

Argentina: Promoting New Opportunities for Investments



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Ambassador Eduardo Tempone has been serving as the Ambassador of Argentina to Japan since July 2023. He was Director of Multilateral Economic Negotiations from 2009 to 2011 and from 2015 to 2020. His diplomatic postings include Consulate and Embassy in Paraguay (1991-1997), the Permanent Mission to the International Organizations in Geneva (2001-2008), and the Embassy in Washington D.C. (Commercial Section) (2011-2015). He served as Sous Sherpa of the G20 from 2020 to 2022. He graduated in Law from the National University of Córdoba and in Political Science and International Relations from the Catholic University of Córdoba, and obtained a Master's degree in International Affairs from The American University (Washington DC).

Argentina's Government has recently enacted Law 27,742, July 8, 2024 a new cornerstone in the way to develop a safe and sound environment for investments. This legislation, also called Regime for Large Investors (RIGI), has the potential to become foundational of a new era for businesses and investments in Argentina.

Strengthening Argentina-Japan Investment Relations

The relationship between Argentina and Japan has always been robust and characterized by mutual respect and collaboration. Japanese investors have long been valued partners in Argentina's development, contributing significantly to various sectors, including technology, automotive, mining, and infrastructure. With the new regulatory reforms and investment incentives, we see a golden opportunity to strengthen this partnership further.

We invite Japanese investors to explore Argentina's vast potential, from our rich natural resources to our strategic position in South America, and our dynamic, resilient market, particularly in the following fields that we understand can provide a win-win relationship between Argentina and Japan.

Focus on Key Pillars of Cooperation

1. Energy Transition:

Argentina is committed to advancing its energy transition and leveraging its vast renewable resources. Japan's expertise in technology innovation is crucial in this endeavor. We invite Japanese investors to explore opportunities in solar, wind, and hydrogen energy projects, helping Argentina to enhance its energy matrix and achieve sustainability goals.

Argentina is home to some of the world's largest reserves of shale gas, a key component in the production of blue hydrogen in Japan's global energy transition path.

In this sense, we are eager to take the next step towards a comprehensive agreement regarding energy transition with Japan to foster investment projects in hydrogen,



ammonia, synthetic fuels, and their derivatives.

Moreover, mining is a sector with significant potential in our country. It has the highest growth potential in lithium extraction worldwide and an estimated 75.5 million tons in copper reserves. Nonetheless, Japan is already investing in lithium production with Toyota Tsusho in Olaroz projects, and we expect more Japanese companies to join the venture.

2. Food Security:

Ensuring food security is a priority for Japan, while Argentina is renowned for its agricultural productivity. Japanese investment in agri-tech, sustainable farming practices, and food processing technology can significantly boost our capacity to meet Japan's food demands while expanding the exchange to new products and fields such as organic foods and beverages, bottled honey, and our premium olive oil. We want to collaborate with Japanese companies to enhance agricultural and agribusiness cooperation.



3. Technological Innovation:

Argentina is rapidly becoming a hub for technological innovation in Latin America. Our strategic focus on fostering a tech-savvy environment presents numerous opportunities for Japanese investors in software development, biotechnology, and digital infrastructure.

Argentina has a well-educated IT community of over 130,000 software developers and engineers and counts 11 tech unicorns, which are startups valued at more than \$1 billion. Together, we can drive advancements that position Argentina as a leading player in the global tech landscape.

Argentina's New Pro-Investor Policies

Following the elections last year, Argentina's new government, which took office in December 2023 has embarked on a transformative journey with a clear pro-market agenda.

This initiative aims to stabilize the foreign exchange market, curb inflation, enhance legal certainty for investors, and foster a climate that supports private enterprise and transparent, predictable regulations.

The Regime for Large Investors (RIGI)

A pivotal development is the enactment of Law 27,742, published on July 8, 2024. This legislation introduced the Regime for Large Investors (RIGI), designed to establish a stable, predictable and legally secure environment for substantial investments in Argentina.

Highlights of the RIGI

- **Stability and Predictability:** The RIGI aims to create a predictable framework for large projects, safeguarding against state non-compliance, and promoting the development of local supply chains.
- **Sector-Specific Incentives:** It offers special incentives for projects in eight strategic sectors: forest industry, tourism, infrastructure, mining, technology, steel, energy, and oil and gas.
- **Eligibility and Benefits:** Eligible applicants include corporations, foreign company branches, joint ventures, and concession holders provided they develop long-term projects with a minimum investment of USD 200 million and a three-year implementation period.

Projects exceeding USD 1 billion are designated as Long-Term Strategic Export Projects and enjoy additional benefits.

On August 12, the Argentine Foreign Ministry held the Seminar “Incentive Regime for Large Investments (RIGI) - Objectives, Scope and Implementation” to present the new Regime to companies and members of the diplomatic corps accredited in the country.



Source: Ministry of Foreign Affairs, International Trade and Worship, Argentine Republic

Additional Benefits for Large Investments

- **Fiscal Incentives:** These include reduced corporate income tax, personal income tax exemptions on dividends (after seven years), VAT credits, and total deductions on bank account transaction taxes.
- **Customs Incentives:** Import duty exemptions and export duty exemptions (after three years) are available, enhancing the cost-effectiveness of imports and exports.
- **Foreign Exchange and Regulatory Benefits:** Projects benefit from free currency availability, regulatory advantages even in Free Zones, and no export limitations imposed by the state.
- **Long-Term Stability:** The regulatory stability guarantee extends from 30 and up to 40 years for eligible projects, providing a secure and supportive environment for long-term investments.

Inviting Global Partners

Argentina is a country with considerable reserves of natural resources, a sophisticated scientific and technological framework, an extensive and diverse industrial base, a skilled workforce, and a level of infrastructure that, although insufficient, offers a valuable foundation for expansion. However, despite these favorable conditions, the realization of its the economy needs to catch up to its potential and the expected development.

Therefore, we are convinced that a substantial increase in the flow of Foreign Direct Investment into our country is crucial to activating these available elements in the Argentine economy and society, generating a shock of growth and development and dynamizing various markets, their profitability, and benefits.

Accordingly, our country is keen to welcome international investors to take advantage of these new opportunities. Our commitment to creating a favorable investment climate is unwavering, and we are confident that these reforms will unlock unprecedented growth and development across various sectors, and we believe that Japan has a crucial role to play as a strategic partner through solid, long-term investments.

If you need more information on the new framework “RIGI”, please contact the Embassy of the Argentine Republic in Japan.



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