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Lat Am
Outlook 2024

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Time

Activity

09:00-09:15	Welcome Lord Mountevans, Honorary President – Canning House Ian Perrin, Deputy CEO and COO – Canning House
09:15-09:45	The Global Outlook Michael Stott, Latin America Editor – Financial Times
09:45-10:00	The Political Outlook Oliver Wack, Partner and General Manager, Colombia and the Andean Region - Control Risks
10:00-10:15	The Environmental Outlook David Purkey, Latin America Centre Director - Stockholm Environment Institute
10:15-10:30	Break
10:30-10:45	The Commercial Outlook Cristina Irving-Turner, Latin America and the Caribbean Business Specialist - Department for Business and Trade
10:45-11:00	The Economic Outlook Andrés Pérez, Senior Latin America Economist - Itaú Unibanco
11:00-11:15	The Risk Outlook Mariano de Alba, Senior Advocacy Advisor – International Crisis Group
11:15-11:30	The Social Outlook CEO Latin America - Ipsos
11:30-11:45	Break
11:45-12:45	Interactive Q&A
12:45-13:00	Closing Remarks Jeremy Browne, CEO, Canning House

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The Global Outlook

Michael Stott

Latin America Editor – Financial Times

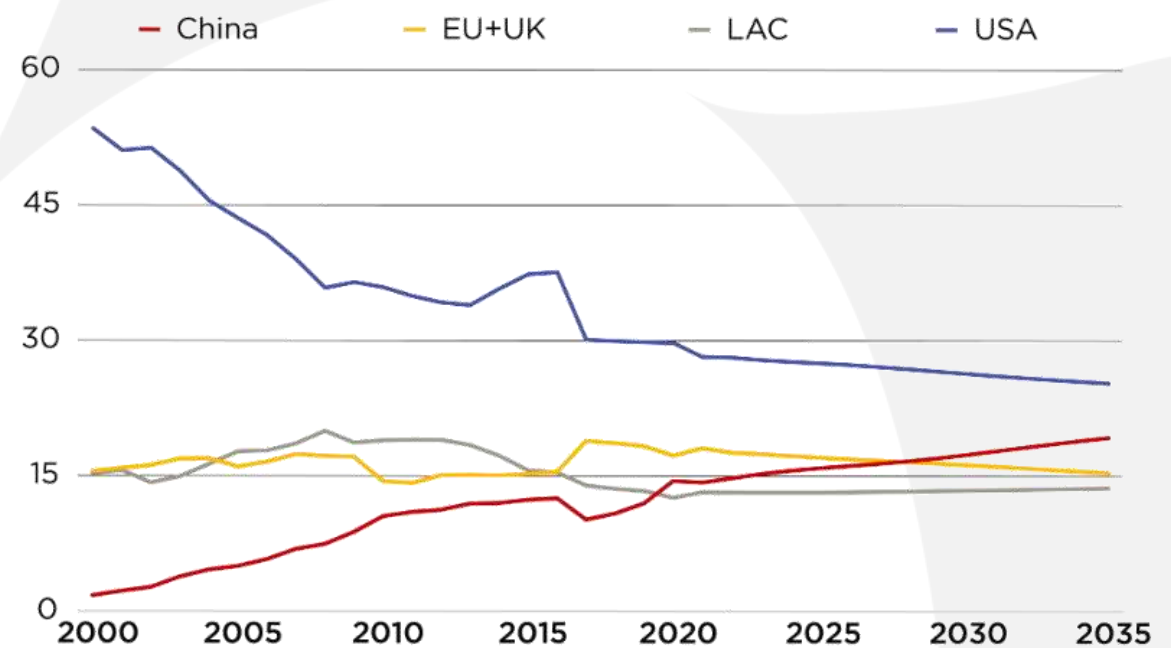
Greater global interest presents an opportunity

- The reasons to care about Latin America have multiplied:
 - food (**world's largest net food exporting region**)
 - climate change (Amazon rainforest)
 - oil and gas (big buildup in Brazil and Guyana, Venezuela too?)
 - critical minerals (half of lithium, 40% of copper)
 - renewable energy (**some of world's best solar and wind intensity**)

China understood the opportunity early

- **China's strategic shift** into Latin America has enabled it to take a growing share of trade and investment in the past 20 years
- This process is likely to continue, absent a **major US or European initiative**
- **Intra-regional trade** remains a lost opportunity

LAC's Main Trade Partners through 2035



Atlantic Council

Europe and the US have responded



July 2023 EU-CELAC summit



November 2023 APEP launch

Latin America and the new global stage



- August BRICS summit full of contradictions
- Expansion was a Chinese idea: Brazil opposed
- Mexico had no interest in joining
- Argentina was invited - but may now decline

Challenges for Latin America in the new order



- Desire to avoid replacing **one hegemon with another**
- Aim for more **balanced trade and investment** relationship
- Reality of **geopolitical competition**

Brazilian foreign policy under Lula



- Clear ambition for **climate leadership** (with oil production buildup)
- **“Brazil is back”**: return to traditional multilateral but non-aligned stance
- **Strong engagement** with Latin America
- Push to **maximise green investment**

Mexico and Argentina: big questions



Smaller nations have seized opportunities



- Panama, Dominican Republic, Costa Rica, Paraguay and Uruguay are among those pursuing more open economies and foreign investment
- Can they take their populations with them?

Challenges to maximising opportunity



- Lack of regional **unity**
- Strong **anti-mining** political currents
- Left focused on **redistribution**
- **Domestic priorities** of presidents
- **Political volatility** and rule of law
- Lack of **long-term** national planning/consensus (cf SE Asia)

There are global competitors...



- Africa in mining
- Almost everyone in green hydrogen and renewable energy
- Southeast Asia in manufacturing

Substitutes are also possible (new battery tech, copper alternatives)

Latin America's success is not guaranteed

Can the region make the most of its opportunity?



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The Political *Outlook*

Oliver Wack

Partner and General Manager, Colombia and the
Andean Region - Control Risks

Five regional challenges for 2024

- Elusive governability
- Populist appeal
- Fiscal complacency
- Geopolitical balancing act
- Climate risks and ESG paradox



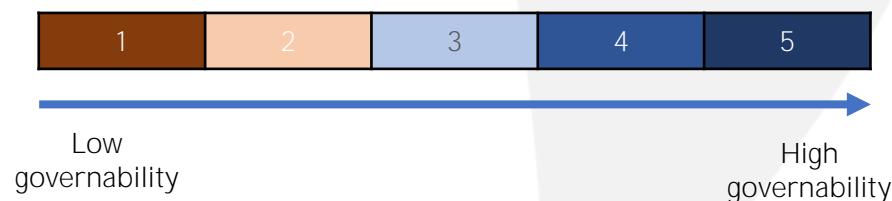
Elusive governability

- **Governability determinants:**
 - Working majority in Congress
 - Presidential approval
 - Fiscal resources
- **Drivers of decline:**
 - Weakening of traditional parties and lack of consolidation of new ones
 - Mismatch between high expectations and low capacity
 - Lingering effects of pandemic, new normal of high interest rates



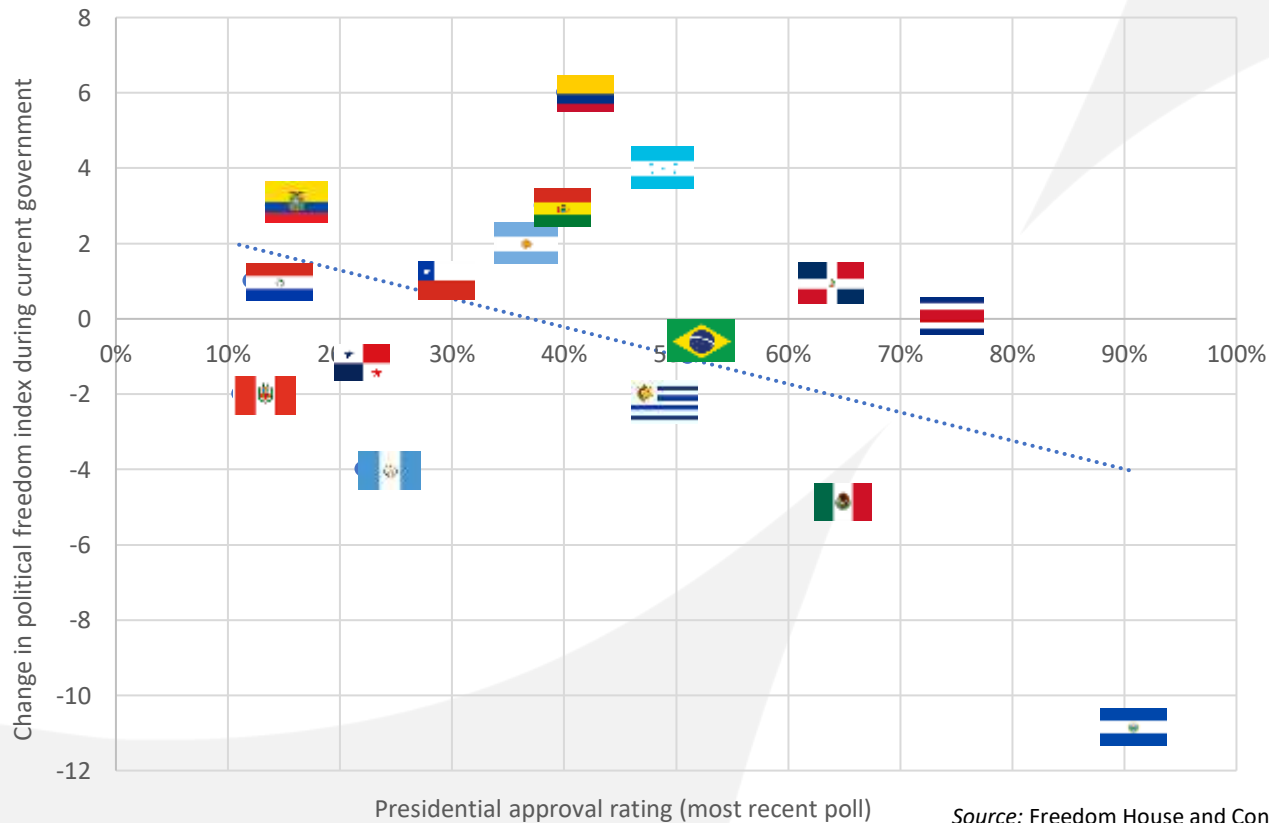
▶ Governability Index 2024

Component	Indicator
Legislative governability	President has a working majority in Congress
Presidential popularity	Presidential approval rating
Fiscal resources	Projected fiscal deficit in 2024



Populist appeal

▶ Presidential approval vs. strength of democracy



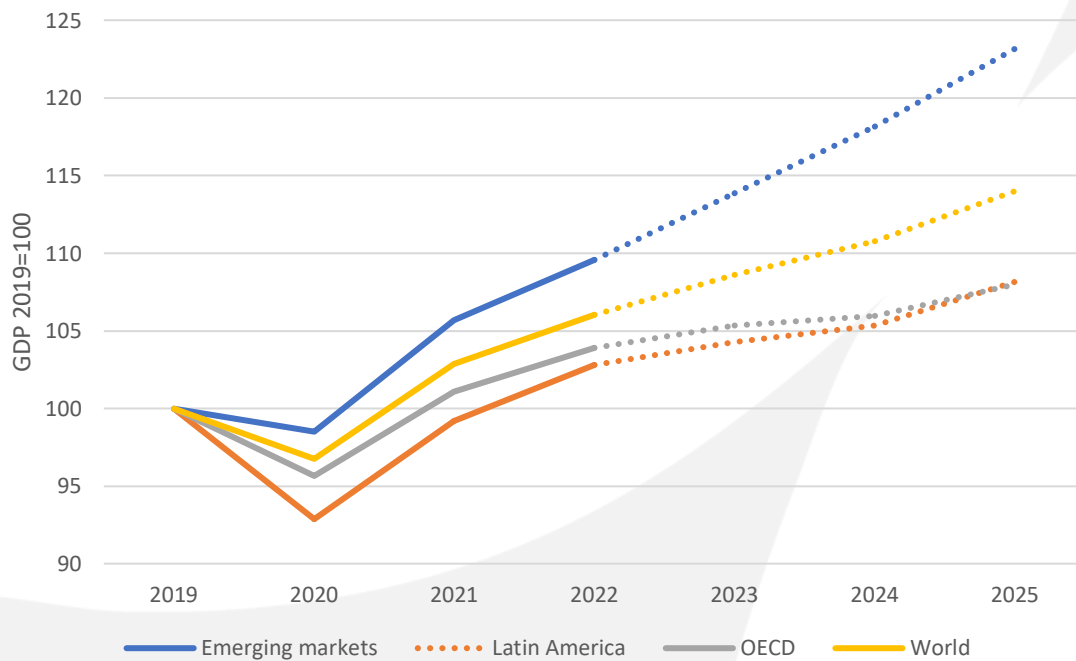
Source: Freedom House and Control Risks

- Low approval ratings across the region, and the political spectrum
- Linked to declining faith in democracy, public institutions
- Main exceptions to low popularity are countries witnessing notable democratic erosion under populist governments:
 - Bukele, AMLO
- These cases will increasingly be seen as successful models to follow

Fiscal complacency

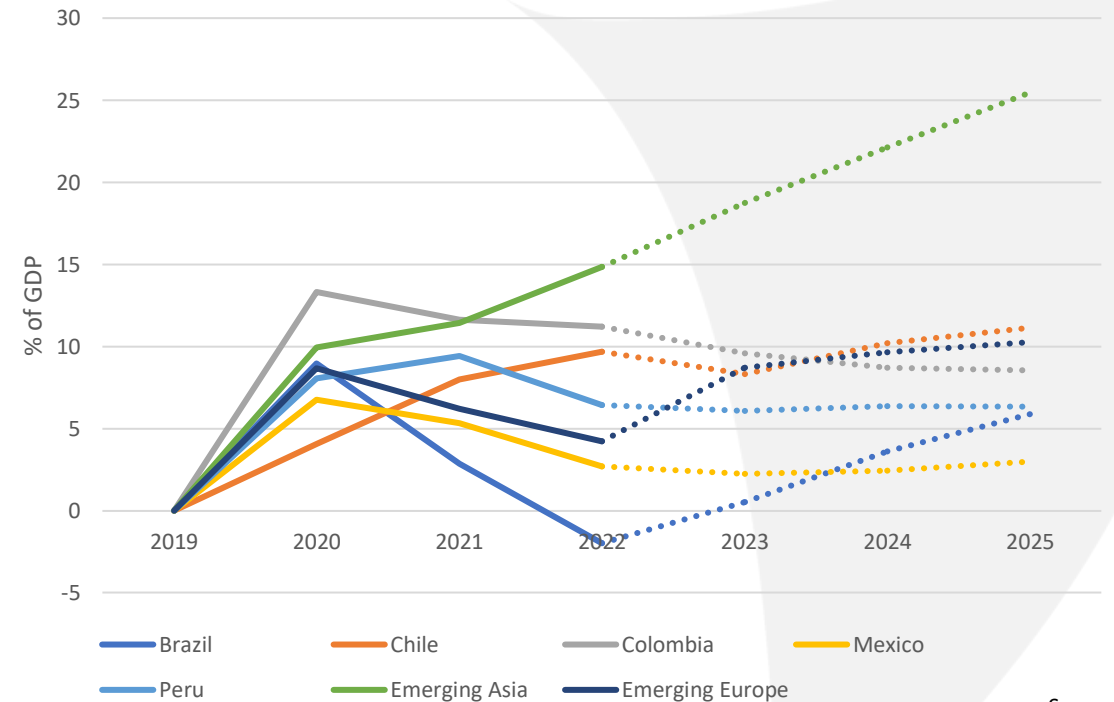
Debt levels have fallen in most major economies over the past two years but remain above pre-pandemic levels; the risk is not of an imminent crisis (Argentina aside) but of fiscal complacency in an uncertain macroeconomic environment

▶ Economic recovery lagging behind other regions



Source: Control Risks based on data from Oxford Economics

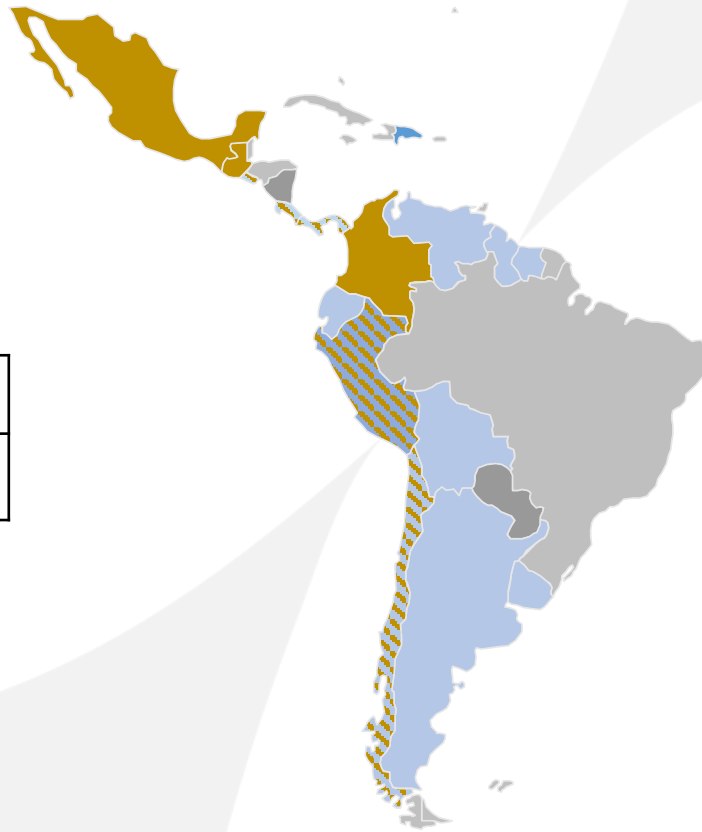
▶ Public debt levels and trends post-pandemic



Source: IMF

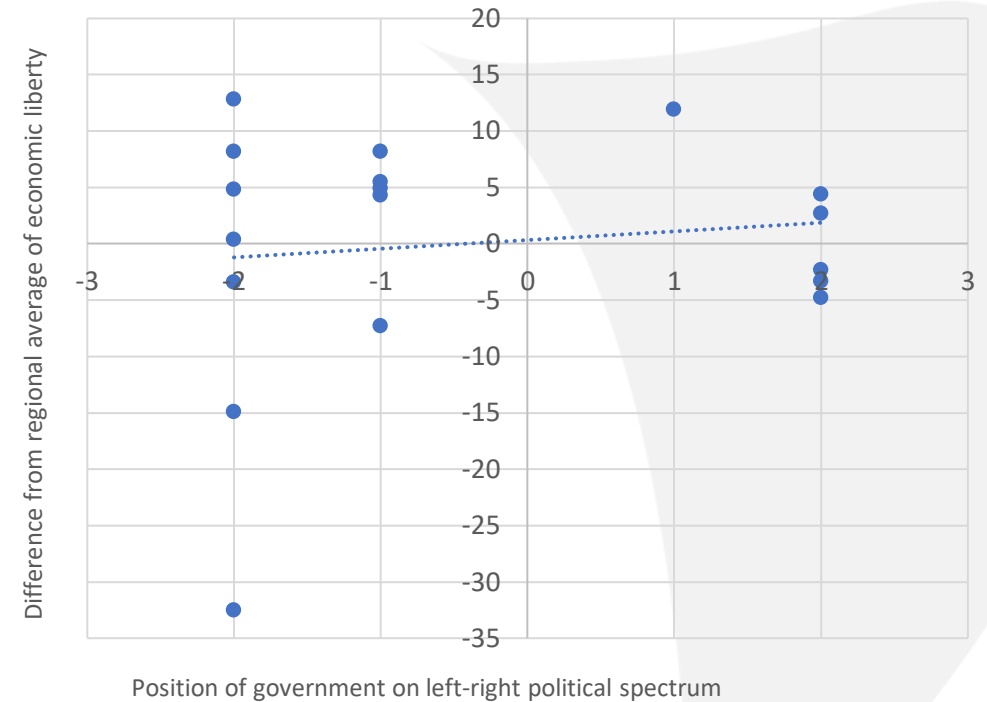
Geopolitical balancing act

The region will maintain its pragmatic and strategic approach to the US-China rivalry, looking to benefit from commercial relations with both while not taking sides; the geopolitical moment will also encourage economic nationalism at home



	FTA with US in effect
	Member of the Belt and Road Initiative

Left-right spectrum vs. economic liberties



Climate risks, El Niño, ESG paradox

The combination of weak governments, a strong El Niño and other climate events, and high social unrest risks mean climate will remain a key risk amplifier in 2024, threatening to undermine the region's "green comparative advantage"

Protests against a wind park project in Colombia



Direct and indirect El Niño impacts in South America

Country	Main direct impacts	Indirect risks
Colombia	Low rainfall, droughts potentially affecting more than half of all municipalities	Higher electricity, food prices; regulatory action to cap prices; protests
Chile	Low rainfall, droughts	Low production levels in main hydro dams, higher power prices
Peru	Increase in rains leading to flooding in north; drought in south	Protests, increase in political instability
Ecuador	Risks of flooding in 17 or 24 provinces	Supply chain disruptions, impact on food supply
Bolivia	Prolonged droughts in Altiplano region	Risks to water supply, political instability
Venezuela	Low rainfall and extreme temperatures	Threats to main hydro power sources, political instability

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The Environmental *Outlook*

Dr David Purkey

Latin America Centre Director - Stockholm
Environment Institute

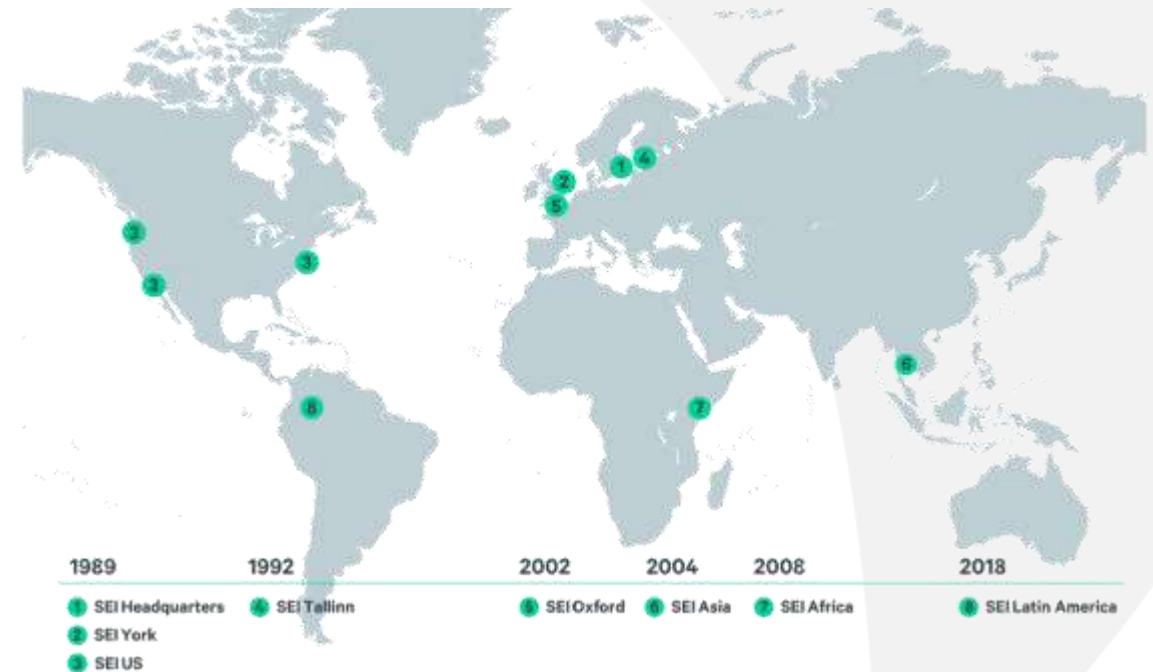


in Bogotá, Colombia

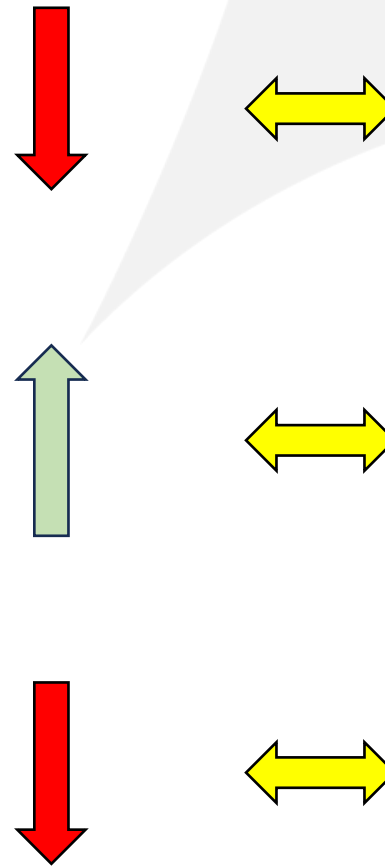


Why SEI?

- Globally ranked think tank focused on **environment and development**
- **Expertise** on issues such as energy planning, climate policy, water management, air quality, sustainable agricultural, land management, resource conservation, and environmental governance
- Current and previous activity in Mexico, Cuba, El Salvador, Honduras, Colombia, Guyana, Ecuador, Peru, Bolivia, Chile and Argentina.

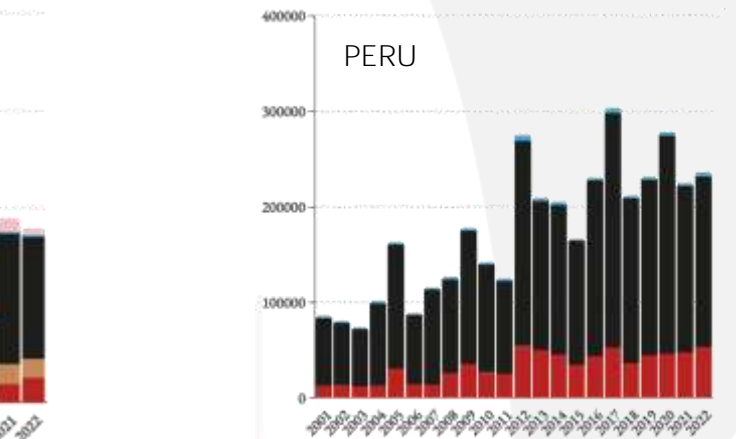
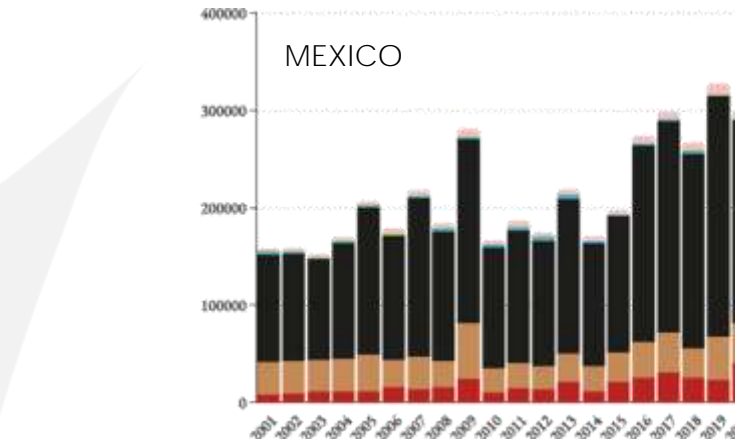
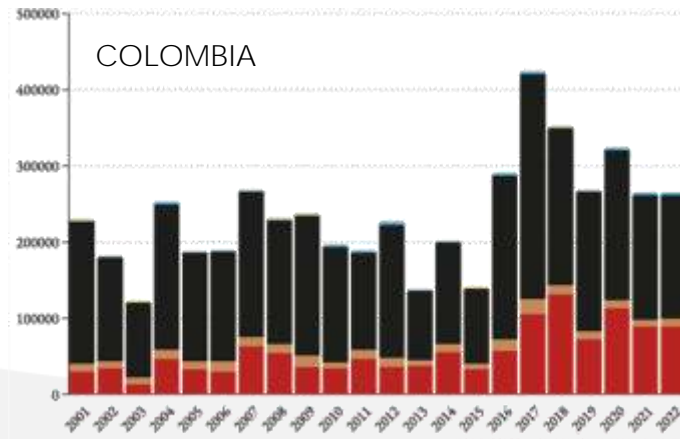
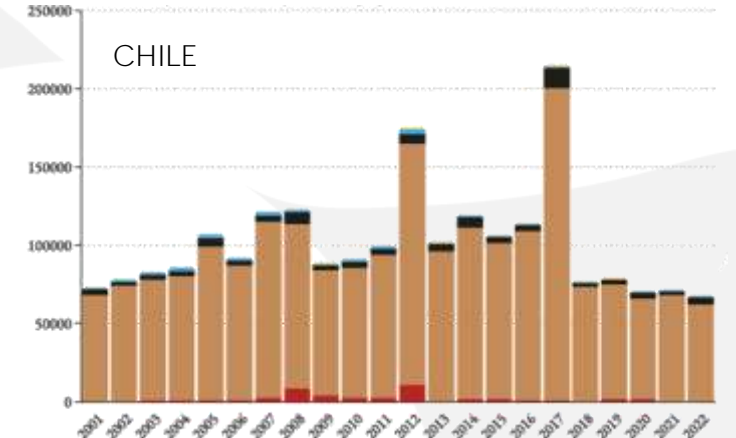
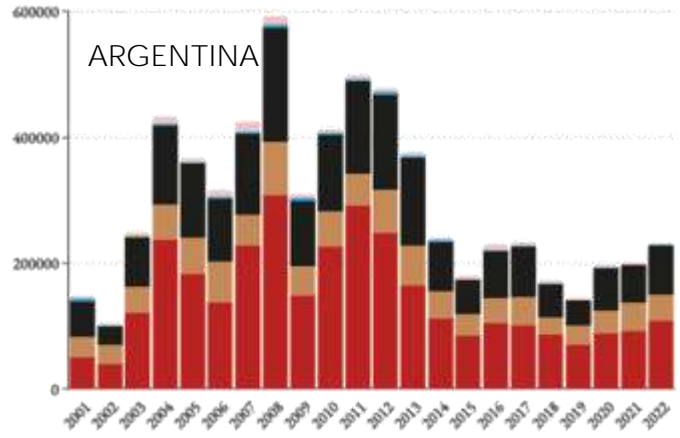


Climate ambition (Climate Action Tracker)



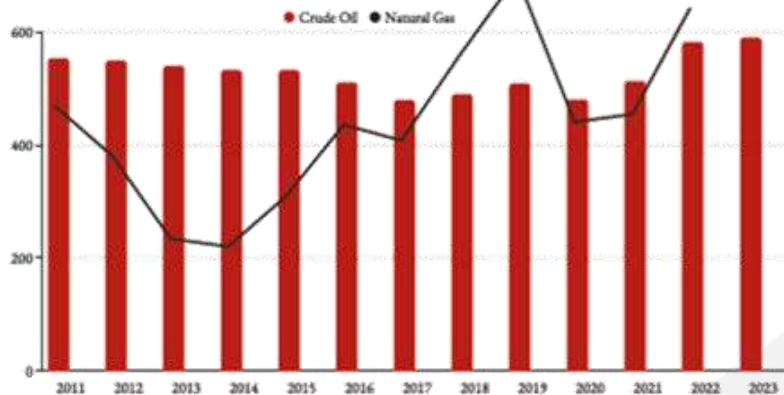
Tree Cover Loss (Global Forest Watch)

● Commodity Driven ● Forestry ● Shifting Agriculture ● Unknown ● Urbanisation ● Wildfire

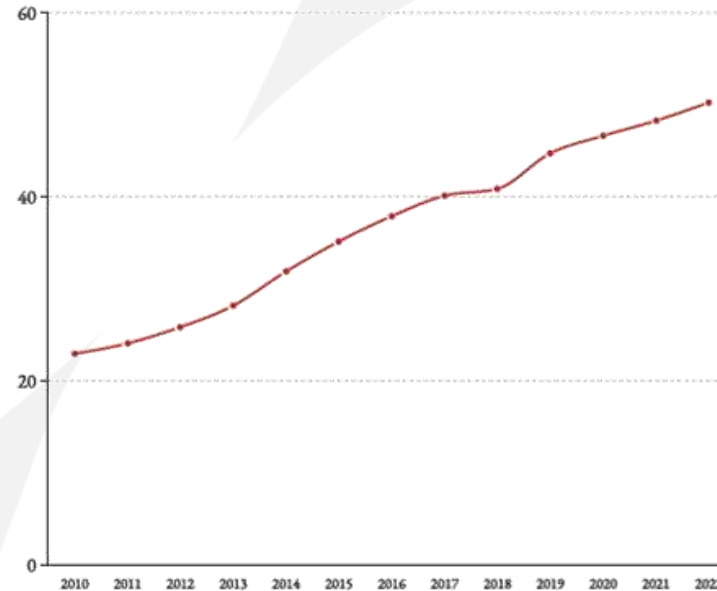


Fossil Fuel Production (CEIC)

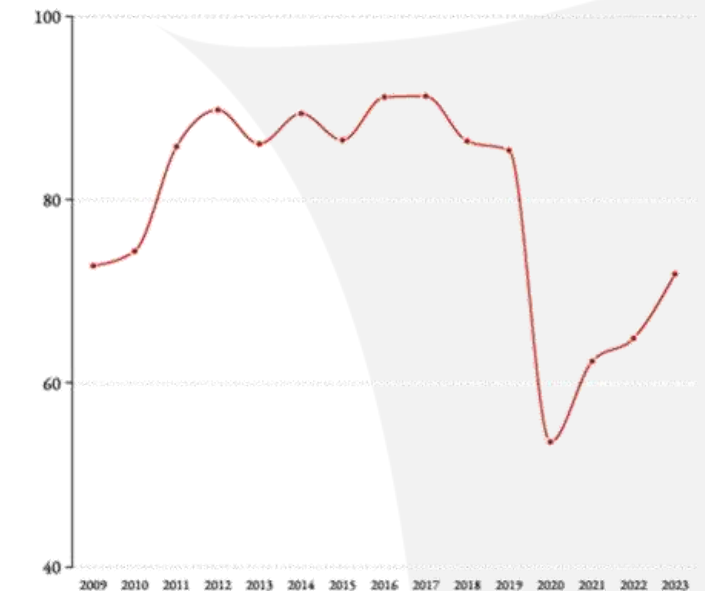
Annual crude oil and natural gas production in Argentina



Natural gas production in Brazil

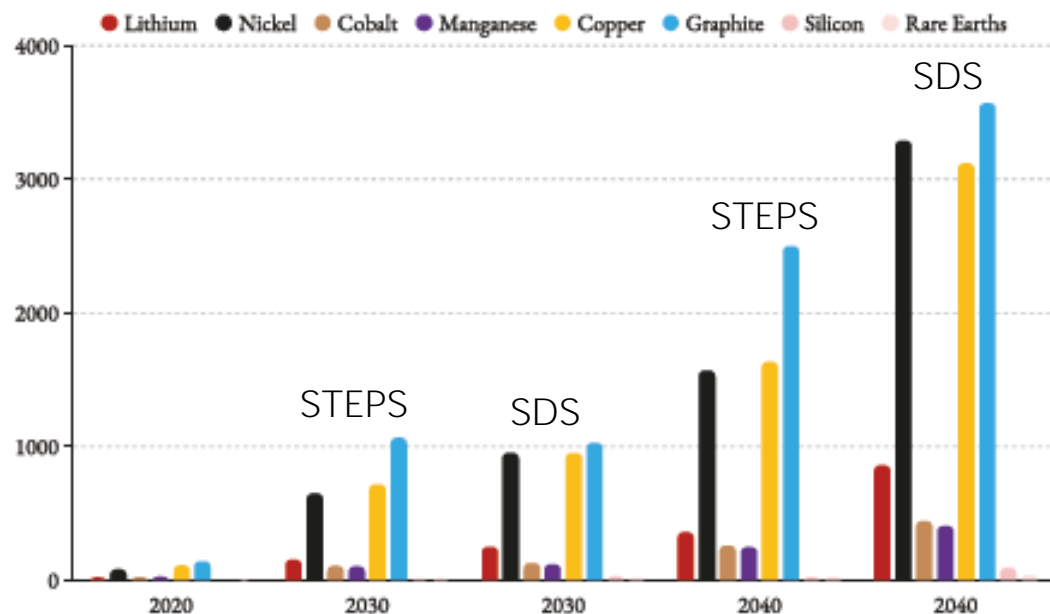


Coal production in Colombia



Transition Minerals (IEA, IADB)

Transition Mineral Demand

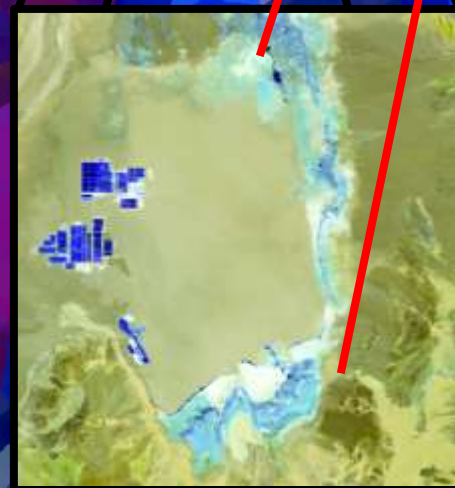
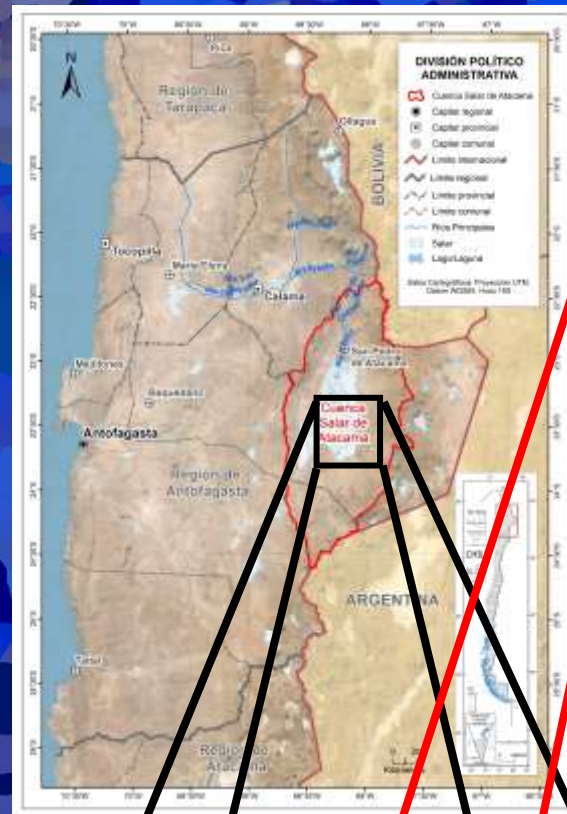


Mineral	Main producers in Latin America	Percentage of global reserves
Lithium	Argentina, Bolivia, Chile	52%
Silver	Argentina, Bolivia, Mexico, Peru	39%
Copper	Chile, Peru, Mexico, Argentina, Brazil, Panama	38%
Graphite	Brazil, Mexico	23%
Iron	Brazil, Chile, Peru, Mexico	20%
Tin	Bolivia, Brazil, Peru	20%
Zinc	Bolivia, Mexico, Peru	17%
Nickel	Brazil, Colombia	17%

Lithium deep dive: Salar de Atacama, Chile

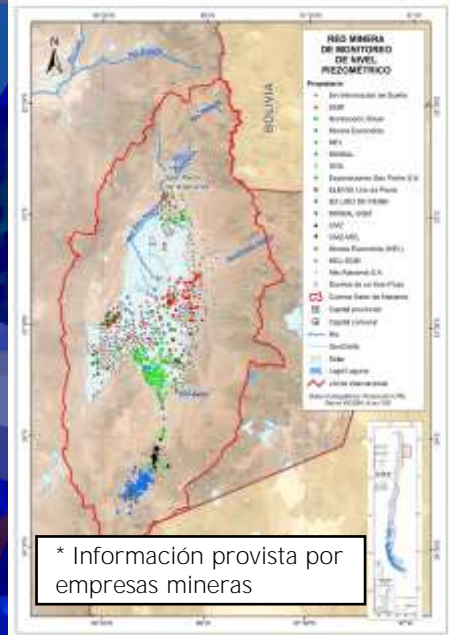
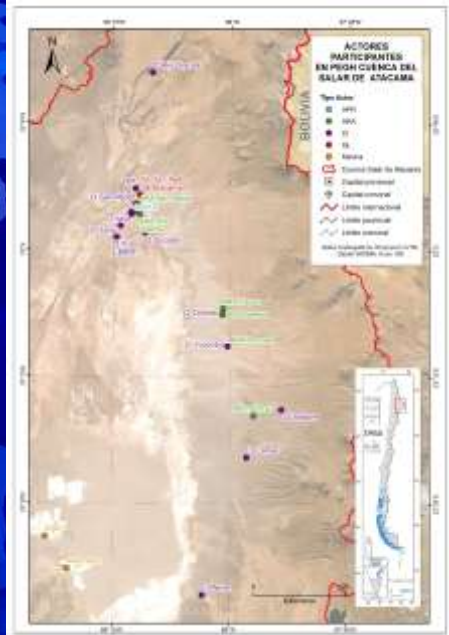
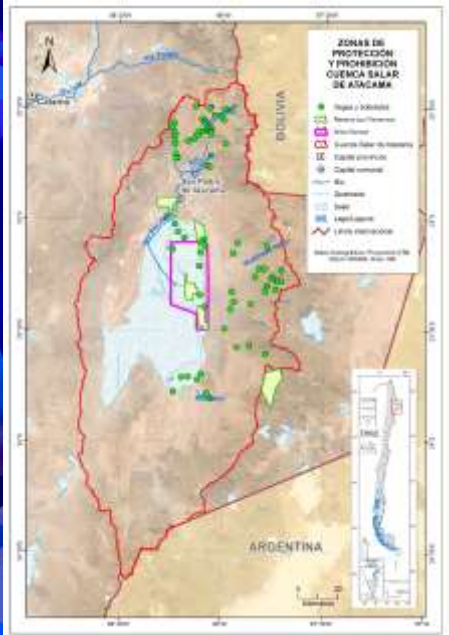


Potential and concerns

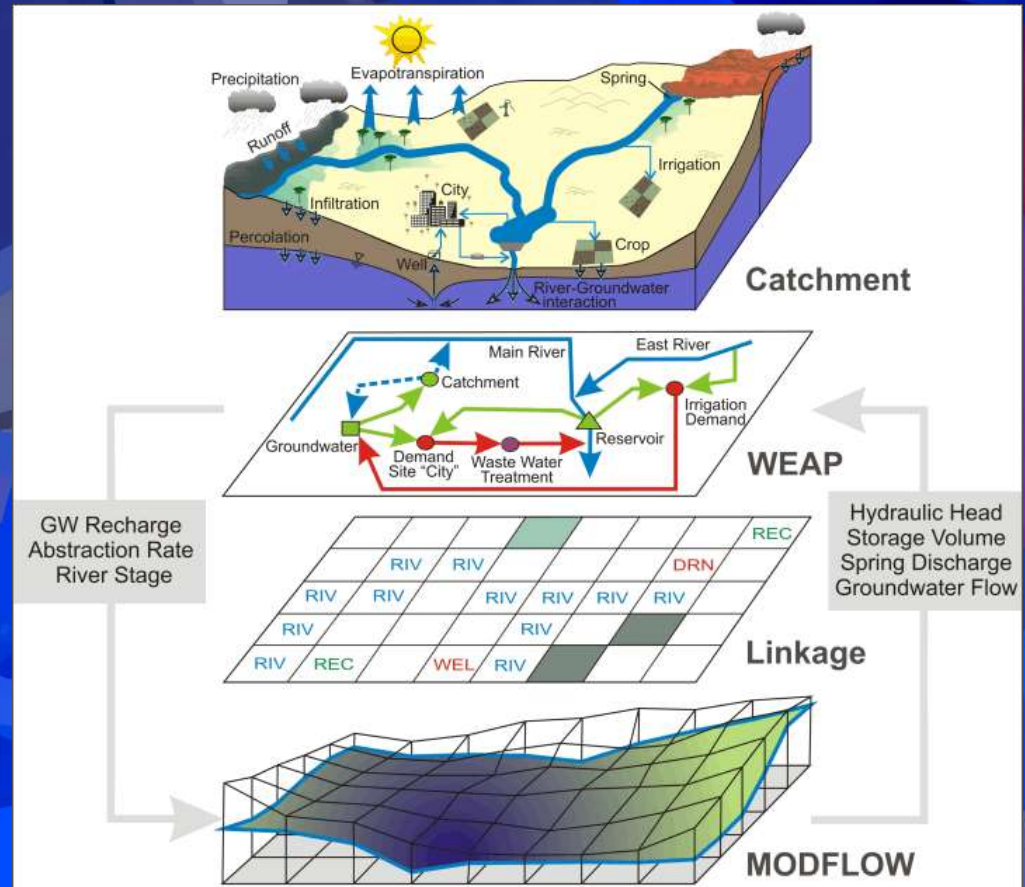
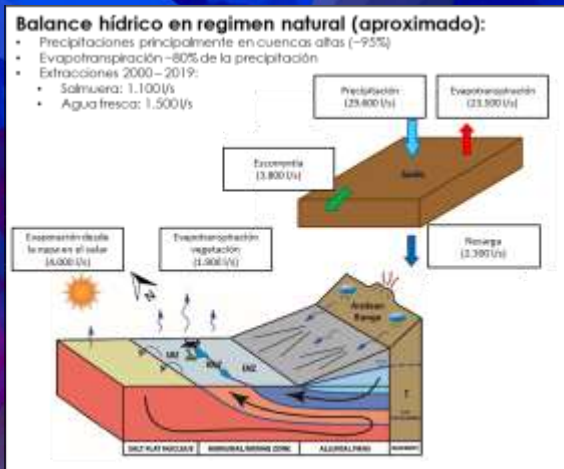


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Model building



* Información provista por empresas mineras

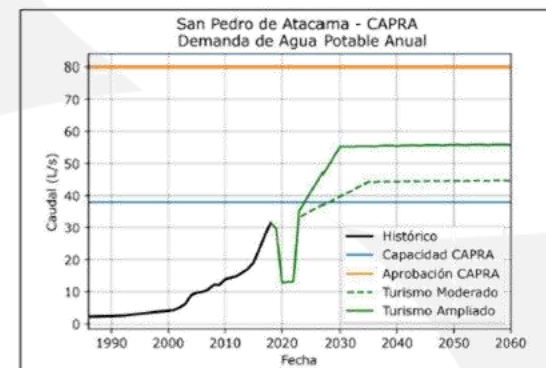


Future Scenarios

Escenarios climáticos

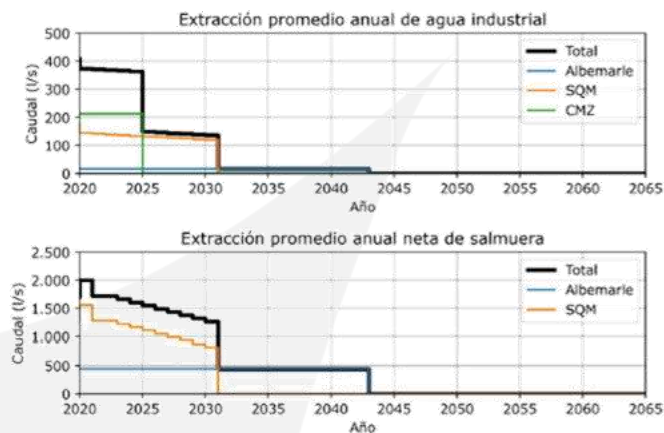
Modelo	Delta Precipitación (%)	Delta Temperatura media (°C)	Escenario
CanESM2	54,48	2,7	Húmedo
MIROC-ESM	7,84	2,2	Intermedio
CSIRO-Mk3-6-0	-40,96	3,1	Seco

Escenarios de demanda agua potable

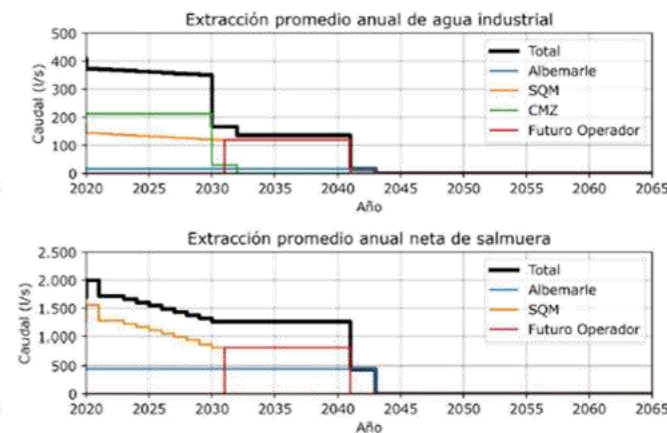


Escenarios de demanda minera

Escenario Baja demanda

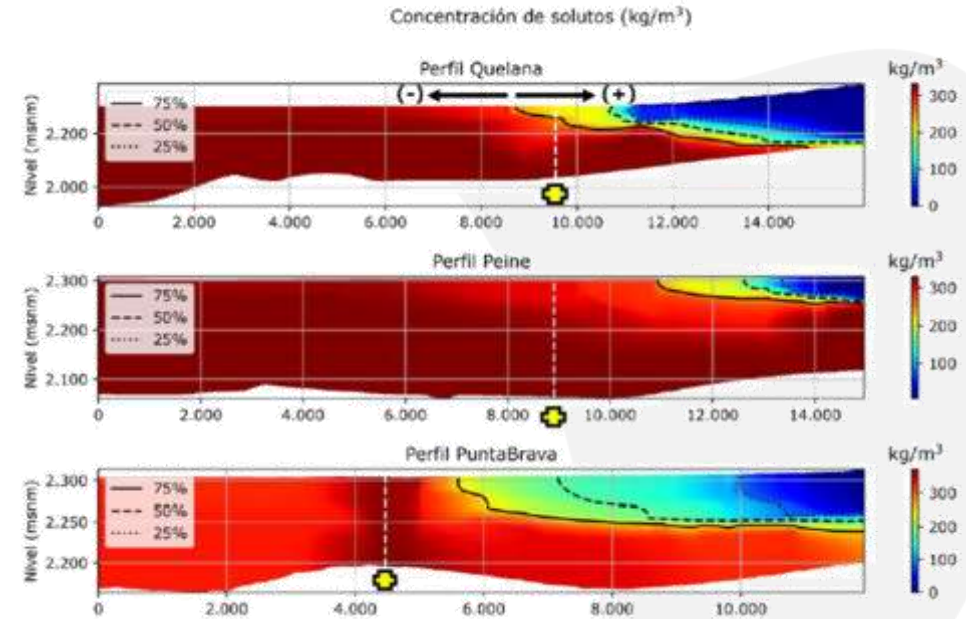
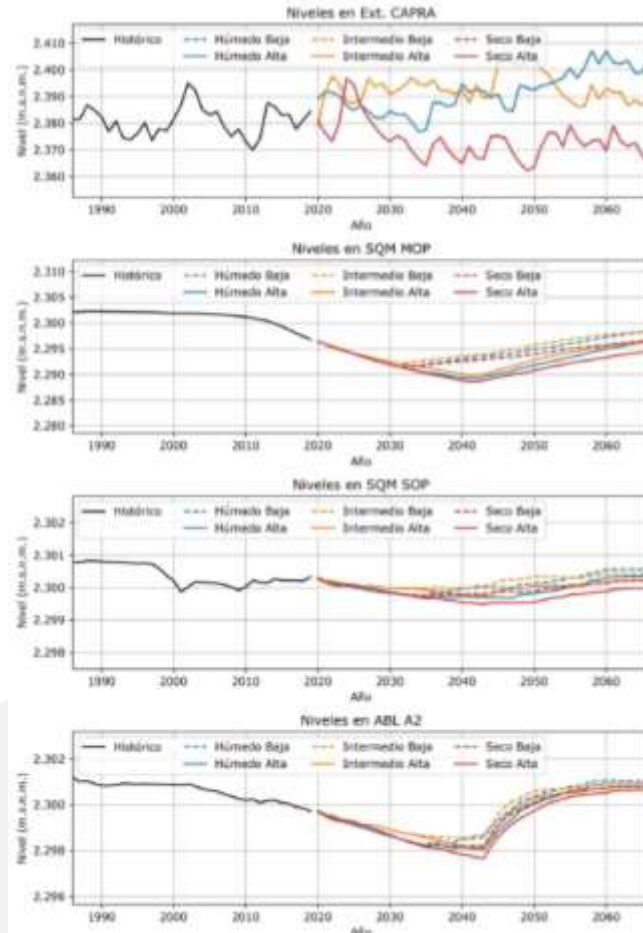
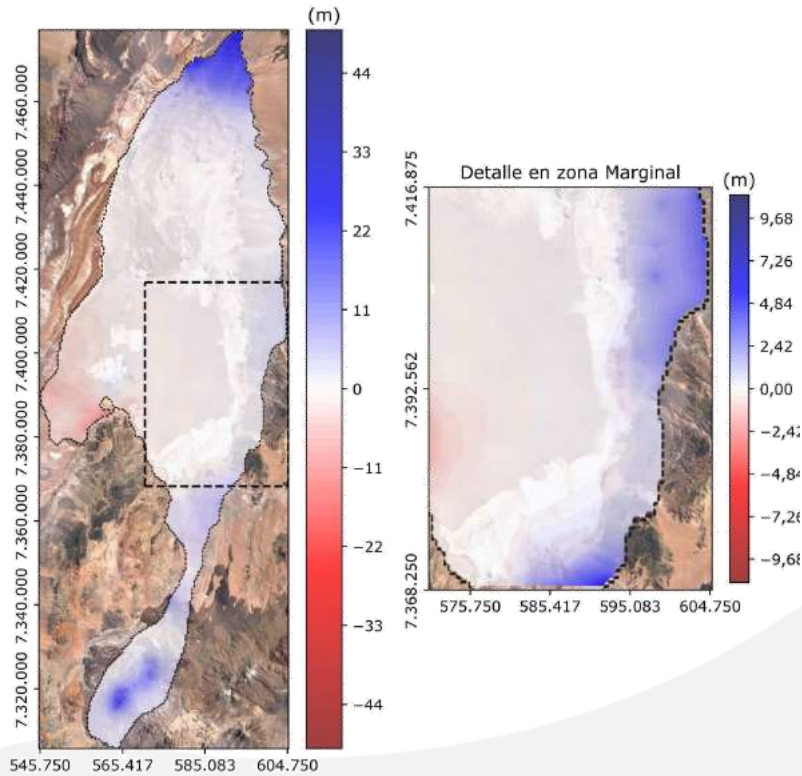


Escenario Alta demanda



Results

Diferencia en metros de los niveles piezométricos entre el año 2040 y 2018
Escenario: Húmedo baja demanda



Thoughts on lithium

- There is a **legacy of distrust** between local communities and the mining sector in the region which will **complicate efforts** to expand the production of transition minerals such as lithium in the region.
- Both **emblematic ecosystems** and **indigenous cultures** could be threatened by rapid **unplanned expansion** in ABC lithium production.
- On the other hand, Latin America has the potential to become the region known for the **responsible production of lithium** through regional collaboration around standards and best practices.
- Should the EV market differentiate based on **consumer preference for sustainable products** (akin to the LED standard in buildings), then Latin America could be in a position to **reap real economic benefit** from the energy transition though adherence to environmental and social standards.

General opportunities

- To demonstrate how more [holistic water resources management](#), including the use of green infrastructure, can produce better outcomes within river basins
- To set the standard for [ecotourism](#), so as to capture a larger share of a growing sector poised to expand dramatically post-pandemic.
- To develop and promote a market the [strategic minerals](#) needed to support the global energy transition that are produced in a just and sustainable manner.

Thank you, Gracia, Obrigado

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The Commercial *Outlook*

Cristina Irving-Turner

LATAC Business Specialist - Department for
International Trade

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)



- The UK has joined the [CPTPP](#), a vast free trade area of 11 countries spanning the Indo-Pacific.
- After two years of negotiations by the DBT, the UK will represent the [first European country](#) to be a part of the Agreement.
- It is estimated that by joining the CPTPP, the UK economy will be boosted in £1.8 billion in the long run.
- More than 99 percent of UK goods exports to CPTPP countries will now be eligible for [zero tariffs](#), including key UK exports such as cars, machinery, gin and whisky - particularly benefiting exports to Mexico in cheese and chocolate.

“Joining CPTPP will support jobs and create opportunities for companies of all sizes and in all parts of the UK. It is about giving British businesses improved access to the countries that will be gateway to the wider Indo-Pacific region which is projected to make up the majority of global growth in the future.”

- [Kemi Badenoch](#), *Secretary of State for the Department for Business and Trade*

Check out: [great.gov.uk](https://www.gov.uk)

- CARIFORUM-UK
- UK-Andean
- UK-Chile
- UK-Central America Association Agreement
- UK-Mexico Trade Continuity Agreement (TCA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

The trading environment



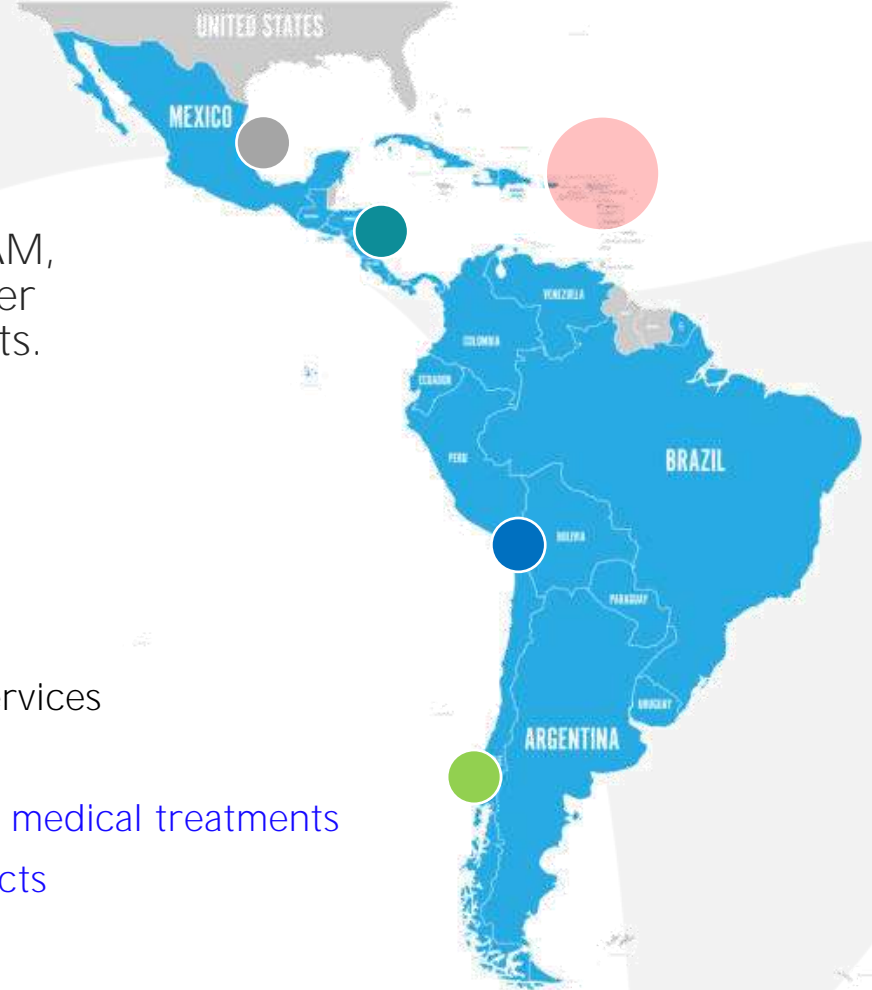
8 Double Taxation Agreements in force

The UK benefits from these with countries in LATAM, which provide additional certainty over cross-border investment flows between the UK and these markets.



Non-Tariff Barriers

- DBT has been working on:
- Securing [improved regulatory](#) frameworks for financial services
 - Supporting new regulations for [offshore wind](#)
 - Helping UK life-sciences companies to provide [innovative medical treatments](#)
 - Opening trade opportunities, such as for [agri-food products](#)



The macro picture

Latin America is made up of 20 countries, home to +630m people, and represents circa 6% of global GDP (US\$ bn.)

Total trade in goods and services (exports plus imports) between the UK and LATAM was £28.9 billion, in the four quarters to the end of Q2 2023, an increase of 24.4% or £5.7 billion in current prices from the four quarters to the end of Q2 2022.

Country	Total trade (£bn), 12 months to 2023
Brazil	£9.8bn
Mexico	£6.2bn
Central America	£4.1bn
Peru	£2.3bn
Argentina	£2.2bn
Chile	£1.9bn
Colombia	£1.8bn
Spanish Speaking Caribbean	£885m

UK exports to LATAM
£13.7bn



UK imports from LATAM
£15.2bn

* Source: Office for National Statistics, UK Total Trade: all countries, seasonally-adjusted [link](#). Market share statistics are derived by the Department for Business and Trade, using publicly available data from the Office for National Statistics (ONS) and the United Nations Conference on Trade and Development (UNCTAD). These new statistics allows users to estimate the importance of UK trade on imports to each trading partner. Market share is calculated as the value of imports from the UK using data from [ONS](#), divided by the value of total imports using data from [UNCTAD](#). Data from UNCTAD is converted from US dollars into pounds sterling by using the annual average spot exchange rate. Annual average spot exchange rates for \$USD to £GBP are sourced from the [Bank of England](#).

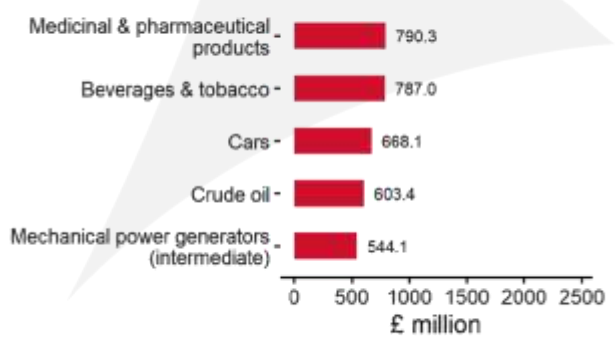
UK exports to LatAm

Goods exports in 2022 to LatAM



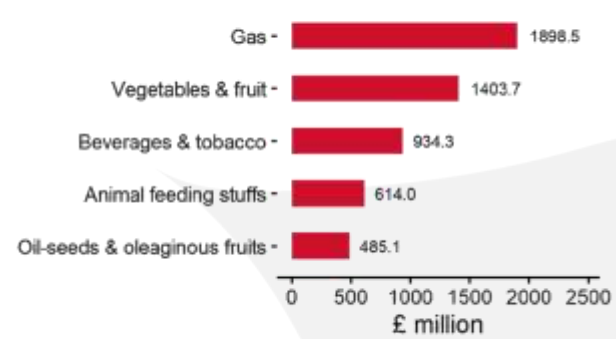
Contains Ordnance Survey and National Statistics data © Crown copyright and database right [2017]
 Source: HMRC, September 2023

The top 5 UK goods exports to LatAM



Source: ONS, August 2023

The top 5 UK goods imports from LatAM



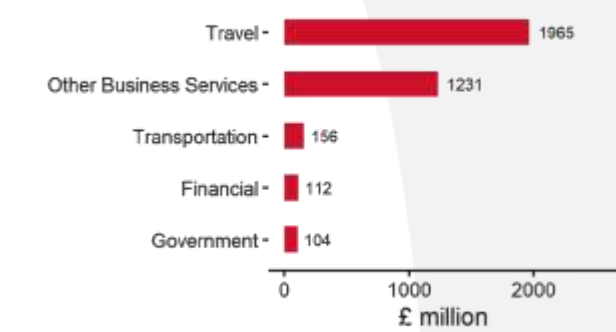
Source: ONS, August 2023

The top 5 UK services exports to LatAM



Source: ONS, Q2 2023

The top 5 UK services imports from LatAM

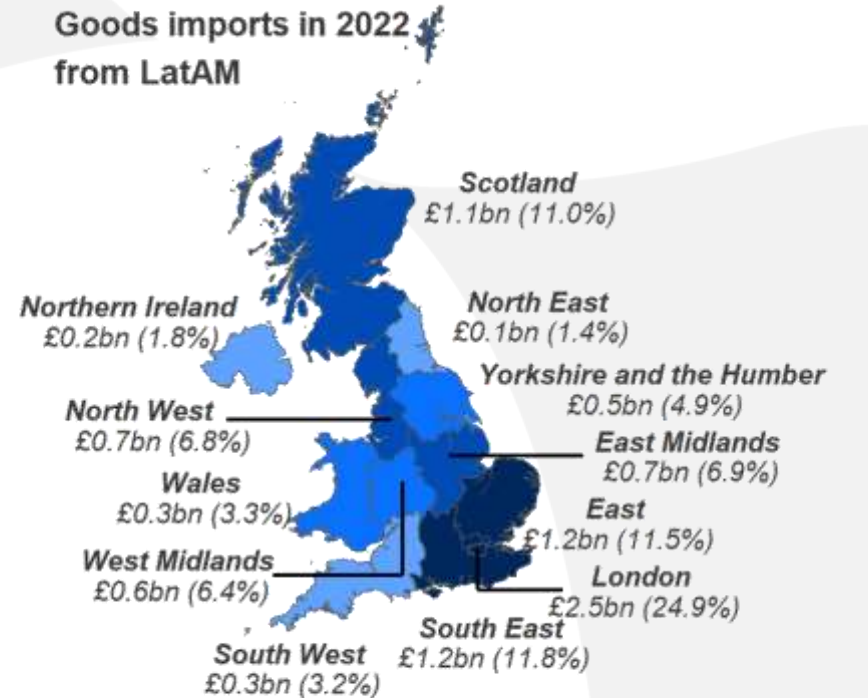


Source: ONS, Q2 2023

DBT group trade and investment factsheet (accessed 29/11/2023)

In 2021, the outward stock of foreign direct investment (FDI) from the UK in LatAm was at least £36.9 billion. In 2021, LatAm accounted for at least 2.1% of the total UK outward FDI stock.

In 2021, the inward stock of foreign direct investment (FDI) from LatAm in the UK was at least £19.6 billion. In 2021, LatAm accounted for at least 1.0% of the total UK inward FDI stock.

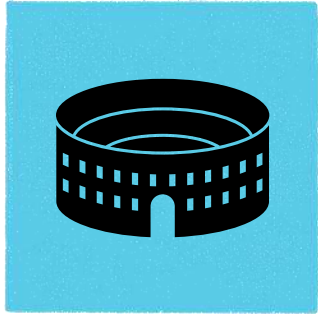


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Source: HMRC, September 2023

What is there to be excited about?

Infrastructure



- Pan American Games 2027
- United 2026 FIFA World Cup
- Construction opportunities in Guyana and Peru
- Opportunities in the Rail sector in Colombia, Chile, Peru
- Water infrastructure projects in Brazil, DR, Andean
- Investments in Social Infrastructure in Central America

Government-to-Government, Development Banks and UK Export Finance

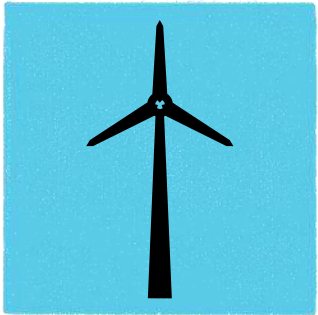


- Continuation of partnership with Peru (G2G programme) across schools, hospitals and climate resilience.
- IDB, CABI and CAF funding for green transition in Central America and across LATAM.
- UKEF interest in funding green infrastructure (solar, hydrogen).



What is there to be excited about?

Renewable Energy and Clean Growth



- Solar projects in the Caribbean, Colombia and Bolivia
- Electric vehicle opportunities in Mexico and Central America
- Offshore Wind (OSW) in Colombia
- Hydrogen and OSW projects in Brazil
- Hydrogen opportunities in Spanish-speaking Mercosur countries and Chile

Financial and Professional Services



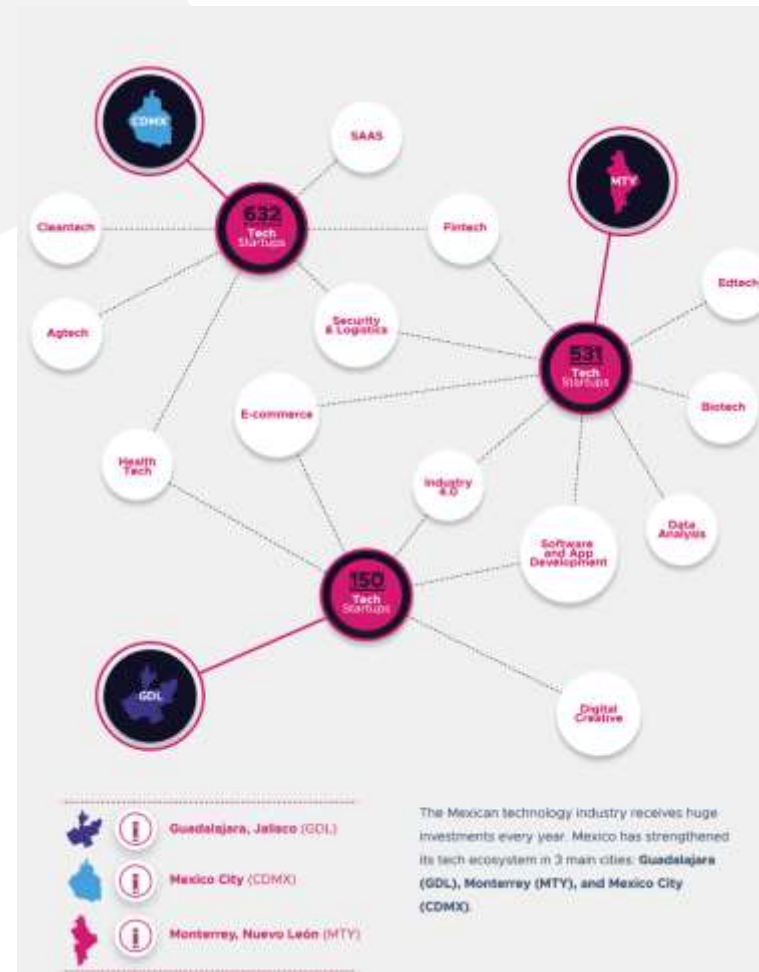
- FinTech opportunities in Mexico. Opportunities for UK companies to land grow in LATAM.
- Open finance opportunities in Colombia and Brazil, with UK-influenced frameworks now in place.
- Opportunities across professional services spaces in consultancy, cost management.



Tech UK-LatAm



1010
1010





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and on LinkedIn

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The Economic *Outlook*

Andrés Pérez

Senior Latin America Economist, Itaú Unibanco



[Click here](#)
to watch Andrés Pérez'
Economic Outlook

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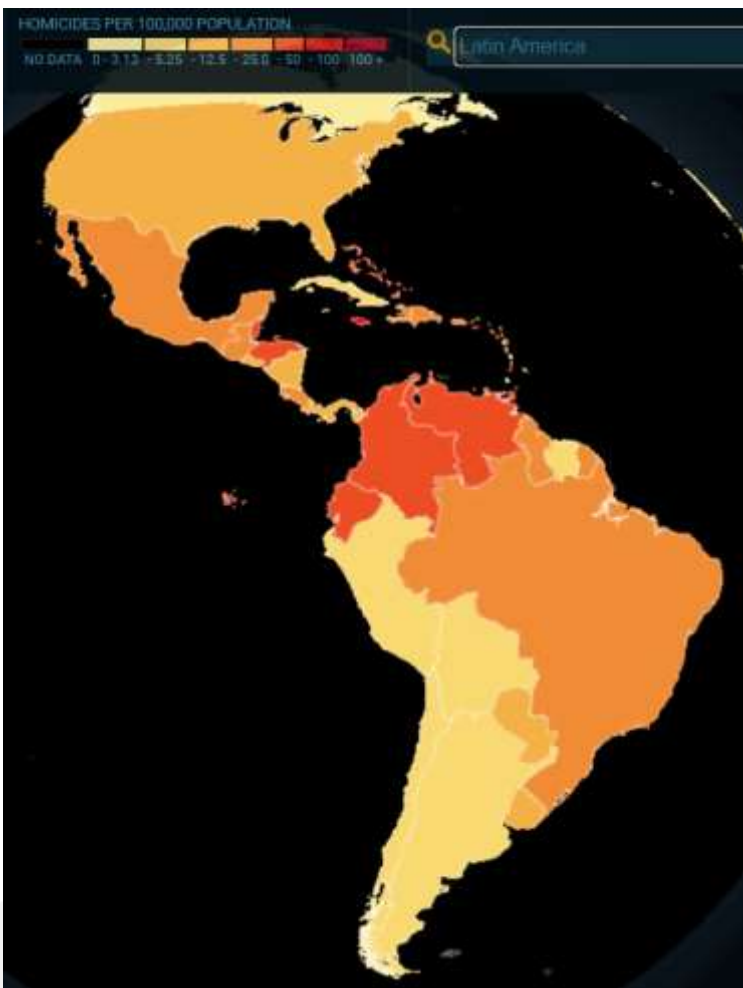


The Risk *Outlook*

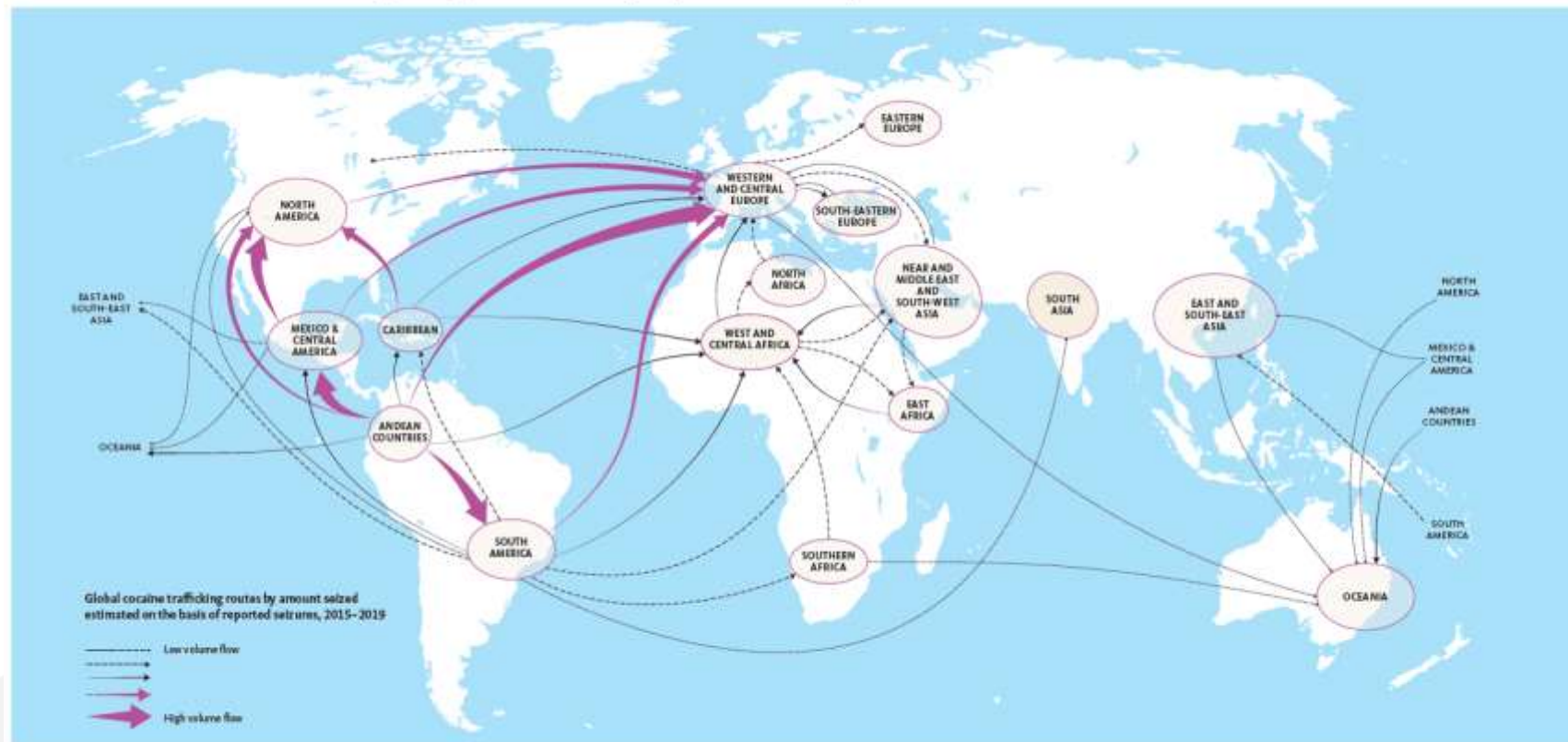
Mariano de Alba

Senior Advocacy Advisor - International Crisis
Group

A Violent Region



MAP 5 Main cocaine trafficking flows, as described by reported seizures, 2015–2019



The size of the route is based on the total amount seized on that route, according to the information on trafficking routes provided by Member States in the annual report questionnaire, individual drug seizures and other official documents, over the 2015–2019 period. The routes are determined on the basis of reported country of departure/transit and destination in these sources. As such, they need to be considered as broadly indicative of existing trafficking routes while several secondary routes may not be reflected. Route arrows represent the direction of trafficking: origins of the arrows indicate either the area of departure or the one of last provenance, end points of arrows indicate either the area of consumption or the one of next destination of trafficking. Therefore, the trafficking origin may not reflect the country in which the substance was produced.

Latin America's Eras of Organized Crime

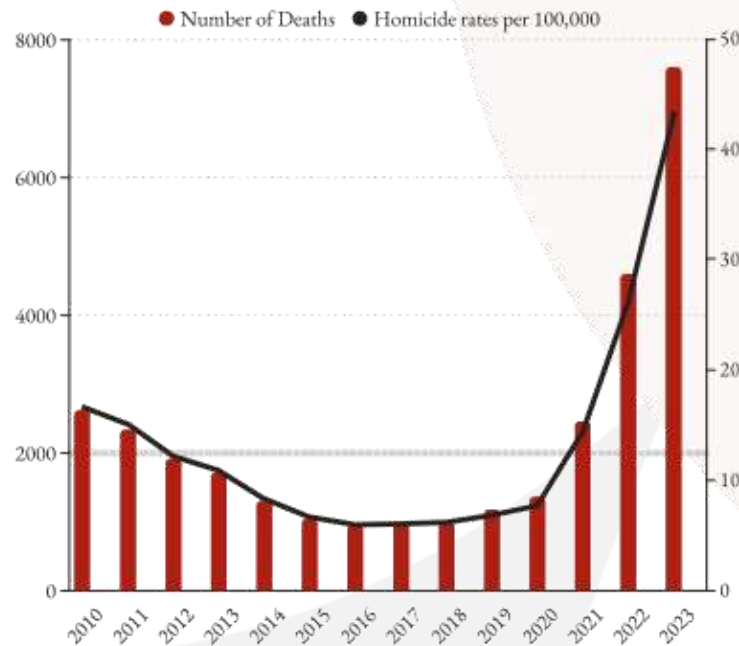


The Geographic Spread of Crime in Mexico



Ecuador's Wave of Violence

Total number of homicides and homicide rates per 100,000 in Ecuador 2010 - October 2023



Source: Primicias

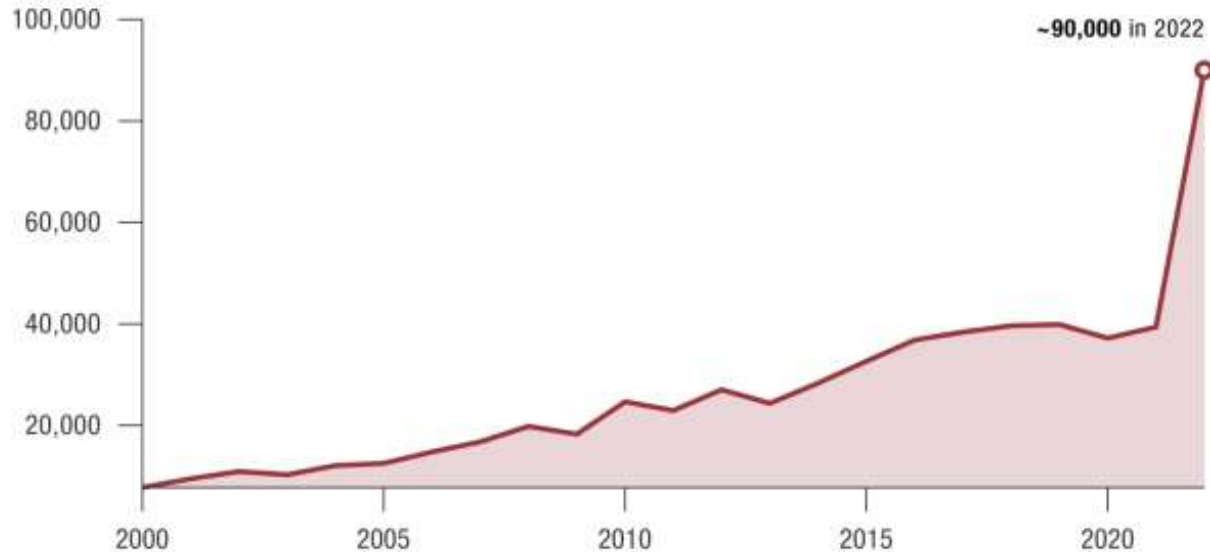
Drug Trafficking Routes, Ecuador



Source: Primicias (data from the Ecuadorian national police)

Conflicting Approaches

Figure 3: Prison population in El Salvador, 2000-2022



Source: World Prison Brief and estimate for 2022, based on police figures. Note: the total prison population as of August 2022 was estimated by adding the 51,438 detentions announced by the police as of 31 August 2022 to the World Prison Brief's reported population as of 1 March 2022 (39,538).



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The Social *Outlook*

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CEO Latin America - Ipsos

Introduction

- This chapter uses **macro social data** from public institutions (**World Bank, OECD, ECLAC...**)
- **And citizen perceptions** gathered from Ipsos monthly surveys in 29 countries including Argentina, Brazil, Chile, Colombia, Mexico, Peru
- To analyse and understand the current social condition of Latin America.
- **Perceptions** could be different to *real facts*, but may be more important owing to their socio-political impact



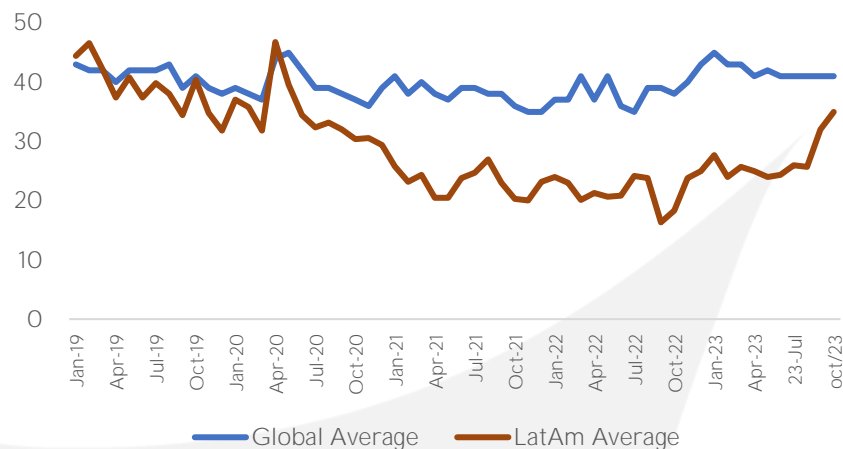
Social context: improving but still below global average

Driven by Brazil and Mexico

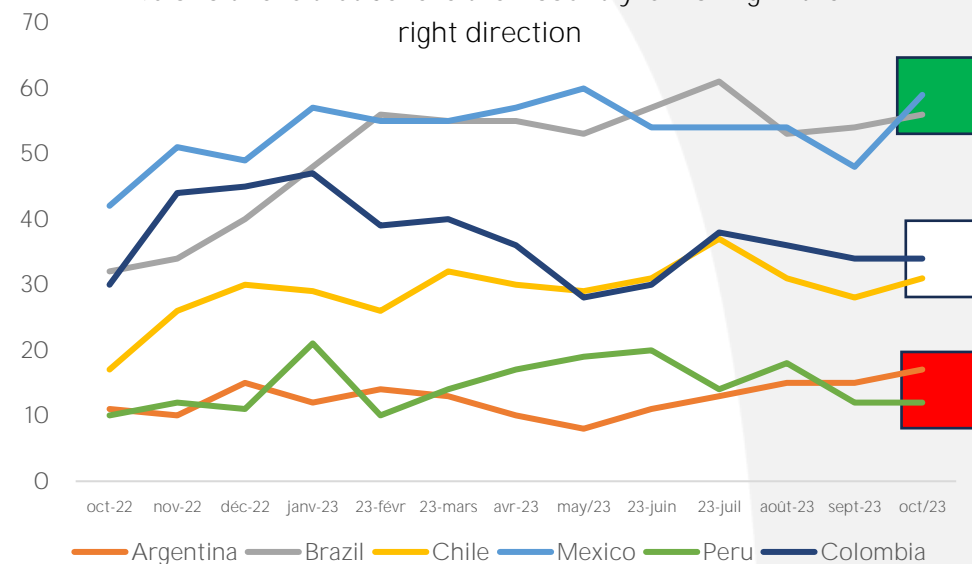
- 35% of Latin American say that *things in my country are moving in the right direction*
- The gap with the global country average has been decreasing over the last year

- Significant differences by country:
 - Good & increasing in Brazil & Mexico (>50%)
 - Average in Colombia down & Chile up (+/-35%)
 - Low & flat in Peru & Argentina (+/-15%)

% of citizens that believe their country is moving in the right direction
LatAm vs global average



% of citizens that believe their country is moving in the right direction



Source: Ipsos Global Advisor

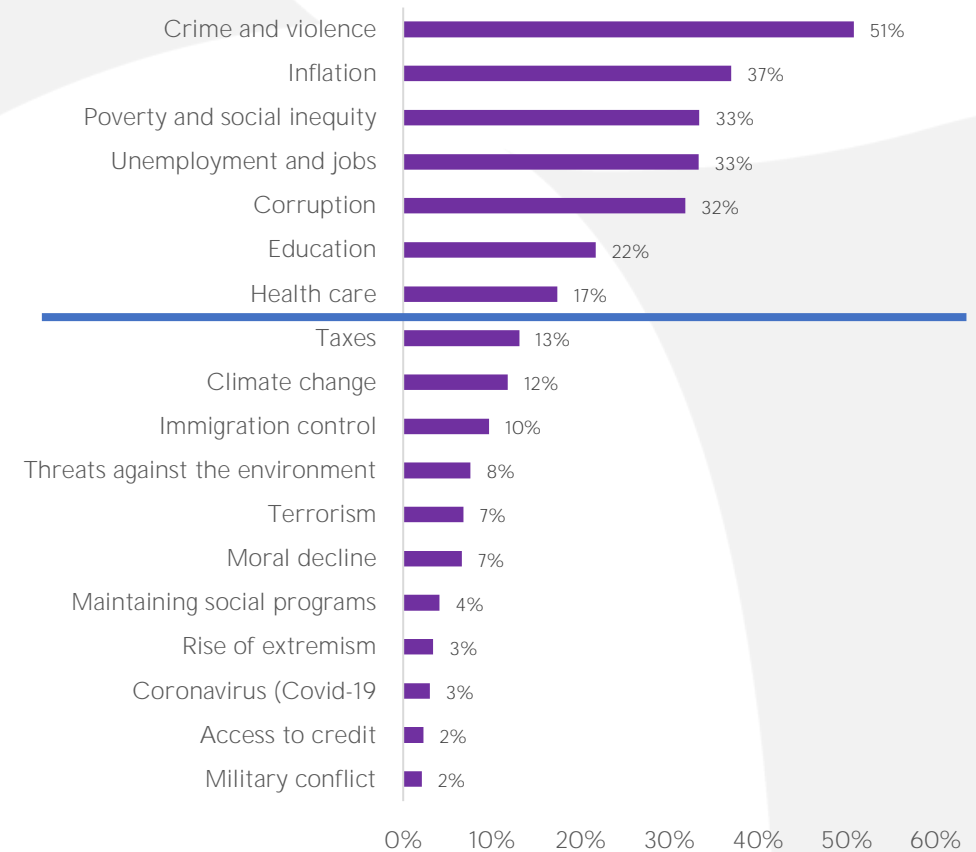
Main concerns to address?

7 main citizen concerns – Led by crime and violence

3 clusters of concerns

1. **Concerns linked to societal factors:** impacting the day-to-day lives of citizens, but not linked to their own, personal conditions: Crime & violence, corruption
2. **Concerns linked to socio-economic factors,** impacting the day-to-day lives of citizens, and linked to their personal situation: Poverty & inequality, inflation, unemployment
3. **Concerns linked to socio-political factors,** partially impacting the day-to-day lives of citizens, and linked to a broader context: Education, healthcare

% of citizens that said this item was within their top three concerns - LatAm average - October 2023



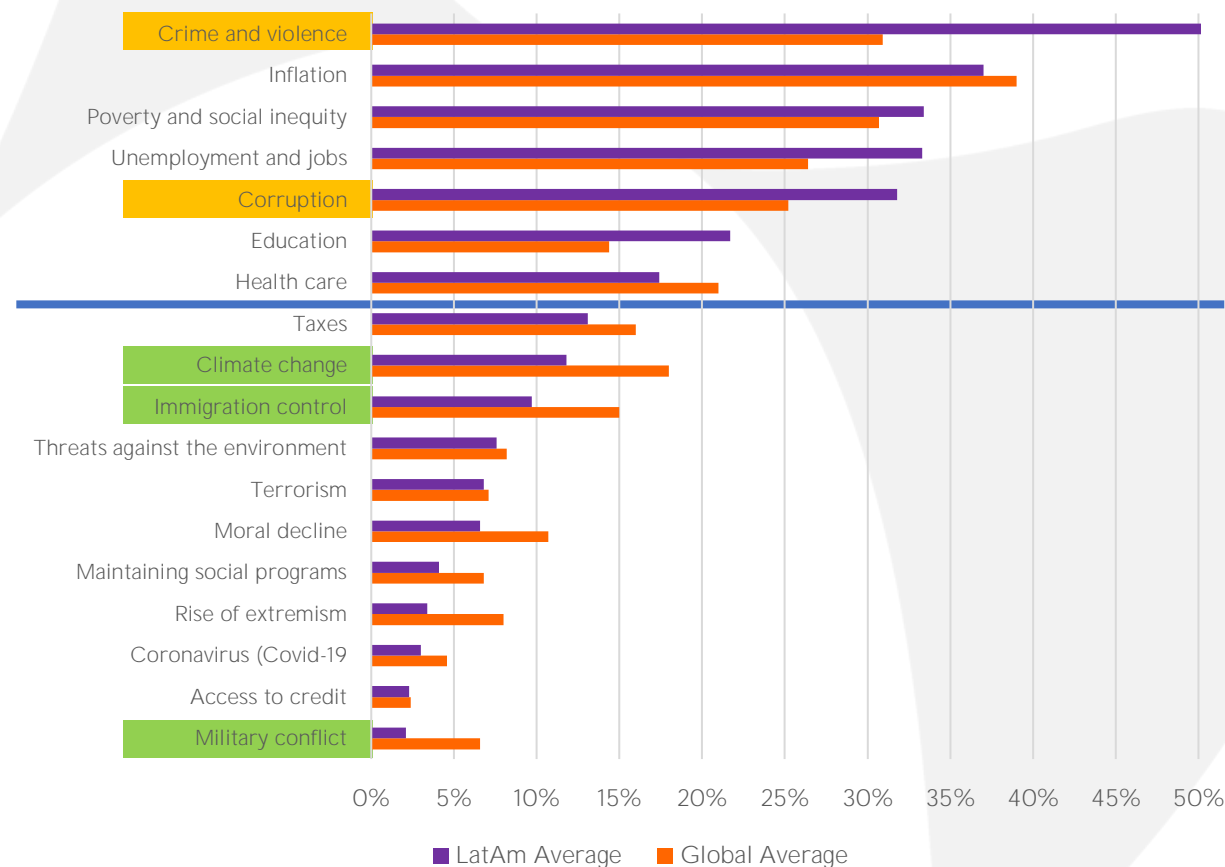
Source: Ipsos Global Advisor

- Are these concerns specific to LatAm?
- What about their trends over time?
- Any LatAm country specificities?

LatAm vs Global: Concerns about crime, violence and corruption are THE LatAm specificities

1. Crime and violence, corruption:
HIGH and HIGHER in LatAm
2. Poverty, inflation, unemployment:
HIGH but LatAm in line with global
3. Education, healthcare:
Lower and in LatAm + EDUC concerns but -HEC (vs global)
4. LatAm relatively less concerned by climate change, immigration control or military conflict

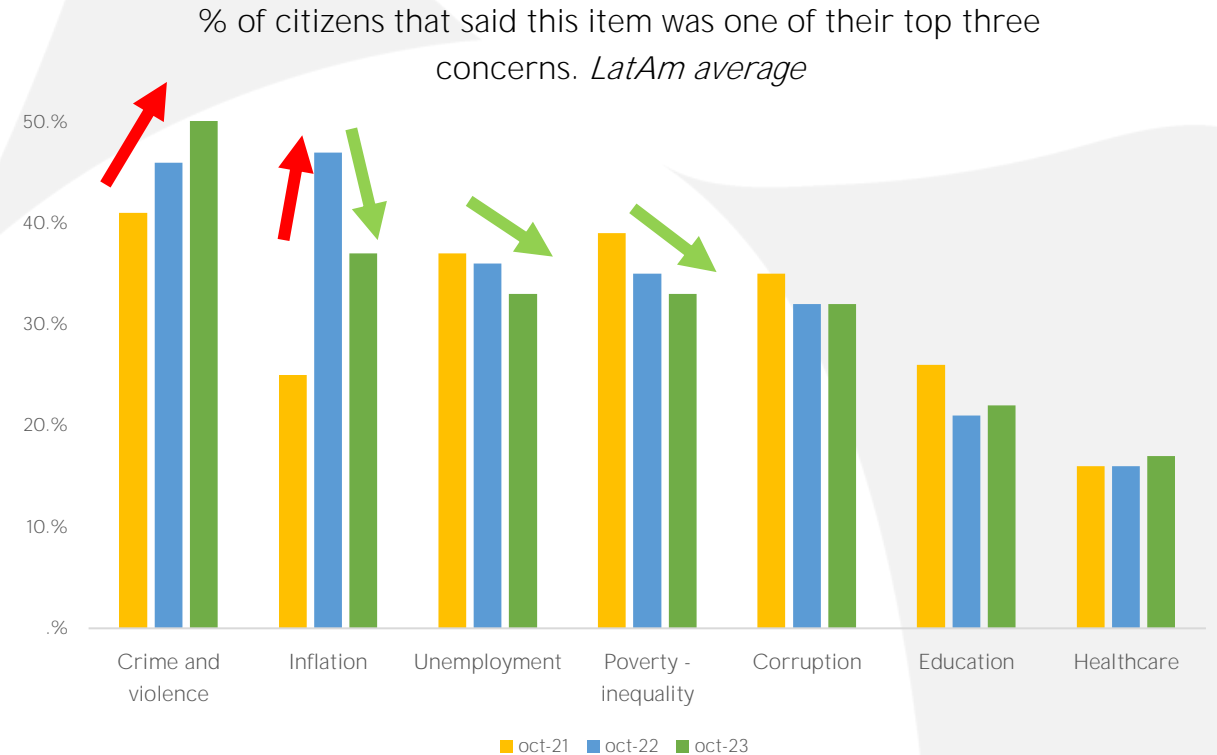
% of citizens that said this item was within their top three concerns
LatAm vs global average - October 2023



Source: Ipsos Global Advisor

LatAm trends overtime: Concerns about crime, violence are increasing, while socio economic concerns (ie. Inflation) are decreasing

1. Crime & violence, corruption: **UP**
 2. Poverty, inflation, unemployment: **DOWN**
 3. Education, healthcare: **FLAT**
- Latin American concerns are each time more concentrated on Crime and violence
- Gap between 1st concern and others is becoming bigger and much bigger in LatAm vs other regions



Source: Ipsos Global Advisor

Crime and violence FIRST concerns in Chile, Peru and Mexico

1. Brazil concerns led by poverty/inequality
2. Colombia by corruption (and unemployment)
3. Argentina by inflation

Which three of the following topics do you find the most worrying in your country?

% of respondents per item

	Global	Latam	Chile	Peru	Mexico	Argentina	Brazil	Colombia
Crime and violence	30%	51%	63%	62%	54%	50%	39%	37%
Inflation	39%	37%	38%	31%	27%	69%	22%	35%
Poverty Inequality	30%	33%	27%	31%	29%	37%	43%	34%
Unemployment	26%	33%	32%	37%	36%	33%	23%	39%
Corruption	23%	32%	28%	45%	25%	30%	24%	39%
Education	14%	22%	17%	22%	27%	23%	25%	16%
Healthcare	22%	17%	14%	14%	16%	10%	34%	17%

Source: Ipsos Global Advisor

To summarise: Latin American concerns are each time more concentrated on crime, violence and corruption

Concerns linked to	1. Societal factors	2. Socio-economic factors	3. Socio-political factors
Characteristics	impacting the day-to-day lives of citizens, but not linked to their own, personal conditions	impacting the day-to-day lives of citizens, and linked to their personal situation	only partially impacting the day-to-day lives of citizens, and linked to a broader context
Main ones	Crime & violence, corruption	Poverty, inflation, unemployment	Education, healthcare
LatAm Intensity	STRONG	STRONG	LOWER
LatAm Uniqueness	STRONG	LOW	LOW
LatAm Trend	UP	DOWN	FLAT
Main country concern	CL, PER, MEX, COL	ARG, BR	

How each of these clusters of concerns are impacting or will impact society?

Source: Ipsos Global Advisor

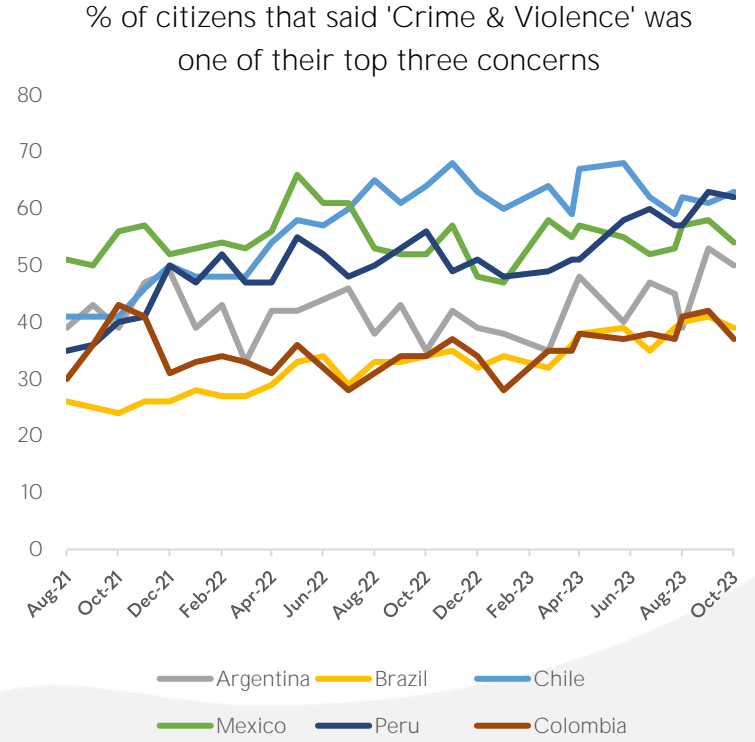
1.

Concerns about crime, violence and corruption....

Driving a democratic recession?

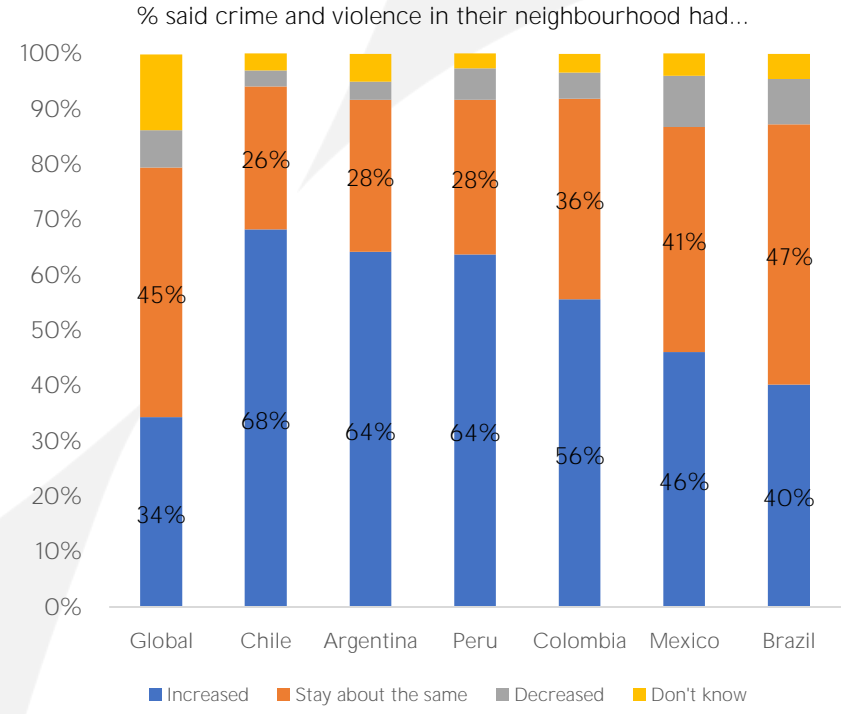
Strong and growing concerns about crime and violence in Latin America

1. Concerns about crime and violence are growing overtime in all countries



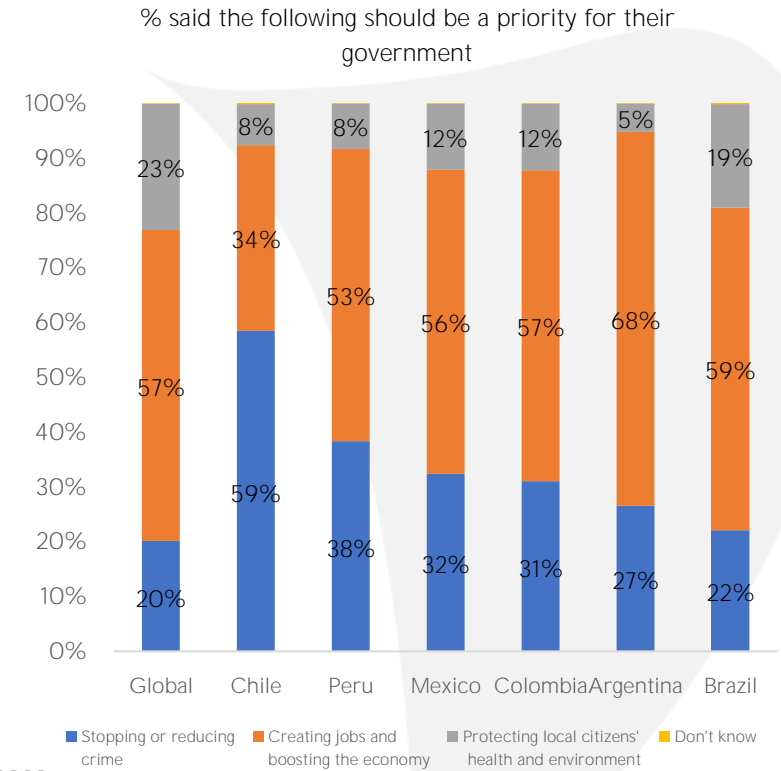
Source: Ipsos Global Advisor

2. Most Latin Americans (56%) declare crime & violence increased in their neighborhood over the last 12 months



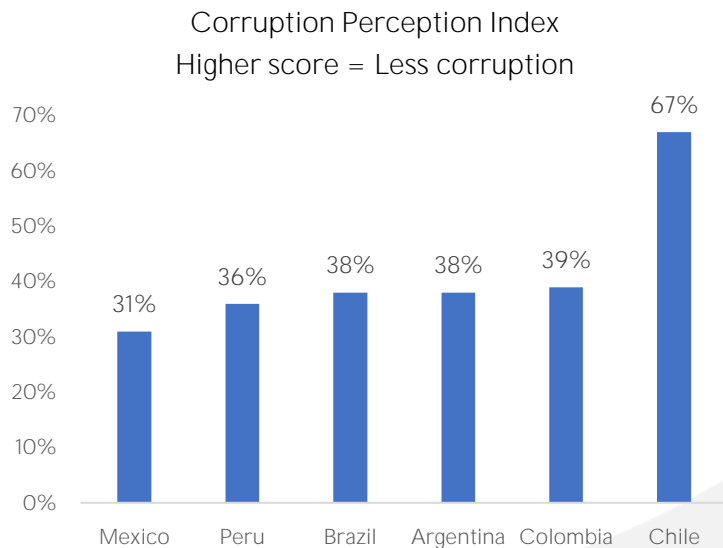
Source: Ipsos Views on Crime and Law Enforcement around the world - July 2023

3. 35% declare stopping or reducing crime should be THE main priority for their government (+ +Chile)



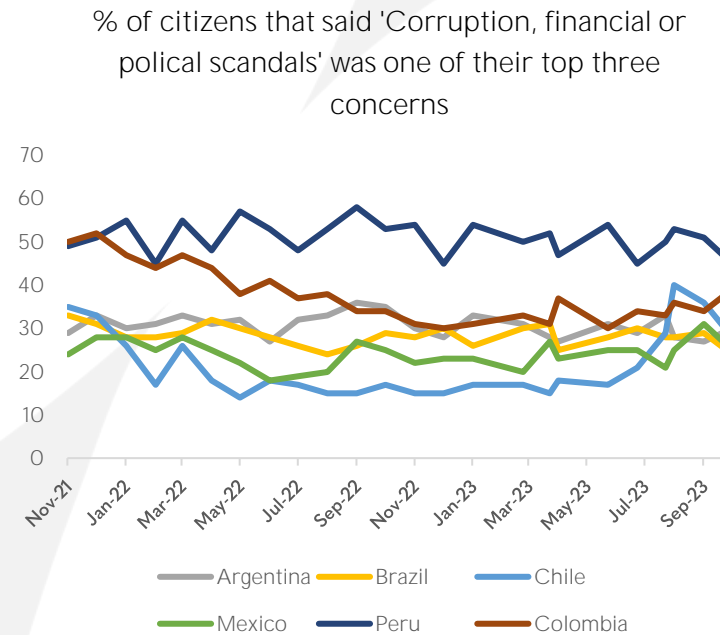
High level of concerns about corruption and low trust in the system

1. Latin America scores poorly on **corruption index**, below 50 indicate flagrant corruption problems



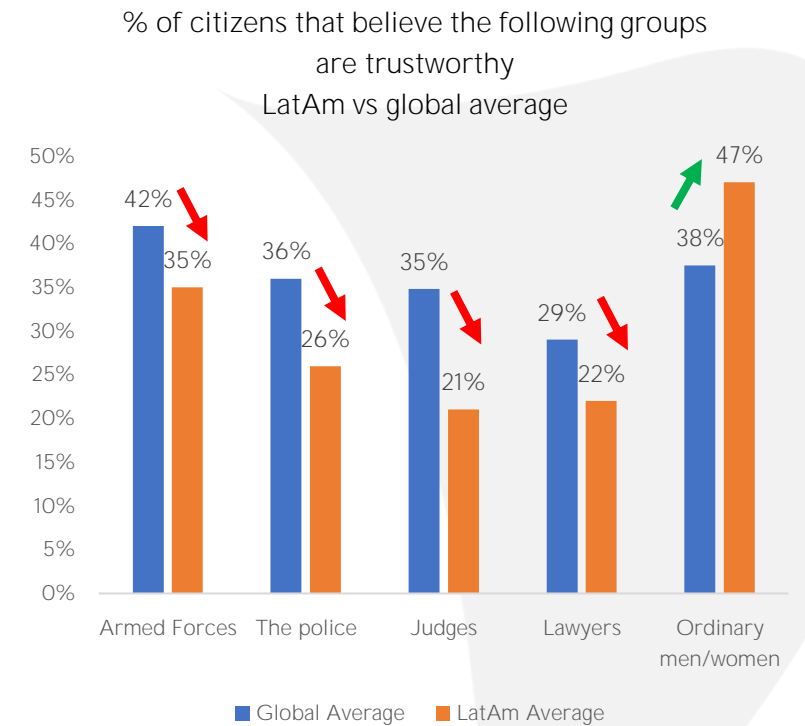
Source: Transparency International 2022 report

2. Corruption is a **significant citizen concern**, particularly in Peru, Colombia, and growing over the last months



Source: Ipsos Global Advisor

3. Added to a **low trust in institutions**

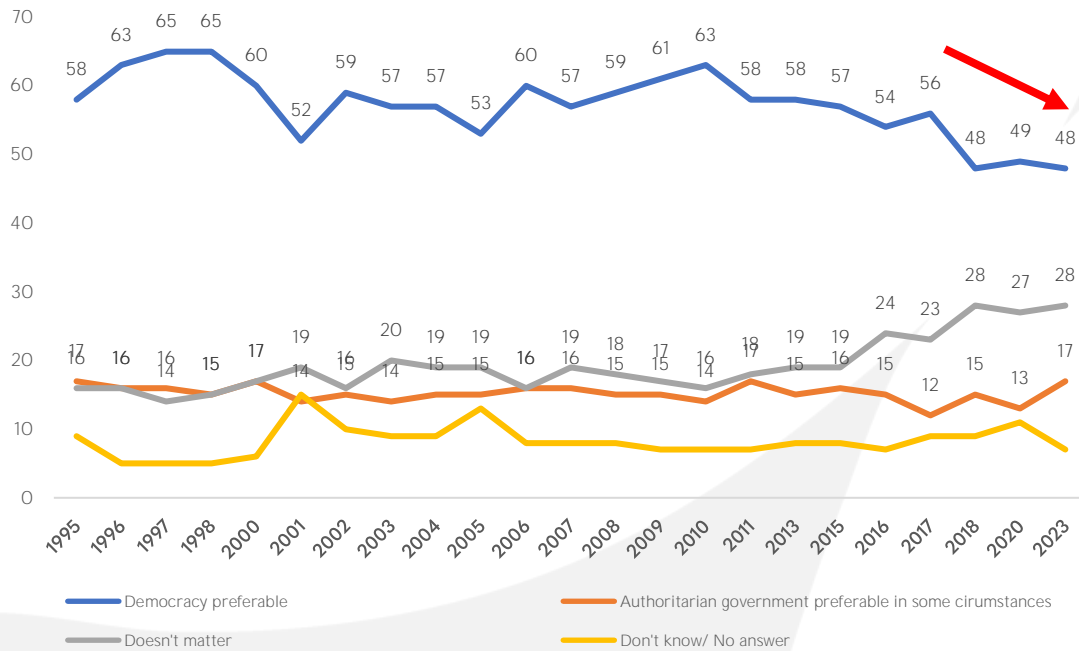


Source: Ipsos Trust worthiness Index - Oct 2023

Potentially driving a democratic recession into the region

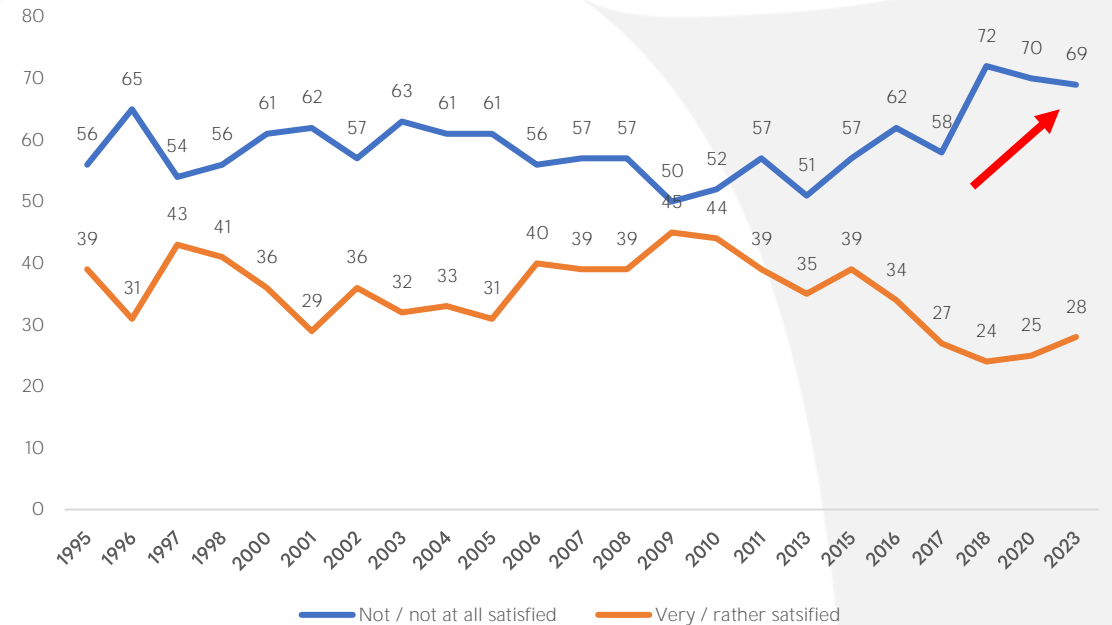
1. Support to democracy is decreasing over time

Support for democracy across Latin America 1995-2023



2. Less than 30% of Latin American is very / rather satisfied with democracy in 2023

Latin America satisfaction with democracy



Source: Latino Barometro 2023

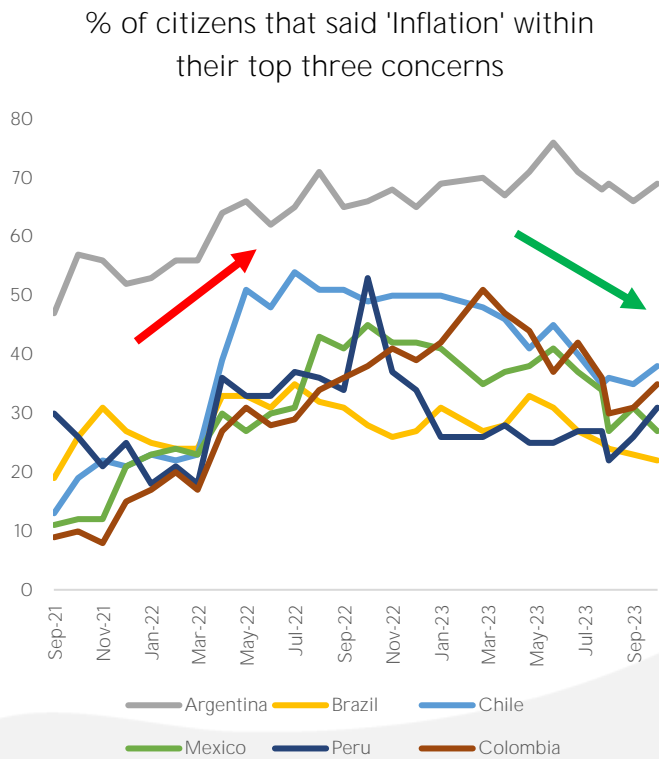
2.

Concerns about inflation, unemployment, poverty...

After the pandemic, good progress, an opportunity?

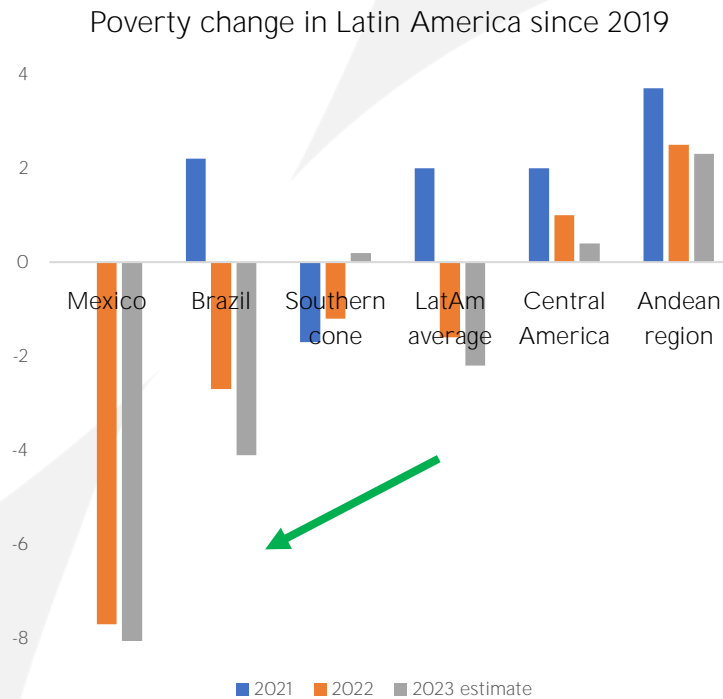
Less concerns about inflation and unemployment, poverty tends to decrease

1. Decreasing concerns about Inflation (except in Argentina)



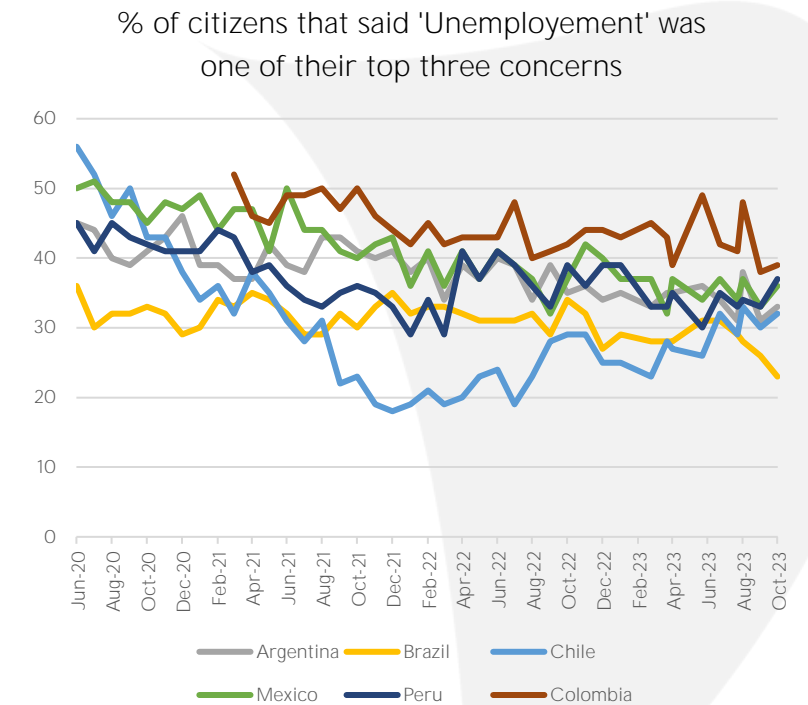
Source: Ipsos Global Advisor

2. Poverty reduction vs 2019 at least in Brazil and Mexico



Source: World Bank Oct 2023

3. Decreasing concerns about unemployment ... even if still high levels of informality



Source: Ipsos Global Advisor

An opportunity?

The [global geopolitical situation](#) could potentially put Latin America in an [advantageous situation](#)

1. [Tension in Europe](#) (World War II, 2008 financial crisis, Russia / Ukraine) → LatAm performing historically relatively well
2. Tensions between the [US and China](#) → Latin America a relatively more attractive emerging region to invest in
 - The impact of the recent US [near-shoring](#) on the Mexican economy is a good example of this.

3.

Concerns about education and healthcare...
Be prepared for the future structural change!

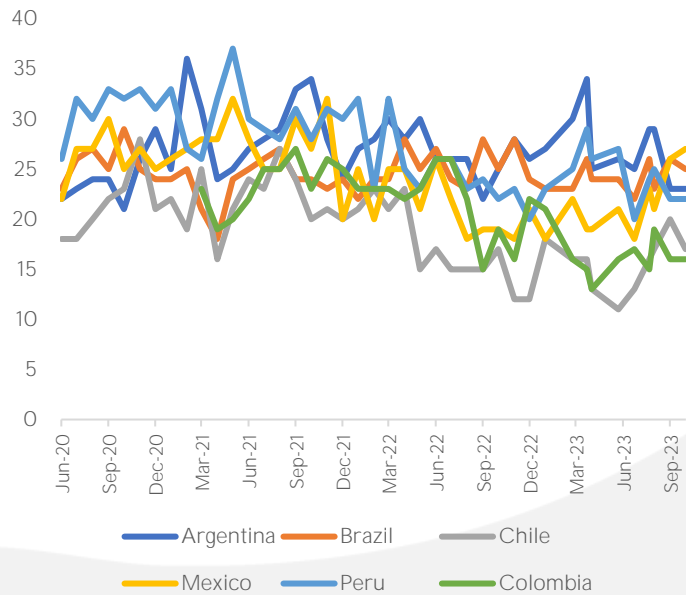
Education and healthcare concerns are relatively flat over time

1. Concerns about education tend to decrease after the end of lockdown and back to school (back to PYs level)

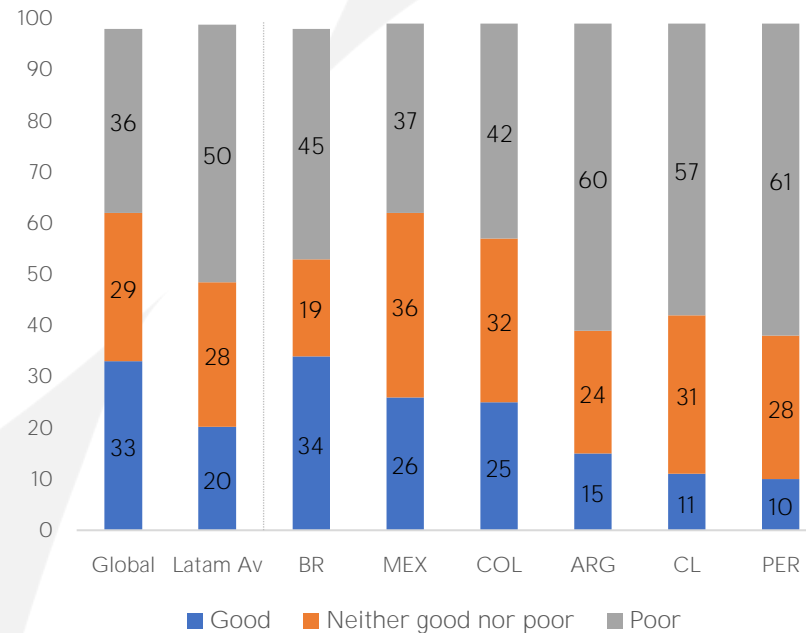
2. Even if only 20% of Latin Americans perceive a good education quality

3. Healthcare is a concern particularly in Brazil (as last year), linked to the high out of pocket expenditure

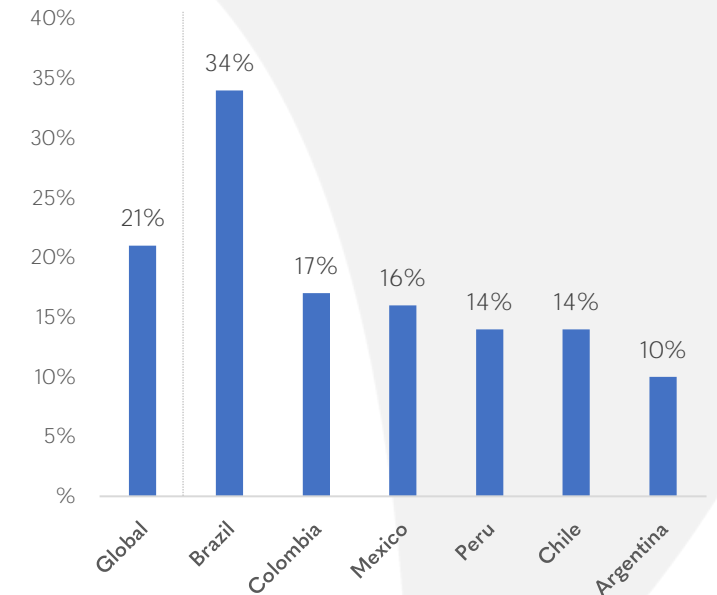
% of citizens that said 'Education' was one of their top three concerns



Quality of education by country

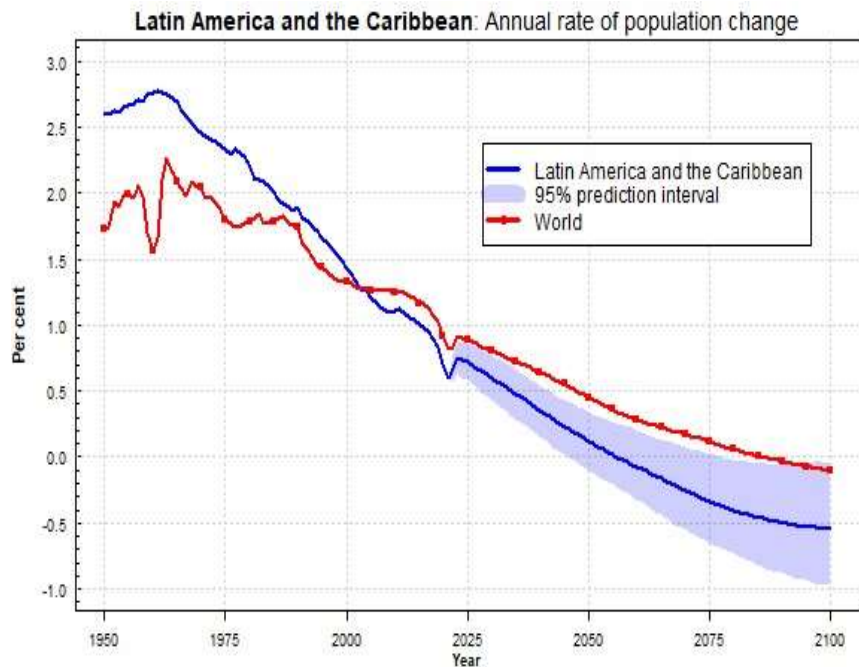


% of citizens that said 'Healthcare' was one of their top three concerns



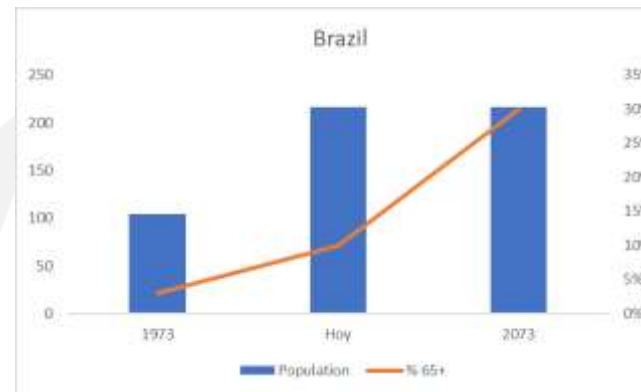
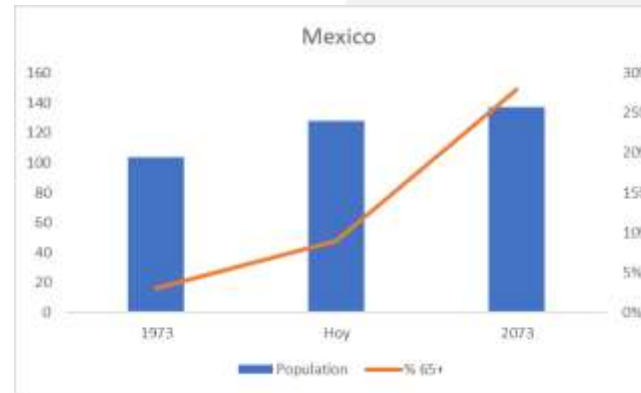
But healthcare and education will be strongly impacted by population & generation changes to come

1. Latin America's population will stop growing



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2. And will become much older



The region is expected to experience the fastest rate of population aging in the world over the coming decades

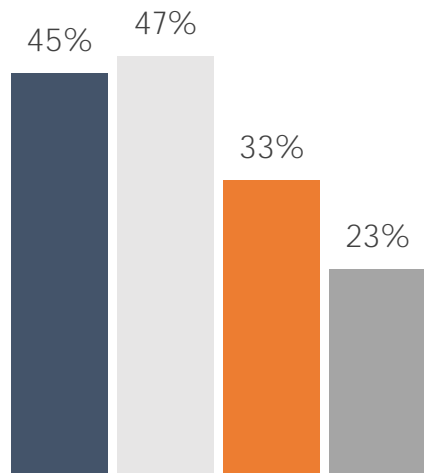
Twice time quicker than what happened in Europe and in 2050 Latam will have 18% of its population over 65yo vs 9% today

This projected growth of the elderly population raises challenges related to pensions, health, and long-term care

But could request less expenses in education (schools and universities starting to close like today in Italy or Japan)

As per attitudes and behaviours of the younger generation (Gen Z - born between 1996 and 2012)

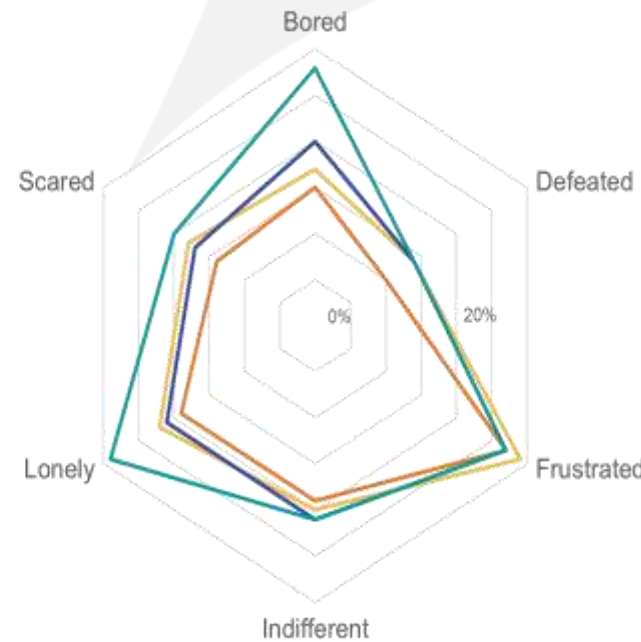
1. Gen Z interacting more online and maybe the 1st global generation



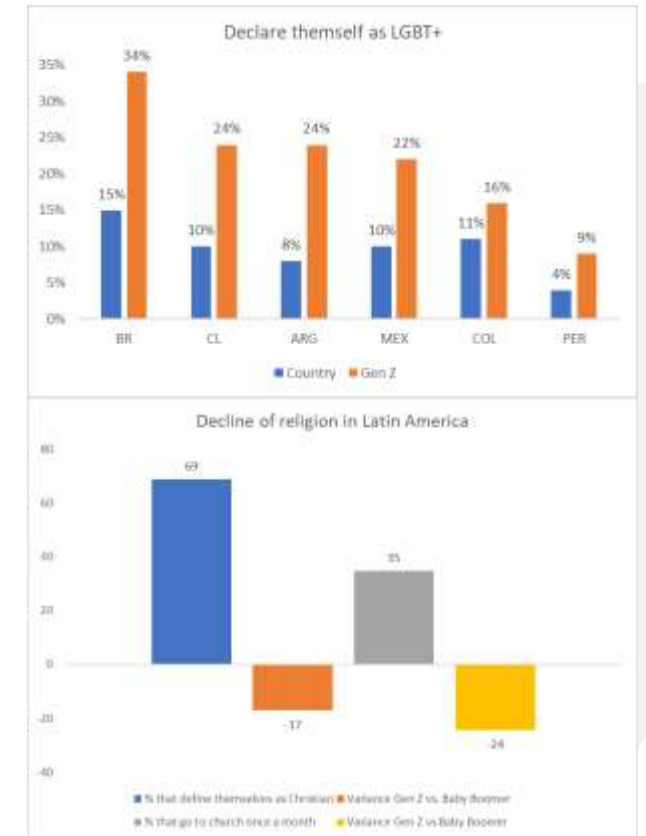
"I spend more time interacting with friends online than in-person"



2. Globally more stressed, lonely and bored



3. Much more LGBT+ and far fewer Christians



What's next?

Looking at 2030!

- After the pandemic, **significant progress** has been observed **on socio-economic factors**: Inflation and unemployment have been decreasing and are becoming less of a concern, like poverty rates (at least in Brazil and Mexico).
 - Economic growth remains a challenge to keep on track these key indicators, but the global geopolitical situation could continue to make Latin America a relatively more attractive emerging region to invest in and to do business
- Aside from the socio-economic factors, the main citizen concerns appear to be focused on societal factors. **Crime, violence and corruption are the most specific and growing concerns, they could be responsible for driving a 'democratic recession'**.
- Other concerns like education and healthcare are more structural. Despite good progress in recent years, the quality of education remains a significant worry and the projected growth of the elderly population will present challenges related to health and pensions
 - Governments and institutions should therefore pay greater consideration to citizen concerns, not only at an economic level but also at a social level, implementing corrective actions and measuring impact on citizen perception and benefits.
 - This should be a must for any government and institution to support the democratic future of the region.

Thank you!

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