



International Business Report

Fourth Quarter 2024

Grant Thornton Argentina





Introduction

Grant Thornton's **International Business Report (IBR)** is the world's leading survey of middle-market companies. It was first launched in 1992 in nine European countries and now interviews around **8,000 senior executives in more than 30 economies each year**, providing information on organizational health and issues affecting both private and public companies.

Data analysis is carried out by **Oxford Economics** and the results tell us the perception of companies about general economic optimism, salaries, factors that drive companies and/or limit their growth in the next 12 months.

The survey is carried out **periodically** to obtain a better measurement of the **expectations of middle market companies and to understand the evolution of the sector's panorama**. Questionnaires are translated into the local languages of the member firms of the Grant Thornton network.

Fieldwork is conducted through online and telephone interviews with CEOs, presidents, or other senior executives from various industries. This document contains data collected during the **fourth quarter of 2024**.

In Argentina, **75 companies** were surveyed. We present its comparison with regional and global indices.

For further information about this report, contact us at **conectados@ar.gt.com**.



Business Optimism Index

The **optimism** index, defined as the percentage of surveyed people who positively perceive the prospects for their economies over the next 12 months, is analyzed based on a series of trends consulted with mid-market executives. The variables considered are detailed below:

Future Business growth expectations	Future Business investment intentions	Limitations to Business growth	Expected Business salary changes
<ul style="list-style-type: none"> Income Sales Prices Exports Employment Profitability Income from foreign markets Number of countries estimated to sell to Number of employees focused in a foreign market Use of foreign suppliers and subcontractors 	<ul style="list-style-type: none"> Investment in new facilities Investment in plants and machinery Investment in the brand (*) Investment in staff skills Research and development Technology Investment in sustainable initiatives (*) 	<ul style="list-style-type: none"> Lead-times and costs of shipping/ delivery of goods (*) Availability and cost of raw materials and other inputs for production process (*) Funding shortage Regulation and bureaucracy Availability of qualified workers Labor cost Shortage of orders Transport infrastructure Economic uncertainty Energy costs Size of the market (*) Competition/ Competitors (*) Environmental constraints/ scarcity of natural resources (*) Expected future shortage of orders/ demand (*) Geopolitical disruption (*) Supply chain and complex procurement systems (*) Cyber security/ digital risk 	<ul style="list-style-type: none"> Real increases in wages Wage increase

(*) These variables are being measured and considered to be part of the indices included in the International Business Report since 2024.

When trends in growth and investment expectations are positive, companies' **optimism** grows; since these metrics influence **the index directly**. When the expectation of limitations and scarcity of resources increases or salary increases increase in relation to other variables, the optimism index decreases.

Below, we explore the fourth quarter 2024 results for Argentina, the Latin American region and global indices.



Indices 2024

Fourth Quarter

Optimism

Percentage of optimism about the prospects for their economies in the next 12 months.



The Optimism index in Argentina increased 7 points to reach 72%.

The global Optimism index rose 2 points, reaching 76%, in the South American region it fell to 75%.

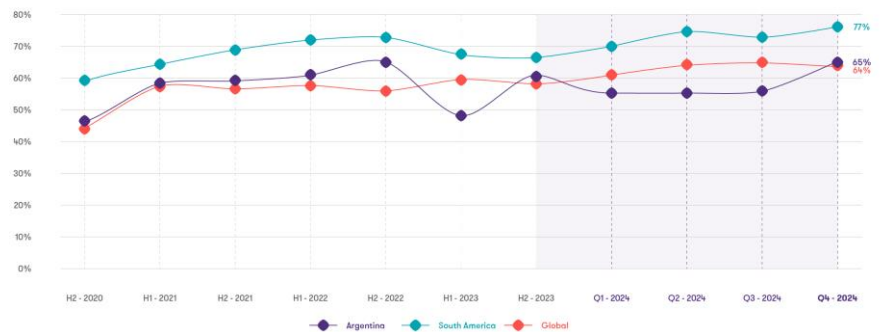
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	47%	30%	39%	25%	25%	24%	48%	67%	69%	65%	72%	↑
South America	59%	59%	59%	55%	60%	65%	66%	72%	71%	76%	75%	↓
Global	58%	70%	71%	64%	59%	67%	65%	66%	71%	74%	76%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

In Argentina, the Income expectation index increased 9 points, reaching 65%.

Globally, the same index fell to 64%, while in South America it increased by 4 points, reaching 77%.

Income

Expectation of an increase in income over the next 12 months.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	47%	58%	60%	61%	65%	49%	60%	55%	55%	56%	65%	↑
South America	60%	65%	69%	72%	73%	68%	67%	70%	75%	72%	77%	↑
Global	46%	58%	57%	58%	56%	60%	59%	61%	64%	65%	64%	↓
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

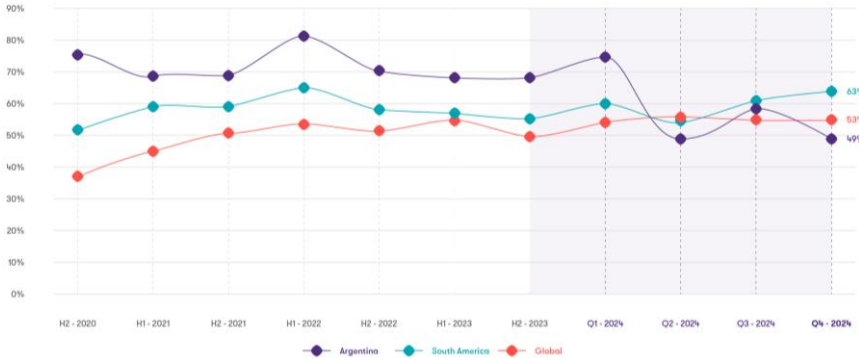


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Fourth Quarter

Sales Price

Expectation of an increase in selling prices in the next 12 months.



The Sales Price Expectation Index in Argentina fell 9 points to 49%.

Globally, it fell 1 point to 53% and in South America it rose 2 points to 63%.

	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	75%	68%	69%	82%	70%	68%	68%	74%	49%	58%	49%	↓
South America	51%	59%	59%	65%	58%	57%	55%	60%	54%	61%	63%	↑
Global	37%	45%	51%	53%	51%	55%	50%	53%	55%	54%	53%	↓
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

The Exports expectation index decreased 5 points, to 20%.

At a global level it reached 52%, and in the South American region 55%, increasing 3 points in both cases.

Exports

Expectation of an increase in exports over the next 12 months.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	31%	17%	22%	25%	31%	20%	29%	21%	21%	25%	20%	↓
South America	38%	44%	44%	51%	52%	45%	44%	48%	51%	49%	52%	↑
Global	35%	46%	46%	44%	45%	47%	43%	46%	53%	52%	55%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

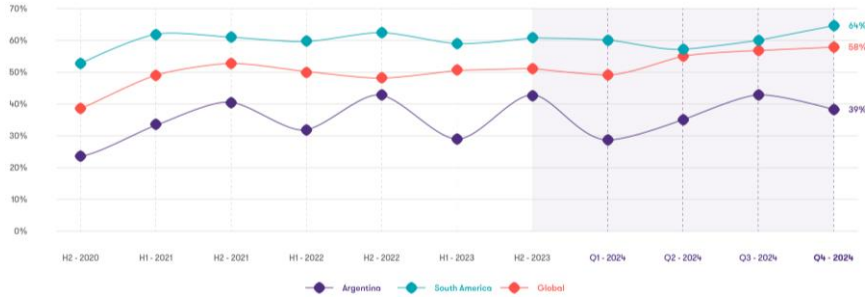


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Fourth Quarter

Employment

Expectation of an increase in employment in the next 12 months.



The Employment increase expectation index decreased 3 points, to 39%.

In South America, the index rose to 64% and globally, to 58%.

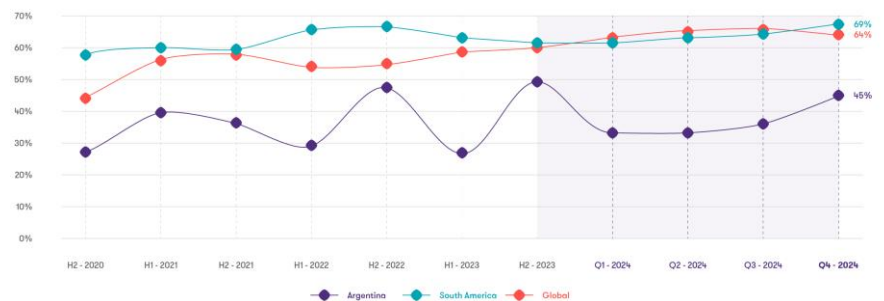
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	23%	33%	40%	32%	43%	29%	43%	29%	35%	42%	39%	↓
South America	53%	62%	61%	59%	62%	58%	61%	60%	58%	60%	64%	↑
Global	38%	49%	53%	50%	48%	50%	51%	49%	55%	57%	58%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

The Profitability expectation index rose to 45% in Argentina.

At a global level it fell to 64% and in South America, the regional index rose to 69%.

Profitability

Expectation of an increase in profitability in the next 12 months.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	27%	39%	36%	29%	48%	28%	49%	33%	33%	36%	45%	↑
South America	58%	60%	59%	65%	66%	63%	61%	61%	63%	66%	69%	↑
Global	45%	57%	58%	54%	55%	59%	60%	62%	66%	67%	64%	↓
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

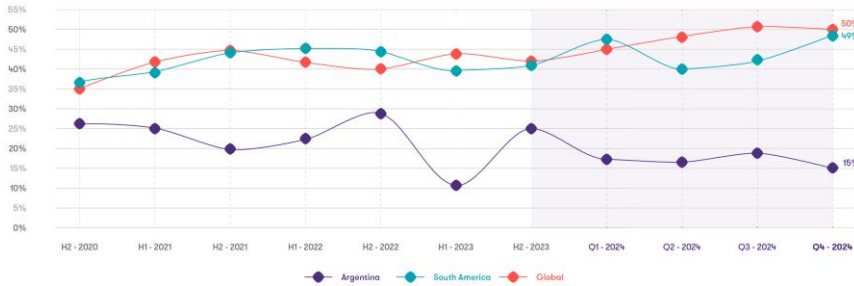


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Fourth Quarter

Income from foreign markets

Expectation of an increase in revenue from foreign markets over the next 12 months.



The expectation index for Income from foreign markets for the next 12 months in Argentina decreased to 15%.

At a global level, the index fell one point to 50% and at a regional level it increased to 49%.

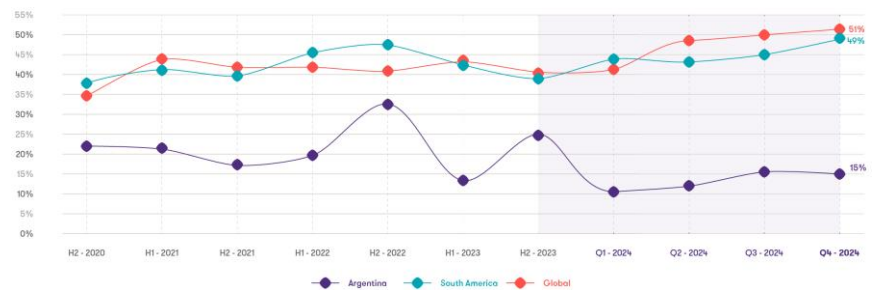
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	26%	25%	19%	22%	29%	11%	25%	17%	16%	19%	15%	↓
South America	37%	39%	44%	45%	44%	40%	42%	47%	40%	43%	49%	↑
Global	35%	42%	45%	42%	40%	44%	42%	45%	48%	51%	50%	↓
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

The expectation index for the increase in countries to which it is estimated to sell in Argentina dropped one point, to 15%.

At a global level, the index rose to 51% and at a regional level, it rose 4 points to reach 49%.

Number of countries estimated to sell to

Percentage of companies expecting an increase in number of countries sold to over next 12 months.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	22%	21%	17%	20%	33%	13%	25%	11%	12%	16%	15%	↓
South America	38%	41%	40%	45%	47%	42%	39%	44%	43%	45%	49%	↑
Global	35%	44%	42%	42%	41%	43%	40%	42%	49%	50%	51%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

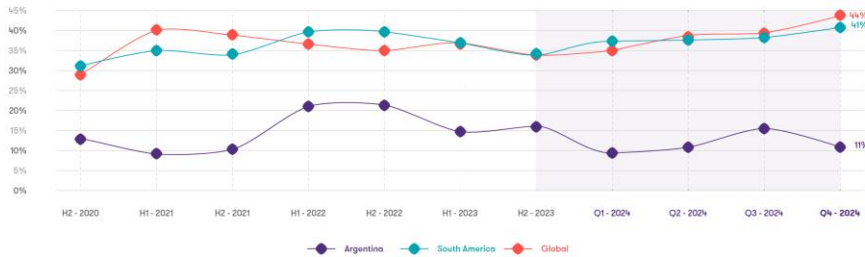


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Number of employees focused on foreign markets

Expectation of an increase in the number of employees focused on foreign markets over the next 12 months.



The expectation index for the proportion of employees who will be focused on foreign markets in Argentina decreased 5 percentage points to 11%.

At a global level it rose to 44% and at a regional level, to 41%.

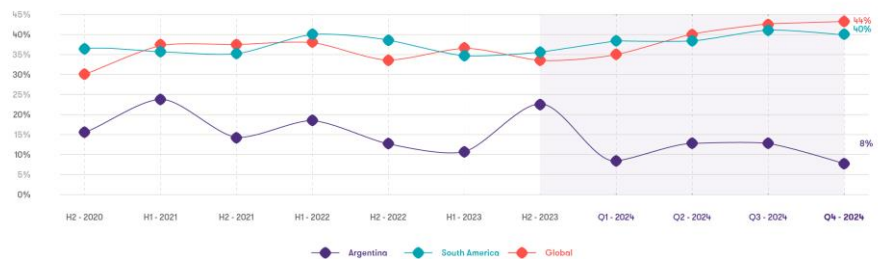
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	13%	9%	10%	21%	21%	15%	16%	8%	11%	16%	11%	↓
South America	31%	35%	34%	40%	40%	37%	34%	37%	37%	38%	41%	↑
Global	29%	40%	39%	37%	35%	37%	34%	35%	38%	39%	44%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

The expectation index for the increase in foreign suppliers and subcontractors, in Argentina, decreased to 8%.

Globally, the index rose one point, to 44%, and in South America it fell to 40%.

Use of foreign suppliers and subcontractors

Expectation of an increase in the use of foreign suppliers and subcontractors over the next 12 months.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	16%	24%	14%	18%	13%	11%	23%	8%	13%	13%	8%	↓
South America	36%	36%	35%	40%	38%	35%	36%	37%	37%	42%	40%	↓
Global	30%	37%	37%	38%	34%	37%	34%	35%	40%	43%	44%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	



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Investment in new facilities

Expectation of an increase in investment in new facilities in the next 12 months.



The expectation index for investment in real estate and facilities, in Argentina, fell from 32% to 29%.

Globally it rose one point, to 53%, and in South America it fell to 59%.

	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	17%	18%	26%	26%	30%	19%	27%	33%	35%	32%	29%	↓
South America	41%	47%	43%	51%	48%	44%	48%	50%	50%	60%	59%	↓
Global	32%	38%	39%	40%	36%	38%	36%	45%	52%	52%	53%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

The expectation index for the increase in investment in plants and machinery in Argentina increased to 43%.

At a global level, the index rose 1 point to 54%, while at the regional level it remained at 56%.

Investment in plants and machinery

Expectation of increased investment in plants and machinery over the next 12 months.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	43%	34%	44%	39%	45%	29%	41%	29%	37%	35%	43%	↑
South America	49%	47%	51%	56%	52%	48%	51%	51%	51%	56%	56%	=
Global	38%	47%	49%	47%	44%	46%	46%	46%	52%	53%	54%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

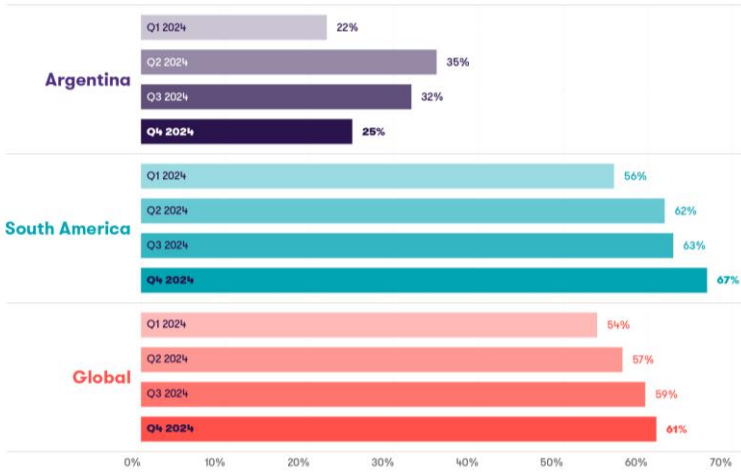


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Investment in the brand

Percentage expecting an increase investment in the brand over next 12 months.



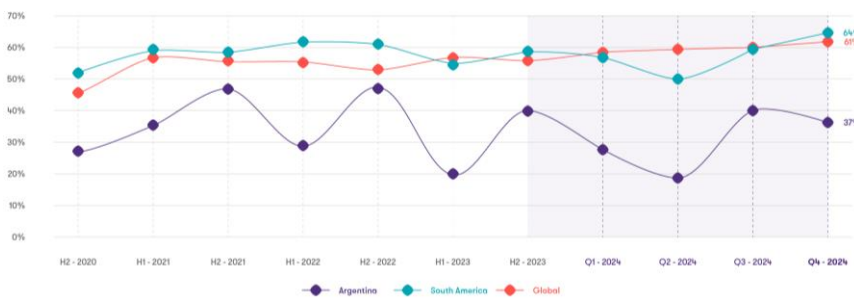
The expectation index for Investment in the business brand begins to be included in the IBR as of 2024. In Argentina it dropped to 25%.

At a global and regional levels, it rose to 61% and 67% respectively.

	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								22%	35%	32%	25%	↓
South America								56%	62%	63%	67%	↑
Global								54%	57%	59%	61%	↑
Sample ARG								76	75	77	75	

Investment in staff skills

Expectation of an increase in investment in personnel skills in the next 12 months.



The expectation index for Investment in personnel skills in Argentina decreased three points to 37%.

At a global level, the index rose 1 point to 61% and at a regional level, it rose 4 points to 64%.

	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	27%	36%	47%	29%	48%	20%	40%	28%	19%	40%	37%	↓
South America	52%	59%	58%	62%	61%	55%	58%	57%	50%	60%	64%	↑
Global	46%	57%	55%	55%	53%	57%	56%	58%	59%	60%	61%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	



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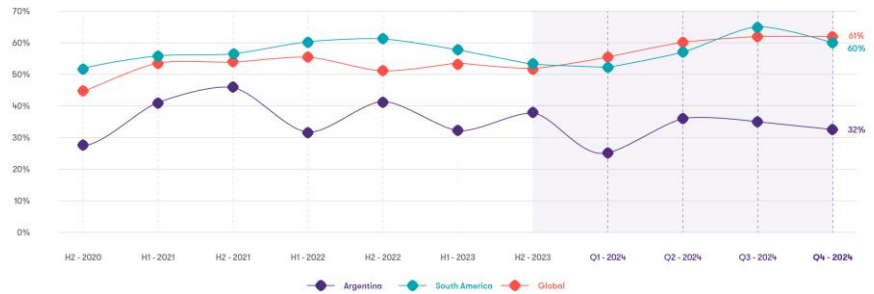
Fourth Quarter

The expectation index for increased investment in R&D decreased 3 points in Argentina, to 32%.

At a global level, this index remained at 61% and at a regional level, it dropped to 60%.

Research and development

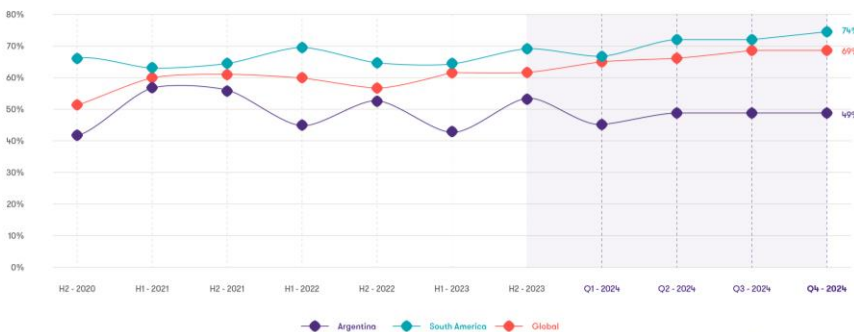
Expectation of an increase in investment in research and development in the next 12 months.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	27%	41%	45%	32%	41%	32%	37%	25%	36%	35%	32%	↓
South America	52%	56%	56%	60%	61%	58%	53%	52%	57%	63%	60%	↓
Global	45%	54%	54%	55%	51%	54%	52%	55%	60%	61%	61%	=
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

Technology

Expectation of an increase in investment in technology in the next 12 months.



The expectation index for investment in technology in Argentina remained at 49%.

At a global level, this index remained at 69%, while at a regional level, it rose to 74%.

	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	42%	57%	56%	45%	53%	43%	53%	45%	49%	49%	49%	=
South America	66%	63%	64%	69%	65%	64%	69%	67%	72%	72%	74%	↑
Global	51%	60%	61%	60%	57%	61%	61%	66%	67%	69%	69%	=
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

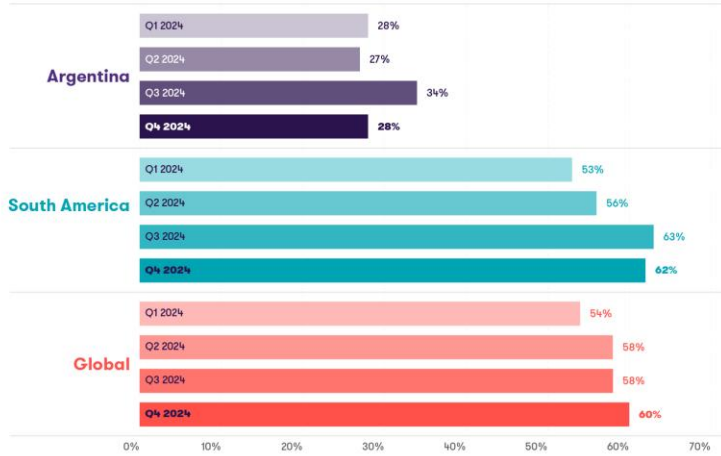


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Investment in sustainable initiatives

Percentage expecting an increase investment in sustainable initiatives over next 12 months.



The expectation index for Investment in sustainable initiatives begins to be included in the IBR starting in 2024. In Argentina it dropped to 28%.

At a global level it rose to 60%, while at a regional level it decreased to 62%.

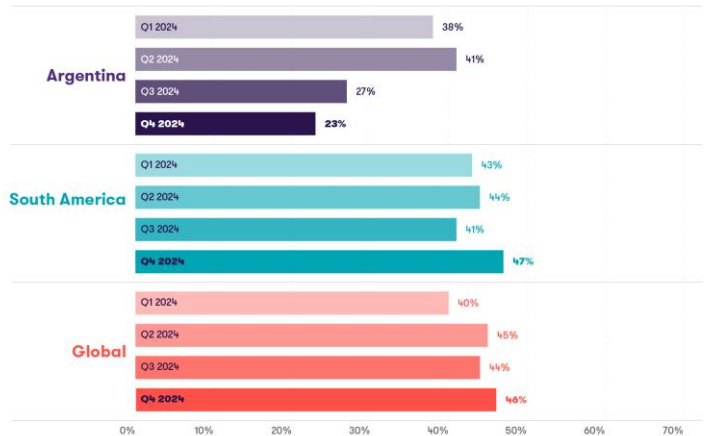
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								28%	27%	34%	28%	↓
South America								53%	56%	63%	62%	↓
Global								54%	58%	58%	60%	↑
Sample ARG								76	75	77	75	

The index of expectation of delivery times and cost of shipping and delivery of goods begins to be included in the IBR as of 2024. In Argentina it decreased to 23%.

At a global and regional levels, it rose to 46% and 47%, respectively.

Lead-times and costs of shipping/delivery of goods

Percentage expecting an increase lead-times and costs of shipping/delivery of goods over next 12 months.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								38%	41%	27%	23%	↓
South America								43%	44%	41%	47%	↑
Global								40%	45%	44%	46%	↑
Sample ARG								76	75	77	75	

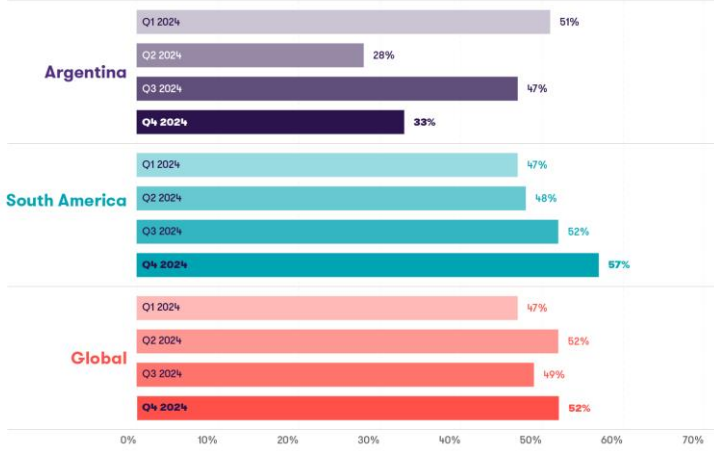


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Availability and cost of raw materials and other inputs to your production process

Percentage expecting an increase availability and cost of raw materials and other inputs to your production process over next 12 months.



The expected availability and cost index of raw materials and other inputs for production is included in the IBR since 2024. In Argentina it decreased to 33%.

At a global level it rose to 52% and at a regional level to 57%.

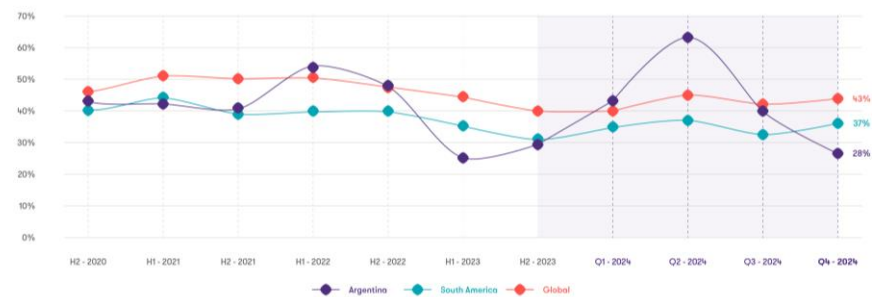
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								51%	28%	47%	33%	↓
South America								47%	48%	52%	57%	↑
Global								47%	52%	49%	52%	↑
Sample ARG								76	75	77	75	

The expected financing shortage index in Argentina fell from 40% to 28%.

At a global and regional level this index rose to 43% and 37% respectively.

Funding shortage

Percentage that identifies funding shortages as a key constraint.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	43%	42%	40%	54%	48%	25%	29%	42%	63%	40%	28%	↓
South America	41%	44%	39%	40%	40%	35%	31%	35%	37%	32%	37%	↑
Global	46%	51%	50%	50%	47%	44%	40%	40%	45%	41%	43%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	



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Regulation and bureaucracy

Percentage that identifies regulation and bureaucracy as a key constraint.



The index that identifies obligations and bureaucracy procedures as a key limitation in Argentina remained at 55%.

Both globally and in South America it increased, reaching 49% in both regions.

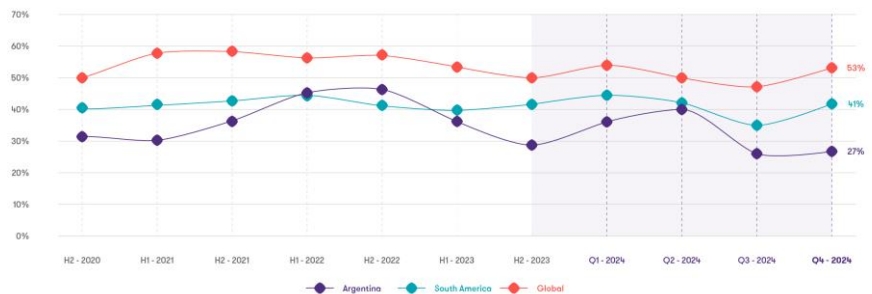
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	71%	58%	52%	67%	70%	41%	44%	59%	64%	55%	55%	=
South America	51%	53%	47%	56%	50%	50%	54%	50%	49%	43%	49%	↑
Global	50%	58%	54%	55%	51%	51%	47%	49%	49%	47%	49%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

In Argentina, the index that identifies the availability of qualified workers as a key constraint increased to 27%.

Globally it rose to 53%, while in the South American region it rose to 41%.

Availability of qualified workers

Percentage that identifies the availability of qualified workers as a key constraint.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	31%	30%	36%	45%	46%	36%	29%	36%	40%	26%	27%	↑
South America	40%	41%	43%	44%	41%	39%	41%	44%	42%	35%	41%	↑
Global	50%	57%	58%	56%	57%	53%	50%	53%	50%	47%	53%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

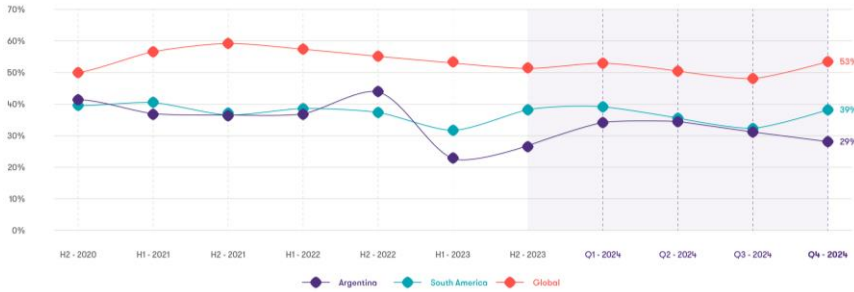


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Labor cost

Percentage identifying labor costs as a key constraint.



The index that identifies labor costs as a key limitation decreased in Argentina to 29%.

At a global level it rose to 53% and at a regional level to 39%.

	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	42%	37%	36%	37%	44%	23%	27%	34%	35%	31%	29%	↓
South America	40%	41%	36%	39%	37%	32%	38%	39%	35%	31%	39%	↑
Global	50%	56%	59%	57%	55%	53%	51%	53%	51%	49%	53%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

The index that identifies the shortage of orders (low demand) as a key limitation decreased 8 points in Argentina, reaching 28%.

At a global level it decreased to 45%, while at a regional level it increased to 34%.

Shortage of orders

Percentage that identifies order shortages as a key constraint.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	48%	33%	26%	39%	38%	16%	21%	24%	56%	36%	28%	↓
South America	45%	40%	36%	41%	37%	34%	33%	37%	36%	29%	34%	↑
Global	52%	54%	53%	53%	53%	48%	43%	44%	47%	46%	45%	↓
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

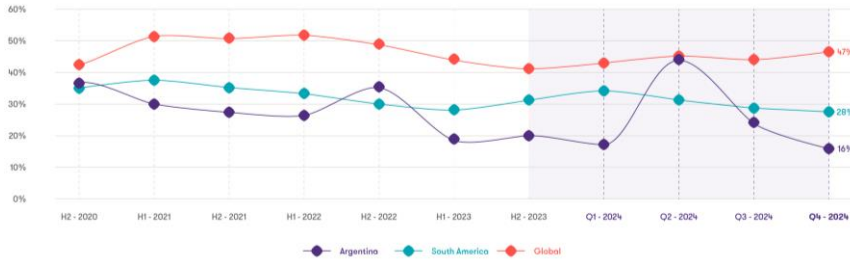


Indices 2024

Fourth Quarter

Transport infrastructure

Percentage that identifies transportation infrastructure as a key constraint.



The index that identifies transportation infrastructure as a key constraint decreased 7 points in Argentina, to 16%.

Globally it increased 4 points, to 47%, and in South America it fell 1 point, reaching 28%.

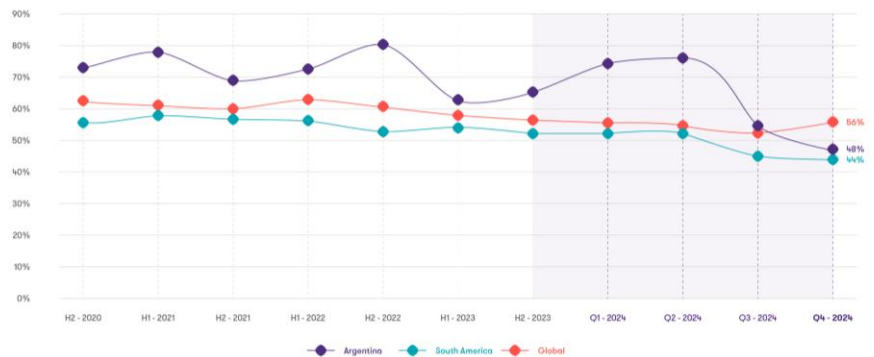
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	36%	30%	27%	26%	35%	19%	20%	17%	43%	23%	16%	↓
South America	36%	37%	35%	33%	30%	28%	31%	34%	31%	29%	28%	↓
Global	42%	51%	51%	52%	49%	44%	41%	42%	45%	43%	47%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

The index that identifies the recognition of economic uncertainty as a fundamental limitation decreased 7 points in Argentina, to 48%.

At a global level, the index rose to 56% and at a regional level, it fell to 44%.

Economic uncertainty

Percentage that identifies economic uncertainty as a key limitation.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	73%	78%	69%	72%	80%	63%	65%	74%	76%	55%	48%	↓
South America	56%	58%	57%	56%	53%	54%	52%	52%	52%	45%	44%	↓
Global	62%	61%	60%	63%	60%	58%	57%	56%	55%	52%	56%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	



Indices 2024

Fourth Quarter

Energy costs

Percentage that identifies energy costs as a key constraint.



The index that identifies energy costs as a key limitation increased in Argentina to 44%.

At a global level it rose to 55%, and at a regional level to 39%

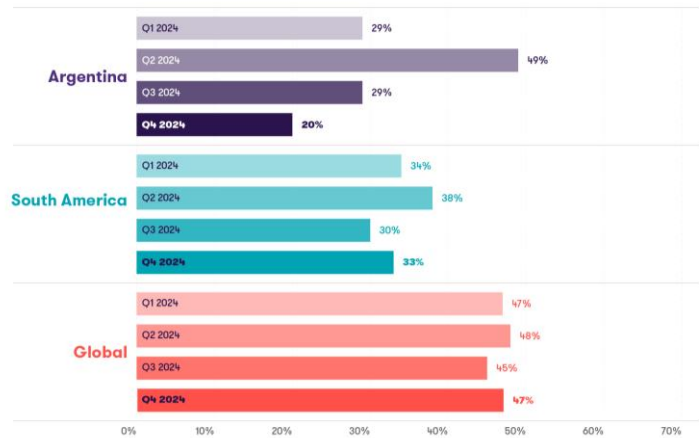
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	43%	36%	40%	43%	50%	37%	29%	43%	52%	40%	44%	↑
South America	39%	43%	45%	46%	39%	38%	36%	41%	43%	37%	39%	↑
Global	45%	54%	56%	62%	60%	54%	52%	51%	54%	50%	55%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

The market size expectation index as a key limitation is included in the IBR from 2024.

In Argentina, the expectation fell to 20% (9pp). At a global and regional level, it rose to 47% and 33%, respectively.

Size of the market

Percentage identifying size of the market as a key constraint.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								29%	49%	29%	20%	↓
South America								34%	38%	30%	33%	↑
Global								47%	48%	45%	47%	↑
Sample ARG								76	75	77	75	

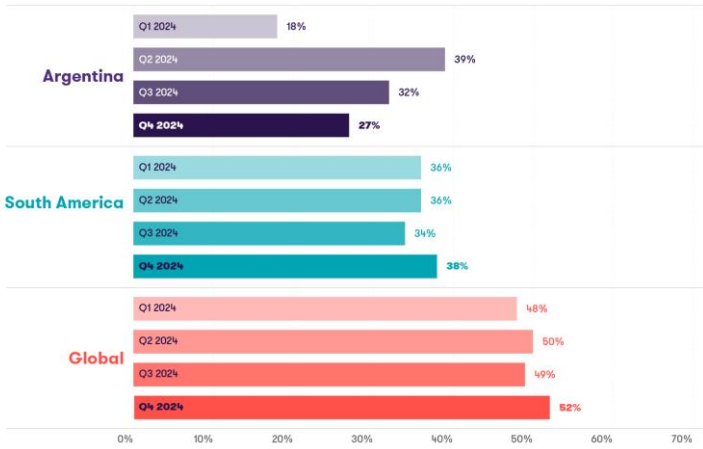


Indices 2024

Fourth Quarter

Competition / Competitors

Percentage identifying competition/competitors as a key constraint.



The competitor expectation index as a key limitation is included in the IBR from 2024.

In Argentina, it fell to 27% (5pp). At a global level, it rose to 52%, and at a regional level to 38%.

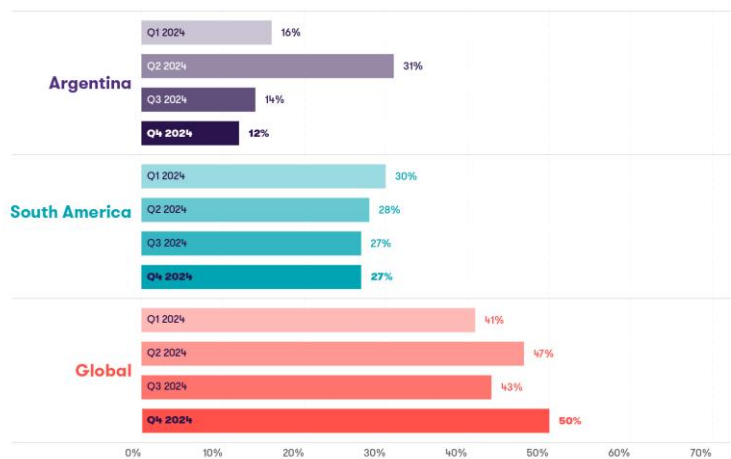
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								18%	39%	32%	27%	↓
South America								36%	36%	34%	38%	↑
Global								48%	50%	49%	52%	↑
Sample ARG								76	75	77	75	

The expected environmental constraints/natural resource scarcity index is included in the IBR from 2024.

In Argentina, it fell to 12% (2pp). At a global level and at a regional level it increased to 50% and 27% respectively.

Environmental constraints/scarcity of natural resources

Percentage identifying environmental constraints/scarcity of natural resources as a key constraint.



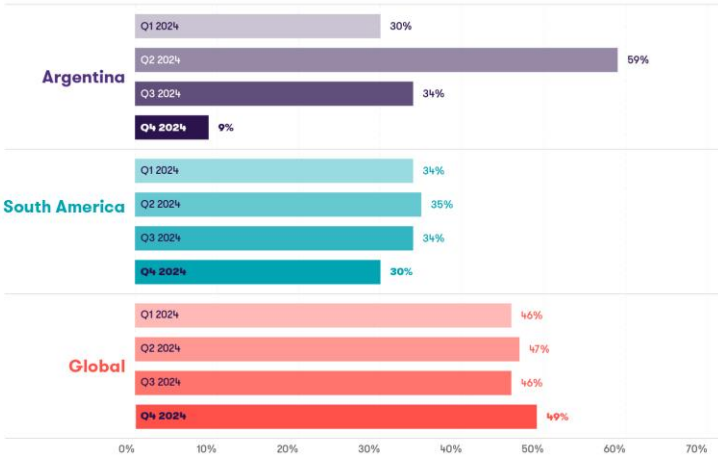
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								16%	31%	14%	12%	↓
South America								30%	28%	27%	27%	=
Global								41%	47%	43%	50%	↑
Sample ARG								76	75	77	75	



Indices 2024

Fourth Quarter

Expected future shortage of orders / demand
 Percentage identifying expected future shortage of orders/demand as a key constraint.



The index of expectation of future demand shortages is included in the IBR from 2024.

In Argentina, it fell to 9% (25pp). At a global level it rose to 49%, while at a regional level it fell to 30%.

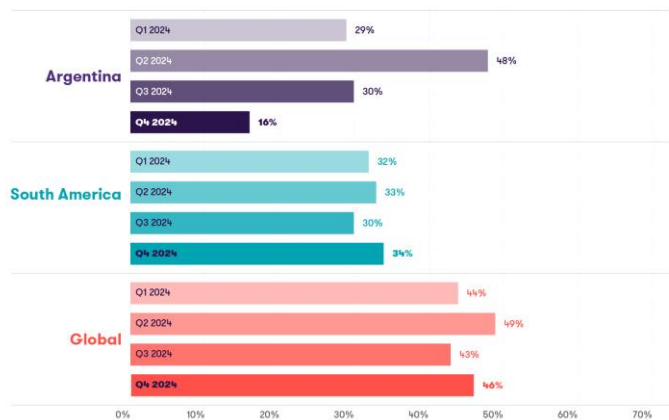
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								30%	59%	34%	9%	↓
South America								34%	35%	34%	30%	↓
Global								46%	47%	46%	49%	↑
Sample ARG								76	75	77	75	

The Geopolitical Disruption expectation index has been included in the IBR since 2024.

In Argentina, it fell 14 points, to 16%. At a global level, it increased to 46% (3pp), and at a regional level to 34% (4pp).

Geopolitical disruption

Percentage identifying geopolitical disruption as a key constraint.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								29%	48%	30%	16%	↓
South America								32%	33%	30%	34%	↑
Global								44%	49%	43%	46%	↑
Sample ARG								76	75	77	75	

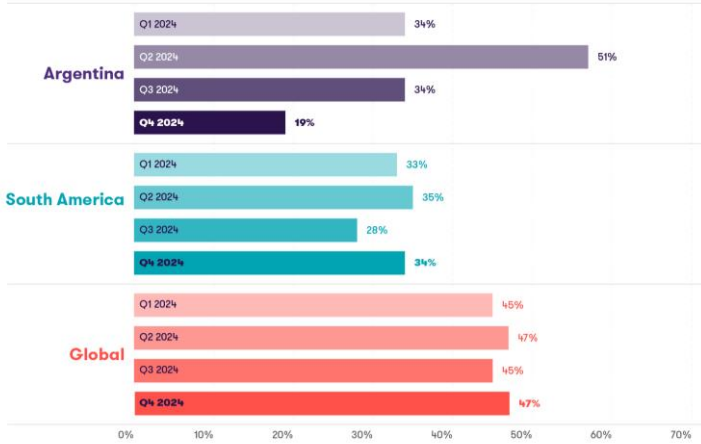


Indices 2024

Fourth Quarter

Supply chains and complex procurement systems

Percentage identifying supply chains and complex procurement systems as a key constraint.



The index that identifies supply chains and procurement systems as a possible limitation is included in the IBR from 2024.

In Argentina, the expectation fell to 19% (15pp). At a global and regional level, it increased to 47% (2pp) and 34% (6pp).

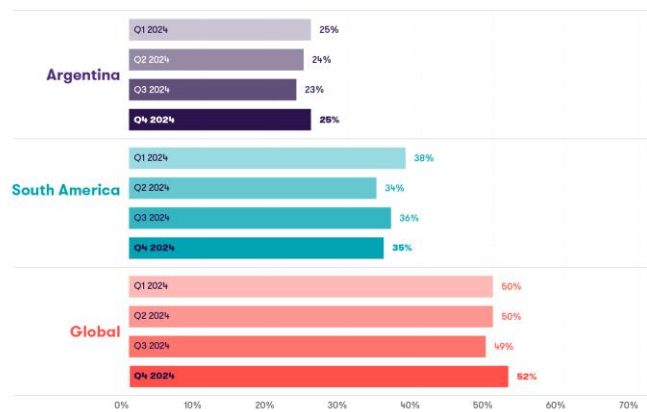
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								34%	51%	34%	19%	↓
South America								33%	35%	28%	34%	↑
Global								45%	47%	45%	47%	↑
Sample ARG								76	75	77	75	

The digital or cyber security risk expectation index has been included in the IBR since 2024.

In Argentina, the expectation increased 2 points (25%), and at a global level 3 points (52%). In South America it fell 1 point, to 35%.

Cyber security / digital risk

Percentage identifying cyber security/digital risk as a key constraint.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina								25%	24%	23%	25%	↑
South America								38%	34%	36%	35%	↓
Global								50%	50%	49%	52%	↑
Sample ARG								76	75	77	75	



Indices 2024

Fourth Quarter

Real increases in wages

Expectation of making real increases in salaries in the next 12 months.



The index of expectation of real increases in salaries decreased 2 points in Argentina, to 12%.

Globally it rose 3 points to 25%, regionally it fell 2 points to 20%.

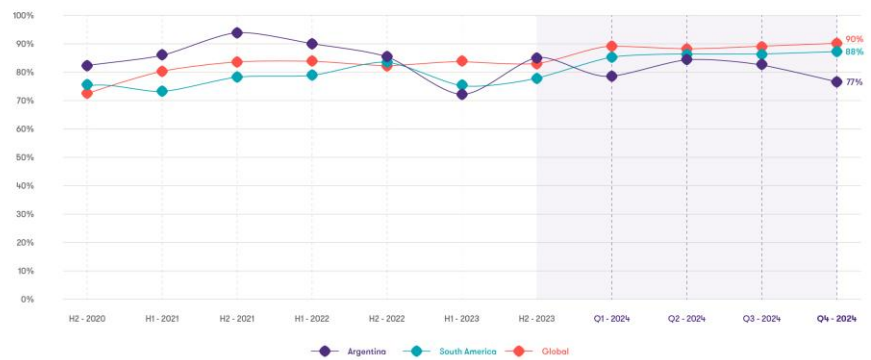
	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	19%	11%	9%	8%	15%	12%	21%	3%	9%	14%	12%	↓
South America	15%	14%	15%	14%	18%	15%	19%	21%	19%	22%	20%	↓
Global	21%	26%	28%	22%	24%	23%	19%	23%	24%	22%	25%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	

The index of expectation of nominal increases in salaries decreased 6 points in Argentina, up to 77%.

Both globally and regionally it increased 2 points, reaching 90% and 88% respectively.

Wage increase

Expectation to increase wages in the next 12 months.



	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Trend
Argentina	82%	86%	94%	89%	85%	72%	84%	79%	85%	83%	77%	↓
South America	75%	74%	79%	79%	84%	76%	78%	85%	86%	86%	88%	↑
Global	72%	80%	83%	83%	82%	83%	83%	89%	87%	88%	90%	↑
Sample ARG	77	76	77	76	80	75	75	76	75	77	75	



Indices 2024

Fourth Quarter

Survey for Argentine companies

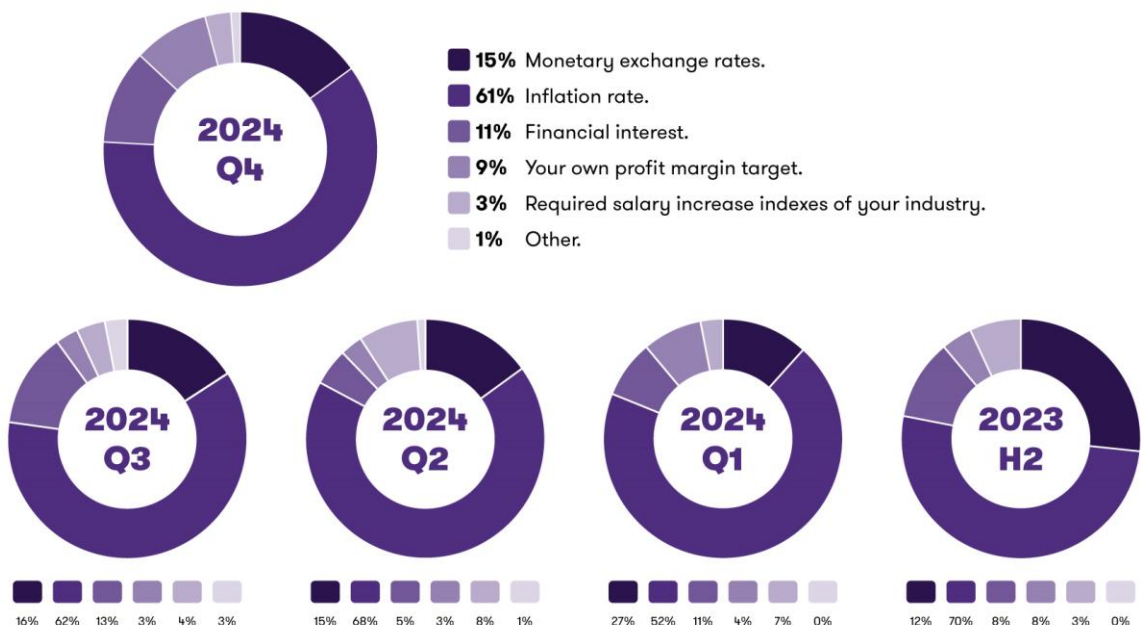
Since the second half of 2023, in addition to the questions asked to all respondents in more than 150 economies, the International Business Report includes three questions asked only to the executives surveyed in Argentina.

These questions refer to issues specific to our context. The first of them asks which factors are the most relevant when making executive decisions; the second aims to inquire about the main strategies of companies to attract and retain their collaborators; and the third question is related to the communication that companies reinforce in their teams in contexts of uncertainty.

Below are the variations in the answers to these questions in the last half of 2024.

Decision making - Argentina

In this current context of economic uncertainty, which of these economic factors impacts significantly on your decision making?





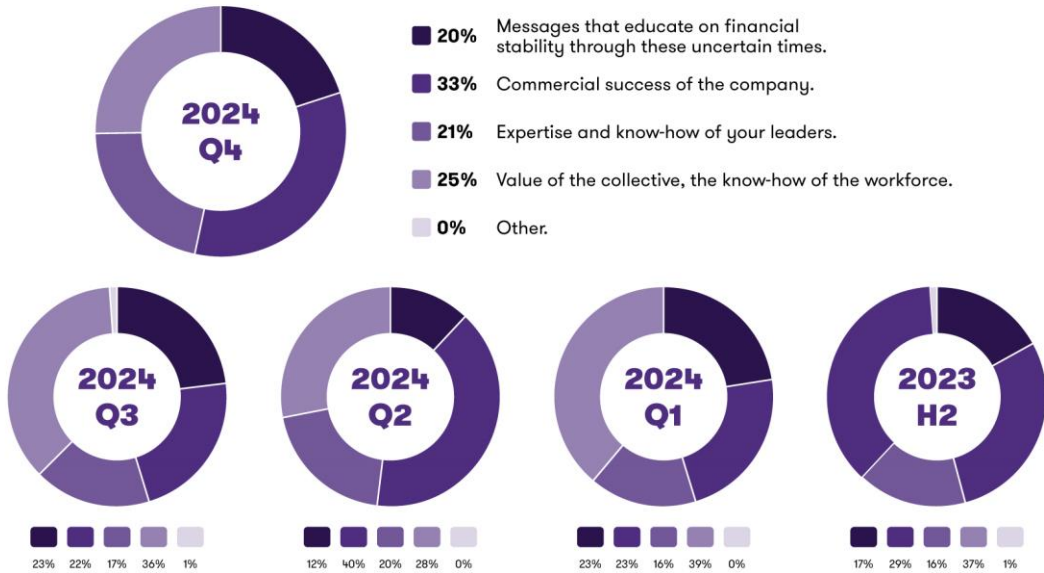
Indices 2024

Fourth Quarter

Survey for Argentine companies

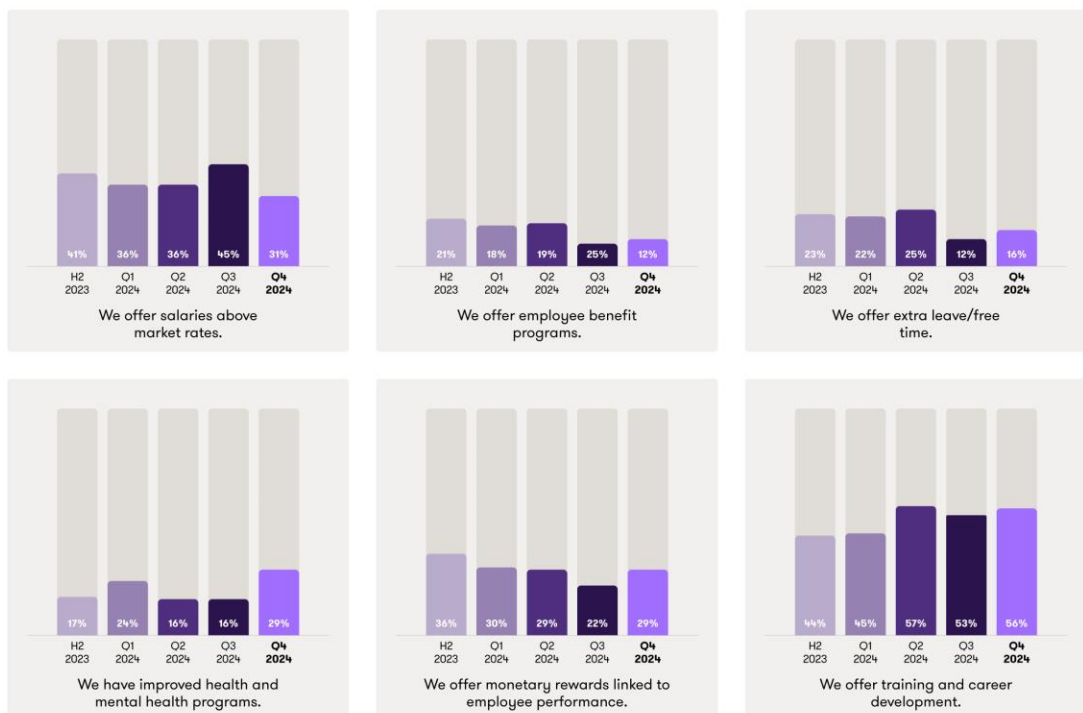
Economic uncertainty - Argentina

In this current context of economic uncertainty, what is the most relevant corporate message you are passing to your collaborators and clients to keep them motivated and uplifted?



Labour force - Argentina

Thinking about labour force, which of these strategies are you currently using to attract and retain talent?





Conclusions

Business optimism in Argentina doubled in our country, going from 24% to 48% in the second half of 2023. In the first quarter of 2024, it continued to grow, reaching 67%, and in the second quarter it rose another two percentage points, reaching 69%. During the third quarter of 2024, this index fell four percentage points to reach 65%. In the last 3 months of 2024, the optimism index rose again, reaching 72%.

Future business growth expectations

Considering the variables that influence this index, it is worth mentioning that, on an annual basis, the optimism index trend was positive. Net growth was 5 percentage points.

The maximum value reached of 72% is close to the historical highs of 75% and 76% reached in the fourth quarters of 2011 and 2015, respectively.

Below are the growth expectation indices, from highest to lowest, in the fourth quarter of 2024 in Argentina:

Future business growth expectations

- 1 Income.
- 2 Sales Price.
- 3 Profitability.
- 4 Employment.
- 5 Exports.
- 6 Number of countries estimated to sell to.
- 7 Income from foreign markets.
- 8 Number of employees focused on foreign markets.
- 9 Use of foreign suppliers and subcontractors.



Expectation of future business investment intentions

The variables that measure the expectation of future business investment intentions had slight and moderate variations in Argentina, with the exception of the expectations of investment in Facilities and Machinery, investment in Brand and investment in Sustainable development, which increased between 7 and 8 percentage points.

A particular case is that of investment in technology, which has the highest investment expectation and has been sustained since the previous quarter at 49%.

Business optimism was also influenced by new indexes of this group that began to be considered as part of the IBR from the first quarter of 2024, and which account for aspects that became relevant in recent years and currently affect optimism in companies. These are the expectations of investment in the brand, in sustainable initiatives; delivery times and costs of shipping or delivery of goods; and the availability of raw materials and other inputs for production.

Below are the investment expectation indexes, from highest to lowest, in the last quarter of 2024:

Future business investment intentions

- 1 Investment in technology.
- 2 Investment in plants and machinery.
- 3 Investment in staff skills.
- 4 Investment in Research and development.
- 5 Investment in new facilities.
- 6 Investment in sustainable initiatives.
- 7 Investment in the brand.



Limitations to business growth

Regarding the variables that measure the expectation of limitations to business growth, it is worth noting that in Argentina, during the fourth quarter of 2024, there were significant variations in 9 of the 17 indices.

The greatest variations were in the indices of expectation of limitations due to future orders, the supply chain and procurement systems, access to raw materials and inputs, geopolitical disruptions and access to financing.

This group also has new variables that were incorporated into the International Business Report as of January 2024, including expectations of limitations to growth due to market size, the presence of competitors, environmental limitations or scarcity of natural resources, the expected future shortage of orders (demand), geopolitical disruption scenarios, the need for complex supply chains and procurement systems and digital and cybersecurity risks.

The indices of expectation of limitations to growth are presented below, from highest to lowest, in the fourth quarter of 2024:

Limitations to business growth

1	Regulation and bureaucracy.
2	Economic uncertainty.
3	Energy costs.
4	Availability and cost of raw materials and other inputs to your production process.
5	Labor cost.
6	Funding shortage.
7	Shortage of orders.
8	Competition/Competitors.
9	Availability of qualified workers.
10	Cyber security/digital risk.
11	Lead-times and costs of shipping/delivery of goods.
12	Size of the market.
13	Supply chains and complex procurement systems.
14	Geopolitical disruption.
15	Transport infrastructure.
16	Environmental constraints/scarcity of natural resources.
17	Expected future shortage of orders/demand.



Expected business salary changes

Regarding the variables that measure salary expectations in Argentina, during 2024 the expectation of real salary increases increased from 9% to 14%, maintaining the trend of the previous period that had seen an increase from 3% to 9%. In the last quarter of the year, the index fell two percentage points to 12%.

The rate of the index that measures the expectation of salary increases in nominal terms went from 84% at the end of 2023 to 79% with the passage of the first quarter of 2024. In the second quarter it increased to 85% and in the third quarter it fell slightly to reach 83%. In the last period of the year, this value fell to 77%.

Below are the indexes of expectation of salary changes, from highest to lowest, in the third quarter of 2024:

Expected business salary changes





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