

Investment and Business Opportunities in Argentina

Resources & Sustainability



World Resource Ventures – April 9th 2014 – Konrad Adenauer Foundation in Berlin



Ministry of
Foreign Affairs and Worship
Argentine Republic



Secretariat of
International
Economic Relations
Ministry of Foreign Affairs and Worship
Argentine Republic



Undersecretariat for
Investment Development
and Trade Promotion
Ministry of Foreign Affairs and Worship
Argentine Republic



Botschaft der
Republik Argentinien



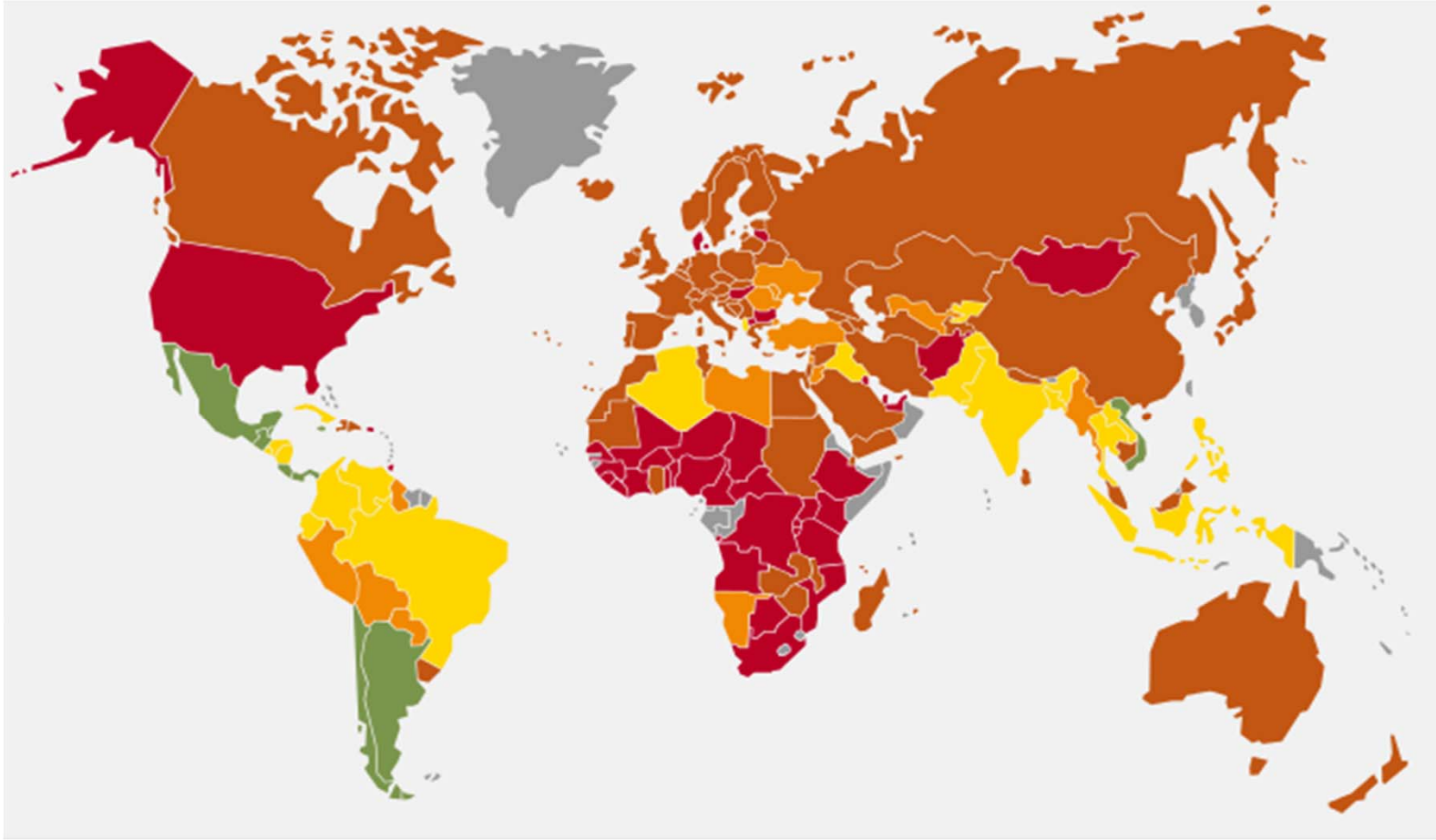
Argentina - abundant and diverse natural resources

Rich resources available for sustainable development

- Second largest country in Latin America; 8th in the world: 3.8 million km².
- Highest agricultural productivity levels in the world.
- Vast extension of fertile land for agriculture: 9th largest extension of agricultural area in the world with 147 million hectares of arable lands (FAO).
- Ample forest resources: more than 33 million hectares of native forests and 1.2 million hectares of planted forests (FAO).
- 4,500 km of mountain ranges with mining resources: gold, copper, lithium, carbon, lead, zinc, tin, silver and potassium.
- 4,700 km coast along the Atlantic Ocean with rich fisheries.



Argentina among the top countries of the Happy Planet Index (HPI) 2013



Source: www.happyplanetindex.org

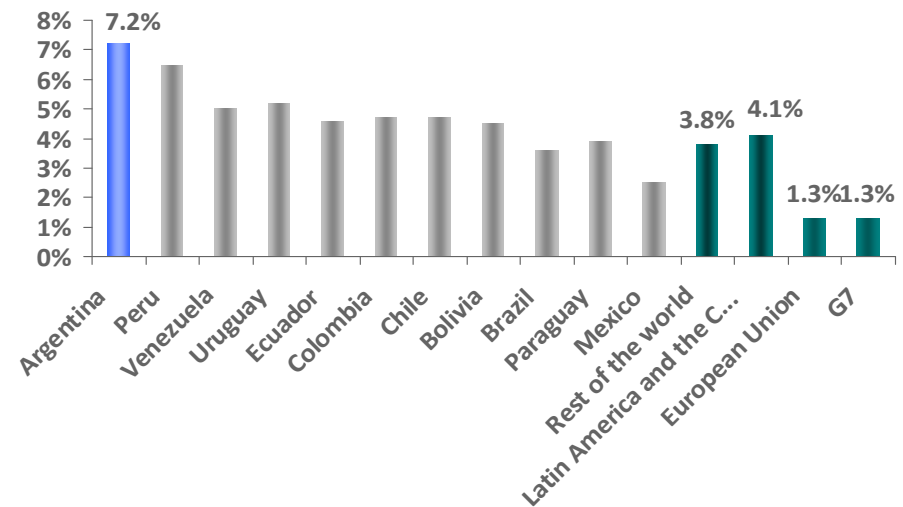
Sustainable economic growth (1)

A dynamic economic model based on social inclusion

- One of the fastest growing countries worldwide: leader in Latin America for the past decade.
- Sustainable macroeconomy: sustained external surplus, accumulated international reserves, substantial reduction in public debt and fiscal solvency.
- Record investment rate for the last 30 years in 2011 (22.8% in 2012).
- Record-high exports close to US\$ 100 billion for goods and services in 2011 (US\$ 96 billion in 2012).
- Dynamic domestic market: private consumption has grown at an average rate of 7% per year in real terms since 2003.

Argentina boasts the highest economic growth in the region

Average growth rate of GDP (2003-2012)



Source: Ministry of Foreign Affairs and Worship (MREC) based on IMF

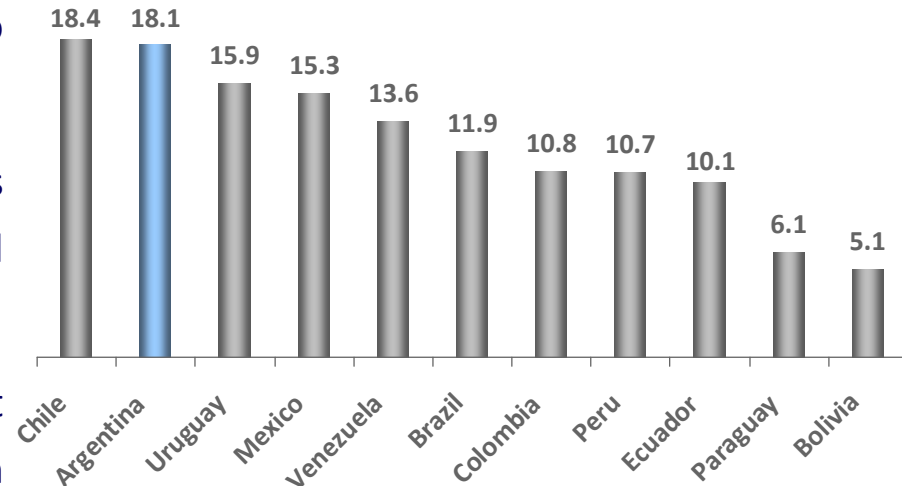
Sustainable economic growth (2)

A dynamic economic model based on social inclusion

- Five million new jobs created; a decrease in unemployment levels from 21.5% in 2002 to 7.2% in 2013.
- Economic policies prioritize socioeconomic integration and social inclusion as primary goals.
- Improved income distribution: the Gini ratio reduced from 0.53 in 2003 to 0.42 in 2012.
- Inclusion of the most vulnerable age groups into social security coverage; substantial reduction in poverty and indigence levels.
- Ranked as a Very High Human Development country in the United Nations 2012 Human Development Index.

Argentina ranks as a very high human development country (UNDP)

GDP per capita (PPP)
In thousands of current international US\$ (2012)



Source: Ministry of Foreign Affairs and Worship (MREC) based on IMF

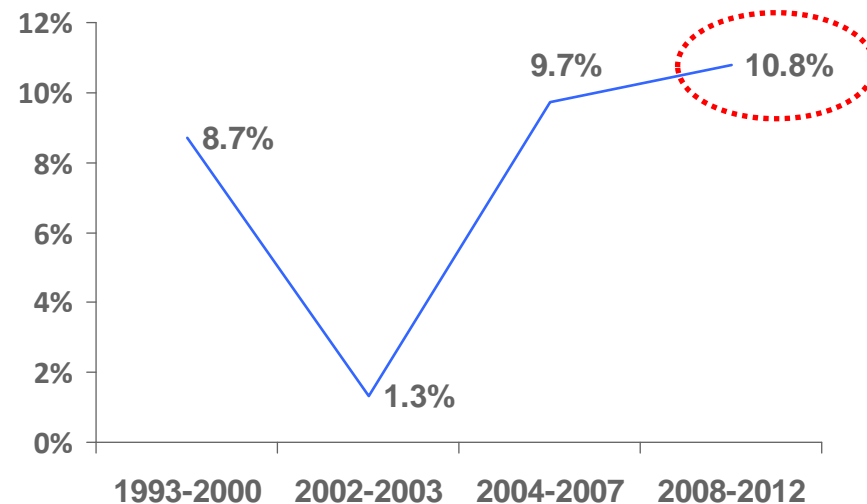
Attractive business profitability

Productive investment delivering high returns

- High profitability in a wide range of productive sectors.
- New record-high profits from Foreign Direct Investment (FDI) as a percentage of assets, with the annual average exceeding 9% in the last four years.
- Profits over sales above 13% for the 500 non-financial private companies in 2006-2011.
- More than 2,000 multinational companies operating in diverse sectors share a long-term vision and renewed investment commitments.

Argentina offers high profitability for FDI

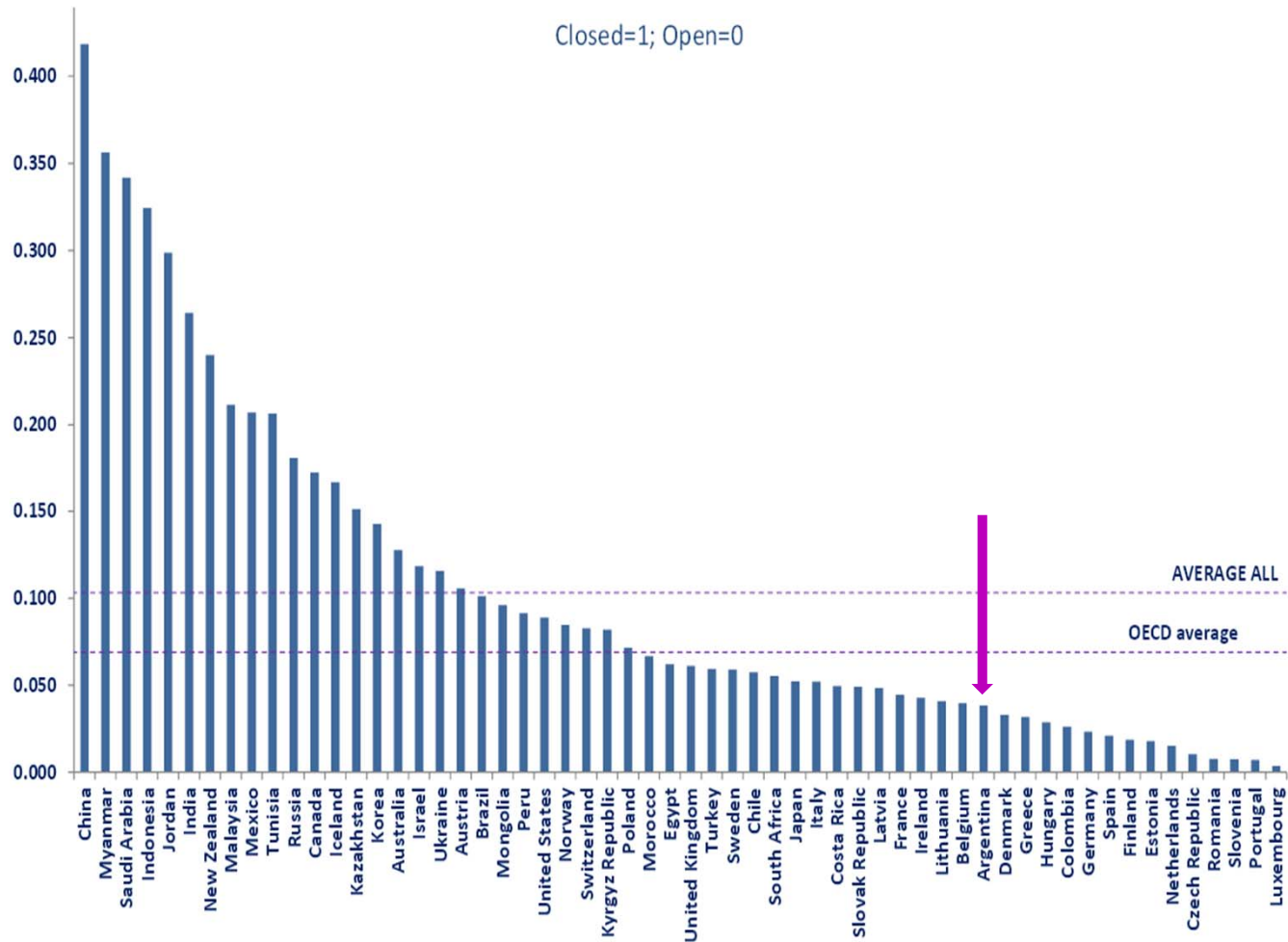
FDI profits (as a percentage of assets)



Source: Ministry of Foreign Affairs and Worship (MREC) based on Argentina's National Institute of Statistics and Censuses (INDEC)

Argentina among the less restrictive countries in the world

FDI Regulatory Restrictiveness Index (FDI Index) 2013



Source: www.oecd.org

Second generation of investment promotion policies

Moving from a broad promotion strategy towards a strategy that is proactive, focusing on specific investment opportunities

- ***“Quality” investment inflows:***
 - ✓ Higher value added production
 - ✓ Increase exports trade
 - ✓ Capital, technology and knowledge
 - ✓ Job creation and human resources training
- **Investing in a project with a local partner ensures better economic, commercial and technical advantages:**
 - ✓ Known better how to target sector and local market
 - ✓ Good understanding of the law
 - ✓ Improved logistics, distribution chain and contact networks
 - ✓ Familiarity with the common local practices

Productive Investment Opportunities Database (BaPIP)

Is an online portfolio of investment projects, representing a compilation of the diverse opportunities available to investors in Argentina.

BaPIP

Productive Investment Opportunities Database

Promoters:

- Private companies
- Consulting firms
- Governments
- Cooperatives



Investors:

- Foreign companies
- Investment Funds
- Angel Investors
- Investment Banks

<http://bapip.inversiones.gov.ar/en>



Home > BaPIP

Advantages of visiting the investment project database

Visiting the investment opportunities database periodically will help you find the best investment opportunities in Argentina and, if interested, you will be able to contact the owners of the projects in order to form strategic partnerships and share in the potential benefits arising from the investment. [Read More](#)

ACCESS
to the Investment
Opportunities Database

Examples of Project Synopsis in Renewable Energy Sector (1)

Project #114:	<u>Bioethanol production from corn with the aim of becoming the largest bioethanol producer and exporter in Latin America</u>				
Sector	RENEWABLE ENERGY	Project total amount:	US\$ 331 millions	Project stage	Business plan
Location:	Santa Fe, Argentina	Funding sought:	US\$ 281.4 millions	Promoter:	Company

Project #170:	<u>Construction and operation of a mini hydroelectric power plant</u>				
Sector	RENEWABLE ENERGY	Project total amount:	US\$ 13 millions	Project stage	Advanced development
Location:	Neuquen, Argentina	Funding sought:	US\$ 13 millions	Promoter:	Provincial Public Organism

Project #188:	<u>Construction and operation of a 20MW photovoltaic power plant in the province of San Juan</u>				
Sector	RENEWABLE ENERGY	Project total amount:	US\$ 56 millions	Project stage	Advanced development
Location:	San Juan, Argentina	Funding sought:	US\$ 44.8 millions	Promoter:	Company

Examples of Project Synopsis in Renewable Energy Sector (2)

Project #195:	<u>Manufacturing of wood pellets to be used in energy generation</u>				
Sector	RENEWABLE ENERGY	Project total amount:	US\$ 6 millions	Project stage	Advanced development
Location:	Corrientes, Argentina	Funding sought:	US\$ 1.8 millions	Promoter:	Company

Project #220:	<u>Development of an industrial plant to manufacture evacuated tube solar water heaters</u>				
Sector	RENEWABLE ENERGY	Project total amount:	US\$ 0.8 millions	Project stage	Project - Idea
Location:	Buenos Aires, Argentina	Funding sought:	US\$ 0.2 millions	Promoter:	Company

Project #252:	<u>Installation of a wind farm (39 MW) in Puerto Deseado, Province of Santa Cruz</u>				
Sector	RENEWABLE ENERGY	Project total amount:	US\$ 80 millions	Project stage	Advanced development
Location:	Santa Cruz, Argentina	Funding sought:	US\$ 16 millions	Promoter:	Company

Examples of other Project Synopsis (3)

Project #208:	<u>Plant to produce power generators based on electromagnetic energy</u>				
Sector	MANUFACTURE	Project total amount:	US\$ 3 millions	Project stage	Business plan
Location:	Buenos Aires, Argentina	Funding sought:	US\$ 1.5 millions	Promoter:	Company

Project #168:	<u>Biotechnological Production of artemia Eggs</u>				
Sector	TECHNOLOGY	Project total amount:	US\$ 1 million	Project stage	Advanced development
Location:	Buenos Aires, Argentina	Funding sought:	US\$ 0.4 millions	Promoter:	Company

Project #239:	<u>Online platform for investments in qualified startups</u>				
Sector	TECHNOLOGY	Project total amount:	US\$ 2 millions	Project stage	Advanced development
Location:	Buenos Aires, Argentina	Funding sought:	US\$ 1.8 millions	Promoter:	Company

Executive summary of investment project example (extract)

More information about the investment project

City/Area: Puerto Deseado, Santa Cruz, Argentina

Total amount of the Investment Project: US\$ 80,000,000.00

Minimum amount required from investor: US\$ 16,000,000.00

Purpose of the Investment: New productive unit

Destination of the Investment: Machinery and Equipment

Investment Project's stage of development: Advanced development - Signed contract with landowner. Completed wind measurement campaign, certified by an independent consultant. Environmental impact study and certificate of environmental suitability completed and approved. Electrical studies. Authorization to build the wind farm in progress.

Brief description of the main stages of the project:

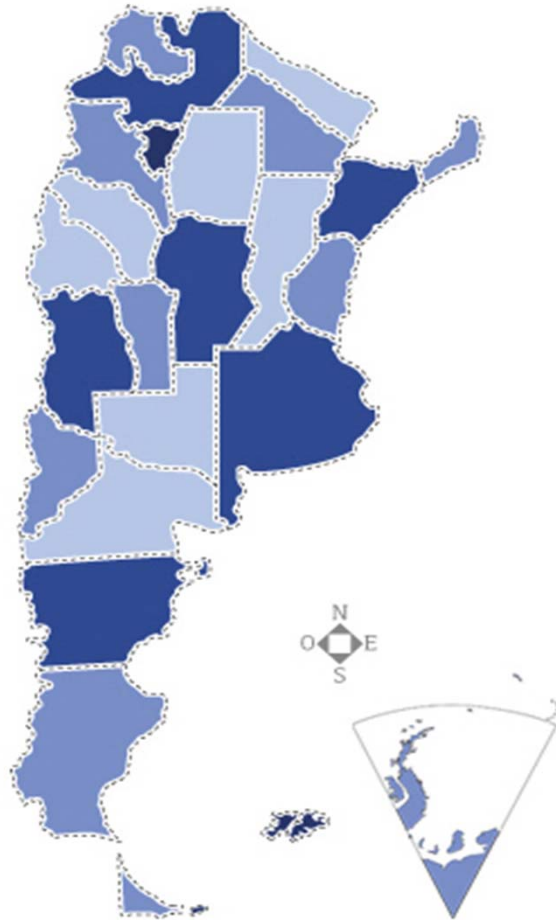
Year	Amount	Destination
1	80,000,000.00	CAPEX - Funds will be used to buy wind turbines (of domestic or foreign origin), as well as equipment and materials to be used for the electro-mechanical and civil works.
2		
3		
4		
Difference		
Total	80,000,000.00	

Type of public incentives available for the Investment Project: Tax breaks, Investment reimbursement

Type of investor required: Irrelevant

Preferred investment mode: Equity

Invest in Argentina



The Undersecretariat for Investment Development and Trade Promotion promotes (supported by a network of 130 permanent representations of Argentina throughout the world) the development of productive investments in Argentina and supports the internationalization of domestic companies to contribute to Argentina's competitiveness and sustainable development.

Website: www.inversiones.gov.ar

Assistance to evaluate your investment project

Information available to investors includes:

- ✓ Competitive advantages offered by Argentina.
- ✓ Main economic sectors.
- ✓ Local economic context.
- ✓ Tax and legal investment framework.
- ✓ Procedures and paperwork required to operate in Argentina.
- ✓ Comparative analysis of the different locations in the country.
- ✓ Promotional and incentive policies applicable to each economic activity.



Assistance for the start-up, operation or expansion of your business

Services provided include:

- ✓ Contact with national, provincial and municipal offices and agencies concerned with investment-related areas.
- ✓ Contact with intermediary entities (such as chambers of commerce, business associations and professional organizations concerned with investment-related areas).
- ✓ Contact with scientific and educational institutions.
- ✓ Identification of the financing options available.
- ✓ Information about residence and work permits



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Thank you!

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