



## Doing Business in Argentina:

### 2009 Country Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business In Argentina](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

## Chapter 1: Doing Business in Argentina

- [Market Overview](#)
- [Market Opportunities/Challenges](#)
- [Market Entry Strategy](#)

### Market Overview

[Return to top](#)

Welcome to Argentina! There is a distinguished bilateral commercial history that the United States and Argentina share, with new opportunities for future trade and investment. The United States is Argentina's third largest trading partner (after Brazil and China), and the Argentine Government Investment Agency recently cited the U.S. as the "most active" country investor in Argentina.

The United States maintains a trade surplus with Argentina: in 2008, the United States exported nearly \$6 billion in goods to Argentina, and imported \$5.6 billion in goods (mostly commodities) from Argentina.

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. U.S. investment in Argentina totals over \$13 billion, representing a large number of sectors, but with concentration in the energy, manufacturing, information technology, and financial sectors.

In 2008, many U.S. firms were featured in the list of the "best places to work" in Argentina (21 of the top 50, and 6 of the top 10) and are many of the "most admired companies in Argentina" (33 of the 100 most admired in Argentina) as ranked by The Great Places to Work Institute, and the CEOP public opinion polling and research organization, respectively.

### Market Opportunities/Challenges

[Return to top](#)

This Country Commercial Guide presents information for companies to determine the market potential of the Argentine market. This year's top market sectors described in Chapter Four are: Agricultural Machinery Parts and Irrigation Equipment; Food Processing Equipment; ICT; Medical Equipment & Supplies; Mining Equipment; Plastics Machinery & Equipment; Renewable Energy Equipment; Safety & Security, Sporting Goods; and Travel & Tourism.

We encourage you to work with the U.S. Embassy to explore opportunities in all sectors. Services offered by the U.S. Embassy for American firms 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 (Ex-Im) Bank is open for short-and medium-term financing for U.S. exports to private sector clients in Argentina. Long-term (15 years) financing is available for environmental projects on a case-by-case basis. 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

[Return to top](#)

- U.S. companies typically market their products and services through Argentine agents, representatives, and distributors.
- Market segmentation is key, as it is increasingly difficult to establish a "typical customer" due to new consumption habits and to the dynamics of income distribution and demography.
- Personal relationships are fundamental when doing business in Argentina. Success requires taking the time to develop close personal business relationships.
- U.S. companies must consider Argentina's unique economic, demographic, and cultural characteristics that distinguish it from other Latin American countries.
- Marketing U.S. products and services in Argentina requires a high level of research, preparation, and involvement.
- An important component of the marketing mix is promotion. Companies are encouraged to visit or exhibit at local and regional trade shows, and to visit trade shows in the United States attended by Argentine buyers.
- 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 the Argentine market.
- Protect your intellectual property and engage qualified local professionals 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://www.buyusa.gov/argentina/en/cs\\_argentina\\_services.html](http://www.buyusa.gov/argentina/en/cs_argentina_services.html).

[Return to table of contents](#)

[Return to table of contents](#)

## **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 of State Background Notes.

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

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

### Using an Agent or Distributor

[Return to top](#)

U.S. companies typically market their products through an Argentine agent/representative or a distributor. Working with a distributor has several advantages. Distributors can provide strategic support for positioning brands in the market through advertising and promotion. 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.

The Civil and Commercial Codes govern principal-agent relations. 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 under Argentine labor law.

The contract entered with agents/distributors should specify rights and responsibilities, the exclusive or non-exclusive nature of the relationship, geographical scope, description of the product or services included, and the compensation plan. Contracts do not require a specific format and can be executed verbally. However, 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.

If the distributor is granted exclusive representation in an area, this right must be explicitly noted. Areas may be assigned according to geography, sectors of activity (public or private sectors), transaction volumes (large companies, retailers, etc.), and transaction modes (cash segment, home sale, etc.)

The agent may become an employee when any of the following requirements is fulfilled:

- When he/she sells in the name of his/her employer
- When he/she sells at the prices and sales conditions established by the ones he/she represents (terms of sale defined by principal)
- When he/she receives a salary, travel allowances, fees, or any other kind of compensation
- When he/she usually and personally carries out his/her activity as a traveling salesperson
- When he/she renders his/her services within a determined geographic area
- When the risk of his/her operations is levied on the employer.

In these cases, Law 11,544 of 1929, as amended, may regulate the agent. In particular, Law 14,546 of 1958 extends Labor Law benefits to business agents.

The parties may not elect foreign laws to govern the agreement. If a contract is executed abroad to avoid Argentine law, Argentine courts will not enforce it.

The Civil and Commercial Codes permit a principal to cancel an agency agreement at his or her discretion. However, the terminating party may be liable for damages resulting from a wrongful cancellation. All agreements, whether for a definite or indefinite term, should include a notice of cancellation clause.

Labor laws similarly require the service of a cancellation notice sometime before the actual cancellation date; otherwise, the principal may be liable to the employee for earnings that would have accrued during the notification period. In all cancellation cases, except those based on a just cause, the agent is entitled to one month's compensation for each year of service, payable in a lump sum.

In addition, when a contract is terminated after one year, the agent or the distributor is entitled to compensation for the lost customers, which will amount to 25 percent of the amount corresponding to a wrongful dismissal.

Relationships are key. U.S. companies should look at the long-term picture, taking the time to develop a close relationship with a representative, agent, distributor, or other business partner. 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://trade.gov/cs/services.asp>. You may also contact the Commercial Service in Buenos Aires (CSBA) directly for additional information on partner search services, applicable fees and delivery times at <http://www.buyusa.gov/argentina/en/>.

## **Establishing an Office**

[Return to top](#)

Foreign companies may carry out any single transaction. To carry out 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 were used, the foreign corporation's liability would generally be limited to the assets owned by that subsidiary.

Registration Procedures: a law effective throughout Argentina regulates corporations. 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 within three to four weeks if capital is supplied only in cash. If supplied in kind, the corporation can be established within approximately two months. The estimated total incorporation cost ranges from \$500 to \$1,000, including statutory books and excluding professional fees. A minimum of two founders is required with no maximum limit. The founders of a company 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.

The minimum initial capital required is \$4,000, except for corporations engaged in banking, insurance, or related activities. If the capital is supplied in cash, at least 25 percent must be paid at incorporation, with the remainder payable in two years. If in kind, it must be fully paid at incorporation.

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. (A brief list of local English-speaking law firms is available in [Chapter 9: Contacts, Market Research and Trade Events.](#))

## **Franchising**

[Return to top](#)

Development of franchising in Argentina has been uneven and shows a high level of concentration: 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. The percentage of local franchisers has grown considerably in the past decade, and now accounts for approximately 87 percent of the total number of franchisers. U.S.

companies make up about 6.1 percent of the total and Spanish and Brazilian companies each account for about 1.9 percent of the total.

The most popular areas for international franchisers are fast foods, foreign language training, apparel, dry cleaning, hotels, and car rental services. Local franchises have been particularly successful in ice creams, "empanada" pastries, health clubs, and education. Currently, coffee shops and stores are 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. Other significant U.S. market players include Kodak Express, McDonald's, Burger King, Blockbuster, FutureKids, the Wall Street Institute, and Re-Max.

Franchise contracts are generally protected under the Argentine Commercial Code as opposed to being 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 franchiser and franchisee.

Elements of the contract include: the license, methods/systems or proprietary information transferred to a franchisee, the supply of needed inputs, methods of sales, and quality standards, and ultimate control by franchiser of the contract elements.

Franchises have been successfully used in Argentina, but the obligations of the franchiser must be clearly delineated in the contract to avoid legal obligations associated with the operator, in case of default, bankruptcy, etc. Argentine law is unclear about franchiser obligations in case of bankruptcy or other commercial failings. Legal advice should be sought before signing contracts.

## **Direct Marketing**

[Return to top](#)

With the Argentine economy registering six consecutive years of strong growth, direct marketing methods have renewed opportunities for development. Telemarketing has been one of the quickest growing tools for businesses to contact their clients during recent years. E-commerce is increasingly a part of daily life, particularly given a higher penetration of home broadband connections.

Mail-order marketing is still not 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 shipment. Obstacles that impede the development of mail orders include payment methods and delivery.

Some imported products are marketed directly through cable and satellite TV programs. Large and specialized retailers, such as household appliance stores, print flyers to lure consumers into their stores. Use of coupons has still not caught on as an important marketing tool, as redemption rates are still low. 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.



Additionally, companies selling household consumer goods, electronic devices, merchandising, books and CDs, computer hardware, tourism services, and even cars publish their product catalogs on-line.

## Joint Ventures/Licensing

[Return to top](#)

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 (joint ventures) are not considered to be 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 presence in Argentina.

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, term of duration, name and other specific information regarding their 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

[Return to top](#)

Decrees 436/2000, 1023/2001 and 1818/2006 together with Resolution 515/2000 establish the rules applicable to federal government purchases. They can be downloaded 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\$35,000 undergo direct purchase. Purchases between AR\$35,000 and AR\$300,000 undergo private bidding, but any purchases greater than that amount must have an open public bidding process.

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

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

Please contact the [U.S. Commercial Service in Argentina](#) for further information or assistance in obtaining bidding documents.

### **Procurement from Local Companies (“Buy Local” Regime)**

Law 25551, issued on November 2001 and implemented by Decree 1600/2002 with the national government established the Buy National Regime. The "*Compre Trabajo Argentino*" regime, affects national treatment in that it obligates all government agencies and privatized utilities 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.

#### Preferences:

*Goods:* Preference is given to domestic goods. The origin of the goods shall be determined by the nature/composition of the goods themselves, **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 transformation in country 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 or (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, Commerce and SMEs 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:

Whenever the selection of imported/foreign goods is challenged, the Secretariat of Industry and Commerce will determine whether the domestic goods offered in fact 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.

## **Distribution and Sales Channels**

[Return to top](#)

Eighty 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 Cordoba, 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. 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 United States does not exist in Argentina as of yet.

### **Land Transportation**

Argentina stretches 4,000 km (2,400 mi.) from north to south, an expanse crossed by only a few major highways. Argentina's 208,350 km road network carries 85 percent of domestic freight traffic. Argentina has over 35,000 km (21,000 mi.) of railroads.

### **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, and well as to Paraguay and Brazil.

### **Air cargo**

Terminal de Cargas Argentina (TCA) was created as a concessionary partnership established by the Argentine Government for the operation of airfreight terminals at international airports. TCA provides full logistics and storage services to all foreign cargo agents. TCA's primary business is bonded warehouse management at the major Argentine International Airports, where the company stores imported and exported cargo while their consignees perform all relevant formalities with the General Customs Administration or *Dirección General de Aduanas* (DGA). TCA's headquarters are located at Ezeiza International Airport. Additionally, the company has branches in Córdoba, Mendoza, Mar del Plata, and Jorge Newbery Domestic Airport, in Buenos Aires City. Air cargo imports have been growing 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 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 practicality and convenience, particularly for monthly or weekly purchases. WalMart is now the largest single U.S. employer in Argentina.

## **Selling Factors/Techniques**

[Return to top](#)

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.

However, revenues are highly dependent on MERCOSUR trade, especially with Brazil, and the regional economic situation.

The United States continues to be one of Argentina's top trading partners. Many U.S. firms have been very successful in this market. The U.S. lifestyle and consumption habits are increasingly influential. U.S. products have a strong reputation for quality and technological innovation, but U.S. firms are sometimes viewed as lacking commitment to the market. It is important to be prepared for a competitive market environment before doing business in Argentina.

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 higher 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 the Argentine market. Any official document to be presented before the Argentine government 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
- Frequent visits and follow-ups

## **Electronic Commerce**

[Return to top](#)

The number of people with access to the Internet continued to grow in 2008. Network expansion allows people to connect from multiple locations such as offices, cyber-cafes, phone booths, etc. According to Prince & Cooke projections, at the conclusion of 2008, Argentina had nearly 20 million Internet users, representing almost half of the population. While in most cases it still represents a marginal portion of total sales, e-commerce activity has grown 1000 percent since 2000 in peso terms.

E-commerce in Argentina amounts to approximately USD739 million dollars per year, according to a survey conducted by The Nielsen Company. However, there is still a generalized lack of confidence in the culture of Argentine e-consumers regarding online transactions. Although 85 percent of online retailers accept electronic transactions, only 15 percent deliver a first-class electronic payment "customer experience."

Sales via Internet have not reached the same levels as in other countries. A large percentage of Internet users make purchases through traditional channels after consulting the Internet. On-line sales have a higher rate of acceptance in the interior of the country, where the variety of products is more limited and delivery is a increasingly important sales tool.

## **Trade Promotion and Advertising**

[Return to top](#)

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 major U.S. advertising agencies have branches or affiliates 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

E-mail: [redaccion@ambito.com](mailto:redaccion@ambito.com); [publicidad@ambito.com.ar](mailto:publicidad@ambito.com.ar)

Internet: <http://www.ambitoweb.com/>

BUENOS AIRES ECONOMICO

E-mail: [info@baedigital.com.ar](mailto:info@baedigital.com.ar)

Internet: <http://www.infobae.com/>

BUENOS AIRES HERALD NEWS

E-mail: [info@buenosherald.com](mailto:info@buenosherald.com)

Internet: [www.buenosairesherald.com](http://www.buenosairesherald.com)

Advertising: [adv@buenosairesherald.com](mailto:adv@buenosairesherald.com)

Comment: English-language newspaper.

CLARIN

E-mail: [clasificados@claringlobal.com.ar](mailto:clasificados@claringlobal.com.ar)

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

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Internet: <http://www.cronista.com>

LA NACION

E-mail: [diario@lanacion.com.ar](mailto:diario@lanacion.com.ar)

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

LA RAZON

E-mail: [lcantero@larazon.com.ar](mailto:lcantero@larazon.com.ar)

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

Business Magazines:

APERTURA

E-mail: [cartas@apertura.com](mailto:cartas@apertura.com)

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

MERCADO

Email: [info@mercado.com.ar](mailto:info@mercado.com.ar)

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

## NEGOCIOS

E-mail: [negocios@atlantida.com.ar](mailto:negocios@atlantida.com.ar)

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

## INFOBAE

Internet: <http://www.infobae.com>

The public and private sectors operate radio and television stations. Argentina has 46 television broadcasting stations. Some eight million TV sets are in use, with a potential audience of about 21 million. Argentina has 170 AM stations and 2000 FM radio stations. Nearly 12 million radio sets are in use, with an estimated weekly listener audience of 21 million. In addition, 200 cable companies operate throughout the country.

There are 4 major cable operators in addition to 200 smaller cable companies which operate throughout the country. Argentina has the largest cable penetration of Latin America: 70% in urban areas and 45% nationwide. There is only one satellite TV operator, Direct TV, with over 1.2 million subscribers.

## Pricing

[Return to top](#)

U.S. exporters should take into account that locally manufactured products and those products imported from other MERCOSUR countries will have a price advantage. 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 the Cost Breakdown example in [Chapter 5: Trade Regulations and Standards](#).

## Sales Service/Customer Support

[Return to top](#)

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

[Return to top](#)

### Introduction

Several general principles are important for effective management of intellectual property rights in Argentina. First, it is important to have an overall strategy to protect IPR. Second, IPR is protected differently in Argentina than in the United States. Third, rights must be registered and enforced in Argentina, under local laws. Companies may wish to seek advice from local attorneys or IP consultants. The U.S. Commercial Service can often provide a list of local lawyers upon request.

Intellectual property is primarily a private right. As such, the U.S. 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. While the U.S. Government is willing to assist, there is little it can do if the rights-holders have not taken these fundamental steps necessary to securing and enforcing their IPR in a timely fashion. Moreover, in many countries, rights-holders who delay enforcing their rights in 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 doctrines such as statutes of limitations, *laches*, *estoppel*, or unreasonable delay in prosecuting a law suit. In no instance should USG 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 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. 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 IPR and stop counterfeiting. There are a number of these organizations, both Argentine and U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)
- Directorate General of Copyright, Argentina
- National Institute of Industrial Property (INPI), Argentina

### **IPR Resources**

A wealth of information on protecting IPR 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 U.S. and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the United States as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the U.S. Copyright Office at: **1-202-707-5959**.
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IPR Advisory Program" available through the American Bar Association that provides one hour of free IPR legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and Thailand. For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)



- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.StopFakes.gov](http://www.StopFakes.gov) This site is linked to the USPTO website for registering trademarks and patents (both in the United States as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IPR-infringing products) and allows you to register for Webinars on protecting IPR.
  - o For an in-depth examination of IPR requirements in specific markets, toolkits are currently available in the following countries/territories: Brazil, Brunei, China, Egypt, European Union, India, Italy, Malaysia, Mexico, Paraguay, Peru, Russia, Taiwan, Thailand, and Vietnam.
  - o For assistance in developing a strategy for evaluating, protecting, and enforcing IPR, use the free **Online IPR Training Module on** [www.stopfakes.gov](http://www.stopfakes.gov).
- 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: [dorian.mazurkevich@mail.doc.gov](mailto:dorian.mazurkevich@mail.doc.gov).

### **IPR Climate in Argentina**

The government of Argentina is a signatory to most treaties and international agreements on intellectual property and belongs to the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO). The Argentine Congress ratified the Uruguay Round agreements, including the provisions on intellectual property, through Law 24425 on January 5, 1995.

Argentina has been on the Office of the U.S. Trade Representative's intellectual property rights "Priority Watch List" since 1996. Patent law is identified as the weakest element in Argentina's intellectual property rights regime, and extension of adequate patent protection, particularly for pharmaceuticals, has been a contentious bilateral issue.

See [Chapter 6: Investment Climate](#) – for a more thorough report on the Protection of Property Rights in Argentina, and <http://www.wipo.int/directory/en/urls.jsp> for more information.

### **Due Diligence**

[Return to top](#)

Companies interested in the Argentine market 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 due diligence information 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. Please contact [Josette.Fiore@mail.doc.gov](mailto:Josette.Fiore@mail.doc.gov) for more information.

## Local Professional Services

[Return to top](#)

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. A list of consulting and market research firms is available in [Chapter 9: 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.

## Web Resources

[Return to top](#)

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

- Directorate General of Copyright, Argentina:  
<http://www.jus.gov.ar/registros/autor.shtml>
- National Institute of Industrial Property, Argentina: <http://www.inpi.gov.ar>
- U.S. Commercial Service – Argentina: <http://www.BuyUSA.gov/argentina/en>
- The 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/default.htm>

[Return to table of contents](#)

[Return to table of contents](#)

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

### **Commercial Sectors**

- [Agricultural Machinery & Parts / Irrigation Equipment \(AGM\)](#)
- [Alternative Energy Equipment \(REQ\)](#)
- [Electronic Security Equipment \(SEC\)](#)
- [Food Processing & Packaging Equipment and Parts \(FPP\)](#)
- [Information & Communications Technology \(CSF/CSV/CPT/TEL/TES\)](#)
- [Medical Equipment & Instruments \(MED\)](#)
- [Mining Machinery & Equipment \(MIN\)](#)
- [Plastics Machinery & Equipment \(PME\)](#)
- [Sporting Goods \(SPT\)](#)
- [Travel & Tourism Services \(TRA\)](#)

### **Agricultural Sectors**

- [Animal Genetics \(Bovine Semen\)](#)
- [Food Ingredients](#)
- [Planting Seeds](#)

## Agricultural Machinery & Parts / Irrigation Equipment

### Overview

[Return to top](#)

	2006	2007	2008 (estimated)
Total Market Size	1,640	1,950	1,880
Total Local Production	1,115	1,400	1,315
Total Exports	73	150	140
Total Imports	598	725	705
Imports from the United States	71	95	102

Millions of USD. Exchange Rate: 1 USD=3.42 Argentine Pesos

Sources: *Instituto Nacional de Estadística y Censos-INDEC* (National Statistics and Census Institute) and *CAFMA (Cámara Argentina de Fabricantes de Maquinaria Agrícola)*.

2008 import market share: Brazil: 75.0%; U.S.: 16 %; Germany: 3.0%; Uruguay: 2.3%; Other: 3.7%

Argentina is one of the largest producers and a leading exporter of agricultural commodities. Many climates, from temperate to tropical, yield a wide variety of crops. Agriculture has long been Argentina's leading economic sector and therefore there are many local manufacturers of agricultural machinery that were established a century ago and rely on selected imported parts and components. In view of the current uncertainty in the world's futures markets for commodities, local manufacturers and distributors anticipate a 20 percent drop in the demand for machinery in 2009. For 2010 and beyond, this sector should continue to offer opportunities for selected U.S. suppliers of parts for agricultural machinery and specialty equipment for irrigation projects.

Less than five percent of farmland is currently under irrigation. This sector is largely dominated by imports, with U.S. products capturing nearly 60 percent of total imports. Specialists indicate that at least 20 percent of farmland could benefit from irrigation, but problems with financing have affected purchase decisions.

The United States is the largest supplier (after Brazil) of imported agricultural machinery, with a 15 percent market share. In recent years, U.S. firms started supplying Argentina from their Brazil-based subsidiaries to benefit from the MERCOSUR customs union. Imports from Brazil are not levied import duties or taxes and Brazil's market share for agricultural machinery is almost 80 percent. The market for parts and components is estimated at 38 million dollars in 2008.

### Best Prospects/Services

[Return to top](#)

Demand for machinery parts is tied to the increased utilization of aging equipment (the average age of tractors and harvesters is eight years). Demand for imported products by local manufacturers has increased at over 70 percent annually since 2007, due mostly to a sharp rise in exports. For irrigation equipment, U.S., Brazilian, and Israeli firms hold almost 90 percent of the market. Equipment incorporating the latest technology has good sales potential in

Argentina, provided it is competitively priced and/or financed. Brazil benefits from MERCOSUR regulations that allow for duty-free entry of products originating in member countries.

### **Opportunities**

[Return to top](#)

Demand for higher quality imported parts, components and specialized accessories should grow as the level of sophistication of local industrial plants increases. Joint ventures with domestic manufacturers and licensing could also be an option for some U.S. exporters interested in pursuing business opportunities in Argentina.

### **Resources**

[Return to top](#)

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 Eugenio Pallares, Industry Specialist at [Eugenio.Pallares@mail.doc.gov](mailto:Eugenio.Pallares@mail.doc.gov) or (54-11) 5777-4754 and/or visit <http://www.buyusa.gov/en>.

[Return to table of contents](#)

## Alternative Energy Equipment

### Overview

[Return to top](#)

Argentina features one of the world's top three wind corridors in its Southern Patagonia region. The country is well- suited for the use of alternative energy as source of electricity. According to the Wind Power Regional Center (CREE) in Patagonia's Chubut Province, the region holds potential for approximately 500 GW of electricity generation. While Argentina's huge potential is only likely to be developed as transmission lines between Patagonia and the National Interconnected System evolve, wind generation has increased significantly during the last decade, with current operating capacity estimated above 30 MW.

Argentine government agencies at federal and provincial levels have plans to install wind farms of various sizes and the construct individual generators in remote areas of Santa Cruz, Chubut, Neuquén, La Pampa and Buenos Aires. Other provinces, such as San Juan and Corrientes, have a stronger focus on solar energy, given their geographical location.

Solar power generation can be found in remote and rural areas. Solar power generation is approximately 100 MW, less than 0.2 percent of total electricity production. The World Bank in Argentina funded a Renewable Energy Project in the Rural Market, namely (PERMER). This project aims at providing access to electricity to approximately 2 million people, to include households, schools and hospitals. Recently, the Government of Corrientes invested approximately \$2 million dollars to provide 85 schools with electricity. Spanish and Danish firms have penetrated the market and are steadily increasing market share. There is significant room for growth in the alternative energy sector.

### Best Products/Services

[Return to top](#)

U.S. products have very good market potential in Argentina. In fact, the United States ranks among the top three suppliers of technology for both, solar and wind power generation.

### Opportunities

[Return to top](#)

Wind and solar energy sectors hold huge potential in Argentina. However, the market for wind generation seems to be more promising given its stage of development. Direct sales to municipal governments, electric cooperatives, and private companies are common. Support by a local reputable partner is important, as local financing is scarce.

### Resources

[Return to top](#)

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 Marcelo Amden, Industry Specialist at [Marcelo.Amden@mail.doc.gov](mailto:Marcelo.Amden@mail.doc.gov) or (54-11) 5777-4509 and/or visit <http://www.buyusa.gov/en>.

[Return to table of contents](#)

## Electronic Security Equipment

### Overview

[Return to top](#)

	2006	2007	2008 (estimated)
Total Market Size	1,100	1,200	1,350
Total Local Production	250	280	300
Total Exports	180	190	250
Total Imports	1,000	1,100	1,250
Imports from the United States	350	450	500

Millions of USD. Exchange Rate: 1 USD=3.42 Argentine Pesos

*Sources:* The above statistics are unofficial estimates, based on Argentine Customs data and other sources.

The electronic security sector market in Argentina was valued at approximately \$1.25 billion in 2008, making it a relatively large and growing sector for U.S. firms. Argentina is a fast-growing market for electronic security-related products, equipment, and services and is heavily reliant on imported products.

Local trade contacts further estimate an annual growth rate of 8 percent in 2009. This expansion has been seen in all sub-sectors of products and services of electronic security, especially on CCTV and access control equipment that together totaled more than 60 percent of Argentine electronic security imports. The electronic security sector grew by more than 10 percent in 2008.

There are currently 1,400 companies in the Argentine electronic security industry, including importers, manufacturers and software developers that combined employ over 9,500 people in this industry, 60 percent of which are engineers and technical experts.

U.S. manufacturers compete successfully in Argentina, holding an approximate 40 percent share of the import market for electronic security equipment. Nevertheless, Brazil, China, and Southeast Asian countries are entering the market aggressively, offering similar products at lower prices.

The Argentine electronic security market composition follows: Imports: 75%, Local Production: 25% and Exports: 20%.

### Best Products/Services

[Return to top](#)

Hi-tech imports play a significant role in the overall security market, as domestic manufacturing is primarily focused on the production of basic security equipment and safety supplies. Therefore, the hi-tech security equipment market presents more opportunities for U.S. companies. The niche sale opportunity for U.S. exporters is in CCTV and access control equipment on IP networks.

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

- Access Control: biometrics on IP networks
- Anti-theft Electronic Systems and Alarms: over cellular and wire-line telephone networks, including cameras, monitors, indicator panels, and signaling devices. CCTV on IP networks, especially for upcoming public surveillance projects.
- Industry Specific Security Systems: equipment parts and software for automotive, banking, airports, ports, warehouses, mines, highways, utilities, hospitals, and construction sites.

## Opportunities

[Return to top](#)

Market growth in recent years reflects the rising crime rate in Argentina. High levels of perceived insecurity by the population and the increasing priority of improving residential and workplace safety and security have contributed to growth in this sector. However, this long expansion in many security sub-sectors will probably decelerate in 2009 due to the effects of the global economic situation.

In the past five years, there has been also a growing trend to import fire-safety product parts and to assemble alarms, detectors, and electronic fire systems locally in order to offer significantly lower prices and profit from import laws and “made in Argentina” tax benefits. Besides, high-tech imports play a significant role in the overall security market, as domestic manufacturers hasten to satisfy a niche that, until recently, was supplied almost in its entirety by imported goods. These firms will continue to import high-tech components and products to be used in the production of anti-theft electronic systems and alarms over cellular and wire-line telephone networks, including cameras, monitors, indicator panels, and signaling devices and also CCTV (especially on IP networks) and other related areas, since local firms do not manufacture these types of products. This is in contrast to safety equipment (i.e., items such as gloves, helmets, masks, etc.), which is well-served by domestic production.

## Resources

[Return to top](#)

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@mail.doc.gov](mailto:Marina.Millet@mail.doc.gov) or (54-11) 5777-4851 and/or visit <http://www.buyusa.gov/en>.

[Return to table of contents](#)



## Food Processing & Packaging Equipment and Parts

### Overview

[Return to top](#)

	2006	2007	2008 (estimated)
Total Market Size	190	213	355
Total Local Production	95	105	140
Total Exports	79	72	135
Total Imports	174	180	350
Imports from the United States	23	25	39

Millions of USD. Exchange Rate: 1 USD=3.42 Argentine Pesos

*Sources:* The above statistics are unofficial estimates, based on Argentine Customs data and other sources.

2008 market share (Food Processing Eq.): U.S.: 28%; Brazil: 19%; Germany: 16%; Italy: 9%; Spain: 6%

2008 market share (Packaging Eq.): Italy: 38%; Germany: 13%; Spain: 10%; Brazil: 7%; U.S.: 7%

Argentina's strength in agricultural and food products presents opportunities for U.S. exporters of food processing and packaging equipment in market niches due to recent growth in food exports.

Imports of equipment in 2008 almost doubled that of the previous year. However, the current global economic crisis will have an impact on Argentine agribusiness exports as prices and volumes fall. Projections for 2009 and beyond present opportunities in niche segments at moderate growth rates.

In the food processing equipment segment, the United States continues to be the market leader with 28 percent of the import market, where imports traditionally account for approximately 85 percent of the total market. Imports in the packaging equipment segment are led by Italy and Germany, while the United States ranks fifth, with a 7 percent market share.

Local production has grown rapidly due to the lower costs of production. Local production also caters to a stronger demand from small- to medium-sized companies in the interior provinces of Argentina, since many companies in these areas are not able to cover the expenses involved in importing technology.

### Best Prospects/Services

[Return to top](#)

U.S. exports may continue to find opportunities in niche industries such as fat and oil vegetable processing, poultry processing equipment, and machines for cleaning, sorting or grading eggs, fruit or other agricultural produce. Parts for food processing and packaging equipment are also a good prospect for U.S. exports, given the current trend to repair existing machines due to the rising cost in peso terms of imports, and the virtual lack of local credit for capital goods.

## Opportunities

[Return to top](#)

The food processing and packaging equipment market in Argentina relies heavily on imports from large domestic food processing companies and food exporters. Market growth is largely tied to investment in technology and the expansion strategies of these companies. Healthcare companies are increasingly demanding imported packaging equipment, although figures are still relatively low in comparison to food companies. Other segments such as household consumer goods and cosmetics continue to follow the trend. Several agribusiness companies in Argentina announced investments in the food processing industry. However, the lack of local financing and the inability to access foreign credit, as well as electrical power capacity limits, may jeopardize the expansion plans of these companies.

## Resources

[Return to top](#)

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@mail.doc.gov](mailto:Liliana.Paz@mail.doc.gov) or (54-11) 5777-4519 and/or visit <http://www.buyusa.gov/en>.

[Return to table of contents](#)

## Information & Communications Technology

### Overview

[Return to top](#)

#### Argentine Market for Hardware & Consumables

	2006	2007	2008 (estimated)
Total Market Size	1,141	1,426	1,654
Total Local Production	276	331	383*
Total Exports	17	19	21
Total Imports	881	1,076	1,278

Millions of USD. Exchange Rate: 1 USD=3.42 Argentine

*Sources:* The above statistics are unofficial estimates, based on Argentine Customs data, Prince & Cooke and Carrier y Associates.

\* Local production means local assembly of PC from imported components.

Argentina's IT market -- including hardware, software and services -- reached \$4.3 billion in revenues in 2008, a 23 percent increase from 2007. In 2009, the market is expected to increase 12 percent. This figure represents a decline from the 20+-percent growth of previous years. In 2008, the software and services sectors had a 20 percent and a 24 percent increase, respectively. Hardware sales increased 32 percent in 2007 and approximately 20 percent in 2008. Prince & Cooke projects that hardware will grow around 20 percent in 2009, led by notebooks. The sale of personal computers (PC) increased 28 percent in 2007, bringing the market to 8.5 million units installed. The number of PC units sold in 2008 reached 1.85 million and is expected to increase by 17-20 percent in 2009. The sale of notebooks accounted for 19 percent of the total PC sales in 2008 and is expected to increase 20 percent in 2009, outpacing sales of desktop PCs. Printer sales and other peripherals increased 25 percent in 2008, while consumables increased 22 percent. Netbooks, mini-notebooks, and 3G communication devices, such as smart phones and PDAs, followed the same double-digit growth trend, and are expected to lead the sales of small personal computers and consumer electronics in 2009/10. For example, the sale of smartphones increased 170 percent in 2008. In 2008, 2.3 million of the 40 million cellular active subscribers in Argentina have a 3G phone.

IT Services are growing in Argentina as outsourcing of IT-related solutions continues to be the main practice for companies worldwide. Total revenues of this subsector reached almost \$2 billion in 2008. The main players in this subsector were the outsourcing of software development and call/contact center services.

The Argentine telecommunications sector has shown significant investments and growth since 2004. The sector as a whole grew 22.5 percent in 2007 and 15 percent in 2008. Total sector revenues, including equipment and services, reached approximately \$7.5 billion in 2007 and \$8.6 billion in 2008. The market is expected to grow by 10 percent in 2009. The highlight of 2008 was the continuing increase of broadband access (39 percent increase in 2008) combined with an increased sale of notebooks (77 percent increase in 2008). This was complimented by the record sale of smartphones and USB modems which expanded significantly at the same time of the sale of broadband services over cellular and fixed networks. This trend is expected to continue throughout 2009/10.

Statistics from December 2008 show a 22 percent telephone line penetration rate (9 million telephone lines installed); 40 million cellular subscribers (100 percent penetration --projections for 2009 are for a 5 percent increase) and 20 million Internet users (50 percent penetration). Argentina has the highest cable TV penetration in Latin America -- 70 percent in the Buenos Aires Metropolitan Area and 45 percent nationwide.

According to Carrier and Associates, 2008 ended with broadband penetration in Argentine households at 30 percent, reaching 3.2 million accounts. Five million subscribers are projected by the end of 2009. The cellular market matured, reaching 100 percent penetration in 2008 with an 8 percent increase in number of subscribers from 2007 (approximately 60 percent of users are pre-paid). International voice traffic increased by 10 percent, while local phone calls increased by 5 percent. Telecom equipment/infrastructure increased 19 percent in 2008 reaching \$2.2 billion and accounted for approximately 22 percent of total sector revenues. An investment increase is expected for 2009, mainly in 3G services for the GSM network, IP-based and NGN networks, and IT service outsourcing.

### **Best Prospects/Services**

[Return to top](#)

In the IT market, branded PCs, notebooks, netbooks and minibooks, printers, servers, and multi-user systems are the major source of foreign hardware imports, and are consequently best prospects. In addition, other consumer electronics, such as smart phones, digital cameras, MP3, MP4, other PDAs, DVD players/creators, digital storage devices, and Pen Drives are expected to see increased demand for the next two years.

The IT Services sub-sector with major prospects for U.S. companies include 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). The outsourcing of software development and call/contact centers will continue to see investments, exports, and increased sales in the domestic market.

In hardware, servers and multi-systems present good opportunities. In 2008, the United States was the major exporter of servers with 40 percent of total imports, followed by Brazil (25%) and Mexico (12%).

PC components will also be in high demand, since locally assembled PCs (clones) account for over 60 percent of the PC market. Local assembly targets the residential/small and home-office clone PC segment. In the corporate segment, the cost benefit from local assembly does not outweigh the guarantee offered from an original vendor.

Regarding software, large projects in the areas of security solutions and business intelligence will present opportunities in 2009/10.

In the Telecom sector, best prospects for 2008/9 are broadband Internet access; broadband wireless access networks (including point-to-point, point-to-multipoint, Wi-Fi, Wireless LANs, and Wi-Max); data transmission over cellular networks; SMS (short messaging services); broadband and multimedia content; and applications for cellular services, smartphones and cellular phone, IP Phones, VoIP networks, VPNs and IP VPNs, NGN and internet, and network security products. Blackberry/RIM was by far the best selling smartphone. Iphone, Sony Ericsson, Samsung, Motorola and Nokia followed.

Five main factors will keep demand for IT hardware, software, and services high in 2008/2009:

- new investments in the country in a number of industries (e.g., tourism)
- the majority of the systems installed need upgrading
- the growth of Internet access
- the increasing complexity and convergence of technologies
- highly educated and tech-savvy population

Other market conditions will foster growth in IT services throughout 2009 despite the overall deceleration, including the constant price reduction of IT hardware and the availability of financing options from retail chains. The increased use of e-banking, electronic commerce, and E-Government has increased awareness of Information Technology security needs. Recent investments in software development centers by companies such as Motorola, Intel, EDS, and IBM will continue to create good opportunities for U.S. companies. The best clients for U.S. companies will be medium-to-large corporations, manufacturing/industrial companies, and exporters.

In the telecom sector, investments in 2009 will be focused in three areas -- the deployment and enhancement of the cellular GSM network (3G+), the expansion of broadband Internet access (via ADSL, cable modem, Wi-fi, Wi-Max and other wireless technologies), the expansion of data transmission/ broadband and content over cellular networks, and the continuing migration to IP networks (NGN).

Broadband wireless solutions for rural areas continue to be a promising sub-sector due to increased demand from rural exporters. To this end, telecom operators have announced investments and are deploying networks with Wi-Max technology.

The depreciating peso has provided incentives for many niche areas, such as re-routing services, VoiP, call and contact center services, and pre-paid calling cards. These areas will continue to grow during 2009. Furthermore, cyber-cafes and public Internet pay cabins/outlets ("Locutorios") experienced growth in 2008.

Major telecom companies are optimistic about the future and are announcing new investments and new services for 2009 and beyond.

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 Silvia Yaber, Industry Specialist at [Silvia.Yaber@mail.doc.gov](mailto:Silvia.Yaber@mail.doc.gov) or (54-11) 5777-4325 and/or visit <http://www.buyusa.gov/en>.

[Return to table of contents](#)

## Medical Equipment & Instruments

### Overview

[Return to top](#)

	2006	2007	2008 (estimated)
Total Market Size	228	300	355
Total Local Production	100	120	135
Total Exports	43	44	46
Total Imports	171	224	266
Imports from the United States	-56	61	88

Millions of USD. Exchange Rate: 1 USD=3.42 Argentine Pesos

*Sources:* The above statistics are unofficial estimates, based on Argentine Customs data and other sources.

2008 market share: U.S.: 33%; Germany: 9%; China: 8%; Belgium: 2%

2007 market share: U.S.: 28%; China: 12%; Germany: 11%; Italy: 2%

2006 market share: U.S.: 33%; Germany: 17%; China: 7%; Italy: 2%

Healthcare expenditures in Argentina amount to approximately \$6.1 billion (versus \$24 billion in 2000), or 4.5 percent of GDP. This dramatic decrease in annual expenditures is largely due to the currency devaluation in 2002. While the healthcare market has not completely recovered, imports of goods that cannot be supplied by the local market continued to grow during 2008.

Imports in the healthcare sector experienced a severe downturn due to the devaluation of the Argentine peso in January 2002. To alleviate the cost burdens of the sector, the national government passed Law 25590 and Decree 486/02 (Healthcare/Sanitary Emergency in force from 2002 extended until December 31, 2009). This legislation exempts from taxes and duties imports of some critical new medical products that are not manufactured in Argentina.

### Best Prospects/Services

[Return to top](#)

Niche opportunities for U.S. exports include: ultrasound diagnostic equipment, implants, stents, cardiac valves, pacemakers, hearing aids, specialized disposables (catheters, cannulae, electrodes, hemodialysis filters, and surgical instruments), and intraocular lenses. Components and medical equipment parts offer a strong sales-potential, in large part because of the fact that the market conditions require the reconditioning of equipment already in use.

### Opportunities

[Return to top](#)

In a sector that is highly supplied by imports, the United States continues to lead the import market, and currently holds 33 percent of the market share, particularly in higher-end technology products. Imports in the overall medical product sector have traditionally accounted for almost 75 percent of the total market. U.S. companies that offer high quality products at competitive prices can still find niche opportunities in the Argentine market.

The market has been growing rapidly in the past four years, gradually approaching pre-devaluation import levels, although the total market size has decreased in dollar terms due to

the devalued peso. Imports of medical equipment and instruments (supplies were not considered) were estimated to account for approximately \$266 million in 2008, with the United States comprising \$88 million of this segment. The rising trend of imports from the United States that started with a peak growth in 2005 (a 65% growth versus 2004 figures) will continue, although at a lower and more stable rate during 2009.

## Resources

[Return to top](#)

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@mail.doc.gov](mailto:Liliana.Paz@mail.doc.gov) or (54-11) 5777-4519 and/or visit <http://www.buyusa.gov/en>.

[Return to table of contents](#)

## Mining Machinery & Equipment

### Overview

[Return to top](#)

	2006	2007	2008 (estimated)
Total Market Size	1,020	1,038	1,046
Total Local Production	160	163	165
Total Exports	40	45	47
Total Imports	900	920	928
Imports from the United States	270	300	307

Millions of USD. Exchange Rate: 1 USD=3.42 Argentine Pesos

*Sources:* The above statistics are unofficial estimates, based on Argentine Customs data, NOSIS, and other sources.

2008 import market share: U.S.: 33%; Brazil: 21%; Japan: 18%; China: 10%; Korea (South): 8%; Canada: 5%; Other: 5%

The mining industry in Argentina has expanded exponentially in the last fifteen years. Nevertheless, there are a significant number of mining projects throughout Argentina that have not reached their full stage of development. Regulatory changes in general investment legislation and in specific mining-sector legislation in the early nineties favored a significant increase in foreign investment in the industry. The sector's growth propelled local demand for mining machinery and equipment. Several new mines are expected to be built in the next five years, which represent future business opportunities for U.S. suppliers of mining equipment and machinery.

Major players in exploration are principally Canadian "juniors", while in the operation/production area the principal actors are Xstrata, Barrick, Rio Tinto, the Lundin Group, Silver Standard Resources, Anglo Gold Ashanti, FMC Lithium, Hochschild Mining, Coeur D'Alene, Pan American Silver, Yamana Gold, and Intrepid Mines.

### Best Prospects/Services

[Return to top](#)

Demand for imported goods is somewhat evenly distributed between large digging, leveling, scraping, excavating, quarrying and earth moving equipment (HS 8430), and equipment for sorting, screening, separating, washing, crushing, and grinding (HS 8474), including healthy volumes of parts and tools (HS 8431 and 8207).

### Opportunities

[Return to top](#)

U.S. suppliers continue to dominate the market; however, Brazilian, Asian and Canadian competitors are expanding steadily.



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 Marcelo Amden, Industry Specialist at [Marcelo.Amden@mail.doc.gov](mailto:Marcelo.Amden@mail.doc.gov) or (54-11) 5777-4509 and/or visit <http://www.buyusa.gov/en>

[Return to table of contents](#)

## Plastics Machinery & Equipment

### Overview

[Return to top](#)

	2006	2007	2008 (estimated)
Total Market Size	322.8	337.5	354.4
Total Local Production	220	232	243.6
Total Exports	15	19.5	20.5
Total Imports	117.8	125	131.2
Imports from the United States	13.8	16	16.8

Millions of USD. Exchange Rate: 1 USD=3.42 Argentine Pesos

*Sources:* The above statistics are unofficial estimates, based on Argentine Customs data, CAIP (Argentine Plastics Association) and industry specialists.

There are approximately 2,700 plastic processing plants in Argentina, employing some 32,000 people. Most of these companies, are small and only a handful are world-class. Over the past 15 years, the production of plastics has remained practically unchanged in terms of GDP (one percent in 2007). The use of installed production capacity for the rubber and plastics industries has grown steadily during the last four years to reach 75.8 percent in November 2008.

Imports of machinery, equipment, and molds for the plastics industry continued to recover robustly in 2008, totaling 125 million, which represents a 5.0 percent increase against 2007 figures. Considering the high GDP growth for 2007 and that the plastics sector supplies many other industries, it is estimated that imports grew around 5 percent in 2008.

Machinery constituted around 50 percent of all capital goods imported for the industry into Argentina in 2007.

### Capital Goods Imported - Plastics Industry - Argentina:

Capital Goods	2007
Machinery	52.1%
Molds and Matrixes	15.9%
Equipment*	10.2%
Parts and Pieces	16.9%

\* *mills, cutters, etc.*

Imported machinery used to process plastics and rubber, as well as other capital goods, enter duty-free.

### Best Products/Services

[Return to top](#)

A gradual recovery has taken place in the area of injection equipment and blow molding equipment for the soft drink and bottled water industry, making these subsectors attractive for U.S. exports. Most U.S.-made machinery is imported for extrusion processes.

## Opportunities

[Return to top](#)

With installed production capacity above 70 percent and demand growing, especially in the packaging, construction, automotive, and agricultural sectors, the plastic industry continues to experience an increasing necessity for investment in machinery that permit Argentine companies to expand their business.

## Resources

[Return to top](#)

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 Mariangeles Perez-Manoileff, Industry Specialist at [Mariangeles.Perez-Manoileff@mail.doc.gov](mailto:Mariangeles.Perez-Manoileff@mail.doc.gov) or (54-11) 5777-4456 and/or visit <http://www.buyusa.gov/en>.

[Return to table of contents](#)

## **Sporting Goods**

### **Overview**

[Return to top](#)

Argentina is a premier location for sports of all types. Historically, Argentina has earned a reputation for its soccer players, but it is also the homeland of world-class athletes in many other sports, including basketball, tennis, rugby, field hockey, biking, polo, golf, yachting, skiing, and rowing.

There are several factors that account for the industry's growth. For example, the golf equipment sector is expected to grow at an estimated 12 percent in the next three years, whereas the camping and fishing segments are expanding at an estimated 80 percent yearly rate. Imports of ski apparel, equipment, and accessories increased during 2008 by approximately 25 percent.

Approximately five percent of all Argentines embrace fitness activities as part of their day-to-day routine. Fitness industry expansion has been attributed to increasing public interest in fitness and "wellness." The market has experienced strong, steady growth in the last several years and is attracting increased interest on the part of international providers of fitness services and equipment. The market for fitness centers in the country has expanded for three consecutive years, with growth for 2008 estimated at nine percent.

### **Best Products/Services**

[Return to top](#)

U.S. products have good market potential in various niches of the Argentine sporting goods industry. Generally speaking, sophisticated Argentine athletes and sportsmen have a preference for U.S. brands. As Argentina's sporting goods industry expands, the market will continue to offer business opportunities to U.S. suppliers.

### **Opportunities**

[Return to top](#)

Products with significant sales potential include: soccer balls, basketballs, skateboards, roller-skates, ice-skates, skis and skiing gear, golf clubs, bags, balls and gloves, tennis rackets and balls, and bowling balls. Extreme-sports gear and accessories, underwater breathing devices, goggles, fins, sailboards, and surfboards also represent good potential. Demand for fishing rods; tents; and compressed air bb, CO2, and pellet guns are also increasing. The equipment and accessories market is expected to continue to grow due to the upward trend of outdoor activities by Argentine families.

### **Resources**

[Return to top](#)

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 Marcelo Amden, Industry Specialist at [Marcelo.Amden@mail.doc.gov](mailto:Marcelo.Amden@mail.doc.gov) or (54-11) 5777-4509 and/or visit <http://www.buyusa.gov/en>.

[Return to table of contents](#)

## Travel & Tourism Services

### Overview

[Return to top](#)

Year	Total Passengers	Average Expenditure/Passenger
2000	533,936	\$1,600
2001	443,134	\$1,600
2002	164,658	\$ 700
2003	150,719	\$ 700
2004	169,219	\$1,000
2005	188,865	\$1,000
2006	212,096	\$1,000
2007	266,971	\$1,000

*Source:* Office of Travel and Tourism Industries – International Trade Administration – U.S. Department of Commerce, Travel Industry Association of America (TIA), Argentine Secretariat of Tourism.

Demand for travel to the United States has continued to grow in 2008. The total amount of passengers to the United States grew annually more than 12 percent between 2004 and 2006. During 2007, the total number of Argentines visiting the United States grew by 25.9 percent, totaling 266,971 visitors. The top destinations visited by Argentines are Florida (especially Miami and Orlando), New York City, the State of California, and Washington, D.C. U.S. gateways are Atlanta, Chicago, Dallas, Houston, Miami, New York, and Washington, D.C. Argentines need a visa to travel to the United States.

Although tourism to the United States fell 60 percent in 2002, the market has rebounded strongly since then, and Argentine travelers spend \$1,000 (excluding air tickets), which is twice that of the average European tourist for an average ten-day visit. Historically, Argentines have traveled often to the United States. Traveling is part of the Argentine lifestyle, and Argentines look for value “high-end” vacations, regardless of destination.

### Best Products/Services

[Return to top](#)

A growth segment in the travel and tourism industry is business travel. Many Argentines are visiting trade shows and exhibitions in almost all industry sectors.

### Opportunities

[Return to top](#)

The launching of a new flight to New York in December 2008, in addition to existing flights to Atlanta, Dallas, Houston, Miami, New York, and Washington D.C., is a key factor in increasing Argentine tourism to the United States. Flights to all U.S. gateways are generally full and booked well in advance.

### Resources

[Return to top](#)

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@mail.doc.gov](mailto:Diana.Brandon@mail.doc.gov) or (54-11) 5777-4550 and/or visit <http://www.buyusa.gov/en>

[Return to table of contents](#)

## Agricultural Sectors

[Return to top](#)

## Animal Genetics (Bovine Semen)

### Overview

[Return to top](#)

	2006	2007	2008 (estimated)
Total Market Size	18.0	22.4	24.5
Total Local Production	9.5	11.0	11.0
Total Exports**	1.0	1.1	1.5
Total Imports*	9.5	12.5	15.0
Imports from the UNITED STATES**	3.1	4.1	4.7

Millions of USD. Exchange Rate: 1 USD=3.42 Argentine Pesos

Sources: Official Argentine Customs statistics and industry contacts.

\* Market price; \*\* FOB value

Argentina has over 55 million head of cattle. Approximately 2.1 million cows are dairy, and roughly 20.9 million are of beef breeds. Both local beef and dairy cattle are of very good quality, but need to continue to incorporate the latest in high quality genetics to meet quality standards. Of the imported semen, more than 95 percent is from dairy breeds (96 percent Holsteins; 3 percent Jerseys; 1 percent other). Beef genetic imports are primarily Black and Red Angus. The U.S. accounts for approximately 60 percent of the total imported market, followed by Canada.

### Best Products/Services

[Return to top](#)

Holstein semen accounts for the largest share by far, but beef breeds semen have also good potential growth.

### Opportunities

[Return to top](#)

The local dairy industry needs to continue using high quality genetics. Despite the difficult situation the dairy sector will face in 2009, some large and efficient producers are moving towards free stall production systems. The use of imported Holstein semen will continue to be strong, but the average price per dose could fall somewhat. Local semen distributors, representing foreign companies, foresee good opportunities in the beef sector as well, as there is much to improve in the use of semen with production data (EPDs). This market is big, and efforts to educate breeders will be key. Black and Red Angus, Braford, Brangus, and Hereford semen have the greatest market potential.

### Resources

[Return to top](#)

- National Association of Animal Breeders: <http://www.naab-css.org>
- Secretariat of Agriculture, Livestock, Fishing and Foods: <http://www.sagpya.mecon.gov.ar>

- National Service of Agricultural Food Health and Quality (SENASA, *Servicio Nacional de Sanidad y Calidad Agroalimentaria*). Provides information on import requirements for agricultural products: <http://www.senasa.gov.ar>
- Argentine Chamber of Biotechnology and Animal Reproduction: <http://www.cabia.org.ar>

[Return to table of contents](#)



## Food Ingredients

### Overview

[Return to top](#)

	2006	2007	2008 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	979	1,238	1,500
Total Imports	177	229	270
Imports from the United States (16% market share)	29	36	40

Millions of USD. Exchange Rate: 1 USD=3.42 Argentine Pesos

Source: Global Trade Atlas (including dried vegetables, and dried fruit and nuts)

During 2008, Argentina's food processing industry continued to grow as a result of record exports while the domestic market, which had been recuperating gradually during the past few years, began to show signs of recession as a consequence of relatively high inflation rates. Due to the global economic crisis, there is substantial uncertainty among local food producers about the international business scenario for CY 2009 as consumption rates have already decreased in several export markets. For the time being, most of the larger local food manufacturers have decided to suspend the launching of new product lines.

### Best Products/Services

[Return to top](#)

Whey; dried vegetables; dried fruit and nuts; citrus peel; spices; potato flakes; granules and pellets; wheat starch; corn starch; potato starch; wheat gluten; herbs; extracts of licorice; extracts of hops; pectic substances; agar-agar; glycerol; extracts of meat, fish and crustaceans; maple sugar and maple syrup; glucose; fructose; cane; molasses; cocoa powder; malt extract; potato preparations (not frozen); 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; algae omega 3; nutritional and health ingredients; and natural antioxidants.

### Opportunities

[Return to top](#)

U.S. food ingredients are locally considered to be high quality and safe products. Although the dollar has strengthened marginally vis-à-vis the Argentine peso, U.S. products are still more competitive than European products. Best opportunities are for tailor-made food ingredients which are demanded for the manufacturing of more sophisticated food items, and ingredients which are not produced locally and must be imported.

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

[Return to table of contents](#)

## Planting Seeds

### Overview

[Return to top](#)

	2006	2007	2008 (estimated)
Total Market Size	804	852	792
Total Local Production	770	800	737
Total Exports	64	78	135
Total Imports	34	52	55
Imports from the United States	15	21	22

Millions of USD. Exchange Rate: 1 USD=3.42 Argentine Pesos

*Source:* The above statistics are unofficial estimates, based on Argentine Customs data and industry contacts.

Planting seeds are one of the most important agricultural products imported into Argentina from the United States, totaling \$21 million in 2007.

### Best Products/Services

[Return to top](#)

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 have been in demand.

### Opportunities

[Return to top](#)

Off-season production of corn and soybean seed has generated positive returns in the last few years. Exports of corn to the United States increased by about 73 percent, from \$78 million in 2007 to \$135 million in 2008. Total exports of planting seeds for 2008 are estimated at \$135 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.

### Resources

[Return to top](#)

- Secretariat of Agriculture, Livestock, Fishing and Foods:  
<http://www.sagpya.mecon.gov.ar/>
- Argentine Association for the Protection of Plant Property Rights (ARPOV):  
<http://www.arpov.org.ar>
- Argentine Agricultural Research Institute (INTA): <http://www.inta.gov.ar>
- Chamber of Seed Producers of the Argentine Grains Exchange Stock:  
<http://www.argenseeds.com.ar>
- Argentine Seed Producers Association (ASA): **Error! Hyperlink reference not valid.**
- Pioneer Argentina: <http://www.pioneer.com/argentina>
- Monsanto Argentina: <http://www.monsanto.com/argentina>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 5: Trade Regulations and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

### Import Tariffs

[Return to top](#)

Since January 1, 1992, the Argentine tariff classification system -- Harmonized Schedule (HS) -- has been used to specify tariff classifications. 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 2008 the average tariff was 17 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.

#### Minimum Specific Duties (DIEM)

The application of minimum specific duties (DIEM) was introduced in December 1995 to protect domestic industry. DIEM applies to some products under the following categories:

- *Textiles and apparel* classified under Chapters 51 to 63, until December 31, 2010.
- *Footwear* until December 31, 2010.
- *Toys*, classified under Chapter 95 of the MERCOSUR Tariff Schedule until December 31, 2010.

## Average Tariff Rates by Type of Products

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

Chapter 1: Live Animals; Animal Products: 2.5% ad-valorem;

Chapter 28: Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes: 5% ad-valorem;

Chapter 31: Fertilizers 3% ad-valorem;

Chapter 38: Miscellaneous chemical products: 10.2%;

Chapter 39: Plastics and articles thereof: 15% ad-valorem;

Chapter 48: Paper and paperboard; articles of paper pulp, of paper or of paperboard: 14% ad-valorem;

Chapter 49: Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans: 6% ad-valorem;

Chapter 61: Articles of apparel and clothing accessories, knitted or crocheted: 20% ad-valorem;

Chapter 62: Articles of apparel and clothing accessories, not knitted or crocheted: 20%;

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

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

*\* Tariff rates provided by AFIP (Federal Public Revenue Administration) as of December 2006, corresponding to import duties applied by Argentina to products imported from non-MERCOSUR countries.*

## Minimum Import Prices

In May 2001, the Government of Argentina (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 fiscal evasion in import operations, the GoA issued 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 eighty percent (80%) 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 21 percent and 11 percent respectively, depending on the type of product.
- Loss of tax benefits such as exemption or deferment of VAT and Income Tax payments.
- Perception 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 act as a guarantee to allow the import transaction.

Customs Notes 90 and 91 for 2008 continue to update and expand the list of minimum/reference prices, and required importers of any goods from designated countries which are invoiced below the reference prices to have the invoice validated by both the foreign customs agency and the appropriate Argentine Embassy or Consulate.

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

## **Trade Barriers**

[Return to top](#)

The basic legislation affecting import and export transactions is contained in the Customs Code (Law 22,415), which came into force in September 1981, and has been modified and complemented several times through subsequent laws, resolutions and other regulations.

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 had been 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 of capital movement.

Foreign companies are allowed to send profits abroad. Export proceeds, on the other hand, still must be repatriated to Argentina. Repatriation deadlines vary based on product categories, and eventually could become more flexible as the economy continues to evolve favorably.

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" to exist when the export price of imported merchandise is 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.

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 or delay to the commencement of a productive activity in Argentina. Argentine fair trade laws are based on Article VI of the WTO under Resolutions 281/97 and 622/95.

Argentina has set antidumping and countervailing measures at various opportunities, some of which still remain currently in force.

### **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 members (Argentina, Brazil, Paraguay and Uruguay). As of 2006, over 99 percent of all 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.

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 very 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, 2010 for specific products, using the so-called Exceptions List (pursuant to Decision 59/07 CMC MERCOSUR).

The CET for **capital goods** was implemented on December 30, 2000 for Argentina, and was fixed at 14 percent. However, the Argentine Government negotiated with MERCOSUR members and applied a zero percent import duty for capital goods produced in non-MERCOSUR countries (Resolution 8/2001 by the Ministry of Economy). The exception will remain in effect until January 1, 2011.

Information and telecommunications-related (IT) products are regulated by a separate tariff schedule, which expires on December 31, 2010. After this date, all import duties will begin to converge among MERCOSUR members according to a fixed schedule. Additionally, Decision 58/08 CMC MERCOSUR asks for revision of the CET for information and telecommunication-related products that must be applied starting

January 1, 2011. Duty levels for IT products may be obtained from the U.S. Commercial Service in Argentina ([Buenos.Aires.Office.Box@mail.doc.gov](mailto:Buenos.Aires.Office.Box@mail.doc.gov)).

Also, some goods not produced within MERCOSUR, such as newsprint, books, and certain petroleum products, pay zero 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 are applied:

- 0.5 percent statistics fee on the CIF value, with some exceptions. This fee is not levied on MERCOSUR intra-zone trade.
- 21 or 10.5 percent (depending upon the product) of Value Added Tax (VAT) on the CIF value plus tariff plus statistics fee.
- 10 or 5.5 percent (depending upon 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.
- Three percent anticipated profits tax on all retail goods, except for goods imported directly by users. Individuals pay 11 percent.

The CIF value plus the duty and the import statistics fee form the base for the application of domestic taxes. For this reason, imports must be supported by the foreign supplier's invoice. 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 newsprints.
- New imported capital and information and telecommunications-related goods.
- Goods imported under the temporary import regime.



**Illustrative Study of Direct Import Costs**  
(In U.S. dollars)

**A-** The following example illustrates the import of industrial furnaces or ovens (HS 8417.10.10) by a private company, for resale. Imports of capital goods benefit from a reduction on import duties as well as on the VAT rate.

FOB Base Price		\$10,000.00	
Freight *	8%	\$800.00	
Insurance *	1%	\$108.00	
<b>CIF = Dutiable Base</b>			<b>\$10,908</b>
Import Duty	0%	\$ 0	
Statistics Fee	0%	\$ 0	
SUBTOTAL		\$ 0	
<b>VAT Dutiable Base</b>			<b>\$ 10,908</b>
VAT	10.5%	\$1,145.34	
VAT (additional)	5%	\$ 545.40	
Profits Tax (advance)	3%	\$ 327.24	
SUBTOTAL		\$2,017.98	
<b>Total after taxes</b>			<b>\$12,926</b>
Port Costs (on CIF) * **	6%	\$791.92	
Customs Broker Fees (on CIF) * **	1.5%	\$197.98	
Bank Charges (on FOB) * ** **	2%	\$ 242.00	
SUBTOTAL		\$1,231.90	
<b>LANDED COST</b>			<b>\$14,158</b>

Notes:

\* Average. Actual costs depend on type of merchandise, mode of transportation, and the value/weight or volume ratio. Please consult a freight forwarder, an insurance company, a port terminal, or a customs broker for exact costs.

\*\* These amounts include 21 percent VAT (Value Added Tax), charged on these services.

\*\*\* Bank charges assume letter of credit.

Please note that VAT and Profits Tax are deductible from gross income tax.

**B-** The following example illustrates the import of plastic furniture (HS 9403.70.00) by a private company, for resale. High import duties are applied to imports of consumer products.

FOB Base Price		\$10,000.00	
Freight *	8%	\$800.00	
Insurance *	1%	\$108.00	
<b>CIF = Dutiable Base</b>			<b>\$10,908</b>
Import Duty (DIE)	19.5%	\$2,127.06	
Statistics Fee	0.5%	\$54.54	
SUBTOTAL		\$2,181.60	
<b>VAT Dutiable Base</b>			<b>\$13,089</b>

VAT	21%	\$ 2,748.81	
VAT (additional)	10%	\$1,308.90	
Profits Tax (advance)	3%	\$392.69	
SUBTOTAL		\$4,450.39	
<b>Total after taxes</b>			<b>\$17,540</b>
Port Costs (on CIF) * **	6%	\$791.92	
Customs Broker Fees (on CIF) * **	1.5%	\$197.98	
Bank Charges (on FOB) * ** **	2%	\$242.00	
SUBTOTAL		\$1,231.90	
<b>LANDED COST</b>			<b>\$18,772</b>

Notes:

\* Average. Actual costs depend on type of merchandise, mode of transportation, and the value/weight or volume ratio. Please consult a freight forwarder, an insurance company, a port terminal, or a customs broker for exact costs.

\*\* These amounts include 21 percent VAT (Value Added Tax), charged on these services.

\*\*\* Bank charges assume letter of credit.

Please note that VAT and Profits Tax are deductible from gross income tax.

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*  
URL: <http://www.mecon.gov.ar/>  
Contact: Cpn. Daniel Martin, National Director  
E-mail: [pmagli@mecon.gov.ar](mailto:pmagli@mecon.gov.ar)
- Technical Administration, Argentine Customs Bureau:  
*Subdirección General Técnico Legal Aduanera*  
*Dirección General de Aduanas (DGA)*  
*Administración Federal de Ingresos Públicos - AFIP*  
URL: <http://www.afip.gov.ar/>  
Contact: Dr. Raúl Alfredo Bustos Cara, Deputy Director General for Customs  
E-mail: [mtirabassi@afip.gov.ar](mailto:mtirabassi@afip.gov.ar)

**Non-Tariff Barriers**

Generally, there are no preliminary requirements for imports, and document requirements are relatively simple. However, certain types of goods may only be imported into Argentina with a permit from the pertinent authority. In addition, phytosanitary rules, safeguard measures involving specific duties, anti-dumping investigations, and other practices have been used 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. Argentina imposes a number of trade restrictions, including safeguard provisions on Brazilian color televisions. Argentina currently imposes anti-dumping duties on imports of U.S. polyvinyl chloride. Most recently, the government imposed new non-

automatic licenses on toys, soccer balls, footwear parts, some used equipment, and bicycle tires and tubes, requiring importers to obtain an import certificate reviewed by Argentine government authorities.

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, 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 type 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. Currently, there is a trade-balancing scheme that determines import levels for auto assemblers. 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.

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**

[Return to top](#)

### **Import Licenses**

On February 8, 1999, the Argentine Government implemented an automatic import license regime. Pursuant to resolution MEOSP 17/99, later modified numerous times, the Government of Argentina requires the presentation of an import license (*Licencia Automática de Importación* - LAPI) for the purpose of customs clearance. This measure was designed to provide Argentine customs officials with a lead-time to identify potential problems (i.e., possible under-invoicing or other unfair trade practices) and to obtain data about sensitive sectors.

While a subsequent resolution is required for any specific tariff line, most products are potentially subject to automatic licensing. The following are exemptions to this regulation (Resolution SICM 150/1999):

- Import transactions of less than FOB \$800
- Goods imported under the "Postal Regime"
- Goods imported under the "Sample Regime"

- Goods imported under the "Automotive Industry Regime" to be included in a production process
- Goods covered by Decree 732/72 "Science, Art, Technical and Human Health", and donations covered by Law 23.871, Article 17.

To receive customs clearance, the application form must be registered with the Under Secretariat of Foreign Trade Management at the Secretariat of Industry, Commerce, and Small & Medium-Size Enterprises (SMEs). As a rule, approval takes 48 hours for both air and maritime shipments. However, for imports of sensitive products subject to monitoring, the procedure may take up to ten days. If the Under Secretariat does not reply within the specified ten-day timeframe, the importation is considered automatically approved. This procedure is considered an automatic system of authorization, and it complies with the WTO. Neither importers nor exporters must pay a fee for this license, which is valid for 60 days from the approval date.

### **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.

### **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.

### **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, as 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.

### **Insurance Certificate**

The U.S. exporter needs to be concerned about this document when purchasing insurance and should act 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 required by Argentine Customs 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 control is in place to address import issues such as:

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

## **U.S. Export Controls**

[Return to top](#)

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 Russia.

Further information on export controls is available at:  
<http://www.bis.doc.gov/licensing/exportingbasics.htm>

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/enforcement/redflags.htm>

Also, BIS has "Know Your Customer" guidance at:  
<http://www.bis.doc.gov/Enforcement/knowcust.htm>

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: <https://www.bis.doc.gov/forms/eeleadsntips.html>

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 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.access.gpo.gov/bis/ear/ear\\_data.html](http://www.access.gpo.gov/bis/ear/ear_data.html)

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

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. (Temporary Admission) Carnet 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 regime 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 (*Direccion 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. Between 2003 and 2008, temporary imports increased by five percent. 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 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.

The following is an example of the amount of bonds that must be paid to customs:

<b>FOB Base Price</b>		<b>\$10,000.00</b>	
Freight *	5%	\$ 500.00	
Insurance *	0.2%	\$ 200.00	
<b>CIF = Dutiable Base</b>			<b>\$10,700.00</b>
Additional Import Duty	24.00	\$2,568.00	
Import Duty (DIE)	10.0	\$1,070.00	
Statistics Fee	0.5%	\$ 53.50	
<b>SUBTOTAL</b>		<b>\$3,781.50</b>	
<b>VAT Dutiable Base</b>			<b>\$14,391.50</b>
VAT	21%	\$ 3,022.15	
VAT (additional)	10%	\$1,439.2	
Profits Tax (advance)	3%	\$431.75	
<b>SUBTOTAL</b>		<b>\$4,893.10</b>	
<b>BOND</b>		<b>\$ 8,674.60</b>	

### 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.

### Labeling and Marking Requirements

[Return to top](#)

Under Argentine law 22,802/83, the *Dirección de Lealtad Comercial*, 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.

Article 2: - Products manufactured in country will bear a mark that reads "*Industria Argentina*". If products have been manufactured with foreign raw material, or any other element that does not modify the nature of the product, it will still be considered an Argentine product. Indication of the foreign origin of the component/s of the final product is allowed; however, it has to be smaller than the original label.

Article 3: - Imported products that undergo a final local process of assembly and finishing that does not modify the nature of the product will be considered of foreign origin. It is optional to indicate that such a process has occurred on the product label. Imported products manufactured with elements of different countries will be considered as originating from the country in which it acquired its nature.

Article 4: - Labels of all products commercialized in country should be in Spanish, with the exception of foreign words/phrases of common usage in trade. Imported products may keep the original label of country/language of origin but should have a sticker/label attached to the package in Spanish with the information requested in Article 1 (above).

Article 5: - The use of words, phrases, descriptions, trademarks, product literature, brochures, etc. that may lead to error, deceit, or confusion regarding the nature, origin, quality, quantity, etc. of the product, its features, and usage is completely forbidden.

Article 6: - Importers, manufacturers and assemblers will be responsible for the truthfulness of the information stated on the labels.

This law has many complementary regulations from different Ministries according to the nature of the product. Industry sectors such as medical, fine chemicals, fertilizers, hazardous materials, food, beverages, textile and apparel, and footwear have more detailed specifications for labeling requirements.

Law 19,511 establishes the use of the metric system in the Argentine Republic. Regulation 100/83 of the Ministry of Economy provides that the indication of net content in labeling must be in the metric system.

The *Dirección de Lealtad Comercial* of the Secretariat of Industry, Ministry of Economy, works together with the other Ministries (or corresponding Argentine government

agency) in the development of in-depth labeling requirements for each industry/product. For further inquiries, please contact:

**DIRECCION DE LEALTAD COMERCIAL**

*Secretaría de Coordinación Técnica  
Ministerio de Economía y Producción*

Phone: (54-11) 4349-4075/76/77

Fax: (54-11) 4349-3755

Contact: Prof. Fernando Carro, Director

Comments: Government agency under the Ministry of Economy.

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 USFDA, the regulatory body of the Ministry of Health) provides additional information to the general rules for a specific product.

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

E-mail: [postmaster@anmat.gov.ar](mailto:postmaster@anmat.gov.ar)

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

Contact: Manuel Limeres, Director a.i.

There is no general regulation for labeling of hazardous materials. The *Dirección de Lealtad Comercial* and the Ministry of Health are currently discussing the terms on labeling requirements of hazardous materials. For information on labeling requirements of hazardous materials, please contact the ANMAT (above) with your request including the product's HS number.

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**

[Return to top](#)

### **Prohibited Imports**

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

- Used automobiles (with some exceptions, Decree 110/1999)
- Used motorcycles and velocipedes (Resolution 790/1992, Ministry of Economy)
- Used equipment and its parts, as indicated by Decree 690/2002, Appendix XIV and its modifications (Resolution 89/2003 ME, article 7°)
- Used clothing and accessories (MERCOSUR Tariff Codes 6309.00.10 & 6309.00.90) until June 30, 2010. (Resolution ME 367/2005)
- All types of dangerous residues (Law 24051)
- Certain dangerous substances (Resolutions 750/2000, 845/2000, 182/1999, etc.)

- 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 8/8/2003)
- Used equipment, instruments, parts and transportation material (Resolution MEOSP 909/94, article 4°, and modifications). Resolution MP 37/2003 exempted donations of used goods over 5 years old made to governmental institutions and registered religious entities
- Raw cotton (not carded or combed, harsh or rough) as per Res. SENASA 208/03

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 117/2002 and its amendments. Resolution 117/2002 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. In March 2008, the Argentine Animal and Plant Health and Food Safety Agency (SENASA) informed the USDA that they were drafting a new regulation which will amend 117/2002.

For additional information on the above products, please contact the U.S. Foreign Agricultural Service in Argentina at [Andrea.Yankelevich@usda.gov](mailto:Andrea.Yankelevich@usda.gov).

### **Used Capital Goods**

The Government of Argentina places restrictions on imports of used products, including medical equipment, to facilitate market entry for well-established and qualified suppliers and to bar unreliable suppliers, who have sold improperly refurbished machines or equipment without suitable after-sales support.

As a general rule, used capital goods must be refurbished in the country of origin or the country of export. The machinery must have been overhauled (repaired or remanufactured) and certified by a "technical organization" in the country of origin. The Commercial Section of the Argentine Embassy or an Argentine Consul in the United States must then validate the certification. Used goods may also be refurbished in Argentina by the importer, who is the end user of the goods.

Decree 690/2002 lists used equipment subject to this regime, as well as used equipment banned from import. Products not mentioned in the decree (as either permitted or prohibited) are considered as new for tariff purposes.

Specific rules apply to imports of used production lines (Resolution ME 511/2000 and modifications). The special regime for imports of used production lines was implemented in 2000, and comprises those “items whose main component is used imported machinery, as part of an investment project for industrial production.” The regime aims to facilitate access to goods not manufactured in Argentina, whose price is not affordable to local SMEs currently suffering the lack of accessible credit lines. The regime is currently in force until December 31, 2008. An import duty of six percent applies for the used production lines imported. Additionally, these imported goods do not pay Verification of Destination Fee.

## Customs Regulations and Contact Information

[Return to top](#)

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 depends on the Federal Public Revenue Administration (*Administración Federal de Ingresos Públicos, AFIP*). AFIP is an autonomous authority in 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. Claudio Moron  
Federal Administrator  
Hipólito Yrigoyen 370 (C1086AAD)  
Phone: (54) (11) 4347-2000

GENERAL CUSTOMS BUREAU  
(*Dirección General de Aduanas, DGA*)  
Mrs. Maria Silvina Tirabaffi  
General Director  
Azopardo 350 (C1107ADD)  
Buenos Aires  
Phone: (54) (11) 4338-6400/6640  
Fax: (54) (11) 4338-6644

For online Customs-related information, please visit the AFIP/DGA's website at [www.afip.gov.ar/Aduana/](http://www.afip.gov.ar/Aduana/) (*Spanish*).

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

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

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. 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, Commerce and SMEs (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 (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.

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 adopted 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, Food and Medical Technology (*Administración Nacional de Medicamentos, Alimentos y Tecnología Médica* - ANMAT).

### **Standards Organizations**

[Return to top](#)

There are two private sector organizations that work under the National System for Standards, Quality and Certification. The Argentine Standardization Institute (*Instituto Argentino de Normalización* - 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.

### **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**

[Return to top](#)

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 and 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 expert is assigned to work in the U.S. Commercial Service office at the U.S. Embassy in Brasilia, with regional responsibilities for South American countries, including Argentina.

**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.

**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 the 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.

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 Government. Testing laboratories must similarly be accredited and recognized.

*Organismo Argentino de Acreditación*

Phone/Fax: 4349-3962/63/64

Internet: <http://www.oaa.org.ar/200504/index.html>



In 1998, the Argentine government embarked on a new path of issuing regulations mandating that certain products meet safety requirements. The trend has slowed down considerably and, generally, 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 product 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.

Resolution 197/2004, published in the *Boletín Oficial* on January 7<sup>th</sup>, 2005 establishes the requirements for certification by mark (ISO 4), type (ISO 5), or batch (lot-ISO 7). Type and lot requirements will apply after June 28<sup>th</sup>, 2005, while mark stamps will be required starting January 7<sup>th</sup>, 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 revised Resolution 197 and passed a new Resolution (109) that incorporated the mandatory Certification Regime in force in compliance with safety requirements. To view the version in Spanish, please see: <http://www.mecon.gov.ar>.

**For information on Argentine and MERCOSUR standards, contact:**

IRAM, *Instituto Argentino de Normalización*

E-mail: [iram@iram.org.ar](mailto:iram@iram.org.ar)

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

Contact: Ing. Jose Francisco Lopez, Director General

Comments: Argentine Standardization Institute

AMN, *Asociación MERCOSUR de Normalización*

E-mail: [secretaria@amn.org.br](mailto:secretaria@amn.org.br)

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

Comments: MERCOSUR Standards Association

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

Dirección Nacional de Comercio Interior, Secretaria de Comercio Interior

Ministerio de Economía y Producción

Phone: (54-11) 4349-4051/4052

Fax: (54-11) 4349-4038

E-mail: [dirnaci@mecon.gov.ar](mailto:dirnaci@mecon.gov.ar)

Contact: Prof. Fernando A. Carro, Director a.i.

**For medical products, contact:**

ANMAT, *Administración Nacional de Medicamentos, Alimentos y Tecnología Médica*

E-mail: [direccion@anmat.gov.ar](mailto:direccion@anmat.gov.ar)

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

Contact: Ricardo Martinez, Director a.i.

**For information on accreditation, contact:**

Organismo Argentino de Acreditación

Internet: <http://www.oaa.org.ar/200504/index.html>

**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

E-mail: [ncsci@nist.gov](mailto:ncsci@nist.gov)

Internet: <http://ts.nist.gov/Standards/Information/index.cfm>

American National Standards Institute (ANSI)

Phone: (212) 642-4900

Fax: (212) 398-0023

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

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 member countries originally include 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 70 percent of the South American territory and 64 percent of its population. The Internet address is as follows: <http://www.mercosur.int/msweb/>.

### **MERCOSUR-Venezuela**

In July 2006, MERCOSUR members accepted Venezuela's request to become a MERCOSUR full member. 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. Final acceptance is still pending ratification by the Brazilian and Paraguayan legislatures.

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, Peru, and Venezuela)**

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**

[Return to top](#)

- Ministry of Economy: <http://www.mecon.gov.ar/>
- Ministry of Foreign Affairs, International Trade and Worship: <http://www.cancilleria.gov.ar/>
- Argentine Central Bank: [http://www.bcra.gov.ar/index\\_i.htm](http://www.bcra.gov.ar/index_i.htm)  
National self-governed institution whose primary and fundamental mission is to preserve the value of the Argentine currency. It formulates and implements the

monetary and financial policy and is officially not subject to the orders, guidelines, or instructions of the National Executive branch of government.

- National Foreign Trade Commission (*Comisión Nacional de Comercio Exterior*): <http://www.cnce.gov.ar/>. National Bureau under the Secretary of Industry, Commerce and Small and Medium Enterprises (<http://www.indcompyme.gov.ar/>). Applies legislation international trade-related and as a research and information center for international trade y trade policy.
- National Institute of Statistics and Censuses (INDEC): <http://www.indec.gov.ar/indec/ingles.asp>.
- *Administración Nacional de Medicamentos, Alimentos y Tecnología Médica* (ANMAT): <http://www.anmat.gov.ar/>. Equivalent of the USFDA, the regulatory body of the Ministry of Health. It provides additional information to the general rules for a specific product.
- Federal Public Revenue Administration (AFIP): <http://www.afip.gov.ar/>. National tax collection agency that executes the tax and customs policies set by the National Executive Branch.
- Association for Latin American Integration (ALADI): <http://www.aladi.org/>
- Common Market of the South (MERCOSUR): <http://www.mercosur.int/msweb/>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

### **Openness to Foreign Investment**

[Return to top](#)

Argentina remains open to foreign investment and currently hosts over 500 U.S. companies that employ over 155,000 Argentines. Five consecutive years of real GDP growth over 8.5 percent between 2003 and 2007, and preliminary estimates of 7% growth in 2008 attracted considerable U.S. and other international investor interest in exploring opportunities in the Argentine market. The government of Argentina, in turn, has signaled its desire to see continued foreign direct investment (FDI) flows to enhance the nation's productive capacity and GDP growth potential. However, the attractiveness of some sectors for foreign investors is affected by uncertainties relating to the expected deceleration of economic activity in 2009, as well as by longstanding concerns regarding creditor and contract rights and a perception of unpredictable regulatory and tax changes.

Following a December 2001 financial crisis, the government ended a currency board regime ("convertibility") that had pegged the Argentine peso to the U.S. dollar and devalued the currency. In January 2002, the government defaulted on roughly \$82 billion in privately held debt and over \$6 billion in debt to official government creditors (including approximately \$360 million owed to the U.S. government). By March 2008, Argentina's defaulted debts to official "Paris Club" creditors had grown to an estimated \$7.9 billion, the vast majority of which consists of arrears and past due interest. In February 2005, private investors holding 76 percent of Argentina's defaulted debt accepted an Argentine government offer of approximately 34 cents on the dollar of old debt. Argentine President Cristina Fernandez de Kirchner announced in September 2008 that the government intends to pay debts to Paris Club creditors. She further announced that the government would consider a proposal from private banks on the

settlement with international bondholders of untendered Argentine government debt stemming from the January 2002 default. However, neither of these initiatives has reached fruition as of this writing.

In a dramatic post-crisis recovery, Argentina posted real GDP growth rates of 8.8% in 2003, 9.0% in 2004, 9.2% in 2005, 8.4-5% in 2006, and 8.7% in 2007 (according to Argentine national statistics agency INDEC). On February 13, 2009, INDEC released a preliminary estimate for full-year 2008 GDP growth of 7%. This impressive six-year performance led to improvements in key socio-economic indicators, including a reduction in unemployment from a 21.5% peak in 2002 to 7.3% during the fourth quarter of 2008, according to official government statistics. Argentina's post-crisis move to a more flexible exchange rate regime, along with sustained global and regional growth, a boost in domestic aggregate demand via monetary, fiscal, and income distribution policies, and favorable international commodity prices and interest rate trends, were catalytic factors in supporting renewed growth between 2003 and 2008. The economic resurgence also enabled the Argentine Central Bank to accumulate substantial official reserves (estimated at almost \$47 billion as of March 2009) to help insulate the economy from external shocks. In January 2006, the Central Bank used reserves to cancel Argentina's \$9.5 billion debt to the IMF. A higher tax burden, improved tax collection efforts, and the recovery's strong impact on tax revenues supported the government's successful efforts to maintain primary fiscal surpluses since 2003.

The industrial sector performed well in the aftermath of the 2001/2 economic crisis, growing from 17% of GDP in 2001 to over 22 % in 2008. Investment in real terms, according to government statistics increased 12.3% in 2008. Illustrative of this industrial expansion, the domestic car industry had its best year in history in 2008, with over 595,000 units produced, up 10% from 2007. Automotive exports exceeded 350,000 units in 2008, also an all-time record, and comprising roughly 60% of total production. In 2007, the automotive industry accounted for almost 20% of Argentina's manufacturing output and 36% of all manufacturing exports, measured by value.

Although it continued its strong expansion in 2008, with INDEC estimating GDP growth at 7% year-over-year, Argentina, like the vast majority of economies throughout the world, is likely to experience a broad deceleration of economic activity in 2009 as a result of ongoing global financial turmoil and the resulting slowdown in world economic output.

Argentina's Central Bank has managed monetary and currency policy in support of the economic expansion, maintaining an undervalued or "competitive" exchange rate, and negative real interest rates. However, a number of private economic and financial observers argue that the policy has contributed to a rise in the level of inflation in recent years. There has been substantial public debate in the media over inflation rates.

Private sector bank balance sheets, which deteriorated significantly during the economic crisis, recovered between 2003 and 2008, with improving levels of liquidity, net exposure to the public sector significantly reduced, and credit – primarily to the private sector – increasing at a faster pace than nominal GDP growth. Private banks operating in Argentina, which hold approximately 58% of total financial system deposits and 63% of loans, have returned to solvency, according to the Argentine Central Bank and international credit rating agencies. The ratio of private bank non-performing loans is currently 2.8%, just 0.6% percentage points above its historic low of 2.2% (achieved in

December 2007), and profits for the overall banking system in recent years are among the highest levels achieved in over a decade. According to Central Bank regulatory authorities, Argentina's public banks, which hold the remaining assets, are also solvent and liquid.

Despite the strong banking sector performance of recent years, lending, system-wide, remains mostly short-term, as access to long-term financing is limited and borrowers are reluctant to borrow long-term at variable rates. Financial sector analysts have argued that the great uncertainty in local capital markets, including over the direction of the economy and government economic policy, as well as over the levels of long-term inflation, complicates government and private sector efforts to develop a long-term fixed interest rate market, without which it will be difficult to deepen Argentina's financial markets or support large-scale private sector project finance. Government officials have acknowledged the lack of medium- and long-term credit facilities needed to support the expansion of domestic productive capacity, and the government has announced a number of programs aimed at expanding available credit.

Slowing domestic growth, uncertain macroeconomic conditions, continuing global financial turmoil and the government's nationalization of Argentina's private pension system are complicating operating conditions for Argentine banks. As a result, a number of non-government experts say they will likely be exposed to higher credit risks, pressures on profitability, and tighter liquidity conditions. While the systems' asset quality is solid and bank reserves exceed Central Bank requirements, a number of private financial sector experts predict that lending levels will decline as banks take precautionary measures to maintain liquidity and asset quality.

Decree 1853/1993 governs foreign investment in Argentina. According to this decree, 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, greenfield investment, or joint venture. Foreign firms may also participate in publicly financed research and development programs on a national treatment basis.

A Bilateral Investment Treaty (BIT) between Argentina and the United States entered into force in October 1994. The BIT provides protections against capital movement restrictions, expropriations, and performance requirements; it also establishes effective means for the settlement of investment disputes. The BIT lists a few 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.

Foreign and Argentine firms 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 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 (SCA) in Tierra del Fuego, 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> and <http://www.prosperar.gov.ar>. Information about programs that specifically apply to small and medium businesses may be found at <http://www.sepyme.gov.ar>.

According to the World Bank's 2009 "Doing Business" survey (covering the period April 2007 to June 2008), Argentina ranks 113 out of 181 nations and territories surveyed in overall "ease of doing business." The survey considered issues such as: starting a business; dealing with licenses; employing workers; registering property; getting credit; protecting investors; paying taxes; trading across borders; enforcing contracts; and closing a business.

## **Conversion and Transfer Policies**

[Return to top](#)

Since 2001, the Argentine Ministry of Economy and Central Bank have issued various new or revised foreign exchange transaction regulations in an attempt to normalize the foreign exchange market and to limit the peso's appreciation against the dollar. In June 2003, Argentina imposed a registration requirement for inflows and outflows of capital. In 2004, the Central Bank issued several specific, narrowly applied new controls on capital flows. Argentine residents are restricted to net currency purchases of \$2 million per month. Institutional investors are restricted to total currency transactions of \$2 million per month, although transactions by institutions acting as intermediaries for others do not count against this limit. In May 2005, the GOA issued Presidential Decree 616 and extended the minimum holding period for capital inflows from 180 to 365 days.

The Ministry of Economy implemented Decree 616 through resolutions in 2005 and 2006 which imposed more restrictive controls on the following classes of inbound investments: inflows of foreign funds from private sector debt (excluding foreign trade and initial public offerings of stock and bond issues); inflows for most fiduciary funds; inflows of nonresident funds that are destined for the holding of Argentine pesos or the purchase of private sector financial instruments (excluding foreign direct investment and the primary issuance of stocks and bonds); and investments in public sector securities purchased in the secondary market. These inflows are subject to three restrictions: (a) they 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 the amount of such transactions must be deposited in a local financial entity for 365 days in an account that must be denominated in dollars and pay no interest. As of September 2006, a deposit is not required for capital inflows aimed to finance energy infrastructure works, and as of January 2008 a deposit is not required for inflows for the purchase of real estate property by foreigners as long as the foreign exchange liquidation occurs on the day of settlement (and transfer of the title). Violations are subject to criminal prosecution.

In October 2007, the Central Bank introduced new control measures, banning all foreign entities from participating in Central Bank initial public offerings; however, foreign firms may still trade Central Bank debt instruments on the secondary market. In a likely attempt to increase the supply of dollars in the local market, the Central Bank issued a new requirement in October 2008 (Circular A4860) introducing the requirement that



exporters deposit the U.S. dollar proceeds from exports in “local” banks (*cuentas de corresponsalía de entidades financieras locales*) within ten days.

The Central Bank intervenes frequently in the foreign exchange market, with the objective of maintaining a competitive peso. International financial turmoil, falling commodity prices, and increasing uncertainty about the Argentine and regional economies in 2009 have private sector financial experts expecting a further nominal depreciation of the peso over the next year.

To combat capital flight and to encourage the return of billions held by Argentines outside the formal financial system (both offshore and in-country), Argentina’s legislature approved December 18, 2008, a tax moratorium and capital repatriation law that would provide a tax amnesty for persons who repatriate undeclared offshore assets. The law entered into force December 24. Under this law, companies or individuals have a six-month window (March 1 - August 31, 2009) to declare funds held abroad (or held locally, but outside of the formal financial system) to the local tax authority (AFIP). Those choosing to keep these funds abroad will pay an eight percent tax rate. Repatriated funds face a six percent tax if the funds are deposited in local financial institutions, three percent tax if the funds are invested in bonds, or a one percent tax if the funds are invested in real estate, infrastructure, or agricultural or industrial ventures. The GOA issued implementing regulations for the law February 2, 2009, which include a requirement that transfers from abroad originate in countries that comply with international money laundering and terrorism financing standards. They also require local financial institutions to comply with existing government and central bank laws, rules, and regulations related to the prevention of financial crimes. The government has offered assurances that Argentine legislation, including this law, will adhere to international anti-money laundering and counter-terrorism finance standards. (In March 2009, in order to facilitate the return of funds under this capital repatriation law, the Argentine government temporarily amended the aforementioned Decree 616 to suspend the 30% reserve requirement on inbound capital flows for the March 1 to August 31, 2009, period.)

## **Expropriation and Compensation**

[Return to top](#)

Section 17 of the Argentine constitution affirms the sanctity of private property and states that any expropriation must be authorized by law and 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 payment of prompt fair-market value compensation. Some U.S. investors claim the January 2002 pesification of dollar-denominated contracts amounted to a form of expropriation of their investments and have filed international arbitration claims against the government of Argentina (see Dispute Settlement Section). In October 2008, President Cristina Fernandez de Kirchner submitted a bill to Congress to nationalize Argentina’s private pension system and transfer pensioner assets to the government social security agency. The bill was approved by the Argentine parliament in November 2008. Compensation to investors in the privatized pension system, including to U.S. investors, is pending negotiation as of this writing. In December 2008, the Argentine parliament passed legislation nationalizing the Spanish-owned flag air carrier Aerolineas Argentinas.

The GOA 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 Government of Argentina is a party to 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, however, may not also pursue recourse through international arbitration.

Prior to and following the 2001/2 economic crisis, a number of U.S. investors in privatized public utilities filed ICSID arbitration claims against the government of Argentina claiming that the government rulings de-linking public utility tariffs to foreign inflation indices and a January 2002 pesification of dollar-denominated contracts were a de facto expropriation of their investments. In addition, some U.S. investors have 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 have also provoked investment disagreements.

There were over 34 pending cases against Argentina before ICSID tribunals as of mid-March 2009, with total potential liabilities estimated by private sector analysts in the \$15 billion range. Twelve of these pending ICSID cases were filed under the U.S. BIT. Over the past three years, several ICSID claimants who represent a substantial share of total value of claims against Argentina suspended their ICSID proceedings to facilitate further negotiation with the government. A number of the pending cases are reaching their final stages. As of January 2009, the GOA has not complied with a September 2007 final ICSID judgment awarding approximately \$133 million plus interest in favor of a U.S. investor.

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

Argentina has a strict bankruptcy law similar to that of the United States. However, initiating bankruptcy proceedings is more difficult in Argentina. Creditors can participate in a Chapter 11-like procedure to determine the best means of recovering debts from a bankrupt firm. Company directors are personally and criminally responsible in cases of fraud, although severe punishment for white-collar crime is not common.

No performance requirements are aimed specifically at foreign investors. Government incentives apply to both foreign and domestic firms. The Ministry of Economy administers a complex trade-balancing regime involving quotas and tariffs for auto manufacturers including minimum-content and other requirements. Special regimes also apply to mining, oil and gas, and other natural resource sectors.

## Right to Private Ownership and Establishment

[Return to top](#)

Foreign and domestic investors have free and equal rights to establish and own businesses, or to acquire and dispose of interests in businesses without discrimination.

## Protection of Property Rights

[Return to top](#)

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. However, in February 2002, the government of Argentina established an extended moratorium prohibiting financial institutions from foreclosing on delinquent mortgages on primary residences and implemented a special procedure for both parties to reach an agreement for repaying the mortgage. This special procedure is only applied when delinquency in payment occurred from January 2001 to September 2003.

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. However, Argentina is on the Office of the U.S. Trade Representative's intellectual property rights "Priority Watch List."

Patents: Patent protection has been problematic in Argentina's intellectual property rights regime, and extension of adequate patent protection to pharmaceuticals and genetically modified seeds has been a source of bilateral disagreement. In April 2002, the United States and Argentina reached an agreement with respect to most of the claims in a World Trade Organization (WTO) dispute brought by the United States with respect to Argentina's implementation of its TRIPS obligations. Two issues, including the critical issue of data protection, remain unresolved. The United States and Argentina have agreed to leave these issues within the WTO dispute settlement mechanism for action. New patent legislation implementing part of the April 2002 agreement was passed in December 2003. However, some U.S. and European pharmaceutical firms have expressed concern that some provisions in the legislation limit their ability to protect patented products via the use of judicial injunctions to prevent patent violations.

### Copyrights, Trademarks, Trade Secrets, and Semiconductor Chip Layout Design:

Despite the fact that Argentina's copyright law dates to 1930, it provides a generally good legal framework to protect intellectual property such as books, films, music, and software. Piracy rates of CDs, DVDs, and software are estimated at over 60 percent. While enforcement continues to be sporadic and pirated products are widely available in the market, the government of Argentina has passed laws designed to allow authorities to mount undercover operations; to electronically flag suspect shipments; to facilitate the seizure and detention of suspect merchandise; and to more frequently rotate customs personnel. The Customs administration in 2006 instituted a voluntary trademark registry and owner notification program and seizures of imported counterfeit goods have since risen dramatically. The government has also improved the process for trademark

registration, decreasing the time needed and increasing the rate at which trademarks are registered. However, in the view of many industry observers, the trademark law, passed in 1980, provides non-deterrent civil damages, and in criminal cases the judiciary is reluctant to impose deterrent penalties such as prison sentences. Argentina has no specific law on trade secrets, although penalties for unauthorized revelation of 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.

## Transparency of Regulatory System

[Return to top](#)

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, including in the energy and natural resource extraction sectors that in their view increase uncertainty.

The government has encouraged companies to invest in hydrocarbon (oil and natural gas) exploration, development, and refining. Hydrocarbon industry sources and energy analysts have expressed concern that the government's efforts to control domestic retail prices of fuels, combined with hydrocarbon export tariffs and government regulations prioritizing supply of the domestic market at prices below international levels, have created disincentives for companies to invest in oil and gas exploration and related infrastructure. Inadequate investment in those areas could, in turn, result in energy supplies not keeping pace with energy demand, the private sector analysts argue.

In late 2007, the government moved to end export tax exemptions for several mining companies, and imposed a federal levy on mineral exports ranging from five to ten percent. A number of industry participants have characterized the action as a significant departure from Argentina's 1993-era mining law, which guaranteed tax stability for 30 years. Several have sought redress through the courts and others are working with the government to address their concerns.

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.

## Efficient Capital Markets and Portfolio Investment

[Return to top](#)

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

U.S. banks, securities firms, and investment funds are well represented in Argentina and are dynamic players in the 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. However, the government's nationalization of the private pension funds' assets in November 2008 shut down the funds' investment activities. The resulting uncertainty about the source of future portfolio investment led to sharp reductions in Argentine equity and fixed income asset prices during October and November 2008. As a result of the nationalization, Argentina's semi-autonomous 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. It is as yet unclear what actions ANSES will take with regards to its newly acquired assets or what role it will take in developing local capital markets, although the government has indicated a preference for using the private pension funds' assets to fund infrastructure investments.

## **Political Violence**

[Return to top](#)

Since the 2001/2 economic crisis, protests, marches, and roadblocks directed at the national, provincial and municipal governments, as well as some companies, have been commonplace in Argentina, but their number, size, and the likelihood of accompanying violence have decreased significantly since the crisis. There have been no cases of overtly political violence since the April 2003 national presidential election. In 2005, around the time of the Summit of the Americas held in Argentina, there were approximately 20 incidents in which local groups were involved in small bombings, attempted bombings, or arson, mostly against U.S. businesses (Citibank, Bank Boston, Blockbuster, and McDonald's in particular). Anti-U.S. pamphlets or graffiti were found at most of the 2005 incidents, none of which resulted in injury or death. Since these 2005 incidents, no other such events have occurred.

Demonstrations are common in metropolitan Buenos Aires and occur in other major cities and rural areas as well. Protesters on occasion block streets, highways, and major intersections, causing traffic jams and delaying travel. While demonstrations are usually nonviolent, hooligans in some of the groups 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.

## **Corruption**

[Return to top](#)

According to the World Bank's worldwide governance indicators, Argentine government corruption is a serious problem. Many observers argue that historically weak institutions and an often ineffective and politicized judicial system make rooting out corruption difficult. Corruption by government officials and private sector business fraud are sometimes the subjects of complaints from some U.S. investors. U.S. businesses also argue that their adherence to the letter of the tax and regulatory codes at times places them at a competitive disadvantage.

Transparency International (TI) has a local chapter in Argentina. In the latest TI Corruption Perceptions Index (CPI) that ranks countries and territories by their perceived levels of corruption, Argentina ranked 109 out of 180 countries and territories, below the average among Latin American countries. Transparency International's 2008 Corruption Perceptions Index (CPI) can be found at [http://transparency.org/policy\\_research/surveys\\_indices/cpi/2008](http://transparency.org/policy_research/surveys_indices/cpi/2008). Such surveys have attracted media attention and contributed to more open debate in Argentina about corruption and fraud.

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 and is participating in the pilot review of the implementation of UNCAC. It is also an active participant in the Mechanism for Follow-up on the Implementation of the Inter-American Convention Against Corruption (MESICIC).

The government has regulations against bribery of government officials, but a number of non-government observers argue that enforcement is uneven. The law provides criminal penalties for official corruption. There are frequent press reports alleging that executive officials engaged in corrupt practices, and there are several notable ongoing investigations. 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. Although nominally a part of the judicial branch, the ACO does not have authority to independently prosecute cases, but can refer cases to other agencies or serve as the plaintiff and request a judge to initiate a case.

A recent ACO investigation of GOA public purchases between 2002 and 2005 revealed that about 75 percent were accomplished via direct contracts, often with a sole provider, and not via public tenders. The ACO report expressed concern that this process can facilitate corruption and does not allow competition among providers. The ACO report noted that some GOA officials defended this practice, claiming that many contracts were below the legally-mandated limit of 10,000 pesos (about \$3200), under which tenders are not required. GOA officials also claimed that sometimes only one provider was able to meet contract specifications. In response, the ACO report noted that GOA officials often avoided the 10,000 peso limit by disaggregating contract components so that no part exceeded this limit, that contract specifications were sometimes written so that only one provider could meet the requirement, or failed to widely advertise tenders so that other providers could be made aware of them. This report can be found at <http://www.anticorrupcion.gov.ar/>.

Inefficiencies in the Argentine judicial system limit the effectiveness of efforts to stem corruption. Anti-corruption experts point to various shortcomings which make corruption difficult to prosecute and make convictions rare.

In December 2008, the U.S. plea agreement by the German corporation Siemens identified generically several high-level officials in former Argentine governments as

having accepted multi-million dollar bribes in the controversial procurement of a national identification card system.

## **Bilateral Investment Agreements (BIT)**

[Return to top](#)

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://www.state.gov/documents/organization/43475.pdf.htm>. Argentina does not have a bilateral tax treaty (Treaty for the Mutual Avoidance of Double Taxation) with the United States.

At present, the GOA has signed and ratified bilateral treaties for the protection and promotion of investment with all of its major trade and investment partners. More information regarding Argentina's bilateral tax and investment treaties is available at [www.infoleg.gov.ar](http://www.infoleg.gov.ar).

Argentina has valid double taxation treaties with Australia, United Kingdom, Denmark, Germany, Belgium, Austria, France, Italy, Sweden, Switzerland, Spain, Canada, Chile, Bolivia, Brazil, Finland, Norway, and the Netherlands. In addition, a number of treaties concerning the exemption of income from international transport are in force.

## **OPIC and Other Investment Insurance Programs**

[Return to top](#)

The government of Argentina 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**

[Return to top](#)

Argentine workers are among the most highly educated in Latin America. Wages in dollar terms remain competitive, even taking into account Argentina's relatively high social security charges and other taxes. As of the third quarter of 2008, the unemployment rate was 7.8 percent, down from a 21.5 percent peak in 2002, according to official government statistics. The Ministry of Labor estimated that 40 percent of the urban workforce worked in the informal sector.

Organized labor continues to play a strong role in Argentina. Sector-specific negotiations between unions and industry, although largely market-driven, have often been influenced by government suasion. In the 2002-2004 period, a number of general wage increases were mandated by presidential decree. In 2008, the government, through a Wage Council resolution, raised the monthly national minimum wage to 1,240 pesos (\$354).

Argentine law provides unions with the right to negotiate collective bargaining agreements and to have recourse to conciliation and arbitration. The Ministry of Labor, Employment, and Social Security ratifies collective bargaining agreements, which covered roughly 75 percent of the formally employed work force. According to the ILO, the ratification process impeded free collective bargaining because the ministry considered not only whether a collective labor agreement contained clauses violating public order standards but also whether the agreement complied with productivity, investment, technology, and vocational training criteria. However, there were no known cases of government refusal to approve any collective agreements under these criteria. There are no special laws or exemptions from regular labor laws in the foreign trade zones.

In an effort to avoid massive layoffs during the 2002 financial crisis, severance payments were doubled. This "double indemnification" labor termination policy was ended in September 2007 when official unemployment dropped below 10 percent. According to the World Bank's 2008 "Doing Business" survey, the cost of terminating an employee in Argentina averaged 95 weeks of wages, significantly above the Latin American average of 54 weeks and more than three times the OECD average of 26 weeks.

## **Foreign-Trade Zones/Free Ports**

[Return to top](#)

Argentina has two types of tax-exempt trading areas: Foreign Trade Zones (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.

Law 24331 of 1994 establishes the FTZ regime for Argentina. 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 get 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 most of the 24 Argentine provinces. 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 FTZs and re-exports from FTZ is exempt from export taxes.

Law 19640, passed in 1972, codifies the Special Customs Area (SCA) rules for Argentina. Unlike FTZ-manufactured goods, 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, but only for those firms previously established in Tierra del Fuego Province. The SCA program is scheduled to expire at the end of 2023. In late 2006, Economic Ministry Resolution 776 abolished export tax exemption enjoyed by oil companies operating in Tierra del Fuego Province.

## Foreign Direct Investment Statistics

[Return to top](#)

According to the United Nations Conference on Trade and Development (UNCTAD) World Investment Report 2008, the total stock of FDI in Argentina at the end of 2007 was estimated at \$66 billion. Spain, the United States, and France remain the top three investors. Other important sources of investment capital include Brazil, Canada, Mexico, U.K., Italy, Chile, the Netherlands, and Germany.

Also according to UNCTAD, Argentina received 1.1 percent of foreign direct investment (FDI) inflows to developing countries, and 4.5 percent of FDI inflows to Latin America and the Caribbean in 2007. Both of these shares are well below Argentina's average FDI share from the pre-crisis 1992-2000 period. Total FDI inflows in 2007 were estimated at \$5.7 billion. The stock of U.S. FDI in Argentina in 2007 was estimated at \$14.9 billion by the U.S. Commerce Department (<http://www.bea.gov/international/datatables/usdctry/usdctry.htm>). U.S. investment is widespread throughout the economy, but particularly concentrated in financial services, agribusiness, energy, petrochemicals, food processing, household products, and motor vehicle manufacturing. Many U.S. firms substantially wrote down the value of their Argentine investments in response to the 2001/2 devaluation and pesification of previously dollar-denominated contracts.

Argentine firms increasingly invested abroad during the 1990s (particularly in Brazil, Paraguay and Uruguay), although the country has remained a net recipient of foreign direct investment. In 2007, according to UNCTAD, its outward FDI amounted to \$1.2 billion.

The Argentine Ministry of Economy (<http://www.mecon.gov.ar>) and the Investor's Information Service for Argentina (<http://www.infoarg.org>) and the National Investment Agency (<http://www.prosperar.gov.ar>) have additional detailed information on foreign direct investment in Argentina.

## Web Resources

[Return to top](#)

- Investment Climate Statement – Argentina:  
<http://www.state.gov/e/eeb/ifd/2008/101776.htm>

- Argentine Under Secretariat for Industry, of the Ministry of Economy and Production's Secretariat for Industry, Commerce and SMEs: <http://www.industria.gov.ar>
- Argentine Investment Development Agency: <http://www.prosperar.gov.ar>
- Argentine Under Secretariat for SMEs, Ministry of Economy: <http://www.sepyme.gov.ar>
- Perceptions Index (CPI): [http://transparency.org/policy\\_research/surveys\\_indices/cpi/2008](http://transparency.org/policy_research/surveys_indices/cpi/2008)
- Anti-Corruption Office: <http://www.anticorrupcion.gov.ar/>
- Argentina-United States Bilateral Investment Treaty: <http://www.state.gov/e/eeb/ifd/43232.htm>
- Information and Documentation Center, of the Ministry of Economy: [www.infoleg.gov.ar](http://www.infoleg.gov.ar)
- U.S. Direct Investment Abroad: Country Detail for Selected Items (U.S. Commerce Department, Bureau of Economic Analysis): <http://www.bea.gov/international/datatables/usdctry/usdctry.htm>
- Argentine Ministry of Economy: <http://www.mecon.gov.ar>
- Investor's Information Service for Argentina: <http://www.infoarg.org>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### How Do I Get Paid (Methods of Payment)

[Return to top](#)

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 line of credit has been approved in favor of the Argentine company. Multinationals, large and medium sized firms are still the main users of L/Cs. However, to a lesser degree, L/Cs are also used by small firms.

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. Consequently, 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

[Return to top](#)

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.). Holdings of foreign (nonresident) individuals and legal entities in local banking institutions with foreign capital are to exceed 30 percent of capital stock (either directly or indirectly), or the foreign shareholder must be able to control a sufficient number of votes to impose its decisions at shareholders' meetings. It is also required to register with the Registry of Foreign Investments. Foreign banks may only do business in Argentina as investment or commercial banks and must have the BCRA prior authorization in order to

open branches in Argentina. 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 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 there are currently over 60 in business today. The financial system is perceived to be healthier than it was in the last decade. Most financial institutions in Argentina plan to continue expanding operations in order to achieve greater financial margins.

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. Better clients translate into lower credit risk, and as the perception of risk decreases, credit is potentially expected to become more accessible in the medium term.

## **Foreign-Exchange Controls**

[Return to top](#)

The Argentine Central Bank lifted all restrictions on the release of foreign exchange and allows advance payment for imports. For advance payments, Argentine importers must submit customs clearance documents to their commercial bank within 360 days from payment as proof that the goods have indeed entered the market. If products are brought into Argentina as a temporary import, importers must submit within 90 days an interim-destination document for temporary import.

Another payment option may be direct payment from Argentine importers' overseas bank accounts. Bank drafts and documentary collections are also being used. While they 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. Consequently, 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 enjoy certain 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 great deal of trust in the local importer and feel confident in the client's ability and willingness to pay.

The Argentine government restricts import payments related to the purchase of foreign currency, raising the ceiling on purchases of foreign exchange by businesses and individuals to \$2 million per month. Argentine companies can basically 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 for Customs to keep track of merchandise imported, payments already made and payments still due.
- 4) Anticipate the credit payment: delayed payment. The local buyer decides to cancel all quotas in one single payment. The commercial bank requests that the Argentine importer presents the clearance for 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 delivered to a local bank based on the value of the goods exported.

## **U.S. Banks and Local Correspondent Banks**

[Return to top](#)

U.S. Banks in Argentina: Citibank is the only U.S.-controlled bank operating in Argentina within the retail segment. American Express Bank, 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. (See [Chapter 9: U.S. and Country Contacts](#), for a list of Argentine banks with branches in the U.S.).

## **Project Financing**

[Return to top](#)

Argentina is currently unable to access international capital markets due to the legal challenges from holders of untendered defaulted debt (the so-called "holdout" bondholders who did not participate in the government's 2005 debt exchange), a situation that has been further compounded by the negative impact of the international economic crisis. As a result, financing options -- both domestic and international -- are still nearly nonexistent in Argentina.

External lines of credit continue to be cut off, and new money entering the local market is 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, as 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. Long-term (15 years) financing is available for environmental projects on a case-by-case basis. Bank officials express optimism about Argentina and will continue to monitor the marketplace in order to consider future provisions of export financing for U.S. goods and services.

Ex-Im Bank will consider structured financing arrangements such as some project finance, asset-based aircraft leases, and other financing arrangements in key industries, such as mining, that offer a reasonable assurance of repayment, including reliable access to adequate foreign exchange.

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.

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&regioncode=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 on multilateral development bank representatives in Argentina see [Chapter 11: U.S. and Country Contacts](#).

#### World Bank Officers for Argentina.

Lead Country Officer: Felipe Saez  
Email: [fsaez@worldbank.org](mailto:fsaez@worldbank.org)  
Phone: (54-11) 4316-9739

Country Officer: Mrs. Veronica Salatino  
Email: [vsalatino@worldbank.org](mailto:vsalatino@worldbank.org)  
Phone: (54-11) 4316-9710

#### 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.

The following is the contact information for the U.S. Commercial Service liaisons at the World Bank and Inter-American Development Bank:

U.S. Commercial Service Liaison to the World Bank  
David Fulton, Director, Commercial Liaison Office  
E-mail: [David.Fulton@mail.doc.gov](mailto:David.Fulton@mail.doc.gov)  
Phone: (202) 482-5549  
Mr. Bryan Lopp, International Trade Specialist  
E-mail: [Bryan\\_Lopp@ita.doc.gov](mailto:Bryan_Lopp@ita.doc.gov) / Phone: (202) 473-2742

U.S. Commercial Service Liaison to the IDB  
Ms. Emily Willeford, Director, Commercial Liaison Office  
E-mail: [Emily.Willeford@mail.doc.gov](mailto:Emily.Willeford@mail.doc.gov)  
Mr. Americo Tadeu, Senior Commercial Officer, Commercial Liaison  
E-mail: [Americo.Tadeu@mail.doc.gov](mailto:Americo.Tadeu@mail.doc.gov)  
Phone: (202) 623-3821/3822



## 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](http://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 \$800 million, mostly of equipment leasing operations. Leasing activities increased approximately 55 percent year-on-year, and industry experts expect this trend to continue evolving. Furthermore, leasing operations account for less than five percent of investment in Argentina, which represents a significant opportunity for growth. 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

[Return to top](#)

- 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](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>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

### **Business Customs**

[Return to top](#)

U.S. businesspeople seeking to be successful in Argentina should take the time to develop a close personal relationship with their agent, representative, distributor or other business partner and maintain it with regular visits.

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 or sports, and social activities are 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 to kiss women they meet for the first time on the right cheek. However, Americans should shake hands with Argentine women, 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 for the businessperson visiting this country to meet with potential business partners. It is an excellent way to find and meet with the right contacts. The U.S. Commercial Service will have a schedule of meetings set up in advance of your visit.

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*) from the United States. Saying you are from the United States (*de los Estados Unidos*) is clearer.

### **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.

### **Travel Advisory**

[Return to top](#)

Buenos Aires is a high crime area. U.S. visitors and residents should take the same precautions they would take in any major U.S. and foreign metropolis. There are no specific threats directly against American visitors at the present time. It is recommended, however, that due caution be exercised when traveling about the city, including avoiding wearing expensive jewelry or carrying large amounts of cash. Pickpockets and thieves abound even on busy streets and are especially common in areas frequented by tourists. These areas include Florida Street, shopping malls, public conveyances, hotel lobbies, airports, etc. Because of many cases of robberies in false taxis, visitors should, whenever possible, call radio taxis or arrange for a *remise*, instead of flagging passing taxis on the street.

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 which can be found at: [http://travel.state.gov/travel/warnings\\_consular.html](http://travel.state.gov/travel/warnings_consular.html).

### **Electric Current**

Unlike in the United States, 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. In addition, business travelers should be aware that outlets in Argentina are shaped differently than in the United States. Electric plug configurations are usually two round-tipped straight pins or 2-3 flat pins with the top two slightly angled to form a "Y" shape. Business travelers are therefore advised to carry adapters and/or transformers.

### **Visa Requirements**

[Return to top](#)

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. 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

Argentine citizens traveling to the United States for any purpose must apply for and receive a U.S. visa. For more information on U.S. visa application procedures, visit <http://unitedstatesvisas.gov>.

### **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 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 file 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. They 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 options are handled via an interagency process. Visa applicants should go to the following links.

- State Department Visa Website: <http://travel.state.gov/visa/index.html>
- United States Visas.gov: <http://www.unitedstatesvisas.gov/>
- U.S. Embassy in Buenos Aires: <http://argentina.usembassy.gov/>
- U.S. Embassy in Buenos Aires, U.S. Citizen Services: <http://argentina.usembassy.gov/service.html>

## **Telecommunications**

[Return to top](#)

Telephone service, both international and local is adequate. The owners of the privatized telephone system have vastly improved operations. Many business people use cellular

telephones to make their work more efficient. Both domestic and international long distance calls in Argentina are notably expensive, doubly so from hotels. AT&T, MCI, and Sprint have local numbers that halve costs, but may be difficult to connect with during business hours. Callback services are available for established businesses.

Buenos Aires has numerous local television channels that broadcast Spanish language programming. 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.

International papers and magazines, including a wide range from the United States, are widely available at the numerous kiosks to be found around Buenos Aires. The Buenos Aires Herald is an English-language daily newspaper published in Buenos Aires.

## Transportation

[Return to top](#)

U.S. carriers flying to Argentina include American Airlines, Continental Airlines, Delta Air Lines and United Airlines. The primary gateways are Dallas, Houston, Miami, New York, Atlanta and Washington D.C. The Argentine carrier, Aerolineas Argentinas, also flies between the United States and Argentina. 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. One is Aeroparque Jorge Newbery, which is located near downtown and all domestic flights and some regional flights to Uruguay, and Paraguay leave from Aeroparque. All other international flights, including those from the United States, land at Ezeiza International Airport, which is a 45-minute drive from Buenos Aires.

Buenos Aires has a large number of bus routes and an extensive subway system. Taxis are plentiful and fares are reasonable, and are generally the most effective way of moving around Buenos Aires. A widely available type of 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.

Railroad travel is available from several stations in downtown Buenos Aires. Commuter trains link Buenos Aires with most suburban areas, and long-distance trains connect most large cities. Travel outside Greater Buenos Aires can be accomplished by train, bus, or car, although air travel is recommended for many trips to the provinces because of the distances involved.

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 travelers in country for short visits.

## Language

[Return to top](#)

Spanish is the national language of Argentina, although many businesspeople speak English and European languages as well. Do not assume, however, that your contacts

will speak English. For U.S. businesspeople that already speak Spanish, note that Argentina has distinct differences in pronunciation, cadence, and vocabulary. As noted in [Chapter 3: Selling U.S. Products and Services](#), any printed matter translated into Spanish should be reviewed first by a native Argentine to assure its suitability in Argentina.

It is wise as well as courteous to hire an interpreter to assist in business meetings, unless you are certain that all parties share a common language. A list of interpreters is available upon request from the U.S. Commercial Service in Buenos Aires. Many large business hotels can also provide this service.

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 ([Buenos.Aires.Office.Box@mail.doc.gov](mailto:Buenos.Aires.Office.Box@mail.doc.gov)).

## Health

[Return to top](#)

Buenos Aires has no particular health risks and no special precaution need to be taken. Sanitary conditions are good. Tap water is safe. 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.

## Local Time, Business Hours, and Holidays

[Return to top](#)

Argentina is three hours behind Greenwich Mean Time (UTC). Argentina recently decided to observe daylight savings time. As a result, Argentina is + 1 hour U.S. Eastern Daylight Time (Summer Time) and +3 hours Eastern Standard Time. The 24-hour system is generally used rather than the 12-hour a.m./p.m. system. For example, 3.00 p.m. is referred to as 15.00 hours. There is only one time zone for all of the territory of Argentina. [Click here](#) for the current time in Argentina.

Business office hours are generally 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 executives and they generally extend from 1.00 to 3.00 p.m. Business dinners, and dinners in general, do not begin until 9.00 p.m., therefore it is common to return home or to the hotel to sleep for a few hours before going out. Because evenings start late and end late, the early evening nap is the secret to being functional the next day. It is advisable to not schedule morning meetings before 10.00 a.m. Business breakfasts are not common, although they are increasing.

Most retail stores are open from 9.00 or 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.

## Holidays

Argentine national holidays for 2009 include the following:

- |                                      |                     |
|--------------------------------------|---------------------|
| - New Year's Day                     | Thursday, January 1 |
| - National Memorial Day              | Tuesday, March 24   |
| - Malvinas' Veteran and Memorial Day | Thursday, April 2   |
| - Good Friday                        | Friday, April 10    |
| - Labor Day                          | Friday, May 1       |
| - Revolution Day                     | Monday, May 25      |
| - Flag Day (actual date: June 20)    | Monday, June 15     |
| - Independence Day                   | Thursday, July 9    |
| - Death of San Martin                | Monday, August 17   |
| - Columbus Day                       | Monday, October 12  |
| - Immaculate Conception              | Tuesday, December 8 |
| - Christmas Day                      | Friday, December 25 |

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.

Travelers should note that 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 usually an approximately two-to-three week winter school vacation in mid-July. It is often difficult to conduct business in Argentina in January, 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, particularly the months of January and February, is hot and humid in Buenos Aires. In winter, the coldest months are July and August, with temperatures ranging in the 40s and 50s. The best months for business travel to Argentina are March through November.

## Temporary Entry of Materials and Personal Belongings

[Return to top](#)

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. (Temporary Admission) Carnet 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.

- Business Travel Info:  
[http://www.comerciosa.org/argentina/en/Content\\_pages/businesstravelinfo.asp](http://www.comerciosa.org/argentina/en/Content_pages/businesstravelinfo.asp)
- Argentina Secretariat of Tourism: <http://www.sectur.gov.ar/eng/menu.htm>
- ArgentinaTuristica.com: <http://www.argentinaturistica.com/2datosargen.htm>
- Consular Information Sheet:  
[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1130.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1130.html)
- City of Buenos Aires Undersecretariat of Tourism:  
<http://www.bue.gov.ar/home/index.php?lang=en>

[Return to table of contents](#)



## Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

### Contacts

[Return to top](#)

#### 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://usembassy.state.gov/buenosaires>

###### **U.S. Department of State**

Earl Anthony Wayne, Ambassador

Thomas Kelly, Deputy Chief of Mission

Douglas Climan, Counselor for Economic Affairs

Alex Featherstone, Counselor for Political Affairs

Robert Howes, Counselor for Public Affairs

Jennifer Noronha, Consul General

###### **U.S. Department of Commerce**

James Rigassio, Senior Commercial Officer

Charles Ranado, 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: [Buenos.Aires.Office.Box@mail.doc.gov](mailto:Buenos.Aires.Office.Box@mail.doc.gov)

Internet: <http://www.buyusa.gov/argentina/en>

<b>Sectors</b>	<b>Sector Specialist</b>	<b>Phone Number</b>
Agricultural	Eugenio Pallares	(54 11) 5777-4754
Apparel/Footwear/Textiles	Liliana Paz	(54-11) 5777-4519
Audio/Visual Equipment	Silvia Yaber	(54-11) 5777-4325
Automotive	Eugenio Pallares	(54-11) 5777-4754
Aerospace	Eugenio Pallares	(54-11) 5777-4754
Books & Periodicals	Marcelo Amden	(54-11) 5777-4509
Chemicals	Mariangeles Perez Manoileff	(54-11) 5777-4456
Computers	Silvia Yaber	(54-11) 5777-4325

Construction	Eugenio Pallares	(54-11) 5777-4754
Household Consumer Goods	Marina Millet	(54-11) 5777-4851
Cosmetics and Toiletries	Josette Fiore	(54-11) 5777-4683
Education and Training Services	Marcelo Amden	(54-11) 5777-4509
Electronic Components	Silvia Yaber	(54-11) 5777-4456
Energy	Marcelo Amden	(54-11) 5777-4509
Environmental	Mariangeles Perez Manoileff	(54-11) 5777-4456
Employment, Financial, Investment, Leasing & Insurance Services	Marcelo Amden	(54-11) 5777-4509
Food Processing/Packaging	Liliana Paz	(54-11) 5777-4519
Forestry/Woodworking Machinery	Marcelo Amden	(54-11) 5777-4509
Franchising	Marcelo Amden	(54-11) 5777-4509
Furniture	Marcela Carello	(54-11) 5777-4765
General Consumer Goods	Marina Millet	(54-11) 5777-4851
General Industrial Equipment	Josette Fiore	(54-11) 5777-4683
General Services (Advertising, Retailing, Artwork, etc.)	Liliana Paz	(54-11) 5777-4519
Healthcare/Medical Equip.	Liliana Paz	(54-11) 5777-4519
Hotel/Restaurant Equip.	Diana Brandon	(54-11) 5777-4509
Jewelry	Josette Fiore	(54-11) 5777-4683
Scientific Laboratory Equip.	Marina Millet	(54-11) 5777-4851
Lawn & Garden Equipment	Marcela Carello	(54-11) 5777-4765
Management Consulting Services	Marcelo Amden	(54-11) 5777-4509
Metalworking Equipment	Marina Millet	(54-11) 5777-4851
Mining	Marcelo Amden	(54-11) 5777-4509
Paper & Pulp Machinery	Marcelo Amden	(54-11) 5777-4509
Plastics	Mariangeles Perez Manoileff	(54-11) 5777-4456
Pleasure Boats	Marcelo Amden	(54-11) 5777-4509
Pollution Control Equipment	Mariangeles Perez Manoileff	(54-11) 5777-4456
Ports & Ships	Eugenio Pallares	(54-11) 5777-4754
Processed/Pet Foods	Josette Fiore	(54-11) 5777-4683
Safety & Security Equip.	Marina Millet	(54-11) 5777-4851
Software	Silvia Yaber	(54-11) 5777-4325
Sporting Goods	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 for assistance.

**U.S. Department of Agriculture**

David Mergen, Counselor for Agricultural Affairs

Dwight Wilder, Agricultural Attaché

Phone: (54-11) 5777-4627

Fax: (54-11) 5777-4216  
E-mail: [andrea.yankelevich@usda.gov](mailto:andrea.yankelevich@usda.gov)  
Internet: <http://argentina.usembassy.gov/contact4.html>

**In the UNITED STATES:**

**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/>

**U.S. Department of Commerce**

**Office of Market Access and Compliance**

John Andersen, Director, Office of South America  
ITA/MAC/OWH/OLAC - Room 3023  
1401 Constitution Ave., NW  
Washington, D.C. 20230  
Phone: (202) 482-0477  
Fax: (202) 482-4157  
E-mail: [John.Anderson@mail.doc.gov](mailto:John.Anderson@mail.doc.gov)  
Internet: <http://trade.gov/mac/index.asp>

Ashley Rosen, Argentina Desk Officer  
ITA/MAC/OWH/OLAC - Room 3025  
1401 Constitution Ave., NW  
Washington, D.C. 20230  
Phone: (202) 482-3872  
Fax: (202) 482-4157  
E-mail: [Ashley.Rosen@mail.doc.gov](mailto:Ashley.Rosen@mail.doc.gov)  
Internet: <http://trade.gov/mac/index.asp>

**U.S. Department of Commerce**

**Trade Information Center**

1401 Constitution Ave., NW  
Washington, D.C. 20230  
Phone: 1-800-USA-TRADE  
Fax: (202) 482-4473  
E-mail: [TIC@ita.doc.gov](mailto:TIC@ita.doc.gov)  
Internet: <http://www.export.gov/exportbasics/ticredirect.asp>

**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

Fax: (202) 690-4374  
E-mail: [tapo@fas.usda.gov](mailto:tapo@fas.usda.gov)  
Internet: <http://www.fas.usda.gov/>

### **Free Trade Area of the Americas (FTAA)**

Free Trade Area of the Americas (FTAA) Administrative Secretariat  
Internet: [http://www.ftaa-alca.org/alca\\_e.asp](http://www.ftaa-alca.org/alca_e.asp)

### **NAFTA and Inter-American Affairs**

Phone: (202) 482-0393  
Fax: (202) 482-5865  
Internet: <http://www.export.gov/fta/nafta/index.asp>

### **AmCham and/or Bilateral Councils**

CAMARA DE COMERCIO DE LOS ESTADOS UNIDOS EN ARGENTINA  
(American Chamber of Commerce in Argentina) Rolando Meninato, President  
Alejandro Diaz, CEO  
Phone: (54-11) 4371-4500  
Fax: (54-11) 4371-8400  
E-mail: [amcham@amchamar.com.ar](mailto:amcham@amchamar.com.ar)  
Internet: <http://www.amchamar.com.ar/>

### **Country Trade or Industry Associations**

ASOCIACION DE IMPORTADORES  
Y EXPORTADORES DE LA REPUBLICA ARGENTINA (AIERA)  
(Association of Argentine Importers and Exporters)  
Mr. Horacio Consolo, President  
E-mail: [aiera@aiera.org.ar](mailto:aiera@aiera.org.ar)  
Internet: <http://www.aiera.org/>

BOLSA DE COMERCIO DE BUENOS AIRES  
(Buenos Aires Stock Exchange)  
Mr. Adelmo J.J. Gabbi, President  
E-mail: [presidencia@bcba.sba.com.ar](mailto:presidencia@bcba.sba.com.ar) / [cau@bolsar.com](mailto:cau@bolsar.com)  
Internet: <http://www.bcba.sba.com.ar/BCBA/> /  
<http://www.bolsar.com/net/principal/contenido.aspx>

CAMARA ARGENTINA DE COMERCIO  
(Argentine Chamber of Commerce)  
Mr. Carlos Raul De la Vega, President

E-mail: [cac@cac.com.ar](mailto:cac@cac.com.ar)  
Internet: <http://www.cac.com.ar/>

CAMARA DE COMERCIO EXTERIOR DE CORDOBA  
(Chamber of Foreign Trade of Cordoba)  
Mr. Ercole Jose Felippa, President  
E-mail: [cacec@cacec.com.ar](mailto:cacec@cacec.com.ar)

[gerencia@cacec.com.ar](mailto:gerencia@cacec.com.ar)  
Internet: <http://www.cacec.com.ar/>

CAMARA DE IMPORTADORES DE LA REPUBLICA ARGENTINA  
(Argentine Chamber of Importers)  
Mr. Diego Perez Santisteban, President  
E-mail: [cira@cira.org.ar](mailto:cira@cira.org.ar), [gg@cira.org.ar](mailto:gg@cira.org.ar)  
Internet: <http://www.cira.org.ar/>

SOCIEDAD RURAL ARGENTINA  
(Argentine Farmers' Association)  
Mr. Luciano Miguens, President  
Email: [sra@ruralarg.org.ar](mailto:sra@ruralarg.org.ar)  
Internet: <http://www.ruralarg.org.ar/>

UNION INDUSTRIAL ARGENTINA (UIA)  
(Argentine Manufacturers' Association)  
Mr. Juan Carlos Lascurain, President  
E-mail: [uia@uia.org.ar](mailto:uia@uia.org.ar)  
Internet: [www.uia.org.ar](http://www.uia.org.ar)

### **Argentine Government Agencies**

For a complete listing of Argentine Government agencies in Spanish, please visit:  
<http://www.argentina.gov.ar/argentina/portal/paginas.dhtml?pagina=356>

SECRETARIA DE TURISMO DE LA NACION  
(Secretariat of Tourism)  
Sr. Enrique Meyer, Secretary  
Internet: <http://www.sectur.gov.ar/>

SECRETARIA DE AMBIENTE Y DESARROLLO SUSTENTABLE  
(Secretariat of Environment and Sustainable Development)  
Mr. Homero M. Bibiloni, Secretary  
Internet: <http://www.ambiente.gov.ar/>

MINISTERIO DE ECONOMIA Y PRODUCCION  
(Ministry of Economy and Production)  
Ministro Lic. Carlos Fernández, Minister  
E-mail: [edinfpub@mecon.gov.ar](mailto:edinfpub@mecon.gov.ar) / [secpriv@mecon.gov.ar](mailto:secpriv@mecon.gov.ar)  
Internet: <http://www.mecon.gov.ar/>

SECRETARIA DE POLITICA ECONOMICA  
(Secretariat of Economic Policy)  
Martin Pablo Abeles, Secretary  
E-mail: [spe@mecon.gov.ar](mailto:spe@mecon.gov.ar) / [pinsau@mecon.gov.ar](mailto:pinsau@mecon.gov.ar)  
Internet: <http://www.mecon.gov.ar/prgmacri.htm>

SECRETARIA DE FINANZAS  
(Secretariat of Finance)  
Dr. Hernan Lorenzino, Secretary

E-mail: [mibelt@mecon.gov.ar](mailto:mibelt@mecon.gov.ar) / [mrosal@mecon.gov.ar](mailto:mrosal@mecon.gov.ar)  
Internet: <http://www.mecon.gov.ar/finanzas/>

SECRETARIA DE AGRICULTURA,  
GANADERIA, PESCA Y ALIMENTOS  
(Secretariat of Agriculture, Livestock, Fisheries, & Food)  
Ing. Agr. Carlos Alberto Cheppi, Secretary  
E-mail: [vdanti@mecon.gov.ar](mailto:vdanti@mecon.gov.ar)  
Internet: <http://www.sagpya.mecon.gov.ar/>

SECRETARIA DE INDUSTRIA, COMERCIO Y DE LA PEQUENA Y MEDIANA  
EMPRESA  
(Secretariat of Industry, Commerce, and SMEs)  
Cont. Fernando Javier Fraguío, Secretary  
E-mail: [privadasicyp@mecon.gov.ar](mailto:privadasicyp@mecon.gov.ar)  
Internet: <http://www.indcompyme.gov.ar/>

MINISTERIO DE PLANIFICACION FEDERAL, INVERSION PUBLICA Y SERVICIOS  
(Ministry of Federal Planning, Public Investment and Services)  
Arq. Julio De Vido, Minister  
Internet: <http://www.minplan.gov.ar/>

SECRETARIA DE OBRAS PUBLICAS  
(Secretariat of Public Works)  
Mr. Jose Francisco Lopez, Secretary  
E-mail: [jflope@minplan.gov.ar](mailto:jflope@minplan.gov.ar) / [infoobras@minplan.gov.ar](mailto:infoobras@minplan.gov.ar)  
Internet: <http://www.obraspublicas.gov.ar/>

SECRETARIA DE ENERGIA  
(Secretariat of Energy)  
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### **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@mail.doc.gov](mailto:Marcelo.Amden@mail.doc.gov).

### **Country Banks**

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

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BNY - THE BANK OF NEW YORK S.A.  
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**SAFRA NATIONAL BANK OF NEW YORK**

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**Multilateral Development Bank Offices in Argentina**

**INTER-AMERICAN DEVELOPMENT BANK**

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### **Country Law Firms**

To obtain a list of Law Firms operating in Argentina, please contact:  
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### **Consultants**

#### **Technical Telecommunications Consultants**

A list of technical telecommunications consultants in Argentina is available upon request to the following e-mail address: [Silvia.Yaber@mail.doc.gov](mailto:Silvia.Yaber@mail.doc.gov)

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A list of maritime agencies, Bonded Warehouses and/or Port Terminals is available upon request to the following e-mail address: [Josette.Fiore@mail.doc.gov](mailto:Josette.Fiore@mail.doc.gov)

### **Airline Companies**

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DELTA AIRLINES  
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UNITED AIRLINES  
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Internet: <http://www.varig.com.br/portal/>

**Couriers**

**DHL INTERNATIONAL S.A.**

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Internet: <http://www.dhl.com/splash.html>

**FEDERAL EXPRESS CORP. (FEDEX)**

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C1006ACI Buenos Aires  
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Fax: (54-11) 4480-9041/54  
Internet: <http://www.fedex.com/>

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## **Hotels in Argentina**

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[Return to top](#)

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[Return to top](#)

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[Return to table of contents](#)

[Return to table of contents](#)

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[Return to table of contents](#)

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