

WHY ARGENTINA

POOL OF TALENT

23 APRIL 2019



Agencia Argentina
de Inversiones
y Comercio Internacional



Argentina

- **Macroeconomic overview**
- **National Productive Plan: Policies**
- **Global Services & Digital Economy**
- **AgTech**
- **How can we help you**

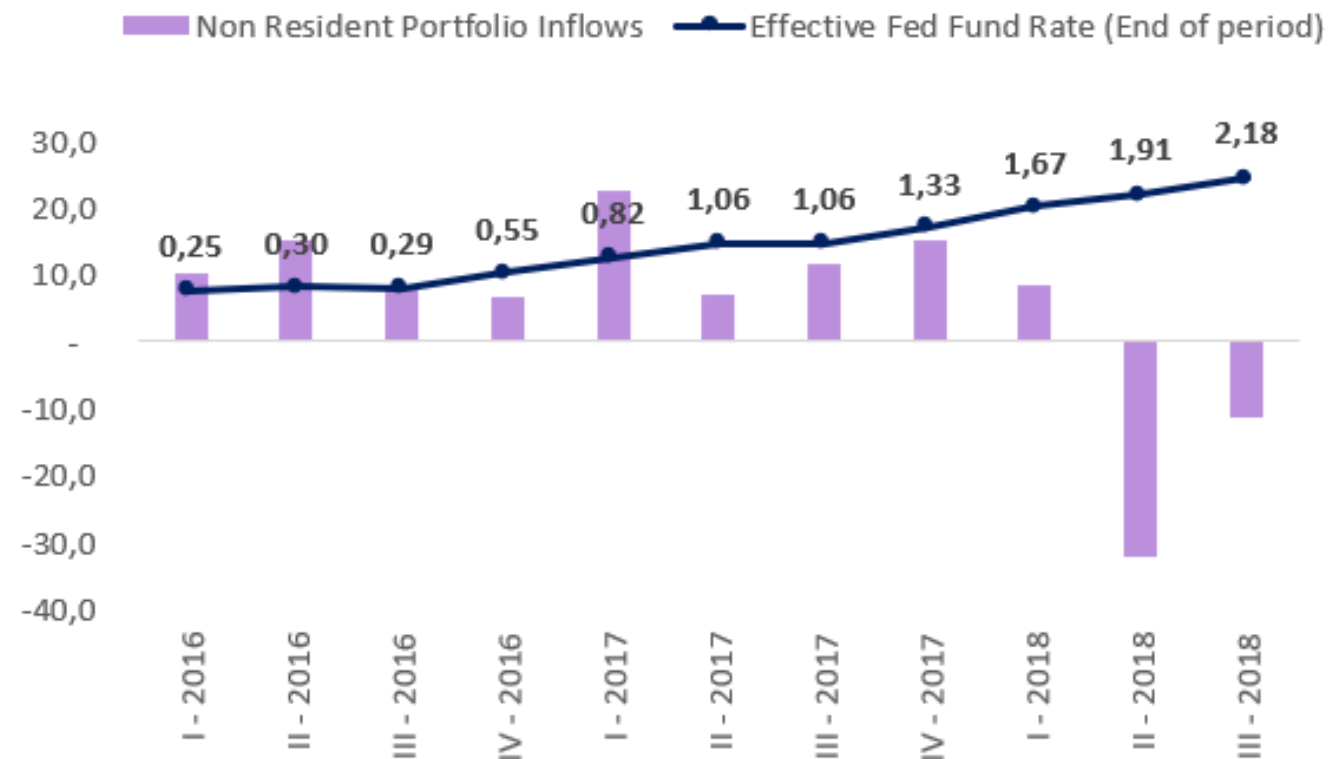
A COMBINATION OF INTERNAL AND EXTERNAL SHOCKS IMPACTED THE ECONOMY IN 2018

External Shocks

- Steady increases in interest rates by the Fed in 2018 reversed capital flows to emerging markets.
- Trade war worries added to a “risk off” market environment.
- Argentina and Turkey were most affected due to their substantial economic imbalances.

Non Resident Portfolio Inflows – Effective Fed Funds Rate

Inon Resident Portfolio Inflows in USD B – Fed Funds Rate in %



Source: INDEC; BCRA, St. Louis FRED

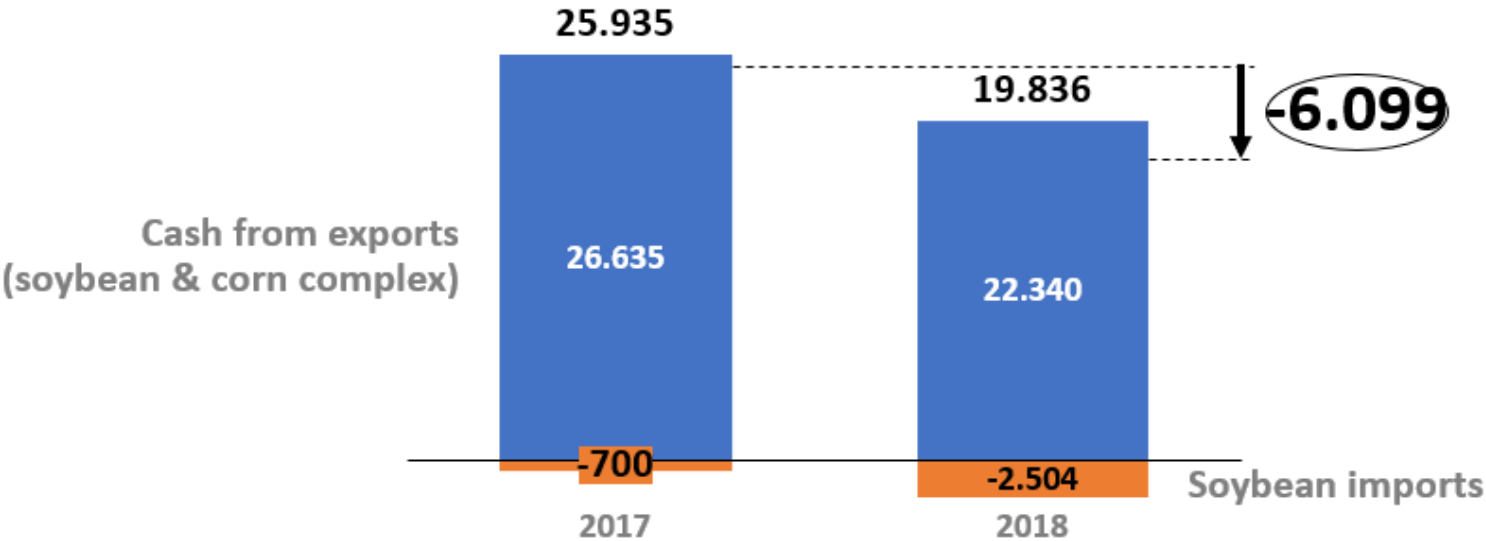
A COMBINATION OF INTERNAL AND EXTERNAL SHOCKS IMPACTED THE ECONOMY IN 2018

Internal Shocks

- A severe drought heavily impacted the soybean (-31% production) and corn (-20% production) harvest, impacting exchange market by - USD 6 B.

Drought Impact

In USD M

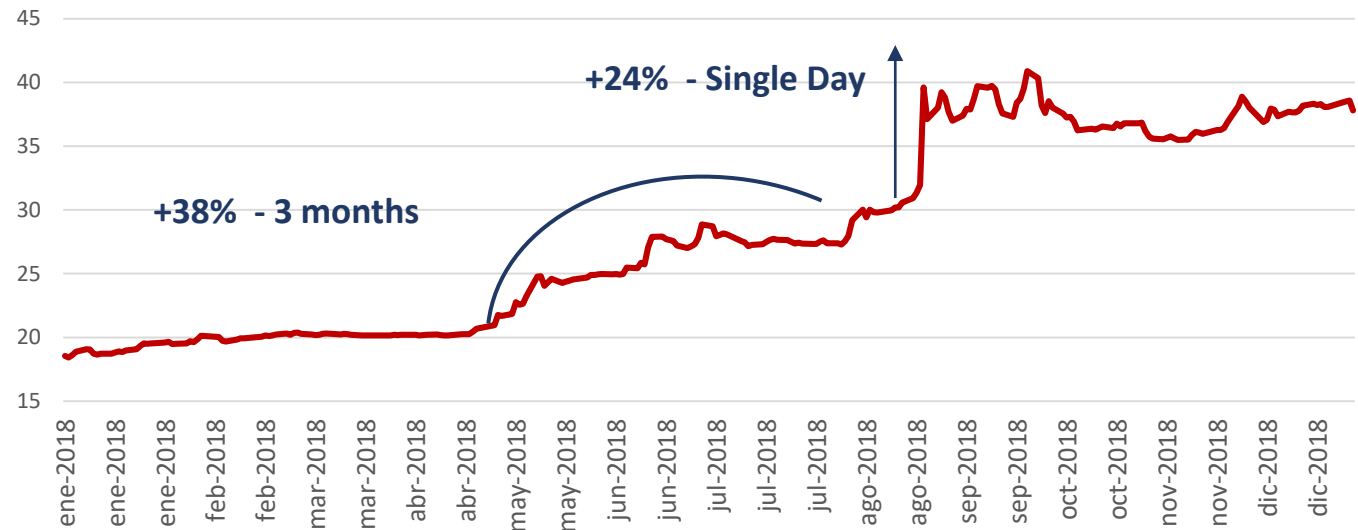


Source: INDEC; BCRA, St. Louis FRED

EXCHANGE RATE ADJUSTMENT

- The peso underwent two large depreciation events in 2018.
- The Central Bank kept its commitment to a floating exchange rate without reintroducing capital controls.
- Depreciation of the Peso:
 - Has significantly improved international competitiveness.
 - Has strengthened the Central Bank's balance sheet through an increase in international reserves.

Exchange Rate ARS/USD



Multilateral Exchange Rate

Base = 100



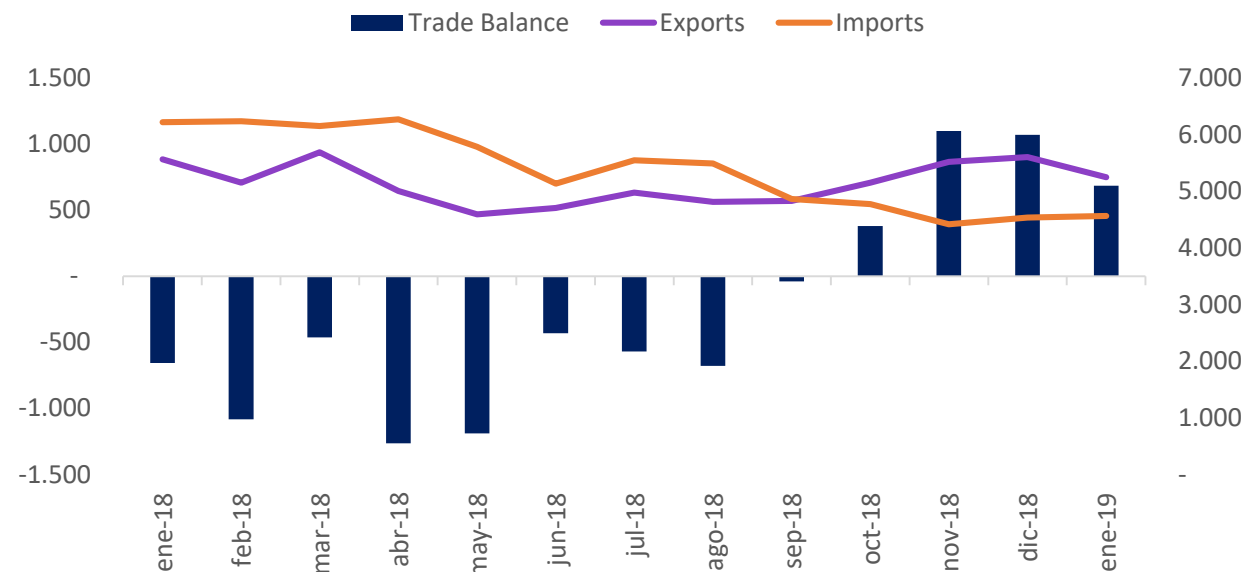
Source: BCRA

FUNDAMENTALS ARE IMPROVING

- **Peso depreciation and an expected record harvest are helping to improve the trade balance reducing the country's vulnerability to sudden capital outflows.**
- **Government budget established the necessary measures to achieve a primary fiscal balance in 2019.**
- **IMF deal will cover all of the country's financial needs.**
- **Exports are projected to be the main driver for GDP growth.**

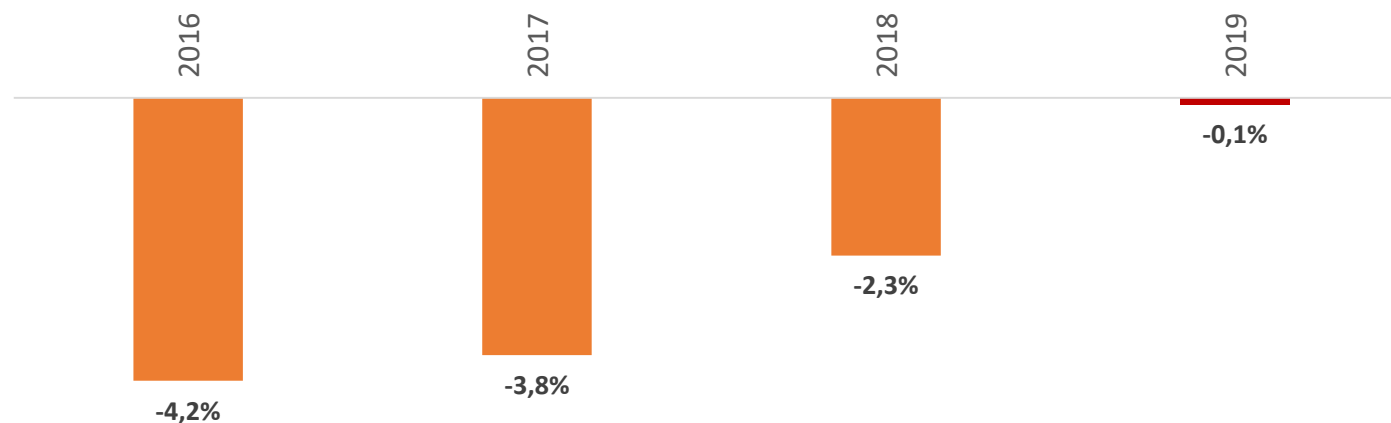
Trade Balance

In USD B, seasonally adjusted, left axis = trade balance



Primary Fiscal Balance – IMF Staff Estimates

As a % of GDP

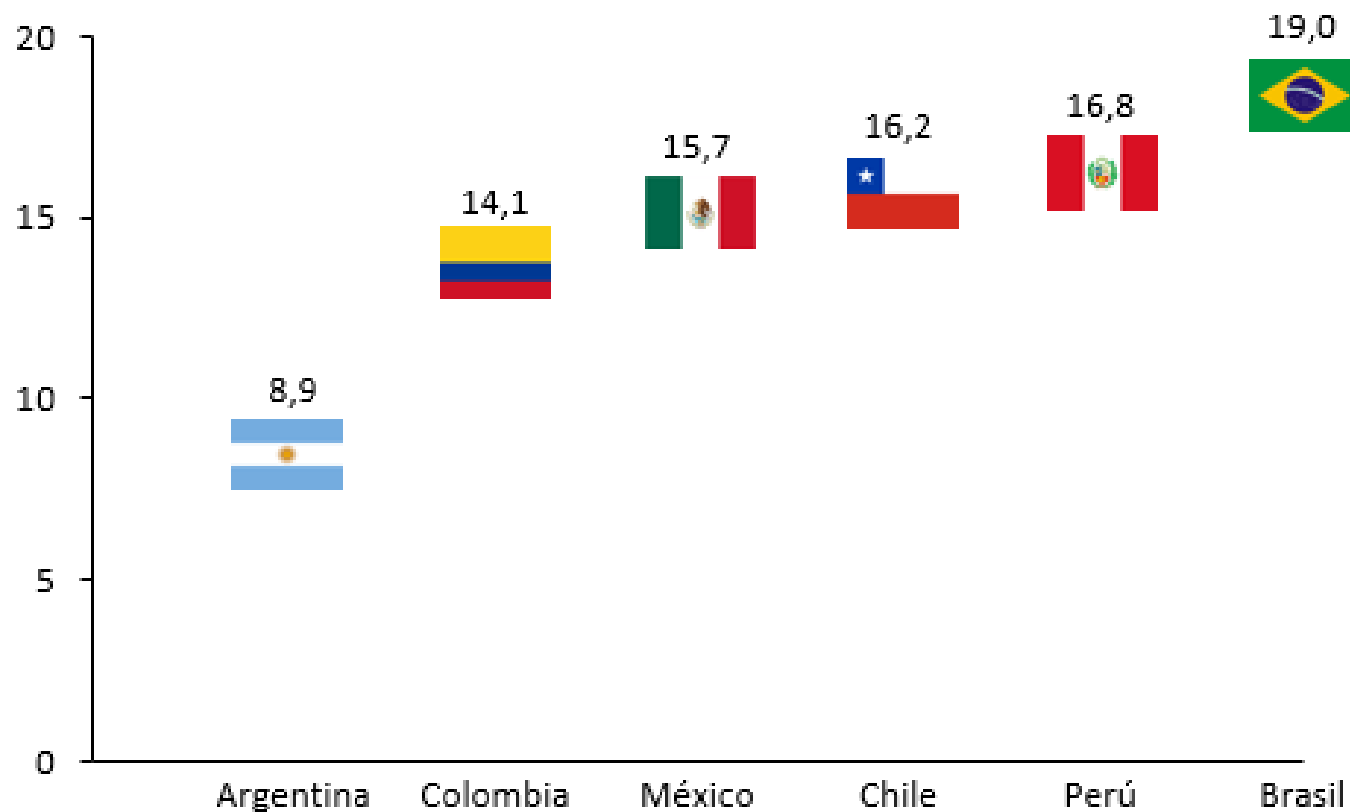


ARGENTINA PRESENTS ATTRACTIVE VALUATIONS

- Regional stock indices average P/E ratios double Argentina's stock market.
- Great opportunity for investors to capture higher investment returns.

Countries Index PE Ratios

Trailing Twelve Months





GOVERNMENT HAS IMPLEMENTED SPECIFIC MEASURES TO IMPROVE 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 hosted 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

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)

VALUABLE FACTS ON GLOBAL SERVICES AND DIGITAL ECONOMY

8.4%

Of total exports

1°

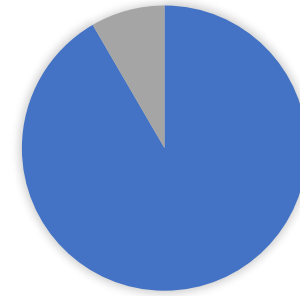
Latam software exporter

3°

Export industry

+433k

Highly qualified professionals



+ US\$ 6 BN



WHY IS ARGENTINA GREAT?



TALENT

- 4 out of 11 LATAM's Unicorns
- #1 English speaking country in LATAM
- Tech-related graduates
- Top 10 awarded in **Lion Cannes**



GENERAL ASPECTS

- Convenient Time Zone
- Sector maturity
- Quality of infrastructure
- Global mentality
- Exports to sophisticated sectors and markets



COSTS

- Convenient costs
 - Talent
 - Real estate (increasing number of sustainable and AAA buildings)



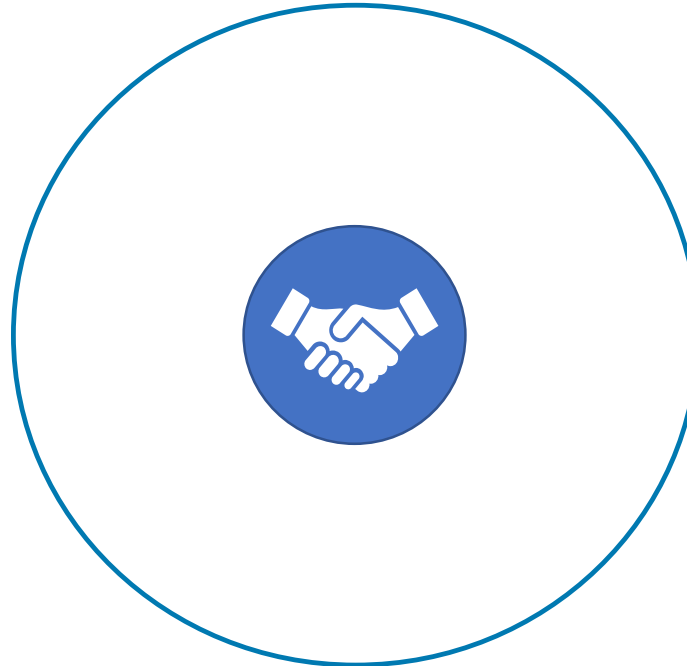
FULL GOVERNMENT SUPPORT

Entrepreneurs Law

- ✓ Setting up and start running your company in 24hs
- ✓ Public financing
- ✓ Tax incentives for investors
- ✓ Crowdfunding

Territorial incentives

- ✓ Tech-poles in main cities



Tax incentives

- ✓ Economy of Knowledge Law

Talent development

- ✓ Public universities
- ✓ 111k Program

WHY AGTECH IN ARGENTINA?

- 60% of exports (~USD 36 Mn)
- #1 world soymeal & oil Exporter
- Agro innovation organisms – AACREA, CONICET, INTA, etc.



Agricultural Power



Favorable government policies

- Software Law
- Entrepreneurship Law
- Plan 111 thousand

- KBS is the 2nd export industry in the country (~USD 6,5 Bn)
- 5 scientist per 1000 people & #1 in Nobel Prizes in LatAm
- 110k higher education graduates per year



Human Talent

MAGNA Agtech table



Entrepreneurial culture

- 1 of 3 persons is planning to be an entrepreneur
- More than 400 registered acceleration programs
- Largest unicorn producer in the region (4)

- 43% with college degrees & 57% with secondary education
- Significant high tech adoption



Sophisticated Farmers



Digitalization

- Highest broadband and internet penetration in LatAm
- Largest number of software development companies in LatAm (4500)

WHY AGTECH IN ARGENTINA?

Agribusiness is core and developed in Argentina and there is high adoption of AgTech



Agribusiness sector is key to Argentina...

~60%
of exports
(~USD 36 B)
and ~19% of GDP*

#1
soybean meal & oil
exporter and top
exporter of wheat, corn,
honey, lemon, garlic and
others



... has high levels of professionalism...

+80%
hire technical
advisors

~45%
have university
degrees



... and high adoption of technology

+90%
satellite guidance for
spraying machines

~60%
sowing and yield
monitoring

*Including agriculture, logistics and related services and industry

COMPANIES THAT CHOSE ARGENTINA AND CONTINUE EXPANDING



J.P.Morgan



an NTT DATA Company



OPPORTUNITIES IN ARGENTINA



BPO

Legal, Accounting & Administrative Services

Advertising & Market Research

Engineering & Architecture

R+D

+ 50.000 graduates in 2017

SUCCESS STORY



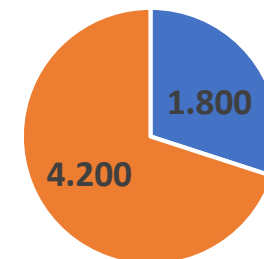
SSI

45.000 software & informatic companies

110.000 programmers

+ 13.000 graduates on technological careers in 2017

US\$ 1.800 MN exports



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

OUR ALLIANCE WITH JETRO



- **Memorandum of understanding (MOU) signed in 2017**
 - ✓ Strengthening of relationship between both countries
 - ✓ Establishment of a joint agenda
 - ✓ Promotion of Japanese investments in Argentina
 - ✓ Stimulation of bilateral trade
- Working together to provide information to investors
- Continuous collaboration with Japanese delegations, assembly of meetings with Argentine exporters, networking, seminars.



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