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Global Mergers & National Security.
-- *Global Mergers & New Realities* --

New Reality – New Landscape Post 9/11 & Post 2008.

--- Four Developments ---

- What is the new landscape for global merger in the post-9/11 world & post-2008?**
 - This is part of the larger global investment field – other forms of FDI and portfolio investment.**
- How is *post-9/11* & *post – 2008* different from the “*post-Cold-War era*” (1990s)?**
- The new contours of the post-9/11 world – *national security aspects* – are critical to assessing global mergers & investment today.**
- Understanding the implication of the *global financial crisis* is a newer dimension, since 2008 – especially as to natural resources (including food security).**

Four Developments in Global Trade Impacting Global Mergers:

- o **Takeovers & foreign investment are coming from *developing countries* (private firms, state-owned firms & governments, Sovereign Wealth Funds.**
- o **Rise of *national security* concerns.**
- o **Increasing *reaction against global integration* (economic protectionism / economic patriotism) & global financial discord.**
- o **Growing *resource nationalism* in oil & gas sectors.**

-- Summary – Newer Global Landscape --

Domestic Political Change & Global Mergers

- ❑ Since 9/11 the *political aspects of global trade* have changed. (Heightened by 2008 financial crisis.)
- ❑ The *issue of global mergers* needs to be understood in this newer landscape.
- ❑ Specifically, we've had a change in the political dynamics within the U.S. and within other countries.
- ❑ The role of national security and reaction against globalization are growing pieces of this new “post-9/11 era.” These trends have been accelerated and broadened by the 2008 global financial crisis and recession.

-- Global Trade & Global Mergers Post-9/11& Post-2008 ---

- Greater *protectionism* and concern for *national security* in the U.S. & EU are having a significant impact on trade relations & review of global mergers.
 - Russia is considering imposing controls on foreign investors in “strategic industries.”
 - South Korea is reassessing its treatment of foreign private equity in industry reorganizations.
 - India concerned about Chinese investment & national security.
- Greater role of foreign corporations with *government ownership* is of growing concern in assessing global mergers.
- “*Resource nationalism*” in Latin America (Venezuela, Bolivia, Ecuador and Canada) and elsewhere has an unclear impact on global mergers. “*Food Security*” has recently added to this issue.
- The greater global rivalry for oil and energy among numerous countries is having a growing impact on global mergers.

-- Final Thoughts --

- **The *transformational power of trade* in post-9/11 (including promoting global mergers) to bring political and cultural change is increasingly challenged by growing concern for national security.**
- **The *2008 global financial crisis & recession* have added elements of protectionist concerns.**
- **Our *policy challenge* is to continue promoting the political and economic benefits of global trade and mergers within this new dynamic.**
- ***Final Question* -- In the coming years will the newer national security goals of the United States and other countries outweigh other national goals that promote economic development and democracy worldwide?**
 - **This is an open question. The future landscape of the trading system depends on the answer. At this point it is unclear**

