

REGULATORS AND LEGISLATORS HAVE MADE FOOLS OF THEMSELVES IN DEALING WITH THE PUBCO RIP OFF SAYS GMB AS OFT REOPENS ENQUIRY

On Monday February 8th GMB will announce the details of 16 meetings in the nationwide roadshow to organize the tied tenants to fight for as decent deal

GMB today reacted to report that OFT had agreed to reopen the pubco enquiry in an agreement with CAMRA. See Notes to Editors below for CAMRA press release.

Paul Maloney GMB National Officer said "**The regulatory authorities and the legislators have made fools of themselves in dealing with the pubco rip off. The pubcos will be delighted that everything is off until August 2010 when the OFT can be relied on to repeat its finding that overcharging is part of a trade dispute and not a matter for the competition authorities.**

GMB is ignoring this farce and is getting on with organizing for a ballot of tied tenants for official industrial action to secure cuts of £12,000 per year in wholesale prices paid by the tied tenants. On Monday 8th GMB will announce the details of 16 meetings in the nationwide road show to organize the tied tenants to fight for as decent deal.

The announcement will say "GMB pub revolution road show will meet in West, North & South Yorkshire, Surrey, West Midlands, London, Durham, South Wales, Scotland, Lincolnshire, Sussex, Kent and Avon over next four weeks.

This newest group of trade union members seek support for official industrial action to win £12,000 cut in wholesale prices to raise hourly income above national minimum wage."

End

Contact: Paul Maloney, GMB National Officer on 07801 343839 or Paul Clarke GMB Organization Department on 07713 077193 or Bob Stokes GMB Pub Revolution branch 07802 984 266 or GMB Press Office: Steve Pryle on 07921 289880 or Rose Conroy on 07974 251823.

Notes to Editors this is the text of the Camra press release

OFT re-opens inquiry into UK pubs market Issued: Friday February 5th 2010

CAMRA, the Campaign for Real Ale, has reached agreement with the Office of Fair Trading (OFT) to stay its appeal to the Competition Appeal Tribunal challenging the OFT's initial response to CAMRA's super-complaint in October 2009. CAMRA's appeal is now stayed until Sunday August 1st 2010 to enable the OFT to consider further evidence of anti-competitive behaviour by the large pub owning companies. The OFT will now conduct an open public consultation before reaching a final decision.

CAMRA's super-complaint argued that anti-competitive practices are inflating pub

beer prices by around 50 pence a pint, restricting consumer choice and leading to chronic underinvestment in the nation's pubs.

Mike Benner, CAMRA Chief Executive, said:

'We are delighted that the OFT has responded to our appeal by agreeing to conduct an open consultation and I encourage all parties to use this opportunity to submit further evidence of anti-competitive practice. The consultation will lead to a new and final decision from the OFT. We are hopeful that on re-examination of the pubs market the OFT will decide to act against anti-competitive behaviour in order to deliver a fair deal for consumers. CAMRA looks forward to working with the OFT to deliver reform of the beer tie so that the pub market works in the interests of consumers.'

CAMRA's fundraising appeal for the reform of the beer tie, which raised over £8,000 since January, will be suspended during the consultation period. The funds will be put towards CAMRA's legal fees. CAMRA reserves the right to re-activate its appeal should it be dissatisfied with the OFT's final decision following the consultation.

End

Notes to Editors

The following summarises the agreement between CAMRA and the OFT:

In response to the super complaint of the Campaign for Real Ale ('CAMRA'), dated July 24th 2009 and concerning the exclusive purchasing agreements entered into by pub-owning companies in the UK with their tenants/lessees ('the Super Complaint'), the OFT published a document entitled 'Response to CAMRA's Supercomplaint' and dated October 22nd 2009 (the 'Document'). The OFT shall take the following action regarding the Document:

- a) The OFT shall within 30 days of the Court's Order commence a public consultation on the views outlined in the Document. This consultation shall be publicly announced by way of a press release on the OFT's website and shall remain open for a period of not less than 6 weeks.
- b) CAMRA and other interested parties will be afforded the opportunity to make representations to the OFT regarding the OFT's analysis of the issues raised in the Super Complaint as set out in the Document. In particular, the OFT will consider such additional evidence as may be put forward in respect of such matters, and will consider pursuing such additional lines of investigation as may be suggested.
- c) The OFT confirms that it shall maintain a regular dialogue with CAMRA during the public consultation process.
- d) The OFT shall publish a final decision concerning the Super Complaint having considered such further representations and evidence as it has received during the course of the consultation process, and having pursued such further investigation as it considers appropriate.

July 2009- CAMRA's super-complaint, 'A Fair Share for the Consumer', is published (www.camra.org.uk/supercomplaint). CAMRA's super-complaint centres on the need to reform

beer tie arrangements to prevent large companies exploiting tie arrangements that prevent tied publicans from buying beer on the open market at fair prices. CAMRA argues that the wholesale prices paid by tied publicans are considerably higher, around £20,000 per year for an average pub, than would prevail in a competitive market. The lack of competition, particularly in areas dominated by tied pub companies, mean that consumers pay higher prices, and suffer a reduced quality of experience and a restricted range of products. CAMRA calculates that if beer prices had only risen in line with inflation since 1990 then collectively consumers would be better off by £2.5 billion a year.

October 2009- the OFT responds to CAMRA's super-complaint by stating it will take no further action. CAMRA subsequently calls on the Government to refer unfair tie arrangements in the pub sector to the Competition Commission.

December 2009- CAMRA announces it will issue a legal challenge to the OFT, using its entitlement under the Enterprise Act 2002 to appeal the OFT's decision to the Competition Appeals Tribunal (CAT).

January 2010- CAMRA launches the 'Consumers v. OFT Pub Market Ruling' Campaign Fund and calls upon all pub-goers for donations.