

News story: Illumina's takeover of PacBio raises competition concerns

The Competition and Markets Authority (CMA) has been investigating the proposed \$1.2 billion merger of Illumina, Inc. (Illumina) and Pacific Biosciences of California, Inc (PacBio). The companies are both global suppliers of DNA sequencing systems to organisations across the world, including UK universities, laboratories and research institutes. DNA sequencing systems are used to study genetic variation in humans and other species for purposes such as advanced disease research and drug development.

After completing its initial Phase 1 investigation, the CMA has concerns that the deal could remove potentially the most significant competitive threat to Illumina. Illumina is by far the largest supplier of DNA sequencing systems, both in the UK and worldwide, and the merging businesses are already close competitors. PacBio has also recently released a new, innovative system for DNA sequencing (the "Sequel II" instrument), which means that it is well-positioned to offer stronger competition to Illumina in the future.

Aside from the merging parties, there are limited alternatives available for customers at present. While some suppliers plan to enter the market in future, it is not clear when they will enter or how competitive their technology will be.

The CMA is therefore concerned that Illumina could face insufficient competition after acquiring PacBio and that the deal could result in more expensive or lower quality products and less innovation in the market.

If the merging businesses are unable to address the CMA's concerns, the deal will be referred for an in-depth Phase 2 investigation, to be carried out by a group of independent CMA panel members.

For more information, visit the [Illumina, Inc. / Pacific Biosciences of California, Inc. merger inquiry](#) page.