



Digital Assets in Argentina

THE TRON NETWORK'S POSITIVE IMPACT
ON A DEVELOPING COUNTRY

A Uliquid Research Report

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Introduction

Argentina has emerged as a significant player in the global digital asset landscape. Faced with economic challenges, such as high inflation and currency devaluation, many Argentini-ans have turned to cryptocurrencies as an alternative financial solution. During our research, we found that people in Argentina focus most of their time on digital gaming products, but have some limits (Guarna 2022). This report delves into the popularity of digital assets in Argentina, the underlying factors driving their adoption, and how Uquid can support this growing trend.

Popularity of Digital Assets in Argentina

High Adoption Rates

Global Standing: Argentina ranks very well amongst global cryptocurrency adoption. According to Chainalysis' (2023) Global Crypto Adoption Index (2023), Argentina is among the 15th-ranked countries in terms of cryptocurrency usage. This high rank highlights the country's significant activity with digital assets compared to other nations.

Country	Region	Overall index ranking	Centralized service value received ranking	Retail centralized service value received ranking	P2P exchange trade volume ranking	DeFi value received ranking	Retail DeFi value received ranking
India	Central & Southern Asia And Oceania	1	1	1	5	1	1
Nigeria	Sub-Saharan Africa	2	3	2	1	4	4
Vietnam	Central & Southern Asia And Oceania	3	4	4	2	3	3
United States	North America	4	2	8	12	2	2
Ukraine	Eastern Europe	5	5	3	11	10	10
Philippines	Central & Southern Asia And Oceania	6	6	6	19	7	7
Indonesia	Central & Southern Asia And Oceania	7	13	13	14	5	5
Pakistan	Central & Southern Asia And Oceania	8	7	7	9	20	20
Brazil	Latin America	9	9	11	15	11	11
Thailand	Central & Southern Asia And Oceania	10	8	15	44	6	6
China	Eastern Asia	11	10	5	13	23	23
Turkey	Middle East & North Africa	12	11	9	35	12	12
Russia	Eastern Europe	13	12	10	36	9	9
United Kingdom	Central, Northern, & Western Europe	14	15	20	38	8	8
Argentina	Latin America	15	14	12	29	19	19
Mexico	Latin America	16	17	18	30	16	16
Bangladesh	Central & Southern Asia And Oceania	17	18	19	33	22	22

Figure 1 Global Crypto Adoption Index (2023)

Preferred Cryptocurrencies: Bitcoin and stablecoins like USDT (Tether) are particularly favored among Argentines (Bernhart 2020). Bitcoin's decentralized nature and established reputation make it a trusted store of value. Meanwhile, stablecoins such as USDT provide a means to maintain value pegged to more stable currencies, like the US dollar, offering a safeguard against the volatility of the Argentine Peso (ARS).

Economic Factors

Inflation: Argentina's inflation rate has been persistently high, often exceeding 50% annually (Ocampo 2021). This severe inflation erodes the purchasing power and value of savings held in Pesos, causing people to lose faith in the national currency. Consequently, many Argentines turn to cryptocurrencies as a hedge against inflation, seeking to stabilize their finances through digital assets.

Argentina headline and core inflation

yoy % change

Graph 1

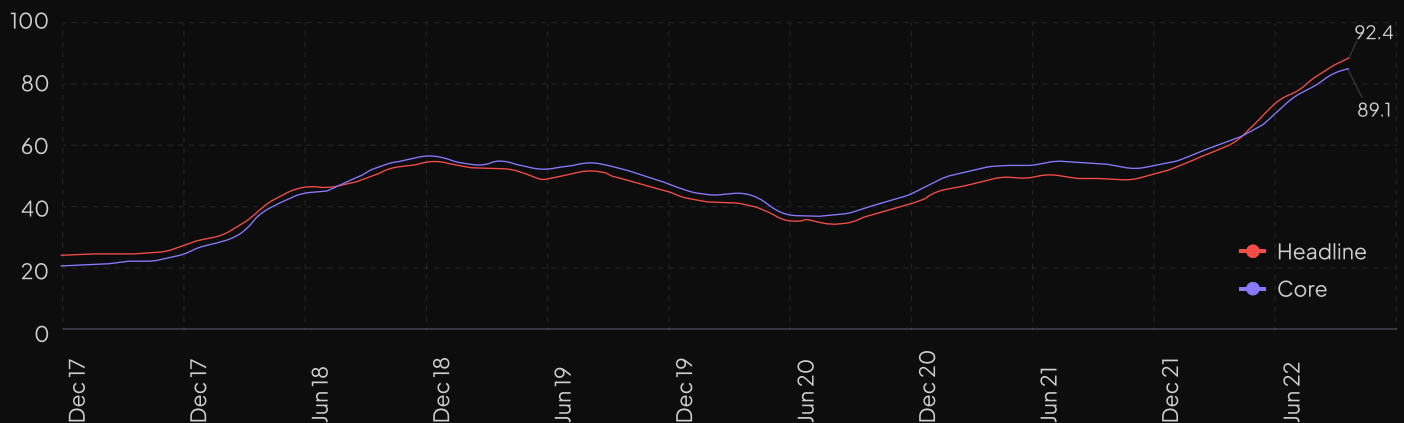


Figure 2 Argentina inflation % change

Main Labour market indicators

In percent

Graph 2

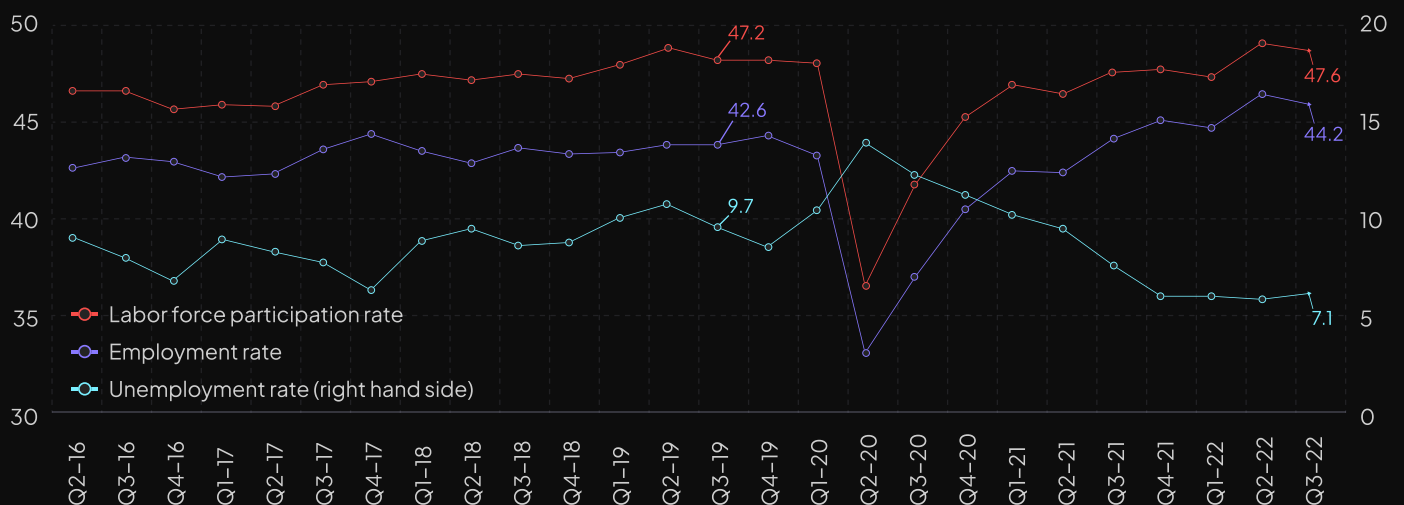


Figure 3 Employment rate indicators

Currency Devaluation: The Argentinian Peso has faced frequent devaluation, significantly impacting the economic stability of the country (Bortz et al. 2021). This recurring devaluation leads residents to seek stable alternatives to preserve their financial security. Cryptocurrencies, with their global nature and independence from local economic conditions, offer a viable solution for maintaining value amidst currency fluctuations.

Capital Controls: The government of Argentina has imposed strict capital controls, limiting the amount of foreign currency that residents can purchase. (Maquieira 2022).

Real wages by type of employment

Index 2019 = 100

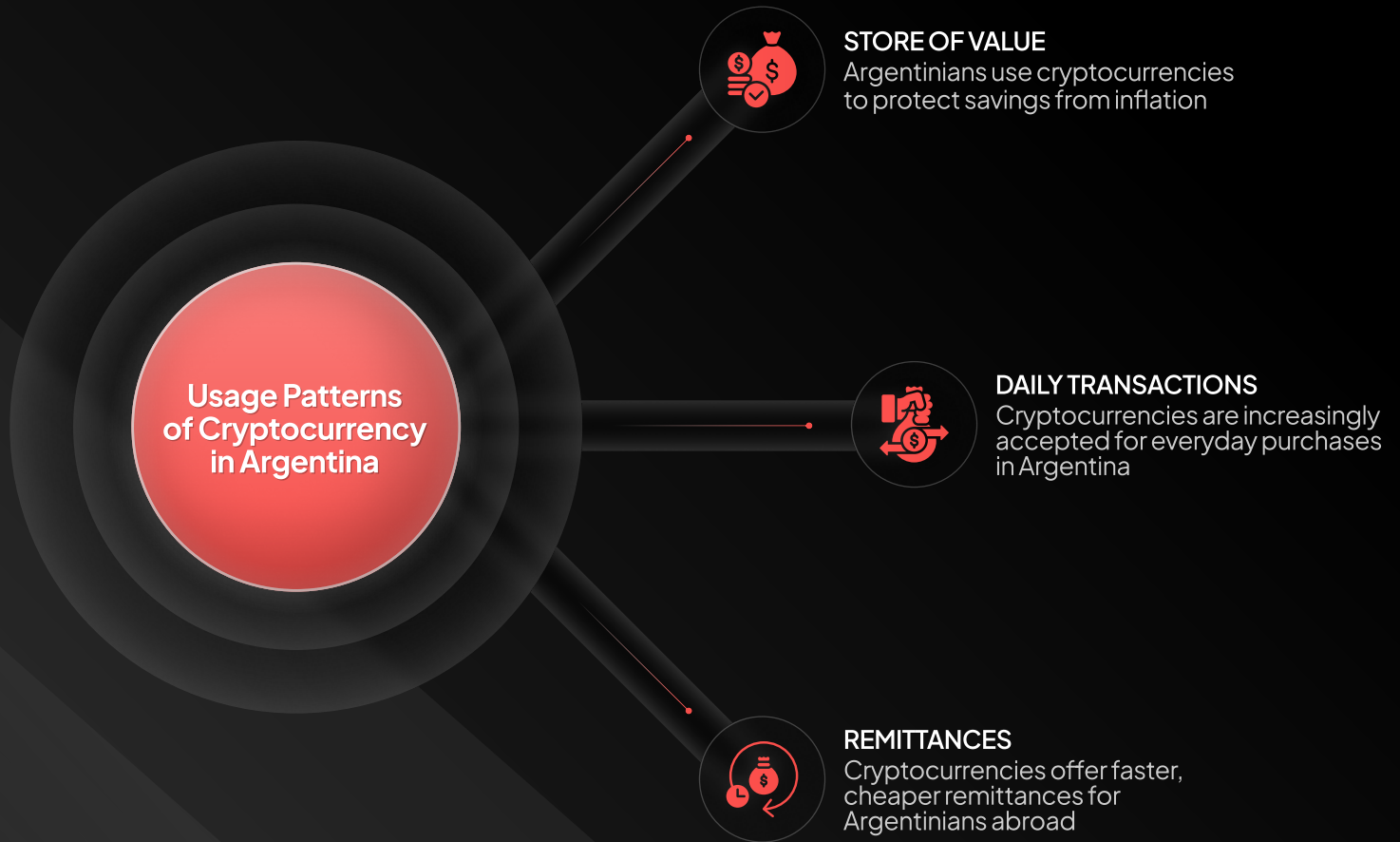
Graph 4



Figure 4 Real Wages of Employment

These restrictions make it challenging for Argentinians to access US dollars, which are often seen as a safer store of value. In response, many have turned to cryptocurrencies as an alternative means of accessing a stable currency, bypassing the limitations imposed by intermediaries.

Usage Patterns



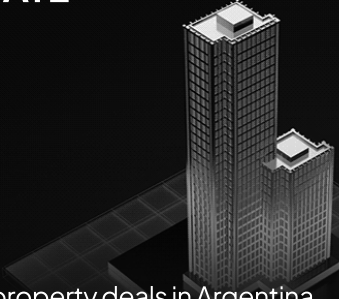
Store of Value: Cryptocurrencies are widely used in Argentina as a means to preserve wealth against inflation or currency depreciation. Many Argentians convert their Pesos into cryptocurrencies to protect their savings from losing value. This practice is particularly prevalent among those who have experienced significant financial loss due to inflation and devaluation in the past.

Remittances: Sending and receiving remittances through traditional financial systems can be costly and slow, especially with the added complexities of capital controls. Cryptocurrencies offer a more efficient, cost-effective, and reliable method for sending remittances: allowing families to receive funds quicker and with lower fees. This advantage is crucial for many Argentians who rely on remittances from relatives abroad.

Daily Transactions: An increasing number of merchants in Argentina are accepting cryptocurrencies for everyday purchases. This acceptance is facilitated by various payment platforms that allow seamless transactions using digital assets. As more businesses embrace cryptocurrencies, their use in daily life becomes more practical and widespread (Temizkan et al. 2022). People can now buy groceries, pay for services, and even settle bills using cryptocurrencies: integrating them into the mainstream economy.

Case Studies and Real-Life Examples

REAL ESTATE



High-profile property deals in Argentina increasingly use cryptocurrencies for faster, secure transactions

STARTUPS



Argentina is a growing hub for crypto startups and blockchain innovation, boosting digital assets adoption

Real Estate Transactions: In Argentina, several high-profile real estate transactions have been conducted using cryptocurrencies. Buyers and sellers find this method advantageous due to the speed and security of blockchain-based transactions (Toorajipour et al. 2022). These examples underscore the growing trust and reliance on digital assets for significant financial dealings.

Local Startups and Innovation: Argentina has become a hub for cryptocurrency startups and blockchain innovation. Companies are developing new technologies and platforms that cater to the local market's needs, from crypto exchanges to blockchain-based financial services. This entrepreneurial spirit is driving the adoption and integration of cryptocurrencies in various sectors.

Government and Regulatory Stance

Regulatory Environment: The Argentine government has shown a cautious yet open approach toward cryptocurrencies (Alvarez et al. 2023). While there are regulations in place to prevent illicit activities, the overall stance has allowed for innovation and adoption to flourish. This balanced approach has provided a stable environment for the growth of the cryptocurrency ecosystem.

Public Sentiment and Trust: The general public in Argentina has developed a significant level of trust in cryptocurrencies. This trust is built on the consistent performance and reliability of digital assets compared to the local currency. Public sentiment is further bolstered by educational initiatives and community-driven efforts to spread awareness about the benefits of cryptocurrencies.

Regulatory Environment

Current Stance

- The regulatory environment for cryptocurrencies in Argentina is still developing. Cryptocurrencies are operating under evolving regulations with increasing clarity.
- The central bank has issued cautions about the risks associated with cryptocurrencies but has not implemented strict regulatory measures.
- Tax authorities require the declaration of cryptocurrency holdings, and gains from trading are subject to income tax.

Future Prospects

- Potential for more defined regulatory frameworks that could provide greater clarity and security for users and businesses.
- A balanced approach to regulation could encourage innovation while ensuring consumer protection.

How Uquid Utilizes the TRON Network To Support the Digital Asset Ecosystem in Argentina

TRON has made significant strides in Argentina, particularly in how it facilitates everyday transactions through cryptocurrency. The integration of USDT on the TRON blockchain for topping up SUBE cards, a widespread public transport payment system in Argentina, is a prime example of this impact. This initiative, led by Uquid, allows commuters to recharge their cards using USDT, leveraging TRON's low fees, stability, and speed. This development is particularly beneficial in a country where inflation is high, offering users a stable and efficient way to manage transportation expenses without relying on traditional banking systems.

Moreover, TRON has been one of the leaders in stablecoin adoption globally, particularly in emerging markets like Argentina. The network has seen a surge in on-chain activity, with TRON now ranking as the second-largest blockchain for stablecoin transfers. This growth underscores the network's ability to provide scalable, low-cost, and fast transactions, making it an ideal choice for regions with unstable economies.

Uquid's involvement in Argentina, specifically its integration of TRON-based stablecoins into the public transport system, highlights how TRON's blockchain is being used to improve financial accessibility and convenience for millions of users.



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ARGENTINA



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These initiatives align with TRON's broader strategy of expanding its ecosystem in Latin America and other regions, demonstrating its commitment to using blockchain technology to solve real-world problems.



Infrastructure Building

Uquid uses TRON to offer a secure, user-friendly crypto platform in Argentina.

-  Secure and User-Friendly Platform
-  Enhanced Security Measures

Facilitating Transactions



Uquid and TRON boost crypto usage through local business collaborations and easy payment solutions.

-  Collaborations with Local Businesses
-  User-Friendly Payment Solutions

5 Strategies of Uquid and TRON to Empower Digital Asset in Argentina



Decentralized Financial Expanding

Uquid and TRON extend affordable financial services to Argentina's unbanked populations.

-  Inclusion for Unbanked Populations
-  Affordable Financial Services




Empower Argentinians

Uquid and TRON educate Argentinians about crypto through partnerships and resources.

-  Collaborations with Educational Institutions
-  Resource Development

Local Relations and Impacts

Uquid and TRON partner with local fintechs and regulators to adapt their services in Argentina.

-  Local Fintech Companies
-  Payment Processors
-  Regulatory Bodies

5 Strategies of Uquid and TRON to Empowering Digital Asset in Argentina

1. Infrastructure Building

Secure and User-Friendly: Uquid is now compatible with TRON and a secure platform for buying, selling, and trading cryptocurrencies, catering to Argentina's growing demand for reliable financial solutions. With advanced security measures like multi-factor authentication and cold storage, Uquid ensures safe transactions and builds trust among users.



Enhanced Security Measures: Implementing advanced security measures, such as: multi-factor authentication, encryption, and cold storage self custody can lead to more trust given from Argentinian users. These features will help safeguard against potential threats and provide users with peace of mind.

2. Facilitating Transactions

Collaborations with Local Businesses: The preference of local businesses to use USDT on the TRON blockchain enhances cryptocurrency adoption for everyday transactions in Argentina.

User-Friendly Payment Solutions: Uquid aims to simplify transactions with mobile apps and POS systems, making crypto payments in Pesos or crypto to Pesos more accessible for daily use.

3. Decentralized Financial Expanding

Inclusion for Unbanked Populations: Uquid's services promote financial inclusion, providing digital wallets and easy platforms to help unbanked communities manage finances without traditional banks.

Affordable Services: By utilizing the TRON blockchain's low transaction costs, Uquid offers affordable services like remittances and microloans, supporting financial inclusion.

4. Empower Argentinians

Collaborations with Educational Institutions: Collaborating with educational institutions, Uquid and TRON organize workshops and develop resources to raise awareness about cryptocurrencies, empowering users to make informed decisions.

Resource Development: Developing comprehensive educational resources, such as guides, tutorials, and FAQs, can further support user education. These materials can be made available on Uquid's platform, providing users with easy access to valuable information.

5. Local Relations and Impacts

Local Fintech Companies: Partnering with top local fintech companies and payment processors enables Uquid and TRON to offer innovative crypto solutions within Web 3.0 infrastructure.

Payment Processors: Additional collaborations with payment processors can streamline the integration of cryptocurrencies into the existing financial infrastructure. These collaborations can enable smoother transactions and improve the user experience. But there must be action on Web 3.0 due to PSPs by law currently not supporting cryptocurrencies.

Regulatory Bodies: Engaging with regulators ensures compliance, fosters trust, and helps Uquid adapt to Argentina's legal landscape.

Conclusion

Digital assets have gained remarkable popularity in Argentina, driven by economic instability and the search for financial security. Uquid and TRON are well-positioned to support and expand this trend by providing a comprehensive platform that enhances the usability and acceptance of cryptocurrencies. Through strategic partnerships, educational initiatives, and a focus on financial inclusion, Uquid and TRON can play a vital role in the advancement of digital assets in Argentina.

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