

SANTA FE PROVINCE

Capital: Santa Fe de la Vera Cruz.

Surface: 133.007 Km².

Population: 3.556.522 inhabitants

MAIN CITIES	INHABITANTS
Santa Fe	438.000
Rosario	1.009.037
Rafaela	110.709
Venado Tuerto	90.225
Reconquista	72.959



STRATEGIC LOCATION

Santa Fe is located in the Central Region of the Argentine Republic. Due to its population and economy, it is located among the three most important provinces in the country, along with Buenos Aires and Córdoba.

PRODUCTIVE DATA:

Economy:

Per capita income: \$2.023.731 (\$2022/year)

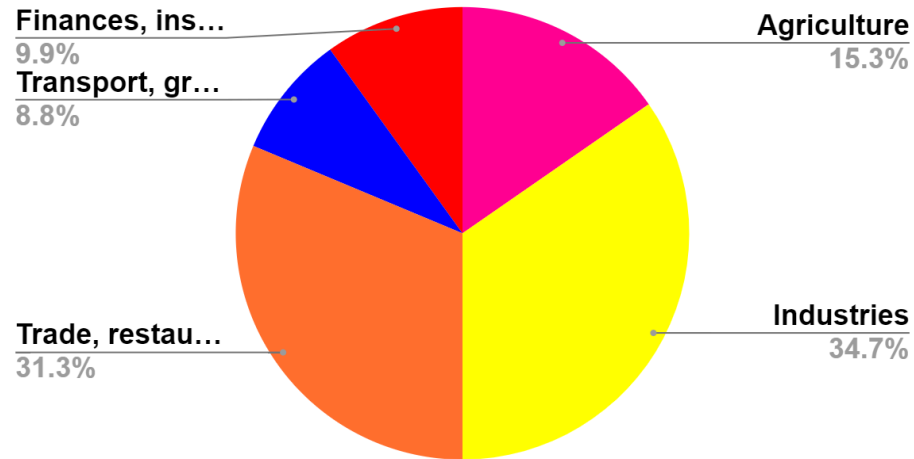
GDP (millions of pesos in 2022) \$61.480

Share in the national GDP (%) 10,2%

National Production Ranking	
1st producer of:	2nd producer of:
<ul style="list-style-type: none"> - Soybean grinding - Milk - Biodiesel 	<ul style="list-style-type: none"> - Beef
3rd producer of:	1st in capacity of:
<ul style="list-style-type: none"> - Soy - Corn - Wheat - Pork 	<ul style="list-style-type: none"> - Oilseed grinding - Oilseed storage - Oilseed daily processing

National Export Ranking (%)
1st exporter of:
<ul style="list-style-type: none"> - Vegetal oils - Dairy products

Composition of the provincial GGP (%)

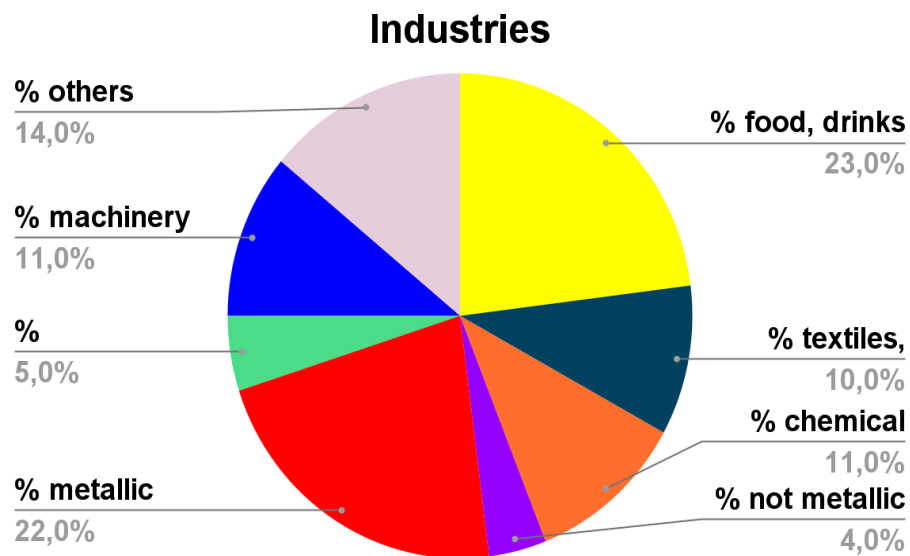


- AGRICULTURAL & LIVESTOCK SECTOR**

Agricultural		
Campaign crops (2021/2022)	Sown Surface (hectares)	Production (tons)
Soy	2.877.651	8.272.320
Wheat	1.297.269	5.030.544
Corn	1.289.094	5.774.668
Sorghum	193.416	593.653
Sunflower	226.370	504.746
Rice	31.200	161.895
Cotton	45.900	119.220
Rape	425	1.093
Peas	23.571	56.430
Lentils	133.837	55.000
Oat	25.316	22.741
Barley	9.200	89.017

Livestock raising (existence in heads) (2022)	
Bovines	2,3 millions
Porcine	1,4 millions
Poultry	36,7 millions

Dairy (2022))	
Total of dairy farms	2.831
Annual production (millions of liters)	2.840
Production (liter/milking cow/day)	16,16
Distribution of dairy farms throughout the province:	Central Basin: 87%/ South Basin: 13%



Number of industrial companies: 5934
Number of posts: 136.000

TERRITORY DEVELOPMENT

Cooperatives:	1.728 (13/03/2023)
Mutual societies:	760 (13/03/2023)

FOREIGN TRADE

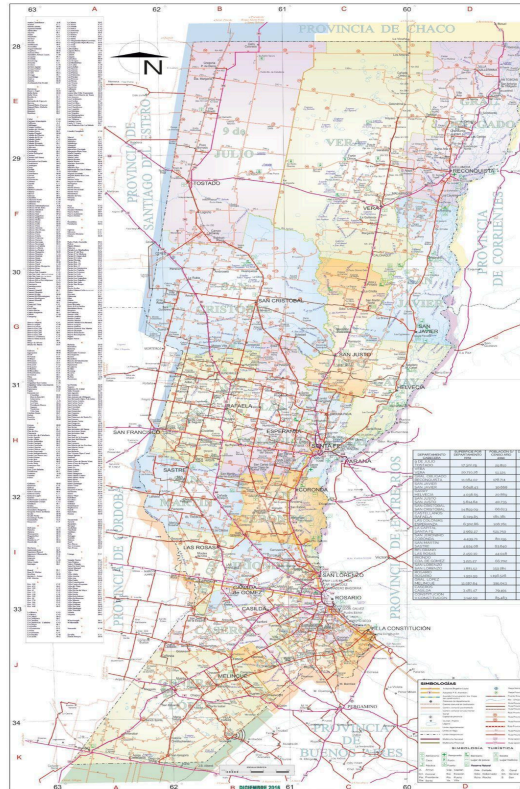
% share in exports of national origin:	22,1%
Export volume (millions of dollars):	10.055,2 millions USD (Period Jan- Oct- 2023)
Main export destinations:	Brazil, China, India, Vietnam
Private ports	21
Provincial ports:	4
Free-trade zone:	1
Provincial airports	2 (1 international, 1 domestic)

- **GROUND TRANSPORTATION**

ROADS:

Santa Fe has a strategic geographical location that gives it a pivotal role in its physical, social, economic, cultural, and political integration.

As a strategically located and connected productive hub, the province is comprised of a network of activities from the agricultural, industrial, and service sectors, forming significant production and tourism complexes.



AIRPORTS

Santa Fe has three airports:

~ **The Santa Fe - Sauce Viejo Metropolitan Airport.**
(www.santafe.gob.ar/ms/aeropuerto-sauce-viejo)

The **Sauce Viejo Airport** is owned by the Government of the Province of Santa Fe and is managed by a Board of Directors (Law No. 13,704).

- National Route 11, Km. 452.50
- Phone: (+54 0342) 4995061

The Sauce Viejo Airport offers export and import services.

For **exports**, customs clearance is carried out at the origin depot of Port Services, and customs transit is then conducted to the Sauce Viejo airport, where the goods are shipped to Aeroparque, with transits to **Santiago de Chile, Lima, São Paulo, Montevideo, and other neighboring countries.** The service

also includes connecting Aeroparque and Ezeiza via land transit (TLAT) and departing to all available destinations worldwide, with direct flights from Aerolineas Argentinas and interline connections.

For **imports**, the service allows arrival at **Ezeiza and Aeroparque**, and from there connecting to Sauce Viejo, with transit to Port Services, where the goods are cleared through customs.

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~ The Rosario "Islas Malvinas" International Airport

(<https://aeropuertorosario.com>)

The "Islas Malvinas" International Airport (AIR) in Rosario is one of the main drivers for the economic development of Rosario and its surrounding area. Owned by the Government of the Province of Santa Fe, AIR boasts an optimal geographic location, situated in the logistical center of industrial and commercial activities along the bioceanic corridor connecting Porto Alegre to Valparaiso, and linked to the Paraguay - Paraná Waterway. Additionally, it benefits from its proximity to the Rosario-Victoria Bridge, the Rosario-Cordoba Highway, the Port of Rosario, and the Santa Fe Free Trade Zone.

As the only airport in the Province of Santa Fe with international status, AIR has become a crucial hub for cargo and passenger movement, contributing significantly to the region's growth and enabling cost savings in transportation.

- Address: Av. Jorge Newbery s/n.
- Phone: (+54 0341) 4513220.

~ The Reconquista "Teniente Daniel Jukic" Airport

The Teniente Daniel Jukic Airport is located approximately 8 km south of downtown Reconquista, in the province of Santa Fe.

- Address: National Route 11 Km. 781 s/n.
- Phone: (+54 03482) 487724.

ARGENTINE FREE TRADE ZONES

Free Trade Zones are a tool that promotes economic development, investment attraction, and job creation.

According to Article 590 of the Customs Code, they are areas within which the introduction and extraction of goods are not subject to taxes, except for service fees, nor are they subject to economic prohibitions.

As free zones, they allow goods, products, and supplies to enter and remain without paying import duties, taxes, or fees, with no time limit. They can be stored INDEFINITELY, with no limit on the quantity of goods for entry into the Customs Territory, which is the most significant difference compared to tax warehouses (90 days via maritime with a 90-day extension, 30 days via land/air with a 30-day extension).

These goods remain in a suspended state until they are nationalized or exported to third countries.

SANTA FE FREE TRADE ZONE

Developed on a 56-hectare plot of land located on the banks of the Paraná River, acquired by the Government of the Province of Santa Fe, exclusively destined for this strategic venture, which constitutes a genuine logistical, commercial, and industrial center.

Since 2018, leased to ZOFRAVILLA S.A., it works on the productive development of the region.

With two warehouses covering an area of over 25,000 m2, two Direct Users house the goods of 90 Companies established as Indirect Users or in the process of Foreign Companies.

Over the years, there has been significant growth and diversification of goods and users, making it an indispensable tool for foreign trade for importers/exporters from both the Province of Santa Fe and neighboring provinces.

The Santa Fe Free Trade Zone, as a logistics HUB, connects the region with international markets and offers benefits for producers, traders, importers, and exporters.

Free Trade Zone and its Multi-purpose Free Port

Its 674 meters of coastline on the Paraná River allowed the Concessionaire, with the necessary authorizations from the Ministry of Environment and the National Directorate of Port and Waterway

Control (Application Authority), in 2019, to start the construction of the future multi-purpose free port, unique in Argentina, with a dock planned for general and bulk cargo.

The dock is located at the following geographical coordinates:

LATITUDE: 33 degrees, 14 minutes, 35.83 seconds

LONGITUDE: 60 degrees, 17 seconds, 56.12 seconds.

Approximately 500 meters from the access channel with 34 feet, at km 366.

The ship types considered for the port design have the following characteristics:

Handy Bulkers

Panamax

The ongoing construction of the multi-purpose free port of the Free Trade Zone is projected to be inaugurated and operational in the first months of 2024, placing it in an unprecedented competitive position, becoming the gateway to the region and benefiting job creation and development opportunities.

Strategic location:

Located on Provincial Route No. 21, in the southeast of the province of Santa Fe, very close to the border with Buenos Aires, it offers:

- A relevant position on the Paraguay-Paraná Waterway (at km 364 of the Paraná River, right bank), allowing its connection to the other Mercosur countries and overseas ports.
- Immediate access to the Rosario – Buenos Aires highway (250 km from Buenos Aires and 55 km from Rosario).
- Rapid connection to ports and routes of the Greater Rosario Metropolitan Area, through the Circunvalar ring road and the Rosario-Victoria Bridge.
- Connection to the Rosario – Córdoba highway.
- Connection to port units I and II through the peripheral railway branch to the urban area of Villa Constitución.
- Connection to the central bioceanic corridor that connects the port of Valparaíso, Chile, with Porto Alegre or São Paulo, Brazil, or Montevideo, Uruguay. Connection to the main international airport in the region, "Islas Malvinas Argentinas", located in Greater Rosario.

All these strategic characteristics make the Free Trade Zone a southern vertex of the provincial productive arc, which extends from Puerto General San Martín to the north and connects with various productive centers located to the west and southwest (Cañada de Gómez, Las Parejas, Armstrong,

Firmat, and Villa Constitución), where oilseed, dairy, automotive, metalworking, meat, cereal, and iron and steel complexes are developed.

Additionally, it forms a continuous urban area with San Nicolás (Buenos Aires), allowing joint decision-making on common projects, as well as access to important cargo service providers (Nuevo Central Argentino, América Latina Logística, and General Belgrano SA).

USERS:

All natural or legal persons, national or foreign, who acquire the right to carry out commercial, industrial, or service activities within the Santa Fe Free Trade Zone.

Types of Users:

Direct Users:

Those who, through a contract with the concessionaire, acquire the right to carry out commercial, industrial, or service activities within the ZFS.

Indirect Users:

Those who acquire the right to operate in ZFS through a contract with a Direct User, using their facilities.

Direct and indirect users must be Argentine or foreign companies with headquarters or branches in Argentina.

Process for foreign companies without headquarters or subsidiaries in Argentina:

Through a ZFS user, goods may be imported solely for storage at the user's consignment.

Operations that can be carried out in ZFS:

Industrial:

Transformation, processing, combination, mixing, or any other improvement or benefit solely for the purpose of exporting the resulting production to other countries.

Commercial:

All operations necessary to ensure the preservation and ordinary handling of goods destined to improve commercial presentation or quality, conditioning for transport, such as division or assembly of packages, formation of lots, classification or change of packaging. It also includes the storage of imported goods and supplies that, without modifying their essential characteristics, must be destined for the General Customs Territory or dispatched to third countries.

Through these operations, stored products can be commercially improved with packaging changes, repackaging, fractionation, division into packages, quality control, label changes, or packaging improvement, as well as transferred to other individuals.

The imported goods are not affected by quotas or economic prohibitions and can remain stored in the area indefinitely, be fractionated, and dispatched to the market when appropriate, as many times as required until the stock is exhausted. This benefit constitutes a differential advantage compared to tax warehouses, where there is a temporary limitation of stay of up to 90 days.

Services:

Service and administrative support activities can be carried out in ZFS; activities related to international trade, allowing more efficient management and technological-based companies, call centers, and others.

- **ADVANTAGES OF OPERATING IN THE SANTA FE FREE TRADE ZONE**

Customs and tax benefits for companies located in the Santa Fe Free Trade Zone:

Export:

→ Exempt from national and/or provincial taxes on Basic Public Services (between 40 and 50% savings on electricity, natural gas, and 25% on telephone service and internet).

→ Free from duties.

Import:

→ New or used equipment do not pay import duties until their effective nationalization, if applicable.

→ The entered supplies have no time limit for storage.

→ Import of supplies for industrialization and subsequent exportation, tax-free.

→ The payment of import duties can be partial, as the merchandise is nationalized, thus helping the competitiveness of companies.

USES OF THE FREE TRADE ZONE

Free Warehouse

The use of the Santa Fe Free Trade Zone as a free warehouse allows local companies to defer the payment of customs duties associated with the import of supplies or consumer goods destined for the General Customs Territory.

The goods entered are not affected by quotas or economic prohibitions and can remain stored in the area indefinitely, be fractionated, and dispatched to the market at the appropriate time, as many times as required until the stock is exhausted.

Free Warehouse for Capital Goods / Usable Goods

Goods entered into the Free Trade Zone can be transferred in ownership within the Free Trade Zone. This option becomes relevant, for example, when the operation involves the sale of production equipment or spare parts that can be imported into the General Customs Territory by the end user. In effect, in the case of importing goods that are for the importer's use or capital goods, VAT, income tax, or Gross Income Tax (RG AFIP No. 2937 and RG 2281) do not need to be paid.

The operation in the Santa Fe Free Trade Zone allows optimizing working capital for the company carrying out the commercialization of the merchandise and reducing the costs of imported capital for the company making the investment.

Entry of Goods for Storage Only

The authorization of a company for the entry of goods "for storage only" allows a foreign company to consign its merchandise in the Free Trade Zone indefinitely and without the need to define its destination (General Customs Territory or re-exportation to third countries). This way, this modality allows using the Free Trade Zone as a Regional Distribution Center, taking advantage of the strategic benefits associated with a free port to supply not only the local market but also the area of influence of the Paraguay Paraná Waterway.

Industrial Company in the Free Trade Zone

Import of Supplies for Consumption: Industrial companies located in the Free Trade Zone do not suffer from economic prohibitions, both for the supply of imported inputs and for investment in capital goods of foreign origin. This allows them to maintain autonomy in export programming and contract compliance in the face of exchange controls.

Export Duties (DEX): The impact of export tariffs in the Santa Fe Free Trade Zone will be lower to the extent that the Value Added generated by the company is higher, or the greater the participation of imported components in the exported value.

Salary Cost: The exemption from paying the rate established in Pension Law No. 5110 (3% of remuneration to employees in an employment relationship) generates savings on labor costs.

In this sense, labor-intensive companies, and therefore with a greater contribution of value added in the exported values, benefit both from the deduction in export duties on the generated VA and from the exemption from the rate established in Provincial Pension Law No. 5110.

Concessionaire:

Anonymous Society constituted by the Adjudicator of the National and International Public Tender for the Exploitation and Administration of the Santa Fe Free Trade Zone, for a term of 30 years extendable for 10 more.

Application for exemption from provincial taxes for companies

This process allows industrial companies established or to be established in the Province of Santa Fe to request a 100% exemption from provincial taxes established by the Industrial Promotion Regime (according to Article 4 of Provincial Law 8478 on Industrial Promotion).

The provincial taxes to be exempted are: Gross Income Tax, Property Tax, Stamp Tax, and Unique Vehicle Tax that are affected to the activity to be exempted, provided they are in the name of the requesting company and registered in the province of Santa Fe.

Decree No. 1361/22 regulates the scope and priorities of industrial sector establishment and investment - according to Article 2 of Law 8478 -, with the fundamental objective of prioritizing industrial SMEs (Small and medium-sized Business), favoring installation in Industrial Parks and Areas, or in industrial use zones, granting additional benefits to companies with export development, respecting gender perspective; settle or make investments in the northern region of Santa Fe.

The benefits to be granted, through a granting resolution, will be valid for a maximum period of 10 years.

Provisional Stamp Certificate

Additionally, at the express request of the company, a provisional certificate may be issued, valid for one year (extendable for up to 2 consecutive certificates) and with the scope of exemption from Stamp Tax established in Article 2 of Decree 0124/99, which will be ratified by Ministerial resolution when granting the definitive promotional benefit.

Tax Credit

SMEs - according to Level 1 of Decree No. 1361/22 - that incur expenses to regularize themselves in environmental sanitation matters, or update civil engineering plans and fees for related professionals, may request recognition of expenses incurred for such purposes, as a Tax Credit applicable to Gross Income Tax or Property Tax (with a limit) - as per regulations to be established -

Recipient/s:

Companies that establish themselves by installing new production plants / units or those that relocate to a more advantageous location for the nearest urban concentrations, for the area or for the Province. That is, to Industrial Parks and/or Areas (recognized by the Province under Law No. 11525) or to zones exclusively for industrial use - determined by ordinances and/or communal or municipal resolutions (among others, as provided in Article 6 of Decree 3856/79).