

Press release: Heineken/Punch must resolve concerns over pub merger

Heineken must now offer proposals to address these concerns by 20 June or face an in-depth investigation into the merger.

As part of an [initial investigation](#), the Competition and Markets Authority (CMA) has looked in detail at areas where pubs operated by Heineken and Punch currently compete. It has identified 33 local areas where their pubs would not face sufficient competition after the merger, which could lead to price increases or a deterioration in the quality of the service on offer.

Concerns were also raised with the CMA that the merger would close off an important route to market for brewers that compete with Heineken. However, the CMA found that the pubs being acquired are only a very small part (4%) of the GB market and are therefore not a major route to market for brewers – which was backed by evidence from brewers showing that these Punch pubs typically account for only a small proportion of all of their sales to pubs.

The CMA also looked closely at whether the acquisition by Heineken could lead to a reduction in the choice of beer and cider on offer in the Punch pubs. The CMA found that any potential reduction would be limited, taking into account the drinks that Punch currently stocks and the range of drinks available in Heineken-owned pubs. It also found that Heineken would not have a strong incentive to reduce the range of beer and cider, in part because doing so would risk losing business in pubs where this is important to customers.

Andrea Coscelli, CMA Acting Chief Executive and decision maker in the case, said:

We have listened very carefully to a range of concerns about this merger. The companies will own less than 10% of all British pubs after any deal, but we are concerned about the loss of competition for pub goers in a number of local areas. Without sufficient competition from rivals, pubs in these areas might be able to raise prices or worsen the service they offer customers.

Heineken will now have the chance to offer proposals to address these concerns – otherwise we will carry out an in-depth investigation.

The merger will be referred for an in-depth phase 2 investigation by an independent group of CMA panel members, unless Heineken is able to offer undertakings which sufficiently address the CMA's competition concerns. Heineken has until 20 June 2017 to do so.

All information relating to the merger is available on the [case page](#).

Notes for editors

1. Heineken is proposing to buy approximately 1,900 pubs from Punch Taverns.
2. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For more information see the [CMA's homepage](#).
3. Under the Enterprise Act 2002 (the Act) the CMA has a duty to make a merger reference, resulting in an in-depth phase 2 merger investigation, if the CMA believes that it is or may be the case that a 'relevant merger situation' has been created, or arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and that the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.
4. Under the Act a 'relevant merger situation' is created if 2 or more enterprises have ceased to be distinct enterprises; and the value of the turnover in the United Kingdom of the enterprise being taken over exceeds £70 million ('the turnover test') or as a result of the transaction, in relation to the supply of goods or services of any description, a 25% share of supply in the UK (or a substantial part of the UK) is created or enhanced ('the share of supply test').
5. The CMA considers that it is under a duty to make a phase 2 merger reference in this case under the Act. However, the duty to refer is not exercised while the CMA is considering whether to accept undertakings in lieu of a reference.
6. All the CMA's functions in phase 2 merger investigations are performed by inquiry groups chosen from the CMA's panel members. The appointed inquiry group are the decision makers on merger investigations. The CMA's panel members come from a variety of backgrounds, including economics, law, accountancy and/or business; the membership of an inquiry group usually reflects a mix of expertise and experience (including industry experience).
7. The text of this decision will be placed on the [case page](#) in due course.
8. For more information on the CMA see our [homepage](#) or follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#). Sign up to our [email alerts](#) to receive updates on mergers cases.
9. Media enquiries should be directed to press@cma.gsi.gov.uk or by calling 020 3738 6798.

[News story: Election 2017: ministerial](#)

[appointments](#)

The Queen has been pleased to approve the appointment of the following as Ministers of State:

Home Office

Ministry of Justice

Department for Education

- Rt Hon Anne Milton MP
- Robert Goodwill MP

Department for Exiting the European Union

- Rt Hon Baroness Anelay DBE

Department for Business, Energy and Industrial Strategy

And in addition:

HM Treasury

- Financial Secretary to the Treasury – Rt Hon Mel Stride MP

The following have left government:

- Rt Hon Mike Penning MP
- Rt Hon Sir Oliver Heald QC MP
- Rt Hon Robert Halfon MP
- Rt Hon David Jones MP

Further appointments will be added to this list as they are announced.

[Press release: Foreign Secretary statement on the Kurdistan Regional Government's intention to hold a referendum on independence from Iraq](#)

In a statement the Foreign Secretary said,

We note the announcement by the government of the Kurdistan Region of Iraq regarding a referendum on independence. We understand the aspirations of the Kurdish people and continue to support them politically, culturally and economically within Iraq. But a referendum at this time will distract from the more urgent priorities of defeating Daesh, stabilising liberated areas and addressing the long-term political issues that led to Daesh's rise. Any referendum or political process towards independence must be agreed with the Government of Iraq in Baghdad. Unilateral moves towards independence would not be in the interests of the people of Kurdistan Region, Iraq or of wider regional stability.

The UK supports a stable, democratic and unified Iraq, one that is able to provide the security, jobs and healthcare and education all Iraqis want and deserve. We urge all parties to engage in dialogue to deliver a better future for their people on the basis of the Iraqi Constitution.

Further information

Follow the Foreign Secretary on Twitter: [@BorisJohnson](#) and [Facebook](#).

Speech: "If we are to defeat Daesh we must hold them to account for their actions."

Thank you Mr President, thank you Jeff for your briefing just now.

At the outset, let me express my condolences to the government and people of Iran following the terrible attacks yesterday.

In recent weeks, the United Kingdom has stood firm through senseless terrorist atrocities that targeted innocent people in Manchester and London.

These attacks show the worst of humanity. They seek to intimidate us, to divide us, to undermine our resolve.

They fail every time. In response, ordinary people show the best of humanity. In the UK, we witnessed the men and women of our emergency services, as well as members of the public, show the greatest courage, even risking their own lives to protect others from attack. This Council has a duty now to show the same courage, the same resolve as those ordinary men and women in the face of

such brutality.

That's why the UK is playing a leading role in the Global Coalition Against Daesh. Our collective efforts are bearing fruit. Daesh have lost over two thirds of the ground they once occupied in Iraq and nearly half of that held in Syria. More than 2.5 million people have now been freed from their tyrannical rule.

Make no mistake, we are defeating Daesh on the ground. In Iraq, Mosul will soon be liberated. The Iraqi Security Forces, with support of the coalition, have successfully isolated Daesh to a final holdout in West Mosul. Thanks to the valiant efforts of the Iraqi Security Forces, people are already starting to return to their homes in liberated areas. And in Syria, operations against Raqqa have now begun. It is only a matter of time before Daesh lose their so called capital.

But ultimately, Mr President, degrading Daesh effectively will take time, patience and sustained effort from the international community, including this Council. It's an effort that goes far beyond military support. And that's why the Global Coalition is supporting the Government of Iraq to restore security, governance and basic services across Iraq. Helping people rebuild their lives is the first step to winning the peace. To counter the longer-term threat of Daesh, Iraqis need political reconciliation and reform, and in Syria we need to see a long overdue national political settlement and a transition to a government for all Syrians.

The threat we face is changing. As we successfully degrade Daesh in Syria and Iraq we have seen their propaganda promote attacks elsewhere across the world. We have seen individuals inspired by these calls carry out callous attacks in the name of Daesh. As they lose their caliphate we are seeing their fighters flee. We must work together to deprive Daesh of safe spaces across the world, tackling the threat of foreign fighters travelling to new havens or returning to home countries. We must also bring an end to their havens online.

The pervasive spread of Islamist extremism online has gone on for too long. As one of the leads on the Counter-Daesh Communications effort, and in partnership with coalition countries, the UK has successfully diminished the quantity but also the quality and the impact of that hateful propaganda. We're working with the industry so that together we take a more proactive approach to terrorist and extremist content online.

Engagement so far has resulted in companies strengthening their terms and conditions and the announcement of a shared database which will catalogue known terrorist content from the internet. We have also seen a public commitment from Google, Facebook, Twitter and Microsoft to look at options for establishing an international industry-led forum focused on this issue. There is much more to be done. So let us call on the industry to do the right thing and remove hateful extremist content from their platforms.

And finally, if we are to defeat Daesh we must hold them to account for their actions, whether online or in the real world, and seek justice for all Daesh

victims around the world.

That's why the UK launched a UN-led global campaign to bring Daesh to justice; one that will show that Daesh cannot act with impunity. It will act as a deterrent both now and in the future, and help to strengthen global security.

Time is of the essence; it is vital that we act now. We must start gathering evidence before it is lost or destroyed on the battlefield.

So I welcome the discussions we've had with the Government of Iraq on this issue, and the significant statement by Prime Minister Abadi calling at the end of March for, and I quote, "the UN Security Council to issue a resolution to prosecute Daesh's crimes against civilians."

We believe the UK's proposal is the clear way forward for the Council to answer Prime Minister Abadi's call. And we look forward to working with our Iraqi colleagues so that the proposal can be finalised as soon as possible.

Thank you.

Speech: "Fifteen years of violence there have shown that there can be no military solution to the conflict."

Thank you Mr President.

I would like to thank the Prosecutor for her 25th report on the situation in Darfur, the continued commitment of the Prosecutor and her Office to this investigation, and for her statement today.

At the outset, let me express the United Kingdom's full support for the International Criminal Court and for its vital work challenging impunity and bringing to account those responsible for the most serious crimes of international concern.

We appreciate the important role you play, often amid difficult conditions on the ground.

This is clearly the case in Darfur. Fifteen years of violence there have shown that there can be no military solution to the conflict. A lasting peace can only be realised with the agreement of a permanent ceasefire and an inclusive political settlement that addresses the root causes of the conflict.

The UK had welcomed the reduction in military confrontation between the

Government of Sudan and the Darfur armed movements and the announcements of unilateral cessations of hostilities by the Government, the Sudan Liberation Army -Minni Minawi and Justice Equality Movement in recent months. We were hopeful that this signalled the parties' willingness to engage genuinely in the peace process. We are therefore deeply concerned by reports of renewed clashes between the Government and SLA-MM in recent weeks and the detrimental impact this ongoing risk of violence has for the safety of civilians and the overall stability of Darfur.

We also continue to be extremely concerned at the use of sexual violence in the conflict, although note the recent reduction in instances.

We urge all parties to show restraint, to abide by the unilateral cessations of hostilities and to focus their efforts on the peace process, under the auspices of the African Union High Level Implementation Panel.

Mr President,

On a more positive note, the UK welcomes the improvements in access for UNAMID and humanitarian actors in Darfur, particularly to Jebel Marra and urges the Government of Sudan to strive for unfettered access throughout Darfur. This will enable the Prosecutor to carry out her investigation and UNAMID to carry out its mandate to protect civilians and facilitate humanitarian assistance. Like the Prosecutor, we remain concerned by reports of continued attacks against internally displaced persons and that some access restrictions remain in place.

In light of the fragile security situation in Darfur, the UK urges that any changes to UNAMID during the upcoming mandate renewal are done in a manner that is gradual, flexible and retains the Mission's ability to continue to protect civilians.

Mr President,

Over the course of twenty-five reports, the Prosecutor has consistently made it clear that the Court needs the cooperation of States and the support of this Council in order to move forward on this situation. We all need to look carefully at what more we can do to ensure that the Court receives the support that it deserves. The United Kingdom will continue to call on the Government of Sudan to meet its obligations under resolution 1593, to cooperate fully with the Court, to execute outstanding arrest warrants and to fulfil its international obligations.

The United Kingdom is frustrated that fugitives of the Court, including President Al-Bashir and Mr Hussein, continue to travel unhindered. We appreciate that States may sometimes have conflicting commitments to other regional and international organisations, but we join the Prosecutor in urging those States to consult with the Court. For our part, we will continue to raise our concerns with the relevant governments with the ultimate goal of achieving justice for the thousands of victims in Darfur. We renew our call on all States Parties to cooperate with the ICC and to abide by their Rome Statute obligations.

Mr President,

We welcome the renewed vigour with which the Office of the Prosecutor is approaching this investigation. The Office should be commended for the progress it has made on the investigation, despite the fragile security situation, the access restrictions, the continued clashes and lack of cooperation.

Finally, the United Kingdom would like to offer its appreciation of the effort that the Prosecutor's Office has put into making the most effective and efficient use of the resources it has available, and takes this opportunity to reaffirm the UK's commitment to supporting the Court, as both a State Party to the Rome Statute and as a member of this Council.

Thank you Mr President.