

MERCOSUR

The Presidents of Argentina, Brazil, Paraguay and Uruguay signed on March 26, 1991, a treaty to set up a common market.

The Southern Common Market (Mercosur) offers investors extraordinary opportunities in the form of a four-country Custom Union that includes a total population of 200 million and a global GDP close to one trillion U.S. dollars. Its area of nearly 12 million square kilometres combines a wide variety of topography, climate, and resources which provide significant alternatives for industrial integration. This Custom Union came into effect in January 1, 1995, for almost 85% of the products, with the remainder being integrated over a few years.

Trade liberalization among the member countries has been implemented through a progressive reduction of import duties and restrictions that have been eliminated by the end of 1994. This has led to a sharp increase in regional trade as well as joint ventures, mergers, and acquisitions among firms operating in the region.

In addition, companies like Toyota, Cominco, General Motors, Chrysler, McCain, Kruger, American Barrick and many others have landed in Argentina to get a good position in the new expanded market created by the Mercosur Treaty.

INVESTMENT OPPORTUNITIES

The Argentine economy faces the great tasks of diversifying production in an environment of equal incentives for all sectors and to increase the degree of industrial specialization in order to become integrated in the world economy.

The country has significant comparative advantages due to its special endowment of natural resources including fertile land, petroleum and natural gas, mines, water resources, forests, fisheries, varying regional climates, tourist attractions and, of course, human resources.

The Argentine Constitution grants foreigners the same rights to work, conduct business, buy, own and sell property as it does to Argentine nationals; property is inviolable and no inhabitant of the nation may be deprived of it except by virtue of a judicial decision founded in a previous law.