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Malaysian IPO and M&A Activity to Peak in 2019

Kuala Lumpur, 20 December 2017 - Malaysia's deal making cycle is set to peak in 2019, with the value of both M&A and IPOs in Malaysia forecast to climb over the next two years, before easing back in 2020, according to the third edition of the [Global Transactions Forecast](#), issued by Baker McKenzie and Malaysian member firm Wong & Partners.

Globally, the easing of key economic and political risks and the emergence of positive macroeconomic deal drivers will accelerate global deal activity in 2018, after a period of apprehension for global dealmakers earlier this year.

Following on the momentum created in recent months, the Global Transactions Forecast, developed in association with Oxford Economics, predicts the global deal cycle to peak next year, while Malaysia and the wider Asia Pacific region are set to peak a year later.

"After a few soft patches in 2017 we have a more optimistic outlook for the global economy and dealmaking in 2018, as long as the brakes are not put any further on global free trade. We see an uplift in both M&A and IPO activity as dealmakers and investors gain greater confidence in the business prospects of acquisition targets and newly-listed businesses," said Paul Rawlinson, Baker McKenzie's global chair. "However it's not a done deal, with the threat of a Hard Brexit and a NAFTA collapse both still very real. Business will need to continue to make the case for liberal trade and investment frameworks."

According to Oxford Economics, "GDP growth in Malaysia has accelerated to 5.6% in 2017, 1.5 percentage points faster than in 2016, largely because of increased government support for household spending. Alongside major government infrastructure investments and the solid outlook for world trade, conditions support a rebound in deal activity. We forecast total M&A activity in Malaysia to rise in 2018 and 2019".



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The forecast predicts the number of M&A deals to rise to 390 in 2018, from 255 this year, with the value of these deals jumping from US \$6.1 billion in 2017 to \$13.1 billion in 2018, and \$15.2 billion in 2019. Meanwhile, the value of Malaysian IPOs is set to peak at US\$2.74 billion in 2019.

Commenting on the report, Brian Chia, Head of Corporate, Commercial & Securities at Wong & Partners, said: "While the forecast numbers prepared by Oxford Economics are quite bullish, we do see a definite pick up in interest around dealmaking in Malaysia, both domestically and by foreign investors. Macro-economic conditions are set to remain favourable, and Malaysia is well positioned at the heart of ASEAN".

Overall, Asia Pacific M&A activity is forecast to peak at US\$754 billion and domestic IPOs at US\$82 billion in 2019.

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Notes to editors

Global Transactions Forecast

Oxford Economics have used statistical techniques to estimate the historic relationship between M&A and IPO activity and key drivers, such as GDP growth, equity prices, trade flows, money supply, legal structure and property rights and freedom to trade.

Based on their forecasts for GDP growth along with anticipated changes to the other criteria in each of the 40 markets has allowed OE to project the future value of M&A and IPO transactions. These predictions have also benefitted from Baker McKenzie partners around the world giving their views on the latest trends in their market and the likely evolution of transactions in their country.

In estimating global transactional activity, the forecast uses data on completed deals rather than announced deal values. From an analytical modeling perspective, it makes more sense to use completed deals for forecasting as it reflects actual outcomes. When calculating estimations, Oxford Economics grouped countries according to standard IMF classifications.

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About Oxford Economics

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

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