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GLOBAL MARKET OPPORTUNITIES REPORT
FOR
HEATING, VENTILATION, AIR-CONDITIONING
AND REFRIGERATION EQUIPMENT
(HVACR)

COMMERCIAL DIVISION
CANADIAN EMBASSY

BUENOS AIRES, ARGENTINA

JUNE 1994

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THE HVAC&R MARKET

There are approximately 5,346 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	553,561	135,209	688,282	206,524
Freezers	207,392	57,088	139,353	77,358
Air Conditioners	43,005	21,748	51,912	17,615
TOTAL	803,958	214,045	879,547	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 deemed that the total market size for these products will decrease 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.

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In the industrial arena, the production of CFCs will present export opportunities for Argentina since developed countries will reduce CFC production to 15% in 1994 and 0% towards the end of 1995.

KNOWLEDGE OF CANADIAN EXPORT CAPABILITY

There is very limited knowledge of Canadian export capability with the exception of nuclear technology. As far as the HVAC&R technology is concerned the knowledge is almost non-existent. For example, in the area of refrigerators/freezers in 1993, there were only 4 refrigerators imported from Canada. There is, however, a distributor of Lennox HVAC products in Buenos Aires.

A few articles and/or advertisements in some of the most popular trade magazines mention HVAC&R related projects being carried out by Canadian institutes. An example is the Canadian Heating, Refrigeration and Air Conditioning Institute's participation in two international technology transfer projects with Brazil and China.

CANADA'S PERCEPTION AS A SUPPLIER VS. OTHER FOREIGN COMPETITORS

Since there is very little awareness of Canadian export capability, Canada's perception as a supplier vs. other competitors is extremely difficult to assess.

PREFERRED MARKETING AND DISTRIBUTION CHANNELS

Manufacturers (Aurora, Philco, Helametal) sometimes import non-competitive products to complement their lines, but retailers do most of the importing. These include chain stores such as Frávega, Carrefour, Brukman, etc.

AGENTS/DISTRIBUTORS OR COMMERCIAL OUTLETS FOR HVAC&R SECTOR

INFRARED HEATERS MANUFACTURERS

MAQUINARIAS LANDAU

Av. Asamblea 524

(1424) Buenos Aires - Argentina

Tel: (54-1) 923-2424/0918/92-7875

Owner: Mr. Oscar Landau

MARTINEZ HNOS. SRL.

Cavour 3727

(1824) Lanús - Pcia. de Buenos Aires - Argentina

Tel: (54-1) 241-7016/247-6593 Fax: (54-1) 247-6593

Owner: Mr. Alberto Martínez

ROSARIO S.A.

V. de la Vega 3785
(1437) Buenos Aires - Argentina
Tel: (54-1) 91-3202/6634
Fax: (54-1) 91-5374
President: Mr. Carlos Schiarroni

INFRARED HEATERS DISTRIBUTORS

BOSSI, ERCILIO CARLOS SACeI

Corrientes 1182
(1043) Buenos Aires - Argentina
Tel: (54-1) 35-5120/3497
Fax: (54-1) 35-1186
Purchasing Manager: Mrs. Ana Morrone

BRUKMAN HNOS SAICFeI

Corrientes 4678
(1195) Buenos Aires - Argentina
Tel: (54-1) 862-8875/87-3743/88-4351
General Manager: Mr. Norberto Nijamkin

CANAL S.A.

Av. Independencia 3173
(1225) Buenos Aires - Argentina
Tel: (54-1) 93-4588/7534/9265/97-0671/1186
Fax: (54-1) 97-5281
President: Mr. Raúl Naidanik

CORVET S.A.

Av. Pueyrredón 956
(1032) Buenos Aires - Argentina
Tel: (54-1) 962-6336/6371/961-3191/962-6336
Fax: (54-1) 962-6305
President: Mr. Benjamín Guebel

FERRANDO, JULIO C. SACIF

Av. Cabildo 3920
(1429) Buenos Aires - Argentina
Tel: (54-1) 70-9097/5456/8741/5499
Fax: (54-1) 70-5527
Purchasing Manager: Mrs. Viviana Bustelo

APPLIANCE MANUFACTURERS

B.G.H. S.A.

Brasil 731
(1154) Buenos Aires - Argentina
Tel: (54-1) 361-8008/8148
Fax: (54-1) 361-1063 Tlx: 21548 BGH AR
Contact: Dr. Julio Hojman, President

AURORA S.A.

Cerrito 866
(1336) Buenos Aires - Argentina
Tel: (54-1) 46-3251/7
Fax: (54-1) 40-5277
Contact: Mr. Jaime Taraciuk, Vicepresident

HOUSEHOLD PRODUCTS DISTRIBUTORS

BACIGALUPO HNOS S.A.

Humboldt 1560
(1414) Buenos Aires - Argentina
Tel: (54-1) 774-6272/2423
Fax: (54-1) 774-6268/6272
Purchasing Manager: Mr. Arnolfo Bacigalupi

BOEDO HOGAR

Boedo 1077
(1239) Buenos Aires - Argentina
Tel: (54-1) 97-2300/4999/5057/5601/8249
Fax: (54-1) 93-0431
President: Mr. Sergio Pons

BOSSI S.A.

Corrientes 1800
(1036) Buenos Aires - Argentina
Tel: (54-1) 35-5120/3497/9591 Fax: (54-1) 35-1186
General Manager: Mr. Carlos Bossi

BRUCKMAN HNOS.

Corrientes 4678
(1195) Buenos Aires - Argentina
Tel: (54-1) 862-8875/87-3743
General Manager: Mr. Norberto Nijanskin

FERRANDO JULIO C. SACIF

Av. Cabildo 3920
(1429) Buenos Aires - Argentina
Tel: (54-1) 70-9097/5456/8741/5499/701-7157
Fax: (54-1) 70-5527
Purchasing Manager: Mrs. Viviana Bustelo

MUSIMUNDO

Av. Del Campo 1520
(1427) Buenos Aires - Argentina
Tel: (54-1) 552-8097/8964/8915/554-2184/2236/2335/2434/2583
Fax: (54-1) 551-7983/7996
Import Manager: Dr. Alejandro Heredia

OZORES S.A.

Bacacay 1771
(1406) Buenos Aires - Argentina
Tel: (54-1) 632-1812/3742/631-5939
Fax: (54-1) 633-2999
Purchasing Manager: Mr. Antonio Landro

SANARGO SACIFI

Alberti 1787
(1009) Buenos Aires - Argentina
Tel: (54-1) 943-6612/15
Fax: (54-1) 941-1069
Manager: Víctor Naymark

SCIOLI SACIIF

Av. Corrientes 6001
(1414) Buenos Aires - Argentina
Tel: (54-1) 854-5758/3230/855-0039/1541
Fax: (54-1) 855-1541
Manager: Mr. Alberto Ríos
President: Mr. José Osvaldo Scioli

TELESONIC

Larraya 3108
(1439) Buenos Aires - Argentina
Tel/Fax: (54-1) 602-7527/7676/8946/601-0496
President: Mr. Víctor Ficuli

REFRIGERATING UNITS DISTRIBUTORS

J. CHERNOMORETZ Y HNOS.

Suárez 1761/65
(1288) Buenos Aires - Argentina
Tel: (54-1) 21-0158/5755/3466
Fax: (54-1) 21-3466
Contact: Mr. Luis Chernomoretz

TREVI SAICyF

José Gervasio de Artigas 5137/41
(1419) Buenos Aires - Argentina
Tel: (54-1) 571-0190/6658 Fax: (54-1) 571-0190
President: Mr. Jorge Locatelli

CENTRO FRIO S.A.

Buenos Aires 527
(1617) General Pacheco - Pcia. de Buenos Aires
Argentina
Tel: (54-1) 740-5523/0500/736-0416
Fax: (54-1) 740-5523
President: Mr. Horacio Sosa

GOLDER REFRIGERACION

Lavalle 69
(1646) San Fernando - Pcia. de Buenos Aires
Argentina
Tel/Fax: (54-1) 744-6959
President: Mr. Franco Iemmi

INGENIERIA GASTRONOMICA S.A.

Calle 93 N° 729
(1650) San Martín - Pcia. de Buenos Aires
Argentina
Tel: (54-1) 752-5424/5862/4760 Fax: (54-1) 953-0133
President: Mr. Ernesto R. Busetto

INSTALACIONES COMERCIALES LEAL

Av. San Martín 1592
(1824) Lanús Oeste - Pcia. de Buenos Aires
Argentina
Tel/Fax: (54-1) 240-9177
Owner: Mrs. Ernesta F. Gatti

NOR-JOR

Sto. Cabral 647
(1824) Lanús Este - Pcia. de Buenos Aires
Argentina
Tel /Fax: (54-1) 204-7418
President: Mrs. Norma Ferrer

MONDINO

Garibaldi 1212
(2000) Rosario - Pcia. de Santa Fé
Argentina
Tel/Fax: (54-1) 84-8185
President: Norberto Mondino

PROOF HEATERS DISTRIBUTORS

F.L. PADILLA E HIJOS S.A.

Av. Pte. Perón 1200
(1663) Buenos Aires - Argentina
Tel: (54-1) 664-4119/6055
Fax: (54-1) 667-3020
President: Mr. Francisco Padilla

TOTAL AUSTRAL S.A.

San Martín 323 - 10 P.
(1004) Buenos Aires - Argentina
Tel: (54-1) 325-8275/76/77/394-0860/0230/7220/7601
Fax: (54-1) 325-8272
General Manager: Mr. Patrick Rambaud

IMPORT REGULATIONS

Import regulations for HVAC&R products include a 20% import duty rate, plus a 10% statistical tax, plus a 3% minor duties, plus 18% VAT.

Brazil accounts for over 50% of imports in the Argentine market, which makes it the major foreign competitor. Import regulations are the same for Brazil as for other countries, but its cheap labour and freight costs are important advantages over the other countries.

LANGUAGE OF BUSINESS

English is widely spoken in government and business circles, however, Spanish should be used for promotional material.

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The following agencies/individuals may be contacted for translating/interpreting services:

BUREAU CENTER INTERNATIONAL BUSINESS CENTER

Mrs. Isabel Sánchez Maldonado
Av. Pte. R. Saenz Peña 832 - P. 1
(1388) Buenos Aires - Argentina
Tel: (54-1) 476-0150/59 Fax: (54-1) 476-1900

ESTELA NOEMI BRUERA

Mrs. Estela N. Bruera
Daniel Enz N. 455
(1836) Llavallol, Buenos Aires
Argentina
Tel: (54-1) 298-2938 Fax: (54-1) 231-1013

RUTH JAMES

Mrs. Ruth James
Catamarca 2920
(1636) Olivos, Buenos Aires
Argentina
Tel: (54-1) 783-1475

RUT SIMCOVICH

Ms. Rut Simcovich
Juncal 695
(1062) Buenos Aires - Argentina
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SILVIA TAUSSIK

Mrs. Silvia Taussik
Urquiza 822
(1638) Vicente López, Buenos Aires
Argentina
Tel: (54-1) 795-2146 Fax: (54-1) 11-2716

LOCAL CERTIFICATION REQUIREMENTS

The counterpart to the Canadian Standards Association is the Instituto de Racionalización Argentino de Materiales (IRAM). Although not mandatory, IRAM standards are adhered to by manufacturers when safety issues are concerned. IRAM usually follows ISO and IEC international standards guidelines, although some requirements may have minor modifications.

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Guides which detail the specific certification requirements may be purchased through IRAM headquarters. For further information contact:

Instituto Argentino de Racionalización de Materiales (I.R.A.M.)
Chile 1192
(1098) Buenos Aires - Argentina
Tel: (54-1) 381-4424
Tel/Fax: (54-1) 383-4103

ELECTRICAL REQUIREMENTS

Argentina's electric current requires 220 V, 50 cycles.

JOINT VENTURES/TECHNOLOGY TRANSFERS

Argentine manufacturers are interested in joint ventures and technology transfers, particularly in the field of CFCs. Interested companies should contact the various chambers listed below.

PRICING AND OTHER FACTORS

According to I.N.D.E.C. (Instituto Nacional de Estadística y Censos) Stats, the average price for a refrigerator was US\$673 in June, compared to US\$714 for the same refrigerator in March, 1994. Prices in general have been rather stable in the past couple of years. Air conditioners sell for about US\$700 and heaters for about US\$150.

MAJOR TRADE SHOWS

The only major trade show we have been able to identify, SIRAA '94, is taking place between August 31 to September 4, 1994. It is geared to buyers and distributors of refrigerators, freezers, air conditioners, etc. A folder with more information is attached to this report.

SIRAA '94 (Salón Internacional de Refrigeración y Aire Acondicionado/International Refrigeration and Air Conditioning Exhibition) has been held twice before and last year's attendance was approximately 6,000 buyers/distributors (50% from Buenos Aires, 47% elsewhere in Argentina, and 1% from overseas). The exhibition will be held at the Predio Ferial de Palermo, Pabellón Nro. 1, Buenos Aires, and is organized by the trade magazine *La Técnica del Frío*. For further information contact:

Leder Denegri Architects
Zapata 633, 1er. Piso
(1426), Buenos Aires - Argentina
Tel/Fax: (54-1) 773-8055

INTERNATIONAL SHOWS

No international shows are usually frequented by buyers/distributors.

LOCAL OR INTERNATIONAL BUSINESS PERIODICALS TO BE CONSIDERED FOR ADVERTISING BY CANADIAN EXPORTERS

Local business periodicals:

Revista La Técnica del Frío (monthly publication)

Av. Corrientes 3169, 1º "A"

(1193) Capital Federal - Argentina

Tel: (54-1) 87-1227

Tel/Fax: (54-1) 88-8301

This publication offers free space to companies interested in providing product information. Contact the publisher directly.

International trade magazines read by buyers/distributors include those published by ASHRAE and by the Institut International du Froid (Paris).

AGENTS OR IMPORTERS ASSOCIATION FOR THE HVAC&R EQUIPMENT SECTOR

Cámara de Industriales de Artefactos para el Hogar

Paraguay 1855

(1121) Buenos Aires - Argentina

Tel: (54-1) 812-0232/6590 Fax: (54-1) 814-2650

Cámara Argentina de Industrias de Refrigeración y Aire Acondicionado (CAIRA)

Av. de Mayo 1123 - 5º Piso "K"

(1085) Buenos Aires - Argentina

Tel: (54-1) 381-1862/7544 Tel/Fax: (54-1) 362-2517

Cámara del Confort y Comercio de Artefactos para el Hogar

Bmé. Mitre 2162

(1039) Buenos Aires - Argentina

Tel: (54-1) 953-2902/2972/3538 Fax: (54-1) 953-1171

Cámara de Comerciantes de Repuestos de Refrigeración

Lavalle 2331

(1052) Buenos Aires - Argentina

Fax: (54-1) 951-0697

RELEVANT MARKET STUDIES

Sector Línea Blanca -- Sectorial study done by the Fundación de Investigaciones Económicas Latinoamericanas (Latin American Economic Research Foundation) covering household appliances including refrigerators, washing machines, air conditioners, freezers, stoves, etc. (Report No. 6). Available in Spanish.

Asociación de Industriales Metalúrgicos de la República Argentina (ADIMRA)

Departamento de Estudios Económicos

Av. Alsina 1609, Piso 1

(1088) Buenos Aires - Argentina

Tel: (54-1) 40-4967/5063/5292/5571/6840

Fax: (54-1) 814-4407

Market studies, in Spanish, are available for sale at US\$30 each.

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