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<div class="event-subscription p-3"><!--BEGIN-OF-FILE-LIST-->Published in: <b><!--BEGIN-OF-FROM-NAME-->Law Business Research<!--END-OF-FROM-NAME--></b> (<!--BEGIN-OF-FROM-LINK--><!--END-OF-FROM-LINK-->)<br>Written by:<b><!--BEGIN-OF-WRITTEN-BY-->?tefan Damian<!--END-OF-WRITTEN-BY--></b><br>Article link: <!--BEGIN-OF-PDF--><a href="/web/pdf/en/articles/The_European_M_A_Review_2009.pdf">pdf/en/articles/The_European_M_A_Review_2
END-OF-PDF--><br>Publisher:<!--BEGIN-OF-PUBLISHER--><a href="http://www.lbresearch.com#"></a><!--END-OF-PUBLISHER--><!--END-OF-FILE-LIST--></div><p> </p><p> </p> <p><em>Reproduced with permission from Law Business Research Ltd. This article was first published in The Mergers & Acquisitions Review, 3rd Edition (published in September 2009 – editor Simon Robinson).</em> </p> <p>2008 was a substantially positive year for the Romanian economy, with virtually all indicators improving as compared to previous years. Last year marked stabilisation of the current account deficit. Moreover, the inflation rate continued its downward trend to 6.3 per cent as compared to 6.57 per cent in 2007, while the GDP registered a significant growth of 7.1 per cent. </p> <p>Such positive results are an integral part of a relatively long period of solid economic results that started back in 2000, which have been supported by major legislative reforms implemented with the view of harmonising the local laws with the acquis communautaire. Such measures significantly improved the Romanian business environment and generated increased confidence of both foreign and domestic investors in the local economy. Other strengths of the local market were the relatively low employment costs as compared to other EU Member States, as well as a fairly new real estate market. </p> <p>As a result, Romania ceased to be regarded by foreign investors only as a promising, yet still insecure emergent market. Instead, throughout 2008, major players who had put a foothold on the local market in previous years focused their strategies on consolidating and expanding their businesses via M&A transactions (mainly acquisitions). The highlights of 2008 in the M&A market have been delivered by the insurance field and represented: the acquisition of Asiban in a €350 million transaction by the French company Groupama, as well as the acquisition of Unita, previously part of Vienna Insurance Group portfolio in a €230 million transaction awarded to the Austrian group Uniqa. However, as a result of first signs of global economic and financial downturn, the end of 2008 marked the beginning of a negative economic cycle, anticipated by a swift slowdown in economic growth (i.e., down to a disappointing 2.9 per cent GDP growth in the fourth quarter, the lowest growth rate since 2000). Based on preliminary data, the growth slowdown at the end of 2008 was quickly replaced by steep recession in the first part of 2009, as the Romanian economy is expected to drop 4 to 6 per cent in the first six months of the year. </p> <p><strong>To read the entire article, please download the .pdf attached.</strong> </p>