

LATIBEX FORUM OPENING

David Jiménez-Blanco
Vicepresident

19 November 2024, 14:00 h



Foro Latibex

Good afternoon everyone, good morning to those of you who follow us from Latin America:

It is a pleasure to welcome you to the 26th edition of the Latibex Forum organized by BME. Throughout all these years, this meeting has become a key date for investors on both sides of the Atlantic to learn first-hand about the situation and investment opportunities offered by the economies and issuing companies.

In addition to the public panels that began this morning, 240 meetings are scheduled between nearly 60 investors and more than 40 companies, in a debate with top-level participants and at a particularly vibrant time for the region.

Since its launch in 1999, Spain has maintained its commitment to Latin America through the Latibex market, which allows investors from around the world to trade shares of Latin American companies in euros. This market has 18 companies, 29 market members and a combined market capitalization of 190 billion euros.

The ties that unite us are historical, strategic and unquestionable: Spain stands out as the second largest investor in the region, with 11% of the total invested and origin of 52% of the investments of the European Union. It is also the other way around, since Latin America has been increasing in this decade and is already the fourth largest investor in our country.

Latin America is a diverse continent, with a population of 652 million people, representing 8% of the world's population. It generates a wealth of 7,000 billion dollars, equivalent to 7.3% of global GDP, making it the fourth largest economy in the world.

The region almost completely recovered the growth lost during the Covid-19 years and employment and poverty returned to pre-pandemic levels thanks to the actions of central banks, which were able to effectively control inflation, and the support of international organizations.

This has occurred with diverse monetary policy actions: Chile, Brazil and Peru have significantly reduced rates as their inflation has allowed.

In Colombia, inflation has been more reluctant to come down, and Mexico is watching to ensure that the Federal Reserve maintains a favorable spread between the interest rates of both countries to prevent capital outflows.

However, it still shows imbalances and inequalities that distance it from the levels of development that would correspond to its contribution to world growth.

In this context, **boosting investment is key to progress.**

It is a consensus that Latin America has the necessary foundations to face the great sustainability challenges of the future with a certain advantage, such as population aging and climate change: the region is farther away from the “demographic winter”, especially worrying in Europe, and is a pioneer in financing projects linked to sustainability, in addition to having the natural resources to position itself favorably in the process of transition to a carbon-neutral economy.

The IMF estimates economic growth for Latin America and the Caribbean at 2.1% in 2024 and 2.5% in 2025 (+0.2 p.p. compared to the previous estimate). Higher growth in 2025 would be supported by the resilience of the labor market, interest rate cuts and higher prices for some commodities. However, Donald Trump's victory in the US elections adds a new element to the analysis: the imposition of tariffs and limits on immigration may cause prices to escalate, adding to the inflationary pressure of a possible revaluation of the dollar.

This situation also makes the listing of Ibero-American companies in the Spanish markets more attractive, especially in the case of SMEs and startups.

The meetings and panels will review trends and discuss them in depth. I invite those who have not yet done so to download the App and follow the program agenda and make the most of the networking generated around the Forum.

Finally, I would like to make a special mention to Santander and Cuatrecasas, as main sponsors of the Forum; to Morningstar, CFA Society Spain, ICEX and WTV, for sponsoring the meeting, and to Instituto BME, Atribus and IEAF, for their contribution as partners.

Thank you very much.