

The global commodity slowdown has undermined M&A activity in Chile, a major metal and fuel exporter. But with continued economic growth and low borrowing costs by regional standards, Chile should see an uptick in M&A activity and domestic IPOs through 2019, easing thereafter.

### M&A AND IPO TRANSACTIONS

	2014	2015	2016	2017f	2018f	2019f	2020f
<b>TOTAL M&amp;A TRANSACTIONS (US\$B)</b>	<b>13.5</b>	<b>4.9</b>	<b>19.8</b>	<b>4.4</b>	<b>6.7</b>	<b>8.2</b>	<b>6.0</b>
% of Global M&A transactions	0.5	0.1	0.7	0.2	0.2	0.3	0.3
Domestic (US\$B)	0.6	1.4	15.1	1.5	1.8	2.1	1.7
Cross-border, inbound (US\$B)	12.9	3.5	4.7	2.9	4.8	6.2	4.3
<b>TOTAL VOLUME OF M&amp;A TRANSACTIONS (Number of deals)</b>	<b>87</b>	<b>102</b>	<b>93</b>	<b>82</b>	<b>110</b>	<b>126</b>	<b>100</b>
Domestic (Number of deals)	36	37	38	36	45	51	43
Cross-border, inbound (Number of deals)	51	65	55	46	65	75	57
<b>TOTAL IPO TRANSACTIONS (US\$M)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>46.1</b>	<b>283.8</b>	<b>126.2</b>
% Global IPO transactions	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Domestic (US\$M)	0.0	0.0	0.0	0.0	46.1	283.8	126.2
Cross-border (US\$M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

### FORECAST FOR THE ECONOMY

	2014	2015	2016	2017f	2018f	2019f	2020f
<b>MACROECONOMIC DRIVERS</b>							
Real GDP growth (% yoy)	1.8	2.3	1.6	2.0	2.9	3.0	2.9
CPI (% yoy)	4.4	4.3	3.8	2.9	2.9	2.9	3.0
Merchandise trade (% of GDP)	55	50	46	48	46	43	41
<b>FINANCIAL DRIVERS</b>							
10-year government bond yield (%)	4.8	4.5	4.4	4.7	5.0	5.2	5.3
Equity prices (LCU, end of year % change)	3.5	-3.8	18.0	3.3	7.2	2.6	-5.8
Stock market capitalization (US\$B)	233	190	217	226	247	265	257

### KEY DRIVER SUMMARY (AVERAGE 2015-2020)

	Chile	Global
<b>GDP growth</b> (% annual)	<b>2.5</b>	<b>2.6</b>
<b>Stock market capitalization</b> (% of GDP)	<b>84</b>	<b>98</b>
<b>Money supply</b> (% of GDP)	<b>58</b>	<b>124</b>
<b>Trade</b> (% of GDP)	<b>45</b>	<b>42</b>
<b>Ease of doing business</b> (World Bank)	<b>71</b>	<b>62</b>
<b>Legal structure</b> (Fraser Institute)	<b>7.0</b>	<b>6.4</b>
<b>Freedom to trade</b> (Fraser Institute)	<b>8.1</b>	<b>7.3</b>

### 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.