

INVEST WORKSHOP

AUTO-PARTS SUPPLIERS IN ARGENTINA

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AUTOMOTIVE INDUSTRY IN ARGENTINA

Tradition, Innovation and
High Skilled Labor

**MORE THAN 90
YEARS OF HISTORY**

In **1925**, Ford began the production of the Model T in Argentina.

**10
MANUFACTURING
FACILITIES**



TOYOTA

IVECO



HONDA



RENAULT
Passion for life

PSA PEUGEOT CITROËN



PEUGEOT **CITROËN**



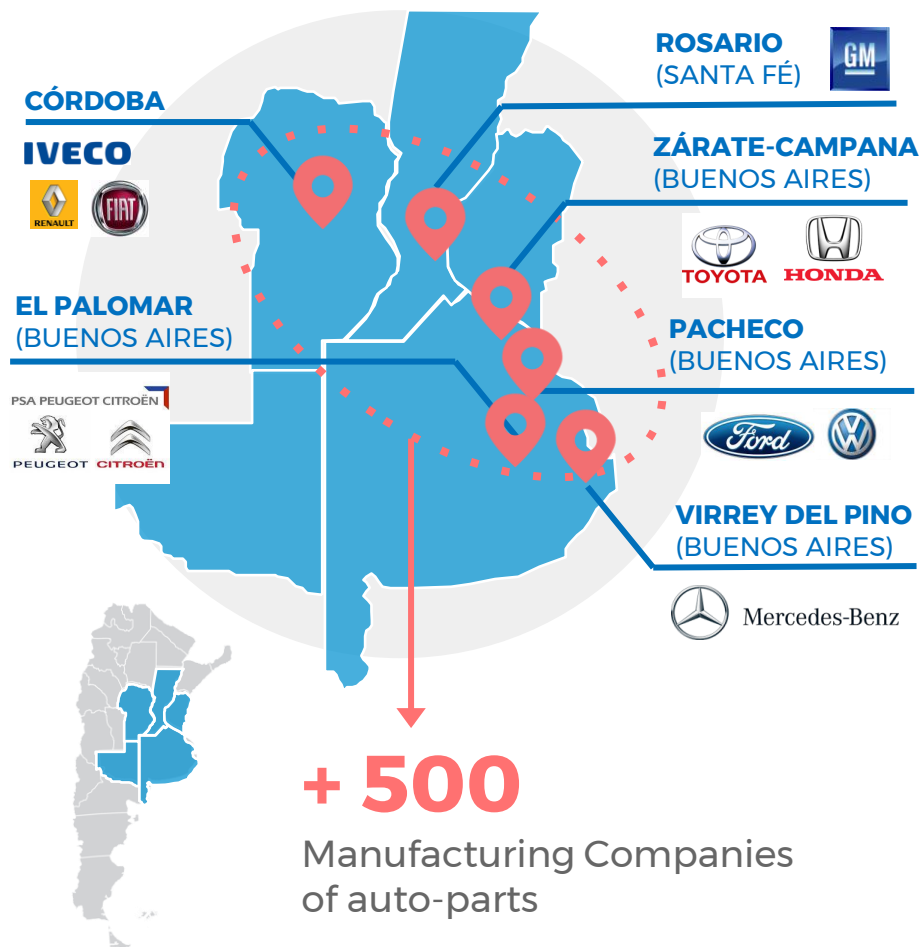
Mercedes-Benz



**+500
MANUFACTURING
COMPANIES OF
AUTOMOTIVE PARTS**

Air conditioning systems, suspension systems, transmissions, braking and engine components, tires, bateries, oil and air filters, pumps, seats, etc.

AUTOMOTIVE MANUFACTURING IN FIGURES



PRODUCTION:
600.000
VEHICLES*

10% of the value added of the
manufacturing industry
#22 world's largest producer
#3 Latam's largest producer

*Average production in the period
2013-2016



78.000
WORKERS

+ 150.000 in auto-parts
manufacturers



REGIONAL MARKET:
3.7 M VEHICLES

(Average sales in Argentina and Brazil
in the period 2013-2016)



EXPORT TO MORE
THAN **15** COUNTRIES



INVESTMENT
ANNOUNCED
USD 2,0 Bn

AUTO-PARTS MANUFACTURERS

Main Companies in Argentina



**Interior
decoration
parts**

Zarate
(Bs As)

DENSO

**Thermal,
electronic
& electric
systems**

Córdoba

Gestamp

**Chassis
hinges, Body-
in-white
stamping &
assemblies**

Loma Hermosa
(Bs As)

**MAGNETI
MARELLI**

**Exhaust
systems**

Córdoba



**Axles and
driveshafts**

Gran Bourg
(Bs As)

BRIDGESTONE

Tires

Llavallol
(Bs As)

Fric-Rot

**Suspension
systems**

Rosario
(Santa Fe)



**Seats, door
panels**

Campana
(Bs As)

faurecia

**Seats /
Instrument
panels / Door
panels**

Escobar
(Bs As)

JTEKT

**Steering
systems**

Escobar
(Bs As)

YAZAKI

**Wire
harnesses**

Escobar
(Bs As)

PILKINGTON

**Auto Glass
Windshield
and Side
windows.**

Munro
(Bs As)

AUTO-PARTS MANUFACTURERS

Local Companies



**Air
conditioning
systems**

📍 Río Grande
(Tierra
del Fuego)



**Stamping &
assemblies**

📍 Escobar
(Bs As)



**Chassis
and
components**

📍 Córdoba



Wheel

📍 Rosario
(Santa Fé)



**Wire
harness**

📍 Córdoba



**Engine
seals**

📍 Burzaco
(Bs As)



**Stamping &
assemblies**

📍 Córdoba



**Auto-parts,
hand tolos
and dies**

📍 Luján
(Bs As)



**Metallic
structures
and special
equipment**

📍 Rosario
(Santa Fé)



**Molds
and dies**

📍 Córdoba



**Pipe
bending**

📍 Córdoba

INVESTMENT PROYECT ANNOUNCEMENTS



A COMPLETAR



USD 100 M

Productivity improvement in Pacheco and Córdoba facilities.



USD 250 M

Improvements in Virrey del Pino facilities.



USD 320 M

Development of a new platform. Production starting in 2019.



USD 500 M

New exclusive platform and modernization of the facilities.



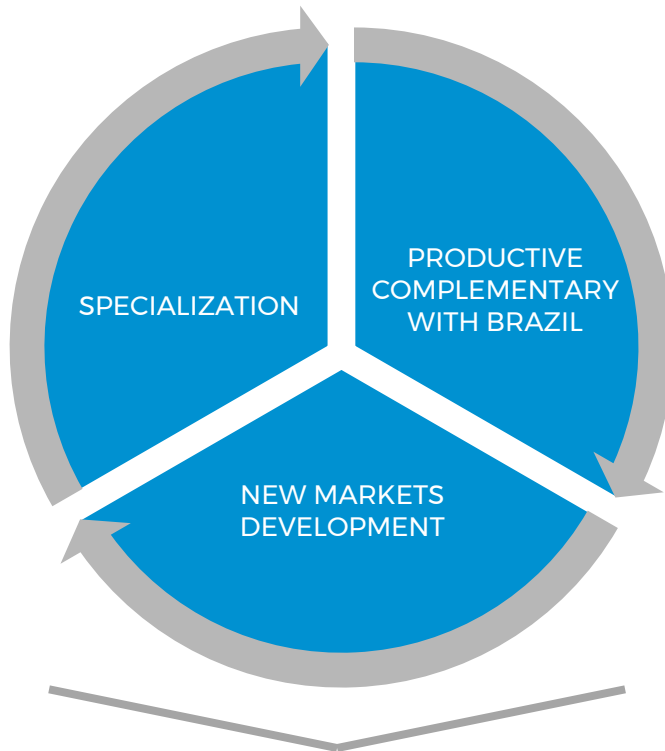
USD 800 M

Development of a new platform for a pickup truck in joint venture with Mercedes (Nissan NP300 Frontier - Renault Alaskan - Mercedes Class X).

Investment announcements: **USD 2,0 Bn**

THE FUTURE OF THE AUTOMOTIVE INDUSTRY IN ARGENTINA

VISION



↑ **SCALE**

↑ **PRODUCTIVITY**

↑ **DEMAND OF LOCAL AUTO PARTS**

↓ **COST**

KEY STEPS

Historical Agreement for the Automotive industry
(Plan 1 millón) ✓

Regime for the development and strengthening of autoparts manufacturing ✓

New agreement with Brazil
(extension of the FLEX regime) ✓

HISTORICAL AGREEMENT FOR THE AUTOMOTIVE INDUSTRY “PLAN 1 MILLÓN”

AGREEMENT

NATIONAL AND
SUB-NATIONAL
GOVERNMENTS



UNIONS +
COMPANIES
(SMATA, UOM)



COMPANIES
(ADEFA, AFAC,
ADMIRA)

COMMITMENTS

- New regime for the development and strengthening of national autoparts manufacturing
- Review of the tariff structure
- Strengthening the National Institute of Industrial Technology (INTI)
- Promotion of training actions to encourage improvements in quality and productivity (JICA)
- Optimization of the regulatory framework (LCM, CHAS, patenting)
- Follow-up to the Agreement with Brazil in the framework of the Common Automotive Policy (CAP)
- Promote access to widely used inputs at competitive prices and quality
- International negotiations for the opening of new markets
- Investment promotion program to develop "Flex-fuel" motorization, hybrids and electric vehicles

- Strengthening R&D capacities
- Job training program
- Improve productivity and reduce absenteeism

- Suppliers development
- Investment program in new projects
- Price maintenance at levels similar to comparable economies

THE FUTURE GOALS

“PLAN 1 MILLÓN”

PLAN 1 MILLÓN	2013-2016	2019	2023
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ANNUAL PRODUCTION

600 K



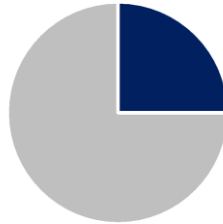
750 K



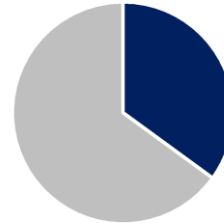
1 MILLION



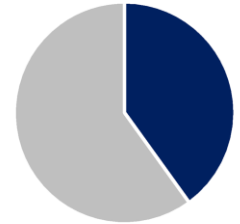
NATIONAL INTEGRATION LEVEL



25%



35%



40%

GENERATED EMPLOYMENT

+ 30.000 JOB POSITIONS

REGIME FOR THE DEVELOPMENT AND STRENGTHING OF NATIONAL AUTOPARTS MANUFACTURING

BENEFICIARIES

- Terminals and autoparts manufacturerers

REQUIREMENTS

- New Project and mayor restyling
- Existing projects: increase in productive capacity
- Promoted local integration with foreign suppliers
- Mercosur exclusive models

BENEFITS

INVESTMENT:

- > Fiscal credit bonus of 7% over local purchases of molds and dies
- > Eximition of imports taxes on molds and dies

LOCAL COMPONENT:

- > Fiscal credit bonus of up to 15% over local autoparts purchase value (local parts may include imported imputs)
- > Bonus could rise if forging and casting proceses are integrated or «global» autopart manufacturerers are developomented

MEASURES APPLIED FOR SECTOR STRENGTHENING

1

LONG TERM CREDITS - BICE

2

NEW COMERCIAL AGREEMENT
WITH COLOMBIA

3

CREDITS WITH SUBSIDED RATES FOR
PURCHASE OF VEHICLES
MANUFACTURED IN ARGENTINA

4

ELIMINATION OF EXPORT TAXES ON
INDUSTRIAL PRODUCTS

5

INCREASE OF EXPORTS REFUNDS

FISCAL BENEFITS FOR CAPITAL INVESTMENT

BENEFITS	DESCRIPTIONS
New production lines imports regime	NO IMPORT DUTY FOR PRODUCTION LINES (0% IMPORT TAX)
Used production lines imports regime	REDUCED DUTY (6%) FOR USED PRODUCTION LINES
Used capital goods imports regime	PERMISSION FOR THE IMPORTATION OF RE-FURBISHED CAPITAL GOODS

OPPORTUNITIES FOR AUTO-PARTS SUPPLIERS

Regional market

- > Extension of the **commercial agreement with Brazil** until 2020.
- > Mercosur: **9th world's largest producer** (2,7 M vehicles in 2016)

Global production platform for pickup trucks

- > 7th world's exporter (2013-2016)
- > Toyota Hilux, Ford Ranger & VW Amarok.
- > Joint venture Nissan- Renault-Mercedes (USD 600 M)

Historical Agreement for the Automotive industry

- > National and Sub-National Governments, Unions and companies.
- > Improvement in productivity and insertion of the national production.

Development of the autoparts manufacturing

(Law No. 27.263)

- > 7% over local purchases of molds and dies.
 - > 7% up to 15% over local autoparts purchase value.
- Benefits applied to automotive factories and auto-parts suppliers