

Medtronic buys Covidien

09 December 2014 | News | By BioSpectrum Bureau

Medtronic buys Covidien



Singapore: The Chinese and South Korean officials have finally approved the merger of the two supplier giants, Covidien and Medtronic. Earlier this year, Medtronic had announced the acquisition of Covidien, a Dublin-based healthcare supplier to form a joint venture.

The combined firm would be placed under a new holding company in Ireland, where corporate taxes are about one-third the US rate of 35 percent. The new company will retain "operational" headquarters in Fridley.

Medtronic is a global leader in the supplier market, known for its implantable, high-tech medical devices and therapies, while Covidien offers an array of supplies and smaller devices widely used in surgery and general hospital care.

Following the merger, the company aimed to create another 1,000 jobs in Minnesota and invest \$10 billion in US operations. The Medtronic-Covidien deal will make the combined company a "cash machine," with an estimated \$7 billion in free cash flow annually, said Mr Bill George, Medtronic's former chief executive officer and now a professor at Harvard Business School in Boston.