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Robust economic growth (a 6 per cent GDP increase in 2007 and an 8.2 per cent in the first quarter of 2008), combined with a steady influx of foreign direct investment (€7.2 billion in 2007 and €1.58 billion in the first quarter of 2008), created favourable conditions for further consolidation of the Romanian M&A market in 2007/2008. </p><p>According to market sources, in 2007 the local M&A market represented 5.7 per cent of the country's GDP and ranked fifth in Central and Eastern Europe, after Russia, Hungary, Turkey and Austria, with a value of \$8.4 billion, representing 4.4 per cent of the M&A market in Central and Eastern Europe (about \$190 billion). </p><p>Some 125 transactions were reported as concluded, averaging around €52 million per transaction, and totalling approximately €6.5 billion for 2007 alone, representing an increase of €0.5 billion on 2006. </p><p>The most significant change in the local market in 2007/2008 was the shift from what were mostly privatisation deals and larger transactions as market drivers of previous years towards a more balanced market, dominated by medium-sized and mainly private sector transactions. 2007 was the year when for the first time the largest transaction in the market no longer accounted for more than 50 per cent of the market. </p><p>In 2007, the top deal of the year, the \$2.7 billion acquisition of 75 per cent of Rompetrol Holding by KazMunaiGaz of Kazakhstan represented less than 30 per cent of the market, and created a precedent; for the first time in years, the main acquisitions in the market are no longer made by EU-registered entities. In addition, the total value of privatisation deals did not exceed \$1.35 billion, which meant that almost 84 per cent of the market was made in private-sector deals. </p><p>In terms of generated volumes, the most active sectors for M&A activity in 2007/2008 were real estate, financial services, energy, fast-moving consumer goods ('FMCG'), retail distribution, pharmaceuticals and medical services. As regards the number of representative transactions, the FMCG sector accounted for 24 deals, the energy and industrial production accounted for 18 transactions, the IT&C sector accounted for 18 transactions, the financial services sector accounted for 12 transactions and the pharmaceuticals sector accounted for 7 transactions. </p><p>To read the entire article, please download the .pdf attached.</p>