

## **Press release: Cabinet meeting statement: 20 June 2017**

In this morning's Cabinet meeting, ministers discussed upcoming Parliamentary business, including tomorrow's Queen's Speech which heralds an historically important two-year session to help deliver the legislation for a successful Brexit.

Ministers also discussed the awful events of the past week. The Prime Minister expressed her appreciation of the police and emergency services for their bravery and professionalism.

On Grenfell Tower, the Secretary of State for Communities and Local Government updated Cabinet on the efforts to ensure everything is being done to help victims' families and other survivors, as well as looking ahead to the longer-term recovery effort. On the tragic incident at Finsbury Park, the Prime Minister and Home Secretary discussed the importance of ongoing government work in reviewing its Counter Terrorism Strategy and ensuring that police and security services have the powers they need.

The Chancellor of the Exchequer provided Cabinet with an update on the economy and public finances, emphasising the underlying strengths of the UK economy and setting out the importance of making the case for a market economy, sound money and growth as well as prioritising rising productivity.

The Secretary of State for Northern Ireland also provided an update to progress on talks to restore power-sharing institutions.

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## **News story: The AAIB has sent a team to Hertfordshire.**

[unable to retrieve full-text content]The AAIB has sent a team to investigate a light aircraft accident in Hertfordshire.

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## **Press release: Lighting company fined**

## £2.7 million for restricting online prices

The National Lighting Company (NLC) supplies light fittings to a range of retailers who then sell them on. After a detailed [investigation](#), the Competition and Markets Authority (CMA) found it imposed a minimum price on online sellers, who then had to retail goods at, or above, this price.

This kind of illegal practice, known as resale price maintenance (RPM), means customers miss out on the best possible prices and cannot shop around for a better deal on that supplier's products.

NLC, which tried to avoid detection by not committing agreements to writing, has been fined £2.7 million for breaking competition law. The fine covers violations in relation to its Endon and Saxby brands and includes an extra penalty because the company ignored an earlier warning letter from the CMA. A warning letter may be sent when the CMA has reasonable grounds to suspect anti-competitive behaviour. It is not a formal allegation but must be taken seriously and requires a considered response.

The CMA has today sent a number of warning letters to other suppliers in the light fittings sector where there are reasonable grounds to suspect they may also be engaging in RPM.

To help stamp out resale price maintenance, the CMA has also today re-issued its advice to help businesses stay on the right side of the law. This includes an [open letter](#) on RPM, a [film on RPM](#) and [case studies](#) that explain how other businesses have ended up breaking the law.

Ann Pope, CMA Senior Director, Antitrust, said:

“This decision should act as a warning to companies that resale price maintenance is illegal and that warning letters issued by the CMA are to be taken seriously and not to be ignored.

“The digital economy is booming and with so many businesses operating online it is vital that fair competition is maintained across all sectors. The CMA wants to ensure consumers get a fair price and a good deal.

“That can only happen when retailers are free to set their own prices.”

### **Notes for 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.

2. 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.
3. The CMA has produced a series of [animated videos](#) explaining the main principles of competition law and how they affect small businesses.
4. Any business found to have infringed the Competition Act 1998 could be fined up to 10% of its annual worldwide group turnover. In calculating financial penalties, the CMA takes into account a number of factors including seriousness of the infringement(s), turnover in the relevant market and any mitigating and/or aggravating factors.
5. The infringement decision, which was published today, was addressed to the following companies which the CMA found were directly involved in the infringements and/or are liable as parent companies of the companies directly involved in the infringements:
  - Saxby brand: Poole Lighting Limited, Saxby Lighting Limited and their parent company, The National Lighting Company Limited.
  - Endon brand: Poole Lighting Limited, Endon Lighting Limited and their parent company, The National Lighting Company Limited
6. The CMA has not imposed penalties on any retailer. This is because the CMA has applied Rule 10(2) of its Competition Act 1998 Rules, according to which it may address its infringement decision to fewer than all the persons who were party to the relevant agreements. Whilst the CMA has decided only to impose a penalty on the supplier in this case, retailers should be aware that they can also be fined for entering into RPM agreements with suppliers.
7. NLC's fine was increased for ignoring the CMA's warning letter. However, it also benefited from a 30% reduction to the fine because it applied for and was granted leniency. An additional 20% reduction was applied because NLC voluntarily entered into settlement with the CMA. The fine also included a small reduction as a result of NLC agreeing to implement a comprehensive compliance programme.

8. The CMA may send warning or advisory letters to businesses where it has concerns that they may be harming competition in their market sector. Receiving a warning letter does not mean that a company has broken the law. See '[Warning and advisory letters: essential information for businesses](#)' for further information.
9. Any businesses that have concerns about RPM or other anti-competitive behaviour can contact the CMA by email ([general.enquiries@cma.gsi.gov.uk](mailto:general.enquiries@cma.gsi.gov.uk)) or by phone (020 3738 6000).
10. The CMA currently has 12 ongoing cases open under the Competition Act 1998.
11. For more information on the CMA see our [homepage](#), or Twitter account [@CMAgovuk](#), or [Flickr](#), [LinkedIn](#) and [Facebook](#) pages. Sign up to our [email alerts](#) to receive updates on Competition Act 1998 and civil cartels cases.
12. Information on this investigation, including the non-confidential decision, can be found on the [case page](#).
13. Enquiries should be directed to Rebecca Cassar ([rebecca.cassar@cma.gsi.gov.uk](mailto:rebecca.cassar@cma.gsi.gov.uk), 020 3738 6633).

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## **[News story: Joint release by the UK International Trade Secretary and U.S. Trade Representative Robert Lighthizer](#)**

During the meeting, both Ministers committed to strengthen economic links between the UK and U.S., including a discussion about the possibility of laying the groundwork for a potential new trade agreement soon after Brexit.

The visit marks the first international trip for the UK International Trade Secretary, Dr Liam Fox, since the UK general election.

International Trade Secretary Dr Liam Fox said:

Our work as an international economic department has never been more critical and I am delighted to be making my first visit back as International Trade Secretary to the US, which is our largest

single trading partner, accounting for a fifth of all exports.

Our valuable talks underlined the shared interest in forging a closer trade and economic relationship including making progress on policy coordination, regulatory issues and expanding trade and investment between our economies.

As our largest single trading partner, we have a strong foundation to build on as we start preparation on joint work to explore a future ambitious trade agreement once the UK has left the EU.

U.S. Trade Representative Robert Lighthizer said:

It's a pleasure to welcome Secretary of State Fox to the United States, as we meet for the first time to build an even stronger relationship between our two countries. As the United States' fifth largest export market, the United Kingdom is an invaluable trading partner.

As UK negotiations with the European Union begin, I look forward to working with Dr. Fox and the United States Congress to lay the groundwork for our future trade relationship, including exploring the possibility of a new U.S.-UK trade agreement. In the meantime, the United States is committed to continuing discussions for improving trade and investment and coordinating on addressing global excess capacity issues.

Trade between the 2 countries is already worth about \$230 billion a year, the U.S. is the single biggest source of inward investment into the UK, and together there is around \$1 trillion invested in each other's economies.

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## **Press release: Dr Liam Fox travels to US on first international trade visit since the General Election**

There he will meet a Congressional delegation on Capitol Hill to explore ways to deepen trade and economic links between the UK and US, with the potential

of signing a Free Trade Agreement soon after Brexit.

Trade between the 2 countries is already worth over £150 billion a year, the US is the single biggest source of inward investment into the UK, and together there is around \$1 trillion invested in each other's economies.

As part of the 2-day visit, Dr Fox will meet Ambassador Robert Lighthizer, US Trade Representative, as well as the US Chamber of Commerce, trade policy organisations and business representatives.

The International Trade Secretary will also attend the 'Select USA Investment Summit' at the National Convention Center, where he will deliver a speech setting out the principles of free trade.

International Trade Secretary, Dr Liam Fox said:

Our work as an international economic department has never been more critical and I am delighted to be making my first visit back as International Trade Secretary to the US, which is our largest single trading partner, accounting for a fifth of all exports.

We know we have a very big job to do, but we also know there are very big opportunities out there for the UK in terms of making a success out of global Britain and championing free trade which is fundamental to the prosperity of the world economy.

This visit will also help lay the groundwork for a potential future UK-US free trade agreement and the practical steps we can take now in order to enable companies in both countries to trade and do business with one another more easily.

The visit will underline the shared interest in forging a closer trade and economic relationship including making progress on policy coordination, regulatory issues and market access barriers.

Dr Fox previously met Paul Ryan, Speaker of the US House of Representatives, and a US Congressional delegation to discuss trade links, in London in April earlier this year.