“Knowledge, experience, expediency and commitment are the trademarks of our practice,” said Mr Alfaro. “We dedicate non-billable hours to understand the needs, goals and strategy of our clients in the understanding that we are partnering in their success and efficiency.”

According to Mr Alfaro, Argentina is still a country open to foreign direct investments but is in the process of refocusing its geopolitical economic strategy. He noted that from an open market import dollar controlled economy, the government is establishing new regulations aiming to induce more local production, import substitution, despecialisation of local transactions, improving tax collection and providing opportunities for investments in oil and gas exploration, mining exploration and production, infrastructure development, nuclear and hydro electrical projects and alternative energy.

“As the economy is based in increasing consumption by maintaining salaries above inflation rates there is also an opportunity for reputable fashion retailers, manufacturers of appliances, or other consumer products to partially produce their products locally,” commented Mr Alfaro.

He explained that the Argentine Constitution guarantees foreign investors equal treatment to nationals of Argentina. No prior authorisation is needed to invest or carry out economic activities in Argentina. There are limitations that have been established as it happens in other countries according to the sector. For example, in agricultural land there is a limit on the number of hectares a foreigner can hold, like in Brazil; in the media sector there has to be reciprocity from the country of origin of the investor; and there are limitations if investments are coming from an offshore jurisdiction.

“According to the OECD Argentina is a very open economy and is only after Germany in the index of restrictions,” added Mr Alfaro. “This is a fact that contradicts much news that has appeared in the media recently. Argentina has also signed 38 foreign investment treaties, while Brazil has only 14.”

The level of FDI, without considering the process of privatisation of state owned enterprises at the beginning of the 1990’s, has remained steady and has increased in the period 2003-2001. The average for this period is US$5,480 million.

Mr Alfaro noted that FDI into Argentina originates in a variety of countries. Traditionally, these investments came from the USA, UK, Germany, France and Spain; however during the last ten years other countries have become active in this field, including Brazil, India, Canada and China.

The mining sector has attracted by far the most capital in the last five years, and Mr Alfaro believes that this will continue to be the case in the future, although it will be rivalled by investments in the oil and gas sector.

“Argentina has the third largest reserve in the world of shale,” he explained. “Therefore, it is and will attract FDI investments in the years to come. It is calculated that the sector may receive more than fifty billion dollars in the next five years if the regulatory conditions are appropriate.”

Mr Alfaro stated that the economic benefits of these investments are very important for the sustainability of a growing economy in Argentina. Salaries in the mining sector are the highest in the country – six times higher than a salary in the agricultural sector. Salaries in the oil and gas sector are not far away.

“Both sectors require supplies, services, equipment, transportation and engineering companies,” commented Mr Alfaro. “It has the same economic benefit as the automobile companies in the sense that they generate auto parts and services business activities beyond their production facilities.”

“The automobile industry is already developed but under the new strategy of the government of import substitution there is an opportunity for auto parts manufacturing in Argentina.”

The main countries targeted by outwards FDI from Argentina are: Brazil (oil, consumer products, automobile, trade, airports); Colombia (infrastructure projects, airports); Peru (oil and gas transportation, public transport, LNG); China (trade); Mexico (automobiles, joint ventures in the fashion and consumer product sector); and the USA (real estate, banking). Mr Alfaro noted that Argentina is not a traditional outward investor country.

Mr Alfaro stated that the energy, mining and automobile sectors are the most dynamic inside Argentina. He explained that other sectors may benefit from the fact that Argentina, together with Brazil, is creating the fourth largest consumer market in the world by incorporating Venezuela to Mercosur.

“Both countries have incorporated millions of lower income people into the middle class with some disposable income that has been spent in durable goods thanks also to consumer financing,” he commented.

According to Mr Alfaro, a more stable regulatory framework is needed to make Argentina more attractive and accessible to foreign investors. He explained that there are two kinds of new regulations in place in Argentina: temporary and structural.

“The temporary regulations are those enacted for the purposes of maintaining the two pillars of the economic model which are fiscal and trade surplus,” he said. “The structural ones are related to import substitution, promoting local production and de-dollarisation of the economy. The country is in the middle of such process that has created uncertainty in local as well as foreign investors.”

Mr Alfaro predicts that FDI will remain at its current levels in general in 2012/13, but expects that it will increase in the sectors highlighted above.

“These sectors are not affected by the changes in the regulatory framework mentioned above. According to the International Monetary Fund the economy of Argentina will grow 3% in 2013. Though this is only a sustainable level equal to the population growth and inflation, it positions Argentina well for the boom to be created by the development of the oil and gas and mining production by the year 2015. An external factor still to be considered is the potential recovery of China and the USA which are the engine of growth for Latin America in general,” he concluded.