

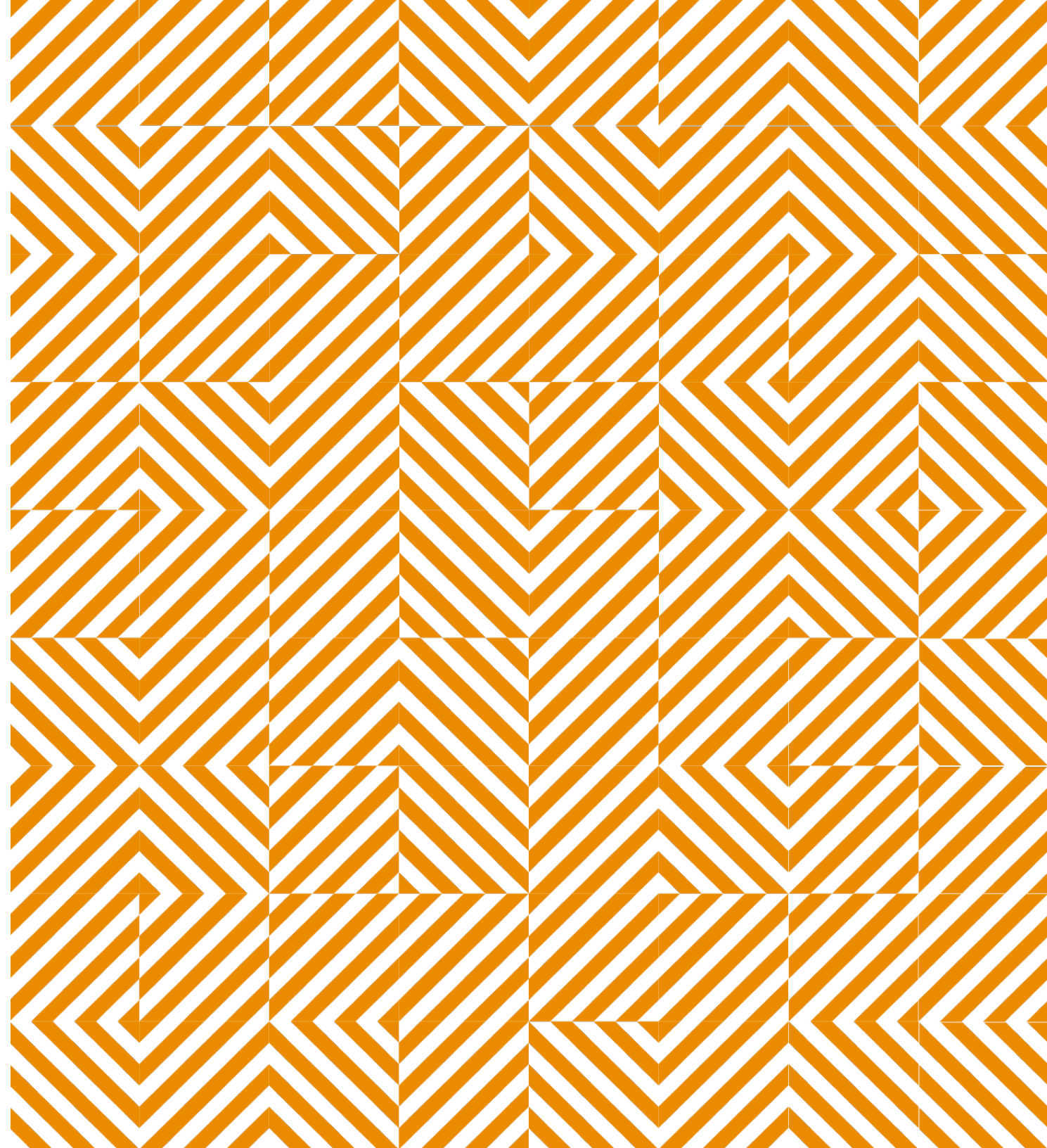


普华永道

As forças condutoras da Globalização da China, transformação e investimentos no Brasil

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China M&A increased by 30% to US\$734 billion in 2020, the highest since 2016 driven by government investment support

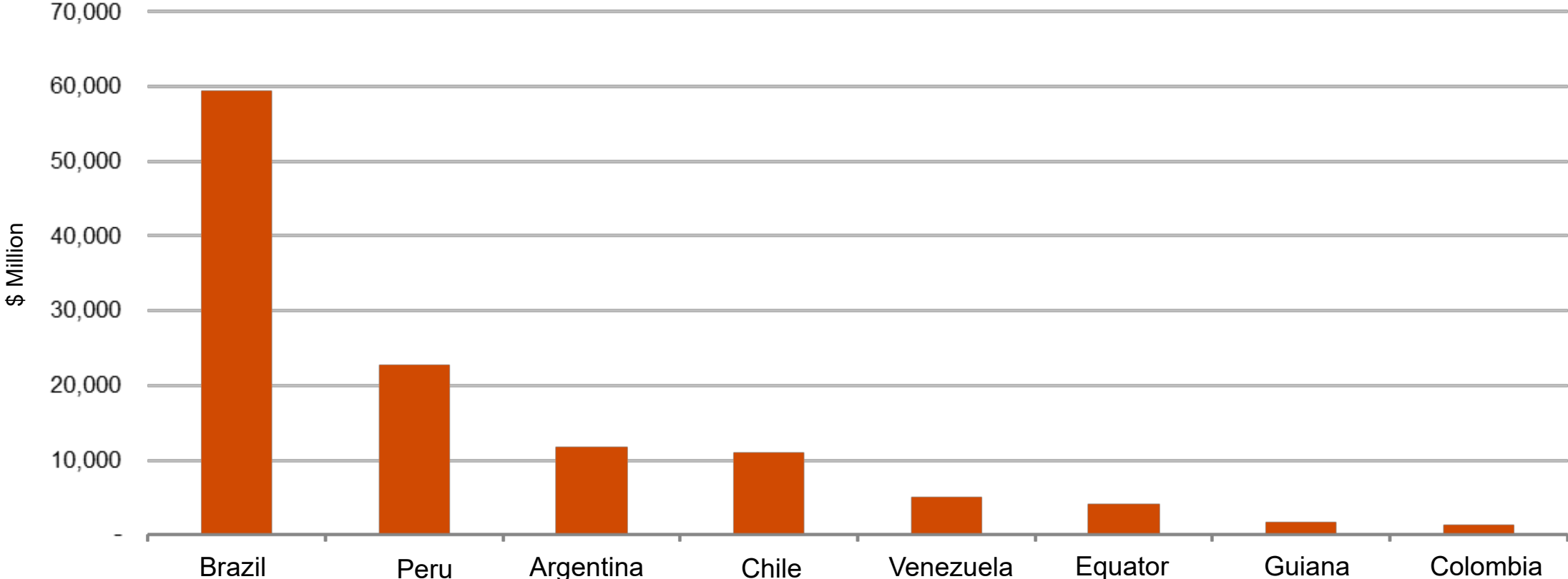
Total deal volume and value, from 2016 to 2020

	2016		2017		2018		2019		2020		% Diff vol. 2020 vs. 2019	% Diff val. 2020 vs. 2019
	Volume	Value (US\$bn)	Volume	Value (US\$bn)	Volume	Value (US\$bn)	Volume	Value (US\$bn)	Volume	Value (US\$bn)		
Strategic buyers												
Domestic	4,870	320.7	5,111	366.2	4,778	322.6	4,498	275.7	4,530	349.4	0.7%	27%
Foreign	271	6.8	255	14.0	178	20.0	248	21.1	181	14.6	-27%	-31%
Total Strategic buyers	5,141	327.4	5,366	380.2	4,956	342.6	4,746	296.8	4,711	364.0	-1%	23%
Financial buyers												
Private Equity	1,767	214.6	1,324	176.2	1,920	215.5	1,585	208.7	2,077	332.4	31%	59%
VC	3,492	5.7	2,338	3.0	3,410	7.0	2,549	2.6	3,361	2.8	32%	6%
* Total Financial buyers	5,259	220.3	3,662	179.2	5,330	222.5	4,134	211.4	5,438	335.2	32%	59%
China mainland Outbound												
SOE	116	64.0	101	27.3	64	20.5	60	16.3	27	6.3	-55%	-61%
POE	609	103.9	467	58.2	310	49.6	384	26.6	253	21.9	-34%	-18%
* Financial buyers	195	36.6	238	33.4	253	21.3	223	15.1	123	13.8	-45%	-9%
Total China mainland Outbound	920	204.5	806	119.0	627	91.4	667	58.0	403	42.0	-40%	-28%
HK Outbound	282	22.8	243	12.5	227	23.8	159	14.2	122	6.4	-23%	-55%
Total	11,407	738.3	9,839	657.5	10,887	659.1	9,483	565.3	10,551	733.8	11%	30%

* Financial buyer-backed China mainland outbound deals are also included in financial buyer deals, but they are not double counted in the total deal volume and deal value in the table above.
Source: ThomsonReuters, CV Source and PwC analysis

China's cumulative investment stock in Latin America is nearly US\$120 billion between 2010-2020, from which Brazil accounts for nearly US\$60 billion

Stock of China's direct investments in Latin American region 2010-2020

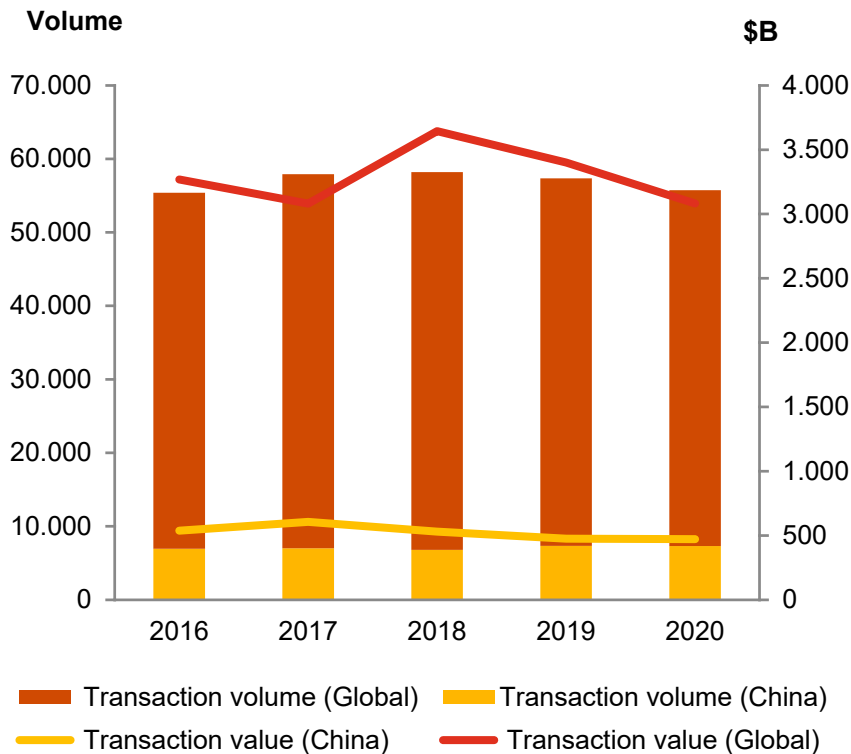


Source: The American Enterprise Institute and The Heritage Foundation, PwC analysis

The driving forces of China's globalization transformation

Global M&A trend and the contribution by China

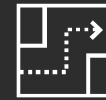
15%



China accounts for c.15% of the global M&A market and plays an increasingly important role in the global market.

Government policies and China's economic environment will continue to affect China's globalization transformation and M&A market, such as...

“Dual-circulation”



As one of the most important highlights of the 14th Five-Year Plan, it will have a significant positive impact on domestic industries such as consumer goods, digital new media and infrastructure.

Industry upgrade



The call to build a manufacturing, quality and network powerhouse as well as a digital China will serve as general direction of China's future modern industrial system. M&A activities in the fields of Industry 4.0, digital high-tech, biotechnology, new materials will increase.

《Regional Comprehensive Economic Partnership》 (RCEP)



China signed the RCEP on November 15, 2020, which clearly shows that the process of regional economic integration in Asia is still full of vitality.

China's further opening up



The FS and automotive industries have benefited from the wider and deeper opening up of foreign-funded enterprises' investment in China; in the future, under the promotion of RCEP, more industries will also benefit.

Regional economic integration



China's economy will not be developed by provinces alone, instead is encouraged to develop by regional clusters, such as the integration of the Yangtze River Delta, the Greater Bay Area, Beijing-Tianjin-Hebei, Chengdu-Chongqing, and the Western Corridor.

《Belt and Road Initiative》



In 2013, President Xi proposed the Belt and Road Initiative with major cooperation concepts. The Belt and Road Initiative has become the world's largest cooperation platform and is expected to continue driving China's outbound investments.

The above are only a few of many recent policies. In order to adapt to the rapidly changing China's domestic and foreign markets, investors should assess the situation and revise their investment strategies from time to time.

谢谢 *Xie-Xie!*

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