

Deal-making activity in Malaysia has remained fairly robust, although investor sentiment may be dented next year as the economy faces increased headwinds from subdued Chinese import demand and increased trade protectionism. But this should prove to be a temporary setback and we expect activity to pick up again across 2021-22.

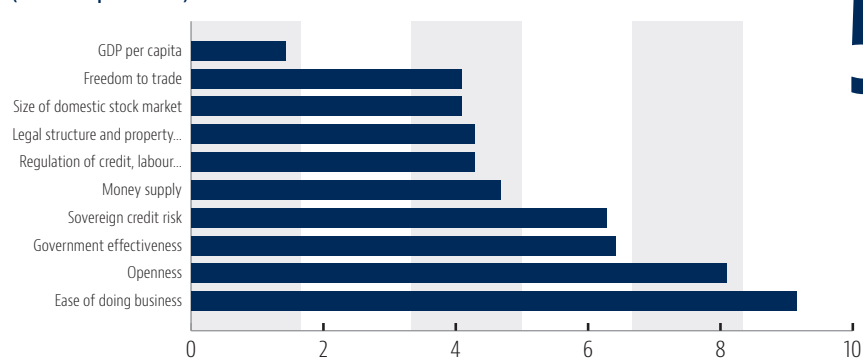
### SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)

	Malaysia	Global
GDP growth (% annual)	4.2	2.8
Stock market capitalization (% of GDP)	104	97
Money supply (% of GDP)	127	111
Trade (% of GDP)	96	45
Ease of doing business (World Bank, DTF score, higher=better)	81	77
Legal structure (Fraser Institute)	4.3	6.6
Freedom to trade (Fraser Institute)	4.1	7.4

Source: Oxford Economics

### MALAYSIA – TRANSACTION ATTRACTIVENESS INDICATOR (10 = best performer)

Overall score  
**5.2**



Source: Oxford Economics

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.

### MALAYSIA – M&A AND IPO TRANSACTIONS

	2016	2017	2018	2019	2020	2021	2022
<b>Total M&amp;A transactions (US\$bn)</b>	<b>8.2</b>	<b>6.8</b>	<b>11.0</b>	<b>8.9</b>	<b>6.5</b>	<b>8.1</b>	<b>9.8</b>
<b>% of Global M&amp;A transactions</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
Domestic (US\$bn)	3.3	3.6	6.1	3.0	2.3	3.4	4.6
Cross-border, inbound (US\$bn)	4.8	3.1	4.9	5.9	4.3	4.7	5.2
<b>Total volume of M&amp;A transactions (Number of deals)</b>	<b>314</b>	<b>311</b>	<b>330</b>	<b>218</b>	<b>221</b>	<b>256</b>	<b>326</b>
Domestic (Number of deals)	226	213	223	153	160	188	250
Cross-border, inbound (Number of deals)	88	98	107	65	61	68	76
<b>Total IPO transactions (US\$m)</b>	<b>244.3</b>	<b>1,766.8</b>	<b>154.2</b>	<b>621.5</b>	<b>479.0</b>	<b>674.5</b>	<b>999.8</b>
<b>% Global IPO transactions</b>	<b>0.2</b>	<b>0.9</b>	<b>0.1</b>	<b>0.4</b>	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>
Domestic (US\$m)	244.3	811.8	154.2	598.4	457.0	624.3	832.3
Cross-border (US\$m)	0.0	955.0	0.0	23.1	22.1	50.3	167.5

Source: Oxford Economics, Reuters

### MALAYSIA – FORECAST FOR THE ECONOMY

	2016	2017	2018	2019	2020	2021	2022
<b>Macroeconomic drivers</b>							
Real GDP growth (% yoy)	4.4	5.7	4.7	4.4	4.2	4.2	4.0
CPI (% yoy)	2.1	3.8	1.0	0.9	2.7	2.4	2.5
Merchandise trade (% of GDP)	102%	107%	105%	98%	97%	96%	95%
<b>Financial drivers</b>							
10-year government bond yield (%)	3.8	4.0	4.1	3.7	3.5	3.9	4.2
Equity prices (LCU, end of year % change)	-3.0	9.4	-5.9	3.2	-4.9	6.0	4.2
Stock market capitalisation (US\$bn)	359.8	455.8	398.0	413.5	396.6	444.1	487.3

Source: Oxford Economics

IPO calculations account for the tentative Aramco listing in 2020 that has the potential to raise up to US 100 billion.