Creative Industries in Argentina
Culture + Reputation for an avid global market
Highlights

>> A RISING GLOBAL MARKET
Creative industries have rapidly become a central part of the global economy. Driven by globalization and increased connectivity, the sector has grown exponentially and global trade of creative products has flourished both in developed and developing countries.

>> A KEY SECTOR
Creative industries are the pillars of the ongoing Argentine economic transformation towards a production pattern centered on the creation and diffusion of knowledge and professional services oriented towards the global market.

>> REMARKABLE POTENTIAL
Argentina counts with a unique combination of highly skilled human resources, a creative and sophisticated design culture and a truly active and committed public sector. The sector shows an important potential for growth as well as an extraordinary ability to foster innovation and design capabilities across other sectors within the economy.

>> PROFITABLE OPPORTUNITIES
Argentina has already established a competitive advantage in some segments within creative industries –notably screen production and post production– and enjoys a growing recognition across a number of other areas including fashion and design.
I. Why Invest in Creative Industries in Argentina?

• THE SERIOUS BUSINESS OF CREATIVITY. The diverse creative industries sector includes music, advertising, cinema, television, audiovisual production, publishing, design and fashion. This thriving global sector is expected to become one of the pillars of the knowledge-based economy.

• STRONG MARKET GROWTH. The sector has been growing exponentially and is increasingly becoming one of the most dynamic segments in the global economy. According to UNESCO, creative industries accounted for 7% of world GDP in 2005 and are expected to rise to 10% in 2010. In the first half of the current decade, global trade in creative goods and services has increased at approximately 9% per year.

• AN INCREASINGLY GLOBAL MARKET. Globalization and increased connectivity has driven the sector’s revenues, both in developed and developing countries. Although most of the activity is concentrated in developed countries, developing countries’ exports increased over 40% in the last decade.

• ARGENTINA’S TALENT-DRIVEN INDUSTRY. Argentina is a rising producer and exporter of creative industries’ products and has the potential to become a creative player in the international scene. A combination of highly-skilled human resources, renowned professionals, state-of-the-art technologies, a wide range of striking scenes and a vibrant and creative culture endows Argentina with remarkable perspectives for further develop its globally competitive creative industries.

• ATTRACTIVE SEGMENTS. Well-known success stories and a critical mass of entrepreneurial firms and talented professionals confirm the great opportunity for rising segments such as visual industries, advertising and fashion design.
II. Sector Structure and Performance

INDUSTRY STRUCTURE

A DIVERSE ARRAY OF INTERRELATED ACTIVITIES. Argentina is a country endowed with an enormously rich and varied culture. From music, dance and theatre to cinema, literature, design and plastic arts, the country’s intense cultural life makes for a growing creative industries sector, which represents slightly over 3% of GDP (a level above the region’s average). The diverse creative industries sector includes advertising, music, cinema, television, audiovisual production, printing, design and fashion. These segments are closely interrelated and exhibit important complementarities with other economic sectors, such as tourism, software and professional services. In fact, creative industries not only show an important potential for growth but also an extraordinary ability to foster innovation and design capabilities across other sectors within the economy.

DIVERSE FIRM PROFILES IN URBAN SETTINGS. Most segments within creative industries are characterised by a combination of leading companies -national and international- and a number of smaller creative firms taking advantage of unique opportunities in the market. By and large, creative industries are largely concentrated in the city of Buenos Aires, where they represent 7.5% of the district’s GDP and 8% of total employment. Other big cities, such as Córdoba, Mendoza and Rosario, are also developing an increasingly large creative industries sector.

SECTOR PERFORMANCE

GROWTH. Creative industries are growing at a faster rate than the economy as a whole— at a 14.5% accumulated annual growth rate between 2002 and 2007—and contributes with over 2% of total employment. The sector has flourished in recent years, increasing its global presence and reputation for quality and sophistication. Argentina is unleashing its unique potential resulting from the combination of abundant and well-trained human resources and a vibrant culture oriented towards creativity and innovation.

EXPORTS. Since the mid 1990s Argentina has experienced a boom in creative exports. In 2007, a historical peak of over US$500 million was reached, more than doubling the figure for 2002. Audiovisual and related services stand out as the most relevant creative exports (US$214 million), followed by advertising and market research services (US$194 million). In fact, almost 50% of total advertising productions and commercials are for export. Publishing and printing exports (including books, newspapers, periodic publications, printing and related services) reached US$80 million in 2007, while copyrights exports bordered US$20 million.
III. Main Industry Segments

PUBLISHING

**Market.** Argentina is a prominent player in the editing of publications for the Spanish speaking community. Publishing is a well established sector in the country (comprising US$2,000 million in sales and over 42,000 employees), and is the creative industry segment with the highest contribution to GDP. With more than 300 publishers across Argentina (69% in the city of Buenos Aires), the sector is growing fast and currently releases around 25,000 titles a year (at least 15,000 new titles), and is responsible for printing over 92.7 million copies annually.

**Growth.** Sales and exports in the publishing sector are rising steadily. Production expanded 74% between 2002 and 2007. Book exports doubled between 2002 and 2006 being Mexico (25%), Chile (13%), Brazil (13%) and Spain (10%) the main export destinations. An increasing demand has also driven a rise in book imports. The 20 most important publishers (most of them of foreign capital) are responsible for 50% of production and 75% of market sales. In addition, a number of small and medium enterprises (SMEs) operate in the sector, with a long-standing tradition in the publishing market.

**Policies.** The city of Buenos Aires has established relevant incentives for the industry. Among these, the program “Living Books” aims at promoting independent publishing houses (such as Interzona, La Marca, Leviatán, and Marea, among others) with increasing visibility in book stores and stronger advertising. At the same time, through its Metropolitan Design Center, the city is offering several lines of subsidies oriented to promoting the attendance to business fairs, the acquisition of editing and translation rights, and the expansion of production capacity. Between 2006 and 2007, more than US$220,000 were granted to over 63 publishing houses in the city of Buenos Aires.

MUSIC INDUSTRY

**Growth.** Argentina’s recording industry is also booming. The amount of units sold in 2007 surpassed 18 million CDs and DVDs. At the same time, digital downloads of music three folded in the last year, driving an increase in total music market of 9.6%. Exports of digital music also expanded and reached US$15 million in 2007, as a growing number of local labels are becoming increasingly international. Digital markets are expected to continue this growing trend, propelled by the arrival of 3G mobile phones and the consolidation of music consumption via portable devices.

**Market.** All four major record labels operate in Argentina (Universal, EMI, Sony and Warner), accounting for 77% of the market. More generally, the largest 33 record labels explain 90% of the market and are represented in the recording industry chamber (CAPIF). Argentina also has more than 120 independent record labels (mainly located in Buenos Aires and La Plata), which are increasing both their market participation and product offering: they edited approximately 4 million records and reached sales of almost US$30 million in 2007.

**Policies.** Argentina has in place a package of incentives to promote the music industry. The Public Media System together with CAPIF initiated the “Argentina Discs” program aimed at promoting the productions of local...
independent labels. At the same time, the city of Buenos Aires is promoting the internationalization of music labels through its recently created Music Export Department.

**RESOURCES.** Other initiatives include the Buenos Aires International Music Fair (BAFIM), the world-renowned Tango and Jazz Festivals, and MUSICNET—an international network for the music business, with a number of exclusive services for members. Additionally, the country is positioning itself as an interesting location for music production, due to its availability of well trained human resources. In fact, different universities and specialized schools offer training in music production and edition. The University of Buenos Aires (with over 1,200 new enrollments and over 250 graduates every year) and ORT technical schools stand out as the main institutions.

**AUDIOVISUAL INDUSTRIES**

**Growing reputation.** The Argentine visual industries are gaining a strong reputation worldwide. Argentine feature films, TV shows and series, contents and advertising have received several international awards as well as increasing recognition for their quality. A new generation of talented young film directors is attracting international interest, as well as the skilled country’s authors, actors and producers. Argentine films are winning critical acclaim at international festivals, and on cinema and television screens around the world. The television content and advertising industries are also developing at fast pace, increasingly supplying regional and global markets.

**CINEMA.** The national film industry acquired a new significance during the last decade with the arrival on the scene of young directors (such as Daniel Burman, Adrián Caetano, Albertina Carri, Mariano Llinás, Lucrecia Martel, Celina Murga, Martín Rejtman, Pablo Trapero, and Juan Villegas, among others), who make up the “new Argentine cinema”. Many of these outstanding artists and professionals were educated in specialized film schools founded by a previous generation of Argentine film makers. In 2007, Argentina experienced an extraordinary growth in the domestic movie industry, when 80 national films were released. Locally, this new wave of productions accounts for 10% of the total box office (a total of US$90 million with 32 million tickets sold). The five most important distribution companies (Buena Vista Disney, Columbia Tri-Star, MGM, UIP and Warner/Fox) represent 45% of total films exhibited, 75% of distributed copies and 85% of screen-time. Local distribution companies—of which Alfa Films, Distribution Company, Líder Films and Primer Plano are the most relevant—complete the market.
CASE STUDY

TELEFE INTERNATIONAL: TV contents and production for the world

Telefe International is part of Telefe, a leading TV network in Argentina, with a catalogue of over 5,000 hours of TV productions and an international satellite signal present in Latin America, the U.S., Europe, Australia and New Zealand. The company has highly trained professionals and outstanding equipment and infrastructure (11,700 m² of facilities distributed along 18 studios).

Telefe International, established in 1994, has gone a long way to become the first distributor of TV contents in Latin America with products currently present in more than 80 countries, in 35 different languages and with a total of more than 280 programming slots worldwide. This expansion process was led from the area in charge of international sales for the productions of their own TV network, Telefe. Nowadays, Telefe International’s activities include the distribution of contents from other production companies, the commercialization of their own network contents and formats, the production of specific adaptations of their own conceived content and production for others. What initially began as a marginal business mainly focused on Latin America (originally representing 75% of total sales), has diversified tremendously reaching avid markets in Eastern and Mediterranean Europe, Israel and Asia. Not only new markets but also new platforms were explored, as the company operates today TV, IPTV, VoD, Home Video and mobile TV.

A few examples illustrate the company’s export success. “Wild Angel” (Muñeca Brava), originally produced in 1998/1999, was sold to 0 different countries and adapted to local versions in countries as different as India and Portugal. “Montecristo”, originally produced in 2006, was sold to more than 45 countries in its original format and adapted to local versions in five other. “Tiny Angels” (Chiquititas), originally produced between 1995 and 2000, was sold to 30 countries and “Love’s Guard” (Amor en Custodia), originally produced in 2005, has been exported to more than 30 countries. The local success “Forever Julia” (Resistiré), originally produced in 2003, was sold to 20 countries and locally adapted in three, including the U.S. (FOX). This performance in highly demanding markets is not new: Telefe was the first Latin American TV network to license a fiction format—“Pretenders” (Los Simuladores)—to a Hollywood company (SONY).

Telefe has continuously embarked in new markets and segments. In relation to production services, the company has successfully produced programs such as “Frijolito” (Telemundo, México), “Tango para dos” (Russia), as well as many others exhibited in different Latin American countries. The production services are being increasingly exported worldwide.
Filming locally. Argentina is increasingly attracting audiovisual productions and post-productions. The combination of abundant human resources, competitive costs and striking scenarios makes the country an ideal location for the audiovisual sector, be it in advertising, cinema or television. Every year at least 15 foreign feature films (including co-productions) and more than 400 commercials and 600 productions are shot in the country for external markets. This trend, together with the booming local production, fostered an increase in employment (17%) last year. The combination of local industry expertise and world-class technological infrastructure makes the country an excellent location for post production and other services related to audiovisual industries. At the same time, local costs are truly competitive internationally. For instance, the agreed weekly salary for an assistant director is US$830, US$930 for a photography or art director and US$820 for an HD technician.

Policies. Domestic visual production is a publicly promoted activity. Different government bodies—such as the National Institute for Cinematography and Audiovisual Arts (INCAA), the city of Buenos Aires via its Metropolitan Funds for Arts and Sciences, and San Luis Cine—provide funding aimed at partially covering the expenses of the production process.

INCAA gives a priority to quality cultural projects, fostering co-production as a means of enhancing the diffusion and distribution of local productions abroad. Argentina has signed bilateral agreements with several American and European countries, and multilateral agreements with a number of Ibero-American countries. Co-production agreements signed with other countries allow producers to jointly make films with the aim of getting them certified as “national production” in their respective countries, gaining access to industry-specific legal benefits. When there is no co-production agreement, the project may enjoy the benefits of a “national production” if it is in accordance with the general co-production rules.

With the goal of promoting the country’s attractiveness in every stage of the production process, INCAA created the Argentine Filming Commission (CAF) to promote the use of natural stages, historical sites and eye-catching cities within Argentina that may be used as locations for audiovisual productions. CAF also fosters common actions between the public sector and the participants in the audiovisual production field, promotes the use of local resources and offers a free service to help producers obtain the permits required for shooting. CAF provides assistance and information about the extensive available infrastructure, a complete database for searching locations, and extensive legal and fiscal assistance. Along...
the same line, the city of Buenos Aires established Buenos Aires Set (BASET) as the specialized platform to assist audiovisual production in the city. In fact, more than half of feature films and three quarters of commercials made in the country were shot in the city of Buenos Aires. During 2007, BASET issued 611 shooting permits for commercials and 27 for films.

**Televison and Entertainment.** Regarding TV, Argentina is currently the world's fourth largest producer and exporter of television content. Main export destinations are Europe, Mexico and Israel. The leading domestic production companies are 4-Cabezas, CMG (specialized in contents for teens), Ideas del Sur, Pol-Ka, Underground, and the TV network Telefe. The main players in the international distribution of TV content are Telefe International (distributing its own productions and others developed by independent production companies) and Dori Media Group (an Israeli company established in the country in 2006). Nowadays, many production companies are not only exporting their formats but also offering to entirely produce in Argentina new editions of acclaimed series to sell worldwide. At the same time, different cable signals (like MTV Networks) are choosing the country as a location for production because of its competitive advantages. In addition, local production companies are increasingly attracting international investments for the early stages of production, in exchange of exclusive rights for world distribution and commercialization.

**Animation.** An animation industry is booming in the country with growing animation production companies entering the market. Some of these firms are subsidiaries of domestic film producing companies (as Patagonik Animation, a subsidiary of Patagonik films) while others are independent start-ups, as in the case of Hook up animation and Encuadre. Despite its youth, these firms are gaining international reputation for its products quality, and client portfolios that include Cartoon Network and Walt Disney Television, among others. Some of the domestic productions attracted a big deal of attention and audience, either in cable TV (as “Mercano El Marciano”) or in the box offices, as in the case of “Ratón Perez”, “Dibu” and “Patoruzito”. Several awards obtained in the Animation Festival at Annecy (France) prove the quality of the industry. The Argentine Association of Animation Cinema (AACA) agglutinates the industry and advocates for rising levels of technological development and knowledge. Established as the local chapter of the Association Internationale du Film D’Animation (ASIFA), AACA co-organizes Expotoons, an annual fair and business round which has become a fundamental date in the animation calendar worldwide.

**Advertising**

**Market.** The advertising industry has a long tradition in Argentina, based on domestic creativity and talent. In fact, the advertising industry traditionally served as the main training ground for many gifted young movie

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**CASE STUDY**

**MTVN LATIN AMERICA: investing in Argentine creativity**

In 2007, MTV Networks decided to establish its creative and administrative center for Latin America in Argentina. With a total committed investment of US$76 million for the next five years, MTV is relocating in Buenos Aires some of the operations previously performed in Miami (U.S.). The combination of innovation capabilities, technological readiness and first-class creative local talent, in addition to competitive costs, were crucial to successfully relocating such operations. The new center plans to serve as both creative and administrative headquarters. A wide range of activities will be carried out: programming, production and art; subtitling and dubbing; and development of digital media and communications. It is expected that the location will generate a total of 450 jobs (200 of which will be direct positions in production, programming, art, technology and communications). This recent relocation confirms Argentina’s potential to become a creative player in the international scene.
directors. This highly artistic and creative legacy is reflected in the relevance of the country in the industry's international festivals. The Argentine advertising industry is characterized by a combination of leading companies—national and international— and a number of smaller creative firms. The main players in the international scene (as Dentsu, Havas, Interpublic, Omnicom, Publicis Groupe and WPP) are well established in Argentina. During the last two decades, many young domestic agencies grew strongly and revolutionized the local industry—being, eventually, acquired by international firms. To date, almost 800 advertising agencies operate in Argentina, though less than 50 practically control the market. The main agencies are represented in the Argentine Association of Advertising Agencies (AAAP).

**GROWTH.** Advertising expenditure rises to over US$2 billion in Argentina, and is expanding at accelerated rates (figures for 2007 were 19% higher than those of 2006). The most relevant channel for advertising is TV, which together with graphic media explains 75% of total investment. On-line advertising stands out as a particularly dynamic segment (growing 43.7% in the last year), fostered by new communication strategies and the arrival of international firms like Google and MSN. Advertising exports also boomed in the last years, at an average rate of 105% from 2002 to 2006, reaching around US$200 million. Every year more than 13,000 people are employed in more than 600 commercials being produced for external markets. Argentina has well-trained professionals at affordable prices: a photography director and camera-person receive US$700 and US$250 for 12 hours, respectively.

**DESIGN**

**MARKET.** Ranging from architecture, decoration, urbanism, and industrial design to packaging, stage design, publicity, graphic design and corporate marketing, the local design industry is thriving. Design is increasingly entering higher value market segments in Argentina through the introduction of design-led processes and innovative technologies. A new generation of young and creative designers has given free reign to their imagination and talent and is increasingly selling their creations to both the national market and the world. Different designers and design studies stand out globally, such as BKF (Bonet, Kurchan, Ferrari Hardoy) and Manifesto (office furniture), among others. More than 60 design studios were present in the local Design Festival in 2006. Indeed, the United Nations Educational, Scientific and Cultural Organization (UNESCO) distinguished Buenos Aires as the first City of Design in August 2005.

**TRADITION.** This boom is not entirely new: Argentine designers have held important positions in the design departments of large companies around the world (such as Ferrari, Honda, Lancôme, Nokia and Renault, to name but a few) for quite some time. Going back several decades, we find one of the icons of Argentine design, the BKE chair or butterfly chair. The BKE chair conquered the world in the 1950s and became part of the collection of the Museum of Modern Art in New York. Many Argentine professionals shine in the global design scene. Among them, Tomás Maldonado is known as one of the top design theorists in the world, founder of the Ulm School—the most important design school in Europe after the Bauhaus.

**POLICIES.** Different public initiatives are supporting this fast growing design industry. Specifically, the Secretariat of Industry is implementing a National Design Plan, whose main objectives are to highlight design as a key factor for competitiveness and help firms in the execution of their design initiatives, providing them with assistance and linking them with available funding. The Plan comprises several programs, including: Promoting Design in the Productive Sector; Development of a National Design Network; and Training and International cooperation. At the same time, the program developed an industry-specific...
directory, national workshops and fairs and different design awards (Marca, Design and Productive integration in Furniture, Innovar).

The Metropolitan Center for Design (CMD) is a public initiative created by the city of Buenos Aires which assists firms, designers and entrepreneurs to improve their competitiveness via the use of design and innovation. The CMD implements different programs aimed at creating and transferring know-how that enables product differentiation. Additionally, the CMD is responsible for the city’s design fair (El Dorrego) and for INCUBA (an incubator for creative industries’ firms).

The vitality and drive of the design industry is evident by the many contests organized or sponsored by firms or chambers of commerce: Ternium (oriented to design in steel); Alpargatas (for textiles); Grimoldi (for shoes); FACIF-Para Ti (for leathers and alternative textures); FEDEMA and PVC Association (oriented to the design of specific materials); and, Unilever, CODEAR and Hipercasa (aimed at specific functionalities).

**FASHION**

**Not just a fad.** The national apparel industry is positioning itself as a leader in South American haute-couture with Buenos Aires as the fashion capital of Mercosur. Within the last couple of years, an extraordinary number of fashion shows have taken place in Buenos Aires, establishing the Buenos Aires Fashion week (BAF) as an important event in the worldwide fashion calendar and as a special moment where everybody in the city is even more concerned about looks and fashion.

An important factor in the sector’s success is the battery of actions undertaken by the Argentine Apparel Industry Chamber and other associations along with the Federal and Buenos Aires governments.

An ever-rising number of youngsters are being attracted to the world of fashion design every year. In fact, the fashion design program at the University of Buenos Aires attracts over 2,000 new enrollments every year, having become the career with the highest increase in university enrollment in the recent years.

**Fashion designers.** Successful fashion designers and trend-setters such as Cora Groppo, Estebecorena Brothers, Jessica Trosman (Trosman), Lucía Sanchez, Mariano Toledo, Martín Churba (Tramando), Pablo Ramírez and Vero Ivaldi, among many others, are paving the way for newcomers. Many parallels are being drawn between the successful textile industry in New York and Buenos Aires’ potential. The capital city has the highest concentration of textile production in Argentina. In this context, new designs and textures are combined in the most innovative ways, going beyond conventional standards.

**An evolving industry.** Key industry stakeholders—firms, trade associations and governments—are encouraging local manufacturers to take full advantage

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**Buenos Aires, first City of Design**

In August 2005, UNESCO declared Buenos Aires as “City of Design”, under the umbrella of the Creative Cities Network. This network aims at establishing new ways of association between the public sphere, the private sector and civil society to free the creative, social and economic potential of creative industries. The Creative Cities Network—created in 2002—connects cities which desire to share experiences, ideas and best practices aiming at cultural, social and economic development. Cities may apply to be endorsed by the Network and join the program to ensure their continued role as centers for excellence and to support other cities, particularly those in developing countries, in nurturing their own creative economy.

Buenos Aires was selected as City of Design because of the combined public-private impulse to the discipline, making the city a fertile ground for the production of differentiated and design-intensive goods. Buenos Aires stands out for the quantity and quality of its design professionals as well as study, research and development centers, generating optimal opportunities to map consumption trends that inspire firms to produce novel products. Buenos Aires was followed by Montreal (May 2006) and Berlin (November 2006).
of the extensive domestic resources available. Only about 16\% of leather, 30\% of cotton and 13\% of national wool production is currently consumed by the Argentine apparel sector, with a hefty remainder leaving the country as raw material. From a business perspective, the garment industry has changed with the aim of conquering different domestic and regional segments. The great achievements have, in turn, attracted foreign capitals to support the industry. Moreover, the industry’s growth has given rise to service activities such as modeling schools, tertiary and university fabric and fashion-related studies.

VIDEOGAMES

Attractive Segments. This rising segment emerges from the intersection of two highly dynamic sectors in Argentina: creative industries and software. Videogames are undergoing a strong development worldwide, distributed in four different types of segments: games for consoles (home or portable); games for personal computers; on-line games; and games for wireless devices. Argentina has already accomplished different levels of progress in all segments.

Market. In the domestic videogames market, brand new local firms co-exist with foreign companies. More than 50 firms (employing over 500 people) are exclusively designing and developing videogames, mostly oriented towards export markets. Some of these firms work for international companies—like Digital Builders that develops products for Cartoon Networks—while others work independently on their own products—such as Immune Games, specialized in the development of games for mobile phones. Growing integration to global markets is observed in some segments, such as in advergaming and games for mobile phones. However, some developments oriented to the domestic market exhibited interesting performances recently (such as “Yo Matias” and “Malvinas 2032”). An overwhelming majority of these firms (84\%) are involved in developing games for use on personal computers. Other rising segments include videogames for the web (48\%) and for mobile phones (39\%).

Abundant Skills. In terms of location, two thirds of the firms are located in the city of Buenos Aires, while another 16\% is located in the city outskirts. The sector impetus is driven by the qualifications of the young local population. A majority of the domestic entrepreneurs have a formal education in programming and software: 58\% of the owners achieved university education and 12.5\% have completed technical studies.

Sector Initiatives. This sector’s expansion has led to the creation of the Argentine Association of Videogames Developers (ADVA) in the year 2000, an association which represents the firms in the sector and is also responsible for the Argentine Videogames Exhibition (EVA) and a series of championships and awards for amateurs and independent developers.
IV. Foundation for Success

A combination of highly-skilled human resources, renowned professionals, natural richness, world-class technological infrastructure and a vibrant and creative culture position Argentina as an engine of creative industries worldwide.

CREATIVITY

A VIBRANT CULTURE. Argentina is a country endowed with an enormously rich and varied culture. Tango music and dance are world renowned and today stands as Buenos Aires’ main cultural icon, as shown by the growing sale of records, tickets for concerts, dance shows, dancing classes, shoes, trinkets and specialized magazines. But not everything boils down to Tango in Argentina. Folk dances are popular and a new generation of ballet dancers offers marvelous performances at the splendid Buenos Aires Opera House (Teatro Colón) and diverse open-air scenarios. Argentina is also known for its theater industry that can be compared to that of very few countries in the world; with over 200 plays shown regularly on Saturdays: 10 shows per hour. The Argentine people's growing interest in reading can be measured by attendance records at the Buenos Aires International Book Fair, which was visited by 1.2 million people this year. Meanwhile, Argentine works of art are experiencing an unprecedented growth in sales. The vibrant artistic life in Argentina’s main urban centers is also known across the globe, where dynamic and diverse cultural activities include 740 museums, 2,807 theatres and 498 cinemas.

LOCAL SKILLS AND TALENT

TRAINING THE CREATIVE IMPULSE. Argentina’s educational level is similar to that of developed countries and is well above the educational standards of other Latin American countries. More specifically, Argentina has an abundant pool of human resources in design, fashion, and audiovisual production and post production. Many universities, as well as a wide range of tertiary education institutions, offer degrees in design, fashion design and cinema. The Metropolitan Institute for Design and Innovation (IMDI) in the city of Buenos Aires stands out as a special initiative established by a local government. In recent years, audiovisual arts experienced an outburst of specialized educational institutions which went beyond traditional schools. Many of the new generation of filmmakers and technicians were trained in the Cinema University; the National School of Experimentation and Filmmaking (ENERC), belonging to the INCAA; the Cinema Research Center (CIC), a spin-off of a cinema review magazine; and ORT technical schools.
INTERNATIONAL REPUTATION

AWARDED TALENT. Admiration for Argentine artists and authors goes well beyond the country’s national borders. The most famous of Argentine literature exponents is Jorge Luis Borges, but these also include three other Miguel de Cervantes Prize winners (Ernesto Sábato, Adolfo Bioy Casares and Juan Gelman) and a new generation of gifted young writers. Argentine artists received five Oscar Prizes, several Goya and San Sebastian movie awards and recognitions at the Cannes and Berlin Film Festivals. The vivid creativity in advertising is annually evident at the Clio awards and at the Cannes Lions Awards, where Argentine talent is increasingly recognized. Seven Latin Grammy Awards (2006) and eighteen MTV awards (2002-2007) also contribute to a growing international prestige.

TECHNOLOGICAL INFRASTRUCTURE

WIRED. The country offers a well developed technological infrastructure, including a modern and extensive telecommunications network and high-speed connectivity in continuous expansion. Argentina presents a TV penetration higher than the rest of the Latin American countries (201 TV sets/1,000 people) and an important diffusion of cable TV (5.7 million subscribers).
V. Main Challenges

Industry players and government agencies face key challenges to sustain growth and consolidate the sector’s competitiveness. In themselves, these challenges present attractive opportunities for the industry and Argentina.

• **Support the generation of new firms:** facilitate the conversion of raw creative talent into profitable business opportunities; support the growth and consolidation of promising firms.

• **Capitalize on a remarkable reputation:** leverage the reputation of successful Argentine professionals, products and services to increase the external presence of high-quality, unique creations and solutions in creative industries.

• **Strengthen the Argentine Design brand-name:** consolidate individual successes into a recognized brand-name, boosting the visibility of Argentine creative industries.

• **Grow the pool of talents:** a sustained effort will have to be made to further support the emergence of highly skilled human resources in creative areas, such as audiovisual arts, design and fashion.

**OUR CHALLENGES ARE YOUR OPPORTUNITIES.**

SOURCES: The trends, data and figures included in this material were elaborated by ProsperAr on the basis of: National Institute of Statistics and Census; UNESCO; AAAP; ADVA; Argentine Book Chamber (CAL); CAPIF; Center of Studies for Production (CEP); Cinenacional.com; CMD; INCIA; INTI; Cultural Industries Observatory [City of Buenos Aires]; Argentine Cinematographic Industry Workers’ Union (SICA); Argentine Cultural Information System (SINCA) [Ministry of Culture]; Getino, O., “El Capital de la Cultura. Las industrias culturales en la Argentina”, CICCUS, 2008; Perelman, P. and Seivach, P., “La Importancia Económica del Sector de Videojuegos. Situación actual y potencialidades en Argentina”, CEDEM, 2006; and Aguilar, G., “Otros Mundos. Un ensayo sobre el Nuevo cine argentino”, Santiago Arcos, 2006.
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Argentina at a glance

Country profile

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<td>Capital city</td>
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<td>Main cities</td>
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<td>23 autonomous provinces and the Autonomous City of Buenos Aires</td>
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<tr>
<td>Time zone</td>
<td>GMT-03:00</td>
</tr>
<tr>
<td>Official language</td>
<td>Spanish</td>
</tr>
</tbody>
</table>

Main Economic Indicators

<table>
<thead>
<tr>
<th>GDP growth rate (annual %)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (PPP) (millions of US$)</td>
<td>333,399</td>
<td>373,041</td>
<td>419,568</td>
<td>469,750</td>
<td>524,140</td>
<td>572,860</td>
</tr>
<tr>
<td>GDP (millions of US$)</td>
<td>128,078</td>
<td>152,158</td>
<td>181,967</td>
<td>212,868</td>
<td>260,682</td>
<td>328,502</td>
</tr>
<tr>
<td>Exports of goods and services (millions of US$)</td>
<td>34,439</td>
<td>39,864</td>
<td>47,024</td>
<td>54,547</td>
<td>66,088</td>
<td>82,608</td>
</tr>
<tr>
<td>Imports of goods and services (millions of US$)</td>
<td>18,827</td>
<td>27,930</td>
<td>34,939</td>
<td>41,120</td>
<td>53,353</td>
<td>67,492</td>
</tr>
<tr>
<td>Balance of trade of goods and services (millions of US$)</td>
<td>15,612</td>
<td>11,934</td>
<td>12,085</td>
<td>13,427</td>
<td>12,735</td>
<td>15,115</td>
</tr>
<tr>
<td>Trade surplus (% of GDP)</td>
<td>12.2%</td>
<td>7.8%</td>
<td>6.6%</td>
<td>6.3%</td>
<td>4.9%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Current account surplus (% of GDP)</td>
<td>6.4%</td>
<td>2.1%</td>
<td>2.9%</td>
<td>3.6%</td>
<td>2.7%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Primary fiscal surplus (% of GDP)</td>
<td>2.3%</td>
<td>3.9%</td>
<td>3.7%</td>
<td>3.5%</td>
<td>3.2%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Gross capital formation (% of GDP, constant prices)</td>
<td>14.3%</td>
<td>17.7%</td>
<td>19.8%</td>
<td>21.6%</td>
<td>22.6%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Gross national savings (% of GDP, current prices)</td>
<td>19.6%</td>
<td>20.6%</td>
<td>23.7%</td>
<td>26.4%</td>
<td>26.6%</td>
<td>26.7%</td>
</tr>
<tr>
<td>Foreign direct investment (millions of US$)</td>
<td>1,652</td>
<td>4,125</td>
<td>5,265</td>
<td>5,537</td>
<td>6,473</td>
<td>7,979</td>
</tr>
<tr>
<td>Exchange rate ($) (US$)</td>
<td>2.95</td>
<td>2.94</td>
<td>2.92</td>
<td>3.07</td>
<td>3.12</td>
<td>3.16</td>
</tr>
<tr>
<td>Foreign reserves (millions of US$)</td>
<td>14,119</td>
<td>19,646</td>
<td>28,077</td>
<td>32,037</td>
<td>46,176</td>
<td>46,386</td>
</tr>
<tr>
<td>Unemployment rate (% of EAP)</td>
<td>17.3%</td>
<td>13.6%</td>
<td>11.6%</td>
<td>10.2%</td>
<td>8.5%</td>
<td>7.9%</td>
</tr>
</tbody>
</table>

Source: ProsperAr based on data provided by the Argentine National Institute of Statistics and Census, the Central Bank’s Market Expectations Survey (REM), the International Monetary Fund and the United Nations Conference on Trade and Development (as of April 10, 2009).
ProsperAr is Argentina’s National Investment Development Agency

Our mission is to develop direct foreign and domestic investment to contribute to Argentina’s competitiveness and sustainable development.

ProsperAr’s four main objectives are:

Provide services to investors

PROSPERAr provides investors with personalized professional services throughout the investment process, from initial advisory services to investment facilitation and aftercare. The Agency’s team assesses on investment projects, responds to queries from investors and provides key business information. Leveraging the Agency’s cooperative relationships with different government bodies, ProsperAr’s integral services offer investors a unified one-stop support system.

Attract and generate investment

PROSPERAr works in the promotion, attraction and expansion of both domestic and foreign investment. We identify investment and innovation opportunities in high growth sectors, communicating them to national and overseas investors through international missions, conferences, meetings and publications. We work to build relationships that enable multinational companies to take advantage of local, regional and global opportunities. We also encourage domestic firms to expand and develop their businesses.

Boost the Investment Environment

PROSPERAr works to strengthen Argentina’s investment environment. We interact with local and multinational companies, as well as potential investors, identifying and removing possible obstacles to doing business in Argentina. Through active dialogue with the private sector, and in coordination with other government departments, we advocate for the formulation of policies and programs to optimize the investment and innovation environment.

Promote the internationalization of local companies

PROSPERAr promotes the growth and internationalization of Argentine firms. Fostering local vocation for innovation and entrepreneurship and promoting overall competitiveness are key aspects of the Agency’s strategy. Two programs “Entrepreneur Development” and “Pioneers” are in place to strengthen local companies’ critical capacities in different growth phases. ProsperAr also assists international companies to invest in and/or work with their local counterparts to form global joint ventures.

ProsperAr is your strategic partner to invest and prosper in Argentina.

What ProsperAr can do for you:

>> Provide timely and relevant information on business sectors and geographical locations in Argentina.
>> Help identify investment and innovation opportunities in strategic sectors.
>> Troubleshoot red tape and obstacles; facilitate the investment process and doing business in Argentina.
>> Assist in building partnerships between foreign investors and local companies.
To learn more about how investing in CREATIVE INDUSTRIES in Argentina can benefit you, please contact us:

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