

CCI clears Novartis-GSK deal

NEW DELHI, PTI: Fair trade regulator CCI has approved a multi-billion dollar deal between global pharma giants GlaxoSmithKline Plc and Novartis, as it did not find the transaction to be anti-competitive in India.

The multi-layered deal involves UK-based GlaxoSmithKline (GSK) acquiring the Swiss major's vaccine business, while the latter would purchase GSK's cancer drugs portfolio.

In an order dated December 12 and made public today, the Competition Commission of India (CCI) said it is of the opinion that the "the proposed combination is not likely to have appreciable adverse effect on competition in India".

The three-part deal involves acquisition of GSK's portfolio of oncology products by Novartis for \$16 billion.

The deal also involves purchase of the global human vaccines business of Novartis (excluding its influenza vaccines business) by GSK for an estimated amount of \$7.1 billion.

Besides, both the drug ma-



ment to form consumer health-care joint venture in which GSK will own 63.5 per cent stake and Novartis would own the remaining 36.5 per cent holding.

GSK would contribute its global consumer health care business to the joint venture. However this would not include its consumer healthcare business in India.

Moreover, Novartis will transfer its over-the-counter consumer healthcare business to the JV except for its products that are managed by and reported for financial purposes

within Novartis' pharmaceutical division, Alcon division and Sandoz division.

With regard to the vaccine deal, the CCI said that "the negligible presence" of GSK and Novartis and "the presence of significant competitors, the vaccines transaction is not likely to result in appreciable adverse effect on competition in the market in India".

The regulator also observed that the presence of significant competitors in consumer healthcare segment does not cause concerns in relation to the proposed JV.

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