



# INVEST IN CÓRDOBA

Summary of finances  
and investments

Third Trimester 2022



Ministerio de  
**FINANZAS**



**CÓRDOBA**  
entre todos





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# PROVINCIAL ECONOMY

## ECONOMIC ACTIVITY IN CÓRDOBA

### Productive activity, employment and consumption

In the third quarter of 2022, Córdoba recorded a year-on-year 5% increase in 0km car registrations, going from 11,183 units in the third quarter of 2021 to 11,776 in the same period of 2022.

Also noteworthy was the performance of real economy indicators such as oilseed milling. The province of Córdoba is the second largest contributor to the national grain milling. In the accumulated to the third quarter of 2022, oilseed industrialization in Córdoba reached a monthly average of 278 thousand tonnes, including the industrialization of soybean, sunflower and peanut grains, which contributed a monthly average of 231 thousand tonnes, 47 thousand tons and 17 thousand tonnes, respectively. During this period, oilseed milling recorded a year-on-year decrease of 10.8%, a decline slightly above the national total for the same period (year-on-year - 9.3%).

Regarding consumption, real supermarket sales rose a cumulative year-on-year 2.3% in the third quarter of this year compared to the previous year, although they are still 9% below the level of the third quarter of 2017, a pre-crisis benchmark.

Moreover, the growth in economic activity also had a direct impact on more job positions. The salary modality registered in private companies experienced twenty months of consecutive monthly increases in September 2022 (considering the deseasonalized series). When considering this same form of employment, September shows the highest level in recent years, equaling the levels of the first half of 2018, a pre-crisis benchmark. In the first nine months of 2022, the number of workers grew a year-on-year 4.9%, above the increase observed for the country as a whole (4.3%). This percentage implies that, within that period, 23,700 people had access to formal jobs in the private sector.



# PROVINCIAL ECONOMY

## ECONOMIC ACTIVITY IN CÓRDOBA

### Agriculture: Final estimate of summer crop production 2021/22

The Córdoba Grain Exchange (B.C.C.C.) reported the final estimate of the corn, soybean and sunflower production for the 2021/22 season.

**CORN** : Of the almost 3.3 million hectares planted with corn in Córdoba, more than 2.7 million hectares are estimated to be a harvested area. The area planted is 7% above the levels of the previous period and 63% above the historical average 2008-2021. The area-weighted average yield is estimated at 73.7 q/ha, down 17% from the previous year, while production volume was 20.3 million tonnes, down 14% from the previous season.

**SOYBEAN** : Of the almost 3.9 million hectares planted with soybean in Córdoba, it is estimated that more than 3.7 million hectares were harvestable, with the remaining 5% being lost due to weather conditions (heat, lack of water and hail events). The area-weighted average yield is estimated at 31.0 q/ha, down 11% from the previous year, while production volume totaled 11.6 million tonnes, down 13% from the previous season.

Compared to the country as a whole, Córdoba accounted for 26% of production, with 25% of the country's area planted and yields 12% higher than the national average.

**SUNFLOWER** : Oilseed production in the 2021/22 season was estimated at 158 thousand tonnes, up 97% compared to last season, based on a weighted average yield of 23.0 q/ha (9% lower than last season). The planted area is estimated at approximately 72 thousand hectares, of which 96% were harvestable given that 4% of the area was lost due to water stress and hail. Production during the season doubled that of the previous season, due to a 120% increase in the area planted with oilseed.



# PROVINCIAL ECONOMY

## ECONOMIC ACTIVITY IN CÓRDOBA

### Historical record in Córdoba exports

According to the information issued by the ProCórdoba Agency on its website, in the first nine months of 2022, Argentine exports totaled USD 67,131 million, of which USD 9,596 million, standing for 14.3% of total Argentine sales abroad, originated in the province of Córdoba. This implies a year-on-year variation of 5.2% in the value of Córdoba shipments compared to the same period in 2021.

Córdoba exported its products to 131 countries during the first nine months of 2022. The main export destinations were Brazil, Vietnam, India, China and Chile. In the case of Brazil, the main

export destination, exports totaled USD 1.220 million. On the other hand, primary products accounted for 44.4% of the province's exports, while manufactures of agricultural and industrial origin accounted for 38.6% and 13.7% of sales, respectively.

Estimates for year-end 2022 show that Córdoba's foreign sales could reach the highest figure in the last 12 years. In the period from 2010 to 2022, the year 2021 marked the highest amount of exports reaching USD 11,670 million, with a 15% share in total sales abroad.



# STATUS OF PUBLIC FINANCES

## BUDGET EXECUTION

### The Province sustained high levels of current saving

During the first nine months of 2022, the Province kept a prudent and austere management in terms of income and expenditure, thus allowing for the consolidation of current saving and the continuity of the recovery of public investment levels. Even considering the recovery in revenues in 2022, it can be noted that revenues remain at lower levels than those observed prior to the onset of the crisis in 2018.

As accrued to September 2022, the net income of the province (resources available after subtracting the automatic transfers to municipalities and communes of the Province) was AR\$ 690,493 million (USD 5,734 mi-

llion), showing a real increase of 6% compared to the same period of the year 2021. In turn, net current expenditure (provincial expenditure without considering the automatic distribution to municipalities and communes) was AR\$ 497,536 million (USD 4,132 million), which implies a year-on-year increase in expenditure of 1% in real terms (Table 1).

As a result, the 'current saving available' obtained to September 30, 2022 was AR\$ 192,957 million (USD 1,602 million), (Table 1). Even in an adverse macro-economic context, it was possible to keep throughout the first nine months a 'current saving available' representing the 28% of the provincial net income, above the ratio observed in the same period of 2021 and the historical average of 2015-2021 (Graph 1).



**TABLE 1.****Income and Expenditure of the Non-Financial Public Administration**

Accrued to September 30 of every year – in million current pesos and in American dollars, except percentages

Concept	2021		2022		Variation AR\$	
	AR\$	US\$ / <sup>1</sup>	AR\$	US\$ / <sup>1</sup>	Nominal	Real / <sup>2</sup>
<b>NET INCOME</b>	<b>408.008</b>	<b>4.367</b>	<b>690.493</b>	<b>5.734</b>	<b>69%</b>	<b>6%</b>
Taxable and Non-Taxable Net / <sup>3</sup>	306.649	3.282	526.416	4.372	72%	7%
Social Security Contributions	57.645	617	95.922	797	66%	4%
Net Current Transfers / <sup>4</sup>	31.243	334	36.423	302	17%	-27%
Property Income	11.830	127	30.882	256	161%	63%
Other Income	642	7	849	7	32%	-17%
<b>NET OPERATING EXPENSES</b>	<b>308.352</b>	<b>3.301</b>	<b>497.536</b>	<b>4.132</b>	<b>61%</b>	<b>1%</b>
Wages and related and Social Security Benefits	236.022	2.526	390.041	3.239	65%	3%
COVID-19 Program expenses / <sup>5</sup>	8.752	94	2.992	25	-66%	-79%
Property Income	8.574	92	9.483	79	11%	-31%
Other Net Current Expenses (Consumer Goods, Non-Personal Services and Net Transfers) / <sup>6</sup>	55.004	589	95.020	789	73%	8%
<b>CURRENT SAVING AVAILABLE</b>	<b>99.656</b>	<b>1.067</b>	<b>192.957</b>	<b>1.602</b>	<b>94%</b>	<b>21%</b>
<b>CURRENT SAVING AVAILABLE/ TOTAL NET INCOME</b>		<b>24%</b>		<b>28%</b>		
<b>NET CAPITAL INCOME /<sup>7</sup></b>	<b>5.866</b>	<b>63</b>	<b>7.471</b>	<b>62</b>	<b>27%</b>	<b>-20%</b>
<b>CAPITAL EXPENDITURE</b>	<b>34.823</b>	<b>373</b>	<b>86.840</b>	<b>721</b>	<b>149%</b>	<b>56%</b>
Construction Expenditure and Capital Assets / <sup>8</sup>	27.517	295	69.964	581	154%	59%
Other Net Capital Expenditure / <sup>9</sup>	7.306	78	16.876	140	131%	45%
<b>FINANCIAL SAVING AVAILABLE</b>	<b>70.699</b>	<b>757</b>	<b>113.588</b>	<b>943</b>	<b>61%</b>	<b>1%</b>

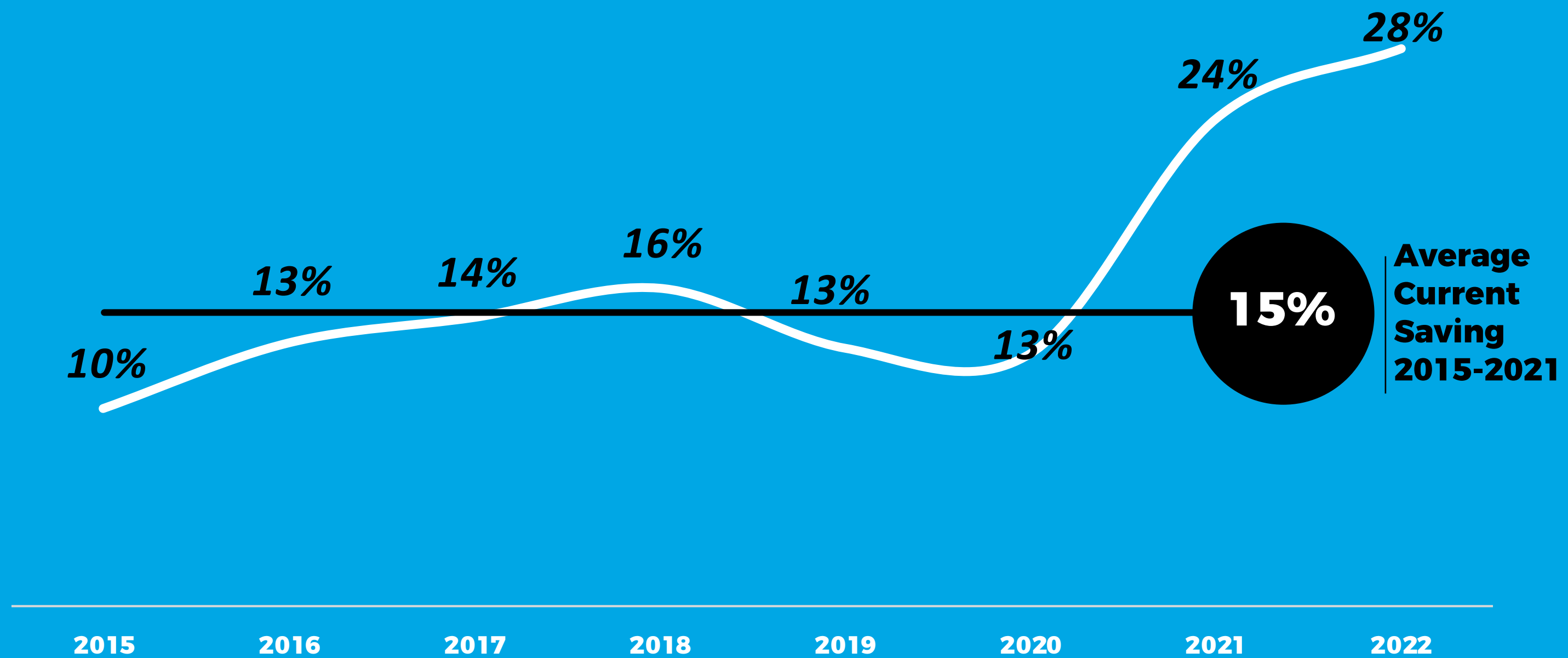
Notes: /1 The reference Exchange rate is the one published by the BCRA in Communication "A" 3500 (Wholesaler); /2 Based on the Córdoba Consumer Price Index; /3 Taxable and non-taxable resources available to the Province after subtracting the current resources automatically distributed to Municipalities and Communes; /4 Includes amounts received as Tax Consensus Compensation, Item II, Section A; excludes capital resources automatically distributed to Municipalities and Communes; /5 Fund for the state of alert, prevention and sanitary action for epidemic diseases created by Decree 156/2020; /6 Net of the resources automatically distributed to municipalities and communes; /7 Net Capital income from capital co-participation to municipalities and communes and from Tax Consensus Compensation Item II Section A; /8 Construction Expenditure and Capital Assets is equivalent to Real Direct Investment plus Capital Transfers to Others in the Public Sector; /9/Other Net Capital Expenditure of capital resources automatically distributed to municipalities and communes.

Source: Own elaboration based on budget execution to September 30 of the years 2021 y 2022. Ministry of Finance of the Province of Córdoba. See: <https://finanzas.cba.gov.ar/publicacion/ejecucion-presupuestaria/>.

**GRAPH 1.**

# Available Current Saving of the Non-Financial Public Administration

To September 30 of every year - in % of the genuine income available /1



Notes: /1 Are the resources available to the Province after deducting the resources automatically distributed to Municipalities and Communes. Source: Own elaboration based on Budget execution to September 30 of the years 2015 to 2022. Ministry of Finance of the Province of Córdoba. See: <https://finanzas.cba.gov.ar/publicacion/ejecucion-presupuestaria/>.





## Strong provincial autonomy in terms of resources

The total provincial revenue comprises own or provincial revenues and transfers of national origin.

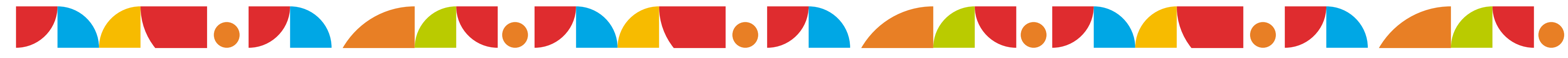
Own revenues are those administered and collected directly by the Province, such as provincial taxes and related funds (Gross Income, Stamp, Real Estate and Motor Vehicle Taxes), social security contributions, fees for services and property income, among others.

Revenues of national origin include automatic and non-automatic transfers.

Among the former are those originated in the federal tax co-participation system and in specific tax allocations contained in special laws, whose distribution is subject to parameters or rules established by laws and agreements. Among the non-automatic transfers, some are the result of provisions arising from fiscal co-

venants and thus certain limits or parameters are to be respected, such as the Teacher Incentive Fund (F.O.N.I.D.) or the amount allocated to cover the deficit of the Retirement and Pension Fund. Others, on the other hand, are discretionary, since they correspond to national programs with provincial execution or distribution of national resources for public works.

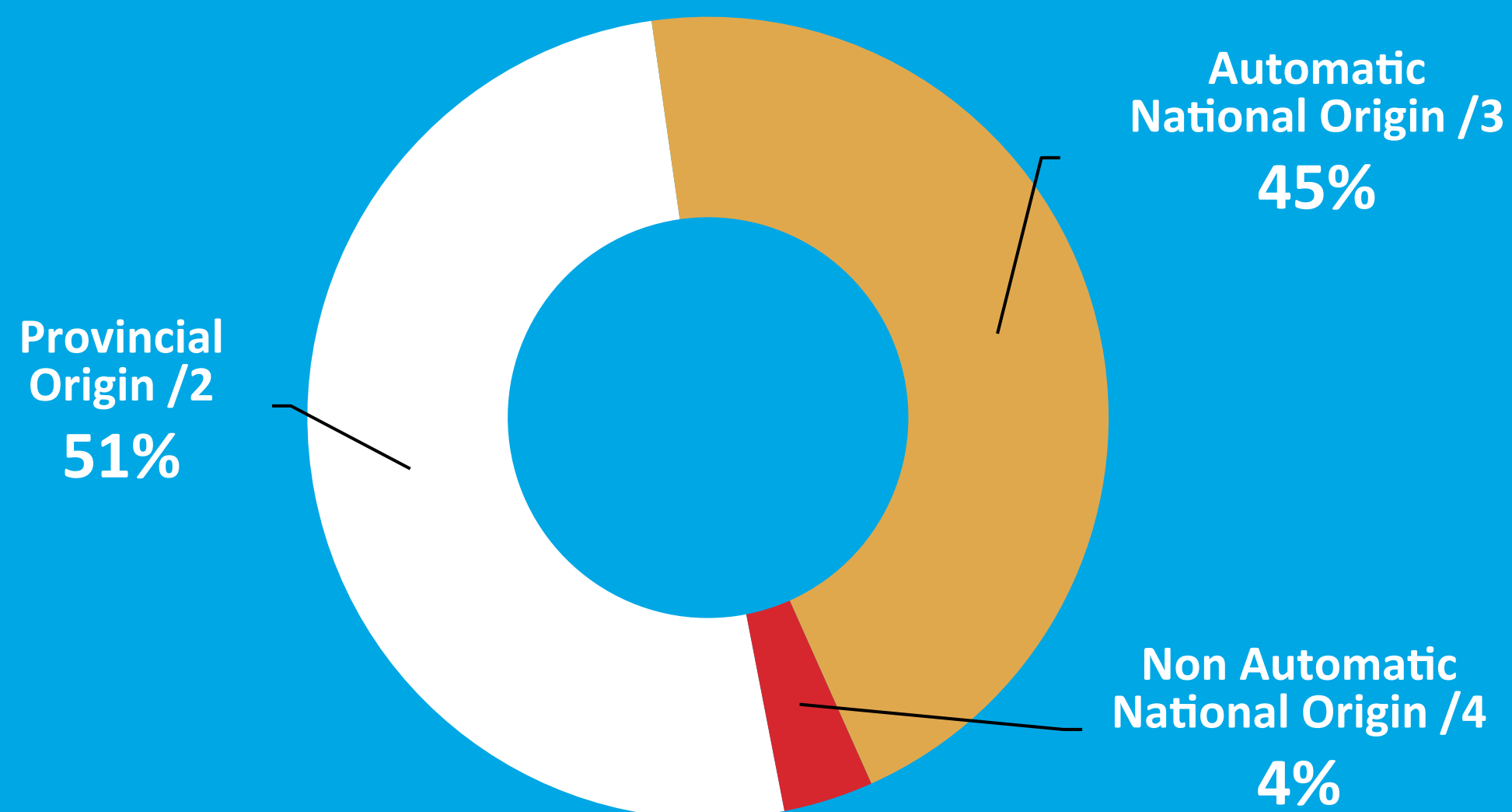
In the Province of Córdoba in particular, provincial finances evidence low dependence on national government decisions due to the low share of non-automatic national transfers in the total resources of the Non-Financial Public Administration. Graph 2 shows that, in the first nine months of 2022, provincial revenues accounted for 51% of the total revenues, while automatic national transfers accounted for 45% of the total revenues and non-automatic national transfers accounted for the remaining 4% of the total revenues (Graph 2).



## GRAPH 2.

# Income of the Non-Financial Public Administration by origin /1

To September 30, 2022 – In % of total resources



Note: /1 Are the taxable and non-taxable resources available to the Province after deducting the resources automatically distributed to Municipalities and Communes; /2 Including Provincial Taxes and related funds, Social Security Contributions, Fees for Services, Property Income, Sales of Goods and Services and Transfers; /3 Including resources received from Federal Tax Co-participation and Special Laws; /4 Transfers of national origin (the Teacher Incentive Fund - F.O.N.I.D.- and the amount allocated to cover the deficit of the Retirement and Pension Fund, among others).

Source: Own elaboration based on Budget execution to September 30, 2022. Ministry of Finance of the Province of Córdoba. See: <https://finanzas.cba.gov.ar/publicacion/ejecucion-presupuestaria/>.

## Recovery of investment

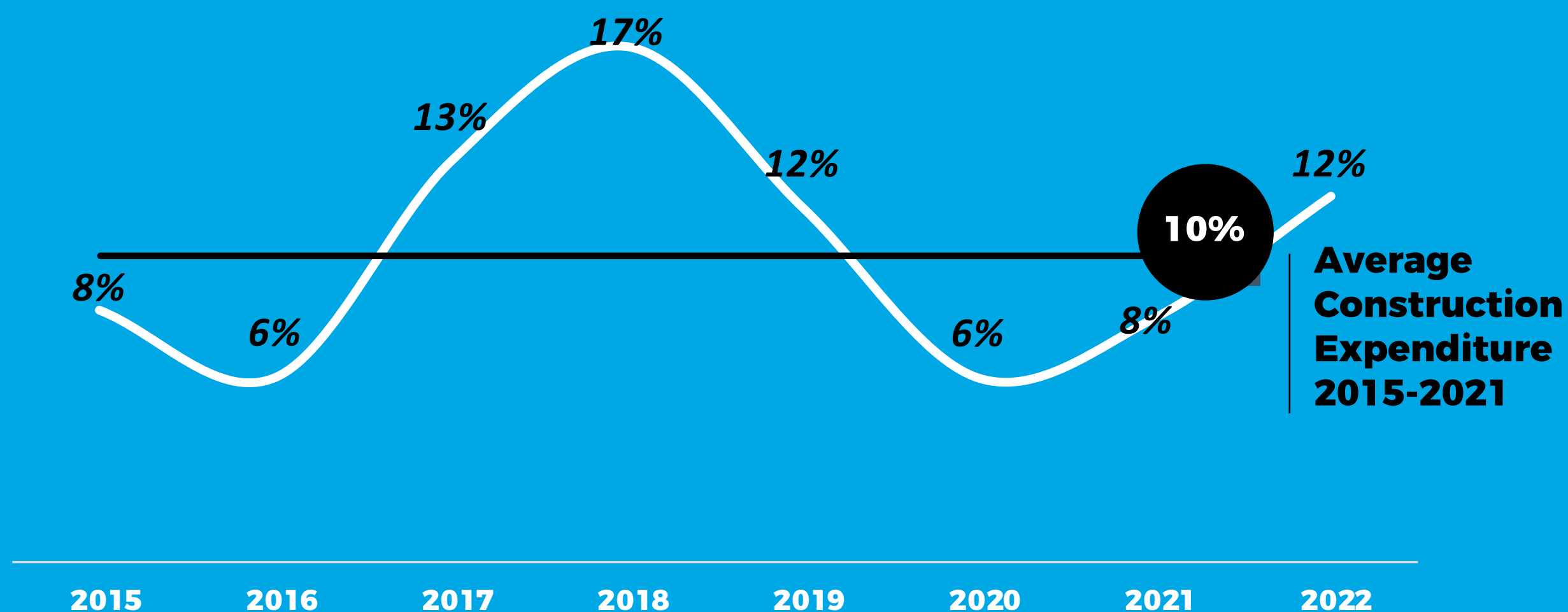
In the first nine months of 2022, the provincial administration gave public investment a great impetus. It is essential to give continuity to the reactivation of the works initiated in 2021, which are necessary to maintain the provincial infrastructure, as well as to start the execution of new projects.

In fact, the expenditure on construction to September 30, 2022 (\$ 69,964 million, USD 581 million) increased 97% measured in dollars respect to the levels observed in the same period of 2021 (\$ 27,517 million, USD 295 million), (Table 1). The construction expenditure as a percentage of the total net public expenditure of automatic transfers to municipalities reached 12% in 2022, above the average of the period 2015-2021, which stood at 10% (Graph 3).

### GRAPH 3.

## Construction Expenditure<sup>/1</sup> of the Non-Financial Public Administration.

To September 30 of every year - in % of the total net expenditure <sup>/2</sup>



Notes: /1 Construction expenditure considers Direct Real Investment (Spanish initials IRD) and the Capital Transfers to Others in the Public Sector. /2 Net total expenses of current and capital co-participation to Municipalities and Communes. Source: Own elaboration based on budget execution to September 30 of the years 2015 to 2022. Ministry of Finance of the Province of Córdoba. See: <https://finanzas.cba.gov.ar/publicacion/ejecucion-presupuestaria/>.



# FINANCIAL DEBT

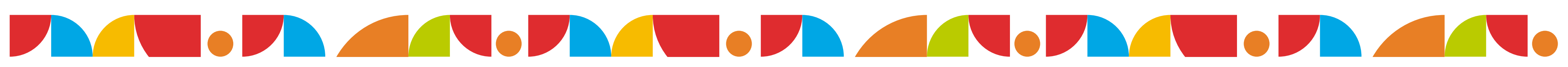
To September 30, 2022 the provincial financial debt stock was AR\$ 368,551 million (USD 2,502 million). In September, the debt stock in dollars decreased by 6% in nominal terms compared to the same period of 2021 (Graph 4.a). This is mainly due to the fact that, in the period considered, the debt stock measured in current pesos increased by 40%, while the nominal exchange rate grew by 49%.

In addition, interests and amortization payments were made in a timely manner, which accrued AR\$ 23,921 million (USD 162 million), not considering the payment of the floating debt from prior years.

Also, measured in terms of provincial revenue, the debt stock was in average equivalent to 4.1 months of collection in the first nine months of 2022. This indicator decreased 28% compared to the same period of 2021, when 5.7 months of collection were necessary to pay back the debt (Graph 4.b). This improvement is partly due to the fact that, in the first nine months of 2022, revenues accumulated an 8% increase in real terms compared to the same period of 2021 (at 2022 constant prices).

The purpose of the loans disbursed during the first nine months of 2022 included the execution of road works, aqueducts and sewage systems, and the construction of educational and health facilities.

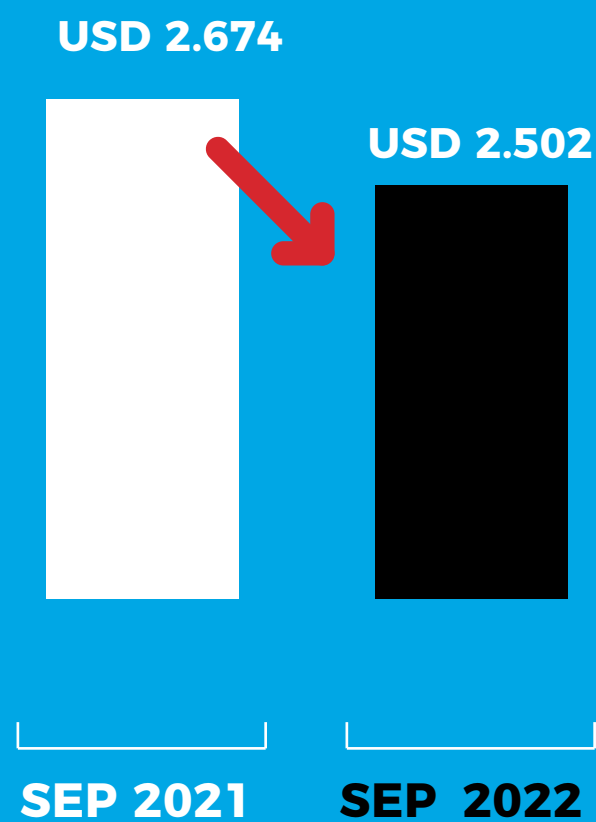
Among the works executed with external loans are the alternative highway to the National Route No. 38; the construction of trunk aqueducts in Sierras Chicas Norte, Punilla Sur and Altos de Chipion-La Para; the construction of sewage systems in cities in the interior of the province: sewage drains in Tanti, a collector trunk sewer in La Calera and in Río Ceballos and sewage works in Cosquín, Bialet Massé and in Santa María de Punilla; the construction of PROA schools and of the New Provincial Maternity Hospital “Dr. Felipe Lucini” and the acquisition of medical equipment for provincial hospitals. Other smaller-scale works were executed with subsidiary loans (water and sanitation, habitat and housing, and municipal infrastructure, among others).



**GRAPH 4A.**

**Debt Stock**

To September 30 of every year  
In million dollars\*

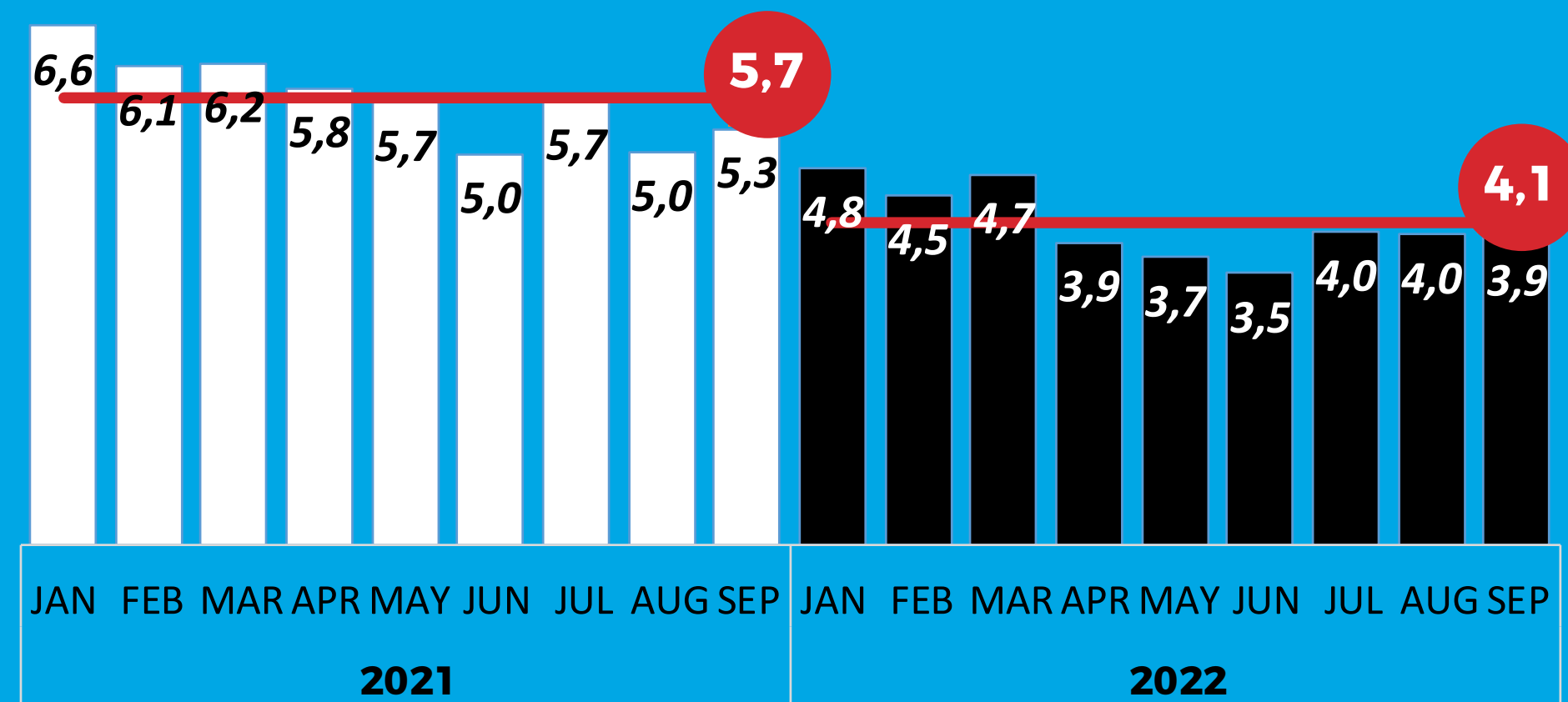


Note: The exchange rate used to express the debt stock in dollars is the selling exchange rate of Banco Nación on the last business day of the period.  
Source: Ministry of Finance.

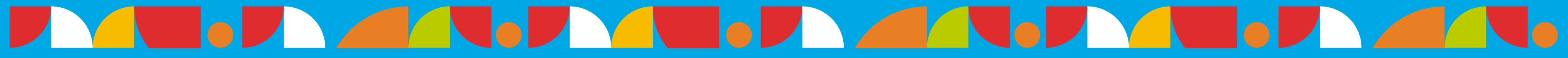
**GRAPH 4B.**

**Debt Stock in relation to Income**

January to September of every year  
Number of months of collection equivalent to public debt\*



Note: \* The public debt stock at the end of every month is divided by the net current income of the co-participation to municipalities and communes of the same month.  
Source: Ministry of Finance.  
See: <https://finanzas.cba.gov.ar/publicacion/deuda-publica/>



Alternative route to the National Route No. 38. The project has a total length of 43 kilometers and will connect the Variante Costa Azul with La Cumbre.



New Provincial Maternity Hospital.



Aqueduct in Punilla Sur



PROA schools, specializing in software and biotechnology



## LATEST NEWS

# VOLKSWAGEN RATIFIED ITS USD 250 MILLION INVESTMENT IN ARGENTINA, INCLUDING THE DUCATI MOTORCYCLE ASSEMBLY PROJECT IN CÓRDOBA

Volkswagen confirmed the implementation of the USD 250 million investment announced in the middle of the year. The total amount will be implemented during the period 2022-2026 and it is estimated that, by the end of this year, the company will have executed 30% of this budget, mainly for the renewal of the Amarok produced in Pacheco, the localization of parts for Taos and hot-stamping technology and the beginning of the assembly of Ducati motorcycles at the Córdoba Industrial Center.

Concerning the restyling of the midsize pickup truck, important aesthetic modifications and a renovation of the interior are expected, incorporating more technology and safety items. As regards the localization of car parts, the local subsidiary is working on the nationalization of more than 250 parts with different local suppliers and on the development of hot-stamping, a

technology which, so far, does not exist in the country. For the assembly of the 800cc Ducati Scrambler in particular, the stage prior to mass production is expected to begin in early October and mass production to supply the local market is expected to start by the end of 2022. The team in charge of this project has been trained at the headquarters in Italy, to learn in detail about the entire production process and the latest generation tools that will be used at the Córdoba plant. They are currently installing all the necessary tooling and equipment in the production line, as well as the test benches.

In this way, VW Argentina will incorporate the Province of Córdoba as a fundamental pillar in the framework of the regional strategy of the Volkswagen Group, contributing to the development of the entire value chain of the local automotive industry.





## LATEST NEWS

# LEADING HOME APPLIANCE COMPANY ANNOUNCED INVESTMENT OF MORE THAN USD 20 MILLION IN ITS CÓRDOBA FACTORY

The MABE Group, a leading Mexican company in the manufacture of household appliances in Latin America, announced investments of more than USD 20 million to increase production at its plant in the province of Córdoba, with a high content of domestic components.

The company guaranteed that the program to develop includes the annual production of 120 thousand kitchen stoves at the Luque plant, in the Province of Córdoba. They also preannounced that the production of refrigerators, washing machines, dryers, dishwashers and stoves will be carried out with a high national content and that a new line of No Frost refrigerators will be launched.

In order to move forward with the investment plan, the company will increase its staff and add new domestic suppliers, together with a line of seven products for different market sectors.

The Mexican-owned company has more than 2,000 employees in the country and, as a result of the investment announcement, it is estimated that 80 new direct workers will be incorporated at its plant in Córdoba, from where it exports to Bolivia, Uruguay and Paraguay. The company stands out at the regional level for its production of white goods with a low incidence of imported components.



## LATEST NEWS

# CÓRDOBA LIVESTOCK COMPANY PRODUCES 19,000 LITERS OF MILK PER DAY FROM ROBOTIC MILKING SYSTEM

Montechiari Agroindustria, based in the locality of Monte Maíz, in Córdoba, is a company dedicated to livestock and agriculture, which stands out for being one of the pioneers in the implementation of a robotic milking system. Thanks to this production system, the company has obtained higher yields, measured in terms of liters of milk, and has managed to increase animal welfare through a more sustainable system of production.

Currently, the company has a total of 1,100 cows in production, of which 470 are milked in a barn with a composting system and 8 milking robots, and the other 630 are milked conventionally. As a whole, these animals produce 19,000 liters of milk per day with the robot system and 22,000 liters with the manual system. With the robot system, the animal decides when to be milked and does it on demand, without any pre-determined schedule or requirement.

The use of milking technology and the acquisition of automatic feeders have allowed the company to enjoy advantages in several aspects. Unlike the dry-lot, in the barn the cows produce more liters of milk on average, the annual pregnancy rate is higher and, in addition, the robot system has allowed for control and early treatment of animal diseases.

One point to highlight is that the company develops precision dairy, since it collects data and various statistics, from the amount of fat in the milk to the rumination of each cow and its body condition.

This firm is part of the most important dairy cluster in Latin America, one of the only two dairy farms of the Dairy XL group in the region, with the endorsement of the world's leading company Lely. At the national level, there are 9 companies from five different regions of the country, with a total of 53 robots in operation.

## LATEST NEWS

# CÓRDOBA WILL CREATE A CORRIDOR OF EV CHARGING AND BIOFUEL STATIONS

Córdoba government announced that it will create the first sustainable mobility corridor on the Highway N° 19, located in the west of the province (the National Route connects the capital city of Córdoba with Santa Fe), within the framework of energy transition.

In this regard, the project aims to develop pilot experiences for the multiple provision of sustainable mobility in the supply chain for bio-CNG, biodiesel, bioethanol and electric energy on Highway N° 19. Córdoba is one of the four regions of the country (together with the Autonomous City of Buenos Aires, Buenos Aires and Santa Fe) focusing three quarters of the CNG Filling Stations in Argentina, since among the four territories mentioned there were a total of 2029 compressed natural gas dispensers by December 2020, according to the last annual management report of ENARGAS.

In September, the country opened its first B20 pump, a product containing 20% biodiesel and 80% conventional diesel, with the aim of progressively eliminating the use of fossil fuels.

Likewise, the possibility of incorporating public transportation into the bio-CNG modality is also to be considered. It is estimated that Córdoba could replace 100% of the diesel consumed by urban public passenger transportation, which would result in a substitution for the province in diesel "imports" of USD 26.4 million per year and a saving of 125.4 million kg of CO2 emissions per year.

This kind of initiative towards the use of more sustainable vectors is aligned with the Law for the Promotion and Development for the Production and Consumption of Biofuels and Bioenergy (No. 10,721), which was enacted at the end of 2020.



## LATEST NEWS

# CÓRDOBA IS A LEADER IN INVESTMENTS IN DISTRIBUTED RENEWABLE ENERGY GENERATION

The province of Córdoba has solid regulations on Distributed Generation of Energy with renewable sources, which have enabled the development of an important market, with over USD 22 million from private micro-investments.

There are more than 700 users with 11 MW of installed and reserved capacity, among which photovoltaic energy installations predominate but include the country's first distributed generator with biogas.

In addition, the Ministry of Public Utilities recently approved a resolution to produce community distributed renewable energy, connected to the public grid, where several users can associate to generate and self-consume renewable energy as another alternative for self-generation and consumption of non-polluting energy.

The regulation comprises the technical, economic and administrative aspects required for participatory renewable generation, which will operate according to three items:

- Several users (commercial, industrial, public, non-governmental or residential) own, in whatever proportion they wish, one or more renewable energy generation sources: wind generator, water turbine, solar farm, biodiesel or biogas generator.

- The energy generated at the most convenient location is delivered through the public grid to the places where it is consumed by the co-owners: homes, the municipality, ice cream shops or workshops.
- Each user's energy bill is reduced by the credit in pesos resulting from their energy.

Associativity generates economies of scale, a key factor to increase the inclusion of users and enable the development of technologies that, due to their nature, are not economically viable at low power.

At the same time, it optimizes the use of the territory: by generating energy in an associative and remote way, the user does not use the premises or surfaces of their home, business or industry and can use them for other purposes.

### ENERGY AND CARBON "TOKENS"

The Ministry of Public Utilities is currently working on a blockchain platform to create (to mine) digital assets (tokens) available in virtual wallets (wallets) of users, to enhance community distributed generation, monetizing both the energy generated and the Greenhouse Gas emissions avoided and thus giving traceability to the program on modern technological bases.