

New UK support to tackle devastating locust swarms in East Africa

New UK Government support will be used to tackle this year's unprecedented locust outbreaks in Kenya, where millions of insects are destroying thousands of hectares of crops.

With locust swarms growing 20 times larger since March 2020, UK International Development Secretary Anne-Marie Trevelyan today (23 July 2020) announced KES 2.5 billion of new UK aid in response to the crisis during a visit to British company Micron Group, on the Isle of Wight, which supplies pesticide sprayers to the United Nation's Food and Agriculture Organization (FAO).

The impact of the plague of insects across Africa and Asia has been made worse by coronavirus, with vulnerable communities facing dwindling food supplies alongside the pandemic.

Funded by the UK, the FAO is using Micron Group's pesticide sprayers across Africa and Asia. Swarms of millions of insects can cover areas up to 100 square miles or more and these sprayers are able to cover large areas with pesticide.

Of the new funding announced today, KES 2.3 billion will go to the FAO's emergency appeal to help to control the increase of locusts across East Africa, Yemen and South West Asia, as well as reduce the risk of swarms spreading into the Sahel.

The UK will also provide up to KES 138 million to improve early warning and forecasting systems for desert locusts, so that countries can prepare for their arrival. This support, in collaboration with the University of Cambridge and weather data from the UK Met Office, will help the FAO to target locust breeding sites and control outbreaks before they're able to affect crucial crops and pastures.

British High Commissioner to Kenya Jane Marriott said:

The most vulnerable communities in Kenya are facing the effects of climate change, as the worst locust outbreak in 70 years destroys food supplies and livelihoods.

The UK is working with the Kenyan government and partners to tackle and adapt climate led disasters like the locust outbreak and build resilience across the nation to future climate shocks.

The World Bank estimates that the cost of supporting farmers and producers affected by locusts in East Africa and Yemen alone could reach \$8.5 billion by the end of 2020.

Speaking during the visit, International Development Secretary Anne-Marie Trevelyan said:

Vulnerable communities are on the brink of starvation because of the biggest locust outbreak in decades, made worse by the coronavirus pandemic.

British expertise is playing an important role in equipping companies with the right tools to combat the swarms and track where they will go next.

But unless other countries also step up and act now, this crisis will spread and cause even more devastation.

The new funding follows KES 1.1 billion provided by the UK earlier this year to the FAO appeal, supporting Kenya, Somalia, Ethiopia, Sudan, South Sudan, Eritrea, Djibouti, Tanzania and Pakistan to destroy these pests. A supercomputer funded by UK aid is also helping countries in East Africa to track the insects' movements around the continent.

During the visit, the International Development Secretary met with the directors from Micron Group to discuss how their sprayers have been key to tackling locusts in highly affected areas across the world. She also saw how the sprayers are assembled at their Isle of Wight factory and took part in a demonstration on how they work in the field.

Note to editors:

1. The new KES 2.3 billion of UK aid funding for the UN will be broken down as:
 - KES 1.6 billion for the Greater Horn of Africa and Yemen, to contain the spread of locusts through monitoring, surveillance and spraying activities
 - KES 670 million for the Sahel and West Africa to increase regional preparedness and coordination with early intervention
 - KES 138 million for Southwest Asia to focus on technical assistance

and coordination in the countries with the resources to lead the response themselves.

2. Additional funding of up to KES 138 million will go towards the African Crop Epidemiological Systems (ACES), a consortium which includes the Centre for Agriculture and Bioscience International, CGIAR's International Maize and Wheat Improvement Centre, Scriptoria and the University of Cambridge, to establish tools, technologies and partnerships needed for effective pest surveillance, early warning and response functions in plant health management in Sub-Saharan Africa. ACES is funded by DFID and the Bill and Melinda Gates Foundation.
3. UK aid will support the UN FAO emergency appeal for the locust outbreak across Africa and Asia. The FAO have asked donors worldwide for a total of \$311 million of funding of which the UK will have contributed KES 3.5 billion.
4. With UK aid backed funding, the FAO is spraying pesticides on the ground and by air to prevent further damage to crops and protect livelihoods. The FAO is also working with governments in Africa, to train experts to manage future outbreaks and to conduct research to better understand the swarms.
5. The supercomputer is being provided through the Department for International Development's Weather and Climate Information Services for Africa (WISER) programme, in collaboration with the Met Office and the Africa Climate Policy Centre.
6. Micron Group is a leading manufacturer of specialist sprayers and weed control equipment for a wide range of applications worldwide. Their portfolio also includes hand-held, vehicle and aircraft-mounted sprayers, weed wipers and applicators.

[Justin Holliday appointed as Tax Assurance Commissioner](#)

Justin Holliday has been appointed as Tax Assurance Commissioner, overseeing the governance and assurance of HMRC's resolution of tax disputes. The role enables Parliament and the public to be confident that HMRC secures the right tax under the law when resolving disputes.

Justin takes over from Melissa Tatton following her appointment as Interim Group Director, Corporate, at the UK's communications regulator, Ofcom, a position she takes up in September.

Justin, who retains his Chief Finance Officer responsibilities, does not directly engage with taxpayers to discuss their specific tax liabilities, nor is he responsible for the HMRC operational teams that manage taxpayers' compliance.

Biography

Justin is an Oxford Graduate and a CIPFA-qualified accountant with experience working for a variety of organisations in the private sector, local and central government.

Justin joined HMRC from the Home Office in August 2013 in the role of Director of Corporate Finance. He was appointed Chief Finance Officer in June 2015.

The Tax Assurance Commissioner

The Tax Assurance Commissioner role, introduced in 2012, strengthens HMRC's governance and assurance of tax disputes.

It provides assurance to Parliament and the public that HMRC handles civil tax disputes in accordance with the law and its litigation and settlement strategy – avoiding unnecessary disputes, conducting them in a non-confrontational, collaborative and transparent way, and resolving them to collect the tax that is due under the law without unnecessary delay.

The Tax Assurance Commissioner chairs a panel of 3 HMRC Commissioners who make decisions in the largest and most sensitive cases, as well as a sample of smaller cases.

The role also oversees HMRC's tax settlement assurance programme, ensuring that the department monitors and continuously improves its management of tax disputes.

[Bridgwater exporter increases turnover by 40% following UKEF support](#)

About the transaction: Vapormatt

Region	Bridgwater, Somerset
Sector	Manufacturing
Export location	USA
UKEF support	Bond support

Bridgwater-based Vapormatt is an experienced exporter, with 90% of its customers based overseas. The company develops wet blasting technology sold to large automotive and aerospace manufacturers based in the US and Europe, Vapormatt's 2 largest markets.

The company initially contacted UKEF after winning a large contract with a global US tooling manufacturer based in Pennsylvania. Vapormatt was asked to

provide a bond to secure the contract, which would have placed a significant strain on its cash reserves.

Hugh Francis, UKEF's regional Export Finance Manager, suggested the company use UKEF's [bond support scheme](#). This allows UKEF to underwrite 80% of commercially issued bonds guarantees.

Working with Lloyds, UKEF was able to free up funds that would have otherwise been spent on guarantees. Vapormatt has since gone on to use the scheme a further 6 times increasing turnover between 30 and 40%.

Helen Brown, Finance Director, Vapormatt said:

Without UKEF we wouldn't have been able to fulfil these contracts; their support has been invaluable in our overseas expansion. We look forward to working with them again.

Hugh Francis, Export Finance Manager, said:

Vapormatt's experiences demonstrate the difference that export finance can make to a company. UKEF can help UK businesses make the most of their export potential.

Putting the right finance and insurance in place can give you the exporting edge, helping you to win contracts, fulfil orders and get paid.

[Tell us about your business](#)

[UKEF helps Lincoln exporter secure £750,000 worth of overseas business](#)

About the transaction: IMPS

Region	Lincoln
Sector	Manufacturing
Export location	Sri Lanka
UKEF support	Export working capital

Lincoln-based IMPS is a diesel engine specialist offering service and parts for engines. An experienced exporter, the company sells 75% of its products overseas with customers in over 50 countries.

When IMPS needed to fulfil a contract in Sri Lanka, it turned to UKEF for

support. The company had secured a large order to supply parts for the refurbishment of Rolls Royce engines used on Sri Lankan railways.

The size of the contract meant IMPS would have needed to spend significant sums on hardware and supplies while waiting to get paid. So, the company spoke to UKEF's regional export finance manager, Andy Mannix, who arranged a working capital loan with HSBC.

The facility allowed the company to carry out the export order without placing undue strain on its reserves.

Paul Wheeler, Director, IMPS said:

UKEF's support was vital in the successful completion of this contract, we would have been unable to progress without their world leading flexible finance. Their support will continue to be crucial as we look to expand our reach overseas.

Putting the right finance and insurance in place can give you the exporting edge, helping you to win contracts, fulfil orders and get paid.

[Tell us about your business](#)

CMA clears Amazon's 16% investment in Deliveroo

The Competition and Markets Authority (CMA) completed an initial 'Phase 1' investigation in December last year. At that point the CMA concluded that there was a 'realistic prospect' that the transaction could harm competition by, for example, discouraging Amazon from re-entering the online restaurant food market or further developing its presence in the online convenience grocery delivery market in the UK. The CMA therefore referred the deal for an in-depth 'Phase 2' investigation to assess more thoroughly the potential competition concerns.

In the course of a Phase 2 investigation, the CMA typically has to determine whether, on the 'balance of probabilities', a transaction would lead to a substantial lessening of competition. However, in this case, Deliveroo argued that the impact of the coronavirus (COVID-19) pandemic on its business meant that it would fail financially and exit the market without the Amazon investment. Given the seriousness and urgency of Deliveroo's financial situation the CMA concluded that Deliveroo met the criteria for a 'failing firm' and that its exit from the market would have been worse for competition and customers than allowing the investment to go ahead. The deal was

provisionally cleared on that basis.

The CMA continued to monitor the situation. After reviewing Deliveroo's finances from April 2020 onwards, it became apparent that the restaurant food delivery market had recovered much more sharply than had been expected and that the restaurant 'mix' had also shifted towards smaller, independent restaurants and away from large fast food chains, several of which closed or stopped offering home delivery. Both factors contributed to a rapid and significant turnaround in Deliveroo's financial position. Given this change in circumstances, the CMA concluded that Deliveroo could no longer be considered a failing firm and that it would be necessary and appropriate to complete the CMA's substantive assessment of whether the transaction would lead to a substantial lessening of competition.

The CMA's final decision to clear the deal on competition grounds is the culmination of extensive analysis of internal documents from Amazon and Deliveroo, a survey of more than 3,000 consumers, and extensive submissions from interested third parties. The CMA's assessment has focused on how a 16% shareholding held by Amazon would affect its incentives to compete independently with Deliveroo in both restaurant delivery and online convenience grocery delivery in the coming years. The CMA ultimately found that this level of investment will not substantially lessen competition in either market. However, if Amazon were to acquire a greater level of control over Deliveroo – through, for example, acquiring a controlling interest in the company – this could trigger a further investigation by the CMA.

Stuart McIntosh, Inquiry Chair, said:

Today's final decision is the result of a thorough examination of this deal and the markets in which Amazon and Deliveroo operate. The CMA's initial Phase 1 review of the transaction highlighted potential competition concerns which the independent Inquiry Group has considered in detail during the Phase 2 investigation. Taking account of the higher legal standard that applies at Phase 2, the Group has concluded that the transaction will not result in a substantial lessening of competition in either restaurant delivery or convenience grocery delivery. Our decision reflects the scale of Amazon's investment in Deliveroo (16% of the company's equity) and its incentives to compete in both markets.

When looking at any merger, the CMA's role is to assess whether consumers will lose out from a substantial lessening of competition. We have not found this to be the case given the scale of Amazon's current investment, but if it were to increase its shareholding in Deliveroo, that could trigger a further investigation by the CMA.

Notes to editor:

1. The CMA applies different thresholds as to the likelihood of a

substantial lessening of competition at each phase of its merger assessment. At Phase 1, the CMA considers whether there is a 'realistic prospect' of a substantial lessening of competition. At Phase 2, the CMA decides whether the merger is more likely than not to lead to a substantial lessening of competition – that is, 'on the 'balance of probabilities. The different thresholds, and the need for the CMA to reach a definitive view at Phase 2, mean the Phase 2 investigation and analysis are deeper and broader. [Read more in A Quick Guide to UK Merger Assessment](#).

2. For more information, visit the [Amazon/Deliveroo merger inquiry case page](#).
3. Media enquiries to the CMA should be directed to press@cma.gov.uk or 020 3738 6460.