Integrating politically and economically into the world

Argentina is once again attracting interest worldwide following the government’s commitment to greater openness.

**Expansion of the Argentine banking sector on the horizon**

Argentina’s financial services will play a crucial role in the country’s impressive growth cycle. The Central Bank of the Argentine Republic now encourages the expansion of the banking sector with the aim of tripling its current size in the coming years.

Banco Galicia, established in 1862 and listed on the NASDAQ stock market, is one of the main banks in the country with access to a number of credit lines. Through its commercial banking, mutual fund management, and insurance services, it serves large companies and small and medium-sized enterprises (SMEs). It also participates in the consumer finance business through several subsidiaries.

Banco Galicia’s Chairman, Sergio Gianesini, said “Argentina has enormous potential to grow again especially if the economy is opened up, allowing the import of equipment necessary to compete successfully in international markets.”

**The country also has mining and energy, both strengths and weaknesses.**

As an “intelligent return to the world,” the Argentine government’s way of describing its economic transformation is initiated by the new administration under the leadership of President Mauricio Macri in 2015.

Mauricio Peto, chief of the Cabinet of Ministers, said the government is taking the necessary decisions to once again open up the country. “Argentina needs to integrate economically and politically into the world in order to avoid the isolation that has been detrimental in the past,” he said.

In recent years, Argentina has begun to attract increased interest worldwide due to the new administration’s commitment to greater openness and the government has been opening its wide range of relationships and bilateral treaties, including MERCOSUR and the G-20.

Argentina has one of the largest economies in Latin America and the country has a wealth of natural resources. It has large reserves including mining and energy, infrastructure, transport, logistics, agriculture, and technology. Endowed with fertile lands, the country is a leading food producer with a large-scale farming and livestock industries.

The country also has mining reserves in silver, copper, lithium, gold and potash, and in addition to its conventional oil and gas reserves, it also has a number of fast-growing sectors such as bioenergy and information technologies.

Noriteru Fukushima, Japanese ambassador to Argentina, said “We want to grow together, through sharing technologies and know-how, and by training staff.”

In order to regain trust and credibility, whilst sourcing increased financing at globally more convenient costs, the Argentine government has been implementing a number of important measures to open up the possibilities of obtaining financing from abroad. The goal is also to attract more investment into the exploitation and exploration of the country’s wealth of natural resources.

These measures include the removal of foreign exchange restrictions, which had been limiting the country’s access to foreign currency, the withdrawal of limitations on overseas dividend transfers, the elimination of mandatory deposits for foreign investments and a reduction in the waiting period for the transfer of funds into the country. The reforms have contributed to improved financial conditions for foreign investment and recently there has been an increase in the acceptance of foreign financing by businesses and beneficiaries that have seen valuable opportunities to develop projects in this new context.

An intelligent return to the world

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“Argentina has strong human and natural resources, both necessary factors for growth. However, heavy investment in infrastructure is needed to consolidate the investments made in new technologies. This way Argentina can grow not only in traditional exports, but also by looking for new alternatives.”

San Banco Galicia no está estratégicamente orientado hacia el sector donde se pueden mantener un pequeña y eficiente participación.

“La banca puede ser un excelente oportunidad para la industria japonesa, coroporaciones y empresas de nuestro país.”

“Hemos necesitado de un cambio en la mentalidad de los inversores nacionales y japoneses.”

*Los objetivos son muy ambiciosos, pero la banca debe ser una parte importante de la nueva Argentina.*

“El crecimiento en la banca en Argentina es una realidad y debe ser una parte importante de la nueva Argentina.”

“La banca no debe dejar de ser un sector de gran importancia en la economía de Argentina.”

*Andes Energia* operates in Argentina, Colombia and Peru. Through its commercial bank, Andes Bank, it provides various services to large and medium enterprises, financial institutions, and institutional investors in Argentina. It is the only Argentine bank with a presence in the U.S., which adds to its accountability. “We have started to serve many operations in our broker dealer in Miami,” Pardo said.

Pardo says, “Argentina is a very rich country and its varied terrain gives it vast potential for investments. The nation produces food for 400 million people, yet it has a population of 40 million. The opportunities in Argentina are a given—a strong workforce and a good climate. If the political landscape is favorable, Argentina is the best country to invest in.”

**A master of exploration and production keeps South America moving**

In the business of oil and gas exploration and production in South America, one name stands out. Focused on onshore assets, Andes Energia has approximately 25 MMbbls of conventional oil reserves, and certified prospective resources of 640 MMboe, many of them located in Argentina’s Neuquen Basin, and more than 70 project opportunities in Argentina. Offshore activities are carried out in the offshore Monte Lueca in the Neuquen Basin is the second-largest shelf oil deposit in the world, and over 200 wells have been drilled and fracked at the site. It is located as the best outside of North America.

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Creating competitiveness for Argentina

With much of Argentina’s diverse industry portfolio now well-developed, the next step will be to boost competitiveness.

Industry stands out as one of the most developed aspects of the Argentine economy, with vast potential for development remaining, partially within the reach of new technological innovations.

The country’s key industries include the food industry, the chemical industry, the metallurgical industry, the automotive and the base metals industry overall, is highly labor intensive, with employees making up one-fifth of the country’s workforce.

Argentina has an alarming 36 percent of its population living under the poverty line. Reducing poverty is one of the president’s main objectives and can be achieved through job creation.

Recently, the country’s road map to living under the poverty line demonstrates that there will be great opportuni-
ties to be seized. “Argentina has the potential to be very competitive and it is likely to have a very important regional role,” he said.

Argentina’s unconventional resources equivalent to 11 times more than the current oil and gas reserves, are on their way. There is great potential and opportunities in areas such as security and trust in order to attract international investors.

The government is taking the right measures, which has led to positive reception from the international community.

At present AEN is working on converting waste to energy and logistics. There is a lot of potential and we have an inverse correlation. The brand is highly regarded,arf and contribute to job creation. “AEN has operations in Argentina, Meranol — an Argentinean industry,” says energy is a key sector due to companies that wish to come to the country’s great potential and its human capital.

At Kiev, the brand is highly regarded, but there is no doubt that Japan is the world-renowned “The Prius, the world-renowned the Prius, the world-renowned historic. President, Toyota Argentina is an iconic car that has been very successful in promoting its introduction.”

Herrero said, “incoming investment from Japan insights, the world-renowned brand is always a win-win situation for everyone.”

Energy: a key stimulus for the economy

The energy sector is the greatest source of income for Argentina with large reserves and much of its territory still to be explored.

There is significant room to further explore the Argentine energy sector the country has 24 continental and oceanic basins, out of which five are currently being explored. The government has therefore been opening up opportunities for foreign investors, with the aim of generating new technologies, and know-how. “We must try to integrate our industries and work with countries like Japan: the momentum in Asia is there and we have an inverse correlation.”

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