

As one of the UK's key trading partners, France is particularly vulnerable in the event of a disorderly Brexit. But assuming UK-EU negotiations go smoothly, M&A and IPO activity should rise from 2017 onward as the Eurozone's economic outlook improves and the ECB continues to provide cheap financing. France's economic growth and transactional activity could increase even further if the government adopts more business-friendly economic policies following the presidential election in April 2017.

M&A AND IPO TRANSACTIONS							
	2014	2015	2016	2017f	2018f	2019f	2020f
<b>TOTAL M&amp;A TRANSACTIONS (US\$B)</b>	<b>94.1</b>	<b>98.4</b>	<b>46.9</b>	<b>70.1</b>	<b>92.0</b>	<b>77.6</b>	<b>67.2</b>
% of Global M&A transactions	3.8	2.9	1.7	2.8	3.1	2.8	2.9
Domestic (US\$B)	49.8	26.1	16.4	31.6	43.9	37.0	31.0
Cross-border, inbound (US\$B)	44.3	72.3	30.6	38.5	48.1	40.6	36.2
<b>TOTAL VOLUME OF M&amp;A TRANSACTIONS (Number of deals)</b>	<b>1,988</b>	<b>2,518</b>	<b>1,827</b>	<b>2,185</b>	<b>2,428</b>	<b>2,068</b>	<b>1,762</b>
Domestic (Number of deals)	1,578	2,022	1,430	1,740	1,964	1,656	1,385
Cross-border, inbound (Number of deals)	410	496	397	445	464	412	377
<b>TOTAL IPO TRANSACTIONS (US\$M)</b>	<b>4,990.1</b>	<b>5,624.5</b>	<b>987.0</b>	<b>2,718.2</b>	<b>5,808.1</b>	<b>4,322.6</b>	<b>2,368.8</b>
% Global IPO transactions	1.8	2.7	0.7	1.6	2.1	1.6	1.2
Domestic (US\$M)	3,697.4	5,487.4	525.0	2,199.6	4,992.9	4,019.7	2,246.8
Cross-border (US\$M)	1,292.7	1,371	462.0	518.6	815.2	303.0	122.0

FORECAST FOR THE ECONOMY							
	2014	2015	2016	2017f	2018f	2019f	2020f
<b>MACROECONOMIC DRIVERS</b>							
Real GDP growth (% yoy)	0.7	1.2	1.2	1.5	1.5	1.5	1.5
CPI (% yoy)	0.5	0.0	0.2	1.4	1.4	1.5	1.8
Merchandise trade (% of GDP)	44	45	44	45	46	47	48
<b>FINANCIAL DRIVERS</b>							
10-year government bond yield (%)	1.7	0.8	0.5	1.0	1.3	1.7	2.1
Equity prices (LCU, end of year % change)	0.8	9.4	1.8	4.9	3.6	-7.3	-3.4
Stock market capitalization (US\$B)	2,086	2,088	2,125	2,061	2,112	2,046	2,011

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

	France	Global
<b>GDP growth</b> (% annual)	<b>1.4</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>85</b>	<b>124</b>
<b>Trade</b> (% of GDP)	<b>46</b>	<b>42</b>
<b>Ease of doing business</b> (World Bank)	<b>74</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>7.8</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.