

Survey of U.S. Companies with Operations in Argentina

We are interested in American firms which have a substantial direct capital investment and which have been identified by the parent firm as a wholly or partially owned subsidiary, affiliate or branch. Franchises, representatives and non-commercial enterprises or institutions such as hospitals, schools, etc, financed or operated by American philanthropic or religious organizations, are not included.

This questionnaire is designed to request general, rather than specific information about your firm and its operations in Argentina. The information requested in this questionnaire will be kept confidential to protect you and your firm's identity.

This information will be used for scholarly purposes only.

Please feel free to comment or add unsolicited information if you feel it can help improve the information you provide.

We thank you in advance for your time and cooperation!

Researchers:

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Please address any correspondence to:

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1. In what cities or regions in Argentina does your company have offices?

Please list all major locations:

2. In which industries is your company active in Argentina?

Check one:

- | | | |
|---|--|--|
| <input type="checkbox"/> Mining | <input type="checkbox"/> Tourism | <input type="checkbox"/> Consumer goods |
| <input type="checkbox"/> Energy (gas, petroleum, etc) | <input type="checkbox"/> Telecommunications/Technology | <input type="checkbox"/> Textiles |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Construction | <input type="checkbox"/> Agriculture |
| <input type="checkbox"/> Real Estate | <input type="checkbox"/> Automobiles | <input type="checkbox"/> Other (specify) |
| <input type="checkbox"/> Retailing | <input type="checkbox"/> Transportation | |
-

3. Which of the following best describes the relationship between your operations in Argentina and your US headquarters (parent company) ?

Check one:

- Locally owned, but strategic partner/ affiliate of US company
- Subsidiary
- Joint Venture
- Other, please explain below:

4. Why did your company decide to take its operations to Argentina?

5. In what year did your company begin Argentine operations?

6. Have there been any major expansions or contractions of your business activities in Argentina since that time?

Contraction

Expansion

What, when, and why?

7.

a) In relation to your firm's other offices worldwide, how would you characterize your company's performance in Argentina during the last three years?

Far below average 1 2 3 4 5 Far above average

b) In relation to other Argentinean companies in the same industry, how would you characterize your firm's performance in Argentina during the last three years?

Far below average 1 2 3 4 5 Far above average

8. Briefly, what factors do you believe account for your company's success/lack of success in Argentina during the last three years?

1. _____
2. _____
3. _____
4. _____

9. How would you rate Mercosur (South Common Market)'s influence on your operations in Argentina?

Highly Unfavorable 1 2 3 4 5 Highly Favorable

10. As you are probably aware this trade agreement will eventually allow for the free movement of goods, services and factors of production among member countries (one of its ultimate goals), and has already established a CET (Common External Tariff).

A) In your opinion, what are the potential strengths of Mercosur as a market?

Check all that apply:

- | | |
|--|--|
| <input type="checkbox"/> Population Size | <input type="checkbox"/> GDP Size |
| <input type="checkbox"/> Other | <input type="checkbox"/> Geographic Size |

Explain:

B) Potential weaknesses?

- | | |
|--|--|
| <input type="checkbox"/> Political Instability of some of the member nations | <input type="checkbox"/> Trade Diversion |
| <input type="checkbox"/> Excessive Regionalism | <input type="checkbox"/> Protectionism |
| <input type="checkbox"/> Other | |

Explain:

11. "Judging by recent developments, the integration process in Mercosur has made enormous strides and has reached a level of interrelationship that provides a solid foundation for future, additional progress, and for US companies seeking to trade and invest in Argentina"

-Robert Devlin (Chief of Integration, Trade and Hemispheric Issues Division of the Inter-American Development Bank

Based on your company's operations in Argentina and its recent developments and performance, to what extent do you agree with the statement made above?

Absolutely Disagree 1 2 3 4 5 Absolutely Agree

12. How would you rank the following in order from most influential (5) to least influential (1) when deciding to open and maintain operations in Argentina?

	Least Influential					Most Influential
	1	2	3	4	5	
a) Political/Government -commitment to economic stability	1	2	3	4	5	
b) Very low inflation	1	2	3	4	5	
c) Currency Convertibility	1	2	3	4	5	
d) Legal Environment	1	2	3	4	5	
e) Taxation System	1	2	3	4	5	

13. In describing the current Argentine business environment, which of the following do you agree with the most?

Rank in order 1 (agree least with) to 7 (agree most with)

RANK

a) A favorable social environment _____

- b) Minimal government intervention _____
- c) Privatizations _____
- d) Free Transfer of capital and earnings by foreign firms _____
- e) Quality of life for foreign executives _____
- f) A tradition of welcoming foreign companies _____
- g) Bimonetary system _____

14. How strongly have sales and/or production in your Argentine-based operations grown/decreased in the last five years?

Strong Decline 1 2 3 4 5 Strong Growth

15. Has your company participated in any major projects of privatization in Argentina?

A) If Yes, which one (name and industry)?

B) Approximately how much was invested (in US dollars)

16. The financial crisis which spread among the so-called "emerging markets" towards the end of 1994, put Argentina's economy to a very rigorous test. However, the Argentine government (responding to the Mexican peso's devaluation crisis) reacted by enacting a series of fiscal, monetary and financial measures which ensured the state's solvency and the availability of reserves in order to defend the currency's value.

In your opinion, the situation "after the crisis" can be characterized by:

	AGREE	DISAGREE
a) Significant foreign and local investment projects were carried out as planned.	_____	_____
b) Foreign reserves and deposits have been recovered after the crisis.	_____	_____
c) The banking system has been restructured by means of mergers and takeovers to function more effectively.	_____	_____
d) Foreign companies' confidence in Argentina's steady economic growth has been confirmed.	_____	_____

17. Has the new, restructured legal framework for foreign investment affected your firm's investments in Argentina?

No Influence 1 2 3 4 5 Great influence

18. The Foreign Investment Act 21382 as amended in 1993, places foreign and domestic investors on an equal footing and establishes that either capital or earnings may be repatriated at any time. Equal treatment means that foreign and domestic investors are subject to the same rights and duties in regards to taxes. Likewise, they are entitled to domestic credit facilities and may freely remit capital and earnings abroad. No waiting period for capital repatriation or foreign investments recording are required.

How important is this legislation to your firm's operations in Argentina?

Briefly explain the impact it has had on your firm and the industry as a whole:

19. How would you rate the future outlook for your firm's operations in Argentina?

Very un favorable 1 2 3 4 5 Very favorable

20. Have your company's operations in Argentina opened the doors to new opportunities in the neighboring countries (Brazil, Uruguay, Paraguay)?

Brazil YES SOMEWHAT NO

Uruguay YES SOMEWHAT NO

Paraguay YES SOMEWHAT NO

Please explain briefly the situations where you answered "Yes" above. (give examples were applicable)

21. What have been the most dramatic changes your company has experienced as a result of Mercosur (South Cone Common Market)'s implementation?

1.

2. _____

3. _____

4. _____

5. _____

22. How would you describe your firm's future strategic plans as Mercosur eventually grows into a true common market?

A) Short -term prospects and goals?

B) Long-term prospects and goals?

23. In the future, what do you consider to be the most important competitive advantages that your firm must have in order to survive with operations in Argentina and Mercosur as a whole? (Indicate fewer or additional advantages/strengths as required)

1. _____

2. _____

3. _____

4. _____

5. _____

24. Please indicate what you believe to be the chief benefit(s) your office derives from its relationship with the parent, US company and from being located in Argentina.

25. Is there any one else we could speak to in your firm that could contribute more information on your operations in Argentina?

Please include contact information and availability.

26. If you have any additional comments, please write them in the space below. Any insights you would have on Mercosur and its effects on your firm's Argentine operations would be most welcome. What is positive about it? What is not so positive?

What major changes do you see happening in the next 5-10 years and how would you compare this to say, a decade ago (before Mercosur).

How do you see this affecting your industry?

