

U. S. DEPARTMENT OF COMMERCE
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MANUFACTURING DEVELOPMENTS IN ARGENTINA

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A paradox of the economic depression in South America is the fact that the period of greatest decline in exports within recent years has coincided with a period of industrial advance in several of the leading countries of that continent.

Although the economy of these countries is still based essentially on the export of crude products of mines, forests, farms, and pastures, manufacturing has made more headway than is generally realized, and is now one of the leading sources of national income in several major Latin-American countries. The increase in manufacturing is of significance in connection with the trend toward greater diversification and away from excessive dependence on one or two export products, which has heretofore characterized Latin-American development. The industrialization of Latin America is the counterpart to the trend toward agrarian self-sufficiency in Europe, which is restricting the outlet for Latin-American raw produce and forcing those countries to fall back upon their own resources. This shift of emphasis is one of the outstanding developments now taking place in the countries to the south of us.

While the extractive industries have been greatly affected by the world-wide depression since 1929, manufacturing has enjoyed an unusual degree of prosperity.

Manufacturing developments in Argentina are of especial interest, in view of the importance of Argentina in world economy. Judged from some points of view (such as the number of persons engaged, or its relative significance to the total national economic activity), manufacturing is less developed in Argentina than in Brazil. However, a comparison of the relative standing of the Latin-American countries, from the standpoint of the equivalent in dollars of the value of manufactured goods in 1933 (the only recent year for which estimates are available in Argentina) shows Argentina as occupying first place among the American republics south of the United States. Admittedly, these conclusions are based on rough approximations, and there is some doubt as to the comparability of the statistics of the different countries. As regards the position of manufacturing in Argentina, itself, in relation to other activities, the latest available data are for 1927, when the total value of all physical production was placed at 5,460,000,000 pesos, of which the value added by manufacturing accounted for 1,540,000,000 pesos, or 28 percent of the total. It is probable that the relative importance of manufacturing has increased materially since that time.

In view of the paucity of published material on manufacturing developments in Latin America, it is believed that this study, which is based on official documents and reports from American consular officers and the office of the American commercial attaché at Buenos Aires, will be timely.

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