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M&A Attractiveness Index
2017

M&A Research Centre – MARC

February 2018

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Overview

*F*ollowing the financial crisis since 2009, on average 38% of annual M&A activity has taken place in 'non-traditional' M&A markets, i.e. excluding North America, Western Europe, Australia, New Zealand and Japan *(Exhibit 1)*, 2017 was also at 38%. This steady level of activity follows an increasing proportion of global gross domestic product (GDP) for these 'non-traditional' markets in the same period, currently 64% according to the IMF's 'World Economic Outlook Database'. The development of more robust rules and regulations, despite the unstable politics around the world and economic instability in the developed markets, has encouraged the rapid growth of domestic and inter-regional M&A activity in many countries within these markets, along with cross-border deals between developed and emerging countries.

Now in it's eighth year, the MARC M&A Attractiveness Index Score (MAAIS) provides an update based on 2017 data and analysis, ranking a total of 146 countries worldwide. The Index provides for each country a percentage figure which indicates its attractiveness for domestic and in-bound M&A purposes, i.e., its ability to attract and sustain business activity. The proprietary methodology for ranking and assessing a country's attractiveness for M&A activity has been developed and reviewed by both practitioners and academics at the M&A Research Centre at Cass Business School.

The primary component of the Index comprises five categories of country development factors. The indicators which make up these factor groups have been discussed by a number of market practitioners and tested against historical market information, as described in the Sample and Methodology section at the end of this report. Twenty-three country development indicators have been aggregated into the following five factor groups:

- Regulatory and Political indicators (e.g., rule of law, political stability and control of corruption)
- Economic and Financial indicators (e.g., GDP size and growth, inflation, stock market capitalisation and access to financing)
- Technological indicators (e.g., innovation and level of high-tech exports)
- Socio-economic indicators (demographics)
- Infrastructure and Assets indicators (e.g., road and rail networks and number of registered companies).

Exhibit 1*: M&A activity involving targets from non-traditional M&A markets.*
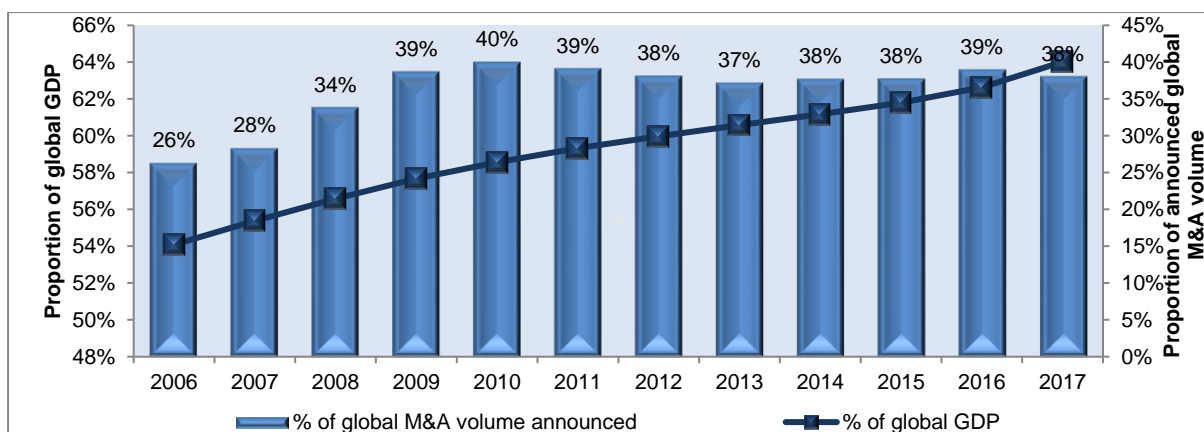
Exhibit 1 shows the M&A activity (the proportion of announced global minority and majority transactions) involving targets from non-traditional M&A markets plotted against those countries' proportion of global GDP (an average five-year forward estimate). Note that the data labels refer to the proportion of global announced M&A volume. For the purpose of this graph, 'non-traditional' M&A markets are defined as all countries excluding those in the 'traditional' M&A markets, namely North America, Western Europe, Australia, New Zealand and Japan.

Source: SDC Platinum (M&A data) and the IMF's 'World Economic Outlook Database' (GDP data)

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2017 League Table: Top 10 Focus

Exhibits 2(A), (B) and (C) provide the ranking of **146 countries** worldwide which have been analysed using the *MARC M&A Attractiveness Index* for 2017. They are organised thus: 1-50 [2(A)], 51-100 [2(B)] and 101-147 [2(C)]. The exhibits present the changes in the rankings year-on-year and over a five-year period. Therefore, the direct comparison is with 2016 and 2012, providing both a trend and a current snapshot of the drivers contributing to positive or negative movements from an in-bound and domestic M&A perspective. The 'Market Opportunities' and 'Market Challenges' columns give the factor group range for each country, with the highest ranking factor group being presented as the country's most attractive feature or opportunity, whereas the lowest is the major challenge on a relative basis. Looking at the top ten countries and the regions they represent *(Exhibit 2(A))*, two North American countries form part of the top ten of the MAAIS with the US leading the index and Canada in seventh position. Four European countries are in the top ten together with three Asian countries completing the final places in the top of the MAAIS list. The Netherlands is leading the European region ranked third in the global country list followed by the UK, Germany and Spain in fourth, fifth and ninth positions respectively. For Asian countries, Singapore leads the region in second position of the global index followed by Malaysia and Hong Kong. The highest factor group ranking for the US, Germany, Canada, and Spain, is 'Infrastructure and Assets'. They all have high levels of good infrastructure such as registered companies, ports, rails and roads. The leading market opportunity for the Netherlands, UK and Malaysia is 'Technology', while 'Regulatory and Political' is the key factor group which kept Singapore, Australia and Hong Kong high in the global ranking.

Notably, the two leading market challenges for almost 80% of all of all the top ten countries are 'Socio-economic' – to widely varying degrees, due to ageing and lower-growth populations and 'Economic and Financial' due to low GDP growth.

Movers and Shakers

*A*s noted above, the 2017 Index also shows year-on-year and five-year movements for each country in the ranking. Interestingly, in the top ten of the index, there are no movements for the US, Singapore and Germany. Both the Netherlands and, UK swap ranking while Spain gained six places and is not in the top 10 of the ranking year-on-year. Spain and Malaysia gained nine and eight rankings over the last five years respectively.

The largest movements would be expected to be further down the tables. Within the top 50, the greatest improvement over the past year is Lithuania (28 places) followed by Hungary (19), Turkey (10) and Morocco (10). 'Regulatory and Political' is the greatest strength for Lithuania, while 'Infrastructure and Assets' is the main strength for both Hungary and Turkey. Slovakia (-23), Brazil (-11) and the Czech Republic (-9) suffered major drops in the top 50 of the global ranking. In the case of Hungary and Brazil, the drop was due to their 'Regulatory and Political' factor group while the 'Economic and Financial' factor was the main challenge for the Czech Republic.

Improvements over the five-year period show Greece leading the pack with a gain of 27 places followed by Saudi Arabia (14), Latvia (13), Oman (12), and Switzerland (11) and Iceland (22). The countries that have lost the most ground in the top 50 over the five year period are: Czech Republic (-14), Slovakia (-13), Brazil (-11), Thailand (-8), and Malta (-7).

Exhibit 2(A): *MARC M&A Attractiveness Index* 2017 - Country Ranking 1-50

Rank	Country	Index Score	Rank 1YR Δ	Rank 5YR Δ	Market Opportunities		Market Challenges	
1	United States	73%	0	0	Infrastructure & Assets	95%	Economic & Financial	77%
2	Singapore	72%	0	0	Regulatory & Political	96%	Socio-economic	67%
3	Netherlands	70%	1	2	Technological	92%	Socio-economic	56%
4	United Kingdom	69%	-1	-1	Technological	92%	Socio-economic	66%
5	Germany	69%	0	2	Infrastructure & Assets	96%	Economic & Financial	65%
6	Australia	67%	3	3	Regulatory & Political	90%	Socio-economic	65%
7	Canada	67%	-1	-3	Infrastructure & Assets	83%	Economic & Financial	74%
8	Malaysia	67%	2	8	Technological	86%	Regulatory & Political	67%
9	Spain	66%	6	9	Infrastructure & Assets	92%	Regulatory & Political	69%
10	Hong Kong	66%	-2	-2	Regulatory & Political	89%	Socio-economic	71%
11	France	66%	-4	-1	Infrastructure & Assets	91%	Socio-economic	61%
12	South Korea	65%	0	-6	Technological	93%	Economic & Financial	78%
13	Japan	65%	0	-2	Infrastructure & Assets	92%	Socio-economic	61%
14	China	65%	0	-1	Infrastructure & Assets	99%	Regulatory & Political	45%
15	United Arab Emirates	64%	1	4	Regulatory & Political	82%	Economic & Financial	73%
16	Sweden	64%	-5	-4	Regulatory & Political	88%	Socio-economic	46%
17	Belgium	64%	2	-2	Technological	82%	Socio-economic	53%
18	New Zealand	63%	6	4	Regulatory & Political	94%	Socio-economic	42%
19	Switzerland	63%	-2	11	Technological	92%	Infrastructure & Assets	47%
20	Austria	63%	6	6	Technological	81%	Economic & Financial	56%
21	Malta	63%	8	-7	Technological	87%	Socio-economic	35%
22	Norway	62%	-2	-2	Regulatory & Political	95%	Socio-economic	45%
23	Iceland	62%	-2	1	Technological	95%	Socio-economic	32%
24	Luxembourg	62%	3	-3	Regulatory & Political	84%	Infrastructure & Assets	41%
25	Thailand	61%	-2	-8	Socio-economic	91%	Regulatory & Political	51%
26	Ireland	61%	2	2	Technological	90%	Socio-economic	42%
27	Denmark	60%	-9	0	Regulatory & Political	91%	Socio-economic	41%
28	Poland	60%	7	1	Infrastructure & Assets	81%	Regulatory & Political	51%
29	Hungary	60%	19	5	Infrastructure & Assets	82%	Economic & Financial	50%
30	Chile	60%	2	1	Socio-economic	73%	Technological	61%
31	Finland	60%	3	-8	Regulatory & Political	82%	Socio-economic	38%
32	Oman	60%	8	12	Regulatory & Political	71%	Technological	61%
33	Romania	59%	-2	7	Infrastructure & Assets	71%	Economic & Financial	52%
34	Russia	59%	9	9	Infrastructure & Assets	90%	Regulatory & Political	49%
35	Colombia	59%	9	7	Socio-economic	83%	Regulatory & Political	45%
36	Morocco	59%	10	2	Economic & Financial	75%	Technological	48%
37	Italy	59%	-1	-1	Infrastructure & Assets	92%	Regulatory & Political	53%
38	Mexico	59%	-1	9	Infrastructure & Assets	82%	Regulatory & Political	48%
39	Czech Republic	58%	-9	-14	Infrastructure & Assets	84%	Economic & Financial	51%
40	Turkey	58%	10	-1	Infrastructure & Assets	83%	Technological	41%
41	Vietnam	58%	-16	-4	Socio-economic	90%	Regulatory & Political	40%
42	Iran	58%	-4	7	Socio-economic	92%	Regulatory & Political	37%
43	Portugal	58%	-1	-2	Regulatory & Political	72%	Socio-economic	52%
44	Brazil	57%	-11	-11	Socio-economic	90%	Regulatory & Political	35%
45	Slovakia	57%	-23	-13	Technological	75%	Regulatory & Political	60%
46	Greece	56%	9	27	Technological	69%	Socio-economic	48%
47	Lithuania	56%	28	6	Regulatory & Political	79%	Socio-economic	46%
48	Latvia	55%	6	13	Technological	83%	Socio-economic	37%
49	Israel	55%	-2	2	Technological	84%	Socio-economic	41%
50	Saudi Arabia	55%	-1	14	Socio-economic	79%	Technological	45%

Exhibit 2(A) shows the *MARC M&A Attractiveness Index* 2017 ('Index Score' column) for the countries ranked between 1 and 50. The exhibit also provides the year-on-year and five-year changes in ranking for each country ('Rank 1YR' and 'Rank 5YR' columns). It also gives the range of factor group scores, with the highest ranked factor group and its corresponding score shown in the 'Market Opportunities' column and the lowest ranked factor group and its corresponding score shown in the 'Market Challenges' column.

Rank	Country	Index Score	Rank 1YR Δ	Rank 5YR Δ	Market Opportunities		Market Challenges	
51	India	54%	2	6	Infrastructure & Assets	92%	Regulatory & Political	34%
52	South Africa	54%	9	0	Infrastructure & Assets	78%	Regulatory & Political	47%
53	Indonesia	54%	3	-8	Socio-economic	84%	Technological	42%
54	Belarus	53%	5	39	Socio-economic	68%	Economic & Financial	27%
55	Kazakhstan	53%	-14	-20	Technological	85%	Economic & Financial	52%
56	Peru	53%	2	20	Socio-economic	64%	Technological	43%
57	Costa Rica	53%	-12	3	Technological	73%	Economic & Financial	50%
58	Uzbekistan	52%	37	7	Socio-economic	72%	Regulatory & Political	42%
59	Mauritius	52%	1	8	Regulatory & Political	74%	Technological	29%
60	Cyprus	52%	-8	-12	Regulatory & Political	73%	Infrastructure & Assets	48%
61	Croatia	52%	-4	-6	Technological	68%	Socio-economic	45%
62	Uruguay	51%	22	10	Technological	71%	Economic & Financial	34%
63	Ukraine	51%	6	7	Socio-economic	82%	Regulatory & Political	39%
64	Kuwait	50%	-13	11	Economic & Financial	73%	Regulatory & Political	49%
65	Tunisia	50%	15	-6	Socio-economic	70%	Infrastructure & Assets	45%
66	Brunei	50%	47	59	Technological	79%	Infrastructure & Assets	13%
67	Montenegro	50%	-28	-21	Infrastructure & Assets	73%	Socio-economic	43%
68	Moldova	50%	8	37	Socio-economic	64%	Economic & Financial	40%
69	Bahamas	50%	-3	-11	Regulatory & Political	53%	Technological	43%
70	Georgia	49%	-2	32	Regulatory & Political	72%	Infrastructure & Assets	29%
71	Bulgaria	49%	-4	-9	Technological	60%	Regulatory & Political	47%
72	Qatar	49%	-7	5	Regulatory & Political	74%	Infrastructure & Assets	41%
73	Philippines	49%	-3	-17	Economic & Financial	71%	Regulatory & Political	39%
74	Serbia	49%	-3	-20	Infrastructure & Assets	71%	Economic & Financial	48%
75	Panama	49%	-13	-12	Infrastructure & Assets	73%	Technological	28%
76	Ecuador	49%	-3	35	Infrastructure & Assets	64%	Regulatory & Political	29%
77	Argentina	49%	-3	2	Infrastructure & Assets	74%	Economic & Financial	29%
78	Slovenia	48%	-6	-9	Technological	66%	Economic & Financial	43%
79	Dominican Republic	47%	-15	-13	Infrastructure & Assets	59%	Socio-economic	47%
80	Pakistan	46%	12	42	Infrastructure & Assets	70%	Regulatory & Political	20%
81	Guatemala	46%	34	26	Economic & Financial	53%	Regulatory & Political	31%
82	Bahrain	45%	6	-11	Socio-economic	60%	Infrastructure & Assets	40%
83	Kenya	45%	3	5	Economic & Financial	52%	Regulatory & Political	33%
84	Seychelles	45%	17	30	Technological	60%	Infrastructure & Assets	23%
85	Estonia	45%	-6	-35	Regulatory & Political	84%	Economic & Financial	33%
86	Bolivia	45%	8	-1	Economic & Financial	52%	Regulatory & Political	21%
87	Honduras	45%	-5	10	Economic & Financial	62%	Technological	27%
88	Côte d'Ivoire	44%	-3	16	Economic & Financial	62%	Infrastructure & Assets	33%
89	Jordan	44%	2	1	Economic & Financial	58%	Infrastructure & Assets	37%
90	El Salvador	44%	20	11	Economic & Financial	52%	Infrastructure & Assets	33%
91	Macedonia	44%	-28	-23	Regulatory & Political	61%	Infrastructure & Assets	44%
92	Sri Lanka	43%	-2	-5	Socio-economic	64%	Technological	27%
93	Azerbaijan	43%	-16	-19	Socio-economic	73%	Economic & Financial	33%
94	Bosnia & Herzegovina	42%	-5	-14	Socio-economic	61%	Regulatory & Political	37%
95	Paraguay	41%	29	-14	Economic & Financial	55%	Regulatory & Political	27%
96	Ghana	41%	20	-14	Socio-economic	49%	Infrastructure & Assets	38%
97	Egypt	41%	0	-19	Infrastructure & Assets	73%	Technological	28%
98	Cambodia	40%	0	20	Economic & Financial	66%	Technological	20%
99	Lebanon	40%	5	-16	Socio-economic	57%	Regulatory & Political	33%
100	Uganda	39%	3	-2	Economic & Financial	46%	Technological	24%

Exhibit 2(B) shows the *MARC M&A Attractiveness Index* 2017 ('Index Score' column) for the countries ranked between 51 and 100. The exhibit also provides the year-on-year and five-year changes in ranking for each country ('Rank 1YR' and 'Rank 5YR' columns). It also gives the range of factor group scores, with the highest ranked factor group and its corresponding score shown in the 'Market Opportunities' column and the lowest ranked factor group and its corresponding score shown in the 'Market Challenges' column.

Rank	Country	Index Score	Rank 1YR Δ	Rank 5YR Δ	Market Opportunities		Market Challenges	
101	Tanzania	39%	5	-6	Socio-economic	46%	Technological	12%
102	Sudan	38%	0	4	Socio-economic	50%	Regulatory & Political	26%
103	Mali	38%	33	35	Economic & Financial	63%	Technological	17%
104	Laos	38%	5	33	Economic & Financial	51%	Technological	20%
105	Nicaragua	38%	14	15	Socio-economic	46%	Technological	19%
106	Albania	36%	-13	-6	Regulatory & Political	54%	Infrastructure & Assets	25%
107	Trinidad and Tobago	36%	13	-23	Socio-economic	53%	Technological	40%
108	Bangladesh	36%	-30	-22	Socio-economic	77%	Technological	14%
109	Namibia	36%	16	4	Regulatory & Political	45%	Infrastructure & Assets	26%
110	Armenia	35%	-23	-18	Socio-economic	59%	Infrastructure & Assets	25%
111	Mongolia	35%	-30	-22	Regulatory & Political	60%	Economic & Financial	32%
112	Jamaica	34%	-29	-18	Infrastructure & Assets	54%	Technological	25%
113	Algeria	34%	5	-17	Socio-economic	66%	Technological	25%
114	Malawi	34%	25	10	Socio-economic	37%	Technological	20%
115	Nigeria	33%	-10	6	Infrastructure & Assets	56%	Regulatory & Political	21%
116	Fiji	32%	-20	0	Economic & Financial	47%	Socio-economic	34%
117	Cape Verde	32%	5	18	Economic & Financial	62%	Technological	23%
118	Senegal	32%	5	12	Economic & Financial	63%	Technological	27%
119	Congo, Dem. Rep.	32%	13	26	Socio-economic	48%	Technological	3%
120	Ethiopia	31%	-9	11	Socio-economic	54%	Technological	27%
121	Guinea	31%	23	25	Socio-economic	36%	Technological	13%
122	Mozambique	31%	-22	-31	Economic & Financial	45%	Regulatory & Political	31%
123	Botswana	31%	-24	-20	Regulatory & Political	57%	Technological	25%
124	Tajikistan	30%	5	-16	Technological	59%	Infrastructure & Assets	17%
125	Kyrgyzstan	30%	-8	2	Technological	54%	Infrastructure & Assets	20%
126	Yemen	29%	7	7	Socio-economic	48%	Regulatory & Political	22%
127	Burkina Faso	29%	-20	-18	Economic & Financial	60%	Infrastructure & Assets	19%
128	Venezuela	29%	0	0	Socio-economic	66%	Regulatory & Political	12%
129	Cameroon	28%	-21	-10	Economic & Financial	63%	Regulatory & Political	19%
130	Iraq	28%	-18	-20	Socio-economic	49%	Technological	13%
131	Antigua and Barbuda	28%	-4	-32	Regulatory & Political	55%	Infrastructure & Assets	8%
132	Syria	27%	-1	-3	Socio-economic	48%	Regulatory & Political	21%
133	Papua New Guinea	27%	-19	-1	Economic & Financial	50%	Technological	23%
134	Guyana	26%	0	-22	Economic & Financial	45%	Technological	23%
135	Congo, Rep.	24%	7	-12	Economic & Financial	56%	Technological	18%
136	Djibouti	24%	2	0	Economic & Financial	48%	Technological	11%
137	Belize	23%	0	-22	Economic & Financial	41%	Infrastructure & Assets	17%
138	Madagascar	23%	-17	6	Socio-economic	44%	Technological	9%
139	Solomon Islands	22%	2	-5	Regulatory & Political	53%	Infrastructure & Assets	6%
140	Liberia	22%	-14	2	Regulatory & Political	43%	Technological	6%
141	Haiti	22%	5	-15	Socio-economic	47%	Technological	13%
142	Angola	21%	-2	-3	Infrastructure & Assets	43%	Regulatory & Political	13%
143	Eritrea	20%	2	-2	Technological	42%	Infrastructure & Assets	3%
144	Sierra Leone	20%	-9	-27	Regulatory & Political	33%	Technological	8%
145	Swaziland	19%	-15	-5	Regulatory & Political	45%	Infrastructure & Assets	14%
146	Mauritania	19%	-3	-3	Regulatory & Political	34%	Infrastructure & Assets	15%

Exhibit 2(C) shows the *MARC M&A Attractiveness Index* 2017 ('Index Score' column) for the countries ranked between 101 and 146. The exhibit also provides the year-on-year and five-year changes in ranking for each country ('Rank 1YR' and 'Rank 5YR' columns). It also gives the range of factor group scores, with the highest ranked factor group and its corresponding score shown in the 'Market Opportunities' column and the lowest ranked factor group and its corresponding score shown in the 'Market Challenges' column.

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Regional M&A Attractiveness

*E*xhibit 3 provides the regional rankings for the *MARC M&A Attractiveness Index* for 2017. The 'Market Opportunities' and 'Market Challenges' columns give the factor group range for each region, with the highest ranking factor group presented as the region's most attractive feature or opportunity, whereas the lowest ranked factor group is shown as the major challenge which each region faces.

Unsurprisingly, the ranking correlates strongly with business maturity.

North America (1st) and Western Europe (2nd) are the highest ranked regions in terms of M&A attractiveness followed by Asia (3rd) and Oceania (4th). The less mature regions are CEE/CIS (5th), followed by Latin America (6th) and the Middle East (7th) and the last being Africa with the lowest index score of 48%, 37 percentage points below the score of North America. It is worth noting that Asia and Oceania have swapped places over the period of five years.

Exhibit 3: *Regional MARC M&A Attractiveness Index Score*

Rank		Index score	Index score (Y-Y)	Index score (Y-5)	Market Opportunities		Market Challenges	
1	North America	85%	0	0	Infrastructure & Assets	94%	Economic & Financial	76%
2	Western Europe	75%	0	0	Infrastructure & Assets	87%	Socio-economic	63%
3	Asia	75%	0	1	Infrastructure & Assets	91%	Regulatory & Political	51%
4	Oceania	74%	0	-1	Regulatory & Political	88%	Socio-economic	63%
5	CEE / CIS	68%	0	0	Socio-Economic	80%	Economic & Financial	47%
6	Latin America	63%	0	0	Infrastructure & Assets	77%	Regulatory & Political	45%
7	Middle East	61%	0	0	Socio-Economic	69%	Technology	53%
8	Africa	48%	0	0	Infrastructure & Assets	57%	Regulatory & Political	39%

Exhibit 4 shows the five factor groups across the eight regions for 2017. 'Technological', 'Regulatory and Political', and 'Infrastructure and Assets' create the most differentiation for North America as the strongest of all regions.
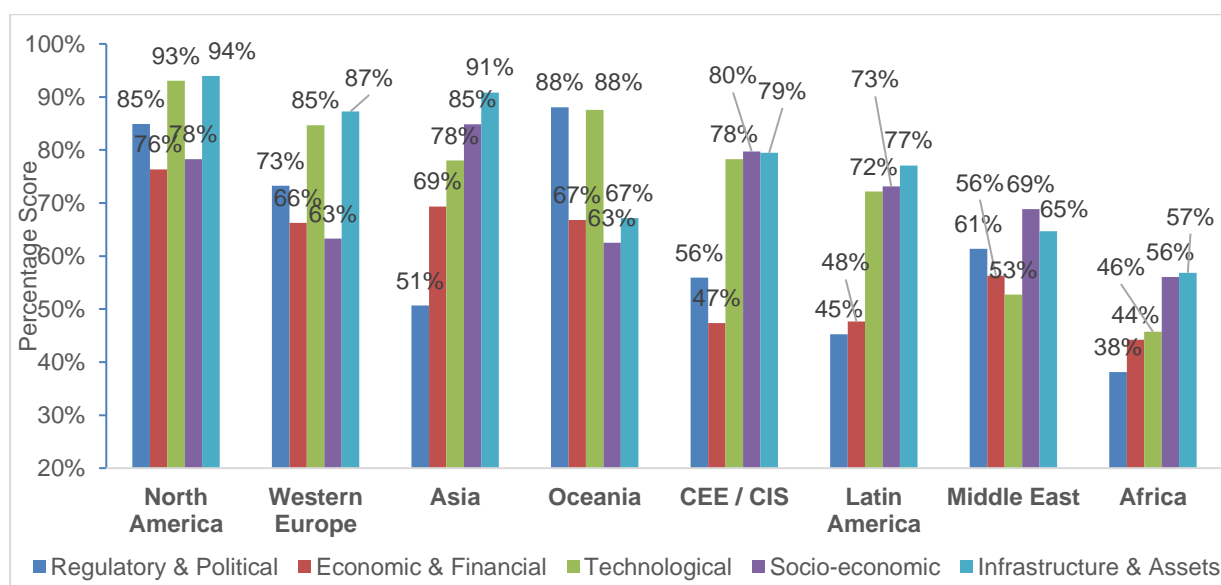

Exhibit 4: *Regional Performance by Factor Group (2017)*

February 2018

Sample and Methodology

The Index is designed to evaluate the capacity of a given country to attract and sustain M&A activity. It is a weighted average composite of twenty-three indicators that aggregate into five factor groups: Regulatory and Political, Economic and Financial, Technological, Socio-economic, and Infrastructure and Assets *(Exhibit 5)*.[1] In order to reach the final score for each country, we apportion a 75% weight to the index with the remaining 25% weighting provided by that year's domestic and in-bound cross-border M&A activity. The full Index includes the ratings for 147 countries.

Index data

As discussed by a number of authors (Appadu *et al.*, 2017 [2]; Carapeto *et al.,* 2010, 2011[3]), there are macroeconomic, microeconomic, institutional and socio-economic developments which a country must undergo in order to become an established M&A market. The macroeconomic issues include a country's growth, fiscal policy and government spending on industrial development such as R&D and infrastructure. Tightly controlled economies are more likely to be slow to adapt to changes in market conditions and innovation. The microeconomic issues which affect M&A attractiveness include the structure of a country's industry (i.e., its breadth, maturity and prosperity) and the level of maturity of its financial market (i.e., the stability of its debt yields and size of its risk premia). Institutional developments, such as the sophistication of the banking system and development of the stock market, are pivotal to securing finance for deals. The soundness and reliability of the judiciary system in the local country diminishes the risk of expropriation of wealth, another important consideration for foreign investors. Key socio-economic issues which affect a country's attractiveness and the long-term sustainability of business investment include the size and demographics of the population.

An ageing population, for example, will have a significant effect on future domestic consumer spending, in terms of both volume and habits. The sources of the indicator data shown in *Exhibit 5* are all publicly available, which ensures the ability to update the index annually. For each indicator, a recognised survey, report or database was identified and percentiles were calculated based on the full sample of the particular dataset. Percentiles are used as, for many of the indicators, the potential scale is indefinable and the distribution of countries is not even or normal. Consequently, the calculation of percentiles has been made depending on distributions rather than the full (potential) scale.

Deal data

The M&A data used in this report is sourced from the SDC Platinum database and has been restricted to include only deals in which there has been a change in ownership (controlling or non-controlling stakes) from one firm to another, i.e., excluding spin-offs, recapitalisations, self-tenders, exchange offers, repurchases or privatisations.

Restriction of indicators

The Index aims to cover all of the areas of a country's development which are relevant for M&A attractiveness purposes. Some indicators of importance, such as the development of the domestic bond market or level of education, have not been included due to issues of data availability. There will inevitably be other relevant indicators which have not been included, especially considering the global coverage of information and differences between geographical regions and other micro factors. However, the Index does provide a robust illustration of M&A attractiveness at a country level and can inform decision-making around deal-making in lesser-known markets.

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[1] We also restrict the number of countries by only including countries with M&A data (change of control/majority).
2 Appadu,N, A.Faelten, S.Moeller and V. Vitkova. 2016. "Assessing market attractiveness for mergers and acquisitions: the M&A Attractiveness Index Score". The European Journal of Finance 22(7-9):732-755

3 Carapeto, M, Moeller, S, Faelten, A and A.Smolikova, 'M&A Maturity Index: Evidence from Seven Emerging Markets' (March 16, 2010). Available at SSRN: https://ssrn.com/abstract=1573029; Carapeto, M, Moeller, S, Faelten, A and A. Smolikova, 'Assessing Market Attractiveness for Mergers and Acquisitions: The MARC M&A Maturity Index'. Available at SSRN: https://ssrn.com/abstract=1786552

Exhibit 5: *MARC M&A Attractiveness Index data*

Factor Group	Indicator	End of Data Period[4]	Source
Regulatory and Political	Rule of law	2015	The World Bank 'Governance Matters 2015'
	Completion formalities	2017	Doing Business 2017 - Economy rankings
	Registering property	2017	Doing Business 2017 - Economy rankings
	Paying taxes	2017	Doing Business 2017 - Economy rankings
	Trading across borders	2017	Doing Business 2017 - Economy rankings
	Enforcing contracts	2017	Doing Business 2017 - Economy rankings
	Political stability	2015	The World Bank 'Governance Matters 2015'
	Sovereign debt rating	LY	Fitch 'Complete Sovereign Rating History 2013'
	Control of corruption	2015	The World Bank 'Governance Matters 2015'
Economic and Financial	GDP size	2017-21	IMF's 'World Economic Outlook Database' April 2017
	GDP growth - CAGR	2017-21[5]	IMF's 'World Economic Outlook Database' April 2017
	Inflation	2017-21	IMF's 'World Economic Outlook Database' April 2017
	Stock market capitalisation as % of GDP	LY	World Bank's 'World Development Indicators'
	Private credit provided as % of GDP	LY	World Bank's 'World Development Indicators'
Technological	High-technology exports	2016	World Bank's 'World Development Indicators'
	Innovation	2015	World Intellectual Property Organisation
	Internet users per 100 people	2015	World Bank's 'World Development Indicators'
Socio-economic	Population size	2017-21	IMF's 'World Economic Outlook Database' April 2017
	Population aged 15-64 (% of total)	2016	World Bank's 'World Development Indicators'
Infrastructure and Assets	Registered companies (>$1m total assets)	2017	Orbis (Bureau van Dijk) database
	Container port traffic (TEU)[6]	2014	World Bank's 'World Development Indicators'
	Railway lines (km)	2015	World Bank's 'World Development Indicators'
	Paved roads as % of total roads	2011	World Bank's 'World Development Indicators'

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[4] 'LY' stands for 'Latest Year available'. '2017-21' indicates an average from 2017 to 2021 (estimated).

[5] Compounded annual growth rate between 2017 and 2021 (estimated).

[6] Twenty-foot equivalent unit

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