**Title:** Spotlight on Mergers and Acquisitions: Are Global Takeovers Headed for a Slump?

**Subtitle:**

**Meta Description:** Spotlight on Mergers and Acquisitions: Are Global Takeovers Headed for a Slump?

**Date:** 0-5-2012

**Author:** Dan Brecher

**Formatted Content:**

**Raw Content:** The value of<span style="text-decoration: underline;"> <span class="removed\_link" title="https://scarincihollenbeck.com/practices/">global takeovers</span> </span>dropped to the lowest level in more than a year in the final quarter of 2011, according to a new Bloomberg report. In addition, many analysts predict the trend may continue in 2012, as companies hold off on major purchases until the European debt crisis is resolved.
Mergers and acquisitions have slumped 15 percent from the previous three months to $464 billion, making the fourth quarter of 2011 the slowest since mid-2010, according to data compiled by <span style="text-decoration: underline;"><a href="http://www.bloomberg.com/news/2011-12-29/takeovers-slump-to-lowest-in-year-as-debt-crisis-saps-confidence.html">Bloomberg</a></span>. For the year to date, announced takeover volume has risen just 3.2 percent to $2.26 trillion. Of course, the totals would have been higher if regulatory hurdles had not derailed AT&amp;T’s proposed takeover of T-Mobile USA.
<em>Economic Hurdles</em>
In addition to Eurozone concerns, mergers and acquisitions were also hampered by other economic issues, including tightening credit markets and stock-market swings, Bloomberg noted. Earlier in 2011, market conditions encouraged businesses to pursue acquisitions, such as Johnson &amp; Johnson's $21.3 billion bid for Synthes Inc. and Express Scripts Inc.'s $29.1 billion offer for Medco Health Solutions Inc.
<em>Regulatory Hurdles</em>
The Bloomberg report also highlighted that regulatory scrutiny continues to hinder M&amp;A activity. Express Scripts’ bid for Medco, which would create the largest U.S. manager of pharmacy benefits for employers, insurers, and union health plans, is being heavily scrutinized. Several states have already launched inquiries into whether the merged entity would command too much market power.
In addition, as we noted above, AT&amp;T abandoned its efforts to buy T-Mobile USA from Deutsche Telekom AG last month after the U.S. Justice Department filed a lawsuit alleging that the merger would substantially reduce competition.
<em>What’s Next?</em>
In 2012, many predict businesses will likely take a wait and see approach when it comes to large-scale acquisitions. In particular, the state of the global economy and the upcoming elections will likely influence M&amp;A on both a global and national level. However, that does not mean that there aren’t good opportunities out there for businesses looking to expand, as it continues to be a buyer’s market in many industries.