

REPORT

TRADE AND INVESTMENT BARRIERS IN ARGENTINA



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Preface

Upon request by the Norwegian Foreign Ministry and the Royal Embassy of Norway in Buenos Aires, Menon Economics has conducted an analysis of trade and investment barriers facing Norwegian and other foreign firms operating in Argentina. The analysis is based on interviews with representatives from Norwegian-owned companies, Chambers of Commerce, Argentine investment promotion agencies, and foreign business advisers operating in Argentina. In addition, Menon has collected information about foreign companies' views on trade and investment barriers in Argentina through an online questionnaire.

Menon Economics would like to thank all the interviewees and respondents to the questionnaire for their participation and valuable information and input. We would also like to thank the Royal Embassy of Norway in Buenos Aires for an interesting assignment and for its valuable input throughout the process of conducting this study.

Menon Economics is a Norwegian economic consultancy firm operating at the interface of economics, politics, and the market. We analyze economic issues and provide advice to companies, organizations, and authorities. We combine economic and commercial expertise in fields such as international trade and economic development, industrial organization and competition and regulation. We use research-based methods and work closely with leading academics in all our fields of expertise.

The authors are responsible for all content in this report.

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Summary of key messages

After a period of protectionist politics, declining growth rates, high inflation and capital outflow, Argentina is becoming increasingly attractive to foreign investors. The reason for this is the change in political direction towards a more business-friendly and open economy and ambitious economic reforms initiated under the new government led by President Mauricio Macri.

Against this backdrop, this study aims to identify barriers to trade and investment as experienced by Norwegian and other foreign firms operating in Argentina. Specifically, it focuses on barriers within the following areas: import and export, access to capital and remittance policies, labor, corruption, public procurement and intellectual property rights protection. In addition, it takes stock of the business community's view on the ongoing reforms and discusses factors important for ensuring business success in Argentina.

Overall, the study finds that the change in political direction and the ongoing reforms have generated a new sense of optimism among the business community. An overwhelming majority of respondents regarded labor regulations and standoffs between unions and employers as the most problematic factor for business operations. Other main barriers include time-consuming and costly administrative requirements for starting a business and paying taxes. Among the non-regulatory barriers, respondents rated corruption, inflation, and political risks as their main concerns.

Reforms of the import licensing regime have significantly improved the possibilities for firms to import. Beyond changes to formal requirements, respondents reported visible improvements in terms of professionalization of the customs authority and in the implementation of import regulations. However, several challenges remain in this area. The lifting of capital controls and foreign exchange restrictions was considered to have significantly improved the business environment. There are no longer any major issues related to moving capital and repatriating earnings. Access to finance is still a main concern for many companies due to the high cost of credit. Labor regulations and standoffs with unions continue to be an area of major concern to the business community. To tackle corruption, the Macri government has made increased transparency in the public sector one of its key priorities. Respondents noted that the change in message from the top has had a positive impact on corruption levels and ethical standards among public officials. Respondents highlighted public contracting of large-scale works as an area where corruption has been significantly reduced.

Respondents generally considered the ongoing reforms to be comprehensive and well-targeted in terms of removing critical barriers for business operations. Striking a better power balance between the labor market parties and finding more productive ways to manage labor market conflicts was seen as a key priority for further reform. Respondents highlighted lack of manpower and understaffing of the current government as a potential short-term risk to full implementation, and political risk as the main threat to long-term sustainability of reforms.

Investing with a long-term perspective, understanding the business culture, and building the capacity of the company to manage the operating environment and navigating through regulatory frameworks and bureaucracy were considered the most critical factors for ensuring business success.

Introduction and background

Argentina is one of Latin America's largest and wealthiest countries. The level of education of its workforce is among the highest on the continent, and it possesses abundant natural resources. The economy is highly diversified and the market provides access to 43 million people, including a large middle class with strong purchasing power. After a period of protectionist politics, declining growth rates, rising inflation, capital outflow and a deteriorating trade balance, Argentina is becoming increasingly attractive to foreign investors again. The reason for this is the change in political direction towards a more business-friendly and open economy and the ambitious economic reforms initiated by the new government under the leadership of President Mauricio Macri who took office in December 2015.

After a long period of limited commercial links between Norway and Argentina, the ongoing economic transformation is opening the door for new opportunities in terms of deepened bilateral economic exchange. In June/July of 2016, the Norwegian Foreign Minister Børge Brende visited Argentina with the aim of intensifying political and economic bilateral ties and exploring opportunities for increased Norwegian business activity in the country. The change in political direction has also led the Norwegian Embassy in Buenos Aires to register a rise in the number of Norwegian firms seeking investment advice.

Against this backdrop, this study aims to identify barriers to trade and investment in Argentina as experienced by Norwegian and other foreign firms operating in the country, and to gather their advice on how to successfully navigate the Argentine business environment.

To collect data for the analysis, Menon conducted 15 interviews with representatives for Norwegian companies with a permanent presence in Argentina, various Chambers of Commerce, trade and investment support agencies, and experts working on advising foreign companies in Argentina. The interviews were conducted in Buenos Aires during the first week of November, 2016.

Interviewees were asked to give their view of what works well and what works less well in different areas of importance for the business and investment climate. Specifically, they were asked to comment on issues related to importation, access to finance and remittance policies, intellectual property rights protection, public procurement, corruption, and labor. Respondents were also asked to give their view on the ongoing reforms and to comment on which factors they considered most critical for ensuring business success in Argentina.

In addition to the interviews, Menon conducted an online survey consisting of mostly closed-ended questions where respondents were asked to rate the extent to which they considered a given issue a barrier for trade and investment in Argentina. The full questionnaire can be found in Annex 1.

The questionnaire was sent to 88 companies and chambers of commerce. Among the companies contacted were both Norwegian and other foreign companies operating in Argentina as well as a number of Norwegian companies that have demonstrated an interest in the Argentine market by making contact with the Norwegian Embassy in Buenos Aires or the Argentine Embassy in Oslo. 27 of the contacted firms and chambers of commerce responded to the questionnaire.

In the following analysis, the word "respondents" refers to both the persons we interviewed and to the respondents to the online questionnaire.

The study was conducted during a period of ambitious reforms, which at the time of writing are still in the process of being implemented. Realizing that the business environment is transforming rapidly, this study aims to take

stock of the progress of the reforms up to the time of writing, highlight improvements made and discuss areas which are still considered problematic.

Chapter 1 provides a brief overview of the characteristics of the Argentine market and current bilateral trade relations with Norway. Chapter 2 summarizes Argentina’s performance on international business environment indicators, including the World Bank’s Doing Business Indicators, the World Economic Forum’s Global Competitiveness Index, and the World Bank Enterprise Survey. Chapter 3 provides an in-depth discussion of the findings from the interviews and the questionnaire.

1. The Argentine market and bilateral trade with Norway

This section provides a brief overview of the characteristics of the Argentine market and the current bilateral trade relations between Argentina and Norway. It illustrates the relatively low level of integration of the country in the international economy given its level of development. It concludes that the current level of bilateral trade between Norway and Argentina is low and that only a few Norwegian businesses have a permanent presence in Argentina. Among these, most are active in the maritime sector and in oil and gas related industries.

1.1. The Argentine market

With a Gross Domestic Product (GDP) of USD 583 billion, Argentina is one of the largest economies in Latin America. It is also one of the wealthiest, with a GDP per capita of USD 14,432. The country is abundant both in human and natural resources. It has one of the most highly educated workforces in Latin America and vast natural resources in agriculture and renewable energy. The Argentine government recently passed new renewable energy regulations with the aim of attracting new investments to develop its renewable energy resources. Argentina is estimated to have the world's second largest shale gas resources and fourth largest shale oil resources in the world. The domestic market comprises 43 million people.

Argentina is a leading food producer with large-scale agricultural and livestock industries. In addition, it has significant opportunities in some manufacturing subsectors including textiles and footwear, and innovative services in high tech industries. However, due to protectionist politics pursued by previous governments the country engages less in international trade than its neighbors. It also receives significantly less foreign direct investment (FDI). The amount of FDI in 2015 was about half the amount received by Chile and about a sixth compared to Brazil. See Table 1.

Table 1: Market and trade statistics

Indicator	Argentina	Chile	Brazil
Market size	43 million people	18 million people	208 million people
GDP (million USD)	583,168	240,216	1,774,724
GDP per capita	14,432	13,384	8,537
Export (million USD)	56,752	63,360	191,127
Import (million USD)	59,787	63,037	171,446
FDI (net inflows, million USD)	11,978	20,457	75,074

Source: World Bank Data and WITS World Integrated Trade Solution

Note: All data for 2015.

Argentina's trade portfolio is highly diversified. It has a Hirschman Herfindahl Index of 0,07. This measure demonstrates the dispersion of trade value across an exporter's partners. A value close to 1 implies that the country's trade is concentrated in very few markets. Similarly, a country with a perfectly diversified trade portfolio will have an index close to zero.

Its main exports are agricultural products, including soy-based items such as oils and beans, corn, wheat, and sunflower seeds as well as wine and meat. Argentina mainly imports cars, oil and gas, and electronic equipment. See Table 2.

Table 2: Top five products

Export	Import
Oil-cake and other solid residues of soya bean	Automobiles
Soya beans	Natural gas, liquefied
Crude soya bean oil	Petroleum oils
Maize (excl. seed)	Parts of electrical apparatus for line telephone
Diesel powered trucks	Natural gas in gaseous state

Source: WITS World Integrated Trade Solution

Note: All data for 2015.

1.2. Bilateral trade and investments between Argentina and Norway

The level of Norwegian investments in Argentina is low. In 2014, Norwegian direct investments in Argentina amounted to about USD 13.9 million¹. Only a few Norwegian companies have a permanent presence in the country. Most of these operate in the maritime sector and in energy and oil and gas related industries. See Table 3.

Table 3: Norwegian companies in Argentina

Sector	Number of companies
Maritime offshore supply	4
Energy, Oil and Gas	2
Advisory services	2
Chemicals/minerals	2
Paper and pulp	1
Agriculture	1
Fishing/seafood	1

The level of bilateral trade between the two countries is limited. Argentine exports to Norway amounted to about USD 29.5 million in 2015 and consisted mainly of fruit and vegetables, wine, leather, food, and mineral oil. Norwegian export to Argentina amounted to about USD 209.4 million in 2015. Export to Argentina almost doubled between 2014 and 2015 due to increased Argentine import of oil and gas. Beyond oil and gas, Norwegian export to Argentina mainly consists of agricultural fertilizers, other chemical products, and industrial equipment.

¹ Statistics Norway

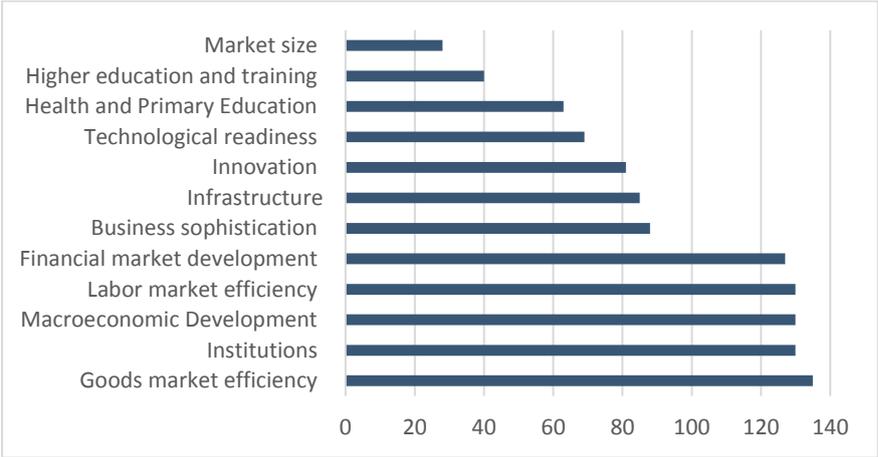
2. Performance on international indicators

This section provides an overview of Argentina’s performance on international business and investment climate indicators. It concludes that Argentina performs poorly relative to other countries. The high level of education of the workforce and its technological and innovative capacities are generally considered areas of strength, while institutional shortcomings including corruption and political instability as well as inefficiencies in the goods, labor and financial markets are identified as areas of weakness.

2.1. Argentina’s business environment compared to other countries

Argentina ranks 104th out of 140 countries on the World Economic Forum’s Global Competitiveness Index. It ranks among the bottom 20 countries in the areas of “Goods market efficiency”², “Institutions”³, “Macroeconomic Development”⁴, “Labor Market Efficiency”⁵, and “Financial Market Development”⁶. Areas of competitive strength are “Market Size”, “Education and training” as well as “Technological Readiness”. See Figure 1.

Figure 1: Argentina’s score on the Global Competitiveness Index 2016-2017



Source: World Economic Forum’s Global Competitiveness Index for 2016-2017

Note: The index measures the competitiveness of 140 economies.

The World Economic Forum annually conducts an “Executive Opinion Survey”, which captures the opinions of business leaders in a given country on a broad range of topics, including the most problematic factors for doing business. The Executive Opinion Survey finds that business leaders consider inflation to be the most problematic factor for doing business in Argentina. In order of importance, inflation was followed by tax rates, access to financing and corruption. See Figure 2.

² Includes measures of the regulatory environment for business, import and customs procedures, and tax rates.

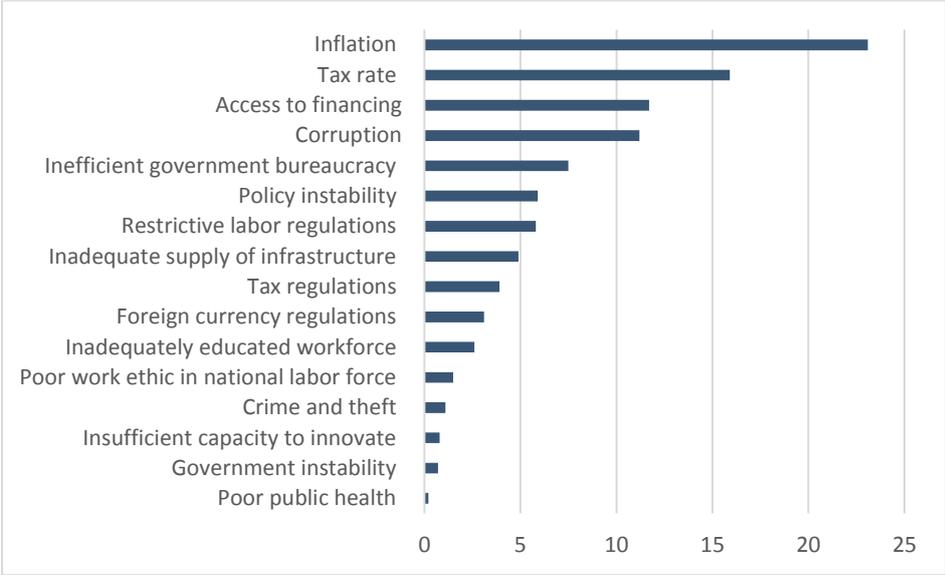
³ Includes measures of effectiveness of the judicial system, ethical behavior among firms and politicians, corruption, trust in politicians.

⁴ Includes level of inflation and government debt.

⁵ Includes cooperation in labor-employment relations, flexibility of wage determination, hiring and firing practices.

⁶ Includes whether financial services meet business needs, and affordability of financial services.

Figure 2: Most problematic factors for doing business in Argentina

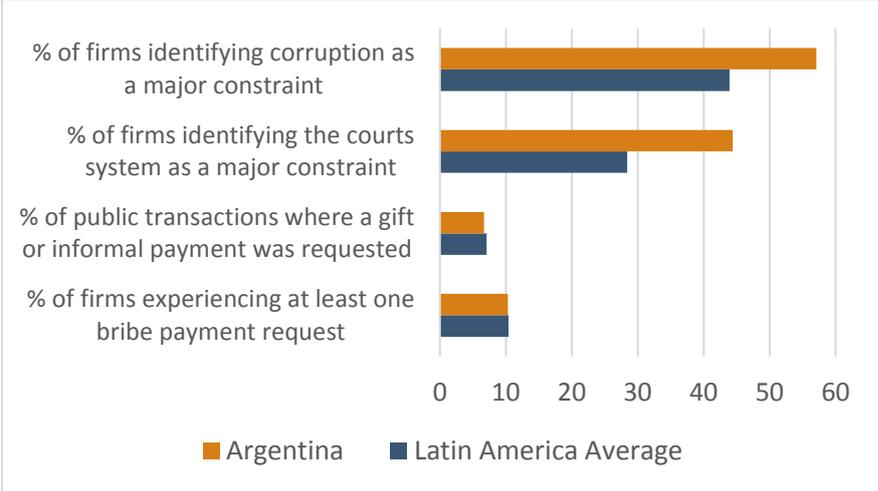


Source: World Economic Forum Executive Opinion Survey

Note: The survey was responded to by 99 business leaders. From the list of factors, respondents were asked to select the five most problematic factors for doing business in their country and to rank them on a scale of 1 (most problematic) to 5. The score corresponds to the responses weighted according to their rankings.

On the issue of corruption, the World Bank’s Enterprise Survey reveals that more firms in Argentina recognize corruption and deficiencies within the judicial system as a major constraint for doing business compared to the Latin American average⁷. Firms reported that they were requested to give gifts or informal payments in about 6 percent of transactions involving public authorities. The corresponding figure for bribe payment requests was 10 percent. Both figures are slightly below the Latin American average. See Figure 3.

Figure 3: Enterprise survey: Overall results



Source: World Bank Enterprise Survey

Note: The Enterprise Survey reports the results from interviews with business owners and top managers in 1,054 firms in Argentina from April 2010 through April 2011.

⁷ The latest Enterprise Survey was conducted between April 2010 and April 2011. This data is therefore relatively outdated, but it nevertheless gives an indication of the level of corruption faced by firms in recent years. The survey includes business owners and top managers in 1,054 firms.

In recent years, informal payment requests appear to have been most common in interactions related to securing government contracts. Almost 30 percent of firms reported being expected to give gifts when dealing with public officials in matters related to government contracts. See Figure 4.

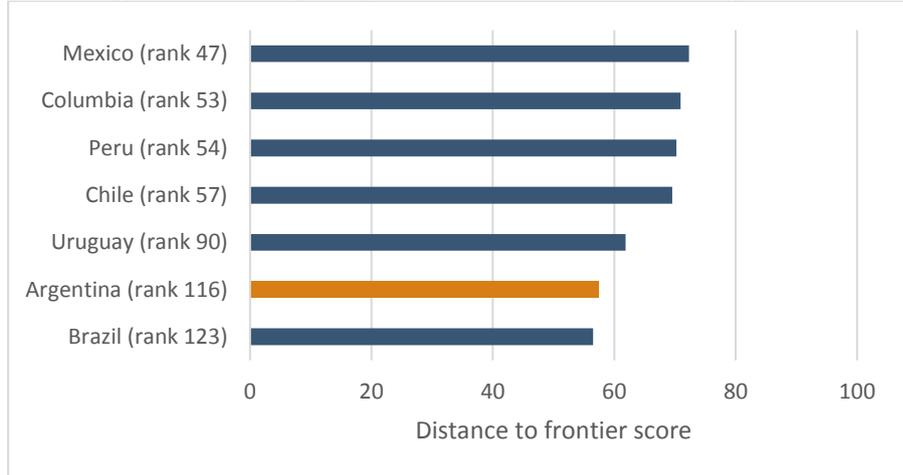
Figure 4: Enterprise survey: corruption levels in different types of interactions with the public sector



Source: World Bank Enterprise Survey
 Note: The Enterprise Survey reports the results from interviews with business owners and top managers in 1,054 firms in Argentina from April 2010 through April 2011.

Argentina ranks 116th out of 190 countries on the World Bank’s “Ease of Doing Business” index. The Doing Business indicators measure the time and costs associated with complying with business regulations in a given country. Compared to its neighbors, Argentina ranks relatively poorly. See Figure 5.

Figure 5: Argentina’s and neighboring economies’ score on “Ease of Doing Business”

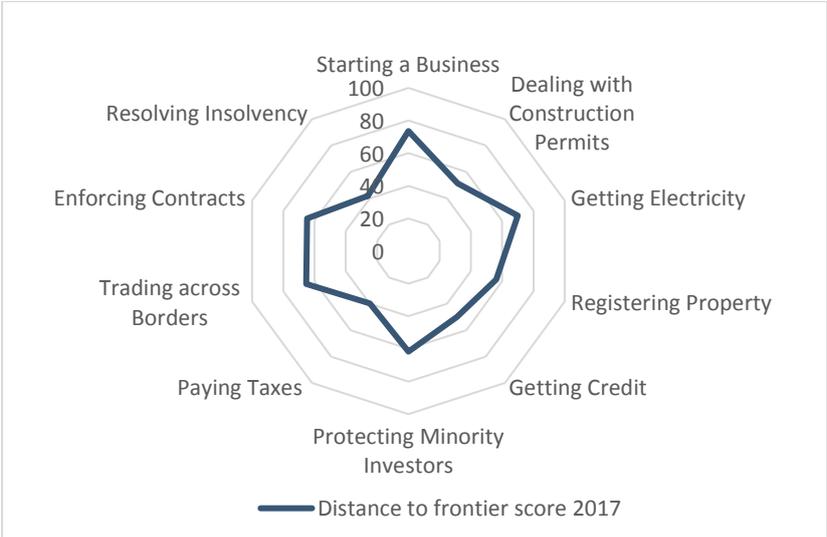


Source: World Bank Doing Business Indicators 2017
 Note: The distance-to-frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each Doing Business indicator. An economy’s distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier.

On the 10 sub-indicators included in Doing Business, Argentina scored relatively well on “Starting a business” and “Getting Electricity”. It scored relatively poorly on “Resolving Insolvency”, “Getting Credit” and “Dealing with

Construction Permits”. See Figure 6. “Trading across borders” was the area that improved the most between 2016 and 2017.

Figure 6: Argentina’s score on the World Bank’s Doing Business Indicators 2017



Source: World Bank Doing Business Indicators 2017
Note: The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance on each Doing Business indicator. An economy’s distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier.

3. Barriers to trade and investment

This chapter discusses the results from the study. It starts with a brief overview of extent to which the respondents considered a number of broader regulatory and non-regulatory areas as barriers to business operations. Several of these areas are then analyzed in greater detail in the following section. The chapter continues with an assessment of the ongoing reforms and concludes with a discussion of factors important for ensuring business success.

The overview section concludes that an overwhelming majority of respondents regard labor regulations and standoffs between unions and employers as the most problematic factor for business operations. Other main barriers include time-consuming and costly administrative requirements for starting a business and paying taxes. Among the non-regulatory barriers, respondents rated corruption, inflation, and political risks as the main concerns.

3.1. Overview

When asked to rate the extent to which they considered a number of regulatory factors as a barrier to business operations, more than 60 percent of respondents rated “Labor regulations” as a significant barrier. Labor regulations was followed by “Start-up procedures”, which 37 percent of respondents rated as a highly problematic factor. The Doing Business Indicator ranks Argentina 157th out of 190 countries on “Ease of Starting a Business”. On average, starting a business requires 14 procedures, takes 25 days and costs the equivalent of 9.3 percent of annual per capita income. The corresponding figures for OECD high income countries are on average 4.8 procedures, 8.3 days, and 3.1 percent of per capita income⁸. This illustrates that starting a business is significantly more cumbersome in Argentina than in other high income countries. In November 2016, the Congress approved an initiative to simplify and streamline the procedures required for starting a business. The aim of the program is to reduce the time it takes to establish a company to 24 hours⁹. If successful, this program will significantly help reduce the bureaucratic burden during the start-up process.

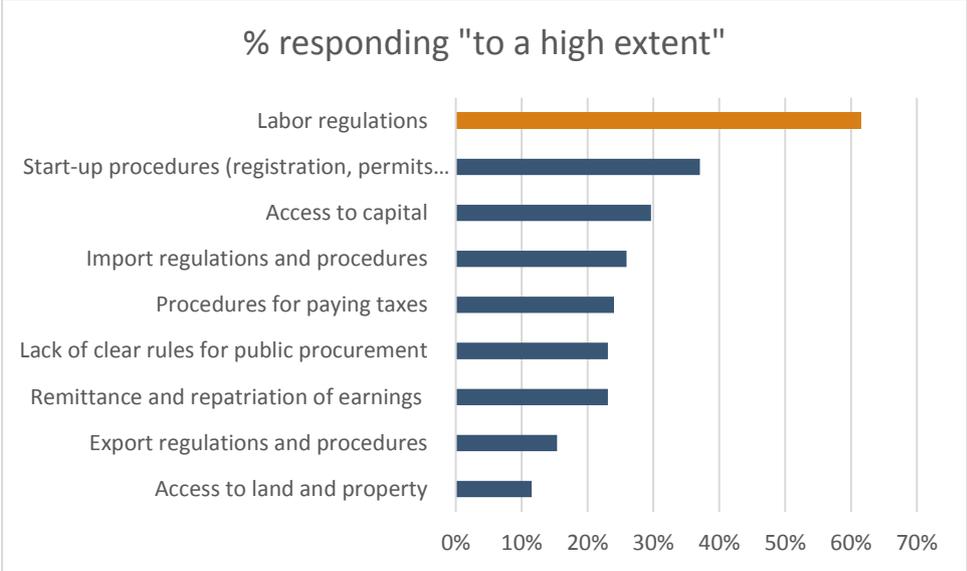
Access to capital and import regulations came out as the third and fourth most problematic areas. In both these areas significant progress has been achieved since the Macri government came into power. Another area where considerable progress has been made is remittance policies and repatriation of earnings, which only 23 percent of respondents considered to be highly problematic.

“Paying taxes” and “Lack of clear rules for public procurement” were considered as significant barriers by about 25 percent of respondents. The Argentine tax code is highly complex and can vary considerably across the individual provinces. Similarly, the bureaucratic requirements for participating in public procurement can be extensive. It takes considerable time and effort for companies to comply with regulations and administrative requirements in both these areas. See Figure 7.

⁸ World Bank Doing Business Indicators 2017

⁹<http://www.infobae.com/economia/2016/08/18/mauricio-macri-lanza-un-programa-para-crear-empresas-en-24-horas/>

Figure 7: To what extent do you consider the following factors a barrier to business operations in Argentina? Percentage of firms responding "to a high extent"



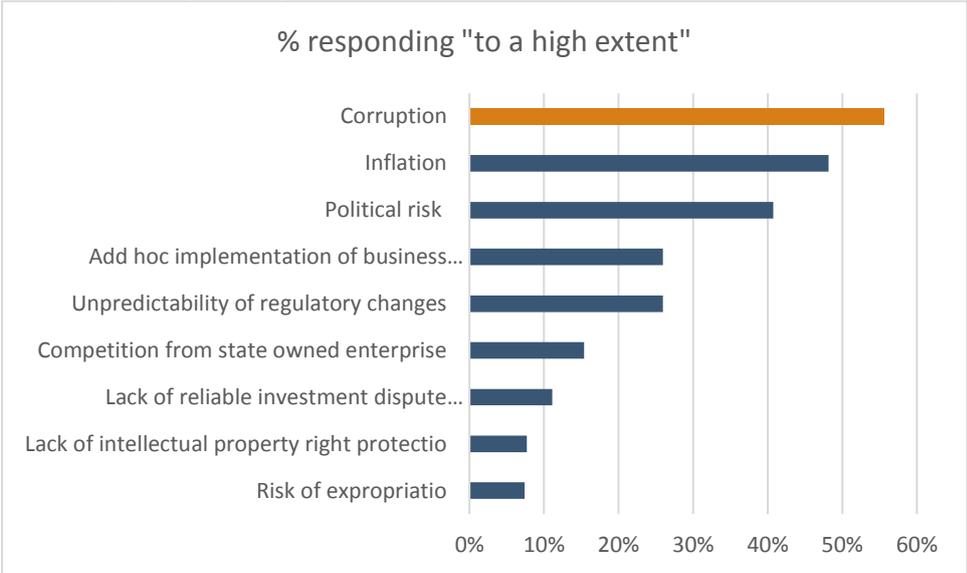
Source: Menon Economics

Among the non-regulatory factors, corruption, inflation, and political risk came out as the top three most problematic areas. While it is possible to do business in accordance with international anti-corruption compliance standards, doing so may slow down business operations. Inflation and political risk create unpredictability in the operating environment and increase costs.

26 percent of respondents considered “ad hoc implementation of business regulations” and “unpredictability of regulatory changes” as highly problematic factors. With respect to the former, respondents noted that implementation of regulations has become less discretionary under the Macri government. There is more focus on facilitating compliance rather than using existing regulations to create obstacles for businesses. With respect to the latter, respondents noted that at times of political or economic crisis, rules may change overnight without any advance notice. These ad hoc changes add uncertainty to investment and business decisions.

Competition from State Owned Enterprises (SOEs), lack of reliable investment dispute resolution mechanisms, lack of intellectual property rights protection and the risk of expropriation were considered major barriers for business operation by relatively few respondents. See Figure 8.

Figure 8: To what extent do you consider the following factors a barrier to business operations in Argentina? Percentage of firms responding “to a high extent”



Source: Menon Economics

When respondents were asked to state the three factors which they considered to be most problematic for business operations, the clear majority included labor regulations and the extensive power of unions on their list. Other factors that were frequently mentioned were corruption, political and economic instability and unpredictability, lack of clear legal frameworks and risk of ad hoc regulatory changes, high costs due to inflation, and lack of access to financing and repatriation of earnings. See Table 4.

Table 4: Factors most frequently included on respondents’ top three list of barriers

1. Labor regulation and unions
2. Corruption
3. Political and economic instability and unpredictability
4. Lack of clear legal framework and risk of ad hoc regulatory changes
5. High costs due to inflation
6. Lack of access to financing and repatriation of earnings
7. Dysfunctional judicial system
8. Import/export restrictions and delays
9. Cultural differences
10. Bureaucracy

Source: Menon Economics

In addition, inefficiencies in the judicial system repeatedly came up as a main concern. Respondents noted that few businesses rely on the judicial system for resolving business disputes and instead seek other ways to insure business deals against losses. This is due to a number of factors including traditionally high levels of corruption, insufficient institutional independence and significant delays in case management. Taking a case through the court system can take years.

3.2. Assessment of specific barriers by area

This section provides in-depth analyses of trade and investment barriers in the following areas: import and export, access to finance and remittance policies, labor, corruption, public procurement and intellectual property rights protection. It concludes with a brief discussion on doing business in the provinces.

It concludes that the reform of the import licensing regime has significantly improved importation. Beyond changes to requirements, respondents reported visible improvements in terms of professionalization of the customs authority and in the implementation of import regulations. However, several challenges remain in this area. The lifting of capital controls and foreign exchange restrictions was considered to have significantly improved the business environment. There are no longer any major issues related to moving capital and repatriating earnings. Access to finance is still a main concern for many companies due to the high costs of credit. Labor regulations and standoffs with unions continue to be an area of major concern for the business community. To tackle corruption, the Macri government has made increased transparency in the public sector one of its key priorities. Respondents noted that the change in message from the top has had a positive impact on corruption levels and ethical standards among public officials. Respondents highlighted public contracting of large-scale works as an area where corruption has been significantly reduced. Varying conditions for business across provinces call for careful analysis before investing in a given location.

3.2.1. Import and export

From 2012 through 2015, Argentina maintained an import licensing regime known by the acronym DJAI. Under the DJAI, all imports required advance approval from the government. The objective of the DJAI was to limit import, increase investments of local content in production, and balance the trade accounts. To achieve the latter, the import regime required that domestic companies exported at least as much as they imported, in terms of value. This one-to-one requirement led to outcomes where companies had to take on activities unrelated to their core business. One example for this is car manufacturers that started exporting wine to be able to meet their export commitments. The DJAI regime was subject to a WTO dispute that Argentina lost in 2014. After taking office, the Macri government replaced the DJAI with the so called “Comprehensive Import Monitoring System” (SIMI) which includes an automatic and a non-automatic import licensing regime.

The automatic procedure applies to the lion’s share of the tariff line, about 90 percent, while the non-automatic procedure applies mainly to goods deemed import-sensitive. These products include automobiles, paper and cardboard, iron and steel, nuclear reactors, and parts, toys, textiles, apparel, and footwear. The respondents unanimously reported major improvements in importation after the reform of the licensing regime. They described a simplification of formal rules, as well as noticeable changes in the implementation of regulations and procedures by the customs authority. Overall, the new licensing regime is considered to be much more flexible and reasonable. With a significant decrease in the number of permits needed for importation, the time and effort required to import goods has been substantially reduced. The same applies to the time it takes to get goods cleared through customs. The National System of Foreign Trade Single Window (NSFTSW), which opened in 2016, has contributed to these time reductions. The NSFTSW is a one-stop-shop for trading across borders. It aims to streamline, unify, integrate, and facilitate procedures related to import, export, and transit of goods.

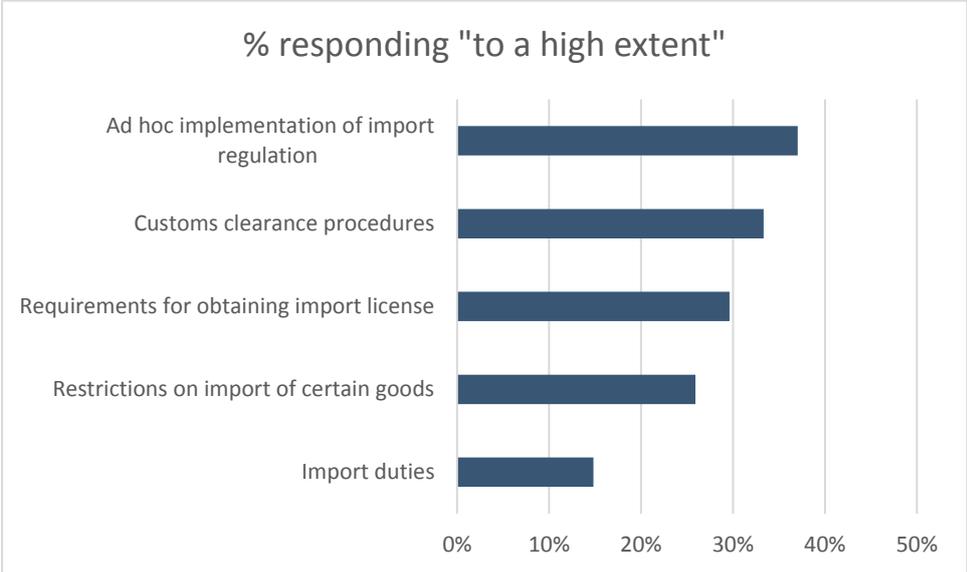
In terms of changes to implementation, the respondents reported a visible professionalization and change in mentality within the customs authority. This change should be understood as part of the broader reorientation from protectionist policies towards increased integration into the international economy under the new government. However, despite the reported progress in terms of professionalization there is still room for

improvement. Respondents noted that the level of bureaucracy is still high and that there are areas where regulation is unclear, which leaves room for discretionary decision-making by individual officials. Although delays have been reduced, they have not been eliminated. Adding to the complexity is the historically high level of corruption within the customs authority. Initiatives such as the Single Window for Trade have the potential to reduce corruption and discretionary decisions by limiting the level of human interaction involved in transactions, but changing behaviors generally takes time. 37 percent of the respondents rated “ad hoc implementation of import regulation” and 33 percent rated “custom clearance procedures” as a highly problematic factor. See Figure 9.

30 percent of respondents considered “requirements for obtaining import license” to be highly problematic. The corresponding figure for “restrictions on import of certain goods” was 26 percent. The goods most affected by cumbersome requirements and restrictions are those falling under the non-automatic licensing regime (less than 10 percent of the tariff line). Among these goods, some are subject to very high taxes (up to 50 percent). In addition to the products under the non-automatic regime, respondents reported that importing electronics can be complicated. In general, respondents noted that as long as the rationale for import can be explained, then most products can be imported.

Respondents advised that getting help from specialized customs agents that know the relevant sector can significantly facilitate the import process. In case of problems, companies may also use the support of the relevant Chambers of Commerce. These can often help resolve import and customs clearance related issues.

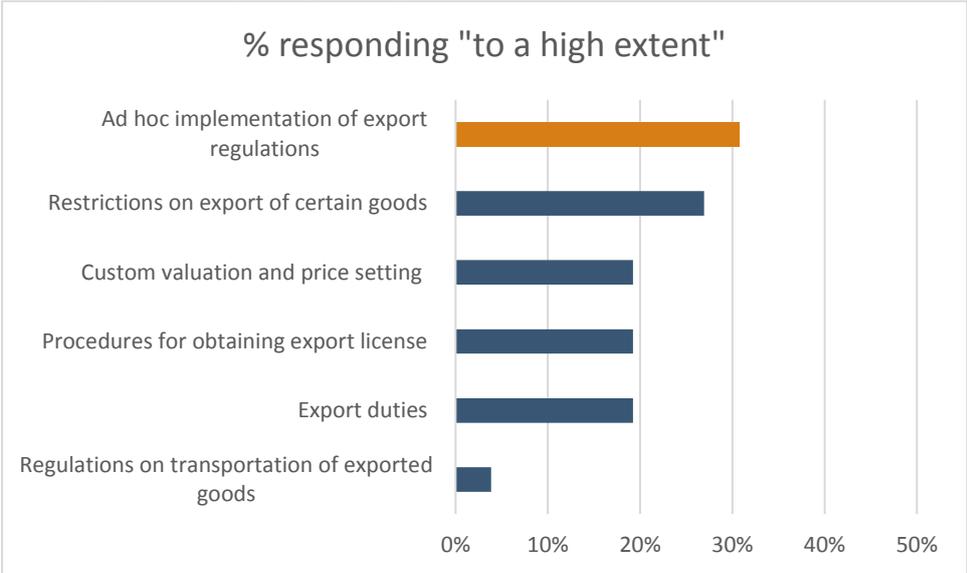
Figure 9: To what extent do you consider the following import related issues to be a barrier for business operations? Percentage of firms responding “to a high extent”



Source: Menon Economics

Exporting has never been as complicated as importing. The most significant change introduced by the new government has been the elimination or reduction of export duties, which has made it much cheaper for firms to export. The main issues encountered by firms in terms of export are the same as those related to import. Companies still complain about delays in customs, and the respondents identified “ad hoc implementation of regulation” as the most problematic area. See Figure 10.

Figure 10: To what extent do you consider the following *export* related issues to be a barrier for business operations? Percentage of firms responding "to a high extent"



Source: Menon Economics

3.2.2. Access to finance and remittance policies

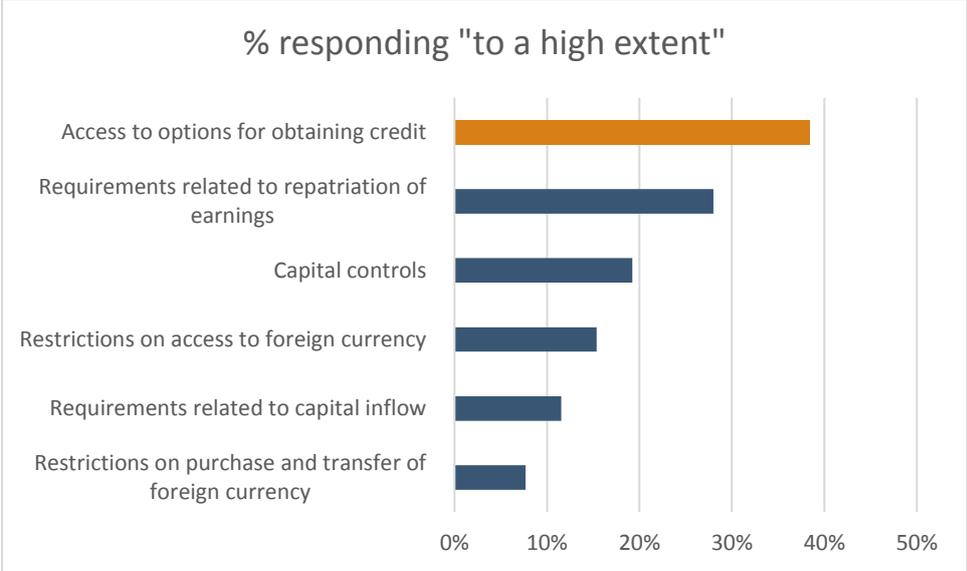
To counter increasing levels of capital outflow, the previous government relied heavily on capital controls and restrictions on foreign exchange. After assuming power, the Macri government lifted these controls and eliminated the foreign exchange restrictions. There are no longer any regulations that prohibit, restrict, or limit cash flow transfers from investments, and there are no official restrictions on money conversion or remittances.

The capital controls and restrictive remittance policies were earlier seen as major barriers to business operations, as they limited the possibility for firms to repatriate their earnings. They also limited the financing possibilities in business transactions. Respondents agreed that the lifting of capital controls and foreign exchange restrictions has significantly improved the business environment.

The only restrictions that still apply are a time requirement on deposit of capital inflow and a capital limit. The time requirement mandates that investors keep portfolio investments in the country for at least 120 days (previously 365 days), and a capital limit mandates that a maximum amount of USD 2 million per month can be purchased without Central Bank authorization. Respondents noted that the latter requirement has few practical implications for businesses. The measure is targeted at individual citizens rather than businesses, and in practice, a company that wants to purchase a higher dollar amount can relatively easily get approval to do so.

Access to finance is still a major concern for many companies. 38 percent of respondents rated this factor as highly problematic. See Figure 11. The reason behind the lack of access to finance are the limited options for obtaining affordable credit. Compared to other countries, obtaining credit in Argentina is extremely expensive due to high interest rates. The difficulty of obtaining credit and the high interests rates are linked to the high level of inflation and the structure of the economy, which is mainly cash-based. Faith in the banking system was lost after the economic crisis in 2001, when millions of Argentines lost their bank savings overnight. The Macri government has made some progress in terms of restoring trust in the banking system, and more money is now flowing back into the system.

Figure 11: To what extent do you consider the following *finance* related issues to be a barrier for business operations? Percentage of firms responding “to a high extent”



Source: Menon Economics

3.2.3. Labor

As illustrated in the overview section (3.1.), respondents considered labor-related issues to be among the most problematic factors for doing business in Argentina.

Among the labor-related issues, a striking 81 percent of the respondents rated union bargaining and strikes as a significant barrier for business operations. Unions play a powerful role in Argentine society, and they have the legal right to negotiate collective bargaining agreements. Although several respondents reported good relations with their unions, they also spoke of standoffs between management and union leaders and how disputes at times impede business operations. Respondents highlighted situations where unions have used their power to put pressure on companies beyond what is considered to be within the established “rules of the game”.

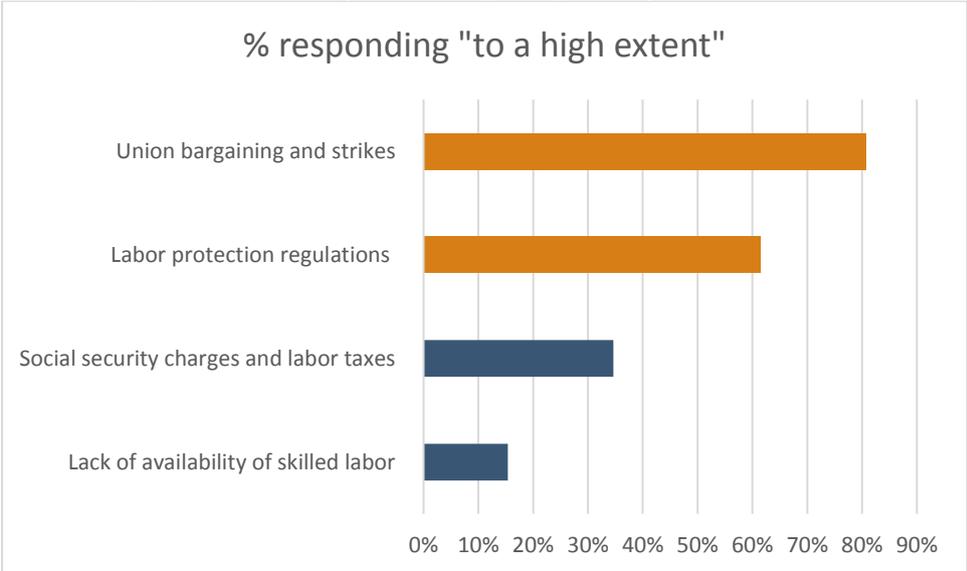
In several sectors including shipping and energy, companies must often deal with multiple unions, each with the right to negotiate its own salary agreements. With high levels of inflation and uncertainty in the economy, the unions have a strong bargaining position. In general, salary negotiations take place at sector level, but respondents reported that unions bargain with individual firms on the side of these negotiations. Companies operating in Argentina must therefore be prepared to maintain continuous dialogue with the unions. Respondents emphasized that to manage relations with unions, it is critical for foreign companies to develop a thorough understanding of the culture and functioning of the Argentine labor market.

More than 60 percent of respondents rated labor protection regulations as a significant barrier to business operations. Labor laws are considered highly protective of workers, and there are strict regulations around hiring and firing. Several respondents complained about difficulties in terms of firing workers even in situations of clear underperformance. Relative to other countries in the region, Argentina has high social security charges and other labor taxes. 35 percent of the respondents rated these labor costs as a major barrier for business operations. See Figure 12.

Availability of skilled workers is one of Argentina’s competitive strengths. As noted in the previous sections, Argentina has one of the most highly educated workforces in the region, and universities generally meet high

academic standards. However, some respondents noted that finding highly specialized skills in certain technical fields can at times be challenging. Respondents also noted that human capital is much higher in the Buenos Aires area and the richer provinces than in the rural areas where the quality of the educational system is comparatively lower. Respondents also noted the high level of creativity and adaptability of Argentine workers and emphasized the importance of understanding differences between working cultures for foreign managers in order to bring out high performance among their employees.

Figure 12: To what extent do you consider the following labor availability and labor protection issues to be to be a barrier for business operations? Percentage of firms responding “to a high extent”



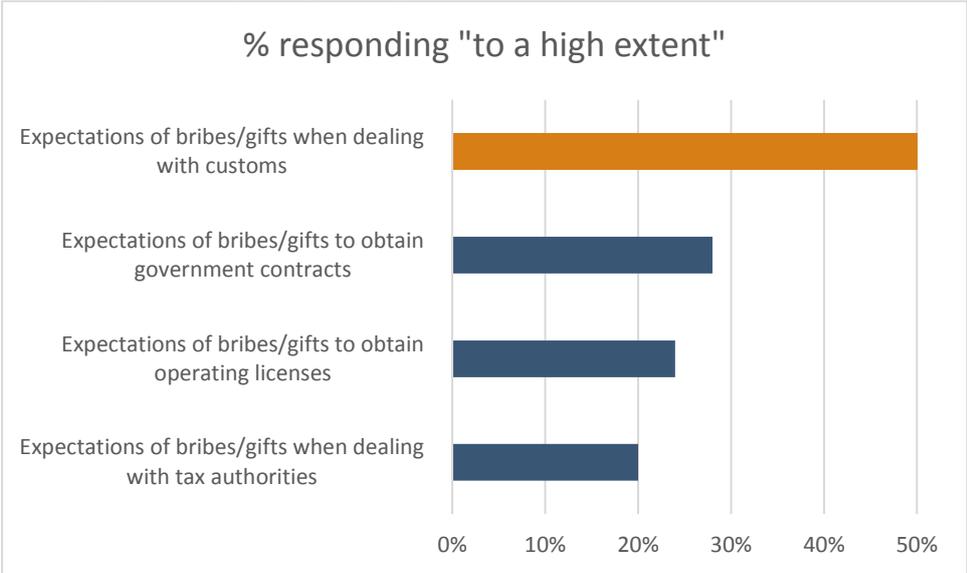
Source: Menon Economics

3.2.4. Corruption

As illustrated in the previous section, persistent corruption has historically been a challenge in Argentina. The Macri government has taken a strong stand against corruption and made increased transparency in the public sector one of its key priorities. Respondents noted that the change in message from the top and the replacement of government officials which the last election resulted in has had a positive impact on corruption levels and improved ethical standards among public officials. Respondents reported a visible change in mindset and attitude among public officials, and a professionalization of behaviors.

However, changing a culture of persistent corruption takes time. As highlighted in section 3.1., corruption is still a major concern for businesses. When asked about corruption in specific types of interactions with public officials, 50 percent of respondents rated expectations of bribes/gifts when dealing with customs officials as highly problematic. In customs, corruption may appear in several more or less visible forms. Customs officials overcharging for the inspection of goods is an example of the latter. The Macri government is actively working towards “cleaning up” customs. After assuming power, the new government appointed Mr. Juan José Gómez Centurión as the new head of customs. Mr. Gómez Centurión was suspended from his duties shortly after his appointment after allegations of corruption were made against him. Investigations later cleared him from suspicions of misconduct, and he was able to resume office. 28 percent of respondents considered expectations of bribes/gifts to secure a government contract as highly problematic. As will be discussed in the section below, respondents reported considerable progress after the change in government. See Figure 13.

Figure 13: To what extent do you consider the following corruption related issues to be a barrier for business operations? Percentage of firms responding "to a high extent"



Source: Menon Economics

Conducting business while adhering to a zero-corruption policy is possible, although it may at times slow down business. There is ample support available to firms on how to resist and navigate corruption. Most Chambers of Commerce have information booklets and provide company-specific advice upon request. The German Chamber of Commerce offers an ambitious capacity-building program called “De Empresas Para Empresas” (DEPE). The program aims to support companies, in particular SMEs, in building strong programs for compliance and internal systems for preventing corruption. The program builds on peer-to-peer learning where larger companies share their experience and strategies for avoiding corruption with smaller firms. The program is targeted at companies that work throughout the entire value chain. As part of the program, the German Chamber of Commerce has set up a helpdesk where firms can get situation-specific support on how to resist corruption¹⁰.

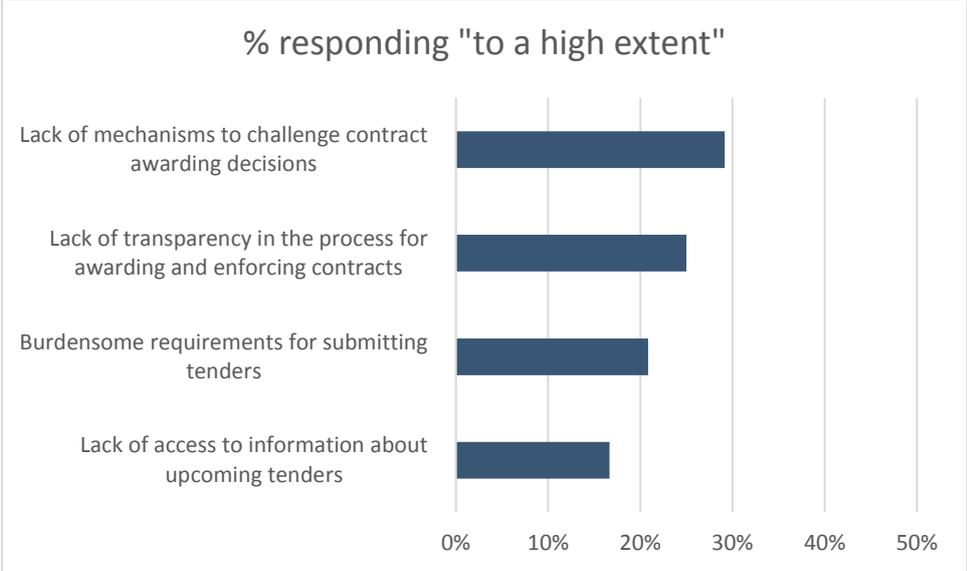
3.2.5. Public procurement

Respondents noted that corruption in public procurement has historically been the norm rather than the exception. To address this, the Macri government is pushing to increase integrity and transparency in public procurement processes. The respondents noted that professionalism in public procurement management has increased significantly. There is less discretion in the contract awarding process, and the formal rules and procedures are in most cases closely followed. The judiciary has also started to investigate some cases involving corruption in public procurement that allegedly took place under the previous government.

Respondents rated “lack of mechanisms to challenge contract awarding decisions” and “lack of transparency in awarding contracts” as the most problematic factors related to public procurement. However, a relatively low share of respondents considered this highly problematic. The bureaucracy involved when dealing with public authorities is extensive; this also applies to submitting tenders. 21 percent of firms rated “burdensome processes for submitting tenders” as highly problematic. Information about upcoming tenders was generally considered to be readily available. See Figure 14.

¹⁰ http://www.ahkargentina.com.ar/fileadmin/ahk_argentinien/DEPE/Triptico_2016.pdf

Figure 14: To what extent do you consider the following issues related to *public procurement* to be a barrier for business operations?



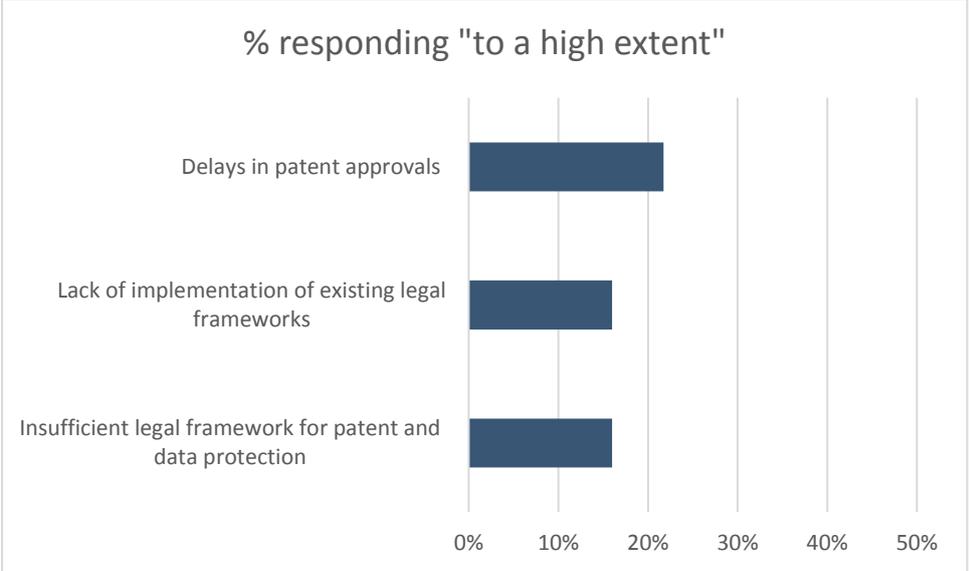
Source: Menon Economics

3.2.6. Intellectual property rights protection

Argentina adheres to most treaties and international agreements on intellectual property. Nevertheless, deficiencies persist when it comes to patent application processes and enforcement. Few respondents expressed strong concerns related to intellectual property rights protection (IPR). However, the reason for this may be the low number of exporters of intellectual property among the respondents.

The IPR-related issue that proved the most problematic was delays in patent approvals. 22 percent of respondents considered this a highly problematic factor for business operations. See Figure 15. Anecdotes told by respondents illustrate how it can take 8 to 10 years, and sometimes even longer, to get a patent approved. Respondents noted that approvals are more difficult to get in industries that are deemed “sensitive”, such as pharmaceutical and biotech. In recent years, there have been some cases about patent infringements in the seed industry that have attracted media attention. Respondents noted that enforcement of existing rules is often weak, and it may take years to take an IPR-case through the judicial system. Plagiarism is common and Argentina has a large black market. Plagiarism mostly affects software firms and companies operating in the textile and apparel industries.

Figure 15: To what extent do you consider the following *intellectual property* related issues to be a barrier for business operations? Percentage of firms responding “to a high extent”



Source: Menon Economics

3.2.7. Doing business in the provinces

Argentina has a federal governance structure with 23 provinces and one autonomous city (Buenos Aires). Each province has a relatively high degree of self-governing power, including its own business regulations and tax codes. Hence, the business environment can vary substantially across provinces depending on their respective political orientation and level of organization. Differences in terms of ease of doing business across the provinces also depend on the sector. Due to the fact that conditions vary so much, a foreign investor should conduct careful research about the conditions in the relevant province before investing.

Respondents noted that businesses operating in the provinces are dependent on the day-to-day decisions of local decision-makers. It is therefore highly important to create a good relationship with the local authorities. Companies should be aware that corruption and discretionary decision-making may pose a greater challenge at the local level. Respondents suggested that in case a company runs into disagreements with local officials, it is advisable to seek the support of the relevant Chamber of Commerce to resolve the situation.

3.3. Ongoing reforms

This section discusses the respondents’ views on the reforms initiated by the Macri government. It concludes that respondents generally consider the reforms to be comprehensive and well-targeted in terms of removing critical barriers to business operations. Finding more productive ways for managing labor market conflicts was seen as the top priority for further reform. Respondents highlighted lack of manpower and understaffing of the current government as a potential short-term risk to full implementation, and political risk as the main threat to long-term sustainability of reforms.

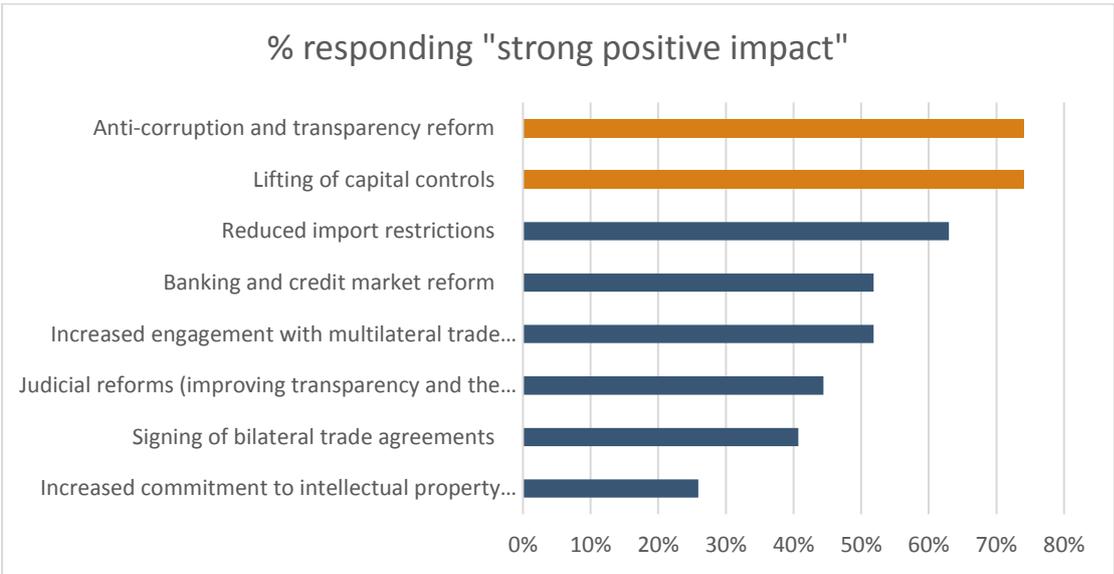
3.3.1. The business perspective on ongoing reforms

Overall, the respondents shared the view that the reforms initiated by the Macri government have significantly improved the business environment. The reforms were generally considered to be comprehensive and well targeted in terms of addressing the most critical issues. The shift in political direction towards a more business-

friendly and open economy has also resulted in a change to the way existing frameworks are being implemented. Public officials are becoming increasingly professional and facilitating in their interactions with business.

When asked about the relative importance of different reforms, anti-corruption and transparency reforms and the lifting of capital controls came out on top. The latter was also the area where respondents had noted most progress. As discussed above, respondents also testified to major progress in importation. Other areas highlighted as important were banking and credit market reforms, increased engagement with multilateral trade organizations, and judicial reform. See Figure 16.

Figure 16: How would you rate the likely impact of the following initiatives on the business environment?



Source: Menon Economics

When asked about the need for additional reforms, an overwhelming majority of respondents mentioned the need to strike a better power balance between unions and employers and for finding more productive processes to manage labor market conflicts. Some respondents also emphasized the need to decrease labor costs to make it less expensive to hire and create jobs. The second most frequently mentioned issue was simplifying business regulations to reduce the bureaucratic burden on businesses. Respondents also called for further macroeconomic reforms to stabilize the economy to increase predictability in the development of costs. Education reforms were considered critical to ensure that the skills of the next generation of workers are relevant for the future. Regarding education, respondents also mentioned the need for improving the quality of education across the whole country to ensure the availability of an educated workforce also in less central areas. See Table 5.

Table 5: What additional measures (if any) do you think the government should take to reduce barriers for trade and investment and improve the business environment?

Additional measures most frequently mentioned

1. Control and restrict the power of unions and change labor laws
2. Simplify business regulation to reduce the regulatory burden of bureaucracy
3. Better adjustment of taxes to inflation to avoid additional costs on capital
4. Undertake education reforms to ensure that graduates have the skills necessary for the future

5. Negotiate guarantees (from international financial institutions) against government default
 6. Clean up the judicial system
 7. Facilitate the importation of goods such as used equipment
-

Source: Menon Economics

3.3.2. Sustainability of reforms

There was a genuine sense of optimism among the respondents regarding the ongoing reforms and the new direction in which the country is heading. However, when asked about the prospects for implementing and sustaining planned reform, respondents highlighted lack of manpower and understaffing as a potential short-term risk to full implementation. Several respondents noted that the Macri government, which largely comes from outside Argentina's established political elite, may have too little manpower to see all the reforms through.

Political risk was seen as the main threat to long-term sustainability of reforms. However, most respondents agreed that the likelihood of the business environment reverting to the way it used to be under the previous government is limited. The main reason for this is the broader change in basic assumptions and attitudes in society. Another factor speaking for the sustainability of reforms is that the Macri government governs as a minority government, which implies that reform proposals and regulatory changes must be agreed to by the opposition. This obligation to seek broad consensus across party lines was considered an important factor for increasing the prospects for the sustainability of reforms. Even if a new government came into power after the next election now, most respondents think it unlikely that the current political course would be radically altered.

The pro-business reforms that the Macri government has initiated naturally enjoy a high level of support in the business community. However, to sustain these reforms, the government must also ensure the support of the broader electorate. To control the level of inflation and improve the fiscal environment, Macri has reduced government spending through measures like cuts in energy and transport subsidies, which has caused some frustration among the population. Some respondents noted that it is yet to be seen whether the country as a whole is ready for the changes that the Macri government is making.

3.4. Ensuring business success

This section discusses the factors considered most important for ensuring business success. It finds that most respondents considered investing with a long-term perspective, understanding the business culture, and building the capacity of the company to manage the operating environment and navigating through regulatory frameworks and bureaucracy as the most critical factors for ensuring business success.

3.4.1. Most important factors for success

Among the factors mentioned as critical for business success, almost everything boils down to the importance of understanding the Argentine business culture and building the capacity of the company to manage the operating environment.

At the top of the list of important success factors, most respondents put "investing with a long term-perspective". The need for investors to have a long-term perspective derives from the structure of the economy and the business environment. Argentina is not a low-cost country where companies establish themselves to reduce production costs and then export their goods out of the country. It is a country where companies invest if they have a profound business interest in the resources the country has to offer and/or if they are interested in

producing high-quality products that cater to the demand from domestic consumers. The other reason has to do with the business environment and that it takes time and resources for foreign companies to adapt and build the capacity to effectively navigate through it.

Closely linked to adapting to the Argentine business culture and building the capacity to manage the business environment is “hiring local employees”, which almost all respondents considered a necessity for successful business operations. Overall, respondents emphasized that hiring local staff significantly helps companies “open doors” and develop the alliances and relationships with authorities and public officials that the companies need to operate successfully. See Figure 17 and Table 7.

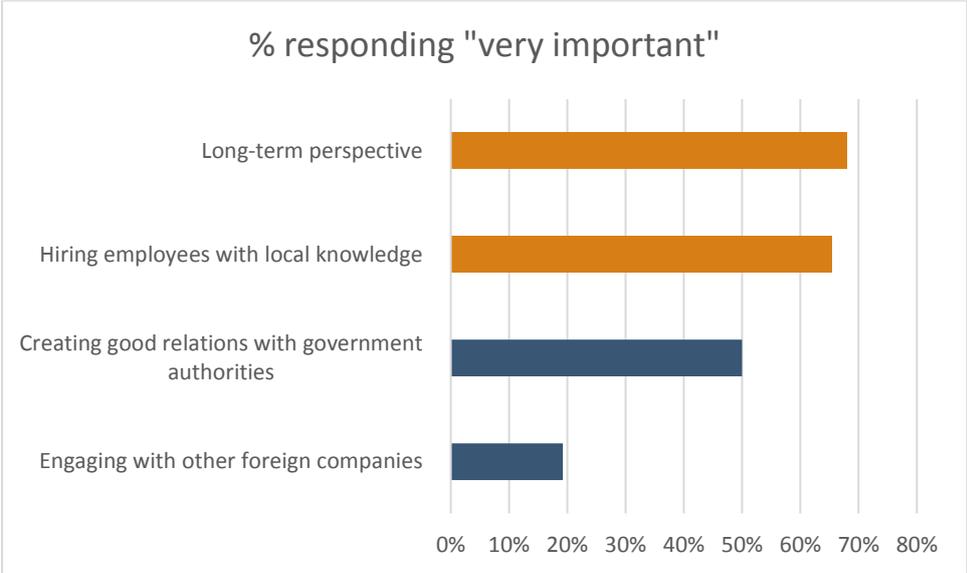
Most respondents favored the strategy of recruiting an Argentine manager to lead operations as well as hiring other local staff. Respondents emphasized the importance of having a thorough recruitment process in place when the head of operations is selected to ensure that a reliable partner has been found. Most Norwegian firms currently operating in Argentina are managed by an Argentine, and the majority of employees are locals.

Due to the complexities of the tax system and human resource-related issues, most respondents consider it necessary to hire local experts to deal with these matters. Relying on local experts to perform these tasks significantly reduces the difficulty of navigating through the regulatory system and the bureaucracy. Respondents noted that there is ample availability of highly qualified experts who are specialized in supporting foreign companies in these areas.

Respondents also highlighted the need for understanding local legislation and to get good legal representation. Oral agreements have limited practical value, and it is relatively common for companies to end up in legal disputes and disagreements. Every detail in a business deal is therefore regulated in extensive written agreements. A foreign company therefore needs a local lawyer that can help set up and review these agreements and manage legal disputes.

It was also noted that foreign companies need to recognize that doing business takes more time in Argentina than what they may be used to from their country of origin. This applies to everything from business meetings to getting things through customs to getting your orders delivered. Argentina is a country of frequent changes. This implies that companies operating in the country must be flexible and ready to quickly adapt to changes.

Figure 17: How would you rate the importance of the following factors for ensuring business success in Argentina?



Source: Menon Economics

Table 7: What do you consider to be the top three most important factors for foreign businesses to consider to ensure business success in Argentina?

Top 8 factors most frequently mentioned

1. Long-term commitment
2. Understanding the local labor market (hire local personnel to manage human resources and labor unions or develop solid cultural understanding)
3. Hiring qualified local labor
4. Finding a good local partner
5. Understanding the local legislation and regulations including good legal representation
6. Being flexible and creative
7. Ensuring that a solid legal contracts are in place for your operations
8. Creating and maintaining good public relations

Source: Menon Economics

There are plenty of support services available for Norwegian and other foreign companies interested in entering the Argentine market. A good starting point is the relevant Chamber of Commerce, which can provide valuable information and contacts to potential local partners and business advisors. There are both Norwegian lawyers and financial experts operating in Buenos Aires that are specialized in supporting Norwegian companies doing business in Argentina.

3.4.2. Timing of investments

As discussed above, there is strong optimism among the business community in terms of where the country is heading. Most respondents therefore suggested that for a company with a good business case, it is a good time to invest in Argentina. Much-needed reforms have significantly improved the business environment, there is untapped market potential, and firms entering the market in the near future will still have the “first mover advantage” of lower prices. However, the timing of investments depends on the relevant sector and the investment strategy.

Respondents noted that for companies operating in the energy sector, there is currently a lot of potential. The Macri government recently passed new renewable energy regulations with the aim of attracting new investments to develop its renewable energy resources, and several measures to facilitate investments in energy are being implemented. In terms of types of investment, respondents noted that firms considering entering through mergers or acquisitions or by way of direct investment should take the time to do careful research and preparation before investing.

4. Annex: Questionnaire: Trade and Investment Barriers in Argentina

CONTRIBUTOR INFORMATION

Name		Contact details	
Title (Ms., Mr.):	<input type="text"/>	Agency/Company name:	<input type="text"/>
First name:	<input type="text"/>	Sector of operation (if applicable)	<input type="text"/>
Last name:	<input type="text"/>	Email address:	<input type="text"/>
Professional title:	<input type="text"/>	Phone:	<input type="text"/>
		Mobile phone:	<input type="text"/>

ASSESSMENT OF MAIN ISSUES

1. To what extent do you consider regulatory requirements in the following areas as a barrier to business operations of foreign companies in Argentina? Please rate each issue.

Issue	Scale					
	To a limited extent		To some extent		To a high extent	
	1	2	3	4	5	6
1. Import regulations and procedures	<input type="checkbox"/>					
2. Export regulations and procedures	<input type="checkbox"/>					
3. Start-up procedures (registration, permits and licenses)	<input type="checkbox"/>					
4. Procedures for paying taxes	<input type="checkbox"/>					
5. Access to land and property	<input type="checkbox"/>					
6. Remittance and repatriation of earnings	<input type="checkbox"/>					
7. Access to capital	<input type="checkbox"/>					
8. Labor regulations	<input type="checkbox"/>					
9. Lack of clear rules for public procurement	<input type="checkbox"/>					

Please add any additional comments:

2. To what extent do you consider the following non-regulatory issues as a barrier to business operations of foreign companies in Argentina? Please rate each issue.

Issue	Scale					
	To a limited extent		To some extent		To a high extent	
	1	2	3	4	5	6
1. Risk of expropriation	<input type="checkbox"/>					
2. Lack of reliable investment dispute mechanisms	<input type="checkbox"/>					
3. Lack of intellectual property right protection	<input type="checkbox"/>					
4. Inflation	<input type="checkbox"/>					
5. Political risk	<input type="checkbox"/>					
6. Corruption	<input type="checkbox"/>					
7. Unpredictability of regulatory changes	<input type="checkbox"/>					
8. Ad hoc implementation of business regulation	<input type="checkbox"/>					
9. Competition from SOEs	<input type="checkbox"/>					

Please add any additional comments: []

3. What do you consider to be the *top three* barriers for foreign companies to doing business in Argentina? Please list three barriers:

1. []
2. []
3. []

Please add any additional comments: []

ASSESSMENT OF SPECIFIC BARRIERS BY AREA

Import and export

4. To what extent do you consider the following *import* related issues to be a barrier for business operations? Please rate each issue.

Issue	Scale					
	To a limited extent		To some extent		To a high extent	
	1	2	3	4	5	6
1. Import duties	<input type="checkbox"/>					
2. Requirements for obtaining import license	<input type="checkbox"/>					
3. Restrictions on import of certain goods	<input type="checkbox"/>					
4. Ad hoc implementation of import regulations	<input type="checkbox"/>					
5. Customs clearance procedures	<input type="checkbox"/>					

Please add any additional comments: []

5. To what extent do you consider the following *export* related issues to be a barrier for business operations? Please rate each issue.

Issue	Scale					
	To a limited extent		To some extent		To a high extent	
	1	2	3	4	5	6
1. Export duties	<input type="checkbox"/>					
2. Procedures for obtaining export license	<input type="checkbox"/>					
3. Restrictions on export of certain goods	<input type="checkbox"/>					
4. Ad hoc implementation of export regulations	<input type="checkbox"/>					
5. Custom clearance procedures	<input type="checkbox"/>					
6. Regulations on transportation of exported goods	<input type="checkbox"/>					

Please add any additional comments: []

Access to finance and remittance policies

6. To what extent do you consider the following *finance* related issues to be a barrier for business operations? Please rate each issue.

Issue	Scale					
	To a limited extent		To some extent		To a high extent	
	1	2	3	4	5	6
1. Capital controls	<input type="checkbox"/>					
2. Requirements related to capital inflow	<input type="checkbox"/>					
3. Requirements related to repatriation of earnings	<input type="checkbox"/>					
4. Restrictions on access to foreign currency	<input type="checkbox"/>					
5. Access to options for obtaining credit	<input type="checkbox"/>					
6. Restrictions on purchase and transfer of foreign currency	<input type="checkbox"/>					

Please add any additional comments: []

Intellectual property rights

7. To what extent do you consider the following *intellectual property* related issues to be a barrier for business operations? Please rate each issue.

Issue	Scale					
	To a limited extent		To some extent		To a high extent	
	1	2	3	4	5	6

1. Insufficient legal framework for patent and data protection	<input type="checkbox"/>					
2. Lack of implementation of existing legal frameworks	<input type="checkbox"/>					
3. Delays in patent approvals	<input type="checkbox"/>					

Please add any additional comments: []

Corruption

8. To what extent do you consider the following *corruption* related issues to be a barrier for business operations? Please rate each issue.

Issue	Scale					
	To a limited extent		To some extent		To a high extent	
	1	2	3	4	5	6
1. Expectations of bribes/gifts to obtain government contracts	<input type="checkbox"/>					
2. Expectations of bribes/gifts to obtain operating licenses	<input type="checkbox"/>					
3. Expectations of bribes/gifts when dealing with tax authorities	<input type="checkbox"/>					
4. Expectations of bribes/gifts when dealing with customs	<input type="checkbox"/>					

Please add any additional comments: []

Public procurement

9. To what extent do you consider the following issues related to *public procurement* to be a barrier for business operations? Please rate each issue.

Issue	Scale					
	To a limited extent		To some extent		To a high extent	
	1	2	3	4	5	6
1. Lack of access to information about upcoming tenders	<input type="checkbox"/>					
2. Burdensome requirements for submitting tenders	<input type="checkbox"/>					
3. Lack of transparency in the process for awarding and enforcing contracts	<input type="checkbox"/>					
4. Lack of mechanisms to challenge contract awarding decisions	<input type="checkbox"/>					

Please add any additional comments: []

Labor

10. To what extent do you consider the following *labor availability and labor protection* issues to be consistent with the needs and standards of businesses? Please rate each issue.

Issue	Scale					
	To a limited extent		To some extent		To a high extent	
	1	2	3	4	5	6
1. Ability of the “right” skills in the labor market	<input type="checkbox"/>					
2. The level of social security charges and labor taxes	<input type="checkbox"/>					
3. Labor protection regulations	<input type="checkbox"/>					
4. Regulations and practices for managing labor market conflicts	<input type="checkbox"/>					

Please add any additional comments: []

ENSURING BUSINESS SUCCESS

11. How would you rate the importance of the following factors for ensuring business success in Argentina?

Factor	Scale					
	Not important		Important to some extent		Very important	
	1	2	3	4	5	6
1. Long-term perspective	<input type="checkbox"/>					
2. Creating good relations with government authorities	<input type="checkbox"/>					
3. Hiring employees with local knowledge	<input type="checkbox"/>					
4. Engaging with other foreign companies	<input type="checkbox"/>					

Please add any additional comments: []

12. What do you consider to be the *top three* most important factors for foreign businesses to consider to ensure business success in Argentina? Please list three factors:

- 1. []
- 2. []
- 3. []

CURRENT REFORMS

13. The Macri government has initiated several important reforms to improve the business environment. How would you rate the likely impact of the following initiatives on the business environment?

Reform	Scale					
	Limited impact		Some positive impact		Strong positive impact	
	1	2	3	4	5	6
1. Lifting of capital controls	<input type="checkbox"/>					
2. Reduced import restrictions	<input type="checkbox"/>					
3. Increased engagement with multilateral trade organizations	<input type="checkbox"/>					
4. Signing of trade agreements	<input type="checkbox"/>					
5. Judicial reforms (improving transparency and the rule of law)	<input type="checkbox"/>					
6. Increased commitment to intellectual property protection	<input type="checkbox"/>					
7. Banking and credit market reform	<input type="checkbox"/>					
8. Anti-corruption and transparency reform	<input type="checkbox"/>					

Please add any additional comments: []

14. What additional measures (if any) do you think the government should take to reduce barriers for trade and investment and improve the business environment? Please describe: []