



# WHY ARGENTINA

SEPTEMBER 2018



Agencia Argentina  
de Inversiones  
y Comercio Internacional



Argentina



## ARGENTINA HAS STRONG FUNDAMENTALS



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### Large and diversified economy

3rd largest GDP in LatAm, USD 626 Bn\*

3rd highest GDP per capita (PPP), USD 20,700

~43 Mn pop (~60% under 35). Access to 270 Mn pop in Mercosur

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### Vast availability of natural resources

8th largest country in the world, with 53% of agricultural land

Top global exporter of soybean, corn, lemon, lithium, among others

750.000 Km2 of high potential mining areas and 340 projects at initial stage

2<sup>nd</sup> largest shale gas and 4<sup>th</sup> largest shale oil reservoirs in the world

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### High quality human capital

Educated middle class and qualified labor force

#1 in Latin America's Human Capital Index and #1 in Latin America in English Proficiency

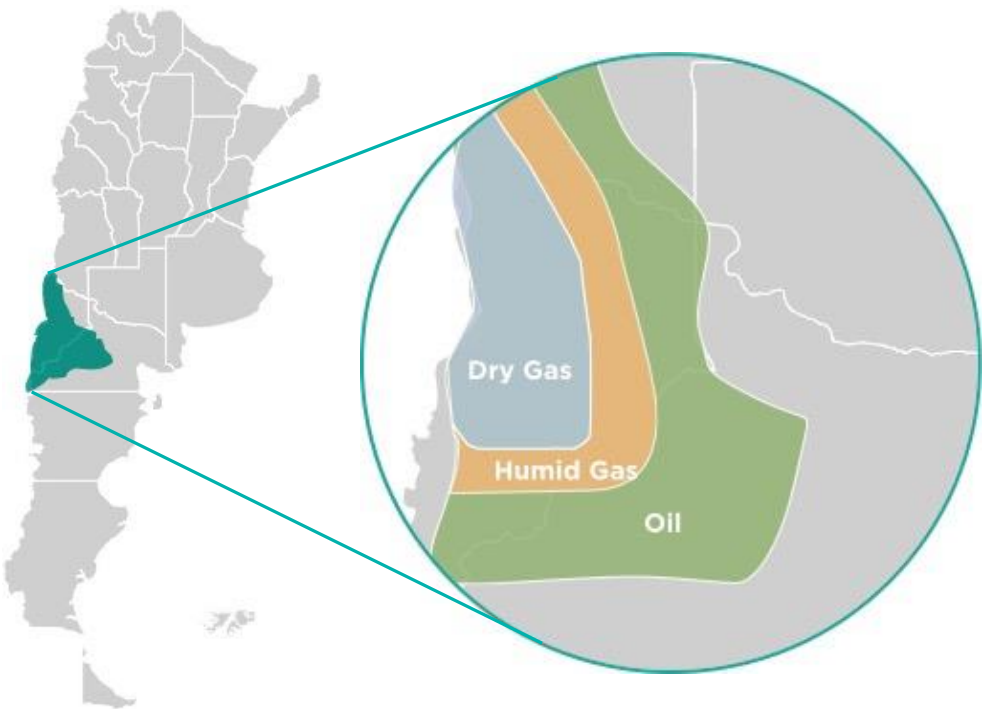
*\*Source: IMF*

# ARGENTINA PRESENTS ADVANTAGES IN MANY SECTORS



## OIL & GAS

- 2nd largest shale gas and 4th largest shale oil reservoirs in the world
- National Plan to double gas and oil output by 2025
- Offshore exploration tenders



DESIRED		VACA MUERTA	HAYNESVILLE	MARCELLUS	EAGLE FORD	WOLFCAMP
TOC (%)	>2	3-10	0.5-4	2-12	3-5	3
Thickness (m)	>30	30-450	60-90	10-60	30-100	200-300
Reservoir pressure (psi)	High	4,500-9,500	7,000-12,000	2,000-5,500	4,500-8,500	4,600

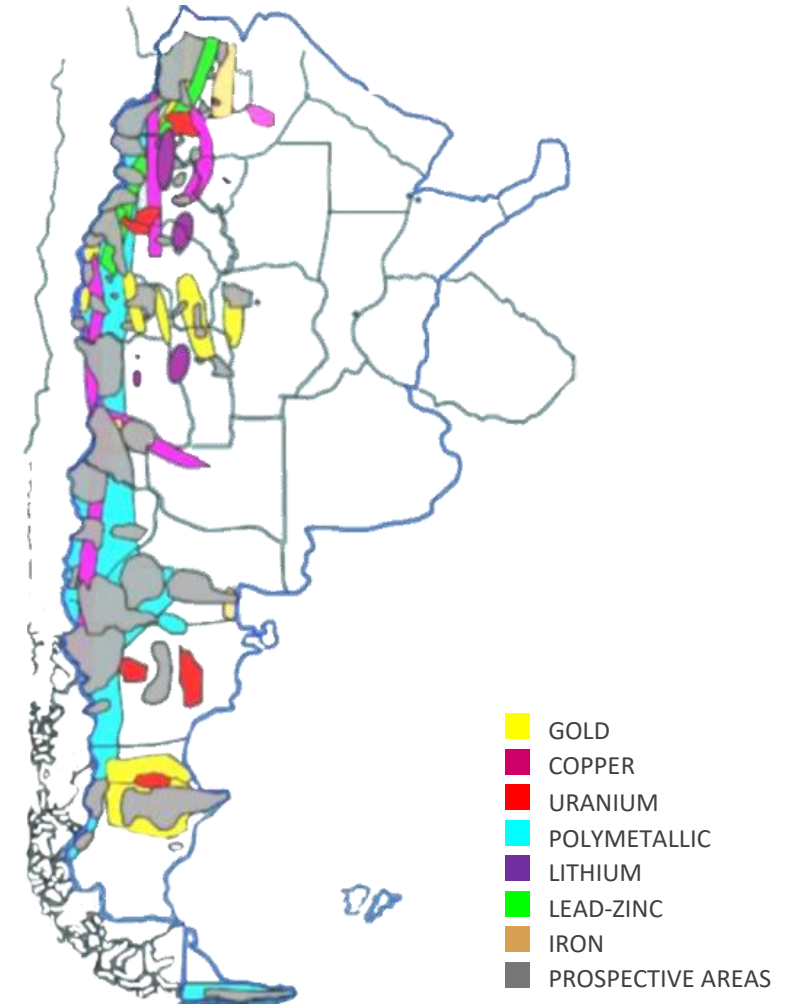


## ARGENTINA PRESENTS ADVANTAGES IN MANY SECTORS



### MINING

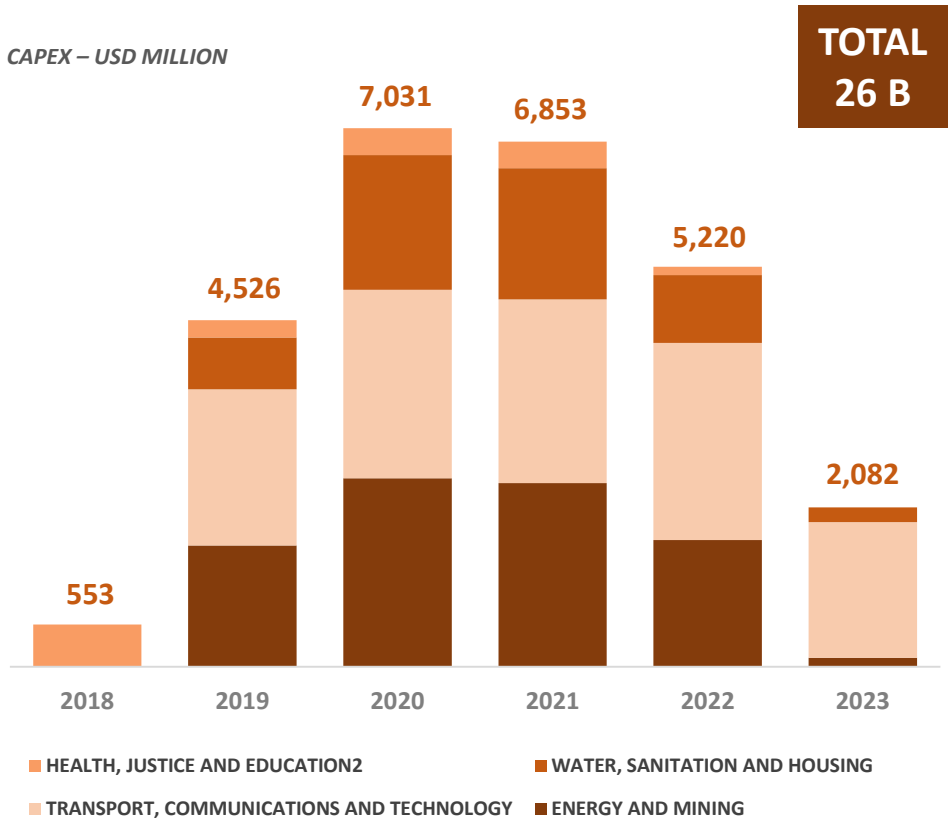
- One of 3 countries in Lithium triangle
- Opportunities in copper, gold, silver, etc.
- 750,000 Km<sup>2</sup> of high potential mining areas
- 183,000 Km<sup>2</sup> of already granted mining rights
  - 25 advanced prospects
  - 14 production mines



# ARGENTINA PRESENTS ADVANTAGES IN MANY SECTORS

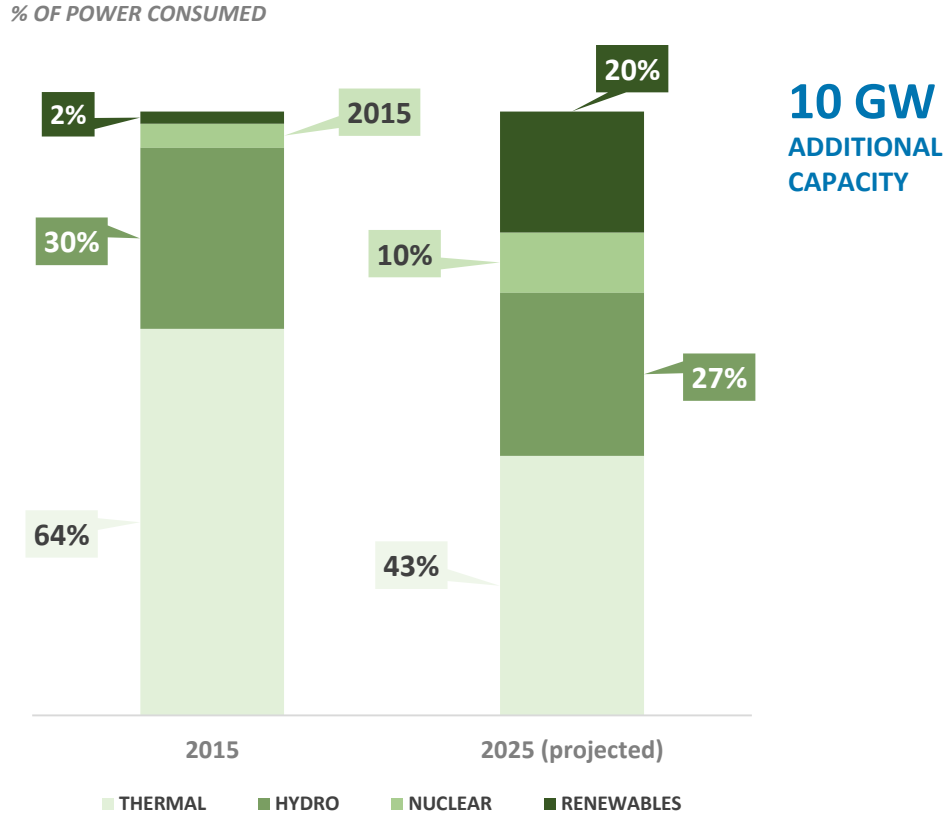
## INFRASTRUCTURE

- Most ambitious infrastructure plan in the history of the country
- Best practice PPP Law in execution



## RENEWABLE ENERGY

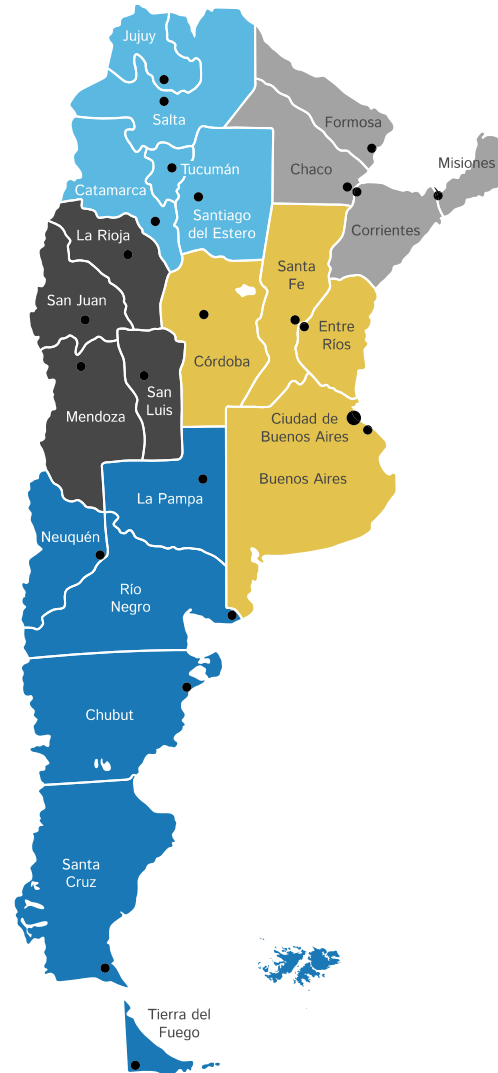
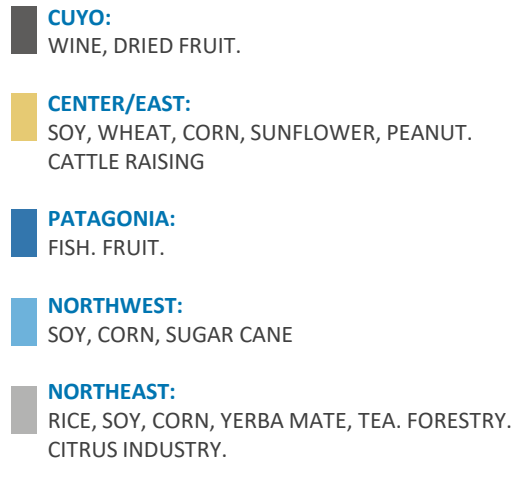
- Exceptional wind and solar conditions
- Government law to double renewable capacity to 10 GB by 2025



# ARGENTINA PRESENTS ADVANTAGES IN MANY SECTORS

## AGRIBUSINESS

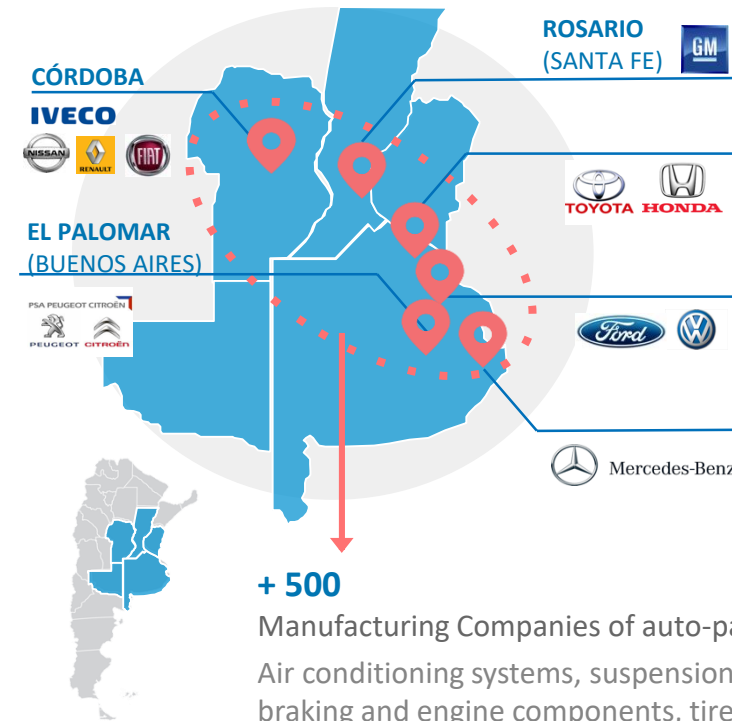
- Ideal conditions to establish Pulp & Paper plants
- Aquaculture program under development
- Argentina recovering beef industry leadership



## MANUFACTURING

- Outstanding opportunities to participate in value chain of automotive, renewables and O&G industries
- Several engineering & construction opportunities

There are 11 manufacturing facilities



# ARGENTINA PRESENTS ADVANTAGES IN MANY SECTORS

## KNOWLEDGE BASED SERVICES

- Exceptional talent for high value activities
- Highly competitive cost structure
- Advantageous time zone



**+30 TECH HUBS ACROSS THE COUNTRY**

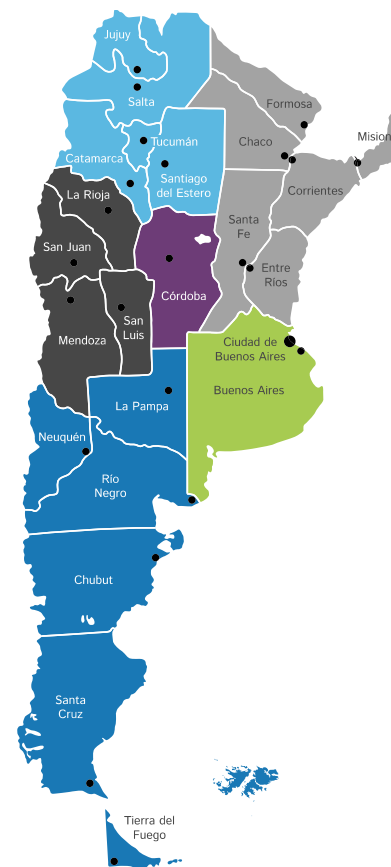
Argentina hosts 4 out of 6 LATAM's "unicorns"



- >5000 EMPLOYEES
- 1000 - 5000 EMPLOYEES
- 100 - 1000 EMPLOYEES
- <100 EMPLOYEES

## TOURISM

- Most visited country in South America
- 437 protected areas, including 2 Natural Wonders
- Buenos Aires ranked as most liveable city in Latin America



### BUENOS AIRES Y CIUDAD AUTÓNOMA DE BUENOS AIRES REGION

# of visitors Resident 13,1 Mn / Non-resident 5,4 Mn

# of hotel beds 290,620 (2016)

### CUYO

# of visitors Resident 3,1 Mn / Non-resident 0,6 Mn

# of hotel beds 62,252 (2016)

### CÓRDOBA REGION

# of visitors Resident 5,7 Mn / Non-resident 0,1 Mn

# of hotel beds 81,610 (2016)

### NORTHWEST

# of visitors Resident 4,1 Mn / Non-resident 0.4 Mn

# of hotel beds 70,000 (2016)

### NORTHEAST

# of visitors Resident 5,3 Mn / Non-resident 0,7 Mn

# of hotel beds 112,309 (2016)

### PATAGONIA REGION

# of visitors Resident 7,1 Mn / Non-resident 2,1 Mn

# of hotel beds 118,518 (2016)

MORE THAN USD 300 BN OF INVESTMENT OPPORTUNITIES ACROSS SECTORS

USD Billion



ENERGY & MINING		INFRASTRUCTURE		AGRIBUSINESS		MANUFACTURE / INDUSTRIAL GOODS	VALUE ADDED SERVICES
170+		110+		13.5+		10+	5+
Oil & Gas	120	Roads & highways	60	Animal protein	10+	Automotive industry	Tourism
Mining	30+	Railways	22	Forestry / pulp	2.5+	Food & Beverage	Professional services
Hydro power	10	Water & sanitation	10	Aquaculture	1	Consumer products	Biotechnology
Renewable energy	6	Telco networks	7+			Machinery & Equipment	Pharma
Thermal energy	4	Real Estate	5+			Basic materials	Software development
Nuclear energy	3	Urban mobility	4				
Power grid	3	Airports & ports	3				





## GOVERNMENT HAS IMPLEMENTED SPECIFIC MEASURES TO CONTINUE IMPROVING BUSINESS CLIMATE

### National Productive Plan. Key reforms and initiatives

#### INSERTION TO THE WORLD

- More than 60 markets for 100 products opened or re-opened
- Argentina to host G20 Summit 2018

#### ENERGY & INFRASTRUCTURE

- Renewable energy tenders oversubscribed
- New Public-Private Partnership (PPP) law

#### INNOVATION & TECHNOLOGY

- Strong incentives to train technology professionals
- Specific incentives for software development

#### OPEN COMPETITION

- Antitrust law
- SME Promotion law

#### TAX & FISCAL EFFICIENCY

- Income tax reduction plan in execution
- Reduction of revenue tax in provinces

#### COST OF CAPITAL

- Capital Markets Law
- Sovereign financial needs met until end of 2019

#### EASE OF DOING BUSINESS

- Plan to reduce costs of 1% of GDP by business simplification measures
- Instituted process to establish corporations in 1 day (SAS)

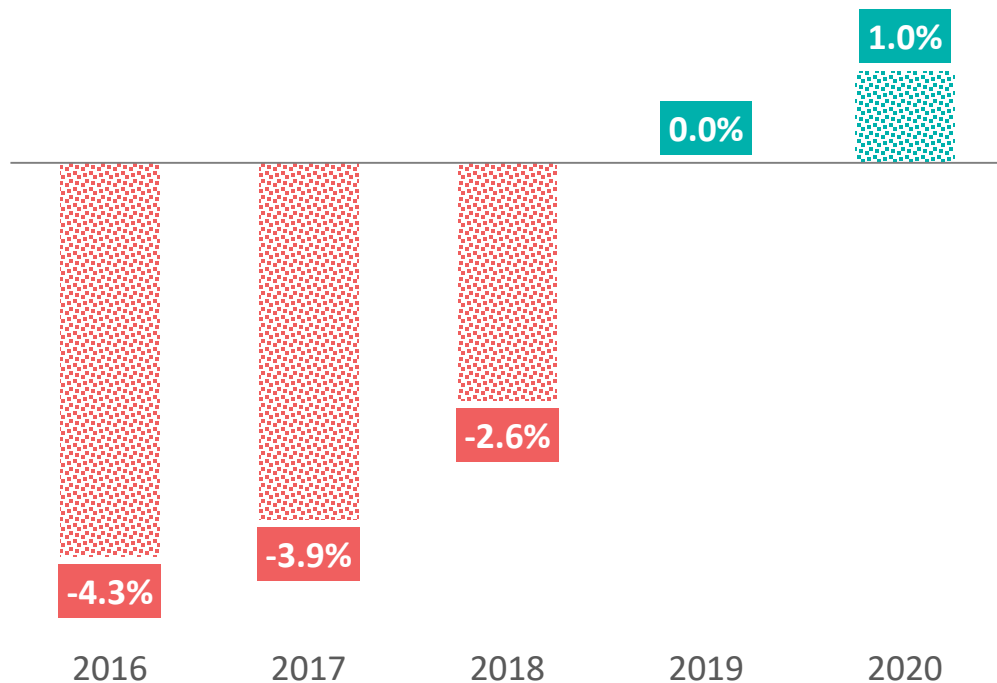
#### LABOR COSTS

- Productivity agreements by sector
- Reduction of labor risk law

# ACTIONS ARE IN PLACE TO REACH FISCAL SURPLUS

## FEDERAL DEFICIT REDUCTION IS ACCELERATING

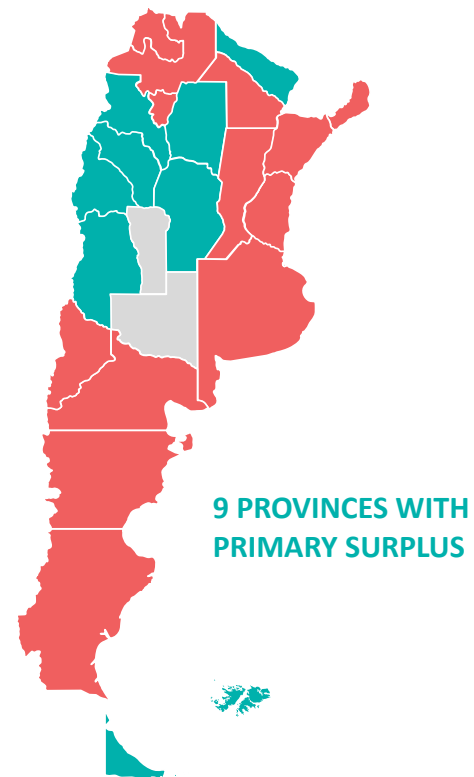
PRIMARY FISCAL SURPLUS, % OF GDP



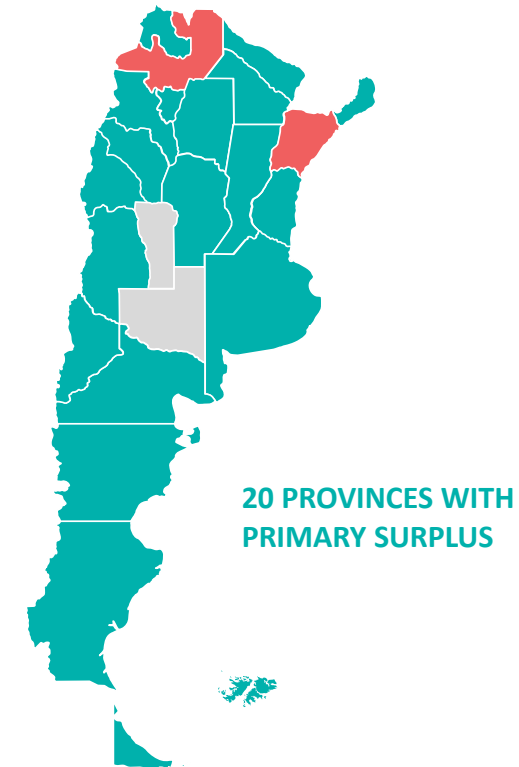
## SUCCESSFUL FISCAL AGREEMENT WITH PROVINCES

FISCAL SURPLUS BY PROVINCE

FIRST HALF 2017



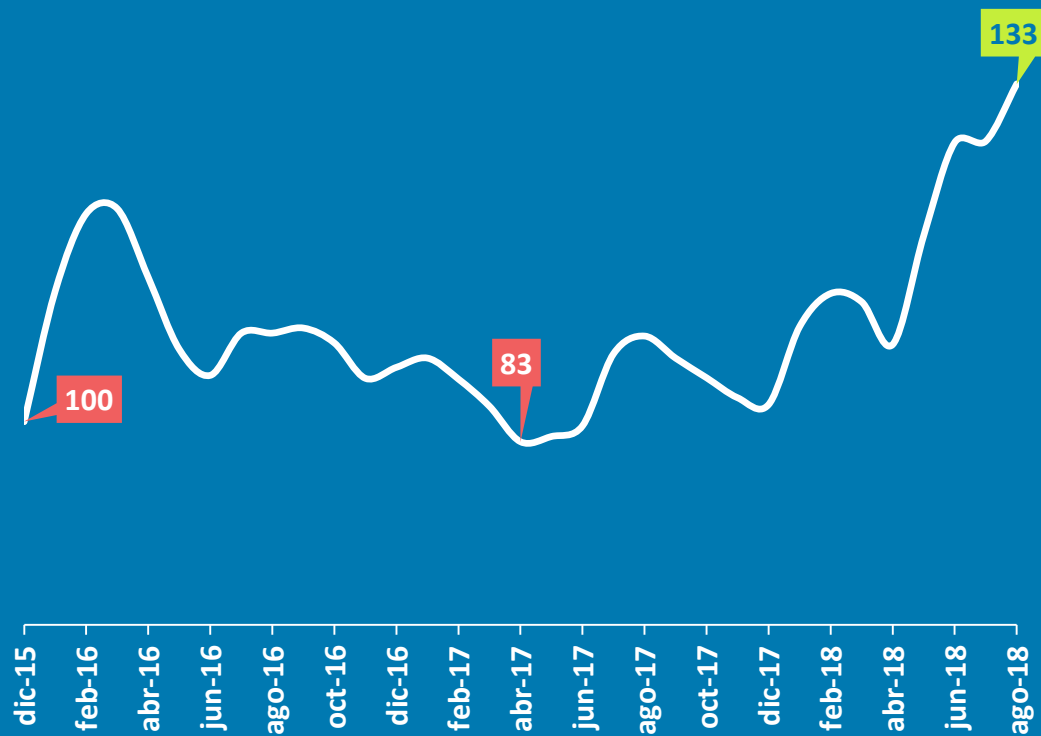
FIRST HALF 2018



# ARGENTINA'S ECONOMY FUNDAMENTALS ARE IMPROVING

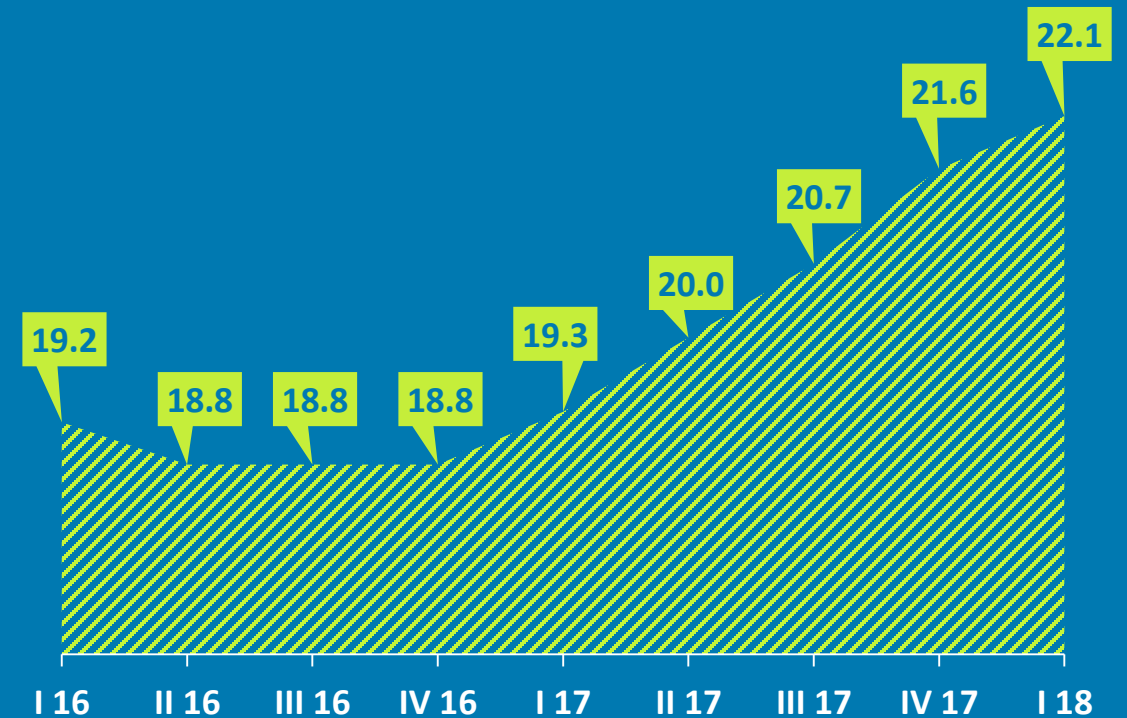
## GOODS AND SERVICES ARE MORE COMPETITIVE

AR\$ MULTILATERAL EXCHANGE RATE INDEX\*



## INVESTMENT IS GROWING

FIXED ASSETS FLOW AS % GDP



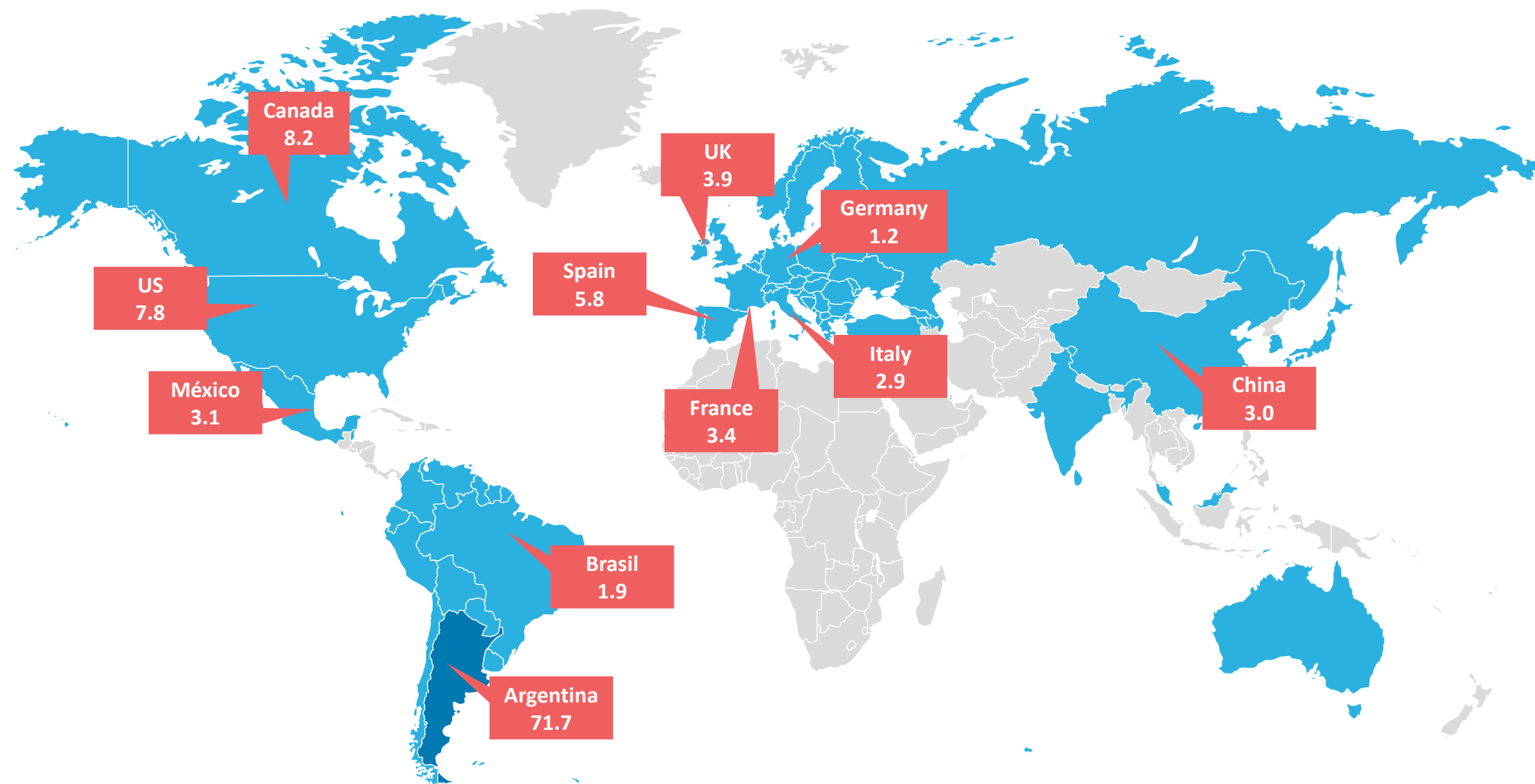
Note: Basis 100 is dated on Dec 17 2015.

Source: Central Bank of Argentina, ITCRM (Índice de tipo de cambio real multilateral)



## DURING CURRENT ADMINISTRATION, COMPANIES ANNOUNCED INVESTMENTS FOR MORE THAN USD 120BN

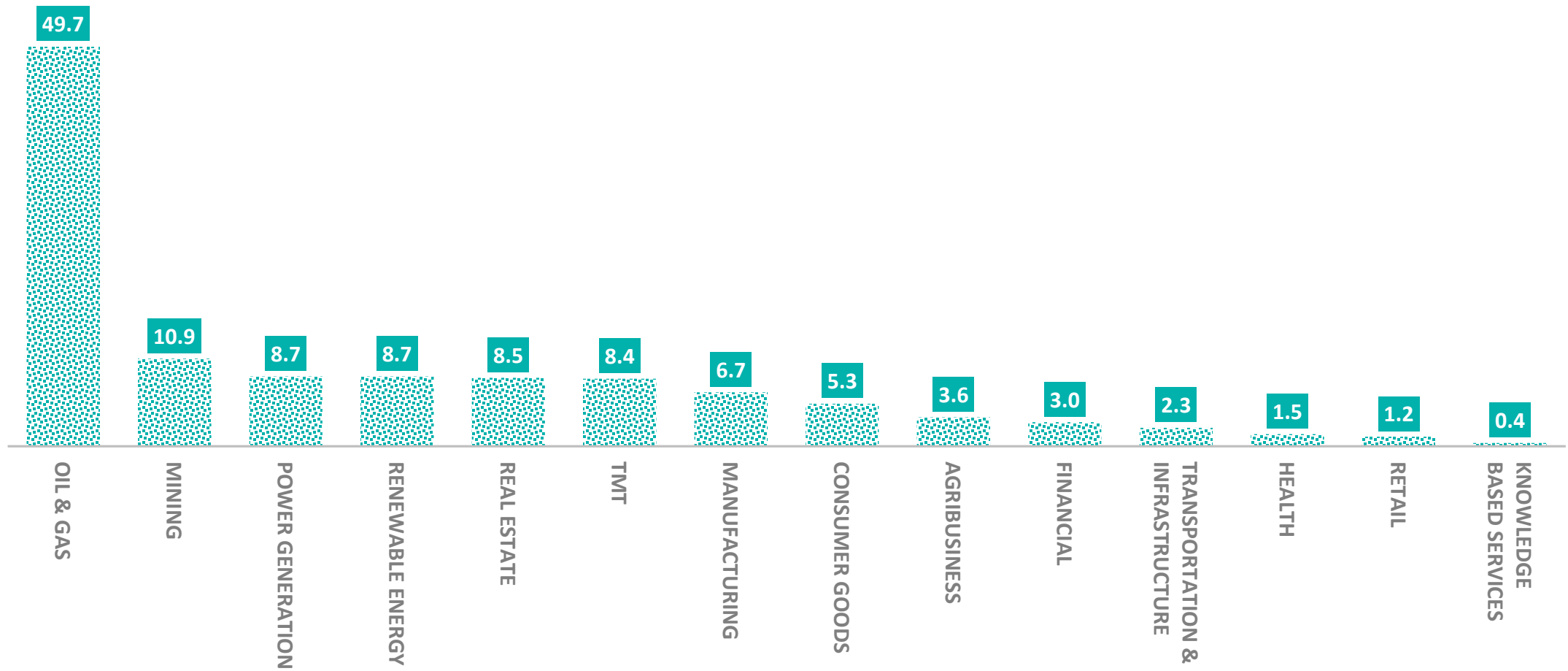
*USD Billion*



*\* From 12/11/15 to 07/20/2018. Only includes projects with declared investment amounts.*

## INVESTMENT ANNOUNCEMENTS BY SECTOR

USD Billion



\* From 12/11/15 to 07/20/2018. Only includes projects with declared investment amounts.

## 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**



**AFTERCARE**

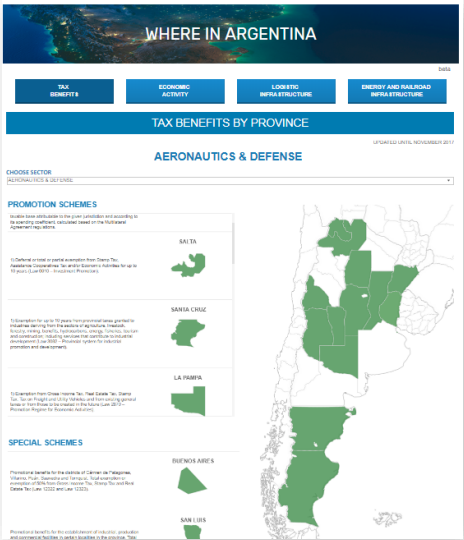


# FOR MORE DETAIL ABOUT INVESTMENT OPPORTUNITIES

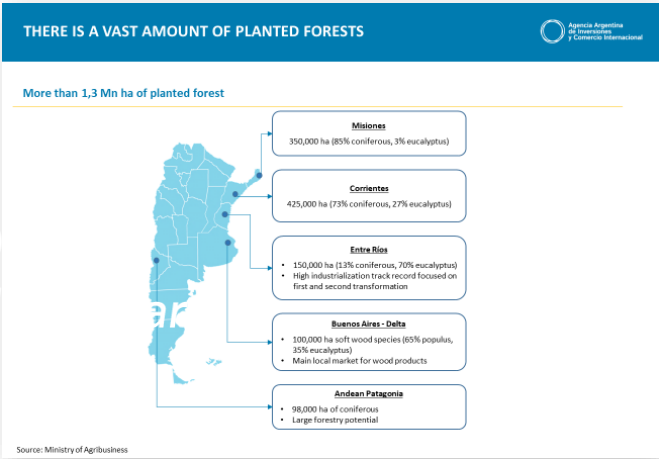
## SELECTED INVESTMENT OPPORTUNITIES



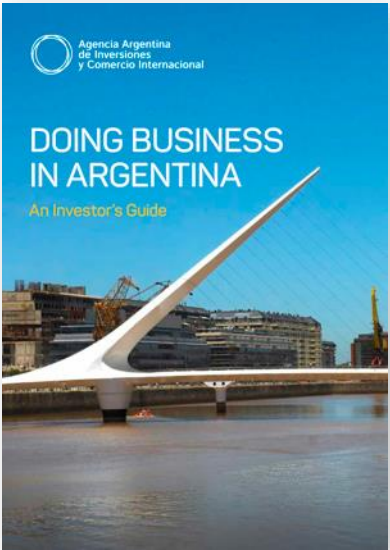
## WHERE IN ARGENTINA



## WHY ARGENTINA BY SECTOR



## DOING BUSINESS IN ARGENTINA





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