1. This paper has been prepared in accordance with Paragraph 7 of the Declaration on Trade Measures Taken for Balance-of-Payments Purposes, adopted by the CONTRACTING PARTIES on 28 November 1979 (BISD 26S/207).

1. Argentina's previous consultations

2. Previous measures taken by Argentina were examined in the Committee in 1972, 1975 and 1978 (BOP/R/62, 83 and 97). In 1978 the Committee noted that "Argentina ... no longer applied trade restrictions for balance-of-payments reasons which would warrant consultation under Article XVIII:12(b)." (BOP/R/97)

3. Between 1978 and early 1982, Argentina pursued a liberal trade policy. Imports could, with the exception of certain motors and motor vehicles, be made freely on presentation of a Sworn Declaration of Import Needs. A tariff reform programme was introduced in 1979 with the aim of reducing the maximum level of tariffs from 85 per cent to 40 per cent by the end of 1983.

4. Domestic economic crisis in the shape of accelerating inflation, declining investment and increasing unemployment, led to a rapid increase in the trade and current account deficits by end-1981. The beginning of a reversal in this situation following rigorous measures taken by the administration in early 1982, was interrupted by the conflict in the South Atlantic, which severely disrupted the Argentine economy. Despite the measures taken by the newly elected government up to mid-1985, the economic problems of the country increased and inflation once again grew to severe levels while GDP declined. The "Plan Austral" introduced in June 1985 has, through a wage and price freeze, currency reform, strict fiscal and monetary policies, and a measure of trade liberalization, restored a degree of confidence in the short run.

II. Trade measures taken since 1982

(a) "Prior study" and import prohibitions

5. In late April 1982, all imports except for those of LAIA origin, were made subject to Sworn Declarations of Import Need. Shortly after, in early May, a 45-day ban on "non-essential" imports was introduced and all Sworn Declarations were made subject to prior study, with the exception of
items on Argentina's LAIA negotiated list. These measures were confirmed in July 1982 when a list of products considered as "non-essential" imports was established which included most consumer goods. Such products were subject to "prior study" and thus effectively prohibited. These provisions were subsequently extended quarterly until 30 June 1983 and then, with some modifications, for a six-month period until 31 December 1983.

6. A revised import régime was introduced by the new government under Presidential Decree No. 319 of 29 December 1983 (see L/5643). This régime was subsequently extended until 31 December 1984 (L/5687 and Corr.1 and 2) and again until 30 June 1985 (L/5687/Add.1).

7. The import régime introduced in December 1983 continued the prohibition of imports of most consumer goods and competing industrial products, with the exception of temporary imports, re-imports, border trade, models and prototypes approved by the Department of Industry, and goods imported under international financing operations concluded before the date of the decree. All goods not prohibited continued to be subject to the régime of Certificates of Sworn Declarations of Import Needs. For some products, including a wide variety of machinery and equipment, such certificates would be issued only on the approval of the Department of Industry, on the recommendation of an Advisory Committee on Imports comprising representatives of Government and major industries. For raw materials and inputs for the pharmaceutical industry, imports of goods and equipment for health purposes, prior approval was required from the Ministry of Health and Social Services; and for imports for national defence or security related goods, by the Ministry Defence or the Ministry of the Interior. Other products could be imported freely. Imports under concessions granted under LAIA provisions were exempted from such approval, with the proviso that if any LAIA member country adopted measures which affected Argentine exports to it in any wars, this exception could be withheld.

8. In December 1984, a considerable number of items, mainly in the areas of machinery and equipment, were added to the prohibited list. Exceptions from prohibitions could, however, be made inter alia where domestic products were either in short supply or of inadequate quality. This revised list was to be in force until 30 June 1985 (L/5687/Add.1).

9. The introduction of the "Plan Austral" in June 1985 gave rise to a major redirection of import licensing policy. In Decision No.347 of 28 June 1985, the prohibited list was suspended, initially for a period of thirty days, and subsequently, extended to 31 August and then to 31 December 1985. All goods formerly on the prohibited list were made subject to prior study. A number of products (principally machinery and equipment items) were subsequently liberalized from the prior study requirement in late July 1985. By a further decision of 30 August 1985, imports of small quantities of a number of goods, which had previously been limited to agencies authorized to engage in foreign exchange operations, were liberalized. The relevant Decisions were notified by Argentina in L/5687/Add.2. In December 1985 it was announced that effective January 1986, computers and other electronic goods would be freely importable (not yet notified). An inter-ministerial commission was established in October 1985 to examine modalities of further import liberalization.
(b) **Exchange measures affecting trade**

10. From April 1982 all foreign payments were made subject to prior Central Bank approval, and from October 1983 a foreign allocation system was introduced. The revised import control system introduced in January 1984 replaced the exchange allocation system and made the import licensing system described above the main control on imports. Foreign exchange was made available for all approved imports. Currently, the possession of a certified "Sworn Declaration" entitles the applicant to obtain the foreign exchange.

11. Minimum financing terms of 180 days were established for all imports from countries outside Latin America in May 1982 (90 days for Latin American countries). These limits were subsequently modified during 1983, initially reducing the minimum period to 150 and then to 120 days for non-Latin American imports, while increasing the period for Latin American imports to 120 days, and subsequently to a 180 day period for non-Latin American imports, 90 days for imports of goods on LAIA negotiated lists and 120 days for other imports from Latin America, with certain exceptions allowing for immediate payment. This system has remained in force to date. Special minimum financing terms for imports of capital goods, ranging from 1 year for imports of up to US$250,000 to 5 years for imports up to US$2 million, with larger consignments subject to consultation with the Central Bank, were introduced in August 1982 and remain in force.

(c) **Import deposit**

12. In January 1984, all goods imported under Sworn Declaration of Import Needs were made subject to a 90 day non-interest bearing deposit equivalent to the local currency value of the import duty leviable on the f.o.b. value of the goods. Subsequently, all import payments requiring prior approval of the Central Bank (i.e. payments for imports shipped up to 20 October 1983) were made subject to an interest bearing deposit of the full local currency equivalent of the invoice, to be made at the time of the application to purchase foreign exchange. Currently, all goods for which a Sworn Declaration is sought are subject to a [non-interest-bearing] deposit for 120 days of the import duty equivalent in local currency. If the deposit is to be used to pay the import duty, it may be refunded before the 120 days period.

(d) **Import duty increases**

13. As part of the "Plan Austral", Resolution No.476/85 of the Ministry of the Economy, published on 11 June 1985, provided that all import duties with the exception of a specified list of goods (see BOP/261, page 3) were increased by 10 percentage points for a period of 180 days. This measure, was extended in December 1985 until 31 March 1986 (L/5941 and Add.1). The Resolution notes that this increase was made as an emergency fiscal measure. Duties on electronics goods were increased in January 1986.

III. **Economic and trade developments**

14. Economic performance in Argentina suffered for much of the period since the country's last consultation in 1978 from frequent changes in macroeconomic policies. The unstable political situation at times made the design and implementation of medium-term economic policy particularly difficult and severely strained the responsiveness of the economy when there
was need to adjust quickly and effectively to the emergence of debt-servicing problems. The intensification of trade controls from 1982, described in the first section of this report, reflected the inadequacy of macroeconomic policies to manage the balance between output and expenditure in the economy in a manner consistent with a sustainable current account position.

15. Argentina adopted an outward-looking trade strategy in 1976 along with a domestic stabilization programme, and by 1978 economic performance had improved considerably in many respects. The volume of exports had risen by 80 per cent since 1975, and foreign exchange reserves had increased from one to seventeen months' import cover. The public sector deficit had been reduced from 15 to 7 per cent of GDP, and the gross domestic savings rate had risen from 20 to 25 per cent of GDP. However, real GDP growth had been sluggish, and had actually fallen by 3 per cent in 1978, and progress toward reducing inflation was not as rapid as had been expected; consumer prices increased by 175 per cent in 1978. (Charts 1 and 3).

16. In late 1978, major policy changes were introduced to tackle inflation and further liberalize the economy. Adjustments of the exchange rate and public utility tariffs were lagged behind the increase in general prices in an effort to dampen inflationary expectations. A programme of import tariff reductions was initiated to increase foreign competition and encourage some restructuring of the industrial sector. Ceilings on domestic interest rates were also removed and capital controls were largely abolished.

17. This policy package reduced the rate of price increase and produced an economic boom in 1979, but these results were short-lived. Consumption spending led the growth in domestic economic activity, and began displacing gross investment in the economy from 1980 (Chart 2). The lagged adjustment of the exchange rate resulted in a 40 per cent appreciation of the effective exchange rate by the end of 1980, which severely undermined the competitiveness of the traded-goods sectors of the economy at the same time that import protection was being reduced. As a result the trade balance moved into large deficit from 1980. (Table 1 and Charts 1 and 5.) In addition, the fiscal balance began to deteriorate because of growing expenditures, particularly by the state enterprises and on public sector wages and salaries. The public sector deficit was largely financed by a rapid inflow of foreign capital attracted by high nominal interest rates and the predictable rate of depreciation of the peso. External indebtedness more than doubled between end-1978 and end-1980, with much of the increment contracted at short term. Real GDP growth declined to 0.7 per cent in 1980 and inflation remained at a high level.

18. In March 1981, the "crawling peg" exchange rate policy was abandoned and there followed a series of major devaluations of the peso; the import liberalization programme was also suspended. The next year and a half was marked by a rapid succession of governments, extreme economic uncertainty, and a deteriorating international environment highlighted by general world economic recession and the cessation of voluntary foreign commercial bank lending to Argentina. The public sector deficit grew rapidly to exceed 15 per cent of GDP in 1982, and inflation accelerated sharply. Real GDP growth collapsed, registering -6 per cent in 1981 and -5 per cent in 1982. By the end of 1982, Argentina's external debt amounted to more than $44 billion, more than one-third of it falling due within one year. Net interest payments rose to $3 billion in 1981 and $4.4 billion in 1982; in the face of declining net capital inflows (which became large net capital outflows in 1982), the balance-of-payments deficit was financed by running
down foreign exchange reserves and building up payments arrears. On a customs' basis, imports were slashed from $10.5 billion in 1980 to $5.3 billion in 1982, largely through increased import restrictions, and a large trade surplus was restored at the cost of a considerably lower overall level of trading activity.

19. In 1983, Argentina entered a stand-by arrangement with the IMF and began parallel negotiations with foreign commercial bank creditors for rescheduling external debt payments. The conditions attached to the stand-by arrangement were not met, in particular those relating to control of the public sector deficit. The economic situation continued to deteriorate, and hyper-inflationary conditions set in. By the end of the year, the external financing situation had become precarious, with reserves down to about $1 billion, some three months' import cover at the lower rate of imports) accumulated foreign debt arrears of over $3 billion, and $21 billion in principal payments (nearly three times the value of exports) due within the next twelve months. The current account deficit continued to be held in check mainly through import restrictions.

20. The new government, on taking office in December 1983, set about trying to restore confidence in the economy, aiming in particular to lower inflation from the rate of about 400 per cent reached in 1983, raise real wages, restore economic growth, and strengthen the balance-of-payments. The peso was devalued monthly in line with targets for inflation, and extensive price controls were applied. However, fiscal spending continued to rise rapidly for the first part of the year, and tax increases were delayed. Price controls were evaded, and monthly inflation rates substantially exceeded their targets. As a result, the rate of peso devaluation could not keep pace with inflation and the currency began appreciating again in real terms. Retroactive wage adjustments, made in an effort to maintain real wages, were financed through a more accommodating monetary stance that fuelled further inflation. The trade and current account balances in 1984 were little changed from 1983, reflecting in particular the maintenance of imports at only a minimum level of essential goods through import restrictions and, from January 1984, prior import deposit requirements.

21. In September 1984, the monthly inflation rate reached 27 per cent against an announced government target of 16 per cent, and the indexation efforts (ex ante for the exchange rate and ex post for wages) were abandoned. A more conventional stabilisation programme, supported by another stand-by arrangement with the IMF, was pursued for the last quarter of the year. Non-salary related government expenditures were cut abruptly, credit policy was tightened causing a sharp increase in domestic interest rates, and the rate of peso devaluation was stepped up. However, this policy stance was not maintained into 1985, and economic performance again began to deteriorate in the first half of the year.

22. The Plan Austral, introduced in mid-June 1985, comprises fiscal, monetary, income and price measures aimed at stabilizing the economy and providing a non-inflationary basis for recovery. Immediately before the introduction of the plan, public sector prices were sharply increased. Additional taxes of between 7 and 10 per cent were levied on exports, and export rebates abolished, while, as mentioned in paragraph 11 above, an additional temporary tariff of 10 per cent had been introduced. A compulsory saving scheme was introduced and greater attempts were made to reduce tax evasion. Monetary policy measures included a freeze in public sector borrowing and an overall sharp reduction in the rate of domestic
credit expansion. Regulated monthly interest rates were set at between 3 and 5 per cent a month, reflecting the expected reduction in inflationary pressures. As far as price and wage controls were concerned, following a general 22.6 per cent nominal wage increase for June 1985 in line with previous indexation, public and private salaries and prices were frozen, with some exceptions for seasonal goods. The peso argentino was devalued by 14 per cent and immediately replaced by the new currency (the austral), equal to 1,000 pesos argentinos pegged to the US dollar at a rate of US$1 = 0.80 australes.

23. The introduction of the Plan Austral is too recent to emit a firm evaluation of its overall effects. The public sector deficit is reported to have been substantially reduced, credit growth has declined, and the rate of increase of prices has decelerated sharply to a rate of 2½ per cent per month in consumer prices over the period July-December 1985. While output declined sharply in the initial months of the new policy, there is some indication of a resumption of growth in the last few months of 1985. In view of the chronic fiscal and monetary imbalances that had built up in the economy, a strict policy of demand management will most likely need to be maintained for some time to reduce expectations of the resurgence of inflation once price controls are relaxed. At the same time, attention should be paid to the extent to which the wide range of trade taxes now in place add further to the anti-export distortions that have developed in many productive sectors of the economy.

24. Gross capital formation has been a lasting victim of the policies pursued since 1980. Private investment persistently declined both in construction and in machinery and equipment, and fell from 13 per cent of GDP in 1980 to 7½ per cent in 1984. Increasingly, also, public investment outlays have been sacrificed to other government expenditures. Between 1980 and 1984 total gross domestic investment fell from 23 to 16 per cent of GDP. The degree of disinvestment in the productive sector has reached a critical point which jeopardizes attempts to provide more flexibility to the economy in the short-run.

25. In recent years, agricultural output and trade has, at least in relative terms, held up better than the slow or declining growth rates registered since 1980 in construction, most private services, and manufacturing (with a particularly marked fall for capital goods production). Grain and beef production both increased substantially in 1984 and the first half of 1985. Although manufacturing output increased substantially in 1983 and to a lesser extent in 1984, partly under the impetus of import substitution, a major downturn occurred in the first half of 1985. These changes have been reflected in Argentina's trade pattern. (Tables 2, 3, and 4).

26. The direction of changes in the relative percentage structure of exports in 1977-1980 and 1980-1983,¹ both market- and product-wise, clearly indicates these trends. Market access difficulties into the European Community for some of Argentina's major commodity exports (in particular beef) are reflected in the decline in the share of exports to this destination. In relative terms, Latin America also absorbed increasingly less of Argentina's exports, in particular engineering products; this is attributable to the

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¹1983 is the most recent year for which detailed commodity trade statistics are available.
impaired price competitiveness of Argentina's manufacturing sector in the 1977–1980 period and to rising protectionism in several Latin American countries (as a result of their debt problems) during the latter period. In contrast, new markets were found in other developing countries, in the Eastern trading area (particularly the Soviet Union) for food exports (meat and grains, in particular) and - to a much lesser extent - in some industrial countries (in particular, the United States and, since 1980, Japan). As noted below, however, developments in world markets for meat and grains, including the effects of subsidized trade on third-market imports, will continue to affect Argentina's agricultural export prospects (see also paragraphs 31 and 32 below).

27. Changes in the percentage structure of Argentina's imports in 1977–1980 (the import boom period) and in 1980–1983 (the import reduction period) reveal some features linked to developments discussed above. (Table 3). First, the import boom was concentrated on consumer goods, principally originating in industrialized countries and some developing areas (but not Latin America); these imports were subsequently sharply reduced by the measures adopted since 1982. Imports of primary products and intermediate goods thus became the principal items to grow in relative terms in the period 1980–83; and the share of trade with Latin America increased sharply. Imports of "other engineering products", i.e. machinery and equipment other than road motor vehicles, have persistently lost ground throughout the 1977–1983 period.

28. In 1984, a revival of sales to other Latin American countries and to the United States led to a recovery of exports by some 3 per cent overall. This recovery was, however, concentrated in a few agricultural and industrial products, notably transport equipment and vegetable oils and oilseeds. The dollar value of major grain exports fell by 25 per cent, and that of beef by nearly half (beef exports declined in value overall from US$568 million to US$182 million between 1980 and 1984). Imports from Latin American sources (particularly Brazil) continued to grow, while the share of the United States and Europe declined further, from 22 to 18 and 33 to 30 per cent respectively. These general trends are said to have continued in the first half of 1985.

IV. Factors relevant to Paragraph 12 of the Declaration on Trade Measures Taken for Balance-of-Payments Purposes (BISD 268/208)

29. Argentina has requested the Committee to follow the provisions of Paragraph 12 of the 1979 Declaration (BISD 268/208) relating to measures which contracting parties might take to facilitate an expansion of the export earnings of the consulting contracting party. The following paragraphs draw attention to developments in trade and trade policies identified by the secretariat as relevant to Argentina's export possibilities.

30. Argentina's exports remain heavily concentrated in the temperate-zone agricultural sector, with meat, cereals and their derivatives including oils,

1A detailed breakdown of Argentina's imports in 1983, by major product groups and origins, is given in Table 4.
fats and animal feedstuffs the most important. Products in CCCN Chapters 1-24 account for some three-quarters of the US dollar value of exports. Argentina is therefore directly affected by developments in world markets for such products and by trade and surplus disposal policies pursued by major producing areas.

31. The GATT secretariat's annual report for 1985 on the International Markets for Meat charts a steady decline in average export prices for Argentine beef since 1981, with a particularly steep decline estimated in 1985. It is noted that Argentina's rebuilding of cattle herds initiated in 1983 came to a premature end, largely as a result of depressed domestic and export price levels (paragraph 45). Premature slaughter or sale of animals led to further downward pressure on prices and is expected to cause a further increase in export supply in an already highly competitive market, in the short term. The report also notes increasing government intervention affecting imports or exports in a number of countries (paragraph 10), including particular import restricting action under GATT Article XIX by Canada and extension of export restitution availability by the EC to a number of Asian countries.

32. Argentina requested a special meeting of the International Meat Council in 1984 to discuss the deteriorating situation in the meat market, particularly with relation to export subsidization policies followed by some contracting parties. A special Working Party which was established in 1984 was unable to agree on a written report to the IMC. In a factual oral report, the Chairman of the Working Party had called attention to the differences of views among participants. The Working Party decided to forward a set of proposals, on which agreement had not been reached in entirety, to the IMC in the hope that it could consider how to reach balanced and meaningful results (IMC/11 and IMC/15).

33. Conditions in the world wheat trade in 1984/85 and 1985/86 showed continuing overproduction and declining prices, with the shares of the United States, Canada and Argentina in export markets declining while those of the EC and Australia increased. Argentina's export possibilities will continue to depend on the demand requirements of the USSR, with which a new five-year agreement has recently been concluded for the period 1986-90, and of developing countries and the effects of subsidized exports, including those made under export credit arrangements, on the competitiveness of Argentine grains. In this connection, the International Wheat Council review of the world wheat situation for 1984/85 notes declining world prices due to a substantial excess of production over consumption, depressed demand especially in developing countries, and increased subsidies for exports, including subsidized credit, by all exporting countries except Argentina. The generally declining trend in world course grain prices, except for the 1984 season, and instabilities in oilseeds markets, are reflected in Argentina's export prices for the commodities concerned; the volume of oilseeds exports was, however, substantially increased during 1984 and 1985. Export prices for fresh fruit and wool have also shown a steadily declining trend.

34. Non-tariff measures identified as affecting products of interest to Argentina were notified to the Sub-Committee on Protective Measures by Argentina in 1981 and 1983 (COM.TD/SCPM/W/9 and W/20). The products
concerned included wine, sheep meat, tobacco, fruit and orange juice, and medicaments. The relevant reports of the Sub-Committee are contained in COM.TD/SCPM/3 and COM.TD/SCPM/6.

35. Over the period since 1980, a number of products exported by Argentina have been subject to anti-dumping or countervailing investigations and/or duties in certain markets, notably the United States, Canada and Chile. Products subject to countervailing measures have included clothing, textile mill products, oil country tubular goods, cold-rolled carbon steel sheet, wool, carbon steel wire rod, and leather clothing (United States); mayonnaise, lining fabrics, zinc oxide, calcium carbide, glucose, biscuits, polypropylene bags, glass jars, ethyl alcohol, trailers and semi-trailers, wheat flour, various dairy products, cotton yarn and fabrics, sugar confectionery (Chile). Anti-dumping procedures have been invoked in the case of oil and gas well casings, and barbed wire (Canada) and barbed wire, cold-rolled carbon steel wire rod, oil country tubular goods, and printed vinyl film (United States).
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<tbody>
<tr>
<td>Trade Balance</td>
<td>2,913</td>
<td>1,782</td>
<td>-1,373</td>
<td>712</td>
<td>2,764</td>
<td>3,716</td>
<td>3,982</td>
<td>2,841</td>
<td>2,505</td>
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<td>Exports f.o.b.</td>
<td>6,401</td>
<td>7,810</td>
<td>8,021</td>
<td>9,143</td>
<td>7,623</td>
<td>7,835</td>
<td>8,100</td>
<td>4,608</td>
<td>4,282</td>
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<td>Imports f.o.b.</td>
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<td>-6,028</td>
<td>-9,394</td>
<td>-8,431</td>
<td>-4,859</td>
<td>-4,119</td>
<td>-4,118</td>
<td>-1,767</td>
<td>-1,777</td>
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<td>Current account balance</td>
<td>1,856</td>
<td>-513</td>
<td>-4,774</td>
<td>-4,712</td>
<td>-2,353</td>
<td>-2,436</td>
<td>-2,495</td>
<td>-285</td>
<td>-746</td>
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<td>Net service income and transfers</td>
<td>-1,057</td>
<td>-2,295</td>
<td>-3,401</td>
<td>-5,424</td>
<td>-5,117</td>
<td>-6,512</td>
<td>-6,477</td>
<td>-3,126</td>
<td>-3,251</td>
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<td>of which:</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>net interest payments</td>
<td>(-405)</td>
<td>(-493)</td>
<td>(-947)</td>
<td>(-2,965)</td>
<td>(-4,003)</td>
<td>(-4,983)</td>
<td>(-5,273)</td>
<td>(-2,521)</td>
<td>(-2,604)</td>
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<td>Capital account balance</td>
<td>279</td>
<td>4,673</td>
<td>2,069</td>
<td>1,441</td>
<td>-2,988</td>
<td>-2,451</td>
<td>14</td>
<td>-284</td>
<td>-386</td>
</tr>
<tr>
<td>Direct investment and other long-term capital</td>
<td>1,518</td>
<td>3,154</td>
<td>4,493</td>
<td>9,968</td>
<td>2,065</td>
<td>-574</td>
<td>-1,234</td>
<td>-359</td>
<td>-546</td>
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<tr>
<td>Short-term capital, including errors and omissions</td>
<td>-1,239</td>
<td>1,519</td>
<td>-2,424</td>
<td>-8,527</td>
<td>-5,053</td>
<td>-1,877</td>
<td>1,248</td>
<td>75</td>
<td>160</td>
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<tr>
<td>Capital transactions n.e.i. a</td>
<td>162</td>
<td>149</td>
<td>-44</td>
<td>-166</td>
<td>4,583</td>
<td>2,460</td>
<td>2,497</td>
<td>1,025</td>
<td>1,072</td>
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<td>Change in total reserves</td>
<td>2,297</td>
<td>4,381</td>
<td>-2,749</td>
<td>-3,437</td>
<td>-758</td>
<td>-2,427</td>
<td>16</td>
<td>456</td>
<td>-60</td>
</tr>
</tbody>
</table>

aValuation adjustments, SDR allocations, and exceptional financing.

### TABLE 2

**Changes in the Pattern of Argentina’s Exports,**
1977 to 1980 (A) and 1980 to 1983 (B)\(^a\)

(Percentage points)

<table>
<thead>
<tr>
<th></th>
<th>World</th>
<th>EC(10)</th>
<th>Other Industrial Countries</th>
<th>Latin America</th>
<th>Other Developing Countries</th>
<th>Eastern Trading Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A)</td>
<td>(B)</td>
<td>(A)</td>
<td>(B)</td>
<td>(A)</td>
<td>(A) (B)</td>
</tr>
<tr>
<td>Total Exports</td>
<td>0(^b)</td>
<td>0(^b)</td>
<td>-4</td>
<td>-6</td>
<td>-4</td>
<td>+2</td>
</tr>
<tr>
<td></td>
<td>-4</td>
<td>+10</td>
<td>-8</td>
<td>-3</td>
<td>-5</td>
<td>+2</td>
</tr>
<tr>
<td>Food</td>
<td>-5</td>
<td>+2</td>
<td>-2</td>
<td>+1</td>
<td>-1</td>
<td>+1</td>
</tr>
<tr>
<td>Other primary products</td>
<td>+5</td>
<td>-3</td>
<td>+2</td>
<td>-2</td>
<td>-3</td>
<td>-4</td>
</tr>
<tr>
<td>Semi-manufactures(^c)</td>
<td>+2</td>
<td>-2</td>
<td>0</td>
<td>0</td>
<td>+1</td>
<td>-1</td>
</tr>
<tr>
<td>Engineering products</td>
<td>-2</td>
<td>-3</td>
<td>+1</td>
<td>0</td>
<td>0</td>
<td>-3</td>
</tr>
<tr>
<td>Other consumer goods</td>
<td>-1</td>
<td>-2</td>
<td>0</td>
<td>-1</td>
<td>0</td>
<td>-1</td>
</tr>
</tbody>
</table>

\(^a\)Changes are here defined as the differences between the percentage structure of exports (total exports to the world = 100) in 1977 and that in 1980 (A), and between the latter and the structure in 1983 (B). Detail may not add up, due to rounding.

\(^b\)In dollar terms the changes in total exports were: +$2.4 billion between 1977 and 1980 and -$0.2 billion in the three following years.

\(^c\)Including textiles.

**Sources:** United Nations, Commodity Trade Tapes.
### TABLE 3

**Changes in the pattern of Argentina's imports,**

1977 to 1980 (A) and 1980 to 1983 (B)\(^a\)

(Percentage points)

<table>
<thead>
<tr>
<th></th>
<th>WORLD (A)</th>
<th>Industrial countries (A)</th>
<th>Industrial countries (B)</th>
<th>Latin America (A)</th>
<th>Latin America (B)</th>
<th>Other developing countries (A)</th>
<th>Other developing countries (B)</th>
<th>Eastern trading area (A)</th>
<th>Eastern trading area (B)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL IMPORTS</strong></td>
<td>0(^b)</td>
<td>0(^b)</td>
<td>+3</td>
<td>-5</td>
<td>-4</td>
<td>+11</td>
<td>+2</td>
<td>-2</td>
<td>-1</td>
</tr>
<tr>
<td>Fuels</td>
<td>-6</td>
<td>0</td>
<td>-1</td>
<td>0</td>
<td>-5</td>
<td>+5</td>
<td>0</td>
<td>-5</td>
<td>-1</td>
</tr>
<tr>
<td>Other primary products</td>
<td>-3</td>
<td>+2</td>
<td>+1</td>
<td>-1</td>
<td>-3</td>
<td>+2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Semi-manufactures (^c) of which: (Chemicals)</td>
<td>-3</td>
<td>+12</td>
<td>-5</td>
<td>+6</td>
<td>+2</td>
<td>+4</td>
<td>0</td>
<td>+1</td>
<td>0</td>
</tr>
<tr>
<td>Road motor vehicles and household appliances</td>
<td>+9</td>
<td>-8</td>
<td>+7</td>
<td>-6</td>
<td>+1</td>
<td>0</td>
<td>+1</td>
<td>-1</td>
<td>0</td>
</tr>
<tr>
<td>Other engineering products</td>
<td>-2</td>
<td>-1</td>
<td>-2</td>
<td>-2</td>
<td>0</td>
<td>+1</td>
<td>0</td>
<td>0</td>
<td>+1</td>
</tr>
<tr>
<td>Other consumer goods</td>
<td>+5</td>
<td>-5</td>
<td>+3</td>
<td>-3</td>
<td>+1</td>
<td>-1</td>
<td>+1</td>
<td>-1</td>
<td>0</td>
</tr>
</tbody>
</table>

\(^a\) Changes are here defined as the differences between the percentage structure of imports (total imports to the world = 100) in 1977 and that in 1980, and between the latter and the structure in 1983. Detail may not add up, due to rounding.

\(^b\) In dollar terms the changes in total imports were: +$6.4 billion between 1977 and 1980 and -$6.0 billion in the three following years.

\(^c\) Including textiles.
### TABLE 4

**THE STRUCTURE OF ARGENTINA'S IMPORTS, BY MAJOR PRODUCT GROUPS AND ORIGINS, 1983**

(Million dollars, c.i.f.)

<table>
<thead>
<tr>
<th></th>
<th>WORLD</th>
<th>Industrial countries</th>
<th>Eastern trading area</th>
<th>Developing countries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>United States</td>
<td>Japan</td>
<td>EC(10)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL IMPORTS</strong></td>
<td>4,504</td>
<td>2,788</td>
<td>987</td>
<td>307</td>
</tr>
<tr>
<td>Fuels</td>
<td>463</td>
<td>45</td>
<td>37</td>
<td>1</td>
</tr>
<tr>
<td>Food and agricultural raw materials</td>
<td>413</td>
<td>110</td>
<td>47</td>
<td>3</td>
</tr>
<tr>
<td>Ores, minerals and non-ferrous metals</td>
<td>214</td>
<td>45</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>Chemicals</td>
<td>1,116</td>
<td>795</td>
<td>332</td>
<td>32</td>
</tr>
<tr>
<td>Iron and steel</td>
<td>294</td>
<td>200</td>
<td>14</td>
<td>52</td>
</tr>
<tr>
<td>Other semi-manufactures</td>
<td>266</td>
<td>156</td>
<td>56</td>
<td>8</td>
</tr>
<tr>
<td>Road motor vehicles and household appliances</td>
<td>244</td>
<td>177</td>
<td>39</td>
<td>23</td>
</tr>
<tr>
<td>Other engineering products</td>
<td>1,413</td>
<td>1,202</td>
<td>422</td>
<td>179</td>
</tr>
<tr>
<td>Other consumer goods</td>
<td>81</td>
<td>57</td>
<td>26</td>
<td>6</td>
</tr>
</tbody>
</table>

*Detail may not add up, due to rounding.

b For details on the commodity/country breakdown, see GATT, International Trade, Statistical Appendix.

**c Including textiles.**

Source: United Nations, Commodity Trade Tapes.
CHART 1
SELECTED MACRO-ECONOMIC INDICATORS OF ARGENTINA,
1977 TO 1985
(Thousand Australes at 1970 prices)

GROSS DOMESTIC PRODUCT

EXPORTS OF GOODS
AND SERVICES

IMPORTS OF GOODS
AND SERVICES

1977 78 79 80 81 82 83 84 85

a 1985 data are estimates.
Sources: Fundación de Investigaciones Económicas Latinoamericanas (FIEL), Indicadores de Coyuntura; and Instituto Nacional de Estadística y Censos, Anuario Estadístico de la República Argentina, 1981-1982.
ARGENTINA'S CONSUMPTION, INVESTMENT AND THE EXTERNAL GAP, EXPRESSED AS A SHARE OF THE GROSS DOMESTIC PRODUCT, IN REAL TERMS, 1977 TO 1985

(Percentage shares)

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**CHART 2**

**CONSUMPTION**

**GROSS INVESTMENT**

**EXTERNAL GAP**

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*a Based on data at 1970 prices, from National Accounts. 1985 shares are estimated.*

*b Exports of goods and services less imports of goods and services.*

**Sources:** Same as in Chart 1.
CHART 3

THE RATE OF INFLATION IN ARGENTINA SINCE 1977

(Percentage annual rates)

12-month movements

Annual averages

1977 78 79 80 81 82 83 84 85

*Measured through changes in the Buenos Aires' consumer price index.

Source: FIEL, Indicadores de Coyuntura.
ESTIMATES OF ARGENTINA'S REAL EFFECTIVE EXCHANGE RATE INDEX,
1980-1985
(1980-1982 = 100)

A decline in the index indicates improvement of price competitiveness in manufactures.

Source: Morgan Guaranty Trust Co., Morgan International Data.
CHART 5

THE VALUE OF ARGENTINA'S FOREIGN MERCHANDISE TRADE,

1977 to 1985

(Billion dollars: half-year data)

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EXPORTS (f.o.b.) less imports (c.i.f.), based on customs returns.

Sources: FIEL, Indicadores de Coyuntura; and IMP, International Financial Statistics.