



International Business Report

Third 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 **10,000 senior executives in more than 150 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 **third quarter of 2024**.

In Argentina, **77 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">IncomeSales PricesExportsEmploymentProfitabilityIncome from foreign marketsNumber of countries estimated to sell toNumber of employees focused in a foreign marketUse of foreign suppliers and subcontractors	<ul style="list-style-type: none">Investment in new facilitiesInvestment in plants and machineryInvestment in the brand (*)Investment in staff skillsResearch and developmentTechnologyInvestment 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 shortageRegulation and bureaucracyAvailability of qualified workersLabor costShortage of ordersTransport infrastructureEconomic uncertaintyEnergy costsSize 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 wagesWage increase

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

When these 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 third quarter 2024 results for Argentina, the Latin American region and global indices.



Indices 2024

Third Quarter

Optimism

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



The Optimism index in Argentina fell 4 points and reached 65%.

The global Optimism index rose 3 points to 74% and in the South American region it rose 5 points to 76%.

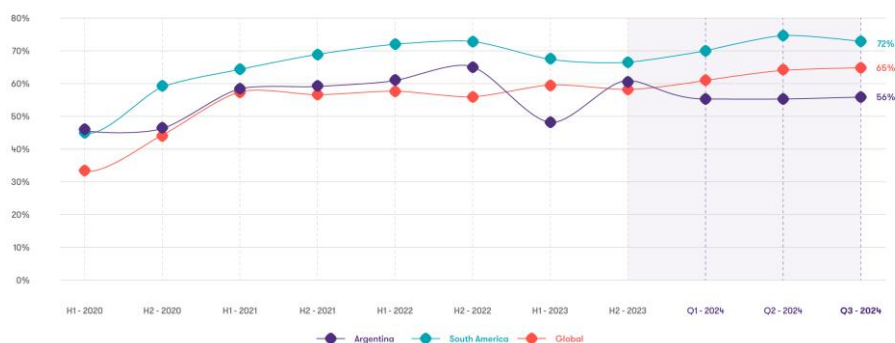
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	41%	47%	30%	39%	25%	25%	24%	48%	67%	69%	65%	↓
South America	40%	59%	59%	59%	55%	60%	65%	66%	72%	71%	76%	↑
Global	44%	58%	70%	71%	64%	59%	67%	65%	66%	71%	74%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The Income expectation index rose to 56% in Argentina during the third quarter of 2024.

At a global level, this index rose to 65% and in South America it fell 3 points to reach 72%.

Income

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



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	46%	47%	58%	60%	61%	65%	49%	60%	55%	55%	56%	↑
South America	45%	60%	65%	69%	72%	73%	68%	67%	70%	75%	72%	↓
Global	34%	46%	58%	57%	58%	56%	60%	59%	61%	64%	65%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

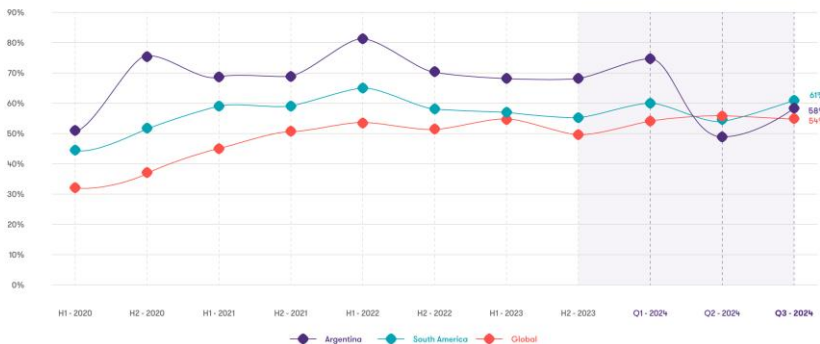


Indices 2024

Third Quarter

Sales Price

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



The Sales Price Expectation Index rose to 58% in Argentina.

Globally, it fell 1 point to 54% and in South America it rose 7 points to 61%.

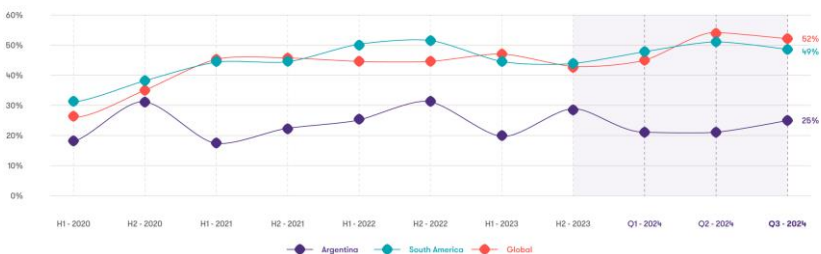
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	51%	75%	68%	69%	82%	70%	68%	68%	74%	49%	58%	↑
South America	44%	51%	59%	59%	65%	58%	57%	55%	60%	54%	61%	↑
Global	32%	37%	45%	51%	53%	51%	55%	50%	53%	55%	54%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The Export expectation index rose to 25% in Argentina.

Globally it fell 1 point to 52% and in the South American region it fell 2 points to 49%.

Exports

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



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	18%	31%	17%	22%	25%	31%	20%	29%	21%	21%	25%	↑
South America	31%	38%	44%	44%	51%	52%	45%	44%	48%	51%	49%	↓
Global	26%	35%	46%	46%	44%	45%	47%	43%	46%	53%	52%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

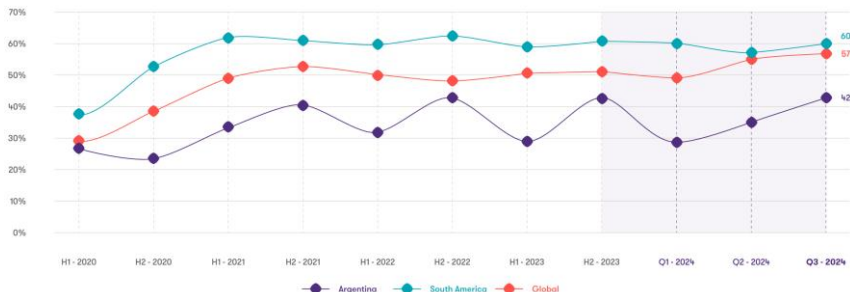


Indices 2024

Third Quarter

Employment

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



The index of expectation of increase in Employment grew in Argentina from 35% to 42%.

In South America, the index rose to 60% and globally, to 57%.

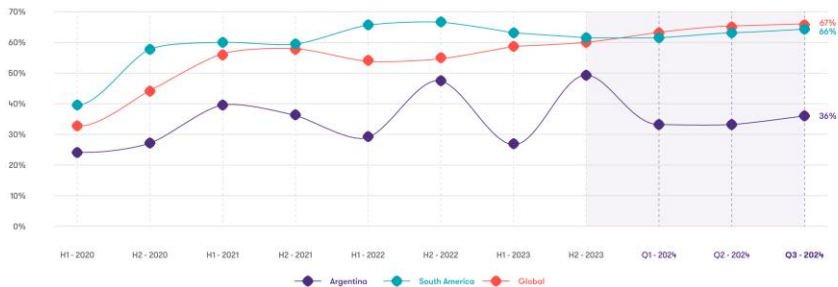
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	27%	23%	33%	40%	32%	43%	29%	43%	29%	35%	42%	↑
South America	37%	53%	62%	61%	59%	62%	58%	61%	60%	58%	60%	↑
Global	29%	38%	49%	53%	50%	48%	50%	51%	49%	55%	57%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The Profitability Expectation Index rose to 36% in Argentina.

At a global level it rose to 67% and in South America, the regional index rose to 66%.

Profitability

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



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	24%	27%	39%	36%	29%	48%	28%	49%	33%	33%	36%	↑
South America	39%	58%	60%	59%	65%	66%	63%	61%	61%	63%	66%	↑
Global	33%	45%	57%	58%	54%	55%	59%	60%	62%	66%	67%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

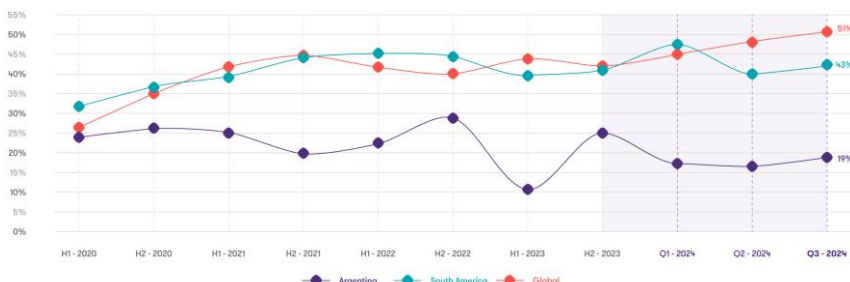


Indices 2024

Third 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 rose to 19% in Argentina.

At a global level, the index rose to 51% and at a regional level, 43%.

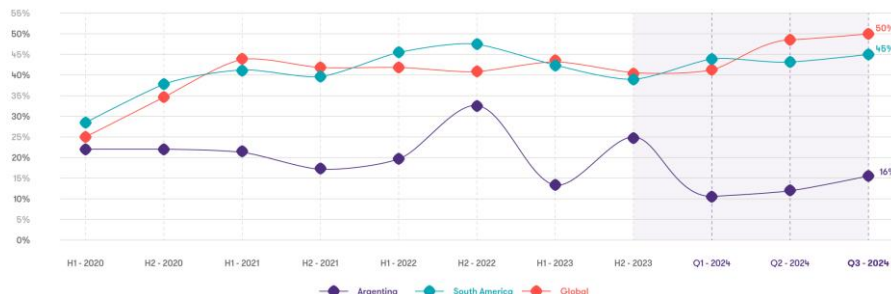
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H1	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	24%	26%	25%	19%	22%	29%	11%	25%	17%	16%	19%	↑
South America	32%	37%	39%	44%	45%	44%	40%	42%	47%	40%	43%	↑
Global	26%	35%	42%	45%	42%	40%	44%	42%	45%	48%	51%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The expectation index for the increase in countries to which it is estimated to sell rose to 16% in Argentina.

At a global level, the index rose to 50% and at a regional level, it rose 2 points to reach 45%.

Number of countries estimated to sell to

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



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	22%	22%	21%	17%	20%	33%	13%	25%	11%	12%	16%	↑
South America	29%	38%	41%	40%	45%	47%	42%	39%	44%	43%	45%	↑
Global	25%	35%	44%	42%	42%	41%	43%	40%	42%	49%	50%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

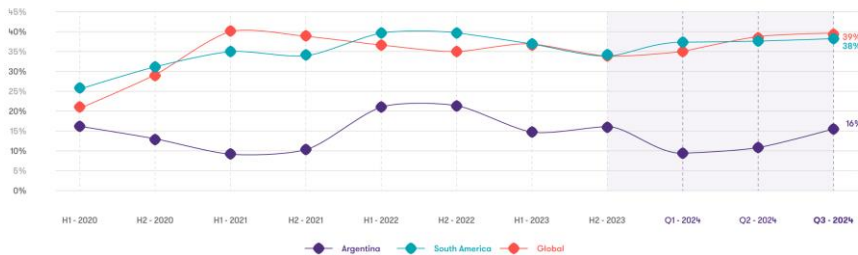


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Third Quarter

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 rose 5 percentage points to 16%.

At a global level it rose to 39% and at a regional level, to 38%.

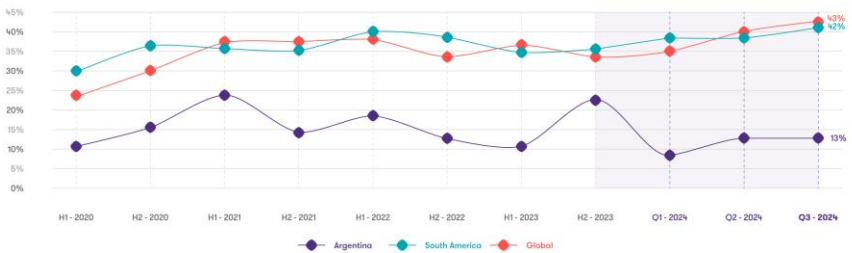
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	16%	13%	9%	10%	21%	21%	15%	16%	8%	11%	16%	↑
South America	26%	31%	35%	34%	40%	40%	37%	34%	37%	37%	38%	↑
Global	21%	29%	40%	39%	37%	35%	37%	34%	35%	38%	39%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The expectation index for the increase in foreign suppliers and subcontractors, in Argentina, remained at 13%.

Globally, the index rose to 43% and in South America, to 42%.

Use of foreign suppliers and subcontractors

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



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	10%	16%	24%	14%	18%	13%	11%	23%	8%	13%	13%	↑
South America	30%	36%	36%	35%	40%	38%	35%	36%	37%	37%	42%	↑
Global	23%	30%	37%	37%	38%	34%	37%	34%	35%	40%	43%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

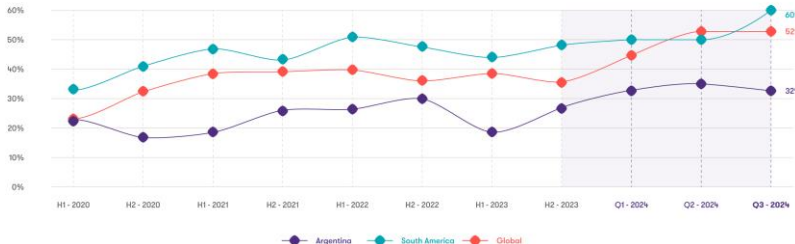


Indices 2024

Third Quarter

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 35% to 32%.

Globally it remained at 52% and in South America it rose to 60%.

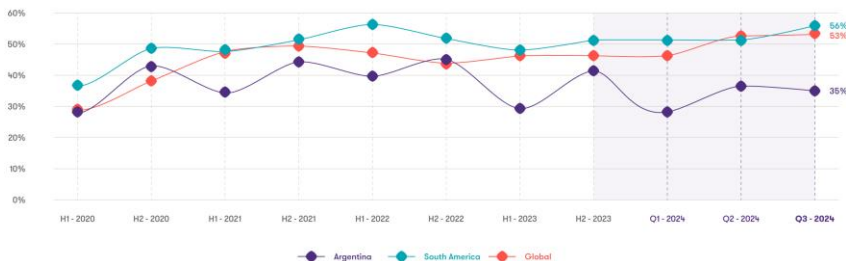
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	23%	17%	18%	26%	26%	30%	19%	27%	33%	35%	32%	↓
South America	33%	41%	47%	43%	51%	48%	44%	48%	50%	50%	60%	↑
Global	23%	32%	38%	39%	40%	36%	38%	36%	45%	52%	52%	=
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The expectation index for increment in Investment in plants and machinery in Argentina decreased from 37% to 35%.

At the global level, the index rose 1 point to 53% and at the regional level, to 56%.

Investment in plants and machinery

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



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	28%	43%	34%	44%	39%	45%	29%	41%	29%	37%	35%	↓
South America	37%	49%	47%	51%	56%	52%	48%	51%	51%	51%	56%	↑
Global	29%	38%	47%	49%	47%	44%	46%	46%	46%	52%	53%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

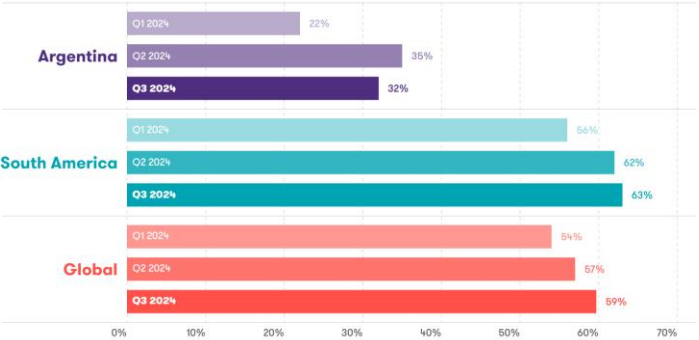


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Third Quarter

Investment in the brand

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



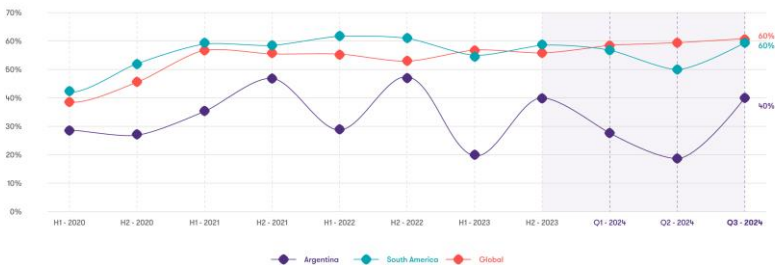
The expectation index for Investment in business brand was included in the IBR as of 2024. In Argentina it dropped to 32%.

At global and regional levels, it rose to 59% and 63%, respectively.

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

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 rose from 19% to 40%.

At the global level, the index rose 1 point to 60% and at the regional level, it rose 10 points to 60%.

	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	29%	27%	36%	47%	29%	48%	20%	40%	28%	19%	40%	↑
South America	42%	52%	59%	58%	62%	61%	55%	58%	57%	50%	60%	↑
Global	38%	46%	57%	55%	55%	53%	57%	56%	58%	59%	60%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	



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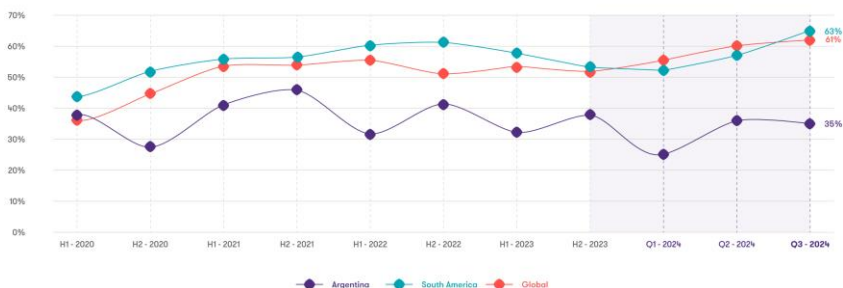
Third Quarter

The expectation index for increased investment in R&D decreased 1 point in Argentina, to 35%.

At a global level, this index rose to 61% and at a regional level, 63%.

Research and development

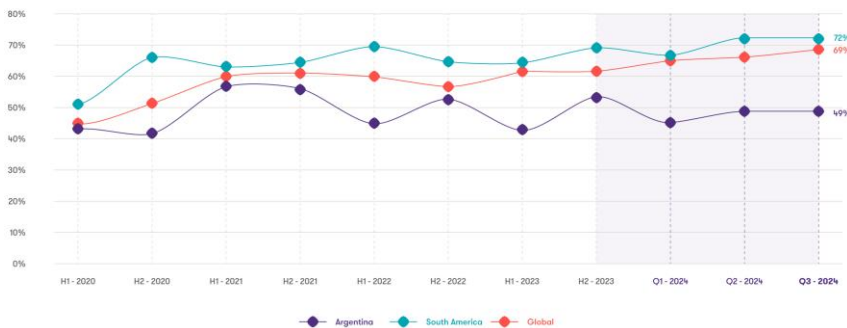
Expectation of an increase in investment in research and development in the next 12 months.



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	38%	27%	41%	45%	32%	41%	32%	37%	25%	36%	35%	↓
South America	44%	52%	56%	56%	60%	61%	58%	53%	52%	57%	63%	↑
Global	36%	45%	54%	54%	55%	51%	54%	52%	55%	60%	61%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

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, the index rose to 69% and at a regional level, it remained at 72%.

	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	43%	42%	57%	56%	45%	53%	43%	53%	45%	49%	49%	=
South America	51%	66%	63%	64%	69%	65%	64%	69%	67%	72%	72%	=
Global	45%	51%	60%	61%	60%	57%	61%	61%	66%	67%	69%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

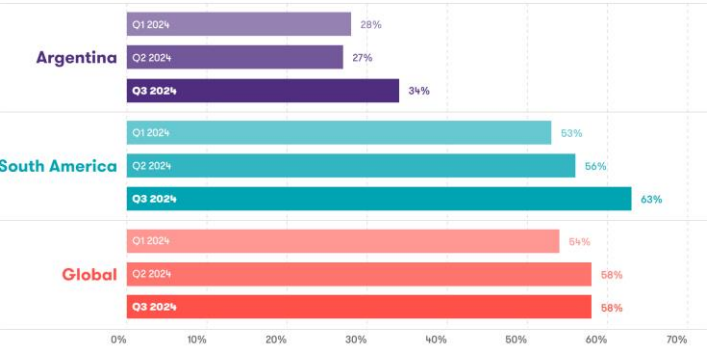


Indices 2024

Third Quarter

Investment in sustainable initiatives

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



The expectation index for Investment in sustainable initiatives was included in the IBR as of 2024. In Argentina it rose to 34%.

At the global level it remained at 58% and at a regional level, it rose to 63%.

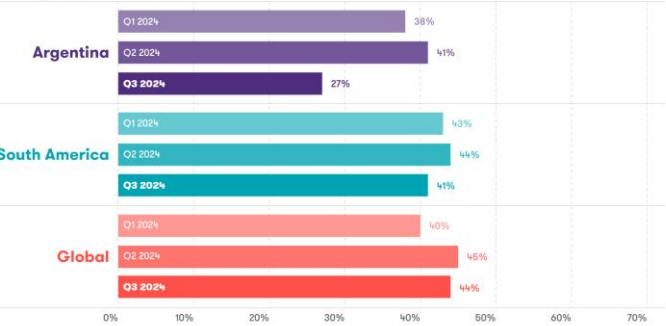
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina									28%	27%	34%	↑
South America									53%	56%	63%	↑
Global									54%	58%	58%	=
Sample ARG									76	75	77	

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 27%.

At a global and regional levels, it fell to 44% and 41%, 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 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q1	2024 Q3	Trend
Argentina									38%	41%	27%	↓
South America									43%	44%	41%	↓
Global									40%	45%	44%	↓
Sample ARG									76	75	77	

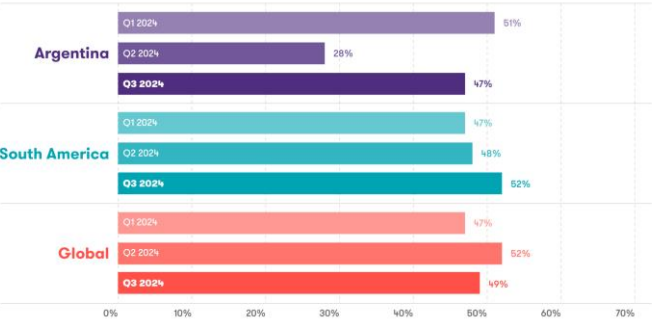


Indices 2024

Third Quarter

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 rose to 47%.

At a global level it fell to 49% and at a regional level it rose to 52%.

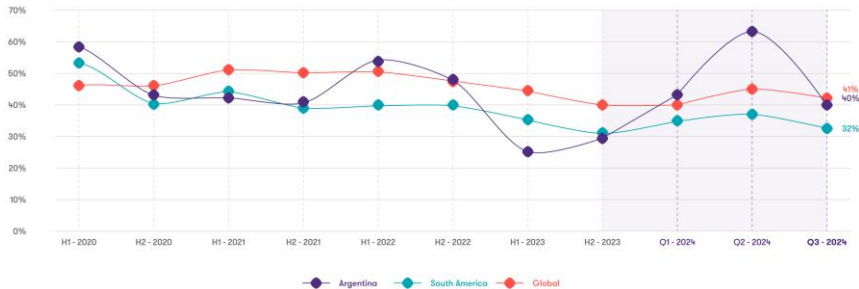
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina									51%	28%	47%	↑
South America									47%	48%	52%	↑
Global									47%	52%	49%	↓
Sample ARG									76	75	77	

The expected financing shortage index shows a decrease in Argentina from 63% to 40%.

At a global level, the index fell to 41% and at the regional level it fell 5 percentage points to 32%.

Funding shortage

Percentage that identifies funding shortages as a key constraint.



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	58%	43%	42%	40%	54%	48%	25%	29%	42%	63%	40%	↓
South America	53%	41%	44%	39%	40%	40%	35%	31%	35%	37%	32%	↓
Global	46%	46%	51%	50%	50%	47%	44%	40%	40%	45%	41%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	



Indices 2024

Third Quarter

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 55%.

At a global level it fell to 47% and at a regional level, to 43%.

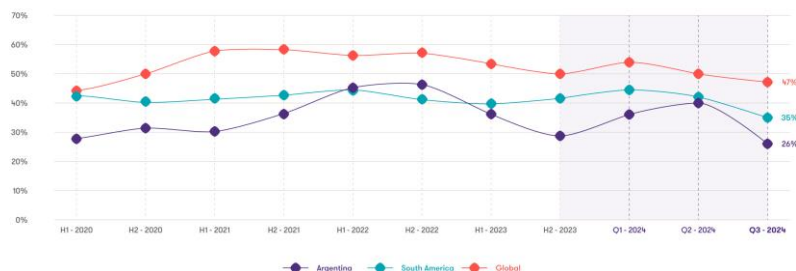
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	52%	71%	58%	52%	67%	70%	41%	44%	59%	64%	55%	↓
South America	53%	51%	53%	47%	56%	50%	50%	54%	50%	49%	43%	↓
Global	46%	50%	58%	54%	55%	51%	51%	47%	49%	49%	47%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The index that identifies the availability of qualified workers as a key limitation decreased in Argentina to 26%.

Globally, it fell to 47%. At the regional level it fell 7 percentage points to 35%.

Availability of qualified workers

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



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	28%	31%	30%	36%	45%	46%	36%	29%	36%	40%	26%	↓
South America	42%	40%	41%	43%	44%	41%	39%	41%	44%	42%	35%	↓
Global	44%	50%	57%	58%	56%	57%	53%	50%	53%	50%	47%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

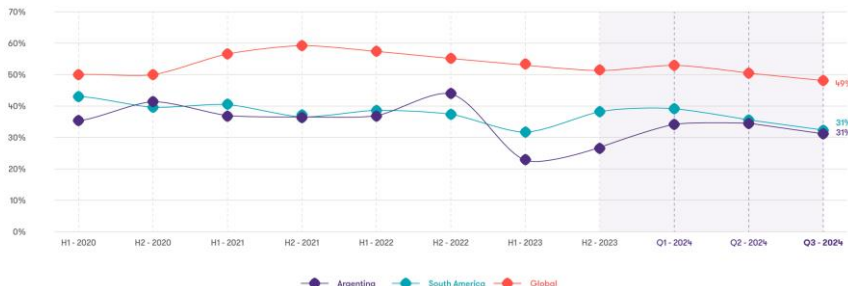


Indices 2024

Third Quarter

Labor cost

Percentage identifying labor costs as a key constraint.



The index that identifies labor costs as a key limitation decreased in Argentina to 31%.

At the global level it fell to 49% and at the regional level it fell to 31%.

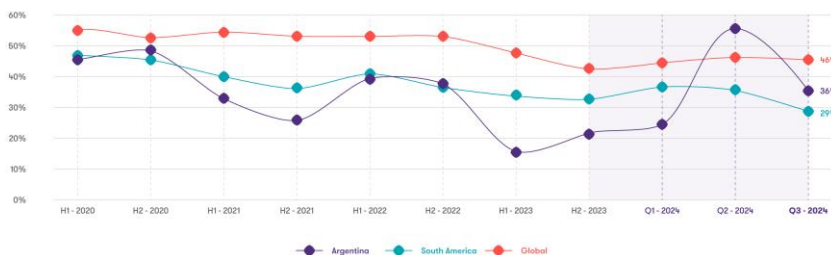
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	35%	42%	37%	36%	37%	44%	23%	27%	34%	35%	31%	↓
South America	43%	40%	41%	36%	39%	37%	32%	38%	39%	35%	31%	↓
Global	50%	50%	56%	59%	57%	55%	53%	51%	53%	51%	49%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The index that identifies the shortage of orders (low demand) as a key limitation decreased in Argentina to 36% (20 pp).

At the global level it fell to 46% and at the regional level it fell to 29%.

Shortage of orders

Percentage that identifies order shortages as a key constraint.



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	46%	48%	33%	26%	39%	38%	16%	21%	24%	56%	36%	↓
South America	47%	45%	40%	36%	41%	37%	34%	33%	37%	36%	29%	↓
Global	55%	52%	54%	53%	53%	53%	48%	43%	44%	47%	46%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

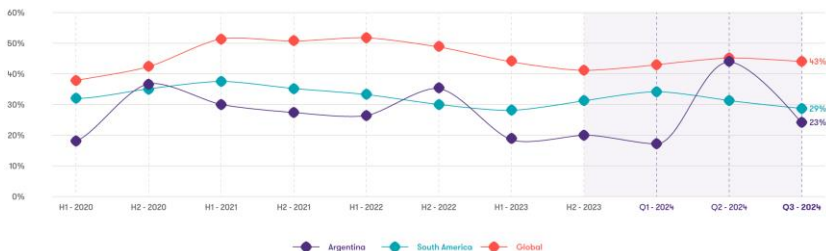


Indices 2024

Third Quarter

Transport infrastructure

Percentage that identifies transportation infrastructure as a key constraint.



The index that identifies transport infrastructure as a key constraint decreased in Argentina from 43% to 23%.

At a global level it fell to 43% and at a regional level, to 29%.

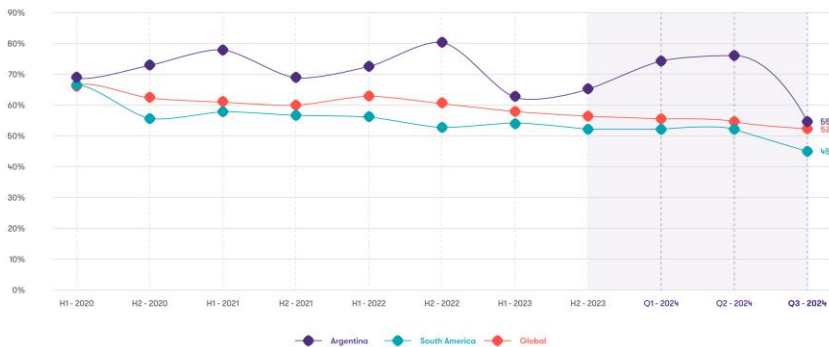
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	18%	36%	30%	27%	26%	35%	19%	20%	17%	43%	23%	↓
South America	32%	36%	37%	35%	33%	30%	28%	31%	34%	31%	29%	↓
Global	38%	42%	51%	51%	52%	49%	44%	41%	42%	45%	43%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The index that identifies the recognition of economic uncertainty as a fundamental limitation decreased in Argentina to 55% (21pp).

At a global level, the index fell to 52% and at a regional level, to 45%.

Economic uncertainty

Percentage that identifies economic uncertainty as a key limitation.



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	68%	73%	78%	69%	72%	80%	63%	65%	74%	76%	55%	↓
South America	66%	56%	58%	57%	56%	53%	54%	52%	52%	52%	45%	↓
Global	66%	62%	61%	60%	63%	60%	58%	57%	56%	55%	52%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

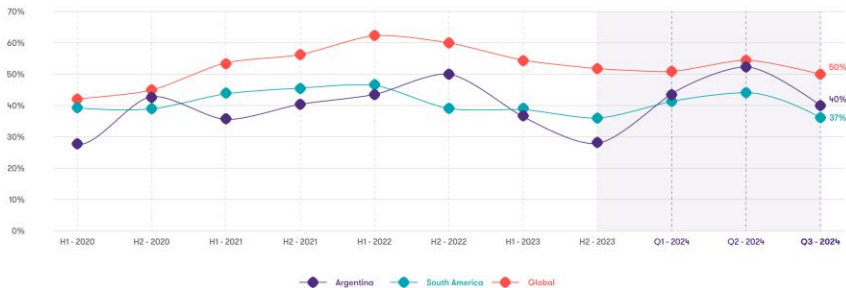


Indices 2024

Third Quarter

Energy costs

Percentage that identifies energy costs as a key constraint.



The index that identifies energy costs as a key limitation decreased in Argentina to 40% (12 pp).

At the regional level it fell to 37% and at the global level, to 50%.

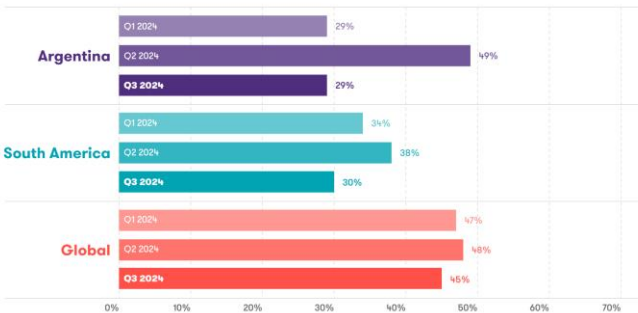
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	28%	43%	36%	40%	43%	50%	37%	29%	43%	52%	40%	↓
South America	39%	39%	43%	45%	46%	39%	38%	36%	41%	43%	37%	↓
Global	42%	45%	54%	56%	62%	60%	54%	52%	51%	54%	50%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The market size expectation index as a key limitation is included in the IBR from 2024. In Argentina, the expectation fell to 29% (20pp).

At the global and regional level, it fell to 45% and 30%, respectively.

Size of the market

Percentage identifying size of the market as a key constraint.



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

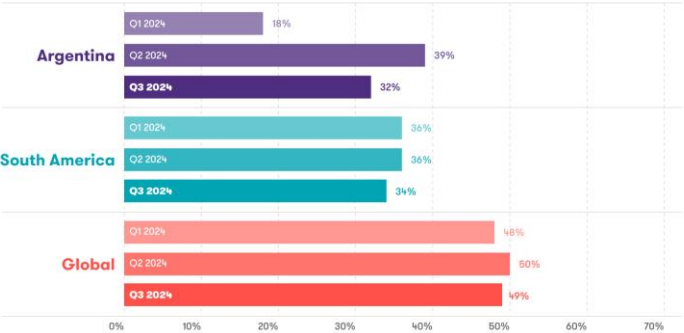


Indices 2024

Third Quarter

Competition / Competitors

Percentage identifying competition/competitors as a key constraint.



The competitor expectation index as a key limitation is included in the IBR since 2024. In Argentina, it fell to 32% (7pp).

At the regional level it fell to 34% and at the global level, to 49%.

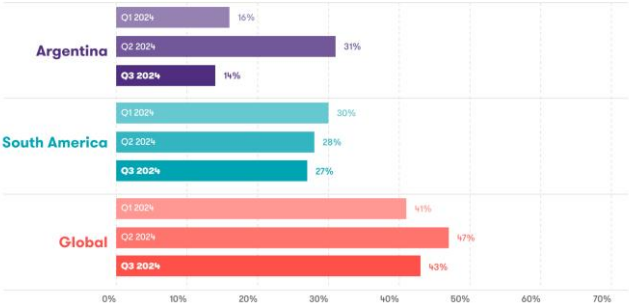
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina									18%	39%	32%	↓
South America									36%	36%	34%	↓
Global									48%	50%	49%	↓
Sample ARG									76	75	77	

The expected environmental constraints/natural resource scarcity index is included in the IBR from 2024. In Argentina, it fell to 14% (17pp).

At the regional level it fell to 27% and at the global level, to 43%.

Environmental constraints/scarcity of natural resources

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



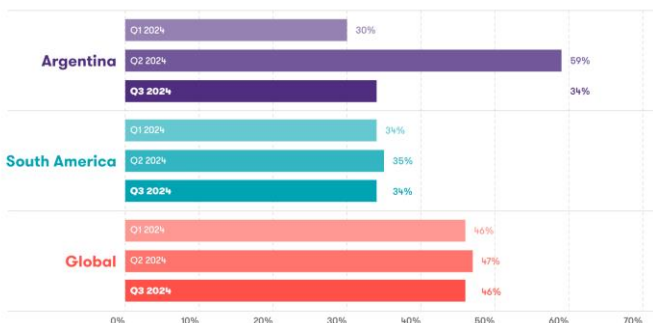
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina									16%	31%	14%	↓
South America									30%	28%	27%	↓
Global									41%	47%	43%	↓
Sample ARG									76	75	77	



Indices 2024

Third 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 since 2024. In Argentina, it fell to 34% [25pp].

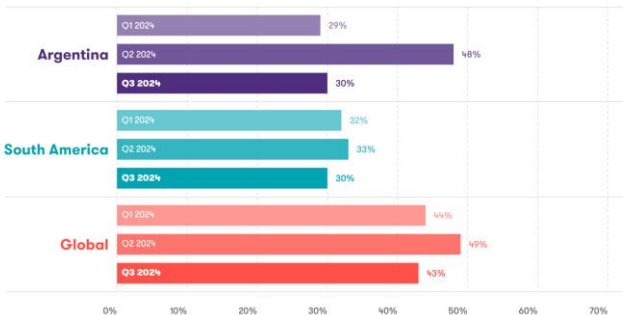
At the global and regional levels, it fell to 46% [1pp] and 34% [1pp], respectively.

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

The Geopolitical Disruption Expectation Index has been included in the IBR since 2024. In Argentina, it fell to 30% [18pp].

At a global and regional levels, it fell to 43% [6pp] and 30% [3pp], respectively.

Geopolitical disruption
Percentage identifying geopolitical disruption as a key constraint.



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

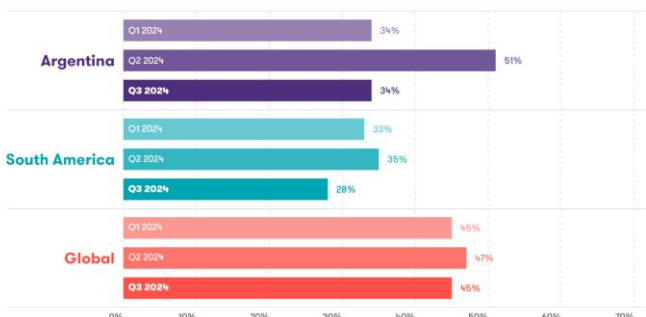


Indices 2024

Third 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 since 2024. In Argentina, the expectation fell to 34% (17pp).

At a global and regional levels, it fell to 45% (2pp) and 28% (7pp).

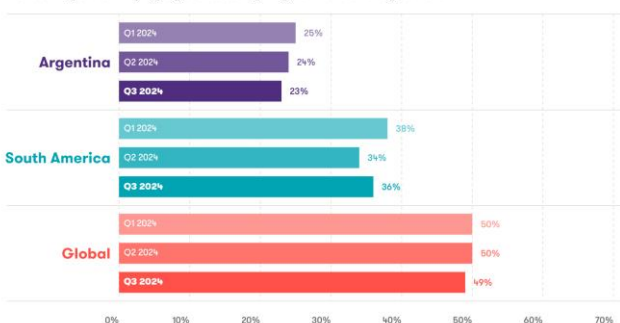
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina									34%	51%	34%	↓
South America									33%	35%	28%	↓
Global									45%	47%	45%	↓
Sample ARG									76	75	77	

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

In Argentina, the expectation (23%) is lower than in the South American region (36%) and globally (49%).

Cyber security / digital risk

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



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

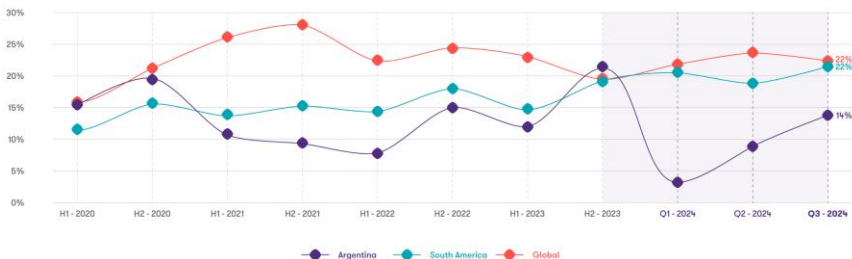


Indices 2024

Third 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 rose to 14% (5 pp) in Argentina.

Globally it fell 2 percentage points to 22% and in South America it rose to 22% (3 pp).

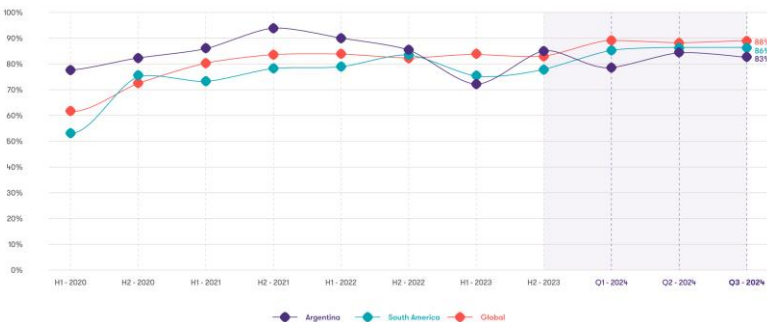
	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	15%	19%	11%	9%	8%	15%	12%	21%	3%	9%	14%	↑
South America	12%	15%	14%	15%	14%	18%	15%	19%	21%	19%	22%	↑
Global	16%	21%	26%	28%	22%	24%	23%	19%	23%	24%	22%	↓
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	

The index of expectation of nominal increases in salaries decreased in Argentina to 83% (2 pp).

At a global level, the expectation rose to 88% and in the region, it remained at 86%.

Wage increase

Expectation to increase wages in the next 12 months.



	2020 H1	2020 H2	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2	2024 Q1	2024 Q2	2024 Q3	Trend
Argentina	77%	82%	86%	94%	89%	85%	72%	84%	79%	85%	83%	↓
South America	54%	75%	74%	79%	79%	84%	76%	78%	85%	86%	86%	=
Global	61%	72%	80%	83%	83%	82%	83%	83%	89%	87%	88%	↑
Sample ARG	79	77	76	77	76	80	75	75	76	75	77	



Indices 2024

Third Quarter

Survey for Argentine companies

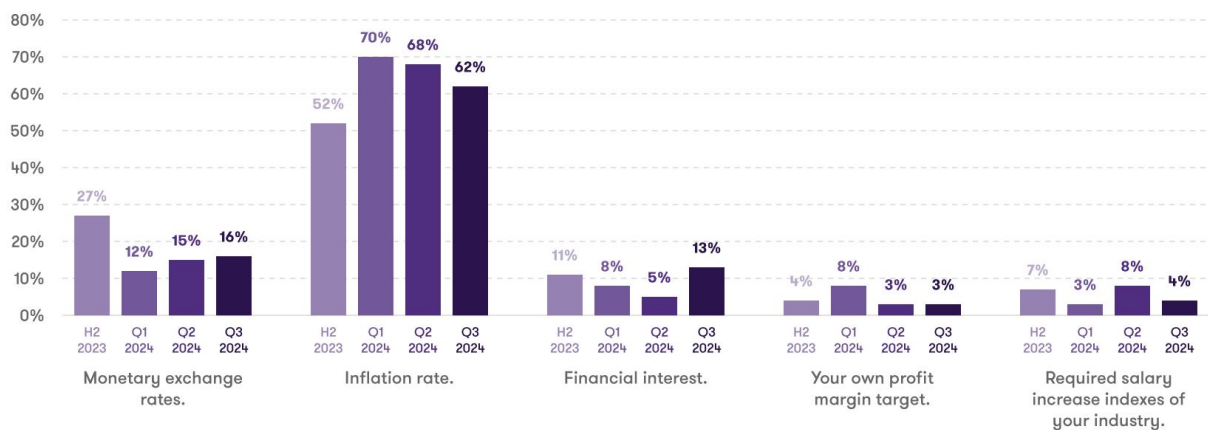
Since the second half of 2023, in addition to the questions asked of all respondents in more than 150 economies, the International Business Report includes three questions asked only to the executives consulted in Argentina.

These questions refer to issues specific to our context. The first of them asks what factors are most relevant when making executive decisions; The second aims to investigate 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 from July to September 2024.

Decision making - Argentina

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





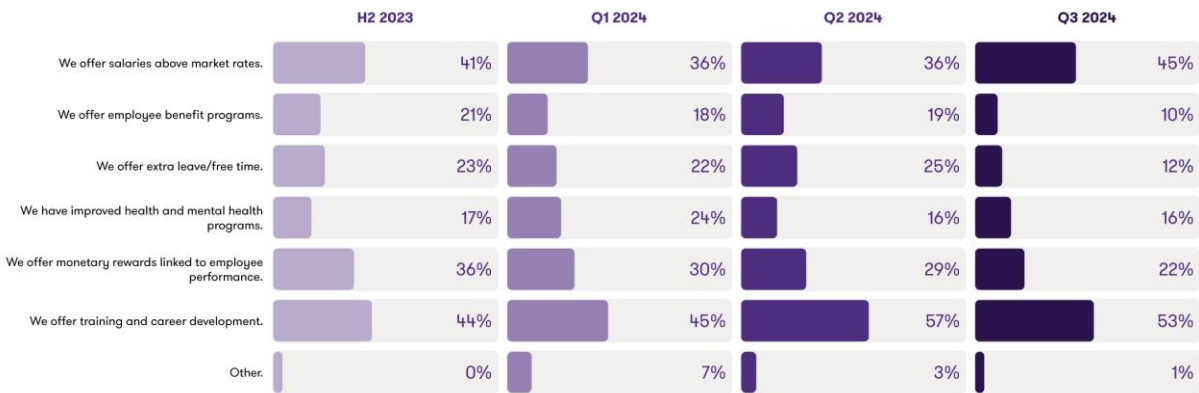
Indices 2024

Third Quarter

Survey for Argentine companies

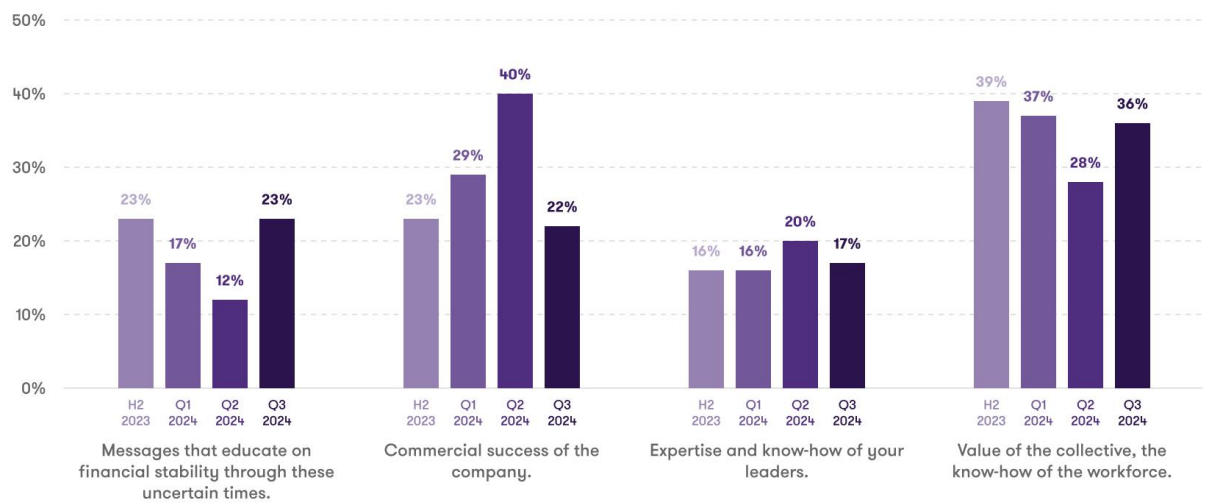
Labour force - Argentina

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



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?





Conclusions

Business optimism doubled in our country, going from 24% to 48% in the second half of 2023. In the first quarter of 2024, its growth continued, reaching 67% and in the second quarter it rose another two percentage points, reaching 69%.

The most recent data for the third quarter of 2024 shows that the optimism index fell four percentage points to 65%.

Future business growth expectations

When considering the variables that influence this index, it is worth mentioning that, since the previous quarter (April-June 2024), in Argentina, these indices had slight positive variations.

The largest of them was seven percentage points in the expectation of increased employment in the next 12 months.

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

Future business growth expectations

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



Expectation of future business investment intentions

On the other hand, the variables that measure the expectation of future business investment intentions had slight or moderate variations in Argentina, except for expectations of investment in personnel skills and sustainable initiatives. These indices rose 21 and 7 percentage points, respectively.

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

Below are the investment expectation indices, from highest to lowest, in the third quarter of 2024:

Future business investment intentions

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



Limitations to business growth

With respect to the variables that measure the expectation of limitations on business growth, it is worth noting that, in Argentina, during the third quarter of 2024, all 17 indices decreased. Of them, 14 had variations greater than 10 percentage points.

The largest variations were in the Forecasted Future Shortage of Orders (demand) indices, which fell 25 points; and Financing Shortage, which fell 23 percentage points.

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 order (demand) shortages, geopolitical disruption scenarios, the need for complex supply chains and procurement systems, and digital and cybersecurity risks.

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

Limitations to business growth

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



Expected business salary changes

With respect to the variables that measure salary expectations in Argentina, the expectation of real salary increases increased from 9% to 14%, maintaining the trend of the previous period that had observed an increase from 3% to 9%.

The index rate that measures the expected increase in salaries 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 this period fell slightly to reach 83%.

Below are the expected salary change indices, from highest to lowest, in the third quarter of 2024:

Expected business salary changes

- 1 Wage increase
- 2 Real increases in wages



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