

Monsanto plans to eliminate its main competitor in Europe – Syngenta

Author(s): Нора Иванова, Редактор Растителна Защита /P3/

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The Swiss chemical giant Syngenta rejected a \$45 billion deal.

Within one year, the often-criticized-by-environmentalists American firm Monsanto twice attempted to acquire the business of its biggest competitor in Europe - the Swiss Syngenta. The motives are purely self-serving - from the complete monopolization of the plant protection products market to the imposition of genetically modified seeds as a means of sustenance in a world with a continuously growing population. The concentration of the global market will be dominated by a handful of large corporations, whose goals are clearly outlined and quite predictable.

Against the backdrop of the controversial free trade agreement between the US and the EU, as well as the crisis in the agrochemical sector, a deal between two giants sounds more than logical.

But behind this insistence from across the Ocean, another reason is also apparent, which has recently been discussed by observers. While the Americans have bet in recent years on a rich range of new resilient seeds, they are technologically lagging in the development of plant protection products. Monsanto's singled-out herbicides and pesticides are morally obsolete in the dynamic agricultural environment, where specialists are increasingly struggling with problems of resistance, lack of natural resources, and climatic catastrophes. Experts from Merrill Lynch even believe that research and development costs for new products will drastically decrease with joint work. On the other hand, the idea of merging the two conglomerates is the perfect formula for endless profits. Competition is parried, the players are clear, and the needs and desires of small producers have been turned into advertising campaigns.

Currently, Syngenta categorically refused to sell at the transoceanic price offered, arguing that the price is too low and regulatory risks have not been fully accounted for.

Shortly after the announcement of Monsanto's offer, Syngenta's share price jumped by 20%. It was no different for the American competitor.

The proximity in the activities of the two companies and their potential merger is currently the subject of criticism from antitrust authorities, especially in North America, where the two groups are considered market leaders in the seeds sector.