



**Argentina  
Investment + Trade  
Promotion Agency**

**Why Argentina?**

October 2016



# Argentina has strong fundamentals to become a regional economic engine



## Large and diversified ECONOMY

- 3<sup>rd</sup> largest economy in LatAm, GDP of USD 586 Bn
- 2<sup>nd</sup> highest GDP per capita in PPP terms in the region, USD 22,500
- ~43 Mn pop (~60% under 35); access to 300 Mn pop in Mercosur

## Vast availability of NATURAL RESOURCES

- 8<sup>th</sup> largest country in the world (2.8 Mn km<sup>2</sup>), with 53% of agricultural land
- Abundant food, water and renewable energy resources
- Large oil & gas and mineral reserves

## High quality HUMAN CAPITAL

- Qualified labor force, renowned for its technical skills, creativity & versatility
- #1 in Latin America's Indices of Human Development and Education
- 98% literacy rate, ~110,000 higher education graduates per year

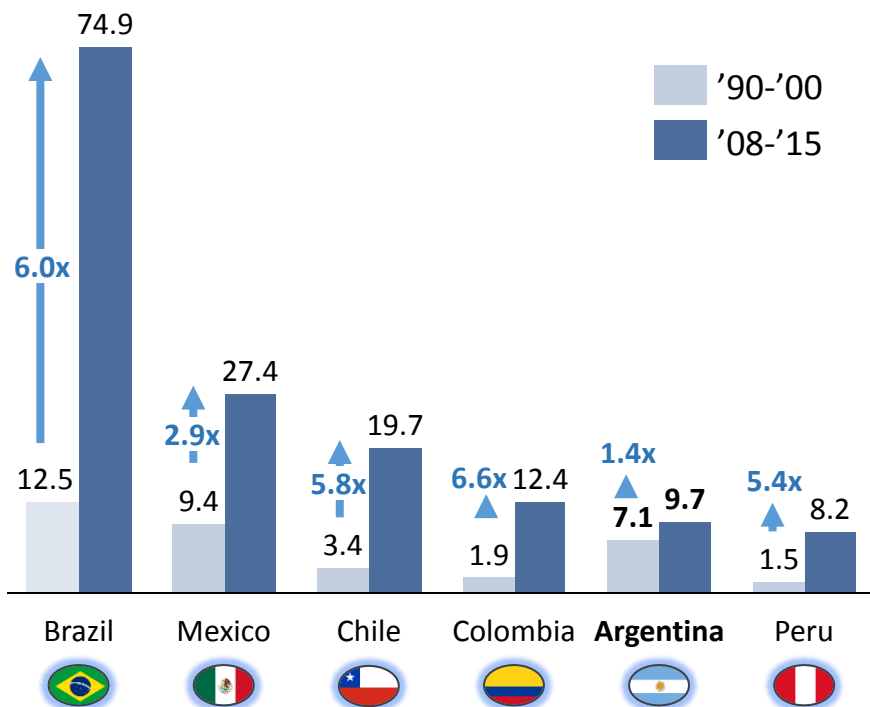
## NATIONAL INFRASTRUCTURE improvement underway

- Nationwide road & railroad systems (+35,000 km), 43 ports & 54 airports
- High connectivity, with 75% broadband and 141% mobile penetration
- Extensive natural gas pipeline and electricity grid coverage

# Argentina has potential to capture USD 25 Bn/year+ in Foreign Direct Investment

Argentina has lagged behind its peers in capturing the strong FDI inflow growth in Latin America

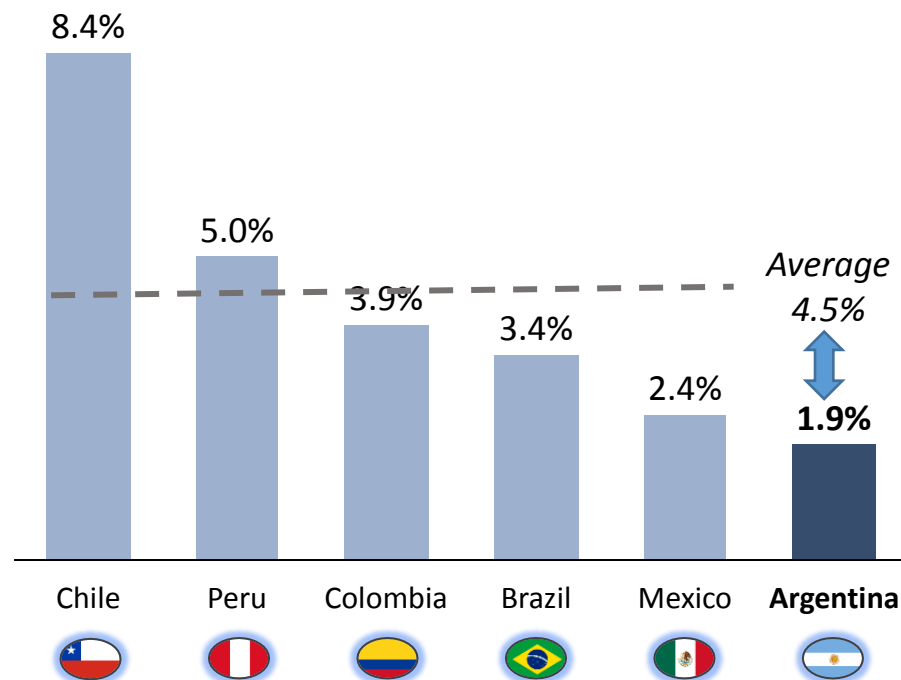
Foreign Direct Investment  
(Avg. USD Bn/Year)



Argentina's share of regional FDI flows fell from 16% to 4% between the 90s and the last 7 years

Now we have the opportunity to reach the level of FDI correspondent to the size of our economy

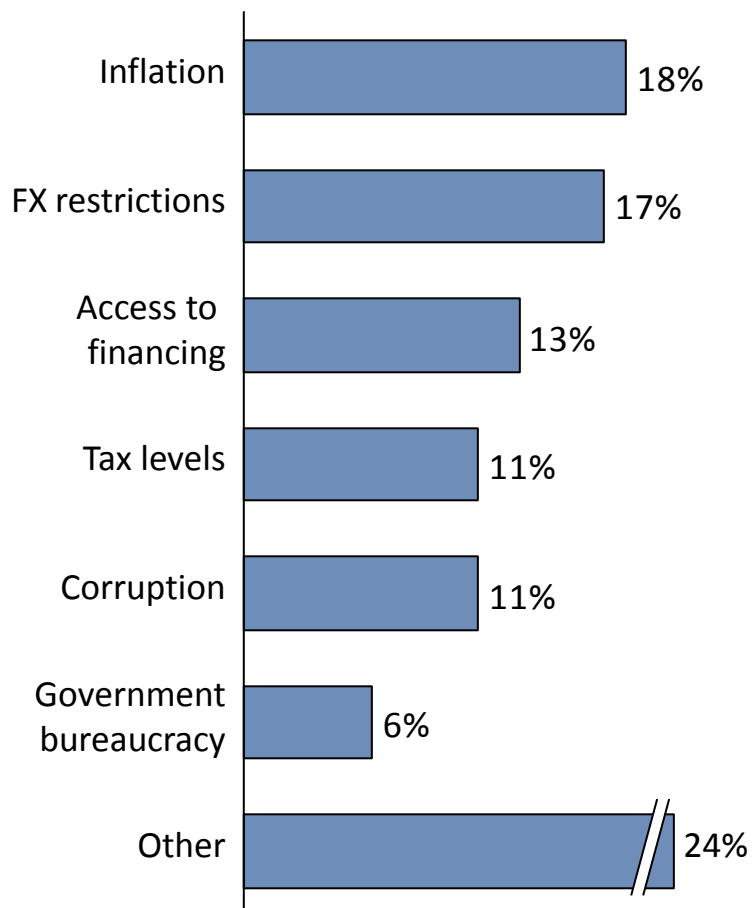
'08 - '15 FDI/GDP  
(%, average)



To reach the regional average, Argentina needs to capture USD 25 Bn a year in FDI flows

# President Macri's Administration has taken concrete steps to resolve investors' concerns

## WEF Survey: Main Concerns for Argentina (share of total responses)



## Key reforms and initiatives

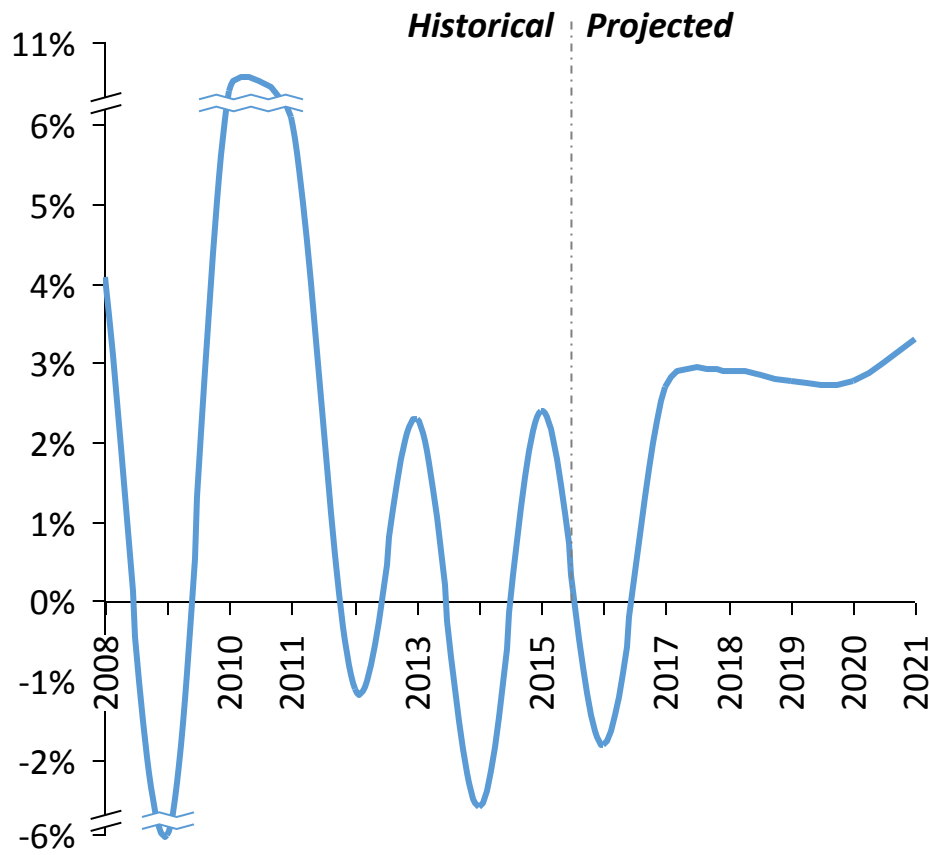
- Instituted inflation targeting policy to reach single-digit CPI by 2018
- Removed capital controls and repatriation restrictions
- Floated exchange rate and recovered monetary reserves
- Resolved defaulted debt and regained access to global financial markets
- Removed export taxes and import restrictions
- Government e-platform for tenders and public accounts
- Created the Argentina Investment & Trade Promotion Agency
- New Public-Private Partnerships (PPP) regulatory framework
- Re-launched the National Statistics Bureau (INDEC)
- Established 4-year plan to eliminate the primary fiscal deficit

**Country risk declined more than 100bp (-22%) in 12 months\* and recent public and corporate debt issuances have been oversubscribed by 4-7x\*\***

# Argentina's macroeconomic indicators are projected to improve markedly beginning in 2017, making this an ideal moment to invest in the country

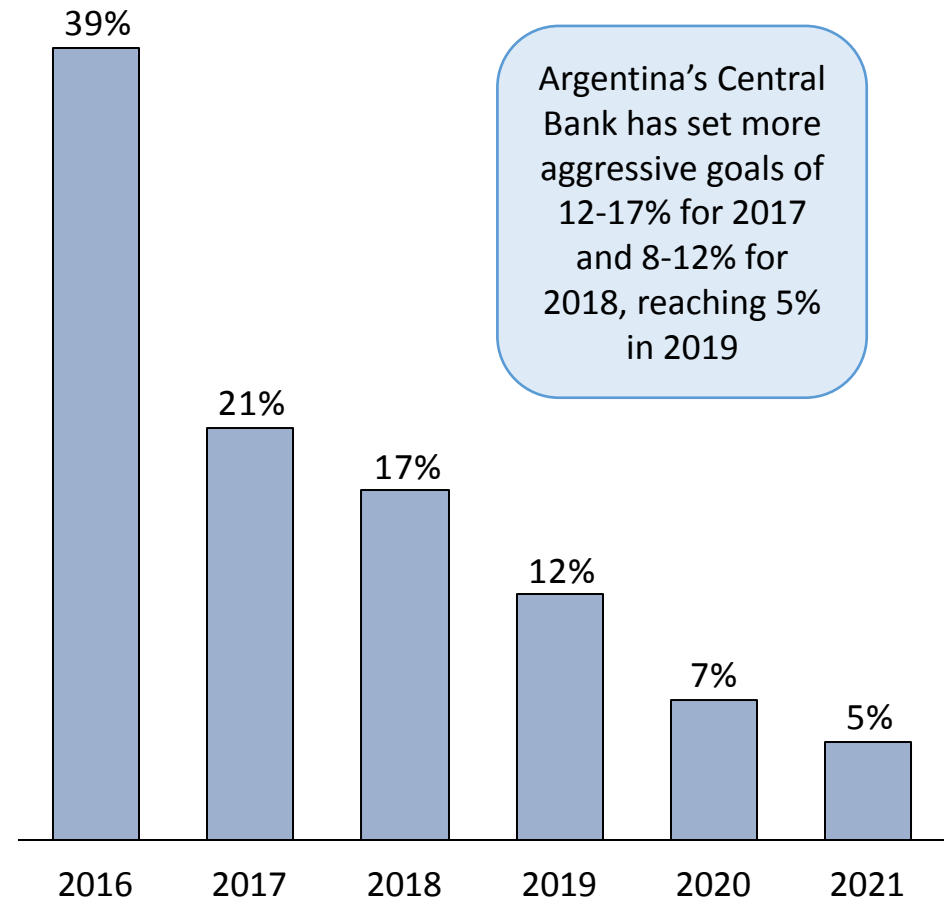
## Argentine GDP is expected to rebound strongly in the next few years

YoY GDP Growth (constant 2004 prices)



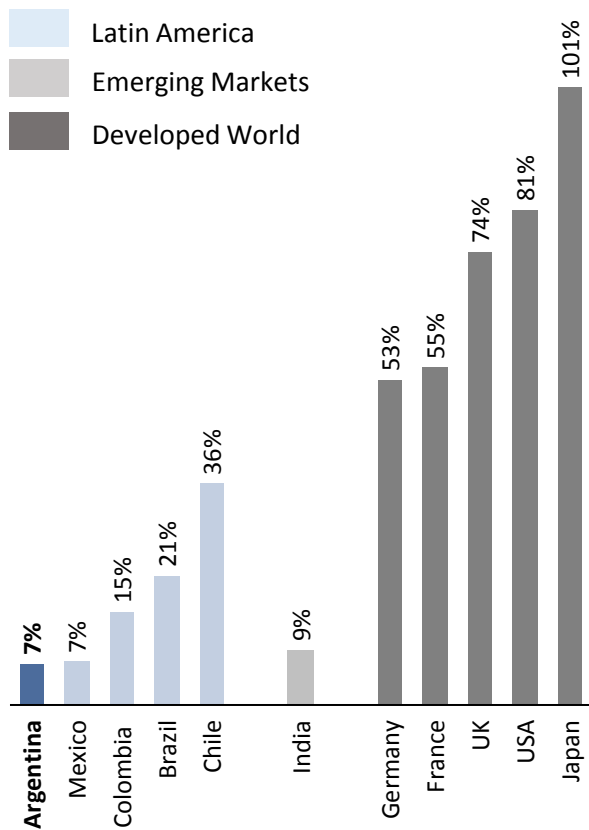
## According to IMF, Inflation is expected to decrease significantly, reaching single digits by 2020

YoY Consumer Price Change



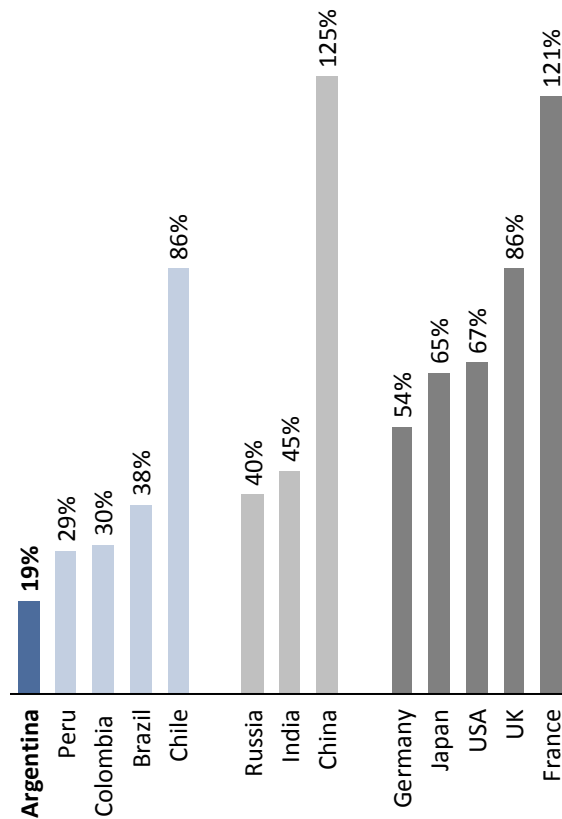
# Low levels of leverage at the household, corporate and government levels increase potential for investment and growth

**Household Debt - 2014**  
(% of GDP)



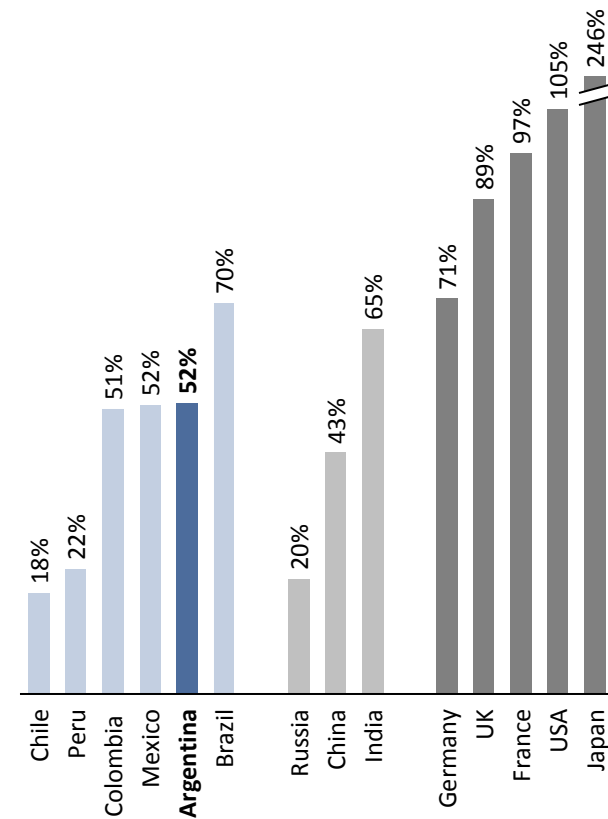
Argentine households have significant room to borrow and increase spending

**Corporate Debt - 2014**  
(% of GDP)



Argentine corporations have the lowest debt to GDP ratio in the world, increasing opportunity for leverage

**Sovereign Debt - 2015**  
(% of GDP)



The government has ample room to borrow from capital markets to fund infrastructure projects

# Argentina offers investment opportunities of more than USD 250 Bn



## Infrastructure

**\$135 Bn**

- Roads & highways: **\$48 Bn**
- Water & sanitation: **\$22 Bn**
- Education & health: **\$20 Bn**
- Urban mobility: **\$17 Bn**
- Freight rail: **\$15 Bn**
- Real estate: **\$5 Bn**
- Telco networks: **\$5 Bn**
- Airports & ports: **\$3 Bn**



## Energy & Mining

**\$85 Bn**

- Oil & Gas: **\$20 Bn+** (per year)
- Mining: **\$30 Bn+**
- Renewable energy: **\$15 Bn**
- Hydro power: **\$10 Bn**
- Thermal power: **\$5 Bn**
- Power grid: **\$5 Bn**



## Agribusiness

**\$25 Bn**

- Irrigation: **\$18 Bn**
- Animal protein (beef, pork, poultry): **\$5 Bn**
- Forestry/Pulp: **\$2.5 Bn**



## Manufacture/ Industrial Goods

**\$5 Bn**

- Automotive industry
- Food & Beverage
- Consumer products
- Machinery & Equipment
- Basic materials



## Value Added Services

**\$5 Bn**

- Tourism
- Professional services
- Biotechnology
- Pharma
- Software development

# The Argentina Investment & Trade Promotion Agency

*Contribute to the creation of quality jobs and sustainable economic development by reinserting Argentina into the world, through investment and trade*

- **Single point of contact** in the government for companies seeking to invest in Argentina
  - Become a **strategic partner** throughout the investment period
  - **Facilitate** investment processes and improve business climate
  - Promote the **highest ethical and professional standards**, making Argentina a better and more transparent place to conduct business
- Unlock **SMEs and regional economies potential** to strategic international markets



ECONOMIC?  
IMPACT?



JOB?  
CREATION?



REGIONAL?  
ECONOMIES?



SOCIAL?  
IMPACT?



TECHNOLOGY?  
TRANSFER?



STRATEGIC?  
SECTORS?



ENVIRONMENTAL?  
CARE?





# The Agency facilitates investment processes throughout the business ecosystem

## Strategic issues

*Sector-specific information, programs, regulatory framework*

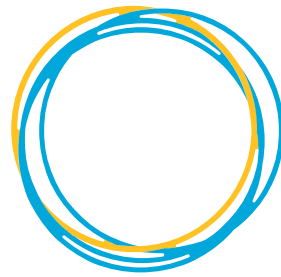


## Administrative issues

*Tax/legal paperwork, permits, registrations*



The Agency is a single-point-of-contact for investment projects, independently of sectors and origins



# Argentina Investment + Trade Promotion Agency

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