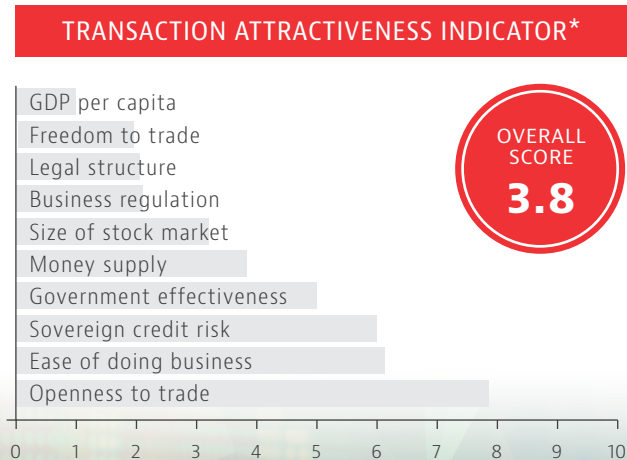


Political risk has dampened investor confidence in Thailand despite its underlying positive economic outlook. A buoyant tourism sector, gains from lower oil costs, and easing monetary policy should support transactional activity in the next three to four years. As a result, we forecast domestic M&A to remain stable in 2017 and 2018, and inbound M&A to rise in 2019 and 2020. However, with the new monarch taking the throne in November and general elections coming up later this year, risks to this forecast remain high.

M&A AND IPO TRANSACTIONS							
	2014	2015	2016	2017f	2018f	2019f	2020f
<b>TOTAL M&amp;A TRANSACTIONS (US\$B)</b>	<b>3.9</b>	<b>5.3</b>	<b>7.5</b>	<b>7.5</b>	<b>9.5</b>	<b>9.9</b>	<b>6.1</b>
% of Global M&A transactions	0.2	0.2	0.3	0.3	0.3	0.4	0.3
Domestic (US\$B)	2.1	4.4	5.5	5.6	6.1	6.4	3.6
Cross-border, inbound (US\$B)	1.8	0.9	2.0	1.9	3.3	3.5	2.5
<b>TOTAL VOLUME OF M&amp;A TRANSACTIONS (Number of deals)</b>	<b>113</b>	<b>80</b>	<b>84</b>	<b>117</b>	<b>129</b>	<b>136</b>	<b>85</b>
Domestic (Number of deals)	67	47	41	66	69	72	40
Cross-border, inbound (Number of deals)	46	33	43	51	60	64	45
<b>TOTAL IPO TRANSACTIONS (US\$B)</b>	<b>2.7</b>	<b>3.9</b>	<b>1.2</b>	<b>2.6</b>	<b>4.4</b>	<b>5.0</b>	<b>2.2</b>
% Global IPO transactions	1.0	1.9	0.9	1.5	1.6	1.8	1.2
Domestic (US\$B)	2.7	3.5	1.1	2.6	4.4	5.0	2.2
Cross-border (US\$B)	0.0	0.4	0.2	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)	0.8	2.8	3.1	3.1	3.3	3.1	3.0
CPI (% yoy)	1.9	-0.9	0.1	1.8	2.1	2.1	2.1
Merchandise trade (% of GDP)	108	101	97	96	96	94	95
<b>FINANCIAL DRIVERS</b>							
10-year government bond yield (%)	3.5	2.8	2.1	2.9	3.4	3.8	4.2
Equity prices (LCU, end of year % change)	15.3	-14.0	17.4	3.0	7.4	4.7	-11.2
Stock market capitalization (US\$B)	430	349	398	398	419	450	404

KEY DRIVER SUMMARY (AVERAGE 2015-2020)		
	Thailand	Global
<b>GDP growth</b> (% annual)	<b>3.1</b>	<b>2.6</b>
<b>Stock market capitalization</b> (% of GDP)	<b>93</b>	<b>98</b>
<b>Money supply</b> (% of GDP)	<b>91</b>	<b>124</b>
<b>Trade</b> (% of GDP)	<b>96</b>	<b>42</b>
<b>Ease of doing business</b> (World Bank)	<b>75</b>	<b>62</b>
<b>Legal structure</b> (Fraser Institute)	<b>5.0</b>	<b>6.4</b>
<b>Freedom to trade</b> (Fraser Institute)	<b>6.8</b>	<b>7.3</b>



\*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.