

INFOCARD ELANBiz

Country Profile: Argentina¹

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Basic Information

Official Name: República Argentina
Official language: Spanish
Currency: Peso Argentino (AR\$)
Area: Continental territory 2.8 million km²
Population: 44.9 million (2019 estimate)
Capital: Buenos Aires
Main cities: Buenos Aires, Córdoba, Rosario, Mendoza.

Economic Indicators²

GDP: USD 507.6 billion³ (2019, estimated)
GDP per capita: USD 11,652
Central Government Debt / GDP: 90% (2019)
Foreign Direct Investment Inflows: USD 5.3 billion (2019)⁴
Imports of goods and services: USD 49.1 billion (2019)
Exports of goods and services: USD 65.1 billion (2019)
Rank in World Bank's "Doing Business": 126th (2020)

¹ The information provided in this document, is of a general nature only. For more detailed information, events and commercial trade offers, as well as commercial business contacts, please contact the Commercial Offices of the member states Embassies, the European trade organizations and the bilateral chambers of commerce.

² Source: World Bank and Indec.

³ 1 billion = 1000 million.

⁴ Excluding the fourth quarter of 2019



Annual Rate of GDP Growth	
2013	2.4%
2014	-2.5%
2015	2.7%
2016	-2%
2017	2.6%
2018	-2.5%
2019	-2.1%

Consumer Price Index Growth	
2013	10.9%
2014	23.9%
2015	26.9%
2016	42.2%
2017	34.8%
2018	48.6%
2019	53.8%

BoP Current Account USD ⁵	
2013	-13.1 billion
2014	-9.1 billion
2015	-17.6 billion
2016	-15.1 billion
2017	-31.5 billion
2018	-27.4 billion
2019	-6.5 billion (October)

Exchange Rate Pesos/€	
2013	9.10
2014	11.27
2015	15.43
2016	17.80
2017	23.54
2018	45.17
2019	63.30

Economic Profile

With a GDP of approximately USD 518,000 million, Argentina is the third largest economy in Latin America, and has strong commercial and investment links with the European Union.

Between 2003 and 2013, the size of Argentina's middle class doubled from 9.3 to 18.6 million people. Currently, according to private research, it is estimated that 45% of total inhabitants are middle class.

The Argentine economy is well-diversified. The manufacturing sector encompasses important industries such as automotive, chemical, pharmaceutical and agroindustry. Services sectors such as Information and Communication Technologies (ICT) and biotechnology are growing rapidly, while the agricultural sector continues to serve as an important export earner: Argentina is one of the largest world exporters of meat, sunflower, lemon and soybean oil.

Some industrial sectors have a great potential for investment attraction. These include the oil and gas sector, as Argentina is the second country in the world with unconventional gas resources and has an unexplored offshore platform of approximately 500,000 km²; the energy sector, where the country has one of the highest capacities in the world and aims to reach 20% of energy consumption from renewable sources; and the mining sector, with one of the biggest resources of lithium in the world and

⁵ Source: [Indec](#)



approximately 750,000 km² of potential mining area.

The previous administration, in office between 2015 and 2019, implemented important reforms such as the unification of the exchange rate, the modernization of the import regime, and the reform of the national statistics system.

However, external adverse situations and internal economic instability in 2018 resulted in a significant decrease in GDP, a major increase in the exchange rate and one of the highest inflation rates in the world. Available data suggests that in 2019 GDP fell by 2.5%, inflation reached 55%, and the Argentine peso faced a major devaluation.

Ease of Doing Business

Argentina ranks 126th out of 189 economies in the World Bank’s “Doing Business” ranking of 2020.

Area	Ranking
Starting a business	141
Dealing with construction permits	155
Getting electricity	111
Registering property	123
Getting credit	104
Protecting minority investors	61
Paying taxes	170
Trade across borders	119
Enforcing contracts	97
Resolving insolvency	111

Foreign Trade and Investment

The European Union is Argentina’s second largest trading partner after Brazil, with an exchange of products representing approximately 15% of total trade in the country. In 2018, the value of trade in goods between the EU and Argentina reached USD 20 billion.

Argentina’s top export goods to the EU are soya-bean oil derivatives (HS⁶ 2304), other commodities (HS 9999), biodiesel (HS 3826), crustaceans (HS 0306) and bovine meat (HS 0201).

The main exports from the European Union to Argentina are pharmaceutical products (HS 3004), auto parts (HS 8708), parts of electric motors and generators (HS 8503), and human and animal blood prepared for therapeutic uses (HS 3002).

⁶ The Harmonized System Code (HS) is a standardized international product nomenclature that classify traded products.



Historically, European companies and investors face difficulties in doing business with Argentina primarily due to market access restrictions of goods and services. The previous administration, in power between 2015 and 2019, adopted several measures to ease restrictions on foreign trade. This included in particular the cancellation of the previously required Advance Sworn Import Declaration.

A new Administration led by President Mr. Alberto Fernández from the Peronist party took office on 10 December 2019 and it is still uncertain whether, or to which extent, the new government will follow a trade liberalization policy.

The EU as a group is the main investor in Argentina with an FDI stock of approximately USD 32 billion. If individual countries are considered, the top investor is the United States, followed by Spain, the Netherlands, Brazil, Chile, and Switzerland.

Investment Assistance

The [Argentine Agency for Investment and International Trade](#) was created as an autonomous institution in February 2016, with the mission to attract foreign productive investments and help increase and diversify exports. Among other services, this agency provides a selected list of investment opportunities. It operates within the framework of the Ministry of Production and the Ministry of Foreign Affairs, although the new Administration is likely to remove the Ministry of Productive Development from its control over The Agency (this modification has not been yet confirmed).

Main Internal Markets

The city of Buenos Aires and its metropolitan area (Gran Buenos Aires), where one-third of the population lives, constitute Argentina's largest market. The purchasing power of the population in the city of Buenos Aires is the highest among the South American capitals.

The following are the main cities in Argentina, ranked by population:

City	Inhabitants
Buenos Aires and Gran Buenos Aires	13,175,000
Córdoba	1,418,000
Rosario	1,272,000
Mendoza	912,000
Tucumán	822,000
La Plata	751,000
Mar del Plata	621,000

Infrastructure

In terms of transport infrastructure, national road and railroad systems extend over 35,000 km,

maritime connections operate through 43 ports, and there are 54 airports, of which 21 are international. The airports are located in the 23 province capitals, in the city of Buenos Aires and in other important locations. The Ministro Pistarini International Airport, located in Ezeiza (22 km from downtown Buenos Aires) offers direct connections to the main cities of the hemisphere, as well as to most main world capitals.

The main ports of Argentina are the port of Buenos Aires (which is the largest one and handles sea and river traffic), the sea/river port of La Plata, and the sea ports of Bahía Blanca, San Antonio Oeste, Ushuaia and Puerto Madryn. In addition, there are relevant river ports in the cities of Rosario, San Lorenzo, Santa Fé, Barranqueras, San Nicolás and Campana, all of them located on the Paraná River.

Regarding telecommunications, it is estimated that 9 out of 10 people in Argentina have a mobile phone. Internet penetration is of approximately 79%, the highest in Latin America.

Argentina is one of the few countries with the capacity to build geostationary satellites. Currently, there are two satellites orbit, with the possibility to provide TV, Internet, data and IP telephone services for the Latin American region.

Useful Links

[Government's web site](#)

[INDEC](#)

[Argentine Agency for Investment and International Trade](#)

[World Bank's Doing Business 2020](#)

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