

# New Era: What Next?

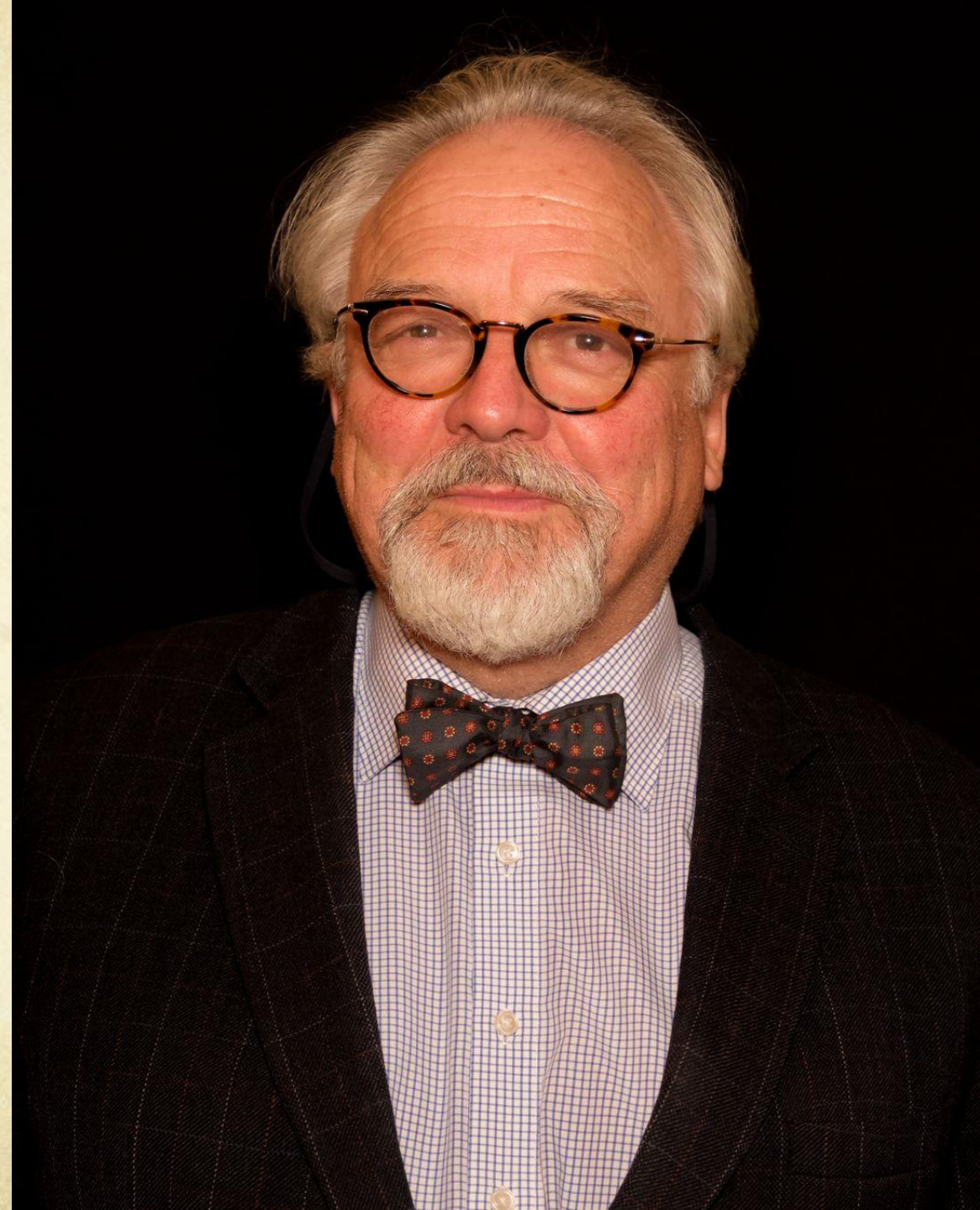
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*The Spectator*

For  
**CEDA**  
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# Who am I?

- Business Editor of *The Spectator*
- Co-ordinator of *The Spectator Economic Innovator of the Year Awards* for high-growth entrepreneur-led UK businesses
- Author of *'The Good, the Bad and the Greedy: Why We've Lost Faith with Capitalism'* (2021)



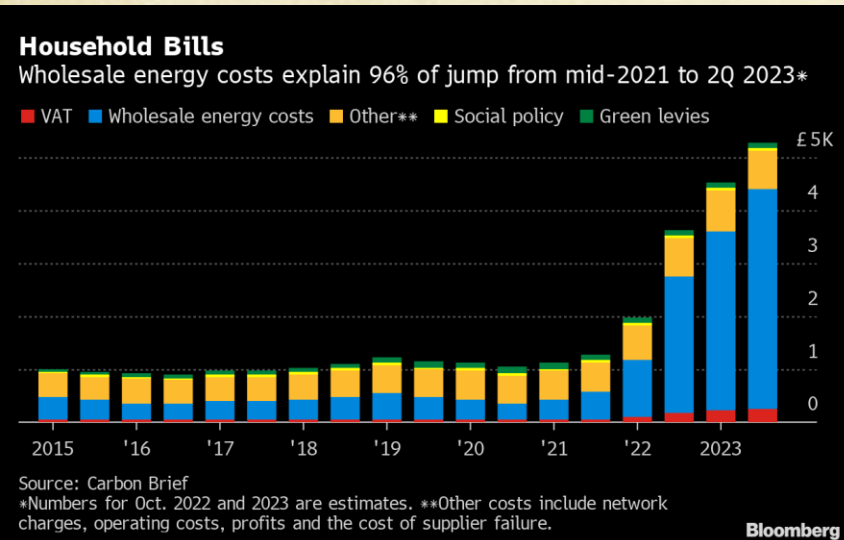
# Bad news first...

## Inflation and Energy Costs

## Labour and Supply Issues

## Recession is Coming...

## What will Putin do next?



# Inflation: how high, how long?

## UK inflation at 9.9%

Consumer Prices Index



Source: Office for National Statistics

BBC

# Inflation-related factors

- Interest rates above 5% in 2023
- Consumer spending squeezed
- Business investment uncertain
- Wage spiral and strikes
- But energy price cap takes out 5%?
- Physical shortages beginning to ease



# Truss and Kwarteng: better for business than Boris and Rishi?



# Kwarteng's high-risk mini-budget

NI rise scrapped

Corporation tax rise scrapped

Income tax cut coming

But favours high earners

Increased govt borrowing means  
interest rates will rise high

Market adverse reaction = £ lower = imports more expensive

Consumer and business confidence very low



# The energy bill cap

- Domestic cap eases consumer fears until 2024
- Six-month cap for businesses from 1 Oct based on price per Kwh
- Halving potential energy costs for business
- Measures to stabilize energy markets





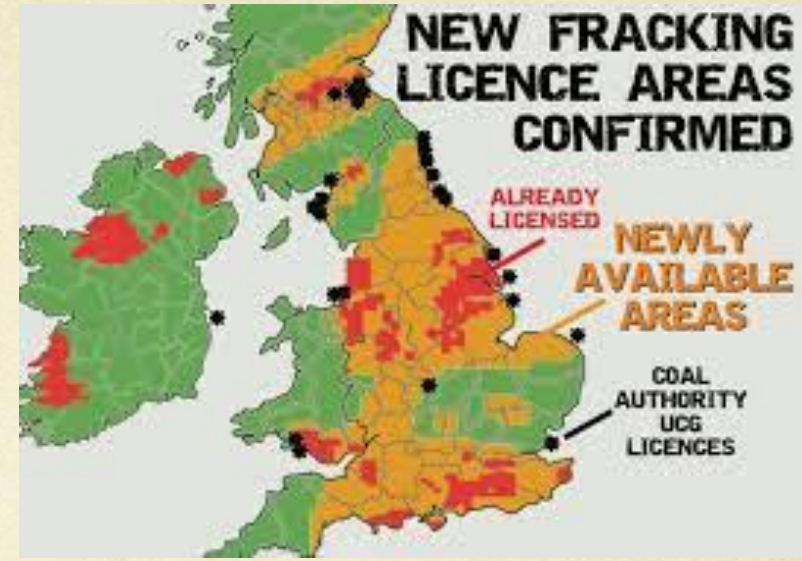
# The lingering aftermath of Brexit

- Logistics holdups, extra paperwork and costs
- Relations soured by NI Protocol dispute
- Staff shortages in catering/care sectors



# Not so Green these days...

- 8% Green Levies scrapped
- New oil and gas drilling licences
- Fracking ban lifted
- Less emphasis on renewables
- “Fields full of produce not solar panels”
- But Labour would swing back to Green...



# Levelling up: Will it ever happen?

- Road and rail projects?
- Broadband?
- More social housing?
- Skills education?
- Moving public sector jobs
- **New investment zones**



# Will tourism return to pre-Covid levels?

- £1= \$1? £1 = €1.10?
- HMQ funeral impact
- VAT free shopping incentive
- Airports back to normal?



# Catering-related sectors with good medium-term prospects

- Energy-saving tech
- Urban renewal
- Logistics/ fulfilment
- ‘Plant-based’/ lab-made meat
- Artisan producers
- Local = low food miles
- Food service tech



# Recession is good for start-ups?

- Recruitment will get easier
- Space will be cheap
- But banks won't help
- Private investors looking for ideas?
- Tax reliefs, grants, investment zones
- Failure is no disgrace



# Reasons to be cheerful?

- Inflation will peak
- Energy bill cap will save businesses
- More ££ in consumers' pockets?
- Battered £ = strong tourism
- Entrepreneurs hold the key to growth and prosperity

