

Argentina Economy:: Status and Perspectives Sector Situation

Argentine Chamber of Machine Tools, Capital Goods and
Services for Production (CARMAHE)

Buenos Aires, May 2009

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1- National and International economic situation.

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The government faces these new elections under an economic and political scenario which is very different from other previous years...

Internationally

Economic Aspects

A more unstable world

- The greatest economic downturn since the 30s
- Commodities distant to boom '08
- Reappearance of IMF as a lender of the last instance before the last global credit crunch

Geopolitical Aspects

Doctrine of rewards and punishments

- Reorganization of the relative importance of the emerging countries (China, Brazil, etc.)
- Political and economic support to students of capitalism plus “mainstream”

Locally

Economic aspects

An economy with no surplus that depends on “National” matters

- Economic recession
- Stand-by sector conflicts
- Investment process is delayed
- Employment stagnation
- Compressed private consumption

Geopolitical aspects

A ruling party with preelectoral power drainaje

- Reunification of two opposed historical parties (one, of the same sign of the Government)
- Intensification of the exposition of social deficits of the “model” (Health, insecurity, institutional transparence)

In this context...

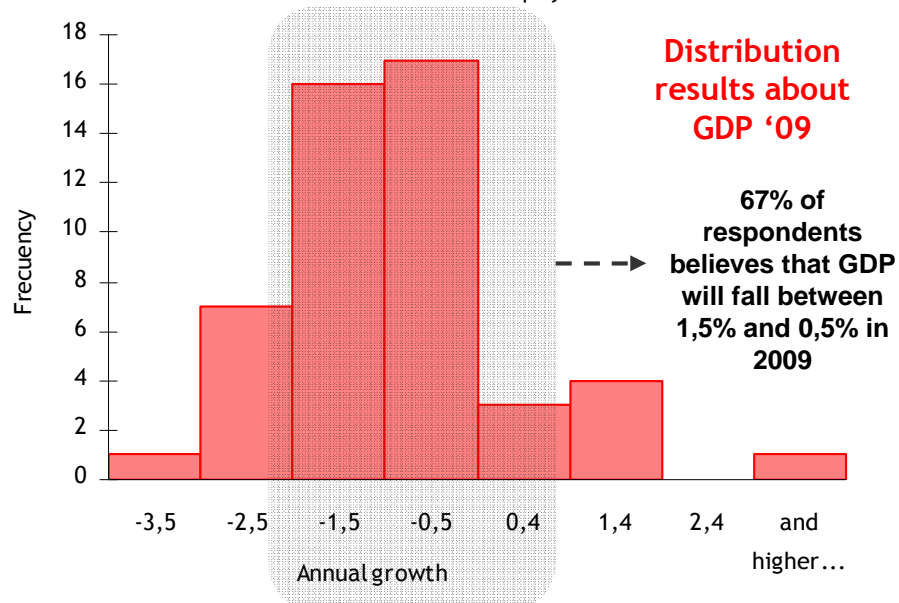
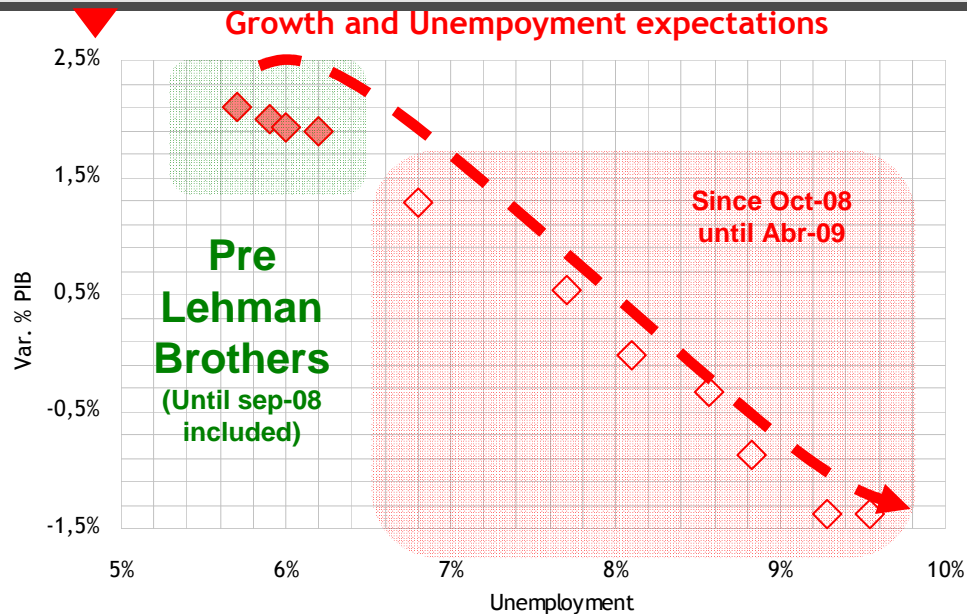
What is going to happen to the world?

What happens with Local Economy pre and post elections?

Far from political noise—
Are there any future opportunities?

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In the international scenario, 2009 is already “defined”: more recession and more unemployment almost in two digits.



- The consensus among economists in the United States is clear: Recession in 2009, probably with a fall of between 0.5% and 1.5% in the year and an unemployment rate close to 10%.

- 43% of respondents believed that GDP would show positive results in the third quarter of this year, due to the implementation of government plans, since even though its individual effect is smaller, the critical mass of dollars "helps."

Despite this, GDP growth will not achieve an adequate rate to lower the unemployment rate until the beginning of 2010, as indicated by 35% of projections.

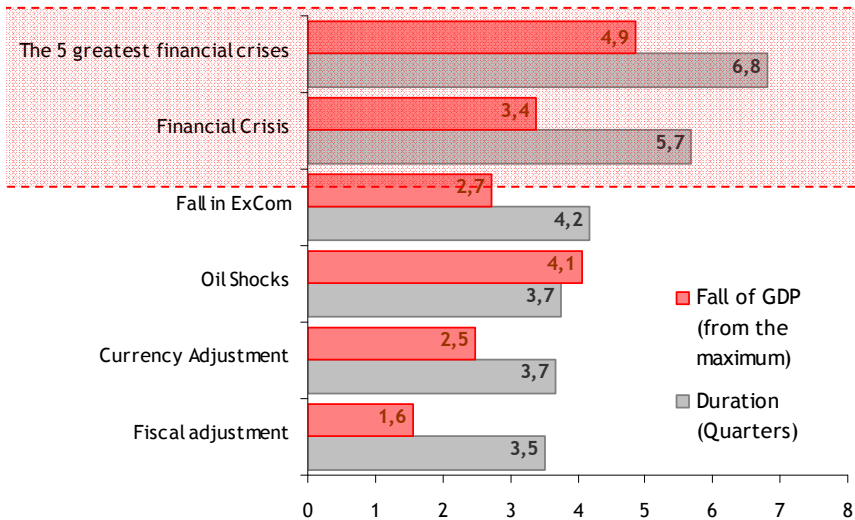
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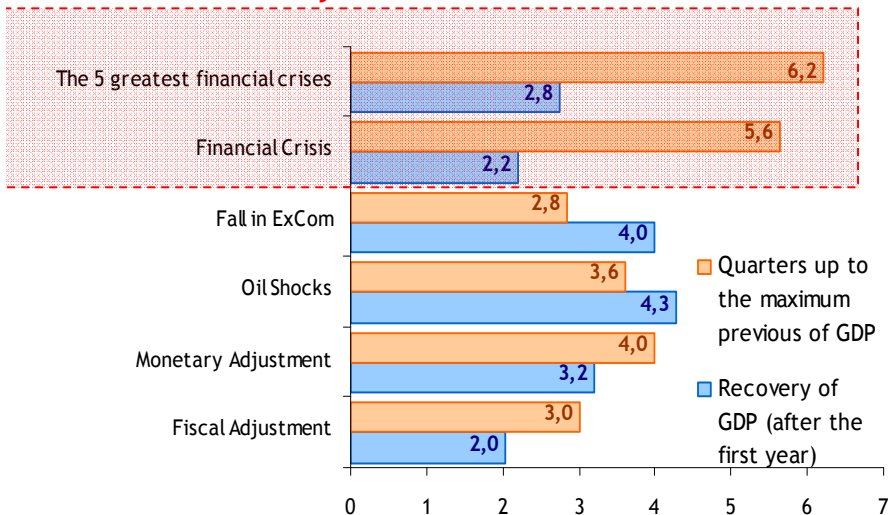
Source: abeceb.com based on Wall Street Journal

... Now, the question is what will happen in 2010 with "recovery"...

Financial crises are longer and more "expensive"...



... and the recovery is slower and less "intense"



On the other hand, it exists a high degree of 'synchronization'

They all fall

	2009			2010		
	FMI	Mussa	JPM	FMI	Mussa	JPM
United States	-2.8	-2.0	-2.4	0.0	3.6	1.9
Japan	-6.2	-5.0	-6.7	0.5	2.0	2.1
United kingdom	-4.1	-3.0	-3.7	-0.4	2.5	0.5
Canada	-2.5	-1.5	-3.0	1.2	3.0	2.1
Germany	-5.6	-3.0	-5.5	-1.0	2.9	0.2
France	-3.0	-2.0	-2.8	0.4	2.6	0.4
Italy	-4.4	-3.0	-4.4	-0.4	2.0	0.2
China	6.5	7.5	7.2	7.5	8.2	8.5
India	4.5	5.0	5.2	5.6	6.3	7.0
Brazil	-1.3	-1.3	-1.4	2.2	3.2	3.0
México	-3.7	-2.5	-4.0	1.0	3.1	3.4

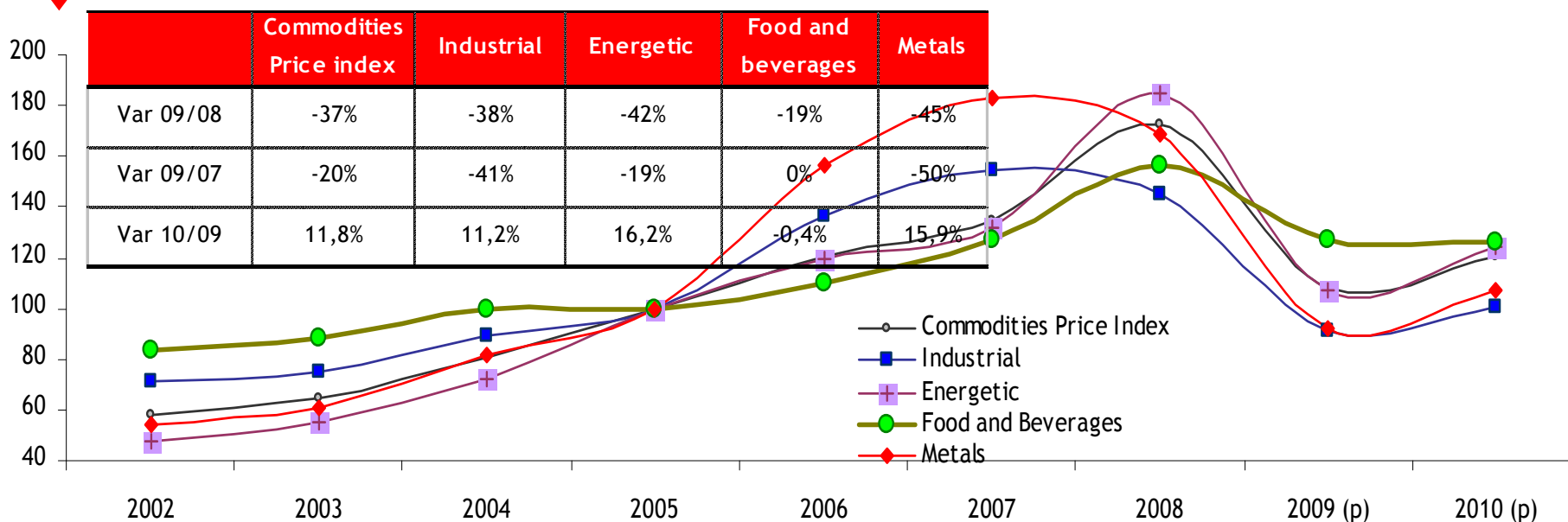
Worse forecast

Source: IPP, IMF y JPMorgan

- The current international crisis shows two distinctive features: A "Financial Meltdown" and a high degree of synchronization (they all fall and the international trade is affected) ...

. This leads, among others, to IMF pessimism about the short term prospects... But there are "detractors" (optimistic)

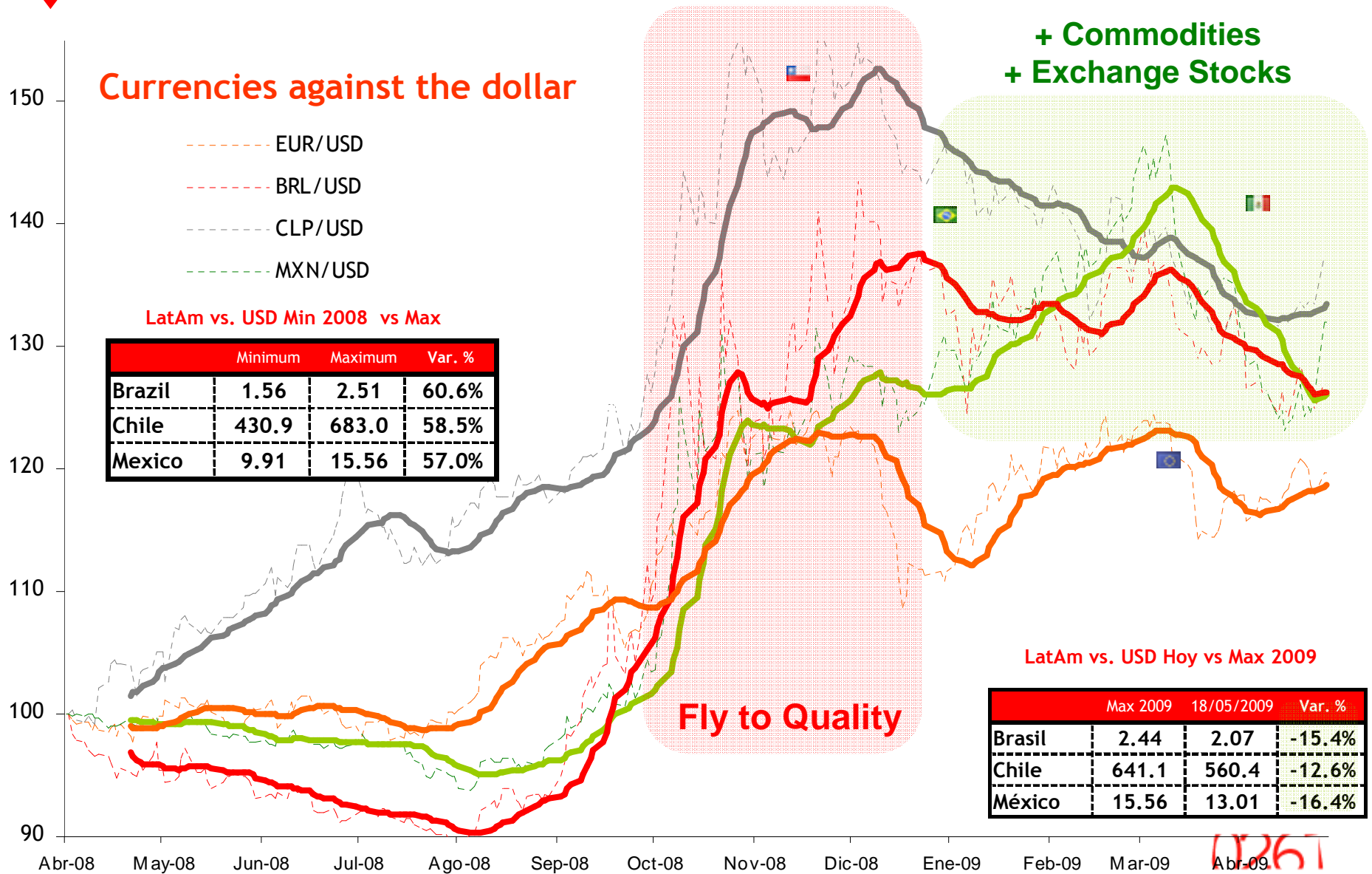
What matters to Argentina are commodities - Future perspectives are more favourable to food - it improves in exchange terms



Soybeans CBOT - U\$\$/TN		Corn CBOT - U\$\$/TN		WTI NYMEX - U\$\$/Br	
jul-09	418,7	jul-09	163,8	jul-09	58,7
sep-09	376,0	sep-09	167,5	sep-09	60,2
nov-09	360,8	dic-09	172,3	oct-09	60,9
				dic-09	62,3

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It is also important to see what happens with the currency - some currencies become more noticeable which gives some air to local CT



Synthesis of the world - Not everything is lost although there is still a lot to discuss

At a level of numbers of growth: What was seen and what is to expect?

United States

Sharp Falls

- Both private consumption and investment collapse at the pace of employment fall.

Recovery with unemployment

- Fiscal plans start to be activated, positive GDP but with more people in the street.

Europe

Economic intolerance

- As for the added value, the continent did not show signs of attempting to be more aggressive before the recession.

More of the same

- 'More aggressive' measures would be taken, but timing could be wrong.

Chindia + Brazil

Important adjustment

- Negative numbers in Brazil and strong deceleration of Chinese indicators.

Growth in recovery

- China will put the fiscal expansion plan in action and Brazil, would begin to improve?

What happens with what is imported to Argentina?

Commodities

“Consolidation”

- After the adjustment in prices, they found stability.

“Upside”

- With the economic recovery they have everything to raise.

Regional Currency

Depreciation

- All seemed to indicate that the Fly to Quality was “the rule” in LatAm

“Controlled” Appreciation

- With the commodities perspective and the investment calm, currencies will be reaccomodated.

It is expected to think that the world would recover, but the effects of private deleveraging and the reduction of global trade will impact on growth numbers, which will not be those of previous years. On the other hand, we will have to monitor the formation of the new system of financial regulation, which will be required to avoid "new bubbles."

At the national level ... With what degree of freedom does the economy reach the elections? What comes after June 28?

When the world explodes in fiscal and monetary expansion plans, in Argentina the costs of non-economic policy of recent years are payed ...

Fiscal Sector

- Slow growth in income, although expenses continue to grow stronger because of the election. After June, a more contractionary fiscal policy is expected.
- . Thanks to ANSES savings, the maturing date on debt will be covered.

Currency and banks

- The dollarization of the monetary economy reduces the margins of action for the BCRA, which maintains rates low in order not to cool the economy
- . Forced to be pro-cyclical, the BCRA faces an adjustment in the dollar's value and an increase in yields in pesos ...

In addition to this, real variables show a depletion which is the result of international crisis and local volatility.

External Trade

- In spite of what was expected in the first half, the level of surplus will be approximately equal to 2008.
- . In the second semester, imports should recover gradually and the surplus would be affected throughout the year.

Real Activity

- The international crisis is added to greater local uncertainty
- . And stock adjustments were already made ... Now the ones of staff remain.

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Conclusions

How does the elections result determine the profile of economic policy after June?

The public finance situation has changed. If the surplus is deducted from ANSES, there is deficit ...

Accumulated to 1st quarter of 2009.

S millions	Treasury and affected resources	Disc.Org. And other entities	Social Security	Total SPN
Incomes*	28.582	12.875	26.705	68.161
Primary expendit*	27.784	13.494	22.381	63.658
Primary R.	798	-619	4.324	4.503
Financial R.	-2.512	-860	4.324	952

Var %	Treasury and affected resources	Disc.Org. and other entities	Social Security	Total SPN
Incomes	-2%	21%	36%	15%
Primary Expendit	20%	32%	30%	26%
Primario R.	-86%	-237%	73%	-49%
Financial R.	-109%	-108%	-75%	-98%

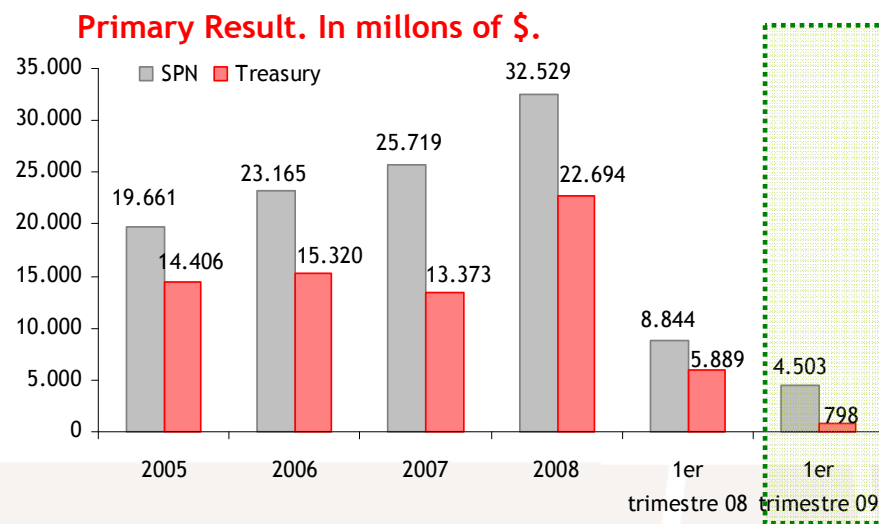
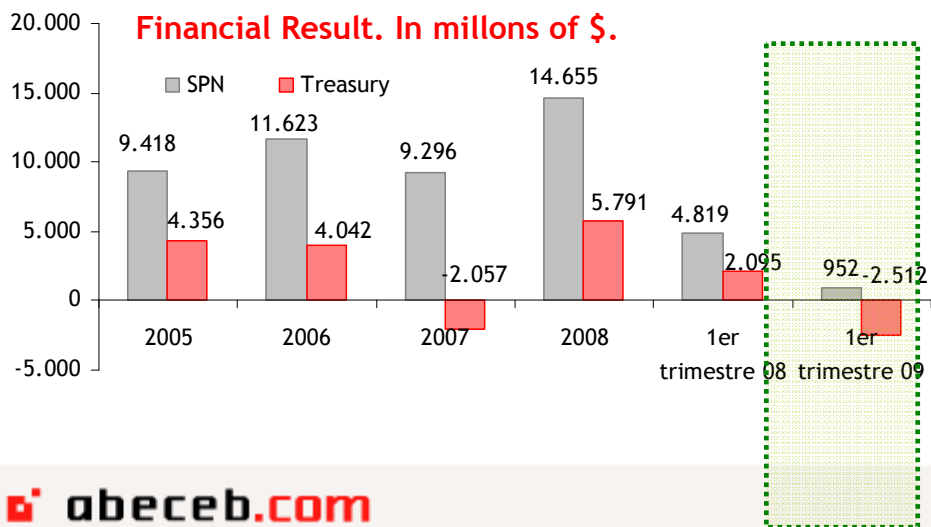
. While the results of SPN remain positive, when revenues and expenditures of ANSES, OD, and others are netted, the financial result is deficit

. This is the result of the sharp decline in incomes, accompanied by a substantially smaller decline in the growth of expenditure

. It should be remembered that **this result is relevant to the payment of maturing debt**. To have access to ANSES surplus has a positive cost.

. This may be the cause of delays in the refund of VAT, rebates for exports and payments of capital contributions.

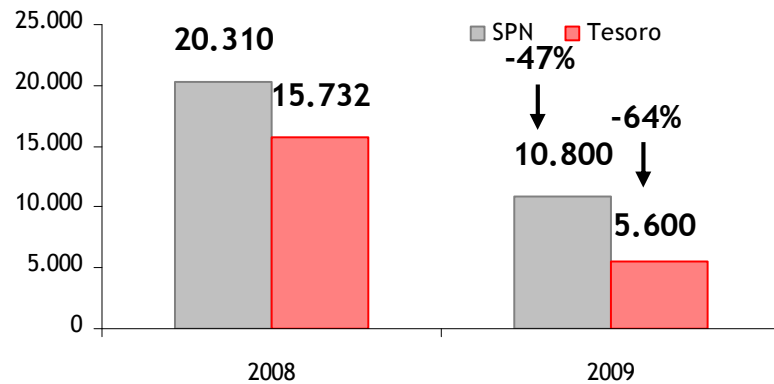
* They include contributions and figurative expenditures.



Proceeding like that, the Treasury will end with primary deficit and the financial deficit of the SPN will reach 1.3% of GDP

First semester ...

Primary result. In millions of \$.



End of the year ...

Year 2008	Treasury and Affected R.	Total SPN
Primary R.	22.694	32.529
Debt interests	16.903	17.897
Financial R.	5.791	14.632

Year 2009	Treasury and Affected R.	Total SPN
Primary R.	-450	9.650
Debt Interests	24.450	25.400
Financial R.	-24.900	-15.750



Where could expenses be adjusted?

❖ **Retirement Mobility**

Commitment to provide a stepwise increase of 11.67% in March and 7% in September. (Participation in total expenditure: 31.7%)

❖ **Subsidies to economic sectors**

It is expected that the following factors begin to affect a decrease in the growth of subsidies: A) Fall in oil price; B) Decreased growth of energy demand; C) Less growth of wages in the transport sector and D) Increase in rates. (Participation in total expenditure: 18.5%)

❖ **Public work**

Most likely from the advance of elections. (Participation in Capital Expenditure Total expenditure: 14.9%)

With a further adjustment in the second semester, we could achieve a primary surplus of 2% of GDP.

Investment savings account, In millions of \$

Accumulated	2008		Soybeans U\$S 370		Soybeans U\$S 355		Soybeans U\$S 315	
	\$ mill.	Var %	\$ mill.	Var %	\$ mill.	Var %	\$ mill.	Var %
Total Incomes	219.134	33,6%	250.000	14,1%	248.800	13,5%	245.800	12,2%
Remunerations	24.687	32,6%	34.200	38,5%	34.200	38,5%	34.200	38,5%
Social Sec. Benefits	64.552	27,9%	80.000	23,9%	80.000	23,9%	80.000	23,9%
Curr. Transf. to Priv.S.	45.336	60,1%	50.100	10,5%	49.400	9,0%	48.500	7,0%
Capital Expenditure	23.576	18,5%	29.350	24,5%	29.000	23,0%	27.600	17,0%
Primary Expenditure	186.606	34,9%	226.000	21,1%	224.800	20,4%	222.000	19,0%
Interests	17.874	8,8%	25.400	42,1%	25.400	42,1%	25.400	42,1%
Total Expenditure	204.480	32,1%	251.400	22,0%	250.200	21,6%	247.400	20,5%
Primario Result	32.529	3,15% PBI	24.000	2,0% PBI	24.000	2,0% PBI	23.800	2,0% PBI
Financial Result	14.655	1,4% PBI	-1.400	(0,1% PBI)	-1.400	(0,1% PBI)	-1.600	(0,1% PBI)

With adjustment in the second semester...

Year 2009	Treasury and affected res	Total SPN
Primary Result	6.300	24.000
Debt Interest	24.450	25.400
Financial R.	-18.150	-1.400



. To bring the Primary Surplus of SPN to 2% of GDP, we should reduce the rate of growth of primary expenditure by 28% to 15% / 16% in the second semester.

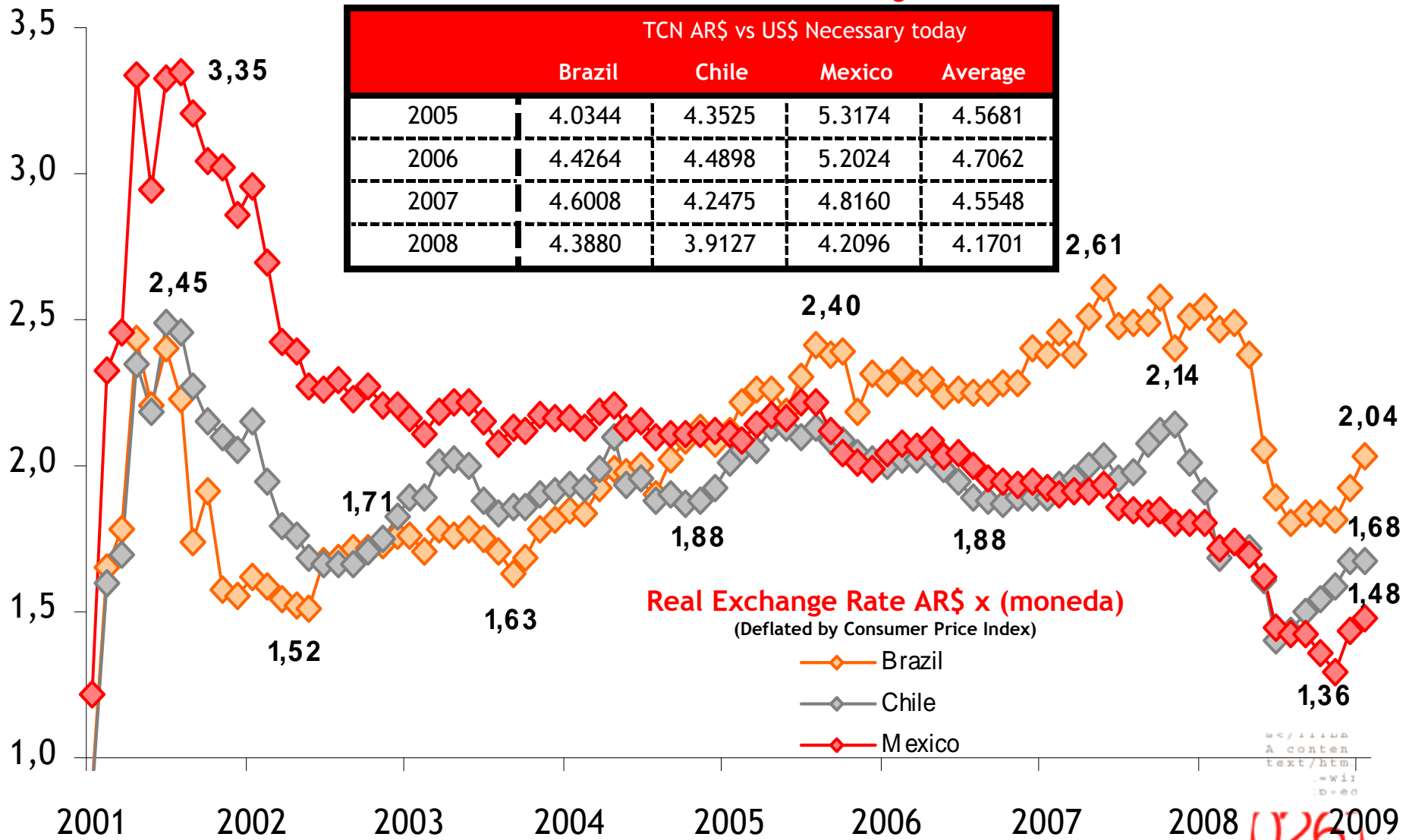
. In this way, the Treasury would end with a positive primary outcome, but with a financial deficit of \$ 18,150 millions.

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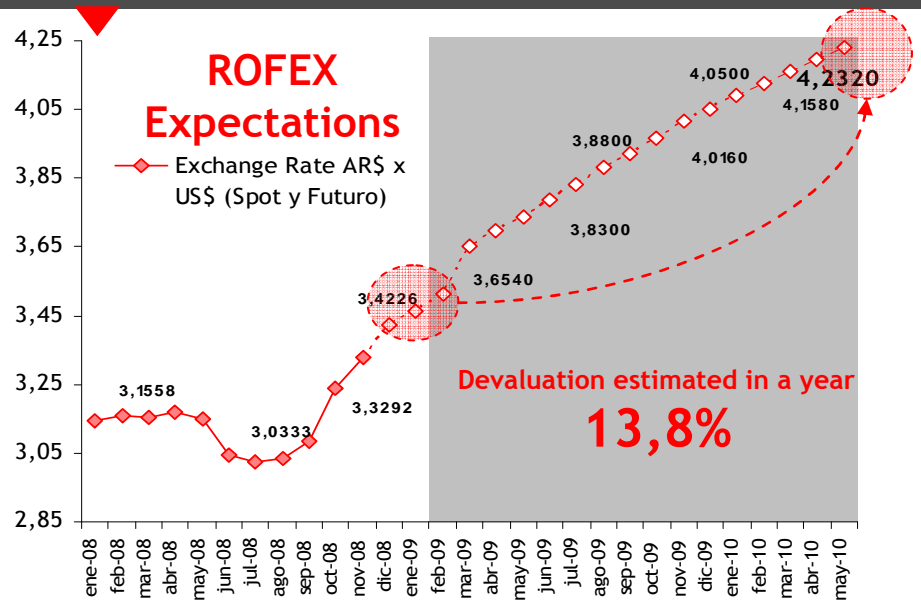
Monetary policy faces the challenge of balancing the currency and avoid being contractive - The peso still has room for a "fine tuning"

Where should the dollar be to reach the average value of...?

TCN AR\$ vs US\$ Necessary today				
	Brazil	Chile	Mexico	Average
2005	4.0344	4.3525	5.3174	4.5681
2006	4.4264	4.4898	5.2024	4.7062
2007	4.6008	4.2475	4.8160	4.5548
2008	4.3880	3.9127	4.2096	4.1701



An increase in rates and a “reconstructive” depreciation would be feasible



- In a context of less number of dollars, falling demand of pesos and “necessary” exchange accommodation, the question is: when will the BCRA do the adjustment...?

Pre-elections

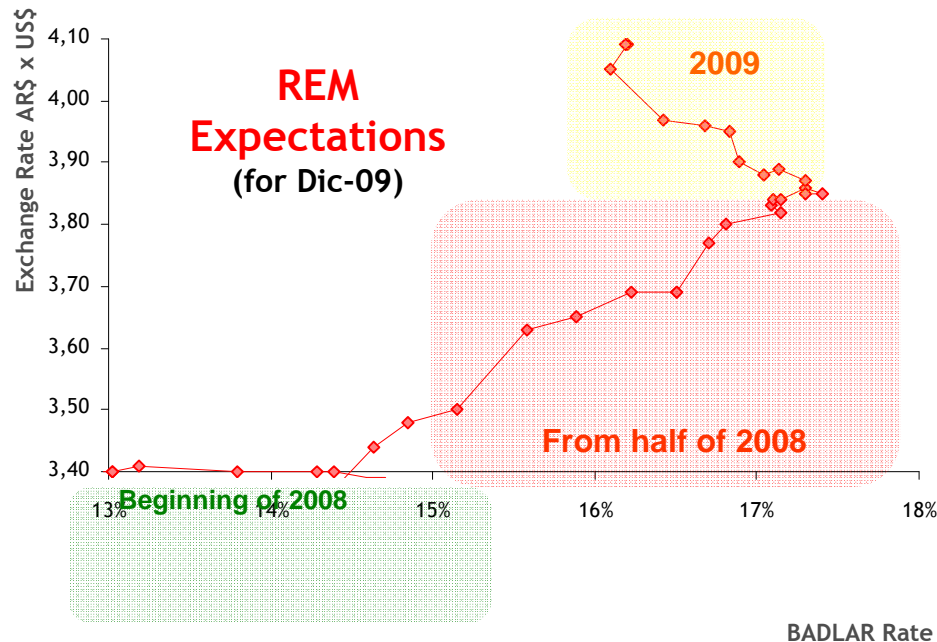
Interest rates remain stable+ deposits in pesos decrease = Demand of dollars (Notes and dollarization of deposits)

With this background, the BCRA would be a net seller in the semester to avoid a shot of TCN, but it would not touch the rates so as not to hit more of the production and consumption

No matter what the result is...would this be “logical”?

Post elections

Increase in interest rates by the BCRA? + Devaluation or depreciation?
Who will continue suffering? The credit, which would become more expensive, although an increase in the demand for pesos could reestablish the circuit for loans but, at what cost?

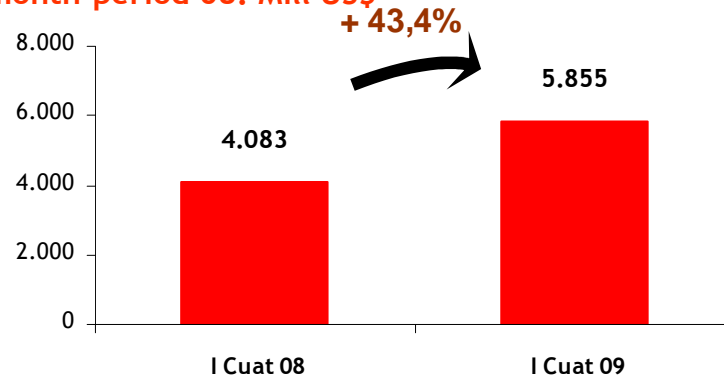


BADLAR Rate

What to expect in the trade balance until June?

In the first four-month-period of 2009, the trade surplus is 43.4% higher than same period in 2008. This happens despite the fact that January and February 2008 were very good months for the extraordinary wheat exports.

Commercial Balance. 1st 4-month-period 09 vs 1st 4-month-period 08. Mill US\$



In April, the trade surplus grew 155.4%, and gave an impulse to the four months gap.

In the rest of the first semester, they are expected **the continuation of the restriction measures** on imports and the **lower levels of investment and purchase of inputs by firms**, so that they will continue showing strongly negative rates of change.

Exports will show the impulse of **recovery in the price of soybeans** and the largest settlements, but the effect of **smaller quantities** will be felt.

Therefore, until June, **the trade surplus is expected to increase** to the level of 2008: **reaching about U.S. \$ 7,500 million.**

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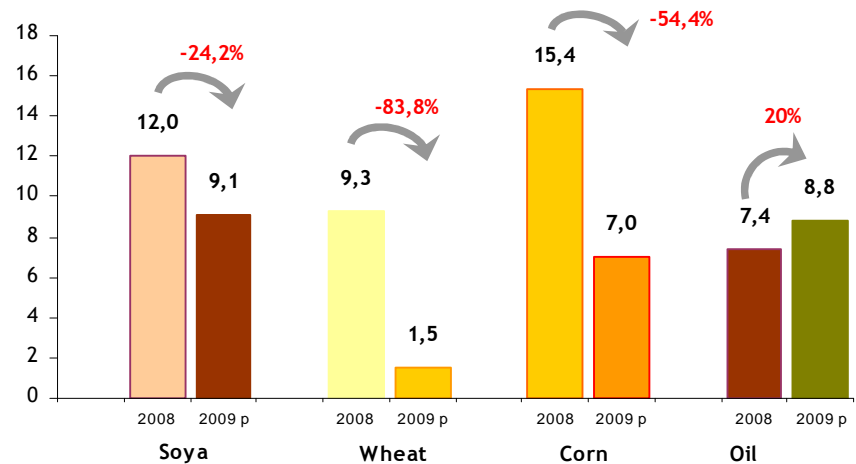
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From the second semester, conditions will change and the surplus of the year would be affected, but it will remain high (falling imports)

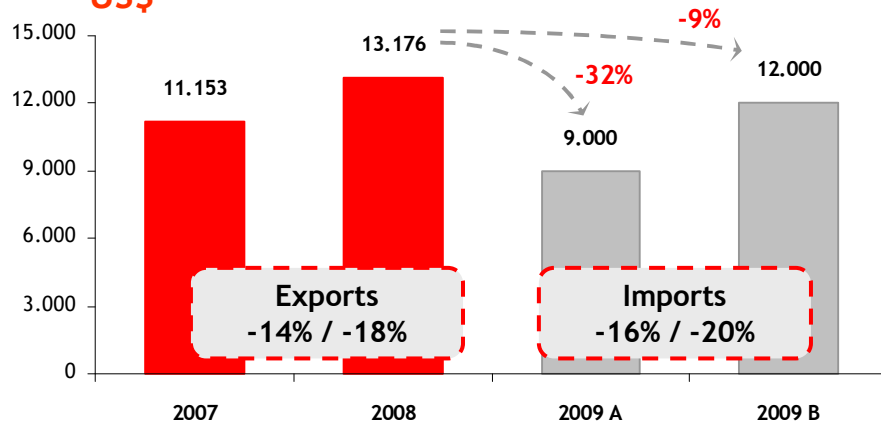
In the second semester, it should be noted a recovery in imports from a higher demand from the productive sectors and a less effective policy restriction.

Exports would continue to be affected by smaller amounts of commodities, and its dynamism will be highly dependent on international prices and the recovery in global demand (especially Brazil).

Exported Tons forecasting for 2009.



Comercial Surplus Forecasting 2009. Millions US\$

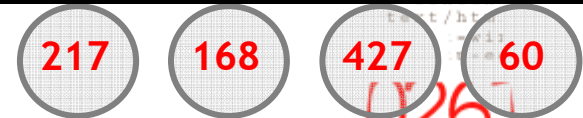


If the price of soybeans remains between U.S. \$ 415-420 U.S. dollars, the fall in exports would be around 11%

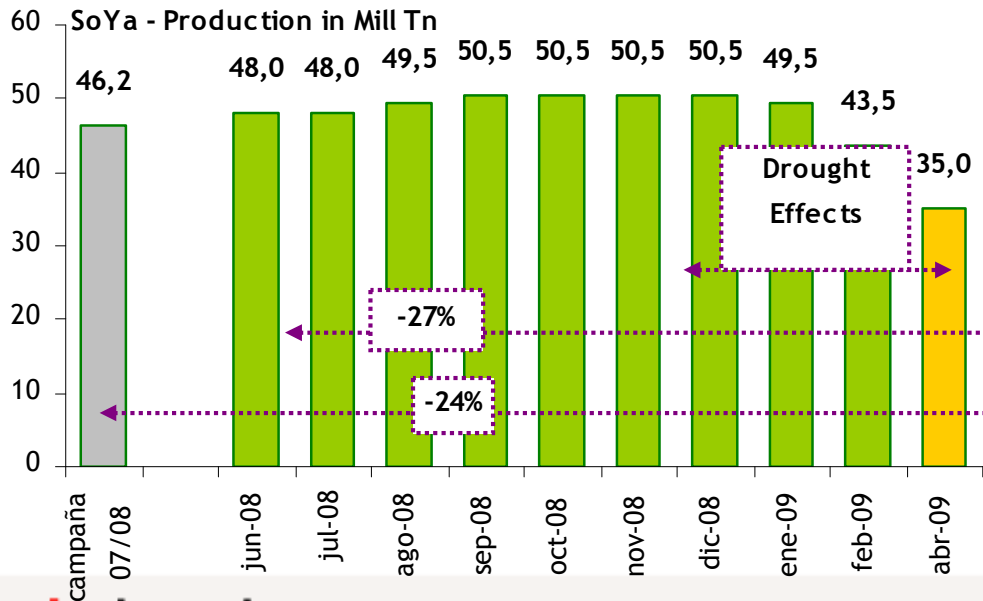
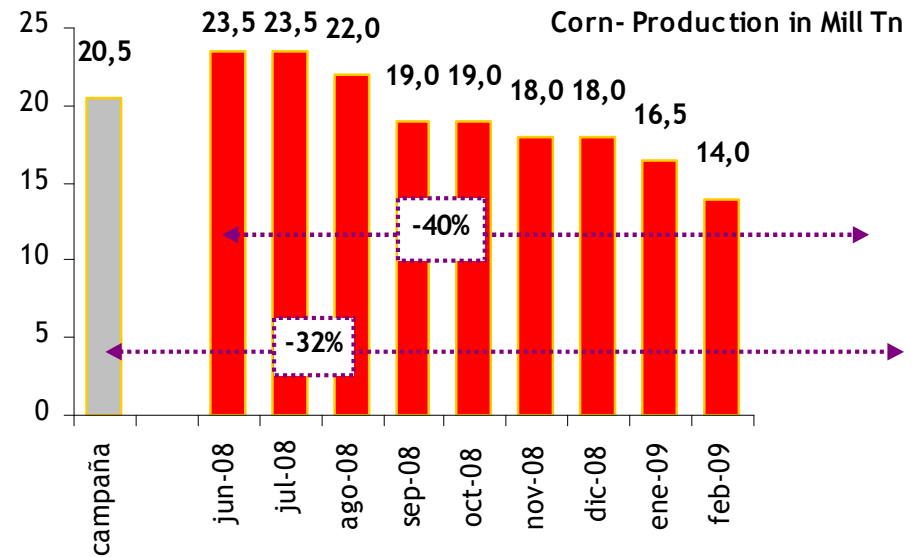
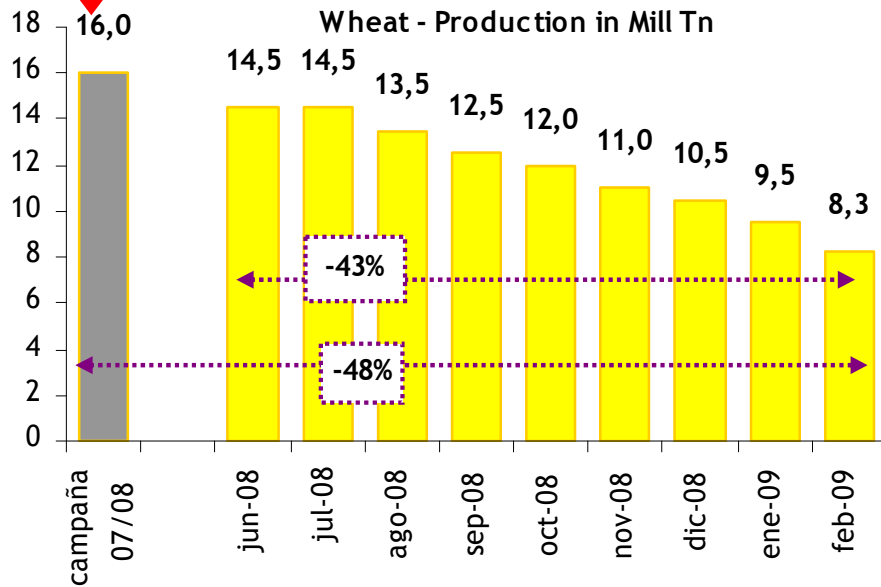
Average prices for Tn of grain and oil barrel 2008 vs 2009 in different scenarios. In US\$

	Wheat	Corn	Soya	Oil	
Effective averages 07	209,1	150,3	289,9	70,8	
Effective averages 08	295,0	225,0	375,0	87,0	
Scenarios	Positive	250,0	195,0	370,0	60,0
	Base	240,0	180,0	355,0	50,0
	Negative	200,0	140,0	315,0	35,0

Current prices:



Activity - Weather problems reduce production forecasting for the 2008/09 campaign - it is forecasted a reduction of 30.5%.



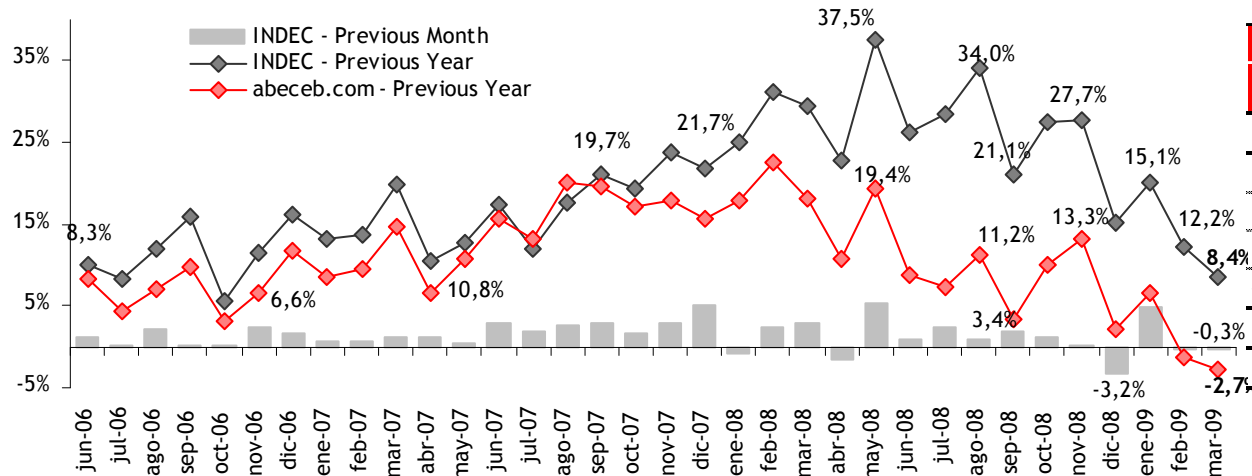
Production Variation in Tn campaign 07/08 vs 08/09

SOYBEANS	-24%
SUNFLOWER	-23%
WHEAT	-48%
CORN	-32%
TOTAL 4 CROPS	-30,5%

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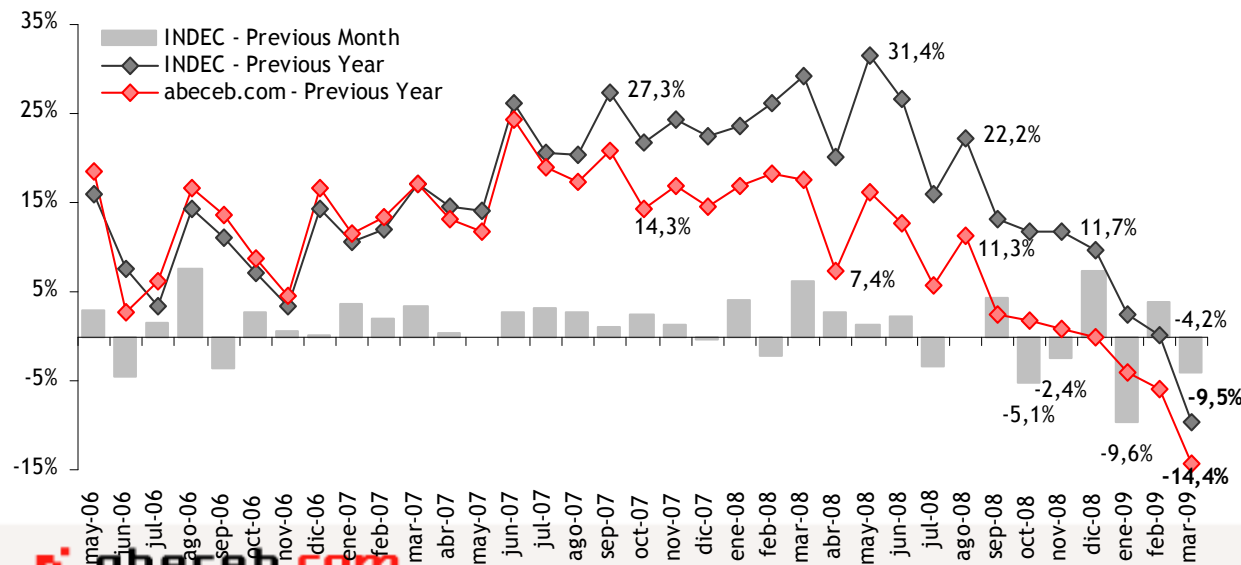
Consumption - While supermarkets consumption keeps growing, it begins to retract in Shopping Malls

Consumption Growth in supermarkets



	Supermarkets		Shoppings	
	INDEC	abecéb.com	INDEC	abecéb.com
2007	17,1%	14,2%	19,7%	16,2%
1T-08	28,5%	19,5%	26,5%	17,6%
2T-08	28,7%	12,8%	26,0%	12,1%
3T-08	27,8%	7,3%	17,2%	6,5%
4T-08	22,6%	7,9%	10,8%	0,7%
2008	26,6%	11,5%	19,2%	8,3%
1er trim.09	13,4%	0,7%	-2,8%	-8,5%

Consumption Growth in Shopping Malls



• The basic consumption continues, with further growth of secondary brands. In the shopping malls, where purchases are more "postponed", it is observed a reduction in sales.

• According to the survey of CAME, the items that showed a greater decline in sales were footwear (-23%), clothing (-22%) and household appliances (-15%).

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Concluding - what can happen in the 2nd semester? - there is still margin, although we lack definitions to calm the expectations

FACTORS TO BE MONITORED

Indicators of the world, that move forward change in trend (USA, Brazil, Chindia)



- Demand for industrial products
- Price of commodities
- Appreciation of Real

Restrictions on imports and measures to promote national competitiveness



- Balance Trade
- Imports of sensitive sectors
- Bilateral relationship with Brazil and China

Fall of national primary surplus. Deepening of provincial deficit



- Drop in revenue growth
- Access to international credit markets are still restricted

Monetary policy with no margin to be countercyclical



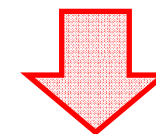
- Sectorial pressures feed expectations of devaluation
- Flight of capital prevents lowering of interest rate

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It is expected a fall of product in 2009; however, with fair wind there could be recovery in the third quarter

	Positive		Medium		Pessimist	
	Previous quarter Var	Var a/a	Previous quarter Var	Var a/a	Previous Quarter Var	Var a/a
1T-09	-2,5%	-0,7%	-2,5%	-0,7%	-2,5%	-0,7%
2T-09	0,7%	-2,1%	-0,4%	-3,1%	-1,4%	-4,1%
3T-09	1,8%	-1,8%	0,8%	-3,8%	0,0%	-5,5%
4T-09	2,5%	2,4%	2,0%	-0,2%	0,5%	-3,4%
2009	-	-0,5%	-	-2,0%	-	-3,5%



THE WORLD

United States, China and Brazil show signs of recovery in the second half of 2009

U.S. tax plans and China have a "delayed" impact (IVT'09) and without too much "force".

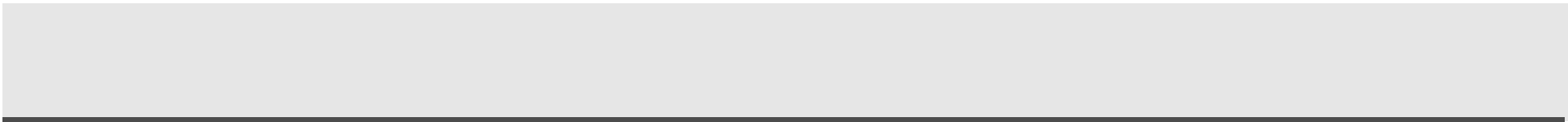
Recovery takes "a vacation" until 2010, by which international trade does not put the chin up in the year.

LOCAL CONTEXT

Positive Shock of expectations: After the elections, they will addressed policies which generate more certainty and allow more opportunities.

Autopilot (like at the end of 2007/2008) with high terms of exchange.

They deepen the non-coordinated and non-consulted measures, deepening the uncertainty of investors and consumers



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Projections for 2009

Base scenario estimated by abeceb.com

	2007	2008	2009 (a)	2009 (b)
Real GDP (Var. % annual)	8,7	7	0,5	-2,0
Inflation (Var. % annual)	16,4	20,0	12,5	15,0
Unemployment (% PEA)	8,9	8,0	8,7	9,2
Nominal Exchange rate (Ref. BCRA) (\$ x US\$)	3,12	3,16	3,92	4,32
Active Interest rate (PRIME en \$) (% TNA)	11,0	19,5	19,0	25,0
Primary Surplus (Consolidated) (% del PIB)	3,4	3,1	2,0	1,8
Exports (Thou of Mill. US\$)	56,0	71,3	59,0	53,5
Imports (Thou. of Mill. US\$)	44,0	58,0	51,0	48,5
Trade Balance (Thou. of Mill. de US\$)	12,0	13,3	8,0	5,0

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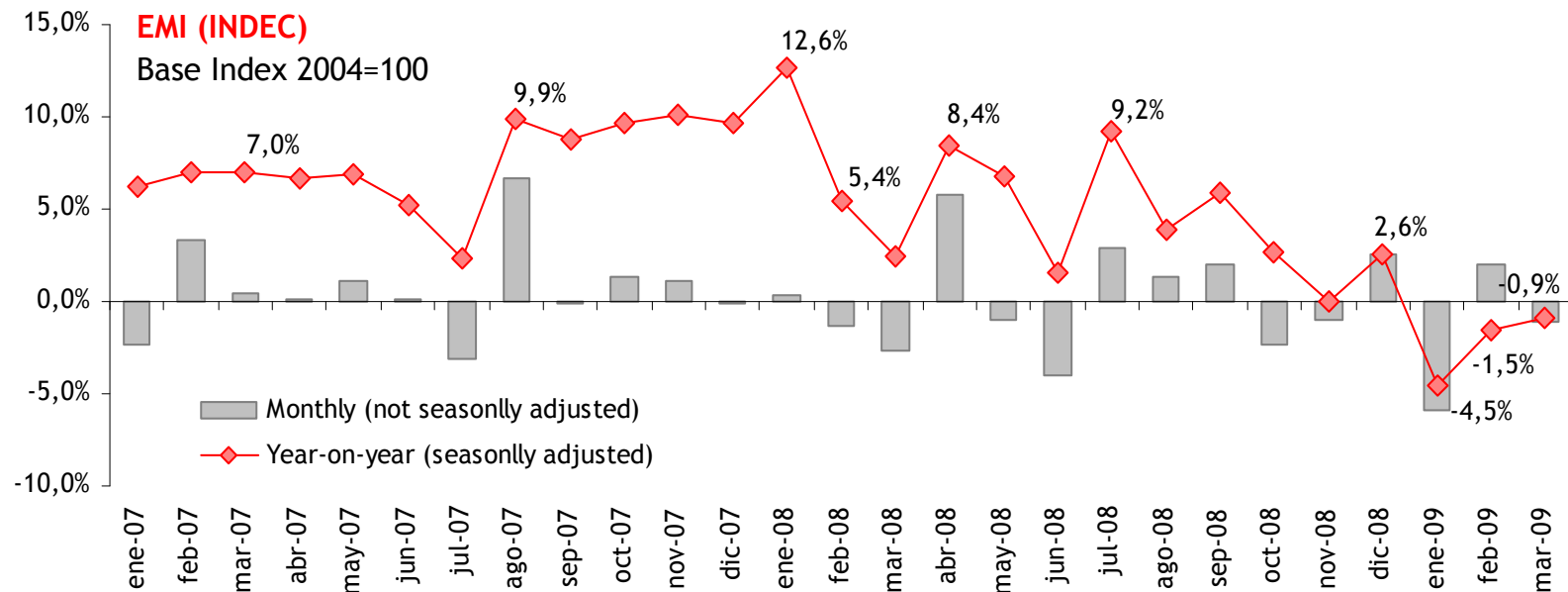
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INDUSTRY - A drop in industrial production of 2.3% is cleaned up although the statistic is still unreliable



	10 months 08	Last 2month 08	2008	1st quarter 09
Food and beverages	3,0%	14,2%	5,0%	13,8%
Paper and carton	0,3%	12,4%	2,3%	7,5%
Tabaco	8,8%	2,9%	7,7%	7,5%
Chemical prod. and subst	4,2%	13,6%	5,8%	7,3%
Non metallic minerals	7,0%	7,8%	7,1%	5,9%
Edition and printing	4,3%	11,1%	5,5%	5,8%
Metalmechanical	0,8%	9,5%	2,3%	5,1%
Rubber and plastic	0,3%	6,4%	1,3%	2,1%
EMI seasonally adjusted	5,7%	1,3%	5,0%	-2,3%
Oil Refining	-2,0%	-6,6%	-2,7%	-5,3%
Textiles	1,6%	1,0%	1,5%	-14,0%
Basic Metals	14,2%	-17,4%	8,4%	-28,4%
Automotive vehicles	22,2%	-32,1%	11,2%	-36,7%

■ Since November 2008 the reliability on index is lost.

■ The food and beverage industry, chemicals and chemical substances and metal mechanical (with a 51% weighting in the index) are recovered in the last two months. It is remarkable the increase in some products that are not easily verified.

Sectors with self statistics and with regular publication.



Industries which are more involved

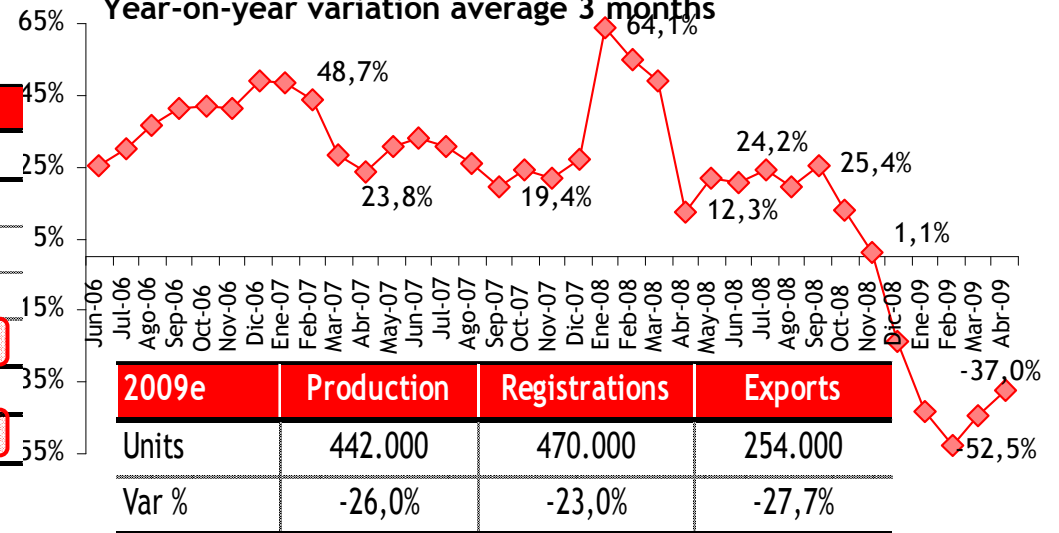
Automotive Sector

Year-on-year variation.

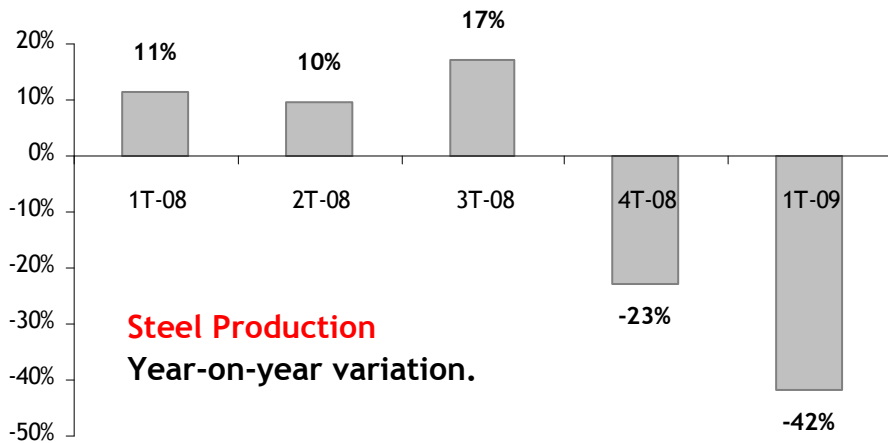
	Production	Registrations	Exports
2007	26,0%	25,7%	33,6%
1Q-08	27,7%	4,6%	29,6%
2Q-08	20,4%	23,7%	27,4%
3Q-08	24,3%	8,1%	16,5%
4Q-08	-22,9%	-6,2%	-15,9%
2008	9,6%	7,8%	11,0%
1st4-month-pe	-39,2%	-16,7%	-38,6%

Automotive Production.

Year-on-year variation average 3 months



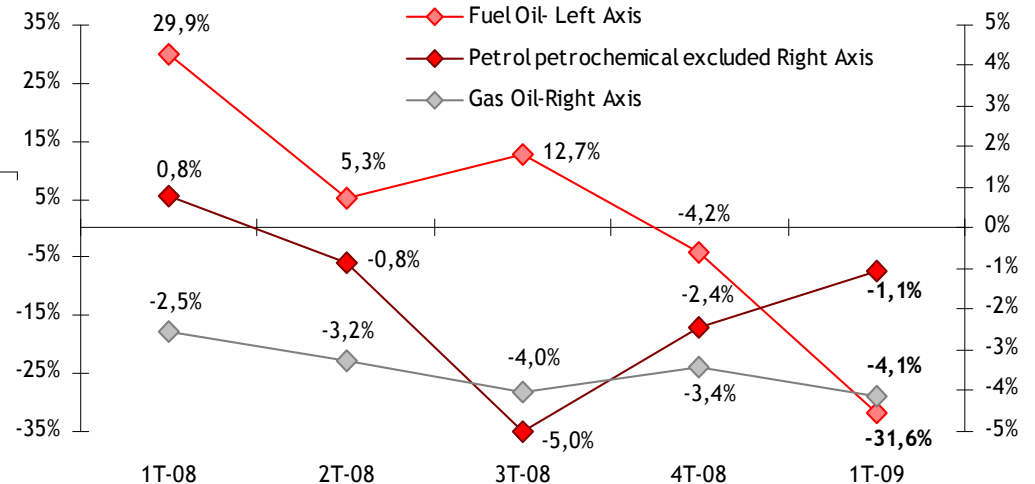
Basic Metals



Steel Production
Year-on-year variation.

* Steel production fell 44,3% in April 2009

Oil Refining



Alternative statistics show signs of a large fall in other sectors

White goods and Electronics

Production. Year-on-year variation.

	TV	Microwave	Air Condit	Wash Mach
2007	10,1%	49,7%	33,8%	37,3%
1T-08	16,8%	14,7%	171,6%	-0,1%
2T-08	-7,5%	-3,4%	50,8%	-2,2%
3T-08	-20,8%	10,3%	42,7%	-16,2%
4T-08	-29,5%	-48,6%	6,1%	-55,4%
2008	-14,5%	-7,6%	36,6%	-19,7%
1er bim. 09	-26,6%	-72,9%	-43,5%	-57,6%

* Washing Machines Production fell 3% in the second 2-month-period of 2009

- **Consumer confidence** to the purchase of durable goods is at the lowest level since 2003

- **Installment Credits** without interest disappeared and there is **more job uncertainty**.

- **Restrictions on imports** can play in favour.

Agricultural Machinery

Sales. Year-on-year variation.

	Tractors	Harvesters
2007	32,3%	45,7%
1T-08	66,7%	45,0%
2T-08	-0,5%	56,8%
3T-08	32,1%	25,3%
4T-08	-27,1%	-52,3%
2008	8,7%	0,9%
1T-09	-65,5%	-76,2%

Energy Consumption

Demand and distribution. Year-on-year Var.

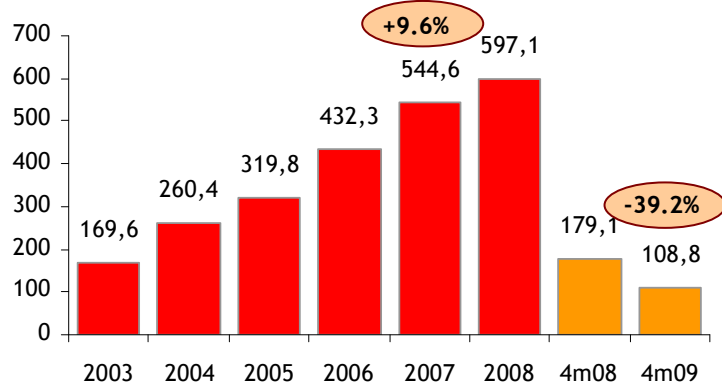
	Electric Energy	Gas to Industry
2007	6,3%	1,2%
1T-08	3,8%	6,8%
2T-08	2,4%	0,9%
3T-08	2,0%	11,7%
4T-08	3,4%	-9,2%
2008	2,9%	1,9%
1T-09	-0,8%	-20% / -25%

- Due to the **effects of drought and the fall in international prices** on yields, sales of agricultural machinery collapsed.

- The **reduction of production shifts** is reflected in a lower demand of energy.

The automotive sector - Argentina production seeks new levels

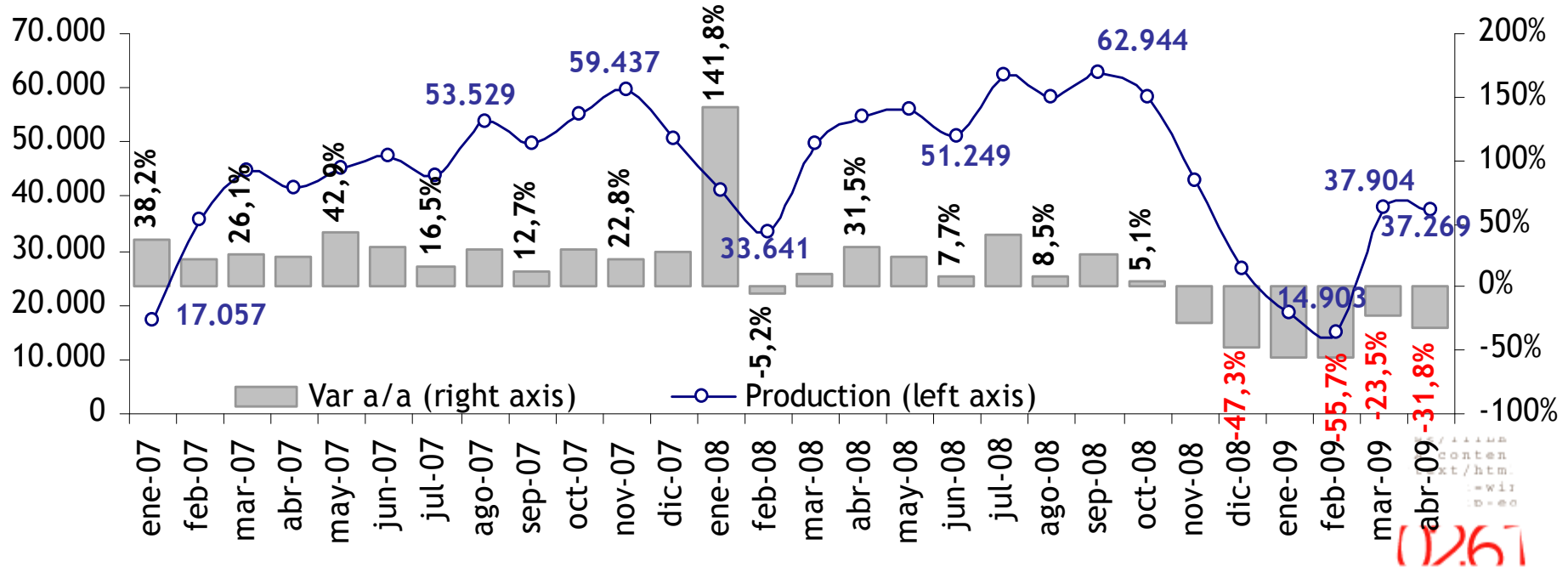
Production of vehicles. In units



After more extensive stops in plants than usual, production returned in March at levels above 37 thousand units per month.

	Production	Var. vs 1° 09
1st 4 months 09	108.796	-
1st 4 months 08	179.078	-39,2%
1st 4 months 07	138.962	-21,7%
1st 4 months 06	110.560	-1,6%

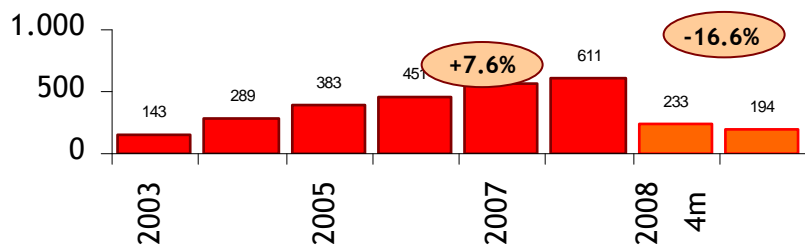
Monthly production of vehicles. In units and year-on-year variation



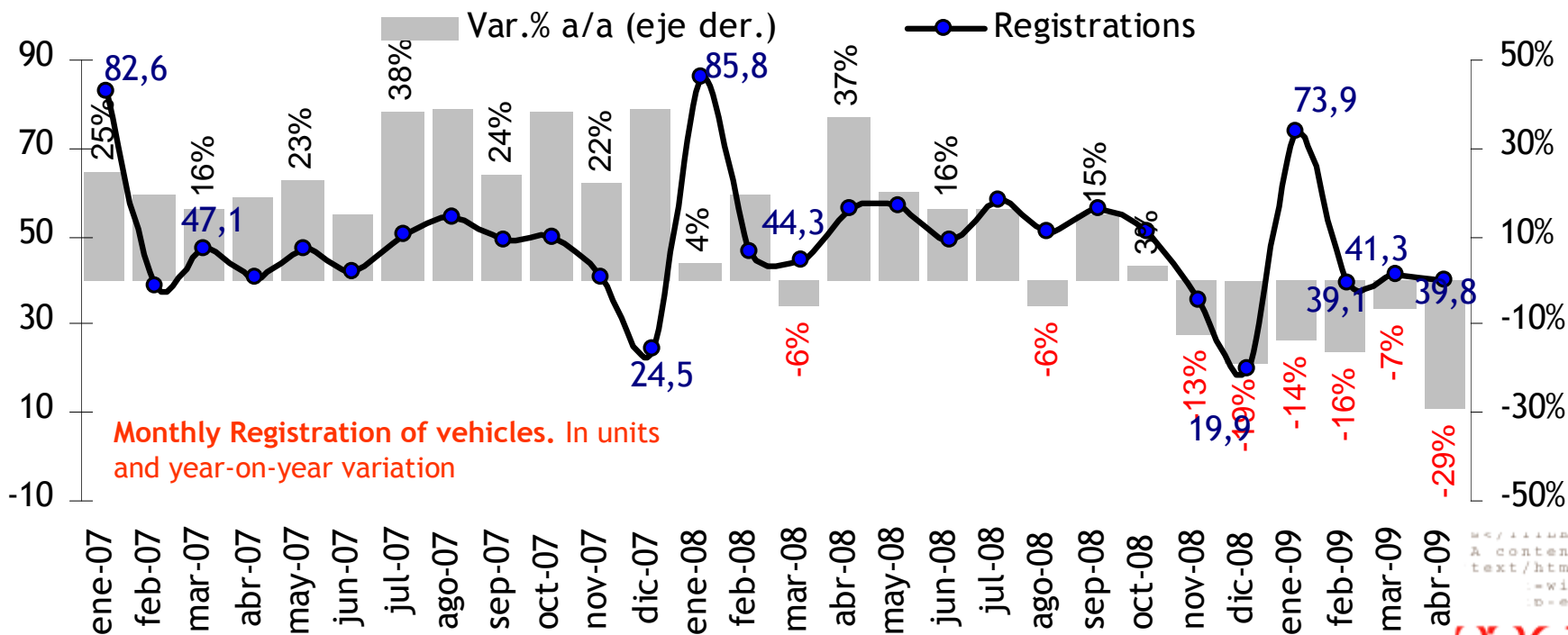
The automotive sector - the collapse of vehicle registrations in the first quarter reached 16.6% ...

Vehicle Registrations. In thousands of units

Car registrations of 2009 are placed between the levels of 2006 and of 2007.



	Registrations	Var. vs 1°C09
1st 4 months 09	194.074	-
1st 4 months 08	232.714	-16,6%
1st 4 months 07	210.398	-7,8%
1st 4 months 06	173.666	11,8%

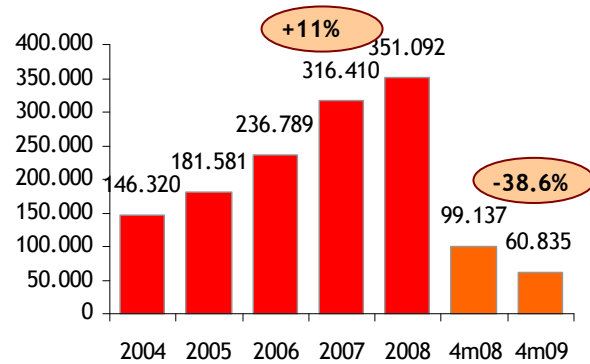


Source: abeceb.com based on ACARA

Note: they are considered all kinds of automotive vehicles

The automotive sector - the fall in exports is attenuated...

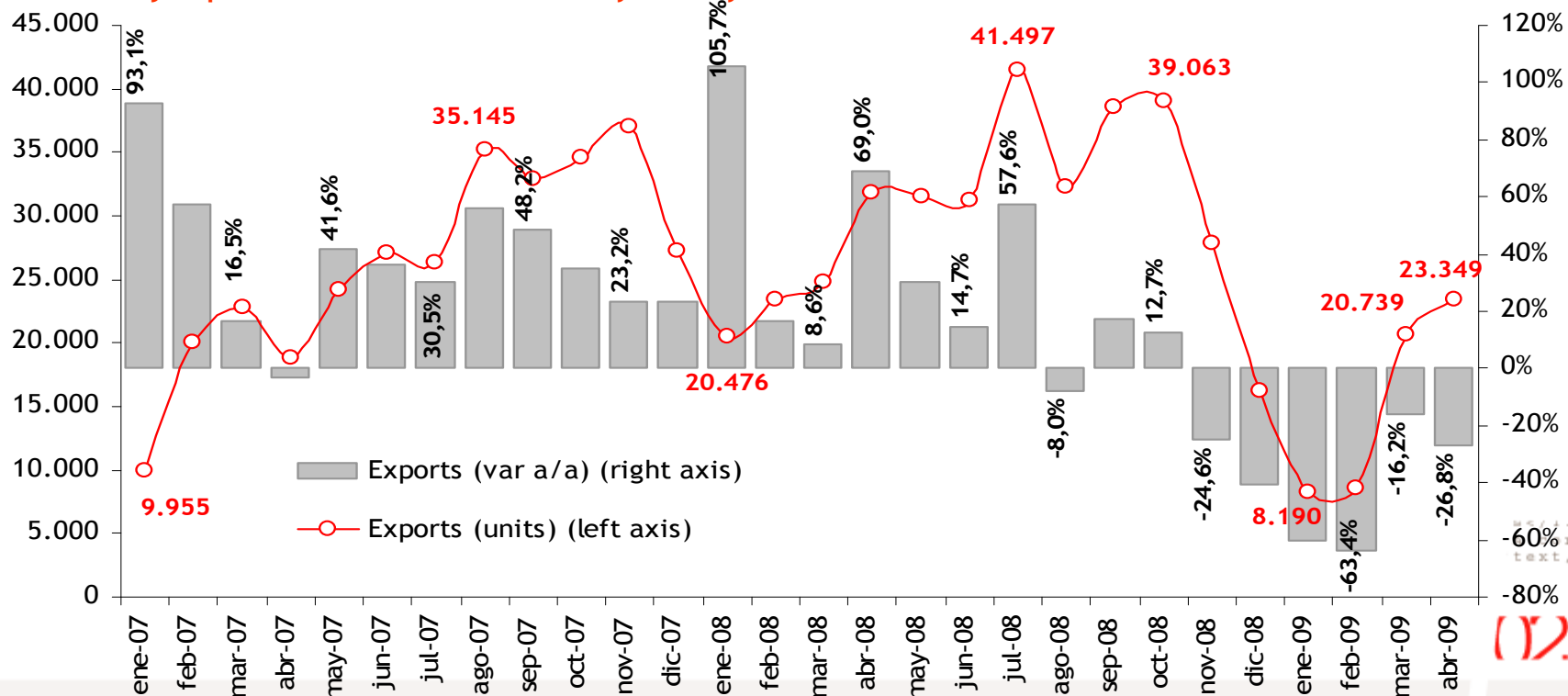
Exports of vehicles. In thousands of units



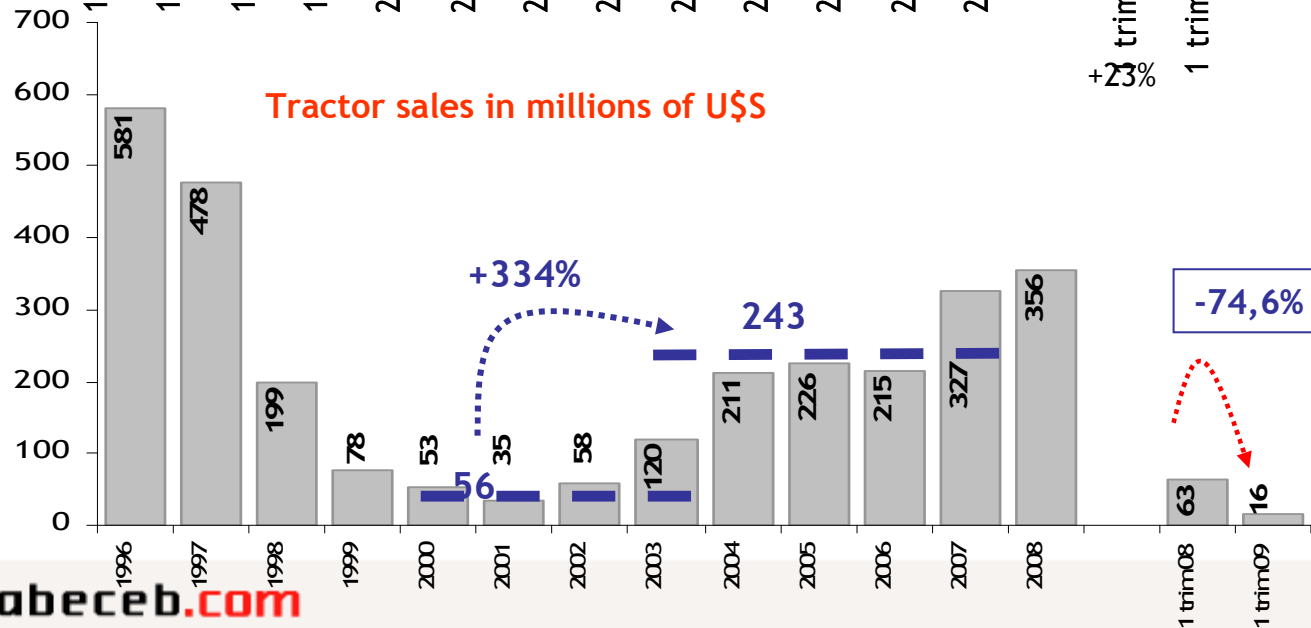
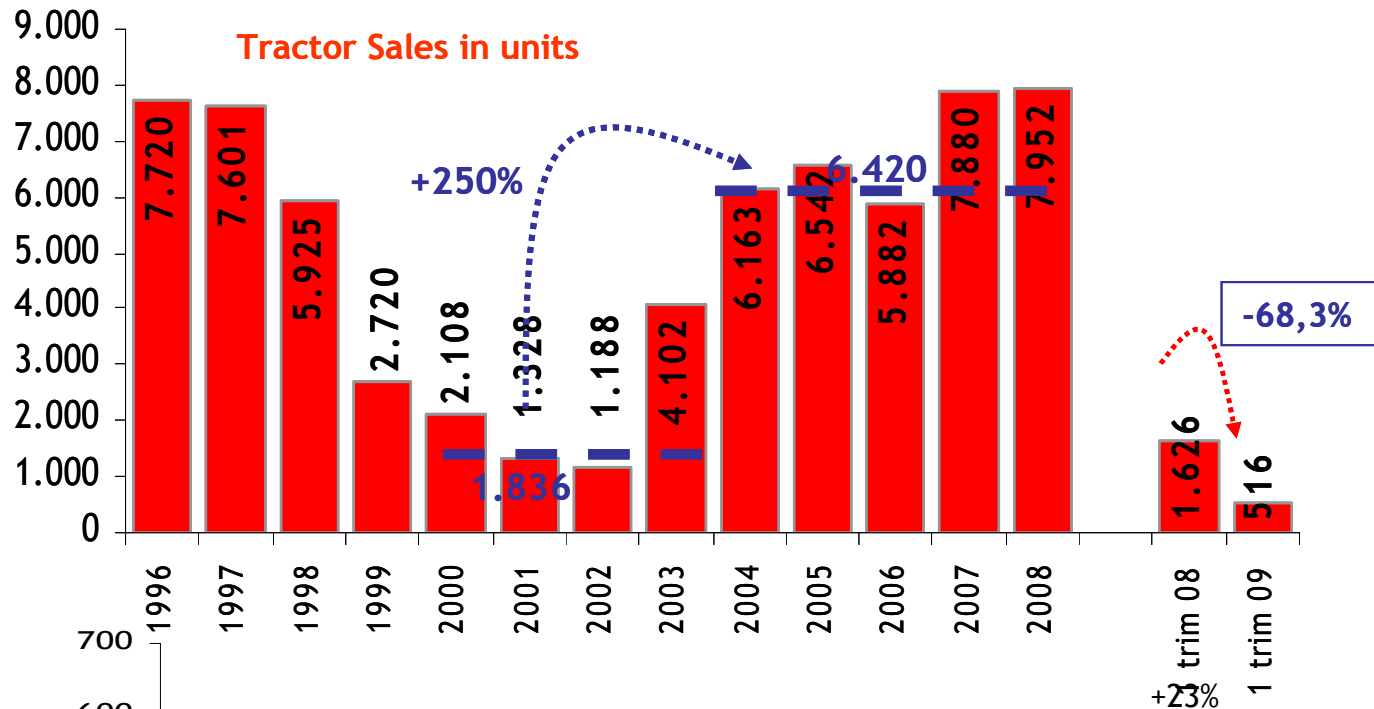
In April, exports showed a consolidation on the 20 thousand units, recovering over very low levels of previous months.

	Exports	Var. vs 1°C09
1st 4 months 09	60.835	-
1st 4 months 08	99.137	-38,6%
1st 4 months 07	71.730	-15,2%
1st 4 months 06	56.997	6,7%

Monthly exports of vehicles. In units and year-on-year variation



TRACTORS - Due to the effect of behaviour in the second semester of 2008 sales of tractors recorded a drop of 68.3% in the 1st quarter of 2009.

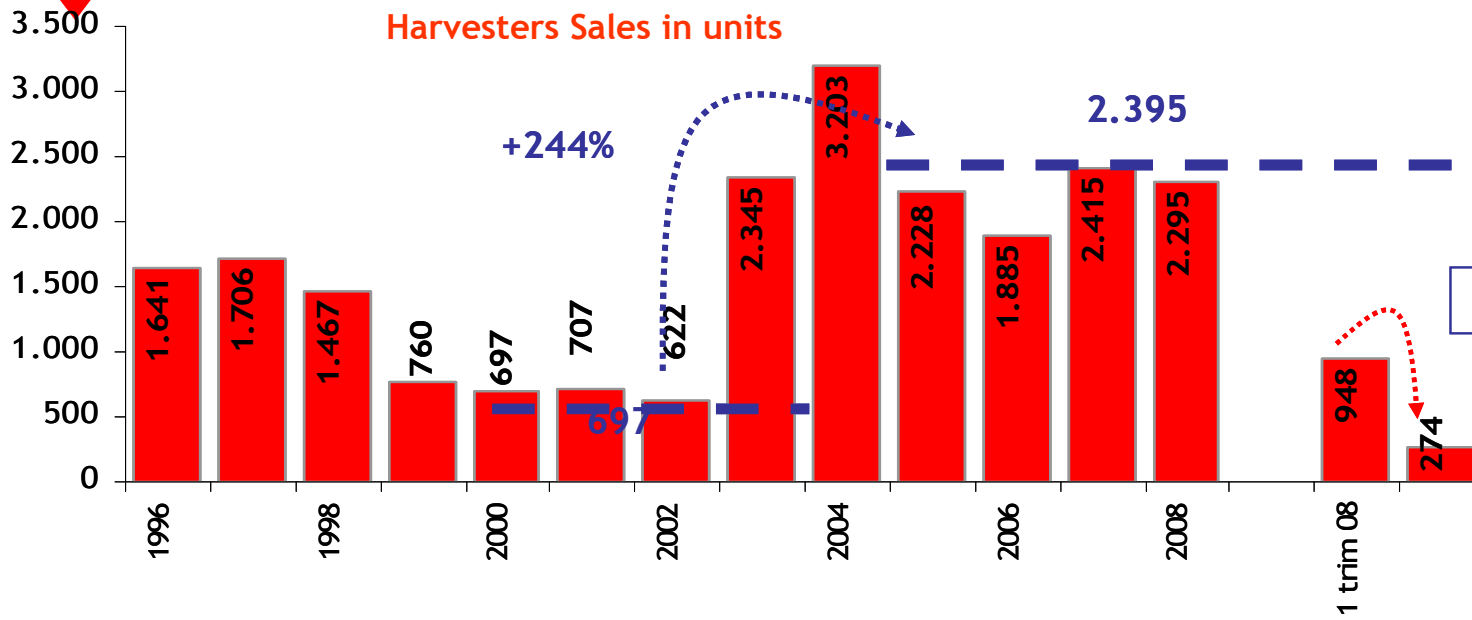


The average price in the first semester of 2009 fell by 20% compared with the same period in 2008, the first U \$ \$ 31,008 million and the second U \$ \$ 38,745.

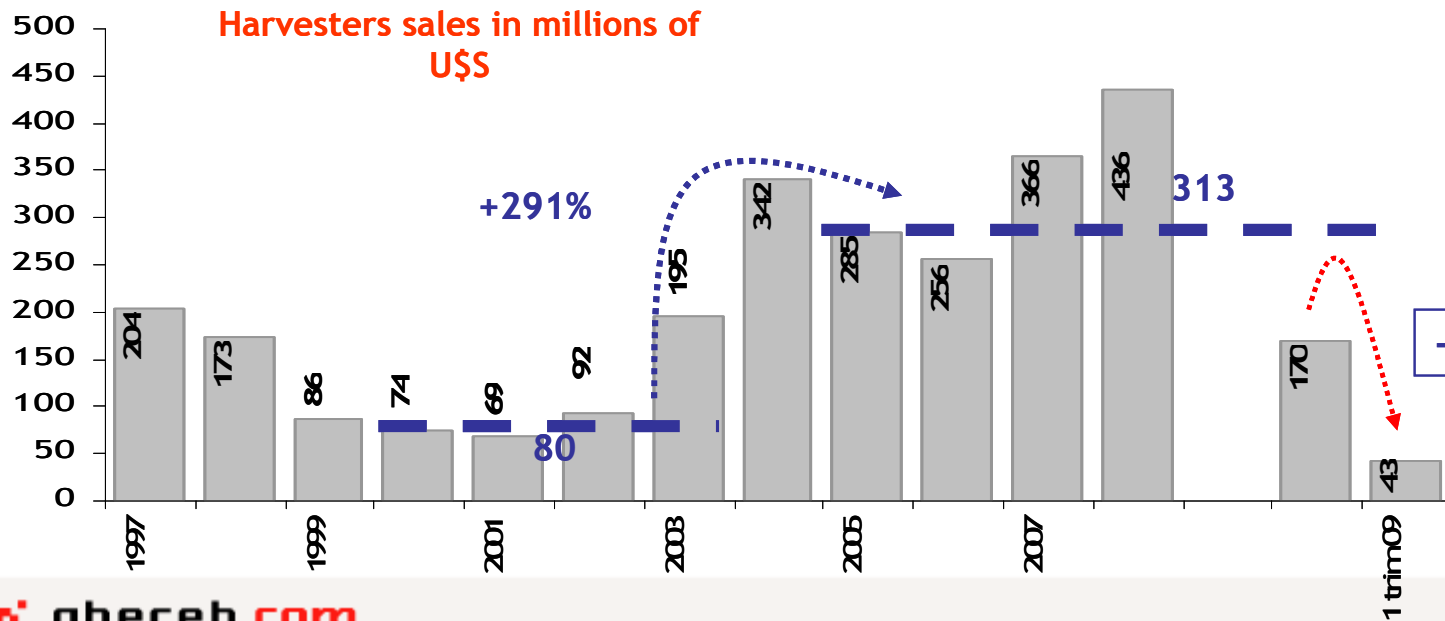
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HARVESTERS- they were sold almost 70% less. It is very different the first quarter of the year with respect to the first of 2008: revenues fell by 74.7%



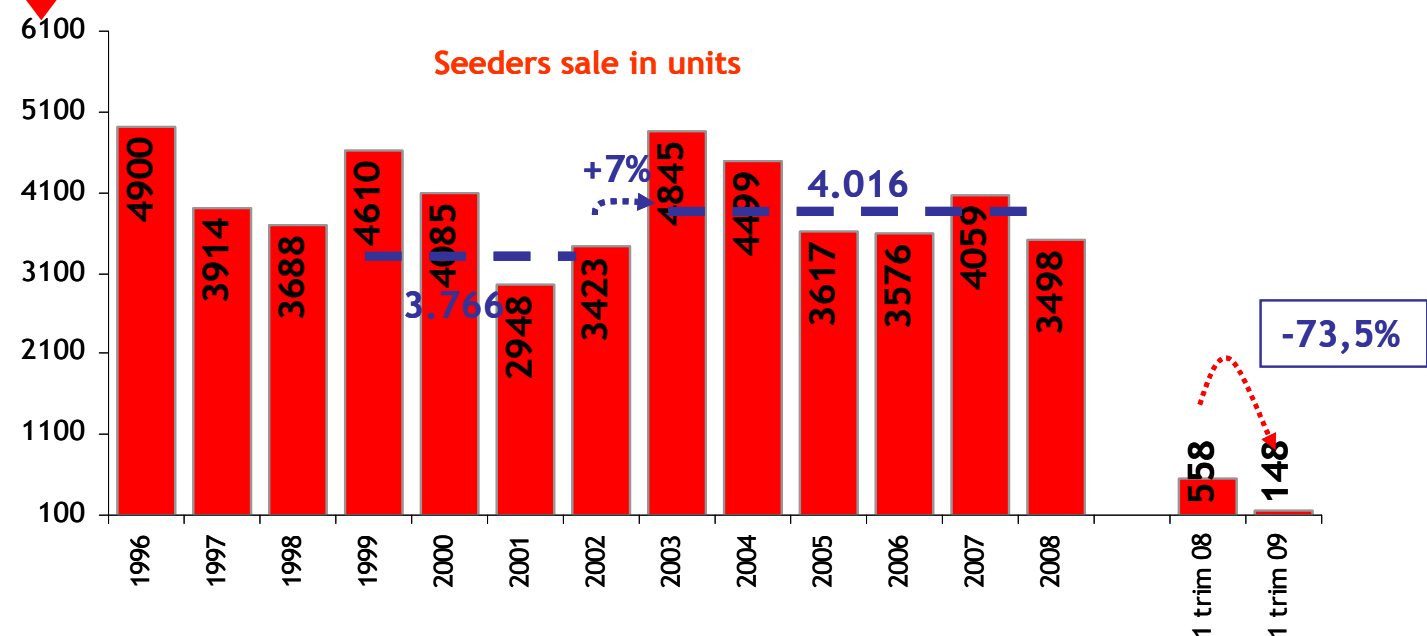
The average price in the first quarter of 2009 is 156,934 per unit and the one in same period of 2008 is 179.325 million dollars



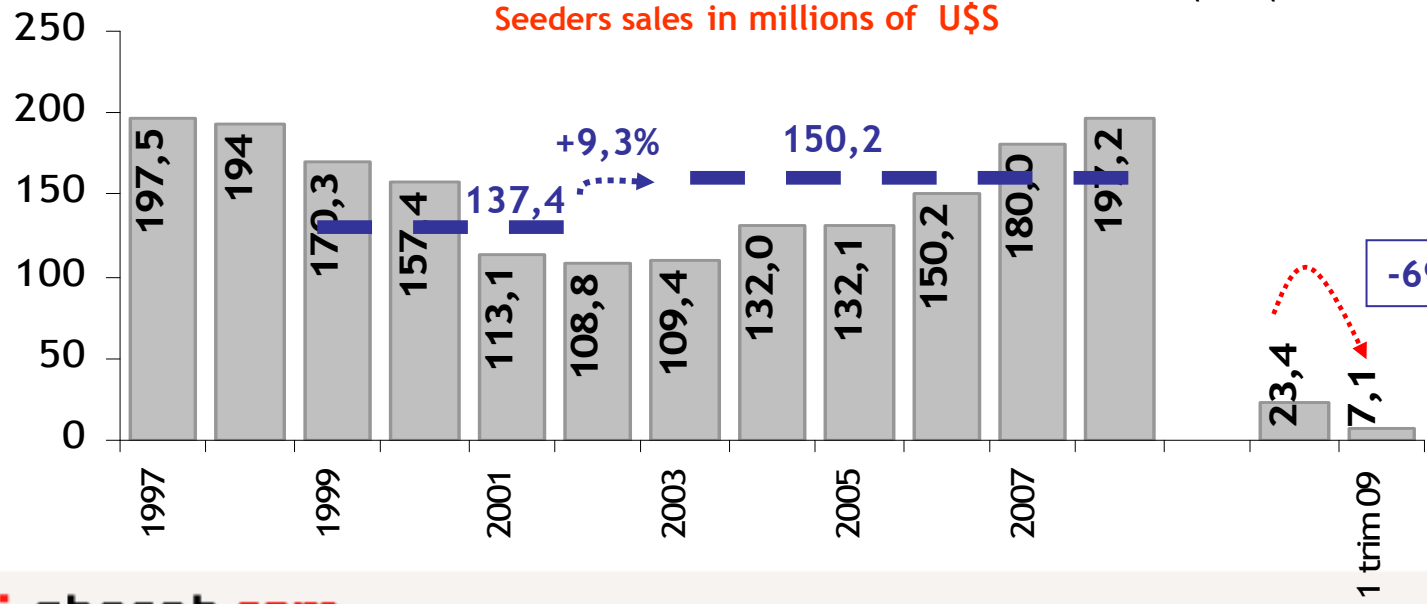
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SEEDERS - revenues contracted a 69.6%, while sales contracted a 73.5% during the first quarter of the year.



The average price per unit for the first quarter of 2009 is 47,973 and the one in the same period in 2008 41.935 million dollars



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1- National and international economic situation.

2- Sectorial analysis

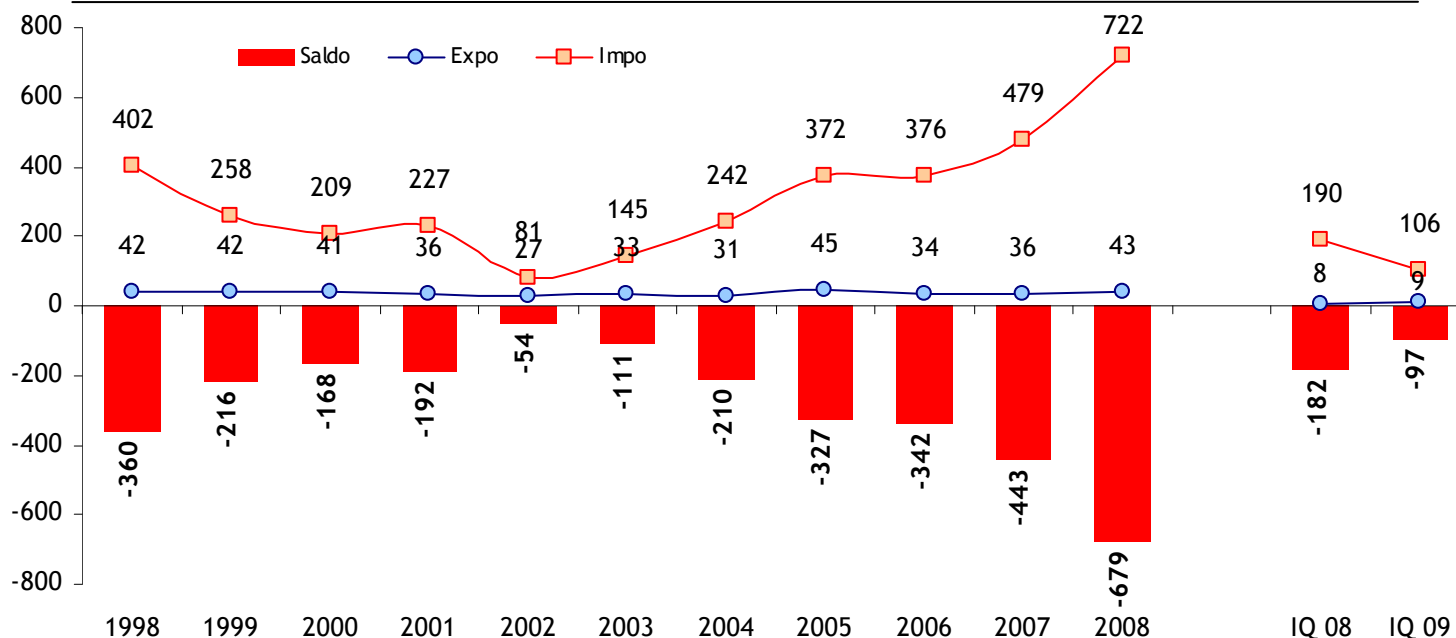
3- Foreign trade

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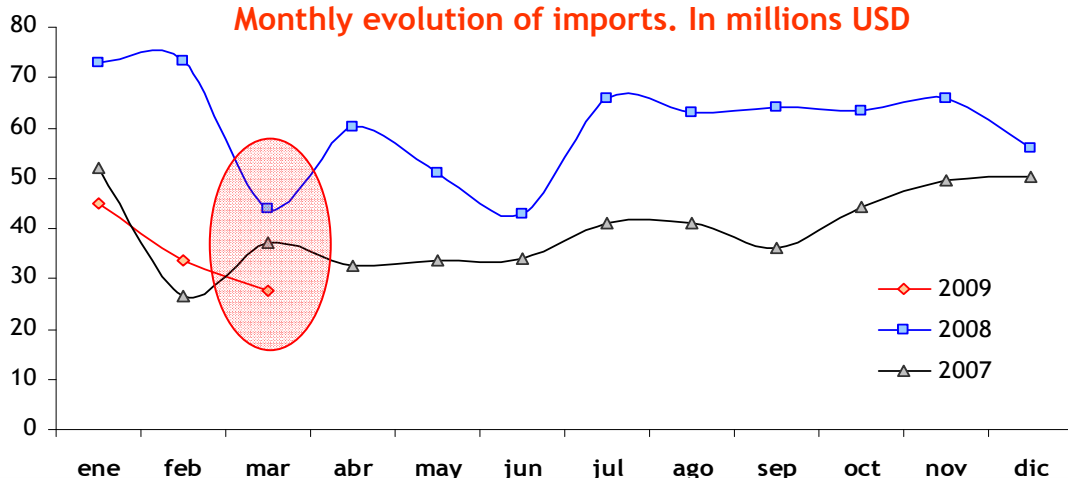
Sectorial situation - Foreign trade:: In the first quarter, imports fell and the deficit was reduced over 50%

Evolution of trade of machine tools. In Millions of USD



- Trade deteriorated by 42% in the first quarter of 2009 mainly due to the fall in imports (44.2%)
- In March 2009 it was imported less in value than the same month in 2007 (27 M versus 37M)
- Exports continued its pace of year-on-year growth, although somewhat lower than in the last quarter of 2008 (19%)

Monthly evolution of imports. In millions USD



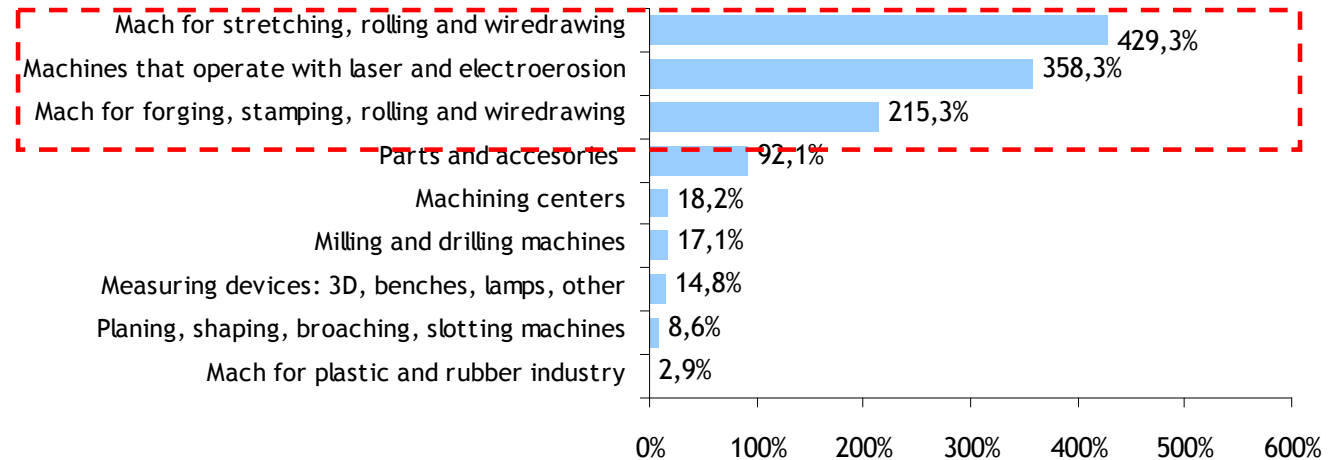
	Variation	
	2008/2007	I Q 09/I Q 08
Expo	19,3%	15,1%
Impo	50,9%	-44,2%
Balance	53,5%	-46,8%

Note: they were taken into account tariff positions determined by CARMAHE

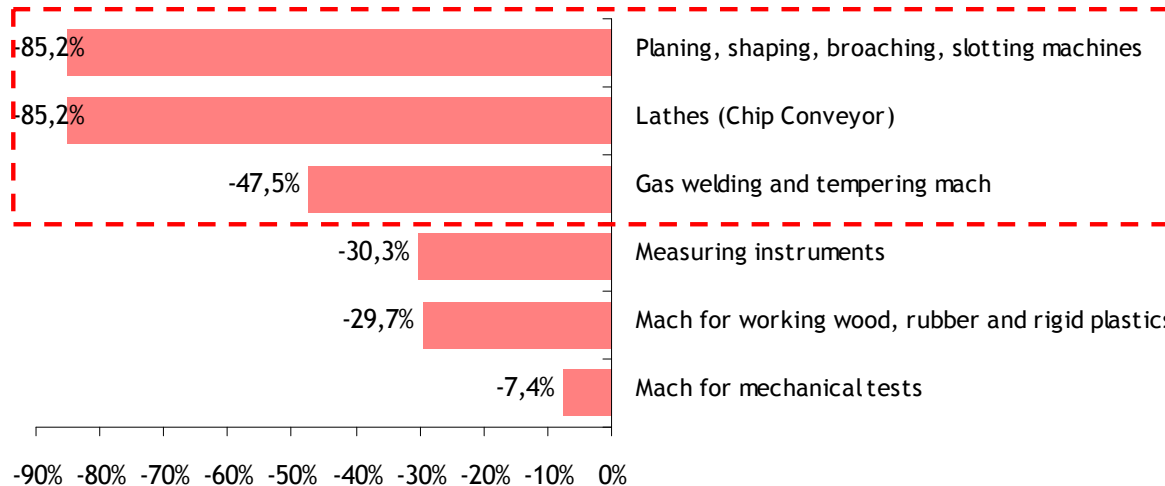
Exports:: The sectors whose exports grew overcome those which fell in the first quarter.

Sectors of greater dynamism. Var % | T09 vs IT 08

- The three most dynamic areas concentrate 28% of total exports.
- Mach for forging, stamping, rolling and wiredrawing- measuring devices- Mach for the plastic and rubber industry they are the most powerful (concentrate 64% of total) and increased to 215%, 14.8% and 2.9%



Sectors of less dynamism. Var % | T09 vs IT 08



- Among those which grew, 6 sectors grew faster than the average.
- Those which fell represent a 13.3% of total exports.

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Sectorial situation - Exports: Brazil, Mexico and Chile were the main destinations, representing 50.7% of foreign sales

- The number of destination countries in exports grew in the first quarter of 2009 over the same quarter of 2008 from 47 to 55. Only five products increased their destinations and 7 reduced them.
- Brazil and Mexico gain participation in the first quarter (36% and 7%) and Chile ranked third (7%) to replace United States (6%)

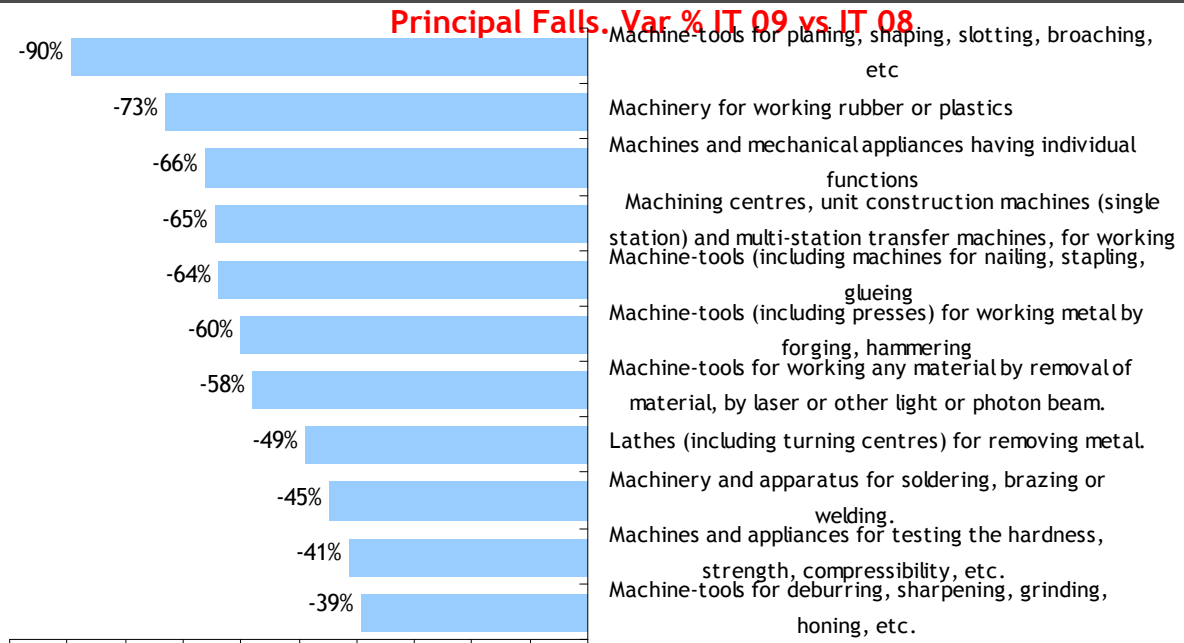
Principal destinies per product. In millions of U\$S.

Productos	Cantidad de destinos		Principales destinos I Trim 2009. En millones de U\$S					
	IT 2008	IT 2009	1°		2°		3°	
Mach for forging, stamping, rolling and wiredrawing	12	13	Brazil	1,83	Chile	0,28	Ecuador	0,07
Measuring instruments, appliances and machines	33	37	Brazil	0,68	United States	0,24	Mexico	0,22
Mach for plastic and rubber industry	19	20	Brazil	0,62	Bolivia	0,38	Chile	0,19
Mach for working wood, rubber and rigid plastics	11	8	Italy	0,37	Mexico	0,23	United States	0,11
Machine-tools for drilling, boring, milling, etc.	8	5	Mexico	0,28	Venezuela	0,02	Bolivia	0,01
Parts, accessories and tool holder	21	24	Brazil	0,25	United States	0,12	Paraguay	0,07
Electric welding, plasma, laser and other machines	19	18	Brazil	0,18	Uruguay	0,06	Perú	0,06
Machine-tools for working by laser or other light or photo	7	6	Paraguay	0,09	Italy	0,08	Ecuador	0,06
Mach for mechanical tests	11	12	United States	0,07	Perú	0,02	Chile	0,02
Machining Centers	3	3	Spain	0,06	Brazil	0,04	Bolivia	0,00
Lathes (including turning centres) for removing metal.	7	3	Brazil	0,05	Ecuador	0,04	Bolivia	0,02
Rectifying, grinding, broaching and creator mach	10	7	Brazil	0,04	Uruguay	0,01	Belgium	0,01
Drawing, marking-out or mathematical calculating instrum	17	17	United States	0,02	Ecuador	0,02	Chile	0,01
Machine-tools (including presses) for working metal by fo	2	3	Ecuador	0,02	Colombia	0,02	Uruguay	0,01
Machinery for soldering, brazing or welding.	5	4	Uruguay	0,01	Bolivia	0,01	Chile	0,00
Planing, shaping, broaching, slotting machines	5	5	Perú	0,01	Uruguay	0,01	Brazil	0,01
Robots								
Total	47	55	Brazil	3,76	Mexico	0,82	Chile	0,70

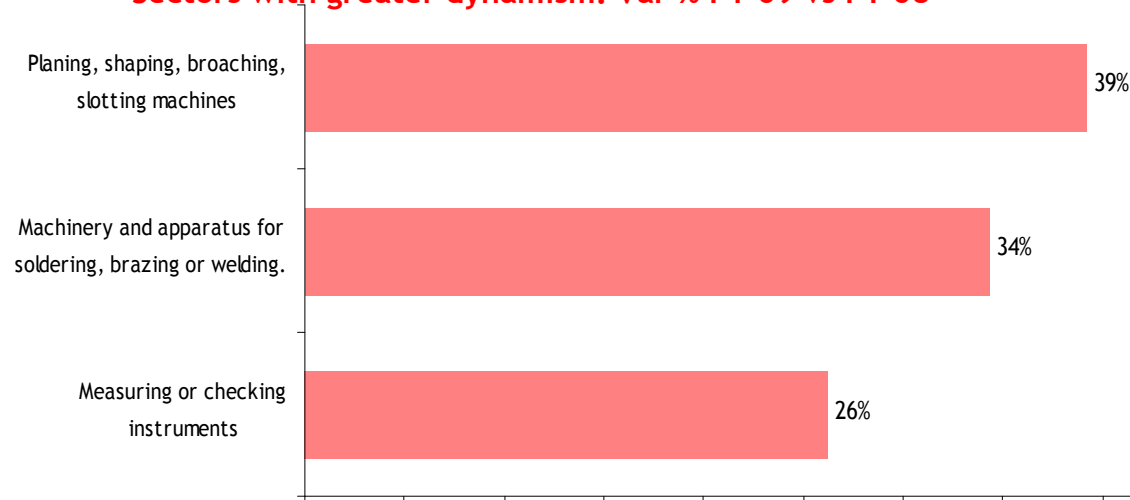
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Sectorial situation - Imports: In the first quarter imports fell in 14 of 16 sectors and their value is lower than the same period of 2007

- Imports fell in March to reach values lower than 2007
- Although the decline was widespread, it was mainly explained by: Mach for plastic and rubber industry, machining centers and planing machines.



Sectors with greater dynamism. Var % I T 09 vs I T 08



- Only 3 sectors increased their purchases from abroad which reflects the fall in investment in capital goods

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Sectorial situation - Imports:: Germany lost its place in imports. U.S.A, Brazil and China are the principal beneficiaries

- Germany reduced its share in the first quarter from 30% to 14.2% in Argentinean imports.
- They won: China 11.8% to 14.5%, Brazil 11.4% to 15.1% and 9.6% USA 15.9%.
- China and United States occupy the podium of the three main countries of origin in 10 of 17 sectors, while Brazil only 3.

Principal origins per product. In millions of U\$S.

Products	Quantity of origins		Principal origins 1st Quarter 2009. In millions of U\$S					
	IT 2008	IT 2009	1		2		3	
Electric welding, plasma, laser and other machines	29	31	Brazil	12,458	Germany	3,557	United States	2,206
Measuring devices: 3D, benches, lamps, other	47	45	United States	7,113	Germany	5,758	China	2,568
Machining centres, unit construction machines (single s	11	10	Japan	3,068	Taiwan	0,970	United States	0,863
Mach for plastic and rubber industry	29	26	China	2,625	Italy	2,392	United States	2,304
Mach for forging, stamping, rolling and wiredrawing	15	13	Italy	1,500	China	1,471	United States	0,955
Lathes (including turning centres) for removing metal	13	9	China	1,402	Taiwan	1,212	Germany	0,974
Rectifying, grinding, broaching and slotting mach	19	15	Switzerland	1,294	China	0,617	United States	0,445
Machine-tools for drilling, boring, milling, etc.	10	13	China	1,106	Spain	0,891	Brazil	0,301
Parts, accessories and tool holder	39	39	Italy	1,043	Germany	1,043	United States	0,808
Measuring instruments	30	30	China	0,999	United Kingdom	0,607	Japan	0,110
Mach for working wood, rubber and rigid plastics	21	16	China	0,865	Italy	0,509	Taiwan	0,218
Mach for stretching, rolling and wiredrawing	11	9	United States	0,823	Italy	0,777	Taiwan	0,560
Machines that operate with laser and electroerosion	14	7	United States	0,635	Germany	0,443	China	0,394
Planing, shaping, broaching, slotting machines	8	8	China	0,536	Germany	0,332	Taiwan	0,327
Robots	14	7	Sweden	0,332	Germany	0,132	Italy	0,093
Mach for mechanical tests	20	13	Germany	0,274	United States	0,140	Spain	0,036
Machinery and apparatus for soldering, brazing or weldi	20	19	Brazil	0,124	Switzerland	0,056	Spain	0,044
Total	58	55	United States	16,87	Brazil	16,02	China	15,41