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GAYRI RESMİ TERCÜMEDİR

By a WTO ruling, the government will remove barriers to trade (LA NACION - 14/07/2015)

A readjustment of DJAI to international standards was accepted that will render them starting on December 31st; they prepare a set of protections.

Official policy of restrictions to foreign trade received these says a deadly blow. Thanks to a ruling by the World Trade Organization (WTO), the neuralgic center of the obstacles to imports will survive, at least in its current essence, almost the same time as will Cristina Kirchner in power.

The Government accepted in the beginning of this month an agreement negotiated with its complainants before the WTO (United States, Japan and the European Union) to adequate to the international regulations the Advance Import Affidavits (DJAI) and eliminate other restrictions related with foreign trade (not the written ones) on December 31st, this year.

Official sources said that the ruling does not demand the removal of the controversial DJAIs, although they admitted that to adequate those to the principles of GATT (General Agreement on Tariffs and Trade signed in 1994) will leave the mechanism as a mere formality and without its current reach.

This way, a new front will open for the next government, whether it is official or opposition, because the strategy of delay in the foreign exchange rate promoted by the government, will favor the importer sector over the local production, in times of lack of dollars in the country.

Because of this, the Government has started to ask the sensitive sectors (footwear, textile, toys, among others) to look for reciprocal technical regulations (phytosanitary, quality certifications, electric security, among others) that could serve as a protection barrier. Also, to calm these sectors, it warned them that the current regulations "will remain the same" until the end of the year. Nevertheless, they will have to show their complainants gradual advances in the adequacy of the affidavits, they said.

"The DJAIs are a different umbrella because they enable the protection over all HS Codes. We are supporters of leaving them and to frame them within the regulations", they said from the Government.

The truth is that since the implementation of the barriers to foreign trade, Argentine imports (and the economy in general) collapsed. It was just during the months preview to the elections that the questionable official data shows again a slight upturn in the local economy.

Importers, meanwhile, disbelieve that Scioli will fulfil, at least during the first months of his government, the WTO ruling. They do forecast the return of non-automatic licenses (questioned by the WTO because of its abuse) and antidumping measures. "The WTO set December 31st as the date for the adequacy. Of course, we are seeing with much interest the different political parties and how they will solve this essential issue", said Diego Perez Santisteban, President of the Argentine Chamber of Importers (CIRA).

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"We hope that the new technical mechanisms prepared by the Government respect the spirit, form, and letter of the WTO rules", he added.

The agreement between Argentina and its complainants is noted in a letter signed in the beginning of the month by the Argentine representative before the WTO, Jorge D'Alotto, and his counterpart from the European Union, the Greek Angelos Pangratis, which was made public yesterday. In the latter, it is explained that not only a "prudential deadline" was agreed for the country to adequate its rules, but the elimination of the mechanism established by the former Secretary of Domestic Trade Guillermo Moreno, which forces importer companies to export in equal amounts.

The complaint made by the United States, Japan and the European Union had a first ruling in September 2012 and it was ratified in January this year. The latter assures that DJAIs are incompatible with the substantive obligation established by paragraph 1 of article XI of the GATT of 1994, and that procedure is not "automatic", in the sense that the authorities can decide to hold the authorization to import even if all formal prescriptions were fulfilled, so in practice it acts as a "quantitative restriction".

DJAIs were born in January 2012 through Resolution 3252 of AFIP. "It is striking the official concealment of the notification to the WTO", said the Director of the Center for the Study of Foreign Trade of the XXI Century, Miguel Ponce. The expert said that non-automatic licenses could return or other "non-tariff" barriers permitted by the WTO.

"We are concerned. Like this we cannot compete", admitted Furio Matias, President of the Argentina Chamber of Toy Industries. "We need the State", he said.

RESTRICTIONS STARTED BY MORENO

Non-Automatic Licenses

Before Moreno's designation in Domestic Trade, the country had 400 tariff positions.

The positions grow

With the arrival of the Secretary, positions grew to 600 and were reported by the WTO.

Non-Written Restrictions

Moreno imposed rules that force companies to export for the same value as they import.

Affidavits

DJAIs were born in January 2012 by an AFIP Resolution.

End of Restrictions

By the WTO ruling, at the end of the year DJAIs and other restrictions will be eliminated.

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NUMBERS PLUMMET

The beginning of imports controls can be located, assures a report from DNI Consultants, in 2011. Since then, to the present, a drop on purchases from abroad of 15.22% was registered, taking into account the first five cumulative months.

In that period of 2011, the country imported by US\$ 27,332 million, as specified by the consultant managed by former President of ExportAr Foundation, Marcelo Elizondo. During those first five months, purchases abroad reached US\$ 23,171 million. "Argentina implements since 2011 controls over imports in the framework of the so-called commerce administration policy. Those controls made general imports to decline since that year, which was the one of greater imports in history", explained the specialist.

"That drop in imports had a direct relation with depth, weakening and decline in industrial activity", he argued. According to official figures, manufacturing production takes falls for 22 months.

In 2014, Argentina imported US\$ 65.324 million, while three years earlier it had summed US\$ 73.922 million dollars.

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