

**The Rt. Hon. Boris Johnson MP**

Prime Minister  
Office of the Prime Minister  
10 Downing Street  
London  
SW1A 2AA

03 November 2020

Dear Prime Minister,

The recent announcement regarding the closure of a significant proportion of the hospitality industry will be catastrophic for the foodservice equipment supply chain. This includes manufacturers, importers, resellers, and service companies who are 100% reliant on the hospitality sector for their income.

As a result of the first phase lockdown, sales declined by 80% to 90% for the majority of our membership, in what had been a £1.3 billion per annum industry. Foodservice equipment suppliers employ over 10,000 staff who have specific knowledge, expertise and skills which are haemorrhaging from our industry as a result of the shutdown.

As the foodservice equipment industry is reliant on the hospitality sector for its income, we urge that additional financial support is made available so that it can survive. It's not only a matter of businesses going under, there is also the fact that the key skills which will be lost, at all points of the supply chain, will be almost impossible to replace.

The hospitality industry is actively committed to net zero carbon by 2050. Energy efficient catering equipment will play a key role in meeting the target and FEA has developed a four point plan to help the industry achieve it. But it will only be brought about by having the support of a viable foodservice equipment supply chain. Indeed, without a viable catering equipment supply chain, the hospitality industry will face critical problems in the future.

We propose a three-point financial package to support the foodservice equipment industry:

- 80% salary support for employees
- Access to support for companies who have not previously used employee support schemes

- Business rate relief for those foodservice equipment supply chain businesses whose sales to the hospitality industry account for at least 75% of their total sales

In order to rebuild the economy it will be essential to have an economically viable and well-resourced infrastructure in all areas. In order to rebuild hospitality it will be essential to have an economically viable foodservice equipment supply chain. We hope you will take a pragmatic view of this and support our industry, so that it is able to meet the needs of the recovery and the long-term and sustained viability of the hospitality sector in the UK.

Kind regards,



Keith Warren  
Chief Executive  
Foodservice Equipment Association

## **Background to the Foodservice Equipment Value Chain and Operator Customers.**

### The Market

The UK foodservice and catering equipment industry served **8bn meals** with customer sales worth **£52.7bn** (£70.7bn when including drink only sales via pubs/bars etc) in the last full year of trading prior to coronavirus. The inevitable reduction in outlets as a result of the pandemic will be catastrophic for the equipment sector as it is wholly dedicated to supporting the foodservice operator sector in both its primary and secondary sectors.

The UK has an established record of kitchen equipment manufacture, design and innovation which are exported around the world. It is the case that the UK has been and still is at the forefront of foodservice development and innovation over recent decades. (The FEA is a DIT Trade Challenge Partner and we support the sector at leading global exhibitions and events).

The market value of the foodservice equipment industry value chain is **£1.3bn** and it employs over 10,000 **people** in the UK. Our respective organisations represent the breadth of the sector which includes:-

**equipment manufacturers, importers, distributors, designers and installer consultants, service, and spare parts** companies. 10% of business is export related.

### The Equipment

Typically, the equipment sector's equipment comprises; **cooking and warming, refrigeration, warewashing, beverage, light equipment and tableware, ventilation, spare parts and servicing.**

### The Customer Base

The sector's operator market comprises 427,627 outlets of which 267,485 (62%) are independent operators.

Foodservice equipment is extensively used for out of home eating and drinking across the following key operator sectors:

#### **Primary sector operators – where foodservice is the primary function:-**

- Hotels, Quick Service Restaurants, Restaurants, Pubs and Bars.

#### **Secondary sector operators— where foodservice is a secondary function:-**

- Healthcare, Education, Public and Community Services, Armed Forces, Leisure and Recreation, Workplace, Visitor attractions, Venues, Travel, Stadia and Event Catering, Food Retail Sector

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