# Press release: 3 major UK construction suppliers in provisional cartel finding

Rolled lead is an important product for the construction industry, used mainly for roofing.

The Competition and Markets Authority (CMA) has provisionally found that the three, who account for about 90% of UK rolled lead supplies, entered into a cartel to share the market amongst themselves through, for example, the allocation of customers.

The CMA alleges that the cartel:

- colluded on prices;
- exchanged commercially sensitive information;
- refrained from targeting some of each other's customers; and
- collectively refused to supply another company whose business threatened to disrupt the market sharing arrangement.

The CMA has been investigating Associated Lead Mills Ltd, which has its headquarters in Hoddesdon, Hertfordshire, and its sister company Jamestown Metals Limited, H.J. Enthoven Ltd (trading as BLM British Lead, which has its headquarters in Welwyn Garden City, Hertfordshire) and Calder Industrial Materials Ltd, since July 2017. Calder's headquarters are based in Chester, Cheshire.

In a statement of objections issued today, the CMA sets out its provisional findings that the 3 suppliers entered into this anti-competitive arrangement which broke competition law.

Michael Grenfell, the CMA's Executive Director for Enforcement, said:

These are the 3 biggest suppliers of rolled lead in the UK, between them making up about 90% of supplies. Their products are in everyday use by builders, especially for roofing of both homes and businesses across the UK.

After a thorough investigation, the CMA has today provisionally found that these three companies colluded among themselves to share out the market. The CMA hopes that this provisional finding will send a strong reminder that companies need to follow competition laws. These are crucial to protecting customers from paying more for products than they should do.

The CMA's findings are, at this stage in its investigation, provisional and do not necessarily lead to a decision that the companies have breached

competition law. The firms now have the opportunity to consider the detail of the CMA's provisional findings and respond to it. The CMA will carefully consider any representations made before issuing its final findings as to whether the law has been broken.

Tackling cartels is a fundamental part of the CMA's work. Some recent examples of the CMA's action against cartels include: <a href="fining 2">fining 2</a> of the main suppliers of bagged charcoal and coal for households in the UK over £3.4 million for taking part in a market sharing cartel and <a href="fining water tank">firms over £2.6 million</a> after they formed a cartel agreeing to fix the price of certain tanks, divide up customers and rig bids for contracts.

The CMA also runs a <u>Stop Cartels campaign</u>, which aims to educate businesses about which practices are illegal and urges people to come forward if they suspect a business has taken part in cartel behaviour, such as fixing prices or rigging contracts. The campaign explains what anti-competitive behaviours are, why they are illegal, what impact they have on the economy and consumers and why they should be reported.

- 1. The Chapter I prohibition in the Competition Act 1998 prohibits agreements and concerted practices between businesses which have as their object or effect the prevention, restriction or distortion of competition within the UK. Article 101(1) of the Treaty on the Functioning of the European Union (TFEU) covers equivalent anticompetitive agreements and concerted practices which may affect trade between EU member states.
- 2. Any business found to have infringed these prohibitions can be fined up to 10% of its annual worldwide group turnover, taking into account a range of factors including the seriousness of the infringement and any mitigating or aggravating factors.
- 3. A statement of objections gives addressees notice of a proposed infringement decision under the Competition Act 1998 and the equivalent EU law prohibitions. The statement of objections is addressed to the following parties, which the CMA provisionally considers were directly involved in the alleged infringements or are liable as parent companies of the undertakings directly involved: Associated Lead Mills Limited, Jamestown Metals Limited and their parent company International Industrial Metals Limited; H.J. Enthoven Limited (trading as BLM British Lead) and its parent company Eco-Bat Technologies Limited; Calder Industrial Materials Limited and its parent company Calder Group Holdings Limited.
- 4. The statement of objections will not be published. However, any person who wishes to comment on the CMA's provisional findings and who, in the CMA's view, is directly and materially affected by the outcome of the CMA's investigation and is in a position materially to assist the CMA's assessment of the case, may request a non-confidential version of the statement of objections by contacting Eva Nickel (<a href="mailto:eva.nickel@cma.gov.uk">eva.nickel@cma.gov.uk</a>) by 10 April 2019.
- 5. Anyone who has information about a cartel is encouraged to call the CMA cartels hotline on 020 3738 6888 or email <a href="mailto:cartelshotline@cma.gov.uk">cartelshotline@cma.gov.uk</a>.
- 6. Enquiries should be directed to the CMA's press team: press@cma.gov.uk,

- or 020 3738 6460.
- 7. More information on this investigation can be found on the <u>roofing</u> <u>materials investigation case page</u>.

### News story: UK backs British aid organisations in the event of no deal

Last August the Department for International Development <u>committed to funding</u> any new programme led by a UK aid organisation funded from the EU's humanitarian and civil protection agency (ECHO) in a no deal scenario.

The European Commission currently requires UK aid organisations to prove when they apply that they are able to fund the delivery of humanitarian contracts should there be a no deal scenario. The vast majority of organisations are unable to make such a financial commitment up front, and so were being discouraged from applying.

Ms Mordaunt has now promised to extend this pledge to cover any development funding implemented by UK NGOs which the EU would stop in a no deal scenario.

This includes contracts and grants awarded prior to 23 August. In addition, we will be extending the assurance to ECHO contracts signed prior to this date. This assurance will now apply to programmes bid for prior to 12 April.

International Development Secretary Penny Mordaunt said:

It is deeply disappointing that the EU continues to discriminate against world-class humanitarian and development organisations because they are British.

We will guarantee funding to these life-saving organisations so they can continue their vital work in the event of no deal.

Ms Mordaunt has written to UK aid organisations to confirm her funding commitment.

<u>Penny Mordaunt's Written Statement to Parliament on the extension of the financial assurance.</u>

### News story: Next step in photonic technologies: apply for funding

Photonic technologies including lasers and fibre-optics contribute <u>almost f13</u> <u>billion to the UK economy</u>. These technologies, which generate and harness light, can currently be found in smartphones displays and driverless cars.

Light-based technologies also account for <u>7% of all UK manufacturing output</u>. This means that the UK is currently among the top 10 countries for global market share of photonics components. However, ensuring the UK's continued success will require continued improvement on products and processes.

A share of £2 million is available for international partnerships developing novel industrial photonic technologies. The funding is available through the EUREKA Network in Photonics, a joint initiative between Innovate UK and the Photonics21 Mirror Group.

#### **Competition information**

The competition is focused on significantly improving products and processes surrounding photonic technologies.

These include but are not limited to:

- laser machining
- additive manufacturing
- selective laser sintering
- photonic curing
- photo, stereo or laser-based lithography
- wave imaging and light detection and ranging (LIDAR)

Industry sectors in this competition's scope include but are not limited to:

- materials
- electronic and computer components
- aviation or aerospace
- manufacturing
- electro-mechanical engineering

This is a collaborative research and development competition. Projects must include at least 1 partner from the participating countries of the EUREKA Network in Photonics. These are:

- Austria
- France
- Germany
- Israel
- Poland
- Switzerland

Projects can also partner with other UK-based businesses and research organisations of any size.

#### **Competition information**

- the competition is open and the deadline for registration is at midday on 15 July 2019
- organisations of any size can apply
- total eligible project costs are expected to be between £640,000 and £1.7 million, which includes costs from all partners in the UK and other countries

Briefing events will be held in:

## News story: Protection from tax hikes extended for military personnel in Scotland

Thousands of troops who could have been adversely affected by the Scottish Government's tax rises will continue to be protected in the next financial year.

Last year the Defence Secretary announced that to counter tax hikes by the Scottish Government, the MOD would provide financial mitigation to ensure that over 8000 personnel would not be negatively affected.

The move came after concerns that income tax changes could have resulted in Scotland becoming a less attractive place for military personnel to be posted. The renewed protection, to cover financial year 2019/20, will protect nearly two thirds of all armed forces personnel liable for Scottish Income Tax. It will also help with recruitment and retention, particularly as many of those affected are personnel with specialist skills, such as aircraft and submarine engineers.

The last Scottish Government budget in December 2018 confirmed further divergence between Scottish and UK tax rates and as a result the financial compensation cap for Armed Forces personnel liable for Scottish tax has risen from £1500 to £2200.

The plans will protect the personnel who continue to be negatively affected by the income tax hikes. Personnel will be compensated with an annual payment to make sure that all troops, regardless of where they are deployed or where their families are based, will receive similar take-home pay.

Defence Secretary Gavin Williamson said:

Our Armed Forces are deployed where they are most needed and so it is wrong that personnel are penalised or left hundreds of pounds out of pocket because of decisions taken by the Scottish Government.

As a result of this decision, I am extending the financial mitigation package for serving personnel in Scotland for another tax year. This demonstrates our commitment to treating all personnel both equally and fairly, wherever they serve.

The financial mitigation measures will:

- Be payable to all regular personnel who pay Scottish Income Tax, regardless of where in the world they are serving. Mitigation of between £12 and £2,200 will be paid, with payments grossed up to take account of income tax and national insurance applied when they are made.
- Cover personnel for tax year 2019/20, with a single payment made retrospectively.

The MOD will continue to review the situation and make decisions each tax year as to whether the difference between Scottish tax and tax elsewhere in the UK is sufficient to warrant financial mitigation. The annual cost to the MOD for Tax Year 2019/20 is expected to be £6 million.

Scotland Secretary David Mundell said:

Our servicemen and women make a huge contribution to Scottish communities and the economy and it is unfair for them to be hit in the pocket by the Scottish Government's decision to make Scotland the highest taxed part of the UK. I welcome the Defence Secretary's confirmation that the UK Government will continue to protect our military personnel from this Scottish Government imposed penalty.

Scotland plays an important role in UK Defence supporting over 10,000 industry jobs and is renowned for building the world's finest warships including the UK's new aircraft carriers and the Royal Navy's state-of-art Type-26 frigates.

Scotland also benefits from £1.6 billion of defence investment in local industry and an average of £290 expenditure per person each year. Scotland is also home to some of the most important national defence capabilities including HM Naval Base Clyde, home to Britain's nuclear deterrent and hunter-killer submarines, and RAF Lossiemouth, which defends the UK's airspace with its three Typhoon combat aircraft squadrons and 51st Infantry Brigade.

### News story: Dedicated support centres for complex cases

The Service and Support Centres (SSC) will provide a free service for those who may be in a position of vulnerability or who may have complex circumstances and would therefore benefit from an enhanced service.

Experienced UKVI staff will provide a face to face service and help people throughout their application. The hands-on service will help make sure the right information and evidence is captured, so that individuals apply under the route most appropriate for their circumstances.

The SSCs will be in Belfast, Cardiff, Croydon, Glasgow, Liverpool, Sheffield and Solihull.

Immigration Minister Caroline Nokes said:

I want an immigration system which is flexible and a key part of that is to make sure we provide enhanced support to those who need it.

These new centres will have experienced staff on hand to help guide people through the process so that they can get any support they may need, but importantly to help make sure they provide the right information first time.

The hands-on support at the new centres will help reduce the number of instances where further information is requested, as staff will help people understand what information and evidence they need to provide.

People with exceptional circumstances, such as serious medical issues or destitution, may also qualify for travel assistance or mobile services.

The online application will intuitively lead the person through the process making it clear what they need to do, what supporting evidence they will need and where they will need to go to complete their application.

The service will also be open to a range of people, including those who are applying based on family or private life or if they have been granted a fee waiver.