



MEDIA RELEASE

5 December 2023

CCCS clears proposed acquisition by iNova Pharmaceuticals (Singapore) Pte. Limited of Mundipharma's consumer healthcare business

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has cleared the proposed acquisition by iNova Pharmaceuticals (Singapore) Pte. Limited (“**iNova**”) of Mundipharma's consumer healthcare business (the “**Target Business**”) (the “**Proposed Transaction**”).
2. Following its assessment, CCCS has concluded that the Proposed Transaction, if carried into effect, will not infringe the section 54 prohibition of the Competition Act 2004 (the “**Act**”), which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition (“**SLC**”) within any market in Singapore.

Background

3. CCCS accepted an application from iNova on 26 September 2023 for a decision on whether the Proposed Transaction would infringe section 54 of the Act.

iNova

4. iNova is a pharmaceutical company which develops, markets, and sells a range of prescription and consumer healthcare products¹ in a number of countries.² In Singapore, iNova offers throat preparation products, and products relating to cough, body care, weight management, pain management, respiratory health, cardiology and dermatology products under the following brands: Diffiam, Duro-Tuss, Dermaveen, Duromine, Contrave, Norgesic, Metsal, Nuellin, Tambocor, and Aldara.

The Target Business

5. The Target Business refers to Mundipharma's consumer healthcare business which supplies products in the upper respiratory care, wound care, feminine care and

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

² iNova's products are available in over 20 countries, including Thailand, Malaysia, the Philippines, Hong Kong, Australia, New Zealand and South Africa.

digestive health product categories in a number of countries. In Singapore, the Target Business offers throat preparation products, cold and flu products, wound care products and feminine wash products under the Betadine brand.

CCCS's Assessment

6. CCCS conducted a public consultation from 29 September 2023 to 16 October 2023 and sought feedback from various stakeholders, including competitors and customers of iNova and the Target Business.

Relevant Market Affected by the Proposed Transaction

7. CCCS assessed the competitive effects of the Proposed Transaction with reference to the market for the supply of throat preparation products to customers³ in Singapore (the "**Relevant Market**").

Competition Assessment

8. CCCS found that the Proposed Transaction is unlikely to lead to an SLC in the Relevant Market, for the following reasons:
 - a. There are multiple suppliers of throat preparation products that compete closely with the merged entity;
 - b. Customers are able to switch easily between suppliers as they view throat preparation products supplied by competing suppliers to be close substitutes;
 - c. There is some indication that selected intermediate customers, such as chain pharmacies and supermarkets, may have some degree of countervailing buyer power that could constrain the merged entity;
 - d. The prices charged to intermediate customers are not transparent due to differing procurement and negotiation processes, and varying contract lengths. Furthermore, the therapeutic indication and retail prices of throat preparation products displayed on the shelves of retailers are transparent and easily comparable, and there is no additional information made available to competing suppliers from the Proposed Transaction that would make it easier for competitors to collude; and

³ The customers refer to (i) wholesale distributors; (ii) retailers (which include chain pharmacies, independent pharmacies, medical halls, convenience stores, department stores, medical halls, mini markets, supermarkets and e-commerce platforms); (iii) physicians (which include general practitioner clinics, private specialist clinics, hospitals and polyclinics); and (iv) individual consumers.

- e. The merged entity will not have the ability to foreclose competitors by requiring customers to purchase products in a bundle, given that selected intermediate customers may have some degree of countervailing buyer power and customers' general preference is to stock a range of products across various brands and suppliers.
9. Further information on the notification and CCCS's Grounds of Decision will be made available in due course on [CCCS's Public Register](#) at www.cccs.gov.sg.

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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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