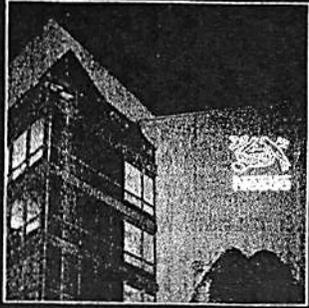
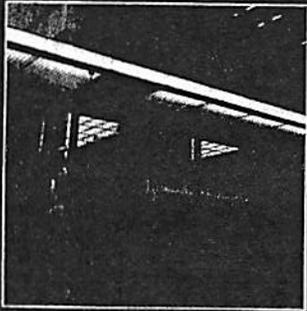




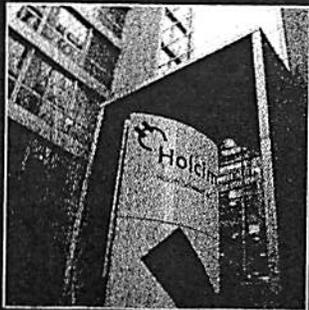
Head office of Novartis in Basel



Head office of Nestlé in Vevey



Head office of ABB in Zurich-Oerlikon



Head office of Holcim in Zurich

becoming major players on the world's markets: Nestle is the world's biggest foodstuffs group, Novartis is one of the most important pharmaceuticals groups, ABB is a leading manufacturer in the energy and automation technology sectors, and Holcim is one of the biggest players in the global cement industry. All these companies were founded in Switzerland and still operate from here, but they employ tens of thousands of people all over the world. They operate on a global scale, are in the hands of international managers, yet they have maintained their roots in Switzerland. Another thing they have in common is their age: each of the above companies has been in existence for a hundred years or more.

These are prime examples of the many companies that are active throughout the world and secure Switzerland's economic strength. Every second Swiss franc is earned abroad. And this also means that every second job in Switzerland is closely tied

a year.

In addition to producing huge amounts of income abroad and generating one of the highest per capita foreign trade volumes in the world, Swiss companies also invest large amounts of money in other countries – for example by establishing subsidiaries and branch offices, purchasing real estate and acquiring stakes in other companies. Their total investments amount to around 400 billion Swiss francs a year, which means that Switzerland is one of the most active direct investors in the world.

But the major groups do not have a monopoly when it comes to Swiss quality and precision products that are in such high demand throughout the world. Numerous high-tech and precision products are developed and manufactured by small and medium-sized companies, which employ the majority of Switzerland's workforce.

#### FACTS AND FIGURES

Biotechnology and pharmaceuticals group, **Novartis**, was established in 1996 following the merger between two of Basel's most renowned companies, Ciba-Geigy and Sandoz. At that time, this was the world's largest merger.

The creation of Novartis was preceded by the merger between Ciba and Geigy. In 1948, Geigy researcher Paul Müller was awarded the Nobel Prize for his discovery of the insecticide DDT\*. And Sandoz became famous throughout the world following its development of the psychedelic drug, LSD.

**Nestlé** was founded in 1867 by Swiss pharmacist Henri Nestlé (a German immigrant). Right from the start his company produced baby foods, and as the result of numerous take-overs both at home and abroad, Nestlé evolved into the world's largest foodstuffs group.

**Asea Brown Boveri (ABB)** was established in 1988 following the merger between Swedish company **ASEA** and the Swiss group, **Brown, Boveri & Cie (BBC)**. This merger, which turned ABB into the world's leading electrical technology group, was regarded as a mile-

stone in Switzerland's business history. The Swiss branch of ABB was founded in 1891 by Englishman Charles Eugene Lancelot Brown, and Walter Boveri of Germany.

**Holcim** was established in 1912 in the small Swiss village of Holderbank, after which the company was originally named. It began to extend its activities to other countries in Europe approximately 10 years later, and is now the world's leading supplier of cement and concrete. Holcim pursues a global strategy aimed at securing sustainable development,

and has undertaken a strong commitment to protect non-renewable natural resources.

\*DDT is still one of the most important insecticides in use today to combat malaria.

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JAMES WILLIAMSON





**"Biotech giant Novartis bans GMOs from own foods"**

**Reuters  
August 3, 2000**

**BRUSSELS, Aug 3 (Reuters) - Novartis, one of the world's largest providers of seeds for growing genetically modified (GM) food, confirmed on Thursday that it has made its own food products GM-free.**

**The Swiss agribusiness and pharmaceuticals giant which is at the forefront of GM crop technology banned genetically modified ingredients from all its food brands worldwide from the end of June this year.**

**The policy was revealed in a letter the company sent to the Belgian office of Greenpeace in an attempt to get the environmental group to include Novartis on its list of GM-free food producers.**

**Novartis said it was aiming to guarantee all its foods -- mostly health foods such as cereal bars -- were free of GM ingredients because of pressure from consumers. Many consumers across Europe are distrustful of transgenic foods.**

**"With the current sentiment among the population towards GMOs, we have decided to take all necessary practical measures to avoid using genetically modified organisms in our products worldwide," Novartis said in its letter.**

**A spokesman for Novartis confirmed the company's consumer health division had opted last summer gradually to phase out GM ingredients from its food lines.**

**The Novartis policy even goes as far as demanding certificates from its ingredient suppliers stating their products are GM-free.**

**"Consumer health, being in a consumer-driven market, has to deliver what consumers want. We have to respond to the changing needs of the various markets," the spokesman said.**

**Asked if Novartis' anti-GM stance conflicted with its position as a vociferous promoter of GM seeds, the spokesman said: "That's a totally different question."**

**"All our business centres operate independently in totally different**

markets. The market for seeds is totally different from the market for food products," he said.

### Growing consumer concern

Genetically modified food -- made from plants whose gene sequence has been scientifically altered to give qualities such as resistance to pesticides -- has caused increasing concern among consumers and environmentalists who fear the new technology could pose a threat to human health or nature.

European Union governments have become so sensitive to the issue that they have refused to grant any new authorisations for GM crops for the last two years.

Among the crops currently languishing in the EU's stalled authorisation procedure is a Novartis GM maize.

The Novartis spokesman pointed out that the firm was about to spin off its agribusiness unit into a joint venture with AstraZeneca.

The move would clearly separate the company that makes GMOs from the firm that bans them from its food products.

However, this did not mean Novartis was turning its back on biotechnology, which would continue to be important for its pharmaceutical division, the spokesman said.

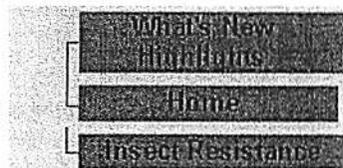
"We are convinced that GM plants provide advantages to farmers and processors and will offer clear benefits to consumers in the future," he said.

Novartis is not the first biotechnology company to be accused of double standards on GMOs, as Greenpeace has done in this case.

In December last year, U.S. rival Monsanto PHA.N was embarrassed by press reports that it had banned GM foods from its own staff canteen run by an independent caterer at one of its British offices.

**\*\* NOTICE: In accordance with Title 17 U.S.C. Section 107, this material is distributed for research and educational purposes only. \*\***

*Last Updated on 8/5/00  
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## 1. Summary

Syngenta is a Swiss agricultural company formed in 2000 from the agrochemical and seed businesses of Novartis, and the agrochemicals and biotechnology research divisions of AstraZeneca. 1 Syngenta is the world's second biggest player in agrochemicals and the third biggest seed producer. 2 In 2002 the company had sales of \$6.2bn. 3 Syngenta currently sells GM crops in the US, Canada and Spain. 4 Syngenta is one of the big three companies looking to commercialise GM crops in the UK in the near future. Syngenta has a relatively small stake in the commercialisation of the first round of GM crops in the UK. It has two varieties of GM sugar beet, developed in conjunction with Monsanto, which are awaiting approval for the UK national seed list. 5 Of all the major agricultural biotechnology companies currently active in the UK, Syngenta have the biggest stake in sales of conventional seeds. If first generation GM crops are commercialised in the UK, Syngenta will be well placed to market both its own GM traits, and those of other companies, through its seeds division. Syngenta have carried out a small number of GM crop research trials in the UK including research into Genetic Use Restriction Technologies (GURTS/traitor technology) 6 and GM wheat. 7 GM crops are a key part of Syngenta's future and it has a strong interest in seeing them grown in the UK and Europe. It is heavily involved with a number of industry joint initiatives such as SCIMAC, ABC and CropGen (see overview briefing for details of each of these groups) designed to influence both the public and government on the issue of GM crops. So far Syngenta has avoided much of the public vilification that other GM companies, such as Monsanto, have attracted. It is perhaps the most successful GM crops company at co-opting the sustainable development agenda (through the Syngenta Foundation for Sustainable Development), and aligning itself with GM crops with perceived consumer benefits (eg Vitamin A or 'Golden' Rice 8). Of all the major corporations involved in agricultural biotechnology, Syngenta, with part of its roots in Zeneca/ICI, has the strongest links to the UK. Key parts of its global infrastructure and personnel are based in the UK. Syngenta employees have a significant presence on the various boards and panels of the Biotechnology and Biological Sciences Research Council (BBSRC) the agency that allocates funding for academic research and training in the biosciences at UK universities and institutes 9.

## 2. Company Structure and History

### Company history 10

Despite being a relatively 'new' company, Syngenta inherits the dubious legacies of both its parent companies, Novartis and AstraZeneca, promoters of GM technology and manufacturers of hazardous chemicals (paraquat and atrazine 11). Syngenta was formed in November 2000, with the spin-off and merger of the agrochemical and seed division of Novartis (a Swiss lifesciences company formed in 1996 by the merger of two giant Swiss chemical/pharmaceutical companies Ciba-Geigy and Sandoz), and the agrochemicals and biotechnology research divisions of AstraZeneca (a British lifesciences company formed in 1999 by the acquisition of Astra AB, a Swedish pharmaceutical company, by Zeneca, a British chemicals and biotechnology company, formerly part of ICI). Astra Zeneca still exists as a pharmaceuticals company but has retained its seed interests, a 50% stake in Advanta, a joint venture with Dutch company Cosun. 12 In the late 1990s Novartis and AstraZeneca were keen to establish themselves as 'lifesciences' companies and exploit the potential synergies between their pharmaceutical, chemical and agricultural sectors. Both invested heavily in acquiring seed and biotechnology companies. However, the strain of having to manage several very different sectors more than outweighed the savings made during basic research 'synergies'. 13 The Syngenta spin-off was a result of the poor performance of both Novartis' and AstraZeneca's agribusiness divisions during 1999, at least partly caused by the global backlash against GM crops. The creation of Syngenta has enabled parent companies Novartis and AstraZeneca to make considerable savings, and to rid themselves of their controversial agricultural biotechnology ventures. Syngenta has so far managed to avoid the public vilification that Monsanto attracted, and has been quietly getting on with developing some of the most controversial applications of agricultural biotechnology including genetic use restriction technologies (GURTs)/traitor technology

### Involvement in GM crops

Each of Syngenta's precursor companies has had a long involvement with agricultural products, beginning in the 1930s with manufacturing pesticides, from the mid 1970s onwards expanding into seed companies and from the mid 1980s beginning research into GM crops.

From the 1980s onwards the focus for the companies that merged to form Novartis (Ciba, Geigy and Sandoz) was engineering Bt toxin insect resistance into crops. 14 The outcome of this research was Bt Maximiser/Knockout insect resistant maize, which was given approval for commercial growing in the US in 1995, 15 and continues to be Syngenta's most important own-brand GM product.

Zeneca (then ICI) began work on GM crops in the late 1970s. Its only widely marketed GM product to date has been the slow ripening tomato, which was the first GM food product to be marketed in the UK and Europe. The tomato was grown in the US and marketed in the UK as Safeway and Sainsbury's own brand tomato puree. The product was launched in 1996 and withdrawn from the market in July 1999 due to public concerns over GM foods. 16

## 3. Current Situation with GM crops

### 3.1 Global

Syngenta is one of the leaders in the field of GM crops, and GM crops form an integral part of its future plans. At present, though, it is important to remember that traditional agrochemicals still account for the majority of its global

business. Based on figures for 2001, 85% of Syngenta's income was from agrochemicals, whilst just 15% came from seed sales. Of this 15% only 17% (under 3% of total sales) came from the sale of GM crops.

Syngenta's principle sales of GM crops are in the US and Canada. In the US it sells insect resistant maize, sweetcorn and forage maize using either its own Knockout technology or YieldGard technology under license from Monsanto.<sup>17</sup> In maize and forage maize this is often combined with Liberty Link herbicide tolerance under license from Bayer CropScience. It also markets herbicide tolerant soya using Monsanto's RoundUp Ready technology. Syngenta also sells its own version of glyphosate (RoundUp) called Touchdown for use on GM crops.

In Canada it markets insect resistant maize and forage maize using either its own Knockout technology or YieldGard technology, under license from Monsanto. In both maize and forage maize this is often combined with Liberty Link herbicide tolerance under license from Bayer CropScience.<sup>18</sup>

Syngenta are currently pushing for the commercialisation of BT insect resistant maize in South Africa.<sup>19</sup>

Syngenta are currently the only company to market a GM crop for commercial growing in the EU. In Spain it sells insect resistant maize utilising its own Knockout technology under the name Comba CB.