

Mr Karel De Gucht
Member of the European Commission
Commissioner for Trade
European Commission
Rue de la loi, 200
B – 1049 – Brussels

6 March 2012

Dear Commissioner,



BUSINESSEUROPE wishes to express serious concern regarding measures taken by Argentina to limit the import of EU and other foreign-sourced products and services into the country. Most recently, Argentina introduced regulations that require prior approval to import all products, thereby imposing considerable costs for Argentina's trading partners. We enclose a list of various import restrictions that Argentina has imposed in Annex. It appears to us that these import restrictions are incompatible with Argentina's obligations in the World Trade Organisation and its G-20 commitments. In addition, these measures undermine the already delicate EU-MERCOSUR Association Agreement negotiations.

We appreciate the efforts taken by the European Commission to date. However, the Argentinian government has thus far only expanded its restrictive trade policies, highlighting the fact that EU efforts alone will not be sufficient. The measures hit both mere importers and companies with local production. Furthermore, not only are the measures responsible for a serious deterioration in the business environment in Argentina, but they bear also, if left unchecked, the risk to be seen by other countries as acceptable behavior.

We urge the European Commission to address this issue at the highest political levels bilaterally with Argentina and via other forums to remedy the situation for EU businesses. We would also encourage the EU to work with other WTO partners, by building a broad multilateral coalition to send a clear and resolute signal to the Argentinian government. BUSINESSEUROPE and its members are ready to support the Commission in its efforts seek the removal of these measures, which run counter to both the letter and the spirit of the commitments made by WTO members. BUSINESSEUROPE strongly urges the European Commission to consider all possible avenues both within the WTO and other fora.

Yours sincerely,



Philippe de Buck

Annex to the 6 March 2012 letter to Commissioner De Gucht on Argentina

Illustrative List of Argentine Import Restrictions

1. Because Argentina has default on its loan obligations to the Paris club as well as U.S., Italian and other creditors, the country cannot access international credit markets and must maintain a trade surplus to remain solvent. This has led to an overt Argentine policy of "import balancing" whereby companies are required to export \$1 of product from Argentina in order to import \$1 of another product. Several auto and industrial manufacturers have become exporters of Argentinian agricultural products to comply. However this is not a viable option for all companies.
2. In 2011, Argentina added hundreds of products to its list of imports subject to non-automatic licensing (NAL) measures. The list now stands at 4,000 products in 600 Harmonized Tariff Schedule lines, affecting a broad range of exports such as textiles, laptops, auto parts, plastics, toys, luggage, bicycles, machinery and tools, chemicals, and paper products. While we understand that NALs are permitted under the WTO, this is true only when licenses are processed within 60 days and are not trade-distorting. In Argentina, licenses are not granted in less than 60 days unless affected companies meet unrelated government demands, such as agreeing to manufacture locally. Many companies still have products awaiting entry and are as a result unable to make anticipated sales in the country.
3. Argentina has enacted new measures to restrict imports of electronics by requiring that all importers of a single product provide "market surveillance reports" before products can clear customs. Previously, the main importer, usually the manufacturer, conducted market surveillance on a product and could extend the report to its importers, resellers, distributors, and retailers. This new requirement increases the costs for importers, resellers, distributors, and retailers by requiring repetitive and costly testing of the same product and delaying time-to-market thus placing imported products at a disadvantage.
4. New procedures published by the Argentinian government on January 10, 2012 as AFIP General Resolution 3252, Declaración Jurada Anticipada de Importación (a sworn advance customs and excise statement), require that as of February 1 importers submit additional written documentation, making sworn statements to the Federal Administration of Public Incomes (AFIP), in advance of importing goods. The "Declaración" must be done through the AFIP webpage. Domestic Trade Secretary Moreno will have a separate approval process for imports and companies will have to go through 2 separate processes (AFIP's and Moreno's) for import approvals. This must be followed for each distinct shipment/importing transaction, versus each time a company is first importing a specific good/part number after the resolution takes effect. This approach makes the process far more onerous and time consuming since companies must make individual submissions for each and every shipment.