



WIG

The Whitehall & Industry Group
connecting the sectors



'Economic Growth & Prosperity' Series

The Economic Landscape throughout the
COVID-19 recovery period



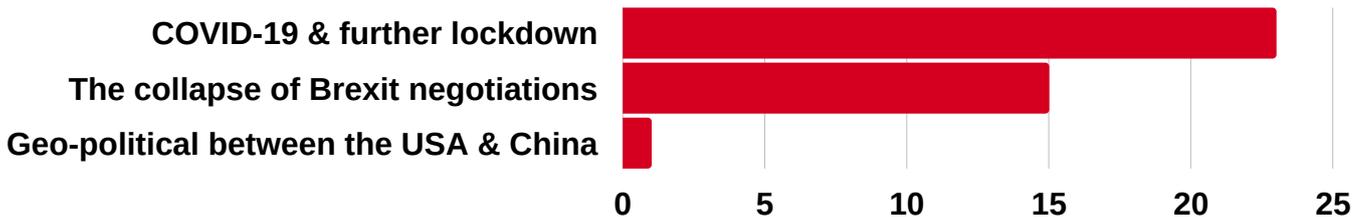
Expert Insight

We were joined by Yael Selfin, Chief Economist at KPMG to discuss the impact that COVID-19 has already had on our economy and what further consequences we can expect. Yael touched on many points, including:

- Travel agency, air transport, hotels, rail, transport, bars and restaurants & other personal services have been the hardest hit sectors during this period.
- Some of these industries have been helped by people taking holidays within the UK or "staycations" however, this is expected to decline as we enter September and most people return to work.
- In terms of COVID-19's impact on regional output, the West Midlands (-10.6%), the East Midlands (-10%) and the East of England (-10%) have been the hardest hit in terms of % change of Gross Value Added.
- The GDP of next year will ultimately depend on when a vaccine is made available. KPMG have completed economic analysis on both a vaccine being made available in January and then later in April.
- The UK has likely seen the lowest dip in GDP as productivity continues to pick up again, however, it is likely that unemployment will peak in the coming months due to the end of the furlough scheme.
- Unemployment could rise to over 10% and it could take up to 5 years for unemployment levels to go back to pre-COVID levels, which were low at 3.9%. This will consequently have a knock-on effect on both consumer confidence and spending.
- Inflation is likely to remain under the Bank of England's target of 2%, with interest rates also looking likely to remain at a low level.

Cross-sector Opinion

Attendees from the breadth of our cross-sector membership listened in. We asked them: What do you think poses the biggest risk to the economy in the next six months?



Our members' questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- What impacts COVID-19 may have on people's spending habits, specifically in terms of the UK retail industry and the UK property market.
- The effect on savings, both by generation and employment sector .
- Potential post-COVID boosts for regional centres, like Leeds, Manchester and Newcastle.
- What areas could be targeted when thinking about a green recovery post-pandemic.

WIG members can listen to Yael's presentation [here](#)
To see our full programme of webinars, visit www.wig.co.uk