Statement of the Federal Trade Commission
In the Matter of Teva Pharmaceuticals Industries Ltd. and Allergan plc
July 27, 2016

The Commission has accepted a proposed consent order in connection with Teva Pharmaceutical Industries Ltd.'s proposed acquisition of the generic pharmaceutical business of Allergan plc. We believe the consent order remedies the anticompetitive effects that companies that are among the suppliers of generic pharmaceuticals in the United States. Teva is currently the largest ge drug company in the United States, with an overall generic market share of approximatel Allergan is third, accounting for approximately 9% of generic sales.

[1] Although this merger combines two large sellers of generic drugs, the generic pharmaceutical industry as a whole remains relatively unconcentrated. Over two hundred firms sell generic drugs in the United States and the five largest suppliers account only for about half of overall generic sales. Following this transaction, the combined firm will likely

Teva and Allergan currently offer competing products as well as products where there would likely be future competition absent the merger because one or both of the parties are developing competing products.[2] To remedy the likely anticompetitive effects in each of the relevant markets, the consent order requires the divestiture of the products and related assets to specific acquirers that the Commission has closely vetted and approved. Where at least one dosage strength raised a competitive concern, we required Teva to divest all strengths. These divestitures, and the other relief contained in the proposed consent order, are designed to maintain competition in the relevant markets.

In settling this case, we rely on the Commission's extensive experience with divestitures in the pharmaceutical industry, including prior divestitures involving Teva and Allergan and have structured the divestitures in a way to minimize potential risks. This includes breaking the divested products into smaller packages to ease the load on any single buyer and requiring Teva to divest the easier-to-divest product of the overlapping products whenever possible. We also undertook an extensive review process to ensure that the divestiture buyers are acceptable and have the resources they need to compete successfully in the relevant markets. The buyers have identified third-party contract research organizations or contract manufacturers they intend to use and provided us with executed contracts. We involved interim monitors early in the divestiture negotiation process to ensure a smooth divestiture process and harmonize Teva's technological transfer plans with those of the acquirors of the divested assets. And we are requiring Teva to dedicate a full-time organization to implement the technology transfers and other measures necessary to effectuate the divestitures.

Other Potential Theories of Harm

In assessing