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## BLOG

### Planned Merger of Peru and Colombia Stock Markets Postponed

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by **AQ Online**



The Colombian stock exchange (BVC) and Lima stock exchange (BVL) **announced yesterday** in a joint press release that they will delay their ownership merger until Peruvian President-elect Ollanta Humala has an opportunity **to revise the agreement**. Under the current proposal, announced in January, Colombia's exchange would own 64 percent of the new company and Peru's 36 percent.

The announcement does not affect the **trading integration** of the Colombian, Chilean and Peruvian stock markets that began under the framework of the Integrated Latin American Market (MILA) on May 30.

The statement released yesterday said that the decision referred only to a postponement of the merger and not a modification of any of its terms. Nonetheless, **Kurt Buneo**, Humala's economic advisor, said that the integration of stock trading had been done "too quickly," and the new government would need to renegotiate if "there is asymmetry in the distribution of benefits."

Following the announcement, the BVL fell 11 percent and the BVC dropped 2 percent.

In spite of the delay, officials from the two exchanges **reiterated their support** for the agreement, saying it would contribute to both countries' economic growth, and a final deal could happen later this year. The merger would continue the process of diversification, expansion and improvement of the Colombian, Peruvian and Chilean exchange markets begun with the launch of MILA—the second-largest stock market in Latin America after Brazil's—earlier this year. There is also the possibility that **Mexico and Panama** may join MILA.