



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC WILL NOT OPPOSE CHEMCHINA'S PROPOSED ACQUISITION OF SYNGENTA

The Australian Competition and Consumer Commission will not oppose the proposed acquisition by China National Chemical Corporation's (ChemChina) of Syngenta AG (Syngenta).

ChemChina owns Adama Agricultural Solutions Limited (Adama). In Australia, Adama and Syngenta supply crop protection products such as insecticides, herbicides, and fungicides.

"The ACCC found that ChemChina would continue to face competition in the supply of crop protection products from a range of proprietary and generic suppliers such as Bayer, BASF, Monsanto, Nufarm, Dow, DuPont, and FMC," ACCC Chairman Rod Sims said.

"Importantly, the ACCC also took into account the complementary nature of the two businesses. Syngenta is focused on research and development to bring new patented chemicals to market. Adama focuses on generic off-patent chemicals."

"Generic chemicals are more prevalent in Australia than in many other countries, and there is a large number of suppliers. Bringing new generic chemicals to market is often cheaper and quicker in Australia than, for example, in the European Union, due to lower regulatory barriers," Mr Sims said.

Adama and Syngenta have a number of products which have the same end uses. These overlapping products include (but are not limited to):

- Syngenta's *Chorus* and *Switch*, and Adama's *Solaris* (which contain the fungicide Cyprodinil and are used to control botrytis fungi on grapes and other diseases such as black spot on apples and pears)
- Syngenta's *Affirm* and *Proclaim*, and Adama's *Warlock* and *Oracle* (which contain the insecticide Emamectin and are used to control various moths on crops including cabbage, apple, and grapes).

"The ACCC discussed these competitive overlaps with many industry participants and a range of industry stakeholders. Very few customers raised competition concerns. Farmers already have a range of alternative products from which to choose. Additionally, as these products are based on off-patent chemicals, the likelihood of alternative generic suppliers entering the market will constrain ChemChina after the acquisition," Mr Sims said.

Further information is available on the public register: www.accc.gov.au/mergersregister

Background

Crop protection products are chemicals that play a role in controlling the diseases, insects, and weeds that harm or destroy food crops. Crop protection products may have one or more active ingredients, which are the chemical compounds that are designed to treat a targeted pest (fungi, insects, or weeds).

There is a large number of suppliers of generic chemicals in Australia. These include significant international competitors such as Nufarm and FMC, in addition to major pastoral houses which all have their own house brand generic products.

ChemChina is an international company based in China. ChemChina, among other things, is the largest manufacturer of off-patent agricultural chemicals in the world. In Australia, ChemChina distributes agricultural chemicals, including crop protection products (such as insecticides, herbicides and fungicides), through Adama Agricultural Solutions Limited. All of the products distributed by ChemChina, through Adama in Australia are off-patent, with the exception of one product called "Nimitz".

Syngenta is an international company based in Switzerland. It is active in crop protection products, seeds, and lawn and garden products. Nearly all of Syngenta's crop protection products are based on active ingredients researched, developed, and originally patented by Syngenta. It researches and develops new active ingredients and formulations suitable for use in crop protection products, as well as new seed traits, and genetically modified seeds.

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