

EU referendum: impact on UK foodservice sector from Horizons

Peter Backman, managing director of foodservice consultancy Horizons has issued the following comments in response to the result of the EU referendum.

?The UK economy will now face a period of uncertainty which is likely to be intense over the next few days and weeks, but will be ongoing for five years or so as Britain finds its new way in the world.

?Notably for foodservice, the pound will remain volatile and will trade at lower rates than over the last few years. Consumer sentiment will probably remain depressed, costs will be elevated, and there will be some uncertainty over employment because of our reliance on European labour.

?The foodservice sector will be less buoyant than it would have otherwise been ? but the impact is likely to be felt differently in different areas of the business. Sectors that could benefit include tourism-related business including hotels and leisure, while restaurants, QSR and pubs could lose out. However, profitability, and therefore investment in the sector, is now under threat.

?Overall we could be facing reduced sales, increased costs and lower demand from the home market and while this could be offset to a small degree by more foreign tourists coming here due to the fall in the value of the pound, the eating out market now faces less growth than we predicted for this year and next.?

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