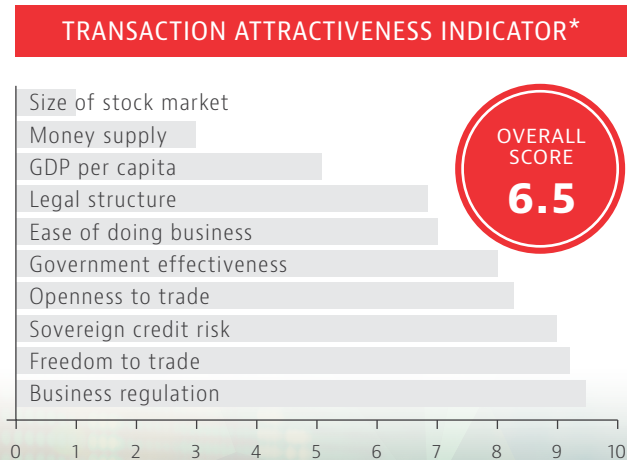


Despite low oil prices and reduced government spending, M&A activity in the UAE remains strong because of continued population growth and anticipated GDP growth. UAE is facing the same need as other Gulf states to diversify its economy to reduce its dependence on oil and gas. A gradual recovery in M&A and IPO activity in 2017 should support this development.

M&A AND IPO TRANSACTIONS							
	2014	2015	2016	2017f	2018f	2019f	2020f
TOTAL M&A TRANSACTIONS (US\$B)	2.2	9.2	2.4	4.9	5.1	5.4	4.2
% of Global M&A transactions	0.1	0.3	0.1	0.2	0.2	0.2	0.2
Domestic (US\$B)	1.4	7.0	0.6	4.1	4.3	4.5	3.4
Cross-border, inbound (US\$B)	0.8	2.2	1.8	0.8	0.8	0.9	0.8
TOTAL VOLUME OF M&A TRANSACTIONS (Number of deals)	76	82	70	71	78	84	74
Domestic (Number of deals)	29	27	32	23	27	31	27
Cross-border, inbound (Number of deals)	47	55	38	48	51	53	47
TOTAL IPO TRANSACTIONS (US\$M)	2,908.6	0.0	0.0	541.9	936.6	1,442.4	157.3
% Global IPO transactions	1.1	0.0	0.0	0.3	0.3	0.5	0.1
Domestic (US\$M)	2,908.6	0.0	0.0	541.9	936.6	1,442.4	157.3
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
MACROECONOMIC DRIVERS							
Real GDP growth (% yoy)	3.1	3.8	2.5	2.5	3.3	3.6	3.3
CPI (% yoy)	2.3	4.1	1.5	3.2	4.0	4.0	3.1
Merchandise trade (% of GDP)	151	155	165	169	175	185	193
FINANCIAL DRIVERS							
10-year government bond yield (%)	-	-	-	-	-	-	-
Equity prices (LCU, end of year % change)	5.6	-4.9	1.2	2.0	9.5	8.0	-5.9
Stock market capitalization (US\$B)	202	196	198	202	221	239	225

KEY DRIVER SUMMARY (AVERAGE 2015-2020)		
	UAE	Global
GDP growth (% annual)	3.2	2.6
Stock market capitalization (% of GDP)	53	98
Money supply (% of GDP)	97	124
Trade (% of GDP)	178	42
Ease of doing business (World Bank)	77	62
Legal structure (Fraser Institute)	7.8	6.4
Freedom to trade (Fraser Institute)	8.3	7.3



*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.