BBVA Spark

# Argentina, a place of resilient entrepreneurship

Adaptability, globalism and creativity

## 3 QUICK FACTS...

**Fourth in Hispanic America**

Argentina has recently dropped in the rankings to become the fourth most entrepreneurial country in Hispanic America*.

**Buenos Aires leads the way**

The Buenos Aires innovation ecosystem is ranked first in Argentina and fourth in Latin America*.

**Among the most valuable**

Argentina's MercadoLibre, the first Latin American technology company to be listed on the NASDAQ, is the 22nd most valuable company in the world: 23 billion USD.

*Behind Mexico, Chile and Colombia, according to StartupBlink data in 2023. Hispanic America includes the Spanish-speaking countries in Latin America and the Caribbean.

## STARTUP OVERVIEW

The global slowdown in venture capital and the local economic situation have reduced investment in the Argentine ecosystem: 6 rounds of financing were closed in the first half of 2023, compared to 36 in the same period in 2022. Recent political changes will continue to affect entrepreneurship.

The most popular sector for entrepreneurship was the knowledge economy.

**12 BILLION USD** value of the Argentine entrepreneurial ecosystem.

**+1,000** startups in an ecosystem that continues to evolve and grow, most of them in the seed or growth stage, and more than 300 at the scale-up level.

**14** Argentine startup exits in 2022.

## ARGENTINA TODAY: ECONOMIC SNAPSHOT

Inflation, which reached 142.7% year-on-year in October 2023, marks the reality of Argentine companies and entrepreneurs.

**Aid for startups**

- **2022** The World Bank approved a loan of 200 MUSD* (72 billion ARS) to support the creation of technology-based companies.
  *Mission US dollars
- **2023** The Government expanded the Argentine Credit Programme (Credir) to mobilise 800 billion ARS (2,218 billion USD) in financing lines for SMEs.

**Private investment**

- **2021** 662.4 MUSD · 85 agreements
- **2022** 252.7 MUSD · 61 agreements

## RANKING OF ENTREPRENEURIAL CITIES

1. Buenos Aires
2. Córdoba
3. Rosario
4. Mendoza

## THE ADVENTURE OF ENTREPRENEURSHIP IN ARGENTINA

**The opportunities...**

- Benchmark technological talent.
- Success stories of startups that drive the ecosystem.
- Easy access to the market.

**...And the challenges**

- Macroeconomic context: inflation and exchange rates.
- Tax burden.
- Changing regulations.

## THE ARGENTINE ENTREPRENEURIAL PROFILE

## THREE KEY SECTORS

**Fintech innovation**

- The Argentine fintech sector already has more than 330 startups.
- Buenos Aires has announced measures such as a **digital identification system based on blockchain** or tax payments through **cryptocurrencies.**

**Deeptech depths**

- Argentina leads deeptech innovation in Latin America.
- The sector registers 103 startups, with a total value of 1.9 billion USD.

**Cultivating agritech**

- Argentina is a major global agricultural producer and the world's second largest exporter of soybean meal.
- The sector had almost one hundred startups in 2021.

## ENTREPRENEUR RADAR

### OF (EX) UNICORNS

**Fintech**

**ualá**

The fintech Ualá, a financial management app linked to a prepaid card, is currently **the only Argentine unicorn.**

VALUATION
2.45 BILLION USD

Other Argentine companies have reached unicorn status before.

**Their success has led them to major exits:**

**E-commerce**

**mercado libre**

Online commerce and digital payments ecosystem

VALUATION
2017

**SaaS/Tech**

**Globant**

Consulting and technology for digital transformation

VALUATION
2014

**Cybersecurity**

**authO**

Digital authorisation and access solutions

VALUATION (TOTAL)
2021

**E-commerce**

**olx**

Classified ads platform

VALUATION (NASPERS) IN
2014

**AdTech**

**Aleph**

Advertising and digital media holding company

VALUATION (AFTER ACQUISITION BY CLARIDAD)
**2022**
VALUATION (AFTER IPO)
**2023**

**Crypto**

**Bitfarms**

Bitcoin mining

VALUATION
2021

**E-commerce**

**despegar**

Online travel agency

VALUATION
2017

### OTHER COMPANIES THAT ARE AIMING HIGH IN THE ECOSYSTEM

**Fintech**

**ripio**

Platform for buying and selling cryptocurrencies

VALUATION
95 MUSD

**Edtech**

**DIGITALHOUSE**

Online digital skills academy

VALUATION
70 MUSD

**Fintech**

**pomelo**

B2B fintech infrastructure provider

VALUATION
45 MUSD

**E-commerce**

**Agrofy**

E-commerce platform specialised in agribusiness

VALUATION
30 MUSD

**HealthTech**

**osana**

API connected infrastructure for the healthcare industry

VALUATION
28 MUSD

**LogTech**

**clicOH**

Logistics solutions for online stores

VALUATION
25 MUSD

## ENTREPRENEURIAL INFRASTRUCTURE

Incubators, accelerators and investors are positioned as strategic partners that drive the Argentine entrepreneurial ecosystem:

**Incubators**

IDEAS FACTORY · IncuBate · socialab

**Accelerators**

GLOCAL · GRIDX · Wayra

**Investors**

Globant Ventures · cites · NXTP VENTURES

## SUPPORT FOR STARTUPS

From new regulations and public spaces to communities and associations, Argentina has an interesting network of support for entrepreneurs:

**LEGAL INITIATIVES**

**Entrepreneurial capital support law**

- The Trust Fund for the Development of Entrepreneurial Capital is created alongside the credit programme Credir.
- It includes measures such as tax deductions, crowdfunding and the new legal form of the Simplified Joint Stock Company.

**Knowledge Economy Law**

- Promotes the application of advanced technologies in sectors of interest in exchange for tax benefits.

**Digital nomad visa**

**Spaces**

PY · UNR Universidad Nacional de Rosario · CorLab

**Events**

Argentina.gob.ar · campus party · endeavor

**Associations**

asea · ARCAP · ASETEC

**Communities**

startupgrind · 100 Women in Venture & Impact · STARTUP BUENOS AIRES

## ENTREPRENEURSHIP + INNOVATION = CHANGE

23.3% of people aged between 18 and 64 years of age in Argentina are entrepreneurs. Technology is an increasingly important pillar of Argentine entrepreneurship, and a driver of **value creation for the entire economy.**

**As the fourth most vibrant ecosystem in Latin America (and 47th globally), Argentina has a lot to say in the innovation landscape.**

"The local Argentine entrepreneur has problem-solving in their DNA; in turn, successful entrepreneurs return to the ecosystem to teach and help those who are starting out, because they know that the beginning is difficult."

Daniel Gatti, BBVA Spark Coordinator in Argentina.

**Sources:** StartupBlink, Kantar BrandZ, Ministerio de Economía de Argentina, WorldBank, Crunchbase, Gobierno de la ciudad de Buenos Aires, Forbes, Bloomberg Línea, Endeavor, Cámara Argentina Fintech, Soonicorns Club, BBVA Spark, Startup Genome, Medium, KIEA, The LatAm Tech Report 2023, Venture Capital Argentina KPGM, CB Insights