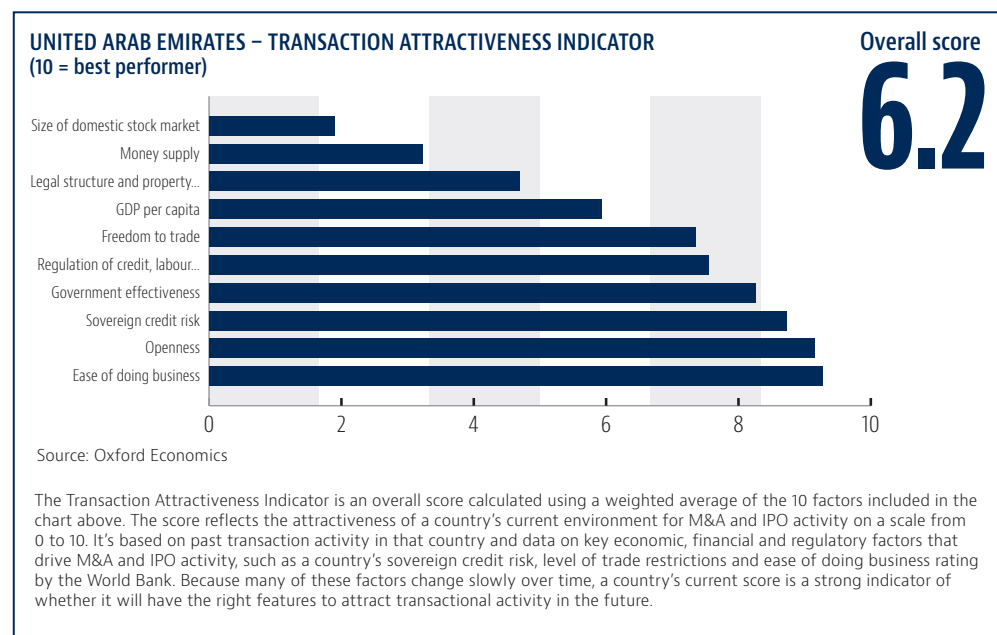


Despite the slowdown in global deal-making activity, the M&A market in the UAE has remained buoyant this year. Transaction values have been supported by significant cross-border inflows to the Energy & Power sector, encouraged by recent reforms to facilitate foreign investment. While we expect some moderation in activity next year, the UAE is likely to remain an attractive target country for overseas investors.

SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)		
	UAE	Global
GDP growth (% annual)	2.1	2.8
Stock market capitalization (% of GDP)	53	97
Money supply (% of GDP)	93	111
Trade (% of GDP)	133	45
Ease of doing business (World Bank, DTF score, higher=better)	81	77
Legal structure (Fraser Institute)	4.7	6.6
Freedom to trade (Fraser Institute)	7.3	7.4

Source: Oxford Economics



UNITED ARAB EMIRATES – M&A AND IPO TRANSACTIONS							
	2016	2017	2018	2019	2020	2021	2022
Total M&A transactions (US\$bn)	2.4	20.5	11.2	19.1	9.0	11.5	12.8
% of Global M&A transactions	0.1	0.7	0.3	0.7	0.4	0.4	0.4
Domestic (US\$bn)	0.8	16.0	4.5	6.4	4.3	6.0	6.3
Cross-border, inbound (US\$bn)	1.6	4.5	6.7	12.7	4.7	5.6	6.5
Total volume of M&A transactions (Number of deals)	91	103	109	85	78	90	99
Domestic (Number of deals)	42	43	46	37	35	40	42
Cross-border, inbound (Number of deals)	49	60	63	48	43	50	57
Total IPO transactions (US\$m)	0.0	2,164.4	0.0	0.0	0.0	432.9	457.1
% Global IPO transactions	0.0	1.1	0.0	0.0	0.0	0.2	0.2
Domestic (US\$m)	0.0	2,164.4	0.0	0.0	0.0	432.9	457.1
Cross-border (US\$m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Oxford Economics, Reuters

UNITED ARAB EMIRATES – FORECAST FOR THE ECONOMY							
	2016	2017	2018	2019	2020	2021	2022
Macroeconomic drivers							
Real GDP growth (% yoy)	3.1	0.5	1.7	2.2	2.2	2.1	2.1
CPI (% yoy)	1.6	2.0	3.5	-1.4	1.9	1.7	1.7
Merchandise trade (% of GDP)	122%	128%	131%	129%	131%	134%	137%
Financial drivers							
10-year government bond yield (%)	3.8	3.8	3.8	4.1	4.5	4.8	4.9
Equity prices (LCU, end of year % change)	5.4	-2.8	11.4	4.0	-6.6	7.3	5.6
Stock market capitalisation (US\$bn)	221.4	239.4	235.5	244.9	228.7	245.4	259.0

Source: Oxford Economics

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