

EXPORT RÅDDET

SWEDISH TRADE COUNCIL

THE AGRICULTURE SECTOR IN ARGENTINA

FACT PACK

Swedish Trade Council in Argentina
2008

THE SWEDISH TRADE COUNCIL MAKES IT EASIER FOR SWEDISH COMPANIES TO GROW INTERNATIONALLY

Sweden:

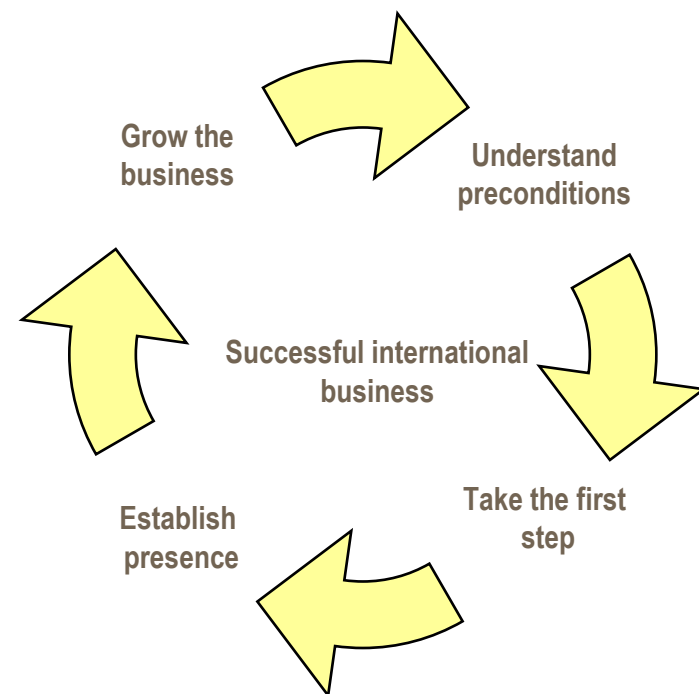
- Headquarters in Stockholm, 80 employees
- 22 regional export advisers
- All Trade Commissioners regularly visit different parts of Sweden

Abroad:

- 60 places, 400 employees in 52 countries
- Through partners and networks we cover more than 100 countries

Argentina:

- Office in Buenos Aires
- 5 employees



Vision of the office:

STC in Buenos Aires is the primary consulting partner for Swedish companies doing business in Argentina

ARGENTINA IN BRIEF

Area: 2 791 810 km²

Inhabitants: 39.3 million

Constitution: Democratic republic

Head of State: President Cristina Fernandez de Kirchner

Languages: Spanish (official), English often spoken in business

Inhabitants per km²: 14/km²

Currency: Peso

GDP 2007: 255 758 MUS\$ (estimated)

GDP per capita 2007: 6 500 USD (estimated)

Inflation 2007: 8.8% (National Bureau of Statistics)

Main exports: Agriculture products, industrialized agriculture products, petroleum

Main imports: machinery, equipment, intermediate products

Swedish Exports to Argentina 2007: 1 687 MSEK (Up to November)

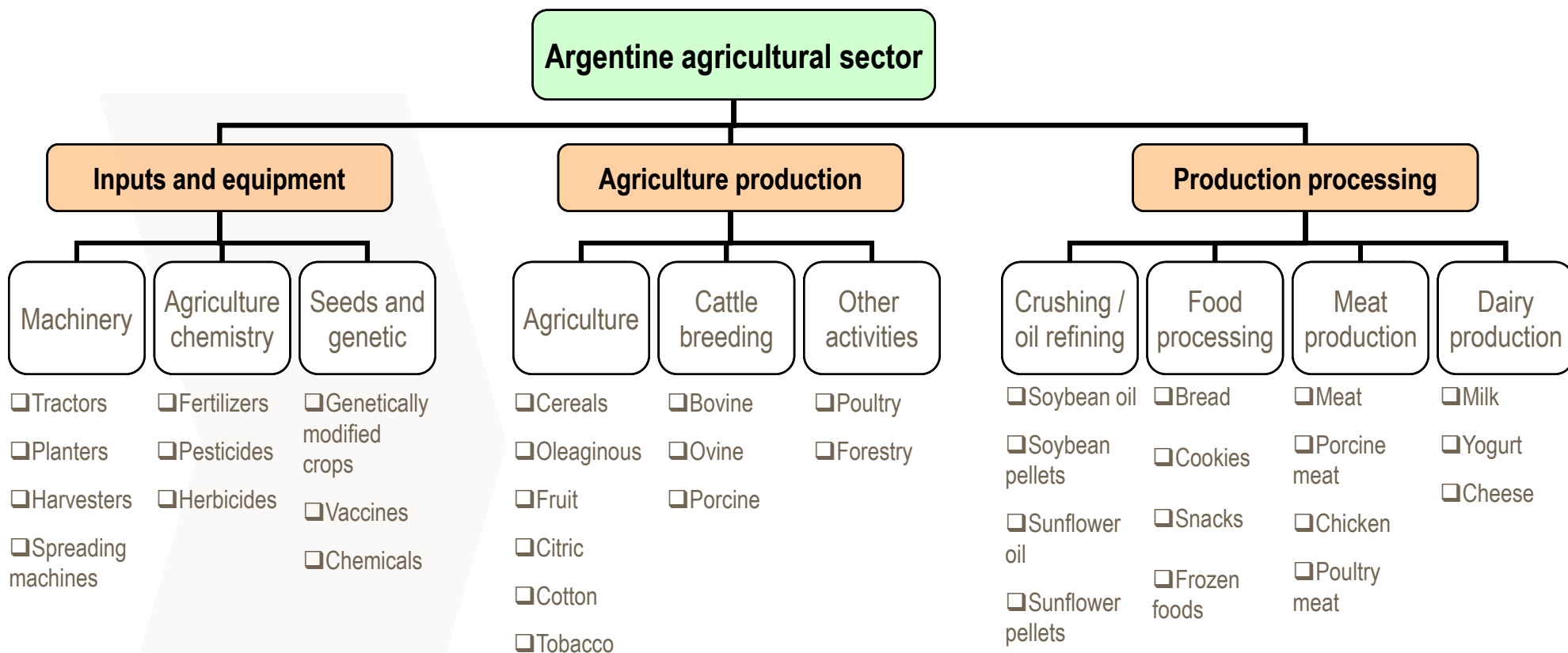
Swedish imports from Argentina 2007: 343 MSEK (Up to November)



Source: CIA world Factbook, Indec, STC Trade Profiles

ARGENTINA'S AGRICULTURE SECTOR IS LARGE AND DIVERSIFIED

- Integrated production and developed throughout the whole sector chain

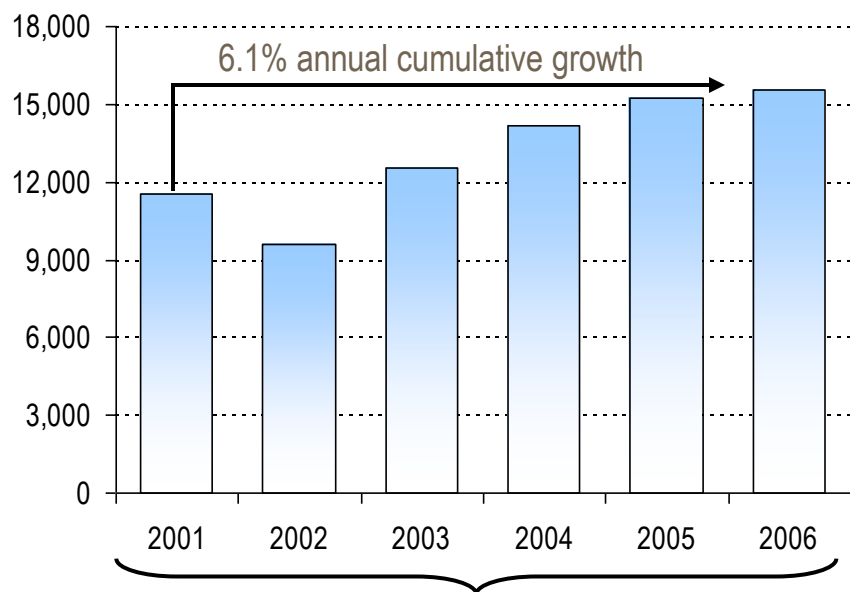


Source: Indec, Sagpya.

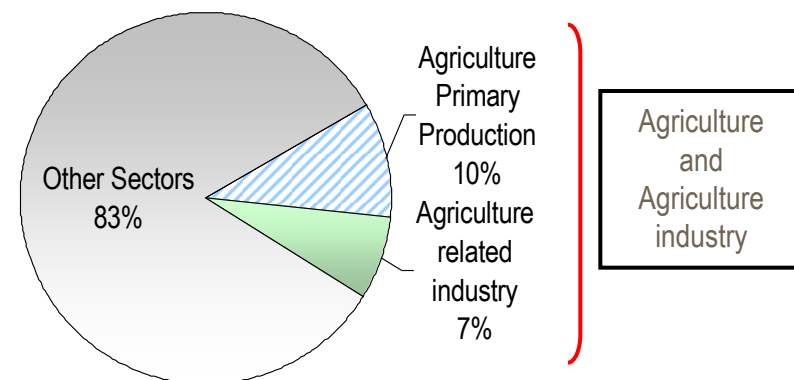
AGRICULTURE IS A MODERN AND LEADING SECTOR IN ARGENTINA

- The agricultural primary production represented 7.4% of argentine gdp in 2006

Argentine agriculture GDP (MUSD)



Argentine agriculture and agriculture industry GDP structure (2003)



Agricultural primary production has been growing strongly and the sector reached a higher level of production using cutting-edge technology within production.

Industry related with agriculture production processing is one of the leading sectors of the industry and contributes to increase added value of agriculture for Argentina.

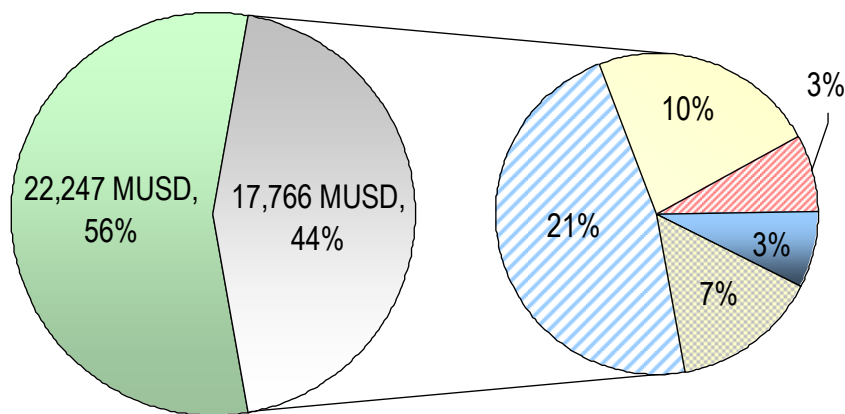
Agriculture companies are among the most profitable companies in the Argentine economy

Source: INDEC, Sagpya, STC.

AGRICULTURE IS ARGENTINA'S MOST IMPORTANT EXPORT INDUSTRY

- Agriculture and agroindustrial export clusters account for almost 45% of argentine exports

Argentine exports by export cluster (2005)



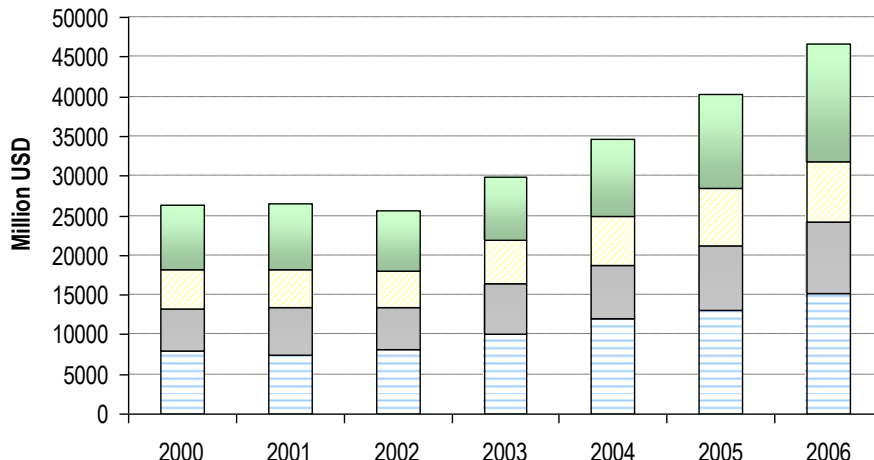
- Non agriculture exports
- Soybean cluster
- Other oleaginous and cereal cluster
- Meat cluster
- Fruits and vegetables cluster
- Other agriculture clusters

Note: cluster's includes both agriculture primary production and industrialized derived products such as oil and pellets.

□ Soybean, soybean oil, and flour are the main export of the country, accounting for 20.8% of total exports.

□ Pampas region production is the most important source of revenues in agriculture exports.

Argentine exports



- Agro Manufactures
- Primary Products
- Fuel and Energy
- Industrial Manufactures

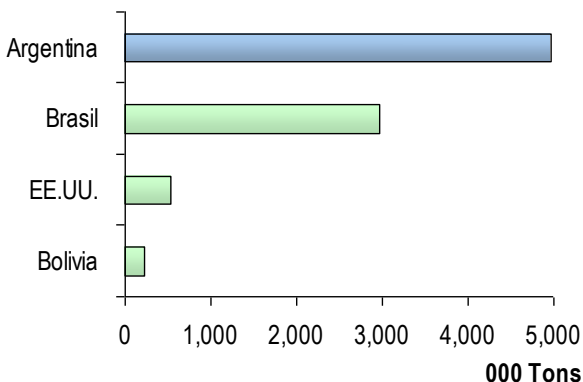
•Argentine agriculture sector is mainly export oriented

Source: Indec, STC.

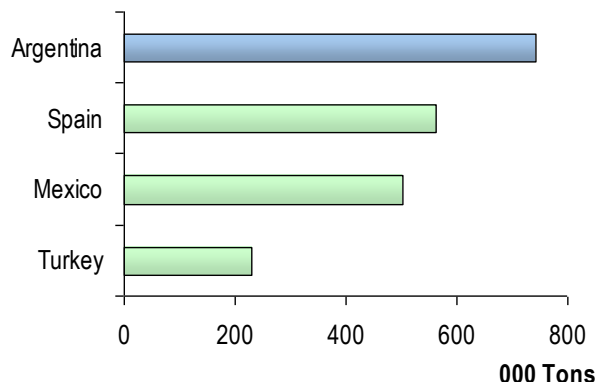
SOYBEAN DRIVES ARGENTINE AGRICULTURE EXPORTS

- Exports are both primary and industrial agriculture related products

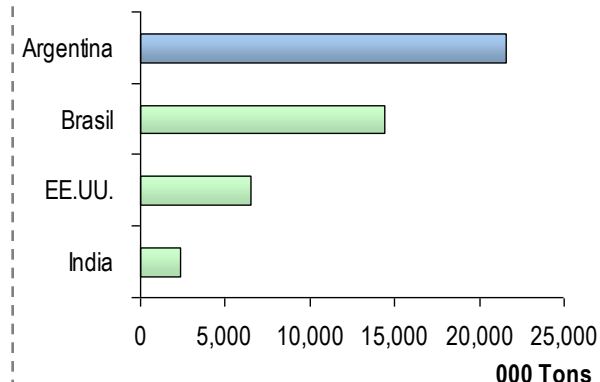
Soybean oil (2005)



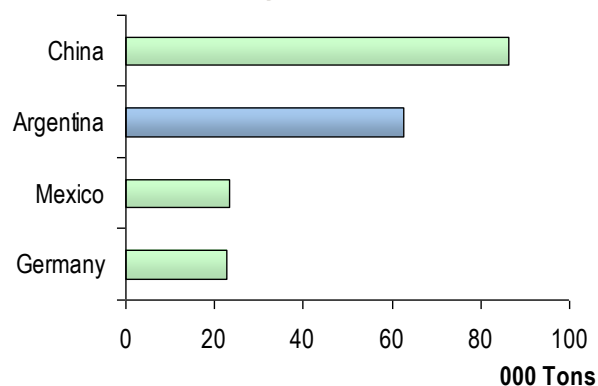
Lemon (2004)



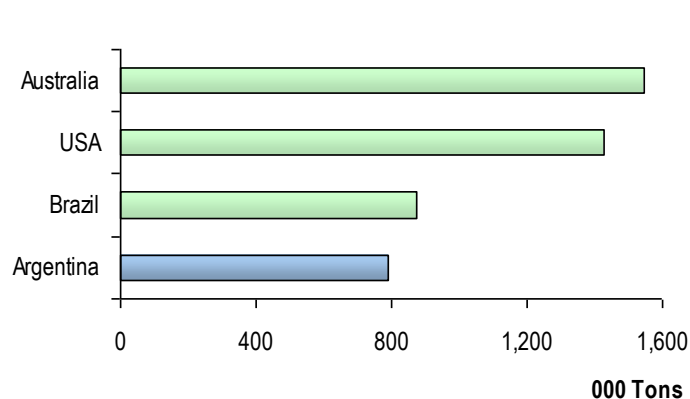
Soybean flour (2005)



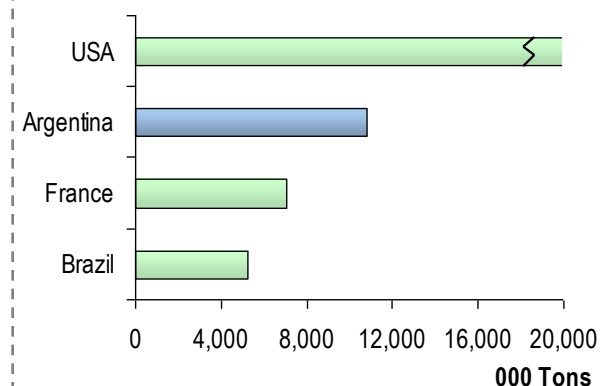
Honey (2004)



Meat (2004)



Corn (2004)



Higher growth potential than other countries due to producers' adoption of new technologies

Source: FAO, CIARA.

AGRICULTURE PRODUCTION TARGET: 100 MILLION TONS BY 2009

- Cereal and oleaginous: the heart of argentine agriculture production

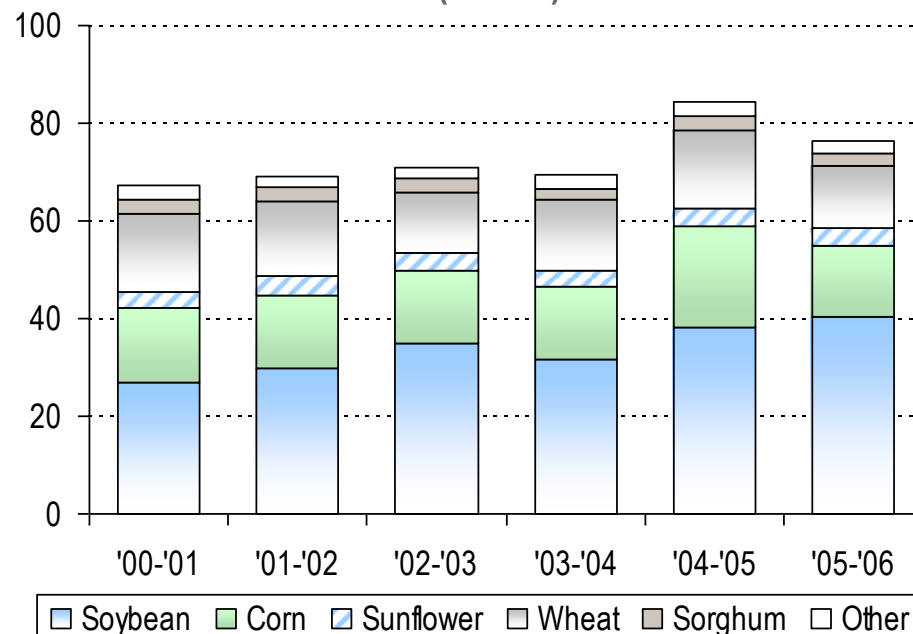
- 28.6 million hectares are in production occupied by cereals and oleaginous.
- Genetic modified seeds adoption allowed producers to use more agriculture chemical products, increasing productivity.
- Investments in machinery also contributed to production growth, related to new production systems such as direct planting.



Agriculture production level depends strongly of the investment done in technology by producers.

To reach 100 million tons goal producers will continue to demand innovative techniques and technologies

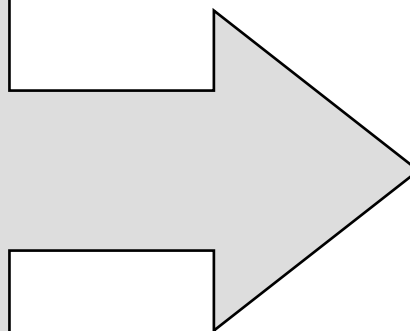
Cereals and oleaginous production in Argentina (Mtons)



Producers are investing heavily in new technologies to continue increasing productivity

ARGENTINA PROVIDES CONSIDERABLE BUSINESS OPPORTUNITIES

- Fast growing economy, annual GDP growth exceeding 8,5% the past five years
- New government with strong support focusing on external commercial relations
- Large (four times Sweden's) domestic market with increasing purchasing power
- High growth of imports, particularly machinery and equipment
- Latin America's most skilled labor force at low cost



... which has contributed to...

...the fact that more than **40** Swedish companies are registered in Argentina and many more are there as sub suppliers or via distributors.

STC in Argentina is the natural partner for all Swedish companies who want to establish or develop their business in Argentina

USEFUL CONTACTS

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Cámara de la Industria Aceitera de Argentina

(Argentine vegetal oil chamber)

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INDEC

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Instituto de Promoción de la Carne Vacuna (IPCVA)

(Bovine meat promotion institute)

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MAIZAR

(Association of companies in the corn value chain)

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