

## CMA considers remedy to address concerns in foam merger

US-based Carpenter agreed to buy Belgian firm Recticel's global engineered foams business in a €656 million (Euros) deal announced in 2021. The firms both supply engineered foam products used to make household goods such as mattresses, upholstery and kitchen sponges from plants located in the UK.

Following an initial Phase 1 investigation, the Competition and Markets Authority (CMA) identified competition concerns in 3 foam-related markets in the UK (the supply of comfort foam, unconverted technical foam, and converted comfort foam) and referred the deal for an in-depth Phase 2 investigation in July 2022.

At the outset of the Phase 2 investigation the 2 businesses conceded that the deal raises competition concerns and asked the CMA to "fast-track" the case to the assessment of a remedy that could address those concerns.

The CMA has now accepted the businesses' request and provisionally found that the deal could reduce competition. This means that, without remedies to restore this loss of competition, the deal could damage the competitiveness of UK-based manufacturers that rely on foams to make their products, as well as leading to less choice and a worse deal for consumers.

The CMA has also published an initial consultation on the remedy that the merging businesses have proposed to address the concerns identified. The merging businesses are proposing to sell the majority of the UK arm of Recticel's engineered foams business to an independent third-party approved in advance by the CMA. The next stage of the CMA's investigation will focus on assessing whether this will fully replace the loss of competition arising from the merger.

Kip Meek, Independent CMA Panel Chair, said:

The firms accept that the merger could reduce competition in the markets where we've raised concerns. This could lead to higher costs for UK manufacturers and mean people may get a worse deal when buying beds and sofas, as well as everyday items like kitchen sponges.

The next stage of our investigation will primarily focus on making sure that the remedy put in place properly addresses these concerns to avoid any adverse impact for UK businesses and consumers.

The CMA is now asking for views on the remedy offered by 12 October 2022 and on its provisional findings by 19 October 2022. The statutory deadline for the CMA's final report is 22 January 2023.

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

1. Under the Enterprise Act 2002 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 (SLC) within any market or markets in the United Kingdom for goods or services.
2. The process that applies where merging parties request to concede a substantial lessening of competition is set out in paragraphs 7.18 to 7.21 of [CMA2 revised](#).
3. In addition to conceding that the deal raises competition concerns, the firms have agreed to waive their right to challenge this position during the CMA's Phase 2 investigation and have also submitted a proposed remedy to address the concerns identified.
4. This is the first time that merging businesses have conceded an SLC in a Phase 2 merger inquiry and is expected to enable the outcome of the investigation to be reached significantly more quickly than usual.
5. The CMA has provisionally found that, if the deal went ahead, the combined companies would face limited competition in the UK in: Comfort foam (uncut foam for mattresses, upholstery etc.); Unconverted technical foam (for sponges etc.); Converted comfort foam (cut up foam ready for larger items like mattresses).
6. For media enquiries, contact the CMA press office on 020 3738 6460 or [press@cma.gov.uk](mailto:press@cma.gov.uk).

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## [Trade Secretary hails role of free trade in global security at transatlantic defence summit](#)

- UK hosts fifth Atlantic Future Forum aboard HMS Queen Elizabeth in New York Harbour
- Trade Secretary Kemi Badenoch will deliver a keynote speech and the Prime Minister has recorded the opening address
- Trade Secretary will promote transatlantic trade and investment, telling audience of US investors why the UK is the best place in the world to invest

The UK today [28 September] kicks off the fifth annual Atlantic Future Forum (AFF), bringing together British and American captains of industry aboard the UK's largest and most powerful warship, the HMS Queen Elizabeth.

The two-day event will focus on new approaches to global security and future technologies to tackle everything from the war in Ukraine to climate change, with UK businesses across the defence, cyber and tech industries able to network with potential investors.

Addressing over 450 government and business leaders, the Trade Secretary Kemi Badenoch will highlight the role of free trade in delivering global economic security and economic growth. She will say our two likeminded democracies must continue working together to defend the rules-based international order.

**Trade Secretary Rt Hon Kemi Badenoch MP said:**

“The US is our single most important trade, defence and security partner. We share the same values – freedom, free trade and the rule of law. Our special relationship means together we are a force for progress as we face down countries who threaten these values.

“The Atlantic Future Forum represents an incredible opportunity for our two nations to exchange skills, ideas and technology. Every morning, over a million people get up and go to work for British companies in America, and over a million do the same for American companies in the UK.

“The UK is a low-tax, high-talent, innovation nation and I will show America’s biggest companies that we are ready to be their investment partner of choice.”

The US has been the UK’s largest single inward investment partner country for the last two decades. US businesses employed almost 1.5 million people in the UK in 2019, up three quarters since 1997. US investment is also supporting the UK’s levelling up agenda with 60% of these jobs based outside of London and the South East.

Following her speech, Badenoch will use her two-day visit to New York to capitalise on growing investor interest in the UK by meeting New York-based investors to promote the UK as a defence, cyber and tech superpower and a source of unmatched talent. She will visit Mastercard’s new “Experience Centre” at their “Tech Hub” in the Flatiron District of Manhattan and meet with some of the biggest US and UK companies at a British American Business roundtable to discuss investment opportunities that can help grow the UK economy.

Badenoch will speak to her counterpart in the Biden administration, US Trade Representative Katherine Tai, to discuss how our two countries can further our already thriving trading relationship.

The Trade Secretary will also use her time in the US to highlight the opportunities being unlocked at the state level, following signature of recent Memoranda of Understanding (MoUs) with Indiana and North Carolina. The MoUs are designed to cut red tape and remove barriers facing UK businesses exporting to the US.

The UK is working towards further MoUs with Oklahoma and South Carolina in the coming months and seeking to progress talks with other states this year.

## Background:

- Now in its fifth year, the annual defence, security, trade and technology forum is convened by the UK Government with full funding from global industry partners.
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# We must all unequivocally reject Russian attempts to illegally annex Ukrainian territory: UK at the UN Security Council

Mr. President,

Russia's holding of sham referenda in the Donetsk, Luhansk, Zaporizhzhia and Kherson regions of Ukraine is an egregious violation of Ukraine's sovereignty and territorial integrity and of the principles of the UN Charter.

As the UN told us today, this process is both illegal and illegitimate.

It is a shameless propaganda effort aimed at justifying Russia's illegal presence on sovereign Ukrainian territory.

We have seen Russia's referendum playbook before in Crimea. We see it playing out again now: disinformation, intimidation and fabrication.

As my Foreign Secretary told the Council last week, we know that President Putin is planning to rig the outcome.

These are regions that voted overwhelmingly to join an independent Ukraine in 1991 and to back President Zelenskyy in 2019.

When given a free vote, their choice has been clear: to be part of a free, independent, democratic Ukraine.

Since invading, Russia's control in these regions has been through violence, torture, filtration and forced deportation.

We've all seen images of soldiers with automatic rifles accompanying the ballots as they move from door to door, forcing Ukrainians to take part.

Any referenda held under these conditions, at the barrel of a gun, can never be remotely close to free or fair.

And the very idea that a referendum on a fundamental question could be held at three days' notice in the middle of a war zone is frankly farcical.

We must all unequivocally reject these illegitimate actions and Russian attempts to illegally annex Ukrainian territory. And support the draft resolution the US and Albania have brought forward today.

Colleagues, this is a critical moment. There is no middle ground. No member of the United Nations should turn a blind eye to Russia tearing up the principles of the UN Charter.

If we allow Russia to believe it can change sovereign borders by force, then the entire system on which we base our shared safety and security is under threat.

These Potemkin referenda, as well as Putin's decision to mobilise Russian men to fight in his illegal war, are admissions that his invasion is failing.

Instead of sending thousands more of his own citizens to their death and inflicting further destruction on Ukraine, he should end this senseless war today.

Thank you.

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## [Environment Agency crushes tipper truck in waste crime probe](#)

Investigators believe the Ford tipper truck belonged to a group operating at various sites in the capital. Crime officers removed the vehicle from an address at Chesham in Buckinghamshire during a wider probe into organised waste crime.

The 18-year white van had been seen reportedly dumping waste on open land, in empty warehouses and other sites in Croydon, Merton, Mitcham and Southwark in the past year. Material left at the sites included construction waste, tyres and rubbish from house clearances.

Officers continue to investigate the vehicle's owners, who failed to come forward to claim it before it was destroyed.

Matt Higginson, an Environment Manager for the Environment Agency in the South East, said:

Where individuals threaten to undermine legitimate businesses and illegally dump waste, we have no hesitation in using all powers open to us.

Seizing vehicles involved in waste crime, based upon vital

intelligence from the public, is an important weapon in our armoury to disrupt waste criminals and can make a real difference to local communities blighted by illegal dumping of waste.

To avoid unwittingly supporting waste criminals, and facing the possibility of an unlimited fine, we ask the public and businesses to always ask for proof of a waste carrier's registration and waste transfer note – and take photos of them – before having any waste cleared.

Crushing suspected offenders' vehicles is one of the tactics of Operation Angola, which investigates large-scale illegal dumping of commercial waste.

Whether a resident or a business, everyone should take responsibility for their own waste. Don't give rubbish to someone who can't prove they are a legitimate waste carrier – they may just dump it to avoid paying waste-disposal costs.

Anyone using a company or individual to take away their waste should always obtain a waste transfer note as proof. If in any doubt, call the Environment Agency's incident hotline on 0800 80 70 60, or Crimestoppers on 0800 555 111, or use the online form at [www.crimestoppers-uk.org](http://www.crimestoppers-uk.org).

The white 2004 Ford tipper truck was seized using powers under section 34B of the Environmental Protection Act 1990.

The decision to crush the vehicle was taken as there was no value in selling the vehicle.

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## [United Kingdom promotes livelihoods and environmental protection in the Verapaces](#)

World news story

UK project will allow families in Senahú, Alta Verapaz, to improve their coffee and cardamom production while protecting the environment.



The British Ambassador, Nick Whittingham, attended the launch of the project “Indigenous bio cultural landscapes for livelihoods and connectivity in Verapaces”. It will be financed by the [Darwin Initiative](#) and the Fund of the Department of Environment, Food and Rural Affairs (DEFRA) of the British Government.

The initiative will support the productive livelihoods of 10 Q’eqchís and Poqomchías indigenous cooperatives, benefiting a total of 4,500 families in the municipality of Senahú Alta Verapaz that are associated with the Federation of Cooperatives of Las Verapaces, Limited Liability -FEDECOVERA, RL. – .

The project is carried out in the Sierra Yalijux of Alta Verapaz, an area of high biodiversity whose protection depends on private nature reserves and remnants of forest that are still within the territories of cooperatives and indigenous communities. The project goals are:

- Rescue and recognize the value of biodiversity through stories and ceremonies associated with good practices on the use and management of natural resources and indigenous knowledge about nature.
- Improve the income of 4,500 families through sustainable activities in an equitable manner by ethnic group, generation and gender.
- Restore forest cover to create biological corridors between fragmented and disturbed forests.
- Reduce the carbon footprint in the production of coffee and cardamom by reducing the use of firewood, ecological processing and production in agroforestry systems.
- Support women, youth and indigenous communities in alternative livelihoods compatible with nature.

The project has a duration of three years starting September 2022, with financing of £560,000 (approximately 5 million quetzals) from the British government, and a counterpart contribution of £158,000, which makes a total of Q6,462,000 quetzals. It will be implemented by FEDECOVERA, R. L. and the National Association of Private Natural Reserves of Guatemala -ARNPG-, with the support of the University of Greenwich.

Senior authorities from the Ministry of Environment and Natural Resources (MARN) and the National Council for Protected Areas (CONAP) also attended the launch, who are active partners in the project.

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