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# 2022 Regional Risks for Doing Business in Latin America



**Global risks** | Article | November 07, 2022 | ⌚ 4 min read

The business community in Latin America has identified a series of risks for doing business in this full of potential but rather volatile, region.

by **Laurence Maurice**, CEO Latin America

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The 2022 World Economic Forum Regional Risks for Doing Business Survey showcases that in addition to the structural risks that we have been seeing in previous editions of the survey, there is a series of concerns that have been intensified or simply have aroused as “new” ones, such as **rapid and/or**





Following **rapid and/or sustained inflation (#1)** and **cost of living (#2)**, business leaders consider the **lack of widespread digital services and digital inequality (#3)**, **natural disasters and extreme weather events (#4)** and **state collapse (#5)**, as the top five regional risks and sensitive spots.

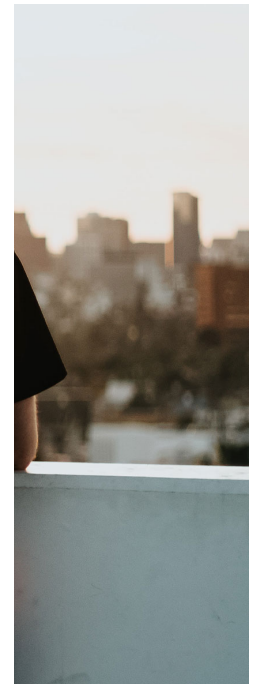
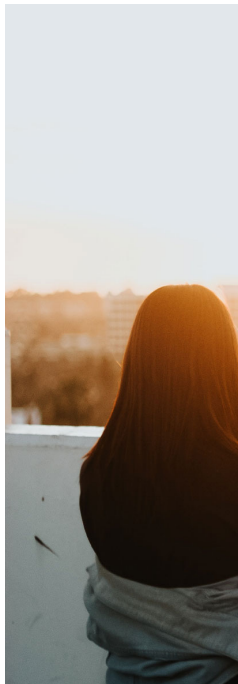


There is one special risk that deserves particular attention in this region: **widespread youth disillusionment**. This is quite unique and indeed is affecting the region as a whole. Younger generations – who, by definition, have a global mindset and see the world through a completely different lens than the more senior generations – tend to feel there is no future in their country and look for opportunities abroad. This is reflected in an increasing number of young people leaving their home countries to start from zero.

Needless to say, this does not apply to the vulnerable population which, per se, live day to day and must deal with extreme limitations that make it impossible to imagine any future.

Apart from the **structural social vulnerabilities**, the increasing inflation creates a gap between the wealthy and the underprivileged that is unbearable, while also creating a significant impact on the already strongly affected middle class, currently suffering the aftermath of the pandemic.

All this leaves this unique region with a general sense of uncertainty and instability that affects individuals and families, as they face fragmentation and problems that have not yet been solved.





**opportunities for long-term view** investments and targeted strategies. The remarkable resilience of its people and their ability to **adapt to constant changing scenarios** with **creativity** and **innovation** are the foundations on which business can be built and substantial value delivered.

These elements combined with the understanding that each country has its own individual identity serve as **essential differentiators** to comprehend this region and therefore assess and successfully address the issues of volatility and uncertainty.

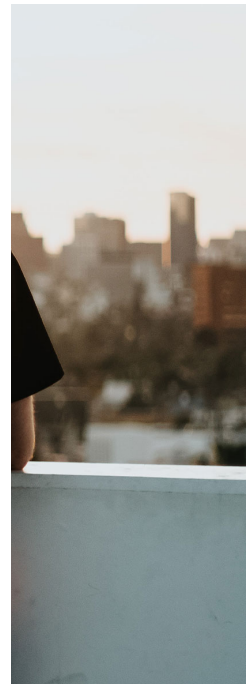
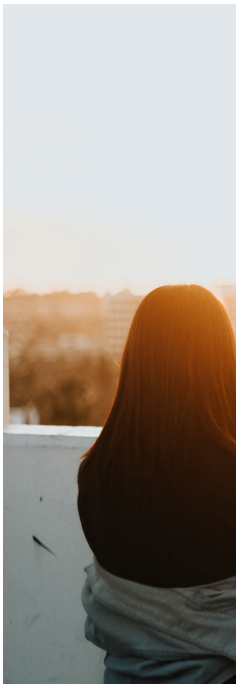
In addition, as a **large commodity manufacturer and exporter**, the region benefits from the **increase of the main export commodities due to the recovery in global demand for minerals, metals, fossil fuels and agricultural products**, following the impact of the COVID-19 pandemic.

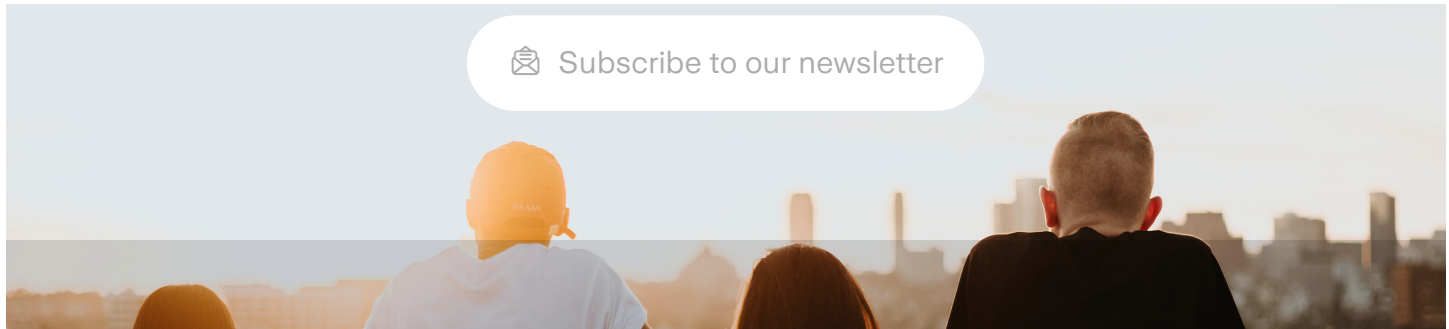
In the first months of 2022, those upward trends, especially in hydrocarbon prices, have been strengthened by the conflict between the Russian Federation and Ukraine.

From a demographic standpoint and as an under-development region, **Latin America's population is growing fast and becoming more demanding of sophisticated products** and services, in order to secure themselves and their belongings.

At **Zurich**, we have the **ambition, professional experience, skills, and resources** to deeply understand the region and continue **servicing our customers and distributors** as we have been doing during the last five decades. We want to create **meaningful relationships**, addressing their needs in a constantly changing and challenging environment.

Our teams in the markets have a deep understanding of their own realities and the ability to manage volatility. **Our commitment to the region is for the long run as we are fully convinced of its opportunities.** While we continue serving our customers, we want to become one of the most impactful businesses in the region, therefore playing our role as a social agent in the creation of a brighter future, aiming at a more just and sustainable society.





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