

UK Hospitality warns industry 'in peril' as latest data shows sales still well short of pre-Covid levels

Britain's [pubs](#), bars and restaurants have still not returned to pre-Covid [trading](#) despite [restrictions](#) easing, new [data](#) has revealed.

The latest quarterly tracker from [industry](#) analysts CGA and trade body [UKHospitality](#) found that hospitality business [revenues](#) were still down 10% on 2019 levels in the three months to end September.

The sector produced revenues of £31.6 billion, up 73% on the same period pre-vaccine rollout last year, but a drop of just over 10% on the same quarter in 2019.

The huge impact of this year's extended lockdowns on the sector was also demonstrated in the tracker poll. British hospitality firms' 2021 turnover to date remains £60 billion below the £132 billion in turnover seen in 2019.

The report concluded that hospitality is "an industry in peril".

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The sector is facing an ongoing staffing crisis and surging input costs, and will so to take on an increase in minimum wage and national insurance contributions, and a return to 20% VAT.

The VAT rate paid by pubs and restaurants went up to 12.5% from 1st October, following a cut to 5% last year to help the hospitality trade. It is set to rise again in April 2022, and today [UK Hospitality](#) CEO reiterated calls for the rate to be kept at 12.5% for longer.

CGA and Alix Partners' market recovery monitor also found that between March 2020 and September this year, around 9,000 venues serving alcohol closed – around 8.6% of the UK's total number of licensed sites.

Nightclubs – which were not allowed to operate as clubs between March 2020 and July 19 this year – were among the worst affected.

UKHospitality CEO, Kate Nicholls, said: “While things are certainly moving in the right direction, recovery remains painfully slow and there are massive gaps between the numbers now and where they were before Covid-19 wreaked its havoc.

“Ours is an industry in peril, and this latest data reflects a sector fighting on all fronts for survival.”

Nicholls warned that without additional support for the sector's businesses, “consumers will find themselves paying higher prices, hundreds of hospitality businesses will collapse and thousands of jobs will be lost”.