

## INAUGURATION LATIBEX FORUM

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**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 a new edition of the Latibex Forum. This year is special for many reasons. To begin with, because we are celebrating the 25th anniversary of this event, which has established itself as the benchmark meeting point for investors and companies from Latin America and Europe. Over the years, more than 200 companies and 1,000 investors have attended the Forum, where they have held 8,000 meetings. Moreover, in these 25 years, more than 6,000 participants have taken advantage of the opportunity to invest in Latin America.

A quarter of a century is a time that invites us to look back and take stock, of course, but it also gives us enough experience and perspective to look to the future. That is why, starting this morning and throughout the two days of the Forum, we will be able to attend debates on investment opportunities in Latin America, its macroeconomic situation, sustainability and digitalisation.

In addition to the public panels, we will host more than 250 meetings between 70 investors (of which 25% are international) and 40 companies here at the Exchange Palace, allowing us to take the pulse of some of the region's leading companies.

In the next few minutes I would like to talk to you about four essential aspects: the **situation of the Latin American economies**, because it is necessary to understand the playing field in the region, which is facing times of change and opportunities; **the role of the financial markets** as an engine for financing growth, which is crucial for investors and companies; the growing importance of **sustainability** as an unstoppable trend and key factor for the transformation of the Latin American economy; and finally, **BME's commitment** to the region, which we reaffirm once again and more forcefully than ever.

As you know, Latin America is no stranger to the challenges facing the global economy, although it also offers reasons for hope and its own challenges and opportunities. Recently, the IMF raised its forecast for growth in the region in 2023 by three tenths of

a percentage point to 1.9%, thanks to a better than expected performance of the economies of Brazil and Mexico.

The interest rate environment is quite different from that of other economies such as Europe, as the central banks of Brazil, Chile and Peru anticipated rate hikes to curb inflation and have now started to ease monetary policy. The fall in inflation allows us to anticipate further rate cuts and could also reverse the recent appreciation of local currencies against the dollar, as is already happening with the Chilean peso.

It is also important to note that Latin America faces challenges such as reducing high debt levels, tackling large inequalities and improving long-term growth potential in an environment of slowing activity in trading partners such as the United States and China.

The reactivation of investment is central to achieving sustainable and inclusive growth, as it provides the bridge between the short and long term and is essential to address the shocks facing the region. To achieve this, greater coordination between fiscal, monetary and exchange rate policies is needed, as well as taking advantage of the set of tools available to the authorities to avoid subordinating growth and investment to anti-inflationary policy.

There is no doubt that Latin America has enormous potential and we are convinced that the financial markets have a lot to say in this. A few months ago I had the honour of being appointed rotating president of FIAB, the Ibero-American Federation of Stock Exchanges. This institution has over 50 years of experience and its objective since its inception has been to promote the development and integration of securities markets in the region. One of our most immediate goals is, in fact, to promote competitiveness.

The pillars of this presidency will be:

- Strengthen the FIAB's position as a priority partner of the Latin American securities industry and increase its visibility.

- Intensify the lines of work of the different committees and set specific objectives in the areas of regulation, sustainability, post trade and new products.
- And to support the integration of the markets in the region and support the stock exchanges in their knowledge, networking and development.

Financial markets give companies access to new sources of financing, which has a positive impact on the economy and society as a whole. In Latin America, as in Europe, it is crucial that the markets are perceived by companies as a real and complementary alternative to bank financing, regardless of their sector of activity or size. The more a country's business fabric diversifies its sources of financing, the more solid and resilient its economy is.

Latin American stock exchanges and stock markets have more than 2,700 listed companies and more than 13,000 public and private bond issues. This undoubtedly places the stock exchanges in a privileged position to help the region's economic development.

Of course, sustainability, one of the most relevant trends worldwide, is also a central issue in the region's debates. The role of financial markets as the epicentre of sustainable finance development is also very important. In this sense, the 2030 Agenda is a major factor of regional cohesion. It has created an institutional footprint that has unequivocally strengthened countries' capacities to face the challenges of the future and paved the way for strong partnerships and improved evidence-based policies.

The 2030 Agenda has become the guiding axis for state policies in each of the region's countries. The Economic Commission for Latin America and the Caribbean, ECLAC, has identified 225 national policies in force in the region that can be explicitly or implicitly linked to the reduction of territorial gaps and the promotion of an improvement in the quality of life of the inhabitants. This indicates that the countries of the region are responding to concerns about territorial asymmetries.

In this regard, just a couple of months ago, in mid-September, a macro-summit of EU and Latin American economic ministers was held in Santiago de Compostela. The EU has focused precisely on the opportunities in the sectors of green transition, digital transformation and human development in Latin America.

At that summit, the EU's Global Gateway initiative was announced, a specific investment programme that includes nine investment projects in Latin America for which €45 billion will be mobilised through 130 initiatives to be developed until 2027. This figure represents an increase of 20% compared to the EU's average investment in the region.

At FIAB we will make a decisive contribution to supporting sustainable finance. For example, we have recently launched a new website, FIAB Sostenible, which brings together information on green bonds, indices and sustainable products from all the region's stock exchanges. We have also reached an agreement with CAF to prepare a paper on this central issue for the Latin American economy and markets.

Spain, which as you know holds the rotating presidency of the European Council this semester, is positioning itself as a nexus and gateway between the two continents and expects to participate in at least 80 of these initiatives. In fact, Spain is, after the United States, the second largest investor in Latin America, with a figure of around 150 billion euros. Approximately half of this figure is in Mexico and another 45 billion in Brazil. They are followed by Chile and Argentina as the main investment destinations, followed by Peru as an important destination; Colombia, on an upward trend, and Uruguay, which has strong ties with Spanish companies in areas such as renewable energies, which has made it a leader in the region.

Spain's privileged relationship with the region makes BME and the SIX Group, Europe's third largest financial market infrastructure group, a major player in Latin America.

Regional capital markets are undergoing a transformation through integration movements such as the creation of Nuam Exchange, the result of the merger of the Chilean, Peruvian and Colombian stock exchanges, with which BME is positioning itself

as a technology partner. In addition, the transition to the T+1 settlement cycle in the Americas will change the rules of the game and increase opportunities. We see clear growth potential in countries where we have a strong BME network and presence, with a special focus on markets such as Mexico, Colombia, Costa Rica and Panama. From our Bogota office we channel the various projects and initiatives in which BME is involved. We believe in Latin America and we will continue to demonstrate this through our current and future business plans.

Of course, our company's commitment to the region also takes shape through the Latibex market, whose main index has risen 7,33% so far this year, allowing European investors to buy and sell shares of the main Latin American companies in euros through a single market, with a single operational trading and settlement system, and with recognised standards of transparency and security. Around twenty companies from Brazil, Mexico, Argentina and Peru, from very representative sectors, are listed on Latibex.

I would like to conclude by thanking once again all the attendees and, of course, the main sponsors of the Forum, Santander and Cuatrecasas; the sponsors Morningstar, Banco de Desarrollo de América Latina y el Caribe, ICEX, Invest in Madrid, Economatica, Euroland and World Television; and the collaborators, Instituto Español de Analistas, Atribus and CFA Society Spain.

Here's to at least another 25 years of Latibex Forum and alliances between Europe and Latin America with the Spanish Stock Exchange as a meeting point.

Thank you very much.