

**Report of the visit of the Rt. Hon The Lord Mayor (Alderman Charles Bowman)
to Chile, Brazil and Peru
22 April – 1 May 2018**

EXECUTIVE SUMMARY

1. Between 22nd April and 1st May the Lord Mayor visited four cities in three key markets in Latin America, in a programme that took in Chile (Santiago), Brazil (Sao Paulo and Rio de Janeiro) and Peru (Lima). In Chile the Lord Mayor was accompanied by the Lady Mayoress and in Brazil by Alderman Alison Gowman (Deputy Chair, Green Finance Initiative). He was also joined in Chile and Brazil by a small business delegation of UK-based firms.

2. This most recent Latin American visit continued the strong relationship that has been established between the region and the City of London in recent years – the Lord Mayor visited both Brazil and Chile as Sheriff in 2016 – which reflects the growing profile of the Pacific Alliance nations and the continued scale of the economic potential of Brazil. Challenges around transparency and political risk remain across the region, but the UK's strengths in the rule of law, regulation, and cyber crime leave it well placed to assist. There was a clear resonance with the Lord Mayor's messaging about his Business of Trust programme, in which there was interest from both the public and private sectors.

3. The visit also provided a chance to offer reassurance and greater clarity on the UK's approaching departure from the European Union. Those that the Lord Mayor met, in both business and government, saw clear affinities with their own objectives and London's aspiration to remain a global financial centre post-Brexit. The opportunities presented by potential new bilateral Free Trade Agreements with the UK were warmly welcomed. The potential role of alternative sources of London-based capital, such as green finance, in supporting ambitious infrastructure projects was widely discussed in meetings in all three countries. The Lord Mayor made the case for the internationalisation of outlook of the financial sector, with London as the foremost, and most globally experienced, source of capital.

4. The Lord Mayor's visit took place in the context of an increased UK presence in the region, where a series of high-level visits have recently been made by ministers, Trade Envoys and others. Visitors have included the Rt Hon Sir Alan Duncan MP (Minister of State for the Americas) and Mark Menzies MP (Prime Minister's Trade Envoy) to Chile and the Rt Hon Liz Truss MP (Chief Secretary to the Treasury) to Brazil. The Rt Hon Boris Johnson MP visited Chile and Peru several weeks after the Lord Mayor, the first such visit to Peru by a UK Foreign Secretary in 50 years. The Lord Mayor's contribution to this effort to raise the profile of the UK in Latin America was a key objective of his visit.

5. Such increase in activity perhaps reflects also the arrival in office of a number of new administrations. The return to government of President Sebastian Pinera in Chile in March 2018 has been met with enthusiasm by the business community, while in Peru a new Presidential administration took office in April following the resignation of President Kuczynski, collateral damage in the Odebrecht corruption scandal wreaking havoc in Brazil. The Lord Mayor's visit was therefore also a timely opportunity to engage with these new leaderships and to present the key messages of the UK financial services sector to newly influential decision makers.

CHILE

6. The inauguration of Chile's new President - Sebastian Pinera, returning to office after a presidential term in 2010-2014 - took place shortly before the Lord Mayor's visit. With a slow down in economic growth continuing (currently at 1.7%) boosting the economy will be the primary focus of the new

administration. His success will depend upon his ability to build consensus with opposition parties in Congress and the ambitious constitutional reform programme of his predecessor is likely to be abandoned. Plans to simplify Chile's tax regime are likely to be the pre-occupying issue in his first year in office. The country remains business friendly – with the most open economy in the region – and the Lord Mayor's visit underlined Chile's potential as the sophisticated access point for the Latin American markets and the increasingly economically integrated countries of the Pacific Alliance.

7. The visit to Santiago was timed to coincide with Expomin 2018, the country's promotional trade fair for its globally significant mining sector. Many innovative UK firms were represented. Despite the openness and performance of the Chilean economy, continuing uncertainties about the price of copper and other commodities is provoking business and government to consider ways to build more efficient models into previously high-performing sectors, to compensate for any decline in prices. The UK's burgeoning FinTech industry is well-positioned to help.

8. The UK's Green Finance offering – in terms of both advisory expertise and the availability of capital – can be particularly relevant to many of the challenges facing the mining industry, where energy use and water management are significant considerations. Chile is well-positioned to be the leader in Green Finance for the region – London will be an important partner.

9. Critical to the UK-Chile commercial partnership has been Chile Day, the investment promotion day held in London for the last eight years. Cooperation between the City and the Chilean authorities and business community will be vital to making sure the next event, planned for September 2018, remains relevant and impactful. Fintech is likely to be a major theme – interest in the sector and the UK's expertise was evident throughout the Lord Mayor's visit. The Chilean regulator will potentially seek to draw on UK models. Turnout at The Queen's Birthday Party, hosted by HM Ambassador, was a clear indicator of the strength of the UK Chile relationship in its broadest sense.

BRAZIL

10. Much has changed since the last visit of a Lord Mayor to Brazil in 2016. The political and economic fallout from the continuing investigations into the Odebrecht corruption scandal, which has precipitated the indictment of former President Rousseff and the conviction and imprisonment of former President Lula, and the country's economic decline, are some of the problems making the current government under President Temer deeply unpopular. Nevertheless the Temer administration has been able to push through some significant economic reforms, driven by the demands of Brazilian and global business, who want to see an improved and reformed business environment and a more open economy in what remains an instinctively protectionist regime. The UK-Brazil commercial relationship is strong, and the Economic and Financial Dialogue, led by the Chancellor of the Exchequer, has produced real results in the reform and partial removal of market access barriers for UK financial services firms. The Lord Mayor's visit provided a platform to promote the bilateral relationship and to press for further progress.

11. In his conversations with the private sector, including Brazilian banking giants Banco Bradesco, Itau BBA and Santander, there was a clear interest in fostering innovation and a thriving Brazilian fintech sector. The eminence of London's fintech offering was acknowledged, with serious thought given to building a relationship with the UK sector to match that already established with the US. There was widespread admiration for the UK's regulators and their agility and responsiveness to innovation, including blockchain technology and cryptocurrencies, as well as recognition that Brazilian institutions need to present a stronger profile to UK investors interested in infrastructure projects but intimidated by perceptions of corruption and political risk. There was keen interest in the City's perspective on Brexit. While the banks did not anticipate reducing their presence in the UK, many were putting in

place contingency arrangements in other European jurisdictions, including Portugal and Luxembourg. Lloyds of London continues to grow its presence in Brazil, responding to changes in local content restrictions, helping to expand the insurance and reinsurance capacity of the Brazilian market.

12. In the state sector BNDES, the national development bank, is working on a re-focused strategy around social and environmental responsibility that fits well with the UK's experience in Green Finance. The UK Green Finance Summit – a day of activity in Sao Paulo organised to coincide with the Lord Mayor's visit – was well-attended and impactful. BNDES will be a key partner in the UK-Brazil Green Finance relationship, particularly through the deployment of £5million of Prosperity Fund resources earmarked for the sector. Engagement with the state Pension Fund managers in Rio de Janeiro revealed much opportunity for UK-based asset managers across a range of approaches, including Green Finance.

PERU

13. As in Chile, the Presidential administration in Peru was freshly in office in time for the Lord Mayor's arrival. Martin Vizcarra, a former Vice President of Peru and Ambassador to Canada, had assumed the Presidency following the resignation of President Kuczynski amid corruption allegations. The new President has appointed an entirely new Cabinet, headed by the Prime Minister, Cesar Villanueva, who was one of the forces behind the Presidential impeachment. The Lord Mayor was able to meet with the Prime Minister, as well as the Foreign Minister and the Trade Minister, in addition to the Governor of the Central Bank, making the visit an excellent opportunity for the UK's engagement with the new administration, prior to a visit by the Foreign Secretary scheduled for some weeks later.

14. The hosting of the Pan-American Games in Lima in 2019 has focussed Peruvian attention on infrastructure and that experience will provide a good foundation for further major projects. Interest in exploring the UK's infrastructure advisory and technical expertise was evident, as well as in the range of specialist capital available through London, including Green Finance. During the visit a Spanish version of the City's report *London: A Global Marketplace for Infrastructure Solutions* was released. A joint UK Peru Infrastructure Task Force is being established, spearheaded by HM Government – a senior City of London representative will be appointed to it.

15. The visit provided the Lord Mayor with the opportunity to present a Mansion House Scholarship to a young Peruvian professional to study at postgraduate level in London. The award was made at a gathering of alumni from the Mansion House scheme and Chevening programme, a testament to the UK-Peru relationship. As a symbol of the enduring friendship between the two countries, the Lord Mayor was also able to include an encounter with the statue of Paddington Bear unveiled by his predecessor Sir Alan Yarrow on his visit in 2015.

LADY MAYORESS

16. The Lady Mayoress undertook a programme of engagements in Santiago in support of the British Embassy's relationships in a range of sectors, including events with the British Chilean Institute.

ACKNOWLEDGEMENTS

17. The Lord Mayor would like to thank Alderman Alison Gowman, HE Fiona Clouder (HM Ambassador at Santiago), HE Dr Vijay Rangarajan CMG (HM Ambassador at Brasilia), Joanna Crellin (HM Consul General, Sao Paulo), Simon Wood (HM Consul General, Rio de Janeiro), and HE Kate Harrisson (HM Ambassador at Lima) and their teams, together with the FCO and DIT in London, who helped to make the visit a success.

FOLLOW UP ACTIONS

Chile: Coordinate with Post, FCO, InBest and other stakeholders to support and promote Chile Day 2018 at the Mansion House or other COLC venue	MH / EDO / Post
Chile: Support forthcoming visits to the UK by Chilean financial services delegations.	MH / EDO / Post
Chile: Share Green Finance Summit 2018 information with Post for promotion in country	EDO / Post
Chile: Meet with incoming Banco do Chile delegation	EDO / Post
Brazil: Support future DIT Pension Funds mission to the UK	MH / EDO / Post
Brazil: Support potential future Green Finance delegation visit to the UK	MH / EDO / Post
Brazil: Explore possibility of Private Family Offices roundtable event during the Green Finance Summit in London	EDO / Post
Brazil: Share details of 2018 Green Finance Summit with Post	EDO / Post
Brazil: Feed into agenda for next Economic and Financial Dialogue	EDO / Post / HMT
Peru: Alderman Alison Gowman to represent the City of London on the UK Peru Infrastructure Taskforce	MH / EDO / Post
All: Identify opportunity to feedback to businesses and government about the outcomes from the visit	MH / EDO

Objectives for the visit can be found at Appendix A. The Lord Mayor's programme is at Appendix B.

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VISIT OBJECTIVES

Overarching objectives of the visit

- To deliver positive messages about the future of the City and the wider UK financial services in the light of Brexit.
- To build upon the continuing work of UK promotion of Green Finance in LATAM markets.
- To advance City of London interests in a number of areas through the identification of commercial opportunities.

Chile

- To provide capacity building and promotion in Green Finance, emphasising UK and the City of London expertise in this area through our existing work in the GFI and the government's Green Finance Taskforce.
- To promote innovation in financial services and provide the building blocks for a collaborative relationship in the area of FinTech. Discuss UK expertise and experience as a leading global fintech hub and explore how Chile is working to expand this sector.
- Promote London as the city of choice for Chile Day.

Brazil

- To continue to demonstrate the City of London's leadership role in promoting Green Finance internationally and follow up on existing activity in this area.
- To participate in the UK Green Finance Summit in Brazil and for the Lord Mayor to support the work of the Green Finance Initiative in market.
- To engage on market issues in insurance and reinsurance as well as asset management and pension funds with key decision makers.

Peru

- Forge links with the new Peruvian government, showcasing London as a leading financial centre in the post-Brexit context.
- Promote the City of London as a key global infrastructure hub that can support and speed up Peru's economic and infrastructure development.
- Meet Peru's corporate and finance "rising stars" and explore potential for education/academic partnerships in Fintech.
- Strengthen the links between UK and Peru's financial and capital markets, promoting London as preferred market for listings and green bonds.

PROGRAMME**Saturday 21st April 2018 – London/Santiago (-4hrs)**

TIME	ENGAGEMENT
21:55	Depart London.

Sunday 22nd April 2018 – Santiago (-4hrs)

TIME	ENGAGEMENT
08:30	Arrive in Santiago.
11.30	BRIEFING MEETING with Embassy Team
13.30	LUNCH with members of the Chilean British Chamber of Commerce

Monday 23rd April 2018 – Santiago (-4hrs)

TIME	ENGAGEMENT
08.00	ASSET MANAGEMENT BREAKFAST
11.15	VISIT to Expomin Trade Show
14.00	LUNCH with Santiago Stock Exchange
15.30	FINTECH SEMINAR
19.00	FINANCIAL SERVICES DINNER hosted by InBest

Tuesday 24th April 2018 – Santiago (-4hrs)

TIME	ENGAGEMENT
10.00	GREEN FINANCE SEMINAR

11.45	CALL on the Commission for Financial Markets
13.00	LUNCH with Chilean British Chamber of Commerce (CBCC)
15.00	MEDIA INTERVIEWS
18.30	THE QUEEN'S BIRTHDAY PARTY hosted by HM Ambassador

Wednesday 25th April 2018 – Santiago / Sao Paulo (-4hrs)

TIME	ENGAGEMENT
07.00	Depart Santiago.
10.55	Arrive in Sao Paulo.
13.00	BRIEFING LUNCH
14.30	GREEN FINANCE INITIATIVE COUNCIL MEETING
17.00	MEETING with Bradesco
18.30	RECEPTION AND DINNER hosted by HM Ambassador

Thursday 26th April 2018 – Sao Paulo (-4hrs)

TIME	ENGAGEMENT
08.45	MEETING with VIP Guests from UK Green Finance Summit
09.15	UK GREEN FINANCE SUMMIT
10.00	MEDIA INTERVIEW
10.45	MEETING with PWC and B3
12.30	WORKING LUNCH with Santander
15:30	MEETING with Itaú Unibanco

17.30	NETWORKING RECEPTION at UK Green Finance Summit
19.00	DINNER with Green Finance Summit delegates

Friday 27th April 2018 – Sao Paulo / Rio de Janeiro / Sao Paulo (-4hrs)

TIME	ENGAGEMENT
08.30	Depart Sao Paulo.
09.35	Arrive in Rio de Janeiro.
10.30	INSURANCE AND REINSURANCE ROUNDTABLE
12.30	LUNCH with Pension Funds
14.30	MEETING with BNDES (Brazilian National Development Bank)
16.00	MEETING with Lloyds of London in Brazil
19.15	Depart Rio de Janeiro.
20.15	Arrive in Sao Paulo.

Saturday 28th April 2018 – Sao Paulo / Lima [-4 Hours / -6 Hours]

TIME	ENGAGEMENT
19.15	Depart Sao Paulo.
22.30	Arrive in Lima

Sunday 29th April 2018 – Lima [-6 Hours]

TIME	ENGAGEMENT
18.30	BRIEFING SESSION with Embassy Team
19.30	DINNER for Mansion House Scholarship Scheme hosted by HM Ambassador

Monday 30th April 2018 – Lima – London (- 6hrs)

TIME	ENGAGEMENT
08.00	GREEN BOND EVENT with Lima Stock Exchange
09.30	CALL on Prime Minister, Foreign Minister, Trade Minister
11.00	CALL on Governor of the Central Bank
12.00	INFRASTRUCTURE AND INVESTMENT ROUNDTABLE
16.00	SPEECH at Pacifico University
20.00	Depart for London

Tuesday 1st May 2018 – London

TIME	ENGAGEMENT
	Arrive London Heathrow