**Position Paper**

**Committee: World Trade Organization**

**Topic: Promotion of Fair Trade**

**Country: Argentina**

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**1. Basic Information**

The agro-industrial sector has played an important role in the Argentine economy for many years. It is the main source of foreign exchange, which is crucial to our economy. In 2020, agro-industrial exports accounted for 70% of Argentina's total exports to the world. The main agricultural exports in 2020 were: soybean meal, corn, crude soybean oil, soybeans, wheat, barley, beef, fine wine, biodiesel, peanuts in shell, shrimp and prawns. The main destinations were the EU, China, Brazil, Viet Nam, India, Chile and the USA.

**2. Positive contributions**

2.1. Argentina has reached several trade agreements with other countries. Argentina is a founding member of the Association for Latin American Integration (ALADI), which was created in 1980 with the long-term targets of establishing a Latin American Common Market. It is a member of the Southern Common Market, which entered into force in January 1991. It has also established a number of free trade associations with Southern Africa, the European Union, Israel, Egypt, India and Singapore.

2.2. Argentina is an active participant in the multilateral trading system. It is a firm believer in multilateralism and is one of the main contributors to the work of the WTO. Argentina also participates in the negotiations on fisheries subsidies and contributes to several Joint Statement initiatives, such as one trade, MSMEs, investment facilitation and domestic regulation of services.

**3. Negative contributions**

3.1. The economic outlook in Argentina remains challenging as the COVID-19 pandemic has added additional pressure on an economy that was already in recession from 2018 to 2020, leading to a 9.9% fall in GDP in 2020.

3.2. Argentina's adoption of heterodox economic policies has resulted in a highly distorted economy with persistently high inflation. Firms and consumers are constrained by a wide range of trade, financial, capital, price and exchange controls. In addition, the Argentine government imposes import barriers and regulatory burdens that adversely affect foreign products and services. Importers experience delays or denials of licenses to import intermediate goods and inputs, and face severe restrictions on their ability to access foreign exchange to pay for imported goods or services.

3.3. Argentina relies heavily on trade taxes, which affect both exports and imports, to raise revenue. The use of export taxes has increased, which discourages exports. Exporters were also found to be subject to a number of procedures and requirements, such as exporter records and affidavits of sales abroad, as well as export prohibitions and restrictions. In addition, the most favored nation (MFN) rates applied on 35 tariff lines exceed the bound rate and the statistical tax has been increased from 1% to 3% of the value of imports.

**4. Future improvements**

Argentina should address the challenge of improving the fiscal position while achieving sustainable growth and reducing inflation. Fiscal consolidation, together with regulatory reform and administrative simplification, would also help to improve Argentina's external competitiveness and contribute to its social inclusion objective. It is also important to avoid creating unnecessary trade barriers or disrupting global supply chains.