

# U.S. Country Commercial Guides



## Argentina 2020

## Table of Contents

<b><i>Doing Business in Argentina</i></b> _____	<b>4</b>
Market Overview _____	4
Market Challenges _____	4
Market Opportunities _____	5
Market Entry Strategy _____	5
<b><i>Leading Sectors for US Exports &amp; Investments</i></b> _____	<b>6</b>
Energy: Oil & Gas _____	6
Renewable Energy _____	7
Design & Construction _____	8
Agricultural Sector _____	9
Information & Communications Technology and Cybersecurity _____	13
Medical Technology _____	15
Travel and Tourism _____	17
<b><i>Customs, Regulations &amp; Standards</i></b> _____	<b>18</b>
Trade Barriers _____	18
Import Tariffs _____	18
Import Requirements & Documentation _____	18
Labeling/Marking Requirements _____	22
U.S. Export Controls _____	23
Temporary Entry _____	24
Prohibited and Restricted Imports _____	24
Customs Regulations _____	26
Standards for Trade _____	26
Trade Agreements _____	29
Licensing Requirements for Professional Services _____	29
<b><i>Selling U.S. Products &amp; Services</i></b> _____	<b>30</b>
Distribution and Sales Channels _____	30
eCommerce _____	33
Selling Factors & Techniques _____	34
Trade Financing _____	36
Methods of Payment _____	36
Protecting Intellectual Property _____	37
Selling to the Public Sector _____	37

<b><i>Business Travel</i></b>	<b>40</b>
<b><i>Investment Climate Statement</i></b>	<b>46</b>
<b><i>Political Environment</i></b>	<b>46</b>

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2020. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

**Legal Disclaimer:**

The US&FCS makes every reasonable effort to ensure the accuracy and completeness of the information in this Guide, a resource-for U.S. businesses to use in the exercise of their business judgment. U.S. businesses should conduct their own due diligence before relying on this information. When utilizing the information provided, the U.S. business is responsible for complying with all applicable laws and regulations of the United States, including the U.S. Foreign Corrupt Practices Act (FCPA). References and links to third-parties and their content are provided for the convenience of readers and are not exhaustive lists of such resources. The US&FCS is not responsible for the availability of any third-party or its content whether found on an external site or otherwise; nor does US&FCS endorse the third-parties or endorse, warrant, or guarantee the products, services, or information described or offered in any third-party content. Please be aware that when following a link to an external site, you are then subject to the privacy and security policies and protections of the new site.

## Doing Business in Argentina

### Market Overview

Argentina is the third-largest economy in Latin America, with a population of approximately 45 million spread among 23 provinces and the city of Buenos Aires. Approximately 92 percent of the Argentine population is concentrated in urban areas, with 38 percent living in Buenos Aires (Capital and Province), and another 15 percent distributed in the cities of Córdoba, Rosario, and Mendoza. The country has a talented and educated workforce, but its population has suffered from frequent political and economic turbulence over the last 75 years.

The COVID-19 pandemic, on top of Argentina's two-year economic recession, has compounded the country's economic woes. Current International Monetary Fund (IMF) predictions have Argentina's GDP declining close to 12 percent in 2020. The poverty rate and inflation are both over 40 percent. Since 2017, the official exchange rate has fallen from ~ US\$1:AR\$20 to ~ US\$1:AR\$80, and the unofficial "blue" rate is double that. The Argentine government's 2020 agreement with private bondholders to renegotiate billions of dollars of debt offers some hope as negotiations get underway to renegotiate another US\$45 billion owed to the IMF.

In this recessionary context, U.S. merchandise exports to Argentina declined from US\$9.91 billion (2018) to US\$8.15 billion (2019). Buoyed by a favorable exchange rate, Argentina's merchandise exports to the United States rose slightly from US\$4.83 billion (2018) to US\$4.92 billion (2019). Nevertheless, the U.S. retained a sizeable bilateral goods trade surplus of more than US\$3 billion. Around 90 percent of U.S. merchandise exports to Argentina are used in local industry and agriculture including refined oil, airplanes and aircrafts, computers, industrial and agricultural chemicals, agricultural and transportation equipment, machine tools, and parts for oil field rigs. Primary Argentine exports to the United States are crude oil, aluminum, wine, fruit juices, and intermediate goods, such as seamless pipes, tubes, and other iron-based products.

There are more than 300 U.S. companies present in Argentina, some whose presence dates back more than 100 years. Despite current macroeconomic challenges, there are significant opportunities for U.S. companies in sectors such as infrastructure, energy, health, agriculture, information technology, and mining. The United States is the single-largest source of foreign investment in Argentina with approximately US\$15.26 billion (stock) worth of investment (2018). U.S. companies are widely respected in Argentina for their good business practices, transparency, corporate social responsibility activities, high quality, and good customer service.

Reasons why U.S. companies should consider exporting to Argentina:

- Argentina is a resource-rich country with enormous potential for further development. The country has the second-largest shale gas and fourth-largest shale oil reserves in the world as well as abundant solar and wind energy resources.
- Argentina is the third-largest lithium producer globally with plans to increase mining exports over the next decade. More than 70 percent of Argentina's proven lithium resources have not been exploited.
- U.S. expertise, technology, and equipment are needed to develop sectors such as agriculture, energy, and mining.
- The country is digitally capable, with high internet penetration and smart phone dissemination.

### Market Challenges

Years of economic troubles, which have resulted in macroeconomic instability, high inflation, and a currency crisis have forced the Argentine government, businesses, and consumers to cut back on spending.

In an effort to shore up foreign exchange reserves and protect domestic production vis-à-vis imports, the government of Argentina has imposed some measures that adversely affect foreign products and services. Importers must request Non-Automatic Import Licenses (NALs) in order to bring in some products. Companies report delays in import license

approvals exceeding 60 days in some cases. In addition, some businesses report problems accessing the official foreign exchange market making it more difficult to pay for imported goods or service foreign-currency debt. Government price controls on a range of consumer products and telecommunications services, among other sectors, in the wake of the COVID-19 pandemic and in response to high inflation, is another complication. Other business challenges include persistent and systemic corruption, a lack of regulatory coherence, weak intellectual property rights protection, inefficient customs and legal processes, poor infrastructure, costly labor, and the limited availability of financing.

## Market Opportunities

**Agricultural Technology and Machinery:** Two-thirds of Argentina's exports are agricultural. The depreciation of the Argentine peso, government plans to boost exports, and strong international demand point to an increase in production, exports, and investment in the sector.

**Construction:** Current high country risk and limited access to financing have put some projects on hold, but the government has plans to invest in urgently needed infrastructure. The Inter-American Development Bank and World Bank have committed funding for new roads, rail, ports, and utilities.

**Energy and Minerals:** Despite lower global energy prices, long-term prospects for Argentina's shale gas and oil development will continue to drive investment in the Vaca Muerta basin. There are also offshore exploration investment opportunities. Argentina's 2020 national mining plan seeks to increase mining exports, particularly in copper and lithium, over the next decade. The mining sector has a reliable legal and tax framework.

**Healthcare Technology:** The Government of Argentina's health agenda is focused on cost containment, accessibility, and modernization, including e-health. This year, in response to COVID-19, the Argentine government has been building modular hospitals, upgrading equipment, acquiring ventilators, diagnostic tests and personal protective equipment.

**ICT and Cybersecurity:** The Government of Argentina's digital agenda for 2020-2023 is laid out in the *ConectAR* Plan. The approximately US\$475 million plan is focused on four areas: expanding fiber optic networks, developing a national data center, improving the satellite system, and enhancing digital television service.

## Market Entry Strategy

All import channels are available in Argentina: agents, distributors, importers, trading companies, subsidiaries, and branches of foreign firms. U.S. companies exporting to Argentina typically market their products and services through Argentine agents, representatives, and distributors. Companies intending to export to Argentina need to ensure that their partners fulfill all import requirements before shipping any product and must be careful to follow all regulations precisely. Please contact the [U.S. Commercial Service in Argentina](#) for advice regarding the import process. Some key points:

- Close personal relationships are important. The U.S. Commercial Service can help U.S. firms identify good business partners.
- Marketing and promotion are important. Companies traditionally benefit by exhibiting their products or services at local and regional trade shows, as well as at U.S. trade shows attended by Argentine buyers. The U.S. Commercial Service brings Argentine buyers to key trade shows in the United States and facilitates B2B matchmaking, in person and virtually. The U.S. Commercial Service also helps organize events for U.S. firms wishing to launch a new product or showcase their know-how in Argentina.
- Protect your intellectual property and engage with qualified lawyers and local professionals as part of the process of signing contracts related to distribution, representation and partnership, or in connection with any large transaction.

The U.S. Commercial Service in Argentina provides a wide range of [services](#) to help U.S. companies enter the market and expand operations in the country.

## Leading Sectors for US Exports & Investments

### Energy: Oil & Gas

Argentina's energy sector regulatory framework is under review with the goal of providing greater market certainty and attracting more foreign investment to boost oil and gas production for exports. Given the broader economic challenges, the Argentine government at the federal and provincial level is likely to play a larger role in critical industries of the economy, such as energy, mining, and transportation. The Argentine government is pinning hopes on the energy sector to join agriculture as a driver of exports, to generate foreign exchange and investment for economic growth.

In 2019, Argentina produced more than 500,000 barrels per day (bpd) of oil, of which 89,000 bpd were exported. Argentina possesses the world's fourth-largest reserve of shale oil and second-largest reserve of shale gas. The Vaca Muerta shale formation is located in the provinces of Neuquén, Mendoza, and Rio Negro, and only a fraction has been developed for oil and gas production. Vaca Muerta's shale quality, production incentives, tax exemptions, and negotiated labor concessions have contributed to lowering operational costs by approximately 30 percent since 2017, making some projects competitive in price to those in the Permian Basin. Between 2017 and 2019, investments increased significantly; however, investment has stalled due to regulatory and policy uncertainty, including foreign exchange controls that hinder repatriation of dividends, coupled with a drop in global energy prices. Although macroeconomic conditions are under significant stress, and local demand for fuel has dropped for the moment, Argentina's oil and gas sector is recovering. Major global exploration companies including Chevron, ConocoPhillips, ExxonMobil, Petronas, Shell, and Total are present along with many local firms. Noteworthy is Argentina's majority state-owned energy company, YPF, that holds the largest upstream sector share. The industry reports a continued need for small and medium-sized service companies with shale expertise to enter the market to further improve efficiency and lower costs. The U.S.-based Petroleum Equipment and Services Association has opened a chapter in Argentina to encourage more companies to enter the market.

The province of Neuquén, home to the largest portion of the Vaca Muerta formation, continues to be a key driver of industry growth, and will potentially enable Argentina to become a regional game changer in the next decade. Argentina's shale development, a successful first auction for offshore oil and gas acreage in 2019, and a high level of private sector interest in future auctions will support increased exploration in the years to come.

### Web Resources

Secretariat of Energy <https://www.argentina.gob.ar/energia>

Integración Energética Argentina (Ex-ENARSA) [IEASA](#)

Argentine Institute of Petroleum & Gas [IAPG](#)

Argentina Oil & Gas Expo [AOG](#)

O&G industry Suppliers' Expo [ExpoCapipeVirtual](#)

For additional information, 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

## **Renewable Energy**

Since 2016, Argentina has executed several auctions for wind, solar, small hydro, biogas and biomass projects, in order to comply with Resolution 136/2016, which outlines the legal framework to increase energy generation from renewable sources and reach 20 percent of the country's demand by 2025. 244 projects were awarded, adding more than 6,300 MW of installed capacity of renewable energies through rounds 1, 1.5, 2, and 3 of RenovAr, Resolution 202/2016, and the Renewable Energy Futures Market (MaTER). European and Chinese players, backed by Export Credit Agency financing, dominate the market. U.S. companies such as AES and GE are also active.

Round 3 of the RenovAr Program incorporated small-scale projects distributed throughout the country, contributing to a more decentralized and federal electric power-generation infrastructure. Referenced projects were mostly installed near consumption areas and were a cornerstone in Argentina's energy matrix diversification.

Power Purchasing Agreements were issued in U.S. dollars and for a twenty-year duration. At the time, the Argentine government shielded projects from potential economic volatility, through a number of instruments, such as a Government of Argentina trust fund and World Bank insurance. However, due to fiscal deficit reduction targets tied to the Argentine government's agreement with the International Monetary Fund, and high country-risk associated with economic volatility and political uncertainty, some projects have failed to reach financial closing. Referenced projects are currently under review in order to determine execution feasibility, under the current scenario.

### **Web Resources**

[Under secretariat for Renewable Energy](#)

[IEASA](#) - Integración Energética Argentina (Ex-ENARSA)

[Argentine Chamber of Renewable Energy](#)

[Argentine Wind Association](#)

[Argentine Association of Renewable Energy and Environment](#)

For additional information, 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.

## Design & Construction

Argentina's construction industry is experiencing a strong contraction. However, the industry is likely to start recovering when the COVID-19 pandemic is resolved and the economic outlook stabilizes.

Although the Inter-American Development Bank and World Bank had committed funding for new roads, rail, ports, and utilities under Argentina's previous administration, there is now a shift in infrastructure priorities by sector and scalability. Recent developments indicate the Federal Government will have a greater role in the infrastructure sector. In the short term, the current administration is reportedly focused on small-scale infrastructure projects – in the US\$20 million range – featuring opportunities for local companies leading to job creation, as well as some other projects that had been tendered and awarded under the previous administration. Public Works priority areas include social housing, ports, roads, rail and waterworks.

The government's short-term investment plans – US\$310 million – encompass public works on a water treatment plant in Corrientes, Highway 18 in Entre Rios, Route 40 in San Juan, and Provincial Route 8 in Buenos Aires. The water treatment project may present a business opportunity for U.S. water management consulting services, whereas the road construction will likely rely on local content/labor.

State-owned rail infrastructure company ADIF plans to start building a new rail bypass around the city of Santa Fe in early 2021. Also, the San Martin Cargo line, which connects the province of Mendoza and the port of Rosario is likely to move forward in its first phase of modernization. These projects will be financed by China's Development Bank, the Industrial and Commercial Bank of China and CMEC (China Machinery Engineering Corporation). Potential business opportunities for U.S. suppliers may arise in the signalling and automated control segments.

Argentina's water sector had been active under the previous administration, which enjoyed both national and multilateral funding. The World Bank-financed Salado River Project conceived to improve flood protection and water management in Buenos Aires province is in the advanced execution phase encompassing the dredging of about 125 miles of the river. The current administration plans to disburse funds through its "Hace" Program to expand access to potable water networks and improve flood prevention and drainage systems in multiple urban areas. These project may present business opportunities for U.S. water management consulting services.

Argentina's fluvial superhighway, Hidrovía, links more than 80 Argentine ports on the Paraná and La Plata rivers, allowing 125+ million tons of all types of cargo, 1.5 million containers, 750,000 vehicles, and (pre-pandemic) the arrival of 320,000 cruise passengers per year. Of Argentina's agro-industrial production, which exceeds 90 million tons per year, 75 percent is dispatched from the Port of Rosario through the Hidrovia. The current concession, which has been held by Belgian company Jan de Nul and the Argentine EMEPA since 1995, will expire in April 2021. The tender is expected to be open in 2021 and presents a business opportunity for U.S. and other foreign dredging companies.

### Web Resources

[Ministry of Transport](#) *(Spanish)*

[Government of Argentina – Trains](#) *(Spanish)*

[Government of Argentina – Highways](#) *(Spanish)*

[Government of Argentina – Ports](#) *(Spanish)*

[Government of Argentina - Tenders](#) *(Spanish)*

[Government of Argentina – Hidrovia](#) *(Spanish)*

For additional information, 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.

## Agricultural Sector

### Agricultural Equipment

Argentina has long-established local manufacturing of farm machinery and implements. The sector is composed of approximately 730 companies and was one of the first industries to develop in the country, due to agriculture's predominant role in the economy. According to local statistics, domestic production of agricultural machinery and equipment accounts for around 80 percent of total demand. Local content requirements imposed by previous government administrations have led to the growth of local production of parts and components. This has caused multinationals to incorporate more than 50 percent local components into their manufactured equipment. Domestic production of seeders, sprayers, and tools is strong and competitive.

In 2008, the government began requiring agricultural exporters to pay a tax retention of 35%, reducing profitability and incentives for exports. In addition, some products, such as beef and wheat, faced export quotas. Economic instability and currency swings have continued to provide additional challenges to the farming sector in Argentina. During 2020, amid the pressing economic crisis and the COVID-19 pandemic, the Government of Argentina increased export taxes on some agriculture goods, and temporarily lowered taxes on soybean, soybean oil, and flour. The effect of the new economic measures on exports and investment were not yet apparent as of the end of 2020.

High inflation, increased input costs, export taxes, logistical costs, and the impact of COVID-19 on the local economy discourage investments in agricultural machinery. The government is working on a ten-year project called the National Promotion of Investment and Agricultural Exports to increase the volume of exports by approximately 35 percent and create new jobs for the sector. The plan could result in business opportunities for U.S. exporters in the sector.

### Sub-Sector Best Prospects

**AgTech and BioTech:** The Argentine market needs to improve the incorporation of technology in the sector, focusing on traceability of production, as well as products and services that will improve good environmental practices.

**Irrigation Equipment:** The local market for irrigation systems has been growing in recent years due to the increased amount of Argentine farmland dedicated to row crops. Currently, 5.6 million acres (representing around 7 percent of farmland) are under irrigation. The Argentine government has made an effort to increase existing irrigated areas by 28 percent.

**Parts and Components:** Annual sales in this subsector currently represent about 12 percent of the total market, with a large number of national products. There are opportunities for technologies ranging from precision agriculture to key electronic components for manufacturing domestic equipment.

### Opportunities

Products offering cost savings and best practices are in great demand, as are those that improve the quality of agricultural machinery. Information technology services and products for the agriculture sector are highly sought-after. There is a potential market for innovative products and machinery such as cleaner engines that reduce air pollution. Distribution agreements, joint ventures with domestic manufacturers, and licensing are potential options, but U.S. firms should choose their partners carefully given that protection of intellectual property is a continuing challenge for international firms defending their patented foreign designs.

In terms of importing used and remanufactured/reconditioned equipment, please contact [Elizabet Simon](#), Industry Specialist. Prospects will have to be evaluated on a case-by-case basis due to import restrictions.

## **Web Resources**

The best way to familiarize a potential local partner or buyer with a U.S. company's product line is to exhibit in local trade shows, the largest one being [Expoagro](#). Advertising of specific products, parts, and equipment is normally done through web-based specialized publications:

[Agritotal - Revista Chacra](#) *(Spanish)*

[Infortambo](#) *(Spanish)*

[Via Rural](#) *(Spanish)*

[Revista Super Campo](#) *(Spanish)*

For additional information on this industry, including market analysis, trade events, contacts, and the products and services that the [U.S. Commercial Service](#) can provide to help you succeed in the Argentine market, please contact [Elizabet Simon](#), Industry Specialist.

## **Animal Genetics, Food Ingredients, Planting Seeds**

### **Animal Genetics (Bovine Semen)**

#### **Overview**

Producers continue to incorporate high-quality genetics to improve dairy and beef production aspects. Within the animal genetics sector, a little more than half is utilized by the dairy industry with roughly 70% of dairy cows artificially inseminated. While only 10% of beef cattle are inseminated using animal genetics, their use within the beef cattle sector is on an upward trend. The United States supplies almost two-thirds of imported semen, followed by Canada, New Zealand and France.

#### **Sub-Sector Best Prospects**

Both dairy (primarily Holsteins) and beef (primarily Angus) genetics are expected to increase marginally in 2020.

#### **Opportunities**

The use of expected progeny differences (EPD) production data in beef genetics is growing, with local animal genetics distributors indicating that educational outreach with local commercial breeders is critical to supporting additional demand. While breeds, such as Holstein and Angus (Black and Red) remain popular, the geographical and climatic diversity within Argentina means that characteristics from other breeds, such as Braford, Brangus, and Hereford, also present sales opportunities.

## **Web Resources**

[National Association of Animal Breeders](#)

[Argentine Chamber of Biotechnology and Animal Reproduction](#) *(Spanish)*

[Ministry of Agriculture, Livestock and Fisheries](#) *(Spanish)*

[National Service of Agricultural and Food Health and Quality \(SENASA\)](#) *(Spanish)*

## **Food Ingredients (Natural Origin)**

### **Overview**

The food and beverage (F&B) industry is a key sector of the Argentine economy, accounting for about 30% of Argentina's total exports. Despite Argentina's overall strength in the production of primary products and commodities, there are opportunities for US F&B exports, especially for consumer products and for U.S. food ingredients used for further processing into high-value, specialty food products. Emerging trends of interest include:

- 1) an increasing focus on "health and nutrition" in the retail and institutional sectors, and
- 2) greater understanding of the importance of innovation and innovative products that offer busy consumers a measure of convenience.

Contacts within the local F&B sector report that the COVID-19 pandemic has not significantly affected food systems in Argentina due to an exemption from rigorous movement controls for the industry. Despite some temporary disruptions due to COVID-19 outbreaks in food processing facilities, the supply chain has not experienced significant shortages or interruptions. Nevertheless, the sector has experienced major shifts in demand patterns from food-away-from-home to more at-home preparation.

### **Sub-Sector Best Prospects**

Sub-sector best prospects include: Cocoa powder, dried fruits and nuts, dextrins, peptones, whey; dried vegetables; spices; potato flakes, granules, and pellets; wheat starch; corn starch; potato starch; licorice extracts; herbs; extracts of vegetables, meat, and fish; pectic substances; agar; glycerol; glucose; fructose; molasses; cocoa powder; coffee and tea extracts; 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; dextrins; glues; ingredients for functional foods and for the beverage industry; nutraceuticals; and algae omega.

### **Opportunities**

U.S. food ingredients are valued as high quality and safe products. The best opportunities are for ingredients that are not produced locally, or local production is of low-quality, or for specialty food ingredients used by local food companies for manufacturing complex food items. Strong import performance in 2019 was seen for dextrins, almonds, and protein concentrates.

### **Web Resources**

[Institute of Food Technologists \(IFT\)](#)

[National Association of Flavors and Food-Ingredient Systems \(NAFFS\)](#)

## **Planting Seeds**

### **Overview**

Planting seeds are one of the most important U.S. agricultural products imported into Argentina, totaling US\$7 million in 2019. Argentina's total imports of planting seeds for 2019 totaled US\$84 million, a 10 percent increase compared to the previous year.

### **Sub-Sector Best Prospects**

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 remain in demand.

### **Opportunities**

Due to Argentina's position in the Southern Hemisphere, off-season (or counter-seasonal) production of corn and soybean seed has generated positive returns in the last few years. Argentina's total exports of planting seeds for 2019 are estimated at US\$37 million, while the country's total exports of planting seeds for 2018 totaled US\$47 million. Continued expansion of beef and dairy production outside of traditional production areas is expected to support demand for quality forage seeds linked to demand for grasses suitable for sub-tropical regions in the northern part of the country.

Despite Argentina's embrace of genetic engineering and gene-editing technologies, Argentina's Seed Law allows for the saving of seed and does not provide a legal payment mechanism to compensate the holders of intellectual property rights of genetically engineered seeds, presenting a challenge for U.S. companies operating in the Argentine seed market.

### **Web Resources**

[Ministry of Agriculture, Livestock, Fishing and Foods](#) *(Spanish)*

[Argentine Association for the Protection of Plant Property Rights \(ARPOV\)](#) *(Spanish)*

[Argentine Agricultural Research Institute \(INTA\)](#) *(Spanish)*

[Chamber of Seed Producers of the Argentine Grain Exchange](#) *(Spanish)*

[Argentine Seed Producers Association \(ASA\)](#) *(Spanish)*

[Corteva Argentina](#) *(Spanish)*

For additional information contact: <https://www.fas.usda.gov/regions/argentina>

## Information & Communications Technology and Cybersecurity

The Government of Argentina announced its ICT priorities for 2020-2023 in its Plan ConectAR, which includes improved 4G connectivity with an eye towards 5G deployment through better satellite and fiber optic coverage, reduction of the digital divide for rural and poor areas, expansion of digital television, and the use of cloud computing technology by the government. Currently, Argentina has 4G coverage for 93 percent of the country's population. The recent health crisis has highlighted the need to strengthen the existing 4G network and expand it throughout the country. For example, home schooling in rural areas has posed a challenge during the COVID-19 lockdown. A 5G spectrum allocation auction is possible in 2021-2022. However, according to GSMA (Groupe Spécial Mobile Association, an industry association for the digital sector), Argentina may only reach 5G deployment to 9 percent of the country by 2025.

IT Hardware and Consumables

Unit: Millions U.S. \$

	2016	2017	2018	2019	2020 (estimated)
Total Market Size	5294.00	6088.00	7001	8050	8850
Total Local Production	1189.00	1367.00	1809	2000	2200
Total Exports	43.90	50.50	55	75	82
Total Imports	4148.00	4770.00	5247	6125	6738
Imports from the US*	22%	15%	18%	20%	20%

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports) Data Sources: Total Local Production: Unofficial estimates based on industry reports; Total Imports & Exports: Nosis/Exi-Net export/import database ; Imports from U.S.: Unofficial estimates based on Nosis/Exi-Net export/import database*

[Argentine Chamber of Software and IT Services Companies \(CESSI\)](#) reported that 70 percent of companies in Argentina plan to invest in ICT for the following reasons:

- Current systems need upgrades
- Increased complexity and convergence of technologies
- Increased demand for cyber security platforms
- Only 45 percent of companies are content with their online presence

## **Sub-Sector Best Prospects:**

### **Telecom Infrastructure**

In the telecom sector, investments focus on four areas: deployment and enhancement of the 4G+LTE network; expansion of broadband Internet access; expansion of data transmission/broadband and content over cellular networks; and especially satellite services (for remote and rural areas of the country). 5G deployment is still a distant reality in Argentina, given the current status of the fiber optic network required for 5G operational implementation. The current fiber optic network covers more than 33,000 km with 85 percent of the fiber “lit” (active) but many localities are still in the dark and Internet speed is 15 percent lower than regional peers. The Federal Internet Plan network will use state-owned telecommunications and satellite company ARSAT’s fiber optic network as a provider of data transport services at a wholesale level and offer access to local internet service providers, co-ops, municipalities and SMEs.

### **IT Services**

IT Services offer opportunities for U.S. companies in network implementation, management and maintenance, legacy applications, wireless LANs, RTE (real-time infrastructure) implementations, remote operation processing, back-up, critical mission services, disaster recovery systems, Internet and network security systems, document digitalization, digital asset management, storage, utility computing, and information systems for rural areas. Cloud computing and virtualization-related services continue to have high demand in 2020. The outsourcing of software development and call/contact centers continues to see new investments, exports, and increased sales in the domestic market. Other market conditions will foster growth in IT services, such as the increased use of e-banking, e-commerce, and e-government, which have increased awareness related to information technology security.

### **Cybersecurity**

Argentine companies invested more than US\$108 million on cybersecurity in 2019, which represents an 8 percent annual increase. Additionally, 60 percent of Argentine companies plan to invest in cybersecurity over the next 4 years. Despite the recent growth of the local cybersecurity market, this is just the initial stage of maturity. In general terms, cybersecurity technology adoption is between two to three years behind more mature markets. Some of the leading sectors for cybersecurity investment in Argentina include banking, energy (oil & gas), telecommunications, manufacturing, and retail.

### **Opportunities**

The Argentine government will continue investing in infrastructure and improving the country’s long delayed implementation of FTTH (Fiber To The Home). The State-owned company, ARSAT, continues to connect over 1,200 towns in the country with their main fiber network, with an estimated investment of US\$30 million in the next 18 months.

According to the Argentine Investment Agency, the expansion of cell and broadband Internet coverage in Argentina represents an investment opportunity of US\$5 billion. Mobile phone penetration is high, but coverage is not uniform across the country and is often poor due to insufficient cell tower coverage (15,000 active cell sites).

### **Web Resources**

[Argentine Chamber of Software and IT Services Companies \(CESSI\)](#) *(Spanish)*

For additional information, 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.

## **Medical Technology**

The Argentine government has increased spending, totaling approximately 4 percent of GDP, and resorted to international financing to keep healthcare services for the public sector adequate and integrated with provincial governments and private healthcare providers. Under a Healthcare Emergency declared in late 2019 and in March 2020, the government may continue to implement measures to control costs in healthcare spending and favor the creation of a national agency for health technology assessment.

Expenditures have been focused on improving hospital infrastructure; including construction of modular hospitals and lab infrastructure and increasing supplies of medical equipment, consumables, and diagnostic tests.

The pandemic worsened the economic scenario, already in recession, causing a steep drop in economic activity. Therefore, while imports of COVID-19-related supplies are expected to continue to increase during the remainder of 2020, the overall Argentina medical devices market is projected to decrease in 2020 vis-à-vis 2019, particularly in dollar terms. Industry contacts report a reduction of non-COVID-related medical equipment/product sales of 30-60 percent in the first semester of 2020. Post-pandemic projections indicate a recovery of imports at moderate levels in 2021.

Notwithstanding, the Argentine medical equipment and device market is dominated by imports, which account for around 70-85 percent of the total market. The United States is traditionally the leading supplier of imported medical products, particularly high-end technology, with a 25 percent market share.

Imports from the United States were estimated at US\$130 million, out of an overall import market of US\$489 million in 2018. In 2020 during the pandemic, when exports of some critical medical supplies were restricted by U.S. regulations, Argentina imported many medical products from Asia and Europe. Argentina received two tons of medical supplies from China, including test kits, personal protective equipment, masks, gloves, and digital thermometers. Market share figures for 2020 were not available at the time of publication.

### **Leading Sub-Sectors**

Demand continues to be concentrated on COVID-19-related products such as personal protection equipment, consumables, digital thermometers, and clinical laboratory products such as PCR diagnostic reagents and equipment.

Additional opportunities for U.S. exports continue to be e-health technologies and middle- to high-end technology products, such as electro-diagnostic equipment and other specialized medical equipment and devices that do not compete with locally manufactured ones. There may also be potential in the market for implants, stents, cardiac valves, pacemakers, specialized catheters and cannulas, and other specialized disposables.

Among these products, the largest exports from the United States in the past four years were in these HS Codes categories: 9018.90.99.190, 9018.90.99.990, and 9018.39.29.900.

### **Opportunities**

The Argentina government and international loans will continue to provide funding to support government programs particularly concentrated on primary care, maternal care and healthcare infrastructure under a national universal healthcare coverage plan. This plan emphasizes efficiency, accessibility and modernization.

Medical products and technology developed and produced in the United States are highly regarded in Argentina. This is particularly relevant for U.S. exporters that offer high quality products at competitive prices. In this competitive market, much of the demand for mass-market technologies is already being met.

However, due to scarcer budgets for both public and private sectors and the local market macroeconomic scenario, product export potential will be determined on a case-by-case basis.

All imports of medical products require prior registration, by an experienced medical equipment importer, with the Argentine food, drug and medical equipment regulatory agency, ANMAT, the Argentine equivalent of the United States FDA.

**Web Resources**

[ANMAT](#) (National Administration of Medicine, Food, and Medical Technology- equivalent to USFDA)  
[Association of Argentine Manufacturers of Medical Hospital Equipment](#)

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.

## Travel and Tourism

Traveling is part of the Argentine lifestyle, and the United States has been a popular travel destination for both business and pleasure. Argentine travel to the United States has grown by double digits during the past fifteen years.

In 2017, over one million Argentines traveled to the United States and their total expenditures totaled US\$4.8 billion. However, due to the local economic crisis, Argentine travelers to the United States dropped to 854,442 passengers in 2019. In December 2019, the government of Argentina imposed a 30 percent tax on purchases made abroad or invoiced in foreign currency to include tourism services such as plane tickets or purchases abroad using Argentine credit and debit cards. In September 2020, the government added an additional 35 percent withholding income tax on purchases of dollars or overseas card payments. When the country's economy stabilizes, and COVID-19 issues subside, travel and tourism to the United States should resume, but may still be lower if the taxes on plane tickets and foreign purchases continue.

The number of travelers varies depending on the season. Peak travel times tend to be during the summer holidays (December-February) and winter school holidays (July). Some also choose to travel during the week of September 21, as many children receive a spring holiday in addition to their other times off.

Year	Total Passengers Visiting the United States
2015	798,567 (+15.6%)
2016	926,321 (+16%)
2017	1,018,177 (+10%)
2018	994,035 (-2.4%)
2019	854,442 (-14%)

*Data Sources: Office of Travel and Tourism Industries – International Trade Administration – U.S. Department of Commerce, <https://travel.trade.gov/> U.S. Travel Association and Argentine Ministry of Tourism.*

### Opportunities

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

### Web Resources

<https://travel.trade.gov/>

<https://www.thebrandusa.com/>

For additional information, 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.

## Customs, Regulations & Standards

### Trade Barriers

Importers must request Non-Automatic Import Licenses (NALs) on 1,500 out of 10,200 import product categories. The NALs are mainly applied on consumer goods including textiles, footwear, household electrical appliances, computers, and cellphones. Since December 2019, the Argentine government has reduced the validity of the licenses from 180 days to 90 days and indicated processing of import license applications would require more time due to the need for a more substantial review of such requests. Argentina continues to apply reference values to several thousand products which is a mandatory value of the product, calculated by Argentine Customs, without considering the importer's invoice. Importers of affected goods must pay duties calculated on this reference value. Since the changes, the U.S. Commercial Service and U.S. Embassy Argentina have received numerous complaints from importers who have not received import license approval in a timely manner. Companies have also reported problems accessing the official foreign exchange market to pay for imports in dollars, due to Argentina's current strict capital controls.

### Import Tariffs

The Harmonized Schedule (HS) is used to specify tariff classifications in Argentina. The HS is aligned with the World Trade Organization (WTO) Customs Classification Code. Argentina uses 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 2019, the average tariff rate was 22%. Specific duties are applied to certain products and are expressed in measurements of monetary terms per unit. A combination of both ad-valorem and specific duties ("mixed duties") is used in some cases.

### Selected Average Tariff Rates by Type of Product

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

Chapter 1: Live Animals; Animal Products: 4 percent ad-valorem;

Chapter 28: Inorganic chemicals; organic or inorganic compounds of precious metals, rare-earth metals, radioactive elements, or isotopes: 2 to 10 percent ad-valorem;

Chapter 31: Fertilizers: 6 to 10 percent ad-valorem;

Chapter 38: Miscellaneous chemical products: 8 to 14 percent ad-valorem;

Chapter 39: Plastics and articles thereof: 2 to 14 percent ad-valorem;

Chapter 48: Paper and paperboard; articles of paper pulp, paper, or paperboard: 6 to 16 percent ad-valorem;

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

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

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

Chapter 70: Glass and glassware: 2 to 18 percent ad-valorem;

Chapter 94: Furniture; bedding, mattresses, mattress supports, cushions, and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated sign illuminated nameplates and the like; prefabricated buildings: 18 to 35 percent ad-valorem;

Chapter 95: Toys, games, and sports requisites; parts and accessories thereof: 18 to 35 percent ad-valorem.

### Import Requirements & Documentation

#### Permission to Import

Argentina subjects imports to automatic or non-automatic licenses that are managed through the Comprehensive Import Monitoring System (SIMI) established in December 2015 by the National Tax Agency (AFIP). The SIMI system requires electronic submission of detailed information about goods to be imported into Argentina. Once the information is submitted, relevant Argentine government agencies review the application through a “Single Window System for Foreign Trade” (Ventanilla Unica de Comercio Exterior, VUCE). The automatic import licensing requirements apply to approximately 85 percent of Argentina’s tariff schedule. Licenses are required for each import transaction and are reviewed by AFIP. The Central Bank requires AFIP approval to grant importers access to the foreign exchange market. An Argentine firm or individual who wishes to import must utilize the services of an Argentine customs broker to file the SIMI through the online customs system, if they do not possess a customs brokerage license to handle their own imports.

### **Documentation Requirements and Restrictions**

The Argentine government requires a certificate of origin and consularization for imports generally covering (but not limited to) consumer goods, textiles, apparel and footwear, printing machines, and machine tools. Consularization – authentication by a consular office – is required for every country from which an integrated component is sourced. In order to receive the MFN tariff rate on a given product, a certificate of origin must be certified by an Argentine embassy or consulate or carry a “U.S. Chamber of Commerce” seal. Resolution 60/2018, passed in October 2018, eliminated the requirement for a certificate of origin for goods subject to antidumping or safeguard measures, instead requiring an online sworn declaration of non-preferential origin. The resolution also simplifies the process required to obtain a certificate of origin for most categories of products, with the exception of textiles and footwear.

It is strongly advised that all exporters work with an Argentine customs broker or with a freight forwarder with an established relationship with a broker prior to shipping goods to Argentina. In addition, it is recommended that exporters consult the [U.S. Commercial Service in Argentina’s website](#) for information on any new export and customs requirements.

### **Import/Export Documentation**

#### *Maritime Shipments*

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

- Commercial invoice (original and three copies)
- Bill of lading (minimum of one 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)
- Air waybill (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, the fees must be prepaid. Argentina does not have a centralized platform for, and does not allow the use of, electronically produced air waybills, which would accelerate customs processing and the growth of electronic commerce transactions.

### **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
- Full 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, 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. Commercial invoice must include payment terms and the date on the commercial invoice must be **prior to** the bill of lading date.

Electronic documents with electronic signatures are acceptable if the certifying company has obtained eligibility by completing the licensing procedure. Electronic invoices are required for domestic sales or for Argentine exporters. Regarding importers, they need to present the commercial invoice that is issued by the overseas supplier. If the invoice is submitted via electronic methods (or fax) it should also be signed as an affidavit by the importer and customs broker. The invoice can be in English. A translation could be required by Customs authorities. [Annex I of General Resolution 2793](#) describes the supplementary documents required for import transactions.

## **Bill of Lading**

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

The bill of lading must show the following:

- Name of the ship
- Name of the ship's captain
- Port of registry and registered tonnage (weight and volume)
- Name of the charter or the shipper
- Name of the consignee (unless it is "to the bearer" or "to order")
- Number of packages, and specific description of the contents, the quantity, quality, and marks of the goods
- Port of loading and unloading, with a declaration of the port of call, if any
- Freight amount
- Place, method, and date of payment
- Date of preparation of the document and signature of the captain and of the shipper (signature of the shipping company and shipper should be signed manually; facsimile signatures are not acceptable)
- Container and seal number, and terms of shipment
- Invoice number suggested

### **Packing Lists**

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

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

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

### **Insurance Certificate**

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

### **Certificate of Origin**

The certificate of origin is a document that may be required by Argentine Customs for consumer goods, textiles, footwear, apparel, printing machines and machine tools, organic chemicals, tires, bicycle parts, flat-rolled iron and

steel, certain iron and steel tubes, air conditioning equipment, wood fiberboard, fabrics, toys, games, brooms, and brushes. This requirement by Argentine Customs falls under various circumstances:

#### *Control of Preferential Origin*

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

#### *Control of Non-Preferential Origin*

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

- Anti-dumping Duties
- Countervailing Measures
- Safeguard Measures
- Import Quotas
- Trade Statistics

The certificate of origin requires the authorized signature of the local Chamber of Commerce Secretary in the United States, the seal of that organization, and the seal of legalization by the Argentine Consulate in the United States (located in Atlanta, Georgia; Chicago, Illinois; Houston, Texas; Los Angeles, California; Miami, Florida; New York, New York; Washington DC). Note that if the product to be shipped contains component parts manufactured in another country, the U.S. company must obtain signatures of the relevant chambers in those countries and have the document legalized by the Argentine Consulates in those countries. For terminology, check out [Terms of Trade](#) and [International Trade Glossary](#)

### **Labeling/Marking Requirements**

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.

Manufacturers and importers of the products affected by requirements (electric apparatus over 50 volts, toys, personal protection equipment, elevators, steel, lighters, and bicycles) can choose among 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.

IRAM is the Argentine Institute for Standardization and Certification. It is a non-profit civil association, which was founded in 1935 by representatives of the various sectors of the economy, the government and scientific-technical institutions. IRAM provides certification services for products, processes, people, services and management systems, both nationally and internationally. The IRAM certificates have national and international (MERCOSUR) validity and are the gateway to other markets. For information on Argentine and MERCOSUR standards, contact:

IRAM, Instituto Argentino de Normalización

[www.iram.org.ar](http://www.iram.org.ar)

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

MERCOSUR Standards Association  
AMN, *Asociación MERCOSUR de Normalización*  
<http://www.amn.org.br/>  
[secretaria@amn.org.br](mailto:secretaria@amn.org.br)

For medical products, contact:

[Administración Nacional de Medicamentos, Alimentos y Tecnología Médica \(ANMAT\)](#)

Email: [direccion@anmat.gov.ar](mailto:direccion@anmat.gov.ar)

## U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counseling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end-use and end-user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end-uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "[red flags](#)", or warning signs, and compiled "[Know Your Customer](#)" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry-specific topics. Interested parties can check [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the [e-CFR](#) (Electronic Code of Federal Regulations) and is updated as needed. The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

## Temporary Entry

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 re-exported 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 incur 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 onto 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.

Finished goods must be exported within 360 days from the date of temporary admission; however, this deadline may be extended for additional 360 days. There are special permissions for long-term projects, for which the maximum stay under the TAR is 1080 days.

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

The Argentine Customs Bureau allows 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 goods. This also is important for Argentine businesses that repair goods that are shipped from other countries. Nearly one-fifth of all Argentine exports are related in some way to this regime.

Goods are considered eligible for the TAR program if they are substantially transformed or processed in an industrial process site 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.

## Prohibited and Restricted Imports

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

- Medical products containing nimesulide as an active ingredient (Disposition 4430/2009 ANMAT).
- Incandescent light bulbs for residential use included under HS Code 8539.22.00, with the exception of those of power equal to or less than 25 watts, and those of voltage equal or less than 50 volts (Law 26473).
- Certain used machinery, equipment, instruments, devices, and its parts (Resolution 909/1994 MEOSP and its modifications: Resolution 748/1995, Decree 690/2002, Appendix XIV; Resolution 89/2003 ME, article 7°, etc.).
- Medicines and food containing olaquinox (Resolution 84/2007 SENASA).

- Paints, lacquers and varnishes containing more than 0.06 grams of lead for every 100 grams of non-volatile mass (Resolution 7/2009 MoH).
- Used automobiles (Decree 110/1999)
- Used motorcycles and velocipedes (Resolution 790/1992, Ministry of Economy)
- Toys and childcare products containing high concentration of phthalates (Resolution 583/2008, Ministry of Health)
- Used clothing and accessories (MERCOSUR Tariff Codes 6309.00.10 & 6309.00.90) (Decree 3373)
- Telephone terminals that operate in a band between 1880 Mghz-1900 Mghz (Resolution SC 1994/1999)
- Used and recapped tires (MERCOSUR Tariff Codes 4012.10.00 & 4012.20.00, Law 25,626)
- Raw cotton (not carded or combed, harsh or rough) as per Res. SENASA 208/2003
- All types of dangerous residues (Law 24051)
- Certain dangerous substances (Resolutions 750/2000, 845/2000, 182/1999, etc.)

Additionally, [ANMAT](#) (*Administración Nacional de Medicamentos, Alimentos y Tecnología Médica*), the regulatory equivalent of the U.S. Food and Drug Administration within the Ministry of Health, regulates and prohibits imports of certain toxic substances contained in products such as pharmaceutical products and cosmetics. Within ANMAT, the National Food Institute (INAL) regulates consumer-ready food products, health supplements, and both alcoholic and non-alcoholic beverages, with the exception of wine. [SENASA](#) (*Servicio Nacional de Sanidad y Calidad Agroalimentaria*), Argentina's Phytosanitary and Food Safety Agency, regulates animal and plant products, and is responsible for the safety and quality of human food and animal feed. The National Wine Institute (INV) exerts control over wine and wine products during the production and marketing stages.

In 2018, Argentina lifted the ban for the importation of U.S. fresh and frozen beef and pork products to Argentina, with the exception of pork offal. The market for U.S. poultry products remains closed due to concerns primarily related to Avian Influenza. FAS/Buenos Aires is currently engaged in discussions with Argentina's sanitary authorities to overcome this issue. For additional information on animal products, please contact the U.S. Foreign Agricultural Service in Argentina at [agbuenosaires@fas.usda.gov](mailto:agbuenosaires@fas.usda.gov).

The Government of Argentina places restrictions on imports of many used products to facilitate market entry of new machines or equipment. This limitation applies to: used medical equipment, used vehicles, remanufactured parts, tires, boats, etc. In some specific cases, there are exceptions, such as mining machinery. For additional information, see the Office of the United States Trade Representative's National Trade [Fact Sheets](#).

## Customs Regulations

The General Customs Bureau ([\*Dirección General de Aduanas, DGA\*](#)) applies, collects, and controls taxes under the Argentine Customs Code. It also regulates other taxes on import and export transactions on behalf of other entities. The DGA is part of the Federal Public Revenue Administration ([\*Administración Federal de Ingresos Públicos, AFIP\*](#)). AFIP is an autonomous authority at the administrative level, under the general supervision and legal control of the Treasury Ministry. It executes the tax and customs policies set by the Executive Branch.

### Contact Information:

Administración Federal de Ingresos Públicos, (AFIP)

Federal Administrator

Hipólito Yrigoyen 370

C1086AAD Buenos Aires, Argentina

<http://www.afip.gob.ar>

For Customs regulations, visit the [AFIP's online library](#) (Spanish).

Phone: (54-11) 4347-2000

Dirección General de Aduanas, (DGA)

General Director

Azopardo 350

C1107ADD Buenos Aires, Argentina

<http://www.afip.gob.ar/aduana/institucional/>

Phone: (54-11) 4338-6400/6640

Fax: (54-11) 4338-6644

## Standards for Trade

### Standards Organizations

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

### Agricultural and Health-Related Products

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

### Standards and Regulations in MERCOSUR

Argentina, as an active MERCOSUR member, participates in the development of MERCOSUR standards and regulations. The MERCOSUR Standards Association, AMN (*Asociación MERCOSUR de Normalización*, previously known as the *Comité MERCOSUR de Normalización*), composed of the standards institutes of Argentina, Brazil, Paraguay, and Uruguay, develops and harmonizes standards. The Executive Secretariat of the AMN is located in Sao Paulo, Brazil. Voluntary standards are developed in 16 technical committees and deal mostly with steel products, cement and concrete, and electrical safety. Several hundred standards are at different stages of preparation or in a 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 applicable in each country. To be applicable, harmonized MERCOSUR regulations must be adopted by each country. The five countries generally adopt all MERCOSUR regulations, though at different speeds.

## **Testing, Inspection and Certification**

### **Mandatory Testing and Mandatory Product Certification**

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

### **Non-Mandatory Testing and Product Certification**

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

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

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

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

Resolution 169/2018 has replaced Resolution 171/16 regarding Electrical Safety in Argentina and was implemented in 2018. The regulated product scope has remained largely unchanged, and the following products are not within the scope:

- Medical equipment (now under ANMAT)
- Products for Explosive Atmospheres
- Products less than 50VAC and 75VDC

The following changes were also implemented under the resolution:

- The importer information is no longer required on the product label or packaging, and only the Consumer Defense Law requirements will be enforced
- According to Resolution 237/00, the recognition of foreign certificates through MRAs by local bodies and the multilateral agreement of the IECEE CB Scheme allows S-Mark certificates to be issued based on CB certificates.

- Beginning in 2020, products are certified by the Mark scheme (products listed under Annex II of Res. 171/16) or by Lot (when appropriate). Type certification may be authorized for some product types
- Surveillance terms have been extended to 12 months (Type) and 18 months (Mark)
- The Disp. 178/00 (SDU) requirement is removed, and a voluntary procedure was established by TAD
- Only components and parts for manufacturing or technical service can enter Argentina without restrictions
- Transfer of certificates has been cited, but the extension of certificates to multiple importers has not been considered and will be re-evaluated

### **Accreditation**

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

### **Publication of Technical Regulations**

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 late 1999, efforts have been concentrated in implementation rather than in adding new categories of products under safety regulations.

Most electrical and electronic products in the consumer marketplace are still subject to this [regulation](#) (*English*). 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.

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. ([www.nist.gov/notifyus](http://www.nist.gov/notifyus)) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

### **Contact Information**

Argentine and MERCOSUR standards: IRAM, Instituto Argentino de Normalización [www.iram.org.ar](http://www.iram.org.ar)

MERCOSUR Standards Association AMN, *Asociación MERCOSUR de Normalización* <http://www.amn.org.br/>

For medical products: [Administración Nacional de Medicamentos, Alimentos y Tecnología Médica \(ANMAT\)](#) (*English*)

As a member of the [World Trade Organization \(WTO\)](#), Argentina signed the [Agreement on Technical Barriers to Trade \(TBT\)](#), affirming its obligations relative to technical regulations and conformity assessment procedures. The Argentine Standards Institute ([Instituto Argentino de Normalización - IRAM](#)) has signed the WTO TBT Code of Good Practice for the Preparation, Adoption and Application of Standards. Responsibilities under the TBT agreement include the establishment of a national inquiry point to serve as a central location for information on standards-related

issues, including proposed mandatory regulations. The Argentine inquiry point is in the Secretariat of Industry (see Information Sources below). The U.S. inquiry point is the [National Center for Standards and Certification Information \(NCSCI\)](#), located at National Institute of Standards and Technology.

## **Trade Agreements**

### **ALADI**

Argentina is a founding member of the Association for Latin American Integration (ALADI-[Asociación Latinoamericana de Integración](#)), which was created in 1980 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. Argentina has several regional, multilateral, and bilateral arrangements.

### **MERCOSUR**

Argentina is a member of the Southern Common Market (MERCOSUR- [Mercado Común del Sur](#)), which entered into force in January 1991. MERCOSUR members include Argentina, Brazil, Paraguay, and Uruguay. Venezuela is currently suspended from the block. Bolivia, Chile, Colombia, Ecuador, Guyana, Peru, and Surinam are associate members of the block.

#### *MERCOSUR-Southern African Customs Union*

In December 2000, the countries of MERCOSUR signed a framework agreement toward the creation of a free trade area between member countries and the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland). In 2016, a preferential trade agreement entered into force.

#### *MERCOSUR-European Union*

After more than 20 years of negotiations, MERCOSUR and the European Union concluded a comprehensive trade agreement on June 2019. It represents the largest trade agreement the European Union has ever negotiated. Prior to entering into force, the agreement must be ratified by the European Parliament and the parliaments of individual MERCOSUR countries. With this agreement, MERCOSUR's exports will receive preferential treatment upon entering the European block.

#### *MERCOSUR-European Free Trade Association*

In 2019, Mercosur signed a free trade agreement with the European Free Trade Association (EFTA) comprised of Iceland, Liechtenstein, Norway and Switzerland. The agreement implies a significant reduction and elimination of tariffs for agricultural and agro-industrial goods. EFTA also grants exclusive access quotas to Mercosur for meat, honey, rice, wine, and olive oil. The FTA is pending ratification by the Congress of each of the signature countries to enter in vigor.

## **Licensing Requirements for Professional Services**

Contact the [Commercial Service in Buenos Aires](#) directly for information on licensing requirements for Professional Services.

## **Selling U.S. Products & Services**

International companies typically market their products through an Argentine agent, representative or distributor. Working with a distributor has several advantages: distributors can provide strategic support for positioning brands in the market through promotion and advertisement, and they possess an understanding of the local culture and can assist with post-sales service. This value-added service is increasingly important for customers and contributes to a positive image of U.S. firms doing business abroad.

Argentine Civil and Commercial Codes, which govern principal-agent relationships, differ from U.S. law. Consult with an Argentine lawyer prior to negotiating or entering into any type of agreement with an agent, representative, or distributor. A company may be subject to additional costs associated with the cancellation of an agency agreement due to Argentine labor laws. Given the complexity of the legal and commercial environment, contracts are generally negotiated in writing through the exchange of letters or via a basic instrument. The parties may not elect foreign laws to govern the agreement. Argentine courts will not enforce a contract executed abroad to avoid Argentine law.

U.S. companies should take time in selecting their Argentine agent, representative, or distributor. Up front time spent on qualifying a potential partner will save countless hours required to terminate an unsuccessful relationship. Business relationships and a good reputation are essential to an agent, representative, and/or distributor's ability to reach potential customers of your product or service. Likewise, it is important for U.S. exporters to develop a close relationship with an agent, representative, 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 visit the [U.S. Government Export Portal](#). You may also contact the [Commercial Service in Buenos Aires](#) directly for additional information on partner search services, applicable fees and delivery times.

## **Distribution and Sales Channels**

Sales 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 and hypermarkets.

### **Warehouse and distribution**

Distribution in Argentina tends to be radial, with all roads converging in the Port of Buenos Aires. This dates back to the early 20th century, when Argentina's rail and road systems were developed by the British in order to bring products to the Port of Buenos Aires and satisfy foreign demand for commodities. The hub-oriented distribution system used in the United States does not exist in Argentina.

### **Land Transportation**

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

### **River and Maritime Transportation**

Almost 75 percent of Argentina's foreign trade is carried by ship, and about 80 percent of the import and export transactions are carried out through the ports of Buenos Aires and La Plata. The Parana and Uruguay rivers are well-dredged and maintained. These rivers link the Port of Buenos Aires to internal Argentine ports as well as to Paraguay, Uruguay, and Brazil.

## **Air Cargo**

[Terminal de Cargas Argentina \(TCA\)](#) was created as a concessionary partnership established by the Government of Argentina for the operation of airfreight terminals at international airports. TCA is the logistics division of Aeropuertos Argentina 2000, Argentina's dominant airport concessionaire, and provides full logistics and storage services to all foreign cargo agents. TCA's primary business is bonded warehouse management at major Argentine international airports, where the company stores imported and exported cargo while their consignees perform relevant formalities with the General Customs Administration or [Dirección General de Aduanas \(DGA\)](#). TCA's headquarters are located at Ezeiza Airport, Argentina's main international airport just outside the city of Buenos Aires. The company also has branches in Córdoba, Mendoza, Mar del Plata, and Jorge Newbery Airport (Autonomous City of Buenos Aires).

## **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 (locally called "*chinos*" no matter who owns them) scattered throughout local neighborhoods, self-service mini-markets and drugstores, and the supermarkets and hypermarkets. Consumers generally prefer hypermarkets and supermarkets for lower prices on weekly and monthly purchases.

## **Establishing an Office**

Foreign companies may carry out any single transaction. To carry on a routine activity, however, a foreign company must establish a branch (*sucursal*) in Argentina. An individual must be appointed as the company's legal representative, although assignment of capital to the branch is not necessary. Foreign investors may do business in Argentina as individuals or through corporations, branches of foreign corporations, limited liability companies, limited partnerships, general partnerships, and joint ventures. Foreign corporations often operate in Argentina through a separately incorporated subsidiary rather than through a branch, primarily to reduce their potential liability. If a branch is used, all of the foreign corporation's assets, not only its Argentine assets, may be subject to potential liability. In contrast, if an Argentine or foreign subsidiary is used, the foreign corporation's liability generally will be limited to the assets owned by that subsidiary. Corporate directors, however, may be held liable for unpaid tax obligations.

Corporations are set up with the approval of at least two legal or naturalized persons, whether Argentine or foreign. The corporation may not be a partner in a partnership. A corporation can usually be established in three to four weeks if capital is supplied only in cash. If supplied in kind, the corporation can be established in about two months. A minimum of two founders is required with no maximum limit. Company founders must report a domicile in Argentina. A minimum of two shareholders is required. No maximum is prescribed. Should a foreign company wish to act as shareholder of a local company, the company must be "qualified." The cost of qualification proceedings is similar to the incorporation cost. U.S. firms considering establishing operations in Argentina should fully investigate the tax and legal aspects of establishing a business with Argentine legal counsel before making any final decisions.

## **Franchising**

The local franchising industry has evolved into a challenging and highly competitive environment for international franchisors seeking local partners. Market size during 2018 was approximately US\$6.5 billion, with an annual growth rate of approximately 10%. Currently, 90 percent of local franchises are of Argentine origin and approximately 10 percent are of international ownership. The low level of foreign penetration in the sector is in part due to strict regulations for transfer of funds. After decades of unregulated expansion, the [Civil and Commercial Code of the Nation](#) (CCCN) came into force in 2015 and established a legal framework for franchising agreements. The CCCN covers franchise agreements in Chapter 19, Articles 1,512 through 1,524.

There are approximately 400 franchise brands in the market. The most popular sectors for international franchisors are fast food, foreign language training, dry cleaning, hotels, and rental car services. Starbucks entered the Argentine market in 2008, opening 136 stores since its arrival. Other significant U.S. market players include Kodak Express,

McDonald's, Burger King, Wendy's, Cartridge World, Kentucky Fried Chicken and Subway. Real Estate franchises have also entered the market, including Re-Max, Keller-Williams, Coldwell Banker and Century 21.

Local franchises have been particularly successful in apparel, food, ice cream, "empanada" delicacies, fitness and health clubs, and education. Apparel franchising, however, has suffered in recent years due to import restrictions. Currently, coffee shops and stores are experiencing a growth stage, with local brands such as Havana and Bonafide competing with Starbucks. Franchise contracts are generally protected under the aforementioned Argentine Commercial Code, which is still rather vague. The scope of the service, commercial trade name, market expertise, and shared production elements are covered by contractual obligations of both the franchisor and the franchisee. Elements of the contract include the license, methods and systems of operation, proprietary information transferred to a franchisee, inputs supply, sales methods, and quality standards. The franchisor has the ultimate control of the contract elements.

Franchising models have been successfully used in Argentina, but the obligations of the franchisor must be clearly established in the contract to avoid potential liabilities related to the operator, such as defaulting, declaring bankruptcy, etc. The Civil and Commercial Code gives a legal framework for franchising agreements, although enforcement of these laws is still in the beginning stages. Therefore, legal counsel should be sought prior to entering the Argentine marketplace and appointing a franchisee.

### **Direct Marketing**

In 2019, the GoA implemented a new door-to-door system, which is web-based and no longer requires a trip to Customs for package pick-up. The system allows for online tracking of packages. Argentine customers can now receive up to 12 orders per year with a value of up to US\$50 each. Customers register online in Correo Argentino's web portal and are notified via email when packages arrive. Customers must declare the shipment's content, and pay mail handling fees and customs duties, if applicable, through Correo Argentino's webportal. Formerly, this process was cumbersome, and had to be done through AFIP's web portal. These changes simplify the door-to-door service of international purchases and brings transparency to the mail handling process. For updated information, please refer to AFIP's website: <https://www.afip.gob.ar/puertaapuerta/puertaApuerta.asp>. Sellers should be aware that as of December 2019 the government of Argentina imposed a 30 percent "PAIS" tax on purchases made abroad or invoiced in foreign currency to include tourism services, online services (e.g., Netflix) or purchases abroad using Argentine credit and debit cards. In September 2020, the government added an additional 35 percent withholding tax on purchases of dollars or overseas card payments.

### **Joint Ventures/Licensing**

Argentine legislation permits the establishment of temporary associations, equivalent to joint ventures, known as UT (Unión Transitoria). 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. UTs are not considered companies or legal entities in their own right. Participants may be resident businesspeople, locally constituted entities, or non-resident companies that have established a separate branch or other type of Argentine presence.

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

### **Express Delivery**

International courier delivery services are very active and most global express delivery firms have significant operations in Argentina, including [FedEx-Argentina](#), [DHL-Argentina](#), and [UPS-Argentina](#). Express delivery and courier services are widely used in Argentina for both national and international transportation of packages. The

shipping times to Argentina will depend on the type of courier service used. Expedited shipping can arrive within 2-5 working days whereas some economy services may take three weeks or more. It also depends what part of Argentina you are shipping to, as packages going to a city will arrive more quickly than those going to a rural area. Postal codes in Argentina are called ‘*códigos postales*.’ They start with a single letter that represents the province, followed by four digits that show the town or city, and then three letters to display the side of the city the address is located.

### **Due Diligence**

Companies interested in Argentina should always conduct due diligence before entering into business ventures or other commercial arrangements. The U.S. Commercial Service in Argentina provides U.S. firms with information that can assist them in vetting 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, local press, and other sources. In addition, through its International Company Profile (ICP) service, CS Argentina will provide a background report based on site visits and interviews with key personnel of Argentine firms with whom U.S. firms are considering or maintain a business relationship. Our assistance does not rise to the level of due diligence in a legal sense, but does provide valuable information to help assist you in finding a legitimate partner.

### **eCommerce**

Electronic commerce (eCommerce) activity has grown tenfold since 2000 in peso terms. Argentina has over 37 million users of internet, the third highest percentage in Latin America after Brazil and Mexico. According to the Argentine Chamber of Information and Communications (CICOMRA), in 2019 Argentina had 23 million urban households with access to computers and 75.9 percent to internet. Nine out of 10 people use a cell phone and nine out of 10 use the internet. Network expansion is increasing the availability of WiFi connections in public and privately-owned spaces. [The Argentine Chamber of Electronic Commerce \(CACE\) reports](#) that 90 percent of connected Argentine adults (18.3 million people) have made online purchases at least once. ECommerce in Argentina grew 76 percent during 2019, after growing by 64 percent in 2018, with growth in 2020 also expected to be high, in part due to the extended quarantine imposed because of the COVID-19 pandemic. Seventy eight percent of the total sales were made by credit card.

Online sales also have higher prevalence outside Buenos Aires province, where the variety of products available is more limited, and delivery service provides an important incentive for sales. U.S. products and services are usually sold through the websites of local importers. Alternatively, popular eCommerce websites include [MercadoLibre](#) and [OLX](#). In October 2020, Argentina’s official mail service, Correo Argentino, also launched a new online retail platform named “Compra Correo.”

Social media is also considered an effective sales platform for selling products online in Argentina. As noted above, sellers should be aware that as of December 2019 the government of Argentina imposed a 30 percent “PAIS” tax on purchases made abroad or invoiced in foreign currency to include tourism services, online services (e.g., Netflix) or purchases abroad using Argentine credit and debit cards. In September 2020, the government added an additional 35 percent withholding income tax on purchases of dollars or overseas card payments.

For more information:

<https://www.boletinoficial.gob.ar/detalleAviso/primera/224184/20191228>

<https://www.boletinoficial.gob.ar/detalleAviso/primera/235038/20200916>

## **Selling Factors & Techniques**

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

The United States continues to be one of Argentina's top trading partners. Many U.S. firms have been very successful in the market and U.S. products have a strong reputation for quality and technological innovation. U.S. lifestyle and consumption habits are influential in Argentina.

Always have a native Argentine speaker, such as your agent or distributor, review any materials before using them in Argentina. Keep in mind that each Spanish speaking country has its own unique dialect and linguistics. Any official document to be presented before the Government of Argentina 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, and consult as appropriate with lawyers and accountants
- Have Spanish language capacity and furnish materials in Spanish
- Be consistent in attention to service and delivery, and engage in frequent visits and follow-up
- Provide credit terms
- Protect your intellectual property

## **Trade Promotion and Advertising**

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

<a href="#">CLARIN</a>	<a href="mailto:clasificados@claringlobal.com.ar">clasificados@claringlobal.com.ar</a>
<a href="#">EL CRONISTA</a>	<a href="mailto:publicidad@cronista.com">publicidad@cronista.com</a>
<a href="#">LA NACION</a>	<a href="mailto:diario@lanacion.com.ar">diario@lanacion.com.ar</a>

## **Pricing**

U.S. exporters should take into account that, due to protectionist tax and trade policies, locally manufactured products and those products imported from other MERCOSUR countries will have a substantial price and import cost advantage. Some customized services and higher quality products can still charge price premiums, which are accepted by a very small demographic in certain geographical areas. Argentina's highly concentrated markets and protectionist policies have led to high prices, high costs, and relatively low competitive pressures.

## **Sales Service/Customer Support**

Argentines consider sales support and customer service important factors when deciding which products to buy. Argentine consumers are accustomed to home delivery and after-sales service. U.S. manufacturers should consider hiring local agents to provide customer support services. Any product that requires operator training or needs

after-sales technical service, such as medical equipment, should have a qualified local company ready to assist the customer. Company representatives who respond from neighboring countries tend to be less effective.

### **Local Professional Services**

Local professional services such as accounting, consulting, human resources, and finance are widely available and perform to international standards. Several U.S. and global service providers have offices in Argentina. U.S. management 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 merger and acquisition due-diligence, and market research. The U.S. Commercial Service prepares Industry Sector reports on an ongoing basis. [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.

### **Principal Business Associations**

[The American Chamber of Commerce in Argentina](#) (AmCham Argentina) -- is an independent, non-profit, non-governmental organization that has been promoting bilateral trade and investment between the United States and Argentina for over 100 years. The U.S. Embassy and AmCham work together closely to support U.S. business interests in Argentina. AmCham promotes an ethical and transparent business environment that contributes to the objectives of its partners and the economic and institutional development of Argentina. The membership of over 640 companies directly employs 400,000 people in more than 200 industrial plants distributed throughout the country and represents over 40 areas of economic activity; contributing 19 percent of GDP, 39 percent of tax revenue, 19.3 percent of imports and 23.4 percent of Argentina's exports.

Other important business associations include:

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/>

Directorate General of Copyright, Argentina (Dirección Nacional del Derecho de Autor)  
(Spanish): <http://www.jus.gov.ar/derecho-de-autor.aspx>

National Institute of Industrial Property, Argentina (Instituto Nacional de la Propiedad Industrial)  
(Spanish): <http://www.inpi.gov.ar>

Argentine Chamber of Commerce (Cámara Argentina de Comercio) (Spanish): <http://www.cac.com.ar/>

U.S. Chamber of Commerce: <http://www.uschamber.com/>

Export-Import Bank: <https://www.exim.gov/>

United States Trade Representative information site on Argentina: <https://ustr.gov/countries-regions/americas/argentina>

Several other geographically specific ([Florida](#), [Texas](#)) U.S.-Argentine Associations in the United States exist. For current information please contact U.S. Commercial Service Buenos Aires at [Office.Buenosaires@trade.gov](mailto:Office.Buenosaires@trade.gov).

## **Trade Financing**

### **Methods of Payment**

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

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

A vast majority of sales to Argentine importers are currently performed on open accounts. As a result of the pandemic, small and medium-sized Argentine companies across the board are experiencing liquidity challenges, which impact their ability to innovate and upgrade production lines. 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.

Another good option for U.S. exporters is to utilize financing tools offered by the United States Export Import Bank, EXIM. EXIM provides trade financing solutions – including export credit insurance, working capital guarantees, and guarantees of commercial loans to foreign buyers – to empower exporters of U.S. goods and services. Argentine buyers currently face expensive borrowing rates in Argentina, making it hard for them from to buy U.S. products and services. EXIM's loan guarantees support U.S. exporters in securing competitive financing for their creditworthy international buyers. Another EXIM tool is export credit insurance, a policy foreign accounts receivable against commercial and political risks. Businesses that insure their accounts receivable make certain that, should a foreign buyer not pay, they will be reimbursed 85-95 percent of their invoice amount. For more information on U.S. EXIM Bank tools, contact the U.S. Commercial Service Buenos Aires at [Office.Buenosaires@trade.gov](mailto:Office.Buenosaires@trade.gov) or visit [www.exim.gov](http://www.exim.gov).

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>.

### **Banking Systems**

Argentina's Central Bank (BCRA) is the implementing authority and the regulatory body, which issues standards and controls activities of financial institutions. In order to operate in Argentina, foreign banks must register with the BCRA and obtain appropriate authorization prior to engaging in banking activities in the country. Furthermore, there are minimum capital requirements for these entities to be allowed to do business.

### **Foreign Exchange Controls**

The Argentine Central Bank is the regulatory body that oversees foreign exchange acquisition for import-related transactions.

Foreign exchange sales for import payments must be carried out through check or debit transaction in a client's local banking account. Cash payments will not be accepted. Advance payments should be made to the foreign supplier, a foreign financial institution, or the official credit agency that financed the advance payment to the foreign provider. The transaction should be well documented in order for the importer to be granted BCRA approval for foreign exchange acquisition. Generally speaking, for credit payments, entities have access to the foreign exchange market to make payments abroad with restrictions set forth by Central Bank resolution 7001, which purportedly aims to preserve international reserves. However, these capital restrictions place a significant strain on private-sector dollar-

denominated debts with international creditors, as companies are allowed to access hard currency to honor only 40 percent of their debts, requiring they renegotiate the remaining 60 percent with creditors.

For additional information, click on the following links:

<http://www.bcra.gov.ar/Pdfs/comytexord/A7001.pdf>

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

There are currently no U.S. banks operating in Argentina’s retail segment. However, American Express Bank, Bank of America, Citi and J.P. Morgan Chase offer financial services to government and corporate clients in Argentina. To obtain a list of Argentine commercial banks with offices in the United States or banks operating in Argentina, please review the [Portal of the Central Bank of the Republic of Argentina \(BCRA\)](#). Additionally the U.S. International Development Finance Corporation (DFC) and the Export–Import Bank of the United States (EXIM) are open in Argentina, for current information contact [Marcelo Amden](#).

### **Protecting Intellectual Property**

Your U.S. trademark registrations and patents will not necessarily protect you in Argentina. A useful [IP rights toolkit](#) and an [IP Snapshot on Argentina](#) can be found at [Stopfakes.gov](#). One can submit a patent application or register a trademark before the [National Institute of Industrial Property of Argentina](#) (“INPI”). Companies should seek advice from local attorneys or IP consultants who are experts in Argentine law. The Consular Section of the U.S. Embassy in Buenos Aires [publishes a list of lawyers](#) for reference. In any foreign market, companies should consider several general principles for effective protection of their intellectual property. For background, link to our article on [Protecting Intellectual Property](#). The United States Trade Representative (USTR) [publishes an annual review](#) of the state of intellectual property rights protection and enforcement. USTR has included Argentina on its Special 301 priority watch list for insufficient protection and enforcement of intellectual property rights since 1996. A 2015 resolution on biotechnology that limits the patentability of biotechnological innovations, and a 1973 seed law that enables free saved seed for Argentine producers, have limited U.S. companies’ ability to introduce new and innovative technologies into the Argentine market. The U.S. Department of Commerce has a regional IP Attaché office based in Rio de Janeiro, Brazil who can provide advice and support to U.S. companies facing IPR issues in the region. For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>.

#### **Acting IP Attaché Contact for Argentina**

Maria Beatriz Dellore  
Av. Presidente Wilson, 147, 4th floor  
20030-020 - Rio de Janeiro - Brazil  
Tel. +55 21-3823-2498  
[mbeatriz.dellore@trade.gov](mailto:mbeatriz.dellore@trade.gov)

### **Selling to the Public Sector**

#### **Selling to the Government**

Procurement regulations apply to all federal public agencies (including autonomous or decentralized institutions) but exclude federal banks. Decree 690/2016 establishes the amounts determining the selection process. Government purchases of less than AR\$ 1,300,000 can be done via direct purchase. Purchases between AR\$ 1,300,000 and AR\$ 6,000,000 generally require competition, and purchases over that amount generally require an open public tender. Advertising and publishing procedure terms apply regarding important contracts in main publications and internet sites, including the [website](#) of the National Contracting Office (Oficina Nacional de Contrataciones – ONC). Terms of public tenders must also be published in the Official Bulletin and the publications of supplier associations.

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 *Unión Argentina de Proveedores del Estado* (UAPE). [UAPE](#) has a database of government procurements.

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

In September 2018, Presidential Decree 800/2018 and Secretary of Industry’s Resolution 91/2018 regulated Law 27437 implementing a new Buy Local Regime named “Buy Argentine”. This regime grants preference to domestic goods, provides for higher participation of local SMEs in infrastructure projects, and favors productive investment.

The new regime highlights are:

- Infrastructure projects should include local SMEs (small and medium sized firms) in up to 20 percent of the tender value or compensate with local investment, research and development, or transfer of technology.
- Priority for micro and small-sized enterprises on small purchases of up to AR\$1.3 million for goods or up to AR\$100 million in public housing and building projects.
- First refusal mechanism for SMEs: In small public tender purchases of less than AR\$20 million, this mechanism allows for SMEs to improve their offer if they have not exceeded the best quote by more than 20 percent.
- National Program to Develop Suppliers - (PRODEPRO): The program aims to develop local suppliers in strategic sectors and to connect them with a global value chain to improve their competitiveness and incorporate new technologies.

### **Preferences by Sector**

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

Preferential margins for domestic goods increased from 7 to 15 percent in the case of micro and small and medium-sized firms, and from 5 to 8 percent for large companies.

### **Foreign Goods**

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

## **Disputes**

The Undersecretariat of Buy Argentine and Supplier Development (part of the Ministry of Production) is the authority in charge of overseeing the regime and applying relevant sanctions. Note: Argentina is not a signatory to the WTO Agreement on Government Procurement but is an observer of the WTO Committee on Government Procurement.

## **U.S. Government Advocacy Center**

U.S. companies bidding on government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international government agencies. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agency officials leveling the playing field by advocating for potential U.S. suppliers to foreign government officials. Contact the [Commercial Service in Buenos Aires](#) for additional information.

## **Financing of Projects**

Foreign portfolio investment helped to finance the government's operations through early 2018, but that investment rapidly evaporated in April 2018 as part of a worldwide retrenchment from emerging market debt, precipitating a run on the Argentine peso. In September 2018, Argentina negotiated a US\$57 billion Stand-By Arrangement with the International Monetary Fund to ensure the government's access to financing through 2020, provided it made significant cuts to the federal budget deficit and implemented a new, more conservative monetary policy. In the wake of the 2018 recession and newly tightened monetary policy, interest rates have skyrocketed, causing investment in the economy to plummet. Financing remains one of the main obstacles for project development in Argentina. The Inter-American Development Bank, the World Bank, and the *Banco de Desarrollo de América Latina (CAF)*, in addition to some countries, have provided credit to Argentina. There are some options available to support trade finance for U.S. exports to Argentina, as detailed below. In November 2018, the U.S. International Development Finance Corporation (DFC, formerly OPIC), signed six Letters of Interest to advance several projects in support of Argentina's economic growth. DFC currently has over US\$1 billion in financing allocated to potential projects in Argentina. If and when these deals are confirmed, DFC funding could catalyze billions of dollars in private sector investment in Argentina from infrastructure to energy to **logistics**.

## **Multilateral Development Banks**

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the World Bank and the Inter-American Development Bank. These institutions lend billions of dollars in developing countries for projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. Learn more by contacting the Commercial Liaison Offices to the [Inter-American Development Bank](#) and to the [World Bank](#). Learn more by contacting the [Advocacy Liaison for World Bank](#) or the [Advocacy Liaison Website for Inter-American Development Bank \(IDB\)](#).

## **Financing Web Resources**

[Trade Finance Guide: A Quick Reference for U.S. Exporters](#)

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[U.S. Development Finance Corporation \(DFC\)](#)

[Trade and Development Agency \(USTDA\)](#)

[SBA's Office of International Trade](#)

[USDA Commodity Credit Corporation](#)

## **Business Travel**

### **Business Customs**

U.S. businesspeople should take the time to develop a close personal relationship with their agent, representative, distributor, or other business partner. Argentine business and customs are generally more formal than those in the United States.

Courtesy is very important, and efforts to rush a business deal are unlikely to meet with success. No encounter starts with a business discussion. To establish trust, some time spent discussing family members, sports, and social activities are fundamental to the development of a solid business relationship. COVID-19 health protocols have put a temporary halt on many practices, but it is otherwise customary in Argentina to shake hands with everyone in the room upon arriving and leaving. It is customary for men to kiss women they meet for the first time on the right cheek.

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, for introductions to potential business partners and customers. The U.S. Commercial Service in Argentina offers services such as the “Gold Key” service to meet with potential business partners.

It is recommended to be prompt to business meetings with a pre-arranged appointment, even if your Argentine contact may be slightly late. 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 to call yourself a North American (*norteamericano*) and avoid saying you are from "America." In Latin America, the term "America" denotes both North and South America, not just the United States.

### **Travel Advisory**

Please consult the Department of State's Bureau of Consular Affairs web site for general travel information <https://travel.state.gov/> and specifically the site's section on [Argentina](#).

Business Travel Information:

<http://www.export.gov/argentina/businesstravelinformation/index.asp>

Argentina Ministry of Tourism: <http://www.turismo.gov.ar/eng/menu.htm>

ArgentinaTuristica.com: <http://www.argentinaturistica.com/2datosargen.htm>

City of Buenos Aires Under Secretariat of Tourism:

<http://www.bue.gob.ar/?m=home/index.php&lang=en>

Department of State Travel Advisory: <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories.html/>

### **Visa Requirements**

In response to the COVID-19 pandemic, Argentina's international borders are currently closed to non-resident visitors. During normal times, visas are not required for U.S. citizens traveling to Argentina for up to 90 days of tourism or business, except holders of U.S. Diplomatic and Official passports. However, the Argentine Government has cancelled the reciprocal visa fee for U.S. citizens, Australians and Canadians.

Visitors may request an extension of stay up to 90 days from the Argentine Immigration Service at:

Dirección Nacional de Migraciones

Av. Antártida Argentina 1355, Edificio 1, Piso 1

C1104AC Buenos Aires, Argentina

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

Fax: (54-11) 4313-1778

Email: [info@migraciones.gov.ar](mailto:info@migraciones.gov.ar)

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

Argentine citizens traveling to the United States for any purpose require a U.S. visa. For more information on U.S. visa application procedures, visit <http://unitedstatesvisas.gov>. Due to the COVID-19 pandemic, the U.S. Embassy in Buenos Aires is currently not offering non-emergency visa services.

The ESTA form on the State Departments' web page <https://esta.cbp.dhs.gov/esta/esta.html> should be completed by all European (Visa Waiver) passports traveling to the United States.

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

State Department Visa Website: [http://travel.state.gov/visa/visa\\_1750.html](http://travel.state.gov/visa/visa_1750.html)

United States Visas.gov: <http://www.usimmigrationsupport.org/visas.html>

U.S. Embassy in Buenos Aires: <http://argentina.usembassy.gov/>

U.S. Embassy in Buenos Aires, Consular Section: <http://argentina.usembassy.gov/consular.html>

### **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.

## **Telecommunications/Electronics**

Telephone service, both international and local is adequate, with several providers such as Telecom, Telefónica, Claro, and Movistar, among others, offering service. There is also a wide range of cable television channels available, including CNN International, CNN en Español, FOX, WB, Sony, MTV, and channels from Brazil, Chile, Mexico, France, Germany, Italy, and elsewhere.

### ***Electric Current***

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

## **Transportation**

Measures to combat COVID-19 have altered regular commercial flights. During normal times, U.S. carriers flying to Argentina include American Airlines, Delta Air Lines and United Airlines. The primary gateways are Atlanta, Dallas, Houston, Miami, and New York. The Argentine carrier, Aerolíneas Argentinas, also flies between the United States and Argentina. In-country travel, and travel between Argentina and other South American countries, is widely available. In addition to Aerolíneas Argentinas, "low cost carriers" FlyBondi and JetSmart entered the market in recent years. Buenos Aires airports include Aeroparque Jorge Newbery, which is located near downtown serving mostly domestic flights; Ezeiza International Airport, which is a 45-90 minute drive from Buenos Aires, serving all other international flights, including those from the United States, and El Palomar which is used by the low cost carriers for some domestic routes.

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

Travel in Argentina can be accomplished by train, bus, or car, although air travel is recommended for many trips to key cities in the provinces due to large distances.

Automobile rental is available throughout the country, although it is quite expensive compared to U.S. rental costs, and automatic transmissions are frequently unavailable. Travelers should be aware that Argentina has a high rate of auto accidents, and driving is not recommended for short visits.

## **Language**

Spanish is the national language of Argentina, although many businesspeople speak English as well as other European languages. Do not assume, however, that your contacts will speak English. For U.S. businesspeople that already speak Spanish, note that Argentina has distinct differences in pronunciation, cadence, and vocabulary.

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

## **Health**

Sanitary conditions in Buenos Aires 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.

The COVID-19 pandemic has impacted Argentina along with most of the world. Current COVID-19 updates are posted daily at: <https://www.argentina.gob.ar/salud/coronavirus-COVID-19>

During the 2020 summer months (January-March) mosquito-borne Dengue re-emerged as a public health problem. For more information: <https://www.argentina.gob.ar/salud/glosario/dengue>

Prior to traveling to Argentina, it is advisable to consult with your medical professional and review the Department of State's Bureau of Consular Affairs web site for general travel information: <https://travel.state.gov/content/travel.html>

### **Local Time, Business Hours and Holidays**

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

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

Since Argentina is in the Southern Hemisphere, its seasons are the reverse of those in the Northern Hemisphere. School summer vacations take place from approximately Christmas to March, and there is a two-week winter school vacation in July. It is often difficult to conduct business in Argentina in January and February, since most businesses are either closed or working on a limited schedule. Ask your business contacts when it is best to come, and plan travel times and clothing accordingly. Summer – December through March – is fairly hot and humid in Buenos Aires. The coldest months are July and August (winter), with temperatures generally in the 40s and 50s.

### **Argentine National Holidays for 2020**

New Year's Day	Wednesday, January 1
Carnival	Monday, February 24 and Tuesday February 25
National Memorial	Tuesday, March 24
Malvinas' Veteran and Memorial Day	Tuesday, March 31
Good Friday	Friday, April 10
Labor Day	Friday, May 1
Revolution Day	Monday, May 25
Death of Martín Guemes	Monday, June 15
Flag Day	Saturday, June 20
Independence Day and Tourism Bridge	Thursday, July 9 & Friday, July 10
Death of San Martín	Monday, August 17
Cultural Diversity Day	Monday, October 12
National Sovereignty Day	Monday, November 23
Immaculate Conception and Tourism Bridge	Monday, December 7 and Tuesday, December 8
Christmas Day	Friday, December 25

### **Argentine National Holidays for 2021**

New Year's Day	Friday, January 1
Carnival	Monday, February 15 and Tuesday, February 16
National Memorial	Wednesday, March 24
Malvinas' Veteran and Memorial Day	Friday, April 2
Good Friday	Friday, April 2
Labor Day	Saturday, May 1
Revolution Day	Tuesday, May 25
Death of Martín Guemes	Monday, June 14
Flag Day	Sunday, June 20
Independence Day	Friday, July 9
Death of San Martín	Monday, August 16
Cultural Diversity Day	Monday, October 11
National Sovereignty Day	Monday, November 22
Immaculate Conception	Wednesday, December 8
Christmas Day	Saturday, December 25

Government offices, banks, insurance companies, and courts are closed on a number of "non-workdays" in addition to the holidays listed above, but closing is optional for business and commerce.

The U.S. Embassy closes on all U.S. federal holidays in addition to Argentine national holidays.

### **Temporary Entry of Materials or Personal Belongings**

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 leave 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.

## **Investment Climate Statement**

The U.S. Department of State Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State [Investment Climate Statement](#) website.

## **Political Environment**

For background information on the political and economic environment of the country, please visit the State Department's bilateral relations page: <https://www.state.gov/u-s-relations-with-argentina/>

Clearances

Approved: DCM – MaryKay Carlson (OK)

Drafted: FCS Karen Ballard, Diana Brandon

Cleared: FCS Rick de Lambert (OK)  
ECON Ernest Abisellan (OK)  
FAS Melinda Meador (OK)  
PAS Jamie Ravetz (OK)  
POL Victoria Cedeno (OK)

Info: ESTH JM Saxton-Ruiz