

ARGENTINA

1. Recent trends

Poverty in Argentina increased from 21.5% in 2016 to 30.1% in 2022, above the Latin America and the Caribbean (LAC) average of 24.1%. Extreme poverty also increased, from 2.9% in 2016 to 3.9% in 2022, yet remained below the LAC average (8.3%). The Gini index remained unchanged at 42.0 between 2016 and 2021, also below the LAC average (44.8). Regarding investment and production transformation indicators, total investment in Argentina increased from 14.3% of GDP in 2016 to 17.3% in 2022 but remained below the LAC average, which increased from 20.8% to 21.3% over the same period. Private investment, however, decreased slightly, from 8.0% of GDP to 7.7%, well below the LAC average (15.8% in 2019). Argentina's labour productivity, measured against output per employed person in the United States, decreased from 40.7% in 2016 to 34.9% in 2023, remaining above the LAC average of 27.1% in 2023. The share of exports of high-tech products in total exported manufactured goods declined in the country from 9.0% in 2016 to 4.4% in 2021, below the LAC average (7.2%). Positive perceptions of foreign direct investment (FDI), which declined across the LAC region, also fell in Argentina, from 59.3% in 2016 to 44.3% in 2020. The country's tax revenue decreased slightly from 30.7% of GDP in 2016 to 29.1% in 2021, still significantly above the regional average of 21.5%. Environment-related tax revenues decreased from 2.1% of GDP in 2016 to 1.1% in 2021.

2. Long-term policies to promote investment and production transformation

Argentina has made significant efforts to attract and mobilise high-quality investment, focusing mainly on facilitating access to finance for companies carrying out investment projects. It established CreAR, a credit programme for micro, small, medium and large enterprises that carry out investment projects and show potential to change the production structure by promoting development of strategic value chains, boosting exports and efficiently replacing imports. Since 2009, Argentina has also implemented a Competitiveness Support Programme for micro, small and medium enterprises (MSMEs) that co-finances, through Non-Refundable Contributions, technical assistance to companies to develop business capacities and improve their competitiveness. In line with these efforts, since 2016, Argentina has implemented the National Supplier Development Programme, which aims to develop national supplier companies in strategic sectors, boost industry, diversify the national production matrix, and promote competitiveness and production transformation.

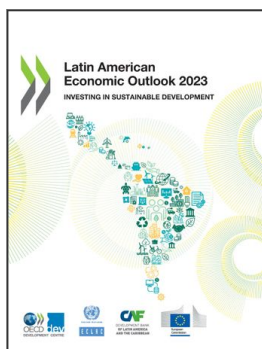
To advance an inclusive and sustainable production model, Argentina has focused its national programme for developing industrial parks on four fundamental axes: territorial planning, promotion of local productive planning, employment generation, and encouragement of corporate and associative schemes. In 2022, the Dynamic Entrepreneurship Programme was established to facilitate the start-up of underfunded projects through granting of non-refundable contributions.

In terms of regional and international partnerships to support the attraction of quality investments, Argentina has established collaborative initiatives with partners both within and beyond LAC. Within the region, the Ministry of Science, Technology and Innovation of Argentina, together with the Ministry of Science, Technology and Innovations of Brazil, and the Ministry of Education and Culture of Uruguay, created the Latin American Biotechnology Centre. The Centre comprises a network of biotechnology research groups and promotes the implementation of joint research and development (R&D) projects and the training of high-level human resources. Beyond LAC, Argentina and the European Union (EU) formalised (in 2023) a memorandum of understanding focused on integrating sustainable raw materials value chains, as part of the EU's Global Gateway Initiative. Additional key goals are: develop sustainable raw materials value chains, advance R&D activities; align environment, sustainability and governance (ESG) criteria; infrastructure development; capacity building; and create quality employment to support economic growth and the clean energy transition. Argentina also participates in a co-operation agreement with Spain's Centre for the Development of Industrial Technology. This agreement finances the business projects, on a pilot and/or prototype scale, of companies involved in collaborative initiatives to develop innovative technologies with market prospects.

	Key indicators – Argentina					
	Argentina		LAC		OECD	
	2016	2022	2016	2022	2016	2022
Social						
Extreme poverty	2.9	3.9	8.1	8.3	N/A	N/A
Poverty	21.5	30.1	25.9	24.1	N/A	N/A
	2016	2021	2016	2021	2016	2021
Share of internet users (% of population)	71.0	87.2	54.5	74.2	81.8	89.6
	2016	2021	2016	2021	2016	2020
Gini index	42.0	42.0	46.3	44.8	34.1	33.6
	2010	2018	2009	2021	2009	2021
Share of total population in informal households (%)	34.5	36.8	44.2	46.8	N/A	N/A
Share of total population in informal households, upper-income quintile (%)	12.2	14.1	23.9	21.8	N/A	N/A
Share of total population in informal households, lower-income quintile (%)	72.8	35.0	77.6	78.5	N/A	N/A
	2019	2023	2019	2023	2019	2023
SIGI index	N/A	17.7	25.4	21.6	17.5	15.3
	2015	2018	2015	2018	2015	2018
PISA score in science	432	404	411	407	489	487
Productivity and innovation						
	2016	2023	2016	2023	2016	2023
Labour productivity (% of the United States)	40.7	34.9	29.3	27.1	70.0	68.5
	2016	2021	2016	2021	2016	2021
High-tech exports (% of manufactured exports)	9.0	4.4	8.4	7.2	16.5	16.0
	2016	2019	2016	2019	2016	2019
R&D expenditures (% of GDP)	0.6	0.5	0.3	0.4	1.8	2.0
Investment and production transformation						
	2016	2022	2016	2022	2016	2022
Total investment, gross fixed capital formation (% of GDP)	14.3	17.3	20.8	21.3	21.9	22.8
Foreign direct Investment (FDI), net capital inflow (% of GDP)	0.6	2.4	4.4	4.6	6.8	3.5
	2016	2019	2016	2019	2016	2019
Private investment (% of GDP)	8.0	7.7	16.1	15.8	18.2	18.8
	2016	2021	2016	2021	2016	2021
Public investment in economic infrastructure (% of GDP)	1.1	1.0	2.3	1.6	N/A	N/A
Citizens' perceptions and institutions						
	2016	2020	2016	2020	2016	2020
Share of population who perceive FDI as beneficial (%)	59.3	44.3	70.9	53.9	N/A	N/A
	2018	2020	2018	2020	2018	2020
Share of population who consider that, in general, domestic products are of lower quality than imported ones (%) (agreeing or strongly agreeing)	34.6	34.0	44.6	42.7	N/A	N/A
	2016	2022	2016	2022	2016	2022
Corruption Perception Index (score on a scale of 0 [highly corrupt] to 100 [totally clean])	36.0	38.0	41.2	40.6	67.3	66.3
Security risks indicator (score from 0 [low security risks] to 10 [high security risks])	4.0	4.6	5.9	5.6	2.8	2.6
	2010-14	2017-22	2010-14	2017-22	2010-14	2017-22
Belief that science and technology will create more opportunities for the next generation (score on a scale from 1 [strongly disagree] to 10 [strongly agree])	7.5	7.6	7.3	7.2	7.6	7.2
Share of population who worry (very much or a great deal) about not being able to provide a good education for their children (%)	48.0	48.0	75.4	74.0	49.8	41.4
Fiscal position						
	2016	2021	2016	2021	2016	2021
Total tax revenues (% of GDP)	30.7	29.1	22.0	21.5	33.6	34.1
Environmentally related tax revenue (% of GDP)	2.1	1.1	1.1	0.9	2.4	2.0
Share of VAT (% GDP)	7.1	7.0	5.9	6.1	6.6	7.0
Share of PIT (% GDP)	2.1	2.2	2.0	2.0	7.8	8.3
Share of CIT (% of GDP)	2.9	2.5	3.2	3.4	2.9	3.1
Debt service (% of total tax revenue)	6.2	6.2	11.3	12.3	5.4	5.3
Social expenditure (% of GDP)	14.2	14.6	11.3	13.3	20.1	22.0
	2016	2020	2016	2020	2016	2019
Perception of tax evasion (%)	N/A	34.7	N/A	27.3	N/A	N/A

Note: See the Reader's Guide for definitions and sources.

StatLink  <https://stat.link/1uc0ni>



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