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Competition and Markets Authority
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By email: yberreview@cma.gov.uk

21st July 2021

Dear Sirs

The retained Vertical Agreements Block Exemption Regulation

Thank you for the opportunity to respond to the Consultation Document. Established in 1904, the British Beer & Pub Association is the leading trade body representing brewers and pub operators in the UK.

We broadly welcome the specific proposals to relax some of the conditions for the application of the exemption such as the widening of dual distribution to include wholesalers and importers.

The EU Block Exemption has been very important for the members of the BBPA for many years and underpins, in particular, the symbiotic relationship between pubs and other on-trade establishment, brewers and pub companies which is the backdrop to the many innovative trading relationships that have developed in the industry. The beer tie has existed for centuries and has always been shown to support a competitive market. Exclusive purchase arrangements continue to remain an important tool today to ensure that there continues to be healthy investment in the on-trade. Indeed, the beer tie is critical to the survival of many of our member companies. BBPA members have been responsive to important changes in the market and trading arrangements have evolved in a way that has encouraged competition and comprehensively met customers' demands.

However, we are very much aware that the exemption itself is deceptively complex to apply, and that this practical exercise has been greatly assisted by the EU Commission's Vertical Guidelines. We therefore welcome proposals for the development of the CMA's own guidelines to reduce the risk of any misunderstandings about the approach and policies of enforcement body.

As guidelines are central to the efficient operation of the exemption scheme, we look forward to what we assume will be the next round of this consultation, when we hope to see the text of the draft VABEO and guidelines so that we can assess the full impact on our industry.

Yours sincerely,

Emma McClarkin
Chief Executive