

News in Review

7 July 2021



"We must take a careful and a balanced decision"

In a Downing Street briefing on Monday, Prime Minister Boris Johnson said ministers will make a final decision on 12 July, whether step four of restriction easing would happen as planned on 19 July. Most legal restrictions look set to be scrapped, with face masks no longer legally required, an end to 1m-plus social distancing and the reopening of all businesses, including nightclubs. Limits on numbers meeting indoors and outdoors look set to be removed, and work from home guidance withdrawn. He also stressed that the pandemic was "far from over" as case numbers rise, but due to the effectiveness of the vaccine rollout, now is time to "take a careful and a balanced decision."

With over 640,000 children absent from school last week due to factors linked to COVID, on Tuesday, Education Secretary Gavin Williamson, announced that use of protective bubbles in England's schools, colleges and early year settings, will be removed from 19 July.

The Scottish government has suggested it may retain some basic measures, including wearing masks, at its next review in August. On Monday, the Welsh Health Minister said the nation was going to have to "learn to live with" coronavirus – the Welsh Government's position will be announced on 14 July. Progress will be reviewed in Northern Ireland on Thursday.

Global tax overhaul backed by 130 countries

Last week, the Organisation for Economic Co-operation and Development (OECD) confirmed that 130 countries had agreed

to a minimum corporate tax rate of 15%, to ensure that large companies pay 'a fair share' wherever they operate. It is estimated that the plans will generate tax revenue of around £109bn a year. US Treasury Secretary, Janet Yellen, said it was a "historic day for economic diplomacy."

Bank Governor warns against overreaction to higher inflation

Andy Haldane, who left his role as the Bank of England Chief Economist last week, after having been at the Bank for 32 years, warned that inflation could be closer to 4% than 3% by the end of 2021. In response, Bank of England Governor Andrew Bailey, cautioned against any overreaction to rising inflation, saying that any increase is expected to be a "temporary feature" of the UK economy's "bounce-back" from COVID.

UK service sector continues recovery

Figures released on Monday show that the UK services sector continues to rebound from the pandemic. The latest IHS Markit/CIPS UK Services PMI reached 62.4 in June, which is down slightly from 62.9 in May, but still the second-highest reading since October 2013. A reading above 50 indicates an expansion in business activity.

Chancellor outlines UK roadmap for financial services

Last week, in his first address at Mansion House, Chancellor Rishi Sunak outlined how the UK's financial services industry can take the lead globally, as well as create prosperity at home. He said, "More open, more competitive, more technologically advanced, and more sustainable – that is our vision for financial services. The roadmap we are publishing

today sets out a detailed plan for the next few years – and I look forward to delivering it, together."

His speech also reaffirmed the importance of green finance in the UK, confirming the already-announced launch of the world-first Green Savings Bonds in September and new requirements for businesses and financial products to disclose sustainability information.

Post-Brexit rebound – London reclaims trading top spot

On Friday, news came that London had reclaimed its place as Europe's largest share trading centre for the first time since Brexit, pushing Amsterdam off the top spot. £7.6bn of shares a day were traded on average at London venues in June, compared to £7.5bn for various Dutch venues. Paris was the third largest trading venue.

Electric vehicles provide boost

Japanese carmaker, Nissan, has announced plans to expand its electric vehicle production in Sunderland, by investing £1bn. As well as creating 1,650 new jobs, the investment will support thousands more in the supply chain. Boris Johnson called it a "pivotal moment."

This was followed by news on Tuesday that Vauxhall owner Stellantis, plans to build electric vans at its Ellesmere Port plant in Cheshire. The £100m investment, which includes government contributions, will safeguard more than 1,000 factory jobs.

Here to help

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

The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated