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The Romanian M&A market is characterised by constant growth, in line with that of the country's economy. Milestones of the market in recent years include:

- UK-based Vodafone's acquisition of a 79% share stake in the mobile operator MobiFon SA, pursuant to a \$3.5bn transaction in 2005, which also included a 100% share stake in the Czech mobile operator Oskar Mobil;
- the privatisation of Banca Comerciala Romana SA, Romania's largest commercial bank, following a \$3.75bn offer from Austrian Erste Bank AG in 2006; and
- the acquisition of Rompetrol SA, a large Romanian petrol producer and retailer, by the Kazakh state-owned company KazMunaiGaz, in a \$2.7bn transaction in 2007.

 Compared to 2005, the volume of transactions increased in 2006 by 25%, while 2007 brought a further 20-25% increase. The majority of the deals were private acquisitions, and this points towards the direction in which M&A business is expected to develop. With regard to the prospective privatisations of 2008, the Romanian privatisation agency, AVAS, has started the procedures for the privatisation of the publicly traded Antibiotice Iasi – a large manufacturer of pharmaceutical products, in which the state holds a 53% stake. Also, in the energy sector, the state is planning the privatisation of the remaining energy producers and distributors (see below). Nevertheless, it is expected that privatisation deals in 2008 and in the following years will be significantly fewer than M&A transactions in the private sector. **To read the entire article, please download the .pdf attached.**