

## Rise in Global Mergers

By Nahal Bahri, J.D. Candidate 2015 | July 6, 2014

Several [reports](#) have shown greater activity in global M&A deals since the start of 2014. Many large transactions have [driven](#) M&A “activity up by 54 percent in the first quarter compared to the same period last year, reflecting greater deal-making confidence among chief executives.”

The U.K. law firm [Clifford Chance LLP](#) experienced a [rise in revenue](#) by 7% as a result of greater mergers in the markets. While Europe as a whole has benefited from the rise in M&A activity, Matthew Layton, managing partner at Clifford Chance [stated](#) that these deals are “a sign of the growing confidence of boardrooms.”

Companies throughout the world agreed to over \$900 billion worth of purchases in the second quarter of 2014. This data [generates](#) “confidence in transactional markets generally” and such activity means businesses and law firms can look forward to “continued growth” for the future.

While the number of deals has not increased, the value of each deal has generated greater attention. According to Thompson Reuters, their [data](#) includes “bids for Time Warner Cable and SFR.” Furthermore, [nearly 50%](#) of deals worldwide were “worth \$5 billion or more.”

Some [notable deals](#) this past year, in addition to the [TWC merger announcement](#), include Actavis’ acquisition of the U.S. pharmaceutical firm Forest Laboratories for \$23.8 billion and Facebook’s acquisition of Whatsapp for \$19.4 billion.

Out of all of the bids for companies in 2014, 19% of the value of all M&A deals have been characterized as [hostile](#). Some argue that the [rise](#) in hostile takeover bids is a result of “companies becom[ing] more optimistic about their futures and [they] are increasingly looking at deals as a way to bolster their business instead of more conservative moves such as share buybacks or dividend payouts.”

The rise in M&A activity is attributed to “cheap debt, high corporate cash balances and an improving economy,” [according to Bill Anderson](#), head of Goldman Sachs’ defense practice. As announcements of these giant deals continue to spread, it will be interesting to observe which deals go through and which fall short.

For an in-depth look at the Time Warner Cable announcement, *see* “[Update: Comcast Announces Cable Industry Megamerger](#)”