Press release: Drug company accused of abusing its position to overcharge the NHS

The Competition and Markets Authority (CMA) has been investigating how much the pharmaceutical company was charging for liothyronine tablets. It found that last year, the NHS spent more than £34 million on the drug, an increase from around £600,000 in 2006. The amount it paid per pack rose from around £4.46 before it was de-branded in 2007 to £258.19 by July 2017, an increase of almost 6,000%, while production costs remained broadly stable.

Liothyronine tablets are primarily used to treat hypothyroidism, a condition caused by a deficiency of thyroid hormone affecting at least 2 in every 100 people and which can lead to depression, tiredness and weight gain. Although liothyronine tablets are not the primary treatment for hypothyroidism, for many patients there is no suitable alternative and, until earlier this year, Concordia was the only supplier.

CMA Chief Executive, Andrea Coscelli, said:

Pharmaceutical companies which abuse their position and overcharge for drugs are forcing the NHS — and the UK taxpayer — to pay over the odds for important medical treatments.

We allege that Concordia used its market dominance in the supply of liothyronine tablets to do exactly that.

At this stage in the investigation, our findings are provisional and there has been no definitive decision that there has been a breach of competition law. We will carefully consider any representations from the companies before deciding whether the law has in fact been broken.

The CMA is addressing its Statement of Objections to Concordia, as well as to Cinven and HgCapital — private equity firms and previous owners of entities now forming part of Concordia. All now have an opportunity to respond to the provisional findings set out in the Statement of Objections.

This is one of a number of CMA cases in the pharmaceutical sector, including a recent fine against <u>Pfizer and Flynn Pharma of nearly £90 million</u> in relation to excessive and unfair prices for anti-epilepsy treatment, phenytoin sodium capsules, in respect of which the CMA's decision is currently under appeal. The CMA also fined <u>a number of pharmaceutical companies a total of £45 million</u> in relation to anti-depressant medicine paroxetine; that decision is also under appeal. The CMA is pursuing another 7 investigations into several companies in relation to drug pricing and competition issues. These can all be viewed on the <u>CMA's case pages</u>.

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 protection laws.
- 2. The CMA is addressing the Statement of Objections to Mercury Pharmaceuticals Limited, Concordia International Rx (UK) Limited, Mercury Pharma Group Limited and Concordia International Corporation, as well as to HgCapital LLP and to Cinven (Luxco 1) S.A., Cinven Capital Management (V) General Partner Limited and Cinven Partners LLP.
- 3. A Statement of Objections gives parties notice of a proposed infringement decision under the competition law prohibitions in the Competition Act 1998 and the EU law equivalents. It is a provisional decision only and does not necessarily lead to an infringement decision. Parties have the opportunity to make written and oral representations on the matters set out in the Statement of Objections. Any such representations will be considered by the CMA before any final decision is made. The final decision will be taken by a case decision group, which is separate from the case investigation team and was not involved in the decision to issue the Statement of Objections.
- 4. The Statement of Objections will not be published. However, any person who wishes to comment on the CMA's provisional findings, and who is in a position materially to assist the CMA in testing its factual, legal or economic arguments, may request a non-confidential version of the Statement of Objections by contacting the CMA.
- 5. The CMA may impose a financial penalty (ie a fine) on any business found to have infringed each of these provisions of up to 10% of its annual worldwide group turnover. In calculating financial penalties, the CMA takes into account a number of factors including the seriousness of the infringement, turnover in the relevant market and any mitigating or aggravating factors.
- 6. Media queries should be directed to press@cma.gsi.gov.uk, on 020 3738 6337.

Speech: Sajid Javid's speech to the County Councils Network conference 2017

Good afternoon everyone, many thanks to Paul [Carter] for that kind introduction.

And thank you also for everything you've done as Chairman of the CCN.

You've shown tireless leadership and endless enthusiasm for the task, and it

has been a real pleasure working with you.

The last time I spoke at a major local government conference, it was the LGA's one back in the summer.

And I think it's fair to say the reception was a little mixed.

Views were diverse.

Some said it went down like a bucket of cold sick.

Others disagreed — they liked it even less!

I know you've had a great day today.

I've been looking at the agenda and it looks like a brilliant programme.

I'm sorry I'm not able to join you for this evening's festivities.

Sadly I've got to rush back for votes, which is a shame as I see Gyles Brandreth is tonight's after-dinner speaker.

He's certainly worth sticking around for.

I'm sure you all know that Gyles used to be a Conservative MP, from 1992 to 1997.

A very different time, when a minority government was beset with sleaze allegations and facing divisions over Europe...

Less well-known is the fact that, in 1978, Gyles was European Champion at the board game Monopoly.

True story.

So he certainly knows how to get houses built.

And in central London too, not on the green belt!

It's a pleasure to be here in lovely Marlow, on the edge of the Chiltern Hills.

It's a very historic town.

Mary Shelly lived just down the road when she was writing Frankenstein.

The story of a well-meaning individual who wants to do the right thing but ends up unleashing a monster.

Kind of like me with that LGA speech, actually...

With so much focus on the outcome of June's General Election, a lot of people seem to have forgotten about May's county polls.

Well, a lot of people outside this room, anyway!

Congratulations to everyone here who got elected or re-elected.

Paul, for example, he won 66% of the votes in his ward and leads a group that holds more than 80% of the seats in Kent.

80%!

I think it's fair to say us Conservative MPs are a little envious!

I know it's not easy to ask your fellow residents to judge you, put their faith in you, vote for you.

I've done it 3 times myself now and it's certainly a humbling experience.

But a great many men and women did just that back in May, with thousands winning the backing of their local communities and proudly taking their seats on county councils.

In the weeks before the vote I travelled the whole country, talking with and listening to county councillors, candidates, officials and residents and hearing about what really mattered to them.

I often talk about councillors as being on the frontline of democracy and my tour of the counties really reinforced that.

What you do matters.

The decisions you make matter.

The people you serve rely on you to get things right. Time and again — you deliver for them.

You don't do it for fame or riches.

You certainly don't do it for an easy life.

You do it because you want to make a difference.

Because you want to make life better for the people of your counties.

You represent the very best aspects of public service and of British life.

And it's an honour, an absolute honour, to represent you as Secretary of State.

The topics being debated here today and tomorrow show just how important our county councils are.

Social care, children's services, transport, jobs and more.

These are the building blocks of daily life, relied on by millions of people.

And of course the thread that runs through all of them is the thread that runs through all of politics and government.

The thread alluded to by my Labour Shadow just a few minutes ago.

Funding.

I know that I could stand here all night and make any number of announcements and pronouncements and promises...

...and you'd all nod along politely and then say "that's great, Saj, now show me the money".

With the Budget happening on Wednesday and the local government finance settlement to come, it wouldn't be right for me to get into specifics right now.

But, whatever the Budget brings, whatever the finance settlement brings, I remain totally committed to speaking up for the needs of local government.

Twelve months ago I stood in front of you and promised to fight for county councils in the year ahead.

To speak for you, lobby for you and be an advocate for you at the Cabinet table and beyond.

Twelve months on, that's a promise I've worked hard to keep.

Over the past year, Marcus Jones and I have never stopped fighting to secure finance agreements that work for everyone.

For Whitehall, for the counties, and above all for the people we all serve.

That's why we announced an extension of the business rates retention pilots.

That's why we secured sizable amounts of fresh funding for adult social care and just last week announced plans for a <u>new green paper</u>.

And that's why we're continuing to push ahead with our work on Fair Funding.

I recognise this is still a difficult financial climate. I know the pressures that you face, particularly with respect to adult and children's social care.

I'm also not naïve enough to think there's a single magic bullet that will instantly solve all of the issues you face.

I'd advise you to raise a sceptical eyebrow at anyone who claims to have one.

I'm interested in the long-term, not the quick fix.

Sustainable change, not an easy win.

And that's why I will keep working with you to better understand these challenges so I can continue to fight your corner.

With many of your councils dating back to Victorian times, it's easy to characterise counties as the dusty old relatives of the local government

world...

...especially when compared with the shiny new unitaries, combined authorities and so on.

But that stereotype couldn't be more wrong.

Because this is an exciting time for anyone involved with county councils.

A time of new opportunities, new roles, new ways to better serve the people you represent.

I know that in some corners of local government there's still this outdated attitude that says councils should stay in their lane.

"We're responsible for this, the districts are responsible for that and never the twain shall meet".

You don't need me to tell you that such thinking is woefully out of date.

The future — not to mention the present — is all about joined-up thinking, working together strategically to get things done.

Look at housing, the single biggest challenge of our age.

Most counties are not planning authorities, directly responsible for delivering homes.

But you're all responsible for transport.

For schools.

For roads.

For creating an environment in which homes can be built, in which communities can be created.

I know that tomorrow you're going to hear from Ed Lister about the role of counties in getting homes built.

And it's great that you're discussing it, because the only way we will build the homes this country needs is if we all roll up our sleeves and do our bit.

There are also opportunities for closer working across county lines.

There was a time when most peoples' lives extended no further than a day's walk from their home, but such days are far behind us.

In 21st century Britain, people are mobile.

Their work is mobile, their lives are mobile.

They are not constrained by lines on a map, and nor should you be.

No man is an island and — with a handful of literal exceptions — no council is either.

All local authorities are intrinsically linked with their neighbours on issues such as transport, housing and the economy...

…even the Isle of Wight with its links to Hampshire, Portsmouth and Southampton.

Earlier this month I was in China, where interest in the <u>Northern Powerhouse</u> and <u>Midlands Engine</u> was pronounced because potential investors want to look at opportunities on a regional level, not just individual towns, cities and counties.

That's why strategic co-operation between councils has never been so important.

Sometimes that will be an informal process, sometimes more official.

We already see a great many Local Enterprise Partnerships crossing local authority lines, recognising the flows of people and money in the modern economy and the need for strategic decision-making.

And of course combined authorities, with a directly elected mayor, are already delivering results right across the country.

Up to now relatively few county councils have been involved in devolution deals.

Devolution has been seen as something for the big cities, the metropolitan centres.

This government remains absolutely committed to the devolution agenda, but I see no reason why its benefits should be limited to the cities.

That's particularly important given our Industrial Strategy, which is built around the goal of sharing the benefits of growth right across the country — north and south, urban and rural, cities and counties.

Devolution and localism, for me, is all about making decisions at the most appropriate level.

Some things, matters of national importance, will always be best decided at Westminster.

But for everything else, there are all kinds of opportunities to redistribute power in all kinds of ways.

Just look at <u>Transport for the North</u>, set to become a statutory body in the spring, and recognising the benefits of looking at transport on a regional level.

What does this mean for counties?

Well, if you have an idea for making local government work better, one that serves the interests of local people, then please come and tell me about it.

If local people want it, if local businesses want it, I'll do what I can to help you make it happen.

And that could include non-mayoral combined authorities in, for example, rural areas where a single figurehead isn't necessarily suitable.

To help with that process we're looking at how to design a devolution framework.

As promised in our election manifesto it will be a common set of guidelines.

Rules that everyone plays by, so that everyone involved in the process...

...local authorities, businesses, residents...

...knows where they stand and what is expected of them.

Work is still in the early stages — and I'd welcome your support in shaping the final product.

But I want a framework that, above all else, provides clarity and consistency about what a successful devolution agreement looks like.

What standards will need to be met, what outcomes will need delivered, what red lines there are for the whole process.

Expectations about leadership, scope and levels of local support.

With a clear position on how devolution negotiations should proceed, authorities at all levels will much better placed to develop and put forward proposals that suit the unique needs of their residents and businesses.

It will help ensure that the right decisions are made at the right levels, so that local people get the services they deserve.

Of course, devolution and combined authorities aren't the only changes that counties are talking about right now.

I've now received two proposals setting out competing visions for the future of Buckinghamshire — whether that should be as one unitary or two.

These show councils at their best — ambitious, innovative, and ready to come forward with exciting ideas for the future.

We're now going through both sets of plans very closely and will be making an announcement on next steps as soon as we can.

And, earlier this month, I announced that I'm minded to support the plan for a pair of unitary authorities in Dorset.

I know that's a decision that was welcomed by the CCN, it's great to be on

the same page as you.

But, more importantly for me, it's a decision that was also supported by twothirds of Dorset residents.

By the Dorset Local Enterprise Partnership.

By the vast majority of local businesses.

By 6 of the 9 local councils.

By most of the county's MPs.

I've always been clear that any change to council structures should not be dreamed up or imposed by Whitehall, but led by local councils and local people.

And that's exactly what we've seen in Dorset.

Yes, some people disagree with the move.

That's what happens in a democracy.

And that's why, when I announced that I was minded to support the change, I made it very clear that further steps are needed to try to secure local consent before a final decision is made.

Last year I told you that I wasn't going to force all of you to go unitary.

That's still very much the case.

But if councils want to come to me with proposals that will improve local government, improve public services, and give better value to local taxpayers...

My door is always open.

And if, as in Dorset, those plans are built on a foundation of local support, it will make any decision I have to make a great deal easier!

Speaking of councils coming to me with ideas, let me take this opportunity to thank the CCN and Respublica for the fascinating report you've just published.

At a time when opportunities and challenges are plenty, it's great to see you proactively looking at innovative ways of dealing with them.

In Budget week in particular, it's very easy for politicians who aren't in power to offer blank cheques they know will never be cashed and empty promises they know will never be kept.

Actually coming up with workable, practical ideas is much harder.

So this report is a welcome addition to the debate.

It certainly provides food for thought, and my team and I will be looking at it closely.

And I'll also be asking Paul to sign a copy so I can give it to Marcus Jones in the Secret Santa next month!

All ministers have annual fixtures in their speaking diaries — the CCN conference is one such example.

But, because I've run 3 departments in less than 4 years, this conference today is actually the first time I've managed to speak an annual event 2 years in a row!

I think it's fitting that the CCN is where I break that particular duck.

Because local government is very, very important to me.

I talk about housing a lot, everyone knows it's my number one priority, but that doesn't mean I'm not full of admiration for what you do.

So it's great that I'm able to come back year after year to build relationships, reflect on progress, and work together on the challenges and opportunities that lie ahead.

That's why, rather than talking at you for an hour, I'm going to give over the rest of this slot to Q&A.

I want to hear your views, your concerns, your ideas.

I want a conversation with local government, not a lecture.

County councils have roots that go back through the centuries.

They are a significant part of this country's history.

They play a vital role in its present.

And, when I look around this room, I see no shortage of ambition for the future.

I'm looking forward to working with all of you to turn that ambition into results.

Thank you.

Press release: PM meeting with

President Nana Akufo-Addo: 20 November 2017

This afternoon Prime Minister Theresa May welcomed President Nana Akufo-Addo of Ghana to Downing Street for a bilateral meeting.

The Prime Minister congratulated President Akufo-Addo on Ghana's 60th Anniversary of Independence and affirmed her wish to renew the UK-Ghana partnership for the next 60 years and beyond.

They discussed how to build on bilateral trade ties, including by encouraging more UK companies to invest in Ghana.

The Prime Minister said that she looked forward to welcoming the President back to London in April for the Commonwealth Heads of Government Meeting. They agreed on the importance of engaging with young people and putting them at the heart of the Commonwealth agenda.

The leaders noted the importance of UK and Ghana's close co-operation on key security challenges including counter-terrorism, organised crime and human trafficking.

News story: UK and France increase security cooperation in the Channel

The Defence Secretary, Gavin Williamson, and his French counterpart, Florence Parly, have reaffirmed the strength of British-French defence ties at a meeting at the historic Admiralty House today.

Following an inspection of a Guard of Honour at Horse Guards Parade, the Defence Secretary and the French Minister of the Armed Forces signed an agreement to increase British and French co-operation on countering terrorism and illegal migration in the Channel, one of the busiest maritime highways in the world.

Defence Secretary, Gavin Williamson, said:

French security is our security, which is why our defence relationship with them is vital to us and to Europe as a whole. It will continue even after the UK leaves the European Union.

The Channel is of huge importance to both our countries. This new agreement demonstrates our commitment to work with international

partners to help tackle the threat of piracy and terrorism around the globe and protect our people at home.

The agreement builds on existing maritime cooperation between the Royal Navy and French Navy, which includes joint exercises and intelligence-sharing. It will ensure both countries use the most modern technologies and share knowledge, to help identify suspicious activities and conduct maritime security operations.

The meeting came ahead of the next <u>UK-France Summit</u> in the new year, which will further strengthen the UK and France's Defence cooperation under the <u>Lancaster House Treaty</u>.

<u>Speech: Minister for the Middle East</u> <u>speech on the situation in Yemen</u>

With permission, Mr Speaker I would like to make a statement to the House on the humanitarian and political situation in Yemen and the implications of the conflict for regional security.

Her Majesty's Government remains deeply concerned by the humanitarian situation in Yemen and the impact recent restrictions are having on what was already the worst humanitarian crisis in the world and largest ever cholera outbreak.

We recognise the risk of a severe deterioration of the humanitarian situation, if restrictions are not quickly removed and call on all parties to ensure immediate access for commercial and humanitarian supplies through all Yemen's land, air and sea ports.

But we should be clear about the reality of the conflict in Yemen. The Saudiled Coalition launched a military intervention after a rebel insurgency took the capital by force and overthrew the legitimate Government of Yemen as recognised by the UN Security Council. Ungoverned spaces in Yemen are being used by non-state actors and terrorist groups to launch attacks against regional countries, international shipping lanes and the Yemeni people.

As my Rt Hon friend the Foreign Secretary has made clear, we strongly condemn the attempted missile attack against Riyadh on 4 November. This attack, which has been claimed by the Houthis, deliberately targeted a civilian area and was intercepted over an international airport.

The United Kingdom remains committed to supporting Saudi Arabia to address its legitimate security needs.

We are therefore deeply concerned by reports that Iran has provided the Houthis with ballistic missiles. This is contrary to the arms embargo established by UN Security Council Resolution 2216 and serves to threaten regional security and prolong the conflict.

I understand that a UN team is currently visiting Riyadh to investigate these reports. It is essential that the UN conducts a thorough investigation. The UK stands ready to share its expertise to support this process.

But Mr Speaker, we recognise that those who suffer most from this conflict are the people of Yemen.

We understand why the Saudi-led Coalition felt obliged to temporarily close Yemen's ports and airports in order to strengthen enforcement of the UN mandated arms embargo. It is critical that international efforts to disrupt illicit weapons flows are strengthened.

At the same time, it is vital that commercial and humanitarian supplies of food, fuel and medicine are able to reach vulnerable Yemeni people, particularly in the north — where 70% of those in need live.

Even before the current restrictions, 21 million were already in need of humanitarian assistance and 7 million were only a single step away from famine. 90% of food in Yemen is imported and three quarters of that comes via the ports of Hodeidah and Salif. No other ports in Yemen have the capacity to make up that shortfall.

Our NGO partners in Yemen are already reporting that water and sewerage systems in major cities have stopped operating because of a lack of fuel. This means that millions no longer have access to clean water and sanitation, in a country already suffering from the worst cholera outbreak in modern times.

The current restrictions on access for both commercial and humanitarian shipments risk making an already dire situation immeasurably worse for the Yemeni people. We have heard the UN's stark warnings about the risk of famine.

We call on all parties to ensure immediate access for commercial and humanitarian supplies to avert the threat of starvation and disease faced by millions of civilians.

We also call for the immediate reopening of Hodeidah port and the resumption of UN flights into Sana'a and Aden airports, as the Foreign Office statement on 15 November made clear. Restrictions on humanitarian flights are causing problems for humanitarian workers, including British nationals, who wish to enter or exit the country.

We have been urgently and proactively seeking a resolution of this situation. Our Ambassador in Riyadh has been in frequent contact with the Saudi Foreign Minister. My Rt Hon friend the Foreign Secretary has discussed the situation in Yemen with the Crown Prince, with whom we have emphasised the urgency of addressing the worsening humanitarian crisis. My Rt Hon friend the Secretary

of State for International Development has spoken to both the UN Secertary-General and the Under-Secretary-General for Humanitarian Affairs since about the situation in Yemen since her appointment on 9 November.

We are also continuing to work closely with other regional and international partners, including the UN. On 18 November, my Rt Hon friend the Foreign Secretary spoke to the UN Secretary-General. Central to this discussion was how the security concerns of Saudi Arabia can be addressed to enable these restrictions to be lifted. It is vitally important that the UN and Saudi Arabia enter a meaningful and constructive dialogue.

More broadly, we will continue to support the people of Yemen through the provision of lifesaving humanitarian supplies. The UK is the fourth largest humanitarian donor to Yemen, and the second largest to the UN appeal — committing £155 million to Yemen for 2017/18. UKaid has already provided food to almost two million people and clean water to over one million more.

Mr Speaker, the only way to bring long-term stability to Yemen is through a political solution. That is why peace talks remain the top priority. The Houthis must abandon pre-conditions and engage with the UN Special Envoy's proposals.

The UK has played, and continues to play, a leading role in diplomatic efforts to find a peaceful solution. This includes bringing together key international actors — including the US, Saudi, Emirati and Omani allies — through the Quad and Quint process. We intend to convene another such meeting shortly. It is vital that we work together to refocus the political track.

The UK will also continue to play a leading role on Yemen through the UN. In June, we proposed and supported the UN Security Council Presidential Statement which expressed deep concern about the humanitarian situation in Yemen. The statement called for an end to the fighting, a return to UN-led peace talks and stressed the importance of unhindered humanitarian access. It is vital that the words of the text are converted into action. The international community's unified and clear demands must be respected.

I commend this statement to the House.