

Investment screening and the Syngenta question

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The acquisition of Syngenta by ChemChina, which was announced in February 2016 and completed in 2017 for more than 40 billion US dollars, was one of the largest foreign acquisitions in Chinese corporate history. Because Syngenta had significant operations in the United States, the transaction required clearance by the Committee on Foreign Investment in the United States, which was obtained in August 2016. The European Commission and other competition authorities cleared the transaction subject to divestitures. In Switzerland, no screening of foreign investments existed at the time, so that the transaction required only the usual corporate and competition law approvals. After the merger of ChemChina and Sinochem in 2021, Syngenta became part of the Syngenta Group, a company controlled by the Chinese state.¹

The transaction triggered a debate in Switzerland on whether the country should introduce a mechanism for screening foreign direct investments. Parliament adopted a motion in 2020 that instructed the Federal Council to prepare such legislation, although the Federal Council itself had been sceptical. The Federal Council submitted a draft Investment Screening Act in 2023, which focuses on acquisitions of domestic companies by foreign state-controlled investors in critical sectors. The parliamentary deliberations extended the scope in some respects and have been controversial. As of autumn 2026, the final form and entry into force of the legislation must be checked against the current parliamentary record.²

In the United States, the Chinese ownership of Syngenta has also led to measures at state level. Several states have passed laws restricting the ownership of agricultural land by companies controlled by certain foreign states. In at least one case, the authorities ordered Syngenta to divest farmland. At the federal level, the debate on biotechnology companies with links to China, conducted under the heading of the BIOSECURE Act, has affected contract manufacturers and research service providers. For Lonza

and other Basel companies active in contract development and manufacturing, such legislation can create opportunities as well as compliance obligations, since customers may shift orders away from suppliers considered risky. The geopolitical dimension of the life sciences is thus becoming part of the compliance agenda, a theme to which Part K returns in its scenarios.³

1 Notes

1. On the ChemChina acquisition of Syngenta, see the offer documents and press releases of 2016 and 2017, the CFIUS clearance announced by the parties in August 2016 and the decision of the European Commission of 5 April 2017 (Case M.7962 – ChemChina/Syngenta). On the formation of Syngenta Group, see the company's publications. Figures to be verified. ↩
2. Motion 18.3021 Rieder, "Protection of the Swiss economy through investment controls", adopted by Parliament; Federal Council, Dispatch on the Investment Screening Act of 15 December 2023. On the subsequent parliamentary deliberations, see the official records of the Federal Assembly. Status to be verified. ↩
3. On the Arkansas order of 2023 requiring Syngenta Seeds to divest agricultural land, see the announcements of the Arkansas Department of Agriculture and the Attorney General; on the BIOSECURE Act and its legislative history in the US Congress, see the congressional record. Status to be verified. ↩

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