ARBUTHNOT BANKING GROUP PLC

PERSPECTIVES

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Coronavirus crisis: GDP growth disappoints in August

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Introduction: GDP rose 2.1% in August…

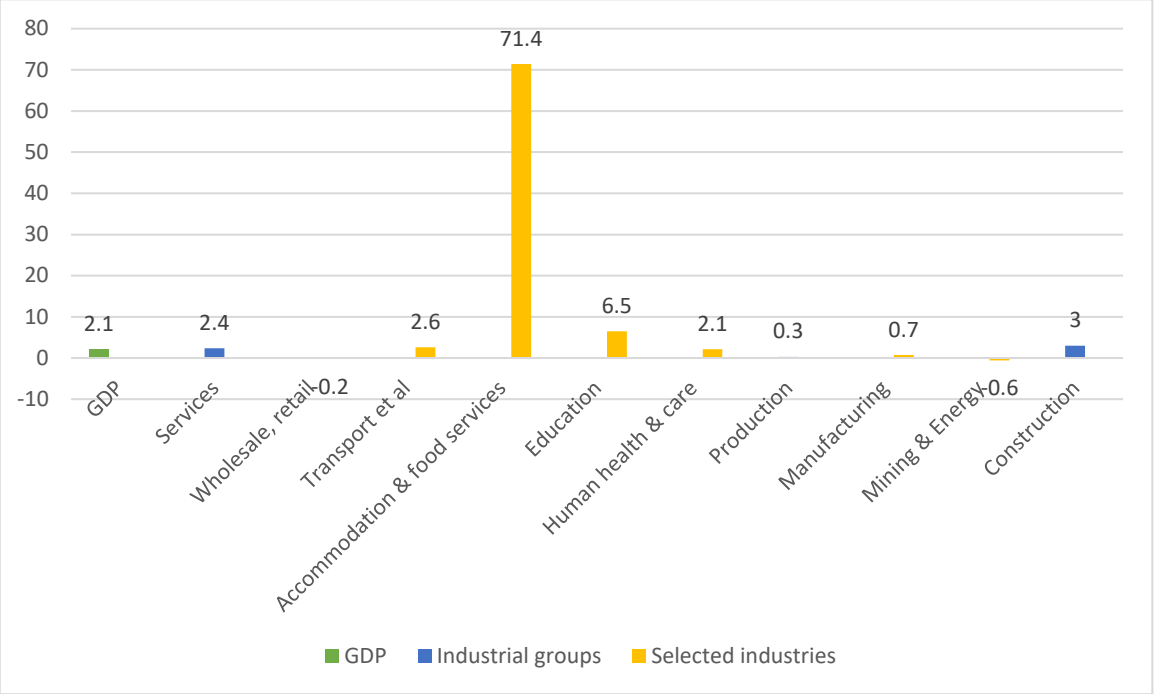
GDP rose a disappointing 2.1% (MOM) in August (chart 1), following growth of 2.7% in May, 9.1% in June and 6.4% in July, suggesting a significant loss of momentum in the recovery despite the further relaxation in restrictions (see annex table 1) and the supportive Eat Out to Help Out Scheme in the month of August.[1-4] Moreover, the level of output had not yet recovered from the record falls seen in March (7.3%) and April 2020 (19.5%), by a very considerable margin. August's level was still some 9.2% lower than in February 2020, before the full impact of coronavirus and government measures aimed at controlling the pandemic were imposed.

The services sector grew by just 2.4% (MOM) in August, after rising 5.9% (MOM) in July, despite the boost to consumer demand for bars and restaurants by the Eat Out to Help Out Scheme. Much of the growth came from the "accommodation and food services" sector which rose 71.4% (MOM) in August, an extraordinary movement. In addition to the boosted food services sub-sector, the accommodation sub-sector was helped by buoyant growth in domestic "staycations" reflecting international travel restrictions. Importantly, "accommodation and food services" contributed 1.25 percentage points to the 2.1% growth in GDP in the month, suggesting that the rest of the economy contributed less than 1 percentage point. Moreover, given the relative weights of "accommodation" and "food services" about two-thirds of the 1.25pp contribution would have come from the rise in food services output.[5]

Services output in August was still 9.6% lower than the level in February 2020. Of the fourteen services sub-sectors, 12 remained below their February 2020 level, with accommodation and food services output still 13.7% lower, despite the rapid growth in August.

Production grew by a disappointing 0.3% (MOM) in August 2020, with manufacturing rising by 0.7%. Output was still 6.0% lower in August than in February 2020, with manufacturing 8.5% lower. Construction rose 3.0% (MOM) in August, driven by new housing and, in particular, private new housing (18.1% weight to construction), which grew by 12.8% after large declines in March and April. Output remained 10.8% lower than the level in February 2020.

Chart 1 GDP and selected sectors, MOM (%) growth, August 2020



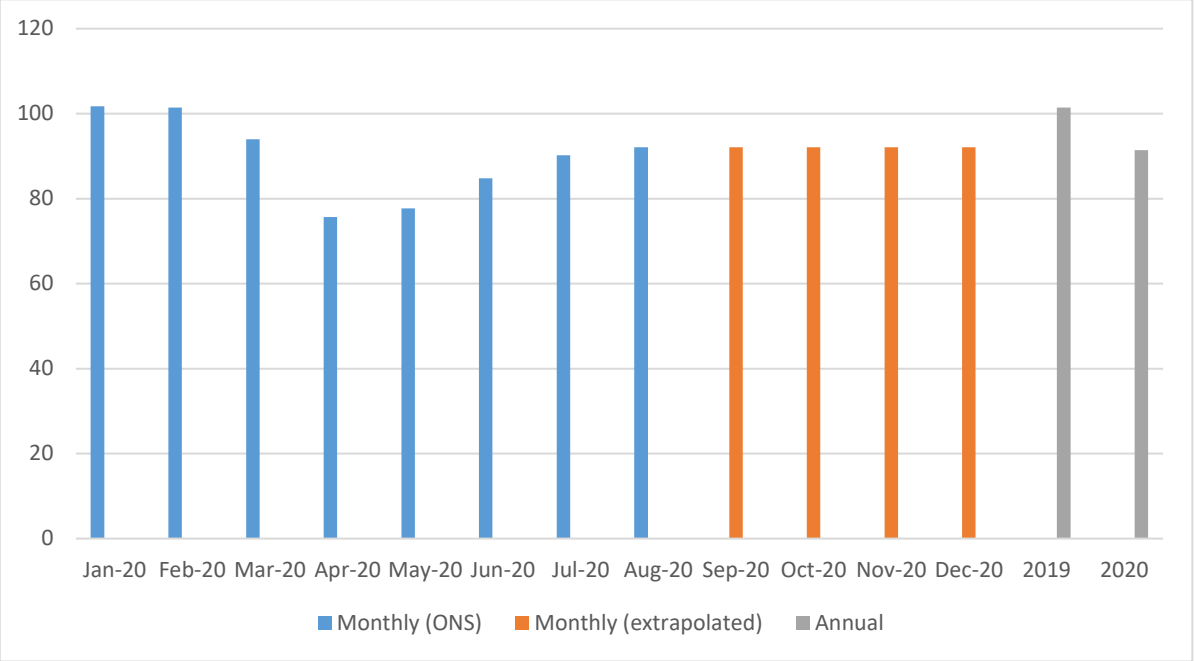
Source: *ONS*, "GDP monthly estimate: August 2020", 9 October 2020.

…and possible stagnation for the rest of 2020

Not merely were August's GDP data disappointing (market expectations were for growth of around 4½% (MOM)), there are other reasons to believe that output may have underperformed in September and may continue to underperform for the rest of 2020. Firstly, the Eat Out to Help Out Scheme ended at the end of August, and, secondly, there was a tightening of restrictions in September which adversely affected the hospitality sector, in particular (see annex table 1). Moreover, the Prime Minister is expected to announce further restrictions for England on 12 October with a three-tier system, which would see areas facing differing rules based on the incidence of positive tests, being mooted.[6-7] The risks to growth for the remainder of 2020 look very much on the "downside".

Chart 2 shows a possible GDP scenario for 2020, which assumes stagnation for the months September-December, which seems quite plausible given the headwinds. If this were the case, GDP for 2020 would be nearly 10% (YOY) down on 2019, which is much in line with the OECD's September interim forecast.[8] Of course, this scenario may prove to be too pessimistic, and the Markit surveys (see below) suggested continuing growth in September, albeit slower than in August. Alternatively, it may prove to be too optimistic if the renewed restrictions, along with the anticipated rising unemployment, push the economy back into contraction.

Chart 2 GDP, 2018=100 (rebased), monthly, annual, possible scenario



Source: *ONS*, "GDP monthly estimate: August 2020", 9 October 2020, for data to August 2020. Later data extrapolated.

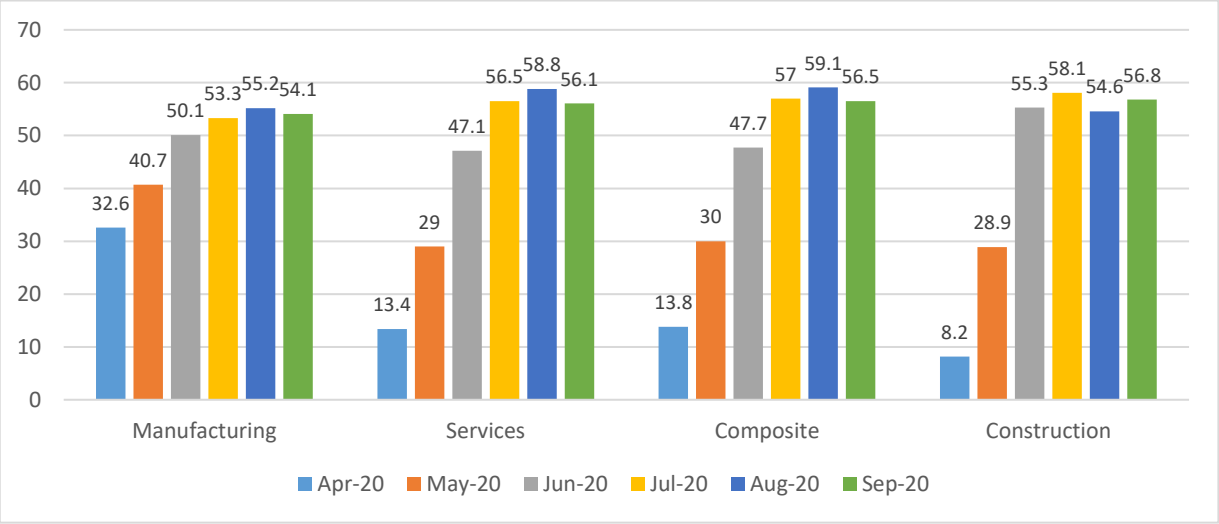
Markit surveys implied growth in September…

As already suggested (see above), the Markit surveys for manufacturing and services suggested growth was continuing in September, albeit at a slower rate than in August, whilst growth picked up in construction (chart 3). Note that much of the survey work would have be done prior to the latest announcements on restrictions.

- The Manufacturing PMI slipped to 54.1 in September, after August's 55.2, but was still comfortably above the crucial 50-mark that separates expansion from contraction.[9] Higher production was linked to improved inflows of new work, companies reopening and staff returning to work. Solid expansions were seen in the consumer, intermediate and investment goods sectors. New export business rose for the second successive month, with the rate of expansion accelerating to a 21-month high. Manufacturing employment fell for the 8th month running.
- The Services PMI Business Activity Index slipped to 56.1, after August's 58.8, but still showing good growth.[10] Growth was supported by another upturn in new work amid reports that market conditions continued to improve. However, growth across the services sector was uneven with gains principally focussed on areas such as business-to-business services. Those sub-sectors more exposed to social contact such as Hotels, Restaurants & Catering reported a downturn in business during the month, exacerbated in part by the withdrawal of government schemes and/or the tightening of restrictions related to COVID-19. Employment remained a weak point, continuing to fall.
- The Composite index also eased in September to 56.5, after August's 59.1.[11] The Composite Output Index is a weighted average of the UK Manufacturing Output Index (not the PMI) and the UK Services Business Activity Index (PMI).

- The Construction Total Activity Index rose to 56.8 in September, after August's 54.6, but results varied across the three monitored sub-sectors.[12] The strongest performing category was home building, where firms registered a sharp expansion in activity for the fourth month running, and work undertaken on commercial projects also rose strongly. But civil engineering activity fell for the second month running.

Chart 3 UK Markit/CIPS PMIs, April-September 2020



Sources: (i) Markit releases for manufacturing, services and construction PMIs for September; (ii) previous releases for April-August.

…whilst the car industry remains depressed

The data from the Society of Motor Manufacturers and Trades (SMMT) suggested car manufacturing in August was very depressed and car registrations in September were disappointingly subdued.

UK car production declined 44.6% (YOY) in August, as efforts to ramp up production stalled amid the coronavirus crisis, with weak demand in key overseas markets compounded by a significant fall in output for UK buyers.[13] The performance also reflected an unusually strong August in 2019, when "some plants worked through the customary summer maintenance shutdown period, instead pausing in April to mitigate the then possible 'no deal' Brexit on 31 March 2019". This had distorted the annual comparison. The SMMT reported that production for UK buyers fell 58.3% (YOY) in August whilst production for overseas markets declined by 41.1% (YOY). Almost 85% of all cars built in the UK were destined for overseas markets. So far this year (8 months to August) UK car production was down 40.2% (YOY), with output for the domestic market down 46.0% (YOY) and exports falling 38.8% (YOY).

Car registrations were down 4.4% (YOY) in September. It was the weakest September outcome since the introduction of the dual number plate system in 1999 and some 15.8% lower than the 10-year average.[14] Whilst the "new 70-plate, model upgrades and attractive offers" helped the industry, it was still counting cost of lockdown, and the cumulative total for the first 9 months of 2020 was 33.2% down (YOY).

The housing market is still firm…

The housing market, however, is still buoyant. According to the Halifax, house prices jumped 1.6% (MOM) in September, to be 7.3% higher YOY, the strongest annual rise since June 2016.[15] But they noted that September 2019 "saw political uncertainty weigh on the market", which distorted the annual comparison. The Halifax commented "…there has been a fundamental shift in demand from buyers brought about by the structural effects of increased home working and a desire for more space, while the stamp duty holiday is incentivising vendors and buyers to close deals at pace before the break ends next March". However, they warned that "…we continue to believe that significant downward pressure on house prices should be expected at some point in the months ahead as the realities of an economic recession are felt ever more keenly" and, we should add, as the stamp duty holiday comes to an end on 31 March 2021. The Nationwide reported recently that, according to their records, house prices had risen by 5.0% (YOY) in September, compared with August's 3.7%.[16]

The ONS's UK House Price Index (HPI) lags the Halifax and the Nationwide and their latest release referred to July. Moreover, the HPI is based on completed housing transactions and, typically, a house purchase can take six to eight weeks to reach completion. Therefore, the price data feeding into the July 2020 HPI would reflect agreements that occurred before the stamp duty changes took place (the stamp duty holiday was announced on 8 July as part of the Chancellor's *Summer Economic Update*). For the record, UK average house prices (the HPI) rose 2.3% (YOY) in July, compared with 2.9% in June.[17] The ONS commented "…this slowing in UK annual growth is partly a base effect as whilst UK prices have increased between June and July this year, they increased by a bigger amount during the same period in 2019." In other words, the annual increase had been distorted downwards.

House-moving restrictions were initially introduced by the Government on 23 March (updated on 26 March) in response to the COVID-19 pandemic. The Government advised "house moves should be delayed unless moving is unavoidable". The restrictions were relaxed on 13 May (in England). The threshold for the nil rate band of residential SDLT has been increased from £125,000 to £500,000, operative from 8 July 2020 until 31 March 2021.

…whilst external trade is in surplus

The trade balance (goods and services) showed a surplus in the three months to August.[18] However, the ONS's analysis of the trade data is complicated by the distorting effects of swings in trade of precious metals (including non-monetary gold (NMG)) and they publish two sets of data: an "underlying" series (excluding precious metals) and a total series (including precious metals).[19] They prefer the "underlying" series.[20]

There was an "underlying" total trade <u>surplus</u> of £7.7bn in the three months to August, compared with a <u>surplus</u> of £3.9bn in the three months to May (table 1), as exports rose by 14.2% whilst imports rise by 9.6%.

- Within the total, the goods <u>deficit narrowed</u> a tad to £23.0bn (compared with £23.8bn) as exports rose more than imports. While the narrowing of the trade in goods deficit largely reflected higher exports and lower imports of fuels, large increases in imports and exports of machinery and transport equipment, and miscellaneous manufactures were also seen.

- The services surplus increased to £30.7bn (from £27.7bn). Exports grew by 18.8%, whilst imports grew by 24.9%. The increases in exports and imports were largely seen in other business services and financial services.

Removing the effect of inflation, the underlying total trade surplus widened to £6.9bn in the three months to August 2020, as exports increased by more than imports. This would support GDP growth in the "quarter".

Table 1 also shows the total trade balances. The total trade surplus narrowed to £7.2bn in the three months to August (from £9.5bn), whilst the goods deficit widened to £23.5bn (from £18.2bn). There was a large adverse movement on precious metals, which recorded a deficit of £0.5bn in the three months to August, compared with a surplus of £5.6bn in the previous three months.

Table 1 Trade (goods and services), balances (£bn)

	3 months to May 2020	**3 months to August 2020**	**Change**
"Underlying" balances:			
Goods (excluding precious metals)	-23.8	-23.0	+0.8
Services	27.7	30.7	+3.0
Goods and services	3.9	7.7	+3.8
Actual balances:			
Goods (total), of which:	-18.2	-23.5	-5.3
With the EU	-15.8	-18.6	-2.8
With the non-EU	-2.4	-4.8	-2.4
Services	27.7	30.7	+3.0
Goods and services	9.5	7.2	-2.3
Memo item:			
Precious metals	+5.6	-0.5	-6.1

Source: *ONS*, "UK trade: August 2020", 9 October 2020. Some non-addition due to rounding.

Latest employment policies: the JSS is expanded

In a recent Perspective we covered the Chancellor's recent *Winter Economy Plan* (24 September), which included the new "Job Support Scheme" (JSS).[21-22] The JSS is intended to replace the Coronavirus Job Retention Scheme (CJRS), which ends at end-October. The JSS starts on 1 November. Under the JSS employees will need to work a minimum of 33% of their usual hours (paid for by their employers) in order to qualify. For every hour not worked, the employer and the government will pay one third of the employee's usual pay (to a cap). The JSS is noticeably less generous than the CJRS and it is widely expected that redundancies and unemployment will rise sharply after the end of the CJRS despite the JSS.

In response to the tighter Covid restrictions, already imposed and expected to be imposed (see above), the Chancellor announced on 9 October an expansion to the JSS for firms that were "required to close their premises due to coronavirus restrictions" (see annex table 2).[23-24]

Under the expanded JSS, which begins on 1 November for 6 months, the government will pay two thirds of the affected employees' salaries "to protect jobs over the coming months" (to a cap). Employers will not be required to contribute towards wages and will only be asked to cover NICS and pension contributions. The expanded JSS will run alongside of the original JSS (see above) and the £1,000 Job Retention Bonus (JRB) which "encourages employers to keep staff on the payroll" (announced on 8 July in the *Summer Economic Update*). In addition, cash grants for businesses required to close in local lockdowns were increased to up to £3,000 per month.

In addition, the DWP launched Job Entry Targeted Support (JETS) on 5 October.[25] JETS, backed by a "£238mn investment", is targeted at people "left jobless due to Covid-19" who have been out of work for three months. The DWP, through JETS, will "…ramp up support for claimants to ensure those put forward for the scheme have access to tailored, flexible support to quickly get back into employment. The new programme will see a number of providers offer a range of help, including specialist advice on how people can move into growing sectors, as well as CV and interview coaching". JETS "…will also give job hunters the boost they need to return to employment through an action plan agreed with their personal Work Coach, peer support and opportunities to build their skills".

The NAO's investigation into the Bounce Back Loan Scheme

The latest updates of Government support for employment and business are shown in tables 3a and 3b. Specifically, the Bounce Back Loan Scheme (BBLS) had delivered 1.26mn loans to businesses, totalling £38bn, as of 20 September.[26] The Chancellor extended the BBLS as part of the *Winter Economy Plan* (24 September).[27] Under the extension, the BBLS will offer borrowers more time and more flexibility for loan repayments under its 'Pay as you Grow' option.
The NAO recently conducted an investigation into the BBLS, releasing their findings on 7 October.[28-29] The main findings were:

- "As a result of credit and fraud risks [associated with the BBLS], the BEIS and the Bank have made a preliminary estimate that 35% to 60% of borrowers may default on the loans. …assuming the BBLS lends £43bn, this would imply a potential cost to government of £15bn-£26bn, but these estimates are highly uncertain. Over the coming months, the extent of losses due to fraud will become clearer, but the full extent of losses, both credit and fraud, will not emerge until the loans are due to start being repaid from 4 May 2021".
- "Government provides a 100% guarantee to lenders…but this reduces the lenders' incentives to recover money from borrowers. If a borrower does not repay the loan, lenders are still expected to try to recover the loan, but they can claim on the government's guarantee within "a reasonable time" or if no further payment likely."

London as an international financial centre: second only to New York

The *Global Financial Centres Index (GFCI)*, compiled by Financial Centre Futures (FCF), has been running since March 2007. It provides evaluations of competitiveness and rankings for key financial centres. There were 111 financial centres in the main index in September 2020, the latest report, whilst 121 centres in all were researched.[30] Two sets of data are used in compiling the GFCI:

- 138 instrumental factors, which are objective, quantitative measures provided by third parties including the World Bank, the Economist Intelligence Unit, the OECD and the UN. The factors used in the GFCI model are then grouped into five broad "areas of competitiveness" for analysing the financial centres: business environment, human capital, infrastructure, financial sector development, and reputation.
- Financial centre assessments provided by respondents to the GFCI online questionnaire. GFCI 28 used 54,509 assessments from 8,549 respondents. The GFCI does not include any assessments on the respondent's own centre. A London-based respondent's assessment of London, for example, would be excluded.

The main finding was that New York retained its first place in the index (chart 4a), although second-placed London had made up ground in the ratings and was now only four points behind the leader (see annex table 4 for the ratings).[31] More specifically, New York was top ranked in all five of the GCFI's identified "areas of competitiveness", whilst London was ranked second in all five areas.

Shanghai moved up one place to third and Tokyo dropped one place to fourth (chart 4a), although only one point separated them in the ratings (see annex table 4). Similarly, Hong Kong moved up a place to rank fifth, overtaking Singapore, despite concerns that political tensions would harm its financial competitiveness. Shenzhen and Zurich entered the top ten in this edition, replacing Los Angeles and Geneva. Zurich and Luxembourg were the second and third placed European centres after London (chart 4b).

The top 10 financial centres all increased their scores (see annex table 4), suggesting that established financial centres were relatively little affected by global trade tensions and the effects of the Covid-19 pandemic. The report noted, more generally, that post-Covid-19, the "geographic boundaries appeared to gradually diminishing for talent. Skilled people can be working despite physical limitation thanks to the aids of technology".

Chart 4a Global Financial Centres Index, top 10 centres (Sep 2020 ranking), Sep 2019, Mar 2020, Sep 2020

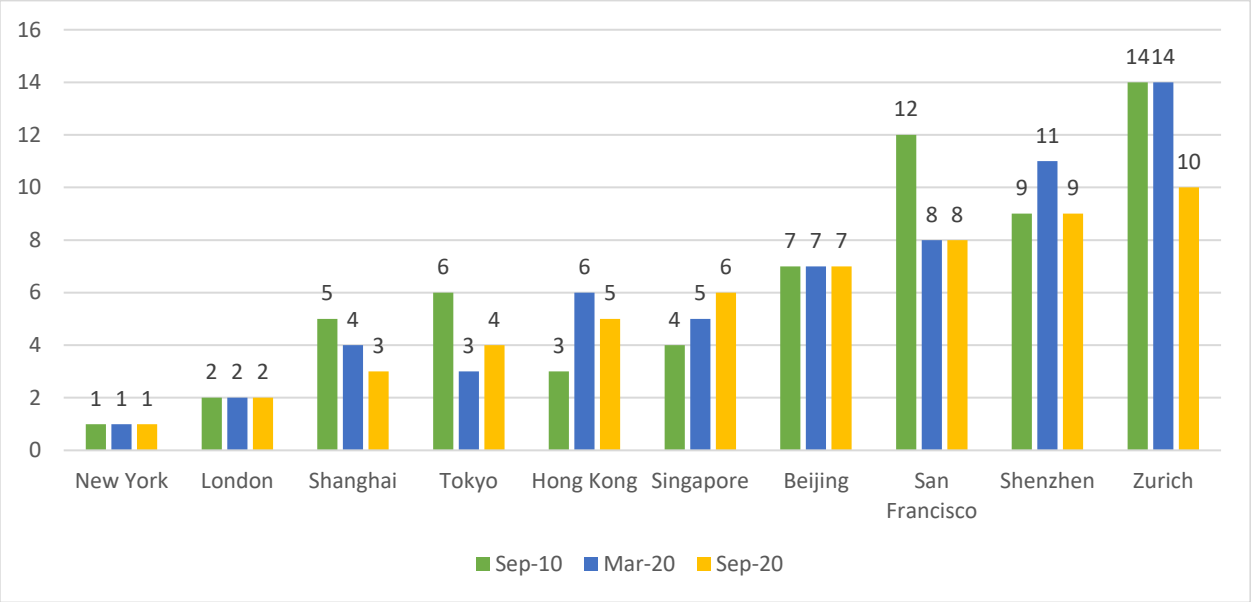
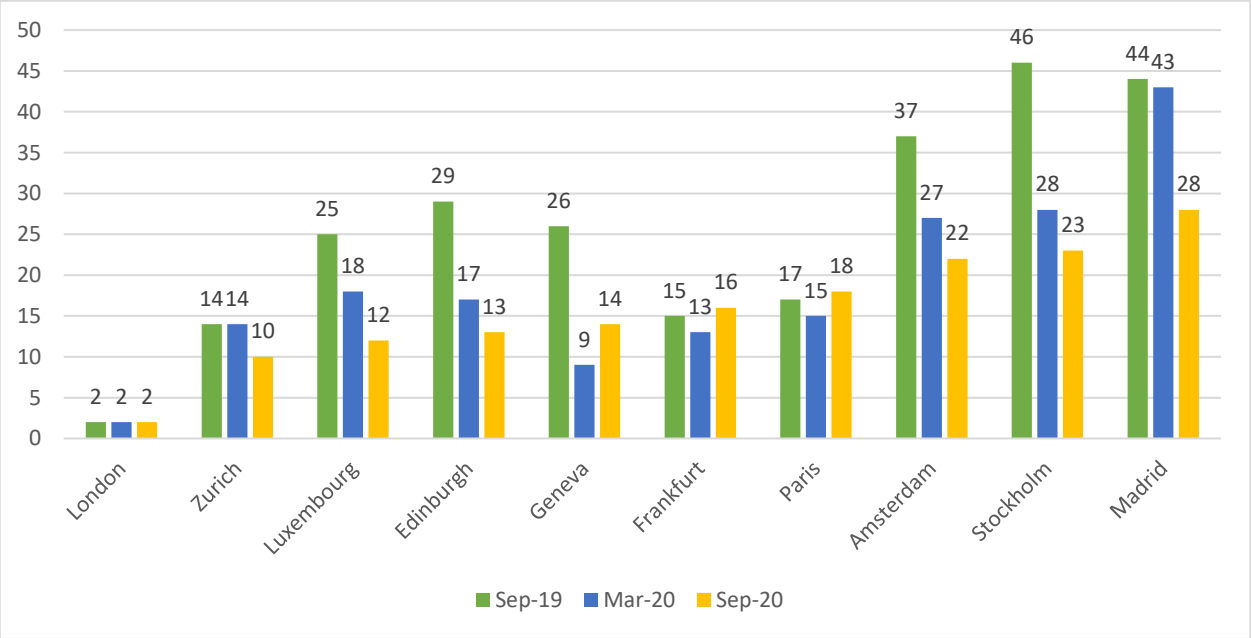


Chart 4b Global Financial Centres Index, top 10 European centres, with their global rankings



Sources: *Financial Centre Futures*, "The Global Financial Centres Index (GFCI)", 26 (Sep 2019), 27 (Mar 2020), 28 (Sep 2020). See also annex table 4.

The report also compiled sub-indices for industry sectors by using only the responses provided by people working in those industries. New York consolidated its leading position in this analysis, now coming first for investment management, as well as first for banking, professional services, government & regulatory, finance and fintech (table 2). Shanghai moved into first place for insurance and Hong Kong took first place for trading. London ranked behind only New York in each of banking, investment management, professional services and government & regulatory matters, but was fourth for finance, fintech and trading and fifth for insurance.

Table 2 Industry sub-indices – top 5

Rank	Banking	Investment management	Insurance	Professional services	Government & regulatory	Finance	FinTech	Trading
1	New York	New York	Shanghai	New York	New York	New York	New York	Hong Kong
2	London	London	Beijing	London	London	Shanghai	Singapore	New York
3	Shanghai	Singapore	New York	Luxembourg	Zurich	Beijing	Shanghai	Singapore
4	Tokyo	Hong Kong	Luxembourg	Hong Kong	Hong Kong	London	London	London
5	Hong Kong	Shanghai	London	Singapore	Singapore	Hong Kong	Hong Kong	Shanghai

Source: *Financial Centre Futures*, "The Global Financial Centres Index (GFCI)", number 28, September 2020.

Finally, concerning "home centre prospects", respondents are asked about the prospects of the centre in which they were based. In general, people were more optimistic about the future of their own centre than people outside that centre, with respondents from Shanghai particularly optimistic. However, respondents in London continued to be less certain than those in other centres, reflecting the continuing uncertainty about future trading relations with the EU and the rest of the world. In Tokyo, the largest group of respondents considered that their city's performance would remain about the same.

References

1. *ONS*, "GDP monthly estimate: August 2020", 9 October 2020.
2. *ONS*, "Index of Production, UK: August 2020", 9 October 2020.
3. *ONS*, "Index of Services, UK: August 2020", 9 October 2020.
4. *ONS*, "Construction output in GB: August 2020", 9 October 2020.
5. *ONS*, "GDP quarterly national accounts, 2020Q2", 30 September 2020, click on "GDP output approach – low level aggregates" for the detailed weights:
6. *BBC*, "Covid-19: PM to detail new measures to MPs on Monday", 9 October 2020.
7. *BBC*, "Covid: Pubs and restaurants in central Scotland to close", 8 October 2020, reported the tighter restrictions in Central Scotland, as from 9 October 2020.
8. Ruth Lea, "Coronavirus crisis: unemployment and redundancies begin to rise", *Arbuthnot Banking Group*, 21 September 2020, discussed the OECD's September interim forecasts.
9. *Markit/CIPS manufacturing PMI*, "UK manufacturing recovery continues in September as output and new orders rise again", 1 October 2020.
10. *Markit/CIPS services PMI*, "Expansion of service sector remains marked in September", 5 October 2020.
11. *Markit/CIPS services PMI*, "Expansion of service sector remains marked in September", 5 October 2020.
12. *Markit/CIPS Construction PMI*, "UK construction activity expands sharply in September", 6 October 2020.
13. *SMMT*, "UK car manufacturing falls 44.6% in August as coronavirus bites again", 25 September 2020.
14. *SMMT*, "New car registrations drop 4.4% in weakest ever "new plate" September", 5 October 2020.
15. *Halifax*, "House price growth continues to beat expectations as mortgage applications surge to

12-year high", 7 October 2020.
16. *Nationwide*, "Annual house price growth gathers momentum in September as housing market recovery continues", 30 September 2020.
17. *ONS*, "UK house prices index: July 2020", 7 October 2020. The inflation rates for the UK's four countries in July were: England (2.5% YOY), Wales (3.6% YOY), Scotland (0.4% YOY) and Northern Ireland (3.0% (2020Q2, YOY)). In England, there was, as always, a significant range across the regions (figure 4). The complete list of annual price changes is: West Midlands (4.3%), East Midlands (4.2%), Yorkshire & Humberside (3.8%), North West (3.5%), South West (2.0%), North East (1.8%), London (1.3%), East (1.2%), South East (1.0%).
18. *ONS*, "UK trade: August 2020", 9 October 2020. The ONS identifies erratic commodities ("erratics"), such as aircraft, ships and precious metals (including non-monetary gold (NMG)).
19. Precious metals include non-monetary gold, silver, platinum and palladium, and it forms part of the commodity group "unspecified goods". Non-monetary gold comprises the majority of this group and is the technical term for gold bullion not owned by central banks.
20. The impact of trade in precious metals, if included in the trade balances, would be offset in the national accounts by an equal and offsetting entry in the "net acquisition of valuables" component.
21. *HM Treasury*, "Winter Economy Plan", 24 September 2020.
22. Ruth Lea, "Coronavirus crisis: tighter restrictions and the Chancellor's Winter Economy Plan", *Arbuthnot Banking Group*, 28 September 2020, discussed the Winter Economy Plan.
23. *HM Treasury*, "Job Support Scheme expanded to firms required to close due to Covid restrictions", 9 October 2020.
24. BBC, Covid-19: UK workers to get 67% of pay if firms told to shut, 9 October 2020.
25. *DWP*, "Nation's job hunt JETS off", press release, 5 October 2020.
26. *National Audit Office* (NAO), "Covid-19 cost tracker", as of 10 October. The NAO provides its own estimates as well as the data from the Treasury and HMRC. It latest estimates show that Government departments have spent over £70bn on measures (announced up to 7 August), whilst the total costs (including government departments and the Bank of England) have amounted to £210bn.
27. *HM Treasury*, "Winter Economy Plan", 24 September 2020. Under "Pay as you Grow" the government will give all businesses that borrowed under the BBLS the option to repay their loans over a period of up to 10 years.
28. *National Audit Office*, "Investigation into the Bounce Back Loan Scheme", Press release, 7 October 2020.
29. *BBC*, "Bounce back loans: Taxpayers may lose £26bn on unpaid loans", 7 October 2020.
30. *Financial Centre Futures*, "The Global Financial Centres Index (GFCI)", number 28, September 2020.
31. *Daily Telegraph*, "London closes gap on New York in financial dominance", 26 September 2020.

Annex

Table 1 Policy restrictions in response to COVID-19 pandemic

March, April	Lockdown was introduced on 23 March 2020. April was in full lockdown.
May	Minor relaxations of the restrictions, including the housing market, mid-May.
June	Relaxations of restrictions, including opening of car showrooms & outdoor markets (1 June), non-essential shops (15 June). Local lockdown in Leicester (30 June)
July	Further relaxations of restrictions, including pubs, restaurants, hotels & hairdressers (early July), outdoor pools & outdoor theatres and beauticians etc (mid-July); indoor gyms, pools & sports facilities (25 July). Local lockdown in Greater Manchester, parts of West Yorkshire (31 July).
August	Further relaxations including those relating to remaining restrictions on close contact services (mid-August).
September	"Rule of six" restrictions (14 Sep). PM's statement (22 September): office workers encouraged to work at home; pubs & restaurants table service only; hospitality venues must close at 2200; planned return of spectators to sports venues will not go ahead from 1 October. Further local lockdown restrictions in much of England including Birmingham, North East and North West.
October	New restrictions for Central Scotland (9-25 October). PM's statement (12 October), tighter restrictions in England and three-tier system expected.

Sources: various. Note the dates mainly refer to England

Table 2 Government's key employment and training policies, since July 2020

Announcement	**Measures**
Summer Economic Update. Source: *HM Treasury*, "A plan for jobs 2020", 8 July 2020.	Job Retention Bonus (JRB) to encourage firms to retain furloughed staff (a one-off £1000 payment to employers for every furloughed employee retained to the end of January 2021).
Summer Economic Update. Source: *HM Treasury*, "A plan for jobs 2020", 8 July 2020.	"Kickstart Scheme", which comprised a £2bn fund to pay for six-month work placements for 16 to 24-year-olds on universal credit. In addition, a total of £1.6bn would be invested in "scaling up employment support schemes, training and apprenticeships to help people looking for a job".
Winter Economy Plan. Source: *HM Treasury*, "Winter Economy Plan", 24 September 2020.	Job Support Scheme (JSS) to start on 1 November. Intended to replace Coronavirus Job Retention Scheme (CJRS), which ends at end-October. Under the JSS employees will need to work a minimum of 33% of their usual hours (paid for by their employers) in order to qualify. For every hour not worked, the employer and the government will pay one third of the employee's usual pay (to a cap).
JETS launched. Source: *DWP*, "Nation's job hunt JETS off", 5 October 2020.	Job Entry Targeted Support (JETS), targeted at people who have lost their jobs through coronavirus and have been out of work for three months.

Job Support Scheme (JSS) expanded. Source: *HM Treasury*, "Job Support Scheme expanded to firms required to close due to Covid restrictions", 9 October 2020.	The JSS will be expanded to support businesses across the UK required to close their premises due to coronavirus restrictions. The government will pay two thirds of employees' salaries to protect jobs over the coming months (to a cap); employers not expected to contribute to salary. Begins 1 November for 6 months.

Table 3a CJRS, SEISS and other schemes

	Total number of jobs furloughed (cumulative)	**Total number of employers furloughing**	**Total value of claims made**
CJRS (20 Sep)	9.5mn	1.2mn	£39.3bn
	Total number of claims made	…	Total value of claims made
SEISS, tranche 1 (19 July, no further updates)	2.7mn	…	£7.8bn
SEISS, tranche 2 (20 Sep)	2.2mn	…	£5.6bn
	Registered individual restaurant premises		Total amount claimed
Eat Out to Help Out scheme (31 Aug)	84,700	…	£522mn
	Payments deferred by businesses		Total/cumulative amount of VAT deferred
VAT payments deferral scheme (latest, 7 June)	113,500	…	£28.2bn

Source: *HM Government*, "HMRC coronavirus (COVID-19) statistics", updated 5 October 2020.

Table 3b Business loan schemes

Scheme (20 Sep)	**Total number of applications**	**Number of facilities approved (approval rate in brackets)**	**Value of facilities approved**
CBILS	142,076	66,585 (46.9%)	£15.45bn
CLBILS	992	566 (57.0%)	£3.84bn
BBLS	1,522,727	1,260,940 (81.2%)	£38.02bn
	Total number of applications	Number, convertible loans approved (approval rate)	Value, convertible loans approved
Future Fund (20 Sep)	1,072	711 (66.3%)	£720.0mn

Source: *HM Government*, "HM Treasury coronavirus (COVID-19) business loan scheme statistics", updated 22 September 2020. The data are currently published monthly.
The Future Fund Scheme (FFS) supports start-ups subject to funding matched from private investors.

Table 4 Global Financial Centres Index, ratings of financial centres (Sep 2019-Sep 2020), rankings in brackets for top 30 (as of Sep 2020)

	September 2019, GFCI26	March 2020, GFCI27	September 2020, GFCI28	September 2020, Europe
Top 30				
New York	790 (1)	769 (1)	770 (1)	
London	773 (2)	742 (2)	766 (2)	1
Shanghai	761 (5)	740 (4)	748 (3)	
Tokyo	757 (6)	741 (3)	747 (4)	
Hong Kong	771 (3)	737 (6)	743 (5)	
Singapore	762 (4)	738 (5)	742 (6)	
Beijing	748 (7)	734 (7)	741 (7)	
San Francisco	736 (12)	732 (8)	738 (8)	
Shenzhen	739 (9)	722 (11)	732 (9)	
Zurich	734 (14)	719 (14)	724 (10)	2
Los Angeles	735 (13)	723 (10)	720 (11)	
Lux'bourg	708 (25)	715 (18)	719 (12)	3
Edinburgh	701 (29)	716 (17)	718 (13)	4
Geneva	706 (26)	729 (9)	717 (14)	5
Boston	727 (18)	708 (25)	716 (15)	
Frankfurt	733 (15)	720 (13)	715 (16)	6
Dubai	740 (8)	721 (12)	714 (17)	
Paris	728 (17)	718 (15)	713 (18)	7
Washington DC	702 (28)	709 (24)	712 (19)	
Chicago	732 (16)	717 (16)	711 (20)	
Guangzhou	711 (23)	714 (19)	710 (21)	
Amsterdam	675 (37)	703 (27)	701 (22)	8
Stockholm	659 (46)	702 (28)	700 (23)	9
Vancouver	710 (24)	711 (22)	698 (24)	
Seoul	677 (36)	694 (33)	695 (25)	
Montreal	716 (20)	704 (26)	694 (26)	
Melbourne	720 (19)	712 (21)	693 (27)	
Madrid	661 (44)	678 (43)	692 (28)	10
Hamburg	650 (49)	699 (29)	690 (29)	11
Brussels	638 (56)	691 (34)	686 (30)	12

Sources: *Financial Centre Futures*, "Global Financial Centres Index reports", numbers 26-28.