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EMBASSY OF ARGENTINA, WASHINGTON, D.C.

ARGENTINA IN FOCUS

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NEW TOOLS TO ADVANCE THE DEVELOPMENT OF THE KNOWLEDGE-BASED INDUSTRY IN ARGENTINA

Exports of knowledge-based services rank third among the items that generate foreign exchange in Argentina; they are known for their dynamism, added value and contribution to the overall competitiveness of the economy. This sector also generates high-quality employment, increases public-private collaboration and attracts foreign investment.

Argentina is the second largest exporter of software and services in Latin America and was highlighted as a global center in terms of its technological skills. The population's educational level and fluency in English are also valued. Gradually, the country has been positioning itself as a relevant player in sectors such as audiovisual production,



Once again, I share with you the latest edition of our Embassy Newsletter. This edition includes an article about the new tools to advance the development of the knowledge-based industry in Argentina.

In this edition we also include an interview with the CEO of Grupo Murchison, a company that operates the Terminal International in the port of Mobile, Alabama.

Finally, an interview to Samata Schweblin as part of the Embassy first virtual meeting on contemporary Argentine literature.

Jorge Argüello
Ambassador to the United States

ADDED INCENTIVES TO THE REGIME TO PROMOTE THE KNOWLEDGE ECONOMY: EXPORT DUTIES ON SERVICES WILL BE REMOVED, AND THE “PROGRAM TO STRENGTHEN SATELLITES AND AEROSPACE” WAS ADDED.

biotechnology, professional services, nanotechnology, aerospace and satellite industry, and industry 4.0, among others.

This entire ecosystem is supported by public policies that advance this sector’s development. The cornerstone of this framework is the digital knowledge-based economy regime (tax credit bonds equivalent to 70% of employer 506 and its amendments) which, among other benefits, grants reductions on the income tax and employers contributions. The law also creates a 10-year profit stability framework.

Recently, the government announced one of the measures that will have the greatest impact since the enactment of the law: from 2022, withholdings on the export of services will be abolished, thus reverting a distortive tax in force since 2018. In this regard, Argencon CEO, Luis Galeazzi, stated that “the elimination of export duties on services removes one of the most significant costs impacting our export offer”.

Likewise, among other tools to promote the knowledge economy, the Ministry of Productive Development also announced that it will allocate \$250 million to projects that strengthen processes and services in the satellite and aerospace industry, with a view to promoting and providing more dynamism to this strategic production

sector, key to international competitiveness. Known as the “Program to Strengthen Satellites and Aerospace”, this initiative will promote the knowledge-based economy, as it provides support to improve production or logistics processes, create new platforms, acquire equipment, furniture, supplies, machinery, and manage certifications, among others.

During the pandemic, the demand for digital services grew exponentially. In September 2021, our country’s digital ecosystem already had 11 unicorns; i.e., companies valued at more than a billion dollars.

The IDB’s TecnoLatinas report states that the value of Latin American tech companies has multiplied by 32 times since 2010 and that this represents a powerful signal to investors and adds that ‘While traditional companies continue to be critical for the region, this reminds us that in a world of accelerated technological change, value will concentrate, and power will shift to the most innovative and dynamic players.’

Regarding the software and computer services industry, the United States is Argentina’s main export market due to diverse factors that facilitate the integration of services, such as having the same time zone, the high level of English of technicians and engineers, provision of cost-effective solutions, high quality of services provided, and cultural affinity.

Business, professional and technical services are also a highly dynamic area; in 2019, \$3.5 billion were exported, and as mentioned, the United States is the main market. These new measures are part of programs that seek to generate a greater competitiveness and boost exports. Recently, other projects have also been presented for the hydrocarbon, agribusiness and automotive sectors. ■

GRUPO MURCHISON'S EXPERIENCE AS OPERATOR OF THE AUTOMOBILE PORT IN ALABAMA

The Grupo Murchison, a renowned Argentine port operator, successfully operates a specialized terminal in the port of Mobile, Alabama. Its know-how, experience, and competitiveness in automobile logistics, as demonstrated in the Port of Zárate, Argentina, allowed it to win the tender in a timely manner and successfully expand its business in the United States.

In this dialogue with Roberto Murchison, the company's CEO, we reviewed the challenges faced throughout the process, this port's strategic characteristics, as well as the outstanding collaboration with all the authorities involved, in the State Port Authority, the City of Mobile, and the State of Alabama.

When the company decided to expand its business in the U.S. market, what inspired that strategy?

Having developed throughout many decades a strong presence as a port operator in Argentina and, as part of our ongoing and forward-looking strategic planning process, we decided to explore business opportunities in other countries. In particular, in the RoRo business, our company had - in the successful development of Terminal Zárate - particular expertise and know-how that we saw as a great opportunity to leverage, grow and capitalize in other countries within the Americas. When we learned about Mobile's RoRo terminal bidding process, we saw it as an attractive opportunity to explore and diversify our business capacities into new markets.

Auto Mobile Facility.



AIT HAS 57 AVAILABLE ACRES, A STARTING OPERATIVE CAPACITY OF 150,000 VEHICLES PER YEAR, WITH TWO DEEP WATER BERTHS FOR PCTC (PURE CAR TRUCK CARRIER)/RORO VESSELS.

What were the company's main challenges and opportunities, in the bidding process for AutoMOBILE International Terminal?

This was our first project in the US market which meant an interesting challenge and opportunity for our firm. Yet, we were able from day one to present and position our company, together with our business partners (Neltume Ports) as experienced port operators with a long and well-established track record and strong reputation in Latin America. In particular, we have been very successful in developing and consolidating Terminal Zárate, our Argentine RoRo terminal, and felt well prepared for exporting our know-how, based on our long-standing business relationship and strong recognition with most of the main global automotive manufacturing companies (OEM's), as well as our strong business partnership with the largest international RoRo shipping companies. These facts, along with a collaborative and positive working atmosphere with the Port Authority, were critical throughout the bidding, awarding, and subsequent construction process. Finally, and despite all the challenges imposed by Covid-19, we were able to inaugurate AutoMOBILE International Terminal (AIT) last June, on schedule and within budget.

Which are the strategic and geographical advantages the AutoMobile International Terminal offers the vehicle cargoes?

The AIT Terminal offers several strategic and geographical advantages for vehicle cargoes. Among the first ones, AIT has 57 available acres, a starting operative capacity of 150,000 vehicles per year, with two deep-water berths for PCTC (pure car truck carrier)/RoRo vessels. From the Port of Mobile, AIT has direct access to five class one railroads through the port of Mobile's Terminal Railway. This allows OEMs unrestricted access to and from Canada and the USWC. Mobile is the perfect location connecting the Mexican auto manufacturing market to the US Gulf, Southeast, Midwest, and Canada. The proximity to the traditional vehicle ports on the east coast of Mexico and the Class one railroad access allows for multiple, efficient finished vehicle logistics options. Short sea vessel carriage from Mexican vehicle ports to Mobile and unrestricted access to Canada and the Midwest via rail and the US Southeast and Gulf via Interstate 10 and 65. Grupo Murchison considers the Port of Mobile Port as an ideal long-term strategic location for the import and export of vehicles.

Which specific solutions and services the terminal offers the automobile industry?

AutoMOBILE International Terminal is designed as a Port & Processor terminal for vehicles and RoRo cargoes. In addition to Pre-delivery, light assembly, and accessorizing services, AIT provides full status visibility for export and import vehicles, as needed by the OEMs. Specific areas allocated for High & Heavy machinery handling and rail ramp operations for domestic distribution to southern Alabama, Florida, Mississippi, Louisiana vehicle markets are projected as well.

What are the next steps and plans of Grupo Murchison in the U.S. market?

Right now, our top priority is to launch, develop and consolidate AutoMOBILE International Terminal (the terminal was inaugurated this past June 2021). We see this initial investment in Mobile, as an opportunity and

SPECIFIC AREAS ALLOCATED FOR HIGH & HEAVY MACHINERY HANDLING AND RAIL RAMP OPERATIONS FOR DOMESTIC DISTRIBUTION TO SOUTHERN ALABAMA, FLORIDA, MISSISSIPPI, LOUISIANA VEHICLE MARKET ARE PROJECTED AS WELL.

as a platform to develop other businesses together with Neltume Ports, our Chilean-Canadian partners, that will allow us to explore and further expand into other growth opportunities within the finished vehicle logistics segment in North America, share our expertise and add value to the finished vehicle logistics segment in North America.

How was the collaboration and interaction with the Port Authority, the City of Mobile, and the State of Alabama?

Since the beginning of this project, we have developed a true partnership with the Alabama State Port Authority (ASPA) and have always received strong support from the City and County of Mobile and the State of Alabama. The Mobile County Board of Commissioners was instrumental in getting RESTORE Act funds allocated to the Port Authority for this strategic project for the Port of Mobile. All of them were strong enablers, assisted us throughout our entry process, and continue to support AutoMOBILE International Terminal from their respective roles and regulating responsibilities. ■



Samanta Schweblin. Photo Credit: American University.

SAMANTA SCHWEBLIN OPENED THE FIRST VIRTUAL MEETING ON CONTEMPORARY ARGENTINE LITERATURE

When the Berlin afternoon was beginning to fade, Samanta Schweblin's voice was no longer virtual, and she suddenly became as real as the characters in her novels and stories. The Argentine writer, considered one of the most important fiction writers under 35, gradually began uncovering her world and her secrets.

Thursday, September 29, marked the beginning of the first virtual event on contemporary Argentine literature, jointly organized by the Argentine Embassy and American University, with the support of the Jack Child Endowment for Latin American Studies. A meeting in which Ambassador Jorge Argüello was a member of a panel moderated by Brenda Werth, teaches at the Department of World Languages and Cultures at American University,

and the Argentine writer Laura Demaría, teaches at the Department of the School of Languages, Literatures and Cultures of the University of Maryland.

Schweblin's voice began to ramble through a few paragraphs of her latest novel, "Kentuki," published in 2018. A book that, as Werth mentioned in her introduction, "speaks of monstrosity as something that is not outside but inside of us".

"Kentuki is a sort of device that brings together social media," explained the writer, "and it's an excuse to share into other things. It addresses the issue of how we relate to others through technology. Whenever I read this type of novels, almost all of them spoke in a technical way. But I was not interested in that, but rather wanted to delve into

IN MID-OCTOBER, THE FILM VERSION OF HER FIRST NOVEL PUBLISHED IN 2014, "FEVER DREAM", DIRECTED BY CLAUDIA LLOSA, WILL BE RELEASED ON NETFLIX.

what happens to ourselves with the networks".

As the Ambassador remarked at the opening of this conversation, Schweblin is "an author who, through her control over language, achieves the necessary freedom to create, and she does it by making room for the reader, a reader whom she seeks to take along on a journey built for two. Using a preset tension, she resorts to imposing limits on her texts; this is essential to be able to lead the reader towards a destination, to a final emotional state".

She is the author of "The nucleus of disturbance" (2002), "Seven empty houses" (2015), for which she won the Ribera del Duero Prize for Short Stories, "Mouthful of Birds" (2009), which won the Casa de las Américas Award in 2008 and in 2019 was nominated for the Booker Prize. Her stories have been published by magazines such as The New Yorker, Harper's, and The Drawbridge.

Her works have been translated into more than 35 languages, and Schweblin stated that the experience of reading a translated work "is a hilarious feeling, especially when it comes to languages that I don't know, such as Chinese or Japanese. It is a very uncomfortable situation. The idea that there is a translator choosing those words, with ideas that are different from mine, is terrifying".

Her first novel "Fever Dream", published in 2014, gained attention in the United States. Translated by Megan

McDowell, it was shortlisted for the Man Booker Award in 2017 and won the Shirley Jackson Award for Best Novella. Its film version will be released by Netflix in mid-October; it was directed by Claudia Llosa, and stars María Valverde, Dolores Fonzi, Germán Palacios, Guillermo Pfening and Emilio Vodanovich.

Before its publication, "Fever Dream" went through around 12 drafts. "I wanted to create terror," Schweblin confessed, "something like shaking the reader's lapel and saying: 'stop reading and Google it, because this could happen to you.'"

In this story about the ambiguous relationship between mother and son (a frequent theme in her narratives), fantastic and tragic events are merged in a story set in a countryside where water is toxic. Here we meet Amanda, Nina, Carla and David; the latter becomes the person who investigates and serves as a guide.

Schweblin clarified that "In the film, neither the director nor I wanted to lose the novel's voiceover, and this is something that is very challenging in films. It was problematic, because we wanted the viewer to be able to feel the presence of that voice".

"Fever Dream" is part of what she produced after moving from Buenos Aires to Berlin in 2012. Since then, her experience of living in a Hispanic community led her to reflect even more on words that are combined, and the transformation of Spanish itself. "Spanish is my writing tool, and the Argentine-porteños in my novels no longer talk the same way. So, the question arises: do I want to write using my current, amorphous Spanish? And that is why I feel that I am more attentive".

The writer, who was born in 1978, said that although the influence of great storytellers such as Borges and Cortázar was important, it was not something absolutely decisive in the group of young writers she belongs to. "They are not so much my parents' but my grandparents' [writers]. The older generation endured them. Grandparents are kinder and don't demand as much, especially because one does

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not need to fight with one's grandparents but with the parents".

As if it were almost an intimate confession, Schweblin claims that she never knew she would be a writer. "Who wants to be a writer?", she asks herself. However, she looks back at her childhood and remembered that girl who kept interrupting the stories her mother read to her, to tell her own stories. That was what it was about, reciting stories that like, "Fever Dream" or "Kentuki", take over readers and get them involved. ■