Total M&A is expected to decline to $571bn in 2019 and $483bn in 2020, as global headwinds affecting exports and the trade dispute with Japan slow GDP to a post-crisis low of 2% in 2019 and 2.2% in 2020. We see activity rebounding from 2021, as more favourable international backdrop and stronger stock market trends trigger a recovery in the broader economy.

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 transaction activity in that country and data on key economic, financial and regulatory factors that drive M&A and IPO activity, such as a country’s sovereign credit risk, level of trade restrictions and ease of doing business rating by the World Bank. 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.