



Australia – a Regional and Global M&A Player

Merger and acquisition (M&A) activity slowed worldwide in 2007-08, according to the latest data released by Thomson Reuters, largely due to uncertainty in the global credit markets and falls in share markets around the world. Global M&A totalled US\$3.1 trillion in announced deals during 2007-08, down around 29 per cent from 2006-07. Australia's M&A value decreased 12 per cent from 2006-07 to US\$137 billion. However, deals in Australia increased by 23 per cent in the second half of the financial year, while global volume fell by 33 per cent in the same period.

- The US remained the global leader in M&A activities, with total announced deals of US\$1.2 trillion in 2007-08, accounting for 37 per cent of the worldwide market. The UK (US\$446 billion) was second, accounting for 14.3 per cent. Total M&A values of these two markets fell by 38 per cent and 8 per cent respectively. Australia ranked 3rd globally, with a market share of 4.4 per cent, up from 3.6 per cent in 2006-07.
- In the Asia-Pacific region M&A activity is heavily concentrated in the top five economies (Australia, China, Japan, Hong Kong and South Korea). Altogether, their announced deals were worth around US\$331 billion, and accounted for almost 80 per cent of the region's total (*see table below*). The combined global share of the top five markets rose to 10.5 per cent, up from 8.1 per cent in 2006-07.
- Australia maintained its position at the top of the regional table with announced transactions representing around one third of the region's total value of almost US\$419 billion. The robust M&A activity in Australia was led by the banking and insurance, oil, gas and petroleum refining, and minerals industries, which accounted for around half of Australia's M&A value for 2007-08.
- Of the top ten financial advisors in Australia, based on completed M&A by imputed fees, eight are global investment houses, with almost one-third of total market share. The strong M&A activities of these firms in Australia demonstrate the global nature of the Australian market place.

Worldwide Announced Mergers and Acquisitions (US\$ Billion)

Global Rank	Target Nation	FY2007-08			Global Rank	Target Nation	FY2006-07		
		Ranking Value ⁽¹⁾	Global Market Share	Number of Deals			Ranking Value ⁽¹⁾	Global Market Share	Number of Deals
3	Australia	137.0	4.4	1,748	5	Australia	156.6	3.6	1,882
9	China	66.6	2.1	2,041	10	Japan	81.9	1.9	1,735
13	Japan	56.3	1.8	1,837	15	China	46.9	1.1	1,537
15	Hong Kong	39.0	1.2	762	16	South Korea	35.5	0.8	241
17	South Korea	31.8	1.0	415	18	Malaysia	29.7	0.7	737
23	Singapore	20.1	0.6	331	20	India	26.6	0.6	553
25	Malaysia	17.7	0.6	727	21	Hong Kong	22.6	0.5	660
27	India	13.9	0.4	539	23	Singapore	19.2	0.4	373
32	Indonesia	10.0	0.3	131	25	Taiwan	17.8	0.4	119
34	Philippines	9.0	0.3	111	33	New Zealand	8.7	0.2	359
36	Taiwan	6.7	0.2	93	35	Philippines	7.6	0.2	106
39	Thailand	5.6	0.2	181	48	Indonesia	3.3	0.1	116
41	New Zealand	5.1	0.2	249	51	Thailand	2.8	0.1	122
	Worldwide	3,120.0	100.0	34,048		Worldwide	4,377.6	100.0	35,384

FY = Financial year from 1 July to 30 June.

(1) Ranking value includes net debt of target, and data was downloaded on 23 July 2008.

Sources: Thomson Reuters; Austrade