



LANZBC

Latin America New Zealand
Business Council



THE NEW ARGENTINA: OPEN FOR BUSINESS

GUSTAVO RICHARDSON

Director, Argentine Chamber of Commerce
for Asia-Pacific, New Zealand Chapter

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CONNECTING NEW ZEALAND
AND LATIN AMERICAN BUSINESS

www.lanzbc.co.nz

THE NEW ARGENTINA

“OPEN FOR BUSINESS”

Wellington, 24 May, 2016



CÁMARA DEL ASIA

ARGENTINE CHAMBER OF COMMERCE
FOR ASIA AND THE PACIFIC

ARGENTINE REPUBLIC



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INTRODUCTION



❧ **AR New Phase:**

- ❧ Transformation / Painful period / Signs of positive change / Strong vision for growth in near future.

❧ **Time to:**

- ❧ Build new opportunities
- ❧ Join again with the international marketplace
- ❧ Share visions and resources
- ❧ Combine skills and pool products

in order to reach new markets and go deeper in old ones.

❧ **AR and NZ share:** Rugby passion, agriculture, innovation and inventive attitude / It's no coincidence we share an old saying:

- ❧ “Fix it with N° 8 wire” / “Atalo con alambre”



POLITICAL & ECONOMIC CONSIDERATIONS



✧ **POLITICAL ENVIRONMENT**

President Macri's Cambiemos (We can Change) Party's administration, is known to be:

- ✧ **Center-Right Leaning, Proactive, Pragmatic,**
- ✧ **Market & Business friendly**

Promised:

- ✧ **Kick start a stalled economy**
- ✧ **Find the real state of the country's financial situation**
- ✧ **Fight corruption**
- ✧ **Find solution to weak growth, high inflation, poverty and to tackle the gaping fiscal deficit left by the former administration**
- ✧ **Remove capital controls / Restore the Central Bank's independence**
- ✧ **Overhaul the country's Statistic Administrator (INDEC)**
- ✧ **Increase legal security for foreign investors**



POLITICAL & ECONOMIC CONSIDERATIONS



ECONOMIC ENVIRONMENT

- ❧ **Latin America's 3rd largest economy- 2015 GDP USD 537 bn, (World Bank 2016 April update).**
- ❧ **It has more equal income distribution than other Latin American countries and a broad middle class.**
- ❧ **2005-2015 Argentina was a risky and difficult place to do business.**
- ❧ **DEC 2015, the currency controls were released and USD free floatation**
- ❧ **Fast with economic reforms, with some positive results already showing.**
- ❧ **Over the last months reserves have grown 21.6% (ref: AR Central Bank)**
- ❧ **Inflation continues to be an issue, however it is decreasing and is predicted to continue decreasing in the following years**



POLITICAL & ECONOMIC CONSIDERATIONS



2/ ECONOMIC ENVIRONMENT

- ❧ **Success tackling head on the debt with the so-called American ‘Vulture funds’ bringing Argentina back into the confidence of the international community.**
- ❧ **Recently, more than 600 foreign investors gave a vote of confidence with a record US 16.5 bn bond sale. Prat-Gay was ecstatic and stated that he could have issued and sold twice that or even more. Offered Capital was USD 62.5 bn**
- ❧ **Importation restrictions and taxes have been reduced or completely removed, as well as levies and taxes on exportations.**
- ❧ **The government will guarantee a full framework of legal security for foreign investors.**
- ❧ **It has been projected that Argentina will show a mid-term positive result from these reforms, with an increased productivity and a more robust economy. However, the next 12 months will most likely be characterised by stagflation and a 1% contraction in GDP.**



ASIAN MARKETS



ASIAN MARKET OPPORTUNITIES FOR BOTH ARGENTINE AND NEW ZEALAND



- ❧ **NZ has trade agreements and partnerships in all key and secondary markets in East and South East Asia. Bilateral trade agreements have been signed (Such as the NZ-China Free trade agreement).**
- ❧ **The Asean Economic Community (AEC) has the 7th largest economy (and could be the 4th by 2050). NZ is dialogue partners of Asean Free Trade Area.**
- ❧ **NZ exports to China are second only to exports to Australia.**
- ❧ **NZ has high reputation and efficient distribution chain for very high qualified products.**
- ❧ **The Economic and Commercial concierge to the Chinese embassy in Argentina, Mr. Zhai Chengyu, recently said that Chinese investment in Argentina was USD 12 bn in last years.**
- ❧ **A Chinese Import/Export Bank as well as the Chinese Development Bank opened offices in Argentina recently. Chengyu stated that support of joint projects in the future is perfectly feasible.**
- ❧ **Argentina's exports to Asia in 2015 = USD 16.6 bn**



OPPORTUNITIES FOR NEW ZEALAND BUSINESS IN ARGENTINE



❧ 1. Agritech:

❧ Food security / Quality standards / Farming process technology

❧ 2. Clean energy

❧ Wind / Solar / Biomass / Small Hydropower / Geothermal

❧ 3. Consulting

❧ Energy / Corporate Real estate / Science & Tech / Transportation / Fisheries

❧ E-Commerce / Engineering / Market & Business Development

❧ 4. Dairy

❧ Potential J V to supply Asian and African markets

❧ 5. Education

❧ Educational software / English Language Teaching (ELT) / JV for corporate and higher education programmes / Specialised Postgraduate courses in New Zealand Universities.

❧ 6. Feature Film & Documentary Production

❧ Co-productions / Locations shoots / SFX services



OPPORTUNITIES FOR NEW ZEALAND BUSINESS IN ARGENTINA cont.



7. G2G

- Agribusiness / E-Government / Education / Food Safety / Forestry / Pastoral Improvement / Environment & Conservation / Water Management / Hydrology / Flood Management

8. Healthcare

- Supply: Imaging Diagnostic Equipment / Orthopaedic implants / In-vitro and organ transplant instruments / Telemedicine & other top ends solutions.

9. Information and Communications Technology (ICT)

- Digital Asset Management / Document digitalization / Information systems for rural areas (traceability, RFID) / Internet & network security systems / JV to develop software / Security systems and business intelligence applications / Storage / Supply mobile phone carriers with technology to improve network capacity.

10. Tourism (incl. Rugby) & Hotel Investment

- Inbound general and Rugby tourism for NZ operators
- Outbound operators for general tourism and niche tours



ARGENTINE POTENTIAL



ARGENTINE AGRIBUSINESS POTENTIAL

- ❧ Macri's first speech to the local farming community "We must stop being the breadbasket and become the supermarket" to the world.
- ❧ He spoke of a need for diversity and value added products. For this to happen successfully there would need to be an increased investment in new technologies and in infrastructure and well as increased confidence from the farming community that there will be enduring support from above.
- ❧ The Government moved quickly to make reforms in the Agriculture sector, among others:
 - Removed crop shipment quotas
 - Removed or reduced export levies and taxes
 - The liberalisation of the AR Peso against USD has also made Argentina more competitive.



ARGENTINE POTENTIAL cont.



- ❧ **Argentina has strong market presence with crops, dairy, beef and is making inroads into specialist markets, such as the wine industry.**
- ❧ **Is the second highest producer of Organic produced in the world and has potential to lead in this market.**
- ❧ **The economic and commercial concierge to the Chinese Embassy to Argentina, Zhai Chengyu, recently stated that all Argentine food products could have a market in China. (Ref.: La Nacion – 30/04/16)**
- ❧ **Argentina is currently the 5th source of agricultural produce for China. Last year they imported US \$5900 million, (a rise of 12.7% on the prior year). Principally exported were soy and soy oil, but with increases in the beef and wine industries, as well as other areas.**
- ❧ **Further inroads would depend on price compatibility, promotion, distribution, produce quality and services.**
- ❧ **Argentina exports represent 0.2% of the total Chinese imports and are predicted to rise to 1% in the following five years.**





COOPETITION



ARGENTINE + NEW ZEALAND

= WIN-WIN



COOPETITION



COOPETITION = COOPERATIVE COMPETITION FOR FOOD DEMAND WORLDWIDE – 2050

NEW ZEALAND:

- Is mid way between Argentina and Asia – AIR NEW ZEALAND = NEW AIR BRIDGE
- Offers a natural entrance gateway for Argentine exporters to Asean markets
- Companies are very well positioned for being partners with Argentine ones. To enhance /develop new markets in Asean markets.

ARGENTINE

- Offers large scale of high quality agriproducts to enhance current markets / develop new ones
- Has huge potential to grow production of agriproducts in middle term (2 y)
- Has high and world class quality products to reinforce existing New Zealand channels

POWERFUL TEAM

NZ: High reputation + distribution chain + high quality products + need to grow
AR: Low presence in A M+ large scale + high quality agriproducts + need to grow



SUMMARY



- ✓ **Argentina is building a new pathway for itself and is integrating back into the international marketplace.**
- ✓ **Change in Argentina has come with some social and political complications, but the economic future and the country's reputation are looking brighter than in a last decade.**
- ✓ **NZ business have interesting opportunities in AR.**
- ✓ **Asia is a massive market with an increasing demand.**
- ✓ **This period is a good time to develop cooperative relationships with a shared vision and a view to a mutually beneficial future.**
- ✓ **NZ could act as a HUB between LATAM and Asean Markets**
- ✓ **AR and NZ have complementary abilities to provide ASEAN MARKETS in the near future: $1 + 1 = 3 = \text{SYNERGY}$**



AIR NEW ZEALAND



Incrementamos la frecuencia de vuelos Buenos Aires - Auckland.

¡LE DAMOS LA BIENVENIDA AL BOEING 787-9 DREAMLINER!

A partir del **12 de diciembre de 2016** y hasta el **27 de febrero de 2017** contaremos con **4 vuelos semanales** para la ruta **Buenos Aires - Auckland**.

Además, **desde el 30 de octubre en adelante** volaremos la ruta con el **Boeing 787-9 Dreamliner**.

CALENDARIO DE VUELOS:

VUELO	FECHA	FRECUENCIA	PARTIDA HORA (LOCAL)	ARRIBO HORA (LOCAL)
NZ31 Buenos Aires a Auckland	30 Oct - 11 Dic 2016	Miércoles, viernes y domingo	23:59	05:15 + 2
	12 Dic - 27 Feb 2017	Lunes, miércoles, viernes y domingo	23:59	05:15 + 2
NZ30 Auckland a Buenos Aires	30 Oct - 11 Dic 2016	Miércoles, viernes y domingo	20:05	15:45
	12 Dic - 27 Feb 2017	Lunes, miércoles, viernes y domingo	20:05	15:45

Desde el 28 de febrero en adelante la frecuencia volverá a ser de 3 vuelos por semana (miércoles, viernes y domingos).

Para conocer la experiencia a bordo del 787-9 ingresa en
www.airnewzealand-ar.com/a-bordo-de-nuestro-787-9.

Más información en **www.airnewzealand-ar.com/**

A STAR ALLIANCE MEMBER



Chamber of Asia

¡THE END!

THANKS FOR ALL OF YOU!!!



**SPECIAL THANKS TO LANZBC, THE ARGENTINE EMBASSY AND
AIR NEW ZEALAND FOR THEIR SUPPORT !!!**

**HOPE TO SEE YOU SOON AS PART OF THE CHALLENGE FOR
DOING GOOD BUSINESS TOGETHER !!!**

Gustavo Richardson,
Director for the Argentine-New Zealand Chapter

cap.nz@camaradelasia.org

www.camaradelasia.org

+5411-4312 6202 / 5368-2725

M +54 911 4425 7110

Skype: gustavo.richardson

