

A NEW BUSINESS-FRIENDLY ARGENTINA

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Argentina held general elections on Oct. 25, 2015, following primary elections which were held on Aug. 9, 2015. The October round resulted in surprisingly close results, which forced the first presidential runoff round in Argentine history. This past Sunday, Nov. 22, the runoff resulted in a victory by Mauricio Macri over Daniel Scioli, the political successor of the current president, Cristina Fernandez de Kichner. This narrow victory of three percentage points signifies a rightward shift in the country's political and economic agenda.

On Monday, Mr. Macri vowed to get Argentina's stalled economy moving again with sweeping economic reforms to tackle weak growth, high inflation and a deep fiscal deficit after more than a decade of free-spending leftist populism. This shift in government opens the door to better relations with the US and Argentina's financial creditors. Investors have acknowledged the potential for opportunity as witnessed in the 25 percent surge of the Buenos Aires stock exchange after the first round of elections when it became clear that Macri had a chance of taking over the presidency. "Macri understands what the country needs to do to regain the confidence of international investors and get the economy back on its feet," said Andrew Stanners, investment manager at Aberdeen Asset Management.

For the rest of the world the success of Macri represents a more business-friendly Argentina, one that promises to move away from protectionist economic policies and that encourages foreign investment. Macri has already announced that his government will lift the control exchange, promote investment in infrastructure, renew access to international financial markets, remove export taxes, and diversify the Argentine electricity matrix, among other. The new leadership also bodes well for the mining industry. Macri's presidential campaign focused and promised to lure foreign capital with tax incentives and legal certainty. Furthermore, Macri's long term plans to stabilize the economy and soften recently adopted policies, such as the requirement to keep all export revenue in the

country, will help bring back investors to mining industry.

Ultimately, this change represents the end of the Kichner era, and the start of a new political and economic chapter in Argentina and South America.

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