

Investing in Argentina

October 2020



Agencia Argentina
de Inversiones
y Comercio Internacional



Ministerio de Relaciones Exteriores,
Comercio Internacional y Culto
Argentina



Argentina at a glance

Large and Diversified Economy

- 3rd largest GDP in Latam. USD 450 billion (2019)
- GDP per capita of USD 10,000 (2019)
- ~45 M inhabitants (~60% under 35). Access to 295 M inhabitants in Mercosur

Vast Availability of Natural Resources

- 8th largest country in the world, with 53% of agricultural land
- Top global exporter of soybean oil, corn, lemons, and lithium, among others
- World-class quality in meat production, exporting to top destinations (USA, Canada, China, Japan)
- 705,000 km² of mining areas with a high potential and 250 projects at an initial stage
- 2nd largest shale gas and 4th largest shale oil reservoirs in the world

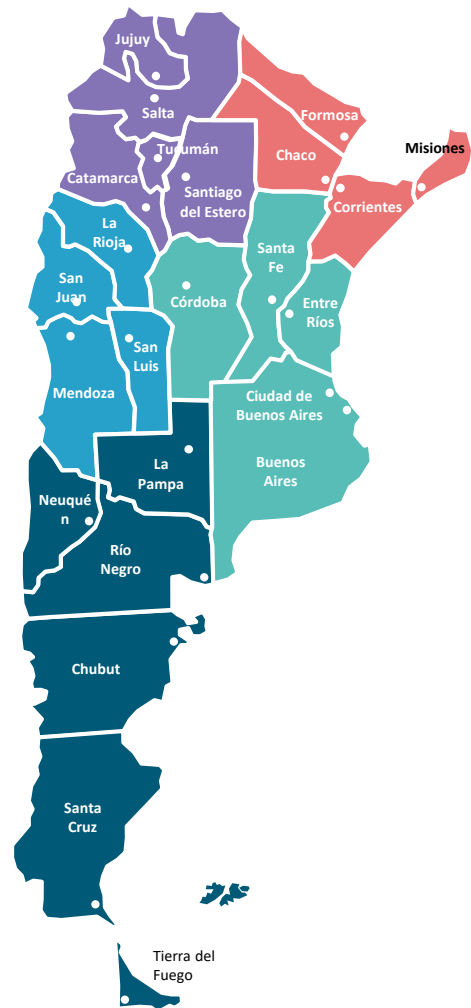
Dynamic Industrial Complexes and Fast-Growing Sectors

- Steel pipes, farm machinery, medical equipment, and the automotive industry are leading exporting sectors in Argentina
- Fast-growing sectors, such as biotechnology and knowledge-based services

High-Quality Human Capital

- +433 highly qualified labor force. +110k STEM graduates
- 1st in Latin America in English Proficiency

Argentina has 5 main economic regions with diverse resources and activities



NORTHWEST	Agricultural products: soy, corn, sugar cane, rice, citrus fruits, wood. Mining: gold, silver, lithium, potassium.
NORTHEAST	Agricultural products: rice, soy, corn, 'yerba mate', tea, tobacco, citrus fruits. Forestry (pulp and paper), aquaculture. Mining: precious and semi-precious stones. ICT, software (Misiones, Chaco).
CUYO	Mining: gold, silver, copper, lime. Agricultural Products: wine, nuts, olives. Electronic appliances manufacturing. Renewable energy (solar and wind). ICT and software (Mendoza).
CENTER	Agricultural products: soy, wheat, corn, sunflower, peanuts. Stockbreeding, dairy. Industrial: Automotive industry. Agricultural equipment, petrochemical, pharmaceutical, real estate, creative, and cultural industries. ICT (Buenos Aires, Córdoba).
PATAGONIA	Agricultural products: fish, fruit, sheep farming. Energy: petroleum, shale oil, shale gas. Renewable Energy (wind). Industrial: manufacturing of electronic devices.

INFRASTRUCTURE

- Airports: 55
- Docks: 101
- Routes: 500,000 km
- Federal routes: 37,500 km
- Railways:
Cargo: 12,000 km
Passengers: 3,870 km
- Electric Power Generation:
12,623 Ttoe



Government priorities and short-term challenges

Alberto Fernández began his administration acting under three fundamental priorities:

- 1 Increasing the **income of the underprivileged** and stopping the raise of poverty rates in Argentina
- 2 Promoting the **reactivation of production and job creation, focusing on SMEs**
- 3 Creating conditions to **ensure the sustainability of public debt, in a way that is compatible with the recovery of the real economy, with the improvement of basic social indicators**




Mid/long-term challenges to achieve a sustained and inclusive growth

1. Productive model for Argentina

- Federal Productive Development
- Industry 4.0 (incorporation and promotion of technologies in the existing productive framework)

2. Knowledge as the basis for development

- Innovations are key for generating a high added value
- Strengthening of CONICET (the National Council for Scientific and Technical Research is the main body dedicated to the promotion of science and technology in Argentina)
- Science, Technology and Productive Innovation once again has its own Ministry



Mid/long-term challenges to achieve a sustained and inclusive growth

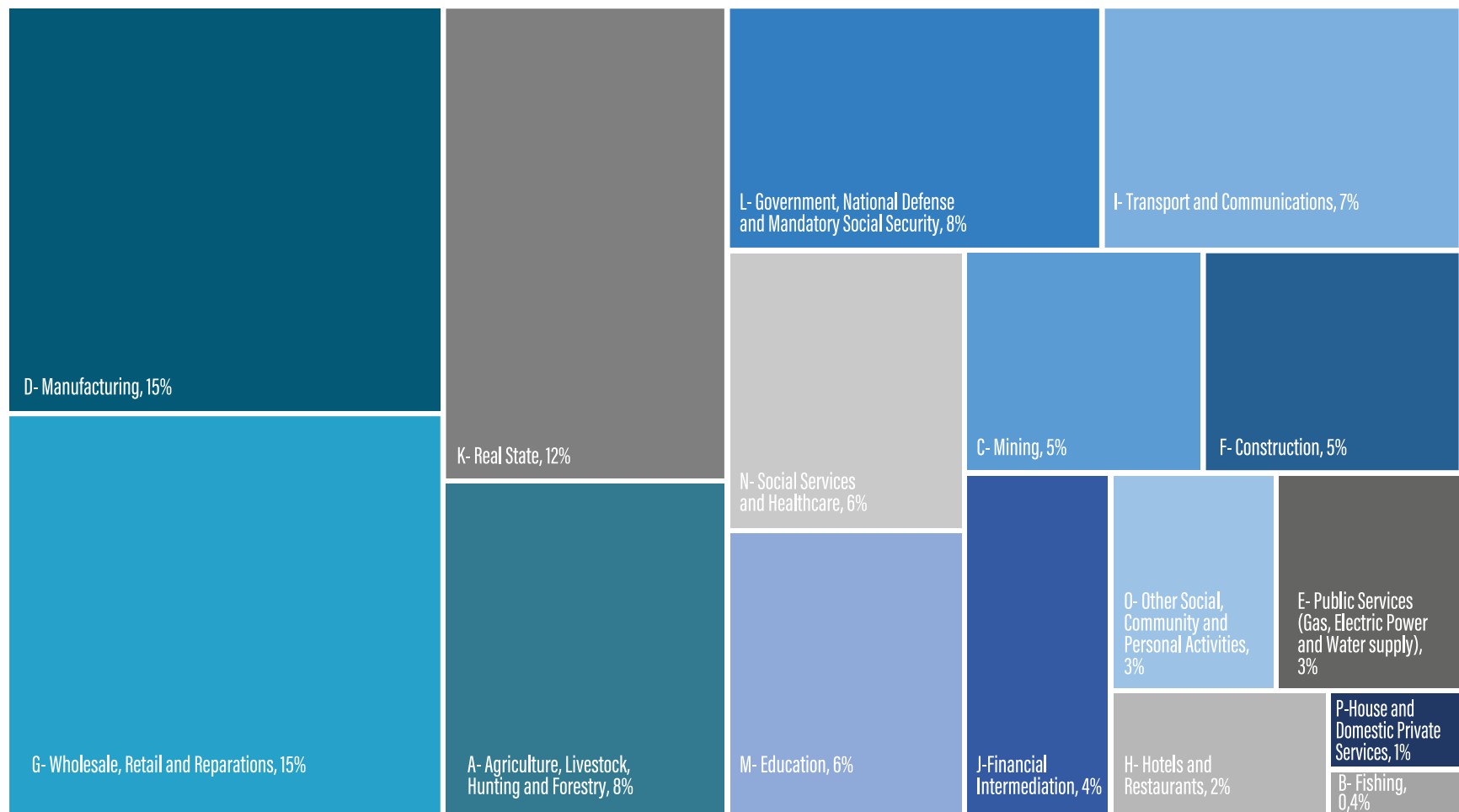
3. Export insertion of greater complexity, added value, and greater diversification in its destinations.

- Currently, agricultural commodities represent 40% of the exported total, and MERCOSUR and the EU comprise 38% of shipments
- Opportunities to expand external sales based on a market and product diversification strategy
- The Ministry of Foreign Affairs is developing a strategy to expand the presence in established markets while entering new, more dynamic markets that demand higher value-per-unit products, where Argentina has competitive advantages

4. Gender Agenda

- Reducing inequalities of access and income in the labor market, along with other inequalities and injustices linked to gender
- Creation of the Ministry of Women, Gender and Diversity and, within the Ministry of Economy, the Directorate of Economy, Equality and Gender

2019 GDP broken down

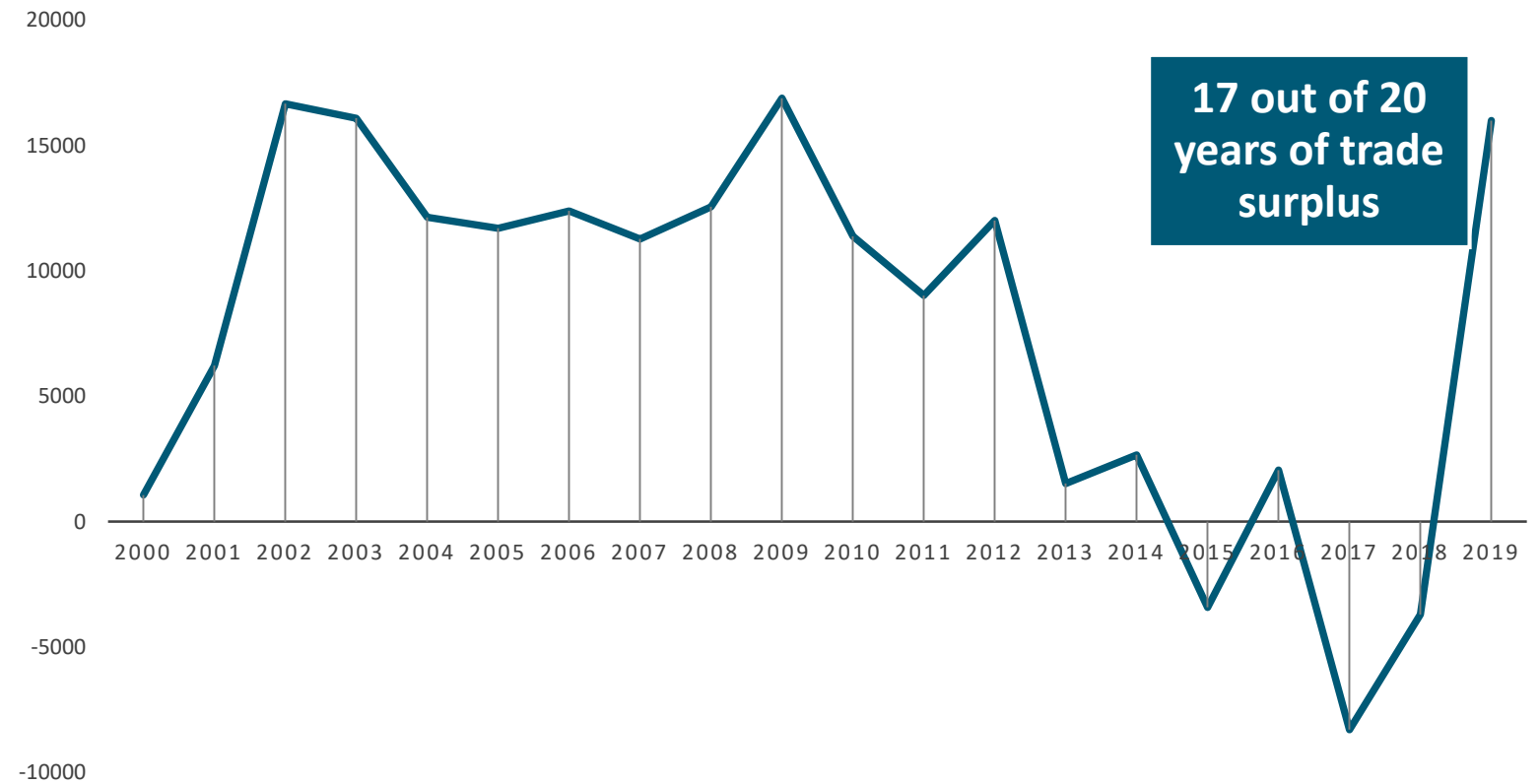



Manufacturing leaders and a broad supply chain

There is a broad and complex supply chain focused on the long manufacturing tradition in sectors such as food, automobile, chemical, pharmaceutical, and farm machinery industries.

Trade account

(Current USD in millions)





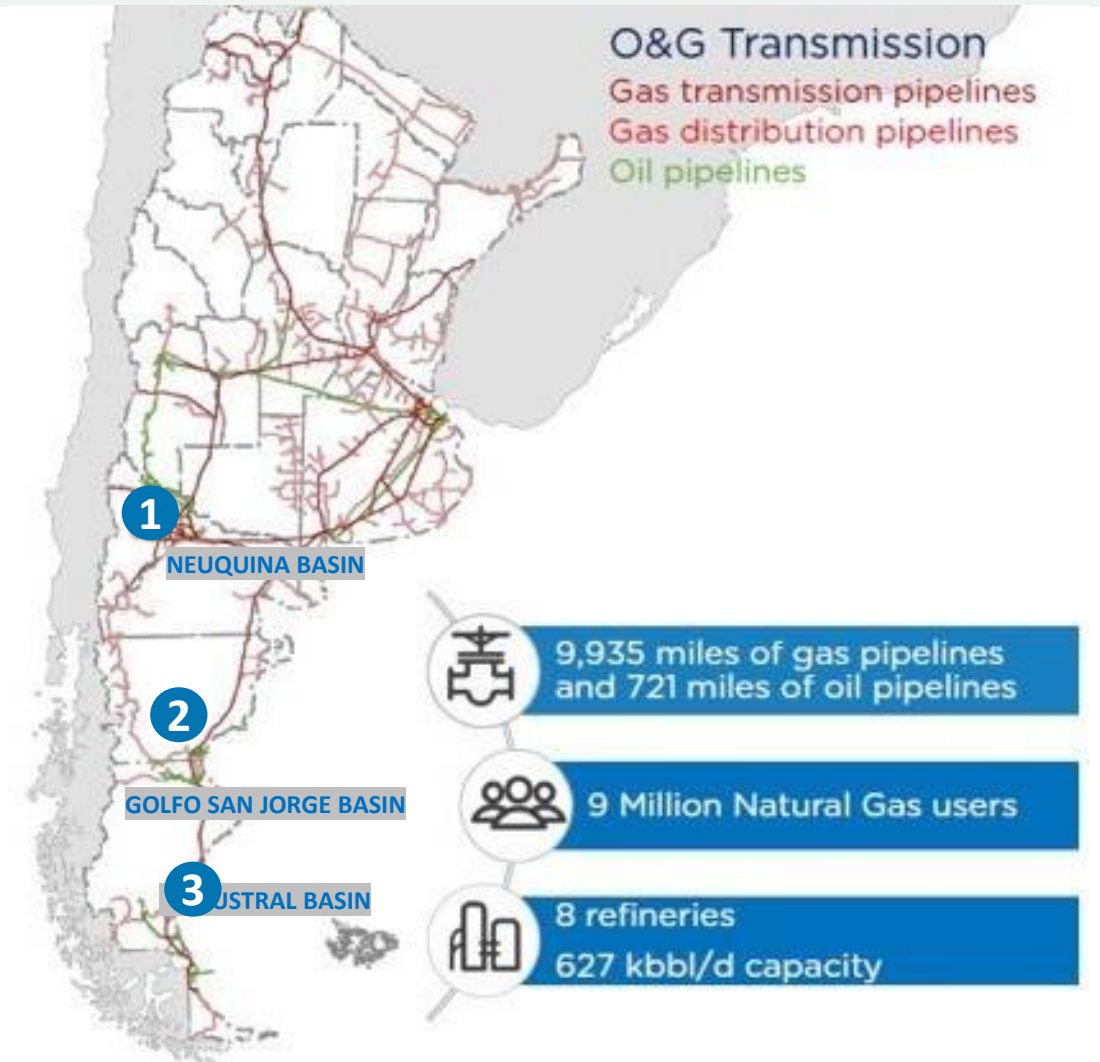
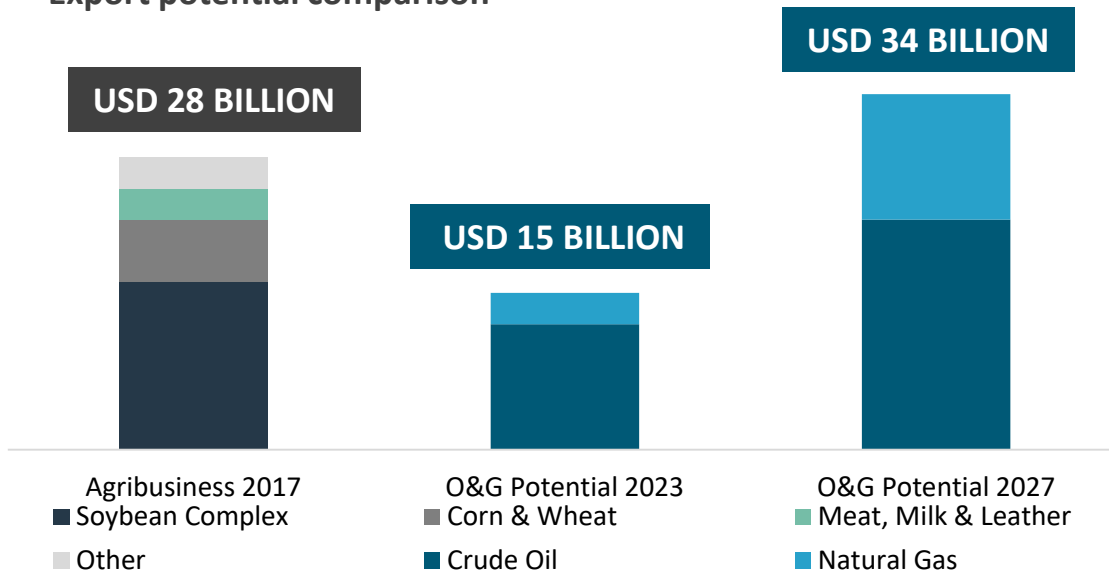
Section 2: promising investment sectors

- ① Oil & gas
- ② Mining
- ③ Agribusiness
- ④ Knowledge-based services
- ⑤ Tourism
- ⑥ Telecommunications

Road to development - Oil and gas

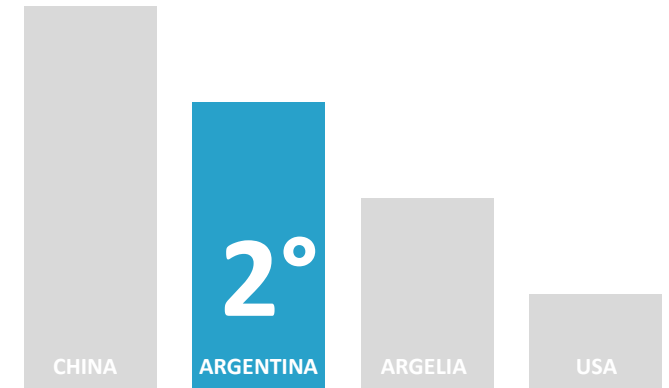
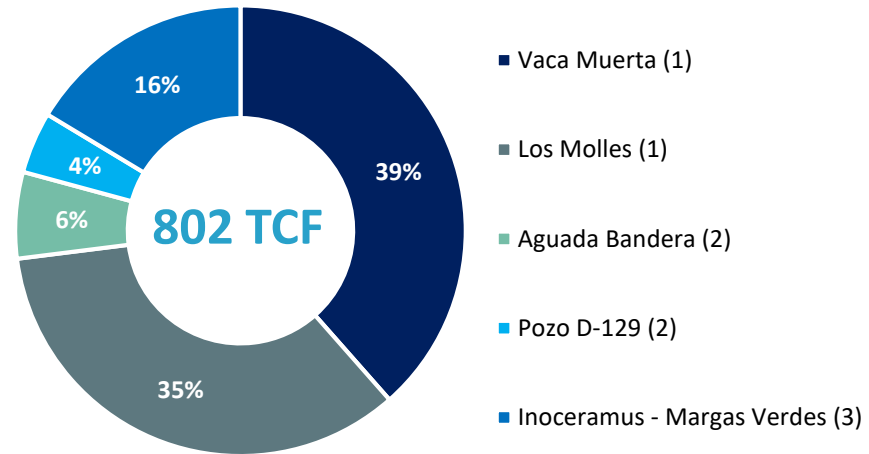
- 52% of direct investment in 2018 was in O&G.
- 100 years of strong oil production.
- Vast and high-quality unconventional resources in early stages of development (including Vaca Muerta).
- Potential in offshore and deepwater.

Export potential comparison



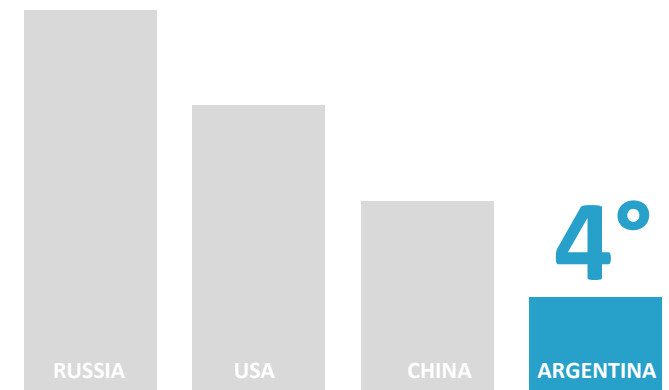
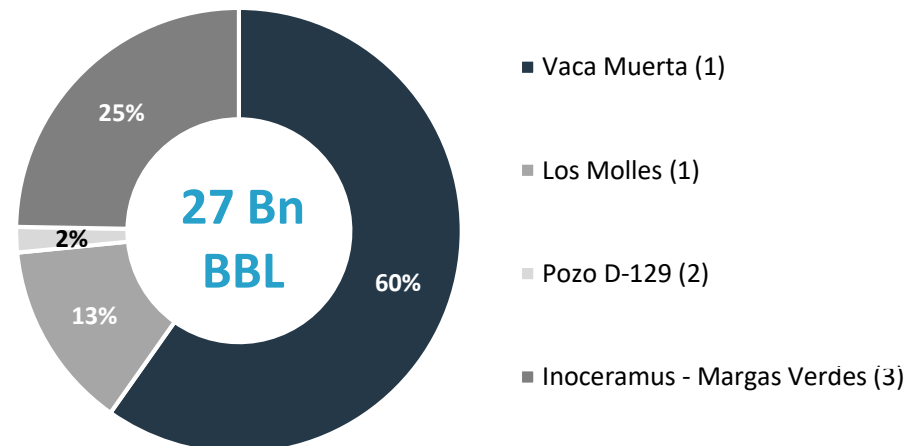
Vaca Muerta: world-class shale resource

SHALE GAS RESOURCES IN ARGENTINA



Potential for unconventional gas

SHALE OIL RESOURCES IN ARGENTINA



Potential for unconventional oil

Numerous mining projects to be developed

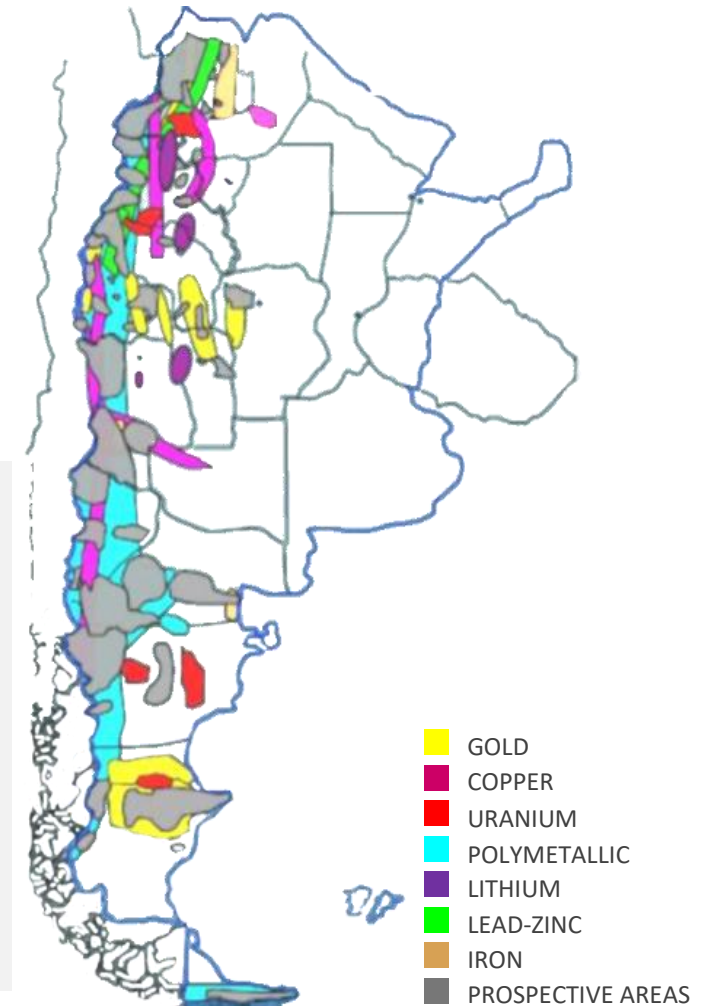
10th GLOBAL BUDGET IN MINING EXPLORATION

1ST LITHIUM EXPLORATION BUDGET

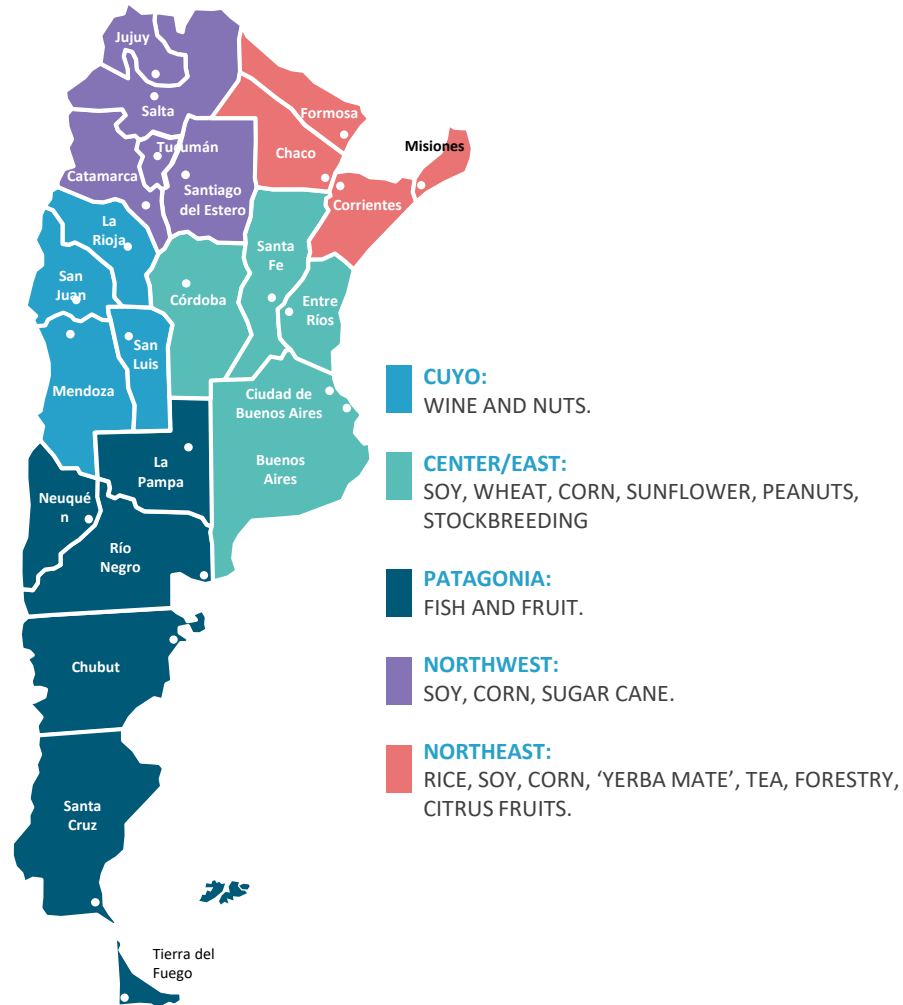
LARGEST UNDEVELOPED WORLD-CLASS COPPER DEPOSIT

2nd IN THE WORLD TOP 30 GOLD MINES

- Argentina is one of the 3 countries in the 'Lithium triangle'
- Opportunities in copper, gold, silver, etc.
- 705,000 km² of high-potential mining areas
- 183,000 km² of mining rights already granted



World-class reputation in quality and productivity: Agribusiness



Vast availability of natural resources

- Large extensions of highly-productive land
- Fertile territory and widespread availability of water
- Geographic and climatic diversity
- World's second-largest extension of certified organic land

Highly professionalized and technologically advanced sector

- Qualified human resources
- Cutting-edge technology and advanced management practices
- One of the leading nations in the application and development of AgTech

Internationally-recognised reputation for natural, healthy, and high-quality products

- Free from African and Classical swine fever, and PRRS
- Free from FMD with and without vaccination
- Insignificant risk of BSE disease

Ongoing national infrastructure plan to continue lowering domestic logistic costs

Main comparative indicators for 2019

World's largest & most efficient soybean complex

1st Soybean oil exporter

1st Soy flour exporter

3rd Soybean exporter

1st Biodiesel exporter



Other world-leading exports

1st Lemon oil exporter

1st Peanut oil exporter

3rd Corn exporter

5th Beef exporter

4th Wheat flour exporter



Outstanding positioning in global services

- Exceptional talent supply of English-speaking workforce for high added value activities
- Highly-competitive cost structure
- Mature sector (+12 years)
- Fiscal incentives (Knowledge-Based Services Law)
- Availability of high-quality, affordable office space, with lower prices than the regional average
- Located in a convenient time zone
- Main exports destination: USA (49%), Uruguay (10%), Chile (8%), and Mexico (7%).

5 OUT OF 16

'UNICORNS' IN LATAM
ARE FROM ARGENTINA



1st

Software Exporter in LATAM
50% TO THE US

10,000+

EMPLOYEES

TOP GLOBAL SERVICE FIRMS ALREADY
ESTABLISHED SHARED SERVICE CENTERS



40+

TECH HUBS

ACROSS THE COUNTRY



Knowledge-based services law

4 MAIN FISCAL BENEFITS

- 1 Fiscal stability**
Due to the legal effect of the law
- 2 Income tax**
Reduced from 20% to 60%
- 3 Labor taxes reduction**
Payroll tax reduction in social security contributions
- 4 Fiscal relief for exporters**
Payment on account of taxes withheld abroad

Argentina is the top touristic destination in the region

- ① 4th exporting sector in the country (7% of total exports)
- ② Leader in Corporate Tourism. **International Congress and Convention Association (ICCA):**
 - 1st country destination in LATAM
 - Buenos Aires City: 1st destination city in the continent (for 11 consecutive years)
- ③ Hotel and eco/theme park opportunities found in most provinces
- ④ Unprecedented investments in air travel and recently-built infrastructure

International tourism arrivals

Million arrivals in 2019

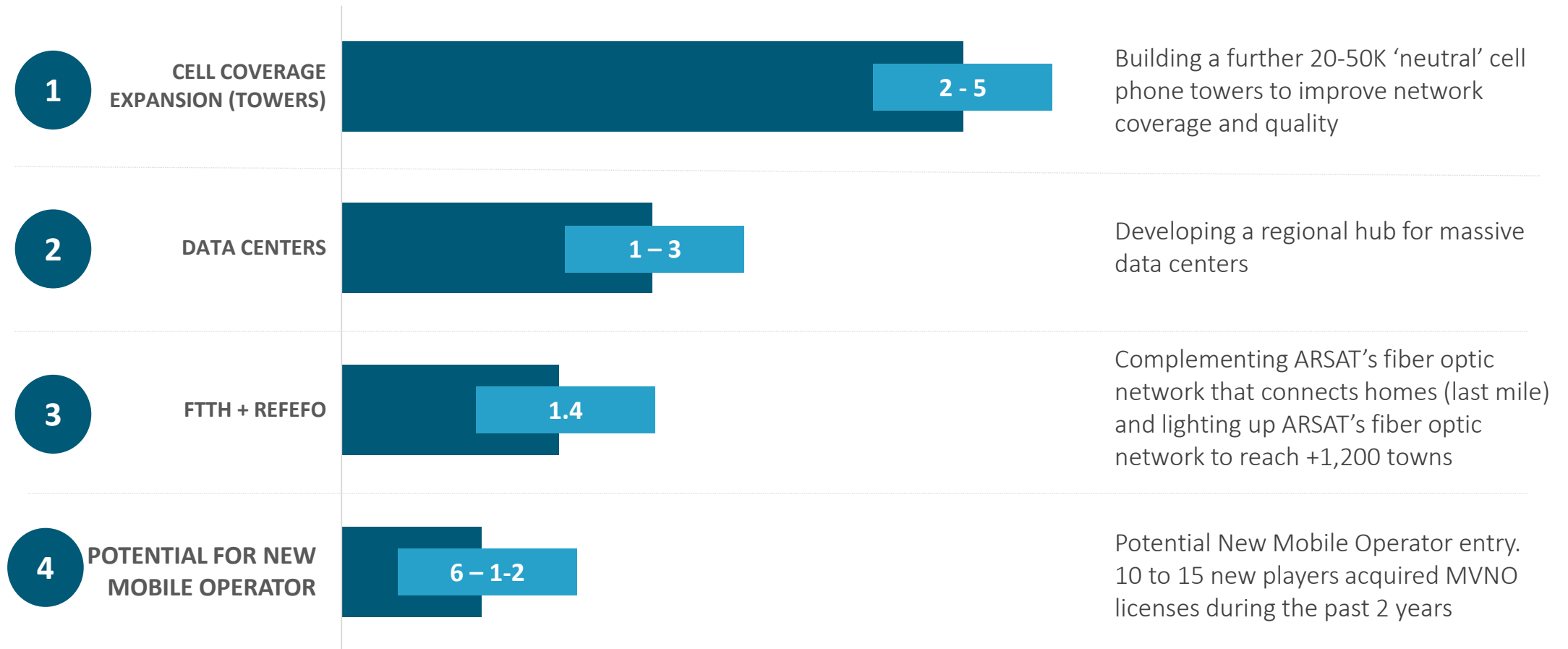
Argentina	7.4
Brazil	6.4
Chile	4.5
Peru	4.3
Colombia	4.1

Accounts for 20% of total arrivals of non-residents in South America (UNWTO).

Total expenditure (USD): 11 billion

The expansion of telecommunications infrastructure in Argentina represents an investment opportunity of usd +7 billion

Opportunities in detail (in billion USD)



How we can help

We promote the internationalization of Argentine companies and facilitate private investments in Argentina

OUR SERVICES:



IDENTIFICATION OF
OPPORTUNITIES AND
LOCATION



NETWORKING



DUE DILIGENCE
SUPPORT



FACILITATION



IMPROVEMENT OF
BUSINESS CLIMATE



FOLLOW-UP TO
THE OPERATION

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