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- Greetings authorities, presidents and professionals of the sector.
- Welcome to the FIAB Annual Meeting.
- During these days, 24 stock exchanges and markets from 16 Latin American countries will gather to analyse the most relevant trends in the financial markets.

#### MACRO:

- Latin America is a diverse Continent, with a population of 652 million people representing 8% of the world's population. It is also the fourth largest economy in the world with a GDP of 7,000 billion dollars equivalent to 7.3% globally.
- Latin America fully recovered the growth lost during the Covid-19 years. Employment and its level of development returned to pre-pandemic levels, with competent macroeconomic management. Rapid action by central banks has kept prices under control and continued to mitigate inflation gradually.
- However, despite the efforts of countries and intergovernmental bodies, the region still shows imbalances and inequalities that keep it far from the levels of development that would correspond to it:
  - GDP growth in Latin America and the Caribbean will be 2% in 2024, and 2.5% in 2025, while the world economy will grow by 3.2% in 2024 and 2025.
  - Investment is 20% of GDP, one of the lowest levels of total investment in all regions worldwide.
  - The cost of public debt in Latin America is more unfavourable than in the rest of the emerging regions and productivity has not grown fast enough to keep pace or significantly close the gap with advanced economies.

#### COLLABORATION:

- Collaboration between institutions, jurisprudence and markets is the only possible way to accelerate this development process that the region requires.
- The European Union continues to strengthen the relationship with Latin American and Caribbean countries to take advantage of opportunities in the sectors of green transition, digital transformation and human development and increased its direct investment by 29.4%. Spain is the second largest single investor in the region.
- Spain is also consolidating its position as the gateway to Europe for Latin American investment, being the second largest global destination for investment flows from companies in the region, after the United States.
- We must continue in this line of exchanges and investment.

## SUSTAINABILITY:

- Businesses and governments need more competitive sources of finance to invest in the challenges ahead and to implement appropriate structural reforms to combat instability, inequality and fragmentation.
- There is a consensus that Latin America has the necessary foundations to face the major sustainability challenges of the future: population ageing and climate change.
- The region is somewhat further away from the 'demographic winter', which is of particular concern in Europe, but the improvement of professional qualifications is still a pending issue.
- Latin America is a pioneer in financing projects linked to sustainability and has the natural resources to position itself favourably in the process of transition to a carbon-neutral economy. This translates into figures: in 2023 alone, public and private issuers in the region placed USD 89 billion in bonds on international markets, 40% more than in 2022 and 35% of the region's total annual fixed income issuance, a record.
- Stock exchanges play a crucial role in driving sustainable finance in two ways: on the one hand, as financiers of change and, on the other, as a mirror in which to be seen, since listed companies are the ones that best comply with sustainability standards.

## MARKETS AND IPOS:

- Latin America's stock exchanges and stock markets have more than 2,600 listed companies and over 12,000 registered public and private bonds, positioning it in a privileged position to help the region's economic development.
- After a drought of almost three years, five major IPOs and 14 capital increases have taken place in the region since January, equivalent to a capital flow of USD 6.6 billion (USD 3.7 billion IPOs and USD 2.9 billion follow-on).
- The public offering of Sabesp, São Paulo's water and sanitation company, was the third largest deal in the world. The second was the Spanish cosmetics company Puig.
- Thus, two of the three largest IPOs in the world so far this year were on stock exchanges in our Federation.

- In a context in which liquidity is moving towards larger markets, initiatives such as Amerca or Nuam show the way: they improve competitiveness, offer depth and efficiency to issuers and are more profitable for investors.

#### FIAB'S ACHIEVEMENTS DURING THE YEAR:

- Let me highlight FIAB's main achievements since the annual meeting of the year which we held last year in Panama:
  - In January we signed up to IOSCO membership, which gives us access to a wider network of contacts and circles of interest and allows us to take advantage of its momentum in regulatory processes.
  - In April we reached an agreement with the International Finance Corporation (IFC), part of the World Bank, which allows us to continue promoting sustainability on the region's stock exchanges.
  - In May, several countries in the region migrated to the T+1 settlement cycle, and we remain strongly engaged with ACSDA in advancing cross-border clearing and settlement.
- The Federation has reinforced its efforts to exchange experiences and projects in the areas of cybersecurity, innovation, regulation, new technologies, as well as alternative markets for smaller companies, and has created specific working groups for this purpose, which are starting to produce results.
- All of this will be discussed in the panels over the next few days, so I encourage you to participate actively and to further strengthen your contacts.

#### ACKNOWLEDGEMENTS

- I conclude by thanking the Buenos Aires Stock Exchange for its hospitality and organization of the event and congratulating it on 170 years as an agent for the development of the Argentine stock market. I would like to thank its president, Adelmo Gabbi, for his leadership, as well as the board of directors and all his collaborators.
- I would also like to thank the members of the FIAB executive committee for their support.
- I would like to dedicate a special mention to the members of the working groups, who have made the above-mentioned achievements possible, and from whom we expect progress in the coming months.
- I would like to conclude my speech by wishing that we all make the most of this Annual Meeting and that together we enrich this investment ecosystem that unites both sides of the Atlantic.
- Thank you very much.