

ChemChina's bid for Syngenta reflects China's need for agricultural biotech

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China National Chemical Corp. agreed to buy Swiss pesticide and seeds maker Syngenta AG for more than \$43 billion in cash as the state-backed company extends its shopping spree with what would be the biggest acquisition by a Chinese firm.

ChemChina, as the closely-held company is known, offered \$465 a share in cash, according to a statement on Wednesday. The offer, endorsed by Syngenta's board, is about 20 percent higher than the stock's last close. . . .

"Political headwinds, in particular from the U.S., could make the takeover process more lengthy than initially expected," Ute Haibach, analyst at J. Safra Sarasin, wrote in a note. "The Committee for Foreign Investment in the U.S. will likely watch the transaction closely as China's domestic seed market is broadly closed to U.S. companies."

If completed, the deal would help Chairman Ren Jianxin transform ChemChina into the world's biggest supplier of pesticides and agrochemicals, while snatching an asset coveted by St. Louis-based Monsanto Co.

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Behind the Chinese company's pursuit are national interests. Chinese President Xi Jinping is trying to boost agricultural output to maintain self-sufficiency as a growing middle class consumes more grain-intensive meat and farmland is converted to housing and golf courses. The World Bank estimates that China's arable land declined 6 percent in the last decade as economic growth boomed.

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The takeover would likely need to win clearance from the Committee on Foreign Investment in the U.S., which would review whether the deal would compromise American food security and whether the combined company's locations would be too close to U.S. military bases. . . .

Read full, original post: [ChemChina Offers Over \\$43 Billion for Syngenta](#)