



GLOBAL OPPORTUNITY INDEX 2025

Revisiting Latin America and the Caribbean

Research Brief

The Global Opportunity Index (GOI) 2025 report focuses on Latin America and the Caribbean (LAC). In 2023, the LAC region attracted almost half (48.9 percent) of foreign direct investment (FDI) inflows to emerging and developing (E&D) economies. Based on project announcements, it is likely to remain a popular investment target in years to come.

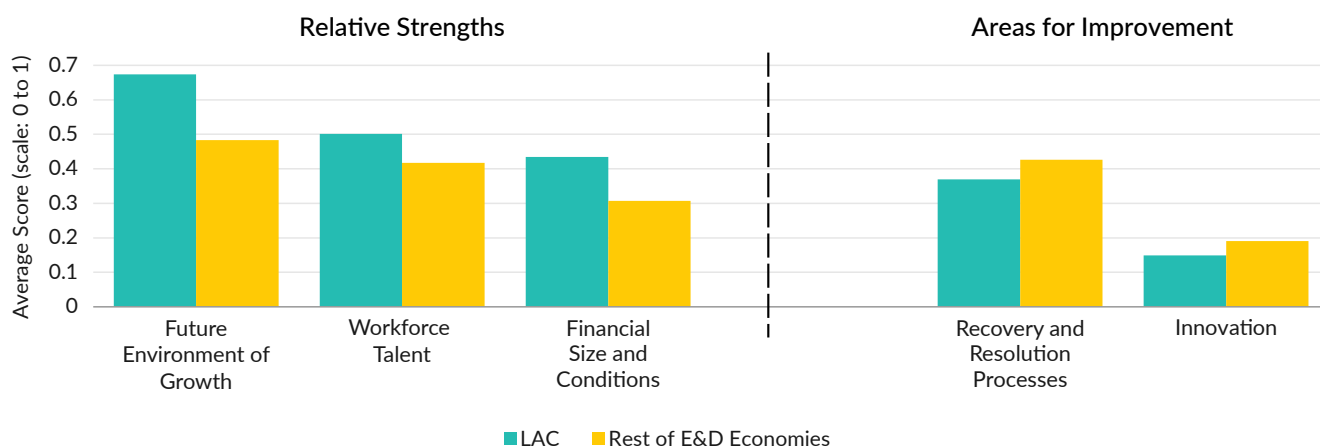
This report provides an overview of LAC's main strengths and vulnerabilities through the lens of the GOI and its various components, which reflect key business, legal, and regulatory policies that affect investments. It also offers an in-depth look at the composition and evolution of Latin America's global capital inflows, emphasizing the role played by FDI and cross-border mergers and acquisitions in stabilizing the region's investment flows.

Our analysis shows that the LAC countries perform relatively well in three subcategories of the GOI:

- **Future Environment of Growth:** All five of LAC's major economies perform above the E&D average on this subcategory of the GOI, which measures countries' potential for resilient and sustainable growth. Costa Rica and Uruguay stand out as the region's leaders in this area. Both of these countries benefit from vast natural resources and a relatively equitable society, as reflected by a high proportion of women in their governments.
- **Workforce Talent:** Built through sustained education investments, the expanding highly skilled labor force has been an important driver of economic growth for the region, with 12 of 19 LAC countries scoring above the E&D average in this subcategory. Fertility rates have dropped markedly throughout the region in recent decades. Because of this, Latin American countries will need to find new ways to expand their working-age population (such as by adding more women to the workforce) to continue benefiting from this area of relative strength.

- **Financial Size and Conditions:** Brazil, Chile, and Uruguay are the regional leaders in this area, while Guatemala and Paraguay lag slightly behind other LAC economies. Brazil, in particular, stands out in the Financial Services category, ranking 29th and placing among countries such as Ireland and Finland in this category of the GOI.

**Figure 1. Performance of LAC on Select Subcategories of the GOI
Comparison to the Rest of E&D Economies**



Source: Milken Institute (2025)

However, the region continues to lag behind other E&D economies in the **Recovery and Resolution Processes** and **Innovation** subcategories of the GOI. To maintain their global competitiveness, LAC economies will need to strengthen institutions, invest in research, and streamline regulations to remove unnecessary bureaucratic burdens. With abundant resources and a favorable growth environment, LAC countries have the potential for a resilient future if they can successfully leverage their assets while tackling systemic obstacles to growth.

For more information, visit <https://milkeninstitute.org/article/global-opportunity-index-2025-revisiting-latin-america-and-caribbean>

