

Despite the slowing economy, domestic deal-making activity in Singapore has managed to buck the regional downtrend in 2019, with \$13bn of M&A transactions expected for the year as a whole. While deal-making activity is unlikely to remain immune from the headwinds facing the economy next year, a renewed upturn is projected in 2021-22 as the economic outlook brightens.

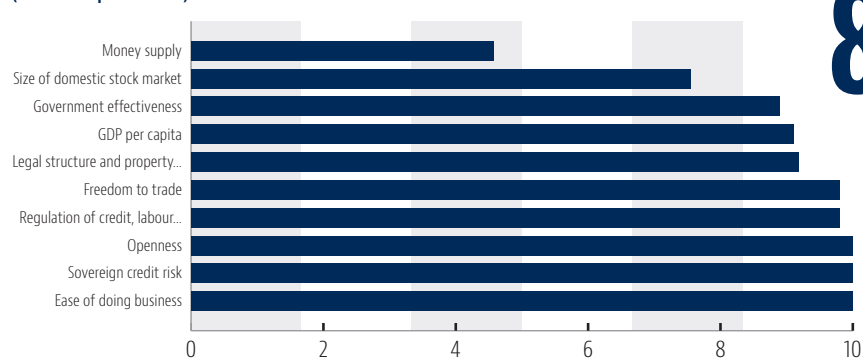
### SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)

	Singapore	Global
GDP growth (% annual)	2.0	2.8
Stock market capitalization (% of GDP)	195	97
Money supply (% of GDP)	124	111
Trade (% of GDP)	220	45
Ease of doing business (World Bank, DTF score, higher=better)	85	77
Legal structure (Fraser Institute)	9.2	6.6
Freedom to trade (Fraser Institute)	9.8	7.4

Source: Oxford Economics

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

Overall score  
**8.8**



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.

### SINGAPORE – M&A AND IPO TRANSACTIONS

	2016	2017	2018	2019	2020	2021	2022
<b>Total M&amp;A transactions (US\$bn)</b>	<b>21.8</b>	<b>25.9</b>	<b>37.5</b>	<b>27.3</b>	<b>19.5</b>	<b>22.8</b>	<b>26.3</b>
<b>% of Global M&amp;A transactions</b>	<b>0.7</b>	<b>0.9</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.9</b>
Domestic (US\$bn)	10.5	6.4	8.6	13.2	8.2	9.1	11.1
Cross-border, inbound (US\$bn)	11.3	19.5	28.9	14.0	11.2	13.7	15.2
<b>Total volume of M&amp;A transactions (Number of deals)</b>	<b>343</b>	<b>367</b>	<b>376</b>	<b>330</b>	<b>313</b>	<b>290</b>	<b>316</b>
Domestic (Number of deals)	162	171	187	161	143	129	147
Cross-border, inbound (Number of deals)	181	196	189	169	170	161	169
<b>Total IPO transactions (US\$m)</b>	<b>2,760</b>	<b>3,255</b>	<b>541.4</b>	<b>2,039.5</b>	<b>1,654</b>	<b>2,588.7</b>	<b>2,925.9</b>
<b>% Global IPO transactions</b>	<b>1.6</b>	<b>1.6</b>	<b>0.3</b>	<b>1.3</b>	<b>0.8</b>	<b>1.4</b>	<b>1.3</b>
Domestic (US\$m)	1,531.5	2,409.5	522.1	1,896.2	1,487.8	1,712.7	1,954.2
Cross-border (US\$m)	644.5	845.6	19.3	143.3	127.6	876.0	971.6

Source: Oxford Economics, Reuters

### SINGAPORE – FORECAST FOR THE ECONOMY

	2016	2017	2018	2019	2020	2021	2022
<b>Macroeconomic drivers</b>							
Real GDP growth (% yoy)	3.0	3.7	3.2	0.8	2.0	2.4	2.5
CPI (% yoy)	-0.5	0.6	0.4	0.8	1.6	1.8	1.8
Merchandise trade (% of GDP)	223%	227%	231%	222%	220%	219%	219%
<b>Financial drivers</b>							
10-year government bond yield (%)	2.0	2.2	2.4	2.0	1.8	1.9	2.1
Equity prices (LCU, end of year % change)	-0.1	18.1	-9.8	10.0	-6.5	7.3	5.5
Stock market capitalisation (US\$bn)	640.4	787.3	687.3	753.4	715.1	794.8	871.1

Source: Oxford Economics

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