

Earlier this week the European Commission [cleared](#) the merger of Dow and DuPont, subject to conditions including divestiture of DuPont's "global R&D organisation." As the Commission noted:

The Commission had concerns that the merger as notified would have *reduced competition on price and choice* in a number of markets for existing pesticides. Furthermore, the merger would have *reduced innovation*. Innovation, both to improve existing products and to develop new active ingredients, is a key element of competition between companies in the pest control industry, where only five players are globally active throughout the entire research & development (R&D) process.

In addition to the traditional focus on price effects, the merger's presumed effect on innovation loomed large in the EC's consideration of the [Dow/DuPont](#) merger — as it is sure to in its consideration of the other two pending mergers in the agricultural biotech and chemicals industries between [Bayer and Monsanto](#) and [ChemChina and Syngenta](#). Innovation effects are sure to take center stage in the US reviews of the mergers, as well.

[Read the full piece here.](#)