

# SECTOR FOCUS: INFRASTRUCTURE

Global  
Legal Briefings

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The infrastructure sector has seen steady volume and value figures in cross-border M&A in 2015, with more deals expected in 2016.

## INFRASTRUCTURE M&A ON THE INCREASE

The sector saw solid cross-border M&A volume in 2015 – at 199 deals, it dropped only 8% year-on-year. With the exception of 2014, last year's value figure is the highest since 2009.

## STRATEGIC DRIVERS

Geographical diversification and increased market share were key strategic drivers for infrastructure M&A in 2015 with most dealmakers having either a small foothold, or no operations, in the existing market.

## REGIONS OF FOCUS

Western Europe and Latin America appear to be strong regions of focus for future acquisitions. One dealmaker noted: "Latin America has huge needs for investment in infrastructure and engineering and they will require significant support from foreign players." Southeast Asia, South Asia (India, Pakistan), North America, and Central and Eastern Europe were also regions of interest.

## THE FUTURE OF DEALMAKING

Despite concerns expressed by some market participants over rising asset values, as well as global instability and volatile markets, infrastructure dealmakers in our survey were upbeat about the future for M&A in their sector. Most infrastructure investors intend to make the same number or more deals in the next three years as they did in the past three years. In terms of legal obstacles, the majority of respondents are concerned about anti-trust regulations – this is in line with the overall report. However, a quarter is worried by labour and employment rules, compared with only 16% in total.

While the sector could well be affected by macroeconomic headwinds, the long-term outlook for the infrastructure sector appears to be positive.

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## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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