

News in Review

9 June 2021



'We will continue to work together to ensure a strong, sustainable, balanced and inclusive global recovery that builds back better and greener from the COVID-19 pandemic'

Ahead of the G7 Summit in Carbis Bay, Cornwall, later this week, where leaders from some of the world's most influential countries are meeting to discuss major global issues, several Finance Ministers met in London at the weekend to discuss a whole host of global economic issues, including reforms to the global tax system to make it fit for the digital age. They were also joined by the Heads of the International Monetary Fund, World Bank Group and Organisation for Economic Cooperation and Development.

In what Janet Yellen, US Treasury Secretary described as a *"historic achievement"*, Finance Ministers from the US, UK, Germany, France, Canada, Japan, Italy and the EU, agreed to combat tax avoidance by making companies pay more in the countries where they sell their services or products. They also agreed in principle to a global minimum corporate tax rate of 15% to avoid countries undercutting each other with low tax rates. The deal is set to be discussed in more detail at a meeting of G20 Finance Ministers in Venice next month.

In a policy paper sent out following the series of meetings, the outcome was outlined, *'We agreed concrete actions to address today's historic challenges and as part of our renewed and urgent effort towards deeper multilateral economic cooperation.'* The strong commitment of the attendees to work collaboratively was evident, with clear follow-up intentions set out, *'We will continue to work together to ensure a strong, sustainable, balanced*

and inclusive global recovery that builds back better and greener from the COVID-19 pandemic.'

Although job vacancies increase – skills shortage intensifies

A KPMG survey has highlighted how the easing of restrictions and subsequent reopening of various sectors has led to the highest demand for workers in over 23 years. Job vacancies in the UK are soaring, but candidate availability has declined at the fastest rate since 2017. According to the survey, workers are particularly needed in computing and IT, as well as the hospitality industry. As a result, KPMG has called on the government and firms to urgently address the skills gaps. Deputy Chief Executive of the Recruitment & Employment Confederation, Kate Shoosmith, commented, *"With demand spiking, the skills and labour shortages that already existed in the UK have come into sharper focus – and COVID has only made them worse. This is the most pressing issue in the jobs market right now and has the potential to slow down the recovery."*

Services sector expanded at fastest rate in 24 years in May

Data released on Thursday from the UK Composite Purchasing Managers' Index (PMI) for services, indicated that activity in the UK's service industry grew at its fastest rate in 24 years, rising to 62.9 in May, up from 61 in April. Any score above 50 indicates growth. Economics Director at IHS Markit, Tim Moore, commented, *"UK service providers reported the strongest rise in activity for nearly a quarter-century during May as the roll back of pandemic restrictions unleashed pent up business*

and consumer spending. The latest survey results set the scene for an eye-popping rate of UK GDP growth in the second quarter of 2021, led by the reopening of customer-facing parts of the economy after winter lockdowns."

Travel rules updated

After a review of travel rules, an announcement was made on Thursday that Portugal (including Madeira and the Azores) was to be removed from the UK green list and placed on the amber list. The changes came into effect on Tuesday at 4am. No new countries were added to the green list and a further seven countries were added to the red list, including Sri Lanka and Egypt. All four nations are currently following the same travel rules.

Vaccine news

Last Thursday, on the same day as official figures showed that more than half of UK adults have now had both doses, Boris Johnson received his second jab, welcoming an *"amazing achievement"* and tweeting *"now let's finish the job."* Also last week, news came from the Medicines and Healthcare products Regulatory Agency (MHRA) that the Pfizer-BioNTech vaccine has been approved for use in children aged 12-15, following a *'rigorous review.'* The Joint Committee on Vaccination and Immunisation (JCVI) must now advise government on whether this age group should be included in the UK vaccination rollout.

Here to help

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