

International Business Report

First Semester
2023



Introduction

The Grant Thornton 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 10,000 senior executives in more than 140 economies each year, providing insights into organizational health and issues affecting both private and listed companies.

The data analysis is carried out by Oxford Economics and the results indicate the perception of companies about general economic optimism, salaries, what factors will drive companies, and which will limit their growth in the next 12 months.

The surveys are carried out every six months to obtain a better measurement of the expectations of mid-market companies and to understand the evolution of the sector's panorama.

Questionnaires are translated into local languages and fieldwork is conducted through online and telephone interviews with CEOs, presidents or other senior executives from all industry sectors.

This document contains the data collected during the first half of 2023 in Argentina and its comparison with the same indices at a regional and global level.

For further information about this report, you can write to [**conectados@ar.gt.com**](mailto:conectados@ar.gt.com).

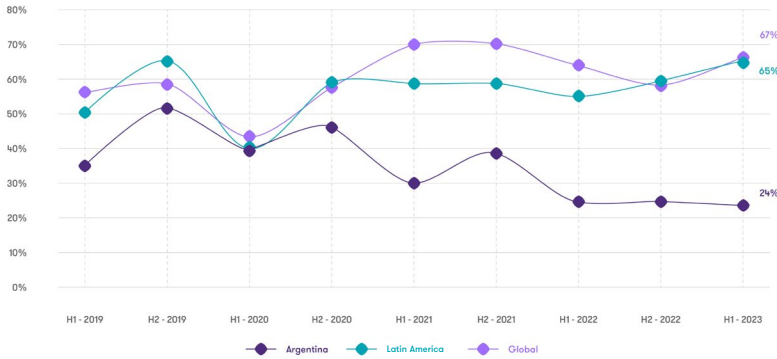


Indexes 2023

First Semester

Optimism

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



The Optimism index fell to 24% in the first 6 months of 2023.

The global Optimism index rose to 67% and in the Latin American region it rose to 65%.

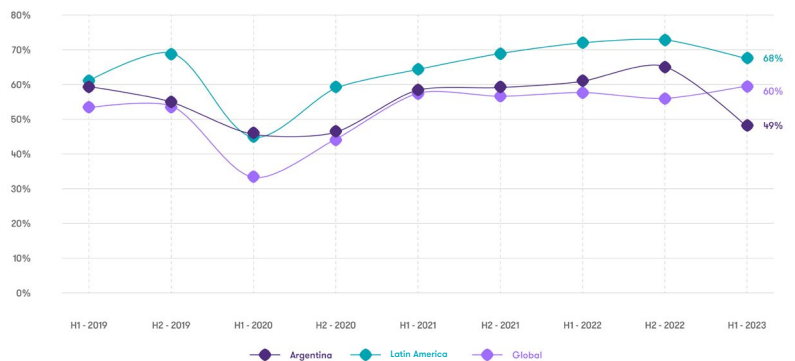
	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	35%	52%	41%	47%	30%	39%	25%	25%	24%	↓
Latin America	51%	65%	40%	59%	59%	59%	55%	60%	65%	↑
Global	57%	59%	44%	58%	70%	71%	64%	59%	67%	↑
Sample	75	75	79	77	76	77	76	80	75	

The Income expectation index for 2023 decreased in Argentina to 49% in the first 6 months of the year.

At a global level, this index rose to 60% and in Latin America it showed a slight downward trend, reaching 68%.

Incomes

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



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	60%	55%	46%	47%	58%	60%	61%	65%	49%	↓
Latin America	62%	69%	45%	60%	65%	69%	72%	73%	68%	↓
Global	54%	54%	34%	46%	58%	57%	58%	56%	60%	↑
Sample	75	75	79	77	76	77	76	80	75	



Indexes 2023

First Semester

Sales Price

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



The Sales Price Expectation Index dropped to 68% in Argentina.

At a global level, it rose to 55% and in Latin America the trend was downward, reaching 57%.

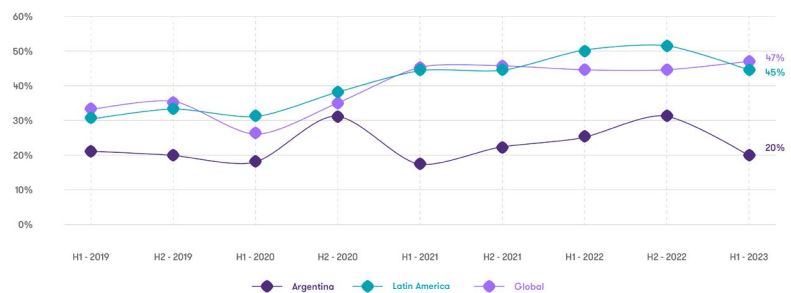
	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	63%	68%	51%	75%	68%	69%	82%	70%	68%	↓
Latin America	50%	52%	44%	51%	59%	59%	65%	58%	57%	↓
Global	41%	41%	32%	37%	45%	51%	53%	51%	55%	↑
Sample	75	75	79	77	76	77	76	80	75	

The Export expectation index for 2023 fell in Argentina to 20%.

At a global level it rose to 47% and in the Latin American region it rose to 45%

Exports

Expectation of an increase in exports over the next 12 months



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trends
Argentina	21%	20%	18%	31%	17%	22%	25%	31%	20%	↓
Latin America	30%	33%	31%	38%	44%	44%	51%	52%	45%	↓
Global	33%	36%	26%	35%	46%	46%	44%	45%	47%	↑
Sample	75	75	79	77	76	77	76	80	75	

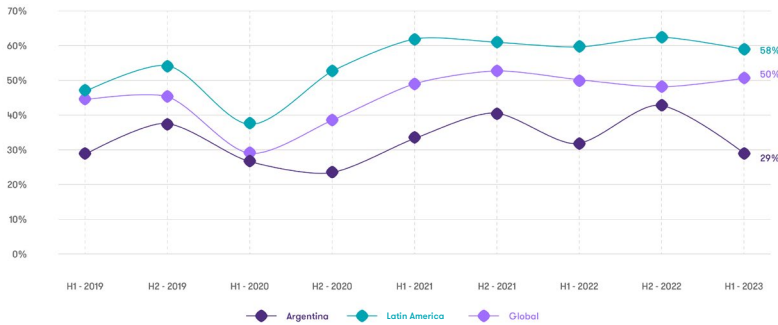


Indexes 2023

First Semester

Employment

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



The index of expectation of increase in Employment decreased in Argentina to 29%.

In Latin America the index fell to 58%. Globally, the rate rose to 50%.

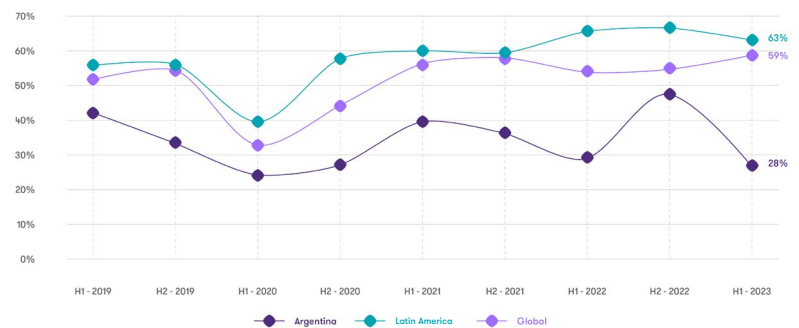
	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	28%	37%	27%	23%	33%	40%	32%	43%	29%	↓
Latin America	47%	54%	37%	53%	62%	61%	59%	62%	58%	↓
Global	44%	45%	29%	38%	49%	53%	50%	48%	50%	↑
Sample	75	75	79	77	76	77	76	80	75	

The Profitability expectation index for 2023 fell in Argentina to 28%.

At a global level it rose to 59% and in Latin America, the regional index fell to 63%.

Profitability

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



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	43%	33%	24%	27%	39%	36%	29%	48%	28%	↓
Latin America	56%	56%	39%	58%	60%	59%	65%	66%	63%	↓
Global	52%	54%	33%	45%	57%	58%	54%	55%	59%	↑
Sample	75	75	79	77	76	77	76	80	75	

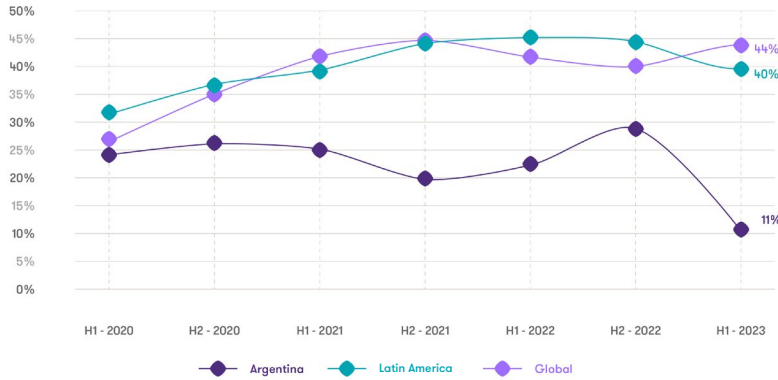


Indexes 2023

First Semester

Income from foreign markets

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



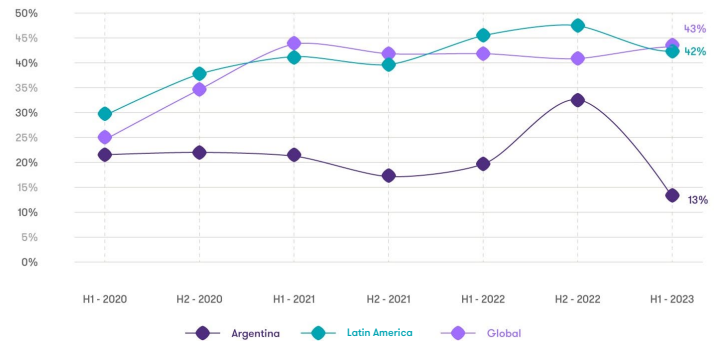
The income expectation index from foreign markets for 2023 decreased in Argentina to 11%.
At a global level this index grew to 44% and at a regional level it decreased to 40%.

	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina			24%	26%	25%	19%	22%	29%	11%	↓
Latin America			32%	37%	39%	44%	45%	44%	40%	↓
Global			26%	35%	42%	45%	42%	40%	44%	↑
Sample			79	77	76	77	76	80	75	

The expectation index for the increase in countries to which it will be sold in 2023 decreased in Argentina to 13%.
At the global level, the index rose slightly to 43% and in Latin America, it fell to 42%.

Number of countries estimated to sell to

Expectation of increase in the number of countries to which it will be sold in the next 12 months.



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina			22%	22%	21%	17%	20%	33%	13%	↓
Latin America			29%	38%	41%	40%	45%	47%	42%	↓
Global			25%	35%	44%	42%	42%	41%	43%	↑
Sample			79	77	76	77	76	80	75	

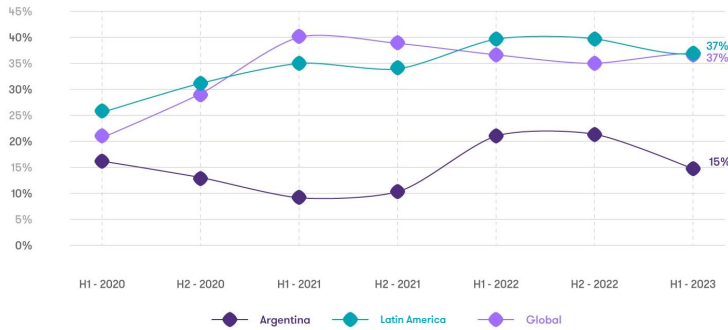


Indexes 2023

First Semester

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 work in foreign markets in Argentina decreased to 15%.

At a global level, the index rose to 37% and at a regional level it dropped to the same figure.

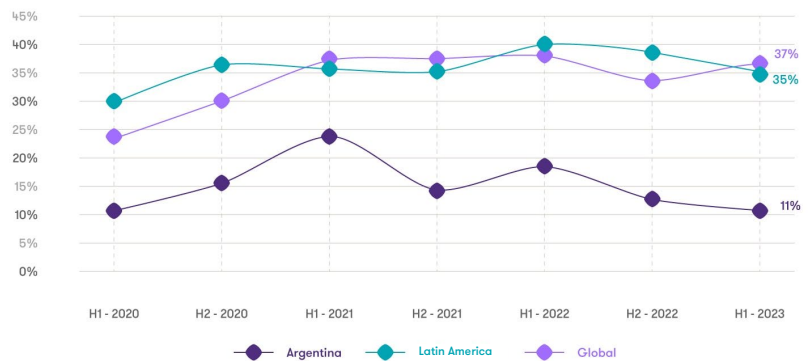
	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina			16%	13%	9%	10%	21%	21%	15%	↓
Latin America			26%	31%	35%	34%	40%	40%	37%	↓
Global			21%	29%	40%	39%	37%	35%	37%	↑
Sample			79	77	76	77	76	80	75	

The expectation index for the increase in foreign suppliers and subcontractors, in Argentina, decreased to 11%.

Globally, the index rose to 37% and in Latin America, this figure fell to 35%.

Use of foreign suppliers and subcontractors

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



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina			10%	16%	24%	14%	18%	13%	11%	↓
Latin America			30%	36%	36%	35%	40%	38%	35%	↓
Global			23%	30%	37%	37%	38%	34%	37%	↑
Sample			79	77	76	77	76	80	75	

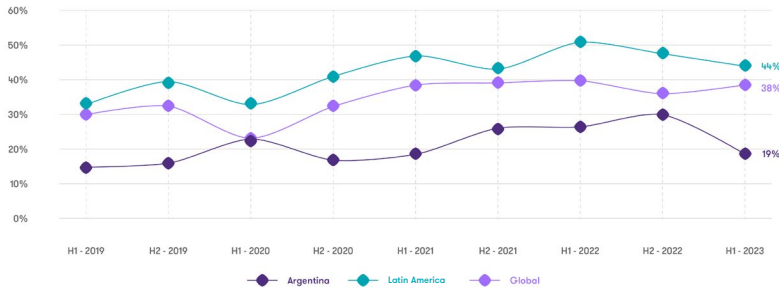


Indexes 2023

First Semester

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 to 19%.

At a global level it rose to 38% and in Latin America it dropped to 44%.

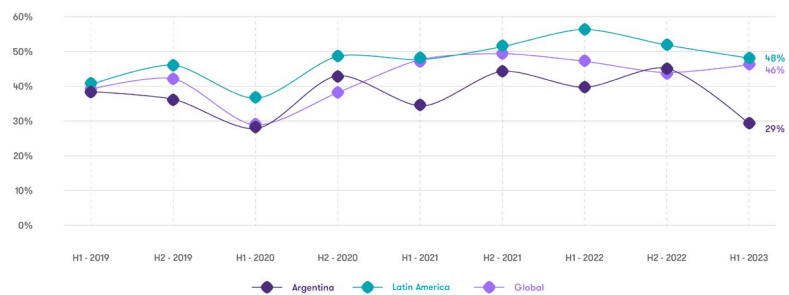
	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	15%	16%	23%	17%	18%	26%	26%	30%	19%	↓
Latin America	33%	39%	33%	41%	47%	43%	51%	48%	44%	↓
Global	30%	33%	23%	32%	38%	39%	40%	36%	38%	↑
Sample	75	75	79	77	76	77	76	80	75	

The expectation index for increased Investment in plants and machinery in Argentina decreased to 29%.

Globally, the index rose slightly to 46% and in Latin America it fell to 48%.

Investment in plants and machinery

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



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trends
Argentina	39%	36%	28%	43%	34%	44%	39%	45%	29%	↓
Latin America	41%	46%	37%	49%	47%	51%	56%	52%	48%	↓
Global	39%	42%	29%	38%	47%	49%	47%	44%	46%	↑
Sample	75	75	79	77	76	77	76	80	75	

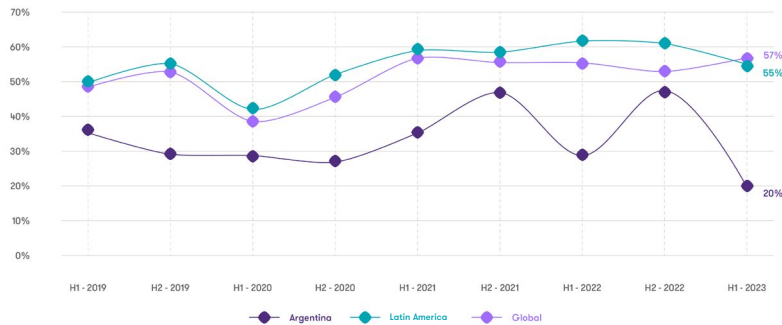


Indexes 2023

First Semester

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, dropped drastically from 48% to 20%.

At the global level, the index rose to 57% and at the regional level, it fell to 55%.

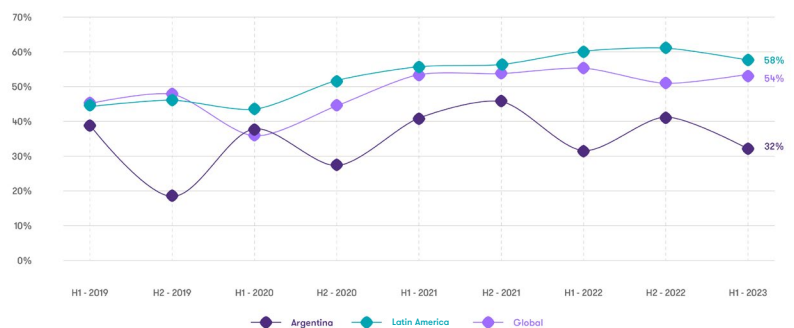
	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	36%	29%	29%	27%	36%	47%	29%	48%	20%	↓
Latin America	50%	55%	42%	52%	59%	58%	62%	61%	55%	↓
Global	48%	52%	38%	46%	57%	55%	55%	53%	57%	↑
Sample	75	75	79	77	76	77	76	80	75	

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

At a global level, this index rose to 54% and at a regional level it fell to 58%.

Investigation and development

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



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	39%	19%	38%	27%	41%	45%	32%	41%	32%	↓
Latin America	45%	46%	44%	52%	56%	56%	60%	61%	58%	↓
Global	46%	48%	36%	45%	54%	54%	55%	51%	54%	↑
Sample	75	75	79	77	76	77	76	80	75	



Indexes 2023

First Semester

Technology

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



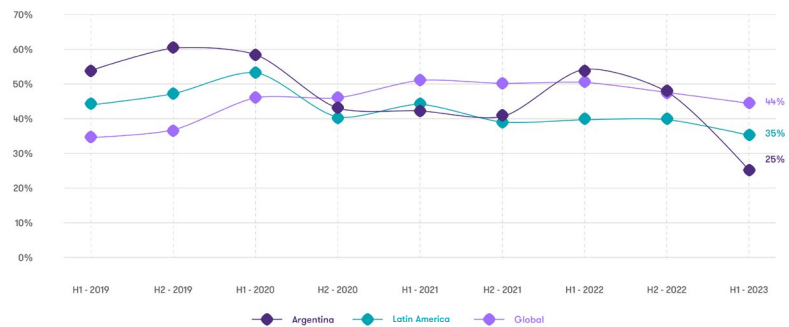
The expectation index for investment in technology, in Argentina, decreased 10 percentage points, from 53% to 43%. At the global level, the index rose to 61% and at the regional level, it fell to 64%.

	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	45%	32%	43%	42%	57%	56%	45%	53%	43%	↓
Latin America	56%	55%	51%	66%	63%	64%	69%	65%	64%	↓
Global	52%	55%	45%	51%	60%	61%	60%	57%	61%	↑
Sample	75	75	79	77	76	77	76	80	75	

The financing shortage expectation index shows a decrease in all areas, that is a positive trend. In Argentina, the figure is 25%, in Latin America it is 35% and globally it is 44%.

Funding shortage

Percentage that identifies funding shortages as a key constraint.



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	53%	60%	58%	43%	42%	40%	54%	48%	25%	↑
Latin America	44%	47%	53%	41%	44%	39%	40%	40%	35%	↑
Global	34%	37%	46%	46%	51%	50%	50%	47%	44%	↑
Sample	75	75	79	77	76	77	76	80	75	

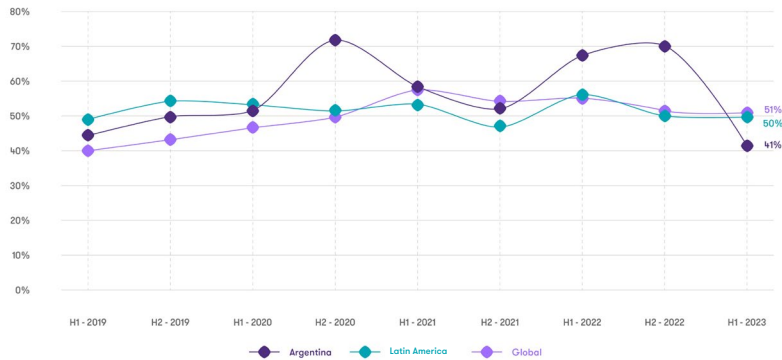


Indexes 2023

First Semester

Regulation and bureaucracy

Percentage that identifies regulation and bureaucracy as a key constraint.



The index that identifies obligations and bureaucratic procedures as a key limitation decreased in Argentina to 51%.

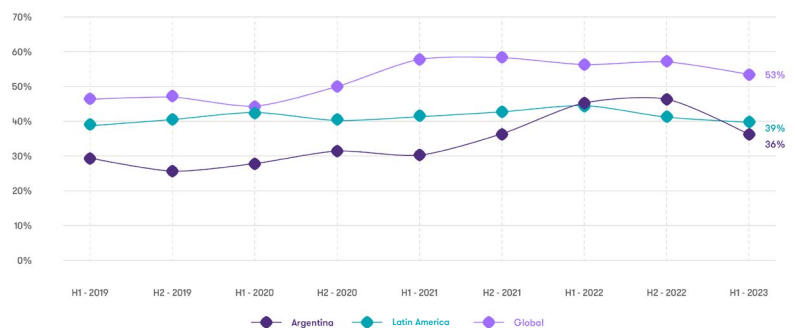
At the global and Latin American level, it remained at 51% and 50% respectively, since the previous semester.

	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	44%	49%	52%	71%	58%	52%	67%	70%	41%	↓
Latin America	49%	54%	53%	51%	53%	47%	56%	50%	50%	=
Global	40%	43%	46%	50%	58%	54%	55%	51%	51%	=
Sample	75	75	79	77	76	77	76	80	75	

The index that identifies the availability of qualified workers as a key limitation decreased across the board, marking a positive trend. In Argentina 36%, in Latin America 39% and globally 53%.

Availability of qualified workers

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



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	29%	25%	28%	31%	30%	36%	45%	46%	36%	↑
Latin America	39%	40%	42%	40%	41%	43%	44%	41%	39%	↑
Global	46%	46%	44%	50%	57%	58%	56%	57%	53%	↑
Sample	75	75	79	77	76	77	76	80	75	

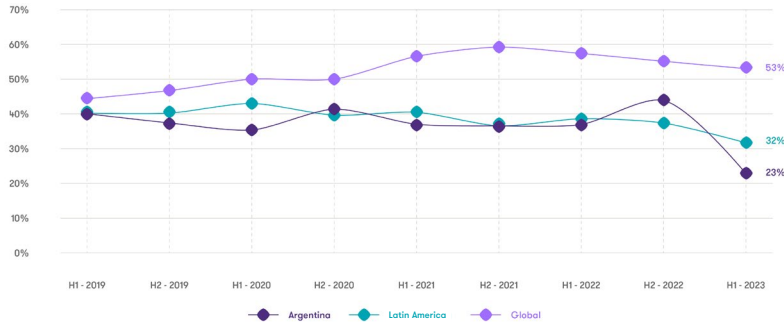


Indexes 2023

First Semester

Labor costs

Percentage identifying labor costs as a key constraint.



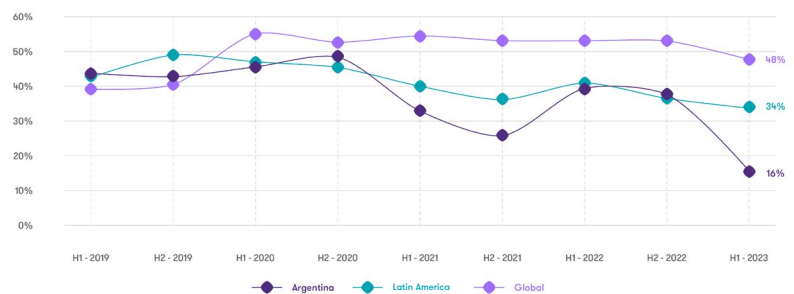
The index that identifies labor costs as a key limitation decreased in all areas, marking a positive trend. In Argentina at 23%, in Latin America at 32% and at a global level at 53%.

	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	40%	37%	35%	42%	37%	36%	37%	44%	23%	↑
Latin America	40%	41%	43%	40%	41%	36%	39%	37%	32%	↑
Global	44%	47%	50%	50%	56%	59%	57%	55%	53%	↑
Sample	75	75	79	77	76	77	76	80	75	

The index that identifies the shortage of orders (low demand) as a key limitation decreased in all areas, marking a positive trend. In Argentina 16%, in Latin America 34% and globally 48%.

Shortage of orders

Percentage that identifies order shortages as a key constraint.



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	44%	43%	46%	48%	33%	26%	39%	38%	16%	↑
Latin America	44%	49%	47%	45%	40%	36%	41%	37%	34%	↑
Global	39%	41%	55%	52%	54%	53%	53%	53%	48%	↑
Sample	75	75	79	77	76	77	76	80	75	

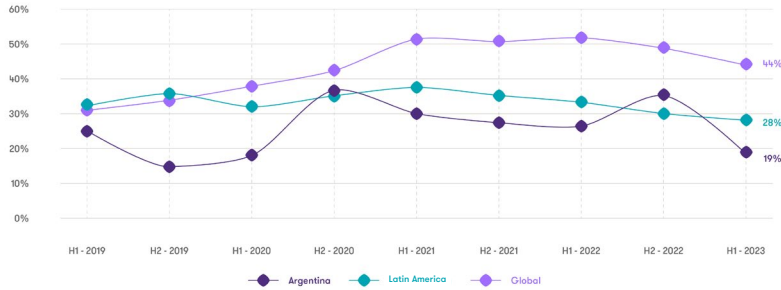


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First Semester

Transport infrastructure

Percentage that identifies transportation infrastructure as a key constraint.



The index that identifies transportation infrastructure as a key constraint decreased across the board, marking a positive trend. In Argentina it is 19%, in Latin America it is 28% and globally it is 44%.

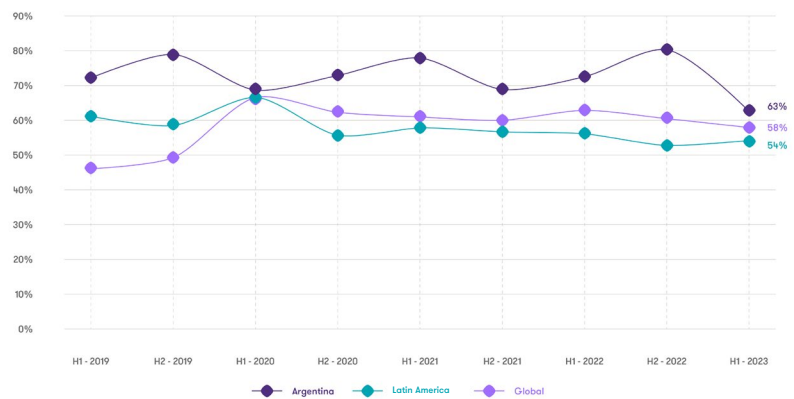
	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	25%	15%	18%	36%	30%	27%	26%	35%	19%	↑
Latin America	32%	36%	32%	36%	37%	35%	33%	30%	28%	↑
Global	31%	34%	38%	42%	51%	51%	52%	49%	44%	↑
Sample	75	75	79	77	76	77	76	80	75	

The index that identifies the recognition of economic uncertainty as a fundamental limitation for 2023 fell in Argentina to 63% and globally to 58%.

In Latin America it has an increasing trend, reaching 54%.

Economic uncertainty

Percentage that identifies economic uncertainty as a key limitation.



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	72%	79%	68%	73%	78%	69%	72%	80%	63%	↑
Latin America	61%	58%	66%	56%	58%	57%	56%	53%	54%	↓
Global	46%	49%	66%	62%	61%	60%	63%	60%	58%	↑
Sample	75	75	79	77	76	77	76	80	75	

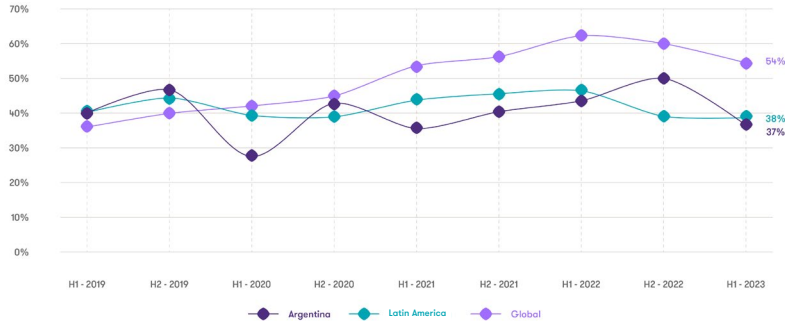


Indexes 2023

First Semester

Energy costs

Percentage that identifies energy costs as a key constraint.



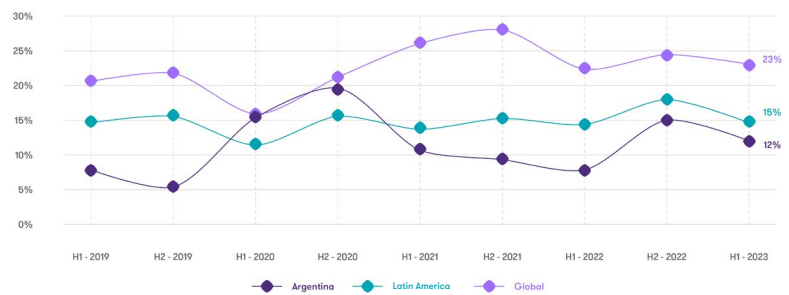
The index that identifies energy costs as a key limitation decreased in all areas, marking a positive trend. In Argentina 37%, in Latin America 38% and globally 54%.

	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	40%	47%	28%	43%	36%	40%	43%	50%	37%	↑
Latin America	41%	44%	39%	39%	43%	45%	46%	39%	38%	↑
Global	36%	40%	42%	45%	54%	56%	62%	60%	54%	↑
Sample	75	75	79	77	76	77	76	80	75	

The index of expectation of making real increases in wages in 2023 fell across the board. In Argentina 12%, in Latin America 15% and globally 23%.

Real increases in wages

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



	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	8%	5%	15%	19%	11%	9%	8%	15%	12%	↑
Latin America	14%	15%	12%	15%	14%	15%	14%	18%	15%	↑
Global	21%	22%	16%	21%	26%	28%	22%	24%	23%	↑
Sample	75	75	79	77	76	77	76	80	75	

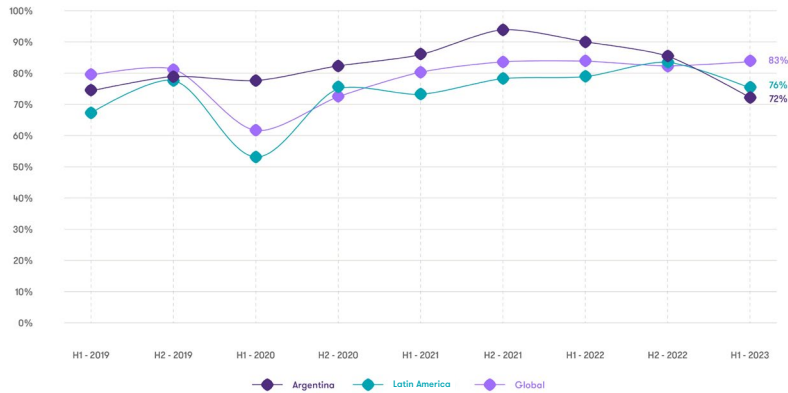


Indexes 2023

First Semester

Wage increase

Expectation to increase wages in the next 12 months.



The index of expectation of making nominal increases in salaries in 2023 fell in Argentina to 72% and in Latin America to 76%. At a global level, the expectation rose slightly to 83%.

	2019 H1	2019 H2	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	Trend
Argentina	75%	79%	77%	82%	86%	94%	89%	85%	72%	↓
Latin America	67%	77%	54%	75%	74%	79%	79%	84%	76%	↓
Global	79%	81%	61%	72%	80%	83%	83%	82%	83%	↑
Sample	75	75	79	77	76	77	76	80	75	

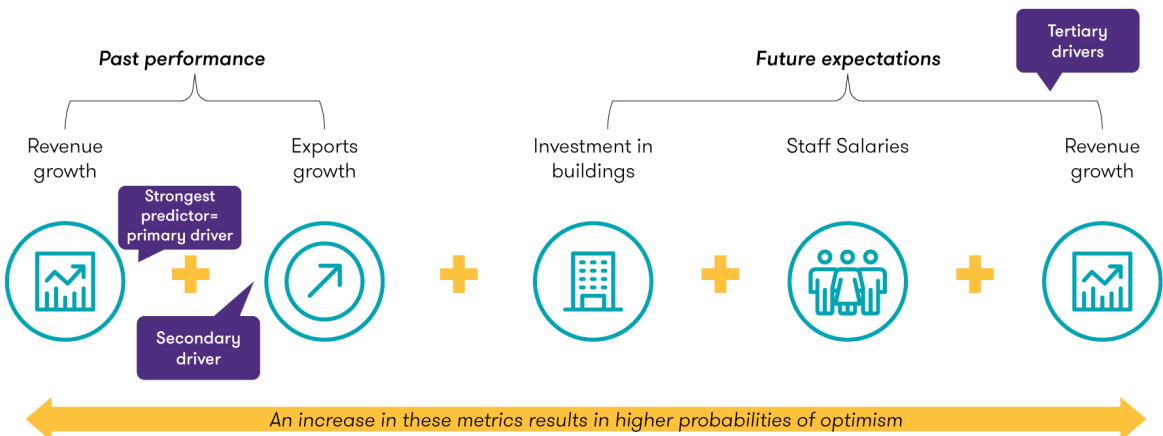


Conclusions

The **optimism** index analysed in this document is based on a series of trends about which middle market managers were surveyed:

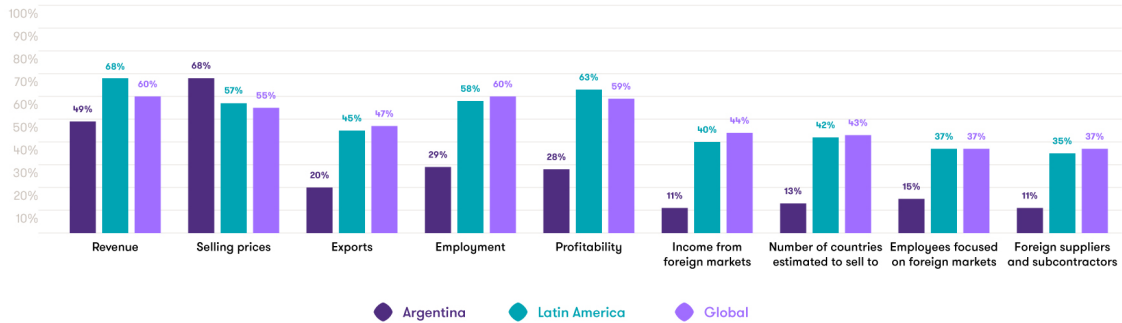
Non-domestic markets expansion	Business growth	Asset Investments
<ul style="list-style-type: none"> • Export expectations • Revenue expectation from non-domestic markets • Sales expectations in new markets • Expected number of employees dedicated to new markets • Expectation of hiring foreign suppliers and subcontractors 	<ul style="list-style-type: none"> • Income Expectation • Selling price expectation • Employment increase expectation • Profitability expectancy 	<ul style="list-style-type: none"> • Investment expectations in: <ul style="list-style-type: none"> • Properties and facilities • Plants and machinery • Staff skills • Research & Development • Technology

When these trends are positive, companies' **optimism** grows; since these metrics are **directly related to the index**. Through the analysis of the indices, it is also deduced that some of these trends affect the index in a different way than others.





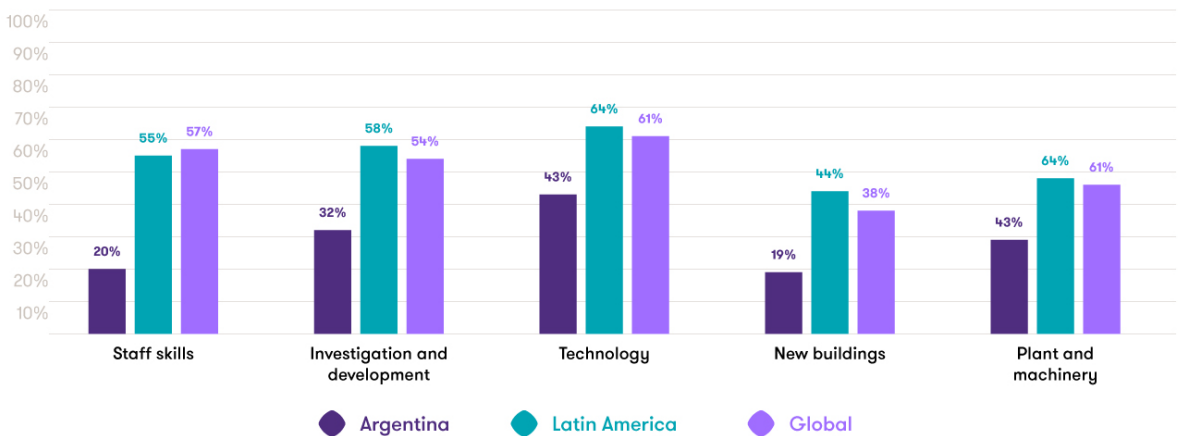
When comparing trends, **there are wide differences between national metrics and regional and global metrics.**



In Argentina, expectations regarding the increase in sales prices and nominal income were the highest.

- 1 Selling prices
- 2 Revenue
- 3 Employment
- 4 Profitability
- 5 Exports

The trends in the **expectation of investments** to be made during the year are also directly proportional to the **optimism** index.

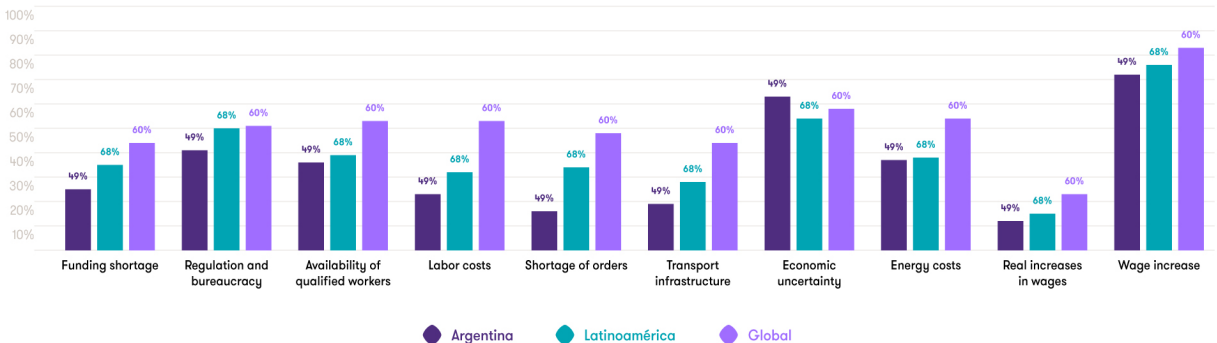




In Argentina, expectations for investment in Technology and Research & Development are the most relevant for 2023.

- 1 Technology
- 2 Investigation and development
- 3 Plants and machinery
- 4 Staff skills
- 5 New buildings

On the other hand, the **limitations** detected by the managers of the middle market companies that were surveyed are **inversely proportional to the optimism index** since they impact it in a negative way.



In Argentina, the highest expectations of limitations for optimism are wage increases and economic uncertainty.

- 1 Wage increase
- 2 Economic uncertainty
- 3 Regulation and bureaucracy
- 4 Energy costs
- 5 Availability of qualified workers

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