

Welcome from Lesley Batchelor OBE, FIEEx (Grad) - Director General, Institute of Export & International Trade



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The latest Doing Business Guide introduces you to the second largest economy in South America, Argentina. Stretching 4,000 km down the continent with a broad range of terrains and climates, Argentina has a fascinating history, rich resources, and a very well-educated workforce. With a population of over 40 million, it is the world's 21st largest economy and is already host to over a hundred UK businesses.

A member of the Common Market of the South (Mercosur), Argentina neighbours Bolivia, Brazil, Chile, Paraguay, and Uruguay, with the Andes to the west and the Atlantic Ocean to its east. Argentina is one of the world's largest producers of agricultural commodities and possesses unexploited shale oil and gas reserves, as well as large reserves of minerals and precious metals.

The Argentinean economy had steady growth between 2004 and 2014 at 4.6% but has had a downturn in recent years, partly due to the downturn in the Brazilian economy, as Brazil is Argentina's largest export market. However, there are positive signs for its near future with the current pro-trade regime looking to build stronger ties with the USA and the EU. Previously Argentina had imposed strict barriers on imports, exports and capital flow but this has eased under the current regime.

The EU is Argentina's second largest trading partner, after Brazil of course, with exports of manufactured goods, like machinery and transport equipment, with chemical products being particularly strong. UK exports of goods to Argentina in 2015 were worth £289 million, making it the UK's third largest export market in South America. The UK predominantly exports medical equipment and pharmaceuticals, machinery and mechanical appliances, plastics and plastic products, beverages, vehicles, and electrical machinery and equipment.

Argentina has plenty of untapped potential as a market for UK exporters. There is a high level of professional skills and it has the highest English speaking proficiency in the region. Furthermore, the UK Government has recently re-introduced export credit support for businesses looking to trade with Argentina after a near 20-year hiatus.

To export to Argentina you may need to familiarise yourself with the relatively new import regime it introduced in 2015 called SMI, and other challenges include high inflation rates in the market and non-automatic import licenses that apply to almost 26% of EU exports to Argentina. Though Argentina was rated relatively low at 190 in the World Bank's Ease of Doing Business Rankings in 2018, it is nonetheless a massive market, with an increasingly pro-trade culture, that UK businesses would do well to look at.

As ever, the Institute is on hand to help you to overcome the challenges in place, so feel free to get in touch if you need any support.

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