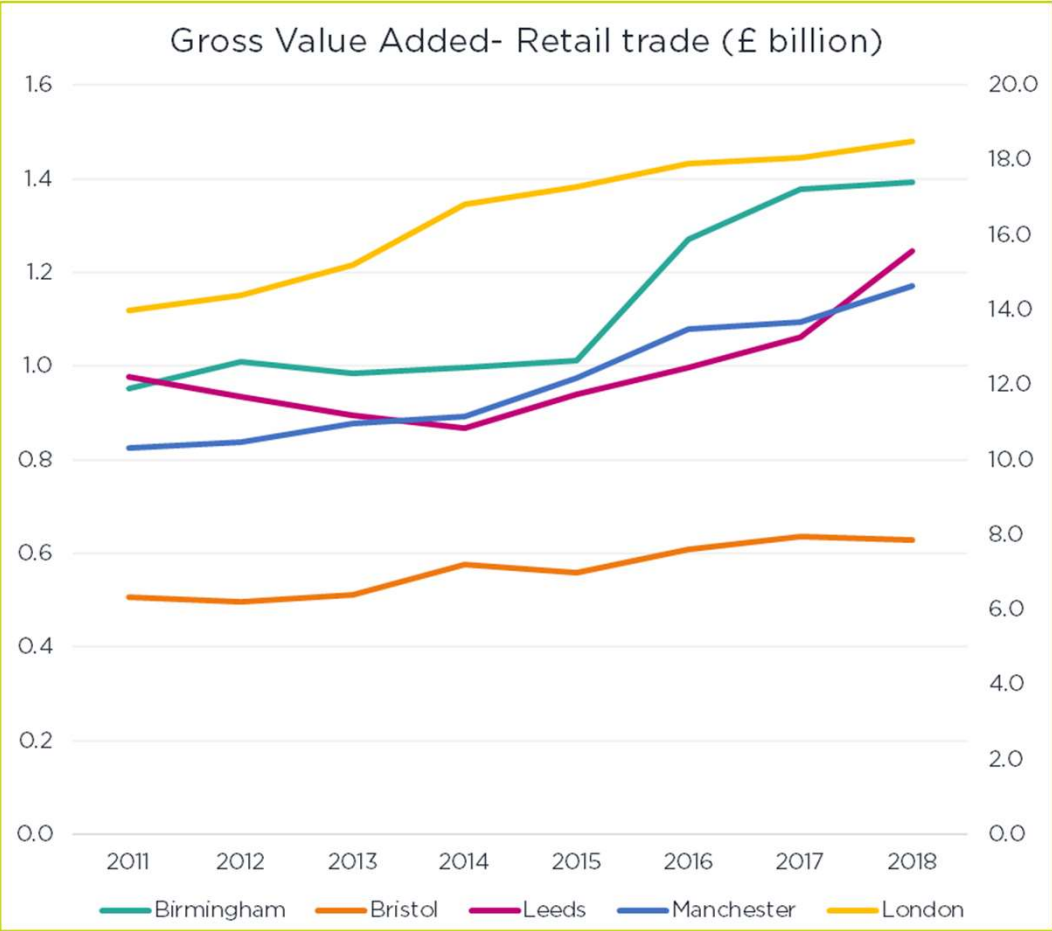
# Employment in the sector has held steady...



Source: Business Register and Employment Survey



# The sectors contribute hugely to the economy...

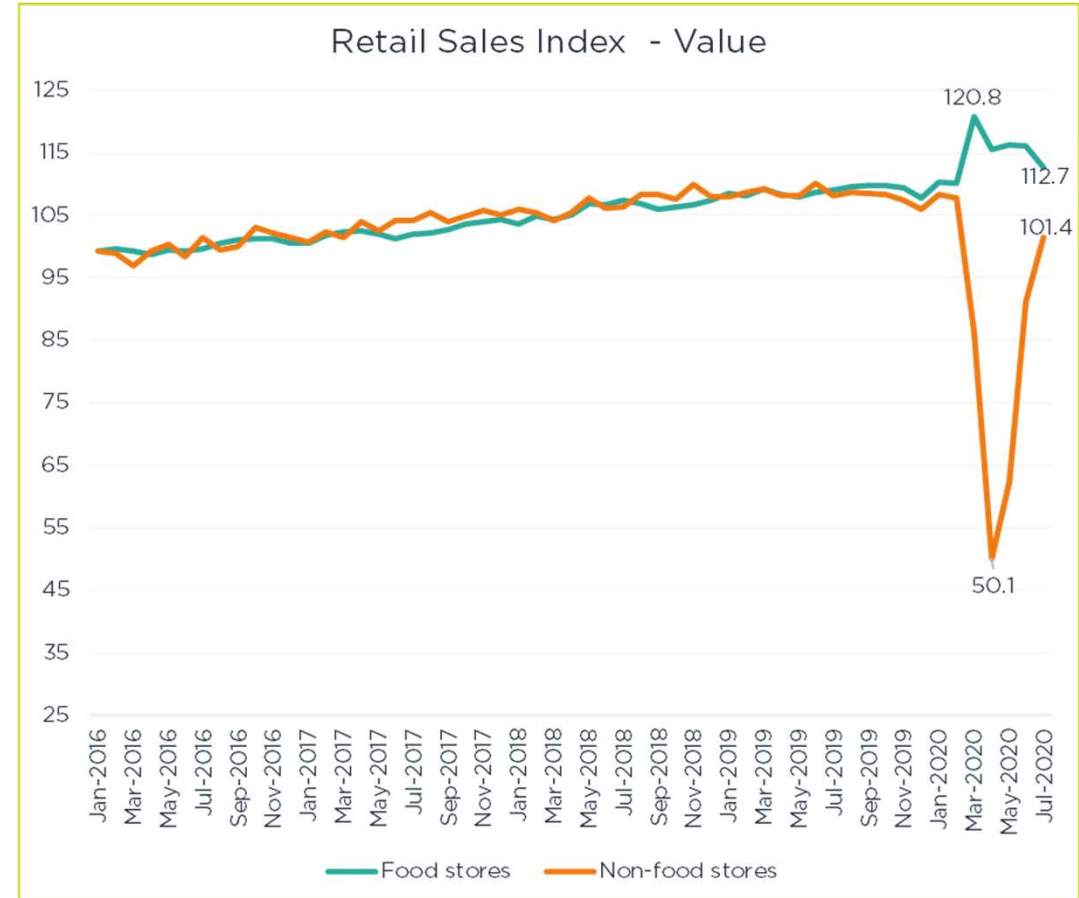
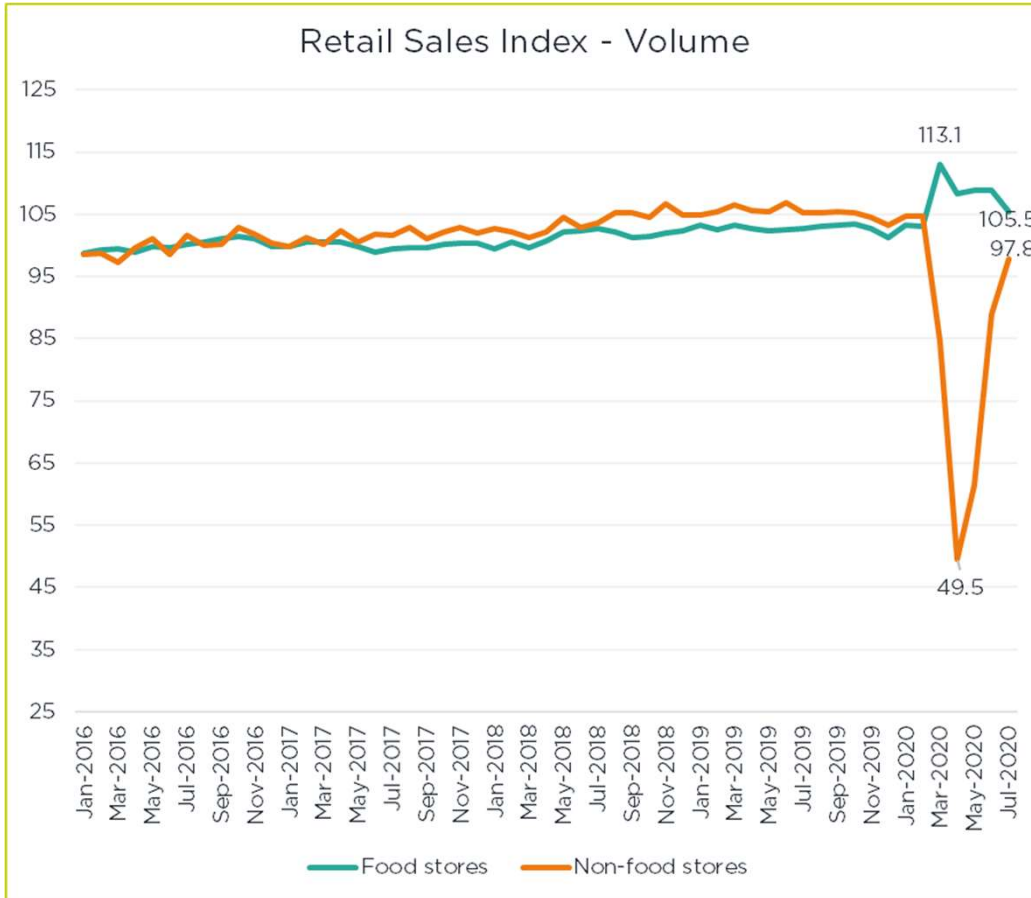


Source: ONS Regional gross value added (balanced) by industry:





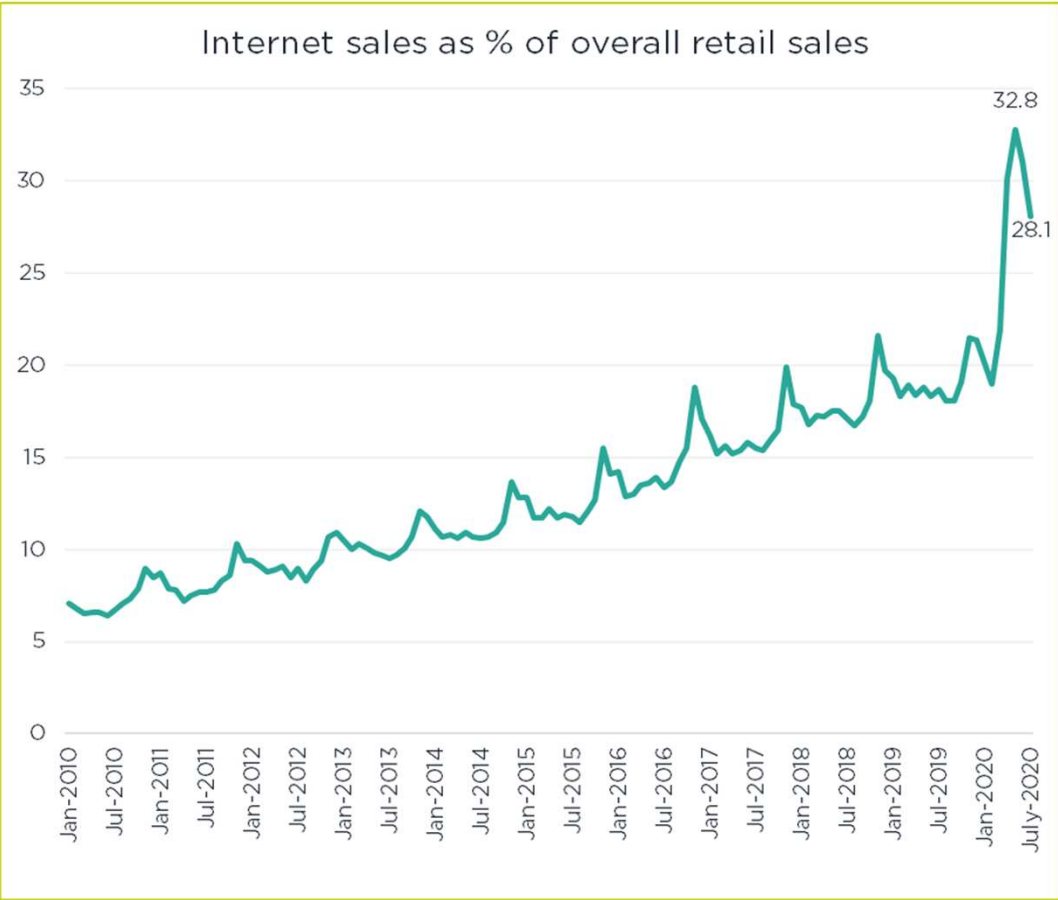
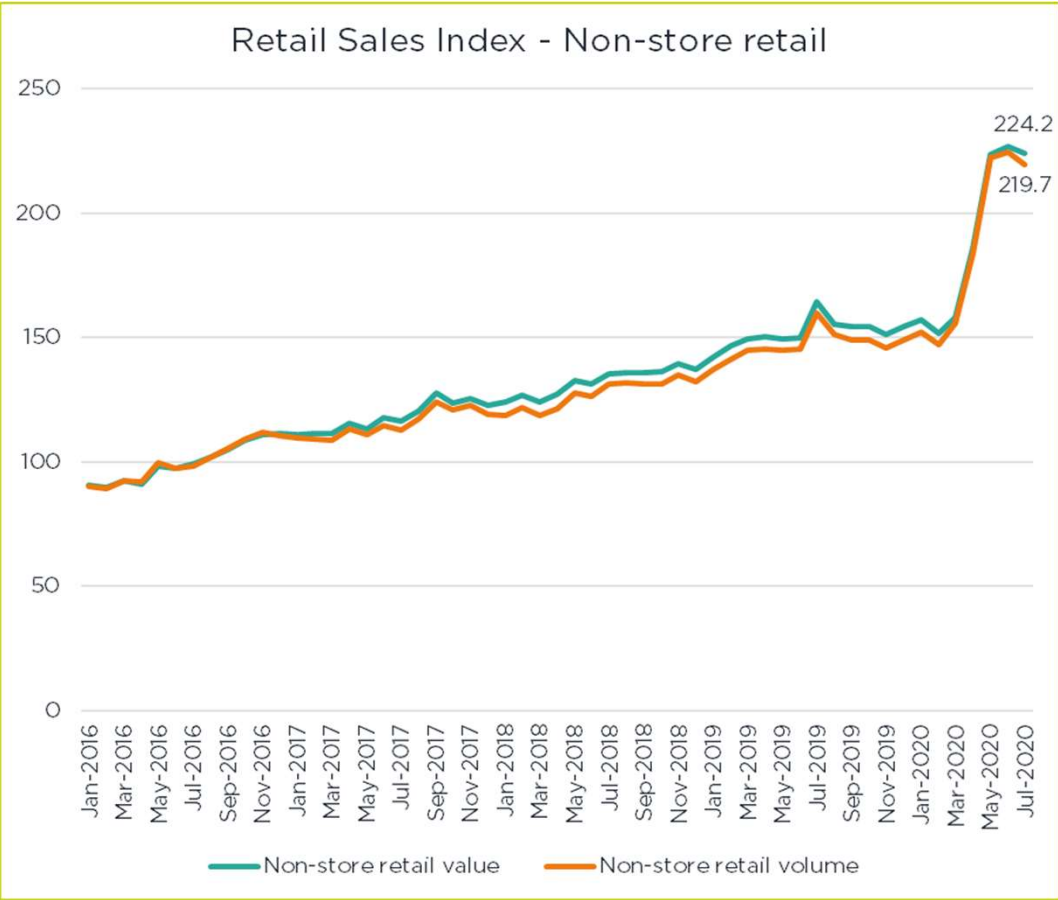
# Retail sales have grown in volume and value...



Source: ONS Retail Sales Index



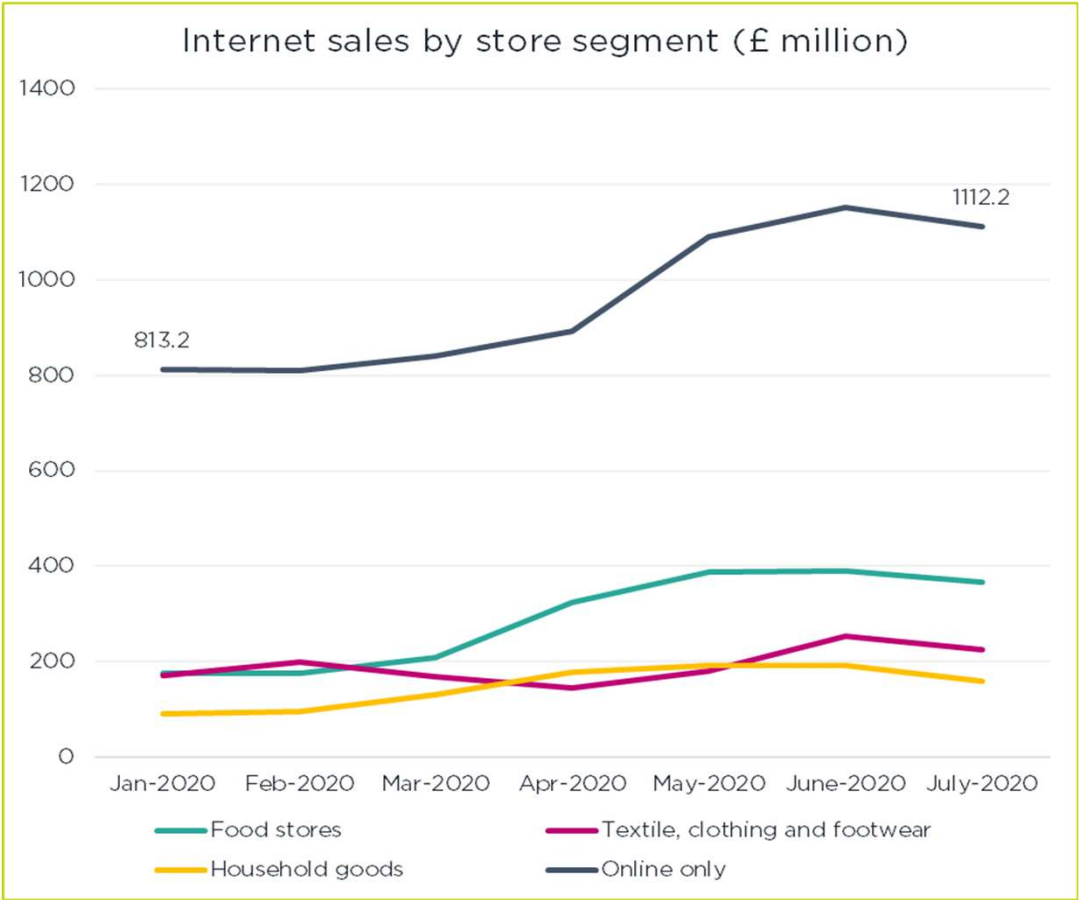
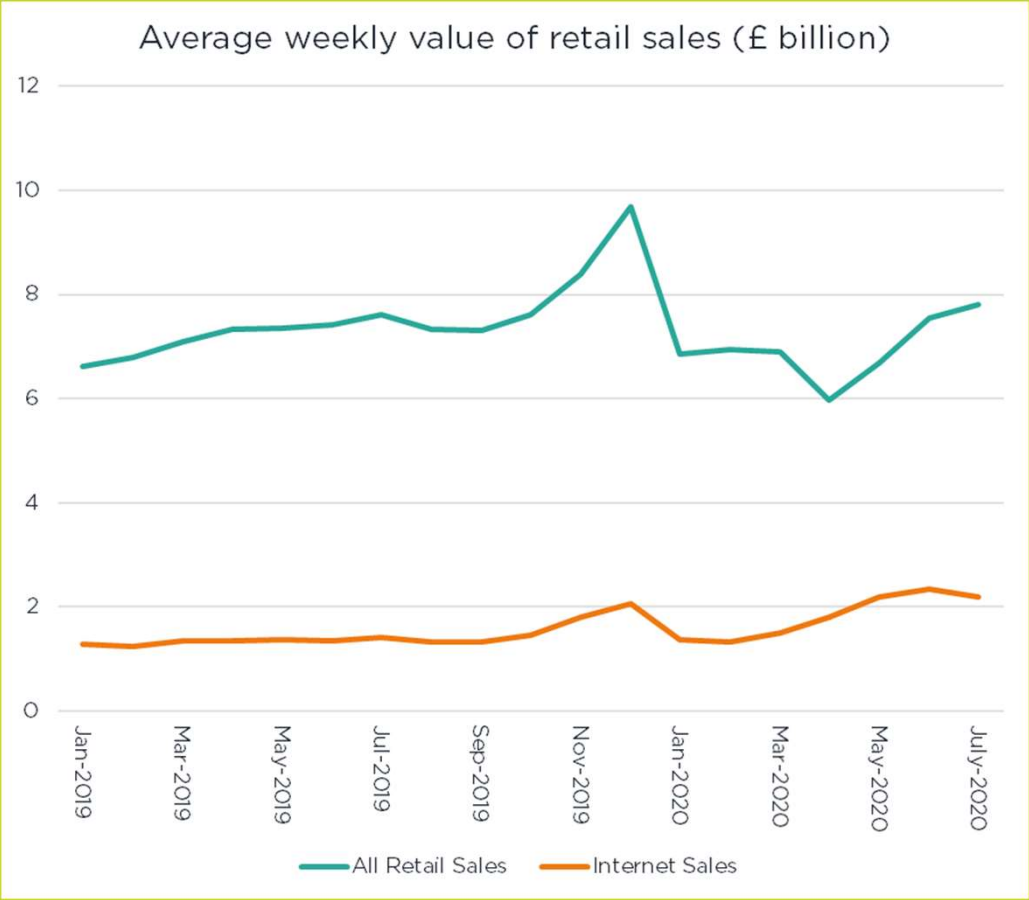
# The rise of e-commerce...



Source: ONS Retail Sales Index



# The rise of e-commerce...



Source: ONS Retail Sales Index



# Summary

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- Although there has been a significant improvement in business activity since May / June, there appears to be a recent dampening in demand.
- The reduction in sales and revenues remains the primary challenge that businesses have been facing during the pandemic.
- High street will continue to face strong competition from online sales
- Business rates system needs review and reform.
- Difficulties in retail have created new risks to commercial property sector
- Prospect of local lockdown will add to business anxiety.
- The pandemic is both a public health and economic crisis and there is the risk of a prolonged period of economic stagnation, which can only be avoided with additional support for businesses.

