THE HVAC&R MARKET

There are approximately 5,345 retail stores in Argentina selling HVAC&R equipment. Total apparent consumption of HVAC&R products has been increasing in the last few years. This is mostly due to Argentina's stable economy since the new government took office and started an economic reform program which included currency convertibility among other measures.

ESTIMATED SIZE OF MARKET IN CANADIAN DOLLARS FOR THE HEATING, REFRIGERATING, AND AIR CONDITIONING EQUIPMENT SECTOR

The Argentinean HVAC&R market amounted to about $897 million (US$ 650 million) in 1993. Competition is very strong from other international players, but official tariffs and regulatory structures are relatively open. Brazil accounts for over 50% of the imports in the Argentine market.

DOMESTICALLY MANUFACTURED PRODUCTS VERSUS IMPORTS, BROKEN DOWN BY PRODUCT CATEGORY

	1992		1993	
	DOMESTIC	IMPORTS	DOMESTIC	IMPORTS
Refrigerators	553,341	135,209	685,253	206,524
Freezers	207,392	57,088	139,353	77,358
Air Conditioners	43,005	21,748	51,912	17,615
TOTAL	803,938	214,045	876,547	301,497

Over 50% of imported goods came from Brazil.

No data was available for the Heating sector.

TRENDS AND PROJECTED AREAS OF GROWTH

Through personal interviews, held within the refrigeration sector, it was determined that the total market size for these products will increase in 1994. The Argentine market is not expected to maintain the same dynamic purchasing capacity it has shown in the last few years. The HVAC sector, however, feels the market will show an increase in the number of imports, since all new commercial construction will require air conditioning equipment.