



Trade Policy Review Body

TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

ARGENTINA

This report, prepared for the fifth Trade Policy Review of Argentina, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Argentina on its trade policies and practices.

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SUMMARY

1. The production and exportation of agricultural products are of particular importance for the Argentine economy. Argentina is one of the world's leading exporters of soya beans and soyabean by-products, maize and sunflowers. It is also a major producer and exporter of other cereals, beef (bovine meat) and dairy products. Value chains have been created for soya beans, maize, meat, sunflowers, dairy products and other products, which significantly contribute to GDP and employment and are major sources of foreign currency. Since Argentina's previous review in early 2013, the production sectors linked to exports, particularly agriculture, have been the strongest performers. In general, the external sector has continued to play an important role in the Argentine economy. Despite the contraction in exports and the economy in general during the review period, exports have not only contributed to maintaining the balance of payments and preventing a further decline in GDP, but have also been a significant source of public sector financing.

2. The period under review saw overall domestic demand contract in real terms, which resulted in an average annual decline in real GDP of 1.5% between 2012 and 2020 (0.3% if 2020 is excluded). On average, net exports contributed positively to GDP growth throughout the period 2012-20. The weak economic growth and the devaluation of the Argentine peso against the US dollar resulted in a stagnation and subsequent fall in GDP per capita, which declined from USD 13,932 in 2012 to USD 8,442 in 2020. From 2012 to 2020, the Argentine economy recorded high levels of inflation and external debt and there was strong pressure on the exchange rate. In this regard, the contraction in GDP and the subsequent decline in income per capita are due partly to the measures adopted to contain inflation and to the increase in the fiscal deficit and public debt. The economic situation worsened as a result of the health crisis, which intensified the economic recession that began in 2018 and caused GDP to fall by 9.9% in 2020 and the unemployment rate to rise to 11%.

3. The period under review saw growing fiscal deficits caused primarily by a drop in fiscal revenue in real terms. Despite the high number of taxes in force, Argentina's level of fiscal revenue in relation to GDP is relatively low. One of the fiscal policy objectives is to boost revenue, which could be achieved by simplifying the tax system and carrying out further tax reforms to complement those undertaken in 2017 and 2019. Argentina recorded an annual primary deficit during the period 2012-20, which ranged from 0.2% to 4.2% of GDP for the national non-financial public sector (NFPS). In 2020, the primary deficit of the NFPS increased again to 6.5% of GDP and the national financial deficit to 8.5% of GDP, mainly as a result of the measures adopted to address the COVID-19 pandemic and the decrease in fiscal revenue caused by the fall in economic activity.

4. During the period under review, Argentina introduced a new methodology for measuring inflation, which provides greater coverage. In December 2016, the Greater Buenos Aires consumer price index (IPC-GBA), which reflected the price variations in that area, was replaced by an index providing national coverage. This index rose by 24.8% in the 12 months to December 2017, and then saw an accelerated increase, reaching 53.8% in the 12 months ending in December 2019. In the 12 months to December 2020, the increase in the consumer price was down to 36%, partly due to weak domestic demand.

5. Between 2012 and 2015, Argentina adopted monetary programmes with an expansionary approach in order to address its economic weaknesses. An inflation targeting scheme was implemented between 2015 and 2018, with a view to reducing inflation expectations. This approach was abandoned in September 2018 due to the accelerated depreciation of the peso, greater price correction and an increase in inflation expectations. In order to contain inflation, a new monetary policy regime based on monetary base control and outlining intervention zones for the exchange rate was adopted. However, in August 2019, inflation expectations and the perception of the risk associated with Argentine assets went up again, which led to a depreciation of the exchange rate, a rise in the benchmark interest rate and a drop in international reserves. The depreciation of the peso caused inflation to accelerate, which resulted in the application of a more contractionary monetary policy and of measures aimed at regulating access to the foreign exchange market and reducing the loss of international reserves, such as the compulsory liquidation on the domestic market of the foreign exchange earnings of exporters of goods and services and the requirement for the Central Bank to authorize purchases by natural persons that exceed USD 10,000. Following the change of administration in 2020, a monetary and exchange rate policy was outlined, aimed at helping to normalize economic activity, supporting a gradual process of disinflation, promoting exchange rate stability and strengthening the international reserve position while maintaining the foreign exchange regulations in force in order to minimize possible pressures on the foreign exchange market. The

monetary policy became more expansionary so as to address the negative effects of the COVID-19 pandemic, in particular through an increase in credit.

6. The current account of Argentina's balance of payments was in deficit each year within the period 2012-19, although a surplus was recorded in 2020 (0.8% of GDP). This was mainly due to the decline in imports of goods and services following the contraction in domestic demand caused by the health crisis-related drop in levels of activity, and to the interest payment relief through the renegotiation of debt. The current account deficit reached 5.2% of GDP in 2018 before declining significantly to 0.9% of GDP in 2019. The merchandise trade balance was in surplus for most of the period, although both exports and imports recorded a sharp fall between 2012 and 2019, of 19% and 28% respectively. 2020 saw a further contraction in both exports and imports, meaning that exports amounted to just 68% of the 2012 level, and imports to 62%.

7. Argentina's total external debt increased significantly during the review period, from USD 156,478 million in 2012 (26.9% of GDP) to USD 271,505 million in 2020 (70.9% of GDP). In 2020, Argentina renegotiated its external debt with the creditors of securities issued under both foreign and Argentine law, which led to a reduction in rates and an extension of the maturity profile. Securities for USD 63,207 million and EUR 4,185 million were swapped in the negotiations with creditors subject to foreign law. In the renegotiation of the debt under domestic law, new bonds for USD 41,724 million and new inflation-adjustable bonds (BONCER) for ARS 57,683 million were issued.

8. During the period under review, active use was made of monetary, exchange rate and fiscal policies, and also of a number of trade policy instruments, including registration requirements for imports and exports, import licensing and export taxes. At the end of 2019, Argentina introduced an emergency economic package with measures including subsidies for the most vulnerable, tax exemptions/reductions for low-income groups, an increase in export taxes, an increase in the statistical tax on imports from 1% to 3%, and the introduction of a 30% tax on foreign exchange transactions, effective for five years.

9. International trade in goods accounted for 25.3% of GDP in 2020, a percentage similar to that observed in 2012, despite the decline in trade flows. Between 2012 and 2020, Argentine exports of goods fell at an annual average rate of 4.6% (to USD 54,884 million in 2020) and imports decreased at an annual average rate of 5.7% (to USD 42,356 million in 2020). The drop in exports largely reflects the deterioration in the terms of trade, while the fall in imports is a reflection of the weak domestic demand for both consumer and capital goods.

10. Argentina is a major exporter of agricultural products, which continued to be its leading export item, accounting for 63.3% of the total in 2020. Seed oils, soya beans, wheat, maize and beef (bovine meat) are the main export products. The share of manufactured goods in total exports decreased in the review period, mainly due to the steep fall in exports of automotive and chemical products. On the other hand, manufactured products accounted for 85% of imports in 2020. The evolution of the composition of imports over the review period shows an increase in the share of machinery and equipment and chemical products, as well as a sharp decline in the importation of vehicles and fuels. The main markets for Argentine exports in 2020 were Brazil (14.5% of the total), the European Union (12.2%), China (9.6%), the United States (6.0%) and Chile (5.3%). The main sources of imports were Brazil (20.4% of the total), China (20.4%), the European Union (15.6%) and the United States (10.4%).

11. During the period under review, Argentina had three successive administrations and saw a number of changes made to its institutional structure, in particular with regard to the functions and names of the various ministries. The Ministry of Foreign Affairs, International Trade and Worship; the Ministry of Productive Development; and the Ministry of Agriculture, Livestock and Fisheries are currently responsible for formulating and implementing trade policy.

12. One of the main aims of Argentina's trade policy is to boost the country's participation in international trade by increasing and diversifying exports, for which reason the policy seeks to integrate SMEs into export activity and international value chains, and promote social inclusion. As part of its internationalization strategy, Argentina also considers that it is vital for women to play an even more prevalent role, since gender equality is fundamental for development and growth. Argentina continues to actively use trade policy measures as a tool to achieve objectives in areas

that occasionally extend beyond trade. This includes objectives for both the long term (growth and economic development) and the short term (greater fiscal revenue, containment of inflation, or maintenance of the balance-of-payments equilibrium). Frequent amendments have been made to laws and regulations in order to fulfil various objectives through trade policy instruments. However, while these amendments seek to achieve concrete results, they may end up further complicating the trade regime by making it less predictable, and may even undermine the effectiveness of certain policies. For example, although export promotion is one of the main trade policy objectives and efforts are being undertaken to stimulate exports through measures such as export refunds and other incentives, export duties are being used at the same time to achieve revenue targets, which discourages exports.

13. Argentina is a founding Member of the WTO and grants, as a minimum, most-favoured-nation (MFN) treatment to all its trading partners and regularly submits notifications concerning its trade and related measures. Argentina is of the view that it is important for the WTO to resume its central role in international trade and for there to be a rules-based, open and equitable multilateral trading system that contributes to inclusive development. Argentina advocates the reduction of restrictions and distortions in the agriculture and fisheries sectors. The country also supports the discussions on new trade issues. Argentina ratified the Trade Facilitation Agreement and the Protocol Amending the TRIPS Agreement. The country is an observer in the Committee on Government Procurement, but has no immediate intention to accede to the Agreement on Government Procurement (GPA).

14. Argentina is a founding member of the Southern Common Market (MERCOSUR). The period under review saw the entry into force of the agreements concluded by MERCOSUR with Colombia, Egypt and the Southern African Customs Union (SACU). In 2019, MERCOSUR concluded agreements in principle with the European Free Trade Association (EFTA) and the European Union (EU). 2019 also saw Argentina agree new provisions for trade in automobiles with Brazil, Mexico and Paraguay. In the cases of Mexico and Brazil, the zeroing of tariffs had been planned for 2019 and 2020, but was postponed until 2022 and 2029, respectively.

15. Argentina grants national treatment to foreign investment. Foreign investors do not require authorization to invest, but foreign direct investment must be registered for statistical purposes. Foreign investors may transfer profits abroad, repatriate invested capital, and pay interest, dividends, profits or royalties abroad, provided that they comply with the provisions regulating access to and the functioning of the foreign exchange market, which is currently subject to restrictions. Domestic and foreign private investment is permitted in the majority of activities, with certain exceptions. There are limits on foreign participation in the media and certain restrictions on the purchase of land. Fishing in waters under Argentine jurisdiction and maritime cabotage services are generally reserved for Argentine nationals. In 2021, a new regime to promote investment in non-traditional export products was introduced, enabling exporters to use part of the foreign currency that they have earned through restriction-free exportation.

16. The import and export requirements have not changed substantially since 2013. Importers and exporters must complete a one-off registration with Argentina's register of exporters and importers and with other special customs registries. During the period under review, Argentina abolished a number of its import registers, while others were maintained or established.

17. Argentina's tariff is based on the MERCOSUR Common External Tariff (CET), which is currently based on the 2017 Harmonized System (HS). Argentina uses only *ad valorem* tariffs, but the Executive is empowered to set specific import duties where necessary. In 2020, the simple average MFN tariff remained at its 2012 rate of 11.4%. The average applied MFN tariff for agricultural products (WTO definition) was 10.4% (10.1% in 2012). Like in 2012, this was below the protection accorded to non-agricultural products, namely, 11.5%. Argentina has no MFN tariff quotas. However, it has negotiated preferential tariff quotas under a number of its trade agreements. Argentina offers tariff concessions to promote certain economic sectors. In some cases, such concessions apply only to a specific quota. Exemptions are also offered for imports under certain import regimes and procedures, including the temporary admission import regime, the in-factory customs procedure (RAF) and the free zone and special customs area regimes. In 2020, in response to the health emergency, Argentina temporarily exempted vaccines and disposable material from all import duties and all other taxes, levies or contributions.

18. In addition to tariffs, a statistical tax, a verification-of-destination tax, value added tax (VAT) and internal taxes (or selective consumption taxes) are levied on imports. These internal taxes,

which affect sales and imports of certain goods (beverages, tobacco, motor vehicles and engines, vessels and aircraft for pleasure or sports, and electronic products), are levied on 130% of the value resulting from adding import taxes and the internal taxes themselves to the customs value. The Executive may increase the rates of these taxes by up to 25%, reduce or cancel them where the economic situation requires such action to be taken. A number of the rates increased during the review period. Some products are subject to a minimum tax; others are taxed only if the value is above a minimum selling price.

19. Argentine legislation allows the authorities to prohibit imports (and exports) of goods for economic and non-economic reasons. Prohibitions laid down for economic reasons seek to promote employment and domestic production, stabilize prices and protect industrial property and consumers. Non-economic prohibitions are imposed to protect public health and safety, artistic heritage and the environment, and to implement international treaties. Argentina currently uses prohibitions for non-economic reasons only.

20. Administering import licences remains one of the main components of Argentina's trade policy. All goods imported for final consumption require either an automatic or a non-automatic import licence. The lists of products requiring each type of licence are updated as and when the circumstances so require, rather than at predetermined intervals, meaning that the number of products for which licences are required changes regularly. In 2020, non-automatic licences were required for 14.3% of all tariff lines, which is a substantial increase on 2012, when only 6% were subject to non-automatic licensing. The types of products affected by the measure have not changed substantially since 2012. Most non-automatic licences are still for textiles, machinery and appliances, and base metals.

21. During the period under review, Argentina continued to actively use anti-dumping measures. Between 2013 and 2020, the country initiated 199 anti-dumping investigations, including reviews; imposed 151 definitive anti-dumping measures, including reviews; and accepted nine price undertakings. A total of 41 anti-dumping investigations – or 21% of those initiated during this period – concluded without the imposition of duties. In March 2021, there were 114 definitive anti-dumping measures and one provisional anti-dumping measure in place, compared to 85 measures in force at the end of 2012. Definitive measures were imposed on 24 trading partners, especially China (55% of measures), Brazil (12%) and India (5%). Most of the anti-dumping duties were applied to plastics and articles thereof, machinery and mechanical appliances, electrical equipment, tools and cutlery of base metal, and vehicles other than railway or tramway rolling-stock, and parts and accessories thereof. The value of the imports in the dumping cases investigated between 2013 and 2019 ranged from USD 686 million to USD 958 million per year, representing between 1.2% and 1.7% of total imports. During the period under review, no investigation procedures were initiated under the Agreement on Subsidies and Countervailing Measures or the Agreement on Safeguards.

22. Argentina applies a number of export requirements, such as exporter registers and the use of sworn declarations of foreign sales (DJVEs) to register exports of certain agricultural products. The use of DJVEs, the purpose of which is to ensure a more steady incoming flow of foreign currency and to provide information in advance on the projected volume of exports, was modified a number of times over the review period.

23. Export duties are currently levied on all Argentine exports, with rates ranging from 0% to 33%. During the period under review, both the products subject to export duties and the rates of such duties were modified on a number of occasions. In 2021, 92.7% of tariff lines were subject to a rate of less than 5%. Export duties are an important source of tax revenue; the revenue obtained from export duties increased progressively before peaking in 2019. In 2020, there was a decrease in the revenue obtained from export taxes, which was caused by the reduction of rates and decline in the volume of exports as a result of the health crisis. This revenue accounted for 13.5% of NFPS tax revenue, 5.7% of the total revenue obtained and 12.7% of the total value of exports. As a "major exporter" (with a share exceeding 5% of total global exports) of certain cereals, oil seeds and oilcake, and vegetable oils, Argentina's occasional application of high export duties (such as for soya beans) could, to a certain extent, affect these products' terms of trade.

24. Argentina offers fiscal incentives to promote exports, which include the free zone programme, drawback, an internal tax refund system, the turnkey plant export regime, and a number of special customs regimes such as the *Exporta Simple* (simplified export) regime and the temporary admission

import regime for inputs. Argentina notified the WTO Committee on Agriculture that it had not granted any subsidies to exports of agricultural products over the period 2013-19.

25. During the period under review, various incentive programmes continued to be implemented at the national and provincial level, with the aim of promoting investment, competitiveness and exports. In addition to the sectoral incentives, there are a number of horizontal programmes that seek to stimulate investment and technological innovation, promote the development of SMEs, and facilitate access to credit at preferential or fixed interest rates. There are also incentive programmes for specific geographical areas. Argentina has notified to the WTO the sectoral incentive programmes for mining, forestry activity and capital goods, information technology and telecommunications products, as well as the free zone regimes.

26. The preparation and review of mandatory technical regulations is the responsibility of the relevant ministry or regulatory authority. As a general rule, Argentine technical regulations are based on international or regional standards. There is no legally-established timeframe after which technical regulations are to be reviewed; the authority responsible decides when the review takes place. Between 1 January 2013 and 31 December 2020, Argentina submitted 360 notifications to the WTO Committee on Technical Barriers to Trade. Of these, 129 were regular notifications, of which 118 concerned draft technical regulations. During the period under review, no concerns were raised by Argentina's trading partners regarding the country's technical regulation-related practices.

27. While sanitary and phytosanitary (SPS) measures are formulated, adopted and implemented by a number of institutions, these institutions all follow a similar procedure for the preparation of such measures. In 2017, it was decided that resolutions introducing new SPS measures must expressly set a period of validity not exceeding four years, which may only be extended once. An import authorization is required for the entry into the country of products and by-products of plant or animal origin or food items from abroad, which must meet all the relevant sanitary, phytosanitary, zoosanitary and/or safety requirements. In addition to the import authorization, a phytosanitary import authorization (AFIDI) is required for imports of plants or parts thereof that are considered to pose a phytosanitary risk. Between 1 January 2013 and 31 December 2020, Argentina submitted 99 SPS notifications (including addenda and corrigenda) to the WTO. During this period, WTO Members did not express any new trade concerns regarding the SPS measures adopted by Argentina.

28. In 2018, Argentina passed a new competition law that modernizes its legislation in the area, establishes a new competent authority, withdraws all relevant powers granted to other state bodies or entities, and incorporates new elements such as leniency programmes and civil fines in favour of the injured party. The new law draws a distinction between prohibited, absolutely restrictive and restrictive practices. The law applies to all public or private natural or legal persons that undertake economic activities in Argentine territory, as well as to those engaged in economic activities abroad, insofar as these activities may have an effect on the domestic market. It also incorporates new provisions on mergers, which set new thresholds for their notification and provide that the merger may only be completed once approved by the competent authority. In contrast, the previous law allowed notification to be given up to one week after the completion of the transaction.

29. Argentina continues to apply price regulation and marketing policies. The legislation in this area was amended in 2014 and authorizes the implementing authority to establish profit margins, reference prices and maximum and minimum prices; issue marketing, intermediation, distribution and/or production regulations; and set minimum levels or quotas for production, industrialization, marketing, transport, distribution or provision of services, in order to ensure domestic supply. Due to the COVID-19 pandemic, this type of measure was used for various medical products and instruments and medicines. Moreover, in December 2019, an agreement was reached with pharmaceutical companies to reduce medicine prices by 8% and subsequently freeze these prices (currently until 31 October 2021). The State also works to reach agreements with the various trade associations concerning the prices of a number of products, such as certain cuts of beef, tobacco, some hydrocarbons, and electricity and basic telephone tariffs, in addition to subsidizing the price of liquefied petroleum gas (LPG) for household consumption. Since 2014, price agreements have been signed with supermarkets and manufacturers of basic consumer goods that are part of the *Precios Cuidados* (preserved prices) programme. As of March 2021, the list of preserved retail prices contained 685 products, mainly frozen foods, pasta, dairy products, bread, cold meats, beverages, certain cuts of meat, vegetables, and also lighting, perfumery and cleaning products. There is also

a list of preserved wholesale prices, which, in March 2021, contained 460 headings, as well as a list of preserved construction prices with 117 headings.

30. Argentina is not party to the WTO Plurilateral Agreement on Government Procurement, but has been an observer in the Committee on Government Procurement since 1997. The Argentine procurement system is organized on the basis of a centralized approach to policies and regulations, and a decentralized approach to operational management. Invitations to tender, basic specifications and conditions, the tender opening record, the evaluation ruling, contract awards and purchase orders are made available on the COMPR.AR electronic procurement system. The electronic portal for the procurement of public works (CONTRAT.AR) is used for the procurement of public works in electronic form. Under current rules, contracts are to be awarded to the bid that is most advantageous for the contracting agency in terms of price, quality, bidder suitability and other conditions of the bid. The granting of preferences is authorized under the procurement regime. Preferences for goods of domestic origin are granted for all procurement with a value exceeding the direct contracting threshold. The margin of preference for tenders of goods of domestic origin is 15% for MSMEs and cooperatives and 8% for other enterprises. In 2020, the most used government procurement procedure was open tendering (51.1% of the total), followed by direct contracting (38.8%) and selective tendering (10.2%).

31. The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) forms part of Argentine legislation. Argentina is party to a number of the treaties administered by the World Intellectual Property Organization (WIPO) and since the previous review in 2013 has acceded to the Marrakesh VIP Treaty. Argentina is also party to non-WIPO multilateral intellectual property treaties. During the period under review, Argentina signed the Convention on Cybercrime, the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity, and the International Treaty on Plant Genetic Resources for Food and Agriculture. The prioritized examination of patents (PEP) programme was established in 2019 to speed up the substantive examination of applications and thus the registration of inventions.

32. The agricultural sector is very important for Argentina because of the scale of its production and its contribution to exports and GDP. Agriculture's share of GDP (including livestock and forestry, but not food processing) was 6.5% in 2020. Argentina is one of the world's leading producers of sunflower seed oil, soya beans and soyabean oil, honey, lemons and beef (bovine meat). The country's chief exports are oilseed-related products, livestock products and cereals. The average MFN tariff applied to agricultural products (WTO definition) in 2020 was 10.4% lower than the overall average. Argentina has no tariff quotas at the multilateral level, but it does apply a small number of preferential tariff quotas under regional trade agreements. Export duty is payable on agricultural products and currently ranges from 5% to 33%. Argentina uses the previously-mentioned DJVEs to keep a register of exports of certain agricultural products.

33. Argentina maintains a series of domestic support programmes for the agricultural and agro-industrial sector. An interest-rate subsidy programme for small-scale agricultural producers is implemented through banking institutions in order to finance, above all, investment and working capital for dairy, livestock, pork, poultry and honey production. A series of programmes are also run to facilitate, fund and promote agricultural activity, innovation and development in production, with a view to enhancing the competitiveness of the agro-industrial sector. One of the main federal programmes is the provincial agricultural services programme (PROSAP), through which projects are implemented to increase the coverage and quality of rural infrastructure and agri-food services. PROSAP, which provides non-repayable contributions of up to 60% of the investment, is mainly geared towards primary producers and MSMEs seeking to integrate into value chains. In addition, the *Cambio Rural* (rural change) programme encourages agri-food and agro-industrial MSMEs, the cooperative sector and family farmers to innovate and form partnerships to develop projects aimed at improving output and increasing added value. The National Agro-Industrial Trust Fund (FONDAGRO), created in 2016, finances projects through non-repayable contributions and direct credit at below-market interest rates.

34. Living marine resources in waters under Argentine jurisdiction may only be exploited by natural persons domiciled or legal persons incorporated in Argentina that have obtained a fishing permit. Fishing vessels must be listed in the national register. Catches must also be unloaded in Argentine ports, except in cases of *force majeure* and subject to prior authorization. A fishing quota must be allocated or a fishing permit obtained if the species is not subject to a quota. In 2019,

Argentina notified the WTO that the country had no specific programmes for fisheries subsidies during the period from 1 July 2016 to 30 June 2018.

35. Mining policy is formulated at the national and provincial levels. A number of agreements have been reached between the national government (the Government) and the provinces, the most recent of which was signed in 2017 and establishes certain limits on royalty amounts and contains environmental provisions and clauses aimed at promoting the use of Argentine components, the employment of Argentine workers and the granting of preferential treatment for SMEs in the mining sector. The private sector may explore and exploit mineral resources without prejudice to the State's ownership. The holder of a concession has an exclusive right that is not time bound. Duty is payable on the export of mining products. The rate for the majority of MERCOSUR Common Nomenclature (NCM) tariff headings corresponding to mining is currently 4.5%. A number of tax benefits are granted for mining activities, including fiscal stability for 30 years, exemption from the payment of export duties, and exemption from tariffs and the statistical tax payable for the import of capital goods, parts and inputs. The investment promotion regime for hydrocarbons exploitation, established in 2013, allows for 20% of hydrocarbons production to be marketed freely on the foreign market with an export duty of 0%, and for 100% of the foreign currency earned through exportation to be kept for use. Tariff reductions are granted for the importation of capital goods for petroleum companies' investment projects, and used goods may be imported for the hydrocarbons industry with a zero or reduced tariff if a certain percentage of new domestic goods are also being acquired.

36. The GDP share of the manufacturing sector (including food processing) fell from 15.2% in 2012 to 13.9% in 2020. The decline in the performance of the manufacturing industry is due partly to competitiveness problems and weak domestic demand. Argentina provides assistance to its manufacturing sector through horizontal fiscal incentive programmes and export promotion schemes. The manufacturing sector may access special credit facilities for research and development projects and technological development and innovation. SMEs in the manufacturing sector are eligible for a number of additional tax incentives, an interest subsidy regime and credit access services through mutual guarantee societies. There is also a regime of incentives aimed at promoting the domestic manufacture of capital goods, information technology and telecommunications products, which consists of a transferable tax credit bond equivalent to a percentage of sales. The implementation of the national programme for productive transformation (PNTP) began in 2016, with a view to promoting the transformation of companies affected by production, employment or export losses or by a significant increase in imports of like products. The automotive industry is eligible for a variety of incentives, including a cash refund on the value of purchases of domestic auto parts.

37. The financial system's penetration is low, although there were improvements during the review period. The authorities have sought greater financial inclusion through the reduction of costs, the digitalization of operations and the development of the National Strategy for Financial Inclusion. Efforts have also been made to facilitate access to credit for SMEs, particularly since the beginning of the COVID-19 pandemic. During the period under review, the Argentine financial system continued to show solvency levels above the minimum prudential requirements, even during the most difficult economic times and in spite of the negative effects of the health crisis. The banking sector is relatively concentrated, with the five largest banks holding over 50% of assets in 2020. Public banks have a significant share in terms of assets. Insurance companies must be limited companies, cooperative associations and mutual insurance companies, or branches or agencies of foreign companies, and their sole purpose must be to carry out insurance transactions. The authorization of new insurance operators is subject to the expediency of their role in the market.

38. In 2014, a new law was passed to regulate the telecommunications sector, which allows for the convergence of services and guarantees that all users have the same type of access to the Internet in terms of speed and content. Various institutional changes were also introduced, including the establishment of the new regulatory body in 2015. Argentina has implemented a number of regulatory measures and a range of strategies to enhance access to and the use of information and communications technology and stimulate the digital transformation. This has led to a continued increase in electronic commerce since 2013, and particularly in 2020 on account of the pandemic. Two operators merged in 2017, creating the country's main telephone and Internet provider. The tariffs of essential and strategic public services are regulated; other tariffs are determined freely.

39. Since 2013, the transport policy has sought to create a more efficient and cheaper multimodal transport system in order to ensure the competitiveness of exports and support trade policy. A plan

has been implemented to restructure facilities and streamline container operations at the Port of Buenos Aires, which has resulted in the reduction of container handling costs. As the main provider of a number of services at airports, the State continues to be highly involved in the air transport sector. Aerolíneas Argentinas, a state company, is the biggest airline on the domestic market in terms of passenger transport and one of the biggest for international transport. Despite this, the company requires state support in order to continue operating.

40. Tourism is an important part of Argentine service exports. During the period under review, the sector's share of service exports fluctuated between 36.8% in 2016 and 49.3% in 2014, falling to 17.8% in 2020 owing to the pandemic. The sector has been badly affected by the 2020 health crisis, for which reason a number of measures have been drawn up to support it.

	2012	2013	2014	2015	2016	2017	2018 ^a	2019 ^b	2020 ^b
Manufacture of fabricated metal products, except machinery and equipment	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Manufacture of paper and paper products	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.5	0.5
Manufacture of motor vehicles, trailers and semi-trailers	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.5
Publishing and printing; recorded media	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.5
Other	3.4	3.4	3.3	3.3	2.8	2.5	2.3	2.2	2.2
Electricity, gas and water	1.1	1.2	1.2	1.2	1.5	1.7	2.4	2.6	2.3
Construction	4.9	4.9	4.6	4.6	3.8	4.3	4.0	3.8	3.2
Wholesale and retail trade, and repairs	12.3	12.3	12.1	13.6	13.4	13.8	13.6	13.4	14.8
Hotels and restaurants	2.1	2.0	2.0	2.1	2.1	2.2	2.0	2.0	1.1
Hotels; campgrounds and other types of temporary accommodation	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.1
Restaurants, bars and canteens	1.7	1.7	1.7	1.8	1.7	1.9	1.7	1.7	1.0
Transport and communications	5.7	5.6	5.5	5.4	5.4	5.6	5.8	6.0	5.2
Transport	3.2	3.3	3.4	3.2	3.2	3.4	3.7	3.8	2.9
Communications	2.6	2.3	2.2	2.2	2.1	2.2	2.1	2.2	2.3
Financial intermediation	3.5	3.6	3.5	3.3	3.9	3.9	4.0	3.5	4.5
Real estate, business and rental activities	9.4	9.6	9.1	9.4	9.3	9.9	10.1	9.9	10.0
Public administration and defence; compulsory social security	7.0	7.2	7.3	7.8	7.9	7.7	7.0	6.7	6.4
Education	5.1	5.1	5.0	5.5	5.4	5.4	5.1	5.0	5.2
Health-related and social services	4.7	4.8	4.8	5.0	5.2	5.3	4.9	4.7	4.4
Other community, social and personal service activities	3.0	3.0	2.8	2.9	2.9	2.9	2.7	2.6	2.0
Private households with domestic employees	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.6	0.6
Taxes on products, net of subsidies	8.3	7.9	8.2	8.0	7.8	7.8	7.4	8.3	8.6
Value added tax	7.2	7.4	7.2	7.3	7.1	7.2	7.6	7.1	7.1
Import duties	0.6	0.7	0.7	0.6	0.7	0.7	0.7	0.8	0.7
By type of expenditure (real annual growth, at 2004 prices)									
Global demand	-1.8	2.7	-4.4	3.1	-0.5	5.5	-3.0	-5.9	-11.5
Total consumption	1.4	3.9	-3.3	4.2	-0.7	3.9	-2.1	-5.7	-11.7
Private consumption	1.1	3.6	-4.4	3.7	-0.8	4.2	-2.2	-6.6	-13.1
Public consumption	3.0	5.3	2.9	6.9	-0.5	2.6	-1.7	-1.0	-4.7
Gross fixed capital formation	-7.1	2.3	-6.8	3.5	-5.8	13.4	-6.0	-16.0	-13.0
Changes in inventories ^c	-134.0	-185.5	45.7	72.9	20.9	75.8	-86.2	-147.7	-423.4
Exports f.o.b. (goods and services)	-4.1	-3.5	-7.0	-2.8	5.3	2.6	0.5	9.0	-17.7
Imports f.o.b. (goods and services)	-4.7	3.9	-11.5	4.7	5.8	15.6	-4.5	-19.0	-18.1
Statistical discrepancy ^d	-	-	-	-	-	-	-	-1,357.1	-177.7
Other economic indicators (% of current GDP)									
Gross national savings	16.2	15.2	15.9	14.3	14.6	13.1	14.4	15.8	[...]
Employment									
Activity rate (% , end of period)	46.3	45.6	45.2	44.8	45.3	46.4	46.5	47.2	45.0
Unemployment rate (% , end of period)	6.9	6.4	6.9	5.9	7.6	7.2	9.1	8.9	11.0
Employment rate (% , end of period)	43.1	42.7	42.1	42.2	41.9	43	42.2	43	40.1
Underemployment rate (% , end of period)	6.4	5.1	6.1	5.9	7.2	7.2	8.7	9.5	10.3
Memorandum									
Economically active population (urban total, end of period, thousand) ^e	12,101	12,077	12,091	12,049	12,545	12,946	13,106	13,436	12,072
Population (million)	41.7	42.2	42.7	43.1	43.6	44.0	44.5	44.9	45.4
Current account balance, % of GDP	-0.4	-2.1	-1.6	-2.7	-2.7	-4.8	-5.2	-0.9	0.8

a Provisional data.

b Preliminary data.

c Includes changes in inventories of the main partly finished and finished agricultural products, livestock products, petroleum, manufactured products and imported products. Statistical discrepancy is included in the final years of the review period.

d Includes changes in unrecorded inventories (other agricultural products, other mining and inventories of domestic products in commercial establishments).

e Data for the third quarter of 2020.

Source: *Instituto Nacional de Estadística y Censos*, INDEC (National Institute of Statistics and Censuses), *Ministerio de Producción y Trabajo* (Ministry of Production and Labour); *Banco Central de la República Argentina*, BCRA (Central Bank of Argentina)

1.5. During the review period, the agricultural sector recorded an above-average performance, particularly in terms of purely agricultural activity, since livestock farming contracted. The GDP share of the agricultural sector (including hunting and forestry), measured in current prices, rose from 5.6% in 2012 to 6.5% in 2020. However, the GDP share of manufacturing declined as a result of several factors, such as a decrease in real income and its impact on domestic demand, an increase in costs and a loss of relative competitiveness caused by the real appreciation of the Argentine peso during the review period. However, the GDP share of manufacturing continues to be of relative importance (13.9% in 2020).

1.6. During the review period, some areas of the services sector recorded an improved performance and gained GDP share, namely: wholesale and retail trade, and repairs, which increased from 12.3% of GDP in 2012 to 14.8% in 2020; real estate, business and rental activities, which rose from 9.4% of GDP in 2012 to 10.0% in 2020; and financial intermediation, which grew from 3.5% of GDP to 4.5%. The transport and communications sector and the hotels and restaurants sector were particularly affected by the COVID-19 pandemic, the former with a decline in GDP share from 5.7% in 2012 to 5.2% in 2020, and the latter down from 2.1% to 1.1%.

1.2 Recent economic developments

1.2.1 Economic developments and economic policy measures

1.7. For most of the review period, Argentina recorded a contraction or weak economic growth, and real GDP shrank at an average annual rate of 0.3% between 2012 and 2019. Taking into account the decrease recorded in 2020, which was mainly due to the negative effects of the COVID-19 pandemic, the Argentine economy contracted in real terms at an average annual rate of 1.5% between 2012 and 2020. Only three years of positive growth were observed during the review period: 2013, 2015 and 2017. In these years, growth was driven primarily by domestic demand.

1.8. Until 2012, the Argentine economy had performed well, aided by favourable external conditions, which included high commodity prices and strong demand for Argentine exports. From 2012 onwards, the terms of trade began to deteriorate and revealed a series of underlying imbalances that included an overvalued real exchange rate, high inflation and a fall in international reserves. The authorities responded by progressively strengthening administrative, foreign exchange and price controls, and by granting incentives. However, the economy went into recession at the end of 2015, with a year-end inflation rate of 27%.¹

1.9. As from the end of 2015, under the new Government, a comprehensive strategy of progressive reforms was adopted, which included a reduction in public spending, the liberalization of external transactions, and a mechanism to lower inflation. The efforts made by the authorities were focused on restoring credibility and achieving inclusive, balanced and sustainable growth.² Price controls were eliminated, as were most export taxes. Furthermore, Argentina renegotiated its debt with foreign private creditors with which it had long-standing disputes, and reduced subsidies for the provision of public services. Fiscal objectives were established, and the Central Bank of Argentina (BCRA) adopted an inflation targeting regime.

1.10. More specifically, provision was made for the liberalization of foreign exchange restrictions, and a decision was taken to float the exchange rate. Official and parallel foreign exchange markets were unified, and the overestimated evaluation of the Argentine peso was corrected by means of a depreciation of 40% of the official rate in December 2015.³ Furthermore, a fiscal consolidation plan was announced in order to achieve a primary balance of zero by 2019. Regarding inflation targets, an expected range of inflation of between 20% and 25% was announced for the end of 2016, which was to be gradually reduced to 5% at the end of 2019, with the initiation of a transition towards an actual inflation targeting regime. Public utility rates, which had been frozen for several years, were also increased by an average of 250% for electricity and subsequently within a range of between 100% and 300% for natural gas, water and transport.⁴ It was also decided to eliminate taxes on exports of wheat, maize (corn), sorghum and meat. Exports taxes were maintained only for soya beans and soybean products at a reduced rate of 30% and 27%, respectively.

¹ IMF (2016), *IMF Country Report No. 16/346 Argentina: 2016 Article IV Consultation—Press Release; Staff Report; and Statement by the Executive Director for Argentina*, November 2016. Viewed at: <https://www.imf.org/external/pubs/ft/scr/2016/cr16346.pdf>.

² IMF (2017), *IMF Country Report No. 17/409 Argentina: 2017 Article IV Consultation—Press Release; Staff Report; and Statement by the Executive Director for Argentina*, December 2017. Viewed at: <https://www.imf.org/external/pubs/ft/scr/2017/cr17409.pdf>.

³ IMF (2016), *IMF Country Report No. 16/346 Argentina: 2016 Article IV Consultation—Press Release; Staff Report; and Statement by the Executive Director for Argentina*, November 2016. Viewed at: <https://www.imf.org/external/pubs/ft/scr/2016/cr16346.pdf>.

⁴ The existence of a social tariff enabled one fifth of consumers to receive a fixed amount of free electricity and a significantly subsidized tariff for natural gas. IMF (2016), *IMF Country Report No. 16/346 Argentina: 2016 Article IV Consultation—Press Release; Staff Report; and Statement by the Executive Director for Argentina*, November 2016. Viewed at: <https://www.imf.org/external/pubs/ft/scr/2016/cr16346.pdf>.

1.11. In November 2016, the first monitoring mission to Argentina since 2006 was conducted, in accordance with Article IV of the Articles of Agreement of the IMF. During the consultation, the IMF Executive Directors underscored the need to continue to lower the fiscal deficit, streamline public spending and eliminate energy subsidies. They also recommended establishing a clear price stability mandate for the BCRA, eliminating monetary financing of the deficit, and introducing measures to reduce barriers to trade.⁵ In a review in November 2017, the IMF Directors encouraged Argentina to take measures to eliminate distortive taxes, and to consider the adoption of a fiscal anchor in the medium term and a mechanism to ensure compliance.⁶

1.12. Through the liberalization of the foreign exchange market, access to international capital markets was regained and around USD 37.8 billion in bonds was issued in global markets in the first ten months of 2016. However, the liberalization of the foreign exchange market led to a significant depreciation of the peso, an increase in inflation, capital flight and the loss of international reserves from 2018 onwards (see below). Due to the deterioration of the balance-of-payments current account, in September 2018, a foreign exchange clamp (restrictions on the foreign exchange market) was established, which imposed a purchase limit of USD 10,000. Export duties were reintroduced for products for which such duties had been eliminated, and rates for other products were increased. In October 2019, a new restriction was imposed on the foreign exchange market, whereby the purchase of only USD 200 per month was permitted for individuals with a bank account, or USD 100 for the use of cash.

1.13. In 2018, the IMF identified a "shift in market sentiment and a [...] confluence of factors [that] have placed Argentina under significant balance of payments pressures".⁷ Due to a significant outflow of capital, portfolio investment liabilities increased by around USD 77 billion in 2016 and 2017, which resulted in a loss of international reserves amounting to USD 29 billion. The Argentine Government requested support from the IMF to address the pressures on the balance of payments. In June 2018, the IMF Executive Board approved a three-year stand-by arrangement for Argentina amounting to USD 50 billion (equivalent to SDR 35,379 million, or around 1,110% of Argentina's quota in the IMF).⁸ An immediate disbursement of USD 15 billion (equivalent to SDR 10,614 million, or 333% of Argentina's quota) was authorized, of which USD 7.5 billion was to be used for budget support. The remaining USD 35 billion was to be made available over the duration of the arrangement, subject to quarterly reviews. The economic plan submitted by the Argentine authorities and backed by the IMF focused on four pillars: (a) restoring market confidence via a consistent economic programme aimed at lessening federal financing needs and putting Argentina's public debt on a downward trajectory (these efforts were to be based on a fiscal adjustment with a view to the federal government achieving a primary balance by 2020); (b) protecting the most vulnerable segments of society; (c) strengthening the credibility of the BCRA's inflation-targeting framework; and (d) progressively reducing the strain on the balance of payments, rebuilding international reserves and mitigating vulnerability to pressures on the capital account. The authorities committed to maintain a floating exchange rate and to limit foreign exchange intervention during periods of significant market volatility and dysfunction.

1.14. In October 2018, the IMF Executive Board completed the first review under Argentina's stand-by arrangement, and approved the disbursement of USD 5.7 billion (SDR 4.1 billion), bringing total disbursements since June to about USD 20.4 billion (SDR 14,710 million). The Executive Board also approved an augmentation of the stand-by arrangement which increased access to about

⁵ IMF (2016), *IMF Country Report No. 16/346 Argentina: 2016 Article IV Consultation—Press Release; Staff Report; and Statement by the Executive Director for Argentina*, November 2016. Viewed at: <https://www.imf.org/external/pubs/ft/scr/2016/cr16346.pdf>.

⁶ IMF (2017), *IMF Country Report No. 17/409 Argentina: 2017 Article IV Consultation—Press Release; Staff Report; and Statement by the Executive Director for Argentina*, 29 December 2017. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2017/12/29/Argentina-2017-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-45530>.

⁷ The factors that, according to the IMF, converged to place pressure on the Argentine financial markets included: a drought that led to a sharp decline in agricultural production and export revenue, an increase in international energy prices, the appreciation of the US dollar, and the upward movement in the interest rates of the United States of America. IMF (2018), *Executive Board Approves US\$50 Billion Stand-By Arrangement for Argentina*. Press Release No. 18/245, 20 June 2018. Viewed at: <https://www.imf.org/es/News/Articles/2018/06/20/pr18245-argentina-imf-executive-board-approves-us50-billion-stand-by-arrangement>.

⁸ IMF (2018), *Executive Board Approves US\$50 Billion Stand-By Arrangement for Argentina*. Press Release No. 18/245, 20 June 2018. Viewed at: <https://www.imf.org/es/News/Articles/2018/06/20/pr18245-argentina-imf-executive-board-approves-us50-billion-stand-by-arrangement>.

USD 56.3 billion (equivalent to SDR 40,710 million or 1,277% of the quota). The authorities requested that this IMF financing be used as budget support.⁹ In December 2018, the IMF Executive Board completed the second review under the arrangement, and authorized the disbursement of the equivalent of USD 7.6 billion (SDR 5.5 billion), bringing disbursements to about USD 28,090 million (SDR 20,210 million).¹⁰ In completing the review, the Executive Board also approved the request by the authorities for a modification of the performance criterion. The third review was completed in April 2019, which enabled the Argentine authorities to draw the equivalent of about USD 10.8 billion (SDR 7.8 billion), bringing total disbursements since June 2018 to USD 38.9 billion (SDR 28,013.71 million).¹¹ In July 2019, the IMF approved the disbursement of the fourth tranche of the loan which amounted to USD 5.4 billion (SDR 3.9 billion), bringing total disbursements to USD 44.1 billion (SDR 31.9 billion).¹² This was the last disbursement, as the fifth, for USD 5.4 billion, which had been scheduled for October 2019, was not made, so 22% of the loan was not disbursed.

1.15. Following the primary elections in August 2019, the situation deteriorated, with an increase in inflationary expectations, a drop in the price of Argentine assets, a depreciation of the exchange rate, and a rise in inflation. This situation put strong pressure on fiscal accounts, which led to the announcement, on 28 August 2019, of an extension of the maturities of the National Treasury's debt.¹³ The announcement specifically concerned: (a) the extension of the maturities of the short-term debt held by legal persons (LECAP, LETES, LECER and LELINKS Treasury bills), and the payment of 15% at maturity, 25% at three months and 60% at six months, with the maintenance of the original time-limits for natural persons (b) the presentation in Congress of a draft law to promote a voluntary extension of the terms for bonds under domestic legislation; (c) the intention to initiate negotiations to extend the maturities of bonds under foreign legislation, without interrupting the normal payment of the debt; (d) an attempt to renegotiate the debt with the IMF, in order to extend the maturities of the debt with that organization.¹⁴

1.16. In February 2020, an IMF team visited Buenos Aires to learn more about the new Government's economic programme. The IMF team observed that Argentina's capacity to address the level and servicing of its public debt had deteriorated significantly in comparison with July 2019. The team's general assessment was that Argentina's public debt had become unsustainable after increasing by 13 percentage points above the July projection, which brought it to 90% of GDP. In light of this, it was not feasible to achieve the primary surplus necessary to reduce the gross financing needs to levels consistent with manageable rollover risk and satisfactory potential growth. The factors cited to support this assessment included: the depreciation of the peso by over 40%; the increase of sovereign risk by about 1,100 basis points; a decline in international reserves by about USD 20 billion; a contraction of real GDP above that previously projected; and the recourse to the BCRA for the financing of the fiscal deficit. The IMF staff stated that a definitive debt operation,

⁹ IMF (2018), *IMF Executive Board Completes First Review Under Argentina's Stand-By Arrangement, Approves USD 5.7 Billion Disbursement*. Press Release No. 18/395, 26 October 2018. Viewed at: <https://www.imf.org/es/News/Articles/2018/10/26/pr18395-argentina-imf-executive-board-completes-first-review-under-argentina-stand-arrangement>.

¹⁰ IMF (2018), *IMF Executive Board Completes Second Review Under Argentina's Stand-By Arrangement, Approves USD 7.6 Billion Disbursement*. Press Release No. 18/485, 19 December 2018. Viewed at: <https://www.imf.org/es/News/Articles/2018/12/19/pr18485-argentina-imf-executive-board-completes-second-review-under-stand-by-arrangement>.

¹¹ IMF (2019), *IMF Executive Board Completes Third Review Under Argentina's Stand-By Arrangement, Approves USD 10.8 Billion Disbursement*. Press Release No. 19/107, 5 April 2019. Viewed at: <https://www.imf.org/es/News/Articles/2019/04/05/pr19107-argentina-imf-executive-board-completes-third-review-under-argentinias-stand-by-arrangement>.

¹² IMF (2019), *IMF Executive Board Completes Fourth Review Under Argentina's Stand-By Arrangement, Approves USD 5.4 Billion Disbursement*. Press Release No. 19/268, 12 July 2019. Viewed at: <https://www.imf.org/es/News/Articles/2019/07/12/pr19268-argentina-imf-executive-board-completes-fourth-review-under-sba-approves-disbursement>.

¹³ Due to financial uncertainty, the National Treasury began to experience difficulties in renewing the maturities of its short-term debt in the market. The average renewal fell from 88% of the maturities of bills in pesos and dollars (LECAP, LETES, LECER and LELINKS) at the beginning of August, to levels below 10% after the primary elections, with the last auction held on 28 August 28 declared void. BCRA (2019), *Informe de Política Monetaria*. October 2019. Viewed at: <http://www.bcra.gob.ar/Pdfs/PublicacionesEstadisticas/IPOM1019.pdf>.

¹⁴ BCRA (2019), *Informe de Política Monetaria* (Monetary Policy Report). October 2019. Viewed at: http://www.bcra.gob.ar/Pdfs/PublicacionesEstadisticas/IPOM1019_i.pdf.

which would yield a meaningful contribution from private creditors, was required to help restore debt sustainability.¹⁵

1.17. The new administration that took office in December 2019 implemented measures to address the emergency economic situation faced by the country at the time. The majority of these changes are contained in the Law on social solidarity and reinvigorating production (Box 1.2). These measures included: (a) the removal of the ceiling in US dollars established for export duties and an increase in rates; (b) the payment of bonuses for retirees and the suspension for 180 days of the pension adjustment system in place since March 2018; (c) the replacement of the zero tax rate for staple foods by a selective refund; (d) an increase in the universal child allowance (AUH); (e) the creation of the PAIS tax ("tax for an inclusive and supportive Argentina") for a period of up to five years, which consists of a 30% surcharge on purchases of foreign currency, including travellers' cheques and travel expenses abroad; (f) the maintenance of the maximum dollar purchase limit of USD 200 per month for natural persons; (g) the freezing of electricity and natural gas rates under national jurisdiction for 180 days and the intervention of the regulatory bodies; (h) the freezing of urban transport rates; (i) the reduction by 8% of the price of medicines and the freezing of these prices until 31 January 2020; (j) the implementation of the "food card" for beneficiaries of the allowance with children under six years old; (k) a wage increase of ARS 4,000 for private sector workers; (l) an increase in tax rates paid on motor vehicles, motorcycles and boats, and the adjustment of the amounts subject to the different tax rates; (m) the application of rates of 0.5% to 1.25% for assets located abroad; (n) the establishment of a plan for the settlement of overdue tax debts for SMEs; (o) changes to the employer contributions system; (p) an increase in the tax on cash withdrawals from financial institutions for large enterprises; (q) three consecutive reductions of the monetary policy benchmark rate, which stood at 52%; and (r) the inclusion of 310 products on the list of preserved prices¹⁶ and the reintroduction of the leading brands of food, cleaning and perfumery products which serve as reference prices.

1.18. The new Government decided not to request the remaining USD 11 billion from the IMF stand-by credit, and instead opted to restructure the debt. The Economic Emergency Law authorized the Treasury to take up to USD 4,571 million in BCRA reserves to address maturities in US dollars. In May 2020, Argentina entered into default with some of its creditors. In September 2020, Argentina overcame this situation by restructuring USD 66,185 million in debt with private creditors under foreign legislation and, days later, a further USD 41,715 million in bonds under domestic legislation, which involved a discounted debt swap (see below). Following the debt swap, Argentina engaged in discussions with the IMF to replace the stand-by arrangement signed in 2018, from which it received USD 44 billion.

1.19. The Argentine economy was heavily impacted by the COVID-19 pandemic, which led the Government to impose a lockdown from 20 March 2020, a measure which was later relaxed and adapted according to the region or province. The resulting decrease in activity contributed to a contraction of the Argentine economy by 9.9% in 2020. The contraction was greater (around 12.7%) in the first seven months of 2020 in comparison with the same period in the previous year, and some improvement was recorded in the last months of the year. The sectors most affected were: hotels and restaurants; community, social and personal services; fisheries; construction; and real estate. However, most other sectors were also impacted, with the exception of electricity, gas and water services, and financial intermediation. To address the pandemic and avoid a further contraction of GDP, Argentina implemented a series of additional economic measures including the deferral of export duty payments for SMEs and support for the production of medical equipment (see Box 1.1).

¹⁵ Information from the IMF. Viewed at: <https://www.imf.org/es/News/Articles/2020/02/19/pr2057-argentina-imf-staff-statement-on-argentina>, and <https://www.imf.org/en/Publications/CR/Issues/2020/03/20/Argentina-Technical-Assistance-Report-Staff-Technical-Note-on-Public-Debt-Sustainability-49284>.

¹⁶ Preserved prices are the reference prices of the most representative products in the mass consumption food basket resulting from a voluntary agreement between the State, manufacturers, distributors, supermarkets and wholesalers.

Box 1.1 Measures adopted by Argentina to address the COVID-19 pandemic

Federal Public Revenue Administration (AFIP) General Resolution No. 4728/2020 (Official Journal of 1 June 2020). AFIP General Resolution No. 4787/2020 (Official Journal of 6 August 2020)

Deferral of export duty payments until 30 September 2020 for enterprises entered in the register of micro, small and medium-sized enterprises (Law No. 24.467). Deferrals can be requested through the submission of a sworn export declaration (*Declaración jurada del exportador*), in accordance with Section II of Annex II of General Resolution No. 3.885 and amendments thereto.

Decree No. 745/2020 of 13 September 2020 and Decree No. 333/2020 of 1 April 2020

Establishment of a zero tariff for the following MERCOSUR Common Nomenclature (NCM) subheadings: Ethyl alcohol: 2207.10.10, 2207.10.90 and 2207.20.19; 2843.10.00 Colloidal gold, of a kind used for the manufacture of COVID-19 test strips; 2905.12.10 Propyl alcohol; 2905.12.20 Isopropyl alcohol; 2925.29.29 Guanidinium chloride; 2925.29.29 Guanidinium thiocyanate; 2934.99.34 Nucleic acids and their salts; 3002.12.29 Immunoglobulins, of a kind used for the manufacture of COVID-19 test kits; 3002.13.00 and 3002.14.90 Immunological products used for the manufacture of COVID-19 test kits; 3808.94.19 Surface disinfectant for medical equipment and floors; 3808.94.29 Alcohol-based gel; 3822.00.90 COVID-19 diagnostic reagents; 3919.10.10, 3919.90.20 and 3921.90.19 Self-adhesive plates, film, sheets, foil and strip for the manufacture of COVID-19 test strips; 3926.20.00 Gloves for medical use; 3926.90.40 Laboratory or pharmacy items; 4015.11.00 Surgical gloves; 4015.19.00 Gloves for medical use; 6210.10.00 Of a kind used in surgery and medicine; 6307.90.10 Masks of a kind used by surgeons; 6505.00.22 and 6505.00.90 Disposable hair nets; 7019.90.90 Fibreglass-based sheets for the manufacture of COVID-19 test strips; 8413.19.00 and 8413.60.19 Extracorporeal circulation pumps; 8421.39.30 Oxygen concentrators; 9004.90.20 Safety goggles; 9004.90.90 Safety visors; 9018.11.00 Electro-cardiographs, parts and accessories; 9018.12.10 Doppler ultrasound scanners; 9018.12.90 Ultrasound scanners; 9018.13.00 Magnetic resonance imaging apparatus, parts and accessories; 9018.14.10 Positron Emission Tomography (PET) scanners; 9018.14.20 Gamma chambers; 9018.14.90 Scintigraphic apparatus, parts and accessories thereof; 9018.19.10 Endoscopy apparatus; 9018.19.20 Audiometers; 9018.19.80 Pulse oximeters; 9018.19.90 Parts of electrodiagnostic apparatus; 9018.31.11, 9018.31.19 and 9018.31.90 Syringes; 9018.32.12 and 9018.32.19 Tubular needles; 9018.39.10 Needles for human medicine; 9018.39.21 Sounds, catheters and cannulae, of rubber; 9018.39.22, 9018.39.23, 9018.39.24 and 9018.39.29 Catheters and sounds; 9018.39.30 Lancets for vaccination and cauterising; 9018.39.91 Articles for arteriovenous fistula; 9018.39.99 Other instruments; 9018.90.10 Instruments or apparatus for blood transfusions; 9018.90.92 Apparatus for measuring arterial pressure; 9018.90.94 Endoscopy apparatus, parts and accessories thereof; 9018.90.96 Automatic External Defibrillators (AED); 9018.90.99 Infusion pumps; 9018.90.99 Laryngoscopes; 9019.20.10 Oxygen therapy apparatus, parts and accessories; 9019.20.20 Aerosol therapy apparatus; 9019.20.30 Artificial respiration apparatus; 9019.20.40 Appliances known as "iron lungs"; 9019.20.90 Other apparatus and parts thereof; 9020.00.10 Gas masks; 9020.00.90 Breathing appliances; 9021.90.11 Automatic cardiac defibrillators; 9021.90.19 Cardioverter defibrillators; 9021.90.89 Portable insulin infusion pumps; 9025.11.10, 9025.19.90; 9025.19.90 Clinical thermometers; 9402.90.20 Hospital beds with mechanical fittings; 9403.20.00, 9403.60.00 and 9403.70.00 Over-bed tables and bedside tables for hospital patients.

Decree No. 549/2020 (Official Journal of 23 June 2020)

Exemption for 60 days from the payment of export duties applicable to exports of whole hides and skins, including in the following NCM subheadings: 4101.20.00; (4101.50.10); (4101.50.20); (4101.50.30); (4101.90.10); (4101.90.20); (4102.10.00); and (4103.90.00).

Ministry of Productive Development. https://www.argentina.gob.ar/sites/default/files/fondep_bases_y_condiciones.pdf.

Programme to support the national production system in the area of medical equipment, medical and health inputs, and technological solutions in the context of the COVID-19 pandemic.

Source: Argentine Government.

1.2.2 Performance of the main components of GDP and employment

1.20. Aggregate domestic demand experienced a sharp contraction in real terms between 2012 and 2020, which was equivalent to an average annual decrease of 1.8%. The GDP contraction was 1.5% on average during the review period. These data were influenced by the steep fall in GDP in 2020, but even excluding this, real GDP experienced an average annual contraction of 0.3% during the review period, while domestic demand shrank at an average annual rate of 0.6%. The contraction would have been greater if domestic demand had not been sustained by public consumption, which grew at an average annual rate of 1.4% in real terms between 2012 and 2020 (2.3% if 2020 is excluded). Private consumption fell at an average annual rate of 1.7%, influenced mainly by the strong contraction in 2020. If this contraction is not taken into account, private consumption evolved at an average annual rate of -0.25% in real terms between 2012 and 2019 (Table 1.1). Although investment fluctuated, it demonstrated a fall in real terms of 33% between 2012 and 2020, which

was equivalent to an average annual contraction of 4.3%. The contraction of private investment exceeded that of GDP and, consequently, the rate of private investment as a percentage of GDP measured in constant prices declined from 20.3% of GDP in 2012 to 16.6% in 2020. The authorities observed that it is difficult to talk about averages during the review period, as there were various macroeconomic developments, as well as changes of government. They stated, for example, that the economy had stagnated in the period between 2012 and 2017, during which the average annual growth rate was 0.4%, and in which years of growth had been interspersed with years of downturn. They observed that from 2018 onwards, a process of economic recession had begun, which intensified owing to the pandemic in 2020.

1.21. Exports of goods and services grew at an average annual rate of 0.1% between 2012 and 2019. The crisis created by the global pandemic caused a downturn in 2020, resulting in a real annual decline in exports of -2.1% for the period 2012-20. Goods and services imports contracted more rapidly than the corresponding exports, at an average annual rate of 3.7% between 2012 and 2020. After moderate growth in 2013, imports experienced a steep drop of around 11.5% in 2014, but recovered in 2015, 2016 and 2017, growing by 15.6% in the latter year. However, when the country entered a period of economic downturn in 2018, imports declined, which was further accentuated in 2019 and 2020. In the latter year, the negative effects of the interruption of economic activity caused by the COVID-19 pandemic were strongly felt. Although in some years during the 2012-17 period net exports contributed negatively to GDP growth, their contribution throughout the review period (2012-20) was positive.

1.22. Rates of activity and employment remained relatively constant during most of the review period, and in 2019, stood at 47.2% and 43% respectively. However, due to workforce growth in a context of relative economic stagnation, the unemployment rate increased between 2012 and 2019 from 6.9% to 8.9% of the economically active population.¹⁷ In the first half of 2020, due to the negative effects on economic activity of the health measures adopted to address the COVID-19 pandemic, which restricted activity and movement, the rate of unemployment further increased and the rates of activity and employment fell significantly. In the second quarter of 2020, the rate of activity stood at 38.4%, employment at 33.4% and unemployment at 13.1%.¹⁸ The impact of the pandemic on the employment rate was not consistent among the different occupational categories, and was greater on employees without a pension discount, workers in private establishments and self-employed workers.¹⁹ As from the third quarter of 2020, there was an improvement in the employment situation and the year ended with an average activity rate of 45.0%, an employment rate of 40.1% and an unemployment rate of 11%.

1.23. The weak economic growth recorded between 2013 and 2020 and the devaluation of the Argentine peso against the dollar resulted in a stagnation and the subsequent fall in GDP per capita, which declined from USD 13,932 in 2012 to USD 8,442 in 2020, peaking at USD 14,952 in 2015 and USD 14,613 in 2017. In particular, the sharp depreciation of the Argentine peso in 2019 and 2020 contributed to a major contraction of GDP per capita in US dollar terms. Gross per capita national income, as measured by the World Bank (Atlas method), decreased from USD 12,840 in 2013 to USD 11,130 in 2019 (latest available data). The percentage of the urban population living below the poverty line increased from 25.7% in 2017 to 35.5% in 2019.²⁰

1.2.3 Fiscal policy

1.24. The Ministry of the Economy and Public Finance (MEFP), through its Secretariat for Finance, is the public body responsible for formulating and implementing fiscal policy in Argentina. The review

¹⁷ The authorities observed that the data from the period 2012-19 were influenced by technical and economic factors affecting the labour market. Firstly, the statistical review conducted during the review period resulted in an increase of the unemployment rate by two percentage points. Secondly, as from 2018, real wages fell significantly, which may explain the increase in the workforce and in unemployment. A decline in registered employment was also recorded.

¹⁸ INDEC (2020), *Mercado de trabajo. Tasas e indicadores socioeconómicos (EPH). Segundo trimestre de 2020*. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/mercado_trabajo_eph_2trim20929E519161.pdf.

¹⁹ The number of persons engaged in teleworking increased significantly from 6.5% of employees in the first quarter of 2020 to 22.0% in the second quarter. INDEC (2020), *Mercado de trabajo. Tasas e indicadores socioeconómicos (EPH). Segundo trimestre de 2020*. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/mercado_trabajo_eph_2trim20929E519161.pdf.

²⁰ World Bank (2021). Viewed at: <https://data.worldbank.org/country/argentina?view=chart>.

period was marked by growing fiscal deficits caused primarily by a lower share of revenue in GDP, that is, a drop in tax collection in real terms. Despite the high number of taxes in force, Argentina has a relatively low level of fiscal revenue, particularly tax revenue, in relation to GDP. One of the objectives of fiscal policy has been, and continues to be, the improvement of tax collection, which could benefit from a simplification of the tax system and a tax reform that would go beyond the provisions of the Tax Reform Law of 2017 and Law No. 27.541 of 21 December 2019 on social solidarity and reinvigorating production in the context of the public emergency (see below).

1.25. Argentina recorded a primary deficit during each year of the period under review. This deficit fluctuated between 0.2% and 4.2% of GDP and increased during the period 2012-16, before declining between 2017 and 2019 as the result of the adjustment policies implemented. In 2020, the primary deficit increased again to 6.5% of GDP, mainly as a result of the measures adopted to address the COVID-19 pandemic and lower tax collection caused by the reduction in economic activity. In addition to the deficit of 8.5% of GDP recorded in 2020, the deficit of the national financial balance increased between 2013 (1.9% of GDP) and 2017 (5.9% of GDP), and then declined to 5% and 3.8% of GDP in 2018 and 2019, respectively (Table 1.2.).

Table 1.2 Non-financial public sector (NFPS) finances, 2012-20

(% of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019 ^a	2020 ^b	
1	Current revenue	20.9	21.4	22.3	20.2	19.8	18.7	17.8	17.8	17.6
1.1	Tax revenue	12.5	12.1	12.3	11.9	11.9	10.5	9.7	10.3	10.6
1.2	Social security contributions	6.6	6.9	6.6	7.0	6.8	6.8	6.2	5.7	5.7
1.3	Non-tax revenue	0.5	0.5	0.7	0.7	0.5	0.6	0.5	0.6	0.5
1.4	Government sales of goods and services	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
1.5	Operating revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.6	Property income	1.1	1.8	2.6	0.4	0.3	0.7	1.2	1.0	0.6
1.7	Current transfers	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.1
1.8	Other revenue	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
2	Current expenditure	20.6	20.7	21.9	22.6	23.4	22.7	21.4	21.1	25.4
2.1	Consumption and operating expenditure	4.0	4.1	4.2	4.5	4.2	4.1	3.7	3.3	3.4
2.1.1	Wages	3.0	3.0	3.1	3.3	3.2	3.1	2.8	2.5	2.6
2.1.2	Goods and services	0.9	1.1	1.1	1.2	1.0	1.0	0.9	0.8	0.8
2.2	Interest and other property income	1.9	1.3	1.6	1.3	1.6	2.1	2.7	3.4	2.0
2.3	Social security benefits	7.8	8.1	7.9	9.0	8.9	9.6	8.9	8.7	9.7
2.4	Other current expenditure	0.8	0.9	1.0	0.6	0.2	0.0	0.1	0.1	0.0
2.5	Current transfers	5.9	5.9	6.6	6.7	7.9	6.4	5.6	5.2	9.7
2.5.1	To the private sector	4.5	4.6	5.4	5.4	6.1	4.8	4.3	3.9	7.5
2.5.2	To the public sector	1.3	1.3	1.2	1.3	1.7	1.6	1.3	1.3	2.2
2.5.3	To the external sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.6	Other expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.7	Operating result of public enterprises	0.2	0.3	0.6	0.4	0.5	0.4	0.5	0.4	0.5
3	Economic result: saving/dissaving	0.2	0.8	0.5	-2.4	-3.6	-4.0	-3.6	-3.3	-7.8
4	Capital resources	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.6	0.4
5	Capital expenditure	2.3	2.7	2.9	2.7	2.2	2.0	1.4	1.1	1.0
5.1	Real direct investment	1.1	1.2	1.2	1.1	1.0	0.9	0.6	0.6	0.5
5.2	Capital transfers	1.2	1.3	1.4	1.4	1.0	0.9	0.7	0.4	0.5
5.3	Financial investment	0.0	0.2	0.3	0.2	0.2	0.1	0.1	0.1	0.0
6	Revenue, excluding figurative	20.9	21.4	22.3	20.2	19.8	18.7	17.9	18.4	17.9
6.1	Primary revenue, excluding figurative	19.8	19.7	19.7	19.8	19.5	18.1	16.7	17.3	17.3
7	Expenditure, excluding figurative	23.0	23.4	24.7	25.3	25.6	24.6	22.9	22.2	26.4
7.1	Primary expenditure, excluding figurative	21.0	22.1	23.2	24.0	24.0	22.5	20.2	18.8	24.4
8	Financial result, excluding figurative	-2.1	-1.9	-2.4	-5.1	-5.8	-5.9	-5.0	-3.8	-8.5
8.1	Primary result without income	-1.3	-2.4	-3.5	-4.1	-4.5	-4.5	-3.5	-1.5	-7.1
9	Figurative contributions	6.4	6.6	7.2	7.0	7.6	7.2	6.0	5.8	9.8
9.1	Of the National Treasury	4.7	4.9	5.5	5.2	5.9	5.4	4.5	4.3	8.1
9.2	Other	1.7	1.7	1.7	1.8	1.7	1.8	1.5	1.5	1.7
10	Figurative expenditure	6.4	6.6	7.2	7.0	7.6	7.2	6.0	5.8	9.8
11	Revenue, including figurative	27.2	28.1	29.6	27.2	27.4	25.9	23.8	24.1	27.7
11.1	Primary revenue, including figurative	26.1	26.3	26.9	26.9	27.1	25.3	22.6	23.1	27.1

	2012	2013	2014	2015	2016	2017	2018	2019 ^a	2020 ^b	
12 Expenditure, including figurative	29.3	30.0	32.0	32.3	33.2	31.8	28.9	28.0	36.2	
13 Primary expenditure, including figurative	27.4	28.7	30.4	31.0	31.6	29.7	26.2	24.6	34.2	
14 Primary surplus	-0.2	-0.7	-0.8	-3.8	-4.2	-3.8	-2.3	-0.4	-6.5	
15 Financial result	-2.1	-1.9	-2.4	-5.1	-5.8	-5.9	-5.0	-3.8	-8.5	
16 Financial sources	15.0	16.1	18.2	19.8	23.1	27.7	36.7	30.6	21.1	
16.1 Decline in financial investment	5.7	5.3	3.9	5.9	5.4	7.1	13.7	10.7	3.8	
16.2 Public debt and increase in other liabilities	9.2	10.7	14.2	13.8	17.6	20.4	22.9	19.7	17.1	
16.2.1 Debt in local currency	7.5	7.6	9.6	9.4	10.4	10.6	10.5	10.4	13.0	
16.2.2 Debt in foreign currency	1.2	2.5	3.6	3.9	6.2	9.1	11.6	8.2	3.0	
16.2.3 Increase in other liabilities	0.4	0.5	0.9	0.5	1.0	0.7	0.7	1.1	1.1	
16.3 Increase in equity	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	
16.4 Figurative contributions for financial applications	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.2	
17 Financial applications	12.9	14.2	15.8	16.0	18.7	22.3	31.7	27.7	18.6	
17.1 Financial investment	5.7	6.4	5.7	6.5	8.0	7.7	16.9	10.4	5.7	
17.2 Debt amortization and reduction of other liabilities	7.1	7.7	10.1	9.4	10.5	14.5	14.6	17.2	12.5	
17.3 Decrease in equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	
17.4 Figurative expenditure for financial applications	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.2	
Memorandum										
Central government gross debt (USD million)	216,920	223,439	239,326	240,665	275,446	320,935	332,192	323,065	335,582	
Central government gross debt (% of GDP)	40.4	43.5	44.7	52.6	53.1	56.5	86.4	90.2	104.5	
Central government gross debt (% of GDP, Secretariat calculations)	37.3	36.4	42.2	37.3	49.4	49.9	64.2	72.5	87.6	

a Provisional data.

b Preliminary data.

Note: Figurative contributions (expenditure or revenue) are resources which are received by a public organization or entity belonging to the national government, and which come from another public organization or entity. They involve movements of funds for which there is no consideration, return or cost. As figurative transactions are undertaken between State entities, an inflow for one is an outflow for another or others.

Source: Ministry of the Economy.

1.26. As a reflection of the slowdown in economic activity, during the review period, the current revenue of the non-financial public sector as a percentage of GDP decreased from 20.9% of GDP in 2012 to the equivalent of 17.6% of GDP in 2020. This situation deteriorated considerably in 2020 due to the negative effects of the COVID-19 pandemic on economic activity. The GDP share of the tax revenue of the non-financial public sector declined from 12.5% in 2012 to 10.6% in 2020. The share of social security contributions also decreased from 6.6% of GDP in 2012 to 5.7% in 2020.

1.27. Among the different taxes, the share of VAT represented 30% of tax collection in 2020, profits tax accounted for 20.3%, taxes on foreign trade 8.1%, tax on bank debits and credits represented 6.3%, the tax on personal property accounted for 2.3%, fuel tax 2.7%, excise duties 2.3%, and the PAIS tax represented 1.9%. Among the different taxes on foreign trade, export duties represented 5.4% of tax collection, import duties 2.3% and the statistical fee 0.5%. Customs revenue accounted for 8.9% of tax revenue. The VAT collected by the Directorate-General of Customs on imports represented 9.1% of tax collection in 2020.²¹

1.28. The general budget of the national administration for 2021 projects a primary deficit of 4.2% of GDP for the non-financial public sector. It estimates a total current revenue equivalent to 17.9% of GDP and forecasts a GDP share of 11.3% for tax revenue. The total current expenditure approved for the non-financial public sector by the Law on the budget of the national government for 2021 (Law No. 27.591, Official Journal of 14 December 2020), accounts for 21.5% of GDP.²²

²¹ WTO Secretariat calculations, based on information provided by AFIP. Viewed at: <https://www.afip.gob.ar/institucional/estudios/comparativo-mensual-y-acumulado/2020.asp>.

²² Ministry of the Economy (2020), *Mensaje de remisión del Presupuesto 2021*. Viewed at: <https://www.economia.gob.ar/onp/documentos/presutexto/proy2021/mensaje/mensaje2021.pdf>.

1.29. The Argentine authorities maintain, under tax expenditure, the accounting of revenue forgone as a result of tax concessions for specific activities, zones, taxpayers or consumption.²³ During the review period, the GDP share of tax expenditure followed an upward trend until 2016 when it reached a maximum of 3.3% of GDP before starting on a downward trend which has intensified since 2018 with the entry of the economy into a new period of recession. In 2020, tax expenditure accounted for 2.6% of GDP. Half of such expenditure corresponded to VAT exemptions, 23% to exemptions from profits tax and the rest mainly to exemptions from social security contributions and fuel tax (Table 1.3). Tax expenditure related to exemptions from profits tax has decreased substantially in recent years with respect to the peak observed in 2016 (0.81% of GDP).

Table 1.3 Tax expenditure in the Argentine Republic 2012-20

(% of GDP)

Tax	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total	3.0	3.0	3.1	3.2	3.3	3.2	2.8	2.8	2.6
- Under tax regulations	2.3	2.4	2.4	2.5	2.7	2.6	2.1	2.1	2.0
- Under economic promotion regimes	0.6	0.7	0.6	0.7	0.6	0.6	0.7	0.7	0.6
Value Added	1.4	1.4	1.3	1.4	1.3	1.3	1.3	1.4	1.3
- Under tax regulations	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2
- Under economic promotion regimes	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.1
Profits	0.6	0.6	0.6	0.7	0.8	0.7	0.6	0.6	0.6
- Under tax regulations	0.5	0.5	0.5	0.6	0.7	0.6	0.3	0.2	0.2
- Under economic promotion regimes	0.1	0.1	0.1	0.2	0.1	0.2	0.3	0.3	0.3
Social Security Contributions	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.2
- Under tax regulations	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
- Under economic promotion regimes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fuel	0.5	0.5	0.6	0.5	0.6	0.5	0.4	0.4	0.4
- Under tax regulations	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.3
- Under economic promotion regimes	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Excise Duties	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
- Under tax regulations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Under economic promotion regimes	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Foreign Trade	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
- Under economic promotion regimes	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Personal Property	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0
- Under tax regulations	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0
Miscellaneous Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Under economic promotion regimes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of the Economy, Secretariat for Finance

1.30. Tax Reform Law No. 27.430, Official Journal of 29 December 2017, introduced amendments to various taxes. The Law laid down new rates for profits tax, establishing a rate of 30% for corporate enterprises and permanent establishments for the financial years 2018 and 2019, which may be reduced to 25% in subsequent financial years. The Law also provided that the dividends distributed would be subject to this tax, with a rate of 7% for 2018 and 2019 and 13% for subsequent periods. It also established a tax of 15% applicable to the profits made from the sale of real estate by natural persons, which replaced the property transfer tax, for real estate disposed of and acquired as from 1 January 2018. The Law extended the coverage of the tax to second-category income, in order to include digital currencies, transfer of rights on trusts and similar contracts, and established a schedular tax on capital gains at a rate of 5% for placements without an adjustment clause, 15% for placements with an adjustment clause or made in foreign currency. It also provided for the payment of VAT for digital services, and the gradual unification of employer contribution rates, which were set at 19.5%. It incorporated a tax on carbon dioxide emissions into the fuel tax. Regarding excise duties, the tax on the amount invoiced for the provision of cellular or satellite telephone services was increased, and the levy rates were amended for alcoholic beverages (26% for whisky, cognac, brandy, gin (*ginebra/gin*), pisco, tequila, vodka, rum and beverages of an alcoholic strength of 30% or more; and 20% for beverages of an alcoholic strength of between 10% and 29% and fractions thereof). The Law amended the tax rates applicable to motor vehicles, camping vehicles, motorcycles and vessels for pleasure or sports, which were fixed at 20% for sales exceeding ARS 400,000 (updated yearly) and 0% for sales below this amount. In addition to the above, the

²³ In Argentina, tax expenditure includes incentives that cause definitive losses in tax collection, but does not include the deferral of tax payments, accelerated amortization of profits tax, or advance reimbursement of tax credits in VAT, as the loss in tax collection in the years in which these benefits are enjoyed is offset by higher tax payments in later years.

Tax Reform Law established a tax of 10.5% for sales of air conditioners, telephones, refrigerators, monitors, recording and broadcasting equipment, until 31 December 2023.²⁴

1.31. The Law on social solidarity and reinvigorating production in the context of the public emergency, Law No. 27.541 of 21 December 2019, Official Journal of 23 December 2019, introduced subsequent amendments regarding the tax system and the implementation of fiscal policy in general (Box 1.2). The Law declared a state of public emergency in the economic, financial, fiscal, administrative, social security, tariff, energy, health and social spheres, and empowered the National Executive, until 31 December 2020, to: (a) create conditions to ensure the sustainability of public debt; (b) restructure energy system rates; (c) settle the tax, customs and social security debts of MSMEs; (d) create conditions to achieve fiscal sustainability; (e) unify and strengthen the social security system; (f) ensure the supply of essential medicines to patients in conditions of high social vulnerability; and (g) promote wage recovery by targeting the most vulnerable sectors. The key points of the programme include: the creation of a tax of 30% on payments abroad (PAIS tax); an increase of the statistical fee on imports from 1% to 3%; an increase of export duties up to a maximum of 33% (for soya beans); the temporary suspension of the reduction of the rate for corporate enterprises from 30% to 25% and the increase of the dividend tax (from 7% to 13%); the doubling of the tax rate on credits and debits in bank accounts and other transactions; and the amendment of excise duties on, *inter alia*, vehicles.

Box 1.2 Main points of the Law on social solidarity and reinvigorating production in the context of the public emergency

The main points of the Law on social solidarity and reinvigorating production in the context of the public emergency, Law No. 27.541 of 21 December 2019, published on 23 December 2019, include the following:

1. Sustainability of public debt. The Executive was granted the power to make the arrangements and take the actions necessary to ensure the sustainability of public debt.

2. Energy system. Electricity and natural gas rates were maintained under federal jurisdiction and the national government was authorized to initiate a renegotiation of the current comprehensive tariff review or a review to reduce the real tariff burden on households, businesses and industries. The provinces were invited to comply with these policies. The Executive was granted the power to intervene on an administrative level in the National Electricity Regulatory Authority (ENRE) and the National Gas Regulatory Authority (ENARGAS) for a period of one year (Section 4).

3. Remission and rescheduling of tax, social security and customs obligations. A special scheme was established to regularize the obligations due up to and including 31 July 2020 and also related violations, by MSMEs, non-profit entities, small taxpayers, and natural persons repatriating at least 30% of their financial assets abroad within 60 days of enrolling in the scheme. For small taxpayers, a tax exemption of between two and six consecutive monthly instalments was established, with a limit of ARS 17,500. For MSMEs, additional exemptions were permitted, up to 31 December 2021, of two and three annual instalments for investments in domestic and imported goods, and of an amount of annual instalments equivalent to 50% of the useful life of the investment in infrastructure works. The amount of compensatory interest on customs fines and duties was limited to 10% of the capital due for 2018, 2019 and up to 31 July 2020, 25% for 2016 and 2017, 50% for 2014 and 2015, and 75% for the 2013 fiscal period and previous fiscal periods. Non-forgiven debt may be paid in one instalment with a reduction of 15% or progressively over a period of between 48 and 120 months. Decree No. 966/2020, Official Journal of 1 December 2020 extended up to and including 15 December 2020 the time-limit established for applying to the regularization scheme.

4. Refunds for vulnerable sectors. The Federal Public Revenue Administration (AFIP) was granted the authority to establish a refund scheme for final consumers and the provision of incentives for small taxpayers selling goods on a regular basis, providing services, performing works or leasing movable goods, which aimed to encourage formalization and tax compliance. Both the refunds and stimuli are intended to prioritize the most vulnerable sectors of society and promote financial inclusion.

5. Social security. Employer contributions. Two rates of 20.4% and 18% were maintained indefinitely for employer contributions on payroll, for social security purposes. A scheme to converge gradually to a single rate of 19.5% as from 1 January 2022, which was established by Law No. 27.430 of 29 December 2017, was eliminated. A monthly deduction for each worker was authorized. Employers in the textiles, clothing, footwear and leather goods sectors, the primary agricultural and industrial sector, and the health sector, and public service concession holders of which at least 80% of the equity belongs to the State, may double this deduction.

7. Personal property and schedular tax. As from the financial year 2019, the personal property tax was amended, and the National Executive was granted the power, until 31 December 2020, to set differential rates up to 100% higher than the maximum rate set forth in Law No. 23.699 and the amendments thereto (the

²⁴ Law No. 27.430, Official Journal of 29 December 2017. Viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/305000-309999/305262/texact.htm>.

maximum rate, which is applied to assets over ARS 18 million, is ARS 156,250 +1,25%), in order to tax assets located abroad, and to reduce the rate for financial assets in the event of their repatriation, and set a rate of 0.50% on the value determined. As from the fiscal period 2020, an exemption from profits tax was established for the interest earned on fixed-term deposits in domestic currency in saving accounts and special savings accounts, and third-party deposits and other forms of raising funds from the public.

8. "Tax for an inclusive and supportive Argentina" (PAIS tax) For five fiscal periods, a tax of 30% was established on:

- (a) Purchases of banknotes and foreign currency, as well as travellers' cheques, made by residents.
- (b) The exchange of foreign currency carried out by financial entities intended for the purchase of goods or services or the leasing of services abroad, which are paid for using credit, purchasing or debit cards. This includes purchases made through web portals or websites.
- (c) The exchange of foreign currency carried out by financial entities intended for the purchase, by residents in the country, of services provided by non-residents, which are paid for using credit, purchasing or debit cards, or any other equivalent means of payment.
- (d) The acquisition of services abroad contracted through travel and tourism agencies.
- (e) The acquisition of land, air and water transport services by passengers bound for destinations outside the country, with the exception of acquisitions made by the State, the provincial states, the Autonomous City of Buenos Aires (CABA) or the municipalities. The tax does not apply to: expenses for health care services; the purchase of medicines and books; the use of educational platforms and software for educational purposes; or expenses associated with research projects carried out by researchers in state bodies and universities.
- (f) The purchase abroad of equipment and other goods intended for civil protection.

A total of 70% of the tax proceeds is used to finance the programmes of the National Social Security Administration (ANSES) and the services provided by the National Institute of Social Services for Retirees and Pensioners (INSSJP), and 30% is allocated for social housing, infrastructure and national tourism development works.

9. Tax on credits and debits in bank accounts and other transactions. The prevailing rate for cash withdrawals was doubled, with the exception of accounts held by natural persons or MSMEs.

10. Profits tax. The 20% deduction on the tax base stipulated in Article 1 of Decree No. 561 of 14 August 2019 was validated for dependent workers, public employees and pensions. As from 2020, the schedular tax on individual income and undivided estates derived from interest on securities and fixed-term deposits, was repealed and replaced by the progressive profits tax. The reduction of the rate for corporate enterprises from 30% to 25%, and the increase of the dividend tax (from 7% to 13%), which were both provided for by Law No. 27.430, were suspended until 31 December 2020.

11. Statistical fee. The statistical fee rate was increased from 1% to 3% until 31 December 2020. The rate applies to outright imports for consumption, with the exception of destinations registered under preferential agreements. Decree No. 1.057/20 of 30 December 2020 extended the rate of 3% until 31 December 2021.

12. Excise duties. Taxes on goods such as vehicles and motor vessels were amended. The Law reduced, as from 1 January 2020, the amount exempt from the tax on motor vehicles from ARS 1,831,084.43 to ARS 1.3million. For vehicles with a value of between ARS 1.3 million and ARS 2.4 million, the rate of 20% was maintained. For vehicles with a sale price of over ARS 2.4 million, a new rate of 35% was introduced. For motorcycles and mopeds, the exempt amount was increased from ARS 380,000 to ARS 390,000, with a rate of 20% for those with a sale price of between ARS 390,000 and ARS 500,000. A new rate of 30% was introduced for sale prices exceeding ARS 500,000. Since April 2020, AFIP has updated these amounts on a quarterly basis, taking into account changes in the domestic wholesale price index (IPIM).

13. Export duties. The National Executive was granted the authority to establish export duties at a rate of up to 33% of the dutiable value or of the official f.o.b. price. It prohibited the rate from exceeding: 33% for soya beans; 15% for goods which were not subject to export duties at 2 September 2018 or which had a rate of 0% at that date; 8% for hydrocarbons and mining; and 5% for agro-industrial products from regional economies defined by the National Executive, and industrial goods and services. It established that 67% of the incremental value of export duties must be used to finance the programmes implemented by ANSES and the services provided by the INSSJP, and that 3% must be allocated to the solidarity fund for agro-industrial competitiveness managed by the Ministry of Agriculture, Livestock and Fisheries to stimulate the activity of small-scale producers and cooperatives through loans for production, innovation and addition of value. State-owned enterprises and companies, the purpose of which is to carry out science-, technology- and innovation-related activities, are exempt from the payment of export duties until 31 December 2021.

14. Social security benefits. The Law provided that, temporarily, until 31 December 2023, up to 70% of the portfolio of the sustainability guarantee fund of the Argentine Integrated Social Security Scheme (SIPA) may be held in government securities, with or without guarantees. At the end of this period, the holding of these assets must be regularized within the limit of 50% established in Article 74 of Law No. 24.241.

15. Freely disposable reserves. The Government was authorized to issue bills for up to USD 4,571 million for a 10-year term with full repayment at maturity, at an interest rate equal to that earned by the BCRA's international reserves for the same period, and up to a maximum equivalent to the one-year LIBOR rate minus one percentage point. It was also authorized to purchase foreign currency with the proceeds of these bills.

Notes: In accordance with the Customs Code, the statistical fee may be applied in principle to both imports and exports, whether definitive or temporary (transitional). Decree No. 389/1995 established a rate of 3% and a series of exemptions. Decree No. 37/1998 lowered the rate to 0.5% while Decree No. 108/1999 established a scale of maximum amounts payable, with a ceiling of USD 500 for transactions exceeding USD 100,001. Decree No. 332/2019 lowered the rate to 2.5%, suspended the exemptions until 31 December 2019, and established a new scale of maximum amounts, with a ceiling of USD 125,000 for transactions exceeding USD 5 million. Law No. 27.541 fixed the rate at 3% and established exemptions, and Regulatory Decree No. 99/2019 set out a new scale of maximum amounts, with a ceiling of USD 150,000 for transactions exceeding USD 1 million.

Source: Law on social solidarity and reinvigorating production in the context of the public emergency. Law No. 27.541, Official Journal of 23 December 2019. Viewed at: <http://www.saij.gov.ar/27541-nacional-ley-solidaridad-social-reactivacion-productiva-marco-emergencia-publica-Ins0006797-2019-12-21/123456789-0abc-defg-g79-76000scanyel?q=%28numero-norma%3A27541%20%29&o=0&f=Total%7CTipo%20de%20Documento/Legislaci%F3n%7CFe#>.

1.32. During the review period, amendments were introduced to the tax revenue sharing system, which granted the national government the authority to collect most of the taxes and then make transfers to the provinces in accordance with certain agreed percentages. The Law on federal fiscal revenue sharing²⁵ provides for the distribution of the proceeds from all national taxes, with the exception of import and export duties, and taxes subject to special sharing regimes, with a specific purpose or intended for investments, services and works declared to be of national interest. The total revenue collected is distributed in the following manner: 42.34% to the nation; 54.66% to affiliated provinces; 2% to compensate for the relative level of the provinces of Buenos Aires (1.5701%), Chubut, Neuquén and Santa Cruz (0.1433% each); and 1% to the National Treasury fund for contributions to the provinces.²⁶

1.33. The agreement between the national government (the Government) and the provincial governments²⁷ authorizes the Government to withhold 15% of the pool of shared taxes for the payment of national social security obligations, and a fixed amount to be distributed among some provincial states to offset fiscal imbalances. With a view to correcting distortions and addressing disputes arising from the implementation of the system, a new agreement was signed between the Government and the provinces. The "agreement for a new federalism", signed on 23 May 2016 between the Government, 19 provinces and the Autonomous City of Buenos Aires²⁸ provided for the progressive elimination, until 2020, of the 15% deduction from the pool of shared taxes. In order to comply with the mandate on fiscal revenue sharing, the different administrations have sought to harmonize taxes between the provinces and the State. A first attempt involved the signing, in August 1993, of the federal pact for employment, production and growth, which resulted in a commitment, undertaken by the provinces, to gradually eliminate a series of taxes.²⁹ After several extensions, the provinces were given until 31 December 2017 (subsequently deferred) to comply with the provisions of the pact. The State agreed to reformulate certain taxes and adapt the rules on VAT withholding or payments on account to ensure that they did not exceed an effective rate of 18%.

1.34. The Federal Fiscal Responsibility Law and the amendment thereto establishes limits on increases in public spending for the Government, the affiliated provincial jurisdictions and the

²⁵ Law No. 23.548, enacted on 22 January 1988, which defines how revenue is distributed between the nation and the provinces.

²⁶ Revenue is distributed to the affiliated provinces in the following proportions: Buenos Aires: 19.93%, Catamarca: 2.86%, Córdoba: 9.22%, Corrientes: 3.86%, Chaco: 5.18%, Chubut: 1.38%, Entre Ríos: 5.07%, Formosa: 3.78%, Jujuy: 2.95%, La Pampa: 1.95%, La Rioja: 2.15%, Mendoza: 4.33%, Misiones: 3.43%, Neuquén: 1.54%, Río Negro: 2.62%, Salta: 3.98%, San Juan: 3.51%, San Luis: 2.37%, Santa Cruz: 1.38%, Santa Fe: 9.28%, Santiago del Estero: 4.29% and Tucumán: 4.94%.

²⁷ Ratified by Law No. 24.130, enacted on 17 September 1992.

²⁸ Ratified by Law No. 27.260, Official Journal of 22 July 2016.

²⁹ Concluded between the National State and the provincial states (Buenos Aires, Corrientes, Chaco, Entre Ríos, Formosa, Jujuy, La Pampa, La Rioja, Mendoza, Misiones, Salta, San Juan, San Luis, Santa Fe, Santiago del Estero and Tucumán), and ratified by means of Decree No. 14/94 of 6 January 1994.

Autonomous City of Buenos Aires.³⁰ It provides that the nominal rate of increase in the net primary current public spending of each jurisdiction may not exceed the rate of increase in the consumer price index (CPI) for national coverage. For the jurisdictions that had recorded a current primary deficit in the previous year, the nominal rate of increase in total net primary public spending (including capital expenditure) may not exceed the aforementioned limit. Where the financial result is balanced, the nominal rate of increase in primary current spending may not exceed the GDP nominal growth rate, or, where this rate is negative, the rate in the CPI for national coverage. The Law also establishes a debt ceiling, by providing that the debt services of each jurisdiction may not exceed 15% of the net current resources from shared transfers. In 2019, 22 jurisdictions had adopted the regime.³¹

1.35. In November 2017, the National Executive, the governors of 22 of the 23 provinces and the head of the City of Buenos Aires government signed a fiscal consensus³², through which the National State, the provinces and the Autonomous City of Buenos Aires undertook a commitment to amend the Federal Fiscal Responsibility Law by 30 June 2018 and to harmonize policies.³³ One of the main aspects of the consensus was the repeal, as from 1 January 2018, of Article 104 of the Profits Tax Law.³⁴ The State made a commitment to compensate the provinces that complied with the consensus and adhered to it for the reduction of resources in 2018 as a result of the removal of Article 104 of the Profits Tax Law. The provinces committed to withdraw from the proceedings initiated against the National State for funds owed, and to not increase the stamp duty rates for the transfer of real estate and motor vehicles and for hydrocarbons activities, and to eliminate this rate for other contracts and acts as from 1 January 2022.

1.36. The deterioration of the public finances situation and the need to seek fiscal consolidation made it necessary to adapt the fiscal consensus and postpone some of the targets established therein. A new fiscal consensus was signed in September 2018³⁵, which, *inter alia*, repealed, as from 1 January 2019, the total or partial exemption or deduction of the object of the profits tax, and postponed the elimination of the stamp duty for one year. In December 2019, the fiscal consensus of 2019 was signed, through which it was decided, due to the worsening of the economic and fiscal situation, to suspend until 31 December 2020 the application of most of the paragraphs of the fiscal consensus of 2017 and 2018, including the elimination of Article 104 of the Profits Tax Law, which consequently postponed fiscal harmonization and further deferred the schedule for the elimination of the stamp duty.³⁶

1.37. In 2016, the original purpose of the Federal Solidarity Fund, created in 2009, was expanded, thus enabling it to finance infrastructure works in the provinces and municipalities, and in the

³⁰ Law No. 25.917, enacted on 24 August 2004, amended by Law No. 27.428, Official Journal of 2 January 2018 (federal fiscal responsibility and good governance practices regime).

³¹ All provinces, with the exception of La Pampa and San Luis, and the Autonomous City of Buenos Aires.

³² Approved by Law No. 27.429, Official Journal of 2 January 2018.

³³ The provinces committed to: (a) eliminate differential treatment regarding the tax on gross revenue, the main resource for the provincial governments, based on corporate establishment or place of production, and to adapt the operation of withholding, levy and collection systems, in order to respect the territorial limit of the taxation power of the jurisdictions, and establish a mechanism for the automatic refund of the accumulated credit balance generated by withholdings and levies; (b) adopt valuation procedures and methodologies for the calculation of the tax on real estate, and set rates of between 0.5% and 2% of the tax value; (c) refrain from increasing the stamp duty rates for the transfer of real estate and motor vehicles, and hydrocarbons activities and auxiliary services, and to gradually reduce these rates (by a maximum of 0.75% from 1 January 2019), and eliminate them from 1 January 2022 for other acts and contracts; and (d) adapt municipal rates to ensure that they correspond to the provision of a service and are proportional to the cost of that service.

³⁴ Article 104 of the Profits Tax Law provided that the proceeds of the tax would be distributed as follows: (a) 20% to the unified social security system, for the payment of national social security obligations; (b) 10%, subject to a ceiling, to the province of Buenos Aires, and the excess of the ceiling among the other provinces in accordance with the proportions established in Law No. 23.548; (c) 2% to the National Treasury fund for contributions to the provinces; (d) 4% to the provinces, excluding Buenos Aires, in accordance with the index of unsatisfied basic needs; and (e) the remaining 64% would be distributed between the nation and the provinces.

³⁵ Approved by Law No. 27.469 of 4 December 2018.

³⁶ Law No. 27.542, Official Journal of 12 February 2020, Annex I of which implemented the consensus signed on 17 December 2019. The fiscal consensus of 2019, *inter alia*, suspended the scheme for the reduction of rates scheduled for 2020, and established, with regard to the stamp duty, that the provincial jurisdictions may increase, in 2020, the rates for the transfer of real estate and motor vehicles, and hydrocarbons activities and auxiliary services. Lastly, the provinces were authorized to implement taxes once again.

Autonomous City of Buenos Aires, while prohibiting the use of the resources to finance current expenditure.³⁷ The fund was financed with 30% of national state revenue obtained from export duties on soya beans. Of total revenue collected by the provinces, 70% was used to finance infrastructure works in the provinces, while the other 30% was transferred to the municipalities. In August 2018, the Federal Solidarity Fund was abolished because of the need to accelerate fiscal consolidation.³⁸

1.2.4 Monetary and exchange rate policies

1.38. Argentina's monetary and exchange rate policy is managed by the Central Bank of Argentina (BCRA). The purpose of the BCRA is to promote monetary stability, financial stability, employment and economic development with social equity, within the limits of its authority and in the framework of policies established by the Government. The functions and authority of the BCRA are defined in Article 4(b) of Law No. 26.739. While the BCRA is not authorized to provide loans to the Government, provinces or municipalities, or to guarantee or endorse bills or other obligations of these entities, its Charter allows it to make temporary advances to the Government for up to 12% of the monetary base. It may also make advances of up to 10% of the cash resources obtained by the Government in the last 12 months. These advances have to be repaid within 12 months of being released. The BCRA is also authorized, "on an exceptional basis and if the national or international economic situation or prospects so justify" and for a maximum period of 18 months, to make temporary advances for an additional amount equivalent to up to 10% of the cash resources received by the Government in the last 12 months, which must be repaid within 18 months of being released.³⁹

1.39. Regarding the management of monetary policy, between 2012 and 2015, there was a period in which a relatively expansionary approach to the implementation of monetary programmes was adopted. The average annual variation of the money aggregate M2 fluctuated between 27% and 33.7%, which entailed an increase in real terms (Table 1.4). From 2016 until 2019, the monetary policy bias was contractionary, as the increase in M2 was below the inflation rate, and the monetary policy rate and other interest rates rose. In 2020, the monetary bias became more expansionary in order to address the negative effects of the COVID-19 pandemic, in particular through an increase in credit.

Table 1.4 Main monetary indicators, 2012-20

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Monetary variables^a									
Monetary base (% of GDP)	9.3	9.4	8.3	8.4	7.8	7.9	7.7	6.7	8.0
Monetary base (growth rate)	35.9	28.5	20.2	32.1	28.7	30.2	32.6	28.4	51.2
M2 (% of GDP)	15.7	16.0	15.0	15.4	14.9	16.7	16.8	14.6	18.0
M2 (growth rate)	27.0	29.0	28.0	33.7	33.4	45.8	36.8	28.6	55.0
M3 (% of GDP)	26.0	26.2	23.9	24.5	23.7	25.1	26.8	24.1	28.8
M3 (growth rate)	25.8	28.1	24.7	33.4	33.7	36.9	45.9	32.6	50.4
Interest rates (average annual, %)									
In joint savings accounts	0.3	0.2	0.2	0.2	0.2	0.3	3.4	7.2	4.5
Fixed term, in pesos, 30 to 59 days	12.0	14.9	20.4	21.2	24.3	19.0	31.9	47.3	29.3
Fixed term, in pesos, more than 60 days	12.3	14.9	22.9	24.1	24.8	19.4	32.5	47.6	29.9
Fixed term, in USD, 30 to 59 days	0.5	0.5	0.9	1.6	0.8	0.4	0.9	1.5	0.7
Fixed term, in USD, more than 60 days	1.0	0.9	1.5	2.4	1.3	0.7	1.3	2.0	1.0
Monetary policy rate ^b	..	..	..	36.5	31.0	26.3	44.2	65.2	39.6
Inflation									
Consumer price index, domestic total (end of period, Dec. 2016=100)	..	..	..	..	100.0	124.8	184.3	283.4	385.9
Consumer price index, Greater Buenos Aires area (end of period, Dec. 2016=100)	..	..	..	..	100.0	125.0	183.9	281.2	377.1
Consumer price index, domestic total (end of period, variation %) ^c	10.8	10.9	..	..	..	24.8	47.6	53.8	36.1
Domestic wholesale price index (IPIM), general level (average annual variation %) ^d	12.9	13.6	27.0	13.0	25.1	17.7	49.7	59.1	41.3
Domestic wholesale price index (IPIM), domestic products (average annual variation %)	13.1	13.6	26.6	13.2	25.0	18.3	48.5	58.7	41.0

³⁷ The fund was created through Decree No. 206/2009 of 19 March 2009. The amendments to the objectives of the fund were introduced by Article 74 of Law No. 27.341, Official Journal of 21 December 2016.

³⁸ Decree No. 756/2018, Official Journal of 15 August 2018.

³⁹ Article 20 of the Charter of the BCRA, Law No. 24.144.

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Exchange rates									
Multilateral real exchange rate index (Dec. 2015=100)	104.2	100.4	105.7	82.7	94.2	88.3	109.5	121.5	118.4
Multilateral real exchange rate index with Brazil (annual variation)	-19.5	-7.8	3.5	-30.3	17.5	0.4	12.8	9.1	-17.9
Multilateral real exchange rate index with the United States of America (annual variation)	-9.2	-2.6	8.0	-10.3	15.9	-9.2	28.2	15.2	4.4
Multilateral real exchange rate index with the Eurozone (annual variation)	-15.8	0.6	6.9	-25.2	14.5	-7.9	32.7	8.9	5.5

.. Not available.

a Average annual balances at end of month.

b Until 31 December 2016, the term of the LEBAC interest rate was 35 days.

Since 2 January 2017, the monetary policy benchmark rate has corresponded to the mid-band of the seven-day repo interest rates corridor.

Since 8 August 2018, it has been the weighted average rate of liquidity bills (LELIQs).

Since 21 January 2020, it has corresponded to the weighted average rate of the shortest-term LELIQ auctioned in the last successful bid, which will remain in effect until the next auction process.

c Calculated in accordance with the current prevalence rate: 2008=100 for 2012 and 2013 (component index). It was not possible to calculate the figures for 2014, 2015 and 2016.

d The current series of the IPIM by INDEC began in December 2015. The previous series were published as historical series and went up to October 2015. Therefore, in 2015, no data were published for the months of November and December, and the figure submitted covered up to October, as it was not possible to close the full year.

Source: Central Bank of Argentina (BCRA) and the National Institute of Statistics and Censuses (INDEC).

1.40. During the review period, Argentina's monetary and exchange rate policy underwent various changes. In the first stage, from 2012 to the end of 2015, the target monetary variable of the BCRA was the money aggregate M2.⁴⁰ The BCRA established quarterly bands for the M2, in order to allow for a certain amount of flexibility in monetary policy to manage other variables that could influence the liquidity of the economy, such as the short-term interest rate. This was achieved through daily intervention in the repo market, bond trading operations, and intervention in the foreign exchange market. The BCRA sterilized all surplus monetary expansion, basically by issuing bills and notes (LEBAC and NOBAC).

1.41. In December 2015, the BCRA refocused its monetary policy towards the primary objective of lowering inflation. The inflation objective fixed by the authorities was to reach, within a reasonable time-frame, an annual inflation rate of 5%. The instrument that was used to achieve this objective was the interest rate. It was decided that the exchange rate would be freely determined in the market, with occasional interventions by the monetary authority.⁴¹ In September 2016, the BCRA launched the inflation targeting regime, which involved the BCRA using all monetary policy instruments at its disposal to achieve its objectives.⁴² The targets set were 12% to 17% for 2017, 8% to 12% for 2018 and 5% as from 2019. For 2016, an inflation target of 25% was sought. At the same time, the consumer price index was amended, in order to obtain national coverage and not only coverage of Greater Buenos Aires, which had been the case until then. In January 2017, the BCRA changed its monetary policy interest rate, abandoning the 35-day term LEBAC rate, and replacing it with the mid-band of the seven-day repo corridor.⁴³ As a result, in 2017, inflation decreased, but at a slower pace than that expected by the BCRA. In 2017, the increase in the CPI was 24.8% above the target set, partly due to the relaxing of monetary policy between October 2016

⁴⁰ The sum of currency in circulation, private and public sector current-account deposits in pesos, and private and public sector savings deposits in pesos.

⁴¹ BCRA (2016), *Informe de Política Monetaria* (Monetary Policy Report), May 2016. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPM_Mayo_2016_i.pdf.

⁴² BCRA (2017), Monetary Policy Report, January 2017. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPOM_January_2017.pdf.

⁴³ A reverse repo consists of the purchase of a security (a LEBAC) at the current price, subject to a future sale, in this case within seven days, at a pre-determined price. The difference between the purchase price and the sale price implies the interest rate of the transaction. For a reverse repo (or repo), the BCRA pays (charges) an interest rate to the commercial bank that provided it with the excess liquidity. BCRA (2017), Monetary Policy Report, January 2017. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPOM_January_2017.pdf.

and March 2017, the increase in regulated prices above that estimated by the BCRA, and a percentage of adjustment of nominal medium-term contracts above future inflation expectations.⁴⁴

1.42. Inflation rose sharply in the third quarter of 2018, reaching a monthly average of 4.5% and 6.5% in September. This increase was associated with the accelerated depreciation of the peso as from April, which resulted in more uncertainty and a higher price correction, and which caused an increase in inflation expectations. Inflation expectations over 12 months climbed from 24.1% at the end of July to 33.4% at the end of August. To resume the path of disinflation and recover the anchor on expectations (to prevent them from continuing to increase), the BCRA amended, at the end of September 2018, its monetary policy scheme and discontinued the inflation targeting regime as it had failed to achieve the expected results.

1.43. The new monetary policy scheme that entered into force on 1 October 2018 was based on monetary base control, monetary aggregate under the direct control of the BCRA, and grew at a rate of more than 2% per month. The BCRA committed to refrain from increasing the nominal monetary base until June 2019, and decided that the zero nominal monthly growth target would be seasonally adjusted in December and June when the money demand increases. In parallel, intervention and non-intervention zones were defined for the exchange rate until the end of 2018, with limits adjusted daily at a rate of 3%.⁴⁵ Above the non-intervention zone, the BCRA was able to sell foreign currency for a daily amount of up to USD 150 million, which resulted in a monetary contraction. Below the non-intervention zone, the BCRA was able to purchase foreign currency and decide whether or not to withdraw the pesos injected by the purchase of this currency. Within the non-intervention zone, the exchange rate fluctuated freely. It was also decided that the BCRA would no longer make transfers to the Treasury. In adopting this policy, the BCRA considered that, together with the announcement of a zero primary fiscal deficit for 2019, it was a necessary tool to begin to reduce both inflation expectations and rates.⁴⁶

1.44. The BCRA exceeded the monetary base target in the first months following the implementation of the new scheme.⁴⁷ The LELIQ average annual interest rate, which stood at 73.5% in early October 2018, declined to 56.9% at the end of January 2019. The exchange rate remained within the non-intervention zone during the last quarter of 2018, coming closer to the lower bound. In January and February 2019, the exchange rate was below the non-intervention zone and the BCRA purchased foreign currency in response to an increased demand for pesos. The monthly inflation rate started to fall from the peak recorded in September 2018 (6.5%), although it remained above the levels sought by the BCRA, partly due to the increases in regulated prices. In light of this, the Monetary Policy Committee (COPOM) of the BCRA introduced a series of additional measures whereby it: reduced the monetary base target by ARS 43 billion and extended the monetary base zero-growth target until the end of 2019; eliminated the seasonal adjustment of the monetary base in June 2019; rendered permanent the overcompliance of the target obtained in February; established a minimum value for the benchmark interest rate and therefore decided to absorb the liquidity required to maintain a minimum LELIQ bidding rate of 62.5% per year during April 2019; set the bounds of the non-intervention zone at the levels of the beginning of the year until the end of 2019, and decided to refrain from purchasing foreign currency below the floor until 30 June 2019; and authorized the sale of foreign currency in the exchange market vis-à-vis episodes of excessive volatility, even within the reference zone.⁴⁸

1.45. In its Monetary Policy Report of July 2019, the BCRA stated that maintaining an approach based on a contractionary monetary policy was essential to ensure that factors underlying inflation, such as increased regulated prices or exchange rate fluctuations, did not have a permanent impact. It therefore decided to maintain the contractionary bias of the monetary scheme throughout 2019. During the second quarter of 2019, the BCRA continued to comply with its zero-growth target for the monetary base. In light of a fall in inflation and lower inflation expectations, COPOM reduced the

⁴⁴ BCRA (2018), Monetary Policy Report, January 2018. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPOM_Enero_2018_i.pdf.

⁴⁵ The non-intervention zone was set on 1 October 2018 for an exchange rate of ARS 34 per US dollar in the lower bound and ARS 44 per US dollar in the upper bound.

⁴⁶ BCRA (2018), Monetary Policy Report, October 2018. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPOM1018_i.pdf.

⁴⁷ BCRA (2019), Monetary Policy Report, January 2019. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPOM0119_i.pdf.

⁴⁸ BCRA (2019), Monetary Policy Report, April 2019. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPOM0419_i.pdf.

floor of the benchmark interest rate (LELIQ) to 58% in July. Furthermore, in order to contribute to strengthening the transmission of the LELIQ interest rates, the BCRA decided to reduce by three percentage points the regulatory minimum cash requirement on fixed-term deposits as from July, and established that the monetary base target would be reduced as from August to ARS 1.2982 billion in October, and therefore offset the effect of the reduction in minimum reserve requirements.⁴⁹

1.46. However, in August 2019, after the results of the primary elections, inflation expectations and the risk perception related to Argentine assets went up again, which led to a reduced exposure regarding these assets and, in turn, a steep decline in their price, a depreciation of the exchange rate, a rise in the benchmark interest rate and a drop in deposits in dollars, which began to be reflected by a fall in the BCRA's international reserves. In a context of high uncertainty, the depreciation of the peso resulted in an acceleration of inflation. In view of this, the Government eliminated VAT for a group of products in the basic food basket to mitigate the effects of inflation on households, and maintained the decision to apply no further increases to public utilities rates until the end of the year. The BCRA began to apply a more contractionary monetary policy and implemented measures aimed at regulating access to the foreign exchange market to curb exchange rate volatility, and at reducing the demand for dollars. This was compounded by the effect of foreign exchange interventions carried out by the BCRA to mitigate exchange rate volatility and prevent a further exchange rate increase pass-through to prices, and the closing of capital markets for the public sector entailing a greater use of international reserves to cover debt maturities. The decline in international reserves entailed a reduction of the money supply.⁵⁰ In order to prevent an excessive monetary contraction, COPOM adjusted its monetary base targets, forecasting monthly growth of 2.5% in September and October 2019. In order to ensure the contractionary bias of the monetary policy, COPOM increased the floor for LELIQ interest rates from 58% to 78% in September, and set the floor at 68% for October.⁵¹

1.47. Furthermore, the authorities adopted a series of measures to reduce the loss of international reserves, and announced the extension of the maturities (reprofiling) of the National Treasury's short-term debt (see above). The BCRA also implemented measures intended to regulate the inflows and outflows of the foreign exchange market and reduce the net demand for US dollars. The foreign exchange measures implemented by the BCRA as from 1 September 2019 include: (a) the obligation for exporters of goods and services to settle their foreign currency earnings in the domestic market within five working days after collection or disbursement; (b) the requirement of prior authorization from the BCRA for the purchase of foreign assets, the transfer abroad of earnings and dividends, and transfers abroad by legal persons; (c) restrictions on foreign exchange market access for the payment of new debts and other obligations in foreign currency among residents; (d) authorization from the BCRA for purchases exceeding USD 10,000 by natural persons; (e) authorization from the BCRA to access the foreign exchange market for amounts exceeding USD 1,000 per month for non-residents; and (f) a limit of USD 100,000 for the purchase of a single family home.

1.48. With the arrival of the new Government, the BCRA amended its monetary and exchange rate policy guidelines, and released them in January 2020. It established a monetary policy aimed at promoting a prudent expansion of monetary aggregates, and avoiding imbalances that would affect the inflation process. Regarding the exchange rate, it adopted a managed floating exchange rate policy to avoid drastic fluctuations in exchange rates, and to allow for a preventive accumulation of international reserves. As it was not considered possible to set specific targets for the expansion of monetary aggregates or inflation, the BCRA established guidelines on these indicators, and on interest rates, the exchange rate, credit, level of activity and employment. It reaffirmed the requirement for the entry of foreign currency from exports into the local exchange market and the mandatory limits on the creation of external assets with local resources, and also established a tax on the purchase of foreign currency for savings purposes and the payment of tourism services and

⁴⁹ BCRA (2019), *Monetary Policy Report*, July 2019. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPOM0719_i.pdf.

⁵⁰ The BCRA estimates that, between 9 and 30 August 2019, international reserves fell by USD 12,208 million (-18%) driven by USD 2,038 million from exchange interventions, USD 4,862 million related to the outflow of bank deposits in US dollars and USD 5,262 million from public sector transactions, mainly due to debt maturities. BCRA (2019), *Monetary Policy Report*, October 2019. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPOM1019_i.pdf.

⁵¹ BCRA (2019), *Monetary Policy Report*, October 2019. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPOM1019_i.pdf.

travel abroad.⁵² The BCRA decided to assist the Treasury, on an exceptional basis, in the event of debt payments abroad and regarding limits that respected the balance in the money market for financing in domestic currency. Concerning interest rates, the strategy defined was to maintain the real interest rate at positive levels, so as to preserve the financial and external stability of the economy, and encourage savings in domestic currency. As regards inflation, the BCRA sought to introduce a progressive but sustainable reduction of the inflation rate based on the concurrent application of monetary, foreign exchange and fiscal policies, price agreements and the coordination of short- and long-term strategies. It also sought to establish a gradual process of remonetization and domestic credit expansion.⁵³

1.49. In October 2020, the BCRA issued a new update to the monetary policy guidelines in order to take into account, in particular, the effects of the increase in liquidity resulting from the measures adopted to address the pandemic. The BCRA decided to monitor the developments in monetary aggregates and respond through greater reliance on open market operations. It also decided to gradually harmonize monetary policy benchmark rates. As part of the managed flotation strategy, the BCRA decided to gradually adjust the daily depreciation rate to the needs of the economic environment and maintain the foreign exchange regulations until the fiscal, external and monetary situation improved.⁵⁴

1.50. The BCRA established its monetary, foreign exchange, credit and financial policy for 2021 with the following key objectives: (a) support economic standardization through a counter-cyclical monetary policy; (b) restore confidence in the Argentine peso; (c) sustain the gradual process of disinflation through the careful management of monetary, financial and foreign exchange conditions, while meeting the essential financing needs of the Treasury; (d) contribute to the external balance through the calibration of the BCRA's policies in order to promote foreign exchange stability and strengthen the international reserve position, while maintaining the foreign exchange regulations in force to minimize possible pressures on the foreign exchange market; (e) enhance the recovery of private credit; (f) preserve financial stability, while maintaining up-to-date prudential regulations and monitoring the performance of institutions; (g) promote the development of the capital market; and (h) foster greater financial inclusion.⁵⁵

1.51. The main foreign exchange measures in force may be consulted in the communications of the BCRA and the decisions of the National Securities Commission (CNV). BCRA Communication "A" 7030 of 28 May 2020 establishes that, in order to access the foreign exchange market, it is necessary to: (a) deposit all foreign currency holdings in the country in accounts in financial institutions; (b) not possess available liquid assets; (c) settle, in the foreign exchange market, funds received abroad for assets created after 28 May 2020 within five working days of their acquisition; and (d) obtain the authorization of the BCRA (until 30 June 2020) for the payment of imports of goods or the cancellation of the principal on debts arising from imports of goods.⁵⁶ Communication "A" 7193 of 30 December 2020 extended the time-limit for this compliance requirement to 31 March 2021, and Communication "A" 7239 of 18 March 2021 extended it again up to and including 30 June 2021. Communication "A" 7201 of 6 January 2021 made it necessary to obtain prior authorization from the BCRA to access the foreign exchange market for the payment of imports of luxury goods, which are considered to include: high-end motor vehicles and motorcycles (with a price generally exceeding USD 1,000), private jets, recreational crafts (with a value exceeding USD 5,000), spirits with a price exceeding USD 50 per litre, diamonds and precious stones. Communication "A" 7200, also of

⁵² BCRA (2020), *Monetary Policy Report*, February 2020. Viewed at: http://www.bcra.gov.ar/Pdfs/PoliticaMonetaria/IPOM0220_i.pdf.

⁵³ Information provided by the BCRA. Viewed at: http://www.bcra.gov.ar/PoliticaMonetaria/Politica_Monetaria.asp.

⁵⁴ Information provided by the BCRA. Viewed at: http://www.bcra.gov.ar/PoliticaMonetaria/Politica_Monetaria.asp.

⁵⁵ BCRA (2021), *Objetivos y planes respecto del desarrollo de las políticas monetaria, financiera, crediticia y cambiaria para el año 2021*. Viewed at: <https://www.bcra.gob.ar/Pdfs/Institucional/OyP%202021.pdf>.

⁵⁶ This requirement does not apply to the public sector or state-controlled enterprises. It does not apply to imports of critical medicines for patients where advance payments are made, or to payments for imports intended for the purchase of COVID-19 test kits or other goods under tariff subheadings that are listed in Decree No. 333/2020 and the supplementary provisions thereto. BCRA (2020), *Communication "A" 7030*, 28 May 2020. Viewed at: <http://www.bcra.gov.ar/pdfs/comytexord/A7030.pdf>.

6 January 2021, created the "registry of foreign exchange information of exporters and importers of goods" and provided for mandatory registration by 30 April 2021.

1.52. During the review period, the consumer price index (IPC-GBA), which reflected the price variations in the area of Greater Buenos Aires, was replaced by an index with national coverage. The national consumer price index started to be calculated in December 2016. This index rose by 24.8% in the 12 months to December 2017, and then saw its growth accelerate, reaching 53.8% in the 12 months to December 2019. In the 12 months to December 2020, the increase in the consumer price index went down to 36%, partly due to weak domestic demand.

1.2.5 Balance of payments

1.53. The current account of Argentina's balance of payments was in deficit during all the years within the period 2012-19, while a surplus was recorded in 2020 (0.8% of GDP), mainly due to a steep decline in imports of goods and services created by a contraction of domestic demand owing to reduced levels of activity resulting from the COVID-19 pandemic, and to interest payment relief from debt renegotiation (Table 1.5). The current account deficit reached a peak of USD 31,151 million in 2017 and USD 27,049 million in 2018 (4.8% and 5.2% of GDP, respectively), before declining significantly in 2019 (0.9% of GDP) mainly as a result of lower imports. The balance of trade in merchandise was in surplus for most of the review period (with the exception of 2015, 2017 and 2018), although both exports and imports of goods recorded a fall in US dollar terms, between 2012 and 2019, of around 19% and 28%, respectively. In 2020, both exports and imports recorded a further contraction, which was partly due to the negative effects of the COVID-19 pandemic on domestic demand, with exports in US dollar terms accounting for only 68% of the 2012 level, and imports representing 62% (USD 54,778 million and USD 40,366 million, respectively).

Table 1.5 Balance of payments, 2012-20

(USD million)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. Current account	-2,138	-13,124	-9,179	-17,622	-15,105	-31,151	-27,049	-3,997	2,985
1.A Goods and services	10,944	-694	900	-6,600	-4,035	-15,143	-9,709	13,012	12,045
1.A.a Goods	15,041	4,635	5,541	-785	4,416	-5,447	-743	18,227	14,413
Credit (exports)	80,084	75,928	68,440	56,809	57,960	58,662	61,801	65,155	54,778
Debit (imports)	65,043	71,293	62,899	57,594	53,544	64,109	62,544	46,928	40,366
1.A.b Services	-4,097	-5,329	-4,641	-5,815	-8,452	-9,695	-8,965	-5,215	-2,367
Credit (exports)	14,247	13,680	13,396	13,214	13,425	15,506	15,274	14,134	9,403
Debit (imports)	18,344	19,009	18,038	19,029	21,876	25,202	24,239	19,349	11,770
1.B Primary income (Income)	-13,754	-13,165	-11,614	-12,105	-12,192	-16,380	-18,619	-17,836	-10,218
1.B.1 Remuneration of employees	-63	-65	-34	26	-94	-81	-78	-77	-79
Credit	156	178	171	216	79	110	90	85	83
Debit	218	243	205	190	173	190	168	162	162
1.B.2 Investment income	-13,691	-13,099	-11,580	-12,130	-12,098	-16,299	-18,541	-17,759	-10,140
1.B.2.1 Direct investment	-9,616	-8,979	-7,300	-8,145	-7,166	-8,682	-7,415	-5,677	-2,583
abroad	620	818	814	647	699	1,019	1,523	1,300	835
In Argentina	10,236	9,796	8,114	8,793	7,866	9,701	8,938	6,977	3,418
1.B.2.2 Portfolio investment	-2,659	-2,773	-2,939	-2,687	-3,505	-5,981	-9,323	-8,774	-3,930
Credit	1,036	1,012	1,086	1,070	1,358	1,966	3,034	3,238	2,221
Debit	3,694	3,785	4,024	3,758	4,864	7,947	12,357	12,012	6,152
1.B.2.3 Other investment	-1,470	-1,385	-1,359	-1,322	-1,487	-1,767	-2,220	-3,636	-3,674
Credit	390	382	473	401	627	791	1,219	1,384	828
Debit	1,861	1,767	1,832	1,724	2,114	2,559	3,438	5,020	4,502
1.B.2.4 Reserve assets	54	37	17	24	61	130	417	328	47
1.C Secondary income (Current transfers)	672	734	1,535	1,083	1,123	371	1,279	827	1,158
Credit	2,461	2,895	3,036	2,564	2,822	2,607	2,968	2,490	2,367
Debit	1,789	2,161	1,501	1,481	1,699	2,236	1,689	1,663	1,209
2. Capital account	48	33	57	52	366	173	84	126	120
Financing capacity or need	-2,090	-13,091	-9,122	-17,570	-14,739	-30,978	-26,965	-3,871	3,105
3. Financial account	-2,788	-16,165	-9,321	-18,498	-13,964	-31,273	-27,985	-5,153	4,158
3.1 Direct investment	-14,269	-8,932	-3,145	-10,884	-1,474	-10,361	-10,071	-5,124	-2,889
Assets	1,055	890	1,921	875	1,787	1,156	1,802	1,539	1,234
Liabilities	15,324	9,822	5,065	11,759	3,260	11,517	11,873	6,663	4,123
3.2 Portfolio investment	150	-433	2,339	-437	-35,255	-35,922	-6,683	7,127	2,971
Assets	265	497	-25	93	798	5,502	6,092	2,104	-2,216
Liabilities	115	929	-2,365	530	36,053	41,424	12,775	-5,022	-5,187
3.3 Financial derivatives	2,908	-32	-168	-25	222	-96	-35	-30	1
Assets	0	0	0	0	0	0	0	0	0
Liabilities	-2,908	32	168	25	-222	96	35	30	-1
3.4 Other investment	11,728	5,056	-9,542	-2,246	8,232	550	-22,473	14,249	11,802
Assets	9,722	3,893	1,422	8,814	2,689	12,506	25,185	31,175	9,097

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Liabilities	-2,006	-1,163	10,964	11,060	-5,542	11,956	47,657	16,926	-2,705
3.5 Reserve assets	-3,305	-11,824	1,195	-4,906	14,311	14,556	11,277	-21,375	-7,727
Monetary gold	0	-56	12	13	-197	-75	13	-8	367
Special drawing rights	-1	0	1	-1	-373	2	1,913	-1,736	-2,137
Reserve position in the IMF	0	0	0	0	360	22	-9	-2	15
Other reserve assets	-3,304	-11,768	1,182	-4,918	14,522	14,608	9,359	-19,629	-5,972
Net errors and omissions	-698	-3,074	-198	-928	775	-295	-1,019	-1,282	1,053
Variation in international reserves	-3,305	-11,824	1,195	-4,906	14,311	14,556	11,277	-21,375	-7,727
International reserves of the BCRA	-3,086	-12,690	807	-5,844	13,745	15,747	10,731	-20,937	-5,461
Adjustment by repo type	219	-866	-388	-938	-566	1,191	-546	437	2,266
Memorandum									
International reserves of the BCRA (December, USD million)	43,290	30,599	31,407	25,563	39,308	55,055	65,786	44,848	39,387
Total external debt balance (USD million)	156,478	155,489	158,742	167,412	181,432	234,549	277,932	278,489	271,505
External debt as % of GDP	26.9	25.4	28.0	26.0	32.5	36.4	53.7	62.6	70.9

Source: INDEC.

1.54. The balance of services in Argentina has traditionally posted a deficit. This deficit more than doubled between 2012 and 2017 (when it reached a peak of USD 9,695 million) and 2018, before beginning to contract in 2019 due to a substantial drop in imports, which coincided with the adoption of foreign exchange restrictions. In 2020, owing mostly to the restrictions on travel and other tradable services that resulted from the pandemic, the deficit shrank further, reaching USD 2,367 million. The income account was in deficit during the review period, with the gap widening from USD 13,754 million in 2012 to USD 18,619 million in 2018 and USD 17,836 million in 2019. This was mainly in response to an increase in the investment income deficit, particularly portfolio investment, which was largely due to a rise in interest debits resulting from higher external debt. The deficit decreased to USD 10,218 million in 2020, primarily due to a lower interest burden resulting from negotiations with private debt holders.

1.55. Owing to external financing needs, the financial account recorded a rise in liabilities during all the years within the review period, with the exception of 2020. The increase in liabilities was particularly significant in 2017 and 2018 (USD 31,273 million and USD 27,985 million, or 4.9% and 5.4%, respectively), as a result of the considerable increase in external debt, and outflows of private capital. In 2018 in particular, USD 28 billion, corresponding to the disbursements of the IMF stand-by arrangement, entered the country. Between 2012 and 2015, the international reserves of the BCRA recorded a strong contraction, dropping from USD 43,290 million to USD 25,543 million, due to lower capital income. Between December 2015 and December 2018, on the other hand, the reserves increased by USD 40 billion, mainly in response to external debt, particularly with the IMF. However, as from 2019, expectations deteriorated, and an outflow of capital resulted in a fall in the reserves of the BCRA from USD 65,786 million at the end of 2018 to USD 44,848 million at the end of 2019. The decline in reserves continued in 2020, and the year closed with a level of reserves of USD 39,387 million.

1.56. Argentina's total external debt increased significantly during the review period, from USD 156,478 million in 2012 (26.9% of GDP) to USD 271,505 million in 2020 (70.9% of GDP). In 2019, the IMF indicated that Argentina's public debt had become unsustainable and that it was essential to refinance it to restore its sustainability.⁵⁷ To this end, Law No. 27.544 on restoring the sustainability of public debt issued under foreign law, Official Journal of 12 February 2020, was approved, which authorized the National Executive to carry out swaps and/or restructuring of interest maturity servicing and capital repayments on public debt issued under foreign law. The Ministry of the Economy was authorized to issue new government securities to change the profile of interest maturities and capital repayments to restore the sustainability of public debt issued under foreign law, and to determine the time-limits, methods and procedures for the issuance of new government securities. All operations related to the renegotiation of the debt remained exempt from the payment of all taxes, including VAT, and from national fees and contributions. Decree No. 250/2020 of 9 March 2020 established a maximum value for securities subject to

⁵⁷ Viewed at: <https://www.imf.org/es/News/Articles/2020/02/19/pr2057-argentina-imf-staff-statement-on-argentina> and <https://www.imf.org/en/Publications/CR/Issues/2020/03/20/Argentina-Technical-Assistance-Report-Staff-Technical-Note-on-Public-Debt-Sustainability-49284>.

renegotiation in accordance with Law No. 27.544. This maximum nominal amount was determined at USD 68,842,528,826 or its equivalent in other currencies.

1.57. The negotiations with creditors over the course of 2020 included as eligible debt 21 bonds (issued during the 2005 and 2010 debt swaps, and after 2016), which were subject to the legislation of New York and the United Kingdom, and which were denominated in dollars, euros and Swiss francs, for a total of USD 65,620 million.⁵⁸ These bonds were swapped for 12 new bonds (six in US dollars and six in euros) with different discounts and maximum issue amounts. The accrued interest on the eligible bonds was recognized through the delivery of a new bond maturing in 2029 and a coupon of 1% (US dollars) or 0.5% (euros). The new bonds were issued on 4 September 2020, with maturities of between 8.8 and 25.8 years. The support of 93.5% of holders was obtained, which made it possible to amend 99.01% of the capital outstanding on the series of eligible bonds. New bonds for USD 63,207 million and EUR 4,185 million were issued. Incremental interest rates (which increase over time) from 0.125% up to 5% in US dollars and up to 4.5% in euros, depending on the bond, were established. The new bonds will mature between 2029 and 2046, are depreciable and bear interest as from the date of settlement of the transaction (4 September). The bonds maturing in 2030, 2035 and 2046 were issued with a 3% reduction in the nominal value with regard to swapped bonds. As a result of the renegotiation, a grace period until 9 July 2021 was obtained for the payment of interest, and until 9 July 2024 and 9 January 2031, depending on the bond, for the first repayment. For example, the new bonds issued as compensation for accrued interest will begin to be repaid in January 2025 and will mature in July 2029.⁵⁹ The new bonds for 2030 in US dollars and in euros will begin to be repaid in July 2024 and will mature in July 2030, and the new bonds for 2038 in US dollars and euros, which will be issued as consideration for the existing discount bonds, will begin to be repaid in July 2027 and will mature in January 2038.⁶⁰

1.58. In general, the creditors opted mainly for shorter-term bonds, which had reached their issuance limits. Most holders of bonds in euros and Swiss francs chose to change currency and receive new bonds denominated in US dollars. Before the swap, the bonds denominated in US dollars represented 70% of the eligible securities, while 93% of the new bonds are denominated in US dollars and the remaining 7% in euros.⁶¹

1.59. After the renegotiation of debt contracted under foreign law, renegotiation of debt under domestic legislation was undertaken. In this regard, Law No. 27.556 of 8 August 2020, on restoring the sustainability of public debt effected in securities issued under Argentine law, was adopted. The Law authorized the restructuring of the debt effected in government securities that were denominated in US dollars and Argentine pesos, and issued under Argentine legislation. On 4 September 2020, the results of the renegotiation of the swap of government securities denominated in US dollars and Argentine pesos, and issued under Argentine legislation, were announced. A swap of 98.9% of the amount in circulation (updated nominal value) of the eligible securities was achieved. The instruments eligible for the swap were bonds and bills denominated in dollars for an amount in circulation of USD 41,715 million, with some payable in US dollars and others in Argentine pesos, at the official exchange rate (pegged to the US dollar). Around one third of the securities were held by private holders, while the remaining securities were in the portfolios of different public bodies. Also issued were new bonds in US dollars for USD 41,724 million maturing between 2029 and 2041, which were redeemable and bore interest with step-up coupons with a maximum of 5% and half-yearly payments, and new inflation-adjustable bonds in Argentine pesos

⁵⁸ For a detailed description of the process for the renegotiation of private external debt, see: Nemiña, Pablo and María Emilia Val (2020), *La Renegociación de la Deuda Argentina durante la Pandemia COVID-19. Implicancias y Perspectivas*. Fundación Carolina. Working papers 38/20. Viewed at: https://www.fundacioncarolina.es/wp-content/uploads/2020/11/DT_FC_38.pdf.

⁵⁹ In recognition of the accrued interest on the eligible bonds in US dollars and euros, new bonds in US dollars and euros, maturing in 2029, were issued for USD 2,635 million and EUR 90 million, respectively. Information provided by the Government of Argentina. Viewed at: <https://www.argentina.gob.ar/noticias/argentina-y-tres-grupos-de-acreedores-alcanzan-acuerdo-de-reestructuracion-de-deuda>.

⁶⁰ Information provided by the Government of Argentina. Viewed at: <https://www.argentina.gob.ar/noticias/argentina-y-tres-grupos-de-acreedores-alcanzan-acuerdo-de-reestructuracion-de-deuda>.

⁶¹ *Oficina de Presupuesto del Congreso, OPC (Congressional Budget Office) (2020), Operaciones de Deuda Pública*. August 2020. Published on 11 September 2020. Viewed at: <https://www.opc.gob.ar/operaciones-de-deuda-publica/operaciones-de-deuda-publica-agosto-2020-2/>.

(BONSER) for ARS 57,683 million, maturing in 2026 and 2028, and bearing interest at an annual rate of 2% and 2.25%, respectively.

1.60. The new bonds in US dollars have the same financial structure as the bonds issued in the swap under foreign law. In the swap of new bonds in US dollars, the National Treasury Bills (LETES) and the Argentine Bonds (BONAR) decreased in nominal value by 3%. The BONCER swap was carried out without a reduction, at a predetermined exchange rate (ARS 72.695 per US dollar). For those who entered the swap until 4 September, accrued interest on their eligible bonds up to that date was recognized, through the issuance of bonds in the same currency. In general, the swap created a decrease in coupon rates and an extension of the maturity profiles. The average instrument life increased from 5.1 to 10.4 years.

1.61. According to the Congressional Budget Office, as a result of both swaps (securities under foreign and Argentine legislation), the debt maturity burden (including public sector debt) declined by USD 55,500 million for the 2020-24 period. Since, as from 2028, the new bonds will generate higher payments than the previous ones, the decrease in maturities for 2020-30 is somewhat lower, around USD 52,000 million.⁶²

1.62. After completing the restructuring of its debt with private creditors, Argentina undertook negotiations with the IMF to obtain a new loan, as a replacement for the stand-by arrangement signed in 2018. The IMF credit maturities begin in September 2021 and the payment is concentrated over a period of two years.

1.3 Developments in trade and investment

1.3.1 Trends and patterns in merchandise and services trade

1.3.1.1 Developments in merchandise trade

1.63. According to information from the Comtrade database, between 2012 and 2020, Argentine exports of goods in US dollar terms fell at an average annual rate of 4.6% and reached USD 54,884 million in 2020 (Tables A1.1 and A1.3). Imports fell even more sharply, at an average annual rate of 5.7% (Tables A1.2 and A1.4), and reached a level of USD 42,356 million in 2020. Although both exports and imports decreased, the GDP share of merchandise trade remained at around 25.5% in 2019, a percentage similar to that observed in 2012. This reflects the GDP contraction in US dollar terms.

1.64. The drop in exports reflects to a large extent the deterioration in Argentina's terms of trade. The decrease in imports is a reflection of weak domestic demand, for both consumer and capital goods. The authorities observed that imports of capital goods maintained a certain stability until 2015, demonstrated growth until 2017 as a result of the liberalization of imports, and, as from 2018, recorded a decline as a result of devaluation and lower economic activity.

1.3.1.2 Composition of merchandise trade

1.65. Argentina is a major exporter of products in the agricultural chain, which were still its leading export item, accounting for 63.3% of the total in 2020. Oil seeds, soya beans, wheat, maize (corn) and beef are the main export products (Table A1.1).

1.66. The share of manufacturing in total exports decreased in the review period, mainly due to the steep fall in exports of products from the automotive industry and chemical products (Table A1.1 and Chart 1.1). Exports of fuel also dropped sharply.

1.67. The composition of Argentine imports in 2012-2020 demonstrated an increase in the share of machinery and equipment and chemical products. A strong contraction in imports of vehicles and fuel was also observed (Chart 1.1). In 2020, manufactured products accounted for 85% of imports.

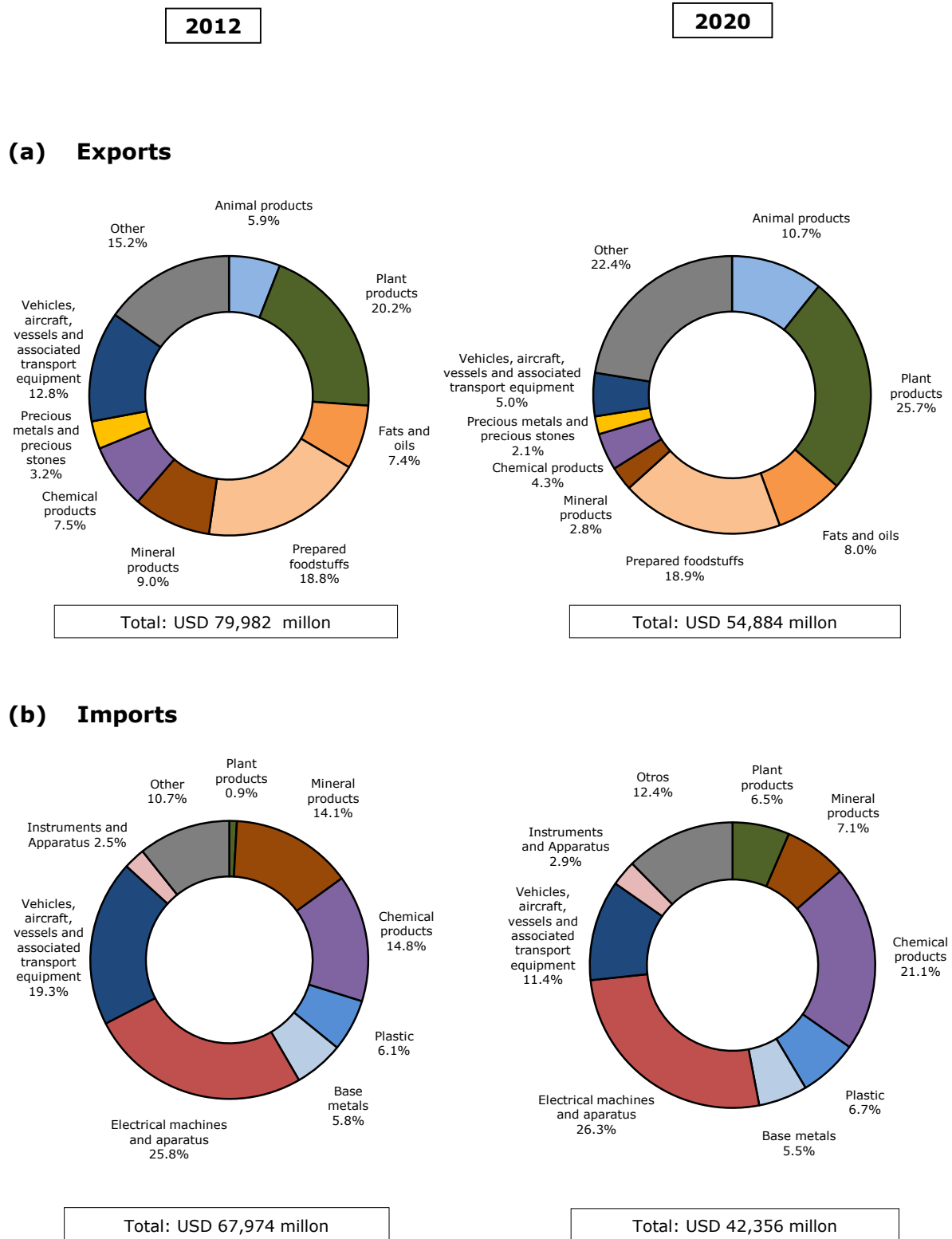
⁶² *Oficina de Presupuesto del Congreso, OPC (Congressional Budget Office) (2020), Operaciones de Deuda Pública*. August 2020. Published on 11 September 2020. Viewed at: <https://www.opc.gob.ar/operaciones-de-deuda-publica/operaciones-de-deuda-publica-agosto-2020-2/>.

1.3.1.3 Merchandise trade destinations

1.68. During the review period, although the share of the countries of the American continent as a destination of Argentine exports continued to fall, they remained the leading market, with the reception of 37.8% of total exports in 2020 (Table A1.3 and Chart 1.2). The main markets were: Brazil (14.5% of total exports), the United States of America (6.0%) and Chile (5.3%). Exports to Europe represented 16.2% of total exports, of which 12.2% went to the European Union. Asia's share of exports continued to rise, reaching 29.6% of the total in 2020, largely as a result of increased Argentine exports to China (9.6% of the total), which became the largest market for Argentine exports in Asia.

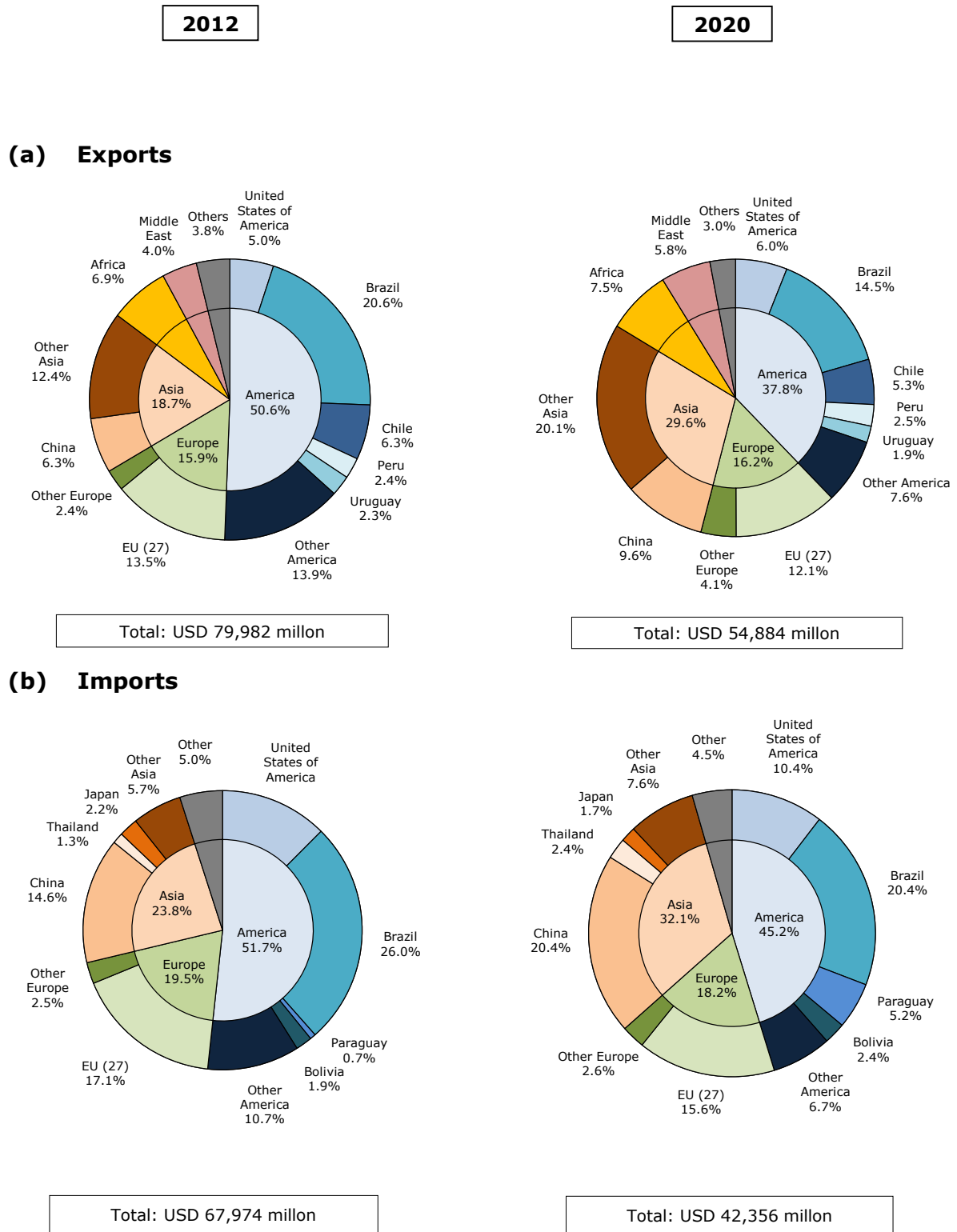
1.69. The proportion of imports sourced from the American continent decreased from 51.7% in 2012 to 45.2% of the total in 2020 (Table A1.2 and Chart 1.2). Imports from Brazil fell to 20.4% of the total in 2020 from 26% in 2012. The share of the United States of America and the European Union dropped from 12.5% to 10.4% and from 17.1% to 15.6%, respectively. China's share in Argentine imports increased substantially in the review period from 14.6% of the total in 2012 to 20.4% in 2020.

Chart 1.1 Merchandise trade by main products, 2012 and 2020



Source: WTO Secretariat calculations, based on data from the UN Comtrade database.

Chart 1.2 Merchandise trade by trading partner, 2012 and 2020



Source: WTO Secretariat calculations, based on data from the UN Comtrade database.

1.3.2 Trade in services

1.70. As has traditionally been the case, Argentina's trade in services shows a deficit, which peaked at USD -9,695 million in 2017, before decreasing slightly in 2018, and then more rapidly in 2019, and particularly in 2020, when the effects of the COVID-19 pandemic were felt strongly, especially in the travel, transport, and hotel and restaurant services. As a result, the deficit shrank to USD 2,367 million in 2020 (Table 1.6).

Table 1.6 Trade in services, 2012-20

(USD million)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Trade in services balance	-4,097	-5,329	-4,641	-5,815	-8,452	-9,695	-8,965	-5,215	-2,367
Services revenue	14,247	13,680	13,396	13,214	13,425	15,506	15,274	14,134	9,403
Manufacturing services on physical inputs owned by others (SMIF)	4	3	5	3	2	6	2	2	0
Maintenance and repairs	143	127	110	101	96	92	129	117	88
Transport	2,304	2,511	2,456	2,330	2,022	1,927	1,869	1,852	1,258
Passengers	651	674	685	514	499	460	436	413	87
Freight	504	505	420	324	290	289	313	298	300
Other	1,116	1,297	1,334	1,470	1,206	1,148	1,081	1,119	855
Postal and courier services	33	35	17	21	27	30	38	22	16
Travel	5,014	4,525	4,960	4,927	4,967	5,370	5,563	5,241	1,616
Construction	14	2	3	9	2	4	1	1	0
Insurance services and pensions	25	25	27	25	37	41	42	38	36
Financial services	101	81	60	57	91	141	194	186	169
Charges for the use of intellectual property	158	180	174	162	169	356	330	272	214
Telecommunications, information technology and information services (STII)	1,754	1,730	1,443	1,473	1,634	2,228	2,248	1,979	1,816
Other business services	4,260	4,058	3,740	3,688	3,966	4,648	4,171	3,800	3,691
Personal, cultural and recreational services	270	245	211	229	257	461	508	456	349
Government goods and services	199	193	207	208	182	232	217	192	166
Outlays on services	18,344	19,009	18,038	19,029	21,876	25,202	24,239	19,349	11,770
Manufacturing services on physical inputs owned by others (SMIF)	3	14	38	29	6	6	14	3	2
Maintenance and repairs	159	228	151	165	275	311	294	335	268
Transport	4,705	5,046	4,164	4,485	4,561	5,179	4,913	3,871	2,100
Passengers	2,349	2,489	1,854	2,366	2,594	2,802	2,414	1,976	407
Freight	2,180	2,372	2,119	1,923	1,746	2,197	2,339	1,751	1,604
Other	133	139	141	151	171	134	114	102	51
Postal and courier services	43	47	50	45	50	45	46	41	39
Travel	6,117	5,932	5,983	6,982	9,679	11,378	10,670	7,850	2,346
Construction	16	11	10	15	8	12	18	11	8
Insurance services and pensions	532	507	458	428	345	377	376	318	304
Financial services	113	105	345	335	297	277	434	269	175
Charges for the use of intellectual property	2,217	2,329	2,099	2,178	2,108	2,350	2,030	1,714	1,260
Telecommunications, information technology and information services (STII)	1,065	1,205	1,252	1,089	1,100	1,378	1,387	1,316	1,666
Other business services	2,631	2,871	2,713	2,612	2,653	2,890	3,080	2,757	2,803
Personal, cultural and recreational services	362	377	417	383	594	807	798	708	673
Government goods and services	423	383	409	328	251	237	225	198	166

Source: INDEC.

1.71. Argentina has a deficit in almost all branches of its trade in services, with the exception of telecommunications, information technology and information services, which were in surplus throughout the review period. The most important sectors traditionally, in terms of both revenue and outlays, were the travel and transport sectors, with the exception of 2020. Another important sector was business services, which was the activity least affected by the disruption caused by the pandemic, largely due to the implementation, in many cases, of teleworking.

1.3.3 Trends and patterns in foreign direct investment (FDI)

1.72. Argentina continues to be a net recipient of FDI. Between 2012 and 2020, the international investment position grew by more than 100%, and stood at USD 122,482 in the fourth quarter of 2020.

Table 1.7 International investment position by functional category, at market value 2012-20(Q2)

(USD million)

	2012	2013	2014	2015	2016	2017	2018	2019	2020(Q2)
Net international investment position	57,880	61,196	54,837	56,487	48,048	17,332	65,303	114,823	120,894
Assets	263,988	261,634	268,009	271,766	291,754	337,123	377,256	398,827	391,768
Direct investment	32,919	34,517	36,180	37,843	39,735	40,930	42,228	42,671	40,091
Capital shares and reinvested profits	32,919	34,517	36,180	37,843	39,735	40,930	42,228	42,671	40,091
Portfolio investment	33,185	39,485	41,671	41,172	44,031	59,405	60,784	69,294	62,723
Capital and investment fund shares	20,420	25,983	28,170	26,851	29,654	38,806	33,370	39,500	34,809
Debt securities	12,766	13,502	13,501	14,322	14,377	20,599	27,414	29,794	27,914
Financial derivatives	-	-	-	-	-	-	-	-	-
Other investment	154,593	157,032	158,751	167,188	168,679	181,733	208,458	242,013	245,713
Other equity	2,547	2,569	2,656	2,752	2,905	2,806	3,074	3,223	3,250
Currency and deposits	139,055	140,111	144,174	153,309	155,318	168,375	195,241	226,572	230,034
Loans	8,230	7,997	8,030	7,207	7,746	7,843	7,433	9,510	9,719
Trade credit and advances	4,761	6,355	3,891	3,919	2,709	2,709	2,709	2,709	2,709
Reserve assets	43,290	30,600	31,408	25,563	39,308	55,055	65,786	44,848	43,241
Monetary gold	3,326	2,389	2,355	2,107	2,102	2,299	2,256	2,684	3,533
Special drawing rights	3,156	3,162	2,975	2,845	2,401	2,545	4,360	2,605	1,865
Reserve position in the IMF	0	0	0	0	360	382	373	371	368
Other reserve assets	36,808	25,048	26,078	20,611	34,445	49,830	58,797	39,188	37,475
Currency and deposits	35,685	23,923	25,073	20,421	29,528	39,614	50,734	36,467	35,759
Securities	932	908	865	-	3,890	10,278	6,822	1,218	1,708
Financial derivatives	-	-	-	-	319	-278	-	-	-
Other claims	191	217	139	190	708	215	1,241	1,503	8
Liabilities	206,108	200,438	213,172	215,279	243,706	319,791	311,953	284,004	270,875
Direct investment	98,706	88,338	89,716	79,773	74,868	80,700	72,573	70,458	74,866
Capital shares and reinvested profits	72,175	60,926	63,483	52,841	53,323	56,906	48,838	47,525	52,028
Debt instruments	26,530	27,412	26,233	26,932	21,545	23,794	23,735	22,933	22,838
Portfolio investment	39,537	45,984	58,248	59,461	100,184	156,535	113,160	71,821	55,700
Capital and investment fund shares	3,574	5,319	9,670	9,353	10,134	25,767	10,937	7,656	4,052
Debt securities	35,963	40,665	48,578	50,108	90,049	130,768	102,223	64,165	51,649
Financial derivatives	2,687	3,589	2,771	3,592	2,981	3,451	1,299	554	159
Other investment	65,178	62,528	62,436	72,453	65,672	79,105	124,921	141,171	140,150
Currency and deposits	445	169	121	133	219	678	752	1,132	882
Loans	43,615	40,557	42,213	51,055	47,885	56,675	96,689	108,777	109,370
Trade credit and advances	18,055	18,908	17,410	18,630	15,085	18,821	24,337	28,431	27,136
Other accounts receivable	462	295	247	296	214	528	797	497	441
Special drawing rights	2,601	2,598	2,445	2,338	2,268	2,403	2,347	2,333	2,321

Source: INDEC, National Directorate for International Accounts

1.73. Argentina ceased to produce foreign investment series by sector and trading partner in 2016. During the review period, until 2016, the last year for which information is available, the manufacturing sector absorbed the largest proportion of net FDI flows, in particular the food products subsector, and the automotive and chemical industries. There were also major FDI flows in the mining and services sector, particularly wholesale and retail trade, telecommunications and financial services, the construction sector and some services activities, such as transport. As at 2016, the last year for which information is available, the main investors in Argentina were: the United States of America, Spain, the Netherlands, Chile, Brazil, Germany, Uruguay, Switzerland and France.

2 TRADE AND INVESTMENT REGIMES

2.1 Overview

2.1. Argentina is a federal republic, which, in addition to the federal government, comprises 23 provincial governments and the government of the Autonomous City of Buenos Aires (CABA).

2.2. The Constitution of the Argentine Nation establishes the division of State powers.¹ Legislative power lies with the National Congress, comprising a Chamber of Deputies (257 deputies) and the Senate (72 senators).² Deputies are elected for four years, and senators for six. Every two years, half of the seats in the Chamber of Deputies and a third in the Senate are up for election. Deputies and senators may be re-elected indefinitely.

2.3. The Executive is composed of the President (and Vice-President) of the Nation, the Chief of the Cabinet and the ministers. The President, who is the head of State, is elected by universal suffrage every four years, and may be re-elected for one more consecutive term. During the review period, there were frequent changes in the number, name and functions of the ministries (Table 2.1).

Table 2.1 Ministries, 2013-21

Necessity and Urgency Decree No.	Ministries
641/2014	1) Ministry of the Interior and Transport; 2) Ministry of Foreign Affairs and Worship; 3) Ministry of Defence; 4) Ministry of the Economy and Public Finance; 5) Ministry of Industry; 6) Ministry of Agriculture, Livestock and Fisheries; 7) Ministry of Tourism; 8) Ministry of Federal Planning, Public Investment and Services; 9) Ministry of Justice and Human Rights; 10) Ministry of Security; 11) Ministry of Labour, Employment and Social Security; 12) Ministry of Social Development; 13) Ministry of Health; 14) Ministry of Education; 15) Ministry of Science, Technology and Productive Innovation; 16) Ministry of Culture
13/2015	1) Ministry of the Interior, Public Works and Housing; 2) Ministry of Foreign Affairs and Worship; 3) Ministry of Defence; 4) Ministry of the Economy and Public Finance ; 5) Ministry of Production; 6) Ministry of Agro-Industry; 7) Ministry of Tourism; 8) Ministry of Transport; 9) Ministry of Justice and Human Rights; 10) Ministry of Security; 11) Ministry of Labour, Employment and Social Security; 12) Ministry of Social Development; 13) Ministry of Health; 14) Ministry of Education and Sport; 15) Ministry of Science, Technology and Productive Innovation; 16) Ministry of Culture; 17) Ministry of the Environment and Sustainable Development; 18) Ministry of Modernization; 19) Ministry of Energy and Mining; 20) Ministry of Communications
2/2017	1) Ministry of the Interior, Public Works and Housing; 2) Ministry of Foreign Affairs and Worship; 3) Ministry of Defence; 4) Ministry of the Economy; 5) Ministry of Finance; 6) Ministry of Production; 7) Ministry of Agro-Industry; 8) Ministry of Tourism; 9) Ministry of Transport; 10) Ministry of Justice and Human Rights; 11) Ministry of Security; 12) Ministry of Labour, Employment and Social Security; 13) Ministry of Social Development; 14) Ministry of Health; 15) Ministry of Education and Sport; 16) Ministry of Science, Technology and Productive Innovation; 17) Ministry of Culture; 18) Ministry of the Environment and Sustainable Development; 19) Ministry of Modernization; 20) Ministry of Energy and Mining; 21) Ministry of Communications
513/2017	1) Ministry of the Interior, Public Works and Housing; 2) Ministry of Foreign Affairs and Worship; 3) Ministry of Defence; 4) Ministry of the Economy; 5) Ministry of Finance; 6) Ministry of Production; 7) Ministry of Agro-Industry; 8) Ministry of Tourism; 9) Ministry of Transport; 10) Ministry of Justice and Human Rights; 11) Ministry of Security; 12) Ministry of Labour, Employment and Social Security; 13) Ministry of Social Development; 14) Ministry of Health; 15) Ministry of Education; 16) Ministry of Science, Technology and Productive Innovation; 17) Ministry of Culture; 18) Ministry of the Environment and Sustainable Development; 19) Ministry of Modernization; 20) Ministry of Energy and Mining

¹ The Constitution was promulgated in 1853 and last amended in 1994. To amend the Constitution, Congress must issue a law ("declaratory law"), indicating the need for the reform and the constitutional provisions to be reformed.

² The most populous provinces have a greater number of deputies. Each province and the Autonomous City of Buenos Aires are represented by three senators in the Senate (National Congress). Viewed at: <https://www.argentina.gob.ar/ww.congreso.gob.ar/poderLegislativo.php>.

Necessity and Urgency Decree No.	Ministries
575/2018	1) Ministry of the Interior, Public Works and Housing; 2) Ministry of Foreign Affairs and Worship; 3) Ministry of Defence; 4) Ministry of Finance; 5) Ministry of Production; 6) Ministry of Agro-Industry; 7) Ministry of Tourism; 8) Ministry of Transport; 9) Ministry of Justice and Human Rights; 10) Ministry of Security; 11) Ministry of Labour, Employment and Social Security; 12) Ministry of Social Development; 13) Ministry of Health; 14) Ministry of Education; 15) Ministry of Science, Technology and Productive Innovation; 16) Ministry of Culture; 17) Ministry of the Environment and Sustainable Development; 18) Ministry of Modernization; 19) Ministry of Energy
801/2018	1) Ministry of the Interior, Public Works and Housing; 2) Ministry of Foreign Affairs and Worship; 3) Ministry of Defence; 4) Ministry of Finance; 5) Ministry of Production and Labour; 6) Ministry of Transport; 7) Ministry of Justice and Human Rights; 8) Ministry of Security; 9) Ministry of Health and Social Development; 10) Ministry of Education, Culture, Science and Technology
7/2019	1) Ministry of the Interior; 2) Ministry of Foreign Affairs, International Trade and Worship; 3) Ministry of Defence; 4) Ministry of the Economy; 5) Ministry of Productive Development; 6) Ministry of Agriculture, Livestock and Fisheries; 7) Ministry of Transport; 8) Ministry of Public Works; 9) Ministry of Justice and Human Rights; 10) Ministry of Security; 11) Ministry of Health; 12) Ministry of Social Development; 13) Ministry of Women, Gender and Diversity; 14) Ministry of Education; 15) Ministry of Culture; 16) Ministry of Science, Technology and Innovation; 17) Ministry of Labour, Employment and Social Security; 18) Ministry of the Environment and Social Security; 19) Ministry of Tourism and Sport; 20) Ministry of Territorial Development and Habitat

Source: Amendments to the Law on Ministries (Law No. 22.520 of 18 December 1981).

2.4. The Judiciary is composed of the Supreme Court of Justice of the Nation, the National Judiciary Council, the courts of first instance and the courts of appeals. Federal judges cannot practice in provincial courts.³

2.5. The provinces, like the Autonomous City of Buenos Aires, are autonomous. The provinces have their own constitutions and their own branches of government: the executive branch (the governor or head of government); the legislative branch (which may be organized as a unicameral or a bicameral system); and the judicial branch (the high court is the highest judicial authority). These branches may pass their own laws and create their own institutions. The decisions of a provincial executive branch ("government acts") and the judicial proceedings of a province are valid in the other provinces.⁴

2.6. The provinces have control over the natural resources located within their territory. They also have the authority to create regions for social and economic development and to conclude international agreements, insofar as they are not inconsistent with the country's foreign policy, do not infringe upon the powers delegated to the federal government or affect the public credit of the nation. They may also conclude partial treaties for the administration of, *inter alia*, economic interests and works of mutual benefit. The provinces cannot exercise the power delegated to the nation. In this regard, they cannot: conclude partial political treaties; issue laws on trade or shipping, whether domestic or foreign; establish provincial customs operations; mint money; or establish banks with the power to issue notes.⁵

2.7. Argentina has a federal revenue (tax) sharing regime.⁶ Certain taxes are distributed among: the federal government, which receives 42.34% of the total collected; the provinces, which receive 56.66%; and the National Treasury Fund for Contributions to the Provinces, for use in the event of an emergency and financial instability, to which 1% is allocated. Currently, 10 taxes form part of the revenue sharing regime (Table 2.2). Import and export duties are not part of the regime. They

³ Article 34 of the Constitution of the Argentine Nation and the Ministry of Justice and Human Rights. Viewed at: <http://www.jus.gob.ar/la-justicia-argentina/administracion-de-justicia.aspx>.

⁴ Article 7 of the Constitution; Ministry of Justice and Human Rights (2017), *Constitución argentina en lectura fácil*. Viewed at: https://www.argentina.gob.ar/sites/default/files/constitucion-argentina_lectura-facil_0.pdf.

⁵ Articles 124-127 of the Constitution.

⁶ Article 75(2) of the Constitution; Law No. 25.570 of 10 April 2002; and Law No. 23.548 of 7 January 1988.

are federal taxes. Revenue from some specific taxes is distributed among the federal government, the provinces, and national funds or agencies.

Table 2.2 Distribution of tax revenues, 2013-2021

"Shared" taxes	Taxes for a specific purpose
Income tax	Statistical fee
Value added tax	Tax on bank account credits and debits and other transactions
Excise duties ^a	Excise duty ^b
Tax on property transfers by natural persons and undivided estates	Electricity tax
Emergency levy on winnings from certain games of chance and sporting contests	Surcharge on the price of natural gas
Tax on the capital of cooperatives	Tax on personal property
Presumed minimum profits tax ^c	Tax on recorded videograms
Specific tax on betting activities	Tax on cinema tickets
Indirect tax on online betting activities	Special Tobacco Fund
Special tax on the capital of savings, credit and/or financing, insurance and/or reinsurance cooperatives and unions ^d	Tax on international airline tickets
Carbon dioxide tax ^{d, e}	Additional emergency tax on cigarettes
	Simplified regime for small taxpayers ("single tax system taxpayers")
	Tax on liquid fuels and carbon dioxide
	Tax on audiovisual communications services
	Tax for an Inclusive and Supportive Argentina (PAIS) ^d

a Taxes: tobacco; alcoholic beverages; beers; non-alcoholic beverages; syrups, extracts, and concentrates; luxury goods; motor vehicles and engines; pleasure boats; aircraft; electronic products; and cellular and satellite telephony services.

b Taxes insurance.

c Repealed in 2019.

d Introduced in 2019.

e Taxes fuel oil, petroleum coke and coal.

Source: Ministry of Finance. Viewed at:

https://www.argentina.gob.ar/sites/default/files/destino_de_los_impuestos_al_31-03-2020.pdf; and information provided by the authorities.

2.8. The Constitution is the supreme law, followed by international treaties; laws, delegated decrees and necessity and urgency decrees; decrees; administrative decisions; resolutions; and orders. International human rights treaties have the same standing as the Constitution.

2.9. Deputies and senators, the Executive and citizens may table bills. Bills tabled by citizens must be supported by at least 3% of registered voters, and "adequate territorial distribution" among the citizens participating in the initiative must also be ensured. However, citizens may not table bills to reform the Constitution or international treaties, or to regulate fiscal, budgetary or criminal matters.⁷ Only deputies may table bills on taxes or the recruitment of troops.⁸

2.10. Bills may be tabled in either of the two chambers of the National Congress, with the exception of bills tabled by citizens, which must be debated first in the Chamber of Deputies, and bills on the federal tax revenue sharing regime, which are debated first in the Senate (Box 2.1). The chamber in which the bill is tabled becomes the originating chamber and the other becomes the review chamber.⁹ Any bill may be submitted to public consultation and, if approved, will become law and will be automatically enacted.¹⁰ The authorities indicated that public consultations were not held during the review period.

⁷ Article 39 of the Constitution.

⁸ Article 52 of the Constitution.

⁹ Articles 39 and 72 of the Constitution.

¹⁰ Article 40 of the Constitution and Law No. 25.432 of 23 May 2001.

Box 2.1 Procedure for the drafting and passing of laws

Legislative Branch		
Originating chamber	Review chamber	Result
Rejects the bill	-	The bill is archived.
Approves the bill	Rejects the bill	The bill is archived.
Approves the bill	Approves the bill	The bill is referred to the Executive.
Approves the bill	The bill is amended by an absolute or qualified (two-thirds) majority of votes.	The bill is returned to the originating chamber, which may not reject or amend it. Three situations are possible: (1) The originating chamber accepts the amendments, the bill approved in the review chamber is passed and is referred to the Executive. (2) The originating chamber insists on maintaining the original text, which is approved in the review chamber by a majority equal to that obtained in the originating chamber, the originating chamber passes the bill and refers it to the Executive. (3) The originating chamber insists on the original text, but does not obtain the same majority in the review chamber, the bill approved in the review chamber is passed and is referred to the Executive.
The Executive		
The Executive promulgates the law and orders its publication in the Official Journal.		
The Executive rejects (totally or partially) the bill. It is returned to the originating chamber. If the bill receives two thirds of votes in both the originating and review chambers (qualified majority), the chambers may insist on the original text and the law is promulgated. Otherwise, the veto is maintained or rejected.		

Source: Articles 78-84 of the Constitution; and the National Congress. Viewed at: <https://www.congreso.gob.ar/leyes.php> and <https://www.el-libro.org.ar/wp-content/uploads/2017/04/formacion-de-leyes-ultimo.pdf>.

2.11. In exceptional cases, the Constitution permits the Executive to issue necessity and urgency decrees (DNU) which have the force of law (Table 2.3). Since 2013, the Executive has issued several DNUs to adopt trade and trade-related measures, some of which were intended to mitigate the effects of the pandemic (Table 2.4).

Table 2.3 Legislative powers of the Executive

	DNU	Delegated decree
Rationale/reason	In exceptional cases, when the procedure established in the Constitution for drafting and passing laws cannot be followed.	A "delegating" law is issued, which establishes the time-limit and guidelines in accordance with which the Executive may act.
Approved by	The President, Chief of the Cabinet and all ministers	The President and the Chief of the Cabinet
Regulate	Any issue, except criminal, taxation or electoral matters or arrangements governing political parties	Public administration matters ^a and any issue concerning a public emergency
Procedure	The Chief of the Cabinet sends the decree to the Joint Standing Committee on Legislative Procedure of the National Congress, which has 10 working days to rule on the validity of the decree and send the ruling to the plenary of each chamber. The chambers must expressly approve or reject the decree. They cannot amend it. If both chambers reject it, the decree is repealed. However, if one of the chambers rejects it but the other does not, the decree is maintained. The Constitution does not establish a time-limit for the chambers to rule on the decree.	

a Public administration matters are defined in Article 2 of Law No 25.148 of 11 August 1999.

Source: Articles 76 and 99(3) of the Constitution; Law No. 26.122 of 20 July 2006; Ministry of Justice and Human Rights. Viewed at: <https://www.argentina.gob.ar/justicia/derechofacil/leysimple/decretos>; and information provided by the authorities.

Table 2.4 Necessity and urgency decrees related to trade, 2013-21

Field	Number/date	Description
Agriculture	516/2013	Creates a trust fund to promote wheat production
Transport	566/2013	Creates a state-owned railway freight transport enterprise
Incentives	606/2014	Creates the Argentine Economic Development Fund (FONDEAR) to facilitate access to financing for projects in strategic sectors, the implementation of activities with technological content and the generation of greater value added in regional economies
Exports	2.229/2015	Re-establishes for a period of five years the supplementary refund on exports established in Law No. 23.018 of 1983, maintaining the benefit levels applicable since 1 January 1984 for all ports and customs offices located in the area south of the Colorado River
Telecommunications	267/2015	Creates the National Entity for Communications
Energy	882/2016	Allocates resources to the National Development Programme for the Use of Renewable Energy Sources for Electricity Production
Exports	1.199/2016	Eliminates the supplementary refund on exports
Imports	51/2017	Creates a transitional regime which authorizes the Customs Service to turn over certain goods without a customs destination to the Ministry of Social Development, to be used in accordance with the needs of certain sectors of the population
Administrative procedures	27/2018	Streamlines and simplifies administrative procedures
Banking services	95/2018	Amends the Charter of the National Bank of Argentina
Competence	274/2019	Ensures transparency in trade relations and access to essential information on products and services marketed through physical or digital channels
Energy	465/2019	Issues a public tender call (national and international) for the design and construction of a gas pipeline
Energy	566/2019	Freezes the price of fuel for a period of 90 days
Monetary policy	609/2019	Establishes foreign exchange controls
Incentives	157/2020	Creates the National Agency for the Promotion of Research, Technological Development and Innovation
Public services	311/2020	Prohibits the suspension of services for non-payment
Banking services	319/2020	Freezes mortgage loan repayments
Banking services	312/2020	Suspends the closure of bank accounts
Incentives	326/2020	Establishes the Specific Allocation Fund for MSMEs
Incentives	332/2020	Creates the Emergency Assistance Programme for Work and Production
Energy	543/2020	Freezes gas and electricity rates
Telecommunications	690/2020	Freezes telephone and Internet rates until 31 December 2020
Banking services	767/2020	Extends the freezing of mortgage loan repayments
Energy	892/2020	Creates the Argentine Natural Gas Production Promotion Plan - Supply and Demand 2020-24
Government procurement	946/2020	Amends the procurement regime of the Argentine National Government
Investment regime	234/2021	Creates the Investment Promotion Regime for Exports

Source: National Directorate of the Argentine Legal Information System, (SAIJ) Viewed at: <http://www.saij.gob.ar/buscadordnu>.

2.12. International treaties are signed by the President and are approved by Congress. Approval requires an absolute majority of the legislators.

2.2 Trade policy formulation and objectives

2.13. Trade policy is formulated and implemented mainly by the Ministry of Foreign Affairs, International Trade and Worship, the Ministry of Productive Development, and the Ministry of Agriculture, Livestock and Fisheries (Table 2.5). The Ministry of Foreign Affairs, International Trade and Worship is responsible for promoting Argentina's participation in international trade, which includes the negotiation of trade agreements. The Ministry of Productive Development fosters the development of exports. The Ministry of Agriculture, Livestock and Fisheries is involved in the formulation of trade policy in order to improve market access conditions for agricultural products.

Table 2.5 Main ministries responsible for formulating and implementing trade policy

Ministry of Foreign Affairs, International Trade and Worship	
Secretariat for International Economic Relations	The Under-Secretariat for MERCOSUR and International Economic Negotiations promotes regional integration and participates in the negotiation of reciprocal investment promotion and protection agreements.
	The Under-Secretariat for Investment Development and Trade Promotion fosters foreign investment and exports.
	The Under-Secretariat for Multilateral and Bilateral Economic Negotiations promotes bilateral economic relations outside the region and participates in multilateral economic negotiations.
	The Directorate for the Settlement of International Economic Disputes intervenes in international dispute settlement processes.
Ministry of Productive Development	
Secretariat for Industry, the Knowledge Economy and Foreign Trade Management	The Under-Secretariat for Trade Policy and Management develops, coordinates and implements export promotion instruments; participates in trade negotiations; and proposes regulatory changes related to the customs nomenclature, import regimes and tariffs.
	The National Commission on Foreign Trade carries out investigations on dumping, subsidies and safeguards, for the implementation of corrective trade measures.
Ministry of Agriculture, Livestock and Fisheries	
Under-Secretariat for Policy Coordination	The National Directorate of International Relations participates in trade negotiations and develops policies to improve Argentina's integration into external markets.

Source: Administrative Decisions No. 70/2020, No. 1.080/2020 and No. 1.441/2020, and information provided by the authorities.

2.14. The provinces also participate in the formulation of trade policy on relevant matters. In 2016, the Federal Council for Foreign Trade was created to discuss matters concerning both the federal government and the provincial governments, such as trade liberalization and trade facilitation.¹¹ This Council was replaced in 2020 by the Federal Council for Foreign Affairs and International Trade, which outlines strategies for the promotion of exports and the integration of the provinces in international trade.¹² The private sector is also involved in policymaking, taking part in preparatory roundtables for trade negotiations. In 2020, the Ministry of Foreign Affairs, International Trade and Worship created the Public-Private Council for the Promotion of Exports, with the aim of increasing cooperation with trade unions.¹³

2.15. In 2016, the Ministry of Foreign Affairs, International Trade and Worship created the Argentine Investment and International Trade Agency (AAICI), which is a new body for the promotion of exports and investment that replaces the Under-Secretariat for Investment Development and Trade Promotion and the ExportAr Foundation. The AAICI advises companies on the internationalization process, and promotes Argentina as an investment destination. The Ministry of Foreign Affairs, International Trade and Worship also manages the *Argentina Trade Net* portal, through which information on international markets is provided.

2.16. In 2019, the National Committee on Trade Facilitation was created, which is a public-private body that reports to the Office of the Chief of Cabinet, in order to implement the WTO Trade

¹¹ During the review period, the Council was convened on two occasions (in 2016 and 2018).

¹² Information provided by the authorities.

¹³ Resolution No. 136/2020 of the Ministry of Foreign Affairs, International Trade and Worship of 29 June 2020, and the Ministry of Foreign Affairs, International Trade and Worship. Viewed at: <https://www.cancilleria.gob.ar/es/destacados/sola-presidio-el-lanzamiento-del-consejo-publico-privado-para-la-promocion-de>.

Facilitation Agreement.¹⁴ However, in 2021, the Committee was still not operational, as its internal regulations had not yet been developed.¹⁵

2.17. Since 2013, the aim of Argentina's trade policy has been to boost the country's participation in international trade by diversifying and boosting exports, and integrating SMEs into export activity and global value chains. It is hoped that this will increase competitiveness and productivity at the federal level, and will create more jobs, more revenue and greater social inclusion.¹⁶ As part of its internationalization strategy, Argentina considers that it is necessary to ensure greater inclusion of women, as achieving gender equality is fundamental for development and growth.¹⁷ Argentina's trade policy is implemented at both the multilateral and regional level.

2.18. During the review period, in order to advance exports, Argentina adopted measures to, *inter alia*, facilitate trade, increase financing, promote exports of better-quality goods and services and improve the support provided to enterprises (Table 2.6).

Table 2.6 Scope of trade policy, 2013-21

Areas	Some of the measures implemented
Trade facilitation	Implementation of the Single Window for Foreign Trade (VUCE) and the Single Window for Argentine Foreign Trade (VUCEA) Introduction of a new export regime " <i>Exporta Simple</i> " Introduction of digital certificates of origin (in some cases) Increase in the maximum value that can be imported through courier/parcel services (from USD 1,000 to USD 3,000); the maximum value for exports (USD 1,000) remains the same
Financing	Between 2018 and 2019, the introduction of the credit line " <i>Argentina Exporta</i> " for the pre-financing of export activities. The conditions of the loans were: (a) a term of 365 days; (b) a maximum amount of USD 200,000; and (c) a subsidized interest rate. Nineteen public and private banks participated
Quality	Accreditation of new laboratories Financing for laboratories
Support for enterprises	Trade promotion activities for SMEs and women stepped up Federal Export Development Plan for SMEs implemented

Source: WTO Secretariat.

2.19. Argentina continues to actively use trade policy measures as an instrument to achieve objectives in areas that go beyond just trade. This includes both long-term (growth and economic development) and short-term objectives (increase tax revenues, contain inflation or maintain the balance-of-payments equilibrium). For example, Argentina continues to use export duties, one of its main sources of fiscal revenue, to achieve tax receipt objectives. Argentina also has a series of export registers. Regarding imports, registers continue to be used and non-automatic import licences have been re-introduced, which are policies that could have an impact on the availability and cost of imported products. Furthermore, trade and trade-related measures are frequently amended as circumstances require. While this may result in a quicker response to changes, it can also create further complexity in the trade regime.

2.3 Trade agreements and arrangements

2.3.1 WTO

2.20. Argentina, a founding Member of the WTO, grants at least most-favoured-nation (MFN) status to all its trading partners.

2.21. Argentina has reaffirmed its support for the WTO and the multilateral trading system on various occasions. Buenos Aires hosted the 11th Ministerial Conference in 2017. Argentina considers

¹⁴ Decree No. 535/2019.

¹⁵ Information provided by the authorities.

¹⁶ The Ministry of Foreign Affairs, International Trade and Worship. Viewed at: <https://www.cancilleria.gob.ar/es/politica-exterior/apertura-de-mercados-negociaciones-internacionales> and the Ministry of Production and Labour. Viewed at: <https://www.produccion.gob.ar/comunicados/2018/02/28/insercion-desarrollo-y-reduccion-de-pobreza-68964>.

¹⁷ Ministry of Production and Labour (2019), *Informe de Gestión: Resumen 2015-2019*. https://www.argentina.gob.ar/sites/default/files/ministerio_de_produccion_y_trabajo_-_informe_de_gestion_2015-2019.pdf.

it important for the WTO to resume “its central role” in international trade and for there to be a rules-based, open and equitable multilateral trading system that contributes to inclusive development. Argentina is in favour of stepping up efforts to correct trade practices that cause restrictions and distortions in the agricultural and fisheries sector.¹⁸ It also supports the discussion of new trade issues. As such, it participates in joint initiatives on e-commerce, the integration of MSMEs in international trade, investment facilitation and services domestic regulation.¹⁹ Argentina also participates in several negotiating groups: it is a State Party to MERCOSUR and a member of the Cairns Group, the G20, NAMA 11 and the Friends of Fish group, as well as a co-sponsor of the Joint Proposal in intellectual property.

2.22. In 2018, Argentina ratified and accepted the Protocol concerning the WTO Trade Facilitation Agreement (TFA).²⁰ Argentina notified the WTO that it would implement the provisions of the Agreement according to the schedule for categories A and B.²¹ In February 2021, it had already implemented 97.5% of the TFA provisions. The rest will be implemented gradually until 2023.²²

2.23. Argentina is an observer in the Committees on the Government Procurement Agreement (GPA) and the Agreement on Trade in Civil Aircraft. Argentina accepted the Protocol amending the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the Fourth Protocol on Telecommunications annexed to the General Agreement on Trade in Services.²³ Argentina is not a signatory to the Information Technology Agreement nor is it participating in the negotiations on the Environmental Goods Agreement. Argentina’s trade policies have been reviewed five times, the last time being in 2013.

2.24. Throughout the review period, Argentina submitted a considerable number of notifications under various WTO Agreements (Table A2.1).

2.25. Between 2013 and 2021, Argentina participated in three disputes as a complainant (Table 2.7) and in 19 disputes as a third party. During this period, Argentina’s trade measures have not been the subject of any disputes.

Table 2.7 Disputes filed by Argentina since 2013

Member: measures challenged (WTO document)	Current situation (as at 1 May 2021)
EU: Certain Measures on the Importation and Marketing of Biodiesel and Measures Supporting the Biodiesel Industry (DS459)	15 May 2013: Consultations stage
EU: Anti-Dumping Measures on Biodiesel from Argentina (DS473)	26 December 2016: Report(s) adopted, with recommendation to bring measure(s) into conformity
Peru: Anti-dumping and countervailing measures on biodiesel from Argentina (DS572)	29 November 2018: Consultations stage

Source: WTO Secretariat.

2.3.2 Regional and preferential agreements

2.26. Argentina is a founding member of Southern Common Market (MERCOSUR) and participates in various trade agreements as a MERCOSUR State Party and on an individual basis (Chart 2.1). Most of these agreements are partial scope economic complementation agreements (ACEs) with States that are part of the Latin American Integration Association (LAIA).

¹⁸ WTO documents WT/MIN(15)/ST/47 of 18 December 2015 and WT/MIN(17)/ST/6 of 13 December 2017.

¹⁹ WTO documents WT/MIN(17)/ST/58/Rev.1 of 20 December 2017; WT/MIN(17)/ST/59 of 13 December 2017; WT/MIN(17)/ST/60 of 13 December 2017; and WT/MIN(17)/ST/61 of 13 December 2017.

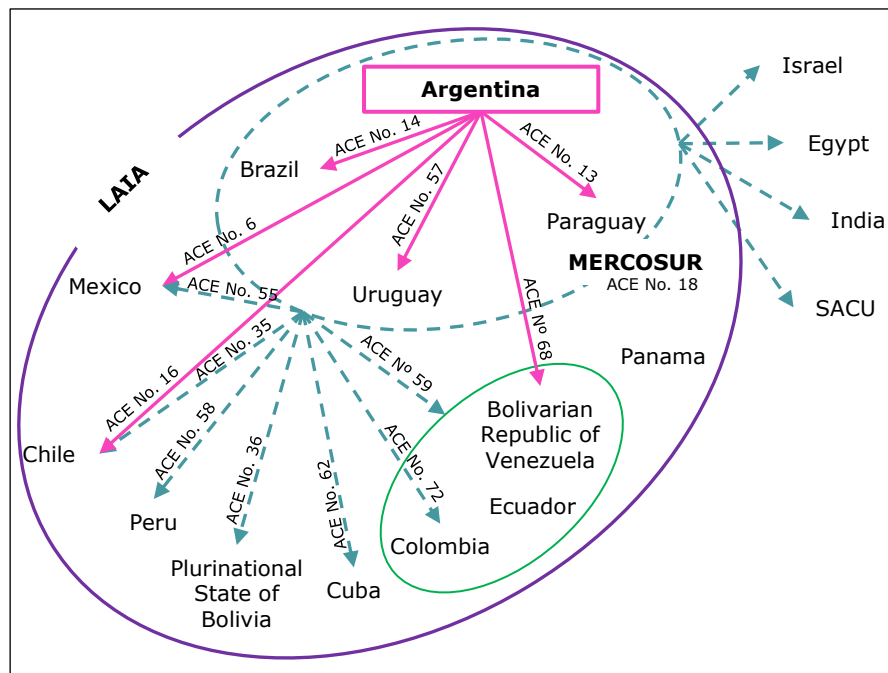
²⁰ Law No. 27.373 of 5 July 2017 and Decree No. 574/2017. Argentina’s instrument of acceptance was submitted to the WTO on 22 January 2018.

²¹ WTO documents WT/PCTF/N/ARG/1 of 27 May 2016 and G/TFA/N/ARG/1 of 15 March 2017.

²² TFA Database. Viewed at: <https://www.tfadatabase.org/members/argentina>.

²³ Argentina participated in the negotiations on the Fifth Protocol (financial services) to the General Agreement on Trade in Services, but is not among the signatory as it did not undertake commitments.

Chart 2.1 Trade agreements in force in Argentina in 2021



Source: WTO Secretariat.

2.27. The MERCOSUR Trade Commission (CCM) is responsible for proposing, to the Common Market Group (GMC), amendments to the Common External Tariff (AEC), and for managing the different mechanisms which allow States Parties, on an exceptional basis, to apply a different import duty to that established in the AEC for imports from outside the bloc.²⁴ One of these mechanisms is the temporary reduction of tariffs due to regional supply shortages, the provisions of which were amended in 2020 (Box 2.2) This mechanism may be used for all types of products. The mechanism is applied to a limited number of tariff lines at a time (currently a maximum of 100) and covers a certain volume of the imported good, and only applies to the State Party requesting its use. Between 2013 and 2021 (March), Argentina used this mechanism for products such as: fish; modified milk; nuts, in shell; chemical products; colouring matter; and paper and paperboard.²⁵

²⁴ Inter-American Development Bank (IDB) (2019), *Informe MERCOSUR: hacia un cambio necesario*. Viewed at: <https://publications.iadb.org/es/informe-mercosur-hacia-un-cambio-necesario>.

²⁵ Additional Protocols to AAP.CE No. 18.

Box 2.2 Mechanism for the temporary reduction of tariffs due to regional supply shortages

Since 2020, GMC Resolution No. 49/19 repealing GMC Resolution No. 08/08 has regulated the mechanism for the temporary reduction of tariffs due to regional supply shortages. The main amendments, resulting from the introduction of the new Resolution, were: (i) the increase in the number of tariff lines, from 45 to 100, for which a reduction may be requested; (ii) the possibility to reduce tariffs to 0% (currently the rate of the reduced duty may be 0% or 2%, whereas previously, it could not be lower than 2%, with some exceptions); and (iii) the possibility to extend indefinitely the deadline for the tariff reduction (currently, the reduction may be applied for up to 360 days and be renewed indefinitely, whereas previously, it could be applied for up to 24 months and be renewed for 12 months).

GMC Resolution No. 49/19 reiterates that, if the conditions for the tariff reduction persist, a definitive reduction of the tariff rate could be considered.

In the case of Argentina, in order to use this mechanism, producers (or trade unions) must submit an application to the Ministry of Productive Development, which is examined in consultation with producers, retailers and, if necessary, with the relevant public bodies (for example the Directorate-General of Customs or the Ministry of Agriculture, Livestock and Fisheries). If there are no objections, the Ministry of Foreign Affairs, International Trade and Worship is asked to submit the application to the other States Parties.

Since 2020, the States Parties have had 90 days to approve/reject applications (previously there was no time-limit). If a State Party makes no objection, the application is considered to be approved. Previously, each State Party had to make a formal decision.

GMC Resolution No. 49/19, like GMC No. 08/08, allows, in exceptional cases, for requests for an expedited tariff reduction. In this case, the States Parties have 30 days to make a decision. If the request is approved, the tariff reduction is applied to only half the volume of the import requested and for half the time-limit requested. Since 2020, it has been possible to request an urgent tariff reduction for a maximum of 10 tariff lines (previously, the maximum was 5 tariff lines).

The provisions (rate, time-limit and volume) regarding the tariff reduction are established by means of a directive by the MERCOSUR Trade Commission (CCM). The time-limit for the incorporation into the national legislation of the beneficiary State Party may not exceed 60 days from the date of approval of the measure.

Source: WTO Secretariat and information provided by the authorities.

2.28. The States Parties may also request, for reasons of trade imbalances caused by the international economic situation, a temporary increase of the tariff rate above that established in the Common External Tariff for imports outside the bloc. This measure may be applied to a maximum of 100 tariff lines. The import duty rates established may not be higher than the consolidated tariff for each MERCOSUR State Party in the WTO. Since 2013, Argentina has used this mechanism and temporarily increased the tariffs for certain tariff lines, in particular machinery and appliances, electrical equipment and other manufactured goods.²⁶

2.29. CMC Decision No. 01/09 governing the rules of origin for intra-MERCOSUR trade, was incorporated into ACE No. 18 in 2015 (77th Additional Protocol). The rules of origin are in force until 31 December 2023.²⁷ Furthermore, during the review period, Argentina began to use digital certificates of origin. It has used them for trade with Brazil since 2017, with Uruguay since 2018 and with Paraguay since 2020.

2.30. With regard to trade, in 2017, the MERCOSUR States Parties signed the Intra-MERCOSUR Investment Cooperation and Facilitation Protocol;²⁸ in 2019, the MERCOSUR Trade Facilitation Agreement and the MERCOSUR Agreement on Mutual Recognition of Authorized Economic Operators (AEO); and, in 2021, the MERCOSUR Agreement on E-Commerce.²⁹ Moreover, since 2013, provisions on government procurement, digital signatures and geographical indications have been introduced in MERCOSUR. New guidelines were also adopted to accelerate the development and review of MERCOSUR technical regulations. Regarding trade in services, rules were adopted to provide greater predictability for financial flows and to build the capacity of the national financial

²⁶ Annex VI of Decree No. 541/2019.

²⁷ CMC Decision No. 31/15.

²⁸ Ratified by Argentina in 2019 (Law No. 27.527 of 20 November 2019), and entered into force in 2020.

²⁹ In 2021, these three agreements had yet to be ratified by Argentina (information provided by the authorities).

regulators.³⁰ In the telecommunications sector, in 2019, it was agreed to eliminate roaming charges within the bloc.³¹

2.31. In 2013, the Partial Scope Agreement between Argentina and the Bolivarian Republic of Venezuela (AAP.CE No. 68) entered into force. Argentina grants a 100% preference on all products originating in the Bolivarian Republic of Venezuela, with the exception of products from the automotive sector and the sugar sector. These products are governed by the provisions contained in ACE No. 59, the previous agreement.

2.32. In 2017, MERCOSUR and Colombia signed the Partial Scope Agreement ACE No. 72, which will replace ACE No. 59, once all the Parties have incorporated the new Agreement into their domestic legislation. Currently (2021), both Agreements are in force (Section 3.1.3.3). ACE No. 72 provided the same market access conditions granted in ACE No. 59, extended preferential treatment for some products that had not been considered initially (insecticides, wadding, textiles and metal products), and granted better preferences for products such as sugar, cocoa, plastics, tyres, vehicles and parts thereof, and instruments and apparatus for measuring or checking pressure. Under ACE No. 72, Argentina negotiated tariff quotas for insecticides, plastic bottles, vehicles and mudguards (Section 3.1.3.3). The 1st Additional Protocol to ACE No. 72 on trade in services was signed in 2018. It has yet to enter into force (May 2021).

2.33. Under the ACE between MERCOSUR and Chile (ACE No.35), trade between Argentina and Chile was liberalized in 2014. During the period under review, several additional protocols to ACE No. 35 were enacted. For example, the 58th Additional Protocol, signed in 2016, provided for the use of digital certificates of origin. Under the 63rd Additional Protocol, new provisions concerning certificates of origin were applied as from 2019. Argentina and Chile deepened their trade relations at the bilateral level through the negotiation of the 61st Additional Protocol to ACE No. 35, which entered into force in 2019. As a result, non-tariff barriers were reduced, the coverage of trade in services was extended, and new trade issues, such as e-commerce, the participation of MSMEs and gender equality, were included. Furthermore, the 65th Additional Protocol (bilateral), which entered into force in 2021, amended the rules of origin for the automotive sector, by lowering the regional content index.³²

2.34. In 2019, Argentina agreed on new provisions for automotive trade with Brazil (43rd and 44th Additional Protocols to ACE No. 14), Mexico (6th Additional Protocol to Appendix 1 of ACE No. 55) and Paraguay (2nd Additional Protocol to ACE No. 13). In the cases of Mexico and Brazil, the reduction of tariffs to 0%, which had been planned for 2019 and 2020 in these protocols, was postponed until 2022 and 2029. In the case of Paraguay, all tariffs were eliminated as from 2019, except for certain motor vehicles, which will become duty-free as from 2022.³³ In the case of Mexico, tariff quotas will continue to be applied. Automotive trade between Argentina and Brazil continues to be managed through an export deviation ("flex") coefficient in bilateral trade (Box 2.3).

Box 2.3 "Flex" coefficient

Regarding automotive trade between Argentina and Brazil, a tariff preference of 100% is applied to automotive goods, provided that compliance with an offset clause, referred to as the "flex coefficient", is ensured. The "flex coefficient" is the ratio between imports and exports that allows countertrade between Argentina and Brazil to continue; for each dollar of exported automotive sector products, a certain amount may be imported, with a tariff preference of 100%. If bilateral trade exceeds the "flex coefficient", the volume of imported auto parts that exceed the coefficient will be subject to a tariff equivalent to 75% of the bilaterally-agreed tariff, and 70% for other automotive products.

Source: 43rd and 44th Additional Protocols to ACE No. 14.

2.35. In 2017, the trade agreement between MERCOSUR and Egypt entered into force. Under the agreement, Argentina immediately liberalized 18.8% of its tariffs. After completing the tariff elimination schedule, which includes four stages and will last 10 years, Argentina will grant a

³⁰ Minutes 2/2019 of 4 December 2019 and Minutes 1/2020 of 7 December 2020.

³¹ Decision No. 001-2019.

³² LAIA press release of 16 December 2020.

³³ Ministry of Production and Labour (2019), *Informe de Gestión: Resumen 2015-2019*.

https://www.argentina.gob.ar/sites/default/files/ministerio_de_produccion_y_trabajo_-_informe_de_gestion_2015-2019.pdf.

preference of 100% on products originating in Egypt which are classified in 98% of the tariff lines. Chemical products, in particular, are excluded. The agreement does not cover trade in services.³⁴

2.36. The agreement between MERCOSUR and the Southern African Customs Union (SACU), which entered into force in 2016, exempts certain goods from tariffs, in full or partially, upon the entry into force of the agreement. Argentina immediately liberalized 5.8% of its tariffs and will also give preferential treatment to 2.9% of its tariffs.³⁵

2.37. In 2019, agreements in principle were concluded between MERCOSUR and the European Free Trade Association (EFTA), and between MERCOSUR and the European Union (EU). Legal texts based on the agreed documents are being drafted.

2.38. Since 2013, Argentina, as a MERCOSUR State Party, has initiated trade negotiations with Canada, the Republic of Korea, Lebanon and Singapore, and with India and Israel, in order to expand and strengthen existing agreements. Moreover, within the framework of LAIA, between 2013 and 2021, Argentina initiated negotiations with Mexico to expand and strengthen ACE No. 6, and with Peru to expand and strengthen, at the bilateral level, ACE No. 58 (MERCOSUR-Peru). The negotiations address provisions on trade in services, investment, government procurement, trade and the environment, the participation of SMEs and gender equality.

2.3.3 Other agreements and arrangements

2.39. Under the Generalized System of Preferences (GSP), Armenia (since 2016), Australia, the United States of America (since 2018), Japan, the Russian Federation, Kazakhstan, New Zealand, Norway, Switzerland and Turkey grant unilateral tariff preferences to Argentina.³⁶

2.40. Argentina participates, as a MERCOSUR State Party, in the Global System of Trade Preferences among Developing Countries (GSTP). Under the GSTP, MERCOSUR grants preferences of between 10% and 100% on around 1% of the tariff universe.³⁷

2.41. Argentina is an observer to the Pacific Alliance. Furthermore, in 2018, MERCOSUR and the members of the Pacific Alliance signed the Puerto Vallarta Action Plan to consolidate their trade relations, with a focus on trade facilitation and investment, inclusive trade, value chains and the internationalization of SMEs.³⁸ Since 2019, the two blocs have made progress in the mutual recognition of their authorized economic operator (AEO) programmes.

2.4 Investment regime

2.42. The foreign investment regime in Argentina is governed mainly by the Foreign Investment Law.³⁹ Argentina grants national treatment to foreign investors.⁴⁰ Foreign investors do not require authorization to invest.⁴¹ Foreign direct investment (FDI) must be registered, for statistical purposes, in the reporting system for foreign assets and liabilities of the Central Bank of Argentina (BCRA).⁴² Concerning foreign portfolio investment, the requirement to deposit 30% of the investment amount with the BCRA was eliminated in 2015.⁴³

³⁴ WTO document WT/COMTD/RTA10/1/Rev.1 of 28 November 2019.

³⁵ WTO document WT/COMTD/RTA11/1 of 7 November 2019.

³⁶ WTO. Viewed at: <http://ptadb.wto.org/Country.aspx?code=032>.

³⁷ Information provided by the authorities.

³⁸ Communication from the Common Market Council LV CMC - Minutes 2/2019 of 4 December 2019.

³⁹ Harmonized Text of Law No. 21.382 approved as Annex I to Decree No. 1.853/1993

⁴⁰ Article 20 of the Constitution and Article 1 of the Foreign Investment Law.

⁴¹ Article 15 of the Economic Emergency Law (Law No. 23.697 of 1 September 1989).

⁴² Information provided by the authorities; and the BCRA. Viewed at:

http://www.bcra.gob.ar/PublicacionesEstadisticas/Inversiones_directas.asp.

⁴³ Article 4 (a) of Decree No. 616/2005 amended by Ministry of the Economy and Public Finance Resolution No. 3/2015, and information provided by the authorities.

2.43. Foreign investors may transfer profits abroad and repatriate invested capital,⁴⁴ in addition to paying interest, dividends, earnings or royalties abroad, provided that they comply with the provisions regulating access to and the functioning of the foreign exchange market (Section 1).⁴⁵

2.44. In 2021, the investment promotion scheme for exports was established to promote domestic and foreign investment in activities with the potential to produce exportable industrial forestry goods, mining and hydrocarbon products, and manufactured and agro-industrial products.⁴⁶ A minimum investment of USD 100 million is required to be eligible for the scheme. The enterprises covered by the scheme may use up to 20% of the foreign currency obtained through an unrestricted export operation, with a maximum limit of 25% of the gross annual amount of total foreign currency inflows.⁴⁷ The foreign currency may be used to settle debts or pay profits or dividends abroad, or to repatriate the investment. Moreover, the amount may be deposited in accounts abroad in Argentine financial institutions and/or local accounts, in foreign currency, in Argentine banks.⁴⁸ However, to date (July 2021), the scheme has yet to be implemented, as it has not been regulated.

2.45. Private, domestic and foreign investment is permitted in most activities. However, the State still maintains a monopoly over the telecommunications sector (fibre optic wholesale service and satellite communication services) and air transport (air transit management and the issuance of airline tickets for government agencies). The State is also the owner of deposits of petroleum and other minerals. Domestic and foreign investors must obtain a concession to develop mineral and hydrocarbons resources.⁴⁹

2.46. Fishing in waters under Argentine jurisdiction and maritime cabotage services are generally reserved for Argentine nationals.⁵⁰ In the financial sector, foreign insurance companies may establish branches in Argentina only if there is reciprocity.⁵¹

2.47. Regarding sectoral limitations, the foreign equity ownership and share of votes in media companies may not be higher than 30%.⁵² This limit may be increased if there is a reciprocity agreement. However, according to the authorities, this was not the case during the review period.⁵³ In the air transport sector, 51% of the equity and votes of airlines operating flights within Argentina must be owned by nationals. Exceptions have been allowed (Section 4.4.3.1).

2.48. Foreign nationals are subject to restrictions for the purchase of land. They may purchase a maximum of 15% of the total national territory. Foreign nationals from the same country of origin may not own more than 30% of this 15%. Furthermore, foreign nationals may not possess more than 1,000 hectares in the "core area" or its equivalent.⁵⁴ They may also not purchase real estate in areas crossed by "major and permanent" rivers, or along the banks of those rivers. Purchases of real estate in border security areas require the authorization of the Ministry of the Interior.⁵⁵ There are no restrictions on the purchase of real estate in areas suitable for industrial activities, including industrial parks.⁵⁶ The State may resort to expropriation under eminent domain.⁵⁷

⁴⁴ Article 5 of the Harmonized Text of Law No. 21.382 approved as Annex I to Decree No. 1.853/1993.

⁴⁵ AAICI (undated), *Marco Legal para Comenzar un Negocio en la Argentina*. Viewed at: https://www.inversionycomercio.org.ar/docs/pdf/Marco_Legal_para_comenzar_un_negocio_en_argentina.pdf.

⁴⁶ The following agro-industrial products are excluded: wheat, wheat flour, wheat pellets, wheat starch and wheat gluten; maize (corn), pisingallo maize, maize flour, maize pellets, maize starch, maize oil and preparations of maize; soya beans, soyabean flour, soyabean oil, soyabean pellets and soyabean proteins; glycerol; and biodiesel.

⁴⁷ Article 8 of DNU No. 234/2021.

⁴⁸ DNU No. 234/2021.

⁴⁹ Mining Code and Hydrocarbons Law.

⁵⁰ Article 37 of Law No. 24.922 of 9 December 1997; and Article 6 of Decree Law No. 19.492.

⁵¹ Article 5 of Law No. 20.091 of 11 January 1973.

⁵² Publishing houses, radio broadcasting companies, producers of audiovisual and digital content, which provide Internet services and audiovisual communications services.

⁵³ Articles 2-3 of Law No. 25.750 of 18 June 2003.

⁵⁴ The core area comprises the departments of the provinces of Buenos Aires, Córdoba and Santa Fe (Article 10 of Decree No. 274/2012). The areas equivalent to the core area may be consulted at: <https://www.argentina.gob.ar/justicia/tierrasrurales/cartograf%C3%ADa/equivalencias>.

⁵⁵ Rural Land Law (Law No. 26.737 of 22 December 2011). The mapping of the border security areas is contained in Decree No. 253/2018.

⁵⁶ Article 6 of Decree No. 820/2016.

⁵⁷ Article 17 of the Constitution.

2.49. Foreign nationals (like Argentine nationals) may establish commercial companies and branches in Argentina, hold shares in local commercial companies and acquire the goodwill of a business.⁵⁸ The General Companies Law (Law No. 19.550)⁵⁹ and the Entrepreneurial Capital Support Law (Law No. 27.349) regulate the establishment and operation of commercial companies and branches. The most frequently used types of commercial company are *sociedad anónima* (SA) (public limited companies) and *sociedad de responsabilidad limitada* (SRL) (limited liability companies). During the review period, two other types of commercial companies were created: *sociedad anónima unipersonal* (SAU) (single-member public limited companies) in 2015 and *sociedad por acciones simplificada* (SAS) (simplified joint-stock companies) in 2017 (Table 2.8). The establishment of commercial companies and branches in Argentina is processed electronically through the Remote Procedure Management (TAD) Platform, which has been in use since 2016.⁶⁰

Table 2.8 New types of commercial companies

	Single-member public limited companies	Simplified joint-stock companies
Partners	One partner	One or more partners, with no maximum limit of partners
Minimum registered capital	ARS 100,000 The full amount must be paid upon establishment.	An amount equivalent to twice the adjustable minimum living wage. Twenty-five per cent of the capital stock must be paid upon establishment. The remaining amount may be paid within a period of no more than two years, as from the date of establishment.
Start-up time	Five working days when an "urgent" procedure is requested. Otherwise, 10 to 20 working days.	24 hours
Type of operations	Any activity	Any activity, except, for example, the provision of financial services, public services or concession activities
Head office and domicile	Only in the Autonomous City of Buenos Aires	Only in the Autonomous City of Buenos Aires

Source: Law No. 19.550 (text harmonized by Decree No. 841/1983) and Law No. 27.349 of 29 March 2017.

2.50. Argentina has implemented several reciprocal investment promotion and protection agreements (IPPAs) and treaties for the avoidance of double taxation (Table 2.9). Between 2013 and 2021, several reciprocal IPPAs expired, some because they were terminated; however, in such cases, existing protection periods remain in effect. Argentina is a member of the International Centre for Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA). It has also ratified the New York Convention and the Panama Convention on international arbitration.

Table 2.9 Reciprocal IPPAs and treaties for the avoidance of double taxation, 2021

Reciprocal IPPAs	In force: Algeria (2002); Armenia (1994); Australia (1997); Austria (1995); Belgium and Luxembourg (1994); Bulgaria (1997); Canada (1993); China (1994); Costa Rica (2001); Croatia (1996); Cuba (1997); Czech Republic (1998); Denmark (1995); El Salvador (1999); Egypt (1993); Finland (1996); France (1993); Germany (1993); Guatemala (2002); Hungary (1997); Israel (1997); Italy (1993); Jamaica (1995); Lithuania (1998); Malaysia (1996); Mexico (1998); Morocco (2000); Netherlands (1994); Panama (1998); Peru (1996); Philippines (2002); Poland (1992); Portugal (1996); Republic of Korea (1996); Romania (1995); Russian Federation (2000); Senegal (2010); Spain (1992); Sweden (1994); Switzerland (1992); Thailand (2002); Tunisia (1995); Turkey (1995); Ukraine (1997); United Kingdom (1993); United States of America (1994); Venezuela (1995); Viet Nam (1997)
	Terminated and expired: Bolivia (terminated in 2013, expired in 2014); Chile (2019); Ecuador (terminated in 2017, expired in 2018); India (terminated in 2012, expired in 2013); Indonesia (its termination was agreed in 2015, expired in 2016); Nicaragua (2021); South Africa (terminated in 2016, expired in 2017)
	Signed: Dominican Republic (2001); Greece (1999); Japan (2018); New Zealand (1999); Qatar (2016); United Arab Emirates (2018)
Treaties for the avoidance of double taxation	In force: Brazil (2018); Chile (2016); Mexico (2017); Spain (2013); Switzerland (2015); United Arab Emirates (2019); Uruguay (2013)
	Signed: China (2018); Japan (2018); Luxembourg (2018); Qatar (2018); Turkey (2018)

Source: Information provided by the authorities.

⁵⁸ AAICI (undated), *Guía para el Inversor*. Viewed at: <https://www.inversionycomercio.org.ar/docs/pdf/Guia-para-el-inversor.pdf>.

⁵⁹ In 2015, the Companies Law became the General Companies Law.

⁶⁰ Decree No. 1.063/2016.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures Directly Affecting Imports

3.1.1 Customs procedures, valuation and requirements

3.1. Import (and export) procedures in Argentina are still regulated by the Customs Code of the Argentine Republic (Law No. 22.415) and its implementing Decree (No. 1.001/1982). The Directorate-General of Customs (DGA) remains the main institution responsible for import procedures. Its role is to value, classify and verify goods and control their entry (and exit) and their modes of transport, ensuring compliance with current provisions on the clearance of goods. Other institutions support the DGA in carrying out its functions (Table 3.1).

Table 3.1 Other institutions involved in import procedures, 2021

National Agriculture and Food Quality and Health Service (SENASA) : verifies compliance with all phytosanitary and animal health requirements for imports of products and by-products of animal or plant origin
National Drugs, Food and Medical Technology Administration (ANMAT) : regulates the activities, processes and technologies used to supply, produce, manufacture, fractionate, import, export, store and market products, substances, elements and materials consumed or used in human medicine, food or cosmetics
National Grape-Growing and Wine Production Institute : inspects grape and wine products; regulates the production, movement, fractionation and marketing of ethyl alcohols and methanol; and acts as the implementing authority for the designation of origin system used for wines and wine-based spirits
National Agency for Regulated Products (ANMAC) : registers, monitors and regulates all activities related to firearms, gunpowder, explosives and the like and other regulated products, as well as users of such products within Argentine territory

Source: Information provided by the authorities

3.2. In Argentina, foreign-trade operators such as importers, (exporters) and customs brokers (which support trade and the Customs Service) must register in the Special Customs Registries before they can operate; customs brokers must also have the necessary electronic authorization.¹ To register in the Special Customs Registries, foreign-trade operators (importers, exporters and customs brokers) must declare their tax domicile, and customs brokers must also declare their special domicile², among other requirements.³

3.3. Registration in the DGA Special Customs Registries is mandatory in order to import (or export).⁴ Furthermore, importers (and exporters) must be registered as traders in the Public Trade Register (for natural persons) and with the Directorate-General of Taxation. They must also be sufficiently solvent and (in the case of customs brokers) must pay a guarantee to the DGA, as set out in the regulations.⁵ Occasional importers (or exporters) are not required to register (as per Article 92 of the Customs Code).

3.4. Import licence applicants must also first register in the register of importers held by the Federal Public Revenue Administration (AFIP). To obtain a non-automatic licence, registration in the Single Register of the Ministry of Production (RUMP), currently managed by the Ministry of Productive Development, is also required.⁶

3.5. Argentina continues to have various import destinations and various customs import regimes and procedures, which have remained essentially unchanged since 2013. Import procedures vary depending on the destination and the regime. Importers must therefore specify the destination of

¹ AFIP General Resolution No. 2570 of 27 February 2009.

² Special domicile or 100% customs domicile refers to a domicile situated within the urban limits of the customs offices in which the customs broker will conduct its activities. There may be special domiciles or customs territories in which the broker operates (information provided by the authorities).

³ AFIP General Resolution No. 2570 of 27 February 2009.

⁴ Article 94 of Law No. 22415 (Customs Code); Decree No. 1214/2005 of 27 September 2005; and Resolution No. 2220/2007 of 23 February 2007.

⁵ For more information about the requirements and stages for registering as an importer, see <https://www.afip.gob.ar/registroAduanero/>.

⁶ Former Ministry of Production Resolution No. 442/2016 of 8 September 2016.

their goods to determine the customs requirements (Section VI of the Customs Code). Until they have been assigned a customs destination, unloaded goods are subject to the provisional storage procedure for imports and may not be processed except insofar as is necessary to keep them in good condition (Articles 198 and 209 of the Customs Code). Imports eligible for a tax concession on grounds of use are subject to the verification-of-destination regime. In such circumstances, the DGA may carry out an on-the-spot check, in which case a verification-of-destination tax of up to 2% of the value of the goods will be payable.⁷

3.6. In 2013, Argentine customs began using a new computer system introduced by AFIP.⁸ The new Malvina Computer System (SIM) replaced the MARIA Computer System and is used to record and process import/customs declarations.⁹

3.7. In 2014, the Single Window for Foreign Trade (VUCE), previously known as the Electronic Single Window, was created within AFIP.¹⁰ Foreign-trade operators can use the VUCE to obtain the necessary authorizations and certificates for the import (and export) and transit of goods. In theory, the VUCE is open to government bodies entitled to intervene in foreign-trade operations, private-sector entities related to foreign trade, and foreign-trade operators registered in the Special Customs Registries. In practice, however, only certain bodies have managed to join the VUCE, so it has only been possible to process certain procedures through the VUCE (Table 3.2). A new computer tool, called the Customs Procedures Computer System (SITA), was added to the VUCE in 2015. The tool allows foreign-trade operators registered in the Special Customs Registries to complete various procedures electronically and to submit supporting documents in digital form.

Table 3.2 Institutions that were part of the VUCE

Institution		Procedure
Secretariat for International Coordination and Cooperation	Import, customs clearance, re-export or transfer of motor vehicles with diplomatic exemption	Imports
National Drugs, Food and Medical Technology Administration (ANMAT)	Deals with goods related to medical technology	Imports
Secretariat of Trade	Involved in a range of operations and/or destinations within its areas of responsibility	Imports
Secretariat of Trade	Authorization and monitoring under the temporary admission import regime for goods intended for industrial processing	Imports/ Exports
Secretariat of Trade	Certification of safety requirements for new bicycles	Imports
Secretariat of Trade	Sworn Declaration of Product Composition	Imports
AFIP	Involved in a range of operations and/or destinations within its areas of responsibility	Imports
Central Bank of Argentina (BCRA)	Tracking of import and export payments	Imports/Exports
Secretariat for Comprehensive Drug Policies of the Argentine Nation (SEDRONAR)	Authorization for importing goods within its areas of responsibility	Imports
Chambers, federations and sector-based associations	Participation in the physical verification of imported goods as observers	Imports
MERCOSUR	INDIRA MERCOSUR system	Imports/ Exports
Interdisciplinary Executive Monitoring Unit	Authorized Soya Operators Register (ROSA) approvals, suspensions and withdrawals	Imports/ Exports
National Grape-Growing and Wine Production Institute (INV)	Export of goods subject to its prior intervention	Exports
Unit for the Coordination and Evaluation of Subsidies for Domestic Consumption (UCESCI) ^a	Sworn Declarations of Foreign Sales (DJVE) / Green Register of Export Operations (ROE)	Exports
UCESCI	Red ROE	Exports
UCESCI	White ROE	Exports

a Dissolved in 2017 through Decree No. 444/2017 of 23 June 2017.

Source: General Resolution No. 3599/2014 of 5 March 2014.

3.8. The Single Window for Argentine Foreign Trade (VUCEA) National Regime was established in 2016 and became operational in 2019.¹¹ Any body that issues, modifies or removes regulations

⁷ Articles 772-776 of the Customs Code and AFIP General Resolution No. 2193 of 1 January 2009.

⁸ AFIP General Resolution No. 3560/2013 of 5 December 2013.

⁹ AFIP General Resolution No. 3560/2013 of 5 December 2013.

¹⁰ General Resolution No. 3599 of 5 March 2014.

¹¹ Decree No. 1079 of 6 October 2016 and information provided by the authorities.

affecting foreign trade, whether for health, safety or commercial reasons, must communicate the changes so that they can be incorporated into the VUCE Information Centre (CIVUCE).¹² Thanks to this tool, as soon as regulations are published, operators will know what formalities they must complete for the tariff headings of their goods.

3.9. The Comprehensive Import Monitoring System (SIMI) was created in 2015 to control and manage risk for imports for consumption.¹³ It replaced the Advance Sworn Import Declaration (DJAI) that was introduced in 2012 and is used to process automatic and non-automatic licences.¹⁴ Importers must provide the information indicated in SIMI before they import goods. The competent bodies have up to 10 days – or longer if warranted and for good reason – to respond through SIMI.¹⁵ Importers can track procedures and find out whether the various bodies have made any observations and why such observations were made.

3.10. The Integrated Foreign Trade System (SISCO) is used to process proofs of compliance and sworn declarations required for certain goods that are subject to technical regulations or related standards.¹⁶ The system is also used to process Sworn Declarations of Product Composition (DJCPs) for textiles, footwear and parts thereof;¹⁷ Sworn Declarations for Furniture (DJPMs)¹⁸; and the mandatory certification of compliance with essential safety requirements for sales of new bicycles and certificates of exemption therefrom.¹⁹ SISCO is not part of the VUCE or SIMI. Approved DJCPs and DJPMs must be included with the documents required by customs for processing imports. For products that require both a DJCP and an import licence, the DJCP must be processed before the import licence.

3.11. In Argentina, it is not mandatory to use a customs broker to import (or export) goods; foreign nationals are permitted to be customs brokers.²⁰ A person permanently importing goods for consumption must present an import declaration to the DGA, either through SIMI or in writing. The declaration must include all the information that the DGA requires to verify that the tariff classification and value of the goods are correct (Articles 233-234 of the Customs Code). In addition to the import declaration, customs require the original transport documents (bill of lading, waybill, air waybill), the original commercial invoice, the packing list, and the customs value declaration (where appropriate). Other documents, such as certificates of origin,²¹ automatic and non-automatic licences and health certificates, may be required for certain goods.²²

3.12. Once the relevant documents have been submitted and taxes paid, goods are directed through a selective control system. Like in 2013, Argentina still uses three selection channels: red (physical and documentary inspection and, in some cases, value control), amber (documentary control) and green (no inspection). Goods are risk-assessed to determine which channel they must pass through. Products subject to specific import controls (import registration, prior authorization, import licensing, origin requirements and/or products that must comply with sanitary requirements or technical regulations) are directed through the amber or the red channel; the rest are directed through the green channel (Chart 3.1). Most imports currently go through the green channel. During

¹² Decree No. 286/2019 of 25 April 2019.

¹³ Resolution No. 3823/2015 of 21 December 2015 and Joint Resolution No. 4185-E/2018 of 5 January 2018.

¹⁴ General Resolution No. 3252 of 5 January 2012.

¹⁵ Resolution No. 3823/2015 and Joint Resolution No. 4185-E/2018 of 5 January 2018.

¹⁶ Resolution No. 52 of 11 March 2011 of the former Secretariat for Industry and Trade, under the former Ministry of Industry.

¹⁷ Resolution No. 404-E/2016 of 5 December 2016, Resolution No. 70 E/2017 of 31 January 2017 and online information: https://sisco.mecon.gob.ar/manuales/djcp/Manual_usuario_DJCP_rev_01.pdf.

¹⁸ Resolution No. 494/2018 of 16 August 2018.

¹⁹ Regime for the mandatory certification of essential safety requirements for the sale of new bicycles, Resolution No. 220/2003 of 30 December 2003 and Resolution No. 153/2005 of 26 July 2005.

²⁰ General Resolution No. 3628/2014

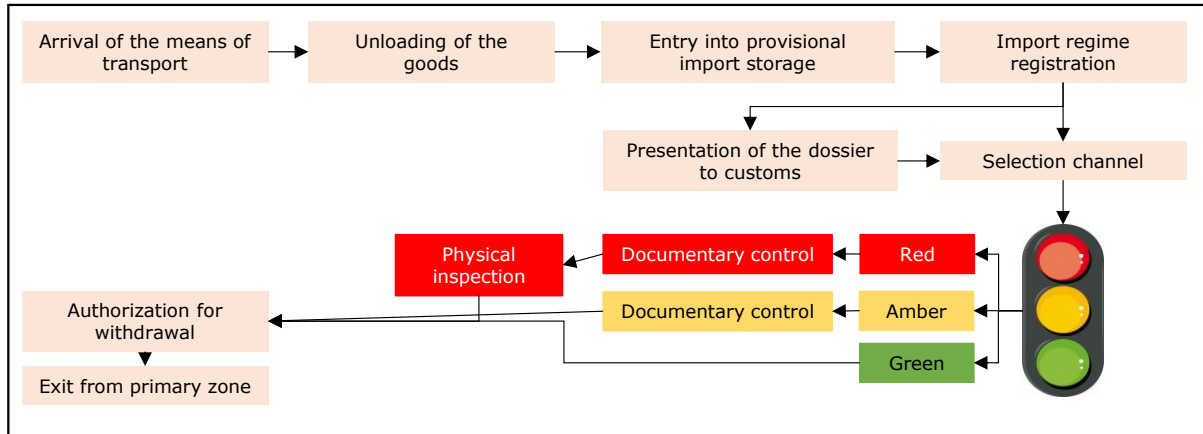
(https://www.despachantesargentinos.com/news/doc/RG_AFIP_N_3628_2014.pdf) and online information. Viewed at: <https://www.afip.gob.ar/aduana/despachantes.asp>.

²¹ In 2019, the Digital Certificate of Origin (COD) was introduced for goods sent between Argentina and Paraguay (AFIP General Resolution No. 4554/2019). In 2020, as an exceptional measure in response to the health crisis, certificates of origin began to be accepted in electronic form for goods subject to tariff preferences under agreements concluded by Argentina within the framework of the Latin American Integration Association (LAIA) and with Israel, the Southern African Customs Union (SACU) and Egypt.

²² In 2018, the Electronic Document for Sanitary Plant Transit (DTV-e) was implemented for importers/exporters (Resolution No. 4297/2018).

the period under review, the proportion of goods routed through the green channel increased from 41% in 2013 to 58% in 2020; the proportion routed through the red channel decreased from 35% in 2013 to 12% in 2020.²³

Chart 3.1 Import process, 2020



Source: AFIP.

3.13. During the period under review, Argentina abolished some of its import registers. The registers abolished included the Import Operations Register (ROI), in which it was mandatory to register imports of agricultural products such as certain live animals, meat and edible meat offal (HS 0103, 0203, 0206 and 0209),²⁴ and the Potato Importers Register.²⁵ Some registers remained in place, however, and some new ones were introduced (Table 3.3), including one for petroleum products (Table 3.3).

Table 3.3 Import registers created or abolished, 2013-20

Register	Products	Legal instrument
Registers abolished		
Import Operations Register (ROI)	Agricultural products such as certain live animals and meat and edible meat offal (MERCOSUR Common Nomenclature (NCM) 0103, 0203, 0206 and 0209)	Abolished in 2017 (Resolution No. 181-E/2017 of 26 July 2017 abolished Resolutions Nos. 119/07 of 9 March 2007 and 2/08 of 18 April 2008)
Potato Importers Register	Potatoes	Abolished in 2019 (Resolution No. 20 of 22 February 2019)
Registers maintained		
National Register of Food Products (RNPA)	A certificate that the corresponding health authorities award to import companies for each food product or dietary supplement that they import. To obtain the certificate, the company must be listed in the National Register of Establishments (RNE) and the product registered in the RNPA.	Resolution No. 1946/1993
Authorized Soya Operators Register (ROSA)	Temporary imports of soya beans to manufacture and export various soya-bean products such as soya-bean oil and biodiesel, in accordance with the Temporary Admission Import Regime for Industrial Processing, as envisaged in Decree No. 1330/04	Joint Resolution Nos. 438/12 (MEFP), 269/12 (MI) and 1001/12 (MPFIPS)

²³ Information provided by the authorities.

²⁴ Resolution No. 181-E/2017 of 26 July 2017 repealed the two resolutions that created the ROI: Resolutions Nos. 119/07 of 9 March 2007 and 2/08 of 18 April 2008.

²⁵ Resolution No. 20 of 22 February 2019.

Register	Products	Legal instrument
Certificate of Import of Used Goods (CIBU)	Used goods included under the tariff lines of HS Chapters 8-90	Resolution No. 909/1994 of 3 August 1994 Decree No. 2646/2012 Decree No. 406/2019 of 6 June 2019
Registers created		
Register of Crude Oil and Crude Oil Derivative Import Operations	Crude oil and its derivatives (crude petroleum oils (HS 2709.00.10)), crude oils obtained from bituminous minerals (HS 2709.00.90); aviation spirit (HS 2710.12.51); petroleum spirit other than aviation spirit (HS 2710.12.59); and gas oil (HS 2710.19.21)	Created in 2017 (Resolution No. 47-E/2017 and Decree No. 192 of 20 March 2017)
Certificate of Import of Used Goods for the Hydrocarbons Industry (CIBUIH)	The products included are listed in Annexes I and II of Decree No. 555/2019	Created in 2019 (Decree No. 555/2019 of 9 August 2019)
Register of Imports of Goods for Consumption under Contracts with Price Escalation Clauses between Affiliated Enterprises with the Involvement of Third-Party Operators	-	Created in 2019 (AFIP General Resolution No. 4419/2019 of 8 February 2019)

Source: WTO Secretariat.

3.14. In 2017, Argentina created the Register of Crude Oil and Crude Oil Derivative Import Operations for the registration of the import of these products, which requires authorization.²⁶ To obtain this authorization, an import application must be submitted in line with the specific procedure set out by the Under-Secretariat for Hydrocarbons. The Under-Secretariat shall establish the methodology for determining the volume that may be authorized. The methodology shall be based on: (i) the supply of crude oil of domestic origin with similar characteristics; (ii) local refineries' additional capacity for processing crude oils of domestic origin; and (iii) the domestic supply of petroleum products.²⁷ The Register was abolished, however, on 31 December 2017,²⁸ because it had been created in response to a temporary economic situation until local prices moved closer to international prices.²⁹

3.15. A Certificate of Import of Used Goods (CIBU) – first issued in 2012 – must still be presented when requesting the outright importation for consumption of used goods included under the tariff lines in HS Chapters 84-90.³⁰ CIBUs are issued subject to the National Directorate of Industry consulting with chambers/trade associations to determine whether the capacities exist to produce the product locally. The issuing of a CIBU depends on the local supply of relevant goods and the import's potential effect on the local market. This effect is determined through a technical report issued by the National Directorate of Industry following consultation with the domestic industry.³¹ There is also a Certificate of Import of Used Goods for the Hydrocarbons Industry (CIBUIH).³² According to the authorities, this regime is no longer valid, since it expired on 31 December 2020.

3.16. The Register of Imports of Goods for Consumption under Contracts with Price Escalation Clauses between Affiliated Enterprises with the Involvement of Third-Party Operators was created

²⁶ According to information from the authorities, however, this authorization is not considered a non-automatic licence.

²⁷ Decree No. 192/2017 of 20 March 2017.

²⁸ Decree No. 962/2017 of 24 November 2017.

²⁹ Resolution No. 47-E/2017 of 30 March 2017 specified that the Register would be suspended if the average price over 30 consecutive trading days of the international classification known as Brent was equal to or no more than USD 1 greater than the price of Medanito crude oil.

³⁰ Decrees Nos. 2646/2012, 1205/2016 and 406/2019 of 6 June 2019.

³¹ Decree No. 406/2019 of 6 June 2019.

³² Decree No. 629/2017 of 9 August 2017, Decree No. 555/2019 of 9 August 2019 and Order No. 31/2019 of 11 September 2019.

in 2019 to implement a system of ex-post oversight of the release of goods, since such operations between affiliated enterprises can lead to circumvention and overinvoicing. Before companies that conduct such operations register in SIMI, they must first present to AFIP a copy of the contract that defines the price escalation methodology, which the importer and the customs broker must authenticate.³³

3.17. Wine and grape must importers are required to register with the National Grape-Growing and Wine Production Institute (INV) and to comply with other import requirements (Table 3.4). Sanitary registration is still required for importers of medical products and products for aesthetic use.³⁴

Table 3.4 Requirements for wine and grape must imports, 2020

Importers must register with the National Grape-Growing and Wine Production Institute (INV).
The "Guía de Importación" is a single document that serves as a sworn declaration.
It is used to: inform the INV which wines or musts will be imported; and request the INV to take the corresponding samples.
It also acts as a safe-conduct card for moving the goods that will be imported from the customs area to the wineries or grape must factories where the INV checks the goods and takes the corresponding samples.
The "Guía de Importación" is completed at least 48 hours before the declared date of entry.
A certificate of analysis issued by an official or authorized laboratory in the country of origin is also required for each product being imported.
The INV verifies the information declared in the "Guía de Importación".
Once the information has been confirmed, the "Guía de Importación" is returned to the party concerned and becomes part of the customs documentation.
Once customs procedures have been completed, the importer must present to the INV a copy of the "Importación para Consumo" customs document certifying the procedure that was completed.

Source: Law No. 14.878 and its supplementary rules; INV Resolution No. C-121/93 – Order No. C-1139/93; and Requirements for importing wines and grape musts. Online information: <http://www.inv.gov.ar> and <http://www.alimentosargentinos.gob.ar/HomeAlimentos/AyB/bebidas/normativa/NormasImportacion.pdf>.

3.18. In 2016, Argentina notified the WTO which Category A commitments under the Trade Facilitation Agreement (TFA) it would not adopt when the Agreement entered into force. Those commitments were included under Category B.³⁵ In 2017, Argentina notified an indicative timetable for implementing those commitments, which was completed in 2018. It undertook to implement most of these commitments as soon as the TFA came into force for the country, with the exception of: advance rulings (Article 3.9(a)(ii)) (five years after the Agreement's entry into force for Argentina); acceptance of copies for import, export and transit procedures (1 January 2022); and implementation of the single window (five years after the Agreement's entry into force for Argentina).³⁶ Argentina has notified the Committee on Trade Facilitation of the following, *inter alia*: the official sites where import, export and transit procedures and the forms and documents required for such procedures are published; the applied rates of duties and taxes imposed on or in connection with importation or exportation; measures on the use of customs brokers; details of how the single window operates; and details of its contact point for the exchange of this information.³⁷

3.19. In 2019, Argentina created the National Committee on Trade Facilitation. The purpose of the Committee is to facilitate internal coordination and application of the provisions of the WTO TFA.³⁸ It is not yet operational, since its internal regulations have not yet been established.

3.20. In 2017, Argentina began to implement the authorized economic operator (AEO) scheme.³⁹ Importers (exporters) that have joined the AEO programme can be categorized either as a Full AEO

³³ Online information: <https://www.afip.gov.ar/noticias/20190208-Registro-de-importaciones-para-consumo-de-mercaderias.asp>.

³⁴ Order No. 5706/2017 and Circular No. 14/2016. Online information: Viewed at: http://www.anmat.gov.ar/webanmat/normativas_productosmedicos_cuerpo.asp.

³⁵ WTO document WT/PCTF/N/ARG/1 of 27 May 2016.

³⁶ WTO documents G/TFA/N/ARG/1 of 15 March 2017 and G/TFA/N/ARG/1/Add.1 of 12 March 2018.

³⁷ WTO documents G/TFA/N/ARG/2 of 28 February 2018; G/TFA/N/ARG/2/Rev.1 of 11 December 2019; G/TFA/N/ARG/2/Rev.2 of 22 June 2020; and G/TFA/N/ARG/2/Rev.3 of 5 October 2020.

³⁸ Decree No. 535/2019 of 1 August 2019.

³⁹ AFIP General Resolution No. 4150-E/2017 of 26 October 2017.

(Level A) or as a Simplification and Monitoring AEO (Level B), depending on the safety of the cargo and the trade partners, the commercial records system, and the operator's financial solvency and fiscal trustworthiness. Initially, AEOs could only carry out the following operations: (i) imports of goods or inputs for productive processes from countries with which Argentina does not have mutual recognition arrangements; (ii) imports by an importer/exporter that uses the on-site customs procedure; and (iii) exports of any kind.⁴⁰ Gradually, through pilot schemes (such as the AEO Pilot Scheme), operations under other import procedures began to be included, such as the in-factory customs procedure (RAF).⁴¹

3.21. In 2017, Argentina also abolished clearance by specialized customs offices – a procedure created in 2005⁴² – for imports for consumption of goods such as textiles and textile articles (HS Chapters 50– 63); footwear, gaiters and the like (HS Chapter 64); and toys, games and sports requisites and parts and accessories thereof (HS tariff headings 95.01- 95.05). It did so because users were requesting exemptions from using the procedure because of the additional costs resulting from the requirement to document imports at customs offices located far away from their local jurisdiction.⁴³ Nevertheless, only a limited number of customs offices are authorized to process imports of narcotic drugs and psychotropic substances and imports of gunpowder, explosives and the like.⁴⁴

3.22. To facilitate trade, in 2018 Argentina also implemented the Electronic Document for Sanitary Plant Transit (DTV-e) for importers (and exporters).⁴⁵ The document consolidated import requirements and replaced the delivery note, "Guía de Importación" or equivalent import document on the one hand,⁴⁶ and the former Document for Sanitary Plant Transit (DTV) on the other.⁴⁷

3.23. Argentina also sought to facilitate trade by adopting regulatory measures to reduce transport costs and by implementing a Port Community System to improve logistics at ports.⁴⁸ These measures have reduced container handling costs by 60%.⁴⁹

Customs valuation

3.24. Customs valuation in Argentina is regulated by the Customs Code (Law No. 22.415) and its implementing Decree (No. 1.001/1982) and by the WTO Customs Valuation Agreement. There have been no substantial regulatory changes since 2013. According to information provided by the authorities for the period 2013-20, Argentina mainly used the transaction value (in 87% of cases) as the basis for determining the customs value.⁵⁰ Other methods, such as the transaction value of identical products and the transaction value of similar products, were used to value 6.4% of imports. In the remaining 6.6% of cases, the declared value was contested after offences or crimes were detected.⁵¹

3.25. Argentina did not enter any reservations with the WTO concerning the fixing of minimum prices, but AFIP, through the DGA, continues to establish criterion values of a precautionary nature to protect the fiscal interest for any imported goods. These values are published in the Official Journal

⁴⁰ AFIP General Resolution No. 4150-E/2017 of 26 October 2017.

⁴¹ Information provided by the authorities.

⁴² AFIP General Resolution No. 1924 of 11 August 2005.

⁴³ AFIP General Resolution No. 4097-E of 26 July 2017.

⁴⁴ Resolution No. 3.115 of 15 November 1994.

⁴⁵ AFIP/SENASA Joint Resolution No. 4297/2018 of 28 August 2018.

⁴⁶ AFIP General Resolution No. 1415 of 7 January 2003.

⁴⁷ SENASA Resolution No. 31 of 4 February 2015.

⁴⁸ Port of Buenos Aires. Viewed at:

https://www.argentina.gob.ar/sites/default/files/brochure_cargas_2019_actnov.pdf.

⁴⁹ Port of Buenos Aires (2019), *Informe de Gestión 2019*. Viewed at:

<https://www.argentina.gob.ar/noticias/mira-nuestro-informe-de-gestion-2019-0>; and Port of Buenos Aires. Viewed at: https://www.argentina.gob.ar/sites/default/files/brochure_cargas_2019_actnov.pdf.

⁵⁰ Information provided by the authorities.

⁵¹ Information provided by the authorities.

(*Boletín Oficial*) and in the journal of the DGA.⁵² As was the case for the previous review, the list of products subject to criterion values was amended several times during the review period.⁵³

3.26. The factors taken into account in determining the criterion value of a product include the official value declared at the point of importation for consumption, the databases available in the public or private sector and the services of any specialized companies contracted.⁵⁴ Furthermore, the goods selected for value control are determined based on factors such as: applications presented by industry and trade representatives and import-sector representatives; applications made by different parts of the public sector; goods with declared values that are inconsistent with normal and reasonable values in the particular industry or trade; goods with declared values that are inconsistent with the values of identical or similar goods; and goods with values that have been adjusted by the valuation units and are not covered by criterion values. Criterion values are updated in response to changes in international market prices.⁵⁵

3.27. If the declared value is lower than the provisional value, the imports are routed through the red value channel⁵⁶ and a security must be lodged for the difference between the amount paid and the amount resulting from consideration of the established value. In addition, imports selected through risk analysis by a computer system may also be routed through the red value channel, with no security required in this case.⁵⁷

3.28. Tariffs are levied on the c.i.f. value of the imported goods.

3.1.2 Rules of origin

3.29. Argentina continues to use preferential and non-preferential rules of origin.

3.30. Non-preferential rules are used to certify the origin of goods subject to contingency measures. Until 2019, they were also used to import products that required a certificate of origin for statistical purposes, that is, products for domestic consumption covered by HS Chapters 51-64.⁵⁸ The certificate of origin for statistical purposes was abolished in 2019⁵⁹ and replaced by the sworn declaration of non-preferential origin, which is also required where goods are subject either to anti-dumping, countervailing or specific duties or to safeguard measures, and where imports originate in countries to which most-favoured-nation (MFN) treatment is not granted.⁶⁰ Despite these legal provisions, however, Argentina grants MFN treatment to all territories, irrespective of whether they are WTO Members.

3.31. Imports originating in countries with which Argentina has signed trade agreements are subject to preferential rules of origin. In 2020, following a pilot scheme in 2019⁶¹, the Digital Certificate of Origin (COD) was introduced for goods sent between Argentina and Paraguay, in compliance with the Digital Certificate of Origin Computer System (SCOD).⁶² Also in 2020, as an exceptional measure in response to the health crisis, Argentina's customs authorities decided to begin accepting certificates of origin in electronic form for goods subject to tariff preferences under agreements concluded by Argentina within the framework of the Latin American Integration Association (LAIA) or under MERCOSUR agreements concluded with Israel, the Southern African Customs Union (SACU) and Egypt.⁶³

3.32. The two agreements (MERCOSUR-SACU and MERCOSUR-Egypt), which came into force in 2013, have similar requirements for conferring origin to those contained in the other preferential

⁵² AFIP General Resolution No. 2730 of 17 December 2009.

⁵³ For further details concerning the products subject to criterion prices and the origin of such products, see information online at: <https://www.afip.gob.ar/noticias/20181227-Valores-criterio-de-importacion.asp>.

⁵⁴ AFIP General Resolution No. 2730/2009 of 17 December 2009.

⁵⁵ Information provided by the authorities.

⁵⁶ The red value channel is a specific valuation channel used for operations with values below or well above the expected values.

⁵⁷ AFIP General Resolution No. 2730/2009 of 17 December 2009.

⁵⁸ Ministry of Production and Labour Resolution No. 141/2018 of 18 December 2018.

⁵⁹ Ministry of Production and Labour Resolution No. 1288/2019 of 26 November 2019.

⁶⁰ Ministry of Production and Labour Resolution No. 1288/2019 of 26 November 2019.

⁶¹ AFIP General Resolution No. 4554/2019 of 20 August 2019.

⁶² AFIP General Resolution No. 4814/2020 of 11 September 2020.

⁶³ AFIP Circular No. 2/2020 of 7 April 2020.

arrangements concluded by Argentina. Preferential treatment applies to products originating in or wholly obtained in the territory of a party. If non-originating materials are used, origin is conferred where products are sufficiently worked or processed (Table 3.5). In the case of Egypt, specific rules of origin also apply to 41.3% of the lines that receive preferential treatment. Both agreements allow bilateral cumulation; a product preserves its origin only if it is transported directly between the territories of the parties.

Table 3.5 Preferential origin criteria

Criterion	MERCOSUR-Egypt	MERCOSUR-SACU
Originating products	Yes	Yes
Products wholly obtained	Yes	Yes
Products sufficiently worked or processed	Change in the (four-digit) HS tariff heading	Change in the (four-digit) HS tariff heading
	or The value of non-originating materials does not exceed 45% of the price of the final product (ex-works)	or The value of non-originating materials or products does not exceed 40% of the price of the final product and The value of non-originating materials may not exceed 10% of the price of the final product
Cumulation	Bilateral	Bilateral

Source: WTO Secretariat.

3.1.3 Tariffs

3.33. Argentina's tariff is based on the MERCOSUR Common External Tariff (CET), which is currently based on HS 2017. In 2020, the tariff contained 10,273 ten-digit HS 2017 tariff lines. Argentina applies only *ad valorem* tariffs. Nevertheless, the Customs Code allows the Executive to set specific import duties where, for instance, an *ad valorem* duty, even if it is higher, is not sufficient to protect a sector, or where there are difficulties related to the valuation of goods.⁶⁴

3.34. In 2020, the simple average MFN tariff remained at its 2012 rate of 11.4%. In 2020, the average applied MFN tariff for agricultural products (WTO definition) was 10.4% (up from 10.1% in 2012). Like in 2012, this was below the protection accorded to non-agricultural products, namely, 11.5% (Table 3.6). Argentina therefore gives less protection to agricultural products than to non-agricultural products. The agricultural products that received above-average protection in 2020 were dairy products (18.6%) and alcoholic beverages and tobacco (17.7%); like in 2012, the non-agricultural products that received the greatest protection were clothing (35%) and textiles (22.5%) (Table A3.1).

⁶⁴ Article 663 of Law No. 22.415 (Customs Code).

Table 3.6 MFN tariff structure, 2012, 2019 and 2020

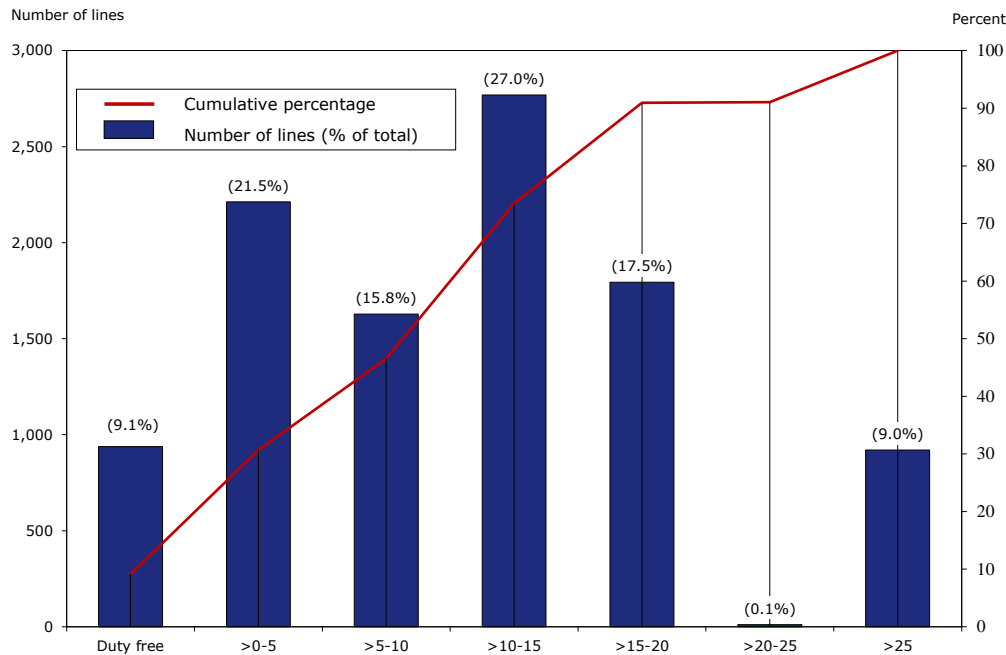
	2012 (HS12)	2019 (HS17)	2020 (HS17)
Total number of tariff lines	10,031	10,226	10,273
Non- <i>ad valorem</i> tariffs (% of all tariff lines)	0.0	0.0	0.0
Non- <i>ad valorem</i> tariffs without <i>ad valorem</i> equivalents (% of all tariff lines)	0.0	0.0	0.0
Tariff quotas (% of all tariff lines)	0.0	0.0	0.0
Duty-free tariff lines (% of all tariff lines)	7.5	9.1	9.1
Simple average tariff on dutiable lines (%)	12.3	12.7	12.6
Simple average	11.4	11.5	11.4
Agricultural products (WTO definition)	10.1	10.4	10.4
Non-agricultural products (including petroleum, WTO definition)	11.5	11.7	11.5
National tariff peaks (% of all tariff lines) ^a	4.2	5.2	4.9
International tariff peaks (% of all tariff lines) ^b	27.0	26.8	26.5
Overall standard deviation of applied rates	8.4	8.8	8.7
Bound tariff lines (% of all tariff lines)	100.0	100.0	100.0

a National tariff peaks are defined as rates that are at least three times as high as the overall simple average of the rates applied.

b International tariff peaks are defined as rates above 15%.

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.35. There were no substantial changes to Argentina's tariff structure during the review period. Like in 2012, the tariffs in 2020 ranged from 0% to 35%. The number of tariffs applied in 2020 was 31 (up from 18 in 2012). The main change to the tariff structure was the increase in the proportion of duty-free tariff lines from 7.5% of all tariff lines in 2012 to 9.1% in 2020. The most common tariff rates in 2020 were 14%, which applied to 20.2% of tariff lines (19.1% in 2012), and 2%, which applied to 19.3% of tariff lines (20.2% in 2012). Almost exactly like in 2012, some 73.5% of tariff lines were subject to tariff rates of 15% or less, with the remainder subject to rates of more than 15% (Chart 3.2).

Chart 3.2 Frequency distribution of tariff rates, 2020

a The total number of lines is 10,273.

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.1.3.1 Tariff bindings

3.36. Argentina bound all its tariff lines from HS Chapters 1-97 at levels ranging from 0 to 35%, with a total of 20 tiers. In some sectors, such as dairy products; alcoholic beverages and tobacco; cotton; clothing; leather, rubber, footwear and travel items; and non-electrical machinery, all lines were consolidated at 35% (Table A3. 1). A comparison of Argentina's bindings in the Uruguay Round and the MFN tariff applied in 2019 reveals 35 tariff lines for which the applied MFN tariff exceeds the bound level (Table 3.7).⁶⁵ These lines already exceeded the bound level in 2012, when the authorities indicated that, if the applied tariff was higher than the bound tariff, the latter would be used.

Table 3.7 Tariff lines for which MFN tariffs are higher than bound tariffs, 2020

(%)

HS code	Description	MFN tariff	Bound tariff
Complete tariff lines:			
0101.30.00	Asses	4	3.8
0101.90.00	Other	4	3.8
0105.99.00	Other poultry	4	3.8
0106.11.00	Primates	4	3.8
0106.12.00	Aquatic mammals	4	3.8
0106.13.00	Camels and other camelids (<i>Camelidae</i>)	4	3.8
0106.19.00	Other mammals	4	3.8
0106.20.00	Reptiles (including snakes and turtles)	4	3.8
0106.31.00	Birds of prey	4	3.8
0106.32.00	Psittaciformes (including parrots, parakeets, macaws and cockatoos)	4	3.8
0106.33.90	Other ostriches	4	3.8
0106.39.00	Other birds	4	3.8
0106.41.00	Bees	4	3.8
0106.49.00	Other insects	4	3.8
0106.90.00	Other live animals	4	3.8
8701.30.00	Track-laying tractors	14	5
8701.91.00	Tractors of an engine power not exceeding 18 kW	14	5
8701.92.00	Tractors of an engine power exceeding 18 kW but not exceeding 37 kW	14	5
8701.93.00	Tractors of an engine power exceeding 37 kW but not exceeding 75 kW	14	5
8701.94.90	Other tractors	14	5
8701.95.90	Other tractors	14	5
9101.21.00	Other wrist-watches, whether or not incorporating a stop-watch facility: with automatic winding	20	10
9101.29.00	Other wrist-watches, whether or not incorporating a stop-watch facility: other	20	10
9101.91.00	Other wrist-watches, electrically operated	20	10
9101.99.00	Other wrist-watches	20	10
9102.11.10	Wrist-watches, electrically operated, with case of base metal	20	10
9102.11.90	Other wrist-watches, electrically operated	20	10
9102.12.10	With case of base metal	20	10
9102.12.20	With a plastic case, not reinforced with glass fibre	20	10
9102.12.90	Other	20	10
9102.19.00	Other wrist-watches, electrically operated, whether or not incorporating a stop-watch facility	20	10
9102.21.00	Other wrist-watches, with automatic winding	20	10
9102.29.00	Other wrist-watches	20	10
9102.91.00	Other wrist-watches, electrically operated	20	10
9102.99.00	Other wrist-watches	20	10
Parts of bound tariff lines			
3702.55.10	Other film, for colour photography (polychrome): of a width of 35 mm	10	5
9101.19.00	Other wrist-watches	20	10

Source: WTO Secretariat calculations, based on data provided by the authorities.

⁶⁵ For this analysis, since the bound tariff is based on the HS 2002 nomenclature and the MFN tariff is based on the HS 2017 nomenclature, only strictly comparable lines (i.e. those with identical HS codes) were compared.

3.37. In 2020, Argentina reserved the right, under Article XXVIII:5 of the GATT 1994, to modify its Schedule LXIV for a three-year period, which began on 1 January 2021.⁶⁶

3.1.3.2 Tariff quotas

3.38. Argentina has no MFN tariff quotas. However, it has negotiated tariff quotas under certain Partial Scope Economic Complementarity Agreements, namely, the MERCOSUR-Peru (ECA No. 58), MERCOSUR-Andean Community (ECA No. 59), MERCOSUR-Cuba (ECA No. 62) and MERCOSUR-Colombia (ECA No. 72) agreements.⁶⁷ The products subject to quotas vary from one agreement to another (Table 3.8). The preferential tariffs applied to the quotas range from 0% to 2.2%. The highest preferential tariffs are for sugar confectionery not containing cocoa (chewing gum) under the quota agreed with Colombia (ECA No. 59), for which the in-quota tariff is 0%, the preferential tariff is 10% and the MFN tariff is 20%. The tariff applied to the quota for tricycles and scooters from Cuba is also 0%, while the preferential tariff and MFN tariff are both 35%. It seems, however, that these quotas are not used.

Table 3.8 Products subject to preferential tariff quotas, 2020

Agreement	HS code	Product
Peru (ECA 58)	HS 5209	Woven fabrics of cotton
Colombia (ECA 59)	HS 1704	Sugar confectionery not containing cocoa (chewing gum)
	HS 8708	Other parts and accessories of motor vehicle bodies (including cabs): other than seatbelts
	HS 8711	Motorcycles: with reciprocating internal combustion piston engine of a cylinder capacity not exceeding 50 cc
Cuba (ECA 62)	HS 1604	Prepared or preserved fish (tunas)
	HS 9503	Tricycles, scooters, etc.
Colombia (ECA 72)	HS 1704	Sugar confectionery (including white chocolate), not containing cocoa
	HS 1806	Chocolate and other food preparations containing cocoa
	HS 3808	Insecticides, etc. (with methyl bromide)
	HS 3923	Articles for the conveyance of goods, of plastics (bottles)
	HS 8702	Vehicles (with only internal combustion piston engine)
	HS 8703	Parts of motor vehicles (mudguards)

Source: WTO Secretariat, based on data provided by the authorities.

3.1.3.3 Tariff preferences⁶⁸

3.39. Argentina confers tariff preferences under the various trade agreements it has negotiated, either as a MERCOSUR member or bilaterally. Under most of the agreements, the tariff preferences applied in 2020 covered 90% of all tariff lines. The exceptions were the agreements with Mexico (50.8%), Cuba (25.6%), SACU (14.0%) and India (9.3%). The average preferential tariff applied ranges from 0% for the Plurinational State of Bolivia, Chile and Peru to 10.7% for India and 10.2% for SACU. The average preferential tariffs applied to agricultural products are less than or equal to those applied to non-agricultural products in all cases except for Peru (Table 3.9).

Table 3.9 Analysis of the tariffs applied to countries with which trade agreements have been signed, 2020

	Number of preferential lines	Preferential part of the tariff (%)	Total		WTO categories			
					Agricultural products		Non-agricultural products (including petroleum)	
			Average (%)	Duty-free lines (%)	Average (%)	Duty-free lines (%)	Average (%)	Duty-free lines (%)
MFN		-	11.4	9.1	10.4	8.3	11.5	9.2
Mexico (ECA 6)	5,223	50.8	7.1	42.1	6.7	21.1	7.2	44.5
Chile (ECA 35)	9,330	90.8	0.0	100.0	0.0	100.0	0.0	100.0
Bolivia (ECA 36)	9,330	90.8	0.0	100.0	0.0	100.0	0.0	100.0
Peru (ECA 58)	9,317	90.7	0.0	99.8	0.2	99.0	0.0	99.9

⁶⁶ WTO Document G/MA/374 of 15 September 2020.

⁶⁷ Information provided by the authorities.

⁶⁸ The preferential tariff used in this analysis is based on the Harmonized Commodity Description and Coding System (HS) 2007.

	Number of preferential lines	Preferential part of the tariff (%)	Total		WTO categories			
					Agricultural products		Non-agricultural products (including petroleum)	
			Average (%)	Duty-free lines (%)	Average (%)	Duty-free lines (%)	Average (%)	Duty-free lines (%)
Colombia (ECA 59)	9,113	88.7	0.5	92.9	0.2	98.5	0.5	92.3
Ecuador (ECA 59)	9,082	88.4	0.6	91.1	0.1	99.2	0.7	90.1
Venezuela (ECA 59)	9,082	88.4	0.6	91.1	0.1	99.2	0.7	90.1
Cuba (ECA 62)	2,625	25.6	8.2	27.3	7.7	24.6	8.3	27.6
Colombia (ECA 72)	9,148	89.0	0.3	94.2	0.1	99.5	0.4	93.5
Egypt	9,121	88.8	6.8	27.5	5.9	14.7	6.9	29.0
India	956	9.3	10.7	9.5	9.9	8.3	10.8	9.7
Israel	9,072	88.3	1.1	70.1	0.4	77.8	1.2	69.3
SACU	1,442	14.0	10.2	17.8	8.8	21.5	10.4	17.3

Note: For this analysis, where the preferential tariff is higher than the MFN tariff, the MFN tariff was used to calculate the averages.

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.1.3.4 Tariff concessions

3.40. The Executive has the power to modify import duties on imports for consumption or to exempt such goods from import duties for various purposes, including: "(a) to ensure adequate income for the domestic workforce or to eliminate, reduce or prevent unemployment; ... or (c) to promote, protect or preserve domestic production of goods and services, natural resources and animal and plant species".⁶⁹ It was under those powers that in 2020, in response to the health emergency, Argentina temporarily exempted vaccines and disposable material imported by the Ministry of Health from all import duties and from all other taxes, duties, contributions, fees and customs and port tariffs, as well as from value-added tax (VAT).⁷⁰

3.41. Tariff concessions exist for some customs regimes, such as the Diplomatic Allowances Regime and the Re-importation of Goods Exported for Consumption Regime (Articles 529 and 566 of the Customs Code).

3.42. To promote clean new technologies and to support the development of a local industry, in 2017 Argentina temporarily (for 36 months) reduced import duties on vehicles using hydrogen-fuelled hybrid engines, electric engines and fuel cells for a quota of 6,000 vehicles. A larger reduction is envisaged for vehicles imported under the Semi Knocked-Down and Complete Knocked-Down modalities.⁷¹

3.43. In 2017, Argentina began implementing the Import Regime for Used Goods for the Hydrocarbons Industry. Under this regime, used goods can be imported with a tariff of between 0% and 14% – therefore below the applied MFN tariff rate – where the importer undertakes to purchase domestically produced goods (if the goods being imported are also produced locally) within two years of the import certificate issue date.⁷² The percentage of the goods that must be purchased from the domestic market depends on the type of used goods imported and their age (Table 3.10).⁷³

Table 3.10 Goods and the domestic purchase requirement

HS	Age of the imported used good (in years, with respect to the year of manufacture)	Undertaking to purchase new goods of domestic origin with respect to the value of the imported used good
8413.50.10; 8413.50.90; 8430.49.20;	1	15
8474.10.00; 8479.82.10; 8479.89.99;	2	15
8481.30.00; 8481.40.00; 8481.80.92;	3	20
8481.80.93; 8481.80.99; 8502.13.19;	4	20
	5	25

⁶⁹ Article 664 of Law No. 22.415 (Customs Code).

⁷⁰ Law No. 27541 of 21 December 2019.

⁷¹ Decree No. 331/2017 of 11 May 2017.

⁷² Online information. Viewed at: <https://www.argentina.gob.ar/importar-bienes-usados-para-la-industria-hidrocarburiifera>.

⁷³ Decrees Nos. 629/2017 of 9 August 2017 and 555/19 of 9 August 2019.

HS	Age of the imported used good (in years, with respect to the year of manufacture)	Undertaking to purchase new goods of domestic origin with respect to the value of the imported used good
8705.20.00; 8705.90.10; 8705.90.90; 8716.31.00; 8716.39.00	6	25
	7	40
	8	40
	9	60
	10	60
8405.10.00; 8406.81.00; 8411.81.00; 8411.82.00; 8412.21.10; 8412.21.90; 8412.29.00; 8412.90.90; 8413.60.11; 8413.60.19; 8413.60.90; 8413.70.10; 8413.70.80; 8413.70.90; 8413.81.00; 8413.91.10; 8413.91.90; 8419.39.00; 8419.40.20; 8419.50.10; 8419.89.99; 8421.11.90; 8421.21.00; 8421.29.90; 8421.39.90; 8428.90.90; 8430.41.20; 8430.41.30; 8430.41.90; 8430.49.90; 8431.43.10; 8431.43.90; 8474.39.00; 8479.82.90; 8483.40.10; 8483.40.90; 8483.50.10; 8483.50.90; 8501.51.10; 8501.52.90; 8501.53.10; 8501.53.20; 8501.53.90; 8502.12.10; 8502.12.90; 8502.13.11; 8502.20.11; 8502.20.90; 8504.40.10; 8504.40.29	1	30
	2	30
	3	40
	4	40
	5	50
	6	50
	7	70
	8	70
	9	80
	10	80

Source: Decree No. 629/2017 of 9 August 2017.

3.44. Under the National Development Programme for the Use of Renewable Energy Sources for Electricity Production, capital goods, equipment, new components and inputs for renewable energy investment projects not produced in Argentina and needed to manufacture local goods were, until 31 December 2017, exempt from import duties and all other duties, taxes and fees levied on imports (Table 3.11).⁷⁴

Table 3.11 Tax-exempt goods

HS	Description
3919.90.00	Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of ethylene-vinyl acetate (EVA), whether or not in rolls
3919.90.00	Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of polyethylene terephthalate (PET), whether or not in rolls
7007.19.00	Toughened (tempered) safety glass of a kind used in photovoltaic generators
7208.51.00	Steel plate, of a width of 2,750 mm or more
7208.52.00	Steel plate, of a width of 2,750 mm or more
7208.90.00	Steel plate, of a width of 2,750 mm or more
7326.19.00	Forged ring, of iron or steel, of a kind used to produce toothed wheels for wind turbine yaw systems (yaw ring)
7326.90.90	Forged rings or laminated forged rings having a rim size of 3,000 mm or more
7409.31.90	Copper alloy strips ("Ribbon Busbar") of a thickness exceeding 0.15 mm, in coils
7410.12.00	Copper alloy strips ("Ribbon Busbar") of a thickness exceeding 0.10 mm but not exceeding 0.15 mm, in coils
8410.11.00	Vertical-axis Kaplan turbines with double regulation, of a power exceeding 500 kW but not exceeding 1,000 kW
8410.11.00	Hydraulic turbines, water wheels, and regulators therefor, of a power not exceeding 1,000 kW
8410.12.00	Vertical-axis Kaplan turbines with double regulation, of a power exceeding 1,000 kW but not exceeding 1,200 kW
8410.12.00	Hydraulic turbines, water wheels, and regulators therefor, of a power exceeding 1,000 kW but not exceeding 10,000 kW
8412.90.90	Wind turbine blades used on wind turbines with a rated power exceeding 700 kW
8412.90.90	Wind turbine hubs
8419.89.99	Finned-tube heat exchangers, of a kind used for wind turbines
8482.10.10	Double-row radial ball bearings, of a kind used in wind turbine blades
8482.10.90	Single-row (four-point) angular-contact ball bearings
8482.10.90	Double-row (four-point) angular-contact ball bearings
8482.20.10	Tapered radial roller bearings
8482.30.00	Spherical roller bearings

⁷⁴ Chapter IV of Law No. 27.191 of 23 September 2015.

HS	Description
8482.50.10	Cylindrical radial roller bearings
8483.10.90	Transmission shafts, of a kind used for wind turbines
8483.30.21	Bearings, whether or not with their housings, of a rim diameter exceeding 200 mm
8483.40.10	Gear boxes, of a kind used for wind turbines
8483.60.90	Flexible couplings, of a kind used to connect the gear box to the generator in wind turbines
8483.90.00	Toothed wheels, of a kind used for wind turbine yaw systems
8501.52.10	Back-gearred multi-phase AC motors, of an output exceeding 750 W but not exceeding 75 kW, of a kind used to orient the yaw drive of wind turbines
8501.64.00	AC generators (alternators), of an output exceeding 750 kVA, of a kind used in wind turbines
8503.00.90	Wind turbine nacelle frames, of cast iron or steel
8504.34.00	Dry-type transformers, having a power handling capacity exceeding 500 kVA
8504.40.90	Inverters, of a kind used in photovoltaic generators, of an output exceeding 15 kW, for a DC input voltage not exceeding 1,300 V and an AC output voltage not exceeding 2,000 V
8504.90.40	Static converter accessories
8505.19.90	Permanent neodymium magnets (Nd-Fe-B), sintered
8517.62.99	Remote-controlled machinery and plants
8536.90.90	Junction boxes
8537.10.20	Programmable logic controllers, of a kind used to control the movement of wind turbine nacelles
8537.20.90	Switchgear (36 kV/20 kA) for connecting wind turbines to the electrical grid
9015.80.90	Anemometers
9027.10.00	Gas analysis apparatus

Source: Decree No. 814/2017 of 10 October 2017.

3.45. In 2016, Argentina reintroduced the Import Regime for Used Production Lines, which allows goods that are no more than 20 years old to be imported at a reduced tariff for use in complete and autonomous production lines.⁷⁵ Goods imported for projects under this Regime are subject to the equivalent of 25% of the import duties that would otherwise be due on the imported goods.⁷⁶

3.46. Argentina still offers tariff concessions to promote certain economic sectors. In some cases, such concessions apply only to a specific quota (Table 3.12).

3.47. Exemptions are also offered for imports under certain import regimes and procedures, including the temporary admission import regime, the in-factory customs procedure (RAF) and the free zone and special customs area regimes.

Table 3.12 Other tariff concessions, 2020 and 2021

Programme	Legislation
Importation of a quota of 6,000 hybrid, electric and (hydrogen) fuel cell motor vehicles at reduced tariff rates	Decree No. 331/2017 SIS Resolution No. 536/2017 SI Resolution No. 28/2018
Importation of a quota of 800 lorries that use conventional combustion engines and 200 chassis with gas engines for minibuses, with a partial tariff exemption	Decree No. 440/2019 SI Resolution No. 128/2019
Importation of liquid fuel (gas oil and petroleum spirits) (800,000 m ³): exemption from tariffs (Law No. 923.966), Tax on Gas Oil (Law No. 26.028), Tax on Liquid Fuels (Law No. 27.591), Tax on Carbon Dioxide (Law No. 27.591) and any other specific tax imposed on those fuels	Law No. 23.966/1991 CPyCEPNIH Resolution No. 99/2013 Law No. 26.028/2005 Law No. 27.591/2020
Importation of paper used to print newspapers, journals and publications of interest that promote culture, education and the dissemination of ideas: tariff exemption	Decree No. 635/1992 SIC Resolution No. 439/1992 SIC Resolution No. 722/2011
Temporary import of capital goods: tariff exemption from the statistical tax and from VAT. Possibility to import temporarily equipment for productive processes where it does not affect the domestic industry that manufactures the imported goods	Resolution No. 1/2015 Decree No. 1001/82 (Article 31) AFIP General Resolution No. 4.200/18 (Annex IV)
Import Regime for Goods for Amateur Radio Operators: tariff exemption	Law No. 20.847

⁷⁵ Only companies in certain categories of the manufacturing industry are eligible for this regime (Article 3 of Decree No. 1174/2016 of 15 November 2016).

⁷⁶ Decree No. 1174/2016 of 15 November 2016 and Resolution No. 5 of 21 November 2016.

Programme	Legislation
Regime for Motorcycles: tariff reduction for semi knocked-down motorcycles	Decree No. 1030/04 Decree No. 81/2019 Resolution No. 23/2019
Import Regime for Used Goods: used goods and parts and components that are covered by the Resolution and are not exempt from the tariff payment under another regime shall be subject to an import duty calculated by increasing the applicable extra-zone import duty for the corresponding tariff line by 100%. The resulting rate shall not be less than 7% or greater than 35%	Former MEyOSP Resolution No. 909/94 Decree No. 406/2019
Regime for Science and Technology Research: tariff exemption and exemption from other import-related duties	Law No. 25.613/2002
National Development Programme for the Use of Renewable Energy Sources for Electricity Production (regime for investments for power-generation undertakings)	Law No. 26.190/2007 Decree No. 562/2009 Law No. 27.191/2015
Regime to Promote the Argentine Naval Industry: 0% import duty on new inputs, parts and components for the construction, reconstruction, transformation and repair of vessels and floating structures in Argentina	Law No. 27.418/2017 Decree No. 920/2018

Source: WTO Secretariat and information provided by the authorities.

3.48. The temporary admission procedure allows importers or manufacturers to import capital goods free of import taxes, but subject to the requirement that the goods be re-exported within a period of three years.⁷⁷ The RAF is a variation of the temporary admission procedure, the difference being that, under the RAF, the goods imported can be used to produce goods marketed both in the export market and domestically. Payment of the corresponding taxes does not take place until it is decided how the goods covered by the procedure will be used. If the product is eventually exported, import taxes are not paid.⁷⁸

3.49. In response to the 2020 health crisis, Argentina temporarily abolished intra-zone import duties and the statistical tax for certain products that were essential to deal with the crisis caused by COVID-19. The measures will remain in place for the duration of the public health emergency (Table 3.13).⁷⁹

Table 3.13 Goods temporarily exempt from import duties (COVID-19), 2020

HS 2017	Designation	Applied MFN tariff rate
22071010	Having a water content of not more than 1 % by volume	20
22071090	Other	20
22072019	Other	20
29051210	Propyl alcohol	2
29051220	Isopropyl alcohol	12
29349934	Nucleic acids and their salts	14
29252929	Guanidium chloride and guanidinium thiocyanate	2
30021229	Immunoglobins, of a kind used in COVID-19 test kits	2
30021300	Immunological products, of a kind used in COVID-19 test kits	2
30021490	Immunological products, of a kind used in COVID-19 test kits	2
38089419	Other. Surface disinfectant for medical equipment and floors	14
38089429	Other. Surface disinfectant for medical equipment and floors; alcohol-based gel	20
38220090	Diagnostic reagents for <i>in vitro</i> diagnosis of COVID-19 in humans	14
39191010	Self-adhesive plates, sheets, film, foil, tape and strip, of polypropylene, of a kind used to manufacture COVID-19 test strips	16
39199020	Self-adhesive plates, sheets, film, foil, tape and strip, of polyvinyl chloride, of a kind used to manufacture COVID-19 test strips	16
39219019	Self-adhesive plates, sheets, film, foil, tape and strip, of nitrocellulose, of a kind used to manufacture COVID-19 test strips	16
39262000	Gloves for medical use	18
39269040	Laboratory or pharmaceutical items	18
40151100	-- Surgical	16
40151900	Gloves for medical use	16

⁷⁷ WTO Secretariat.

⁷⁸ Law No. 22415 (Customs Code); Decree No. 688/2002; Resolutions Nos. 14/2003, 2338/2007 and 58/2009; Decree No. 2722/2002; and Joint Resolutions Nos. 30/2010 and 2771/2010.

⁷⁹ Law No. 27.541 of 23 December 2019; Decrees Nos. 260 of 12 March 2020 and 333/2020 of 2 April 2020.

HS 2017	Designation	Applied MFN tariff rate
62101000	Of a kind used in surgery and medicine	35
63079010	Nonwovens	35
65050022	Of man-made fibres. Disposable hair nets	20
65050090	Disposable	20
70199090	Fibreglass-based sheets	12
84131900	-- Other extracorporeal circulation pumps, of the type used to pump blood fluids or for hospital infusions	14
84136019	Other extracorporeal circulation pumps, of the type used to pump blood fluids or for hospital infusions	14
84213930	Oxygen concentrators for purifying air, of an output not exceeding 6 l/min	0
90049020	Goggles	18
90049090	Other safety face shields	18
90181100	-- Electro-cardiographs	14
90181210	Doppler ultrasound scanners	0
90181290	Other ultrasound scanners	14
90181300	-- Magnetic resonance imaging apparatus	0
90181410	Positron emission tomography (PET) scanners	0
90181420	Gamma chambers	0
90181490	Other scintigraphic apparatus, parts and accessories thereof	14
90181910	Endoscopy apparatus	0
90181920	Audiometers	14
90181980	Other electro-diagnostic apparatus	14
90181990	Other parts of electro-diagnostic apparatus	14
90183111	Plastic syringes, with or without needles, of a capacity not exceeding 2 cm ³	16
90183119	Other plastic syringes, with or without needles	16
90183190	Other plastic syringes, with or without needles	16
90183212	Tubular metal needles of a kind used with blood bags	2
90183219	Other tubular metal needles for human medicine	16
90183910	Needles for human medicine	16
90183921	Sounds, catheters and cannulae, of rubber	16
90183922	Arterial embolectomy catheters of poly(vinyl chloride)	2
90183923	Thermodilution catheters of poly(vinyl chloride)	2
90183924	Intravenous peripheral catheters, of polyurethane or of ethylene-tetrafluoroethylene (ETFE)	16
90183929	Other sounds, catheters and cannulae for human medicine	16
90183930	Lancets for vaccination and cauterizing, for human medicine	16
90183991	Articles for arteriovenous fistula, comprising needle, butterfly-type base for fixing, plastic tube with connector and valve	16
90183999	Other instruments	16
90189010	For blood transfusions or intravenous infusions	14
90189092	Apparatus for measuring arterial pressure	16
90189094	Endoscopy apparatus, parts and accessories thereof	0
90189096	Automatic external defibrillators	0
90189099	Other infusion pumps	16
90192010	Oxygen therapy apparatus, parts and accessories thereof	14
90192020	Aerosol therapy apparatus	14
90192030	Artificial respiration apparatus	14
90192040	Iron lungs	14
90192090	Other apparatus and parts thereof	14
90200010	Gas masks	16
90200090	Other artificial respiration apparatus	16
90219011	Automatic cardiac defibrillators	0
90219019	Others (cardioverters)	0
90251110	Clinical thermometers	18
90251990	Others (clinical thermometers)	18
94029020	Hospital beds with mechanical fittings	14
94032000	- Other metal furniture (over-bed tables and bedside tables for hospital patients)	35
94036000	- Other wooden furniture (over-bed tables and bedside tables for hospital patients)	18
94037000	- Furniture of plastics (over-bed tables and bedside tables for hospital patients)	18

Source: Decrees Nos. 333/2020 of 2 April 2020, 455/2020 of 11 May 2020 and 745/2020 of 14 September 2020.

3.1.4 Other charges affecting imports

3.50. During the Uruguay Round, Argentina bound its "other duties and charges" at a level of 3%. In addition to tariffs, Argentina continues to charge a statistical fee, a verification-of-destination tax, VAT and internal taxes (or selective consumption taxes) on imports.

3.51. Permanent imports for consumption, except where goods originated in MERCOSUR or are marketed under other preferential agreements, are subject to an *ad valorem* tax for the statistical services provided by the various agencies involved in the importation process (statistical tax).⁸⁰ The Executive may waive payment of the tax for specific activities for purposes such as conducting scientific research, promoting the use of technology or innovation, boosting economic development and creating jobs. Under certain regimes for the temporary import of capital goods, equipment may be imported temporarily for productive processes at a zero-rated statistical tax until 31 December 2021 (Table 3.12).⁸¹

3.52. The tax base for the statistical tax is the customs value of the goods imported. During the period under review, the rate changed several times, increasing from 0.5% in 2013 to 2.5% in 2019⁸² and 3% in 2020 and 2021.⁸³

3.53. In 2019, the maximum amounts for the statistical tax were updated.⁸⁴ Consequently, the maximum amount charged, based on the tax base, ranges from USD 180 to USD 150,000 (Table 3.14).⁸⁵ These upper limits were initially set until 31 December 2020 and were later extended until 31 December 2021.⁸⁶ According to the authorities, the amounts were modified "as a result of the procedure ... carried out before the WTO ... to limit the *ad valorem* percentage to the approximate cost of the statistical service rendered for the imports, a commitment was made to set an upper limit for the amounts charged for that service, as a result of which it is necessary to maintain the maximum amount set in Decree No. 99/19 for the payment of that tax".⁸⁷

Table 3.14 Maximum statistical tax payable, 2020

Tax base	Maximum amount (USD)
Not exceeding USD 10,000	180
Between USD 10,000 and USD 100,000, inclusive	3,000
Between USD 100,000 and USD 1 million, inclusive	30,000
Greater than USD 1 million	150,000

Source: Decree No. 99/2019 of 27 December 2019.

3.54. Verification-of-destination tax is still levied when customs must carry out on-site controls to check that a specific import meets the requirements for receiving benefits. The tax base on which the verification-of-destination tax is levied is the customs value. The Executive has the power to set and adjust the tax rate, up to a maximum of 2%.⁸⁸

3.55. Customs charges an exceptional service charge if the customs import controls are carried out on non-working days or outside normal hours.⁸⁹ The rates depend on the operations performed.⁹⁰ Local residents and tourists of any origin are exempt from paying the exceptional service charge if

⁸⁰ Article 762 of Law No. 22.415 (Customs Code) and amendments thereto.

⁸¹ Article 765 of the Customs Code (Law No. 22.415). Decree No. 361/19 of 17 May 2019 set the statistical tax at 0% until 31 December 2019 for certain capital goods and for temporary admission for inward processing; Law No. 27.541 of 23 December 2019 and Decree No. 99/2019 of December 2019 (Article 22) extended this zero-rated tax until 31 December 2020; and Decree No. 1057 of 31 December 2020 extended it until 31 December 2021.

⁸² Decrees Nos. 332/2019 and 362/2019.

⁸³ Article 49 of Law No. 27541 of 23 December 2019 and Decree No. 1057 of 31 December 2020.

⁸⁴ Decrees Nos. 332/2019 of 3 May 2019 and 99/19 of 28 December 2019.

⁸⁵ Article 20 of Decree No. 99/2019 of 28 December 2019.

⁸⁶ Decree No. 1057/2020 of 31 December 2020.

⁸⁷ Decrees Nos. 332/2019 of 3 May 2019 and 99/19 of 28 December 2019.

⁸⁸ Article 767 of Law No. 22.415 (Customs Code) and amendments thereto.

⁸⁹ Articles 773-774 of Law No. 22.415 (Customs Code) and amendments thereto.

⁹⁰ For more information on the fees charged, see:

<http://www.afip.gob.ar/serviciosextraordinarios/documentos/CUADRO-TARIFARIO-RG4639-19-AFIP.pdf>.

they cross the border outside working hours and days. Customs may also charge a warehouse fee when it provides such services. The DGA is responsible for setting and adjusting the fee.⁹¹

3.56. Importers must pay a one-off fee of USD 10 per import destination and/or operation, which is documented in the Malvina Computer System (SIM).⁹²

3.57. VAT is levied both on Argentine-produced goods and on imported goods. The VAT tax base for imports is still the "normal price" plus import taxes (tariffs and other fees). Like in 2013, certain imported and Argentine-produced goods are VAT-exempt, as are imports covered by special regimes and procedures and imports for charitable or educational work (Table 3.15). In 2020, in response to the public health emergency, imports of certain essential inputs were made exempt of VAT, extra-zone import duty and the statistical tax.⁹³

Table 3.15 VAT-exempt products

Products (domestic or imported)
Printed books, brochures, leaflets and similar printed matter; newspapers, magazines and periodicals, in the entire distribution and marketing chain
Ordinary natural water
Milk without additives, where the purchasers are end consumers or exempt subjects
Resale of medicines where tax was paid during the importation or manufacturing stage
Passenger and/or cargo aircraft used for defence and security
Vessels purchased by the State
Products (imported)
Goods imported free of import duties and subject to special regimes (clearance of passengers' baggage and personal effects; disabled persons; immigrants; Argentine scientists and engineers; diplomatic representatives accredited to Argentina; etc.)
Goods imported by religious institutions
Goods imported by public-benefit institutions for charitable medical work or for scientific and/or technological research carried out for academic or educational activities

Source: Decree No. 280/97 and amendments thereto.

3.58. VAT affects domestic and imported products and the rate is the same irrespective of the origin of the goods or services. The standard rate remains 21%, albeit with certain exceptions. VAT on gas, electrical energy and water not used in homes, including holiday/summer homes, and vacant land is 27%. The Executive may reduce the general rate by up to half, so a special reduced rate of 10.5% applies to certain products (and services). The list of products subject to this special reduced rate has remained largely unchanged since 2013, except for the addition of certain soya-related products (Table 3.16).⁹⁴

Table 3.16 Imported products subject to the special reduced rate of 10.5%, 2020

Live poultry, rabbits, bovine animals, sheep, camelids, goats and swine, and their meat and edible offal, fresh, chilled or frozen
Fruit, vegetables and garden produce, fresh, chilled or frozen
Honey, in bulk
Grains (cereals and oilseeds, excluding rice) and pulses (beans, peas and lentils)
Wheat flour
Bread, cookies, bakers' wares and/or pastry-cooks' products, and rusks and biscuits, made exclusively from wheat flour, not pre-packaged for marketing
Hides of bovine animals, fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared, whether or not dehaired or split
Solid residues resulting from the industrial extraction of soya-bean oil
Soya beans, denatured, deactivated, roasted, broken; any product resulting from sifting and cleaning and obtained from soya beans; soya-bean hulls; any mixture of the aforementioned products, irrespective of their commercial form
Propane, butane and liquefied petroleum gas
Chemical fertilizers for agricultural use
Capital goods, computer goods and telecommunications goods

Source: Article 28 of Decree No. 280/97 and amendments thereto. Information viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/40000-44999/42701/texact.htm>.

⁹¹ Articles 775-776 of Law No. 22.415/81 (Customs Code) and amendments thereto.

⁹² AFIP General Resolutions Nos. 563/99 of 23 April 1999 and 4111/2017 of 24 August 2017.

⁹³ General Resolution No. 2937 of 7 October 2010, Decree No. 333 of 1 April 2020 and Resolution No. 4696 of 14 April 2020.

⁹⁴ Article 95 of Law No. 27.467 of 4 December 2018.

3.59. Argentina continues to impose internal taxes (or selective consumption taxes), which affect sales and imports of certain goods, including alcoholic and non-alcoholic beverages; tobacco; motor vehicles and engines; vessels and aircraft for pleasure or sports; and electronic products. Goods imported under the special luggage regime are exempt from this tax.⁹⁵ The list of products subject to internal taxes has not changed substantially since 2012, but some of the rates have increased (Table 3.17). The Executive may increase the rates by up to a quarter, reduce them or rescind them if the economic situation requires such action to be taken and the competent ministry submits reports supporting such action. Some products are subject to a minimum tax; others are taxed only if the product is above a minimum selling price.

Table 3.17 Internal taxes on goods, 2012 and 2020

Product	Rate (%) ^a	
	2012 (July)	2020
Tobacco		
Cigarettes (minimum tax: ARS 68.56)	60	70
Cigars (minimum tax: ARS 24.48)	16	20
Cigarillos (minimum tax: ARS 48.97)	16	20
Unmanufactured tobacco, stemmed, cut, loose, etc. (minimum tax: ARS 97.94)	20	25
"Rabillos", "trompetillas" and other articles of tobacco	16	70
Alcoholic beverages with more than 10% alcohol by volume, wine excluded	20	
Whisky		26
Cognac, brandy, pisco, gin, vodka, rum, Geneva, etc.	-	26
Others, according to alcohol by volume:	-	20
* 1 st class: between 10% and 29% by volume and fractions thereof		
* 2 nd class: 30% or more	-	26
Beers (greater than 1.2% alcohol by volume)	8	14
Craft beers produced by micro, small and medium-sized enterprises	..	8
Champagnes	12	..
Non-alcoholic beverages, syrups, extracts, concentrates and mineral waters		4-8
Non-alcoholic beverages and syrups, extracts and concentrates used in their preparation	8	8
Non-alcoholic beverages prepared with fruit juice (minimum 10%)	4	4
Syrups prepared with fruit juice (minimum 20%)	4	4
Mineral water	4	4
Non-alcoholic drinks containing caffeine and taurine		10
Diesel-engined motor vehicles and diesel engines	12.5	..
Motor vehicles, engines, vessels for pleasure or sports and aircraft	Nominal rate	Effective rate
Motor vehicles and engines		
Selling price not exceeding ARS 1,363,724.59	Exempt	Exempt
Selling price >ARS 1,363,724.59 but less than ARS 2,517,678.63	20%	25%
Selling price >ARS 2,517,678.63	35%	53.85%
Motorcycles		
Selling price not exceeding ARS 394,395.84	Exempt	Exempt
Selling price >ARS 394,395.84 but less than ARS 505,635.70	20%	25%
Selling price >ARS 505,635.70	30%	42.86%
Vessels		
Selling price not exceeding ARS 1,764,708.87	Exempt	Exempt
Selling price >ARS 1,764,708.87	20%	25%
Aircraft (of any price)	20%	25%

.. Not available.

a Nominal rates, since the actual rates are the result of the inclusion in the tax base of the internal tax itself.

Source: Laws Nos. 24.674 of 26 August 1996; 27.430 of 29 December 2017; 27.467 of 4 December 2018; and 27.541 of 23 December 2019.

3.60. Internal taxes are levied on 130% of the value resulting from adding import taxes (customs duties and import charges) and the internal taxes themselves to the customs value.⁹⁶ Imports of

⁹⁵ Article 9 of Law No. 24.674 of 26 August 1996 and amendments thereto.

⁹⁶ Article 7 of Law No. 24.674 of 26 August 1996 and amendments thereto. The tax base of internal taxes is calculated as follows:

$$T_{bit} = T_b \times 1.3 \times (1 + E_r/100)$$

cigarettes are taxed on the domestic retail price, including internal taxes and additional cigarette taxes, with the exception of VAT. Internal taxes are levied only once during the marketing process; in the case of imports, they are levied during inward clearance.

3.61. Argentina also levies other charges on sales and imports of liquid fuels and electrical energy and has maintained an additional emergency tax of 7% on cigarettes.⁹⁷ In 2013, taxes on liquid fuels were on an *ad valorem* basis, with a minimum amount. Starting in 2018, however, specific rates per litre were set, which are adjusted based on the consumer price index (CPI) (Table 3.18).⁹⁸ Hydrocarbons to be used for international transport and fisheries are exempt from this tax. The Executive may charge a special fixed rate on certain fuels such as unleaded petrol and diesel when the products are to be used for consumption in border areas to correct for asymmetries caused by exchange rate fluctuations. In addition, a carbon dioxide tax was introduced on liquid fuels in 2018 (Table 3.18).⁹⁹ Bulk purchases and imports of electrical energy by large-scale users or distributors are still subject to a tax (contribution) of ARS 0.0054686/kW h, which is used to fund the National Electrical Power Fund.¹⁰⁰

Table 3.18 Taxes on imports of liquid fuels, March 2021^a

(ARS)

	Liquid fuels tax Law No. 27430		Carbon dioxide tax Law No. 27430
	Updated fixed amount levied	Updated differential fixed amount levied	Updated fixed amount levied
Petrol, up to 92 RON	20.798/litre	n.a.	1.274/litre
Petrol, greater than 92 RON	20.798/litre	n.a.	1.274/litre
Virgin naphtha	20.798/litre	n.a.	1.274/litre
Natural or pyrolysis gasoline	20.798/litre	n.a.	1.274/litre
Solvent	20.798/litre	n.a.	1.274/litre
Turpentine	20.798/litre	n.a.	1.274/litre
Gas oil	12.826/litre	6.945/litre	1.463/litre
Diesel oil	12.826/litre	6.945/litre	1.463/litre
Kerosene	12.826/litre	6.945/litre	1.463/litre
Fuel oil	n.a.	n.a.	0.481/litre
Petroleum coke	n.a.	n.a.	0.517/kg
Coal	n.a.	n.a.	0.398/kg

n.a. Not applicable.

a The amounts listed are for 12 March to 31 May 2021.

Source: AFIP (February 2021). Base period for update: fourth quarter of 2020. Viewed at: <http://biblioteca.afip.gob.ar/cuadroslegislativos/getAdjunto.aspx?i=12148>.

3.1.5 Import prohibitions, restrictions and licensing

3.1.5.1 Import prohibitions

3.62. Argentine legislation allows the authorities to prohibit imports (and exports) of goods for economic and non-economic reasons. Prohibitions for economic reasons seek to promote employment and domestic production, stabilize prices and protect industrial property and consumers, among other aims (Article 609 of the Customs Code). Generally, prohibitions for economic reasons apply only to imports (and exports) for consumption (Article 613 of the Customs Code). Non-economic prohibitions are imposed to protect public health and safety, artistic heritage and the environment and to implement international treaties (Article 610 of the Customs Code).

Where: T_{bit} = Tax base of the internal taxes; T_b = Tax base of the VAT; T_e = Effective rate of the internal tax, which is equal to $(100 \times Nr)/(100 - Nr)$, where Nr is the nominal rate of the applicable tax. Therefore, if the c.i.f. value is 100 and the tariff is 10% and the statistical tax is 3%, then T_b is equal to $1.13 \times 1.3 = 1.469$. If the nominal rate of the internal tax is 20%, then the effective rate is 25%. Therefore, $T_{bit} = 1.469 \times 1.25 = 1.8363$ (AFIP Decree No. 296/97 and AFIP General Resolution No. 3911/16).

⁹⁷ Laws Nos. 24.625 of 9 January 1996 and 27.730; and Decree No. 26/16.

⁹⁸ Law No. 27.430 of 29 December 2017.

⁹⁹ Article 10 of Law No. 27.430 of 29 December 2017.

¹⁰⁰ Law No. 15.336 of 22 September 1960 and amendments thereto; Article 70 of Law No. 24.065 of 16 January 1992; and SE Resolution No. 1.872/05.

3.63. Currently, Argentina prohibits imports only for non-economic reasons (Table 3.19). Argentina did not impose any economic prohibitions between 2013 and 2020.¹⁰¹

Table 3.19 Import prohibitions, 2020

Product	Administering agency
Certain live animals and wild fauna and flora products and by-products (Convention on International Trade in Endangered Species of Wild Fauna and Flora) ^a	DGA and Ministry of the Environment and Sustainable Development
Narcotic drugs and psychotropic substances, except quantities necessary for medical and scientific research	Ministry of Health; DGA
Ozone-depleting substances ^b	DGA and Ministry of the Environment and Sustainable Development
Certain fertilizers, pesticides and related products	National Agriculture and Food Quality and Health Service; Ministry of Agriculture, Livestock and Fisheries
Toxic or hazardous residues, waste or scrap	Ministry of the Environment and Sustainable Development; DGA
Chemicals classified as persistent organic pollutants	Ministry of the Environment and Sustainable Development
Raw cotton (not ginned)	National Agriculture and Food Quality and Health Service
Products containing formaldehyde	Ministry of Health
Used clothes (clothing and clothing accessories, and parts thereof, used)	Ministry of Productive Development
Incandescent light bulbs for home use with a wattage greater than 25 W or a nominal voltage greater than 50 V.	Ministry of Productive Development
Certain chemical compounds, including polychlorinated biphenyls (PCBs)	Ministry of Health; Ministry of Agriculture, Livestock and Fisheries; Ministry of the Environment and Sustainable Development
Ordinary zinc-carbon and manganese alkaline primary cells and primary batteries, in cylindrical or prism form, with a mercury content exceeding 0.0005% by weight, a cadmium content exceeding 0.015% by weight and a lead content exceeding 0.200% by weight	National Institute of Industrial Technology (INTI)
Food, supplements and veterinary medicines that contain certain active ingredients in their formulation and are given to animals whose products and by-products are consumed by humans where they contain certain active ingredients	SENASA
Certain live animals, wild fauna and flora products and by-products (other than those covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora)	SENASA; Ministry of the Environment and Sustainable Development
Retreads and used tyres, except remodelled tyres under tariff headings 4012.11.00, 4012.12.00, 4012.13.00 and 4012.19.00	Ministry of Productive Development; Ministry of the Environment and Sustainable Development
Electronic devices for smoking (electronic cigarettes)	National Drugs, Food and Medical Technology Administration
Chemical weapons	Ministry of Foreign Affairs, International Trade and Worship; Ministry of Productive Development
Conventional weapons and ammunition	Ministry of Defence

a Prohibition, except under defined conditions.

b Prohibition, except under defined conditions.

Source: WTO documents G/MA/QR/N/ARG/1/Rev.2 of 25 July 2018 and G/MA/QR/N/ARG/2 of 10 February 2021.

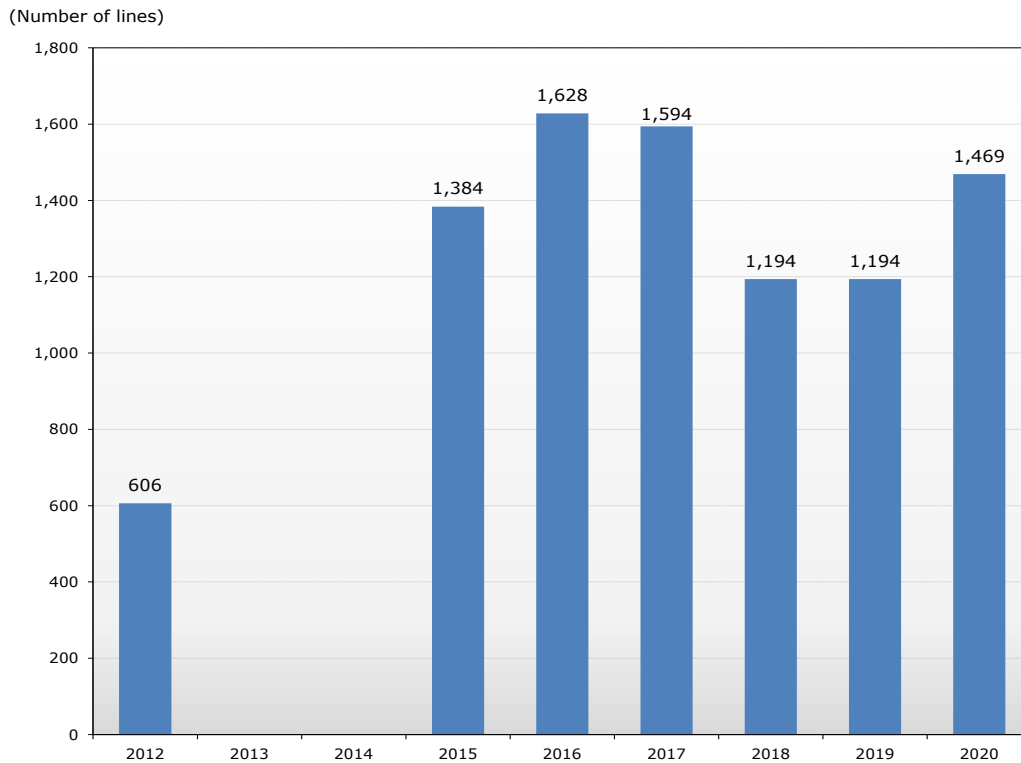
¹⁰¹ Information provided by the authorities.

3.1.5.2 Import licensing

3.64. Administering import licences remains one of the main components of Argentina's trade policy. During the period under review, Argentina changed its licensing policy on several occasions. In 2013, Argentina notified the WTO that it had only one type of automatic import licence; non-automatic import licences were abolished by Resolution No. 11/2013.¹⁰² In 2015, Argentina once again began using two types of import licensing regimes: automatic and non-automatic.¹⁰³

3.65. All goods imported into Argentina for final consumption require either an automatic or a non-automatic import licence. The lists of products requiring each type of licence are updated as and when circumstances so require, rather than at predetermined intervals. Because of this policy, the number and types of products subject to non-automatic import licences often vary (Chart 3.3). For this reason, non-automatic licences were abolished for certain medical devices in response to the health situation in 2020.¹⁰⁴ Since 2015, the lists of products subject to non-automatic licensing have been modified 26 times.¹⁰⁵ These products are normally listed in the annexes to the resolution establishing the import licensing regime. According to the authorities, "the products in the annexes are grouped according to the requirements for each product description". The Executive does not need legislative approval to modify the licensing regime.

Chart 3.3 Tariff lines subject to non-automatic import licensing, 2012-20^a



a Data as at 31 December each year.

Note: No data are available for 2013 and 2014.

Source: WTO Secretariat calculations, based on data provided by the authorities.

¹⁰² WTO Document G/LIC/N/3/ARG/11 of 24 September 2013.

¹⁰³ Ministry of Production Resolution No. 5/2015 of 22 December 2015.

¹⁰⁴ Regulation No. 5/2020 of 18 March 2020.

¹⁰⁵ WTO Documents G/LIC/N/2/ARG/27 of 10 March 2016; G/LIC/N/2/ARG/27/Add.1 to Add.6 of 12 May 2016 to 8 November 2016; G/LIC/N/2/ARG/28 of 26 September 2017; and G/LIC/N/2/ARG/28/Add.1 to Add.8 of 8 December 2017 to 10 November 2020.

3.66. According to Argentina's notifications to the WTO, automatic and non-automatic licences apply to goods of any origin; the licences do not limit the quantity or value of the imports and are not used for administering quotas. Automatic licensing is used to obtain statistical information; non-automatic licensing is used to pre-verify that the conditions for importing the different products have been met and to monitor and control imports.¹⁰⁶

3.67. In 2020, non-automatic licences were required for 1,469 eight-digit HS tariff lines, or 14.3% of all tariff lines. This was a substantial increase on the numbers for 2012, when only 606 tariff lines (6% of the total) were subject to non-automatic licensing. The types of products affected by the measure have not changed substantially since 2012. Most non-automatic licences are still for textiles, machines and apparatus and basic metals (Table 3.20).

Table 3.20 Tariff lines subject to non-automatic import licensing, 2012 and 2020^a

HS sections	Number of lines ^b		% of tariff lines in the HS Section ^b	
	2012	2020	2012	2020
Total	606	1,469	6.0	14.3
1 - Live animals; animal products	-	9	-	1.7
2 - Vegetable products	-	1	-	0.2
3 - Animal or vegetable fats and oils	-	-	-	-
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco and manufactured tobacco substitutes	-	26	-	8.3
5 - Mineral products	-	4	-	1.9
6 - Products of the chemical or allied industries	6	79	0.2	2.6
7 - Plastics and articles thereof	14	45	3.3	10.5
8 - Raw hides and skins, leather, furskins and articles thereof; saddlery and harness	10	14	8.8	12
9 - Wood and articles of wood; wood charcoal	1	21	0.8	13.4
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof	35	28	15.8	12.6
11 - Textiles and textile articles	238	654	23.5	61.9
12 - Footwear, headgear, umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof; prepared feathers and articles made therewith	34	34	48.6	48.6
13 - Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware	21	28	9.7	12.9
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	-	-	-	-
15 - Base metals and articles of base metal	34	74	4.6	10.0
16 - Machinery and mechanical appliances; electrical equipment; and parts thereof	126	303	7.1	17.1
17 - Vehicles, aircraft, vessels and associated transport equipment	30	72	14.0	31.3
18 - Optical, photographic, cinematographic, measuring, checking or precision instruments and apparatus	3	9	0.7	2.0
19 - Arms and ammunition; parts and accessories thereof	-	3	-	16.7
20 - Miscellaneous manufactured articles	54	65	33.5	39.4
21 - Works of art, collectors' pieces and antiques	-	-	-	-

- There are no lines subject to non-automatic import licensing.

a Data at 31 December each year.

b The year 2012 is in the HS 2012 nomenclature and the year 2020 is in the HS 2017 nomenclature, so the total number of tariff lines is different for each of the two years.

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.68. Goods imported under certain import regimes do not require any kind of import licence.¹⁰⁷ Goods imported free of duties and taxes are also exempt from requiring an import licence.

¹⁰⁶ Resolution No. 5/2015 of 22 December 2015 and WTO documents G/LIC/N/3/ARG/14 of 2 October 2018 and G/LIC/N/3/ARG/15 of 19 September 2019.

¹⁰⁷ This includes permanent imports for consumption under regimes for samples, donations and diplomatic allowances; goods entering under the courier or postal item regime; imports of goods covered by the Import Regime for Science and Technology Research Inputs; and imports of goods from the Isla Grande Tierra del Fuego Special Customs Area.

3.69. Applications for automatic and non-automatic licences can be made all year round. In January 2020, the validity of import licences was reduced from 180 to 90 calendar days after the date of their approval in the Comprehensive Import Monitoring System (SIMI).¹⁰⁸ The purpose of the change, according to the authorities, is to adapt the validity period of licences to ordinary foreign-trade operations and to make the system more efficient. This validity period may, for good reason, be extended by the implementing authority – currently (as of March 2021) the Under-Secretariat of Trade Policy and Management (SSPGC), which is attached to the Secretariat for Industry, the Knowledge Economy and Foreign Trade Management – at the request of the interested party at least 15 days before the licence expires.¹⁰⁹

3.70. Automatic and non-automatic import licences must be processed and presented before goods are cleared. It takes up to 10 days to obtain an automatic licence and up to 30 or 60 days to obtain a non-automatic licence.

3.71. Since 2015, automatic licences are processed through SIMI.¹¹⁰ Previously (before 2013), the regime required at least part of the application process to be done in person.¹¹¹ To obtain this type of licence, importers must be registered in AFIP's Register of Importers and must submit the corresponding application form.¹¹² Automatic licences are granted in all cases where the regulatory requirements are met.

3.72. Applications for non-automatic licences are also submitted through SIMI.¹¹³ To apply for a non-automatic licence, interested parties must also be registered in the Single Register of the Ministry of Production (RUMP) (the Ministry has since been renamed the Ministry of Productive Development)¹¹⁴ and must submit the import licence application form¹¹⁵ and, where applicable, the information indicated in the annexes to the resolution that lists the products subject to non-automatic licensing.¹¹⁶ Additional formalities are required for certain importers. For instance, before applying for a non-automatic import licence, importers of new bicycles (HS 8712.00) and new pneumatic bicycle tyres (HS 4011.50.00) and inner tubes (HS 4013.20.00), which are subject to technical regulations, must first obtain from SISCO either a document certifying that the product complies with the technical requirement, or a document certifying an exemption from that requirement, as applicable. Furthermore, at any stage of the procedure the implementing authority may also: request additional information and/or documents from the importer; request the intervention of other competent technical bodies; obtain background information from its own sources or from third parties; and, where deemed necessary, require the importer to provide any clarifications that the implementing authority believes are relevant.¹¹⁷ According to the authorities, these requirements are based on relevance and compliance.

3.73. Non-automatic licences can be designated as "pending approval" if the importer does not meet the legislative requirements. Such a decision is subject to review if the importer appeals.¹¹⁸ Otherwise, the importer may submit a new licence application. Argentina does not have information on the number of non-automatic licences not awarded for the period 2015-19. In 2020 (August), 80% of applications were approved within 48 hours. Only 1.3% of applications were pending, either due to errors in the information submitted, or because the products did not pass the controls required

¹⁰⁸ Resolution No. 1/2020 of 8 January 2020.

¹⁰⁹ Resolution No. 1/2020 of 8 January 2020 and WTO documents G/LIC/N/3/ARG/14 of 2 October 2018 and G/LIC/N/3/ARG/15 of 19 September 2019.

¹¹⁰ General Resolution No. 3823 of 21 December 2015 and General Resolution No. 4185 of 8 January 2018.

¹¹¹ Information provided by the authorities.

¹¹² The import licence application form requires the following information: full name of the person or entity importing the goods; tax identification number (CUIT) of the importer or declarant, where appropriate; SIMI tariff heading/AFIP code; f.o.b. unit price in US dollars; type and quantity of marketing units; total quantity in statistical units; brand; model/article; version (if applicable); condition of the goods; country of origin; and country of provenance (Annex I to Resolution 5-E/2018 of 8 January 2018).

¹¹³ Resolutions Nos. 442/2016 of 8 September 2016 and 1/2020 of 8 January 2020.

¹¹⁴ Resolutions Nos. 442/2016 of 8 September 2016 and 1/2020 of 8 January 2020.

¹¹⁵ The information required to apply for a non-automatic import licence is as indicated in Annex I to Resolution No. 523/2017. The page at <http://www.afip.gob.ar/simi> provides the forms and documents required to carry out the formalities.

¹¹⁶ See, for example, Annexes II to XIV of Secretariat for Industry, the Knowledge Economy and Foreign Trade Management Resolution No. 1/2020 and amendments thereto.

¹¹⁷ Resolution No. 523/2017 of 5 July 2017.

¹¹⁸ Law No. 19.549 of 3 April 1972 (Law on Administrative Procedures).

to certify that: (i) the imported goods did not pose a threat to environmental, human or animal health; (ii) the imported goods complied with technical regulations enshrined in national legislation; and (iii) there were no indications of trade diversions or under-invoicing of imports.¹¹⁹

3.74. A Sworn Declaration of Product Composition (DJCP) is required for imports (or for marketing domestically produced goods) of textile and footwear products to support the veracity of the information declared on the product labelling or marking. Since 2016, a DJCP has been required for products such as fabrics (cotton, silk, etc.), articles of apparel and clothing accessories, footwear, carpets and hats. A DJCP is required for imports of products covered by 963 eight-digit lines in 17 different HS 2017 chapters,¹²⁰ and a non-automatic import licence is required for 352 (or 36.6%) of those lines. In 2020, in response to the health emergency, Argentina temporarily suspended the requirement to present a DJCP for certain types of clothing and hats.¹²¹

3.1.6 Anti-dumping, countervailing and safeguard measures

3.1.6.1 Anti-dumping and countervailing measures

3.75. Argentina has informed the WTO of its legislation on contingency measures and of updates to those measures.¹²² Argentina notified the WTO in 2019 that the authority responsible for initiating anti-dumping and countervailing measure investigations is the Secretariat for Industry, the Knowledge Economy and Foreign Trade Management (SIECYGCE),¹²³ which is attached to the Ministry of Productive Development (MDP).¹²⁴ The MDP's competences include being responsible for index prices, anti-dumping mechanisms and other instruments that regulate foreign trade.¹²⁵ During the period under review, no investigation procedures were initiated under the Agreement on Subsidies and Countervailing Measures or the Agreement on Safeguards, but several investigations were initiated into alleged dumping.

3.1.6.1.1 Legal framework¹²⁶

3.76. The legal framework relating to trade protection is governed mainly by Law No. 24.425 of 5 January 1995 (adopting the Uruguay Round Agreements), Decree No. 766/1994 (establishing the National Foreign Trade Commission), Decree No. 1.393/2008 of 2 September 2008 (containing the procedural regulations for applying anti-dumping duties or countervailing duties), Decree No. 1.219 of 2006 (containing the procedure applicable to non-market economy and transition countries) and other resolutions and amendments.

3.77. The procedures relating to dumping, subsidies and countervailing duties are also governed by the National Law on Administrative Procedures No. 19.549 of 27 April 1972 and the Administrative Procedures Regulations, Decree No. 1.759/72, as amended by Decree No. 894/2017. Former Secretariat for Industry, Trade and Small and Medium-Sized Enterprises Resolution No. 293/2008 regulates the submission of applications for the initiation of a dumping and/or subsidization investigation.

¹¹⁹ Information provided by the authorities.

¹²⁰ The affected HS chapters are: SA 61 (132 tariff lines), SA 52 (127), SA 62 (119), SA 55 (117), SA 54 (91), SA 60 (81), SA 63 (63), SA 56 (61), SA 58 (42), SA 51 (30), SA 64 (29), SA 57 (26), SA 53 (17), SA 65 (10), SA 50 (8), SA 59 (8) and SA 94 (2) (Secretariat of Trade Resolution E 404/2016 of 5 December 2016).

¹²¹ Products included under tariff lines HS 6210.10.00 (garments, made up of fabrics of heading 56.02, 56.03, 59.03, 59.06 or 59.07: of fabrics of heading 56.02 or 56.03), HS 6307.90.10 (other made up articles, including dress patterns: of nonwovens), HS 6307.90.90 (other made up articles, including dress patterns: other), HS 6505.00.22 (hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric, in the piece (but not in strips), whether or not lined or trimmed: hairnets of any material, whether or not lined or trimmed: of man-made fibres) (Secretariat of Domestic Trade Resolution No. 107/2020 of 2 April 2020).

¹²² WTO documents G/ADP/N/1/ARG/1 and G/SCM/N/1/ARG/1, of 12 June 1995; and WTO documents G/ADP/N/1/ARG/1/Suppl.1-9 and G/SCM/N/1/ARG/1/Suppl.1-8, of 22 September 2008.

¹²³ Decree No. 50/2019 of 20 December 2019.

¹²⁴ Decree No. 7/2019 of 11 December 2019.

¹²⁵ Decree No. 50/2019 National Government. Organizational structure.

¹²⁶ CNCE, "Dumping - secuencia de la investigación". Viewed at: <https://www.argentina.gob.ar/cnce/procedimientos/dumping/secuencia-investigacion> and Decree No. 1.393/2008 of 2 September 2008.

3.78. Argentina has a bifurcated system for the determination of dumping and injury. This means that, like in other countries, determination of dumping or subsidization is separate from the determination of injury, since it is performed by a different technical body. The competent authority for the determination of dumping margins or subsidization and for making recommendations on the initiation of an investigation or review is the SSPGC which, through the Directorate of Unfair Competition (DCD),¹²⁷ is the entity responsible for carrying out the technical analysis to determine the existence and margin of dumping and subsidization and for presenting the corresponding technical reports.¹²⁸ The National Foreign Trade Commission (CNCE) established through Decree No. 766/94 is the body responsible for determining injury to the domestic industry by imports involving unfair competition (dumping and subsidies) and when the application of safeguard measures is assessed.¹²⁹ The CNCE is also responsible for proposing provisional or definitive measures to alleviate injury.¹³⁰ Based on DCD technical reports and CNCE records on determination of injury and causal link, the SSPGC submits a recommendation to the SIECYGCE with respect to the investigation.

3.1.6.1.2 Procedures

3.79. Anti-dumping and subsidy investigations may be initiated at the request of the domestic industry¹³¹ (producing companies, chambers, federations and/or associations) or *ex officio*. Prior to the submission of the application, the SSPGC, through the DCD and the CNCE, provide, at the request of the interested parties, and within the limits of their respective areas of responsibility, a specialized information service.¹³² Once it has received the application, the SSPGC, through the DCD and the CNCE, have five days to draw attention to any errors or omissions so that the petitioner can correct them.¹³³

3.80. If there are no errors or omissions in the application or errors and omissions have been corrected, the CNCE shall report on the existence of a like domestic product and on the representativeness of the applicant within a period of 10 days. The SSPGC shall inform the CNCE and the petitioner whether the application has been accepted and, on the basis of the DCD's technical report, the SSPGC, through the DCD, shall examine the evidence of dumping within the following 10 days and communicate its conclusions to the CNCE. Once it has received the report, the CNCE has 10 days to undertake its determination concerning injury to the domestic industry and a causal link between the injury and dumping. Within three working days, the SSPGC shall send the SIECYGCE its recommendation concerning the initiation of an investigation. The SIECYGCE must decide whether or not to initiate an investigation within the following five days. The initiating resolution is published in the Official Journal or, if the initiation is declared inadmissible, the SIECYGCE shall notify the applicant of the decision.

3.81. Once it has been decided that an investigation will be initiated, within 10 days the CNCE and the SSPGC, through the DCD, send out questionnaires to the producers, exporters and importers, which must submit their replies within 30 days. Within seven days of receiving the replies to the questionnaires, the CNCE and the DCD may request that any necessary clarification be provided within 10 days. The SSPGC must make a preliminary determination of dumping within 100 days of initiation. If the determination is positive, a copy is sent to the CNCE, which has 110 days from

¹²⁷ Annexes I(c), II and III(c) to Administrative Decision No. 1.080/2020.

¹²⁸ Information from the CNCE, "Dumping - secuencia de la investigación". Viewed at: <https://www.argentina.gob.ar/cnce/procedimientos/dumping/secuencia-investigacion>; and Decree No. 1.393/2008 of 2 September 2008.

¹²⁹ The CNCE consists of a Board of Directors composed of a Chair and four board members who are appointed for four years and can be removed from office only on serious grounds. Information from the CNCE. Viewed at: <https://www.argentina.gob.ar/cnce/autoridades>.

¹³⁰ Under Article 3 of Decree No. 766/94, the CNCE has the following functions: (a) to conduct investigations and analysis of injury to domestic production as a result of imports effected under conditions of unfair competition; (b) to analyse the injury that a significant increase in imports might cause to domestic production and assess whether it is appropriate to introduce safeguard measures; (c) to analyse the aspect of injury to domestic production; and (d) to propose appropriate measures, whether provisional or final, to alleviate injury as set out in the foregoing paragraphs, including voluntary price agreements, and to review them periodically and assess whether they should be continued.

¹³¹ WTO documents G/ADP/N/1/ARG/1/Suppl.10 of 17 June 2020 and G/ADP/N/1/ARG/1/Suppl.11 of 6 January 2021.

¹³² Resolution No. 1.393/2018 of 2 September 2018 (Article 3).

¹³³ Information from the CNCE, "Dumping y Subvenciones". Viewed at: <https://www.argentina.gob.ar/cnce/procedimientos/dumping/secuencia-investigacion>.

initiation to make a preliminary determination of injury to the domestic industry and issue a report on the causal link between such injury and the dumping. It must present its findings to the SSPGC. The SSPGC then has five days to submit to the SIECYGCE its recommendation on whether or not to apply provisional duties, based on the CNCE's proposal and taking into consideration general foreign trade policy and the public interest. The SIECYGCE shall, within a period of 10 days, present its recommendation to the Ministry, which must decide, within 20 days, whether it is appropriate to adopt provisional measures. Provisional measures can take the form of a security and may be applied for a maximum period of four months, which may be extended in certain circumstances.

3.82. Preliminary determinations must be notified to the parties within 10 working days so that the parties can offer evidence. These submissions must be dealt with within the following 10 days. Once the period for the presentation of evidence has ended, the DCD and the CNCE shall provide notification of the essential facts which form the basis for the decision on whether to apply definitive measures. These facts are made available to the interested parties for a period of 10 working days so that they may present their arguments.

3.83. The final determination of dumping or subsidization is made within 220 days of the initiation of the investigation; the CNCE must make a final determination of injury and of a causal link with the dumping or subsidization within 250 days of the initiation of the investigation. The CNCE presents its findings to the SSPGC, which, within 10 days, must send the SIECYGCE a report recommending whether or not definitive anti-dumping or countervailing duties should be applied. The SIECYGCE has 10 days to report on whether it is appropriate to apply a definitive measure and refer its recommendation to the Minister, who must reach a decision within 20 days, issuing a resolution on whether or not to apply definitive anti-dumping or countervailing duties. The recommendation is not binding. The Minister may decide not to apply duties for reasons pertaining to general foreign trade policy and the public interest. The investigation must normally be completed within 10 months of initiation, but for complex technical reasons, the period may be extended to a maximum of 18 months.

3.84. Anti-dumping and countervailing duties, whether provisional or definitive, may be *ad valorem* or specific, or "minimum f.o.b. export values". The anti-dumping duty may not exceed the dumping margin. The amount of countervailing duties may not exceed the amount of the subsidy. Anti-dumping or countervailing duties should remain in force only for as long as is necessary to offset the dumping or subsidies and may last up to five years from their imposition or last review. A review may be carried out during their period of validity or just before they expire. Furthermore, duties may be applied retroactively up to 90 days before the date of application of the provisional measures, though no earlier than the date of initiation of the investigation, provided that the specific requirements for doing so are met. All resolutions closing the investigation, whether or not anti-dumping or countervailing measures are adopted, are published in the Official Journal and communicated to all interested parties.

3.1.6.1.3 Price undertakings

3.85. Argentina's legislation allows investigation proceedings to be suspended or terminated without the imposition of provisional measures or definitive duties where the exporter communicates that it will voluntarily assume satisfactory undertakings to revise its prices or to cease exporting at dumped prices so that the injurious effect of dumping is eliminated.¹³⁴ Voluntary undertaking applications must be submitted to the SSPGC once the latter, through the DCD and the CNCE, have made the corresponding positive preliminary determination on dumping or subsidization, injury and a causal link between them. The SSPGC sends the request to the CNCE within two working days and, upon receipt of the application, both the DCD and the CNCE have five days to request any necessary clarifications, which must be provided within 10 days. Once that 10-day period is over, the DCD and the CNCE each have 30 days to produce reports on the aspects for which they are responsible.¹³⁵

3.86. Based on the two reports, the SSPGC submits its own report on the undertaking to the SIECYGCE, in the light of other circumstances pertaining to general foreign trade policy and the public interest. The SIECYGCE has 10 days from receipt of the report to decide whether or not to

¹³⁴ Chapter V, Articles 33-34 of Decree No. 1.393/2008 determine the conditions applicable to these undertakings.

¹³⁵ CNCE, "Dumping - secuencia de la investigación". Viewed at: <https://www.argentina.gob.ar/cnce/procedimientos/dumping/secuencia-investigacion>.

recommend the acceptance of the undertaking and to submit its recommendation to the Minister, who must announce a decision on the recommendation within 15 days. Acceptance of an undertaking offered by an exporter is not mandatory. Even when an undertaking is accepted, the investigation may continue through all of its stages. If a negative determination of dumping or injury is made, the undertaking automatically lapses, except where the negative determination is due to the existence of the undertaking.¹³⁶ The SSPGC is charged with monitoring compliance with price undertakings that have been accepted and may require exporters to provide information relating to compliance at the intervals specified in the instrument of acceptance. In the event of non-compliance with an undertaking, an order shall be issued for the immediate application of provisional measures on the basis of the best information available.

3.1.6.1.4 Review of anti-dumping and countervailing measures

3.87. According to multilateral rules, two types of reviews exist: expiry reviews and changed circumstances reviews. These reviews can be initiated *ex officio* or upon request by any interested party which submits positive information substantiating the need for a review.

3.1.6.1.4.1 Changed circumstances reviews

3.88. Resolutions imposing both anti-dumping and countervailing duties may be reviewed for changed circumstances, either *ex officio* or, if two years have elapsed since the establishment of the measure or the last review and evidence has been provided that conducting the review is necessary, at the request of the interested party.¹³⁷ "Interested parties" refers to domestic producers of the like product; producer associations; exporters; foreign producers; importers of the product under review; any known associations of exporters, foreign producers and importers; and the government of the exporting Member. Other domestic and foreign parties may also be included as interested parties.¹³⁸

3.89. In a changed circumstances review, it is necessary to analyse whether the continued imposition of the duty is necessary to offset dumping or whether it is necessary to modify the existing measure. The review must be concluded within eight months of its initiation. If, as a result of the review, it is determined that the anti-dumping or countervailing duty is no longer warranted, it will be suspended.

3.1.6.1.4.2 Expiry reviews

3.90. In an anti-dumping or countervailing duty or price undertaking expiry review, it must be determined whether expiry of the duty would be likely to lead to continuation or recurrence of the dumping or subsidization and the injury.¹³⁹ A review of an anti-dumping or countervailing duty owing to the expiry of its period of validity may be initiated *ex officio* when there is sufficient evidence, or following a request for review submitted by or on behalf of the domestic industry, no later than three months prior to the end of the period of imposition of the anti-dumping or countervailing duty the termination of which it is wished to avoid.

3.91. An expiry review should also normally be concluded within eight months of the date of its initiation. When deciding to initiate an anti-dumping or countervailing duty or a price undertaking expiry review, the SSPGC may decide whether it is also appropriate to carry out a changed circumstances review. The duty may remain in force pending the outcome of the review.

3.1.6.1.4.3 Investigations to determine circumvention

3.92. Decree No. 1.393/2008 contains provisions to regulate circumvention,¹⁴⁰ which is defined as the exportation to Argentina of parts and/or components of the product under investigation, assembled to produce a like product; the exportation to Argentina of a like product, produced by the

¹³⁶ CNCE, "Dumping - secuencia de la investigación". Viewed at: <https://www.argentina.gob.ar/cnce/procedimientos/dumping/secuencia-investigacion>.

¹³⁷ Articles 52-54 of Decree No. 1.393/2008.

¹³⁸ CNCE, "Revisión de Dumping". Viewed at: <https://www.argentina.gob.ar/cnce/procedimientos/revisiondumping>.

¹³⁹ Articles 55-58 of Decree No. 1.393/2008.

¹⁴⁰ Articles 59-63.

assembly of parts and/or components of the product under investigation or by some other operation effected in a third country; or any other practice which tends to undermine the remedial effects of the measure applied, reflecting in all cases a change in the characteristics of trade between third countries and Argentina as a result of a practice, process or activity for which there is no adequate cause or economic justification other than the imposition of the duty.

3.93. The determination of the existence of circumvention practices may be made at the request of the affected party, *ex officio* or at the suggestion of the SSPGC and/or the CNCE, on the basis of the main elements of information put together in the investigation or review concerning the measure being circumvented. Requests by interested parties shall contain reasonable evidence of the alleged circumvention practice. The SSPGC, through the DCD and the CNCE, within the limits of their respective areas of responsibility, shall present their conclusions to the SIECYGCE within 120 days of the acceptance of the request. The SIECYGCE, for its part, must submit its conclusions to the Ministry within 10 days of receiving the reports, and the Ministry will then make a decision within the following 20 days.

3.1.6.1.4.4 Non-preferential origin certification

3.94. Former Ministry of Production and Labour Resolution No. 60/2018 harmonized the non-preferential rules of origin to be used to control imports that are subject to non-preferential trade policy measures.¹⁴¹ Article 6 of the Resolution states that goods subject to anti-dumping, countervailing or specific duties or subject to safeguard measures must be accompanied by a sworn declaration of non-preferential origin for the purpose of certifying their origin at the time of clearance at the definitive import destinations. The importer must generate the declaration electronically through the Remote Formalities Platform (PTD).¹⁴² The declaration is free of charge.

3.95. In accordance with the provisions of Resolution No. 60/2018, this measure is intended to consolidate in a single body of rules the provisions applicable to the certification of non-preferential origin for the purpose of declarations by importers. It is also intended to simplify the procedure required to complete the declaration.

3.1.6.1.5 Investigations and application of measures

3.96. During the review period, Argentina regularly submitted semi-annual reports to the Committee on Anti-Dumping Practices and the Committee on Subsidies and Countervailing Measures in which it described actions taken under the two agreements.¹⁴³

3.97. According to the WTO database, between the establishment of the WTO in 1995 and 31 December 2020, Argentina initiated 394 anti-dumping investigations and imposed 278 measures. During this period, Argentina ranked fifth among WTO Members with respect to the use of anti-dumping measures.¹⁴⁴ Including the reimposition of measures for review purposes, Argentina imposed 410 definitive and 231 provisional anti-dumping duty measures between 1995 and 2020. Over the same period, it concluded 51 price undertakings.¹⁴⁵

3.98. Between 2013 and 2020, Argentina initiated 199 anti-dumping investigations, including reviews. The investigations involved a total of 27 trading partners, but mainly China, Brazil and India. The main industry targeted by the investigations was plastics and articles thereof (HS Chapter 39), followed by equipment parts (HS Chapter 84) in second place, and a wide range of goods including household appliances (HS Chapter 85) in third.

¹⁴¹ Ministry of Production and Labour Resolution No. 60/2018 of 18 October 2018. Viewed at: <https://www.boletinoficial.gob.ar/detalleAviso/primera/194179/20181019?busqueda=1>.

¹⁴² Government of Argentina, "Trámites a distancia - TAD". Viewed at: <https://www.argentina.gob.ar/iefatura/innovacion-publica/administrativa/tramites-a-distancia>.

¹⁴³ WTO documents of the series G/ADP/N and G/SCM/N.

¹⁴⁴ WTO, "Anti-dumping Measures by Reporting Member 01/01/1995 - 31/12/2020". Viewed at: https://www.wto.org/english/tratop_e/adp_e/adp_e.htm and https://www.wto.org/english/tratop_e/adp_e/AD_MeasuresByRepMem.pdf.

¹⁴⁵ National Foreign Trade Commission, *Informe Anual 2019*. Viewed at: https://www.argentina.gob.ar/sites/default/files/informe_anual_cnce_-_2019_06.08.2020_final_2.pdf, updated in 2020 with information from the WTO semi-annual reports: WTO documents G/ADP/N/342/ARG of 21 August 2020, G/ADP/N/350/ARG of 19 March 2021 and G/ADP/N/350/ARG/Corr.1 of 23 March 2021.

3.99. During the period under review, Argentina continued to actively use anti-dumping measures. Between 2013 and 2020, Argentina imposed 151 definitive anti-dumping measures, including reviews, and accepted nine price undertakings (Table 3.21).¹⁴⁶ Between 2013 and 2020, 41 anti-dumping investigations – or 21% of those initiated during the period – were concluded without the imposition of duties, while 15 reviews were concluded without the imposition of duties.

Table 3.21 Anti-dumping measures, 2013-20

	2013	2014	2015	2016	2017	2018	2019	2020	Total
Initiations (including reviews)	25	20	16	40	17	29	24	28	199
New investigations	19	6	6	23	9	19	17	6	105
Reviews	6	14	10	15	8	10	7	22	92
Circumvention	0	0	0	2	0	0	0	0	2
Definitive duties imposed	12	16	29	12	19	23	26	14	151
New measures	9	10	11	1	3	13	13	11	71
Measures imposed by the sunset and/or changed circumstances review	2	5	16	11	15	9	11	2	71
Application of provisional duties	1	2	3	5	1	3	11	2	28
Investigations suspended due to price undertakings	1	1	2	0	1	1	2	1	9
Investigations concluded without the imposition of duties	6	6	0	5	7	12	5	1	41
Reviews concluded without the imposition of duties	1	10	0	0	0	1	2	1	15
Revocation of measures due to their expiry	8	7	5	3	1	3	7	10	44

Source: WTO Secretariat, CNCE and Argentina's semi-annual reports.

3.100. Based on information provided by the CNCE and the semi-annual reports to the WTO, there were 114 definitive and one provisional anti-dumping measure in place in March 2021 (Table A3.2). This compares with 85 definitive and one provisional anti-dumping measure in November 2012, according to the previous review report. In March 2021, definitive measures were being applied to 24 trading partners, especially China (55% of measures), Brazil (12%) and India (5%).¹⁴⁷ Most of the anti-dumping duties were applied to plastics and articles thereof (HS Chapter 39), machinery and mechanical appliances (Chapter 84), electrical equipment (Chapter 85), tools and cutlery of base metal (Chapter 82) and vehicles other than railway or tramway rolling-stock, and parts and accessories thereof (Chapter 87). In March 2021, Argentina was also applying provisional measures to measuring tapes from India (Table A3.3).

3.101. The value of imports in the dumping cases investigated ranged from USD 686 million to USD 958 million per year between 2013 and 2019, accounting for between 1.2% and 1.7% of total imports (Table 3.22). The composition by sector of the imports affected by the measures also varied, with the proportion of measures applied to consumer goods increasing over the period and the percentage applied to intermediate goods decreasing.

¹⁴⁶ National Foreign Trade Commission, *Informe Anual 2018*, and information from the CNCE. Viewed at: <https://www.argentina.gob.ar/cnce/publicaciones/informeanual> and https://www.argentina.gob.ar/sites/default/files/01_medidas_vigentes_al_02.01.2020.xlsx.

¹⁴⁷ Bangladesh (1), Brazil (14), Chile (2), China (64), Chinese Taipei (1), Colombia (1), Germany (1), India (5), Indonesia (2), Italy (3), Republic of Korea (3), Malaysia (2), Mexico (2), Oman (1), Peru (1), Philippines (1), Slovakia (1), Spain (1), Sri Lanka (1), Sweden (1), Thailand (3), Turkey (1), United States (1) and Viet Nam (1). Price undertakings are included.

Table 3.22 Anti-dumping measures: share of total imports involved. Cases involving decisions adopted and measures in force, 2013-19

(USD million and %)

	2013	2014	2015	2016	2017	2018	2019
Total value of imports affected by anti-dumping measures imposed during the year (USD million)	914.7	736.7	685.9	750.0	937.8	957.7	819.3
Percentage of total imports	1.3	1.2	1.2	1.4	1.4	1.5	1.7
Share by category of goods							
Consumer goods	28	29	34	37	36	35	37
Intermediate goods	50	48	42	38	37	42	41
Parts and accessories of capital goods	8	5	5	7	7	6	5
Capital goods	14	18	19	18	20	17	17
Total	100	100	100	100	100	100	100

Source: WTO Secretariat; CNCE, *Informe Anual* (various issues). Viewed at: <https://www.argentina.gob.ar/cnce/publicaciones/informeannual>.

3.102. Argentina has applied three countervailing measures since the creation of the WTO, all before the year 2000. The three measures were last renewed in 2004. During the review period no new countervailing measure was applied nor was any investigation initiated.¹⁴⁸ No countervailing measures are currently in place.

3.103. In total, 92 reviews of anti-dumping measures were carried out between 2013 and 2020, of which 46 were expiry reviews, five were changed circumstances reviews and 41 were expiry and changed circumstances reviews. Definitive measures were applied after 71 of those reviews, while no definitive duties were imposed after 15 of them. In addition, 44 definitive measures were revoked without review during the same period after the review deadline expired. Of the two circumvention investigations carried out during the same period, one resulted in definitive measures being imposed, while the other concluded with no measures imposed because no circumvention existed.¹⁴⁹

3.1.6.2 Safeguard measures

3.104. Argentina has notified the WTO of its legislation, which Members reviewed in 1996-97.¹⁵⁰ During the period under review, no substantial changes were made to the general legal framework of global safeguards, which consists of the WTO Agreements, adopted by Law No. 24.425 of 1994, and safeguard regulations (Decree No. 1.059 of 24 September 1996).

3.105. The MDP is the implementing authority for safeguard measures. Applications for the initiation of a safeguard investigation must be filed with the SIECYGCE together with an adjustment plan for the domestic industry in question.¹⁵¹ Applications must be made by or on behalf of the domestic industry that is alleging that serious injury was caused by the increase in the imports in question.¹⁵² The Secretariat for Industry, the Knowledge Economy and Foreign Trade Management refers the matter to the SSPGC and the CNCE, which, as set out in Decree No. 1.059/1996, have 50 days to produce their respective reports.¹⁵³

3.106. On the basis of the two institutions' respective reports, the Secretariat for Industry, the Knowledge Economy and Foreign Trade Management has 20 days to decide, in the light of public interest and overall economic policy considerations, whether it is appropriate to initiate an

¹⁴⁸ Information from WTO, "Statistics on subsidies and countervailing measures". Viewed at: https://www.wto.org/english/tratop_e/scm_e/scm_e.htm.

¹⁴⁹ WTO Document G/ADP/N/308/ARG of 16 February 2018.

¹⁵⁰ WTO documents G/SG/N/1/ARG/3 of 13 January 1997, G/SG/Q1/ARG/4 of 23 December 1996 and G/SG/Q1/ARG/9 of 20 August 1997.

¹⁵¹ The adjustment plan must also be accompanied by a clear quantification of the proposed goals and a time frame to enable the Under-Secretariat to monitor their attainment.

¹⁵² Article 2(k) of Decree No. 1059/1996 of 19 September 1996 states that "domestic industry" refers to the producers as a whole of the like or directly competitive products operating within the national territory or those whose collective output of the like or directly competitive products constitutes at least 30% of the total domestic production of those products.

¹⁵³ CNCE, "Salvaguardia - secuencia de la investigación". Viewed at: <https://www.argentina.gob.ar/cnce/procedimientos/salvaguardia/secuencia-investigacion>. Decree No. 1.059/1996. Title II, Articles 7-13.

investigation. The initiation of the investigation is published in the Official Journal. An investigation may not generally last longer than nine months from the date of its initiation. In exceptional circumstances, this period may be extended by a maximum of two months. If provisional measures are applied, which may only take the form of an increase in import duties, the investigation may not take more than 200 days.

3.107. If the final reports by the CNCE and the SSPGC recommend applying a measure, the SIECYGCE shall, within 10 days of receiving the interested parties' observations, invite representatives of WTO Members having a substantial interest as exporters of the product under investigation to hold consultations to exchange views on the possible measure to be applied. Based on the positive reports from the CNCE and the SSPGC and the results of consultations with exporting countries, the SIECYGCE shall make a recommendation to the MDP on whether or not a safeguard measure should be adopted. The MDP shall decide whether to apply the safeguard measure. Although the determinations of the CNCE and the SSPGC are the technical basis for the application of a safeguard measure, positive determinations are not binding on the MDP, which, in its own determination, must also consider circumstances pertaining to general foreign trade policy and the public interest.

3.108. Definitive safeguard measures may take the form of an increase in import duty, a quantitative restriction, or any other measure. Generally, the duration of a definitive safeguard measure is limited to the period necessary to prevent or remedy any injury or threat of injury and to facilitate the adjustment of the domestic industry affected. Such measures may last up to four years, including the time during which any provisional measure was applied, and the measures may be reviewed. The initial period may be extended if this is deemed necessary to prevent or remedy injury or threat of injury and there is sufficient evidence to show that the domestic industry is carrying out the proposed adjustment. The total period of application of a safeguard measure, including the application of a provisional measure and any extension thereof, may not exceed eight years.

3.109. Argentina did not initiate any new safeguard investigation during the period under review.¹⁵⁴ According to the WTO database, between the establishment of the WTO in 1995 and mid-2020, Argentina had initiated six safeguard investigations and applied four definitive measures.¹⁵⁵ As at March 2021, Argentina was not applying any safeguard measures.

3.1.7 Other measures affecting imports

3.110. In Argentina, a price equalization tax may be levied on imports for consumption, in order to: prevent injury to domestic production and commercial activities; ensure reasonable prices for the national product on the domestic market; and/or safeguard the balance of payments.¹⁵⁶ The price equalization tax is a specific amount equal to the difference between a base price and a comparison price.¹⁵⁷ The tax may be applied in addition to tariffs, or as a maximum¹⁵⁸ or a minimum¹⁵⁹ of the

¹⁵⁴ Investigation initiated on 8 June 2006 on recordable compact discs (CD-R), with specific duties imposed on 30 May 2007. These measures expired in May 2010.

¹⁵⁵ Information from the WTO, "Statistics on safeguard measures". Viewed at: https://www.wto.org/english/tratop_e/safeg_e/safeg_e.htm.

¹⁵⁶ Article 673 of Law No. 22.415 (Customs Code).

¹⁵⁷ The base price and comparison price are defined in Articles 676 and 677, respectively, of the Customs Code. The base price may be: (a) the price paid or payable for the goods or, failing that, for identical or like imported goods; (b) the customs value of the goods imported for consumption; (c) the current international market price of the goods; (d) the price usually agreed for imports into the customs territory of identical or like goods from certain representative supplier countries; or (e) the ex-factory price of the goods calculated from the cost of production (Article 676 of the Customs Code). The comparison price may be: (a) the selling price on the domestic market of the customs territory of identical or like goods, whether domestic or foreign; (b) the selling price on the domestic market of third countries; (c) the current international market price of the goods; (d) the customs value of the goods; (e) the customs value of the goods plus the amounts determined by the regulations; (f) the price usually agreed for imports into the customs territory of identical or like goods; or (g) the ex-factory price of the goods calculated from the cost of production (Article 677 of the Customs Code).

¹⁵⁸ The amount of the price equalization tax is compared with that corresponding to the import duty and the lower amount is paid.

¹⁵⁹ The amount of the price equalization tax is compared with that corresponding to the import duty and the higher amount is paid.

tariff, or as a substitute thereof (that is to say, only the price equalization tax is paid).¹⁶⁰ Imports of beet or cane sugar and chemically pure sucrose, in solid form (HS 1701.12.00, 1701.13.00, 1701.14.00, 1701.91.00 and 1701.99.00), are in principle subject to the price equalization tax, regardless of the circumstances.¹⁶¹ However, the authorities have pointed out that during the review period Argentina did not make use of the price equalization tax.

3.2 Measures Directly Affecting Exports

3.2.1 Customs procedures and requirements

3.111. The procedures for exports and imports are regulated by the Customs Code (Law No. 22.415) and its implementing Decree (No. 1001/1982) and by specific regulations.¹⁶²

3.112. Exporters and importers must complete a one-off registration with Argentina's Register of Exporters and Importers and with other special customs registries. The registration requirements are different for natural and legal persons.¹⁶³

3.113. The customs broker registers and officially records the destination of exports in the SIM.¹⁶⁴ Nevertheless, a customs broker is not required where the exporter (or importer) completes the formality in person at the customs office.¹⁶⁵ It is also possible to register a notice of embarkation (*aviso de carga*) electronically and to present the export declaration and other mandatory and additional documentation to the Customs Service. It is mandatory to submit the list of goods, which becomes a sworn declaration. Once the export declaration has been submitted, it is assigned to the green, amber (document inspection) or red (document and physical inspection) selection channel. In addition to being assigned a channel, definitive exports for consumption may be selected for value control, based on a risk analysis and/or inspection or at the request of the various verification and valuation units, in which case they are sent to the red channel for analysis.¹⁶⁶

3.114. For export operations, the fee for operations documented through the SIM is USD 0.¹⁶⁷

3.115. The VUCEA regime was first implemented in 2016 for managing and simplifying procedures related to declarations, permits, certifications, licences, authorizations and procedures required to carry out export operations.¹⁶⁸

3.116. Exports of food, arms and ozone-depleting substances are subject to special procedures, such as the obligation to be entered in different registers (Table 3.23). In order to be exported, some products require a quality standards certificate (Table 3.24).

Table 3.23 Registers for exporters, 2020

Institution	Registration
SENASA	Registers abolished In 2019, Argentina abolished the register of exporters (and importers) of animals, plants, reproductive and/or breeding material, products, by-products and/or derivatives of animal or plant origin, or goods that contain ingredients of animal and/or plant origin among their components, which had been created in 2001 to regulate products subject to certification and quarantine (Resolution No. 76/2019 of 1 February 2019). ^a
ANMAT/National Food Institute (INAL)	In 2017, the requirement to register goods produced exclusively for export in the National Register of Food Products (RNPA) was abolished (Order E-10100/2017 of 21 September 2017). Since 2017, ANMAT no longer issues "Non-Intervention Notes" or Export Declarations and no longer uses the National Register of Export Establishments or

¹⁶⁰ Customs Code, Article 678.

¹⁶¹ Decree No. 797/92, ME Resolution No. 743/00 and Law No. 25715/2003.

¹⁶² Resolution No. 1921/2005 of 4 August 2005 and amendments thereto.

¹⁶³ General Resolution No. 2570/2009 and Article 94(2)(a) of the Customs Code.

¹⁶⁴ Resolution No. 1921/2005 of 4 August 2005 and amendments thereto.

¹⁶⁵ Article 37 of the Customs Code (Law No. 22.415).

¹⁶⁶ Article 2 of General Resolution No. 4161-E of 23 November 2017.

¹⁶⁷ AFIP General Resolution No. 4.111/2017 of 24 August 2017.

¹⁶⁸ Decree No. 1079/2016 of 6 October 2016.

Institution	Registration
	<p>the National Register of Export Food Products for food products intended for export (Order E-10100/2017). Exporters of food products must now submit an "export notification", which does not have to be certified by INAL (Order E-10100/2017). If the health authorities in the country of origin require a certificate, either to accompany an export or to register the product, the exporter must apply for a "Health Certificate for Exports".</p> <p>National Register of Establishments (RNE) In 2017, Argentina abolished the certificate that the health authorities used to issue to food-production companies for their establishments registered in the National Register of Establishments (RNE) (Order E-10100/2017).</p> <p>Export Operations Register (ROE) In 2017, Argentina abolished the Red ROE created in 2006 (Resolution E-4170 of 15 December 2017).</p>
	<p>Sworn Declaration of Foreign Sales of Dairy Products (DJVEL) In 2016, Argentina established the procedure for the Sworn Declaration of Foreign Sales of Dairy Products (DJVELs) (Joint Resolutions No. 101 of the Ministry of Agro-Industry, No. 69 of the Ministry of the Treasury and Public Finance and No. 84 of the Ministry of Production, Official Journal of 30 March 2016). The DJVEL was abolished in 2017 (Article 1 of Resolution No. 225-E/2017 of 25 August 2017).</p>
Secretariat for Agriculture, Livestock and Fisheries	<p>Export Operations Register (Green ROE) Resolution No. 543/2008 established the Green ROE, which is required to export. Article 12 of Ministry of Agro-Industry, Ministry of the Treasury and Public Finance and Ministry of Production Joint Resolution Nos. 4/2015, 7/2015 and 7/2015 abolished the Green ROE.</p>
Secretariat for Agriculture, Livestock and Fisheries	<p>Current registers</p> <p>Register of Sworn Declarations of Foreign Sales (DJVE) (Green ROE) Required to export certain agricultural products. The Ministry of Agriculture, Livestock and Fisheries (MAGyP) establishes the procedure for DJVEs to be registered with the Under-Secretariat for Agricultural Markets. The list of products that require a DJVE has changed over time. The most recent provisions are contained in MAGyP Resolution No. 128/2019; Official Journal of 15 November 2019.</p>
INV	<p>Register of Exporters of Grape and Wine Products Establishes the registration procedure and the procedure for processing export destinations for goods involving the INV (General Joint Resolution Nos. 31/2011 and 3150/2011 of 27 July 2011).</p>
AFIP	<p>Wood Charcoal Exporters Register (RECAR) Since 2013, wood charcoal exporters must be registered in the RECAR.</p>
National Directorate for the Control of Agricultural Trade	<p>Single Register of Operators in the Food Processing Chain (RUCA) (Resolution No. 21-E/2017 of 23 February 2017) The RUCA was created in 2017. It replaced the Single Register of Operators in the Food and Agriculture Commercial Chain created in 2008, in which registration was mandatory for natural and legal persons involved in the marketing chains for dairy products; grains; and live cattle, sheep, swine, horses, goats, poultry and the meat thereof (Resolution No. 7953/2008 of 1 December 2008). As was the case for the former register created in 2008, registration in the RUCA is mandatory for natural or legal persons involved in the trade and/or industrialization of agrifood chains, as well as for the establishments in which those persons conduct their activities, with the exception of primary agricultural production. The regulations state that registration is mandatory for exporters (and importers) of grains; livestock and meat; dairy products; greasy, washed and/or combed wool; maté or by-products and derivatives; and sugar and/or alcohol, by-products and derivatives (Resolution No. 21-E/2017 of 23 February 2017).</p>
Ministry of the Environment and Sustainable Development - Ozone Programme	<p>Register of Importers and Exporters of Ozone Depleting Substances (RIESAO) Exporters (and importers) of ozone-depleting substances must be registered in the RIESAO.</p>

- a Exports (or imports) of agricultural products require an Export Authorization Certificate(CAE) (or Import Authorization Certificate (CAI)), which requires the product to be listed in the Register of Phytosanitary Products in the Argentine Republic (SAGPyA Resolution No. 350 of 30 August 1999).

Source: WTO Secretariat.

Table 3.24 Products requiring a quality standards certificate for export, 2020

Product	Institution
Food for human consumption	INAL
Nuclear elements and materials	National Atomic Energy Commission (CNEA)
Medicines or products for human health purposes	ANMAT
Narcotic drugs and psychotropic substances	ANMAT
Flora and fauna	Ministry of the Environment and Sustainable Development
Books and other printed matter and illustrations containing cartographic material	National Geographical Institute (NGI)

Source: WTO Secretariat, based on WTO Document WT/TPR/S/277/Rev.1 of 14 June 2013.

3.117. In March 2020, in response to the health crisis, Argentina temporarily introduced an export permit¹⁶⁹ for oxygen therapy apparatus and parts and accessories thereof (HS 9019.20.10)¹⁷⁰ and for other products.¹⁷¹ Issued by the Ministry of Productive Development and also involving the Ministry of Health, the permit will be used until the end of the public health emergency.

3.118. During the period under review, Argentina implemented certain measures to facilitate export procedures, including a pilot scheme involving a digital certificate of origin for Argentine and Brazilian exporters¹⁷² and an electronic plant health transit document (DTV-e).¹⁷³ Argentina also simplified the administrative customs procedures for exports of hides, skins or leather of bovine or equine animals.¹⁷⁴

3.119. In 2017, also with a view to facilitate trade, Argentina removed exports of certain products from the Register of Export Operations (Red ROE)¹⁷⁵ and abolished the procedure introduced in 2016 for registering DJVELs for exports (Table 3.21).^{176 177} These measures reflected the need to streamline and simplify formalities in order to promote agro-industrial exports. The purpose of accelerating and improving the effectiveness of procedures was to ensure freedom and equal opportunities in the markets.

3.120. Argentina still uses DJVEs to register exports of some agricultural products, with the goal of ensuring a more steady incoming flow of foreign currency and knowing in advance the projected volume of exports.¹⁷⁸ Some of the products that require a DJVE are also subject to export duties.

3.121. The use of DJVEs was modified several times during the period under review. This regime initially affected products such as grains and oils; later, the list of products was amended and certain products were exempted from the requirement (section 4.1). Modifications to the list of products subject to this requirement are carried out mainly based on the volume of trade and the share of exports. To simplify export procedures, this requirement was abolished in 2017 for certain products exported in small volumes, including certain grains, deactivated soya beans, turnips and flax.¹⁷⁹ Furthermore, in 2018, the DJVE requirement was suspended for exports of grains and oilseeds and their by-products, first temporarily¹⁸⁰, then until further notice.^{181 182} Organic products were also exempted from this requirement by regulations passed in 2018.¹⁸³ In late 2019, Argentina established the procedure for filing DJVEs.¹⁸⁴ In December 2020, to protect the supply of maize used

¹⁶⁹ Law No. 27.541 and Decree No. 260/2020 and amendments thereto.

¹⁷⁰ Decree No. 301/2020 of 20 March 2020.

¹⁷¹ Decree No. 317/2020 of 28 March 2020.

¹⁷² AFIP Resolution No. 3942/2016.

¹⁷³ Resolution No. 4297/2018.

¹⁷⁴ AFIP General Resolution No. 4454/2019.

¹⁷⁵ Resolution No. 4170/2017.

¹⁷⁶ Article 1 of Resolution No. 225-E/2017 of 25 August 2017.

¹⁷⁷ Resolutions Nos. 101, 69 and 84 of 30 March 2016.

¹⁷⁸ Law No. 21.453 of 8 October 1976 and amendments thereto (amended by 90 pieces of legislation) and Resolution No. 51/2018 of 9 April 2018.

¹⁷⁹ Rye, in bulk or in bags; oats, in bulk or in bags; clipped oats, in bulk or in bags; bajra, in bulk or in bags; safflower, in bulk or in bags; linseed oil, in bulk or crude; other linseed products; rapeseed or soya-bean cakes; and soya-bean cakes and expellers (Resolution No. 364-E/2017 of 16 November 2017).

¹⁸⁰ Resolutions Nos. 249/2018 of 13 August 2018 and 290/2018 of 31 August 2018.

¹⁸¹ Resolution No. 307/2018 of 5 September 2018.

¹⁸² Resolution No. 290/2018 of 31 August 2018.

¹⁸³ Article 4 of Resolution No. 94/2018 of 18 May 2018, Article 21 of Resolution No. 128/2019 of 15 November 2019 and Law No. 25127 of 13 September 1999.

¹⁸⁴ Resolutions Nos. 128/2019 of 14 November 2019 and 152/2020 of 21 July 2020.

as raw material, Argentina temporarily suspended issuance of DJVEs for all types of maize, except popcorn, that had been shipped before 1 March 2021. The purpose of the suspension was to ensure domestic supply during the summer months, when maize supply tends to run low. In January 2021, Argentina provisionally abolished this measure, but decided to continue monitoring maize exports to ensure the domestic supply of maize from the 2019-20 harvest. For this reason, 2019-20 maize DJVEs could not exceed 30,000 tonnes per day (Table 3.25).¹⁸⁵

Table 3.25 Amendments to the lists of products for which a DJVE must be submitted

Legislation (ministry)	Summary
Joint Resolution Nos. 4/2015 (Agro-Industry), 7/2015 (Production) and 7/2015 (Treasury and Public Finance) of 28 December 2015 ^a	Sets out the requirements for filing DJVEs and the products for which a DJVE is required
Joint Resolution Nos. 101/2016 (Production), 119/2016 (Treasury and Public Finance) and 138/2016 (Agro-Industry) of 5 May 2016	Establishes that exporters may file DJVEs for oats, barley, rye and wheat from the 2016-17 harvest, whenever the Ministry of Agro-Industry publishes the f.o.b. values for these products
Joint Resolution No. 1-E/2016 (Agro-Industry, Treasury and Public Finance, Production) of 26 September 2016	Establishes that exporters may file DJVEs for maize, sorghum, sunflowers and soya and their by-products from the 2016-17 harvest, whenever the Ministry of Agro-Industry publishes f.o.b. values for these products
Joint Resolution No. 1-E/2017 (Agro-Industry, Treasury and Public Finance, Production) of 10 February 2017	Sets out the procedure for filing DJVEs and the products for which a DJVE is required
Resolution No. 364-E/2017 (Agro-Industry) of 16 November 2017	Abolishes the requirement for DJVEs for certain products exported in small volumes (rye, oats, millet, safflower, linseed oil, grapeseed oil, soya cakes, soya expellers, linseeds, colza and rapeseed)
Resolution No. 128/2019 (Agriculture, Livestock and Fisheries) of 14 November 2019	Sets out the procedure for filing DJVEs; the products for which a DJVE must be filed (HS headings 0713, 1001, 1003, 1005, 1006, 1007, 1008, 1101, 1107, 1201, 1202, 1204, 1205, 1206, 1507, 1508, 1512, 1514, 2302, 2304, 2305 and 2306); and the procedure for paying export duties for some products for which a DJVE must be filed
Resolution No. 196/2019 (Agriculture, Livestock and Fisheries) of 14 December 2019	Temporarily suspends the filing of DJVEs
Resolution No. 152/2020 (Agriculture, Livestock and Fisheries) of 17 July 2019	Sets out the products for which a DJVE must be filed and the procedure for paying duties for some products for which a DJVE must be filed

a Repealed by Article 18 of Joint Resolution No. 1-E/2017 of the Ministry of Agro-Industry, the Ministry of the Treasury and Public Finance and the Ministry of Production.

Source: WTO Secretariat, based on information provided by the authorities.

3.122. Argentina has tried to simplify lower-value exports by implementing the Simplified Export Regime (known as "*Exporta Simple*"). The purpose of the Regime is to simplify export procedures for operations by unregistered exporters with an f.o.b. value not exceeding USD 15,000, up to an annual limit of USD 600,000, thanks to logistics operators registered with AFIP as Simplified Export Regime Logistics Operators.¹⁸⁶ Previously, the Regime was available only for domestic industry goods up to a certain weight limit, but the 300 kg weight limit and the restriction only to domestic industry goods were removed in 2019.¹⁸⁷

3.123. It is still mandatory to bring foreign currency from exports into Argentina and to liquidate it within an established timeframe. In 2016, the time limit for exporters to register foreign currency obtained from export operations (all sectors) was changed (from 365 to 1,825 calendar days). This requirement was abolished entirely in 2017,¹⁸⁸ but then reinstated in 2019. The countervalue of

¹⁸⁵ Information online:

https://www.magyp.gob.ar/sitio/areas/prensa/index.php?accion=noticia&id_info=210110234753; https://www.magyp.gob.ar/sitio/areas/prensa/index.php?accion=noticia&id_info=201230140611; and Resolution No. 287 of 30 December 2020.

¹⁸⁶ Resolutions Nos. 4049-E/2017 of 12 May 2017 and 4458/2019 of 5 April 2019; and Directorate of Exports, Under-Secretariat for Trade Facilitation, Foreign Trade Secretariat, Exports.

¹⁸⁷ Information provided by the authorities.

¹⁸⁸ Secretariat of Trade Resolution No. 242/2016 and Decree No. 893/2017 of 1 November 2017.

exports must therefore enter the country in foreign currency and/or be negotiated in the exchange markets in accordance with the conditions and time limits established by the Central Bank of Argentina.¹⁸⁹ The time limit for bringing foreign currency into Argentina and liquidating it is generally 180 days from the shipment date of the goods; the time limit is shorter, however, for certain products and can also vary based on the type of operation (e.g. operations with related parties or under the Simplified Export Regime) and the value exported (Table 3.26). Notwithstanding the aforementioned time limits, once an exporter has received the payment, the importer has five working days from the payment date to bring the amount received into Argentina and to liquidate it in the exchange market.¹⁹⁰

Table 3.26 Time limits (from the shipment date) for bringing foreign currency into Argentina and liquidating it, 2020

	Product/type of operation	Calendar days
	Any type of operation	
(a)	Durum wheat and other wheat (HS 1001.19.00 and HS 1001.99.00); barley and other barley in grains (HS 1003.90.10 and HS 1003.90.80), maize, except popcorn (HS 1005.90.10), grain sorghum (HS 1007.90.00); soya beans (HS 1201.90.00); flours and meals of soya beans (HS 1208.10.00); soya-bean oil (HS 1507.10.00 and HS 1507.90.19); edible preparations of animal or vegetable fats or oils, other than those not containing soya beans (HS 1517.90.90), oil-cake and other solid residues resulting from the extraction of soya-bean oil (HS 2304.00.10 and HS 2304.00.90)	15
(b)	Chapter 27, except electrical energy (HS 2716.00.00)	30
	Operations with related parties	
(c)	For all goods except those indicated in (a) and (b) and those listed in Chapter 26 (except ores such as iron (HS 2601.11.00), copper (HS 2603.00.90), lead (HS 2607.00.00), zinc (HS 2608.00.10), molybdenum (HS 2613.90.90), silver (HS 2616.10.00), other precious metals (HS 2616.90.00) and ash and residues of minerals (HS 2621.10.00)) and in Chapter 71 (except unwrought silver (HS 7106.91.00), gold alloys or gold bullion (HS 7108.12.10) and other waste and scrap of precious metals (HS 7112.99.00))	60
	Operations with related parties in which the importer is a company controlled by the Argentine exporter	
(d)	(i) Meat of bovine animals, frozen, boneless, in immediate packings of a net weight content not exceeding 5 kg, other than of the genus <i>Babalus</i> (20 eleven-digit sub-headings of tariff heading HS 0202.30.00); meat of swine, fresh, chilled or frozen (HS 0203.21.00[.000J]); thin skirt (HS 0206.29.90[.300P]); meat and edible offal of fowls of the species <i>Gallus Domesticus</i> , in containers of a net weight content not exceeding 15 kg (HS 0207.14.00[.100K]), dulce de leche in immediate packings of a net weight content not exceeding 1 kg (HS 1901.90.20) and wine of fresh grapes (HS 2204.21.00) (ii) All other goods	120, where the importer recorded exports ≥ USD 50 million in the previous calendar year 180, where the importer did not record exports ≥ USD 50 million in the previous calendar year
(e)	All other goods	180
(f)	Simplified Export Regime (all goods)	365

Source: BCRA, "Exterior y Cambios -Última comunicación incorporada: "A" 7293- Texto ordenado al 28/05/2021." Viewed at: <http://www.bcra.gov.ar/Pdfs/Textord/t-excbio.pdf>.

Customs valuation

3.124. During the period 2013-17, Argentina continued using the system of export reference values introduced in 2005 so as to guarantee the revenue obtained through export duties. AFIP sets the export reference values and determines which goods are subject to those values.¹⁹¹ The reference values are determined based on the final destination of the exports, on databases and on estimates by specialist companies.¹⁹² The authorities also indicated that, in determining which products are

¹⁸⁹ Decree No. 609/2019 of 1 September 2019.

¹⁹⁰ BCRA, "Exterior y Cambios -Última comunicación incorporada: "A" 7293- Texto ordenado al 28/05/2021." Viewed at: <http://www.bcra.gov.ar/Pdfs/Textord/t-excbio.pdf>.

¹⁹¹ AFIP General Resolutions Nos. 1866/05 and 2716/09.

¹⁹² Article 2 of AFIP General Resolution No. 2716/09.

subject to reference values, and following the conclusion of studies and investigations, they consider requests submitted by chambers of industry and commerce, the export sector and the public sector.

3.125. During the period 2013-17, reference values were established for products such as garlic; bilberries, lemons, apples, pears and grapes; squid, shrimp and prawns; milk and cream powder; honey; maté; hides, skins and leather; and biodiesel. These values were updated regularly and applied only to exports for consumption for specific destinations. The reference values were abolished in 2017, as it was considered that the process for adjusting the values did not reflect export market prices and that the volatility of international prices, and therefore of prices documented by customs, had turned the reference values into obsolete control and selectivity mechanisms.¹⁹³

3.126. In 2020, in response to the public emergency,¹⁹⁴ Argentina reintroduced export reference values of a precautionary nature for any product.¹⁹⁵ Reference values were therefore reintroduced for certain products (onions, potatoes, powdered milk, dried grapes, croakers) sent to certain destinations (Table 3.27).

Table 3.27 Exports subject to reference values, 2020

HS	Product	Destination	AFIP General Resolution No.	Export tax (2021) (%) ^a
0703.10.19	Some types of onion	Plurinational State of Bolivia; Brazil; Chile; Colombia; Paraguay; Peru; Uruguay; and Bolivarian Republic of Venezuela	4764/2020	0 ^b
0402.10.10 0402.21.10	Milk powders	Africa; Plurinational State of Bolivia; Brazil; Canada; Chile; China; Colombia; Hong Kong, China; Indonesia; Malaysia; Paraguay; Peru; Russian Federation; Kingdom of Saudi Arabia; United Arab Emirates; Uruguay; and Bolivarian Republic of Venezuela	4765/2020	9
1901.90.90	Modified milk in powder form	Africa; Plurinational State of Bolivia; Brazil; Canada; Chile; China; Colombia; Hong Kong, China; Indonesia; Malaysia; Paraguay; Peru; Russian Federation; Kingdom of Saudi Arabia; United Arab Emirates; Uruguay; and Bolivarian Republic of Venezuela	4765/2020	4.5
0806.20.00	Dried grapes, black, seedless, packed	Plurinational State of Bolivia; Brazil; Chile; Colombia; Paraguay; Peru; Uruguay; and Bolivarian Republic of Venezuela	4785/2020	0 ^b
0701.90.00	Potatoes, except for seed	Plurinational State of Bolivia; Brazil; Chile; Colombia; Paraguay; Peru; Uruguay; and Bolivarian Republic of Venezuela	4812/2020	4.5
0303.89.10	Croakers (<i>Micropogonias furnieri</i>), whole or gutted	Africa; Canada; China; Hong Kong, China; Japan; Democratic People's Republic of Korea; Republic of Korea; Philippines; Chinese Taipei; Thailand; and United States	4819/2020	5% and 7% (applies to part of the line)

a Decree No. 1060/2020 of 30 December 2020.

b This tariff line was subject to a 12% export tax (Decree No. 793/2018 of 3 September 2018), which was reduced to 0% from 1 January 2021 by Decree No. 1060/2020 of 30 December 2020.

Source: WTO Secretariat.

¹⁹³ AFIP General Resolution No. 4161-E of 23 November 2017.

¹⁹⁴ Law No. 27,541 of 21 December 2019.

¹⁹⁵ AFIP General Resolution No. 4710/2020 of 8 May 2020.

3.127. Definitive exports for consumption for which values are declared that are below the established reference value are routed through the red value channel in all cases; those for which values are above the reference values are routed through the red channel selectively.

3.2.2 Taxes, charges, and levies

3.128. Argentina continues to levy export duties (retentions) as regulated by the Customs Code,¹⁹⁶ with the following objectives: (a) the promotion of value-added; (b) the execution of monetary, currency exchange and foreign trade policies; (c) the promotion, protection or conservation of domestic production of goods or services, natural resources or animal or plant species; (d) the stabilization of domestic prices at desirable levels or the maintenance of adequate supply to cover domestic market needs; and (e) the meeting of public finance needs. Import and export duties are essential instruments of Argentina's economic policy.¹⁹⁷ This trade policy instrument was used actively during the 2012-20 period, and the products subject to export duties, as well as the rates applied, changed as dictated by circumstances at several points in time (Table 3.28).¹⁹⁸

Table 3.28 Changes to export duties, 2012-20

Legal instrument	
Decree No. 100/2012	Established an export duty of 5% for most goods subject to tariff. Annex VII set differential rates for certain goods: 0%; 1%; 2.5%; 10%; 13%; 13.5%; 15%; 20%; 23%; 23.5%; 30%; 32% and 35%. Annex VIII of Decree No. 100/2012 set rates of 100% for natural gas (HS 2711.11.00 and 2711.21.00) and other hydrocarbons.
Decree No. 429/2012	Reduced the export duty from 10% to 5% for certain kinds of fish (HS 0303.66.00).
Decree No. 526/2012	Reduced the export duty from 15% to 5% for certain kinds of meat and preparations thereof (HS 602.50.00 and 1603.00.00).
Decree No. 1339/2012	Increased the export duty from 20% to 32% for biodiesel and mixtures thereof (HS 3826.00.00).
Decree No. 1719/2012	Established sliding duties (based on a formula) and a fixed reference price (RP) for biodiesel and mixtures thereof (HS 3826.00.00).
Resolution No. 800/2012	Increased the export duty from 10% to 15% for sheepskins (HS 4102.10.00, 4102.21.00 and 4102.29.00).
Decree No. 2014/2013	Raised the rate from 5% to 32% for products made with residues obtained from the processing of soya beans and for certain preparations containing soya for use as animal fodder (HS 2302.50.00, 2308.00.00 and 2309.90.90).
Decree No. 1393/2014	Reduced the export duty from 32% to 5% for prepared animal fodder containing soya, packed in labelled bags not exceeding 50 kg in net weight (HS 2309.90.90).
Decree No. 1507/2015	Reduced the export duty from 10% to 5% for semi-milled or wholly milled rice, not parboiled (HS 1006.30.29).
Decree No. 160/2015	Reduced the export duty to 0% for products classified in HS Chapters 28-40; 54-76; and HS 78-96. Set the export duty at 32% for biodiesel (HS 3826.00.00) and at 5% for ferrous waste and scrap (HS 7204).
Decree No. 133/2015	Reduced the rate to 0% for products included in HS Chapters 01-24 and 41-53, except for goods such as soya and soya products; skins and wools; hydrocarbons, biodiesel and mixtures thereof; metal waste and scrap; and works of art, collectors' items and antiques (HS 1201; 1517; 1518; 2302; 2304; 2308; 2309; 4101; 4102; 4103; 4104).
Decree No. 25/2016	Established the rate of 0% for HS Chapters 28-40, except line HS 3826.00.00 (biodiesel and mixtures thereof not containing or containing less than 70% by weight of petroleum oils or oils obtained from bituminous minerals), for which the rate is 32%.
Decree No. 349/2016	Reduced export duties for metals to 0%.
Decree No. 361/2016	Established an export duty of 0% for HS Chapters 50-53.
Decree No. 1343/2016	Gradually reduced the export duty for soya and soya products, by 0.5% per month.
Decree No. 1025/2017	Discontinued the use of sliding duties for biodiesel and mixtures thereof (HS 3826.00.00), assessed thereafter at 8%.
Decree No. 1126/2017	Maintained the 0% duty, except for goods listed in Annex XIII, for which the rates were set at 0%; 4%; 5%; 6%; 8%; 10%; 20%; 25%; 27% and 30%. Continued the 0.5% monthly phaseout of export duties for soya and soya products.
Decree No. 486/2018	Raised the export duty from 8% to 15% for biodiesel and mixtures thereof (HS 3826.00.00).
Decree No. 487/2018	Lowered the export duty from 24.5% to 10% for soya-bean oil and blends of refined oils containing soya (HS 1507.90.11 and 1517.90.10), excluding the goods subject to the 0.5% monthly phaseout of export duties (Decree No. 1343/2016).

¹⁹⁶ Article 755 (1) of Law No. 22.415 (Customs Code) and amendments thereto.

¹⁹⁷ Decree 2014/2013 of 2 December 2013.

¹⁹⁸ Decree 230/2020 of 4 March 2020.

Legal instrument	
Decree No. 757/2018	Established export duties of 2%, 16%, 21% and 23% for goods containing soya (HS Chapters 12, 15 and 23). Determined that the 0.5% monthly phaseout (Decree No. 1343/2016) would start to apply to those goods on 1 March 2019.
Decree No. 793/2018	Set the export duty for all goods at 12% through 31 December 2020 and established a limit in pesos (ARS 3 or ARS 4 per USD of dutiable value or official price) as appropriate. Reduced the rates to 11%, 16% and 18% for soya and soya products. Eliminated the 0.5% monthly phaseout.
Decree No. 464/2019	Adjusted the export duty for natural honey; fruit and vegetables; certain cereals and oilseeds and wood (HS Chapters 4; 8; 10; 12 and 44). Increased the export duty for goods containing soya (specific lines of HS Chapters 15 and 23).
Decree No. 847/2019	Temporarily waived export duties on raw hides and skins, leather and furskins (HS 4101; 4102; 4103; 4104), for exports within the temporarily established export quota of 2 million units.
Decree No. 37/2019	Established the export duty of 9% for certain products included in HS Chapters 01; 02; 03; 04; 05; 07; 10; 11; 15; 20; 44; 47; 51 and 52.
Decree No. 230/2020	Raised export duties to 5%, 7%, 9%, 27%, 28%, 30% and 33% for 558 tariff lines at the HS 8-digit level (611 if partial lines are included), in HS Chapters 01; 02; 03; 05; 07; 10; 11; 12; 15; 20; 23; 38; 44 and 51.
Decree No. 488/2020	Established export duties for hydrocarbons.
Decree No. 549/2020	Established export duties for skins.
Decree No. 785/2020	Established export duties for the mining sector.
Decree No. 789/2020	Established export duties for various products at rates between 0% and 5%. Established export duties for "incremental vehicle exports".
Decree No. 790/2020	Established a scheme of phased increases in the export duties for soya, food products containing soya and biodiesel.
Decree No. 812/2020	Eliminated export duties for skins and hides in 2020.
Decree No. 1060/2020	Established export duties effective from 1 January 2021.

Source: Information provided by the authorities.

3.129. Export duties are *ad valorem* or specific, calculated using a formula or other methodology. For example, the 8% export duty for hydrocarbons, based on a formula through 2017, has been set since 2020 using a hybrid system: the duty is 0% when the international price of hydrocarbons does not exceed a base value (USD 45/barrel) and 8% when it exceeds a reference value (USD 60/barrel); when the price is between these two values a formula is applied.¹⁹⁹ In some cases, an export duty is eliminated only for an export quota. In 2019, export duties were temporarily eliminated for raw hides and skins (HS 4101; 4102; 4103; and 4104), for exports within the 2 million-unit quota.²⁰⁰ This measure was never implemented, however, and was revoked in 2020.²⁰¹

3.130. All lines in Argentina's tariff schedule have been subject to export duties in 2020 and 2021. The rates have fluctuated since 2012 across a band of 5% to 100%, with the 5% rate applying to 97.5% of all lines.²⁰² Tariff rates turned downward in 2020 (Table A3.2), ranging in March between 5% and 33%, with the exception of four sub-lines at 0%. Export duties declined in October 2020, increasing the number of lines subject to rates of 0% and 5% while reducing the number subject to 12%. In 2021 (January), duties ranged between 0% and 33%. Rate levels also continued to be cut: while in 2020 (March) the rate for 94% of tariff lines was 12%, followed by 5% (for only 3% of the tariff universe), in 2021, it was less than 5% for 92.7% of tariff lines, with a rate of 3% being most commonly applied (to 34.6% of the lines) and 4.5% being second-most common (applied to 29.5%), followed closely by 0% for 28.6% of the lines (see Chart 3.4). In 2021, a rate of 33% was applied to only one tariff line: HS 1201.90.00, soya beans for use as seed (compared to 30% in October 2020). Since that time, the export duties for biodiesel and several products containing soya have increased, a scheme having been applied to gradually raise those rates. It is to those products

¹⁹⁹ Decree No. 488/2020 of 18 May 2020.

²⁰⁰ Decree No. 847/2019 of 9 December 2019.

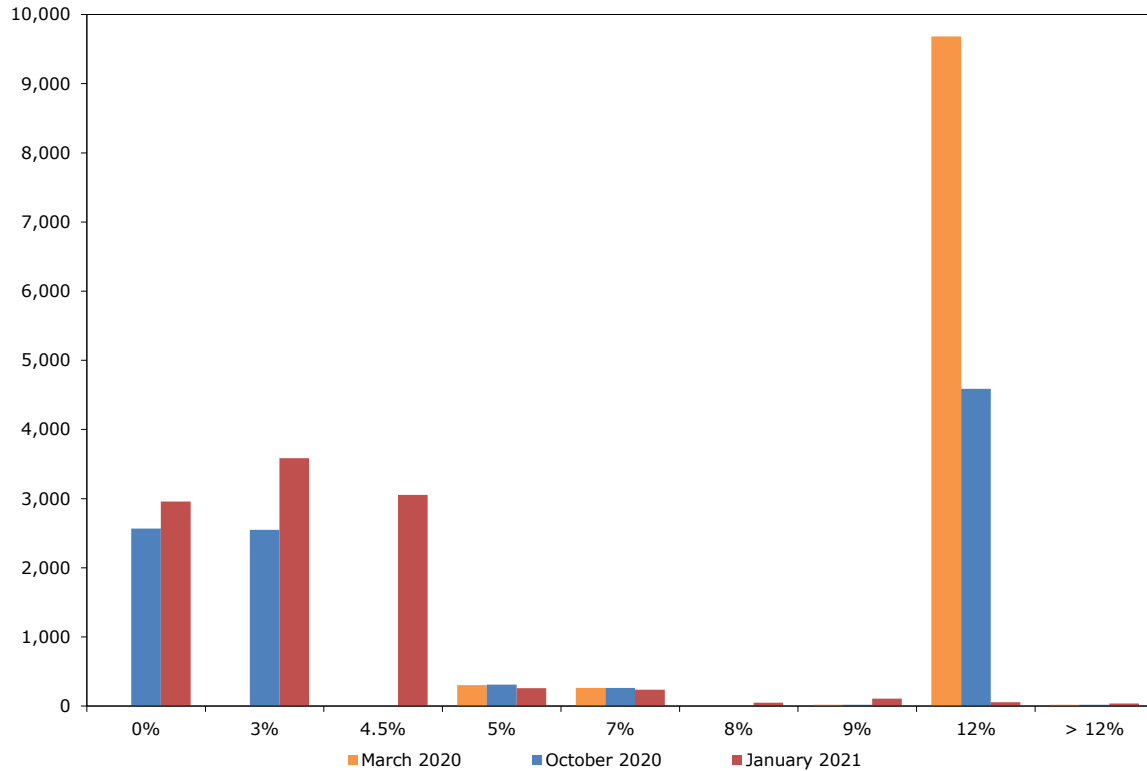
²⁰¹ Decree No. 203/2020 of 5 March 2020.

²⁰² WTO document WT/TPR/S/277/Rev.1 of 14 June 2013.

that the highest export duties currently apply: between 25% and 33%.²⁰³ Some of the export duty decreases are temporary, such as those for hides and skins – reduced from 12% to 4.5% or 0%.²⁰⁴

Chart 3.4 Frequency distribution of export duties, 2020-2021

Number of lines



Source: Calculated by the WTO Secretariat, based on Decrees Nos. 230/2020, 789/2020 and 1060/2020.

3.131. Export duties are an important source of fiscal revenue but can alter terms of trade as well as business and agricultural decisions. In some cases, export duties can have a negative effect on industries. In the mining sector, for instance, export taxes have acted as a disincentive to investment, apparently contributing to a loss of competitiveness relative to other mineral producers and exporters.²⁰⁵ Export duties raise operating costs and thus impact profit margins while shortening the useful life of mines. Export duties have seriously affected the competitiveness of mining SMEs, particularly those in areas with limited infrastructure and high transport costs, leading to the loss of international markets and potential job losses.

3.132. Argentina is considered an "important exporter" (i.e. accounting for more than 5% of total world exports) of such products as coarse grains, oilseeds, vegetable oils, oilcakes, as well as dairy products, meat and wine, and maintained that ranking every year between 2013 and 2019.²⁰⁶ Some of those products are subject to export taxes, which could affect international markets.

²⁰³ Annex I of Decree No.790/2020 of 4 October 2020.

²⁰⁴ HS 41015020, HS 41015020, HS 41015030, HS 41015030, HS 41015030, HS 41019010, HS 41019010, HS 41019010, HS 41019020, HS 41019020, HS 41019020, HS 41019030, HS 41019030, HS 41019030, HS 41021000 and HS 41039000 (Decree No.1060/2020 of 30 December 2020).

²⁰⁵ Decree No.349/2016 of 12 February 2016.

²⁰⁶ WTO documents G/AG/N/ARG/33 of 11 March 2015; G/AG/N/ARG/34 of 20 September 2016; G/AG/N/ARG/40 of 3 July 2019; G/AG/N/ARG/41 of 3 July 2019; G/AG/N/ARG/42 of 3 July 2019 and G/AG/N/ARG/47 of 7 December 2020.

3.133. To mitigate the potentially adverse impact of export duties on small producers during the 2019-20 period, MSMEs registered with the *Registro de Empresas Mipymes* (MSME Register) were exempted from export taxes if their exports the previous year did not exceed USD 50 million.²⁰⁷

3.134. As a consequence of the public emergency declared in 2019, several measures were taken to cap export duties relative to f.o.b. price (Table 3.29). In addition, the executive branch was authorized through 31 December 2021 to take measures to stimulate the competitiveness of small producers and cooperatives impacted by the increase in export duties.²⁰⁸

Table 3.29 Emergency measures

Export duties for soya beans were limited to 33% of the dutiable value or official f.o.b. price.
The export duty was limited to 15% in the case of goods not subject to export duties, or subject to a 0% duty, as of 2 September 2018.
For the agroindustrial products of regional economies export duties were limited to 5%.
The export duty was for industrial goods and for services was prohibited from exceeding 5% of dutiable value or official f.o.b. price.
Export duties for hydrocarbons and mining were limited to 8% of the dutiable value or official f.o.b. price.

Source: Title V (Export duties) of Law No. 27.541 of 21 December 2019, *Ley de Solidaridad Social y Reactivación Productiva en el Marco de la Emergencia Pública* (Law on Social Solidarity and Reinforcing Production in the context of the Public Emergency).

3.135. During the period under review, export duty revenue rose gradually to ARS 398,312 million in 2019, representing 18% of the tax revenue of the non-financial public sector, 7.3% of the total tax receipts and 12.7% of total export value (Table 3.30). In 2020, however, export duty revenue decreased (to 13.5%, 5.4% and 10%, respectively), possibly because of lower tax rates and/or reduced export volume during the health crisis.

Table 3.30 Export duties, 2013-20

	2013	2014	2015	2016	2017	2018	2019	2020
Total amount collected (millions of ARS)	55,465	84,088	75,939	71,509	66,121	114,160	398,312	387,643
Growth rate (%)	-9.5	51.6	-9.7	-5.8	-7.5	72.7	248.9	-2.7
Percentage of total tax revenue of the non-financial public sector	13.7	14.9	10.7	7.3	5.9	8.1	18.0	13.5
Percentage of total tax receipts	5.9	6.6	4.5	3.0	2.3	3.1	7.3	5.4
Percentage of total export value (goods)	13.4	15.2	14.5	8.4	6.8	6.6	12.7	10.0

Source: Ministry of the Economy; Ministry of Finance; data furnished by national authorities and the Comtrade database.

3.136. Exports are exempt from VAT, and exporters are allowed to recover VAT paid in purchasing goods and services needed to produce their exports.²⁰⁹

3.2.3 Export prohibitions, restrictions and licensing

3.137. Argentine law permits the prohibition and restriction of exports as well as imports, for economic or non-economic reasons (Table 3.31).²¹⁰ Export prohibitions in effect at the current time are for non-economic reasons only.²¹¹ In 2020, the country temporarily suspended issuance of Sworn Declarations of Foreign Sales (DJVE) and established a quota for exports of certain types of maize, to ensure sufficient domestic supply. Maize DJVEs were limited to 30,000 tonnes per day for the 2019-20 period.²¹²

²⁰⁷ Decree No. 280/2019 of 17 April 2019 and Decree No. 335/2019 of 6 May 2019.

²⁰⁸ Joint Resolution No. 1/2020 of 2 November 2020 of the Ministry of the Economy and the Ministry of Agriculture, Livestock and Fisheries.

²⁰⁹ Decree No. 280/97, harmonized text of the Law on Value Added Tax, Law No. 23349 and amendments thereto.

²¹⁰ Articles Nos. 609-613 of Law No. 22415 (Customs Code).

²¹¹ Information provided by the authorities.

²¹² Online information. Viewed at:

https://www.magyp.gob.ar/sitio/areas/prensa/index.php?accion=noticia&id_info=210110234753;

Table 3.31 Prohibition/restriction of exports, 2020

Product for export	Treatment	Implementing agency
Live specimens, products and by-products of wild fauna and flora (Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)).	Prohibited, except when such trade: is authorized by CITES; consists of specimens or products for use in scientific research; or is for non-commercial purposes, among other exceptions.	Ministry of the Environment and Sustainable Development and Directorate-General of Customs (DGA).
Genetic resources used under the Nagoya Protocol.	Authorization required prior to export.	Ministry of the Environment and Sustainable Development.
Narcotics and psychotropic substances, except in quantities necessary for medical and scientific research	Prohibited	Ministry of Health and DGA
Ozone-depleting substances	Prohibited, except under certain conditions. Exports of ozone-depleting substances or hydrofluorocarbons (per the Kigali Amendment to the Montréal Protocol) are subject to certain non-economic prohibitions and must therefore be previously registered in the Register of Importers and Exporters of Ozone-Depleting Substances (RIESAO).	Ministry of the Environment and Sustainable Development – Ozone Programme
Certain fertilizers, pesticides and related products.	Prohibited.	National Agriculture and Food Quality and Health Service (SENASA).
Hazardous and non-hazardous waste.	Authorization required prior to export.	Secretariat of Environmental Control and Monitoring (Ministry of the Environment and Sustainable Development).
Wild fauna; reptiles (risk to human life or health); wild flora; phthalates; iguana skins; metal scrap and waste; and hunting trophies (species: <i>puma concolor</i>)	Prohibited	Ministry of the Environment and Sustainable Development, Ministry of Health and Ministry of Agriculture, Livestock and Fisheries

Source: WTO documents G/MA/QR/N/ARG/1/Rev.2 and G/MA/QR/N/ARG/2 of 25 July 2018 and 10 February 2021, respectively; information provided by the authorities (November 2019); and online information viewed at: <https://www.argentina.gob.ar/obtener-autorizacion-para-exportar-residuos-o-desperdicios-no-peligrosos>; <https://www.argentina.gob.ar/obtener-la-autorizacion-para-exportar-residuos-peligrosos>; and <https://www.argentina.gob.ar/inscribirse-en-el-registro-de-importacion-y-exportacion-de-sustancias-que-agotan-la-capa-de-ozono>.

3.138. Argentina continues to apply a series of requisites for exports, such as exporter registration and DJVEs, that may have effects similar to those of export licenses. In addition, during the health crisis, Argentina has required export permits for certain products or goods needed by the country's health-care system, such as alcohol, medications, diagnostic equipment, protective gear, respirators and oxygenators. Such permits are issued by the Ministry of Productive Development (MDP) in consultation with the Ministry of Health.²¹³ Exemptions from the permit requirement were later allowed for exports of oxygen therapy apparatuses, their parts and accessories (HS 9019.20.10) as well as portable respirators (HS 9019.20.10).²¹⁴

3.139. Within the framework of its trade agreements, Argentina has negotiated preferential export quotas for confectionery, chocolates and beef (with Colombia); dairy products (with Colombia, Ecuador and the Bolivarian Republic of Venezuela); and peaches (with Mexico). Argentina also has preferential quotas for exports of beef (Hilton Quota), buffalo, lamb and goat (to the European Union), and sugar, meat, groundnuts and tobacco (to the United States).

https://www.magyp.gob.ar/sitio/areas/prensa/index.php?accion=noticia&id_info=201230140611 and Resolution No. 287 of 30 December 2020.

²¹³ Decree No. 301 of 19 March 2020, Decree No. 317 of 28 March 2020 and Decree No. 405 of 24 April 2020

²¹⁴ Decree No. 625 of 29 July 2020.

3.2.4 Export support and promotion

3.140. As it did in 2013, Argentina has notified the WTO Committee on Subsidies and Countervailing Measures (SCM Committee) of its free zones programme, which is one of its subsidized programme.²¹⁵ In addition, it continues to implement some customs regimes to promote exports, such as the simplified export regime and the temporary admission import regime for production inputs, as well as other fiscal incentives.

3.141. Argentina taxes exports but also offers fiscal incentives to promote them. As they stated for this review, the authorities do not consider these policies contradictory, believing that export duties can help to achieve diverse objectives and that the rates can be adjusted should asymmetries or conflicts between objectives arise.

3.142. As it notified the WTO Committee on Agriculture, Argentina provided no subsidies for agricultural exports between 2013 and 2019.²¹⁶

3.2.4.1 Free zones

3.143. The country's free zone regime, regulated by Law No. 24.331, has been in place since 1994.²¹⁷ The purpose of free zones is to foster industrial export activity by promoting investment to increase efficiency, reduce production costs and create jobs.

3.144. Companies operating in free zones enjoy fiscal exemptions. The import of goods for consumption that enter the free zone or are exported to third countries are exempt from taxes, except for fees for services rendered (Articles 24 and 25 of Law No. 24.331). Basic utilities provided in free zones (telecommunications, gas, electricity, running water, sewerage and drainage) are also exempt from national taxes.

3.145. Exports originating in free zones are exempt from export duties.

3.146. There are currently 12 free zones in Argentina. The companies operating there are engaged in various industrial activities related to food, plastics and PVC, and textiles – in addition to warehousing and retail sales.²¹⁸ Service sector activities include call centres, computer software and programming, digital news outlets, AM radio transmission and quality control laboratories. The number of businesses operating in free zones in 2020 was 1,380, consisting of 1,050 domestic and 330 foreign companies. Most of the businesses were SMEs (960), with large companies making up the rest (420). These businesses created 2,224 jobs directly and 5,735 indirectly. The volume of exports from Argentina's free zones in 2019 amounted to USD 25 million. A total of USD 182 million has been invested in free zones since the start of the regime. As it informed the WTO, Argentina does not have data on the cost of this programme or estimates of its possible impact on trade.²¹⁹

3.147. The Special Tax and Customs Regime in the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, which operates as a free zone, was introduced to promote industrial activity and technological development in the southernmost tip of Argentina and improve the country's productive structure.²²⁰ Activities covered by the regime enjoy exemptions from VAT, income tax, and import and export duties, as well as eligibility for export duty drawbacks. The regime is open to all types of enterprises in such sectors as agriculture, livestock production, game reserve management, forestry, fisheries and manufacturing.

²¹⁵ WTO documents G/SCM/N/253/ARG, G/SCM/N/284/ARG, G/SCM/N/315/ARG of 29 January 2018; G/SCM/N/343/ARG of 14 February 2019 and G/SCM/N/343/ARG/Suppl.2 of 4 March 2020.

²¹⁶ WTO documents G/AG/N/ARG/33 of 11 March 2015; G/AG/N/ARG/34 of 20 September 2016; G/AG/N/ARG/37 of 3 July 2019; G/AG/N/ARG/38 of 3 July 2019; G/AG/N/ARG/39 of 3 July 2019 and G/AG/N/ARG/46 of 7 December 2020.

²¹⁷ Law No. 24.331 of 17 June 1994.

²¹⁸ Information provided by the authorities.

²¹⁹ Information provided by the authorities.

²²⁰ Law No. 19.640 of 16 May 1972 (amended 88 times).

3.2.4.2 Export duty drawbacks

3.148. Argentina continues to apply its drawback system, which consists of total or partial refunds of import duties, statistical fees, fees charged by the National Export Promotion Fund (FOPEX) and VAT paid on the importation of inputs used to produce and package goods for export.²²¹

3.149. In addition to the drawback, Argentina maintains a system of refunds for domestic export-related taxes (or selective consumption taxes) paid at the various stages of producing and marketing new and unused manufactured goods within the country for export. Total or partial refunds of such taxes are based on a specific percentage applied to the f.o.b. value of the goods for export. The percentage can be partial or total depending on the product concerned, as determined by the executive branch. Also depending on the product, refund amounts can be adjusted several times a year as necessary. In 2013, the percentages ranged between 0% and 6%, with a few higher exceptions but all less than 10%.²²² In 2021, they ranged between 0% and 10.4% and were applied to 79.9% of all tariff lines: 91% in the case of agricultural products (as defined by the WTO) and 78.6% in the case of non-agricultural products (Table 3.32). In some cases – for such categories as dairy products; tea and coffee; sugar and confectionery; beverages, spirits and tobacco; cotton; clothing; and electrical and non-electrical machinery – the refunds were provided for all tariff lines.

Table 3.32 Summary analysis of export duty drawbacks, 2021

Products	Tariff lines with drawback	Tariff lines with drawback (%)	Average (%)	Range (%)
Total	10,273	79.9	4.3	0-10.4
By WTO categories				
Agricultural products	1,064	91.0	3.4	0-9
- Animals and animal products	138	75.4	2.6	0-6.75
- Dairy products	37	100.0	3.6	2-5
- Fruits and vegetables	289	98.3	3.9	0-9
- Coffee and Tea	30	100.0	4.2	2-6.75
- Cereals and cereal preparations	140	86.4	3.5	0-6.5
- Oilseeds, fats and oils and their products	126	86.5	2.2	0-5
- Sugar and confectionery	23	100.0	4.6	3.4-6.75
- Beverages, spirits and tobacco	75	100.0	4.9	2.5-9
- Cotton	7	100.0	2.8	2-4
- Other agricultural products n.e.s.	199	89.4	3.0	0-6.3
Non-agricultural products (including petroleum)	9,209	78.6	4.4	0-10.4
- Non-agricultural products (excluding petroleum)	9,182	78.8	4.4	0-10.4
- - Fish and fish products	366	93.4	2.8	0-7.33
- - Mineral products and metals	1,218	75.9	3.7	0-7.5
- - Chemicals and photographic supplies	3,230	52.5	2.3	0-7
- - Wood, pulp, paper and furniture	406	93.6	4.8	0-8
- - Textiles	834	97.6	5.4	0-10.4
- - Clothing	251	100.0	7.3	7-8
- - Leather, rubber, footwear and travel goods	234	82.9	4.2	0-8
- - Non-electrical machinery	1,133	100.0	6.7	5-8
- - Electrical machinery	614	100.0	6.7	4.5-8
- - Transport equipment	217	99.5	6.9	0-8
- - Non-agricultural products, n.e.s.	679	98.8	6.8	0-8
- Petroleum	27	3.7	0.1	0-3
By HS section				
01 Live animals; animal products	520	88.5	2.5	0-6.5
02 Vegetable products	411	93.2	3.1	0-9
03 Fats and oils	74	93.2	2.7	0-5.5
04 Prepared foodstuffs, etc.	315	98.4	4.8	0-9
05 Mineral products	209	10.0	0.2	0-3

²²¹ Decree No. 1012/1991 of 29 May 1991.

²²² WTO document WT/TPR/S/277/Rev.1 of 14 June 2013.

Products	Tariff lines with drawback	Tariff lines with drawback (%)	Average (%)	Range (%)
06 Products of the chemical or allied industries	3,034	51.5	2.2	0-7
07 Plastics and rubber	429	77.4	4.1	0-7
08 Hides and leather	113	62.8	2.6	0-8
09 Wood and articles of wood	157	86.0	3.9	0-7
10 Pulp of wood, paper, etc.	222	98.2	5.1	0-7
11 Textiles and textile articles	1,056	97.8	5.8	0-10.4
12 Footwear and headgear	70	100.0	6.9	3-7.5
13 Articles of stone	217	99.5	5.2	0-7
14 Precious stones, etc.	64	59.4	2.8	0-7
15 Base metals and articles of base metal	738	88.3	4.5	0-7.5
16 Machinery	1,774	100.0	6.7	4.5-8
17 Transport equipment	230	99.6	6.9	0-8
18 Precision instruments	450	100.0	6.9	5-8
19 Arms and ammunition	18	100.0	6.6	5-7
20 Miscellaneous manufactured articles	165	100.0	7.0	5-8
21 Works of art, etc.	7	0.0	0.0	0-0

Source: Calculated by the WTO Secretariat based on the Official Bulletin. Viewed at: <https://www.boletinoficial.gob.ar/estatica/prodyserv>.

3.150. Argentina also maintains a tax refund scheme providing full or partial refunds of amounts paid in domestic taxes as well as in taxes for the importation of goods exported for consumption and services rendered in connection with exports. Unless otherwise provided, this regime cannot be combined with the refund or drawback scheme.²²³

3.151. In addition to the general refunds, there are refund programmes for the mining industry. The export duty drawback for mining products from the Argentine Puna, a special regime for exports of minerals and mineral products, originally set at 5% and then lowered to 2.5%,²²⁴ was eliminated in 2001.²²⁵ Drawbacks were also allowed, starting in 1983,²²⁶ for products originating in Patagonia and exported from Patagonian ports (between San Antonio Este and Ushuaia), at rates ranging between 5% and 10%, according to latitude. The regime was abolished in 2016.²²⁷ A tax refund scheme currently in effect for exports of certain precious metals,²²⁸ such as platinum, palladium, rhodium, iridium, osmium and ruthenium, permits refunds of domestic taxes paid in the various stages of production and marketing.

3.2.4.3 Other export incentives

3.152. In addition to the fiscal incentives described above (drawbacks and other refunds), Argentina also continues to apply the turnkey plant export regime to promote exports,²²⁹ incentivizing the export of goods and services in the form of complete industrial plants or engineering works.²³⁰ The objective of this regime is to promote exports of goods and services of national origin. Accordingly, for export operations to qualify for the regime, their national component (physical goods and services) must represent no less than 60% – and physical goods of national origin no less than 40% – of f.o.b. export value. The incentive consists of full or partial refunds of domestic taxes paid at the various stages of production and marketing.²³¹ The percentage of the tax refund is determined by means of an assessment conducted by the Under-Secretariat for Industry and Trade within the Ministry of the Economy, Public Works and Services as to the calculation of domestic taxes

²²³ Article No. 828 of Law No. 22.415 of 23 March 1981.

²²⁴ Resolution No. 762/93 of 13 July 1993.

²²⁵ Resolution No. 220/01 of 19 June 2001.

²²⁶ Law No. 23.018 of 7 December 1983.

²²⁷ Decree No. 1199 of 2 December 2016.

²²⁸ Resolution No. 294/1995 of 20 September 1995.

²²⁹ Law No. 23.101 of 2 November 1984, Decree No. 870/2003 and Resolution No. 12/2004 of the Secretariat of Industry, Trade and SMEs.

²³⁰ This regime is restricted to exports of goods and services produced for industrial plants and engineering works as listed in an annex to Decree No. 870/03.

²³¹ Decree No. 1011/91.

corresponding to the goods to be exported. Decree No. 1011/91 set the refund percentages at 10%, 8.3%, 6.7% and 3.3%. The regime permits an further refund of up to 10% in the case of exported goods and an additional 10% corresponding to the national component is refunded for exported services.²³²

3.153. Under a temporary admission import regime, production inputs can be imported for industrial finishing, free of duty and other taxes, provided that the finished product is then exported.²³³

3.154. Argentina also offers tax exempts on goods imported for the organization of export-promoting trade fairs, conventions and conferences from import duties, VAT, domestic taxes, as well as service, and statistical and verification-of-destination fees.²³⁴

3.2.5 Export finance, insurance and guarantees

3.155. Exporters can obtain financing through the Investment and Foreign Trade Bank (BICE), a public sector, second-tier bank that also finances businesses directly. BICE provides credit to businesses of all types for export pre- and post-financing, for goods as well as services.

3.156. BICE also offers lines of credit in dollars at subsidized rates to MSME exporters, for pre- and post-financing of any export except soya beans.

3.157. The National Bank of Argentina (BNA) continues to offer export financing as well. The conditions for BNA loans vary according to the size of enterprise and the financing terms required. The BNA currently offers the following lines of export credit: export pre-financing (prior to shipment), export financing (subsequent to shipment), export business financing (working and investment capital) and financing for participation in international trade fairs, exhibitions and shows.

3.158. The Federal Investment Council (CFI) also offers credit to MSMEs for export pre-financing, among other activities.²³⁵

3.159. Argentina has not developed an export credit insurance system. Three private companies offered such insurance in 2020.²³⁶

3.2.6 Export promotion

3.160. In 2016, the ExportAr Foundation was replaced by the Argentine Investment and International Trade Agency as the body responsible for promoting exports in Argentina²³⁷ under the authority of the Ministry of Foreign Affairs, International Trade and Worship. Its responsibilities have not substantially changed.

3.161. The new Agency continues the work previously performed by the ExportAr Foundation of coordinating the participation of Argentine businesses in international fairs through the "Argentine Pavilion", in which each sector exhibits and offers its products at reduced prices. The cost depends on the size of the enterprise. Products must be 100% domestic in origin to be so exhibited. Fairs enable local businesses (especially SMEs) to acquire knowledge about their sector and their foreign competitors, and to familiarize themselves with new trends, products and services being developed in each sector. The agency also organizes trade missions to promote trade between Argentinian and foreign businesses, including group visits by business representatives and business rounds to facilitate contact among entrepreneurs from different countries, potential clients and suppliers according to their interests. Such activities are usually conducted in conjunction with trade promotion events, such as trade fairs, conventions and exhibitions.

²³² Decree No. 870/2003.

²³³ Law No. 22.415 (Customs Code), Decree No. 1330/04, Decree No. 523/2017, Decree No. 854/2018, Resolution No. 285/2018 and Resolution No. 56/2018.

²³⁴ Law No. 21.450 of 27 October 1976 and information provided by the authorities.

²³⁵ Viewed online at: <https://cfi.org.ar/lineas-de-trabajo/financiamiento/linea-de-credito-para-la-produccion-regional-exportable>.

²³⁶ Viewed online at: <https://www.argentina.gob.ar/argentinaexporta/herramientas-y-beneficios-para-exportar/seguro-de-credito-la-exportacion>.

²³⁷ Resolution No. 83/2016 of 18 March 2016.

3.3 Measures affecting production and trade

3.3.1 Incentives

3.162. As in 2013, Argentina continues to implement a series of incentive programmes, some of which have been notified to the WTO. It notified the SCM Committee of sectoral incentive programmes, such as subsidies for mining, forestry, capital goods and computer and telecommunication technologies, as well as the free zone regimes.²³⁸

3.163. Argentina continues administering various national as well as provincial incentive programmes to promote national and foreign investment, competitiveness and exports. In addition to the aforementioned sectoral programmes, a series of incentives and horizontal programmes have been developed to stimulate investment and technological innovation, promote the development of SMEs and facilitate access to credit at preferential or fixed rates. Argentina also offers incentives based on geographic and free zone location. These incentives are administered and awarded by various national and provincial government agencies, which implement each of the productive development policies.²³⁹

3.3.1.1 Fiscal incentives

3.164. The award of incentives in Argentina is governed not by a general law but a series of laws for different incentives that apply either to the entire economy (horizontal), to individual sectors or to specific regimes. Argentina has applied many of these programmes for several years without any apparent substantial changes, rather they continue to be extended. It is unclear, however, if these programmes are being used, leaving the Secretariat unable to evaluate their impact on the economy or international trade since 2013.

3.165. For example, in 2004 Argentina instituted a transitional regime of fiscal incentives for investments in new capital goods (excluding automobiles) for industrial use, as well as in infrastructure projects (excluding public works), which has been extended over the years, until 2012 for industrial investments,²⁴⁰ and until 31 December 2018 for investments in infrastructure projects.²⁴¹ The regime is open to natural persons residing in Argentina and legal persons established in the country, who, under this scheme, could obtain an advance refund of VAT when they purchased new capital goods, or alternatively the accelerated amortization of income tax.²⁴²

3.166. There are also various mechanisms for reducing tariffs or VAT when purchasing capital goods or inputs necessary for production. Some of these mechanisms require the companies to effectively export products or purchase capital goods of national origin amounting to a specified percentage of imports in order to qualify for the benefits (Table 3.33). The temporary import regime also permits importers or manufacturers to import capital goods duty-free but subject to a re-exportation obligation within an extendable three-year period (section 3.1.3.4).²⁴³

²³⁸ WTO documents G/SCM/N/253/ARG, G/SCM/N/284/ARG, G/SCM/N/315/ARG of 29 January 2018; G/SCM/N/343/ARG of 14 February 2019 and G/SCM/N/343/ARG/Suppl.2 of 4 March 2020.

²³⁹ Online information. Viewed at: <http://www.instrumentos.mecon.gov.ar>.

²⁴⁰ Article 27 of Law No. 26.728 of 27 December 2011.

²⁴¹ Article 92 of Law No. 27.431 of 2 January 2018.

²⁴² Laws No. 25.924/2004 and No. 26.360/2008.

²⁴³ WTO document WT/TPR/S/277/Rev.1 of 14 June 2013.

Table 3.33 Fiscal incentives, 2013 and 2020

Incentive (legal framework)	Beneficiaries	Benefit and obligation
Import regime for goods forming an integral part of major investment projects (Resolution No. 1.089/2000)	Importers of new capital goods for major investment projects.	Reduction of duties to 0%. Exemption from the verification-of-destination fee. Imports of parts permitted up to 5% of f.o.b. export value.
Import regime for used production lines (Resolution No. 511/2000 and Decree No. 2.259/2009)	Manufacturers of tangible goods. Financial and/or leasing firms	Extra-zone import duty of 6%. Exemption from statistical and verification-of-destination fees. Obligation to import used assets with 50% of their useful lives remaining and to purchase goods of national origin amounting to 40% of total imports.
Reduction of VAT (Decrees Nos. 493/2001, 496/2001, 615/2001, 733/2001 and 959/2001).	Purchasers/importers of finished capital goods and information technology and telecommunications equipment (finished products as well as components).	VAT reduced to 10.5%.
Technical VAT balance (net tax liability) (Decrees Nos. 280/2001, 733/2001 and 496/2001 and Resolution No. 148/2005)	Manufacturers of capital goods and information technology and telecommunications equipment	Fiscal credit for purchases and/or imports
Regime to promote the production of capital goods, information and telecommunications technology, and agricultural machinery (Decrees Nos. 379/2001 and 51/16 and Decree No. 1.051/2020, (extended the regime until 31 December 2021).	Manufacturers of capital goods, information technology and telecommunications equipment and farm machinery	Fiscal voucher for 14% of the amount resulting from subtracting from the sales price the value of inputs imported free of duty

Source: Online information from the Ministry of the Economy and Public Finance, Database on "*Instrumentos para el Desarrollo Productivo: Jurisdicción nacional: Beneficios impositivos y/o fiscales: Alcances horizontal y sectorial: Temas de inversión y competitividad*". Viewed at: http://www.instrumentos.mecon.gov.ar/intro_esquema.php.

3.167. Argentina continues to apply its import regime for goods forming an integral part of major investment projects, which is intended for industrial enterprises engaged in projects approved by the implementing authority to improve their competitiveness.²⁴⁴ This regime reduces import duties to 0% and provides for exemptions from the verification-of-destination fee for imports of new goods or "parts" of new, complete and autonomous product lines, limited in the latter case to 5% of the total f.o.b. value of the goods to be imported. The exemption is conditioned on the purchase of new goods of local origin amounting to 20% or more of the total value of new goods imported under the regime – half of which (10%) can correspond to purchases of new machinery and equipment of local origin.

3.3.1.2 Sectoral incentives

3.168. Argentina continues to apply programmes to promote investment, production, employment, innovation and competitiveness in specific sectors. They consist of fiscal incentives (tariff and other tax exemptions and reductions, as well as financial stability arrangements) and/or non-repayable contributions. Sectors benefiting from these programmes include agriculture and forestry;²⁴⁵ the production of capital goods, information technology and telecommunications (ITC) equipment;²⁴⁶

²⁴⁴ Former Ministry of the Economy Resolution No.256/00 of 3 April 2000 and amendments thereto, and Secretariat of Industry, Trade and Mining Resolution No. 204/2000 of 5 May 2000 and amendments thereto.

²⁴⁵ Law No. 25.080 of 19 January 1999, as amended by Law 27.487 of 4 January 2019.

²⁴⁶ Capital goods and ITC (Decree Nos. 379/2001 and Decree No. 502/2001) and the regime to promote the software industry (Law No. 25.922 of 9 September 2004, as amended by Law No. 26.692 of 18 August 2011).

the production of automobiles, motorcycles and parts thereof;²⁴⁷ the oil, gas and biofuel industry;²⁴⁸ mining; shipbuilding;²⁴⁹ biotechnology;²⁵⁰ the audiovisual sector;²⁵¹ and electric power²⁵² (section 4). During the period under review, there were no substantial changes in the type of support provided or the sectors benefiting from it. Benefits were in place for the software industry until 31 December 2019²⁵³ but were replaced in 2020 by a new regime to promote the knowledge economy.²⁵⁴ Beneficiaries of the earlier regime can register in the new one.²⁵⁵

3.169. In terms of sector-specific incentives, Argentina notified the SCM Committee of its mining and forestry subsidy programmes (section 4) and the regime for capital goods and ITCs.²⁵⁶

3.170. The capital goods and ITC regime, which supports the manufacturers of such goods, was started in 2001. The incentive consists of a tax credit voucher equivalent to a variable percentage of sales, capped at 9.6% . The voucher is used to pay taxes due.

3.171. In 2019, Argentina notified the WTO that it did not have specific programmes in place to subsidize fisheries during the period between 1 July 2016 and 30 June 2018.²⁵⁷ During the period under review, Argentina provided notification of its domestic support commitments for the 2013-14 through 2016-17 crop years (section 4.1).²⁵⁸

3.3.1.3 Credit programmes

3.172. The BNA, BICE the CFI and agencies such as the Secretariat for Small and Medium-Sized Enterprises and Regional Development (SEPyME) continue to offer loans to MSMEs and cooperatives at preferential rates. This type of loan is made especially for projects that promote employment and strengthen production chains and regional development.

3.173. The BNA continues to finance business ventures in rural areas and in locations far from urban centres, as well as MSMEs. It provides financial assistance for investment and working capital to businesses engaged in any business activity, as well as financing and guarantees for foreign trade-related activities, particularly exports.²⁵⁹ Together with the MDP's Productive Development Fund (FONDEP), the BNA has developed different tools for financing the purchase of capital goods, construction work or strategic investment projects in sectors with reduced trade activity owing to the pandemic.²⁶⁰

3.174. Starting in 2016, as part of a transformation strategy led by the MDP, BICE was transformed from a public bank into a development bank providing credit to SMEs. It was also incorporated into

²⁴⁷ Law No. 26.393 7, of 7 July 2008 (regime to develop and strengthen the Argentine auto parts industry), Law No. 27.263 of 1 August 2008 (tax credit for the payment of taxes) and the local investment incentive scheme for the manufacture of motorcycles and motorcycle parts (Law No. 26.457 of 16 December 2008).

²⁴⁸ Law No. 26.093 of 15 May 2006 (regulatory and promotion scheme for the sustainable production and use of biofuels) and Law No. 26.334 of 3 January 2008 (bioethanol production promotion scheme).

²⁴⁹ Law No. 27.418 of 29 November 2017 (regime to promote the Argentine naval industry) and Law No. 27.419 of 28 December 2017 (Law on the development of the national merchant fleet and regional waterway integration).

²⁵⁰ Promotion of the development and production of modern biotechnology (Law No. 26.270 of 27 July 2007, Decree No. 983/2007 and General Resolution No. 4669/2020).

²⁵¹ Law No. 17.741 of 30 May 1968 (Law to promote the national film industry) and its implementing decree (No. 1.248/2001); and Law No. 26.838 of 23 January 2013.

²⁵² Law No. 26.190 of 2 January 2007 (national development programme for the use of renewable energy sources for electricity production), as amended by Law No. 27.191 of 21 October 2015.

²⁵³ Law No. 25.922 of 9 September 2004.

²⁵⁴ Law No. 27.570 of 26 October 2020.

²⁵⁵ Information viewed at: <https://www.argentina.gob.ar/acceder-los-beneficios-del-regimen-de-promocion-de-la-economia-del-conocimiento>.

²⁵⁶ WTO documents G/SCM/N/253/ARG, G/SCM/N/284/ARG, G/SCM/N/315/ARG of 29 January 2018; G/SCM/N/343/ARG of 14 February 2019 and G/SCM/N/343/ARG/Suppl.2 of 4 March 2020.

²⁵⁷ WTO document G/SCM/N/343/ARG/Suppl.1 of 28 June 2019.

²⁵⁸ WTO documents G/AG/N/ARG/36 and G/AG/N/ARG/43 – 45 of 24 October 2016 and 4 September 2019, respectively.

²⁵⁹ BNA. Viewed at: <http://www.bna.com.ar/institucional/institucional.asp> and <https://www.bna.com.ar/Empresas/Pymes/Creditos>.

²⁶⁰ Viewed at: <https://www.bna.com.ar/Personas/CreditoMiPyMEsIP>; and <https://www.bna.com.ar/Personas/CreditoMedianasEmpresasProyectoEstrategico>.

the MDP to align it with the national productive development policy, expand its volume of activity by way of the multilateral banks and federalize its operations to lend more assistance in the country's interior, both directly and through other financial institutions. The bank will continue to make medium and long-term loans intended for productive investment and foreign trade.²⁶¹ The CFI continues to offer technical and financial assistance to promote the country's comprehensive development,²⁶² as well as loans to MSMEs to finance pre-investment and investment projects, working capital and export pre-financing. In response to the COVID-19 pandemic, the CFI has created tools specifically for the financing of MSMEs.²⁶³

3.175. The Argentine Economic Development Fund (FONDEAR) was created in 2014 to facilitate access to financing at subsidized interest rates as a means to promote investment in strategic sectors for economic and social development. It was replaced by FONDEP in 2021.²⁶⁴

3.3.1.4 Support for research, development and improving competitiveness

3.176. Multiple agencies within the Ministry of Science, Technology and Innovation are developing and deploying a series of instruments to promote research, technological development and innovation in Argentina. One is the National Agency for the Promotion of Research, Technological Development and Innovation (Agencia I+D+i) (formerly the National Agency for the Promotion of Science and Technology). Another is the Under-Secretariat for the Federalization of Science, Technology and Innovation (formerly the General Secretariat), which works together with the Federal Science and Technology Council (COFECyT). The National Agency currently administers three funds: the Scientific and Technological Research Fund (FONCyT), the Argentine Technological Fund (FONTAR) and the Argentine Sectoral Fund (FONARSEC). The Trust Fund for Promotion of the Software Industry (FONSOFT) has been administered since 2018 by the Software Industry Division (DIS).²⁶⁵

3.177. Most of the programmes operated by these three funds support any type of enterprise in any sector, including SMEs. As in 2013, they offer non-repayable capital (ANR), loans or tax credits (Table 3.34).

Table 3.34 Incentives for research, development and improved competitiveness, 2013 and 2020

(In millions of ARS)

Programme	Amount awarded in 2013 (December)				Amount awarded in 2020			
	ANR	Loans	Tax credit	Total	ANR	Loans	Tax credit	Total
Agencia I+D+i	949	670.4	73.1	1,692.3	2,732.5	386.1	0.0	3,118.6
FONCyT	263.3	0.0	0.0	263.3	2,423.2	0.0	0.0	2,423.2
FONTAR	367.8	670.1	73.1	1,110.9	150.3	386.1	0.0	536.4
FONARSEC	244.5	0.0	0.0	244.5	159.0	0.0	0.0	159.0
DIS								
FONSOFT	73.4	0.3	-	73.7	n.a.	n.a.	n.a.	n.a.
COFECyT								
Technological Support for the Tourism Industry (ASETUR)	11	n.a.	n.a.	11	1.5	n.a.	n.a.	1.5
Technological Support for the Tourism Industry - Science and Technology Museums, Paleontological and Archaeological Sites and Protected Natural Areas (ASETUR - MUSEOS)	n.a.	n.a.	n.a.	n.a.	1.5	n.a.	n.a.	1.5
Municipal Technological Development Projects (DETEM)	9.6	n.a.	n.a.	9.6	2.0	n.a.	n.a.	2.0
Federal Productive Innovation Projects (PFIP)	0.3	n.a.	n.a.	0.3	8.0	n.a.	n.a.	8.0

²⁶¹ Ministry of Productive Development. Viewed at: <https://www.produccion.gob.ar/area/bice>

²⁶² Information from the CFI. Viewed at: <http://cfi.org.ar/institucion/>.

²⁶³ Information from the CFI. Viewed at: <http://cfi.org.ar/nota/financiamiento-de-las-actividades-en-el-marco-de-la-pandemia-covid-19-2020/>.

²⁶⁴ Decree No. 1114/2017 of 2 January 2018 and Decree No. 122/2021 of 21 February 2021.

²⁶⁵ Information provided by the authorities.

Programme	Amount awarded in 2013 (December)				Amount awarded in 2020			
	ANR	Loans	Tax credit	Total	ANR	Loans	Tax credit	Total
Federal Productive Innovation Projects – Environment and Alternative Energy (PFIP - MAE)	n.a.	n.a.	n.a.	n.a.	1.0	n.a.	n.a.	1.0
Federal Productive Innovation Projects – Natural Resources (PFIP - RRNN)	n.a.	n.a.	n.a.	n.a.	1.0	n.a.	n.a.	1.0
Federal Productive Innovation Projects – Productive Linkages (PFIP - ESPRO)	8.1	n.a.	n.a.	8.1	4.0	n.a.	n.a.	4.0
Specific Regional Bioeconomic Projects (PEBIO-R)	n.a.	n.a.	n.a.	n.a.	1.0	n.a.	n.a.	1.0
Federal Technology Coordinators	29	n.a.	n.a.	29	15.0	n.a.	n.a.	15.0
Total	29	n.a.	n.a.	29	35.0	n.a.	n.a.	35.0

n.a. Not applicable.

Source: National Agency for the Promotion of Research, Technological Development and Innovation (Agencia I+D+i). Under-Secretariat for the Federalization of Science, Technology and Innovation. Viewed at: <https://www.argentina.gob.ar/cofecyt>; and information provided by the authorities.

3.178. Another new initiative in 2020 was the programme for federal coordination and strengthening of COVID-19 science and technology capacities, led by the Under-Secretariats for Institutional Coordination and for the Federalization of Science, Technology and Innovation. The programme awarded up to ARS 100 million in ANRs for proposals submitted with provincial government backing for solutions to the pandemic in diverse fields of application, including the development of products and materials, control and monitoring, diagnosis and treatment and socioeconomic development. Each project selected receives up to ARS 1 million in support.²⁶⁶

3.179. Argentina also awards fiscal credits to companies that support educational institutions. They can be used to pay any type of tax but cannot exceed 0.8% of annual payroll for large companies, or 8% for SMEs. Tax credits or incentives are also offered for companies investing in R&D.²⁶⁷

3.3.1.5 Micro, small and medium-sized enterprises (MSMEs)

3.180. The MSME sector continues to be extremely important for the Argentine economy and is a priority of the national development strategy. The State seeks to foster and promote the sector through various support programmes. According to information provided by the authorities, in 2020, some 541,100 companies (98.7% of all companies), which created approximately 62.8% of registered wage jobs, were considered MSMEs; 83% of all exporting companies, producing 17% of total goods exported from Argentina, had MSME certificates.²⁶⁸

3.181. MSMEs are regulated by the Law on Small and Medium-Sized Enterprises (No. 24.467 of 15 March 1995), as well as the Law for the Promotion of Micro, Small and Medium-Sized Businesses (Law No. 25.300 of 7 September 2000). Companies are defined as MSMEs according to their main activity, total sales, number of employees (for companies whose main activity is that of commission agent, consignee or travel agent) and assets (for financial and real estate companies). Such companies cannot exceed the billing values specified in the law or employment ceilings, as appropriate (Table 3.35). Starting in 2019, companies engaged in financial intermediation, insurance services or real estate services can also be listed in the MSME Register, provided they do not exceed the limits set with respect to sales and assets (ARS 193 million in the latter case).²⁶⁹

²⁶⁶ Information provided by the authorities.

²⁶⁷ Agencia Argentina de Inversiones y Comercio Internacional (2020), *Doing Business in Argentina: An Investor's Guide*. Viewed at: <https://www.inversioncomercio.org.ar/docs/pdf/Doing-Business.pdf>.

²⁶⁸ Information provided by the authorities.

²⁶⁹ Resolution No. 220 of 12 April 2019.

Table 3.35 Definition of MSMEs**a) According to total annual sales**

(In millions of ARS)

	Agriculture	Industry and mining	Trade	Services	Construction
Micro	30.77	45.54	57.00	13.1	24.99
Small	116.30	326.66	352.42	79.54	148.26
Medium-sized (lower bracket)	692.92	2,530.47	2,588.77	658.35	827.21
Medium-sized (upper bracket)	1,099.02	3,955.20	3,698.37	940.22	1,240.68

b) According to size of workforce

	Agriculture	Industry and mining	Trade	Services	Construction
Micro	5	15	7	7	12
Small	10	60	35	30	45
Medium-sized (lower bracket)	50	235	125	165	200
Medium-sized (upper bracket)	215	655	345	535	590

Source: Resolution No. 19/2021 of 30 March 2021; and information viewed at: <https://www.argentina.gob.ar/produccion/registrar-una-pyme/que-es-una-pyme>.

3.182. The Secretariat for Small and Medium-Sized Enterprises and Regional Development (SEPyME), under the authority of the MDP, is responsible for promoting the development and growth of MSMEs, so as to improve their productivity.²⁷⁰ The Secretariat implements programmes to improve access to credit and develop production capacity using various instruments. Until recently it drew on the National Fund for MSME Development (FONAPyME), created in 2000, to provide medium and long-term financing, but this was replaced by FONDEP in 2021.²⁷¹ It now provides loans or subsidizes interest rates through FONDEP. In an effort to improve access to credit, it also offers guarantees for MSMEs through the Argentine Guarantees Fund (FOGAR), formerly the Micro, Small and Medium-Sized Business Guarantee Fund (FOGAPyME).²⁷² These guarantees allow MSMEs to access 0% interest rates.

3.183. The Secretariat is also responsible for administering the National Fund for the Development and Strengthening of MSMEs (FONDYF), which finances working capital, purchases of raw materials, salaries and other operating expenses through lending operations or ANRs when loans are inadvisable.²⁷³ However, though still established, FONDYF is not currently operating, and its remaining funds are administered through FONDEP.

3.184. The MSMEs Monitoring and Competitiveness Council, under the authority of the Secretariat, is responsible for monitoring the allocation of loans to MSMEs and the impact MSMEs have on production, employment, foreign trade and value chains.²⁷⁴

3.185. New instruments have been created to improve access to credit for MSMEs, including special lines of credit offered by the BNA and BICE for that purpose. In 2016, a interest rate subsidy scheme was set up for new MSMEs or those situated in: (a) regions with unemployment rates higher than the national average; (b) the provinces of northern Argentina covered by the Belgrano Plan; or (c) regions reporting levels of provincial GDP below the national average.²⁷⁵

²⁷⁰ Resolution No. 221/2019 of 16 April 2019.

²⁷¹ Article 5 of Law No. 25.300, Decree No. 1.074/2001 and Article 37 of Law No. 27.264 of 1 August 2016.

²⁷² Law No. 25.300 (creation of FOGAPyME); Article 38 of Law No. 27.264 of 1 August 2016 and Decree No. 628/2018 (regulating FOGAPyME). In 2018, the name FOGAPyME was replaced by FOGAR (Article 8 of Law No.27.444 of 18 June 2018).

²⁷³ Decree No. 522/1992 (creation of the Comprehensive Credit Programme), Decree No. 993/1999 (contract for the Comprehensive Credit Programme), Decree No. 1273/2012 (creating FONDYF) and Decree No. 400/2019.

²⁷⁴ Article 56 of Law No. 27.264 of 1 August 2016.

²⁷⁵ Article 42 of Law No. 27.264 of 1 August 2016.

3.186. In terms of access to credit, the BNA offers financing programmes for MSMEs, such as the *Nación Emprende* Programme, to foster entrepreneurship, which is a line of credit for small-scale development of a personal or family business in any sector.²⁷⁶ The BNA also offers lines of credit for working capital: up to ARS 5 million at a fixed interest rate of 40% for 360 days only. For the BNA's "integral"²⁷⁷ customers, FONDEP is used to subsidize the interest rate by 12.1 percentage points annually, for a final rate of 27.9%. The subsidy for other clients is 10.5 points for a final rate of 29.5%, fixed.²⁷⁸ The BNA also offers programmes such as the National Fund for the Creation and Consolidation of Microenterprises (FOMICRO) and the Comprehensive Regional Development Fund (FONDER), for ventures outside the bank's traditional lines of business (because of the applicant's profile or particular aspects of the project).²⁷⁹ Through the Regional and Sectoral Development Programme (PRODER), the BNA offers loans of up to 90% of the total investment for microenterprises.²⁸⁰ There are also lines of credit for specific sectors, such as tourism (section 4).

3.187. BICE also offers financing for MSME investment projects: up to 7 years and 80% of total project investment for the reconversion and modernization of productive capacity and the purchase of new capital goods of national origin. The CFI continues to offer financing to improve MSME competitiveness, with specific guidelines for those engaged in agriculture, apiculture, industry, mining and tourism.²⁸¹

3.188. During 2020 and 2021, SEPyme has developed various instruments for federal financing to promote the financial inclusion of MSMEs, horizontally and sectorally, including special measures to support MSMEs during the health emergency. Credit lines to revitalize production were developed jointly with the BNA and BICE for use as working capital, for investment and to finance MSME exports. The productive investment credit line offered by BICE provides quotas of 20% for women-led enterprises and 15% for the wine sector. There is also the productive investment line of credit for SMEs, which) finances investment projects for MSMEs and cooperatives in the industrial, agro-industrial and industrial service sectors at an interest rate subsidized by FONDEP. It also offers interest rate discounts for women-led and exporting SMEs.

3.189. The *Compremipyme* (Buy MSME) programme, established by Law No. 25.300/2000, is still in operation. It requires national public sector entities to give a 5% preference to MSMEs offering goods or services produced in the country. It also establishes a preference of at least 10% in competitive bidding processes open to MSMEs only.²⁸²

3.190. To further strengthen MSMEs, the Law provides for them to be granted special tax treatment.²⁸³ Consequently, since 2017, MSMEs have enjoyed special tax status, which allows them to offset 100% (60% in the case of manufacturers in the "medium-sized-upper bracket") of the amount actually paid under the tax on bank account credits and debits and other transactions. As additional favourable treatment, SMEs are allowed to defer payment of VAT for 90 days.²⁸⁴

3.191. The executive branch is also able to implement programmes to compensate MSMEs operating in border areas for the economic asymmetries and imbalances resulting from competition with the neighbouring countries. This could be achieved through the differential and temporary use of fiscal tools, as well as incentives for investment in production and tourism.

²⁷⁶ BNA. Viewed at:

<https://www.bna.com.ar/Empresas/NewsletterDetalleVersion2?anio=9&nro=33&seccion=Herramientas+de+negocio>.

²⁷⁷ "Integral" customers refers to those clients who, depending on their segment and activity, have opened special service accounts for rural customers (*Cuenta Nación Campo*), SMEs (*Cuenta Nación Pyme*) or corporate clients (*Cuenta Nación Empresa*), and keep them open for the whole term of their loan.

²⁷⁸ BNA. Viewed at: <https://www.bna.com.ar/Home/NuestrasPymes>.

²⁷⁹ BNA. Viewed at:

<https://www.bna.com.ar/Empresas/NewsletterDetalleVersion2?anio=7&nro=26&seccion=Herramientas%20de%20negocio>.

²⁸⁰ Information from IeralPyme. Viewed at: [http://www.ieralpyme.org/noticias/programa-banco-nacion-fomento-desarrollo-microemprendimientos-\(proder\)-280.html](http://www.ieralpyme.org/noticias/programa-banco-nacion-fomento-desarrollo-microemprendimientos-(proder)-280.html).

²⁸¹ Information from the CFI. Viewed at: <https://creditos.cfi.org.ar/2/45/Linea-para-la-Reactivacion-Productiva>.

²⁸² Article 39 of Law No. 25.300 of 16 August 2000.

²⁸³ Law No. 27.264 of 1 August 2016.

²⁸⁴ AFIP General Resolution No. 3878/2016.

3.192. Argentina also conducts programmes to promote training for MSME employees, equipment purchases and facility upgrades, using fiscal credit vouchers.²⁸⁵

3.193. The Ministry of Science, Technology and Innovation is reducing costs to facilitate access for MSMEs to technological innovation programmes designed to compensate for asymmetries in productivity.²⁸⁶ FONSOFT, administered by the Agencia I+D+i, offers financing of up to ARS 1.8 million, in the form of ANRs, for projects to improve the productive structure and innovative capacity of SMEs producing goods and services in the software and information technology services sectors.²⁸⁷

3.3.1.6 Regional incentives

3.194. Argentina continues to provide fiscal incentives for investment in different provinces within the country.²⁸⁸ Their purpose is to compensate for disadvantages that may arise in provinces owing to the lack of infrastructure and distance from major markets. The provinces issue their own fiscal incentive laws to promote investment and industrial development. These provincial programmes have not changed substantially since 2013.²⁸⁹

3.3.2 Standards and other technical requirements

3.3.2.1 Legal and institutional framework

3.195. *Punto Focal Argentina*, the country's focal point for the WTO Agreement on Technical Barriers to Trade (TBT Agreement) and point of contact for notification of the WTO,²⁹⁰ is managed by the National Technical Regulation Directorate (DNRT) under the authority of the Under-Secretariat for Domestic Market Policies within the MDP's Secretariat of Domestic Trade. The legal framework for the national standards, quality and certification system in Argentina consists of the TBT Agreement, incorporated into national legislation by Law No. 24.425 of 7 December 1994, and a series of domestic laws, regulations and standards. One of the main regulations in force is Decree No. 1.066/2018, which relaunched the National Quality System (SNC) (see below), and specified the functions to be performed within the SNC by national agencies responsible for regulating volunteer activity, accrediting conformity assessment bodies, defining metrics and coordinating technical regulators.

3.196. The procedures followed to develop technical standards, regulations and other provisions are specified in Decrees Nos. 333/1985 and 1.172/2003, as supplemented during the period under review by Decrees Nos. 561/2016, 1.063/2016, and 733/2018, aimed at streamlining and facilitating the formalities required to develop such provisions (Table 3.36).

Table 3.36 Key legal provisions in the area of technical standards and regulations, 2021

Provision	Content
National Executive Decrees Nos. 1.474/1994 and 1.066/2018	Created the SNC
Decree No. 1.172/2003	Regulated access to public information.
Decree No. 2817/91	Created the National Seeds Institute (INASE).
Implementing Decree No. 2183/91	Regulated implementation of the Law on Seeds and Phytogenetic Creations.
Resolution No. 631/1992	Established requirements for registration in the National Cultivar Property Register.
INASE Resolution No. 35/1996	Established requirements for the proper and legal use of seeds.
Law No. 20.247 of 30 March 1973, on Seeds and Phytogenetic Creations	Promoted seed production and marketing, and protected the ownership of phytogenetic creations.
Law No. 25.845 of 6 January 2004	Re-established the National Seeds Institute
Resolution No.338/2006 of the former Secretariat of Agriculture, Livestock, Fisheries and Food (SGPyA)	Limited use of seeds to the acreage sown during the prior period.

²⁸⁵ Law No. 27.264 of 13 July 2016; Resolution No. 63 of 9 June 2020 and information viewed at: <https://www.argentina.gob.ar/acceder-credito-fiscal-para-capacitacion-al-personal-de-mi-empresa>.

²⁸⁶ Article 57 of Law No. 27.264 of 1 August 2016.

²⁸⁷ Viewed at: http://www.instrumentos.mecon.gov.ar/intro_esquema.php.

²⁸⁸ For example: Special Tax and Customs Regime in the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands (Law No. 19.640); Patagonia Rural Development Project (PRODERPA); Law No. 22.021 for the promotion of the Provinces of San Luis, La Rioja and Catamarca.

²⁸⁹ WTO document WT/TPR/S/277/Rev.1 of 14 June 2013.

²⁹⁰ Punto Focal Argentina. Viewed at: <http://www.puntofocal.gov.ar>.

Provision	Content
Joint General Resolution No. 4.248/18 issued by the Ministry of Agro-Industry, SENASA, INASE and AFIP	Established the Simplified Agricultural Information System (SISA) and permitted control of soya bean varietal identity as incorporated in INASE Resolution No. 378/2018.
INASE Resolution No. 378/2018	Established the audit procedure for users of soya, wheat and cotton seeds.
INASE Resolution No. 207/2019	Established the audit procedure for users of barley and pea seeds.
INASE Resolution No. 72/2019	Established the audit procedure for natural or legal persons using rice and groundnut seeds.
INASE Resolution No. 228/2018	Provided for use of single nucleotide polymorphisms (SNP) markers to verify and identify soya varieties.
INASE Resolution No. 56/2018	Approved use of the seed import application form generated by the management system, as a sworn statement. Approved the seed export application form, and the application forms for the importation and exportation of seeds of genetically modified plant organisms (GMOs).
Administrative Decision No. 311/2018	Created the Directorate of Chemical Substances and Products, charged with proposing and implementing action with respect to chemical substances and products, to protect the environment.
Decree No. 504/2019	Designated the Secretariat of the Environment and Sustainable Development as implementing authority for the Basel, Rotterdam, Stockholm and Minamata Conventions (Official Journal 23/07/2019).
Common Market Group (GMC) Resolution No. 40/00	Established MERCOSUR Technical Regulations for the Registration of Medical Products. Regulated the registration of medical products by the National Drugs, Food and Medical Technology Administration (ANMAT).
ANMAT Order No. 2.318/02	Incorporated GMC Resolution No. 40/00 into national legislation.
GMC Resolution No. 21/98	Technical Regulation for the authorization of manufacturers and/or importers of medical products.
ANMAT Order No. 2.319/02	Incorporated Resolution GMC No. 21/98 into national law.
ANMAT Order No. 3.619/97	Technical Regulation for in vitro diagnostic products.
ANMAT Order No. 969/97	Technical Regulation for clinical testing.
Law No. 14.878 of 6 November 1959, General Law on Wines	Regulated wine production and trade
Resolution No. 121/1993 of the National Grape-Growing and Wine Production Institute (INV) and Order No. 1.139/1993	Regulated the importation of wine and grape must.
INV Resolution No. 181/1994	Added wine colour as an analytical criterion.
INV Resolution No. 20/2020	Established labelling requirements for the marketing of wine.
INV Resolution No. 14/2005	Regulated the registration of wine importers.
INV Resolution No. 36/2012	Wine imports. Required presentation of certified analysis issued by the relevant authority in the country of origin, except for countries in the World Wine Trade Group (WWTG).
Circular No. 39/2012	Exempted samples from import controls.
INV Resolution No. 30/2016	Regulated imports of wine in bulk.
INV Resolution No. 28/2017	Regulated imports of small volumes of wine.
INV Resolution No. 20/2020.	Required tags to identify the origin of imported wines.
Law No. 18.284, Argentine Food Code	Established standards for the production, processing and distribution of food for human consumption throughout the country.
Law No. 27.233 of 29 December 2015	Declared animal and plant health, disease and pest prevention and control, food quality and domestic and international trade in food products and by-products to be matters of national interest.
Decree No. 2.126/1971	Approved the harmonized text and implementing regulations for Law No. 18.284.
Decree No. 1.490/1992	Created ANMAT.
Decree No. 815/1999	Established the National Food Control System.
Decree No. 561/2016	Approved the Electronic Document Management System (GDE).
Decree No. 1.063/2016	Approved the implementation of the remote procedure management (TAD) platform .
Decree No. 733/2018	Provided for digital processing of formalities.
Resolution No. E 90/2017 of the former Ministry of Modernization	Regulated use of the GDE system and the TAD platform.
SENASA Resolution No. 260/2014	Provided for phytosanitary and quality control by SENASA of grain product and by-product shipments for export or re-export.
Resolution No. 799/99 of the former Secretariat of Industry, Trade and Mining	Established the safety seal to be affixed to products certified by the mark of conformity system.
Resolution No. 197/2004 of the Secretariat for Technical Coordination	Dealt with product certification systems.
Secretariat of Domestic Trade Resolution No. 344/2021	Procedure for the recognition of certification and inspection bodies and testing laboratories assigned to evaluate the conformity of technical regulations issued by the Secretariat of Domestic Trade.
Secretariat of Domestic Trade Resolution No. 282/2014	Transfer and extension of certificates.
Order No.178/2000 of the National Directorate of Domestic Trade	Products without use rights.
Resolution No. 237/2000 of the Secretariat for Competition and Consumer Protection	Mutual recognition and use of plant laboratories.
Decree No. 274/2019	Fair trade.

Source: WTO Secretariat based on information provided by the Argentine authorities.

3.197. A series of other laws, decrees and resolutions establish standards and technical regulations, both general, such as Decree No. 733/2018 for the simplification of formalities, and specific in scope, such as the Law on Seeds and Phytogenetic Creations, the Argentine Food Code, and technical regulations applicable to wine and medications. Technical regulations formulated by MERCOSUR, within the framework of the Common Market Group, have also been incorporated into Argentine law by national instruments.

3.198. Various institutions participate in formulating technical regulatory provisions, including the MDP's Secretariat of Domestic Trade, the Secretariat of the Environment and Sustainable Development, SENASA, ANMAT and INV (see below).²⁹¹

3.199. Since the last review in 2013, the authorities have introduced a series of legislative and regulatory changes. In November 2018, Decree No. 1.066/2018 relaunched the former National Standards, Quality and Certification System, originally created in 1994 (Article 1 of Decree No. 1.474/94 and amendments thereto). Under a new name, the National Quality System (SNC), the system is composed as follows: (a) Level 1 consists of: (i) the National Quality Council (CNC), responsible for coordinating policies on quality assurance, standardization and certification, and (ii) the Advisory Committee, a consultative body;²⁹² (b) Level 2: (i) the National Institute of Industrial Technology (INTI), a decentralized agency within the MDP, responsible for formulating, maintaining and disseminating national measurement standards; (ii) the Argentine Standards and Certification Institute, responsible for issuing and updating national standards; (iii) the Technical Regulators Commission (CRT), an inter-ministerial committee for coordination among regulatory agencies with respect to the TBT Agreement and the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and ensuring adherence to good regulatory practices; (iv) the Argentine Accreditation Agency (OAA), responsible for accrediting certification bodies for quality assurance systems, products, services and processes, as well as conformity assessment bodies; (c) Level 3: (i) certification bodies (accredited by the OAA) for quality assurance systems, products, services and processes, as well as testing and calibration laboratories; (ii) quality systems auditors certified by the OAA.

3.200. To simplify the regulations and make the information more transparent, the Simplified Agricultural Information System (SISA) was established to replace the registration and information systems for the production and marketing of seeds and grains.²⁹³ Administrative Decision No. 311/2018 created the Directorate of Chemical Substances and Products, under the authority of the Secretariat of Environmental Control and Monitoring, primarily responsible for proposing and implementing action and management tools in respect of chemical substances and products, consistent with the international environmental protection commitments undertaken by Argentina. Decree No. 1.066/2018 created the CRT as the body responsible for cooperation among the various regulators, with the aim of standardizing internal processes and improving efficiency and transparency.

3.201. Decree No. 504/2019, Official Journal of 23 July 2019, designated the Secretariat of the Environment and Sustainable Development as implementing authority of the Basel, Rotterdam, Stockholm and Minamata Conventions. Within the Secretariat, the Decree created the Interministerial Bureau on Chemical Substances and Products to coordinate activities among the various government units concerned with chemical substances.

3.3.2.2 National Quality System

3.202. The National Quality System (SNC) regulates standardization and conformity assessment activities in Argentina, within a strictly voluntary framework. The SNC is governed by the National Quality Council (CNC), composed of representatives of various government divisions and of

²⁹¹ ANMAT is responsible for regulating activities for the registration of medical products pursuant to Common Market Group (GMC) Resolution No. 40/00. ANMAT Order No. 2.318/02 incorporated the text of GMC Resolution No. 40/00, MERCOSUR Technical Regulation on the Registration of Medical Products into Argentina's legal system. Viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/60000-64999/63755/norma.htm>.

²⁹² The CNC is composed of seven ministries: the MDP, and the Ministries of Finance, Foreign Affairs, Transport, Health, Social Development, and Education, Culture, Science and Technology, as well as the Secretary-General of the President's Office, INTI, IRAM, the OAA and the CRT.

²⁹³ Created by Joint General Resolution No. 4.248/18 issued by the Ministry of Agro-Industry, SENASA, INASE and AFIP

the standardization and accreditation bodies. The Council is assisted by an advisory committee, composed of representatives of the sectors concerned. Two bodies are responsible for managing technical matters in the SNC: the Argentine Standards and Certification Institute; and the OAA.²⁹⁴

3.203. In implementing the national quality assurance policy, the CNC is responsible for defining the strategic guidelines, ensuring coordination among SNC members and drafting annual quality plans on the implementation of the national quality assurance policy, to guide the activities of public and private institutions concerned with different aspects of quality. The plans are generally aimed at promoting competitiveness and protecting consumers. For example, the stated objective of the 2019 Annual Quality Plan was to promote quality in the production of goods and services and thereby strengthen exports through added-value products; to open up domestic and international market access for Argentine products and to encourage more complex and diverse production.²⁹⁵

3.3.2.3 Standardization

3.204. The body responsible for developing national standards is the Argentine Standards and Certification Institute (IRAM), a private non-profit institution.²⁹⁶ As the national standardization agency operating under the authority of the SNC, IRAM develops, studies and publishes Argentine standards in all fields.²⁹⁷ IRAM is the only state-recognized standards and certification body in Argentina and represents the country in international standardization processes. IRAM is a member of the International Organization for Standardization (ISO), and, through the Argentine Electrotechnical Committee, of the International Electrotechnical Commission (IEC). It also participates in the Pan American Standards Commission (COPANT) and the MERCOSUR Standardization Association (AMN). IRAM has been a signatory of the Code of Good Practice for Standardization since 1996.

3.205. According to the authorities during this review, the procedures followed by IRAM to develop voluntary standards are based on the principles of openness, transparency, consensus, relevance, coherence and capacity development, all fully consistent with the principles of the WTO TBT Agreement. The procedures followed in studying standards were always in line with the relevant ISO/IEC directives and always sought to apply ISO and IEC international standards.²⁹⁸ IRAM also advises national, provincial and municipal public agencies, at their request, on standardization matters.

3.206. The process of developing standards involves more than 250 technical standards bodies (committees, subcommittees, commissions and working groups), with the participation of various organizations representing producers, consumers, academia, and the scientific and public sector. The process starts with the preparation of a project developed by consensus within one of the IRAM technical bodies, which is submitted for public discussion during a period of between 60 and 180 days (with exceptions). The project is then revised to reflect any input received during the public consultation phase, submitted for approval to the General Committee on Standards, and finally remitted to IRAM senior managers for application as a standard.

3.207. IRAM standards apply to multiple sectors of the economy, including food; environment; fuel; construction; energy efficiency; electrical engineering; energy; quality control; mechanics; metallurgy and steelmaking; mining; chemicals; social responsibility; health; security; and information technology. According to information from IRAM, the Institute's quality policy is aimed at developing standards that benefit society and contribute to national sustainability.²⁹⁹ The standards published by IRAM can be reviewed at the request of interested parties, including the public sector, applying the same methodology as for the initial study. There is no established

²⁹⁴ Information from IRAM. Viewed at: <http://www.iram.org.ar/index.php?id=Sistema-nacional-de-normas-calidad-y-certificacion>.

²⁹⁵ Information from the MDP. Viewed at: <https://www.argentina.gob.ar/noticias/se-aprobo-el-plan-anual-de-calidad>.

²⁹⁶ IRAM is the implementing authority of National Executive Decree No. 1.474/1994. An agreement to this effect was signed between the authorities and IRAM. National Executive Decree No. 1.066/2018 confirmed the functions conferred upon IRAM by National Executive Decree No. 1.474/1994.

²⁹⁷ Information from IRAM. Viewed at: <http://www.iram.org.ar/>.

²⁹⁸ Information from IRAM. Viewed at: <http://www.iram.org.ar/index.php?id=Normalizaciones>.

²⁹⁹ Information from IRAM. Viewed at: <http://www.iram.org.ar/index.php?id=SGC-Normalizacion>.

timetable for periodic review of the standards or confirmation of their continuing validity. As of 2021, IRAM has more than 9,000 approved standards.

3.3.2.4 Technical regulations

3.208. The development and review of mandatory technical regulations in Argentina is the responsibility of each ministry or regulatory agency. Each institution thus has its own provisions covering how technical regulations in its particular field are prepared and revised, and, where necessary, establishes mandatory requisites for goods marketed in the country, whether produced locally or in other countries. According to the authorities, the regulations are intended to ensure product safety and set clear standards for particular aspects of product quality and information, without unduly encumbering trade. Technical regulations in Argentina generally continue to be based on MERCOSUR standards and the standards and recommendations of such international organizations as the ISO, COPANT, the Codex Alimentarius Commission, the International Organization of Legal Metrology (OIML) and the IEC.

3.209. The agencies engaged in establishing technical regulations include the following: the National Directorate of Technical Regulations (DNRT) under the authority of the Under-Secretariat for Domestic Market Policies within the MDP's Secretariat of Domestic Trade (SCI); the Secretariat for Industry, the Knowledge Economy and Foreign Trade Management; the Secretariat of the Environment and Sustainable Development; INV; SENASA; the National Food Commission (CONAL); ANMAT; the National Gas Regulatory Authority (ENARGAS); the National Entity for Communications (ENACOM); the Secretariat of Food, Bioeconomy and Regional Development; the Secretariat of Quality Health Care; and the Ministry of Transport. All of these agencies coordinate their work within the framework of the CRT, which has become a coordination forum for implementation of the TBT Agreement in Argentina. The DNRT was created by MDP Administrative Decision No. 1.080/2020 and assigned primary responsibility for developing, monitoring and implementing technical regulations and procedures for conformity assessment within the framework of the TBT Agreement; and for developing policies linked to improving the quality and technical conformity of goods and services, in order to enhance competitiveness.

3.210. Resolution No. 299/2018, in force during part of the period under review, outlined the process for developing and reviewing technical regulations and conformity assessment procedures in the former Ministry of Production. The Resolution provided for technical regulations to be proposed *ex officio* or at the request of a department of the Ministry, another national government body, or a natural or legal person. If the request was accepted, a pre-feasibility analysis was initiated. Resolution No. 299/2018 was revoked by MDP Resolution No. 70/2021 as part of a reorganization of government agencies and functions. As of 2021, these functions are performed by the DNRT, which conducts a detailed analysis of product scope, technical requirements and standards, and proposed implementation plan; performs the conformity assessment procedure; and elicits the opinions of public and private actors. It can also seek a technical endorsement from INTI and/or consult with qualified specialists and specialized technical agencies. The DNRT also notifies the WTO Secretariat of the proposed technical regulation for Members' comments. Argentina's notifications of the WTO are published on the country's focal point website. Once the procedures for developing a technical regulation and conducting conformity assessments have been finalized, the DNRT recommends them to the competent authority, which decides whether or not to adopt and apply them and publishes its decision in the Official Journal.

3.211. The DNRT monitors implementation of the technical regulations it has adopted, assesses their impact and takes measures as necessary to improve quality and technical conformity. The DNRT is authorized to review current technical regulations or conformity assessment procedures and propose new ones or adjustments as necessary based on the findings of monitoring and impact evaluation process. This procedure is ad hoc with no pre-established timeframe for the review. The technical regulations of government agencies are generally reviewed *ex officio*, or at the request, if technically justified, of natural or legal persons, but with no set timeframe for that review. It is up to the agency responsible for implementing the regulation to review it, as and when it deems fit. According to the authorities, such reviews have tended to focus on updating the parameters required of particular products, the procedure for demonstrating conformity, or the overall scope of the regulation. Technical regulations are generally amended or revoked on the basis of changes in technology or international standards.

3.212. Between 1 January 2013 and 31 December 2020, Argentina presented 360 notifications to the WTO Technical Barriers to Trade Committee. Of these, 129 were ordinary notifications, including 118 concerning draft technical regulations.³⁰⁰ Argentina's technical regulations raised no concerns in practice among its trading partners during the period under review.³⁰¹

3.3.2.5 Accreditation

3.213. The accreditation of bodies for the certification of quality systems, products, services and processes, and of testing and calibration laboratories, is the responsibility of the OAA, a civil, economically-sustainable entity established within the SNC in 1995 to perform the functions set forth in National Executive Decree No. 1.474/94.³⁰² The OAA, composed of representatives of producers, consumers and the technology sector, is the SNC's only accreditation body and conducts all accreditation activities. It accredits testing and calibration laboratories; clinical laboratories; providers of aptitude tests; inspection bodies; and system certification bodies for quality control, environmental management, workplace health and safety management, hazard analysis and critical control points, food safety management, products and persons.³⁰³

3.214. Argentina recognizes foreign certification bodies and laboratories, if accredited by their national accreditation agencies, in countries where reciprocity agreements to such effect are in place. Signature of such an agreement facilitates but does not automatically guarantee recognition. The OAA represents Argentina in the International Accreditation Forum (IAF), the International Laboratory Accreditation Cooperation (ILAC) and the Inter-American Accreditation Cooperation (IAAC), in which capacity it has been a signatory of the multilateral recognition arrangements (MLAs) concluded by those organizations.

3.215. The OAA is also the National Monitoring Authority for good laboratory practices within the framework of the Organisation for Economic Co-operation and Development (OECD). In that role it monitors conformity with good laboratory practices applicable to the non-clinical study of pesticides, biocides and industrial chemical products as required for purposes of registration or marketing permits under the OECD Mutual Acceptance of Data (MAD) Agreement. The OAA can also conduct, if necessary, any other monitoring in accordance with good laboratory practices, or any other activity subject to its mandate as defined by regulatory authorities or requested by the interested parties.³⁰⁴ The OAA is also responsible for conducting any accreditation activity introduced into international practice or defined by regulatory authorities.

3.216. In the context of this review, the authorities indicated that the accreditation of third-party conformity assessment bodies is not a requirement for all technical regulations implemented at the national level; determining whether this is necessary depends on the analysis undertaken during the particular drafting process. They also clarified that OAA regulations on the accreditation of certification bodies and laboratories are consistent with those of the international standardization organizations as contained in the ISO/IEC standards (adopted as IRAM standards). For example, among other conditions, the entities concerned must adhere to ISO/IEC guidelines for their activity in order to be accredited.³⁰⁵

³⁰⁰ Information from the WTO. Viewed at:

<http://tbtims.wto.org/en/Notifications/Search?page=3&sortBy=DistributionDate&sortDirection=desc&DistributionDateFrom=01%2F01%2F2013&DistributionDateTo=31%2F12%2F2020&NotifyingMember=Argentina&DoSearch=True>.

³⁰¹ Information from the WTO. Viewed at: <http://tbtims.wto.org/en/SpecificTradeConcerns/Search>.

³⁰² The OAA is governed by this Decree and by Resolution No. 90/95 of the Ministry of the Economy, Public Works and Services of 26 September 1995, Resolution No. 330/99 of 19 May 1999 of the Secretariat of Industry, Trade and Mining, National Executive Decree No. 73/03 of 13 January 2003, the OAA's own statutes and the principles described in its policies manual.

³⁰³ Information from the OAA. Viewed at: <https://www.oaa.org.ar/el-organismo/mision-vision-y-valores/>.

³⁰⁴ Information from the OAA. Viewed at: <https://www.oaa.org.ar/el-organismo/mision-vision-y-valores/>.

³⁰⁵ Resolutions Nos. 123/99 (as amended) and 431/99.

3.217. The aim of the *Calidad Argentina* plan is to promote accreditation as, , according to the authorities, there is currently a shortage of laboratories accredited with the OAA.³⁰⁶ In September 2019, as part of this plan, a new line of credit was introduced, on preferential terms, to finance the OAA accreditation of laboratories and certification and inspection bodies registered as MSMEs. This financing, provided by FONDEP, is intended for laboratories and certification and inspection bodies holding valid MSME certificates. Loans of up to ARS 300,000 per beneficiary are provided within the framework of the *Argentina Exporta* programme.

3.218. According to information from the OAA, as of June 2021 there were 189 accredited testing laboratories; 26 calibration laboratories; 12 clinical laboratories; 7 certification bodies for quality control systems; 7 certification bodies for environmental management systems; 25 certification bodies for products; 3 certification bodies for persons; 3 certification bodies for food safety management systems; 2 certification bodies for hazard analysis and critical control points; 1 certification body for workplace health and safety management systems; 17 inspection bodies; and 5 providers of aptitude testing.³⁰⁷ As of the same date, 21 bodies were recognized as being in compliance with the OECD Principles of Good Laboratory Practice.³⁰⁸

3.3.2.6 Conformity assessment

3.219. As of June 2021, 48 certification bodies, mostly private, had been accredited by the OAA for quality control systems (7 bodies); environmental management systems (7); products (25); persons (3); food safety management systems (3); hazard analysis and critical control points (2); and workplace health and safety management systems (1).

3.220. The main legal framework for the technical regulations of the Secretariat of Domestic Trade (SCI) consists of Law No. 24.240, on Consumer Protection, and Decree No. 274/2019 of 17 April 2019, on Fair Trade, from which the cross-cutting and specific technical regulations are derived. Decree No. 274/2019 makes the SCI the implementing authority, responsible for establishing safety requirements for products or services not specifically regulated by other laws.

3.221. The certification bodies assigned to systems (for quality control, products, services and processes), as well as the inspection bodies and testing and calibration laboratories for the conformity assessment of technical regulations within the SCI's purview, must meet the requirements established in SCI Resolution No. 344/2021 of 9 April 2021, (which revoked Resolution No. 262/2019 and established specific conformity assessment systems for the technical bodies). The Resolution empowers the SCI, as the implementing authority, to define and modify the conformity assessment systems applicable to the technical bodies for each of the technical regulations within its purview; to recognize technical bodies as qualified to deal with those technical regulations and to periodically review that recognition. An annex to the Resolution establishes a series of requisites which, depending on the system assigned for the technical regulation in question, may or may not include accreditation with the OAA, in accordance with ISO/IEC series 1700 standards. The technical bodies must have legal personality and qualified personnel in the country. They must also assume civil, commercial, administrative and criminal liability for their recognized functions and maintain civil liability insurance coverage commensurate with the risks of their activity, and no less than 400 times the adjustable minimum living wage (SMVM) in the case of certification bodies; 150 times the SMVM for testing laboratories; and 100 times the SMVM for inspection bodies.

3.222. All technical bodies must meet the requirements established in Resolution No. 344/2021 but that alone does not qualify them to deal with a particular technical regulation. To obtain that qualification an interested technical body must apply for recognition from the SCI, using the TAD Platform, and submit documentation demonstrating fulfilment of the previously established requisites according to the conformity assessment scheme for that regulation. The SCI examines the application and documentation, and if necessary, directs the body to rectify defects in the documentation within 45 days. Applications and recognition must refer to a particular certification regime and product category. To maintain recognition under the various conformity assessment

³⁰⁶ Resolution No. 380/2019. Information from MDP. Viewed at: <https://www.argentina.gob.ar/noticias/el-gobierno-lanzo-una-linea-de-hasta-300-mil-para-financiar-la-acreditacion-de-laboratorios>.

³⁰⁷ Information from the OAA. Viewed at: <https://www.oaa.org.ar/buscador/entidades-acreditadas/>.

³⁰⁸ Information from the OAA. Viewed at: <https://www.oaa.org.ar/buscador/entidades-bpl/>.

systems, technical bodies must issue documents attesting to the conformity assessment findings based on verifiable information or data.

3.223. The Under-Secretariat for Domestic Market Policies, under the authority of the SCI, as implementing authority for SCI Resolution No. 344/2021, is authorized to enter into agreements with the OAA for the purpose of establishing guidelines for the development of technical body accreditation schemes and applying conditions beyond those indicated in ISO/IEC 17011. It can also record in the technical regulations the acceptance of testing reports issued by foreign-based technical bodies accredited with an accreditation agency that has signed multilateral recognition arrangements to which the OAA is a party.

3.224. To administer the certification of products covered by technical regulations, mandatory certification systems have been established by means of regularly revised resolutions, specifying the certification system to be used and the symbols and labels that products must display (Table 3.37).³⁰⁹ All certification bodies and laboratories contributing to the certification of conformity and related testing protocols under mandatory certification systems for products and services regulated by the SCI must meet the requisites established in Resolution No. 344/2021. According to the legislation, marketers of products and services subject to mandatory certification systems must furnish the SCI with authenticated copies of certificates of conformity issued by recognized certification bodies, prior to any marketing.³¹⁰

Table 3.37 Technical regulations, 2021

Product	Legal provision
Steel products	Resolution No. 404/1999; Resolution No. 924/1999; Order No. 960/1999 (establishing monitoring systems) and Order No. 747/2001
Domestic appliances / energy labelling	Resolution No. 319/99; Order No. 35/2005; Order No. 86/2007; Order No. 859/2008; Order No. 761/2010; Order No. 246/2013; Order No. 219/2015; Order No. 230/2015; Order No. 170/2016, Order No. 172/2016, Resolution No. 795/2019, Resolution No. 800/2019 and Resolution No. 834/2019.
Appliances, equipment, accessories and receptacles for gaseous fuels	Resolution No. 676/99 (suspended by Resolution No. 55/2005)
Lifts	Resolution No. 897/1999
Safety auto parts	Resolution No. 166/2019; INTI Order No. 218/11; SICPME Resolution No. 25/07; SICPME Resolution No. 273/04; SICM Resolution No. 43/03; SICM Resolution No. 838/99; Decree No. 779/95; Law No. 24.449
Sunglasses and spectacle frames	Resolution No. 269/2019
Aluminium bars and profiles	Resolution No.158/2018, as amended and supplemented.
Bicycles	SIC and Pyme Resolution No. 220/2003. Standard applicable IRAM 40020: 2017
Bicycles with electric pedal assistance or Electronically Power Assisted Cycles (EPAC)	SIC and Pyme Resolution No. 220/2003, as amended and supplemented; Joint Resolution SC E-28/2017 IRAM 60020:2017.
Children's bicycles	SCT Resolution No. 91/2004. Standard applicable NM 301: 2004
Steel cables	Resolution No. 153/2018 (suspended by Resolution No.208/2021)
Cement for construction	Resolution No. 54/2018
Solar collectors or systems	Resolution No. 753/2020
Toys and childcare articles containing phtalates	Resolution No. 2/2011 of the Ministry of Health with annexes and supplementing documents
Inflatable tubes and tires for bicycles	Resolution No. 281/2018, as amended and supplemented.
Sworn Declaration of Product Composition (DJCP)	SC Resolution No. E404/2016 (textile products, clothing and footwear)
Personal protection for workers	Resolution No. 896/1999
Lighters	Resolution No. 77/2004
Electrical equipment	Resolution No. 169/2018 as amended by Resolution 836/2019.
Pressurized equipment	Resolution No. 347/2018
Footwear labelling	Resolution No. 465/2018, as amended and supplemented
Textile labelling	Resolution No. 287/2000
Toys	Resolution No. 163-2005 + Annex II (as amended)
Packaging paper	Resolution No. 653/1999, as amended and supplemented.
Batteries	Resolution No. 21/2019 Secretariat of the Environment and Sustainable Development
Graphic paper products	Resolution No. 453/2010
Aluminium radiators	Resolution No. 599-E/2017
Chemical substances	Law No. 24.534; Law No. 26.247; Decree No. 920/1997; SICM Resolution No. 904/1998
Plywood panels	Resolution No. 900/2017

³⁰⁹ Resolution No. 197/04 (as amended) and Resolution No. 799/99 (as amended).

³¹⁰ Resolution No. 123/99 (as amended).

Product	Legal provision
Wood-based panels	Resolution No. 240/2019
Construction materials	Resolution No. 21/2018
Wood furniture	Resolution No. 494/2018 as amended by Resolution No.52/2019.
Inks, lacquers and varnishes containing lead	Resolution No. 453/2010; Order No. 26/2012; Resolution No. 685/2015
Flexible aluminium tubes	Resolution No. 3/2018 (suspended by Resolution No. 208/2021)
School supplies	Resolution No. 680/2015 (suspended by Resolution No. 126/2016)
New vehicles for sale, model configuration permit (LCM)	SI Resolution No. 323/2014; Law No. 24.449; Decree No. 779/1995 Annex P and Annex R; SICM Resolution No. 838/1999; SI Resolution No. 64/2001; SICPME Resolution No. 276/2006; SICPME Resolution No. 283/2008; INTI Order No. 294/2010; DNI Order No. 325/2010; Decree No. 32/2018 - Annex "C"; SICM Resolution No. 325/00; Resolution No. 41-2018
Industrial valves	Resolution No. 92/2019 (suspended by Resolution No.208/2021)

Source: WTO Secretariat based on information from INTI.

3.225. The certification body for INTI is one of the entities assigned to certify products (on a voluntary and regulated basis) as well as processes and persons. INTI is Argentina's only public sector certification body and provides its endorsement as an independent third party to certify that products, processes and persons meet applicable standards and technical specifications.³¹¹

3.226. For products subject to mandatory certification, each of the resolutions and updates thereof must specify the technical regulations and standards to be met for certification, and the procedure to follow to obtain that certification. For example, in the particular case of textiles and footwear, a Sworn Declaration of Product Composition (DJCP) (textile products, clothing and footwear), is required prior to marketing, together with verification of the labelling and market samples. The certification process unfolds in four phases: (a) phase 1: certification request; (b) phase 2: conformity assessment; (c) phase 3: issuance of certificate/seal of conformity; and (d) phase 4: oversight or monitoring. For the certification of regulated products, the recognized certification bodies issue a conformity certificate. This document, as well as a seal of conformity, can also be issued in the case of voluntary certification. Where certification is mandatory, the applicant must be legally domiciled in Argentina.

3.3.3 Sanitary and phytosanitary requirements

3.227. As is the case with the technical regulations, a number of institutions are involved in the development of sanitary and phytosanitary measures within their area of expertise. SENASA, a decentralized body under the Ministry of Agriculture, Livestock and Fisheries (MAGyP), is responsible for implementing national policy on animal and plant health and quality, and on the quality and safety of food, and for ensuring compliance with the law.³¹² The National Drugs, Food and Medical Technology Administration (ANMAT) is responsible for regulations governing procedures for the registration of medical products, while the National Grape-Growing and Wine Production Institute (INV) is tasked with developing sanitary measures for grape-growing and wine production. The National Seed Institute (INASE) is responsible for introducing measures related to seeds. The National Food Control System (SNCA), composed of SENASA, ANMAT and the National Food Commission (CONAL), was created by Decree No. 815/99 to ensure that the entities which make up the SNCA enforce the Argentine Food Code (see below) throughout the country.

3.228. SENASA has three technical national directorates in charge of implementing sanitary and phytosanitary measures: the National Plant Protection Directorate (DNPV), the National Animal Health Directorate (DNSA) and the National Food Quality and Safety Directorate (DNICA). The functions of the DNPV include developing and proposing phytosanitary regulations governing forestry production and the import, export, processing, storage, packing, transport and marketing of plants and their products and by-products, so as to preserve the country's phytosanitary status and help protect public health. The DNSA is responsible for formulating animal health legislation to safeguard the production, import, export, international transit and welfare of livestock and the identification, traceability, transport and marketing of animals and their reproductive material. The DNSA is also responsible for proposing and implementing technical and administrative rules concerning the

³¹¹ Information from INTI. Viewed at: <https://www.inti.gob.ar/areas/servicios-regulados/certificaciones/organismo-de-certificacion>.

³¹² Decree No. 1.585/96, Article 2.

registration of veterinary products and the listing, authorization, control and certification of plants to be processed, fractionated and stored. The DNICA drafts, amends and updates regulations relating to hygiene, safety and quality of raw materials that affect the trade of products, by-products and derivatives of animal and plant origin and animal feed, at the national and international level.

3.229. CONAL is tasked with proposing updates to the Argentine Food Code, using international standards and MERCOSUR agreements as a benchmark. It also recommends uniform deadlines, requirements and procedures for conducting inspections and authorizing establishments and products, as well as for processing, preparing, storing, fractionating and marketing them throughout Argentina. In addition, it maintains the Single National Register of Products and Establishments. Another of its functions is to facilitate the establishment of cooperation mechanisms between public and private organizations to ensure the effective sanitary control of foods.

3.230. The Argentine Food Code (Law No. 18.284 of 1969 (as amended)) sets out the underlying legal framework for the development of sanitary and phytosanitary measures in Argentina and establishes the rules to be followed when producing, marketing, importing and exporting food for human consumption in order to protect the health of the consumer. The Code is also the framework law governing the SNCA.³¹³ Moreover, there is a series of legal instruments that regulates aspects of plant and animal health, including products, by-products and derivatives of animal and/or plant origin, agrochemical products, animal imports and propagation material (Table 3.38).

Table 3.38 Legislation relating to sanitary and phytosanitary measures, 2021

Legal instrument	Content/description
Grape-growing and wine production activity	
Law No. 14.878 of 6 November 1959	General Law on Wines
INV Resolution No. 2/2018	Establishing upper limits for the release of wine for consumption and export
Products, by-products and derivatives of animal and/or plant origin	
Decree No. 815/1999	National Food Control System
SENASA Resolution No. 816/2002	Procedure for audits in countries that export products and by-products of animal or plant origin to Argentina
SENASA Resolution No. 492/2001	Register of importers and exporters
Resolution No. 1354/1994 of the former SENASA	Authorization procedure for importing animals
Resolution No. 1415/1994 of the former SENASA	Regulations governing reproductive material
SENASA Resolution No. 260/2014	Regulating phytosanitary and quality controls of grain products and by-products
SENASA Resolution No. 559/2011	Approving the maximum residue limits (MRLs) on products of animal origin for the main active principles used in the preparation of veterinary products
SENASA Resolution No. 569/2010	Computerized procedure for requesting and issuing the phytosanitary import authorization (AFIDI)
SAGPyA Resolution No. 292/1998	Approving the instructions for the general post-entry quarantine procedure for plant propagation material
SENASA Resolution No. 764/2020	Phytosanitary requirements for seagoing vessels from countries where <i>Lymantria dispar</i> is present
Animals and genetic material	
SENASA Resolution No. 512/2011	Sanitary requirements for authorizing the entry of live animals and their breeding material, and products and by-products derived therefrom
Agrochemical and biological active principles and products, plant therapy products and fertilizers	
SAGPyA Resolution No. 350/1999	Manual of Procedures, Criteria and Coverage for the Registration of Phytosanitary Products in the Argentine Republic
SENASA Resolution No. 264/2011	Manual of Procedures for registration in the National Register of Fertilizers, Dressings, Substrates, Protectors, Conditioners and Raw Materials
Structure of SENASA	
Administrative Decision No. 1881/2018	Approving a new organizational structure for SENASA
Animal and plant health	
Law No. 27.233 of 29 December 2015	Declaring the health of animals and plants to be of national interest
Sanitary transit	
Joint SENASA and AFIP Resolution No. 4297/2018, amending Decree No. 815/99	Approving the electronic plant health transit document (DTV-e) as the only valid transit document for domestic or imported products, by-products and derivatives of plant origin
Importation of animals	
SENASA Resolution No. 76/2019	Removing the register of importers and exporters of animals, plants, reproductive and/or propagation material, products, by-products and/or derivatives of animal or plant origin, created by SENASA Resolution No. 492/2001
Importation of formulated phytosanitary products of foreign origin	
SENASA Resolution No. 660/17	Import authorizations of formulated phytosanitary products of foreign origin
Traceability of phytosanitary and veterinary products	

³¹³ Decree No. 815/99 (as amended).

Legal instrument	Content/description
SENASA Resolution No. 369/13 SENASA Resolution No. 125/2014	Creating the Traceability System for Phytosanitary and Veterinary Products Mandating compliance with the requirements set out in bilateral agreements signed by the DNPV
Plant propagation material DNPV Order No. 4/2013	Implementing the National Health Programme for Plant Propagation, Micropropagation and Breeding Material, created by Resolution No. 203/2012
Bovine spongiform encephalopathy (BSE) SENASA Resolution No. 238/2015	Categorizing the risk of bovine spongiform encephalopathy (BSE) being introduced from other countries
Single Window for Argentine Foreign Trade (VUCEA) and the simplification of administrative procedures	
Joint Resolution of AFIP No. 3.981/2016 and the INV No. 234/2016	Incorporating exports of grape and wine products subject to intervention by the INV into the VUCEA system
Joint General Resolution of AFIP No. 3.972 and SENASA Resolution No. 774/2016	Incorporating exports of goods of animal or plant origin into the VUCEA and approving the computerization of phytosanitary inspection and quality controls
SENASA Resolution No. 75/2019	Requiring applications for export authorisation certificates and import authorisation certificates to be made through the VUCEA or the remote procedure management (TAD) systems.
SENASA Resolution No. 1.165/2019	Simplifying administrative procedures for the import of goods covered by the benefits provided for under Law No. 25.613 (tariff-free import for research) in which SENASA must intervene
Active principles and veterinary products	
SENASA Resolution No. 22/2019	Prohibition on the preparation, distribution, import, use and possession of veterinary products containing the active principle colistin and its salts

Source: WTO Secretariat, based on information provided by the Argentine authorities.

3.231. Some of the main legal provisions related to sanitary and phytosanitary measures adopted during the review period include: (i) SENASA Resolution No. 76/2019, which removes the register of importers and exporters of animals, plants, reproductive and/or propagation material, products, by-products and/or derivatives of animal or plant origin or goods containing ingredients of animal and/or plant origin among their components; (ii) SENASA Resolution No. 369/13, which creates the Traceability System for Phytosanitary and Veterinary Products, whereby all veterinary product transactions in the commercial chain throughout Argentina, including national and imported products, and the various types of retail premises selling such products are recorded. The system requires a seller and a buyer; (iii) SENASA Resolution No. 125/2014, which makes it mandatory for those who intend to engage in the export, import or international transit of products and by-products of plant origin to comply with the requirements established in bilateral agreements signed by the DNPV; and (iv) DNPV Order No. 4/2013, which creates SENASA's National Phytosanitary Register of Propagation, Micropropagation and/or Breeding Material Operators.

3.232. Only authorized imports of products and by-products of plant or animal origin or regulated food items that meet all the relevant sanitary, phytosanitary, zoosanitary and/or safety requirements in each instance are permitted to enter the country. In order to obtain authorization, the importer must complete all the necessary formalities, including the registration of each product and/or operator, the authorization of the establishment/plant of origin and approval of the audits at origin, where appropriate (Table 3.39).

Table 3.39 Main sanitary and phytosanitary requirements and procedures, 2021

Procedure	Requirement
Authorization of new products at cargo terminals by SENASA	Cargo terminals within the jurisdiction of SENASA must be authorized and registered for foreign trade operations
Import/export of live animals	Entry or exit must be processed by SENASA
Import of products and by-products of animal origin	Authorization from SENASA is required
Import/export of animal feed	Authorization from SENASA is required
Import/export of animal reproductive material	The international veterinary certificate must be processed by SENASA
Registering and keeping veterinary product signatures	Registration with SENASA is required in order to manufacture, market, import or export veterinary products
Submitting a sworn declaration of wooden packaging for import	Authorization from SENASA, obtained through a sworn declaration, is required to import goods packed in wooden packaging
Requesting authorization to import or export veterinary products	For veterinary products to be imported or exported, SENASA must process the relevant authorization certificate
Applying to SENASA for a Phytosanitary Import Authorization (AFIDI)	An AFIDI is required to import plants or parts thereof, wood, used agricultural machinery and other items that may carry pests
Requesting authorization for the import/export of fruits and vegetables intended for industry	Authorization is required to import or export fruits and vegetables intended solely for industry

Procedure	Requirement
Requesting phytosanitary certification for imports	To import products and by-products of plant origin, an application for an import certificate must be filed with SENASA
Requesting technical evaluations for the import/export of unregulated products and by-products of animal origin	When importing and/or exporting products and by-products of animal origin not covered by current regulations, an application needs to be filed with SENASA for a case-by-case evaluation before marketing authorization is granted
Requesting an evaluation of special cases for import/export certification	In foreign trade operations involving plant products, any special cases or situations must be evaluated by SENASA for sanitary certification purposes
Requesting a phyto- and zoosanitary permit for international transit from SENASA	An international transit permit is required for the international transit of products of animal or plant origin
Authorizing and renewing authorization for quarantine treatment centres (Single Continuous Oversight System (SUFP*))	Quarantine treatment centres dealing with pests of various plant products must be authorized by SENASA
Authorizing and renewing authorization for artificial insemination centres	Such centres must be authorized by SENASA
Authorizing and renewing authorization for mobile genetics laboratories	Such laboratories must be authorized by SENASA
Applying for accreditation of enterprises providing treatment for Asian and Japanese gypsy moths	Enterprises wishing to engage in the cleaning of vessels suspected of having <i>Lymantria dispar</i> must be accredited by SENASA
Listing and re-listing in the Phytosanitary Register of Cotton Producers	All agents in the cotton production chain must be entered in SENASA's Phytosanitary Register of Cotton Producers
Listing in the National Sanitary Register of Agricultural Producers (RENSPA)	Registration in the RENSPA, kept by SENASA, is required in order to market animals, plants and/or agri-food products
Registration and re-registration of grape harvesting machines	Machinery used for harvesting grapes must be listed in SENASA's National Register of Grape Harvesting Machines
Registration, re-registration and removal of plant nurseries	National Phytosanitary Register of Propagation, Micropropagation and/or Breeding Material Operators (RENFO)
Requesting transit documents for animals or by-products	An electronic transit document (DT-e) is required in order to move animals and by-products within Argentine territory
Applying for an electronic plant health transit document (DTV-e)	A plant health transit document (DTV) must be requested from SENASA in order to move products of plant origin

Source: SENASA.

3.233. By its Resolution No. 76/2019 of 30 January 2019, SENASA removed its register of exporters and/or importers of animals, plants, reproductive or breeding material, products, by-products and/or those derived from animals or plants, or goods that contain ingredients of animal and/or plant origin among their components, created by SENASA Resolution No. 492 of 6 November 2001. Where required by current health regulations, SENASA will obtain information from the Register of Importers and Exporters of AFIP's Directorate-General of Customs (DGA) and the Single Register of Operators in the Food Processing Chain, created by Resolution No. 21-APN-MA of 23 February 2017 of the former Ministry of Agro-Industry.

3.234. A number of products are subject to sanitary/phytosanitary controls when imported or exported; these controls are carried out by SENASA, ANMAT and the INV, depending on the product.³¹⁴ For example, all shipments of products and by-products of grains for export or re-export must be subject to phytosanitary and quality controls by SENASA.³¹⁵

3.235. The issuing of an import authorization may require a risk analysis, depending on the product and the sanitary situation in the country of origin of the goods. For example, when importing a plant product, SENASA, through the Directorate of Foreign Plant Trade (DCEV), a department under the DNPV, may order an audit of the entire sanitary system of origin or an audit of the production chain for the goods intended for import specifically. Moreover, should SENASA or the DCEV and DNPV consider it necessary, the authority responsible for phytosanitary matters in the country of origin and/or provenance must provide guarantees for its national control system, which must have systems for auditing the entire production and marketing chain for plant products. The importation of plant products within ANMAT's jurisdiction that might involve a phytosanitary risk requires authorization and/or inspection from SENASA. In general, imported products of animal or plant origin, whether or not packaged for direct sale to the public, are controlled by SENASA, with the exception of edible oils which are the responsibility of ANMAT.

3.236. Imports of plants or parts thereof, whether in their natural state or processed to some degree, wood, products and derivatives of plant origin or goods and/or inputs containing components of plant origin believed to pose a phytosanitary risk require, in addition to the authorization issued

³¹⁴ Decree No. 1.585/96, Article 2.

³¹⁵ SENASA Resolution No. 260/2014. Viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/185000-189999/185170/texact.htm>.

by SENASA, a Phytosanitary Import Authorization (AFIDI), also issued by SENASA (DCEV). Products of plant origin that have undergone industrial or technological processing and are therefore believed not to be directly affected by crop pests do not require an AFIDI; however, they are inspected upon entering Argentina.³¹⁶ The AFIDI is the document indicating the phytosanitary requirements that must be met by products of plant origin. SENASA assesses AFIDI applications on a case-by-case basis. The document is valid for two months in the case of imports for consumption, and nine months for imports for propagation and growth media. It may be used for multiple shipments during these periods. The AFIDI must be processed via the management system for imported plant products (SIGPV_IMPO) and must be accompanied by a SENASA import certificate, following a physical and documentary verification of the goods in accordance with the phytosanitary requirements for import as set out in the AFIDI. The importer must be registered in the DGA's Register of Importers and Exporters. In the case of seeds, an import application authorized by INASE should also be presented. A flora certificate is required for live specimens, products and by-products of wild flora.³¹⁷ Where the goods are placed in wood packaging, a sworn declaration of wood packaging and wood for carriage and stowage must be presented in accordance with SENASA Resolution No. 614/2015.

3.237. Imports of plants, cuttings, buds and bulbs, which are considered to be products of greater phytosanitary risk, are to be quarantined upon entry. Products of plant and animal origin imported for the first time may be subject, if SENASA deems it necessary, to a prior inspection at origin.

3.238. The details of the phytosanitary policy are developed through the DCEV, which has the authority to establish the phytosanitary requirements for import after consulting the DNPV's various agencies, where necessary. Pest risk analyses are used to determine phytosanitary requirements. The country of origin of the goods is informed of the requirements and may make remarks and comments. Any changes deemed necessary and appropriate in the light of these remarks are made and the exporting country is notified for final confirmation or further comment. Once confirmation is received or the comments have been evaluated, the DCVE prepares the definitive import requirement and notifies the WTO.

3.239. The DNSA sets animal health standards based on the recommendations of the World Organisation for Animal Health (OIE) and on the latest scientific information available. Some animal health standards are defined at the MERCOSUR level by the Animal Health Commission and the Plant Health Commission of Working Subgroup (SGT) No. 8 on agriculture and the Food Commission of SGT No. 3 on technical regulations and conformity assessment. These standards are issued in the form of resolutions of the MERCOSUR Common Market Group, which are then incorporated into Argentine law.

3.240. Importing live animals and genetic material requires authorization from SENASA, which is based on a technical evaluation. This authorization must be obtained before the animals or genetic material are shipped from the exporting country and is valid for 30 days from the date of approval.³¹⁸

3.241. The DNICA is responsible for designing food product legislation. SENASA has the authority to suspend the import of food products if their entry involves a proven risk for human, animal or plant health. In the event of a recurrence, the complete suspension of the import authorization for a specific origin may be ordered. Moreover, SENASA has the power to change the specific import requirements to align them with the international reference standard. The WTO should be notified of such changes.

3.242. The development of sanitary and phytosanitary measures follows an established procedure. Annex II of SENASA Resolution No. 401/2010 contains a manual of legislative techniques and procedures for developing standards,³¹⁹ and SENASA Resolution No. 712/2016 sets out the procedure for SENASA to follow when handling draft legislation. Annex I of the Resolution establishes requirements for the various stages of the development process of a new SENASA standard, namely

³¹⁶ SENASA. Application for a Phytosanitary Import Authorization (AFIDI). Viewed at: <https://www.argentina.gob.ar/solicitar-autorizacion-fitosanitaria-de-importacion-afidi>.

³¹⁷ SENASA. Application for phytosanitary certification for imports. Viewed at: <https://www.argentina.gob.ar/solicitar-certificacion-fitosanitaria-de-importacion>.

³¹⁸ SENASA Resolutions Nos. 1354/94, 1415/94, 816/02 and 512/2011, and information provided by the authorities.

³¹⁹ Viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/310000-314999/310951/norma.htm>.

authorization to create and/or amend a new standard, the drafting of the legislative proposal, the internal consultation process, consultation with related sectors, legal analysis, public consultation and the preparation of the final draft.

3.243. During the period under review, a significant change was introduced which placed limits on the possible duration of sanitary or phytosanitary measures for the first time. Annex I, Article 3, of Ministry of Agro-Industry Resolution No. 381/2017 provides that all standards of the former Ministry of Agro-Industry and its decentralized agencies (including SENASA) imposing obligations on citizens and issued after the entry into force of the Resolution should expressly set a period of validity not exceeding four years, which may be extended once by a reasoned decision of the competent authority with the rank of under-secretary or higher.

3.244. Between 1 January 2013 and 31 December 2020, Argentina submitted 99 SPS notifications (including addenda and corrigenda) to the WTO, of which three were notified as emergency measures.³²⁰ During this period, no other WTO Members expressed any new trade concerns regarding the sanitary and phytosanitary measures adopted by Argentina. Since the creation of the WTO in 1995, seven such concerns have been raised regarding the measures taken by the country, but none of them were during the review period.³²¹

3.3.4 Competition policy and price controls

3.3.4.1 Competition policy

3.245. The National Commission for the Defence of Competition (CNDC) is currently the institution responsible for implementing competition policy in Argentina via the Law on the Defence of Competition until such time as the National Competition Authority, created by the new competition law, is formed (see below). The CNDC is a decentralized body of the Secretariat of Domestic Trade under the current Ministry of Productive Development. Its aim is to protect the general economic interest.

3.246. The CNDC may conduct preventive and penalty procedures and it is authorized to make cease and desist orders and/or call for any behaviour or act that distorts or impairs competition to be changed, in line with the interests of the public at large. As part of its investigative powers, the CNDC may adopt interim measures, petition the courts to seize assets, and search and attach goods. To achieve its objectives, the CNDC: (i) initiates preliminary enquiries into reports of anti-competitive practices, abuses of a dominant position and cartel arrangements; (ii) analyses the structures of markets and business control chains in economic concentration operations; (iii) investigates the behaviour and structures of specific markets; and (iv) makes recommendations to foster competition and promote competition culture.³²²

3.247. Law No. 26.993 of 27 September 2014 amended the Law on the Defence of Competition (No. 25.156) then in force, and Regulatory Decree No. 718/2016 declared the Secretariat of Domestic Trade of the Ministry of Production (now the Ministry of Productive Development) to be the implementing authority of the Law on the Defence of Competition and the amendments thereto. As such, the Secretariat was authorized to issue any explanatory and supplementary regulations necessary to apply the Law.

3.248. During the review period, Argentina passed a new competition law to modernize its legislation and incorporate new elements such as leniency programmes and civil fines in favour of

³²⁰ These notifications can be viewed at:

<http://spsims.wto.org/en/Notifications/Search?DoSearch=True&NotifyingMember=Argentina&NotificationFormats=1&NotificationFormats=7&NotificationFormats=200&NotificationFormats=201&NotificationFormats=202&NotificationFormats=203&NotificationFormats=8&NotificationFormats=9&DistributionDateFrom=01%2F01%2F2013&DistributionDateTo=31%2F12%2F2020&DisplayChildren=true>.

³²¹ Information from the WTO. Viewed at:

<http://spsims.wto.org/en/SpecificTradeConcerns/Search?ProductsCoveredHSCodes=&DoSearch=True&NumberOfSpecificTradeConcern=&FirstDateRaised=true&FirstDateRaised=false&DateSubsequentlyRaised=true&DateSubsequentlyRaised=false&MarchApril=true&MarchApril=false&JuneJuly=true&JuneJuly=false&October=true&October=false&YearFrom=&YearTo=&Participation=101&Members=Argentina&Title=&Keywords=&DateReportedAsResolvedFrom=&DateReportedAsResolvedTo=&DescriptionOfContent=>.

³²² Information from the CNDC. Viewed at:

<https://www.argentina.gob.ar/defensadelacompetencia/funcion-y-objetivos>.

the injured party. The amendment was introduced under Law No. 27.442 of 9 May 2018 and its implementing regulation, Decree No. 480/2018. The Law draws a distinction between prohibited practices, wholly anti-competitive practices and anti-competitive practices. Furthermore, it expressly prohibits agreements between competitors, economic concentrations and any act or conduct relating to the production of and trade in goods or services aimed at, or having the effect of, limiting, restricting, falsifying or distorting competition or market access, or constituting abuse of a dominant position in a market in such a manner as might be prejudicial to the general economic interest.

3.249. Agreements consisting of contracts, compacts or arrangements between competitors are regarded as wholly anti-competitive practices and are presumed to harm the general economic interest where they have the purpose or effect of: (a) directly or indirectly concerting the selling or purchase price of goods or services offered or demanded on the market; (b) establishing obligations to produce, process, distribute, purchase or market only a restricted or limited quantity of goods and/or providing a restricted or limited number, volume or frequency of services; (c) horizontally sharing, dividing, distributing, assigning or imposing territories, portions or segments of markets, customers or sources of supply; and (d) establishing, concerting or coordinating positions or abstaining from tenders, competitions or auctions. Such agreements are considered null and void and will therefore have no legal effect.

3.250. The Law applies to all natural or legal persons, public or private, for-profit or non-profit, that undertake economic activities in all or part of Argentine territory, as well as those engaged in economic activities outside the country, insofar as their acts, activities or agreements have potential effects on the domestic market. The Law contains a list of anti-competitive practices (Box 3.1).

Box 3.1 Anti-competitive practices under the 2018 Law on the Defence of Competition

The Law contains a list of acts that constitute anti-competitive practices:

- directly or indirectly fixing the selling or purchase price of goods or services at which they are offered or demanded on the market, and exchanging information for the same purpose or with the same effect;
- fixing, imposing or manipulating in any way, directly or indirectly, conditions for: (i) producing, processing, distributing, purchasing or marketing only a restricted or limited quantity of goods, and/or (ii) providing a restricted or limited number, volume or frequency of services;
- agreeing to limit or control technical development or investment in the production or marketing of goods and services;
- preventing, hampering or obstructing third parties from entering or remaining in a market or excluding them therefrom;
- affecting markets for goods or services, by means of agreements to limit or control research and technological development, the production of goods or the provision of services, or to obstruct investment for the production of goods or services or their distribution;
- subordinating the sale of one good to the purchase of another or to the use of a service, or subordinating the provision of one service to the use of another or the purchase of a good;
- making a purchase or sale conditional on not using, purchasing, selling or supplying goods or services produced, processed, distributed or marketed by a third party;
- imposing discriminatory conditions on the acquisition or disposal of goods or services without reasons founded in commercial practice and custom;
- unjustifiably refusing to satisfy specific requests for the purchase or sale of goods or services, made on the terms and conditions prevailing in the market in question;
- suspending the provision of a market-dominating monopoly service to a provider of public or public interest services;
- selling goods or providing services at below cost, without reasons founded in commercial practice and custom, for the purpose of driving competition out of the market or harming the image or assets or brand of providers of goods or services;
- natural persons simultaneously acting as directors or holding key managerial positions in two or more competing enterprises.

Source: Law No. 27.442 of 9 May 2018.

3.251. The 2018 Law on the Defence of Competition (LDC) created the National Competition Authority (ANC) as a decentralized and autonomous body under the national executive in order to implement and monitor compliance with the Law. It provides that the CNDC will continue to act with its current structure under the Secretariat of Domestic Trade of the Ministry of Productive Development until the organizational structure of the ANC becomes fully operational.³²³ The

³²³ Article 5 of implementing Decree No. 480/2018 states that the Secretariat of Domestic Trade will act as the implementing authority with all the powers granted to the ANC under Law No. 27.442 and its

Competition Court (TDC), the Secretariat for the Investigation of Anti-Competitive Practices and the Secretariat for Mergers and Acquisitions will operate under the ANC.³²⁴ The President of the TDC will also preside over the ANC. As of June 2021, the ANC has not yet been established.

3.252. All powers relating to the subject matter of the 2018 LDC granted to State bodies or entities have been withdrawn by law. Only the ANC has the authority to hear matters concerning the implementation of the 2018 Law. The Chamber for the Defence of Competition was set up to act as a specialist chamber under the National Chamber of Civil and Commercial Appeals. Headquartered in the Autonomous City of Buenos Aires (CABA), it will be the judicial body responsible for reviewing decisions rendered by the TDC and for resolving all cases where concentration notifications are required. The TDC will be composed of five members and will have the power to make general or sector-specific recommendations; issue non-binding opinions on matters of free competition in relation to laws, regulations, circulars and administrative acts; cooperate with the competent bodies in the negotiation of international treaties, agreements or conventions regulating competition policy; carry out market studies and research; and impose penalties as provided for in the LDC.

3.253. Pursuant to the Law, the Secretariat for the Investigation of Anti-Competitive Practices will be the division of the ANC in charge of receiving and processing complaints of law violations, deciding on their admissibility and proposing the penalties under the Law to the TDC. The Secretariat for Mergers and Acquisitions will be responsible for receiving and processing concentration notifications and issuing opinions on their admissibility, lodging complaints *ex officio* for concentrations where notification should have been given but was not, issuing opinions on any approval, subordination or rejection of the notified operation, and issuing opinions on appeals against the acts of the TDC in relation to economic concentrations.

3.254. Until the ANC is established, the National Directorate for Anti-Competitive Practices of the CNDC will continue to be responsible for instituting and coordinating proceedings to investigate, combat and sanction anti-competitive practices, preparing decisions for consideration by the CNDC authorities on practices that have a negative impact on market competition, and proposing penalties. The National Directorate for Mergers and Acquisitions is tasked with initiating and coordinating concentration analysis procedures, monitoring acts leading to an economic concentration and preparing decisions within its competence for the consideration and signature of the CNDC authorities.

3.255. The 2018 Law on the Defence of Competition places the TDC in charge of administering the National Register for the Defence of Competition, in which concentration operations and final decisions are to be recorded. As the TDC has not yet been established, the Register was created within the competence and under the control of the CNDC Registry Directorate, in accordance with CNDC Order No. 75/2019 of 30 August 2019. The Register contains information on the final decisions of the CNDC (type of procedure; the type, number and date of the decision, appeal and any withdrawal; or amendment of the measure) and on the concentration operations notified (date of notification and a non-confidential description of the operation submitted by the parties).

3.256. The Law defines a dominant position as the existence of a sole supplier or customer for a specific type of product or service on the domestic market or in another part of the world or, if there is more than one, where the supplier or customer is not exposed to substantial competition or, owing to the degree of vertical or horizontal integration, is in a position to affect the economic viability of a competitor in the market. To establish the existence of a dominant position, the following factors are taken into consideration: (a) the extent to which the good or service in question cannot be substituted by another, whether of national or foreign origin, as well as the conditions of such a substitution and the length of time it would require; (b) the extent to which legislative restrictions limit access of products, suppliers or customers to the market in question; and (c) the extent to

implementing regulations, until the ANC is established and operational. Article 6 of the same implementing Decree provides that, until the organizational structure of the ANC becomes fully operational, the CNDC will continue to function with its current structure.

³²⁴ For the purposes of the 2018 Law on the Defence of Competition, the members of the ANC are: (i) the President and members of the Competition Court, (ii) the Secretary for the Investigation of Anti-Competitive Practices, and (iii) the Secretary for Mergers and Acquisitions. Each member will have a five-year term.

which the alleged offender can unilaterally influence price formation and the extent to which competitors can offset this influence.

3.257. The Law on the Defence of Competition prohibits economic concentrations whose purpose or effect is or might be to restrict or distort competition in a such a manner as might be prejudicial to the general economic interest. The Law requires notification before the completion of a concentration where the total business volume of the group of enterprises involved exceeds the equivalent of 100 million *unidades móviles* (adjustable units of account) in Argentina.³²⁵ The previous law set the threshold at ARS 200 million, the value of which fell over time due to inflation. The 2018 LDC establishes exhaustive criteria for determining whether enterprises should be included in the minimum business volume requiring notification.³²⁶ The Law introduced another change, which was not yet in force as of June 2021, whereby the concentration can only be completed once approved by the ANC. The previous law allowed notification to be given up to one week after the effective completion of the transaction, meaning that there was really no preventive control of mergers.³²⁷ Concentrations not approved by the ANC are invalid and those involved are liable to sanctions.

3.258. Under the Law, an economic concentration is exempt from notification where neither the amount of the operation nor the value of the shares in question located in Argentina exceed 20 million adjustable units, unless operations with a total value in excess of this amount were carried out in the same market within the preceding 12 months, or 60 million adjustable units in the preceding 36 months. The following acquisitions are also exempt from the notification requirement: (a) enterprises in which the buyer already owns more than 50% of the shares and the nature of the control remains unchanged;³²⁸ (b) acquisitions of company bonds, debentures, non-voting shares or debt securities; (c) the takeover of a single enterprise by an individual foreign firm that has not previously held assets (other than residential assets) or shares in other enterprises in Argentina and whose exports were not significant, habitual and frequent in the preceding 36 months; and (d) enterprises that have not recorded any activity in the country in the last year.

3.259. After notification, the TDC or CNDC should decide whether to authorize the operation, authorize it subject to certain conditions or refuse authorization within 45 days of submission of all the information.³²⁹ If the notified operation is believed to have the potential to restrict or distort competition and harm the general economic interest, the TDC, before making a decision, will inform

³²⁵ The 2018 Law on the Defence of Competition defines total business volume as the amount resulting from the sale of products, the provision of services and direct subsidies received by the enterprises involved during the preceding financial year from their ordinary activities, after deduction of sales discounts, VAT and other taxes directly related to business volume. The adjustable unit (UM) is a unit of account created by the LDC, initially fixed at ARS 20. Resolution of the Secretariat of Domestic Trade, under the Ministry of Productive Development, No. 13/2020 of 23 January 2021 changed the value of the adjustable unit to ARS 40.61. The Resolution can be viewed at: <https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-13-2020-334071>. Resolution of the Secretariat of Domestic Trade, under the Ministry of Productive Development, No. 151/2021 of 21 February 2021 set the value of the adjustable unit at ARS 55.29 for 2021. The Resolution can be viewed at: <https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-151-2021-347277/texto>.

³²⁶ The business volume criterion is applied to: (a) the target enterprise in a change of control; (b) enterprises in which the target enterprise directly or indirectly holds more than half of the capital or working capital, has the power to exercise more than half the voting rights or to appoint more than half the members of the supervisory board or the board of directors, or the right to manage their affairs; (c) the enterprises taking control of the target enterprise; (d) enterprises in which the enterprise taking control of the target enterprise holds the rights or powers listed in (b); (e) enterprises in which an enterprise referred to in (d) holds the rights listed in (b); (f) enterprises in which several enterprises referred to in (d); and (g) jointly hold the rights or powers listed in (b).

³²⁷ The Law provides that the obligation to notify prior to the merger will not enter into force until one year after the ANC becomes operational, which, as of June 2021, has not yet happened. In the meantime, notification of economic concentrations with a total business volume of more than 100 million adjustable units must be made in advance or within one week of the date of signature of the agreement, the publication of the offer of purchase or exchange of shares, or the acquisition of a controlling interest. The one-week period runs from the occurrence of the first of these events.

³²⁸ This change was introduced by the new Law; the previous law made no reference to change of control as a requisite for exemption from notification. However, according to the authorities, it was later included in 2018 LDC because exemption due to change of control had been established in the CNDC's administrative case law.

³²⁹ The CNDC already applied this summary procedure in practice. The new feature of the 2018 LDC is that it authorizes the TDC to establish a summary procedure for economic concentrations that, in its view, are less likely to be covered by the ban on restricting or distorting competition.

the parties of its objections and convene a special hearing to consider possible measures to mitigate the negative effect on competition. In this case, the deadline for the TDC's decision may be extended by up to 120 days. If no decision has been taken before the expiry of the time limit set out in the LDC, the operation shall be deemed to have been authorized tacitly.³³⁰ Where the concentration involves services regulated by the State through a regulatory authority, the CNDC shall, within three days of notification of the operation, request the regulatory authority to provide a reasoned opinion on the proposed concentration, indicating the potential impact on competition in the relevant market or on compliance with the relevant regulatory framework. The regulatory authority should issue its opinion within a maximum period of 15 days, after which time it shall be understood that the authority does not object to the operation. The opinion shall not be binding.

3.260. Decree No. 480/2018, implementing the Law on the Defence of Competition, provides that authorization for a concentration expires if the operation is not carried out within one year of tacit authorization or of notification of express authorization.

3.261. From the entry into force of the Law and its implementing regulation until March 2021, 254 economic concentrations were reviewed,³³¹ of which 147 were approved under Law No. 25.156 (in accordance with Article 81 of the 2018 Law on the Defence of Competition), 94 were approved under Law No. 27.442 exclusively, 3 were rejected under Law No. 25.156 and 1 was dismissed as the case was moot. In 9 of these cases, it was held that the operation was not subject to the notification requirement and in 2 cases fines were imposed for late notification.³³² During the period 2013-20, the CNDC made 870 decisions concerning concentrations. Of these, 796 were approved, 22 were conditionally approved, 3 were approved with fines imposed, 19 were rejected, 12 were not subject to notification and 18 were dismissed. During the review period, 444 decisions were taken regarding anti-competitive practices and fines totalling ARS 1,332 million were levied. The industries and activities covered include medicines and health services, the automotive industry, telecommunications, cleaning products and intellectual property.

3.262. The investigation procedure for an alleged anti-competitive practice may be initiated *ex officio* or following a complaint from any public or private natural or legal person. The procedures are public for the parties and their defenders, but secret for those outside the case. Once the summary investigation is complete or once the 180-day time limit has expired, a decision must be made regarding the admissibility of the notification, and the alleged offenders must be given 20 days in which to present their defence and adduce the evidence they deem relevant. The TDC or the CNDC will rule on the admissibility of the evidence and their decisions are not subject to appeal. The evidentiary period lasts 90 days, renewable for another 90 days. After the expiry of this period, the parties and the Secretary for the Investigation of Anti-Competitive Practices have six days in which to present their arguments regarding the merits of the evidence. The competition authority will then take a decision within a maximum of 60 days. Before the decision is rendered, the alleged offender may agree to the immediate or gradual cessation of the practices under investigation or to change certain aspects related thereto. If an agreement is reached, the authority may decide to suspend proceedings and, after three years of compliance with the agreement, the case shall be closed. Otherwise, penalties may be imposed.

3.263. The penalties that may be applied for failing to comply with the Law include the cessation of the acts or conduct and the reversal of their effects; the application of fines; the imposition of conditions; and removal from the register. More specifically, those who carry out the prohibited acts set out in the Law will be fined: (i) up to 30% of the business volume from the products or services involved in the unlawful act during the previous financial year, multiplied by the duration of the act in years. This amount may not exceed 30% of the consolidated national business volume recorded in the preceding financial year by the economic group to which the offenders belong; or (ii) up to double the reported economic benefit from the unlawful act. If both methods can be used to calculate the fine, the higher amount shall be levied. If the fine cannot be determined using these methods, it may be set at up to 200 million adjustable units.³³³ Where acts constituting an abuse of a dominant

³³⁰ Under the 2018 Law, concentrations that have been notified and authorized may not subsequently be challenged before the administrative courts based on information and documentation verified by the TDC or CNDC, unless the decision relied on false or incomplete information.

³³¹ Information provided by the CNDC.

³³² Information provided by the CNDC.

³³³ The Law provides that, where the offences are committed by a legal person, the fine may also be applied to the executives, managers, directors, trustees or members of the supervisory board, agents or legal representatives thereof, who, by their action or omission, contributed to, encouraged or permitted the

position are discovered or where a monopoly or oligopoly position is found to have been acquired or consolidated, the authority may impose conditions to neutralize the distorting effects on competition or apply to the competent court for the offending enterprises to be dissolved, liquidated, decentralized or split. Those responsible for anti-competitive practices may also be removed from the National Register of Government Suppliers for up to five years, or up to eight years in the case of strictly prohibited practices.

3.264. Those who fail to fulfil their obligation to notify a concentration when required to do so or who fail to abide by an agreement with the authority to cease their conduct are liable to a fine at a daily rate of up to 0.1% of the consolidated national business volume recorded in the preceding financial year by the economic group to which the offenders belong. If this method is not applicable, a fine of up to 750,000 adjustable units per day may be imposed. Those who obstruct or impede an investigation or who fail to meet the authority's demands within the established time limits and following the procedures laid down are liable to fines of 500 adjustable units per day.

3.265. The 2018 LDC introduced a leniency programme whereby any natural or legal person who has been or is party to a wholly anti-competitive practice may disclose and admit this to the authority and benefit from a reduction of, or exemption from, the fine. Exemption will be granted where information is provided that permits the existence of the anti-competitive practice to be established in cases where there was not sufficient evidence beforehand and, at the same time, the offending practice is ceased and the offender collaborates with the investigation.³³⁴ Where further incriminating evidence is submitted and, at the same time, the offending practice ceases immediately and the offender collaborates with the investigation, the penalty may be reduced by between 20% and 50%. Where two or more participants are involved in concerted anti-competitive conduct, they may not jointly benefit from a reduction of or exemption from the penalties or fines.

3.266. The decisions of the TDC or CNDC are subject to appeal within 15 working days of notification thereof in cases involving: (a) the application of penalties; (b) the cessation of or abstention from a practice; (c) objection to or the imposition of conditions on a concentration operation; (d) the dismissal of a complaint by the implementing authority; and (e) the rejection of an application under the leniency programme. The appeal and its argumentation should be submitted to the TDC or CNDC, which should refer the appeal, together with its response, to the competent court within 10 days of submission. Appeals relating to penalties shall have suspensive effect when proof is provided of fidelity insurance for the corresponding penalty. The Chamber for the Defence of Competition, created by the 2018 Law on the Defence of Competition, shall be the competent appeal court and judicial body responsible for reviewing penalties and administrative decisions.

3.267. Changes to competition legislation have been positively received, both in Argentina and abroad. A recent study by an Argentinian law firm found that "Law No. 27.442 manages to address most of the problems posed by the implementation of Law No. 25.156, in force from 1999 to date, by seeking to create a truly independent authority, increasing the interest and tools necessary to prosecute cartels, increasing fines, implementing a leniency programme, promoting private litigation and easing the burden on the excessively bureaucratic process for controlling mergers currently in place".³³⁵ The authorities believe that the civil fine³³⁶ introduced by the Law will serve as a key incentive for increasing private litigation, thereby enhancing the enforcement of anti-trust laws. Meanwhile, a recent report published by the OECD states that the new competition regime adopted in Argentina is in line with international good practices on the effective enforcement of competition law against cartels and against bid rigging in public procurement.³³⁷

infringement. In this case, the aforementioned natural persons and the legal person may lose their authorization to trade for between 1 and 10 years.

³³⁴ However, the TDC or CNDC may ask the leniency applicant to continue the offending act or conduct in cases where it is deemed necessary to continue the investigation.

³³⁵ Miguel Del Pino & Santiago Del Rio, Marval, O'Farrell & Mairal abogados (2018), *La nueva Ley de Defensa de la Competencia: los cambios que toda empresa debe tener en cuenta*. Viewed at: <https://www.abogados.com.ar/la-nueva-ley-de-defensa-de-la-competencia-los-cambios-que-toda-empresa-debe-tener-en-cuenta/21487>.

³³⁶ Article 64 of the Law states that, at the behest of the aggrieved party, persons who fail to comply with the law are liable to pay a civil fine to that party. The fine shall be determined by the competent judge taking into account the seriousness of the offence and the other circumstances of the case, regardless of any other compensation owed.

³³⁷ OECD (2019), *Fighting bid rigging in the procurement of public works in Argentina 2019*

3.268. Law No. 24.240 on Consumer Protection, enacted on 22 September 1993, protects consumers' rights and covers the production, assembly, creation, construction, processing, importation, branding, distribution and marketing activities of goods and services intended for consumers or users. The Law is binding on all suppliers, but it does not cover liberal professional services.³³⁸

3.3.4.2 Price controls

3.269. Argentine legislation allows authorities to intervene to tackle distortions in the market, including through price regulation. In this regard, Argentina continues to apply price regulation and marketing policies. The authorities have pointed out that the purpose of these policies is to promote consumption, strengthen domestic production and combat speculation.

3.270. Law No. 26.991, or the New Regulation on Production and Consumption Relations enacted on 18 September 2014, amending the Law on Supply, No. 20.680 of 1974, authorizes the implementing authority to: (a) establish, at any stage of the economic process, profit margins, reference prices and maximum and minimum prices, or all or some of these measures; (b) issue marketing, intermediation, distribution and/or production regulations; (c) establish, where necessary to ensure the supply and/or provision of services, minimum levels or quotas for production, processing, marketing, transport, distribution or provision of services taking into account the normal volume of production, manufacture, sales or provision of services, as well as productive capacity, the economic situation of the party concerned and the economic equation of the process or activity. According to the Law, the measure adopted must be economically viable or, failing this, fair and appropriate compensation should be offered.

3.271. Law No. 26.991 applies to the selling or buying, bartering or leasing of goods, works and services, including their direct or indirect raw materials and inputs, and to services that directly or indirectly cater to the basic or essential needs for the general well-being of the population.³³⁹ Micro, small and medium-sized enterprises (MSMEs) are exempt provided that they do not hold a dominant position within the meaning of the 2018 Law on the Defence of Competition.

3.272. The measures contained in Law No. 26.991 may be adopted where: (i) there is an artificial or unjustified price increase that does not proportionately match rising costs, or excessive profits are made; (ii) inventories are re-evaluated without express authorization from the implementing authority; (iii) raw materials or products are hoarded, or inventories are formed that are larger than necessary to meet demand; (iv) stages of distribution and marketing are artificially created; (v) goods or merchandise are destroyed or the provision of services is obstructed; (vi) the sale of goods or provision of services is unjustifiably denied or restricted, or, without reason, normal production is reduced or not increased to meet demand; (vii) normal supply from one zone to another is diverted or discontinued without good cause; (viii) goods and services with maximum and minimum prices or fixed profit margins are not put on sale or production is discontinued; or (ix) no invoice or bill of sale is issued.

3.273. According to the authorities, the provisions of Law No. 26.991 were recently applied as a result of the COVID-19 pandemic: (a) in the case of alcohol gel (and all similar products for hand washing containing alcohol as their key ingredient), the prices were reset to the levels as at 15 February 2020 and the reference prices for sale to consumers were fixed. The measure was in place for 90 days³⁴⁰ and was extended for a further 60 days;³⁴¹ (b) in the case of body contact thermometers, sale prices were temporarily reset to levels as at 6 March 2020 for all economic agents involved in the production, distribution and marketing chain;³⁴² (c) the marketing of "N95 and/or surgical and/or triple-layer masks" was restricted solely to natural persons with a valid document proving their status as health service professionals or staff.³⁴³ This measure was in place for 90 days and not extended; (d) a maximum sale price was established for the active principle

³³⁸ The text of the Law No. 24.240 may be viewed at:

<http://servicios.infoleg.gob.ar/infolegInternet/anexos/0-4999/638/texact.htm>.

³³⁹ The text of the Law may be viewed at:

<http://servicios.infoleg.gob.ar/infolegInternet/anexos/235000-239999/235279/norma.htm>.

³⁴⁰ SCI Resolutions No. 86/2020, Official Journal of 12 March 2020, and No. 115/2020, Official Journal of 17 April 2020.

³⁴¹ SCI Resolution No. 151/2020, Official Journal of 3 June 2020.

³⁴² SCI Resolution No. 114/2020, Official Journal of 17 April 2020.

³⁴³ SCI Resolutions No. 114/2020 and No. 144/2020, Official Journal of 29 May 2020.

"Nusinersen (Spinraza®) 12mg/5mL", a solution for intrathecal injection, for the duration of the health emergency declared by the national government in Decree No. 260/2020³⁴⁴; (e) in November 2020, maximum prices were established for medicines to combat the COVID-19 pandemic intended for sale to health agencies in the public, private and social security subsystems throughout the country. The measure was in place for 150 days and not extended.³⁴⁵

3.274. A system of penalties was established for those who: (a) artificially or unjustifiably raise prices in a manner disproportionate to cost increases, or who make excessive profits; (b) re-evaluate inventories without express authorization from the implementing authority; (c) hoard raw materials or products, or form larger-than-necessary inventories; (d) unnecessarily act as an intermediary or allow a person to act as an intermediary, or create artificial distribution and marketing stages; (e) destroy goods or merchandise, obstruct the provision of services or perform any other act intended to reduce production, sales or transport; (f) unjustifiably deny or restrict the sale of goods or provision of services, or, without reason, reduce normal production or fail to increase it, having been called upon to do so by the implementing authority and while having productive capacity; (g) divert or discontinue normal supply from one zone to another without good cause; (h) do not make available for sale or discontinue the production of goods and provision of services with maximum and minimum prices or fixed profit margins; and (i) do not issue an invoice or bill of sale. Those who engage in the acts outlined above are subject to penalties in the form of: fines of up to ARS 10 million or triple the profit obtained from the offence; closures of establishments for up to 90 days; disqualification from using or renewing loans from public institutions for up to two years; confiscation of the infringing goods and products; loss of authorization to trade and disqualification from public office for up to five years; suspension from registers of government suppliers for up to five years; and loss of concessions, privileges or entitlement to special tax or credit regimes. The size of the company in economic terms, its position in the market, the effect and significance of the offence and the harm caused to the market or consumers are taken into account when determining the penalties.

3.275. Law No. 26.991 authorizes provincial governors and/or the head of the City of Buenos Aires government to set maximum prices and similar measures within their respective jurisdictions where such measures are not in place at the national level. Within their jurisdictions, the authorities may also reduce the prices set by the national authority where the circumstances so warrant. They may not, however, increase the prices without permission from the national authority.

3.276. The 2002 Public Emergency and Exchange Regime Reform Law called for the renegotiation of contracts for the supply of public services.³⁴⁶ To this end, the Public Utility Contracts Renegotiation and Analysis Unit (UNIREN) was created under the Ministry of the Economy and Public Finance (MEFP) by Decree No. 311 of 3 July 2003. Renegotiations have taken place in sectors including transport services, telecommunications, electric power and water. However, from 2006, these contracts were not renegotiated. In order to conclude the renegotiation process for public works and services contracts as provided for in Article 9 of Law No. 25.561, Decree No. 367/16, repealing Decree No. 311 of 3 July 2003, instructed the ministries responsible for renegotiating their respective contracts to continue doing so. The competent ministries were authorized to sign partial contract renegotiation agreements and transitional price and tariff adjustments jointly with the Ministry of the Economy and Public Finance to ensure that the provision of services would continue as normal until the full contractual negotiation agreements are concluded. These agreements will be based on the outcome of a comprehensive tariff review. According to the authorities, the following were subject to tariff adjustments and renegotiations under this piece of legislation: (a) propane and natural gas prices at the point of entry;³⁴⁷ (b) concession of the Urquiza and Belgrano Norte lines of the metropolitan rail passenger services;³⁴⁸ (c) licensing contracts for the transport and distribution

³⁴⁴ SCI Resolution No. 202/2020, Official Journal of 1 July 2020.

³⁴⁵ Joint Ministry of Health and SCI Resolution No. 1/2020, Official Journal of 6 November 2020.

³⁴⁶ Law No. 26.729 of 28 December 2011 extends the validity of the Emergency Law (Law No. 25.561 of 30 January 2002) until 31 December 2013.

³⁴⁷ Resolution No. E 212/2016 of the Ministry of Energy and Mining, Official Journal of 7 October 2016, sets the prices at the point of entry into the transport system (PIST) for propane and natural gas.

³⁴⁸ Resolution No. E 1325/2017 of the Ministry of Transport, Official Journal of 20 December 2017, rejects the request to extend the concession contract for the Urquiza line of the metropolitan rail passenger services; Resolution No. E 1.339/2017 of the Ministry of Transport, Official Journal of 6 February 2018, rejects the request to extend the concession contract for the Belgrano Norte line of the metropolitan rail passenger services; and Decree No. 423/2019, Official Journal of 19 June 2019, opens a national and international call for tenders for the concession to build, maintain and operate the Urquiza and Belgrano Norte lines.

of natural gas;³⁴⁹ and (d) concession contracts for the northern and western access roads to the Autonomous City of Buenos Aires.³⁵⁰

3.277. The State also intervenes to establish or agree with various trade associations the prices of other products, including: the retail price of some cuts of beef (for mass consumption);³⁵¹ the producer price of tobacco;³⁵² the price of some hydrocarbons;³⁵³ electricity tariffs;³⁵⁴ and the tariffs charged for the basic telephone service (SBT). The purpose of these price agreements is to promote consumption and reduce prices or limit price increases. In December 2019, an agreement was reached with associations of medicines manufacturers whereby an 8% price reduction was applied to all medicines and prices were frozen until 31 January 2020.³⁵⁵ The freeze was extended until 31 October 2021. The National Programme for Household Consumption of Liquefied Petroleum Gas (LPG) in Containers, created by Decree No. 1.539/2008, establishes a below-market price for 10, 12 and 16 kg containers. The government uses resources from a trust fund to compensate LPG producers and fractionators. Furthermore, there are still price controls on the production of maté, as minimum prices are set by the National Maté Institute (INYM).³⁵⁶

3.278. Since 2014, Argentina has concluded price agreements with producers of goods mostly within the basic consumer basket. These agreements between supermarkets, manufacturers and the government are part of the *Precios Cuidados* (price control) programme. The list of controlled prices covers certain groceries, frozen foods, pasta, dairy produce, bread products, cold meats, alcoholic and non-alcoholic beverages, certain cuts of meat, certain vegetables, lighting products, toiletries and cleaning products. At the start of 2021, there was a total of 685 products on the list of controlled retail prices. It is estimated that the average reduction on the list was 8% compared to reference prices.³⁵⁷ There is also a list of controlled wholesale prices which, as of March 2021, contained 460 groups of items, as well as a list of controlled construction prices, which had 117 groups as of the same date. In 2020, a free mobile app was introduced allowing users to check

³⁴⁹ National Executive Decree No. 250/2018, Official Journal of 28 March 2018, ratifies the memorandum of agreement for the adjustment of the licensing contract for the transport and distribution of natural gas signed by the Ministry of Energy and Mining (MEM), the Ministry of the Treasury and Public Finance and the company *Transportadora de Gas del Sur S.A.*; National Executive Decree No. 251/2018, Official Journal of 28 March 2018, ratifies the memorandum of agreement for the adjustment of the licensing contract for the transport of natural gas signed by MEM, the Ministry of the Treasury and Public Finance and *Transportadora de Gas del Norte S.A.*; National Executive Decree No. 252/2018, Official Journal of 28 March 2018, ratifies the memorandum of agreement for the adjustment of the licensing contract for the transport of natural gas signed by MEM, the Ministry of the Treasury and Public Finance and *Metrogas S.A.*

³⁵⁰ National Road Authority Resolution No. E 83/2018, Official Journal of 17 January 2018, schedules public hearings to consider the new tariff regime within the framework of the contract renegotiation agreements with the concessionaires *Autopistas del Sol S.A.* and *Grupo Concesionario del Oeste S.A.*; National Road Authority Resolutions No. 657/2018 and No. 658/2018, Official Journal of 13 April 2018, approve the final report of the public hearing regarding the northern and western access roads to the CABA, respectively; National Road Authority Resolution No. 2.642/2018, Official Journal of 28 December 2018, approves the tariff scales to be applied to the concession contracts for the northern and western access roads to the CABA.

³⁵¹ Resolution No. 38/2008. Current prices for the most representative cuts of beef can be viewed at: <https://www.argentina.gob.ar/produccion/acuerdo-de-precios-para-la-carne>.

³⁵² To obtain information about the percentage scale of the price structure and the amounts per kilogram paid by the Special Tobacco Fund, see online information from the MAGyP. Viewed at: <http://64.76.123.202/site/agricultura/tabaco/01=normativa/04-precios/index.php>.

³⁵³ Resolutions No. 938/2006 and No. 959/2006.

³⁵⁴ Law No. 24.065, Official Journal of 16 January 1992.

³⁵⁵ Information viewed at: <https://www.telam.com.ar/notas/201912/416859-anunciaron-la-rebaja-inmediata-del-8-en-todos-los-medicamentos.html>.

³⁵⁶ This price is set periodically. For example, INYM Resolution No. 238/2019 on the price of raw materials from October 2019 to March 2020 set the prices for this period. It can be viewed at: <https://www.inym.org.ar/normativa/res-inym-238-2019-precio-de-la-materia-prima-octubre-2019-a-marzo-2020/>.

³⁵⁷ The list of controlled prices can be viewed at: <https://www.argentina.gob.ar/precios-cuidados>. In March 2021, the list of controlled retail prices included 685 groups of items, including sunflower oil, balsamic vinegar, conditioners, table water, mineral water, cotton wool, rice, tuna, cocoa powder, coffee, onions, toothbrushes, beer, cream, deodorant, *dulce de leche*, some bovine meat cuts, noodles, sponges, some pork-based luncheon meat, custard, biscuits, carbonated water, gelatine, wheat flour, eggs, insecticides, soap, liquid soap, juices, bleach, dishwasher detergent, fresh and long-life milk, powdered milk, lettuce, cleaning products, lard, apples, maté, jam, oregano, bread, toilet paper, toothpaste, disposable diapers, chicken, desserts, hygienic products, sunscreen, potato purée, cheese, repellent, salt, sausages, serviettes, shampoo, softeners, vinegar, wine, maté, yogurt and pumpkins.

prices, determine which nearby supermarkets have controlled prices, find products and their price reference and report any irregularities.³⁵⁸

3.3.5 State trading and public enterprises

3.3.5.1 State trading

3.279. During the review period, Argentina notified the WTO that it had no state trading enterprises as defined in Article XVII of GATT 1994.³⁵⁹

3.3.5.2 National public enterprises

3.280. Argentina has a number of national public enterprises in different areas of economic activity. Their structure and operation are governed by various laws, as well as the addenda, regulations and amendments thereto. These include State Companies Law No. 20.705 of 26 August 1974; General Companies Law No. 19.550 of 25 April 1972; Law No. 24.156, Official Journal of 29 October 1992 on the financial administration and control systems of the national public sector, which governs the budgetary regime of state enterprises and companies; Decree No. 1.344/2007 of 5 October 2007, implementing the Law on the financial administration and control systems of the national public sector; and Decree No. 41/1999 of 3 February 1999 on the Public Service Code of Ethics.³⁶⁰

3.281. In Argentina, there are different types of public enterprises. The most common are state enterprises and limited companies in which the State has a majority holding. Article 8 (b) of Law No. 24.156 uses the term "state enterprises and companies" to refer to state enterprises, state companies, limited companies in which the State has a majority holding, semi-public companies and other business organizations in which the State has a majority stake in the capital or in corporate decisions.³⁶¹ Under Article 71 of Law No. 25.565, Official Journal of 21 March 2002, the name for these enterprises was changed to "public enterprises and entities not under national administration". A decentralized model is used to oversee the management and legality of national state-owned enterprises, whereby competences are shared between various administrative and ministerial bodies of the National Executive.

3.282. In March 2021, there was a total of 58 enterprises and companies in which the State holds a majority stake in the capital. Of these, 11 operated in the transport sector, 13 in financial services, 10 in energy, 2 in production and industry, and the rest provided miscellaneous services (Table 3.40).

³⁵⁸ The app can be downloaded at: <https://www.argentina.gob.ar/aplicaciones/precios-cuidados>.

³⁵⁹ WTO documents G/STR/N/15/ARG of 17 September 2015, G/STR/N/16/ARG of 25 July 2017, G/STR/N/17/ARG of 10 August 2018 and G/STR/N/18/ARG of 30 September 2020.

³⁶⁰ Other laws include: Office of the Auditor-General Resolution No. 37/2006 of 23 May 2006, on the Minimum Rules on Internal Control for Good Corporate Governance of State Enterprises and Companies; Administrative Decision No. 85/2018 of 14 February 2018, on Guidelines for Good Governance of Majority State-owned Enterprises; Law No. 25.188 of 1 November 1999, on ethics in public service; Decree No. 196/2015 of 12 February 2015, on the division of the responsibilities of directors, trustees, consultants and public officials appointed or nominated by the State or its entities; Labour Law No. 20.744 of 27 September 1974; Law No. 18.753 of 24 August 1970, establishing the technical advisory committee on wage policy; Article 5 of Decree No. 856/1998 of 27 July 1998, on ex ante intervention by the National Information Technology Office; and "Buy Argentine" and Supplier Development Law No. 27.437 of 10 May 2018.

³⁶¹ According to the authorities, the applicable legal framework varies depending on the type of company. For example, according to the Opinion of the Attorney General of the Nation of 24 April 2017, the legal framework applicable to state-owned stock companies must be integrated with the provisions of the General Companies Law (private law) and the general principles of private law. However, constitutional principles should be applied since they cover all State activities. Administrative law rules are applicable only where this is expressly provided for.

Table 3.40 Enterprises and companies in which the State holds a majority stake in the capital

Enterprises	Law/Instrument, Official Journal date/law date	Category	% ^a
Administración de Infraestructura Ferroviaria S.E.	Law No. 26.352 (Decree No. 752/2008), 27/03/2008	Transport	100
Administración General de Puertos S.E. (AGP)	Decree No. 1456/87, 17/09/1987 (in line with Law No. 20.705)	Transport	100
Aerolíneas Argentinas S.A. ^b	Law No. 26.466, 24/12/2008	Transport	99.41
Aerohandling S.A. ^b	Law No. 26.466, 24/12/2008	Transport	100
Jet Paq S.A. ^b	Law No. 26.466, 24/12/2008	Transport	100
Optar S.A. ^b	Law No. 26.466, 24/12/2008	Transport	100
Agua and Saneamientos Argentinos S.A.	Decree No. 304/2006, 22/03/2006, ratified by Law No. 26.100, 07/06/2006	Services	90
Investment and Foreign Trade Bank (BICE)	Decree No. 2703/1991, 06/01/1992	Finance	99
National Bank of the Argentina (BNA)	Charter Law No. 2.841, 15/10/1891 (Law 21.799)	Finance	100
Banco Hipotecario S.A. (BHSA).	Law No. 1.804, 14/09/1886, and No. 24.855, 25/07/1978	Finance	54.24
Belgrano Cargas y Logística S.A.	Decree No. 566/2013, 04/06/2013	Transport	100
Centro de Ensayos de Alta Tecnología S.A. (CEATSA)	Articles of association, 22/10/2010	Technology	90
Construcción de Viviendas para la Armada (COVIARA)	National Executive Decree No. 2042/1966, 20/09/1966.	Defence	100
Contenidos Públicos S.E. (CPSE)	Decree No. 1.222/2016, 05/12/2016	Communication	100
Corredores Viales S.A.	Decree No. 794/2017, 04/12/2017	Construction	100
Correo Oficial de la República Argentina S.A. (CORASA)	Necessity and Urgency Decree (DNU) No. 721/2004, 14/06/2004	Services	100
Desarrollo de Capital Humano Ferroviario SAPEM (DeCaHF)	Decree No. 1.774/93, 08/09/1993	Transport	99
DIOXITEK SA	Decree No. 1286/1996, 14/11/1996	Energy	99
Directorate-General of Military Industry (DGFM)	Law No. 12.709, 24/10/1941, Decree No. 104/2019, 31/01/2019.	Defence	100
Educar S.E.	Decree No. 383/2000, 12/05/2000	Education	100
Emprendimientos Energéticos Binacionales S.A. - EBISA	Decree No. 616/1997, 14/07/1997	Energy	100
Empresa Argentina de Navegación Aérea S.E. (EANA S.E.)	Law No. 27.161, 15/07/2015	Transport	100
Empresa Argentina de Soluciones Satelitales S.A. (ARSAT S.A.)	Law No. 26.092, 27/04/2006	Services	90
ENARSA Patagonia S.A.	Articles of association, 08/11/2011	Energy	90
ENARSA Servicios S.A.	Articles of association, 03/08/2006	Energy	98
Fábrica Argentina de Aviones Brig. San Martín S.A. (FADEA SA.)	Law No. 26.501 and its promulgating Decree No. 1.125/2009, 27/08/2009	Production	99
Ferrocarriles Argentinos S.E. (FASE)	Law No. 27.132 (Decree No. 1.924/2015), 16/09/2015	Transport	100
Innovaciones Tecnológicas Agropecuarias (INTEA) S.A.	National Agricultural Technology Institute (INTA) Resolution No. 115/1993, 01/01/1993	Production	97.50
Integración Energética Argentina S.A. (IEASA) (formerly ENARSA)	Law No. 25.943, promulgated by Decree No. 1529/04, 03/11/2004	Energy	98.05
Intercargo SAC	Decree No. 1.188/1994, 21/07/1994	Transport	100
LT 10 Radio Universidad Nacional del Litoral S.A.	Registered in the Public Trade Register, 06/01/1978	Education	93.65
Nación Bursátil S.A.	Articles of association, 13/02/1996	Finance	99.42
Nación Reaseguros S.A.	Articles of association, 15/05/2012	Finance	95
Nación Seguros de Retiro S.A.	Articles of association, 04/08/1994	Finance	99.30
Nación Seguros S.A.	Articles of association, 06/06/1994	Finance	99.30
Nación Servicios S.A.	Articles of association, 29/03/2006	Finance	95
Nucleoeléctrica Argentina S.A. (NASA)	Decree No. 1.540/94, 02/09/1994, and Secretariat of Energy Resolution No. 283/94.	Energy	100
Nuevos Aires del Sur S.A.	Decree No. 1.722/2012, 21/09/2012; Decree No. 153, 10/03/2017; and Decree No. 479, 11/07/2019.	Real estate	90
Operadora Ferroviaria S.E. (SOFSE)	Law No. 26.352, 27/03/2008 (Decree No. 874/2012)	Transport	100
Pellegrini S.A.	Articles of association, 03/11/1994	Finance	99
Playas Ferroviarias de Buenos Aires	Decree No. 1723/2012, 21/09/2012	Real estate	90
Polo Tecnológico Constituyentes S.A.	Decree No. 894/1998, 06/08/1998	Technology	100
Radio y Televisión Argentina S.E.	Law No. 26.522, 10/10/2009	Communication	100
S.E. Casa de Moneda (SECAM)	Law No. 21.622, 19/08/1977	Services	100
Servicios de Radio y Televisión de la Universidad Nacional de Córdoba	Decree Law No. 5753/58, 23/04/1958	Communication	99.41
Talleres Navales Dársena Norte SACIyN. (TANDANOR SACIyN)	Law No. 18.544, 17/02/1970	Production	90
TELAM SE	Decree No. 2,507/2002, 06/12/2002	Communication	100
VENG S.A.	Public Deed No. 97, 19/10/1998	Industry	97.02
YPF GAS	Merger of Repsol Gas S.A and YPF GAS SA, 06/12/2001	Energy	50.99
YPF SA	Law No. 26.741, 07/05/2012	Energy	51.03
A.T.C. S.A. (e.l.)	Law No. 21.377, 12/08/1976, Decree No. 544/92	Communication	100
BICE Fideicomisos	Deed No. 44, 03/03/2016	Finance	94.46

Enterprises	Law/Instrument, Official Journal date/law date	Category	% ^a
BICE Factoring	Deed No. 813, 13/12/2017	Finance	99
BICE Leasing	Deed No. 69, 04/07/2002	Finance	99
Yacimientos Mineros de Agua de Dionisio	Law No. 14.771, 16/10/1958	Energy	c

a Percentage State share.

b Declared to be of public interest.

c Secretariat of Energy (33.3%), Government of Catamarca (33.3%) and Universidad Nacional de Tucumán (33.3%).

Source: Information provided by the authorities.

3.283. Since 2007 the State has held minority stakes in private limited companies through the Sustainability Guarantee Fund (FGS) of the Argentine integrated social security scheme (Table 3.41), created by Decree No. 897 of 13 July 2007. The purpose of the FGS is to preserve the value of assets by seeking to make returns on its resources, which can be used to pay benefits under the Argentine integrated social security scheme. At the end of the fourth quarter of 2020, the FGS' investment portfolio was worth ARS 3.5 trillion (USD 41.6 billion).³⁶²

Table 3.41 State participation in private companies through the Sustainability Guarantee Fund

Enterprise	FGS participation (%)	Sector	Enterprise	FGS participation (%)	Sector
Banco Macro S.A.	28.80	Banking	Aluar Aluminio Argentino S.A.I.C.	9.35	Aluminium
S.A. San Miguel	26.06	Citrus	Grupo Clarín S.A.	9.00	Publishing
Naturgy BAN S.A.	26.63	Energy	Metrovías S.A.	8.55	Transport
Consultatio S.A.	24.88	Real estate	Metrogás S.A.	8.61	Energy
Edenor	26.8	Energy	BBVA Banco Francés S.A.	6.90	Banking
Distribuidora de Gas Cuyana	26.12	Energy	Banco Hipotecario Nacional S.A.	5.22	Banking
Telecom Argentina S.A.	11.42	Telecommunications	Transportadora de Gas del Sur S.A.	24.00	Energy
Pampa Energía	21.09	Energy	IRSA Inversiones y Representaciones S.A.	4.48	Real estate
Grupo Concesionario del Oeste	21.56	Transport	Central Puerto S.A.	1.85	Energy
Mirgor S.A.	21.54	Consumer goods	Cresud S.A.	3.86	Agriculture
Emdersa S.A.	20.96	Energy	Transportadora de Gas del Norte S.A.	0.73	Energy
Grupo Financiero Galicia S.A.	18.52	Finance	Ledesma S.A.	0.38	Sugar
La Patagonia S.A.	20.24	Food	Y.P.F. S.A.	0.01	Energy
Molinos Río de la Plata	20.04	Food	Edesa Holding S.A.	20.96	Energy
Transener	19.57	Energy	Edesal Holding S.A.	20.96	Energy
Cablevisión Holding	9.0	Telecommunications	Grupo Supervielle S.A.	0.70	Finance
Camuzzi Gas Pampeana S.A.	12.65	Energy	Inversora Eléctrica de Buenos Aires S.A.	2.10	Energy
Banco Patagonia S.A.	15.29	Banking	IRSA Propiedades Comerciales S.A.	1.61	Real estate
Sociedad Comercial del Plata S.A.	1.0	Energy, construction	Holcim (Argentina) S.A.	11.30	Cement
Enel Generación Endesa Costanera S.A.	15.39	Energy	Molinos Agro S.A.	20.04	Food
Capex S.A.	10.73	Energy	Ternium Argentina S.A.	26.03	Steel

Source: Information from the FGS, *Inversiones: Participación en Empresas Privadas*. Viewed at: <http://fgs.anses.gob.ar/participacion>

3.284. State enterprises enjoy general, but not any specific, tax incentives.

³⁶² National Social Security Administration (ANSES) (2020), *Fondo de Garantía de Sustentabilidad del Sistema Integrado Previsional Argentino. Informe Estadístico Trimestral, Cuarto trimestre 2020*. Viewed at: <http://fgs.anses.gob.ar/archivos/secciones/FGS%20-%20IV.TRIM.20.pdf>.

3.3.6 Government procurement

3.3.6.1 Main features

3.285. Although Argentina is not party to the WTO Plurilateral Agreement on Government Procurement, it has had observer status since 24 February 1997.³⁶³

3.286. The Argentine procurement system is organized based on a centralized approach to policies and rules, and a decentralized approach to operational management.³⁶⁴ The entity responsible for establishing the policies, rules and procedures of the procurement regime of the Argentine Government is the National Procurement Office (ONC), which oversees the national government procurement system. The ONC's functions include proposing policies for procurement and organizing the system; drafting laws and regulations; issuing explanatory, interpretative and supplementary regulations; preparing basic specifications and conditions of procurement; designing and implementing an information system; overseeing and evaluating the design and operation of the procurement system; and applying the penalties provided for by law. Procurement units operate in every jurisdiction and public entity and are responsible for handling procurement procedures.

3.287. Use of the national government procurement system is mandatory for the central government, the decentralized agencies, the national universities and the armed forces and security services. The system does not cover the provinces, the CABA, the municipalities, the National Institute of Social Services for Retirees and Pensioners (INSSJP - PAMI) and the AFIP, State enterprises and companies, trust funds with State participation, financial institutions in the national public sector or multilateral credit agencies. However, these entities may apply the system and participate in its procedures on a voluntary basis.

3.288. The ONC also develops computer systems for use in electronic purchasing procedures and provides support for the procurement units of the various bodies. The ONC compiles statistics and information on government procurement, which it publishes on the Internet. While the operational units of the respective national government entities are responsible for managing procurement, the ONC is tasked with framing the policy that they should follow. Furthermore, State entities are required to transmit all the information obtained from the procurement procedures they carry out to the ONC, using electronic media.

3.289. To obtain a government contract it is necessary to be listed in the supplier information system (SIPRO), which the various State entities are required to consult before awarding contracts.³⁶⁵ SIPRO is a register of all suppliers of goods and services wishing to enter into contracts with the national government.

3.290. The contracts covered by the government procurement system include: (a) buying or selling, supplies, services, consultancy, leases with and without an option to buy, barter arrangements, concessions for use of assets under the public or private ownership of the State concluded with jurisdictions and entities falling within the system's scope and all contracts not expressly excluded; and (b) public works and concessions of public works, public services and licences. Public employment and petty cash purchases are excluded from the government procurement system. In general, the procurement process involves preparing annual purchase plans based on the budgets allocated to each agency by the competent ministry or secretariat.

3.291. All invitations to tender for contracts, draft bidding documents for procurement that the competent authority makes publicly available, the basic specifications and conditions, the record of opening of tenders, the comparison table, the evaluation ruling, contract awards and purchase orders must be made available on the Internet regardless of the selection procedure used. In this connection, the ONC maintains the COMPR.AR electronic procurement system, authorized by ONC Order No. 65/2016 as an electronic means of carrying out all selection procedures and provided for

³⁶³ Information from the WTO. Viewed at:

https://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm.

³⁶⁴ Article 12 of Decree No. 666/2003, Official Journal of 25 March 2003. Viewed at:

<http://servicios.infoleg.gob.ar/infolegInternet/verNorma.do?id=83491>.

³⁶⁵ For further details concerning the registration process, see online information from SIPRO at:

<http://www.argentina.gob.ar/tramites/353-inscripci%C3%B3n-en-el-sistema-de-informaci%C3%B3n-de-proveedores-del-estado.php>.

in the Regulation on the Procurement Regime of the Argentine National Government, approved by Decree No. 1.030/2016. The COMPR.AR system was implemented gradually across the various jurisdictions and entities of the national government, according to the ONC's schedule. ONC Order No. 17/2019 of 31 May 2019 set up the COMPR.AR system as an electronic means of implementing and terminating contracts concluded in line with the procedures under the Regulation on the Procurement Regime of the Argentine National Government.³⁶⁶ COMPR.AR provides institutional information on regulations and agreements, up-to-date statistics and information about the supplier system, procurement agencies, reference prices, current and past contracts and investment plans. It also maintains a catalogue of goods and services.³⁶⁷

3.292. The Electronic Portal for the Procurement of Public Works, CONTRAT.AR, implemented by Decree No. 1.336/2016, is used for the electronic procurement of public works.³⁶⁸ In February 2021, a new regulation on the functioning of the national register of public works constructors and consulting firms was introduced by ONC Order No. 3/2021 to facilitate electronic procurement.

3.293. A framework procurement agreement may also be used. This is a means of electronic procurement whereby one or more providers are selected to supply goods and services directly to government agencies with the form, within the time frame and in accordance with the other conditions set out in the agreement. The ONC is the entity responsible for creating these framework agreements, either *ex officio* or at the request of one or more bodies, by setting up public tenders with framework agreements. They appear in an electronic catalogue containing a description of the goods and services on offer, the unit price and the amount available for each provider and item in the catalogue. The various government agencies thus purchase directly the goods and services available under these agreements. Where there is a valid framework agreement in place, the procurement units are required to use it for procurement.³⁶⁹

3.3.6.2 Legal framework

3.294. The current procurement regime of the Argentine National Government was established by Decree No. 1.023/2001 (as amended and updated) and is regulated by Decree No. 1.030/2016 and amendments thereto. Law No. 25.551 of 28 November 2001 (Buy Argentine Labour) and its implementing regulation, Decree No. 1.600/2002, established a system of preferences for goods of domestic origin (Table 3.42).

Table 3.42 Main laws and regulations in the area of government procurement

Standard	Content
<i>Legislation regulating goods and services</i>	
<i>Main legislation</i>	
Delegated Decree No. 1023/2001 and amendments thereto	Procurement Regime of the Argentine National Government
Decree No. 1030/2016 and amendments thereto, and Decrees No. 641/2018 http://servicios.infoleg.gob.ar/infolegInternet/anexos/310000-314999/312245/norma.htm , No. 963/2018, No. 336/2019 and No. 356/2019	Regulation on the Procurement Regime of the Argentine National Government
<i>Supplementary legislation</i>	
ONC Order No. 62/2016 and amendments thereto, and ONC Orders No. 47/2017, No. 5/2018, No. 6/2018, No. 35/2018, No. 49/2018, No. 58/2018 and No. 18/2019	Approving the Procedural Manual for the Procurement Regime of the Argentine National Government

³⁶⁶ In its General Communication No. 138/2019, the ONC announced that, from 11 November 2019, the ONC website referred to in the Regulation approved by Decree No. 1030/2016 and its supplementary rules would be <https://comprar.gob.ar>. The website was merged with that of the COMPR.AR electronic national government procurement system. Thereafter, the various stages of the selection procedure are managed via COMPR.AR or by any other means published at <https://comprar.gob.ar>.

³⁶⁷ The annual procurement plan, corrections thereto resulting from adjustments to the budgetary appropriation and the allocation of the budget share, or due to other reasons, and the implementation schedule must be uploaded using the Web form supplied on the COMPR.AR electronic national government procurement system. The data are published on the system's website following approval by the competent authority. Every year, the ONC announces on COMPR.AR the deadline by which the jurisdictions and entities must publish the annual procurement plan, the corrections thereto and the implementation schedule.

³⁶⁸ For more information, see: <https://contratar.gob.ar/>.

³⁶⁹ ONC, Framework Agreement. Viewed at: <https://www.argentina.gob.ar/comprar/soy-proveedor/compras-electronicas/preguntas-frecuentes/acuerdo-marco>.

Standard	Content
ONC Order No. 63/2016 and amendments thereto, and ONC Orders No. 6/2018 and No. 5/2019	Approving the basic specifications and conditions for the Procurement Regime of the Argentine National Government
ONC Order No. 64/2016 and amendments thereto, and ONC Order No. 6/2018	Approving the Procedural Manual for Incorporating and Updating Data in SIPRO
ONC Order No. 2/2019	Approving the basic specifications and special conditions for the sale of vehicles at auction
ONC Order No. 93/2020	Regulation on participation in meetings of the governance programme for the public works procurement system
ONC Order No. 16/2019	Regulation on the functioning of the National Register of Public Works Constructors and Consulting Firms
Order No. 19/2019	Time limit extension
<i>Legislation implementing COMPR.AR</i>	
ONC Order No. 65/2016	Authorizing the Electronic Procurement System of the Argentine National Government
ONC Order No. 17/2019	Authorizing use of the Electronic Procurement System of the Argentine National Government for entering into and terminating contracts
<i>Legislation regulating public works</i>	
<i>Main legislation</i>	
Law No. 13.064 on public works	Public works
Decree No. 19.324/1949	Explaining the concepts and terminology of Law No. 13.064.
Law No. 14.000	Securing compliance with public works contracts using national, provincial and municipal bonds and securities
Law No. 17.804	Establishing fidelity insurance as security in public works contracts
Implementing Decree No. 1.186/1994	Contractual time limits for public works
Resolution No. 814/1996	Public works. Updating amounts
Decree No. 1.023/2001	Government procurement system
Decree No. 1.169/2018	National Procurement Office regime
ONC Order No. 22/2019	Basic specifications and general conditions for the procurement of public works
ONC Orders No. 97/2019 and No. 113/2019	Changes to the basic specifications and general conditions
Law No. 17.520	Public Works Concessions Regime
Implementing Decree No. 1.186/1984	Contractual time limits for public works
Law No. 23.696	State reform
Implementing Decree No. 1.023/2001	General government procurement regime for electronics, goods and services and public works
ONC Order No. 3/2021	Regulation on the Functioning of the National Register of Public Works Constructors and Consulting Firms
<i>Supplementary legislation</i>	
Decree No. 691/16	Price redetermination regime
Joint Resolution No. 1/2017	Regulations clarifying and supplementing Decree No. 691/2016
Necessity and Urgency Decree No. 299/2000	Infrastructure. Promotion of private participation
Decree No. 966/2005	National Private Initiative Regime. Approval of the regime and creation of an evaluation and development commission
Necessity and Urgency Decree No. 691/2016	Approving the price redetermination regime
<i>Legislation implementing CONTRAT.AR</i>	
Decree No. 1.336/2016	Implementing the "CONTRAT.AR" electronic management system
Resolution No. E 9/2017	Making the CONTRAT.AR system compulsory
Ministry of Modernization (MM) Resolution No. 197/2017	Approving the policies, terms and conditions of use of the CONTRAT.AR electronic management system
Resolutions No. E 198/2017, No. E 314/2017, No. E 315/2017 and No. E 115/2018	Making the use of the electronic management system mandatory for public works and services procurement and concessions

Source: Information provided by the authorities.

3.295. Under Delegated Decree No. 1023/2001 and amendments thereto, the purpose of the procurement regime of the Argentine National Government is to obtain goods and services with the optimum technology, in good time and at the lowest possible cost, and to sell goods to the highest bidder. The regime is mandatory for all procurement procedures by the entities covered. Procurements must abide by the following general principles: (a) reasonableness of the project and procurement efficiency; (b) promotion of competition between the interested parties and competition between bidders; (c) transparency in procedures; (d) publicity and dissemination of procedures; (e) responsibility of the public officials and agents authorizing, approving or managing procurement; and (f) equal treatment for interested parties and bidders.

3.296. Contracts are to be awarded to the bid that is most advantageous for the contracting agency in terms of price, quality, bidder suitability and other conditions of the bid. When purchasing goods or procuring a standardized or commonly used service whose technical features can be unequivocally

specified and identified, the lowest bid is considered to be the most advantageous. The procurement regime authorizes the granting of preferences and gives the contracting authorities the prerogative to interpret the contracts; amend them for reasons of public interest; withdraw, rescind or terminate them; and increase or decrease the total amount of the contract by up to 20% under the conditions and at the prices agreed, adjusting the time frames accordingly. National government entities and state enterprises and companies should send the draft basic specifications and special conditions of the selection procedures for the purchase, rental or lease of goods for an estimated amount equal to or greater than 80,000 units, together with a report on feasibility of participation in national production, to the implementing authority for approval.³⁷⁰

3.297. Table 3.43 sets out existing procurement methods and specifies when each is used (including thresholds and type of procurement) pursuant to [Decree No. 1030/2016](#). Within each method and type of procurement, various forms can be chosen, including private initiatives, turnkey contracts, open purchase orders, consolidated procurement, setting of a maximum price, procurement through framework agreements and competitions for complete projects.

Table 3.43 Methods, types and forms of public procurement, 2021

Method/Type/Form	Description
Procurement methods	
Open tender or call for proposals	
	Where the invitation to participate is addressed to an indeterminate number of bidders.
Open tender	
	- Used when the co-contractor's selection criteria are based mainly on economic factors
Open call for proposals	
	- Used when the co-contractor's selection criteria are based mainly on non-economic factors, such as technical and scientific, artistic or other such capabilities
Public auction	
	Where the invitation to participate is addressed to an indeterminate number of bidders and the contract is awarded at an in-person or online event where participants are invited to make bids.
Selective tender or call for proposals	
	Where the invitation to participate is addressed exclusively to suppliers listed in the ONC database and the estimated amount of the contract does not exceed the equivalent of 5,000 units (currently ARS 15 million).
Direct contracting	
	Selection by direct contracting is used in the following cases:
	1. Where the estimated amount of the contract does not exceed the equivalent of 1,000 units (ARS 3 million).
	2. Where scientific, technical or artistic works must be performed by or purchased from companies, artists or specialists that are the only ones able to carry out such works.
	3. Procurement of goods and services over which the owner has exclusive sales rights or which are owned by a specific natural or legal person, provided that there are no suitable substitutes.
	4. Where a tender or call for proposals is declared void or has failed and a second invitation must be issued, with changes in the basic specifications and special conditions. If the second invitation is declared void or has failed, direct contracting may be used.
	5. Where for reasons of urgency or emergency, based on objective circumstances, it is not possible to make timely use of another selection procedure.
	6. Where the National Executive has declared the contractual transaction secret for reasons of national security or defence, an exceptional power that cannot be delegated.
	7. Where machinery, vehicles, equipment or engines have to be dismantled, moved or pre-inspected and the adoption of another procurement procedure would prove more expensive.
	8. Contracts entered into by jurisdictions and entities of the national government, either among themselves or with the provincial or municipal bodies or the CABA government, or with enterprises and companies in which the State has a majority stake, provided that they are for the supply of security, logistics or health services. Subcontracting is prohibited in such cases.
	9. Contracts entered into by jurisdictions and entities of the national government with national universities.
	10. Contracts entered into with natural or legal persons listed in the National Register of Local Development and Social Economy Agents, whether or not they receive State funding.
	11. Real estate leases where national government jurisdictions and entities and the decentralized agencies are the lessees.
Types of open or selective tender procedures or calls for proposals	
(a) Single stage or multistage	
- Single stage	
	Where the bids and the quality of the bidders are compared in a single step.
- Multistage	

³⁷⁰ Article 8 of Law No. 27.437 of 18 April 2018. Article 13 of the Law sets the value of one unit at ARS 1,000. Its value was changed to ARS 3,000 under Article 8 of Secretariat of Industry Resolution No. 185/2019, Official Journal of 27 September 2019.

Method/Type/Form	Description
	If justified by the specific characteristics of the contract, such as the high degree of complexity or the length of the term, the tender procedure or call for proposals is carried out in two or more stages.
(b) National or international	
- National	
	The invitation is addressed to bidders domiciled in Argentina or whose principal place of business or branch is located in the country.
- International	
	Where, owing to the nature of the subject matter or the complexity of the service, the invitation is extended to interested parties and bidders abroad.
Forms of procurement	
(a) Private initiative	
	Where a novel proposal or one that involves a technological or scientific innovation is submitted and declared of public interest by the national government entity competent in the field.
(b) Turnkey	
	Where it is deemed suitable for public purposes to give a single supplier responsibility to complete an entire project.
(c) Open purchase order	
	Where the number of units or delivery dates or deadlines of goods or services to be purchased or procured cannot be predetermined with sufficient precision in the basic specifications and special conditions.
(d) Consolidated	
	Where two or more contracting jurisdictions or entities require the same service and jointly manage the selection procedure in order to obtain better conditions than each would otherwise receive individually.
(e) Maximum price	
	Where the highest price that can be paid for the required goods and services is indicated in the basic specifications and special conditions.
(f) Framework agreement	
	Where the ONC, <i>ex officio</i> or at the request of one or more bodies, selects providers to supply goods or services directly to the contracting jurisdictions or entities. If there is a valid framework agreement in place, it must be used for procurement.
(g) Competitions for complete projects	
	Where the contracting jurisdiction or entity cannot set out in detail the specifications of the contract in the basic specifications and special conditions.

Source: Information provided by the authorities.

3.298. As a general rule, contracts are awarded through tenders or calls for proposals. Tendering may be open or selective and may be carried out through public auction or direct contracting (Article 25 of Decree No. 1.023/2001). In the case of a selective tender or call for proposals the invitation to participate is sent exclusively to suppliers that are registered in the ONC database; however, bids from persons that have not been invited to participate are also considered.

3.299. Open and selective tenders and calls for proposals may be single stage or multistage, and national or international. A tender procedure or call for proposals is single stage if the bids and the quality of the bidders are compared in a single step. If justified by the specific characteristics of the required contract, such as the high degree of complexity of the subject matter or the length of the term, the open or selective tender procedure or call for proposals should be organized on a multistage basis. In this case, the tender or call for proposals will have two or more stages in order to assess and compare the quality of the bidders, their technical and business background, economic and financial capacity, security and nature of the service, and to analyse the economic components of the bids through successive preselection stages. National invitations to tender and calls for proposals are restricted to bidders domiciled in Argentina or whose principal place of business is located in the country, or that have a branch duly registered in the country. International invitations to tender and calls for proposals are also open to those who have their principal place of business abroad and do not have a branch registered in Argentina.

3.300. Direct contracting may be subject to summary approval where there is more than one potential bidder with capacity to perform the service and procurement is urgent. The contract may be awarded by simple adjudication where a specific person or company alone is eligible, whether for reasons associated with the subject matter of the contract or for legal reasons. This applies, for example, where scientific, technical or artistic works are carried out or purchased whose execution can be entrusted only to one company, artist or specialist, or to the repair of machinery, vehicles, equipment or engines where transporting them would be expensive. Similarly, contracts entered into by jurisdictions and entities of the national government, either among themselves or with the provincial or municipal bodies or the CABA government, or with enterprises and companies in which

the State has a majority stake, provided that they are for the supply of security, logistics or health services, may be awarded through direct and simple adjudication.

3.301. According to information from the COMPR.AR system (tendering processes through the system only), in 2020 the most used procedure was open tendering (51.1 of the total), followed by direct contracting (38.8%) and selective tendering (10.2%) (Table 3.44). The upward trend in the use of the public tender method and the downward trend in the use of direct contracting are clearly noticeable over the period. Public tenders went from 22.3% of contracts awarded in 2016 to 51.1% in 2020, whereas the use of direct contracting fell from 62.5% of the total in 2016 to 38.8% in 2020.

Table 3.44 Government procurement statistics, 2016-2020, in millions of ARS and as a %

	2016	% Total	2017	% Total	2018	% Total	2019	% Total	2020	% Total
Number of contracts	142		4,692		13,204		14,408		15,869	
Amount (ARS)	611.2	100.0	14,345.5	100.0	34,490.9	100.0	37,907.2	100.0	149,293.6	100.0
Method										
Open tender	136.3	22.3	4,442.1	31.0	15,814.4	45.8	19,463.8	51.3	74,831.9	50.12
Selective tender	20.2	3.3	524.7	3.7	1,900.3	5.5	2,086.8	5.5	15,259.0	10.22
Direct contracting	382.0	62.5	8,838.7	61.6	16,381.2	47.5	15,573.6	41.1	57,939.0	38.81
Open call for proposals	44.4	7.3	480.3	3.3	340.1	1.0	759.7	2.0	1,197.5	0.8
Selective call for proposals	28.3	4.6	59.7	0.6	54.9	0.2	23.2	0.2	66.2	0.04

Note: No data is available for the period 2013-15 and the data for 2016 are incomplete.

Source: COMPR.AR electronic system and information provided by the authorities.

3.302. During the review period, regimes such as "Buy Argentine Labour" continued to be part of Argentina's public procurement policy in order to use the purchasing power of the State as a means of promoting and protecting domestic industry, with special emphasis on small and medium-sized enterprises (SMEs). There are also "Buy Provincial" and "Buy Municipal" programmes. In 2018, the Buy Argentine Labour regime was replaced by the Buy Argentine and Supplier Development regime.

3.303. The Buy Argentine Labour regime, established in 2001³⁷¹ and in force until 2018, required the government, its agencies, departments and self-governing and decentralized entities, State enterprises, public service concession holders and their direct subcontractors, to use preferential margins in their purchases and procurements for buying and leasing goods of domestic origin and contracting for works and services with local suppliers. Where the purchase of goods is concerned, suppliers of goods of domestic origin received a preference of 7% on their contracts if the bid was made by an SME, or 5% if the bid came from another kind of enterprise.

3.304. In 2018, this regime was replaced by the "Buy Argentine" and Supplier Development Law.³⁷² This Law regulates the new system of preferences for purchases by state entities and requires the national government (central government and decentralized agencies, including the social security institutions), state enterprises and companies, public entities (state non-business organizations in which the national government has a majority control over the assets or decision-making) and trust funds fully or mostly comprised of state assets and/or funds, to apply the system. In addition to the entities referred to above, natural or legal persons granted licences, concessions, permits or authorizations to supply public goods and services by the national government; direct contractors of such persons³⁷³; the legislature, the national judiciary and the Public Prosecutor's Office; and the Wholesale Electricity Market Management Company (CAMMESA) are required to give preference to goods of domestic origin when purchasing, renting or leasing.

3.305. Preferences for goods of domestic origin will apply to all procurement contracts with a value exceeding the direct contracting threshold of 1,000 units. The margin of preference for goods of domestic origin is 15% for MSMEs and cooperatives listed in the National Institute of Partnerships and Social Economy (INAES) of the Ministry of Social Development, and 8% for other enterprises providing identical or similar services under cash payment terms. If the bids are all from companies

³⁷¹ Created by Law No. 25.551 and regulated by Decree No. 1.600/2002 of 28 August 2002.

³⁷² Law No. 27.437 of 18 April 2018, Official Journal of 10 May 2018.

³⁷³ Preference should be given only in the context of licences, concessions, permits and authorizations to provide public works and services in which they are direct contractors.

of foreign origin, a margin of preference of 1% will be granted for every five percentage-point share of the gross production value of the covered goods is locally integrated, up to a maximum margin of preference of 8%. In all cases and for the purposes of comparison, the price of the goods of foreign origin should include current import duties and all taxes and charges required for the goods to be imported by a private importer without any special benefits. In the case of procurement under the direct contracting threshold, application of the preference is optional. Any decision to apply the margin of preference should be recorded in the respective basic specifications and special conditions of the selection procedure. Where it is not applied, goods of national origin will be given preference only if prices are equal.

3.306. In the case of procurement by entities of the national government for the provision, rental or lease of goods worth up to 20,000 units, MSMEs that were unable to reach the best price offered after applying the 15% margin of preference may improve their bid if their original price does not exceed the best quote by more than 20% in cash terms. Furthermore, these entities and the Legislature, the Judiciary and the Public Prosecutor's Office should award their contracts for the purchase, rental or lease of goods for less than 1,300 units, and for the construction of public buildings and homes for less than 100,000 units, to local MSMEs offering goods or works of domestic origin. In both cases, the price of the winning bid must not exceed the estimated amount of the contract by more than 20%.³⁷⁴ Failure to meet the obligations regarding the allocation of preferences under the Buy Argentine and Supplier Development Law is punishable by a fine of between 5% and 50% of the contract amount and a ban from future contracts, concessions, permits or licences for between 3 and 10 years, depending on the seriousness of the case.

3.307. Provisions of Argentine legislation require the signing of production cooperation agreements, which constitute a commitment on the part of the winning bidder to use local goods and services associated with the contract awarded. These agreements should encourage participation of enterprises considered to be MSMEs under Law No. 27.264. The requirement applies to contracts for the purchase, rental or lease of goods not produced in the country, with a value equal to or greater than 240,000 units, offered by entities of the national government and state enterprises and companies. The basic specifications and special conditions of the contracts should establish the winning bidder's obligation to sign production cooperation agreements for not less than 20% of the total value of the bid.³⁷⁵

3.308. Special conditions apply to purchases of goods of high scientific and technological value. In these cases, the requirement for local content may be increased or reduced.³⁷⁶ The margin of preference may also be decreased to a minimum of 5%, and the value of production cooperation agreements may be raised up to a total of 30% of the total contract value or reduced to a minimum of 10%.

3.309. Law No. 27.437 created the National Supplier Development Programme (PRODEPRO) with the main goal of developing domestic suppliers in strategic sectors. Its specific objectives include: increasing the level of national integration in the value chains of sectors identified as strategic; fostering diversification of production, substituting imports and promoting the export of industrial products with high value added; encouraging investments in capital goods for technological modernization, expanding production capacity and incorporating advanced (Industry 4.0) technologies in its processes; promoting the creation of highly skilled jobs; fostering the design and development of innovative technologies; and boosting the development of national government suppliers, by ensuring compliance with Law No. 27.437 as regards preferences for national goods in the purchase and procurement procedures of those subject to the Law.³⁷⁷ PRODEPRO also seeks to

³⁷⁴ Article 5 of Law No. 27.437 defines goods of domestic origin as those produced or extracted in Argentine territory, provided the cost of the raw materials, inputs and materials imported for release into free circulation does not exceed 40% of the gross production value. The provision of public works is considered to be of domestic origin where at least 50% of the materials used therein meet the requirement for goods of domestic origin and the enterprise meets the requirements to be considered a local domestic capital business.

³⁷⁵ In cases where it is not feasible to reach the required amount, the implementing authority may give authorization for the remainder to be made up through investments in the country, technology transfer, research and technical training.

³⁷⁶ As a general rule, the 60% local content requirement may be increased to a maximum of 70% or reduced to a minimum of 30% of the gross production value in accordance with Article 15 of Law No. 27437 of 18 April 2018.

³⁷⁷ Basic Specifications and General Conditions of the National Supplier Development Programme (PRODEPRO). Viewed at: <https://www.argentina.gob.ar/acceder-al-programa-de-desarrollo-de-proveedores>.

promote links between enterprises on the supply side of existing and potential products and services, and those on the demand side, including enterprises in key value chains in production development and the national public sector.

3.310. Participation in a call for proposals is required to access PRODEPRO (as of March 2021 all calls for proposals were closed). In order for an enterprise to take part in a call for proposals, it must be incorporated in Argentina or be authorized by the relevant bodies to trade within its territory under the current legal regime, be registered with the AFIP, have an investment project, have at least one year of continuous economic activity and supply the following strategic industry sectors: energy (renewable and non-renewable); railways; electric mobility and transport; mining (for metals including lithium); aerospace; shipbuilding (heavy and light); health; nuclear; and production of goods, services and technologies linked to the defence and security forces.³⁷⁸ The company must also be registered with the Network of Suppliers (REDEPRO) of the Under-Secretariat of Industry within the MDP. Applications for access to PRODEPRO's benefits are assessed to determine whether they are in line with the programme's objectives.

3.311. PRODEPRO benefits include financing at a subsidized interest rate, non-repayable contributions (ANRs) and technical assistance. Where financing is granted by the Investment and Foreign Trade Bank (BICE) or the Bank of the Argentine Nation (BNA), the interest rate subsidy may be up to 10 percentage points, or 12 points for projects incorporating advanced technologies (Industry 4.0) in their processes. The additional two-point subsidy may also be awarded in associative projects between customers and suppliers. Non-repayable contributions must be used for eligible costs, including purchase of new capital goods and/or new parts thereof, moulds and/or dies, engineering, product development and prototypes, certification of process and/or product standards, tests, measuring and control instruments, Industry 4.0 solutions and any other costs set out in the calls for proposals. The maximum amount of the non-repayable contribution is ARS 30 million per project, except for associative projects between customers and suppliers, where it can be up to ARS 60 million per project. It must not, however, exceed 70% of the investment. Financing will not be provided for more than five ongoing projects per company, including associative projects between customers and suppliers, or for total amounts exceeding ARS 150 million. The technical assistance provided by the National Institute of Industrial Technology (INTI), or any other institution with which PRODEPRO has an agreement, is geared towards identifying opportunities for improving production, managing technology, incorporating design elements, training staff, conducting tests, certifying processes and testing products.³⁷⁹

3.312. Argentina also gives preference to MSMEs in public procurement procedures through the Comprehensiveness Programme. Under Article 39 of the MSMEs Development Law, No. 25.300 of 16 August 2000, establishing the Programme, the jurisdictions and entities of the national public sector should apply a 5% preference right to tenders from MSMEs supplying goods or services produced in the country for purposes of comparing them with the best tender and awarding the goods or services contract to such enterprises. The Programme also stipulates a minimum preference rate of 10% in tenders or bids for the procurement of goods and services in which only MSMEs are competing. Furthermore, the Law authorizes the Executive to consider partial bids in order to facilitate and increase the participation of MSMEs in tenders and bids for the procurement of goods and services in quantities in line with their scale of production.

3.313. During the review period, Argentina changed the technological tools and procedures related to the reference price control system, which was introduced by Decree No. 558/1996 and administered by the Office of the Auditor General (SIGEN). Under the system, SIGEN determines a reference price, a reference value or an indicative value for evaluating bids.³⁸⁰ This system does not

³⁷⁸ Ministry of Productive Development, Access to the National Supplier Development Programme Viewed at: <https://www.argentina.gob.ar/acceder-al-programa-de-desarrollo-de-proveedores>.

³⁷⁹ Basic Specifications and General Conditions of the National Supplier Development Programme (PRODEPRO). Viewed at: <https://www.argentina.gob.ar/acceder-al-programa-de-desarrollo-de-proveedores>.

³⁸⁰ The reference price is defined in SIGEN Resolution No. 36 E/2017 of 20 March 2017 as an average market value, under the conditions proper and specific to the procurement examined, on the price proposal opening date or, in case of two-envelope bidding, on the technical proposal opening date. The reference value is defined as the sole value of a good or service obtained from market surveys in cases where the reference price could not be determined. The indicative value is provided for evaluating bids for a specific contract in cases where it is not technically feasible to give a reference price or reference value due to fluctuation or dispersion in market value.

apply to public works contracts and concessions³⁸¹; the purchase or rental of immovable property; direct contracting owing to exclusivity and speciality³⁸²; direct contracting between State agencies (national, provincial and/or municipal); or purchases of goods and contracts for services with special, non-uniform and non-standard characteristics and conditions. Entities covered by the provisions of Decree No. 558/1996 should provide SIGEN with the procurement plan or a tentative outline of the main purchases or contracts envisaged for each quarter of the following year. These entities are to pay a fee to SIGEN for its services, calculated based on the established reference price, reference value or indicative value of the purchase or contract.³⁸³ Where the ONC fixes a maximum price which the procuring agencies may pay for the necessary goods or services, a reference price report will not be required.

3.314. SIGEN Resolution No. 36 E/2017 of 20 March 2017 introduced procedural amendments to the reference price system, including the use of tools to automate various processes and verifications. This Resolution established, as did the SIGEN Resolution No. 122 - E/2016 which it repealed, that the reference price control would apply when the estimated amount of the purchase or contract was equal to or greater than 4,000 units, regardless of the procedure used for selecting the contractor.³⁸⁴ Resolution No. 122 E/2016 also modified the schedule of fees payable by each agency to SIGEN. The fee is calculated based on the established reference price, reference value or indicative value of the purchase or contract and is included in the corresponding report. SIGEN Resolution No. 248/2020, Official Journal of 23 October 2020, raised the minimum amount of contracts subject to the reference price system to 12,000 units. This Resolution also modified yet again the schedule of fees payable by each agency to SIGEN, which is currently (as of June 2021): 0.6% between 12,000 and 16,000 units, 0.5% between 16,001 and 45,000 units, and 0.4% between 45,001 and 150,000 units. The minimum fee for establishing a reference price, reference value or indicative value will be 72 units. For amounts greater than 150,000 units, the fee for the equivalent of 150,000 units will apply, except where additional costs are incurred owing to the complexity and/or size of the task. In such cases, the additional costs will be added to the fee.

3.315. In the context of the public health emergency, Administrative Decision No. 409/2020 of 18 March 2020 introduced an *ad hoc* procedure, namely the Procurement Procedure for Goods and Services in the context of the emergency, as laid down in Decree No. 260/2020, by way of exception to the standard procurement methods. The procedure is to be applied solely when procuring goods and services during the emergency declared by Decree No. 260/2020, and the grounds for doing so must be duly set out in the procurement record. When calling for participants in the competitive bid, the entity's procurement unit is required to check the list of suppliers of the type of goods and services to be procured who are registered in SIPRO at time of issuing the invitations to tender. At least three suppliers must be invited, unless there are an insufficient number registered in SIPRO. In such cases, the contract may be awarded even if only one bid is presented. The obligation to request reference prices or reference values for goods and services from SIGEN remains in place where the estimated amount of the procedure is equal to or greater than 12,000 units. Where the preselected bid exceeds SIGEN's reference price by more than 10%, a formal procedure may be followed to reduce prices and bring the best bid into line with the reference values given. If the competent authority decides to award the contract in spite of the bid being higher than the price established by SIGEN, it must set out the grounds for doing so in the administrative approval document. Under SIGEN Resolution No. 148/2020, the reference price system approved by SIGEN Resolution No. 36/2017 will not be applicable to the procurement of goods subject to maximum price rules while Decree No. 260/2020 remains in force. As a result, amounts higher than the maximum prices established by SCI Resolution No. 100/20 or by future decisions will not be paid, pursuant to

³⁸¹ Governed by Law No. 13.064, Decree No. 19.324/49 and Law No. 17.520, as amended by Law No. 23.696. For the purposes of SIGEN Resolution No. 36 E/2017, national public works means all new construction or reparation of an existing building, or work or service of an industrial nature, regardless of the legal framework for such contracts.

³⁸² Direct contracting owing to exclusivity is considered to be: (a) the purchase of goods or procurement of services over which the owner holds exclusive rights to the sale or provision; (b) the purchase of goods or procurement of services owned by a supplier who is a specific natural or legal person where there are no suitable substitutes; (c) where scientific, technical or artistic works must be performed by or purchased from companies, artists or specialists that are the only ones able to carry out such works.

³⁸³ Decree No. 814/1998.

³⁸⁴ SIGEN Resolution No. 36 E/2017 may be viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/270000-274999/272960/texact.htm> and Resolution No. 122 E/2016 at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/260000-264999/264621/norma.htm>.

Administrative Decision No. 472/2020. This is without prejudice to the control of the reference price system.³⁸⁵

3.316. By its Order No. DI-2020-48 of 19 March 2020 and amendments thereto, the ONC supplemented the procedure established by Administrative Decision No. 409/2020 for the procurement of goods and services in the context of the public health emergency by announcing that calls for tenders may be issued on COMPR.AR. This way, they will be sent to the email addresses of all suppliers registered in SIPRO depending on their group, type or the subject matter of procurement. Where the competitive bid is carried out on COMPR.AR, it should be processed as emergency direct contracting. Bids submitted electronically must be confirmed by the bidder. If COMPR.AR is not used, bids will be processed as procurement for the COVID-19 emergency.³⁸⁶ Where the selection criteria are based on price, the analysis will start with the lowest bid and, if it meets the technical specifications and other requirements, a recommendation to award the contract may be made without the need to assess the other bids.

3.3.7 Intellectual property rights

3.3.7.1 General framework

3.317. Argentina applies the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which forms part of its domestic legislation. Argentina is a member of the World Intellectual Property Organization (WIPO) and, as such, is party to a number of the treaties administered by this organization. Since the previous review in 2013, Argentina has acceded to the Marrakesh VIP Treaty, which entered into force on 30 September 2016 (Table 3.45). Argentina is also party to non-WIPO multilateral intellectual property treaties. In this connection, during the period under review, Argentina signed the Convention on Cybercrime (1 October 2018), the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity (9 March 2017), and the International Treaty on Plant Genetic Resources for Food and Agriculture (15 August 2016).³⁸⁷ Argentina signed the Patent Cooperation Treaty in December 1970 and the Brussels Convention in 1975, but has yet to ratify them.

Table 3.45 Participation in WIPO treaties, 2020

Treaty	Date of entry into force
Marrakesh VIP Treaty	30 September 2016
Locarno Agreement	9 May 2009
Strasbourg Agreement	13 September 2008
Nice Agreement	24 January 2008
Performances and Phonograms Treaty	20 May 2002
Copyright Treaty	6 March 2002
UPOV Convention	25 December 1994
Rome Convention	2 March 1992
Nairobi Treaty	10 January 1986
WIPO Convention	8 October 1980
Phonograms Convention	30 June 1973
Berne Convention	10 June 1967
Paris Convention	10 February 1967

Note: The above treaties were implemented in Argentine legislation through the following laws: Law No. 17.251 (Berne Convention), Law No. 19.963 (Convention for the Protection of Producers of Phonograms), Law No. 22.195 (WIPO Convention and Articles 22 to 38 of the Paris Act of the Berne Convention), Law No. 23.478 (Nairobi Treaty), Law No. 23.921 (Rome Convention), Law No. 24.425 (TRIPS), Law No. 25.140 (1971 Paris Act of the Berne Convention, and WIPO conventions), Law No. 27.061 (Marrakesh Treaty), and Law No. 27.411 (Budapest Convention).

Source: Information provided by the authorities and WIPO, WIPO-Administered Treaties: Contracting Parties: Argentina. Viewed at: https://wipo.lex.wipo.int/en/treaties/ShowResults?start_year=ANY&end_year=ANY&search_what=C&country_id=8C.

³⁸⁵ This Resolution temporarily set maximum prices for some basic consumer products to curb increases as a result of the shortage caused by the COVID-19 pandemic.

³⁸⁶ ONC Order No. 55/2020, Official Journal of 23 April 2020.

³⁸⁷ Information from WIPO, Resources: WIPO Lex: Argentina: Treaty Membership. Viewed at: <https://wipo.lex.wipo.int/en/members/profile/AR>.

3.318. The main bodies responsible for implementing intellectual property rights legislation are:

- The National Industrial Property Institute (INPI), a decentralized body attached to the Ministry of Productive Development, responsible for implementing laws for the protection of industrial property rights;
- The National Copyright Directorate (DNDA), attached to the Under-Secretariat for Registration Matters at the Ministry of Justice and Human Rights, responsible for managing the organization and operation of the registration of copyright, the legal instruments that could affect copyright ownership, publishing houses, contracts and pseudonyms, in addition to the control of the legal deposit of copies of works published in the country (Annex II to Administrative Decision No. 1.838/2020);
- The National Arts Fund (FNA), the implementing authority for the paying public domain system³⁸⁸;
- The Ministry of Justice and Human Rights and the Government Secretariat for Tourism of the Secretariat-General of the President's Office, the implementing authorities for the collective management of copyright and related rights pursuant to Decree No. 600/19;
- The National Seeds Institute (INASE), a body attached to the Ministry of Agriculture, Livestock and Fisheries (MAGyP), responsible for the implementation of the *sui generis* system for the protection of plant varieties through the breeder's right;
- The MAGyP Secretariat for Food, Bioeconomy and Regional Development, responsible for the administration of, and registration under the regime for, the protection of geographical indications (GIs) and appellations of origin for agricultural and food products;
- The National Grape-Growing and Wine Production Institute (INV), an MAGyP body, responsible for developing and implementing standards in this area and for the administration of, and registration under the regime for, the protection of GIs and appellations of origin for wine and wine-based spirits;
- The MAGyP Secretariat for Agriculture, Livestock and Fisheries, the body charged with implementing the FAO International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA).

3.319. The legal framework for the protection of intellectual property rights follows the guidelines set forth in the WIPO and TRIPS agreements (Table 3.46). During the review period, the legislation was amended in order to simplify the processing of patents and modify time-frames.

Table 3.46 Protection of intellectual property rights

Legislation	Coverage and term of protection	Implementing authority
Law No. 24.425	Incorporates the TRIPS Agreement into Argentine legislation.	DNDA, INPI, INV, MAGyP, INASE
1. Copyright and related rights		
Law on intellectual property (Law No. 11.723, Official Journal of 30 September 1933) and amendments thereto Implementing Decree No. 41.223/1934	Coverage: Literary, artistic and scientific works including computer programmes and databases. Obligation to register a work published in Argentina. Term of protection: Lifetime of the author + 70 years. Anonymous works: 50 years from the date of publication. Photographs: 20 years from publication. Films: 50 years from the death of the last collaborating party. Phonograms: 70 years from the year following publication.	DNDA
Decree No. 746/1973; Decree No. 1.670/1974; Law No. 17.648; Decree No. 5.146/1969, implementing regulations for Law No. 17.648; Law	Coverage: Authors' and composers' rights.	DNDA, FNA

³⁸⁸ Public domain fees are collected directly by the FNA for literary and artistic works, and by the respective management organizations for musical, dramatic, dramatico-musical, cinematic and television works. The DNDA collects the fees for the registration of works and contracts, which go to the FNA.

Legislation	Coverage and term of protection	Implementing authority
No. 20.115; and Decree No. 461/1973, implementing regulations for Law No. 20.115		
Decree No. 461/1973; Law No. 26.899; Decree-Law No. 1.224/1958; Decree No. 6.255/1958; and FNA Resolution No. 15.850/1977	Coverage: Paying public domain fees.	DNDA, FNA
Decree No. 1.671/1974	Coverage: Phonogram producer royalties.	DNDA, FNA
Decrees No. 1.914/2006 and No. 124/2009	Coverage: Collective management of copyright and related rights.	DNDA, FNA
Decree No. 600/2019	Fees to be collected jointly by the organizations managing copyright and related rights for the public performance of works in accommodation establishments.	Ministry of Justice and Human Rights, DNDA
2. Patents and utility models		
Law on patents and utility models (Law No. 24.481, Official Journal of 23 March 1996), amended by Law No. 27.444 of 18 June 2018 Implementing Decree No. 260/96 (harmonized text of the Law on patents and utility models), amended by Decree No. 403/2019	Coverage: Inventions of products or processes provided they are new, involve an inventive step and are capable of industrial application. A utility model may not be granted within the domain of protection of an existing patent. Term of protection: 20 years from the filing of the application, non-extendable. Average processing time: five years. Scope for use without the holder's authorization if the invention has not been exploited within three years of the patent being granted or four years of the application being filed.	INPI
INPI Resolution No. 56/2016 of 12 September 2016 and clarifications thereto in INPI Resolution No. 125 of 22 November 2016	Acceptance of the validity of the international search pertaining to patent applications.	INPI
INPI Resolution No. 112/2019	Established the Prioritized Patent Examination (PEP) Programme.	INPI
3. Trademarks		
Law on trademarks and designations (Law No. 22.362, Official Journal of 2 January 1981, amended by Law No. 27.444), its implementing regulations in Decree No. 242/2019 and amendments thereto; Law on collective trademarks (Law No. 26.355, Official Journal of 27 March 2008) and its implementing regulations in Decree No. 1.384/2008	Coverage: Any sign capable of distinguishing one product or service from another, including names and commercial slogans. Use of the trademark is not compulsory. Term of protection: 10 years from registration, indefinitely renewable for further 10-year periods, on the condition that the trademark has been used. Average processing time for registration: 12 months. A legal domicile in Argentina must be established in order to register a trademark.	INPI
4. Industrial designs		
Decree-Law No. 6.673/63 and amendments thereto; Law No. 16.478, Official Journal of 30 September 1964, amended by Law No. 27.444; Decree No. 359/2019	Coverage: Shapes or appearances which, when incorporated in or applied to an industrial product, give it an ornamental nature. Term of protection: 15 years divided up into three consecutive five-year periods, from the date of presentation of the design. Average processing time for registration: Three working days.	INPI
5. Geographical indications and appellations of origin		
Law No. 25.380, Official Journal of 12 January 2001 and amendments thereto, including Law No. 25.966; Decree No. 556/2009 (implementing regulations)	Coverage: Legal regime for geographical indications (GIs) and appellations of origin for agricultural and food products. Terms of protection: Unspecified.	MAGyP
MAGyP Resolution No. 13/2021	Determines the body to operate as the registry for GIs and appellations of origin for agricultural and food products.	MAGyP
Law No. 25.163, Official Journal of 8 October 1999, and amendments thereto Decree No. 57/04 (implementing regulations)	Coverage: Regulations for the description and presentation of wine and wine-based spirits. Term of protection: Unspecified.	INV
INV Resolution No. 32/2002, indication of source/GI regime and GI-related requirements; INV Resolution No. 35/2002; INV Resolution No. 8/2003, controlled appellation of origin regime; INV Resolution No. 19/2012, requirements for producing wines with GIs and controlled appellations of origin	Coverage: GIs and indications of source. Controlled appellations of origin. Protection of indications of source, GIs and controlled appellations of origin. Indications of source: only for table wines in which 80% of the grapes used are grown in the area from which the name comes. GIs: used exclusively for quality wines. Controlled appellations of origin: used exclusively for select varieties of wine.	INV
6. New plant varieties		
Law on seeds and phyto-genetic creations and amendments thereto	Coverage: New plant varieties. Production and marketing of seeds. Protection of the ownership of phyto-genetic creations.	INASE

Legislation	Coverage and term of protection	Implementing authority
(Law No. 20.247, Official Journal of 16 April 1973); Implementing Decree No. 2.183/1991	Term of protection: 20 years (from being granted) for all species.	
Law No. 24.376, Official Journal of 6 October 1994	Incorporates the International Convention for the Protection of New Varieties of Plants (UPOV) into Argentine legislation.	INASE
Decree No. 2817/1991, Law No. 25.845 on the re-establishment of INASE	Establishment of INASE.	INASE
SAGyP Resolution No. 631/1992	Requirements for inclusion in the National Register of Cultivar Ownership.	MAGyP
INASE Resolution No. 35/1996	Lays down the requirements for the legal private use of seeds.	INASE
7. Undisclosed information		
Law No. 24.766 of 20 December 1996 (Law on the confidentiality of information and products)	Coverage: Natural or legal persons may prevent information lawfully within their control from being disclosed to, acquired by, or used by others without their consent, if: (a) the information is secret; (b) it has commercial value because it is secret; and (c) it has been subject to reasonable steps to keep it secret. Term of protection: Unspecified.	ANMAT

Source: Information provided by the authorities.

3.3.7.1.1 Invention and utility model patents

3.320. Patents are regulated by the Law on patents and utility models (Law No. 24.481, Official Journal of 23 March 1996), as last amended by Law No. 27.444, Official Journal of 18 June 2018. Decree No. 260/1996, Official Journal of 22 March 1996, adopted the Harmonized Text of Law No. 24.481 on Patents and Utility Models contained in Annex I thereto, as well as its implementing regulations in Annex II, with both annexes containing the corrections of Law No. 24.572, Official Journal of 23 October 1995. This Decree was amended by Decree No. 403/2019, Official Journal of 6 June 2019. Inventions of products or processes may be patented provided they are new, involve an inventive step and are capable of industrial application. The right conferred by the patent shall be determined by the first approved claim. The term of protection is 20 years from the filing of the application and is non-extendable. The disclosure of an invention does not affect its novelty when, within one year prior to the filing date of the patent application, or the date of recognized priority where applicable, the inventor or their successors in title have made the invention known by any means of communication or have displayed it at a national or international exhibition. However, the application must be accompanied by documentary supporting evidence. According to the INPI, the time taken to grant a patent from the moment the applicant pays the substantive examination fee (the act through which the applicant demonstrates their genuine interest in the patent being granted) is 4.64 years on average, depending on the technical area to which the invention relates.³⁸⁹

3.321. As a party to the Paris Convention, Argentina recognizes the international right of priority. When a patent is applied for after an application has been made in other countries, the priority date is recognized as the date on which the first patent application was filed, provided that no more than one year has elapsed since the initial filing. The right of priority must be claimed when the patent application is filed. The application filed in Argentina must not have a broader scope than the foreign application and, if it does, the priority must only be partial and relate to the foreign application. There must also be reciprocity in the country of the first application.³⁹⁰ Argentina is not party to the Patent Cooperation Treaty (PCT). However, according to information from WIPO, Argentine nationals filed 251 patent applications under the PCT between 2013 and 2020.³⁹¹

3.322. Utility models are all new forms, configurations or arrangements of any object that result in better or different functioning and endow it with some use, advantage or effect that it did not previously have. Utility models are protected through utility model certificates for a non-extendable

³⁸⁹ Information from the INPI. Viewed at: <https://www.argentina.gob.ar/inpi/prequntas-frecuentes-de-patentes>.

³⁹⁰ Article 78 of Law No. 27.444, Official Journal of 18 June 2018, which amended Article 14 of the Law on patents and utility models.

³⁹¹ Information from WIPO. Viewed at: https://www.wipo.int/ipstats/en/statistics/country_profile/profile.jsp?code=AR.

period of 10 years. The average processing time from the moment the applicant pays the substantive examination fee was 3.8 years in 2020.

3.323. The right to the patent belongs to the inventor or their successors in title, who may assign or transfer the patent and conclude licensing contracts. Where the subject matter of a patent is a product, the patent confers upon its owner the right to prevent third parties not having the owner's consent from the acts of making, using, offering for sale, selling, or importing that product. Where the subject matter of a patent is a process, the owner has the right to prevent third parties not having the owner's consent from using the process, and from using, offering for sale, selling, or importing the product obtained by that process. Use without the owner's authorization is possible if the invention has not been exploited within three years of the patent being granted or four years of the application being filed.

3.324. Argentina has guidelines on patenting (INPI Resolution No. 243/2003 and amendments thereto). The guidelines offer instructions regarding the practices and procedures in the various aspects of the examination of patent applications and utility models under the relevant legislation in force. INPI Resolution No. 283/2015 of 25 September 2015 introduced amendments to the patenting guidelines approved by INPI Resolution No. P 243/03 and amendments thereto, updating the aspects relating to living matter and natural substances and clarifying the aspects that, until that point, had not been clearly explained under the relevant items. The authorities clarified that the guidelines are general instructions that cover standard cases and enable examiners to apply uniform criteria, but do not constitute legal standards or provisions. The guidelines for the patentability examination of patent applications relating to chemical and pharmaceutical inventions are contained in Joint Resolution No. 118/2012, No. 546/2012 and No. 107/2012 of 2 May 2012 of the Ministry of Industry, the Ministry of Health and the INPI.

3.325. In order to be patentable, manufacturing methods must produce an industrial result; the manufacturing procedures for active ingredients and other pharmaceutical components must be reproducible and applicable on an industrial scale without the need for further experimentation and/or substantial changes to the physical and chemical manufacturing parameters.³⁹² The processes for obtaining polymorphs and pseudo-polymorphs are not patentable, since they are considered to be a routine experiment for the preparation of drugs. In addition, the following cannot be patented: new formulations and compositions and the processes for their preparation that are based on prior art; combinations of known active ingredients; pharmaceutical compositions, their preparation processes and medicines that are not novel for the product or process; new active ingredient salts, alcohol esters and other derivatives of known substances; inventions consisting of a dosage of an existing product; and products derived from active ingredients used separately from the active ingredient from which they derive.

3.326. The main amendments introduced during the review period to the Law on patents and utility models include those contained in Decree No. 403/2019, Official Journal of 6 June 2019, which entered into force on 6 August 2019 and seeks to speed up the processing of patent applications and simplify the processing and examination of utility model certificates. To that end, time-frames were shortened and the requirements relating to the filing of patent and utility model applications were reduced and adapted to electronic developments; it was stipulated that the right of priority claim would serve as a sworn statement; and the time-frame within which the novelty of the invention subject to the utility model is not broken was extended from six to 12 months where it is the applicant who has made known or disclosed the invention abroad.³⁹³ A new procedure for utility models was also developed. Law No. 27.444, Official Journal of 18 June 2018, introduced new provisions relating to the right of priority and specificities of the processing of utility models. INPI Resolution No. 56/2016 and the clarifications thereto in INPI Resolution No. 125/2016 empower the INPI to accept the validity of the international search pertaining to patent applications, where it is confirmed that the priority claimed under the Paris Convention has been granted abroad by the office

³⁹² Argentine legislation on patents has been questioned by certain trading partners, who claim that there are unduly broad limitations in the guidelines for the examination of patents, which result in the rejection of patent applications for categories of pharmaceutical inventions that are eligible for patentability in other jurisdictions. Also called into question is the provision that, to be patentable, processes for the manufacture of active compounds disclosed in a specification must be reproducible and applicable on an industrial scale. See: Office of the United States Trade Representative, 2019 Special 301 Report, April 2019. Viewed at: https://ustr.gov/sites/default/files/2019_Special_301_Report.pdf.

³⁹³ INPI Resolution No. 403/2019 may be viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/320000-324999/323965/norma.htm>.

of origin or other offices, provided that these foreign offices carry out the substantive examination and are subject to the same standards regarding patentability requirements as applied by Argentina.³⁹⁴ According to the authorities, from the entry into force of the above-mentioned resolutions until 31 December 2020, there were 1,497 requests for the application of these resolutions and decisions were made on 1,293 applications. The main users were the United States, the Netherlands, Japan, Germany, Italy, Sweden, France and Spain. The average time taken to make a decision on an application from the moment that the patent owner requests the application of the above-mentioned resolutions varies according to the technical area. The authorities indicated that these times range from an average of 66 days for the engineering industry to 286 days for biotechnology, with the overall average being 92 days.

3.327. INPI Resolution No. 112/2019, in effect since 3 June 2019, established the Prioritized Patent Examination (PEP) Programme to streamline the registration process for inventions.³⁹⁵ The PEP involves speeding up the substantive examination of patent applications so that they may begin to be studied within 60 days of the form being filed, provided that the first regular filing has been effected in Argentina and that the comment period for third parties is complete. The application must be published in the INPI's Patent Gazette.³⁹⁶ The PEP form may be downloaded and completed online.³⁹⁷

3.328. INPI Resolution No. 9/2020, Official Journal of 28 January 2020, introduced an amendment to the guidelines laid down in relation to the establishment of legal domicile in the procedures managed by the INPI. This amendment allows applicants to establish legal domicile anywhere within the territory of the Argentine Republic, rather than only within the territorial jurisdiction of the body's headquarters, the Autonomous City of Buenos Aires, as was previously required.³⁹⁸ Other provisions adopted during the review period include INPI Resolutions No. 1/2018 (simplification of procedures), No. 26/2018 (provisions on time-frames for claims), No. 209/2018 (establishing the INPI's Internal Control Committee), No. 250/2018 (revising the existing fee structure), No. 280/2018 (approving the procedure for registering utility models), No. 209/2019 (Internal Control Committee), and No. 98/2019 (extensions regime).

3.329. Argentine legislation permits the free transfer, assignment or licensing of technology by persons domiciled abroad in favour of natural or legal persons in Argentina, with no requirement to register. However, while not mandatory, registration with the INPI of technology transfer contracts brings tax benefits for the party residing in Argentina if the transfer has an impact on the production process and involves the transmission of knowledge.³⁹⁹ The application for registration must include the description of the technology being acquired and provide details of any licences; a declaration on the availability in Argentina of the technology being acquired and the reasons justifying the need for its acquisition from abroad must also be provided.⁴⁰⁰ The application is examined by the INPI, which must decide whether to approve it. Any natural or legal person domiciled in Argentina may also be registered as a recipient or licensee.

3.330. During the period under review (2013-20), 31,702 invention patent applications were filed in Argentina (residents plus non-residents) and 14,387 were granted (Table 3.47). In 2020, the average time between the applicant paying the substantive examination fee and the patent being granted was 4.64 years, depending on the technical area of the invention. The main areas in which patents were granted include processes, engineering and electronics. Over the same period, 1,538 utility models were applied for and 370 were granted. At the end of 2020 there were 13,926 patents in force, since 3,241 patents lapsed in 2019 under Order No. 366/2019 due to the non-payment of

³⁹⁴ If the application meets the requirements set forth in the Resolution, the examiner will begin the study of the application within the following 60 days. The National Patents Administration is not exempted from carrying out the corresponding substantive examination.

³⁹⁵ INPI Resolution No. 112/2019 may be viewed at: https://www.argentina.gob.ar/sites/default/files/p112_2019.pdf.

³⁹⁶ Information from the INPI. Viewed at: <https://www.argentina.gob.ar/examen-prioritario-de-patentes>.

³⁹⁷ Information from the INPI. Viewed at: <https://www.argentina.gob.ar/sites/default/files/formulariopep.pdf>.

³⁹⁸ The body dealing with patents was the exception, since applicants have always been able to establish domicile anywhere in the Argentine Republic.

³⁹⁹ Law No. 22.426 of 12 March 1981 on the transfer of technology.

⁴⁰⁰ Information from the INPI. Viewed at: <https://www.argentina.gob.ar/inpi/inscribir-de-contratos-de-transferencia-de-tecnologia-del-exterior-argentina>.

annuities. According to the authorities, the working processes of the National Patents Administration were redesigned from 2020, which allowed for significant progress to be made in the substantive examination of patent applications.

Table 3.47 Patents applied for and granted, 2013-20

Year	Residents		Non-residents	
	Applications	Registrations	Applications	Registrations
Total	4,275	1,614	27,325	12,822
2013	643	228	4,129	1,069
2014	509	265	4,173	1,095
2015	546	214	3,579	1,345
2016	884	201	2,925	1,678
2017	393	176	3,050	2,126
2018	367	129	3,300	1,396
2019	442	165	3,260	2,012
2020	491	236	2,909	2,101

Source: INPI.

3.3.7.2 Industrial designs

3.331. Industrial designs are protected by Decree-Law No. 6.673/1963 and amendments thereto, as well as by Law No. 16.478, Official Journal of 30 September 1964, amended in 2018 by Law No. 27.444 and Decree No. 353/2019. Shapes or appearances which, when incorporated in or applied to an industrial product or handicraft, give them an ornamental nature are protected for a period of 15 years, divided up into three consecutive five-year periods, from the date of registration. INPI Resolution No. 252/2018 introduced regulations to simplify the registration of industrial designs.⁴⁰¹

3.332. The author of an industrial design and their legitimate successors have the right of ownership and the exclusive right to exploit, transfer and register the design. Industrial designs created by persons employed by other persons shall belong to their authors, who shall have the exclusive right of exploitation, except where the author was specially contracted to create them or was merely carrying out instructions received from the persons for whom they work. If the design were a joint work of the employer and employee, it shall belong to both, unless otherwise agreed. Where two or more persons have jointly created an industrial design, the right of exclusive exploitation shall apply to all of them, and all shall have the right to register the work created in their name; in such cases the relationships between the co-authors shall be governed in accordance with the concept of co-ownership.

3.333. In order to enjoy the rights recognized by the Decree-Law, the author must register the design of their creation with the INPI's Directorate of Industrial Designs, which is a decentralized body acting under the MDP. Under Argentine law, in the absence of evidence to the contrary, it is presumed that the person who first registers an industrial design is its author. The author of an industrial design and their legitimate successors may file a claim in order to regain ownership of a registration effected fraudulently by a person other than the author.⁴⁰² An industrial design right is applicable to authors of industrial designs created abroad and their legitimate successors, provided that their respective countries grant reciprocal rights to Argentine authors or authors resident in Argentina. The registration of an industrial design shall be cancelled where it has been effected by a person other than its author, following a ruling by the federal courts at the request of an interested party, whether or not that party has previously registered designs.

3.334. During the period 2013-20, 13,486 applications for the registration of industrial designs were filed in Argentina and 12,525 were granted (Table 3.48).

⁴⁰¹ The Resolution may be viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/310000-314999/314816/norma.htm>.

⁴⁰² It has been indicated that the system does not provide for any substantial examination prior to the registration of the industrial design, and that only formal requirements are verified, but not the existence of models that are similar or identical to the one for which registration is sought, leaving it to the federal courts to resolve any disputes regarding the novelty of a design. See: European Commission (2019), Argentina Country Factsheet. Viewed at: <https://op.europa.eu/en/publication-detail/-/publication/2bfca01b-7205-11e9-9f05-01aa75ed71a1/language-en/format-PDF/source-164518153>.

Table 3.48 Industrial designs: applications and registrations, 2013-20

Year	Residents		Non-residents	
	Applications	Registrations	Applications	Registrations
Total	7,826	7,231	5,660	5,274
2013	703	689	762	856
2014	798	677	564	594
2015	1,017	899	565	583
2016	1,115	1,014	538	462
2017	972	851	677	703
2018	932	709	675	605
2019	1,052	988	997	971
2020	1,237	1,404	861	500

Source: INPI.

3.335. Argentina does not have a law for protecting layout designs of integrated circuits, but these layouts can be protected by registering industrial designs. The authorities indicated that the Directorate of Industrial Designs is fully digitalized. Applications are submitted, processed, notified, granted and the corresponding ownership extended digitally.

3.3.7.3 Trademarks

3.336. The protection of trademarks is regulated by the Law on trademarks and designations (Law No. 22.362, Official Journal of 2 January 1981), its implementing regulations in Decree No. 242/2019 and amendments thereto, as well as by the Law on collective trademarks (Law No. 26.355, Official Journal of 27 March 2008) and its implementing regulations in Decree No. 1.384/2008. It is also governed by INPI Resolution No. 183/2018 on the administrative resolution of trademark oppositions, lapse and nullity. Any sign capable of distinguishing one product or service from another, including names and commercial slogans, is protected as a trademark under the legislation. The term of protection is 10 years from the registration of the trademark and is renewable indefinitely for further 10-year periods, provided that the trademark has been used within the previous five years. Collective trademarks have also been protected since 2008. A trademark must be registered in order to be protected in Argentina, for which a legal domicile in the country must be established. According to the INPI, the registration of a trademark takes an average of 20 months.⁴⁰³ In order for the protection to continue after the initial 10-year period, a trademark must be renewed within the period of six months before its expiry and six months after it (the latter being the grace period, which requires the payment of a fee). The process takes 10 months on average.⁴⁰⁴ The trademark does not have to be used prior to its registration in order to be protected.

3.337. Argentina is not party to the Madrid Agreement Concerning the International Registration of Marks. The trademark registration system is single-class, meaning that a separate registration application must be filed for each class of goods or services described in the International (Nice) Classification for the Purposes of the Registration of Marks (in accordance with the version in effect at the time the application is filed), which includes 34 classes of goods and 11 classes of service. The type of trademark must also be specified in order for it to be registered: word (composed solely of text), figurative (image without text), mixed (image with a design that includes words, letters, numbers or a combination of several or all of them), three-dimensional, sound, olfactory, or motion or animated (when composed of a sequence of movement).⁴⁰⁵

3.338. The registration of a trademark grants the right of trademark ownership in relation to the products or services covered by the registration, as well as the exclusive right to its use on the market. It also grants the right to transfer ownership of the trademark to third parties, and to do so freely even in cases of co-ownership; the right to license the use of the trademark; and, crucially, the right to prevent third parties from using it without authorization. Furthermore, registration grants the right to oppose the registration with the INPI of signs that may be confused with the trademark;

⁴⁰³ Information from the INPI. Viewed at: <https://www.argentina.gob.ar/inpi/marcas>.

⁴⁰⁴ Information from the INPI. Viewed at: <https://www.argentina.gob.ar/inpi/marcas/renovar-una-marca>.

⁴⁰⁵ Information from the INPI. Viewed at: <https://www.argentina.gob.ar/inpi/marcas/registrar-una-marca>.

and/or to request the nullity of other trademarks filed subsequently that may also be confused with it.

3.339. A number of INPI trademark-related resolutions were issued during the review period, the majority of which were linked to the time-frames for opposition procedures. Examples include INPI Resolution No. 101/2018, INPI Resolution No. 144/2018, and INPI Resolution No. 183/2018 containing the implementing regulations for the administrative procedure for the resolution of oppositions, updated by INPI Resolution No. 279/2018 containing the implementing regulations for the administrative procedure for the resolution of oppositions, nullity and lapse.

3.340. During the period 2013-20, 628,749 applications were filed for the registration of trademarks in Argentina and 474,584 were granted (Table 3.49).

Table 3.49 Trademarks: requests and registrations, 2013-20

Year	Residents		Non-residents		Abroad	
	Applications	Registrations	Applications	Registrations	Applications	Registrations
Total	489,847	352,587	138,902	121,997	57,453	57,294
2013	65,434	55,166	22,487	19,985	8,389	8,835
2014	57,386	62,070	19,376	21,809	7,769	12,965
2015	69,204	58,555	20,429	20,373	8,798	7,297
2016	55,739	43,674	15,319	15,391	8,010	6,915
2017	72,611	27,036	15,190	9,050	7,135	6,284
2018	55,907	24,437	16,700	8,257	8,284	7,204
2019	49,126	48,184	15,337	15,443	9,068	7,794
2020	64,435	33,465	14,064	11,689		

Source: INPI.

3.341. The geographical indication (GI) and appellation of origin protection system in Argentina is voluntary, open and requires registration.⁴⁰⁶ As of May 2021, 104 GIs and two controlled appellations of origin for wine were registered pursuant to Law No. 25.163, as were five GIs and three appellations of origin for agricultural and food products, pursuant to Law No. 25.380 and amendments thereto. Neither Law No. 25.380 nor its implementing regulations contain specifications on the conditions and term of protection.

3.342. The entry of a GI into the register maintained by the Ministry of Agriculture, Livestock and Fisheries (MAGyP) is made at the request of anyone who proves that they have a legitimate interest, i.e. natural or legal persons directly engaged, within the area in question, in the harvesting, production or processing of the product or products for which GI protection is sought, and/or the chambers or associations of manufacturers and/or producers of the product to be protected by the GI, which are statutorily authorized to that end. In principle, applications for inclusion in the register must be made by a group of producers, whether associated *de facto* or officially as a non-profit civil association, who shall determine the geographical area of production. However, a single natural or legal person may apply for registration provided that they are alone in the area in producing an agricultural or food product with certain characteristics or qualities that mean it is clearly different to other products of its kind, and that these characteristics derive from its geographical origin. In such cases, the specifications will be reviewed by the implementing authority (the MAGyP) in order to ensure that they are not expressed in such a way that could give the producer a monopoly over the product. Producers whose share of the total volume of the product in the area exceeds 30% may also apply for inclusion in the register. In the case of an individual application, it must be possible for the specifications to be replicated by other producers in the area who produce under conditions similar to those specified in the relevant registration. These producers may subsequently apply to use the GI to market their products.

3.343. In order to be protected by an appellation of origin, agricultural or food products must be objectively and closely associated with the geographical area from which they obtain their name. There are two main eligibility conditions: (a) the qualities or characteristics of the product must be derived exclusively or essentially from the specific geographical environment of the place of origin; and (b) the production and processing of the raw materials, from the beginning of the production chain to the final product, must take place in the specific geographical area from which the product obtains its name. Appellations of origin are granted for a product and geographical area jointly. The

⁴⁰⁶ Decree No. 556/2009.

proposal to adopt an appellation of origin may be made at the individual or collective initiative of producers, provided that they carry out their activities within the area corresponding to the future appellation of origin. Producers who seek the recognition of an appellation of origin may first establish a promotion council for the purpose of drafting regulations for the appellation and carrying out technical reports covering the region's historical background and general characteristics, the production area's geographical boundaries, the products for which the appellation of origin is to be used, the factors which guarantee that the product originates from the area indicated, the description of the production process for the product, and the identification of the producer or producers applying for recognition of the appellation of origin.

3.344. The National Grape-Growing and Wine Production Institute (INV) under the MAGyP is the body responsible for matters relating to GIs and appellations of origin for wine. All aspects relating to GIs and appellations of origin for wine are regulated by Law No. 25.163 and amendments thereto, and by its implementing regulations in Decree No. 57/04. Law No. 25.163 establishes the following categories of designations for wines: indication of source, GI and controlled appellation of origin, in accordance with the conditions of use laid down for each one by the Law. The conditions and terms of protection are not specified. The use of an indication of source is reserved exclusively for table wines or regional wines. In the case of table wines, in order for the indication of source to be granted, 80% of the grapes used to produce the wine must be grown in the area from which its name comes. The procedure for determining the geographical area corresponding to an indication of source, the conditions of use and control of this category in the regime falls within the exclusive competence of the INV.

3.345. For the purposes of Law No. 25.163, "geographical indication" (GI) means the name that identifies a product originating (product processed and packaged in the geographical area in question using varieties from the region) from a region, locality or demarcated production area in the national territory no larger than a province or interprovincial zone that is already recognized. The GI is reserved exclusively for quality wines or wine-based spirits and may only be used if the quality and characteristics of the product can be primarily attributed to its geographical origin. The procedure for determining the production area of a GI falls within the exclusive competence of the INV. Applications to the INV to register a GI may be made only by: the INV itself, vine growers or their representative organizations, processors of wines and wine-based spirits, and organizations engaged in promoting or protecting the interests of persons involved in wine production. In order for the GI to be recognized and registered, it must be known at the local and/or national level and it must be possible to demarcate its boundaries on the basis of easily identifiable geographical data. Evidence that the climate, soil quality, altitude, appearance and other geographical or physical qualities of the region distinguish it from other neighbouring regions and give the wines produced in the area particular characteristics should also be provided. The identification of the producer or producers that are applying for recognition of the GI and the register of vineyards and establishments located in the area that would be covered by the future GI are also required for registration.

3.346. Under Law No. 25.163, "controlled appellation of origin" means the name that identifies a product originating from a region⁴⁰⁷, locality or demarcated production area in the national territory, the particular qualities or characteristics of which are due exclusively or essentially to the geographical environment. The use of a controlled appellation of origin is reserved exclusively for wines of selected varieties or wine-based spirits of superior quality produced in a qualitatively different demarcated region of the national territory, the raw material for which comes from the same demarcated production area and which is also processed, matured and bottled in this same area. Wines or wine-based spirits of superior quality with particular qualitative characteristics different from other wines or spirits produced even in similar environmental conditions may qualify for the controlled appellation of origin if they fulfil the relevant requirements and are made from the varieties on the list maintained by the INV. Entry into the system of controlled appellation of origin is voluntary. The proposal to recognize a controlled appellation of origin shall be made at the individual or collective initiative of vine growers and winemakers who carry out their activities within the production area corresponding to the future controlled appellation of origin. Vine growers and winemakers who wish to obtain recognition of a controlled appellation of origin must establish, for each controlled appellation of origin, a promotion council similar to that required for other products,

⁴⁰⁷ Law No. 25.163 defines 'product originating' for the purposes of a controlled appellation of origin as a product that is obtained from grapes of *Vitis vinifera* varieties entirely produced in the area in question and that is processed and bottled in that area, which must be expressly certified by the INV.

consisting of representatives of vine growers and processors that carry out their activities within the production area of the controlled appellation of origin. They must also prepare their regulations.⁴⁰⁸

3.3.7.4 New plant varieties

3.347. New plant varieties are protected by the Law on seeds and phylogenetic creations and amendments thereto (Law No. 20.247, Official Journal of 16 April 1973) and implementing Decree No. 2.183/1991. Other legislation in the area includes Law No. 24.376, Official Journal of 6 October 1994; Decree No. 2.817/91; Law No. 25.845 on the re-establishment of INASE; SAGyP Resolution No. 631/1992; and INASE Resolution No. 35/1996.

3.348. Protection is obtained through the breeder's right. The term of protection is 20 years (from granting) for all species. The competent body is the National Seeds Institute (INASE), which is responsible for implementing the Law on seeds and phylogenetic creations and exercises the enforcement powers deriving from the implementation of this Law. INASE's mandate includes protecting the intellectual property of phylogenetic creations and proposing and implementing any other regulations relating to the identity and quality of seeds. INASE issues the national and international quality certificate for all plant organs intended for sowing, planting or propagation, in line with the agreements signed or to be signed in this area.⁴⁰⁹

3.349. Joint General Resolution No. 4.248/2018 established the Simplified Agricultural Information System (SISA), which replaced the registers and information systems linked to the production and marketing of various grains and seeds. The SISA allows for INASE to control the varietal identity of soya beans, wheat, cotton, rice, groundnuts, malting barley and peas.⁴¹⁰ INASE Resolution No. 228/2018 introduced provisions for the marker-assisted verification and identification of soya bean varieties, and INV Resolution No. 56/2018 approved the use of the seed importation application form, which is generated by the management system and used to seek authorization from the cultivar's breeder.

3.350. The National Seeds Commission (CONASE), consisting of members from the public and private sectors, is responsible for proposing rules and interpretation criteria for the implementation of the Law on seeds and specifying the species to be included under the "supervised" seed system.⁴¹¹ CONASE advises on technical issues relating to the rules and interpretation criteria for the implementation of Law No. 20.247 on seeds.⁴¹² CONASE has a standing Secretariat and technical committees to deal with specific matters.⁴¹³

3.3.7.5 Copyright and related rights

3.351. The National Copyright Directorate (DNDA), attached to the Under-Secretariat for Registration of the Ministry of Justice and Human Rights, is the body responsible for the protection of copyright. The DNDA manages the organization and functioning of the copyright register (in accordance with Annex II to Administrative Decision No. 1.838/2020). The DNDA maintains the register of works and related legal instruments, periodicals and contracts, and ensures the control of the legal deposit of copies of works published in the country. The DNDA also acts as a custodian of unpublished works and advises public bodies, private entities and/or individuals on the interpretation of the current rules in the area of copyright and related rights.

⁴⁰⁸ The regulations for each controlled appellation of origin must, *inter alia*, demarcate the production area; identify the varieties cultivated; maintain the register of vineyards suitable for producing wines entitled to the controlled appellation of origin; specify the fermentation methods and procedures for control, quality evaluation and sensory examination; and maintain a register of vine growers, winemakers and products with a controlled appellation of origin.

⁴⁰⁹ Information from INASE. Viewed at: <https://www.argentina.gob.ar/inase/quees>.

⁴¹⁰ INASE Resolutions No. 378/2018 (soya beans, wheat and cotton), No. 72/2019 (rice and groundnuts) and No. 207/2019 (malting barley and peas).

⁴¹¹ The species subject to mandatory supervision are: alfalfa, annual ryegrass, citrus fruits, cotton, grain sorghum, maize, malting barley, orchard grass, perennial ryegrass, potatoes, rescue grass, rice, soya beans, summer squash, sunflower, tall fescue, wheat, and white clover.

⁴¹² Information from CONASE. Viewed at: <https://www.argentina.gob.ar/inase/conase>.

⁴¹³ These technical committees deal with the following areas: cotton, designations, forest-tree seeds, maté, nurseries, oilseeds, potatoes, rice, seed analysis, seeds of forage plants, summer cereals and winter cereals. Information from CONASE. Viewed at: <https://www.argentina.gob.ar/inase/conase>.

3.352. The implementing authority for the paying public domain system is the National Arts Fund (FNA). The FNA itself collects the public domain fees for literary and artistic works. For musical, dramatic, dramatico-musical, cinematic and television works, the fees are collected by the respective management organizations. The DNDA collects the fees for the registration of works and contracts, which go to the FNA.

3.353. The main legislation on copyright is the Law on intellectual property (Law No. 11.723, Official Journal of 30 September 1933) and amendments thereto, as well as implementing Decree No. 41.223/1934 (implementing regulations). Other laws and regulations governing copyright and related rights include: Decree No. 746/1973, Decree No. 1.670/1974, Law No. 17.648, Decree No. 5.146/1969, Law No. 20.115, Decree No. 461/1973, Law No. 26.899, Decree-Law No. 1.224/1958, Decree No. 6.255/1958, FNA Resolution No. 15.850/1977, Decree No. 1.671/1974, Decree No. 1.914/2006, Decree No. 124/2009, and Decree No. 600/2019.

3.354. The following are considered protected by copyright under the Law on intellectual property: scientific, literary and artistic works, which comprise writings of all types and scope, and include source and object computer programmes; compilations of data or other materials; dramatic works, musical compositions and dramatico-musical works; cinematographic, choreographic and pantomime works; works of drawing, painting, sculpture and architecture; models and works of art or science applied to trade or industry; printed matter, plans and maps; plastics, photographs, recordings and phonograms; and any scientific, literary, artistic or didactic production, irrespective of its reproduction procedure. Copyright protection covers the expression of ideas, procedures, methods of operation and mathematical concepts, but not those ideas, procedures, methods and concepts *per se*.

3.355. The right of ownership of a scientific, literary or artistic work entitles its author to dispose of, publish, perform and publicly exhibit, alienate, translate, adapt or authorize the translation of, and reproduce the work in any form. Ownership of intellectual works falls to the authors thereof during their lifetime, and to their heirs or legal successors for 70 years starting from 1 January of the year following the author's death.⁴¹⁴ In cases of works of collaboration, this term shall begin from 1 January of the year following the death of the last collaborating party. For posthumous works, the 70-year term shall begin from 1 January of the year following the death of the author.⁴¹⁵ In the case of anonymous works, the term is 50 years from the date of publication. For photographs it is 20 years from the date of publication and for films it is 50 years from the death of the last of the collaborating parties. Ownership of fixed intellectual performances falls to the performers for a period of 70 years starting from 1 January of the year following publication, while rights over phonograms fall to the producers for the same duration.⁴¹⁶

3.356. Inclusion in the DNDA's register is not required for copyright protection; works are protected from the moment of their creation without having to fulfil any other requirements. However, the authorities do recommend that the works be registered, since they consider that registration offers security by providing certainty as to the existence of the work on a certain date, its title, author, translator and content. It also provides proof of authorship, as registration is a presumption of authorship granted by the State, with a certified date of registration. Registration allows for comparisons to be made in cases of plagiarism and piracy, since the copy of the deposited work is submitted to the Judiciary for assessment and as a form of protection, as the author of the work is presumed to be the party that appears as such in the certificate issued by the DNDA, in the absence of proof to the contrary.⁴¹⁷

3.357. While inclusion in the DNDA's register is not required for copyright protection, it is mandatory for all works published in Argentina. The publisher must register these works with the National Intellectual Property Registry within three months of their appearance, and also deposit copies

⁴¹⁴ In addition to the author of the work and their heirs or legal successors, other holders of the intellectual property rights are: those who have the author's permission to translate or adapt the work and natural or legal persons whose employees have produced a computer programme under contract in the performance of their professional duties, unless stipulated otherwise.

⁴¹⁵ The updated text of the Law on intellectual property may be viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/40000-44999/42755/texact.htm>.

⁴¹⁶ These provisions, contained in Article 5 *bis* of the Law on intellectual property, were introduced by Article 1 of Law No. 26.570, Official Journal of 14 December 2009.

⁴¹⁷ Information from the DNDA. Viewed at: <https://www.argentina.gob.ar/justicia/derechodeautor/beneficios>.

thereof. The same deadline, beginning from the first day on which such works are placed on sale in Argentina, prevails for works printed abroad that are published in Argentina. The National Intellectual Property Registry publishes in the Official Journal the names of the works submitted for registration, along with the relevant information (title, author, publisher and class). If opposition has not been raised within one month of publication, the Registry registers the works and grants the authors, where requested, the permanent ownership title. The deposit of works, effected by the publisher, guarantees completely the rights of the author over their work and those of the publisher over their publication. The failure to register a published work leads to the suspension of the right of the author until such time as the work is registered, and such rights are recovered by the actual act of registration.

3.358. Unpublished works may also be deposited in custody. As regards such works, the author or their legal successors may deposit a copy of the manuscript with the depositor's certified signature (Article 1 of Decree No. 31.964/1939). This act protects authorship for three years, after which time the deposit may be renewed for a further three years within 30 days following its expiry. If the deposit is not renewed, the copy is destroyed.⁴¹⁸ Any publishing, translation, purchase-sale, transfer or participation contract, in addition to any other contract linked to intellectual property rights, are also registered with the Registry, provided that the works to which they relate have been published. For the registration of any work, the Registry receives fees set by the Executive.

3.359. Argentina has a number of collective management organizations, which include the Argentine General Society of Authors (ARGENTORES), the Argentine Society of Music Authors and Composers (SADAIC), the Civil Association of Argentine Film Directors (DAC), the Argentine Association of Performers (AADI), the Argentine Chamber of Phonogram Producers (CAPIF), and the Argentine Performers Management Society (SAGAI). Decree No. 600/2019 on Collective Management Organizations, Official Journal of 30 August 2019, empowers the implementing authority (the Ministry of Justice and Human Rights and the Government Secretariat for Tourism of the Secretary-General of the President's Office) to establish special monthly fees to be collected by all collective management organizations for the public performance of works in accommodation establishments, and to set the monthly caps on the fees payable by an individual establishment. The monthly collection of the fees established by the implementing authority shall be carried out by the collective management organizations with state recognition to operate, and the fees shall be distributed equally among the organizations. In order to distribute the royalties payable to foreign film and audiovisual author-directors, the DAC must sign the relevant reciprocity agreements with any counterparts abroad, and do so on a preferential basis with those counterparts operating in countries in which Argentine film and audiovisual author-directors enjoy a minimum level of protection. SAGAI is empowered to collect and distribute the royalties generated in Argentina by performers (actors or dancers) of foreign audiovisual works or other media, only where there is a representation agreement with the counterpart abroad that ensures reciprocity of treatment and remuneration rights for communication to the public in the third country for performers participating in national works.⁴¹⁹

3.360. As part of the protection of copyright in Argentina, provision is made for the "paying public domain", which was established by Decree-Law No. 1.254/1958 and its implementing regulations in Decree No. 6.255 of 28 April 1958. This means that copyright royalties shall be paid for the publication of works that have fallen into the public domain, whether due to express legal provisions or to the expiry of the established legal terms of protection. These royalties may not exceed the current fees for the use of works in the private domain. The paying public domain covers all forms of exploitation included under the Law on intellectual property and all parties that obtain any direct or indirect benefit from the works, performances, phonographic productions, broadcasts and productions.⁴²⁰ Books, publications and texts used in official primary and secondary education programmes are exempt from the payment of public domain copyright royalties. The revenue collected from the paying public domain forms part of the financing of the FNA, which grants loans to stimulate, develop, safeguard and reward artistic and literary activities in Argentina and their dissemination abroad. The FNA is also financed by a sum equivalent to 10% of the price of any tickets to dance parties or dances, and a sum equivalent to 5% of the price of any advertisement broadcast on radio and television stations. Resolution No. 15.850/1977, amended by Resolution No. 16.001/2016, provides that copyright royalties must be paid to the "agents" of the FNA, i.e. the

⁴¹⁸ Decree No. 7.616/1963.

⁴¹⁹ Decrees No. 1.914/2006 and No. 124/2009.

⁴²⁰ Article 100 of Law No. 27.591, Official Journal of 14 December 2020.

collective management organizations. Collection of the fees depends on the type of royalty: performance royalties are paid to ARGENTORES; inclusion royalties to ARGENTORES for the literary part and SADAIC for the musical part; exhibition fees to ARGENTORES in the Autonomous City of Buenos Aires and SADAIC in Greater Buenos Aires and the rest of the country; and public performance, radio and television broadcasting, and reproduction royalties to SADAIC.⁴²¹

3.361. The fee charged for works in the paying public domain is the same as that charged for the use of a work in the private domain in the case of the following royalties: direct performance, radio performance/broadcasting, inclusion, literary and musical reproduction, public performance, exhibition in cinemas and/or exhibition of audiovisual works. In other cases, a percentage of the private domain fee is charged. Such is the case for the following royalties: exhibition (30%), radio and television performance/broadcasting (10%), television performance (10%; 2%⁴²²), reproduction of sculptures and architectural works (10% of the retail price of each unit, collected directly by the FNA), public performance of dance music (5%), and publication of literary, musical, and scientific works (3% of the cover price).

3.362. Law No. 26.899 of 3 December 2013 establishes that the public bodies and institutions that comprise the National System of Science, Technology and Innovation (SNCTI) and that receive funding from the State must develop their own or shared open-access institutional digital repositories, in which their researchers, technologists, teachers, post-doctorate fellows and masters and doctoral students shall deposit their scientific and technological publications resulting from work, training and/or projects that have received full or partial public funding. These public bodies and institutions must establish policies to ensure public access to such digital repositories, as well as institutional policies for their management and long-term preservation.

3.3.7.6 Undisclosed information

3.363. The protection of undisclosed information is regulated by Law No. 24.766 (Law on the confidentiality of information and products that are lawfully under the control of one person and are improperly disclosed in a manner contrary to fair trade practices), adopted on 20 December 1996. The Law stipulates that natural and legal persons shall have the possibility of preventing information lawfully within their control from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices⁴²³, so long as such information meets the following requirements: (a) it is secret in the sense that it is not, as a precise assembly of its components, generally known among or readily accessible to persons that normally deal with the kind of information in question; (b) it has commercial value because it is secret; and (c) it has been subject to reasonable steps, by the person lawfully in control of the information, to keep it secret. Undisclosed information that fulfils the above-mentioned requirements is protected by the Law. Information shall not be protected if it has fallen into the public domain in any country as a result of the publication of any of the protected data or the presentation of all or parts thereof in scientific or academic circles, or if it has been disclosed by any other means. The protection of undisclosed information applies to information contained in documents, electronic or magnetic media, optical discs, microfilm, film or other similar elements. In the case of a product or procedure that is protected by an invention patent, the Law on confidentiality stipulates that any third party may use the invention prior to the expiry of the patent, for experimental purposes and in order to collect the information required for the approval for marketing of a product or procedure by the competent authority after the expiry of the patent.

3.364. Information relating to products for which registration or marketing authorization is sought, which is to be submitted to the local health authority and attests to the efficacy and safety of products using new chemical entities never before registered in Argentina or any other country, is protected against any dishonest commercial use as defined in Law No. 24.766 and may not be disclosed so long as it fulfils the requirements stipulated in this Law and is the result of a significant

⁴²¹ Where a public performance features works in the public domain alongside those in the private domain, the minimum royalty to be collected by the FNA shall be 40% of the total amount of copyright accruing, regardless of the number of public works used.

⁴²² Pursuant to Resolution No. 16.001/2016, the 10% applies to works for which the collector is ARGENTORES and the 2% to those for which the DAC is the collector.

⁴²³ The following are considered as practices contrary to honest commercial practices: breach of contract, breach of confidence and inducement to breach, as well as the acquisition of undisclosed information by third parties who knew, or were grossly negligent in failing to know, that such practices were involved in the acquisition.

technical and economic effort. Argentine legislation does not provide for the granting of exclusive rights for a set period of time to the test data (such as that of the agrochemical or pharmaceutical industry) that are included in a dossier submitted to the health authority for the purposes of obtaining sanitary clearance.

3.365. In the case of products similar to those registered or authorized for marketing (sanitary clearance) in Argentina or in countries listed in Annex I to Law No. 24.766⁴²⁴, the local health authority shall request only the information considered to be essential when approving these similar products or authorizing them for marketing.⁴²⁵ Information shall be protected where its disclosure is not necessary to protect the public.⁴²⁶ In order to register medicinal or pharmaceutical preparations similar to those authorized in Argentina or in Annex I countries, the product in question must be marketed in the country of origin. In the case of medicinal or pharmaceutical preparations imported from the countries listed in Annex II to Law No. 24.766⁴²⁷, the submission of a certificate from the health authority of the country of origin is required in addition to the above information. The above-mentioned medicinal or pharmaceutical preparations must be manufactured in pharmaceutical laboratories, the factories of which have been approved by government entities of "high sanitary surveillance" countries or by the Ministry of Health and meet the manufacturing and quality control standards required by the national health authority. Once the requested information has been submitted, the Ministry of Health shall have 120 days, as from the submission of the application for registration of the medicinal or pharmaceutical preparation, to announce its decision. The approval of the registration or marketing authorization of like products does not give entitlement to the use of the protected confidential information.

3.366. The above-mentioned regime is applicable to applications for the registration of medicinal preparations to be manufactured in Argentina that are similar to those already included on the health authority's register and those authorized for public use in at least one of the Annex I countries, even when the product in question is being registered for the first time. It is also applicable to goods to be imported from Annex II countries that are similar to those already included on the health authority's register. In the case of products that are manufactured in Argentina and have never before been registered in the country, yet are registered and authorized in certain Annex I countries, information confirming the efficacy and safety of the product must be submitted to the local health authority. This same requirement applies to imports from an Annex II country in which no like products were included on the local health authority's register even when the product was authorized and marketed in the country of origin, as well as to imports of products manufactured in countries not included in Annexes I and II, and not authorized for use in any of the Annex I countries.

3.367. The protection conferred by Law No. 24.766 does not grant any exclusive rights to those who possess or have developed the information. However, where third parties access the information in a manner contrary to honest commercial practices, the holder of the information shall be entitled to request precautionary measures be taken to stop the unlawful conduct, and/or to bring civil proceedings with a view to prohibiting the use of the undisclosed information and obtaining financial compensation for the prejudice sustained. In addition, anyone who contravenes the law as regards confidentiality is subject to criminal liability.

3.3.7.7 Enforcement

3.368. Infringements of intellectual property rights are penalized by law.⁴²⁸ The Law on the promotion of books and reading specifically penalizes reproduction without the consent of the author

⁴²⁴ Austria, Belgium, Canada, Denmark, France, Germany, Israel, Italy, Japan, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom and the United States.

⁴²⁵ This information includes: the proposed name for the product and its formula, the pharmaceutical forms that it shall take, its pharmacological classification and selling condition; technical information on the method of control, shelf life, processing method and data on the bioequivalence or bioavailability of the product in relation to like products; and the proposed markings, label and package inserts.

⁴²⁶ Pursuant to Article 10 of the Law, information shall be exempt from protection where its publication is necessary to protect the public or where steps are taken to ensure the protection of such information against dishonest commercial use.

⁴²⁷ Australia, Brazil, Chile, China, Cuba, Finland, Hungary, Ireland, Luxembourg, Mexico, New Zealand and Norway.

⁴²⁸ Infringements of intellectual property rights are penalized by Laws No. 11.723 (copyright and related rights), No. 24.481 (patents and utility models), No. 22.362 (trademarks), No. 25.380 (GIs and appellations of origin of agricultural and food products), No. 25.163 (indications of source, GIs and appellations of origin for

or publisher.⁴²⁹ The federal courts have jurisdiction over industrial property rights cases. The ordinary civil or commercial courts consider cases of infringement of copyright and related rights and violation of breeder's rights between holders and third parties.⁴³⁰ The body responsible for applying sanctions for violation of breeder's rights is INASE (the courts are competent only in the event of an appeal). Law No. 27.411 of 22 November 2017 approved the Council of Europe's Convention on Cybercrime, with certain reservations.

3.369. Under Article 172 of the Criminal Code, violations of copyright are punishable by a prison sentence ranging from one month to six years. The Law on copyright considers the following to be punishable by a prison sentence and by the seizure of the unlawful publication: (a) any person publishing, selling or reproducing by any means or instrument an unpublished or published work without authorization from its author or legal successors; (b) any person falsifying intellectual works (publication of an already published work, falsely showing the name of the publisher authorized for this purpose); (c) any person publishing, selling or reproducing a work, suppressing or changing the name of the author, the title of the work or fraudulently altering the text thereof; and (d) any person publishing or reproducing a larger number of copies than duly authorized. Likewise, the following shall be punished by means of a prison sentence of one month to six years' duration: (a) any person who, for profit-making purposes, reproduces a phonogram, without written authorization from its producer or the producer's licensee; (b) any person who, for the same purpose, facilitates unlawful reproduction through the hiring of phonograms or other material carriers; (c) any person reproducing or selling unauthorized copies on the orders of third parties; (d) any person storing or displaying unlawful copies and who cannot provide proof of their origin through the invoice linking them in commercial terms to a lawful producer; and (e) any person importing unlawful copies with a view to their public distribution.

3.370. The injured right holder may request, in a commercial or criminal court, the seizure of the copies of phonograms reproduced unlawfully and of the reproduction materials. The judge may order this measure *ex officio* and may also request sufficient security from the applicant, where they consider that the applicant lacks the necessary capital resources. The unlawful copies shall be destroyed and the reproduction equipment auctioned. Judges may order for preventive purposes the suspension of a theatrical, cinematographic, philharmonic or other similar performance; the seizure of the denounced works and of the proceedings collected in violation of the rights; and any other measure used to protect the rights covered by the Law on intellectual property.

3.371. Under the Law on patents and utility models, the unlawful appropriation of the rights of the inventor shall be treated as a counterfeiting offence and punished by imprisonment for a term of six months to three years and a fine. This penalty shall likewise be imposed on any person who knowingly: (a) produces or causes to be produced one or more objects in violation of the rights of the owner of the patent or utility model; and (b) imports, sells, places on sale, markets, displays, or introduces into Argentine territory, one or more objects in violation of the rights of the owner of the patent or utility model. The same penalty, increased by one-third, shall be imposed on: (a) any person who has been a partner, agent, advisor, employee or worker of the inventor or their successors in title and who unlawfully appropriates or discloses the invention while it is still unprotected; (b) any person who, by corrupting the partner, agent, advisor, employee or worker of the inventor or their successors in title, brings about the disclosure of the invention; and (c) any person who violates the secrecy obligation imposed by the Law. In addition, the Law provides that a fine shall be imposed on any person who is not the owner of a patent or utility model or no longer enjoys the rights conferred thereby but makes use on their goods or in their advertising of names liable to mislead the public as to the existence thereof. In the event of repetition of the offences punished by the Law on patents and utility models, the penalty shall be doubled.

3.372. In addition to criminal proceedings, the owner of the patent and their licensee or the owner of the utility model may bring civil proceedings in order to prohibit the continued unlawful exploitation and obtain compensation for any prejudice sustained. On submission of the patent or utility model certificate, the injured party may seek the following precautionary measures, subject to such security as the judge may consider necessary: (a) seizure of one or more copies of the offending articles; and (b) an inventory or impoundment of the counterfeit articles and the

wine and wine-based spirits), No. 20.247 (new plant varieties), Decree-Law No. 6.673/1963 (industrial designs) and Decree No. 1.384/2008 (collective trademarks).

⁴²⁹ Law No. 25.446, Official Journal of 26 July 2001.

⁴³⁰ WTO document IP/N/6/ARG/1 of 4 December 2002, and information provided by the authorities.

machinery specially designed for the manufacture of the products or the carrying-out of the offending process. The above-mentioned measures shall have no further effect after 15 days if the applicant has not brought the corresponding judicial proceedings.

3.373. The Law on trademarks and updates thereto provide that a penalty of imprisonment for a term of three months to two years and a possible fine of ARS 4,000 to ARS 100,000 shall be imposed on anyone who: (a) forges or fraudulently copies a registered trademark or a designation; (b) uses a registered trademark or a designation that is forged or fraudulently copied or belongs to a third party without that party's authorization; (c) offers for sale or sells a registered trademark or a designation that is forged or fraudulently copied or belongs to a third party without that party's authorization; or (d) offers for sale, sells or otherwise markets goods or services with a forged or fraudulently copied registered trademark. As in the case of patents, the criminal and correctional federal courts are competent to hear criminal cases, and the civil and commercial federal courts are competent to hear civil cases. The injured party may request the seizure and sale of the goods and other items with the offending trademark, in addition to the erasure of the offending marks and designations and the destruction of all items bearing them.

3.374. Law No. 25.986 of 29 December 2004, amended by Law No. 26.458, Official Journal of 16 December 2008, prohibits the import or export of goods under any suspensive or definitive customs regime where a simple inspection of the goods reveals that they bear a counterfeit trademark or are pirated copies. In cases of doubt, AFIP may suspend the release of the goods for a maximum of seven working days in order to consult the right holder so that they may ask the competent judge to order the precautionary measures that they deem appropriate.⁴³¹ Regulations implementing the Law were issued in 2006 when AFIP provided the customs services with operational and control measures for detaining counterfeit goods.⁴³²

3.375. In order to step up the campaign against trade in counterfeit items, AFIP implemented the warning system *Sistema de Asientos de Alerta* by means of AFIP General Resolution No. 2.216/2007, amended by AFIP General Resolution No. 4.571/2019, Official Journal of 3 September 2019. The registration of holders of trademarks or copyright or related rights with the *Sistema de Asientos de Alerta* is voluntary and free of charge. This system enables AFIP's Malvina Computer System (SIM) to identify, upon the registration of a suspensive or definitive import or export regime, importers/exporters who do not hold intellectual or industrial property rights, and to notify the right holders in order to identify whether the goods are counterfeit.⁴³³ The processing of the regimes covered by the *Sistema de Asientos de Alerta*, with the exception of those submitted by the right holder registered in the system, shall be blocked for one working day, as from the working day immediately following the date of registration. During this period, the right holder registered in the system shall be notified of the existence of the operation subject to control. At their request, the physical inspection of the goods will be carried out in their presence. In the event that the interested party fails to appear or the period during which processing is blocked elapses, customs shall, on the grounds of the risk analysis carried out, execute *ex officio* the control measures it deems appropriate. If the existence or presumption of trademark fraud is confirmed, the relevant legal and administrative proceedings shall be initiated.⁴³⁴ The registration of the trademark in the system shall be valid for two years and is renewable for similar periods at the request of the interested party.⁴³⁵ Once this period has elapsed, the registered trademark(s) concerned must be renewed by its holder and/or agent in the 30 days prior to its expiry.⁴³⁶

3.376. According to Annex II of AFIP General Resolution No. 4.571/2019, customs' operational or control bodies shall stop regimes involving goods found to bear a counterfeit trademark, as well as pirated copies, and file the corresponding complaint with the Department of Customs Legal Procedures. In the case of goods for which it cannot be reliably determined whether the trademark is original or counterfeit or whether the copies are authorized by the copyright holder, in addition to above-mentioned actions, the Non-Economic Prohibitions and Trademark Fraud Division of AFIP's

⁴³¹ Law No. 25.986 may be viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/100000-104999/102592/texact.htm>.

⁴³² AFIP External Note No. 53/2006.

⁴³³ AFIP General Resolutions No. 2.216/2007 and No. 4.571/2019.

⁴³⁴ Information from AFIP. Viewed at: https://www.afip.gob.ar/genericos/guiavirtual/consultas_detalle.aspx?id=6375568.

⁴³⁵ AFIP General Resolution No. 2.216/07, Articles 1 and 3.

⁴³⁶ Information from AFIP. Viewed at: https://www.afip.gob.ar/genericos/guiavirtual/consultas_detalle.aspx?id=8167198.

Directorate of Investigations must be involved in order to establish who holds the rights. Once the right holder has been identified, they shall be summoned and required to determine whether the goods are original or counterfeit.

3.377. With regard to geographical indications (GIs), Laws No. 25.380 and No. 25.163 provide that infringements of the Laws in question, their regulations, the GI regime, the regulations for appellations of origin for agricultural and food products or the decisions of their councils, committed by natural or legal persons who or which use the system or are included in the relevant council's register, shall be classified as follows for the purposes of punishment: (a) "minor infringements", if they involve inaccuracies in compulsory statements or register entries, a failure to issue communications or a failure to meet deadlines; (b) "infringements in the production and processing of protected products"; and (c) "breaches", which involve the improper use of GIs or controlled appellations of origin, and infringements of the rules and regulations relating to the use of names, symbols and emblems associated with an appellation of origin of agricultural and food products on other products which are not the protected products or may harm their image. Minor infringements, infringements and breaches may be punished (by the MAGyP or the INV, as appropriate) with: (a) a fine of up to 50 times the market value of the infringing products; (b) confiscation of infringing products; (c) temporary suspension of the use of the GI or controlled appellation of origin; or (d) permanent cancellation of the use of the GI or appellation of origin. The authorities indicated that no penalties were imposed during the period under review.

3.378. The penalties described above may also be imposed on natural or legal persons not registered in the protection system in the following cases: (a) improper use of a GI or appellation of origin; (b) the use of trade names, expressions, signs, abbreviations or emblems which, because of their identity or similarity to protected appellations or registered signs or emblems, may mislead or confuse as to the nature or origin of the agricultural or food products; (c) improper use of protected geographical names on labels, in trade documents or product promotional material, even if they are accompanied by the terms "kind", "type", "style", "method", "imitation" or a similar expression that may confuse the consumer with respect to a GI or appellation of origin. In cases of repeat infringements or where the products are intended for export, fines may be increased by up to double the amount. During administrative proceedings, the infringing products may be placed under preventive seizure; the relevant judicial authorization shall be required for this purpose.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, forestry and fisheries

4.1.1 Agriculture and food processing

4.1.1.1 Main features and objectives

4.1. The agricultural sector is very important for Argentina, owing to the scale of the country's agricultural output and to the sector's contribution to exports and GDP. Argentina is one of the world's largest producers and exporters of agricultural products. In particular, Argentina is a major producer and exporter of cereals, soya and the meat of bovine animals. Agriculture's share of GDP (including stockbreeding and forestry, but not food processing) was 6.5% in 2020, in current peso terms, compared with 5.7% in 2019 and 4.9% in 2018. Arable crops accounted for 4.0% of GDP; animal husbandry for 2.0%; and agricultural and livestock services (excluding veterinary services) for 0.4%. The fluctuations of agriculture's current share of GDP are largely reflective of variations in the prices of agricultural products, exchange-rate fluctuations, and the effects of climate phenomena. These factors had a negative impact on the sector's output in 2018 and 2019. In 2020, owing to the effects of the COVID-19 pandemic, the sector contracted by 6.9% in real terms year on year. Nevertheless, this contraction was smaller than the 9.9% real-terms reduction in overall GDP.¹

4.2. The agricultural sector is also a major employer: in 2020 (as at the third quarter), agriculture, stockbreeding, hunting and forestry directly accounted for 5.5% of total jobs (5.4% from agriculture and stockbreeding alone), and a further 6.2% of the working population was employed in processing food, beverages and tobacco.

4.1.2 Main products

4.3. The main agricultural products are soya beans, maize, wheat, sunflowers, sorghum, grapes, lemons, pears, apples, rice, meat and livestock (chiefly bovine animals). Argentina is one of the world's leading producers of sunflower-seed oil, soya beans and soyabean oil, honey, lemons and the meat of bovine animals. The country's principal exports are oil seeds, livestock products and cereals.

4.1.2.1 Soya

4.4. Soya beans are the main oil seed cultivated in Argentina, accounting for some 92% of oilseed output in 2020. In the last three seasons, soya beans were the country's second-largest grain crop, with an average annual production volume of 51 million tonnes between 2016 and 2020.² Some 32.6% of production takes place in the province of Buenos Aires, followed by the provinces of Córdoba (28.8%), Santa Fe (18.0%), Entre Ríos (5.8%) and Santiago del Estero (5.2%). The employment figures recorded for the third quarter of 2020 show that some 64,000 people work in the cultivation of cereals, oil seeds and fodder, with a further 22,000 employed in the processing of vegetable oils and fats.

4.5. Soyabean production volume in the period under consideration peaked in the 2014-15 season (61.4 million tonnes). Output levels remained high, albeit falling, in the following seasons; owing to climate problems, however, a fall in production to 37.8 million tonnes was recorded for 2017-18. The following season saw a return to output growth, but production fell again (by 11.7%) in 2019-20, when it totalled 49 million tonnes, which was below the average for the previous five years.³ In general, since 2016, the area under cultivation has been shrinking (it went from 19.8 million hectares in 2014-15 to 16.9 million in 2019-20) and production has been falling; this is partly due to the

¹ National Institute of Statistics and Censuses (INDEC) (2021), *Informe del Avance del Nivel de Actividad. Cuarto Trimestre de 2020. Cuentas nacionales Vol. 5, No. 4*. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/pib_03_21B1D23916BF.pdf.

² Under-Secretariat for Agriculture, Secretariat for Agriculture, Livestock and Fisheries (SAGyP), Ministry of Agriculture, Livestock and Fisheries (MAGyP), Agricultural Estimates. Viewed at: <http://datosestimaciones.magyp.gob.ar/>.

³ SAGyP, MAGyP, Agricultural Estimates. Viewed at: <http://datosestimaciones.magyp.gob.ar/>.

changes to export duties, which have been unfavourable to soya beans and soyabean products, and partly due to their reduced relative profitability in comparison with other crops, chiefly maize.⁴

4.6. The soya industry encompasses activities in the primary and processing sectors, and is highly export-oriented. Although there are a large number of producers in the primary sector, just a few of these account for some 50% of output. The main outputs of soyabean processing are oils, flours, meals and pellets, and biodiesel. The majority of the soya beans produced are earmarked for processing: 84% are used to produce oil, flours, meals, and pellets. There are 45 plants producing soyabean oil, belonging to 31 companies, with plant capacity for milling some 60 million tonnes per year (2018). Several of these companies are also engaged in primary activities and most of them possess their own soyabean storage facilities and port terminals, for the marketing and export of soya beans, and the derived oils, flours and meals. The soyabean industry is Argentina's largest export chain, representing a quarter of total exports. Argentina is the world's third largest exporter of soya beans, and its largest exporter of soyabean oil, flours and meals. Of total crude soyabean oil production, 60% is exported, with the remainder either used to produce biodiesel or for refining. The residues or by-products from the oil-producing industry, which chiefly consist of protein-rich flours, meals and cakes, are processed into pellets to be turned into animal feed, the majority (some 90%) being exported.⁵

4.7. Following a decline in 2018, as a result of lower prices and a sharp fall in the volume of exports, soyabean and soya-product exports recovered in 2019, totalling USD 16,476 million (USD 15,054 million in 2018) and accounting for 26% of total exports (24.4% in 2018).⁶ Soyabean exports, except seed, totalled USD 3,455 million (USD 1,438 million in 2018); soyabean oil exports totalled USD 3,447 million (USD 3,020 million in 2018); exports of flours, meals and pellets left over from soyabean oil extraction totalled USD 8,799 million (USD 9,190 million in 2018); and biodiesel exports totalled USD 775 million (USD 971 million in 2018). In 2020, exports fell, since production had been hit by the effects of the COVID-19 pandemic: exports from the soya production value chain totalled USD 14,382 million, 12.7% less than in 2019. Soyabean exports, except seed, totalled USD 2,328 million; soyabean oil exports totalled USD 3,776 million; exports of flours, meals and pellets left over from soyabean oil extraction totalled USD 7,810 million; and biodiesel exports totalled USD 468 million.⁷

4.8. To tackle the drought that characterized the 2016-17 season, the authorities introduced a temporary production-incentives scheme for soyabean farmers in the provinces of Salta, Jujuy, Formosa, Santiago del Estero, Tucumán, Corrientes, Misiones, Catamarca, La Rioja and Chaco, known as the Belgrano Plan.⁸ The scheme covered sales made and recorded from 1 March to 30 September 2017.⁹ Farmers were required have marketed soya beans sown in the 2016-17 season and to be enrolled in the fiscal register of operators trading in grains and pulses. The incentive totalled five percentage points per tonne of the average official f.o.b. value for the month in which the sale took place; the first 2,000 tonnes sold were eligible.

4.9. A sworn declaration of foreign sales (DJVE) must be completed and filed for exports of most of the products in the soyabean value chain (with the exception of some types of flour, meal and pellets), and those in the sunflower, maize and wheat production value chains. DJVEs for products in the soya value chain, with the exception of soya beans themselves, must contain further

⁴ Under-Secretariat for Microeconomic Planning (SPM), Secretariat for Economic Policy, Ministry of the Treasury and Public Finance (2019), *Informes de Cadenas de Valor. Oleaginosas: Soja - septiembre 2019*. Viewed at: https://www.argentina.gob.ar/sites/default/files/sspmicro_cadenas_de_valor_soja.pdf.

⁵ SPM, Secretariat for Economic Policy, Ministry of the Treasury and Public Finance (2019), *Informes de Cadenas de Valor. Oleaginosas: Soja - septiembre 2019*. Viewed at: https://www.argentina.gob.ar/sites/default/files/sspmicro_cadenas_de_valor_soja.pdf.

⁶ However, the 2019 results were lower than those recorded for 2016 and 2017, when exports from the soya production value chain totalled USD 18,911 million and USD 17,170 million, respectively, representing 32.7% and 29.3% of total exports. See: INDEC (2020), *Complejos Exportadores*, at: <https://www.indec.gob.ar/indec/web/Nivel4.Tema.3.2.39>.

⁷ INDEC (2021), *Intercambio comercial argentino, Cifras estimadas de diciembre de 2020. Comercio exterior vol. 5 No. 1*. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/ica_01_21C2B9FE5325.pdf.

⁸ Joint General Resolution No. 3.993-E/2017 by the Ministry of Agro-Industry and the Federal Public Revenue Administration (AFIP): "Belgrano Plan agricultural stimulus".

⁹ The original date was 31 August 2017. Under-Secretariat for Agriculture Order No. 3/2017, Official Journal of 31 August 2017, extended the period until 30 September 2017.

information, in addition to that which is required for the majority of other products for which a DJVE must be filed.

4.10. A high rate of export duty is applied to soya beans and soyabean products, higher than those for other grains and agricultural products. This differential might explain, in part, why farmers have been moving towards other crops. With a view to making the agricultural sector more competitive, Decree No. 133/2015 of 16 December 2015 zeroed all export duties, with the exception of those on soya, for which the rates were set at 30% for soya beans and at 27% for soyabean oils, flours and meals. Those levels were below the 35% and 32%, respectively, applied until December 2015.¹⁰ Decree No. 1.343/2016 of 30 December 2016 provided for a gradual reduction in the export duty rate by 0.5 percentage points per month between January 2018 and December 2019. However, these reductions were only implemented between January and August 2018, when the above-mentioned Decree was repealed by Decree No. 793/2018 of 3 September 2018, which set export duty rates at 12% for all tariff headings in the soya value chain, with a limit of ARS 4 per USD 1 exported. This amount was in addition to a rate of 18% for all products in the soya production value chain. The 12% limit was lifted by Decree No. 37/2019 of 14 December 2019. The Public Emergency Law of 21 December 2019 established that taxation on soya exports may not exceed 33%. In accordance with that requirement, Decree No. 230/2020 of 4 March 2020 increased the rate to its maximum of 33%, applicable to exports of soya beans, and of oils, flours or meals that are made of or contain soya. Decree No. 790/2020 of 4 October 2020 temporarily reduced the export duty on soya beans and soyabean residues to 31% and the duty applied to oils to 25%, 30% or 31%, depending on the packaging type, for goods shipped before 1 January 2021.

4.11. In the case of biodiesel, Decree No. 486/2018 set an export duty rate of 15%, which replaced the rate of 8% set at the start of January 2018 by Decree No. 1.025/2017, which had, in turn, abolished the system of sliding export duty rates established by Decree No. 1.719/2012. In addition to that rate, Decree No. 793/2018 added a rate of 12% and Decree 230/2020 replaced it with a rate of 30% (Table 4.1). Exports of soya beans and soyabean products are not eligible for duty drawbacks. Moreover, the tariff levied on soya beans in 2020 was 8%; the rate applied to oil was 10% or 12%; and the rate applied to flours, meals and pellets was 6%.

Table 4.1 Duties on soya beans, and on soya flours, meals and oils

(%)

Period	Soya beans	Soya flours and meals	Soya oils	Biodiesel NCM 3826.00.00
31/12/2014	35.0%	32.0%	32.0%	Sliding duty.
17/12/2015 to 31/12/2017	30.0%	27.0%	27.0%	0.0%
1/17/2018 to 31/8/2018	0.5 percentage point monthly reduction	0.5 percentage point monthly reduction	0.5 percentage point monthly reduction	8%
31/08/2018	26.0%	23.0%	23.0%	15%
04/09/2018	12% ^a + 18%	12% ^a + 18%	12% ^a + 18%	12% ^a + 15%
04/03/2020	33%	33%	33%	30%
05/10/2020	31% (33%) ^b	31%	31%/30%/25%	29% ^b

a Until 14 December 2019, could not exceed ARS per USD.

b From 1 January 2021.

Source: Under-Secretariat for Economic Planning (SPE), Secretariat for Economic Policy, Ministry of the Treasury and Public Finance, *Informes de Cadenas de Valor. Oleaginosas: Soja - septiembre 2019*. Viewed at: https://www.argentina.gob.ar/sites/default/files/sspmicro_cadenas_de_valor_soja.pdf; Decree No. 230/2020 and information provided by the authorities.

¹⁰ Furthermore, the following export duties have been set: MERCOSUR Common Nomenclature (NCM) 1517.90.10 Mixtures of refined oils that do not contain soyabean oil, 15%; NCM 1518.00.90 Inedible mixtures or preparations, of vegetable origin, that contain soya, its by-products or residues, etc., 20%, 4%, 6% or 25% (depending on the residue percentage); NCM 2309.90.90 Preparations that contain soya, its by-products or residues, 20% (in labelled bags with a net weight of 50 kg or less) or 27% (put up in another way). The export duties for tariff headings 1518.00.90, 2309.90.10 and 2309.90.90 were superseded by Article 2 of Decree No. 640/2016, Official Journal of 3 May 2016. NCM heading 2309.90.60 Preparations that contain soya, its by-products or residues, except those put up in labelled bags with a net weight of 50 kg or less, with a rate of 20%, was incorporated by Article 3 of Decree No. 361/2016, Official Journal of 17 February 2016.

4.1.2.2 Maize

4.12. Maize is Argentina's second most important crop, after soya beans. Furthermore, it is a sector that has been enjoying very robust growth in the period under review: since 2018, its production volume has been the greatest of all the grains, overtaking soya beans. Argentina is the world's fifth largest maize producer, accounting for 3% of total global production. The province of Córdoba contributed 32.9% of the country's production, followed by the provinces of Buenos Aires (26.7%), Santa Fe (12.6%) and Santiago del Estero (9.7%). Average output for the 2016-20 period was 49.6 million tonnes, peaking in the 2019-20 season at 58.4 million tonnes. In the 2019-20 season, an area of 9.5 million hectares was planted and total output was ultimately 58.4 million tonnes.¹¹

4.13. The maize value chain is organized on the basis of primary production of the grain, followed by successive stages of processing, characterized by a diverse range of products and technologies. The first link in the value chain is made up of a large number of producers of varying sizes. The bulk of output is exported (62% in 2019-20) or sold unprocessed (30%).¹² Of the maize sold in the domestic market, 40% is used as animal feed. Within the maize-milling industry, both wet and dry milling are employed.¹³ In the case of wet milling, there are seven main establishments, one of which accounts for 50% of production. In the case of dry milling, there are nine main establishments. There are 733 establishments producing balanced feeds. The production of bioethanol from maize has been increasing continuously since 2012.¹⁴

4.14. Argentina is the world's third largest exporter of maize, accounting for 19% of the total marketed by volume in 2019. The exports of the maize production value chain totalled USD 6,136 million in 2020, compared with USD 6,034 million in 2019; they represented 11% of total exports. The main markets were the ASEAN countries (mainly Viet Nam), Egypt, Algeria, Chile and the Republic of Korea.¹⁵ The majority of exports were of grain maize; they amounted to USD 6,078 million in 2020, a figure higher than the USD 5,965 million recorded for 2019 and the USD 4,251 million for 2018.¹⁶

4.15. The export duties applied to maize have fluctuated in the period under consideration (Table 4.2). Decree No. 133/2015 zeroed the export duty on all products in the value chain as of 17 December 2015. Decree No. 793/2018 set the export duty rate at 12% for all tariff headings in the value chain, with a limit of ARS 4 per USD 1 exported for primary products. Exports of processed goods in the maize value chain are eligible for duty drawback. Extra-zone import duties (DIEs) are 8% on grain maize, between 6% and 10% on maize flours, and 10% on maize oils. In accordance with Decree No. 230/20, an export duty of 5%, 7% or 12%, depending on the variety, is levied on grain maize.

¹¹ Argentine Grain Exchange, Agricultural Estimates Department (DEA) (2019), *Informe Cierre de Campaña N° 5-Maíz. 2018/19*, 6 September 2019. Viewed at: <http://www.bolsadecereales.com/ver.cierre.de.campana.105>.

¹² SPM, Secretariat for Economic Policy, Ministry of the Treasury and Public Finance (2019), *Informes de Cadenas de Valor. Cereales: Maíz. Febrero 2019*. Year 4. No. 41. Viewed at: https://www.argentina.gob.ar/sites/default/files/sspmicro_cadenas_de_valor_maiz.pdf.

¹³ Wet milling is chiefly used to obtain products and inputs for the food and pharmaceutical industries. Dry milling is used to obtain breakfast cereals, semolina, flours and meals, alcohols and alcoholic beverages. See: Monsanto, *Producción, Almacenaje y Distribución del Maíz*. Viewed at: <https://www.monsantoglobal.com/global/ar/productos/documents/triptico.cadenamaiz.pdf>.

¹⁴ SPM, Secretariat for Economic Policy, Ministry of the Treasury and Public Finance (2019), *Informes de Cadenas de Valor. Cereales: Maíz. Febrero 2019*. Year 4. No. 41. Viewed at: https://www.argentina.gob.ar/sites/default/files/sspmicro_cadenas_de_valor_maiz.pdf.

¹⁵ INDEC (2020), *Complejos exportadores Año 2019, Comercio exterior*. Vol. 4, No. 4, *Informes Técnicos*. Vol. 4, No. 36. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/complejos_03_201711CCEF8E.pdf, and INDEC (2021), *Complejos exportadores Año 2020, Comercio exterior*. Vol. 5, No. 4, *Informes Técnicos*. Vol. 5, No. 38. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/complejos_03_21311B84F340.pdf.

¹⁶ National Directorate of Agriculture (DNA), MAGyP, on the basis of INDEC (2020). Viewed at: <https://www.indec.gob.ar>.

Table 4.2 Export duties and drawbacks applicable to grain maize, on maize flours, and on maize oils

(%)

Period	Grain maize		Maize flours		Maize oils	
	Duty	Drawback	Duty	Drawback	Duty	Drawback
31/12/2014	20.0%	0	5.0%, 15.0%		15.0%	
17/12/2015 to 03/09/2018	0.0%	0	0.0%	2.05% ^a , 6.0% ^a	0.0%	2.5% to 3.0%
04/09/2018	12% ^b	0	12% ^b	0.5% ^a , 3.25% ^c	12% ^b	0.5% to 0.75% ^c
04/03/2020	5%, 7% or 12%	0	12%		12%	

a From 1 January 2017. Decree No. 1.341/2016.

b Until 14 December 2019, could not exceed ARS 4 per 1 USD.

c From 21 August 2018. Decree No. 767/2018.

Source: SPM, Secretariat for Economic Policy, Ministry of the Treasury and Public Finance (2019), *Informes de Cadenas de Valor. Cereales: Maíz. Febrero 2019*. Year 4. No. 41. Viewed at: https://www.argentina.gob.ar/sites/default/files/sspmicro_cadenas_de_valor_maiz.pdf; Decree No.230/2020 and information provided by the authorities.

4.1.2.3 Wheat

4.16. Wheat is another of Argentina's major crops: the next largest, after soya beans and maize. The province of Buenos Aires accounts for over 50% of the country's output, followed by Córdoba, Santa Fe and Entre Ríos. In recent years, wheat production has benefited from the increased profitability of the planted area, the expansion of that area, and the temporary abolition of export duties. Wheat production has increased rapidly in recent years, in particular since the 2016-17 season, which saw a record crop and enabled the cultivated area to be expanded throughout the national territory. The area under cultivation continued increasing in the following seasons: some 7 million hectares of wheat were planted in the 2019-20 season, an area 10.5% larger than in the previous season. Moreover, the volume produced was 19.8 million tonnes, slightly more than the output for the 2018-19 season. The Argentine Grain Exchange estimated that the wheat value chain would contribute USD 3,027 million to Argentine GDP in 2020, which would represent 10% of gross agricultural output.¹⁷

4.17. Primary production of wheat involves some 50,000 producers, three quarters of whom are small-scale farmers (up to 300 hectares). Milling, the largest-scale processing activity, is concentrated in 183 flour mills. Bread-making is the main way in which the flour is processed, followed by the production of small flour packages for family use, of pasta and of biscuits, as well as by industrial bread production.¹⁸ The second stage of processing that uses wheat flour as its main input includes bakery products, pasta, biscuits and pastry, and pre-packaged mixtures for home baking.

4.18. Over two thirds of the wheat produced is intended for export; the remainder is either milled in the country or used as seed. Over 80% of flour production is destined for the domestic market. Exports of wheat grain, except seed, totalled USD 2,121 million in 2020, which was less than the USD 2,450 million recorded in 2019 and the USD 2,482 million recorded in 2018.¹⁹ Exports of wheat flour hit USD 215 million in 2019 (USD 195 million in 2018), following a 24% increase in 2017, influenced by the reintroduction of drawbacks and the zeroed export duties (see below). Exports

¹⁷ Argentine Grain Exchange, Agricultural Estimates Department (DEA), *Informe Cierre de Campaña Trigo 2019/2020*, 23 January 2020. Viewed at: <http://www.bolsadecereales.com/ver.cierre.de.campana.105>.

¹⁸ SPM, Secretariat for Economic Policy, Ministry of the Treasury and Public Finance (2018), *Informes de Cadenas de Valor. Cereales: Trigo. Marzo de 2018*. Drawn up with the information available in February 2018. Year 3. No. 37. Viewed at: https://www.argentina.gob.ar/sites/default/files/sspmicro_cadenas_de_valor_trigo.pdf.

¹⁹ INDEC (2020), *Intercambio comercial argentino, Cifras estimadas de diciembre de 2019*. Comercio exterior vol. 4 No. 1. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/ica_01_20B13D104EBD.pdf and INDEC (2021), *Intercambio comercial argentino, Cifras estimadas de diciembre de 2020*. Comercio exterior vol. 5 No. 1. Information viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/ica_01_21C2B9FE5325.pdf.

from the wheat production value chain totalled USD 2,471 million in 2020.²⁰ Of that sum, USD 195 million correspond to wheat flour. In 2018, 10 companies, based in- and outside Argentina, accounted for 80% of foreign sales. Brazil is the main destination for wheat exports, in particular grain and flour, representing 40% of the export market. Exports of biscuits, cookies and other bakery products mainly go to other countries in the region.

4.19. Wheat-based products enjoyed zeroed export duties on all the tariff headings for the value chain, in accordance with Decree No. 133/2015, which covered the period between 17 December 2015 and 3 September 2018. As of 4 September 2018, duty was levied on exports of all products in the value chain at a rate of 12%, capped at ARS 4 per 1 USD until 14 December 2019. In addition, from 2016 onwards, it was established that exports of wheat flour and other processed goods were eligible for drawbacks of 3%, for products marketed in packings larger than 2 kg, and of 4%, for products in packings of 2 kg or less. The DIE levied on durum wheat is 10% and that which is levied on wheat flour is 12%; the duty levied on wheat gluten, however, is 31%.

4.20. Secretariat for Domestic Trade Resolution No. 325 of 18 August 2015 created the supply register for wheat available for marketing, in which any small-scale farmers in La Pampa province and southern Buenos Aires province who had available bread wheat ready for marketing and who had achieved a maximum output of 1,600 tonnes in the 2014-15 season could enrol. The Secretariat for Domestic Trade undertook to facilitate the effective marketing of any flour declared in the register. To that end, it issued Resolution No. 360 of 8 September 2015, which created the demand register for wheat available for marketing, in which grain marketers that had the capacity to buy the available wheat from farmers and market it effectively, whether in the domestic or the foreign market, could enrol. Resolution No. 24-E/2017 of 10 January 2017 abolished both registers, since neither had achieved the desired effects.

4.1.2.4 Sunflowers

4.21. Sunflower production is concentrated in the province of Buenos Aires, which accounted for 55% of the total in 2019-20; together with the provinces of Chaco (16%), Santa Fe (14%), La Pampa (7%) and Santiago del Estero (4%), it represents 96% of output. Oil is the chief product of sunflower seed milling. Starting in 2016, the sown area increased until 2018-19, when it reached 1.94 million hectares; it fell to 1.55 million in 2019-20.²¹ According to the Argentine Sunflower Association (ASAGIR), the gross agricultural output for the sunflower value chain would have been as high as USD 2,057 million in 2020, while the GDP of the value chain is estimated at USD 898 million.²² Owing to the effects of the COVID-19 pandemic, however, those levels were not achieved. Although output increased from 3.1 million tonnes in 2012 to 3.53 million tonnes in 2017, it fluctuated during this period and is below the 4.65 million tonnes produced in 2007.²³ Production of sunflowers has been affected by the crop's replacement in the area of land available for farming with more profitable crops like soya, by the technical complexity of growing sunflowers, by sunflower oil's loss of domestic market share to cheaper oils, and by the meeting of some foreign demand with sunflower oil from elsewhere.²⁴ In the 2019-20 season, 3.2 million tonnes of sunflowers were produced, down 16% on the previous season.

4.22. The sunflower production value chain is largely geared towards exports: more than 50% of oil and protein meal is exported. Argentina is the world's third-largest exporter of sunflower oil. In 2019, exports from the sunflower production value chain totalled USD 830 million, representing 1.27% of Argentina's exports for the year. Of that total, USD 581 million corresponded to exports

²⁰ INDEC (2021), *Complejos exportadores Año 2020, Comercio exterior*. Vol. 4, No. 4, *Informes Técnicos*. Vol. 5, No. 38. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/complejos_03_21311B84F340.pdf.

²¹ Information from MAGyP. Viewed at: <https://datosestimaciones.magyp.gob.ar/>.

²² Rosario Grain Exchange (BCR) (2020), *Cadena de valor del girasol: importancia macroeconómica y balance de campaña*. Viewed at: <https://www.bcr.com.ar/es/mercados/investigacion.y.desarrollo/informativo.semanal/noticias.informativo.sem.anal/>.

²³ Information from the Argentine Government. Viewed at: <https://datos.agroindustria.gob.ar/dataset/estimaciones.agricolas/archivo/155e4f22.12e5.4026.a0f0.ca1ecb3c9950>.

²⁴ SPM, Secretariat for Economic Policy, Ministry of the Treasury and Public Finance, *Informes de Cadenas de Valor. Oleaginosa. September 2017*. Year 2. No. 29. Viewed at: https://www.economia.gob.ar/peconomica/docs/2017/SSPMicro_Cadena_de_Valor_Oleaginosa.pdf.

of crude oil, USD 165 million to exports of meal and pellets, and USD 84 million to exports of seeds. In 2020, total exports from the sunflower production value chain totalled USD 659 million, 29.4% less than in 2019. The share of exports in the sunflower production value chain was divided into a 68.9% share for oil, a 16.1% share for seeds, and a 15.0% share for meal and pellets.²⁵

4.23. Under Decree No. 133/2015, the sunflower oil and meal industry enjoyed zeroed export duties on all tariff headings for the value chain between 17 December 2015 and 3 September 2018. As of 4 September 2018, duty was levied on exports of all products in the value chain at a rate of 12%, capped at ARS 3 per 1 USD until 14 December 2019. Starting in 2016, exports of sunflower oil and meal were eligible for duty drawbacks. The applicable DIE is 8% for sunflower seeds, 10% for crude oil, 12% for refined oil, and 6% for meal and cake.

4.1.2.5 Meat of bovine animals

4.24. Argentina is the world's sixth largest producer of the meat of bovine animals and its fifth largest exporter. As at 31 December 2019, there were 54.4 million head of bovine animals in the country, mainly spread across the provinces of Buenos Aires (38%), Santa Fe (11%), Corrientes (9%), Córdoba (9%) and Entre Ríos (8%). At the close of 2020, production had reached 3.16 million tonnes and there were 371 operational slaughterhouses, 77% of which were refrigerated facilities, and 23% of which were municipal and rural slaughterhouses. Although Argentina is a major exporter, some 70% of output is for domestic consumption.²⁶

4.25. Federal Public Revenue Administration (AFIP) General Resolution No. 3873 of 6 May 2016 created the fiscal register of operators in the production and marketing chain of bovine and bubaline cattle farms and meat and established that economic operators in this market must enrol any natural person working with live cattle in the register. Law No. 22.375, Official Journal of 26 January 1981, regulates the regime for the fitting-out and operation of establishments where animals are slaughtered, and where products of animal origin are processed or stored. Decree No. 473/1981, Official Journal of 20 March 1981, implemented the Regulations for the inspection of products, by-products and derivatives of animal origin, enacted by Decree No. 4.238/68, Official Journal of 26 August 1968 and amendments thereto. National Agriculture and Food Quality and Health Service (SENASA) Resolution No. 97/1999 lays down the sanitary conditions for the transportation of live cattle.

4.26. The Institute for the Promotion of Argentine Beef (IPCVA), created by Law No. 25.507 of 14 November 2001, is a non-state public law body responsible for promoting local consumption of the meat of bovine animals, and for boosting the exports and competitiveness of companies in the sector. The IPCVA, which does not directly or indirectly market the meat of bovine animals, administers the Argentine Beef Promotion Fund (FPCVA), also created by Law No. 25.507, to fund the activities necessary for fulfilment of its purpose of promoting exports and local consumption of meat products and by-products. The IPCVA assembly of representatives is made up of delegates from the public sector, from producer provinces, from the trade association representing the meat industry, and from the cold-storage industry; it is chaired by the Minister of Agriculture, Livestock and Fisheries.

4.27. In the last two decades, the greater profitability of arable crops has led to a degree of displacement of livestock farmers, who have tended to relocate to relatively less productive land. Small-scale farms with few head of cattle dominate the rearing and fattening of livestock. In 2019, there were some 224,919 farmers dedicated to rearing and/or fattening cattle; 5% of them accounted for 51% of total output.²⁷ Of those establishments, 63% had 100 or fewer head of cattle and just 5% had herds of more than 1,000 head.²⁸ Various actors participate in the marketing of

²⁵ INDEC (2021), *Complejos exportadores Año 2020, Comercio exterior*. Vol. 4, No. 4, *Informes Técnicos*. Vol. 5, No. 38. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/complejos_03_21311B84F340.pdf.

²⁶ SAGyP and MAGyP. *Serie Stock Bovino diciembre 2008-2020.xls*. Viewed at: https://www.magyp.gob.ar/sitio/areas/bovinos/informacion_interes/informes/index.php.

²⁷ National Commission for the Defence of Competition (CNDC) (2016), *Mercado Argentino de la Carne Vacuna, Resumen*. Viewed at: https://www.argentina.gob.ar/sites/default/files/cndc_resumen_mercado_de_la_carne_vacuna.pdf.

²⁸ SPM, Secretariat for Economic Policy, Ministry of the Treasury and Public Finance (2018), *Informe de Cadenas de Valor, Cárnica-Vacuna, marzo de 2018*. Drawn up with the information available in February 2018. Year 3. No. 35. Viewed at: <https://www.senado.gov.ar/upload/32029.pdf>.

primary production, with small-scale farmers often engaging the services of brokers. The cold-storage industry involves slaughter, storage and processing operations. Cold-storage firms are classified, according to their sanitary standards/purpose, as: Class A, which meet high sanitary standards, are overseen by SENASA and are authorized to export to all markets; Class B, which are also overseen by SENASA, are authorized to operate at the federal level and to export to some markets; Class C are authorized to operate at the provincial level only; and rural slaughterhouses are authorized for the municipal level only. In 2020, there were 368 cold-storage plants, 41% of which were Class A and B, accounting for 83.4% of production.²⁹

4.28. In a recent analysis of the meat of bovine animals market, the National Commission for the Defence of Competition (CNDC) concluded that the markets making up the bovine animal production chain have all the hallmarks of competitiveness, with relatively low levels of concentration and low barriers to entry for new economic operators. Nevertheless, the high degree of informality identified at the various stages of the production chain and in retailing lead to asymmetries that could distort competition.³⁰

4.29. There are three wholesale meat markets in Argentina: Liniers Market (currently in the Autonomous City of Buenos Aires (CABA), but scheduled to move to Cañuelas, in Buenos Aires province, in late July 2021), Córdoba Market and Rosario Market. Mercado de Liniers S.A. is a private company that has, since 1992, run Liniers Market and held the concession for the facilities operated and activities previously carried out by the National Farmers' Market (MNH). Liniers Market is Argentina's largest livestock-trading centre and shapes the reference prices for the whole country. It is at Liniers Market that the quotations that guide domestic cattle prices are calculated. On the premises of Liniers Market, there are SENASA offices. Liniers Market has an operating system that captures and sends data on unloading operations, sales/weighing and outgoings, in order to ensure the traceability of the farms that sell their goods at the market every day.

4.30. Decree No. 133/2015 of December 2015 zeroed export duties and abolished the requirement to apply for export permits through the register of export operations (ROE).³¹ Export duties were zeroed between 17 December 2015 and 3 September 2018. As of 4 September 2018, duty at a rate of 12% was levied on exports of all products in the value chain, capped at ARS 4 per 1 USD until 14 December 2019. Decree No. 230/2020 of 5 March 2020 sets export duties of 9% for the refrigerated, chilled and frozen meat of bovine animals, with or without bones.³²

4.31. Resolution No. 84/2018 of 27 August 2018 enacts and contains, as an annex, the quality protocol for the chilled and vacuum-packed meat of bovine animals. The protocol, which is not compulsory and which companies sign up to and implement on a voluntary basis, constitutes a standard or measure that can be followed in respect of any cuts for which producers wish to use a quality-based strategy to set their meat apart from that of their competitors.

4.32. Exports of frozen, boneless meat of bovine animals amounted to USD 1,937 million in 2020, which was below the USD 2,247 million recorded in 2019 (USD 1,208 million in 2018) and represented 3.5% of total exports. Exports of refrigerated, boneless meat of bovine animals amounted to USD 654 million in 2020, which was below the USD 772 million recorded in 2019 (USD 750 million in 2018). Exports of tanned cow and horse hides, skins and leather amounted to USD 505 million in 2020 (USD 569 million in 2019).³³ The bovine animal meat and leather production

²⁹ CNDC (2016), *Mercado Argentino de la Carne Vacuna, Resumen*. Viewed at: https://www.argentina.gob.ar/sites/default/files/cndc_resumen_mercado_de_la_carne_vacuna.pdf.

³⁰ CNDC (2016), *Mercado Argentino de la Carne Vacuna, Resumen*. Viewed at: https://www.argentina.gob.ar/sites/default/files/cndc_resumen_mercado_de_la_carne_vacuna.pdf.

³¹ Joint General Resolution No. 4170.E/2017 by the Ministry of Agro-Industry and AFIP of 14 December 2017 abolished the ROE, created by Resolution of the now-defunct Ministry of the Economy and Production No. 31 of 27 January 2006. Pursuant to Resolution No. 6 of 2 May 2008, the following tariff headings of the MERCOSUR Common Nomenclature relating to bovine animals had to be recorded in the ROE: 0102.10.10, 0102.10.90, 0102.90.11, 0102.90.19, 0102.90.90, 0201.10.00, 0201.20.10, 0201.20.20, 0201.20.90, 0201.30.00, 0202.10.00, 0202.20.10, 0202.20.20, 0202.20.90, 0202.30.00, 0206.10.00, 0206.21.00, 0206.22.00, 0206.29.10, 0206.29.90, 0210.20.00, 0504.00.11, 0504.00.90, 1602.50.00, 1602.90.00, 1603.00.00, 2104.10.11, 2104.10.19, 2104.10.21, 2104.10.29, 3503.00.11, and 3503.00.12.

³² Decree No. 230/2020. MERCOSUR Common Nomenclature. Setting the export duty rate. <https://www.boletinoficial.gob.ar/detalleAviso/primera/226273/20200305>.

³³ INDEC (2020), *Intercambio comercial argentino, Cifras estimadas de diciembre de 2019*. Comercio exterior Vol. 4 No. 1. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/ica_01_20B13D104EBD.pdf, and INDEC (2021),

value chain accounted for 6.1% of total exports in 2020, amounting to USD 3,368 million, which was 16.5% down on the USD 4,042 million of 2019. The main destinations of exports of the meat of bovine animals were China, the European Union and Chile. The main markets for bovine animal leather were the ASEAN members, China, the European Union, the United States of America and India.³⁴ In 2019, Argentina resumed exporting the meat of bovine animals to the United States, after the United States Department of Agriculture had announced, in November 2018, that Argentina was again eligible to export refrigerated or frozen meat of bovine animals within the annual tariff rate quota, granting Argentina an annual tariff rate quota of 20,000 tonnes of fresh, chilled or frozen boneless meat of bovine animals.

4.1.2.6 Regulatory and institutional framework

4.33. MAGyP is responsible for drawing up and implementing policy on everything relating to agriculture, stock-breeding and fisheries. In that connection, it designs and implements public policies that promote productivity, the generation of added value and technological innovation, thereby facilitating the entry of Argentine products into the international market. The Directorate-General for Sectoral and Special Programmes and Projects (DIPROSE), which is part of MAGyP, is responsible for compliance in respect of the programmes and projects with external funding and the public-private partnerships that come under MAGyP. The Federal Council for Agriculture (CFA), created by Law No. 23.843 of 26 September 1990, is the advisory and consultative body for the Executive on all agriculture- and fisheries-related matters with an impact on regional or provincial economies. The CFA, chaired by the MAGyP, has committees for each region and economic activity; these committees can propose coordinated public-sector actions at the national and provincial levels.

4.34. In 2017, MAGyP's Unit for Rural Change (UCAR) was shut down. Having existed since 2009, it used to manage the Ministry's external funding portfolio and act as a link between MAGyP and the provincial governments in the administration of programmes.³⁵ UCAR was also accredited as a national project implementation body (ENIP) by the Climate Change Resilience Fund (FACC) and by the Green Climate Fund (FVC). Its activities have been taken over by DIPROSE, which currently coordinates programmes and projects with external funding derived from loan agreements or grants. For the most part, the projects that DIPROSE manages fund the infrastructure and services necessary for production, the improvement of rural populations' living conditions, the strengthening of rural institutions, and the increased competitiveness of agriculture. The most significant programme in the DIPROSE portfolio is the provincial agricultural services programme (PROSAP), which implements socially and environmentally sustainable public investment projects at the provincial and national levels, thereby increasing the coverage and quality of rural infrastructure and of agri-food services (see below).

4.35. The Secretariat for Agriculture, Livestock and Fisheries (SAGyP) plans and implements public policies relating to the agricultural, stockbreeding, dairy and fisheries sectors. The Under-Secretariat for Livestock and Animal Production (SGPA) is responsible for planning and implementing policies in the stockbreeding and dairy sectors.³⁶ By means of Administrative Decision No. 1.441/2020, the National Directorate for Livestock Production (DNPG), within the SGPA, was made responsible for the design, proposal and implementation of national livestock production policies, while the National Directorate for Dairy (DNL) was made responsible for primary production of dairy.³⁷ The Under-Secretariat for Agriculture is responsible for formulating, proposing and coordinating the implementation of policies, plans and programmes relating to agricultural production.

Intercambio comercial argentino, Cifras estimadas de diciembre de 2020. Comercio exterior Vol. 5 No. 1. Information viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/ica_01_21C2B9FE5325.pdf.

³⁴ INDEC (2021), *Complejos exportadores Año 2020, Comercio exterior*. Vol. 4, No. 4, *Informes Técnicos*. Vol. 5, No. 38. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/complejos_03_21311B84F340.pdf.

³⁵ Nogueira, María Elena (2019), *Unidad para el Cambio Rural (UCAR) Ministerio de Agricultura, Ganadería y Pesca (Argentina, 2009-2017)*. In: *Diccionario del agro iberoamericano*, Alejandra Salomón and José Muzlera (editors), TESEOPRESS. Viewed at: <https://www.teseopress.com/diccionarioagro/chapter/unidad.para.el.cambio.rural.ucar.ministerio.de.agricultura.ganaderia.y.pesca.argentina.2009.2017footnoterecibido.julio.2019footnote/>.

³⁶ Decree No. 335/2020 (Annex XII).

³⁷ Administrative Decision No. 114/2020 (Annex II)

4.36. The CFA is the advisory and consultative body for the Executive on all agriculture- and fisheries-related matters that require its input because of their impact on regional or provincial economies.³⁸ It is chaired by the national Minister of Agriculture, Livestock and Fisheries, and comprises the provincial-level ministers and secretaries of state with portfolios pertaining to agricultural, agro-industrial and fisheries matters. The Council has three committees covering specific economic activities, along with several regional committees.³⁹

4.37. Law No. 26.967 of 6 August 2014, the Argentine Food Law, regulates the use of the "ALIMENTOS ARGENTINOS UNA ELECCIÓN NATURAL" (Argentine food: a natural choice) stamp, which honours products that stand out because of their technological innovation, their market positioning, or their promotion of the social, cultural and natural aspects of the production and processing of Argentine foods. The right to use the stamp is granted for two years, with successive renewals for the same length of time. A series of quality protocols have been issued for various products, such as mineral water, still or aerated; soyabean oil; fresh lemons; fresh brebas and figs; garlic; cooked ham; pistachios; fresh pasta; yoghurt; apples; fresh pears; fresh mandarins; frozen *Illex Argentinus* squid; concentrated grape must; fresh cherries; whole prawns, frozen on board; the chilled, vacuum-packed meat of bovine animals; blanched peanuts, roasted peanuts, fried peanuts and peanut paste; wheat flour; *alfajores* (Argentine sandwich biscuits); and soya mince.

4.38. The National Agricultural Technology Institute (INTA) - a decentralized MAGyP body, created by Decree-Law No. 21.680/56 - develops innovations in both research and extension in Argentina's various value chains, regions and territories, in order to enhance the country's competitiveness, the sustainable development of its rural areas, and the living conditions of its rural families. INTA has six research centres, 23 institutes and 15 regional centres. INTA runs 15 national programmes for managing innovation in Argentina's production chains and territories, two research networks and 120 regional projects with a territorial focus.⁴⁰

4.1.2.7 Policy instruments

4.1.2.7.1 Border measures

4.39. In 2020, tariff protection of agricultural products was at a rate of 7.2% (Chapter 111 of International Standard Industrial Classification of All Economic Activities (ISIC) Rev. 2), the same as in the previous Trade Policy Review, compared with 11.7% for the manufacturing sector (Chapter 3 of ISIC). If using the WTO definition of agriculture, which includes agro-industrial products, the average tariff rises to 10.4%. By WTO category, protection is higher than average for dairy products (18.6%), beverages, spirits and tobacco (18.0%), sugar and confectionery (17.6%), coffee and tea (14.6%) and cereals and preparations (11.7%), whereas it is lower than average for cotton (6.3%), animals and products thereof (7.9%), oil seeds, fats and oils and their products (8.4%), and fruit, vegetables and plants (9.4%).

4.40. Argentina does not have any multilateral agreements on tariff quotas, but it does apply a small number of preferential tariff quotas to agricultural products in the context of regional trade agreements. For example, Argentina grants Colombia a 100% tariff preference on chewing gum, chocolates, chocolate and some cocoa products under Economic Complementarity Agreement (ECA) No. 59, and a 100% tariff preference on tuna under ECA No. 62.

4.41. Export duty is levied on agricultural products and current rates range from 5% to 33% (Table 4.3). Decree No. 464/2019 of 10 July 2019 made changes to the export duty rates on natural honey, fruits and vegetables, certain cereals and oil seeds, and woods, listed in HS Chapters 4, 8, 10, 12 and 44, respectively. Meanwhile, Decree No. 37/2019 of 14 December 2019 introduced a 9% duty on certain products included in HS Chapters 1, 2, 3, 4, 5, 7, 10, 11, 15, 20, 44, 47, 51 and 52. Lastly, Decree No. 230/2020 of 4 March 2020 increased the export duty rates to 5%, 7%, 9%, 27%, 28%, 30% and 33% for 558 tariff headings at the eight-digit level (611, if part headings are

³⁸ Law No. 23.843 of 12 October 1990 creating the CFA.

³⁹ Information from MAGyP. Viewed at:

https://www.magyp.gob.ar/sitio/areas/cfa/normativa_estructura/.

⁴⁰ INTA, *Presentación*. Viewed at: <https://www.argentina.gob.ar/sites/default/files/inta-presentacion.pdf>.

included) in HS Chapters 1, 2, 3, 5, 7, 10, 11, 12, 15, 20, 23, 38, 44 and 51. The Public Emergency Law established that taxation on soya exports may not exceed 33%.

Table 4.3 Rates of export duty on the main agricultural products and by-products, January 2021

NCM	NCM HS2017	Designation	Export duty
1001.10.90	1001.19.00	Durum wheat, except for sowing	12
1001.90.90	1001.99.00	Wheat, other, except for sowing	12
1005.90.10	1005.90.10	Maize (corn), other, grains ^a	12
	1005.90.10	Exclusively put up in immediate packings of up to 2 kg	5
	1005.90.10	Exclusively popcorn put up in another way or in bulk	5
	1005.90.10	Exclusively flint corn put up in another way or in bulk	7
1005.90.90	1005.90.90	Maize (corn), other, except grains	12
1101.00.10	1101.00.10	Wheat flour	7
1201.00.90	1201.90.00	Soya beans, except for sowing	33
1206.00.90	1206.00.90	Sunflower seeds, except for sowing ^{b, c}	12
	1206.00.90	Hulled, in immediate packings with net contents of 2 kg or less	5
	1206.00.90	Hulled, other	0
	1206.00.90	Confectionery-type, in immediate packings with net contents of 2 kg or less	5
	1206.00.90	Confectionery-type, other	0
	1206.00.90	Other, in bulk	7
	1206.00.90	Other, in packings with net contents of 2 kg or less	5
	1206.00.90	Other, with more than 15% bagged	7
1208.10.00	1208.10.00	Soyabean flours and meals	31
1507.10.00	1507.10.00	Soyabean oil, crude	31
1507.90.11	1507.90.11	Refined soyabean oil, in packing	25
1507.90.19	1507.90.19	Refined soyabean oil, in bulk	30
1507.90.90	1507.90.90	Soyabean oil, other	31
1512.11.10	1512.11.10	Sunflower-seed oil	7
1512.19.11	1512.19.11	Sunflower- or safflower-seed oil, refined, in packing	4.5
1512.19.19	1512.19.19	Sunflower- or safflower-seed oil, refined, other	5
1517.90.10	1517.90.10	Mixtures of refined oils, in packing ^d	25
1517.90.90	1517.90.90	Mixtures, food preparations and other products containing soyabean oil ^e	31
	1517.90.90	Mixtures and preparations of vegetable origin containing soyabean oil	31
	1518.00.90	Inedible mixtures or preparations of vegetable origin containing soya	31
1901.20.00	1901.20.00	Mixes and doughs for the preparation of bakers' wares ^f	4.5
1901.90.90	1901.90.90	Other flour- or starch-based mixtures of preparations	4.5
2302.50.00	2302.50.00	Of soya beans	31
2304.00.10	2304.00.10	Soyabean meal and pellets	31
2304.00.90	2304.00.90	Soyabean cake and expellers	31
2306.30.10	2306.30.10	Sunflower-seed cake, flour, meal and pellets	5
2306.30.90	2306.30.90	Sunflower-seed expellers	5
2309.90.10	2309.90.10	Edible preparations containing soya beans for animals (bags of less than 50 kg)	25
2309.90.10	2309.90.10	Edible preparations containing soya beans for animals	26
2309.90.10	2309.90.10	Edible preparations containing soya beans for animals, by-products	28
2309.90.60	2309.90.60	Preparations containing soya beans, except in bags of less than 50 kg	25
2309.90.90	2309.90.90	Preparations containing soya beans, except in bags of less than 50 kg	25
2309.90.90	2309.90.90	Preparations containing soya beans, put up in another way	31
3826.00.00	3826.00.00	Biodiesel and mixtures	29

a Except popcorn, which is subject to 5% export duty.

b Except confectionery-type sunflower seeds, which are subject to 10% export duty.

c Except hulled sunflower seeds, which are subject to 5% export duty.

d Only mixtures that contain soyabean oil.

e Except edible mixtures and preparations, and other products containing soyabean oil.

f Except wheat-flour-based preparations (excluding dough in discs or other similar solid forms, and preparations for making cakes, sponge cakes and similar baked goods, in packings with a net content of 1 kg or less), with additives and/or ingredients, which are subject to 18% export duty.

Source: Ministry of the Economy and Public Finance.

4.42. In its most recent notification to the WTO, covering the period from 1 December 2018 to 30 November 2019, Argentina indicated that it did not grant any export subsidies for agricultural exports during that period.⁴¹ In 2019, in the context of Argentina's commitments regarding export subsidies, the country also reported its exports for the marketing year from 1 December 2015 to 30 November 2016, the marketing year from 1 December 2016 to 30 November 2017 and the marketing year from 1 December 2017 to 30 November 2018.⁴²

⁴¹ WTO document G/AG/N/ARG/46, of 7 December 2020.

⁴² WTO documents G/AG/N/ARG/40, G/AG/N/ARG/41 and G/AG/N/ARG/42, all of 3 July 2019.

4.43. During most of the period under consideration, a special registration requirement applied to the export and/or import of certain agricultural products. Exporters and importers of animals, plants, reproductive and/or propagation material, products, by-products and/or derivatives of animal or plant origin or goods containing ingredients of animal and/or plant origin among their components had to be recorded in the relevant SENASA register. This register was abolished in 2019. In 2017, the requirement to register exports of the meat of bovine animals was abolished (ROE Red, see below), but a new temporary registration requirement was introduced in 2021.⁴³ In May 2021, provision was made for suspension of the register and of exports of certain meat products for 30 days.⁴⁴ Exporters of wine and must have to be enrolled in the register of exporters of the National Grape Growing and Wine Production Institute.

4.44. Argentina uses DJVEs to keep a register of exports of some agricultural products, with the goal of knowing in advance the projected volume of the exports in question.⁴⁵ This requirement applies, in particular, to exports of grains and oils, as set out in the annex to Law No. 21.453 of 8 October 1976.⁴⁶ This Law laid the foundations for the establishment of ROE Green, which was replaced in 2015 by the register of DJVEs for agricultural products. As stipulated in Law No. 21.453 and the amendments thereto, export transactions involving any grains and derivatives and other agricultural products must be recorded by means of a sworn declaration.

4.45. The requirements for DJVEs to be recorded were originally laid down in Joint Resolution No. 4/2015 of the Ministry of Agro-Industry, No. 7/2015 of the Ministry of the Treasury and No. 7/2015 of the Ministry of Public Finance and the Ministry of Production, which repealed National Office for the Control of Agricultural Trade (ONCCA) Resolution No. 543/2008. The requirements in force (July 2021) are contained in MAGyP Resolution No. 128/2019, Official Journal of 15 November 2019, and the amendments thereto. MAGyP Resolution No. 128/2019 extended from 180 to 360 days the deadline for making the shipments corresponding to the DJVEs, including an automatic extension of up to 30 days.

4.46. DJVEs for the products covered by Law No. 21.453 and the amendments thereto must state: (a) the deadline by which the goods will be shipped, which must be 30 calendar days for bulk products and 90 calendar days for products that are not exported in bulk or in containers; (b) exporter's details; (c) type of goods, including the tariff heading; (d) type of cargo; (e) sale volume in tonnes; (f) official f.o.b. price; (g) date of closure of sale; (h) buyer's details; (i) goods' destination country; (j) sale price; and (k) condition of sale (Incoterms). Since 2019, it has also been necessary to provide additional details for products classified in the following MERCOSUR Common Nomenclature (NCM) tariff headings: 1001.99.00 (bread wheat), 1005.90.10 (maize, except popcorn), 1201.90.00 (soya beans), 1507.10.00 (soyabean oil), 1507.90.19 (refined soyabean oil), 1512.11.10 (sunflower oil), 1512.19.19 (refined sunflower oil), and 2304.00.10

⁴³ Joint Resolution No. 3/2021 of the Ministry of Productive Development and MAGyP of 29 April 2021 established that exports of meat and derivatives must be reported and recorded, by means of a sworn declaration of meat exports (DJEC), in the single register of operators in the food processing chain (RUCA), for which MAGyP is responsible. The meat products of which exports require a DJEC are: the fresh, refrigerated or frozen meat of bovine animals, swine, sheep or goats, horses and fowls of the species *Gallus domesticus*. The new register will remain in force for the duration of the public health emergency declared as a result of the COVID-19 pandemic. Viewed at: <https://www.boletinoficial.gob.ar/detalleAviso/primera/243223/20210420>.

⁴⁴ MAGyP Resolution of 19 May 2021 provided for the suspension, for a period of 30 days as of 20 May 2021, of the approval of DJEC applications relating to meat of bovine animal products for the following tariff headings: 0201.10.00, 0201.20.10, 0201.20.20, 0201.20.90, 0201.30.00, 0202.10.00, 0202.20.10, 0202.20.20, 0202.20.90 and 0202.30.00. The reason is supply for the domestic market.

⁴⁵ Law No. 21.453 of 8 October 1976 and amendments thereto (amended by 90 pieces of legislation).

⁴⁶ The included products are: wheat, except for sowing (NCM 1001.0001); rye (1002.0001); barley (1003.0001); barley for brewing (1003.0003); oats (1004.0001); maize (corn) (1005.0001); canary seed (1007.0001); kefir (1007.0005); millet (1007.0011); grain sorghum (1007.0013); clipped oats (1102.0303); soya beans (1201.0401); soyabean oil, in bulk and/or in packings of 10 kg (1507.01.00); cotton-seed oil (1507.0200); groundnut oil, in bulk and/or in packings of 10 kg (1507.0300); olive oil, in bulk and/or in packings of 10 kg (1507.0402); sunflower-seed, in bulk and/or in packings of 10 kg (1507.0500); rape, colza or mustard oil (15.07.0600); linseed oil (1507.0700); maize (corn) oil, in bulk and/or in packings of 10 kg (1507.1201); tung oil (1507.1202); grapeseed oil, in bulk and/or in packings of 10 kg (1507.1203); edible oils prepared for mixtures, blends, etc., in bulk and/or in packings of 10 kg (1507.1204); bran of wheat (2302.0012); bran pellets (2302.0013); cakes, oil pomace and other residues from the extraction of vegetable oils, except lees (2304); oil cake (2304.01); expellers (2304.02); pellets (2304.03) and flours and foots (2304.04).

(soyabean flours, meals and pellets).⁴⁷ The list given in Annex I to Law No. 21.453 was amended by Resolution No. 364-E/2017 of 16 November 2017, which abolished the DJVEs for some products, since they were deemed to be exported in small volumes (Table 4.4).⁴⁸

Table 4.4 Amendments to the lists of products for which a DJVE must be filed, 2015-20

Legislation (ministry)	Summary
Joint Resolution No. 4/2015 (Agro-Industry), No. 7/2015 (Production), No. 7/2015 (Treasury and Public Finance) of 28 December 2015 ^a	Lays down the requirements for filing DJVEs and the products for which a DJVE is required.
Joint Resolution No. 101/2016 (Production), No. 119/2016 (Treasury and Public Finance), No. 138/2016 (Agro-Industry) of 5 May 2016	Establishes that exporters may file DJVEs for: oats, barley, rye and wheat from the 2016-17 harvest, whenever the f.o.b. values for these products are published.
Joint Resolution No. 1-E/2016 (Agro-Industry, Treasury and Public Finance, Production) of 26 September 2016	Establishes that exporters may file DJVEs for: maize, sorghum, sunflowers and soya and their by-products from the 2016-17 harvest, whenever the f.o.b. values for these products are published.
Joint Resolution No. 1-E/2017 (Agro-Industry, Treasury and Public Finance, Production) of 10 February 2017	Sets out the procedure for filing DJVEs and the products for which a DJVE is required.
Resolution No. 364-E/2017 (Agro-Industry) of 16 November 2017	Abolishes the requirement for DJVEs for certain products exported in small volumes (rye, oats, millet, safflower, linseed oil, grapeseed oil, soyabean cake, soyabean expellers, linseed, colza and rapeseed).
Resolution No. 128/2019 (Agriculture, Livestock and Fisheries) of 14 November 2019	Sets out the procedure for filing DJVEs; the products for which a DJVE must be filed (HS headings 0713, 1001, 1003, 1005, 1006, 1007, 1008, 1101, 1107, 1201, 1202, 1204, 1205, 1206, 1507, 1508, 1512, 1514, 2302, 2304, 2305 and 2306); and the procedure for paying export duties for some products for which a DJVE must be filed.
Resolution No. 196/2019 (Agriculture, Livestock and Fisheries) of 14 December 2019	Temporarily suspends the filing of DJVEs.
Resolution No. 152/2020 (Agriculture, Livestock and Fisheries) of 17 July 2020	Sets out the products for which a DJVE must be filed and the procedure for paying duties for some products for which a DJVE must be filed.
Joint Resolution No. 3/2021 of 29 April 2021 by the Ministry of Productive Development and MAGyP	Establishes that exports of meat and derivatives must be recorded, by means of a sworn declaration of meat exports (DJEC), in the single register of operators in the food processing chain (RUCA), for which MAGyP is responsible. The meat products which require a DJEC are: the fresh, refrigerated or frozen meat of bovine animals, swine, sheep and goats, horses and fowls of the species <i>Gallus domesticus</i> .

a Abrogated by Article 18 of Joint Resolution 1-E/2017 by the Ministry of Agro-Industry, the Ministry of the Treasury and Public Finance and the Ministry of Production.

Source: WTO Secretariat, based on data provided by the authorities.

4.47. The operator must pay 90% of the export duties within five business days of the approval of the DJVE, failing which it will automatically be cancelled. The operator can apply for an extraordinary extension if it cannot complete the official application process for the shipping permits for export within the DJVE validity period. Once the authorized volume has been shipped, the operator must submit the "shipping complete" declaration. The exporter may opt for the special scheme known as "DJVE-45", in which case the DJVE is valid for 45 days from the date of its filing. In this case, export duties must be paid when the official process is completed. In the case of bread wheat and

⁴⁷ MAGyP Resolution No. 128/2019. These additional details are: (a) the reference market price converted into USD per tonne, in accordance with the agreed shipping deadline, stating the reference market and corresponding heading; (b) the premium or spread above, equal to or below the reference market price converted into USD per tonne; (c) the sale price: the reference market price plus the premium converted into USD per tonne; and (d) the means of payment.

⁴⁸ These products are: rye, in bulk or in bags; oats, in bulk or in bags; clipped oats, in bulk or in bags; pearl millet, in bulk or in bags; safflower, in bulk or in bags; linseed oil, in bulk or in bags; other linseed products; rapeseed or soyabean cakes; and soyabean cakes and expellers. Resolution No. 364.E/2017 of 16 November 2017. Viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/290000.294999/291508/norma.htm>.

low-protein bread wheat, the DJVE is valid for 45-90 days. Exporters are deemed to have complied with DJVEs once at least 90% and up to 5% above the declared volume or weight has been exported.

4.48. In 2018, the DJVE requirement for grains and oil seeds and their by-products was suspended, at first temporarily⁴⁹ and, subsequently, until further notice.⁵⁰ In 2019, this requirement was also abolished for exports of organic products, as defined by Law No. 25.127 on ecological or organic production.⁵¹ However, Resolution No. 128/2019, Official Journal of 15 November 2019, confirmed the compulsory nature of the DJVE requirement for a list of specific products, at a level more detailed than the eight-digit tariff sub-headings. MAGyP Resolution No. 152/2020 of 17 July 2020 amended and updated this list (Table 4.5).

Table 4.5 Agricultural products for which a DJVE must be filed, by eight-digit NCM sub-heading, MAGyP Resolution No. 152/2020

NCM	Description	NCM	Description
0713.10.90	Whole and split peas (green and yellow)	1204.00.90	Linseed
0713.20.90	Whole chickpeas	1205.90.90	Rape or colza seeds
0713.33.19	Black kidney beans, in packings of a content in excess of 20 kg	1206.00.90	Sunflower seeds. Only for industry, other
0713.33.29	White kidney beans, in packings of a content in excess of 20 kg	1507.10.00	Soyabean oil, in bulk
0713.33.99	Red kidney beans, in packings of a content in excess of 20 kg	1507.90.19	Soyabean oil, other
0713.39.90	Lima beans, in packings of a content in excess of 20 kg	1508.10.00	Groundnut oil, in bulk
0713.40.90	Lentils, other	1508.90.00	Groundnut oil, other
1001.19.00	Durum and Taganrog wheat, other	1512.11.10	Sunflower oil, in bulk
1001.99.00	Bread wheat, more than 15% bagged	1512.19.19	Sunflower oil, other
1003.90.10	Barley for brewing	1512.21.00	Cotton-seed oil, in bulk
1003.90.80	Barley grains	1512.29.90	Cotton-seed oil, other
1005.90.10	Maize (corn), other, grains	1514.91.00	Rape, colza or mustard oil, in bulk
1005.90.10	Popcorn or flint corn	1514.99.10	Rape, colza or mustard oil, other
1006.10.92	Rice in the husk (paddy or rough). Not parboiled	1515.21.00	Maize (corn) oil, in bulk
1006.20.20	Husked (brown) rice, other. Not parboiled	1515.29.90	Maize (corn) oil, other
1006.30.21	Semi-milled or wholly milled rice, whether or not polished or glazed, not parboiled	2302.30.10	Bran of wheat
1006.30.29	Semi-milled or wholly milled rice, whether or not polished or glazed, other, not parboiled	2302.30.90	Bran of wheat in pellets, in bulk, with up to 10% bagged
1006.40.00	Broken rice, in half and quarter grains	2304.00.10	Soyabean flour, meal and pellets
1007.90.00	Grain sorghum, other	2304.00.90	Soyabean flour, meal and pellets, other
1008.30.90	Canary seed, other	2305.00.00	Oil-cake, expellers and pellets from the extraction of groundnut oil
1101.00.10	Wheat flour	2306.10.00	Oil-cake, expellers and pellets from the extraction of vegetable fats or oils of cotton seeds
1107.10.10	Malt of barley	2306.30.10	Oil-cake, expellers and pellets from the extraction of vegetable fats or oils of sunflower seeds:
1201.90.00	Soya beans, other	2306.30.90	Oil-cake, expellers and pellets from the extraction of vegetable fats or oils of sunflower seeds:
1202.42.00	Groundnuts	5201.00.20	Cotton, not carded or combed, not further prepared than ginned

Note: Within a single tariff sub-heading, there may be several product specifications, listed in Annexes I and II of MAGyP Resolution No. 152/2020. For each one of those, a separate DJVE is required.

Source: MAGyP Resolution No. 151/2020, Official Journal of 21 July 2020. Viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/340000-344999/340099/norma.htm>.

4.49. In December 2020, Argentina temporarily suspended issuance of DJVEs for all types of maize, except popcorn, that had been shipped before 1 March 2021. The purpose of the suspension was to secure domestic supply during the summer months, when maize supply tends to run low. In January 2021, this measure was provisionally abolished, but it was decided to continue monitoring maize exports to secure domestic supply. To that end, an export cap is set and that cap is taken

⁴⁹ Resolution No. 249/2018 of 13 August 2018.

⁵⁰ Resolution No. 290/2018 of 31 August 2018.

⁵¹ Article 21 of MAGyP Resolution No. 128/2019, Official Journal of 15 November 2019.

into consideration when exports are approved. For example, 2019-20 maize DJVEs cannot exceed 30,000 tonnes per day.⁵²

4.50. Joint Resolution No. 69/2016 of the Ministry of Agro-Industry, No. 101/2016 of the Ministry of the Treasury and Public Finance, and No. 84/2016 of the Ministry of Production repealed Resolution No. 6.686/2009 establishing the compulsory register for the import and export of certain dairy products (ROE White). The Joint Resolution made it compulsory to submit a sworn declaration of foreign sales of dairy products (DJVEL) for exports of the dairy products listed in Annex I thereto. Resolution No. 225-E/2017 of 24 August 2017 abolished the DJVEL.

4.1.2.8 Internal measures

4.51. According to Argentina's latest notification to the WTO, submitted in September 2019 and covering the 2014-15 (1 December to 30 November), 2015-16 and 2016-17 seasons, domestic support for research, pest and disease control, training services, extension and advisory services, inspection services, and infrastructure services was granted to the Special Tobacco Fund (FET) and to the Federal Support Programme for Sustainable Rural Development (PROFEDER).⁵³ All these green box measures amounted to ARS 883.1 million (at the 1992 value) in the period 1 December 2016 to 30 November 2017. The aggregate measurement of support (AMS) for specific products, greater than the *de minimis* value (granted to tobacco only), was as high as ARS 72.5 million (1992 value) between 1 December 2016 and 30 November 2017, compared with a commitment of ARS 75 million (1992 value). Although support was granted to other specific products, it was always at below the *de minimis* value. In the 2016-17 season, support was granted at below the *de minimis* value to: cotton, rice, the meat of bovine animals, sheep, goats and swine, citrus fruits, sunflowers, dairy, maize, apples, olives, potatoes, pears, soya, wheat, wine and herbs. The AMS not relating to specific products in 2016-17 was ARS 45.9 million (1992 value), all channelled through the National Agro-Industrial Trust Fund (FONDAGRO).

4.52. Agricultural products must be recorded in the national sanitary register of agricultural producers (RENSPA) of the National Agricultural and Food Quality and Health Service (SENASA) in accordance with SENASA Resolution No. 249 of 23 June 2003. SENASA Resolution No. 423 of 22 September 2014 contains the RENSPA regulations and establishes that RENSPA enrolment is compulsory for all livestock farmers and all agricultural producers of fruits, vegetables and propagation material; ornamental, aromatic, floral, industrial and forestry plants; and oil seeds, cereals and other unspecified seeds.⁵⁴ SENASA Resolution No. 445 of 22 May 2015 contains the RENSPA procedural manual.⁵⁵

4.53. MAGyP Resolution No. 302 of 15 May 2012 established the single register of operators in the food processing chain (RUCA), for which SAGyP is responsible. Any natural and/or legal persons involved in trading and/or processing within the agri-food value chains for the following markets must be enrolled in RUCA: dairy and its products, by-products and/or derivatives; grains and cotton, their products, by-products and/or derivatives; live or slaughtered bovine animals, sheep, swine, poultry, horses or goats, their products, by-products and/or derivatives; and fruit intended to be consumed fresh, dried and/or processed. RUCA registration is valid for one year, except in the case of the categories "expert cereal, oilseed and pulse classifier", and "beef and pork categorizer", which are valid for two years, renewable for the same period. For the "agricultural producer" category, registration does not expire, provided that the information in RENSPA is kept up to date. SAGyP Resolution No. 376/2015, Official Journal of 24 September 2015, includes wholesale markets in RUCA, along with establishments that store, package, freeze, process and export fruit. Ministry of Agro-Industry Resolution No. E 21/2017 of 23 February 2017 incorporated the wool sector into

⁵² MAGyP. Viewed at:

https://www.magyp.gob.ar/sitio/areas/prensa/index.php?accion=noticia&id_info=210110234753;
https://www.magyp.gob.ar/sitio/areas/prensa/index.php?accion=noticia&id_info=201230140611; and
 Resolution No. 287 of 30 December 2020.

⁵³ WTO documents G/AG/N/ARG/43, G/AG/N/ARG/44 and G/AG/N/ARG/45, all of 4 September 2019.

⁵⁴ SENASA Resolution No. 423/2014 can be viewed at:

http://www.senasa.gob.ar/normativas/resolucion-423-2014-senasa-servicio-nacional-de-sanidad-y-calidad-agroalimentaria?_ga=2.71309971.1214590893.1534859462-1990775388.1395237760.

⁵⁵ Information from SENASA. Viewed at:

http://www.senasa.gob.ar/sites/default/files/ARBOL_SENASA/INFORMACION/NORMATIVA/res_445-2015_1.pdf.

RUCA, along with the fruit and vegetable, and sugar sectors.⁵⁶ On 15 April 2021, MAGyP Resolution No. 60/2021 was published, which added new requirements to the RUCA enrolment regulations; these requirements must be met by those interested in exporting dairy products who do not own an establishment already recorded in RUCA.⁵⁷

4.54. AFIP Resolution No. 3.593 of 18 February 2014 established a systematic registration scheme for grain transfers and stocks, which applies to any RUCA-enrolled operators trading in grain. It encompasses products including cereals and oil seeds not for sowing, and dried pulses (beans, peas and lentils). The registration scheme entails: (a) the declaration of grain stocks at the time when the scheme came into force; (b) transfers or movements of grain to or from each authorized plant; and (c) any change to the existing record.

4.55. The National Agro-Industrial Trust Fund (FONDAGRO), created under the control of MAGyP by Article 72 of Law No. 27.341, Official Journal of 21 December 2016, is an administrative and financial trust. It was created with the objectives of stimulating, fostering and developing the agro-industrial sector; promoting healthy, high-quality plants, animals and food; encouraging territorial development and family farming; fostering pure and applied research on agricultural and fisheries and the related extension; and promoting regional and/or provincial production. FONDAGRO's trustor is the Ministry of Agriculture, Livestock and Fisheries, and its trustee is BICE Fideicomisos S.A. FONDAGRO comprises funding drawn from National Treasury budget headings, from donations and from contributions made by provincial, national and international bodies. During the 2020 fiscal year, FONDAGRO received a total of ARS 760 million from National Treasury budget headings. ARS 18.6 million in non-repayable contributions (ANRs) was disbursed. The budget headings under which the programme operated until 2020 were "direct Loans at below-market interest rates" and "non-repayable contributions to projects or institutions".

4.56. MAGyP Resolution No. 20-E/2017, Official Journal of 14 February 2017, created the FONDAGRO Coordination Unit, for which MAGyP is responsible. The Unit's functions currently include centralizing the relationship between the MAGyP authorities and the trustee; taking the measures entrusted to it by the FONDAGRO Executive Committee; evaluating applications to draw on FONDAGRO; and elevating projects to the Executive Committee for its approval.⁵⁸ FONDAGRO may issue debt securities, with or without a public offering to raise funds from private savings and/or the public purse, and may take part in public-private partnership (PPP) consortia as a contracting party. Beneficiaries of FONDAGRO include natural persons, public or private legal persons, agro-industrial MSMEs, joint inheritances, trust funds, state-owned entities and any others chosen by the Executive Committee. There is a five-year deadline for implementing projects approved and funded by FONDAGRO. The Executive Committee may extend this period on duly justified grounds.

4.57. For tobacco producers, Argentina operates a system of minimum prices financed by FET, created by the National Tobacco Law: Law No. 19.800 of 23 August 1972. FET is chiefly financed by a 7% levy on the total price of each packet of cigarettes sold to the public. Of the funding raised in this way, 80% is distributed among the provinces, in proportion to the gross value of each province's output. The remaining 20% is used to fund specific projects aimed at the restructuring, diversification and modernization of tobacco production. There is an additional 1% levy charged on the price of each packet of cigarettes sold to the public, which the manufacturers should use to pay the percentage of the price that normally goes on marketing. Moreover, there is a further 0.035% levy on the price of a packet of cigarettes; the funds raised are used for the social work of the industry's unions.⁵⁹ A fixed charge of ARS 0.071 per packet of 20 cigarettes sold was also established; this has been increased by the same amount again since 2009. MAGyP sets the FET

⁵⁶ Resolution 21E/2017. Viewed at: <https://www.boletinoficial.gob.ar/detalleAviso/primera/159417/20170224>; and RUCA paperwork. Information viewed at: <https://ruca.magyp.gob.ar/>.

⁵⁷ Resolution No. 60/2021 of 15 April 2021. Viewed at: <https://www.boletinoficial.gob.ar/detalleAviso/primera/243139/20210419>.

⁵⁸ In accordance with MAGyP Resolution No. 23/2020, Official Journal of 28 February 2020, the FONDAGRO Executive Committee is chaired by the Minister of Agriculture, Livestock and Fisheries, and also includes the head of the MAGyP Ministerial Advice Unit, the MAGyP secretaries of state, the MAGyP Under-Secretary for Agricultural Markets and the MAGyP Under-Secretary for Administrative Management.

⁵⁹ SAGyP Resolution No. 22/2019 of 13 February 2019 established that 41% of the funds should be allocated to the Tobacco Industry Staff Social Welfare Organization (OSPIT), 31% should be allocated to the Rural Workers and Stevedores Social Welfare Organization (OSPRERA), and 28% to the Tobacco Industry Employees Social Welfare Organization (OSETRA).

price for the various tobacco varieties, taking into consideration the volume of production, sales and WTO commitments. In order to be eligible, producers must be enrolled annually in the national register of tobacco producers. The WTO has been notified of the support to producers through FET. As set out in the most recent notification, for the period between 1 December 2016 and 30 November 2017, the payment per unit was ARS 0.62 (1992 value) per kilogram, for a total of 117,154,000 kilograms.⁶⁰

4.58. MAGyP operates the interest rate subsidy programme for loans to small-scale agricultural producers, which is implemented by means of discount agreements with banks - such as the National Bank of Argentina (BNA), the Bank of the Province of Buenos Aires (BAPRO), Banco Entre Ríos, S.A., Nuevo Banco de Santa Fe, S.A., Bank of the Province of Córdoba (BPC) and Banco de La Pampa - within the framework established by Decree No. 1.023/2001, Decree No. 1.030/2016 and supplementary legislation. By means of this mechanism, the bank makes financing available and MAGyP contributes the agreed interest-rate subsidy. The current lines of credit are intended, in particular, to finance investments and working capital for production of dairy, of the meat of bovine animals, swine and poultry and of honey. Argentina has been reporting this to the WTO as "Other product-specific budgetary outlays" and, in all cases, the amounts were below the *de minimis* values. In the notification corresponding to the period 1 December 2016 to 30 November 2017, the following products were included as beneficiaries of the interest rate subsidy programme for loans to small-scale agricultural producers: the meat of bovine animals, swine, sheep and goats, dairy, wheat, pears, apples, cotton, wine, citrus fruits, rice, herbs, olives, potatoes, maize, sunflowers and soya.⁶¹

4.59. A large proportion of the loans at subsidized interest rates are channelled through the BNA and are intended to finance working capital, investment and the purchase of capital goods.⁶² In addition to the subsidy from MAGyP, which can be as much as six percentage points per annum, beneficiaries of some programmes also receive a discount from the BNA if they are signed up to the *Nación Campo* package, which consists of a series of services for the sector.⁶³ As at May 2020, the subsidized rates ranged from 27% to 32%. Table 4.6 sets out some of the main programmes aimed at the agricultural sector.

Table 4.6 Special BNA lines of credit for the agricultural sector, 2021

Programme/user	Beneficiary	Conditions
A. Carlos Pellegrini Line of Credit: Special conditions for the agricultural sector		
MSME producers.	Wide range of agricultural activities.	Currency: ARS and USD. Term: up to 10 years.
Stockbreeding sector. Funding: up to 100%. The beneficiary must sign up for the <i>Nación Campo</i> package		
Livestock farmers	Broad-scope investments	Term: up to the maximum provided for in the regulations, with a grace period of up to 12 months for repayment of the principal.
	Retention of breeding females (produced in the establishment itself).	Term: up to seven years, with a grace period of up to 36 months for repayment of the principal.
	Backgrounding and/or purchase of breeding males and/or permanent pasture	Term: up to the maximum provided for in the regulations, with a grace period of up to 24 months for repayment of the principal.
	Production of fodder: silos, rolls, mega-bales	Term: up to one year; full repayment of the principal and interest on maturity.
Dairy sector. Funding: up to 100%. The beneficiary must sign up for the <i>Nación Campo</i> package.		
Dairy farmers and dairy MSMEs.	Broad-scope investments.	Term: up to the maximum provided for in law, with a grace period of up to 24 months for repayment of the principal.
	Retention of breeding females	Term: up to seven years, with a grace period of up to 36 months for repayment of the principal.
	Backgrounding and/or purchase of breeding males and/or permanent pasture	Term: up to seven years, with a grace period of up to 24 months for repayment of the principal.
	Working capital	Term: up to three years, with a grace period of up to 12 months for repayment of the principal.
Olives and nuts sector		
MSMEs and/or agro-industrial companies	Broad-scope investments	Term: up to the maximum provided for in the regulations, with a grace period of up to 60 months for repayment of the principal. The beneficiary must sign up for the <i>Nación Campo</i> package
Fruit sector		

⁶⁰ WTO document G/AG/N/ARG/45, of 4 September 2019.

⁶¹ WTO document G/AG/N/ARG/45, of 4 September 2019.

⁶² Online information from the BNA "*Líneas de crédito para el sector agropecuario*" (Credit lines for the agricultural sector). Viewed at: http://www.bna.com.ar/agro/ag_creditos.asp.

⁶³ The *Nación Campo* account is aimed at legal persons, agricultural producers or agricultural service providers located in Argentine territory. There is a 100% discount on the account maintenance fee. Information from the BNA. Viewed at: <https://www.bna.com.ar/Empresas/Pymes/CuentaNacionCampo>.

Programme/user	Beneficiary	Conditions
Fruit sector producers	Broad-scope investments	Term: up to the maximum provided for in the regulations, with a grace period of up to 48 months for repayment of the principal. The beneficiary must sign up for the <i>Nación Campo</i> package.
Wine sector		
Wine sector producers	Broad-scope investments	Term: up to the maximum provided for in the regulations, with a grace period of up to 40 months for repayment of the principal. The beneficiary must sign up for the <i>Nación Campo</i> package.
Swine and sheep sector		
Companies dedicated to swine and sheep production	Broad-scope investments in the swine and sheep sector	Term: up to the maximum provided for in the regulations, with a grace period of up to 24 months for repayment of the principal. The beneficiary must sign up for the <i>Nación Campo</i> package.
	Purchase of breeding males	Term: up to five years, with a grace period of up to 18 months for repayment of the principal. The beneficiary must sign up for the <i>Nación Campo</i> package
Forestry sector		
Forestry sector producers	Broad-scope investments	Term: up to the maximum provided for in the regulations, with a grace period of up to 60 months for repayment of the principal. The beneficiary must sign up for the <i>Nación Campo</i> package
B. Carlos Pellegrini Line of Credit: special conditions for the dairy sector		
Dairy MSMEs enrolled in the integrated system for Argentine dairy management (SIGLeA)	Broad-scope replenishment of working capital.	Line of credit for producers enrolled in SIGLeA. Special conditions for the replenishment of dairy producers' working capital. Maximum amount: USD 5 million. Term: up to five years.
C. Carlos Pellegrini Line of Credit: special conditions for the purchase of agro-industrial machinery		
MSMEs in the agro-industrial sector.	Acquisition of agricultural and industrial machinery, capital goods, trailers, etc. manufactured in Argentina.	Currency: ARS and USD. Term: up to five years. Requirement: to have signed up to the BNA's comprehensive package Interest-rate discount
D. Agricultural exports growth		
Companies in the agricultural sector.	Costs of growing agricultural activities.	Line of credit maturing after 10 years. Term: up to 180 days for each disbursement.
E. Current account overdraft		
Companies in the sector.	Overdraft without collateral for a term of up to 180 days for companies in the sector.	Mortgage-backed for up to seven years (provides for annual instalments).
F. Discounting of post-dated cheques		
Natural and legal persons in the sector.	Discounting of post-dated cheques issued in accordance with Laws Nos. 24.452 and 24.760	Term: up to 90 days. Customers signed up for the <i>Nación Campo</i> package will enjoy a discount on interest rates and charges.

Source: Information from BNA Agribusiness. Credit. Viewed at: <https://www.bna.com.ar/Empresas/AgroNegocios/Creditos>.

4.60. In May 2020, as part of the support measures for farmers affected by the pandemic, the BNA approved the decision to maintain its policy of loan assistance to agricultural production sectors and announced that it was complying with the resolution of the Central Bank of Argentina (BCRA) establishing that any farmers who hold a stockpile of less than 5% of their annual wheat and/or soyabean harvest capacity may access the promotional rate of 24% (compared with other promotional rates of 27-32%). The BNA also announced that it would put in place a new line of credit at variable interest rates for investment to facilitate marketing of stored output. The BNA announced that various loan options remain available, aimed at the agricultural/livestock sector, both for purchasing machinery and for financing productive investments.⁶⁴ In February 2021, a new ARS 500 million line of credit was introduced for family farmers, with a subsidized interest rate and additional benefits for microenterprises enrolled in the national register of family agriculture (RENAF), with an interest rate of 21% (a subsidy of seven percentage points from FONDAGRO), with a further two-point discount - provided by the BNA - for farms headed by women. The maximum amount of funding available is ARS 100,000. The loan has a term of 36 months and is 75% guaranteed by the Argentine Guarantees Fund (FOGAR).⁶⁵

4.61. BAPRO is also offering loans to the agricultural sector at subsidized interest rates. Some of these loans include: the *Préstamo con destino a Siembra* (loan for seeds), for fine-grained crops, such as wheat and rye, and coarse-grained crops, such as maize, sunflowers and soya, with the maximum amount calculated on the basis of whether it is going on goods for the farmer or on contractors, and on whether or not fertilizer is being used; the *Préstamo para Lechería* (loan for

⁶⁴ BNA, *El Banco Nación continuará con las líneas de Asistencia al Sector Agropecuario*. BNA press release of 15 May 2020. Viewed at: https://www.bna.com.ar/BackOffice/institucional/prensadoc/959_a.pdf.

⁶⁵ BNA, *Nueva línea de créditos por ARS 500 millones para agricultores familiares, con tasa subsidiada y beneficios adicionales para empresas lideradas por mujeres*. BNA press release of 18 February 2021. Viewed at: https://www.bna.com.ar/BackOffice/institucional/prensadoc/1036_a.pdf.

dairy), aimed at dairy farmers and SMEs, for investment or working capital, of up to ARS 5 million; *Préstamos para Ganados y Carnes* (loans for cattle and meat), aimed at farmers of bovine animals, swine, poultry (including eggs) and other livestock bred for meat, for investment, or for increasing or replenishing working capital, with a maximum that depends on the borrower's credit rating; and *Préstamos para Capital de Trabajo* (loans for working capital), for farmers, companies providing directly related services and agro-industrial firms, with conditions depending on credit rating.⁶⁶

4.62. Every year, MAGyP, through DIPROSE, runs a series of programmes to facilitate, fund and promote agricultural activity, and innovation and development in production. Examples include: the forestry sustainability and competitiveness programme (SyCF); the provincial agricultural services programme (PROSAP); the programme for socio-economic inclusion in rural areas (PISEAR); the programme for the economic inclusion of family farmers in northern Argentina (PROCANOR); and the comprehensive risk-management programme for the rural agro-industrial system (GIRSAR). Other units reporting to MAGyP also run programmes, such as: *Abriendo Mercados* (opening up markets); *Cambio Rural* (rural change); *Sumar Valor* (add value); the national programme promoting official certifications of quality in Argentine foods; the national programme for rural land ownership and permanent settlement (PRONTAR); the programme to improve wool quality (PROLANA); the goat value chain development programme (PRODECCA); the national irrigation plan (PNR); the assistance programme to improve cotton fibre quality (PROCALGODÓN); the project for the promotion of biomass-derived energy (PROBIOMASA); the "Argentine Wine: the National Drink" programme; the inter-laboratory programme for agricultural soils (PROINSA); and the cultural heritage restoration and conservation programme.⁶⁷

4.63. One of the most significant programmes in the DIPROSE portfolio is PROSAP. It is a federal programme that implements public investment projects at the provincial and national levels, in order to increase the coverage and quality of rural infrastructure and agri-food services, to develop the regional economies and to contribute to enhancing the competitiveness of the agro-industrial sector. PROSAP runs projects that facilitate adjustment of agricultural production to market requirements and that foster increased value added in the sector's production chains. PROSAP also funds initiatives that promote competitiveness in small and medium-sized farmers and in agro-industrial MSMEs, and that improve quality and access to new markets, with a focus on increased climate change resilience.⁶⁸

4.64. PROSAP is used to fund projects through direct public investment, joint public-private investment, and initiatives to enhance competitiveness. The public investment projects funded by PROSAP are focused on the following areas: irrigation, drainage and water-resource management; production infrastructure; animal and plant health; strengthening of institutions; information systems; allocation of land titles and regularization of land; and commercial development, one example of which is the national programme for added value in agri-food production (PROCAL).⁶⁹ To fund public investment projects through PROSAP, provinces must have a provincial strategy for the agri-food sector (EPSA), of which the proposed investment policies, programmes and projects must form part. Moreover, they must have an indebtedness law in force, demonstrate that they have the resources to act as counterparty for each project to be implemented, and have assented to the federal tax revenue sharing regime.⁷⁰ PROSAP provides non-repayable contributions (ANRs) through joint public-private investments. The beneficiaries are MSME primary producers seeking to integrate themselves into value chains. Competitiveness enhancement initiatives foster closer links between the productive sector, the public sector and science and technology institutions; channelled into the development of clusters and micro-regions and of innovation transfer, they can be up to 60% financed with ANRs.

4.65. The source of the funding available through PROSAP is loans from the Inter-American Development Bank (IDB) and the Development Bank of Latin America (CAF). As of May 2021, this funding amounts to USD 140 million, of which USD 100 million comes from the IDB and USD 40 million comes from CAF. Local contributions (from the private sector, and from the national and provincial governments) total USD 49 million. With regard to the currently finalized loans, paid

⁶⁶ BAPRO, Agricultural Banking, *Condiciones de las líneas de créditos*, April 2020. Viewed at: https://www.bancoprovincia.com.ar/CDN/Get/A5388_Banca_Agro_tasas_costos_condiciones_vigentes.

⁶⁷ Information from MAGyP. Viewed at: <https://www.argentina.gob.ar/agricultura/programas>.

⁶⁸ Information from PROSAP. Viewed at: <https://www.argentina.gob.ar/agricultura/programas>.

⁶⁹ Information from PROSAP. Viewed at: <https://www.argentina.gob.ar/agricultura/programas>.

⁷⁰ Law No. 23.548 of 7 January 1988.

out between 1997 and the first quarter of 2021, PROSAP was funded through loans from the IDB, the International Bank for Reconstruction and Development (IBRD), CAF and the Financial Fund for the Development of the Countries of the River Plate Basin (FONPLATA), totalling USD 1,702.7 million, with USD 462.7 million coming from local contributions.

4.66. The inclusive rural development programme (PRODERI) - launched in 2012, ended in December 2019 and partially financed by the International Fund for Agricultural Development (IFAD) - sought to create work opportunities for small-scale rural producers, and to improve their production conditions, in order to bring them into value chains. PRODERI worked within strategies set out by provincial governments and supported participative formulation of comprehensive production-development and market-access projects. When it was wound up in December 2019, PRODERI had run 445 projects in 17 provinces, costing a total of USD 66.3 million.

4.67. The compensation scheme - in force until June 2017 and created by Ministry of the Economy and Production (MEP) Resolution No. 9/2007 of 11 January 2007 - established a system of subsidies for domestic consumers of certain products derived from wheat, maize, sunflowers and soya. Compensation payments were made to manufacturers and operators selling in the domestic market; these equated to the difference between the market value of the product published by SAGyP and the domestic supply prices calculated by the Ministry of the Economy. The scheme was subsequently extended to dairy products.⁷¹ The following activities were covered by the compensation scheme: dairy farming (ARS 0.20 per litre); Friesian calf breeding; dairy processing; wheat-flour milling; wheat production; feed-lot operation; pig farming; poultry cold storage; and maize-flour milling. Decree No. 444/2017 of the former Ministry of Agro-Industry, Official Journal of 23 June 2017, ended the compensation scheme.

4.68. PISEAR was launched in 2017, with the aim of promoting organizational capacity, improving output and developing productive partnerships for sustainable market access. The total funding for the project, which is planned to last until 2022, is USD 66.87 million. The funding has come from the IBRD, from national and provincial contributions and, in part, from the beneficiaries; it is hoped that as many as 10,000 families will benefit from the programme. Created in 2017, PROCANOR seeks to integrate the productive activities of value chains, and promotes the development of comprehensive projects and the formation of clusters. The total funding for the project, which will last for five years, from March 2017 to March 2022, is EUR 22.91 million, financed by IFAD and by national and provincial contributions. There are 8,000 beneficiary families.⁷²

4.69. In recent years, farmers in the dairy sector have benefited from a series of programmes. The dairy farmers programme,⁷³ which was in force until 2016, granted ANRs to dairy farmers with average daily production of less than 12,000 litres; these initially amounted to ARS 0.10 per litre of milk for the first 3,000 litres produced per day. In response to falling prices, this subsidy was increased in 2015, initially to ARS 0.30 per litre, then to ARS 0.40 per litre and, in December 2015, to ARS 0.50 per litre for the payment corresponding to February and March 2016; the benefit was also extended to all farmers for the first 3,000 litres per day of output.⁷⁴ The national dairy programme was introduced in 2010 and remains in force. It is intended to foster the activity of small and medium-sized farmers in the dairy value chain,⁷⁵ to which end it grants: (a) loans at subsidized interest rates (through the BNA or other banks); (b) contributions to an official guarantee fund, which gives small and medium-sized farmers access to credit; (c) funding for training; and (d) ANRs. Permitted uses for contributions from the programme include investing in equipment and construction; buying agricultural machinery; buying software; and upgrading infrastructure. As part of the national dairy programme, a system of quality-based bonuses was set up, known as the "system of payment for raw milk on the basis of make-up quality and hygiene/health attributes with a compulsory and universal single monthly payment system".⁷⁶ The price paid for the delivered milk was made up of at least 80% weighting for make-up quality and hygiene/health attributes, with no

⁷¹ MEP Resolution No. 61/2007 of 12 February 2007.

⁷² DIPROSE (2019), *Informe de Gestión*, December 2019. Viewed at: https://www.argentina.gob.ar/sites/default/files/informegestiondiprose-04-12-19_baja.pdf.

⁷³ Regulated by SAGyP Resolutions No. 169/2009 and No. 513/2009.

⁷⁴ SPM, Secretariat for Economic Policy, Ministry of the Treasury and Public Finance, *Informe de Cadenas de Valor, Láctea, diciembre de 2016*. Year 4. No. 41, December 2016. Viewed at: https://www.economia.gob.ar/peconomica/docs/Complejo_Lacteo.pdf.

⁷⁵ MAGyP Resolutions No. 297 of 26 August 2010 and No. 505/2010 of 12 November 2010.

⁷⁶ Joint Resolution MAGyP No. 739 and of the Ministry of the Economy and Public Finance No. 495 of 10 August 2011.

more than 20% awarded as other bonuses. In 2016, certain parameters ("reference milk") were set up for calculating the bonuses.⁷⁷

4.70. In 2016, the integrated system for Argentine dairy management (SIGLeA) was introduced to modernize the exchange of information between those involved in the dairy value chain and national and provincial public bodies.⁷⁸ Primary dealers purchasing raw milk must report the following through SIGLeA: (a) the raw milk payment classification system, which details the various levels of bonuses and penalties for make-up quality, and for hygiene/health and commercial attributes; (b) the prices per kilo of fat and protein; and (c) the estimated payment dates and methods. SIGLeA participation is a requirement of eligibility for the preferential loans offered by the BNA.⁷⁹

4.71. Those engaged in animal husbandry are eligible for general programmes, as well as species-specific ones. One of the general programmes is the scheme to promote bovine cattle farming in arid and semi-arid areas, created by Law No. 27.066 of 10 December 2014. This Law also created the fund to promote bovine cattle farming in arid and semi-arid areas, with ARS 100 million in annual funds for financing the farming of bovine animals in arid and semi-arid areas.

4.72. The federal programme to foster and develop buffalo farming was established in 2015.⁸⁰ Under it, people with business plans and investment projects in their name for the promotion and development of buffalo farming are eligible for the following benefits: (a) loans to cover the baseline studies for drawing up a business plan or investment project; (b) loans for the purchase of specimens and/or semen of breeds taken, preferably, from the breeding herds or experimental centres to be created at the provincial or regional level, from local producers, or from MERCOSUR member countries; and (c) subsidies to cover professional fees relating to the drawing-up of a plan or project, the investments themselves and any training costs included in the plan or project. The scheme for the recovery, fostering and development of goat farming funds business plans or investment projects promoting goat farming. The benefits include: financial loans and/or grants for drawing up and implementing the plan or project; bank loans at subsidized interest rates; and funding and/or subsidies for social and organizational advice and development.⁸¹ In 2017, PRODECCA was launched, with a budget of USD 25,448,000, financed by IFAD, contributions from national and provincial governments, and from the beneficiaries. PRODECCA is in force until April 2023.⁸² The sheep farm recovery scheme is intended to achieve the adaptation and modernization of sheep-farming systems; it is applied in provinces that have expressly signed up to it.⁸³ Natural or legal persons involved in farming, rearing, providing services for, processing and marketing sheep and llamas who submit business plans and/or investment projects are eligible for the following benefits, among others: (a) financial loans and/or grants for implementing the plan or project; (b) full or partial funding for drawing up the business plan or investment project; and (c) bank loans at subsidized interest rates. To finance the scheme, the sheep farm recovery fund (FRAO) was created, which draws on funding from the National Treasury and other contributions.⁸⁴

4.73. In its notification to the WTO for the period from 1 December 2016 to 30 November 2017, Argentina included two National Agricultural Technology Institute (INTA) programmes: the basic research and technological innovation programme, for which it declared disbursements of ARS 44,319,133 (1992 value), and the applied research, innovation and technology transfer (IAITT) programme, for a total of ARS 250,386,720 (1992 value).⁸⁵ PROFEDER, which had been operated by INTA, was discontinued in 2019.

4.74. The *Cambio Rural* (rural change) programme was created in 1993 and is in line with the targets of the 2010-20 strategic agri-food and agro-industry plan (PEA). Its central objectives are persuading agri-food and agro-industrial MSMEs, the cooperative sector and family farms to innovate

⁷⁷ Article 9 of Resolution No. 229-E/2016 of the former Ministry of Agro-Industry.

⁷⁸ Resolution No. 229-E/2016 of the former Ministry of Agro-Industry of 28 October 2016.

⁷⁹ Information from MAGyP. Viewed at:

https://www.magyp.gob.ar/sitio/areas/siglea/archivos/Que_es_el_SIGLeA.pdf.

⁸⁰ Law No. 27.076, Official Journal of 10 January 2015.

⁸¹ Law No. 26.141, Official Journal of 21 September 2006.

⁸² DIPROSE (2019), *Informe de Gestión*, December 2019. Viewed at:

https://www.argentina.gob.ar/sites/default/files/informegestiondiprose-04-12-19_baja.pdf.

⁸³ Law No. 25.422, Official Journal of 4 May 2001, as amended by Law No. 27.230, Official Journal of 4 January 2016.

⁸⁴ Law No. 26.680, Official Journal of 31 May 2011.

⁸⁵ WTO document G/AG/N/ARG/45, of 4 September 2019.

and form partnerships for the creation and management of projects that will improve output and increase added value. Over time, the rural change programme's focus has been changing. Between 2013 and 2016 (rural change II: innovation and investment), it was focused on small-scale family farmers; from 2017 onwards, agricultural SMEs were prioritized. It is currently managed by MAGyP, working in partnership with INTA. It still offers state cofinancing, working with partner farmers, and offering training and technical assistance. The budget allocated in 2021 was ARS 65 million.

4.75. The national system for the prevention and mitigation of agricultural emergencies and disasters was created by the Agricultural Emergency Law.⁸⁶ Financed by the National Fund for the Prevention and Mitigation of Agricultural Emergencies and Disasters (FONEDA), it provides relief for farmers in the affected areas whose output or production capacity has been reduced by at least 50%, for agricultural emergencies, or 80%, for agricultural disasters. FONEDA funding can be channelled into: (a) providing special financial assistance for affected farmers; (b) providing loans with a 25% interest-rate discount in areas declared to be in agricultural emergency and with a 50% discount in disaster areas; (c) consolidating farmers' debts to each bank; and (d) providing ANRs to cover investments and operating costs, thereby rebuilding productive capacity. In 2020, budget out-turn on Programme 42, "Policies for managing agricultural risk (Law No. 26.509)", which comprises FONEDA and prevention funds, was ARS 571 million, of which ARS 469 million went to FONEDA.

4.76. In February 2019, an agreement was signed with the IBRD for a loan of USD 150 million, with a further USD 37.5 million local contribution, to implement GIRSAR. With GIRSAR, the strategy is to manage the risks faced by the Argentine agro-industrial sector comprehensively, taking measures to mitigate and transfer risk, and to provide assistance in agricultural emergency situations. The intention is to strengthen the resilience of the agro-industrial system, and to improve the management of agricultural risk by beneficiaries and selected sectoral institutions. To date, GIRSAR has been little implemented, with the measures taken focusing on component 1, which seeks to generate a unified information system, in order to improve the evaluation and management of agricultural risk.

4.1.3 Forestry industry and silviculture

4.77. According to data from the Secretariat for Agriculture, Livestock and Fisheries (SAGyP), Argentina has a total forested area of 1,316 million ha.⁸⁷ The country has some 33.2 million ha of native forest reserves. Forestry and logging contributed less than 0.1% to GDP in 2020, but this figure rises to over 1% when the allied industries of paper, wood and furniture are included.⁸⁸ Argentina's forestry trade balance continues to show a deficit, which in 2020 stood at USD 423.6 million. This deficit is mainly accounted for by the performance of trade in paper pulp, paper and paperboard (MERCOSUR Common Nomenclature (NCM) 47 and 48), which in 2020 posted a deficit of USD 536 million, the result of exports to a value of USD 296.3 million and imports worth USD 832.3 million. Trade in furniture (NCM 94) showed a deficit of USD 12 million, the result of exports to a value of USD 5.2 million and imports to the value of USD 18.2 million. Meanwhile, trade in wood (NCM 44) recorded a surplus of USD 113.3 million in 2020, the result of exports worth USD 204.7 million and imports worth USD 81.4 million.⁸⁹

4.78. The Ministry of Agriculture, Livestock and Fisheries (MAGyP) is the body responsible for drawing up and implementing the forestry plans, programmes and policies of the national government in coordination with the provinces and the various subsectors. The National Directorate of Industrial Forestry Development (DNDFI) of the SAGyP supports the implementation of forestry

⁸⁶ Law No. 26.509 of 20 August 2009, Official Journal of 28 August 2009.

⁸⁷ Ministry of Agriculture, Livestock and Fisheries (MAGyP) (2021). National Directorate of Industrial Forestry Development. *Mapa de Plantaciones Forestales de Actualización Permanente. Área SIG e Inventario Forestal*. The total surface area given in the National Forestry Inventory published on the MAGyP website is 1,287,232 ha. See: <https://datos.magyp.gob.ar/dataset/inventario-nacional-plantaciones-forestales-por-superficie>.

⁸⁸ According to information from the National Institute of Statistics and Censuses (INDEC), respective contributions to GDP in 2020 were: manufacture of paper and paper products (0.5%); wood production and wood and cork products, except furniture (0.2%); and manufacture of furniture (0.3%).

⁸⁹ MAGyP (2020), FORESTOINDUSTRIA Monitor, December 2020. Viewed at: https://www.agroindustria.gob.ar/sitio/areas/ss_desarrollo_foresto_industrial/estadisticas/archivos/000000Comercio%20Exterior/000000_Monitor%20mensual/.

plans, programmes and policies.⁹⁰ DNDFI objectives include increasing the forested area and ensuring compliance with the commitments undertaken by Argentina as a Party to the Paris Agreement, maintaining reliable forestry inventories, opening up international markets, and supporting small and medium-sized forestry enterprises. The legal framework governing the forestry industry and silviculture sector comprises the Law on Promotion of Forestry Activity (Law No. 13.273, approved by Decree No. 710/95 of 13 November 1995); the Law on Investment in Cultivated Woodland (Law No. 25.080 of 16 December 1998), its extension (Law No. 27.487 of 12 December 2018) and its implementing Decree No. 133/99; and various SAGyP Resolutions.⁹¹

4.79. The National Fund for the Enrichment and Conservation of Native Forests was created with the aim of compensating jurisdictions that preserve native forests for the environmental services they provide.⁹² In 2018, the Ministry of the Environment and Sustainable Development created the Trust Fund for the Environmental Protection of Native Forests in order to administer the National Fund for the Enrichment and Conservation of Native Forests.⁹³ The Trust Fund is financed by sources including the following: annually allocated budget appropriations, which may not amount to less than 0.3% of the national budget; 2% of total withholdings practised on exports of primary and secondary agriculture, livestock and forestry products; and loans and/or subsidies granted by national and international organizations. Trust fund resources are distributed on an annual basis among the jurisdictions that have produced an Ordinance on Native Forests approved by provincial Law, in proportion to the surface area of native forests declared as such in each jurisdiction and based on the ratio of native forests to total forested area in each province. Each jurisdiction may use a total of 70% of the funds it is allocated to compensate landowners whose land has an area of native forests. This compensation will take the form of a non-repayable contribution paid per hectare per year, in accordance with the classification of native forests, and may be renewed annually without restriction. The remaining 30% of funds must be allocated to developing and maintaining monitoring networks and information systems. The Annex to Resolution No. 69/2020 of the Ministry of the Environment and Sustainable Development (Official Journal of 17 March 2020) contains the Trust Fund Regulations. For the year 2020, current transfers of ARS 609.8 million were allocated by the State. These were mainly destined for the following purposes: to conserve native forests and regulate the expansion of the agricultural and livestock sector; to improve and maintain ecological and cultural processes in native forests; and to promote the enrichment, conservation, renovation, improvement and sustainable management of native forests.⁹⁴

4.80. Argentina has notified the WTO of the subsidies granted under Law No. 25.080 on Investment in Cultivated Woodland (Official Journal of 19 January 1999) and amendments thereto.⁹⁵ The Law establishes incentives to be granted by the State to promote the harmonious development of the forestry sector. The activities included in the regime are: the planting of woodland and the maintenance and sustainable management thereof. SAGyP is the implementing authority. The beneficiaries are all natural or legal persons that invest in the activities subject to Law No. 25.080, including state enterprises.⁹⁶ The regime applies to all provinces that have adopted it via a provincial law. To date, the provinces of Buenos Aires, Corrientes, Entre Ríos, Jujuy, Mendoza, Misiones, Río Negro and Salta have adopted the regime. The regime was initially established for a duration of 10 years as of its enactment and publication in the Official Journal of 19 January 1999, but Law No. 26.432 (Official Journal of 29 December 2008) extended it for a further 10 years, while Law No. 27.487 (Official Journal of 4 January 2019) amended it, once again extending its duration by another 10 years. The Law on Investment in Cultivated Woodland grants beneficiaries fiscal stability at the national, provincial and municipal levels (except with respect to VAT) for up to 30 years, a period which can be extended for up to a maximum of 50 years, depending on the area and cultivation cycle of the species planted. Forestry undertakings and the forestry component of

⁹⁰ Information from MAGyP. Viewed at:

https://www.agroindustria.gob.ar/sitio/areas/ss_desarrollo_foresto_industrial/institucional/.

⁹¹ Resolutions No. 10/2018, No. 134/2019, No. 138/2019, No. 116/20 and No. 22/2021.

⁹² Law No. 26.331, Official Journal of 26 December 2007.

⁹³ Article 53 of Law No. 27.431 of 2 January 2018.

⁹⁴ 2020 Draft National Budget. Message. Viewed at:

<https://www.economia.gob.ar/onp/documentos/presutexto/proy2020/mensaje/mensaje2020.pdf>.

⁹⁵ WTO Document G/SCM/N/343/ARG of 14 February 2019. The amendments introduced during the review period include SAGyP Resolution No. 415/2013 of 22 October 2013; SAGyP Resolution No. 190/2015, Official Journal of 26 May 2015; SAGyP Resolution No. 219/2016, Official Journal of 25 October 2016; and SAGyP Resolution No.10/2018, Official Journal of 18 January 2018.

⁹⁶ Article 2 of Law No. 27.487, Official Journal of 4 January 2019.

industrial forestry undertakings are exempt from all property taxes, and early amortization of costs incurred is permitted for the calculation of income/profits tax. Additionally, beneficiaries of this regime may receive non-repayable economic support in the form of a sum of money which is calculated per hectare and varies according to zone, species and forestry activity.⁹⁷ Owners of such undertakings may also receive non-repayable economic support worth up to 70% of the costs incurred by pruning and thinning for a surface area of up to 600 ha. Non-repayable amounts disbursed in economic support in the period 2016 to mid-2018 totalled ARS 552.72 million.⁹⁸ For the period mid-2018 to mid-2019, the total amount disbursed was ARS 272.16 million.⁹⁹

4.81. During the review period, Argentina also continued to implement programmes to support forestry activity designed to promote investment over the medium and long term and job creation.¹⁰⁰ Support for forestry undertakings takes two forms: (i) a specific non-repayable amount which is calculated per hectare and varies according to zone, species and forestry activity; and/or (ii) fiscal incentives for undertakings that engage in forestry activities such as fiscal stability and exemptions. Non-repayable amounts disbursed from 2013 to December 2020 totalled ARS 1,815 million.¹⁰¹

4.82. Between 2009 and 2015, Argentina implemented the Project for the Sustainable Management of Natural Resources with funding from the World Bank. The Project was divided into three coordinated components: (a) Native Forests and Biodiversity, implemented by the Secretariat for the Environment and Sustainable Development with approximate funding of USD 3.78 million; (b) Sustainable Forestry Plantations, implemented by MAGyP with funding of approximately USD 25 million; and (c) Protected Areas and Conservation Corridors, implemented by the National Parks Administration with funding of approximately USD 29 million. The Sustainable and Competitive Forestry Programme has been running since 2013 with IDB funding of USD 60 million, while USD 14.8 million has been contributed by national and provincial governments. The Programme aims to contribute to the sustainable and competitive management of forestry plantations, increase product quality, diversify the production base and improve access to production chains and markets for micro, small and medium-sized enterprises (MSMEs) in the forestry and industrial forestry sectors.

4.1.4 Fisheries

4.83. Fishery products accounted for 0.3% of GDP in 2020. Marine fishing in Argentina totalled approximately 789,000 tonnes/year in 2020, and was concentrated in three species that accounted for 79% of the catch: hake (35%), prawns (23%) and squid (22%). The Argentine fleet responsible for these catches comprises some 800 vessels of different types.¹⁰² Following a period of sustained growth, in 2020 growth in fishery exports slowed due to a slight fall in exports of prawns and some fish species. In 2020, Argentine fishery exports totalled USD 1,728 million, compared with USD 2,148 million in 2018 and USD 1,863 million in 2019. The principal species exported is prawns (USD 830 million in 2020), followed by squid (USD 396 million) and hake (USD 221 million) (Table 4.7).¹⁰³ Other export species include toothfish (USD 43 million in 2020), rays (USD 22.7 million), croaker (USD 30.7 million) and spider crab (USD 22.5 million). The export of fishery products is subject to export duties of between 5% and 7%, with the majority subject to the 7% rate.

⁹⁷ The benefits include the following: up to 80% of the costs of planting woodland covering up to 20 ha; up to 60% of costs for the first 50 ha in the case of woodlands covering between 20 and 300 ha; up to 50% for the following 100 ha; and up to 40% for the following 150 ha (350 ha in the case of the region of Patagonia).

⁹⁸ WTO Document G/SCM/N/343/ARG of 14 February 2019.

⁹⁹ WTO Document G/SCM/N/343/ARG/Suppl.2 of 4 March 2021.

¹⁰⁰ Law No 25.080 of 19 January 1999 (and amendments thereto).

¹⁰¹ WTO documents G/SCM/N/253/ARG/ - G/SCM/N/284/ARG/ -G/SCM/N/315/ARG/; G/SCM/N/343/ARG/; and G/SCM/N/343/ARG/Suppl.2, of 29 January 2018, 14 February 2019 and 4 March 2020, respectively.

¹⁰² Council of Argentine Fishing Companies (CEPA) (2019), *La Industria Pesquera y las Áreas Marinas Protegidas en Argentina*. Position paper, November 2019. Viewed at: <https://cepapesquera.org/wp-content/uploads/2020/05/La-Industria-Pesquera-y-las-Areas-Marinas-Protegidas-CEPA.pdf>.

¹⁰³ MAGyP, Under-Secretariat for Fishing and Aquaculture, Directorate of Fisheries Planning, *Exportaciones e Importaciones Pesqueras – 2020*, April 2021. Viewed at: https://www.magyp.gob.ar/sitio/areas/pesca_maritima/informes/economia/archivos/000000_Informes/8000_00_Exportaciones%20e%20importaciones%20pesqueras%20-%20Informes%20Anuales/000015_2020/210409_Exportaciones%20pesqueras%202020.pdf.

Table 4.7 Fishery exports, 2013-20

Description	2013	2014	2015	2016	2017	2018	2019	2020
Live fish	65	43	22	25	37	--		-----
Fish, fresh or chilled, excl. fillets	9,488	6,867	3,042	179	487	96	299	259
Fish, frozen, excl. fillets	248,972	250,789	242,419	259,042	226,718	234,074	229,974	200,413
Fish fillets and other fish meat	280,962	281,447	241,732	243,736	234,595	257,235	269,278	207,916
Fish, dried, salted for human consumption	14,339	15,519	12,702	16,376	9,613	13,833	8,331	6,304
Crustaceans	632,857	777,420	780,306	1,024,142	1,222,053	1,324,428	1,079,465	851,888
Molluscs	279,595	218,321	153,951	153,230	256,989	288,725	248,520	435,116
Products unfit for human consumption	181	128	159	493	147	318	482	165
Extracts and juices of fish and seafood	-----	-----	-----	-----	135	316	87	153
Fats and oils of fish	2,607	1,754	1,707	908	1,241	406	536	696
Prepared or preserved fish	9,418	8,944	8,747	7,124	7,084	8,188	8,190	7,313
Prepared or preserved seafood	620	197	77	94	381	931	1,574	737
Flours, meals and pellets of fish	22,789	18,304	21,071	18,853	18,761	20,044	16,447	18,027
TOTAL	1,501,892	1,579,734	1,465,935	1,724,202	1,978,241	2,148,595	1,863,184	1,728,987
Memorandum item								
Hake	291,890	291,400	245,432	250,573	249,360	252,136	276,098	221,100
Prawns	615,058	755,610	763,861	1,007,435	1,200,161	1,300,470	1,052,173	829,968
Squid	235,423	164,694	104,528	96,715	182,403	238,148	210,360	395,846

Source: MAGyP, Under-Secretariat for Fishing and Aquaculture, Directorate of Fisheries Planning, *Exportaciones e Importaciones Pesqueras – 2020*, April 2021. Viewed at: https://www.magyp.gob.ar/sitio/areas/pesca_maritima/informes/economia/archivos/000000_Infomes/800000_Exportaciones%20e%20importaciones%20pesqueras%20-%20Informes%20Anuales/000015_2020/210409_Exportaciones%20pesqueras%202020.pdf. Information produced by the Under-Secretariat for Fishing and Aquaculture based on the database of the National Institute of Statistics and Censuses (INDEC).

4.84. The main export markets for fishery products are: China (USD 346.9 million in 2020), Spain (USD 335.6 million), United States (USD 152.7 million), Italy (USD 115.4 million), Japan (USD 89.7 million), and Brazil (USD 80 million). Imports of fishery products totalled USD 152.6 million in 2020, resulting in a trade surplus of USD 1,576 million. The main sources of imports were Ecuador (41% of total imports), Chile (32%) and Thailand (17%). The most-favoured-nation (MFN) tariff on fish and fishery products was 10.1% in 2020. Fish and crustacean imports are subject to a tariff of 10% (0% in the case of fish for breeding). An MFN tariff of 16% applies to extracts and juices of meat, fish or crustaceans, molluscs or other aquatic invertebrates, while a tariff of 10% applies to fishmeal and fish oil.

4.85. The Federal Law on Marine Fishing or Law No. 24.922 of 6 January 1998, its implementing Decree No. 748/99 and amendments thereto, Law No. 25.470 of 18 September 2001, and Law No. 26.386 of 28 May 2008 constitute the legal basis regulating fishing in Argentina. According to the Law on Fishing, fishing activity and the processing of living marine resources constitute an industrial activity. The State has exclusive dominion and jurisdiction over all living marine resources present in Argentina's Exclusive Economic Zone (EEZ) and on the Argentine continental shelf as of 12 nautical miles.¹⁰⁴

4.86. The Federal Council of Fisheries (CFP) is responsible for developing national fisheries policy, and is the main regulator of marine fishing activity at the national level.¹⁰⁵ CFP Resolution No.4 of 21 May 2020 amends CFP regulations.¹⁰⁶ The CFP establishes the total allowable catch for each species, and annual catch quotas per vessel, species, fishing zone and fleet type, and approves

¹⁰⁴ The EEZ extends 200 miles from the baselines.

¹⁰⁵ Law No. 24.922, Official Journal of 12 January 1998. The CFP has five provincial representatives (one for each province on the seaboard) and five representatives from the following state bodies: the Under-Secretariat for Fishing and Aquaculture (which chairs the CFP); the Secretariat for the Environment and Sustainable Development; the Ministry of Foreign Affairs, International Trade and Worship; and the Executive (two representatives).

¹⁰⁶ Available at: [http://cfp.gob.ar/resoluciones/Resolucion%204%20\(21-05-20\)%20Modificacion%20reglamento%20funcionamiento%20CFP.pdf](http://cfp.gob.ar/resoluciones/Resolucion%204%20(21-05-20)%20Modificacion%20reglamento%20funcionamiento%20CFP.pdf).

commercial and experimental fishing permits.¹⁰⁷ The CFP also establishes extraction duties and royalties on the practice of fishing, and sets the guidelines for participation in the National Fisheries Fund (FONAPE). FONAPE resources are used to finance fishing authorities (national and those of provinces on the seaboard), as well as research, training and equipment procurement activities. These resources are also used to finance patrol and monitoring activities, as well as training for fishery staff. In 2020, FONAPE collected total funds of ARS 542 million, of which ARS 271 million was shared out among the provinces.

4.87. The Under-Secretariat for Fishing and Aquaculture (SSPyA) of the SAGyP is responsible for the application of fisheries policy in Argentina and is the implementing authority for the Federal Law on Fishing. The SSPyA executes national fisheries policy through a series of actions such as regulation and supervision of fishing activities, supervision of the maximum allowable catch for each species, and annual catch quotas by vessel, species, fishing zone and fleet type established by the CFP, as well as the issuing of fishing permits with prior authorization from the CFP and the establishment of closed areas or seasons. The SSPyA coordinates with the National Agriculture and Food Quality and Health Service (SENASA) on matters concerning the sanitary status of fishery products. The National Institute for Fisheries Research and Development (INIDEP), a decentralized agency attached to MAGyP, is the main body responsible for formulating and implementing research programmes related to marine fishery resources and their exploitation.¹⁰⁸ INIDEP provides the CFP with advice on the total allowable catch for each species, experimental fishing, the design of management plans, and the application of fishery management measures.

4.88. The Federal Law on Marine Fishing provides that living marine resources in marine areas under Argentine jurisdiction may only be exploited by natural persons domiciled in Argentina or legal persons under private law established and operating in accordance with Argentine law. Vessels used for fishing activities must be listed in the national register and fly the national flag. Catches must also be unloaded from fishing vessels in Argentine ports, except in cases of force majeure and with prior authorization. Captains and officers must be Argentine, while 75% of remaining crew members must be Argentine or foreigners with over 10 years of proven permanent residence in Argentina.

4.89. Authorization from the SSPyA is required in order to engage in fishing. In addition, a fishing quota must be allocated or a fishing permit obtained if the species is not subject to a quota. The authorization may be in the form of: (i) a fishing permit entitling Argentine-registered vessels to engage in commercial fishing in waters under Argentine jurisdiction; (ii) a permit to fish on the high seas, entitling Argentine-registered vessels to engage in commercial fishing outside the EEZ, on the high seas or, with a licence, in the waters of third countries; (iii) a temporary fishing permit granted to bareboat chartered vessels and foreign-registered vessels operating under the special conditions prescribed in the Federal Law; and (iv) a fishing authorization, allowing limited quantities of living marine resources to be caught for the purposes of scientific or technical research. Fishing permits are granted for a period of up to 10 years and to a specific vessel, and may be extended for up to 30 years for a particular vessel owned by a company with processing facilities in Argentine territory that processes and prepares fishery products in these facilities on a continuous basis. The CFP establishes the conditions under which permits are granted, giving priority to: vessels that employ a greater percentage of Argentine crew; vessels that add greatest value to the end product; vessels built in Argentina; and the most recently built vessels.

4.90. Under the Treaty of Río de la Plata and the Corresponding Maritime Boundary, approved by Law No. 20.645 of 18 February 1974, Argentina and Uruguay share a common marine fishing zone in which vessels registered in both countries may operate.

4.91. The Programme for Sustainable Fisheries and Aquaculture Development (PRODESPA), which was launched in 2014 and came to an end in December 2020, sought to contribute to sustainable fishing and aquaculture, ensure the sustainable use of fishery resources and improve competitiveness in the aquaculture sector through support for sustainable production and development throughout the value chain. The total cost of PRODESPA was USD 55 million, of which the IDB financed some USD 30 million, alongside a local and national contribution of some USD 25 million.¹⁰⁹ PRODESPA was divided into two components: improvement of capacity to manage

¹⁰⁷ Law No. 24.922 and CFP. Viewed at: <http://cfp.gob.ar/institucional/>.

¹⁰⁸ The INIDEP was created by Law No. 21.673 of 21 October 1977.

¹⁰⁹ MAGyP (2015), PRODESPA, *Reglamento Operativo*. Viewed at: <https://www.argentina.gob.ar/sites/default/files/reglamento-operativo-prodespa.pdf>.

marine fishery resources; and support for aquaculture development. Its most relevant activities included strengthening the INIDEP; increasing the capacities of the Directorate of Aquaculture; and providing technical support to producers. PRODESPA was implemented at the national level by the Directorate-General of Sectoral and Special Programmes and Projects (DIPROSE) as implementing unit and by INIDEP as sub-implementing body. Beneficiaries of PRODESPA included: the CFP; the SSPyA; INIDEP; the fishing industry; authorities, researchers, technicians and producers in the aquaculture sector; and fish farmers and potential aquaculture producers.

4.92. CFP Resolution No.10-2009 of 27 May 2009, as amended, regulates the General Regime of Individual Transferable Quotas (ITQs), which is currently applied systematically to common hake, toothfish, Patagonian grenadier, blue whiting and scallops, but could also be extended to any and all species on the decision of the CFP. For each ITQ, the CFP establishes a total allowable catch (TAC), which is the maximum authorized annual catch. The TAC is established by species and by zone or marine area through the annual resolutions issued by the CFP. The ITQs are temporary concessions granted by the State to the owner of a fishing permit that enable them to catch a percentage of the TAC of a particular species and whose weight, expressed in tonnes, is established on an annual basis in line with the TAC. Only fishing permit holders inscribed in the Fisheries Register can hold an ITQ. An ITQ is valid for 15 years as of the entry into force of each specific regime.

4.93. The Inland Fisheries Commission (CPC), created in November 2004 within the framework of the Federal Council for Agriculture (CFA), has the fundamental aim of harmonizing integrated management policy at the river basin level with a view to ensuring the sustainable and responsible use of inland fishery resources. The CPC is chaired by the SSPyA and also comprises the seven provinces along the Paraná River Basin: Misiones, Chaco, Formosa, Corrientes, Santa Fe, Entre Ríos and Buenos Aires, together with one representative from Secretariat of the Environment and Sustainable Development (SAyDS) and one from SENASA.¹¹⁰ The CPC coordinates with the SSPyA to monitor the evolution of the range of river species. Decree No. 230/2021 establishes that SAGyP is responsible for setting export quotas for the main species of commercial interest in the River Basin. The SSPyA regularly assesses the status of these species and recommends whether or not export quotas should apply with the aim of preserving the resources of the Río de la Plata River Basin.¹¹¹ In June 2021, the standard establishing the export quotas applicable in 2021 was at the draft stage.

4.94. Aquaculture is regulated by the Law on the Sustainable Development of the Aquaculture Sector.¹¹² Aquaculture producers must be listed on the Single Register of Aquaculture Establishments (RENACUA) of MAGyP. The provincial and/or national authorities are responsible for issuing permits and/or concessions, as well as standard accreditations for the practice of aquaculture. The Law created the Promotion and Development Regime for Growth in the Aquaculture Sector and the National Fund for the Development of Aquaculture Activities (FONAC), which provides funding for: the procurement of construction materials for infrastructure (up to 100% of the value of the materials); the procurement of various supplies (up to 50% of the value of balanced feed and drugs destined for the farming of selected species and up to 20% of the value of breeding materials); food-handling machinery; fish-grading equipment; the development of technologies related to the farming of aquatic species; the promotion of associative ventures; compliance with sanitary control and quality certification programmes (up to 50% of the costs of projects related to obtaining certificates of quality, origin or organic production); and access to sales and marketing. Beneficiaries of the Regime must be natural or legal persons engaged in aquaculture activity with annual production of up to 1,000 tonnes. Repayable funds are subject to a minimum grace period of 30 months. Tax benefits are also granted as part of the Regime, including: (a) the elimination of import tariffs on project equipment or machinery in the case of foreign goods; and (b) early amortization of income/profits taxes over two tax years to the value of 100% of the costs of the machinery procured

¹¹⁰ MAGYP (2021). Information viewed at:

https://www.magyp.gob.ar/sitio/areas/pesca_continental/actividades/archivos//000000_Comisi%C3%B3n%20de%20Pesca%20Continental%20del%20Consejo%20Federal%20Agropecuario.pdf.

¹¹¹ The species are: shad; surubins; tahira; piau; zungaro; golden dorado; long-whiskered catfish; thorny catfish; channel catfish; and driftwood catfish (NCM 0304.49.90; 0304.89.90; 0302.89.31; 0302.89.33; 0302.89.34; 0302.89.35; 0302.89.90; 0303.89.51; 0303.89.53; 0303.89.54; 0303.89.55; 0303.89.90; 0305.39.00; 0305.49.90; 0305.59.00; and 0305.69.90). Decree No. 230/2021. Viewed at: https://www.magyp.gob.ar/sitio/areas/pesca_continental/normativa/archivos//210412_Decreto%20230-2021%20con%20Anexo.pdf.

¹¹² Law No. 27.231 of 26 November 2015.

for the approved project. The Regime applies to the provinces that expressly adopt it. It is expected that the FONAC will begin to be implemented in 2021.

4.95. In 2019, Argentina notified the WTO that the country did not have specific programmes of fisheries subsidies for the period 1 July 2016 to 30 June 2018.¹¹³

4.2 Mining and energy

4.2.1 Main features

4.96. In 2020, mining and quarrying accounted for 2.9% of GDP; hydrocarbons accounted for 2.4%; and mining production on its own accounted for 0.5%.¹¹⁴ Mining activities are mostly in private hands, both foreign and national. In February 2021, some 80,000 people worked in mining and quarrying, and 74,400 in electricity, gas and water production.¹¹⁵ Exports of mining products – including manufactured products – totalled USD 2,340 million in 2019. Crude oil exports were worth USD 1,481 million in 2019, while oil derivatives totalled USD 2,009 million and natural gas stood at USD 50 million. Electricity exports totalled USD 627 million in 2019. Following a period of little or no export activity, Argentina became a major electricity exporter once more in 2018.

4.97. In December 2020, oil production reached a total of 479,000 barrels per day, down some 7.3% on the same month in the previous year. Meanwhile, natural gas production reached 113 million cubic metres per day, some 10.3% lower than in December 2019, with shale gas accounting for 41% of total natural gas production.

4.2.2 Mining (excluding hydrocarbons)

4.98. According to the Constitution, natural resources are the property of the country's provinces. Pursuant to the Mining Code, mines are the private property of the nation or the provinces, depending on where they are situated (Article 7). Nevertheless, individuals are given the right to prospect for mines, operate and utilize them as owners, in accordance with the provisions of the Mining Code. Thus, the provinces define their own forms of managing their mining resources. The National Secretariat for Mining of the Ministry of Productive Development (MDP) supports the provinces in implementing the public policies and programmes that are established to develop mining activity. Resolution No. 47/2020 of the Secretariat for Mining set out the Secretariat's Management Plan 2020-23, with seven strategic objectives and 18 management programmes, most notably focusing on coordinating governance in relation to international, regional, provincial and local commitments and governance in natural resources. As permanent advisory agency in this sphere, the Federal Council for Mining (COFEMIN) has the mission of participating in the design, implementation and monitoring of national mining policy. COFEMIN is composed of representatives of each of the provinces that has adopted Law No. 24.224, along with representatives of national government. The Argentine Geological Mining Service (SEGEMAR) compiles and releases background geological information to contribute to decision-making by the authorities of the Secretariat for Mining and provides support to the provinces.

4.99. Mining policy is designed at the national and provincial levels. In the case of the latter, a series of agreements have been reached between the national government and the provinces. The most recent of these, the Federal Mining Agreement, signed in 2017, contains the sectoral guidelines to be followed over the coming decades. Its text was signed by the national government and provincial governments (with the exception of Chubut and La Pampa, which do not allow the exploitation of mineral resources in their territories, and La Rioja) following discussions within COFEMIN. In the sphere of taxes, the Agreement states that the provinces undertake to ensure that the royalties paid by mining industries do not exceed 3% of the gross sales value of the mineral at the pithead. The provinces also undertake to require mining companies to allocate 1.5% of their gross income to a Provincial Infrastructure Fund to finance environmental and water monitoring works. Thus, a limit of 4.5% of gross income is established for the taxes to be paid by investors to

¹¹³ WTO Document G/SCM/N/343/ARG/Suppl.1 of 28 June 2019.

¹¹⁴ INDEC. Viewed at: <https://www.indec.gob.ar/indec/web/Nivel4-Tema-3-9-47>.

¹¹⁵ Ministry of Labour, Employment and Social Security – *Situación y Evolución del Trabajo Registrado*, Argentine integrated social security scheme (SIPA). Viewed at: <http://trabajo.gob.ar/estadisticas/>.

the provinces.¹¹⁶ The Agreement also includes environmental provisions and clauses encouraging the use of national components ("compre local") and national labour, as well as promoting preferential treatment for small and medium-sized enterprises (SMEs) in the mining sector, such as lower tariffs and technical assistance.

4.100. The Mining Code approved by Decree No. 456/1997 of 21 May 1997 regulates mining activity in Argentina and establishes the rights, obligations and procedures applicable to the procurement, exploitation and use of mineral substances. The Code divides mines into three categories: (a) mines in which the land is an accessory that belongs exclusively to the State and can solely be exploited by virtue of a legal concession; (b) mines that due to their relevance are preferentially allocated to the landowner and mines that are dedicated to common use due to the conditions of the site; and (c) mines that cannot be exploited without the permission of their owner except for the purposes of public utility.

4.101. The exploitation and exploration of mines, concessions and other relevant acts are deemed to be of public utility. Nevertheless, individuals are given the right to prospect for mines, operate them and utilize them as owners, without prejudice to the original state ownership. Exploration requires a permit that is granted according to a measurement unit of 500 ha or fractions thereof, up to 10,000 ha. The same person may not own more than 20 permits in any one province, or obtain consecutive permits for the same exploration area. The State may not exploit or dispose of mines in any circumstances other than those set out in the Mining Code. These activities must be performed by individuals through legal concession for an indefinite period, subject to the payment of an annual royalty to the national government or provincial government as appropriate. Owners of exploration permits have the exclusive right to obtain exploitation concessions within the areas corresponding to their permits. The holder of a mining concession is the owner of an exclusive *in rem* property right that is not time bound, is assignable by contract, and may be mortgaged.

4.102. The promotion of mining activity is regulated at the national level by Law No 24.196 of 19 May 1993 (Official Journal of 24 May 1993) (Mining Investment Law), implemented by Decree No 2.686/93.¹¹⁷ This Law creates a mining investment incentive regime based on the granting of tax benefits to parties that enrol on the Register created to that effect and that comply with the obligations established in the Law and its implementing Decree, as well as any other regulations issued by the implementing authority. All natural persons domiciled in Argentina and legal persons incorporated in the country or authorized to act within its territory who are engaged in mining activities are eligible for the incentives under Law No. 24.196. The most notable tax benefits offered include: (a) fiscal stability for a period of 30 years from the date of submission of the feasibility study; (b) exemption from the payment of export duties; (c) exemption from all duties, taxes, liens or statistical fees except for charges paid for services, for the import of capital goods, special equipment or parts or components of such goods and the inputs needed for the execution of the activities covered by the regime; (d) profits tax deductions on 100% of amounts invested in prospecting, exploration, special studies and other tasks aimed at determining technical and economic feasibility; (e) accelerated depreciation on capital investments for new projects or extensions of existing projects; and (f) reimbursement of tax credits in VAT on imports and acquisition of goods and services by enterprises engaged in mining exploration with a view to undertaking mining prospecting, exploration, mineralogical testing and applied research. Law No. 24.196 has been adopted by the majority of provinces except for Chaco and Formosa.

4.103. Moreover, to date various resolutions have been issued to implement the Mining Investment Law. Those implemented during the review period include the following Resolutions of the former Secretariat of Mining Policy: No. 30/2018 of 27 December 2018, which establishes the conditions and requirements for the enrolment of mining enterprises and mining services in the Register established by Law No. 24.196; No. 89/2019 of 24 October 2019, which establishes the procedure for processing import applications under Law No. 24.196 and the regime applicable to used goods and leasing contracts for import along with the exemptions provided for; No. 4.428/2019 of 26 February 2019 (issued jointly with the Federal Public Revenue Administration (AFIP)), which

¹¹⁶ Except for the province of Santa Cruz, which is allowed to maintain the right to receive 2% for its Infrastructure Fund.

¹¹⁷ Law No. 24.196 was amended by Law No. 25.429 of 1 June 2001, while its implementing regulations were amended by Decree No. 1.089/03 of 7 May 2003. Both were further amended by various laws, resolutions and orders. See: InfoLEG at: <http://servicios.infoleg.gob.ar/infolegInternet/verVinculos.do?modo=2&id=594>.

implements the procedure for claims related to impacts on fiscal stability to apply for compensation or reimbursement of amounts paid; No. 9/2019 of 31 January 2019, approving the procedure for applications for fiscal stability certificates; and No. 6/2019 of 31 January 2019, which sets out the procedure and conditions for the use of profits tax benefits. Resolution No 15/2020 of the Secretariat for Mining authorizes the issuing of digital certificates within the framework of Law No. 24.196 and suspends the issuing of certificates by any other channel; and Resolution No. 60/2021 establishes the obligation to submit all sworn declarations required by Law No. 24.196 in digital form via the "Remote Procedure" platform (TAD).

4.104. The provinces have their own legislation and procedural regulations for the exercise of the rights regulated in the Mining Code. Regulations at the provincial level may not contravene the provisions of the Mining Code. The terms and methods for calculating and paying provincial royalties are subject to provincial regulations, within the limits of national legislation. To this end, Law No. 24.196 on Mining Investment sets a ceiling of 3% of the value of the mineral at the pithead for provinces following this law.

4.105. The export of mining products was subject to duties during most of the review period. Resolution No. 11/2002 of the former Ministry of the Economy and Infrastructure established export duties of 5% and 10% for a series of goods, including metal minerals and concentrates thereof. Decree No. 160 of 18 December 2015 reduced to 0% the export duties applicable to certain by-products classified under the tariff headings in NCM Chapters 28 to 40, 54 to 76 and 78 to 96, some of which include mineral products. Decree No. 349/2016 of 12 February 2016 established 0% export duties for the tariff headings included in NCM Chapters 25 and 26, along with tariff headings 2701.11.00, 2701.12.00, 2701.19.00, 2703.00.00 and 2714.90.00. In September 2018, as a result of the economic crisis and decline in international reserves, export duties were reintroduced through Decree No. 793 of 3 September 2018 at a rate of 10%. Law No. 27.541 (Official Journal of 23 December 2019) reduced these duties to a maximum of 8%, which was ratified by Decree No. 785/2020 of 1 October 2020, thereby repealing Decrees Nos. 1.126/2017 and 793/2018. In December 2020, Decree No. 1.060/2020 established an export duty rate of 4.5% for the tariff headings in NCM Chapters 25 and 26. Meanwhile, the majority of tariff headings for mineral substances and their derivatives (236) were also covered by the 4.5% rate, except for 19 tariff headings which were subject to a rate of 3%. Tariff heading 2701.19.00 was assigned a rate of 12%, while tariff headings 2703.00.00 and 2714.90.00 were subject to a rate of 8%, with certain exceptions.

4.106. Argentina has various mining incentive schemes apart from those set out in Law No. 24.196, which mainly offer tax reductions and exemptions, fiscal stability concessions, or tax waivers. Argentina has notified the WTO of the mining subsidies provided for in four laws: Law No. 10.273 on tax exemptions; Law No. 24.196 on mining investments; Law No. 24.228 on the Federal Mining Agreement; and Law No. 24.402 on the value added tax (VAT) payment financing scheme.¹¹⁸ These laws do not establish any time limits for these incentives. According to Argentina's notifications, the purpose of these laws is to encourage mining activities, ensure the rational exploitation of mining resources, generate employment and diversify regional economies.

4.107. Law No. 10.273 establishes a tax exemption – which does not apply to the mining royalty – for the first five years of a mining concession, the benefits of which apply where the holder is an individual.¹¹⁹ This Law has been amended various times during the review period.¹²⁰ Law No. 24.228 (Official Journal of 2 August 1993), as amended, contains the Federal Mining Agreement, which calls on the provinces to eliminate taxes on mining activities from their legislation. Law No. 24.402 institutes a regime for financing payment of VAT through credit lines granted by financial entities. The beneficiaries are the purchasers or importers of the goods referred to in the Law, inasmuch as

¹¹⁸ WTO documents G/SCM/N/343/ARG of 14 February 2019, G/SCM/N/343/ARG/Suppl.1 of 28 June 2019 and G/SCM/N/343/ARG/Suppl.2 of 4 March 2020.

¹¹⁹ Law No. 10.273, Official Journal of 17 November 1917. Viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/40000-44999/43586/norma.htm>.

¹²⁰ Joint Resolution No. 4428/2019 of the Secretariat of Mining Policy and AFIP (Official Journal of 27 February 2019), Resolution No. 9/2019 of the Secretariat of Mining Policy (Official Journal of 4 February 2019), Resolution No. 30/2018 of the Secretariat of Mining Policy (Official Journal of 2 January 2019) and Resolution No. 6/2019 of the Secretariat of Mining Policy (Official Journal of 4 February 2019).

they are intended for the production process. In its notification to the WTO, the authorities declared that, while the Law has not yet been repealed, its period of applicability has expired.¹²¹

4.108. Tax expenditure on tax exemptions for mining activity under the Law on the Promotion of Mining Activity (Law No. 24.196) rose to ARS 5,530.6 million in 2020 (from ARS 4,365.8 million in 2019), of which ARS 1,373.6 million was profits tax exemptions (ARS 1,084.3 million in 2019); ARS 3,984.1 million corresponded to import tax exemptions (ARS 3,145.0 million in 2019); and ARS 172.9 million in exemptions from other taxes (ARS 136.5 million in 2019).¹²² Tax expenditure on the promotion of mining activity accounted for 0.02% of GDP in each of the years of the review period.¹²³

4.2.3 Hydrocarbons

4.2.3.1 Market characteristics

4.109. Argentina is one of the main producers of crude oil in Latin America, with a network of pipelines over 6,000 km long, 5,500 km of pipeline and 4,500 km of multi-product pipeline. Argentina is self-sufficient for its crude oil supply and is an exporter of crude oil, while it is an importer of grade 3 gas oil. In recent years – and above all up to 2017 – production entered a phase of decline, falling from 38.4 million m³ in 2006 to 31.3 million m³ in 2013 and 27.9 million m³ in 2020 (Table 4.8).¹²⁴ Oil production reached a record low in 2017 and has slightly recovered since then, mainly due to the increased activity of non-conventional reserves.¹²⁵ In relation to oil derivatives, during the review period petroleum spirit and butane production increased, while gas oil and fuel oil production fell slightly (Table 4.8). Natural gas production increased during the review period from 41.7 million m³ in 2013 to 49.4 million m³ in 2019 before falling to an estimated 45.1 million m³ in 2020 due to the negative impact of the COVID-19 pandemic. There was an accumulative increase of 163.3% in the production of natural gas between 2015 and 2019, mainly due to a rise in production of non-conventional gas (shale and compact gases).¹²⁶

Table 4.8 Production of oil and oil derivatives (thousands of m³; millions of tonnes in the case of LPG)

Period	Crude oil	Processed products	Processed crude oil	Gas oil	Regular petrol >83 RON	Super petrol >93 RON	Petrol >97 RON	Fuel oil	IFO-type mixtures	Liquefied petroleum gas (LPG) Butane
2012	31,969	37,677	30,812	11,978	142	5,390	1,770	2,518	1,653	2.72
2013	31,333	37,890	30,584	11,681	120	5,781	1,709	2,467	2,088	2.63
2014	30,880	38,114	30,556	11,522	29	5,783	1,468	3,022	1,847	2.62
2015	30,898	39,490	31,089	12,181	28	5,980	2,312	3,807	1,056	2.59
2016	29,708	38,445	29,708	11,946	22	6,071	2,339	3,371	783	2.62
2017	27,833	37,534	28,990	12,003	7	6,131	2,748	2,372	803	2.59
2018	28,405	35,953	27,286	11,539	16	6,457	2,412	1,444	625	2.74
2019	29,516	35,670	27,626	11,599	0	6,672	2,086	1,812	866	2.82
2020	27,955	31,214	24,270	10,662	0	5,076	1,578	2,036	852	2.65

Source: Information provided by the authorities.

4.110. Production of crude oil and natural gas was shared by the company YPF S.A. and multinational enterprises.¹²⁷ YPF S.A. is also the preponderant supplier in sales of the main

WTO Document G/SCM/N/343/ARG/Suppl.2 of 4 March 2020.

¹²² Government of Argentina. Viewed at:

www.argentina.gob.ar/economia/ingresospublicos/gastrotributarios.

¹²³ Secretariat for Mining (2020) *Informativo N° 1 Ley de Inversiones Mineras*. Viewed at: https://www.argentina.gob.ar/sites/default/files/ley_de_inversiones_mineras_v2.pdf.

¹²⁴ Information viewed at: <https://www.argentina.gob.ar/economia/energia/hidrocarburos/volumenes>.

¹²⁵ Secretariat for Energy (2019), *Balance de gestión en energía 2016–2019*. Viewed at:

http://www.energia.gob.ar/contenidos/archivos/Reorganizacion/sintesis_balance/2019.12.09_Balance_de_Gestion_en_Energia_2016.2019_final_y_anexo_pub.pdf.

¹²⁶ Secretariat for Energy (2019), *Balance de gestión en energía 2016–2019*. Viewed at:

http://www.energia.gob.ar/contenidos/archivos/Reorganizacion/sintesis_balance/2019.12.09_Balance_de_Gestion_en_Energia_2016.2019_final_y_anexo_pub.pdf.

¹²⁷ In 2019, YPF S.A. accounted for 46.5% of total production, followed by Pan American Energy LLC (20.7%), PLUSPETROL S.A. (5.3%), Sinopec Argentina Exploration and Production, Inc. (3.8%), TECPETROL S.A. (2.9%), Total Austral S.A. (1.9%), Chevron Argentina S.R.L. (1.1%) and ENAP SIPETROL ARGENTINA S.A. (1.1%). PETROBRAS ARGENTINA S.A. withdrew from the market in 2018.

hydrocarbon derivatives. In the case of some products – such as petroleum spirit, butane, kerosene and gas oil – the company's sales exceeded those of all the other market participants combined. Following a period of decline, proven reserves of oil increased as of 2018. This was due to the discovery of a new field at Vaca Muerta, which has increased proven reserves of oil and natural gas. Although only 4% of the field is currently being exploited, it makes up 15% of total oil production.¹²⁸ A total of 31 enterprises participate in the project.¹²⁹

4.111. There are currently eight enterprises with oil refineries offering a total capacity of over 600,000 bpd.¹³⁰ YPF has four industrial complexes dedicated to oil refinery: La Plata, Luján de Cuyo, San Lorenzo and Plaza Huincul. The Industrial Complex of La Plata (CILP) has a refining capacity of 189,000 bpd, while the Industrial Complex of Luján de Cuyo (CILC) has a total refining potential of 105,500 bpd. The Campo Durán Refinery is operated by REFINOR, a company in which YPF is the main shareholder with a 50% stake in that company.¹³¹ The enterprise Integración Energética Argentina S.A. (IEASA), successor to the former Energía Argentina Sociedad Anónima (ENARSA), is responsible, either alone or through third parties or jointly with third parties, for the surveying, exploration and exploitation of solid, liquid and/or gaseous hydrocarbon reserves, and the transport, storage, distribution, marketing and processing of such products and their by-products, as well as for providing the public service of transporting and distributing natural gas and for the generation, transport, distribution and marketing of electrical energy.

4.112. In 2019, Argentina held its first international open competition for a hydrocarbons offshore exploration project in more than 30 years. The competition put out to tender 38 areas and received 23 offers. Contracts were awarded for a total of 18 areas covering a surface area of 94,804.51 km² for a total of nine consortia and an investment commitment of over USD 724 million. In June 2021, Round 2 of the competition was under consideration. Proven reserves of natural gas stood at 384,144 million m³ at 31 December 2019, with a year-on-year increase of 8.3%.¹³²

4.113. During the review period there was a substantial reduction in the amounts of subsidies offered to the energy sector. Subsidies fell from a peak of 3.5% of GDP in 2014 and 3% of GDP in 2015 (USD 18,961 million) to 1.4% of GDP in 2019 (USD 5,954 million).¹³³ This decline of around 69% resulted from a decrease of 68% in electricity subsidies and of an average of 61% in gas subsidies, while oil subsidies fell by 100% (Table 4.9).

¹²⁸ Vaca Muerta News, 15 October 2019. Information viewed at: http://www.vacamuertanews.com.ar/ver_noticia.php?id=20191015065101.

¹²⁹ YPF has a total of 23 areas and permits in Vaca Muerta, of which a total of 16 are currently in operation. Up to July 2019, the enterprise averaged oil production of 61,758 barrels per day (bpd).

¹³⁰ These are: YPF, Raízen (licensee of the Shell brand) and Pan American Energy (PAE, which operates under the brand name AXION), accounting for the majority of refinery production, along with Puma Energy, DAPSA, Gulf, Voy con Energía and New American Oil.

¹³¹ Information from REFINOR. Viewed at: <https://www.refinor.com/empresa>.

¹³² Information from the IAPG. Viewed at: <https://www.iapg.org.ar/estadisticasnew/petrooo.html>.

¹³³ Secretariat for Energy (2019), *Balance de gestión en energía 2016–2019*. Viewed at: http://www.energia.gob.ar/contenidos/archivos/Reorganizacion/sintesis_balance/2019.12.09_Balance_de_Gestion_en_Energia_2016.2019_final_y_anexo_pub_.pdf.

Table 4.9 Energy subsidies, 2013-19

(USD million and % of GDP)

Subsidy	2013		2014		2015		2016		2017		2018		2019	
Total	19,003	3.1	19,845	3.5	18,961	3.0	11,306	2.0	8,094	1.3	7,961	1.5	5,954	1.4
Electricity	10,421	1.7	11,340	2.0	11,812	1.8	7,419	1.3	5,169	0.8	4,928	0.9	3,737	0.9
Demand-side subsidies ^a	..	..	..	..	8,541	1.3	7,280	1.3	5,067	0.8	4,827	0.9	3,671	0.9
Other ^b	..	..	..	..	3,271	0.5	139	0.0	102	0.0	102	0.0	67	0.0
Gas and LPG	7,969	1.3	7,938	1.4	5,640	0.9	3,381	0.6	2,744	0.4	3,032	0.6	2,216	0.5
Subsidies for natural gas	..	..	..	..	4,914	0.8	2,960	0.5	2,034	0.3	2,445	0.5	1,777	0.4
Other gases ^c	..	..	..	..	725	0.1	0.1	421	709	0.1	587	0.1	440	0.1
Oil and oil derivatives ^d	613	0.1	567	0.1	1,510	0.2	505	0.1	181	0.0	0.0	0.0	0.0	0.0

.. Not available.

a Includes VAT.

b Includes subsidies to Ente Binacional Yacypetá; Empresa Neuquina de Servicios de Ingeniería (ENSI); bills and debts of electricity market agents under Resolution No. 406/2003; ENSI (), compensation and assistance to distributors under Resolution No. 32/2015; and transfers within the framework of the Electricity Tariff Convergence Programme.

c Compensation and deferment for producers, assistance and compensation for distributors, "Tarifa Diferencial", "Programa Hogar", "Propano Redes".

d Production and export stimulus programmes, "Refinación Plus" and "Exportación Plus".

Note: Figures in USD for the years 2013 and 2014 are calculated by the WTO Secretariat.

Source: Secretariat for Energy, *Balance de gestión en energía 2016-2019*. Viewed at: [http://www.energia.gob.ar/contenidos/archivos/Reorganizacion/sintesis_balance/2019.12.09 Balance de Gestion en Energia 2016.2019 final y anexo pub .pdf](http://www.energia.gob.ar/contenidos/archivos/Reorganizacion/sintesis_balance/2019.12.09_Balance_de_Gestion_en_Energia_2016.2019_final_y_anexo_pub_.pdf).

4.114. Hydrocarbon exports were discouraged by the application of policies to freeze natural gas prices and variable withholding taxes on oil exports. During each year from 2012 to 2018 Argentina registered an energy trade deficit, which reached its peak in 2013 with a trade deficit of USD 6.9 billion. There has since been an improvement in the trade balance, with growth in hydrocarbon production, mainly from non-conventional reserves, which enabled an increase in exports and a reduction in imports.¹³⁴ Hydrocarbon exports and imports fell in 2020 due to the effect of the pandemic on economic activity. Exports totalled USD 1,790 million (USD 2,726 million in 2019), while imports totalled USD 2,022 million (USD 3,541 million in 2019).

4.2.3.2 Legal and institutional framework

4.115. The Secretariat for Energy of the Ministry of the Economy is responsible for drafting, implementing and monitoring national policy regarding the hydrocarbon subsector. The Under-Secretariat for Hydrocarbons, part of the Secretariat for Energy, is responsible for supporting the design, implementation, monitoring and control of national hydrocarbon policy. The main regulatory framework in force governing the exploration and exploitation of hydrocarbons includes Law No. 17.319 of 30 June 1967 (Hydrocarbons Law), Law No. 26.020 of 8 April 2005 (LPG Law), Law No. 26.197 of 5 January 2007 (amendment to Law No. 17.319 and known as the "Short Law"), Law No. 26.741 of 7 May 2012 (Hydrocarbons Sovereignty Law), and Law No. 27.007 (Official Journal of 31 October 2014) (amendment to Law No. 17.319).

4.116. The Hydrocarbons Law provides that liquid and gaseous hydrocarbon reserves located in the territory of the Argentine Republic and on its continental shelf are the inalienable and imprescriptible property of the national State or of the provincial States, depending on the territorial area in which they are located. The hydrocarbon reserves located in the territories of the provinces, including those located in the sea adjacent to its coastlines up to a maximum of 12 nautical miles belong to the provincial states (or to the Autonomous City of Buenos Aires), while those located beyond 12 nautical miles belong to the State.¹³⁵ Hydrocarbon deposits on the bed and subsoil of the

¹³⁴ Secretariat for Energy (2019), *Balance de gestión en energía 2016—2019*. Viewed at: [http://www.energia.gob.ar/contenidos/archivos/Reorganizacion/sintesis_balance/2019.12.09 Balance de Gestion en Energia 2016.2019 final y anexo pub .pdf](http://www.energia.gob.ar/contenidos/archivos/Reorganizacion/sintesis_balance/2019.12.09_Balance_de_Gestion_en_Energia_2016.2019_final_y_anexo_pub_.pdf).

Law No. 24.145 of 24 September 1992 and the subsequent 1994 constitutional reform transferred to the provinces the control of hydrocarbon deposits situated on their territory.

Río de la Plata from the coastline up to a maximum of 12 nautical miles belong to the province of Buenos Aires or to the Autonomous City of Buenos Aires, as appropriate.

4.117. The main objective of Argentina's hydrocarbons policy is self-sufficiency, which implies maintaining the reserves required to this end. Exports are contingent on the supply of the domestic market through national production: the export of hydrocarbons or derivatives is only permitted where these are not required to meet domestic needs, and provided that exports take place at reasonable commercial prices.¹³⁶

4.118. The Executive has the authority to fix domestic market prices for crude oils, which shall not be lower than the prices of similar imported oils unless the latter are significantly increased by exceptional circumstances. In such cases, domestic market prices may be set on the basis of real (state enterprise) operating costs. Activities related to the exploitation, industrialization, transport and sale of hydrocarbons may be carried out by state, private or mixed enterprises. To this end, the Executive grants exploration permits and temporary concessions for the exploitation and transport of hydrocarbons. The permits and concessions give their holders, who must be domiciled in Argentina, control over the hydrocarbons they extract. They may also transport, market, industrialize and sell hydrocarbon derivatives. Two types of regimes govern permits and concessions: those that are granted exclusively by the federal government, which are governed by Law No. 17.319, of national scope; and those under provincial jurisdiction.

4.119. An exploration permit confers the exclusive right to carry out all the tasks required to search for hydrocarbons within the perimeter and during the terms stipulated on the permit. For conventional exploration, a basic term of six years and an extension period of up to five years is stipulated, for a total term of up to 11 years. For non-conventional exploration, a basic term of eight years and an extension period of up to five years is stipulated, for a total term of up to 13 years. For exploration on the Argentine continental shelf and in the Argentine sea, each of the periods of the basic term may be increased by one year. Hydrocarbons extracted during exploration will be subject to a 15% royalty.

4.120. An exploitation concession confers the exclusive right to exploit the hydrocarbon reserves that exist in the areas covered by the respective concession contract and during its term. Holders of exploration permits and/or exploitation concessions may apply for a Non-Conventional Hydrocarbon Exploitation Concession (extraction using non-conventional techniques in reserves characterized, in general, by the presence of low permeability rocks). Exploitation concessions are granted, as appropriate, by the national or provincial executive. Holders of an exploitation concession have the right to obtain a concession for the transport of their hydrocarbons. Hydrocarbon exploitation concessions are granted for terms of 25, 30 or 35 years for conventional, continental shelf/territorial seas and non-conventional exploitation, respectively. Holders of concessions that are producing hydrocarbons may request, no less than one year prior to the expiry of the concession, extensions for terms of 10 years each. Transport concessions do not imply a privilege of exclusivity and are granted and extended for terms equivalent to those of exploitation concessions, after which the facilities become the property of the national or provincial state.

4.121. Permits and concessions are awarded through invitations to tender, which are advertised for no less than 10 days in the national and international media, including the Official Journal, at least 60 days before the start of the bidding process. The contract will be awarded to the bid that is most advantageous according to the criteria of the National or Provincial Executive, giving priority in particular to the bid that proposes the greatest investment or exploratory activity.

4.122. Holders of exploration permits and exploitation concessions will enjoy fiscal stability during the term of these; they are subject to the payment of customs duties, taxes or other duties levied on goods imported into the country and to the payment of capital gains tax. The net profit they obtain in the exercise of their activity as permit holders or concessionaires is subject to special income tax, and some special provisions apply that govern the calculation of the sale price of the

¹³⁶ SE Resolution No. 1.679/2004 of 23 December 2004 establishes that production, marketing and refining companies or any other market operator wishing to export liquid or gaseous hydrocarbons must register the operation(s) with the Secretariat for Energy for prior approval. Registration is a mandatory requirement for export of these products. Authorization has to be obtained from the Secretariat for Energy for the export of crude oil and requires prior proof that demand from all the refineries authorized to operate in Argentina has been duly met or that local refineries have been given the opportunity to buy the crude oil.

hydrocarbons extracted and those exported. In addition to the above taxes, companies holding an exploration permit pay a royalty per km² or fraction thereof, annually and in advance, according to the following scale (Decree No. 771/2020): (i) first period of the basic term, the equivalent in ARS of 0.46 barrels of oil per km²; (ii) second period of the basic term, the equivalent in ARS of 1.84 barrels of oil per km²; and (iii) extension, the equivalent in ARS of 32.22 barrels of oil per km². Exploitation concessionaires pay, annually and in advance, a royalty equivalent in ARS to 8.28 barrels of oil per km² or fraction thereof, depending on the area covered.

4.123. Under the provisions of Law No. 27.007 (see below), the exploitation concessionaire, including state-owned enterprises, must pay a monthly royalty of 12% of the value of the liquid hydrocarbons extracted at the well head, or of the natural gas production, as the case may be. Royalties may vary according to provincial extensions or invitations to tender. Production projects applying enhanced oil recovery, extra-heavy oil and offshore techniques may benefit from a royalty reduction of up to 50%. In 2020, revenue from royalties totalled USD 862.8 million for crude oil, USD 393.8 million for natural gasoline, condensate and LPG, and ARS 28,881.2 million for natural gas.¹³⁷

4.124. In 2014, Argentina adopted substantial legislative amendments. Law No. 27.007 (Official Journal. of 31 October 2014) (Hydrocarbons Law, 2014) amends various provisions of Law No. 17.319, and introduces new elements related to:

- (a) **Terms of exploration permits and exploitation concessions** are extended and differentiated, from 25 years for all permits to 25 years for conventional concessions, 30 years for offshore and 35 years for non-conventional concessions; exploitation concessions may request extensions for 10 years, with no limit on the number of extension requests;
- (b) **Reservation of areas:** the provinces and the State may not reserve areas in favour of public entities or enterprises or those with state participation;
- (c) **Royalties:** the concession holder will pay a monthly royalty of 12% on wellhead production, and in each extension, an additional royalty of 3% will be added, up to a maximum of 18%. The royalty rates will be the only income on hydrocarbon production received by the provinces. Tertiary production, extra-heavy oil and offshore projects may be eligible for a royalty reduction of up to 50%;
- (d) **Incentives:** the scope of the benefits of the Investment Promotion Regime for Exploitation contemplated in Decree No. 929/2013 has been extended by reducing the minimum amount of investment required to be eligible for the benefit from USD 1 billion to USD 250 million, and after three years from the start of the project, instead of the previous five. Free disposal of foreign currency for exports for up to 20% of production is maintained, while investment in offshore projects exceeding 90 metres is added, for which free disposal is set at 60%. There is also a special framework for the import of capital goods or inputs;
- (e) **Corporate Social Responsibility (CSR):** It is established that, within the framework of certain investment projects, concessionaires must make contributions of 2.5% of the initial project investment amount to the producer provinces where the investment project is developed.

4.125. Law No. 27.444 (Official Journal of 18 June 2018) amended the Hydrocarbons Law and provided that it is in the power of the National Executive to determine the areas of the country of interest for promoting the activities governed by that Law, and to grant permits and concessions, extend their terms and authorize their assignments, etc.

4.126. Hydrocarbons legislation provides for the preferential employment of Argentine nationals at all levels of the activity. The proportion of national citizens to total staff employed by each licensee or concessionaire may not be less than 75% under any circumstances. The Executive is empowered to hold tenders with the exclusive participation of enterprises with predominantly Argentine capital,

¹³⁷ Updated information on royalties can be found at the following link:
<https://www.energia.gob.ar/contenidos/verpagina.php?idpagina=3181>.

and may establish rules and taxes to promote the participation of such enterprises in activity in the oil sector.

4.127. Law No. 26.741, published on 7 May 2012, provided that 51% of the shares subject to expropriation in the companies YPF S.A. and Repsol YPF Gas S.A. should be transferred to the State and 49% to the provinces belonging to the Federal Organization of Hydrocarbon-Producing States, in line with their levels of hydrocarbon production and proven reserves. The Law authorizes YPF S.A. to turn to external or internal funding sources and to enter into strategic associations, joint ventures, temporary associations of companies or any type of business association or collaboration with other Argentine or foreign public, private or semi-public enterprises. Decree No. 1.277/2012 of 25 July 2012, regulating Law No. 26.741, established the National Hydrocarbons Investment Plan, and provided that its strategic axes are to increase and maximize the use of investments and resources for hydrocarbon exploration, exploitation, refinery, transport and sale to ensure self-sufficiency and sustainability.

4.128. Resolution No. 130/2013 (Official Journal of 19 April 2013) created the "Argentine Hydrocarbons Fund", which aims to finance projects for the exploration, exploitation, industrialization or sale of hydrocarbons for up to USD 2 billion. Joint Resolution No. 5-E/2017 of 10 July 2017 of the Ministry of Finance and the Treasury created the Argentine Hydrocarbons Fund Implementation Committee. However, in June 2021 this Fund was no longer operational.

4.129. In 2017, the Register of Crude Oil Import Operations was established by Decree No. 192/2017 (Section 3.1.1). This register ceased to be in force on 31 December 2017. To import crude oil and/or its derivatives, an import authorization is required from the Under-Secretariat for Hydrocarbons, which determines the volume to be authorized according to the supply of crude oil of national origin of similar characteristics, the additional processing capacity of local refineries with crude oil of national origin, and the national supply of oil derivatives. Tariff headings corresponding to hydrocarbons have traditionally been subject to automatic import licensing requirements. However, Order No. 3/2020 (Official Journal of 12 March 2020) of the Under-Secretariat of Trade Policy and Management (SSPyGC) ensured that NCM tariff headings 2709.00.10; 2709.00.90; 2710.12.59 and 2710.19.21 became subject to non-automatic import licensing. This requirement was in force for one year before the provisions of SSPyGC Orders Nos. 5/2021 (Official Journal of 11 March 2021) and 7/2021 (Official Journal of 15 March 2021) meant that these positions ceased to be subject to the non-automatic licensing regime and once more required an automatic licence.

4.130. In 2017, the Used Goods Import Regime for the Hydrocarbons Industry came into force for a period of 10 years. It allows used goods to be imported at a tariff of 0% to 14%, lower than the MFN applied tariff, subject to a commitment to purchase domestically produced goods at a percentage that varies according to the age and type of the imported used goods.

4.131. The MFN tariff on oil and oil products ranges from 0% to 6%, averaging 0.4% in 2020. Most tariff headings have a 0% tariff. Argentina levies other charges on the sale and import of liquid fuels, and on electrical power.¹³⁸ In 2013, taxes on liquid fuels were on an *ad valorem* basis, with a minimum amount. Starting in 2018, however, specific rates per litre were set, which are adjusted based on the consumer price index (CPI) (Section 3).¹³⁹

4.2.3.3 Gas industry

4.132. Natural gas production in Argentina is concentrated in four basins: Noroeste, Neuquina, Del Golfo and Austral. The natural gas extracted is injected into the trunk pipeline system, which transports it to the areas of consumption. Two transport enterprises operate the pipelines: Transportadora de Gas del Norte (TGN) and Transportadora de Gas del Sur (TGS). Distribution is carried out by nine distribution companies.¹⁴⁰ Imports of natural gas do not require prior approval; exports, on the other hand, must be authorized by the National Executive, as long as domestic supply is not affected. The transport and distribution of natural gas must be carried out by legal persons under private law by means of concession, licence or permit after selection by public tender.

¹³⁸ Laws No. 24.625 of 9 January 1996 and No. 27.730, and Decree No. 26/16.

¹³⁹ Law No. 27.430 of 29 December 2017.

¹⁴⁰ Information from ECOGAS. Viewed at: https://www.ecogas.com.ar/appweb/leo/inicio.php?sitio=empresa_industria.

Concessions have a duration of 35 years. The State and the provinces, and their agencies or enterprises, can only provide transport and distribution services if there are no private bidders.

4.133. Law No. 24.076 and supplementary regulations and amendments govern the distribution and transport of natural gas. The National Gas Regulatory Authority (ENARGAS) attached to the Secretariat for Energy of the Ministry of Productive Development (MDP), carries out the functions of regulation, control, oversight and dispute resolution in relation to the public service of gas transport and distribution.¹⁴¹ ENARGAS is the entity in charge of approving tariffs for regulated services, promoting competitiveness, encouraging investments to ensure long-term supply, and promoting a better operation of natural gas transport and distribution services and facilities. Law No. 27.541 of 20 December 2019 empowered the National Executive to intervene in ENARGAS's administration for one year.

4.134. Law No. 26.020 of 9 March 2005 governs the regulatory regime for the processing and marketing of LPG and establishes that the activities that make up this industry are of public interest. The production of LPG in any form is a deregulated activity, and producers can freely engage in exploration, extraction and sale activities. For the opening of new plants or the expansion of existing ones, only the relevant technical regulations and the corresponding registration procedure must be complied with. In contrast, the transport and distribution of gas through networks are regulated public services, and authorized companies supplying these services are subject to the jurisdiction of ENARGAS. Distributors are required to enrol with the corresponding register. Fractionation is permitted with the authorization of the Energy Secretariat. Fractionators may package LPG from any producer, seller or importer.

4.135. For each region and seasonal six-month period, ENARGAS fixes a reference price for LPG for domestic use in containers of up to 45 kg. This reference price is calculated to cover costs and a certain profit margin. The market rate charged to consumers for gas is obtained by adding together the following components: the price of the gas (production); the gas hold up; the cost of transport; distribution costs; and taxes, levies and charges.

4.136. Decree No. 470 of 30 March 2015 created the Households with Gas Bottles Programme ("Hogar" programme), the regulations of which were approved by Resolution No. 49 of 31 March 2015 of the former Secretariat for Energy, which, together with its amendments, established the methodology for calculating maximum reference prices. Resolution No. 70 of 1 April 2015 of the former Secretariat for Energy, as amended, approved the maximum reference prices and compensations for producers of butane and propane for domestic use for 10-, 12- and 15-kg bottles, and the maximum reference prices for 10-, 12- and 15-kg LPG bottles for fractionators, distributors of packaged LPG and retailers.

4.137. In 2016, a policy aimed at the gradual reduction of gas subsidies through tariff updates began to be implemented. The Ministry of Energy and Mining (MINEM) instructed ENARGAS to carry out a transitional adjustment of gas transport and distribution tariffs and to perform the Comprehensive Tariff Review procedure within one year.¹⁴² A three-year subsidy reduction path was set for most of the territory, from October 2016 to October 2019.¹⁴³ In the case of Patagonia, La Pampa, La Puna and Malargüe, a six-year subsidy reduction was determined, from October 2016 to October 2022. Price adjustments will be made every six months. Exceptions to this are the social tariff, the consumption savings subsidy and the differential tariff.¹⁴⁴ The first price adjustment came into effect in October 2016 and implied a reduction of the average gas price subsidy for residential and commercial users (SGP) of between 50% and 81% in general and of between 81% and 98% for Patagonia, La Pampa, Puna and Malargüe. The second reduction came into effect on 1 April 2017 and reduced the average subsidy by between 45% and 50% in general and between 78% and 81% for Patagonia, La Pampa, Puna and Malargüe.¹⁴⁵

¹⁴¹ Information from ENARGAS. Viewed at:

<https://www.enargas.gob.ar/secciones/institucional/introduccion.php>.

¹⁴² MINEM Resolution No. 31 of 29 March 2016.

¹⁴³ MINEM Resolution No. 212-E/2016 of 6 October 2016.

¹⁴⁴ Law No.27.218 of 22 December 2015 established a differential tariff for non-profit public welfare entities. Information from the Ministry of Social Development. Viewed at: <https://www.argentina.gob.ar/desarrollosocial/cenoc/tarifa>.

¹⁴⁵ MINEM Resolution No. 74 E/2017 of 30 March 2017.

4.138. The social gas tariff is granted to vulnerable users. A Federal Social Tariff is also applied to the natural gas network service in favour of particularly vulnerable groups of users.¹⁴⁶ In 2020, more than 1.8 million households were beneficiaries of the Federal Social Tariff (22.5% of users of the natural gas network service) and more than 2.3 million (around 60% of consumers of LPG in bottles) received subsidies for the consumption of bottles through the Hogar programme. According to the authorities, the price path at the Point of Entry into the Transport System (PIST), the Federal Social Tariff and the continuity of the Hogar programme are measures designed to work towards the ultimate goal of the energy policy, which is to supply the Argentine energy market at the lowest costs while protecting the most vulnerable sectors.¹⁴⁷

4.139. Law No. 27.541 (Official Journal of 23 December 2019) empowers the Executive to maintain natural gas tariffs under federal jurisdiction and to initiate renegotiation of the Comprehensive Tariff Review in force or to initiate an extraordinary review to reduce the current tariff burden on households, businesses and industries. Decree No. 1.020/2020 of 17 December 2020 established the initiation of a review process of the tariffs set under this law. The review process may not exceed a period of two years. The National Electricity Regulatory Authority (ENRE) and ENARGAS are in charge of the review process. Law No. 27.541 also calls on the provinces to adopt the policies to maintain tariff scales and creates a Trust Fund to assure the natural gas imports required to satisfy national needs.

4.140. In recent years, ENARGAS has sought to adopt policies to make the gas market more competitive. The Strategic Plan 2019-23 was launched in 2019, along with other strategic objectives, such as strengthening self-government – for which programmes were designed – and a new regulatory scheme for the granting of a new transport licence.¹⁴⁸

4.2.3.4 Taxation of the sector

4.141. Law No. 23.966 of 15 August 1991, as amended, regulates the taxation of liquid fuels, natural gas and oil. Law No. 26.942, enacted on 17 June 2014, amended Law No. 23.966 and determined new *ad valorem* rates, as well as specific minimum amounts below which the tax collected cannot fall, once the *ad valorem* percentage on the price of the product has been applied.¹⁴⁹ The resulting tax on liquid fuels is a fixed amount per unit updated quarterly according to variation in the CPI. The Law authorizes the Executive to increase these amounts by up to 25% and to decrease them by up to 10%. The Executive decided to modify these updates in 2019 and early 2020, and to do so gradually.¹⁵⁰ Thus, as of 1 January 2015, the rates for petroleum spirit and gas oil were reduced by 10%.¹⁵¹

4.142. Law No. 27.430 (Official Journal of 29 December 2017) amended Law No. 23.966 and established a tax on the transfer of domestically produced and imported liquid fuels and a tax on carbon dioxide (instead of natural gas).¹⁵² The taxes will apply until 31 December 2035 and must be paid on delivery of the product, issuance of the invoice or withdrawal of the fuels for consumption. In the case of imported products, the tax is settled together with customs duties and VAT, which is

¹⁴⁶ MINEM Resolution No. 28 of 28 March 2016, updated by MINEM Resolution No. 219 of 11 October 2016.

¹⁴⁷ MINEM, Secretariat for Hydrocarbon Resources, Under-Secretariat for Hydrocarbon Exploration and Production and Under-Secretariat for Tariff Policy, *Precio de Gas Natural en el PIST*, October 2017. Viewed at: https://www.argentina.gob.ar/sites/default/files/informe_tecnico_minem.pdf.

¹⁴⁸ ENARGAS (2020), *Balance de Gestión 2019*. Viewed at: https://www.enargas.gob.ar/secciones/publicaciones/informes_anuales.de.balance.y.gestion/informe.2019.php.

¹⁴⁹ The rates are as follows: 70% for petroleum spirit under 92 octane; 62% for petroleum spirit over 92 octane or virgin petroleum spirit, natural or pyrolysis gasoline, solvent and turpentine; and 19% for gas oil, diesel oil and kerosene.

¹⁵⁰ Decree No. 607/19 of 30 August 2019 and its amendments Nos. 753/19, 798/19, 103/19, 118/20 and 196/20 deferred the effects of the increase in the tax rates applicable to liquid fuels for the second quarter of 2019, for petroleum spirit and gas oil. It was decided that the full increase in question would take effect from 1 April 2020.

¹⁵¹ Decree No. 2.579/2014 of 30 December 2014. Viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/240000.244999/240292/norma.htm>.

¹⁵² Law No. 27.467 (Official Journal of 4 December 2018) establishes an exemption from the tax for imports of gas oil and diesel oil in 2019, so as to compensate for peaks in demand intended to supply the electricity generation market.

levied at a general rate of 21% on the sales price of the fuels before tax. The VAT rate on LPG is 10.5%, and 0% in Tierra del Fuego.

4.143. A carbon dioxide tax applies which was introduced to replace the natural gas tax. This tax is a fixed amount per unit of measurement, which is updated on a quarterly basis on the basis of CPI variations.¹⁵³ The Law empowers the National Executive to increase the amounts of the tax by up to 25%. For imported products, the tax is assessed together with customs duties and VAT. Products destined for export are exempt from the tax, as are those destined for use by aircraft for international flights and by vessels used for international transport or for fishing. Products to be used as raw material in chemical and petrochemical processes are also exempt from the tax, as is fuel oil intended as fuel for maritime cabotage services. Biofuels in their pure state are not subject to the tax.

4.144. The Water Infrastructure Tax is levied at a rate of 9% on the transfer or import of natural gas distributed by networks for use as fuel in motor vehicles, and at a rate of 5% for petroleum spirits.¹⁵⁴ The Executive has the power to increase or decrease these rates by up to 20%.¹⁵⁵ The tax will be in force until 31 December 2035. A 22% tax also applies to the transfer or import of gas oil.¹⁵⁶ The production and importation of petrol and natural gas are subject to a Water Infrastructure Tax of ARS 0.05 per litre of gasoline or cubic metre of gas.¹⁵⁷ The Liquefied Petroleum Gas Fractionation Control Fee is ARS 8.00 per fractionated tonne, whether the product is domestically produced or imported. The Secretariat for Energy may modify this rate by up to 20%.¹⁵⁸

4.145. Hydrocarbon exports have been subject to export duties during almost the whole review period. Until 2014, the export duty on crude oils varied according to the international price of oil.¹⁵⁹ Ministry of the Economy and Public Finance Resolution No. 1.077/2014 of 29 December 2014 set a tax that is defined using a formula calculated on the basis of an international reference price as of 1 January 2015. The export duties on hydrocarbons ceased to apply between the beginning of 2017 and September 2018, when they were reimposed. As of September 2018, National Executive (PEN) Decree No. 793/18 and Decree No. 865/18 imposed a tax on exports of, among other products, natural gas, propane, butane and natural gasoline, of ARS 4 per USD exported, to a maximum rate of 12%. However, since 23 December 2019, in accordance with the provisions of the Public Emergency Law, the rate may not exceed 8% of the taxable value or f.o.b. price. The collection of the duty may not affect the collection of royalties by the provinces. For propane gas (NCM 2711.12.10 and 2711.12.90), butane in liquid state (NCM 2711.13.00), LPG (NCM 2711.19.10) and other liquefied gases (2711.19.90), as well as for butane in gaseous state (2711.29.10) and others also in gaseous state (2711.29.90), an export duty is currently applied (in 2021) according to the rate determined by Decree No. 488 of 19 May 2020, which establishes a minimum of 0% and a maximum of 8%.¹⁶⁰ Although by provision of the Customs Code the duty itself does not form part of the tax base for the purposes of its calculation, while Decree No. 793/18 was in force the taxable value established for duty calculation purposes had to be added, in accordance with the amendment introduced by Decree No. 865/18. This ceased to apply from the end of 2019.

4.2.3.5 Incentives for the hydrocarbons industry

4.146. Decree No. 929/2013 (Hydrocarbon Sovereignty) of 11 July 2013 established the Investment Promotion Regime for Hydrocarbons Exploitation, whose priority objective is to achieve hydrocarbon

¹⁵³ This was set in 2017 by Law No. 27.430 at: ARS 0.412/litre for unleaded petroleum spirit, virgin petroleum spirit, natural or pyrolysis gasoline, solvent and turpentine; ARS 0.473/litre for gas oil, diesel oil and kerosene; ARS 0.519/litre for fuel oil; ARS 0.557/kg for petroleum coke; and ARS 0.429/kg for coal.

¹⁵⁴ Law No. 26.181, approved on 19 December 2006.

¹⁵⁵ Decree No. 2.579/2014, Official Journal of 31 December 2014.

¹⁵⁶ Law No. 26.028, approved on 5 May 2005. Viewed at:

<http://servicios.infoleg.gob.ar/infolegInternet/anexos/105000.109999/106099/texact.htm>.

¹⁵⁷ Decrees Nos. 1.381 of 1 November 2001, No. 652/2002 of 19 April 2002 and No. 652/2002, as well as Law No. 27.431, Official Journal of 2 January 2018.

¹⁵⁸ Article 39 of Law No. 26.020 of 9 March 2005. Viewed at:

<http://servicios.infoleg.gob.ar/infolegInternet/anexos/105000.109999/105181/texact.htm>.

¹⁵⁹ Ministry of the Economy and Production Resolution No. 394/2007 and amendments thereto.

¹⁶⁰ For the purposes of calculating the export duty rate, the following values were set for "ICE Brent first line": (a) base value (BV): USD 45/bbl; (b) reference value (RV): USD 60/bbl; and (c) international price (IP): ICE Brent first line, average of the last five published prices. A rate of 0% was established in cases where the IP is equal to or lower than the BV; a rate of 8% applies where the IP is equal to or higher than the RV. Where the IP is higher than the BV and lower than the RV, the tax rate is determined according to the following formula: Rate = ((IP-BV)/(IP-RV))x 0.08.

self-sufficiency by increasing the investments and resources employed in this sphere. To benefit from the Regime, undertakings must be registered with the National Registry of Hydrocarbon Investments and hold exploration permits and/or hydrocarbon exploitation concessions and/or be third parties associated with such holders. In addition, an investment of at least USD 250 million must be committed during the first three years of the project. As of the third year of project implementation, beneficiaries may freely sell 20% of the production of liquid and gaseous hydrocarbons produced on the foreign market with a 0% export duty rate. They can also enjoy the free disposal of 100% of the foreign currency resulting from the hydrocarbon exports. In the case of sale on the domestic market, the beneficiaries will have the right to obtain a price not lower than the reference export price and to dispose of 100% of the corresponding foreign currency. The benefits are for an indefinite time period, and cease only with the expiry of the term of the exploitation concession in question.

4.147. Decree No. 927/2013 of 8 July 2013 grants tariff reductions on a list of capital goods for the implementation of the investment plans of enterprises enrolled in the Register of Petroleum Companies. The initial list was amended by Decree No. 629/2017 (Official Journal of 10 August 2017).¹⁶¹ This Decree established the Regime for the Import of Used Goods for the Hydrocarbons Industry. To engage in imports under this Regime, an import certificate is required from the Under-Secretariat of Industry of the MDP, which takes into consideration local capacity to supply goods with similar characteristics. If such capacity exists, the interested party must commit to the acquisition of new goods of national origin for an amount equal to or greater than a percentage of the total value of the imported used goods acquired under the Regime. For the used goods under the tariff headings listed in Annex I(a), which are one or two years old, the percentage of new goods of national origin to be acquired in relation to the value of the imported used goods is 15%;¹⁶² for those that are three or four years old, the percentage is 20%; for goods that are five or six years old, 25%; for those that are seven or eight years old, 40%; and for goods that are nine or 10 years old, 60%. If these requirements are met, the goods in Annex I(a) may be imported at a duty rate of 0%. In the case of used goods covered by the tariff headings in Annex I(b), the percentages are: 30%; 40%; 50%; 70%; and 80%, respectively.¹⁶³ If these requirements are met, the goods under the NCM tariff headings listed in Annex I(b) may be imported at a duty rate of 7%. Used goods under the tariff headings listed in Annex I(c) do not require a commitment to purchase new goods of national origin and are subject to a duty rate of 7%.¹⁶⁴

4.148. Between December 2014 and January 2018, a price support policy known as "Barril Criollo" was implemented, which consisted of guaranteeing petroleum producers a price higher than the international price. It is estimated that, during this period, an average of USD 60 was paid for a barrel of local oil.

4.149. Between 2008 and 2015, the "Petróleo Plus" programme¹⁶⁵ was in force, which had the objective of increasing crude oil production and encouraging the incorporation of new reserves. Beneficiary enterprises received a refund on the oil export duty paid through tax credit certificates for production above a baseline production, calculated on a historical basis. The certificates could be used to pay export duty. If the international price rose above USD 60.90/barrel, a duty reduced by 8% was payable on basic production and by 55% on additional production, whereas if the international price was equal to or below USD 60.90/barrel, a duty reduced by 10% was payable on basic production and by 70% on additional production.¹⁶⁶ Decree No. 1.330/2015 of 6 July 2015

¹⁶¹ It contains a list of new goods and a list of used goods. The list of new goods includes the following NMC tariff headings (tariff rate in brackets): 7304.23.90 (0%); 834.50.90 (0%); 8421.39.90 (14%); 8430.49.20 (0%); 8474.10.00 (0%); 8479.89.99 (0%); 8502.13.19 (0%); 8705.20.00 (0%); and 9406.00.92 (14%). The list of used goods contains NCM tariff headings 7304.23.90 (0%) and 9406.00.92 (14%).

¹⁶² Annex I(a) includes the following NCM tariff headings: 8413.50.10; 8413.50.90; 8430.49.20; 8474.10.00; 8479.82.10; 8479.89.99; 8481.30.00; 8481.40.00; 8481.80.92; 8481.80.93; 8481.80.99; 8502.13.19; 8705.20.00; 8705.90.10; 8705.90.90; 8716.31.00; and 8716.39.00.

¹⁶³ Annex I(b) includes 35 tariff headings from NCM Chapter 84 and 12 tariff headings from Chapter 85.

¹⁶⁴ Annex I(c) includes the following NCM tariff headings: 8701.20.00; 8705.10.90; 9015.90.90; 9026.10.19; 9026.20.90; 9026.80.00; 9026.90.90; 9027.80.99 (other than apparatus for determining hemodynamic parameters); 9027.90.99; 9030.10.10; 9030.33.90; 9030.90.10; 9030.90.90; 9031.80.91; 9031.90.10; 9031.90.90; 9032.89.84; 9032.89.89; 9032.89.90; and 9032.90.99.

¹⁶⁵ Established by Decree No. 2.014/08 of 25 November 2008 and regulated by Resolution No. 1.312/2008 of 1 December 2008.

¹⁶⁶ For example, if the rate of export duty was 25%, basic production (BP) 100,000 barrels and additional production (AP) 50,000, the duty payable was $[(0.92)*0.25/(1+0.25)]$, corresponding to 11.5% on BP, and $[(0.45)*0.25/(1+0.25)]$, corresponding to 5.63% on AP.

repealed the "Petróleo Plus" programme. Alongside that programme, the "Refinación Plus" programme was implemented, which targeted projects for new refineries or for the expansion of the refining capacity of existing facilities. The incentive consisted of a reduction in export duty through the use of a tax credit certificate. This programme has not been repealed.

4.150. The Special Regime for Small Refiners (REFIPYME) with a maximum monthly refining capacity of 30,000 m³/month or less was in force until 2016.¹⁶⁷ The incentive consisted of the granting of tax credit certificates for the difference between the export duty in force and the export duty at a rate of 5%. The scheme only applied if international oil prices were below USD 80/barrel. Ministry of Energy and Mining (MEM) Decree No. 1204/2016 of 29 November 2016 repealed the REFIPYME. The Crude Oil Production Stimulus Programme (Resolution No. 14/2015), in force between 1 January and 31 December 2015, granted production incentives (up to USD 3 per barrel) and export incentives (up to USD 2 per barrel exported above the levels of the base year 2014).

4.151. During the review period, the "Gas Plus" programme also continued to be implemented to encourage new projects to produce natural gas for the domestic market.¹⁶⁸ To benefit from the programme, the producer had to have signed the Agreement with Natural Gas Producers¹⁶⁹ and comply with the delivery commitments set out therein. In May 2016, it was established that no new projects could be submitted under the "Gas Plus" programme, but that projects already approved or about to be approved would remain in force.¹⁷⁰ During the review period, Argentina also implemented other programmes to stimulate natural gas production, such as "Plan Gas", the Stimulus Programme for New Natural Gas Projects and "Plan Gas No Convencional". "Plan Gas" was established as of December 2012 for five years to promote projects that would contribute to the national gas supply. The State undertook to pay monthly compensation for the difference between a negotiated price (USD 7.5/million btu) and the price actually received.¹⁷¹ Compensation was paid in the form of a natural gas plan bonus ("Bono Plan Gas Natural"). The stimulus programmes for Excess Natural Gas Injection and Excess Natural Gas Injection for Companies with Reduced Injection offered similar incentives.¹⁷²

4.152. The Stimulus Programme for New Natural Gas Projects, established in 2016,¹⁷³ applied to projects implemented until 31 December 2018 by hydrocarbon exploitation companies with concessions or by producers associated with the concessionaire and entitled to natural gas production under new natural gas projects linked to concessions for the exploitation of tight gas or shale gas fields.¹⁷⁴ The beneficiary companies received an incentive price of USD 7.5/mmbtu in local currency for the purchase and sale of natural gas produced in the areas included in the new natural gas projects approved under the Programme. These companies could freely dispose of the natural gas produced under the Programme and agree on the price with the purchasing party. The State offered the beneficiary companies compensation for the difference between the incentive price and the price received by the companies.

4.153. "Plan Gas No Convencional" is an investment incentive programme for the production of natural gas from non-conventional reserves in the Neuquina Basin, in force between March 2017 and 31 December 2021.¹⁷⁵ The incentive consists of a compensation mechanism for the volume of non-conventional gas, calculated on the basis of a guaranteed minimum price and the total volume-weighted average price of sales to the domestic market of each company. The minimum price was set at USD 7.5/mmbtu for 2018, decreasing by USD 0.5/mmbtu per year to reach USD 6.0/mmbtu by 2021. Projects that achieve an average annual production of 500,000 m³ per day

¹⁶⁷ Included in Annex I of the Resolution of the former Ministry of the Economy and Production No. 394 of 15 November 2007.

¹⁶⁸ Established by SE Resolution No. 24/2008 of 6 March 2008.

¹⁶⁹ SE Resolution No. 599 of 13 June 2007.

¹⁷⁰ Resolution No. 74/2016 of 18 May 2016 of the Ministry of Energy and Mining.

¹⁷¹ Resolution No. 139/2014 of the Ministry of the Economy and Public Finance. Amendment to Resolution No. 60/2013.

¹⁷² Resolution No. 1/2013 of 18 January 2013 of the Planning and Strategic Coordination Commission for the National Hydrocarbons Investment Plan created the Stimulus Programme for Surplus Natural Gas Injection. Resolution No. 60/2013 of 29 November 2013 established the Stimulus Programme for Natural Gas Injection for Companies with Reduced Injection.

¹⁷³ Ministry of Energy and Mining Resolution No. 74/2016 of 18 May 2016.

¹⁷⁴ Defined in the Law as gas reserves characterized by the presence of highly compacted sandstones or clays of low permeability and porosity, which prevent the fluid from migrating naturally, meaning that commercial production is only possible through the use of advanced technologies.

¹⁷⁵ Resolution of the former Ministry of Energy and Mining No. 46/2017.

or more for 12 months before 31 December 2019 can obtain the floor price on their entire non-conventional production. For projects under development, only the incremental quantity over the defined initial production will be eligible to benefit from the initiative.¹⁷⁶ "Plan Gas No Convencional" was extended to the Austral Basin.¹⁷⁷

4.154. Decree No. 892/2020 of 13 November 2020, Plan for the Promotion of Argentine Natural Gas Production - Supply and Demand Scheme 2020-24, declared that promoting Argentine natural gas production was in the national public interest. The Plan aims to increase the viability of investments for the production of natural gas, promote the development of the domestic aggregate in the value chain of the entire gas industry, and replace imports of LNG. The Plan has a duration of four years, from 2021 to 2024, or up to eight years for offshore projects, and applies to a total base volume of 70 million m³ per day, of which up to 11 million m³ per day can be exported on preferential terms. The allocation of volumes to each producer is made by public tender, and priority is given to the lowest bidder. The Plan has a compensation system whereby the State pays each producer the differential between the price invoiced to distributors and/or sub-distributors and the price offered (multiplied by a seasonal factor). The initial objective of the Plan is to complement the stimulus programme provided for in the "Plan Gas No Convencional", and to eventually replace that Plan when it ends in January 2022.

4.155. Law No. 26.093 of 19 April 2006 established the Regulation and Promotion Regime for the Sustainable Production and Use of Biofuels, which is valid for 15 years from its approval. Biofuel industry projects in Argentina owned by companies incorporated in the country and authorized exclusively for the development of the activity promoted by the Law may benefit from VAT and profits tax exemption for the acquisition of capital goods or the execution of infrastructure works corresponding to a project, for the duration of the Regime. Biodiesel and bioethanol produced by the holders of approved projects are not subject to the Liquid Fuels and Natural Gas Tax. The estimated tax expenditures for the application of the benefits of Law No. 26.093 were ARS 9,635.0 million in 2017, ARS 7,484.7 million in 2018, ARS 10,846.2 million in 2019 and ARS 8,842.3 million in 2020. Most of this corresponds to benefits paid out for the Fuel Tax (Law No. 23.966).

4.156. During the review period, Argentina has continued to implement programmes and mechanisms to subsidize LPG consumption in areas with lower resources or supply difficulties, through mechanisms such as the Trust Fund for Residential Gas Consumption Subsidies.¹⁷⁸ The Fund is constituted with a surcharge of up to 7.5% on the price of natural gas at the PIST. Resolution No. 312/2019 of the Secretariat for Energy (Official Journal of 3 June 2019) established a surcharge equivalent to 4.46% of the price of natural gas at the PIST as of 1 June 2019. ENARGAS, by means of Resolution No. 332/2019 of 7 June 2019, readjusted the percentage and instructed distributors to invoice a surcharge of between 4.46% and 4.79%.¹⁷⁹

4.2.4 Electricity

4.2.4.1 Characteristics of the sector

4.157. Argentina's installed electricity generation capacity in 2020 was 41,951 MW, of which 25,365 MW (60.5% of the total) originated from thermal sources (natural gas, gas oil and fuel oil), 10,834 MW (25.8%) from hydroelectric plants, 1,755 MW (4.24%) from nuclear plants, and 3,997 MW (9.5%) from renewable sources.¹⁸⁰ The average availability of thermal facilities was 82.6% in 2020. Total supply in 2020 was 135,375 GWh, of which 60.8% came from thermal sources, 21.5% from hydroelectric sources, 7.4% from nuclear power, 9.4% from renewable sources and 0.9% from imports. Energy from renewable sources expanded by 63.7% in 2020 compared to the

¹⁷⁶ Resolution No. 419/2017 of the Ministry of Energy and Mining, Official Journal of 2 November 2017.

¹⁷⁷ Resolution No. 447/2017 of the Ministry of Energy and Mining, Official Journal of 17 November 2017.

¹⁷⁸ Law No. 25.565 of 6 March 2002, regulated by Decree No. 786/2002. The Fund was created for a period of 10 years; Article 69 of Law No. 26.546 (Official Journal of 27 November 2009) extended the life of the Fund for another 9 years, from the 2012 budget year to 2020 (inclusive). Likewise, Article 67 of Law No. 27.591 of 14 December 2020 (Budget of the National Public Administration) extended this term for a further year to cover the entire budget year of 2021.

¹⁷⁹ AFIP General Resolution No. 4.232 of 26 April 2018. Viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/305000.309999/309593/norma.htm>.

¹⁸⁰ CAMMESA (2020), *Informe Anual 2019*. Viewed at: <https://cammesaweb.cammesa.com/?wpdmdl=36401>.

previous year.¹⁸¹ Demand, on the other hand, was 127,306 GWh in 2020, of which 47.1% was demand for residential consumption, 27.5% was intermediate demand, and 25.3% was demand from large users.

4.158. The Argentine network is interconnected to the Brazilian, Paraguayan, Uruguayan and Chilean electricity grids. Two of the largest hydroelectric stations are bi-nationally owned: one by Argentina and Paraguay (Yacretá); and the other by Argentina and Uruguay (Salto Grande). Although Argentina covers most of its energy supply needs through self-generated power, it trades in electric energy with its neighbouring countries. Thus, in 2020 Argentina exported electricity to Brazil and Uruguay and imported energy from Uruguay and Paraguay. Argentina has three nuclear power plants. The electricity sector is characterized by the presence of private enterprises in the field of generation. The majority of hydroelectric power stations are operated under concessions of the State or provincial states that are mostly given to private firms. Electricity sector policy is intended to promote sustainable development and encourage the use of renewable energy.

4.159. Argentina has a National Electrical Power Fund (FNEE), created in accordance with Law No. 15.336 of 22 September 1960 and administered by the Federal Electrical Power Council (CFEE). The FNEE is financed by a surcharge on end consumers, i.e. electricity distribution companies and large users. The amount of the surcharge was updated in April 2021 and amounts to ARS 160/KWh.¹⁸² Currently, 50% of the funds collected by the FNEE are allocated to the Trust Fund for Federal Electrical Transport, 30% to the Subsidiary Fund for Regional End-User Tariff Compensation and the remaining 20% to the Fund for the Development of Electricity in the Interior.

4.2.4.2 Regulatory framework and functioning of the market

4.160. The Secretariat for Energy (SE), currently attached to the Ministry of the Economy, is responsible for the formulation and implementation of policies for the electricity sector. The sector is regulated by the National Electricity Regulatory Authority (ENRE), a self-governing body under the jurisdiction of the SE. ENRE follows the guidelines of national energy policy with respect to electricity supply, transport and distribution, regulates activity in the electricity sector and monitors to ensure that the concessionary companies under national jurisdiction (EDENOR and EDESUR distributors and the eight transport companies) comply with the obligations established in the regulatory framework and in their concession contracts. ENRE is empowered to issue general rules, apply sanctions and resolve disputes between users and concessionaires, and between wholesale electricity market agents.¹⁸³ Provincial distributors are regulated by their respective provincial authorities.

4.161. Law No. 24.065 of 16 January 1992 (Electrical Power Framework Law) and its implementing regulations, Decree No. 1.398/92, and the amendments thereto (Law No. 15.336) constitute the main legal framework for the electricity sector in Argentina. Law No. 24.065 introduced electricity reform, including the division of the electricity sector into segments, and provided for the partial or full privatization of each segment. At the same time, the Law seeks to increase the degree of competition and competitiveness of the sector by imposing limits on mergers and prohibiting vertical integration but not cross holdings, unless they are majority shareholdings, between generators and distributors. Both the export and import of electrical power must receive prior authorization from the SE. The main resolutions relating to the electricity sector have been compiled in a compendium that can be consulted online.¹⁸⁴

4.162. The Argentine electricity sector is divided into three segments – generation, distribution and transport – each with its own special features. The Law describes electricity transport and distribution as a public service. It also stipulates that priority for providing both of these must be given to private legal persons operating under concessions, although it authorizes the State, either on its own or through any of its bodies or dependent companies, to provide such services if there are no candidates

¹⁸¹ CAMMESA (2021) *Resumen Ejecutivo Principales Variables MEM Año 2019 vs 2020*. Viewed at: <https://cammesaweb.cammesa.com/2021/01/20/variables-relevantes-del-mem-resumen-anual-2020>.

¹⁸² Secretariat for Energy Resolution No. 204/2021. Viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/345000-349999/347979/norma.htm>.

¹⁸³ Information from ENRE. Viewed at: <https://www.argentina.gob.ar/enre/quienes.somos>.

¹⁸⁴ *Procedimientos para la Programación de la Operación, el Despacho de Cargas y el Cálculo de Precios*, Unofficial Compilation of Resolutions of the former Secretariat for Electrical Energy (SEE) 61/92 and amendments thereto. Updated to 31 May 2019. Viewed at: <https://aplic.cammesa.com/guias/procedimientos/Los%20Procedimientos.pdf>.

or concession holders. Generation, in any of its modalities, whether wholly or partially destined to supply energy to a public service, is considered to be of general interest. As a result of the reform, the participation of the State was redefined; it withdrew from its role as an entrepreneur in the sector and maintained the functions of defining policies, developing infrastructure, supervision and regulation.¹⁸⁵

4.163. The actors participating in one segment of the electricity chain are disqualified from intervening at another stage. Following the reorganization of the sector in 1992, a wholesale electricity market (MEM) was established. Producers, transporters, distributors, large users and sellers all participate in this market. Law No. 24.065 authorizes generators to conclude supply contracts directly with distributors and large users or to sell energy on the market. Although all activities in the electricity sector are open to private-sector participation, the degree of regulation and competition differs according to the segment concerned. For example, the end-user market is regulated, but the large-user market is open to competition. In the regulated segment, the distributor holding the concession is guaranteed a monopoly, but must satisfy all the demand that it is required to meet under the terms of the concession contract. Tariffs are regulated in this segment. Large users are agents of the MEM and therefore free to procure electricity on the market at the price determined by the latter. Due to their monopolistic characteristics, the activities of electricity distribution and transport are subject to regulation and additionally require the granting of concessions. Transport companies must ensure the free access of third parties to the network, which must also be guaranteed by distributors as long as they have available capacity in their distribution network. Transport concessionaires are not obliged to invest in expansions; the expansion of the transport network is subject to market mechanisms. Since the authorities noted that this mechanism displayed weaknesses as no new high-voltage lines were installed, tools were developed at the State level to make up for the lack of private investment.

4.164. Generating companies are subject to a concession regime only if they operate hydroelectric power stations and when capacity exceeds 500 kW. Thermal power plants require authorization only to connect to the grid and are regulated only in terms of public safety and environmental protection. At the beginning of 2021, there were around 400 power-generating agents. SE Resolution No. 95/2013 established an average cost remuneration for generators with old or depreciated power plants. SE Resolution No. 31/2020 is currently in force. For new plants, supply contracts were signed with the Wholesale Electricity Market Management Company (CAMMESA).

4.165. Concessions must be obtained for the distribution and transport of electricity in the regulated segment under Federal jurisdiction. Concessions are for 95 years, subdivided into five-year tariff periods and 10-year management periods, after which the renewal of the concession is assessed. Contracts include an initial tariff scale valid for five years, adjustable under a system of maximum prices fixed by ENRE, which must be applied by transporters and distributors. Distributors are prohibited from making use of cross-subsidies between categories of their users, resorting to price discrimination or denying interested users access to facilities. Currently (in 2021), 77 distributors are registered, of which two distribution companies (EDENOR and EDESUR) account for more than a third of demand as they have the concession in the areas of federal jurisdiction, the Autonomous City of Buenos Aires and Greater Buenos Aires.

4.166. The concession contracts with EDENOR¹⁸⁶ and EDESUR¹⁸⁷, signed in 1992, grant those companies the concession for public service in their respective areas of operation for a term of 95 years with exclusive rights over their zones, for management periods of 10 years each, following an initial period of 15 years. The two distributors have their own tariff regime, which is reviewed every five years. One year before the end of each period, each distributor must submit a proposal for a new tariff regime and tariff scale to ENRE.¹⁸⁸ The most recent tariff regime for the companies EDENOR and EDESUR was approved in 2017 for a five-year period until the end of 2021, by ENRE

¹⁸⁵ Information from CAMMESA. Viewed at:

<https://portalweb.cammesa.com/Pages/Institucional/defaultinstitucional.aspx>.

¹⁸⁶ The EDENOR concession contract may be viewed at:

https://www.argentina.gob.ar/sites/default/files/edenor_contratoconcesion_actualizacion110219.pdf.

¹⁸⁷The EDESUR concession contract may be viewed at:

https://www.argentina.gob.ar/sites/default/files/edesur_contratoconcesion_actualizacion120219.pdf.

¹⁸⁸ Distributors must pay the municipality where they operate 6% of the gross revenues they collect from all income associated with the business of selling electricity within the municipality. The distributor takes the amount corresponding to this contribution into account when billing users, applying a rate of 6.383% for the Autonomous City of Buenos Aires and 6.424% for the municipalities of the Province of Buenos Aires.

Resolutions No. 63/2017 and 64/2017, respectively. This Regime is currently under review within the framework of Emergency Law No. 27.541 of 2019. Users are classified according to their demand. Small users pay a fixed monthly fee and a variable charge based on the monthly energy consumed. There is also a Social Tariff Regime, whereby each jurisdiction (the Province of Buenos Aires and the Autonomous City of Buenos Aires) defines the electricity tariff that applies according to the socio-economic conditions of residential users.¹⁸⁹

4.167. In the electricity transmission segment, there are eight concessionary companies all under federal jurisdiction (one high-voltage and seven trunk distributors) and agents called "independent transporters". Some 95% of the electricity transported at high voltage is the responsibility of a single joint venture company, TRANSENER.¹⁹⁰ Transmission at lower voltages is carried out by seven trunk distributors. The transmission system consists of 14,738 km of high-voltage lines and 20,296 km at lower voltages (mostly 17,646 km of 132 kV lines). TRANSENER is responsible for the operation and maintenance of more than 10,500 kilometres of 500-kV transmission lines, while independent transporters operate and maintain the rest of the high-voltage lines under TRANSENER's supervision. The rest of the system is operated by the trunk distributors.

4.168. The administration of the MEM is the responsibility of the Wholesale Electricity Market Management Company (CMMESA), a privately managed company of public interest created by Decree No. 1.192 of 10 July 1992 on the bases of the Load Dispatching Committee. CMMESA's shareholding is 80% owned by agents of the MEM; this percentage is made up in equal parts by generators, transporters, distributors and large users, each with a 20% shareholding. The remaining 20% is held by the State through the Ministry of Energy, which represents the general interest. CMMESA's main purpose is the technical and economic dispatching of the National Integrated System (SIN) or Argentine Interconnection System (SADI),¹⁹¹ organizing the supply of demand at the minimum cost compatible with the volume and quality of the available energy supply.

4.169. CMMESA is the entity responsible for coordinating technical and economic dispatching operations, determining wholesale prices and handling economic transactions through SADI. CMMESA administers the MEM, supervises the operation of the forward market operation, and plans the operation of the SADI for half yearly seasons in order to cover demand with a level of reserves agreed between the parties (economic load dispatching). CMMESA's activities are deemed to be of national interest; thus, the provinces may not take action or impose taxes that might affect CMMESA's corporate purpose. CMMESA acts as the agent for various actors in the MEM for dispatching power and energy, using the transport facilities. It also handles collections, payments or accreditations of transactions between the actors of the MEM. The sale of energy from bi-national energy projects is carried out through the state-owned company Integración Energética Argentina S.A. (IEASA).

4.170. All electricity is channelled through the MEM, which connects the agents that participate in the system. The system's dispatching centre is the Ezeiza node, which serves as the reference point when setting generation costs. CMMESA administers and is in charge of the integral management of the Commercial Measurement System (SMEC), which is responsible for measuring the electricity exchanges between the different agents of the MEM. Consumers of electric power linked to the SADI may purchase the power to meet their demand in two ways: through the distributor in their area (traditional method) or directly from a recognized MEM generator or dealer. If the second alternative is chosen, the user must comply with the conditions required to enter the MEM as a large user agent in that market.¹⁹²

¹⁸⁹ Law No. 27.469 (Official Journal of 4 December 2018), which approved the Fiscal Consensus signed on 13 September 2018 by the National Executive and the provinces and the Autonomous City of Buenos Aires, established that the guidelines of the electricity social tariff regime in force as at 31 December 2018 would continue as of 1 January 2019.

¹⁹⁰ TRANSENER S.A. is the holder of the concession contract granted by the State by means of Decree No. 2.743/1992 of 29 December 1992, and Decree No. 1.501/1993 of 16 July 1993; with the modifications introduced by Decree No. 1.462/2005.

¹⁹¹ The SADI consists mainly of overhead lines and substations and covers 90% of Argentine territory. Almost all of the 500-kV transmission lines belonging to the SADI are operated by TRANSENER. The SADI is connected to the distribution system and large users through supply points. There are also interconnections between the SADI and the transmission systems of neighbouring countries.

¹⁹² The MEM's Large Users fall into three categories: (a) major large users (GUMA), with power demand for own consumption at each physical connection point greater than or equal to 1 MW; (b) smaller large users

4.171. In the forward market (MAT), customers buy their energy from generators, with whom they sign a contract that establishes quantity, prices and conditions, freely agreed between sellers (producers and/or marketers) and buyers (distributors and large users). CAMMESA is the dispatching implementing agency. Real-time dispatch by the electricity system is carried out at marginal cost. If large users take out a contract directly with generators, they must pay a toll fee to the transporter and/or distributor involved in transmission. The authorities have noted that the forward market between agents is currently largely replaced by the action of CAMMESA as a single buyer. Energy and power not traded through the forward market are traded through the spot market, which is used by distributors and large users to buy energy from generators. Prices are set by hour according to the short-term marginal cost of production measured at the system's dispatching centre. The prices applicable to spot market purchases are set quarterly with the approval of the Secretariat for Energy.

4.172. Law No. 24.065 requires distribution companies to buy power on the market at a stabilized (predetermined) seasonal price. CAMMESA submits operation plans and the associated energy, power and transport costs to the Secretariat for Energy for consideration on a quarterly basis. The Secretariat approves the seasonal prices according to the percentage of generation and transport costs that it deems appropriate to pass on to customers. The seasonal price, which is applied in four categories according to demand, has been systematically subsidized by the State since 2002. According to the authorities, overall in 2020 the tariff paid by customers covered about 50% of the total cost, while the remaining balance was met with subsidies. Electricity distributors and generators pay transporters a fixed fee per connection and according to the transport network's capacity; they also participate in reactive power transactions.

4.173. Decree No. 134 of 16 December 2015 declared an emergency in the national electricity sector until 31 December 2017 and instructed the former MINEM to design, put into effect and implement a programme of actions in relation to the generation, transport and distribution segments of electricity under national jurisdiction so as to adapt the quality and security of electricity supply and ensure the provision of public electricity services under appropriate technical and economic conditions. Since 2016, new energy, power and transport prices have been enacted with the aim of gradually bringing the price paid by demand closer to the cost of generation. To this end, several Resolutions were enacted.¹⁹³ At the same time, the Social Tariff was created to protect users with lower incomes and, in turn, lower consumption levels. The price of energy purchased by public electricity distribution service providers for eligible users (with consumption of less than 150 kWh per month) was reduced by up to 100%. MINEM Resolution No. 219/2016 and amendments thereto defined the eligibility conditions for the Social Tariff.¹⁹⁴

4.174. Meanwhile, ENRE established and approved new tariff scales as of 1 February 2016 for EDENOR S.A. and EDESUR S.A.¹⁹⁵ EDENOR S.A. and EDESUR S.A. were also instructed to suspend the application of the additional charges for excess consumption contemplated in the Programme for Rational Use of Electric Power (PUREE), and this programme was abolished. In April 2016, ENRE approved the 2016 Distribution Tariff Review Programme, which established the criteria, methodology and work plan for the Comprehensive Tariff Review (RTI) process to be conducted by EDENOR and EDESUR.¹⁹⁶ ENRE approved the 2016 Electricity Transport Tariff Review programme by means of Resolution No. 524 of 28 September 2016. ENRE Resolutions Nos. 63/2017 and 64/2017, both published in the Official Journal of 1 February 2017, approved the distribution costs resulting from the RTI of EDENOR and EDESUR, respectively. ENRE Resolution No. 66/2017 approved the remuneration for the extra-high voltage electricity transport service under national jurisdiction (TRANSENER).

(GUME), with a power demand for own consumption greater than or equal to 30 kW and less than 2,000 kW, and contracting all their energy in the MEM; and (c) individual large users (GUPA), with a power demand for own consumption greater than or equal to 30 kW and less than 100 kW, when such users contract 100% of their electricity demand with a recognized MEM generator.

¹⁹³ MINEM Resolution No. 6 of 25 January 2016; SEE Resolution No. 41 of 25 April 2016; SEE Resolution No. 384/2016 of 27 October 2016; SEE Resolution No. 20/2017 of 27 January 2017; SEE Resolution No. 256/2017 of 28 April 2017; SEE Resolution No. 979/2017 of 1 November 2017; SEE Resolution No. 1.091 of 30 November 2017; SGE Resolution No. 366 of 2 January 2019; and SRRyME Resolution No. 14 of 29 April 2019.

¹⁹⁴ Annex I of MINEM Resolution No. 219/2016 contains the eligibility criteria for beneficiaries of the Social Tariff.

¹⁹⁵ ENRE Resolution No. 1/2016 of 29 January 2016.

¹⁹⁶ ENRE Resolution No. 55/2016 of 1 April 2016.

4.175. The tariff readjustment process was suspended as a consequence of the economic crisis that began in 2018 and deepened during 2019. Law No. 27.541 (Official Journal of 23 December 2019) empowered the National Executive to maintain electricity tariffs under federal jurisdiction and to initiate a process of renegotiation of the Comprehensive Tariff Review to reduce the real tariff burden on households, businesses and industries by 2020. The provinces were also invited to adopt these policies of maintaining tariff scales and renegotiating or revising the tariffs of the provincial jurisdictions on an extraordinary basis. The Law empowered the National Executive to intervene in ENRE's administration for one year and maintained the competence of the Executive Power over the public energy distribution service of EDENOR and EDESUR during the emergency.¹⁹⁷ In this framework, Decree No. 1.020/2020 established guidelines for the tariff renegotiation process of the public electricity transport and distribution services.

4.2.4.3 Incentives for the energy sector

4.176. Argentina maintains programmes to promote efficient energy use, such as the National Programme for Rational and Efficient Use of Energy or PRONUREE (PE Decree No. 140/2007 of 21 December 2007), and the Energía Plus programme (SE Resolution No. 1.281/06, published on 4 September 2006), which seeks to promote the increase of electricity generation capacity and ensure electricity supply for public lighting and to households, public entities, MSMEs, and small users with consumption of up to 30 kW.

4.177. Argentina also has several programmes to promote renewable energy. The National Directorate of Renewable Generation maintains the National Registry of Renewable Electricity Generation Projects (RENPER). The Regime for National Promotion of the Use of Renewable Energies to Generate Electrical Power¹⁹⁸ sets the objective of increasing the share of renewable energy sources in the electricity matrix to 8% of national annual consumption by 31 December 2017, 12% by 31 December 2019, 16% by 31 December 2021, 18% by 31 December 2023, and 20% by 31 December 2025. The benefits granted by the Regime include accelerated depreciation in the calculation of income tax and early VAT refund for capital goods, civil, electromechanical and assembly works and other related services integrated into new generation plants or existing plants.

4.178. The Regime gives preference to projects that use all capital goods of national origin. Beneficiaries of the Regime that in their investment projects demonstrate a 60% inclusion of national components in electromechanical installations (excluding civil works), or a lower percentage, but not less than 30%, if it is demonstrated that there is no national production available, will additionally have the right to receive a tax certificate applicable to the payment of national taxes, to a value equivalent to 20% of the national component of the accredited electromechanical installations. The inclusion of capital goods of foreign origin is authorized when it is proven that there is no competitive technological offer at the local level. Law No. 27.191 of 2015 introduced the Second Stage of the Regime, which applies to investment projects initiating execution between 1 January 2018 and 31 December 2025. The same Law provided for the application of a 0% extra-zone import duty for goods without local production or parts that are necessary for local integration under the Regime until 31 December 2017. Decree No. 814/2017 (Official Journal of 11 October 2017) extended the application of the 0% tariff for these products for 60 months as from 1 January 2018.

4.179. Also within the framework of Law No. 27.191, the RenovAr Programme was implemented in 2016 to promote the use of renewable energy via joint purchases by Large Users through CAMMESA.¹⁹⁹ In Round 1, a total of 29 projects were awarded for a total of 1,143 MW, representing 3.1% of electrical power consumption. In Round 1.5, which included projects submitted and not awarded in Round 1, some 10 wind energy projects were awarded for a total of 765.4 MW and 20 solar energy projects for a total of 516.2 MW.²⁰⁰ In Round 2, a total of 88 projects were awarded

¹⁹⁷ The National Emergency Law suspended the application of the provisions of the second paragraph of Article 124 of Law No. 27.467 (Official Journal of December 2018), which provided that, once the transfer of EDENOR and EDESUR to the jurisdiction of the Province of Buenos Aires and the Autonomous City of Buenos Aires, respectively, was effective as of 1 January 2019, ENRE would maintain its functions in all matters not related to the public electricity distribution service.

¹⁹⁸ Law No. 26.190 of 27 December 2006 and Law No. 27.191 (Official Journal of 21 October 2015).

¹⁹⁹ Information from CAMMESA. Viewed at: <https://portalweb.cammesa.com/Pages/RenovAr.aspx>.

²⁰⁰ Ministry of Energy and Mining, Under-Secretariat of Renewable Energy (2016), *Energías Renovables en Argentina Adjudicación de Proyectos*, Buenos Aires, 25 November 2016. Viewed at: <https://portalweb.cammesa.com/Documentos%20compartidos/Noticias/RenovAr/Presenta%20MINEM%20Ronda%201.5%20Adjudicacion%202016%20nov%2025.pdf>.

for a total of 2,043 MW; while in Round 3, which was oriented towards smaller scale projects connected to medium and low voltage grids, 38 projects were awarded for a total of 259 MW. In addition, 10 previous contracts were readjusted through Resolution No. 202/2017.

4.180. In 2017, the Regime for the Forward Market of Electrical Power from Renewable Sources (MATER)²⁰¹ was established, which regulates MATER contracts and the self-generation of electrical power from renewable sources and applies to consumers with an average demand equal to or greater than 300 kW. Participation in the Regime is not mandatory; however, if enterprises participate in this purchasing mechanism, on being included in the list of Qualified Large Users (GUH), they obtain benefits with respect to the amounts to be paid as a joint purchase charge. Meanwhile, power reserve charges are reimbursed in proportion to the energy purchased. The corresponding amounts are adjusted according to the year the enterprise entered MATER. As of March 2021, there were 353 GUMAS and 483 GUMES participating in the MEM as GUH. The Regime also provides incentives for exceeding the targets set for each year in the form of lower sales charges.²⁰² In addition to the sales charge, an administration charge of USD 0.05 per MWh is charged for the period between 2019 and 2024, which will be reduced to zero from 2025 onwards.

4.181. Law 27.424 (Official Journal of 27 December 2017), Regime for the Promotion of Distributed Generation of Renewable Energy to the Public Electrical Power Grid, sets the policies and establishes the legal and contractual conditions for the generation of electrical power from renewable sources by users of the distribution grid, for self-consumption, with the eventual injection of surpluses to the grid. It establishes the obligation of public distribution service providers to facilitate such injection, ensuring free access to the public electricity grid. The Law allows end users to generate their own energy through renewable sources for self-consumption and injection of surpluses into the electricity distribution system and provides for benefits such as tax credit certificates for the user-generator. By the end of March 2021, the Distributed Generation Regime had 411 authorized user-generators, 3.76 MW installed, 12 provinces and 143 registered distributors and electricity cooperatives.

4.3 Manufacturing

4.3.1 Overview

4.182. Manufacturing's share of GDP was 13.9% in 2020 (including food processing), compared to 15.2% in 2012. The main branches of activity in the manufacturing sector are food and beverages; chemical substances and products; manufacturing of basic metals; machinery and equipment; rubber and plastic products; and non-metallic mineral products (Table 1.1). The loss of dynamism in the manufacturing industry is partly due to competitiveness problems, weak domestic demand, and faster growth in other productive activities, such as agriculture, mining and some services. Over the 2012-19 period, gross value added in the manufacturing sector declined by 16% in physical volume terms (equivalent to an annual average decline in GDP for manufacturing of -2.5%). Almost all manufacturing sectors experienced a contraction, with the best performance coming from the chemical industry.

4.183. After rebounding somewhat in 2017, when it expanded by 2.5%, the industrial production index (IPI) for manufacturing shrank by 5% in 2018 and by 6.4% in 2019.²⁰³ In 2020, the manufacturing IPI fell by 7.6% compared to 2019.²⁰⁴ The degree of installed capacity utilization in

²⁰¹ MEyM Resolution N° 281-E/2017.

²⁰² The sales charge, which is payable from January 2019, increases according to the obligatory renewable energy coverage targets. In 2017-18, when the obligatory target was 8%, the charge was zero; in 2019-20, when that target was 12%, the charge was USD 6/MWh; in 2021-22, when the target is 16%, the charge is USD 10/MWh; in 2023-24, when the target is 18%, the charge will be USD 14/MWh; and from 2025, when the target is 20%, the charge will be USD 18/MWh. A percentage decrease of between 20% and 100% is applied to this charge, per user, depending on their average monthly power generated by renewable energy.

²⁰³ Information from INDEC. Viewed at: <https://www.indec.gob.ar/indec/web/Nivel4.Tema.3.6.14>.

²⁰⁴ By branch, the following trends were observed: food and beverages recorded an increase of 0.2%; tobacco products, 0.7%; textile products, -19.3%; apparel, leather and footwear, -32.9%; wood, paper, publishing and printing, -2.1%; petroleum refining, coke and nuclear fuel, -13.6%; chemical substances and products, 2.4%; rubber and plastic products, -7.3%; non-metallic mineral products, -13.4%; basic metal industries, -22.6%; metal products, -21.0%; machinery and equipment, 4.1%; other equipment, appliances and instruments, -16.2%; motor vehicles, bodies, trailers and auto parts, -21.3%; other transport equipment, -37.0%; and furniture and mattresses, and other manufacturing industries, -7.3%. INDEC (2020), Vol. 5, No.

the industry stood at 58.4% in December 2020, up from 56.9% recorded in the same month in 2019. The subsectors that in December 2020 showed levels of installed capacity utilization above the general level are basic metal industries (73.5%), petroleum refining (72.0%), non-metallic mineral products (69.2%), chemical substances and products (63.7%), and paper and cardboard (62.6%). The subsectors below the general level are food and beverages (56.9%), publishing and printing (52.1%), mechanical engineering except motor vehicles (49.7%), rubber and plastic products (49.5%), tobacco products (46.7%), textile products (42.4%) and the automotive industry (41.0%).²⁰⁵

4.184. Most industrial activity takes place in the provinces of Buenos Aires (more than half of the total), Santa Fe, Cordoba and Mendoza, as well as in CABA. In 2018, manufacturing accounted for 18.4% of registered jobs in Argentina, with the food processing industry (31.6% of the sector total), chemicals (8.9% %), and textiles and made-up articles (8.6%) providing the most jobs.²⁰⁶

4.185. Manufacturing exports (including processed food, but excluding fuels) account for about two-thirds of total exports, approximately USD 43 billion in 2019.²⁰⁷ The main exports of manufactured goods in 2019 were: meal and pellets resulting from the extraction of soybean oil (USD 8,809 million); motor vehicles for the transport of goods (USD 4,008 million) and motor vehicles for the transport of persons (USD 1,459 million). Imports of manufactured goods, for their part, consist mainly of capital goods; products of the chemical or allied industries; plastics, rubber and articles thereof; parts and accessories for capital goods; consumer goods; and passenger motor vehicles.

4.186. The Secretariat for Industry, the Knowledge Economy and Foreign Trade Management in the MDP is the entity responsible for the design, coordination and promotion of industrial development policies in the manufacturing sector. Within the Secretariat, the Under-Secretariat for Industry is responsible for defining industrial policy and the design, financing and utilization of the tools needed to promote the development of manufacturing activity and investment in the sector. The Under-Secretariat for Trade Policy and Management develops and administers trade policy instruments related to export promotion, unfair competition and free trade zones, as well as trade agreements with other countries. The Under-Secretariat for the Knowledge Economy promotes the incorporation of knowledge and innovation in production systems. The Secretariat for Small and Medium-Sized Enterprises (SEPYME), also in the MDP, is responsible for defining the strategic guidelines for policies relating to micro, small and medium-sized enterprises (MSMEs).²⁰⁸

4.187. In the period under review, the authorities implemented initiatives to promote sustainable development. The National Programme of Entrepreneurs for Sustainable Development (PROESUS), launched in 2016 to foster the development of sustainable ventures, functioned as a platform to facilitate the creation and strengthening of sustainable and innovative business models.²⁰⁹ The programme was abolished by the Ministry of the Environment and Sustainable Development by Resolution No. 200/2020 of 12 June 2020.

4.3.2 Trade measures and support measures

4.188. The simple average MFN tariff in the manufacturing sector (ISIC definition) was 11.9% in 2020, or 11.5% according to the WTO definition of non-agricultural products, or 11.6% if Chapters 25 to 97 of the Harmonized System are considered (Section 3.1). Tariffs range from 0 to 35%. The highest average tariffs according to the WTO classification are on clothing (35.0%), textiles (22.5%), transport equipment (18.5%), footwear and leather articles (15.2%). During the period under

19, *Industria manufacturera, Índice de producción industrial manufacturero*, December 2020. Viewed at: https://www.indec.gob.ar/uploads/informesdeprensa/ipi_manufacturero_02_2103A40FF433.pdf.

²⁰⁵ INDEC (2020), *Vol. 5, No. 21, Industria manufacturera, Utilización de la capacidad instalada en la industria*, December 2020. Viewed at:

https://www.indec.gob.ar/uploads/informesdeprensa/capacidad_02_214ABA20231A.pdf.

²⁰⁶ Statistics of the Ministry of Labour, Employment and Social Security. Viewed at: <http://www.trabajo.gob.ar/estadisticas/oede/estadisticasnacionales.asp>.

²⁰⁷ Data for 2020 are affected by the cessation of activity due to the COVID-19 pandemic.

²⁰⁸ Information from INTI. Viewed at: <https://www.inti.gob.ar/conoces.al.inti>.

²⁰⁹ Secretariat for the Environment and Sustainable Development, *PROESUS, Manual de Métricas e Indicadores para Emprendimientos Sustentables*. Viewed at:

<https://www.argentina.gob.ar/ambiente/sustentabilidad/innovacion.para.el.desarrollo/proesus/metricas.indicadores>.

review, imports of a large number of manufactures have continued to be subject to non-automatic import licensing; the composition of the products subject to licensing requirements has varied over time (see Section 3).

4.189. The export of most manufactured goods is currently subject to a 5% duty. Decree No. 793/2018 of 3 September 2018 fixed, until 31 December 2020, a rate of 12% for all goods covered by Argentina's tariff, establishing a limit for its application of ARS 3 or ARS 4 for each USD of the dutiable value or of the official price, as applicable. Decree No. 847/2019 of 6 December 2019 provided for the temporary elimination of export duties for raw hides, skins and leather (HS4101; 4102; 4103; 4104), for exports within an export quota of 2 million units. Decree No. 37/2019 of 14 December 2019 amended Decree No. 793/2018 and established a 9% duty for certain products included in HS Chapters 44; 47; 51; and 52, among others; while Decree No. 230/2020 of 4 March 2020 increased the export duty rate to 5%, 7%, 9%, 27%, 28%, 30% and 33% for 558 tariff lines of 8 digits (611 if parts of lines are included), of HS Chapters 01; 02; 03; 05; 07; 10; 11; 12; 15; 20; 23; 38; 44; and 51.

4.190. Decree No. 280/2019 of 17 April 2019 (Official Journal of 7 May 2019) provides, until 31 December 2020, for the relief from export duty for exports of MSMEs that exceed, in terms of their f.o.b. value, those made in the previous calendar year. Decree No. 335/2019 of 6 May 2019 (Official Journal of 7 May 2019) establishes that this relief applies only in respect of exports of the goods covered by the tariff positions detailed in Annex I (which, however, represent the vast majority of tariff lines), made as from the date of the transaction with which the f.o.b. value referred to above has been exceeded. The amount eligible for relief is subject to caps: USD 600,000 for those who had exported in the immediately preceding calendar year, and USD 300,000 for those who, at the time of publication of the Decree, had not exported in the immediately preceding calendar year.²¹⁰

4.191. Argentina provides assistance to its manufacturing sector through horizontal fiscal incentive schemes (Section 3.3.1), as well as export promotion schemes such as free export zones or temporary admission (Section 3.2.3). Special arrangements also apply to the production of capital goods under the capital goods, information technology and telecommunications products regime. The manufacturing sector can also benefit from special credit facilities for research and development projects and for technological development and innovation through the Scientific and Technological Research Fund (FONCyT), the Argentine Technological Fund (FONTAR), the Trust Fund for Promotion of the Software Industry (FONSOFT), and the Argentine Sectoral Fund (FONARSEC), administered by the National Agency for the Promotion of Technological Research, Development and Innovation (RDI agency), a national body attached to the Ministry of Science, Technology and Innovation. In 2020, the benefits allocated for RDI totalled ARS 3,118.6 million, of which ARS 2,423.2 million was for FONCyT, ARS 536.4 million for FONTAR, and ARS 159.0 million for FONARSEC (Section 3.3.1).

4.192. RDI supports, through FONTAR tax credit programmes and lines of credit, projects aimed at enhancing private-sector productivity through technological innovation. The credit programmes include: (a) Investment and Foreign Trade Bank (BICE) business Loans (CAE BICE) to promote the technological modernization of products or processes of goods-producing companies established in the country that have invoiced up to ARS 200 million in the last financial year; (b) business loans (CAE) to improve the competitiveness of goods-producing and services companies through the technological modernization of products or processes²¹¹; and (c) competitiveness loans (CRE CO), aimed at improving the competitiveness of goods-producing and services companies in different branches of activity through research, technological development, or technological modernization projects. RDI also manages the technological modernization tax credit programme, which aims to improve the productive structures and innovative capacity of goods-producing and services companies through financing for research-and-development and technological modernization projects. The beneficiaries are natural or legal persons who are owners of goods-producing and/or services companies located in Argentina and who do not receive any promotional benefit or RDI funding for the same project or any of its stages. Tax credit certificates are granted that can be

²¹⁰ Annex I contains some 9,470 tariff lines, i.e. 92.6% of tariff items. This annex can be viewed at: http://servicios.infoleg.gob.ar/infolegInternet/anexos/310000_314999/314042/DEC335.pdf.

²¹¹ The types of projects financed by this programme can be viewed on the website of the National Agency for the Promotion of Science and Technology at: <http://www.agencia.mincyt.gob.ar/frontend/agencia/instrumento/18>.

deducted from income/profits tax in an amount of up to 50% of the project's total budget. Credit quotas are established by region and there is competition for parts of this quota.²¹²

4.193. SMEs are eligible for a number of tax incentives (Section 3.3.1). They are also eligible for an interest subsidy scheme and credit access services through mutual guarantee societies (SGRs).²¹³ MSMEs can benefit from the provisions contained in the title of the Law on productive financing (Official Journal of 11 May 2018), that introduced "MSME electronic credit invoices", which are negotiable and transferable securities. The "invoices" may be traded in the markets authorised by the National Securities Commission and receive the tax treatment corresponding to negotiable securities offered to the public. According to the authorities, between January 2020 and March 2021, 577,264 invoices were issued for an amount of ARS 525,514.7 million.

4.194. The incentive scheme aimed at promoting domestic manufacturing of capital goods, IT and telecommunications was modified several times during the period under review.²¹⁴ The benefit under the scheme consists of a transferable tax credit bond, equivalent to a percentage of sales, for the production of goods that are set out in the annex to the Decree (updated text).²¹⁵ The goods must be new, locally produced and intended for investments in economic activities taking place in the national territory.²¹⁶ The scheme also benefits goods that form part of complete and autonomous production lines, are manufactured in the country, and are allocated to new industrial plants or to the expansion and/or modernization of existing plants producing tangible goods. The tax credit bond is nominative and can be assigned to third parties only once. The bond can be used for the payment of national taxes and is valid for 12 months from the date of issue. Under Decree No. 96/2020, (Official Journal of 22 January 2020), for requests for the issuance of tax bonds for invoices issued up to 31 December 2020, a benefit was granted equivalent to 50% (60% for MSMEs) of the sum of: (i) 6% of the amount resulting from deducting from the sales price the value of inputs, parts or components of imported origin incorporated into the good, having been nationalised with an import duty of 0%; and (ii) 8% of the amount resulting from deducting from the sales price the value of the aforementioned inputs, parts or components plus the value of inputs, parts or components nationalised with an import duty of more than 0%. This benefit could be increased by up to 15% if the beneficiaries were able to prove that they had made investments aimed at enhancing productivity, quality and innovation in processes and products. Thus, the amount of the tax bond could be up to 9.7% of total net sales in the local market.²¹⁷

4.195. In 2016, the National Programme for Productive Transformation (PNTP) began to be implemented.²¹⁸ Industrial enterprises that are enrolled in the PNTP register, were established before the PNTP came into force, and are considered "dynamic enterprises" (evincing rapid growth or growth potential) can benefit from the PNTP; industrial processing enterprises (ETPs) established up to two years prior to the PNTP can also benefit from the PNTP.²¹⁹ To be admitted as an ETP, two or more of the following criteria must be met: (a) an increase in suspensions or a decrease in overtime in its payroll over the previous six months; (b) a projection of a decline in the company's payroll and/or sales of 20% or more compared to the year prior to the application; (c) an increase in imports of 40% or more in relation to the same quarter the previous year; (d) a quarterly fall in exports of 40% or more in comparison to the same quarter the previous year; (e) be part of a sector that has

²¹² Information from the National Agency for the Promotion of Science and Technology. Viewed at: <http://www.agencia.mincyt.gob.ar/frontend/agencia/instrumento/16>.

²¹³ Law No. 24.467 of 15 March 1995.

²¹⁴ Decree No. 379/2001 of 29 March 2001 implemented the scheme. The amendments were introduced by Decree No. 593/2017 (Official Journal of 31 July 2017); Decree No. 229/2018 (Official Journal of 19 March 2018); and Decree No. 96/2020 (Official Journal of 22 January 2020).

²¹⁵ Decree No. 229/2018 (Official Journal of 19 March 2018).

²¹⁶ The components of the production lines need not necessarily be included in the range of tariff positions detailed in the annex to the Decree. The updated version of the annex was incorporated by Decree No. 593/2017 (Official Journal of July 2017), and went into force on 1 July 2017. The annex can be viewed at: <http://servicios.infoleg.gob.ar/infolegInternet/anexos/65000.69999/66567/texact.htm>.

²¹⁷ The amount of imported machinery or materials used for manufacturing or construction affects the calculation of the bond. The value of 9.7% corresponds to the bond that would be obtained by an MSME with 100% domestic inputs and benefiting from the additional 15% for investment. Information from MINAGRI. Viewed at: <https://www.argentina.gob.ar/acceder.un.bono.por.fabricar.bienes.de.capital>.

²¹⁸ Established by Joint Resolution No. 1/16 of the Ministry of Production and the Ministry of Labour, Employment and Social Security, the implementing regulations of which are contained in Resolution E58-E 216 of the Ministry of Production (Official Journal of 7 December 2016).

²¹⁹ Excludes agribusinesses; fishing or mining companies; public utilities; non-tradable service enterprises; and cooperatives and mutual associations.

at least 20% of its tariff positions covered by non-automatic import licenses; (f) be or have been part of a sectoral promotion scheme; (g) account for 20% or more of formal jobs in the locality where it pursues its activity; and (h) ETPs on the register account for at least 30% of its sales. The benefits are granted upon completion of the final productive transformation project or final investment project and include: direct loans; interest subsidies; guarantees; non-refundable contributions when it is not feasible to implement a loan; and capital contributions in companies and/or loans convertible into shares. For ETPs, the rate subsidy can be up to six percentage points.²²⁰ The amount and/or conditions of the benefit to "dynamic enterprises" depends on the number of workers incorporated from the PNTF.

4.196. Although it has lost dynamism during the period under review, the automotive sector is important for Argentina. It is estimated that the entire local value chain accounts for around 8% of industrial employment, generating 78,000 direct jobs and around 160,000 indirect jobs. The sector accounts for more than 40% of Argentina's exports of manufactured goods, and is the country's second-largest exporter value chain. Imports of cars and light utility vehicles from outside the MERCOSUR zone, together with imports of heavy commercial vehicles, are generally subject to a 35% tariff, with the exception of self-propelled agricultural and highway machinery, which pays 14%. Auto parts are generally subject to a common external tariff (CET) of 14%, except for those not produced in MERCOSUR; these pay a CET of 2%.²²¹

4.197. The incentives scheme to improve the competitiveness of local auto parts, established by Decree No. 774 of 5 July 2005, grants for a maximum period of three years a cash refund on the value of purchases of local auto parts by manufacturers of automotive products, provided that they have a maximum imported content of any origin of 30%.²²² Such parts must be intended for production, incorporated into new platforms and be purchased by manufacturers of cars, utility vehicles with a load capacity of up to 1,500 kg, lorries, chassis with or without cabs and buses, engines, gearboxes and axles with differentials. The automotive industry can also benefit from the in-factory customs procedure (RAF), which allows eligible companies to import specific goods and incorporate them in products for export, re-export them without processing or import them for consumption without paying tax until the operations have been completed.²²³

4.198. The automotive sector is excluded from MERCOSUR, and its trade has been governed by bilateral agreements between trading partners. In September 2019, Argentina and Brazil signed a new agreement extending managed free trade in automotive production (Flex) until 2029. The Automotive Agreement between Argentina and Brazil is governed by the 38th Additional Protocol to ECA No. 14, signed in July 2008, as amended by several other additional protocols, the most recent of which, the 44th Additional Protocol, extended indefinitely the term of the 38th Additional Protocol. Under the provisions of the 38th Additional Protocol, automotive products are traded between the parties with a 100% tariff preference, in other words, with an intra-zone tariff of 0%, provided that they meet the origin requirements and the other conditions stipulated in the agreement. The regional content must be a minimum of 60%. In order to benefit from the import of auto parts not produced in MERCOSUR under the Agreement's preferential conditions (2% tariff), companies producing automotive products must be registered in the appropriate register of producers.

4.199. The 44th Additional Protocol provides that the bilateral trade flow of certain products (cars and light utility vehicles with a load capacity of up to 1,500 kg; buses; lorries; road tractors for semi-trailers; chassis with engines, including with cabs; and auto parts) will be monitored on a

²²⁰ A bonus of one percentage point is granted to companies located in the provinces of Misiones, Corrientes, Chaco, Formosa, Santiago del Estero, La Rioja, Catamarca, Tucumán, Salta and Jujuy or Greater Buenos Aires. In addition, ETPs receive a bonus of 5 percentage points if their payroll is maintained at 100%; 4 percentage points if it is maintained at 90%; 3 percentage points if it is maintained at 80%; 2 percentage points if it is maintained at 70%; and 1 percentage point if it is maintained at 60%.

²²¹ Pursuant to Resolution No. 497 of 23 July 2004, which establishes a list of products not manufactured in Argentina and has been updated several times, the most recent being Resolution No. 25 of 10 August 2010.

²²² The refund is 8% of the ex-factory value before tax in the first year of production of the vehicle, 7% in the second year and 6% in the third year of the vehicle's production. The NCM headings that benefit from the refund are: 8415.20.10; 8415.20.90; 8527.21.10; 8527.21.90.100G; 8527.29.00; 8527.29.00.100P; 9032.89.29.900K; 8526.92.00.000F; 8537.10.90.900V; 8407.33.90; 8407.34.90; 8407.90.00; 8408.20.10; 8408.20.20; 8408.20.30; 8408.20.90; 8408.90.90; 8708.40.11; 8708.40.19; 8708.40.90; 8708.50.11; 8708.50.19; 8708.50.90; 8708.60.10; and 8708.60.90.

²²³ Decree No. 688/2002 and amendments thereto.

quarterly basis until 30 June 2029, by country. There is no maximum limit for exports, with a 100% preference margin as long as they remain within the annual limits in the variation coefficients determined for exports (Flex).²²⁴ During the period from 1 July 2020 to 30 June 2023, the ratio between the value of imports and exports between the parties shall adhere to a Flex of no more than 1.8.²²⁵ After 1 July 2029, the commerce in automotive products between the parties will be subject to free trade. In addition, the regional content index (RCI) provisions of the 38th Additional Protocol were amended and reduced from 60% to 50% for a series of automotive products.²²⁶ The RCI for auto parts, except assemblies and sub-assemblies, will continue to be 60% for a period of seven years, until 31 December 2026. From 1 January 2027, the "specific requirements of origin" laid out in Appendix II of the Additional Protocol will apply to auto parts, including assemblies and sub-assemblies. In addition, the RCI provisions for new models were amended, establishing that those produced in the territory of one of the parties under the progressive integration programmes would reach an RCI of 50% in a maximum of two years and have an RCI of 35% at the beginning of the first year and a minimum of 40% at the beginning of the second year, reaching 50% at the beginning of the third year. It is also stipulated that the parties will grant a 100% margin of preference to imports of 10,000 units per year for vehicles under NCM heading 8703, when they meet a minimum RCI of 35%. The distribution of that quota, with a maximum of 20% of the total quota per model, will be made by the exporting country and its utilization monitored on a quarterly basis. Provision is also made for a 100% margin of preference to be granted to certain vehicles that meet a minimum RCI of 35%, for a period of 10 years from 1 January 2020, according to a schedule of increasing annual quotas.²²⁷

4.200. Under the 2nd Additional Protocol to the Bilateral Agreement with Uruguay (ECA No. 57), which entered into force in 2008, cars and light commercial vehicles (with a load capacity of up to 1,500 kg), lorries and auto parts from Uruguay enjoy duty-free access without limitations if they comply with the MERCOSUR origin requirement (60%), and may also enter under preferential origin conditions (50%) but subject to quotas of 20,000 units, 800 units and USD 60 million, respectively. According to the authorities, these quotas are hardly used in practice.

4.201. Through its participation in MERCOSUR, Argentina signed an agreement (ECA 55) with Mexico in September 2002 with a view to creating a free trade area for the automotive sector.²²⁸ Under the 4th Protocol to the ECA, trade in automobiles, vehicles with a loaded vehicle gross weight of 8,845 kg or less, car bodies, trailers and semi-trailers, and agricultural tractors, combine harvesters, self-propelled agricultural machinery and road machinery was liberalized as of 1 July 2011; however, implementation of the agreement was suspended for three years in 2012.²²⁹ In March 2015, Argentina and Mexico signed the 5th Additional Protocol to Appendix I of ECA 55, which imposed for four years reciprocal quotas expressed in USD, with a 0% tariff on imports of cars and vehicles with a weight of 8,845 kg or less.²³⁰ Although it was planned to enter a free trade phase on 19 March 2019, Argentina and Mexico agreed to continue with quota-based administered trade for three more years, with an annual increase in quotas of 10% in the first year, 5% in the second

²²⁴ The Flex limit regulates the amount that can be imported for each dollar of exports f.o.b. to the partner country.

²²⁵ In the period from 1 July 2023 to 30 June 2025, the value of imports and exports of administered products between the parties shall observe a Flex not exceeding 1.9; in the period from 1 July 2025 to 30 June 2027, the Flex shall not exceed 2; in the period from 1 July 2027 to 30 June 2028, the Flex shall not exceed 2.5; and in the period from 1 July 2028 to 30 June 2029, the Flex shall not exceed a value of 3.

²²⁶ Calculated according to the following formula: $RCI = \{1 - \text{Customs value of non-originating materials}\} \times 100 \geq 50\%$ of the f.o.b. export value of the finished product. The goods covered are cars and light utility vehicles with a load capacity of up to 1,500 kg; buses; lorries; road tractors for semi-trailers; chassis with engines; trailers and semi-trailers; coachwork and cabs; agricultural tractors, combine harvesters and self-propelled agricultural machinery; self-propelled highway machinery; and auto part assemblies and sub-assemblies.

²²⁷ NCM tariff items 8702, 8703.40.00, 8703.50.00, 8703.60.00, 8703.70.00, 8703.80.00 and 8704. The quotas are: 2020: 15,000 units; 2021: 18,500; 2022: 22,000; 2023: 25,500; 2024: 29,000; 2025: 32,500; 2026: 36,000; 2027: 39,500; 2028: 43,000; 2029: 50,000.

²²⁸ Economic Complementarity Agreement (ECA) No. 55. Viewed at: http://www.sice.oas.org/Trade/MERCOSURMexACE55/Protocols/VProt_ApenI_s.asp.

²²⁹ Decree No. 969 of 22 June 2012.

²³⁰ In 2017, bilateral trade in the automotive sector between Argentina and Mexico within the framework of ECA No. 55 amounted to USD 1,075 million. Argentina's imports were USD 805 million, and its exports USD 270 million. In 2018, the Argentina-Mexico automotive trade under ECA No. 55 amounted to USD 817 million. See: *Comercio Automotor México-Argentina (Apéndice I)*. Viewed at: http://www.sice.oas.org/TPD/MER_MEX/Implementation/ARG_MEX_Protocol_2019_s.pdf.

year and 5% in the third year. After this period, free trade in cars will enter into force.²³¹ Quotas are allocated to exporting companies, administered by the exporting party, and verified by the importing party. Despite the quota, there is no maximum limit for imports under the full tariff preference, as long as the amounts are equivalent to the values exported. An RCI of 35% applies from 19 March 2019 until the establishment of free trade in vehicles, and 40% from the entry into force of free trade. The formula for calculating the RCI on the basis of free trade has not yet been established. New automotive products (cars and other light vehicles) are considered as originating when, as a result of a production process carried out entirely in the territory of either party, the RCI is at least 20% in both of the first two years. In the third year, a 35% RCI will apply. For some products a lower RCI was temporarily established.

4.202. In 2002, the 31st Additional Protocol to ECA No. 35 was signed. This established, from 2006 onward, free trade between Argentina and Chile in cars, light commercial vehicles (with a load capacity of up to 1,500 kg), lorries, road tractors for semi trailers, chassis with engines, buses and auto parts. The Agreement's rules of origin were amended in 2018 and again in 2020, making them more flexible and setting an RCI of 50%.²³² Under ECA No. 72, Argentina grants a tariff preference of up to 100% to a number of automotive products originating in Colombia. For some products, specific quotas and rules of origin apply. Under the same agreement, Argentina grants certain chemical industry products originating in Colombia a 100% tariff preference. Argentina also uses preferential quotas for imports of certain manufactured products under the ECAs signed with Peru (ECA No. 58, mainly textiles and clothing), Colombia, Venezuela and Ecuador (ECA No. 59) and Cuba (ECA No. 62).

4.4 Services

4.4.1 Main features

4.203. Services accounted for 55.2% of GDP at factor cost in 2020 and 66% at market prices (including indirect taxes net of subsidies). Wholesale, retail trade and repairs was the most important category relatively speaking (14.8% of GDP at factor cost), followed by real estate, business and renting activities (10.0%), public administration and defence and compulsory social security (6.4%), education (5.2%), financial intermediation services (4.5%), health and social services (4.4%), transport (2.9%), communications (2.3%), other community, social and personal service activities (2.0%), hotels and restaurants (1.1%), and domestic services (0.6%). Transport and communications, as well as hotels and restaurants, were particularly affected by the COVID-19 pandemic (Section 1).

4.204. Services activities are mostly open to foreign investment. The main exceptions are air and maritime cabotage, as well as insurance, where reciprocity is required. Argentina is at a deficit where trade in services is concerned. In 2019, the deficit totalled USD 5,183 million, the result of revenues of USD 14,134 million and expenditures of USD 19,349 million. Travel and transport are in high deficit, while telecommunications and information technology are in surplus (Table 1.5). In 2020, as a result of the COVID-19 pandemic, the deficit was reduced to USD 2,367 million, mainly due to the contraction in travel and transport, where outflows fell from USD 5,241 million in 2019 to USD 1,616 million in 2020, and from USD 1,852 million to USD 1,258 million, respectively (Section 1).

4.205. Decree No. 1.201/18 (Official Journal of 2 January 2019) established, until 31 December 2020, a duty on the export of services of 12%.²³³ The export duty imposed could not exceed ARS 4 per USD of dutiable value. Law No. 27.541 (Official Journal of 23 December 2019) provided that the export duty rates for industrial goods and for services may not exceed 5% of the dutiable value or of the official f.o.b. price. As a result, Decree No. 99/2019 (Official Journal of

²³¹ The quotas were as follows: from 19 March 2015 to 18 March 2016, USD 575 million; from 19 March 2016 to 18 March 2017, USD 592.25 million; from 19 March 2017 to 18 March 2018, USD 612.98 million; from 19 March 2018 to 18 March 2019, USD 637.5 million.

²³² Economic Complementarity Agreement (ECA) No. 35. 65th Protocol, 20 December 2020. Viewed at: http://www2.aladi.org/biblioteca/publicaciones/aladi/acuerdos/ace/es/ace35/ACE_035_065.pdf.

²³³ It applies to the supply of services performed in the country, the effective use or exploitation of which occurs abroad; the supply of services performed abroad, the effective use or exploitation of which occurs in the country; and copyright and intellectual property rights. Article 10 of Law No. 22.415 (Customs Code).

28 December 2019) was issued, which fixed, until 31 December 2021, an export duty of 5% on the provision of services.

4.4.2 Financial services

4.4.2.1 Main features

4.206. The financial system in Argentina is regulated by three supervisory bodies. The Central Bank of Argentina (BCRA), through the Supervisory Authority for Financial and Foreign Exchange Establishments (SEFyC), regulates and supervises financial institutions, namely: banks, finance companies, credit funds and cooperatives; exchange houses and exchange agencies; and credit card issuers and non-financial credit providers. The National Insurance Supervisory Authority (SSN), within the Ministry of the Economy, is responsible for the supervision and regulation of the insurance market. The National Securities Commission (CNV), also within the Ministry of the Economy, is in charge of regulating the Argentine capital market.

4.207. Argentina has specific commitments on financial services under the GATS in its initial schedule of concessions. Argentina did not submit an offer in the extended negotiations on these services within the framework of the GATS. In its specific commitments, Argentina bound, without limitations, consumption abroad and commercial presence in relation to all types of bank loans and deposits, financial leasing, guarantees and commitments, money market and foreign exchange instruments, derivative products, and advisory services, among others, but left unlisted new financial services unbound. Financial transactions by the government and state-owned companies were excluded.²³⁴ Argentina bound cross-border supply and consumption abroad solely for maritime and air transport insurance services and reinsurance and retrocession services. In its GATS schedule of commitments, Argentina made being a member and shareholder of the securities market a prerequisite for engaging in stock exchange transactions.

4.208. Excluding insurance services, the financial system's penetration is low, although there have been improvements in recent months. According to a report by the authorities, the ratios of deposits and loans to GDP are among the lowest in the region.²³⁵ There are a number of challenges facing financial inclusion in Argentina, including continued extension of physical and digital infrastructure, expanding the use of electronic means of payment, medium- and long-term savings and credit instruments, as well as access to financial education. One of the policies that the BCRA has set itself is to strive for greater financial inclusion through regulatory measures designed to reduce costs for institutions, in particular the digitization of some operations. The main challenges include increasing the number of access points in the financial system, and expanding the use of financial services, i.e. getting the population and enterprises to make use of financial services, for example by promoting the use of electronic payments, as well as access to credit for micro enterprises. To address these challenges, in 2019, the government developed the National Strategy for Financial Inclusion (ENIF), which seeks to promote access to and use of financial services in Argentina. Strategic objectives have been set for the period 2019-23. The ENIF has three strategic objectives: (a) to complete and improve access to savings accounts, credit, electronic means of payment, and insurance; (b) to increase the use of accounts, electronic means of payment, and other financial services; and (c) to improve the financial capabilities of the population and user protection. The ENIF gives emphasis to the role of digitization. The Financial Inclusion Coordination Council was established to coordinate measures.

4.209. The BCRA has also sought to take advantage of advances in technology to bring about greater financial inclusion.²³⁶ In that regard, the BCRA implemented regulatory measures aimed at enabling new financial products and services, rolling out more and better services, regulating prices or fees for basic financial services, and promoting digitization. The BCRA launched an "electronic means of payment agenda" to achieve greater financial inclusion and incorporate those whose banking access is precarious. In particular, the products introduced included an electronic funds transfer system between bank accounts, incorporation of new types of access points, and the implementation of electronic cheque and electronic credit invoice systems. In addition, the BCRA

²³⁴ WTO document GATS/SC/4 of 15 April 1994.

²³⁵ Ministry of the Treasury and Public Finance (2019), *Estrategia Nacional de Inclusión Financiera 2019*. Viewed at: <https://www.argentina.gob.ar/sites/default/files/estrategia-nacional-inclusion-financiera.pdf>.

²³⁶ BCRA (2020), *Informe de Inclusión Financiera* (Financial Inclusion Report), November 2020. Viewed at: http://www.bcra.gov.ar/Pdfs/PublicacionesEstadisticas/IIF_0220-i.pdf.

regulated interchange fees for debit and credit card payments in order to reduce fees and increase the participation of new acquirers or acceptors. To monitor progress in financial inclusion, the BCRA publishes its half-yearly financial inclusion report (IIF).

4.210. Despite increasing steadily in recent months, the number of financial system access points, as well as cash deposit and withdrawal points, is below that of other countries in the region, particularly in less well-off areas. By the end of 2020, the financial system had 44,534 access points, of which more than half were ATMs and the rest were self-service terminals, branches and mobile branches. Argentina went from 8.9 access points per 10,000 adults in December 2019 to 12.6 in September 2020, and had 5.2 ATMs per 10,000 adults as of the same date. There is a marked disparity in the distribution of access points between provinces: as at December 2020, 48.3% of localities with 92.2% of the adult population had at least one access point, compared to 41.9% in December 2019. However, only 29% of localities with fewer than 2,000 adult inhabitants had at least one access point. Bank account penetration stood at 91% of the adult population in December 2020. According to the authorities, more than 5 million bank accounts were opened during the first months of the COVID-19 pandemic, which has helped boost financial inclusion in recent months.

4.211. During the period under review, the use of electronic means of payment has continued to be promoted. Debit, credit and prepaid card purchases and electronic transfers recorded increases relative to the population in recent years, despite the absence of growth in economic activity. The COVID-19 pandemic and the resulting social distancing measures have led to an acceleration in the use of contactless payments in shops and an increased remote use of payment instruments. The rise in credit card use has increased the percentage of the adult population with access to finance, which, as at October 2020, was 47.2% on average, but showed regional disparities.

4.212. In the context of the pandemic, MSMEs received financing through lines with subsidised rates for a total amount of ARS 482 billion, 18% of the total balance of financing in pesos to the private sector. The MSME and Health Services and MSME Plus lines were the most significant in terms of average amounts granted (just under ARS 3.8 million), reaching more than 110,000 companies, 56% of which are incorporated as legal entities and the remaining 44% as individuals.

4.213. Mutual guarantee societies (SGRs) have also sought to facilitate SME access to credit.²³⁷ SGRs may assign guarantees to the same participating partner or to third parties for up to 5% of the total value of the risk fund of each SGR, or the equivalent of 3.3 times a reference amount (which as at 1 April 2021 was ARS 57 million), whichever is lower in either case. Up to 25% of the total value of the risk fund can be allocated to obligations to the same creditor (economic group). The BCRA may grant higher operating limits to creditors on an exceptional basis when they are centralized or decentralized state-owned public bodies at the national, provincial or municipal level that engage in commercial, industrial or financial activities, financial institutions regulated by the BCRA and/or international credit agencies, and it can be proven that the financing conditions, in terms of cost and/or time-frame, represent a real benefit for MSMEs. The limit applicable to the participating member may also be extended when the SGR has guarantees in force for at least 30% of its participating members (MSMEs); in this case, a guarantee of up to 15% of the total value of the risk fund may be authorized for each SGR, provided that that amount does not exceed the sales of the applicant's last calendar half-year.²³⁸ SGRs cannot grant loans directly to their members or to third parties.

4.4.2.2 Banks and other financial intermediation institutions

4.4.2.2.1 Main features

4.214. During the period under review, the number of institutions in the Argentine financial system remained relatively stable. As at 31 October 2020, the Argentine financial system, which includes the establishments regulated by the BCRA, consisted of 64 banks and 15 finance companies²³⁹,

²³⁷ Created by Law No. 24.467 (Official Journal of 28 March 1995), most recently amended by Law No. 27.444 (Official Journal of 18 June 2018).

²³⁸ Article 14 of Law No. 27.444 (Official Journal of 18 June 2018), and Resolution No. 440/2019 of the Secretariat for Small and Medium-Sized Enterprises (Official Journal of 11 October 2019).

²³⁹ BCRA (2020), *Información de Entidades Financieras*, October 2020. Viewed at: <http://www.bkra.gov.ar/Pdfs/PublicacionesEstadisticas/Entidades/202010e.pdf>.

compared to 64 banks, 15 finance companies and two credit funds in 2013. In addition, as at May 2021, there were 121 credit and purchase card issuers. Of the total number of banks, 13 were public and 51 private. Among the public banks, two were national and 11 provincial or municipal. Of the private banks, 35 were local domestic capital banks, nine were local foreign capital banks, and seven were branches of foreign banks. Of the 15 finance companies, five were domestic-capital and 10 foreign-capital. Also as at 31 December 2020, there were 4,581 full bank branches (of which 1,488 were in the province of Buenos Aires, 819 in CABA, and 460 in the province of Córdoba), 120 mobile branches, 6,168 branches for specific operations (including restricted branches and ancillary agencies of financial institutions) and 17,415 ATMs. At the same date, there were 15 branches of Argentine banks abroad (Bolivia, Brazil, Cayman Islands, Chile, Panama, Paraguay (3), Spain, United States (2), Uruguay (2)) and two representative offices (China and Spain).²⁴⁰

4.215. Argentine regulations divide commercial banks into two categories: first-tier banks, which can carry out all lending, deposit and service operations under the terms of Law 21.526; and second-tier banks, which can carry out all lending, deposit and service operations established by law and regulations for first-tier banks, but are only authorised to take deposits from the financial sector, with the exception of foreign banks. Second-tier public banks may, in addition, receive deposits from international lending institutions, from investors who make deposits of no less than ARS 10 million (or the equivalent in other currencies), and in the form of online fixed term deposits.

4.216. The banking sector is relatively concentrated, both in terms of the number of institutions and geographically. The five largest banks accounted for 51.9% of the banking system's assets in the third quarter of 2020.²⁴¹ Another characteristic of the Argentine banking system is the high participation of public banks in financial activity — not in number, but in terms of assets. Of the top 10 Argentine banks in terms of assets, three are public banks: the National Bank of Argentina (BNA), the largest in the country in terms of assets (18.9% of the total), loans (16.9%), deposits (21%) and net worth (16.2%); Bank of the Province of Buenos Aires; and Bank of the City of Buenos Aires. The BNA operates as a state commercial bank and as a promotion and development bank.²⁴²

4.217. The BCRA's general credit policy stipulates that credit assistance granted by financial institutions in any form must be aimed at financing investment, production, marketing, consumption of goods and services both by domestic demand and by exports, as well as outward direct investment by companies resident in the country. Financial institutions are free to define the conditions and implementation of their credit operations, in accordance with BCRA regulations on credit management and interest rates in credit operations.²⁴³ During the period under review, the BCRA continued to implement a policy aimed at increasing the levels of financial intermediation (deposits and loans) and promoting financial inclusion. However, the degree of financial intermediation has fluctuated, reflecting the ups and downs in the economy. It has been particularly impacted in recent years, with credit to the private sector as a percentage of GDP falling from 13.6% in December 2017 to 11.5% in September 2019; of that, domestic currency financing represented 7.8% of GDP, and foreign currency financing, 3.7%. The credit-to-GDP ratio continued to decline in the months that followed, averaging 10.8% in the three months to February 2021; the ratio was 9.4% for the domestic currency segment.

4.218. Financial system assets increased exponentially in peso terms between 2013 and 2020, largely reflecting high levels of inflation. However, they fell in dollar terms, although they increased as a percentage of GDP. Thus, the assets of the financial system increased from ARS 812,195 million in March 2013 (USD 158,561 million at the March 2013 reference exchange rate) to ARS 10,031,908.7 million in October 2020 (USD 128,075 million using the reference exchange rate)²⁴⁴, and to ARS 11,461,732 million in February 2021 (USD 127,601 million at the reference

²⁴⁰ BCRA (2020), *Información de Entidades Financieras*, October 2020. Viewed at: <http://www.bkra.gov.ar/Pdfs/PublicacionesEstadisticas/Entidades/202010e.pdf>.

²⁴¹ National Bank of Argentina (BNA), with 18.9% of total assets, was followed by Banco Santander Río with 9.0%; Banco de Galicia y Buenos Aires, 8.8%; Bank of the Province of Buenos Aires, 8.5%; and MACRO S.A., 6.7%. BCRA (2020), *Información de Entidades Financieras*, October 2020. Viewed at: <http://www.bkra.gov.ar/Pdfs/PublicacionesEstadisticas/Entidades/202010e.pdf>.

²⁴² Information from the BNA, *Perfil de la entidad*. Viewed at: <https://www.bna.com.ar/Institucional/PerfilDeLaEntidad>.

²⁴³ BCRA (2020), *Política de Crédito* – Last communication incorporated: "A" 7022 – Harmonized text as at 21 May 2020. Viewed at: <http://www.bkra.gov.ar/Pdfs/Textord/t-polcre.pdf>.

²⁴⁴ BCRA (2020), *Informe de Bancos* (Report on Banks), December 2020, Statistical Annex. <http://www.bkra.gov.ar/PublicacionesEstadisticas/Informe-sobre-bancos-diciembre-20.asp>.

exchange rate). Financial system assets went up from 24.4% of GDP in 2013 (26.6% of GDP in December 2013) to 36% in early 2020 (29.3% in March 2020; 32.6% in February 2021); this is low compared to other countries in the region. As of February 2021, the assets of the aggregate financial system were distributed as follows: public banks 37.5%; domestic private 31.6%; foreign private 29.6%; non-banking financial institutions (EFNB) 1.3%. As of the same date, its assets were distributed as follows: public banks 30.9%; foreign private 31.8%; domestic private 35.9%; EFNB 1.5%. In terms of asset composition, private credit accounted for only 32.8% of the total as of February 2021, compared to 50.1% in March 2013, while credit to the public sector accounted for 11.7%. For their part, liquid assets increased their share of total assets from 17.6% in March 2013 to 20.2% in February 2021.

4.219. Largely reflecting the high inflation rate, total domestic credit (in local and foreign currency) offered by the financial system to the non-financial private sector increased by 824% in current peso terms between March 2013 and February 2021 (-23.1% in real terms), from ARS 406,793 million (USD 79,416 million, at the March 2013 reference exchange rate), to ARS 3.76 trillion (USD 41,829 million, at the reference exchange rate for the last business day of February 2021).²⁴⁵ In dollar terms, lending shrank by almost 50%. According to information provided by the BCRA, in February 2021, 53% of loans went to companies, and 47% to households. Although it is difficult to estimate the performance in real terms over the entirety of the period under review²⁴⁶, credit to the private sector in pesos contracted in real terms by 18% in both 2018 and 2019. However, as a result of the expansionary effect of measures taken to address the COVID-19 pandemic, such as the MSME productive investment financing scheme, there was credit growth in 2020.²⁴⁷ In December 2020 the balance of credit to the private sector in pesos accumulated a real year-on-year increase of 10.3%, reversing the declines observed in the previous two years.²⁴⁸ In February 2021 the balance of credit to the private sector in pesos accumulated a real year-on-year increase of 9.4%. Total deposits in the financial system (domestic and foreign currency) also grew rapidly in current peso terms during the period under review, from 14.5% of GDP in March 2013 to 19.5% in February 2021, accounting for 71% of the financial system's liabilities.

4.220. Financial institutions have maintained high levels of liquidity in recent years and these levels have continued to rise in recent months. In the third quarter of 2020, the broad liquidity of the financial system in terms of its deposits remained at around 66% (65% as of February 2021), in line with historical highs, and well above the 15-year average (43%).²⁴⁹ The level of leverage has remained relatively low²⁵⁰: 5.3% in February 2021, compared to 8.1% in December 2018. Despite a decline in 2017 and 2018, the financial margin increased from 2019 onwards and remains relatively high (Table 4.10). The financial margin in December 2020 was 11.0%.

²⁴⁵ Information based on the Monthly Accounting Information Regime - Balance Sheet and Chart of Accounts (non-consolidated balance sheets) of the BCRA and statistical publications of the BCRA, viewed at: https://www.bcra.gob.ar/PublicacionesEstadisticas/Cuadros_estandarizados_series_estadisticas.asp.

²⁴⁶ It is difficult to make the constant pesos conversion since the IPC methodology and calculation basis were modified twice during the period, in 2013 and 2016.

²⁴⁷ The BCRA introduced a series of macroprudential measures in 2020, aimed at (a) promoting financing to the private sector under favourable financial conditions, by strengthening flexible credit lines to companies; (b) sustaining financial relief measures for households and companies, by relaxing the conditions of instalment payments on current loans (including credit cards); (c) encouraging term savings in pesos, by calibrating minimum interest rates, launching adjustable deposits, and implementing savings alternatives in term investments with variable remuneration; (d) contributing to strengthening the solvency levels of institutions by extending the suspension of dividend distribution; and (e) maintaining regulations on the foreign exchange market in a bid to avoid imbalances that might undermine the international reserve position of the economy. BCRA (2020), *Informe de Estabilidad Financiera* (Financial Stability Report), December 2020. Viewed at: <http://www.bcra.gob.ar/Pdfs/PublicacionesEstadisticas/ief0220i.pdf>.

²⁴⁸ BCRA (2020), Report on Banks, December 2020. Viewed at: <http://www.bcra.gob.ar/Pdfs/PublicacionesEstadisticas/InfBanc1220.pdf>.

²⁴⁹ BCRA (2020), *Informe de Estabilidad Financiera* (Financial Stability Report), November 2020. Viewed at: <http://www.bcra.gob.ar/Pdfs/PublicacionesEstadisticas/ief0220i.pdf>.

²⁵⁰ Level of indebtedness, in terms of net worth, measured as total liabilities/total net worth.

Table 4.10 Financial system indicators, 2013-21 (February)

(%)

Indicator	2013	2014	2015	2016	2017	2018	2019	2020	Feb 2021
1.- Broad liquidity/total deposits	38.5	45.4	46.7	49.0	42.6	56.6	60.1	65.0	65.0
Broad liquidity in domestic currency/ domestic currency deposits	30.0	39.1	35.8	40.4	38.9	53.6	58.1	62.0	59.5
2.- Liquidity with repos/total deposits	26.8	26.2	28.2	34.7	28.5	36.3	42.0	41.4	41.3
3.- Liquidity/total deposits	26.7	23.9	27.5	31.7	25.2	35.9	36.3	27.2	27.3
Liquidity in domestic currency/domestic currency deposits	17.2	16.4	16.6	18.8	16.1	23.7	25.2	13.0	12.5
4.- Credit to the public sector/total assets	9.4	9.0	10.3	8.9	8.4	10.4	9.9	12.1	11.7
5.- Credit to the private sector/total assets	50.9	45.8	45.0	41.6	48.3	41.2	40.8	33.3	32.8
6.- Private portfolio irregularity	1.7	2.0	1.7	1.8	1.8	3.1	5.7	3.9	3.8
7.-Equity exposure to the private sector (% equity)	-3.5	-2.9	-3.2	-2.5	-3.0	-2.4	0.6	-4.5	-4.4
8.- ROA (annual aggregate)	3.4	4.1	4.1	3.6	2.7	4.1	5.2	2.3 ^a	0.5 ^a
9.- ROE (annual aggregate)	29.5	32.7	32.4	29.6	23.4	36.1	45.2	15.8 ^a	3.1 ^a
10.- Paid-up capital	13.6	14.7	13.3	16.7	15.6	16.0	17.6	23.2	24.7
11.- Paid-up capital Tier 1	12.5	13.7	12.4	15.2	14.1	14.2	15.6	21.4	22.9
12.- Capital position	76	90	78	93	80	84	101.7	176.3	196
13.- Financial margin			11.1	12.0	10.4	10.6	12.5	11.0	11.5 ^b

a From 2020 onwards, inflation-adjusted.

b Previous 12 months.

Source: Information from the BCRA. Viewed at:

http://www.bcra.gov.ar/PublicacionesEstadisticas/Informe_mensual_sobre_bancos.asp.

4.221. The financial system continued to record nominal profits during the period under review, which has helped to consolidate its solvency levels. Profits increased between 2013 and 2015, then entered a downward phase in 2016 and 2017 before rebounding again from 2018 onwards. In 2019, an annual aggregate return on assets (ROA) of 5.2% was recorded, well above the 3.4% recorded in 2013, in addition to a return on equity (ROE) of 46.4% (29.5%). In 2020, those indicators were adjusted for inflation.²⁵¹ The 2020 annual result showed gains in real terms, with a real ROA of 2.4% and a real ROE of 16.2%, indicating profitability even after deducting the effects of inflation.

4.222. In line with the above, during the period under review, the Argentine financial system continued to show adequate solvency levels, even during the most difficult economic times and in spite of the negative effects of the COVID-19 pandemic. The solvency levels of the financial system continued to be comfortably above the minimum prudential requirements. The paid-up capital (RPC or computable net equity) amounted to 24.7% of risk-weighted assets (RWA) in February 2021. The regulatory capital position (RPC minus requirement) for the aggregate of institutions reached 196.4% of the requirement in February 2021.²⁵² However, the irregular loan ratio in the private portfolio increased during the period under review, rising, on average for all financial institutions, from 1.7% of total loans in 2013 to 3.8% in February 2021.²⁵³ In this respect, the authorities have noted that provisioning of the irregular loan portfolio is high and that gross credit risk exposure is moderate.²⁵⁴ In this regard, coverage of the balance of irregular loans with accounting provisions attributable to this portfolio in December 2020 was estimated at 151%, and coverage of all credit to

²⁵¹ From January 2020 onwards, financial institutions presented their financial statements in uniform currency, as required by Communication "A" 6651, in line with International Accounting Standard (IAS) 29. As a result of the change, certain items (e.g. ROE) are not directly comparable from January 2020 with the results of previous months (not expressed in uniform currency).

²⁵² BCRA (2020), Report on Banks, December 2020. Viewed at: <http://www.bcra.gov.ar/Pdfs/PublicacionesEstadisticas/InfBanc1220.pdf>.

²⁵³ In order to mitigate part of the economic effects caused by the pandemic and the health measures adopted to reduce its impact on the population, in March 2020 the parameters for classifying debtors in the financial system were amended and certain relief measures were implemented by the BCRA for the same purpose.

²⁵⁴ BCRA (2019), Financial Stability Report, November 2019. Viewed at: <http://www.bcra.gov.ar/Pdfs/PublicacionesEstadisticas/ief0219i.pdf>.

the private sector, at 5.8% (5.9% as at February 2021).²⁵⁵ Overall, risk levels in the financial sector have remained moderate, partly due to high liquidity. The authorities also highlight the low exposure of the financial system to the public sector²⁵⁶, mainly as a result of the set of prudential rules introduced in a timely manner to limit this source of credit risk and the moderate direct equity exposure to nominal exchange rate volatility.²⁵⁷

4.223. While public sector debt is high, private debt, both household and corporate, has remained at moderate levels. Household debt was estimated at 5.5% of GDP as at December 2020. With respect to the corporate sector, debt is also low as a percentage of GDP. The authorities have stressed that the micro- and macro-prudential rules in place for the Argentine financial system focus on the particularities of the local environment but take into account international best practices. Argentine regulation was reviewed in 2016 by the Basel Committee under its Regulatory Consistency Assessment Programme (RCAP), and again in 2019 in relation to the country's Large Exposures (LEX) and Net Stable Funding Ratio (NSFR) regulations. In both instances, Argentina was found to be in compliance with international recommendations.²⁵⁸

4.224. In line with the rise in inflation, lending rates increased significantly during the period under review. For example, interest rates for personal loans mainly channelled to households and advances to businesses, which were around 34.2% and 14.5%, respectively, in March 2013, reached 71.6% and 58.6% by the end of 2019. In the following months, there was some decline in rates, which was reinforced by the anti-COVID-19 measures taken that resulted in a significant decline in the average interest rate. The rate on personal loans stood at 56% in March 2021, while the rate on advances was 36.1%.²⁵⁹ The liquidity bill (LELIQ) rate which is the benchmark rate, peaked at 86% per annum in September 2019 and then gradually declined. Further declines followed and the rate ended the year at 55%, falling to 38% at the end of 2020, a value that was maintained at the beginning of 2021.²⁶⁰

4.225. Since 2002, Argentina has been reducing public-sector financing from financial institutions. During the period under review, that trend became more pronounced. In 2017, the BCRA introduced new rules on the purchase of government securities issued in pesos by central administrations of the provincial, municipal and/or CABA non-financial public sector. It is stipulated that, in order to be able to purchase securities from these entities, annual debt service must not exceed 15% of the current resources of the jurisdiction concerned for that period, or 20% in the case of fiscal years in which the application of this provision is suspended.²⁶¹ In addition, the total financing granted to the municipal public sector may not exceed 15% of the total amount of the computable net equity of the entity; and the acquisition of public securities issued in pesos by the central administration of the non-financial public sector of the province and/or of CABA which do not have guarantees may not exceed 5% of the entity's net equity. These percentages may be increased by 50 percentage points, if the increases involve the granting of financial assistance to trusts or trust funds, or the purchase of debt instruments issued by them. The total amount of financing granted to the national, provincial, regional, CABA and municipal public sector may not exceed 75% of the entity's computable net equity. In the context of the economic emergency (2019/2020), the granting of credit to the various provincial and municipal governments to pay salaries was relaxed.²⁶² From the

²⁵⁵ BCRA (2020), Report on Banks, December 2020. Viewed at: <http://www.bkra.gov.ar/Pdfs/PublicacionesEstadisticas/InfBanc1220.pdf>.

²⁵⁶ The BCRA notes that the aggregate public sector retains its net creditor position vis-à-vis the financial system. See: BCRA (2019), Financial Stability Report, November 2019. Viewed at: <http://www.bkra.gov.ar/Pdfs/PublicacionesEstadisticas/ief0219i.pdf>. Credit to the public sector totalled 10.9% of total assets at the end of the third quarter of 2020 (11.7% as of February 2021).

²⁵⁷ Foreign currency assets represented 19.1% of total assets in September 2020, while foreign currency liabilities amounted to 17.9% of total funding, both lower than in March 2020. BCRA (2020), Financial Stability Report, November 2020. Viewed at: <http://www.bkra.gov.ar/Pdfs/PublicacionesEstadisticas/ief0220i.pdf>.

²⁵⁸ BCRA (2019), Financial Stability Report, November 2019. Viewed at: <http://www.bkra.gov.ar/Pdfs/PublicacionesEstadisticas/ief0219i.pdf>.

²⁵⁹ BCRA (2021), Statistical Bulletin, January 2021. Viewed at: <http://www.bkra.gov.ar/Pdfs/PublicacionesEstadisticas/BoletinEstadistico/boldat202101.pdf>.

²⁶⁰ BCRA. Viewed at: <http://www.bkra.gov.ar/PublicacionesEstadisticas/Historial-Leliq.asp>.

²⁶¹ International risk rating AAA to AA-, 20%; A+ to A-, 50%; BBB+ to BBB-, 100%; BB+ to B-, 150%; below B- and not rated, 200%. Communication "A" 6270 of 7 July 2017. Viewed at: <http://www.bkra.gov.ar/pdfs/comytexord/A6270.pdf>.

²⁶² Communication "A" 6816, Communication "A" 6852, Communication "A" 6919, Communication "A" 7075 and Communication "A" 7207.

end of August 2020, institutions were allowed to reallocate the available (unused) quota of the limit established for financing to the non-financial public sector (75% of RPC).²⁶³

4.226. In order to mitigate the spread and impact of the COVID-19 pandemic, the BCRA has been taking measures since 20 March 2020 to protect savers and boost lending, while ensuring the functioning of the payment system and preserving the aggregate levels of liquidity and solvency coverage in the financial system (Box 4.1).²⁶⁴

Box 4.1 Financial measures adopted to address the COVID-19 pandemic

From March 2020 onwards, the BCRA promoted measures to facilitate access to liquidity and credit, including credit to MSMEs and health service providers, with an interest rate of up to 24% per annum, both for companies with banking access and those without access to credit. Progress was also made in the implementation of zero-rate loans for members of the simplified regime for small taxpayers and the self-employed. In addition, the BCRA implemented subsidised-rate loans for businesses, intended for companies registered in the work and production emergency assistance programme (ATP). In October 2020, the BCRA approved a new MSME productive investment financing scheme aimed at companies affected by the pandemic, as well as MSMEs wishing to expand their production processes. At the end of March 2021, measures were designed for improving access to credit for MSMEs and individuals not yet served by the financial system, as well as for promoting banking access and the use of electronic means of payment. In addition to these measures, others were designed in early 2020 to ease the financial burden on the private sector in the context of the COVID-19 pandemic, including temporary amendment of the parameters for classifying debtors and the possibility of transferring unpaid instalments at the end of the life of the loan, with only compensatory interest accruing.

Communication A 6937 of 19 March 2020 (Official Journal of 30 March 2020) provided for the following:

- (a) the release of liquidity for the financing of MSMEs by reducing, from 20 March to 30 April 2020, the BCRA's liquidity bill (LELIQ) holdings in excess of the minimum cash requirement in pesos to 90% of the level recorded on 19 March 2020.
- (b) effective as of 20 March 2020, a 40% decrease in the minimum average cash requirement in pesos for loans to: (i) MSMEs, agreed at a nominal annual interest rate of up to 24%; (ii) health service providers, to the extent that they provide hospitalization services within the framework of the health emergency and are used for the purchase of medical supplies and equipment (as amended by Communication A 6944 of 24 March 2020 (Official Journal of 31 March 2020)).
- (c) effective 20 March 2020, release "potential credit" for MSMEs, resulting from the reduction of the admitted excess holdings of financial institutions. Potential credit is defined as the lower of: the sum of 10% of LELIQ holdings in excess of the minimum peso cash requirement registered as of 19 March 2020; or 4% of deposits.

Communication A 7006 of 8 May 2020 (Official Journal of 12 May 2020) provided for the following:

- (a) for financial institutions to reduce their net LELIQ position in excess of the minimum peso cash requirement by an additional 1% of the surplus position registered as of 19 March 2020;
- (b) for a decrease in the average minimum cash requirement in pesos for an amount equivalent to 40% of the financing in pesos to MSMEs that are agreed at an annual nominal interest rate of up to 24%, measured as a monthly average of daily balances of the previous month;
- (c) that financial institutions grant financing to MSMEs at a nominal annual interest rate of up to 24%, when they are guaranteed by FOGAR, for the amount covered by that guarantee;
- (d) the reduction of the surplus net position allowed in the prudential rules as from 1 July 2020 in accordance with the credit granted to MSMEs.

Decree No. 332/2020 (Official Journal of 1 April 2020) instituted the zero-rate credit scheme for persons enrolled in the simplified regime for small taxpayers and for self-employed workers. The measure consists of financing to be credited to the beneficiary's credit card in three equal, consecutive monthly instalments for an amount not to exceed one quarter of the upper limit of gross income established for each category of taxpayer, with a limit of ARS 150,000. Communication A 6993 of 24 April 2020 (Official Journal of 28 April 2020) regulates the zero-rate credit scheme. A grace period of six months from the first tranche of credit and a repayment schedule of at least 12 equal, consecutive monthly instalments were granted.

The National Productive Development Fund (FONDEP) subsidizes 100% of the interest rate and the total financial cost of the loans under the zero-rate credit scheme, with resources of ARS 11,000 million allocated for this purpose. The interest rate recognized by FONDEP to financial institutions, according to Decree N°332/2020, is 15% nominal annual interest on the balance of disbursed financing. It also provides that the minimum cash requirements for these credits will be reduced by 60%.

The Argentine Guarantees Fund (FOGAR), through a specific allocation fund, guarantees up to 100% of zero-rate loans for individuals, with resources of ARS 26 billion earmarked for that purpose.

Source: Various BCRA communications and information provided by the authorities.

4.227. In addition to the above, the BCRA introduced measures to protect peso savings. A minimum interest rate was established for peso-denominated fixed-term deposits equivalent to 97.37% of the

²⁶³ Communication "A" 7097.

²⁶⁴ BCRA (2020), Report on Banks, March 2020. Viewed at: <https://www.bcra.gob.ar/Pdfs/PublicacionesEstadisticas/infbanc0320i.pdf>.

monetary policy rate (37.0% per annum) for individuals up to ARS 1 million, and 89.48% of the monetary policy rate (34.0% per annum) for all other non-financial private sector holders, increasing the return on these deposits, which were at levels below 20% per annum. In May 2020, financial institutions were allowed to fully integrate minimum cash requirements for these deposits with LELIQs. The BCRA also raised its reverse repo interest rate with financial institutions from 11.4% to 19% (from 30% to 50% of the monetary policy rate)²⁶⁵, as well as cutting reserve requirements for peso demand deposits of mutual investment funds to 0%.²⁶⁶

4.228. As regards credit measures adopted by the BCRA to alleviate the financial situation of households and companies, the BCRA said that between 20 March and 4 November 2020, the special line for MSMEs and health service providers at a nominal rate of 24%²⁶⁷, registered operations for ARS 544,127 million distributed among 327,844 companies. Of the total loans granted, approximately ARS 9.21 billion went to health service providers. The remainder went to MSMEs and was distributed as follows: 47% to working capital, 13% to pay salaries, and the remaining 40% to other uses. As of the same date, banks had loans of ARS 5,746 million approved but not yet disbursed, and ARS 2,744 million in the process of approval.²⁶⁸ Under the MSME productive investment financing line (LFIP)²⁶⁹, between its initial implementation and the end of March 2021, ARS 411,678 million were disbursed (of which ARS 78,429 million correspond to investment projects), reaching 98,080 companies. Through the line of financing at subsidised interest rates for companies registered in the work and production emergency assistance programme (ATP)²⁷⁰, until the end of March 2021, ARS 14,240 million was granted, covering almost 607,800 workers. Within the framework of credit lines aimed at members of the simplified regime for small taxpayers and the self-employed, as at the end of March 2021, ARS 66,478 million had been granted through the zero-rate credit scheme²⁷¹, and ARS 309 million through the zero-rate credit scheme for culture.

4.4.2.2.2 Legislative framework

4.229. Law No. 21.526 (Law on financial institutions) (Official Journal of 21 February 1977) and its more than 200 amendments contain the main legal provisions concerning the regulation of the banking system and other financial institutions.²⁷² The BCRA is responsible for the application of this Law and, in general, supervision of the financial intermediation system, in accordance with its Charter and the extended powers conferred on it by Law No. 25.782. As regards the supervision of financial institutions, the BCRA operates through the Supervisory Authority for Financial and Foreign Exchange Establishments (SEFyC).

4.230. Under Argentine law, there is freedom of establishment, provided that institutions comply with prudential requirements. There are no restrictions as to the nationality of investors wishing to participate in the local financial system or as regards the transactions that may be conducted by the institutions in which they participate inasmuch as the principle of equal treatment for Argentine and foreign capital prevails. The establishment of new financial institutions, their expansion, merger and changes in their capital or functions require prior (non-automatic) authorization from the BCRA. Upon submission of an application, the BCRA takes into account in its determination considerations of expediency, the features of the project, market conditions, the record and responsibility of the

²⁶⁵ The BCRA implements a contingent repo programme to boost liquidity. To that end, the BCRA agreed with certain international banks the option of selling national government securities and receiving the corresponding funds in dollars. For this operation, the BCRA pays a premium averaging 32 basis points per annum. At maturity, the BCRA repurchases the securities at the sale price plus a spread equivalent to Libor plus an average spread of 2%. The minimum term of the agreement is two years. When the market value of the securities applied to a transaction decreases by more than 5%, the BCRA makes up the difference with securities of the same type up to 125% of the amount of the transaction. If the price of the securities originally delivered when executing a transaction falls below the purchase value, the BCRA must pay the difference in cash. BCRA, *Normas Prudenciales del Sistema Financiero Argentino*. Viewed at: <http://www.bcra.gov.ar/Pdfs/SistemasFinancierosYdePagos/mas1101.pdf>.

²⁶⁶ BCRA (2020), *Informe de Política Monetaria* (Monetary Policy Report), May 2020. Viewed at: https://www.bcra.gob.ar/Pdfs/PoliticaMonetaria/IPOM0520_i.pdf.

²⁶⁷ Communication "A" "6937" and amendments thereto.

²⁶⁸ BCRA (2020), *Informe de Política Monetaria* (Monetary Policy Report), May 2020. Viewed at: https://www.bcra.gob.ar/Pdfs/PoliticaMonetaria/IPOM0520_i.pdf.

²⁶⁹ For further details, see Communication "A" 7140 and amendments thereto.

²⁷⁰ See Communication "A" 7082 and Communication "A" 7102.

²⁷¹ See Communication "A" 6993.

²⁷² Laws Nos. 22.051, 22.529, 22.871, 24.485, 24.627, 25.562, 25.780, 25.782, 26.173 and Decree No. 214/2002.

applicants and their financial experience. There are no legal restrictions on the market entry or withdrawal of financial institutions, or on their merger or takeover.

4.231. Financial institutions may be established in the form of commercial banks, investment banks, mortgage banks, finance companies, savings and loan associations for housing and other real estate, or credit funds. Depending on the transactions they are authorized to conduct, commercial banks are classified into first-tier and second-tier banks. Financial entities incorporated with public capital, whether national, provincial or municipal, are constituted in the form established by their organic charters. Private financial entities must be established in the form of a limited company, with the exception of: branches of foreign entities, which must have a representative in the country with sufficient powers under Argentine law; commercial banks, which may also be established in the form of a cooperative society; and credit funds, which may only be established in the form of a cooperative society. Financial institutions may hold shares in other financial institutions, subject to authorization by the BCRA, but are prohibited from operating commercial, industrial, agricultural or other business enterprises on their own behalf, unless expressly authorized by the BCRA, which must issue a general authorization that sets out the limits and terms guaranteeing that the institution's solvency and assets are not affected. Institutions must allocate annually to the legal reserve fund the proportion of their profits established by the BCRA, which shall not be less than 10% or more than 20%.

4.232. The opening of branches, whether by Argentine or foreign financial institutions, also requires prior approval from the BCRA and they must comply with the prudential regulations concerning minimum capital, liquidity, solvency, risk and return. In the case of foreign institutions establishing branches in Argentina, the country of origin must also have a consolidated supervisory regime, and the capital required must be actually and permanently located in Argentina. Representative offices of foreign financial institutions require prior authorization from the BCRA, which is contingent upon its examination and assessment of the project concerned. The SEFyC considers applications made by institutions established abroad that are authorized by the competent authority in the country of origin to take deposits from the public and which have not been established in countries classified as having low or no taxes. The applicant institution must also comply with the internationally accepted principles, standards or rules on the prevention of money laundering and financing of terrorism and be subject to a consolidated monitoring system. The supervisory authority in the country of origin must also observe the Basel Core Principles for Effective Banking Supervision.

4.233. The merger of financial institutions and the takeover of one institution by another require prior authorization from the BCRA. The transfer of funds between institutions in the same or different categories must also be approved by the BCRA. The transformation of a financial institution into another financial institution of a different category is allowed with the prior approval of the BCRA, provided that the institution does not present liquidity, solvency, risk or profitability problems, and complies with minimum capital requirements and other prudential regulations. The exception is credit funds, which may not transform themselves into commercial institutions or transfer their funds to institutions with a different legal status.

4.234. Since 2016, the opening of branches for domestic private and public capital entities does not require prior authorization from the BCRA.²⁷³ The previous system of authorizations has been replaced by the obtaining of a licence as a result of compliance with a series of objective factors relating to solvency, liquidity and minimum paid-up capital to be met by the financial institution.²⁷⁴ The BCRA extended the use of mobile branches to all banks; previously it was restricted to public banks or private banks operating as provincial financial agents. Official financial institutions in the provinces and municipalities may authorize branches in their respective jurisdictions subject to notifying the BCRA, which may declare its opposition if the regulatory requirements for authorization are not met. Authorizations for cooperative credit funds are delimited by areas of operation and the number of branches they can open is in principle limited to five within their area of operation.

4.235. Financial institutions require prior authorization from the BCRA to open subsidiaries or any type of representative office abroad. The requirements are similar to those relating to the opening of branches in Argentina, but the consent of the foreign country also has to be obtained. No authorization is needed for holdings in foreign financial institutions provided they do not exceed 5%

²⁷³ BCRA (2016), *Texto Ordenado de las Normas sobre "Expansión de Entidades Financieras"*, in Communication "A" 5983 of 3 June 2016. Viewed at: <http://www.bcra.gov.ar/Pdfs/comytexord/A5983.pdf>.

²⁷⁴ BCRA, *El BCRA fomenta la apertura de sucursales bancarias en todo el país*. Press note of 2 June 2016. Viewed at: http://www.bcra.gov.ar/Pdfs/Prensa_comunicacion/NotadePrensaII_02-06-16.pdf.

of the capital or votes in the said institutions; if they do exceed this limit, prior authorization has to be obtained from the SEFyC.

4.236. The BCRA sets the prudential regulations under which the financial institutions in the system must operate, and supervises compliance with them. Regulation and supervision are based on the recommendations of the Basel Committee on Banking Supervision and a ratio of total capital to risk-weighted assets of at least 8% is required. The capital requirements for each financial institution are determined taking into account the risks implicit in their various activities. According to the regulations, financial institutions are subject to minimum capital requirements. The minimum capital requirement that financial institutions must meet is either the basic requirement or the sum of those determined for credit, market and operational risks, whichever is higher. In order to calculate the basic requirement, institutions are classified according to the jurisdiction in which their head office is located, in accordance with the categories set out in the rules on "Categorization of locations for financial institutions". The requirement is related to the relative supply of banking services; for that purpose, the national territory has been divided into six regions, according to their degree of banking presence. As of June 2020, the basic requirement for banks was ARS 15 million (categories III to VI) and ARS 26 million (categories I and II); for credit funds between ARS 0.5 million and ARS 5 million; and for other institutions between ARS 8 million and ARS 12 million, respectively.²⁷⁵ Finance companies that engage directly in foreign trade transactions must observe the requirements laid down for banks in the respective category.²⁷⁶

4.237. The minimum credit risk capital requirement is determined by weighting the requirements for the different assets according to their risk, multiplied by a rating factor determined by the SEFyC on the basis of the institution's performance and which varies between 1 (highest) and 1.19 (lowest). Assets are classified according to their risk and assigned a weighting, ranging from 0 to 200%. Zero-risk assets are cash and cash equivalents and instruments of multilateral organizations, exposures to the BCRA, to the national government and to provincial and municipal governments and CABA in ARS. All other exposures to governments and central banks are weighted from 0 to 150%, depending on the rating of the debtor. Exposures to peso-denominated financial institutions whose source of funds is in pesos, for transactions with an original contractual term of up to 3 months, have a risk weighting rate of 20%. The capital requirement for market risk, which is defined as the possibility of incurring losses on recorded on- and off-balance sheet positions as a result of adverse fluctuations in market prices, is calculated on the basis of the value-at-risk of instruments that are normally traded in the market. The capital requirement for market risk is the arithmetic sum of the capital requirement for interest rate, equity, foreign exchange, commodity and option risks. The operational risk requirement is calculated on the basis of gross revenue (provided that it is positive) for consecutive 12-month periods in the last 36 months prior to the month in which the calculation is made, subject to certain adjustments.

4.238. Minimum cash conditions also apply, in accordance with the harmonized text of the BCRA's Minimum Cash Rules.²⁷⁷ In order to meet these requirements, financial institutions are classified into two groups: Group "A" (entities in which the amount of their assets is greater than or equal to 1% of the total assets of the financial system) and banks classified as systemically important (G-SIBs) not included in this group; and other financial institutions. The minimum cash requirements for current account deposits and demand accounts opened in cooperative credit funds, as well as savings deposits, in pesos, are 45% of deposits for the first group, and 20% for the second. In the case of foreign currency savings deposits, the requirement is 25% for both groups of institutions. For fixed-term deposits, liabilities under "acceptances", reverse repos and reverse stock market repos, constant term investments, and other term obligations except deposits and debt securities, the requirement varies according to their currency and residual maturity.

4.239. Banking institutions may receive financial assistance from the BCRA if they have temporary liquidity problems and have exhausted all other financial assistance policy alternatives. An institution is considered illiquid when it has a liquidity ratio of less than 20%. Assistance is offered for a period of 180 days and may be renewed for periods of the same length, with interest paid every 30 days.

²⁷⁵ BCRA (2020), *Capitales Mínimos de las Entidades Financieras* - Last Communication incorporated: "A" 7036 - Harmonized text as at 4 June 2020. Viewed at: <https://www.bcra.gob.ar/Pdfs/Textord/t-capmin.pdf>.

²⁷⁶ BCRA (2020), *Capitales Mínimos de las Entidades Financieras* - Last Communication incorporated: "A" 7036 - Harmonized text as at 4 June 2020. Viewed at: <https://www.bcra.gob.ar/Pdfs/Textord/t-capmin.pdf>.

²⁷⁷ BCRA (2020). *Efectivo Mínimo*, Harmonized text as at 4 June 2020. Last Communication incorporated: "A" 7036, in force as of 1 June 2020. Viewed at: <https://www.bcra.gob.ar/Pdfs/Textord/t-efemin.pdf>.

In the event of the liquidation of a banking institution, payments to creditors, with the exception of claims with special pledge and mortgage privileges and labour creditors, are made in the following order: (1) deposits made by natural and/or legal persons up to the amount of ARS 50,000, or its equivalent in foreign currency; (2) larger deposits exceeding the foregoing; and (3) liabilities derived from credit lines granted to the institution that directly affect international trade. The BCRA is authorized to exclude certain assets and liabilities from a bank's restructuring process.²⁷⁸

4.240. Financial institutions may participate without limits in the capital of companies that provide complementary services, such as management of mutual investment funds, stock market agents, credit card issuance, and other activities expressly permitted by the BCRA. On the other hand, financial institutions' holdings in the capital of commercial, industrial or agricultural companies require authorization from the BCRA and may not exceed 12.5% of their share capital or 12.5% of the votes and must not affect the solvency of the institution concerned.

4.241. Argentina's financial sector regulations contain provisions on credit splitting and credit rating to limit economic risk. As a general rule, total financings may not exceed 100% of adjusted stockholders' equity (ASE). This limit is raised to 300% when the additional support does not exceed 2.5% of the financial institution's ASE and is approved by the board of directors or equivalent authority. Limits are also set on credit assistance, which are a percentage of the financial institution's tier 1 capital (net basic worth).²⁷⁹ The individual limits for transactions with the private sector, as a percentage of the financial institution's tier 1 capital, are as follows: for non-financial private sector customers, 15% unsecured and 25% secured; for domestic and foreign financial institutions, 25%; for foreign entities not rated as investment grade, 5%; for mutual guarantee societies registered with the BCRA, 25%; for the national public sector, 50%; for provincial jurisdictions and CABA, 10%; and for municipalities, 3%. Overall, assistance to the public sector may not exceed 75% of the entity's ASE, or 35% of its assets. There are also limits on risk concentration, which may not be greater than three times or five times the institution's ASE, depending on whether or not lending to local financial institutions is excluded; or 10 times in the case of second-tier banks when their transactions with other financial institutions are taken into account.

4.242. Limits are also applied to the financing that may be granted to customers linked in terms of control, which are determined on the basis of the institution's tier 1 capital and the supervisory authority's CAMELS rating. For institutions with a CAMELS rating of 1 to 3 (better risk), there is a limit of 10% of the ASE per client for secured transactions and 5% for unsecured transactions. A limit of 10% is set for investment-grade foreign banks and companies that provide complementary services to the activity carried out by the financial institution. That limit may reach 100% of tier 1 capital when the activity carried out by this company is that of trading agent, settlement and clearing agent (integral or proprietary), producing agent and/or brokerage agent for negotiable securities, issuing credit cards, factoring, leasing and temporary acquisition of holdings in companies to facilitate their development, with the aim of subsequently selling the holdings, provided that the controlling company has a CAMELS 1 rating. Institutions rated 4 to 5 are prohibited from providing assistance to related customers, unless they are foreign subsidiaries of the domestic institution subject to consolidated supervision or foreign banks controlling domestic institutions. In addition, there is an overall limit of 20% of tier 1 capital for connected customers; total connected customer lending plus total immobilized assets of an institution may not exceed 100% of the ASE.

4.243. Financial institutions are required to provide the SEFyC with periodic reports on their asset position and compliance with technical and operational regulations. Any transfer of shares or contribution of capital or other circumstance liable to lead to a change in the status of the entities or to alter the structure of the respective groups of shareholders groups must be reported. Changes in the capital ownership of foreign enterprises that control financial institutions established in Argentina must also be notified.

4.244. Bank deposits, up to a certain limit, are protected through the resources of the deposit guarantee fund (FGD).²⁸⁰ The FGD provides subsidiary and complementary coverage in addition to that provided in the Law on financial establishments. The FGD is managed by Seguro de Depósitos

²⁷⁸ Law No. 25.780 (Official Journal of 8 September 2003).

²⁷⁹ The adjusted stockholders' equity (ASE) (Spanish: RPC) of financial institutions is: ASE/RPC = PNB + PNC - Cd, where PNB: net basic worth; PNC: net complementary worth; Cd: deductions.

²⁸⁰ Pursuant to Law No. 24.485, Official Journal of 18 April 1995, which created the deposit guarantee insurance scheme.

S.A. (SEDESA).²⁸¹ The system is compulsory and onerous, in the sense that all financial institutions must make fixed monthly contributions to the FGD.²⁸² These contributions consist of a base contribution corresponding to the current premium of 0.015% of the average daily balance of deposits in pesos and foreign currency in financial institutions, and an additional contribution depending on the institution's risk level. The guarantee scheme's coverage does not include the following deposits: (i) transferable time deposits where ownership has been acquired by endorsement; (ii) demand deposits where interest rates above the benchmark rate are agreed, and time deposits and investments exceeding 1.3 times the benchmark rate or the benchmark rate²⁸³ plus 5 percentage points (whichever is higher); they are also excluded where these interest rate limits are distorted by additional incentives or remuneration; (iii) deposits of financial institutions with other intermediaries, including fixed-term certificates acquired through secondary trading; (iv) deposits made by persons directly or indirectly related to the institution; (v) fixed-term deposits of securities, acceptances or guarantees; and (vi) immobilized balances arising from deposits and other excluded transactions.²⁸⁴

4.245. FGD resources are invested on similar terms to those fixed for placement of the BCRA's international foreign currency reserves. The system guarantees up to ARS 1.5 million per person, account and deposit.²⁸⁵ The new cap was fixed as of 1 May 2020 by means of BCRA Communication "A" 6973 of 16 April 2020. Previously, the cap was ARS 1 million. The FGD has dealt with 40 cases between October 1996 and June 2020, disbursing a total of ARS 2,122.9 million. Of these, only one case was serviced during the period under review, in 2018, for ARS 150 million (Banco Finasur).²⁸⁶ SEDESA publishes the available balance of resources of the FGD monthly in the Official Journal. As at 30 April 2020, the balance available in the FGD was ARS 200,817.0 million (USD 3.2 billion at the June 2020 exchange rate), equivalent to 3.5% of the financial system's deposits and well above the 1.4% recorded in the report for the previous TPR.²⁸⁷

4.246. Credits and debits made on accounts opened in institutions governed by the Law on financial establishments are subject to the tax on debits and credits in current accounts.²⁸⁸ The general rate is 0.6% for credits; for movements of funds, it is 1.2%; for transactions covered by tax exemptions or social works, it is 0.25% or 0.5%; for credit card payments, a rate of 0.075% is applied. Article 45 of Law No. 27.541, Official Journal of 23 December 2019, provided that, as from that date, when cash withdrawals are made in any form, debits made to accounts will be subject to double the current rate, i.e. 0.3%. This does not apply to accounts whose holders are MSMEs. Under Law No. 23.427, Official Journal of 3 December 1986 and amendments, a special levy is imposed on the capital of cooperatives. The levy is of a transitory nature; initially it was for 32 fiscal periods (it was to end with the 2017 fiscal year), but Law No. 27.432, Official Journal of 29 December 2017, extended the term to 37 fiscal periods, i.e. until 31 December 2022. The rate is 1.25% for the first year and 2% for the following years.

4.247. According to current BCRA regulations, in order to operate permanently or habitually in the Single Free Exchange Market, any legal person not authorized under the Law on financial establishments must first obtain authorization for that purpose, for which it must register in the

²⁸¹ A private limited company created by PEN Decree No. 540/95.

²⁸² The system is ex ante, and involves the building up of a reserve or deposit fund to cover demands for insurance as a precaution against the collapse of a member institution. Information from SEDESA. Viewed at: <http://www.sedesa.com.ar/index.php/es/fondo-de-garantia-de-los-depositos>.

²⁸³ The benchmark rates are communicated periodically through BCRA "B" communications and are determined according to the moving average of the last five banking days for rates for time deposits of up to ARS 100,000 (or the equivalent in other currencies).

²⁸⁴ BCRA, Communication "B" 12003 of 4 May 2020. Viewed at: <http://190.210.189.170/images/PDF/2020/B12003.pdf>.

²⁸⁵ Information from SEDESA. Viewed at: <http://www.sedesa.com.ar/index.php/es/sistema-de-seguro-de-depositos/caracteristicas-del-sistema>.

²⁸⁶ Banco Galicia assumed the liabilities of Banco Finasur and the assets were incorporated into the Fidensur trust. Information from SEDESA. Viewed at: http://190.210.189.170/index.php/es/?option=com_content&view=article&id=214&catid=95&lang=es&Itemid=759.

²⁸⁷ Information from SEDESA. Viewed at: http://190.210.189.170/index.php/es/?option=com_content&view=article&id=211&catid=95&lang=es&Itemid=756. According to the regulations, if the FGD reaches 5% of the total deposits in the financial system, the BCRA may suspend or reduce the obligation to contribute to the FGD.

²⁸⁸ Law No. 25.413, Official Journal of 26 March 2001, and Decree No. 380/01 of 30 March 2001 and amendments.

Registry of Foreign Exchange Operators (ROC) set up by the BCRA. Persons requesting authorization to act in the foreign exchange market on an individual basis may do so in the form of single-person legal entities such as simplified corporations (SAS) and joint-stock one-person companies (SAU).²⁸⁹ Such institutions may be in the form of exchange houses or exchange agencies. The minimum capital requirement for exchange houses is ARS 10 million, and for exchange agencies ARS 5 million. Exchange houses and agencies must also provide a guarantee of not less than 10% of their capital requirement, and provide proof of the origin of those funds.

4.4.2.3 Capital market

4.248. The supervisory body of the capital market is the National Securities Commission (CNV). The Argentine capital market currently comprises the Argentine stock exchange system, led by Bolsas y Mercados Argentinos (BYMA); MATBA-ROFEX; Mercado Argentino de Valores (MAV); and the Electronic Open Market (MAE). A central depository agent for transferable securities (Caja de Valores S.A.), which is also a custody, registry and payment agent, also operates. Moreover, Argentina Clearing y Registro S.A. is registered with the CNV as custody, registration and payment agent and a clearing house of MATBA-ROFEX S.A. In addition, there are other categories of agents registered with the CNV, such as settlement and clearing agents (ALyC), trading agents and global investment advisors.

4.249. In 2013, the Buenos Aires Securities Market (Merval) implemented a corporate reorganization, partially spinning off its assets to form a new entity to continue Merval's business.²⁹⁰ In the constitution of the new entity (BYMA), the Buenos Aires Stock Exchange was incorporated as a shareholder. BYMA started operating as an exchange and clearing house in 2017. Merval and the Buenos Aires Stock Exchange (BCBA) decided to contribute all of their shareholdings in Caja de Valores S.A. (CVSA), leaving BYMA as the owner of CVSA (Box 4.2). In 2019, the spin-off and merger of the Rosario Futures Exchange (ROFEX) and the Buenos Aires Futures and Options Exchange (MATBA) was completed, forming a new institution, MATBA-ROFEX.

Box 4.2 Constitution of Bolsas y Mercados Argentinos Sociedad Anónima (BYMA)

The Law on capital markets, No. 26.831 of 27 December 2012, introduced a comprehensive reform of the previous public offering regime, effective as of 28 January 2013, reforming regulatory and operational aspects of the capital market and expanding the regulatory powers of the CNV in the area of public offerings.

In order to implement the provisions relating to the new capital market provided for in Law No. 26.831, on 1 March 2013 the shareholders of Mercado de Valores de Buenos Aires S.A. (Merval) and the Buenos Aires Stock Exchange (BCBA) signed a framework agreement for the incorporation of a company called Bolsas y Mercados Argentinos S.A. (BYMA), with 50% of the subscribed capital held by Merval shareholders and 50% by the BCBA.

The Merval Assembly approved the agreement on 9 April 2013 and on 23 July 2013 the incorporation of the new spin-off company, BYMA, was approved with the adoption of its articles of association.

In December 2013, the CNV, through its Resolution No. 17.242, signed off on the partial spin-off of Merval's assets. Subsequently, the shareholders of Merval and the BCBA signed two addenda to the framework agreement for the incorporation of BYMA: (a) in April 2014, it was agreed to reformulate the increase of approved share capital in BYMA so that the BCBA would hold 20% of BYMA's capital stock; (b) in July 2016, it was agreed that the BCBA would transfer to BYMA its entire shareholding in Securities Fund S.A. The CNV agreed to the amendments introduced by the addenda to the framework agreement.

By Resolution No. 18.424 of 29 December 2016, the CNV included BYMA in its register. BYMA's public offering regime was authorised by the CNV on 16 March 2017 by Resolution No. 18.559.

At the beginning of 2017, Merval's entire shareholding in Securities Fund S.A. and Mercado Argentino de Valores S.A. of 1.6 million registered shares was transferred, as was BCBA's shareholding in Caja de Valores S.A. and Tecnología de Valores S.A. As from 17 April 2017, the transfer and automatic registration of member agents, issuers and all items listed on Merval to BYMA took place.

Source: Bolsas y Mercados Argentinos Sociedad Anónima (2020), Interim condensed consolidated financial statements for the three-month period beginning on 1 January 2020 and ending on 31 March 2020. Viewed at: <https://www.byma.com.ar/wp-content/uploads/2020/05/HR-2020-05-14-EEFF-BYMA-31-03-2020.pdf>.

²⁸⁹ BCRA (2020), *Operadores de Cambio*. Harmonized text as at 11/05/2020 – last Communication incorporated: "A" 7008 – entry into force 12 May 2020. Viewed at: <http://www.bkra.gov.ar/Pdfs/Texord/t-opecam.pdf>.

²⁹⁰ Bolsas y Mercados Argentinos (BYMA) S.A. (2020), Interim condensed consolidated financial statements. For the three-month period beginning on 1 January 2020 and ending on 31 March 2020, presented on a comparative basis and on a uniform currency basis. Viewed at: <https://www.byma.com.ar/wp-content/uploads/2020/05/HR-2020-05-14-EEFF-BYMA-31-03-2020.pdf>.

4.250. The securities market regulatory framework was reformed and modernized during the period under review. Law No. 17.811 of 22 July 1968 on public offerings of securities was repealed and a new law, the Law on capital markets (Law No. 26.831), Official Journal of 28 December 2012, came into force.²⁹¹ Law No. 27.440 on productive financing, Official Journal of 11 May 2018, further amended the regulations related to the securities market, particularly various aspects of Law No. 26.831.

4.251. The National Securities Commission (CNV), a national self-governing entity, is the national body in charge of the promotion, supervision and monitoring of the capital market.²⁹² The CNV supervises, regulates, inspects, oversees and sanctions persons and companies that engage in activities related to the public offering of negotiable securities, other instruments, transactions and activities.²⁹³ Its field of supervision also includes the public offering of forward, futures and options contracts, their markets and clearing houses, and their brokers. The CNV keeps the register of stockbrokers, clearing houses and of natural and legal persons authorized to offer securities to the public. The Law provides that an authorization from the CNV must be obtained before securities issued can be offered to the public. The CNV is also empowered to issue regulations; to set the maximum fees that may be charged by markets, clearing houses, derivatives registration entities and registered dealers; to issue rules to promote the transparency and integrity of capital markets; and to assess and issue regulations to mitigate systemic risk situations.

4.252. The Law on capital markets led to some significant changes in the functioning of the securities market aimed at strengthening the role of the CNV and modernizing provisions to allow the market to function more efficiently, and with better supervision. These included: (a) the elimination of market self-regulation, which for the CNV entailed the powers of authorization, supervision, monitoring, disciplinary authority and regulation of all capital market participants; (b) the requirement for markets and agents to meet the requirements established by the CNV for the purpose of requesting its authorization to operate and for its entry in the respective register; (c) the introduction of different categories of agents; (d) the exclusion of information communicated by the CNV to similar authorities abroad with which it has signed stock exchange secrecy reciprocity agreements; (e) the elimination of restrictions on the information exchanged between the CNV and the BCRA and the National Insurance Supervisory Authority and the Financial Intelligence Unit (UIF); (f) the obligation for all companies listed in Argentina to be subject to a public tender offering (OPA) regime in the event of a change of control or acquisition of a significant shareholding; and (g) the establishment of jurisdiction in judicial proceedings of the National Chamber of Appeals for Federal Administrative Disputes in CABA and the Federal Chambers of Appeals for the provinces.

4.253. Law No. 27.440 on productive financing, Official Journal of 11 May 2018, amended the Law on capital markets, granting new powers to the CNV. In addition, the obligation was introduced to list shares on an authorized market and to establish rules on the maximum permissible holdings per shareholder and on the nominal value and the number of votes conferred by each share. Similarly, new functions were added to the rules governing markets and clearing houses. Amendments were introduced to the public tender offering regime in order to rectify conflict situations. The Law also updated the values set for fines imposed by the CNV. The new amounts range from ARS 100,000 to ARS 100 million, which may be increased to up to five times the amount of the benefit obtained or the injury caused as a consequence of the unlawful action, whichever is greater.

²⁹¹ The legal framework of the securities market includes Law No. 26.831 on capital markets, Official Journal of 28 December 2012; Law No. 27.440 on productive financing, Official Journal of 11 May 2018; Law No. 22.169 - CNV corporate control of joint stock companies that make public offerings of their negotiable securities, Official Journal of 25 February 1980; Law No. 24.083 on mutual investment funds, Official Journal of 18 June 1992; Law No. 23.576 on negotiable bonds, Official Journal of 27 July 1988; Law No. 24.587 on the registration of private securities, Official Journal of 22 November 1995; Law No. 20.643 on the regime for the purchase of private securities, Official Journal of 11 February 1974; Law No. 25.246 on the concealment and laundering of assets of criminal origin, Official Journal of 10 May 2000; Law No. 24.441 on trusts, Official Journal of 16 January 1995; Law No. 21.526 on financial establishments, Official Journal of 21 February 1977; Law No. 25.248 on leasing agreements, Official Journal of 14 June 2000; Law No. 19.550 - General Law on companies, text harmonized by the Annex to Decree No. 841/84, Official Journal of 30 March 1984; and Law 26.994 - National Civil and Commercial Code, Official Journal of 8 October 2014.

²⁹² The CNV was created in 1968 by Law No. 17.811 on public offerings of securities; currently the regulatory framework governing its operation is provided by Law No. 26.831 and the amendments introduced by Law 27.440 on productive financing.

²⁹³ Information from the CNV. Viewed at: <https://www.cnv.gov.ar/SitioWeb/Institucional>.

4.254. Under Argentine law, any legal entity may create and issue negotiable securities to trade in markets of the types, and under the conditions, it chooses, provided that there is no confusion as to the type, denomination and conditions of negotiable securities specifically provided for in the laws in force. The primary placement of negotiable securities can take place through two mechanisms: (a) book building or (b) auction or public bidding.²⁹⁴ Pursuant to Resolution No. 597/11, the primary placement of negotiable securities that are the subject of a public offering must be through an auction or open public bidding conducted through a computer system set up by a self-regulated entity. The placement procedure must ensure full transparency and be defined and made public; the primary placement of marketable securities must be carried out through computer systems authorized by the CNV.

4.255. Exchanges must be incorporated as public limited companies under the public share offering regime and must list their shares on an authorized market. The CNV establishes, by regulation, the maximum permissible holdings per shareholder and the nominal value and the number of votes conferred by each share. Exchanges may only allow the listing and/or trading of negotiable securities and other financial instruments whose public offering has been authorized by the CNV and those that must be carried out by court order. Exchanges and/or clearing houses must set up guarantee funds to cover unfulfilled commitments of their participants arising from collateralized transactions.

4.256. In order to act as agents, entities must be authorized and registered by the CNV, and must comply with the formalities and requirements that the CNV establishes by regulation for each category. There are no nationality or residence restrictions for shareholders. In practice, Argentina's capital market is still mainly concentrated in CABA, although the concentration is now in BYMA rather than the now defunct Merval. However, there are securities markets operating in other cities, although collectively they only represent 1% of the volume traded on Merval. The volume of trading has remained limited, even compared to other countries in the region. As of 2019, with the creation of BYMA, there was a significant decline in capitalization (see below). At the end of May 2020, 89 companies were participating in BYMA, compared to 98 in 2018 before the creation of BYMA.

4.257. BYMA is the head of a series of institutions operating in the capital markets, comprising trading, clearing, settlement and custody activities. Those companies are: (a) Caja de Valores S.A. (CVSA)²⁹⁵; (b) the Argentine Capital Market Institute (IAMC), which provides technical advice to registered agents and disseminates the mechanics of the capital market as an investment and financing alternative²⁹⁶; and (c) Tecnología de Valores (TECVAL), which provides solutions for the capital market as a whole. BYMA is empowered to undertake the organization, development and maintenance of markets for the trading of all types of marketable stocks, securities or contracts referenced or backed by spot securities or index futures, indicators, rates, commodities, foreign exchange, energy, transport, raw materials and other goods or rights directly or indirectly related thereto, in terms of cash or future settlement in physical form. BYMA also has the power to authorize, suspend and cancel the listing and trading of negotiable securities. In addition, it can issue regulatory rules concerning agents and arranged transactions²⁹⁷, and act as a clearing house, settlement house and central counterparty in the clearing and settlement of transactions. It may also set operational guarantees for market participants, establish means and/or systems for trading, clearing and settlement, and set up arbitration tribunals.²⁹⁸ However, unlike Merval, it is not self-regulating and has no sanctioning powers.

4.258. The Caja de Valores (CVSA), owned by BYMA, is the only entity authorized in Argentina to act as a central securities depository. The CVSA offers capital market participants complementary services to those that BYMA offers as a stock exchange.²⁹⁹ In the first quarter of 2021, the CVSA

²⁹⁴ CNV Standards N.T. 2013 and amendments. Viewed at:

<https://www.cnv.gov.ar/descargas/MarcoRegulatorio/blob/499EC64A-E522-49D2-8F49-D9624B6DC49B>.

²⁹⁵ For further information, see: <https://www.cajadevalores.com.ar/>.

²⁹⁶ For further information, see: <https://www.iamc.com.ar/IAMC/>.

²⁹⁷ Natural and/or legal person authorized by the CNV to engage in activities of trading, placement, distribution, brokerage, settlement and clearing, custody and collective deposit of negotiable securities, administration and custody of collective investment products, risk rating, and all other activities which, at the discretion of the CNV, are required to be registered.

²⁹⁸ BYMA (2018), Articles of Association. Text approved by the Ordinary and Extraordinary Assembly of 5 April 2018 and registered with the Inspectorate-General of Justice on 22 August 2018. Viewed at: <https://www.byma.com.ar/wp-content/uploads/2018/10/BYMA-Estatuto-Social-Aprobado-Asamblea-05-04-18-IGJ-22-08-18.pdf>.

²⁹⁹ Information from Caja de Valores. Viewed at: <https://www.cajadevalores.com.ar/Home/FAQ>.

had 503 participants (ALyCs, 60.04%; banks, 21.27%; ACDIs³⁰⁰, 7.95%; mutual funds, 4.17%; finance companies, 4.17%; and others, 2.39%). Its net worth was ARS 11,772 million as at 31 March 2021.³⁰¹

4.259. The Rosario-based Mercado Argentino de Valores S.A. (MAV) engages in the structuring of products and businesses linked to SMEs, to non-standardized products in general and to regional economies. It is the only entity of its kind in Argentina. The MAV came into being in 2013 when, prompted by the Law on capital markets, Rosario Securities Market (Mervaros) merged with the Mendoza Stock Exchange, changing its name to Mercado Argentino de Valores S.A. (MAV). The MAV offers operations with instruments designed to boost the development of regional economies and SMEs, such as deferred payment cheques, promissory notes, invoices, SME shares, SME negotiable bonds, financial trusts, public securities, options and provincial and municipal financing.³⁰² The MAV links SMEs with investors by designing tailor-made instruments and products, according to each region, so that they can finance themselves and increase their productive capital. In 2021, the MAV had 195 agents.³⁰³ The total volume of financing to SMEs came to ARS 83,829 million in 2019, 97% higher than the previous year. For the first half of 2020, financing to SMEs amounted to ARS 70 billion, mainly through the deferred payment cheque trading mechanism. In March 2020, trading in electronic cheques (ECHEQ) began, accumulating a total traded amount of ARS 16,265 million in the first half of the year.³⁰⁴

4.260. During most of the period under review, two futures market entities operated separately: MATBA S.A. and ROFEX S.A., which merged in 2019. The Mercado a Término de Buenos Aires S.A. (MATBA) was an entity that registered and guaranteed futures and options transactions. Rosario Futures Exchange, or ROFEX S.A., until 2019 was the largest futures market in Argentina and traded futures and options contracts on soybeans, wheat and corn, as well as financial derivatives. ROFEX S.A. registered, cleared, settled and guaranteed its contracts through a futures and options clearing house, Argentina Clearing S.A., the only futures and options clearing house in Argentina. In January 2017, ROFEX S.A, Argentina Clearing S.A. and MATBA entered into an agreement for the interconnection of their trading and clearing and settlement systems and later started to launch joint products. In December 2018, the MATBA-ROFEX merger was approved, and in February 2019 the definitive agreement for the integration of the two markets was signed, which took effect on 1 August 2019, with MATBA as the absorbing company.

4.261. The level of financial derivatives trading on MATBA-ROFEX in 2020 was down 44% from the record level of 2019: 116 million contracts were traded (209 million in 2019) for a total of USD 124.5 billion, down 46% from 2019 (USD 229 million). US dollar futures and options accounted for 97% of the total volume traded in financial contracts, with 113 million contracts, equivalent to USD 122 billion, down 46% on the volume in 2019. Trading in peso equity index futures and options (RFX20 Index) amounted to 2.2 million contracts for a total of ARS 531 million. The volume traded in agricultural futures and options on MATBA-ROFEX in 2020 reached 53.4 million tonnes, a level similar to 2019.³⁰⁵ Soybean futures and options accounted for 54% of the total, followed by corn contracts (31%) and wheat contracts (15%).

4.262. In 2020, 50.6% of trading on the securities markets was in public sector securities, while in 2019 it was 72.4%. Trade in shares accounted for less than 1% of the total, the majority of the remaining amount (35.9% of the total) corresponding to bonds and repos (Table 4.11) The average daily volume for the year was ARS 126,756 million (about USD 1.5 billion).

³⁰⁰ An integrated placement and distribution agent (ACDI) is an entity authorized by the CNV to subscribe and redeem shares of mutual investment funds (FCIs) on behalf of its clients. The shares subscribed by each investor through the ACDI are registered with the Caja de Valores.

³⁰¹ Information from Caja de Valores. Viewed at: <https://www.cajadevalores.com.ar/InfoFinanciera/EstadosFinancieros>; and <https://www.cajadevalores.com.ar/img/pdf/2021-1-Cifras-CajadeValores.pdf>.

³⁰² Information from the MAV. Viewed at: <http://www.mav-sa.com.ar/>.

³⁰³ MAV (2021), *Informe 2020* (2020 Report). Viewed at: http://www.mav-sa.com.ar/uploads/tx_sbdownloader/Informe_MAV_2020.pdf.

³⁰⁴ MAV (2021). Viewed at: http://www.mav-sa.com.ar/uploads/documentos/Nomina_Agentes_MAV21.pdf; y http://www.mav-sa.com.ar/uploads/tx_sbdownloader/Balance_Anual.pdf.

³⁰⁵ Information from MATBA-ROFEX. Viewed at: <https://matbarofex.com.ar/articulo/mercado-en-numeros/financiero/2020>.

Table 4.11 Market indicators 2015-20

Indicator	2015	2016	2017	2018	2019	2020
Share indices						
S&P Merval annual variation (%)	116.57	44.90	77.72	15.66	55.85	22.93
S&P BYMA General Index annual variation (%)	15.66	55.85	74.89	0.06	37.3	20.01
IAMC Bond Index (IBIAMC)						
IAMC Bond Index annual variation (%)	53.24	33.02	24.81	57.00	40.63	67.7
Short-term in ARS, annual var. (%)	30.51	28.57	22.14	37.82	31.99	117.5
Short-term in USD, annual var. (%)	32.06	28.78	18.54	88.58	22.82	78.1
Long-term in ARS, annual var. (%)	96.64	41.38	19.53	22.70	9.45	129.09
Long-term in USD, annual var. (%)	39.58	34.37	29.25	57.51	60.05	35.11
Market characteristics						
Average daily volume (traded on BYMA) (ARS million)	3,098	5,405	10,401	17,056	43,676	126,756
Shares	197	282	498	878	887	1,088
CEDEAR ^a	10	14	13	18	173	1,074
Government securities	2,160	4,231	8,493	13,841	31,618	64,130
Negotiable bonds	65	122	282	419	877	9,151
Financial trusts	7	9	26	28	48	25
Bonds and repos	603	674	1,012	1,673	8,516	45,533
Futures				50	1,301	5,151
Loans	12	31	59	114	218	423
Options	12	14	19	35	44	88
Total capitalization (ARS billion)	3,292	4,512	6,877	10,786	2,409	2,844
National capitalization (ARS billion)	729	1,011	2,061	1,804	2,358	2,815
National capitalization / GDP (2) (%)	11.1	11.3	17.6	10.7	9.3	10.4
Number of listed companies	101	101	104	98	91	89
Financing to companies (USD million)	9,663	12,478	15,704	6,347	3,541	4,928
Large	8,802	11,584	13,709	5,548	3,449	4,847
SMEs	860	895	1,121	799	92	81
7-day ARS bond (NAR) (%)	28.53	24.80	24.43	42.74	43.03	34.08
30-day ARS bond (NAR) (%)	28.57	25.21	28.64	44.22	42.48	35.88
Call rate in ARS private banks up to 15 days (eop) (%)	23.83	24.91	29.16	59.01	46.92	26.60
BADLAR in ARS private banks (eop) (%)	27.25	19.88	23.25	49.50	39.44	34.25
Monetary policy rate (eop) (%)	33.00	24.75	28.75	59.25	55.00	38.00
ARS/USD exchange rates						
BNA Divisa [foreign exchange] (seller) (eop)	13.040	15.928	18.649	37.700	59.89	84.15

a CEDEARs are certificates of deposit for shares of foreign companies or other securities that are not authorized for public offering in Argentina. They are held in custody at a credit institution and can be traded like any other share.

Note: eop = end of period

Source: IAMC. Market Indicators, December 2020. Viewed at: <https://www.iamc.com.ar/indicadoresbursatiles/>.

4.263. Following the transformation of Merval into BYMA in 2019, several foreign companies withdrew from the market, with a consequent effect on its capitalization. In December 2018, 83% of the total capitalization was represented by the market value of the six listed foreign companies; however, after the delisting of five of them, this now represents 2% of the total.³⁰⁶ As at 31 December 2020, the capitalization of domestic companies amounted to ARS 2,815 billion, or USD 33.5 billion. The three largest domestic companies by capitalization were Telecom Argentina, YPF and Grupo Financiero Galicia. Total capitalization was ARS 2,844 million in 2020. The capitalization of domestic companies at the end of 2020 represented 10.4% of GDP. Total actual volume came to ARS 46,266 billion (ARS 126,756 million daily average), representing an annual increase of 193%. Measured in USD, the volume totalled USD 550,786 million, an annual increase of 162%. The Merval index rose 22.9% in 2020.

4.264. On the MAE, public and private fixed-income securities are traded in both spot and forward transactions.³⁰⁷ The public offering of private negotiable securities must be authorized by the CNV.

³⁰⁶ BYMA (2020), *Memoria Anual 2019*. Viewed at: https://www.byma.com.ar/wp-content/uploads/2020/02/BYMA-MEMORIA_2019.pdf.

³⁰⁷ CNV Resolution No. 9.934/93 and Decree No. 677/01 and CNV General Resolution No. 746/18.

Transactions may be arranged in ARS or in USD. All transactions must be settled using one of the CNV-approved clearing or payment schemes.³⁰⁸ The volume of fixed income securities traded was USD 96.1 million in 2020, well below 2019, when it was USD 223,231 million, and 2018, when it totalled USD 853,452 million.³⁰⁹ Repo operations, on the other hand, increased substantially from USD 252,472 million in 2019 to USD 1,537,372.80 million in 2020.³¹⁰ Agents on the open market (AMAs) must be registered with the CNV; at present all AMAs are legal persons, generally banks, finance companies or exchange houses.

4.4.2.4 Insurance and social security

4.4.2.4.1 Main features

4.265. As at April 2021, 196 insurance entities were authorized in Argentina compared to 192 entities as at 31 December 2020.³¹¹ Of these companies, 18 offered retirement insurance, 38 exclusively life insurance, 12 exclusively insurance against occupational risks, five public passenger transport insurance, and the remaining 123 covered various property risks or engaged in mixed operations, covering both property and personal insurance. Most of these enterprises are private, with national or foreign capital, three are branches of foreign enterprises, and four are state-owned.

4.266. The period under review saw the gradual opening up of the reinsurance market (see below), which led to a reduction in the number of local reinsurers from 28 in 2015 to 16 in April 2021. Only one insurance company is authorized to operate in active reinsurance. The reinsurance market is complemented by 113 admitted (foreign) reinsurers.³¹² Intermediation in the market is in the hands of insurance advisors (natural and legal persons) and reinsurance brokers, amounting to a total of 43,824 agents as of April 2021, 43,799 of them in the insurance area, while 25 were reinsurance brokers. As of 30 June 2020, the insurers had 31,272 employees.³¹³

4.267. The value of premiums net of cancellations in the insurance market continued to increase in nominal terms over the period under review, but declined in constant terms. Although in current terms the value of premiums almost tripled between 2015 and 2019, in adjusted terms it shrank by 15%. In December 2020, insurance premiums amounted to ARS 456,275 million, and reinsurance premiums, to ARS 18,032 million.³¹⁴ In terms of premiums, property and casualty insurance premiums accounted for more than 80% of the total; almost half of those premiums were for motor vehicles, followed by premiums for occupational risks, with 30%. Group life insurance and creditor-debtor life insurance accounted for 50% of total personal insurance production.

4.268. In 2019, insurance activity accounted for 2.67% of GDP for insurance and reinsurance combined (2.53% for the insurance market); this share has been declining following a peak of 3.21% of GDP in 2016. The per capita direct premium was ARS 10,075 (USD 160) as at 30 June 2019, 23% lower in constant values than in 2015. For the 2019 financial year, productivity per employee, including for total insurance and reinsurance operations, was ARS 15 million (ARS 14.3 million for insurance), 17.5% lower than the 2015 level.³¹⁵

4.269. Assets of insurance companies exceeded ARS 1,558.1 million (about USD 17 billion) as at 30 September 2020, while liabilities reached ARS 1,108.1 million (USD 12.3 billion). The equity was ARS 450 billion (USD 5 billion). Investments continued to consolidate as the most important asset item with a share of over 71.4% in September 2020 compared to the same month in 2019 (25.5%

³⁰⁸ These are: the national schemes Argentina Clearing S.A. and CRYL (Centre for registering and clearing public liabilities and financial trust funds under BCRA supervision) and the international schemes Euroclear, based in Brussels (Belgium), and Clearstream, based in Luxembourg.

³⁰⁹ Information from MAE. Viewed at: https://servicios.mae.com.ar/estadisticas/volumenes_rfcv.aspx.

³¹⁰ Information from MAE. Viewed at: https://servicios.mae.com.ar/estadisticas/volumenes_rfrepo.aspx.

³¹¹ Information provided by the authorities and National Insurance Supervisory Authority (SSN) (2020), *Indicadores del mercado*, December 2020. Viewed at:

³¹² Information from the SSN. Viewed at: <https://www.argentina.gob.ar/superintendencia-de-seguros/mercado-asegurador/reaseguradoras/admitidas>.

³¹³ SSN (2020), *Evolución del Mercado Asegurador*, 2009-2019. Viewed at: https://www.argentina.gob.ar/sites/default/files/ssn_2019_evolucion_mercado_asegurador_anexo.pdf.

³¹⁴ SSN (2020), *Situación del Mercado Asegurador*, at 30 September 2020. Viewed at: https://www.argentina.gob.ar/sites/default/files/ssn_202009_sit_mercado_asegurador_anexo.pdf.

³¹⁵ SSN (2020), *Evolución del Mercado Asegurador*, 2009-2019. Viewed at: https://www.argentina.gob.ar/sites/default/files/ssn_2019_evolucion_mercado_asegurador_anexo.pdf.

in real terms), totalling ARS 1,179.7 million).³¹⁶ 99.5% of investments were made in the country. During each year over the period 2015-19, insurance companies as a whole posted positive earnings. In 2019, the balance was ARS 54.5 billion, resulting from financial gains of ARS 165 billion and technical losses of ARS 95.5 billion.³¹⁷ In 2020, it was ARS 44.1 billion.

4.4.2.5 Legislative framework

4.270. The regulatory and supervisory authority for the sector is the National Insurance Supervisory Authority (SSN), a decentralized public agency operating under the Ministry of the Treasury and Public Finance. The SSN's responsibilities include the control, supervision and inspection of the insurance market in accordance with the principles set out in Law No. 20.091 on insurance establishments; helping to define policies for the insurance market; controlling minimum capital, foreign companies, technical reserves, withdrawal of authorizations, liquidation and penalties; supervision of insurers, insurance intermediaries, experts and liquidators; and the development and implementation of programmes to improve the quality of the service, costs and the rapidity of procedures for policyholders. The SSN monitors the evaluation and inspection activities of market operators to protect policyholders and ensure compliance with current laws and regulations.³¹⁸

4.271. Law No. 20.091 on insurance establishments and their supervision, Official Journal of 7 February 1973, and its amendments contain the main provisions governing the insurance business in Argentina. This Law applies to insurers and reinsurers throughout Argentina. Other relevant laws are Law No. 17.418 of 6 September 1967 on insurance contracts, and Law No. 22.400 of 18 February 1981 on registration of insurance consultants. The SSN's resolutions also constitute the regulatory framework for the insurance market. SSN Resolution No. 38.708/2014, Official Journal of 13 November 2014, and its amendments contain the General Insurance Business Regulations. In addition, Law No. 24.241 of 18 October 1993 established the integrated retirement and pensions scheme, creating provident retirement and life insurance. This Law was amended in 2008 by Law No. 26.425 of 9 December 2008, itself amended by Law No. 27.260, Official Journal of 22 July 2016. Law No. 24.557 of 4 October 1995 on occupational risks provided that every employer has to be insured through an occupational risk insurer (ART).

4.272. Prior authorization from the SSN must be obtained to operate as an insurer or reinsurer in Argentina or to make any changes to the memorandum or articles of association or in the registered capital of an insurance company. Only the following may carry out insurance transactions in Argentina: (a) limited companies, cooperative associations and mutual insurance companies; (b) branches or agencies of foreign companies of the kind mentioned in the preceding paragraph; and (c) national, provincial or municipal official or joint bodies and establishments. Insurance companies must have been established for the sole purpose of carrying out insurance transactions, and all the capital required must have been paid up before they may be authorized by the SSN to operate. The authorization of new operators is also subject to the expediency of their role in the insurance market. In considering an authorization request, the SSN shall also assess the general and particular market conditions and the background and responsibilities of the applicants, as well as their experience in the insurance business. Insurance companies are not allowed to operate in a branch of insurance without being expressly authorized.

4.273. Branches of foreign companies must prove that their parent company is incorporated and registered in countries or jurisdictions considered "cooperative for tax transparency purposes", in accordance with the provisions of Decree No. 589/2013 and complementary regulations. If this is not the case, proof must be provided that the parent company is subject to the control and supervision of a body that performs similar functions to those of the SSN, and with which a memorandum of understanding for cooperation and exchange of information has been signed. In addition, the parent company must be incorporated and registered in countries or jurisdictions that cooperate in the global fight against money laundering and terrorist financing offences, according to the criteria of the Financial Action Task Force (FATF).

³¹⁶ SSN (2020), *Situación del Mercado Asegurador*, as at 30 September 2020. Viewed at: https://www.argentina.gob.ar/sites/default/files/ssn_202009_sit_mercado_asegurador_anexo.pdf.

³¹⁷ SSN (2020), *Evolución del Mercado Asegurador*, 2009-2019. Viewed at: https://www.argentina.gob.ar/sites/default/files/ssn_2019_evolucion_mercado_asegurador_anexo.pdf.

³¹⁸ Information from the SSN. Viewed at: <https://www.argentina.gob.ar/superintendencia-de-seguros/institucional>.

4.274. Insurance companies must attest to a minimum capital that arises from the highest of three parameters: (a) capital to be credited by branch; (b) amount based on premiums and surcharges³¹⁹; and (c) amount based on claims.³²⁰ As regards capital to be credited by branch, for example, a minimum capital of ARS 66,228,000 is required for motor vehicles (ARS 79,473,600, if motor cycles are included, or ARS 99,342,000 if civil liability and air navigation are also included).³²¹ The requirement to operate in any of the personal insurance branches is ARS 19,868,400.³²²

4.275. Local reinsurers are required to hold a minimum amount of capital arising from the higher of the first two parameters, but the minimum capital must not be less than ARS 350 million. In the case of the amount based on premiums and surcharges, this takes the net retained premiums for active reinsurance and retrocession, plus administrative surcharges, written in the 12 months prior to the end of the statement in question, which cannot be less than 40% of total premiums written (net of cancellations). A percentage of 16% is applied to the amount determined. Insurers may engage in active reinsurance transactions up to 10% of the total direct insurance premiums, calculated at the close of each financial year.

4.276. The reopening of the reinsurance market was enabled by the lapsing of SSN Resolution No. 35.615/11, which had stipulated that reinsurers had to be domestic companies from 1 July 2011 onward and that foreign companies had to act as retrocessionaires. At present local reinsurers and authorized reinsurers operate in the sector. Local reinsurance companies may be: (a) Argentine limited companies, cooperative associations and mutual funds whose sole purpose is to provide reinsurance; and (b) branches established in Argentina of foreign reinsurance entities.

4.277. The law also allows for admitted reinsurers, which are foreign reinsurance entities licensed for that purpose in their country of origin that have been authorized to accept retrocession and reinsurance operations in Argentina. In order to receive that authorization, they must prove that they are legally constituted and authorized to reinsure risks ceded from abroad, indicating the date of commencement of operations; prove that the legislation in force in the country of origin allows them to meet their commitments abroad, in freely convertible currency; and prove with a report from an external auditor or from the supervisory authority of the country of origin that they have a net worth of not less than USD 100 million.³²³ They must also attest to a minimum rating in the last three years from an international rating agency. In addition, they must demonstrate that they are incorporated and registered in jurisdictions considered to "cooperative for the purposes of fiscal transparency", in accordance with the provisions of Decree No. 589/2013, as well as cooperating in the global fight against money laundering and terrorist financing crimes, according to FATF criteria.³²⁴

4.278. Insurance against risks that might arise in Argentine territory can only be taken out through companies established in the country. Law No. 12.988, Official Journal of 11 July 1947, prohibits the

³¹⁹ If the amount is determined on the basis of premiums and surcharges, premiums for direct insurance, active reinsurance and retrocession, plus administrative surcharges, written in the 12 months prior to the end of the statement in question are taken. A percentage of 16% is applied to the amount determined. The amount obtained is multiplied by the percentage resulting from comparing the claims and settlement expenses of the previous 36 months with the gross amount of those claims. That percentage may not be less than 30% in the fire and aviation branches; 50% in the agricultural and forestry risks, civil liability, bond, credit, hull transport, goods transport, technical, theft and similar risks branches; and 85% for the combined family and comprehensive, motor and public passenger transport branches.

³²⁰ In the case of the claims-based amount, the net paid and outstanding claims for direct insurance, active reinsurance and retrocession for the 36 months prior to the end of the relevant period are added together. The resulting figure is divided by three and a percentage of 23% is applied to the result. The amount thus obtained is multiplied by the percentage resulting from comparing the claims and settlement expenses paid for the previous 36 months with the gross amount of those claims.

³²¹ SSN Resolution No. 408/2019, Official Journal of 9 May 2019. Life insurers whose schemes provide for the establishment of mathematical reserves must hold minimum capital as the higher of the parameter of the amount based on premiums and surcharges and a parameter calculated by taking 4% of total direct insurance and accepted reinsurance mathematical reserves and multiplying it by the ratio of self-preservation mathematical reserves to total reserves, which may not be less than 85%, and adding it to 0.3% of capital at risk multiplied by the ratio of self-preservation capital at risk to total capital at risk, which may not be less than 50%.

³²² SSN Resolution No. 1.080/2019, Official Journal of 2 December 2019, amended the original amounts contained in Resolution No. 39.957/2016, Official Journal of 2 August 2016.

³²³ SSN Resolution No. 408/2019, Official Journal of 9 May 2019. Information from the SSN. Viewed at: <https://www.argentina.gob.ar/superintendencia-de-seguros/mercado-asegurador/reaseguradoras>.

³²⁴ SSN Resolution No. 576/2018, Official Journal of 15 June 2018.

insuring abroad of persons, goods or any insurable interest within the national jurisdiction. Premiums and commissions are freely determined by insurers, although the SSN is authorized to establish minima and maxima for commissions. Where premiums are concerned, the SSN may approve uniform minimum premiums net of commission, in the form of a resolution, if the stability of the market is affected and at the request of any of the insurers' associations, after hearing the other associations. General insurance premiums are authorized by the insurance company's managing body and personal insurance premiums require prior authorization by the SSN. Insurance premiums are subject to a tax at a rate that varies depending on whether the company is established in Argentina or abroad, being higher in the latter case. For companies established in Argentina, the rate has been 0.1% in general since 2002, in accordance with Decree No. 687/98. The rate is 2.5% for occupational accidents and 23% for insurers established outside Argentina.³²⁵

4.279. Law No. 26.425 on the unification of the public social security scheme, Official Journal of 9 December 2008, unified the integrated retirement and pensions scheme into a single public social security scheme, the Argentine integrated social security scheme (SIPA). The Law instituted a pay-as-you-go scheme in place of the funded scheme that previously existed. Pursuant to Law No. 26.425, the totality of the resources may only be used to pay out SIPA benefits. The Law prohibits investment of SIPA funds abroad. Law No. 26.425 provided that the retirement and pension fund managers (AFJP) should be liquidated and compensated with government securities in an amount that could not exceed the maximum value of their equity. The Law also provided that contributors to the SIPA have the right to receive a permanent additional benefit that is determined by calculating 1.5% for each year of service with contributions made to the SIPA.

4.4.3 Telecommunications

4.280. In 2020, Argentina had 54.8 million mobile telephone users, with a penetration rate of 120.2%. This rate, while lower than that in 2013, could indicate growing market competition and decreased use of prepaid cards. The number of fixed telephony subscribers continued to drop between 2013 and 2020 (Table 4.12). While Internet use expanded between 2013 and 2020, according to the Argentine Chamber of the Internet (CABASE) the level of Internet access varies significantly among the provinces because of geographical factors.³²⁶

Table 4.12 Indicators for the telecommunications sector, 2013-20

	2013	2014	2015	2016	2017	2018	2019	2020
Mobile telephony								
Number of users (millions)	67.4	60.6	61.8	63.7	61.9	58.6	56.4	54.8
Penetration rate (per 100 inhabitants)	158.9	141.3	142.7	145.6	139.9	131.2	124.9	120.2
Fixed telephony								
Number of users (millions)	9.6	9.7	10.0	10.2	9.8	9.8	7.7	7.4
Penetration rate (per 100 inhabitants)	22.7	22.6	23.0	23.3	22.1	21.9	17.2	16.2
Penetration rate (per 100 households)	74.7	74.2	75.2	75.8	71.7	71.1	55.4	51.9
Fixed Internet								
Number of users (millions)	6.2	6.6	7.0	7.3	7.9	8.5	8.8	9.6
Penetration rate (per 100 inhabitants)	14.7	15.4	16.1	16.6	17.8	19.0	19.5	21.0
Penetration rate (per 100 households)	48.3	50.5	52.6	53.9	57.8	61.4	62.9	67.6
Income (millions of ARS)	..	..	..	155,551	203,738	261,941	378,799	509,945
Fixed telephony	..	..	..	18,834	25,529	35,273	60,146	73,629
Mobile telephony	..	..	..	109,849	138,537	167,128	231,880	308,730
Fixed Internet	..	..	..	26,868	39,672	59,540	86,773	127,586
Investment (millions of ARS)	..	..	..	26,692	38,620	53,099	..	..
Fixed telephony	..	..	..	9,404	22,370	28,847	..	..
Mobile telephony	..	..	..	17,288	16,250	24,252	..	..

.. Not available.

Note: The drop in the number of mobile telephone users in 2014 is due to a change in methodology.

Source: ENACOM. Viewed at: <https://indicadores.enacom.gob.ar/Informes>; and information provided by the authorities.

³²⁵ Decree No. 2.682/1979, Official Journal of 30 October 1979.

³²⁶ CABASE (2019), *CABASE Internet Index: Estado de Internet en Argentina y la Región, Segundo Semestre*. Viewed at: <https://www.cabase.org.ar/wp-content/uploads/2019/12/CABASE-Internet-Index-II-Semestre-2019.pdf>; and CABASE. Viewed at: <https://www.cabase.org.ar/el-70-de-los-hogares-con-internet-contrata-el-servicio-de-banda-ancha-en-combo-con-tv-paga-yo-telefonía/>.

4.281. In 2014, information and communications technologies (ICT) were declared to be "of public interest" in Argentina, highlighting the contribution that such technology makes to socioeconomic development and the need to guarantee access to ICT at a fair price.³²⁷ To this end, various plans for infrastructure development and digital inclusion have been implemented, namely the Federal Internet Plan (fibre optic) in 2016,³²⁸ the National Broadband Plan (fibre optic) and the National Digital Inclusion Plan in 2017; the National Telecommunications and Connectivity Plan (4G network) in 2018; and the Connect Plan in 2020. Furthermore, in order to narrow the digital divide, in 2017 the 35% tariff on imported computers, mobile devices and spare parts was abolished.³²⁹

4.282. In addition, in 2018 the Argentine Digital Agenda 2030 was adopted, which proposes various strategies for the digital transformation of the country, including: (a) updating ICT regulations, in particular with regard to data protection; (b) expanding broadband coverage and capacity and increasing data transfer speeds; (c) advancing digital literacy; (d) digitizing processes; and (e) promoting the digital economy. With regard to the digital economy, efforts are being made to incorporate digital technologies into companies' productive and management processes, especially those of SMEs (Box 4.3), and to create a digital environment for companies through e-commerce (Box 4.4) and the use of digital financial services.³³⁰

Box 4.3 Adoption of digital technologies in SMEs

In 2017, the Institute for Business Development in Argentina conducted a survey of 172 SMEs regarding the use of digital technologies in the business environment. Four in 10 SMEs indicated that they had no plans to invest in digital tools, owing to their limited access to funding sources, the shortage of trained human capital and the lack of awareness of digital tools and their benefits.

To help MSMEs identify their digital transformation needs, the National Institute of Industrial Technology launched the SME Digital Transformation Programme 4.0 in 2018, and the Ministry of Productive Development created a public-private digital support network in 2020.

The Ministry also provides funding to support MSMEs' digital transformation projects. Projects qualify for funding if they improve productivity and the efficiency and quality of productive processes. The projects selected receive non-repayable grants of up to 70% of the investment cost or ARS 600,000.

Source: Institute for Business Development in Argentina (2017), *Competitividad Pyme: una oportunidad para el desarrollo*. Viewed at: https://www.idea.org.ar/wp-content/uploads/2017/09/FINALIDEA_estudio_CompetitividadPyME.pdf; SME Digital Transformation Programme 4.0. Viewed at: <https://www.inti.gob.ar/noticias/15-desarrollo-e-innovacion/1534-transformacion-digital-40>; Ministry of Productive Development. Viewed at: <https://www.argentina.gob.ar/produccion/medidas-desarrollo-industrial/transformacion-digital>.

³²⁷ Articles 1 and 2 of Law No. 27.078.

³²⁸ In the framework of this plan, operators must provide Internet services for free in public establishments (such as educational institutions) in communities with fewer than 10,000 inhabitants. Office of the Chief of Cabinet, news article dated 21 September 2017. Viewed at: <https://www.argentina.gob.ar/noticias/mas-de-300-localidades-conectadas-al-plan-federal-de-internet>.

³²⁹ Decree No. 117/2017.

³³⁰ Decree No. 996/2018 and Resolution No. 138/2018 of the Secretariat of Modernization.

Box 4.4 E-commerce in Argentina

According to data published by the Argentine Chamber of E-Commerce (CACE), the value of online, business-to-consumer (B2C) and consumer-to-consumer (C2C) commercial transactions has increased since 2013:

(in millions of ARS)

	2013	2014	2015	2016	2017	2018	2019
B2C	23,000	36,310	61,860	93,760	145,000	213,034	373,840
C2C	1,800	3,800	6,381	8,945	11,300	16,726	29,438
Total	24,800	40,110	68,241	102,705	156,300	229,760	403,278
Business to business (B2B)	250,000	..	..	..	..	..	..
Total	274,800	..	..	..	..	..	..

.. Not available.

Various "e-commerce markets" operate in Argentina, such as *MercadoLibre*, an Argentine company that also operates in other markets in the region.

Starting in 2019 and for a period of five years, the purchase of digital services using a foreign currency is subject to the PAIS tax (at a rate of 8%). Certain digital service purchases (such as e-books) are exempt from this tax.

Source: Statistics provided by CACE. Viewed at: <https://www.cace.org.ar/estadisticas>; CACE, news article dated 27 August 2020. Viewed at: <https://www.cace.org.ar/noticias-boom-del-ecommerce-en-el-primer-semestre-del-ano-se-facturaron-mas-de-1728-millones-de-pesos-por-dia>; and UNCTAD (2019), *Digital Economy Report 2019*. Viewed at: https://unctad.org/system/files/official-document/der2019_en.pdf.

4.283. Telecommunications services are regulated by the Digital Argentina Law (Law No. 27.078), promulgated in 2014, and by the National Telecommunications Law of 1972 (Law No. 19.798).³³¹ The Digital Argentina Law introduced the concept of the convergence of services, whereby telecommunications service providers can also offer audiovisual services (with the exception of satellite services).³³² Moreover, the Law recognized net neutrality.³³³ During the review period, new regulations were adopted on universal service, single licences and interconnection, in addition to the operations of mobile virtual network operators (MVNO)³³⁴ and the procedures for the shared use of passive infrastructure (Box 4.13).

Table 4.13 A selection of telecommunications sector regulations

Topic	Regulation
Radio spectrum	Regulations on the Administration, Management and Control of the Radio Spectrum (Annex IV of Decree No. 764/2000)
Universal service	General Regulations on Universal Service (Resolution No. 721/2020 of ENACOM) ^{a, b}
Single licensing system	Regulations on Licences for Information and Communications Technology Services (Ministry of Modernization Resolution No. 697/2017) ^a
Interconnection	General Regulations on Interconnection and Access (Ministry of Modernization Resolution No. 286/2018) ^a
Passive infrastructure	Regulations on Passive Infrastructure Sharing (Secretariat of Public Innovation Resolution No. 105/2020)
MVNOs	Regulations on Mobile Virtual Network Operators (Ministry of Communications Resolution No. 38/2016) ^c

a The regulations of 2000 (Decree No. 764/2000) were repealed.

b Replaced the regulations approved by ENACOM Resolution No. 2.642/2016.

c The regulations of 2014 (Decree No. 68/2014) were repealed.

Source: Information provided by the authorities.

³³¹ All provisions of the National Telecommunications Law that do not contradict the Digital Argentina Law remain in effect (Article 89 of Law No. 27.078). In addition, the Digital Argentina Law regulates the provision of paid radio broadcasting services, with the exception of those broadcast by satellite, which are regulated by the Law on Audiovisual Communications Services (Article 10 of Law No. 27.078).

³³² Articles 10 and 94 of Law No. 27.078; Latin American Observatory on Regulation, Media and Convergence. Viewed at: <https://www.observacom.org/decreto-de-la-convergencia-desregula-el-sector-de-las-comunicaciones-en-argentina/>; and information provided by the authorities.

³³³ Article 1 of Law No. 27.078. Net neutrality is the principle that access to digital content should not be impeded by, for example, changing the speed of traffic or applying different tariffs according to the type of content.

³³⁴ In 2020, the market share of MVNOs was incipient.

4.284. Between 2013 and 2021, various institutions were tasked with formulating and implementing telecommunications policy in Argentina: the Ministry of Federal Planning, Public Investment and Services (2013-15); the Ministry of Communications (2015-17); the Ministry of Modernization (2017-18); the Secretariat of Modernization (2018-19); and the Under-Secretariat of Information and Communications Technologies of the Secretariat of Public Innovation (from 2019 to the present). Furthermore, in 2015, the new regulator for the telecommunications sector, the National Entity for Communications (ENACOM), was established, under the Office of the Chief of Cabinet.³³⁵ ENACOM replaced the Federal Information and Communications Technologies Authority (AFTIC) and took over its functions. AFTIC had itself replaced the National Communications Commission in 2014.³³⁶

4.285. Foreign operators can provide services on the condition that they have an established office in Argentina. Since 2003, for companies that provide Internet-based services, the share of foreign equity and voting rights cannot be higher than 30%. This limit can be increased where a reciprocal agreement has been reached with the investor's country of origin.³³⁷ According to the authorities, there are no instances where the share exceeded 30%. ENACOM must approve any proposed changes to shareholdings or partnership interests in companies in this sector if such changes would affect the control of the company.³³⁸

4.286. Argentina continues to have a single licensing system, regulated by ENACOM, for the provision of all types of telecommunications services, with or without their own infrastructure. When applying for a licence, national and foreign operators are subject to the same requirements. The single licence does not expire unless the operator requests its cancellation or ceases to fulfil its obligations as a service provider. In addition to obtaining an operating licence, the service provider must register each service with ENACOM.³³⁹

4.287. Radio spectrum frequency bands are sold at auction. In general, all operators can participate in the auctions; however, the bid specifications may stipulate that certain bands are reserved for new participants. A "temporary" permit to use a given frequency is granted for the period defined by ENACOM in the bid specifications.³⁴⁰ In the auctions conducted in 2014 and 2017, the validity period of the "temporary" permits granted was set at 15 years.³⁴¹ The *Empresa Argentina de Soluciones Satelitales* (ARSAT) does not participate in these auctions, as ENACOM allocates frequency bands to ARSAT directly. In 2019, it was decided that the frequencies not used by ARSAT would be put up for auction;³⁴² the auctions have not yet been held, however. Since 2013, various measures have been taken to optimize the use of frequency bands. For example, since 2017, operators have been able to reassign frequency bands to allow new services to be offered or new technologies to be used. They have also been able to share the use of certain frequency bands.³⁴³ The limit on the frequency bands that a single operator can hold in an area of service has also been expanded (from 60 MHz to 140 MHz).³⁴⁴ An annual fee – calculated using a formula – must be paid in order to use frequency bands.

4.288. In 2018, new General Regulations on Interconnection and Access were adopted, which replaced the National Interconnection Regulations of 2000. The new Regulations provide for the

³³⁵ Necessity and Urgency Decree (DNU) No. 267/2015; and ENACOM. Viewed at: https://www.enacom.gob.ar/que-es-enacom_p33.

³³⁶ ENACOM also replaced the Federal Audiovisual Communications Services Authority (AFSCA), established in 2009.

³³⁷ Articles 2 and 3 of Law No. 25.750.

³³⁸ Article 13 of Law No. 27.078, as amended by DNU No. 267/2015; Article 14 of the Regulations on Licences for Information and Communications Technology Services; and the General Companies Law (Law No. 19.550/1984).

³³⁹ Articles 8 and 9 of Law No. 27.078; Regulations on Licences for Information and Communications Technology Services; Regulations on the Registration of Information and Communications Technology Services, Added Value Services and Internet Access; Ministry of Communications Resolution No. 38/2016; and ENACOM. Viewed at: https://www.enacom.gob.ar/licencias-y-registro-de-servicios_p862.

³⁴⁰ Articles 26-32 of Law No. 27.078; and information provided by the authorities.

³⁴¹ 5G América (2019), *Temas de regulación de las telecomunicaciones: Argentina*. Viewed at: <https://brechacero.com/white-papers/>.

³⁴² Article 11 of the Law on the Development of the Satellite Industry (Law No. 27.208), as amended by DNU No. 58/2019.

³⁴³ Ministry of Communications Resolution No. E-171/2017; Ministry of Modernization Resolution No. 581/2018; and ENACOM. Viewed at: https://www.enacom.gob.ar/bandas-de-uso-compartido-sin-autorizacion_p680.

³⁴⁴ Ministry of Communications Resolution No. E-171/2017.

introduction of new interconnection modalities. According to the Regulations, operators can negotiate certain interconnection charges, while other local network charges (origin and termination rates) are subject to the reference charges set by ENACOM.³⁴⁵ Since 2018, termination rates for certain telephony cooperatives have been eliminated.³⁴⁶

4.289. Since 2019, operators must provide automatic national mobile roaming along road corridors and in communities with between 500 and 10,000 inhabitants.³⁴⁷

4.290. Competition in the sector is regulated by the Law on the Defence of Competition (Law No. 27.442/2018) and the Digital Argentina Law . The National Competition Authority and ENACOM are responsible for enforcing the relevant provisions. The National Competition Authority also consults with ENACOM with regard to economic concentrations, but it is not bound by any opinions issued by ENACOM.³⁴⁸

4.291. The Digital Argentina Law authorizes ENACOM to identify operators with significant market power and regulate their operations, including interconnection, by imposing specific obligations and/or conditions.³⁴⁹ Until 2014, only one criterion was taken into account when identifying such operators: their share of total revenue of the reference market must be more than 25%.³⁵⁰ In 2014, this criterion was replaced by four new criteria: (i) market share; (ii) ownership of essential facilities (consumables, installations or services); (iii) ability to influence prices; and (iv) viability of competitors.³⁵¹ Based on these criteria, in 2017, *Telecom* was declared an operator with significant power in the retail fixed Internet market in 37 communities. As such, for an initial (extendable) period of two years, operating conditions were imposed on *Telecom*, such as price regulations and the obligation to grant all other operators access to its physical infrastructure.³⁵²

4.292. Telecommunications services are provided by private operators and telephony cooperatives (Chart 4.1). The biggest change in the market was the 2017 merger of *Telecom Argentina* and *Cablevisión* to create a new operator, known as *Telecom*. This merger was approved and a number of operating conditions were imposed.³⁵³ Notwithstanding this merger, five operators continue to provide services in the fixed telephony market. In 2013, there were only two main operators, *Telefónica* and *Telecom Argentina*, which had a combined market share of almost 90%. Although these two operators remain significant, they have lost some market share, while that of *Telecentro* has increased substantially. The mobile telephony market remains highly concentrated, even more so following the merger that created *Telecom* in 2017, which reduced the number of operators. Furthermore, as a result of that merger, *Telecom* accounts for 43% of the Internet services market. The state-owned ARSAT operates the federal fibre optic (backbone) network (ReFeFo) and provides retail fibre optic and satellite communication services.

³⁴⁵ Articles 24 and 25 of the General Regulations on Interconnection and Access.

³⁴⁶ Article 7 of Ministry of Modernization Resolution No. 286/2018; and information provided by the authorities.

³⁴⁷ Secretariat of Modernization Resolution No. 865/2019.

³⁴⁸ Article 17 of Law No. 27.442.

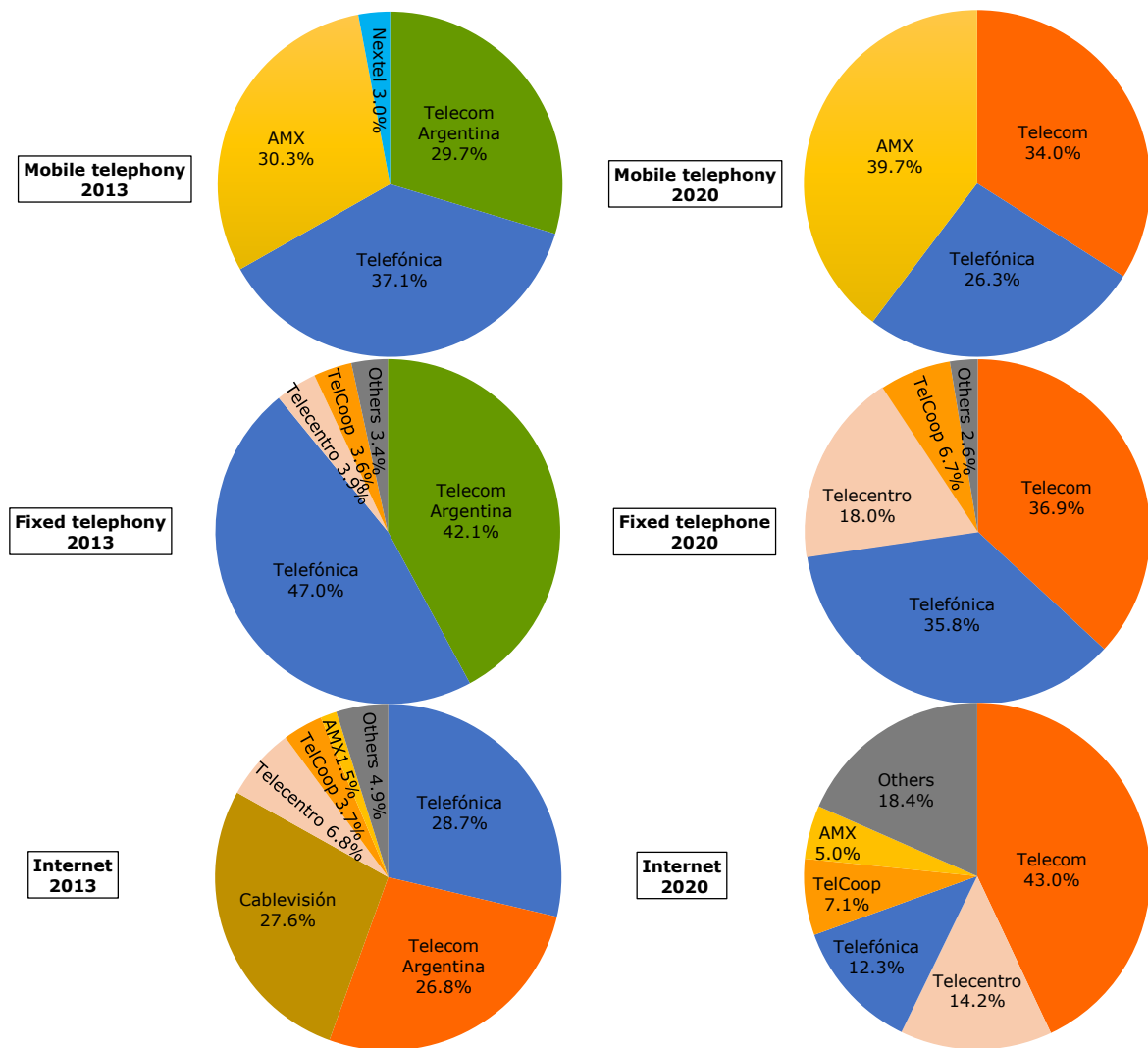
³⁴⁹ Articles 47 and 81 (p) of Law No. 27.078.

³⁵⁰ National Interconnection Regulations approved by Decree No. 764/2000.

³⁵¹ Article 7 of Law No. 27.078.

³⁵² ENACOM Resolution No. 5644/2017; and ConverCom. Viewed at: <http://convercom.org/2018/12/03/la-competencia-en-comunicaciones-la-cuarta-fusion-cablevision-telecom-argentina/>.

³⁵³ ENACOM Resolution No. 5644/2017; and ConverCom. Viewed at: <http://convercom.org/2018/12/03/la-competencia-en-comunicaciones-la-cuarta-fusion-cablevision-telecom-argentina/>; and information provided by the authorities.

Chart 4.1 Structure of the telecommunications market, 2013 and 2020

Note: TelCoop = telephony cooperatives.

Source: Information provided by the authorities.

4.293. Since 2020, ENACOM has regulated the price of essential and strategic public services, namely basic fixed and mobile telephony services.³⁵⁴ In response to the COVID-19 pandemic, all telephone charges were frozen for six months from 1 July 2020.³⁵⁵ Retail telephony charges are subject to VAT at 21%. Mobile service prices are also subject to an internal tax, at a rate of 5% (increased from 4% in 2017).³⁵⁶ In 2017, the 1% tax on postpaid mobile services, which was collected to fund the National Authority for High Sporting Performance, was abolished.³⁵⁷

4.294. Number portability – which has been possible for mobile telephone numbers since 2012 – was authorized for landline telephone numbers in 2018, although it has yet to be implemented.³⁵⁸

4.295. All operators pay a contribution 1% of their revenue to the Universal Service Trust Fund (FFSU), administered by ENACOM.³⁵⁹ In 2020, the FFSU provided up to 80% of the funding for

³⁵⁴ Articles 48 and 54 of Law No. 27.078, as amended by DNU No. 690/2020.

³⁵⁵ DNU No. 690/2020.

³⁵⁶ Law on Excise Duties (Law No. 24.674).

³⁵⁷ Article 39 of the Law on the Creation of the National Authority for High Sporting Performance (Law No. 26.573), as amended by the Income Tax Law (Law No. 27.430).

³⁵⁸ Ministry of Modernization Resolution No. 203/2018.

³⁵⁹ Article 22 of Law No. 27.078.

broadband projects.³⁶⁰ In 2018 and 2019, FFSU resources were also used to subsidize the interest paid on loans from the BNA and the BICE to finance network enlargement projects.³⁶¹ The authorities have indicated that only the BNA provided loans at subsidized rates: the loans were for a maximum of ARS 20 million for a period of seven years, and a 10 percentage point reduction was applied to the interest rate, bringing it down to 2%.

4.4.4 Transport

4.296. The Ministry of Transport, which replaced the Secretariat of Transport in 2015, drafts and implements the sector policy.³⁶² The National Transport and Infrastructure Plan (PNTI) 2016-19 sets out that policy and establishes a number of objectives, such as the creation of an integrated, multimodal network to reduce costs and improve access to centres of production, with a view to enhancing productivity and competitiveness.³⁶³ Within the framework of the Plan, around USD 33 billion of public-private investment³⁶⁴ was used to build and modernize roads, rehabilitate railway lines and improve access to ports. Various projects are currently (as of 2021) under way to improve transport infrastructure. These include the National Railway Plan 2016-23 to rehabilitate the train network and support multimodal transport; and the Belgrano Plan, drawn up in 2015, which is being implemented across 10 northern provinces³⁶⁵ and includes among other projects, building a port in Corrientes province and developing airport infrastructure.³⁶⁶

4.297. Argentina has an extensive road network of around 500,000 kilometres. National highways – which account for 40,000 kilometres of the network – are operated by the state-owned company *Corredores Viales*, established in 2017, and by concessionaires.³⁶⁷ They collect tolls and receive state subsidies and/or transfers, amounting to ARS 5.8 billion in 2019 and ARS 18 billion between 2016 and 2019. In 2020, *Corredores Viales* took over the operation of a number of routes and cancelled the concessions.³⁶⁸ Road transport is the most common method of transporting cargo between urban areas and for export.³⁶⁹ Nonetheless, despite the investment made in improving the road network, this mode of transport is still not competitive, owing to the financial and time costs of travel.³⁷⁰ According to the Argentine Chamber of Trade and Services (CAC), in 2017 the average cost of transporting grain by road was more than double that of transporting it by rail.³⁷¹ This is due to the fact that, since 2012, national rates for the transport of cereals and oilseeds by road have been pegged to reference rates.³⁷²

4.298. Rail transport is used for various types of cargo, in particular agricultural products over short and medium distances. According to the CAC, the network reaches full capacity during the harvest season and is barely used throughout the rest of the year, as it is difficult to transport packaged

³⁶⁰ ENACOM. Viewed at: <https://www.enacom.gob.ar/su>.

³⁶¹ Summary Resolutions Nos. 1.898/2019, 2.144/2018 and 138/2018 of ENACOM.

³⁶² DNU No. 13/2015.

³⁶³ ICEX (2018), *El mercado de las infraestructuras de transporte en Argentina 2018*. Viewed at: <https://www.camarabilbao.com/ccb/contenidos/downloadatt.action?id=5472550>.

³⁶⁴ García N. (2019), *La planificación del transporte por agua en Argentina: Límites y desafíos para los próximos años*, Instituto del Transporte, Universidad Nacional de San Martín. Viewed at: <http://www.unsam.edu.ar/institutos/transporte/publicaciones/doc13.pdf>.

³⁶⁵ Catamarca, Chaco, Corrientes, Formosa, Jujuy, La Rioja, Misiones, Salta, Santiago del Estero and Tucumán.

³⁶⁶ Ministry of Transport, news article dated 6 April 2018. Viewed at: <https://www.argentina.gob.ar/noticias/avanzan-las-obras-de-transporte-del-plan-belgrano-2>.

³⁶⁷ Decree No. 794/2017; and National Road Authority. Viewed at: <https://www.argentina.gob.ar/obras-publicas/vialidad-nacional/corredoresviales>.

³⁶⁸ Casa Rosada, news article dated 4 February 2020. Viewed at: <https://www.casarosada.gob.ar/informacion/actividad-oficial/9-noticias/46703-el-estado-nacional-asume-la-gestion-de-cinco-corredores-viales>.

³⁶⁹ Inter-American Development Bank (2020), *El transporte automotor de cargas en América Latina*. Viewed at: [http://www.aacarreteras.org.ar/pdfs/estudios-y-presentaciones/El transporte automotor de %20cargas en América Latina.pdf](http://www.aacarreteras.org.ar/pdfs/estudios-y-presentaciones/El%20transporte%20automotor%20de%20cargas%20en%20América%20Latina.pdf).

³⁷⁰ National Road Authority, PowerPoint presentation. Viewed at: <https://ppp.vialidad.gob.ar/wp-content/uploads/2017/11/PROYECTO-8.pdf>.

³⁷¹ CAC (2017), *Costo argentino*. Viewed at: https://www.cac.com.ar/data/documentos/11_CAC%20-%20Informe%20Costo%20Argentino%20-%20Agosto%202017.pdf.

³⁷² Reference rates are regularly set by the Ministry of Transport and the Ministry of Agriculture, Livestock and Fisheries, as well as carriers' and farmers' associations, in line with Secretariat of Transport Management Resolution No. 8/2016 .

goods using the current rolling stock.³⁷³ In 2015, rail transport was declared a sector "of public interest". A policy was subsequently introduced to revitalize and improve rail services and infrastructure with the aim of creating a modern and efficient transport system. In 2015, the state-owned company, *Ferrocarriles Argentinos Sociedad del Estado* (FASE), was set up to coordinate projects to improve rail services and the network.³⁷⁴ Rail transport is currently operated by a number of concessionaires and three state-owned enterprises: *Trenes Argentinos Cargas*, *Trenes Argentinos Operaciones* and *Trenes Argentinos Infraestructura*. The State has a minority holding in three of the concessionaires that operate freight services.³⁷⁵

4.299. The waterways network comprises the River Plate, the Paraná, Uruguay and Paraguay rivers. The Paraná and Paraguay river corridor forms the Paraguay-Paraná Waterway.³⁷⁶ The operation and maintenance of the Waterway within Argentine territory are carried out under concession.³⁷⁷ Operating and maintenance costs are covered by a toll (currently USD 3.06).³⁷⁸ In response to the COVID-19 crisis, however, the toll was reduced by 50% in 2020. That same year, 82% of all grain, oil and flour exports were transported via the Waterway, in addition to 93% of containerized cargo in Argentina.³⁷⁹ Currently, deep-draught vessels can sail along only part of the Waterway.³⁸⁰

4.300. As of 2019, for a period of five fiscal years, the purchase of international transport tickets using foreign currency is subject to the PAIS tax (at a rate of 30%). The purchase of certain types of ticket, such as for overland transport to border destinations, is exempt from the tax.³⁸¹ International transport rates are also taxed at 7% (increased from 5% in 2016) to fund campaigns to promote domestic tourism.³⁸²

4.301. In the wake of the health crisis in 2020, businesses and workers in the transport sector received support through the Emergency Assistance Programme for Work and Production (ATP).³⁸³ To compensate for the losses incurred in the overland passenger transport sector, the Ministry of Transport provided ARS 3 billion in cash grants to businesses in the sector. Urban and suburban passenger transport companies also received compensation.

4.4.4.1 Air transport

4.302. Air transport is regulated by the Aviation Code of Argentina (Law No. 17.285), the Law on Commercial Air Transport (Law No. 19.030) and bilateral agreements on air services. The Argentine Civil Aviation Regulations (RAAC) and the Airworthiness Regulations of the Argentine Republic (DNAR) set out the requirements for airworthiness and civil aviation. As a member of the Regional Safety Oversight Cooperation System (SRVSO), Argentina also applies the Latin American Aeronautical Regulations (LAR).³⁸⁴ It is a member of the International Civil Aviation Organization (ICAO) and the Latin American Civil Aviation Commission (LACAC). The National Civil Aviation Administration (ANAC), a decentralized entity within the Ministry of Transport, regulates air transport.

4.303. The State has a major stake in the sector, as it operates a number of state-owned and mixed ownership enterprises (Table 4.14). As of 2021, the State runs two monopolies: air traffic services,

³⁷³ CAC (2017), *Costo argentino*.

³⁷⁴ Law No. 27.132.

³⁷⁵ Ministry of Transport. Viewed at: <https://www.argentina.gob.ar/transporte/trenes> and <https://www.argentina.gob.ar/transporte/gestion-2015-2019/trenes-de-cargas>.

³⁷⁶ The use of the Waterway is regulated by the Agreement on Facilitation of Navigation and Commercial Transport on the Paraguay-Paraná Waterway between Argentina, the Plurinational State of Bolivia, Brazil, Paraguay and Uruguay.

³⁷⁷ Decree No. 113/2010.

³⁷⁸ Ministry of the Interior and Transport Resolution No. 936/2014.

³⁷⁹ Information provided by the authorities.

³⁸⁰ García N. (2019), *La planificación del transporte por agua en Argentina: Límites y desafíos para los próximos años*, Instituto del Transporte, Universidad Nacional de San Martín. Viewed at: <http://www.unsam.edu.ar/institutos/transporte/publicaciones/doc13.pdf>.

³⁸¹ Law on social solidarity and reinvigorating production in the context of the public emergency (Law No. 27.541); and Article 18 of Decree No. 99/2019.

³⁸² Article 24 of the National Tourism Law (Law No. 25.997), as amended by Law No. 27.341.

³⁸³ Emergency Assistance Programme for Work and Production. Viewed at: <https://www.argentina.gob.ar/produccion/medidas-pymes-covid/atp>.

³⁸⁴ The regulations can be consulted at: <http://www.anac.gov.ar/anac/web/index.php/2/75/anac/normativa>.

provided through the *Empresa Argentina de Navegación Aérea Sociedad del Estado* (EANA);³⁸⁵ and ticket management and issuing services for state organizations, provided through *Optar*.³⁸⁶

Table 4.14 State-owned and mixed ownership enterprises in the air sector, 2021

Enterprise	Services	State participation
EANA	Air traffic	100%
Aerolíneas Argentinas Group	Air transport services	100%
Aerolíneas Argentinas S.A.	Apron services	
Aerohandling	Marketing services for the international cargo holds of aircraft belonging to Aerolíneas Argentinas	
Aerolíneas Argentinas Cargo	Air mail services	
Jet Paq	Ticket management and issuing services for state organizations	100%
Optar		
Intercargo	Apron services	100%
YPF	Supply of aircraft fuel	100%
Terminal de Cargas Argentina	Storage and logistics services	15%
Aeropuertos Argentina 2000	Airport operator	15%

Source: Ministry of the Treasury and Public Finance (2018), *Cadenas de valor: transporte aéreo de carga*.

Viewed at:

https://www.economia.gob.ar/peconomica/docs/2018/SSPMicro_Cadenas_de_valor_Transporte_aereo_de_cargas.pdf; and information provided by the authorities.

4.304. Until 2020, the State owned two airlines: *Austral* and *Aerolíneas Argentinas*. In 2020, *Austral*, which operated in the domestic and region market, was absorbed by *Aerolíneas Argentinas*.³⁸⁷ *Aerolíneas Argentinas* is the biggest airline in the domestic market and one of the main international carriers; nonetheless, it has been making a loss, and the State has had to provide it with support (Table 4.15).³⁸⁸

Table 4.15 Support provided to Aerolíneas Argentinas, 2013-20

(USD million)

2013	2014	2015	2016	2017	2018	2019	2020 ^a
704	603	563	325	200	198	426	527

a January-November.

Source: Information provided by the authorities.

4.305. In 2017, Argentina decided to strengthen the services on offer and update its airport infrastructure. In 2018, low-cost airlines began to operate, and new national direct-flight routes were opened, bypassing Buenos Aires.³⁸⁹ In 2016, the price cap on domestic air tickets was removed.³⁹⁰ Furthermore, since 2018 it has been possible to purchase domestic tickets for less than the minimum price (the reference price), provided that the purchase is made more than 30 days before the date of travel.³⁹¹ With regard to international flights, there are plans to improve the terms of access in order to increase the country's connectivity. In that connection, Argentina has signed new air services agreements³⁹² and has revised its existing agreements in order to provide more direct routes, expand capacity and increase the frequency of flights. Such plans were affected by the COVID-19 pandemic, however (Table 4.16).

³⁸⁵ Before the EANA was established in 2015, air traffic management services were provided by the General Directorate of Air Traffic Control of the Argentine Air Force.

³⁸⁶ Article 3 of Decree No. 1.191/2012.

³⁸⁷ *Aerolíneas Argentinas*, press release dated 30 November 2020. Viewed at: https://www.aerolineas.com.ar/es-ar/prensa/comunicadoprensainterno/5283_se-concreto-la-fusion-entre-aerolineas-argentinas-y-austral.

³⁸⁸ Casa Rosada. Viewed at: <https://www.caserosada.gob.ar/79-informacion/carta-jefatura-gabinete/42189-carta-del-ministerio-de-transporte-la-revolucion-de-los-aviones>; and statistics provided by the EANA. Viewed at: <https://www.eana.com.ar/index.php/estadisticas#estadisticas-header>.

³⁸⁹ Ministry of Transport, news article dated 2 February 2017. Viewed at: <https://www.argentina.gob.ar/noticias/aerolineas-argentinas-continua-mejorando-la-conectividad-dentro-del-pais>; and news article dated 3 January 2019. Viewed at: <https://www.argentina.gob.ar/noticias/la-revolucion-de-los-aviones-en-2018-crecio-un-33-el-numero-de-pasajeros-respecto-de-2015>.

³⁹⁰ Decree No. 294/2016.

³⁹¹ Ministry of Transport Resolution No. 656/2018.

³⁹² Finland (2017), Israel (2017), Qatar (2014), Turkey (2014) and United Arab Emirates (2015).

Table 4.16 International air connectivity, 2013-20

(Number)

	2013	2014	2015	2016	2017	2018	2019	2020
Number of direct routes	92	89	96	105	130	148	124	88
Departing from the provinces	8	7	16	26	44	51	37	30
Cities with direct flights	6	5	6	7	6	9	9	8
Number of seats (millions)	..	..	15.0	16.3	18.0	19.3	17.8	4.0
Weekly flights	1,749	1,763	1,693	1,731	1,900	2,025	1,863	522

.. Not available.

Source: Information provided by the authorities.

4.306. International air services are regulated by air services agreements or, in their absence, by the principle of reciprocity.³⁹³ The authorities have indicated that air services with the Bolivarian Republic of Venezuela, with which Argentina has not yet signed an agreement, are provided on the basis of reciprocity. Argentina upholds the fifth freedom of the air and has signed 40 air services agreements (Chart 4.2).

4.307. The ANAC is responsible for granting foreign airlines permission to operate flights to and from Argentina; foreign airlines must have a registered office and a legal representative in Argentina. The ANAC can grant a national carrier either a concession (for a regular service) or authorization (for a non-regular service).³⁹⁴ Air transport prices must be notified to the ANAC and, depending on the relevant aviation agreement, may need to be approved by the ANAC.

Chart 4.2 Air services agreements, 2021

Source: Information provided by the authorities.

4.308. Flights within Argentine territory (internal flights) may be operated only by airlines established in Argentina that are controlled and managed by Argentine nationals. However, should

³⁹³ Article 9 of Law No. 19.030.

³⁹⁴ ANAC. Viewed at: <https://www.anac.gov.ar/anac/web/index.php/2/179/autorizacion-y-aprobacion-de-vuelos/autorizacion-de-empresas-para-operar-servicios-de-transporte-aerocomercial>; and Ministry of Transport Resolution No. 1.302/2017.

it be in the public interest, a foreign company may be authorized to provide a given service, provided that a reciprocal agreement has been reached with the carrier's country of origin.³⁹⁵ The authorities have indicated that there have been instances where foreign companies have been authorized to operate in Argentine territory.

4.309. In 2019, the monopoly held by the state-owned enterprise, *Intercargo*, over apron services was terminated. As of 2021, *Intercargo* remains the main provider of such services, and four airlines run their own apron services.³⁹⁶ To provide apron services, including in cases where a company provides such services for its own use or for use by other companies in the same economic group,³⁹⁷ a certificate must be obtained from the ANAC, to be renewed every two years. Service rates are approved and published by that ANAC.³⁹⁸ In addition, foreign airlines must contract apron services from companies certified by the ANAC. While aircraft fuel is provided by various companies, the state-owned oil company, YPF S.A., is the main provider.³⁹⁹

4.310. The National Airport System Regulatory Authority (ORSNA), a decentralized entity within the Ministry of Transport, is responsible for airport infrastructure and for overseeing concession contracts.⁴⁰⁰ Argentina has 55 airports, 24 of which can provide international services. The airports are operated and administered by the provincial governments and by four concessionaires.⁴⁰¹ The mixed-ownership enterprise, AA2000, is the leading airport operator, as it manages 35 airports, including the country's main airport, Ezeiza.⁴⁰² ORSNA sets airport charges, which differ depending on the type of service (national or international), the category of the airport and the weight of the aircraft. These charges are revised annually.⁴⁰³ ORSNA also sets the rates for warehousing and maintenance services for goods held at freight terminals.⁴⁰⁴

4.311. During the review period and before the considerable drop in air traffic experienced in 2020 and 2021 caused by the COVID-19 pandemic, international air traffic in Argentina ranged between some 11.4 million passengers in 2013 and 2014 to nearly 15 million passengers in 2018 (Table 4.17). Ezeiza airport has the highest level of international traffic. In 2018, the freight terminal was renovated and fitted out for business and technological processes in order to deal with a larger volume of goods and reduce handling times.⁴⁰⁵ According to the authorities, Argentina's primary exports by air are perishable goods and precision equipment and tools.

Table 4.17 International air traffic, 2013-20

	2013	2014	2015	2016	2017	2018	2019	2020
Passengers (thousands)	11,360	11,455	11,724	12,824	14,667	14,998	14,389	3,253
Freight (tonnes)	179,196	160,206	193,606	191,094	221,305	232,830	213,333	82,537

Source: Information provided by the authorities.

4.4.4.2 Maritime transport

4.312. In 2020, 88% of goods exported and imported by Argentina were transported by sea or river; this mode of transport was used for 92% of exports and 75% of imports.⁴⁰⁶ Maritime transport

³⁹⁵ Articles 97 and 99 of Law No. 17.285.

³⁹⁶ Information provided by the authorities.

³⁹⁷ Government of Argentina, PowerPoint presentation. Viewed at:

https://www.argentina.gob.ar/sites/default/files/ppt_nueva_regulacion_del_servicio_de_rampa.pdf.

³⁹⁸ Decree No. 49/2019; and ANAC. Viewed at:

<http://www.anac.gov.ar/anac/web/index.php/1/1874/resoluciones-y-disposiciones/tasas-y-aranceles>.

³⁹⁹ ANAC. Viewed at: <https://www.anac.gov.ar/anac/web/index.php/2/395/infraestructura-y-aerodromos/precio-de-combustible-en-aeropuertos-sna>.

⁴⁰⁰ ORSNA. Viewed at: <https://www.argentina.gob.ar/orsna/quienes-somos>.

⁴⁰¹ ORSNA. Viewed at: <https://www.argentina.gob.ar/orsna/concesionarios>.

⁴⁰² AA2000. Viewed at: <http://www.aa2000.com.ar/>.

⁴⁰³ Airports are grouped into three categories (I, II and III) according to the specifics of the infrastructure, such as the length and width of the runway or the approximate surface area. The Ezeiza and Jorge Newbery airports form a separate category.

⁴⁰⁴ ORSNA. Viewed at: <https://www.argentina.gob.ar/orsna/tarifario>.

⁴⁰⁵ Statistics provided by ORSNA. Viewed at: <https://www.argentina.gob.ar/orsna/informes/estadisticas>; and Ministry of Transport. Viewed at: <https://www.argentina.gob.ar/noticias/se-inauguro-la-nueva-terminal-de-cargas-de-ezeiza>.

⁴⁰⁶ Information provided by the authorities.

is regulated by various laws, which underwent no major changes during the review period. In 2017, two laws were promulgated to promote the development of merchant shipping and the naval industry (Table 4.18). The Under-Secretariat of Ports, Navigable Waterways and Merchant Shipping within the Ministry of Transport oversees maritime services and serves as the national port authority.⁴⁰⁷

Table 4.18 Key legislation on maritime transport

	Laws	Regulations
Shipping	Shipping Law (Law No. 20.094)	Decrees Nos. 770/2019, 572/1994, 2.694/1991 and 817/1992
Cabotage	Decree-Law on Shipping and National Cabotage Trade (Law No. 12.980, ratifying Decree-Law No. 19.492)	Decree No. 817/1992; Ministry of Transport Resolution No. 52/2021.
Vessel registration	Law establishing the National Vessel Regulations (Law No. 19.170)	Ordinances Nos. 2-19 and 9-02 and Argentine Naval Prefecture Order Nos. 1.082/2019
Merchant shipping	Law on Merchant Shipping (Law No. 20.447) Law on the Development of National Merchant Fleet and Regional Waterway Integration (Law No. 27.419)	Decree No. 4.780/1973 Decree No. 650/2018
Naval industry	Law establishing the regime to promote the Argentine naval industry (Law No. 27.418)	Decree No. 920/2018

Source: Ministry of Transport. Viewed at: <https://www.argentina.gob.ar/puertos-vias-navegables-y-marina-mercante/normativa/normativa-subsecretaria/marina-mercante-y-buques>; Argentine Naval Prefecture. Viewed at: <https://www.argentina.gob.ar/prefectura naval/reglamentacion/ordenanzas>; and information provided by the authorities.

4.313. International maritime transport services are regulated by the principle of reciprocity.⁴⁰⁸ Foreign shipping companies must be represented by a maritime agent in Argentina. In order to be able to fly the Argentine flag, a vessel must be listed in the National Ship Register, which is managed by the Argentine Naval Prefecture.⁴⁰⁹ Foreign nationals can register a vessel provided that they have an affiliate or subsidiary or reside in Argentina.⁴¹⁰ Foreign bareboat chartered vessels may fly the flag of Argentina, provided they meet certain requirements related to tonnage, capacity, engine power and age.⁴¹¹

4.314. Cabotage services may be provided only by Argentine vessels and by those permitted to fly the national flag. In the event that such a vessel is not available, temporary authorization may be granted to use a foreign vessel. In such cases, a cabotage exemption request must be submitted to the National Directorate of Shipping Policy and Merchant Shipping. A temporary permit allows a foreign vessel to provide cabotage services for an initial period of six months, which may be renewed indefinitely where justified.⁴¹²

4.315. Argentina's legislation establishes the "right to transport 50% of all water-borne foreign trade in vessels flying the Argentine flag."⁴¹³ Furthermore, freight belonging to the State must be transported primarily in Argentine vessels.⁴¹⁴ Merchant navy vessels are used principally to transport fuel and sand, and, in general, they do not undertake international transport or cabotage services (Table 4.19). To promote the involvement of the merchant navy in the freight transportation, thereby reducing foreign exchange spending on transport services provided by foreign companies, imports of new vessels have been exempted from customs duties since 2017 for a four-year period (extendable for a further two years). Between 2017 and 2019, imports of vessels aged up to seven years were also exempt.⁴¹⁵ To promote the development of the naval industry, since 2017 customs

⁴⁰⁷ Ministry of Defence. Viewed at: <https://www.argentina.gob.ar/armada/intereses-maritimos/puertos>.

⁴⁰⁸ Cargo reservation arrangements are in place with Brazil and Cuba (Law No. 23.557/1998 and Law No. 23.432./1986).

⁴⁰⁹ Law No. 19.170.

⁴¹⁰ Article 52 of Law No. 20.094.

⁴¹¹ Articles 19 and 20 of Law No. 27.419.

⁴¹² Article 6 of Decree-Law No. 19.492 and Resolution No. 870/2018 of the Ministry of Transport.

⁴¹³ Article 1 of Law No. 20.447.

⁴¹⁴ Article 25 of Law No. 27.419.

⁴¹⁵ Articles 13 and 14 of the Law on the Development of National Merchant Shipping and Regional River Integration (Law No. 27.419).

exemptions have also been granted for imports of consumables, parts, pieces, components and new replacement parts that are not produced locally.⁴¹⁶

Table 4.19 Ship movements in Buenos Aires port, 2013-20

(Units)

	2013	2014	2015	2016	2017	2018	2019	2020
Ocean-going vessels	723	664	545	473	472	482	435	332
National vessels and bareboat charters flying the Argentine flag	1	0	0	0	0	0	0	0
Foreign vessels	722	664	545	473	472	482	435	332
Cabotage vessels	662	664	487	354	292	416	342	346
National vessels and bareboat charters flying the Argentine flag	112	149	147	141	91	52	32	64
Foreign vessels	550	515	340	213	201	364	311	282

Source: Statistics provided by Buenos Aires port. Viewed at: <https://www.argentina.gob.ar/transporte/puerto-ba/comercial/estadisticas>; and information provided by the authorities.

4.316. Crew members must meet nationality requirements. In general, Argentine merchant navy ships, as well as foreign vessels providing cabotage services, must be crewed by Argentine nationals. If none are available, foreign nationals may be recruited, with preference given to nationals of MERCOSUR member States.⁴¹⁷

4.317. Argentina has 34 public sea and inland ports and 68 private sea and inland ports.⁴¹⁸ Buenos Aires port is the only federal public port. The terminals (both for freight and cruise passengers) at Buenos Aires port are operated under concession. The state-owned General Administration of state-owned Ports (AGP) oversees concession contracts and manages port areas that are not under concession.⁴¹⁹ All other public ports are run by provincial organizations or concessionaires.

4.318. The Under-Secretariat of Ports, Navigable Waterways and Merchant Shipping sets the maximum rate that can be charged for port pilotage and river and canal pilotage services throughout the country, as well as the surcharge applied according to the vessel's draught and for services in the ports/canals of Patagonia. Merchant navy vessels are eligible for a 25% discount on the cost of such services.⁴²⁰ The services of a pilot must be used, although exceptions may be made for some types of merchant navy vessels.⁴²¹

4.319. Port services can be provided by port operators or third parties; such services are provided under concession at Buenos Aires port.⁴²² Rates for dockage and for port services are regulated by port operators.⁴²³ In 2019, to bring in more traffic, the AGP offered discounts to vessels operating between Buenos Aires port and inland ports in Bolivia and Paraguay.⁴²⁴ In 2020, in response to the COVID-19 pandemic, the AGP reduced the fees for port concessionaires by 20%, introduced a 50% discount on general port dues for cargo ships and offered various discounts for cruise liners.⁴²⁵

⁴¹⁶ Article 7 of the Law establishing the Scheme to Promote the Argentine Naval Industry (Law No. 27.418); and Resolution No. 7/2019 of the Secretariat of Industry.

⁴¹⁷ Articles 29-31 of Law No. 27.419.

⁴¹⁸ Ministry of Transport. Viewed at: <https://www.argentina.gob.ar/puertos-vias-navegables-y-marina-mercante/informacion-portuaria>.

⁴¹⁹ Buenos Aires port. Viewed at: <https://www.argentina.gob.ar/transporte/puerto-ba/el-puerto> and <https://www.argentina.gob.ar/transporte/puerto-buenos-aires>.

⁴²⁰ Under-Secretariat of Ports, Navigable Waterways and Merchant Shipping Provision No. 9-E/2018.

⁴²¹ Decree No. 2.694/1991.

⁴²² Buenos Aires port. Viewed at: <https://www.argentina.gob.ar/transporte/puerto-ba/comercial>.

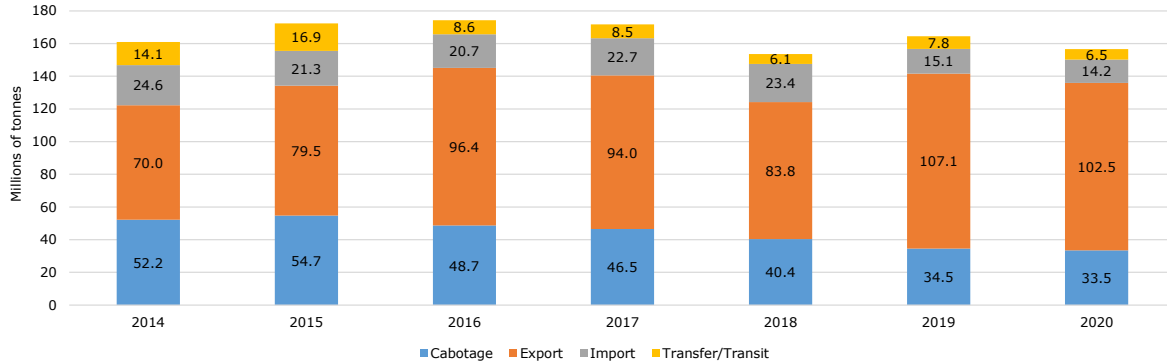
⁴²³ Under-Secretariat of Ports Navigable Waterways and Merchant Shipping. Viewed at: <https://www.argentina.gob.ar/puertos-vias-navegables-y-marina-mercante/costos-y-tarifas/tarifarios>.

⁴²⁴ Resolution No. 40/2019 of the AGP.

⁴²⁵ AGP Order No. 51/2020 and AGP Resolution No. 15/2020, respectively .

4.320. During the review period, the handling of bulk exports was the main operation carried out at Argentina's ports, whereas both the volume of imported goods and the number of cabotage operations decreased (Chart 4.3).

Chart 4.3 Bulk port cargo, by type of operation, 2014-20

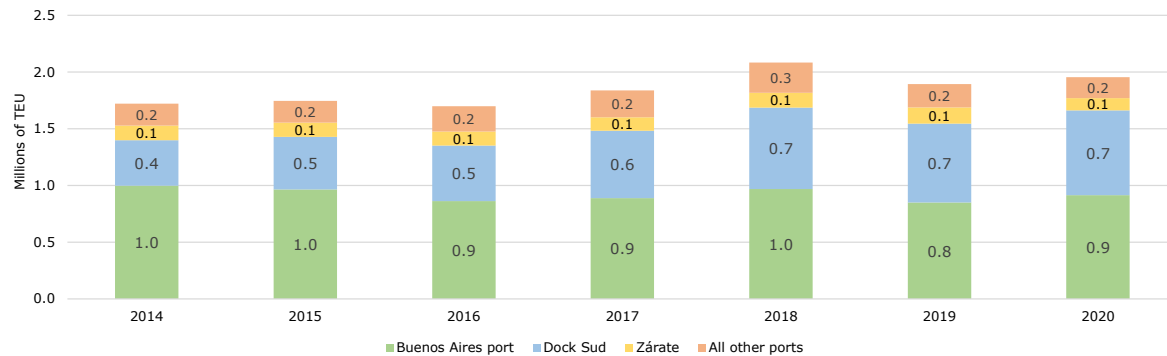


Note: Data for 2020 are provisional.

Source: Statistics provided by the Under-Secretariat of Ports, Navigable Waterways Merchant Shipping. Viewed at: <https://www.argentina.gob.ar/PUERTOS-VIAS-NAVEGABLES-Y-MARINA-MERCANTE/ESTADISTICAS-DE-CARGA>; and information provided by the authorities.

4.321. Container traffic is handled primarily at Buenos Aires port and Dock Sud port, and to a lesser extent at the private port of Zárate (Chart 4.4.). In 2018, a long-term plan was launched to modernize and restructure facilities at Buenos Aires port with the aim of improving its competitiveness, as the current depth of the access channel and the port means that deep-draught ships cannot enter, and container ship turnaround times and port-waiting times are significant time.⁴²⁶ In 2020, various measures were introduced to streamline foreign trade operations at Buenos Aires port.⁴²⁷

Chart 4.4 Containerized cargo, by port, 2014-20



Note: Data for 2020 are provisional.

Source: Statistics provided by the Under-Secretariat of Ports, Navigable Waterways and Merchant Shipping. Viewed at: <https://www.argentina.gob.ar/PUERTOS-VIAS-NAVEGABLES-Y-MARINA-MERCANTE/ESTADISTICAS-DE-CARGA>; and information provided by the authorities.

⁴²⁶ *Plan de Modernización del Puerto Buenos Aires*. Viewed at: https://ebelg.cancilleria.gob.ar/userfiles/ficha_plan_de_modernizacion_resumen.pdf; and Merk, O. (2018), "The container port of Buenos Aires in the mega-ship era", discussion paper, International Transport Forum/OECD. Viewed at: <https://www.itf-oecd.org/sites/default/files/docs/buenos-aires-in-mega-ship-era.pdf>.

⁴²⁷ Buenos Aires port (2019), *Informe de Gestión 2019*. Viewed at: <https://www.argentina.gob.ar/noticias/mira-nuestro-informe-de-gestion-2019-0>; and Buenos Aires port. Viewed at: https://www.argentina.gob.ar/sites/default/files/brochure_cargas_2019_actnov.pdf.

4.4.5 Tourism

4.322. Tourism is a significant component of Argentina's service exports (Table 4.20). Between 2013 and 2019, a series of measures, such as improving flight connectivity and simplifying visa requirements, were taken that boosted international tourist arrivals.⁴²⁸

Table 4.20 International tourism statistics, 2013-20

	2013	2014	2015	2016	2017	2018	2019	2020
Visitors (thousands)	..	..	..	9,986	9,964	10,393	11,132	3,077
Tourists	6,510	7,165	6,816	6,668	6,711	6,942	7,399	2,071
Day-trippers	..	..	..	3,318	3,253	3,452	3,732	1,006
Inbound tourism expenditure (millions of USD)	6,128	6,607	6,151	5,345	5,699	5,754	5,543	1,669
Expenditure on travel	5,453	5,923	5,637	4,847	5,239	5,317	5,130	1,583
Expenditure on passenger transport	674	685	514	499	460	436	413	87
Inbound tourism expenditure as a percentage of GDP	1.0	1.2	1.0	1.0	0.9	1.1	1.3	0.49
Inbound tourism expenditure as a percentage of service exports	44.8	49.3	46.5	39.8	36.8	37.7	39.2	17.8
Inbound tourism expenditure as a percentage of exports of goods and services	6.8	8.1	8.8	7.5	7.7	7.5	7.0	2.6

.. Not available.

Source: Information provided by the authorities.

4.323. To help operators recover from the impact of the COVID-19 pandemic on the sector, the Tourism Assistance, Training and Infrastructure Plan (PACIT) was launched in 2020 to ensure that businesses had sufficient liquidity to cover their costs, retain their employees and resume operations (Box 4.5). In addition, through the Emergency Assistance Programme for Work and Production, ARS 36.5 billion was paid out in various forms of support for businesses and workers in the tourism sector.⁴²⁹

⁴²⁸ Ministry of Transport. Viewed at: <https://www.argentina.gob.ar/transporte/gestion-2015-2019> and <https://www.argentina.gob.ar/oportunidades-naturales/turismo/conectividad>; and Ministry of the Treasury and Public Finance (2018), *Informes de cadenas de valor: Turismo*. Viewed at: <https://www.senado.gov.ar/upload/32045.pdf>.

⁴²⁹ Information provided by the authorities; Law on support for and productive reinvigoration of national tourist activity (Law No. 27.563); Ministry of Tourism and Sports. Viewed at: <https://www.argentina.gob.ar/turismoydeportes/medidas-en-turismo-frente-al-covid-19#1>; and Ministry of Productive Development. Viewed at: <https://www.argentina.gob.ar/noticias/nueva-linea-de-creditos-para-pymes-turisticas>.

Box 4.5 Tourism Assistance, Training and Infrastructure Plan (PACIT)

PACIT comprises three funds:

Assistance and Tourism Training Fund (FACT)

- Amount: ARS 3 billion; beneficiaries: 2,500 businesses and 38,000 employees
- For travel agencies, tourist accommodation, bars and restaurants, and tourist recreational services
- Provided funds to cover one adjustable minimum living wage (SMVM) per employee per month, for a six-month period
- Conditions: continue to pay employees' salaries for at least the six months in which the support was paid, and attend online training

Assistance for Tourism Service Providers Fund

- Amount: ARS 300 million; beneficiaries: 6,500 service providers
- For providers of complementary tourism services (such as tour guides) who are self-employed and small taxpayers (under the *monotributo* simplified tax regime)
- Each service provider received a one-off cash payment of ARS 40,000
- Prioritization criteria: women and those promoting sociocultural and nature-based tourism
- Conditions: attend online training

50 Destinations Plan

- Amount: ARS 1.2 billion
- Tourism infrastructure works in 70 locations
- Agreements signed with 19 provinces

Source: PACIT. Viewed at:

<https://www.argentina.gob.ar/turismoydesportes/pacit#:~:text=Ante%20la%20crisis%20tur%C3%ADstica%20en%20recuperaci%C3%B3n%20y%20reactivaci%C3%B3n%20econ%C3%B3mica;> and information provided by the authorities.

4.324. In 2020, during the COVID-19 pandemic, the BNA opened up a line of credit of ARS 4 billion for tourism companies. Loans were interest free for one year, after which interest was payable at a rate of 18% for the next 12 months.⁴³⁰ According to the authorities, more than 1,100 loans were paid out, at a total value of ARS 3.8 billion. Of those loans, 80% were paid to travel agencies, hotels and restaurants.

4.325. Tourism is regulated at federal and provincial levels. At the federal level, the sector is regulated by the National Tourism Law (Law No. 25.997/2005), the National Student Tourism Law (Law No. 25.599/2002), the National Hotels Law (Law No. 18.828/1970) and the Travel Agencies Law (Law No. 18.829/1970). While a national law is in place to regulate the hotel industry, in practice tourist accommodation is regulated by provincial legislation.⁴³¹ Tour guide services are regulated by provincial regulations.

4.326. During the review period, the implementation of tourism policy and the regulation of the sector were the responsibility of the Ministry of Tourism until 2018, the Secretariat of Tourism from 2018 to 2019 and, since 2020, the Ministry of Tourism and Sports. In addition to the relevant ministry, sectoral policies are drawn up with the participation of the Federal Tourism Council, the Interministerial Committee to Facilitate Tourism and the Argentine Chamber of Tourism. The provinces can have their own tourism authorities.

4.327. The tourism industry is considered an activity of national interest that is both essential and strategic for Argentina's development. The policy for the sector is set out in the Federal Strategic Plan for Sustainable Tourism 2025 (drawn up in 2005 and updated in 2011 and 2014). The aim is to achieve an inclusive and sustainable tourism model.⁴³² Following the drop in international tourism in 2020 in the wake of the COVID-19 pandemic, Argentina has focused on promoting national tourism

⁴³⁰ Ministry of Productive Development. Viewed at: <https://www.argentina.gob.ar/noticias/nueva-linea-de-creditos-para-pymes-turisticas>.

⁴³¹ Del Busto E. (2014), "Régimen jurídico del alojamiento turístico en la República Argentina", *Realidad, Tendencias y Desafíos en Turismo*, volume 12, November. Viewed at: [file:///C:/Users/dorange/Downloads/2080-59206-1-SM%20\(1\).pdf](file:///C:/Users/dorange/Downloads/2080-59206-1-SM%20(1).pdf).

⁴³² Federal Strategic Plan for Sustainable Tourism 2025 (last updated in 2014). Viewed at: <https://www.mininterior.gov.ar/planificacion/pdf/Plan-Federal-Estrategico-Turismo-Sustentable-2025.pdf>; and the Comprehensive Management Plan 2016-19. Viewed at: http://www.turismo.gov.ar/sites/default/files/plan_integral_de_gestion_2016-19-vf.pdf.

to help the sector recover. As part of those efforts, the Domestic Tourism Reactivation Programme was launched, with a budget of ARS 16.5 billion.⁴³³

4.328. The National Bureau of Tourism Promotion (INPROTUR), a public-private organization, is responsible for promoting Argentina as a tourist destination. In 2020, the Bureau established the Tourism Promotion Fund (FonProTur) to support the provinces in their tourism promotion efforts in international markets during the COVID-19 pandemic.⁴³⁴

4.329. Foreign nationals based in Argentina can provide all types of tourism services, including tour guide services, provided that they meet the residency requirements of the relevant province. The type of authorization required to provide tourism services has not changed since 2013 (Table 4.21). Travel agencies must hold a full licence, which may be obtained only after having first held a provisional licence for one year. Agencies that sell study trips must also be certified. Travel agencies must also have physical premises, and those that wish to sell services online must also register a "tur.ar" domain with the National Directorate of Domain Names Registration (NIC Argentina).⁴³⁵ In 2020, to support travel agencies during the pandemic, they were permitted to operate entirely online for a specific period of time and to carry out related activities, not necessarily linked to travel sales.⁴³⁶

Table 4.21 Forms of authorization required to provide tourism services

	Type of authorization	Duration	Authorizing body
Travel agencies	Temporary permit (for carrying out administrative procedures to set up the business)	Six months (renewable once only)	Ministry of Tourism and Sports
	Provisional licence (authorizing commercial activities)	One year	
	Full licence	Permanent (but must be renewed each year)	
	National authorization certificate for student tourism agencies	One year	
Tourist accommodation	Registration by class and category in the provincial register of tourist accommodation	Decided at provincial level	Provincial tourism authorities
Tour guides	Credentials and registration in the provincial register	Decided at provincial level	Provincial tourism authorities
Transport services	Permit	Five years, with the exception of cross-border services (two years); one year for chartered transport services (such as airport transfers)	Ministry of Transport

Source: Ministry of Tourism and Sports. Viewed at: <https://www.argentina.gob.ar/node/40407> and <https://www.argentina.gob.ar/node/37005>; and Ministry of Transport. Viewed at: <https://www.argentina.gob.ar/solicitar-permiso-de-turismo-y-oferta-libre>; and information provided by the authorities.

4.330. For a five-year period starting in 2019, tourism services purchased in foreign currency from overseas service providers or through intermediaries established in Argentina are subject to the

⁴³³ Ministry of Tourism and Sports. Viewed at: <https://www.argentina.gob.ar/turismoydeportes/medidas-en-turismo-frente-al-covid-19#1>; and the Law on support for and productive reinvigoration of national tourist activity (Law No. 27.563).

⁴³⁴ Ministry of Tourism and Sports. Viewed at: <https://www.argentina.gob.ar/turismoydeportes/medidas-en-turismo-frente-al-covid-19#1>.

⁴³⁵ Resolution No. 125/2013.

⁴³⁶ Resolution No. 125/2020; and Ministry of Tourism and Sports. Viewed at: <https://www.argentina.gob.ar/turismoydeportes/medidas-en-turismo-frente-al-covid-19#1>.

PAIS tax (sections 1 and 3.1.4) at the general rate of 30% of the purchase value.⁴³⁷ Agencies that sell study trips must pay 6% of the value of the service to finance a guarantee fund.⁴³⁸

4.331. In 2018, the Tourism Development Fund (FonDeTur) was set up to finance projects that promoted value chains, job creation and intrasectoral competitiveness. Each project selected received a non-repayable grant of between ARS 75,000 and ARS 150,000. In 2019, 126 projects received funding, for a total value of ARS 10.7 million. Projects run by women and projects that promoted new destinations or products were chosen.⁴³⁹ In 2017, following a call for proposals, the Federal Science and Technology Council (COFECyT) provided ARS 22 million in funding for projects that promoted the sector's digital transformation. The Council has not held another call for proposals.⁴⁴⁰

4.332. Various provinces continue to incentivize investment in tourism through tax credits or exemption from local taxes, among other things.⁴⁴¹ The BNA, the BICE, the provincial public banks and the Federal Investment Council (CFI) offer financing with preferential terms to support investment projects conducted by tourism businesses (Table 4.22).⁴⁴²

Table 4.22 Loans available to the tourism sector

Destination	Maximum amount	Interest rate	Discount offered by the Ministry	Loan period	Value of loans in 2019 (ARS)
BNA: 700 Credit Line - Tourism (MSMEs)					
Investment and purchase of capital goods of domestic origin	100% of cost or ARS 25 million	BADLAR + 20 p.p.a.	3, 5 or 7 p.p., depending on the project	10 years	12,500,000
Working capital	ARS 6 million	BADLAR + 22 p.p.a.	3, 5 or 7 p.p., depending on the project	3 years	0.0
BNA: Acquisition and Construction of Buildings for Tourist Accommodation Credit Line (MSMEs)					
Acquisition and construction of hotels	ARS 30 million	BADLAR + 20 p.p.a.	2, 3 or 4 p.p., depending on the project	10 years	8,500,000
BNA: 600 Credit Line - Loans for microenterprises					
Investment and capital goods (including vehicles)	250 SMVMs	Up to 50 SMVMs: fixed rate of 49%; more than 50 SMVMs: BADLAR + 1 p.p.a.	7 p.p.	5 years	1,905,000
Working capital	250 SMVMs	Up to 50 SMVMs: fixed rate of 54%; more than 50 SMVMs: BADLAR + 1 p.p.a.	7 p.p.	3 years	3,300,000
BNA: 600-07 Credit Line – Micro-loans under the Nación Emprende programme (MSMEs)					
Investment, capital goods and working capital	8 SMVMs	Fixed rate of 60%	7 p.p.	18 months	0.0
BNA: 601 Credit Line - Nación Emprendedores (NACE) financing for entrepreneurs (all business types)					
Investment, capital goods (excluding vehicles) and working capital	125 SMVM	BADLAR + 21 p.p.a.	7 p.p.	5 years	0.0

⁴³⁷ Article 35 of the Law on social solidarity and reinvigorating production in the context of the public emergency (Law No. 27.541); and AFIP. Viewed at: <https://www.afip.gob.ar/impuesto-pais/>.

⁴³⁸ Ministry of Tourism and Sports. Viewed at: <http://www.derechofacil.gob.ar/leysimple/turismo-estudiantil/>.

⁴³⁹ Ministry of Tourism and Sports. Viewed at: <https://www.argentina.gob.ar/turismo/fondo-de-desarrollo-turistico> and <http://www.turismo.gov.ar/noticias/2018/05/07/ministerio-turismo-nacion-lanza-un-fondo-para-desarrollo-turistico>; Yvera. Viewed at: <https://www.yvera.tur.ar/fondetur/>; and information provided by the authorities.

⁴⁴⁰ Federal Science and Technology Council. Viewed at: <https://www.argentina.gob.ar/cofecyt/convocatorias-cerradas/asetur-2017>.

⁴⁴¹ Ministry of Tourism (2016), *Guía de Regímenes de Incentivos a la Inversión Turística 2016*. Viewed at: http://www.turismo.gob.ar/sites/default/files/quia_de_regimenes_de_incentivos_para_la_inversion_turistica.pdf.

⁴⁴² Secretariat for Tourism (2019), *Asistencia financiera con condiciones favorables para el sector turismo*. Viewed at: https://www.argentina.gob.ar/sites/default/files/asist_finan_condiciones_favorables_enero_2019.pdf.

Destination	Maximum amount	Interest rate	Discount offered by the Ministry	Loan period	Value of loans in 2019 (ARS)
Nación Leasing (a BNA affiliate) (SMEs and large enterprises)					
Capital goods	100% of cost or ARS 15 million	BADLAR + spread	1, 3 or 5 p.p., depending on the project	5 years	0.0
BICE: Investment financing - Development loans (all business types)					
Investment and capital goods	80% of total cost or ARS 80 million	ARS: BADLAR of private banks + margin of 6 basis points USD: LIBOR + spread	ARS: 3 p.p. USD: 1 p.p.	ARS: 15 years USD: 10 years	45,000,000

Note: p.p. = percentage points; p.p.a. = annual percentage points; SMVM = adjustable minimum living wage; BADLAR (Buenos Aires Deposits of Large Amount Rate) = average interest rate paid on fixed-term deposits of more than ARS 1 million by financial institutions.

Source: Secretariat for Tourism (2019), *Asistencia financiera con condiciones favorables para el sector turismo*. Viewed at: https://www.argentina.gob.ar/sites/default/files/asist_finan_condiciones_favorables_enero_2019.pdf.

5 APPENDIX TABLES

Table A1.1 Merchandise exports by HS section, 2012-20

(USD million and %)

Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total exports	79,982	75,963	68,404	56,784	57,879	58,384	61,558	65,114	54,884
	(USD million)								
	(% of exports)								
1 - Live animals; animal products	5.9	6.8	7.3	6.9	7.0	8.0	9.4	9.7	10.7
02. Meat and edible meat offal	2.3	2.5	2.7	2.4	2.5	3.1	4.2	5.7	5.8
03. Fish and crustaceans, molluscs and other aquatic invertebrates	1.6	2.0	2.3	2.5	2.9	3.3	3.4	2.7	2.9
04. Dairy produce; birds' eggs; natural honey; edible products of animal origin	1.9	2.2	2.2	1.8	1.4	1.3	1.7	1.3	1.8
2 - Vegetable products	20.2	20.1	17.2	20.7	22.9	21.4	18.9	23.3	25.7
10. Cereals	11.9	10.9	7.7	8.5	12.1	11.9	12.3	13.9	16.0
12. Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants	4.7	6.1	6.2	8.4	6.6	5.4	2.9	6.2	5.9
08. Edible fruit and nuts; peel of citrus fruit or melons	1.5	1.6	1.6	1.6	1.8	1.6	1.6	1.2	1.4
07. Edible vegetables and certain roots and tubers	0.9	0.6	0.7	0.8	1.3	1.3	1.0	1.0	1.2
3 - Animal or vegetable fats and oils	7.4	6.8	6.3	8.3	8.6	8.3	6.4	6.3	8.0
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco and manufactured tobacco substitutes	18.8	20.9	23.6	24.3	24.5	22.3	21.4	18.2	18.9
23. Residues and waste from the food industries	13.7	15.8	18.8	18.8	18.6	16.8	16.2	14.1	14.7
22. Beverages, spirits and vinegar	1.3	1.3	1.4	1.6	1.6	1.6	1.5	1.3	1.5
20. Preparations of vegetables, fruit, nuts or other parts of plants	1.7	1.7	1.5	2.0	2.0	2.0	1.9	1.5	1.2
5 - Mineral products	9.0	6.6	6.7	4.0	4.4	4.2	5.4	3.7	2.8
27. Mineral fuels, mineral oils and products of their distillation	6.2	4.7	4.7	2.5	2.5	2.8	5.1	3.6	2.7
6 - Products of the chemical or allied industries	7.5	7.0	7.9	7.9	8.3	8.0	6.6	4.0	4.3
38. Miscellaneous chemical products	3.2	2.5	3.2	2.4	3.3	3.2	2.7	1.8	1.7
30. Pharmaceutical products	1.1	1.2	1.2	1.8	1.6	1.3	1.1	0.9	1.0
33. Essential oils and resinoids; perfumery, cosmetic or toilet preparations	1.0	1.0	1.1	1.3	1.1	1.1	1.1	0.7	0.8
7 - Plastics and articles thereof	2.2	2.2	2.4	2.1	2.1	2.2	1.8	1.1	1.0
8 - Raw hides and skins, leather, furskins and articles thereof; saddlery and harness	1.2	1.3	1.6	1.6	1.3	1.3	1.3	0.8	0.5
9 - Wood and articles of wood; wood charcoal	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.3
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof	0.7	0.6	0.7	0.7	0.6	0.7	0.6	0.3	0.3
11 - Textiles and textile articles	0.8	0.7	0.8	0.7	0.8	0.7	0.9	0.6	0.5
12 - Footwear, headgear, umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof; prepared feathers and articles made therewith	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
13 - Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	3.2	2.7	3.0	4.4	3.9	4.3	4.0	3.3	2.1
15 - Base metals and articles of base metal	3.6	3.3	3.3	2.4	2.2	2.9	1.4	0.4	0.5
73. Articles of iron or steel	1.7	1.5	1.6	0.8	0.6	1.1	0.5	0.2	0.2
76. Aluminium and articles thereof	0.9	1.0	0.9	0.9	1.1	1.4	0.6	0.1	0.1
16 - Machinery and mechanical appliances; electrical equipment; parts thereof	3.0	3.0	2.8	2.4	2.2	2.3	2.3	1.5	1.4
84. Nuclear reactors, boilers, machinery and mechanical appliances	2.3	2.5	2.3	2.0	1.9	1.9	1.9	1.3	1.2
17 - Vehicles, aircraft, vessels and associated transport equipment	12.8	14.1	12.7	11.1	9.3	10.9	10.9	6.6	5.0
87. Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	12.0	13.3	12.2	10.5	8.7	9.9	10.9	6.6	5.0
18 - Optical, photographic, cinematographic, measuring, checking and precision instruments and apparatus	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
19 - Arms and ammunition; parts and accessories thereof	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20 - Miscellaneous manufactured articles	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1
21 - Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0
Other	2.6	2.8	2.7	1.6	1.2	1.5	8.0	19.3	17.7

Source: WTO Secretariat calculations based on data from the UN Comtrade database and data provided by the authorities for the year 2018.

Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
20 - Miscellaneous manufactured articles	1.5	1.4	1.4	1.5	1.8	1.8	1.8	1.7	1.6
194. Furniture, etc.	0.6	0.6	0.6	0.6	0.8	0.8	0.9	0.9	0.7
21 - Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.0	0.9	1.1	0.9	0.8	0.8	0.9	1.2	1.1

Source: WTO Secretariat calculations based on data from the UN Comtrade database.

Table A1.3 Merchandise exports by trading partner, 2012-20

(USD million and %)

Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(USD million)								
Total exports	79,982	75,963	68,404	56,784	57,879	58,384	61,558	65,114	54,884
	(% of exports)								
America	50.6	48.8	47.0	43.0	40.7	42.1	44.5	39.5	37.8
United States	5.0	5.5	6.0	6.0	7.8	7.7	6.9	6.3	6.0
Other America	45.5	43.3	41.0	37.0	32.9	34.4	37.5	33.2	31.8
Brazil	20.6	21.0	20.3	17.8	15.6	15.9	18.3	15.9	14.5
Chile	6.3	5.0	4.1	4.2	4.0	4.5	4.9	4.7	5.3
Peru	2.4	1.9	1.6	1.3	1.4	1.8	1.9	2.4	2.5
Uruguay	2.3	2.3	2.3	2.2	2.0	2.1	2.0	1.7	1.9
Paraguay	1.7	1.7	1.8	1.9	1.7	2.0	2.0	1.6	1.6
Colombia	2.6	2.0	1.3	0.7	0.9	1.0	1.1	1.4	1.1
Bolivia, Plurinational State of	1.1	1.0	1.2	1.1	1.0	1.0	1.0	0.9	1.0
Canada	2.8	2.2	2.4	2.3	2.0	2.3	2.1	1.0	0.8
Mexico	1.1	1.3	1.3	1.4	1.3	1.1	1.2	1.0	0.8
Cuba	0.1	0.4	0.4	0.5	0.6	0.3	0.4	0.4	0.5
Ecuador	0.5	0.5	0.6	0.4	0.4	0.6	0.7	0.4	0.4
Europe	15.9	14.5	16.0	17.5	17.8	18.0	18.0	17.1	16.2
EU (27)	13.5	12.1	12.9	13.3	13.7	13.6	13.6	12.4	12.1
Netherlands	2.8	2.5	2.3	2.1	2.0	2.4	2.8	2.8	2.9
Spain	3.1	2.2	2.5	2.4	2.8	2.6	2.6	2.2	2.0
Italy	1.4	1.4	1.5	1.7	1.7	1.8	1.8	1.5	1.5
Germany	2.5	2.2	2.2	2.4	2.2	2.0	1.7	1.4	1.3
Poland	0.7	0.8	1.1	1.0	1.1	1.0	1.0	0.8	1.1
EFTA	0.9	0.8	0.8	2.2	2.0	2.2	2.1	2.6	1.9
Switzerland	0.8	0.7	0.8	2.2	2.0	2.2	2.1	2.6	1.9
Other Europe	1.5	1.6	2.3	2.0	2.2	2.3	2.2	2.0	2.2
United Kingdom	1.0	0.9	1.3	1.3	1.2	1.3	1.3	1.1	1.1
Turkey	0.4	0.6	0.5	0.6	0.8	0.8	0.7	0.8	0.9
Commonwealth of Independent States (CIS) ^a	1.0	1.1	1.1	1.0	0.9	1.0	1.4	1.1	1.3
Russian Federation	0.9	1.0	1.1	0.8	0.8	0.9	1.2	1.0	1.1
Africa	6.9	6.6	6.9	6.9	8.3	7.9	7.4	7.5	7.5
Egypt	1.3	1.7	1.5	1.9	3.1	2.2	1.6	1.5	2.1
Algeria	1.8	2.1	2.3	2.0	2.0	2.5	2.8	2.3	2.0
Morocco	0.6	0.6	0.8	0.6	0.6	0.9	0.6	0.9	0.9
South Africa	1.3	0.9	0.7	1.2	1.4	0.9	0.8	0.9	0.6
Middle East	4.0	4.8	4.6	4.0	3.9	4.3	4.8	5.1	5.8
Saudi Arabia, Kingdom of	1.0	1.5	1.2	0.7	1.1	1.2	1.5	1.6	1.7
United Arab Emirates	0.4	0.3	0.3	0.3	0.4	0.4	0.4	0.7	1.0
Iran	1.2	1.5	1.4	1.3	0.7	0.8	0.7	1.1	0.7
Iraq	0.1	0.2	0.2	0.2	0.2	0.3	0.4	0.3	0.5
Israel	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5
Asia	18.7	21.2	21.4	25.8	27.0	24.9	22.1	28.3	29.6
China	6.3	7.3	6.5	9.1	7.7	7.4	6.8	10.5	9.6
Japan	1.5	1.8	1.1	1.0	1.1	1.1	0.8	0.7	0.6
Other Asia	10.9	12.1	13.8	15.6	18.2	16.4	14.5	17.1	19.5
Viet Nam	1.0	1.6	2.3	3.2	4.4	3.9	3.4	4.3	5.2
India	1.5	1.4	2.6	3.5	3.8	3.6	2.6	3.3	4.6
Indonesia	1.9	1.9	1.8	1.9	2.1	1.8	2.1	2.5	2.4
Malaysia	1.2	1.3	1.4	1.5	1.7	1.5	1.6	1.4	1.7
Korea, Republic of	1.7	1.3	0.7	1.0	1.5	0.9	0.5	1.3	1.3
Australia	0.7	1.0	1.0	1.1	0.9	1.1	1.0	0.8	1.0
Bangladesh	0.4	0.4	0.5	0.5	0.8	1.0	0.9	0.9	0.8
Thailand	0.9	1.2	0.9	0.7	1.0	0.9	0.9	0.9	0.8
Other	2.8	3.0	2.9	1.9	1.3	1.6	1.9	1.5	1.6
Free zones	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.0	0.0
Memorandum:									
EU (28)	14.5	13.0	14.2	14.5	14.9	14.9	15.0	13.5	13.3
Latin American Integration Association	41.8	40.1	37.8	33.9	30.2	31.0	34.4	31.1	30.0
Southern Common Market	27.4	27.9	27.3	24.2	20.5	20.4	23.0	19.5	18.2

a Commonwealth of Independent States, including some associate and former member States.

Source: WTO Secretariat calculations based on data from the UN Comtrade database.

Table A1.4 Merchandise imports by trading partner, 2012-20

(USD million and %)

Description	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(USD million)								
Total imports	67,974	74,442	65,736	60,203	55,911	66,899	65,441	49,125	42,356
	(% of imports)								
America	51.7	50.6	49.6	46.5	47.4	49.2	47.9	46.1	45.2
United States	12.5	10.8	13.9	13.2	12.5	11.4	11.8	12.8	10.4
Other America	39.2	39.7	35.7	33.3	34.9	37.8	36.2	33.3	34.8
Brazil	26.0	25.7	21.8	21.7	24.3	26.7	23.8	20.5	20.4
Paraguay	0.7	0.7	0.8	0.7	1.3	1.6	3.3	3.4	5.2
Bolivia, Plurinational State of	1.9	3.8	3.9	2.4	1.6	1.9	2.2	2.8	2.4
Mexico	3.3	2.9	2.5	3.0	3.2	3.1	2.9	2.3	2.2
Chile	1.5	1.3	1.3	1.2	1.2	1.3	1.1	1.1	1.3
Uruguay	0.8	0.7	0.7	0.7	0.8	0.7	0.7	0.8	0.8
Canada	0.8	0.7	0.8	0.8	0.6	1.0	0.6	0.7	0.7
Ecuador	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6
Colombia	0.5	0.6	0.4	0.4	0.4	0.3	0.4	0.4	0.5
Peru	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Trinidad and Tobago	2.8	2.5	2.8	1.6	0.5	0.2	0.2	0.3	0.2
Europe	19.5	19.1	18.8	18.8	19.4	18.5	18.7	19.7	18.2
EU (27)	17.1	16.9	16.4	15.8	17.0	16.5	16.3	17.0	15.6
Germany	5.4	5.2	5.4	5.2	5.5	4.8	5.1	5.6	4.7
Italy	2.1	2.2	2.5	2.3	2.6	2.5	2.4	2.3	2.4
France	2.3	2.3	2.2	2.4	2.8	2.0	1.7	1.8	1.8
Spain	1.9	1.8	1.6	1.6	1.6	2.2	2.2	2.0	1.7
Netherlands	1.7	1.4	1.2	0.8	0.8	0.7	0.8	0.9	0.8
EFTA	1.1	0.8	1.1	1.7	1.2	0.9	1.0	0.9	1.1
Switzerland	0.8	0.7	0.8	1.1	0.9	0.9	0.9	0.8	1.0
Other Europe	1.4	1.3	1.3	1.3	1.2	1.1	1.3	1.7	1.5
United Kingdom	0.9	0.8	0.8	0.9	0.8	0.7	0.9	1.2	1.0
Turkey	0.4	0.5	0.4	0.3	0.3	0.3	0.4	0.5	0.5
Commonwealth of Independent States (CIS) ^a	1.8	2.3	2.1	1.2	0.7	0.5	0.9	0.5	0.4
Russian Federation	1.7	2.3	2.0	1.1	0.7	0.5	0.8	0.5	0.4
Africa	0.7	1.0	1.5	2.0	1.4	1.6	1.4	1.2	1.6
Morocco	0.2	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.6
Egypt	0.1	0.2	0.0	0.0	0.0	0.1	0.1	0.3	0.5
South Africa	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Algeria	0.0	0.0	0.1	0.0	0.1	0.0	0.1	0.1	0.2
Nigeria	0.1	0.3	0.9	1.5	0.7	0.7	0.4	0.0	0.0
Middle East	1.1	1.7	1.6	0.9	1.4	1.2	1.8	1.1	1.1
Israel	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Qatar	0.7	1.4	1.3	0.3	0.5	0.7	0.7	0.1	0.3
United Arab Emirates	0.0	0.1	0.0	0.1	0.1	0.1	0.2	0.4	0.2
Oman	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.1	0.2
Saudi Arabia, Kingdom of	0.1	0.0	0.1	0.3	0.4	0.1	0.3	0.2	0.1
Asia	23.8	24.2	25.2	29.6	28.7	27.9	28.2	30.1	32.1
China	14.6	15.2	16.4	19.6	18.7	18.4	18.4	18.8	20.4
Japan	2.2	2.0	2.1	2.0	1.7	1.6	1.7	1.8	1.7
Other Asia	7.0	6.9	6.7	7.9	8.2	7.9	8.1	9.4	9.9
Thailand	1.3	1.3	1.2	1.4	2.0	1.9	2.0	2.4	2.4
India	1.0	1.0	1.1	1.2	1.3	1.2	1.4	1.6	1.9
Viet Nam	0.2	0.3	0.3	0.6	0.6	0.9	1.0	1.3	1.8
Korea, Republic of	1.7	1.7	1.4	1.8	1.6	1.3	1.0	1.0	0.9
Chinese Taipei	0.7	0.7	0.7	0.8	0.7	0.7	0.6	0.6	0.8
Malaysia	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.5	0.6
Other	1.4	1.1	1.3	1.1	0.9	1.1	1.1	1.4	1.3
Free zones	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1
Memorandum:									
EU (28)	18.0	17.7	17.3	16.7	17.9	17.2	17.2	18.2	16.6
Latin American Integration Association	35.4	36.4	31.9	30.9	33.7	36.5	35.3	32.2	33.9
Southern Common Market	27.5	27.3	23.3	23.1	26.6	29.1	27.9	24.8	26.5

a Commonwealth of Independent States, including some associate and former member States.

Source: WTO Secretariat calculations based on data from the UN Comtrade database.

Table A2.1 Notifications, 1.1.2013 to 30.6.2021

Agreement/Decision	Description	Frequency	WTO document
Agreement on Trade Facilitation			
Article 15	Category A commitments	<i>Ad hoc</i>	WT/PCTF/N/ARG/1, 27/5/2016
Articles 15 and 16	Deadlines for the implementation of Category B and C commitments		G/TFA/N/ARG/1, 15/3/2017
Article 1.4	Publication of all procedures for importation, exportation and transit, including fees imposed		G/TFA/N/ARG/2/Rev.3, 5/10/2020
Article 10.4.3	Single window		
Article 10.6.2	Customs brokers		
Article 12.2.2	Contact point for the exchange of information		
Agreement on Agriculture			
Articles 10 and 18.2; ES:1	Export subsidies	On an annual basis	G/AG/N/ARG/46, 7/12/2020
Articles 10 and 18.2; ES:2	Export subsidies	On an annual basis	G/AG/N/ARG/47, 7/12/2020
Article 18.2; DS:1	Domestic support	On an annual basis	G/AG/N/ARG/45, 4/9/2019
General Agreement on Trade in Services			
Article III:4 and/or Article IV:2	Enquiry points/contact points	Once only	S/ENQ/78/Rev.18, 1/2/2019
Enabling Clause - Integration			
Paragraph 4(a)	Preferential agreements between developing countries	<i>Ad hoc</i>	WT/COMTD/RTA15/N/1, 3/3/2020
			WT/COMTD/RTA11/N/1, 1/11/2019
			WT/COMTD/RTA10/N/1, 12/9/2019
			WT/COMTD/N/56, 19/2/2018
			WT/COMTD/N/55, 20/7/2017
WT/COMTD/N/53, 19/6/2017			
GATT 1994			
Article XXVIII:5	Modification of Schedules	On a triennial basis	G/MA/374, 15/9/2020
			G/MA/332, 27/3/2017
			G/MA/292, 18/8/2014
Article XVII:4(a)	State trading activities	On an annual basis	G/STR/N/18/ARG, 30/9/2020
Article XXIV:7(a)	Formation of a free-trade area	<i>Ad hoc</i>	WT/REG398/N/1, 1/4/2019
Agreement on Implementation of Article VI of the GATT (anti-dumping)			
Article 16.4 – <i>Ad hoc</i> reports	Anti-dumping actions (preliminary and final)	<i>Ad hoc</i>	G/ADP/N/356, 9/6/2021 - G/ADP/N/238, 21/1/2013
Article 16.4 – Semi-annual reports	Anti-dumping actions (taken within the preceding six months)	On a semi-annual basis	G/ADP/N/350/ARG, 19/3/2021
Agreement on Import Licensing Procedures			
Articles 5.1, 5.2, 5.3	Institution of import licensing procedures or changes in these procedures	<i>Ad hoc</i>	G/LIC/N/2/ARG/28, 26/9/2017
			G/LIC/N/2/ARG/27, 10/3/2016
			G/LIC/N/2/ARG/26, 31/1/2013
Article 7.3	Replies to the questionnaire on import licensing procedures	On an annual basis	G/LIC/N/3/ARG/16, 10/2/2020
Agreement on the Application of Sanitary and Phytosanitary Measures			
Article 7, Annex B	Sanitary/phytosanitary regulations	<i>Ad hoc</i>	G/SPS/N/ARG/251, 9/6/2021 - G/SPS/N/ARG/164, 19/2/2013
Agreement on Rules of Origin			
Article 5 and Annex II.4 – First time	Existing preferential and non-preferential rules of origin	Once only	G/RO/N/186, 15/4/2019

Agreement/Decision	Description	Frequency	WTO document
Agreement on Technical Barriers to Trade			
Article 2.10	Technical regulations (urgent)	<i>Ad hoc</i>	G/TBT/N/ARG/412, 21/1/2021
Article 2.9	Technical regulations	<i>Ad hoc</i>	G/TBT/N/ARG/422, 21/4/2021 - G/TBT/N/ARG/278, 31/1/2013
Articles 2.9 and 5.6	Technical regulations and conformity assessment procedures	<i>Ad hoc</i>	G/TBT/N/ARG/413, 15/3/2021- G/TBT/N/ARG/289, 23/6/2015
Article 5.6	Conformity assessment procedures	<i>Ad hoc</i>	G/TBT/N/ARG/404, 14/9/2020 - G/TBT/N/ARG/293, 25/9/2015
Decision on Notification Procedures for Quantitative Restrictions (G/L/59/Rev.1) – biennial – complete notifications			
	List of quantitative restrictions in force	Once only, before 30 September 2012 (within two years of 1 October 2012); <i>Ad hoc</i> (changes)	G/MA/QR/N/ARG/2, 10/2/2021 G/MA/QR/N/ARG/1/Rev.2, 14/10/2018
Agreement on Safeguards			
Article 12.6	Laws/regulations and administrative procedures or absence thereof	Once (promptly after the entry into force of the WTO Agreement); <i>ad hoc</i> (promptly after the establishment of such laws, regulations and administrative procedures, with updates to reflect modifications)	G/SG/N/1/ARG/2/Suppl.2, 20/5/2016
Agreement on Subsidies and Countervailing Measures			
Article 25.1 - GATT Article XVI:1	Subsidies	On an annual basis	G/SCM/N/343/ARG, 14/2/2019
Article 25.11 – Semi-annual reports	Countervailing duty actions (taken within the preceding six months)	On a semi-annual basis	G/SCM/N/371, 15/12/2020

Source: WTO Secretariat.

Table A3.1 Summary analysis of the MFN tariff, 2020

Product description	Number of lines	Average (%)	Range (%)	Coefficient of variation (CV)	Range ^a (%)
Total	10,273	11.4	0 - 35	0.8	0 - 35
HS 01-24	1,320	10.4	0 - 35	0.5	0 - 35
HS 25-97	8,953	11.6	0 - 35	0.8	5 - 35
By WTO category					
Agricultural products	1,064	10.4	0 - 35	0.6	0 - 35
- Animals and animal products	138	8.0	0 - 16	0.6	3.8 - 35
- Dairy products	37	18.6	12 - 28	0.3	35 - 35
- Fruit, vegetables and garden produce	289	9.4	0 - 35	0.5	10 - 35
- Coffee and tea	30	14.5	10 - 35	0.4	25 - 35
- Cereals and cereal preparations	140	11.7	0 - 31	0.5	3.8 - 35
- Oilseeds, fats and oils and products thereof	126	8.7	0 - 33.4	0.7	20 - 35
- Sugar and confectionery	23	17.6	16 - 20	0.1	25 - 35
- Beverages, alcohol and tobacco	75	17.7	6 - 35	0.3	35 - 35
- Cotton	7	6.3	6 - 8	0.1	35 - 35
- Other agricultural products n.e.s.	199	8.0	0 - 20	0.6	0 - 35
Non-agricultural products (including petroleum)	9,209	11.5	0 - 35	0.8	5 - 35
- Non-agricultural products (excluding petroleum)	9,182	11.6	0 - 35	0.8	5 - 35
- - Fish and fish products	366	10.1	0 - 16	0.3	5 - 35
- - Mineral products and metals	1,218	9.9	0 - 35	0.6	15 - 35
- - Chemicals and photographic products	3,230	6.9	0 - 35	0.8	10 - 35
- - Wood, wood pulp, paper and furniture	406	10.8	0 - 35	0.6	12 - 35
- - Textiles	834	22.5	2 - 35	0.3	25 - 35
- - Clothing	251	35.0	35 - 35	0.0	35 - 35
- - Leather, rubber, footwear and travel articles	234	15.2	0 - 35	0.6	35 - 35
- - Non-electrical machinery	1,133	11.1	0 - 35	0.6	25 - 35
- - Electrical machinery	614	10.4	0 - 35	0.8	25 - 35
- - Transport equipment	217	18.5	0 - 35	0.6	5 - 35
- - Non-agricultural products n.e.s.	679	14.1	0 - 35	0.6	10 - 35
- Petroleum	27	0.4	0 - 6	3.6	32.5 - 35
By HS section					
01 Live animals; animal products	520	9.4	0 - 28	0.5	3.8 - 35
02 Vegetable products	411	7.9	0 - 35	0.5	0 - 35
03 Fats and oils	74	10.8	2 - 33.4	0.5	20 - 35
04 Prepared foodstuffs, etc.	315	15.4	2 - 35	0.3	20 - 35
05 Mineral products	209	2.4	0 - 6	0.8	27.5 - 35
06 Products of the chemical or allied industries	3,034	6.6	0 - 35	0.8	10 - 35
07 Plastics and rubber	429	11.2	0 - 35	0.6	20 - 35
08 Raw hides and skins, leather	113	11.5	2 - 35	0.6	27.5 - 35
09 Wood and articles of wood	157	8.1	0 - 35	0.6	12 - 35
10 Pulp of wood, paper, etc.	222	11.2	0 - 16	0.5	27.5 - 35
11 Textiles and textile articles	1,056	25.3	2 - 35	0.3	35 - 35
12 Footwear, headgear	70	25.3	16 - 35	0.3	35 - 35
13 Articles of stone	217	11.0	0 - 35	0.5	17.5 - 35
14 Precious stones, etc.	64	9.9	0 - 35	0.7	35 - 35
15 Base metals and articles of base metal	738	11.7	0 - 35	0.5	15 - 35
16 Machinery and mechanical appliances	1,774	10.9	0 - 35	0.7	25 - 35
17 Vehicles, aircraft, vessels and associated transport equipment	230	18.0	0 - 35	0.7	5 - 35
18 Precision instruments	450	12.3	0 - 35	0.6	10 - 35
19 Arms and ammunition	18	20.0	20 - 20	0.0	35 - 35

Product description	Number of lines	Average (%)	Range (%)	Coefficient of variation (CV)	Range ^a (%)
20 Miscellaneous manufactured articles	165	20.3	0 - 35	0.3	35 - 35
21 Works of art, etc.	7	4.0	4 - 4	0.0	35 - 35

a As the bound rates correspond to the HS 2002 classification and the applied rates to HS 2017, there may be a difference in the number of lines included in the analysis.

CV Coefficient of variation

Source: WTO Secretariat calculations based on data provided by the authorities.

Table A3.2 Summary analysis of export duties, 2020-21

Product description	Decree No. 230/2020			Decree No. 789/2020			Decree No. 1060/2020		
	Number of lines	Average (%)	Range (%)	Number of lines	Average (%)	Range (%)	Number of lines	Average (%)	Range (%)
Total	10,226	11.7	5 - 33	10,260	6.5	0 - 33	10,273	2.9	0 - 33
By WTO category									
Agricultural products	1,047	10.7	5 - 33	1,060	10.5	3 - 33	1,064	4.0	0 - 33
- Animals and animal products	133	7.1	5 - 12	138	7.0	5 - 12	138	5.4	0 - 9
- Dairy products	37	12.0	12 - 12	37	12.0	12 - 12	37	5.7	4.5 - 9
- Fruit, vegetables and garden produce	280	11.3	5 - 12	287	11.3	5 - 12	289	1.4	0 - 5
- Coffee and tea	30	12.0	12 - 12	30	12.0	12 - 12	30	3.3	0 - 4.5
- Cereals and cereal preparations	140	10.8	5 - 12	140	10.8	5 - 12	140	5.0	0 - 12
- Oilseeds, fats and oils and products thereof	125	11.3	5 - 33	126	11.3	5 - 33	126	5.8	0 - 33
- Sugar and confectionery	23	12.0	12 - 12	23	12.0	12 - 12	23	4.5	4.5 - 4.5
- Beverages, alcohol and tobacco	73	12.0	12 - 12	73	12.0	12 - 12	75	4.5	0 - 12
- Cotton	7	11.0	5 - 12	7	11.0	5 - 12	7	5.6	4.5 - 12
- Other agricultural products n.e.s.	199	11.0	5 - 24	199	10.0	3 - 22.5	199	4.3	0 - 21.5
Non-agricultural products (including petroleum)	9,179	11.8	5 - 30	9,200	6.0	0 - 30	9,209	2.8	0 - 29
- Non-agricultural products (excluding petroleum)	9,152	11.8	5 - 30	9,173	6.0	0 - 30	9,182	2.8	0 - 29
- - Fish and fish products	366	7.9	5 - 12	366	7.9	5 - 12	366	6.1	0 - 9
- - Mineral products and metals	1,218	12.0	12 - 12	1,218	8.1	0 - 12	1,218	3.5	0 - 16.5
- - Chemicals and photographic products	3,212	12.0	12 - 30	3,222	9.5	0 - 30	3,230	3.7	0 - 29
- - Wood, wood pulp, paper and furniture	406	11.5	5 - 12	406	4.7	0 - 12	406	3.0	0 - 24.5
- - Textiles	832	12.0	12 - 12	834	5.5	0 - 12	834	2.6	0 - 4.5
- - Clothing	251	12.0	12 - 12	251	0.0	0 - 0	251	0.0	0 - 0
- - Leather, rubber, footwear and travel articles	234	12.0	12 - 12	234	7.1	0 - 12	234	2.9	0 - 4.5
- - Non-electrical machinery	1,132	12.0	12 - 12	1,133	0.8	0 - 3	1,133	0.8	0 - 3
- - Electrical machinery	606	12.0	12 - 12	614	1.5	0 - 12	614	1.4	0 - 4.5
- - Transport equipment	216	12.0	12 - 12	216	4.3	0 - 12	217	2.3	0 - 4.5
- - Non-agricultural products n.e.s.	679	12.0	12 - 12	679	0.9	0 - 12	679	0.8	0 - 16.5
- Petroleum	27	12.0	12 - 12	27	12.0	12 - 12	27	8.4	8 - 12
By HS section									
01 Live animals; animal products	515	7.7	5 - 12	520	7.7	5 - 12	520	6.0	0 - 9
02 Vegetable products	404	11.1	5 - 33	411	11.1	5 - 33	411	2.7	0 - 33
03 Fats and oils	74	10.9	5 - 33	74	10.9	5 - 33	74	5.5	0 - 31
04 Prepared foodstuffs, etc.	311	11.6	5 - 33	311	11.6	5 - 33	315	4.6	0 - 31
05 Mineral products	207	12.0	12 - 12	209	12.0	8 - 12	209	6.3	4.5 - 16.5
06 Products of the chemical or allied industries	3,020	12.0	12 - 30	3,030	9.5	0 - 30	3,034	3.7	0 - 29
07 Plastics and rubber	424	12.0	12 - 12	425	8.3	0 - 12	429	3.6	0 - 4.5
08 Raw hides and skins, leather	113	12.0	12 - 12	113	9.1	0 - 12	113	3.2	0 - 4.5
09 Wood and articles of wood	157	10.8	5 - 12	157	8.0	0 - 12	157	3.7	0 - 14.5
10 Pulp of wood, paper, etc.	222	12.0	12 - 12	222	2.9	0 - 12	222	2.8	0 - 24.5
11 Textiles and textile articles	1,055	12.0	5 - 12	1,056	4.6	0 - 12	1,056	2.1	0 - 12
12 Footwear, headgear	70	12.0	12 - 12	70	0.8	0 - 12	70	0.7	0 - 4.5
13 Articles of stone	217	12.0	12 - 12	217	2.8	0 - 12	217	2.7	0 - 4.5
14 Precious stones, etc.	64	12.0	12 - 12	64	8.5	0 - 12	64	3.7	0 - 12
15 Base metals and articles of base metal	739	12.0	12 - 12	738	8.4	0 - 12	738	3.1	0 - 12
16 Machinery and mechanical appliances	1,765	12.0	12 - 12	1,774	1.1	0 - 12	1,774	1.0	0 - 4.5
17 Vehicles, aircraft, vessels and associated transport equipment	229	12.0	12 - 12	229	4.1	0 - 12	230	2.2	0 - 4.5
18 Precision instruments	450	12.0	12 - 12	450	0.8	0 - 3	450	0.7	0 - 3
19 Arms and ammunition	18	12.0	12 - 12	18	0.7	0 - 3	18	0.7	0 - 3
20 Miscellaneous manufactured articles	165	12.0	12 - 12	165	0.9	0 - 3	165	0.7	0 - 3
21 Works of art, etc.	7	12.0	12 - 12	7	0.0	0 - 0	7	0.0	0 - 0

Source: WTO Secretariat calculations based on the Official Journal (*Boletín Oficial*). Viewed at: <https://www.boletinoficial.gob.ar/estatica/prodyserv>.

Table A3.3 Definitive anti-dumping duties at 1 March 2021

PRODUCT	MCN HEADING	ORIGIN	MEASURE	EXPIRY
Fungicides (D review)	3808.92.91	United States, Chile	<i>Ad valorem</i> duty Chile: 7.76% for QUIMETAL INDUSTRIAL S.A and 61.04% for others. United States: 40.55%.	(1) 16/10/2019
Lawn-tennis balls (D review CC)	9506.61.00	Thailand, Philippines, China	Specific duty according to product and origin, from USD 0.12 to USD 0.52 per unit.	(2) 22/01/2020
Helicoidal drills (D review)	8207.50.11, 8207.50.19	China	Minimum f.o.b. export value from USD 39.66 to USD 563.63 per kg, according to product and measure.	(1) 27/01/2020
Electric pumps, non-self-priming (D review)	8413.70.80, 8413.70.90	China	Specific duty of between USD 90.70 and USD 278.30 per unit, according to product type.	(1) 17/04/2020
Electric smoothing irons (D review)	8516.40.00	China	Duty of USD 13.22 per unit for electric dry irons and USD 15.41 per unit for electric steam irons.	(1) 17/04/2020
Bicycles (D review CC)	8712.00.10, 8714.91.00, 8411.50.00, 8413.20.00, 8714.92.00, 8714.93.10, 8714.94.90, 8714.95.00, 8714.96.00, 8714.99.90	China, Chinese Taipei	Minimum f.o.b. export value, according to wheel size, part and origin.	(2) 11/05/2020
Insulators of porcelain (D review)	8546.20.00	Colombia, China, Brazil	<i>Ad valorem</i> duty Brazil: 70.97%; China: 227.74%; Colombia: 21.39%.	(1) 05/06/2020
Universal joints and tripod joints (D review)	8708.99.90	China	Specific duty: USD 11.09 (universal joints) and USD 16.02 (tripod joints) per kg.	(1) 06/07/2020
Pneumatic tyres for bicycles (D review CC)	4011.50.00	Thailand, Indonesia, China	Minimum f.o.b. export value. China: USD 5.72 per kg. Thailand: USD 4.67 per kg. Indonesia: USD 3.99 per kg.	(2) 17/09/2020
Water pumps (D review)	8413.30.90	China	<i>Ad valorem</i> duty of 246%.	(1) 18/09/2020
Electrical connection terminals (D review)	8536.10.00, 8536.50.90, 8536.90.90	China, Germany	<i>Ad valorem</i> duty Germany: 99% for PHOENIX CONTACT GMBH & CO. KG, and 138% for others. China: 208%.	(1) 18/09/2020
Tableware and kitchenware (D review)	6911.10.10, 6911.10.90, 6911.90.00, 6912.00.00	China	Specific duty of USD 3.71 per kg.	(1) 24/09/2020
Steel butt-welded pipe fittings (D review)	7307.19.20, 7307.93.00	China	Minimum f.o.b. export value of USD 4.67 per kg.	(1) 15/10/2020
Electric ironing presses (D review)	8451.30.99, 8451.30.91	China	Specific duty of USD 505.21 per unit.	(1) 23/10/2020
Footwear (D review CC)	6401.10.00, 6401.92.00, 6401.99.10, 6401.99.90, 6402.19.00, 6402.20.00, 6402.91.10, 6402.91.90, 6402.99.10, 6402.99.90, 6403.19.00, 6403.20.00, 6403.40.00, 6403.51.10, 6403.51.90, 6403.59.10, 6403.59.90, 6403.91.10, 6403.91.90, 6403.99.10, 6403.99.90, 6404.11.00, 6404.19.00, 6404.20.00, 6405.10.10, 6405.10.20, 6405.10.90, 6405.20.00, 6405.90.00.	China	Minimum f.o.b. export value of USD 13.38 per pair.	(2) 16/12/2020
Air conditioning machines (D review)	8415.10.19	Thailand	<i>Ad valorem</i> duty of 85%.	(1) 06/01/2021
Steel cutlery (D review)	8211.10.00, 8211.91.00, 8215.20.00, 8215.99.10	China, Brazil	<i>Ad valorem</i> duty China: 146.46%; Brazil: 11.36% for Tramontina Farroupilha S.A. Industria Metalúrgica, 13.93% for others.	30/03/2021
Spectacles (D review CC)	9003.11.00, 9003.19.10, 9003.19.90, 9004.90.10, 9004.10.00	China	Specific duties from USD 7.10 to USD 9.31 per unit, according to product type and maximum f.o.b. value, and <i>ad valorem</i> duties of 154% in all cases	01/04/2021
Polyester fibres and yarns (D review)	5402.33.10, 5402.33.20, 5402.33.90	China	<i>Ad valorem</i> duty of 14.20%.	17/05/2021
Ceramic sanitary fixtures (D review)	6910.10.00, 6910.90.00	Brazil	<i>Ad valorem</i> duty, according to type of sanitary fixture, from 50.98% to 147.40% (differentiated margins for DURATEX, from 20.94% to 65.17%).	10/06/2021
Processors (D review)	8509.40.50	China, Brazil	<i>Ad valorem</i> duty Brazil: 24%. China: 202.79%.	07/07/2021
Denim fabrics (D review CC)	5208.43.00, 5210.49.10, 5209.42.10, 5209.42.90, 5211.42.10, 5211.42.90	China	Minimum f.o.b. export value of USD 3.93 per linear metre.	07/09/2021
Motors for elevators and goods lifts (D review)	8425.31.10	China	<i>Ad valorem</i> duty of 149%.	02/11/2021
Radial ball bearings (D review CC)	8482.10.10, 8282.99.90	China	Minimum f.o.b. export value from USD 6.45 to USD 49.30 per kg, according to series and product.	12/11/2021
Measuring tapes (D review CC)	9017.80.10	China	Specific duty of USD 0.57 per linear metre.	15/11/2021
Air conditioning machines (D review)	8415.10.11, 8415.10.19, 8415.90.20, 8415.90.10	China	Minimum f.o.b. export value according to machine type and refrigeration power between USD 110.49 and USD 332.42 per unit.	07/12/2021
Radiators (D)	8708.91.00	China	<i>Ad valorem</i> duty of 187.47%.	07/12/2021
Screw compressors (D review)	8414.80.32, 8414.30.99	Brazil	<i>Ad valorem</i> duty of 33% for MAYEKAWA DO BRASIL REFRIGERAÇÃO LTDA and 51% for others.	15/03/2022

PRODUCT	MCN HEADING	ORIGIN	MEASURE	EXPIRY
Polyethylene terephthalate (PET) (D)	3907.61.00	Indonesia	<i>Ad valorem</i> duty of 15.10%.	15/03/2022
Tube or pipe fittings (D review)	7307.19.10, 7307.19.90	China, Brazil	<i>Ad valorem</i> duty Brazil: 143%. China: JINAN MEIDE CASTING COMPANY LTD and QINGDAO HR INTERNATIONAL TRADING CO LTD, minimum export value of USD 5 per kg upon acceptance of price undertaking, other origin 295%.	19/05/2022
Saw blades of high-speed steel and of bimetal steel (D review)	8202.91.00, 8202.99.90	Sweden	Specific duty of USD 0.28 per unit for the exporting firms SNA EUROPE (INDUSTRIES) AB and SNA EUROPE (SERVICES) AB.	31/07/2022
Syringes (D review CC)	9018.31.11, 9018.31.19	China	<i>Ad valorem</i> duty of 59%.	14/8/2022 Suspended
Microwave ovens (D review CC)	8516.50.00	China	Minimum f.o.b. export value from USD 74.40 to USD 118.56 per unit, according to capacity.	03/09/2022
Saw blades of high-speed steel (D review)	8202.91.00, 8202.99.90	China	Specific duty of USD 0.46 per unit.	06/09/2022
Heating apparatus (D review CC)	8516.29.00	China	<i>Ad valorem</i> duty of 378%.	06/11/2022
Balloons (D)	9503.00.99 9505.90.00	China	<i>Ad valorem</i> duty of 97%.	24/11/2022
Fans (D review CC)	8414.51.10 8414.51.90 8414.59.90	China	<i>Ad valorem</i> duty of 164%.	01/12/2022
Alloy wheels (D)	8708.70.90	China	<i>Ad valorem</i> duty of 36.90%.	05/01/2023
Porcellanato (D review CC)	6907.21.00	India, Malaysia, Viet Nam, Brazil, China	<i>Ad valorem</i> duty. India: 75.08%; Malaysia: 32%; Viet Nam: 31.15%; Brazil: 10.06% for Cerámica Villagrés Ltd., 48.2% for others. China: Price undertaking of Foshan Junjing Industrial Co. Ltd. (minimum f.o.b. export value of USD 11.30 and USD 13.80 per m ² , according to product type), <i>ad valorem</i> duty of 27.7% for others.	16/02/2023
Dish washing machines (D)	8422.11.00	China, Turkey	<i>Ad valorem</i> duty. China: 54%. Turkey: 33%	23/04/2023
Air conditioning machines (D review)	8415.10.19	Thailand	<i>Ad valorem</i> duty of 85%	(1) 06/01/2021
Steel cutlery with plastic or wooden handles (D)	8211.10.00, 8211.91.00, 8215.20.00, 8215.99.10	China, Brazil	<i>Ad valorem</i> duty. China: 48%; Brazil: 5.37% for TRAMONTINA S.A. CUTELARIA; 47.19% for others.	26/04/2023
Saw blades of high-speed steel (D review CC)	8202.91.00, 8202.99.90	India	Specific duty of USD 0.13 per unit.	24/05/2023
Seamed or seamless steel pipe (D)	7304.19.00, 7306.19.00	China	<i>Ad valorem</i> duty of 26%.	25/05/2023
Hand-operated mixers, blenders and processors (D)	8509.40.50, 8509.40.20, 8509.40.10	China	<i>Ad valorem</i> duty of 115.75% when f.o.b. price per unit is <= USD 17.28, or specific duty of USD 20 per unit when it exceeds USD 17.28.	05/06/2023
Glass wool (D review)	7019.39.00	Mexico	<i>Ad valorem</i> duty of 67%.	13/09/2023
DOP (D)	2917.32.00	Korea	<i>Ad valorem</i> duty of 6.73%.	04/10/2023
Porcellanato (D review CC)	6907.90.00	China	<i>Ad valorem</i> duty of 27.7%.	28/11/2023
Single-phase motors (D review CC)	8501.40.19	China	<i>Ad valorem</i> duty of 40%.	12/12/2023
Hand pincers (D)	8203.20.90	China, India	<i>Ad valorem</i> duty of 39%.	01/03/2024
Stainless steel vacuum flasks; vacuum flasks with glass inners (D review CC)	9617.00.10	China	Minimum f.o.b. export value of USD 15 per kg for stainless steel vacuum flasks and USD 4.82 per unit for vacuum flasks with glass inners.	15/04/2024
Motorcycle shock-absorbers (D)	8714.10.00, 8714.99.90	China	<i>Ad valorem</i> duty of 34.18%.	22/04/2024
Zinc oxide (D)	2817.00.10	Brazil, Peru	<i>Ad valorem</i> duty: Brazil: 4.84% for NEXA RECURSOS MINERAIS S.A., formerly VOTORANTIM METAIS ZINCO S.A., and 59.52% for others. Peru: 3.30% for ZINC INDUSTRIAS NACIONALES S.A. and 24.15% for others.	09/05/2024
Denim fabrics (D)	5209.49.00, 5211.49.00	China	Minimum f.o.b. export value of USD 3.23 per linear metre.	16/08/2024
Polyethylene terephthalate (PET) (D review CC)	3907.61.00	India, Korea, China	<i>Ad valorem</i> duty: Korea: 17.61%; China: 16%; India: 3.35% for DHUNSERI PETROCHEM & TEA LTD and 12% for others.	22/10/2022
Parenteral solutions	3004.90.99	Brazil, Mexico	Definitive specific duty. Brazil: USD 0.21 and USD 0.31 per unit. Mexico: USD 0.11 and USD 0.16 per unit.	2/12/2022 Suspended
Self-adhesive film (D review CC)	3919.10.10, 3919.10.20, 3919.10.90, 3919.90.10, 3919.90.20, 3919.90.90, 4811.41.10, 4811.41.90	Chile	<i>Ad valorem</i> duty: RITRAMA S.A.: 7.06%. Other exporters: 42%.	29/11/2024
Polyester resins (D)	3907.91.00	Brazil	<i>Ad valorem</i> duty of 12.22%.	20/11/2024
Three-phase transformers (D review CC)	8504.23.00	Brazil, China, Korea	<i>Ad valorem</i> duty and price undertaking. Brazil: GRID SOLUTIONS TRANSMISSAO DE ENERGIA ELETRICA LTDA. and TRANSFORMADORES E SERVICIOS DE ENERGIA DAS AMERICAS S.A.:	22/11/2024

PRODUCT	MCN HEADING	ORIGIN	MEASURE	EXPIRY
			USD 8, USD 8.35 and USD 8.50 per kg according to product, upon acceptance of price undertaking, other origin 38%. China: 54%. Korea: 52%.	
Radiators (D)	7615.10.00	China, Spain, Italy	<i>Ad valorem</i> duty. China: 87%. Spain: 66%. Italy: RADIATORI 2000 SPA, USD 6.35 per unit, upon acceptance of price undertaking, other origin 75%.	22/11/2024
Steel wheels (D)	8708.70.90, 8716.90.90	China	<i>Ad valorem</i> duty of 41.78%	09/12/2024
Aluminium discs (D)	7606.91.00, 7606.92.00	China	<i>Ad valorem</i> duty of 80.14%.	26/02/2025
Aluminium foil (D)	7607.11.90	China	<i>Ad valorem</i> duty of 28%.	09/03/2025
Boilers (D)	8403.10.10.	Italy, Slovakia	<i>Ad valorem</i> duty: Italy: 57%. Slovakia: 24%.	25/03/2025
PVC profiles (D review)	3916.20.00	China	Specific duty of USD 0.88 per kg.	26/03/2025
Mixtures (D)	3824.78.10, 3824.78.90	China	<i>Ad valorem</i> duty of 7% for mixtures containing tetrafluoroethane and pentafluoroethane and 23% for mixtures containing difluoromethane and pentafluoroethane.	19/08/2025
Polyethylene terephthalate (PET) (D)	3907.61.00	Oman	<i>Ad valorem</i> duty: 9.57% for OCTAL SAOC FZC and 10.27% for other exporters in Oman.	15/10/2025
Machines for welding (D)	8515.31.90, 8515.39.00	China	<i>Ad valorem</i> duty: 0% for machines and apparatus for submerged arc welding (SAW) and three-phase and inverter-type machines and apparatus. 94.39% for other welding machines and apparatus. Price undertaking for six firms.	23/10/2025
Washing machine motors (D)	8501.10.29, 8501.10.30, 8501.20.00, 8501.40.19	China	<i>Ad valorem</i> duty: 46% for single-phase AC motors; 30% for universal electric motors.	23/10/2025
Aluminium tubes and pipes (D)	7608.10.00, 7608.20.90	Brazil, China	<i>Ad valorem</i> duty: China: 75.52%. Brazil: 16.46%	06/11/2025
Electric ovens (D)	8516.60.00	China	Anti-dumping duty of USD 10.37 and USD 11.64 per unit, according to product.	10/12/2025
Ceramic tiles (D review CC)	7016.10.00, 7016.90.00	China	Specific duty of USD 11.42 per m ² .	31/12/2025
Tricycles	9503.00.10.	China	<i>Ad valorem</i> duty of 30.21%.	28/01/2026
Gloves	6116.10.00	China, India, Bangladesh, Sri Lanka, Malaysia	<i>Ad valorem</i> duty of 42% for China, Bangladesh, Sri Lanka and Malaysia; 35.06% for India.	04/02/2026
Measuring tapes	9017.80.10	India	Provisional specific anti-dumping duty of USD 0.56 per linear metre.	03/06/2021

- (1) Expiry review ongoing. Continued application of measure for duration of review.
- (2) Expiry and changed circumstances review ongoing. Continued application of measure for duration of review.

Note: D: dumping.
D CC: changed circumstances review.

Source: National Foreign Trade Commission. Information from the National Foreign Trade Commission, "Medidas Vigentes". Viewed at:
<https://www.argentina.gob.ar/cnce/investigaciones/medidasvigentes>.