

News story: Government updates mergers regime to protect national security

Today's proposals include enabling the Government to intervene in mergers that raise national security concerns, even when they involve smaller businesses. These changes are targeted at key areas, specifically companies that design or manufacture military and dual use products, and parts of the advanced technology sector.

In these areas, currently the Government can only intervene in mergers involving companies with a UK turnover of more than £70 million or where the share of UK supply increases to 25% or over. Today's proposals will close these loopholes to enable greater scrutiny of foreign investment in a changing market.

In these areas, the Government will lower the threshold whereby ministers can scrutinise investment to businesses with a UK turnover of over £1 million, and remove the requirement for a merger to increase a business's share of supply of, or over, 25%.

Government is also consulting on longer-term proposals that will allow for better scrutiny of transactions that may raise national security concerns – this could include increasing risks of espionage, sabotage, or the ability to exert inappropriate leverage. The Government welcomes views on the changes it could make, including:

- introducing a 'call-in' power modelled on that in the Enterprise Act 2002 to allow Government to scrutinise a broader range of transactions for national security concerns within a voluntary notification regime; and/or
- introducing a mandatory notification regime for foreign investment in certain parts of the economy which are critical for national security, such as the civil nuclear or the defence sector. Mandatory notification could also be required for foreign investment in key new projects or specific businesses or assets.

Business and Energy Secretary Greg Clark said:

Britain has and always has had a proud record of being open to the world as the foremost advocate of free trade. It is right that every so often the Government reviews its mergers regime to close loopholes where they arise and this is what these proposals do in the area of national security.

No part of the economy is off-limits to foreign investment and the UK will continue to be a vociferous advocate for free trade and a magnet for global talent.

The Green Paper delivers on the commitment made in the Queen's Speech to bring forward proposals to consolidate and strengthen Government's powers to protect national security.

Today's consultation will be split into two parts.

The consultation on amending the Enterprise Act through secondary legislation will last four weeks. The proposals are to lower the turnover threshold from £70 million to £1 million and remove the current requirement for the merger to increase the share of supply to or over 25%. These changes will apply to the following sectors:

- the dual use and military sector – this relates to businesses who manufacture or design items that are subject to export controls; and
- companies that are involved in the design of computer chips and quantum technology.

The Government will report back in due course on the proposed secondary legislative changes.

The consultation on longer-term reforms including the expanded version of the 'call in' power and mandatory notification regime will last twelve weeks.

A final package of reforms could include some or all of these options.

The consultation will be published later today.

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Press release: Joint statement by Prime Minister Theresa May and President Jean-Claude Juncker

The following joint statement was issued by Prime Minister Theresa May and President Jean-Claude Juncker following their working dinner in Brussels on 16 October 2017:

The Prime Minister and the President of the European Commission had a broad, constructive exchange on current European and global challenges.

They discussed their common interest in preserving the Iran nuclear deal and their work on strengthening the security of citizens in Europe, notably on the fight against terrorism. They also prepared for the European Council that will take place later this week.

As regards the Article 50 negotiations, both sides agreed that these issues are being discussed in the framework agreed between the EU27 and the United Kingdom, as set out in Article 50 of the Treaty on European Union. The Prime Minister and the President of the European Commission reviewed the progress made in the Article 50 negotiations so far and agreed that these efforts should accelerate over the months to come. The working dinner took place in a constructive and friendly atmosphere.

Press release: UK secures new EU

sanctions against North Korea

The Foreign Secretary Boris Johnson will join his 27 EU counterparts in Luxembourg today to sign off measures taking aim at income streams supporting North Korea's illegal nuclear and ballistic missile programmes.

The sanctions also include expanding the ban on EU investment to all sectors in North Korea, ending the EU export of oil to the country, and adding more names to the list of regime officials and companies that are subject to asset freezes and travel bans.

The measures will also review the current list of banned luxury goods, and lower the amount of personal payments that can be sent to North Korea from €15,000 to €5,000.

EU foreign ministers will also place tighter restrictions on North Korean workers in the EU, with a view to stopping money being sent back that could be used by the regime to fund its nuclear and ballistic missile programme.

Foreign Secretary Boris Johnson said:

North Korea continues to pose an unacceptable threat to the international community, which is why the UK, working closely with our European allies, has secured a set of stringent new sanctions upon the regime.

As I have said before, the North Korean regime must bear full responsibility for the measures that the international community is enacting against it, including these sanctions.

Maximising diplomatic and economic pressure on North Korea is the most effective way to pressure Pyongyang to halt its illegal and aggressive actions.

Background

To add further impact to the UK's bilateral efforts, we have contributed to a European Union External Action (EEAS) proposal that it and EU member states should carry out parallel demarches in countries at risk of sanctions evasion by North Korean entities.

Additionally, the UK has instructed its diplomatic missions to lobby for urgent and comprehensive enforcement of UN sanctions against North Korea by those countries where the North Korean regime is most likely to try to evade sanctions.

There are no North Korean workers present in the UK.

Further information

[News story: Anne Milton supports Team UK at WorldSkills 2017](#)

Skills and Apprenticeships Minister Anne Milton is currently attending WorldSkills 2017 in Abu Dhabi. The competition, which runs from 15 – 18 October, brings together apprentices and young people from across the world to compete in their specialist skill.

As part of her visit Minister Milton is delivering two speeches on skills development in cities and the government's apprenticeship reforms. She is also meeting the UK's competitors, their families and experts across a range of industries.

The 34 members of Team UK are competing against more than 65 countries in 30 skills categories, including painting, hairdressing, mechatronics, engineering and cooking.

Apprenticeships and Skills Minister Anne Milton said:

It's a great pleasure to wish every member of Team UK the best of luck in competing at WorldSkills Abu Dhabi 2017. There is no higher honour than representing your country on the world stage. The pride team members feel in this achievement is equalled by my admiration for the incredible dedication and hard work demonstrated by each and every competitor.

In the heat of competition in Abu Dhabi, the challenges faced will be tough. This is the most prestigious and high-profile event of its kind in the world. I know that each individual member of the team will give their all to reach their potential. In doing so they are acting as national ambassadors for apprenticeships and technical skills and demonstrating how getting the right skills can change lives.

The young people in this team have exciting futures ahead of them. WorldSkills Abu Dhabi 2017 is their biggest test yet. Another opportunity to grow and develop. A chance to show what they can do. I know they will seize the moment and inspire the next generation to succeed through skills. Irrespective of what they achieve in Abu Dhabi they have the respect of everyone in the UK having got this far.

WorldSkills UK Chief Executive Neil Bentley, formerly Deputy Director General of the CBI, said:

This is a critical moment for the future of these inspirational young people – and our economy.

The WorldSkills Finals presents the UK with a unique platform to not only showcase the best of this country's apprentices and inspire others to follow in their footsteps, but also to help build and reinforce global trade and investment partnerships.

Having the confidence to demonstrate the high skill level in the UK will enhance our status as a top investment destination, boosting trade relations and creating jobs in the post-Brexit economy.