

The new lockdown rules make it clear how incredibly har...

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The stress of ending lockdown, which I have long argued is what will really destroy much of British business, became more apparent over the weekend. A few simple examples will suffice.

Public transport can now only function at 20%, or less, of capacity.

Schools can, maybe, manage thirty percent capacity.

Those returning to work should go by car, or walk, or cycle, but for many that is impossible, or dangerous. So it will not happen.

And for some sectors, like airlines, the impediments have grown, even if appropriately so.

Whilst a great many businesses must simply stay shut.

The simple fact is that post Covid-19 business is going to be incredibly slow and, unavoidably, deeply inefficient. And that means it will be loss making.

I have already [explained the inevitability of this](#).

And I [have explained](#) that this demands difficult decisions of the government. They have a duty to decide if they are supporting jobs and business or banks and landlords. But as yet they have not made any indication of their awareness of the need to make this decision, let alone suggest what they will decide.

As a result the crisis facing business in this country is growing daily. It may now be getting some support now - which is enough to keep it furloughed - but the idea that this support will be sufficient to ensure that many businesses will survive the restart from lockdown or ever have the capacity to repay the borrowing that they have taken on is ludicrous.

Business, and with it jobs, can only recover from where we are now subject to three

conditions.

One is it needs more capital. Only government can supply that. It isn't, but should. And conditions should be attached. But there are no signs of any of this happening.

Second, overheads have to be cut: that means rent and bank financing cost reductions with all the consequences that gives rise to. Again, there are no signs of this happening.

And third, significantly changed patterns of consumption will have to be managed as our efficiency, and so our ability to produce, as well as to access goods and services, changes. And that is an issue almost no one is taking about as yet, but which will have to be addressed.

We are nowhere near addressing this crisis as yet. And the casualty rate is going to rise the longer we wait. I would have thought we should have learned that by now, but apparently not.