



MEDIA RELEASE

29 September 2023

CCCS consults on the Proposed Acquisition by iNova Pharmaceuticals (Singapore) Pte. Limited of Mundipharma's consumer healthcare business

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) is inviting public feedback on the proposed acquisition by iNova Pharmaceuticals (Singapore) Pte. Limited (“**iNova**”) of Mundipharma's consumer healthcare business in a number of countries, including Singapore (the “**Proposed Transaction**”). The Proposed Transaction will involve iNova acquiring Mundipharma's consumer healthcare business (the “**Target Business**”).
2. On 26 September 2023, CCCS accepted iNova's application for a decision on whether the Proposed Transaction would infringe section 54 of the Competition Act 2004, which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

The Merger Parties

iNova

3. iNova is a pharmaceutical company which develops, markets and sells a range of prescription and consumer healthcare products¹ in a number of countries. In Singapore, iNova offers throat preparations, cough, body care, weight management, pain management, respiratory health, cardiology and dermatology products under the (i) Difflam, (ii) Duro-Tuss, (iii) Dermaveen, (iv) Duromine, (v) Contrave, (vi) Norgesic, (vii) Metsal, (viii) Nuellin, (ix) Tambocor, and (x) Aldara brands.

The Target Business

4. The Target Business encompasses Mundipharma's existing consumer healthcare business which sells a range of healthcare products² in a number of countries. In

¹ These include products relating to weight management, coughs and colds, throat preparations, pain management, dermatology, cardiology, respiratory health, allergies and female health.

² The product categories supplied by the Target Business include wound care, upper respiratory care, feminine care, and digestive health.

Singapore, the Target Business offers (i) cold and flu products (including throat preparations),³ (ii) feminine wash products,⁴ and (iii) wound care products⁵ under its Betadine brand.

The Proposed Transaction

5. iNova submitted that in Singapore, it overlaps with the Target Business in the supply of throat preparation products under the Difflam and Betadine brand names respectively. In iNova's view, throat preparation products fall within the relevant market comprising cough, cold and flu products, and throat preparation products (collectively referred to as "**CCFT products**"), which are products that can be used to relieve and/or treat cold and flu type symptoms (the "**Relevant Market**").
6. According to iNova, the Proposed Transaction will not result in a substantial lessening of competition in Singapore in view of the following:
 - a. The merged entity will continue to face significant competitive constraints from (i) larger global pharmaceutical companies who have a comprehensive range of existing CCFT products, and (ii) existing and potential competitors that can easily expand or enter the Relevant Market;
 - b. There are no material barriers to entry or expansion, in particular, intellectual property rights and regulatory requirements, for the Relevant Market;
 - c. There are no significant switching costs for intermediate and end customers across the various sales channels such as supermarkets and retail pharmacies. Further, there is substantial countervailing buyer power as large and sophisticated intermediate customers are generally able to multi-source and can also switch to other suppliers of CCFT products with minimal cost;
 - d. Coordination between market players is unlikely as: (i) there are numerous existing and potential competitors, and the ease of switching by both intermediate and end customers creates strong commercial incentives for suppliers of CCFT products to continue to price competitively; and (ii) there are low barriers to entry which means high potential for increased competition; and
 - e. iNova and the Target Business do not supply or procure any products or services from each other. The Proposed Transaction also does not add significantly to the product range that iNova and the Target Business each

³ For example, Betadine PVP-I (povidone-iodine) Gargle and Mouth Wash 1% W/V (120ml and 240ml), Betadine Throat Spray 0.45% 50ml & Medicated, etc.

⁴ For example, Betadine Feminine Wash Foam Gentle Protection 200ml, Betadine Feminine Wash Liquid Gentle Protection 250ml, etc.

⁵ For example, Betadine Dry Powder Spray 55g, Betadine Cream 15g, etc.

already offer to retail customers prior to the Proposed Transaction. Additionally, the merged entity will not be able to foreclose competitors by requiring customers to purchase brands or products in a bundle, given the general preference of retail customers to stock a range of products across various brands and suppliers.

Public Consultation

7. CCCS is inviting public feedback on the Proposed Transaction. The closing date for submissions is 16 October 2023, 5 p.m.
8. More information on the public consultation can be accessed and downloaded from the CCCS website at www.cccs.gov.sg under the section "[Public Consultation](#)". If the submission or correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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About The Competition & Consumer Commission of Singapore (CCCS)

The Competition and Consumer Commission of Singapore (“CCCS”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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