

# Press release: Pharma firms accused of illegal agreements over life-saving drug

The Competition and Markets Authority (CMA) has provisionally found that, from July 2011 to April 2015, the sole supplier of hydrocortisone tablets in the UK, Auden Mckenzie, and its rival, Waymade, entered into anti-competitive agreements.

This may also have involved Auden Mckenzie abusing its dominant position by making monthly payments to Waymade not to enter the market. The CMA has today issued its concerns in a 'Statement of Objections' to the companies involved.

As a result of this alleged anti-competitive behaviour, the CMA believes the NHS was denied a choice of suppliers and the potential savings resulting from increased competition.

Hydrocortisone tablets are the primary treatment for people suffering from the life-threatening Addison's Disease, where adrenal glands produce insufficient amounts of natural steroid hormones. These tablets are a frontline treatment with limited alternatives available for patients.

From 2011 to 2015, while Auden Mckenzie remained the sole supplier of 20 mg hydrocortisone tablets, charges to the NHS rose from around £46 to £90 for a pack of 30 tablets, increasing the annual costs incurred by the NHS for the medicine from £1.7 million to £3.7 million.

The CMA provisionally finds that in May 2011, Waymade was ready to enter the market for 20 mg hydrocortisone tablets, but then failed to do so until July 2015. Instead, it froze its own stock and agreed a deal with Auden Mckenzie under which it received monthly payments aimed at delaying its entry as a competitor in the market.

Waymade also obtained a licence to sell 10 mg hydrocortisone tablets in September 2012. In exchange for Waymade not entering the market and competing with its own tablets, the CMA alleges that Auden Mckenzie significantly lowered the price it charged Waymade from the market rate of around £32 per pack to £1.

Michael Grenfell, the CMA's Executive Director for Enforcement said:

The CMA has today provisionally found that Auden Mckenzie and Waymade broke competition law through Auden Mckenzie paying its rival to stay out of the market.

Hydrocortisone is a lifesaving drug for those suffering with Addison's Disease in the UK. The NHS should not be denied the opportunity of benefitting from an increased choice of suppliers

and potential savings on what it spends on this essential drug.

This is a provisional finding. The companies now have the chance to make representations to the CMA before it reaches a final decision.

For more information see the [hydrocortisone tablets: alleged anti-competitive agreements and conduct](#) case page.

## Notes to editors

1. The Chapter I prohibition in the Competition Act 1998 prohibits anti-competitive agreements and concerted practices between businesses which have as their object or effect the prevention, restriction or distortion of competition within the UK. The Chapter II prohibition in the Competition Act 1998 prohibits the abuse of a dominant position by one or more companies which may affect trade within the UK or a part of it. Similarly, Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU) prohibit, respectively, anti-competitive agreements and the abuse of a dominant position which may affect trade between EU member states.
2. The CMA may impose a financial penalty on any business found to have infringed either of these prohibitions of up to 10% of its annual worldwide group turnover. In calculating financial penalties, the CMA takes into account a number of factors including seriousness of the infringement(s), turnover in the relevant market and any mitigating or aggravating factors.
3. A Statement of Objections gives parties notice of a proposed infringement decision under the competition law prohibitions in the Competition Act 1998 or the TFEU. It is a provisional decision only and does not necessarily lead to an infringement decision. Parties have the opportunity to make written and oral representations on the matters set out in the statement of objections. Any such representations will be considered by the CMA before any final decision is made. The final decision will be taken by a case decision group, which is separate from the case investigation team and was not involved in the decision to issue the statement of objections.
4. The Statement of Objections will not be published. However, any person who wishes to comment on the CMA's provisional findings, and who is in a position materially to assist the CMA in testing its factual, legal or economic arguments, may request a non-confidential version of the statement of objections by contacting the CMA.
5. In this Statement of Objections, the CMA proposes to find that the following legal entities formed part of the undertaking Auden Mckenzie; from 1 July 2011 until 31 October 2012 Auden Mckenzie (Pharma Division) Limited; from 1 November 2012 until 30 April 2015 Auden Mckenzie (Pharma Division) Limited and its holding company, Auden Mckenzie Holdings Limited.
6. The Statement of Objections is addressed to Auden Mckenzie (Pharma Division) Limited, Auden Mckenzie Holdings Limited and Accord-UK Limited. Accord-UK Limited (formerly named Actavis UK Limited) is an addressee because the CMA provisionally considers it was the economic

successor of Auden Mckenzie (Pharma Division) Limited and should therefore be held liable for that company's direct involvement in the alleged infringements for their full duration.

7. The Statement of Objections is additionally addressed to Waymade plc.
  8. Hydrocortisone tablets are only sold in 2 different strengths in the UK – 10 mg and 20 mg.
  9. In December 2016, a separate CMA investigation accused Actavis UK (formerly Auden Mckenzie) of charging excessive prices to the NHS for 10mg hydrocortisone tablets following a 12,000% price rise over the course of several years. View the [case page](#) for further information. In March 2017, another CMA investigation accused Actavis UK (formerly Auden Mckenzie) and Concordia Ltd (formerly Amdipharm Ltd, now Advanz Pharma) of entering into agreements under which it incentivised Concordia not to enter the market with its own competing version of 10 mg hydrocortisone tablets, and alleged that Actavis UK abused its dominant position by inducing Concordia to delay its independent entry into the market. View the [case page](#) for further information.
  10. All information relating to this case can be found on the CMA [case page](#). All 3 investigations are likely to be progressed in parallel.
  11. For more information on the CMA see our [homepage](#) or follow us on [Twitter](#), [LinkedIn](#) and like our [Facebook](#) page. Sign up to our [email alerts](#) to receive updates on Competition Act 1998 and cartels cases.
  12. Media enquiries should be directed to the CMA Press Office at [press@cma.gov.uk](mailto:press@cma.gov.uk) or 020 3738 6460.
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## [News story: Environment Agency publishes new evidence to plan for flood and coastal risk up to 2065](#)

The Environment Agency has published a new economic assessment to aid planning for flooding and coastal risk management over the next 50 years.

The study uses new climate change, population and mapping data to set out potential future scenarios, assessing how funding could be best allocated to meet these challenges.

The [long-term investment scenarios report](#) states that without sustained investment, future flood damage to properties and infrastructure in England will significantly increase. It estimates that an average annual investment of £1 billion will be necessary up to 2065.

The overall benefit to cost ratio of the new estimates is 9 to 1, which means for every £1 spent on protecting communities, around £9 in property damages and wider impacts would be avoided.

A full range of climate change scenarios demonstrate that a number of measures are needed to ensure that communities are resilient over the next half-century. These include building and maintaining large-scale engineered defences, natural flood management techniques such as planting trees and slowing the flow of water and property flood resilience for homes.

The findings will also provide new evidence for planning authorities and developers. As the population grows, the number of properties in the flood plain is set to almost double over the next 50 years. Current planning policy and implementation limits the impact on flood risk but continuing to make the right investment and planning decisions will be vital to keep pace with population growth and climate change.

Julie Foley, Director Flood Strategy at the Environment Agency said:

This report sets out the level of investment we need to consider over the next 50 years alongside the action we need to take to ensure that communities, businesses and vital infrastructure are resilient to flooding and coastal erosion.

The scenarios are a key evidence base to inform our Flood and Coastal Erosion Risk Management Strategy, due later this year, and will help government, businesses and the insurance industry plan for the future.

The report findings highlight the importance of continued investment to protect infrastructure including transport and utility networks, 41% of which are located in areas which are at risk of flooding.

The impacts of flooded infrastructure can be far more extensive than the immediate water damage, impacting on supply chains, travel and access to key services like hospitals and schools. The [National Flood Resilience Review](#) sets out how government is working with utilities companies, regulators and others to implement long-term resilience plans.

The Environment Agency is investing £2.6 billion in flood and coastal erosion risk management projects between 2015 and 2021, helping to protect 300,000 homes. Later this year, the EA will consult on its new Flood and Coastal Erosion Risk Management Strategy which sets out the long term vision for a nation more resilient to flooding and coastal change.

[Read the Flood and coastal risk management: long-term investment scenarios.](#)

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## News story: Environment Agency publishes new evidence to plan for flood and coastal risk up to 2065

The study uses climate change, population and mapping data to set out future flood risk scenarios.

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## Speech: UK colonial legacy: Recognition and Reconciliation

Distinguished guests, ladies and gentlemen,

My name is Nik Mehta, Charge D’Affaires of the British Embassy Seoul. I am delighted to join you this evening to commemorate the 100th anniversary of the 1 March Movement in such a poignant week for peace on the Korean peninsula. Thank you for the opportunity to talk about the UK’s colonial legacy and its impact on universal peace.

As I stand here this evening, as a representative of the UK government, I am acutely aware of the UK’s colonial history. My family are East African Asians. My mother was thrown out of Uganda in the early 1970s by Idi Amin’s forces after he decided to expel all Asians. She was taken in by the UK. My father left Kenya at around the same time to study in the UK. They are very much the children of Britain’s colonial past and imperial history. Indeed, many years ago when I first told some members of my extended family that I was going to work for the UK Foreign Office, they were quite shocked – and even a little upset. Some asked me if I had forgotten what the British did to “our people”.

I think it’s fair to say that the UK does have a more complex historical legacy than most countries. And it’s not all good. I strongly feel that we must acknowledge our past – the good and the bad. The process of reconciliation and revisiting the past is not an easy one. The UK’s colonial legacy will remain controversial, but what’s important is that we continue to learn the lessons of our history.

As you all know, Britain and its allies were instrumental in setting up the international order that has now broadly existed since 1945. The thinking behind this was simple – that the best way to create stability was to create a system where ‘might is not automatically right’ – and where every country, large or small, lives under the protection of the UN charter. Having a rules based international order – with multilateral institutions like the United

Nations, World Bank and WTO – has made us all more prosperous and successful than ever before in the history of humanity.

In the more recent past, this year marks the 20th anniversary of the Belfast Agreement, more commonly known as the Good Friday Agreement, which effectively brought an end to 30 years of sectarian violence in Northern Ireland and established a cross-community consensus for peace. What history clearly teaches us then, is that you cannot have lasting peace without justice, accountability and reconciliation.

But we must not be complacent. Increasingly this rules based international order is being called into question as we saw on the streets of Salisbury last year, and in some parts of the world the democratic values that once bound us together are threatened. So we need to ask ourselves, what's our plan for the future?

I know that is an open question, but from the UK perspective I think the answer lies in using the history we have to build a common future. For example, largely as a result of our history and language, the UK has truly global connections and the British diaspora is enormous. Last year we hosted the Commonwealth Heads of Government meeting in London. The summit demonstrated that the Commonwealth is not only united by a common history, but a desire to work together to face global challenges. The Summit delivered a unanimous commitment to oppose chemical weapons and enhance cyber-security cooperation in order to protect against ever more sophisticated digital threats.

The UK is no longer a superpower. And we don't have an empire any more – a fact which I for one am grateful for. But as we depart from the EU, it's important to remember that we have the 5th biggest economy in the world, the second biggest military budget in NATO, the third biggest overseas aid budget, one of the world's largest financial centres, are a permanent member of the UNSC... we also have six of the world's top twenty universities including the very best, 450,000 overseas students studying in the UK (with around 5,000 Koreans, we really want to see that number increase), and 39 million visits by tourists in 2017 (with around 200,000 Koreans – again, not high enough, we really want to see that number increase)... I think I may have said enough, but I hope you can see how proud I am of the global impact the UK continues to make and what we continue to stand for.

I am also proud that I can stand in front of you as a British diplomat and as a son of Commonwealth immigrants. I continue to believe that diversity remains one of the UK's greatest strengths.

Finally, we must remember that the impressive progress of modern history, with South Korea being a tremendous example of this, has happened not by accident but by design. Its continued success can't be taken for granted. It is therefore up to all of us in the international community to strengthen our resolve, and make the most of what history has given us, in order to tackle the challenges of tomorrow.

Thank you

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## **Press release: Access to compensation scheme for victims who lived with their attacker**

More victims of violent crime able to claim compensation, as ministers scrap 'same roof' rule.