



Embassy of India in Argentina

Chemical & Agrochemical Industry

in Argentina / January 2021

Table of contents



सत्यमेव जयते

01/ EXECUTIVE SUMMARY	- 03 -
02/ MARKET VISION AND STRUCTURE	- 05 -
03/ MAIN COMPETITORS	- 19 -
04/ PUBLIC POLICIES	- 21 -
05/ INTERNATIONAL TRADE	- 24 -
06/ FUTURE PERSPECTIVES	- 27 -
07/ OPPORTUNITIES FOR INDIAN COMPANIES	- 29 -
08/ CONSIDERATIONS FOR FOREIGN INVESTORS	- 31 -
09/ CONCLUSION	- 49 -
10/ USEFUL INFORMATION	- 51 -



01/

Executive Summary



// EXECUTIVE SUMMARY

- The total production of the Argentine chemical industry in 2019 was valued at USD 25 billion.
- Almost half of local chemical production in Argentina corresponds to end-use products (paints, cosmetics, drug products, etc.). Argentina also has a strong agriculture sector, and the farm sector is the largest user of products from the chemical industry.
- Local agrochemical production depends on imports to meet the unfulfilled demand. The United States and China are the main countries of origin of agrochemical imports.
- Both the chemical industry, in general, and the agrochemical sector present good prospects in the medium and long term, considering the steady increase in national consumption as well as production.
- The industry provides opportunities for foreign companies either to export to Argentina or to invest locally.



02/

Market Vision and Structure

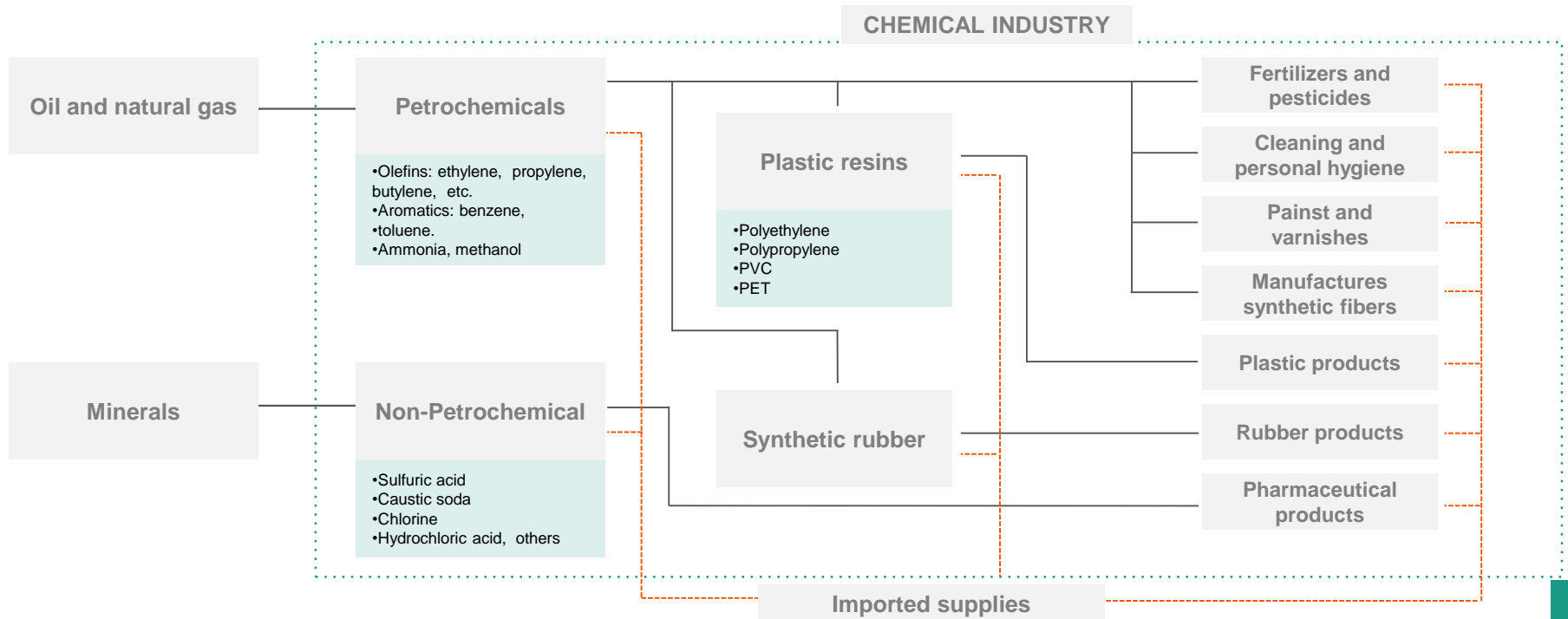


// VALUE CHAIN STRUCTURE

Resource

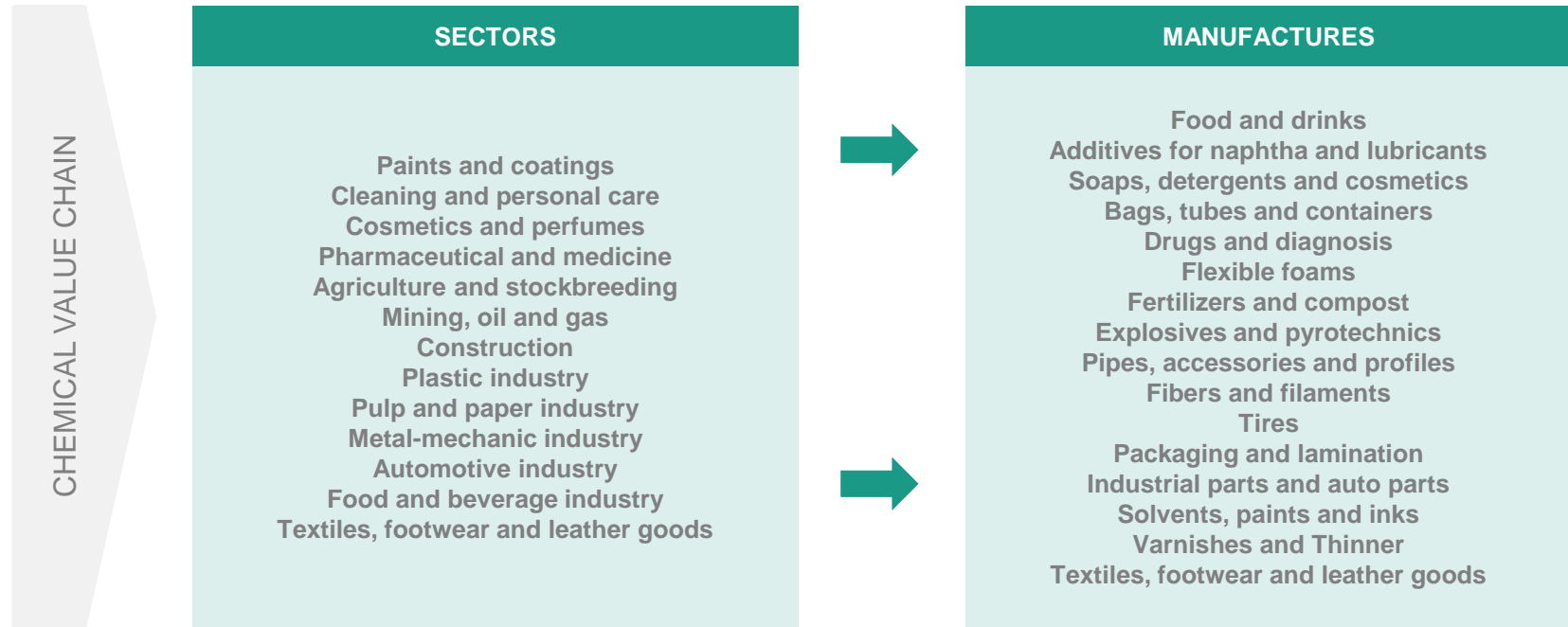
Chemical Substances

Final Products





// STRUCTURE OF THE CHEMICAL SECTOR





// DIVISIONS, SECTORS AND SUBSECTORS OF THE ARGENTINE CHEMICAL INDUSTRY

INTERMEDIATE-USE GOODS			
Substances and basic chemicals		Agrochemicals and fertilizers	Speciality chemicals
Organic chemical substances	Inorganic chemical substances		

END-USE CHEMICAL PRODUCTS			
Paints and varnishes	Cleaning and personal care products	Medicines for human and animal use	Cosmetics



// MARKET SIZE

Agrochemicals sales
in Argentina reached
USD 2.8 billion in 2019

4,686,000
Tons of locally demanded
agrochemicals

100,000+
Employees
(50% work in SMEs)

Source: Rosario stock exchange, Los Grobo, CIQyP.

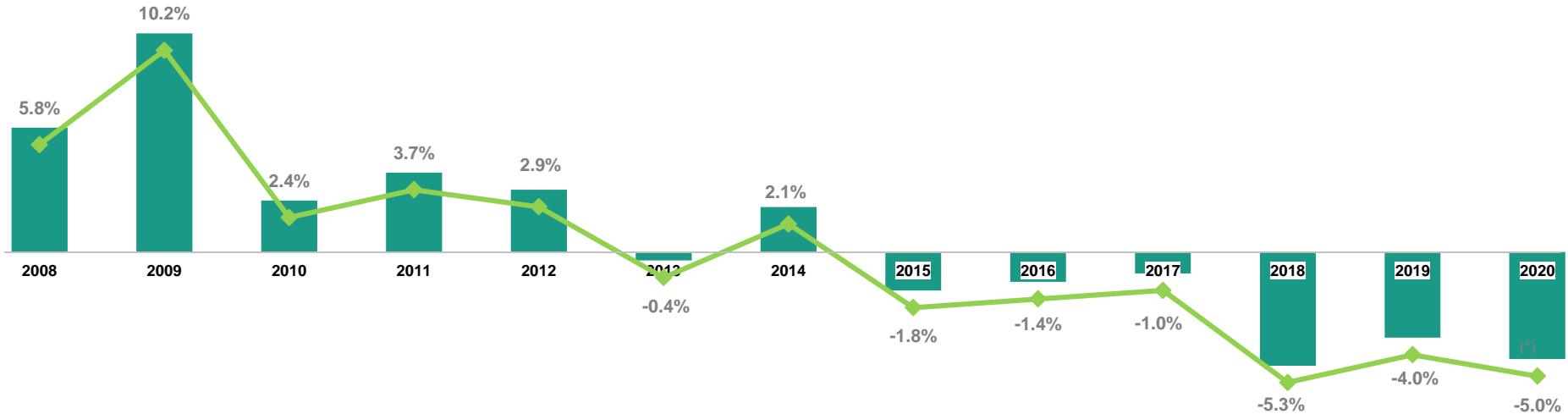
2019

TOTAL OUTPUT VALUE
USD 25 billion

EXPORTS VALUE
USD 2.8 billion

YEAR-ON-YEAR VARIATION
IN PRODUCTION
-4%

// EVOLUTION OF THE VOLUME OF THE CHEMICAL INDUSTRY



Source: INDEC (National Institute of Statistics and Census). Production values. (*): CIQyP. Estimated to August 2020.

The evolution of Argentine chemical production can be divided in two extended periods in the last 11 years. Between 2008 and 2014, the production expanded, reaching a growth level of 10.2% in 2009. From 2015 to the present, the sectors shows a contraction of average 3.0%.



// INDUSTRY DIMENSION

28%

of the chemicals production
in Argentina are agro-
chemicals products

12%

of the total industrial
production of Argentina are
chemical products

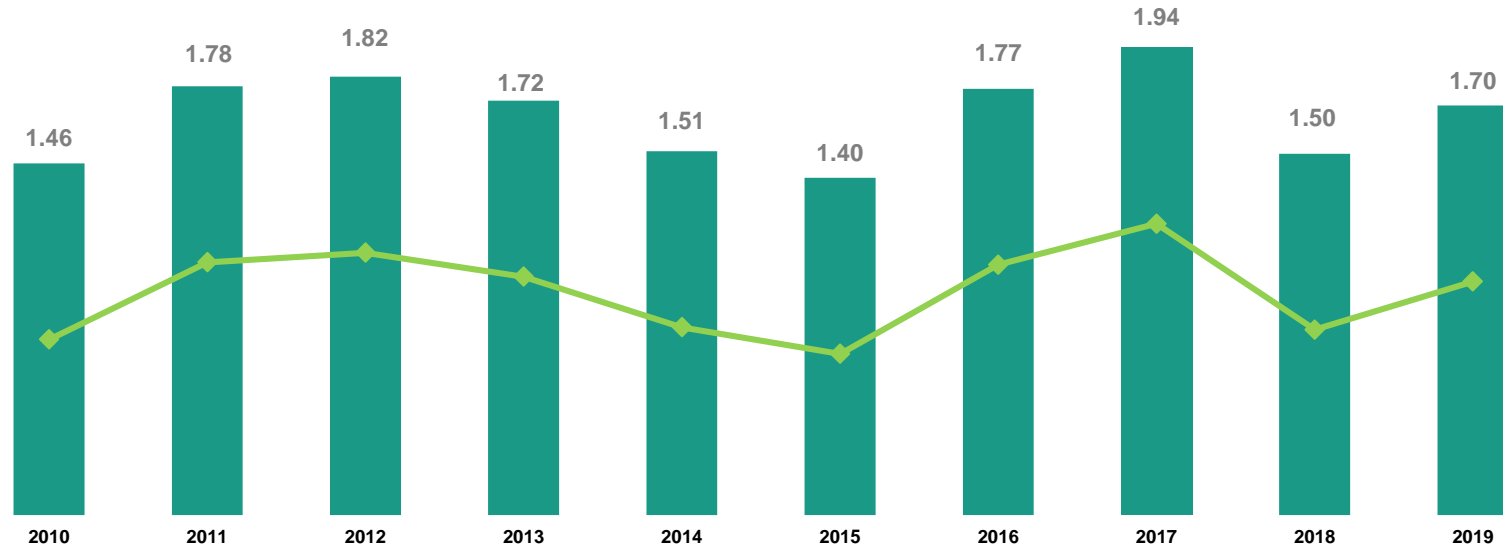
9%

share of the
Argentine GDP comes from
the chemical industry



// PRODUCTION OF AGROCHEMICALS

In billion tons

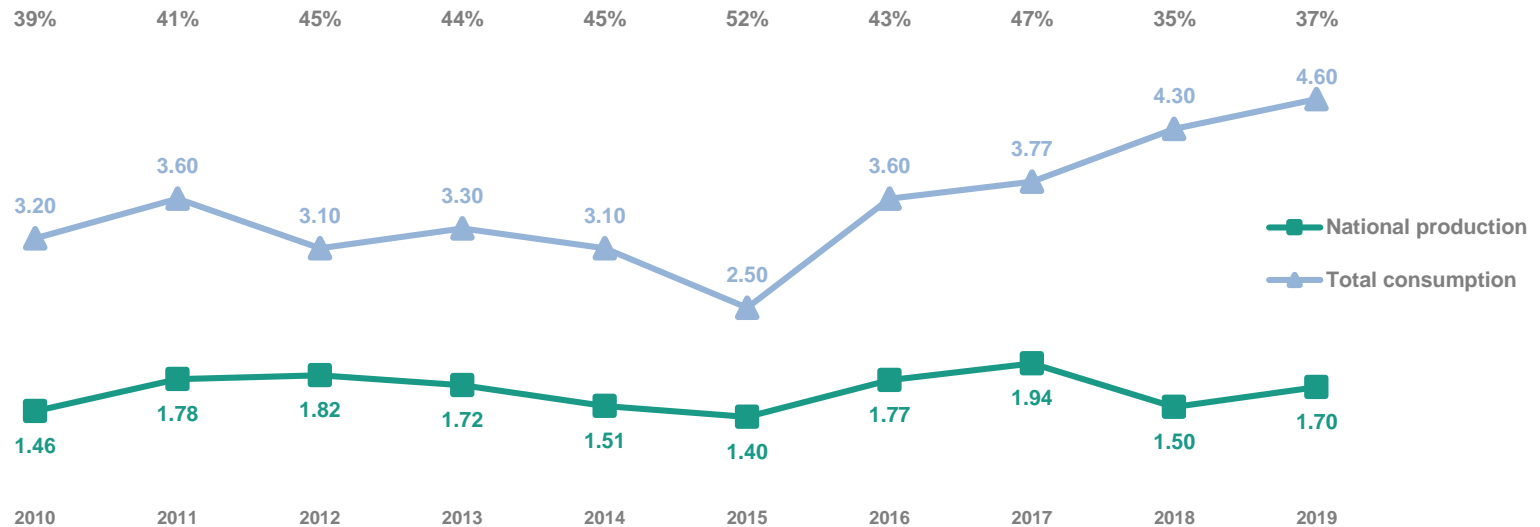




// AGROCHEMICALS: PRODUCTION VS. DEMAND

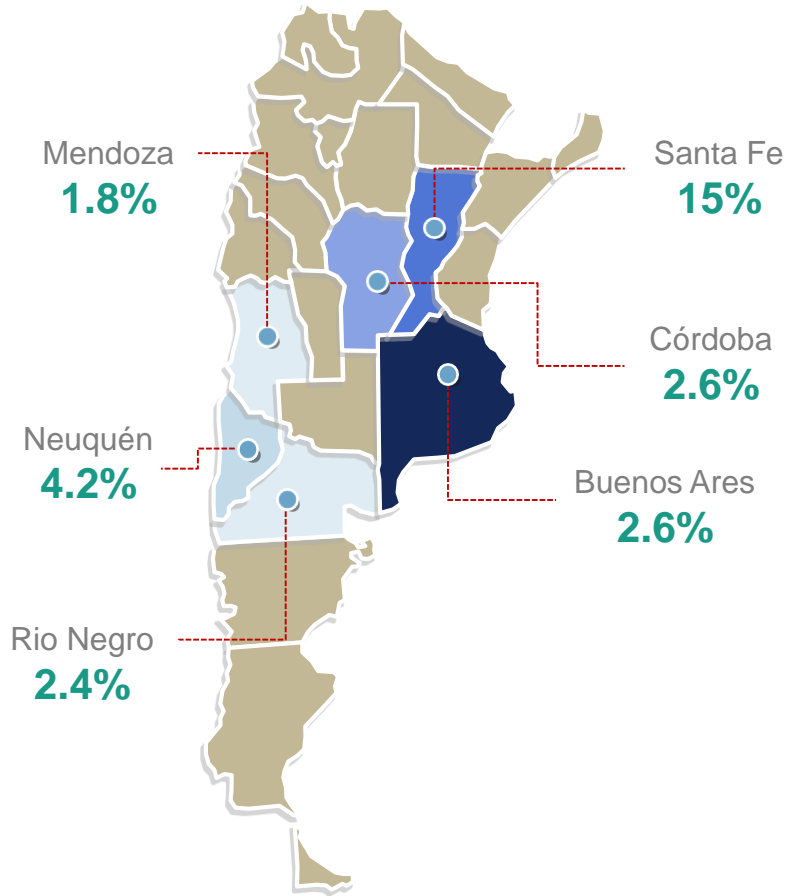
In billion tons

National production over total



Source: Compiled based on information provided by CIAFA.

Local production satisfies 37% of the demand, requiring a significant volume of imports.



GEOGRAPHICAL

“ Distribution of National Production ”

Overall, chemical production is concentrated in the central region of the country.

The province of Buenos Aires concentrates 72% of the production.

Santa Fe ranks second with a 15% share.



// MARKET SITUATION 2020

- The CIQyP monthly report for August 2020 indicates that during the month of June local sales in the sector increased by 7% when compared to the values of the previous month, mainly due to intermediate and inorganic chemical products. However, in the first half of 2020 the sectors accumulates a 13% loss and the local market showed a 3% year-on-year drop.
- The report carried out by CIQyP also indicates that, compared to May, production contracted by 10% and exports by 25%, accumulating falls of 2% and 26%, respectively. Year-on-year, production recorded a drop of 5% and external sales, a drop of 30%.
- The installed capacity of the sector during June 2020 had an average use of 32% for basic and intermediate products and 63% for petrochemical products. Operational problems of some plants due to unscheduled technical shutdowns validate the low average for basic and intermediate products. Regarding the trade balance, in June it reached a deficit of USD 469 million, 14% lower than the same month of 2019, with variations of 3% in imports and -16% in exports.
- In June, the PyMIQ (Small and Medium Chemical Industry) sector managed to recover compared to May, reaching a growth of 21% in production and 32% in local sales. Year-on-year, its production fell 4% and local sales by 22%.
- Total sales (local market + exports) reached USD 1.4 billion in the first half of the year, according the companies participating in the above-mentioned report.



// PROHIBITED AND RESTRICTED CHEMICALS

Restricted chemicals in Argentina:

CHEMICAL	
ALDICARB	2930.90 (*)
AMINOTRIAZOL	2933.99
MERCURY BICHLORIDE	2852.10
BENDIOCARB	2932.99
BISFENOL A	2907.23
METHYL BROMIDE	3808.91
CARBOFURAN	2932.99
CHLORPIRIFOS	2933.39
DAMINOZIDE	2928.00
DICHLORVOS (DDVP)	2919.90
ETIL AZINFOS	3808.59

CHEMICAL	
ETHION	3808.99
FENITROTHION	2920.19
FORMALDEHYDE	2912.11
PHTHALATE	2917.34
MALATHION	3808.99
METHAMIDOPHOS	2930.80
MERCURY	2805.40
LEAD	2824.10
PROPOXUR	2924.29
CARBON TETRACHLORIDE	3824.75



// PROHIBITED AND RESTRICTED CHEMICALS

Prohibited chemicals in Argentina:

CHEMICAL	
2,4,5-T	2918.91 (*)
3 CHLORINE -1,2 PROPANEDIOL	2801.10
ABAMECTIN	2932.20
COPPER ACETOARSENITE	7418.10
FLUORHYDRIC ACID AND ITS SALTS	2811.11
MONOFLUOROACETHIC ACID AND ITS SALTS OF Na + and K +	2915.40
ARYL ALCOHOL	2906.21
ALDRIN	3822.00
ALPHA NAFTIL THIOUREA	3909.10
ARSENIOUS ANHYDRIDE	2807.00
ARSENIC	2804.80
SODIUM ARSENIATE	3822.00
CALCIUM ARSENIATE	2842.90
LEAD ARSENIATE	3808.91
Na +, Ca + and K + ARSENIATE	2842.90
Cu AND K ARSENITE	2804.80
AMPHIBOLE ASBESTOS	2524.90
CHRYSOTILE ASBESTOS	6800.00
Barium, salts	2805.19
BARIUM SULPHATE AND CARBONATE	2836.60
CALCIUM BIARSENATE	3804.00

CHEMICAL	
POLYBROMINATED BIPHENYL	3824.82 (*)
POLYCHLORINATED BIPHENYLS	3824.82
BLASTICIDIN-S	2941.20
POTASSIUM BROMATO	2829.90
BROMETHALIN	2829.90
METHYL BROMIDE	3824.77
BUTOCARBOXIM	2930.90
BUTOXYCARBOXIM	2930.90
CADUSAFOS	2930.90
CAMPHECHLOR	3824.84
CAPTAFOL	2930.80
CALCIUM CYANIDE	2837.19
SODIUM CYANIDE	2837.11
CHLORDANE	2903.82
CHLORMEPHOS	2930.90
CHLORINBENCILATE	2903.99
CHLOROETOXYFOS	2914.79
CHLOROPHACINONE	2914.79
CHLORFENVINFOS	3808.99
MERCURY CHLORIDE	2852.10
COUMAPHOS	2932.20

CHEMICAL	
COUMATETRALYL	2932.20 (*)
CHLOROFLUOROCARBON	3824.74
DDT	2903.92
DEMETON-S-METHYL	2930.90
DIAZINON	2933.59
ETHYLENE DIBROMIDE	2903.31
DICROTOFOS	2924.19
DNOC	2908.92
DIELDRIN	3824.84
DIPHACINONE	2914.39
DIFENACOUM	2932.20
DINOCAP	2916.19
DINOTERB	2908.99
DISULFOTON	2930.90
DODECACHLORINE	2842.90
EDIFENPHOS	2930.90
ENDOSULFAN	3808.59
ENDRIN	3808.91
EPN	7319.90
RED SQUILL, scales, powders or dried bulbs.	8423.10



// PROHIBITED AND RESTRICTED CHEMICALS

Prohibited chemicals in Argentina:

CHEMICAL	
STRYCHNINE	2921.19 (*)
ETHIOFENCARB	2930.90
ETHOPROPHOS	2930.90
FAMPHUR	2935.90
PHENYLMERCURY ACETATE	2852.10
FLOCOUMAFEN	2942.00
FLUCYTHRINATE	2926.90
FLUOROACETAMIDE	2924.12
FLUOROALUMINATES	2826.90
Na + AND K+ FLOURIDES	2826.90
PHOSPHINE AND ALUMINIUM PHOSPHIDES	2853.90
ZINC PHOSPHIDE	3824.99
SODIUM FLUORACETATE	2915.90
PHORATE	2930.90
PHOSPHAMIDON	2924.12
FORMALDEHYDE	2912.11
METAL PHOSPHIDE	2853.00
WHITE PHOSPHORUS	2811.22
FURATHIOCARB	2932.99

CHEMICAL	
HCB (Hexachlorobenzene)	2903.92 (*)
HEPTACHLOR	2903.82
HCH (hexachlorocyclohexane)	3808.59
HEPTENOPHOS	2919.90
ISOXATHION	2934.99
LINDANE	3824.85
MALATHION	2930.90
MECARBAM	2930.90
METHOXYCHLOR	3808.91
METHAMIDOPHOS	2930.80
AZINFOS METHYL	3808.59
MEVINPHOS	3822.00
MONOCROTOPHOS	2924.12
SODIUM MONOFLUORACETATE	2915.90
MONOFLUOROACETAMIDE	2924.12
MONOFLUOROETHANOL	2905.59
STRYCHNINE NITRATE	2939.99
OMETHOATE	2930.90
OXAMYL	2930.90
MERCURY OXIDE	2825.90

CHEMICAL	
1,4-DICHLOROENZENE	2903.99 (*)
p-DICLOROFENIL DIAZO TIOUREA	2930.90
PARATHION	3808.59
PARATHION-ETHYL	3808.59
PARATHION-METHYL	3808.59
PENTACHLOROPHENOL	2908.11
PERSISTENT ORGANIC PESTICIDES	3808.99
PROPETAMPHOS	2929.10
STRYCHNINE SULFATE	2921.19
SULFOTEP	2920.90
METHYLARSENIC SULPHIDE	2930.90
THALIUM AND ITS SALTS	2833.29
TERBUFOS	3808.99
TEBUPIRIMFOS	2933.59
THIOFANOX	2930.90
THIOMETON	3824.90
TRIAZOPHOS	2933.99
VAMIDOTHION	3822.00
PARIS GREEN	12002-03-8 (**)
WARFARIN	2932.99



03/

Main Competitors



// MAIN COMPETITORS

AGROCHEMICALS		
Ranking	Company	2018 Sales (USD million)
1	Monsanto Argentina	964.1
2	Profertil	419.7
3	Syngenta Agro	376.4
4	Atanor	316.7
5	Nutrien AG Solutions	274.0
6	SC Johnson & Son	186.5
7	Yara Argentina	110.3
8	Summit Agro	90.4
9	Rizobacter	59.7
10	Adama	54.2

BASIC CHEMICALS		
Ranking	Company	2018 Sales (USD million)
1	PBB/Polisur	1,119.8
2	Unipar Indupa	500.3
3	Basf Argentina	325.4
4	Dow Agrosiences	252.3
5	Dow Química	140.5
6	Transclor	128.8
7	Aur Liquide	126.4
8	FMC Química	103.5
9	Petroquímica Río III	73.0
10	Nalco Argentina	65.7

Source: Los Grobo, Revista Mercado 2019.

The total revenue of the 10 companies that lead the ranking (which includes multinational companies) reached USD 2.26 billion, representing 80.7% of total market sales. In Argentina, the five most important agrochemical companies in the world (Syngenta, Bayer, BASF, Corteva and FMC) represent 55% of the market share.



04/

Public Policies



// PUBLIC POLICIES

Regulation	Description
Strategic Industrial Plan 2020	It is a long-term strategic plan presented by the government in 2011. It establishes a set of specific and general guidelines to be achieved in 2020 for the development and consolidation of the national industry. These guidelines lay focus on 11 segments (chemical industry, among others), which represent 80% of the total industrial Argentine GDP.
Agreement with Brazil on the management of chemical substances and products	It seeks to promote the draft of proposals and the implementation of actions and management tools that apply to chemical substances and products throughout their lifecycle to ultimately reduce their adverse impact on health and the environment. Its specific goals include cooperation in shaping policies, rules and other regulatory instruments.
Joint Resolution 1/2018	Under this resolution, the Ministry of Agroindustry and the Ministry of Sustainable Development created an Inter-ministerial Taskforce on Good Phytosanitary Practices that will be in charge of developing public policy recommendations based on scientific evidence to control and regulate the use of agrochemicals. This resolution is expected to strengthen the national agricultural policies for a better management of phyto-sanitary products.
Latin American Petrochemical Annual Meeting	This is an annual event organized by the Latin American Petrochemical and Chemical Association. It brings together the main companies, chambers and associations of the sector, providing a suitable business platform to boost business management and promote business in the sector. The last edition of APLA Latin American Petrochemical Annual Meeting was held in Buenos Aires from 09 November 2019 to 12 November 2019 and the next edition is expected to be held in the month of November 2021.



// PUBLIC POLICIES

Regulation	Description
Import Licenses	<p>There are two types of import licenses: Automatic (approved within 24/48hs) and Non Automatic (requires special authorization, in some cases explanation on the necessity of the import, among other requirements). This authorization can take up to 60 days or more depending on specific cases.</p>
Resolution on Import Licenses for some chemical products (May 2020)	<p>Provision No. 9/2020 of the Undersecretariat for Trade Policy and Management, which has been in force since May 20, 2020, expands the lists of tariff positions subject to Non-Automatic Importation. License that includes some organic and inorganic chemicals from chapters 28 and 29. Products from chapters 28 and 29 that now require non-automatic licenses are:</p> <ul style="list-style-type: none"> •Nitric acid. •Solid sodium hydroxide (caustic soda). •Sodium hydroxide (caustic soda) in aqueous solution. •Aluminium sulphate. •Diethyl ether. •Esters of zinc stearic acid. •Esters of stearic acid. •Benzoic acid. •Maleic acid. •Nitro-glycerine. •Alkyl-trimethylammonium halides. •Toluene diisocyanates.



06/

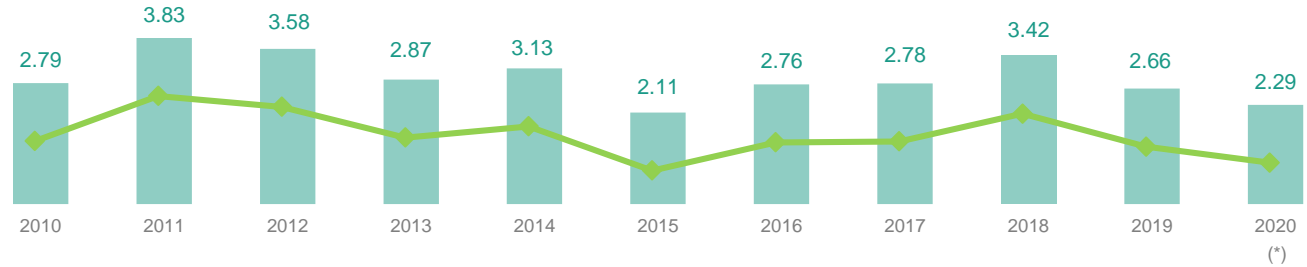
International Trade



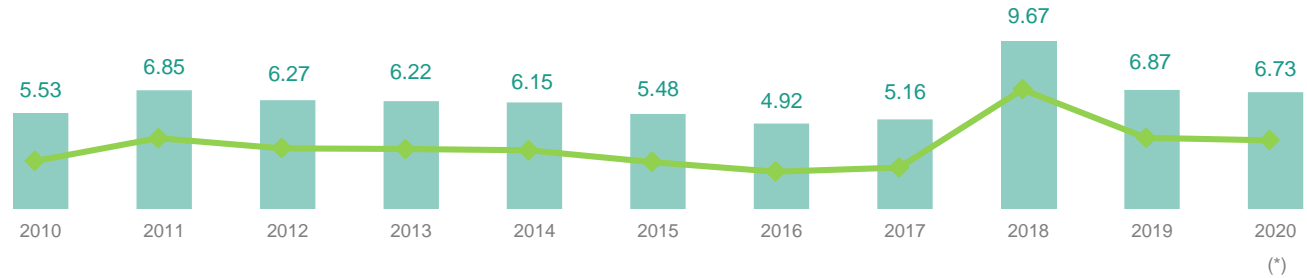
// EXPORTS AND IMPORTS

In USD billion

Evolution of Argentina's chemical exports

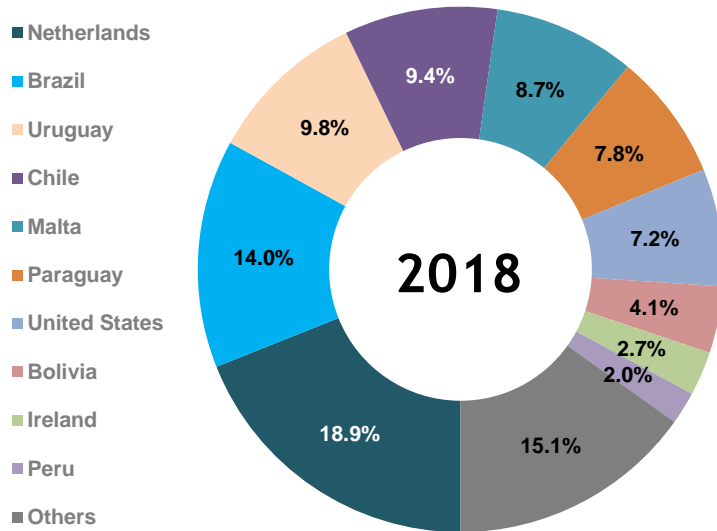


Evolution of Argentina's chemical imports

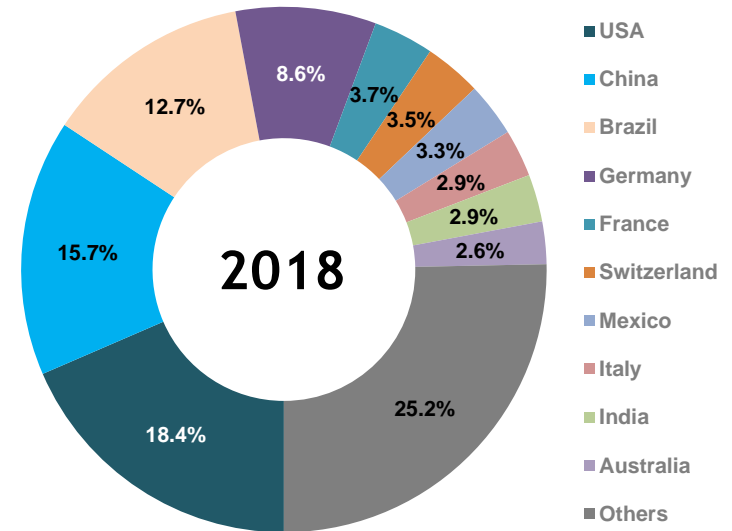


// MAIN BUSINESS PARTNERS

Main destinations of Argentine exports of chemicals



Main origin of imports of chemicals





06/

Future Perspectives



// FUTURE PERSPECTIVES

1. Argentina has the potential to increase the supply of raw materials through investments in the oil and gas industry. Efficient companies together with existing qualified workforce in the country may facilitate the growth of the industry.
2. Quality, infrastructure, market, technology and extensive local experience ensure a promising future for the industry.
3. The local economic recession of 2018-2019, and the impact of COVID-19 have generated an impasse in the sector.
4. Better integration of MERCOSUR and the harmonization of industrial and business policies with Brazil will boost the advantages for the Argentine chemical industry.



07/

Opportunities for Indian Companies



// OPPORTUNITIES FOR INDIAN COMPANIES

1. The long-term potential of the country for the development of unconventional resources represents an opportunity to increase the level of production and hydrocarbon reserves. Thus, new investment opportunities are expected to emerge in different segments of the industry.
2. 63% of the agrochemicals consumed in Argentina are imported. This provides great business opportunities for exporters in India, one of the largest producers of agrochemicals.
3. Argentina is a strategic country for exporting to the rest of the MERCOSUR member countries. The Argentine market also offers a qualified workforce and solid infrastructure.
4. The presence of clusters facilitates and enhances the development of companies in the sector; thus offering Indian companies the possibility of entering into agreements with local companies and benefiting from an economy of scale.
5. There is a large set of imported generic agrochemicals that could be formulated or synthesized in the country, which offers opportunities to investors.



08/

Considerations for Foreign Investors



// INVESTMENT IN ARGENTINA

The **Argentine Investment and International Trade Agency** highlights the following aspects to invest in Argentina:

- 3rd largest GDP in Latin America (USD 450 billion).
- GDP per capita of USD 10,000.
- 45 million inhabitants (60% under 35 years of age) and access to 295 million people in MERCOSUR.
- 2nd largest unconventional gas field and 4th largest unconventional oil field in the world.
- 705,000 km² of high potential mining areas with more than 250 projects in their initial stage.
- 8th largest country in the world, with 53% of its land as arable land.
- Global leading exporter of soybeans, corn, lemon, lithium, among others.
- 6th producer of beef and 5th exporter worldwide, present in the world's most demanding markets such as the European Union, the United States, China and Israel.
- 1st country in Latin America in command of the English language.
- 110,000 college graduates of STEM careers a year.



// COUNTRY OVERVIEW

45,376,763
Total population

**ARGENTINE
PESO**
National currency

2020

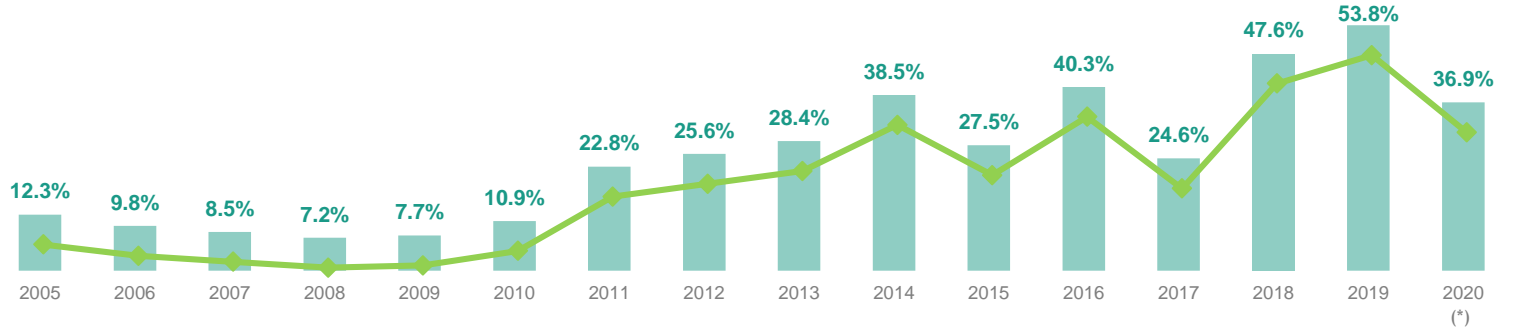
INFLATION
36.1%

**ESTIMATED GDP
GROWTH**
-11.7%



// CURRENT ECONOMIC CONTEXT

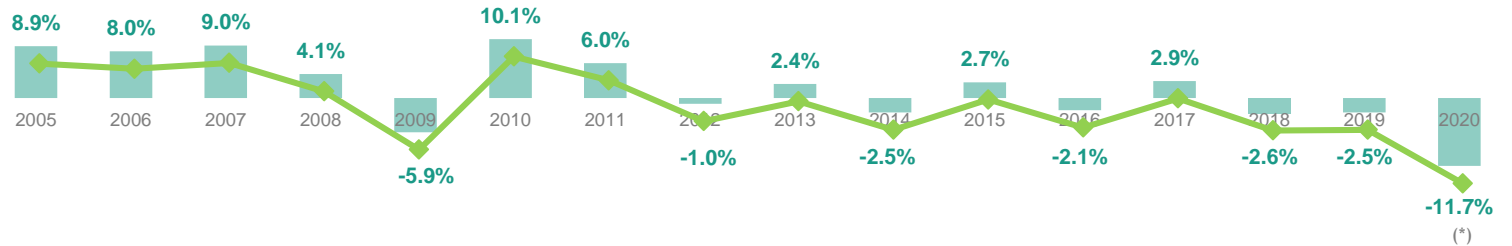
Inflation



13.1%

Unemployment rate (**)

GDP





// ARGENTINA'S MAIN TRADING PARTNERS

Appearance	Brazil	China	United States	Viet Nam	Chile	India	Paraguay	Germany
Exports	4,715	4,016	2,267	2,124	1,914	1,664	529	501
Variation (%) vs 2019	-31.2%	8.8%	-18.6%	6.4%	-6.9%	12.0%	-19.7%	-22.7%
Imports	5,176	5,049	2,861	454	313	512	1,588	1,287
Variation (%) vs 2019	-27.8%	-19.5%	-36.5%	13.2%	-15.6%	-4.5%	14.4%	-31.7%
Balance	-462	-1,033	-594	1,670	1,601	1,152	-1,059	-786
Total (Exports + Imports)	9,891	9,065	5,128	2,578	2,227	2,176	2,117	1,788



// TAXATION

- In Argentina, tax collection efforts are carried out at national, provincial, and municipal level by levying taxes on income, assets, and consumption.
- The agency in charge of collecting taxes, monitoring, and controlling taxation at national level is AFIP (Spanish acronym for Argentine Revenue Service).
- Consequently, taxes are classified into three tiers:
 - National
 - Provincial
 - Municipal



// NATIONAL TAXES

INCOME TAX	All income is subject to tax. Local subsidiaries of foreign legal entities are regarded as resident businesses and are, therefore, subject to tax. The applicable tax rate is 35% and applies to total income. Non-resident businesses with no branches or permanent offices in Argentina are only subject to local income tax.
VALUE ADDED TAX (VAT)	VAT applies to the values of goods and services at every stage of production. General VAT rate is 21%; nevertheless, the rate for certain goods and services is set at 10.5% or 27%. Imports are subject to the same VAT rate as local goods and services. Exports are exempt from VAT.
MINIMUM PRESUMED INCOME TAX	Minimum Presumed Income Tax is payable by legal entities, which are imposed a 1% rate on the value of all their assets located either in Argentina or abroad. It is also applicable to assets located in Argentine and owned by foreign individuals or legal entities with a permanent establishment in the country.
PERSONAL PROPERTY TAX	This tax is imposed on individuals and undivided estates with respect to assets valued at over AR\$ 2,000,000. As of the year 2020, residents are taxed 0.25% on personal property.
EXCISE TAXES	Excise taxes are levied on the consumption of specific goods, such as tobacco, alcoholic drinks, and luxury items; they are payable by manufactures or importers.
FINANCIAL TRANSACTION TAXES - CREDITS AND DEBITS ON BANK ACCOUNTS AND OTHERS.	A 0.6% general tax is levied on withdrawals and credits on bank accounts transacted by entities governed by the Financial Institutions Act. Furthermore, transactions in cash are subject to a 1.2% rate if conducted through payment systems in lieu of current accounts.



// NATIONAL TAXES

DOUBLE TAXATION AVOIDANCE AGREEMENTS

Argentina has entered into double taxation agreements with the following countries to provide relief from double taxation on businesses, personal income, capital, and assets:

- Australia
- United Kingdom
- Chile
- Denmark
- Germany
- Belgium
- France
- Italy
- Sweden
- Canada
- Bolivia
- Brazil
- Finland
- Norway
- Spain
- Switzerland
- The Netherlands
- Russia
- Mexico



// PROVINCIAL TAXES

GROSS INCOME TAX	Gross Income tax is applicable to the revenue generated by businesses engaged in trade, industrial activities, agriculture, finance, or professional services. It is levied on each commercial transaction at a rate that ranges from 1.5% to 5%, according to the industry and area. Nevertheless, certain primary and industrial activities are exempted from this tax.
STAMP DUTY	This is a provincial tax placed on the execution of notarial and private documents, including agreements and other large-amount transactions.
REAL ESTATE TRANSFER TAX	Real estate owners are subject to an annual tax on their real property based on the fiscal value of the land free of any improvements and on the improvements of land, if any. The payable amount is estimated pursuant to the laws in force each fiscal year, which set forth the applicable values and rate scales according to the type of property.



// MUNICIPAL TAXES

Municipalities collect taxes imposed on industrial safety services, lighting and cleaning services, etc. These taxes are calculated based on public revenue or other criteria, such as the number of employees.



// TAX INCENTIVES

Tax regulations provide for incentives for certain activities such as mining, forestation, software development, renewable energies, research, biotechnology, and biofuel production.

Generally, such incentives consist of:

- **Tax stability for a specified period**
- **Tax credits**
- **Preferred tax rates**
- **VAT Exemption**

A tax-free area has been established in southern Tierra del Fuego where all the activities and transactions conducted are exempted from all national taxes, except for specific activities and transactions, which are levied a lower rate.



// LABOR LAW

Permanent employment contract

Employment contracts in Argentina generally fall within this category, which means the labor relationship may extend permanently unless a cause of termination arises. The law provides for a three-month probation period. The employer must register the relationship with the relevant authority before the lapse of this period. Moreover, the parties are subject to the rights and obligations arising out the employment contract during this period, but either party may terminate the employment without cause. In such case, the employee is not entitled to severance payment.

Special employment contracts

In order to provide an adequate framework, the law sets forth special forms of employment:

1. Fixed-term contracts
2. Seasonal employment contracts
3. Contingency employment agreement
4. Team employment contracts



// LABOR REGULATIONS

COMPENSATION (SALARIES AND WAGES)

Employees' compensation may be fully paid in cash or it may be paid both in cash and in kind, i.e. food or accommodation. In such case, payments in kind cannot exceed 20% of the total compensation amount.

The employer has the obligation to:

- Wire-transfer the employee's salaries to a bank account on their names.
- Provide a salary slip
- Comply with the statutory term of payment: salaried employees must be paid at the end of the month, whereas wage earners must receive their compensation on a weekly or monthly basis.

STATUTORY ANNUAL EXTRA PAY

All workers are entitled to a thirteenth salary, which is officially referred to as Statutory Annual Extra Payment. Such payment is made in two installments: 50% of the total amount is granted by June 31 and the remaining 50% by December 31.

MINIMUM SALARY AND WAGE

The law establishes the minimum salary and wage amount.

Considering the relatively high inflation rate in Argentina, the salaries may need to be revised multiple times a year.



// LABOR REGULATIONS

ANNUAL VACATION

Annual vacation is paid time off employers grant to their employees.

The length of vacations varies according to the employee's seniority:

1. From 6 months to 5 years of service: 14 calendar days
2. From 5 to 10 years of service: 21 calendar days
3. From 10 to 20 years of service: 28 calendar days
4. Over 20 years of service: 35 calendar days

New employees who have rendered services for less than half the business day of the year are entitled to one vacation day for every 20 days of service.

PAID MATERNITY LEAVE

The law provides for paid maternity leave which extends from 45 days before childbirth to 45 days after delivery.

Once this period elapses, women workers can choose to:

1. Resume working under the working conditions before the leave.
2. Terminate the employment contract unilaterally.
3. Request an unpaid extension of the maternity leave for an additional period ranging from three to six months.

Women workers are entitled to a daily thirty-minute break to breastfeed her child. This entitlement lasts for one year after childbirth.



// LABOR REGULATIONS

LABOR SAFETY

Employers have the obligation to provide insurance to employees to cover labor risks. To such end, they must either self-insure or hire a risk labor risk insurance company (in Spanish Aseguradoras de Riesgos del Trabajo or ART), in order to compensate in the event of work accidents and diseases.

SOCIAL SECURITY

Businesses undertake to make the relevant contributions in connection with social security services for their employees. Such contributions include family allowances, union health insurance, pensions, and contributions to unemployment funds. Contributions represent 27% of the gross salary of employees that render services and 23% of the gross salary of the rest of the employees.

COMPULSORY LIFE INSURANCE

The employer must obtain an insurance policy within thirty days of the commencement of the employment relationship.

MINIMUM WORKING AGE

The minimum working age is 16 years old.



// LABOR REGULATIONS

DISMISSAL

None of the parties can terminate the employment contract without giving prior notice.

The minimum notice period is set by the law as follows:

1. For the employee: 15 days
2. For the employer: 15 days for employees under probation period, one month when the worker's length of service is less than five years, and two months, when the length of service exceeds five years.

Due to the impact of COVID-19, the National Government, through Decree 891/2020 of March 31, later extended in May, July, September and November, dismissals without just cause and due to lack or reduction of work and force are prohibited until the end of January 2021.

EMPLOYMENT RELATIONSHIP RECORDS

The employer has the obligation to register the employment relationship with the relevant authorities. In the event of termination of contract, the employer must give relevant notice to the Social Security Registry.

The duly registration of the employment relationship allows workers to enjoy the social security benefits granted by the law.



// LABOR REGULATIONS

OVERTIME

In Argentina, working time is 48 hours per week with a limit of nine hours a day (six hours a day for work performed under hazardous conditions). Night working time is limited to seven-hour shifts. Overtime is permitted with certain restrictions. Overtime rate is 50 per cent, for work performed on weekdays and Saturday mornings, and 100 per cent for work performed thereafter and on public holidays. The law establishes the maximum overtime limit which shall not exceed 200 hours per year or 30 hours per month.

LABOR UNIONS

The workers may opt to join a unión. Most workers are unionized. There are collective bargaining agreements to protect the workers, which shows the degree of influence these unions have.



// RELEVANT LEGISLATION

LEGAL FRAMEWORK	<p>The Argentine Law provides for the protection of foreign investors and their projects. Argentina has entered into several bilateral investment treaties with other countries. It is a member country of the Multilateral Investment Guarantee Agency (MIGA), which provides guarantees to protect investments against non-commercial risks.</p>
INVESTMENT MODEL	<p>Foreign investors can start their businesses in three ways: setting up a foreign branch, acquiring ownership in an existing company or creating a new company.</p>
CORPORATE AND BUSINESS ACT	<p>Law No. 19,550 (amended and renamed as General Corporate and Business Law No. 26,994). Sets forth the different business forms available. The most popular business forms among foreign investors are Sociedades Anónimas (S.A.)— Corporations— and Sociedades de Responsabilidad Limitada (S.R.L.) — Limited Liability Companies or LLCs.</p>
FOREIGN INVESTMENT LAW	<p>Law No. 21,382 Sets forth the conditions for foreign investors to invest and transact business in the country. It further provides for the expansion of existing investment undertakings.</p>



09/ Conclusion



// CONCLUSION

- Argentina is the third largest economy in Latin America and its chemical industry is supported by a solid infrastructure and high quality of human resources. Chemicals industry in Argentina consists of the total output valued more than USD 25 Billion, and exports worth USD 2.8 Billion, and around 9% of its GDP.
- 63% of the agrochemicals consumed in Argentina are imported. This provides great business opportunities for exporters in India, one of the largest producers of agrochemicals.
- Argentina is a strategic country to export to the rest of the MERCOSUR Member States.
- The potential for the development of long-term unconventional resources investments represents an opportunity to increase the level of hydrocarbon production and reserves.
- The presence of clusters facilitates and enhances the development of companies in the sector; thus offering Indian companies the possibility of entering into agreements with local companies and benefiting from an economy of scale.
- The impact of COVID-19 has generated an impasse in the sector. Recovery is expected in 2021.



10/

Useful Information



// USEFUL INFORMATION

CHEMICAL AND PETROCHEMICAL INDUSTRY CHAMBER (CIQYP)	Address: Av. Córdoba 629 - 4th Floor - City of Buenos Aires Postal Code: C1054AAF Phone: (54-11) 4313-1000 - Web site: www.cigyp.org.ar
FERTILIZERS AND AGROCHEMICALS ARGENTINE INDUSTRY CHAMBER (CIAFA)	Address: Bartolomé Mitre 1332 - 4th Floor - City of Buenos Aires Postal Code: C1036AAZ Phone: (54-11) 4381-2742 - Web site: www.ciafa.org.ar
PETROCHEMICAL AND CHEMICAL LATINOAMERICAN ASSOCIATION (APLA)	Address: Carlos Pellegrini 1069 - 7th Floor office "A" - City of Buenos Aires Postal Code: C1009ABU Phone: (54-11) 4325-1422 - Web site: www.apla.lat
CHAMBER OF AGRICULTURAL HEALTH AND FERTILIZERS (CASAFE)	Address: Reconquista 661 - 7th Floor office "A" - City of Buenos Aires Postal Code: C1003ABM Phone (54-11) 4893-7772 - Web site: www.casafe.org
ARGENTINE CHAMBER OF CHEMICAL PRODUCTS	Address: Rodríguez Peña 426 - 3rd Floor - City of Buenos Aires Phone: (54 11) 4374.3550 - Website: http://www.camaraquimica.org.ar/
PETROCHEMICAL INSTITUTE OF ARGENTINA (IPA)	Address: San Martín 910 - 3rd Floor - City of Buenos Aires Postal Code: C1004AAT Phone: (54-11) 4312 2556/4312-2561 - Website: http://www.ipa.org.ar/



// USEFUL INFORMATION

NATIONAL INSTITUTE OF STATISTICS AND CENSUSES (INDEC)

Address: Av. Pres. Julio A. Roca 609 - City of Buenos Aires
Postal Code: C1067
Phone: (+54 11) 4349-9200 - Website: <https://www.indec.gob.ar/>

MINISTRY OF FOREIGN AFFAIRS, INTERNATIONAL TRADE AND WORKSHIP

Address: Esmeralda 1216 - City of Buenos Aires
Postal Code: C1007 ABR
Phone: (+54 11) 4819-7000 - Website: <https://www.cancilleria.gob.ar/>

MINISTRY OF PRODUCTIVE DEVELOPMENT OF THE NATION

Address: Av. Hipólito Yrigoyen 250 - City of Buenos Aires
Postal Code: C1086
Phone: (+54 11) 0800-333-7963 - Website:
<https://www.argentina.gob.ar/produccion>

MINISTRY OF ECONOMY OF THE NATION

Address: Av. Hipólito Yrigoyen 250 - City of Buenos Aires
Postal Code: C1085 AAB
Phone: (+54 11) 4349-5000 - Website:
<https://www.argentina.gob.ar/economia>

