

# ARGENTINA HACIA EL MUNDO

**BUSINESS AND INVESTMENT FORUM**  
**PRESS RELEASE No. 2**

## SUMMARY OF THE PLENARY SESSIONS

**Buenos Aires, Argentina - September 13, 2016.**-The first day of the Argentina Business and Investment Forum kicked off with executives from multinational companies discussing the new investment climate in Argentina and the global opportunities in the offering. In addition, law-makers and representatives of multilateral agencies shared their views on the role of the National Congress and presented their current work on public-private partnership (PPP) structures.

In the first plenary session, "**Investing in Argentina: a global perspective**", moderated by journalist **Patricia Janiot**, the heads of different global companies offered their views on Argentina and their investment priorities. The guiding questions were: What is your assessment of one of Latin America's biggest economies and of the significant reforms implemented by the new administration? What sectors present the most attractive opportunities?

**Andrew N. Liveris**, President and CEO, **The Dow Chemical Company**, United States: "We are proud of our ability to continue to invest in Argentina. We are looking for large investments and are very excited about the opportunities before us. There was too much red tape in this country for too long. Now there is a red carpet instead. The current measures will result in a reform that will bring about long-term growth, which in turn will attract foreign investment. We need to work on education, taxes, energy; these are key issues. Argentina is ready to win. If we invest in human capital, this country will be one of the few to change the game. We have much work to do. If we get past the resolution stage, we will be able to change the rules within the year. And we will have sustainable growth for decades. Argentina is here to win."

**Bruno Di Leo**, Senior Vice President, Global Sales and Distribution, **IBM**, United States: "We will support the country's modernization and, in doing so, will generate a more prosperous business environment, filled with small and medium-sized companies that will generate stronger levels of exports. I would dare say that one resource is critical: highly trained staff. We must this resource so that it does not become a memory of the past. Skills and technology: both are essential to our industry and Argentina has them both. In Argentina investments in modernization were restricted for a long time. Technology should be boosted."

**Paolo Rocca**, President and Executive Director, **Grupo Techint**, Argentina: "We set an example: we are a company that replaces imports and addresses the exports challenge." We would like many other companies to follow in our footsteps and gain an industrial standing. I think throughout the country the conditions foster corporate investment from companies that can undertake a process of development in that sense. Currently, Argentina offers unmatched opportunities in many sectors: agriculture, power, infrastructure. The challenge is to create jobs for all. We need to create jobs in construction and infrastructure. There is the potential to generate a greater social return. Political

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stability is very important."

**Steve St. Angelo**, Senior Managing Officer, Latin America and the Caribbean, **Toyota**, Japan: "As many of you know, since 2009 we have input the necessary investment to enlarge our plant. In the past we only exported to Paraguay and Brazil, but we have recently started to open up our exports to all of South and Central America. My motto for trade is that we are a family and a team and we all share a dream. Even throughout very hard times, we continued to invest in the country because we could look ahead and think of the long term. Argentina is a good country; its people are passionate and if we manage to get them all to act as one big family, I think Argentina could be very successful."

**Sir Martin Sorrell**, CEO, **WPP**, United Kingdom: "Problems are starting to fade away. An overhaul is under way in Argentina. Argentina has become a hub, let us not underestimate the strength of its population and its creative capabilities. One of the reasons we are here is because Argentina is a Country Brand. There is much talent, great human and natural capital, and countless opportunities, which is exactly what our customers seek. There are only five Argentine brands that have made it to the top tier at a global level. Argentine brands have not grown enough in the international market. The country's history burdens it with mistrust, but this administration's measures bring about trust. This is a wonderful opportunity which provides a springboard for growth."

The second plenary session, entitled "**The new investment climate**," dealt with the action plan to improve the business environment in Argentina. The session was moderated by **Susan Segal**, president and CEO of Americas Society/Council of the Americas. The questions discussed were: What are the key reforms that will level the playing field? What remains to be done?

**Francisco Cabrera**, **Minister of Production**, Argentina: "Today is a very important day for Argentina. Many local and global businessmen, as well as politicians from across the political spectrum have gathered here to hear our plans to create jobs and beat poverty. I assure you now is the time to trust and invest in our country. At this Forum we will unveil the work plans of the entire economic team in line with our National Production Plan, which is our platform for the promotion of investment and the creation of sustainable, quality jobs. We started by normalizing our economy and making it predictable. This allowed people to trust us to be an accountable macroeconomy. Within 9 months we have managed to solve the most pressing issues: we have unified our exchange rate and brought down barriers to the purchase and sale of currency; we have normalized the international trade system and have made our way out of default, after 15 years. A year ago no one would have thought this was possible. Our team knows what the road to development looks like and how to pursue it. We will introduce the National Production Plan, aimed at improving the overall conditions of the economy by increasing productivity. This plan is made up of eight pillars: investment in infrastructure (the most ambitious we've ever seen in Argentina), comprehensive tax reform, removal of bureaucracy and of investment barriers, defense of competition and transparency, reduction of capital costs and the improvement of the job market and human resources, the integration of innovation and technology to the production system, and a strategy to position ourselves in the world. To us, the National Production Plan represents the fulfillment of our

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mandate: for millions of Argentinians to break out of poverty. To you, investors, it embodies a growing consumer market and a springboard to Latin America and the world."

**Martin Marron**, Chief Executive Officer of Latin America and Canada, **JPMorgan**, United States: "We found a combination of academic skills, a good proficiency of English in a suitable time zone. When people think of Argentina and its exports, they tend to think of natural resources, but I think the local knowledge industry is very important. We are hiring people at a rate of 50 per month and will soon reach 1,200 employees. Globant, MercadoLibre: those are Argentine companies that invest in human talent, who look to the world, they invest here because the young talent in the country are full of ideas, innovation, creativity, and passion."

**Marc Nachmann**, Head of the Global Financing Group and Head of Latin America, **Goldman Sachs**, United States: "Many players invest in debt and equity instruments in Argentina. We are all very happy about this evolution. We are interested in development and very focused on the potential opportunities to access capital markets."

**James Scriven**, Chief Executive Officer and General Manager, **Inter-American Investment Corporation**: "We have begun to see several improvements in Argentina. Its agreement with the holdouts, the free flotation of the exchange rate, and the removal of restrictions on the flow of capital. There may be many investments coming in from abroad. The government should boost local long-term investment."

**Dimitris Tsitsiragos**, Vice President, Global Client Services, **International Finance Corporation**: "The attendance levels at this event are proof of what is happening. Certain improvements have already been made; the challenge now is to maintain the trend. The first step was the government's generation of a sustainable macroeconomic framework. The reduction in inflation and of fiscal deficit. More job creation. Taking socially acceptable measures. The government's efforts to work with the world must continue so that services companies can have a global reach. It is essential that we bridge the infrastructure gap in Argentina; that we provide it with a framework to allow for greater involvement in construction of the private sector."

Different members of the House of Representatives from different political parties attended the sessions and contributed their views on the current legislative agenda and on long-term perspectives for the country.

**Eduardo Amadeo**, Member of Congress for the Province of Buenos Aires, **Bloque Unión Pro**, Argentina: "So far this year, about 20 laws have been passed, always with a high level of consensus and participation, such as: the necessary laws to pay the country's debt to holdouts; a tax amnesty and to help settle debts for pensioners; incentives for SMEs; programs to support car-part OEMs; a legal framework for the mortgage market; the Paris Climate Treaty; several laws to fight drug trafficking, money laundering, and corruption; and a new telecommunications structure. What is next? The educational reform, a law to promote first jobs, the Public-Private Partnership law, a law for entrepreneurs and the overhaul of the capital market."

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**Alicia Ciciliani**, Member of Congress for the Province of Santa Fe, **Partido Socialista**, Argentina. "Political stability is very important for the creation of a good business climate. We have an agenda and our goal is for consensus to be institutional and independent from the good will of the current leadership. But it is only when minorities have a voice, as is the case today, that a democracy can be of quality. Our agenda is to fight against inequality, inflation, insecurity, and corruption. Corruption takes a high toll, not only on people but also on the business climate. There is an inequality gap and it can only be bridged with investment in education and health services."

**Luciano Laspina**, Member of Congress for the Province of Santa Fe, **Bloque Unión Pro**, Argentina: "Our view is that in the 2015 elections Argentines voted for change, a change running deeper than political parties or administrations. This established a new generation of leaders, both in office and in the opposition, as well as a modern vision of Argentina and the State. In the House of Representatives we can already appreciate that claim for change. This is important for the future, because investment requires long-term decisions and that can only be achieved by consensus, not by imposing the ideas of a circumstantial majority. This administration works on consensus because it does not have the majority in the House, because it understands that our differences improve and enhance the ideas discussed; it believes that it guarantees stability in the rules of the game over the years."

**Diego Bossio**, Member of Congress for the Province of Buenos Aires, **Bloque Justicialista**, Argentina: "It would have been very easy for us to have a short-sighted view and attack people, but we understand that Argentina needs to do well; and I don't just mean this administration. This includes all Argentines. We have adopted an accountable attitude and we have found that a large part of the political spectrum is sensible and committed to working. Most of the draft laws presented this year have been passed with amendments, which means that there is much work being done. Compromises are not perfect, but possible. They represent a method, and we believe that Argentina needs problem-solving methods. The rules are clear, but we need to find some common ground for those rules to last."

**Marco Lavagna**, Member of Congress for the province of Buenos Aires, **Bloque Federal Unidos por una Nueva Argentina**, Argentina: "A change was voted for in October. We are still trying to define what it means, but we know that it involves the social, economic, political, and especially the institutional spheres. The people chose to strengthen our institutions. There are currently no majorities, which does not necessarily lead to dialog. We need this plurality to prevail in the long term to be able to speak of policies to be implemented 20 or 30 years into the future. At the beginning of its tenure, the new administration had a double role: to avoid the lurking crisis and to act for the long term. That was its main challenge, especially taking over after 50 years of applying an economic policy that has been an uncontestable failure. We need to invest a minimum of 25% of our GDP. However, we cannot think that investment alone will be the miracle cure; that is a fantasy. The State's role is to encourage and accompany domestic consumption, for that is the true driving force of Argentina."

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During the course of the morning, a number of panelists from the public and private sectors and from multilateral development banks discussed the successful Public-Private Partnership (PPP) structures implemented in Latin America. Such debates included risk strategies and the role of different funding entities. This panel addressed the good practices considered and implemented in Latin America and the Caribbean, as well as the potential risks and benefits of the new PPP law in Argentina. The panel was moderated by Gabriel Goldschmidt, Senior Manager of Infrastructure for Latin America and the Caribbean, International Finance Corporation (IFC).

**Horacio Reyser**, Advisor to the President on Foreign Investment, Argentina: "The President and the Chief of Staff have witnessed Public-Private Partnership (PPP) initiatives at work elsewhere in the world. We figured we needed to present a draft PPP law and submitted our bill to Congress for debate. We have generated consensus on our initiative. We ran a test with what already exists in other countries, we consulted with agencies, we sought legal counsel on what the best law was, checked this with trade unions, and made sure that the law includes the requirements of all stakeholders. The bill was submitted for the Senate's consideration in July. All the key provisions typical of modern laws have been included in order to foster credibility with a view to securing the trust of those investors who will invest for the very long term."

**Oscar Aguilar Valdez**, Chair of the Administrative Law Committee of the **Bar Association of the City of Buenos Aires**, Argentina: "The law sets the general principles and creates the necessary institutions to defend them. A wide range of investments can be made, not only in infrastructure. Investments apply to all kinds of areas. They should be cross-cutting in order to be a useful means of attracting public-private projects."

**Philippe de Cnudde**, CEO for LATAM, **Engie**, France: "We are among the biggest global investors in energy. We are present in 70 countries and Argentina was the first Latin American country where we invested. We have plenty of experience with this model and believe that the bill is extremely important. We call it an umbrella law: our fundamental needs from the law are all there. Trust is what is most important and we need to prove that this law is worthy of our trust. Real work is under way right now. I can see that this administration is working around the clock to make things happen. We are here to take risks. There are always risks, otherwise it would be impossible to make money."

**Gian Franco Carassale**, Lead Infrastructure Investment Officer, **Inter-American Investment Corporation**: "Firstly, we need to consider PPPs as a new model of collaboration between the government and the private sector. This type of partnership will enable the government to adopt an intermediate position in fields such as transport and infrastructure. As you earn international trust, the guarantees of minimum income or minimum royalties can be backed by this capital market. The government could play a key role in rebuilding trust."

**Gabriel Martino**, CEO, **HSBC Argentina**, Argentina: "We try to repeat the experience of other countries. Routes, hospitals, infrastructure, short and medium term investment, ... We were lured by such transactions in other neighboring countries and we now have a great opportunity to develop these projects here. We are currently working on two projects: one with international funding and



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another with local funding. In two or three years' time it will be one of our largest investments."

**Víctor Traverso**, Special Advisor to the CEO, CAF: "A Public-Private Partnership (PPP) is like a marriage. It is a long-term relationship with certain risks, there are different interests and there is always a third party involved. It is very difficult to invest at first. It must be done gradually. It is not advisable to start with an ambitious project, one should rather test the waters with something manageable, only then is it possible to take greater risks. One should consider the experience in other countries, then double the stakes."

## ABOUT THE ARGENTINA BUSINESS & INVESTMENT FORUM, SEPTEMBER 12-15, 2016

Hosted by the Argentina Investment and Trade Promotion Agency and taking place over 3 days at the Centro Cultural Kirchner (CCK) in the center of the City of Buenos Aires.

The Forum will include plenary sessions, thematic roundtables, bilateral meetings and networking opportunities across several economic sectors earmarked for growth:

- Oil & Gas
- Power & Renewable Energy
- Agribusiness
- Industrial Goods & Services
- Mining
- Transport & Logistics
- Public Works & Infrastructure
- Technology & Telecommunications
- Financial Services
- Tourism
- Pharma & Biotechnology
- Urban Development & Real Estate

An additional day dedicated to Entrepreneurship & New Technologies will be held on September 15.

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