Competition watchdog asks for new powers to protect consumers

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COMPETITION regulator chair Andrew Tyrie said yesterday consumers would be put at the heart of a new competition law regime.

Lord Tyrie, speaking in London at the launch of a set of proposed reforms, said there is a "growing sense that consumers, particularly vulnerable consumers... are being poorly served by those charged with making the economy competitive".

He said this was "taking place against the backdrop of an erosion of trust" in authority which he said the reforms could play a part in fixing.

One of the key proposals put forward is a new duty for the Competition and Markets Authority (CMA) to make the economic interests of consumers "paramount".

The duty would also apply to the courts, which would be required to act to put the consumer first.

He also asked for new tools and powers for the CMA, including the power to impose interim measures on parties and the power to levy fines if its orders are flouted.

Gillian Guy, chief executive of Citizens Advice, said the proposals "could unshackle regulators and give them the authority they need to better protect consumers".

SHARES LONG FOR CHAISES LOUNGES

Investors back Laura Ashley after bid talk

SHARES in Laura Ashley soared more than 20 per cent yesterday morning after the retailer dismissed reports that that entrepreneur Michael Flacks could be weighing up a bid for the embattled firm, but pared back to end the day marginally up.

General Electric supercharged by pharma sale

OLIVER BARNES

GENERAL Electric's share price surged by 15 per cent yesterday after it announced a $21.4bn (£16.3bn) deal to sell its biopharma division to Danaher.

Danaher has agreed to pay $21bn in cash along with covering some of the conglomerate's pension liabilities.

GE's chief executive, Larry Culp, said in a statement: "Today's transaction is a pivotal milestone.

"It demonstrates that we are executing on our strategy by taking thoughtful and deliberate action to reduce leverage and strengthen our balance sheet."

GE shares jumped more than 10 per cent yesterday. The deal was also a boon to Danaher's stock price, which rose by eight per cent.

The GE biopharma unit, which develops equipment for medical research, will join Danaher as a standalone business within its life sciences division. It is expected to generate around $3.2bn in revenue this financial year.

GE's stock value more than halved in 2018 because of concerns over its struggling power business and price-cost pressures intensified by the US-China trade war.

Culp took over in October and has since set about reducing GE's debt burden, telling CNBC that the company has "too much debt".

A Credit Suisse analyst told CNBC: "Sale of biopharma is a positive. Under Culp, GE has been accelerating its strategy to strengthen and deleverage the balance sheet."

The news that GE is offloading some of its pension liabilities as part of the deal was welcomed by investors.

At the end of 2018, pensions amounted to $21bn (38 per cent) of GE's $55bn industrial debt total.

Culp wants to streamline GE's operations to focus on aviation and power, alongside decreasing its debt, excluding its financial services operations and pension liabilities, to 2.5 times its earnings before interest, taxes, depreciation and amortisation (Ebitda).

The deal is expected to be completed in the fourth quarter.

In January, Culp announced his ambition to raise more than $30bn from selling stakes in GE Healthcare.

Insurance boss says no-deal Brexit would be 'unforgivable'

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THE HEAD of the Association of British Insurers said last night that a no-deal Brexit would be "an unforgivable act of economic and social self-harm".

Speaking at the association's annual dinner in London, Huw Evans said that "as a last resort" Brexit should be delayed if no-deal is the only alternative.

"A conscious decision to opt for no deal would be an act of economic recklessness our great country would live to regret," he said.

Evans also said any future arrangement with the EU that required the UK to comply with rules over which it had no say could be "weaponised by those in the EU that want to... damage the UK".

"I cannot think of many countries in the world where some of its leading politicians would openly contemplate signing up one of its world-leading sectors to decades of rules made by our competitors," Evans said.