

Although Austria remains one of the Eurozone's more robust economies, a tight labor market will constrain GDP growth through 2020, limiting companies' ability to expand. Trade and investment will continue to benefit from close ties with Germany's manufacturing sector, while the ECB's accommodative stance will provide plentiful financing for deal making. With the Eurozone recovery reaching top speed in 2017 and 2018, we forecast M&A in Austria to peak in 2018 and drop thereafter.

M&A AND IPO TRANSACTIONS							
	2014	2015	2016	2017f	2018f	2019f	2020f
TOTAL M&A TRANSACTIONS (US\$B)	5.6	3.3	2.9	4.9	7.6	7.3	6.2
% of Global M&A transactions	0.2	0.1	0.1	0.2	0.3	0.3	0.3
Domestic (US\$B)	1.5	0.5	0.9	0.8	1.2	0.9	0.9
Cross-border, inbound (US\$B)	4.1	2.8	2.0	4.1	6.4	6.4	5.3
TOTAL VOLUME OF M&A TRANSACTIONS (Number of deals)	111	134	100	129	145	127	112
Domestic (Number of deals)	48	61	37	59	68	50	48
Cross-border, inbound (Number of deals)	63	73	63	70	77	77	64
TOTAL IPO TRANSACTIONS (US\$M)	263.6	0.0	0.0	0.0	0.0	0.0	0.0
% Global IPO transactions	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Domestic (US\$M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cross-border (US\$M)	263.6	0.0	0.0	0.0	0.0	0.0	0.0

FORECAST FOR THE ECONOMY							
	2014	2015	2016	2017f	2018f	2019f	2020f
MACROECONOMIC DRIVERS							
Real GDP growth (% yoy)	0.8	0.8	1.5	1.2	1.1	1.3	1.5
CPI (% yoy)	1.6	0.9	0.8	1.1	1.5	1.6	1.7
Merchandise trade (% of GDP)	75	75	73	74	76	77	78
FINANCIAL DRIVERS							
10-year government bond yield (%)	1.5	0.7	0.4	0.7	1.0	1.4	1.7
Equity prices (LCU, end of year % change)	-15.2	11.0	3.0	17.7	11.8	-6.4	-3.1
Stock market capitalization (US\$B)	97	96	99	105	118	115	115

KEY DRIVER SUMMARY (AVERAGE 2015-2020)

	Austria	Global
GDP growth (% annual)	1.3	2.6
Stock market capitalization (% of GDP)	28	98
Money supply (% of GDP)	87	124
Trade (% of GDP)	76	42
Ease of doing business (World Bank)	77	62
Legal structure (Fraser Institute)	8.0	6.4
Freedom to trade (Fraser Institute)	7.7	7.3

TRANSACTION ATTRACTIVENESS INDICATOR*



*The Transaction Attractiveness Indicator is an overall score calculated using a weighted average of the 10 factors included in the chart above. The score reflects the attractiveness of a country's current environment for M&A and IPO activity on a scale from 0 to 10. It's based on past transactional activity in that country and data on key economic, financial and regulatory factors that drive M&A and IPO activity. Because many of these factors change slowly over time, a country's current score is a strong indicator of whether it will have the right features to attract transactional activity in the future.