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Argentina Restricts Importation of Almost 600 Products

Argentina's government has restricted imports of almost 600 products that range from luxury cars to electric home appliances, mobile phones to bicycles, suitcases to textiles products and toys among others.

Such restrictions are beginning to impact the entire chain of production, since they restrict imports of capital goods, replacement parts and consumer goods. The government's underlying rationale for such restrictions is to force local companies and consumers to buy such products from local suppliers in an initiative to strengthen Argentina's economy and help reduce the gradual but progressive reduction of the trade surplus. As a result of these restrictions, import companies have to apply and obtain a Non-Automatic License (NAL) for permission to sell their products and goods in Argentina's market. NAL permits are issued by the government (administered at its sole discretion) to authorize the import of a specific product. The NAL issuance process may take up to 60 days from the date the imported product has arrived at one of Argentina's ports. Such import restrictions have spurred protests from China, the United States, the EU, Uruguay and Brazil and have also strained trade relations.

Local entrepreneurs have also expressed concerns and, in some cases, have threatened to stop production (especially major players in the local auto industry). For that reason, by virtue of Regulation 77, imports of auto parts have been granted a 60- to 180-product authorization without having to obtain a prior NAL. To be eligible for this import exception the auto parts

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manufacturers have to file an exception request brief with the Ministry of Industry. The Ministry of Industry will grant them a permit in lieu of the NAL which apparently will be processed on a "fast track."

We anticipate further commercial and financial restrictions in the coming months. If you are affected by these restrictions, please contact Shanker A. Singham, leader of the Market Access/WTO group, or any of your market access contacts.

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