

ARGENTINA

OPEN TO THE WORLD



Ministry of Foreign Affairs and Worship
Argentine Republic

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

Huge domestic market

- Population of 43 million people (4th largest in LatAm).

POPULATION **43 Mn**

MEDIAN AGE **~30 YEARS**

57% OF POPULATION IS WORKING AGE

- #3 largest economy in LatAm (GDP of USD 586 Bn).
- #2 highest GDP per capita (in PPP terms) in LatAm (USD 22,500).
- Argentina is one of the least unequal countries in the region. (0,412 GINI index in 2015)
- #3 largest consumer market in the LatAm and #18 in the world.

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

MERCOSUR Member



- Biggest **economic trading bloc** in the region
- # 5 largest **economy** in the world
- **Combined GDP (PPP) > USD 3 trillion**
- Access to ~ 300 Mn **pop.**
- **Common external tariff** on most goods (except automotive & sugar).
- **MERCOSUR - EU** free trade agreement under negotiation

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

Abundant natural resources

PRIMARY NATURAL RESOURCES BY REGION



CUYO

Agricultural products: grapes (wine production), olives
Mining: gold, silver, cooper

PAMPAS

Agricultural products: soy, wheat, maize, sunflower, peanut
Cattle raising

PATAGONIA

Fish
Fruits
Petroleum, shale oil, shale gas

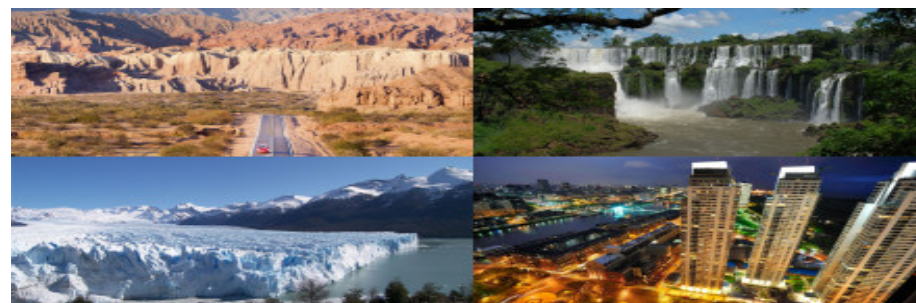
NORTHWEST

Agricultural products: soy, maize, sugar cane
Mining: gold, silver, lithium, potassium
Gas

NORTHEAST

Agricultural products: tea, yerba mate, rice, soy, corn, citrus products and derivatives
Forestry

- Wide range of **climates and geographies**.
- **#8 largest territory** in the world: 2.8 Mn km², with 53% of arable land.
- Abundant **aquatic resources**: more than 4,700 km of coastline.



ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

Abundant natural resources

- Abundant **renewable energy resources**: strong potential particularly for solar and wind energy projects.
 - #3 largest **wind reserve** in the world.
 - #2 largest **solar reserve** in the world.
- World leaders in **biodiesel** and **bioethanol** production.
- There is still room for expansion in the **forestry and biomass** industries.
- Large **oil and gas reserves**: #2 largest shale gas and #4 largest shale oil reserves in the world.
- Extensive **mineral reserves**: #2 largest producer of lithium and #3 largest producer of boron in the world.

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

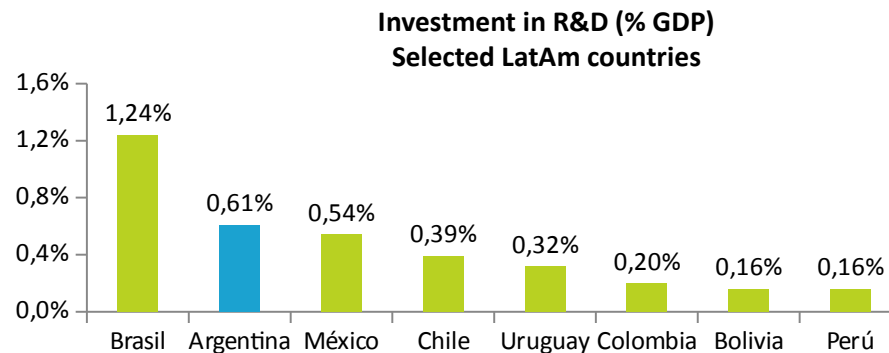
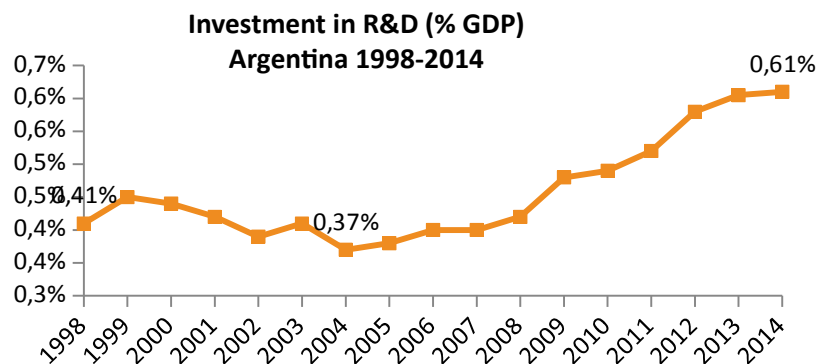
High quality human resources

- Highly qualified labor force, renowned for its **technical skills & creativity**.
- #2 in LatAm in **Human Development Index**.
- 98.1% **literacy rate**, ~120,000 higher education graduates per year.
- Best **university system** in the region (according to last “QS report”).
- #1 LatAm university to enter the Top 100 in “**QS Ranking**” (UBA: #75).
- #1 in the **English Proficiency Index** (LatAm region) and one of the best TOEFL average scores in the world.

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

Sustained investment in R&D

- Total investment in R&D grew > 300% (in USD) between 1998-2014.
- #2 highest R&D expenditures (relative to GDP) in LatAm.



Source: Unesco

- #1 in LatAm in terms of **number of scientists** per million people (1202); #2 in LatAm & #29 in the world in terms of **number of scientific publications**.
- CONICET was selected #2 best **scientific research institution** in LatAm.

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

Diversified economy

- One of the largest **net exporters of food and beverages** in the world.



59 Mn
TONS PRODUCTION

1st Soyoil exporter (6 Mt)
2nd Soymeal exporter (32 Mt)
3rd Soybean exporter (12 Mt)



27 Mn
TONS PRODUCTION

3rd Corn exporter (17 Mt)



2.8 Mn
TONS PRODUCED

11th meat exporter (265 Mt)

- Strong industrial tradition:** great development of the agro-industrial sector, but also the automotive, naval, aerospace, chemical and pharmaceutical industries.
- Growing production of **technological and differentiated services:** software development and computer services, as well as creative industries, stand out.
- In the last 20 years, **services exports** quadrupled, reaching a value close to USD 15 billion.

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

Expanding infrastructure

- Important **infrastructure**, but there is still a lot of room for improvement, especially as we have a very large surface area (#8), very lengthy coastlines (#24) and extensive navigable waterways (#11).



50 AIRPORTS
20 International



14 PORTS
with 2.2 Mn containers



182,000 Km
routes



25,023 Km
railways, with 8,588
million passengers per
km

- #2 in LatAm in terms of **Internet connectivity** (65% Internet users).
- #3 in LatAm in **Mobile Connectivity** Index.
- The current government has launched an ambitious **infrastructure program** to further boost the country's competitiveness.

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

Foreign investors and their investments are protected by law

- ◉ National level
 - ◉ **Foreign Investment Law** & Argentine Constitution
- ◉ International level
 - ◉ ~ 60 **bilateral investment treaties**, including one with the Belgium–Luxembourg Economic Union.
 - ◉ Argentina is also a member of **ICSID** and has been an Observer of the Investment Committee of the **OECD** since 1996.
- ◉ Argentina is a member of **MIGA** and the **World Bank Group**, which provide insurance coverage for foreign investments.
- ◉ Luxembourg and Argentina have signed a **Social Security Agreement**. Maybe an avoidance of **Double Taxation Agreement** in the future? Already signed one with Belgium.

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

High quality of life



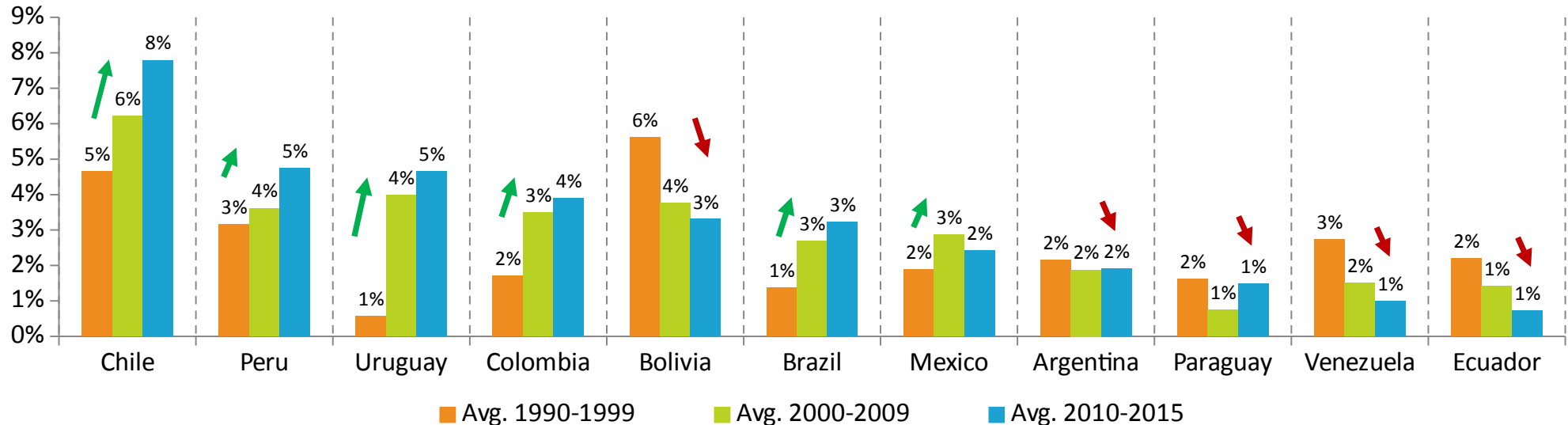
- Argentina has a long lasting tradition of welcoming **immigrants**.
- As a result, we have an exquisitely varied **cuisine**, rich **architecture** and vibrant **cultural life**.
- Argentina is still a **top destination for expatriates** from around the world.
- > 2 Mn. **expatriates** currently live in Argentina.
- Argentina hosts the biggest **Belgian expat community** in LatAm.
- Buenos Aires: selected as **#2 best city to live in** the LatAm region.

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

FDI flows evolution in LatAm: 1990 - 2015

- Despite all its strengths, Argentina's incoming **FDI flows** stagnated.
- In 2015, it was one of the smallest **recipients of FDI**, relative to GDP, in the region.

Evolution of incoming FDI (% GDP)

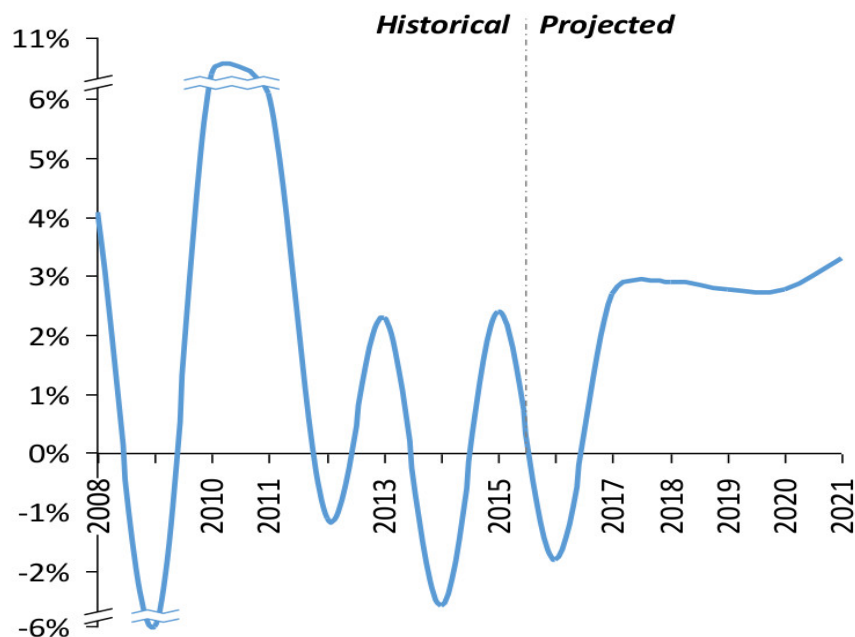


ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

Growth model

Argentine GDP is expected to rebound strongly in the next few years

YoY GDP Growth (constant 2004 prices)



- Average **GDP growth** between 2002-2011: 8%.
- **Based on:** the reuse of idle capacities, expansion of consumption, record levels of international prices of primary products, expansion of the area used for agricultural production, protection of local industries.
- **Weaknesses:** surging inflation, recurrent devaluations to restore competitiveness, lack of foreign investments, restrictions to foreign trade, “technical default” of sovereign debt.
- By 2012, it was evident that this growth model was exhausted.

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

Highlights of the first year – Normalizing economic imbalances

- ◉ Settled negotiations with debt default holdouts, followed by a return to capital markets and multiple bond sales.
- ◉ Elimination of foreign exchange controls, Argentine peso put on managed float.
- ◉ Reduction of restrictions on imports & tariff removal on most exports.
- ◉ Bolstering of Central Bank reserves.
- ◉ Establishment of fiscal and inflation targets.
- ◉ Central Bank emphasis on using monetary policy to reduce inflation.
- ◉ Relaunching of the National Institute of Statistics and Censuses (INDEC). Removal of IMF censure on INDEC.







ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

Highlights of the first year – Foreign Policy

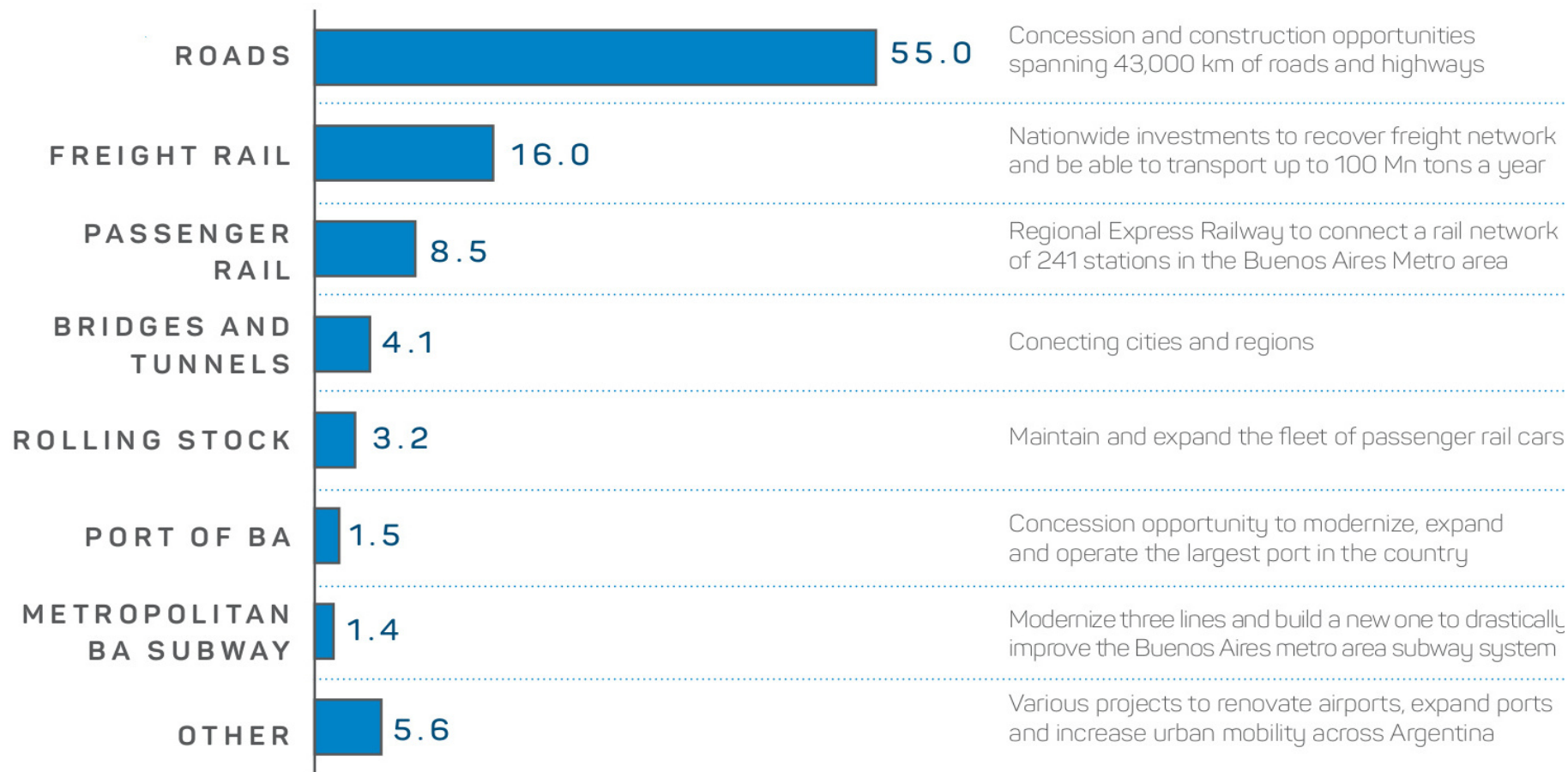
- ◉ Leadership position in **MERCOSUR/EU** talks.
- ◉ Observer status in the **Pacific Alliance**.
- ◉ Fast-track process to join the **OECD**.
- ◉ Ratified bid to host the 2018 **G20** summit.
- ◉ **High level meetings** with several international leaders.
- ◉ **Belgium**
 - ◉ 2017: 3 regional missions to Argentina (VOKA, FIT & AWEX);
 - ◉ 2018: Mission led by Princess Astrid & State Visit of President Macri
- ◉ **Luxembourg**: Mission in March 2018?

ARGENTINA: A STRATEGIC LOCATION FOR INVESTMENT

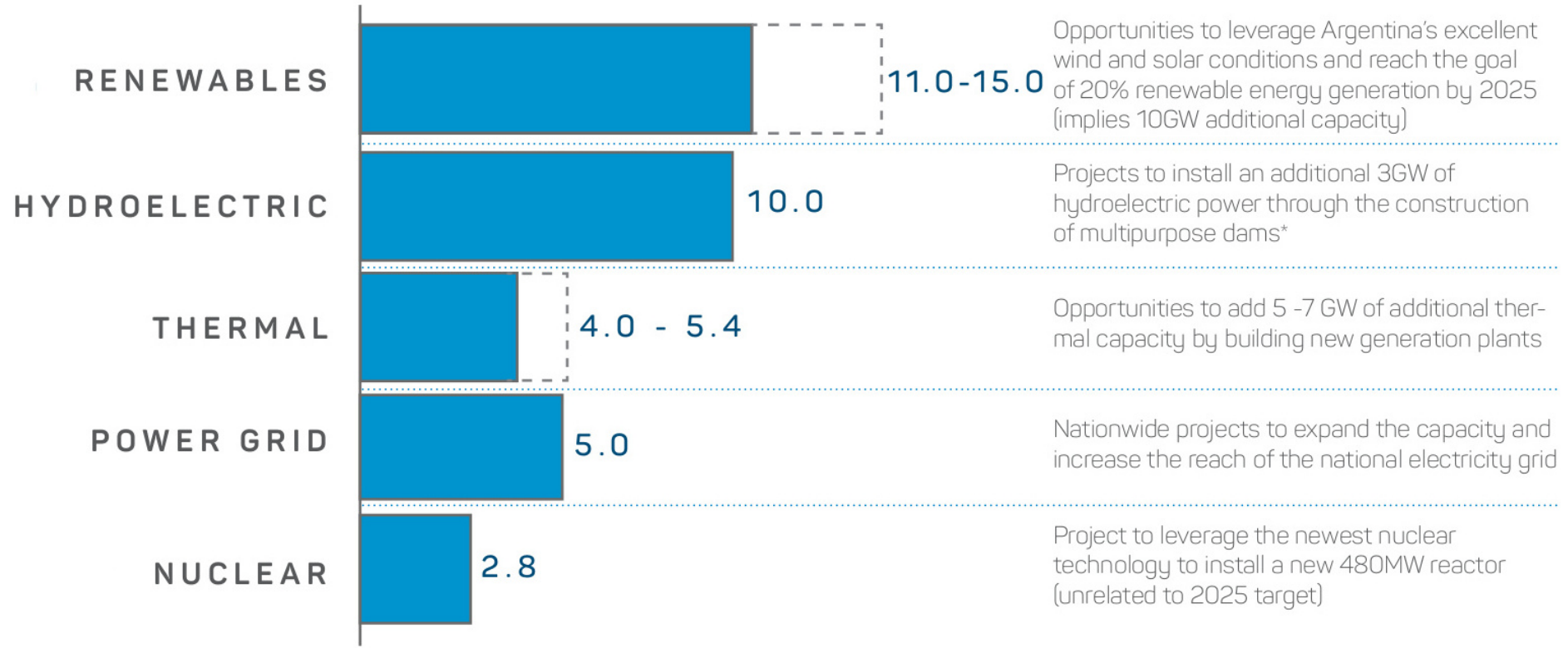
Sectors with most opportunities for growth

	INFRASTRUCTURE
	RENEWABLE ENERGIES
	MINING
	OIL & GAS
	AGRIBUSINESS
	ICTs

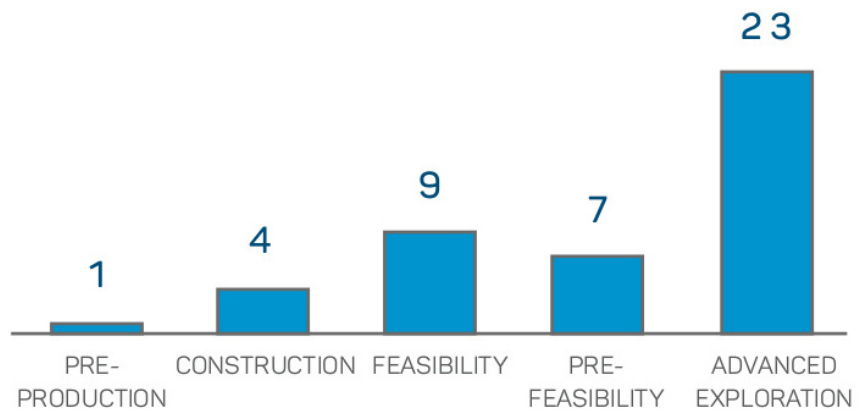
OPPORTUNITY DETAIL (USD BN)



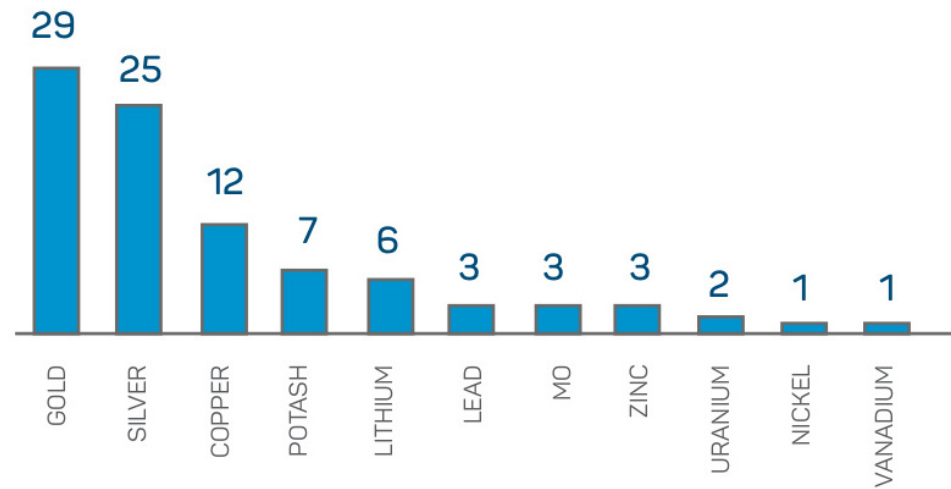
OPPORTUNITY DETAIL (USD BN)



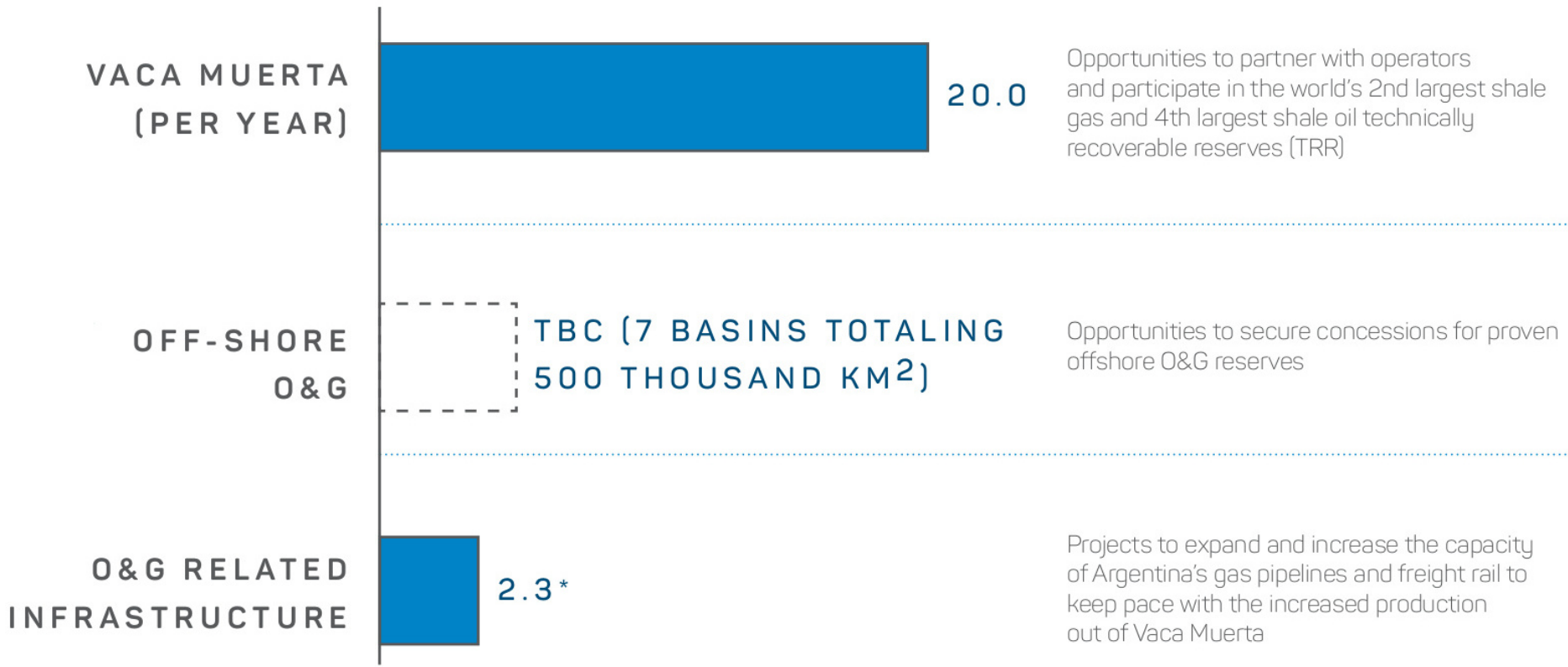
OF PROJECTS BY DEVELOPMENT STAGE



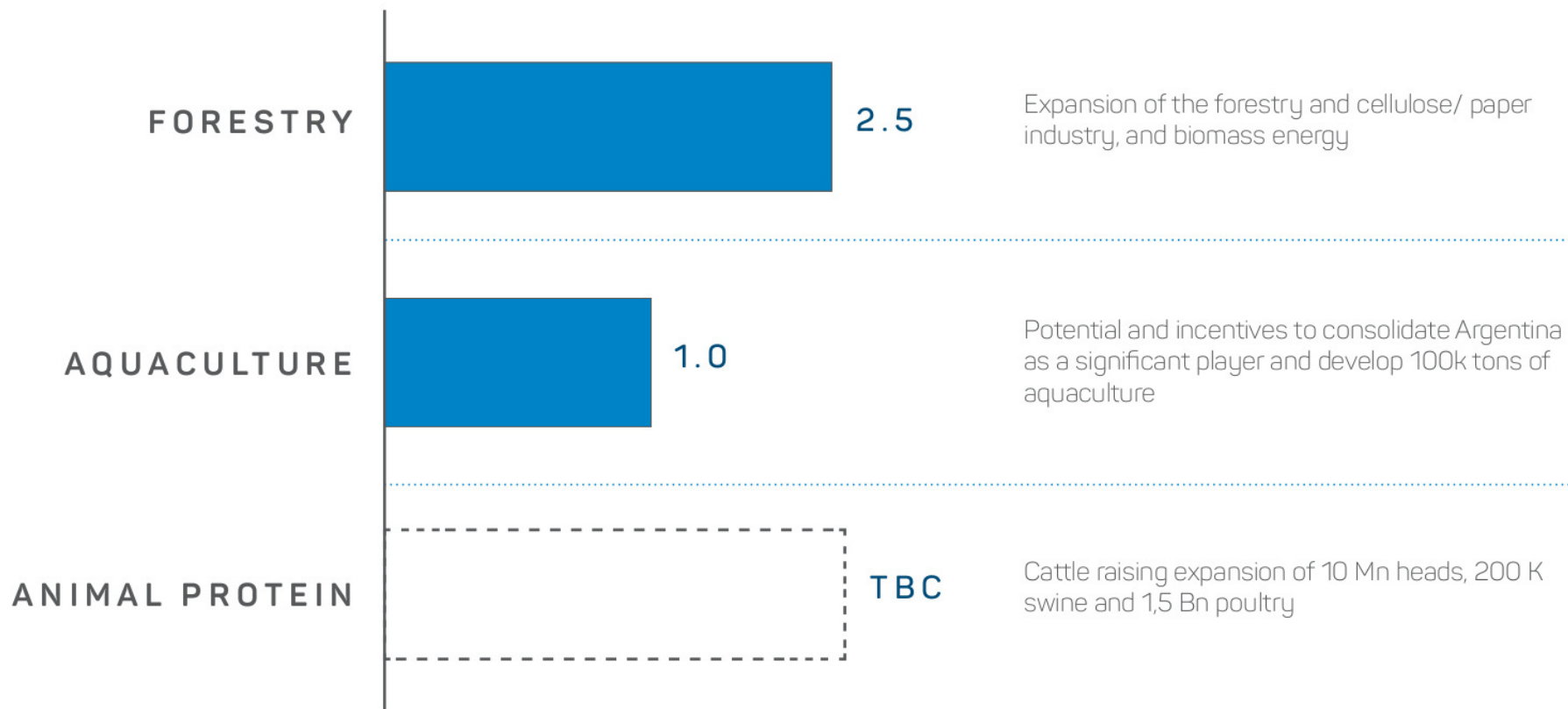
OF PROJECTS BY ORE TYPE*



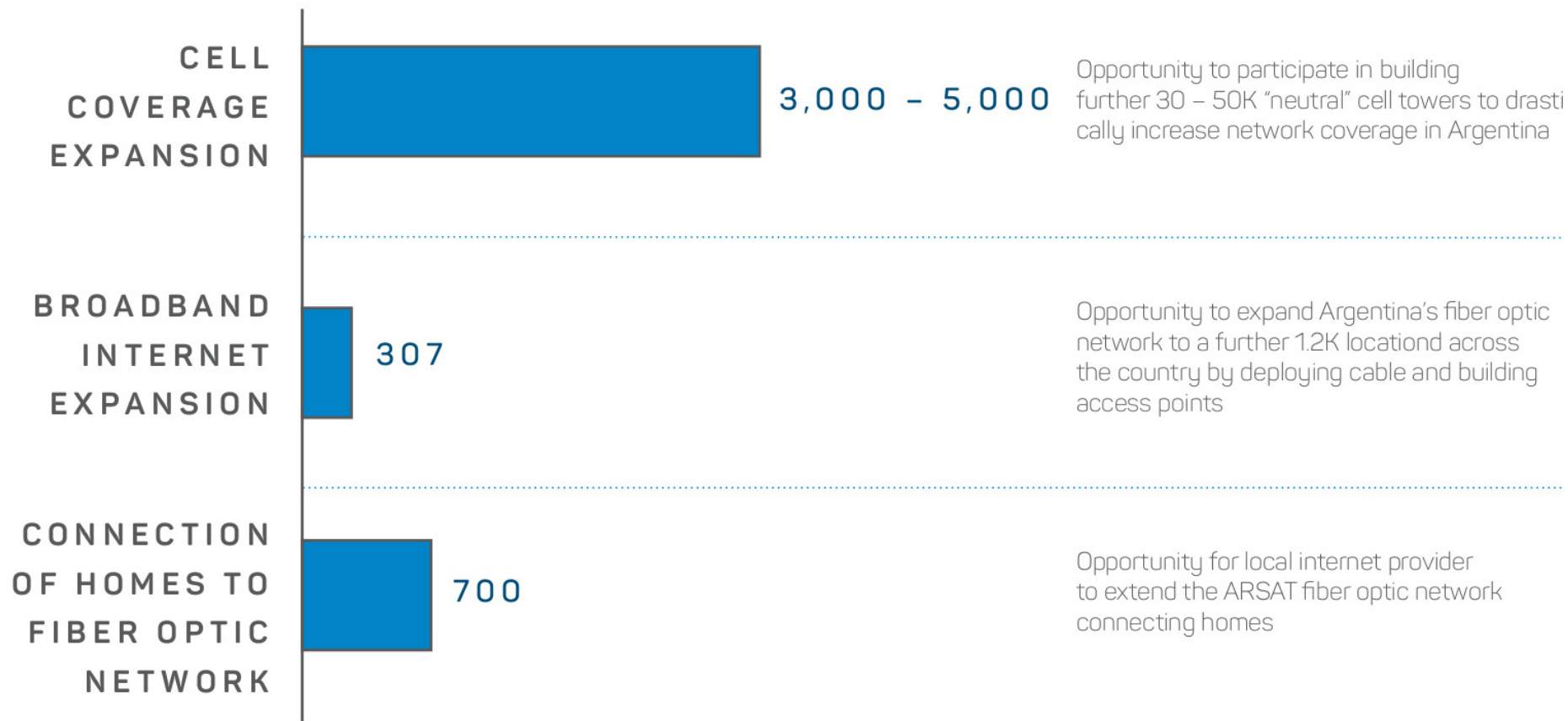
OPPORTUNITY DETAIL (USD BN)



OPPORTUNITY DETAIL (USD BN)



OPPORTUNITY DETAIL (USD MN)



THANKS!

[Embassy of Argentina to Belgium & Luxembourg](#)

[Commercial Section](#)

E-mail: secom_ebelg@cancilleria.gob.ar

Web: <http://ebelg.cancilleria.gob.ar/>

Facebook: ArgentinaEnBelgica



Ministry of Foreign Affairs and Worship
Argentine Republic