

# Helicopter services deal raises competition concerns

Press release

The CMA has provisionally found that CHC's purchase of Babcock's oil and gas offshore helicopter transportation services business raises competition concerns.



Following an in-depth Phase 2 investigation of this completed acquisition, the Competition and Markets Authority (CMA) has provisionally found that the merger would lead to a significant loss of competition in the market.

CHC and the acquired businesses both provide offshore transportation in the oil and gas sector, including taking workers to and from rigs in the North Sea.

The CMA's investigation analysed a wide range of evidence, including data on bidding for previous contracts and hundreds of internal documents that show how the merging businesses assess competition in the sector. The CMA has also engaged with customers, competitors and other industry players to inform its provisional findings.

The evidence gathered by the CMA shows that the UK arm of the acquired businesses remains an effective competitor, and the loss of this competition would significantly reduce rivalry between an already limited number of suppliers. The merger would reduce the number of suppliers from 4 to 3 and the CMA does not believe that new players are likely to enter the market.

Kip Meek, Chair of the CMA inquiry group, said:

We're concerned that this merger will reduce competition in a market which currently only has 4 competitors and that is vital to the smooth running of the North Sea oil and gas industry.

Our findings are provisional at this stage, and we welcome further responses from CHC and Babcock, as well as from other interested

parties.

The CMA welcomes responses from interested parties to its provisional findings by 7 April 2022 and its notice of possible remedies, which sets out potential options for addressing its provisional concerns, by 31 March 2022. These will be considered ahead of the CMA issuing its final decision, which is due by 15 May 2022.

For more information, visit [the CHC / Babcock merger inquiry page](#).

1. For media enquiries, contact the CMA press office on 020 3738 6460 or [press@cma.gov.uk](mailto:press@cma.gov.uk).
2. CHC Group LLC (CHC) purchased the entire issued share capital of Offshore Helicopter Services UK Limited (Babcock Offshore UK), Offshore Services Australasia Pty Ltd (Babcock Offshore Australia) and Offshore Helicopter Services Denmark A/S (Babcock Offshore Denmark).
3. Under the Enterprise Act 2002 (the Act) the CMA has a duty to make a reference to Phase 2 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 contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition with any markets or markets in the United Kingdom for goods or services.

Published 17 March 2022

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## [Russia's ongoing war of aggression against Ukraine: UK OSCE statement, 17 March 2022](#)

Thank you Mr Chair. I'm grateful to the UN Assistant High Commissioner for Operations for briefing us today. As he has just said, this week we passed a terrible milestone – 3 million people have been forced to flee Ukraine. Forced to flee due to President Putin's war of choice. We are grateful to Poland and other neighbouring countries for the generosity and the compassion that they have shown to fleeing Ukrainians.

Hundreds of thousands of people have also left their homes within Ukraine seeking places of safety elsewhere in the country.

We are grateful to UNHCR for their work to support those who have fled their homes.

Sadly, the numbers of those displaced is only likely to rise as we see Russia increasing the number of Ukrainian towns and cities that it targets with shelling. Last week there were attacks reported on Lutsk in north western Ukraine and Ivano-Frankivsk.

As Martin Griffiths told us last week, it is vital that civilians are afforded safe passage to leave areas of active hostilities in the direction of their choosing. While we welcome reports that some civilians were able to depart from Mariupol on Tuesday, we continue to be concerned by evidence that Russia has targeted evacuation corridors. Russia's continued attempts to force civilians to flee via Russia and Belarus are cynical and unacceptable.

Meanwhile 12.7 million people are stranded in conflict affected areas as the Russian government resorts to ever more barbaric tactics. Russia is using cluster munitions and thermobaric rockets, weapons designed to inflict maximum damage wherever they are deployed.

For those civilians who have been unable to leave encircled cities like Mariupol and Volnovakha the situation is life-threatening. Not only have they been facing shelling daily, but hundreds of thousands of people are facing critical shortages of food, water and life-saving medicines. We are shocked by multiple reports that Russian forces shelled a theatre and a swimming pool in Mariupol where we understand people were sheltering. Mr Chair, who can hear the harrowing testimonies coming from civilians in Mariupol and not be moved? Moved by anger at the Russian government's actions and moved by determination to bring those responsible for atrocities to justice.

Likewise, Mr Chair who can not be moved by the bravery demonstrated by Ukrainians? Ukrainians protesting Russian military control in Kherson, Berdyansk and Melitopol. We are deeply concerned at reports of arrests of protestors being made by Russian forces in those cities, as well as reported abductions and abuse of Ukrainian activists, human rights defenders, volunteers, journalists, health-care workers and government representatives in the areas of Ukraine under control of the Russian army. Russia must immediately release all illegally-detained persons in Ukraine.

Sadly, as the esteemed US Ambassador rightly pointed out last week, we know all too well the results of Russia's efforts to stamp out opposition to their presence in Ukraine. This week we mark eight years since Russia's illegal annexation of Crimea, which they attempted to seal with a sham referendum and enforce with brutal oppression. Our thoughts remain with all Ukrainians wrongfully detained simply for expressing the truth – that Crimea is an integral part of Ukraine.

Russia's attempts to subvert Ukrainian democracy is an unacceptable abuse of OSCE principles and commitments.

In the face of these appalling violations of fundamental freedoms by Russia, the work of human rights organisations is more important than ever. We welcome [the appointment of three eminent experts to conduct an independent fact finding mission under the Moscow Mechanism](#); a mission that is supported by Ukraine and 45 participating States.

This is important because, Mr Chair, facts matter. Even the Russian government knows that facts matter – otherwise they would not be going to such lengths to conceal them from the Russian people. [As the OSCE Representative on the Freedom of the Media has highlighted](#), Russia has blocked access to several media websites and introduced a law on the spread of so-called “fake” information about the brutal actions of the Russian Armed Forces. Several Russian media representatives have resigned in the face of overwhelming editorial interference. Those who, like Marina Ovsyannikova, dare to defend the truth, those individuals face arrest.

Mr Chair, we will not stand by as President Putin wages his campaign against the Ukrainian people. We will hold him accountable for his crimes. We will work with prosecutors at the International Criminal Court (ICC) to help them get the information they need. And we will not relent in our mission to see justice done. This hideous and barbaric venture must end in failure. However long it takes, that will be the steadfast and unflinching goal of the United Kingdom.

I ask Mr Chair that this statement be attached to the journal of the day.

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## [13,000 homes to be protected from floods thanks to new tidal barrier](#)

Nearly 13,000 homes and businesses will be better protected thanks to the construction of a new tidal barrier in Somerset, which the Environment Secretary has authorised this week.

George Eustice has granted permission for construction of the £100m Bridgwater tidal barrier with a Transport and Works Act better protecting 11,300 homes and 1,500 businesses in the town and surrounding areas.

This major infrastructure project, which will function similarly to the Thames Barrier, marks a sizeable investment in the area and will help protect existing jobs and create new ones as it prevents more than £1.5bn of flood damage over the next 100 years.

The main railway line between Taunton and Bridgwater, the A38 and links to the M5 will all benefit from this additional protection.

The barrier, which it is anticipated will be built from low carbon concrete,

will also protect four schools, a hospital and the town's shopping centre.

Environment Secretary George Eustice said:

This is an important step forward in the delivery of one of the most complex and significant flood defences in the country.

The £100 million Bridgwater Barrier is a significant investment in Somerset, protecting nearly 13,000 homes and helping unlock growth opportunities in the region.

Rachel Burden, Wessex Flood and Coastal Risk Manager at the Environment Agency said:

This is a significant milestone for one of the biggest flood defence schemes in the country.

This decision gives real confidence that the barrier is well on the way to be delivered and will help the town of Bridgwater and surrounding areas be ready for, and resilient to, flooding and coastal change – today, tomorrow and past the year 2100.

The design of the barrier consists of two moveable gates on the River Parrett, along with new flood defence embankments and improvements to existing embankments downstream of the barrier.

The scheme could also bring a number of environmental benefits, including the creation of wetland habitats, improvements to fish passes and eel passes on the Parrett and the Tone to help boost fish numbers and a cycle and footbridge at the barrier to encourage active travel.

The Environment Agency and Sedgemoor Council are now aiming for construction to begin early next year, with the project including funding from Somerset Rivers Authority and others, subject to HM Treasury agreement on the business case.

Since 2015, the Government has protected over 300,000 properties and is now investing a record £5.2 billion to deliver a further 2,000 schemes that will better protected hundreds of thousands of properties across England.

In 2021-22, over £125 million has been allocated for over 100 planned schemes in the South West, due to begin this financial year.

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# Chilean market opens to UK pork exports

UK pork producers will be able to export to Chile for the first time, in a move estimated to be worth £20m in the first five years of trade. This follows UK pork access to Mexico and Taiwan.

The new market creates new export opportunities for the pig industry as the Government, the UK Export Certification Partnership (UKECP) and Agriculture and Horticulture Development Board (AHDB) continue working to develop market access opportunities as part of work to support the sector.

This builds on measures including the launch of an immediate review of fairness in supply chains in the pig sector, using powers under the Agriculture Act 2020.

Farming Minister Victoria Prentis has held various roundtables with farmers and industry representatives and spoken to the agricultural leads at the major banks to ensure that they are showing pig farmers as much flexibility as possible. The Government has additionally introduced a Private Storage Aid Scheme, Slaughter Incentive Payment Scheme, and a bespoke temporary visa scheme for pork butchers.

The UK exported £339m of pork in 2021, with over two thirds going to non-EU destinations, demonstrating the value of new markets. Chilean authorities have now opened up their market to 27 firms across the UK including those in Angus, Armagh, Wrexham and Suffolk.

Farming Minister Victoria Prentis said:

The pig sector is facing a range of challenges and we must make use of all levers available to us. That includes new export markets, and it is great to see the Chilean market open its doors to our pig producers.

This will be worth £20m over the next five years and will build on other measures we have introduced to bolster the industry.

UK Deputy Chief Veterinary Officer Dr Richard Irvine said:

It is fantastic to see another market open its doors to high quality UK produce. Gaining pork market access to Chile represents yet another success for UK Industry and strengthens our global reputation for excellence.

AHDB International Market Development Director Dr Phil Hadley said:

This announcement is the latest in a run of successful market access wins for the red meat sector and is another example of the high regard and reputation our products command overseas.

Opening the market for UK pork to Chile, following gaining access to Mexico, will provide our pig farmers and processors with another valuable market to sell their products, providing a much-needed boost for the sector in difficult times.

Her Majesty's Trade Commissioner for Latin America and the Caribbean Jonathan Knott said:

I am delighted that British pork can now enter the Chilean market for the first time, after negotiations with the Chilean authorities.

Chilean consumers will be able to enjoy even more quality British produce, and UK pork exporters will have access to this important and growing market. Another success in our campaign to lower trade barriers between our nations.

The Chile market is open to all UK exporters approved by the Chilean Authorities. Through the GREAT Britain & Northern Ireland campaign, the UK government aims to raise the international profile and reputation of food and drink from across the UK and help more food and drink companies export their produce abroad.

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## **UK PROPERTY PREDICTIONS FOR 2022:** **Insights from GPA's experts**

2022 will be a pivotal year for the workplace. For the [Government Property Agency](#) (GPA), our work continues in supporting the delivery of Government priorities including supporting levelling up, sustainability and Civil Service Reform through property technology and hybrid working – issues which have important parallels for the industry at large.

### **IN THE WORKPLACE**

Despite a lot of the change in working habits starting pre-pandemic, Dominic Brankin, our Workplace Services Director, and Kate Guthrie, our Deputy Director Workplace Experience believe that this evolution will continue for some time. They see 2022 as the year in which businesses show real commitment to learning and curiosity about their people's workplace experience. It's

expected that companies will make good progress in getting the right workplace design to support the combination of people's different working practices. People have had experience of working at home for a long period of time now, and there will be some who want to continue this practice, but also a lot of people who will relish a choice of working environments to suit different tasks. The organisations that will be most successful will be the ones where great workplaces meet great leadership – where honest conversations about the workplace are proactively facilitated and feed into choices made by teams to enable them to work as effectively as possible.

A lot has been said about 'collaboration zones' and 'social spaces' when reconfiguring the office. But we believe that businesses enhancing or introducing these types of space in 2022 and beyond shouldn't forget the quiet, individual spaces that support focussed work. Our research with Leesman surveying 26,000 civil servants told us that 'individual work' was still the priority for many and this should be factored into office design too.

We also believe that 2022 will see organisations focus on understanding and supporting team effectiveness, measuring the aspects of the work experience that indicate employees are getting what they need to be able to do their best at their job. This will inevitably include the workplace experience. Do people have the workplaces they want and the experiences they need? Are they supported effectively to do their job, and work collaboratively with their team?

## **POST-COVID 'ATTENDEE-ISM'**

In respect of demand for space, Alan Whitelaw, our Property Director, believes that across businesses there will be a general shift in focus from the pre-Covid 'presenteeism' way of thinking about the workplace to a post-Covid 'attendeism' – where people are not judged on the amount of time they spend in the office, rather how they use that time – for example, for team working, in-person presentations and training, creative work and projects. He is seeing a shift in the perception of organisations towards empowerment and trust that people will use the office for a purpose, rather than requiring mandated attendance. Alan points out that different businesses and functions need to use the office differently – during lockdown we still had some departments that needed to be in the office and were there throughout. Similarly, there are some functions that were thought to need to be in the office that have proved that they can work efficiently on a more flexible basis.

## **CUSTOMER EXPERIENCE IS KEY**

On the technology side, our Chief Digital and Technology Officer, Neil Williams, believes there will be a focus on interoperability in 2022 – customer experience is key. This means making the use of the office and digital tools as easy as possible for our customers – the civil servants who use our space – and creating a streamlined experience. In particular, audio visual technology will become much more widespread in collaborative and creative spaces as well as in meeting rooms. Again, simplicity is key with

plug-and-play equipment enabling hybrid meetings between staff in several different locations.

On the data front, Neil believes that it will take some time to gather and gain insight from data on how people are working together and interacting with space. But bringing available data together in one place to create a complete overview will add the most value: which spaces are used and when – collaborative vs individual for example; whether people are booking spaces before they travel; what issues are reported and how quickly they are dealt with; water and electricity usage and at what times of the day.

## **GETTING TO GRIPS WITH ESG**

And last but definitely not least, sustainability will be on everybody's minds in 2022 as they really get to grips with Environmental Social Governance (ESG) – some might say finally! Dr Miguel Godfrey, our Head of Sustainability, and Louisa Le Roux, our Net Carbon Zero Programme Manager, predict that property companies will start to prioritise not only reaching targets but searching for ways to exceed them. For example, BREEAM Excellent is the ambition for many developers. However, the reality is that there is much more that can be accomplished. Achieving the required 78% carbon reduction by 2035 will not be easy, and to achieve this we will need both concerted effort and work to deliver the quick wins early.

We will see businesses shift their focus to a wider array of green initiatives with sub-metering set to be a real trend. This will allow businesses to understand their energy usage so that they can pick the right measures to reduce it. These measures will most likely include switching to green tariffs, landlords installing more EV charging units, revisiting their heating and cooling units, and undertaking a 'greening' of their procurement and supply chain process. These are all areas the GPA is taking forward at pace.

For the bigger developments and refurbishment, we expect to see wider use of Modern Methods of Construction and the use of digital twins to help with the drive towards sustainability – something we are developing across our own projects. On the retrofitting side, we think 2022 will be the year where heritage buildings are tackled more widely. It's been proven that retrofitting can be done to improve sustainability and so more will follow suit. As technology develops at pace, we will start to see more usage of solar panel solutions which will blend in better with the façade and fabric of older buildings.

We are currently working on potential PV panel installation on some of our Central London buildings with a test site going through listed building consent. We are also putting a plan in place for decarbonising our Whitehall District Heat System which will go a long way to reducing carbon emissions on our Central London heritage estate.

Finally, we hope (and want) 2022 to be the year where the industry gets to grips with the measurement of embodied carbon and a reduction in construction waste which will help supercharge our collaborative race to Net Zero.