

## Argentine Tariffs and Taxes

In 1979, in order to make its industry more competitive, the Argentine government introduced a program to decrease tariffs over a five-year period. When the program is concluded the minimum tariff will be 10 per cent and the maximum no more than 40 per cent. In addition to these duties, all imports are subject to a value-added tax (VAT) of 20 per cent, except for foodstuffs and pharmaceuticals, for which it is 8 per cent.

## Market Outlook

Although Argentina is experiencing severe economic problems at the present time, Canadian firms should view this market in long term objectives. Argentina, with a population of 28 million, is well endowed with natural resources, e.g. oil, gas, minerals, undeveloped hydro sites and rich farmlands. The government has already commenced an ambitious program to open up mining to international firms, double hydroelectric generation capacity, and to become self-sufficient in oil.

Opportunities for Canadian exporters exist in supplying equipment to such large hydroelectric projects as Yacyreta, Limay Medio and Piedro del Aguila, as well as transport equipment to Argentine railways, subway equipment for the expansion of the Buenos Aires metro, mining equipment to new mines, and forestry equipment to both new and existing forestry projects. In addition to export markets associated with large resource-type projects, Canadian exporters can also expect a growing demand for electric and communications equipment, motor vehicles and parts, sulphur, asbestos, and various chemicals and pharmaceutical products.