



Argentina

Market Overview

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Regional Manager

NEW ZEALAND TRADE AND ENTERPRISE

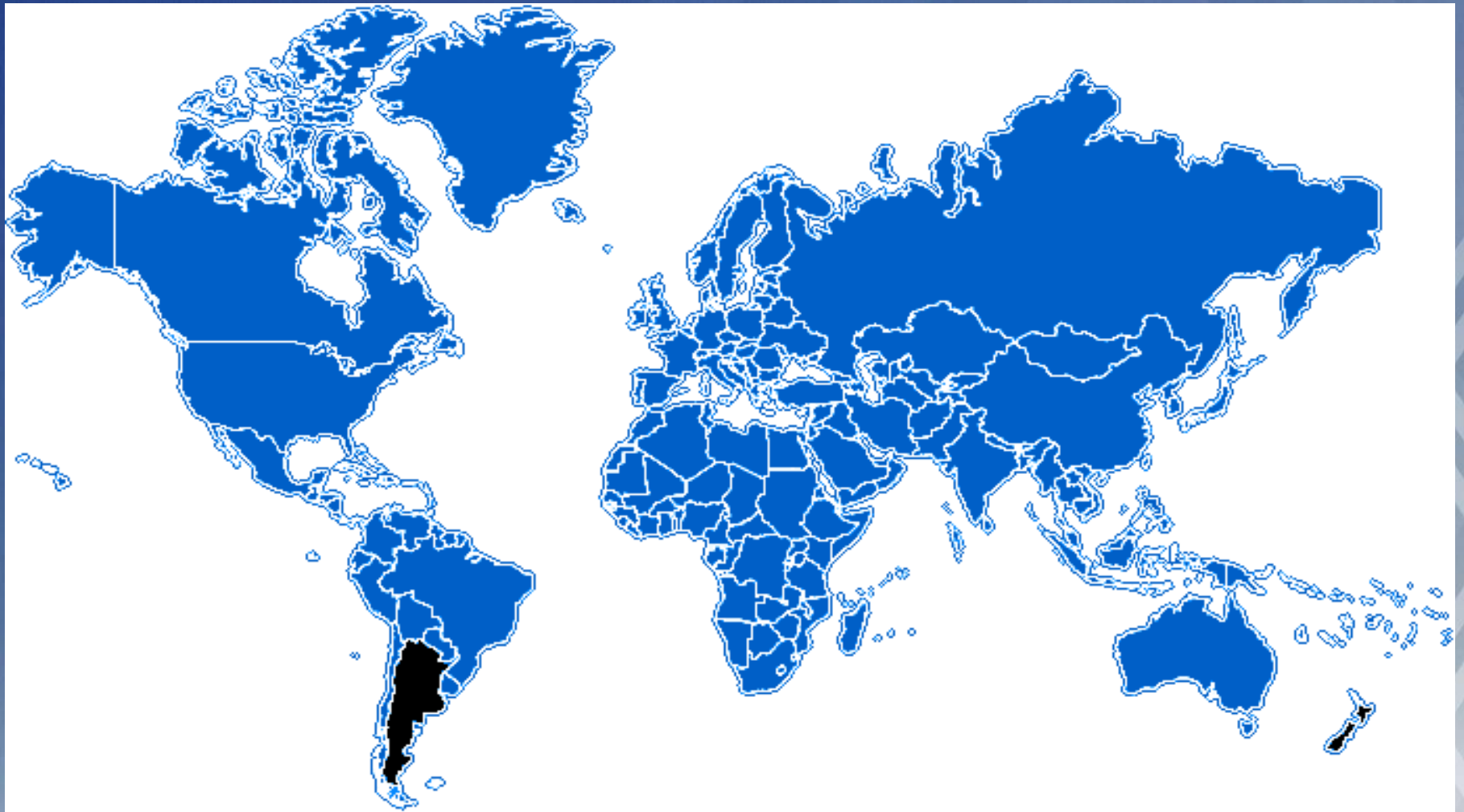
Agenda

- NZTE in Argentina
- Argentina Market Overview
- Key Trends
- GFC Impact

NZTE: Summary of Activities

- Assist a selected portfolio of capable and committed companies
- Food value chain related sectors as main target
- RWC 2011
- Support BH project
- Strategic Relationship building.
- Services: market research, partner search, market visits, support in negotiations, strategic advice, etc.

Traditional Map



We are not really distant....



Argentina, Member of Mercosur



Argentina

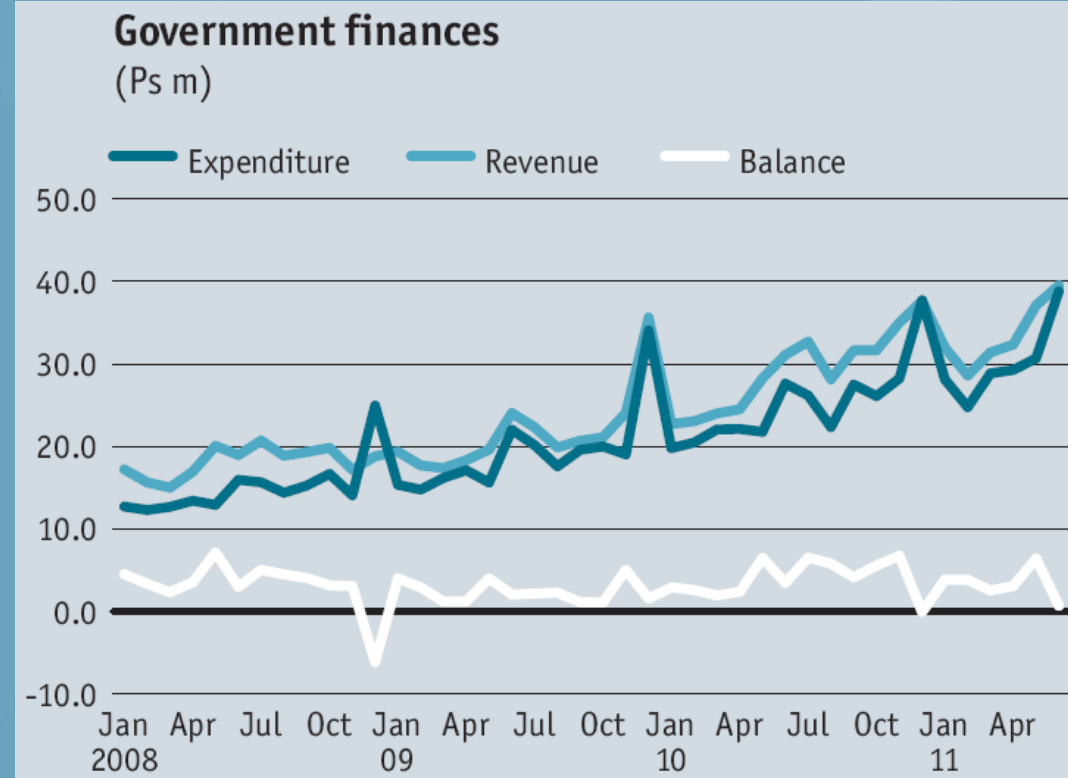
Key Indicators

Economic Indicators	2010
Population	40 million
GDP	USD 365 billion
GDP Growth Rate	9.2%
GDP Per Capita	USD 9,148
Inflation (CPI)	25%
Merchandise Imports	USD 57 billion
Merchandise Exports	USD 69 billion
Imports from NZ	USD 16 million
Exports to NZ	USD 66 million
Investments from NZ (*)	USD 200 million

Source: Santander Bank and IMF
(*) NZTE estimation

Key Trends

- Presidential elections.
- Positive strong GDP growth in 2011.
- High levels of public expenditures.
- High level of domestic consumption.



Source: Economic Intelligence Unit

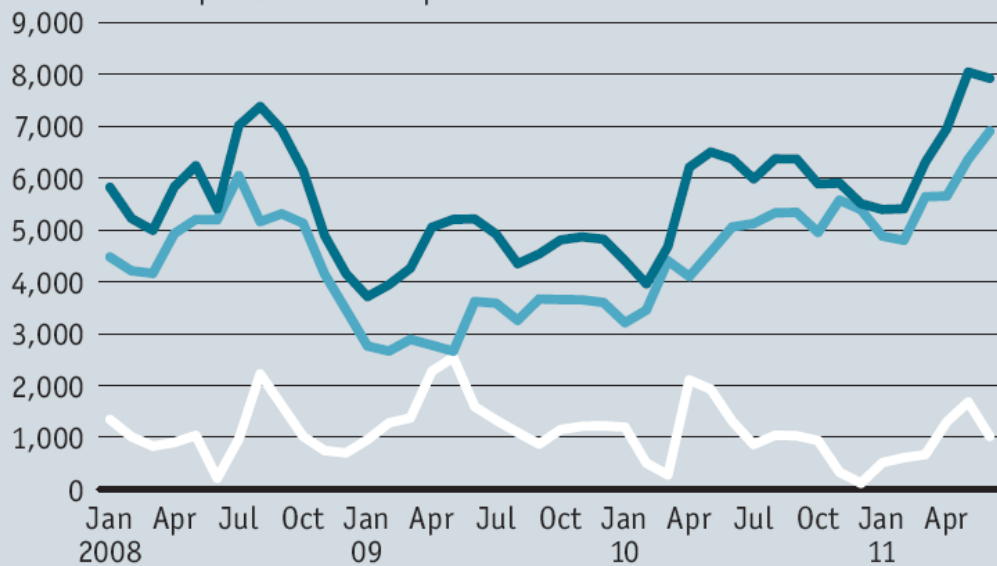
Key Trends

- Industrial sector operating close to full capacity.
- High level of inflation (25%)
- Relatively stable exchange rate (\$4,2=1 usd).
- High increase in imports and a reduction of trade surplus.

Foreign trade

(US\$ m; goods only)

Exports Imports Balance



Exchange rate

(R:US\$; av; inverted scale)



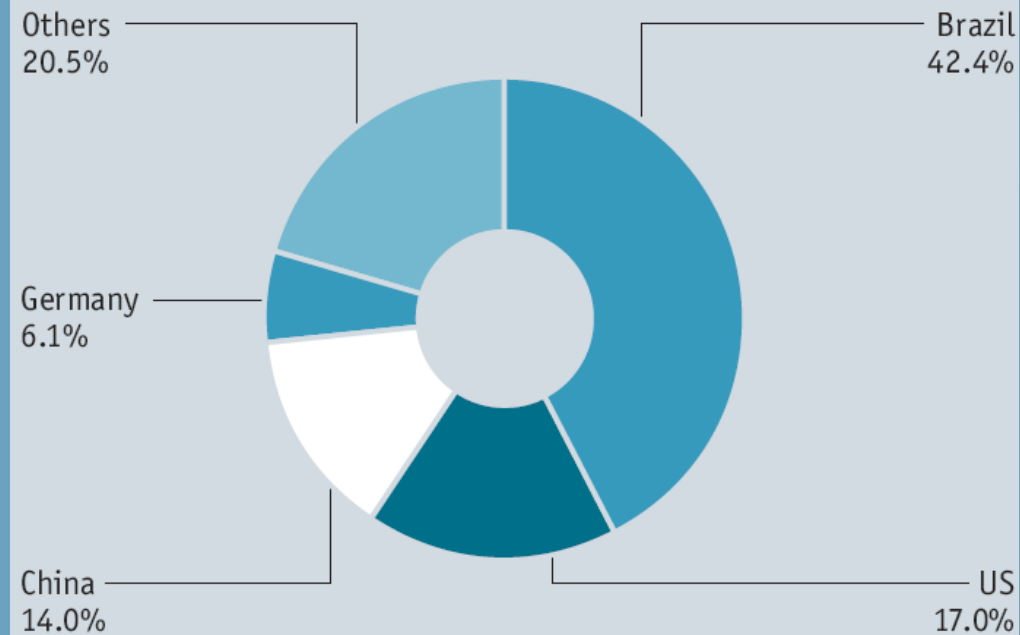
Source: Economic Intelligence Unit

Key Trends

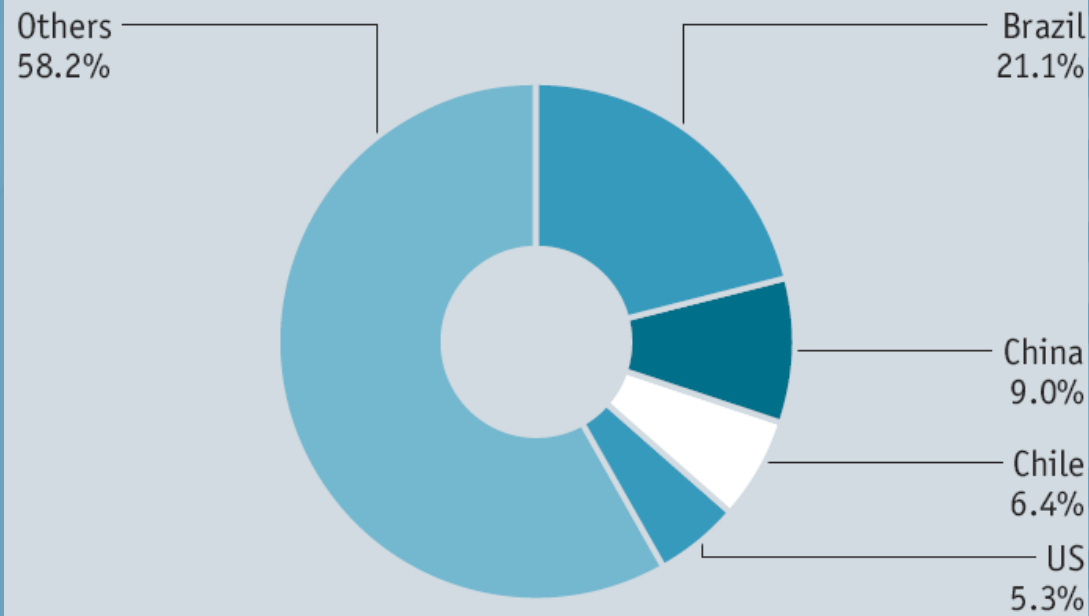
- Credit penetration remains low. Mortgage loans, less than 2% GDP.
- Central Bank (BCRA) reserves to repay external-debt.
- Positive trend for major commodities exported (crops, oils, meat, sugar, dairy, etc.).
- Natural resources availability and global trends attract foreign investment in food production (Middle East and Asia).
- Private consumption boom, Shopping malls occupancy close to 99%.
- Import restrictions force companies to export or manufacture locally.

GFC will affect trade with main Partners...

Main origin of imports, 2010
(share of total)



Main destination of exports, 2010
(share of total)



Source: Economic Intelligence Unit

What happened after the GFC?

Brazil slow down & devaluation

- ▶ Demand will be affected.
- ▶ Current trade deficit: 21% exp Vs 42% imp
- ▶ Affect the competitiveness with main trading partner

Soy price downtrend

- ▶ Range usd 460 -500
- ▶ Inflation affects farmers profitability
- ▶ Profitability will depend yields

New drivers after GFC

Domestic demand for USD

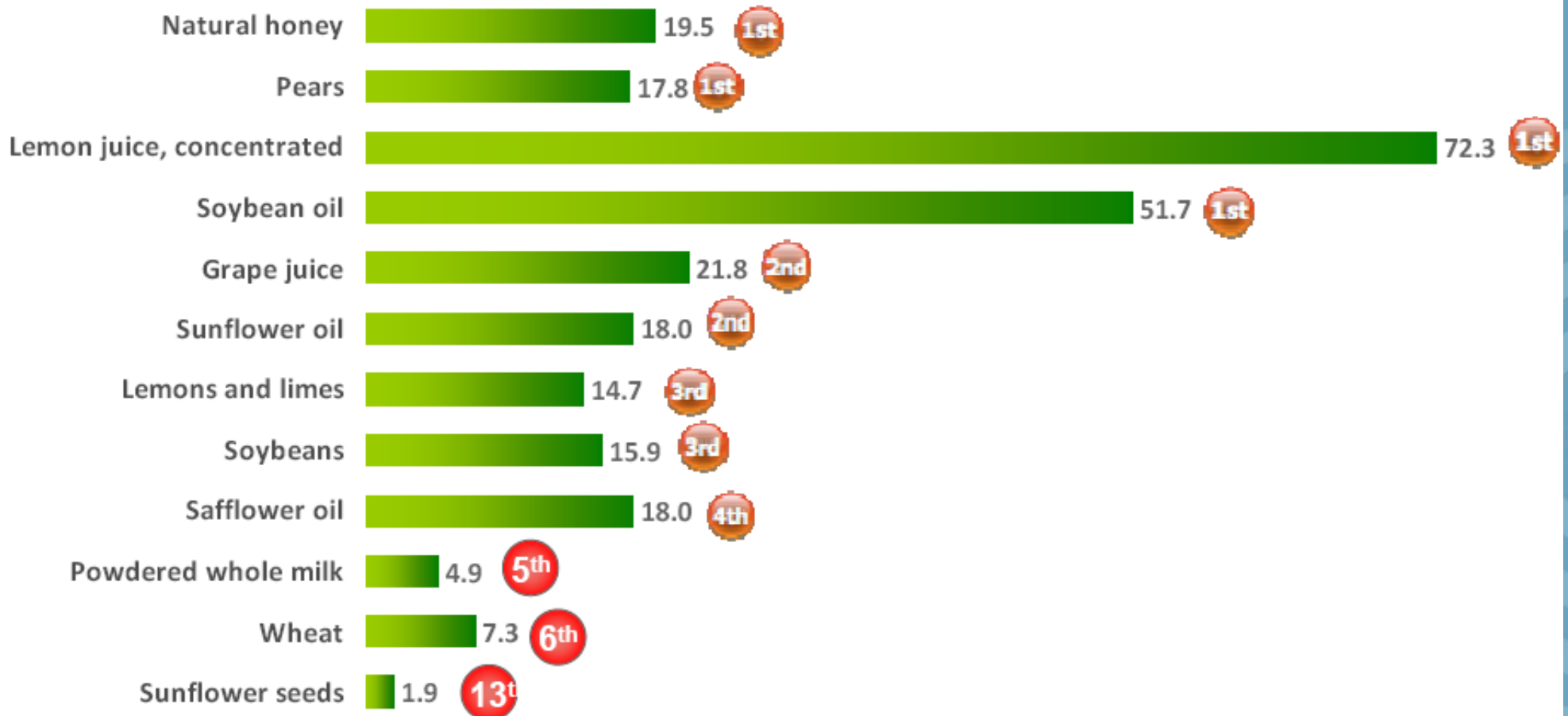
- ▶ Normal behavior before elections
- ▶ Floating exchange rate, managed by Govt.
- ▶ Market expect further devaluation after elections
- ▶ BCRA reserves.

Growing sectors

- Importation: inflation & stable fx.
- Clean energy sector: USD 2 billion in new projects.
- Strategic ODI or JV's to produce in Argentina and service local and/or third markets.
- Agribusiness sector.
- Tourism sector.
- Wine Sector. Value for money.
- Pharmaceutical sector
- Automotive sector.
- Software and IT sector.

Argentine Share in Global Exports and Global Position

(export % and position)



Source: ProsperAr based on FAO data

Argentina Market Overview

– Exports 2009

Argentina Top 10 Exports 2009	USD\$ Billion
Food Waste and Feed Products	8.6
Fuels	5.6
Vehicles	5.3
Vegetable and animal oils and fats	4.5
Cereals	3.2
Meat products	2.0
Oilseeds	1.9
Machinery	1.5
Chemical products	1.5
Minerals	1.3
Total Top 10 exports 2009	35.8
Total exports 2009	55.6

Argentina Market Overview

– Imports 2009

Argentina Top 10 Imports 2009	USD\$ Billion
Machinery	6.1
Vehicles	5.8
Electrical machinery and equipment	4.9
Fuels	2.4
Organic chemical products	2.0
Plastics	1.7
Pharmaceutical products	1.2
Aircraft	1.1
Optical, photographic and surgical equipment	0.9
Iron and steel melting materials	0.9
Total Top 10 imports 2009	27.2
Total imports 2009	38.9

Source: INDEC

New Zealand

- Top 10 exports to Argentina 2010

NZ Top 10 Exports to Argentina 2010	US\$ Million
Machinery	3.2
Optic, medical instrumentation	1.8
Misc. Chemical Products	1.6
Dairy, eggs, honey, etc.	1.1
Hides and Skins	1.1
Electrical machinery	1.0
Paper and Paperboard	0.9
Baking related products	0.8
Pharmaceutical products	0.6
Iron and steel products	0.5
Other	3.1
Total exports 2009	15.7

Source: Statistics New Zealand (via World Trade Atlas)

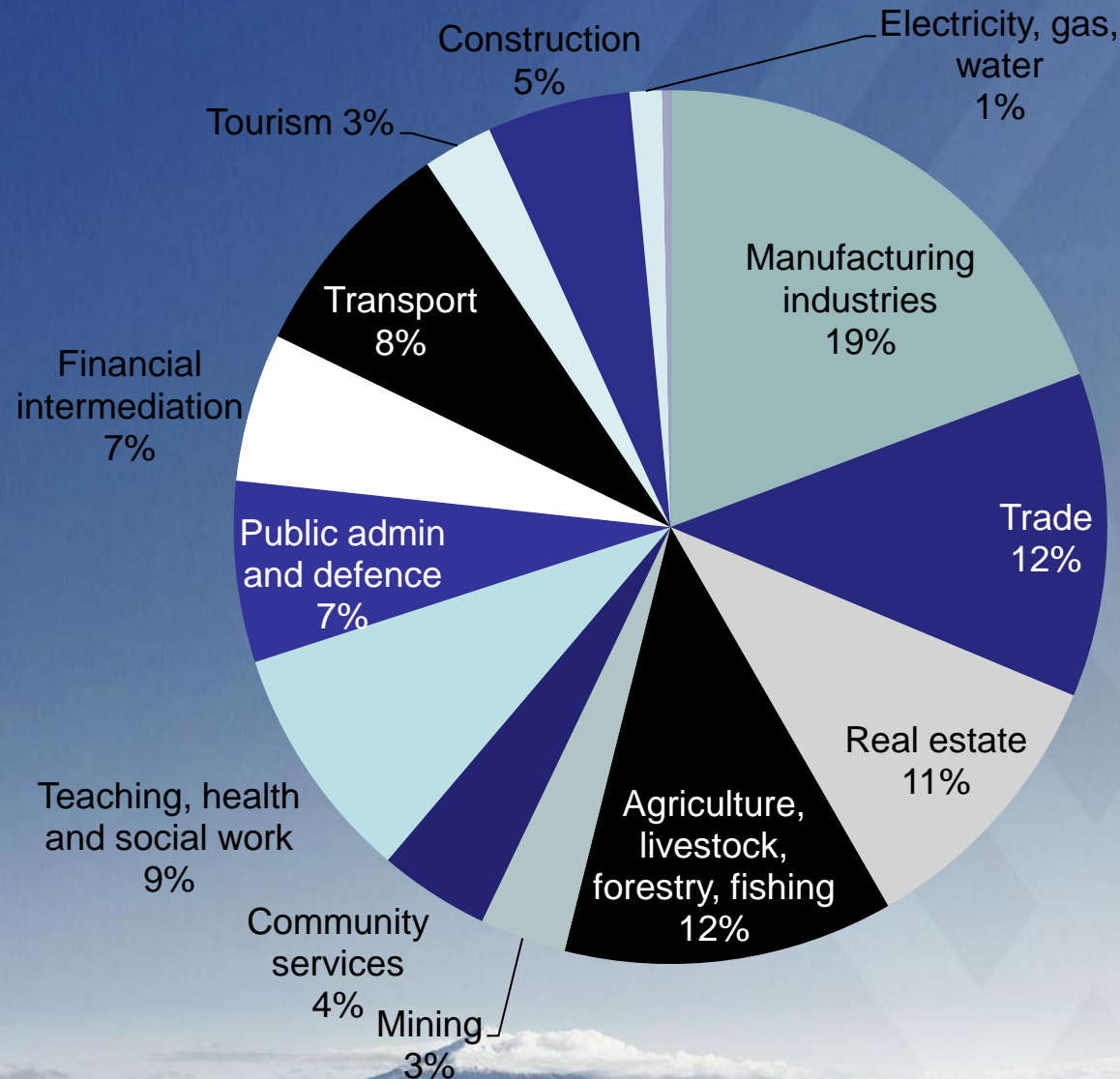
New Zealand

- Top 10 imports *from* Argentina 2010

NZ Top 10 Exports from Argentina 2010	US\$ Million
Food waste and animal feed	40.5
Misc. grain, seeds and fruits	5.1
Fats and oils	2.5
Fish and seafood	2.4
Misc. Chemical products	2.0
Pharmaceutical products	1.8
Aluminum	1.5
Preserved Food	1.2
Cocoa	1.1
Plastics	1.0
Other	7.3
Total exports 2009	66.4

Source: Statistics New Zealand (via World Trade Atlas)

ARGENTINA: Composition of GDP by economic activity 2009





Thank you

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