

CMA accepts 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, Carpenter and Recticel conceded that the deal raised competition concerns and asked the CMA to "fast-track" the case to the assessment of a remedy that could address those concerns.

The CMA accepted the businesses' request and consulted, in September, on the merging business' proposal to sell the majority of the UK arm of Recticel's engineered foams business to address the competition concerns raised by the deal.

The CMA's final report confirms that the deal could reduce competition. This means that, without remedies to restore this loss of competition, the deal could have damaged the competitiveness of UK-based manufacturers that rely on foams to make their products, as well as leading to less choice and a poorer outcome for consumers.

The CMA has also concluded that, with minor modifications, the remedy proposed by the merging businesses will fully replace the loss of competition arising from the merger. This means that Carpenter will now be required 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, with the capabilities to ensure that the business remains as competitive as it is at present.

The CMA's decision today brings the case to a close well ahead of the 22 January 2023 statutory deadline, highlighting the potential efficiency benefits of "fast track" remedies processes.

Kip Meek, Independent CMA Panel Chair, said:

Having completed a thorough review of the evidence over 2 months ahead of the statutory deadline, we have confirmed our provisional conclusion that the merger could reduce competition in certain foam markets.

Requiring Carpenter to sell most of the UK arm of Recticel's

engineered foams business to an independent, CMA-approved buyer will protect UK manufacturers from higher costs – and ultimately means that their customers won't get a worse deal when buying beds, sofas or everyday items like kitchen sponges. On these terms, the transaction can go ahead.

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

Notes to editors

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 agreed to waive their right to challenge this position during the CMA's Phase 2 investigation and also submitted a proposed remedy to address the concerns identified.
 4. The CMA introduced a mechanism to 'concede' an SLC in the revised version of [CMA2 revised](#) introduced in January 2021. This was the first time that merging businesses have conceded an SLC in a Phase 2 merger inquiry. This has enabled the outcome of the investigation to be reached significantly more quickly than usual (ie over 2 months before the 24-week statutory deadline)
 5. The CMA 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. The CMA asked 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
 7. The CMA concluded that the divestiture under the Parties' Remedy Proposal to a suitable upfront purchaser, who has sufficient R&D capabilities and chemical procurement experience, would be effective and proportionate in addressing the SLCs and the resulting adverse effects.
 8. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.
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PM meeting with President Biden of the United States: 16 November 2022

Press release

The Prime Minister met US President Biden today at the G20 Summit in Indonesia.



The Prime Minister met US President Biden today at the G20 Summit in Indonesia.

The leaders agreed on the national and international importance of the strong UK-US relationship, particularly given the challenging economic times the world is currently facing.

The Prime Minister and President Biden underscored that the actions of President Putin and his regime are directly responsible for precipitating global economic issues including rising inflation. Maintaining international pressure to ensure Putin fails in Ukraine is in everyone's interest.

The leaders agreed to work together, and with allies, to address the economic consequences of Putin's brutality. This includes action to protect the most vulnerable in our countries and around the world, and efforts to secure our long-term energy supply.

They stressed the importance of likeminded allies providing a counterpoint to authoritarian regimes, including ensuring developing countries can grow in a sustainable way.

The Prime Minister and President Biden both agreed on the importance of sustained engagement in the Indo-Pacific region and pointed to the AUKUS pact as an example of that. The Prime Minister outlined the UK's Indo-Pacific priorities, including joining the CPTPP trade bloc.

The leaders looked forward to working together to take forward cooperation between the UK and the US on areas including trade, defence and upholding the Belfast (Good Friday) Agreement.

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Joint statement from G7 Leaders: 16 November 2022

Press release

Joint statement from G7 leaders on Ukraine.



We condemn the barbaric missile attacks that Russia perpetrated on Ukrainian cities and civilian infrastructure on Tuesday.

We discussed the explosion that took place in the eastern part of Poland near the border with Ukraine. We offer our full support for and assistance with Poland's ongoing investigation. We agree to remain in close touch to determine appropriate next steps as the investigation proceeds.

We reaffirm our steadfast support for Ukraine and the Ukrainian people in the face of ongoing Russian aggression, as well as our continued readiness to hold Russia accountable for its brazen attacks on Ukrainian communities, even as the G20 meets to deal with the wider impacts of the war. We all express our condolences to the families of the victims in Poland and Ukraine.

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Health and Social Care Secretary sets

out key priorities ahead of winter

Press release

Health and Social Care Secretary Steve Barclay will address the NHS workforce at the NHS Providers' annual conference.



- He is expected to set out his key priorities including a focus on what matters most to patients
- Focus will be on delivering for patients and making it as easy as possible for NHS and social care frontline staff to do their jobs

The Health and Social Care Secretary Steve Barclay will today set out his plans to steer the health and care system through the upcoming winter and signal changes that will make the NHS better prepared for future “storms to come.”

Addressing the NHS Providers conference in Liverpool, Steve Barclay will say he will focus “on the areas that matter most to the patient experience” and measures which make it “as easy as possible” for frontline NHS and care workers to do their jobs.

In his first speech since returning to the role, Mr Barclay will outline his five key priorities for the months ahead:

- Supporting the workforce including through more staff for NHS 111 and 999
- Focusing on recovery plans across electives, urgent and emergency care
- Tackling the issue of delayed hospital discharge
- Improving access to primary care
- Ensuring a stronger future for health including maintaining momentum on the New Hospital Programme and investing in technology to improve patient outcomes

He will say:

We face the twin threats of Covid and flu, external pressures around energy and cost of living, and we enter the colder months

without the breathing space that we might have usually had due to covid pressures over the summer.

So there is a huge amount to do to steer health and care through this storm and crucially, make the changes that will better prepare us for the storms to come.

He will add:

My focus will be on the areas that matter most to the patient experience.

On tackling the Covid backlogs the Secretary of State will emphasise the importance of close working between the Department of Health and Social Care and NHS England to reduce variation in patient access and waiting times across the country. He will say he will be taking forward an approach that is “informed by the data” and “focuses attention where it is needed the most.”

He will also outline a need to invest in new technology and harness the opportunities of new ways of working shown by the pandemic including use of the NHS app to reduce pressures in primary care.

Looking beyond the immediate challenges of this winter, the Secretary of State will reiterate the need to ensure a stronger future for health and care including investment in NHS buildings and the need to modernise the way future hospitals are built as part of the government’s commitment to deliver 40 new hospitals by 2030.

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PM call with President Andrzej Duda of Poland following reports of a missile strike in Poland

Press release

Prime Minister Rishi Sunak spoke to Polish President Andrzej Duda from the G20 in Indonesia, following reports of a missile strike in Poland.



The Prime Minister spoke to Polish President Andrzej Duda today (16 November) from the G20 in Indonesia, following reports of a missile strike in Poland.

He reiterated the UK's solidarity with Poland as a close ally and expressed condolences for the victims and their families.

President Duda updated on the Polish investigation efforts, and the Prime Minister offered any assistance needed to urgently establish what happened.

The leaders agreed to remain in close contact and continue coordinating with our international partners, including NATO Allies, on the next steps.

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