



A lesson for Argentina: countries around the world are increasingly protecting their soybean industries

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Currently, there is a rise of protectionist policies worldwide that aim to promote soybean industries locally. The countries whose soybean complexes compete with Argentina's and the nations that buy Argentina's soybean oil and meal are increasingly adopting these policies to protect and help developing their local industries. Brazil, the United States, China, the European Union, India and Indonesia introduced several measures in 2018 in order to promote industrialization and local soybean supply. Some of these policies were the rise of biodiesel share on fuel blends, the introduction of credit lines specially designed for agribusiness and farmers, the investment on biofuels research, the reduction of VAT for soybean by-products, etc. Meanwhile in Argentina, these goals seem put aside in order to reduce the Government's fiscal deficit. The country is losing share in global soybean crushing as the trade war between the U.S. and China boosted Argentine soybeans exports to China. As a result, soybean meal and oil shipments fell along with the local industry's activity. Argentina needs to resume the industrialization path and favor the development of the country's largest industrial complex. Soybean meal is Argentina's main export product and soybean crushing industry is essential to reduce agricultural seasonal effects on the local economy.



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