

News in Review

10 February 2021

"For now, the most important thing you can do is get the job when your time comes"



The UK passed a significant milestone last week, as 10 million people received their first vaccine dose. The largest vaccination programme in British history is now fast approaching 13 million vaccinated and despite the cold snap prompting the closure of some vaccination centres across the country, is on course to meet the 15 February goal of offering a vaccine to everyone in priority groups 1 to 4.

Health Secretary Matt Hancock commented, "This terrific achievement is testament to the monumental effort of NHS workers, volunteers and the armed forces who have been working tirelessly in every corner of the UK to deliver the largest vaccination programme in our history. Every job makes us all a bit safer."

During a Downing Street briefing on Monday, the Health Secretary said that take up of the jab had been better than hoped but urged over 70s yet to have the vaccine to book an appointment to do so, adding, "For now, the most important thing you can do is get the job when your time comes."

Bank Rate maintained

At their meeting last week, the Monetary Policy Committee (MPC) unanimously voted to hold the current Bank Rate at 0.1%, stressing that rates would remain on hold until there was clear evidence of a sustainable recovery. Following a review, high street banks are to be asked to prepare for the possibility that the rate could fall below zero in the future. The Committee expressed that this was not a signal of intentions but an option if required at some point, concluding "it would be appropriate to start the preparations, in order to provide the capability to so implement a negative Bank Rate if necessary in the future."

According to the minutes, the expectation is that in Q1 2021 the UK economy will contract by 4.2% due to lockdown restrictions, however the rapid vaccination programme will help the economy rebound strongly this year and support a recovery in household spending. Policymakers believe that retired households will start spending first as they have received their vaccines sooner. The minutes outline, 'GDP is projected to recover rapidly towards pre-COVID levels over 2021, as the vaccination programme is assumed to lead to an easing of COVID-related restrictions and people's health concerns. Projected activity is also supported by the substantial fiscal and monetary policy actions already announced. Further out, the pace of GDP growth slows as the boost from these factors fades. Spare capacity in the economy is eliminated as activity picks up during 2021.'

Hotel quarantine for 'red list' travellers

In England, from Monday 15 February, UK residents and Irish nationals arriving from a 'red list' of 33 countries will be required to quarantine in government-selected hotels. Countries on the 'red list' include South Africa, United Arab Emirates, Mauritius, Brazil, Cape Verde and Portugal (including Madeira and the Azores). Non-UK travellers who have been in these red list countries in the 10 days prior to travel are already banned from entry. Scotland's tougher measures apply to arrivals from all countries.

The quarantine cost in England will be £1,750 per person to cover tests, transport and accommodation. Those who fail to quarantine in a designated hotel, face fines of up to £10,000 and anyone who lies about having been in a country on the 'red list' will face a prison sentence of up to 10 years.

All travellers entering the UK already have to show proof of a negative virus test before being allowed entry. From next Monday, arrivals in England will also have to take tests on days two and eight of quarantine. If the result is positive, people must self-isolate for a further 10 days.

'Constructive' discussions over trade issues

Last week, virtual talks took place between Michael Gove, his EU counterpart Maros Šefčovič and leaders from Northern Ireland, amid escalating issues over the application of new trade rules. Tensions have arisen because, under the Brexit agreement, some products entering Northern Ireland from Great Britain must be checked on entry, but it has been reported that checks at some ports have been suspended following threatening behaviour toward staff. The government and the EU have vowed to work to eliminate tensions, a joint statement said the talks were 'constructive.'

US stimulus package progresses through Congress

US indices reached highs last week, buoyed by progress on President Biden's \$1.9tn stimulus package. The chances of the package passing through Congress were boosted by a weaker than expected jobs report for January, with just 49,000 new jobs added in the month, considerably below the 105,000 new jobs estimated. The first votes on elements of President Biden's relief package kicked off on Tuesday.

Here to help

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