

# Fernando Lelo de Larrea: "The most important IPOs in the next 3 years may be Mexican".

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MIAMI, FLORIDA, ESTADOS UNIDOS, February 15, 2022 /EINPresswire.com/ -- The pandemic that started a global crisis left an uncertain outlook for thousands of companies around the world and Latin America was no exception, however, in the [Venture Capital](#) arena many have benefited. As an example, in 2021, companies backed by these funds raised \$14.8 billion through 772 deals in Latin America, by SoftBank, according to PitchBook.

Before the pandemic, venture capital betting was monopolized in China, Southeast Asia and India, where funds such as Japan-based Softbank will invest more than \$100 billion, far outpacing Latin America. However, the landscape has changed: SoftBank investors saw in Brazil and Mexico, quality of Latino entrepreneurs with expectations of growth.

"Although 2021 was the year of venture capital, the next step in Mexico and Latin America is to see IPOs of technological startups that mark new milestones in the Latin business world," said investment expert [Fernando Lelo de Larrea](#) and [ITAM](#) economist.

The VC's invested in the region raising more capital than the last thing gathered in the last six years. The attention of these organizations in Latin America, allowed a better development of organizations and the generation of unicorns such as Kavak and Bitso, wanted to raise more than 1,000 million dollars and 250 million, respectively. Clip for example is another company that evolved as a unicorn during the pandemic.



Entrepreneur

In Mexico alone, this favored the recovery of venture capital investments, since unlike 2020 when investments were reduced 37% compared to 2019, last year they increased by 13 percent. Among the other VCs with a high presence in Mexico are: Kaszek Ventures, Angel Ventures Mexico AVPAFII, FJ Labs, ALLVP, 500 Startups and SoftBank, who realized the rapid expansion that Latin American startups registered for the second half of 2020. Tiger Global, D1, DST and Coatue, as well as Accel, Benchmark and Andreessen Horowitz, also started investing. At Softbank, they began investing in early-stage startups, doubling investments in Latin America, with an initial commitment of \$3 billion.

"The advancement of technology applied to local solutions in our countries can be revolutionary in a few years for the benefit of the people of Latin America," said Fernando Lelo de Larrea.

Of a total of 18 unicorns originating in Latin America, nine were achieved in 2021. These companies include the payment company Clip (from Mexico); the producer of NotCo vegetable proteins (from Chile); and CargoX (from Brazil), which connects truckers with corporations.



Fernando Lelo de Larrea  
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In the analysis of last year's operations, it highlights that venture capital was more focused on FinTech and new opportunities, such as those that emerged with PropTech (developments for the real estate sector), which began to have an expansion that all venture capital, not only from Latin America, found attractive.

With this advance, venture capital firms at a global level began to see the region as a potential market, taking into account the 650 million inhabitants and that has a lot to give in relation to GDP construction, because it only

contributes 8% of global GDP. In 2021, this interest began to consolidate and large investment funds saw an opportunity for growth in the region. That led to venture-backed firms raising \$14.8 billion in some 722 deals. By 2022, everything points to the trend continuing, and some of the industries that demonstrate latent growth, such as FinTech, will continue to be the focus. "In the case of PropTech, there are great opportunities since it is a growing industry, considering that in Latam there is still not, for example, the success stories of the UNITED STATES, where

most of the transactions of purchase, sale or rent are made online," said the expert Fernando Lelo de Larrea. Industries like HealthTech also have room to grow in the region. The concept of telemedicine by necessity (as a result of the pandemic) underwent a forced expansion, but that form of consumption will begin to take relevance over the years "Latin America is beginning to be not only a fertile field for dozens of unicorns, but also an established destination and a focus of attention for Venture Capitals that see in the region's tax regimes and public policies that grant more flexible loans to investment, a playing field that will allow to apply and innovate faster than in other regions of the world. Nothing is written but it is likely that in about two or three years we will begin to see success stories of Latin American IPOs that are the pride of the region," concluded Fernando Lelo de Larrea. Precisely, this Tuesday, the Chilean Betterfly reached that status, by ending a new round of financing. With this, he joined his compatriots NotCo and Cornershop.

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