



Doing Business in Argentina:

2014 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Argentina

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Market Overview

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Welcome to Argentina! The U.S. and Argentina share a long history of bilateral commercial relations both in trade and investment. The United States is Argentina's third-largest trading partner and U.S. companies are among Argentina's top investors, with some U.S. companies maintaining local sales and manufacturing subsidiaries in the country for over a century. As the fourth most populous country in Latin America with a population of 42 million, Argentina is one of the largest economies in South America and, as such, remains an important export market for U.S. companies in a number of industries.

The United States and Argentina share a mutually-beneficial trade relationship with total trade in goods reaching \$14.8 billion in 2013. Two-way trade in private services between the two countries totaled an estimated \$9.0 billion in 2013 (latest data available), with the U.S. exporting \$7.1 billion to Argentina and importing \$1.9 billion. The U.S. supplies raw materials, intermediate goods, and capital goods to feed Argentina's industrial sector while Argentina exports food and agricultural products as well as intermediate goods to U.S. industry. The U.S. enjoys a trade surplus with Argentina. Approximately 90 percent of its exports to Argentina are destined for local industry and agriculture such as computers, industrial and agricultural chemicals, agricultural and transportation equipment, machine tools, parts for oil field rigs, and refined fuel oil. Argentine exports to the U.S., meanwhile, include goods such as wine—Argentina is one of the largest exporters of wine to the U.S.—fruit juices, crude oil, and intermediate goods such as seamless pipe, tubes, and other iron and steel products.

U.S. investment makes a large contribution to Argentina's economy. Over 500 U.S.-based companies currently operate in Argentina, employing over 155,000 Argentines. The stock of U.S. investment in Argentina reached \$14.4 billion in 2012 (latest data available) and is concentrated in the energy, manufacturing, information technology, and financial sectors. U.S. firms operating in Argentina continue to make a positive impact on the Argentine economy and society and are widely respected for their corporate governance, the quality of the work environment they provide to their Argentine employees, their transparency, and their work in corporate social responsibility. In 2013, U.S. companies comprised 1/3 of the 100 most respected companies in Argentina published annually by MERCO, a local research company.

Market Challenges

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The primary market challenges arise from slowing economic growth and import and foreign exchange restrictions the Government of Argentina (GOA) imposed in late 2011 and early 2012. Growth slowed markedly in 2012 to 1.9 percent (from 8.9 percent in 2011) and continued at 3.0 percent in 2013, according to official GDP statistics (the IMF and some private analysts dispute the official statistics). Strong commodity prices and automobile exports to Brazil had contributed to Argentina's rapid growth over the past several years.

Non-automatic import licenses (NAILs) were ended in late 2012 for all but a few products, but a regime erected by the GOA in February 2012, whereby all importers are required to request approval from the Argentine Tax and Customs Authority (AFIP) prior to making each purchase for import from abroad, is still in effect and constitutes import licensing in all but name. This system is the subject of a WTO complaint by the U.S., EU, and Japan against Argentina. Moreover, the GOA's policy of tying import application approvals to changes in the trade balance and foreign exchange levels has added to the uncertainty. Sustained inflation generally estimated at over 30 percent has raised unit labor costs and resulted in a more challenging business environment. Limits on profit, royalty, and licensing remittances have also discouraged new investment in Argentina. Lack of transparency and a public comment period for new regulations adds to business uncertainty. As a result of the aforementioned government policies, many local and international firms based in Argentina have delayed plans for expansion or the adoption of new product lines until the economic climate and regulatory regime become more clear, consistent, and predictable.

Despite current problems and uncertainty, Argentina remains an attractive market for American exporters given its relatively large and educated population, abundant natural resources such as in agriculture, mining, and unconventional hydrocarbons, and important infrastructure needs. As Argentina resolves its issues going forward, having already taken important steps to this end, opportunities will increase. This is an excellent time to begin exploring the market and establishing relationships that will enable profitable operations in the future.

Market Opportunities

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This Country Commercial Guide presents information for companies to determine the market potential of the Argentine market. This year's top commercial sectors described in [Chapter Four](#) are: [Agricultural Machinery Parts](#); [Electronic Security Equipment](#); [Food Processing Equipment](#); [Information and Communication Technology](#); [Medical Equipment, Instruments & Supplies](#); [Mining Machinery and Equipment](#); [Technologies for Development of Unconventional Gas Resources](#); and [Travel & Tourism](#) to the United States. Within the agribusiness sector, animal genetics, natural origin food ingredients, and planting seeds are key areas that demonstrate high potential.

We encourage you to work with the U.S. Embassy to explore opportunities in all sectors. [Services offered to U.S. firms](#) in Argentina include help with market-entry or expansion strategies and advocacy for tender bid and policy obstacles. The U.S. Embassy also stands ready to help U.S. companies understand and address market challenges.

In addition to the services of the U.S. Embassy, the U.S. Export-Import Bank is open for short-and medium-term financing for U.S. exports to private sector clients in Argentina, but not for entities tied to the GOA. The Overseas Private Investment Corporation (OPIC) offers assistance to U.S. private investors in the form of political risk insurance, as well as loans and loan guarantees for their direct investment in Argentina.

Market Entry Strategy

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- Marketing U.S. products and services in Argentina requires a high level of research, preparation, and involvement.
- Companies intending to export to Argentina need to ensure that their customers fulfill all import requirements before they ship any product and must be careful to follow all regulations precisely. They should contact the U.S. Commercial Service in Argentina for advice regarding the import process.
- U.S. companies exporting to Argentina typically market their products and services through Argentine agents, representatives and distributors.
- Close personal relationships are important for success as Argentines prefer to do business with people they have met face-to-face and know well.
- U.S. companies must consider Argentina's unique economic, demographic, and cultural characteristics that distinguish it from other Latin American countries.
- It is increasingly difficult to establish a "typical customer" due to new consumption habits and to the dynamics of income distribution and demography.
- An important component of the marketing mix is promotion. Companies are encouraged to attend or exhibit at local and regional trade shows as well as visit trade shows in the United States attended by Argentine buyers.
- Protect your intellectual property and engage qualified local professionals and lawyers in contract negotiations.

The U.S. Embassy Commercial Service in Argentina provides a wide range of services to help U.S. companies enter and expand operations in the country. For details on the services offered, see: <http://export.gov/argentina/servicesforu.s.companies/index.asp>.

Fact Sheet

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For access to a U.S. – Argentina Trade Fact Sheet, please click on:

http://export.gov/argentina/doingbusinessinargentina/eg_ar_067863.asp

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department's U.S.-Argentina Bilateral Relationship Fact Sheet:

<http://www.state.gov/r/pa/ei/bgn/26516.htm>

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Using an Agent or Distributor

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International companies typically market their products through an Argentine agent/representative or a distributor. Working with a distributor has several advantages, although recent restrictions have limited the ability of distributors to import products. Distributors can provide strategic support for positioning brands in the market through promotion and advertising. Furthermore, they understand the local culture and can assist with after-sales service. This value-added service is increasingly important for customers, and contributes to a positive image of U.S. firms doing business abroad. There are, however, situations in which the best solution is a representative rather than a stocking distributor. Please [contact the Commercial Service in Buenos Aires](#) to discuss this.

The Civil and Commercial Codes govern principal-agent relations and differ from U.S. laws. We strongly recommend that an Argentine lawyer be consulted prior to entering into any type of agreement with an Agent/Distributor and engaged prior to substantive negotiation of the agreement terms. No special legislation has been enacted to regulate the cancellation of agency/distribution agreements, although a company could incur additional costs associated with the cancellation of an agency agreement due to Argentine labor laws. Given the complexity of the legal and commercial environment, contracts are generally negotiated in writing through the exchange of reversal letters or via a basic instrument. The parties may not elect foreign laws to govern the agreement. Argentine courts will not enforce a contract executed abroad to avoid Argentina law. The U.S. Commercial Service can provide a [list of local lawyers](#) upon request. For inquiries regarding legal services, please email Diana Brandon at the U.S. Commercial Service in Buenos Aires at Diana.Brandon@trade.gov.

U.S. companies should take time in selecting their Argentine agent/distributor. Business relationships and a good reputation are essential to an agent/distributor's ability to reach potential customers of your product or service. Likewise, it is important to develop a close relationship with a representative, agent, distributor, or other business partner. The mutual trust that this builds will help prevent business disputes and enable the parties to resolve issues amicably when they do arise. The U.S. Commercial Service of the U.S. Department of Commerce assists exporters in finding and evaluating partners in Argentina.

Contact the nearest U.S. Department of Commerce Export Assistance Center, where trade specialists can provide you with guidance on entering the Argentine or other international markets. Please call 1-800-USA-TRADE (1-800-872-8723) to locate the one nearest you or visit the U.S. Government Export Portal at <http://export.gov/usoffices/index.asp>. You may also contact the Commercial Service in Buenos Aires directly for additional information on partner search services, applicable fees and delivery times at

<http://export.gov/argentina/servicesforu.s.companies/businessmatchmaking/index.asp>.

Establishing an Office

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Foreign companies may carry out any single transaction. To continue a routine activity, a foreign company must establish a branch (*sucursal*) in Argentina. An individual must be appointed as the company's legal representative, but assignment of capital to the branch is not necessary.

Legal Structures Commonly Used by Investors

Regardless of whether they are associated with local investors, foreign investors may do business in Argentina as individuals or through corporations, branches of foreign corporations, limited liability companies, limited partnerships, general partnerships, and joint ventures. Foreign corporations often operate in Argentina through a separately incorporated subsidiary rather than through a branch, primarily to reduce their potential liability. If a branch is used, all of the foreign corporation's assets, not only its Argentine assets, may be subject to potential liability. In contrast, if an Argentine or foreign subsidiary is used, the foreign corporation's liability generally will be limited to the assets owned by that subsidiary.

Registration Procedures: The law governing corporations is applicable throughout the entire country of Argentina. Corporations are set up with the approval of at least two legal or natural persons, whether Argentine or foreign.

A corporation may not be a partner in a partnership. A corporation can usually be established in three to four weeks if capital is supplied only in cash. If supplied in kind, the corporation can be established in about two months. A minimum of two founders is required with no maximum limit. Company founders must report a domicile in Argentina.

A minimum of two shareholders is required. No maximum is prescribed. Should a foreign company wish to act as shareholder of a local company, the company must be "qualified." The cost of qualification proceedings is similar to the incorporation cost.

U.S. firms considering establishing operations in Argentina should fully investigate the tax and legal aspects of establishing a business with legal counsel before making any final decisions. (Please refer to [Chapter 9 for Contacts, Market Research and Trade Events.](#))

Franchising

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The local franchising industry has evolved into a challenging and highly competitive environment for international franchisors seeking local partners. Current market size is approximately \$6.5 billion, with an annual growth rate of approximately 10 percent. Franchising sales account for approximately 2 percent of Argentina's GDP. Currently, 90 percent of local franchises are of Argentine origin and approximately 10 percent are of international ownership.

Development of franchising in Argentina has been uneven and shows a high level of concentration, as 10-15 chains handle 36 percent of the franchises and 50 percent of the total turnover. There are approximately 400 franchise brands in the market. Tourism and aesthetic centers are two new segments in which franchising is growing.

The most popular areas for international franchisors are fast food, foreign language training, dry cleaning, hotels, and car rental services. Local franchises have been particularly successful in apparel, food, ice cream, "*empanada*" pastries, fitness/health clubs, and education; however, apparel franchising has lately suffered due to import restrictions. Coffee shops and stores are currently going through a growth stage, with local brands such as Havanna and Bonafide having more than 120 stores each. Starbucks entered the Argentine market in 2008, opening more than thirty stores since entrance. Other significant U.S. market players include Kodak Express, McDonald's, Burger King, Wendy's, Cartridge World, Kentucky Fried Chicken, and Re-Max.

Franchise contracts are generally protected under the Argentine Commercial Code and are not governed by specific legislation. The scope of the service, commercial trade market/name, expertise, and shared production elements are covered by contractual obligations on both franchisor and franchisee. Elements of the contract include the license, methods/systems or proprietary information transferred to a franchisee, inputs supply, sales methods, quality standards, and ultimate control by franchisor of the contract elements.

Franchises have been successfully used in Argentina, but the obligations of the franchisor must be clearly established in the contract to avoid potential liabilities related to the operator, in case of default, bankruptcy, etc. There are initiatives to advance a Franchising Bill to fully formalize the industry, but legal counsel should be sought prior to entering the Argentine marketplace and appointing a franchisee.

Direct Marketing

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E-commerce is increasingly a part of daily life, particularly given a higher penetration of home broadband connections. Traditionally, companies that sell cosmetics, kitchenware, fragrances, and books have been most likely to utilize direct marketing tools. However, the increasing use of the Internet is enabling other firms/sectors to penetrate the market. Companies selling household consumer goods, electronic devices, merchandising, books and CDs, computer hardware, tourism services, and even cars publish their product catalogs on-line.

Some imported products are marketed directly through cable and satellite TV programs. Mail-order marketing is still not very widespread in Argentina. Mail distribution prices remain high, while duties and other taxes to be paid on international mail order merchandise depend on the nature of the product or mode of shipment. A new regulation limits importing products via courier, restricting imports delivered to homes to \$50 per person per year and requiring a 50 percent duty be paid on any shipment over \$25. Courier shipments require the consignee to register as an importer and retrieve the product at the main international airport. In addition, there are restrictions on imports of printed material.

Joint Ventures/Licensing

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Argentine legislation permits the establishment of temporary associations, equivalent to joint ventures, known as UTEs (*Unión Transitoria de Empresas*). This is an association of two or more individuals or companies that contribute assets to develop or perform a particular transaction in Argentina or outside the country using Argentina as its base of operations. UTEs are not considered companies or legal entities in their own right. Participants may be resident businesspeople, locally constituted entities, or non-resident companies that have established a separate branch or other type of Argentine presence.

A contract must be signed and registered with the Public Commercial Registry at the Office of the Inspector General of Justice (*Inspección General de Justicia*) in the Federal Capital, or its provincial equivalent. The contract must contain the objective, duration, name and other specific information regarding the partners' responsibilities, financial contribution, and many other specific clauses. It must also provide for the appointment of a legal representative in charge of management.

Selling to the Government

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Decreets 436/2000,1023/2001 and 1818/2006 together with Resolution 515/2000 and Decree 893/2012 establish the rules applicable to federal government purchases. They can be downloaded (in Spanish) from the following web site:
<https://www.argentinacompra.gov.ar/>

These regulations apply to all federal public agencies (including autonomous or decentralized institutions), but exclude federal banks. They also establish the amounts determining the selection process. Government purchases of less than AR\$75,000 undergo direct purchase. Purchases between AR\$75,000 and AR\$800,000 undergo private bidding, but purchases over that amount must have an open public tender.

Advertising and publishing procedure terms apply regarding important contracts in main publications and Internet sites such as ONC as well as in the Official Bulletin and publications of suppliers associations. Requirements for first-time sales to the government depend on the type of provider. Information should be submitted in writing and in the form of a diskette.

The National Contracting Office (*Oficina Nacional de Contrataciones - ONC*) is the agency supervising procurement for the National Public Administration. This Office is part of the Secretariat of Public Management, Chief of Cabinet.

Contact Information:

Oficina Nacional de Contrataciones
(National Contracting Office)

Email: onc@sgp.gov.ar

<https://www.argentinacompra.gov.ar/>

Most provincial governments have their own web sites with procurement information. A prominent NGO looking out for the interests of companies participating in national, provincial, and municipal procurements is the *Unión Argentina de Proveedores del Estado* (UAPE). UAPE has a database of government procurements. More information can be found at <http://www.uape.org.ar/>.

Procurement from Local Companies (“Buy Local” Regime)

Law 25551, issued on November 2001 and implemented by Decree 1600/2002, established the “Buy Argentine” Regime. The "*Compre Trabajo Argentino*" regime affects national treatment in that it obligates all government agencies, public and privatized utilities, and concessionaires to purchase domestic materials, goods and products, provided that the price is "reasonable" (*precio razonable*) and the performance is identical or similar (*idénticas o similares prestaciones*) to that of the imported/foreign goods offered, as defined by regulatory Decree 1600/2002 of August 28, 2002. In March 2011, the Argentine Senate approved an amendment to Law 25551, extending the entities subject to the “Buy Argentine” regime. The draft law is still pending in the Argentine Congress.

Preferences:

Goods: Preference is given to domestic goods. The origin of the goods shall be determined by the nature/composition of the goods themselves and **not based on the nationality or ownership of the manufacturing company**. Goods containing imported parts shall be considered domestically produced when the value of the imported parts is no more than 40 percent of the sales value of the finished good, or when the imported product undergoes substantial in-country transformation such that the MERCOSUR tariff classification code of the transformed item differs from that of the imported part.

Services: Preference will be given to bids submitted by a domestic company or consultant.

Public Works: Preference will be given to domestic materials and to domestic services (i.e., project design, management, and construction services) as defined above.

Preferential Treatment:

In cash payment conditions, when the cost of the domestic good is five to (for small firms) seven percent higher than the cost of the imported/foreign good, the contracting party should select the domestic good. In the case of deregulated markets, the contracting party should select the domestic goods when the value quoted is equal to or lower than that of the imported/foreign goods. This requirement applies only when the domestic goods meet all the requirements set forth in contracting documents and can fulfill expected functions (*idénticas o similares prestaciones*).

Foreign Goods:

When a bidder offers to supply foreign goods not available in country, he/she must guarantee "nationalization" of the goods by depositing a bond on behalf of the contracting party. In addition, the Secretariat of Industry will issue a certificate verifying the value of the goods to be purchased abroad at the request of the contracting party within 96 hours of receiving said request. To obtain the Certificate of Verification (*Certificado De Verificación-CDV*), the contracting party must submit a sworn statement declaring (1) that it has complied with the *Compre Argentino* regime; (2) the end price or value of the foreign goods; and (3) that said price or value is lower than that of domestic goods offered or that no domestic goods were offered.

Disputes:

When the selection of imported/foreign goods is challenged, the Secretariat of Industry will determine if the domestic goods offered meet all the requirements set forth in the contracting documents and can fulfill the expected functions (*idénticas o similares prestaciones*) in the same manner as the imported/foreign goods selected. The Secretariat may request the advice of the National Institute of Industrial Technology (*Instituto Nacional de Tecnología Industrial-INTI*) or any other body accredited by the Argentine Accreditation Organization (*Organismo Argentino de Acreditación -OAA*). If the challenge fails, the challenging party pays the costs of the Secretariat's intervention; if the challenge succeeds, the bidder offering the imported/foreign goods pays the costs.

Argentina is not a signatory of the WTO Agreement on Government Procurement, but it is an observer to the WTO Committee on Government Procurement.

Distribution and Sales Channels

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Ninety percent of the Argentine population is concentrated in urban areas, with over 40 percent living in Buenos Aires and its suburbs, and approximately another 30 percent in the cities of Córdoba, Rosario, and Mendoza combined.

Channel selection should be based on the nature of the product and the company's knowledge of the Argentine market. Generally, firms new to this market find it more effective to sell through a distributor, although recent restrictions have made it more challenging for distributors to import products. Large firms generally buy directly from overseas suppliers, while smaller firms prefer to buy through intermediaries. Industrial equipment is sold by sales agents or through trade fairs, while consumer goods are

increasingly sold through large outlets such as supermarkets. Argentine distribution channels have gained increased efficiency through merging and streamlining as a result of the increased competition and changes in the consumer buying process.

Warehouse and distribution

Distribution in Argentina tends to be radial, with all roads converging on the Port of Buenos Aires. This dates back to the turn of the century when Argentina's rail and road systems were developed by the British to bring products to the Port of Buenos Aires to satisfy the foreign demand for commodities. The hub-oriented distribution approach used in the U.S. does not yet exist in Argentina.

Land Transportation

Argentina stretches 4,000 km (2,500 mi.) from north to south, an expanse crossed by only a few major highways. Argentina's 208,350 km (129,462 mi.) road network carries 85 percent of domestic freight traffic. Argentina has over 35,000 km (21,000 mi.) of railroads, but quality and speed vary widely. In general, the rail network requires significant investment to bring it up to international standards of speed and reliability.

River and Maritime Transportation

Almost 70 percent of Argentina's foreign trade is carried by ship, and about 80 percent of the import/export transactions are carried out through the ports of Buenos Aires and La Plata. The waterways on the Parana and Uruguay rivers are well-dredged and maintained. These rivers link the port of Buenos Aires to internal Argentine ports, as well as to Paraguay and Brazil.

Air Cargo

Terminal de Cargas Argentina (TCA) was created as a concessionary partnership established by the GOA for the operation of airfreight terminals at international airports. TCA is the logistics division of Aeropuertos Argentina 2000 and provides full logistics and storage services to all foreign cargo agents. TCA's primary business is bonded warehouse management at major Argentine international airports, where the company stores imported and exported cargo while their consignees perform relevant formalities with the General Customs Administration or *Dirección General de Aduanas (DGA)*. TCA's headquarters are located at Ezeiza Airport (Argentina's main international airport just outside of Buenos Aires). The company also has branches in Córdoba, Mendoza, Mar del Plata, and Jorge Newbery Domestic Airport, in Buenos Aires City. Air cargo imports have grown rapidly in the past years. International courier delivery services are extremely active and most global express delivery firms have significant operations in Argentina, including FedEx, DHL and UPS.

The Retail Network

There are two types of traditional sales channels in Argentina. One is through large-scale retailers with a defined but limited share of the market. The other is through the many specialized retailers that seek to protect their niches.

The food retail market is loosely separated into three categories: traditional "mom and pop" stores scattered throughout local neighborhoods, self-service mini-markets and drugstores, and the supermarkets and hypermarkets. Consumers prefer hypermarkets and supermarkets for lower prices on weekly and monthly purchases.

The population and economic activity are highly concentrated in the Greater Buenos Aires area. The population is of largely European descent and continues to have strong ethnic, cultural, and business ties with Europe. In some respects, consumer preferences resemble those of Europeans more than those of other Latin America nationals.

The United States continues to be one of Argentina's top trading partners. Many U.S. firms have been very successful here, and U.S. products have a strong reputation for quality and technological innovation.

As in many countries, personal relationships are fundamental when doing business in Argentina. Success requires taking the time to develop a close personal relationship with the representative, agent, or distributor. Marketing U.S. products and services in Argentina requires a high level of research, preparation, and involvement.

Always use a professional translator, and if possible, have a native Argentine speaker, such as your agent or distributor, review any materials before using them in Argentina. Any official document to be presented before GOA authorities that is not in Spanish requires attachment of an official translation into Spanish by a Sworn Public Translator (*Traductor Público*), as well as certification by the Translators Association.

Price and financing terms have become increasingly important selling factors.

Some practical tips to successfully approach Argentine consumers are the following:

- Appoint a representative or distributor
- Have Spanish language capacity
- Furnish materials in Spanish
- Have a long-term outlook
- Personalize your approach
- Be consistent in attention to service and delivery
- Provide credit terms
- Dot your I's and cross your T's (i.e., consult as appropriate with lawyers and accountants)
- Protect your trademarks
- Engage in frequent visits and follow-ups

The number of people with Internet access continued to grow in 2013, from 130,000 connections in 2001 to 7.6 million. Network expansion allowed people to connect from multiple locations via WiFi connections in public spaces such as: cafes, restaurants, parks, hotels, phone booths, etc. It is worth noting, however, that in 2013 the most important increase in connections was through mobile devices (smartphones and tablets) that grew 150 percent from 2012 to 2013. Over 32 million people (over half the Argentine population) were Internet users in 2013. E-commerce activity has grown tenfold since 2000 in peso terms.

The Argentine Government plans to call public tenders to lay 13,500 km (8,388 mi.) of cable in 2014 as part of the country's federal fiber network project "*Argentina Conectada*." This will add to the already-installed 8,000 km (4,971 mi.) of fiber. Once the national fiber platform is fully deployed, more than 1,400 cities and localities across Argentina will have connectivity. To date, the GOA has invested more than \$484 million.

While sales via Internet have not traditionally reached the same levels as in other countries, a study conducted by Prince & Cook showed a sustained increase from 10 percent in 2001 to almost 40 percent in 2013. Online purchases using credit cards represented 70 percent of total online transactions, up from 30 percent in 2009. This may be due to the boom experienced by discount coupon sales and a growing confidence in electronic payment sites. Online sales have also a high rate of acceptance in the interior of the country, where the variety of products available is more limited and delivery is an increasingly important sales tool.

Trade Promotion and Advertising

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Argentina has many advertising agencies and management consultants. The leading agencies are members of the Argentine Association of Advertising Agencies (*Asociación Argentina de Agencias de Publicidad*). Many branches or affiliates of major U.S. advertising agencies are among the leading agencies. Advertising in the print media is the most widely used method, although television, internet, and radio advertising are increasingly important.

Major Daily Newspapers

AMBITO FINANCIERO

Email: redaccion@ambito.com.ar

Advertising: publicidad@ambito.com.ar

<http://www.ambito.com/>

BUENOS AIRES ECONOMICO

Email: lectores@baenegocios.com

<http://www.diariobae.com>

BUENOS AIRES HERALD NEWS

Email: info@buenosherald.com

Advertising: adv@buenosairesherald.com

<http://www.buenosairesherald.com/>

Comment: English-language newspaper.

CLARIN

Email: clasificados@claringlobal.com.ar

<http://www.clarin.com>

CRONICA

Email: editor@cronica.com.ar

<http://www.cronica.com.ar>

EL CRONISTA

Email: publicidad@cronista.com

<http://www.cronista.com>

LA NACION

Email: diario@lanacion.com.ar

<http://www.lanacion.com.ar/>

LA RAZON

Email: lcantero@larazon.com.ar

<http://www.larazon.com.ar/>

PAGINA 12

Email: publicidad@pagina12.com.ar

<http://www.pagina12.com.ar/>

TIEMPO ARGENTINO

Email: <http://tiempo.elargentino.com/contacto>

<http://tiempo.infonews.com/>

Business Magazines

APERTURA

Email: cartas@apertura.com

<http://www.apertura.com/>

MERCADO

Email: info@mercado.com.ar

<http://www.mercado.com.ar>

NEGOCIOS

Email: negocios@atlantida.com.ar

<http://www.negocios.com.ar>

Pricing

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U.S. exporters should take into account that locally manufactured products and those products imported from other MERCOSUR countries will have a price and duty advantage. Some customized services and products can still charge price premiums demanded by the high end of the population in certain geographical areas. Argentina has been traditionally characterized by high prices, high costs, and relatively low competitive pressures due to highly concentrated markets. Please refer to [Chapter 5: Trade Regulations, Customs, and Standards](#) for more information on import tariffs and the import process.

Sales Service/Customer Support

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Customer service is a differentiating factor when selling a product. Argentine consumers are paying increased attention to home delivery and after-sales service.

Protecting Your Intellectual Property in Argentina:

Several general principles are important for effective management of intellectual property (“IP”) rights in Argentina. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Argentina than in the U.S. Third, rights must be registered and enforced in Argentina, under local laws. Your U.S. trademark and patent registrations will not protect you in Argentina. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Argentine market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Argentina. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Argentine law. The U.S. Commercial Service can provide a [list of local lawyers](#) upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct [due diligence](#) on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Argentina require constant attention. Work with legal counsel familiar with Argentine laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both in Argentina or U.S.-based. These include:

- The [U.S. Chamber](#) and [local American Chamber of Commerce](#)
- [National Association of Manufacturers \(NAM\)](#)
- [International Intellectual Property Alliance \(IIPA\)](#)
- [International Trademark Association \(INTA\)](#)
- [Coalition Against Counterfeiting and Piracy \(CACP\)](#)
- [International Anti-Counterfeiting Coalition \(IACC\)](#)
- [Pharmaceutical Research and Manufacturers of America \(PhRMA\)](#)
- [Biotechnology Industry Organization \(BIO\)](#)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit www.STOPfakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**, or visit <http://www.uspto.gov/>.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**, or visit <http://www.copyright.gov/>.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the "Resources" section of the STOPfakes website at <http://www.stopfakes.gov/resources>.
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: <http://www.stopfakes.gov/business-tools>. The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Argentina at: Albert.Keyack@trade.gov.

Due Diligence

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Companies interested in Argentina should always conduct due diligence before entering into business ventures or other commercial arrangements. The U.S. Commercial Service in Argentina provides U.S. firms with information that can assist companies in [due diligence](#) efforts on a specific Argentine company to help determine its suitability as a potential business partner. We can investigate the capabilities, legitimacy, and financial strength of an Argentine company and provide useful information gleaned from

government, industry and financial contacts, the local press, and other sources. In addition, USCS Argentina includes site visits and interviews with key personnel of Argentine firms with whom U.S. firms are considering or maintain a business relationship through its International Company Profile service. Our assistance does not rise to the level of due diligence in a legal sense, but does provide valuable information to that end. Please contact Josette.Fiore@trade.gov for more information.

Local Professional Services

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U.S. consulting firms with local subsidiaries, as well as major local players, provide a wide scope of business solutions that include IT consulting, tax work, and M&A due-diligence, and market research. The U.S. Commercial Service prepares Industry Sector market research reports on an ongoing basis. (Please refer to [Chapter 9 for Contacts, Market Research and Trade Events.](#))

[Customized Market Research \(CMR\)](#) is also available for companies that wish to have specific questions answered such as: the overall marketability of a product or service; market trends and size, customary distribution and promotion practices; market entry requirements; regulations; product standards and registration; key competitors, and potential agents, distributors, or strategic partners.

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For additional information and useful links please visit the following websites:

- Directorate General of Copyright, Argentina (*Spanish*): <http://www.jus.gov.ar/derecho-de-autor.aspx>
- National Institute of Industrial Property, Argentina (*Spanish*): <http://www.inpi.gov.ar>
- U.S. Commercial Service – Argentina: <http://export.gov/argentina/>
- American Chamber of Commerce in Argentina (*Spanish*): <http://www.amchamar.com.ar/>
- Argentine Importers and Exporters Association (*Asociación de Importadores y Exportadores*) (*Spanish*): <http://www.aiera.org/>
- Argentine Importers Association (*Cámara de Importadores de la República Argentina*) (*Spanish*): <http://www.cira.org.ar/>
- Argentine Chamber of Commerce (*Cámara Argentina de Comercio*) (*Spanish*): <http://www.cac.com.ar/>
- U.S. Chamber of Commerce: <http://www.uschamber.com/>

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

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Agricultural Sectors

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Agricultural Machinery, Irrigation Equipment, Parts and Components

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	1,275,363,636	1,773,071,300	1,808,532,726	1,844,703,381
Total Local Production	747,015,236	1,066,757,610	1,088,092,762	1,109,854,617
Total Exports	348,400	240,000	244,800	249,696
Total Imports	528,000,000	647,837,376	660,794,124	674,010,006
Imports from the U.S.	860,640	718,423	732,791	747,447
Exchange Rate: 1 USD	4.4	5.47	8.5	9.0

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Unofficial estimates based on industry reports

Total Exports: Argentine Customs/Trade Nosis

Total Imports: Ministry of Economy

Imports from U.S.: Ministry of Economy

Argentina has a long-established local industry manufacturing farm machinery and implements. The sector is composed of approximately 730 companies and was one of the first industries to develop in the country because of agriculture's historically predominant role in the Argentine economy. As a result, ten percent of these companies have been operating for over 50 years in the country. According to local statistics, domestic production of agricultural machinery and equipment accounts for around 60 percent of the total sector. The Government of Argentina's import substitution efforts have increased domestic production and competitiveness of seeders, sprayers, and tools but have had less impact on production of large-scale equipment such as tractors and harvesters.

Over the years, international companies established in Argentina have made investments of more than 470 million dollars in production facilities in Argentina.

Distribution agreements, joint-ventures with domestic manufacturers and licensing are potential options, but U.S. firms should choose their partners carefully given that protection of intellectual property is a continuing challenge and some local Argentine firms have been known to copy patented foreign designs.

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Irrigation Equipment: The Argentine market for irrigation systems has been growing in recent years due to the increased amount of Argentine farmland dedicated to row crops. Currently, 5.6 million acres representing around seven percent of farmland are under irrigation. Recently, the Government of Argentina has launched a program to double the amount of irrigated areas. New research indicates that at least 30 percent of total

farmland could benefit from irrigation. The U.S. currently dominates Argentine imports in the irrigation sector, accounting for over 50 percent of imports.

Parts and Components: Annual sales in this subsector currently represent approximately 12 of the total market, with a large number of Argentine producers of agricultural implements and some growth in domestic production of tractors and combines. Argentine agricultural producers are gradually integrating technologies that help to minimize use of agricultural inputs while maintaining high yields; they increasingly draw on foreign suppliers for key components. This offers opportunities in technologies ranging from precision agriculture to key components for domestically manufactured equipment such as self-propelled sprayers, storage hoppers, and heads for combines, among others.

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Products offering cost savings are in great demand, as are those that increase and improve the quality of agricultural products. Among the most sought-after products are: information technology services and products for agriculture such as autopilots, wireless connections, Wi-Max networks; GPS/INS systems; geographical information technology (GIS) data collection software applicable to soil analysis, crop yields, and remote sensing; NDVI sensors and the use of telematic engineering.

Please note that the applicable restrictions have to be checked on a case-by-case basis for the importation of used and remanufactured/reconditioned machinery and parts.

However, recent controls imposed by the Argentine government have made exporting goods from any country to Argentina more difficult. It is important for would-be exporters to Argentina to confirm that their Argentine customer has received all the necessary permits (see [Chapter 5: Trade Regulations, Customs, and Standards](#)).

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The best way of familiarizing a potential local partner or buyer with a U.S. company's product line is to exhibit in local trade shows, the largest one being Expoagro (<http://expoagro.com.ar/site/en/index.php>).

Advertising of specific products, parts, and equipment is normally done through web-based specialized publications:

- *Agritotal - Revista Chacra (Spanish)*: <http://www.agritotal.com/>
- *Infortambo (Spanish)*: <http://www.infortambo.com.ar/>
- *Via Rural (Spanish)*: <http://www.viarural.com.ar/>
- *Revista Super Campo*: <http://supercampo.perfil.com/>

For additional information on this industry, including market analysis, trade events, contacts, and the products and services that the U.S. Commercial Service can provide to help you succeed in the Argentine market, please contact Elizabet Simon, Industry Specialist, at Elizabet.Simon@trade.gov or visit <http://export.gov/argentina/>.

Electronic Security Equipment

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Unit: USD millions

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	645	806	983	1,130
Total Local Production	180	225	274	315
Total Exports	85	106	129	148
Total Imports	550	687	838	932
Imports from the U.S.	220	275	335	380
Exchange Rate: 1 USD	4.4	5.47	8.5	9.0

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

The above statistics are official statistics based on Argentine Customs data while Total Market Size and Local Production are estimates based on industry sources.

According to the Argentine Chamber of Electronic Security (CASEL) in 2013, the Argentine electronic security sector market was valued at approximately \$806 million dollars, making it a relatively large and growing sector for U.S. firms, especially in electronic security-related products, equipment, and services.

Despite the economic challenges facing the Argentine economy, the electronic security sector grew 15 percent in 2013. Local industry analysts estimate growth of 15 to 18 percent in 2014. This increase is largely attributed to rising crime, high levels of perceived insecurity, and the increased priority of improving workplace safety. This expansion has been seen in all sub-sectors of products and services of electronic security, especially for monitoring, CCTV over IP, intrusion control and law enforcement equipment. Together these products total over 80 percent of electronic security imports to Argentina.

As a result, the hi-tech security equipment market presents the greatest opportunities for U.S. companies. The greatest potential for growth lies in applications such as online digital video surveillance and intelligent software, especially systems with capabilities such as pausing, zooming, identification of specific objects and persons through facial recognition, and thermal and night vision features.

2014 Sector Highlights:

- Important investments in device research and updating.
- Constant growth as a result of ongoing technological development and greater awareness of the relationship between ICT and Electronic Security.

- Increasing development and specialization per product or service offered.
- Argentina's outstanding human and technical resources in the security area.
- In the coming years, market growth is expected due to the emergence of new technologies and better access possibilities for companies and users. Significant growth of economic activity segments with strong demand for security equipment, such as mining companies, oil companies, airports, as well as the development of intelligent buildings, urban monitoring, and new regulations in the banking sector provide growth opportunities for high technology security equipment.

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The hi-tech security equipment market presents more opportunities for U.S. companies with major growth in niche areas such as CCTV, access control equipment on IP networks, and safety and security design consulting services for large buildings and other real estate developments.

Best sales prospects for U.S. electronic security firms include:

- **Intelligent Surveillance Systems:** smart cameras and intelligent software for identification of pedestrians; CCTV on IP networks-industry specific security systems; equipment parts and software for automotive, banking, airports, ports, warehouses, mines, highways, utilities, hospitals, and construction sites.
- **Access Control:** biometrics on IP networks
- **High-tech security equipment** for Police and other law enforcement agencies.
- **Safety and security design consulting services.**

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Market growth in recent years reflects the rising crime rate in Argentina. Acts of violence, including street crime, bank robberies, and private property theft, have been on the rise. While Argentina's crime rate is lower than in the U.S., Brazil, Mexico, and Venezuela, crime is an issue that has been emphasized in the press. The widespread perception of growing insecurity, along with the increasing priority of improving workplace security, has contributed to the growth of the electronic security sector in Argentina, which grew 31 percent in 2012 and 15 percent in 2013.

Argentina continues to present many opportunities for U.S. exporters. However, recent controls imposed by the Argentine government have made exporting goods from any country to Argentina more difficult. It is important for would-be exporters to Argentina to confirm that their Argentine customer has received all the necessary permits (see [Chapter 5: Trade Regulations, Customs, and Standards](#)).

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For additional information on this industry, including market analysis, trade events, contacts, and the products and services that the U.S. Commercial Service can provide to help you succeed in the Argentine market, please contact Marina Millet, Industry Specialist at Marina.Millet@trade.gov or (54-11) 5777-4851 and/or visit <http://export.gov/argentina/>.

Food Processing Equipment

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Unit: USD millions

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	163.67	163.45	178.55	172.85
Total Local Production	109.20	90.00	93.60	97.35
Total Exports	66.93	43.85	44.70	46.50
Total Imports	121.40	-117.30	119.65	122.00
Imports from the U.S.	33.46	23.20	24.36	25.50
Exchange Rate: 1 USD	4.4	5.47	8.5	9.0

Note: Statistics are based on the following Mercosur Common External Tariff (MCET) Codes: 84.17.20; 8433.60; 8434.20; 8434.90; 8435; 8436.29.00.100; 8437; 8438; 8479.20.00 Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

- Total Local Production: Unofficial estimates based on industry reports
- Total Exports: Nosis/Exi-Net export/import data
- Total Imports: Nosis/Exi-Net export/import data
- Imports from U.S.: Nosis/Exi-Net export/import data

2013 import market share: United States: 20%; Italy: 17.8 %; Netherlands: 13.1%; Brazil: 9%; Germany: 7.1%

The U.S. continued to hold its position as the largest supplier of food processing equipment to Argentina. Imports in this sector peaked during 2011 but decreased in 2012 and 2013 due to economic conditions and are expected to gradually return to previous levels beyond 2014. Although local production figures are almost non-existent, imports are estimated to account for 70 to 85 percent of the total market. Imports during the first quarter of 2014 amounted to \$43 million.

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The segments that grew most in 2013 were equipment for the poultry industry (84.36.29.00.900); machinery for the meat processing industry (84.38.50.00.900); and machines for cleaning, sorting or grading seed, grain or dried leguminous vegetables (84.37). In addition to the aforementioned segments, U.S. exports may continue to find opportunities in the following specialized areas: parts for food and beverage processing equipment; machinery for cleaning or classification of eggs, fruit or other agricultural products; equipment for fat and vegetable oil extraction and processing; and machinery for the preparation or processing of fruits, nuts or vegetables.

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While imports decreased in general in 2012 and in 2013, imports from the U.S. still maintained their dominant market share in this sector. The food processing equipment market in Argentina relies heavily on imports by large domestic food processing companies and food exporters. Argentina is the world's leading exporter of soy oil and soy meal, the third largest soybean exporter, and also a top exporter of corn.

Argentina remains a key market for U.S. exports to Latin America. U.S. products are often sought out, particularly in the higher-end technology segment. However, recent controls imposed by the Argentine government have made exporting goods from any country to Argentina more difficult. It is important for would-be exporters to Argentina to confirm that their Argentine customer has received all the necessary permits (see [Chapter 5: Trade Regulations, Customs, and Standards](#)).

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For additional information on this industry, please contact Liliana Paz, Industry Specialist at Liliana.Paz@trade.gov and/or visit <http://export.gov/argentina/>.

Additional information about the food processing industry in Argentina can be found at the following websites: <http://www.copal.com.ar>; <http://www.adepia.org>.

Information and Communications Technology

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IT Hardware and Consumables

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	3,009,000	3,370,000	3,707,000	4,411,330
Total Local Production	676,000	757,000	832,700	990,913
Total Exports	25,000	28,000	30,800	36,652
Total Imports	2,358,000	2,641,000	2,905,100	3,457,069
Imports from the U.S.*	22%	25%	26%	21%
Exchange Rate: 1 USD	4.40	5.47	8.5	9.0

* Percentage of Total Imports

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Unofficial estimates based on industry reports

Total Exports: Nosis/Exi-Net export/import database

Total Imports: Nosis/Exi-Net export/import database

Imports from U.S.: Unofficial estimates based on Nosis/Exi-Net export/import database

Argentina has a solid telecom infrastructure, and a large number of companies are involved in the provision of services. CESSI (the Argentine Chamber of Software and IT Services Companies) projects 19 percent growth in 2014.

By 2011, Argentina was well along the path of developing its domestic industry in the software and IT services sectors. The software and computer services industry in Argentina had in 2012 approximately 67,000 qualified workers spread among 1,000 companies that invoice around \$2 billion and \$700 million in software and IT services exports respectively. By the end of 2013, the industry employed nearly 80,000 workers and increased revenues to almost \$4 billion, including more than \$900 million in exports.

Four main factors will keep demand for software and IT services high in 2014:

- the majority of the systems installed need upgrading
- the increasing complexity and convergence of technologies
- highly educated and tech-savvy population
- GOA announced that it would auction two ranges of frequencies for companies to begin offering 4G service.

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The IT Services sub-sector offers major opportunities for U.S. companies in network implementation, management and maintenance, legacy applications, wireless LANs, RTE (real time infrastructure) implementations, remote operation processing, back-up,

critical mission services, disaster recovery systems, Internet and network security systems, document digitalization, digital asset management, storage, utility computing, and information systems for rural areas (traceability, RFID, etc.). Cloud computing and virtualization-related services will continue to see high demand during 2014. The outsourcing of software development and call/contact centers will continue to see new investments, exports, and increased sales in the domestic market.

Other market conditions will foster growth in IT services, such as the increased use of e-banking, electronic commerce, and E-Government, which have increase awareness related to information technology security. Regarding software, large projects in the areas of security solutions and business intelligence will present opportunities in 2014.

In the telecom sector, investments in 2014 will focus on four areas: deployment and enhancement of the cellular GSM network (3G+4G+LTE), expansion of broadband Internet access), expansion of data transmission/broadband and content over cellular networks, and the continuing migration to IP networks (NGN) and triple play.

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The economic outlook for 2014 is uncertain, and inflation remains a serious problem for the country's economy. The fastest growing telecom service in 2013 is likely to be 3G and followed by 4G, both for mobile broadband and for phone-based internet browsing.

Argentina continues to present many opportunities to U.S. exporters. However, the Argentine Government has imposed import and foreign exchange controls potentially affecting all exports to Argentina regardless of origin or product category. It is important for current and would-be exporters to Argentina to confirm that their Argentine customers have received all the necessary permits to import the goods and to acquire the foreign exchange to pay for the goods prior to shipment. (Please refer to [Chapter 5: Trade Regulations, Customs, and Standards](#)).

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For additional information on this industry, including market analysis, trade events, contacts, and the products and services that the U.S. Commercial Service can provide to help you succeed in the Argentine market, please contact Marina Millet, Industry Specialist at Marina.Millet@trade.gov or visit <http://export.gov/argentina/>.

Medical Technology

Overview

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Unit: USD millions

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	636.79	623.30	630.00	636.20
Total Local Production	287.00	278.00	283.00	285.80
Total Exports	61.90	59.90	62.00	62.60
Total Imports	41.20	405.20	409.00	413.00
Imports from the U.S.	101.40	102.10	104.70	105.70
Exchange Rate: 1 USD	4.4	5.47	8.5	9.0

Note: Statistics were based on following Mercosur HS Codes: 84.13.19.00.1; 8413.91.90.2; 84.73.3099.910x; 85.40.71.00.100B; 90.11.10; 90.11.90.90.100; 90.12.10.10.000; 90.12.90; 90.18.10; 90.18.20; 90.18.30; 90.18.40; 90.18.50; 90.18.90; 90.19.20; 90.22.10; 90.22.20; 9022.30; 90.22.90; 90.27.90.99.200

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Unofficial estimates based on industry reports

Total Exports: Nosis/Exi-Net export/import database

Total Imports: Nosis/Exi-Net export/import database

Imports from U.S.: Nosis/Exi-Net export/import database

2013 market share: United States: 25.2%; China: 15.8%; Germany: 13%; Japan: 8.6%; Mexico 4.3%

The Argentine medical equipment and device market is dominated by imports, which traditionally account for around 70 percent of the total market. The United States continues to be the leading supplier of imported medical products and currently holds over 25 percent market share, particularly in high-technology products. While medical equipment imports decreased in 2013, imports from the U.S. grew slightly. During the first quarter of 2014, total imports amounted to \$109 million, with imports from the US accounting for \$25.5 million.

All imports of medical products must be performed by an importer registered with the ANMAT (the Argentine equivalent to the FDA) as a frequent importer of medical equipment.

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Opportunities for U.S. exports in this sector include middle- and high-end technology products that do not compete with locally manufactured ones, among which are electro-diagnostic equipment, ultrasound equipment, and other medical devices. There may also be potential in the market for implants, stents, cardiac valves, pacemakers, and specialized disposables.

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Medical technology and products developed and produced in the United States are highly regarded in Argentina. Medical products that cannot be manufactured locally continue to present opportunities for U.S. exporters, particularly when offering high-quality products at competitive prices. In any case, product potential and appropriate timing to enter the market should be determined on a case-by-case basis.

Argentina remains a key market for U.S. exports to Latin America. However, recent controls imposed by the Argentine government have made exporting goods from any country to Argentina more difficult. It is important for would-be exporters to Argentina to confirm that their Argentine customer has received all the necessary permits, such as permission to import and permission to purchase foreign exchange to pay for the import prior to shipping goods to Argentina. For additional information on these measures, please refer to Process Obstacles to Exporting to Argentina at: http://www.buyusainfo.net/docs/x_4977890.pdf.

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For additional information on this industry, including market analysis, trade events, contacts, and the products and services that the U.S. Commercial Service can provide to help you succeed in the Argentine market, please contact Liliana Paz, Industry Specialist at Liliana.Paz@trade.gov or (54-11) 5777-4519 and/or visit <http://export.gov/argentina/>.

Additional information about the medical equipment industry in Argentina can be found at the following websites:

- <http://www.anmat.gov.ar> (*Administración Nacional de Medicamentos, Alimentos y Tecnología Médica* or ANMAT - equivalent to USFDA)
- <http://www.caehfa.org.ar/> (Association of Argentine Manufacturers of Medical Hospital Equipment)
- <http://www.cadieel.org.ar> (Association of Electronic; Electro-mechanical and Lighting-related industries (Electromedicine))

Technology for Development of Non-conventional Hydrocarbons

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Argentina's energy industry is experiencing significant challenges. In 2011, the country became a net importer of energy for the first time since 1984. In 2013, Argentina's energy imports reached approximately \$13 billion. Private analysts forecast energy imports surpassing \$14 billion in 2014. These imports constitute a significant drag on Argentina's balance of payments, making development of local energy sources a high priority for the Argentine government. We expect government resources to flow toward this sector, along with policy changes to make investment and development more attractive and likely.

Shale-oil and shale-gas reserves in the Vaca Muerta formation, located in the Province of Neuquén, are estimated to hold 16 billion barrels of shale oil and approximately 310 trillion cubic feet (8.8 trillion cubic meters) of shale gas, which would give Argentina the world's fourth-largest reserve of shale oil and second-largest of shale gas.

It is estimated that developing Vaca Muerta will require between \$70 to 90 billion. YPF, Argentina's state-owned oil company and major oil & gas producer, recently signed a strategic partnership agreement with Chevron, comprising an initial investment of \$1.24 billion in Vaca Muerta as part of a joint venture with YPF. Chevron and YPF announced a \$1.6 billion follow-on agreement, which will be funded equally by both parties.

YPF has also signed agreements with Petronas of Malaysia and Dow Chemical, among other players. Although these partnerships have had a positive effect on the industry, YPF continues to make efforts to attract additional international investment to develop Vaca Muerta, in an effort to improve Argentina's current energy situation in the medium term. YPF increased its energy production in 2013 by 3 percent; however, this was not enough to balance out an overall production decline of 2 percent for Argentina as a whole. These results are encouraging and convey positive signs to the market and to potential investors.

Currently, approximately 150 shale wells are in production in Vaca Muerta, which has geologic features comparable to the Barnett, Haynesville, Marcellus, and Eagle Ford shale formations in the United States. There are approximately 68 drilling rigs in operation, a 48 percent increase since 2012.

Market preference for U.S. technology in this sector is significant, given the U.S. experience and expertise in the shale segment. The U.S. Commercial Service in Buenos Aires encourages U.S. companies to contact us in order to learn more about the current business climate, market trends, and potential business opportunities.

Environmental Framework Governing the Oil and Gas Sector

Onshore oil and gas resources in Argentina are governed by provincial governments, granted by Argentina's constitution and regulated under the Federal Hydrocarbon Law #48. Thus, exploration permits are issued by the provincial government. Environmental protection regulations mandated by the Federal Secretary of Energy govern operators' activities; typically, these regulations are more stringent at the provincial level. In addition, interested parties should be aware, that Argentina's federal government has indicated a desire to increase its oversight over hydrocarbon development and may seek changes that supersede current powers granted to provincial governments. Parties should monitor events in Argentina in this vein.

Environmental Impact Studies are required by Resolution 105/92 and Resolution 340/93, which affect the oil and gas industry, and require annual auditing by consulting firms registered under the Secretary of Energy. Water is primarily regulated by the provincial government. In the province of Neuquen, the Water Resources Bureau (DGRH) is the regulatory body that enforces the provincial water code. Various interest groups demand a more stringent wastewater discharge framework, leading to reduced water contamination. In this context, various environmental experts have raised concerns regarding chemicals used in the fracking process and requested disclosure of fracking fluids' contents, which currently is not mandatory in Argentina.

Environmental awareness and enforcement in Argentina is not comparable to what it is in the U.S. This segment presents significant business opportunities for U.S. exporters.

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YPF is currently drilling and completing vertical wells at a cost of approximately \$7.5 million (down from \$10 million, which was the cost of the first well drilled in Vaca Muerta). Each well is finalized in approximately 18 days. While YPF has increased its efficiency, it is still far from U.S. industry benchmarks of \$2 to \$3 million per perforation. Thus, this is an area in which U.S. firms can be competitive and add value to the local market.

As water is an essential resource for shale exploration, opportunities also exist for U.S. companies that can provide expertise, products, and services that improve the efficiency of water use and can improve wastewater treatment.

Relevant products/services in demand include the following:

Products: Biocides; Chemicals & Gases; Downhole Tools; Drill Bits & Reamers; Drilling Equipment; Drilling Fluids; Friction Reducers; Gelling Agents; Proppants; Sand Proppants; Stimulation Products; Tubular Goods; Produced-Water Treatment Systems; Water-Waste Treatment/Disposal Technologies; Data Collection Technology; Drilling Foot-Print Reduction Technologies; Land Disturbance-Mitigation Systems

Services: Completion & Production Services; Drilling Services; Pressure Pumping Services

- Secretariat of Energy: www.energia.gov.ar/
- State Owned Power Company – ENARSA: www.enarsa.com.ar/
- Argentine Institute of Petroleum & Gas – IAPG: www.iapg.org.ar
- Secretariat of Environment and Sustainable Development: www.ambiente.gov.ar/
- Province of Neuquen’s Secretariat of Environment and Sustainable Development: <http://w2.neuquen.gov.ar>

Travel and Tourism Services

Overview

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Unit: USD thousands

Year	Total Passengers
2009	356,428 (21% growth)
2010	433,140 (22% growth)
2011	512,258 (17% growth)
2012	614,504 (20% growth)
2013	686,098 (12% growth)
2014 (estimate)	720,400 (5% growth)

Data Sources: Office of Travel and Tourism Industries – International Trade Administration – U.S. Department of Commerce, U.S. Travel Association and Argentine Secretariat of Tourism.

Traveling is part of the Argentine lifestyle, and the United States is a popular travel destination for both business and pleasure. Based on recent figures, travel to the U.S. grew by 20 percent in 2012 and by 12 percent in 2013. It is important to take into consideration that since December 2013, all Argentines pay an additional 35 percent withholding tax on all purchases made in foreign countries, including travel services. The tax is reimbursable when Argentines file their yearly income tax returns.

Travel from Argentina to the U.S. has grown in double digit numbers in the past years and the Commerce Department's Bureau of Economic Analysis estimates that Argentines spend on average \$5,000 per person on travel expenses to the US (including airfare generated by U.S. carriers). This comes as good news for travel agents, airline providers, hotel managers, and many other travel service providers.

The number of travelers varies depending on the season. Peak travel times tend to be during the summer holidays (December-February) and winter school holidays (July), though some choose to travel during the week of September 21, as many children go on spring holiday at that time. The only requirement for Argentines entering the United States, in addition to a valid passport, is to obtain a travel visa.

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The top destinations frequently visited by Argentines are Florida (especially Miami and Orlando), New York City, California, and Washington, DC. The U.S. gateways are Atlanta, Dallas, Houston, Miami, and New York.

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Information from the U.S. Department of Commerce's Office of Travel and Tourism Industries (OTTI) is available at: <http://travel.trade.gov/>

Brand USA is a public-private partnership promoting international travel to the U.S.:
www.thebrandUSA.com

For information about exceptional and unexpected travel experiences in the U.S., visit
Brand USA's consumer website: www.DiscoverAmerica.com

For additional information on this industry, including market analysis, trade events, contacts, and the products and services that the U.S. Commercial Service can provide to help you succeed in the Argentine market, please contact Diana Brandon, Industry Specialist at Diana.Brandon@trade.gov or (54-11) 5777-4550 and/or visit <http://export.gov/argentina>.

Agricultural Sectors

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Animal Genetics (Bovine Semen)

Overview

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Unit: USD millions

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	24.10	23.60	23.60	24.00
Total Local Production	10.80	12.30	13.80	15.40
Total Exports*	2.10	1.90	2.20	2.40
Total Imports**	15.40	13.20	12.00	11.00
Imports from the U.S.***	9.80	7.90	7.20	6.80
Exchange Rate: 1 USD	4.4	5.47	8.5	9.0

*FOB; **Market price; ***CIF

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Local genetic importers

Total Exports: Global Trade Atlas and local genetic importers

Total Imports: Global Trade Atlas and local genetic importers

Imports from U.S.: Global Trade Atlas and local genetic importers

Argentina's cattle herd is approximately 52 million head. Roughly 2 million cows are for dairy production and 22 million cows are for beef production. The quality of both dairy and beef herds are very good but need to continuously incorporate high quality genetics to maintain competitiveness. Of the total bovine semen market, approximately half is used in dairy and the other half in beef cows. Roughly 70 percent of the dairy cows-- and only 10 percent of beef cows-- are artificially inseminated. The majority of imported semen is used in dairy cows, but imports of beef genetics have increased significantly over the past few years. The U.S. accounts for almost two-thirds of the total imported semen market, followed by Canada, New Zealand and France. The beef business is expected to continue to be profitable, while the dairy sector is struggling with high production costs and low milk prices.

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While dairy (primarily Holsteins) semen is expected to remain flat or even drop somewhat, beef semen (especially Angus) has growth potential for 2015.

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The use of beef semen with production data (Expected Progeny Differences – EPD) is increasing, but semen distributors indicate that more research must be done with local

purebred and commercial breeders. Imports of Black and Red Angus have the greatest potential. However, there are opportunities for semen of other breeds such as Braford, Brangus, and Hereford. Semen of Black and Red Angus (and, to a lesser extent, Brangus) has the greatest opportunities for potential U.S. exporters.

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- National Association of Animal Breeders: <http://www.naab-css.org>
- Argentine Chamber of Biotechnology and Animal Reproduction (*Spanish*): <http://www.cabia.org.ar>
- Ministry of Agriculture, Livestock and Fisheries (*Spanish*): <http://www.minagri.gob.ar>
- National Service of Agricultural and Food Health and Quality (SENASA) (*Spanish*): <http://www.senasa.gov.ar>

Food Ingredients (Natural Origin)

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Unit: USD millions

	2013	2014 (estimated)	2015 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	1,653	1,691	1,751
Total Imports	418	411	425
Imports from the U.S.	51	51	55
Exchange Rate: 1 USD	5.47	8.5	9.0

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: Global Trade Atlas (data include dried vegetables, & dried fruit and nuts)

Total Imports: Global Trade Atlas (data include dried vegetables, & dried fruit and nuts)

Imports from U.S.: Global Trade Atlas (data include dried vegetables, & dried fruit and nuts)

The food and beverage (F&B) industry is one of the main activities contributing to the Argentine economy, accounting for about 30 percent of Argentina's total exports. Some of its main market trends are as follows: 1. significant investments are being made in technology updates; 2. local production capacity is being fully used, which requires additional investments to supply the growing food demand; 3. "Health and Nutrition" are considered a strong preference in the F&B business; 4. Greater interaction between the local industry and universities, is fostering innovation.

The main ingredients imported are those that are not manufactured locally or those for which production is not sufficient to supply the local food industry. There is a significant market for some specific U.S. food ingredients among local producers, who use them to manufacture high-value, tailor-made food products. However, Argentine food and beverage imports are projected to slightly decline in 2014 as a result of the slowdown of the country's economy and the restrictive measures taken by the government of Argentina (GOA). The GOA is expected to continue restrict imports in an effort to maintain a trade surplus.

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Whey; dried vegetables; dried fruit and nuts; spices; potato flakes, granules, and pellets; wheat starch; corn starch; potato starch; herbs; extracts of licorice; extracts of vegetables, meat, and fish; pectic substances; agar-agar; glycerol; glucose; fructose;

molasses; cocoa powder; extracts of coffee and tea; yeasts; soy sauce; protein concentrates and textured protein substances; gelatin; non-dairy coffee whiteners; cream and milk substitutes; sugar substitutes; essential oils; casein; albumins; peptones; dextrans; glues; ingredients for functional foods and for the beverage industry; nutraceuticals; and algae omega.

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U.S. food ingredients are viewed favorably in Argentina, both for their high quality and safety. The most promising opportunities are for exporters of tailor-made food ingredients that can be used as inputs for domestic production of further, more specialized food items. Likewise, there is an optimistic market for ingredients that are not produced locally.

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- Institute of Food Technologists (IFT): <http://www.ift.org/>
- National Association of Flavors and Food-Ingredient Systems (NAFFS): <http://www.naffs.org/>
- Global Trade Atlas: <http://www.gtis.com>
- Various food industry contacts, primarily former participants of USDA/FAS Buenos Aires-sponsored trade missions to the IFT Annual Food Expo.

Planting Seeds

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Unit: USD millions

	2013	2014 (estimated)	2015 (estimated)
Total Market Size	855	905	975
Total Local Production	1,100	1,210	1,295
Total Exports	305	365	385
Total Imports	60	60	65
Imports from the U.S.	23	27	30
Exchange Rate: 1 USD	5.47	8.5	9.0

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: The above statistics are unofficial estimates based on Argentine Customs data, industry contacts, and the Global Trade Atlas.

The Argentine seed industry offers numerous growth prospects and opportunities in terms of an increase in the demand for genetically modified seeds, higher commodity prices, and the expansion of agricultural land area. Planting seeds are one of the most important agricultural products imported into Argentina from the United States, totaling \$23 million in 2013.

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Alfalfa continues to be the primary seed imported from the United States followed by yellow corn, clover, rye grass, and fescue. Likewise, seeds from vegetable crops and lawn grass seed are also of interest.

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Off-season production of corn and soybean seed has generated positive returns in the last few years. Argentina's total exports of planting seeds for 2014 are estimated at \$365 million, while the country's total exports of planting seeds for 2013 totaled \$305 million.

The new development of marginal areas for beef and dairy industries will mean that demand for quality forage seeds will remain high. There is a strong demand for grasses suitable for sub-tropical regions in the northern part of the country.

- Ministry of Agriculture, Livestock, Fishing and Foods (*Spanish*): <http://www.minagri.gob.ar/>
- Argentine Association for the Protection of Plant Property Rights (ARPOV) (*Spanish*): <http://www.arpov.org.ar/>
- Argentine Agricultural Research Institute (INTA) (*Spanish*): <http://www.inta.gov.ar/>
- Chamber of Seed Producers of the Argentine Grain Exchange (*Spanish*): <http://www.argenseeds.com.ar/>
- Argentine Seed Producers Association (ASA) (*Spanish*): <http://www.asa.org.ar/>
- Pioneer Argentina (*Spanish*): <http://www.pioneer.com/web/site/argentina/>
- Monsanto Argentina (*Spanish*): <http://www.monsanto.com.ar/>

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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The Harmonized Schedule (HS) is used to specify tariff classifications in Argentina. The HS was implemented on January 1, 1992, and is aligned with the WTO Customs Classification Code adopted in 1979. On January 1, 1995, Argentina implemented the MERCOSUR Common Nomenclature, known as the *Nomenclatura Común del MERCOSUR* (NCM) which is consistent with the U.S. Harmonized System for tariff classification.

Ad-valorem duties are assessed on the CIF (Cost+Insurance+Freight) value of the imported merchandise (at the Argentine port or airport of entry). In 2013, the average tariff was 22 percent.

Specific duties are applied to certain products and are expressed in monetary terms per unit of measurement. A combination of both ad-valorem and specific duties ("mixed duties") is used in some cases.

Selected Average Tariff Rates by Type of Product

According to the MERCOSUR Common Nomenclature, these are the average tariff rates for some of the Chapters:

Chapter 1: Live Animals; Animal Products: 2 percent ad-valorem;

Chapter 28: Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes: 2 percent ad-valorem;

Chapter 31: Fertilizers: 5 percent ad-valorem;

Chapter 38: Miscellaneous chemical products: 14 percent ad-valorem;

Chapter 39: Plastics and articles thereof: 14 percent ad-valorem;

Chapter 48: Paper and paperboard; articles of paper pulp, of paper or of paperboard: 16 percent ad-valorem;

Chapter 49: Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans: 0 to 16 percent ad-valorem;

Chapter 61: Articles of apparel and clothing accessories, knitted or crocheted: 35 percent ad-valorem;

Chapter 62: Articles of apparel and clothing accessories, not knitted or crocheted: 0 to 35 percent ad-valorem;

Chapter 70: Glass and glassware: 12.4 percent ad-valorem;

Chapter 94: Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated sign illuminated nameplates and the like; prefabricated buildings: 18-20 percent ad-valorem;

Chapter 95: Toys, games and sports requisites; parts and accessories thereof: 20 percent ad-valorem.

In practice, at the time of this writing the import of textiles/apparel and toys/games is severely restricted. Other consumer products also face difficulty.

Minimum Import Prices

In May 2001, the GOA introduced minimum import prices/reference values on several products covered by specific HS codes to avoid under-invoicing. When the minimum import price is greater than the declared value at Customs, the importer must make a deposit for taxes due on the price differential to take merchandise out of customs. This deposit will be held during the period of investigation on the real or market import price. These minimum import prices apply when goods are imported for consumption.

In 2005, in an attempt to continue adjusting mechanisms against tax evasion in import operations, the GOA issued Secretariat of Industry Resolutions 1907 and 1908. These regulations created a new system to determine "reference import values" (*valores criterio*) for products to be compared with the value declared at Customs by the importer, and impose stricter conditions to import when the declared unitary FOB value represents less than 80 percent of the reference value. In these cases, the import process will continue, but the importer will bear additional restrictions such as:

- Increase on Valued Added Tax (VAT) and Income Tax paid on imports, reaching rates of 21 percent and 11 percent respectively, depending on the product type.
- Loss of tax benefits such as exemption or deferment of VAT and Income Tax payments.

- Deposit of a guarantee equivalent to the difference between the reference value and the declared value. Deposit/guarantee policies are no longer accepted for these cases. Only cash, bank collaterals, or public debt bonds will serve as a guarantee to allow the import transaction.

Several subsequent regulations have continued to update and expand the list of minimum/reference prices. In 2008, Customs Notes 90 and 91 required importers of any goods from designated countries that are invoiced below the reference prices to have the invoice validated by both the foreign customs agency and the appropriate Argentine Embassy or Consulate. U.S. products with reference prices include the following:

- Matches
- Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials: of poly (methyl methacrylate), not over 25mm or over 105mm in thickness
- Rubber bicycle tubes
- Wooden hangers
- Non-rewritable compact discs (CD-R)
- Fungicides
- Electrical terminals
- Low density polyethylene
- Cermet manufactures
- Fiberglass tissue
- Iron and steel tubes
- Tires
- Refrigerators
- Washing machines

At the same time, the Argentine Customs Bureau announced that there would be specific Customs checkpoints that will control imports of certain product categories such as household appliances, electronic devices, motorcycles, textiles, apparel, footwear and toys. These items are traditionally the most affected by import restrictions.

Trade Barriers

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The basic legislation affecting import and export transactions is contained in the Customs Code (Law 22,415), which came into force in September 1981.

In 2010, MERCOSUR approved the MERCOSUR Customs Code to come into effect January 1, 2012. The Argentine Congress approved it in December 2012, and the Customs Code is now in force.

In 2006, there was a significant increase in the regulation of goods and capital flows. The most significant changes include product-specific export restrictions; variations in tariffs on key export commodities; the extension of an Argentina/Brazil automotive managed trade regime that was due to expire in 2006; the implementation of government-promoted private sector agreements to limit intra-MERCOSUR trade in sensitive sectors, including textiles and shoes, and more extensive regulations on capital movement.

While there is no legal prohibition against foreign companies repatriating profits, GOA regulations implemented in November of 2011, mandating that firms receive permission from AFIP in order to exchange local currency into foreign exchange, serve as a de-facto control on the ability of foreign firms to repatriate profits. Meanwhile, export proceeds must be repatriated to Argentina and for most products must be remitted to the Central Bank within 15 days. Repatriation deadlines vary based on product categories. These stipulations could change based on economic conditions.

Companies located in Argentina wishing to import must be registered in the National Registry of Importers and Exporters. Registration is free of charge and procedures are relatively simple.

Antidumping and Countervailing Measures

Regulations define "dumping" as the export price of imported merchandise being lower than the comparable sales price in normal commercial operations of identical or similar goods destined for consumption in the domestic market of the country of origin. Argentina has set antidumping and countervailing measures on various occasions, some of which still remain in force.

Imported goods for consumption that benefit from a subsidy abroad may be subject to a compensatory duty when they cause, or threaten to cause, serious damage to a local industry. Argentine fair trade laws are based on Article VI of the WTO under Resolutions 281/97 and 622/95.

Tariff Barriers

MERCOSUR (Common Market of the South), created in 1991, gradually eliminated almost all non-tariff restrictions and other limitations to trade among its founding members (Argentina, Brazil, Paraguay and Uruguay). As of 2006, over 99 percent of all intra-MERCOSUR tariff lines had been reduced to zero. Sugar has not yet been incorporated into MERCOSUR's internal free trade regime, and certain other products such as autos and auto parts, while officially incorporated, are actively managed, including by the use of quantitative restrictions (quotas).

For countries outside the MERCOSUR area, Argentina and its MERCOSUR partners established the MERCOSUR common external tariff (CET) on January 1, 1995. The CET currently ranges from zero to 20 percent for most products. However, some products in the automotive sector can reach 35 percent.

There is a list of sensitive products temporarily exempted from the CET. The first group includes sensitive products such as Information Technology and Capital Goods. At the same time, the MERCOSUR countries can set an import duty different from the CET until December 31, 2015, for specific products, using the so-called Exceptions List (pursuant to Decision 58/10 CMC MERCOSUR).

Since July 2012, imported capital goods that compete against local production have been subject to a 14 percent tariff. Imported capital goods that do not have a local substitute face a 2 percent tariff.

Information and Communications Technology (ICT) products are regulated by a separate tariff schedule, which expires on December 31, 2015. After this date, all import duties will begin to converge among MERCOSUR members according to a fixed schedule. Some goods not produced within MERCOSUR, such as newsprint, books, and certain petroleum products, pay 0 to 16 percent import duties.

The tariffs on imports apply to the declared CIF (Cost + Insurance + Freight) value in Argentina. In addition to the tariffs, the following fees and taxes apply:

- 0.5 percent statistics fee on the CIF value, with some exceptions (computers and telecommunications goods, capital goods, fuel, some paper goods, books, periodicals, guns, samples, emergency shipments, and duty-free products). This fee is not levied on MERCOSUR intra-zone trade.
- 21 or 10.5 percent (depending on the product) of Value Added Tax (VAT) on the CIF value plus tariff plus statistics fee.
- 20 or 10 percent (depending on the product) of advanced VAT on CIF plus tariff and statistics fee on all goods imported for resale. Goods imported directly by end-users are exempted.
- Six percent profits tax on all retail goods, except for goods imported directly by users. Individuals pay 11 percent.
- 1.5 percent gross income tax
- Excise tax on certain goods
- 2 percent destination/verification fee
- Local taxes
- Goods may be subject to a 3 percent tax on future anticipated profits.

The CIF value plus the duty and the import statistics fee form the base for the application of domestic taxes. For this reason, foreign supplier's invoice must support the imports. VAT and Profits Tax are deductible from gross income tax.

Domestic taxes (i.e., excise taxes) are levied on tobacco, alcoholic beverages, soft drinks, syrups, extracts and concentrates, television sets, tape recorders, record players, and microwave appliances, among other products. Excise taxes are paid on the basis of sworn returns or through stamps affixed to the product. Rates vary considerably, reaching up to 60 percent of the retail price for cigarettes.

Decree 690/2002 specifies exceptions to the payment of the statistics fee, which include:

- Certain imported goods for animal or vegetable reproduction, which pay a zero percent CET.
- Certain imported mineral products that pay zero percent CET.
- Imported books, brochures, and newsprint.
- New imported capital and information and telecommunications-related goods.
- Goods imported under the temporary import regime.

The following offices are responsible for drafting customs rules, regulations, and tariffs:

- **National Tax Bureau, Ministry of Economy:**

Dirección Nacional de Impuestos

Ministerio de Economía

Contact: Cpn. Daniel Martin, National Director

Email: esalga@mecon.gov.ar

<http://www.mecon.gov.ar/sip/basehome/dir1.htm>

- **Technical Administration, Argentine Customs Bureau:**

Subdirección General Técnico Legal Aduanera

Dirección General de Aduanas (DGA)

Administración Federal de Ingresos Públicos - AFIP

Contact: Dr. Eduardo Palomo, Deputy Director Legal and Technical Department of Customs

<http://www.afip.gov.ar/>; <http://www.afip.gov.ar/english/>

Non-Tariff Barriers

As of February 1, 2012, prior approval from the *Administración Federal de Ingresos Públicos* (AFIP- Argentine Tax and Customs Authority) is required for all imports. Application is made via the AFIP online system, known as MALVINA, which is accessible to Customs Brokers through submission of a Sworn Affidavit of Intent to Import (DJAI). Approval times and criteria applied to determine if permission is granted to import are unpredictable and not prescribed in any written law or regulation; exporters are advised to ensure that Argentine clients have an approved DJAI as well as permission from AFIP to purchase the foreign exchange necessary to pay for goods prior to shipping. Moreover, certain types of goods may only be imported into Argentina with an additional permit from the pertinent authority.

In addition, government officials have used phytosanitary rules, safeguard measures involving specific duties, anti-dumping investigations, and other practices to inhibit imports and protect domestic industry. Argentina continues to delay issuance of health certificates that would allow the resumption of exports of poultry meat and products from the United States. It imposes a number of trade restrictions, including safeguard provisions on Brazilian color televisions and anti-dumping duties on imports of U.S. polyvinyl chloride.

Prior government approval is required for imports of sensitive goods such as pharmaceuticals, foodstuffs, insecticides, veterinary products, medical devices, defense materials, cosmetics and toiletries, and other products. Many such products are subject to registration and presentation of a sanitary certificate issued by a competent authority in the exporting country, or other requisites to protect human, animal or plant health. Certain types of special vehicles, publications, shoes, carpets, paper and automobiles to be used as prototypes require prior government approval to be imported into Argentina.

Many food-related and agricultural imports, such as livestock, plants, bulbs, cuttings, rhizomes, roots, grains, and plant products require a sanitary certificate issued by a competent authority in the exporting country. Products destined for human consumption must fulfill certain specifications and be labeled and packed accordingly.

Quotas

There is a quota system and special regime for auto parts. The bilateral auto agreement between Argentina and Brazil establishes preferential market access treatment for both countries to protect the MERCOSUR automobile industry. A complicated system of reciprocal obligations exists between Argentina and Brazil. The Argentine government separately sets annual quotas for official distributors of foreign cars and auto dealers, as well as for other firms and individuals. Foreign auto manufacturers (including U.S. firms) in MERCOSUR countries receive national treatment. Argentina also has a bilateral autos agreement with Mexico.

In addition, temporary quotas exist on organic chemicals (HS code 2915.90), fluoride of aluminum (2826.12), and petroleum resins (3911.10) affecting U.S. exports.

Import Requirements and Documentation

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Permission to Import

Since February 1, 2012, Argentina requires that all importers must request and receive approval from the Argentine Tax and Customs Authority (AFIP) prior to importing products from abroad. This sworn affidavit of intention to import (referred to as the DJAI) is required for each import transaction and is reviewed by AFIP. Processing time is officially 15 days, but many requests are put on hold for indefinite periods of review. An Argentine firm or individual who wishes to import must utilize the services of an Argentine customs broker to file the DJAI through MALVINA, Customs' online system, if they do not possess a customs brokerage license to handle their own imports. The requested merchandise must arrive in Argentina within 180 days of the DJAI being marked "*Salida*" by AFIP to signify approval to import. Follow this link for additional information on the DJAI process: http://www.buyusainfo.net/docs/x_9655141.pdf.

Documentation Requirements and Restrictions

In 1997, the Argentine government put in place greater certificate of origin and consularization requirements on a broad range of imports generally covering but not limited to consumer goods, textiles, apparel and footwear, printing machines, and machine tools.

Moreover, on March 27, 2012, AFIP issued Resolution 3304 regarding new inspection and documentation procedures for imported goods arriving in Argentina. Given the extensive manpower and inspections infrastructure required to actually implement Resolution 3304, it is still unclear as to which requirements and procedures will be implemented and how. In light of the aforementioned and the significant number of changes in requirements to import goods into Argentina over the last year, it is strongly advised that all exporters confer with a Freight Forwarder with an established relationship with an Argentine Customs Broker or directly with an Argentine Customs Broker prior to shipping goods to Argentina. In addition, it is recommended that exporters consult the U.S. Commercial Service in Argentina's website at <http://export.gov/argentina/> for information on new export and customs requirements.

Import/Export Documentation

Maritime Shipments

The following documents are required for all maritime shipments, regardless of value:

- Commercial invoice (original and three copies)
- Bill of lading (minimum of one negotiable copy for customs purposes)
- Packing list (not generally required for bulk commodities or for articles that are identical in kind, characteristics, composition, weight, etc.)
- Insurance certificate (if insurance coverage is purchased by the exporter)

Air Cargo Shipments

These documents are always required for air cargo shipments, regardless of value:

- Commercial invoice (original and three copies)
- Airway bill (number of copies depends on requirements of the importer and of the airline used)
- Packing list.

Freight forwarding and/or agents' fees cannot be shown on airway bills on a freight collect basis; i.e., the fees must be prepaid.

Commercial Invoices

Commercial invoices must be presented in Spanish (one original and three copies) with the caption "Original Invoice." Carbon copies, printed copies, or photocopied invoices will not be accepted in place of the original. In addition, a properly authorized member of the firm must provide an original signature in ink on each copy of the invoice presented (i.e., the original and three copies).

The invoice should contain:

- Invoice number
- Place and date of execution
- Full name and address of the exporter
- Full name and address of consignee and name and address of the agent (freight forwarder), if any
- Quantity, indicating measuring units invoiced
- Name and description of goods (in Spanish)
- Unit price and total
- Currency used in transaction
- Terms of payment and delivery, using INCOTERMS
- Origin and place/port of export of the merchandise
- Means of transport (specifying via ocean or air or parcel post)
- Port or place of entry into Argentina

If the invoice is in English, the common practice is to show the Spanish translation just below the English text.

The invoice must contain the following declaration in Spanish:

"DECLARO BAJO JURAMENTO QUE LOS PRECIOS CONSIGNADOS EN ESTA FACTURA COMERCIAL SON LOS REALMENTE PAGADOS O A PAGARSE, Y QUE NO EXISTE CONVENIO ALGUNO QUE PERMITA SU ALTERACION, Y QUE TODOS LOS DATOS REFERENTES A LA CALIDAD, CANTIDAD, VALOR, PRECIOS, ETC., Y DESCRIPCION DE LA MERCADERIA CONCUERDAN EN TODAS SUS PARTES CON LO DECLARADO EN LA CORRESPONDIENTE SHIPPER'S EXPORT DECLARATION."

(*Unofficial Translation:* "I swear under oath that the prices on this commercial invoice are those really paid or to be paid, and that no agreement exists that permits their modification, and that all data pertaining to quality, quantity, value, prices, etc., and description of the merchandise agree in all their parts with what was declared in the corresponding Shipper's Export Declaration.")

A fax of the commercial invoice may be used as a working copy for customs, but the original must be presented in order to complete entry.

On November 1, 2013, the following requirements came into effect:

- Commercial invoice must include payment terms
- Date on the commercial invoice must be *prior to* bill of lading date.

Electronic documents with electronic signatures are acceptable if the certifying company has obtained eligibility by completing a licensing procedure.

Consular legalization is generally not required, but may be required in certain cases. Check with the importer for exact requirements.

Bill of Lading

The bill of lading should be issued (at minimum) in one negotiable copy; additional negotiable copies may be required by the importer, bank, steamship line, or other interested party (follow instructions from the importer or those given in the letter of credit or other contractual arrangement). Bills of lading must indicate the weight and volume of each package, as well as the total weight and volume of the shipment. All bills of lading must also show the amount of freight and a statement "Freight Paid," or "Freight Payable at Destination" as appropriate.

The bill of lading must show the following:

- Name of the ship
- Name of the ship's captain
- Port of registry and registered tonnage (weight and volume)
- Name of the charter or the shipper
- Name of the consignee (unless it is "to the bearer" or "to order")
- Number of packages, and specific description of the contents, the quantity, quality and marks of the goods
- Port of loading and unloading, with a declaration of the port of call, if any
- Freight amount
- Place, method and date of payment

- Date of preparation of the document and signature of the captain and of the shipper (signature of the shipping company and shipper should be signed manually, facsimile signatures are not acceptable)
- Container and seal number, and terms of shipment
- Invoice number suggested

Packing Lists

Packing lists are necessary for customs clearance in Argentina and must describe the contents of each package. Where the contents of a parcel are the same as those in other parcels of the same lot, one description on the packing list covering the lot will be sufficient. The packing list preferably should be in Spanish. No packing list is necessary for goods imported in bulk, such as coal, petroleum, sand, etc., or for articles identical in kind, characteristics, composition, weight, etc. It is suggested that the packing list be included in every air shipment.

Consular legalization of the packing list may be required in certain instances. Check with the importer for exact requirements.

At least three (3) copies of the packing list should be included as part of the shipping documents sent to the consignee or the agent thereof. The exact contents of each package should be clearly identified. This should include each item's gross weight and net weight and each package's marks and numbers. The required information must be consistent with all information shown on the commercial invoice.

Insurance Certificate

The U.S. exporter must request this document when purchasing insurance and should proceed according to the details provided by the importer. Marine insurance can be obtained from any insurance company.

Certificate of Origin

The certificate of origin is a document that may be required by Argentine Customs for consumer goods, textiles, footwear, apparel, printing machines and machine tools, organic chemicals, tires, bicycle parts, flat-rolled iron and steel, certain iron and steel tubes, air conditioning equipment, wood fiberboard, fabrics, toys, games, brooms, and brushes. This requirement by Argentine Customs falls under various circumstances:

Control of Preferential Origin

To claim preferential import duties when the country of origin has signed a trade agreement endorsing these preferences, as is the case of imports from member countries of MERCOSUR or ALADI, the Latin American Integration Association. The Argentine Customs authorities will require this document to grant preferential treatment at the importer's request.

Control of Non-Preferential Origin

The government of Argentina also requires a certificate of origin for certain products, such as textiles and footwear, regardless of their country of origin (Resolution MEOSP 39/96). This measure is in place to address import issues such as:

- Antidumping Duties
- Countervailing Measures
- Safeguard Measures
- Import Quotas
- Trade Statistics

The certificate of origin requires the authorized signature of the local Chamber of Commerce Secretary in the U.S. and the seal of that organization and also must be legalized by the Argentine Consulate in the United States. Note that if the product to be shipped contains component parts manufactured in another country, the U.S. company must obtain signatures of the relevant chambers in those countries and have the document legalized by the Argentine Consulates in those countries.

Visit http://export.gov/exportbasics/eg_main_017485.asp for basic Terms of Trade. Visit http://export.gov/exportbasics/eg_main_017485.asp for an international trade Glossary.

U.S. Export Controls

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The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the [Export Administration Regulations \(EAR\)](#), which regulate the export and re-export of most commercial items. The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Please note that even commercial items without an obvious military use may be subject to the EAR. Items with an Export Control Classification Number (ECCN) that are regulated for Chemical and Biological Weapons (CB), National Security (NS), Missile Technology (MT), Regional Stability (RS) or Crime Control (Column 1 or 2) purposes require a license from BIS for export to some countries.

Further information on export controls is available at:
<http://www.bis.doc.gov/index.php/regulations/commerce-control-list-ccl>.

BIS has developed a list of "red flags", or warning signs, intended to discover possible violations of the EAR. These are posted at:
<http://www.bis.doc.gov/index.php/component/content/article/23-compliance-a-training/51-red-flag-indicators>.

Also, BIS has "Know Your Customer" guidance at:
<http://www.bis.doc.gov/index.php/component/content/article/23-compliance-a-training/47-know-your-customer-guidance>.

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: <http://www.bis.doc.gov/index.php/component/rsform/form/14-reporting-violations-form?task=forms.edit>.

The EAR does not control all goods, services, and technologies. Other U.S. Government agencies regulate more specialized exports. For example, the U.S. Department of State's [Directorate of Defense Trade Controls \(DDTC\)](#) has authority over defense articles and defense services. A list of other agencies involved in export control

can be found on the BIS web site or in Supplement No. 3 to Part 730 of the EAR, which is available on the Government Printing Office Web site at <http://www.bis.doc.gov/index.php/about-bis/resource-links>.

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: <http://www.bis.doc.gov>.

Temporary Entry

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The Temporary Admission Regime (TAR) allows duty-free admission of goods such as commercial samples, packaging, pallets, containers, and goods for exhibits. The exports must be completed within the stipulated time as set by customs in accordance with the type of imported merchandise. Failure to re-export goods will result in a fine. Merchandise may suffer changes, which increase or lower its value, but no export charges will be levied when goods remain unchanged. If value is increased, charges will apply to the added value. The transfer of property, possession, or use is not permitted. A bond is required to cover the value of import charges for the goods. The bond will be refunded when the goods are re-exported.

Resolution 392/2006 SICPyME modifies Decree 1439/96, and regulates the import of primary and intermediate goods into Argentina for use in export production. The finished goods must be exported within 360 days from the date of temporary admission; however, this deadline may be extended for additional 360 days. There are special permissions for long-term projects, for which the maximum stay under the TAR is 1080 days.

Argentina is not included in the A.T.A. Carnet (Temporary Admission) program of the U.S. Council for International Business, which allows the importation of goods, display booths, and literature for display in local trade shows for subsequent re-export. The TAR should be used for this purpose. Many trade show organizers, however, obtain a special waiver from the Ministry of Economy by declaring an event "of national interest."

Decree 1001/82 and Disposition 34/98 of the Argentine Customs Bureau (*Dirección General de Aduanas* - DGA) include imports of new or used capital goods destined to production under the Temporary Admission Regime.

The Argentine Customs Bureau established a program allowing duty-free admission of primary and intermediate goods into Argentina for use in export production or for applying finishing touches on goods destined for re-exportation. TAR provides opportunities for Argentine manufacturers of exportable goods to reduce costs by not paying tariffs, VAT, or anticipated profits tax on imported inputs. This also is important for Argentine businesses that make repairs on goods that are shipped from other countries. Nearly one-fifth of all Argentine exports are related in some way to this regime. U.S. exporters of processed and unprocessed inputs into Argentine export production can take advantage of the Temporary Import Regime.

Goods are considered eligible for the TAR program if they are substantially transformed or processed in an industrial process that has the end goal of producing an export. Examples of "**transformation**" include: manufacturing, combination, mixture, dosage,

repair, rehabilitation, assembly, or installation within a more complex final product. This includes products that are consumed either completely or partially in another process, as with oils and combustibles, disposable materials used in a production process, machinery parts, packaging and bottling, etc. Damaged goods in need of repair can also enter the country under this program to undergo repairs, contingent upon their subsequent re-exportation.

These goods may remain in Argentina without paying tariffs for a one-year period, or in the case of inputs for the production of capital goods that are listed as “non-serialized” by the MERCOSUR Common Nomenclature System. Failure to re-export goods will result in a fine.

The sectors that take advantage of this regime are automotive, chemical, basic metallurgy, food and beverage, machinery and equipment, leather, petrochemical, and paper. The usage of this regime is highly concentrated: approximately 10 percent of the firms that have used this regime import 90 percent of the goods that qualify.

Importing for Consumption

If the goods that were admitted for entry under the TAR regime are imported into Argentina for consumption, payment must be made not only of the corresponding duties and taxes, but an additional two percent will be charged per month (since the entry date) on the value of the merchandise. This charge will be calculated from the month of temporary importation until the month when the goods were imported for consumption, which will be no less than 12 percent of the value of the goods in customs unless said value is determined to be less than when the goods were admitted for temporary importation.

Argentina has restrictions on imports of consumer goods (Resolution No. 3252). Under the Sworn Statement on Anticipated Imports (*Declaración Jurada Anticipada de Importación - DJAI*), importers must declare shipments they wish to import into Argentina prior to shipping. Shipments allowed to be cleared under the express regime are exempt from this regulation. Argentina’s Customs regulations for express shipments limit the weight/value per shipment to 50kg or \$1,000. However, any shipment sent IP BSO or express shipments containing restricted commodities regardless of value that cannot be cleared under the express regime are subject to DJAI. Per Customs, shipments that do not meet the new DJAI requirements will be returned to the shipper at their expense. The commodities listed below have a higher tendency of being subject to DJAI requirements:

- Cell phones
- Digital cameras
- Laptops (value over \$1,000 USD or with power supply)
- Used clothing
- Food and beverages
- Products containing animal or vegetable origin
- All electrical devices that have a power supply requiring higher than 50 volts to operate
- Promotional items for conferences that exceed 50kg weight or \$1,000 USD value limit)

- Aircraft parts
- Sunglasses
- Cosmetics
- Finished textiles (samples that are not mutilated)
- Pharmaceutical products
- Medicine

Labeling and Marking Requirements

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Under Argentine law 22,802/83, the Bureau of Trade Regulation (*Dirección de Lealtad Comercial*) of the Ministry of Economy's Secretariat of Industry, establishes labeling requirements for products in Argentina. The law requires that product labels bear all the information that the customer needs and that information is true and valid. The Secretariat of Industry in the Ministry of Economy ensures transparency in all business transactions and enforces the labeling regime.

Law 22,802 of 1983, known as the Merchandise Marking Act, supersedes Law 11,275 of 1923. The current law states the general and basic labeling requirements for domestic or imported products as follows:

Article 1: - All packaged products sold in Argentina will bear the following information on a printed label in a visible manner on the package or container:

- a) Name (description of product)
- b) Country of origin
- c) Quality, purity, or blending description
- d) Net weight

All non-packaged products commercialized in country will have to comply with requirements a), b) and c), as stated above.

For further inquiries, please contact:

Defensa del Consumidor
Secretaría de Comercio Interior
Ministerio de Economía y Finanzas Públicas
 Av. Pres. Gral. Julio A. Roca 651
 C1067ABB Ciudad Autónoma de Buenos Aires

In some cases, the Government Regulatory bodies of each industry provide information on the corresponding labeling requirements.

For example, for information on labeling requirements for the medical industry, hygiene and food products etc., the ANMAT (the equivalent of the U.S. Food and Drug Administration, the regulatory body of the Ministry of Health) provides additional information to the general rules for specific products.

Administración Nacional de Medicamentos, Alimentos y Tecnología Médica (ANMAT)
<http://www.anmat.gob.ar>; http://www.anmat.gob.ar/principal_en.asp

Contacts: http://www.anmat.gov.ar/webanmat/institucional/autoridades_en.asp
Phone: (54-11) 4340-0800

Argentina has adopted the U.N. recommendations for the labeling and packing of hazardous materials. For more information please refer to the [International Maritime Dangerous Goods Code \(IMDG Code\)](#).

Prohibited and Restricted Imports

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Prohibited Imports

The Government of Argentina has prohibited importation of the following products:

- Toys and childcare products containing high concentration of phthalates (Resolution 583/2008, Ministry of Health)
- Medical products containing nimesulide as an active ingredient (Disposition 4430/2009 ANMAT).
- Incandescent light bulbs for residential use included under HS Code 8539.22.00, with the exception of those of power equal to or less than 25 watts, and those of voltage equal or less than 50 volts (Law 26473).
- Certain used machinery, equipment, instruments, devices, and its parts (Resolution 909/1994 MEOSP and its modifications: Resolution 748/1995, Decree 690/2002, Appendix XIV; Resolution 89/2003 ME, article 7°, etc.).
- Medicines and food containing olaquinox (Resolution 84/2007 SENASA).
- Paints, lacquers and varnishes containing more than 0.06 grams of lead for every 100 grams of non-volatile mass (Resolution 7/2009 MoH).
- Used automobiles (Decree 110/1999)
- Used motorcycles and velocipedes (Resolution 790/1992, Ministry of Economy)
- Used clothing and accessories (MERCOSUR Tariff Codes 6309.00.10 & 6309.00.90) until January 1, 2016. (Decree 2112/2010)
- Telephone terminals that operate in a band between 1880 Mghz-1900 Mghz (Resolution SC 1994/1999)
- Used and recapped tires (MERCOSUR Tariff Codes 4012.10.00 & 4012.20.00, Law 25,626)
- Raw cotton (not carded or combed, harsh or rough) as per Res. SENASA 208/2003
- All types of dangerous residues (Law 24051)
- Certain dangerous substances (Resolutions 750/2000, 845/2000, 182/1999, etc.)

Additionally, ANMAT (*Administración Nacional de Medicamentos, Alimentos y Tecnología Médica*), the regulatory equivalent of the U.S. Food and Drug Administration within the Ministry of Health, regulates and prohibits imports of certain toxic substances contained in products such as pharmaceutical products and cosmetics. SENASA (*Servicio Nacional de Sanidad y Calidad Agroalimentaria*), National Service of Agricultural Food Health and Quality, provides information on import regulations for agricultural products.

Argentina bans imports of live ruminants and their meat due to Bovine Spongiform Encephalopathy (BSE) concerns according to Resolution 799/2010 that replaces former

Resolution 117/2002 and its amendments. Resolution 799/2010 defines the methodology to be followed for the risk assessment of importation of live animals, their reproductive material, and products and by-products of animal origin in relation to BSE occurrence.

Sweetbreads (thymus) were the highest valued and most competitive U.S. beef product exported to Argentina that was affected by the BSE beef ban. The trade constraint regarding the thymus sweetbread is an Argentine requirement that classifies thymus sweetbreads as high risk for BSE. The Argentine Animal and Plant Health and Food Safety Agency (SENASA) published for comment in January 2010 a draft regulation that will amend 117/2002 and will require a risk assessment before allowing imports of sweetbreads and other animal products.

For additional information on animal products, please contact the U.S. Foreign Agricultural Service in Argentina at Andrea.Yankelevich@usda.gov.

Used Capital Goods

The Government of Argentina places restrictions on imports of used products to facilitate market entry of new machines or equipment. This limitation applies to many products, including used medical equipment, used vehicles, remanufactured parts, tires, boats, etc. In some specific cases, there are exceptions; e.g., mining machinery.

The following conditions must be met: the equipment must be refurbished (repaired or remanufactured) by the manufacturer in the country of origin, or in Argentina. The goods must be imported by the final user. Import approval must also go through the Ministry of Industry.

Customs Regulations and Contact Information

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At a national level, the General Customs Bureau (*Dirección General de Aduanas*, DGA) applies, collects, and controls taxes under the Argentine Customs Code. Additionally, it regulates other taxes on import and export transactions on behalf of other entities. In general, the DGA applies and controls import and export transactions.

The DGA is part of the Federal Public Revenue Administration (*Administración Federal de Ingresos Públicos*, AFIP). AFIP is an autonomous authority at the administrative level, under the general supervision and legal control of the Ministry of Economy. It executes the tax and customs policies set by the Executive Branch.

For Customs-related information or questions, contact:

Administración Federal de Ingresos Públicos, AFIP
Phone: 0810-999-2347 (0810-www-AFIP) (*Spanish*)

Contact Information

FEDERAL PUBLIC REVENUE ADMINISTRATION
(*Administración Federal de Ingresos Públicos, AFIP*)
Mr. Ricardo Echeagaray
Federal Administrator

Hipólito Yrigoyen 370
C1086AAD Buenos Aires, Argentina
Phone: (54-11) 4347-2000
<http://www.afip.gov.ar/>; <http://www.afip.gob.ar/english/>

GENERAL CUSTOMS BUREAU
(*Dirección General de Aduanas, DGA*)
Mr. Carlos Sanchez
General Director
Azopardo 350
C1107ADD Buenos Aires, Argentina
Phone: (54-11) 4338-6400/6640
Fax: (54-11) 4338-6644
<http://www.afip.gov.ar/aduanaDefault.asp>;
<http://www.afip.gob.ar/english/custom.asp>

For Customs regulations, visit the AFIP's online library at: <http://biblioteca.afip.gov.ar/>
(*Spanish*).

Standards

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Overview

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A 1994 decree created the legal framework (Decree 1474/94) for standards-related activities in Argentina.

As a member of the World Trade Organization (WTO), Argentina signed the Agreement on Technical Barriers to Trade (TBT), affirming its obligations relative to technical regulations and conformity assessment procedures. The Argentine Standards Institute (*Instituto Argentino de Normalización - IRAM*) has signed the WTO TBT Code of Good Practice for the Preparation, Adoption and Application of Standards. Responsibilities under the TBT agreement include the establishment of a national inquiry point to serve as a central location for information on standards-related issues, including proposed mandatory regulations. The Argentine inquiry point is in the Secretariat of Industry (see Information Sources below). The U.S. inquiry point is the [National Center for Standards and Certification Information \(NCSCI\)](#), located at National Institute of Standards and Technology (see Information Sources below).

Standards and Regulations in MERCOSUR

Argentina, as an active MERCOSUR member, participates in the development of MERCOSUR standards and regulations. The MERCOSUR Standards Association, AMN (*Asociación MERCOSUR de Normalización*, previously known as the *Comité MERCOSUR de Normalización*) -- composed of the standards institutes of Argentina, Brazil, Paraguay, and Uruguay -- develops and harmonizes standards. The Executive Secretariat of the AMN is located in Sao Paulo, Brazil. Voluntary standards are developed in 16 technical committees and deal mostly with steel products, cement and concrete, and electrical safety. Several hundred standards are at different stages of preparation or in the work plan. Venezuela will participate in this activity, as well, as a full member of MERCOSUR.

Regional technical regulations are developed and/or harmonized by the MERCOSUR governments in Sub Working Group 3 in the following fields: automotive, foods, metrology, safety issues for electrical products, toys, and pre-measured products. Separate working groups, such as those on telecommunications and health issues, also focus on mandatory technical requirements for their particular sectors. Approved MERCOSUR regulations are not automatically applicable in each country. To be applicable, harmonized MERCOSUR regulations must be adopted by each country. The four countries generally adopt all MERCOSUR regulations, though at different speeds.

Agricultural and Health-related Products

Please note that agricultural and health-related products are subject to specific and different voluntary standards and mandatory technical regulations. Medical devices, pharmaceuticals, and foods are the purview of the National Administration of Drugs, Foods, and Medical Devices (*Administración Nacional de Medicamentos, Alimentos y Tecnología Médica - ANMAT*).

Standards Organizations

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There are two private sector organizations that work under the National System for Standards, Quality, and Certification. IRAM is the official national standards body for the Republic of Argentina. The Argentine Accreditation Organization (*Organismo Argentino de Acreditación - OAA*) is the accreditation body. These are the only organizations that carry out standardization and accreditation in Argentina. As of May 2013, there are Mutual Recognition Agreements between major foreign certification organizations and IRAM. However, it is recommended that exporters check the current status of these agreements prior to initiating new business arrangements or significant shipments of goods that require IRAM certification.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers

an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>.

Conformity Assessment

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IRAM, created in 1935, is the only developer of national voluntary standards in Argentina. Reliance on international standards as a basis for developing national standards continues to be a strong trend in Argentina. While many IRAM standards are compatible with U.S. standards, many others are patterned after requirements of various European countries, which may place U.S. products at a significant disadvantage.

IRAM is also a certification organization, both for products and systems. Its product certification mark, the "*Sello IRAM*" is widely recognized in the country as indicating conformity to an IRAM voluntary standard. See below for the mandatory safety mark.

In Argentina, most standards are voluntary. The buyer and seller share responsibility in determining what product standard is applicable. Products conforming to U.S. standards may or may not be acceptable. Reflecting long-standing tradition and practice, products that meet European requirements are often preferred. This preference may be expressed in procurement specifications, in customary design and construction practices, or as market issues.

Given the growing importance of standards and conformity assessment in expanding U.S. exports, a standards officer is assigned to work in the U.S. Commercial Service office at the U.S. Consulate General in Sao Paulo, with regional responsibilities for South American countries, including Argentina.

Product Certification

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Mandatory Testing and Mandatory Product Certification

Regulated products must display an official safety "S" mark to show they conform to the regulations. However, as described above and due to implementation issues, it is difficult to state with certainty at this time the products that must be tested, certified, and marked as required by the resolutions. Customs agents, freight forwarders, chambers of commerce, and industry trade associations may be useful resources to obtain information on requirements for specific products.

Non-Mandatory Testing and Product Certification

There is no legal mandate to retest non-regulated products that have been approved in their country of origin. For non-regulated products, some U.S. trademarks and product certifications are well known and accepted in Argentina. As with standards, any certification that may be required for non-regulated sectors is a contractual matter to be decided between the buyer and the seller.

However, it is important to be aware that market conditions and preferences may impose the use of particular standards, certification, or trademarks.

Traditionally, product certification in Argentina has been mostly voluntary with few active organizations including IRAM. However, this has changed due to the partial implementation of regulations that mandate product certification. A number of U.S. certification bodies are now active in Argentina, along with several multinationals and new local entities.

INTI, the National Institute of Industrial Technology (*Instituto Nacional de Tecnología Industrial*), is a government agency that participates in standards development and performs product testing and certification. Due to the continuing shortage of independent laboratories in Argentina, INTI is viewed as a prime testing and calibration laboratory for the country.

INTI's position attracts interest and substantial technical support and cooperation from foreign countries, most notably Germany, Japan, and the U.K. These, and other countries such as France, regularly offer scholarships for long- and medium-term training courses abroad. Other Argentine private and public organizations also benefit from third country largesse.

To facilitate acceptance of U.S. products in the Argentine market, agreements between U.S. and local certifiers and testing houses are encouraged. This could provide recognition of existing certifications. Also, there is no impediment for U.S. certification organizations to be established and accredited in Argentina.

The GOA, specifically the *Dirección de Lealtad Comercial* office, introduced a change in the certification rules. All certification bodies that issue S-Mark certificates through recognition of testing done outside of Argentina now have to perform "accreditation of coincidence between the product intended to be marketed in Argentina and the one contained in the certificate issued abroad" and issue an official notification to that effect. The measure means having the distributor import a sample for a visual inspection before issuing the certificate or extension to the importer. This applies to all electrical products (under the scope of resolution 92/98). In fact, this requirement is now mandatory for all electrical products regardless if they belong to the same "family" of products; in the past they were exempted from this inspection in advance. In addition, the "visual inspection" is now required to be coordinated by the laboratory, inviting an officer from *Lealtad Comercial* to the importer's warehouse. Please note that this new requirement may change so for further information please contact Marina.Millet@trade.gov.

Accreditation

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Entities that engage in certification for regulated products must be accredited by the Argentine Accreditation Organization (*Organismo Argentino de Acreditación, OAA*) and recognized by the Argentine Government. Testing laboratories must similarly be accredited and recognized.

Organismo Argentino de Acreditación

Phone/Fax: (54-11) 4349-3962/63/64

Email: info@oaa.org.ar

<http://www.oaa.org.ar>

Publication of Technical Regulations

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In 1998, the GOA embarked on a path of issuing regulations mandating that certain products meet safety requirements. The trend has slowed down considerably and implementation schedules have been postponed.

Low voltage electrical equipment was the first product category subjected to safety regulations and mandatory certification (Resolution 92/98). Regulations have also been issued for toys, shoes, gas appliances and products, construction steel, elevators, energy consumption and noise labeling of appliances, closures for dangerous products, and personal protective equipment. Since the end of 1999, efforts have been concentrated in implementation rather than in adding new categories of products to safety regulations. Full-phased implementation of most regulations is not following original schedules.

Resolution 92/98 originally covered all low voltage electrical equipment, but subsequent modifications have excluded various categories of products. However, the vast majority of electrical and electronic products in the consumer marketplace are still subject to this regulation. Evidence of compliance with the regulation is mandatory through product certification. Resolution 92/98 provided for a phased three-stage implementation, with different dates depending on the product. Phase 1 calls for a sworn declaration of conformity, phase 2 provides for a type-certification, and phase 3 requires full third-party certification with mark of conformity.

Labeling and Marking

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Resolution 197/2004, published in the *Boletín Oficial* on January 7th, 2005, establishes the requirements for certification by mark (ISO 4), type (ISO 5), or batch (lot-ISO 7). Type and lot requirements have applied since June 28th, 2005, while mark stamps were required starting January 7th, 2005. Manufacturers and importers of the products affected by these requirements (electric apparatus over 50 volts, toys, personal protection equipment, elevators, steel, lighters, and bicycles) can choose among the three certification criteria (steel products can only be certified by mark or batch). Products certified by type or lot must bear a seal that includes the certification number. The latter must also consign batch number information.

Labeling requirements include safety information, voltage, fire safety, and child safety information. Canned and bottled food labeling requirements include ingredients, identification of manufacturer/importer, and manufacturing/expiration dates. Pharmaceuticals must indicate the name of the responsible technical

director of the pharmaceutical laboratory, as well as the ingredients by weight/volume.

On July 6, 2005, the Government issued a new Resolution (109), modifying Resolution 197, which incorporated the mandatory Certification Schemes for compliance with safety requirements. To view the version in Spanish, please see: <http://www.infoleg.gov.ar/infolegInternet/anexos/105000-109999/107607/norma.htm>.

Contacts

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For information on Argentine and MERCOSUR standards, contact:

IRAM, *Instituto Argentino de Normalización*

Email: iram@iram.org.ar

Contact: Sr. Enrique Romero, Presidente

<http://www.iram.com.ar/>

Comments: Argentine Standardization Institute

AMN, *Asociación MERCOSUR de Normalización*

Email: secretaria@amn.org.br

<http://www.amn.org.br/>

Comments: MERCOSUR Standards Association

For information on the WTO-TBT inquiry point, contact:

Dirección Nacional de Comercio Interior

Secretaría de Comercio Interior

Ministerio de Economía y Producción

Email: dirnaci@mecon.gov.ar

Comments: National Domestic Trade Bureau

For medical products, contact:

Administración Nacional de Medicamentos, Alimentos y Tecnología Médica
(ANMAT)

Email: direccion@anmat.gov.ar

Contact: Dr. Carlos Chiale, Director General

<http://www.anmat.gov.ar/>;

http://www.anmat.gov.ar/webanmat/institucional/que_es_la_ANMAT_en.asp

Comments: The regulatory equivalent of the U.S. Food and Drug Administration within the Ministry of Health.

For information on accreditation, contact:

Organismo Argentino de Acreditación

Email: info@oaa.org.ar

<http://www.oaa.org.ar/>

Comments: Argentine Accreditation Agency

For information in the United States, contact:

National Center for Standards and Certification Information (NCSCI)
National Institute of Standards and Technology (NIST)
Phone: (301) 975-4038
Fax: (301) 926-1559
Email: ncsci@nist.gov
<http://www.nist.gov/director/sco/ncsci/index.cfm>

American National Standards Institute (ANSI)
Phone: (212) 642-4900
Fax: (212) 398-0023
Email: info@ansi.org
<http://www.ansi.org/>

Trade Agreements

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ALADI

Argentina is a founding member of the Association for Latin American Integration (ALADI-*Asociación Latinoamericana de Integración*), which was created with the long-term goal of establishing a Latin American Common Market. Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela are also founding members; Cuba attained full membership in 1999. Under the ALADI, member countries sign regional and bilateral agreements that allow partial trade liberalization that can then be extended to other members. In the 25 years since its creation, Argentina has signed several regional, multilateral and bilateral arrangements. The Internet address for ALADI is: <http://www.aladi.org/>.

MERCOSUR

Argentina is a member of the Common Market of the South (MERCOSUR-*Mercado Común del Sur*), which entered into force in January 1991. MERCOSUR members originally included Argentina, Brazil, Paraguay, and Uruguay. Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela joined the pact as associate members. By 1995, about 75 percent of tariff categories were included in the Common External Tariff (CET) and the remaining categories will be phased-in by 2015. MERCOSUR represents 72 percent of the South American territory and 70 percent of its population. The Internet address is as follows: <http://www.mercosur.int/>.

MERCOSUR-Venezuela

In July 2006, MERCOSUR members accepted Venezuela's request to become a MERCOSUR full member, which it did during 2012. Venezuela must adapt to MERCOSUR Common External Tariff scheme within a four-year timeframe, and will gradually lose its benefits from being part of the Andean Community of Nations.

MERCOSUR negotiations with other economic blocs and countries:

MERCOSUR-European Union

The two blocs had made the commitment of reaching an agreement in the process of integration by October 2004, but several differences between the blocs impeded final negotiations. These are broad and include goods, services, investments, government procurement, and intellectual property rights, among other issues.

MERCOSUR-Andean Community of Nations

(Bolivia, Colombia, Ecuador, and Peru)

The agreement took place in October 2004 and contemplates the liberalization of 80 percent of trade between the blocs within the next ten years, beginning in 2005.

MERCOSUR-Mexico

In July 2004, Mexico was accepted by MERCOSUR as an “observer country” within the bloc, with a view to its inclusion as associate member.

Web Resources

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- Bureau of Industry and Security: <http://www.bis.doc.gov>
 - Export Controls Information: <http://www.bis.doc.gov/index.php/regulations/commerce-control-list-ccl>
 - Red Flag Indicators: <http://www.bis.doc.gov/index.php/component/content/article/23-compliance-a-training/51-red-flag-indicators>
 - Know Your Customer Guidance: <http://www.bis.doc.gov/index.php/component/content/article/23-compliance-a-training/47-know-your-customer-guidance>
 - Confidential Enforcement Lead/Tip Form: <http://www.bis.doc.gov/index.php/component/rsform/form/14-reporting-violations-form?task=forms.edit>
- National Institute of Standards and Technology (NIST): <http://www.nist.gov>
 - NIST Global Standards Information: <http://gsi.nist.gov/global/index.cfm/L1-1/loc-ncsci>
 - National Center for Standards and Certification Information (NCSCI): <http://www.nist.gov/director/sco/ncsci/index.cfm>
 - NCSCI Notify Us: <http://www.nist.gov/notifyus/>
- American National Standards Institute (ANSI): <http://www.ansi.org/>
- Ministry of Economy (*Spanish*): <http://www.mecon.gov.ar/>
- Ministry of Foreign Affairs and Worship (*Spanish*): <http://www.cancilleria.gov.ar/>
- Argentine Central Bank: http://www.bcra.gov.ar/index_i.htm
- National Foreign Trade Commission (*Comisión Nacional de Comercio Exterior*) (*Spanish*): <http://www.cnce.gov.ar>
- Secretariat of Industry, Ministry of Industry (*Spanish*): <http://www.industria.gov.ar/en/secretaria-de-industria/>
- National Institute of Statistics and Censuses (INDEC): <http://www.indec.gov.ar/indec/ingles.asp>
- Federal Public Revenue Administration (AFIP): <http://www.afip.gov.ar/english/>

- National Tax Bureau, Ministry of Economy (*Spanish*): <http://www.mecon.gov.ar/sip/basehome/dir3.htm>
- Technical Administration, Argentine Customs Bureau: <http://www.afip.gob.ar/english/custom.asp>
- Bureau of Trade Regulation, Ministry of Economy (*Spanish*): <http://www.consumidor.gob.ar/>
- National Administration of Drugs, Foods, and Medical Devices (*ANMAT – Administración Nacional de Medicamentos, Alimentos y Tecnología Médica*): http://www.anmat.gov.ar/principal_en.asp
- Argentine Accreditation Agency (*Spanish*): <http://www.oaa.org.ar>
- Argentine Standardization Institute (*IRAM – Instituto Argentino de Normalización*) (*Spanish*): <http://www.iram.org.ar/>
- MERCOSUR Standards Association (*AMN - Asociación MERCOSUR de Normalización*): <http://www.amn.org.br/>

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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Executive Summary

The Government of Argentina (GOA) took actions in the past year to improve the investment climate in Argentina. To regain investor confidence, the GOA settled outstanding international arbitral awards, engaged with the International Monetary Fund (IMF) to improve economic reporting data, and compensated the Spanish-firm Repsol for the partial expropriation of YPF in 2012. Argentina also engaged with the Paris Club group of creditors to address legacy debt issues. A January 2014 currency devaluation reduced costs and asset prices in dollar terms. Over the past year, one measure of Argentina's country risk has fallen approximately 35 percent from 1210 basis points to 790. The GOA has signaled its desire to see continued foreign direct investment (FDI) flows to enhance the nation's productive capacity and GDP growth potential.

Although improved from the year before, investor confidence remains low. Longstanding concerns regarding the lack of transparency in government policymaking diminish the attractiveness of prospective investments in some sectors. Decisions that affect companies, both foreign and domestic, are frequently taken without industry input and rarely with a formal comment period. GOA actions to curb the remittance of profits abroad have also led some foreign companies to question whether their money should be invested in the country if they are unable to access it later. Currency controls delay companies' access to dollars to pay suppliers.

The GOA's all-encompassing import licensing system has made it burdensome to import the materials necessary for the day-to-day functioning of a business. Factories and distributors occasionally sit idle while the GOA delays granting approval to move inputs through customs, a process that can be unpredictable. Companies that export more from Argentina than they import generally receive preferential access, but even these firms have reported difficulties in securing certain goods. Price controls have also caused difficulties for businesses.

Argentina continues to owe debt to private bondholders. Ninety-two percent of the defaulted \$2 billion of private debt has been swapped for a mix of new bonds with a substantial loss in net present value. Some bondholders, known as the "holdouts," have not participated in the swaps and continue to pressure Argentina via the U.S. courts to settle its outstanding debt for the actual amount they are owed plus interest.

Argentina's growth slowed in 2013 to 3 percent and unemployment remained steady at 6.4 percent, according to official figures. Central Bank reserves dipped to \$27 billion down from their high of \$52 billion in early 2011. This decline has been due to reserves having been used to service debt, maintain the exchange rate, and meet other balance of payment needs. The 2014 budget allowed the use of \$9.8 billion in Central Bank reserves to make debt payments. Argentina ran current and financial account deficits in 2013 that also contributed to a decline in reserves.

After several years of publishing non-credible statistics, Argentina's official statistics agency (INDEC) released substantially revised inflation and GDP growth data that are closer in line with private estimates. The IMF had formally censured Argentina in February 2013 because of manipulation of inflation and GDP data, a breach of obligation to the Fund under the Articles of Agreement. As of publication of this report, the IMF had not yet released its conclusions regarding its review of Argentina's new data.

1. Openness to, and Restrictions Upon, Foreign Investment

According to a Presidential decree governing foreign investment in Argentina, foreign companies may invest in Argentina without registration or prior government approval, and on the same terms as investors domiciled in Argentina. Investors are free to enter Argentina through merger, acquisition, green-field investments, or joint ventures. Foreign firms may also participate in publicly-financed research and development programs on a national treatment basis.

In December 2011, the Argentine Congress passed Law 26.737 (Regime for Protection of National Domain over Ownership, Possession or Tenure of Rural Land) limiting foreign ownership of rural land to a maximum of 15 percent of all national productive land. Individuals or companies from a same nation may not hold over 30 percent of that amount; and individually each foreign individual or company faces an ownership cap of 1,000 hectares (2,470 acres) in the most productive farming areas, or the equivalent in terms of productivity levels in other areas. As approved, the law is not retroactive. Section 11 of the Law establishes that "for the purposes of this Law and according to the Bilateral Investment Treaties (BITs) underwritten by the Republic of Argentina that are in force at the time this Law becomes valid, the acquisition of rural land shall not be considered an investment as it is a non-renewable natural resource provided by the host country."

Foreign and Argentine firms generally face the same tax liabilities. In general, taxes are assessed on consumption, imports and exports, assets, financial transactions, and property and payroll (social security and related benefits).

The GOA has established a number of investment promotion programs. Those programs allow for Value-Added Tax (VAT) refunds and accelerated depreciation of capital goods for investors and offer tariff incentives for local production of capital goods. They also include sectoral programs, free trade zones, and a Special Customs Area in Tierra del Fuego Province, among other benefits. A complete description of the scope and scale of Argentina's investment promotion programs and regimes can be found at <http://www.industria.gov.ar>, <http://www.inversiones.gov.ar> and <http://www.mecon.gov.ar/basehome/promocion.htm>. Information about programs that specifically apply to small and medium businesses may be found at <http://www.sepyme.gov.ar>.

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions Index	2013	(106 of 177)	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom Index	2013	(166 of 178)	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	(126 of 189)	http://doingbusiness.org/rankings
Global Innovation Index	2013	(56 of 142)	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener

Conversion and Transfer Policies

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The GOA began imposing significant restrictions on remittances of capital overseas in 2011. These were formally implemented in December 2012 with Resolution 3417. In 2012, the Central Bank issued Regulation A-5318 officially banning the purchase of foreign currency by residents (either Argentine or foreign) as a form of financial savings (although it does not prevent residents from maintaining existing dollar saving accounts and time deposits). This measure formally ended the previous norm that had allowed individuals to buy up to \$2 million per month without having to specify the destination of the funds (e.g., debt payment, investments, savings, international travel expenses, etc.). Residents could only buy foreign currency for international tourism purposes, and these purchases were also subject to caps and controls by the GOA of the origin of funds to acquire the currency and a 35 percent withholding tax that can be deducted from an individual's income and wealth tax obligation. The Federal Tax Authority (AFIP) subsequently uses Resolution 3333 to regulate retail purchases of foreign exchange for travel. Requestors provide information as to the source of their money and proof that it

was acquired legally. In addition to other personal data such as birth date, profession, and tax ID numbers, they must also provide details about their planned trips, including where, when, and why they are traveling. Since the issuance of this norm, the government has reportedly provided additional verbal instruction to banks and foreign exchange houses that further limit the purchase of foreign exchange.

In January 2014, the GOA allowed residents to purchase a limited quantity of foreign exchange for savings depending on the person's declared income. The buyer can choose to withdraw the foreign currency within the first year and pay a 20 percent tax, or else leave the funds in a local bank for a year longer with no tax.

Since 2011, government restrictions on foreign currency purchases have led to the expansion of an informal retail foreign exchange market. The informal dollar rate reached AR\$13 to the US\$ in January 2014, exceeding the official exchange rate (AR\$8 pesos to the US\$) by more than 60 percent. As of publication, the gap between the informal and the official exchange rate has fallen to 30 percent.

Companies have reported difficulties in exchanging pesos for dollars in order to pay for imports. These measures are thought to be in place to address balance of payments concerns, but they have resulted in occasional goods shortages and difficulties for companies doing business in Argentina. Companies must complete multiple steps to import a good into the country. Certificates-of-origin for some goods must be notarized by the Argentine embassy or consulate in the country in which they were produced. This consularization requirement holds for products that have multiple parts from multiple countries. The company must then obtain import license approval, which is known by its Spanish-language acronym "DJAI." Following DJAI approval, companies must then petition the Central Bank for access to foreign exchange. Companies are also often asked to submit detailed financial and operational information.

The GOA subjects speculative capital inflows to three major requirements: (a) investments may not be transferred out of the country for 365 days after their entry; (b) proceeds from foreign exchange transactions involving these investments must be paid into an account in the local financial system; and (c) a 30 percent unremunerated reserve requirement, meaning 30 percent of such transactions must be deposited in a local financial entity for 365 days in an account that is denominated in dollars and receives no interest payment.

There are some notable exceptions to the deposit requirement. A deposit is not required for capital inflows to finance energy infrastructure. Nor is a deposit required on inflows for the purchase of real property by foreigners as long as the foreign exchange liquidation occurs on the day of settlement (and transfer of the title). A deposit is also not required for inflows from foreigners to be used for (a) tax payment and (b) social security contributions within 10 days of the settlement of the foreign currency. In October 2011, the Central Bank imposed new market controls on non-residents. They are now required to immediately "register capital inflows into the local foreign exchange market when they purchase a local company, contribute capital, or purchase real estate."

Foreign entities are banned from participating in Central Bank initial bond offerings, but foreign firms may trade Central Bank debt instruments on the secondary market. The Central Bank also requires that exporters deposit U.S. dollar proceeds from exports in

“local” banks (*cuentas de corresponsalía de entidades financieras locales*) within a specified number of days depending on the good exported (usually between 10-30 days).

Hard currency earnings on exports, both from goods and services, must be converted to pesos in the local foreign exchange market. In 2011, the GOA eliminated the exceptions previously granted to hydrocarbon and mining exports. These firms must now convert their revenues to pesos on the local foreign exchange market. Revenues from re-exports of some temporary imports and exports to Argentine foreign trade zones are still exempted from this requirement.

In October 2011, the Argentine insurance regulator issued Resolution 36.162 requiring “all investments and cash equivalents held by locally registered insurance companies be located in Argentina.” This has exposed insurance companies to greater country risk since they are unable to diversify their assets outside of Argentina. In 2012, the GOA further expanded the investment requirements for insurance companies requiring them to allocate part of their overall investments in “instruments related to local productive projects.” The minimum percentage required ranges from 5 percent for labor risk insurers to 10 percent for property insurers and 12 percent for life insurers. A government committee composed of the secretaries of Finance, Economic Policy and Development, Internal Trade, Industry, and SMEs as well as the superintendent of Insurance determine the projects eligible to receive such investments.

The Argentine Central Bank issued Circular A5272/73 in January 2012 increasing bank liquidity requirements for operational risks and minimum capital requirements, which sharply limited dividend payments.

The Central Bank expanded in 2012 the list of activities involving the transfer of money abroad by local subsidiaries to headquarters that will require prior approval (Circular A5295). These activities now include: IT services; business and professional services’ royalties, patents, trademarks and copyrights; commercial guarantee payments on exports of goods and services; foreign film, audio and video rights; and services for technology transfer, and rental and leasing income, among other activities. The regulations apply to transactions greater than \$100,000 in value.

In February 2014, the Central Bank issued Circular A5536 capping the foreign exchange exposure of private banks. The norm limits a financial institutions’ foreign currency exposure to 30 percent of their net worth and future exchange rate contracts to 10 percent. Private estimates suggest that 50 percent of the positions held by banks in Argentina are “dollarized,” representing nearly \$9 billion in assets. This implied that banks will liquidate \$3.5 billion through a mix of foreign currency, dollar bonds, and future contracts – with most of that presumably going to Argentina’s Central Bank.

Expropriation and Compensation

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Section 17 of the Argentine constitution affirms the right of private property and states that any expropriation must be authorized by law and be previously compensated. Fair compensation for expropriation is also guaranteed by international treaty obligation. Article 4 of the United States-Argentina BIT states that investments shall not be

expropriated or nationalized except for public purpose upon prompt payment of the fair-market value in compensation. In October 2008, the government nationalized Argentina's private pension funds, which amounted to approximately one-third of total GDP, and transferred the funds to the government social security agency. In December 2008, the Argentine parliament also passed legislation nationalizing the Spanish-owned flag air carrier Aerolineas Argentinas.

President Cristina Fernandez de Kirchner expropriated 51 percent of oil and gas company YPF from Spanish-owned Repsol in 2012. The state takeover of the company was widely criticized by the European Union and others and increased investor caution. The government announced a settlement with Repsol approximately two years later in 2014, which the Argentine congress approved on April 23, 2014.

Dispute Settlement

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The GOA officially accepts the principle of international arbitration. The United States-Argentina BIT provides for binding international arbitration of investment disputes that cannot be settled through amicable consultation and negotiation between the parties. The GOA is a member of the International Center for the Settlement of Investment Disputes (ICSID), the United Nations Commission on International Trade Law (UNCITRAL), and the World Bank's Multilateral Investment Guarantee Agency (MIGA). Companies that seek recourse through Argentine courts may not also pursue recourse through international arbitration.

Prior to and following the 2001/2 Argentine economic crisis, a number of U.S. investors in privatized public utilities filed ICSID arbitration claims against the GOA arguing that the government rulings de-linking public utility tariffs to foreign inflation indices and a January 2002 "pesofication" of dollar-denominated contracts were a de facto expropriation of their investments. In addition, some U.S. investors filed ICSID arbitration claims based on disputes with provincial governments over unforeseen changes in tax laws and liabilities. Customs treatment and delays in re-negotiating public utility rate changes also provoked investment disagreements.

A longstanding bilateral concern had been non-payment of three final awards granted to U.S. investors: (1) a September 2007 final ICSID judgment awarding approximately \$133 million plus interest; (2) a September 2009 final judgment awarding \$165 million plus interest; and (3) a September 2011 final decision awarding \$2.8 million with interest. Based on claimant petitions alleging that Argentina failed to act in good faith to recognize as binding, or enforce, an arbitral award, the Government of the United States withdrew Argentina's status as a beneficiary of Generalized System of Preferences (GSP) trade benefits in May 2012. Argentina settled the ICSID judgments in October 2013 with the three U.S. companies by paying them a portion of the judgment through a mixture of bonds.

Domestic investment dispute adjudication is available through local courts or administrative procedures. Many foreign investors prefer to rely on private or international arbitration when those options are available.

Performance Requirements and Incentives

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Formally, no performance requirements are aimed specifically at foreign investors. Government incentives apply to both foreign and domestic firms.

Right to Private Ownership and Establishment

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In general terms, foreign investors have the same rights as Argentines to establish and own businesses, or to acquire and dispose of interests in businesses.

The media law caps foreign capital ownership of media outlets at 30 percent; requires a minimum national content of between 60 to 70 percent; requires that all transmission signals be owned totally or partially by the national government; establishes a minimum screen quota for Argentine movies; imposes a 0.5 percent of annual revenue fee on foreign programmers for acquiring Argentine films; requires advertisement transmitted by broadcast channels or national channels be produced locally; dictates that all investment in advertising on a non-national signal be covered by exemptions and reductions to income tax; gives foreign media operations differing tax treatment from local companies; and limits the number of broadcasting licenses (based on geography and market segment) to be held by a single licensee. Measures regarding the limitation of foreign ownership in media outlets are not retroactively applied to existing foreign investments currently covered by BIT provisions of non-discriminatory treatment. The U.S.-Argentina BIT contains such protection for U.S. firms.

Protection of Property Rights

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Secured interests in property, including mortgages, are recognized and common in Argentina. Such interests can be easily and effectively registered. They also can be readily bought and sold. The government of Argentina adheres to most treaties and international agreements on intellectual property and belongs to the World Intellectual Property Organization and the World Trade Organization (WTO). The Argentine Congress ratified the Uruguay Round agreements, including the provisions on intellectual property in Law 24425 on January 5, 1995. Since 1996, however, Argentina has been on the Office of the U.S. Trade Representative's intellectual property rights Priority Watch List.

Patents: Patent protection remains a theme of particular importance in Argentina's intellectual property rights regime. Extension of adequate patent protection to pharmaceuticals and genetically modified seeds has been a source of bilateral disagreement. Representatives of U.S. companies with significant interest in patented product sales in Argentina say that the patent issuance process is slow and that the backlog of patent applications remains substantial. The National Intellectual Property Institute (INPI) has taken a number of steps to reduce the backlog, including the implementation of fast-track procedures, and opportunities for companies to prioritize their patent applications before INPI several times over the past years. In April 2002, the United States and Argentina reached an agreement with respect to most of the claims in a WTO dispute brought by the United States with respect to Argentina's implementation of its Trade Related Aspects of Intellectual Property Rights (TRIPS) obligations. New

patent legislation implementing part of the April 2002 agreement was passed in December 2003. Several issues remain unresolved, however. The United States and Argentina have agreed to leave these issues within the WTO dispute settlement mechanism for action.

Some U.S. and European pharmaceutical firms have expressed concern that some provisions in the amended legislation limit their ability to protect patented products via the use of judicial injunctions to prevent patent violations. The unlicensed production by Argentine firms of pharmaceuticals whose patent rights are owned by foreign companies is a longstanding concern to foreign pharmaceutical companies. In May 2012, INPI published a joint Resolution (118/2012, 546/2012 and 107/2012) that sets new standards for chemical and pharmaceutical patent applications. The guidelines instruct patent examiners to reject new use, new form, and new formulation patents, and specify a number of other changes to drugs that will no longer be acceptable. Companies have stated that the measures were implemented without sufficient transparency and that they significantly diminish protection of their intellectual property.

Copyrights, Trademarks, Trade Secrets, and Semiconductor Chip Layout Design: Although Argentina's copyright law dates to 1930, it provides a sound legal framework to protect intellectual property such as books, films, music, and software. Piracy of CDs, DVDs, and software is widespread, but declining due in large part to the introduction of online content streaming services. While enforcement continues to be sporadic and pirated products are widely available on the market, the government of Argentina has passed laws designed to allow authorities to mount undercover operations; to flag electronically suspect shipments; to facilitate the seizure and detention of suspect merchandise; and to rotate more frequently customs personnel. The Customs administration in 2006 instituted a voluntary trademark registry and owner notification program. Seizures of imported counterfeit goods have since risen dramatically. Some industry actors have noted that further protection for trademark owners should include the right to demand destruction of fraudulent goods to prevent reentry to the market. The government has decreased the time needed for trademark registration and increased the rate at which trademarks are registered. Many industry observers claim that the trademark law, passed in 1980, provides civil damages that are insufficient to be an effective deterrent. The judiciary is reluctant to impose deterrent penalties such as prison sentences in criminal cases, and it is rare that companies press criminal charges. Argentina has no specific law on trade secrets although penalties for unauthorized revelation of trade secrets are applied to a limited degree under commercial law. Argentina has signed the WIPO Treaty on Integrated Circuits, but has no law dealing specifically with the protection of layout designs and semiconductors.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Embassy point of contact: María Soledad Iglesias Liste IglesiasS@state.gov

Local attorneys list link: <http://argentina.usembassy.gov/legal.html>

Transparency of Regulatory System

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Argentine government authorities, including the Ministries of Economy, Production, and Planning and a number of quasi-independent regulatory entities, have mandates to foster competition and protect consumers. Some international investors have expressed concern about abrupt changes in sector-specific regulatory regimes that in their view increase uncertainty.

In general, national taxation rules do not discriminate against foreigners or foreign firms (e.g., asset taxes are applied to equity possessed by both domestic and foreign entities). Government tax authorities scrutinize tax declarations of foreign corporations operating in Argentina with the intent of curbing the use of offshore shell corporations to shelter profits and assets from taxation. This has led to tax disputes with foreign-owned firms that have structured their operations in a manner they believe to be consistent with Argentine law, while minimizing total corporate tax obligations to all of the countries in which they operate.

Argentina is a member of the U.N. Conference on Trade and Development's international network of transparent investment procedures. Lomas de Zamora, the second largest district in the province of Buenos Aires offers detailed information on administrative procedures applicable to income generating operations, including the number of steps, name and contact details of the entities and persons in charge of procedures, required documents and conditions, costs, processing time, and legal bases justifying the procedures <http://lomasdezamora.eregulations.org/>. Two other districts in the Province of Buenos Aires (Berazategui and Vicente Lopez) plan to offer the same information system online by the end of 2014.

Efficient Capital Markets and Portfolio Investment

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The Argentine Securities and Exchange Commission (*Comisión Nacional de Valores - CNV*) is the federal agency that regulates securities markets offerings. Securities and accounting standards are transparent and consistent with international norms.

The Argentine Congress approved in November 2012 a new law to amend regulations over the domestic stock market. The bill expands the local capital market, but it also provides for greater regulatory intervention in financial deals and corporate administration of listed companies.

U.S. banks, securities firms, and investment funds are well-represented in Argentina and are dynamic players in local capital markets. In 2003, the government began requiring foreign banks to disclose to the public the nature and extent to which their foreign parent banks guarantee their branches or subsidiaries in Argentina.

The private pension fund system -- consolidated in 1995 -- provided a growing base for capital markets until the 2001-2002 economic and financial crises. Following the government's 2005 debt restructuring, private pension funds once again became significant players in domestic capital markets. The government's nationalization of the private pension funds' assets in November 2008 shut down the funds' investment activities, however. As a result of the nationalization, Argentina's Social Security Agency

(ANSES) now holds large equity stakes in domestic and foreign firms trading on the local stock exchange, and has also taken on the private pension funds' holdings of federal and provincial government debt. This nationalization considerably decreased the liquidity and depth of the securities market in Argentina.

Following new provisions introduced in the Central Bank charter reform approved in mid-2012, banks operating in Argentina holding at least 1 percent of total market deposits are required to lend at least 5 percent of their deposits -- approximately AR\$15 billion -- for "productive investments" at an interest rate of 15 percent by December 2012. This interest rate is well below private estimates of inflation. In December 2012, the GOA again required major banks to lend another 5 percent of their deposits (approximately AR\$17 billion) for "productive investments" at similar rates required in the previous program. In June 2013, the GOA for a third time required the largest banks to lend 5 percent of their deposits (approximately AR\$20 billion) for "productive investments" by December 2013. In this instance, the program allowed small and medium sized enterprises (SMEs) to use up to 20 percent of their loans for working capital. Once again in December 2013, the government extended the program under similar terms for a fourth time adding about AR\$20 billion at a rate of 17 percent.

Competition from State Owned Enterprises

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The Argentine government owns stakes ranging from 1 percent to 31 percent in 46 publically-listed companies through ANSES. U.S. investors also own shares in some of these companies. As part of the ANSES takeover of Argentina's private pension system in 2008, the government agreed to commit itself to being a passive investor in the companies and limit the exercise of its voting rights to 5 percent, regardless of the percentage of a company it actually owned. In April 2011, the GOA removed the 5 percent cap and moved to increase ANSES' influence over these companies by nominating members for their boards of directors and exercising influence over issues such as dividend payments.

The Argentine government also owns or participates in companies in the following sectors: Civil commercial aviation, water and sanitation, oil and gas, electricity generation, transport, paper production, banking, railway, shipyard, and aircraft ground handling services.

Corporate Social Responsibility

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There is an increasing awareness of corporate social responsibility (CSR) among both producers and consumers. Foreign and local enterprises both tend to follow generally accepted CSR principles, such as the OECD Guidelines for Multinational Enterprises. CSR practices are welcomed by beneficiary communities throughout Argentina.

Political Violence

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Demonstrations are common in metropolitan Buenos Aires and occur in other major cities and rural areas. Protesters on occasion block streets, highways, and major

intersections, causing traffic jams and delaying travel. While demonstrations are usually nonviolent, individuals sometimes seek confrontation with the police and vandalize private property. Groups occasionally protest in front of the U.S. Embassy or U.S.-affiliated businesses. Though political violence is always concerning, it is not widely considered a hindrance to the investment climate in Argentina.

Corruption

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According to the World Bank's worldwide governance indicators, corruption remains an area of concern in Argentina. In the latest Transparency International Corruption Perceptions Index (CPI) that ranks countries and territories by their perceived levels of corruption, Argentina ranked 106 out of 178 countries.

There is a strong regulatory framework for combating corruption, but enforcement is uneven, and a slow-moving judiciary makes rooting out corruption difficult. The law provides criminal penalties for official corruption. Public officials are subject to financial disclosure laws, and the Ministry of Justice's Anti-Corruption Office (ACO) is responsible for analyzing and investigating federal executive branch officials based on their financial disclosure forms. The ACO is also responsible for investigating corruption within the federal executive branch or in matters involving federal funds, except for funds transferred to the provinces. While the ACO does not have authority to independently prosecute cases, it can refer cases to other agencies or serve as the plaintiff and request a judge to initiate a case. Reports of the activities of the ACO may be found at <http://www.anticorrupcion.gov.ar>.

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any

person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Argentina is a party to the OAS Anti-Corruption Convention and ratified the OECD Anti-Corruption Convention in 2001. Argentina has signed and ratified the UN Convention against Corruption (UNCAC). It is an active participant in UNCAC's Conference of State Parties. It is also an active participant in the Mechanism for Follow-up on the Implementation of the Inter-American Convention against Corruption (MESICIC).

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Argentina ratified the OECD Anti-Corruption Convention in 2001

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Argentina has signed and ratified the UN Convention against Corruption (UNCAC) and is an active member of UNCAC's Conference of State Parties.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive

measures against corruption, provides for the criminalization of certain acts of corruption including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>), including Argentina.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.)

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and transnationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Argentina does not currently have a Free Trade Agreement with the United States. Consult USTR Website for information about Free Trade Agreements: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.]

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy

personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of

the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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The governments of Argentina and the United States signed a BIT in 1991. The agreement was amended, ratified by the Congresses of both countries, and entered into force on October 20, 1994. The Argentina-United States BIT can be found on the following site: <http://2001-2009.state.gov/documents/organization/43475.pdf>. Argentina does not have a bilateral tax treaty with the United States.

The BIT provides protections against capital movement restrictions, expropriations, and performance requirements; it also establishes a means for the settlement of investment disputes. The BIT lists sectors in which Argentina maintains exceptions to national treatment for U.S. investors: real estate in border areas, air transportation, shipbuilding, nuclear energy, uranium mining, and fishing. U.S. investors must obtain permission from the Ministry of Defense's Superintendency for Frontiers to invest in non-mining activities in border areas.

Argentina has over 50 BITs currently in force and valid double taxation treaties (DTAs) with Australia, United Kingdom, Denmark, Germany, Belgium, France, Italy, Sweden, Canada, Bolivia, Brazil, Finland, Norway, and the Netherlands. In addition, a number of treaties concerning the exemption of income from international transport are in force. Argentina and Switzerland signed on March 20, 2014 a Tax Information Exchange Agreement (TIEA), which will allow both countries to share information on financial

accounts and other assets of their respective taxpayers. The agreement must be ratified by the legislatures in both countries.

OPIC and Other Investment Insurance Programs

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The GOA signed a comprehensive agreement with the Overseas Private Investment Corporation (OPIC) in 1989. The agreement allows OPIC to insure U.S. investments against risks resulting from expropriation, inconvertibility, war or other conflicts affecting public order. OPIC programs are currently used in Argentina. Argentina is also a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).

Labor

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Argentine workers are among the most highly educated in Latin America. Wages in dollar terms have historically been competitive. The peso depreciation in January 2014 reduced the dollar cost of labor in Argentina, making it a more attractive place for investors. Argentina has relatively high social security charges and other labor taxes. As of the fourth quarter of 2013, the unemployment rate was 6.4 percent according to official government statistics. The Ministry of Labor, Employment, and Social Security estimated that 33.5 percent of the urban workforce worked in the informal sector as of the fourth quarter of 2013.

Organized labor plays an active role in labor-management relations and in the Argentine political system. Standoffs between management and union activists do occur, but many managers of foreign companies say that they have good relations with their unions. While negotiations between unions and industry are largely market-driven, they occasionally require mediation by the Ministry of Labor.

Argentine law affords unions the right to negotiate collective bargaining agreements and offers recourse to mediation and arbitration. The Ministry of Labor ratifies collective bargaining agreements, which covered roughly 75 percent of the formally employed work force. There are no special laws or exemptions from regular labor laws in the Foreign Trade Zones (FTZs).

Foreign-Trade Zones/Free Ports

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Argentina has two types of tax-exempt trading areas: FTZs, which are found throughout the country; and the more comprehensive Special Customs Area (SCA), which covers all of Tierra del Fuego Province and whose benefits apply only to already established firms.

Argentine law defines an FTZ as a territory outside the "general customs area" (GCA, i.e., the rest of Argentina) where neither the inflows nor outflows of exported final merchandise are subject to tariffs, non-tariff barriers, or other taxes on goods. Goods produced within a FTZ generally cannot be shipped to the GCA unless they are capital goods not produced in the rest of the country. The labor, sanitary, ecological, safety,

criminal, and financial regulations within FTZs are the same as those that prevail in the GCA. Foreign firms receive national treatment in FTZs.

Under the current law, the GOA may create one FTZ per province, with certain exceptions. More than one FTZ per province may be allowed in sparsely populated border regions (although this provision has not been fully utilized). Thus far, the GOA has permitted FTZs in many of the 23 Argentine provinces. There are already ten free trade zones in Argentina, according to the AFIP and the Argentine government announced in February 2014 the installation of two new free trade zones in Province of Santa Cruz. The new free trade zones will be located in the cities of Caleta Oliva and Rio Gallegos. The most active FTZ is in La Plata, the capital of Buenos Aires Province.

Merchandise shipped from the GCA to a FTZ may receive export incentive benefits, if applicable, only after the goods are exported from the FTZ to a third country destination. Merchandise shipped from the GCA to a FTZ and later exported to another country is not exempt from export taxes. Any value added in an FTZ or re-export from an FTZ is exempt from export taxes.

Products manufactured in an SCA may enter the GCA free from taxes or tariffs. In addition, the government may enact special regulations that exempt products shipped through an SCA (but not manufactured therein) from all forms of taxation except excise taxes. The SCA program provides benefits for established companies that meet specific production and employment objectives.

The SCA program applies only to Tierra del Fuego Province. The government reduced some SCA benefits in the early 1990s. Some of these benefits were later reestablished at first only for those firms previously established in Tierra del Fuego Province, and later applied to all firms. The SCA program is scheduled to expire at the end of 2023. In late 2006, Economy Ministry Resolution 776 abolished the export tax exemption enjoyed by oil companies operating in Tierra del Fuego Province. The Argentine Congress passed a law in November 2009 establishing value-added tax rates up to 21 percent on cell phones, televisions, digital cameras and other electronic items not produced in the southern Tierra del Fuego foreign trade zone. According to the government, the bill aims to increase government revenue through higher tax collection, and encourage investment in Tierra del Fuego to promote local manufacturing and job growth. Additionally, the law removes certain tax benefits and taxes electronic products between 20.5 percent and 26 percent, which is reduced by two-thirds for electronics produced in Tierra del Fuego. However, the use of non-tariff barriers to effectively mandate the local production of many electronic goods is often the primary reason that foreign firms choose to assemble electronic products in Argentina.

TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy

	Host Country Statistical source*		USG or international statistical source		USG or international Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (<i>Millions U.S. Dollars</i>)	2012	468,301	2012	475,500	INDEC, www.indec.gob.ar http://www.worldbank.org/en/country (The difference is due to statistical corrections done by INDEC on regular basis.)
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (<i>Millions U.S. Dollars, stock positions</i>)	2012	N/A	2012	14,396	(BEA) click selections to reach. On historical-cost basis Bureau of Economic Analysis
Host country's FDI in the United States (<i>Millions U.S. Dollars, stock positions</i>)	2012	N/A	2012	209	(BEA) click selections to reach Bureau of Economic Analysis
Total inbound stock of FDI as % host GDP (<i>calculate</i>)	2012	N/A	2012	3.03%	

TABLE 3: Sources and Destination of FDI

(Note: IMF censured Argentina in Feb 2013 for reporting unreliable economic data.)

Argentina did not report data according to <http://cds.imf.org> data table.

In past reports we used UNCTAD data, Source: <http://unctadstat.unctad.org/TableViewer/tableView.aspx> -- According to the United Nations Conference on Trade and Development (UNCTAD) World Investment Report 2012, the total stock of FDI in Argentina at the end of 2012 was estimated at USD 110.7 billion. The stock of U.S. FDI in Argentina in 2012 was estimated at USD 14.4 billion by the U.S. Bureau of Economic Analysis. In 2012, according to UNCTAD, total FDI inflows were estimated at USD 12.5 billion and outward FDI flows amounted to USD 1.1 billion.

TABLE 4: Sources of Portfolio Investment

Argentina, June 2013

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
World	21,765	100%	World	12,800	100%	World	8,965	100%
United States	20,427	94%	United States	11,803	92%	United States	8,624	96%
Luxembourg	682	3%	Luxembourg	682	5%	Brazil	294	3%
Brazil	397	2%	Spain	124	1%	Germany	39	0.44%
Spain	124	1%	Brazil	103	1%	Chile	4	0.05%
Germany	40	0.18%	China, P.R.: Mainland	22	0.17%	Uruguay	3	0.03%

Source: <http://cpis.imf.org/>

Web Resources

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The full publication of the Investment Climate Statement can be downloaded as a pdf file at the following link:

<http://www.state.gov/documents/organization/227082.pdf>

Contact Point at Post

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 U.S. Embassy Buenos Aires
 Avenida Colombia 4300
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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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Letters of credit (L/Cs) may be used to pay for U.S. exports to Argentina. A number of banks in Argentina open letters of credit once the bank has approved a line of credit for the Argentine importer. Multinationals, large- and medium-sized firms are still the main users of L/Cs. However, to a lesser degree, small firms also use LCs.

Another payment option may be direct payment from Argentine importers' overseas bank accounts. Bank drafts and documentary collections are also of common use. While they do help safeguard the U.S. exporter's title to goods until payment has been received, all credit and country risk remains with the exporter. There is no obligation for the bank to cover these risks. However, documentary collections are less costly than letters of credit and, where the exporter is comfortable with these risks, they offer a practical and efficient solution, particularly for Argentine subsidiaries of U.S. companies.

According to local sources, the majority of sales to Argentine importers are currently taking place on open account. Small- and medium-sized Argentine companies in key sectors continue to have liquidity, favoring technological upgrades in production lines. As a result, open account sales generally take place between small- and medium-sized firms. U.S. exporters should consider open account payment terms only if they have a great deal of trust in the local importer and feel confident in the client's ability and willingness to pay.

How Does the Banking System Operate

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In Argentina, Law No. 21,526 of 1977 governs banking activities. Under this law, Argentina's Central Bank (BCRA) is the implementing authority and the regulatory body, which issues standards and controls activities of financial institutions included in the law (authorization and operating conditions within the banking industry; definition of permitted, prohibited and limited transactions; monetary controls; meeting certain operating ratios; information; accounting and control systems; dissolution and liquidation; etc.). In order to operate in Argentina, foreign banks must register with the BCRA and obtain appropriate authorization prior to engaging in banking activities in the country. In addition, there are minimum capital requirements for these entities to be allowed to do business.

Features of the Argentine Financial System

Classification

- Commercial banks
 - Government-owned: federal, provincial and municipal.
 - Private local banks with Argentine capital: cooperative banks and non-cooperative banks.
 - Foreign banks: private local banks, and local branches of foreign banks.
- Investment banks
 - Government-owned provincial banks.
 - Local banks with foreign capital.
- Mortgage banks
- Development banks
- Savings banks
- Finance companies
- Savings and loan associations for building homes or other real estate property
- Credit associations
- Representative offices

Funding Systems: Main Transactions

Financial transactions are generally made in pesos (legal tender), U.S. dollars, and government securities. The three segments making up Argentina's financial system are: peso, foreign currency, and the liquid assets under management of all banks in the financial system.

The main transactions are:

- Overdraft
- Promissory notes
- Discount of bills
- Mortgage loans
- Collateral loans
- Consumer loans
- Credit cards
- Demand deposits
- Certificates of deposit
- Common savings deposits
- Deposits in Argentine government securities
- Interbank transactions
- Swaps
- Bankers acceptances
- Spot exchange transactions
- Forward exchange transactions

In the late nineties, there were 120 banks operating in Argentina, whereas today there are approximately 65, after the fallout from the 2002-2003 peso devaluation crisis.

However, the financial system is perceived to be healthier than it was in the last decade.

Some public banks have improved management quality and, as a result, benefited from a significant increase in deposits over the last few years. Banks currently enjoy higher-quality client-portfolios than in the pre-crisis scenario.

Foreign-Exchange Controls

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The Argentine Central Bank is the regulatory body that approves foreign exchange acquisition for import-related transactions. For advance payments, Argentine importers must submit customs clearance documents, to include an approved Sworn Declaration of Intention to Import, known by its acronym in Spanish as DJAIs (or *Declaración Jurada Anticipada de Importación*), to their commercial bank within 360 days from payment as proof that the goods have been approved to enter the market. The Secretary of Trade in the Ministry of Economy reviews and clears the DJAI requests. If products are brought into Argentina as a temporary import, importers must submit within 90 days an interim-destination document for temporary import.

The Argentine government restricts the purchase of foreign currency, based on several variables. Amounts of foreign exchange transactions may vary on a case-by-case basis. Argentine companies can perform import payments in four different ways:

- 1) Advance payments: before the merchandise is shipped. The commercial bank requests from the Argentine importer the pro forma invoice and exchange purchase ticket. The local buyer has 360 days from shipment date to present the Customs clearance to its commercial bank.
- 2) Sight payments: when the merchandise was already shipped and payment is made against documents. The Argentine importer has 90 days from shipment date to present the commercial bank the clearance for Customs.
- 3) Credit payments: delayed payment. The commercial bank requests that the Argentine importer presents the clearance to Customs to keep track of merchandise imported, payments already made, and payments still due.
- 4) Anticipate the credit payment: delayed payment. The local buyer pays in full in one single payment. The commercial bank requests that the Argentine importer presents the clearance to Customs to keep track of merchandised imported and all payments made.

Since 2002, Government of Argentina (GOA) regulations require that all exports be assigned a value and that foreign exchange revenues be returned to Argentina. Thus, barter transfers of goods between exporter and importer are not possible. While bartering does not involve a sale per se, the GOA would still expect to see foreign exchange remittance to the local bank based on the value of the goods exported.

U.S. Banks and Local Correspondent Banks

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U.S. Banks in Argentina: Citibank is the only U.S.-controlled bank operating in Argentina within the retail segment. American Express Bank, Bank of America, Wachovia Bank, J.P. Morgan Chase, The Bank of New York, and First International Bank are other U.S. banks with subsidiaries or representatives in Buenos Aires.

Most Argentine banks maintain correspondent arrangements with U.S. banks. To obtain a list of Argentine Commercial Banks with Offices in the U.S. or banks operating in Argentina, please review the Argentina Government Portal:

<http://www.argentina.gob.ar/index.php> or contact Marcelo.Amden@trade.gov.

Project Financing

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Lack of access to international financial markets has limited project financing in Argentina. Credits have been coming from the Inter-American Development Bank and some countries, but financing from other multilateral banks and major developed countries has been limited due to concerns with Argentina's unpaid debts. Argentina agreed to settle its unpaid debt to its Paris Club creditors in 2014, which may pave the way for broader export financing in the future.

Money inflows to the local market are primarily used to finance Argentine export transactions. Local banks have stressed that the supplier-importer relationship is key, and that the vast majority of financing options have been reduced to financing offered by the foreign supplier. Nevertheless, there may be some options available to support trade finance for U.S. exports to Argentina, which are detailed below.

The U.S. Export-Import Bank (Ex-Im)

Ex-Im Bank is open for short and medium-term financing for U.S. exports only to private sector clients in Argentina. Bank officials continue to monitor the marketplace in order to consider future provisions of export financing for U.S. goods and services.

Ex-Im Bank can still consider financing arrangements that eliminate or externalize country risks. Potentially acceptable transactions include structured transactions that earn revenues offshore in a country with no Country Limitation Schedule restrictions (see www.exim.gov) and are held in a bank or trust account acceptable to Ex-Im Bank; third-party support from creditworthy entities in countries with no Country Limitation Schedule restriction; and asset-backed lease and financing structures involving equipment such as aircraft.

In addition, coverage under the Working Capital Guarantee Program may be available for a transaction that is supported by an irrevocable Letter of Credit issued by a bank and/or due from a buyer located in a country where Ex-Im Bank is open without restrictions for short-term transactions, but only to the private sector.

Visit the Ex-Im Internet site at <http://www.exim.gov/> for 24-hour access to Ex-Im and its programs, or call their toll free telephone number (800) 565-EXIM.

Small Business Administration

The Small Business Administration (SBA) has an Export Working Capital Program to support small and medium-sized exporters. For information about this program and to find your local SBA district office, call 1-800-U-ASK-SBA or search the SBA web site at <http://www.sba.gov/>. The U.S. Export Assistance Centers (USEAC) of the U.S. Department of Commerce can also provide information on this program. For a list of USEACs call 1-800-USA-TRADE or go to <http://www.buyusa.gov/home/us.html>.

Multilateral Development Bank Operations

The *International Bank for Reconstruction and Development (IBRD or World Bank)* provides funding for projects in Argentina. It also provides technical assistance and policy advice. IBRD raises money through the sale of AAA-rated bonds in international capital markets. Loans are made only to governments or to agencies that can obtain a government guarantee. The IBRD also provides partial risk or partial credit guarantees (with a counter-guarantee from their government) to private lenders on development projects. The interest rates are variable, set at half a percentage point above the Bank's average cost of borrowing or LIBOR. Repayment is usually between twelve and fifteen years, including a grace period of three to five years. Opportunities exist for U.S. companies to supply goods and services financed by these loans.

For contact information on World Bank projects in Argentina visit <http://web.worldbank.org/external/projects/main?pagePK=217672&piPK=95916&theSitePK=40941&menuPK=223661&category=regcountries®ioncode=7&countrycode=AR>.

The *International Finance Corporation (IFC)* is an affiliate of the World Bank and also provides project financing for private investment in Argentina. IFC offers long-term loans, equity investments, and other financing services. IFC will generally invest up to 25 percent of the total project cost. Besides project finance, IFC also provides legal and technical assistance to private enterprises. Unlike the IBRD, the IFC does not require government guarantees. U.S. companies seeking direct investment funds should contact the IFC.

The *Multilateral Investment Guarantee Agency (MIGA)* was established in April 1988 to help investors address problems of political risk. Investors' concerns about political risk slowed the flow of foreign direct investment, which in turn slowed the creation of jobs and the transfer of modern technology. MIGA's purpose is to promote the flow of foreign direct investment among member countries by insuring investments against non-commercial (political) risk and by providing promotional and advisory services to help member countries create an attractive investment climate. U.S. companies seeking investment guarantees should contact MIGA. NOTE: The Overseas Private Investment Corporation (OPIC) also provides investment guarantees - more information below).

The *Inter-American Development Bank (IDB)* also provides financial support to projects in Argentina at similar interest rates and with similar repayment terms. The relationship between the *Inter-American Investment Corporation (IIC)* and the IDB is similar to that of the IFC and the World Bank.

For contact information of multilateral development bank representatives in Argentina, see [Chapter 9: Contacts, Market Research, and Trade Events](#).

U.S. Department of Commerce Liaison Officers

At each of the multilateral development banks, the U.S. Department of Commerce has a liaison officer who advocates for U.S. firms and counsels them on multilateral bank opportunities. They are a valuable source of information on Multilateral Development Bank funded projects in Argentina.

Please see below for the contact information of the U.S. Commercial Service liaisons at the World Bank and Inter-American Development Bank:

E. Scott Bozek
Advisor & Director of Business Liaison
Office of the U.S. Executive Director
U.S. Trade Advocacy Center
E-mail: ebozek@worldbank.org; scott.bozek@trade.gov
Phone: (202) 458-0120
Fax: (202) 477-2967
<http://export.gov/worldbank/contactus/index.asp>

U.S. Commercial Service Liaison to the Inter-American Development Bank
Ms. Barbara White, Commercial Liaison
[U.S. Executive Director's Office](#)
Inter-American Development Bank
E-mail: barabaw@iadb.org
Phone: 202-623-3822
Fax: 202-623-2039
<http://www.buyusa.gov/idb/>

Overseas Private Investment Corporation

The [Overseas Private Investment Corporation \(OPIC\)](#) offers assistance to U.S. private investors in the form of political risk insurance, as well as loans and loan guarantees for their direct investment in Argentina. OPIC's main programs are:

Investment Insurance: Provides insurance against the risks of currency inconvertibility, expropriation, and the loss of assets or income caused by political violence. Coverage is available for new investments and for investments to expand or modernize existing operations.

Investment Programs: Medium- to long-term financing for sound overseas investment projects is made available through loan guarantees and direct loans. Loan guarantees generally range from \$10 million to \$75 million, and direct loans generally range from \$2 million to \$10 million. Direct loans are reserved for projects involving small businesses or cooperatives. OPIC's financing commitment may range from 50 percent of total project costs for new ventures to up to 75 percent for expansions of existing operations with maturities of five to twelve years (and in some cases longer).

Contact: www.opic.gov. Information officer: (202) 336-8799, Fax: (202) 408-5155. There is an automated information service via a fax retrieval line: (202) 336-8700.

Leasing

The passage of Leasing Law No. 25.248 in 2000 raised the stature of leasing as a financing option. Currently, leasing operations in Argentina account for 1.6 billion, comprised mostly of equipment leasing operations. Leasing activities increased approximately 50 percent since 2012, and industry experts expect this trend to continue evolving. According to Argentina's Leasing Association, financing through leasing was mainly used in the transportation, logistics and automotive sector (56.7%), purchase of industrial equipment (15.2%), construction machinery (9.9%), agricultural machinery (9.8%), technology and telecommunications equipment (4.8%) and real estate (1.6%). Some of the perceived advantages of leasing entail: installments which are fully deductible from capital gains taxes, no property taxes or taxes on interest, VAT applied proportionately on installments rather than up front, and accelerated depreciation.

Web Resources

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- Export-Import Bank of the United States: <http://www.exim.gov>
 - Ex-Im Bank Country Limitation Schedule:
http://www.exim.gov/tools/country/country_limits.html
- Overseas Private Investment Corporation (OPIC): <http://www.opic.gov>
- U.S. Trade and Development Agency (USTDA): <http://www.tda.gov>
- Small Business Administration (SBA) Office of International Trade:
<http://www.sba.gov/oit/>
- U.S. Department of Agriculture (USDA) Commodity Credit Corporation:
<http://www.fsa.usda.gov/cc/default.htm>
- U.S. Agency for International Development (USAID): <http://www.usaid.gov>
- International Bank for Reconstruction and Development (IBRD or World Bank):
<http://www.worldbank.org/>
 - World Bank Projects in Argentina:
<http://web.worldbank.org/external/projects/main?pagePK=217672&piPK=95916&theSitePK=40941&menuPK=223661&category=regcountries®ioncode=7&countrycode=AR>
 - U.S. Commercial Service Liaison to the World Bank:
<http://www.buyusa.gov/worldbank/>
- International Finance Corporation (IFC): <http://www.ifc.org/>
- Multilateral Investment Guarantee Agency (MIGA): <http://www.miga.org/>
- Inter-American Development Bank (IDB): <http://www.iadb.org/>
 - U.S. Commercial Liaison Office at the Inter American Development Bank:
<http://www.buyusa.gov/idb/>
- Inter-American Investment Corporation (IIC): <http://www.iic.int/home.asp>
- Argentina Government Web Portal/Banks:
<http://www.argentina.gov.ar/argentina/portal/paginas.dhtml?pagina=246>

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Chapter 8: Business Travel

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Business Customs

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Relationships are very important in doing business in Argentina. Thus, U.S. businesspeople should take the time to develop a close personal relationship with their agent, representative, distributor, or other business partner. Argentine business and customs are generally more formal than those in the United States. Business dress, appearance, and general demeanor are more conservative.

Courtesy is very important, and efforts to rush a business deal are unlikely to meet with success. No encounter starts with a business discussion. To establish trust, some time spent discussing family members, sports, and social activities will be fundamental to the development of a solid business relationship. It is important to shake hands with everyone in the room upon arriving and leaving. Among Argentines, it is customary for men and women to kiss women they meet for the first time on the right cheek. However, American men should shake hands with Argentine women in business meetings until a friendly relationship has been established.

Contacts and introductions are important. Therefore, it is advisable to use the services of the U.S. Commercial Service at the U.S. Embassy in Buenos Aires, or other organizations such as the American Chamber of Commerce, industry associations, and other intermediaries, rather than reliance on a direct "cold call" approach. The U.S. Commercial Service in Argentina offers a complete package of services for the U.S. businessperson to meet with potential business partners.

It is important that you be prompt to business meetings, though your Argentine contact may be slightly late, and always have a pre-arranged appointment. Be sure to have an ample supply of business cards. Although not essential, it is beneficial to have cards printed in Spanish as well as English.

One cultural note is that it is better form not to say you are from "America." In Latin America, the term "America" denotes both North and South America, not just the United States. Therefore, it is better to call yourself a North American (*norteamericano*).

Currency

The Argentine currency is the peso and is signified by the same symbol (\$) as the U.S. dollar. ATM machines are widely available in Buenos Aires, allowing travelers with a variety of credit or debit cards to withdraw funds automatically in local currency. Although usually accepted at most hotels, traveler's checks are often refused by business establishments and can be difficult or expensive to change at banks.

It is important to consider that all Argentines have a 35% overall tax for all foreign purchases, including travel services and airline tickets. Please note that you will be required to pay for hotels, air travel, the *buquebus*, and other travel costs (excluding local mass transit) with non-Argentine currency (normally hard currency such as dollars and euros) or with a credit card not in Argentine currency.

Travel Advisory

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Please consult the Department of State's **Bureau of Consular Affairs** web site for general travel information and the site's section on [Travel Warnings](#) for country-specific information: <http://travel.state.gov/content/passports/english/country/argentina.html>.

Visa Requirements

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Visas are not required for U.S. citizens traveling to Argentina for up to 90 days of tourism or business, except holders of U.S. Diplomatic and Official passports. However, the Argentine Government implemented a reciprocal Visa Fee on all foreign nationals whose governments require visas of Argentines. For U.S. citizens, this fee is \$160.00 and the visa is valid for ten years and multiple entries into Argentina. This fee must be paid online prior to traveling to Argentina and the traveler must print and carry the payment confirmation to present at the airport upon arrival in Argentina. Cash payments are NOT accepted at the airport once the traveler has arrived in Argentina. To pay the reciprocity fee online, go to <http://www.provinciapagos.com.ar/dnm/> and complete the form. Click on "Acceder" in the lower right corner and on the page that opens, click on the U.S. flag for the English version of the form. Within one business day, you will receive an email confirmation that your Reciprocity Fee has been paid. Print this receipt and present at the airport upon your arrival in Argentina.

For additional time in Argentina, visitors may request an extension of stay up to 90 days from the Argentine Immigration Service at:

Dirección Nacional de Migraciones

Av. Antártida Argentina 1355, Edificio 1, Piso 1

C1104AC Buenos Aires, Argentina

Phone: (54-11) 4311-7695 or 4313-2777

Fax: (54-11) 4313-1778

Email: info@migraciones.gov.ar

Website: <http://www.migraciones.gov.ar/accesibleingles/>

Argentine citizens traveling to the United States for any purpose require a U.S. visa. For more information on U.S. visa application procedures, visit http://argentina.usembassy.gov/nonimmigrant_visas.html.

Work and other Extended Visas

Although it is theoretically possible to arrange a work permit following arrival in Argentina, the process is much more complicated and time-consuming than applying for the work visa while abroad, and one may not legally begin remunerated employment until permission has been granted. Therefore, it is important to begin the work visa process as early as possible by applying at an Argentine consular office in the United States or abroad. This process can still be quite lengthy and require many civil documents (e.g., birth and marriage certificates) and police certificates. U.S. civil documents submitted to Argentine consular offices do not require Argentine consular certification. The government of Argentina requires only a Hague Convention *apostille* certificate from the Secretary of State of the U.S. state where the document was issued or from the U.S. Department of State for U.S. federal government-issued documents. Argentine immigration law provides for the following temporary and permanent resident categories and conditions:

- Transitory residents, tourists, and students are not allowed to carry on a remunerated or profitable activity unless expressly authorized by the immigration authorities.
- Temporary residents may perform such activities during their authorized stay if they obtain a work permit. The work permit can be obtained from the immigration authorities at the Immigration Office, upon prior filing of relevant documentation. The permit authorizes a stay from one to three years.
- Permanent residents may perform any type of remunerated or profitable activity, either as employees or self-employed.

There are special immigration provisions for some foreign professional, scientific, or technical research personnel hired abroad to render services in Argentina for a maximum of two years. The individual must not be a resident in Argentina and must be covered for contingencies such as old age, disability or death by the law of their own country.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

- State Department Visa Website: <http://travel.state.gov/visa/>
- United States Visas.gov: <http://www.usimmigrationsupport.org/visas.html>
- U.S. Embassy in Buenos Aires: <http://argentina.usembassy.gov/>
- U.S. Embassy in Buenos Aires, Consular Section: <http://argentina.usembassy.gov/visas.html>

Telecommunications

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Telephone service, both international and local is adequate, with several providers such as Telecom, Telefónica, Claro, Nextel and Movistar, among others, offering service. At the time of this writing no 4G service was available. There is also a wide range of cable television channels available, including CNN International, CNN en Español, FOX, WB, Sony, MTV, and channels from Brazil, Chile, Mexico, France, Germany, Italy, and elsewhere.

Electric Current

The electric current in Argentina is AC 220 volts, 50 cycles in the case of one phase; AC 380 volts, 50 cycles for three phase. Electric plug configurations are usually 2-3 flat pins with the top two slightly angled to form a "Y" shape or two round-tipped straight pins.

Transportation

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U.S. carriers flying to Argentina include American Airlines, Delta Air Lines and United. The primary gateways are Atlanta, Dallas, Houston, Miami, and New York. The Argentine carrier, Aerolineas Argentinas, also flies between the United States and Argentina. Also, in-country travel, and travel between Argentina and other South American countries, is widely available from a variety of Argentine and foreign carriers. Two main airports serve Buenos Aires: Aeroparque Jorge Newbery, which is located near downtown serving domestic flights and some regional flights to Brazil, Uruguay, and Paraguay; and Ezeiza International Airport, which is a 45-minute drive from Buenos Aires, serving all other international flights, including those from the United States.

Taxis are plentiful and fares are reasonable, and are generally the most effective way of moving around Buenos Aires. A widely available private car service, called "*remise*", is also available and is the recommended method of travel from Ezeiza International Airport into Buenos Aires. *Remise* services have counters at the airport. For security reasons, the U.S. Embassy in Buenos Aires recommends that travelers use either *remises* or radio taxis, rather than hailing taxis on the street.

Travel in Argentina can be accomplished by train, bus, or car, although air travel is recommended for many trips to key cities in the provinces due to large distances. Automobile rental is available throughout the country, although it is quite expensive compared to U.S. rental costs. Travelers should be aware that Argentina has a high rate of auto accidents, and driving is not recommended for short visits.

Language

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Spanish is the national language of Argentina, although many businesspeople speak English as well as other European languages. Do not assume, however, that your contacts will speak English. Although some of your contacts may speak some English socially, do not assume that they will want to conduct business meetings in English. Therefore, hiring an interpreter is highly recommended for business meetings. The U.S. Commercial Service in Argentina can assist you in selecting an interpreter for your

business meetings. For U.S. businesspeople that already speak Spanish, note that Argentina has distinct differences in pronunciation, cadence, and vocabulary.

Almost all business in Argentina is transacted in Spanish, and all documents and records must be in that language to constitute valid evidence. Business documents in a foreign language should be translated by a certified public translator to be presented for legal purposes to Argentine authorities. A list of certified public translators is available upon request from the U.S. Commercial Service in Argentina (Office.BuenosAires@trade.gov).

Health

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Buenos Aires has no particular health risks and no special precautions need to be taken. Sanitary conditions are good and tap water is safe to drink. Many competent doctors, dentists, and specialists are available in Buenos Aires. Outside of Buenos Aires or other major cities, basic precautions, such as drinking bottled water, are recommended. Prior to travelling to Argentina, it is advisable to consult with your medical professional and review the Department of State's **Bureau of Consular Affairs** web site for general travel information: <http://travel.state.gov/content/passports/english/go/health.html>.

Local Time, Business Hours, and Holidays

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Argentina is three hours behind Greenwich Mean Time (UTC). Argentina is + 1 hour U.S. Eastern Daylight Time (Summer Time) and +2 hours Eastern Standard Time (Winter). The 24-hour system is used rather than the 12-hour a.m./p.m. system. There is only one time zone for all of Argentina. [Click here](#) for the current time in Argentina.

Business office hours are Monday through Friday from 9.00 a.m. to 6.00 p.m. (two hours earlier for factories) with a one-hour lunch break. Work luncheons are frequent for business people and they generally extend from 1.00 to 3.00 p.m. Business dinners, and dinners in general, begin at 9.00 p.m. Most retail stores are open from 9.00/10.00 a.m. to between 6.00 and 9.00 p.m., Monday through Saturday. Banks are open to the public from Monday through Friday from 10.00 a.m. to 3.00 p.m.

Since Argentina is in the Southern Hemisphere, its seasons are the reverse of those in the Northern Hemisphere. Summer in the United States is winter in Argentina, and vice versa. School summer vacations take place from approximately Christmas to March, instead of June through August, and there is a two-week winter school vacation in July. It is often difficult to conduct business in Argentina in January and February, since most businesses are either closed or working on a limited schedule. Ask your business contacts when it is best to come, and plan travel times and clothing accordingly. Summer, which occurs from December through March, is hot and humid in Buenos Aires. The coldest months are July and August (Winter), with temperatures between the 30s and 50s.

Holidays

Argentine National Holidays for 2014:

New Year's Day	Wednesday, January 1
Carnival	Monday, March 3 & Tuesday, March 4
National Memorial	Monday, March 24
Good Friday	Friday, April 18
Malvinas' Veteran and Memorial Day	Wednesday, April 2
Labor Day	Thursday, May 1
Holiday for tourism	Friday, May 2
Revolution Day	Sunday, May 25
Flag Day	Friday, June 20
Independence Day	Wednesday July 9
Death of San Martin (Actual date: August 17)	Monday, August 18
Columbus Day (Actual date: October 12)	Monday, October 13
Sovereignty Day (Actual date: November 20)	Monday, November 24
Immaculate Conception	Monday, December 8
Christmas Day	Thursday, December 25
Holiday for tourism	Friday, December 26

In addition, government offices, banks, insurance companies, and courts are closed on a number of "non-work days", but closing is optional for business and commerce, such as Holy Thursday (immediately before Easter). The U.S. Embassy closes on all U.S. federal holidays in addition to Argentine holidays.

Temporary Entry of Materials and Personal Belongings

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According to Argentine law, personal working elements such as laptop computers, cellular phones, and other tools must be registered at Customs at the time of entry and again upon departure from Argentina. Samples brought into the country by a traveling salesperson are admitted free of duty provided they have no commercial value. Otherwise, the traveler may be required to deposit a 90-day bond that is refunded when the goods leaving the country.

Argentina is not a party to the A.T.A. Carnet (Temporary Admission) program of the U.S. Council for International Business to import goods, display booths, and literature for display in local trade shows for subsequent re-export. The Argentine Temporary Admission Regime (TAR) allows duty free admission of goods such as commercial samples, packaging, pallets, containers, and goods for exhibits. These items must be re-exported within the timeframe stipulated by Customs on entering the country. Many trade show organizers are able to obtain a special waiver from the Argentine government on a case-by-case basis.

Web Resources

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- Business Travel Information:
<http://export.gov/argentina/businesstravelinformation/index.asp>

- Argentina Ministry of Tourism: <http://www.turismo.gov.ar/eng/menu.htm>
- ArgentinaTuristica.com: <http://www.argentinaturistica.com/2datosargen.htm>
- Consular Information Sheet:
<http://travel.state.gov/content/passports/english/country/argentina.html>
- City of Buenos Aires Under Secretariat of Tourism (*Spanish*):
<http://www.turismo.buenosaires.gob.ar/es>

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Chapter 9: Contacts, Market Research and Trade Events

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- [Market Research](#)
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Contacts

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U.S. AND COUNTRY CONTACTS

U.S. Embassy Trade Related Contacts

U.S. EMBASSY IN ARGENTINA
Av. Colombia 4300
C1425GMN Buenos Aires
Phone: (54-11) 5777-4533
Internet: <http://argentina.usembassy.gov/>

U.S. Department of State

Kevin Sullivan, Chargé d' Affaires a.i.
Timothy M. Stater, Counselor for Economic Affairs
Kenneth Roy, Counselor for Political Affairs
Marcia Bosshardt, Counselor for Public Affairs
Daniel Perrone, Consul General

U.S. Department of Commerce

James Koloditch, Senior Commercial Officer
Yamilee Bastien, Commercial Attaché

Mailing Address:

U.S. Commercial Service
U.S. Embassy Buenos Aires
3130 Buenos Aires PL
Washington, D.C. 20521-3130
Phone: (54-11) 5777-4753
Fax: (54-11) 5777-4203
E-mail: Office.BuenosAires@trade.gov
Internet: <http://export.gov/argentina/>

Industry Sectors	Sector Specialist	Phone Number
Agricultural Machinery & Equip./Chem/Svcs.	Elizabet Simon	(54 11) 5777-4619
Apparel/Footwear/Textiles	Josette Fiore	(54-11) 5777-4683
Artwork	Josette Fiore	(54-11) 5777-4683
Audio/Visual Equip.	Marina Millet	(54-11) 5777-4851

Automotive	Marcela Carello	(54-11) 5777-4765
Aviation	Marina Millet	(54-11) 5777-4851
Biotechnology	Liliana Paz	(54-11) 5777-4519
Books & Periodicals	Josette Fiore	(54-11) 5777-4683
Chemicals	Liliana Paz	(54-11) 5777-4519
Computers	Marina Millet	(54-11) 5777-4851
Construction and Building Materials	Marcela Carello	(54-11) 5777-4765
Cosmetics and Toiletries	Josette Fiore	(54-11) 5777-4683
Defense	Marina Millet	(54-11) 5777-4851
Education and Training Svcs.	Diana Brandon	(54-11) 5777-4550
Electronic Components	Marina Millet	(54-11) 5777-4851
Employment, Financial, Investment, Leasing & Insurance and Trade Promotion Services	Marcelo Amden	(54-11) 5777-4509
Energy	Marcelo Amden	(54-11) 5777-4509
Environmental Technologies	Marcelo Amden	(54-11) 5777-4509
Food Processing/Packaging	Liliana Paz	(54-11) 5777-4519
Forestry/Woodworking Machinery	Marcela Carello	(54-11) 5777-4765
Franchising	(See Industry Specialist)	(54-11) 5777-4753
Furniture	Josette Fiore	(54-11) 5777-4683
General Consumer Goods	Josette Fiore	(54-11) 5777-4683
General Industrial Equip.	Marcela Carello	(54-11) 5777-4765
General Services (Advertising, Legal, Real Estate, Retailing/Wholesaling, Direct/Telemarketing, etc.)	Diana Brandon	(54-11) 5777-4550
Healthcare/Medical Industry/Equip.	Liliana Paz	(54-11) 5777-4519
Hotel/Restaurant Industry/Equip.	Diana Brandon	(54-11) 5777-4550
Household Consumer Goods	Josette Fiore	(54-11) 5777-4683
Jewelry	Josette Fiore	(54-11) 5777-4683
Laboratory Scientific Instruments (Non-clinical)	Marcela Carello	(54-11) 5777-4765
Lawn & Garden Equip.	Josette Fiore	(54-11) 5777-4683
Management Consulting Svcs.	Marcelo Amden	(54-11) 5777-4509
Marine Fisheries Products (Seafood)	Josette Fiore	(54-11) 5777-4683
Materials Handling Equip.	Marcela Carello	(54-11) 5777-4765
Metalworking Equip.& Machine Tools	Marcela Carello	(54-11) 5777-4765
Mining Industry	Marcelo Amden	(54-11) 5777-4509
Musical Instruments	Josette Fiore	(54-11) 5777-4683
Paper & Paperboard	Liliana Paz	(54-11) 5777-4519
Paper & Pulp Machinery	Marcela Carello	(54-11) 5777-4765
Pharmaceuticals & Drugs	Liliana Paz	(54-11) 5777-4519

Plastics Processing Machinery & Materials	Liliana Paz	(54-11) 5777-4519
Pleasure Boats	Josette Fiore	(54-11) 5777-4683
Pollution Control Equip.	Marcelo Amden	(54-11) 5777-4509
Ports & Shipbuilding	Marcelo Amden	(54-11) 5777-4509
Printing/Packaging	Liliana Paz	(54-11) 5777-4519
Processed and Pet Foods	Josette Fiore	(54-11) 5777-4683
Robotics	Marcela Carello	(54-11) 5777-4765
Safety & Security Equip.	Marina Millet	(54-11) 5777-4851
Software	Marina Millet	(54-11) 5777-4851
Sporting Goods & Recreational Equip.	Josette Fiore	(54-11) 5777-4683
Telecommunications	Marina Millet	(54-11) 5777-4851
Test Eq./Process Controls	Marcela Carello	(54-11) 5777-4765
Tools: Hand & Power	Marcela Carello	(54-11) 5777-4765
Toys & Games	Josette Fiore	(54-11) 5777-4683
Travel & Tourism Svcs.	Diana Brandon	(54-11) 5777-4550
Veterinary Equip.	Josette Fiore	(54-11) 5777-4683
Water Resources Equip./Svcs.	Marcelo Amden	(54-11) 5777-4509

Note: If at any time you are unable to reach a Sector Specialist, please call the Buenos Aires Commercial Service main number (54-11) 5777-4753 or send an email to Office.BuenosAires@trade.gov for assistance.

To reach the U.S. Department of Agriculture in Buenos Aires:

U.S. Department of Agriculture

U.S. Embassy in Buenos Aires, Argentina

Melinda Sallyards, Counselor for Agricultural Affairs

Brooke Markley, Agricultural Attaché

Phone: (54-11) 5777-4627

Fax: (54-11) 5777-4216

E-mail: Andrea.Yankelevich@fas.usda.gov

Internet: http://argentina.usembassy.gov/foreign_agricultural_service.html

OTHER USEFUL CONTACTS IN THE UNITED STATES:

U.S. Department of Commerce

ITA PDAS – WH Office of South America

Anne Driscoll, Director

1401 Constitution Ave NW, Room C307

Washington, DC 20230

Phone: 202-482-1648

Fax: 202-482-4726

Email: Anne.Driscoll@trade.gov

Web: <http://www.trade.gov/markets/>

Ashley Rosen, Argentina, Uruguay, Paraguay and Mercosur Desk Officer

ITA PDAS – WH Office of South America Global Markets

1401 Constitution Ave., NW, Room CC333

Washington, D.C. 20230

Phone: 202-482-6311

Fax: 202-482-4726

E-mail: Ashley.Rosen@trade.gov

U.S. Department of Commerce

Global Knowledge Center

1401 Constitution Ave., NW

Washington, D.C. 20230

Phone: 1-800-USA-TRAD(E)

Fax: 202-482-4473

E-mail: tic@trade.gov

Internet: http://www.export.gov/exportbasics/eg_main_017483.asp

U.S. Department of State

Commercial and Business Affairs

U.S. Department of State

2201 C Street, NW, Room 2318

Washington, D.C. 20520-7512

Phone: 202-647-1625

Fax: 202-647-3953

Internet: <http://www.state.gov/e/eb/cba/>

Special Representative for Commercial and Business Affairs: Scott Nathan

U.S. Department of Agriculture

Foreign Agricultural Service

Trade Assistance and Promotion Office (TAPO)

1400 Independence Ave., NW

USDA South Building

Washington, D.C. 20250 - 1052

Phone: 202-720-7420

Hearing Impaired: 202-690-4374

Fax: 202-205-9728

E-mail: tapo@fas.usda.gov

Internet: <http://www.fas.usda.gov/>

AMCHAM AND / OR BILATERAL COUNCILS

American Chamber of Commerce in Argentina

Juan Vaquer, President

Alejandro Diaz, CEO

Phone: (54-11) 4371-4500

Fax: (54-11) 4371-8400

Email: amcham@amchamar.com.ar

Internet: <http://www.amchamar.com.ar/>

TRADE AND INDUSTRY ASSOCIATIONS IN ARGENTINA

ASOCIACION DE IMPORTADORES Y EXPORTADORES DE LA REPUBLICA ARGENTINA (AIERA)

(Association of Argentine Importers and Exporters)

Mr. Daniel Solda, President

Mr. Adriano A. De Fina, Manager

Phone: (54-11) 4342-0010

E-mail: aiera@aiera.org.ar

Internet: <http://www.aiera.org/>

BOLSA DE COMERCIO DE BUENOS AIRES

(Buenos Aires Stock Exchange)

Mr. Héctor Orlando

Phone: (54-11) 4316-7000

E-mail: presidencia@bcba.sba.com.ar

Internet: <http://www.bcba.sba.com.ar>

CAMARA ARGENTINA DE COMERCIO

(Argentine Chamber of Commerce)

Mr. Carlos Raul De la Vega, President

Phone: (54-11) 5300-9000

E-mail: servicios@cac.com.ar or cac@cac.com.ar

Internet: <http://www.cac.com.ar/>

CAMARA DE COMERCIO EXTERIOR DE CORDOBA

(Chamber of Foreign Trade of Cordoba)

Sr. Norberto Delfino, President

Lic. Carlos Pelliza, General Manager

Phone: (54-11) 4342-1101

E-mail: cira@cira.org.ar; servicios@cira.org.ar

Internet: <http://www.cira.org.ar/>

SOCIEDAD RURAL ARGENTINA

(Argentine Farmers' Association)

Dr. Luis Miguel Etchevehere, President

Phone: (54-11) 4324-4700

Email: sra@sra.org.ar

Internet: <http://www.sra.org.ar/>

UNION INDUSTRIAL ARGENTINA (UIA)

(Argentine Manufacturers' Association)

Mr. Héctor Méndez, President

Phone: (54-11) 4124-2300

E-mail: uia@uia.org.ar

Internet: <http://www.uia.org.ar/>

Argentine Government Agencies

For a complete list of Argentine Government agencies in Spanish, please visit:

<http://www.argentina.gob.ar/pais/65-autoridades-nacionales.php>.

Market Research Firms in Argentina

A list of market research firms operating in Argentina is available upon request to the following e-mail address: Marcelo.Amden@trade.gov.

Country Banks

To obtain a list of banks operating in Argentina or Argentine Commercial Banks with Offices in the U.S, please contact Marcelo.Amden@trade.gov.

U.S. Commercial Banks in Argentina

BNY - THE BANK OF NEW YORK MELLON
Mrs. María de la Cruz Solares, Representative
25 de Mayo 195, Piso 6
C1002ABC Buenos Aires
Phone: (54-11) 4331-1111, Ext. 250
Fax: (54-11) 4331-1111
Internet: <http://www.bnymellon.com/>

CITIBANK S.A.
Mr. Gabriel Ribisich, President
Bartolome Mitre 530
C1036AAJ Buenos Aires
Phone: (54-11) 4329-1291
Fax: (54-11) 4329-1032
Internet: <http://www.citibank.com/argentina>

WELLS FARGO N.A.
Mr. Santiago Andres Elizondo, Representative
25 de Mayo 555, Piso 11
C1002ABK Buenos Aires
Phone: (54-11) 4313-9090
Fax: (54-11) 4314-0822
Internet: <http://www.wellsfargo.com/>

J.P. MORGAN CHASE SUC. BUENOS AIRES
Mr. Facundo Gómez Minujin, General Manager
Av. Eduardo Madero 900, Piso 23
C1106ACV Buenos Aires
Phone: (54-11) 4325-8046
Fax: (54-11) 4348-7222
E-mail: corporate.services.argentina@jpmchase.com
Internet: <http://www.jpmorganchase.com/>

BANK OF AMERICA N.A.
Mr. Juan Gerardo Boutsaksian
Della Paolera 265, Piso 10
C1001ADA Buenos Aires
Phone: (54-11) 4317-3500
Internet: <https://www.bankofamerica.com/>

Merrill Lynch Argentina S.A. operates as a subsidiary of Bank of America Global Holdings, LP.

Torre Bouchard Building
Bouchard 547, 23rd Floor
C1106 Buenos Aires
Phone: (54-11) 4317-7600
Fax: (54-11) 4317-7583
Internet:

http://www.ml.com/index.asp?id=7695_8134_8317_17273&CountryID=2&wsURL=http%3A%2F%2Flocalhost%2FMerrill%2Fso%2F4%2Fgolinc2.aspx

Multilateral Development Bank Offices in Argentina

INTER-AMERICAN DEVELOPMENT BANK

Mr. Hugo Florez Timoran, Representative

Mr. Luis Alberto Moreno, President

Calle Esmeralda 130, Piso 19

Buenos Aires 1035

Phone: (54-11) 4320-1800

Fax: (54-11) 4320-1830/31

E-mail: BIArgentina@iadb.org; pic@iadb.org

Internet: <http://www.iadb.org/en/countries/argentina/argentina-and-the-idb,1011.html>

INTERNATIONAL FINANCE CORPORATION

IFC FIELD OFFICE

Mr. Salem Rohana, Country Manager

Bouchard 557, Piso 11

C1106 ABG Buenos Aires

Phone: (54-11) 4114-7200

E-mail: abrizio@ifc.org

Internet: <http://www.ifc.org>

WORLD BANK FIELD OFFICE

Ms. Sabine Hader, Regional Country Officer

Bouchard 547, Piso 28 & 29

C1106ABG Buenos Aires

Phone: (54-11) 4316-9700

Email: feedback@worldbank.org; sip@worldbank.org

Internet: <http://www.worldbank.org/en/country/argentina>

Law Firms in Argentina

To obtain an updated list of Law Firms operating in Argentina, please contact:

Diana.Brandon@trade.gov.

Consultants

Technical Telecommunications Consultants

A list of technical telecommunications consultants in Argentina is available upon request to the following e-mail address: Marina.Millet@trade.gov.

Intellectual Property Consultants

A list of intellectual property consultants in Argentina is available upon request to the following e-mail address: Liliana.Paz@trade.gov.

Customs Brokers/Freight Forwarders in Argentina

To obtain a list of customs brokers or freight forwarders in Argentina as well as address general questions regarding customs issues and regulations, please contact: Josette.Fiore@trade.gov

Maritime Agencies/Bonded Warehouses/Port Terminals

A list of maritime agencies, bonded warehouses and/or port terminals is available upon request to the following e-mail address: Marcelo.Amden@trade.gov.

Airline Companies

A list of airlines operating in Argentina can be obtained by visiting the following web site: http://www.aa2000.com.ar/ip_la_internacionales.aspx or contact: Diana.Brandon@trade.gov.

Couriers

DHL INTERNATIONAL S.A.

Mr. Ricardo Saco, Director, Argentina Operations

Larrazabal 2255

C1440CVB Buenos Aires

Phone: (54-11) 5670-1100

Fax: (54-11) 5670-1036

Internet: <http://www.dhl.com.ar/en.html>

FEDERAL EXPRESS CORP. (FEDEX)

Ms. Silvina Prette, General Manager, Argentina Branch

Maipu 753, PB

C1006ACI Buenos Aires

Phone: (54-11) 4325-6555

Fax: (54-11) 4325-5553

Internet: http://www.fedex.com/ar_english

TNT EXPRESS/ TNT ARGENTINA S.A.

Mr. Miguel Pablo Acevedo Saladino, VP

Av. Osvaldo Cruz 3201

C1293ADK Buenos Aires

Phone: (54-11) 4309-0800

Fax: (54-11) 4309-0801

Email: servicioalcliente.bue@tnt.com

Internet: http://www.tnt.com/express/es_ar/site/home.html

UPS DE ARGENTINA S.A.
Mr. Francisco Ricaurte, General Manager
Luis Sáenz Peña 1351
C1135ABC Buenos Aires
Phone: (54-11) 4339-2877
Fax: (54-11) 4339-2859
Email: custsvcares@ups.com
Internet: <http://www.ups.com/content/ar/en/index.jsx>

Hotels in Argentina

For information on hotels in Argentina, please contact Diana.Brandon@trade.gov.

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

Please click on the link below for information on upcoming trade events sponsored by the U.S. Commercial Service in Argentina.

<http://export.gov/argentina/tradeevents/index.asp>

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Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities, and support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov.

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link:

<http://export.gov/argentina/servicesforu.s.companies/index.asp>.

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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