



TRADE POLICY REVIEW

REPORT BY

ARGENTINA

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Argentina is attached.

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1 INTRODUCTION

1.1. This trade policy review of Argentina is taking place at a time when the world is feeling the enormous impact of COVID-19 on health-related matters, which has had economic, trade and social repercussions throughout much of the world. This situation has greatly affected the world's economic and trade performance, particularly that of developing countries. In the case of Argentina, this impact is particularly noticeable in the final stage of the period under analysis.

1.2. Since its last Trade Policy Review, the Argentine Republic has gone through two distinct phases, macroeconomically speaking. Between 2013 and 2017, there were years of growth and years of decline, while 2018 saw the beginning of a recession, which lasted until the COVID-19 pandemic in 2020.

1.3. The first part of the report will analyse economic developments, including macroeconomic, fiscal, employment, investment, foreign trade and debt developments.

1.4. Sectoral aspects, including the agricultural sector and manufacturing, as well as micro, small and medium-sized enterprises (MSMEs), are presented below. Matters related to the impact from COVID-19 are also included.

1.5. The third part of the report is devoted to foreign trade policy. In this section, Argentina's multilateral (G20 and WTO) and regional (MERCOSUR and LAIA) activities are described.

1.6. Lastly, the conclusions of the report are presented.

2 ECONOMIC DEVELOPMENTS

2.1 Macroeconomic performance

2.1. Two distinct phases can be observed in Argentina's macroeconomic trend during the period 2013-20. Between 2013 and 2017, there were years of growth and years of decline, while 2018 saw the beginning of a recession, which lasted until the COVID-19 pandemic in 2020.

2.2. During the first sub-period, gross domestic product (GDP) at constant prices rose in 2013 (2.4%), 2015 (2.7%) and 2017 (2.8%), but fell in 2014 (-2.5%) and in 2016 (-2.1%). In other words, although GDP peaked in 2017, it was at roughly the same levels as in 2013, with only 0.8% overall growth.

2.3. As regards demand, in 2017 private consumption was up 2.5% from 2013, while gross fixed capital formation was up 3.1% from 2013 and only 2% below its peak in 2011, reaching an investment rate of 21.6% in 2017. As to supply, industry's share of GDP measured in 2004 prices fell from 18.2% in 2013 to 16.7% in 2017. A similar trend was observed in trade (13.7% in 2013 compared to 13.0% in 2017) and construction (3.1% in 2013 versus 3.0% in 2017). In contrast, sectors such as transport and communications (7.5% versus 8.1%), agriculture (6.6% versus 7.1%) and real estate, business and rental activities (9.9% versus 10.2%) gained share.

2.4. Then, in 2018, an economic recession began, with GDP contracting three years in a row, something that had not occurred since 1999-2002. GDP fell in 2018 (-2.6%) and 2019 (-2.1%), while it dropped -9.9% in 2020 in the wake of the outbreak of the COVID-19 pandemic, which led to historic economic declines worldwide, to which Argentina was no exception. Although the drop in 2020 is the largest since the beginning of the series in 2004, it is smaller than the decline recorded in 2002, when the economy contracted by 10.9%, measured in 1993 prices.

2.5. As such, while the recession in 2018 and 2019 was the result of internal dynamics in the domestic economy (indebtedness, external restrictions, exchange rate hikes, impact on income and aggregate demand), the drop in 2020 was the result of the adverse international context caused by the health crisis. The biggest impact from the pandemic occurred during the second quarter of 2020, when GDP fell -19.0% on a year-on-year basis and -15.8% on a quarterly (seasonally adjusted) basis, when the number of restrictions on movements peaked in order to safeguard people's health in the light of the uncertainty surrounding the new virus, while the health system was putting measures in place. However, during the second half of 2020, with the gradual easing of restrictions

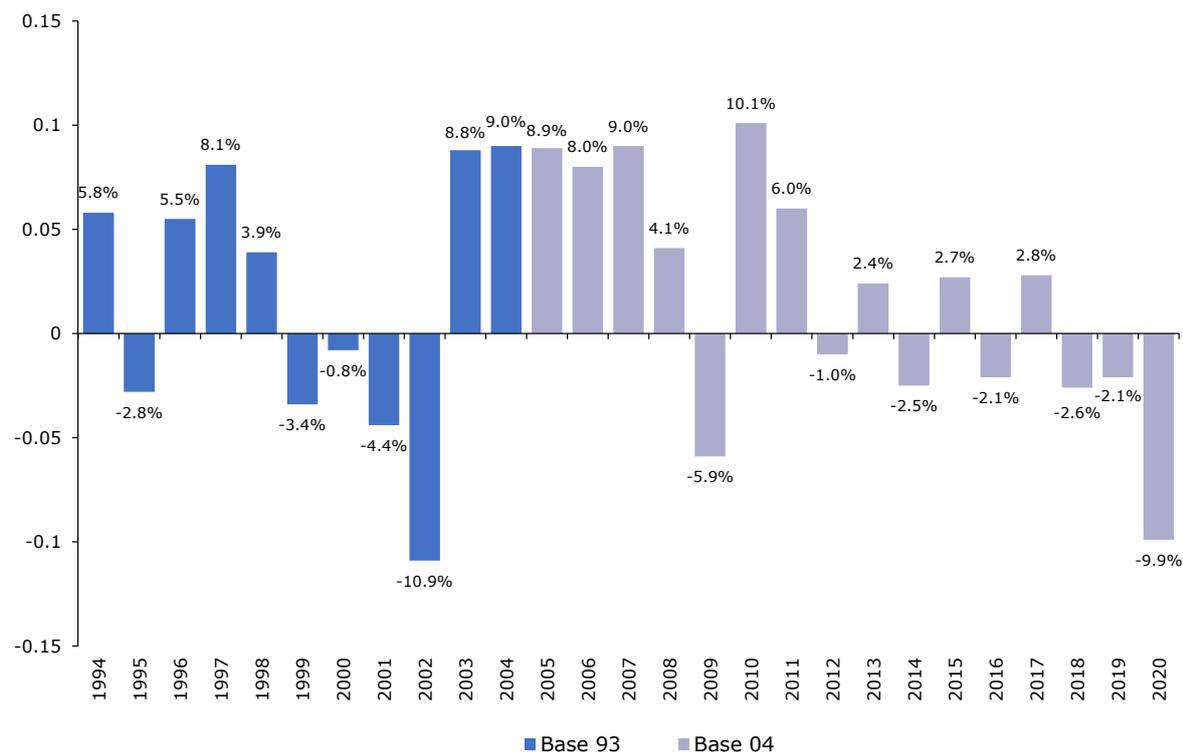
and a series of measures taken by the Argentine Government to mitigate the economic and income effects on families and businesses, economic activity started to recover. GDP grew by 13.2% on a quarterly basis (seasonally adjusted), in the third quarter and by 4.4% in the fourth quarter, while its year-on-year decline dropped to -10.2% and -4.3% in the third and fourth quarters, respectively. Moreover, at the sectoral level, recoveries were observed in several sectors towards the end of the year. By the fourth quarter, some sectors, such as industry, construction, trade and financial intermediation, saw year-on-year growth. GDP peaked in the fourth quarter of the year at a level similar to that of the first quarter, prior to the outbreak of the pandemic (-0.5%).

2.6. In the annual balance sheet, all components of demand were in decline at the end 2020, with private consumption down -13.8%, the largest drop since the beginning of the series in 2004, and gross fixed capital formation down -12.9%. In terms of supply, in 2020, activity was down in all sectors except electricity, gas and water (+1.4%), while 12 out of 16 sectors, in addition to taxes, recorded their greatest losses since the beginning of the series in 2004. The sectors that were most affected by the restrictions on movement were hotels and restaurants (-49.1%), other services (-38.4%) and construction (-22.6%).

2.7. The economy ended 2020 with GDP down -13.3% on 2013, with gross fixed capital formation falling -28.9% and private consumption, -19.9%. As a result, the investment rate dropped from 20.3% of GDP in 2013 to 16.6% in 2020, reaching its lowest level since 2005, while the private consumption rate dipped from 73.0% of GDP in 2013 to 67.4% in 2020. In 2020, only five (agriculture, electricity, gas and water, public administration, education and health) out of 16 supply sectors were above 2013 levels.

GDP

Annual average % variation



Source: Ministry of the Economy, based on INDEC.

2.8. As a result of the macroeconomic trends described above, combined with successive hikes in the exchange rate during the period, current GDP per capita in dollars declined from USD 14,514 in 2013 - peaking at USD 14,903 in 2015 - to USD 10,133 in 2019 and USD 8,582 in 2020.

2.2 Fiscal policy

2.9. The increase in tax revenue in 2020 and 2021, despite the adverse effects of the COVID-19 global pandemic, was the result of the political decision of the national government to strengthen the progressive nature of the national tax system through a series of reforms, beginning with the enactment of Law No. 27.541 on social solidarity and reinvigorating production in the context of the public emergency.

2.10. Between 2019 and 2020, tax revenue measured in terms of GDP rose from 23.93% to 25.49%. In other words, tax revenue grew by 1.56 percentage points of GDP. This growth was mainly due to the increase in fiscal resources associated with progressive taxes.

2.11. Some 98% of the 1.56-point growth in terms of GDP can be explained by the impact of regulatory changes to the existing tax legislation through the Law on solidarity. The personal property tax reform (41%), the creation of the PAIS tax (31%) and the changes to income tax (27%) were the main sources of the increase in tax revenue in terms of GDP. The progressivity of the national public sector's fiscal resources was reinforced by the enactment of Law No. 27.605 on exceptional, solidarity-based support to help mitigate the effects of the pandemic. This tax generated revenues of USD 148,505,000 during the first five months of 2021. It is estimated that for the entire year it will raise 0.7% of GDP.

2.12. This return to tax progressivity is one of the main pillars of the government's programme, which is based on the sustainability of public finances and economic recovery with equity, inclusiveness and dynamism.

2.13. Our vision of tax policy in the future includes a fair, inclusive and egalitarian tax system, with taxes linked to the people's taxable capacity, which is key to improving income and wealth distribution. It should ensure fiscal sustainability and make the economic and social development process viable, in accordance with the macroeconomic model; contribute to federal tax equity through coordination among different levels of government, which is key to reducing regional disparities and promoting balanced development; promote growth, the productive development of small and medium-sized enterprises (SMEs), increased exports and formal job creation; and encourage taxpayer compliance in order to establish a more formal economy with less tax evasion and avoidance.

2.3 Employment and income policy

2.14. Labour market trends during the period 2013-20 were similar to those analysed for economic activity. Initially, between 2013 and 2017, stagnation was observed in the creation of wage employment in the private sector. Registered wage earners grew at an annual average rate of 0.5%, increasing 2.7% during this period (162,000 new jobs). The sluggish growth contrasts with the momentum from previous years, when registered wage employment grew at an average annual rate of 2.7% between 2008 and 2012 (a cumulative increase of 13.9%) and of 9.7% between 2003 and 2007 (a cumulative increase of 58.5%).

2.15. However, other categories of employment maintained the rate of job creation between 2013 and 2017, offsetting the private sector's relatively weak growth to generate formal employment. During the same period, registered self-employment (small taxpayers under the *monotributo* simplified tax regime and self-employed workers) grew at an average annual rate of 2.3%, a cumulative increase of 12% (209,400 workers). At the same time, the public sector helped to increase employment, with an average annual increase of 3.7% and cumulative growth of 19.8% (518,900 jobs).

2.16. Between 2016 and 2017, the most comprehensive labour market indicators measured by the Permanent Household Survey (EPH) remained relatively stable, with an unemployment rate of around 8.4%. In 2018, the unemployment rate rose to 9.2% on average (with rates of 9% or more recorded in all quarters of the year), and during the first half of 2019, the unemployment rate exceeded 10%.

2.17. Beginning in 2018, labour variables saw a shift, with real wages falling followed by employment 2019. Registered employment in the private sector barely grew 0.1% in 2018 and fell -2.3% in 2019, with the private sector shedding 143,100 salaried jobs that year. Self-employment (small taxpayers and self-employed workers) continued to expand, but its growth slowed to an annual average rate of 1.1% in 2018 and 2019, and employment in the public sector shrank to an annual average of 1.4%.

2.18. Labour market indicators were deteriorating. In 2019, the unemployment rate was 9.8% of the economically active population (EAP), peaking at 10.4% during the first half of the year. The increased pressure on the labour market was triggered by a decrease in real incomes, with wages in the registered sectors seeing a cumulative decrease of -19.5% in real terms over the previous two years (according to INDEC's wage index). The activity rate reached a record high of 47.7% during the second quarter of 2019 (EPH) in response to the complicated situation in terms of employment and income. In these recessionary conditions, which preceded the pandemic-induced crisis in 2020, informal wage employment also increased, accounting for 35% of wage earners (compared to 33.6% in 2016).

2.19. During the first quarter of 2020, with the change in administration, some improvements were observed in labour indicators, which were then disrupted by the outbreak of the pandemic. During the second quarter, when there were more restrictions on movement, the employment rate fell to 33.4% of the population, dropping -9.2 percentage points (pp) year-on-year. Most of the people who lost their jobs did not move to unemployment (i.e. they did not actively seek employment) but remained in labour inactivity, reflected in the drop in the activity rate to 38.4% (-9.3 pp year-on-year). As a result, unemployment rose to 13.1% of the EAP, 2.5 pp more than in 2019.

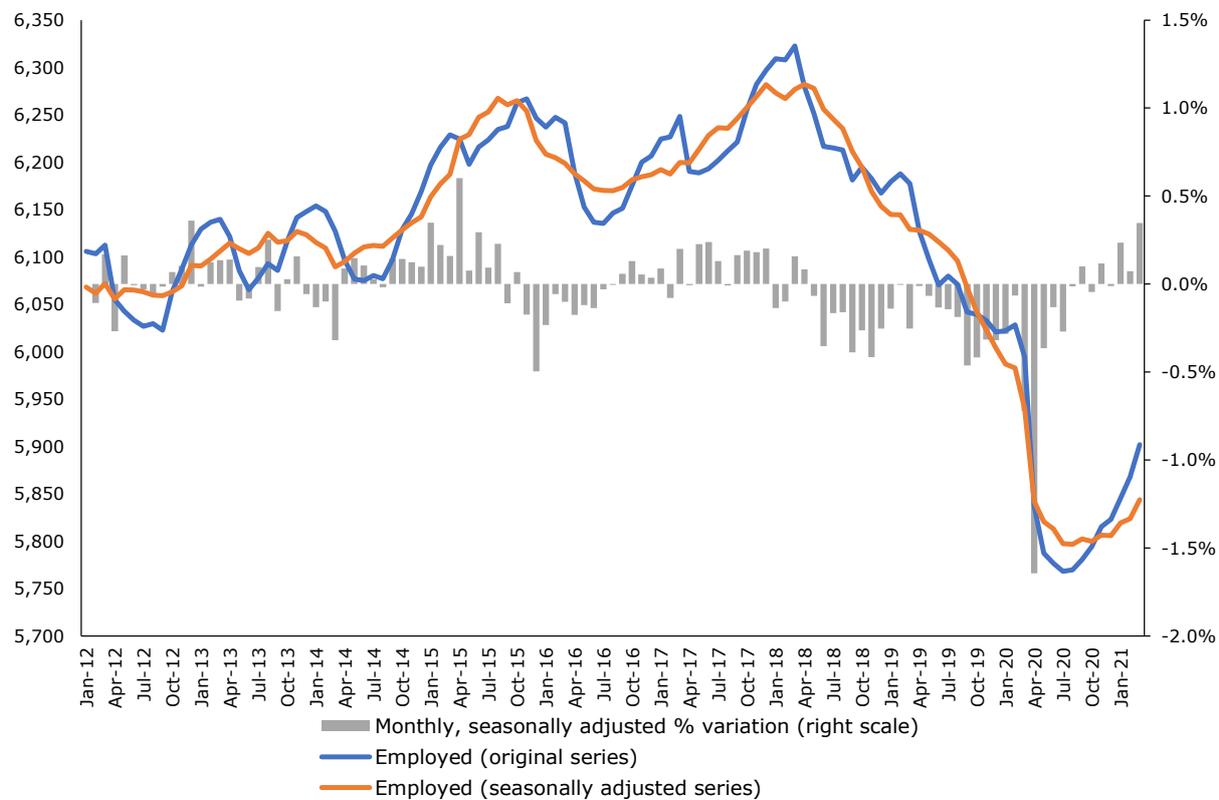
2.20. With the easing of lockdown measures, the labour market was partially restored. This was reflected in the recovery of the activity rate, which went back up to 42.3% in the third quarter and 45% in the fourth, while the employment rate rose to 37.4% and 40.1%, respectively. As a result of this growth, the unemployment rate dropped to 11.7% of the EAP in the third quarter and 11.0% in the fourth.

2.21. The annual balance sheet for 2020 shows the strong impact of the crisis. The EAP fell -7.5%, with an activity rate averaging 43.2% of the population (-4.1 pp year-on-year), and the absolute number of unemployed contracted at an average annual rate of -9.2%, with an employment rate averaging 38.3% of the population (-4.4 pp year-on-year). Registered wage earners were the least affected, decreasing -3.4% on average per year, while non-registered wage earners fell -21.5% on average per year. Self-employed categories, which experienced a sharp decline in the second quarter but recovered more quickly, dropped -7.5%. The unemployment rate averaged 11.5% of the EPA, up 1.7 pp from 2019.

2.22. Owing to the above-mentioned trends, combined with the impact of the pandemic, registered wage employment ended 2020 with 216,500 private wage earners fewer than in 2013 and 216,000 more registered self-employed workers. As to general labour market indicators, the 2016-20 period ended with the unemployment rate up 3.1 pp, the employment rate down -3.6 pp, and a high level of labour inactivity (the activity rate slipped -4.1 pp).

REGISTERED PRIVATE WAGE EMPLOYMENT

Monthly % variation (seasonally adjusted) and thousands of employed (original series, seasonally adjusted)



Source: Ministry of the Economy, based on the Ministry of Labour, Employment and Social Security.

2.23. The social protection system continued to expand its coverage between 2013 and 2019.

2.24. In 2014, the PROGRESAR programme, targeting individuals aged 18 to 24 years, was created to provide scholarships to young people wishing to undertake or finish their studies or pursue higher education. By 2015, the programme had nearly 900,000 recipients and, while it subsequently underwent some changes that reduced its coverage, in 2019 it was revamped, thus restoring the relevance of this policy.

2.25. The coverage of children and adolescents receiving family allowances from the contributory system expanded, while the coverage of persons receiving the universal child allowance (AUH) continued to increase. By 2019, the number of children and young persons covered, together with recipients of the pregnancy allowance, totalled 8.8 million.

2.26. With regard to retirement and pensions, a new social security moratorium was introduced in 2014. In 2016, through the Historical Reparation, the pensions of the upper brackets were improved, and the Universal Plan for Older Adults (PUAM) was created to provide coverage to persons over the age of 65 without a pension or retirement.

2.27. Between 2013 and 2019, retirement benefits and pensions were adjusted in accordance with the existing law on portability, and family allowances and AUH were introduced in 2016.

2.28. With regard to workers in the social economy, work continued on the *Argentina Trabaja* programme and the gender-oriented version of it, *Ellas Hacen*, which later became the *Hacemos Futuro* and *Hacemos Futuro Juntas* programme. Then, in 2017, the supplementary social wage was introduced. Combined, the two programmes had almost 557,000 recipients by December 2019.

2.29. In 2020, the national government faced the pandemic with the main objective of mitigating the direct impact of the fall in economic activity first associated with the preventative and mandatory lockdown (ASPO) period and then with preventative and mandatory social distancing (DISPO). The package of measures to support the income and employment of workers and families included, notably, the emergency family income (IFE), which consisted of a cash transfer of ARS 10,000 to alleviate lack of income and benefited 8.9 million households; the work and production emergency assistance programme (ATP), to support the work of the private sector; the *Alimentar* card, which guaranteed access to healthy food for more than 1.5 million people; and the *Potenciar Trabajo* programme, which was extended to cover more than 200,000 beneficiaries. Special support was also granted to beneficiaries of the self-managed work programme and of *Sostener Cultura* grants.

2.30. With regard to retirement benefits, pensions and family allowances during 2020, the amounts were increased on a quarterly basis despite the suspension of the retirement portability formula in 2017. The new law on portability entered into force in 2021.

2.4 Investment

2.31. As with GDP, according to national accounts data, between 2013 and 2017 gross fixed capital formation (GFCF) alternately increased and declined. It grew in 2013 (2.3%), in 2015 (3.5%) and in 2017 (13.4%) but shrank in 2014 (6.8%) and 2016 (5.8%). It then recorded three consecutive years of decline: -5.7% in 2018, -15.9% in 2019 and -12.9% in 2020.

2.32. In 2020, the biggest impact of the pandemic was in the second quarter with a year-on-year contraction of -38.2%, then recovering in the last quarter of the year with 15.8% year-on-year growth. Thus, GFCF's share of GDP at 2004 prices dropped from 20.3% in 2013 to 16.6% in 2020, after peaking in 2017 (20.7%).

2.33. Overall, in 2013-17, investment grew by 3.1%, driven by machinery and equipment, which rose by 13.7% (a 5.6 percentage-point contribution), partly offset by the drop of 4.5% in transport equipment (-0.6 pp) and 4.2% in construction (-1.9 pp). Meanwhile, during 2018-20, investment fell by 26.8%, with decreases across the board (machinery and equipment: -26.4% or -11.6 pp; total construction: -25.8% or -11.4 pp; transport equipment: -34.2% or -3.7 pp).

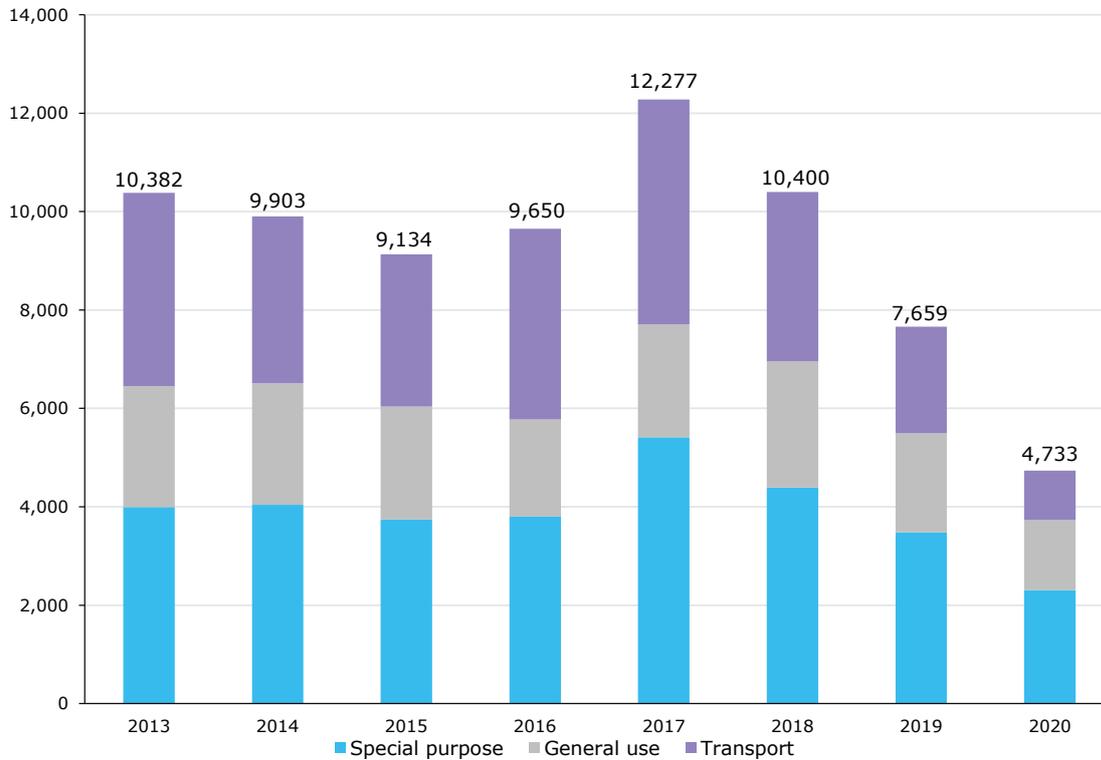
2.34. Looking at the year 2020, the biggest contribution to the fall in the second quarter corresponds to total construction (-24.2 pp), recording the biggest year-on-year decrease since the beginning of the series in 2004 (-49.2%). This is followed by machinery and equipment (-12.0 percentage-point contribution; -28.0% year-on-year) and transport equipment (-1.9 pp and -25.4% year-on-year), with the imported component showing a greater decline (-32.3% year-on-year) than the domestic component (-20.9% year-on-year). During this period, the investment rate fell to its lowest level since the beginning of the series, standing at 12.6% of GDP. On the other hand, the recovery in the fourth quarter is primarily due to the growth in machinery and equipment, rising by 21.7% year-on-year with a 9.0 percentage-point contribution, followed by transport equipment (4.0 pp and 49.6% year-on-year) and total construction (2.7 pp and 5.5% year-on-year). In this quarter, the domestic component has outstripped the imported component (38.0% year-on-year and 16.5% year-on-year, respectively) and the contribution of the former is almost double that of the latter (8.6 pp and 4.4 pp, respectively). The investment rate has recovered to 20.1% of GDP.

2.35. In addition to national accounts data on gross fixed capital formation, the investment announcement database devised by the Economic Policy Secretariat of the Ministry of the Economy provides a sectoral overview of investment trends in recent years focused on the installation of new plants or facilities ("greenfield" investment), increasing the use of installed capacity, and mergers and acquisitions. In 2016-20, about 70% of announcements related to hydrocarbons (USD 60 million, accounting for 31% of the total), mining (USD 24.1 million; 13%), construction (USD 18.7 million; 10%), logistics and transport (USD 13.6 million; 7%) and telecommunications services (USD 12 million; 6%).

2.36. Meanwhile, imports of productive assets (as an approximation of investment related to production) between 2013 and 2020 show that imports of special purpose equipment accounted for 42% of foreign purchases of these goods, and transport equipment for 34%, with the rest corresponding to machinery for general use.

Imports of productive assets

(Millions of USD c.i.f)



2.37. Special purpose equipment included electric motors, generators and transformers; machinery for mining, quarrying and construction work, and other special purpose machinery (machines and mechanical appliances having individual functions, injection and compression moulds, mixers and grinders, etc.). It should be noted that, in 2020, foreign purchases of medical equipment increased by 7% compared to the previous year, with the aim of strengthening the capacity of the health system in the context of the pandemic. Imported transport equipment played an important role in imports of vehicles for the transport of goods (70% of total imports of motor vehicles and 35% of transport equipment in general). Machinery for general use included, among other things, packing machines and appliances for the production of beverages, gas or liquid filters and purifiers, etc.; pumps, compressors, valves and taps; lifting and handling equipment; and electric motors, generators and transformers.

2.5 Trends in foreign trade

2.38. Argentina's foreign trade contracted at an average annual rate of -6% between 2013 and 2020, the result of an average annual decline in exports of -4.5% per year to USD 54.9 billion and in imports of -7.7% to USD 42.3 billion.

2.39. In the case of exports, they had an initial period of contraction (2013-15) followed by growth between 2016 and 2019, before closing 2020 with another drop owing to the pandemic-induced fall in international demand and production.

2.40. Declines were recorded for all export items, mainly manufactures of industrial origin (MOI) and fuels and energy, which fell by an annual average of -8.9% and -6%, respectively. Industrial exports declined in almost every year of the period under consideration with the exception of 2017 and 2018, a situation similar to that of fuels and energy, which recorded increases only in 2017, 2018 and 2019. Exports of primary products and manufactured products of agricultural origin (MOA) also recorded declines but at a slower pace (-1.3% and -3% annual average, respectively). Primary products grew only in 2016 and 2019, while manufactured products of agricultural origin increased in 2013, 2016, 2018 and 2019.

Exports by item and imports by use

Average annual and accumulated variation between 2013 and 2020

	2013	2014	2015	2016	2017	2018	2019	2020	2013-20
Exports	-5.0%	-9.9%	-17.0%	1.9%	1.3%	5.4%	5.4%	-15.7%	-4.5%
Primary products	-6.7%	-20.0%	-6.4%	18.0%	-5.6%	-5.4%	25.0%	-7.5%	-1.3%
MOA	0.8%	-2.2%	-11.9%	0.3%	-3.4%	1.7%	4.4%	-9.1%	-3.0%
MOI	-5.7%	-11.0%	-21.4%	-6.4%	11.7%	9.9%	-6.8%	-30.8%	-8.9%
Fuel and energy	-20.3%	-11.1%	-54.6%	-9.4%	21.7%	69.6%	5.3%	-18.7%	-6.0%
Imports	9.5%	-11.7%	-8.4%	-7.1%	19.7%	-2.2%	-25.0%	-13.8%	-7.7%
Capital goods	-0.1%	1.7%	0.5%	0.7%	23.0%	-17.9%	-30.7%	-13.0%	-6.5%
Intermediate goods	-1.5%	-3.8%	-3.5%	-14.5%	15.2%	14.7%	-16.2%	-2.1%	-2.1%
Fuels and lubricants	36.5%	-8.4%	-39.1%	-29.3%	16.4%	14.6%	-32.2%	-40.6%	-19.9%
Parts and accessories	10.9%	-17.6%	-2.9%	-11.4%	14.2%	-5.8%	-16.8%	-25.0%	-10.1%
Consumer goods	3.6%	-10.1%	2.0%	8.5%	21.0%	-5.2%	-25.6%	-4.7%	-3.0%
Vehicles	31.8%	-49.4%	-6.2%	33.3%	40.9%	-16.2%	-55.2%	-31.7%	-19.0%
Other	-24.3%	8.7%	10.9%	-22.6%	39.3%	3.4%	-12.7%	32.0%	6.4%

Source: Ministry of the Economy, based on ICA-INDEC.

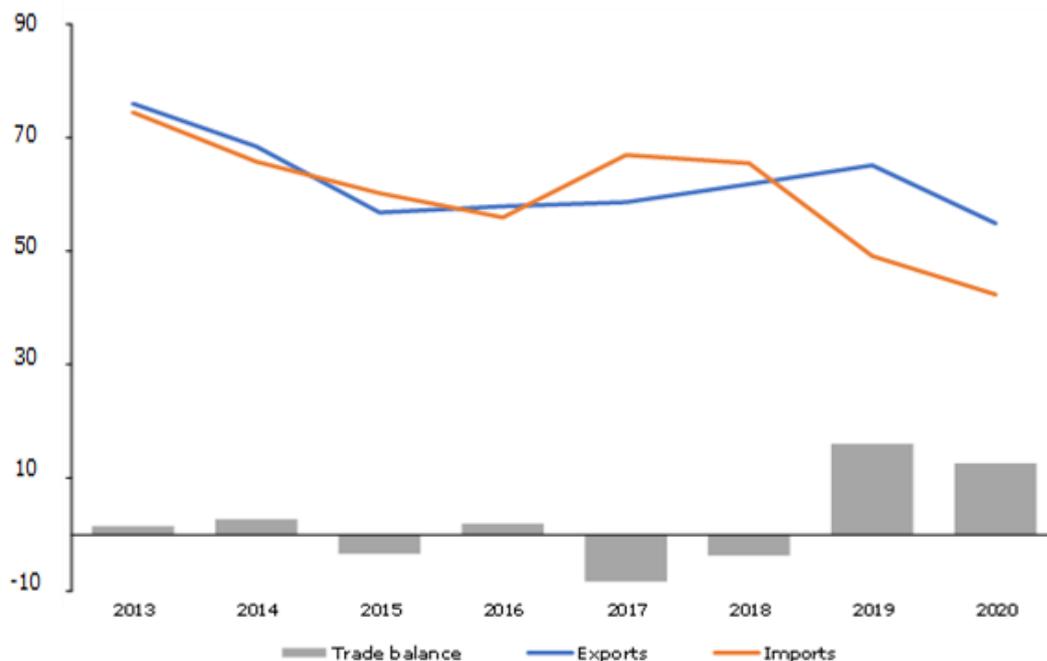
2.41. In the case of imports, contractions were recorded every year except in 2013 and 2017, when growth occurred. The period saw widespread falls across all uses. The annual average decline for fuel imports was -19.9%, for parts and accessories -10.1% and for vehicles -19%. Capital goods fell at an average annual rate of -6.5%, while imports of parts and accessories for this type of goods showed a drop of -10.1% per year.

2.42. Despite the foregoing, the trends differed among import uses, as capital goods grew between 2013 and 2017, but then declined as from 2018. Foreign purchases of consumer goods followed a similar pattern, with growth between 2013 and 2017 (except for 2014), before trending downwards from 2018.

2.43. Lastly, the trade balance increased substantially between 2013 and 2020, from USD 1,521 million in 2013 to USD 12,530 million in 2020, with a peak in 2019 of USD 15,992 million, the largest surplus since 2009, and in 2017 the largest trade deficit in history (USD -8,308 million).

Argentine foreign trade

(in billions of USD)



Source: Ministry of the Economy, based on ICA-INDEC.

2.44. In the case of services, the balance sheet is structurally in deficit (an annual average of USD -6,247 million between 2013 and 2020, with a peak of USD -9,695 million in 2017), with the travel, tourism and ticketing account making up a significant portion, accounting on average for 80% of the sector's deficit. Between 2013 and 2020, the trade deficit narrowed from USD -5,329 million in 2013 to USD -2,240 million in 2020, although the latter recorded figure is affected by the impact of the pandemic on international trade in services, in particular those linked to tourism. In 2019, the balance in trade in services was USD -4,865 million, a level similar to that recorded in 2013.

2.45. Travel, tourism and ticketing accounted for nearly half of services exports between 2013 and 2020, with a stable performance between 2013 and 2019 (average annual growth of 0.3%.) before plummeting -59.5% in 2020.

2.46. In services imports, travel, tourism and ticketing is very significant, accounting for 58.4% of the total. Between 2013 and 2019, the average annual rate of growth was 1.1%, while in 2020, as a result of the restrictions stemming from the pandemic, imports for the sector shrank to the lowest level since 2005.

2.47. The remaining services also showed a deficit, although one that is trending downwards, from USD -1,387 million in 2013 to USD -699 million in 2020. The reduction is due to the growth in exports of the remaining services (2.3% annual average between 2013 and 2019, mainly due to telecommunications, IT and information, and business, professional and technical services) and to the fall in imports (-0.3% annual average between 2013 and 2019, mainly as a result of lower outgoings linked to the use of intellectual property).

2.48. Thus, the reduction of the deficit in trade in services, together with the uptick in the surplus in trade in goods, led to the balance of goods and services moving from a deficit of USD -694 million in 2013 to a surplus of 12,391 million in 2020, which also improved the current account balance from a deficit of USD -13,124 million in 2013 to a surplus of USD 3,313 million in 2020.

2.49. An additional element contributing to the reduction in the current account deficit was primary income, which went from USD -13,165 million in 2013 to USD -10,197 million in 2020. This was due to a smaller debit for the payment of profits and dividends (USD 9,396 million in 2013 compared with USD 2,731 million in 2020), which more than offset the increase in interest payments from USD 5,952 million in 2013 to USD 11,330 million in 2020. However, it should be noted that, for 2020, interest payments were down significantly on 2019 (USD 17,432 million) thanks to the renegotiation of the foreign debt with private creditors.

2.6 Debt

2.50. Following the swaps of 2005 and 2010, Argentina was required to settle the outstanding debt with those funds holding 7% of the eligible debt that did not accept the Argentine offer. These funds obtained a favourable United States court ruling whereby this debt could not be paid until the expiry of the rights-upon-future-offers (RUFO) clause of the 2005 and 2010 swaps, set for December 2015. Meanwhile, a debt owed to the Paris Club was renegotiated in May 2014 for USD 9,690 million to be paid in 5 years at a rate of 3% or in 7 years at a higher rate.¹ Should a minimum payment not be made, as occurred in 2018 and 2019, the debt would start to accrue a higher interest rate, reaching 9%. In March 2016, pursuant to the adoption of Law No. 27.249, Laws Nos. 26.017, 26.547, 26.886 and 26.984 were repealed, which had sought to get the holdouts to settle on equivalent terms to those who agreed to the 2005 and 2010 swaps. In April 2016, the government carried out a first international issue for some USD 16.5 billion with the aim of dealing with the payments related to the ruling in favour of the "vulture funds". The interest rates for securities issued were 6.25% for 3-year bonds and 7.625% for 30-year bonds, which meant a spread of approximately 500 basis points over United States Treasury instruments at that time.

¹ Viewed at: <https://clubdeparis.org/en/traitements/argentina-29-05-2014/en>.

2.51. The previous administration then began to make intensive use of external credit in 2016 and 2017, at rates of interest well above the international level. The current account deficit, which totalled USD 15,105 million in 2016 and USD 31,151 million in 2017 (INDEC), and the persistent fiscal deficit were mostly financed by borrowing in foreign currency on the local and international markets. The liberalization of the capital market facilitated a significant outflow of capital (portfolio investment liabilities increased by some USD 77 billion in 2016 and 2017), leading to a loss of international reserves of USD 29 billion. As of April 2018, in the context of a profound change in global expectations about the economic outlook for the country, the market began to classify as unsustainable the large volumes of public debt that Argentina had accumulated in the previous two years, and which were not accompanied by an increase in productive capacity in the net exporting sectors that would enable payment obligations to be met, respecting social sustainability. In 2018, Argentina ended up losing access to external credit, exacerbating its position of unsustainability. In view of the disruption to the influx of financial capital, assistance was sought from the International Monetary Fund (IMF). In June 2018, the IMF Executive Board approved a three-year Stand-By Arrangement (SBA) for Argentina amounting to USD 50 billion (equivalent to SDR 35,379 million or about 1,110% of Argentina's quota in the IMF).² An immediate disbursement of USD 15 billion was authorized (SDR 10,614 million or 333% of Argentina's quota), with USD 7.5 billion to be used for budget support. In October 2018, the IMF Executive Board concluded the first review under the SBA for Argentina, and approved the disbursement of USD 5.7 billion (SDR 4.1 billion), and also approved an augmentation of the SBA to increase access to about USD 56.3 billion (equivalent to SDR 40,710 million or 1,277% of the quota).³ The authorities have requested the use of this IMF financing as budget support. The programme contained a schedule of payments that were not adjusted to the possibilities of the Argentine economy, concentrating SBA payments in 2022 and 2023. The new government decided not to request from the IMF the USD 11 billion remaining from the stand-by credit and to proceed with restructuring the debt.

2.52. As of December 2019, Argentina's public debt was in an unsustainable position. In four years, the gross debt stock measured in US dollars increased by 34%, from USD 241 billion in December 2015 to USD 323 billion as at December 2019.⁴ This increase in indebtedness and the corresponding interest servicing was not matched by commensurate economic growth, owing to the adjustment policies, and as a result the proportion of gross debt to GDP increased from 52.6% to 90.2% over the same period. In addition, the public sector had lost access to financing in the international capital market in 2018, and to financing on the local market in August 2019, as a result of the reprofiling of local debt services established by Decree No. 596/2019.

2.53. The recovery in debt sustainability was a prerequisite for the plan to stabilize the Argentine economy. The actions needed to initiate this process began in December 2019 with the enactment of Law No. 27.541 on social solidarity and reinvigorating production. On 21 January 2020, the Executive sent to Congress the bill to restore external public debt sustainability. The problem of debt unsustainability was addressed progressively by seeking to restructure commitments with private creditors, the IMF and the Paris Club, in that order. The staff of the IMF undertook their own debt sustainability analysis, which concurred with the analysis carried out by the national government that Argentina's debt trajectory was unsustainable and supported the government's negotiating strategy.

2.54. The process of restructuring the debt denominated in foreign currency sought from the outset to treat bondholders subject to domestic law and foreign law equally. Thus, once the negotiations with external bondholders were close to concluding a final agreement, progress was made in designing a proposal to restructure the national public debt using securities in US dollars issued under Argentine law. After an orderly process that lasted eight months, managed through constructive dialogue and reaching a broad national and international consensus on the unsustainability of Argentine debt, a swap was achieved for 99.01% of foreign-law, foreign-currency securities and, subsequently, 99.41% of domestic-law, foreign-currency securities, which involved

² IMF (2018), *IMF Executive Board approves USD 50 billion Stand-By Arrangement for Argentina*, Press Release No. 18/245, 20 June 2018. Viewed at: <https://www.imf.org/en/News/Articles/2018/06/20/pr18245-argentina-imf-executive-board-approves-us50-billion-stand-by-arrangement>.

³ 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/en/News/Articles/2018/10/26/pr18395-argentina-imf-executive-board-completes-first-review-under-argentina-stand-arrangement>.

⁴ Ministry of the Economy, Finance Secretariat, National Public Credit Office. Viewed at: <https://www.argentina.gob.ar/economia/finanzas/deudapublica/informes-trimestrales-de-la-deuda>.

the restructuring of a residual eligible amount of around USD 107 billion. The restructuring carried out by the Argentine Government has thus been the second biggest sovereign restructuring in the world and the largest in our history. As a result of restructuring, maturities were extended with private creditors for the next few years, providing financial relief of USD 42 billion until 2024. In addition, the average coupon was cut from 7% to 2.9% per year, thereby reducing the weight of debt servicing in the medium and long term.

2.55. Following the restructuring of the debt in securities denominated in foreign currency, the government started discussions with the governments of the Paris Club member countries and with the IMF in order to renegotiate both debts in the pressing context of the COVID-19 pandemic.

2.7 Economic challenges

2.56. Following the effects of the pandemic, the economy continued to show signs of recovery in 2021. One of the national government's most important objectives is to consolidate this growth with social inclusion, following a sustained course in the medium term.

2.57. To this end, it will be necessary to *calm* the economy, which implies an inclusive, federal and sovereign economy that is productively dynamic and macroeconomically stable. In other words, an economy that has already set its course, that has identified the productive structure it wants, and that guarantees job creation and income stability. In order to achieve this, low levels of inflation and greater certainty for enterprises and households must be achieved, on the basis of coordinating the rules of the game between the public and private sectors. These conditions of stability will generate a healthy environment for Argentina's economic and social development.

2.58. The pillars on which this objective is based are:

- a. **economic recovery** with job creation and improved purchasing power as a necessary condition for economic growth;
- b. **coordination of expectations**, within the framework of a consistent macroeconomic programme that addresses the problem of inflation as a phenomenon with multiple causes and where its reduction is central to economic policy;
- c. **a more virtuous and vibrant export dynamic**, with the coordination and commitment of strategic sectors, with export growth regarded as a necessary condition for sustaining economic growth;
- d. **fiscal sustainability** as a key pillar of macroeconomic stability, redefining priorities for investing state resources;
- e. **coordination of the rules of the game** as a collective task requiring the involvement of all sectors and dialogue that produces understandings as the basis for a more robust model of agreements and consensus in order to create the conditions for the inclusive development path; and
- f. **debt sustainability as a state policy**, so that unsustainable debt problems will not recur, with the development of the public debt market in pesos as a key process for the development of capital markets.

2.59. With regard to the third point (c) on export promotion, a key factor in the development of trade policy, progress has already been made in some areas of importance.

2.60. Decree No. 234/2021 established the export investment promotion scheme, which provides incentives for domestic and foreign enterprises making investments in foreign currency exceeding USD 100 million. These incentives allow access to the foreign exchange market for up to 20% of the foreign exchange earned from exports related to the investment project.

2.61. Resolution No. 4/2021 (13/01/2021) of the Ministry of Production Development established the knowledge-based economy promotion scheme, which provides tax benefits to companies of which at least 50% of turnover stems from knowledge-based services, which are entered in the National Register of Beneficiaries of the Knowledge Economy Promotion Regime (EDC Register) and which engage in the export of goods or services derived from knowledge-based activities. Specifically, on the external front, the export tax for knowledge-based services is reduced to 0%.

2.62. Reductions in rates of export duty were introduced. Decree No. 785/2020 (2/10/20) established a maximum rate of 8% for mining and energy exports, effective until 31 December 2021. For the industrial sector, Decree No. 789/2020 (5/10/20) establishes differentiated export duties according to added value (3% for processed inputs and 0% for final goods). For the automotive industry, there was a reduction to 0% of export taxes for incremental exports of final goods and a generalized reduction for intermediate goods.

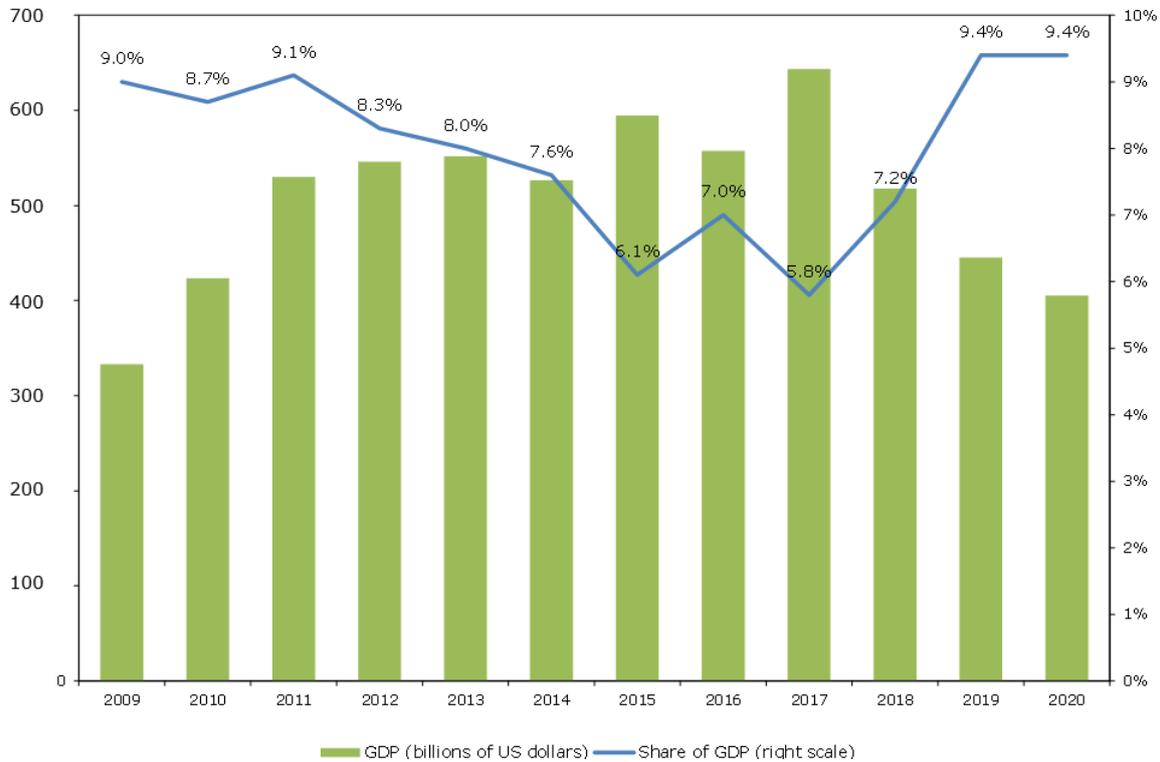
2.63. Pursuant Decree No 892/2020 (16/11/20), the Argentine Natural Gas Production Promotion Plan (Gas Plan IV) was formalized, in order to increase investment in and production of this fuel in all gas-producing basins in the country, so as to reduce dependence on fuel imports and promote exports from the sector. For the latter, preferential conditions are envisaged for exports up to 11 million m³ per day, exclusively during the non-winter period, as well as access to the foreign exchange market for the repatriation of direct investments and their profits or for the payment of debt obligations.

2.64. A work programme was established with the Argentine Agro-Industrial Council to define the core areas of an agreement that will be reflected in a national agri-food strategy. Its key components are: to increase the productivity of the different agro-industrial chains; to ensure the supply of the domestic market and protect against the impact on prices; and to ensure further administrative simplification of export formalities, etc.

3 SECTORAL PERFORMANCE

3.1 Agriculture

3.1. The agro-industrial sector has played a highly important role in the Argentine economy for many years and, specifically, it is the main source of foreign currency, which is crucial to our economy. In 2020, agro-industrial exports accounted for 70% of Argentina's total exports to the world. This represents an increase of 8.4% in relation to the sector's share of total exports in 2019 and 15.0% in relation to 2018.

Argentine agro-industrial exports. Share of GDP

Note: The 9.9% year-on-year drop in GDP for 2020 as a whole reflected the year-on-year decline in all components of demand: private consumption shrank by 13.1%, gross fixed capital formation fell 13.0%, and exports declined by 17.7%. Imports decreased by 18.1% compared with 2019.

Source: World Bank

3.2. Measured against our country's total GDP, the share of agro-industrial exports amounts to 9.4%. This percentage remained unchanged in 2020 compared to 2019.

3.3. The main agricultural exports in 2020 (measured by value) were: soybean meal, maize (except for sowing), crude soybean oil, soya beans, whether or not broken, wheat (other than durum and seed), barley, bovine meat, fine wine, biodiesel, shelled groundnuts, shrimps and prawns. The main destinations were the EU, China, Brazil, Viet Nam, India, Chile and the USA.

3.4. Since the outbreak of the COVID-19 pandemic, the agri-food sector was declared essential, and so workers in this sector worked continuously to ensure the supply of food in Argentina or in our trading partners. In order to avoid interruptions in agri-food chains, health protocols were devised in conjunction with stakeholders in each of the areas involved in order to reduce uncertainty and prevent risks. Coordination was also undertaken between the national government, the provinces and production entities in order to ensure that exports were maintained.

3.5. A total of 15 specific protocols were implemented for different production activities aimed at providing safety guidelines for workers and consumers vis-à-vis the pandemic, in the COVID-19 mitigation phase, guaranteeing the supply of products to Argentine households.

3.6. The "COVID-19 line", which serves as a communication tool for improving the supply and circulation of foodstuffs, was also launched. This provides essential health information to transport companies, thus ensuring smooth logistics in agriculture. In addition, actions were coordinated with the countries of the region in the context of the Food and Agriculture Organization of the United Nations (FAO), the Inter-American Institute for Cooperation on Agriculture (IICA) and the Southern Agricultural and Livestock Council (CAS) in order to ensure the uninterrupted movement of foodstuffs and inputs at the regional level, including the adoption of various ministerial declarations on the matter with concrete guidelines.

3.7. Beyond the pandemic, the efforts of the current administration at the Ministry of Agriculture, Livestock and Fisheries have focused on boosting food production in a sustainable manner with greater social inclusion, the emphasis being on increasing the value added at origin and strengthening regional economies through policies aimed at developing and improving competitiveness, fostering technological modernization, conversion, complementarity and innovation, and promoting the integration of agricultural production factors and their transformation. At the same time, the aim is to encourage the development of small-scale producers, in an effort to contribute to poverty reduction and the progressive distribution of income through social and regional equity; the efficient and responsible use of natural resources; and the economic development of our country.

3.8. The active participation of the State, through consistent macroeconomic policies, aims to secure the recovery of the domestic market, improve national food security, provide incentives for productive investment to meet growing food demand, both domestic and international, and to industrialize rural areas.

3.9. For example, access to credit for micro entrepreneurs in family farming has been facilitated. Through these programmes, small producers can access quotas adapted to the productive cycles of each worker with the objective of ensuring regional equity. Initiatives continue to be pursued, such as the programme for the economic inclusion of family farmers in northern Argentina (PROCANOR), the goat value chain development programme (PRODECCA) and the programme for socio-economic inclusion in rural areas (PISEAR), which benefit thousands of small-scale farming families.

3.10. The following have also been launched: the national programme to promote local employment, integration and procurement (PROTAAL), which pursues the consolidation, development and growth of family farming clusters and the creation of new associative production units in family farming for the creation of new jobs; the critical and direct assistance programme (PACyD), which proposes a special assistance mechanism in the event of bad weather, social crises, geographical isolation, accidents and other exceptional losses; and the national programme for land titling and rural integration (PRONTAR), which contributes to the regularization of ownership of land traditionally occupied by family farmers, peasant farmers, indigenous peoples and artisanal fishers.

3.11. Similarly, the following projects continue to be implemented: the provincial agricultural services programme (PROSAP), which uses the development of infrastructure and rural services to benefit thousands of individuals and agricultural SMEs in Córdoba, Entre Ríos, Formosa, Mendoza, Neuquén, Río Negro and San Juan; the forest sustainability and competitiveness programme, which supports forestry and industrial forestry SMEs in Chaco, Corrientes, Entre Ríos, Misiones and Río Negro; and the programme for aquaculture development and sustainable fisheries (PRODESPA), which is geared to the fisheries sector and aquaculture producers.

3.12. Argentina is also developing an agri-environmental policy that exploits the sector's strengths to provide responses to agri-environmental challenges and problems (institutional, technological, organizational and communication strengths). Argentina is internationally recognized not only for the safety and quality of the agro-industrial products that it exports but also for the way it produces them. Satellite products, new techniques for genetic improvement, the development of "agtech" and the bioeconomy (including aspects of bioenergy, biotechnology and production of bioproducts) are just some of the innovations that are helping us to adapt to climate change and make more efficient use of natural resources.

3.13. Sustainability is understood as the balance among the three pillars (environmental, economic and social) and actions in this area seek to include all actors in the chain in order to "leave no one behind" (Just Transition), adapted to national realities and the pace of each productive sector. Moreover, work to improve productive systems should not lose sight of the fact that the main contribution of agriculture to the Sustainable Development Goals is through SDG1 (no poverty) and SDG2 (zero hunger).

3.14. Argentina is strongly committed to agricultural sustainability and this is the direction of its current policies. However, as has been noted in different international forums on this matter, the policies' format and pace must be adapted to each country's reality and historical responsibility. The responsibilities are common but differentiated; countries that developed on the basis of intensive natural resource use policies have the historical responsibility to provide appropriate solutions.

3.15. With regard to external negotiations, we would point out that Argentina has been actively participating in the WTO negotiations and discussions on the main challenges facing the sector in different forums, both multilateral (including the G20, FAO and OECD) and regional (for example, IICA, CAS and the Western Hemisphere Agricultural Group (AG5)). In the context of the WTO in particular, a more equitable, fair and undistorted trading system has been fostered by seeking the elimination of distorting subsidies and encouraging the adoption of science-based measures.

3.16. During the last few years, Argentina has also pursued an active policy of bilateral negotiations to open up the sanitary/phytosanitary sphere, with the objective of facilitating the entry of its products abroad. Over the past five years (2016-20), a total of 301 markets have been opened, with over 50 new markets opened in 2020. Our aim is to align this policy of opening markets for the benefit of strategic sectors with our agro-industrial development policy.

3.17. Lastly, from the institutional standpoint, the agricultural portfolio was given ministerial status with the creation of the Ministry of Agriculture, Livestock and Fisheries in 2019, which allowed agricultural issues to be dealt with at the highest political level. In addition, the Secretariat of Family, Peasant and Indigenous Agriculture was re-established.

3.18. The strengthening and professionalization of decentralized bodies reporting to the Ministry has also been a core idea of the current administration: (i) the National Agriculture and Food Quality and Health Service (SENASA), which is responsible for implementing national animal and plant health and food safety policies, as well as verifying compliance with the regulations in force; (ii) the National Agricultural Technology Institute (INTA), which is responsible for contributing to the sustainable development of the agricultural, agri-food and agro-industrial sector through research, promoting innovation and knowledge transfer for the growth of the country; (iii) the National Fisheries Research and Development Institute (INIDEP), the agency responsible for advising on the rational use of fisheries resources with the objective of preserving the marine ecosystem for future generations; (iv) the National Grape-Growing and Wine Production Institute (INV), whose mission is to guide and monitor the wine industry efficiently, moving towards the development of genuine, fit-for-human-consumption products that meet international quality standards, supporting the development of the wine value chain to strengthen the recognition of Argentine wines worldwide; and (v) the National Seed Institute (INASE), which is responsible for promoting the efficient production and marketing of seeds, ensuring the identity and quality of the seed acquired by agricultural producers and protecting the ownership of phylogenetic creations.

3.2 Manufacturing

3.19. As Argentina is an intermediate developed country, its fortunes depend on its ability to use knowledge and industrial transformation more intensively. The health tragedy of COVID-19 represents an unprecedented situation that is having a profound impact on the economy and production, with a record decline in the global economy that has also affected Argentina.

3.20. The pandemic came at a time when the country was starting to recover after two years of deep recession (2017-19), culminating in a sharp deterioration of production and social indicators: a decline in economic activity, real wages and investment, the loss of thousands of jobs, business closures and a virtual cessation of payments owing to the unsustainability of external debt.

3.21. Despite this complex background, and the damage that the pandemic has caused in many productive sectors, the government has taken various steps to lay the foundations for the subsequent recovery, underpinned by consensus-building as the key element to a new economic and social agreement, through ongoing dialogue with the productive sectors, labour and innovation. Since then, Argentina has been working on ambitious public policies, with a federal vision, developed in conjunction with the private sector, workers and the provinces.

3.22. Industry is an essential factor in improving the balance of foreign exchange, and experience shows that when it is damaged and neglected, the trade deficit worsens, leading to devaluations that impoverish the vast majority of people. Argentina considers that industry, as well as agriculture, mining, hydrocarbons, construction, tourism and knowledge-based services, has a strategic role in development and is a priority. However, since industry is also different from what it was in the 20th century, it presents new challenges, which reinforces the need for an industrial policy.

3.23. The industrial sector has received considerable support from the government during the COVID-19 crisis, with industrial enterprises receiving 18% of the total supplementary wages paid by the State through the work and production emergency assistance programme (ATP) and 31% of loans at preferential rates with state guarantees implemented to assist SMEs. Furthermore, in the context of the health crisis, industry took on new challenges: it was a pioneer in implementing protocols effectively to prevent the spread of the virus and produced respirators, masks, tests, medical clothing and technological solutions efficiently and quickly. Far from being part of the problem, industry showed that it was part of the solution.

3.24. Industrial systems are becoming increasingly technology- and knowledge-intensive, and strategies to boost industrialization therefore currently present unprecedented challenges. In this regard, Argentina considers that there are two key elements for productive development: namely, innovation and complementarity. The first refers to the ongoing need to innovate and modernize the fabric of production; the second refers to the need to reinforce structures and the development of supply chains by diversifying production, incorporating more MSMEs, cooperatives and regions, and enhancing environments that are conducive to complementarity and innovation.

3.25. From this basis, horizontal and sectoral strategies emerge. Horizontal strategies are crucial to strengthening the productive framework as a whole and improving its competitiveness, with particular emphasis on tools to expand financing and reduce its cost and barriers to access, and to improve productivity, particularly on the basis of what is known as Industry 4.0 (digitization and automation). Sectoral strategies seek to stimulate more actively structural change, creating new sectors of activity with a major component involving innovation, exports and regional development.

3.26. Moreover, the 21st century industrial policy is responding to new challenges, such as the gender agenda, to rectify the predominantly male presence in industry (75% of its workers are men and only 11% of directors of industrial enterprises are women, a figure which drops to 5% in major industries) and wage gaps (26% compared to the 14% economy-wide average for the hourly wage). In this regard, Argentina considers manufacturing to be a key tool for both economic and social development.

3.27. Under the new government administration since December 2019, Argentina's production development strategy has been underpinned by a set of components considered essential for the post-pandemic recovery, so as to ensure that the country achieves economic and social development that secures decent living conditions for its people.

3.3 Export growth

3.28. After a surge in exports in the 2000s, which provided Argentina with the foreign exchange needed to finance accelerated growth such as that recorded for the 2002-11 period, exports contracted from 2011. While there was modest growth in recent years, the result of larger harvests, the maturing of investments in the Vaca Muerta hydrocarbon reserves and the success of the meat exporters value chain, there was no return to the peak achieved in 2011, either in terms of quantities or values.

3.29. Revitalizing exports, reducing capital flight and creating the conditions for the peso to be used as a vehicle for savings, are all necessary to ensure that the conditions for strengthening the industrialization process are improved. Prioritizing exports entails defining policies to open up external markets and create new productive sectors with export potential (the software, audiovisual production, biotechnology, bioinformatics, genetic engineering, nanotechnology, nanoscience, satellite industry, aerospace, nuclear energy, agro-industrial/forestry exporters value chains, fisheries, aquaculture and wine sectors) with particular emphasis on the implementation of training and technical assistance activities to enable MSMEs to become part of this push for exports.

3.30. Moreover, infrastructure development is regarded by Argentina as another key element for promoting exports, since it reduces logistical costs and boosts competitiveness. In this regard, projects such as the Paraná-Paraguay Waterway or infrastructure development programmes (such as road, rail and energy infrastructure projects) launched by the various relevant agencies are of great importance.

3.4 Sustainable, inclusive and federal development strategy

3.31. For Argentina, all productive sectors have something to contribute to development and workers are key players in any production process. SMEs are the backbone of multiple production chains, cooperatives play a very important role as creators of jobs at many stages of the production chain and have contributed (as worker-controlled factories have done) to preserving productive capacity in adverse economic times, and entrepreneurs are essential for driving creativity and innovation. Large enterprises are also fundamental to generating investment, exports, innovation and high-quality jobs (in terms of both formality and remuneration). The key is for large enterprises to interact more closely with the MSME sector, as this is where the best synergies are produced. Medium-sized enterprises, for their part, are very active players, which also have above-average working conditions and huge potential to become major entities.

3.5 Fostering creativity and innovation

3.32. Argentina aims to incorporate higher levels of innovation, creativity and productivity into its productive structure, which in turn will increase its export capacity on the basis of high-quality jobs and rising wages. The development of increasingly technological complex activities is therefore seen as key, to enable higher labour productivity and promote investment in research and development, by successfully handling complex technological ventures and enhancing their links to the productive fabric and foreign trade.

3.33. In this regard, the government's objective is to boost the development of new technologies in the productive fabric, as well as the integration of human resources with capacities and skills geared to the requirements of the new knowledge-based economy paradigm. This is done by designing targeted strategies to bring innovation closer to MSMEs and also to large enterprises.

3.34. Argentina's actions focus on the following elements:

- **Open innovation**, on the basis that connection and collaboration networks, particularly among public and private enterprises, universities, technological centres and other entities, are vital for the implementation of projects with high value added in areas related to the knowledge economy. In this regard, actions concentrate on training activities related to aspects of open innovation (focusing on the knowledge economy and productive development) that facilitate their implementation in the planning and realization of a project and support for innovative initiatives, and that combine the use of various knowledge economy activities. The collaborative and joint implementation of projects is also encouraged, which implies that those involved contribute to their execution by providing and complementing their specific know-how in order to produce an outcome superior to that which would be achieved working alone.
- **Regional strengthening of the knowledge economy**, which contributes to the federalization of beneficiaries and, consequently, of productive capacities in this industry. This is done through policies focused on both productive aspects and building human capital, together with enterprise maturity in the sector, and from this basis work on growth and improvement in each case. Also, interest groups involving sector stakeholders are being strengthened, with the focus on contributing to improvements in regional competitiveness and the creation of local ecosystems, through the development of local human resource training programmes linked to productive demands and national programmes coordinated with sectoral representatives to address talent gaps in strategic sectors.
- **Implementation of long-term policies**, through the recently enacted Law on the knowledge economy (No. 27.506), for the incorporation, implementation and intensive adoption in productive activities of knowledge derived from advances in science and technology, in order to improve the production of goods and services; and also through the Law on the promotion of modern biotechnology (No. 26.270), in force since 2007, which is understood as any technological application that, on the basis of rational knowledge and scientific principles from biology, biochemistry, microbiology, bioinformatics, molecular biology and genetic engineering, uses living organisms or parts derived from them in the production of goods and services, or for the substantial improvement of production processes and/or products.

3.6 Promoting private investment and increasing productivity

3.35. Argentina promotes a State that encourages private investment and increased productivity as essential tools for reducing poverty and inequality. Increasing private investment is a prerequisite for increasing demand, macroeconomic predictability, access to productive credit, building new capacities and opening up external markets. In addition, the financial inclusion of MSMEs and cooperatives is essential to encourage productive investment and increase productivity.

3.36. Furthermore, one of the major elements for improving productivity is the Industrial Competitiveness Plan 4.0, which has three components: creating the National Technological Assistance System 4.0; promoting the adoption of 4.0 technologies; and raising awareness of and training in 4.0 technologies, on the basis of the dissemination of and introduction to new technologies through concrete plans for enterprises, training in 4.0 trades and training of 4.0 technology experts.

3.37. A second major element is support for technology-intensive sectors such as biotechnology, nanotechnology, IT, the automotive sector and the satellite industry, with a focus on the promotion of research and development, which also promote links between scientists and the productive system and the spillover effects of productivity on the industrial fabric. In the digital sector, the comprehensive programme for training human capital for productive development has been implemented, with the objective, first, of satisfying unmet demand that hampers the development of one of the most productive and innovative sectors in Argentina and, second, of enhancing the employability of young people, individuals over 45 years of age and persons from vulnerable groups. This is complemented by a number of projects to link industry demand to digital transformation solutions and the creation of research, development and innovation projects.

3.38. A third element, which is considered essential for boosting investment and productivity, is the expansion of productive credit. The creation of the development banking system is a central feature of this process and seeks to provide support to the sectors that are major drivers of the country's development in technology and exports.

3.7 Narrowing gender gaps

3.39. Historically, productive policies have not been greatly concerned with addressing gender inequalities in the productive structure. In Argentina, women are paid an hourly wage 13% lower than that of men, when controlled for socio-demographic variables such as level of education and age. Gender gaps are particularly pronounced in sectors of high productivity and export sectors. In manufacturing, whose relative productivity exceeds the average, women account for barely 30% of the workforce. This figure falls to 10% for the proportion of women in decision-making roles in industrial enterprises and is barely 5% in major companies, which are those that generally have greater productivity and export capacity. In primary activities (many of which involve exports) the female participation rate is only 17%, while in export services such as software it is just 32%.

3.40. A productive system that fails to use women's talents loses opportunities for growth, innovation and improved productivity. Hence, the Government of Argentina understands that productive policies must necessarily include incentives to increase equal opportunities in the labour market and to reduce stereotypes (through awareness-raising campaigns) that currently obstruct women's access to strategic branches for development. Greater diversity within these branches will help to create a wider range of ideas and approaches in enterprises, increasing the likelihood of innovation and business growth. In this regard, Argentina aims to create guidelines for the introduction of cultural changes in the operation of enterprises, by encouraging greater opportunities for women, eliminating gaps in equality and creating environments that prevent and penalize any kind of gender-based discrimination or violence.

3.8 Promoting federal development

3.41. As in the entire Latin American region, regional disparities in Argentina are greater than those in any developed country. The richest region (the Autonomous City of Buenos Aires) has a per capita GDP six times greater than the poorest provinces. These inequalities, apart from being unfair, create negative externalities, such as an unbalanced territory, with areas that are densely populated (such as the Buenos Aires Metropolitan Area (AMBA)) and others that are virtually unpopulated and lack the minimum infrastructure needed to develop product-specific productive chains.

3.42. During the pandemic, the problem of depending largely on one region became evident, as the economy as a whole was impacted when AMBA was partially paralyzed in the first months of lockdown. Just as productive policies are crucial to bridging gender gaps, the same is true of regional inequalities. No productive policy can be effective unless it is able to foster entrepreneurship and technological capacities in the regions lagging furthest behind, in such a way that it enables the creation of high-quality jobs in these regions, thereby reducing poverty.

3.43. One of the initiatives to tackle territorial inequalities is to reduce infrastructure gaps through public investment in the North-East Argentina (NEA) gas pipeline, in the Paraná-Paraguay Waterway and in various federal transport infrastructure programmes. This will reduce transport costs to production sectors that are far from AMBA, boosting competitiveness and, by extension, the potential to increase exports from regional economies. Following the 2018 stoppage, the reactivation of the NEA gas pipeline is of vital importance for productive development in Argentina and for access to gas in numerous locations in that region. Since gas is a vital element for manufacturing activities, greater access to this strategic resource will lead to the emergence of new sectors.

3.44. As a complement to the elements and lines of action mentioned, Argentina considers that no productive development policy can be sustainable if it does not embrace the environmental dimension, pursuing a path of innovation to create new technologies to increase per capita GDP and productivity while reducing the impact on the environment. Examples include the development of e-mobility, wind energy and solar thermal energy technologies, and the refurbishment of household appliances to promote energy efficiency. This is underpinned by awareness-raising campaigns, sustainable production training programmes, the creation of forums for discussion and dialogue among the various actors (the public and private sectors, NGOs, cooperatives, workers), the creation of the industrial parks development programme, which incorporates the dimension of "green and sustainable parks" (through compliance with good environmental practices) and an ambitious programme for the elimination of landfills, which targets the closure of over 5,000 landfill sites and the construction of socio-environmental complexes for tailored and efficient waste management.

3.9 Micro, small and medium-sized enterprises (MSMEs)

3.45. MSMEs play a key role in Argentina's productive fabric, not just in terms of share of GDP, but also because they are the main driver of job creation, as shown by the following data:

- 99.4% of employers are MSMEs. They number approximately 541,000: 455,000 are micro enterprises, 71,000 are small enterprises and 14,000 are medium-sized enterprises.
- In 2020, MSMEs generated 63.8% of registered wage employment and 51% of the total wage bill.
- They produce 17% of total exports and 46% of turnover, while large companies account for the remaining 54%.

3.46. It is therefore crucial for Argentina to develop high-quality public policies that can have a positive impact on the growth and development of MSMEs.

3.47. The COVID-19 pandemic has had an impact on the form of production and has accelerated more gradual processes with regard to both the digitization of businesses and new developments and innovation, and this is particularly evident in the MSME sector. In this regard, the crisis amplified some of the existing challenges, such as improving conditions and coordination among regional productive structures, public-private partnerships and support institutions, and promoting digital transformation, innovation and business growth.

3.48. Just as the health, education, transport, trade, tourism and services sectors had to adapt quickly to the context, the pandemic represented major challenges for MSMEs, whose structure in Argentina has historically been extremely heterogeneous, thus posing a major challenge for public policy. Faced with such an exceptional situation, the government quickly created a large number of assistance tools for MSMEs.

3.49. In 2020, support programmes for MSMEs, laboratories and universities were implemented to reinforce productive capacities for basic inputs such as masks, scrubs, swabs and sample collection

tubes for carrying out PCR tests, as well as for the development of separate innovations such as new testing or treatment systems. This support involved a great effort to leverage the synergy of the scientific/technological system and the universities with the MSME production sector.

3.50. While support for working capital and productive investment for specific sectors had already been developed prior to the pandemic, various financing programmes have been created as a result of the health emergency to accompany the production recovery process, and these have been implemented in coordination with the provinces in order to promote federal financial inclusion.

3.51. From January 2020 to May 2021, Argentina launched a medium- and long-term credit recovery policy for MSMEs, through lines of financing in accordance with the complex prevailing context. This policy is supported by the National Productive Development Fund (FONDEP) and the Argentine Guarantee Fund (FOGAR), which were strengthened by the current government through an increase in their budgets in line with emergency priorities. Since the pandemic began, over 629,000 credits have been granted through FONDEP, while FOGAR has provided access to financing for productive projects through agreements with banking institutions and direct credits to SMEs. In 2020, FONDEP had a budget 14 times larger than in 2019, and in 2021 it has a budget amounting to 150% of the 2020 budget, while FOGAR had a 2020 budget 86 times bigger than in 2019. This enabled 61,000 SMEs and 564,000 small taxpayers and self-employed workers to access financing as a result of state guarantees. Three special purpose funds were also created with the provinces of Santa Cruz, Santa Fe and Salta.

3.52. In addition, there is the support provided by the Reciprocal Guarantee Companies (SGR) scheme, which granted guarantees to over 21,000 MSMEs in 2020-21. To expand the total number of MSMEs accessing the banking credit system and the securities market, in 2021, the government implemented new regulations raising the minimum number of MSMEs that the SGR must incorporate into its portfolio every year, including the requirement to meet a quota for MSMEs headed by women, as well as to incorporate new MSMEs into its guarantees portfolio in order to be authorized to expand its risk funds.

3.53. In this way, the COVID-19 health crisis has acted as an ongoing challenge to implement policies that not only support the hardest-hit sectors but also encourage those that have begun to recover, as in the case of the metalworking, agro-industry and agricultural machinery sectors, which have achieved more growth than before the pandemic.

3.54. In addition, and with the aim of continuously improving the competitiveness and productivity of MSMEs, the government supports these enterprises with comprehensive plans in various strategic areas, such as digital transformation, federal export development, sustainable development, design and innovation, and institutional and regional reinforcement, both individually and collectively. In all of these areas, Argentina is implementing awareness-raising measures in MSMEs, training required by intermediate enterprises and institutions, and technical and economic assistance to advance implementation, promotion and market positioning plans.

3.55. These actions are complemented by a strategy for coordinating and strengthening the network of MSME support institutions with productivity plans that have a federal approach. This is done through the strengthening of intermediate institutional support institutions, with technical and economic assistance to local development agencies, business development centres, the creation of SME centres in universities, the reinforcement of technological centres, and the creation of digital transformation units providing MSME support.

3.56. In addition, in order to foster and strengthen entrepreneurship, Argentina is implementing training policies, coordination with actors in the entrepreneurial ecosystem, internationalization and access to financing sources. Apart from reducing the impact of the pandemic, the aim is to use the programmes to target sectors considered strategic for the country, such as agri-food, e-mobility, social and/or environmental impact, Industry 4.0, technology-based sectors, regional and cultural industry products, as well as to reinforce the leadership of women entrepreneurs. In this connection it should be noted that, while in 2020 more than 30,000 entrepreneurs throughout the country participated in one of the various actions launched by the government, in 2021 it is expected that not only will their scope be expanded across the country but also that the progress made will be consolidated and ventures will be supported in their development.

3.10 The challenge of COVID-19

3.57. It is beyond any doubt that the health tragedy resulting from COVID-19 is having profound economic and productive consequences. This time of pandemic will be remembered as one of the worst in the history of global capitalism, with record declines in many countries, including Argentina.

3.58. As noted above, the pandemic struck Argentina at a time when the country was beginning to recover after a period of major recession, which caused a deterioration in the main productive and social indicators: between December 2017 and December 2019, economic activity contracted by 7% (9% in per capita terms), 280,000 formal wage jobs were lost in private sector companies (4.5% of the total), and 23,000 businesses closed down, the majority being SMEs. Also, the real wage of formal workers fell by 18% and, as a result of the decline in household income, poverty rose from 25.7% in the second half of 2017 to 35.5% in the corresponding period of 2019, which is equivalent to 4.5 million people falling below the poverty line.

3.59. Although the incomes of the vast majority of the population suffered during this period, the damage was greater in the most vulnerable households: while per capita income fell by 14% for the top 10% of earners, income shrank by 30% for the bottom 10%. This led to an increase in inequality: the Gini coefficient rose from 0.422 to 0.444 between the second half of 2017 and the corresponding period of 2019. Meanwhile, productive credit stock at constant prices fell by 36% in real terms between June 2018 and December 2019, in line with a 31% fall in investment between the fourth quarters of 2017 and 2019. In 2019, investment fell to the lowest level in a decade. The country also entered into virtual cessation of payments on account of unsustainable debt from 2016-19.

3.60. After the first two months of 2020, when signs of improvement were observed, both in real wages and in segments such as industry, commerce or tourism, the pandemic caused an unexpected shock at the global and domestic level. Economic activity contracted by 26.1% between February and April 2020, a figure of unprecedented magnitude. Although it has started to recover since then, the strong impact on branches such as hotels, restaurants, culture and entertainment has not yet been offset by the improvement recorded in sectors such as industry, which currently has levels of activity similar to 2019, and even higher, in several of its branches.

3.61. The impact on employment has been profound: in the second quarter of 2019, the year-on-year decline was 16.8%, with large differences according to occupational category. While private formal wage employment shrank by 3.3%, independent employment decreased by 28.6% and informal wage employment by 34%. Faced with this shock, and despite unfavourable macroeconomic conditions at the end of 2019, the government quickly responded with a set of measures to protect income, human health and companies' organizational capital.

3.62. On 20 March 2020, the government ordered a preventive and mandatory lockdown (ASPO). A set of policies were immediately implemented that were unprecedented in Argentina's history in terms of their magnitude and scope: the emergency family income (IFE), a payment of ARS 10,000 for nearly 9 million unemployed, informal and low-income self-employed workers; and the work and production emergency assistance programme (ATP), under which the State paid part of the wage bill of formal private sector enterprises of all sizes affected by the pandemic. This was in addition to the budgetary reinforcements for the provinces and for health and safety.

3.63. While the IFE prevented between 2.7 million and 4.6 million people from falling into poverty, thus curbing the rise in inequality resulting from the loss of employment income, the ATP programme was key in mitigating the reduction in formal wage employment and ensuring the survival of the 338,000 beneficiary enterprises (60% of the total), as well as over 2.8 million workers who had part of their wages paid by the State.

3.64. With regard to foreign trade, the government has taken a number of steps to ensure the availability of inputs needed to address the pandemic, such as the elimination of the import licensing requirement, the suspension of certain anti-dumping measures in force, the temporary elimination of tariffs and other import charges on certain critical, COVID-19-related products, as well as the exceptional acceptance of digital certificates of origin under certain trade agreements to which Argentina is party, such as the those adopted by the Latin American Integration Association (LAIA), and the MERCOSUR agreements with Israel, the Southern African Customs Union (SACU) and Egypt (see Annex 1 for further details of these measures).

3.65. There is no doubt that COVID-19 is having a major impact on citizens and businesses, especially SMEs, and this is particularly visible in developing countries. Argentina has always argued that in order to deal with this health crisis and economic upheaval, a coordinated global response is needed not only to stabilize economies but also to help those enterprises in particular to move through this traumatic process. In this regard, an ongoing evaluation is needed of all tools that enable greater and better participation of SMEs in international trade and enhance their resilience in the event of future upheaval.

3.66. Furthermore, it is necessary to highlight the deep inequality that has characterized the global administration and distribution of COVID-19 vaccines, with the resulting health risk of the virus becoming endemic and creating reservoirs with the capacity to mutate into more aggressive and contagious variants. Argentina considers that vaccines against COVID-19 should be global public property, with a view to ensuring that all populations have equitable access to this resource and to the medical innovations that have emerged to tackle the pandemic.

3.67. In this regard, on the understanding that exceptional situations call for exceptional solutions, and given the magnitude of the health crisis, Argentina supports all initiatives aimed at ensuring fair access, promoting the effective transfer of technologies, increasing local production capacities and the timely distribution of vaccines at the global level, including the temporary suspension of the protection of intellectual property rights for vaccines and medical products needed for the prevention and treatment of COVID-19.

4 PARTICIPATION IN INTERNATIONAL ORGANIZATIONS AND FORUMS

4.1 Argentina and the G20

4.1.1 Participation in the Trade and Investment Working Group (TIWG)

4.1. Argentina is an active participant in the G20 Trade and Investment Working Group (TIWG), aimed at further strengthening G20 cooperation in trade and investment, as important engines of inclusive growth and development and the eradication of poverty.

4.2. In a context that, today more than ever, requires the promotion of international coordination and solidarity in the various global forums, our country supports the TIWG's work to exchange information and develop collective actions that provide responses to current trade issues, in line with the priorities identified by each Presidency.

4.3. Argentina considers it important to continue the G20 political dialogue to reaffirm the rules-based multilateral trading system and to support the necessary reform of the WTO, included for the first time in the Buenos Aires leaders' declaration of 2018. In addition, we are committed to the ongoing implementation of the "G20 Actions to Support World Trade and Investment in Response to COVID-19", endorsed in 2020 with a view to mitigating the trade impacts of the pandemic and contributing to an inclusive and sustainable recovery.

4.1.2 Global Forum on Steel Excess Capacity (GFSEC)

4.4. Since 2016, Argentina, together with 30 other steel-producing countries, has been part of the Global Forum on Steel Excess Capacity (GFSEC), created at the G20 Summit in Hangzhou (China) to coordinate policies to address overcapacity in the global steel industry.

4.5. Argentina has been participating actively and constructively in the Forum, in addition to striving to ensure its continuity, considering that it constitutes a useful exercise in transparency to find consensus solutions to global excess capacity in steel. In this regard, Argentina has provided all the information required in the half-yearly exchanges of information on statistics relating to productive capacity and policies implemented in this sector. Argentina has also reaffirmed its commitment to the guiding principles adopted in Berlin in 2017, viewing them as an important tool to deal with distorting policies that cause global excess capacity.

4.2 Argentina and the WTO

4.6. During the period under review, the multilateral trading system has faced a number of issues and challenges that are unprecedented in the history of multilateralism: a great proliferation of unilateral trade measures, the paralysis of the dispute settlement system – the cornerstone of the WTO and an indispensable tool for providing security and predictability to the system –, as well as the enormous damage caused by COVID-19, in both economic terms and the loss of human lives.

4.7. As a founding Member of the WTO, Argentina remains firmly committed to the Organization, seeking to safeguard its role as a key instrument of the global trading system, which provides stability and sustainability for international economic growth. In this regard, Argentina is playing a constructive role and making every effort not only to preserve but also to continue strengthening the WTO and fully reaffirms that the objectives of the multilateral trading system must continue to be to raise living standards, ensure full employment and promote sustainable development.

4.8. Moreover, as part of the discussions on the adaptation of the WTO to the new challenges of the 21st century, Argentina is firmly committed to all actions which, on the basis of consensus and the principle of inclusivity, seek to address the challenges currently faced by the WTO.

4.2.1 Participation in regular committees

4.9. Argentina is an active participant in the regular activities of the WTO, regarding this participation as an exercise in transparency that is essential for helping the organization to achieve its fundamental objectives.

4.10. In this regard, Argentina has submitted regularly new and complete annual notifications relating to the Agreement on Subsidies and Countervailing Measures, import licensing procedures and annual questionnaires linked to these procedures, projects and regulations relating to sanitary and phytosanitary measures, trade-related technical regulations, trade remedies and, since 2020, trade measures implemented as a result of COVID-19. In addition, it has responded to all the concerns and timely consultations of other Members in the respective committees.

4.11. During the period under review, Argentina took part in the accession processes of various countries, in view of the importance of continuously expanding the participation of countries in the multilateral trading system. In particular, it participated in the accession working parties for Afghanistan, Liberia and Tajikistan, which came to a successful conclusion with the entry of these countries into the Organization. Argentina continues to constructively support these activities with a view to a satisfactory conclusion of the accession processes under way.

4.12. Furthermore, Argentina is an active Member within the Trade Policy Review Mechanism, regarding this as an essential exercise for the transparency and predictability of the multilateral trading system, enabling a better understanding of the trade policies of the various WTO Members. Accordingly, since 2013, Argentina has actively participated in more than 130 trade policy reviews of other WTO Members.

4.2.2 Dispute settlement

4.13. During the period under review (2013-20), Argentina participated in a total of 22 disputes initiated during this period, acting in three disputes as a complainant and 19 disputes as a third party. To this should be added participation as a respondent in four cases for which panels were established in 2013. Argentina ranks 15th among the countries that have had greatest recourse to this mechanism since the creation of the WTO, having participated to date in a total of 108 cases since 1995.

4.14. The WTO's dispute settlement mechanism is an essential factor in ensuring that Members comply with WTO rules. In this regard, it is crucial to resolve the impasse that has affected the Appellate Body since the end of 2019. It is therefore necessary to strengthen the participation of the developing countries, which find their opportunities for involvement limited because of their relative lack of power within the global economic system. Technical assistance could facilitate this process.

4.2.3 Negotiations

4.15. Argentina continues to reaffirm its support for the WTO and the multilateral trading system. As a founding Member, it believes that it is important for the WTO to retain its central role in international trade, striving for a fair, rules-based multilateral trading system that contributes to genuinely inclusive development. Argentina remains strongly committed to the continued strengthening of the WTO, stressing the need to safeguard its role as the lead agency of the global trading system, as well as the need to intensify efforts to rectify trade practices that cause restrictions and distortions that particularly affect agriculture and fisheries.

4.16. Taking into account that development gaps among different countries have not only not been reduced in recent years but have actually increased in a number of areas, Argentina considers that any WTO reform programme must maintain respect for the development aspirations of individual countries at its core, while preserving the provisions on special and differential (S&D) treatment in existing and future agreements, with the only exception being those countries that voluntarily forgo this benefit. Furthermore, the WTO must preserve its multilateral character, maintaining the practice of taking decisions by consensus and making every effort to ensure that the discussions are conducted in line with the principles of inclusivity and equity.

4.17. On the other hand, addressing historically outstanding imbalances in agriculture must be at the centre of any negotiating process at the WTO, in view of the contribution to development involved, the resolution of these issues being vital for combating hunger and poverty. In addition to traditional trade-distorting measures (tariffs, tariff escalation, import quotas and production subsidies), there is a growing proliferation of sanitary, phytosanitary and technical barriers that have no scientific justification. This is why it is necessary to eliminate the discriminatory and distorting policies that have historically affected this sector and which restrict any possibility of industrialization and addition of value to primary production, hampering the processes of development.

4.18. Argentina considers it a priority to bring to a successful conclusion the negotiations on fisheries subsidies disciplines by fulfilling Sustainable Development Goal (SDG) target 14.6 and WTO negotiating mandates, ensuring sustainable exploitation of global fisheries and ending the exponential damage caused by illegal, unreported and unregulated (IUU) fishing, an aspect that has had a particular historical impact on Argentina in both environmental and economic terms.

4.19. Moreover, Argentina is constructively engaged in the structured dialogues on various topics that represent certain challenges to modernizing WTO rules, such as the joint initiatives on e-commerce, the integration of SMEs into international trade, investment facilitation, and services domestic regulation. However, Argentina considers that the methodology of structured dialogues cannot become a systematic negotiating practice in the multilateral trading system. Plurilateral discussions should be the exception rather than the rule. Argentina advocates a multilateral system based on a broad, transparent and inclusive discussion with the consensus of all WTO Members.

4.20. It should be noted that, during the review period, Argentina has been an active and constructive participant in the discussions for the successful conclusion of the Agreement on Trade Facilitation (TFA), the first multilateral agreement concluded since the launch of the WTO in 1995. In this regard, Argentina ratified and accepted the TFA Protocol through Law No. 27.373 and its Regulatory Decree No. 574/2017, presenting the instrument of acceptance to the WTO on 22 January 2018. Argentina currently applies 97.5% of the provisions of the Agreement, having duly notified the WTO that compliance with the rest of the provisions will take place no later than 2023.

4.2.4 Monitoring mechanism

4.21. Argentina has been participating constructively in the preparation of the semi-annual and annual reports on trade measures applied by WTO Members, which have been prepared by the WTO Secretariat since 2009.

4.22. Argentina understands the importance of undertaking and continuing this transparency exercise agreed upon as a result of the international economic crisis of that time, plus the measures applied by countries since 2020 as a result of COVID-19. Argentina also appreciates the work done by the WTO Secretariat in improving the criteria used for the identification and inclusion of trade-related measures.

4.23. However, given that the reports are a useful tool for reaching preliminary conclusions on the nature of the measures implemented by all countries every six months/year, Argentina considers that such criteria can be further refined so as to contribute to an appropriate reading of the international situation. The fact that in one year the absolute number of restrictive measures is higher than in the previous year does not necessarily mean that the "world is more protectionist", because each measure has a different impact on trade and the economy in general, and this will also depend on the systemic importance of the implementing country. An economic stimulus package to support local production and export performance in a large country is not the same as the temporary increase in an import tariff for a specific product in a relatively small country.

4.24. On the other hand, it has been observed that many of the measures incorporated by the WTO Secretariat are updates of measures established in previous periods, and each update is classified as an "independent" measure. For example, Argentina applies reference values to exports, updates for which (sometimes even involving the lowering of values) are taken as independent and restrictive measures. In the latest report for October 2020-May 2021, of the 32 measures attributed to Argentina, almost half of them (13) correspond to updates of these values, and so it would be incorrect to say that Argentina "applied 32 restrictive measures".

4.25. Argentina hopes that these suggestions can be taken into account by the WTO Secretariat in future reports, in order to continue increasing their objectivity and transparency and to enable an appropriate reading of the international situation.

5 ARGENTINA AND REGIONAL INTEGRATION

5.1 MERCOSUR

5.1. The Southern Common Market (MERCOSUR) is a central strategic project within our country's foreign policy and an important platform for promoting its further international integration. Since the signing of the Treaty establishing MERCOSUR (1991 Treaty of Asunción), this regional integration agreement, which commemorated its 30th anniversary on 26 March 2021, has become the priority regional integration objective of Argentina's foreign trade policy. At the same time, MERCOSUR is a key instrument for improving conditions of access for Argentine exports to other markets within and outside the region.

5.2. Argentina is playing an active role in the process of building MERCOSUR and its participation in this regional integration project means that some of its trade policy decisions are defined at the MERCOSUR level. Specifically, trade issues concerned with Argentina's relations with other, non-MERCOSUR countries are covered by commitments undertaken at regional level.

5.3. To achieve the objectives of deepening integration and furthering the development of its peoples, MERCOSUR also has an active agenda on social and citizenship aspects of integration and matters of gender and trade, and organizes business, trade union and academic meetings and events on various aspects of the integration process.

5.4. There have been many developments since the last trade policy review in 2013.

5.5. In 2015, for example, progress was made in the intra-MERCOSUR programme on customs security in the supply chain of goods to agree on common procedures for more effective, expeditious and simple customs controls in order to move forward with the mutual recognition initiative. Similarly, progress has been made in updating the International Customs Transit Computerized System (SINTIA).

5.6. The Action Plan for Strengthening Trade and Economic Aspects of MERCOSUR was launched in 2015, which identified market access conditions for which the treatment and courses of action were defined in 2017.

5.7. Also in 2015, MERCOSUR signed the Protocol of Accession of the Plurinational State of Bolivia to MERCOSUR, and although it is not yet a State Party, that country does participate in meetings and there is a space to proceed with the technical work for its full integration into the regional process once the accession protocol enters into force.

5.8. In 2017 MERCOSUR moved forward with the signature of agreements on matters such as the intra-MERCOSUR Investment Cooperation and Facilitation Protocol, which establishes the common legal conditions for facilitating and promoting reciprocal investment and attracting extra-regional investment, through transparent rules on the treatment of investments, exchange of information and cooperation among the parties.

5.9. With regard to procedures for the drafting, revision and abrogation of MERCOSUR Technical Regulations, standards were adopted in 2017 to modernize and expedite their implementation and treatment. The General Framework for Trade Facilitation Initiatives in MERCOSUR was adopted in December 2019, as a means of furthering regulatory convergence and recognition of conformity assessment results between two or more States Parties, as well as other mechanisms for capacity building and technical cooperation on regulatory issues. Progress is also expected to be made, in the framework of the ad hoc group on regulatory issues, in the assessment of the MERCOSUR regulatory process, with a view to making it more modern, efficient and compatible with the need to improve the bloc's competitiveness. Similarly, headway is being made in the development of a MERCOSUR regulation on front-of-package nutrition labelling of packaged foods in order to ensure clear and accessible information for the consumer, promote healthy eating and boost intra-zone trade in packaged foods.

5.10. MERCOSUR made significant progress on communication with the creation of the MERCOSUR Communication and Information Unit (UCIM) in 2017, as a tool for the dissemination of developments in the integration process and its benefits for citizens of the region, by putting a great deal of information on the MERCOSUR website and on social media.

5.11. With regard to institutional matters, in 2017, it was decided to move forward with optimizing the institutional structure and streamlining the human and financial resources of MERCOSUR. Thus, in 2019, it was decided to streamline MERCOSUR's current institutional structure of technical and consultative forums, starting with the elimination of inactive bodies or those that had fulfilled their objective and merging of others with thematic expertise overlap, in order to reduce bureaucracy and simplify the working procedures of MERCOSUR bodies and forums.

5.12. The signature of the MERCOSUR Public Procurement Protocol in December 2017 establishes a legal framework for business opportunities for companies and workers in the region, by expanding the list of public bodies' suppliers while at the same time seeking to reduce costs and create transparency in the government procurement system.

5.13. In 2018, the MERCOSUR Trade Commission, which is responsible for MERCOSUR trade policy issues, adopted a new regulation and took steps to computerize processes for dealing with tariff changes and tariff reduction requests for supply reasons, the exchange of classification opinions, among other things.

5.14. In 2019, the MERCOSUR Agreement for the Elimination of International Roaming Charges for End Users was signed, which is a tangible measure in the interest of the movement of States Parties' citizens within the region and a major step towards strengthening regional integration, particularly in terms of connectivity.

5.15. In December 2019, the MERCOSUR Agreement on Trade Facilitation was signed, which simplifies, harmonizes and automates international trade procedures to make them faster and cheaper, and will help to increase trade within the bloc. In this regard, the signature of the MERCOSUR Agreement on Mutual Recognition of Authorized Economic Operators will allow companies accredited as such to have the same benefits in all States Parties, with regard to the clearance and processing of goods and customs release channels for commercial operations.

5.16. The need for recognition of a State Party's geographical indications by the other States Parties, protecting them against fraud and misuse, led to the negotiation and signature of the MERCOSUR Agreement for the Mutual Protection of Geographical Indications in the Territories of States Parties, marking a major step forward in the integration process.

5.17. The subject of border populations, in all its dimensions, is a matter of importance on the MERCOSUR agenda, with the signature in December 2019 of the Agreement on Twin Border Towns,

which seeks to bring about tangible benefits for people living and working in those places, in terms of economic opportunities and public health, education, culture and employment services.

5.18. On the matter of trade policy, MERCOSUR has been working since 2019 on the revision of the Common External Tariff, to which Argentina has contributed significant elements to devise, after more than 25 years since its adoption, an instrument aimed at boosting the productivity and competitiveness of the economies of the MERCOSUR countries, as well as furthering their integration into regional and global value chains.

5.19. In the digital sphere, progress has been made in the 2018-20 Plan of Action for developing a MERCOSUR Digital Agenda, which seeks to modernize the integration process, in the face of the regional and global challenges posed by technological change. In this context, in December 2019 and, as the result of growing use of electronic transactions and the need to ensure the security of and confidence in digital documents for consumers and businesses, the MERCOSUR Agreement on Mutual Recognition of Digital Signature Certificates was adopted. Subsequently, the negotiations of the MERCOSUR Agreement on E-Commerce were concluded in December 2020, which establishes a common legal framework to facilitate the development of e-commerce within the bloc.

5.20. The MERCOSUR Structural Convergence Fund (FOCEM) is one of the key instruments for making progress in the treatment of asymmetries. It was renewed in 2015 and, in 2018, the Framework Agreement on International Cooperation between MERCOSUR and the Financial Fund for the Development of the River Plate Basin (FONPLATA) was signed, which led to the signature of a trusteeship agreement for FOCEM financial resources and progress being made in financial and technical complementarity projects with the regional financial entity.

5.21. In April 2020, the FOCEM project on research, education and biotechnology for health was approved, in an effort to strengthen diagnostic capabilities for epidemiological control and to step up support for MERCOSUR public health systems in the fight against COVID-19.

5.22. With the unexpected outbreak of the COVID-19 pandemic in 2020, the Presidents of the MERCOSUR Member States adopted, on 18 March, a declaration that agreed on guidelines and joint actions to contain and mitigate the pandemic, which continue to be implemented. These include the exchange of trade measures adopted by the Member States to address the COVID-19 pandemic.

5.23. In December 2020, and in order for MERCOSUR to have a mechanism for the administration and control of import quotas within the bloc, the MERCOSUR Import Quota Administration and Control System (SACIM) was created, which is currently at the IT platform regulation and development stage.

5.24. Progress is also being made in the modernization of the MERCOSUR Origin Regime, in terms of both its regulatory aspects and the establishment of specific origin requirements. And the electronic certificate of origin (COD) has already been launched for use in intraregional trade.

5.25. MERCOSUR is also working on the harmonization of MERCOSUR Common Nomenclature (NCM), in accordance with the Recommendation of the Customs Cooperation Council that accepted the 7th edition of the Harmonized Commodity Description and Coding System, for its entry into force in January 2022.

5.26. The sugar industry ad hoc group resumed its work in 2020 and held a seminar on innovation and value added in the sugar industry in MERCOSUR in May 2021, in which research institutions and the sugar production sector participated and analysed the sector's main technological trends, as well as production potential to increase its competitiveness.

5.27. With regard to the automotive sector, progress has been made in recent years with the signature of bilateral agreements between States Parties, while work to adapt the sector to the customs union is moving forward, with a view to integrating it into regional and global value chains, taking into account new technologies and mobility at the regional and global level.

5.28. In the framework of the Montevideo Protocol on Trade in Services of MERCOSUR, in December 2020, the 8th round of negotiations on specific commitments was launched to increase trade in services among States Parties.

5.29. In March 2021, the MERCOSUR Citizenship Statute was adopted, which compiles the rights and benefits recognized in the bloc's current regulations for nationals, citizens and residents of the member countries with regard to various core issues, including movement and residency, border integration, labour, education, social security, communications and consumer protection.

5.30. Procedures and technical specifications for digital certificates of origin were adopted in the framework of LAIA, pursuant to ALADI/CR/Resolución 386 (of 4 November 2011). Argentina currently only exchanges digital certificates of origin with Brazil and Uruguay. It also exchanges legally valid digital certificates of origin, which to date coexist with paper format certificates, with Chile and Paraguay. In the first half of 2021, Argentina held talks with Colombia and Ecuador to resume technical meetings, which are intended to move forward with the LAIA Digital Certificate of Origin in due course, in accordance with the statements made by those countries.

5.2 Latin American Integration Association (LAIA) and extra-regional agreements

5.31. At the regional level, Argentina began negotiations with Mexico in 2016 to expand and strengthen Economic Complementation Agreement (ACE) No. 6 and, in 2016, they agreed to gradually increase the volume of annual bilateral tariff quotas for the automotive sector under ACE No. 55 until 2022. Moreover, Argentina initiated negotiations with Peru to expand and strengthen, at the bilateral level, ACE No. 58 (MERCOSUR-Peru). In both cases, the negotiations also cover provisions on cross-border trade in services, investment, government procurement, trade and the environment, small and medium-sized enterprises (SMEs), gender and other subjects.

5.32. In 2017, MERCOSUR and Colombia signed the partial scope agreement, ACE No. 72. Following its legal review, this additional protocol was notified to LAIA in December 2020. ACE No. 72 maintained the market access conditions agreed under ACE No. 59, but also granted better tariff preferences for certain products and extended preferential treatment to some products that were not considered under ACE No. 59.

5.33. Meanwhile, on 2 November 2017, Argentina and Chile signed a trade agreement that expands existing disciplines under the MERCOSUR-Chile ACE No. 35 and incorporates new disciplines, such as government procurement, SMEs, labour, gender and trade, and trade and the environment. The agreement entered into force on 1 May 2019 and was incorporated into ACE No. 35 as the 61st Additional Protocol. The first meeting of the administrative commission under the 61st Additional Protocol was held on 20 August 2020.

5.34. The 18th regular meeting of the administrative commission of ACE No. 35 between MERCOSUR and Chile was held in December 2020. As a result, the 65th Additional Protocol was signed, amending the regional value content of the formula of specific origin requirements for automotive sector trade between Argentina and Chile.

5.35. In accordance with the provisions of the ACEs that Argentina, as a MERCOSUR State Party, has signed within the framework of LAIA, administrative commission meetings were held in connection with ACE No. 36 (MERCOSUR-Bolivia), ACE No. 59 (MERCOSUR-Colombia, Ecuador and Venezuela), ACE No. 72 (MERCOSUR-Colombia) and ACE No. 62 (MERCOSUR-Cuba). In January 2013, ACE No. 68 (Argentina-Venezuela) entered into force.

5.36. During the period under review, Argentina also signed a series of additional protocols to ACE No. 14 (Argentina-Brazil), relating to the extension and updating of the agreement on the automotive policy. Thus, the 44th Additional Protocol entered into force on 26 May 2020. With regard to ACE No. 13 (Argentina-Paraguay), the 2nd Additional Protocol to the agreement on the automotive policy entered into force on 1 April 2020. ACE No. 57 (Argentina-Uruguay) is in force and has not been amended.

5.3 Agreements for the reciprocal promotion and protection of investments

5.37. Argentina is currently party to 48 agreements for the reciprocal promotion and protection of investments (ARPPIs). It is also party to the Washington Convention on the settlement of investment disputes between States and nationals of other States and to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

5.38. In 2017, Argentina signed a trade agreement with Chile, which has a chapter on investments and entered into force in 2019, replacing the ARPPI of 1991.

5.39. In addition, between 2016 and 2018, Argentina negotiated and signed three ARPPIs that are currently before Congress for legislative approval: with Qatar (2016), the United Arab Emirates (2018) and Japan (2018).

5.4 Extra-regional negotiations

5.40. During the period under consideration, Argentina, as a MERCOSUR State Party, has held talks and negotiations with other countries to strengthen trade relations.

5.41. In 2019, Argentina, as a MERCOSUR State Party, concluded the agreements in principle between MERCOSUR and the European Union and the European Free Trade Association (EFTA). The legal review of these agreements is well under way.

5.42. Since 2018, Argentina, as a MERCOSUR State Party, has participated in negotiations with Canada, the Republic of Korea, Lebanon and Singapore to reach free trade agreements, and with India and Israel to expand and strengthen existing agreements.

5.43. Moreover, as a MERCOSUR State Party, it maintains scenarios and mechanisms for dialogue with Indonesia, Viet Nam, Japan and the Eurasian Economic Union.

5.44. Argentina, as a MERCOSUR State Party, participated in the 1st meeting of the Joint Administration Committee of the MERCOSUR-Southern African Customs Union (SACU) Agreement held in May 2017, at which the functioning of the Agreement signed in December 2008 was evaluated.

5.45. In turn, Argentina participated in the 1st meeting of the Joint Committee of the agreement between MERCOSUR and Egypt in December 2017, at which the progress of the agreement signed in August 2010 was analysed.

5.46. Argentina, as a MERCOSUR State Party, participated in the 2nd meeting of the Joint Committee of the agreement between MERCOSUR and Israel in November 2018, at which stock was taken of the functioning of that instrument, signed in December 2007.

5.5 Global System of Trade Preferences (GSTP)

5.47. Argentina is a member, through MERCOSUR, of the Global System of Trade Preferences Among Developing Countries (GSTP), an agreement among 43 developing countries to promote South-South trade. Under the GSTP, pursuant to the outcome of the first round of negotiations (which entered into force on 19 April 1989 and is the only one currently in force), MERCOSUR grants preferences to around 1% of the tariff universe, with a level of preferences ranging from 10% to 100%.

5.48. It should also be noted that Argentina approved the Final Act of the GSTP incorporating the outcome of the third round of negotiations (the São Paulo Round), which will grant preferences of 20% to around 70% of the tariff universe with tariffs above 0%. However, the agreement must be ratified by, at least, four GSTP member countries in order to enter into force. As of June 2021, India, Malaysia and Cuba had ratified it. In the case of MERCOSUR, which acts as a single member in the system, Brazil and Paraguay still have to ratify it before it can be ratified by the bloc.

6 FACILITATING, SIMPLIFYING AND COMPUTERIZING CUSTOMS PROCEDURES AND FORMALITIES

6.1. Argentina is making notable progress in simplifying and computerizing customs procedures. The Directorate-General of Customs (DGA), the body responsible for customs procedures and part of the Federal Public Revenue Administration (AFIP), has followed a set of general working guidelines, the objectives of which are based on the requests and needs of the customs service itself, as well as those of citizens and other government agencies.

6.2. These guidelines have been developed in accordance with the directives of the Framework of Standards to Secure and Facilitate Global Trade (SAFE) of the World Customs Organization (WCO), by virtue of which the DGA is committed to streamlining and expediting foreign trade operations, without compromising the effectiveness of controls and tracking of goods traded internationally, and to optimizing customs procedures.

6.3. The results are linked to producing specific and important changes in the customs service on its path to modernization, thus optimizing the provision of services for citizens and, thereby, to facilitating and simplifying foreign trade as a whole. The main actions related to simplifying and digitizing customs processes are outlined below:

For external users: Computerized System of Customs Procedures (SITA):

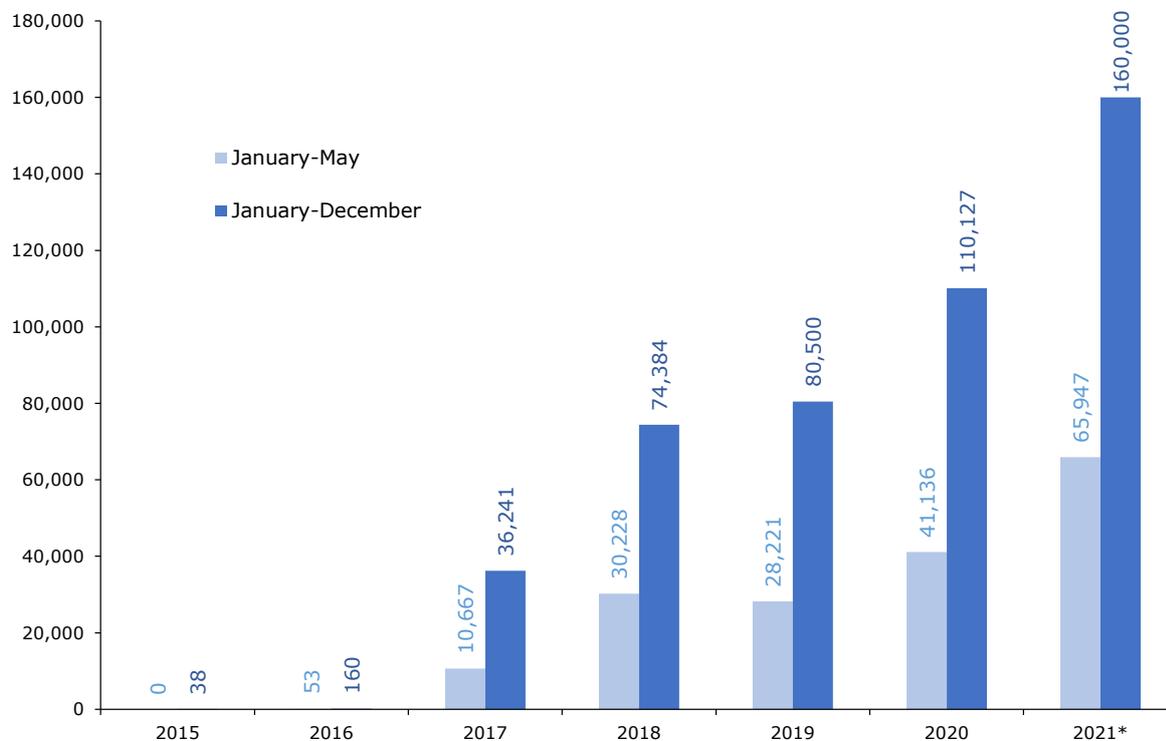
- 74 digital procedures in place.
- 34 new procedures created between January 2020 and May 2021.
- 78% increase in the digital procedures catalogue.
- 60% increase in the number of submissions between January and May 2021 compared to the same period in 2020.

For the customs service: Electronic Document Management System (GDE):

- 30 new procedures created between January 2020 and May 2021.
- The SITA procedure (generated by the external user) is systematically linked to the GDE procedure (managed internally), ensuring the digital traceability of the whole circuit of the officially approved destination alert (ADO) procedure.

6.4. The following graph shows how use of SITA has evolved, particularly as a result of the COVID-19 pandemic from March 2020.

SITA procedures filed by citizens



* Estimated value as of December 2021.

Source: AFIP

(1) Optimizing interactions between Customs and cross-border regulatory authorities:

6.5. A number of information-sharing procedures have been implemented, which have simplified and expedited foreign trade operations. For example:

- Ministry of Security - Directorate for the Registration and Control of Chemical Precursors (operations pursuant to Decree No. 593/2019)
- Ministry of Production Development - National Directorate of Industrial Policy Management (operations pursuant to Resolution No. 256/2000)
- Ministry of Production and the Environment of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands (customs operations linked to the establishment of the Special Customs Area regulated by Law No. 19.640).
- Ministry of Agriculture, Livestock and Fisheries (operations pursuant to Resolutions Nos. 3/2018 and 12/2018).

(2) Institutional communication - Improvements in external communications:

- New developments, the implementation of digital procedures and new services or applications were communicated to citizens in an effective and timely manner.
- The information available to citizens on the agency's website was updated and reorganized, for better and easier access.

7 CONCLUSIONS AND OUTLOOK

7.1. The international context in the wake of the COVID-19 pandemic undoubtedly poses a formidable challenge. In this regard, one of the government's most important goals is to be able to consolidate growth with social inclusion, setting it on a uninterrupted path in the medium term.

7.2. To this end, the actions of the Government of Argentina seek to strengthen an increasingly inclusive, productively dynamic economy, that will ensure job creation and income stability, and is built on the basis of dialogue with and consensus among all the sectors involved.

7.3. The pillars on which this goal is based are, inter alia, economic recovery; fiscal sustainability as a key tool for macroeconomic stability, making clear the priorities for how national resources are invested; debt sustainability as a national policy, in order to achieve the targets of growth with social inclusion; an industrial policy with a more inclusive and federal vision, aimed at increasing levels of innovation, creativity and productivity; and developing a sovereign economy with federal equality.

7.4. In pursuit of Argentina's economic and social development, the growth of exports will play a central role, as it is one of the necessary conditions for sustaining economic growth. In this vein, Argentina attaches particular importance to the multilateral trading system, with the WTO at its centre. Argentina considers the Organization to be an indispensable tool, providing stability and predictability to the system, and will continue to work constructively within it to address new challenges and also resolve long-standing development issues pending from the Doha Round, an aspect that Argentina considers essential to reducing development gaps and to creating a level playing field in international trade.

ANNEX 1**Trade measures related to COVID-19**

Measure	Regulation	Status
Removal of the non-automatic import licensing requirement for certain COVID-19-related health products.	Undersecretariat for Trade Policy and Management Provision No. 5/2020 (Official Journal 18/3/2020).	In force since 19/3/2020
Implementation of export permits issued by the Ministry of Production Development, in consultation with the Ministry of Health, for oxygen therapy apparatus.	Decree No. 301/2020 (Official Journal of 20/3/2020). Repealed by Decree No. 625/2020 (Official Journal 30/7/2020). Ministry of Production Development Resolution No. 140/2020 (Official Journal 7/4/2020). Ministry of Production Development Resolution No. 367/2020 (Official Journal 27/07/2020).	Came into force on 20/3/2020. Lifted on 30/7/2020.
Temporary suspension of anti-dumping measures on imports of hypodermic syringes of plastic, disposable, sterile, from China.	Ministry of Production Development Resolution No. 114/2020 (Official Journal 21/3/2020).	In force since 21/3/2020 and for the duration of the health emergency established by Law No. 27.541, extended by Decree No. 260/2020 and by Decree No. 167/2021.
Temporary suspension of anti-dumping measures on imports of sterile parenteral solutions containing sodium chloride or dextrose, in closed infusion systems, from Brazil and Mexico.	Ministry of Production Development Resolution No. 118/2020 (Official Journal 24/03/2020).	In force since 24/3/2020 and for the duration of the health emergency.
Implementation of export permits for certain products related to COVID-19.	Decree No. 317/2020 (Official Journal of 28/3/2020). Ministry of Production Development Resolution No. 140/2020 (Official Journal 7/4/2020). Ministry of Production Development Resolution No. 367/2020 (Official Journal 27/07/2020). Decree No. 405/2020 (Official Journal of 24/4/2020). Decree No. 617/2020 (Official Journal of 27/7/2020). Decree No. 625/2020 (Official Journal of 30/7/2020). Decree No. 243/2021 (Official Journal of 19/4/2021). Decree No. 286/2021 (Official Journal of 30/4/2021).	In force since 28/3/2020 and for the duration of the health emergency.
Elimination of intra-zone import duties and the statistical tax for certain products related to COVID-19.	Decree No. 333/2020 (Official Journal of 2/4/2020). Decree No. 455/2020 (Official Journal of 11/5/2020). Decree No. 745/2020 (Official Journal of 14/9/2020).	In force since 3/4/2020 and for the duration of the health emergency.
Suspension, for the duration of the health emergency, of the obligation to submit a Sworn Declaration of Product Composition (DJCP), established under Resolution No. 404/2016 of the former Secretariat for Domestic Trade, for imports of certain textile sector products.	Secretariat of Domestic Trade Resolution No. 107/2020 (Official Journal of 3/4/2020). Secretariat of Domestic Trade Resolution No. 149/2020 (Official Journal of 3/6/2020). Secretariat of Domestic Trade Resolution No. 420/2020 (Official Journal of 30/9/2020). Secretariat of Domestic Trade Resolution No. 276/2021 (Official Journal of 30/3/2021).	In force since 3/4/2020 and for the duration of the health emergency.

Measure	Regulation	Status
<p>It is accepted, exceptionally, that proof-of-origin documents attached to goods to obtain tariff preferences under the agreements signed by Argentina within the framework of LAIA, as well as with Israel, SACU and Egypt, may be submitted to the customs authority after being sent to the importer electronically (as a pdf, image or other similar format), as it is not a requirement to submit them in the original format.</p>	<p>Circular No. 2/2020 (Official Journal of 6/4/2020).</p>	<p>In force since 7/4/2020.</p>
<p>Suspension for a period of 60 days (extendible) of all substantive procedures before the National Industrial Property Institute (INPI), including the suspension of certain deadlines.</p>	<p>INPI Resolution No. 34/2020 (Official Journal of 13/4/2020). INPI Resolution No. 37/2020 (Official Journal of 28/4/2020). INPI Resolution No. 42/2020 (Official Journal of 12/5/2020). INPI Resolution No. 47/2020 (Official Journal of 27/5/2020). INPI Resolution No. 51/2020 (Official Journal of 9/6/2020). INPI Resolution No. 69/2020 (Official Journal of 9/6/2020). INPI Resolution No. 78/2020 (Official Journal of 21/7/2020). INPI Resolution No. 109/2020 (Official Journal of 5/8/2020). INPI Resolution No. 116/2020 (Official Journal of 19/8/2020). INPI Resolution No. 127/2020 (Official Journal of 1/9/2020). INPI Resolution No. 142/2020 (Official Journal of 2/9/2020). INPI Resolution No. 167/2020 (Official Journal of 4/10/2020). INPI Resolution No. 171/2020 (Official Journal of 7/10/2020). INPI Resolution No. 183/2020 (Official Journal of 1/11/2020).</p>	<p>Came into force on 13/4/2020. Lifted on 29/11/2020.</p>
<p>Suspension, for 60 days, of the collection of Value Added Tax (VAT), established by AFIP Resolution No. 2.937/2010, on imports of products included under Decree No. 333/2020.</p>	<p>AFIP General Resolution No. 4.696/2020 (Official Journal of 15/4/2020).</p>	<p>Came into force on 15/4/2020. Lifted on 14/6/2020.</p>
<p>Suspension of the effects of Resolution No. 319/1999 of the former Secretariat of Industry, Trade and Mining (SICyM) and Resolution No. 169/2018 of the former Secretariat of Trade, to ensure that security certificates issued by the technical certification bodies remain valid for each of the household electrical appliances covered by those resolutions.</p>	<p>Secretariat of Domestic Trade Resolution No. 119/2020 (Official Journal of 22/4/2020). Secretariat of Domestic Trade Resolution No. 207/2020 (Official Journal of 8/7/2020). Secretariat of Domestic Trade Resolution No. 252/2020 (Official Journal of 31/8/2020). Secretariat of Domestic Trade Resolution No. 435/2020 (Official Journal of 7/10/2020).</p>	<p>Came into force on 22/4/2020. Lifted on 31/12/2020.</p>
<p>Development, in collaboration with the member countries of the Forum for the Progress and Development of South America (PROSUR), of certain COVID-19-related health technologies.</p>	<p>https://www.argentina.gob.ar/noticias/bletin-prosur-covid-19</p>	<p>In force since 26/4/2020.</p>

Measure	Regulation	Status
Suspension of time limits for bonded import and export warehouses, while the measure provided for in Decree No. 298/2020 and amendments thereto (suspension of administrative time limits) are in force.	AFIP Resolution No. 4726/2020 (Official Journal of 29/05/2020).	Came into force on 30/5/2020. Lifted on 29/11/2020.
Payment of export duties postponed for 60 days (extended twice) for those companies entered in the Register of Micro, Small and Medium-sized Enterprises (MSMEs - Law No. 24.467, amendments and supplements thereto). The measure is requested through the submission of the "Exporter affidavit", within the terms of section II of Annex II of General Resolution No. 3.885 and amendments thereto.	AFIP Resolution No. 4728/2020 (Official Journal of 1/6/2020). AFIP Resolution No. 4787/2020 (Official Journal of 6/8/2020). AFIP Resolution No. 4826/2020 (Official Journal of 30/9/2020). AFIP Resolution No. 4843/2020 (Official Journal of 29/10/2020). AFIP Resolution No. 4862/2020 (Official Journal of 30/11/2020).	Came into force on 8/6/2020. Lifted on 31/12/2020.
The marketing of surgical masks and face masks is exempted from meeting the certification requirements for medical equipment and personal protection articles established in Resolution No. 896/1999 of the former Secretariat of Industry, Trade and Mining and amendments thereto.	Secretariat of Domestic Trade Resolution No. 149/2020 (Official Journal of 3/6/2020). Secretariat of Domestic Trade Resolution No. 420/2020 (Official Journal of 30/9/2020).	In force since 3/6/2020 and for the duration of the health emergency.
Exemption, for a period of 60 days, from the payment of export duties on export operations for certain leather goods.	Decree No. 549/2020 (Official Journal of 23/6/2020). Decree No. 812/2020 (Official Journal of 20/10/2020).	Came into force on 24/6/2020. Lifted on 31/12/2020.
Amendment of Resolution No. 12/2019 of the former Secretariat of Industry, for the purpose of extending the period for the entry into force of the requirement of the type-approval certificate for safety auto parts and/or fittings (C.H.A.S.) prior to the marketing of new safety auto parts and/or fittings intended for the replacement market.	Secretariat for Industry, the Knowledge Economy and Foreign Trade Management Resolution No. 90/2020 (Official Journal of 23/6/2020).	In force since 24/6/2020.
Extension of the deadline for the periodic verification of the regulated measuring instruments, provided for in Article 2 of Resolution No. 73/2003 of the former Technical Coordination Secretariat (SCT), while the provisions of Decree No. 297/2020 and amendments thereto are in force.	Secretariat of Domestic Trade Resolution No. 637/2020 (Official Journal of 10/12/2020).	In force since 10/12/2020 and while Decree No. 297/2020 and amendments thereto are in force.