Suppose there are 12 firms in an industry. The percentage of total sales is given in the following table:

|  |  |
| --- | --- |
| Firm | Percentage of total sales |
| 1 | 16 |
| 2 | 14 |
| 3 | 12 |
| 4 | 12 |
| 5 | 10 |
| 6 | 8 |
| 7 | 6 |
| 8 | 6 |
| 9 | 5 |
| 10 | 4 |
| 11 | 4 |
| 12 | 3 |

Calculate the HHI for this industry.

If firms 6 and 7 decide to merge, would this merger be challenged by the FTC? Why or why not?