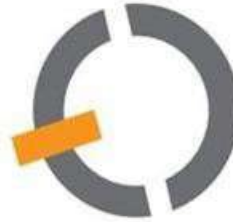




Embassy of India
Buenos Aires



**ECONOMIC
DIPLOMACY
DIVISION**

Embassy of India
Madero Tower, Piso 19
Av. Eduardo Madero 942,
Autonomous City of Buenos Aires (CABA) – Postal Code: 1106
Phone: (+54 11) 4393-4001
Website: www.indembarg.gov.in



Message

I am happy to launch the updated version of Mission's comprehensive report on "Doing Business in Argentina" providing detailed analysis and assessment of Argentina's demography, economy, regulatory framework and key sectors of economy and business yearning to be explored by India.

2. Argentina, a G20 nation and a founding member of MERCOSUR, has a robust and diversified economy. It is among the top three economies in Latin America & Caribbean region. It offers an unparalleled potential of being an attractive regional hub for trade and investment.

3. The regulatory framework in Argentina is continually evolving. The new Government of President Javier Milei, which assumed charge on 10 December 2023, has embarked upon an ambitious journey to make Argentina a lucrative investment destination. Efforts are on to bring in reforms aiming to improve ease of doing business, liberalise trade, promote foreign direct investment and offer opportunities in public-private partnerships. The large geographic area (8th largest globally), 47 million strong demography, an impressive educational system and blessings of humongous natural resources in agriculture, energy and mining, add to the economic potential of Argentina.

4. India and Argentina, two Strategic Partners, share a long-standing and ever deepening partnership based on mutual respect, shared values, strong economic ties and democratic traditions. The bilateral economic relationship has particularly flourished in recent years offering an incredible potential in Pharma & Healthcare, Energy (conventional and renewable), Mining & Minerals, Defence, Railways, Infrastructure, Nuclear, Space, Science & Technology and Agriculture.

5. I hope this report would serve as a valuable tool for Indian businesses and investors exploring the opportunities in this vibrant and promising market.

A handwritten signature in blue ink that reads 'Dinesh'.

(Dinesh Bhatia)



Doing Business in Argentina

September 2024



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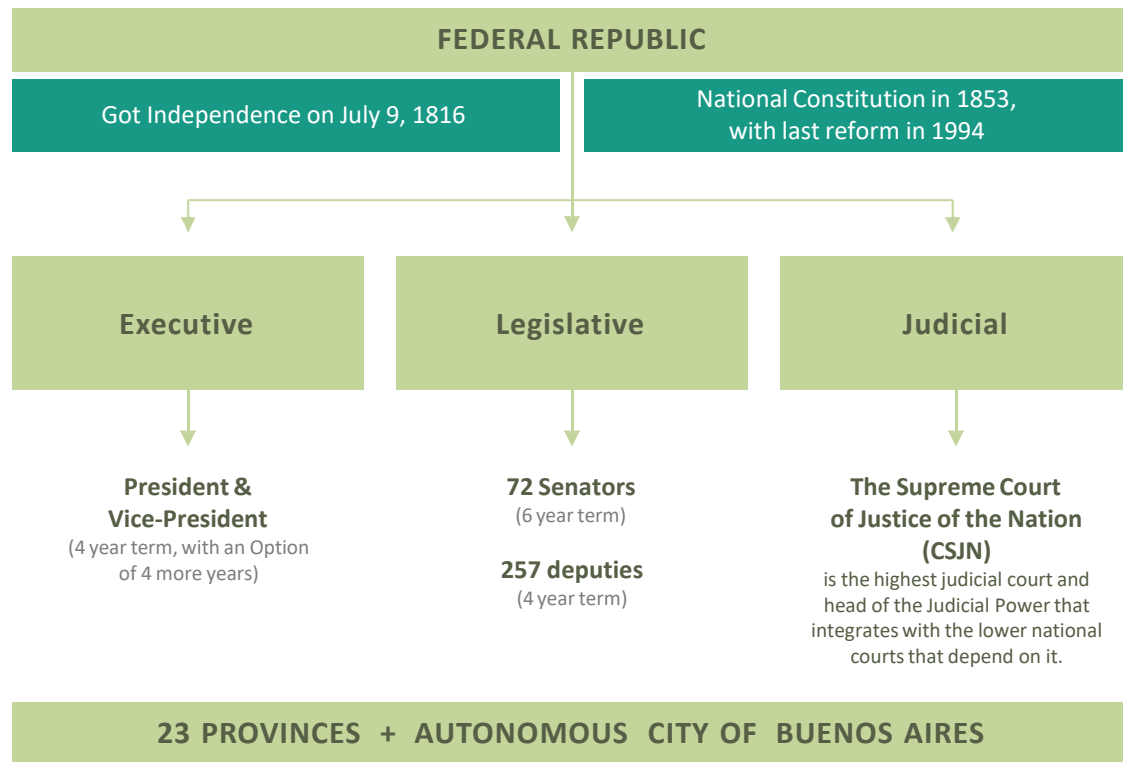
06/ PREPARING A BUSINESS TRIP TO ARGENTINA

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01/ Overview

// POLITICS





// DEMOGRAPHICS

+46M

POPULATION

100 females vs 95.8 males

16.7

PEOPLE PER KM2

91.9% urbanized

0.98%

ANNUAL POPULATION
GROWTH RATE

20.5%
UNDER
15

63.4%
BETWEEN
15-64

16.1%
OVER
65

age distribution

SPANISH

official language

English is the second
most spoken language

21.5%

completed university level

99%

literacy rate

39.2%

POPULATION BELOW
THE POVERTY LINE 2021

// DEMOGRAPHY

Main urban areas (2020 census)	Population
City of Buenos Aires (CABA)	3,121,707
Greater Buenos Aires (GBA)	17,523,996
Catamarca	429,562
Córdoba	3,840,905
Santa Fe	3,544,908
Mendoza	2,043,540
Tucumán	1,731,820
Salta	1,441,351
Jujuy	811,611
TOTAL	34,489,400

MAJOR URBAN CENTERS



// ECONOMY

Top 5 economies in Latin America (by GDP) In USD millions (2023)



Top 5 economies in Latin America (per capita income) In USD (2023)



Argentine products are exported to more than **190 COUNTRIES**

In 2023, exports were **USD 66.8 MILLION** with fiscal deficit of **USD 6.9 MILLION**

Evolution of Argentina's GDP



Foreign Direct Investment in 2023 in Argentina
USD 4.6 BILLION

(top 3 major investors: United States, Spain and Netherlands)

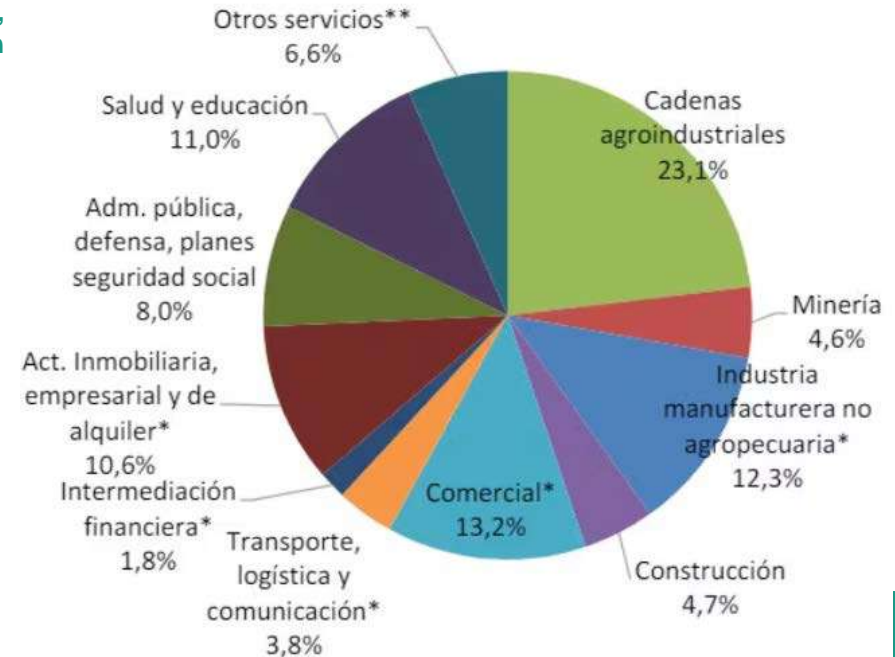
In terms of imports, the country maintains economic links with more than 170 countries and the main imports in 2023 were machinery (15.3%), vehicles (11.3%), and electrical machinery & equipment (11.1%)

// ECONOMY

- Argentina has a highly diversified economy. The primary sector is internationally renowned for its high productivity levels and use of advanced technologies.
- The country's well-developed industrial base showcases key sectors such as agribusiness, pharmaceuticals, automotive, chemicals and petrochemicals, biotechnology and design manufacturing.
- The country is a leading food producer and ranks:
 - Largest producer of sunflower, yerba mate, lemon oil and soybean oil,
 - second for honey and apple,
 - third for soybean and the fifth for wine.
 - It is also a major producer of meat, wheat, wool, bio-fuels, gas and oil.
- Argentina has the 2nd largest reserve of shale gas and the 4th largest reserve of shale oil worldwide.
- The leading industrial sectors by gross value of production

- Inflation has been 211.4% in 2023, among the highest in the world.

Composición del PBI por rubro. Argentina, año 2023



// FOREIGN TRADE

EXPORTS

TOP 10 PARTNERS

In USD million

EXPORTS 2023

+26,096

IMPORTS

TOP 10 PARTNERS

In USD million

IMPORTS 2023

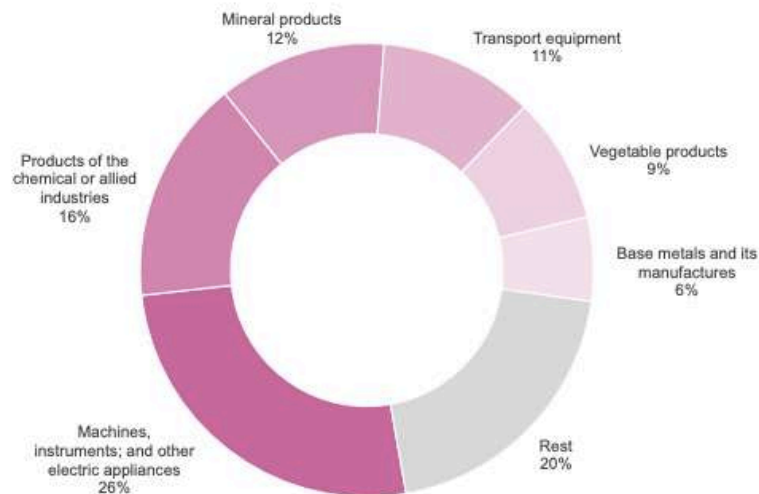
+19,411

Exports and imports by country, percentage share

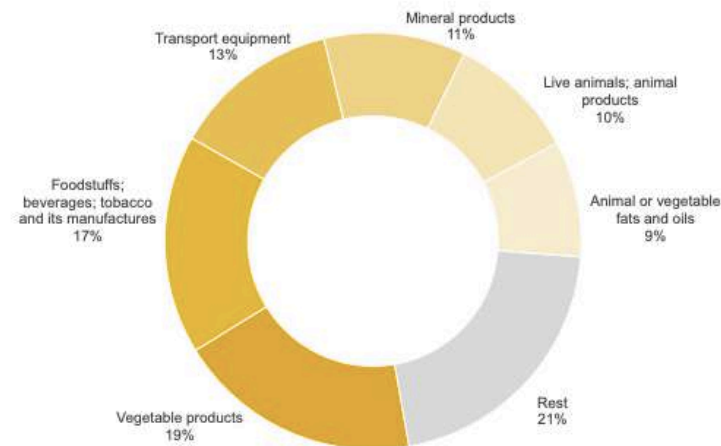
Country of destination	Exports (FOB)		Country of origin	Imports (CIF)	
	2023 ^e	2022 [*]		2023 [*]	2022 [*]
	%			%	
Total	100	100	Total	100	100
Brazil	18	14	Brazil	23	20
United States of America	8	7	China	20	21
China	8	9	United States of America	12	13
Chile	7	6	Paraguay	5	2
Peru	4	3	Germany	4	3
India	4	5	Italy	2	2
Viet Nam	3	4	Thailand	2	2
Uruguay	2	2	Mexico	2	2
Netherlands	2	4	India	2	2
Spain	2	2	Viet Nam	2	2
Others	41	44	Others	25	30

// FOREIGN TRADE

Graph 6. Imports by sections of the Harmonized System (HS) code, percentage share, for 2023



Graph 5. Exports by sections of the Harmonized System (HS) code, percentage share, for 2023



// SERVICES AND TOURISM

16.5 million

USD



Most of Argentina's exports are concentrated in four categories: travel (32.9%); business services (32.1%); telecommunications, computer and information (15.7%); and transport (12.3%), the main destinations being the US and Brazil

7.3 million

TOURISTS ARRIVAL IN 2023

ORIGIN OF TOURISTS:
In 2023

Uruguay: 21.5%
Brazil: 19.2%
Chile: 18.6%
United States: 7.4%
Paraguay: 7.3%
Bolivia: 3.2%
Spain: 2.6%-
Peru: 2.6%-
Colombia: 1.9%-
France: 1.6%

// INFRASTRUCTURE

55

AIRPORTS

11 of which are international

The most relevant are the Ezeiza International Airport (Ministro Pistarini) and Jorge Newbery, Domestic Airport

+70

PORTS

Approximately 60% of the country's container cargo is concentrated in the Port of Buenos Aires

+37M

SMARTPHONES USERS

Penetration is the third highest in Latin America, after Uruguay and Chile

55%
GAS

33%
PETROLEUM

12%
OTHER
SOURCES

main sources of energy

240,000

ARGENTINE ROAD SYSTEM

(Km of routes and roads)

+15,000

HEALTH CARE ESTABLISHMENTS

including public management, social security and the private sector



02/ Setting up a Business

// SETTING UP A BUSINESS

**THERE ARE NO RESTRICTIONS
ON FOREIGN INVESTMENT.**

No prior approval is required from the Argentine authorities, although some of them are applicable to sensitive areas, such as telecommunications, defense, oil and gas.

Foreign investors are not required to obtain government permission to invest in the country. They can own a company in its entirety and any investment in publicly traded stocks does not require government approval. Foreign companies such as shareholders, partners or home office must be registered in the Public Registry of Commerce.

EASE OF DOING BUSINESS RANKINGS	Argentina	India
GLOBAL RANK	126	63
Starting a Business	141	136
Dealing with construction permits	155	27
Getting electricity	111	22
Registering property	123	154
Getting credit	104	25
Protecting minority investors	61	13
Paying taxes	170	115
Trading across borders	119	68
Enforcing contracts	97	163
Resolving insolvency	111	52

**ACCORDING TO WORLD BANK'S EASE OF DOING BUSINESS INDEX, IN 2019
ARGENTINA RANKED 126 OUT OF 190 ECONOMIES. INDIA WAS RANKED 63rd.**

// BUSINESS TYPE

The forms of investment most used by non-resident individuals and foreign companies are:

CORPORATION

("Sociedad Anónima" or "S.A.")

SINGLE OWNER CORPORATION

("Sociedad Anónima
Unipersonal" or "S.A.U.")

LIMITED LIABILITY COMPANY

("Sociedad de Responsabilidad
Limitada" or "S.R.L.")

BRANCH OF A FOREIGN COMPANY

("Sucursal")

SIMPLIFIED STOCK CORPORATION

("Sociedad por Acciones
Simplificada" or "S.A.S.")

COOPERATING GROUPS

("Collaboration Groups")

COOPERATING CONSORTIUM AGREEMENT

("Consortios de Coperación")

TRUSTS

("Fideicomisos")

OTHER FORMS OF INVESTMENT ENTITIES AND BUSINESS PARTICIPATION

PARTNERSHIPS

("Sociedades Colectivas")

JOINT VENTURES

("Uniones Transitorias")

// GENERAL REGULATORY FRAMEWORK

FINANCIAL ACTIVITIES

Pursuant to Financial Entities Law No. 21,526 (FEA), which governs banking and financial activities in Argentina.

ENERGY AND NATURAL RESOURCES

The electricity sector was reformed and privatized in 1992 by the federal and provincial governments.

CAPITAL MARKETS REGULATIONS

The Productive Financing Law (Law No. 27,440) modified in 2018 the Capital Market Law (Law No. 26,831), which regulates activity.

MINING

Mining activities in Argentina are governed by the Mining Code, enacted in 1886 as Law No. 1919, as subsequently amended on several occasions.

OIL & GAS

Exploration and production activities are regulated by Law No. 17,319, as amended (the "Hydrocarbons' Law"), and by subsequent regulatory decrees and resolutions.

Hydrocarbon exploration, development and production require an exploration permit or a production concession granted by the federal government or a province, depending on the location of the reserves.

Law No. 13,660, enacted in 1949, provides the basic legal framework for downstream activities, which must also comply with provincial and municipal regulations regarding technical, safety and quality standards.

INSURANCE ACTIVITIES

According to Law No. 12,988 (as amended) only insurers duly authorized by the Argentine Insurance Regulatory Agency (SSN) may insure persons, goods and any other insurable interest of national jurisdiction.

COPYRIGHT

The legal framework for copyright regulation is set out in Law No. 11,723, as amended (the "Intellectual Property Law" or "IP Law"). Protection under the IP law includes scientific, literary, artistic or educational works, regardless of the processes used for their reproduction.

TRADEMARKS AND TRADE NAMES

Trademarks and trade names are governed by Trademark Law No. 22,362 and its implementing regulations. The law provides protection on ownership of a trademark and its exclusive use, after its registration with the Trademark Office (Instituto Nacional de la Propiedad Industrial or INPI).

PATENTS AND UTILITY MODELS

Patents and Utility Models in Argentina are regulated by Law No. 24,481. The Patent Law provides that patents will be granted for any invention that complies with certain requirements: mainly novelty, inventive step and industrial application. The Patent Law awards a 20-year protection term as from the date of application of each patent.



03/ Regulatory Framework



// BASES LAW

- **Law No. 27,742 also known as Bases Law seeks to open the economy and attract private investment., domestic & international.**
- **It establishes clear guidelines for economic activities, ensuring a predictable and transparent legal environment for businesses to operate.**
- **The law includes business-friendly provisions such as streamlined processes for establishing companies, protection of property rights, and the promotion of foreign investments by offering legal guarantees and incentives.**
- **Additionally, the law emphasizes fair competition, & supports innovation, making Argentina an attractive destination for investors.**

// RIGI

- **A Federal Investment promotion regime for specific business sectors with tax incentives (tax, customs & foreign exchange), legal certainty & protection of beneficiary rights**
- **It prioritize large investments in 8 business sectors: Forestry industry, Tourism, Infrastructure, Mining, Technology, Steel, Energy, and Oil & Gas**
- **RIGI targets large-scale investments, typically defined by a minimum investment threshold.**
- **It offers various tax benefits to eligible investors, including reduced corporate tax rates, exemptions/reductions in import duties, and accelerated depreciation schedules for capital investments. These incentives are designed to lower the overall cost of investment and increase the attractiveness of Argentina as an investment destination.**
- **It includes clauses that protect investors from expropriation or arbitrary government actions. It guarantees against sudden changes in tax laws, regulations, or policies that could negatively impact the investment.**



// TAXES

- The federal, provincial and municipal governments levy taxes in Argentina.
- The federal government imposes Income Tax, Personal Asset Tax, Value Added Tax, Tax for an inclusive & Solidary Argentina, Tax on Financial Transactions and Customs Duties, among others.
- The provincial and municipal jurisdictions levy turnover tax, real estate tax, stamp tax, tax on vehicles and tax on public advertising, among others.
- Corporate Income Tax for Resident companies.



04/

Labour and Social Security Legislation

// LABOUR AND SOCIAL SECURITY LEGISLATION

- Argentine Labor Contract Law No. 20,744, rules the majority of the labor relationships. However, other employees such as those in the public sector, domestic service, construction workers and/or rural workers, have their own specific framework.
- The National Council for Employment, Productivity and Minimum, Vital and Mobile Wage sets the value annually and is chaired by the Nation's Minister of Labor, Employment and Social Security. In March 2024, the minimum wage was set at ARS 202,800 (about USD 242).

WORKFORCE

Argentina has skilled labor. Currently, it has an unemployment rate of 5.7% in 2023.

Employee recruitment methods vary depending on the qualifications required, from direct recruitment at the employer's premises to the use of specialized private employment agencies. Agencies are used especially in the hiring of managerial and technical positions.

Employment contracts are not required to be in writing and are rarely used in practice.

EXECUTIVE COMPENSATION

Executives receive various fringe benefits in addition to salaries. Foreign companies usually provide such benefits in accordance with the parent company's policies.

The most common benefits are employer-provided automobiles and bonuses. A car policy is suggested as the company- provided car should be considered part of the salary package unless it is used as a work tool, and is needed for the work to be performed.

SEVERANCE PAY-COMPENSATION FOR YEARS OF SERVICE

If an employee or worker is dismissed, without having committed an act of gross misconduct or a criminal offense, severance pay is due, equivalent to one month's based salary for each year of service or period higher than three months.

SALARIES AND WAGES

Salaries and wages for office and industrial workers are not the same in all the regions of the country.

Minimum salaries for employees included in the collective bargaining agreement are generally established by the collective bargaining agreement itself, but supply and demand usually have great influence on determining the salaries of the best qualified workers.

LABOR UNION ORGANIZATIONS

Most workers are unionized. Historically, the power and influence of union was moderate, but it has increased in the last few years to such an extent that workers are also protected by collective bargaining agreements. Moreover, these workers may also opt for joining a union.



05/ Foreign Investment

// OPPORTUNITIES THAT FAVOR FOREIGN INVESTMENT

- Investment opportunities exist in different sectors, especially in infrastructure, the shale gas industry and the energy sector (traditional and renewable energies).
- **Argentina can be the gateway to MERCOSUR. A market of + 295 million consumers.**



RECENT DEVELOPMENTS

In 2023, the Government introduced new tax incentives to accelerate economic growth.

Incentives include a reduction in the corporate income tax rate (currently 25%), exemption from payment of export duties for companies in the service sector, a non-transferable tax credit bonus of up to 70% of employer contributions and tax stability. The new regime is valid until 2029.

Argentine Unicorns
companies exceeding

US\$ 1 billion

in market valuation.

Currently, **the country has 12 unicorns:** Mercado Libre, Globant, Despegar, OLX, Auth0, Aleph, Bitfarms, Mural, Tiendanube, Ualá, Technisys and Vercel.

FOREIGN INVESTMENT LAW

Law No. 21,382 Sets forth the conditions for foreign investors to invest and transact business in the country.

It further provides for the expansion of existing investment undertakings.

SPECIFIC TAX INCENTIVES IN THE FOLLOWING INDUSTRIES

- **Forestry industry,**
- **Tourism**
- **Infrastructure**
- **Mining**
- **Technology**
- **Steel**
- **Energy**
- **Oil & Gas**

// INDIAN COMPANIES IN ARGENTINA

Godrej	Sri Sri Tattva	Hero Motorcycles	AEGIS
Glenmark Pharma	CEAT Tires	Mahindra Comviva	Tech Mahindra
Royal Enfield	Bajaj Motorcycles	TVS Motor Company	TCS
UPL	Infosys	CRISIL	Sonalika Group
COGNIZANT	Advanta Seeds		

// ARGENTINE COMPANIES IN INDIA

Globant	IMPSA	Grupo Los Grobo	OLX
INVAP	Techint	TERRAGENE	
CIARA (Chamber of the Oil Industry of the Argentine Republic) and CEC (Cereal Export Center)			

INDIA-ARGENTINA BUSINESS COUNCIL

The India-Argentina Business Council (IABC) was formally inaugurated by Ambassador Dinesh Bhatia on 14th October 2020. The council is an initiative of the Embassy of India. The Council, a non-profit organization comprising leading industries, exporters and importers in Argentina, is currently composed of over 30 companies. .

The Council functions with the objective of fostering a solid economic and commercial relationship between the two countries by identifying challenges and proposing solutions to problems that hinder the commercial relationship, promoting trade and investment opportunities, and supporting economic growth in Argentina and India.

// USEFUL INFORMATION

To start your business in Argentina, please contact the following entities:

NATIONAL INSTITUTE OF STATISTICS AND CENSUSES (INDEC)

Address: Av. Pres. Julio A. Roca 609
City of Buenos Aires
Website: <https://www.indec.gob.ar>

MINISTRY OF FOREIGN AFFAIRS, INTERNATIONAL TRADE AND WORKSHOP Asia and Oceania Directorate

Address: Esmeralda 1216
City of Buenos Aires
Website
<https://www.argentina.gob.ar/cancilleria>

ARGENTINE CHAMBER OF COMMERCE (CAC)

Address: Av. Leandro N. Alem 36
City of Buenos Aires
Website: <https://www.cac.com.ar>

MINISTRY OF HUMAN CAPITAL Secretariat of Labour

Address: Carlos Pellegrini, C1011
1285C1011, Cdad. Autónoma de
Buenos Aires
Website:
<https://www.argentina.gob.ar/trabajo/trabajo>

MINISTRY OF ECONOMY

Address: Av. Hipólito Yrigoyen 250
City of Buenos Aires
Website: <https://www.argentina.gob.ar/economia>



06/

Preparing a Business trip to Argentina

// PREPARING A BUSINESS TRIP TO ARGENTINA

CONTACT THE EMBASSY PRIOR TO THE VISIT

Visitors are invited to contact the Embassy a few weeks before the visit. They should give a full profile of their companies and details of the products so that the Embassy can identify the importers and match.

The Embassy would provide information and a list of importers. Based on this, exporters can establish preliminary contacts with importers in Argentina.

Website: www.indembarq.gov.in

UPON ARRIVAL AT THE AIRPORT

Upon arrival at Ezeiza airport, please take the prepaid taxis. Depending on the traffic and the day, it takes between 30 minutes and an hour to get to the city from the airport.

SHOPPING MALLS

The main shopping centers in Buenos Aires are Galerías Pacífico, Abasto, Patio Bullrich, Paseo Alcorta, Alto Palermo, Jumbo Palermo, El Solar de la Abadía, DOT Baires Shopping and Unicenter.

MOVING IN BUENOS AIRES

Like many other Latin American cities, Buenos Aires also has its share of crime and violence. Visitors should be very careful with their travel documents and valuables such as jewelry, expensive watches, cameras, camcorders, cell phones, and laptops.

LANGUAGE AND CURRENCY OF USE

For your expenses in Buenos Aires it is convenient to pay in Argentine pesos. Spanish is the language used in the country. Many businesses have staff who speak English as a second language.

THE MAIN 5-STAR HOTELS IN BUENOS AIRES

Four Seasons Hotel Buenos Aires

Posadas 1086
(54 11) 4321 1200
www.fourseasons.com

Sheraton Buenos Aires Hotel & Convention Center

San Martin 1225/1275
(54 11) 4318 9000
www.marriott.com

Hotel Hilton Buenos Aires

Macacha Guemes 351
(54 11) 4891 0000
<https://www.hilton.com>

Alvear Palace Hotel

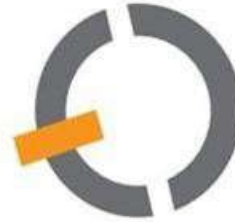
Avenida Alvear 1891
(54 11) 4808 2100
www.alvearpalace.com

Hotel Intercontinental Buenos Aires

Moreno 809
(54 11) 4340 7100
www.ihg.com/intercontinental



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