

Our View On-The-Ground

REGIONAL MARKET VIEWS

Latin America in Motion:

Where Capital Meets Potential

Latin America remains one of the world's richest regions in natural resources, but how each country has managed and utilized this wealth has shifted over the years. Changes in political leadership and economic strategies have influenced how nations either capitalize on their main commodities or shift toward emerging sectors now in global demand. Some have taken advantage of the moment with forward-looking policies, while others have missed chances to strengthen long-standing advantages.

From copper and lithium to oil, agribusiness, renewables, and fintech, we dive into the sectors and commodities where individual countries are gaining momentum, highlighting the region's most promising investment opportunities as the second half of 2025 unfolds.

| **Brazil**¹

Remains the largest economy in the region.

- Agribusiness constitutes 27% of Brazil's GDP.
 - Alongside the U.S., Brazil ranks among the world's top **soybean** producers, collectively accounting for 68% of global output in the 2024–2025 marketing year. Brazil alone is expected to contribute 196 million metric tonnes (MMT), accounting for 40% of total global production.
 - Brazil led global **beef** exports in 2024, exporting US\$9.3 billion worth of fresh frozen beef and capturing 13.2% of the global market. In early 2025, 15% of these exports were directed to the United States, underscoring its position as a key trade partner.
 - In 2024, Brazil was the world's largest **coffee** exporter, accounting for 22.2% of the world's total coffee exports.

¹ American Soybean Association, "How does U.S. soybean production compare to Brazil," January 2025, <https://soygrowers.com/news-releases/how-does-u-s-soybean-production-compare-to-brazil>; World's Top Exports, "Top Beef Exporting Countries," May 2025, <https://www.worldstopexports.com/top-beef-exporting-countries>; World's Top Exports, "Coffee Exports by Country," May 2025, <https://www.worldstopexports.com/coffee-exports-country>.

| Mexico²

- In 2024, Mexico's **manufacturing** sector attracted 43% of the country's total Foreign Direct Investment (FDI), reflecting strong interest from global firms in its industrial and production base. However, rising trade policy uncertainty in early 2025 contributed to a decline in FDI inflows during the first half of the year. We will continue tracking FDI developments as the second half of 2025 progresses.
- In 2024, ranked among the world's top six **automobile** exporters, with 3.48 million vehicles exported worldwide. Additionally, 40% of U.S. auto parts imports originated from Mexico.
- Mexico remains a key **oil** producer in the global landscape, typically ranking within the top 10 to 12 countries. While it contributes only around 1–1.5% of global supply, its output is around 2 million barrels per day, reflecting its strategic importance in the region.
- World leader in silver production, with 185.7 million ounces in 2024.
- Mexico is the 7th largest **food exporter** in the world. This includes beer, tequila/mezcal, avocados, and tomatoes. It leads in avocados, accounting for 45% of global avocado exports.

| Chile³

- Largest **Copper** Producer, accounts for 23% of global copper output, supplies nearly one-quarter of global copper.
- Chile is the third-largest holder of **lithium** reserves globally, with 14.05 million metric tons, behind Bolivia (21 million tons) and Argentina (19.3 million tons). It currently has the second-largest lithium production capacity in the world, after Australia, supplying approximately 30% of the world's lithium carbonate equivalent.
- In 2024, 68% of Chile's **electricity** was generated from renewables.

² Mexico Business News. (2024). [Mexico sees record FDI growth in 2024 driven by manufacturing](#); Mexico; Business News. (2024). [Mexico ranks 5th in 2024 auto output, surpassing Germany](#); Casey, N. (2024, June 26). [How Mexico emerged from tariff broadside with an edge over Asia](#); The Wall Street Journal; FreshPlaza. (2024, February 2). [Mexico and Peru led avocado exports in 2024](#); Opportimes. (2024). [Mexico: World leader in silver production 2024](#).

³ IMF. (2024, February 15). *Making Chile's Economy More Dynamic, Greener, and Inclusive*. Retrieved from [IMF News Article](#); Zadeh, J. (2025, April 8). *Chile's Lithium Resources: Global Leadership & Challenges*. Discovery Alert. Retrieved from [Discovery Alert Overview](#); Belder, D. (2025, February 25). *Top 10 Copper Producers by Country*. Investing News Network. Retrieved from [INN Copper Production](#)

| Argentina⁴

- Argentina is the third largest **soybean** exporter globally, behind Brazil and the U.S.; it accounts for 6% of global soybean exports.
- Ranked as the third globally **corn** exporter, accounting for 16% of global corn exports.
- The country is the 4th largest global **lithium** producer after Australia, Chile, and China, accounting for 8% of global lithium output.

| Peru⁵

- Peru produces approximately 10% of the global **copper** supply, ranking as the world's third-largest producer.
- The country contributes around 3% of global **gold** output, placing between 9th and 11th among the top producers worldwide.
- Peru accounts for 9%-12% of global **zinc** production, consistently positioning it as the third or fourth-largest exporter internationally.

| Colombia⁶

- Colombia is ranked as the third globally **coffee** exporter behind Brazil and Vietnam, accounting for 9% of global coffee exports.
- The country accounts for 3% global thermal **coal** exports.

⁴ Global Sky Business. (2022). *Argentina: Global Leader in Soybean Meal and Oil Exports*. Retrieved from [Global Sky Argentina Overview](#); Reuters. (2025, July 29). Retrieved from [Reuters LATAM Business](#); Pistilli, M. (2024, May 17). *Top 9 Lithium-producing Countries (Updated 2024)*. Fresh Trade Insider. Retrieved from [Fresh Trade Lithium Rankings](#)

⁵ Zadeh, J. (2025, April 17). *Global Copper Production Shifts: New Leaders Reshape Market*. Discovery Alert. Retrieved from [Discovery Alert Copper Overview](#); Money Metals. (2025, July 24). *Which Countries Produced the World's Gold in 2024*. Retrieved from [Money Metals Gold Production](#); GlobalData. (2024, August 23). *Zinc in Peru – Mining Technology*. Retrieved from [Mining Technology Zinc Insights](#)

⁶ Daily Coffee News Staff. (2024, May 24). *Colombia Coffee Report: Production Increases as EUDR Approaches*. Retrieved from [Daily Coffee News](#); Workman, D. (2024). *Coal Exports by Country. World's Top Exports*. Retrieved from [Coal Export Rankings](#); Carpenter, J. W. (2024, February 21). *The Biggest Oil Producers in Latin America*. Investopedia. Retrieved from [Investopedia Oil Overview](#)

- The country is also recognized for its **oil** production, though it contributes only 0.8% to the global supply.

| Ecuador⁷

- Ecuador accounts for 24% of global **banana** exports, competing closely with the Philippines for the top spot worldwide.
- It is the world's second-largest exporter of farmed **shrimp**, contributing 23% of global supply, just behind India.
- Ecuador produces 0.4% of the world's **oil**, reflecting its modest role in global energy output.

Latin America remains abundant in strategic commodities, with many countries actively capitalizing on their resource strengths. Yet, others continue to sit atop untapped reserves, awaiting policy alignment and investment traction to unlock full potential. Shifts in policy and economic conditions may reshape commodity development across the region. Simultaneously, the tech sector continues to gain ground, as highlighted in our recent Latam Insiders report, adding a new layer of opportunity to Latin America's investment landscape.

At OTG Latin America ETF, we remain confident that our investment strategy, as reflected in our approach and process, allows the ETF to capitalize on the unique opportunities emerging across the region. We will continue to focus our efforts on local markets, actively monitoring political, economic, and social dynamics through an "On The Ground" standpoint.

This opinion article was written on July 29, 2025, by the team of analysts at OTG Asset Management.

⁷ Tendata. (2025, February 5). *Global Banana Exports by Country during 2023–2024*. Retrieved from [Tendata Banana Export Report](#); Reuters Staff. (2025, April 14). *Indian Shrimp Industry Sails Troubled Waters After Trump Tariffs*. Retrieved from [Reuters India Shrimp Industry](#); Reuters Staff. (2025, March 3); Reuters Staff. (2025, March 3). *Ecuador Awards Oil Contract to Chinese-Led Group to Boost 'Crown Jewel' Project*. Retrieved from [Reuters Ecuador Oil Deal](#)

Disclosure: Foreign Investment Risk. Foreign investment risks include foreign security risk, foreign currency risk, and foreign sovereign risk. The prices of foreign securities may be more volatile than the prices of securities of U.S. issuers. In addition, changes in exchange rates and interest rates may adversely affect the values of the Fund's foreign investments.

Latin America Risk. The Fund's performance is expected to be closely tied to social, political, and economic conditions within this region and may be more volatile than the performance of funds that invest in more developed countries and/or in more than one region.

Currency Risk. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. Currency exchange rates can be volatile.