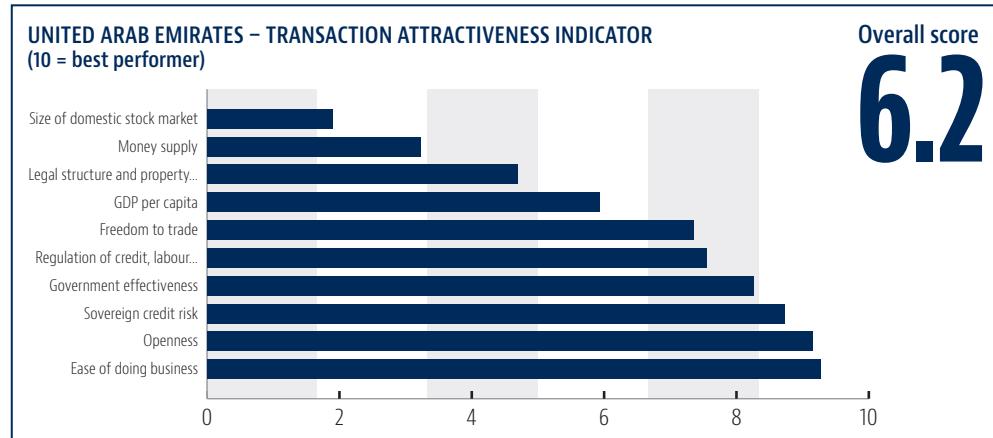


Despite the slowdown in global deal-making activity, the M&A market in the UAE has remained buoyant this year. Transaction values have been supported by significant cross-border inflows to the Energy & Power sector, encouraged by recent reforms to facilitate foreign investment. While we expect some moderation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



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.

UNITED ARAB EMIRATES – M&A AND IPO TRANSACTIONS							
	2016	2017	2018	2019	2020	2021	2022
<b>Total M&amp;A transactions (US\$bn)</b>	2.4	20.5	11.2	19.1	9.0	11.5	12.8
<b>% of Global M&amp;A transactions</b>	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
<b>Total volume of M&amp;A transactions (Number of deals)</b>	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
<b>Total IPO transactions (US\$mn)</b>	0.0	2,164.4	0.0	0.0	0.0	432.9	457.1
<b>% Global IPO transactions</b>	0.0	1.1	0.0	0.0	0.0	0.2	0.2
Domestic (US\$mn)	0.0	2,164.4	0.0	0.0	0.0	432.9	457.1
Cross-border (US\$mn)	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
<b>Macroeconomic drivers</b>							
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%
<b>Financial drivers</b>							
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.