

Airline merger could see passengers pay more to fly from London to South Korea

Press release

The buyout of Asiana Airlines by Korean Air could lead to higher prices for passengers flying between London and Seoul, as well as impacting air cargo services.



Image credit: CMA

Korean Air and Asiana Airlines are the only carriers operating direct passenger flights between London and Seoul and currently compete closely for customers. The only competition that the merged businesses would face on this route would come from providers of indirect flights, which the CMA's investigation found are a much weaker option for customers.

On this basis, the CMA found that the merger would risk higher prices and a reduced quality of service for passengers flying between London and Seoul. While customer demand has recently been lower on this route as a result of the Covid-19 pandemic, around 150,000 passengers travelled from London to Seoul in 2019 – and this level of demand is expected to return in the next few years.

The CMA also found that the merger raises competition concerns in the supply of air cargo services. The CMA found that Korean Air and Asiana Airlines are the two main suppliers of direct cargo services between the UK and South Korea and, even when taking into account the more significant competition that providers of indirect flights provide for cargo customers, would not face sufficient competition after the merger. The deal could therefore result in higher costs for UK businesses transporting products to or from South Korea.

The merger remains subject to merger control clearance in the US, China,

Japan and the EU.

Colin Raftery, Senior Mergers Director at the CMA, said:

Korean Air and Asiana Airlines are the two main players on the London to Seoul route and the deal risks UK customers and businesses paying over the odds or receiving a lower quality of service.

Should Korea Air and Asiana Airlines fail to address our concerns, this deal will progress to a more in-depth investigation.

1. According to Oxford Economics there were 143,676 UK arrivals into South Korea in 2019. This fell post-pandemic to 44,021 arrivals in 2022, although numbers are returning to pre-pandemic levels.
2. The CMA is considering the impact of the deal for UK customers – assessing whether other competitors are available to provide alternative passenger or cargo services if Korea Airlines and Asiana Airlines come under common ownership.
3. The CMA's competition concerns relate to:
 - air passenger services on the London-Seoul route.
 - air cargo services on the Europe to South Korea route for customers transporting cargo from the UK to South Korea.
 - air cargo services on the South Korea to Europe route for customers transporting cargo from South Korea to the UK.
4. The parties have until 21 November to submit proposals to address the CMA's competition concerns. The CMA would then have until 28 November to consider whether to accept these in principle or refer the deal for an in-depth phase 2 investigation.
5. All enquiries from journalists should be directed to the CMA press office by email on press@cma.gov.uk or by phone on 020 3738 6460.
6. All enquiries from the general public should be directed to the CMA's General Enquiries team on general.enquiries@cma.gov.uk or 020 3738 6000.

Animal medicine seizure notice: Parcels shipped from China to a premises in County Antrim

News story

Details of seizure notice served following a parcel addressed to premises in County Antrim was stopped at Belfast Depot.



The following veterinary medicines were identified by a courier company based at a Belfast depot. The products were then detained and subsequently seized by the Department of Agriculture, Environment and Rural Affairs (DAERA).

The parcels were addressed to a residential premises in County Antrim and were shipped from China. The parcels contained

- 4 boxes oxfendazole tablets for dogs & cats
- 3 boxes albendazole tablets for animals
- 2 boxes 20ml florfenicol and metronidazole ear drops for animals
- 1 box 100ml advanced care ear cleaner for animals

These products are intended for use in animals and are not authorised veterinary medicines in GB or NI.

The medicine was seized under Regulation 25 (Importation of unauthorised veterinary medicinal products) of the Veterinary Medicines Regulations 2013.

Businesses to be given UK product marking flexibility

- Government to continue to recognise the CE product marking in Great Britain for a further 2 years, allowing business to use either UKCA or CE markings
- move will cut costs for businesses and remove potential disruption
- future product marking plans to be reviewed to minimise costs and burdens for business in the longer term

Businesses will be given an additional 2 years to apply new product safety marking, giving thousands of businesses the freedom to focus on growth, Business Secretary Grant Shapps has announced today (Monday 14 November).

The UK Conformity Assessed (UKCA) marking has been introduced as part of the UK's own robust regulatory framework. It shows that products comply with our product safety regulations which are designed to protect consumers.

However, given the difficult economic conditions created by post-pandemic shifts in demand and supply, alongside Putin's war in Ukraine and the associated high energy prices, the government does not want to burden business with the requirement to meet the original (31 December 2022) deadline.

The government will continue to recognise the CE marking for 2 years, therefore allowing businesses until 31 December 2024 to prepare for the UKCA marking. Businesses can also use the UKCA marking, giving them flexibility to choose which marking to apply.

Business Secretary Grant Shapps said:

The government is determined to remove barriers to businesses so they can get on with their top priorities, like providing quality customer service, enabling growth and supporting their staff.

This move will give businesses the breathing space and flexibility they need at this crucial time and ensure that our future system for product safety marking is fit for purpose, providing the highest standard for consumers without harming businesses.

To support manufacturers, the government is also reviewing the wider product safety framework, ensuring we minimise the burdens on business while keeping our system up to date with new innovative methods such as e-labelling.

As part of this, the government will make it easier than ever for businesses

to apply product markings.

This package will give thousands of businesses, including electronics and lift manufacturers, additional time to focus on delivering growth and creating jobs, while giving them flexibility in how they meet their legal obligations.

There will be different rules for medical devices, construction products, cableways, transportable pressure equipment, unmanned aircraft systems, rail products, and marine equipment. Government departments responsible for these sectors are making sector specific arrangements.

The UKCA marking covers most goods which previously required the CE marking, known as 'new approach' goods, in addition to aerosols that previously required the 'reverse epsilon' marking.

Whilst the UKCA marking can be used now this extension means businesses can choose to use the CE marking until 31 December 2024.

This sits alongside measures to reduce the costs of retesting products and labelling.

To reduce labelling costs, we will allow businesses to affix the UKCA marking and include importer information for products from EEA countries on an accompanying document or label until 31 December 2027.

We will also allow conformity assessment activities for CE marking undertaken by 31 December 2024 to be used by manufacturers as the basis for the UKCA marking, until 31 December 2027.

To extend the deadline, the government has today laid secondary legislation before Parliament which, subject to parliamentary approval, will implement these measures.

Businesses have been able to use the UKCA mark since 1 January 2021 to demonstrate their conformity with product standards in England, Scotland and Wales.

Under the terms of the Protocol, Northern Ireland will continue to recognise the CE marking for goods placed on the market in Northern Ireland. They will need to use the UKNI marking if they use a UK Conformity Assessment Body to test their products.

The government has published the [UK Market Conformity Assessment Bodies database](#) which businesses can use to identify the appropriate body to certify their products.

To find out which regulations apply to your product, businesses should read the [Product safety for businesses: A to Z of industry](#), guidance published by the Office for Product Safety and Standards.

Animal medicine seizure notice: Parcels shipped from India to premises in County Antrim

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The following veterinary medicines were identified by a courier company based at a Belfast depot. The products were then detained and subsequently seized by the Department of Agriculture, Environment and Rural Affairs (DAERA).

The parcels were addressed to a residential premises in County Antrim and were shipped from India. The parcels contained

- 6 boxes of Pimobendan chewable tablets 5mg for dogs (30 tablets per box)
- 1200 Frusemide Tablets 40mg

These products are intended for use in animals and are not authorised veterinary medicines in GB or NI.

The medicine was seized under Regulation 25 (Importation of unauthorised veterinary medicinal products) of the Veterinary Medicines Regulations 2013.

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PM sets out five-point economic action plan for the G20

- The Prime Minister arrives at the G20 Summit in Indonesia today (Monday) for talks with the leaders of the world's biggest economies
- He will stress the need for coordinated global action to bring down the cost of living and end the war in Ukraine, which is devastating the global economy
- Summit will be the first encounter between a British PM and a Russian representative since the brutal invasion in February

The Prime Minister will call for coordinated global action to address international economic instability and the rising cost of living when he attends the G20 Summit this week. The meeting in Indonesia comes as countries around the world face huge economic difficulties, caused or exacerbated by the illegal invasion of Ukraine.

Every household on the planet is feeling the impact of Putin's war. Global food prices have been driven up by his attempts to choke off the Ukrainian grain supply, energy bills have skyrocketed thanks to Russia turning off their gas taps and the World Bank predicts the economic aftershocks will ripple around the world for years to come.

This week's meeting will be the first time a UK Prime Minister has met a representative of the Russian regime since Putin's full-scale invasion in February. Russian Foreign Minister Lavrov is expected to attend the talks instead of Putin.

The Prime Minister will use the G20 as an opportunity to call out Putin's barbarism and force Russia to confront the global suffering caused by this senseless campaign of violence.

The best and quickest way to alleviate these problems is for Putin to withdraw from Ukraine. But while this war continues, the world's most powerful economies have a crucial role to play in addressing the desperate global economic situation.

G20 leaders first met during the global financial crisis in 2008, in recognition of the fact that our complex and international economic system cannot function without coordinated action from the most powerful economies. This year, the world is looking to the G20 again to ensure the stability of international markets and alleviate the burden on the world's poorest people.

Ahead of this week's summit the Prime Minister has set out a five-point economic action plan for leaders to address the current global instability, covering changes to the global energy market, international food supply and the world financial system.

This action will ensure a firm platform for the domestic measures the Chancellor will set out in this week's Autumn Statement.

The Prime Minister said:

Later this week the Autumn Statement will set out how we will get this country on the right path, put public finances on a stable footing and get debt falling.

Creating a stable international system that protects the most vulnerable will be a core part of that work.

But addressing the biggest economic crisis in a decade will require a concerted effort by the world's largest economies – these are not problems we can solve alone. At the G20, leaders need to step up to fix the weaknesses in the international economic system which Putin has exploited for years.

Under the five-point economic action plan, the Prime Minister will call on fellow leaders to:

Direct government support to where it's most needed. Using government support effectively to prioritise the most vulnerable, both in our own countries and internationally.

End the weaponisation of food production and distribution. Taking immediate action to support the global food trade to reduce the cost of living for all and save the lives of those at risk of starvation. This includes calling for the Black Sea Grain Initiative to be renewed on 19th November and a G20-wide commitment never to weaponise food production and distribution.

Strengthen our energy security and reduce energy dependence on Russia. We must bring an end Russia's stranglehold over international energy prices. As part of these efforts we will work with partners to unlock the investment needed to accelerate the green transition – the best way of protecting ourselves from those who have perpetually used hydrocarbons to bully and coerce.

Open up global trade. This includes by advancing bilateral free trade agreements and through reform of the World Trade Organization. We need a WTO fit to release the opportunities of the 21st century while tackling the manipulation of global markets by malign actors.

Providing honest, reliable finance to help developing countries grow sustainably. Ensuring that the international financial system has the firepower needed to help developing countries grow without becoming dependent on their lenders. This includes rapid action to help poor countries better manage their debt burdens and providing an alternative to developing countries borrowing from exploitative sources.

These efforts form part of the Prime Minister's drive to place economic stability and confidence at the heart of this government's agenda. That means being a constructive and reliable member to the global economy, and using our influence to create a stronger international economic system.