

Mergers and Acquisitions in Chinese Pesticide Industry in 2011–2017

The First Edition

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1. Introduction

This report is about mergers and acquisitions happened in 2011–2017 in Chinese pesticide industry. Under the guidance of national macro-policy and the strict supervision of environmental protection laws, mergers and acquisitions will be a trend in Chinese pesticide industry, which will help to weed out backward production capacities and to improve industry concentration.

From this report, you can find the answers of the followings:

1. Why China speed up the process of mergers and acquisitions in the pesticide industry?
2. How the number of pesticide manufacturers in China changed in recent years and how about the industrial concentration of pesticide industry in China?
3. How many mergers of enterprises happened in pesticide industry in China in 2011–2017?
4. How about business transfer and acquisition in pesticide industry in China in 2011–2017?
5. How many enterprises voluntarily gave up pesticide production qualifications in 2015–2017 and why?

2. Approach for this report

The report is drafted by diverse methods as follows:

- Desk research

The sources of desk research are various, including published magazines, journals, government websites and statistics, industrial statistics, association seminars as well as information from the Internet. A lot of work has gone into the compilation and analysis of the obtained information.

- Internet

CCM visited government websites and contacted with players in the domestic agrochemical industry through B2B websites and software as well as obtained registration information on the internet.

- Data processing and presentation

The data collected and compiled are sourced from:

- CCM's database
- Published articles in periodicals, magazines, journals and third-party databases
- Statistics from governments and international institutes
- Telephone interviews with domestic producers, joint ventures, service suppliers and governments
- Third-party data providers
- Comments from industrial experts
- Professional databases from other sources
- Information from the internet

The data from various sources have been combined and cross-checked to make this report as precise and scientific as possible. Throughout the process, a series of internal discussions were held in order to analyse the data and draw the conclusions.

The USD/CNY exchange rate in this report is USD1.00=CNY6.6493 on 1 Oct., 2017, sourced from the People's Bank of China.

3. Executive summary

Establishing large business groups by mergers and acquisitions (M&As) to expand production scale of enterprises has been one main guideline of the Chinese government for the pesticide industry. M&As has also become one of the key words in the Chinese pesticide industry. As the deadline of China's 13th Five-year Plan period (2016–2020) is coming, it's likely that China will see more M&A activities.

M&A is companies' normal response when they suffered market depression. It is also a requirement of the Chinese pesticide industry due to the industry's own structure.

M&As have been a developing trend to eliminate inefficient capacities and to improve industry concentration with the adjustment of national macro policies. It is believed that more and more outmoded enterprises will be eliminated or be acquired by the superior ones, with strict government control, increasing entry thresholds and improving production concentration.

4. What's in this report?

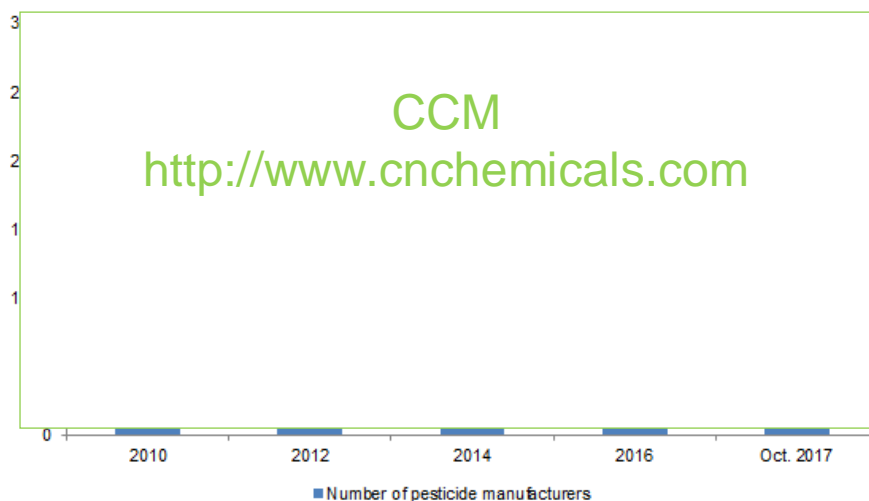
Note: Key data/information in this sample page is hidden, while in the report it is not.

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2 Increasing industrial concentration of pesticide industry in China

2.1 Number changes of pesticide manufacturers in China

Figure 2.1-1 Number of pesticide manufacturers in China, 2010–Oct. 2017



Note: It was more than XXX in 2010.

Source: Ministry of Industry and Information Technology of the People's Republic of China (MIIT)

3 Three main process of merger and acquisition in Chinese pesticide industry, 2011–2017

3.1 Merger of enterprises in pesticide industry in China, 2011–2017

Table 3.1-5 List of Chinese pesticide enterprises in merger, 2017

| No. | Before the merger | | After the merger | |
|-----|-------------------|-----------------|------------------|-----------------|
| | Company | Production type | Company | Production type |
| 1 | XXX | XXX | XXX | XXX |
| | XXX | XXX | | |
| ... | XXX | XXX | XXX | XXX |
| | XXX | XXX | | |

Source: Ministry of Industry and Information Technology of the People's Republic of China

3.2 Business transfer and acquisition in pesticide industry in China, 2011–2017

Table 3.2-7 Business transfer and acquisition in China's pesticide industry in 2017

| No. | Time | Company involved | Event |
|-----|------|------------------|-------|
| 1 | XXX | XXX | XXX |
| 2 | XXX | XXX | XXX |
| 3 | XXX | XXX | XXX |
| 4 | XXX | XXX | XXX |
| 5 | XXX | XXX | XXX |
| 6 | XXX | XXX | XXX |
| 7 | XXX | XXX | XXX |
| 8 | XXX | XXX | XXX |
| ... | XXX | XXX | XXX |

Source: CCM

3.3 Enterprises Voluntarily Giving Up Pesticide Production Qualifications, 2015–2017

Table 3.3-3 Enterprises voluntarily giving up pesticide production qualifications, as of Oct. 2017

| No. | Province/ autonomous region | Company | Production type | Registered address | Company address | Purchased by |
|-----|-----------------------------|---------|-----------------|--------------------|-----------------|--------------|
| 1 | XXX | XXX | XXX | XXX | XXX | XXX |
| 2 | XXX | XXX | XXX | XXX | XXX | XXX |
| 3 | XXX | XXX | XXX | XXX | XXX | XXX |
| 4 | XXX | XXX | XXX | XXX | XXX | XXX |
| 5 | XXX | XXX | XXX | XXX | XXX | XXX |
| 6 | XXX | XXX | XXX | XXX | XXX | XXX |
| 7 | XXX | XXX | XXX | XXX | XXX | XXX |
| 8 | XXX | XXX | XXX | XXX | XXX | XXX |
| 9 | XXX | XXX | XXX | XXX | XXX | XXX |
| ... | XXX | XXX | XXX | XXX | XXX | XXX |

Source: Ministry of Industry and Information Technology of the People's Republic of China

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