



ARGENTINA





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in Istanbul

THE ARGENTINE ECONOMY AND DIRECT INVESTMENTS

Argentina is the third largest economy in Latin America with a Gross Domestic Product (GDP) of US\$ 640 billion and a GDP per capita of US\$ 13,730. Its more than 46 million inhabitants make it the fourth most populated country in the region.

In Km², Argentina is 4.8 times the size of Turkey. If we were to position Argentina on a map of Europe over Turkey, in addition to covering its entire territory, the northern tip would cover Ukraine and the southern tip of its continental American territory would reach Sudan.

Regarding trade in goods and services, Argentina is a leading country in Latin America in software exports. It is home to 16 technological unicorns. In addition, it is among the main agricultural exporters in the world (oils, soybean pellets, wheat, corn, barley, peanuts, corn) and agricultural biotechnology; Argentina is also a major exporter of minerals (lithium carbonate) industrial products (seamless pipes, pick-up trucks), increasingly, of energy (gas, oil and biodiesel).

Specifically in the energy and mining sectors, Argentina ranks third in world lithium reserves, tenth in gold, and is among the top ten silver producers. In addition to having significant reserves of conventional oil and gas, it ranks fourth globally in shale oil reserves and second in shale

gas reserves. Investments in these sectors have been announced in 2024 alone by companies such as BHP, YPF, Shell, Chevron, Galant Lithium and Posco

BILATERAL RELATIONS

The first bilateral agreement between the Argentine Republic and the Ottoman Empire was signed in 1910 and sought, precisely, to develop trade relations by allowing the establishment of Consulates in both countries.

The Turkish legation in Buenos Aires was its first in all of South America. In 2012, the Argentine Consulate General in Istanbul, which had been open between 1910 and 1967, was reopened.

Our countries cooperate on important issues such as scientific and research exchange, and space technologies. We also have an agreement for the reciprocal promotion and protection of investments, and an agreement to avoid double taxation..

Since 1992, it has been possible to travel between both countries without a visa. Thanks to this agreement, and to the direct flight Buenos Aires – Istanbul, which was inaugurated in 2012 and currently has a daily frequency, between January and August of this year alone, 35,000 Argentine tourists visited Turkey.

In the last 20 years, trade between our countries has doubled. For Turkey, Argentina is a relevant commercial partner due to its market and global companies and also because it is a strategic hub for producing and exporting its products into Latin America.

TURKISH INVESTMENTS IN ARGENTINA

The history of the always excellent bilateral relations between Argentina and Turkey up to the present could be outlined in two periods: a first stage of establishment and consolidation of political relations until the 1990s, and a second stage of intensification of political and commercial relations.

Over the last 30 years, there has been a positive impact on our bilateral relation of the multiple agreements signed such as the recently approved agreement to avoid double taxation, the establishment of the direct flight, the increase in bilateral trade, the growth of the Turkish cultural presence in Argentina and the opening of our Consulate General in Istanbul.

This solid base of political and commercial relations that we have built since the beginning of the last century creates the conditions for the growth in bilateral trade and Turkish investments in Argentina during the next decade.

My country is the 4th country with the most FDI in Latin America, with investments from companies from the United States, Spain, the Netherlands, Brazil, Germany, France, the United Kingdom, Mexico and China. More than 2,000 multinationals are currently working in Argentina and have announced 575 investment projects in the last 10 years for a total of US\$ 26,538 million.

Argentina offers foreign companies not only an important market but also, as a member of MERCOSUR, a platform to access a unique South American market of 300 million inhabitants with strong intra-zone trade.

As a result of the new Large Investment Incentive Regime (or RIGI, its Spanish acronym) that was included in Law 27.742 approved by Congress on July 8, and which targets large projects of more than US\$ 200 million.

The mining companies BHP and Lundin announced investments in copper mines in the province of San Juan for US\$8 billion. Transportadora de Gas del Sur (TGS) announced an investment in two stages of US\$700 million to expand the transport capacity of the GPNK gas pipeline and the company Sidersa reported that it plans to install a steel plant in San Nicolás, the cost of which amounts to US\$300 million.

The mining company Galán Lithium is expanding a mining development in the province of Catamarca with which it seeks to produce high-quality lithium chloride, which will be converted into battery-grade lithium carbonate, with a production capacity of 12,000 tons of lithium carbonate per year. South Korean-based Posco has announced a US\$1 billion investment to develop its comprehensive lithium project.

The new investment incentive regime stands out for providing conditions of predictability, stability and legal certainty for large projects in eight strategic sectors: forest industry, tourism, infrastructure, mining, technology, steel, energy, and oil and gas. It also guarantees regulatory stability for thirty years of the special tax, customs, exchange, regulatory and jurisdictional benefits granted.

The RIGI represents, in short, a great opportunity. However, we must hurry: the period for submitting projects will only be open for the next two years.

Turkish companies have demonstrated, with facts, that they have a global reach, although their presence in South America, and Argentina in particular, is below its potential.

Due to its level of development and the potential of its natural resources; due to its new regulatory framework for direct investments and agreement to avoid double taxation, due to the solid bilateral relations between Turkey and Argentina; due to the access it provides to the markets of South America and due to the stability that comes with being part of a zone of peace far from international conflicts, Argentina today represents a special opportunity for the global expansion of the Turkish business community.

Take advantage of this opportunity. The time is now.

BUSINESS AND INVESTMENT OPPORTUNITIES IN LATIN AMERICA AND THE CARIBBEAN
PERSPECTIVES FOR ENHANCED COLLABORATION WITH TÜRKİYE



Lithium Fields, Argentina