

CMA alleges guitar firm illegally prevented price discounts

The Competition and Markets Authority (CMA) has today issued a Statement of Objections to Fender Musical Instruments Europe Limited, which supplies guitars to UK retailers.

The CMA has provisionally decided that between 2013 and 2018, Fender Europe operated a policy designed to restrict competitive online pricing, requiring guitars to be sold at or above a minimum figure.

The practice, known as resale price maintenance (RPM), is illegal. It restricts the possibility of discounting and, as a result, customers who shop around for a product are unlikely to find better deals.

Guitars make up a significant part of the wider musical instrument sector which has an estimated turnover in the UK of around £440 million annually. Online sales of musical instruments have grown to around 40%, making it more important that people have access to competitive prices.

Ann Pope, CMA Senior Director of Antitrust, said:

Shopping online can make it much easier to compare prices and hunt down bargains – this can be especially important for potentially big purchases like a guitar.

We take allegations of RPM very seriously because it removes one of the benefits of the internet of making it easier to quickly find a better price by shopping around. It stops online retailers from selling at the prices they want to, and this then leads to higher prices for customers.

For businesses wanting to know more about RPM, the CMA has published [guidance to help suppliers and retailers](#) across all sectors, with information about what to do if they are, or may have been, involved in this or similar practices. Businesses can also watch the CMA's short film that explains what RPM looks like in practice.

[What is resale price maintenance \(RPM\)?](#)

The CMA's findings are provisional, and no final decision has been made about whether there has been a breach of competition law. The CMA will now carefully consider any representations from the company before reaching a final decision.

Notes to editors

1. The Chapter I prohibition of the Competition Act 1998 covers anti-competitive agreements, concerted practices and decisions by associations of undertakings which have as their object or effect the prevention, restriction or distortion of competition within the UK or a part of it and which may affect trade within the UK or a part of it. Similarly, Article 101 of the Treaty on the Functioning of the European Union (TFEU) prohibits such anti-competitive agreements, concerted practices and decisions by associations of undertakings which may affect trade between EU member states.
 2. The European Commission recently fined four companies for RPM in July 2018: [Philips](#), [Pioneer](#), [Asus](#), [Denon](#)
 3. The CMA has so far fined companies for online RPM in four cases: one in August 2019 in the [digital pianos and digital keyboards sector](#), one in August 2016 in the [light fittings sector](#) and two in May 2016; one in the [bathroom fittings sector](#) and one in the [commercial refrigeration sector](#).
 4. The Statement of Objections is addressed to Fender Musical Instruments Europe Limited which the CMA provisionally considers was directly involved in the alleged infringement and to Fender Musical Instruments Corporation as its ultimate parent company.
 5. The CMA has not addressed the Statement of Objections to any retailer. This is because the CMA has applied Rule 5(3) of its 1998 Rules, according to which it may address a proposed infringement decision to fewer than all the persons who are or were party to the relevant agreement/s.
 6. The estimate that an average of around 40 per cent of musical instruments are now sold online is based on information the CMA gathered from a number of major UK retailers and published today in its [Digital pianos and digital keyboards sector Decision](#).
 7. The CMA has three other ongoing antitrust investigations in the musical instruments and equipment sector: cases [50565-4](#), [50565-5](#) and [50565-6](#).
 8. For CMA updates follow us on [Twitter](#), [Facebook](#), and [LinkedIn](#).
 9. Media queries should be directed to press@cma.gov.uk, on 020 3738 6460.
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UK aid partners with Gates Foundation to tackle global food insecurity

UK aid is tackling global food insecurity through a new project with the Bill & Melinda Gates Foundation to protect plants from the threat of climate change, pests and diseases.

The new funding will allow scientists to research cutting-edge technology to protect crops and also to produce “super crops” that will be more efficient and withstand the impacts of climate change. For example, one of the projects will work to increase yields by harnessing major advances in photosynthesis.

International Development Secretary Alok Sharma and Bill Gates visited the Sainsbury Lab at the University of Cambridge yesterday (Monday 7 October). They met scientists working on advances in crop engineering to help plants capture nitrogen naturally and grow without the need for chemical fertilisers which can damage the environment.

Nearly 80% of people in the developing world rely on farming for their livelihoods but the impacts of climate change and the damage caused by pests and diseases have left millions struggling to grow enough crops to put food on the table.

International Development Secretary Alok Sharma said:

We are proud to be working alongside the Bill & Melinda Gates Foundation to tackle some of the most pressing humanitarian issues of our time.

Feeding a global population of 10 billion by 2050 is a major challenge, particularly with pests and diseases destroying up to 40% of food produced.

Our joint investment in cutting-edge British research will produce crops that can thrive in conditions caused by climate change. This means people in the developing world will have enough food to eat, British consumers get stable prices, and we can protect our planet by avoiding fertilisers or damaging pesticides.

Bill Gates, Co-Chair of the Bill & Melinda Gates Foundation said:

Pests and diseases are among the biggest challenges currently facing global food systems, and the threat is intensifying due to climate change, so I’m pleased that the UK Government is stepping up its partnership with our foundation to help protect the livelihoods of farming communities around the world.

With DFID's additional investment, the scientists I've met here at Cambridge University will have the potential to transform agriculture in developing countries by helping crops grow more efficiently and increasing overall yield. DFID is one of our most valued partners, and by working together we can continue to tackle poverty and deliver agriculture that is resilient in the face of climate change.

Global demand for food is estimated to increase by up to 40% by 2030 and 70% by 2050, yet climate change poses a serious threat to global food security. This new funding for research will mean smallholder farmers can take control of their productivity and maximise crop yields, contributing to economic growth.

Mr Sharma and Mr Gates Bill participated in a demonstration of [revolutionary kit](#), developed by the John Innes Centre, which helps farmers diagnose crop diseases within hours – something that can typically take months to do.

Notes to editors:

DFID has partnered with the Gates Foundation since 2010 in the field of agriculture.

The new £38 million of UK aid will contribute to a portfolio of projects which will receive additional funding from the Gates Foundation.

The programme's impact will be two-fold. First, it will contribute directly to securing global food supplies in the face of pest and disease threats, climate change and the increasing scarcity of natural resources. Secondly, the programme will improve the agricultural productivity of smallholder farmers in sub-Saharan Africa and South Asia, thereby reducing poverty at the household and community level, and contributing to economic growth at the national level. The projects will:

- Help scientists to use [biotechnologies](#) to enable crops to convert sunlight and carbon dioxide more efficiently so they grow bigger and produce more food. For example, computer simulations suggest that altering the colour and structure of leaves would allow higher levels of photosynthesis to occur, greatly increasing yield.
- Develop diagnostic tools in West Africa. [The West African Virus Epidemiology \(WAVE\)](#) project is building the evidence base around disease threats to cassava, an essential crop in West and Central Africa. Cassava is a staple food for 800 million people globally, and a key crop for the poorest people in sub-Saharan Africa. Nigeria alone grows 57 million tons of cassava per year, accounting for a fifth of global production. However, the crop is threatened by two key viruses – cassava mosaic disease (CMD) and cassava brown streak disease (CBSD), both of which can cause yield losses of between 50% and 100%. This new research will help scientists to better understand the viruses and how they are

spread so they can develop cassava crops that can withstand them.

- Fund the [ENSA project](#) which aims to harness naturally occurring biological nitrogen fixation processes to deliver useful levels of nitrogen to cereals for smallholders in Africa, with the aim of dramatically reducing the use of synthetic fertilisers and dramatically increasing crop productivity.

During the visit there was a demonstration of a kit which helps farmers diagnose crop diseases within hours. It is a suitcase-sized laboratory which uses [nanopore sequence technology](#) to rapidly diagnose and monitor wheat rust in farmers' fields. It can be used without electricity and in varying temperatures.

DFID is also supporting CGIAR with funding (announced January 2018) to help scientists identify the specific genes in crops that means they are more nutritious, grow faster and are more resilient to disease and extreme weather. This scientific work to create 'super-crops' will help up to 100 million African farmers lift themselves and their families out of poverty, in turn building stability and prosperity, which will help African countries become our trading partners of the future.

The UN Food and Agriculture Organization suggests that global demand for food is estimated to increase by up to 40% by 2030 and 70% by 2050.

[Growing Mid Wales Partnership welcomes UK Government funding to ignite regional ambition](#)

The £55 million of UK Government funding will be used to generate further investment from the private sector to deliver local projects which will increase opportunity and prosperity in communities across mid Wales. The Economic Strategy Group will play a vital role in advising, supporting and advocating to support the region's ambitions.

Following the meeting with the Leaders of the Growing Mid Wales Partnership Councillors Ellen ap Gwynn and Rosemarie Harris said:

The Growing Mid Wales Partnership welcomes an announcement from the Welsh Secretary Alun Cairns MP that £55m of funding will be offered for a growth deal in the region.

The Partnership has been working with both the UK and Welsh Governments, businesses and public and third sector partners to provide strong cross-sector leadership and vision to drive regional growth and prosperity across mid Wales.

We welcome the recently announced funding and look forward to developing detailed proposals as part of a broader vision for growing the economy of mid Wales. This helps recognise the particular needs and challenges of growing the mid Wales economy – but we have to play to our strengths and ensure we strive for meaningful and sustainable growth. It is vital that we have a clear vision to make the most effective use of this initial investment; to unlock and attract a broader package of investment that will be required to fully realise our ambition.

We've invested time in getting the governance right in our region, ensuring that we have strong, accountable and effective partnership structures. The involvement of the private sector in the region will be crucial to help shape and advise on our regional vision to support skills, innovation, connectivity and more productive jobs supporting prosperous and bilingual communities. In that regard, we today announce that the region is searching for a private sector representative to lead a private sector board, the Economic Strategy Group.

The nomination process for the Chair and Vice-Chair is now open for applications from suitably qualified individuals with extensive experience of the private sector who can act as an ambassador for the business community and be their voice in the decision-making process as we move forward. The deadline for applications will be 18 October 2019.

The Secretary of State for Wales, Alun Cairns said:

I was thrilled to be able to announce £55 million from the UK Government for the Mid Wales Growth Deal recently and am now looking forward to working closely with local partners to develop a strong Heads of Terms.

Delivering transformational projects across mid Wales is a top priority for the UK Government and that is why we are committed to providing the funding necessary to generate essential private sector investment.

What is most important is that we enable the people who live, work and do business in mid Wales to develop plans that utilise the region's strengths. This funding will do just that, allowing the Powys and Ceredigion Councils to work with businesses, the public sector and third sector to use local knowledge to realise mid Wales' full potential.

Today's meeting with Councillors Ellen ap Gwynn and Rosemarie Harris provided the perfect opportunity to start discussions around how this funding can be used to build on the progress already made and move towards the development of project plans that will bolster skills, jobs and innovation.

I was also pleased to hear that the region is now searching for a private sector representative to lead the Economic Strategy Group. Private sector involvement is vital in the delivery of projects that will create jobs and foster prosperity across mid Wales and therefore it is fantastic to see that the region are working to ensure that the private sector are involved every step of the way.

For further information regarding the nominations process, please contact the relevant Communications Team. (Ceredigion: pressoffice@ceredigion.gov.uk. Powys: media.enquiries@powys.gov.uk).

[Temporary tariff regime updated](#)

Following the announcement of our [temporary tariff regime](#), we had further discussions with industry and consumer groups. Having listened carefully to their feedback, we will make 3 specific amendments affecting HGVs, bioethanol and clothing.

These are to:

- lower tariffs on HGVs entering the UK market, striking a better balance between the needs of British producers and the SMEs that make up the UK haulage industry, ensuring that crucial fleet replacement programmes that help to lower carbon emissions can continue
- adjust tariffs on bioethanol to retain support for UK producers, as the supply of this fuel is important to critical national infrastructure
- apply tariffs to additional clothing products to ensure the preferential access to the UK market currently available to developing countries (compared to other countries) is maintained

These 3 specific amendments to the tariff rates published in March will enable UK supply chains to continue to operate smoothly and keep prices down for consumers and ensure that we are fully prepared to leave the EU on 31 October whatever the circumstances.

Under the temporary tariff, 88% of total imports to the UK by value would be eligible for tariff free access.

The government would closely monitor the effects of the temporary tariff regime on the UK economy.

Today we are also announcing an exceptional review process, which will come into force on exit day, to make changes to the temporary tariff regime if necessary.

Businesses and consumers will be able to provide feedback on the impact of the temporary tariff regime to the government through an online feedback form. The government will then review the evidence and consider whether any changes need to be made.

The temporary tariff regime provides a balanced approach on tariffs for both consumers and producers.

British businesses would not pay tariffs on imports into the UK for the majority of goods if we leave the EU without an agreement.

This will mean lower prices in shops for consumers and the opportunity to source the best goods from around the world. For example, honey from New Zealand will see its tariff fall from 17% to zero, grapes from Brazil will reduce from around 15% to zero and other products, such as tennis rackets and wines will no longer face a tariff.

The regime would apply for up to 12 months while a full consultation on a permanent approach to tariffs is undertaken from January, as part of work to develop the UK's independent trade policy. All businesses, interest groups and consumers will be able to share their views about the permanent tariff regime with the government through this process.

Trade Policy Minister Conor Burns said:

The UK will be leaving the EU on 31 October and we are working with businesses to ensure the UK is ready to trade from day one.

Our temporary tariff regime will support the UK economy as a whole, helping British businesses to trade and opening up opportunities for business to import the best goods from around the world at the best prices for British consumers.

The UK is a free trading nation and British business is in a strong position to compete in an open, free-trading environment.

UK space skills support sustainable development

Satellite technology and data can improve how we tackle global issues such as deforestation, sustainable food production and disaster response, new analysis shows.

Three new reports, published during World Space Week, which runs from 4 to 10 October, show that space-based solutions are:

- 12 times more cost effective at delivering sustainable forestry
- 7 times more cost effective in supporting agriculture
- Twice as cost effective for ensuring disaster resilience

As well as bringing down the cost of tackling these issues and underpinning better responses for the benefit of developing countries, the UK Space Agency's International Partnership Programme (IPP) has generated £279 million in GVA (Gross Value Added) for the UK economy and supports 3,300 jobs. In total the UK gets more than £2 of benefit back for every £1 invested in these projects.

International Development Secretary Alok Sharma said:

UK aid is central to delivering innovative satellite technology which, in partnership with the UK Space Agency, is helping us achieve the Global Goals and improve the lives of some of the world's most vulnerable people.

We are already seeing the work that this partnership is helping to achieve from mapping outbreaks of cholera across Yemen to predicating droughts.

Dr Graham Turnock, Chief Executive of the UK Space Agency, said:

The aim of IPP is to make a positive, practical impact on the lives of those living in developing countries.

While the UK space sector is a success story at home, generating billions of pounds for our economy and providing 42,000 jobs, these reports show it is also tackling challenges and having a positive impact on the lives of people all over the world.

IPP, a £30 million a year programme, has now funded 33 projects in 44 countries and built partnerships between 120 space-enabled data organisations and 147 international partners in developing countries. These projects tackle UN Sustainable Development Goals (UN SDG) such as support for precision

agriculture, early warning systems for disasters prediction and disease detection.

Over 2,000 people in 186 organisations have been trained to use IPP-funded solutions. Based on current trends, over 4,000 individuals in developing countries are expected to receive training via IPP by 2021.

IPP focuses on using UK space data service strengths in research and innovation to underpin a sustainable economic or societal benefit to developing economies around the world. It is part of and is funded from the Department for Business, Energy and Industrial Strategy's (BEIS) Global Challenges Research Fund (GCRF): a £1.5 billion fund announced by the UK Government, which supports cutting-edge research and innovation on global issues affecting developing countries.

[World Space Week](#) is a United Nations celebration of space and science, featuring thousands of events all over the world that bring people together to inspire an interest in space.