

# **A Primer on Exporting to Argentina**

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## **Abstract**

Every year the U.S. Department of State publishes extensive Country Commercial Guides for a large number of countries. These guides provide a great deal of information useful to individuals interested in developing exports markets either through direct exports or through direct foreign investment. This paper provides an abridged version of the Country Commercial Guide for Argentina as well as supplemental information of direct relevance to agribusiness firms. It is hoped that the information provided provides a useful starting point for individuals interested in exploring export or investment opportunities in Argentina

Keywords: Argentina, agribusiness, export guide, trade, foreign investment.

## **Introduction**

Every year the U.S. Department of State publishes extensive Country Commercial Guides for a large number of countries.<sup>1</sup> These guides provide a great deal of information useful to individuals interested in developing export markets either through direct exports or direct foreign investment. This paper provides an abridged version of the Country Commercial Guide for Argentina as well as supplemental information of direct relevance to agribusiness firms. It is hoped that the information provided provides a useful starting point for individuals interested in exploring export or investment opportunities in Argentina.

## **Economic And Political Overview**

Argentina's nominal GDP was only \$89.2 billion in 2002 after three years of recession, a prolonged bank run, and a sovereign debt default. This led Argentina to abandoned the quasi-currency board system ("convertibility") that had pegged the peso to the dollar at a one to one rate for over ten years and had proved unable to withstand the combined effects of external economic shocks and persistent fiscal deficits at home. The recession intensified in 2002 when GDP fell 10.9 percent and consumer price inflation was 41 percent. The banking system, once one of the strongest in Latin America, has been hollowed out. In the near future, the number of banks and the scale of banking operations will undoubtedly shrink, with most domestic banking limited to transactional operations.

In 2003, the economy rebounded and inflation fell. However, country risk is still high until the financial system is redesigned, the fiscal sector reformed, and the legal system reformulated to create a friendlier environment for investors. Unemployment has risen to over 21 percent and close to half the population is below the poverty line. However, assets that Argentina has not lost during the recession are its natural resources, infrastructure and human capital - the highest educated workforce in Latin America. Also, the devaluation of the peso provides Argentina with an opportunity to increase the export competitiveness of many products.

The U.S. remains Argentina's second largest trading partner after Brazil. However, U.S. exports to Argentina declined \$1 billion dollars from 2000 levels to \$3.8 billion in 2001, reflecting the effect of the prolonged recession. American imports from Argentina reached \$2.9 billion in 2001. Although concerns persist about Argentina's financial situation, the country is likely to remain an attractive market for U.S. trade and investment due to its size, diversity and proximity to other MERCOSUR markets. The

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<sup>1</sup> "County Commercial Guides are available for U.S. exporters from the National Trade Date Bank's CD-ROM or via the Internet. Please contact Stat-USA at 1-800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at: <http://www.stat-usa.gov>, <http://www.state.gov/>, and <http://www.mac.doc.gov>. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRADE or by fax at (202) 482-4473" (U.S Department of State, 2001, p. 2).

country should continue to grow in importance for U.S. companies as the [Free Trade Area of the Americas \(FTAA\)](#) agreement moves toward implementation in 2005.

The U.S. Commercial Service has identified agricultural machinery, equipment and parts, food processing and packaging equipment sectors as having the most promising growth potential for U.S. exporters in the short and medium term based on an analysis of customs data, market research and forecasting of changing industrial trends in Argentina's recently devalued economy.

The U.S. Foreign Agricultural Service has identified Argentina as an important market for U.S. exports of planting seeds, particularly those used in forage (alfalfa, clover, rye grass, fescue) and for various horticultural crops. The United States is also well positioned to export food ingredients and cotton to Argentina, as local industry will need these products to expand export-oriented production of processed foods and textiles.

The U.S. vies with Spain for the top ranking in FDI in Argentina. U.S. FDI in Argentina through the end of 2001 is estimated at \$18 billion and is concentrated in financial services, telecommunications, energy, petrochemicals, food processing and motor vehicle manufacturing. Argentina's flexible foreign investment regime and liberalized economy spurred significant foreign investment over the course of the 1990's, but the economic crisis and recent government decisions have diminished the country's attractiveness for foreign investors. In response to the recent devaluation and pesification of previously dollar-denominated contracts, many U.S. firms have substantially written-down the value of their Argentine investments.

### **Marketing U.S Products and Services**

There are a number of factors that should be considered in exporting products to Argentina. This section provides a brief overview of many critical factors that must be considered.

#### ***Distribution and Sales Channels***

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.

Argentine distribution channels are rapidly gaining more efficiency through concentration and streamlining. Due to increased competition and changes in the consumer buying preferences, processes that ensure goods are delivered in a timely manner at lower prices are becoming essential.

Large firms generally buy directly from overseas suppliers, with smaller firms preferring 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.

### ***Identifying a Partner***

Although the use of an agent or distributor is not required, it is frequently the best policy. A strong local representative can place product and generate sales that otherwise may not materialize. The U.S. Department of Commerce, through the [Foreign Commercial Service](#) (USFCS) at the [U.S. Embassy in Buenos Aires](#), Argentina, can help U.S. exporters to find agents and distributors through the following services:

- *Customized Contact List (CCL)*: Provides a contact list of up to 10 potential Argentine agents, distributors, or importers of your product without charge. This free contact list contains basic information, such as company name, address, and phone/fax numbers. For US\$100, we will provide a customized contact list of up to 10 potential partners with additional information, such as email and web site addresses, a description of the firm, the size, products/services, foreign companies represented, year established, territory covered, and sales revenue if available. Upon your request, we will contact up to five of these companies to determine if they are interested in your products.
- *International Partner Search (IPS)*: Provides a pre-screened search to identify up to five qualified potential representatives, distributors, licensees, franchisees, or other strategic partners interested in your product or service. The cost for this service is US\$200; turnaround time is 30 business days.
- *Gold Key Matching Service (GKS)*: Provides face-to-face meetings with potential business partners. We will prepare a customized schedule of appointments with pre-screened potential agents, distributors, or other business contacts, according to your needs. The cost for this service is \$250 first day, \$220 each additional day of appointments.

Video conferencing technology services are available from the U.S. Department of Commerce, offering enhanced opportunities to U.S. businesspeople that cannot travel to Argentina to establish initial communication and follow up with potential clients and partners.

### ***Electronic Commerce***

E-commerce is believed to have great potential though it is still developing in Argentina. The Argentine economic collapse, accompanied by the global Internet crisis, caused the shutdown of over 394 of the 484 portals that were on-line in 2000. However, growth of e-business will likely continue to drive change in most industries. As technology transforms business processes, consulting firms are leading the way in setting international standards to protect electronic transactions conducted online and through wireless communications and electronic payment systems. However, there is still a generalized lack of confidence in the culture of Argentine e-consumers regarding online transactions. Optimistic projections from local sources indicate that the size of the e-commerce market by 2004 could range between US\$34 and US\$71 million if the Argentine economy improves.

### ***Direct Marketing***

While direct marketing has grown considerably during the last decade, it followed the general shrinking trend triggered by the economic recession of the last few years. However, there is still great potential for development. Telemarketing is quickly becoming a more common tool for businesses to contact clients and credit card use is widespread. Some imported products are marketed directly through cable and satellite TV programs, but the country is losing a considerable amount of cable subscribers. Mail order has not caught on as duties and other taxes remain high. Print flyers and tabloids are often used to lure consumers into stores, but the use of coupons is not yet a fully successful marketing tool. The increasing use of Internet is enabling other firms/sectors to penetrate the market.

### ***Franchising***

This sector has been on a downward trend in Argentina since 2001. The current situation is forcing companies to create different types of business partnerships, adjust costs, and reduce the requirements to franchisees in order to adapt to real market demand and opportunities. This implies greater flexibility to adapt to a rapidly changing, competitive, and recessive environment. About 70 percent of franchisers are local. However, the peso devaluation and the lack of credit render it increasingly difficult for potential Argentine franchisees to acquire international or U.S. franchises. U.S. franchises account for approximately 15 percent of the market. The most popular international franchisers include fast foods, foreign language training, apparel, dry cleaning, hotels, and car rental services. Significant U.S. market players include Kodak Express, McDonald's, Burger King, Blockbuster, Holiday Inn, Futurekids, and the Wall Street Institute.

### ***Licensing Arrangements***

Transfers of proprietary information between related companies are subject to prior government approval. Transfers between non-related companies do not require prior government approval, but they must be registered for information purposes.

### ***Joint Ventures***

Argentine legislation permits the establishment of temporary associations, equivalent to "joint ventures", known as UTEs (Union Transitoria de Empresas). This is an association of two or more individuals or companies, which contribute assets to develop or perform a particular transaction within or without Argentina, using Argentina as its base of operations. It can also perform work or render services that are supplementary or accessory to its main purpose.

UTEs (joint ventures) are not considered to be companies or legal entities in their own right. Participants may be resident businessmen, locally constituted entities, or non-resident companies that have established a separate branch or other type of presence in Argentina.

### ***Steps to Establish an Office***

All traditional types of business entities are allowed in Argentina. Foreign companies may carry out any single transaction. To carry on a habitual activity, a foreign company

must establish a branch in Argentina. An individual must be appointed as the company's legal representative, but assignment of capital to the branch is not necessary.

Foreign corporations often operate in Argentina through a separately incorporated subsidiary rather than through a branch, primarily to reduce their potential liability. If a branch is used, all of the foreign corporation's assets, not only its Argentine assets, may be subject to potential liability. In contrast, if an Argentine or foreign subsidiary were used, the foreign corporation's liability would generally be limited to the assets owned by that subsidiary.

Registration Procedures are the laws effective throughout Argentina that regulate Corporations. Corporations are set up with the approval of at least two legal or natural persons, whether Argentine or foreign.

### ***Selling Factors and Techniques***

Due to payment chain problems and virtual lack of credit as a result of the economic meltdown of 2002, price and financing terms have become more important selling factors than marketing. Purchases are concentrated in simple or critically needed products with a minimum marketing component.

In many ways, marketing strategies seem to have gone back several years. Many massive consumption companies have started or are about to re-launch old brands, product lines, glass bottles, and packaging popular in the 1980's to reduce final costs. However, Argentine end users, who have become much more demanding and knowledgeable during the past open-import decade, will still look for a balance between price, quality, and after-sales service.

### ***Trade promotion and advertising***

An increasingly important component of the marketing-mix is promotion through visiting or exhibiting at local and regional trade shows, visiting trade shows in the U.S. attended by Argentine buyers, and participating in trade missions to Argentina. [Single Company Promotions](#), a trade event service offered by the Commercial Service Buenos Aires, provides a good means for a single company to launch its product, make technical presentations or identify and cultivate key market makers.

Argentina has many advertising agencies and management consultants, but only the largest firms offer complete services. The leading agencies are members of the Argentine Association of Advertising Agencies (Asociacion Argentina de Agencias de Publicidad). Many major U.S. advertising agencies have branches or affiliates among the leading agencies.

Advertising in the print media is the most widely used method, although television and radio advertising are highly effective and most generally aimed at the Buenos Aires market. Internet advertising, though in its beginning stages, is increasing in popularity and use among advertising firms.

### ***Pricing Products***

Customized services and products can still charge price premiums demanded by the high end of the population in certain geographical areas. Due to highly concentrated markets, Argentina is characterized by high prices, high costs, and relatively low competitive pressures.

### ***Protecting Your Product from IPR Infringement***

Intellectual property protection for books, films, music, software, and trademarks in Argentina has improved in recent years, although enforcement is uneven. Argentina adheres to most treaties and international agreements on intellectual property. Argentina is a member of the World Intellectual Property Organization (WIPO) and signed the Uruguay Round agreements in December 1993, including measures related to intellectual property.

In 2000, a new patent law took effect that improved earlier Argentine patent legislation, but provided less protection than that called for in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). In 2002, negotiations between the U.S. and Argentina clarified aspects of the latter country's intellectual property system. Additionally, Argentina agreed to amend its patent law so as to provide additional protection. Finally, the U.S. government retains its right to seek resolution under the WTO dispute settlement mechanism on the outstanding issues that remain.

### ***Sales Service/Customer Support***

Customer service is becoming a differentiating factor in selling a product. Argentine consumers are paying increasing attention to after-sales services, which is particularly important for electronic equipment, and to home delivery services.

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

There is no requirement that the Argentine Government purchase from Argentine companies. However, some provincial governments are announcing measures to buy from Argentine companies established in the local territory. Selling to the Government has become increasingly risky due to defaults by the national government and some provincial governments.

Requirements for first-time sales to the Government depend on the type of provider. Information should be submitted in writing and in a diskette with the format as established by the [National Contracting Office](#) in order to be incorporated in the SIPRO database.

### ***Need for a Local Attorney***

It is strongly recommended that a local attorney review any agreements before they are signed. To have legal standing in Argentina, documents must be either written in Spanish or translated by a Sworn Public Translator. Be sure the Spanish and English versions of any document are carefully reviewed for concordance, so that both parties fully understand the content.

## **Agribusiness Industry Prospects**

### ***Planting Seeds***

Planting seeds remain the single most important agricultural product imported into Argentina from the United States, totaling \$20 million in 2001. Even though a drop in the importation of seeds in general is forecasted because of the economic uncertainty, lack of credit, and high cost of imported products, seeds will still continue to be an important agricultural import. Good returns in the cattle business and better prospects for dairy production, which will become more dependent on pastures, should maintain relatively good demand for high quality forage seed. Seed companies in Argentina are the major competition, with most selling locally produced seed. Chile and Australia were the main foreign competitors in 2001 in a market dominated by the United States.

### ***Food Ingredients***

Argentina's food processing industry grew rapidly in the past decade as a result of important investment, primarily made by foreign multinational food and beverage companies. Although the economic crisis and the four year-long recessions have hurt domestic sales, the recent devaluation turns Argentina very competitive as a food exporter. Therefore, once the economy gets back on track, we expect a growth in imports of high quality food ingredients to manufacture products for demanding foreign markets. There are many food ingredients that are not produced locally, having to be necessarily imported.

### ***Cotton***

Argentine spinners will need to import good quality cotton in 2002 and 2003 because of a short domestic output and scarcity of good quality lint. After the devaluation, local spinners have become very competitive and are increasing exports of textiles. Moreover, imported textiles, which came in large quantities, have now become very expensive and will be substituted by domestic products. Cotton imports will come primarily from Brazil, but U.S. cotton has great potential due to its quality and financial facilities.

## **Trade Regulations and Standards**

Companies wishing to import products into Argentina must be registered in the National Registry of Importers and Exporters. Registration procedures are relatively simple; however, exporters are advised to consult a customs broker.

### ***Tariff Barriers***

[MERCOSUR](#), the Common Market of the South, gradually eliminated almost all non-tariff restrictions and other limitations to trade among its members, reaching zero duty and removing all tariff restrictions for approximately 90 percent of traded goods. However, certain products in the sugar industry and in the automotive sector have not yet been incorporated into the MERCOSUR Customs Union. For countries outside the MERCOSUR area, Argentina and its MERCOSUR partners established the MERCOSUR common external tariff (CET), which ranges from zero to 22 percent for most products.

In 2002, the Argentine Government lowered import duties on many consumer products by seven percent. The new duties range from 12 to 22 percent, as compared to the previous 28 to 35 percent levels. The affected consumer products include meat, milk, edible oils, canned tomatoes, canned meat, canned fish, juices, fruits, alcoholic drinks, tobacco, and wood products.

The tariffs on imports apply to the declared CIF value in Argentina. In addition to the tariffs, the following fees and taxes are applied:

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

The CIF value plus the duty and the import statistics fee are the base for the application of domestic taxes. For this reason, imports must be supported by the foreign supplier's invoice. VAT and Profits Tax are deductible from gross income tax. Domestic taxes (i.e. excise taxes) are levied on tobacco, alcoholic beverages, soft drinks, syrups, extracts and concentrates.

### ***Non-Tariff Barriers***

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

The U.S. Animal and Plant Health Inspection Service (APHIS) and the Government of Argentina have signed sanitary agreements allowing imports into Argentina of U.S. fresh, chilled, and frozen pork. There was an agreement on citrus imports however imports from the U.S. are currently suspended. For more information please contact the [Foreign Agricultural Service](#).

For trade in agricultural products, several steps must be taken to ensure that U.S. food and fiber can be sold in the Argentine market. Each exporter should make the appropriate consultations and seek qualified advice before doing business. For more information, please consult report AR1054, published by the [Foreign Agricultural Service's \(FAS\) Office of Agricultural Affairs in Buenos Aires](#).

### ***General Regulation and Controlling Entities***

The Argentine Food Code ([Codigo Alimentario Argentino](#) - CAA) regulates local food production and marketing. However, the CAA resolutions are being gradually replaced by MERCOSUR standards.

There are three official entities that regulate sanitary and health related traits, quality, stability, packaging, and transport of food products in Argentina. They are:

- The [National Service of Agricultural Food Health and Quality](#) (Servicio Nacional de Sanidad y Calidad Agroalimentaria - SENASA) handles fresh, chilled, or frozen products and by-products of animal, plant and seafood origin. It also handles canned products of over 60 percent animal origin and food preparations of over 80 percent animal origin.
- The National Food Institute (Instituto Nacional de Alimentos - INAL) regulates processed food products that are prepared for direct human consumption, health supplements, and both alcoholic and non-alcoholic beverages, with the exception of wine.
- The National Wine Institute (Instituto Nacional de Vitivinicultura - INV) exercises control over the genuineness of wine and wine products during their production, manufacturing, fractionating, and marketing stages.

SENASA and INAL have overlapping responsibilities. FAS recommends exporters work with their importers to ensure that their products are registered with the appropriate organization.

### ***Labeling Requirements***

Argentine law that establishes labeling requirements for products in Argentina is the Direccion de Lealtad Comercial (government agency roughly equivalent to the U.S. Better Business Bureau), under the Secretariat of Industry, Ministry of Economy. This agency ensures the transparency of business transactions. It states and ensures that product labeling bear all the information that the customer needs, and that information is true and valid.

### ***General Import Requirement by Product***

Depending on the type of product, Argentina requires various steps to be taken, and information provided.

### ***Anti-Dumping and Countervailing Duty Laws***

Regulations define “dumping” to exist when the export price of imported merchandise is lower than the comparable sales price in normal commercial operations of identical or similar goods destined for consumption in the domestic market of the country of origin.

The import for consumption of goods that benefit from a subsidy abroad may also be subjected by authorities to a compensatory duty when they cause, or threaten to cause, serious damage or to delay the commencement of a productive activity in Argentina.

### ***Free Trade Zones/Special Customs Areas/Bonded Warehouses***

There is one free trade zone (FTZ) in each of Argentina’s twenty-three provinces and four others in border areas. Primary FTZ’s are located in [La Plata](#), San Luis, Cordoba, Tucuman, Mendoza, [Salta](#), Misiones, and [Comodoro Rivadavia](#). Free Trade Zones offer

advantages to importers. Goods brought into the zones enter free of taxes and duties. Their entry does not imply that their final destination is for consumption. The customs authority regulating the goods considers them as stored in a third country; therefore, incoming products are subjected to inspection with the sole purpose of classifying quantity and type.

This system allows importers to improve cash flow by delaying taxes and customs duty payments. In other words, goods enjoy a duty-free status until they enter the Argentine customs territory. Goods may remain in the zone for a maximum period of five years.

A Special Customs Area, which allows duty-free imports of capital goods not produced in Argentina but designated for use in high-priority industries, is located in Tierra del Fuego.

Bonded warehouses, located outside customs areas and generally within port limits, provide tax-free storage for merchandise for a limited amount of time.

### ***Membership in Free Trade Arrangements***

Argentina is a member of the Common Market of the South (MERCOSUR-*Mercado Común del Sur*) and the Association for Latin American Integration (ALADI-*Asociación Latinoamericana de Integración*). [ALADI](#) was created with the long-term goal of establishing a Latin American Common Market. Under the ALADI, member countries sign regional and bilateral agreements that allow partial trade liberalization that can then be extended to other members. In the 22 years since its creation, Argentina has signed eight regional agreements and several multilateral and bilateral arrangements.

Under [MERCOSUR](#), about 75 percent of tariff categories were included in the Common External Tariff (CET) by 1995 and the remaining categories will be phased-in by 2006. MERCOSUR represents 70 percent of the South American territory and 64 percent of its population.

### **Investment Climate in Brief**

- Argentina remains open to foreign investment. However, the investment climate has degraded substantially since the economic crisis that began in 2001 undermined the financial base for many existing foreign investments.
- Investors are free to enter the country through merger, acquisition, greenfield investment or joint venture.
- Foreign and Argentine firms face the same tax liability.
- The U.S.-Argentina BIT provides for free, prompt transfers related to investments. However, in the wake of the recent crisis, the government of Argentina instituted and subsequently modified an array of emergency transfer and currency conversion restrictions, which have generated considerable uncertainty for investors.
- The U.S.-Argentina BIT states that investments shall not be expropriated or nationalized except for public purpose upon payment of prompt fair-market value

compensation. However, some U.S. investors claim the January 2002 pesification of dollar-denominated contracts amounts to an effective expropriation of their investments.

- Argentina accepts the principle of international arbitration. The U.S.-Argentina BIT provides for binding international arbitration of investment disputes that cannot be settled through amicable consultation and negotiation between the parties. Argentina is also a party to the International Center for the Settlement of Investment Disputes (ICSID) and the World Bank's Multilateral Investment Guarantee Agency (MIGA). Companies who seek recourse through Argentine courts, however, may not also pursue recourse through international arbitration.
- No performance requirements are aimed specifically at foreign investors.
- Foreign and domestic investors have free and equal rights to establish and own businesses, or to acquire and dispose of interests in businesses without discrimination. However, in 2003, Argentina enacted legislation limiting foreign ownership of "cultural goods," which includes media and Internet service providers companies, to 30 percent.
- Secured interests in property, including mortgages, are recognized and common in Argentina. Such interests can be easily and effectively registered, bought and sold. However, since February 2002, the government of Argentina has continued to extend a temporary moratorium prohibiting financial institutions from foreclosing on delinquent mortgages on primary residences.
- Businesses in Argentina, foreign and domestic alike, still face problems involving inconsistent application of regulations, fraud and corruption.
- Frequent changes to the bankruptcy law and other regulatory changes during early 2002 increased creditor insecurity.
- Securities and accounting standards are transparent and consistent with international norms.
- Protests, marches, and roadblocks directed at the national, provincial and municipal governments are commonplace in Argentina, but their number, size, and the likelihood of accompanying violence have fallen in 2003.
- Argentine regulation of capital markets promotes the free flow of financial resources. A wide variety of credit instruments are available at free market terms to foreign investors on the local market, although local credit is generally more expensive than that obtained in the United States.
- U.S. businesses have identified corruption in Argentina as a significant problem for trade and investment. Procurement, regulatory systems, tax collection and health care administration are problem areas.
- Argentine workers are highly educated and were also relatively well paid prior to the peso devaluation in January 2002. The government of Argentina passed a modest labor reform law in 2000 to address rigidities in the labor market. However, the anticipated growth in employment did not materialize, as the reforms were coincident with a deepening of the economic recession produced by foreign and domestic factors.
- The governments of Argentina and the U.S. enacted an Agreement for Reciprocal Promotion and Protection of Investments.

- Many U.S. firms have substantially written-down the value of their Argentine investments in response to the recent devaluation and pesification of previously dollar-denominated contracts. U.S. investment is concentrated in financial services, telecommunications, energy, petrochemicals, food processing, household products, and motor vehicle manufacturing. The Argentine Ministry of Economy and the [Investor's Information Service for Argentina](#) have additional detailed information on foreign direct investment in Argentina.

### **Business Customs**

Argentine business and customs are generally more formal compared to those in the U.S. Business dress, appearance, and general demeanor are more conservative. Always have a pre-arranged appointment and be prompt. It is wise as well as courteous to hire an interpreter to assist in business meetings, unless you are certain that all parties speak English fluently. Politeness is very important, and efforts to rush a business deal will unlikely be met with success. It is important to shake hands with everyone in the room upon arriving and leaving.

Contacts and introductions are available through 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 or industry associations. The “cold call” approach will not likely be well received.

Business office hours are generally Monday to Friday from 9:00 a.m. to 6:00 p.m. (two hours early for factories) with one-hour lunch break. Work luncheons are frequent for business executives and they generally extend from 1:00 to 3:00 p.m. Business dinners, and dinners in general, do not begin until 9:00 or 10:00 p.m. therefore, it is common to return home or to the hotel to sleep for few hours before going out. Since evenings start and end late, the early evening nap is the secret to being functional the next day. It is advisable to not schedule morning meetings before 10:00 a.m. Business breakfasts are not common.

### ***Travel Advisory and Visas***

Buenos Aires is a high crime area. Therefore, U.S. visitors and residents should take the same precautions they would take in any major U.S. and foreign metropolis. There are no specific threats directly against American visitors at the present time. It is recommended, however, that due caution be exercised when traveling about the city, including avoiding wearing expensive jewelry or carrying large amounts of cash. Consult the Department of State's [Bureau of Consular Affairs](#) web site for general travel information and the site's section on [Travel Warnings](#) for country-specific information.

Visas are not required for U.S. citizens traveling to Argentina for up to 90 days of tourism or business except holders of U.S. Diplomatic and Official passports. Visitors may request an extension of stay up to 90 days from the Argentine Immigration Service.

### ***Business Infrastructure***

U.S. carriers flying to Argentina include United Airlines and American Airlines. The primary gateways are from Miami, New York, and Washington, D.C. Argentine carrier Aerolineas Argentinas also flies between the U.S. and Argentina. Two main airports serve Buenos Aires: Aeroparque Jorge Newbery, near downtown Buenos Aires and Ezeiza International Airport, which is a 45-minute drive from Buenos Aires.

Buenos Aires has an extensive system of subways and buses. Taxis are plentiful and fares are reasonable, and are generally the most effective way of moving around Buenos Aires.

Railroad travel is available from several stations in downtown Buenos Aires. Commuter trains link Buenos Aires with most suburban areas, and long-distance trains connect most large cities.

Automobile rental is available throughout the country, although quite expensive. Travelers should be aware that Argentina has a high rate of auto accidents, and driving is not recommended for travelers in country for short visits.

Telephone service, both international and local, is adequate, but expensive. ATT, MCI and Sprint have local numbers that reduce cost, but may be difficult to connect with during business hours. Business people often use cellular phones to work more efficiently.

### **Useful Web Links**

#### **Argentina:**

[Fundacion Invertir Argentina](#)

[Latin Investor - Argentina](#)

[Lanic Links](#)

#### **US:**

[USDA Foreign Agricultural Service](#)

[US Export Programs Guide](#)

[Internet Guide to Trade Leads](#)

[US Trade Finance Resources](#)

[Basic Guide to Exporting](#)

#### **Hemispheric:**

[Hemispheric Guide on Customs Procedures](#)

[Hemispheric Trade and Tariff Database](#)