



## First ranking of Argentine multinationals reflects diversified successes in internationalization

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**Buenos Aires and New York, August 13, 2009** — Argentine multinational enterprises (MNEs), which pioneered outward foreign direct investment among developing countries, are again becoming significant investors in foreign markets, according to the first ever survey of Argentine MNEs investing *outside* Argentina. This has been mostly a steady progress over the past two decades, with an occasional bump in the road, as in 2001-2002.

Today's survey release by ProsperAr (Argentina's Investment Development Agency) and the Vale Columbia Center on Sustainable International Investment (VCC) at Columbia University in New York identifies 19 multinationals and ranks them on the basis of their *foreign* assets. These 19 companies are among the largest outward investors from Argentina. In 2008, they jointly accounted for:

- USD 19 billion in foreign assets
- 42,400 in employees abroad
- USD 21 billion in foreign sales
- 315 foreign affiliates (branches, subsidiaries, etc.) in 42 countries

The leading company on the list of 19 was the Techint Group, with four major corporate components, which accounted for 91% of the foreign assets on the list. The Group's major businesses are in metals, engineering and energy. It was followed by Arcor (food products), IMPSA (machinery and equipment) and Bago Group (pharmaceuticals).

A number of features of Argentine investment abroad stand out in the report. One, of course, is the dominance of Techint. But another is the sheer diversity of Argentine MNEs with relatively small holdings abroad. There are four companies in the food products business and two each in pharmaceuticals and crop and livestock production. The rest range over a number of industries, including civil engineering, computer and electronic products, chemicals, IT services, waste collection and disposal, and

R&D activities. These varied successes in internationalization suggest that there is room for many other Argentine firms to spread their wings, even if they are small by international standards.

The financial and economic crisis that spread around the world in 2008 does not seem to have had much of an effect on Argentine investment abroad thus far. Among the 19 firms on the list, there was a small drop of 2% in foreign assets in 2008. As far as total Argentine outward investment flows are concerned, there was a contraction of 10% in 2008 but then a rise of 14% in the first quarter of 2009.

The geographic distribution of the foreign affiliates of the 19 companies is more or less what one would expect. South America hosts nearly two-thirds of the affiliates, with North America following at somewhat less than a fifth. Within South America, Brazil leads with a third of the affiliates. There is little Argentine presence in Asia or Africa.

The major foreign acquisition of 2008 was IMSA of Mexico, acquired by Ternium of the Techint Group for USD 1.7 billion. The major greenfield investment announced was by Tenaris, with a contribution by Ternium, both of the Techint Group, which plan to invest USD 6.6 billion in a steel plant in Mexico.

The survey was conducted in the framework of the Emerging Market Global Players Project, a collaborative effort led by the Vale Columbia Center on Sustainable International Investment. It brings together researchers on foreign direct investment from leading institutions in emerging markets to generate annual ranking lists of emerging market MNEs. Ranking lists for Brazil, Russia, Slovenia, Israel, China and India have already been released. Visit [www.vcc.columbia.edu](http://www.vcc.columbia.edu) for further information, or contact [vcc@law.columbia.edu](mailto:vcc@law.columbia.edu).

The report is available at <http://www.prosperar.gov.ar> and <http://vcc.columbia.edu/projects/#Emerging>. **The contents of the report must not be quoted or summarized in the print, broadcast or electronic media before August 13, 2009, 7:00 a.m. Argentina; 8:00 a.m. United States EST; and 12 p.m. GMT.**

For further details about the survey as well as about the ProsperAr and the Vale Columbia Center, visit <http://www.prosperar.gov.ar> or <http://vcc.columbia.edu>.