

## Ed Lebow in Law360: 2017 M&A Outlook Clouded By Shifting Political Environment

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**PRACTICES** Patent Office Trials, Mergers and Acquisitions, Financial Regulatory, International

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The underlying factors that drove 2016 M&A to healthy but not record levels will continue into 2017, but changing political environments in the U.S., the U.K. and China and the regulatory and tax changes that will come with them will inject new uncertainty around merger activity in the New Year.

Companies and private equity firms alike are still sitting on strong reserves in an economic environment characterized by limited organic growth and any further increase in interest rates in the U.S. is expected to be minimal, keeping debt relatively inexpensive. The stock market is also expected to continue to support valuations and the shareholder activist playbook is expected to continue to call for M&A...

One of the biggest question marks is the impact that President-elect Donald Trump and his administration will have on M&A in the coming year...

### Policy Shifts Could Slow Chinese Outbound M&A

Trump has also suggested that Chinese investment in the U.S. should be heavily scrutinized, drumming up questions about how his appointments to key posts on the Committee of Foreign Investment in the U.S. may view such transactions.

“In the U.S., we have talk about a lack of reciprocity and a need to be tighter with China if for no other reason than they are not particularly open to us in other areas,” said [Edward Lebow](#), international trade counsel with Haynes Boone LLP.

Without more clarity, that leaves both buyers and sellers with questions about deal certainty, which can slow investment activity.

“And then there’s just the basic issue of uncertainty. If you’re a business person, the thing you hate most is uncertainty. And one doesn’t really know what are going to be the policies of the Trump administration,” Lebow said.

**Excerpted from *Law360*. To read the full article, please [click here](#) (subscription required).**