

2014 Global chemical industry mergers and acquisitions outlook



Expect a **rise** in **global chemical industry M&A activity** in 2014

Increase in M&A activity is due to:

- Downstream value-added opportunities
- Continued strength in specialty chemicals
- Portfolio realignments in North America

M&A growth in 2014 will continue as companies focus on key ends markets including:



agrochemicals



**bio-based/
green chemicals**



**health and
nutrition**

Chemical companies in the **United States** are likely to focus their M&A efforts less on cyclical commodity platforms and more on **higher growth investments** that offer **greater product differentiation** in the global chemicals market. The Deloitte report also anticipates a **continuation of large deals in the first half of 2014**.



The outlook for European chemical M&A activity is unchanged as the region's economy is stabilizing, yet still fragile. Additionally, the increased competition from Asia as well as the low-cost production environment in the United States will continue to impact the growth prospects for many European chemical companies. **Private equity will also play a role in M&A activity in the region in 2014, as well as small divestitures and bolt-on acquisitions.**

Asia Pacific's transaction activity continues to be driven by **China**. In 2014, M&A investments will play a prominent role in driving growth. According to the report, global chemical companies are anticipating to capitalize on new market opportunities in China for **high-value applications, product lines, and technologies**.



Latin America's chemical market in 2014 will likely see further consolidation in the specialty chemical segment. The report anticipates companies to have greater focus on capturing synergies, gaining operational efficiency, and becoming more competitive in 2014.



The report predicts a **mixed outlook for the chemical industry in the Middle East**, but projects **moderate growth overall in M&A activity**.



To download the complete report, visit www.deloitte.com/chemicals/2014globalchemicalindustryMAoutlook

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