

# Press release: Shoppers could face higher prices due to soft drink merger

The Competition and Markets Authority (CMA) has been carrying out an initial investigation into Refresco's proposed \$1.25 billion (about £935 million) purchase of Cott's worldwide beverage manufacturing business.

In the UK, Refresco and Cott manufacture, package and distribute soft drinks for a number of well-known brands, supermarkets and shops.

Each business produces a range of different soft drinks, which are then packaged in a variety of formats and sizes. The CMA's initial investigation into the merger did not find any competition concerns for the majority of these products.

However, both companies supply juice drinks using a special aseptic production process that allows them to be sold preservative-free and without refrigeration.

Only one other competitor in the UK currently supplies third parties with juice drinks using this production process. The CMA is therefore concerned that, after the merger, the combined business might be able to increase prices or lower quality standards.

Rachel Merelie, CMA Acting Executive Director and decision maker in this case, said:

These companies supply well-known UK shops and brands with soft drinks, who in turn sell these to thousands of people daily. It is therefore important that we address any issues to ensure that shoppers do not lose out.

We have looked at all aspects of this merger and have concerns that the merger could lead to reduced competition in the manufacturing and packaging of certain juice drinks. This may result in higher prices or quality standards slipping for stores and brands, with potential knock-on effects to end-consumers.

The CMA will now refer the merger for an in-depth investigation unless Refresco offers acceptable undertakings to address competition concerns.

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

## **Notes for editors**

1. 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.

2. Enquiries should be directed to the Press Team, on 020 3738 6191 or [press@cma.gsi.gov.uk](mailto:press@cma.gsi.gov.uk).
3. For 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 merger cases.

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## [Press release: Commission listens to charities in making changes to the annual return for 2018](#)

The Charity Commission has made a number of amendments to the content of the annual return for 2018 (AR18), after an extensive consultation with charities throughout the autumn.

It says the new annual return will make for an easier user experience for charities, and stresses that it will be more proportionate than in the past, with many charities required to answer fewer questions, and only those with large or complex operations being required to provide more information. On average, charities completing the annual return will answer 15 fewer questions than in the past.

In a [consultation report published today](#), the regulator also says it is grateful for the positive and constructive engagement it has had with charities and that it has taken into account charities' responses in making a number of key changes to the proposed content.

For example, the regulator is amending a proposed new question on income received from overseas. Only information about income from overseas governments or quasi-governmental bodies, charities and NGOs will be mandatory for the first year. This is information that relevant charities should already record and hold. Providing information about income from other overseas institutions and donors will be voluntary for the AR18 and then mandatory in following years. The Commission will also introduce a threshold for this information. These changes will ensure that charities can update their records and systems before the question areas become compulsory.

The Commission has also decided not to ask charities:

- whether they are claiming rate relief for the premises they use

- the amount of gift aid they have claimed (charities are already required to declare whether they are registered for gift aid, and the Commission will ask charities to provide their HMRC number)

The Commission says it requires these two pieces of information for regulatory purposes, but accepts that they may be available from other sources, and that it should pursue other options before adding to the reporting burden for charities.

Proposed new questions on executive pay in charities will be included in the annual return: AR18 will ask charities to provide information about the total remuneration received by their staff members, including salary, bonuses, pension contributions, private health care and other benefits in kind. The Commission will make public how many individuals receive total packages worth upwards of £60,000 in bands (in bands of £10,000 up to £150,000, then in bands of £50,000). The Commission will also require charities to provide information about their highest paid employee, but that information will be held for regulatory purposes, rather than made public.

### **David Holdsworth, Deputy CEO and Registrar at the Charity Commission, says:**

The annual return is a vital tool in promoting charities' accountability to the public, donors and beneficiaries as well as ensuring we have the information we need to be an effective, proportionate, risk-led regulator. I am grateful to the charities that took part in our extensive consultation on the content of AR18. Today's report shows that we have listened carefully to charities' submissions and have made important changes as a result.

However, in some important areas, including around executive pay, we will require charities to provide us with more detailed information. We know the public care deeply about transparency in this area, and it is vital that charities, and the Commission as regulator, respond constructively to these expectations. I am confident our decision in this area strikes the right balance between transparency and protecting the personal data of individual staff members in charities.

The Commission engaged in a wide-ranging consultation on AR18, including through targeted user testing. It identified groups of charities most likely to be affected by proposed changes and asked individuals responsible for completing the annual return to test the prototype digital service. The Commission says that it received largely positive feedback about testers' experience.

The Commission has also published the formal regulations underpinning the AR18.

The Commission is currently developing the digital service that will underpin

AR18, and hopes to make the return available to charities within the next four months.

The annual return must be completed by charities with annual incomes of upwards of £10,000. AR18 applies to charities with financial years ending from 1 January 2018. Charities have ten months from the end of their financial year to complete the return.

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## [News story: Bold ambitions for space in the UK](#)

UK and Ireland pictured from the International Space Station. Credit: Andre Kuipers/ESA.

Making predictions for the year ahead can be a dangerous game. But I'm confident in predicting that [commercial spaceflight](#) will continue to go from strength to strength in 2018. Where once putting something into space was the reserve of competing superpowers, the majority of space launches now involve commercial companies and last year saw five new space states emerge.

We have a world leading aerospace sector and, as part of the [industrial strategy](#), we want to build on this strength while growing our share of the global space market. The cost and size of satellites is falling. And the data they provide is shaping our daily lives and the economy. The UK space industry is well placed to take advantage of this and is growing rapidly by around 8% each year, sustaining almost 40,000 jobs. I genuinely believe it is one of our greatest industrial opportunities.

It's sometimes easy to forget that we all have a piece of space in our pockets. The ubiquitous mobile phone uses satellites to give us directions and weather forecasts. There are opportunities across every sector of the economy to benefit from satellite data, from health and social care, to banking and finance.

That's why it's important that we inspire young people to think about how they can use space to benefit life on Earth. [The SatelLife competition](#), launched today by the UK Space Agency, will do just that. Young people across the country can submit proposals that use data collected from space to benefit our economy, health or the environment. The best entries will receive a cash prize and support to develop their ideas further with space industry experts.

[Last year's winners](#) give a sense of what's possible. Ideas included using GPS trackers in fitness devices to help increase survival rates of heart attacks, to an app that warns people of impending natural disasters. The overall

winner came up with an app to provide information on coastal flood risks and went on to meet Tim Peake, who has inspired an incredible number of children to look to the stars. Who knows what this year's entrants could go on to achieve one day?

There are some exciting things on the horizon. Our [Industrial Strategy](#) provided up to £50 million to enable satellite launch services to take place from the UK for the first time ever. We're putting in place new laws to make this possible and continue to work with the industry to establish the UK as a world leading destination for space launch. But this is not just about rockets and spaceports – this could also create opportunities up and down the supply chain in satellite technology, aerospace, transport, tourism and beyond.

Science and Innovation are key to industrial strategy. The UK showed its expertise in space science and exploration last year with the [end of the Cassini mission](#) – which plunged into Saturn's atmosphere with an instrument built in the UK sending data back to Earth. Our commitment to reach 2.4 per cent of GDP investment in research and development by 2027 will benefit further ground-breaking scientific missions, as will our status as a leading member of the European Space Agency – a separate entity to the EU.

We have innovative home-grown companies like Reaction Engines and SSTL that are revolutionising how we think about space. Airbus built the [Sentinel5P satellite](#) in Stevenage and it's now sending some of the most detailed images of air quality back to Earth. Our [International Partnership Programme](#) is a showcase of British innovation in space which tackles some of the toughest challenges facing developing countries. We are also developing world-class facilities including the [National Space Propulsion Facility](#) in Westcott and the [National Satellite Test Facility](#) in Harwell, as well as [business incubators in 22 locations](#) to support start-ups hoping to be the next big thing in space.

The government and the UK space sector have bold ambitions for the coming years which can only be realised with new ideas, inspiration and an entrepreneurial spirit. And where better to find these than in the minds of young people across Britain.

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## [Press release: Next phase of the discard ban takes effect](#)

From today (2 January), fishermen targeting certain fish in the North Sea must land everything they catch as the [next phase of the discard ban](#) for demersal species comes into force, Fisheries Minister George Eustice has announced.

The discard ban, also known as the landing obligation will encourage sustainable fishing by ending the wasteful practice of throwing dead fish overboard.

It has been gradually introduced to allow time for fishermen to adapt to the new rules, and today, the existing ban for cod, whiting and saithe has been extended to include more vessels in the North Sea. Fishermen targeting saithe in North Western Waters, including the Irish Sea, will be required to land it for the first time.

Commenting on the next phase of the discard ban, Fisheries Minister George Eustice said:

The UK is leading the way in championing sustainable fishing, and the latest phase of the discard ban will help put an end to the wasteful practice of throwing fish back, dead, overboard.

Together with careful quota management, the discard ban will help us create a profitable fishing industry and safeguard our marine environment.

Today's extension of the discard ban follows the successful introduction of the [pelagic ban in January 2015](#) and the [demersal ban in 2016](#).

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## **[Press release: International Trade Secretary Dr Fox visits China](#)**

International Trade Secretary, Dr Liam Fox, travels to China today (Tuesday 2 January), in his first international visit of the new year to advance the UK's trade and investment relationship.

In a 2-stage visit to Beijing and Shenzhen, Dr Fox will meet the Chinese Minister of Commerce Zhong Shan and the chairman of one of the world's largest insurance companies, Ma Mingzhe from Ping An. He will also promote the government-backed [GREAT 'Festival of Innovation' taking place in Hong Kong](#) later this year to showcase the latest technology from the UK and Asia.

China is the UK's fifth largest trading partner in the world, with trade between the countries worth £59.1 billion based on the latest figures (2016). In the same period the UK exported £16.8 billion of goods and services, making China the UK's eighth largest export market.

The Department for International Trade has also just announced up to £25 billion in financial support – including loan guarantees – for UK businesses operating along the Belt and Road Initiative (BRI). The initiative, set up by

the Chinese government, aims to increase economic cooperation with countries around the world along key transport routes.

International Trade Secretary, Dr Liam Fox said:

China as a world leading economy and the UK's fifth largest trading partner is an important market for British companies as we look to build independent trading relationships across the world.

As an international economic department, we want 2018 to be the year of exporting with businesses across the UK seizing the opportunities that the world provides.

That's why we're determined to make exporting even easier, and we have announced we're making up to £25 billion of funding available for UK exporters and buyers of UK goods and services along the Belt and Road Initiative so that no viable export fails for a lack of funding.

The Trade Secretary's visit follows the [Economic Financial Dialogue in China](#) last month (December 2017) where more than £1.4 billion of trade and investment was agreed in Beijing. Trade Minister Mark Garnier supported the Chancellor as they reaffirmed their commitment to developing a global partnership, establishing the next steps for a deeper trade and investment relationship as the UK builds an economy fit for the future.

The UK has also attracted more foreign direct investment projects than ever before (year 2016 to 2017). With 2,265 projects recorded, figures show an increase of 2% on the previous year. This means more than 75,000 new jobs were created, and 32,600 safeguarded, amounting to over 2,000 jobs per week across the country.

Total trade in goods and services (that is exports plus imports) between the UK and China totalled £59.1 billion in 2016 an 8.9% increase from 2015 (Source: [ONS Pink Book 2017](#)).

In 2016, UK exports to China amounted to £16.8 billion (a 2.4% increase from 2015).

The top 5 UK goods exported to China in 2016 were:

87 – vehicles other than railway or tramway stock (27.6% of all UK goods exported to China)

27 – mineral fuels or oils, products of their distillation (12.1%)

84 – machinery and mechanical appliances (10.5%)

85 – electrical machinery and equipment (6.8%)

71 – precious stones and metals (6.5%)