



## INFOCARD ELANBiz Country Profile, Argentina<sup>1</sup>

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**This Infocard provides a general overview of the economy of Argentina and its basic indicators.**

### Basic information

Official Name: República Argentina  
Official language: Spanish  
Currency: Peso Argentino (AR\$)  
Area: Continental territory 2.8 million square km  
Population: 43.42 million (2015)  
Capital: Buenos Aires  
Main cities: Buenos Aires, Córdoba, Rosario, Mendoza.

### Economic Indicators

GDP: US (\$) \$545.87 billion (2016) (1billion: bn=1000 million)  
GDP per capita: Atlas method US \$11,960 (2016)  
Central Government Debt / GDP: 56% (2016)

Foreign Direct Investment: US\$ 4.2 billion (2015)  
Imports of goods and services: US\$ 54.7 bn (2016)  
Exports of goods and services: US \$ 56.9 bn (2016)  
Ranking in World Bank's "Doing Business" 2018: 117

Annual Rate of GDP Growth	
2012	0.9%
2013	2.9%

2014	0.5%
2015	2.4%
2016	-2.3%

<sup>1</sup> Content information provided in this document, is of general nature only. For more detailed information, events and commercial trade offers as well as commercial business contacts, please contact the Commercial Offices on the member States, the European trade organizations and bilateral chambers of commerce.



Source: World Bank, Country Indicators

<b>Consumer Price Index</b>	
<b>2012</b>	10.8%
<b>2013</b>	10.9%
<b>2014</b>	23.9%
<b>2015</b>	26.8 %
<b>2016</b>	40.9%

Source: Argentine Central Bank

<b>BoP Current Account US\$</b>	
<b>2012</b>	-1.44 bn
<b>2013</b>	-12.1 bn

<b>2014</b>	--8.03 bn
<b>2015</b>	-15.9 bn
<b>2016</b>	-15.0 bn

Source: World Bank, Itaú Bank

<b>Exchange Rate Pesos/€</b>	
<b>2012</b>	6.49
<b>2013</b>	8.93
<b>2014</b>	10.39
<b>2015</b>	10.10
<b>2016</b>	16.20

Source :Argentine Central Bank

## Economic Profile

With a GDP of over US\$540.000 million, Argentina is the third largest economy in Latin America, and has strong commercial and investment links with the European Union.

In the decade starting in 2003 the middle class doubled in size going from 9.3 million to 18.6 million people (approx. 45% of population).

Argentina's economy is diversified. Within its manufacturing, the auto, chemical, pharmaceutical and agroindustry are very important industry branches. The sectors of Information and Communication Technologies (ICT) and biotechnology grow rapidly. In regards to its natural resources, it is one of the largest world exporters of meat, sunflower, lemon and soybean oil.

In the recent years, however, the economy has faced important challenges. In 2014, the fiscal situation showed a primary deficit of 0.9% of GDP, and a total deficit of 2.5% of GDP. Public sector income grew 42.5% and its expenses 45% over the year before. GDP decreased 2.3 in 2016, and GDP growth forecasts for 2017 range at +2 to 3%.

The new government that took office in December 2015 implemented important reforms such as the unification of the exchange rate, the agreement with international creditors, the modernization of the import regime, reduction of inflation and reform of national statistics system.



## Ease of doing business

Argentina ranks 117<sup>th</sup> out of 189 economies in the World Bank “Doing Business” ranking of 2018<sup>1</sup>.

The following table shows its ranking in 2018 in each of the fields under analysis.

Área	Ranking
Starting a business	157
Dealing with construction permits	171
Getting electricity	95
Registering property	117
Getting credit	77
Protecting minority investors	43
Paying taxes	169
Trade across borders	116
Enforcing contracts	102
Resolving insolvency	101

Source: World Bank, <http://www.doingbusiness.org/rankings>

## Foreign trade and investment

The European Union block is the largest trade partner of Argentina after Brazil, with the exchange of products representing 15.7% of total Argentine trade. In 2016 the total trade in products between the EU and Argentina reached 16.7 billion Euro<sup>2</sup>.

Argentina exports to the EU are mainly agricultural goods (65%) and raw materials (16%), except fuels (2016 data).

The European Union exports to Argentina mainly manufactured products, such as machinery and transport equipment (50%) and chemicals (22.6%). (2016 data).

<sup>2</sup> Source: European Commission, DG Trade, European Union, Trade with Argentina.  
Note: 1 billion=1000 million.



The exports of services to Argentina have been stable in the years 2012-2014 around €4 billion, increasing to € 4.8 billion in 2015<sup>3</sup>.

In the past EU firms and investors had faced difficulties in doing business with Argentina, given the restrictions to the entry of products<sup>4</sup>. In December 2015 a new national government took measures to ease foreign trade, including cancelling the previously required Sworn Advance Declaration of Imports.

In regards to investments by the EU as a block is the main investor, with a FDI stock of USD 40bn. Considering individual countries the US was the country of origin of the largest portion of foreign direct investment in Argentina, with 23% of its total stock. It is followed by Spain, Holland, Brazil and Chile.

### Investment assistance

The Argentine Agency for Investment and International Trade was created as an autonomous institution in February 2016. It operates within the framework of both the Ministry of Production and the Ministry of Foreign Affairs. Its mission is to attract foreign productive investments and help increase and diversify exports of domestic companies. Among its services is to offer a selected list of investment opportunities.

<http://www.investandtrade.org.ar/en/index.php?lang=en>

### Main internal markets<sup>5</sup>

The main markets of Argentina are the city of Buenos Aires and its metropolitan area, (Gran Buenos Aires), where a third of the population lives.

The main cities, ranked by population are:

<sup>3</sup> European Commission, DG Trade, Argentina main indicators, April 2015

<sup>4</sup> A list of trade barriers can be seen at the European Union website

[http://madb.europa.eu/madb/barriers\\_result.htm?sectors=none&countries=AR&measures=none](http://madb.europa.eu/madb/barriers_result.htm?sectors=none&countries=AR&measures=none)

<sup>5</sup> Source Doing Business 2016, Argentina's Agency for Trade and Investment Promotion



Cities	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

The purchasing power of the population of the city of Buenos Aires is the highest among the South American capitals, according to a UBS Bank survey of prices and earnings in 2015.

## Infrastructure<sup>6</sup>

In terms of transport infrastructure, national road & railroad systems extend over 35,000 km, maritime connections operate through 43 ports, while air traffic connects to 54 airports (of which 21 international), located in the capitals of its 23 provinces, in the city of Buenos Aires and in other important locations. The international airport Ministro Pistarini located in Ezeiza, 22 km from Buenos Aires, offers direct connections with the main cities of the hemisphere, as well as with most main world capitals.

The main ports are those of Buenos Aires, which is the largest and handles sea and river traffic, followed by the sea/river port of La Plata, and the sea ports of Bahía Blanca, San Antonio Oeste, Ushuaia and Madryn.

In addition there are river ports in the cities of Rosario, San Lorenzo, Santa Fé, Barranqueras, San Nicolás and Campana, all of them located on the Paraná River.

In regards to the telecommunications, by 2015 the density of fixed and mobile telephone lines was of 176 per 100 people, the highest in Latin America. Internet penetration is of 56 users per 100 people.

On September 30th 2015 the Arsat-2, the second geostationary satellite made in Argentina was launched. It will provide television, internet, data and IP telephone services for the Latin

<sup>6</sup> Source: *Doing Business in Arg., Investors Guide, Arg. Ministry of Foreign Relations, May 2014.*




American region. The launch was performed by Arianespace a European space company. Launch of Arsat-3 is planned for 2019.

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