EU Halts DowDuPont Merger Probe Again

As has only just been revealed, the European Commission has suspended its review into the proposed merger between Dow Chemical and DuPont Co for a second time, saying the companies had again failed to provide important information it had requested. In an earlier move, the EU antitrust authority had suspended its in-depth investigation in September for the same reason and reopened the probe in early October. The Commission said it “stopped the clock” on the reopened review on Oct. 13. However, it did not elaborate on any possible concerns.

Even after the news broke late last week, both Dow and DuPont said they still expected a final verdict from the EU in the first quarter. Authorities in the US and Australia are planning to conclude their investigations around the same time. In its in-depth probe launched on Aug. 11 the regulatory authority is studying whether the merger would reduce competition in areas such as crop protection, seeds and certain petrochemicals.

While saying he still believes the deal should close, “it is becoming increasingly probable that the commission is slow-walking this deal,” Jonas Oxgaard, a New York-based analyst at Bernstein said in a note quoted by news agencies. It “likely delays the closure of the deal date to sometime in late March 2017,” he added.

Regulatory agencies worldwide currently have their hands full studying the possible effects on the global markets of not only the DowDuPont plans, but also the proposed takeover of Syngenta by ChemChina and the acquisition of Monsanto by Bayer.

Autor(en)

Dede Williams, Freelance Journalist