

In The News

Akerman Partner Pedro Freyre Reacts to Chile's Constitutional Referendum and Buoyed Capital Market

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Following the election of Chilean President Gabriel Boric' last year, capital outflows began to increase. In March of this year, consulting and accounting firm Grant Thornton warned that at the end of 2021 around \$50 million had found other markets to settle after "sailing" from the Chilean economy. However, in recent months, since Chileans voted to reject President Gabriel Boris' Boric or Boris? progressive constitution in September, the Santiago Stock Exchange has outperformed other emerging markets as well as the S&P 500.

In a *LexLatin* article, International Practice Chair [Pedro Freyre](#) shared his reactions to the constitutional referendum and his projections for Chile's capital market.

"The rejection was important and, for the time being, it reassured the economy, since that Constitution was not moving forward. The other thing is that at the macroeconomic level, Gabriel Boric has been less progressive and activist against business, he has realized that he has to govern with the right-wing parties and that has helped to give guarantees to the business community," said Freyre.

LexLatin wrote: "With this economic environment, high inflation and bullish stock behavior, Freyre

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expects capital outflows to moderate, but they are not expected to return anytime soon.”

“It is not easy to withdraw capital and once it is done it is difficult to return it, the investments that were withdrawn have medium-term horizons, the flow of capital is going to decrease, there will be no way out, but that bet of having a little capital (outside Chile) is going in the medium term,” remarked Freyre.

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