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ARGENTINA ANNOUNCED SUBSTANTIAL IMPROVEMENTS IN ITS NATIONAL CONTRIBUTION TO CLIMATE CHANGE

The existential challenge posed by climate change can only be effectively addressed through a framework of actions coordinated by the international community, along with a commitment by all relevant stakeholders.

The current health and economic crisis provides an opportunity to integrate climate action into a post-pandemic reconstruction at a global level.

At the Climate Ambition Summit held on the fifth anniversary of the Paris Agreement, Argentina once again was part of the global efforts in the fight against climate change and announced new efforts in will be undertaking in this field.

The President, Alberto Fernández, detailed our country's new commitments to reduce greenhouse gas emissions by 2030 and help



Once again, I share with you the latest edition of our Embassy Newsletter but this time, after a challenging year, I want to take the opportunity to wish you and your family Happy Holidays and a healthy 2021. This edition includes an article on the Argentina announcement at the Climate Ambition Summit about the new efforts that our country will undertake in the fights against climate change.

This edition also includes an article about the strong development and the significant potential for export of the creative industries in our country.

Finally, an article on the strong bilateral relation between Argentina and the U.S. in the automotive industry.

Jorge Argüello
Ambassador to the United States

THE NEW COMMITMENT MADE BY OUR COUNTRY ENTAILS A GOAL OF REDUCING EMISSIONS BY 25.7% WITH RESPECT TO THE LAST COMMITMENT MADE IN 2016.

communities, especially the most vulnerable, adapt to the consequences of climate change, and promoting a comprehensive and sustainable development.

“Argentina reaffirms its commitment to the Paris Agreement and adopts climate change as a State policy,” he said.

The new climate commitment made by our country consists of not exceeding 358.8 MtCO₂eq by 2030, which means a goal of reducing emissions by 25.7% with respect to the latest revision of commitments previously made in the first NDCs (Nationally Determined Contributions) presented by our country in 2015.

This is in line with the Paris Agreement’s objective to limit climate change to 2 degrees Celsius, with the tendency to limit it to 1.5 degrees.

This announcement, prepared through the National Climate Change Cabinet, includes as guiding principles an enhanced environmental education, a just transition with gender equality, and federalization.

The implementation of this new contribution will be achieved by promoting the energy transition, sustainable transport, the preservation of ecosystems, the sustainable

production transformation of the agriculture, livestock and industrial sectors, and improvement in comprehensive waste management.

Furthermore, adaptation plans include raising a greater awareness, building capacity, and implementing measures to reduce vulnerability in the communities, as well as in infrastructure and production systems.

In addition, in accordance with the provisions of the Law on Minimum Budgets for Adaptation and Mitigation to Global Climate Change, Argentina will also begin the process of preparing the Plan for Adaptation and Mitigation to Climate Change, with the participation of different government actors, the private sector, and civil society.

The President also made a commitment to present a long-term development strategy for achieving a carbon neutral development by 2050 and highlighted the importance of promoting a high-level dialogue to ensure equitable access to means of implementation, such as financial resources, technology transfer, and capacity building to meet its climate commitments.

“Let us assume the historical responsibility of becoming architects of a better world, rebuilt on the solid pillars of an environmentally sustainable development,” said the Argentine President, calling for joint action in which international cooperation and multilateralism will assume a leading role.

THE EXPORT OF ARGENTINE CREATIVITY IS READY FOR TAKEOFF

By Ambassador Jorge Argüello

The classic identification of cultural and recreational activities, compared to production and business, gave way a long time ago to a global network of thriving creative industries from which no country can be marginalized, especially those with demonstrated potential, such as Argentina.

At present, exportable talent generates wealth, just like land or machines, but it does so through the creation and use of intellectual property rights in visual arts, music, video games and, more recently, ESports.

This new global landscape explodes with opportunities. The creative industries represent 7% of the world's GDP, with a yearly growth of 8.7%.

The services sector is the most dynamic and offers the greatest growth potential in exports, basically driven by IT, technology and videogames, and digital marketing services.

The following information is important to keep in mind: developed countries export the most cultural goods, while developing countries account for just 1% of all these exports, despite their rich cultural heritage and vast reservoir of talent.

In the case of Latin America, the share of creative industries in foreign trade is around 1.2% on average for products and services. In Argentina, these industries' share of exports is low, and their trade balance is negative, as many services are imported.



THE POTENTIAL OF OUR CULTURAL AND CREATIVE INDUSTRIES IS CLEAR AND THE WORLD OF THE 21ST CENTURY MULTIPLES MARKETS AND OPPORTUNITIES.

Despite everything, for Argentina the situation is encouraging. For many years, some of these industries have demonstrated a strong development and significant potential for export development. Let's have a look at certain sectors as an example:

- Software and computer systems: exports \$1,814 million and employs 114,000 workers.
- Videogames: exports \$57 million (85% of the total) and employs 2,000 workers.
- Audiovisual production and post-production: exports \$291 million and employs 8,600 workers.
- Professional services: exports \$3,495 million and employs 323,000 workers.

Exports of knowledge-based services experienced a cumulative annual rate of growth of 4.3% over the past 10 years. If that trajectory continues, by 2030 a total of \$ 9.6 billion would be reached.

The last impetus came from the recent approval of the Regime to Promote Knowledge-Based Economy (Law 27,570), which will enable the development of creative industries, especially the audiovisual industry, professional export services and software and computer services related to the creative industries.

On the basis of this law, the next step is now possible and necessary: link promotion policies that

involve myriad stakeholders, both public and private, in a coordinated strategy for the medium and long term. And begin by identifying obstacles to our exports and design suitable policies for each sector.

If we look specifically at the United States, it is the main consumer market for goods and services worldwide, but it is also highly competitive. The key is to identify the differential comparative or the added value of our offer and design a strategy to enter the market. In other words, we must identify niches.

A landmark case shows that success is possible. The Argentine company Terra Translators signed an agreement with Epic Games in 2019 to translate its video game platform into Spanish and 42 other languages. The firm analyzed niches, made a name for itself and gained a reputation that eventually allowed it to win contracts with larger clients.

Creative industries will develop steadily in the coming years if we continue supporting companies with policies designed jointly with the national government, provinces, and local administrations, to be able to face the specific challenges of each sector and, especially, that of SMEs.

The potential of our cultural and creative industries is clear and the world of the 21st century multiplies markets and opportunities. Now, we must continue working so that this potential, the outcome of the talent, creativity and dynamism of Argentine entrepreneurs, artists, technicians, and other workers, is turned into exports that contribute to a sustained and increasingly inclusive economic development.



President Alberto Fernández and Martín Galdeano, President & CEO Ford Argentina

AUTOMOTIVE INDUSTRY ATTRACTS INVESTMENTS

Argentina is a major player in the vehicle market. It ranks 28th in world production (www.datosmacro.com); in 2011 it reached 18th place and is among the top ten pick-up manufacturers. It is also the second most important market in Central and South America. A large part of this market's development can be explained by the participation of companies from the United States. For example, Ford reiterated its commitment to the country by confirming a \$ 580 million investment to produce the new generation of the Ranger pickup.

"We want automakers to once again be the flagship of our national industry, using more components of domestic inputs, and in alliance with workers to generate more jobs," said the President of the Argentina, Alberto Fernández, when this announcement was made earlier this month.

This project reaffirms Ford's long-term commitment to Argentina, now in its 107th year in the country, investing to manufacture global products with high local content, mainly destined

for export markets, creating quality jobs, and contributing to the development of the community", said Martin Galdeano, president of Ford Argentina.

"This is an important step for Ford in South America: to implement a new, more efficient, agile and innovative business model built on our strengths in growing segments, with a vibrant and modern portfolio of SUVs, pickups and commercial vehicles," said Lyle Watters, president of Ford South America & International Markets Group.

Ford has 2,800 employees in Argentina and currently produces the global Ranger pick-up at its Pacheco Plant in Buenos Aires province, from where it supplies Latin American markets, and to which exports more than 70% of its production. This new investment includes the modernization of the aforementioned plant, while a significant part, around 30%, will be used to produce local auto parts, with a planned national integration of over 40%.

THE AUTOMOTIVE SECTOR IS ONE OF THE MOST HIGHLY DEVELOPED. IT INCLUDES 12 TERMINALS, 1,300 AUTO PARTS COMPANIES, MORE THAN 1,000 DEALERS AND 25,000 WORKSHOPS.

Huge potential. The automotive sector is one of the most developed in Argentina. It includes 12 terminals, 1,300 auto parts companies, more than 1,000 dealers and 25,000 workshops, and provides employment to 650,000 people directly and indirectly. Recently, companies in this sector ratified investments planned until 2021, for a total of \$ 5 billion (www.argentina.gob.ar). Likewise, the Government is preparing a bill to continue promoting investments in this sector, in close collaboration with the private sector.

Last September, General Motors was one of the companies that announced that it had resumed its investment plan of \$ 300 million to produce a new vehicle for its Chevrolet brand at its installations at the Alvear plant in Rosario, Santa Fe province.

"The decision to resume an investment of \$ 300 million and produce a new vehicle that will have the export market as its main destination ratifies once again General Motors' commitment to Argentina and to national production," said Federico Ovejero, Vice President of General Motors for Argentina, Uruguay, and Paraguay.

Within the sector, pick-ups make up the most dynamic segment of the local industry, which seeks to supply both the domestic and the mainly regional export demand.

One of the terminals that has specialized in the manufacture of pick-ups is Toyota Corporation, with the Hilux model as its top product. This company announced it was investing \$ 50 million to increase production of the vehicles it manufactures in the country.

Another important company that recently announced investments is Volkswagen, which already manufactures the Amarok pickup in Argentina and will invest \$ 800 million to start the Tarek Project, the new SUV it will launch, designed not only for the market local but above all, for export.

Renault is also involved in the pick-up segment, and recently added a new model, Alaskan, with an investment of \$ 600 million, which includes manufacturing Nissan's Frontier pick-up.

The Italian-US company Fiat Chrysler Automobiles also has an important presence in Argentina. This company has been developing a \$ 500 million investment plan to produce a new model -Cronos- at its Ferreyra plant in Córdoba. For its part, the PSA Peugeot Group announced an investment of \$ 320 million to manufacture the Peugeot 208 model and bring a new CMP (Common Modular Platform) platform to produce new vehicles.

The country is committed to continuing to build a world-class automotive sector with the ability to produce and market vehicles, auto parts, mobility services, new technologies and automotive software for the domestic market, as well as for the region and the rest of the world.

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