

ARGENTINA: LAND OF OPPORTUNITIES

Strong Country Fundamentals

Argentina is uniquely positioned to become an attractive destination for Foreign Direct Investment after more than a decade of losing share in Latin America's capital inflows (from 6.2% in 2004-08 to 4.2% in 2014, with 100% of FDI being re-invested dividends triggered by repatriation restrictions).

THE COUNTRY'S COMPETITIVE AND STRATEGIC ADVANTAGES STEM FROM THE COMBINATION OF SEVERAL KEY FACTORS:

NATURAL RESOURCES AVAILABILITY	<ul style="list-style-type: none"> • 8th largest country in the world (2.8 million km²), with 53% of arable land • Wide availability of water resources (4,700kms of coast); 99% access to water • 8 prolific Oil & Gas basins (5 conventional, 3 unconventional, offshore potential) • Wide availability of metals and minerals in 4,500+ kms. of mountain range
HUMAN CAPITAL DEVELOPMENT	<ul style="list-style-type: none"> • World-class labor force, renowned for its technical skills, creativity and versatility • Ranked #1 in LATAM in Human Development Index, #1 in Education Index (98% literacy rate) • 2nd highest proportion of middle class population, lowest Gini coefficient in region • 110,000 higher education graduates per year at a national level, 98% literacy rate
ROBUST ECONOMY	<ul style="list-style-type: none"> • 3rd largest economy in the region with \$500Bn+ (after Brazil and Mexico) • 2nd highest GDP per capita in the region in PPP terms (with U\$22,500, after Chile) • 4th country in the region in population size (43+ million); 93% urban population • Less than 6% general unemployment levels, ~75% of employment coming from services
SOLID INSTITUTIONAL FRAMEWORK	<ul style="list-style-type: none"> • 30+ years of stable democratic governments; with 5 political flag changes since 1981 • Laws and regulatory frameworks inspired in most developed markets • Republican and federal regime grants autonomy of powers and regions • Wide range of relationships and bilateral treaties; G20, Mercosur, UNASUR member
WELL DEVELOPED INFRASTRUCTURE	<ul style="list-style-type: none"> • Well-developed road and railroad systems (+35,000 kms. each), 43 ports and 54 airports • High connectivity levels, with 75% broadband and 141% mobile penetration • Nationwide coverage with natural gas pipelines and electricity grids
ATTRACTIVE VALUE PROPOSITION	<ul style="list-style-type: none"> • Low asset valuations/multiples across different sectors • Highly under-levered economy; overall Debt/GDP ratio of 13% (vs. ~60% in Latam) • Talented management at an affordable cost



Transition towards a new equilibrium

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- **EXCHANGE RATE POLICY:** DISMANTLE CAPITAL CONTROLS, FX RESTRICTIONS AND MULTIPLE EXCHANGE RATES
 - **DEBT NORMALIZATION:** RESTRUCTURE DEFAULTED DEBT WITH HOLD-OUTS, ACCESSING GLOBAL CAPITAL MARKETS
 - **MONETARY POLICY:** MODERATE MONETARY BASE EXPANSION, IMPLEMENT INFLATION TARGETING SCHEME
 - **FISCAL POLICY:** REVERT FISCAL DEFICIT IN 5 YEARS, BY CUTTING SUBSIDIES, EXPENDITURE AND DISTORTIVE TAXES
 - **TRADE POLICY:** REDUCE IMPORT RESTRICTIONS AND BUREAUCRACY, PROMOTE FREE TRADE WITH PARTNERS
 - **INSTITUTIONS:** TRANSPARENCY OF, STATISTICS, EMPOWERMENT OF AUTONOMOUS CONTROL ENTITIES
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Opportunities across the space

THERE IS PLENTY OF ROOM FOR INVESTORS TO DEVELOP SUCCESSFUL OPPORTUNITIES IN MANY AND DIVERSE SECTORS:

ENERGY & MINING

- 10GW+inrenewables
- Largestshaleoil/gasplay outside US
- Petrochemicals
- Lithium, Potash, Copper, Gold Potash

AGRIBUSINESS

- 4M Has. of new arable land (irrigation)
- Animalprotein
- Timber,pulp&paper
- Foodindustrialization
- Fisheries

INFRASTRUCTURE

- Roadsandrailway
- Export/importlogistics
- Water/energypublic utility infrastructure
- TelcoInfrastructure
- Housing/RealEstate

INDUSTRIAL GOODS

- Automotivesector
- Electronics
- Food&Beverage
- Machinery/Equipment
- Basicmaterials

TECH & SERVICES

- ProfessionalServices
- Software
- Tourism
- Biotechnology
- Health&Education
- Retailcenters

