

IJGlobal Regional Report – Latin America, FY 2023

Angus Leslie Melville

19/02/2024

Infrastructure finance across Latin America witnessed an uptick in activity over the course of 2023 with full-year figures recorded by the IJGlobal database identifying a rise of 8.2% when held against performance in full-year 2022.

Deal count has remained stable across the region, commercial lending and bonds are up, development finance institution (DFI) activity is down, primary financing has fallen but refinance activity is considerably up, and M&A deal flow has slumped.

From 1 January to 31 December 2023, a total of \$126.7 billion of infrastructure finance was deployed across infra / energy in the region, compared to \$117 billion in the previous year. This result includes project finance transactions which also marked a return to form – achieving a 12.4% rise – up from \$48.4 billion in 2022 to \$55.5 billion in 2023.

For clarity, “infrastructure finance” is a catch-all category from the IJGlobal database that is designed to incorporate all private investment into infrastructure and energy, including primary finance, refinance and restructuring. It takes in all project finance, broader debt vehicles as well as all equity invested or lent across the global infra / energy sectors.

To access the Latin American regional report, [CLICK HERE...](#)

Across the board, deal count remained consistent with 480 transactions closed in 2023 against 489 in 2022 and 437 the year before that. However, commercial lending tells a different story with an impressive increase of 53.7% in 2023, a noteworthy step up on the year before. That equates to \$53.5 billion of deals closed last year, against \$34.1 billion the one before.

Capital markets activity – which is not traditionally very active across Latin America in infrastructure and energy – stepped up considerably in 2023 with \$41.9 billion of paper written, a 105% increase on the \$20.4 billion achieved in 2022.

DFI lending fell in 2023 by 30.4% – a possible indicator of continued maturity in the market – with \$8.4 billion deployed in 2023 compared to \$12.1 billion in 2022.

The primary finance of infra / energy across the region has fallen by 22.2% with \$25.6 billion of transactions making it to financial close in 2023, down on 2022 when \$31.9 billion made it over the line. Lending activity in 2023 was focused more on refinancing which witnessed a significant jump of 80% – rising from \$15 billion in 2022 to \$27.1 billion in 2023.

Meanwhile on the M&A front, there was a sharp fall of 67.8% in 2023 – down to \$15.9 billion last year from \$49.4 billion in 2022. This slump was reflected in deal flow with 116 transactions closing in 2023 compared to 166 in 2022. Asset acquisitions represented the larger portion of the M&A mix in 2023 representing \$9.3 billion of activity, while company acquisitions amounted to \$3.8 billion.



Looking at sectoral activity across Latin America, the most active ones over the course of 2023 were oil and gas, power and transport with \$39.5 billion, \$18.3 billion, and \$17.5 billion in infra values, respectively.

For full-year 2023, the commercial bonds market in Latin America amounted to \$36 billion, an impressive increase of 143% on 2022 when \$14.8 billion was achieved. Not quite so dramatic, but showing a distinct uptick in activity, the amount of green bonds issued last year doubled – from \$1.6 billion in 2022 to \$3.2 billion in 2023.

Thank you for printing this article from IJGlobal.

As the leading online publication serving the infrastructure investment market, IJGlobal is read daily by decision-makers within investment banks, international law firms, advisory firms, institutional investors and governments.

If you have been given this article by a subscriber, you can contact us through www.ijglobal.com/sign-in, or call our London office on +44 (0)20 7779 8870 to discuss our subscription options.