

## Determinants of Investment in Vaca Muerta, Argentina

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**Abstract :** The international energy landscape has been significantly affected by the Covid-19 pandemic and the conflict in Ukraine. The Vaca Muerta sedimentary formation in Argentina's Neuquén province has become a crucial area for energy production, specifically in the shale gas and shale oil sectors. The massive investment required for the exploitation of this reserve makes it essential to understand the determinants of the investment in the upstream sector at both local and international levels. The aim of this study is to identify the qualitative and quantitative determinants of investment in Vaca Muerta. The research methodology employs both quantitative (econometrics) and qualitative approaches. A linear regression model is used to analyze the impact in non-conventional hydrocarbons. The study highlights that, in addition to quantitative factors, qualitative variables, particularly the design of a regulatory framework, significantly influence the level of the investment in Vaca Muerta. The analysis reveals the importance of attracting both domestic and foreign capital investment. This research contributes to understanding the factors influencing investment in the Vaca Muerta region compared to other published studies. It emphasizes the role of qualitative variables, such as regulatory frameworks, in the development of the shale gas and oil sectors. The study uses a combination of quantitative data, such as investment figures, and qualitative data, such as regulatory frameworks. The data is collected from various reports and industry publications. The linear regression model is used to analyze the relationship between the variables and the investment in Vaca Muerta. The research addresses the question of what factors drive investment in the Vaca Muerta region, both from a quantitative and qualitative perspective. The study concludes that a combination of quantitative and qualitative factors, including the design of a regulatory framework, plays a significant role in attracting investment in Vaca Muerta. It highlights the importance of these determinants in the development of the local energy sector and the potential economic benefits for Argentina and the Southern Cone region.

**Keywords :** vaca muerta, FDI, shale gas, shale oil, YPF

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