

**BUSINESS**

# A global survey highlights how the optimism of Argentine entrepreneurs has grown

By **Charles** January 30, 2024

A global survey conducted by consultancy firm Grant Thornton revealed a **recovery of optimism** among Argentine entrepreneurs.

On the one hand, the overall result of the investigation that provides information for the **International Trade Report (IBR)**—Grant Thornton's global survey of middle-market companies—indicates that, both globally and regionally, 60% of business leaders **expect an increase in profitability**. At the same time, however, 65% of those interviewed agreed on a decline in optimism.

However, in contrast to this chiaroscuro panorama, **approximately 50% of Argentine entrepreneurs** consulted, during the second half of 2023, expressed full confidence, **doubling the figure of the previous semester (from 24 to 48%)**.

This growth in optimism is the result of **improvements in the indexes of the prospect of expansion towards non-domestic markets** as well as increased business and asset investments. On the other hand, the expectations of limitation perceived by the aforementioned managers showed significant decreases, compared to the first half of 2023, with the exception of economic uncertainty indices and nominal salary increases.

The leaders of the Argentine mid-market predict it **improvements in the business over the next 12 months**.

The expectation of greater profitability leads the survey with 49% (+21 percentage points). In turn, an increase in investments in staff skills was observed for the next 12 months, which varied from 20% to 40%. In turn, 43% expect an increase in employment (+14 percentage points), while entry into foreign markets has increased by 25%.

Given this horizon, directors and senior managers from Argentina were consulted **three current issues** In our country:

To the question of **What factor has the greatest impact when making decisions?**: More than half of the Argentine professionals interviewed (52%) see the inflation rate as the most relevant factor in making decisions. For 27%, monetary exchange rates are the factor that has the most significant impact, 11% mentioned financial interests, 7% mentioned the salary increase rates required in their sector and 4% mentioned the own target profit margin.

When asked about **talent attraction and retention strategies** 44% say they offer training and professional development, 41% above-market wages, 36% monetary rewards tied to employee performance, 23% additional licenses/permits, 21% employee benefit programs, and 17% include improving physical and mental health programs as one of their strategies.

Finally, in the current context of **economic uncertainty**, 39% of those interviewed consider the collective value of the teams and the know-how of the collaborators the most relevant corporate message, 23% highlight the financial stability of the company in times of uncertainty, 16% communicate experience and knowledge -as of its leaders, and 23% highlight the company's commercial success. The communication of each organization is strategic based on these messages.

“Given the panorama of declining business optimism at a global and regional level, the positive data in our country leads us to analyze two issues. On the one hand, participation in foreign markets presents itself as an important challenge that many Argentine industries will be able to face thanks to the competitiveness of production costs and the capacity of their talents. This, supported by the intention to invest in technology and research and development, as well as by loyalty programs for valuable collaborators”, comments Fernando Fucci, managing partner and director of IBC of Grant Thornton Argentina.

And he adds: “relating to the domestic market, the first month of the year is marked by uncertainty due to regulatory changes and the search for stability in a wide variety of sectors. Without a doubt, the resilience that characterizes the Argentine production sector is a characteristic that strengthens middle market companies and will allow them to face the changes that arise.”

Source: Clarin



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