

Multiple Framework Contract FWC FPI PSF 2015

Lot 4 “Market Access and Trade & Investment Agreement Negotiation & Implementation”

**Request for Services 2019/408258/1**

**Technical Support to EU Market Access Team and Trade Analysis in Argentina**

***Ad-Hoc* Legal Analysis**

**Administrative trade-related measures adopted by Argentina in response to the COVID-19 outbreak during May 2020 and their possible impact on trade with the European Union**

**3 June 2020**

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***Delegation of the European Union in Argentina***

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**Request for Services 2019/408258/1**

**Technical Support to EU Market Access Team and Trade Analysis in Argentina**

***Ad-Hoc* Legal Analysis:**

**Administrative trade-related measures adopted by Argentina, at the federal and provincial level (including the City of Buenos Aires), in response to the COVID-19 outbreak during May 2020. Possible impact on trade with the European Union**

**3 June 2020**

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Table of contents

[1. Overview 4](#_Toc42163074)

[2. MEASURES ADOPTED AT THE FEDERAL LEVEL 4](#_Toc42163075)

[2.1. Extension of the lockdown measures. Exceptions to the confinement measures. Closure of borders. 4](#_Toc42163076)

[2.2. Extension of scope of goods subject to non-automatic import licenses. 8](#_Toc42163077)

[2.3. Reduction of import duties on certain final goods or inputs deemed critical to mitigate COVID-19 9](#_Toc42163078)

[2.4. Maximum prices for certain consumer goods 9](#_Toc42163079)

[3. Measures adopted at the level of the provinces and City of Buenos Aires 9](#_Toc42163080)

[3.1. Health emergency and new permitted activities 10](#_Toc42163081)

[3.2. Limitations on the circulation of goods and persons 12](#_Toc42163082)

[3.3 Economic impact of the measures applied by the Provinces and CABA 12](#_Toc42163083)

# Overview

This report provides an overview of the different trade or trade-related measures that Argentina, at its federal and provincial level, adopted during May 2020 in response to the COVID-19 pandemic, and attempts to analyze their economic impact on trade with the European Union (EU). Particularly, the report focuses on government-imposed measures and policies that facilitate, restrict, prevent, or impede the international exchange of goods and services, especially those of relevance to the EU. The Argentine government prepared a [Compendium of Regulations](http://www.saij.gob.ar/docs-f/generales/digesto_emergencia_sanitaria_coronavirus.pdf) adopted in response to the COVID-19 outbreak, which is updated regularly.

# MEASURES ADOPTED AT THE FEDERAL LEVEL

As of 3 June 2020, Argentina has officially registered 19,268 cases of COVID-19 infections and 583 deaths. In such context, the containment policies have been extended until 7 June 2020, and they will probably be extended for another 15 days. In addition, during May 2020 the national administration has continued to adopt different trade and trade-related measures to mitigate the pandemic. However, since the Argentine epidemic curve seems to be flattening, in the last weeks the national government has been relaxing some lockdown measures and authorizing even more industries to reinitiate their productive operations. Currently, since the epicenter of the COVID-19 spread is concentrated in the Metropolitan Area of Buenos Aires (“AMBA”)[[1]](#footnote-2), containment policies are stricter in this area of the country. Below we will describe all these measures and we will attempt to analyze their potential impact on both the Argentine economy and international trade.

**2.1. Extension of the lockdown measures. Exceptions to the confinement measures. Closure of borders.**

**Description of the measure**. [Decree No. 493/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229716/20200525) extends the lockdown and social distancing measures ordered by Decree No. 297/2020 (as amended by Decrees No. 325/2020, 355/2020, 408/2020 and 459/2020) until 7 June 2020. Decree No. 493/2020 allowed provinces to exempt certain activities and services from the lockdown measures in their local jurisdictions, provided that they comply with the applicable sanitary protocols and that they obtain the approval of the sanitary authorities. In particular, in municipalities or districts that have less than 500,000 inhabitants, provinces may establish new exceptions in order to authorize industrial, service or commercial activities. In municipalities or districts with more than 500,000 inhabitants (except for the AMBA), provinces may only authorize new exceptions to allow these activities when the sanitary protocols for such operation were previously authorized by the national health authority. If the municipalities or districts need to authorize an activity whose sanitary protocol was not previously approved by the national health authority, the provinces must request the National Chief of Staff of Ministers to exempt such activity. In the case of the AMBA, the governor of the Province of Buenos Aires and the mayor of the City of Buenos Aires may request the National Chief of Staff of Ministers to authorize any economic activity. However, it is important to note that, if such activity does not fall within the scope of any of the sanitary protocols that were previously approved by the national health authorities, then either the province or the city of Buenos Aires must propose a specific sanitary protocol applicable to that activity.

At the present, the following sanitary protocols have been approved:

1. Sanitary protocol applicable to the automotive and auto-parts industry;
2. Sanitary protocol applicable to the electronics sector;
3. Sanitary protocol applicable to the textile and clothing industry;
4. Sanitary protocol applicable to the tobacco industry;
5. Sanitary protocol applicable to the metallurgical industry;
6. Sanitary protocol applicable to the footwear sector;
7. Sanitary protocol applicable to the printing industry;
8. Sanitary protocol applicable to the wood and furniture industry;
9. Sanitary protocol applicable to the toys industry;
10. Sanitary protocol applicable to the cement industry;
11. Sanitary protocol applicable to the leather industry;
12. Sanitary protocol applicable to the tires industry;
13. Sanitary protocol applicable to the bicycles and motorbikes industry;
14. Sanitary protocol applicable to the chemical and petrochemical industry;
15. Sanitary protocol applicable to the paper and paperboard industry;
16. Sanitary protocol applicable to the plastic industry;
17. Sanitary protocol applicable to the ceramic industry.

In such context, the National Chief of Staff has recently issued Administrative Decisions No. [524/2020](http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/336467/norma.htm), [607/2020](http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/336689/norma.htm), [622/2020](http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/336688/norma.htm) [625/2020](http://servicios.infoleg.gob.ar/infolegInternet/anexos/335000-339999/336687/norma.htm) and [810/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229398/20200516?busqueda=2), aimed at exempting some activities from the mandatory containment policies in certain cities and provinces. The following are some of the economic activities that are currently exempted from complying with the lockdown measures:

1. Companies which produce or participate in the production (supply chain) of food, health equipment or cleaning devices.
2. Companies with production processes that are continuous and thus cannot be interrupted without damaging their machineries (subject to a special authorization issued by the Secretariat of Industry, Knowledge Economy and Foreign Commercial Management).
3. Staff who performs activities (considered “undelayable”) related to international trade.
4. Tax collection establishments, and local and national tax authorities.
5. Public registries.
6. Companies that sell goods already manufactured by retail shops, via e-commerce.
7. Medical and dental care services providers, subject to scheduled appointments.
8. Clinical analysis laboratories.
9. Optician´s shops.
10. Insurance company´s assessors.
11. Establishments for the attention of gender-based violence victims.
12. Producers of goods that are intended to be exported (subject to prior authorization from the Ministry of Productive Development).
13. Producers of specific goods (subject to prior authorization from the Ministry of Productive Development).
14. Practice of professions (such as lawyers, accountants, doctors, architects, engineers, etc) in the Provinces of Entre Ríos, Misiones, Salta, San Juan, Neuquén and Jujuy.
15. Private construction works in the provinces of San Juan, Misiones, Neuquén, Santa Cruz, Entre Ríos, Mendoza, Salta, La Pampa and Jujuy.
16. Religious activities that do not require the gathering of people.
17. Maintenance and repair of trains, vessels, ships and aircrafts.
18. Manufacture and provision of inputs and spare parts needed for rail, air, river and sea transport.
19. Pilot training activities.
20. National Social Security Administration employees.
21. Occupational safety and hygiene technicians.
22. Highway concessionaries and toll collection.
23. Insurance activities.

It is important to note that the activities described in items “xvi” to “xix” are not allowed in the AMBA.

Finally, Decree No. 493/2020 also extends until 7 June 2020 the prohibition to enter to the country established by Decrees No. 274/2020 and No. 331/2020.

**Economic impact.** The COVID-19 pandemic has caused a tremendous crisis in the world economy. According to the International Monetary Fund, the “Great Lockdown” could cause the world GDP to shrink by more than 3% in 2020, assuming that pandemic threat will fade in the second half of the year. In the same vein, the World Trade Organization has reported that international trade could fall between 13% and 32% (under an optimistic and pessimistic scenario, respectively).

The economic crisis driven by the pandemic has some features that make it quite unusual and thus, make the design of adequate responses a really complex task. First, it has simultaneously hit the aggregate supply and the aggregate demand. Lockdown measures have forced most industries to interrupt their productive processes and also prevent most consumers from purchasing goods. Second, countries or blocs that have a significant share in global production (such as the US, China, EU or South Korea) have adopted confinement policies at different times within the last two or three months. As a result –and since most countries’ production is highly integrated through global value chains– economic shocks have been transmitted internationally since the very beginning of the COVID-19 outbreak in Wuhan, China. Such long duration has also turned this demand/supply disruption into a financial shock. Third, given this high level of integration though global or regional value chains, the lockdown policies adopted in one specific place can disrupt production in another location. Given this, and as opposed to the economic crisis of 2008/2009, the economic recession caused by COVID-19 is not only simultaneously hitting the demand side in specific countries but is also hitting (probably even more heavily) the supply side in almost all world economies within different periods of time. These particularities have posed huge challenges for global leaders that seek to design adequate responses.

Argentina does not escape from this critical scenario. Since 18 March 2020, the national administration has been applying strict containment policies that currently seem to be partially relaxing. Such measures have provoked the same effects described above: a disruption of both demand and supply, followed by a financial shock. Nevertheless, the situation in Argentina is much more complex than in most global economies. Indeed, even before the outbreak of COVID-19, the domestic GDP was expected to significantly shrink in 2020. In addition, Argentina is currently in “technical default” as it failed to pay a USD 500 million interest payment that was due on 22 April 2020, while the negotiations with the foreign bondholders continue. Such circumstances will basically deprive Argentina (and its domestic companies) from having access to international capital markets, which would be absolutely critical for the country considering its deep primary deficit and -thus- its strong dependence on any external financing method.

The COVID-19 pandemic is now exacerbating this. First, as the economic activity has plunged, tax collection has also shrunk. Second, exports of manufacturing and agro-industrial goods have also plummeted, which has deprived the national government from significant amounts of foreign currency, necessary to finance its primary deficit. Third, the lockdown measures (and basically the economic disruption) have forced the government to adopt many state aid policies that have tremendous monetary costs. Faced with this scenario, the national administration has been forced to ease its monetary policy and to issue huge amounts of currency. As different private consultants have remarked, an expansive monetary policy could push inflation to 50% in 2020. Recently, the national government has officially reported that it estimates that in 2020 GDP will fall by more than 6%, the primary deficit will surge up to 3%, and poverty will increase up to 50%.

The economic crisis might affect European companies in the following two ways: On the one hand, because of the sharp reduction in domestic demand, exports to Argentina from the EU could significantly decrease. Moreover, in a scenario of economic recession, products exported from the EU could be seriously affected given that they tend to have high relative prices. On the other hand, many of the companies whose production has been interrupted because of social distancing are affiliates of EU enterprises. It should be noted that the pandemic might cause an increase in the demand for certain European imports of medical equipment, medical devices, and pharmaceutical products.

Although it is too early to predict the magnitude of the decrease in this year’s imports from the EU[[2]](#footnote-3), one could estimate a reduction of 20% of higher (USD 1.8 billion or more). In fact, in 2019 when GDP shrank by 2%, total imports decreased by 19% and imports from the EU by 21%. Considering that recent official estimates predict that GDP will decrease by more than 6.7% in 2020 –that is, 4.7 percentage points more than in 2019– one could easily expect a plunge of at least 20% in both global and European imports. Indeed, INDEC statistics show that in April 2020, total imports fell by 30.1% and EU imports by 19.4% when compared with same period in 2019. Some of the goods for which purchases experienced the largest decreases are intermediate goods, inputs and spare parts for capital goods.

Finally, it should be noted that affiliates of European companies located in Argentina could also be affected. As a result of the deepening of the recession and the reduction of industrial activity, it could be expected that manufacturing companies will experience economic turbulence.

**2.2. Amendment to the list of goods subject to non-automatic import licenses.**

**Description of the measure**.[Dispositions No. 9/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229569/20200520?busqueda=2) and [No. 10/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229692/20200522?busqueda=2) (hereinafter the “Dispositions”) issued by the Under-Secretariat of Policy and Trade Management modify the list of goods subject to non-automatic import licenses (“NAIL”), with the aim of controlling capital flows and protecting domestic industries.

On the one hand, the Dispositions add 85 new tariff positions to the scope of goods subject to NAILs. Some of the products affected by these measures are food products, organic and inorganic chemicals, plastics, articles of iron and steel, rubber, synthetic fibers, textiles, copper wires, articles of aluminum, machinery and mechanical appliances, electrical machinery and appliances, vehicles for the transport of goods, weapons and ammunitions, and lighting devices. The complete list of the new tariff positions subject to NAILs is available in [Annex I](#_ANNEX_I_-) of this report.

On the other hand, the Dispositions exclude 18 tariff positions from the NAIL procedure. Some of the products that benefit from this exclusion are fruits, fruit juices, coffee, fish, cocoa preparations, spirits, pet food, and alcohol peroxides. The complete list of goods excluded from the scope of tariff positions subject to NAILs is presented in [Annex II](#_Annex_II_–) of this report.

**Economic impact.** TheNAILs adopted by Argentina have some features in its design and implementation that would be inconsistent with article XI of GATT 1994 and articles 3.2. and 3.5. of the Agreement on Import Licensing Procedures, since they work as quantitative restrictions or prohibitions that affect trade flows or the competitiveness of imports. Specifically: (i) there is no underlying rule or measure that underpins the existence of the NAILs regime and, conversely NAILs are import restrictions by themselves; (ii) NAIL regulations do not establish the criteria that govern the inclusion of goods in the list of tariff positions subject to NAILs; nor do they determine which circumstances or conditions should be considered by the Authority to decide whether to approve or reject a NAIL application; (iii) on the contrary, the applicable regulations grant broad discretional power to the Authority to make a decision on such topics; (iv) the authority usually does not comply with the maximum term that the Agreement on Import Licensing Procedures establishes for NAIL procedures; and (v) the Authority applies some *de facto* measures aimed at restricting trade flows, such as asking importers to report their projections regarding imports, production, exports and domestic investments, or asking importers to undertake specific commitments regarding production, exports or local content.

In this context, one could predict that the imports of those goods that have been recently added to the scope of tariff positions subject to NAILs, would suffer the following consequences: First, the volume or the competitiveness of such imports could be reduced. Second, the cost of importing these goods could increase, as (i) the NAIL procedure tends to delay the clearance of the merchandise, and (i) the Authority usually imposes burdensome “*de facto*” requirements for importers. Third, a lack of transparency regarding different issues of the NAIL procedure creates uncertainty that affects the business decisions of importers.

**2.3. Reduction of import duties on certain final goods or inputs deemed critical to mitigate COVID-19**

**Description of the measure**. [Decree No. 455/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/228962/20200511) extends the list of hygiene products and medical supplies that benefit from a 0% import duty and that are exempted from the payment of the statistical fee, according to Decree N° 333/2020. The Decree shall be in effect during the sanitary emergency established by means of Decree No. 260/2020 (until 12 March 2021), and is aimed at facilitating imports of products that are deemed essential to mitigate the spread of COVID-19.

**Economic impact**. The reduction of import duties on these goods would have the following impacts on trade between Argentina and EU: On the one hand, European exporters could benefit from the tariff reductions, since the import cost in Argentina will be significantly reduced. On the other hand, European affiliates located in Argentina will also benefit, since they will be able to nationalize these goods without paying import duties. However, it is worth mentioning that European imports will not be the only beneficiaries: imports from any other origin will also benefit from the tariff reductions and, thus, it could be expected that they increase as well.

**2.4. Maximum prices for certain consumer goods**

**Description of the measure.** [Resolution No. 133/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229431/20200518?busqueda=2), issued by the Secretariat of Domestic Trade, extends until 20 June 2020 the maximum prices for certain consumer goods set forth by means of Resolution No. 100/2020. According to Resolution No. 133/2020, the prices of certain food, health and cleaning products set by retailers, hypermarket, supermarkets and small shops should not be above their values of 6 March 2020.

Failure to comply with these provisions is subject to sanctions, including: (i) fines; (ii) closure of the establishment or stores; (iii) loss of commercial license; (iv) seizure of merchandise; and others.

**Economic impact**. Maximum prices could distort domestic markets and cause disequilibrium between the supply and demand of the involved products. Particularly, while the lower prices might incentivize producers to reduce the supplied quantities, they might simultaneously encourage consumers to buy more goods. In such context, many European exporters or local affiliates of European enterprises could face price reductions that make their exports or production less lucrative.

1. **Measures adopted at the level of the provinces and THE City of Buenos Aires**

Beyond the policies adopted by the national government, each province and the City of Buenos Aires (CABA) ordered their own measures to face the COVID-19 pandemic.[[3]](#footnote-4) These measures vary depending on the evolution of COVID-19 in each jurisdiction. While in the AMBA the number of cases has increased considerably, in the rest of the country the number of infections has remained stable or was reduced. For this reason, in most of the provinces (such as Jujuy, Cordoba, San Luis, Salta, Catamarca, Mendoza, Neuquén, Tierra del Fuego, La Pampa, Chubut and Corrientes) the lockdown policies were relaxed.

**3.1.** **Health emergency and new permitted activities**

As explained above, the National Chief of Staff has recently issued many Administrative Decisions aimed at exempting different activities from the mandatory containment policies in certain cities and provinces, provided that workers comply with all the sanitary measures established by the national government. Among others, it is worth mentioning the following decisions:

1. [Administrative Decision No. 729/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/228761/20200507): which allows liberal professions (e.g. lawyers, public accountants, real estate brokers) in the Province of Mendoza; different activities and the opening of shops in the Municipality of General Pueyrredón, in the Province of Buenos Aires; opening of shops and restaurants in take away modality in the Province of Salta and real estate activities in the Greater Santa Fe and Greater Rosario areas, in the Province of Santa Fe;
2. [Administrative Decision No. 766/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229189/20200513?busqueda=2): which allows some activities and services in the Province of Mendoza (opening of shops, lottery agencies and bars, cafes and restaurants), the Province of Salta (opening of restaurants and the practice of individual sports) and the Province of Jujuy (opening of shops, restaurants and walks);
3. [Administrative Decision No. 763/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229113/20200512): which allows some activities in CABA (opening of shops of proximity –except for clothes and shoe shops–, the work of notaries, demolition and excavation activities, restaurants with take away modality); the functioning of some stores and industries in some municipalities of the Province of Buenos Aires (e.g. textile, machinery, auto parts), and some activities in the areas of Greater Rosario and Greater Santa Fe, in the Province of Santa Fe (such as opening of stores, liberal professions and private works involving less than 5 persons);
4. [Administrative Decision No. 810/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229398/20200516?busqueda=2): which allows in the entire country –with the exception of the AMBA– *inter alia* maintenance and repair of trains, vessels, ships and aircrafts; manufacturing and supplying of productive inputs and spare parts needed for rail, air, river and sea transport; and training activities of airplane pilots;
5. [Administrative Decision No. 818/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229475/20200519?busqueda=2): which allows different industrial activities (e.g. petrochemical, manufacture of machinery and equipment, automotive and auto parts, electronics and appliances) in different municipalities of the Province of Buenos Aires;
6. [Administrative Decision No. 876/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229653/20200522): which allows the opening of restaurants and delivery services in the Province of Santa Cruz, the opening of gym centers, bars and restaurants in the Province of Corrientes and intercity public transports in the Province of Chubut;
7. [Administrative Decision No. 886/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229718/20200525) which allows the opening of stores and different industrial activities (such as petrochemical, manufacture of machinery and equipment, automotive and auto parts, electronics and appliances) in different municipalities in the Province of Buenos Aires;
8. [Administrative Decision No. 903/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229799/20200527): which allows the opening of malls and shopping centers in the Province of Mendoza, and the opening of sport stores and administrative offices and the recycling of materials in the Municipality of General Pueyrredón in the Province of Buenos Aires;
9. [Administrative Decision No. 904/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229800/20200527): which allows different industrial activities (e.g. petrochemical, manufacture of machinery and equipment, automotive and auto parts, electronics and appliances) in different municipalities in the Province of Buenos Aires;
10. [Administrative Decision No. 909/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229854/20200528?busqueda=2): which allows the opening of stores of different products in different municipalities of the Province of Buenos Aires and the opening of bars, gym centers and restaurants in the Province of La Pampa;
11. [Administrative Decision No. 919/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229921/20200529?busqueda=2): which allows the functioning of official lottery agencies in the Province of Buenos Aires;
12. [Administrative Decision No. 920/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229922/20200529?busqueda=2): which allows different industrial activities (e.g. naval industry, manufacture of machinery and equipment, automotive and auto parts, electronics and appliances) in different municipalities in the Province of Buenos Aires;
13. [Administrative Decision No. 942/2020](https://www.boletinoficial.gob.ar/detalleAviso/primera/229993/20200531): which allows different industrial activities (e.g. machinery, equipment, clothing, furniture, plastics, electronics, automotive and auto parts) in different municipalities in the Province of Buenos Aires.

Apart from regulating the activities permitted by the national government, the provinces have allowed other activities in their jurisdictions. Some examples include: Jujuy allowed internal tourism and will be the first province to allow the return to classes from June 15th. Santa Fe permitted domestic services and private works for up to ten workers. Chubut allowed the opening of shopping malls, hotels and sports activities. Corrientes allowed the opening of stores, gym centres, restaurants and hotels. In Mendoza, the opening of courts of justice, bars and cafes, and family gatherings up to a maximum of ten persons are allowed. In San Luis, the opening of bars and restaurants, sport activities, and marriages are authorised. Entre Rios allowed the opening of hotels, restaurants, and sport activities.

The relaxation of the lockdown measures has had a positive impact in the economy of provinces. For example, it is estimated that the economic activity in San Juan has now picked up to 92% compared to the situation prior to the COVID-19 pandemic, and in Entre Rios the industrial and productive sectors are working at 100%, while the commerce and services are working at 90%.

The number of exceptions to the lockdown allowed by the Province of Buenos Aires and the CABA is more limited. The Province of Buenos Aires issued [Decree No. 340/2020](http://www.saij.gob.ar/340-local-buenos-aires-reglamentacion-para-desarrollo-actividades-servicios-exceptuados-medidas-aislamiento-social-preventivo-obligatorio-prohibicion-circular-decreto-nacional-297-2020-sus-normas-complementarias-terminos-decreto-nacionales-355-2020-408-2020-459-2020-decision-administrativa-524-2020-b20200000340-2020-05-12/123456789-0abc-043-0000-0202bvorpced?q=%20fecha-rango%3A%5B20200501%20TO%2020200601%5D&o=3&f=Total%7CTipo%20de%20Documento/Legislaci%F3n%7CFecha%7COrganismo%7CPublicaci%F3n%7CTema%7CEstado%20de%20Vigencia%7CAutor%7CJurisdicci%F3n/Local/Buenos%20Aires&t=18) by means of which it approved different regulations for the development of activities and services exempted from the lockdown. In addition, the Province of Buenos Aires issued [Law No. 15,174](http://www.saij.gob.ar/15174-local-buenos-aires-ratificacion-decretos-132-2020-151-2020-166-2020-167-2020-177-2020-180-2020-194-2020-251-2020-255-2020-261-2020-262-2020-264-2020-282-2020-340-2020-lpb0015174-2020-05-21/123456789-0abc-defg-471-5100bvorpyel?q=%20fecha-rango%3A%5B20200501%20TO%2020200601%5D&o=11&f=Total%7CTipo%20de%20Documento/Legislaci%F3n%7CFecha%7COrganismo%7CPublicaci%F3n%7CTema%7CEstado%20de%20Vigencia%7CAutor%7CJurisdicci%F3n/Local/Buenos%20Aires&t=18) which ratified previous provincial decrees dealing with the health emergency and empowered the executive power to adopt different measures during the health emergency.

The CABA issued [Decree No. 206/2020](http://www.saij.gob.ar/206-local-ciudad-autonoma-buenos-aires-excepcion-aislamiento-social-preventivo-obligatorio-prohibicion-circular-fueran-dispuestos-decreto-necesidad-urgencia-poder-ejecutivo-nacional-297-2020-x20200000206-2020-05-11/123456789-0abc-602-0000-0202xvorpced?&o=5&f=Total%7CTipo%20de%20Documento/Legislaci%F3n%7CFecha/2020/05%7COrganismo%7CPublicaci%F3n%7CTema%7CEstado%20de%20Vigencia%7CAutor%7CJurisdicci%F3n/Local/Ciudad%20Aut%F3noma%20de%20Buenos%20Aires&t=25) regulating the exceptions to the lockdown measures; [Decree No. 209/2020](http://www.saij.gob.ar/209-local-ciudad-autonoma-buenos-aires-modificacion-dec-193-2020-referencia-autorizacion-breves-salidas-esparcimiento-ninos-ninas-adolescentes-hasta-15-anos-edad-inclusive-x20200000209-2020-05-13/123456789-0abc-902-0000-0202xvorpced?&o=15&f=Total%7CTipo%20de%20Documento/Legislaci%F3n%7CFecha/2020/05%7COrganismo%7CPublicaci%F3n%7CTema%7CEstado%20de%20Vigencia%7CAutor%7CJurisdicci%F3n/Local/Ciudad%20Aut%F3noma%20de%20Buenos%20Aires&t=25) authorising brief recreational outings for children; and [Decree No. 218/2020](http://www.saij.gob.ar/218-local-ciudad-autonoma-buenos-aires-actividades-comerciales-minoristas-cercania-solo-podran-llevarse-cabo-mediante-modalidad-entrega-domicilio-x20200000218-2020-05-25/123456789-0abc-812-0000-0202xvorpced?&o=12&f=Total%7CTipo%20de%20Documento/Legislaci%F3n%7CFecha/2020/05%7COrganismo%7CPublicaci%F3n%7CTema%7CEstado%20de%20Vigencia%7CAutor%7CJurisdicci%F3n/Local/Ciudad%20Aut%F3noma%20de%20Buenos%20Aires&t=25) allowing the opening of shops (but limited to the home delivery modality in some sectors of the city, due to the increase in the number of infections). Additionally, CABA issued [Law No. 6,301](http://www.saij.gob.ar/6301-local-ciudad-autonoma-buenos-aires-declaracion-emergencia-economica-financiera-ciudad-autonoma-buenos-aires-hasta-31-diciembre-2020-lpx0006301-2020-05-07/123456789-0abc-defg-103-6000xvorpyel?q=%20fecha-rango%3A%5B20200501%20TO%2020200601%5D&o=6&f=Total%7CTipo%20de%20Documento/Legislaci%F3n%7CFecha%7COrganismo%7CPublicaci%F3n%7CTema%7CEstado%20de%20Vigencia%7CAutor%7CJurisdicci%F3n/Local/Ciudad%20Aut%F3noma%20de%20Buenos%20Aires&t=25) declaring an economic and financial emergency until 31 December 2020. The Law empowers the government to reallocate funds from the city budget in order to attend the health emergency and economic crisis and to review contracts for goods, services, works and concessions.

**3.2. Limitations on the circulation of goods and persons**

The governors of those provinces where the epidemic curve has flattened have reinforced the controls on the transit of goods in order to avoid the spread of the virus coming from other provinces or neighbouring countries. For example, the Province of Mendoza issued [Decree No. 674/2020](https://boe.mendoza.gov.ar/publico/pdf_pedido/cb07bc071059ca4a1fb8f3b4644b5b7a7bf0189964) establishing greater controls on the transport of merchandise that enters, leaves, or transits through this province. The decree establishes that local drivers of trucks must keep strict quarantine at their homes, and trucks will be monitored by satellite. The Province of La Pampa issued [Decree No. 921/2020](http://digesto.tcuentaslp.gob.ar/digesto%20tribunal/Decretos/Decreto%20921-2020.html) according to which all exceptions to the prohibition to circulate established by the national administration must have, in addition, a prior authorization from the province, and that the participating persons must complete 14 days of isolation.

Even though the transport of goods is considered an essential service by the national administration, some transport unions have complained that some municipalities have adopted practices that hinder the transport of goods in their jurisdictions. These obstacles include delays generated by vehicle inspections, not allowing the truck driver to leave the truck when charging or discharging merchandise, or not allowing trucks to charge fuel in the gas stations located in the municipalities.

**3.3 Economic impact of the measures applied by the Provinces and CABA**

Although a higher impact on trade between Argentina and the EU can be identified in the measures adopted by the Federal Government, the emergency measures adopted by the Provinces and the CABA (and the relaxation of such measures) also impact many economic activities. These activities are in many cases connected with exports and imports to the EU (for example, production, transportation and export of raw materials to the EU and import, transportation and selling of goods from the EU) and with EU investments in Argentina (such as investors in the sectors of food, industry, oil and gas and public services). It is expected that the flexibilization of the lockdown measures in the services sector and in the industry in most provinces will have a positive impact for EU stakeholders, since in many cases these services and industries are owned by EU companies or use goods or services coming from the EU.

# ANNEX I - List of new products subject to NAILs

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| HS CODE | DESCRIPTION |
| 0207.11.00 | Meat of fowls of the species Gallus domesticus, not cut, fresh or chilled. |
| 0207.12.00 | Meat of fowls of the species Gallus domesticus, not cut, frozen. |
| 0207.13.00 | Cuts and offal of fowls of the species Gallus domesticus, not cut, fresh or chilled. |
| 0207.14.00 | Cuts and offal of fowls of the species Gallus domesticus, not cut, frozen. |
| 1806.31.20 | Filled chocolate and other food preparations containing cocoa, in blocks, slabs or bars. |
| 1806.32.20 | Chocolate and other food preparations containing cocoa, in blocks, slabs or bars (not filled). |
| 2808.00.10 | Nitric acid. |
| 2815.11.00 | Solid sodium hydroxide (caustic soda). |
| 2815.12.00 | Sodium hydroxide (caustic soda) in aqueous solution. |
| 2833.22.00 | Aluminium sulphate. |
| 2909.11.00 | Diethyl ether. |
| 2915.70.31 | Esters of zinc stearic acid. |
| 2915.70.39 | Esters of stearic acid. |
| 2916.31.10 | Benzoic acid. |
| 2917.19.22 | Maleic acid. |
| 2920.90.32 | Nitro-glycerine. |
| 2923.90.40 | Alkyl-trimethylammonium halides. |
| 2929.10.21 | Toluene diisocyanates. |
| 3102.30.00 | Ammonium nitrate, whether or not in aqueous solution. |
| 3601.00.00 | Propellent powders (gunpowder). |
| 3602.00.00 | Prepared explosives, other than propellent powders. |
| 3902.10.10 | Polypropylene. |
| 3902.10.20 | Polypropylene. |
| 3902.30.00 | Propylene copolymers. |
| 3903.11.10 | Expansible polystyrene. |
| 3903.11.20 | Expansible polystyrene. |
| 3903.19.00 | Polystyrene, other than expansible. |
| 3903.90.90 | Polystyrene, other than expansible. |
| 3905.12.00 | Poly (vinyl acetate); in aqueous dispersion. |
| 3907.61.00 | Poly (ethylene terephthalate), having a viscosity of 78ml/g or higher. |
| 3907.91.00 | Unsaturated polyesters, n.e.c. |
| 3926.90.90 | Other articles of plastic, n.e.c. |
| 4002.19.19 | Styrene-butadiene rubber. |
| 4010.12.00 | Vulcanised rubber conveyor belts or belting, reinforced only with textile materials. |
| 5402.19.10 | High tenacity nylon synthetic yarn, textured or not. |
| 5509.31.00 | Single yarn (not sewing thread), of synthetic staple fibres, containing 85% or more by weight of acrylic or modacrylic, not put up for retail sale. |
| 5509.32.00 | Multiple (folded) or cabled yarn (not sewing thread), of synthetic staple fibres, containing 85% or more by weight of acrylic or modacrylic, not put up for retail sale. |
| 5902.10.10 | Tyre cord of high tenacity yarn, of nylon or other polyamides. |
| 6307.90.90 | Textile articles, n.e.c. |
| 7216.61.10 | Iron or non-alloy steel angles, shapes and sections, cold-formed or cold-finished, obtained from flat-rolled products. |
| 7308.30.00 | Iron or steel doors, windows and their frames and thresholds for doors. |
| 7320.20.90 | Iron or steel helical springs and leaves for springs, not cylindrical. |
| 7321.81.00 | Iron or steel non-electric domestic appliances (other than cookers and plate warmers), for gas fuel or for both gas and other fuels. |
| 7413.00.00 | Copper stranded wire, cables, plaited bands and the like, not electrically insulated. |
| 7604.10.21 | Aluminium hollow profiles (not alloyed). |
| 7604.10.29 | Aluminium profiles, other than hollowed (not alloyed). |
| 7604.21.00 | Alloyed aluminium hollow profiles. |
| 7604.29.20 | Alloyed aluminium profiles, other than hollowed. |
| 7614.90.10 | Aluminium cables (not electrically insulated), other than steel core. |
| 8409.99.30 | Cylinder liners. |
| 8414.90.20 | Parts of fans, ventilating or recycling hoods incorporating a fan. |
| 8415.20.90 | Air conditioning machines containing a motor driven fan, of a kind used for persons, in motor vehicles. |
| 8415.81.10 | Air conditioning machines containing a motor driven fan, other than window or wall types, incorporating a refrigerating unit and a valve for reversal of the cooling/heat cycle (reversible heat pumps). |
| 8450.11.00 | Fully automatic household or laundry-type washing machines, of a dry linen capacity not exceeding 10kg. |
| 8450.19.00 | Household or laundry-type washing machines, not fully automatic, without built-in centrifugal drier, of a dry linen capacity not exceeding 10kg. |
| 8451.30.99 | Ironing machines and presses (including fusing presses), other than automatic, weighting more than 14kg. |
| 8461.50.20 | Circular sawing or cutting-off machines, working by removing metal, sintered metal carbides or cermets. |
| 8467.21.00 | Drills of all kinds for working in the hand, with self-contained electric motor. |
| 8467.29.92 | Screwdrivers, with self-contained electric motor. |
| 8467.29.99 | Tools for working in the hand, with self-contained electric motor, n.e.c. |
| 8483.30.29 | Plain shaft bearings. |
| 8501.10.29 | AC electric motors, of an output not exceeding 37.5W, other than synchronous. |
| 8501.10.30 | Universal AC/DC electric motors, of an output not exceeding 37.5W. |
| 8501.20.00 | Universal AC/DC electric motors, of an output exceeding 37.5W. |
| 8507.20.10 | Lead-acid electric accumulators (other than for starting piston engines), including separators, whether or not rectangular. |
| 8512.20.19 | Electrical lighting, of a kind used on motor vehicles. |
| 8513.10.10 | Portable, electric lamps, designed to function by their own source of energy. |
| 8516.29.00 | Electric soil heating apparatus and space heating apparatus (excluding storage heating radiators). |
| 8537.10.30 | Boards, panels, consoles, desks and other bases for electric demand control, for a voltage not exceeding 1000 volts. |
| 8537.10.90 | Boards, panels, consoles, desks and other bases for electric control or the distribution of electricity, for a voltage not exceeding 1000 volts, n.e.c. |
| 8703.21.00 | Vehicles for the transport of people, with only spark-ignition internal combustion reciprocating piston engine, cylinder capacity not over 1000cc. |
| 8704.21.10 | Chassis with engine and cabin, of vehicles for transport of goods, (of a gvw not exceeding 5 tonnes and of compression-ignition internal combustion piston engine -diesel or semi-diesel-). |
| 8704.31.10 | Chassis with engine and cabin, of vehicles for transport of goods, (of a gvw not exceeding 5 tonnes and of spark-ignition internal combustion piston engine). |
| 8704.32.10 | Chassis with engine and cabin, of vehicles for transport of goods, (of a gvw exceeding 5 tonnes and of spark-ignition internal combustion piston engine). |
| 9017.80.10 | Parts and accessories for drawing tables and machines. |
| 9032.89.29 | Automatic regulating or controlling instruments and apparatus, of the kind used in vehicles, n.e.c. |
| 9306.21.00 | Shotgun cartridges |
| 9306.30.00 | Other cartridges, n.e.c. |
| 9306.90.00 | Ammunition, n.e.c. |
| 9405.10.99 | Chandeliers and other electric ceiling or wall light fittings (excluding those used for lighting public open spaces or thoroughfares), n.e.c. |
| 9405.20.00 | Floor-standing or for table, desk or bedside electric lamps. |
| 9405.40.10 | Electric lamps and light fittings, of metal, n.e.c. |
| 9405.40.90 | Electric lamps and light fittings, n.e.c. |
| 9405.60.00 | Illuminated signs, name plates and the like. |
| 9405.92.00 | Plastic parts of lamps and light fittings. |

# Annex II – list of new products excluded from nails

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| HS CODE | DESCRIPTION |
| 0803.10.00 | Plantains, fresh or dried. |
| 0803.90.00 | Bananas, other than plantains, fresh or dried. |
| 0901.11.10 | Coffee, not roasted or decaffeinated. |
| 1604.14.10 | Tunas, whole or in pieces (but not minced). |
| 1803.10.00 | Cocoa paste, not defatted. |
| 1803.20.00 | Cocoa paste, wholly or partly defatted. |
| 1804.00.00 | Cocoa butter, fat and oil. |
| 1805.00.00 | Cocoa powder, not containing added sugar or other sweetening matter. |
| 2009.11.00 | Orange juice, frozen. |
| 2009.29.00 | Grapefruit juice (including pomelo), of a Brix value exceeding 20. |
| 2201.10.00 | Mineral and aerated water, including natural or artificial, (not containing added sugar or other sweetening matter nor flavoured). |
| 2208.20.00 | Spirits obtained by distilling grape wine or grape marc. |
| 2208.30.20 | Whiskies, in containers holding 2 litres or less. |
| 2208.30.90 | Whiskies (except in containers holding 2 litres or less; and except those with an alcoholic strength exceeding 50% in containers holding 50 litres or more. |
| 2208.40.00 | Rum and other spirits obtained by distilling fermented sugar-cane products. |
| 2208.50.00 | Gin and Geneva. |
| 2208.60.00 | Vodka. |
| 2208.70.00 | Liqueurs and cordials. |
| 2208.90.00 | Spirits, liqueurs and other spirituous beverages, n.e.c. |
| 2309.10.00 | Dog or cat food, put up for retail sale. |
| 2909.60.20 | Alcohol peroxides. |

1. The AMBA refers to an urban area that includes the City of Buenos Aires and the following 40 districts of the Province of Buenos Aires: Almirante Brown, Avellaneda, Berazatagui, Berisso, Brandsen, Campana, Cañuelas, Ensenada, Escobar, Esteban Echeverría, Exaltación de la Cruz, Ezeiza, Florencio Varela, General Las Heras, General Rodríguez, General San Martín, Hurlingham, Ituzaingó, José C. Paz, La Matanza, Lanús, La Plata, Lomas de Zamora, Luján, Marcos Paz, Malvinas Argentinas, Moreno, Merlo, Morón, Pilar, Presidente Perón, Quilmes, San Fernando, San Isidro, San Miguel, San Vicente, Tigre, Tres de Febrero, Vicente López, and Zárate [↑](#footnote-ref-2)
2. It should be pointed out that, according to INDEC, EU exports to Argentina in 2019 amounted to USD 8.9 billion. [↑](#footnote-ref-3)
3. Some of these local administrations prepared compendiums of the legislation adopted to respond to the pandemic, which are regularly updated (e.g. Provinces of [Buenos Aires](https://normas.gba.gob.ar/covid-19), [Jujuy](http://boletinoficial.jujuy.gob.ar/wp-content/uploads/2016/Boletines/Varios/CN29-05-2020.pdf), [Mendoza](http://www.boletinoficial.mendoza.gov.ar/separata-coronavirus-covid-19-2/), [Salta](http://www.boletinoficialsalta.gob.ar/covid/COMPENDIO_COVID--.pdf), [San Juan](https://minio.legsanjuan.gob.ar/covid-19/compendio.pdf?v=29052020), and the [CABA](https://boletinoficial.buenosaires.gob.ar/files/Compendio_de_normas_COVID-19_01.pdf?v=513577668)). [↑](#footnote-ref-4)