

News in Review

7 April 2021

"We set out our roadmap and we're sticking to it"



On Easter Monday, the Prime Minister confirmed that restrictions in England are to ease as planned on 12 April, with non-essential shops, gyms, hairdressers and outdoor hospitality venues set to reopen. Mr Johnson said, "We set out our roadmap and we're sticking to it. And I want to stress, that we see nothing in the present data that makes us think that we will have to deviate from that roadmap."

His words came as the government published updates on a series of reviews into international travel, 'COVID certification', the return of mass events, and social distancing. COVID status certification, according to which people would have to demonstrate their vaccination or immunity status in order to enter certain venues, 'is likely to become a feature of our lives' while the pandemic continues, the review outlined.

In other news...

Over 31 million people have now received at least one COVID-19 jab, while over 5.4 million have been fully vaccinated, according to the latest figures. In addition, twice-weekly rapid tests will be available to everybody in England from Friday.

Scotland eased certain coronavirus restrictions on Monday, with people now able to visit hairdressers, homeware shops and garden centres.

IMF latest global update

The International Monetary Fund's (IMF) latest World Economic Outlook was released on Tuesday, with projections for the global economy (6% growth in 2021, moderating to 4.4% in 2022) marking upgrades from the Fund's previous estimates. Medium-term losses are

expected to be lower than after the 2008 financial crisis, with a 3% reduction in global output expected by 2024.

IMF Chief Economist, Gita Gopinath, commented on the findings, *"This reflects the additional fiscal support provided in the United States, vaccination efforts that are going to lead to a strengthening recovery in the second half of this year, and also the continued resilience of economic activity to the pandemic in many parts of the world."*

The report highlights the increasing divergence of country and sector recoveries around the globe. Recoveries hinge on the success of vaccine rollouts, the extent of policy support deployed, and how effectively economic policies can limit the long-term damage inflicted by the pandemic.

The UK economy, meanwhile, is expected to grow by 5.3% in 2021 and 5.1% in 2022 – both figures minor upgrades on the IMF's January forecast.

Minimum wage increase

From 1 April, the National Living Wage increased by 2.2% to £8.91, providing a boost to around two million of the UK's lowest-paid workers, including 23 and 24-year-olds for the first time. For a full-time employee, this represents an increase in pay of over £345 per year. The Prime Minister said that this increase would provide *"a welcome boost to families right across the UK."* Meanwhile, Kwasi Kwarteng, the Secretary of State for Business, has advised *"all workers"* to double check their payslips to ensure they were *"getting what they are entitled to, and remind employers of their duty to pay the correct wage."*

US jobs recovering and spending plan outlined

According to the latest set of employment statistics from the US, employers added 916,000 jobs in March and the unemployment rate 'edged down' to 6% from 6.2% in February. This surge in hiring was supported by the vaccination programme and some reopening in leisure and hospitality, public and private education, and construction sectors. Despite being the strongest gains since August 2020, overall employment remains considerably lower than prior to the pandemic. Last week, Joe Biden said people must remain vigilant, with millions of people not yet vaccinated, *"I plead with you, don't give back the progress we've all fought so hard to achieve. We need to finish this job. We need every American to buckle down and keep their guard up. That's how we're going to beat the virus and cast off the weight of the pandemic that's holding our economy back."*

Last week, the US President outlined a \$2.3tn spending plan to boost economic growth, upgrade infrastructure and address climate change. Mr Biden hailed the plan as, *"A once in a generation investment in America."* The Dow Jones and S&P 500 indices reached record highs on Monday, driven by the employment and service sector data, fiscal stimulus package and the rapid vaccination programme stateside.

Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.