

*Business & Investment*

VIRTUAL MEETING  
WITH THE GOVERNOR  
OF THE PROVINCE OF  
BUENOS AIRES, AXEL  
KICILLOF, AT THE  
COUNCIL OF THE  
AMERICAS

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*Culture*

ASTOR PIAZZOLLA:  
AN INEXORABLE  
BRIDGE BETWEEN  
TANGO AND JAZZ

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ECONOMIC  
REVITALIZATION AND  
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IN THE POST-  
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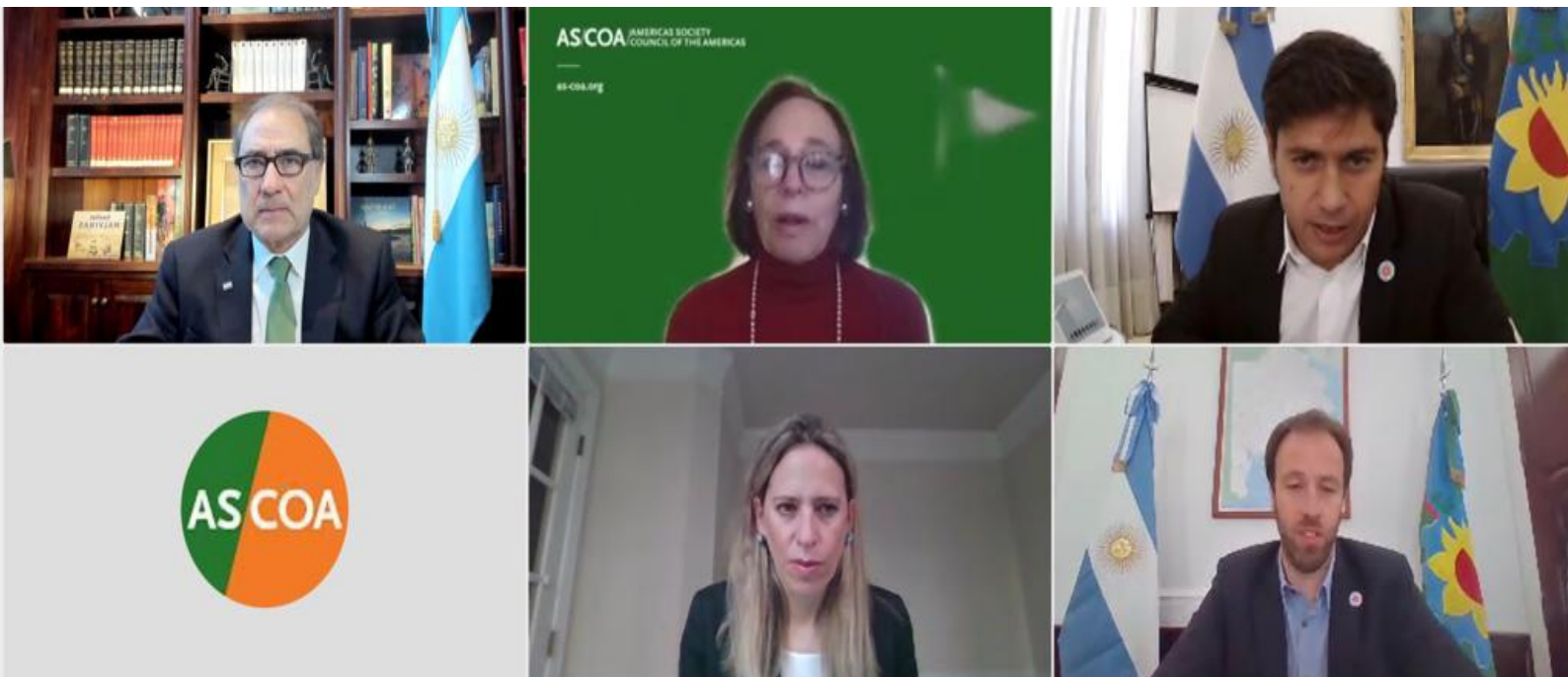
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EMBASSY OF ARGENTINA, WASHINGTON, D.C.

# ARGENTINA IN FOCUS

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APRIL 2021 // NEWSLETTER



Ambassador Jorge Argüello; Susan Segal, AS/COAS CEO; Governor Axel Kicillof; Cecilia Nahón, WBG Alternate Executive Director; and Minister Pablo López (from left to right).

## VIRTUAL MEETING WITH THE GOVERNOR OF THE PROVINCE OF BUENOS AIRES, AXEL KICILLOF, AT THE COUNCIL OF THE AMERICAS

Last Tuesday, the Governor of the Province of Buenos Aires, Axel Kicillof, and the Minister of Finance of the province, Pablo López, held a virtual event organized by the Council of the Americas, New York, with a large audience of entrepreneurs, investment funds and opinion leaders. Governor Kicillof highlighted the contrast between the potential of a province that is "the productive heart of the country" and a reality that shows a very marked social and infrastructure deficit.

The reality of these contrasts is the result of both contextual factors and structural factors. Among the former, Kicillof referred to the effects of the severe crisis of 2018-2019 during the Macri administration, which ended with a significant devaluation of the peso, an increase in the burden of its debt service, and the closure of credit markets. These setbacks were later compounded by the devastating effect of the pandemic in 2020. If the full cycle is taken into account, the drop in economic activity at a



Once again, I share with you the latest edition of our Embassy Newsletter. This edition includes an article on the virtual event organized with the Council of the Americas with the Governor of the Province of Buenos Aires, Axel Kicillof, his Minister of Finance and a large audience of entrepreneurs, investment funds and opinion leaders.

In this edition we include an article on the "Cross-Cultural Examination of Tango and Jazz on the 100th Anniversary of the Birth of Astor Piazzolla" virtual event organized jointly with the National Endowment for the Humanities, together with the U.S. Embassy in Argentina and the Ibero-American Cultural Attachés Association.

Finally, an article on the strong signs of recovery that our economy has begun to show.

Jorge Argüello

Ambassador to the United States

AS THE GOVERNOR SAID, “WE SEEK A CONSTRUCTIVE AND MUTUALLY CONVENIENT SOLUTION, AS WELL AS A PERMANENT DIALOGUE WITH OUR CREDITORS. WE ARE WILLING TO FIND A SOLUTION”

national level was 14.2% and at the provincial level, 14.4% between 2018 and 2020.

The downturn in economic activity in the country and in the province occurred in the context of a cycle of indebtedness with international creditors, and later, “dizzying and massive” with the IMF in 2016-2019. Given the reality of the clear-cut impossibility of tackling the debt taken under impossible compliance conditions when Kicillof took charge of the government of the Province at the end of 2019, he set a priority to establish good faith conversations with creditors with a view to an orderly restructuring of those liabilities. As the Governor said, “we seek a constructive and mutually convenient solution, as well as a permanent dialogue with our creditors. We are willing to find a solution.”

For his part, Minister López mentioned that although the province represents 35% of the country's production, 50% of industrial production and 35% of exports, which indicates a high potential for development, “at present, the province is impoverished and underfunded”.

López highlighted that “the province has about 40% of the country's population but only receives 22% of the co-sharing fiscal resources collected by the Federal Government”, which has led to

the lowest per capita state spending in the country, which makes it the jurisdiction with the lowest investment in health and education per capita. This structural deficit is part of an economic situation that is no less serious. Although currently the economic recovery is underway, the risks of the pandemic still persist.

López referred to the development policies that the provincial government is promoting, focused on improving productivity, fiscal strengthening, a vital infrastructure plan, responsible financing, and the sustainability of the provincial debt.

Regarding the infrastructure plan, it will focus on “road and water works that improve the province's competitiveness”, improvement of the quality of public services, a housing plan, and policies to promote education and health. These measures will contribute to increase productivity, boost the provincial economy and help create quality jobs.

Fiscal strengthening is essential for running the provincial government. The province seeks improvements by encouraging the formalization of economic activities, simplifying the gross income tax, and a more progressive tax structure.

Among the province's priorities: responsible financing, promoting local sources and credits for development under suitable conditions from international organizations, which would allow sustainable financing to support the growth of the province. López stressed that “to achieve this objective, it is essential to recover debt sustainability.”

López emphasized “we are open to dialogue with creditors and the Province is committed to seeking a good faith agreement”, which takes into

THE DOWNTURN IN ECONOMIC ACTIVITY IN THE COUNTRY AND IN THE PROVINCE OCCURRED IN THE CONTEXT OF A CYCLE OF INDEBTEDNESS WITH INTERNATIONAL CREDITORS, AND LATER, "DIZZYING AND MASSIVE" WITH THE IMF IN 2016-2019.

account the real repayment capacity of the province and enables a lasting and sustainable solution to be reached. The Province has recently presented its creditors terms of possible improvements to the original proposal, taking into account their demands as much as possible, and also extended the negotiation period, to try to arrive at a consensual and shared solution.

The province's debt represents approximately \$ 7,20 billion, an amount equal to almost 50% of the total debt in provincial bonds in foreign currency. ■



## ASTOR PIAZZOLLA: AN INEXORABLE BRIDGE BETWEEN TANGO AND JAZZ

"A visionary, a bandoneon player, a band leader: Astor Piazzolla, one of the most influential Argentine musicians, changed the music of his country and had a permanent impact on world music." That is how the singer and songwriter Sofía Rei, moderator of the first tribute in Washington DC, "Cross-Cultural Examination of Tango and Jazz on the 100th Anniversary of the Birth of Astor Piazzolla", described him to celebrate the man who challenged the tenets of traditional tango and created the New Tango.

This was on Thursday, March 25, in a virtual event that attracted nearly a thousand people, organized by the Argentine Embassy in the United States and the National Endowment for the Humanities (NEH), together with the U.S. Embassy in Argentina and the Ibero-American Cultural Attachés Association.

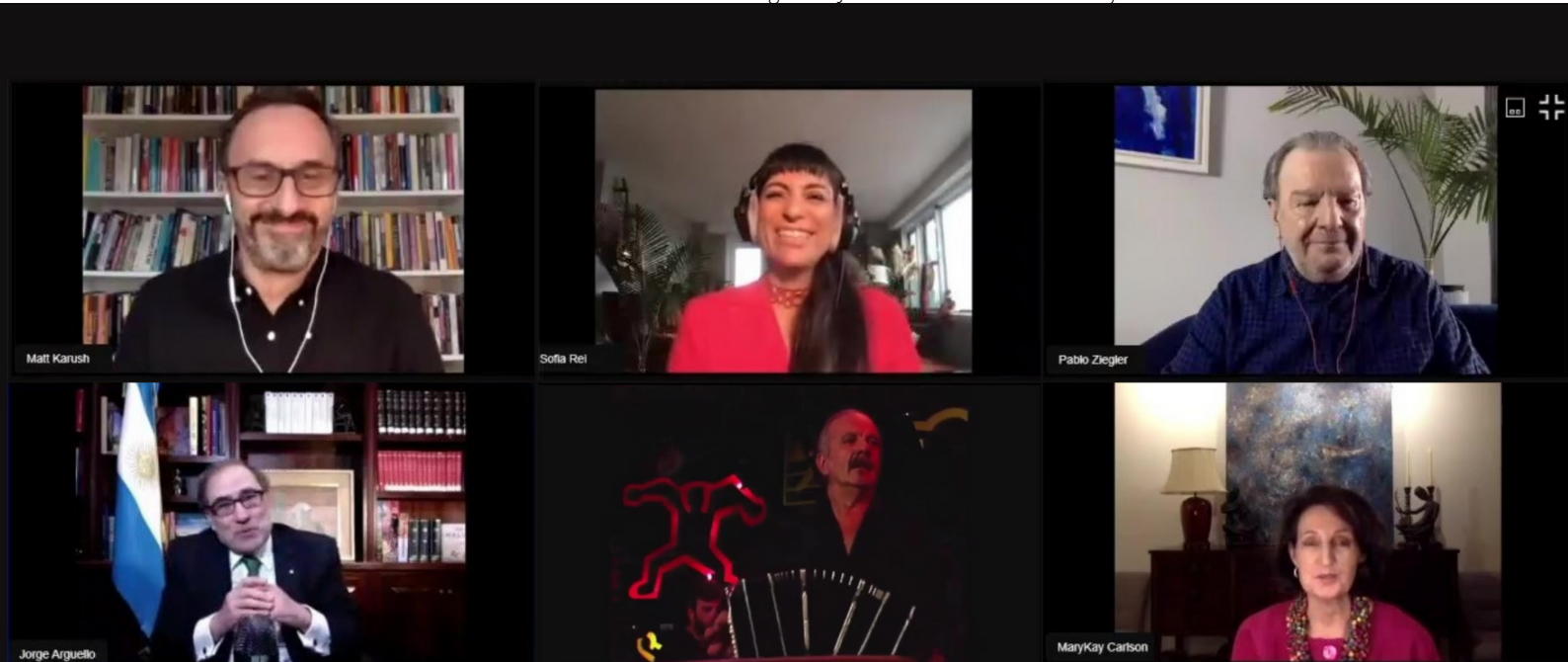
Pablo Ziegler, one of the most renowned Argentine pianists who was part of the legendary Piazzolla quintet for over a decade, and George

Mason University History professor Matthew B. Karush, participated in this conversation that deepened Piazzolla's ties to both countries. The Charge d'Affaires of the United States Embassy in Argentina, MaryKay Carlson, and the Argentine Ambassador, Jorge Argüello, also participated.

Anecdotes and personal stories intermingled with unforgettable songs by the New Tango Quintet such as "Fracanapa", recorded at the Utrecht concert in 1984, and "La Muerte del Ángel", recorded at the Montreux Jazz Festival in 1986. That night, the Miles Davis orchestra performed first, then Piazzolla with Gary Burton as his guest. "It was the night of the monsters of music," Ziegler said. And in this journey between the past and the future, a fragment of a Ziegler concert with the Metropole Orkest that was part of the Amsterdam Meets New Tango show, was also included.

As Ambassador Argüello pointed out, the Quinteto Nuevo Tango was a milestone in Argentine music, especially in the world of tango, since the quintet

Cross-Cultural Examination of Tango and Jazz on the 100th Anniversary of the Birth of Astor Piazzolla Event.



## PIAZZOLLA REVOLUTIONIZED TANGO BECAUSE HE TOOK A POPULAR DANCE AND TRANSFORMED IT INTO AVANT-GARDE MUSIC; TO DO SO, HE DREW ON CLASSICAL MUSIC AND JAZZ.

represented an unprecedented format. "Part of this revolution was the introduction of new instruments that were not used in traditional tango, such as the flute, the saxophone and the electric guitar," he said. "But most importantly: he contributed elements to tango borrowed from jazz. Although Piazzolla was not a jazz musician, he flirted with tango-jazz and collaborated with the best musicians of this genre, such as Gerry Mulligan and Burton."

In fact, Piazzolla's ties to the United States and jazz began in his childhood, when he moved with his family to New York. There he grew up and learned to play the bandoneon that his father had given him when he was 8 years old. Sometime later, his parents decided to return to Mar del Plata, the place of his birth; Piazzolla was already a teenager and his life changed dramatically. Diana Piazzolla, his daughter, wrote in her book 'Astor': "In New York, I had all my friends, my girlfriends, my whole life; even jazz, which was already a part of that life, because my friend Stanley and I would dress up as men, with a coat and a cap so that they would not find out that we were underage, and we used to go to Harlem to listen to Cab Calloway."

As an outcome of this encounter between two cultures that is reflected in Piazzolla's life, Carlson pointed out that tango is one of the greatest cultural contributions that Argentina has made to the world: "Just as jazz is the quintessence of the

music of the United States, it is exciting to see how Maestro Piazzolla combines these elements with tango. In fact, in public diplomacy we use a 'hashtag': better together. This shows how Argentina and the United States collaborate, in the same way tango and jazz do, and just as we do in our bilateral relations."

Karush, an expert in the history of modern Argentina, and author, among other works, of "Musicians in transit: Argentina and the globalization of popular music," remarked that Piazzolla revolutionized tango because he took a popular dance and transformed it into avant-garde music; to do so, he drew on classical music and jazz. As a child, Piazzolla knew how to play Gershwin with the bandoneon, and it is interesting to note how at that age he was already making the effort to blend jazz or popular music with classical music."

This is how "Johnny" (as he was called in Argentina due to his New York accent), after spending time in Mar del Plata without knowing what to do with his life, took his suitcases and, following the advice of Héctor Stamponi, went to Buenos Aires. There, in 1939 he began playing with Aníbal Troilo's orchestra. "His experiences from living in New York enabled him to do this, probably because it became easier for him to find new forms of tango", Karush added.

In this almost unbridled search for a particular style, Piazzolla studied classical music in Buenos Aires with Alberto Ginastera, an avant-garde at that time, and then in France with Nadia Boulanger. "She urged me to remain true to myself", as the musician confessed a thousand times. As Karush pointed out, "This is how on his return to New York in 1958, he improvised with his group, found ways to rotate the solos, so

typical of jazz, and also included percussion and electric guitar. But that music didn't really sound like jazz, although I think jazz began to be a reference for him to become more aware of a more cosmopolitan type of music."

With that perspective, Piazzolla surrounded himself with virtuous musicians capable of achieving that special swing in his tango. First, he called on a renowned jazz guitarist, Horacio Malvicino, and later Ziegler joined the quintet that already included Fernando Suárez Paz and Héctor Console.

"Tango swing always emerged through traditional tango, it is the music of Buenos Aires, and it is part of the city's heritage. The tango swing is seen in the people of Buenos Aires, when they walk, when they speak. It's incredible, but it's a part of our music", said Ziegler "And just as he defines the city, over the years Piazzolla's music has become part of the cultural heritage of humanity. ■



Photo credit: Ministry of Productive Development

## ECONOMIC REVITALIZATION AND NEW INVESTMENTS IN THE POST-PANDEMIC ERA

Despite the devastating economic effects of the Covid pandemic throughout the world, and in Argentina in particular, our country's economy has begun to show strong signs of recovery, as reflected in different indicators. According to the most recent publication of the National Institute of Statistics and Census of Argentina, industry and construction are growing briskly, and are already exceeding pre-pandemic levels.

According to other recent data, industrial production grew 4.4% year-on-year in January, with 10 of the 16 sectors expanding, and industrial activity recorded its sharpest increase in two and a half years. This growth was reflected in the industrial sector's level of employment, which registered 7,000 more formal jobs than at the end of 2019 before the start of the pandemic. On the other hand, construction grew 23.3% year-on-year in January and surpassed the 2012-2020 average by 10%.

This sector recovered not only the losses due to the pandemic; it is operating at a historically high level.

Industrial growth reflects not only the natural upturn after the lifting of restrictions imposed by the pandemic but is also the result of the active policies the government is implementing, through 150 productive development initiatives put in place by the Ministry of Productive Development. Argentina has also created 16 work roundtable work sessions for sectors considered strategic, including metalworking, naval, automotive, textile, footwear, medical equipment, furniture, motorcycles, bicycles, toys, oil, gas, mining, chemicals and plastics, among others.

This data foresees a more than encouraging outlook for the Argentine economy in 2021. Although the budget set the prospect of economic growth at 4.5%, there are new projections that indicate this figure could be higher, depending on the control of the pandemic and the progress in the vaccination among the population.

The growth of the economy and industrial production is also based on the investments by



THIS GROWTH WAS REFLECTED IN THE INDUSTRIAL SECTOR'S LEVEL OF EMPLOYMENT, WHICH REGISTERED 7,000 MORE FORMAL JOBS THAN AT THE END OF 2019 BEFORE THE START OF THE PANDEMIC.

private sector companies, in which United States firms play a leading role. Among them we can highlight the following:

In a recent announcement that was made with President Alberto Fernández, the Whirlpool company made reference to an investment plan of \$40 million to develop a new plant in Argentina which will generate 1,000 new direct and indirect jobs. This investment will be used to develop a 30,000-square-meter production facility, with state-of-the-art technology, to produce 300,000 high-capacity washing machines, two-thirds of which will be for export.

Oil is another sector that has shown a strong recovery in recent months. In December 2020, Vaca Muerta had a production record of 124,000 barrels a day. Several companies from the United States have a significant presence in Vaca Muerta, including Exxon, Chevron and ConocoPhillips, whose projects are already in the massive development phase and with significant investments that have allowed oil production to scale up.

Another U.S. company that announced new investments is Red Chamber, a fishing company

that recently signed an agreement with the state shipyard Tandanor to build two new fishing vessels and repair others, with an investment of \$45 million. This project also includes investments in their processing plant located in the province of Chubut, from which they export processed prawns to the United States.

The Clorox Company, a leading US company in the manufacture of hygiene and cleaning products, is in the process of expanding production capacity at its plant located in the Province of Buenos Aires, with an investment of \$10 million. Speaking to the press, Antonio Mosteiro, General Manager of Clorox Argentina, Uruguay and Paraguay, said "This investment plan reinforces our firm commitment to Argentina and the development of our local business."

As regards the tourism sector, both Holiday Inn and Howard Johnson announced real estate/hotel developments, in a sector that is expected to have a strong post-pandemic recovery. In the case of Howard Johnson, they have 22 works under construction through local franchisors, including 10 new hotels and other remodeling projects, which together represent an investment of \$120 million.

Last but not least, Netflix announced it will invest approximately \$15 million in the country for the production in Argentina of films and series for this audiovisual platform. This sector was included in the outcome of the new knowledge economy law and is already attracting new investments that have a direct impact on employment.



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