

Although the economy remains healthy, we expect GDP growth to continue to ease over the next 18 months as export growth trends lower amid cooling Chinese import demand and increased global protectionism. We expect cross-border acquisitions will dominate M&A deals in coming years, as the country's solid economic fundamentals continue to attract overseas investors.

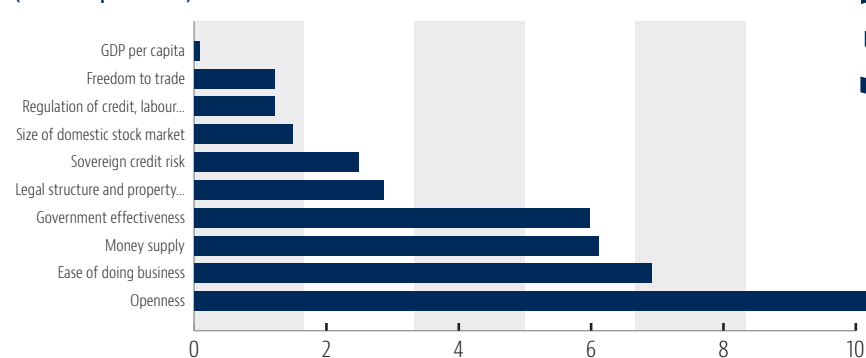
SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)

	Vietnam	Global
GDP growth (% annual)	6.2	2.8
Stock market capitalization (% of GDP)	40	97
Money supply (% of GDP)	163	111
Trade (% of GDP)	259	45
Ease of doing business (World Bank, DTF score, higher=better)	68	77
Legal structure (Fraser Institute)	2.9	6.6
Freedom to trade (Fraser Institute)	1.2	7.4

Source: Oxford Economics

VIETNAM – TRANSACTION ATTRACTIVENESS INDICATOR (10 = best performer)

Overall score
3.7



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.

VIETNAM – M&A AND IPO TRANSACTIONS

	2016	2017	2018	2019	2020	2021	2022
Total M&A transactions (US\$bn)	5.7	6.4	1.9	2.6	1.7	2.8	3.4
% of Global M&A transactions	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Domestic (US\$bn)	1.2	5.1	0.5	0.3	0.3	0.8	1.0
Cross-border, inbound (US\$bn)	4.4	1.2	1.4	2.2	1.4	2.1	2.4
Total volume of M&A transactions (Number of deals)	478	359	122	58	55	98	119
Domestic (Number of deals)	349	247	84	17	19	47	62
Cross-border, inbound (Number of deals)	129	112	38	41	36	51	57
Total IPO transactions (US\$m)	172.2	881.4	3,344.4	0.0	0.0	146.9	168.8
% Global IPO transactions	0.1	0.4	1.5	0.0	0.0	0.1	0.1
Domestic (US\$m)	172.2	881.4	3,344.4	0.0	0.0	146.9	168.8
Cross-border (US\$m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Oxford Economics, Reuters

VIETNAM – FORECAST FOR THE ECONOMY

	2016	2017	2018	2019	2020	2021	2022
Macroeconomic drivers							
Real GDP growth (% yoy)	6.2	6.8	7.1	6.7	6.3	6.0	5.8
CPI (% yoy)	2.7	3.5	3.5	2.7	3.8	4.0	4.0
Merchandise trade (% of GDP)	205%	227%	246%	252%	257%	262%	266%
Financial drivers							
10-year government bond yield (%)	6.7	5.6	4.8	4.9	5.3	5.5	5.9
Equity prices (LCU, end of year % change)	7.7	24.7	30.0	-8.5	-7.0	9.2	7.4
Stock market capitalisation (US\$bn)	73.2	125.3	132.7	120.6	112.9	123.2	131.6

Source: Oxford Economics

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