CMA provisionally clears Amazon's investment in Deliveroo

After completing an initial, Phase 1, investigation, the Competition and Markets Authority (CMA) was concerned that the deal could damage competition by discouraging Amazon from re-entering the online restaurant food market and further developing its presence within the online convenience grocery delivery market in the UK.

The CMA has continued to investigate these concerns during its in-depth, Phase 2, investigation. However, in recent weeks, it has become clear that the coronavirus pandemic is having a significant negative impact on Deliveroo's business.

The CMA's investigation has found that Deliveroo is, in many respects, a highly successful company which has grown strongly and now accounts for a significant share of the online restaurant platform market in the UK. As a developing business, Deliveroo is, however, particularly reliant on continued investment to be able to support its operations.

The ongoing 'lockdown' in the UK has resulted in the closure of a large number of the key restaurants available through Deliveroo, and a significant decline in revenues. While Deliveroo has sought to expand its supply of convenience groceries during the crisis, these sales are limited and have not made up for losses in its restaurants business. As a result, Deliveroo recently informed the CMA that the impact of the coronavirus pandemic on its business meant that it would fail financially and exit the market without the Amazon investment. Deliveroo's submission was supported by evidence from the company's financial advisers.

The CMA has been considering this new evidence as a matter of urgency. It has provisionally concluded that Deliveroo's exit from the market would be inevitable without access to significant additional funding, which the CMA considers that only Amazon would be willing and able to provide at this time. While securing additional funding from other sources may have been possible before the coronavirus outbreak, the pandemic has severely limited the availability of finance for early-stage businesses such as Deliveroo. The CMA currently considers that the imminent exit of Deliveroo would be worse for competition than allowing the Amazon investment to proceed and has therefore provisionally found that the deal should be cleared.

Stuart McIntosh, Chair of the CMA's independent inquiry group, said:

These wholly unprecedented circumstances have meant reassessing the focus of this investigation, reacting quickly to the impact of the coronavirus and deciding what it would mean for the businesses involved in this transaction and, in turn, for customers.

Without additional investment, which we currently think is only realistically available from Amazon, it's clear that Deliveroo would not be able to meet its financial commitments and would have to exit the market. This could mean that some customers are cut off from online food delivery altogether, with others facing higher prices or a reduction in service quality. Faced with that stark outcome, we feel the best course of action is to provisionally clear Amazon's investment in Deliveroo.

The CMA is now asking for views on these provisional findings by 17:00 Monday 11 May 2020 and will assess all evidence provided before making a final decision. The statutory deadline for the CMA's final report is 11 June 2020.

For more information, visit the Amazon / Deliveroo merger inquiry page.

Notes to 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. For CMA updates, follow us on Twitter, Facebook, and LinkedIn.
- 2. On 27 December 2019, the CMA referred the acquisition by Amazon of a minority shareholding and certain rights in Deliveroo for a Phase 2 investigation.
- 3. During a Phase 2 investigation, the CMA must assess the impact of a merger against the most likely scenario that would have occurred absent the merger ('the counterfactual'). One possible situation is the 'exiting firm scenario', where the CMA needs to consider whether one of the businesses may have left the market absent the merger, and the impact of this on competition.
- 4. In this case, the CMA has provisionally found that Deliveroo may exit the market absent the investment from Amazon, which the CMA currently considers would be worse for consumers than allowing the transaction to proceed.
- 5. All the CMA's functions in phase 2 merger inquiries are performed by inquiry groups chosen from the CMA's panel members. The members of this inquiry group are Stuart McIntosh (Chair), Humphrey Battcock, Paul Hughes and Claire Whyley. 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.
- 6. There is now a 3-week consultation period on the provisional findings, during which time anyone can make submissions to the CMA. Submissions should be made to amazon.deliveroo@cma.gov.uk and received by Monday 11 May 2020.
- 7. Media enquiries to the CMA should be directed to press@cma.gov.uk.

17 more charter flights from India to return thousands of stranded Brits

Details of the flights are as follows:

- From Ahmedabad to London on 20, 22, 24, 26 April
- From Amritsar to London on 21, 23, 25 and 27 April
- From Bangalore (via Ahmedabad) to London on 23 April
- From Delhi to London on 21, 23, 25 and 27 April
- From Goa to London on 20, 22 and 24 April
- From Mumbai to London on 26 April

People who are most vulnerable will be prioritised for seats on the flights, which will bring the total number chartered by the UK Government from India to 38.

Given the number of people who have already registered for a flight, the majority of seats are likely to be allocated to people who are already on waitlists, having registered via the CTM website.

Lord (Tariq) Ahmad of Wimbledon, Minister of State for South Asia and the Commonwealth, said:

We know this is a difficult time for British travellers and there is great demand for these flights.

This is a huge and logistically-complex operation, and we are working tirelessly with the Indian Government and state authorities to help more British travellers get home.

People who have already registered for the flights do not need to take any further action at this stage. If they have secured a seat, they will be contacted directly by CTM with further information about their flight.

Those who wish to register for a flight but who have not already done should visit the <u>India travel advice page on GOV.UK</u> to do so.

The flights are expected to cost between £537 and £591.

The 21 UK Government charter flights that were announced previously, and are operating from 8-20 April, are expected to help over 5,000 British nationals return home.

Notes to editors:

1. The charter flights are for UK travellers who normally reside in the UK and their direct dependants. A number of seats will be reserved for

those deemed vulnerable.

- 2. To book flights and register their details, British nationals should use the city-specific webpages listed on the <u>Return to the UK page on GOV.UK</u>
- 3. Movement within India is currently very restricted. Those who are eligible to fly will be sent information on how to get to airports and flight itineraries directly when their seat is confirmed.
- 4. Details regarding luggage allowance, flight costs and carriers will be available on the booking portal.
- 5. The British High Commission continues to provide consular support to any British nationals who remain in India. Consular helpline numbers: New Delhi: +91 (11) 2419 2100; Chennai: +91 (44) 42192151; Goa: +91 (22) 6650 2222.

Project skills helping scrub supply

Claire Riley and Eleanor Billson are volunteering at the Cumbria Scrub Hub.

More than 300 volunteers are sewing scrubs, kit bags, and scrub caps. More have volunteered to deliver these items to GP surgeries, carers, hospitals, clinics, and care homes.

The pair are using their project management experience to coordinate volunteers and deal with requests for help.

They have teamed up with another Cumbria scrub hub group and are dividing orders they receive so they can be fulfilled by sewers local to that are, reducing postage delays and ensuring efficient delivery.

They are also working with Atompack from Keswick who are pre-cutting the fabric free of charge for the group to allow the sewers to produce the scrubs more quickly.

Former NHS worker Emma Curwen volunteers with the hub and contacted Claire to ask for help.

She said:

The group has done amazing in such a short period of time, thanks to everyone for what has been done so far.

The group needs funding to support them to buy more material in order to keep producing these items. If you would like to donate then please go to Paypal.me.

If you think you can support this group please visit their <u>Facebook</u> page "Scrub Hub North and West Cumbria" or email us at hello@nwcumbriascrubhub.co.uk or northandwestcumbriascrubs@gmail.com

If you are a healthcare professional working on the front line who needs any of these items, visit their <u>website</u> to place an order.

<u>Coronavirus (COVID-19) outbreak —</u> <u>availability of veterinary medicines</u>

The Veterinary Medicines Directorate (VMD) is monitoring the availability of authorised veterinary medicines in the UK during the coronavirus (COVID-19) outbreak.

The VMD and the pharmaceutical industry have well-established procedures to deal with supply issues that arise. These procedures include robust, intelligence-led warning systems to detect potential problems at the earliest possible point and an emergency response plan to support the continued supply of veterinary medicines. We work closely with the veterinary pharmaceutical industry and those operating in the supply chain to minimise risks when they do arise.

Manufacturers and suppliers of veterinary medicines have measures in place to enable the continued production and supply of medicines. However, if a pharmaceutical company becomes aware of a current or potential problem with the supply of one of their products they should <u>report it to us</u>.

We encourage veterinary surgeons and retailers to continue with normal purchasing patterns to maintain proportionate stocks of veterinary medicines to support the availability of medicines.

If you are a veterinary surgeon, and you become aware of a possible supply issue, we encourage you to first speak to the Marketing Authorisation Holder to determine product availability. If difficulties remain, you can also speak to your relevant veterinary association who can report the concern to the VMD by contacting supply@vmd.gov.uk.

Animal owners should follow the advice of the veterinary profession:

- discuss the timing of vaccinations with their vet
- seek repeat prescriptions in good time from their veterinary practice for animals undergoing long term treatment.

Advice for the veterinary pharmaceutical industry and the veterinary profession from their representative organisations is at:

National Office for Animal Health (NOAH)

British Veterinary Association (BVA)

Fatal accident at Eden Park station

- Only go outside for food, health reasons or work (but only if you cannot work from home)
- If you go out, stay 2 metres (6ft) away from other people at all times
- Wash your hands as soon as you get home

Do not meet others, even friends or family.

You can spread the virus even if you don't have symptoms.