
GUIDE TO INVESTMENT OPPORTUNITIES IN THE TOURIST SECTOR



ARGENTINA
www.turismo.gov.ar

1 – INTRODUCTION

1.1 SUSTAINED GROWTH OF TOURISM **Pag. 3**

1.2 PURPOSE OF THIS GUIDE **Pag. 3**

2 – GENERAL INFORMATION ABOUT THE COUNTRY AND THE PEOPLE

2.1 BRIEF HISTORICAL REFERENCE **Pag. 4**

2.2 POLITICAL ORGANIZATION **Pag. 5**

2.3 GEOGRAPHIC AND CLIMATIC DATA **Pag. 6**

2.4 DEMOGRAPHIC DATA **Pag. 9**

2.5 SOCIAL AND ECONOMIC DATA **Pag. 11**

3 – TOURIST ARGENTINA

3.1 TOURIST CORRIDORS AND MAIN ATTRACTIONS **Pag. 12**

3.2 NATIONAL PARKS AND OTHER PROTECTED AREAS **Pag. 24**

3.3 TOURISM SECTOR **Pag. 25**

3.4 LODGING AND TRAVEL AGENCIES **Pag. 27**

3.5 TRANSPORT **Pag. 29**

3.6 TOURIST TURNOVER **Pag. 31**

4 – INVESTING IN TOURISM IN ARGENTINA

4.1 TOURISM – A STRATEGIC SECTOR **Pag. 35**

4.2 SECTOR INVESTMENTS **Pag. 40**

4.3 PROGRAM TO IMPROVE COMPETITIVNESS IN THE TOURIT SECTOR- CREDIT BID AR-L1004 **Pag. 42**

4.3 FINANCIAL ASSISTANCE PROGRAM **Pag. 43**

4.4 LEGAL FRAME **Pag. 44**

1. INTRODUCTION

1.1 Sustained growth of tourism

Tourism is an industry that has been growing steadily worldwide. In the past few years only a handful of economic activities have attained such a high growth rate. The **World Tourism Organization (WTO)**, estimated a 6.8% annual growth rate of the sector between 1950-2000, a rate much higher than the growth of the world population and economy. Evidently, increasing world economic integration, advancements in life-style, as well as vast improvements in communication and transport, have spectacularly favored tourist activity. Although the sector experienced a recession at the end of 2001 attributed to the terrorist attacks in the United States and Madrid, as well as to the war in Iraq, a steady growth trend has been observed in the industry again over 2004. The latest WTO estimates of 2004 reinforce the above, with an annual increase of 10% compared to 2003, the greatest rate of growth over the past 20 years. Estimates foresee a continuous rising trend over the coming years.

Our country has not been immune to this phenomenon. For example, examination of data from 1990-2001 reveals a 72.7 % global growth in tourism and a 125.1% growth rate in Argentina. This trend is expected to be reinforced. With the 2002 devaluation, the country has strengthened its attractive potential for favorable exchange rate in relation to the rest of the world. Nowadays, the tourist sector is among the most dynamic of the Argentine national economy, and future projections foresee tourism's continuous fundamental role. Tourism is crucial as a source of capital inflow and employment. This personalized activity requires an intensive work force. Growth perspectives for the coming years are encouraging. The enactment of the Tourism National Act "Ley Nacional de Turismo" (Act 25997) at the end of 2004 confirms the strategic character assigned to the tourism sector by the current administration .

The dynamic estimates on the global and national tourism growth rates indicate the importance investment will play in the sector over the coming years to keep up with its expansion and to seize the opportunities generated.

1.2 Purpose of this guide

This guide aims to inform potential investors in the Argentine tourist sector on basic issues relevant for the assessment of investment options. The guide includes general information about the country, specific data about the tourist sector, and information about investment in the country, financial assistance programs and current legislation.

2. GENERAL INFORMATION ABOUT THE COUNTRY AND THE PEOPLE

2.1 Brief historical reference

Argentina's name derives from the Latin *argentum* or silver, and its meaning lies in its reference to Argentina as the Land of Silver. The origin of this term dates back to the time when the first conquerors arrived in the River Plate-. The Spanish explorer Juan Díaz de Solís discovered the River when he and his crew were shipwrecked in Argentina. He christened the river the "**Fresh Water Sea**" and during his time there he and his crew encountered natives who presented them with silver objects. These were taken to Spain around the year 1524 along with tales of a fabulous silver mountain – the **Land of Silver**. It was since this time that the river began to be called River Plate by the Portuguese, a name that the Spaniards adopted two years later.

The first inhabitants of the Argentine territory were the different native groups. Spain began to colonize the current Argentine territory in the XVI century. In 1776 with the creation of the **Viceroyalty of River Plate** the Buenos Aires port consolidated its expansion, and became the most important city in the region. In 1810 when Spain came under the control of Napoleonic France, Buenos Aires started the patriotic movement which led to the Declaration of Independence in July 1816.

These emancipation wars were followed by periods of political instability and internal armed confrontations between the years 1820 and 1853, the year when the National Constitution was adopted. It is still in force together with the amendments introduced in 1994. The National Constitution of 1853 included the name "Argentine Republic" among the official names to designate the government and the territory of the Nation. The period of "National Organization" then starts staging an accelerated process of economic and cultural development based on an export-oriented agriculture and livestock, coupled with an effective national territory settlement whose stated boundaries include our present day borders.



In 1880 the city of Buenos Aires was declared Capital City of the Nation. During this period of growing prosperity towards the end of the XIX century and beginning of the XX, important migratory currents arrive in the country especially from Italy and Spain. These settled massively in the Pampa region and, less massively in the Litoral and Mendoza. They defined the ethnic composition of the Argentine population.

During the First World War the country kept a neutral position. In 1916, due to the enactment of universal and compulsory vote, the country was a precursor of this kind of experiences. However, since 1930 a period of political and institutional instability began, during which there was a succession of different civil and military governments, until 1983, year in which democracy was definitively recovered, to be maintained up to the present time.

2.2 Political organization

The **national territory** is made up of 23 provinces and the Autonomous City of Buenos Aires. The constitution establishes a republic under a representative, federal system and with three separate branches of power: the executive, the legislative and judiciary. The President and the Vice President exercise the **Executive Power** for a four-year term, they can be reelected for a single additional term and are directly elected by the people. The **Legislative Power** is bicameral and is comprised of the Senate and the Lower House. The Senate has 3 senators representing each province and 3 representing the City of Buenos Aires, and the Lower House is composed of representatives elected directly and in proportion to the population of each electoral district. The **Judicial Power** is exercised by the Supreme Court of Justice and lower courts. Each province, in conformity with the principles, representations and warranties of the national Constitution and under the federal representative system, adopts its own constitution to rule its acts of government

Argentina Republic – Political Division



2.3 Geographic and climatic data

The Argentine Republic is geographically the largest Spanish speaking country. It is located in the austral extreme of South America, and its shape resembles a vast triangle supported by the Andes range **Cordillera de los Andes**. Argentina's area is 2.8 million square kilometers of the American continental area, about 54% of which are plains (prairies and **savannas**), 23% are plateaus and the remaining 23%, hills and mountains. **Argentina is the eighth largest country in the world**, (on the basis of its area) and the second largest country in Latin America after Brazil. The borders of the American continental area are:

NORTH	Bolivia and Paraguay
EAST	Brazil, Uruguay and the Atlantic Ocean
WEST	Chile
SOUTH	Beagle Channel

AREA

SURFACE	Km²
Total	3,761,274
American Continent	2,791,810
Antartic Continent	969,464

BORDERS LENGTH

Borders	Km
Total	25,728
With bordering countries	9,376
Chile	5,308
Bolivia	742
Paraguay	1,699
Brazil	1,132
Uruguay	495

Source : Military Geographical Institute

On the land, the vast plains that stretch eastwards and northwards contrast the western mountain range (Cordillera de los Andes). On the other hand, the Patagonia , in the south, displays a series of rolling plateaus extending from the mountain range to the sea littoral.



ALTIMETRY

Elevation reading in meters	% of the continental surface
Between 0 and 100	23,90
Between 101 and 200	21,02
Between 201 and 500	19,35
Between 501 and 2,000	25,45
Between 2,001 and 6,959	10,28

As illustrated by the altitudes map, The Argentine territory is higher towards the west , reaching its maximum height on the Andes Ranges.

Three main areas can be distinguished in the **Argentine plains**: the *Mesopotamia*, the *Chaqueña* plain and the Pampeana plain. The *Mesopotamia* is characterized in the north by reddish earth which is covered by exuberant subtropical jungle; southwards, the ground is covered by clay and there are marshes and ponds. The *Chaqueña* plain ground is low and covered by clay, streams and marshlands abound; Westwards, precipitation diminishes, here we find the *chaqueño* woods. The *Pampeana* plains climate is temperate, the ground is moist and tender grass prairies develop there , westwards the pampa is more sandy and the vegetation is made up of hard grass and woody and prickly plants.

The **occidental mountain line region** is made up by various geographic environmental types. On its northwest end we find the *Puna de Atacama*, an elevated desert and cold plateau that extends towards Chile and Bolivia. *The landscape is rocky and extense niters , accompanied by scarce hard grass bushes.*

The Andes Ranges run from the Puna towards the south. In its central area are the highest peaks such as the Aconcagua (6959 mts), which are the highest in America and the western hemisphere. The perennial snow offers a majestic landscape. The height of the mountain range descends southwards and it is interrupted by transversal valleys, some with beautiful lakes surrounded by coniferous forests.

On the pre mountain range and in the eastern plains lie the **Pampeanas Hills**, their hill lines are north south oriented and are made up of five systems separated by valleys, plains and forests.

From the Colorado river southwards runs the **Patagonia**, which takes up almost a third of the country territory. Here the climate is cold and windy, rain is scarce, the soil is arid and the vegetation poor, save in the occidental region, the Andes sector, a region covered by woods, lakes and glaciers. The transversal valleys are fertile where the rivers run and breed from rains and thaw of the South Andes.

In regards to the climate, the different altitudes and landscapes and its extension north-south give rise to **4 main climate types** in the country: temperate , cold, warm and arid. The **temperate** climate is found in all the pampeana region, where most of the country population settles, and most of the agricultural and industrial production are developed. The **cold** climate is found through out the Patagonia Andes, from the center of Neuquén to Tierra del Fuego. The **warm** climate is mainly found in the northwest of the country and it is divided into subtropical without a dry season, such as in Misiones, and subtropical with dry season , such as in in chaqueña plains. The **arid** climate is found in the Puna, the entire mountain line region until Neuquen, the southwest pampeano, Cuyo and the patagonic plateau.

Mean Temperatures in Tourist Centers and Zones													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dic
Córdoba	°C	24.8	23.3	21.6	18.2	15.5	12.2	12.3	13.5	16.3	19.4	21.4	23.8
	°F	76.6	73.94	70.88	64.76	59.9	53.96	54.14	56.3	61.34	66.92	70.52	74.84
Salta	°C	21.9	20.7	19.6	15	14	11.6	11.6	12.8	15.5	18.6	20.3	21.6
	°F	71.42	69.26	67.28	59	57.2	52.88	52.88	55.04	59.9	65.48	68.54	70.88
Mendoza	°C	24.2	22.4	20.2	15.9	12.5	9.2	9.1	10.9	13.9	17.5	20.2	23
	°F	75.56	72.32	68.36	60.62	54.5	48.56	48.38	51.62	57.02	63.5	68.36	73.4
Puerto Iguazú	°C	25.7	26	24.7	24.7	17.9	16.1	16.6	17.3	19.1	21.2	22.8	24.9
	°F	78.26	78.8	76.46	76.46	64.22	60.98	61.88	36.14	66.38	70.16	73.04	76.82
Buenos Aires	°C	24.4	23.3	21.7	18	14.9	11.8	11.8	12.6	14.9	17.5	20	23.3
	°F	75.92	73.94	71.06	64.4	58.82	53.24	53.24	54.68	58.82	63.5	68	73.94
Mar del Plata	°C	20.2	20.3	19.1	15.9	12.4	9.6	9.2	9.7	11.1	13.5	15.7	18.18
	°F	68.36	68.54	66.38	60.62	54.32	49.28	48.56	49.46	51.98	56.3	60.26	64.72
San Carlos de Bariloche	°C	13.4	13.6	11.3	8	5.6	2.6	2.2	3.4	5.3	7.4	9.9	12.3
	°F	56.12	56.48	52.34	46.4	42.08	36.68	35.96	38.12	41.54	45.32	49.82	54.14
Lago Argentino	°C	13.5	13.1	10.7	7.6	3.6	1.2	0.9	2.4	5.3	8.4	10.8	12.5
	°F	56.3	55.58	51.26	45.68	38.48	34.16	33.62	36.32	41.54	47.12	51.44	54.5
Península Valdés	°C	20.2	19.8	17.6	14.1	10.2	7.6	7.3	8.3	10.7	13.1	16.7	22.1
	°F	68.36	67.64	63.68	57.38	50.36	46.68	45.14	46.94	51.26	55.58	61.52	71.78
Antártida Argentina	°C	0.5	1	0.2	-1.8	-6.1	-8.7	-10.4	-8.4	-8.4	-2.6	-1.3	-0.2
	°F	32.9	33.8	32.36	28.76	21.02	16.34	13.28	16.88	16.88	27.32	29.66	31.64

Due to its extension from north to south (3800 kilometres), the different geographical accidents and types of climate, the Argentinean landscape and the way in which man has settled down in it, shows an extraordinary diversity and variety. Because of this characteristic, from the subtropical forest of the Northeast, going through the Pampas or the glaciers of the South, the country offers a wide range of sceneries and climates. The fact that this natural wealth is adequately preserved provides the country a considerable comparative advantage. All these facts from the tourism point of view mean a rich offer full of attractions of relevant interest.

2.4 Demographic data

The latest CENSUS, conducted in 2001, shows that the Argentine population has grown to approximately 36 million inhabitants. This implies a 10.7% growth in population compared with 1990. According to INDEC estimation findings, the population will reach almost 41 million in the year 2010.

Province	Population	
	1991	2001
Total	32,615,528	36,260,130
Ciudad Autónoma de Buenos Aires	2,965,403	2,776,138
Buenos Aires (*)	12,594,974	13,827,203
Catamarca	264,234	334,568
Chaco	839,677	984,446
Chubut	357,189	413,237
Córdoba	2,766,683	3,066,801
Corrientes	795,594	930,991
Entre Ríos	1,020,257	1,158,147
Formosa	398,413	486,559
Jujuy	512,329	611,888
La Pampa	259,996	299,294
La Rioja	220,729	289,983
Mendoza	1,412,481	1,579,651
Misiones	788,915	965,522
Neuquen	388,833	474,155
Río Negro	506,772	552,822
Salta	866,153	1,079,051
San Juan	528,715	620,023
San Luis	286,458	367,933
Santa Cruz	159,839	196,958
Santa Fe	2,798,422	3,000,701
Santiago del Estero	671,988	804,457
Tucumán	1,142,105	1,338,523
Tierra del Fuego, Antártida e Islas del Atlántico Sur	69,369	101,079

(*) 24 Districts of Gran Buenos Aires 8,684,437 inhabitants (2001)
 Rest of the Province of Buenos Aires 5,142,766 inhabitants (2001)

Source: INDEC – Census 2001

The Autonomous City of Buenos Aires, the provinces of Buenos Aires, Santa Fe and Córdoba are the most densely populated areas. On the other hand, the provinces of Tierra del Fuego, Santa Cruz, La Pampa, La Rioja and Catamarca, are the least densely populated. In **general a greater population concentration is observed in the pampeana region in the central area of the country, predominantly in the metropolitan region of Buenos Aires.** However, the Patagonia region, in the south of the country, appears as the least populated area. In conclusion, the distribution of population in the country is irregular, with some densely populated areas and many others that are almost isolated. In addition, the latest census findings show that the growth rate in the provinces of the pampeana region is lower than in other areas of the country.

The country has a high index of urban population that is close to 90% of the total population. The main cities of the country are:

CITY	POPULATION (inhabitants)
Buenos Aires	11,460,000
Córdoba	1,368,000
Rosario	1,161,000
Mendoza	848,000
San Miguel de Tucumán	738,000
La Plata	694,000
Mar del Plata	541,000
Salta	468,000
Santa Fe	454,000
San Juan	421,000

Source: INDEC – Census 2001 – Urban agglomerations

Regarding the main urban agglomerations, there is a strong population concentration in the metropolitan area of Buenos Aires and surrounding areas where a third of the country population (11.5 million inhabitants approx.) live. In the cities of Córdoba and Rosario, which are also in the pampeana region, live over a million people. Mendoza, in Cuyo region, and San Miguel de Tucumán, in the Northwest, follow as main regional centers.

With its just above 36.2 million people, **Argentina is the fourth most populated country in Latin America** (after Brazil, Mexico and Colombia). The annual growth rate of the population over the last number of years has been similar to the average growth of other countries (such as Spain or Poland). Argentina is considered among the mid-populated countries of the world.

2.5 Socio-economic data

Although Argentina underwent a very harsh crisis at the end of 2001 (a climax of a strong recession which began in 1998) from 2003 onwards the country has begun a strong economic recovery. **The growth domestic product, GDP, was 8.8% in 2003 and 9.0% in 2004**, and for 2005 the prevision growth rate is at least 5%. Unemployment has been reduced from 20% in 2002 to 12.1% and the tourist sector has been one of the leading factors in this recovery process as a sector that requires an intensive work force. The future perspective is the up-keep of the steady growth trend.

Some country statistics are illustrated below:

STATISTICAL DATA

Demographic / Socio-cultural indicators		
Population (2001)	Inhabitants	36,260,130
Density (2001)	Hab./Km2	13
Population's average annual growth 1991-2001	%	1.01
Urban population (2001)	% of the population	89.3
Life expectancy at birth (2003)	Years	74
Infant mortality (2003)	Per 1000 live births	16.0
Illiteracy (2003)	% population > 10 years	3.0
Infrastructure indicators		
Personal computers (2004)	Per 100 inhabitants	11.8
Internet users(2004)	Per 100 inhabitants	23
Fixed telephone lines (2004)	Per 100 inhabitants	22
Mobile telephones (2004)	Per 100 inhabitants	35
Economic indicators		
GDP (2004)	Millions of dollars	151000
GDP growth (2004)	% of annual growth	9.0
Exports (2004)	Millions of dollars	34453
Imports (2004)	Millions of dollars	22320
Annual balance of payments (2004)	Millions of dollars	12133
Inflation-annual average- (2004)	% annual growth	6.1
Unemployment (2004)	%	12.1

Source : Ministry of Economy and Production, INDEC, CEPAL, OMS, BM

3. TOURIST ARGENTINA

3.1 Tourist corridors and their main attractions

A “corridor”, is a geographically and /or culturally homogeneous space in which the proximity of attractions and services naturally complement one another. A corridor is where core routes allow for effective integration. Such a space may become a promotion unit in tourist development and can go beyond the jurisdictions of the town-hall, and those at the provincial and regional level. The hierarchy of the attractions and products determine the magnitude of the scope of such space.

The current and potential tourist corridors presented in this guide, have been acknowledged and approved during the drafting of the **Federal Plan of Strategic Sustainable Tourism** , “**Plan Federal Estratégico de Turismo Sustentable**” (PFETS).

Pursuant to the present government policy the PFETS aims at the development and consolidation of a fundamental strategy to make the tourist sector a highly efficient and competitive system. The intention is to amalgamate the strategic planning of the diverse interest groups in the tourist sector to gear them towards a similar path/goal. This plan is of a federal nature due to the participatory task assigned to the provinces. The final goal is to turn Argentina into a **competitive tourist country**.

During the drafting of the PFETS criteria have been reevaluated and combined and further potential tourist corridors have been added to the existing ones. At present, tourist corridors, considered existing and potential, of the different regions of the country are illustrated on the map below



SOME RELEVANT ATTRACTIONS

CITY OF BUENOS AIRES AND ITS SURROUNDINGS

The city of Buenos Aires is located at 34° 36' 30" latitude South - a position similar to Canberra, the capital city of Australia - and is situated on the banks of the River Plate. This immense estuary, the widest in the world, and which gives this metropolis a vision of the infinite, is about 300 km long and has a width that ranges from 40 km at the narrowest point to 270 km at its mouth on the Atlantic Ocean.

While the city itself has an area of 200 sq. km and a perimeter of 57.7 km, the urban area extends into the adjacent districts of the Province of Buenos Aires, constituting a vast conglomerate, housing about 11.5 million people, almost a third of the countries population.

Buenos Aires offers the visitor an attractive cultural pluralism, from the eclectic nature of its architecture to the ethnic diversity of its population or the wealth of its culinary offerings. In Argentina's capital city it is possible to enjoy all the options of local cuisine or to eat in the many different ethnic restaurants - Arab, Chinese, Japanese, Korean, Russian, German, English, French, Spanish, Italian, Mexican, Basque, Greek, Hungarian and Scandinavian. The cultural heritage includes the Colón Theater, a Historical National Monument and one of the great concert halls of the world, and also includes theaters such as the Coliseo, Cervantes, General San Martín and President Alvear. Also impressive are the Belgrano Auditorium and the Recoleta, Ricardo Rojas and Jorge Luis Borges cultural centers, along with 55 private theaters.

Moreover, there are 80 museums, more than a hundred art galleries, hundreds of bookstores, 24 libraries and a Planetarium. There are also a number of antique shops, elegant shopping centers and a great number of boutiques catering to sophisticated tastes.



Every day in Buenos Aires approximately thirty free admission conferences are held, each dealing with a different subject. Nightlife is particularly intense, especially in the city center where the most important nightclubs, discotheques, cafes or places to dance tango or Argentine folk music can be found.

Since 1810 a considerable part of the history of South America has been linked to *Plaza de Mayo*. Here we have the Pyramid, the Town Hall, the Cathedral with the tomb of General San Martín, and the *Casa Rosada* ("Pink House"), which is the seat of government. In this area we find "The City", the financial heart of the country where impressive financial buildings stand alongside old churches and convents. Parks, squares, avenues and districts of many different idiosyncrasies extend from the center to the south, the north and the west: the areas of San Telmo, La Boca, Palermo or Belgrano, Parque Lezama, Puerto Madero, Plaza San Martín, Plaza Lavalle, Plaza del Congreso, Recoleta; Avenues such as Avenue of Mayo, 9 de Julio, Santa Fe, Alvear, or the pedestrian Florida street and many other places which give the cosmopolitan capital of Argentina, in its different manifestations, a soul that is different and unmistakable. As Borges said, "a silent magic which almost completely bewitches all those who come to visit her".

Tigre

It is indeed unusual to find, close to such a huge city, a wooden area that is almost tropical, like Tigre, consisting of labyrinths of water and hundreds of islands making up the Paraná Delta. This vast area houses numerous yacht and regatta clubs, weekend houses, and a wide range of restaurants, guesthouses and offers excursions to sightsee and enjoy this surprising fluvial environment. On the way to Tigre is the elegant residential area of Buenos Aires. Northwards, Vicente López, Olivos with its sports port, and San Isidro with a rich historical cask and its traditional racecourse.

La Plata

To the south, 56 km from Buenos Aires, is the city of La Plata, capital of the Province of Buenos Aires. It reveals a harmonious urban city plan, exceptionally conceived. La Plata is a modern city founded in 1882, with well designed parks and green areas, museums, and cultural and educational centers which, in the early 20th century, turned the city into a meeting point for renowned academicians and researchers, as well as for both Argentine and foreign students. La Plata's Natural Sciences Museum, a national historic monument, has gained international prestige on account of its valuable collections and specialized publications.

Luján

This city is located 71 kilometers to the west, bisected by Luján river. It is famous for its imposing Gothic basilica, the most important religious shrine in Argentina, with its 106-meter tall spires rising up above the Pampa plains. Here, since the 17th century, an image of the Virgin Mary, the Luján's Virgin, has been venerated. She is an important figure in the Catholic world. The place also offers the visitor an outstanding historical museum.

THE ATLANTIC COAST

In Argentina the maritime coastline begins where the River Plate ends, to the south of Samborombón Bay, stretching along the coast from Buenos Aires to Patagonia for more than 4,700 km. and ports and beaches dot this vast coastline. The best-equipped seaside resorts and the most benign climates are to be found in Buenos Aires province: Santa Teresita, San Bernardo, Villa Gesell, Mar del Plata, Miramar and Necochea are the most popular places.

Mar del Plata



When, towards the end of the last century, Patricio Peralta Ramos donated a coastal part of his lands to the Province of Buenos Aires for the foundation of a seaside resort, he could never have imagined that he was contributing to the formation of one of the most important tourist cities in the world. In the same symbolic way in which San Carlos de Bariloche is the capital of the Southern lakes, Mar del Plata, 400 kilometers away from the city of Buenos Aires, can be considered the most important tourist destination on the great maritime coast

With a stable population of 541,000 inhabitants and a capacity to accommodate more than a million tourists, Mar del Plata offers the visitor much more than 21 kilometers of fine sand beaches. The sea and the nearby hills enrich this landscape exceptionally, while the city offers a diverse cultural range of events with theater, cinema, recitals and concerts.

From mid-December to early March, the best shows in Buenos Aires move to Mar del Plata: theatre plays, musical comedies, cafes-concert and other amenities compete with a large number of cinemas. Three casinos are open to the public every day. A rich culinary choice, with the best seafood, the famous Argentine beef and Italian-style pastas are offered to the tempted visitor and there are a number of shopping districts where the tourist can choose among the fine woolen garments, another specialty of Mar del Plata. Apart from nautical sports, it is possible to play golf, tennis and ride on horseback. For fishing enthusiasts, apart from the dock at the Anglers' Club (Club de Pescadores) and two smaller ones, there are two extended stone jetties penetrating from the beach into a sea enriched by two streams: the warmer from Brazil and the colder from the Malvinas. The variety of fish has led Mar del Plata to have an important fishing fleet. Smaller vessels are the colorful motorboats, which enhance the fishing port, turning it into one of the most popular places in this beautiful holiday resort – the "Pearl of the Atlantic".

VALDES PENINSULA

On the Patagonian coast there are a number of natural reserves that provide sanctuary to various species of marine fauna, but none of them offers such a spectacular concentration of wildlife as *Peninsula Valdes*. Situated 1,400 kilometers to the south of Buenos Aires, it projects into the sea forming two gulfs of sheltered waters, a meeting point for the whales which go there to mate every year in the beginning of May. In the northern point of the Peninsula is the only continental breeding colony of elephant seals in the world. Their name comes from the proboscis that resembles an elephant's trunk and which males dilate when in heat. Elephant seals reach 7 meters in length and weigh an average of three tons. They feed on fish, squid and octopus and dive up to 200 meters in search of prey.



There are also many substantial colonies of sea lions mixed with a rich variety of birds, while the peninsula's interior is teeming with other animals such as rheas, Patagonian cavy and guanaco.

Across the Golfo Nuevo is Puerto Madryn, a city founded in 1865 with the arrival of Welsh settlers, and which is an attractive tourist center. Puerto Madryn is called "the diving capital of Argentina" for the facilities and equipment available here for the practice of skin diving and underwater fishing in clear waters where the sunlight reaches a depth of almost 70 meters. To the south of Puerto Madryn there are also other huge colonies of sea lions and penguins. Since 1999, The Valdes Peninsula has been included to the World Heritage list by UNESCO

USHUAIA

Ushuaia, the capital of the province of Tierra del Fuego, Antártida e Islas del Atlántico Sur, is the southernmost city in the world. Its permanent population is made up of about 50,000 people. Located in a natural setting of breathtaking beauty at the foot of the Martial range of mountains and on a deep bay bathed by the blue waters of the Beagle Channel, it is one of the most important tourist destinations in the whole of Argentina. Boasting a modern airport, it welcomes the visitor with a variety of comfortable hotels. Ushuaia boasts picturesque architecture where, next to modern buildings, one can find old Patagonian houses made of metal sheeting and wood, with sloping roofs painted in bright colors. In addition Ushuaia has the Museum of the End of the World, and an old prison dating back to the beginning of the 20th century.



A visit to Ushuaia is suitably rounded off with attractive food offerings and some winter sports, especially cross-country skiing, (Castor Peak) and tours through the Beagle Channel or overland to visit the nearby Tierra del Fuego National Park or the historic Harberton Ranch founded by Bridges in 1886. Ushuaia is also the gate to Antarctica. More than 90% of the cruises that visit the Sixth Continent in summer set sail from Ushuaia.

PERITO MORENO GLACIER

Perito Moreno is the most spectacular of the 47 major glaciers that descend from the "Continental Ice shelf" and form Los Glaciares National Park, declared a World Heritage Monument by UNESCO.

This natural wonder, which in 1899 was 750 meter from the rocky slopes of the Magallanes peninsula, today has advanced to rest its wall of ice against it.

A system of walkways and observation points make it possible to admire this spectacular constantly flowing 195 sq. km river of ice. Huge blocks of ice on the glacier's face (which is 4,500 meters wide and 60 meters high) regularly calve and collapse with a thunderous noise into the *Canal de los Témpanos*, one of the arms of Lake Argentino.

80 km from the glacier lies El Calafate, a touristic village that has experienced great growth over the last years and which is the entrance door to the glaciers region.



SAN CARLOS DE BARILOCHE

Situated on the southern edge of Lake Nahuel Huapi and at the foot of Mount Otto, this city of 95,000 inhabitants and accommodation facilities exceeding 15,000 beds, constitutes another great tourist center in Argentina as well as the heart of a vast and beautiful lake district. Located in Rio Negro province it is the epicenter of a beautiful vast lake area which includes the main neighboring towns Esquel to the south and San Martín de los Andes to the north. Other nearby tourist centers are Villa Langostura and the Bolson



Near Bariloche, the ski center at Mount Catedral (2,388 m) combines excellent equipment with scenic beauty: the lake, the islands, the town, the woods, the sky – a whole range of colors in the clean, crisp mountain air. It is the main ski center in both the country and in Latin America.

When Sailing on the Nahuel Huapi, within the National Park of the same name, one reaches Isla Victoria, the *arrayanes* (myrtle tree) woods, and enters the most distant arms of the lake toward the border with Chile and Puerto Blest – “Green walls that rise up hundreds of meters and dark trails known only to deer”, as Jorge Luis Borges put it.

THE WINE ROAD

Cuyo, in western Argentina, encompasses an outstanding region of vineyards and wineries, museums and landowner mansions. Examples are the province of Mendoza with its vineyards and wineries such as Panquehua in the town of Las Heras, Arizu in San Rafael and Godoy Cruz, and the farmsteads of wine-making pioneers such as Giol and Gargantini (which are now national historic monuments).



In the province of San Juan there are the vineyards of the oasis of Tulum, those on the road to La Laja, in the outskirts of the capital city, such as the Resero and Peñaflores wineries.

ISCHIGUALASTO – TALAMPAYA

The Ischigualasto provincial park in San Juan is one of the most important paleontological sites in the world. It covers an area 25 km long by 10 km wide. Here are fossil remains of vertebrates that inhabited the place in the Mesozoic era, 180 million years ago. Footprints of dinosaurs, fern leaf prints and trunks of petrified araucarias. The landscape displays an extraordinary diversity of forms and colors.



The major attraction of Talampaya National Park (215,000 hectares) is its steep cliffs of brick-red rock with thousand of distinctive shapes carved by erosion.

The most popular area is a 3-km wide canyon with all kinds of sandstone formations and 150 meter-tall walls. The place is rich in precious archaeological remains such as stone mortars and pre-Columbian petroglyphs.

Ischigualasto and Talampaya, which share a geological basin of about 5,000 sq km, have been proposed to UNESCO by Argentina as worthy of inclusion in the World Heritage list.

CALCHAQUÍES VALLEYS

To the north-west opens the Calchaquí Valley, a vast geological depression hedged at the bottom by two crossing rivers that flow through a dramatically changing scenery of physical and cultural contrast– the Calchaquí river runs from north to south and the Santa María river flows in the opposite direction.

Flanked by chains of mountains, the area was first settled in pre-Hispanic times by indigenous populations and later by Europeans.



Today the Valley offers visitors refreshing oases in a desert environment: willows, poplars, mesquite trees and molles (*Schinus* sp.) surrounding vineyards and farms where peppers, potatoes and corn are grown.

The valley is dotted with hamlets and small towns, where the simple and harmonious colonial architecture can be appreciated.

QUEBRADA DE HUMAHUACA

Further north from the Calchaquí Valley, and closer to the border with Bolivia, the long and narrow *Quebrada de Humahuaca* stretches parallel to the Río Grande and National Route 9. The multicolored hillsides – a veritable artist’s palette – are famous and so too is the beauty of the valley’s colonial churches that preserve treasures of American Indian art. A wealth of indigenous cultural heritage – *los collas* - lives on in the small villages of the Quebrada (canyon). The local traditions are displayed throughout the year in public revelries including processions, music wild-sounding *bagualas*, plaintive *vidalas* or rueful *carnavalitos*, dancing, etc. The Quebrada is on UNESCO list of National Heritage



IGUAZÚ WATERFALLS

Declared Mankind’s Heritage by UNESCO, the Iguazú Falls in the province of Misiones, on the border with Brazil are one of the world’s natural wonders.

Lined with dense forests, the Iguazú River unravels into 275 waterfalls that plunge with deafening noise more than 70 meters into a basin below. As this huge volume of water reaches the bottom the spray rises and the sunlight forms numerous rainbows.

The incredibly varied fauna and flora of Iguazú lend the awe-inspiring waterfalls a pristine setting within the protection of the Iguazú National Park.



THE JESUIT MISSIONS

The Jesuit Missions of Guaraní Indians “represent an unprecedented economic and socio-cultural experience in history”, stated UNESCO when, in 1984, the missions were recognized as deserving World Heritage status.



There are four major such settlements – San Ignacio, Loreto, Santa Ana and Santa María la Mayor – which can be visited within a 296 km circuit of great scenic beauty in the province of Misiones. These missions, established on Argentine territory during the first half of the 17th century, were part of the 33 settlements that comprised the Jesuit Province of Paraguay.

THE IBERÁ WESTLANDS



The Provincial Reserve of Iberá is a complex ecosystem of marshes, everglades, lakes and islands occupying more than one million hectares – almost 15% of the province of Corrientes.

The Iberá is an extraordinary, almost trackless, expanse of wilderness that offers the visitor not only a bewildering abundance of fauna and flora but also valuable archaeological sites.

The trails leading away from the Iberá Natural History Center penetrate the bush and allow the visitor to appreciate the wide diversity of plant and animal species.

Iberá is a bird-watcher's paradise and it is also possible to organize underwater photo safaris, light boat trips into the marshes led by local guides, and horseback rides.

THE JESUIT ESTANCIAS

Productive organization by the Jesuit fathers in Argentina, which have lasted until today thanks to a well-preserved and carefully executed architecture.

Although history shows that these ranches were acquired by the Jesuit Order for economic motives to finance the order's schools and colleges – they naturally "participated in a certain missionary purpose as well and thus became centers of religious dissemination".



The Jesuit ranches in Alta Gracia, Santa Catalina, Jesús María and Caroya – all of them national historic monuments – can be visited within a 250-km circuit through picturesque mountain roads.

These 17th century rural establishments have been declared Mankind's Heritage by UNESCO in the year 2000.

HANDS CAVE AT THE UPPER PINTURAS RIVER

To the south of the town of Perito Moreno, in the cañadon of the Alto Río Pinturas valley, in the province of Santa Cruz, is La Cueva de las Manos, one of the most significant displays of cave painting in Argentina.



Vestiges of the patrones culture, over 9,300-year-old handprints and hunting scenes fill the caves and rocky walls of the Pinturas River canyon.

Cueva de las Manos (Hands Cave) preserves hand stencils, hunting scenes, geometric symbols, little sneaks, paintings related to fertility, ritual dances, and shapes and shadowing figures and animals footprints such as ñandues, pumas, ritual guanacos.

The hunter-gatherer community responsible for these paintings, placed their hands on the ceiling of the cave and then covered their hands with paint.

Hands cave at the upper pinturas river was declared World Cultural Heritage by the UNESCO in 1999.

OTHER ATTRACTIONS

The above attractions list is not finished. There are many other interesting spots, some very popular for domestic tourism, such as Tandil -Sierra de la Ventana in the province of Buenos Aires, valles de Punilla - Traslasierra -Calamuchita in the province of Córdoba, and Merlo in the province of de San Luis, *thermas* such as Río Hondo in provincia de Santiago del Estero, Villa Elisa y Federación town, Entre Ríos province, Copahue and Caviahue in Neuquén, and many other ski resorts (Las Leñas in Mendoza, Chapelco, Catedral, Cerro Bayo And La Hoya in the Cordillera Patagónica to name just a few). The vast and diversified destinations offered makes Argentina an ideal tourist destination for diverse profile travelers.

3.2 National parks and other protected areas

Argentina is one of the pioneering nations in the conservation of nature, being the first Latin American country to start the protected areas process. The creation of protected areas dates back to 1903, when Dr Francisco P Moreno (known as *el Perito Moreno*) donated land in the area of present-day Nahuel Huapi National Park for the purpose of “maintaining its natural features and ensuring that the only works undertaken are those that promote comfort for visitors”.

In 1922, Argentine President Hipólito Yrigoyen created the first national park, then simply known as “*del Sur*” (Southern), with an area of 785,000 hectares – today’s Nahuel Huapi National Park.

Meanwhile, in the northeast, in today’s province of Misiones, land was **set aside in 1902** for another of Argentina’s great national parks, Iguazú.

The **National Parks Bureau** was created by Law 22,357 in 1981 and implemented the first classification of the National System of Protected Natural Areas: National Parks, National Reserves and Natural Monuments.

Today this Government agency is responsible for the protection of 28 national parks, 5 natural monuments and 4 natural reserves covering a total area of 3.6 million hectares.



References

1. MN Laguna de los Pozuelos.
2. PN Baritú
3. PN Calilegua
4. RN Formosa
5. PN Río Pilcomayo
6. PN El Rey
7. PN Los Cardones
8. PN Iguazú
9. RNE. San Antonio
10. PN Chaco
11. RNE. Colonia Benítez
12. PN Campo de los Alisos
13. PN Mburucuyá
14. PN El Palmar
15. PN Pre-Delta
16. PN El Leoncito
17. PN Sierra de las Quijadas
18. PN Quebrada del Condorito
19. RN Otamendi
20. PN Lihué Calel
21. PN Laguna Blanca
22. PN Lanín
23. PN Arrayanes
24. PN Nahuel Huapi
25. MN Ballena Franca Austral
26. PN Lago Puelo
27. PN Los Alerces
28. MN Bosques Petrificados
29. PN Perito Moreno
30. PN Los Glaciares
31. PN Tierra del Fuego
32. PN San Guillermo
33. PN Talampaya
34. MN Huemul
35. MN Taruca
36. PN Copo
37. PN Monte León

3.3 The Tourist Sector

The tourist sector is basically composed of Government agencies and private companies.

Government agencies:

- The National Secretariat of Tourism (reporting directly to the Argentine President's Office)
- Provincial agencies: each provincial Government has an agency charged with the area's responsibilities.
- Municipal agencies: many cities, whether provincial capitals or not, support tourist offices responsible for tourism under their jurisdiction

The Secretariat of Tourism (SECTUR) with headquarters in the nation's capital city, the city of Buenos Aires, is responsible for assisting the President in dealing with all aspects linked to tourism within national territory, promoting international incoming tourism, domestic tourism and popular tourism.

The provincial agencies carry out promotion work and planning, adopt legal standards and supervise services. Municipal agencies are mainly dedicated to promoting the attractions in their respective areas and providing information to visitors. The Federal Tourist Council is in charge of the coordination of government policies and tourism actions.

It is an advisory agency composed of the Secretariat of Tourism plus representatives of official tourist agencies of the City of Buenos Aires and of the 23 Argentine provinces

The Private Sector:

Privately owned tourist businesses include professionals and operators of diverse services. These are members of the **Argentine Chamber of Tourism** (CAT). CAT's aims are to represent, support and promote the development of tourism in Argentina.

CAT's principal members are:

- Argentine Association of Travel and Tourist Agents (AAAVYT).
- Argentine Hotel and Catering Business Federation (FEGHRA).
- Argentine Tourist Hotels Association (AHTRA).
- Association of Buenos Aires Hotels, Restaurants, Cafeterias and Bars (AHRCC).
- Business Chamber of Road Tourism (CETA).
- Federation of Regional Chambers of Tourism (FEDECATUR).
- Association of Female Tourist Executives (AFEET).
- Argentine Time-Sharing Chamber
- Board of Airline Representatives (JURCA).

The Argentine Chamber of Tourism is governed by a Board of Directors and an Executive Committee composed of members proposed by each of the member organizations. CAT has the support of adhoc Working Committees. Furthermore, CAT maintains a Tourism Institute and a document tourist information center. In conjunction with the Secretariat of Tourism, the Argentine Chamber of Tourism participates in trade missions, fairs and exhibitions abroad, with the purpose of promoting foreign tourism.

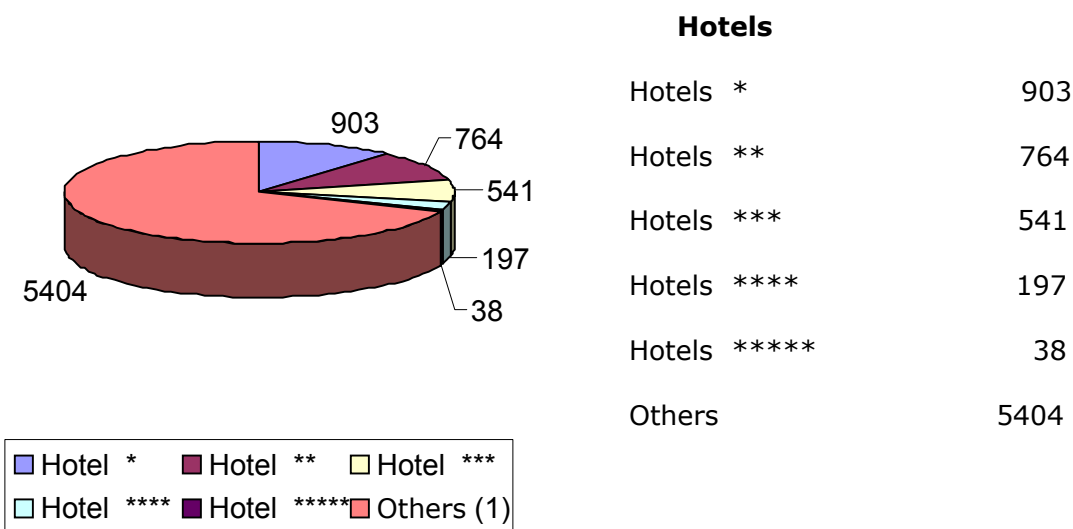
National Law of Tourism. Law 25997

The **National Law of Tourism (Law No. 25997)** was passed at the end of 2004 and became a legal publication at the beginning of 2005, on the initiative of the National Executive Power. Tourism is declared of national interest as a socioeconomic activity which is strategic and essential for the development of the country, a priority in the government policies. This act "aims at the encouragement, development, promotion and regulation of the tourist activity and the tourist resources, by determining the mechanisms necessary for the creation, preservation, protection and effective use of the national tourist resources and attractions, protecting the sustainable development and optimized quality, setting forth the mechanisms of participation and agreement of the private and public sectors in the activity." Its content deals with the sector composition, the financial regime, the National Program of Tourist Investment, the norms to protect the tourist and popular/social tourism.

3.4 Lodging and travel agencies viaje

The 2003 updated hotel supply adds up to 417,995 beds distributed in 7,847 hotels.

HOTELS BY CATEGORY



Hotels	
Hotels *	903
Hotels **	764
Hotels ***	541
Hotels ****	197
Hotels *****	38
Others	5404

1) Others: Apart Hoteles, Non-categorized Hotels, Hostels, Lodgings, Residenciales, Estancias, Bungalows, Motels, Tourist and Municipal Complexes, Union Hotels, Colonies and Hostals.

Regarding the bed distribution by region, the greatest number is focused in the Central region (provinces of Buenos Aires and Córdoba) as outlined below:

	BEDS
CITY OF BUENOS AIRES	54,600
CENTER	192,586
CUYO	33,288
PATAGONIA	57,079
LITORAL	46,253
NORTHWEST	34,289

Travel agencies

The latest information available reports 3,256 travel agencies in Argentina authorized by the National Tourism Secretariat in Argentina. The graph below illustrates their territorial distribution:

	Number of Agencies	%
City of Buenos Aires	1,253	38.5
Province of Buenos Aires	749	23.0
Central Region (Córdoba)	217	6.6
Cuyo	167	5.1
North-west	155	4.8
Litoral	455	14.0
Patagonia	260	8.0
	3,256	100

3.5 Transport

An adequate system of transport in terms of quality and frequency is very important for the proper development of the tourist activity.

Likewise, it is fundamental to complement this with efficient running and infrastructure maintenance (airports, routes, bus terminals, etc.)

Air Transport

In a country with such a huge territory as Argentina, the growth of tourism is inextricably linked to the increase of seats, frequencies and destinations that airlines can provide. In this respect there have been significant improvements with regard to the quality and quantity of services.

The weekly supply of seats **on domestic flights** reached in September 2004 (latest information available) 1,874 flights, with a total seat supply of 208,800. In 1990 the weekly seat supply was 39,572 and in 2000 112,959. These figures mark the seat supply growth in the domestic market.

Argentina is the destination or terminal of over a hundred air routes that link it with countries such as the traditional routes to destinations in Europe and America as well as destinations such as New Zealand and Australia (transpolar flights), Malaysia and South Africa. Furthermore, a sharp increase was also registered in **international flights**: between 1990 and 2000 seat supply rose by 83%. Furthermore, latest-generation aircraft have been incorporated and many stopovers have been done away with. Nowadays most of the flights connecting Argentina with Europe and North America are non-stop.

Other means of transportation

Long-distance overland motor vehicle transportation has increased with a remarkable improvement in terms of units quantity and quality as well as destinations offered, catering for the country territory and neighbour countries destinations with good frequency.

Railway services, which had almost completely disappeared as an option for tourists, are now in a process of recovery with the reopening of the Pinamar railway line and the renewed services to Mar del Plata. This process also includes railway to Rosario, San Miguel de Tucumán, the reopening of the Buenos Aires-Posadas line, as well as the recent incorporation of the Buenos Aires-Córdoba service.

There are also **Tourist Trains**: the *Tren a las nubes* (Train to the Clouds) in the province of Salta, which passes through a landscape of breathtaking beauty at an altitude of over 4,000 meters; *La Trochita*, in Chubut, an old Patagonian train with old wooden cars pulled by steam locomotives; the Ecologic Train, of Parque Nacional Iguazú; the Historical Train of Villa Elisa (Entre Ríos); the Tren de las Sierras, which joins the city of Córdoba with Capilla del Monte; the Historical Steam Train of San Carlos de Bariloche (Río Negro); "The southernmost train in the world", which follows the old route of the prison train and now carries tourists daily from Ushuaia to the entrance of Tierra del Fuego National Park; and the *Tren de la Costa*, which runs on the old (but upgraded) and very picturesque track to Tigre, on the banks of the River Plate.

As for **maritime transportation**, several international cruise lines include Argentine ports in their itineraries to South America. One destination that continues to arouse interest is Antarctica with cruises departing from Ushuaia.

Services to Uruguay have also improved greatly with the incorporation of modern ships that daily connect Buenos Aires to Montevideo in two hours and 15 minutes and to Colonia in 55 minutes

Road network

Argentina's **national road network** consists of 38,632 km of roads, of which 81% are paved, 14% are gravel and the remaining 5% are dirt roads.

The provincial road network accounts for 191,813 km, of which 16% are paved, (31,000 km). These adds up to 230,000 km road network approx., according to Vialidad Nacional figures.

The province of Buenos Aires has the most paved roads, followed by Cordoba and Santa Fe. Through new public investment, many routes of the national network road are being repaved and improved

Distance and flight hours

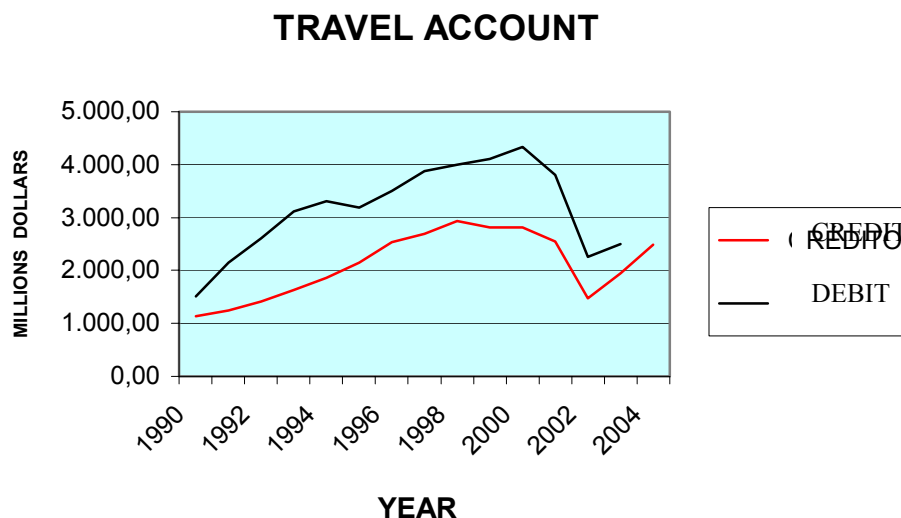
The chart below shows the **distance** in kilometers and the flight time from Buenos Aires to the main destinations of the country:

	Flight Duration	Km		Flight Duration	Km
Chapelco	2h. 10'	1,627	Rosario	0h. 50'	300
Córdoba	1h. 10'	713	Salta	2h.	1,616
Corrientes	1h. 20'	1,041	San Carlos de Bariloche	2h. 10'	1,630
Esquel	2h. 55'	1,980	S.F.del V. de Catamarca	1h. 50'	1,132
Formosa	1h. 35'	1,204	San Miguel de Tucumán	1h. 50'	1,189
Puerto Iguazú	1h. 40'	1,304	San Juan	1h. 45'	1,265
La Rioja	1h. 50'	1,680	San Luis	1h. 40'	835
Mar del Plata	0h. 50'	407	Santa Fe	1h	476
Mendoza	1h. 50'	1,098	Santa Rosa	1h. 15'	819
Neuquen	1h. 55'	1,156	San Salvador de Jujuy	2h. 05'	1,645
Paraná	1h. 30'	504	Santiago del Estero	1h. 45'	1,152
Posadas	1h. 25'	1,004	Trelew	1h. 55'	1,436
Resistencia	1h. 25'	1,017	Ushuaia	3h. 30'	3,171
Río Gallegos	3h. 10'	2,799	Viedma	1h. 30'	960

3.6 Tourist Turnover

During the last few years, international tourism has been one of the economic activities that increased its importance within the balance of payments statistics. This phenomenon was not an isolated fact; it was part of an international trend. In this sense, it is important to point out that a country's inbound and outbound tourism, according to the Balance of Payments Manual, are considered as imports and exports, respectively. In accordance with that Manual, the **Travel** account (where tourism capital flows are computed) consists of the goods and services that are purchased by travelers when staying for a period no longer than one year. Expenditures on lodging, food and drinks, entertainment, transport, as well as on presents and souvenirs constitute the bulk of goods and services measured in this account (the international transport expenditure is not taken into account).

The diagram below shows the evolution of the Travel account from 1990 through 2004 (debits of 2004 are missing)



As shown in this chart, from 1990 through 1994, debits to this account rose from 1,500 to 3,300 billions (120%) as a result of the revaluation of the Argentine peso, which encouraged many Argentines to visit overseas destinations, falling in 1995 due to the economic recession in which the country was enmeshed but raising progressively, though to a lesser extent, by 2000 (35%).

Overseas traveler spending in the country (credit) rose progressively from 1990 through 1998 (159%), keeping relatively stable standards until 2000.

From that year onwards, both components of the account showed a sharp fall product of the recession. This fall reachest its lowest level in the year 2002, crisis peak, returning to similar levels to those of the 90s. However, the descending trend for both is reverted as from 2003 and continues today.

Inflows

The following chart illustrates tourists inflows and their estimated expenses:

Year	Tourist Inflow	Variation %	Total Expenses (billions of U\$S)	Variation %
1990	1,930,034		1,130.9	
1991	1,708,183	-11,5 %	1,241.1	+9.7 %
1992	1,703,910	-0.3 %	1,413.0	+13.8 %
1993	1,918,462	+12.6 %	1,625.1	+15.0 %
1994	2,089,414	+8.9 %	1,862.0	+14.6 %
1995	2,288,694	+9.5 %	2,144.1	+15.1 %
1996	2,613,909	+14.2 %	2,541.5	+18.5 %
1997	2,764,226	+5.8 %	2,693.0	+6.0 %
1998	3,012,472	+9.0 %	2,936.2	+9.0 %
1999	2,898,241	-3.8 %	2,811.6	-4.2 %
2000	2,909,468	+0.3 %	2,817.3	+0.1 %
2001	2,620,464	-9.9 %	2,547.4	-9.5 %
2002	2,820,039	+7.6 %	1,476.3	-42.0 %
2003	2,995,272	+6.2 %	1,942.3	+31.6 %
2004	3,352,572	+11.9 %	2,490.9	+28.2 %

During the period analyzed, 1990-2004, the number of tourists that visited Argentina rose by 73.7% and the related spending rose by approximately 120.3 %. Consequently per capita expenditures rose by 26.8%. The 2002 peso devaluation made the country more attractive for overseas tourists because of comparatively lower prices. This reverted the falling trend of inbound tourists that had begun in 1998. Actually, the year 2004 shows the highest rate of inbound tourism for the whole period analyzed. However, due to inbound tourism by country of residency and the fall of prices in US dollars, the spending registered did not reflect a considerable rise as compared to the period prior to 2001; in fact, it continued falling over 2004 and returned to a rising tendency over 2003 and 2004 (31.6% y 28.2%, respectively).

A breakdown analysis of tourists by country of residence for 2004 reveals a greater percentage of foreign visitors from neighboring countries at a rate of 64.17%, followed by Europeans at 16.56 %, and 14.96% of tourists came from other parts of America. Visitors from the rest of the world accounted for 4.31%. An analysis of the motives for travel in the period under consideration revealed the number of people visiting the country for business purposes ranged from 25% to 26% of the total number of travelers. Since traveler spending in this group is generally higher, expenditures represent approximately 32% of total tourism income in US dollars.

In relation to 2003, the tourists from neighboring counties have diminished while those from other origins have proportionally risen. European visitors have the greatest increase at 21.7% compared with 2003.

In short, over the last two years, foreign inbound tourism has greatly increased (as stated above, 2004 was the year with the greatest inbound tourism of all the 1990-2004 period) and it is expected to keep growing in the coming years.

Outflow

On the other hand, total outflows and expenses of Argentine residents in overseas travel report the following evolution:

Year	Tourist outflow	Variation %	Total expenses (billions of U\$S)	Variation %
1990	2,398,364		1,505.5	
1991	3,154,131	+31.5 %	2,145.2	+42.5 %
1992	3,240,400	+2.7 %	2,612.8	+21.8 %
1993	3,756,766	+15.9 %	3,117.0	+19.3 %
1994	3,926,420	+4.5 %	3,305.9	+6.1%
1995	3,815,503	-2.8 %	3,189.6	-3.5%
1996	4,295,891	+12.6 %	3,496.6	+9.6 %
1997	4,516,961	+5.1 %	3,874.4	+10.8 %
1998	4,591,877	+1.7 %	3,992.7	+3.0 %
1999	4,786,366	+4.2 %	4,107.4	+2., %
2000	4,952,978	+3.4 %	4,337.8	+5.6 %
2001	4,761,925	-3.8 %	3,800.0	-12.3 %
2002	3,008,096	-36.8 %	2,255.4	-40.6 %
2003	3,346,093	+11.2 %	2,498.2	10.8 %

Between 1990 and 1999 Argentine outbound tourism doubled. After this period however we see a decrease in out bound tourism. This was most notable in 2002 when it was drastically reduced by -36.8% due to the devaluation which reduced purchase capacity overseas. However 2003 saw an increase in outbound tourism again and this trend is expected to continue in 2004.

During the beginning of the 1990s, the economic growth in Argentina and the accompanied favorable exchange rate saw an increased rate of travel by Argentine residents to foreign countries. The greater existing facilities to go on international trips and the high prices of domestic tourism favored this phenomenon. Despite the fall of 1995, the number of Argentinean travelling abroad increased, until the above falling trend originated in 2001, hereinafter, abrupt falls both in departures and spending are recorded for the reasons above. The fall in the dollar expenditure reached 40.6% in 2002.

In summary, the output pattern is similar to the income in terms of an increase until the year 2000, a marked decrease over the most dramatic period of the crisis, and a later recovery beginning in 2003.

Argentina and worldwide tourism

The tourist phenomenon our country has experienced during the last few years has not been an isolated event.

As mentioned above, according to the WTO -World Tourism Organization-, tourist flow has been increasing since 1982. The 2004 figures compared to the 2003 ones reveal Asia and the Pacific (at +29) and Mid Orient (at + 20) as the regions where the activity grew the most. The other regions grew less: America (+10%), Africa (+7%) and Europe (+4%).

The continent with the highest rate of inbound tourism in 2004 has been Europe, with 414 million (54.6% of the total) followed by Asia and the Pacific (20.2%), America 124 million (16.3), the Middle East 35 million (4.5%) and Africa with 33 million (4.3%). When analyzing the countries with the highest rates of inbound tourists the WTO figures from 2003 rank France and Spain first, with 75 and 52 million respectively, followed by the U.S. (41.2), Italy (39.6), China (33), and Great Britain (24.7).

All these percentages are far from the 3 million travelers that visited our country during the same period.

Upon studying regional leaders, (source TWO), the chart below shows that Argentina ranks seventh among the American countries with the highest number of tourists:

Country	Tourist inflow (in millions of tourists)	Market Share	Total Expenses (in millions of dollars)	Market Share
US.	41,2	36.50%	64,509	56.40%
Mexico	18,7	16.50%	9,457	8.30%
Canada	17,5	15.50%	10,579	9.20%
Brazil	4,1	3.60%	2,479	2.20%
Puerto Rico	3,2	2.90%	2,677	2.30%
Dominican Republic	3,2	2.90%	3,110	2.70%
Argentina	3	2.70%	2,097	1.80%

Source: World tourism Organization. WTO. Year 2003

As shown above, the first three countries in the group analyzed (the U.S., Mexico and Canada) receive almost 70% of the total percentage of inbound tourists of the region. Moreover, these three countries are positioned among the top ten inbound countries worldwide with the position of the rest of the countries falling much lower from these. In this context, Argentina is the second inbound country in South America, and surpasses most of the countries in Central America where tourism is generally one of the main sources of income.

As regards expenditure, the USA is the country that earns the highest amount of income from tourism worldwide with 64.5 billion US dollars, well ahead of its followers: Spain (37 billion) and France (37 billion) (WTO- 2003 statistics).

Argentina stays among the seven leading countries in the region and is ranked second in South America just after Brazil.

All this information reflects that even though Argentina's growth in this respect has been significant in the last few years, there is still much to do and room for expansion in positioning our country as an international tourist leader. The continuous growth possibilities depend on a quality tourist supply tailored to international demand.

4. INVESTING IN TOURISM IN ARGENTINA

4.1 Tourism – A strategic sector

The industry dynamics

Tourism has proved to be one of the most dynamic sectors within the Argentine economy. As it involves an extremely personalized service, it constitutes a valuable tool for direct and indirect job creation and due to its federal character contributes to the development of regional economies, achieving a better distribution of national income. It also promotes public and private investments, which in turn enhance competitiveness within the tourism industry, thus improving the population's quality of life. Moreover, it is responsible for a significant generation of currency into the country. The latest statistics of 2003 reveal a 7.7% share of tourism in the GDP. The goal is to increase this share to 10% over the coming years.

Today's status is a consolidation of the Argentine presence in the selected world markets and the development of new products tailored to current demand trends as well as to comparative advantages of Argentina based on its ample selection of cultural and natural attractions. These are the reasons that make tourism stand out as a strategic sector for the current administration **when setting forth active policies to encourage socio-economic growth.**

The chart below reflects the dynamic nature of Argentine tourism in a world context between 1990 and 2001 by comparing the growth of inbound tourism income in Argentina and the rest of the world.

Growth*	1990	2001	% of growth
Worldwide	268,310	463,600	72.7
In Argentina	1,131	2,547	125.1

* In millions of dollars (international travel spending is excluded)

Source: WTO World Tourism Organization. OMT. National Ministry of Economy

In our country the rise of inbound tourism income in the period 1990-2001 has been 73.2% greater than the income growth worldwide. This difference is expected to be even greater in the next decade. This is due to the increase of foreign inbound and domestic inbound tourism. The increase of direct flights to and from foreign different countries, together with the greater arrival of cruises, the higher arrival of tourists in general and because of climate, culture, landscape and its isolation from world conflict scenarios make Argentina an increasingly attractive destination to the rest of the world.

The increase of direct flights to and from different foreign countries, together with the greater arrival of cruises, the higher amounts of tourists arriving in general and because of climate and culture, Argentina is a growing interest destination for the rest of the planet.

The Travel Account in the Balance of Payment

A way to understand the importance of tourism in the national economy is through the comparison between the Travel Account of BCRA and other accounts of the Balance of Payment.

The chart below compares the income of currency through tourism (Travel account) with the income of the main exportable products over 2004:

2004	Exports in millions of U\$S
Fuel and Power	6.171
Residue and waste of food industry	3.843
Fat and Oil	3.168
Cereals	2.704
Travel	2.490
Transport Materials	2.107
Chemical Products and Related	2.017

Important: *The travel account is an exported service, while the compared accounts are exported goods*

The income of proceeds through inbound tourism almost equals income from one of the more traditional and significant exports of the country which is cereal, and another that has acquired growing importance over the past few years, that of Fat and Oil. The generation of currency from Fuel and Power, the main individual account, adds up to 6,171 billion dollars, so the Travel account accounts for 40.35 % of the whole. Bearing in mind that exports of goods added up to 34,453 billion dollars in 2004, inbound tourism income equal 7.23% of exported goods

Regarding the relationship between the GDP and the Travel Account, the credit of the latter grew from 0.7 % of GDP in 1991 and approximately 1 % in 2001, to 1.65 % in the year 2004.

Therefore, inbound tourism income is getting more and more significance in relation to the national GDP. This increasing significance is fundamental since inbound tourism generates genuine currency for the national economy.

Investment Options

Investment options refer specifically to construction, purchase, modernization and outfitting/ equipping of:

Lodging

- Hotels
- Motels
- Inns
- Apartment hotels
- Condominiums
- Cabins
- Camping sites
- Farms (rural tourism)

Food outlets

- Restaurants
- Fast food
- Cafeterias

Leisure

- Discotheques
- Pubs
- Theme parks

Other services and facilities

- Marinas
- Convention centers
- Cultural centers
- Shopping centers
- Mountain and ski resorts
- Vacation centers
- Tourist transportation
- Training for hotel staff and other services for tourists
- Car, yacht and airplane rental and charter

Some areas with great potential for growth

The areas below have a great potential for growth, therefore, they are considered priorities in the tourist development:

Area	Main attraction and support center	Complementary attraction
Northwest	Calchaquíes Valleys Quebrada de Humahuaca <ul style="list-style-type: none"> • Salta • San Salvador de Jujuy 	Puna high plateau
Northeast	Iguazú waterfalls <ul style="list-style-type: none"> • Puerto Iguazú Jesuit Mission Circuit <ul style="list-style-type: none"> • Posadas, Oberá Esteros del Iberá <ul style="list-style-type: none"> • Colonia Carlos Pellegrini Itaití town (Church) <ul style="list-style-type: none"> • Ciudad de Corrientes 	Moconá falls Yerba Places Paso de la Patria: Fishing
Cuyo	Ischigualasto and Talampaya <ul style="list-style-type: none"> • San Agustín del Valle Fértil • Villa Unión 	Cuesta de Miranda The wine trail
Puerto Madryn	Valdés Peninsula	Punta Tombo, Trelew Gales Colony
Great Lakes	Los Glaciares National Park Argentine Lakes and Viedma <ul style="list-style-type: none"> • El Calafate, El Chaltén 	San Martín Lake Lago del Desierto
Tierra del Fuego	Fueguinos Channes Winter Sports Deportes Invernales Tierra del Fuego National Park Antartica <ul style="list-style-type: none"> • Ushuaia 	Route 3

Matrix of Tourist Products

The products listed in the matrix below are those under preferential promotion by the Secretariat of Tourism

		TOURIST PRODUCTS																										
		NATURE					SPORTS			CULTURE				SPECIAL INTEREST														
REGIONS	PROVINCES	SUN AND BEACH	ACTIVE TOURISM	ECOTOURISM	BIRD WATCHING	RURAL TOURISM	NATIONAL PARKS	SPORTS FISHING	POLO	SKI-SNOW-MOUNTAIN	GOLF	TANGO	RELIGIOUS TOURISM	ARCHEOLOGICAL TOURISM	CULTURAL TOURISM	ETHNIC TOURISM	PRODUCTION CIRCUITS	HUNTING	CONGRESSES /FAIRS/EXHIBITIONS	CRUISES	THEME PARKS	SHOPPING / GASTRONOMY	WORLD HERITAGE SPOTS	HEALTH TOURISM	YOUNG TOURISM	INCENTIVE TOURISM	TOURIST TRAINS	
NORTHWEST																												
	Jujuy	●	●	●	●	●	●	●				●	●	●	●			●				●	●	●	●			
	Salta	●	●	●	●	●	●	●				●	●	●	●	●	●	●	●	●				●	●	●	●	
	Tucumán	●	●	●	●	●	●	●		●		●	●	●	●	●	●	●	●	●				●	●	●		
	Santiago del Estero		●	●	●	●	●	●					●					●	●	●				●	●			
	Catamarca	●	●	●	●	●	●	●				●	●	●	●	●	●	●	●	●				●	●	●		
NORTHEAST																												
	Misiones	●	●	●	●	●	●	●		●		●	●	●	●	●	●	●	●	●				●	●	●	●	
	Corrientes	●	●	●	●	●	●	●				●	●	●	●			●	●	●				●	●			
	Entre Ríos	●	●	●	●	●	●	●				●		●	●			●	●	●				●	●	●	●	
	Formosa	●	●	●	●	●	●	●					●	●				●	●	●				●	●			
	Chaco		●	●	●	●	●	●					●	●	●			●	●	●				●	●			
CUYO																												
	La Rioja	●	●	●	●	●	●	●				●	●	●	●	●	●	●	●	●				●	●	●	●	
	San Juan	●	●	●	●	●	●	●				●	●	●	●	●	●	●	●	●				●	●	●	●	
	San Luis	●	●	●	●	●	●	●					●	●				●	●	●				●	●	●		
	Mendoza	●	●	●	●	●	●	●	●			●	●	●	●	●	●	●	●	●				●	●	●	●	
CENTER																												
	Cdad de Buenos Aires		●					●	●	●		●	●	●	●	●	●	●	●	●				●	●	●	●	
	Buenos Aires	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●				●	●	●	●	
	Santa Fe		●	●				●				●	●	●	●	●	●	●	●	●				●	●			
	Córdoba	●	●	●	●	●	●	●		●		●	●	●	●	●	●	●	●	●				●	●	●	●	
PATAGONIA																												
	La Pampa		●	●	●	●	●	●	●				●	●				●	●	●				●	●			
	Neuquén	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●				●	●	●	●	
	Río Negro	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●				●	●	●	●	
	Chubut	●	●	●	●	●	●	●	●			●	●	●	●	●	●	●	●	●				●	●	●	●	
	Santa Cruz	●	●	●	●	●	●	●					●	●				●	●	●				●	●			
	Tierra del Fuego	●	●	●	●	●	●	●	●	●			●	●				●	●	●				●	●	●	●	

4.2 Investment in the industry

During the last decade, an exponential growth of investments took place in the national tourist sector which began to diminish with the recession that began in 1998 and worsened when the crisis reaching its peak at the end of 2001 beginning of 2002. With the economic recovery process that our country has been undergoing since 2003, this investment growth has been recovered and prioritized.

Period until 2002.

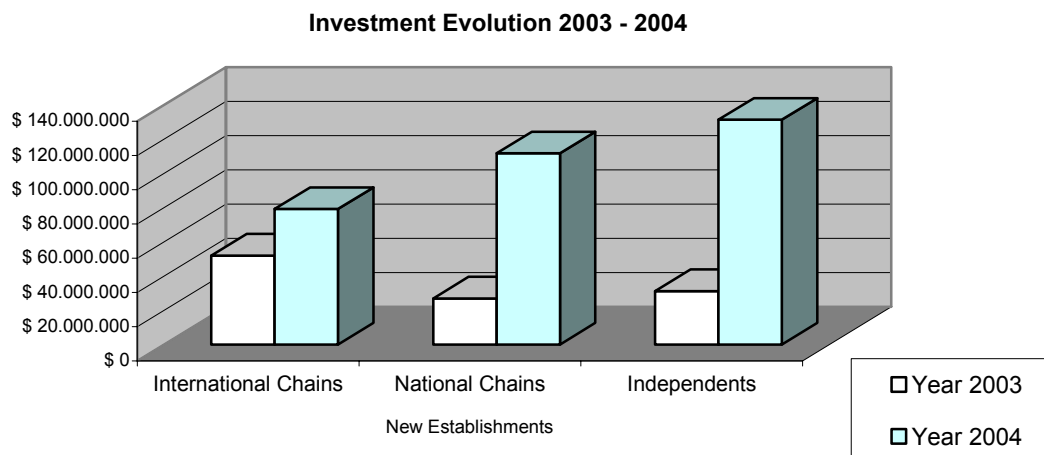
From 1991 through 2002, national enterprises with international chain franchises invested approximately 770 million US dollars in opening 3, 4 and 5-star hotels and motels in Argentina. This represented a total of approximately 14,000 bed places.

However, all these investments were mainly focused on high-class lodging and only affected some destinations within the country. Thus, out of the hotels inaugurated under international franchises, half, were in the City of Buenos Aires. The rest is distributed among a few provinces, mainly the Provinces of Buenos Aires, Cordoba and Mendoza.

Years 2003 and 2004

The recession and crisis discussed above reached its maximum peak in 2002 and the inflection point took place towards the beginning of 2003. Hand in hand with the economic recovery of the country was the tourism growth, since lodging total investment grew again that year, reaching 110 million peso (37 million dollar approx.), significantly increasing to 322.5 million pesos (10 million dollar approx) in 2004. It is more than significant the exponential increase of investment on the part of national and independent chains as illustrated by the graph below:

	Year 2003	Year 2004
International Chains	\$ 52,000,000	\$ 79,250,000
National Chains	\$ 27,000,000	\$ 111,800,000
Independent	\$ 31,265,827	\$ 131,449,307
TOTAL	\$ 110.265.827	\$ 322.499.307

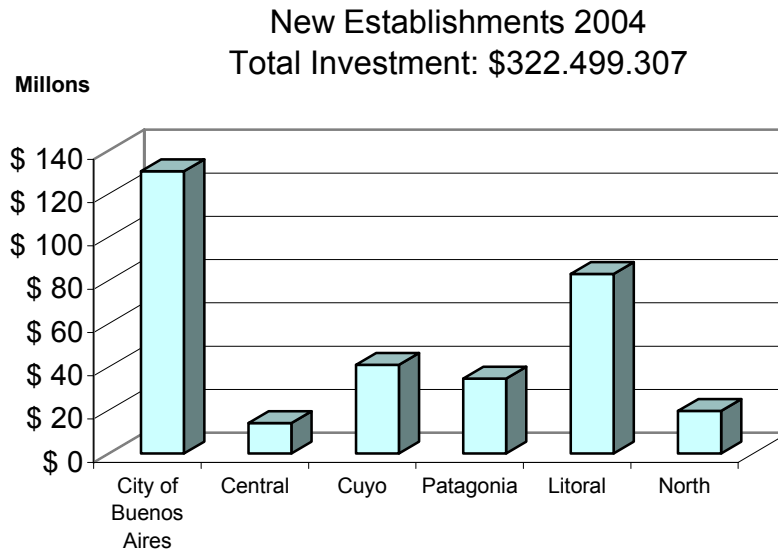


The investment amount in the new beds offered in 2004 shows greater bed distribution in the different country regions in comparison with past terms, this phenomenon can be observed in the graphs below:

Investment amount 2004 by region		New beds 2004 by region	
City of Bs. As.	\$ 130,450,000	City of Bs. As.	632
Center	\$ 14,000,000	Center	126
Cuyo	\$ 41,000,000	Cuyo	1040
Patagonia	\$ 34,503,007	Patagonia	740
Litoral	\$ 82,905,000	Litoral	988
Northwest	\$ 19,641,300	Northwest	480
TOTAL	\$ 322.499.307	TOTAL	4006

Regarding investment amount, although the city of Buenos Aires attracts the greatest percentage, (around 40 % of the total investment), this percentage is lower than previous year's percentages.

The distribution of the new beds is notably more equal among the other regions of the country and the region with the most new beds, Cuyo, does not add up to more than 26 % of the total.



To get a true idea of the recent explosive increase of new investments, over the period 1991 through 2001 45 hotels opened, while in 2003 there were new hotels 16 and in 2004 23, this means 39 hotels in just two years.

Regarding the origin of the investments, for the period 1991 through 2004, the United States was the main investor, with 37 inaugurated hotels, followed by European countries such as Spain, France, Holland and Germany.

4.3 Program to improve industry competitiveness Tourism – Loan BID AR-L1004

The Secretariat of Tourism is negotiating a loan with **BID (Banco Interamericano de Desarrollo)**, to carry out the Program to Improve Competitiveness of the Industry. Its main goal is to steadily increase the currency inflow from tourist activity both in the Corridor of Lagos Patagónicos and in the Corridor Iguazú – Misiones.

The program adds up to **55 million dollars**, to be conducted over the next 5 years, to build works and carry out actions to strengthen the provinces of Misiones, Chubut, Neuquen, Río Negro and the Lanín, Nahuel Huapi, Arrayanes, Lago Puelo, Alerces e Iguazú National Parks.

The Executive Body will be the Secretariat of Tourism, while the National Park Administration, the *Administración de Parques Nacionales*, the National Agency of Architecture *Dirección Nacional de Arquitectura*, , and the Road National Agency *Dirección Nacional de Vialidad* will be the sub-executive bodies of the Program.

The main beneficiary of this Program will be the private sector tourist service, since the destinations will improve their capacity to attract, retain and satisfy tourists. Besides, it will directly benefit the local people offering new business and employment opportunities, as well as better recreation and leisure options. On the other hand, social benefits will be generated with the contributions of preservation and valorization of National and Natural Heritage of the Nation.

The main expected result will be the increase of currency derived from the tourist activity developed in the Lakes Corridor as well as in the Iguazú- Misiones Corridor. Specifically the following results are expected:

- Increase of tourist's average stay in both Corridors.
- Increase of average spending by day/tourist in the Iguazú- Misiones Corridor.
- Increase of foreign tourists.
- Increase of collection from tourism in National Parks Corridor and Jesuit Missions Corridor.

The components of the Program are:

- Appraisal and management to State owned tourist attractions.
- Information and promotion in the destined/destination/target area.
- Support to structure and promote corridors.
- Strengthening of the National Tourism Administration.

The works types included are: Appraisal of Tourist Attractions, Interpretation Centers, Information Offices, Access Gate, Interpretative Paths, Bicycle tracks, Cycle rails/tracks, Tourist Signaling, Theme Parks, Docks and Quays, Mountain Shelters, Crafts and Arts Cultural Centers, Fire Sub - Stations, Accesses.

Likewise, sector, APN and involved Corridors will be strengthened by promoting and structuring them.

4.4 Financial Assistance Plan

This financing system is based on credit lines issued by participant banks and plans of Government agencies.

The **loan lines** plan provides financial support for projects that involve the quantitative and/or qualitative improvement of facilities and services for tourists, such as payback terms of up to 10 years. Special credit lines for small and medium-sized businesses and includes:

- ❖ Building of centers
- ❖ Improvement, extension, termination, construction of facilities
- ❖ Purchase of hotels and motels
- ❖ Equipment (furniture, linens, crockery etc)
- ❖ Vehicles
- ❖ Capital goods
- ❖ Work/ Running Capital
- ❖ Participation in national and international fairs and business trips
- ❖ Facilitation of commercial mission attainment for travel and tourist agencies
- ❖ Preparation of high quality advertising art & work
- ❖ Equipment and promotion for travel agencies devoted to inbound tourism in activities carried out abroad
- ❖ Miscellaneous elements for small scale, adventure and other non traditional tourism options
- ❖ Technical assistance service and related spending

All the loan amounts and the payback terms to be granted depend on the loan destination. There are credit lines specifically for small and mid companies (PYMES) as well as for micro enterprises.

4.5 Legal Frame

According to the Argentine Republic federal system of government, there are legislative rules passed by the Nation, by the Provinces, and by the City of Buenos Aires.

The acts listed below integrate the legislative body that most directly related to this guide issues.

NATIONAL LEGISLATION

National Law of Tourism Law 25997

The **National Law of Tourism (No. 25997)**, above, is the main act regarding national tourist activity. Its text makes reference to the regulation of the activity in order to encourage its development.

National Regime of Foreign Investment Law 21382/93 Decree No. 1853/93

According to this law foreign investors may invest in Argentina without prior government approval and on the same terms as investors domiciled in Argentina. They are free to:

- ❖ Remit earnings abroad at any time and repatriate capital
- ❖ Use any legal organization form under national law
- ❖ Use internal loans with the same rights and under the same terms as domestic companies with national capital.

INCENTIVE REGIMES FOR TOURIST INVESTMENT

Córdoba	Law 7232	Tourist encouragement Decrees No. 4557/85 y No. 1360/00
Chubut	Law 4192	New Investments
Corrientes	Law 5470	Investment Incentive Decree No. 1416/03
Jujuy	Law 4179/85 Law 5013/97 Law 5151/99 Law 4513/90	States tourist activity of provincial interest Tourist Development Promotion Security Fund for the micro, small and mid company Microcompany Promotion
La Pampa	Law 1534/94 Law 1622	Mining and Industrial Promotion Decree No. 2560/94 Adhesion to National Law 24331/94 Decree 285/99 -Free Trade Zone Gral. Pico
La Rioja	Law 6407/97 Law 6458/99 Law 6141	Support to Small Scale Tourist Enterprises Trust "Riojano Credit" Promotion of productive activities
Misiones	Law 3045	Federal Pact for Employment, Production and Growth Decree 27/94 Decrees No. 1300/00 y 1600/02 - Puerto Iguazú
Neuquén	Law 378	Economic Promotion
Río Negro	Law 2937	Tourist Promotion Decree 29/01
Salta	Laws 6064 y 7281 Laws 6771 y 6910 Law 7045	Tourist Activity Promotion System Productive and Labor Investment Promotion Program Decree 2931/97 Provincial Tourism Law
San Juan	Law 6280	Bordering Zones
San Luis	Law 5374	Investment Encouragement
Santa Cruz	Law 1124	Economic Activities Promotion Decree 466/79
Tierra del Fuego	Law 19640 Law 145 Law 440	Tax and Customs Special Regime Decree 9208/72 Tourism related services Tax Law
Tucumán	Laws 3805 and 6163 Laws 6705 and 7090 Law 7040 Laws 7142 and 7379	Benefits for tourist sector in El Cadillal area Promotion to Private Initiative Decree No. 1127/97 Program of Private Investment secured by public debt bonds Decree 2012/01 Asset for Asset

HOTEL LODGING LEGISLATION

National **Law 18.828/70** about hotel categorization and its Decree No. 2.253/70, although they have not been repealed, have lost application status when the National Territory of Tierra del Fuego " Territorio Nacional de Tierra del Fuego" became a province and when the " Gobierno Autónomo de la Ciudad de Buenos Aires" was created. It sets forth the 81-*4 Hotel and motel Typologies.

The provinces have passed **categorization norms**, most of which should also be updated. These are:

Buenos Aires	Decree No. 3030/77
Catamarca	Decree No. 1199/80
Ciudad de Buenos Aires	Order No. 31136/8
Córdoba	Law 6483/80 Decree No. 1360/00
Corrientes	Decree No. 2689/80
Chaco	Law 2600/81
Chubut	Law 3258/80 Decree No. 1264
Entre Ríos	Law 7360 Decree No. 1205 / Decree No. 3024/83
Jujuy	Lw 3804/81 Decree No. 777/81
La Pampa	Decree No. 2686/78
La Rioja	Decree No. 1622/79
Mendoza	Decree No. 3220/90 Order No. 41/93 y No. 307/81
Neuquén	Decree No. 2790/99
Río Negro	Decreto No. 657/03 Ode No. 762/03
Salta	Decree No. 1125/80
San Juan	Law 4600/79 Decree No. 186/81
San Luis	Decree No. 3505/80
Santa Cruz	Law 1045/79 Decree No. 1073/80
Santa Fe	Law 6838 Decree No. 1216/71
Santiago del Estero	Law 4967/81 Decree No. 3163/81
Tierra del Fuego	Law 65/93 Decrees No. 2621/93 y No. 203/99
Tucumán	Law 5204/82

ENVIRONMENTAL REGULATIONS

All actions aimed at **preserving the environment** are of paramount interest to Argentina. One of the competitive advantages for tourism is that the country has preserved the natural environment in good condition. The Nation and the provinces agreed in the Federal Environment Agreement **Pacto Federal Ambiental**, to promote steady development policies in all the country. They signed Integral Agreements for greater efficiency of the environment preservation, pursuant to the petitions of "Program 21" approved in the CONFERENCIA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE Y DESARROLLO (CNUMAD '92).

On the national front, the following norms to which provinces have adhered to , exist:

LAYER	Law 23724/89	Vienna Convention for the protection of the ozone layer
WATER	DecreE 776/92	Control de contaminación de las aguas y la preservación de Recursos Hídricos
NATIVE WOODS	Law 21695/78	Protection and promotion of Forest Wealth Law
	Decree No. 710/95	Revised text of the Forest Wealth Protection Law
PROTECTED AREAS	Law 22351/80	National Parks, National Reserves and Natural Monuments
	Decree 83/83	Regulation of Law 22351/80
SOILS	Law 22428/81	Preservation and recovery of the soils productive capacity
FLORA AND FAUNA	Decree No. 666/97	Preservation of the wild fauna
	Law 22344/80	Convention on International Agreement on the Trade of wild flora and fauna threatened species
HAZARDOUS WASTE	Law 24051/91	Hazardous Wastes Regulations
	Decree No. 181/92	Ban on transport, introduction and imports of hazardous waste
	Decree No. 831/93	Regulation of Law 24051/91
BIODIVERSITY	Law 24375/94	Approval of biological diversity agreement
ALTERNATIVE ENERGY	Law 25019/98	Generation of eolic and solar energy is declared of paramount interest in the Argentine territory

TAX SYSTEM

Income Tax (Law 20628/73 and amendments)

Corporate Income Tax:

The tax rate applicable to corporate income is 35%. Dividends are tax-exempted. The loss during one fiscal year may be computed over the next 5 fiscal years or less

Personal Income Tax:

Personal income is taxed at progressive rates, ranging from 9% to 35%, (gross income less personal deductions) and the corresponding amounts are withheld at source.

Value Added Tax (Law 23349/86 and amendments)

The standard rate is 21%, and virtually all sales of movable assets on the domestic market are taxed unless specific exemption or relief is established by law.

Tax on the Sale of Real Estate

This tax is 1.5% of the selling price of all property sold by persons and common shares

Tax on interest and the financing of business debts

A 15% rate is applied on the interest and the financial costs paid. This tax is deductible from income tax.

Anticipatory Minimum Income Tax (Law 25063/98)

A 1% rate is applied according to company assets. The corporate income tax payable for the same fiscal period, with a minimum \$200,000 exempted, may be regarded as advance payment. The Income Tax determined for the same fiscal year as the income tax liquidation year, may be computed as payment.

Social Security Contributions

The main social security contributions in Argentina are as follows:

The pension system was revised by Law 24,241/93 which set forth the Integrated System of Pension and Retirement (SIJP) which covers contingencies derived from old age, disability, death and it is integrated in a Single System of Social Security (SUSS). Employer's contributions for pension, health insurance, family subsidies and others adds up to 33% of the employee's gross salary.