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Vietnam M&A activity review – 2008
Deal activity remains on growth track with positive outlook despite lower than 2007 total deal value

Ho Chi Minh City, 19 January 2009. Twice a year, PricewaterhouseCoopers issues a detailed review of Mergers and Acquisitions (M&A) activity in Vietnam. The review considers the wider environment affecting the making of deals in the country, considers the larger and more notable deals individually and provides an outlook for the forthcoming months.

Current environment

Economy

Macroeconomic indicators have enjoyed a rollercoaster ride in Vietnam since the end of 2007 when major imbalances first appeared in the shape of accelerating inflation. GDP growth, originally targeted by the government to reach between 8.5% - 9% was estimated at 6.5% in the first half of the year, the slow down mostly attributed to domestic problems. Despite the severity of the global financial crisis in the second half of 2008, according to initial estimates from the General Statistics Office (GSO) of Vietnam, the annual rate of economic growth was still a respectable 6.23%. Industry and construction grew by 6.33%, services by 7.2 % and the agriculture, forestry and fishery sector grew by 3.79%.

Inflation peaked in August at 28.32%, compared to the 14.11% increase seen in January 2008 compared to January 2007, before declining to 19.89% in December 2008 compared to December 2007. According to the GSO, the average CPI growth in 2008 was 22.97%. In response to this challenging issue, the government quickly switched its priorities away from the focus on GDP growth seen at the beginning of the year to instead target the combating of inflation from March onwards before finally switching back to concentrating on growth promoting policies towards the end of the year as the global slow down finally started to seriously impact on Vietnam.

Following a 2% devaluation in June and a further 3% devaluation in December, the Vietnam dong was trading at around 17,500 to the US dollar by the year end compared to 16,000 at the end of 2007.

The Vietnamese currency remains pegged to the dollar and the gap observed between the official and informal exchange rates has to a large extent disappeared during the second half. The current policy of the State Bank of Vietnam (SBV) is to keep the daily trading band limited to 3 per cent compared to only 0.75 per cent at the end of 2007.

The prime interest rate determined by the SBV peaked at 14% in the summer before being cut back to 8.5% by the year end only 25 basis points higher than the 8.25% rate in place at the end of 2007.

Committed foreign direct investment skyrocketed during 2008. This is a closely watched indicator based on new investment certificates and the expansion of existing ones awarded to foreign enterprises. By the end of September, commitments totalled US$ 57.1 billion, almost three times the total annual committed investment for the whole year in 2007. There was a sharp slowdown in the licensing of further new FDI commitments in the last quarter of 2008; however, according to the year end estimates from the Ministry of Planning and Investment, total annual licensed FDI commitments reached US$ 64 billion. The actual disbursed capital in 2007 reached US$ 11.5 billion representing a 43 per cent increase over 2007. As in earlier years, Asian investors took the lead with Malaysia, Taiwan, Japan, Singapore and Brunei being the top five investors. It is worth noting that no less than 10 projects valued at over US$ 1 billion were granted investment certificates compared to only 1 in 2007. The steel and petrochemical industries, real estate and tourism projects attracted the largest share of committed capital.

The benchmark stock exchange indicator, the VNINDEX, as calculated by the Stock Exchange in Ho Chi Minh City, closed at 315.6 on the last trading day of December, falling from 918 points at the end of 2007. The bear market has significantly curtailed ambitions for new IPOs; however there were still 30 new offerings during the year. It is worth noting that in December there were two very well received IPOs: Hoang Anh Gia Lai, a leading real estate developer, listed on the Ho Chi Minh City Stock Exchange and on Christmas day, the Vietnam Bank for Industry and Trade (Vietinbank) sold all shares offered to the market raising approximately US$ 67 million and marking it as the largest and most successful auction of the year. The listing of Vietnamese companies on overseas stock exchanges remains a hot topic and there was no deviation from the principal long term goal of continued equitisation although the pace remained slower than was originally anticipated.

As in many other countries around the world, the government of Vietnam is also working on the details of various stimulus initiatives to mitigate the worst consequences of the global financial crisis with the government apparently looking to invest some US$6 billion into the economy.

Regulatory environment

In January 2009, Vietnam concluded two full years of membership in the World Trade Organization. Membership infused a new spirit into the business environment in the country and also facilitated higher visibility for Vietnam as an international trading partner and as an investment destination. Membership status has also motivated Vietnamese enterprises to evolve and to adopt international best practices in order to maintain their rate of development and their competitiveness against current and future entrants of foreign competitors.

Government decree 139, which became effective on 1 January 2008, remains in force. The decree in principle removed limits on foreign ownership ratios in Vietnamese companies except in relation to public listed companies where the 49% cap remained in place (along with a 40% cap in public non-listed companies). In addition, sector specific limitations, most importantly in telecoms, financial services and other services remained in place.

One of the most significant regulatory developments in 2008 arising from WTO membership obligations was the granting of licences to wholly foreign owned banks. The first recipients of such licences were HSBC, Standard Chartered and ANZ Bank.

Significant developments also occurred in the area of corporate governance legislation with the enactment in 2007 of new regulations and a model charter for public listed companies. However, although the legislation imposes an obligation on companies to report regarding their corporate governance status, there is little guidance in the law to assist companies in the implementation of the necessary processes and procedures. In addition, the lack of publicly available information makes it difficult to assess the extent of compliance with such regulations.

In order to enhance investor confidence in Vietnam, supplementary legislation appears to be required to ensure effective implementation and monitoring of good corporate governance practices.

On 1st January 2009, legislation came into force which opened up a number of service industries to participation by foreign businesses. These include architecture, engineering, computer and related services, advertising, market research, construction, education, franchising and distribution services.

Although many positive changes to the Vietnamese legal environment were committed to under the WTO membership, there remains a considerable lack of guidance available regarding the execution of certain commitments, in particular with respect to the granting of distribution rights to foreign enterprises. To date, there have been no clear guidelines issued on the so called Economic Needs Test (ENT) that is applicable for multiple distribution outlets.

Overall, Vietnam continues to try and live up to the high expectations international investors have of it as the “next Asian tiger” by continually pushing through reforms aimed at facilitating the ongoing development of the economy. The government’s ongoing participation and encouragement of forums facilitating consultation between investors and regulators in order to address ways in which to improve the business climate indicates that such a stance will continue in 2009.

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Deal Activity

Interest in M&A has remained extremely high in Vietnam during 2008. Successful domestic companies have been increasingly open to deal making as they pursue expansionist strategies, whilst companies struggling to cope with the changing economic environment were more open to discussions regarding the sale of equity stakes to domestic and foreign suitors. The number of deals between Vietnamese companies doubled in comparison to 2007.

Market participants generally agreed that valuations were much more realistic during 2008 than in 2007 as the stock market declined to an average PE ratio close to 10 and access to credit became significantly more difficult. Furthermore, and while there is still plenty of scope for improvement, there has been an increase in the level of understanding among the Vietnamese business community of the mechanics of deal making, including the importance of due diligence, and an improved appreciation of valuation techniques. However, the fact that acquisitions are now under less time pressure to complete deals has meant that many transactions have progressed more slowly than they would have done in earlier period. In addition, the government in general remains supportive of market entry by way of acquisitions. Foreign acquirers continue to be behind many of the larger deals despite ownership restrictions remaining in certain sectors for example in the financial sector and in the case of listed companies.

Strong interest in deal making unfortunately did not translate to growth in all measures of M&A activity. Whilst the number of announced deals increased to 146 compared to 108 in 2007 and only 38 in 2006, the total value of these announced deals came to only US$ 1,009 million comparing poorly to the US$ 1,719 million recorded in 2007, although still more than triple the value of all deals announced in 2006. This reflects the slow pace of certain larger deals and the slow pace of equitisation since most of the large deals in 2007 were in relation to newly equitised SoE's.

Announced M&A deals - Target Region / Nation

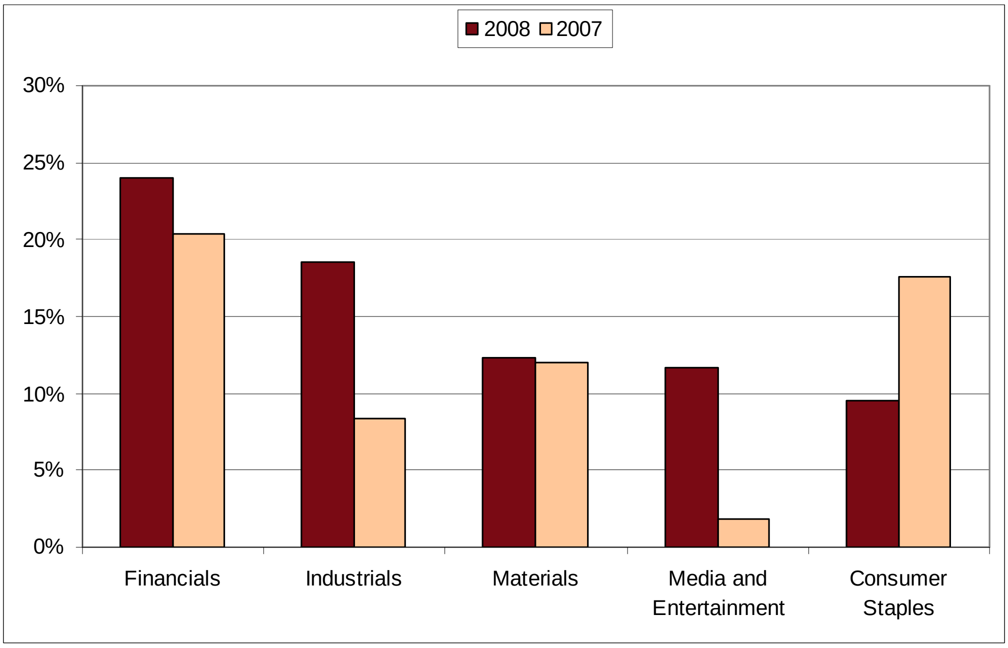
	2008	2007		2008	2007	
	US$ millions		% change	Number of deals		% change
Worldwide	2,935,960	4,169,287	-29.6%	39,597	43,817	-9.6%
USA	986,283	1,570,848	-37.2%	9,165	11,296	-18.9%
China	104,253	75,390	38.3%	2,983	2,587	15.3%
South East Asia	75,176	75,675	-0.7%	2,065	2,001	3.2%
Vietnam	1,009	1,719	-41.3%	146	108	35.2%

Source: Thomson Reuters, PricewaterhouseCoopers research

In this regard, it is worth comparing available deal statistics across various geographical areas. In terms of deal values, Vietnam appears to have suffered a bigger percentage setback than that experienced by global deal activity and compares unfavourably to the region.

However, the percentage increase in the number of deals announced is well above that of the other countries and regions shown above. As noted in our earlier reports, readers analyzing available deal statistics must exercise caution. The majority of deals are conducted in private and therefore disclosure of deal values and other particulars is limited. The increasing importance of listed companies, better disclosure standards in Vietnam and higher deal values will contribute to the future improvement of data availability in Vietnam.

Percentage of announced deals by industry sector – M&A targets in Vietnam



Source: Thomson Reuters, PricewaterhouseCoopers research

It is also worth analysing the M&A activity of 2008 compared to 2007 by the industry sector that target companies were engaged in. The financial sector remains the most active followed by industrials, the latter being a significantly more active sector than in 2007 driven by deals in Transportation & Infrastructure and in the Automotive industries. Media and entertainment was another growth sector in 2008 accounting for 12% of all deals in particular in Advertising & Marketing and internet. The activity in this industry confirms the sentiments of the PricewaterhouseCoopers Global Entertainment and Media Outlook published last summer highlighting our conclusion that Vietnam had the potential to be one of the world's fastest-growing television subscription and license fee markets over the next five years.

Notable deals announced during the second half of the year included:

In July, Jardine Cycle & Carriage Limited (JC&C) announced that it had acquired a 12% interest in Truong Hai Auto Corporation (THACO), a leading Vietnamese automotive company, for a cost of approximately $41 million. In August, JC&C acquired a further 8% stake for US$ 39million. THACO was established in Vietnam in 1997 and incorporated as a joint stock company in 2007 and its founder, Mr. Tran Ba Duong, is the company's major shareholder. THACO's principal activities include the manufacture, assembly, distribution, retail, repair and maintenance of commercial and passenger vehicles in Vietnam under the Kia, Foton, King Long, Hyundai and THACO brands. The company operates through a network of showrooms and dealers throughout the country. Under the agreement, the Singapore-based company will help THACO promote its automobile sales in Vietnam and other markets in the region.

In August, France's Société Générale, which has had representative offices in Hanoi and Ho Chi Minh City since 1989 and is amongst the market leaders in Project and Export Finance in Vietnam, announced the acquisition of 15% of Southeast Asia Bank (SeABank). It is understood that Société Générale may rise its holding to 20% in the future, the maximum allowable under the current regulations. Financial terms of the deal were not disclosed. Headquartered in Hanoi, SeABank has a network of 55 branches and transaction offices covering Vietnam's principal economic centres. Société Générale committed to provide technical assistance to SeABank particularly in the fields of risk management, technology, and international payment services and to strengthen its retail banking product offerings.

In August, HSBC became the first foreign bank in Vietnam authorised to hold a 20 per cent interest in a domestic bank by increasing its stake in the Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") from 14.4% per cent to 20%.

In a significant domestic deal announced in August, Petrovietnam Drilling & Well Services Joint Stock Company ("PVD") acquired the remaining 49% stake not already under its control in Petrovietnam Drilling Investment Corp, a rig owning entity which is in the process of acquiring two oil rigs ostensibly with the purpose of leasing them to PVD.

Also in August, in a deal valued at approximately US$ 9.1 million, Daikin Industries Ltd. of Japan bought Viet Kim Co., a Ho Chi Minh City-based air conditioner distributor.

Finally, in another important deal, again announced in August, Holcim Vietnam acquired COTEC Cement from the Vietnamese owned COTEC Group for an estimated US$ 50 million. Holcim Vietnam was established in 1994 as a joint venture between Switzerland's Holcim Group and Ha Tien 1 Cement Company.

In October, the Asian operating arm of Bunge Limited announced its acquisition of a 50% stake in the owner/operator of Phu My Port. The investment provides Bunge with greater opportunities to serve its customers in the growing market for agricultural commodities in Vietnam. The port is located on the Thi Vai River, approximately 70 kilometres from Ho Chi Minh City and is near a large number of commercial feed mills. Phu My Port is the only commercial dry bulk port in Vietnam capable of receiving large, Panamax-class ships.

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According to Bunge, market forecasts call for aggregate volumes of soybean meal, corn and wheat imports to increase by approximately 10% per year over the next five years.

United Overseas Bank (UOB), incorporated in Singapore, announced an increase in its shareholding in The Southern Commercial Joint Stock Bank of Vietnam (Southern Bank) from 10% to 15% in October 2008. The deal value was US$ 15.6 million. UOB purchased its initial 10% stake in January 2007 and pledged to provide technical assistance to Southern Bank as part of the agreement.

In another banking deal, Ocean Bank sold a 20% stake to Vietnamese state-owned Petrovietnam Oil & Gas Corp for 400 billion Vietnamese Dong (approximately US$ 24 million) in October 2008. In July, Petrovietnam said it had cancelled a plan to establish its own bank and would instead use the allocated funds to acquire a stake in an existing bank. The oil group already has a financial arm, PVFC, in which Morgan Stanley has a 10% stake. The Petrovietnam group also owns 9.5 percent in another small private bank named GP Bank.

Also in October, Nippon Steel Corp signed a memorandum of understanding to acquire a 10% - 20% stake in POSCO-Vietnam Co. Ltd., a cold-rolled mill manufacturer and a wholly-owned unit of POSCO Co. Ltd., of Korea. A plant owned by POSCO-Vietnam Co. Ltd, which is under construction in the south of the country, has an investment value of approximately US$ 530 million and is expected to start production in September 2009. It will have a Tandem Cold-rolling Mill capacity of 1.2 million tons/year, and a Continuous Annealing Line capacity of 0.7 million tons/ year.

In December, TBWA Worldwide announced the acquisition of a “significant shareholding” in Biz Solutions, one of the leading integrated marketing communications agencies in Vietnam. TBWA is committed to bring its global integrated marketing brand “Tequila” to Vietnam by rebranding Biz Solutions as Biz Tequila. TBWA indicated that the acquisition is part of a long-term investment program in Vietnam in anticipation of significant future growth in the country.

In another notable deal in December 2008, Watson Wyatt Worldwide Inc., a global consulting firm, announced that it had acquired SMART Human Resource Vietnam Company Limited ("SMART HR"), an HR consulting firm. By establishing its operations in Vietnam through this acquisition, Watson Wyatt is aiming to provide its global and regional clients with consulting advice in what it considers one of Asia’s most dynamic emerging markets.

Although the number of deals conducted by Vietnamese companies abroad is limited at present, it is noteworthy that in December 2008 Petrovietnam raised its interest in Rusvietpetro, a Russian oil and gas exploration and production company, to 98% from 49% through the acquisition of a 49% stake owned by Zarubezhneft. Rusvietpetro has the right to develop four oil blocks in the Tsentralno-Khoreiveskoe plateau in Russia’s Nenets Autonomous District. The company is expected to start producing oil from the blocks in 2011. Terms of this transaction were not disclosed.

In a domestic deal at the end of December the Vietnamese prime minister approved in principle the purchase of a 15% stake in the Military Joint Stock Commercial Bank by the Vietnam Military Telecommunications Corp. (Viettel).

Other announcements indicate that Deutsche Bank may soon increase its 10% shareholding to 15% in Habubank and that Quantas may increase its 18% holding in Jetstar Pacific airlines to 49%, higher than the 30% ceiling previously set by the State Capital Investment Corporation.

Private Equity

Notable private equity activity announced during the second half of 2008 included:

In July, the Mekong Enterprise Fund II run by Vietnam based Mekong Capital committed to invest $2.6 million in Golden Gate Trade Services Joint Stock Company. The company has 8 hot pot restaurants under the Ashima brand operating in Hanoi, Ho Chi Minh City, Hai Phong and Da Nang.

IDG Ventures Vietnam, which also announced three investments in the first half of 2007, in July announced establishment of a strategic partnership with Mua Ban Joint Stock Company, the operator of the popular classified website Muaban.net. Terms of the transaction were not disclosed.

In August, VinaCapital, another Vietnam based fund management company, announced that one of its closed end funds, Vietnam Infrastructure Limited, had acquired an undisclosed minority stake in Phu My Bridge Corporation for US$10.8 million. Phu My Bridge Corporation (PMC) is the investor and sole owner of the concession for the Phu My Bridge build-operate-transfer (BOT) project in Ho Chi Minh City. The bridge is expected to open for traffic in the first quarter of 2010 and has a toll collection period of 26 years, after completion of which it will be transferred to the Vietnamese government under the BOT contract.

It is also worth mentioning that during September Vietnam Infrastructure Limited formed a new joint venture in the area of telecommunications infrastructure in partnership with Commercial Construction and Services Company no. 55 (CSCC-55) based in Danang, Vietnam's fastest growing city. The joint venture will specialise in building and leasing base transceiver station (BTS) towers for mobile service operators.

BankInvest, a fund management company owned by 53 Danish banks, remains active via its Private Equity New Markets (PENM) fund. In October, BankInvest acquired a 20% stake valued at US$ 2.73 million in Son Kim Fashion, a manufacturer and distributor of international and local garment products and family care products under brand names such as Jockey, Jox, JBUSS, WOW and WOWECO, and Elle. Son Kim Fashion operates approximately 100 fashion stores and has many agents nationwide. BankInvest also completed acquisitions for its funds in Hoa Phat Group, one of the top 5 steel producers in Vietnam, International Products Company, a leading producer of branded hair care products and Vietnam Fan Co., Ltd., a manufacturer of fans.

In December, the Mekong Enterprise Fund II invested US$ 5 million in Digiworld Corporation a business founded in 1997 acting as authorized distributor for Acer, HP-Compaq, Dell, Toshiba, Fujitsu, Lexmark, InFocus, and Logitech. Digiworld operates from Ho Chi Minh City, Ha Noi and Da Nang serving over 800 dealers country-wide.

In December the Mekong Enterprise Fund sold its investment in Saigon Gas to Total of France. Terms were not disclosed. Saigon Gas provides bulk LPG, storage tank installation and maintenance services to industrial customers, and is involved in the manufacturing of LPG cylinders as well as the filling and distribution of bottled LPG to its customer base in and around Ho Chi Minh City. Total has been in Vietnam since the end of the 1970s through involvement in exploration and production activities in the South of Vietnam. Total's downstream activities in Vietnam include businesses in retail lubricants and LPG distribution.

Outlook

The ongoing global financial crisis, along with the uncertainty arising from it, has created a situation in which making predictions regarding 2009 M&A activity in Vietnam is extremely difficult. However, in our view interest in Vietnam remains high as foreign investors continue to view the underlying long term potential of the economy in a positive light. Accordingly, fund management and commercial companies will continue to pursue and complete significant numbers of M&A deals in 2009. It appears likely, however, that most investors will move forward on deals more cautiously than they did prior to mid-2008 and that negotiations on pricing and deal terms will in general be tougher and more time consuming to conclude. This will undoubtedly affect both the number and the size of deals involving such foreign acquirors. To a certain extent this lag in the timing of deal activity already occurred in late 2008 and hence we may see a number of deals which were initiated but not completed in 2008 being closed in the first half of 2009, possibly mitigating some of the above negative factors impacting deal activity in the coming year. Much will also depend on the pace of equitisation of major corporations such as MobiFone and on whether already equitised SoEs such as Vietinbank and Sabeco close deals to sell significant stakes to foreign investors. The size of such potential deals is such that they would have a significant impact on the overall value of deal activity.

In the view of recent changes in local legislation, we would also expect increased foreign investment via M&A in those sectors now open to 100% ownership by foreigners, retail being one of the sectors with the highest potential. We also expect, subject to improved consistency in the application of approved legislations, to see a number of the joint ventures established across various sectors under the previously more restrictive legal environment being converted into 100% foreign owned companies.

We also expect to see further realignment and consolidation amongst Vietnamese companies operating in those sectors suffering most from ongoing economic problems and stock exchange performance, for example the smaller banks, securities companies, steel manufacturers and real estate developers. Accordingly, domestic M&A appears likely to continue at levels equivalent to if not higher than that seen in 2008.

Retail

The attractiveness of the retail industry in Vietnam is very clear since the long term economic growth potential of Vietnam remains strong, modern organised retail is behind Asian and global averages and the size of the sector is currently far below its potential with organised, modern retail is estimated to account for less than 20 per cent of the market.

In particular whilst sales of fast moving consumer products grow rapidly in the major cities, Vietnam is yet to experience the urban population explosion taking place in other rapidly developing countries in Asia. The 27 per cent urbanisation ratio is one of the lowest in Asia.

Real estate

Issues around liquidity, cost of finance and rates of return from real estate projects have led to many projects being put on hold or being abandoned altogether. The likelihood is that many Vietnamese and foreign companies in the sector or those that engaged in real estate activity as a non-core business will be seeking to bring in foreign shareholders with strong balance sheets to help them complete projects and possibly to develop new ones. In addition, we expect companies to seek outright buyers for non-core real estate assets. The issue for vendors in this sector will be the availability of investors since issues with global liquidity will limit the buyer pool and make investors cautious especially since the likely returns in Vietnam are on a downward trend.

Telecoms

With respect to the telecoms industry, although the equitisation process did not facilitate any major M&A activity in 2008, we did see some important developments occur that may lead to significant deals occurring in 2009. In particular, the August 2008 appointment of Credit Suisse as lead advisor in connection with the long awaited equitisation and IPO of MobiFone, Vietnam's second largest mobile phone operator indicated that privatisation of the company was progressing, albeit slowly. According to press reports in January 2009, the company has been valued at over US$ 2 billion and it is expected that the IPO, as well as the selection of a strategic foreign shareholder, will go ahead some time in 2009. In addition, moves to issue 3G licenses to a small number of telecoms companies in Vietnam may stimulate further deals as local operators seek to bring in investors with 3G expertise and financial muscle through sales of stakes to strategic shareholders.

Financial Services

We believe that there continues to be a strong case for mergers and acquisitions in the financial services sector especially in relation to local banks and securities companies. The banking and securities sectors in particular saw an explosion in the number of such entities established over the past 10 years creating an intensely competitive market place for the smaller players in a country where relatively few people use banks or securities firms. In addition, the current difficult market conditions in both the banking and securities sectors have increased the financial pressures on the smaller players, limiting their opportunities for growth and pushing many into loss making positions. In order to achieve the critical mass needed to survive, many such institutions will be looking to merge with similar sized competitors or entities possessing expertise complementary to their own. Others may well be looking to sell out to the larger Vietnamese banks or securities companies or to foreign investors. Current market conditions globally and locally are likely to make buyers harder to come by than in the past whilst pricing negotiations are likely to be considerably tougher.

We also see potential for deal activity in the insurance sector subject to improvements in valuation expectations. The sector remains attractive to foreign companies and local companies alike and is currently open to new entrants. In the foreseeable future, the Vietnamese insurance industry is projected to grow significantly faster than the global growth rate and the overall insurance penetration based on a percentage of GDP is a mere 1.5% compared to the global penetration rate of 7.5%. However, new license applications require significant capital commitment and greenfield developments have tended to struggle to establish distribution channels quickly in Vietnam. Investors therefore need to be prepared to invest in the market heavily over a number of years in order to build up their brand and their distribution network. A number of strong local companies, for example PJICO, PVIC and PTI have expressed their interest in teaming up with international players. However, based on recent transactions in the insurance sector, the pricing of such acquisitions, which are often restricted to a limited stake, still have a tendency to appear high.

We expect consolidation in the securities company segment to continue. There are approximately 100 securities companies operating in Vietnam in a market where the numbers of individual brokerage clients is still very limited, where few new listings of companies are taking place and at a time when proprietary investments are unattractive or are not generating the sorts of gains seen in 2007.

Many newly established securities firms and even some of the well established ones with relatively large brokerage bases, are looking for a strong financial institution to take a minority stake in them in order to gain access to the investors' expertise, offshore client base and their funding resources. Foreign investors for their part still see Vietnam as an attractive, developing market but in general are moving cautiously and will not be willing to pay the sorts of multiples seen in past securities company M&A transactions.

In addition, we have seen indications that mergers of small and medium sized local brokerage firms are beginning to be looked at more actively in order to create critical mass and to allow firms to compete with the larger brokerage firms going forward. Overall, we would expect an ongoing high level of M&A activity in this segment.

Historical data on M&A Activity – Vietnamese Targets

Data available to us indicate the following deal activity targeting enterprises in Vietnam over the past six years:

Year	Number of deals	Total Value of deals (US$ million)
2008	146	1,009
2007	108	1,719
2006	38	299
2005	22	61
2004	23	34
2003	41	118

Source: Thomson Reuters, PricewaterhouseCoopers research

Important notes regarding M&A statistics

There are a number of global, regional and local companies providing M&A statistics. These include Thomson Reuters, Bloomberg, Mergermarket (global) and M&A Asia (regional). PwC believes that these M&A statistics providers each cover deal activities differently and therefore their statistics often vary from each other. The providers also differ in their ability to provide complete information. We believe that the reporting of deal activity in emerging markets such as Vietnam is rapidly improving, but has yet to reach the level seen in mature markets.

In addition, it is very important to note that many M&A deals that are announced are privately negotiated and therefore the value of the deal will not be publicly disclosed.

PwC in Asia Pacific normally refers to M&A statistics provided by Thomson Reuters. However, for the above reasons, we believe that there is no single accurate source for M&A statistics. M&A professionals and other parties interested in deal activities should therefore observe market activity from multiple sources.

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PricewaterhouseCoopers Vietnam (www.pwc.com/vn) provides industry-focused assurance, tax, legal and advisory services to build public trust and enhance value for its clients and their stakeholders. More than 155,000 people in 153 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

PricewaterhouseCoopers established offices in the Vietnamese cities of Hanoi and Ho Chi Minh City in 1994. Our team of approximately 400 local and expatriate staff have a thorough understanding of the transitional local economy in which they work and a wide knowledge of policies and procedures covering investment, tax and accounting and consulting throughout Vietnam.

In January 2009 PricewaterhouseCoopers Vietnam received the Golden Dragon Award. The Awards are co-organised annually by Vietnam Economic Times and the Foreign Investment Department under the Ministry of Planning and Investment to acknowledge and honour the success of foreign invested enterprises (FIEs) in Vietnam and their contribution to the economy.

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