

EXPORT RÅDDET

SWEDISH TRADE COUNCIL

ARGENTINA – COUNTRY PRESENTATION

FACT PACK

Swedish Trade Council in Argentina
2008

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

Sweden:

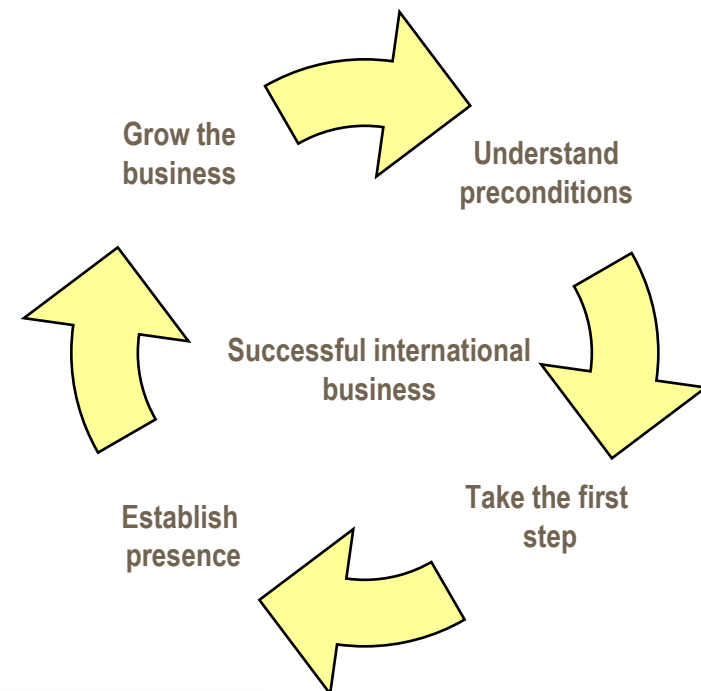
- Headquarters in Stockholm, 80 employees
- 22 regional export advisers
- All Trade Commissioners regularly visit different parts of Sweden

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)

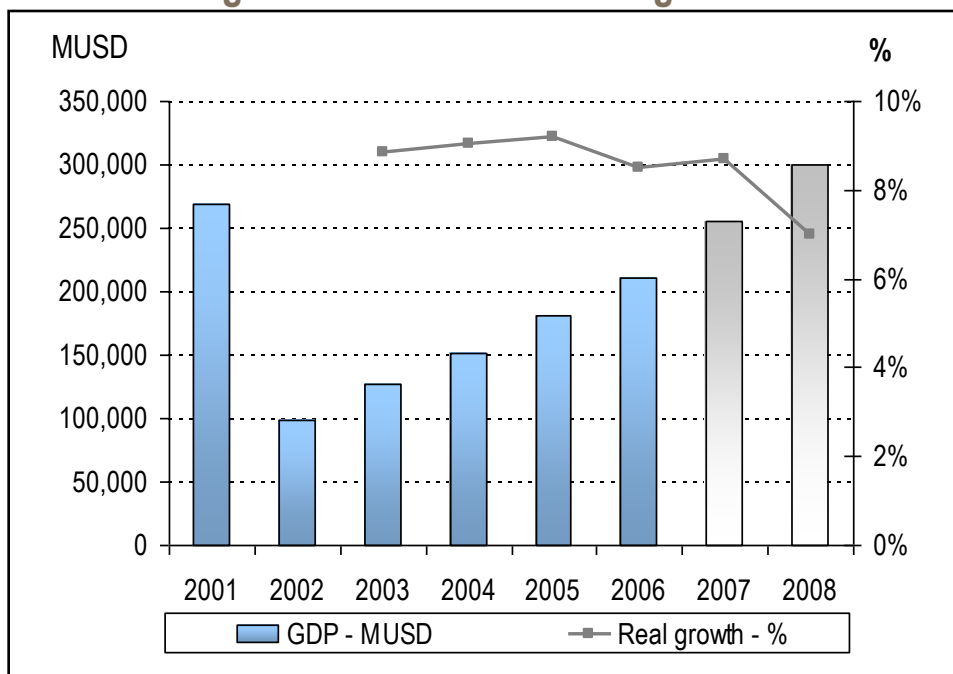


Source: CIA world Factbook, Indec, STC Trade Profiles

A FAST GROWING ECONOMY IN CONSTANT NEED OF INVESTMENTS

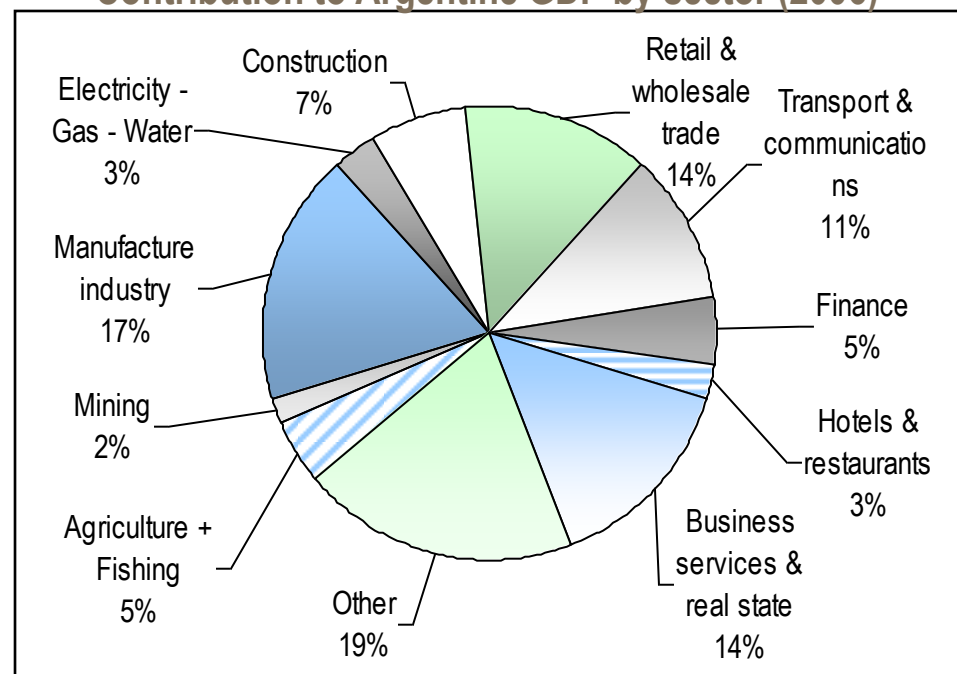
- Argentina has a diversified economic structure and requires investments in every sector

Argentina's GDP and GDP's growth



- The economy is expected to continue growing strongly in the coming years, but not at the same rates than the previous years.
- Investments are required to sustain growth, both funding and technology are demanded by Argentine companies.

Contribution to Argentine GDP by sector (2006)



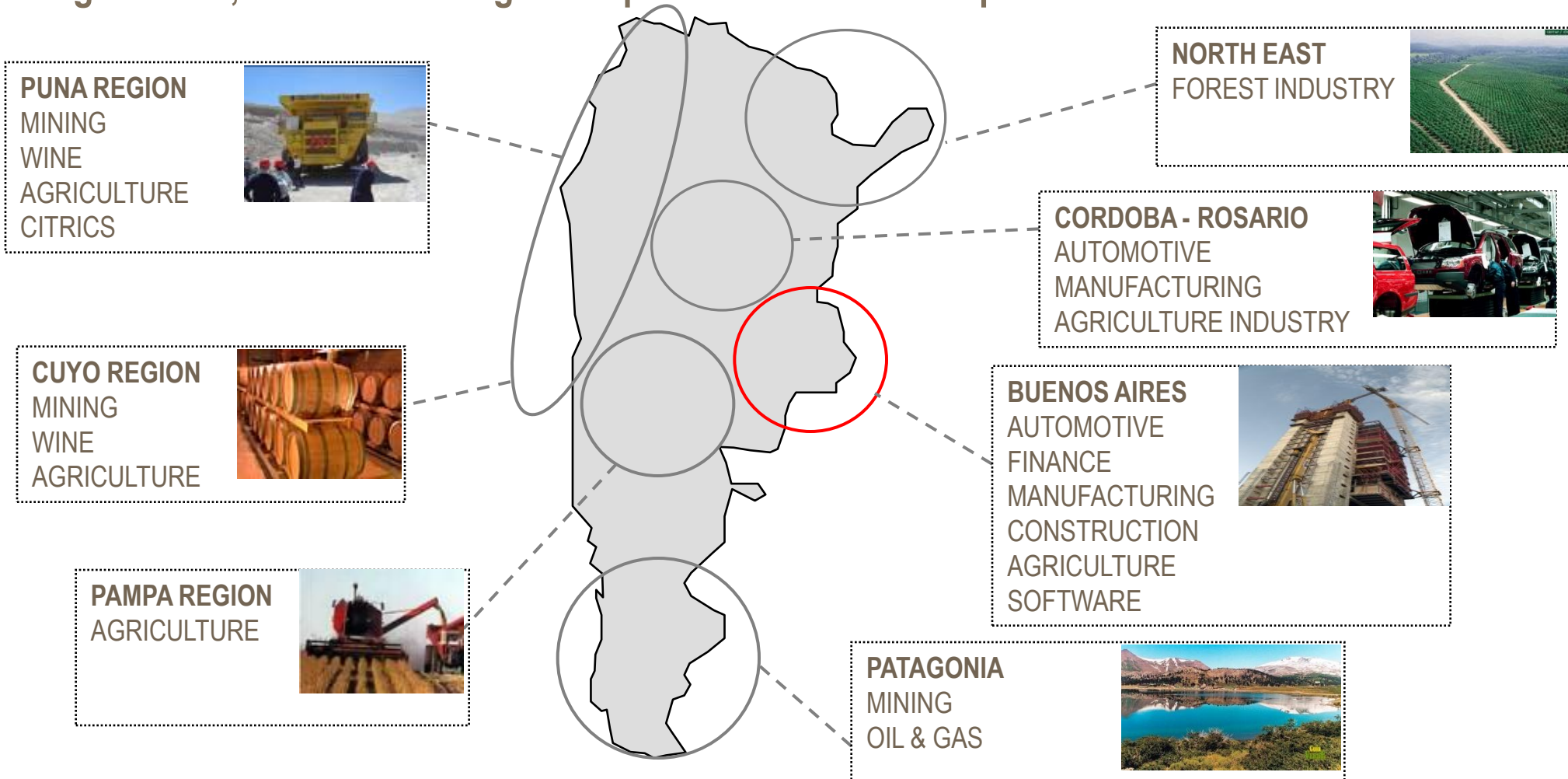
- Most important traditional activities are agriculture production, construction and manufacture industry.
- Some industries are becoming increasingly important, such as Mining, Telecom, and Tourism. But all sectors are growing strongly.

Economic growth generates business opportunities throughout different industries and sectors.

Source: INDEC, Central Bank of Argentina, STC.

BUENOS AIRES IS ARGENTINA'S ECONOMIC CENTER AND MOTOR

- Agriculture, wine and mining are important sectors in the provinces



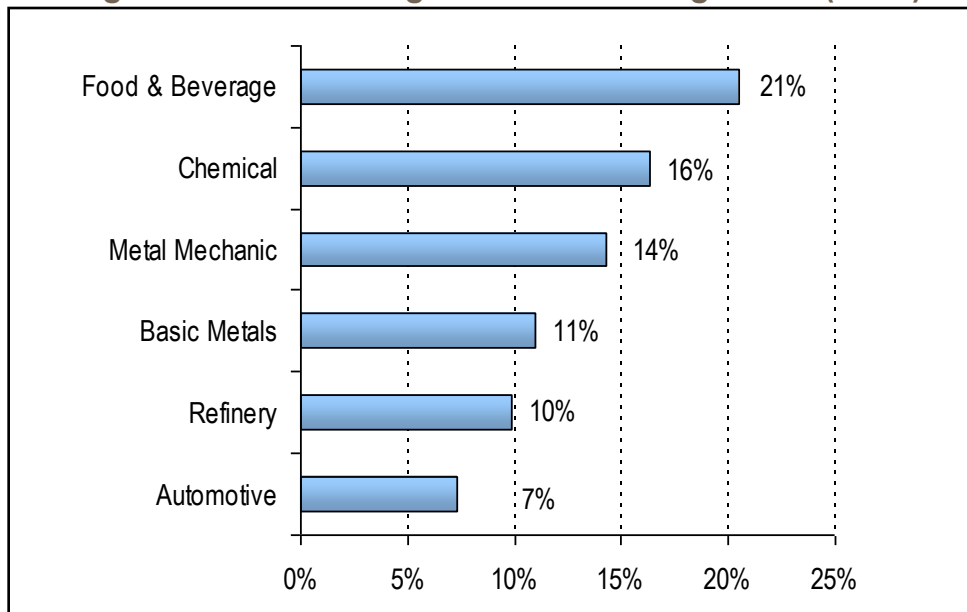
Key industries differs among regions in a country with a wide geographical extension

Source: STC, Servicio Geologico Minero Argentina (SEGEMAR)

A DIVERSIFIED INDUSTRY WITH A STRONG GROWTH IN THE PAST YEARS

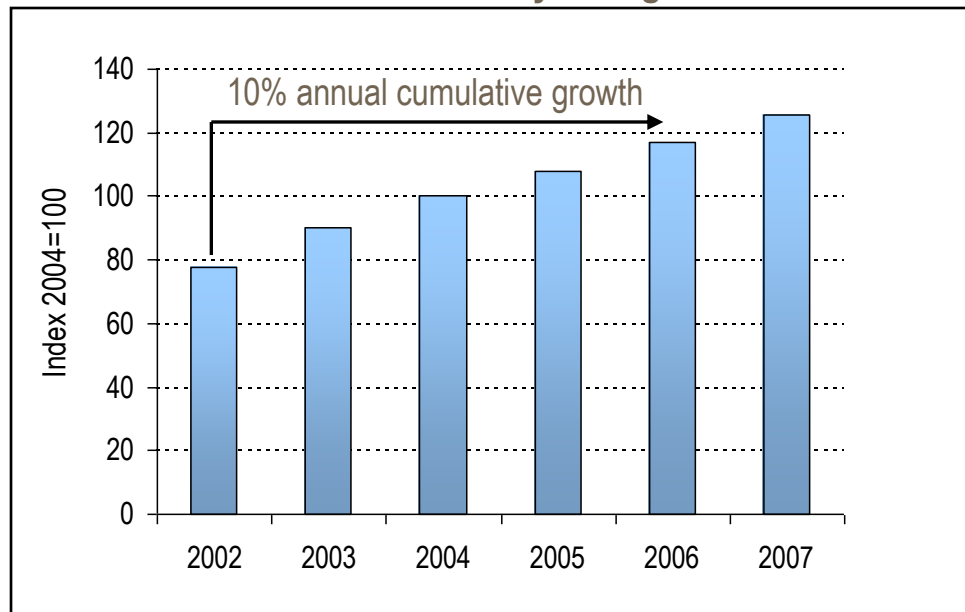
- Industrial growth led to high utilized capacity. investments are required to increase production

Largest manufacturing industries in Argentina (2006)



- There are 86 000 companies within the manufacturing industry in Argentina, with approximately 1.27 million employees (33% informal)
- The average wage for a industry worker in Argentina is approximately SEK 25 per hour

Manufacture industry in Argentina



- The total production of the Argentine manufacturing industry is 43.1 billion USD. Most industrial sectors are currently growing strongly
- Utilized production capacity reached 75% in December 2007, which means that investments are required for the industry to keep growing, particularly in some industries like refining and basic metals.

Required investments implies business opportunities for Swedish companies within technology supply.

Source: INDEC, Cepal, Adefa, Union Industrial de Argentina, STC.

INTERESTING SECTORS FOR SWEDISH COMPANIES INCLUDE:

IT & Telecom

- One of the most dynamic sectors of the economy. Mobile communications are driving the industry.
- High mobile penetration indicate that companies will continue to invest in 3G and VAS services to increase their revenues.
- Planned investments in infrastructure for broadband services and also in VAS platforms for mobile communications.

Mining

- A booming sector that is experiencing a strong growth in production, investments and exports.
- 10 000 MUSD in investments expected for the period 2007-2010.
- Companies present on the market are world-leading players.
- Equipment and new technologies are required for sector growth.

Health Care

- An attractive market in a growing recovery phase.
- Expenditure in medicine is growing fast and private insurances are gaining ground.
- After several years of low investments, the sector requires new technology for the renewal of equipment.
- The pharmaceutical sector is growing very fast.

Machinery & technology

- Argentina imports a big share of its most advanced technology requirements.
- Machinery and technology imports are growing strongly.
- Swedish technology is widely recognized on the market.
- The industry requires technology to be able to continue growing due to high utilized production capacity.

A FEW NOTES ABOUT ARGENTINE BUSINESS CULTURE

- Dress formally, be on time and be prepared to small talk

Business meetings

Meetings don't always start on time. However, for meetings with foreigners Argentines try to be on time and foreigners are expected to be punctual.

How you sit around the negotiating table is of lesser importance. Normally the senior parties sit opposite each other.

Introductions are usually quite informal and can take some time, especially if the parties need to get to know each other. The ambition is otherwise to start discussing business.

Dress code

Business wear is suit and tie (never jeans) for men.
Women wear dress suit, long trousers or skirt and jacket.

Gifts

It is quite common for both seller and buyer to give presents. It is not necessary to open presents in the giver's presence.

Holidays

It is not advisable to book business meetings during or around important holidays: 25th of May; 9th of July; 17th of August.
Vacation period is from mid-December to beginning of February, where January is the main vacation month.

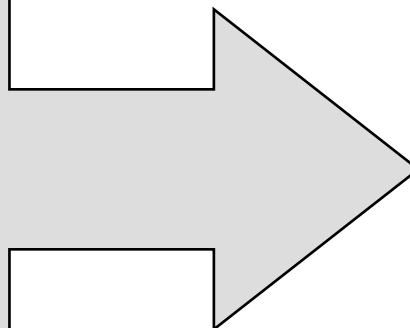
Negotiations with Argentine counterpart

- Business language is generally Spanish.
- For Argentines in higher positions it is important to negotiate with a counterpart at the same level.
- Agreements should always be confirmed in writing.
- Written agreements should be detailed and made by lawyers.
- Decisions taken are not always definite.
- You normally don't close a deal during the first negotiation (although Argentines are relatively effective when negotiating)
- There is a tendency to postpone decision-making if possible – you have to be active to close the deal!
- Negotiations take time.
- The boss always has the final say.

Argentine business culture can accurately be described as European

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 competitive 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

Ministerio de Economía

(Ministry of Economy)

Tel: +54 11 43 49 5000

www.mecon.gov.ar

INDEC

(National Statistical Office)

Tel: +54 11 43 49 9200

www.indec.gov.ar

Agencia de Promoción de inversiones

(Investment Promotion Agency)

Tel. +54 11 43 49 34 42

www.inversiones.gov.ar

AFIP – Agencia Federal Ingresos Públicos

(Argentinean Internal Revenue Service)

Tel. +54 08 10 999 2347

www.afip.gov.ar

Swedish Embassy in Buenos Aires

Tel: +54 11 43 29 0800

www.swedenabroad.com/Start____7979.aspx

Cámara de Comercio Sueco Argentina

(Argentine – Swedish Chamber of Commerce)

Tel: +54 11 43 42 8867

www.ccsa.com.ar

Swedish Trade Council in Argentina

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