

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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CONSULTATION UNDER ARTICLE XVIII:12(a)
WITH ARGENTINA

Communication from the Argentine Government
on Recent Changes

The following communications, both dated 24 May 1972, have been received from the permanent mission of Argentina.

I.

I have the honour to advise you, and through you the contracting parties, of the action which the Government of the Argentine Republic has found itself obliged to take because of the deterioration in Argentina's balance-of-payments situation, in order to strengthen the precautionary measures taken with a view to overcoming an economic situation characterized by serious disequilibrium in the external sector and in foreign exchange reserves.

In this connexion I must inform you that under Decree No. 2867, dated 15 May, a one-year extension has been ordered of the temporary suspension of imports and goods which, because of their nature or intended utilization, are not essential for the development of the national economy; that suspension had been introduced under Decree 2118/71 which was to have lapsed on 30 June 1972 (document L/3615/Add.1).

In addition, the Decree of 15 May - which is not applicable to products that have been the subject of negotiations within the Latin American Free Trade Association (LAFTA) - provides that in cases where the measure affects products required for industrial development, or raw materials or intermediate products intended for the production of exports, the undertakings or sectors concerned may request the Ministry of Industry and Mining to reconsider the matter.

For their part, the Ministry of Industry and Mining, the Ministry of Trade and the Ministry of Finance will propose to the Executive, by means of joint resolutions, whatever amendments they may consider necessary in cases where the measure would affect products needed to meet domestic consumption requirements.

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With respect to the goods affected by the temporary import suspension, the following tariff items have been added to the list in Decree No. 2118/71.¹

II.

In order to supplement the information given in paragraph 4 of my letter of 31 March 1972, I wish to inform you that the Central Bank of the Argentine Republic, by circular No. 434 of 15 May, has announced that payment abroad for goods falling within the tariff headings included in the attached list¹ must in future be made entirely through the financial exchange market.

The purpose of this measure is to ensure that the exchange rate applied to this type of foreign purchase is better adjusted to the actual situation; in future the payment is to be made entirely through the financial exchange market, in which the rates of exchange are variable, and not as hitherto to the extent of 64 per cent through the financial exchange market and 36 per cent through the commercial exchange market, in which fixed rates of exchange are in effect.

¹This list is on file at the secretariat.