

We use cookies to make your connection secure and make statistics about the number of visits. In order to get more information about cookies and find out how to refuse them, [visit our cookie policy page](#).

[Cookies settings](#)

REQUIRED ONLY

ACCEPT
ALL

INVEST

FOREIGN DIRECT INVESTMENT

FDI inflows in Argentina have been unstable for several years. According to the [World Investment Report 2023](#) published by UNCTAD, after returning to their pre-pandemic levels in 2021, Argentina's FDI inflows totalled USD 15 billion in 2022, up by 122.5% year-on-year. At the end of the same year, the total stock of inward FDI stood at USD 116.7 billion, around 18.8% of the country's GDP. In 2022, Argentina accounted for 6.9% of the total FDI inflows into Latin America and the Caribbean, ranking as the fifth most significant country in terms of attracting funds from these types of investments. Furthermore, Argentina's share of FDI inflows relative to the total for the region increased for the third consecutive year (data Comisión Económica para América Latina y el Caribe). The U.S., Spain and the Netherlands represent more than half of FDI inflows. Other main investing countries are Brazil, Chile, Switzerland, Uruguay, France, Germany, and Canada. These investments have been mainly oriented towards manufacturing, mine and oil extraction, retail, banking and other financial entities, information and communication, and agriculture.

The Argentine government actively seeks foreign direct investment, but economic insecurity and recurring crises hamper the task. The overall openness to foreign investment is below average. Still, Argentina has definite assets: its natural resources are considerable (copper, gas and oil) and its workforce is highly skilled and competitive. Both foreign and local investors typically operate under equitable conditions in Argentina. Nevertheless, foreign participation is barred in certain sectors like aviation and media. Additionally, there are limitations on foreign ownership of rural lands, water bodies, and border areas. Moreover, both domestic and international firms often cite a burdensome and unpredictable tax load along with inflexible labour regulations as hindrances to additional investment in Argentina. The Ministry of Foreign Affairs, International Trade, and Worship is the lead governmental entity for investment promotion, and there is currently no investment screening mechanism in place for inbound foreign investment. Argentina recently introduced tax incentives for investors in the automotive sector, which encompass accelerated depreciation and prompt reimbursement of VAT on purchases of new capital equipment, along with complete exemption (a zero percent rate) from export tariffs on manufactured goods generated by investment initiatives. Argentina ranks 73rd among the 132 economies on the [Global Innovation Index 2023](#) and 145th out of 184 countries on the [2023 Index of Economic Freedom](#). Lastly, the country scored 37/100 in the latest [Corruption Perception Index](#), ranking 98th out of 180 countries.

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow <i>(million USD)</i>	4,723	6,782	15,087
FDI Stock <i>(million USD)</i>	85,371	99,890	116,710
Number of Greenfield Investments*	63	104	72
Value of Greenfield Investments (million USD)	4,077	6,433	7,164

Source: UNCTAD - Latest available data.

*Note: * Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.*

Country Comparison For the Protection of Investors	Argentina	Latin America & Caribbean	United States	Germany
Index of Transaction Transparency*	7.0	4.1	7.0	5.0
Index of Manager's Responsibility**	2.0	5.2	9.0	5.0
Index of Shareholders' Power***	6.0	6.7	9.0	5.0

Source: Doing Business - Latest available data.

*Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.*

WHAT TO CONSIDER IF YOU INVEST IN ARGENTINA

Strong Points

Argentina's strong points for FDI include:

- Richness of natural resources
- A developed industrial base
- Deep and broad middle class
- Highly educated population
- National infrastructure is in deep need of renewal, which creates new opportunities for sales to or contracting with government in areas such as rail, telecommunications, electricity, etc.
- Government is oriented towards pro-market reforms, which already has led to a better business climate

Weak Points

Argentina's main weak points for FDI include:

- A fragile and undercapitalised banking sector
- Investments in electricity have proven insufficient
- High inflation
- High vulnerability toward commodity prices, especially those of agrarian products
- Macro-economic imbalance
- Fragile institutional framework

Government Measures to Motivate or Restrict FDI

The previous Argentinian Government led by President Macri had made significant economic changes, including an end to currency controls, new tax cuts and the collaboration with the IMF to improve the integrity of the country's economic data. The government led by Fernandez is also actively working to improve the transparency of administrative and regulatory processes.

Through legislative measures, Argentina tries to attract foreign investors in the gas, energy, technology, aeronautics and telecommunication sectors. Also, regional development plans for infrastructure have been launched. The development of access to internet, notably through the development of the fibre optic network, constitutes a promising investment opportunity promoted by the government. Argentina regularly organises events with foreign trade delegations. Programs to promote existing investments also exist, ranging from reimbursement of the VAT to sectoral incentives.

The local investment agency [Invest in Argentina](#) has been put under the direction of the Ministry of Foreign Affairs and a National Directorate for Investment Promotion has been recently established under the Under Secretary for Trade and Investment Promotion.

INVESTMENT OPPORTUNITIES

The Key Sectors of the National Economy

Agriculture, automobile, food processing, raw materials, agrarian and food processing machines, health.

High Potential Sectors

Call centres, information and communication technologies, natural resources management, hydrocarbons.

Privatization Programmes

During the 1990's, numerous economic sectors were opened to private interests, before being renationalised at the beginning of the 2000's.

The current administration led by Fernandez has not developed a privatization program yet.

Tenders, Projects and Public Procurement

[GlobalTenders: Argentina](#), Tenders and projects in Argentina

[Tenders Info: Argentina](#), Tenders in Argentina

[DgMarket: Tenders Worldwide](#), Tenders Worldwide

Sectors Where Investment Opportunities Are Fewer

Monopolistic Sectors

Steel, concrete (hidden monopolies). For example, for concrete, two families control the market. For steel, there is one producer who controls competition. When a customer is no longer of interest to him, he leaves him to the others.

There are no longer any public monopolies. Nevertheless, FDI is limited in the aviation, media, rural property and aquifer reserves sectors.

Sectors in Decline

Textile

Finding Assistance For Further Information

Investment Aid Agency

Argentine Agency of Investments and International Trade
Ministry of Foreign Affairs, International Trade and Worship

Other Useful Resources

Ministry of Production

Doing Business Guides

Investing in Argentina (Thomson Reuters)
Doing Business Guide on Argentina (Lexmundi)
Doing Business in Argentina Guide (Deloitte)