

AGENCIA

**I-COMEX**

*LA PAMPA*

***LA PAMPA'S  
INVESTMENT  
OPPORTUNITIES***

Banco de La Pampa

 **LA PAMPA**  
Gobierno en Acción

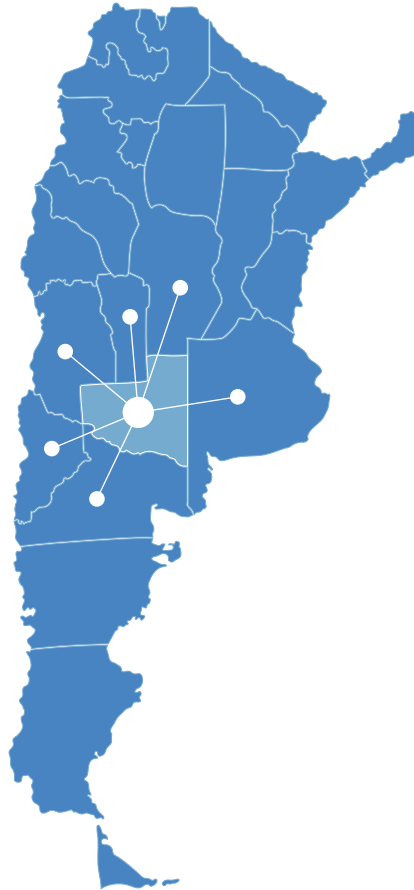




# PRESENTATION OF THE PROVINCE OF LA PAMPA

La Pampa has a strategic location: it is equidistant from surrounding provinces and close to the country's major ports, which provides a fast and constant access to foreign and domestic markets. It is one of the regions with the best standard of living in Argentina, and an economic and productive infrastructure prepared to receive new investments and boost the current ones.

It is also the gateway to Patagonia: most of the southwestern area of La Pampa is part of the Patagonian region, which entails a political, social and institutional integration of both regions; the smallest northeastern region is part of La Pampa.



## NATURAL RESOURCES

The territory of La Pampa has three well differentiated environmental areas: the steppe, the thorn forest, and the thick forest. The northeast comprises the steppe region, a grassland area currently under cultivation. This region has the best rainfall records in the province, good soils and temperatures characteristic of warm climates, which accounts for the province's highest productive development and the largest population density.

This area has an outstanding production of grains and pastures. Industries related to the production of machinery and tools for agriculture and oilseeds processing, such as oil mills and biofuel plants, complement these activities. On the other hand, the high-quality pastures are excellent for breeding and fattening, mainly cattle coming from the rearing area and other provinces.

The thorn forest region comprises the center of the province, running diagonally from northwest to southeast. Finally, the thick forest region located to the west, which covers 50% of La Pampa's territory.

Rainfall and soil quality decrease towards the west and southwest, and thermal amplitudes are extreme. The harsh conditions of the environment are more serene in the far west, where cattle breeding, mining and irrigated agriculture are developed on the Colorado River.

The Colorado River delimits the south of La Pampa and represents an outstanding development opportunity. The Casa de Piedra reservoir is in Colonia 25 de Mayo and provides irrigation for surrounding areas and electric power. This has a positive impact on activities such as fish farming, leisure and tourism. Up to 85,000 hectares are expected to be developed through irrigation.

Surface waters constitute the most important portion of water resources. They have particular importance in our province, which is largely located in a semi-arid region.

The provincial territory also has aquifers within the provincial public domain, which have been declared strategic resources to ensure their exploitation.

### PERSONALIZED SERVICE

From I-COMEX La Pampa we enhance PUBLIC-PRIVATE RELATIONSHIPS, and act as a link between investors and the different government agencies to carry out projects that promote the development of the province.

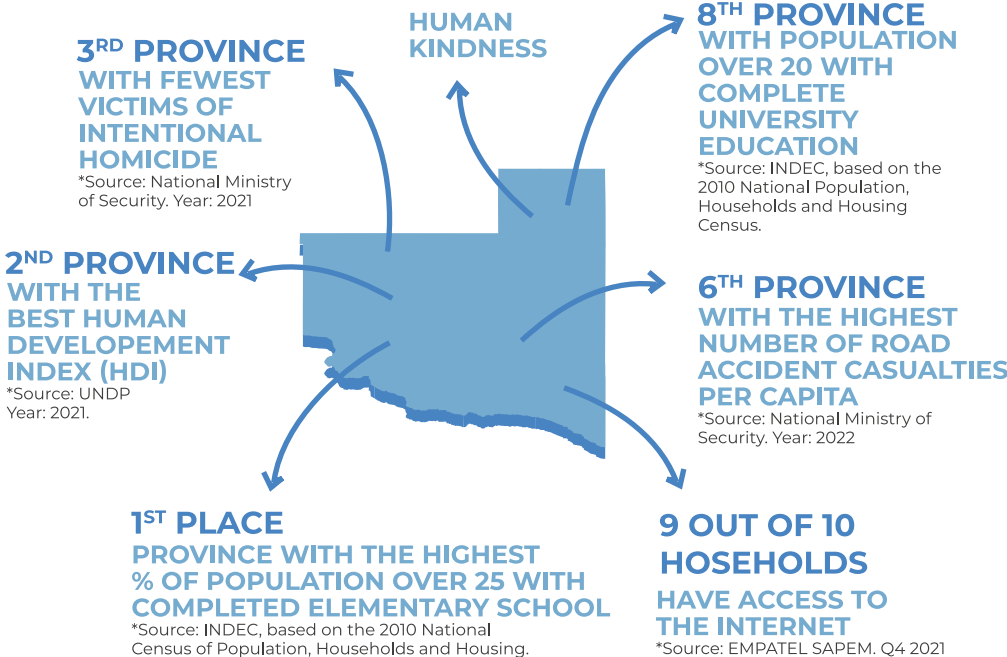
La Pampa is characterized by PERSONALIZED ATTENTION at top decision-making levels: we offer the private sector the possibility to contact the different governmental agencies to facilitate direct communication with the authorities in the different levels of the public sector.

### STANDARD OF LIVING

La Pampa has higher household and per capita income levels compared to the national average and it is the province with the highest percentage of population with their basic needs covered.

In addition, La Pampa is one of the safest provinces in the country, ranking third among the provinces with the lowest number of homicide victims, far below the national average.

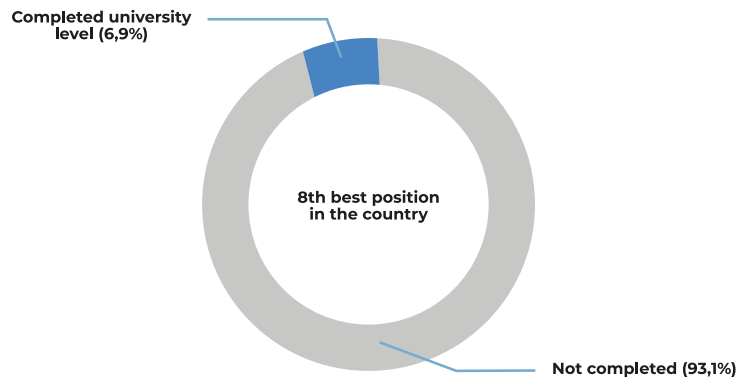
\*Source: National Ministry of Security.



## HUMAN RESOURCES

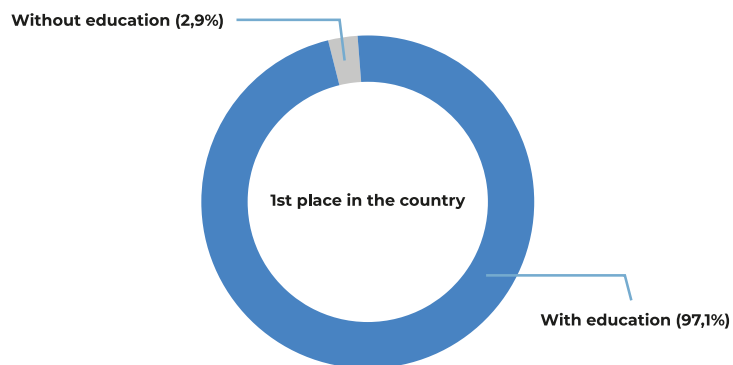
Regarding educational level, La Pampa ranks first among the provinces with the highest percentage of population over 25 with completed elementary school. It is the 8th province with the highest percentage of the population over 20 years that has completed university.

**Percentage of population over 20 with completed university level - Year 2010.**



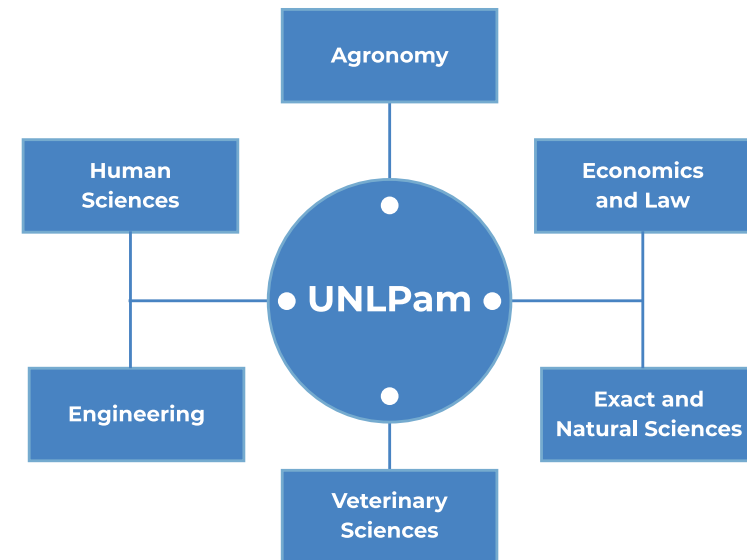
Source: INDEC, based on the 2010 National Population, Households and Housing Census.

**Population of over 25 with a certain level of education.**



Source: INDEC, based on the 2010 National Population, Households and Housing Census.

The Universidad Nacional de La Pampa, with a 60 years' history, offers over 60 undergraduate, graduate and postgraduate courses and is made up of the Schools of Agronomy, Human Sciences, Engineering, Veterinary Sciences, Exact and Natural Sciences, Economics and Law.



Other factors, such as the high level of peacefulness, the low population density and the low migration rate, make La Pampa one of the provinces with the highest standards of living in the country. Moreover, La Pampa offers personalized attention in all areas, both public and private, and easy access to the authorities in the different levels of the public sector. All this makes La Pampa a hospitable place with excellent opportunities to settle down and develop at a personal and professional level.



## FISCAL POSITION: WELL-ORDERED PUBLIC FINANCES

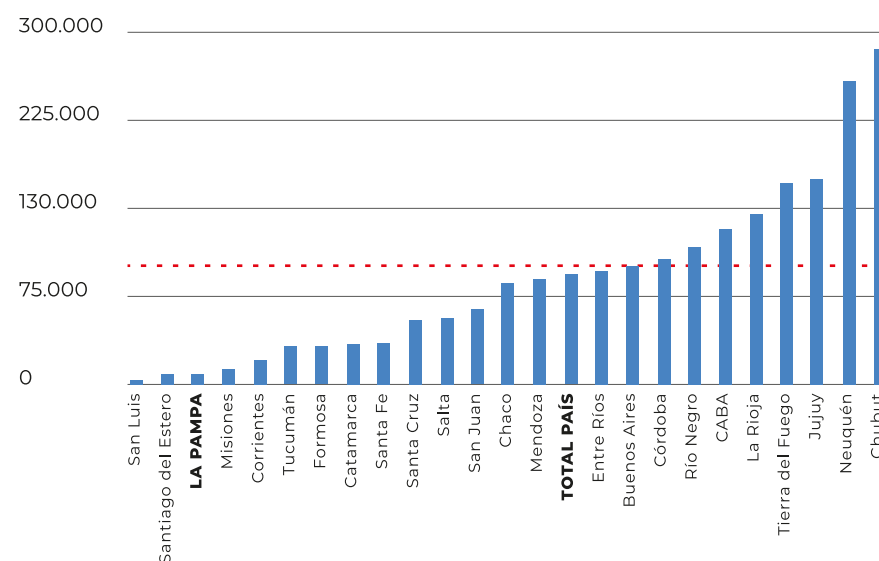
Historically, the province of La Pampa has been characterized as being one of Argentina's provinces with the best performance in terms of the management of its fiscal policy and, specifically, the management of its public debt.

In this sense, La Pampa is among the provinces with the best results, both in terms of its financial results and its stock of debt per cápita. Taking into account the financial results in 2022, La Pampa is the second province with the best fiscal per cápita performance.

Regarding its indebtedness, La Pampa's well-ordered public finances constitute an official state policy that has been maintained throughout more than 30 years of democracy and that made possible to meet the needs of its population and its productive system even in the worst crises of Argentina.

As a matter of fact, the efficient and effective management of its public resources allowed La Pampa to be the third province with the lowest stock of debt per cápita in the country, according to the latest available data from the Ministry of Economy of Argentina.

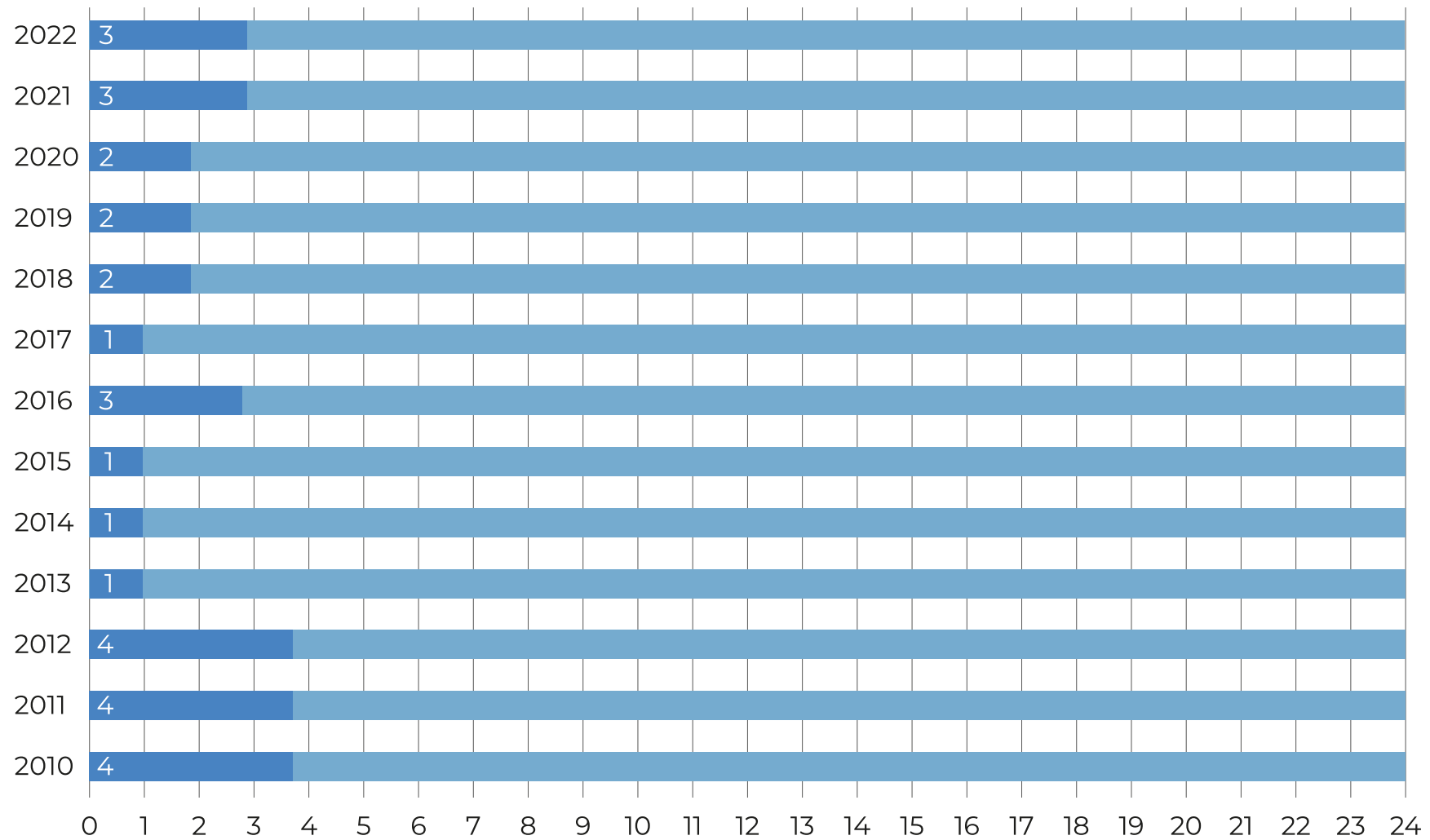
## STOCK OF DEBT PER CÁPITA AS OF DECEMBER 31, 2022 (IN PESOS)



Source: Ministry of Economy (National Directorate of Provincial Affairs).

In addition, La Pampa was able to maintain, in a long-term perspective, this positive performance in its fiscal accounts by showing a stock of per cápita public debt that always stood among the lowest when compared with the other 24 Argentinian provinces.

## RANKING OF PER CÁPITA STOCK OF DEBT. POSITION OF LA PAMPA.



Source: Ministry of Economy (National Directorate of Provincial Affairs).

# INSTRUMENTS FOR INVESTMENT PROMOTION IN LA PAMPA

With the aim of promoting and consolidating investments in the province of La Pampa, the Government of La Pampa, through Banco de La Pampa, offers the productive and the production support services sectors a wide range of credit options. These credits are granted by means of provincial funds through Banco de La Pampa and Consejo Federal de Inversiones (the Federal Investment Council).

## PROMOTION TOOLS

<b>FINANCING FOR DEVELOPMENT</b>	<b>FREE-TRADE ZONE</b>	<b>GUARANTEES</b>	<b>TAX INCENTIVES</b>	<b>PROGRAM FOR THE STRENGTHENING OF LA PAMPA'S WORKFORCE</b>	<b>INDUSTRIAL PARKS</b>
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### BANCO DE LA PAMPA FINANCING

Two long-terms credit lines aimed at financing investment projects and working capital respectively, with subsidized rates designed to meet the needs of each sector in the provincial territory.

- Financing line for working capital: comprised of a credit of up to \$50,000,000 per project with a maximum term of up to 24 months, with up to a 6 months' grace period.
- Credit line for financing general-purpose investments: comprised of a maximum amount of up to \$450,000,000 per project, financing up to 80% of the investment. The maximum term is up to 7 years, with up to a 24 months' grace period.



There are other financing lines in force which complement the proposal:

- “Compre Pampeano” (Buy from La Pampa) commercial line: companies registered in the Registry of Products from La Pampa may increase their competitiveness by obtaining financing at subsidized interest rates from the Ministry of Production and obtain benefits in state calls for bids: when two equal proposals are received, the registered company will be the successful bidder.

## GENERAL PICO FREE-TRADE ZONE (ZFGP)

Located in a strategic point of the country, the ZFGP facilitates access to main markets and reduces the companies' supply lines.

The free-trade zone is one of the province's main tools to attract local, national and foreign direct investments. Its special tax, customs, exchange, foreign trade and capital investment regulations provide multiple benefits, making it even more attractive, while strengthening the business cluster and boosting the competitiveness of the country and the region

### TAX AND CUSTOMS BENEFITS FOR THE ESTABLISHMENT OF NEW COMPANIES

- Export duties: exemption from payment of duties on VAT and imported inputs within the ZFGP.

- Sales to the General Customs Territory (TAG)- 100%: All the production can be incorporated to the TAG for its commercialization, allowing for the establishment of industries. The ZFGP is an industrial park that also offers customs benefits.
- Exemption from employer's contributions and 100% reimbursement of social security contributions.
- Exemption from taxes on utilities: telecommunications, gas, water, sewage and drainage.
- Exemption from all municipal and provincial taxes (Sales Tax).
- Exemption from Statistical Fees (3%).
- Import duties: imported raw materials and supplies for ZFGP pay the nationalization duties when introduced to the TAG and not upon arrival in the country. Nationalization duties are allocated only to the imported parts of the finished product (waste and inputs used during the process are not taxed).
- Capital goods exempt from nationalization duties.
- There is no economic restriction for the entry of used capital goods.
- Civil works materials: exempt from VAT and local taxes.
- Issuance of warrants free of charge.

For these reasons, the ZFGP has become the main promoter of business development and employment in the region.

## FOGAPAM

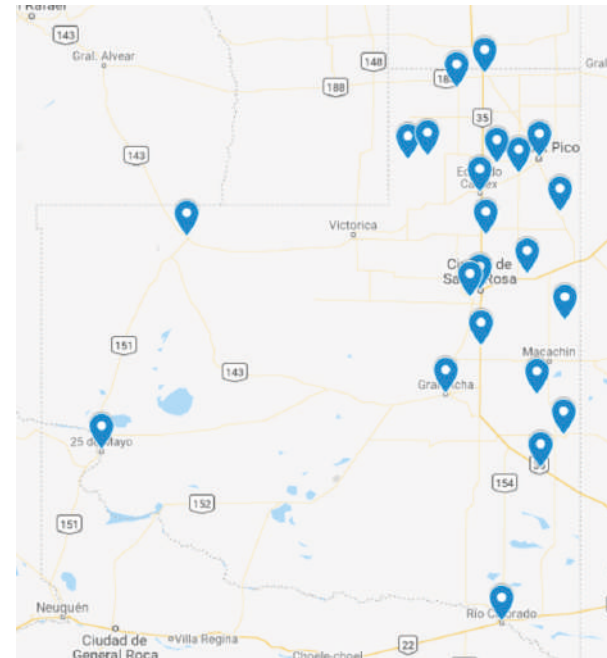
For those micro, small and medium-sized companies that have difficulties in accessing credit, the province of La Pampa offers the “Fondo de Garantías Pampeanas” (FOGAPAM, La Pampa’s Guarantee Fund). This innovative instrument enables SMEs not only to have a guarantee to access credit in the banking financial system but also to obtain, for the first time, financing through the capital market. It also fosters the development of new financial tools to make investment more dynamic.

## TAX INCENTIVES

The province offers a reduction of sales tax rates of up to 40% and a reduction and/or elimination of the remaining provincial taxes to reduce the tax burden. A zero-tax rate is promoted for some sectors, such as the industrial sector and the mining or quarry exploitation activities.

## INDUSTRIAL PARKS

The province has 22 districts with consolidated industrial parks (parks with, at least, 3 companies established, in operation and expanding the infrastructure and services available) and parks under construction (parks that are in the process of providing infrastructure and services and companies under construction).



The cities of Santa Rosa, 25 de Mayo and General Pico have two industrial parks each. All parks in La Pampa are public.

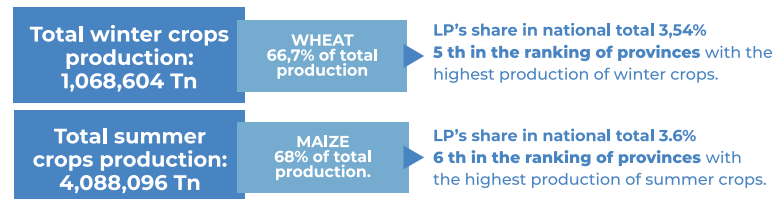
# LA PAMPA'S INVESTMENT POTENTIAL

La Pampa has a highly diversified productive scheme, developed according to the assets and resources of each region as well as their potential investment opportunities. Even though agriculture and livestock are two of the main economic activities, the province has also registered a significant growth in strategic consolidated sectors in the provincial economic structure.

## CONSOLIDATED SECTORS

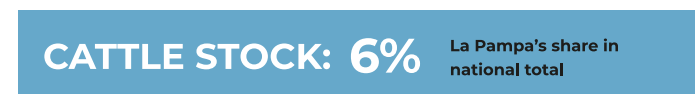
**Agriculture:** agriculture is one of the main economic activities and determines the productive profile of the province. Winter crops: the main crop is wheat, but barley, malting barley, oats and rye are also produced.

Summer crops: the main crop is corn, followed by sunflower, soybeans, sorghum, and peanuts.



Source: Harvest 2021/22. Own elaboration based on data from the Ministry of Agriculture, Livestock and Fisheries.

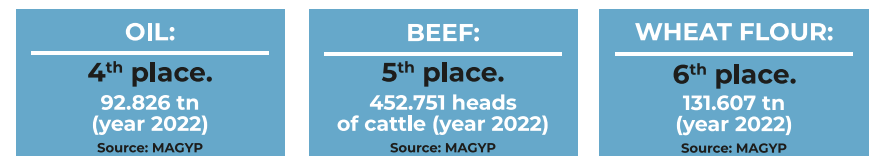
### Livestock:



La Pampa is the 6th province with the largest cattle stock and accounts for 6% of the national total. Year 2022

**Apiculture:** It has a prominent place in the production structure. In 2022, La Pampa was the 5th province with the highest number of beehives and with honey exports which increased by 62% YoY. Honey was also the fourth most exported product during 2022 (I-Comex, MAGyP and Export Value).

### Agroindustry



**Mining:** The main activity is the production of salt for the food and chemical industries. In 2018, La Pampa's share in the national total was 21.7% and reached the 2nd position in the ranking. Other minerals are also extracted, such as bentonite and Limay Mahuida marble (black marble).



**Hydrocarbons:** Oil and gas production takes place in the west of the province, in the department of Puelén, and represents an important economic resource for local productive development and employment generation.

In 2022, La Pampa was the sixth province with the highest oil production, accounting for 2.58% of the national total (National Energy Secretariat).

## SECTORS WITH POTENTIAL

**Energy (renewable):** The province has a wide range of resources available: wind, sun, biomass, organic waste, water resources, as well as oil and gas reserves. The Strategic Energy Plan promotes policies to boost public and private companies in operation and promote the establishment of investors in La Pampa, focusing on the enhancement of renewable resources to achieve energy self-sufficiency.

**Tourism:** Tourism is an important sector with potential in various areas. The rural experience of staying in a ranch in La Pampa brings you close to our province's traditions. Health tourism capitalizes on different thermal-mineral-medical sources and other related options. La Pampa has two thermal centers that offer different therapeutic treatments. Besides, adventure tourism offers wild environments and closeness to nature. Hunting is an important activity which attracts many foreign hunters. There are 30 authorized hunting grounds (2020) with a hunting calendar and quotas allowed per hunter.

**Irrigated areas:** The Colorado River water development system has a large irrigated cultivated area where different types of crops are grown (fodder alfalfa, cereals, fruit trees, vines, horticultural and forestry plantations, among others) and livestock (mainly sheep, goats and pigs). These activities can be complemented with local biogas production.

Nut crops such as walnuts, almonds, pistachios, hazelnuts and olives, which are not part of this family, have also been incorporated.

The Rio Colorado area has the right conditions to develop nut crops; these types of crops have increased and are expected to continue growing in the coming years.

This area also has great potential for projects aimed at grape vine production to produce medium and high-quality wines. The distribution of pressurized water without water conduction losses constitutes a unique opportunity to position local wines, by highlighting production without water waste to achieve high standards in sustainability and water footprint measurements and thus obtain green seals.

The irrigated area includes the towns of Colonia 25 de Mayo, Casa de Piedra, La Adela and Gobernador Duval, where 240 families live and work. The extension of the net irrigated surface area currently exceeds 12,400 hectares, with great potential and in steady growth due to the availability of hectares with access to irrigation in the town of 25 de Mayo and the future availability of land in Casa de Piedra.

Water availability for the irrigation system depends on the Colorado River water flow. A vast extension of the Argentine countryside is badly affected by water shortages and extreme temperatures; however, Casa de Piedra represents a unique location with

irrigation infrastructure and access to a 35,000-hectare lake, offering investors three major advantages: land with water for irrigation, very low exposure to frost due to the lake proximity, and a comprehensive package of benefits for investment.

Casa de Piedra's productive development area continues to consolidate with a new investment in a construction project to enhance and boost irrigation in this zone and provide new areas with water resources. A 2,200 m<sup>2</sup> winery with a processing capacity of 350,000 liters per season is also being built.

The expansion of Casa de Piedra's productive area is another current initiative. In 2023, the number of hectares to be put into operation doubled, and this was part of the 2023-2028 Investment Promotion Program in Casa de Piedra. This represents a private investment of around U\$S 8,000,000, which will generate an annual production of 762,500 kg/year of pistachios and 75,000 liters/year of wine, as well as the creation of, at least, 43 new jobs in the area.

The government of La Pampa offers these tools to future investors to continue expanding the hectares in the area already under production: special benefits for the settlement of workers in Casa de Piedra town through serviced lots for sale, as well as the construction of new houses by the Provincial Government. In addition, there are subsidies on water supply costs and a package of tax incentives that include tax credits to offset turnover tax and other provincial taxes.

**Communications- EMPATEL S.A.P.E.M.:** Projects that include cable television, internet and other related services which foster the development of the area are promoted.

EMPATEL S.A.P.E.M. is a company created in 2019 with state majority holding, destined to the exploitation, commercialization, provision and promotion of telecommunication services in areas of the province of La Pampa where these services are not provided by utility companies. In those cases, EMPATEL promotes the provision by cooperatives in the "last mile".

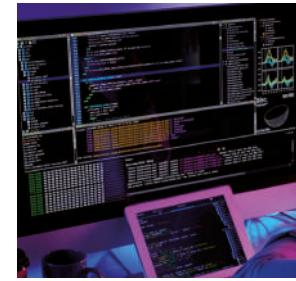
Aguas del Colorado S.A.P.E.M., other provincial public works and utility companies, and SMEs that provide cable television, internet and other related services also hold shares in the company. The province of La Pampa has a network of over 1950 km of optical fiber and over 1200 km of high-capacity radio links that connect 44 towns and provide coverage to over 90% of the population. In the areas with fiber optic cables, there are 1 Gbps, 10 Gbps and 50 Gbps (DWDM) technologies based on the population density of each region. On the other hand, high-capacity radio links provide bandwidth that ranges from 200 to 900 Mbps. The province also has an aqueduct network of over 900 km.

**Knowledge-based services:** Besides the province's highly qualified human resources, the benefits of the ZFGP offer an important competitive advantage to professional services, software development, export industries, laboratories and pharmaceuticals, among some of the knowledge-intensive sectors that develop activities with high value added content and technological innovation.





# LA PAMPA'S INVESTMENT OPPORTUNITIES



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