



ARGENTINA

Capital:

Buenos Aires

Population (2010 est.):

Argentina: 41.34 million

Virginia: 7.88 million

Government Type:

Republic

Head of Government/Chief of State:

President Cristina Fernandez de Kirchner

Languages (Official):

Spanish

Land Size:

1,719,265 Square Miles

(Roughly three times the size of Alaska)

(CIA World Factbook)

Currency:

Argentine Peso (ARS)

1 US\$ = 3.92 ARS (August 2010)

(www.oanda.com)



(Argentina Map. CIA)

DID YOU KNOW?

- Due mainly to the global financial crisis, U.S. exports to Argentina decreased 26% in 2009, and were valued at \$5.56 billion. (World Trade Atlas)
- The U.S. is Argentina's second largest trading partner after Brazil and competes with Spain for the top investment spot.
- Argentina is a founding member of the Mercosur trading block, along with Brazil, Paraguay and Uruguay. The objective of Mercosur is to lower tariffs and increase trade among members.
- Argentina's banking system, devastated by the economic recession and financial crisis, returned to profitability in 2006.
- There are no restrictions on the release of foreign exchange and advance payment for imports is allowed.
- As a member of the World Trade Organization (WTO), Argentina signed the Agreement on Technical Barriers to Trade (TBT), affirming its obligations relative to technical regulations and conformity assessment procedures.
- Argentina's current president is the wife of the former president, Nestor Kirchner.

(CIA World Factbook)



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ECONOMIC OUTLOOK

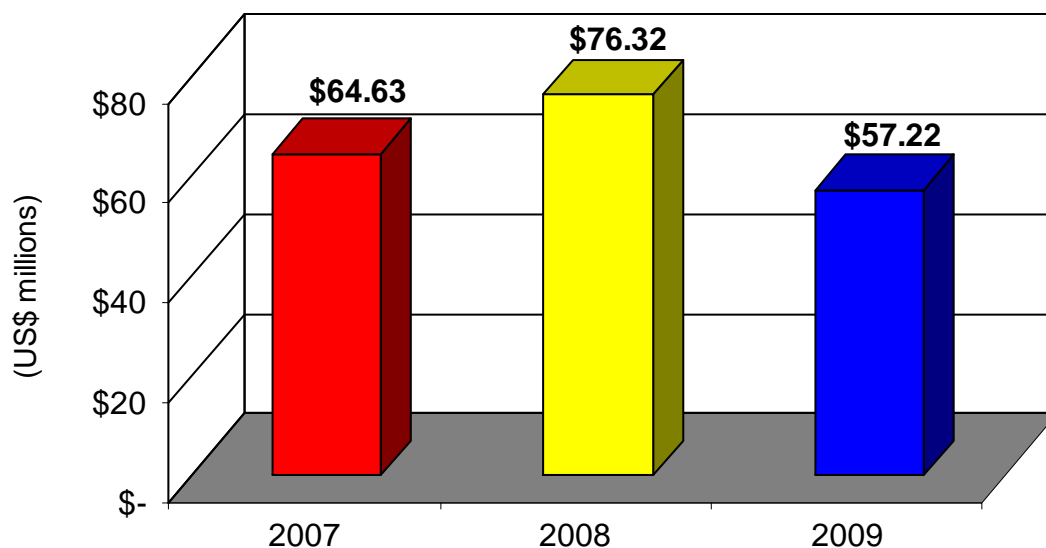
Argentina benefits from rich natural resources, a highly literate population, an export-oriented agricultural sector, and a diversified industrial base. Although one of the world's wealthiest countries 100 years ago, Argentina suffered during most of the twentieth century from recurring economic crises, persistent fiscal and current account deficits, high inflation, mounting external debt, and capital flight.

Argentina's recovery after the profound economic crisis of 2001-2002 has been far more robust than anticipated. With the reemergence of double-digit inflation in 2005, the administration pressured businesses into a series of agreements to hold down prices. The government also restructured its defaulted debt in 2005, convincing most bondholders to accept a large cut on the value of their holdings, and paid off its IMF obligations from reserves in early 2006. Both of these actions have reduced Argentina's external debt burden.

Cristina Fernandez de Kirchner succeeded her husband as President in late 2007, and the rapid economic growth of previous years began to slow sharply the following year as government policies held back exports and the world economy fell into recession. Her government nationalized private pension funds in late 2008 in an attempt to bolster government coffers, but the move also adversely affected private investment spending.

(CIA World Factbook)

VIRGINIA EXPORTS TO ARGENTINA



(Source for Graph: World Trade Atlas)



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VIRGINIA EXPORTS TO ARGENTINA

Argentina ranked as Virginia's 45th largest export destination in 2009, with exports valued at \$57.22 million, a 25% decrease over 2008. Similarly, U.S. exports to Argentina also decreased in 2009 by 25%, and were valued at \$5.56 billion.

Machinery was Virginia's number one export to Argentina in 2009, growing at an annual rate of almost 3%. Machinery has been Virginia's top export to Argentina for the past five years. Top machinery products in 2009 were pneumatic hand tools, printing machinery, bookbinding machinery, pumps/compressors, and office machine parts.

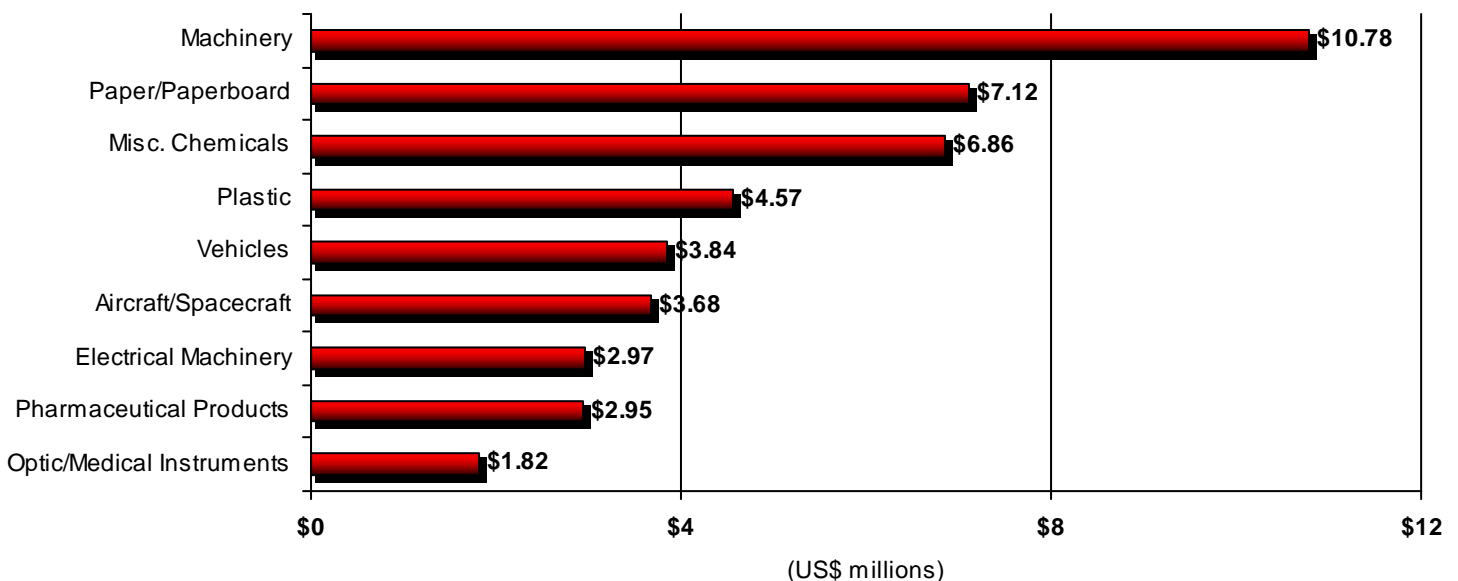
Paper/paperboard exports to Argentina via Virginia grew by 11% in 2009, and were dominated by paper coated with kaolin.

Miscellaneous chemicals was the fastest growing export category to Argentina via Virginia in 2009, increasing 745% and reaching a value of \$6.86 million.

Exports of aircraft/spacecraft to Argentina via Virginia also experienced strong growth in 2009, growing 339% and reaching a value of \$3.68 million.

Other product groups from Virginia that experienced strong sales to Argentina in 2009 included pharmaceutical products, optic/medical instruments, railway equipment, and organic chemicals.

VIRGINIA'S TOP EXPORTS TO ARGENTINA - 2009



(Source for Text and Graph: World Trade Atlas)



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VEDP SERVICES

The VEDP offers a number of export-related services to Virginia businesses, including group market visits and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters. For more information, please visit our website: www.exportvirginia.org.

ADDITIONAL RESOURCES

- Embassy of Argentina in Washington D.C.: <http://www.embassyofargentina.us/>
- U.S. Embassy in Argentina: <http://buenosaires.usembassy.gov/>

WORKS CITED

- Global Trade Information Services. World Trade Atlas. U.S. State Export Edition. Available by subscription. <<http://www.gtis.com/state/>>
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- United States Central Intelligence Agency (CIA). World FactBook. Argentina. <<https://www.cia.gov/library/publications/the-world-factbook/geos/ar.html>>
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