Mexican Stock Exchange to Join Latin American Integrated Market, Consolidating All Pacific Alliance Member Country Stock Exchanges

On Thursday, June 19, during the kickoff of the ninth Pacific Alliance Summit in Puerto Mita, Mexico, the Mexican Stock Exchange (Bolsa Mexicana de Valores or “BMV”) announced it will be incorporated with the Latin American Integrated Market (Mercado Integrado Latinoamericano or “MILA”) – an exchange market between Colombia, Chile and Peru. With the addition of the Mexican Stock Exchange to the MILA, all four stock markets of the four Pacific Alliance member countries will be consolidated, further boosting regional economic cooperation and integration.

MILA was formed in 2011 to increase market liquidity within the Pacific Alliance and to expand business for financial markets in the region. With the addition of the BMV, MILA will be the largest exchange market in Latin America, exceeding the Brazilian Stock Exchange. According to Luis Tellez, head of the BMV, at the end of 2013, the combined value of the four countries’ stock exchanges was $1.1 trillion.

During the Pacific Alliance summit, Colombian President Juan Manuel Santos highlighted the importance of the addition of the BMV to the MILA, stating: “We had … very important news, with the addition of Mexico to MILA. This means the entire financial market and financial integration [of the Pacific Alliance] is strengthened significantly.”
The integration of the BMV to the MILA will be in three phases: integrating the buying and selling of stocks (fourth quarter of 2014); public offerings (first half of 2015); and bond buying (second half of 2015).

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**Pacific Alliance Summit Highlights**

Other highlights from the Summit, include:

- Pacific Alliance members agreed to strengthen migration policy within the region through an Exchange Platform for Immigration Information Security, aimed at increasing cooperation to increase security in relation to regional migration and preventing and combating organized crime.

  In a statement following the Summit, President Santos stated, “We also advanced a lot in the movement of people between Mexico and Colombia and Chile and Peru. Now we have real-time information sharing about our immigration controls.”

- During a roundtable discussion on June 10-11, the Pacific Alliance announced a Tourism Promotion Action Plan.

- Pacific Alliance members announced the exploration of creating a financing mechanism for small- and medium-sized enterprises (SMEs) to promote investment and support entrepreneurship in the four member countries. This focus on SMEs led to an agreement with the Organisation for Economic Co-operation and Development (OECD) to aid the Pacific Alliance in facilitating the adoption of policies that boost competitiveness and globalization of SMEs, in order to promote exports and their incorporation into global value chains. The agreement aims to boost the growth of the 6.5 million SMEs in the Pacific Alliance and increase integration among the four countries.

- The Pacific Alliance announced the creation of a Technical Innovation Group, which aims to design, propose and coordinate programs and activities to promote improvements and increase competitiveness of the Pacific Alliance countries.

- Belgium and Trinidad and Tobago were welcomed as new observer countries to the Pacific Alliance. In addition to these two countries, there are 30 observer countries including: Australia, Canada, Costa Rica, Dominican Republic, Ecuador, El Salvador, France, Guatemala, Israel, Japan, New Zealand, Panama, Paraguay, People’s Republic of China, Portugal, Republic of Korea, Turkey, Spain, United States and Uruguay, among others.

- Last week, the Colombian Congress approved the Pacific Alliance Framework Agreement, which was signed by President Santos in 2012 and formalized the Alliance.

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