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Our ref: IM-71393
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Dear Interested Party

Request for submissions: Zoetis' proposed acquisition of Jurox

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of Betrola Pty Ltd (including its wholly owned subsidiary, Jurox Pty Ltd) (**Jurox**) by Zoetis Australia Research and Manufacturing Pty Ltd, a wholly owned subsidiary of Zoetis Inc. (**Zoetis**) (the **proposed acquisition**).

Zoetis and Jurox operate globally and are involved in the development, manufacture and marketing of animal health products. Further details regarding the proposed acquisition can be found at **Attachment A**.

The ACCC's investigation is focused on the impact on competition. In particular, we are seeking your views on:

- how closely Zoetis and Jurox compete with each other in the manufacture and supply of certain animal health products for companion animals and livestock,
- the impact on price, innovation and service levels if the proposed acquisition proceeds, and
- whether customers of Zoetis and Jurox will have access to alternative suppliers (actual and/or potential) in Australia after the proposed acquisition.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by no later than **Friday, 22 October 2021**. Responses may be emailed to mergers@acc.gov.au with the title: "*Submission re: Zoetis/Jurox - attention*"

Neil Crighton / Janet Li". If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Neil Crighton on 03 9290 6949 or Janet Li on 02 9102 4024.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

Confidentiality of submissions

The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Daniel McCracken-Hewson
General Manager
Merger Investigations

Attachment A

The proposed acquisition

Zoetis proposes to acquire 100% of the issued share capital of Jurox. The proposed acquisition was announced on 4 August 2021. Completion is expected in the first quarter of 2022.

Zoetis

Zoetis is a public company listed on the New York Stock Exchange.

Zoetis operates in global development, manufacturing and marketing of veterinary medicines and vaccines for companion animals and livestock.

Zoetis' operating entities in Australia include Zoetis Australia Pty Ltd, Zoetis Australia Research & Manufacturing Pty Ltd and Virtual Recall Pty Ltd. Zoetis' operations in Australia comprise research and development, manufacturing, and sales/marketing.

Zoetis' key products sold in Australia include ProHeart SR-12, Cytopoint, Apoquel, Gudair, Glanvac range and Ultravac.

Jurox

Jurox is a private family owned veterinary pharmaceutical company based in Australia.

Jurox researches, develops, manufactures and sells a range of over-the-counter (OTC) products and veterinary medicines for livestock producers, veterinarians and pet owners. Jurox's products are marketed in over 20 countries globally.

Jurox's products are manufactured at Jurox's plant in Rutherford, New South Wales.

One of Jurox's key products is Alfaxan, an injectable induction and maintenance anaesthetic for dogs and cats. Other products sold in Australia include Q-Drench, Tricin, Juraclox DC, Maxalac, Popantel, Amacin, Strikeforce-S and U-seal.

Areas of overlap

In Australia, Zoetis and Jurox both supply a range of OTC and prescription products for companion animals and livestock, including:

Products for livestock	
Intramammary antibiotics for lactating cows	Prescription
Intramammary antibiotics for dry cows	Prescription
Teat sealants for cows	OTC
Endoparasitocides and endectocides for sheep	OTC
Endoparasitocides and endectocides (containing macrocyclic lactone) for cattle	OTC
Ectoparasitocides for cattle	Typically OTC
Injectable macrolides for production animals	Prescription

Products for companion animals	
Pre-anaesthetics and sedatives (opioids)	Prescription
Pre-anaesthetics, sedatives and short-term anaesthetics (non-opioids)	Prescription
Antidotes for short-term pre-anaesthetic sedatives	Prescription
Long-acting injectable corticosteroids	Prescription
Non-steroidal anti-inflammatories	Prescription
Oral penicillin	Prescription
Injectable penicillin	Prescription
Oral canine intestinal all wormers	OTC
Oral horse worming	OTC

Attachment B

The following questions have been separated into categories. However, you can answer any question from any category.

Questions for all market participants

1. Describe your business or organisation, the reasons for your interest in the proposed acquisition, and any commercial relationship(s) with Zoetis and/or Jurox.
 - a. If you purchase animal health products from Zoetis and/or Jurox, describe:
 - i. the name of the product(s) you purchase from each party, and
 - ii. the intended use for each product.
 - b. If you supply animal health products to Zoetis and/or Jurox in Australia, describe:
 - i. the name of the product(s) you supply to each party, and
 - ii. the intended use for each product.
 - c. If you compete with Zoetis and/or Jurox to supply animal health products in Australia, describe:
 - i. the name of the product(s) you supply,
 - ii. the intended use for each product,
 - iii. which Zoetis and/or Jurox product(s) your product(s) competes with, and
 - iv. whether your product is originator, generic, white label or private label.
2. Describe the extent to which Zoetis' and Jurox's products can be substituted for each other. Comment on any similarities in price, efficacy, active ingredients/chemicals, dosage of active ingredients, frequency and method of delivery (e.g. topical, collar, oral, bath, injection, inhalation), type of animal being used on, type of health issue treated, duration of efficacy, duration of withdrawal period, or any other considerations when choosing animal health products.
3. For the product(s) identified in your response to question 1 and/or 2:
 - a. Describe the extent to which alternative products can be substituted for Zoetis' and/or Jurox's products, and identify the manufacturers/suppliers of those products. Consider any similarities in the factors outlined in question 2, and any other relevant factors such as brand recognition, manufacturer/supplier service standards, or manufacturer/supplier geographic areas of supply.
 - b. Describe the extent to which generic, white label or private label products can be substituted for Zoetis' and/or Jurox's products, and identify the manufacturers/suppliers of those products. Consider any similarities in the factors outlined in question 2, and any other relevant factors such as whether the original branded version of a patented product is favoured, or any differences in formulation or application.
 - c. Describe the extent to which human equivalent health products can be substituted for Zoetis' and/or Jurox's products, and identify the manufacturers/suppliers of those products. Consider any similarities in the factors outlined in question 2, and any other relevant factors such as whether an animal health product is favoured, or any differences in formulation or application.

4. Comment on whether the products of Zoetis, Jurox, or any other suppliers identified in your response to question 3, have particular advantages which are not available from existing products. Provide specific examples.
5. Identify any vigorous or effective competitors in the animal health products industry, and comment on whether this varies for different active ingredients or intended use of the product. Consider factors such as price discounting, promotional activity, product innovation or new technologies. Provide specific examples.
6. Comment on any industry practices, developments or trends that may impact competition in the supply of animal health products. Consider factors such as rotation between different chemical classes to mitigate resistance (e.g. for parasiticides), declining use of specific products (e.g. antibiotics), changes to therapeutic approaches, or changes to regulatory requirements. Provide specific examples.
7. Describe the likelihood of new entry or expansion by existing suppliers if the combined Zoetis/Jurox increased prices by 5-10% on a particular animal health product. Consider factors such as costs and timeframes for entry or expansion, regulatory requirements, manufacturing capacity (including the ability to use contract manufacturers), research and development ability, patents or the extent of brand loyalty, or access to key inputs and distribution channels. Provide examples of any recent new entry or expansion.
8. Comment on the extent to which animal health products can be imported into Australia, particularly any products that are comparable to those supplied by Zoetis or Jurox. Consider factors such as importation regulations, local registration requirements, or access to contract packing services and distribution channels. Provide specific examples.

Questions for customers of animal health products

9. Describe how you procure animal health products from Zoetis, Jurox, and/or other suppliers (e.g. via buying groups, tender processes, or other methods), the extent to which you source products from multiple suppliers, and whether your purchasing process varies for different products. Provide specific examples.
10. Identify any Zoetis or Jurox animal health products which are 'must have' for your business. If the proposed acquisition proceeds, comment on whether your ability to access important products from the combined Zoetis/Jurox will be affected.
11. Identify the extent to which Zoetis or Jurox bundle the supply of animal health products, or offer discounts, rebates or volume-based incentives if you acquire multiple products. Provide specific examples.
12. Describe your ability to switch between suppliers of animal health products, including any obstacles to switching (e.g. contractual restrictions), and whether this varies for different products. Provide specific examples.
13. Describe your ability to self-supply any of the animal health products you currently acquire from either Zoetis or Jurox, such as how easy or difficult it is to contract an alternative supplier to manufacture or formulate generic alternatives, and whether this varies for different products. Provide specific examples.
14. For each of the animal health product(s) that you currently acquire from Zoetis and/or Jurox, describe how you would respond if the combined Zoetis/Jurox increased prices or decreased service standards post-acquisition.

Other information or competition issues

15. Provide any additional information or comments, or identify other competition issues, that you consider relevant to the ACCC's consideration of the proposed acquisition.