

# EXPORT RÅDET

SWEDISH TRADE COUNCIL

# THE ENVIRONMENTAL MARKET IN ARGENTINA

## FACT PACK

Swedish Trade Council in Argentina  
2008

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

## Sweden:

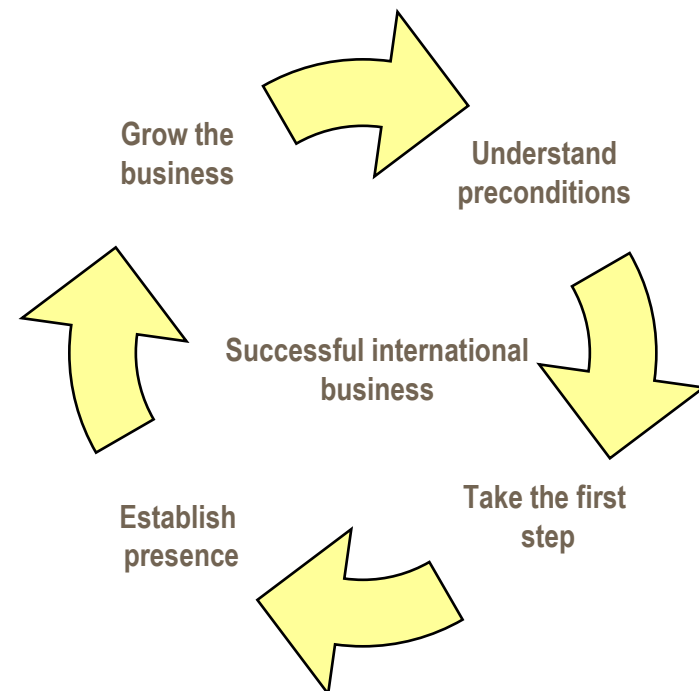
- Headquarters in Stockholm, 80 employees
- 22 regional export advisers
- All Trade Commissioners regularly visit different parts of Sweden

## 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



# ARGENTINA IN BRIEF

**Area:** 2 791 810 km<sup>2</sup>

**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 km<sup>2</sup>:** 14/km<sup>2</sup>

**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

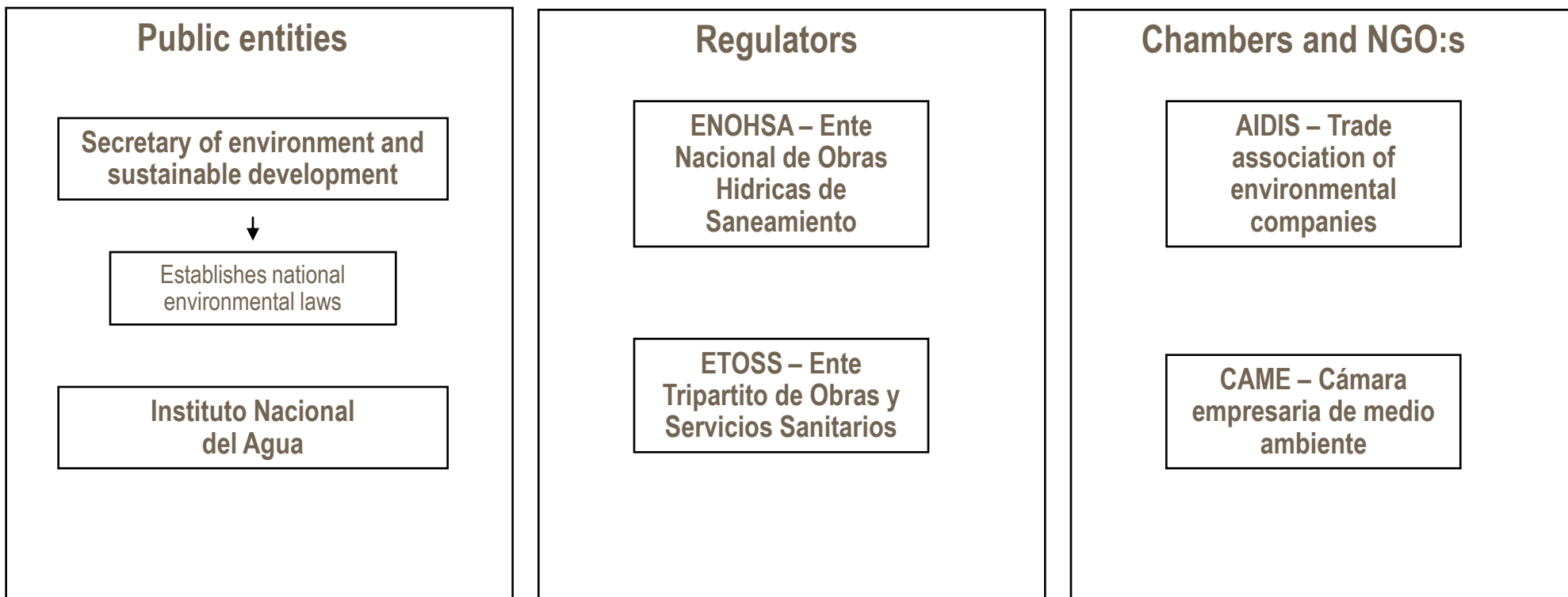
**Swedish Exports to Argentina 2007:** 1 687 MSEK (Up to November)

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



Source: CIA world Factbook, Indec, STC Trade Profiles

# WHO IS WHO WITHIN THE ARGENTINE ENVIRONMENTAL SECTOR?



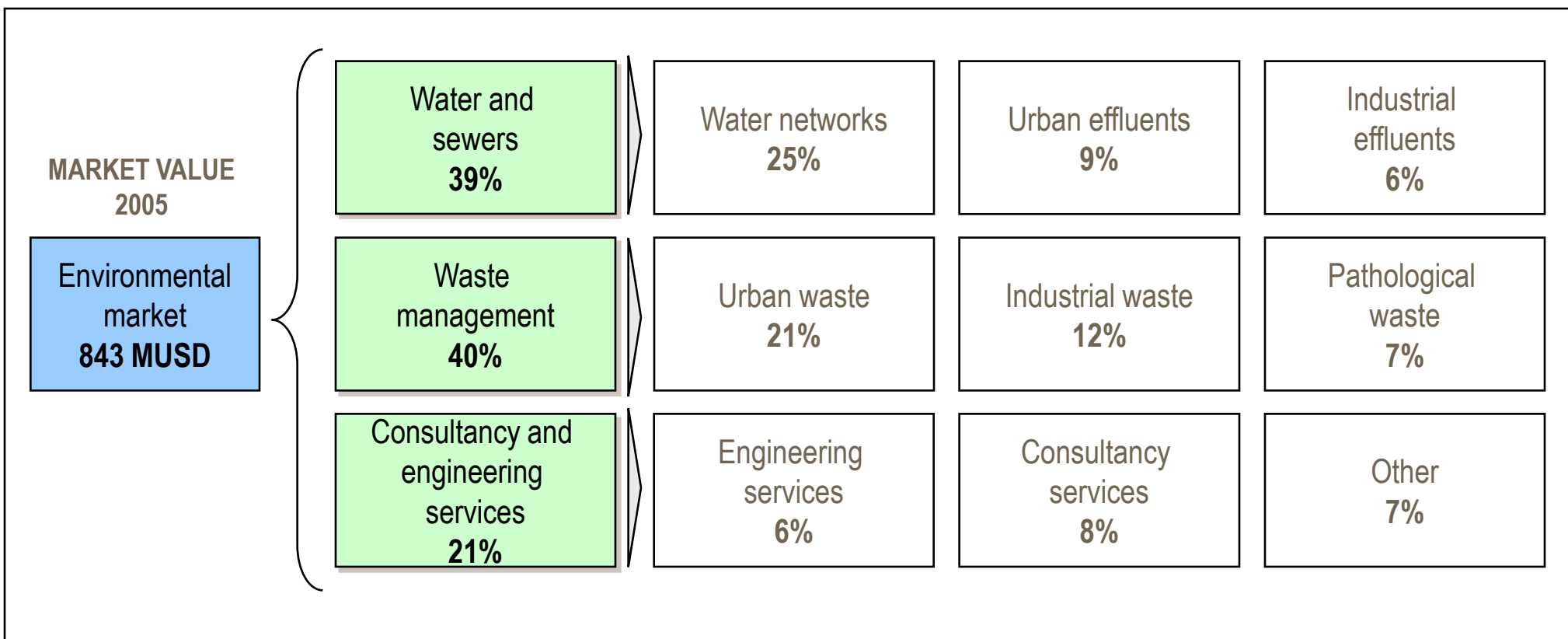
Water regulation entity is about to be changed into a new kind of regulator due to changes in the ownership of the largest water and sewers provider.

Source: STC, Environmental Secretary.

# ARGENTINA ENVIRONMENTAL MARKET VALUE 843 MUSD 2005

- Waste management and water & sewers treatment offer most attractive business opportunities

MARKET VALUE BY SEGMENT 2005 (% of total)



Opportunities are mostly in technology provision areas

Source: Ecogestionar, STC.

# W&S: IMPORTED TECHNOLOGIES ARE VERY IMPORTANT

- Usa is the most important supplier with nearly 30% of technology imports

Water and sewers imports by Country

Product	FOB Value (MUSD)	Main countries of origin
Pumps for liquids	37.7	Brazil 22.5%, USA 17.4%, Germany 11.9%, Thailand 8%, Italy 6.4%, Spain 3.2%
Other centrifugal Pumps	35.8	China 21.1%, USA 19.8%, Italy 16.2%, Brazil 12.3%, Spain 7.5%, Denmark 5.6%
Water Filtering and Purifying Equipment	4.8	USA 19.1%, Israel 18.8%, Brazil 14.7%, China 9.8%, France 9.1%, Italy 6.4%
Other Filtering Equipment	21.4	USA 36.4%, Brazil 10.7%, Italy 7.0%, Denmark 6.5%, Germany 5.6%, Spain 5.6%
Mixing, Stirring, etc.	11.8	USA 25.4%, Brazil 15.2%, Italy 14.4%, Germany 10.2%, Sweden 7.6%, China 4.7%
Taps, Valves, Cocks, etc.	88.4	USA 27.1%, Italy 19.0%, Brazil 12.2%, China 12.0%, Spain 5.7%, Germany 5.7%
Instruments and apparatus for measuring and checking	33.3	USA 53.1%, Germany 10.8%, Italy 4.5%, France 3.9%, Spain 3.9%, Japan 3.9%

Sweden is not an important supplier of W&S technologies in Argentina but could increase its share

# SOLID WASTE MANAGEMENT: A DIRTY PROBLEM

- Open dumps in urban areas generate several health problems that need to be solved

## Waste management in Argentina

- 60% of Argentina's solid waste is disposed in open dumps without sanitary control.
- Solid wastes management is under control of each local government. This has impede up to now joint efforts to reduce solid waste contamination.
- 2004 new environmental law established minimum requirements for SWM services, augmenting the percentage of waste recycled and reduction of GHG.
- 2006 Buenos Aires law (provincial) established that each local government is responsible for final disposal. They have to build their own facilities and recycling systems within a 6-12 months period.

## CEAMSE

- CEAMSE is a public organism. Responsible for wastes final disposal in Buenos Aires city and its metropolitan area.
- Buenos Aires city and metropolitan area accounts for 33% of total wastes generated in Argentina.
- CEAMSE is building a waste separation and recycling plant.
- CEAMSE has invested in landfill biogas recovery.

Waste collection is mainly performed by private companies hired by local governments.

# LANDFILL BIOGAS: STARTING TO GROW DUE TO CARBON BONDS

- There are no suppliers of landfill gas recovery equipment in argentina

## CEAMSE

- The organism achieved a private 63 MUSD investment in biogas recovery in its landfills and open dumps.
- Potential annual investment in landfill biogas could reach 250 MUSD, indicating high growth potential.
- In Rosario (also CEAMSE) and Olavarria other solid wastes biogas projects are already being successfully developed.

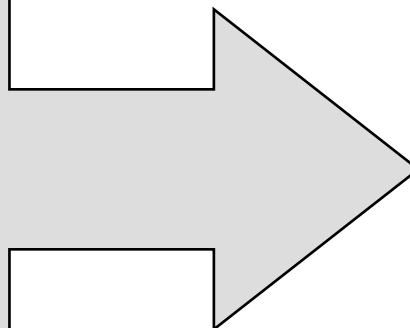
## Private companies

- There are national and foreign companies involved in the market: Tecsan, TYSA, Tecna (Argentina); Conestoga Rovers (Canada), ASJA (Italy), Van der Weil Startgas (Netherlands).
- Shell, Capsa-Capex, Repsol and Aluar are also developing plans to enter biogas market.
- The target of private companies cooperating with CEAMSE is a reduction of 22 Mtons of carbon.
- According to current carbon credits quotation, profits are expected to be between 110 – 220 MUSD.
- Small local developments of biodigestors that use biogas as fuel are being developed.

Biogas is not used as fuel due to low local energy prices - to make it profitable subsidies are required

# ARGENTINA PROVIDES CONSIDERABLE BUSINESS OPPORTUNITIES

- Fast growing economy, annual GDP growth exceeding 8,5% the past four 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

## **AySA**

*(Argentine water and sewers company)*

Ciudad Autonoma de Buenos Aires

[www.aysa.com.ar](http://www.aysa.com.ar)

## **Secretaría de medio ambiente**

*(Secretary of the Environment)*

Tel: +54 11 43 48 8200

[www.ambiente.gov.ar](http://www.ambiente.gov.ar)

## **CEAMSE**

*(Ecologic entity of Bs As metropolitan area)*

Tel: +54 11 49 12 0017

[www.ceamse.gov.ar](http://www.ceamse.gov.ar)

## **Ministerio de Economía**

*(Ministry of Economy)*

Tel: +54 11 43 49 5000

[www.mecon.gov.ar](http://www.mecon.gov.ar)

## **INDEC**

*(National Statistical Office)*

Tel: +54 11 43 49 9200

[www.indec.gov.ar](http://www.indec.gov.ar)

## **ETOSS**

*(Water regulation organism)*

Tel: +54 11 48 15 9229

[www.etoss.org.ar](http://www.etoss.org.ar)

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