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Outlook of the Actuarial Profession and Economics in Argentina

By Javier Campelo

THE ACTUARIAL PROFESSION IN ARGENTINA

In Argentina, there are about 700 qualified actuaries. About 200 are matriculated at the Professional Council of Economic Sciences (CPCE). The schools that offer actuarial science undergraduate degrees in Argentina are the University of Buenos Aires (UBA) and Universidad del Salvador (USAL). The Professional Council of Economic Sciences offers continuing education. There are about 1,800 people studying actuarial science (most of them at UBA). Of those, about 300 are in the last two years of the program.

The Argentine Actuarial Institute (AAI) is a national association of actuaries. This Institute is an associate member of the International Actuarial Association (IAA). The members of the Society of Actuaries (SOA) in Argentina are few. As per the ambassador work plan, actions have been taken to promote the SOA in Argentina.

OUTLOOK OF THE ACTUARIAL PROFESSION IN ARGENTINA

A growth in actuarial positions is expected this year in developing, pricing, and evaluating financial insurance products (e.g., life, auto, health or homeowner's insurance). A particularly fast employment growth is expected in areas such as finance and investment, banking and investment advice, software development and data processing services, health services and management and actuarial consulting.

Companies are increasingly hiring external consulting actuaries to develop their pension and retirement planning programs. Faster-than-average growth is expected in management consulting (particularly in HR consulting, in



the health care and retirement planning field). Actuaries will find more roles as financial planning advisors to meet the growing needs of the aging population.

Actuaries are also expected to find more jobs in the banking and investment industries. As financial services—such as insurance firms, commercial banks and financial advisory firms—continue to consolidate, new opportunities will emerge. Analyzing the risks associated with entering a new market with new products or facilities, or merging with an already established company, will require actuarial skills.

ECONOMIC OUTLOOK FOR ARGENTINA

The time remaining before the 2011 presidential election will likely determine Argentina's long-term economic and political outlook. The loose fiscal policy exhibited by the administration of President Cristina Fernández de Kirchner ahead

CONTINUED ON PAGE 30

Outlook of Actuarial Profession ... | from Page 29

of the election will be unsustainable afterwards.


As domestic funding options are running out (including the private pension fund assets and the central bank's foreign reserves), a return to international capital markets—for the first time since the default in 2001—is what the government hopes to achieve.

The economic situation in Argentina, especially regarding issues of rampant inflation and growing financing needs, is thought by many analysts to possibly become more acute if the current president is reelected next year.

Following the mid-term election defeat in June 2009 in both chambers of Congress, the Kirchners' popularity had dropped and they found themselves in congressional gridlock. However, this year, with the economy witnessing a bounce in activity, there has been an increase in the current government's popularity.

Moreover, the opposition is becoming increasingly fragmented and has failed to overcome differences among factions. This has helped President Fernández de Kirchner to overcome last year's drop in popularity, and allowed her government to survive its confrontations with Argentine farmers.

Argentina's economic trajectory beyond next year's presidential election remains uncertain, even with a favorable external climate. The government's ability to finance its spending habits in the near term is a crucial factor for maintaining GDP growth projections for 2010. Nevertheless, it is clear that much will depend on the successful conclusion of Argentina's ongoing debt swap of the defaulted bonds that the government could not settle back in 2005, which would allow Argentina back into international capital markets for the first time in nine years. □



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