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M&A Attractiveness Index 2015

M&A Research Centre – MARC

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Overview

Since 2009, following the financial crisis, 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*). 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 62% according to the IMF's 'World Economic Outlook Database'. The development of more robust legal systems and increased political and economic stability has also 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 its sixth year, this MARC M&A Attractiveness Index provides an update based on 2015, ranking a total of 147 countries worldwide. The Index provides each country with a percentage figure which indicates its attractiveness for 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 by the M&A Research Centre at Cass Business School, London.

The primary component of the Index comprises five groups 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. This year, an evidence-based component has also been incorporated, comprising completed domestic and inbound acquisition deals for each country during the calendar year 2015.

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 network, and number of registered companies).

Exhibit 1*: M&A activity involving targets from non-traditional M&A markets*

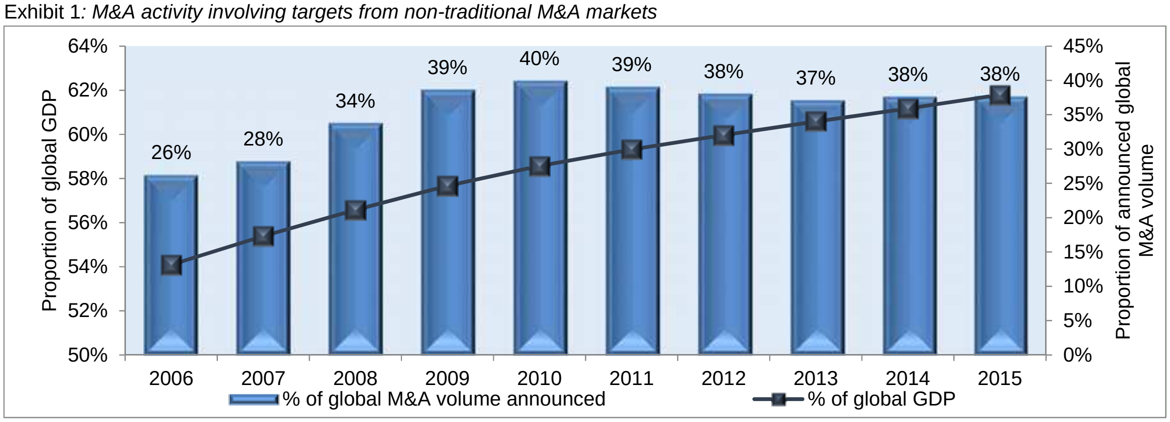


Exhibit 1 shows the M&A activity (the proportion of announced global minority and majority transactions) involving targets from non-traditional M&A markets plotted against those countries' proportion of global GDP (an average five-year forward estimate). Note that the data labels refer to the proportion 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)

2015 League Table: Top 10 Focus

Exhibits 2(A), (B) and (C) provide the ranking of **147 countries** worldwide which have been analysed using the *MARC M&A Attractiveness Index* for 2015. 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 2014 and 2010, providing both a trend and a current snapshot of the drivers contributing to positive or negative movements from an inbound 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 Asian countries form part of the top ten with Singapore leading the index and Hong Kong in ninth position. Six European countries are in the top ten.

Germany is second in the overall Index but leading the European countries followed by the UK, Luxembourg, France, the Netherlands and Austria in fourth, sixth, seventh, eighth and tenth positions, respectively. For North America, the US ranks third and Canada in fifth positions. The highest factor group ranking for Singapore, Luxembourg and Hong Kong is Regulatory and Political. Both Singapore and Hong Kong have Trading across Borders as their highest sub factor whereas Tax Payments taking less than three days, ranks high for Luxembourg. Germany, United States and United Kingdom are three key countries which rate most highly on the 'Infrastructure and Assets' factor group.

Notably, the leading market challenge for almost all of all the top ten countries is '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

As noted above, the 2015 Index also shows year-on-year and five-year movements for each country in the ranking. Interestingly, in the top 5 of the index, both the UK and Canada gained 6 and 4 places year-on-year respectively, while the US and Canada gained two rankings compared to the last five years.

The largest movements would be expected to be further down the tables. Within the top fifty, the most significant improvement over the past year is Serbia (48 places) followed by Morocco and Montenegro (27), Russia (26) and Iran (25). Serbia's greatest strength is Infrastructure and Assets. Morocco, Russia and Iran's improvement are partly related to Socio-economic indicators: improvement in population demographics that more than offset the negative moves of other indicators. In the case of Russia, the sanctions issue appears not to be reflected in the indicators due to lag in the data, and this would be true as well for the recent lifting of sanctions on Iran, thus emphasising that the index does need to be used in conjunction with other analyses. Montenegro also benefits from Infrastructure and Assets.

Improvements over the five-year period also show Morocco leading the pack with a gain of 76 places followed by Montenegro (49), Iran (48), Columbia (41) and Costa Rica (37). The countries that have lost the most ground are all European: Hungary (-31), Cyprus (-19), Serbia (-16) and Romania (-15).

Exhibit 2(A): *MARC M&A Attractiveness Index* 2015 - Country Ranking 1-50

Rank	Country	Index Score	Rank 1YR Δ	Rank 5YR Δ	Market Opportunities		Market Challenges	
1	Singapore	71%	0	0	Regulatory & Political	96%	Socio-economic	68%
2	Germany	70%	1	0	Infrastructure & Assets	97%	Economic & Financial	65%
3	United States	69%	1	2	Infrastructure & Assets	94%	Economic & Financial	69%
4	United Kingdom	69%	6	0	Infrastructure & Assets	92%	Socio-economic	67%
5	Canada	68%	4	2	Technological	90%	Economic & Financial	71%
6	Luxembourg	67%	-4	8	Regulatory & Political	87%	Socio-economic	49%
7	France	67%	8	4	Technological	94%	Socio-economic	62%
8	Netherlands	67%	3	12	Technological	93%	Infrastructure & Assets	54%
9	Hong Kong	66%	-4	-6	Regulatory & Political	86%	Economic & Financial	72%
10	Austria	66%	23	9	Technological	86%	Socio-economic	59%
11	South Korea	66%	-5	2	Technological	95%	Economic & Financial	70%
12	Spain	66%	-5	11	Infrastructure & Assets	87%	Regulatory & Political	69%
13	Poland	66%	1	8	Infrastructure & Assets	86%	Regulatory & Political	56%
14	Belgium	65%	-6	-6	Technological	85%	Socio-economic	53%
15	Norway	65%	7	3	Regulatory & Political	95%	Socio-economic	45%
16	Australia	65%	1	-4	Regulatory & Political	92%	Socio-economic	67%
17	China	65%	6	0	Infrastructure & Assets	99%	Regulatory & Political	50%
18	Switzerland	64%	1	-12	Technological	94%	Socio-economic	59%
19	Sweden	64%	8	6	Technological	90%	Socio-economic	46%
20	Chile	64%	-2	9	Socio-economic	74%	Economic & Financial	62%
21	Italy	64%	-5	5	Infrastructure & Assets	93%	Regulatory & Political	58%
22	Czech Republic	63%	-9	-6	Infrastructure & Assets	86%	Economic & Financial	57%
23	Brazil	63%	8	11	Socio-economic	89%	Regulatory & Political	39%
24	Russia	63%	26	31	Socio-economic	94%	Economic & Financial	47%
25	Ireland	63%	14	15	Technological	88%	Socio-economic	44%
26	Denmark	63%	2	-2	Regulatory & Political	91%	Socio-economic	42%
27	Morocco	63%	27	76	Socio-economic	70%	Infrastructure & Assets	52%
28	Malaysia	63%	-16	5	Technological	86%	Regulatory & Political	72%
29	Colombia	62%	-4	41	Socio-economic	82%	Regulatory & Political	49%
30	Romania	62%	-10	-15	Infrastructure & Assets	83%	Economic & Financial	48%
31	Thailand	61%	3	-4	Socio-economic	93%	Regulatory & Political	56%
32	Portugal	61%	-8	35	Regulatory & Political	68%	Socio-economic	53%
33	United Arab Emirates	61%	7	5	Infrastructure & Assets	80%	Economic & Financial	57%
34	Japan	61%	-5	-12	Infrastructure & Assets	96%	Socio-economic	63%
35	Montenegro	60%	27	49	Infrastructure & Assets	68%	Socio-economic	43%
36	Finland	59%	0	-4	Regulatory & Political	89%	Socio-economic	40%
37	Costa Rica	59%	14	37	Technological	72%	Economic & Financial	42%
38	Israel	59%	3	9	Technological	86%	Socio-economic	41%
39	South Africa	58%	-4	6	Infrastructure & Assets	88%	Regulatory & Political	55%
40	New Zealand	58%	-14	12	Regulatory & Political	90%	Socio-economic	42%
41	Hungary	57%	-9	-31	Infrastructure & Assets	84%	Economic & Financial	52%
42	India	57%	5	7	Infrastructure & Assets	95%	Regulatory & Political	39%
43	Lithuania	57%	15	15	Regulatory & Political	80%	Socio-economic	46%
44	Iran	56%	25	48	Socio-economic	93%	Regulatory & Political	36%
45	Indonesia	56%	15	19	Socio-economic	81%	Regulatory & Political	45%
46	Serbia	56%	48	-16	Infrastructure & Assets	75%	Economic & Financial	40%
47	Slovenia	56%	-5	-12	Technological	70%	Infrastructure & Assets	46%
48	Turkey	56%	1	-11	Infrastructure & Assets	79%	Economic & Financial	58%
49	Latvia	56%	-5	-1	Technological	77%	Socio-economic	40%
50	Cyprus	56%	-13	-19	Technological	69%	Infrastructure & Assets	46%

Exhibit 2(A) shows the *MARC M&A Attractiveness Index* 2015 ('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.

Exhibit 2(B): *MARC M&A Attractiveness Index* 2015 - Country Ranking 51-100

Rank	Country	Index Score	Rank 1YR Δ	Rank 5YR Δ	Market Opportunities		Market Challenges	
51	Croatia	56%	6	15	Technological	68%	Socio-economic	47%
52	Mexico	55%	3	11	Infrastructure & Assets	84%	Economic & Financial	54%
53	Slovakia	55%	-5	-7	Technological	74%	Economic & Financial	52%
54	Kazakhstan	55%	-24	-11	Technological	81%	Economic & Financial	41%
55	Malta	55%	-34	-46	Technological	83%	Socio-economic	36%
56	Peru	55%	-10	6	Infrastructure & Assets	64%	Technological	50%
57	Georgia	54%	23	48	Regulatory & Political	67%	Infrastructure & Assets	31%
58	Vietnam	54%	-15	1	Socio-economic	92%	Regulatory & Political	41%
59	Lebanon	53%	27	12	Technological	58%	Regulatory & Political	40%
60	Bosnia and Herzegovina	53%	39	36	Socio-economic	63%	Regulatory & Political	45%
61	Oman	53%	11	-7	Regulatory & Political	73%	Technological	54%
62	Uganda	52%	36	58	Socio-economic	82%	Technological	24%
63	Trinidad and Tobago	51%	33	62	Socio-economic	56%	Economic & Financial	36%
64	Dominican Republic	51%	45	40	Infrastructure & Assets	60%	Economic & Financial	42%
65	Greece	51%	-2	7	Technological	72%	Regulatory & Political	46%
66	Kenya	51%	22	21	Technological	53%	Regulatory & Political	35%
67	Kuwait	51%	20	23	Socio-economic	65%	Economic & Financial	51%
68	Panama	50%	-15	7	Economic & Financial	60%	Socio-economic	40%
69	Argentina	50%	-17	-27	Infrastructure & Assets	77%	Economic & Financial	24%
70	Ukraine	50%	-32	-29	Socio-economic	86%	Economic & Financial	34%
71	Pakistan	49%	42	-2	Infrastructure & Assets	70%	Regulatory & Political	30%
72	Bulgaria	49%	-13	-28	Technological	66%	Regulatory & Political	52%
73	Philippines	49%	2	24	Technological	73%	Regulatory & Political	43%
74	Saudi Arabia	49%	4	33	Socio-economic	78%	Infrastructure & Assets	43%
75	Armenia	48%	32	44	Socio-economic	61%	Economic & Financial	28%
76	Bahamas	48%	9	-40	Regulatory & Political	64%	Economic & Financial	46%
77	Bahrain	48%	4	-16	Regulatory & Political	59%	Infrastructure & Assets	43%
78	Azerbaijan	47%	14	4	Socio-economic	75%	Economic & Financial	39%
79	Tunisia	47%	3	-29	Socio-economic	71%	Infrastructure & Assets	46%
80	Egypt	47%	-10	-27	Infrastructure & Assets	75%	Regulatory & Political	37%
81	Mauritius	47%	-36	-30	Regulatory & Political	77%	Technological	46%
82	Uruguay	46%	-21	17	Technological	63%	Socio-economic	35%
83	Ecuador	46%	42	-10	Socio-economic	54%	Regulatory & Political	29%
84	Qatar	45%	5	5	Regulatory & Political	74%	Technological	46%
85	Iraq	45%	31	-8	Infrastructure & Assets	51%	Technological	18%
86	Iceland	44%	9	-58	Regulatory & Political	84%	Socio-economic	33%
87	Bangladesh	44%	30	-8	Socio-economic	71%	Regulatory & Political	23%
88	Estonia	44%	-32	-10	Regulatory & Political	82%	Socio-economic	35%
89	Mongolia	43%	2	-32	Technological	57%	Economic & Financial	39%
90	Cambodia	43%	22	47	Economic & Financial	59%	Technological	13%
91	Cameroon	43%	30	51	Economic & Financial	47%	Regulatory & Political	26%
92	Algeria	42%	23	-24	Socio-economic	68%	Regulatory & Political	35%
93	Belarus	42%	-26	-54	Socio-economic	72%	Economic & Financial	25%
94	Nigeria	42%	11	-13	Infrastructure & Assets	72%	Regulatory & Political	29%
95	El Salvador	42%	13	-4	Economic & Financial	53%	Technological	40%
96	Ghana	41%	-23	-13	Socio-economic	49%	Economic & Financial	29%
97	Uzbekistan	41%	5	-37	Socio-economic	71%	Regulatory & Political	37%
98	Zimbabwe	41%	20	15	Economic & Financial	57%	Technological	30%
99	Guatemala	41%	-33	-14	Infrastructure & Assets	57%	Regulatory & Political	36%
100	Belize	41%	3	40	Regulatory & Political	44%	Infrastructure & Assets	15%

Exhibit 2(B) shows the *MARC M&A Attractiveness Index* 2015 ('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.

Exhibit 2(C): *MARC M&A Attractiveness Index* 2015 - Country Ranking 101-147

Rank	Country	Index Score	Rank 1YR Δ	Rank 5YR Δ	Market Opportunities		Market Challenges	
101	Zambia	40%	35	23	Regulatory & Political	47%	Technological	30%
102	Congo, Rep.	40%	17	26	Economic & Financial	40%	Technological	18%
103	Jamaica	40%	-20	-3	Infrastructure & Assets	61%	Economic & Financial	36%
104	Macedonia	40%	-28	-48	Regulatory & Political	61%	Infrastructure & Assets	34%
105	Papua New Guinea	39%	25	18	Economic & Financial	51%	Technological	24%
106	Sri Lanka	39%	-6	8	Socio-economic	64%	Technological	36%
107	Mozambique	38%	-28	-12	Economic & Financial	46%	Technological	34%
108	Botswana	37%	-24	26	Regulatory & Political	57%	Technological	21%
109	Sudan	37%	23	2	Socio-economic	49%	Economic & Financial	29%
110	Namibia	37%	-4	-1	Regulatory & Political	49%	Technological	25%
111	Moldova	36%	-34	-23	Socio-economic	64%	Economic & Financial	21%
112	Sierra Leone	36%	17	-32	Infrastructure & Assets	60%	Economic & Financial	19%
113	Jordan	36%	1	4	Economic & Financial	58%	Socio-economic	38%
114	Paraguay	36%	-43	-2	Infrastructure & Assets	67%	Regulatory & Political	33%
115	Cape Verde	36%	8	-17	Technological	70%	Socio-economic	30%
116	Guyana	35%	-23	-1	Regulatory & Political	42%	Infrastructure & Assets	28%
117	Venezuela	35%	-49	12	Socio-economic	64%	Regulatory & Political	19%
118	Côte d'Ivoire	34%	17	9	Economic & Financial	56%	Technological	25%
119	Tanzania	34%	-9	-26	Regulatory & Political	48%	Technological	23%
120	Bolivia	34%	-46	-18	Technological	56%	Regulatory & Political	27%
121	Guinea	34%	27	27	Socio-economic	36%	Technological	8%
122	Ethiopia	33%	-25	9	Economic & Financial	56%	Technological	17%
123	Albania	32%	-59	-5	Socio-economic	55%	Infrastructure & Assets	15%
124	Syria	32%	-2	-59	Economic & Financial	50%	Technological	36%
125	Brunei	32%	-60	-24	Technological	67%	Infrastructure & Assets	13%
126	Seychelles	32%	1	-50	Technological	57%	Infrastructure & Assets	25%
127	Malawi	32%	-23	14	Regulatory & Political	40%	Economic & Financial	26%
128	Eritrea	31%	12	10	Technological	83%	Infrastructure & Assets	3%
129	Senegal	31%	-18	1	Economic & Financial	56%	Infrastructure & Assets	28%
130	Fiji	30%	-4	-44	Regulatory & Political	46%	Socio-economic	34%
131	Congo, Dem. Rep.	30%	14	-5	Economic & Financial	49%	Technological	15%
132	Honduras	30%	-4	-38	Regulatory & Political	45%	Technological	28%
133	Nicaragua	30%	-9	-25	Regulatory & Political	44%	Technological	20%
134	Antigua and Barbuda	29%	-3	-1	Regulatory & Political	70%	Infrastructure & Assets	6%
135	Burkina Faso	27%	-1	-29	Economic & Financial	52%	Infrastructure & Assets	16%
136	Kyrgyzstan	27%	-46	-20	Regulatory & Political	51%	Infrastructure & Assets	20%
137	Tajikistan	27%	-4	-1	Technological	55%	Infrastructure & Assets	17%
138	Angola	27%	-1	-3	Infrastructure & Assets	46%	Regulatory & Political	21%
139	Yemen	26%	-1	-7	Socio-economic	49%	Economic & Financial	23%
140	Laos	25%	-1	3	Economic & Financial	45%	Technological	23%
141	Swaziland	25%	-21	-2	Regulatory & Political	48%	Socio-economic	22%
142	Mali	24%	-41	-32	Economic & Financial	45%	Infrastructure & Assets	15%
143	Solomon Islands	23%	-1	4	Regulatory & Political	57%	Infrastructure & Assets	6%
144	Djibouti	23%	-3	1	Regulatory & Political	46%	Technological	11%
145	Madagascar	22%	-1	-1	Socio-economic	44%	Infrastructure & Assets	16%
146	Haiti	22%	-3	-25	Socio-economic	45%	Infrastructure & Assets	18%
147	Mauritania	20%	-1	-1	Regulatory & Political	36%	Infrastructure & Assets	16%

Exhibit 2(C) shows the *MARC M&A Attractiveness Index* 2015 ('Index Score' column) for the countries ranked between 101 and 147. 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.

Regional M&A Attractiveness

Exhibit 3 provides the regional rankings by applying the *MARC M&A Attractiveness Index* for 2015. 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.

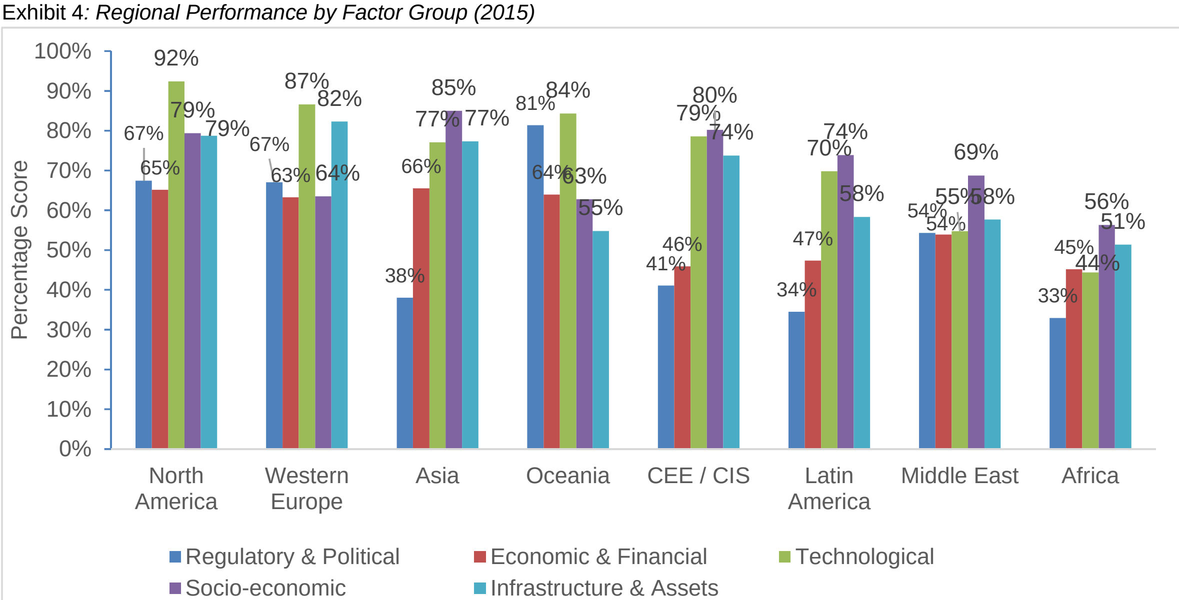
North America (1st) and Western Europe (2nd) are the highest ranked regions in terms of M&A attractiveness followed by Asia (3rd) and Oceania (4th). The less mature regions are CEE/CIS (5th), followed by Latin America (6th) and the Middle East (7th) and the last being Africa with the lowest index score of 47%, 31% below the score of North America. It is worth noting that Asia and Oceania have swap places this year in the regional index as have Latin America and the Middle East

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	78%	0	0	Technological	92%	Economic & Financial	65%
2	Western Europe	73%	0	0	Technological	87%	Economic & Financial	63%
3	Asia	70%	1	1	Socio-economic	85%	Regulatory & Political	38%
4	Oceania	69%	-1	-1	Technological	84%	Infrastructure & Assets	55%
5	CEE / CIS	66%	0	0	Socio-economic	80%	Regulatory & Political	41%
6	Latin America	58%	1	1	Socio-economic	74%	Regulatory & Political	34%
7	Middle East	58%	-1	-1	Socio-economic	69%	Economic & Financial	54%
8	Africa	47%	0	0	Socio-economic	56%	Regulatory & Political	33%

Exhibit 4 shows the five factor groups across the eight regions for 2015. Technological, Socio-economic and Infrastructure and Assets create the most differentiation for the North America strongest regions.

Exhibit 4*: Regional Performance by Factor Group (2015)*



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, 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. 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.

[1] We also restrict the number of countries by only including countries with M&A data (change of control/majority).

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

Factor Group	*Indicator*	*End of Data Period*[2]	*Source*
Regulatory and Political	Rule of law	2013	The World Bank 'Governance Matters 2014'
	Completion formalities	2015	Doing Business 2015 - Economy rankings
	Registering property	2015	Doing Business 2015 - Economy rankings
	Paying taxes	2015	Doing Business 2015 - Economy rankings
	Trading across borders	2015	Doing Business 2015 - Economy rankings
	Enforcing contracts	2015	Doing Business 2015 - Economy rankings
	Political stability	2013	The World Bank 'Governance Matters 2014'
	Sovereign debt rating	LY	Fitch 'Complete Sovereign Rating History 2013'
	Control of corruption	2013	The World Bank 'Governance Matters 2014'
Economic and Financial	GDP size	2015-19	IMF's 'World Economic Outlook Database' April 2015
	GDP growth - CAGR	2015-19[3]	IMF's 'World Economic Outlook Database' April 2015
	Inflation	2015-19	IMF's 'World Economic Outlook Database' April 2015
	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	2013	World Bank's 'World Development Indicators'
	Innovation	2013	World Intellectual Property Organisation
	Internet users per 100 people	2013	World Bank's 'World Development Indicators'
Socio-economic	Population size	2015-19	IMF's 'World Economic Outlook Database' April 2015
	Population aged 15-64 (% of total)	LY	World Bank's 'World Development Indicators'
Infrastructure and Assets	Registered companies (>$1m total assets)	2014	Orbis (Bureau von Dijk) database
	Container port traffic (TEU)[4]	2013	World Bank's 'World Development Indicators'
	Railway lines (km)	2012	World Bank's 'World Development Indicators'
	Paved roads as % of total roads	2011	World Bank's 'World Development Indicators'

[2] 'LY' stands for 'Latest Year available'. '2015-19' indicates an average from 2015 to 2019 (estimated).

[3] Compounded annual growth rate between 2015 and 2019 (estimated).

[4] Twenty-foot equivalent unit

Notes on Authors

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