

# Mexico sets conditions for Bayer-Monsanto merger

June 4 2018

---



Mexico has ordered Bayer and Monsanto to sell off their seed businesses after their mega-merger

Mexican competition regulators said Monday they had ordered the German chemicals and pharmaceuticals giant Bayer to sell off its seed and pesticide businesses after a merger with US agriculture heavyweight Monsanto.

The Federal Commission for Economic Competition (Cofece) said the two multinationals could only merge their Mexico operations if they

gave up their "genetically modified cotton seed [business](#), all of their vegetable [seed](#) businesses and certain non-selective pesticides which are the property of Bayer."

Bayer's \$63-billion (54-billion-euro) buyout of Monsanto—one of the largest in German corporate history—is set to close Thursday, birthing a global giant with 115,000 employees and revenues of some 45 billion euros.

Bayer has proposed selling off the listed businesses to its rival BASF, which the Mexican regulator said "has the capacity and incentive to vigorously compete in the markets involved."

"Without the conditions imposed, the operation will significantly reduce the alternatives that Mexican farmers have at their disposal to a broad range of seeds and non-selective pesticides, which could lead to higher prices and less innovation, research and development of new products," the regulator said.

Bayer and Monsanto will have to accept all the conditions imposed by the regulator to close the deal, but will have the right to legally challenge the verdict in court, it said.

© 2018 AFP

Citation: Mexico sets conditions for Bayer-Monsanto merger (2018, June 4) retrieved 23 April 2024 from <https://phys.org/news/2018-06-mexico-conditions-bayer-monsanto-merger.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--