

Bilateral Relations

PARLIAMENTARY
DIPLOMACY IN
DIALOGUE WITH THE
BUSINESS COMMUNITY
AT THE US CHAMBER
OF COMMERCE

Business & Investments

COMPETITIVENESS
AND SUSTAINABILITY
DISCUSSED AT THE
AMCHAM ENERGY
FORUM

G-20

THE G20 DEBATES
ON THE FUTURE OF
TOURISM

EMBASSY OF ARGENTINA, WASHINGTON, D.C.

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PARLIAMENTARY DIPLOMACY IN DIALOGUE WITH THE BUSINESS COMMUNITY AT THE US CHAMBER OF COMMERCE

On Tuesday, May 11, the Argentine Embassy in the United States, the US Chamber of Commerce, and AmCham Argentina, convened distinguished parliamentarians from Argentina and the United States, as well as entrepreneurs from both countries, for an hour and a half discussion on the importance of our bilateral relationship.

Ambassador Jorge Argüello, together with Neil Herrington, Senior Vice President for the Americas at the US Chamber of Commerce, and Alejandro Díaz, CEO of AmCham Argentina, in his opening remarks highlighted the mutual understanding

between both administrations, as reflected in recent visits and high-level contacts, and also underscored the value of this virtual event with parliamentarians; as representatives of the people of both countries, they are "aware of the closeness between our people, and the multiple ties that inextricably bind us."

Several of the legislators participating in this event are also members of the Argentine-U.S. Parliamentary Friendship Group, a valuable networking platform. It serves as a meeting space that allows legislators interested in expanding the



Once again, I share with you the latest edition of our Embassy Newsletter. This edition includes an article about the bilateral meeting between the Argentine Embassy, the US Chamber of Commerce, AMCHAM Argentina and distinguished parliamentarians and businessmen from both countries.

In this edition we include article on the virtual Energy Forum held by AMCHAM with the participation of Argentine authorities, along with Argentine and U.S. legislators and businesspeople.

Finally, an article on the G20 Tourism Ministers Summit that discussed new guidelines on the future and recovery of tourism in the face of the COVID-19 pandemic.

Jorge Argüello
Ambassador to the United States

THE DIALOGUE BETWEEN THE
PUBLIC AND PRIVATE
SECTORS IS ESSENTIAL TO
STRENGTHEN A KEY
RELATIONSHIP FOR THE
FUTURE OF OUR CONTINENT,
ESPECIALLY IN THE POST-
PANDEMIC WORLD.

bilateral relationship to share details of the events in our countries and our common interests with other Congress members and advisers.

Participating from the United States, were Representatives Jim Himes (Connecticut) and Jeff Duncan (South Carolina), representing the Democratic and Republican Parties, respectively; they co-chair the Argentina Caucus of the House of Representatives. Representative Carol Miller from West Virginia, and member of the important Ways and Means Commission of the United States Congress, also participated.

Representing the Argentine Congress, Sergio Massa, President of the Chamber of Deputies, participated together with deputies Laura Russo and Graciela Camaño, both members of the Parliamentary Friendship Group. Massa underlined the value of parliamentary diplomacy and stated that "dialogue between the public and private sectors is essential to strengthen a key relationship for the future of our continent, especially in the post-pandemic world."

The message from the businesspeople was clear; they spoke about the need to boost investments and bilateral trade, and attract new supply chains to our countries, in order to strengthen our production process and reinforce our commercial ties, in which both congresses have an important role to play.

In this regard, Javier Martínez Álvarez, President of Tenaris for the Southern Cone, and Roberto Murchinson, CEO of the Murchinson Group, two Argentine companies, made reference to their companies' investments in the United States.

Mr. Martínez Alvarez described his company's ongoing growth and expansion process and how it currently has a significant presence in the United States; in turn, this internationalization process enables the company to enhance its activities in Argentina. In particular, Tenaris referred to the \$1.8 billion investment made in a new plant in Texas in 2017, where it has one of the world's most modern seamless pipe production facilities.

For his part, Roberto Murchinson pointed out that the Group that bears his name was established 123 years ago in Argentina, and its port terminal for motor vehicles in Zárate, Province of Buenos Aires, is one of the busiest automobile-handling terminals in the entire continent. This led them to participate, together with a Chilean partner company, in creating a port terminal that will start operation in June in Mobile, Alabama.

Daniel Bustos, CCO of Excelerate Energy, and Ileana Ros-Lehtinen, Senior Advisor at Akin Gump, shared the experiences of North American companies in Argentina and their expansion plans.

In summary, besides commenting on current challenges to increase trade and investment, all the participants highlighted the importance of expanding ties between our communities in all areas, so that the bilateral relationship is strengthened, thereby generating opportunities, investments and jobs. ■

COMPETITIVENESS AND SUSTAINABILITY DISCUSSED AT THE AMCHAM ENERGY FORUM

On May 12 and 13, AMCHAM Argentina held a virtual Energy Forum, with the participation of the governors of the provinces of Neuquén, Omar Gutiérrez and Río Negro, Arabela Carreras; and the secretary of hydrocarbons of the province of Tierra del Fuego, Alejandro Aguirre, along with Argentine government authorities, Argentine and U.S. legislators and businesspeople.

The Forum paid particular attention to the perspectives of Vaca Muerta, the second world reserve of unconventional gas and fourth of unconventional oil. Vaca Muerta's resources have only been exploited, to date, at just 4% of their potential, so there is still a long way to go, in a framework of respect for the environment and as part of an energy transition strategy to develop these resources under the best industry standards.

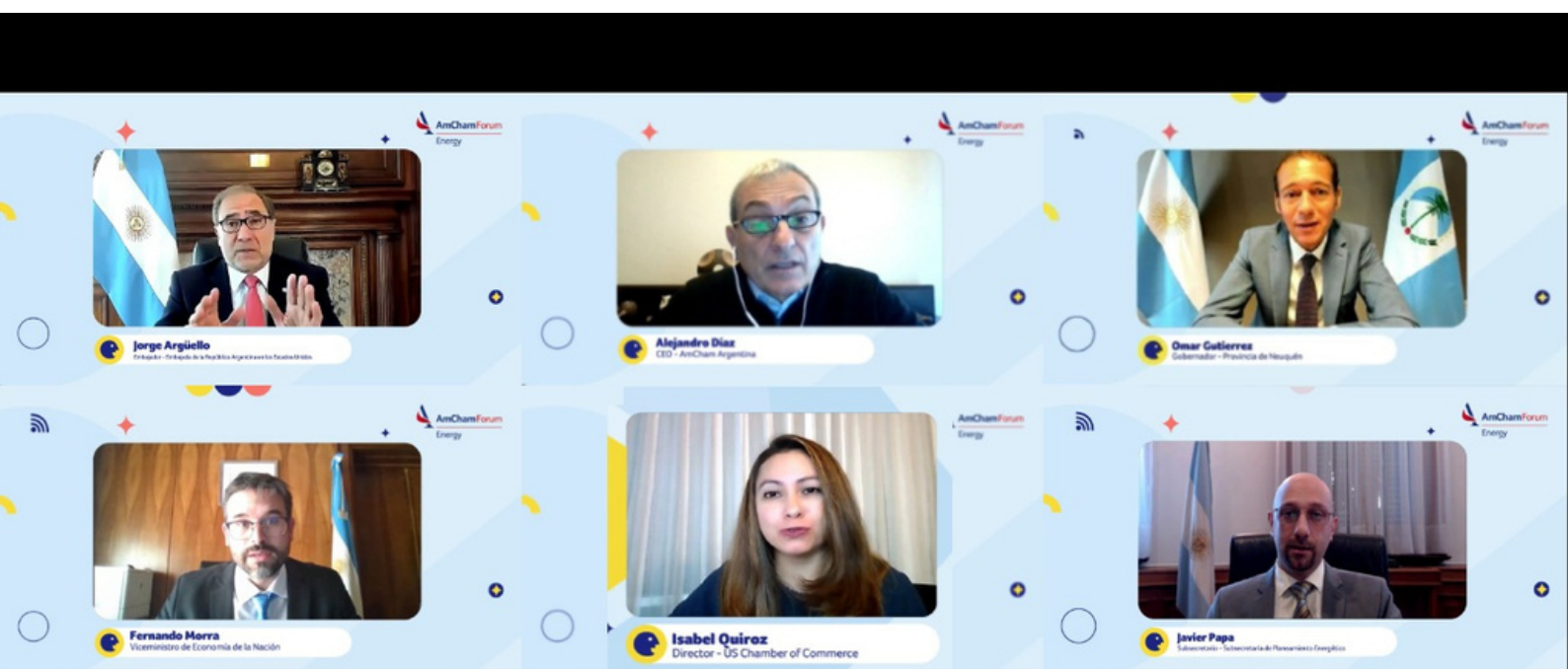
This was mentioned by Ambassador Jorge Argüello during his presentation, when he said

that "the future of Vaca Muerta will be closely linked to two important issues: competitiveness and sustainability." And regarding the second issue, he pointed out that it is not an abstract concept, "this is the path that most credit agencies, banks, companies and investors will be taking."

Pablo Vera Pinto, CFO of Vista Oil & Gas explained that before his company bought assets in the Neuquén basin in Vaca Muerta, after evaluating different options in other countries, he came to the conclusion that "Argentina has the best conditions for this type of investment."

In turn, the Governor of the Province of Neuquén, Omar Gutiérrez, pointed out that in order to take full advantage of this enormous potential, it will be essential to determine priorities, since all the actors of the productive ecosystem agree on the importance of setting a common agenda that promotes investments whose benefits will spread throughout the country.

AMCHAM Argentina held a virtual the Energy Forum on May 12 and 13.



THE FUTURE OF VACA MUERTA WILL BE LINKED TO TWO IMPORTANT ISSUES: COMPETITIVENESS AND SUSTAINABILITY, AND THIS IS THE PATH THAT MOST CREDIT AGENCIES, BANKS, COMPANIES AND INVESTORS WILL BE TAKING.

Fernando Morra, Argentina's Secretary of Economic Policy, and Javier Papa, Undersecretary of Energy Planning, spoke about the macroeconomic conditions required to boost investments in Argentina and the State's energy policies, in seeking to promote them.

Morra explained that throughout history, investments in energy have conditioned the development of our economy and the economy in turn has conditioned investments in energy. For this reason, he highlighted the objective of economic stabilization that Argentina is undergoing, which "seeks to remove those enduring patterns and transform and normalize the economy." In this context, Morra explained that the current measures seek to solve the macroeconomic challenges using a pragmatic and flexible approach, on a track towards a sustained growth, and on that basis, address the social challenges facing the country.

To do this, there are three important challenges and priorities in the transition towards a normalized economy with orderly macroeconomic policies.

The first involves the orderly resolution of the problem of unsustainable indebtedness faced by the country, which has already shown successful results in the case of the agreement with private creditors, which reached an acceptance of 99% last year.

The second involves returning to a path of economic growth, after two very powerful adverse shocks: the 2018-2019 balance of payment crisis followed by a strong economic contraction, and then the pandemic.

The third involves revitalizing the export dynamics, thus helping strengthen the Central Bank's reserves.

The Argentine Government is working to create better macroeconomic conditions and incentives to promote the development of Vaca Muerta as part of its energy transition strategy, while pointing out, as happened at the Leaders' Summit on Climate, an enhanced ambition to increase the renewable energy component in the energy matrix. Knowing that, sooner rather than later, social demands and needs will impose radical changes on the countries' energy matrices, Argentina has the advantage of having the best competitive conditions to generate energy through solar, wind, biomass and hydrogen resources

As Javier Papa pointed out, "the energy sector is the fundamental vector of Argentine development" and in this regard, Argentine policy makers are convinced that this development must be carried out within a sustainable framework. ■



The G20 Tourism Ministers Summit.

THE G20 DEBATES ON THE FUTURE OF TOURISM

The G20 Tourism Ministers Summit, the main forum for economic and financial cooperation and international politics, was held on May 4, 2021, with the aim of setting new guidelines about the future and recovery of tourism post-pandemic.

The Minister of Tourism and Sports of Argentina, Matías Lammens, participated in the virtual meeting chaired by the Minister of Tourism of Italy, Massimo Garavaglia, country that holds the G20 presidency. The measures adopted by the member nations for the reactivation and sustainability of tourism were reviewed during this event.

In the case of Argentina, in 2019 inbound tourism ranked fourth among sectors that generate foreign currency, with almost \$6 billion. That is why Minister Lammens highlighted the need to redouble efforts and focus on the next stage: to continue working in cooperation with the international public and private sectors to ensure

the recovery and resilience of the travel and tourism sector.

To address the unprecedented crisis that exposed the vital role this sector plays in the national and global economy, the Argentine State made a record investment that sustained approximately 20,000 companies and supported more than 250,000 workers at the federal level.

Likewise, centered on the post-pandemic era, a series of measures were launched to position tourism as one of the drivers of a national and regional economic development:

The global health and hygiene protocols were adopted, and the main destinations in Argentina received the Safe Travel Stamp awarded by the World Travel and Tourism Council (WTTC). The purpose is to establish itself throughout the world as a safe, convenient and friendly destination.

CENTERED ON THE POST-PANDEMIC ERA, A SERIES OF MEASURES WERE LAUNCHED TO POSITION TOURISM AS ONE OF THE DRIVERS OF A NATIONAL AND REGIONAL ECONOMIC DEVELOPMENT.

At the same time, the “PreViaje Program” was put in place; this is the largest State investment in national tourism in history, with a return of 50% of the credit expenses to be used in the sector during 2021 for the Argentines that spent on travel in 2020. This initiative demonstrated that tourism can be done safely, by strictly complying with biosafety protocols, while at the same time allowing companies to operate in a very highly sensitive environment.

Due to the excellent repercussion of the PreViaje Program, the International PreViaje is also being developed, which is focused on promoting Argentina abroad. Attractive economic benefits will be generated for tourists from other countries who buy tour packages to visit Argentina.

Meanwhile, studies have shown that the pandemic changed traveling habits and demand. Now, new local experiences are being sought, and more time spent in outdoor spaces. Due to its natural comparative advantage, Argentina has a huge opportunity to become a world destination for nature tourism, the segment that has grown the most in recent years.

In this context, the Ministry of Tourism and Sports is promoting “La Ruta Natural”, an initiative that invites travelers to enjoy its biodiversity, promoting emerging circuits and

consolidating those already established; this comprehensive proposal includes development, outreach, and communication strategies to prepare the tourism sector in the post-pandemic era.

To this end, together with the Inter-American Development Bank (IDB), a federal infrastructure plan will be undertaken to improve travelers' experiences at natural sites and offer new areas of interest to tourists. This also seeks to attract new investments and the support of private service providers, through training and financing throughout the country.

At the end of the meeting, the ministers gave their support and pledged to continue working on the seven key areas for tourism in the post-pandemic era:

- Safe mobility: restoring and preserving confidence in travel
- Crisis management: minimizing the impact of future crises affecting tourism
- Resilience: securing a robust and stable tourism sector in uncertain times
- Inclusiveness: widening community engagement and benefits from tourism
- Green transformation: managing tourism to sustain global and local environments
- Digital transition: enable all tourism stakeholders to fully benefit from digital opportunities
- Investment and infrastructure: focus resources on a sustainable future for tourism

The conclusions will be submitted to the G20 Leaders' Summit, which will take place in Rome in October. ■

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