Minutes of Third Meeting of
India-Argentina Joint Trade Committee; 20 October 2020 via VC

The third meeting of the India-Argentina Joint Trade Committee (JTC) was held via Video Conference (VC) on 20 October 2020. Mr. S. Suresh Kumar, Joint Secretary, Department of Commerce, Ministry of Commerce & Industry of India and Ambassador Ms. Carola Ramon, Undersecretary for Multilateral and Bilateral Economic Negotiations, Ministry of Foreign Affairs International Trade and Worship of Argentina, co-chaired the JTC meeting.

2. During the opening remarks, both sides welcomed the joint effort to reinvigorate the JTC platform after nearly three decades. Both sides acknowledged that the meeting was happening at an opportune moment, with the bilateral trade having reached a historic peak of USD 3.09 billion in the FY 2019-2020 registering an impressive growth of 22.74% over the previous year (figures quoted by the Indian side).

3. Both Co-Chairs outlined the current economic situation in their respective countries, as well as perspectives post-COVID, expressing satisfaction that the trend of increasing bilateral trade had continued in the first 7 months of 2020 despite the pandemic-related lockdowns in place in both countries.

4. Both sides acknowledged the need for correction of the trade imbalance, as well as diversification of the trade basket, currently concentrated largely in exports of Argentine edible oils to India. The two sides reaffirmed their commitment to continue their enhanced engagement through virtual means and to resume physical visits as soon as restrictions due to the pandemic are eased.

A. Collaboration in sectors with high potential for growth

i. Mining & Minerals: Lithium and others

5. Argentine side underscored that Mining was an important sector of its economy, and welcomed India’s interest in partnering in the sector, especially for lithium. The MOUs recently signed between the Indian PSU, KABIL, and JEMSE of state owned company of province of Jujuy as well as between KABIL and YPF were cited. The successful conclusion of negotiations on the draft MOU on Cooperation in the field of Mineral Resources was noted. Cobalt, Gold and Copper were suggested as other possible additions to the bilateral cooperation in the sector. The Argentine delegation also mentioned that Argentine companies, notably ADM Corporation, are providing in India equipment and technical service aimed at decreasing dust emissions and carbon oxidation in mining operations, thereby reducing costs, environmental impact and water consumption.

6. Indian side conveyed that there was a large appetite for metals and minerals across various sectors in India and that increased presence of minerals would help in the diversification of the trade basket. Briefing the Argentine side on India’s e-mobility program, the Indian side requested Argentine support for potential commercial partnerships between PSUs of both sides for lithium exploration and exploitation in Argentina. Both sides agreed to explore institutional cooperation between their geological agencies.
ii. Energy and Renewable Energy

7. Indian side remarked that the vast potential for cooperation in oil & gas holds a significant place in our bilateral cooperation and reiterated the interest of ONGC Videsh Limited (OVL) to participate in the conventional and non-conventional Argentine oil & gas sector. While welcoming the information provided by Argentina on the 2021-22 bidding process during the latest Foreign Office Consultations (FOC) on 10 September 2020, Indian side reiterated that OVL, being a state owned enterprise, would be interested in the G2G/nomination modality for partnering in Argentine projects. It was hoped that YPF would be able to identify projects for such partnerships soon.

8. Argentine side shared details of their current policy on hydrocarbons in Argentina and the expected 2021-22 bidding process and reminded that the domain of hydrocarbons in Argentina is owned by the provinces. Indian companies were therefore invited to take part in the bidding rounds to be held by the different provinces.

9. Both sides agreed that a roadmap for energy cooperation could be worked out.

10. Indian side appraised Argentina of its renewable energy targets, and said that India looked forward to working with Argentina, especially in the field of solar energy, as members of the International Solar Alliance. Argentine side reciprocated the interest and informed that they would soon send comments on the draft MOU on Renewable Energy that was under negotiation between both sides.

iii. Agriculture and market access

11. Argentine side remarked that there was ample potential to expand bilateral trade in agricultural products and that numerous market access negotiations had been underway for a long time. In order to speed up the negotiations and find practical solutions to diversify the trade, both sides could work on a roadmap wherein priority items of interest on both sides could be expeditiously cleared. Argentine side announced that it was ready to provide market access to Indian mangoes (off Argentine season) and basmati rice. Indian side welcomed the announcement.

12. To continue along the proposed roadmap, Argentine side suggested that a VC between the Agriculture Ministers of both countries be conducted before end of the year, by which time Indian side could explore announcing market access to some of the priority products of export-interest to Argentina such as dried yerba mate, egg and egg products and sweet caramel (dulce de leche). The Indian side assured to revert soon on the suggestion after its assessment by the Indian Ministry of Agriculture and Farmers’ Welfare.

13. Both sides agreed to expedite negotiations for SPS clearances to other products of export-interest to either side.

iv. Pharmaceuticals and Healthcare

14. Indian side pointed out that owing to the twin-advantage of high quality and low prices, Indian pharmaceuticals were in high demand across the world. Over 20% of total volume of generic drugs were produced in India, making it the world leader. The COVID-19 pandemic had shifted the focus once again on the prowess and capability of India’s pharmaceutical industry to provide assured supplies even in difficult circumstances.
15. Indian side appreciated that in 2014, Argentina approved India’s inclusion in the Annex II list of countries for import of pharmaceutical products. Nevertheless, Argentina’s imports of Indian pharma products had remained minuscule to date. In order to support Argentina’s healthcare system, including through increase in pharma-imports from India, Indian side reiterated its suggestions made during the latest FOC: (i) fast-tracking of regulatory processes to expedite approvals for Indian pharma companies having USFDA / EDQM / WHO-GMP approvals for their units / products, and (ii) shifting India from Annex II to Annex I list of countries under relevant Argentine legislation.

16. It was also proposed that a meeting via VC be organized between the Argentine and Indian drug regulatory agencies, ANMAT and CDSCO, at an early date for expedited implementation of their inter-institutional cooperation MOU signed in February 2019.

17. The Argentine side conveyed that the two suggestions were under their consideration. It was also informed that there had been an increase in visits by ANMAT to India. However, due to COVID, planned inspection visits in 2020 could not be carried out.

18. Argentine side shared information on workshops on exportable Argentine medical products related to COVID-19 that they had conducted successfully with different LAC countries, and expressed interest in conducting a similar workshop with India. Indian side welcomed the interest and assured that the relevant authorities would be consulted for a suitable date for the virtual workshop.

v. Yoga and Ayurveda

19. Indian side stated that there was high interest in Yoga and Ayurveda among the people of Argentina. Both were holistic traditional systems of health and well-being that have brought benefits to millions of practitioners, as much before COVID-19 as during the pandemic. The immunity-boosting properties of Ayurvedic medicines for COVID patients were highlighted. It was pointed out that Ayurveda was not officially recognized as a primary healthcare system in Argentina, which led to issues like inability to prescribe Ayurvedic medicines by specialists, non-recognition of university degrees/diplomas in Ayurveda by the Argentine Government and restrictions on import of Ayurvedic herbs. Indian side highlighted that recognition for Ayurveda in Argentina could go beyond bringing holistic relief and improving overall health & well being of the society as well as in opening up of several commercial opportunities by linking Argentina’s vast agricultural potential for cultivating herbs in Argentina for exports.

20. It was pointed out that Indian Ayurvedic medicaments were exported to several countries around the world. It was also underscored that Ayurvedic Pharmacopoeia of India was the pharmacopoeia standard of Ayurvedic medicines, and was recognized and referred to by several pharma institutes of the world. The Indian side requested for expeditious recognition of Ayurveda as a primary health-care system by Argentina, as well as fast-track regulatory clearances for the import of Ayurvedic herbs and compounds such as ‘Triphala’, for which application has been pending with ANMAT for over three years. An MoU between Ministry of Health of Argentina and Ministry of AYUSH for cooperation in Ayurveda was also proposed.

21. Argentine side commented that recognition of Ayurveda in Argentina would require creation of awareness and changing of cultural perceptions of the Argentine people regarding
Ayurvedic practices. The Ministry of Health regards Ayurveda as a potential practice or therapy or complementary traditional medicine, which could eventually be incorporated into teaching and professional practice within the national territory, provided that it is in accordance with the powers and responsibilities of each district, and complying with their professional practice requirements and ethical standards. It should be noted that the incorporation of this type of practices must be implemented gradually, carrying out studies that allow for assessment and definition of their scope, along with undergraduate and graduate training systems for healthcare teams.

22. It was proposed that a workshop on Ayurveda could be organized via VC with participation from officials from the Ministry of Health of Argentina and Ministry of AYUSH of India, as well as Ayurvedic experts at an early date for sharing of detailed information on Ayurveda with the Argentine side.

B. Trade Issues

i. Anti-Dumping Investigations

23. Indian side pointed out that the Argentine National Commission of International Trade of the Ministry of Productive Development had initiated several anti-dumping investigations against Indian goods and anti-dumping duties had been imposed on them. Investigations on export of knitted protective gloves and measuring tapes from India were currently underway and provisional duty had been imposed in the case of the former. Indian side conveyed its expectation that the stringent requirements and the norms of the WTO anti-dumping Agreements would be adhered to by the Argentine side when examining the anti-dumping petitions filed by Argentine domestic industry.

24. Indian side added that India had never initiated any anti-dumping investigations against any product from Argentina and requested reciprocity. It was also indicated that the investigations had been initiated in spite of their miniscule proportion, by value, in the overall trade.

25. In response, Argentine side assured that anti-dumping investigations are not related to reciprocity but to compliance with WTO regulations. It was also stated that Argentina would continue to adhere to relevant requirements and norms of the WTO anti-dumping Agreements in the investigations.

ii. N.T.B. - Textiles and Apparels

26. Indian side informed that exporters of textiles and apparel were facing cumbersome issues in order to export to Argentina. These included requirement of attestation of invoices by the Argentine Embassy in New Delhi (which took a minimum of seven days' time to be completed) and payment of a fee of Rs.14,000 per invoice. Indian side requested facilitation of the procedures by easing the requirements. Argentine side assured to examine the matter and revert.

iii. Validity period of import licenses

27. Indian side flagged that the import licenses issued by the Argentine National Tax Agency (AFIP) had a validity period of 90 days, which resulted in many potential business propositions involving shipping goods all the way from India to Argentina getting nipped in
the bud. While it is understood that the validity period was applied across the board by Argentina, Indian side requested a special dispensation from Argentina towards its Strategic Partner situated more than 15000 kms away, considering the joint efforts to enhance and diversify the bilateral trade, particularly in the case of products and sectors having long manufacturing and shipment processes such as agro-machinery sector.

28. Argentine side pointed out that the period of validity of import licenses adopted by Argentina was similar to those employed by other countries. They acknowledged that it was not an ideal system and stated that it was a temporary measure. It was also pointed out that an extension of the period of validity can always be applied for, on account of justified reasons, at least fifteen (15) days before the expiry of the license. Argentina further indicated that 96% of the licenses applied for by Indian companies throughout the first nine months of 2020 had been approved, according to records of the Ministry of Productive Development. Additionally, the Argentine side informed that the request for a special dispensation would be conveyed to the Ministry of Productive Development.

iv. Restrictions on payment for imports

29. Indian side stated that the monetary limits on payments abroad put in place by the Central Bank of Argentina (BCRA) were leading to difficulties for some Indian companies in continuing with their steady supply chains. Once again, conveying their understanding that the restrictions apply to all countries, the Indian side requested a special dispensation keeping in mind the huge trade deficit.

30. Argentine side stated that the request for a special dispensation would be conveyed to BCRA. They highlighted that the payment restrictions too were a temporary measure, implemented to shore up the macroeconomic situation of the country, and that technical details in this regard supplied by the BCRA would be conveyed to the Indian side soon.

v. Restriction on import of Pisingallo Maize

31. Argentine side pointed out that shortly after India had liberalised the imports of pisingallo maize in 2014, the High Court of Hyderabad imposed a stay order which has not been lifted until today, in view of a petition. Due to the stay order, the preferential import duty of 15%—which is subject to import quotas—remains suspended and the general duty of 60% is applied to all imports. Furthermore, imports of pisingallo maize are only allowed for “actual users” as long as the stay order is still in place. The court hearing, which was due in September 2020, had been postponed, and the Argentine side requested an update on the matter.

32. Indian side informed that maize was restricted for import into India and imports were permitted through a quota system of about half a million MT. It was also flagged that Brazil and Argentina were the only countries from which import of maize under TRQ was permitted. Indian side assured that, the matter is subjudice, and that it would keep Argentine side informed.

vi. FSSAI new regulations on GMOs

33. Argentine side expressed their concern over the recent notification that India had sent to WTO-TBT committee for imports to be accompanied by certificate of the products being
of Non-GM Origin, and stated its opinion that differentiation between GM and Non-GM products was unscientific based on its wide experience in agro-bio-technology.

34. Indian side informed that the notification was not specific to Argentina. Through the present notification, India had invited the comments from all the stakeholders and WTO Member Countries. Argentine side conveyed that their WTO nodal point had already conveyed their comments and concerns.

35. To the query from the Argentine side on whether the notification was applicable to processed products, Indian side informed that it would be applicable only to 24 crops as mentioned in the FSSAI order.

vii. Business Mission and Trade Fairs

36. Argentine side informed that it is working on a calendar of trade and investment related visits, and that it would look forward to increased visits of business missions and presence in trade fairs in India. India side informed that it would continue to provide information on the major trade events in India as in the past. It was also highlighted that, unfortunately several business missions and trade fairs planned in partnership with stakeholders in the Latin American region for 2020 had to be cancelled or postponed due to the COVID-19 pandemic. Both sides agreed to continue to enhance the bilateral B2B interactions through organization of virtual events.

C. Collaboration in other sectors

i. IT

37. Both sides acknowledged the ample potential to increase cooperation in the Information Technology (IT) sector. Indian side highlighted that, in July 2019, Argentina had been informed that Joint Secretary (ICD), Ministry of Electronics and Information Technology of India would be the Indian nodal point for implementation of the Joint Declaration of Intent (JDI) for Cooperation in IT signed in February 2019. The Argentine side was requested to nominate their nodal point at the earliest so that both sides could start work expeditiously on the implementation of the JDI.

38. Indian side expressed concern that the mandatory approvals from BCRA to commercial banks for cross-border payments against services invoices took long time adding to the cost of operation of Indian companies concerned. In this regard, the Argentine side was requested to explore the possibility of pre-authorisation or other fast-track mechanisms for the approvals, especially for large and established corporates. The Indian side also reiterated its request for simplification of Argentine visa procedures for Indian IT professionals.

39. Indian side further informed that the Institute of Company Secretaries of India (ICSI) and the Institute of Chartered Accountants of India (ICAI) were interested in negotiating mutual recognition Agreements with their Argentine counterparts. ICAI has proposed to collaborate with Argentina’s Accountancy body in March and June 2020 and the response from counterpart of Argentina is awaited. It was also conveyed that Ministry of Information
and Broadcasting of India was interested in entering into an Audio-Visual Co-production Agreement with Argentina and that the Indian side would be sharing a draft soon.

40. Argentine side assured the Indian side that it would convey the concern regarding the approvals for cross-border payments to BCRA, as well as revert soon on the Agreements, under implementation, as well as under negotiations. The Argentine side also requested for early establishment of the India-Argentina Centre of Excellence for Information Technology in Buenos Aires, as it would help significantly to promote bilateral cooperation in the IT Sector. It was also mentioned that the first meeting of the proposed India-Argentina Consular Dialogue could be held in early 2021, wherein issues related to visas could be dealt with in detail.

ii. Tourism

41. Both sides acknowledged that tourism was one of the worst affected sectors by the ongoing pandemic and resolved to strengthen cooperation in an effort to help the affected industry in both countries. Taking further the suggestion made during the FOC meeting in September 2020, both sides decided to work on creating a Joint Working Group under the MOU on Cooperation in the field of Tourism signed in February 2019. As a starting point, both sides agreed to expeditiously share details of respective nodal points for implementation of the MOU.

D. Other Issues

i. Issues related to remittance

42. Indian side voiced the concern of Indian businessmen and young IT professionals working in Argentina of the restrictions imposed by BCRA on the amount of remittances out of Argentina of USD 200 or equivalent ARS per month. Argentine side stated that the measures imposed by the BCRA were temporary in nature and assured that the concerns would be conveyed to BCRA for its detailed examination.

ii. Proposal for Agreement on Social Security

43. Argentine side proposed that negotiations on the draft Social Security Agreement, shared by them with the Indian side earlier, could be initiated through videoconference at an early date. Indian side accepted the proposal, and both sides agreed to work out mutually convenient dates for the VC.

iii. India Argentina Business Council

44. Indian side informed about the formal launch of the India-Argentina Business Council on 14 October 2020 at the Embassy of India in Buenos Aires in presence of Argentine Minister of Productive Development. It was informed that the objective of the Council—presently composed of 26 companies in Argentina, including Indian corporates having operations in Argentina and leading exporters—was to provide continuous feedback from industry, suggest policy reforms and generate ideas, all aimed at promoting trade and investment between the two countries.
E. Bilateral Agreements

i. Bilateral Investment Treaty

45. Argentine side indicated that, in August 2019, they had sent consolidated inputs on the draft BIT forwarded by Indian side that, while India’s reply was awaited, a new government had taken office in December 2019. It was indicated that said government is currently conducting a revision on Argentina’s approach to Bilateral Investment Treaties in general and that India would be informed of its outcome, when available.

ii. Double Taxation Avoidance Agreement

46. Indian side welcomed the information shared by the Argentine side in the FOC meeting in September 2020 that initiating negotiations on a Double Taxation Avoidance Agreement (DTAA) with India was among their top priorities. The Indian side stated that the technical teams from both sides should continue to be in touch on the subject, and a delegation visit from either side for negotiating the Agreement should be finalized as soon as conditions permit.

47. The Argentine side took note of Indian side’s concerns conveyed earlier that conducting complex and long negotiations on a DTAA via VC against an 8.5 hrs time difference was not very feasible. However, they requested that initial negotiations could commence via VC, especially against the backdrop of the pandemic-induced worldwide movement restrictions. The Argentine side would soon share a draft DTAA for consideration of the Indian side, along with sets of dates for the proposed VC.

F. MERCOSUR-India

i. Argentina’s perspectives about MERCOSUR in near future

48. Argentine side commented that MERCOSUR was a key mechanism of its relations in the neighborhood and a springboard to its integration in the global economy, and that Argentina was committed to strengthening the bloc. As regards external trade negotiations of the bloc, Argentina would continue to uphold the agenda of negotiations with countries such as Canada and Korea, as well as the conclusion of the agreements in principle with EU and EFTA, after taking over as pro tempore President in December 2020. Nevertheless, it would maintain its internal difference of opinion with the other Members States on the pace at which MERCOSUR’s external trade engagements should progress, reflecting its concern of accelerating the negotiations on its domestic economy in the context of COVID-19 pandemic.

ii. Trade Agreement between MERCOSUR and India

49. As a corollary to Argentina’s stand on MERCOSUR’s overall external trade engagements, the Argentine side informed that internal deliberations were underway within the bloc, and especially between Argentina and Brazil, on whether to continue efforts to expand the limited-use India-MERCOSUR PTA, or begin negotiations on a more comprehensive Agreement to replace it. Argentina explained that, in its view, either the expansion of the existing PTA or a new comprehensive FTA should have a parallel level of ambition on both NAMA and agricultural goods.
50. Indian side reiterated its disillusionment at the limited purpose that the PTA had served over the past 12 years, and emphasized the need to enhance India-MERCOSUR trade either through expansion of the PTA or its replacement with a more comprehensive Agreement, and added that if India’s two major trading partners in the bloc, i.e. Brazil and Argentina, came together on the matter, they could count on all support from the Indian side towards significantly increasing India-MERCOSUR trade. In this regard, Indian side requested MERCOSUR to expedite response to their last proposal regarding the PTA made in 2018.

G. Multilateral

WTO

51. Both sides underscored the commonality of views that had led to robust cooperation on various issues at the WTO, including Special Treatment to Developing Countries. They resolved to continue their cooperation along the South-South Cooperation dimension, not just in WTO, but also in other important fora such as G-20.

H. Closing Remarks

52. In their closing remarks, Ambassador of India to Argentina and the Chargé d'Affaires of Argentina in India, as well as the Indian and Argentine Co-Chairs of the meeting expressed their happiness over the re-invigoration of the JTC, which had met since 1991, and the comprehensive treatment of all issues on the bilateral economic agenda. Both sides resolved to hold JTC meetings more frequently in future. The meeting ended with a vote of thanks from the Department of Commerce, Ministry of Commerce & Industry of India.

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List of Participants

Indian Side:

Participation from New Delhi

1. Sh. S.Suresh Kumar, JS, Head of Indian Delegation, Department of Commerce.
2. Sh. Navdeep Rinwa, Joint Secretary, Department of Pharmaceuticals.
3. Dr. V. G. Somani, Drugs Controller General of India (DCGI), Central Drugs Standard Control Organization.
5. Sh. Mithileshwar Thakur, Addl. DG, Directorate General of Trade Remedies (DGTR), Department of Commerce.
6. Dr. Manoj Nesari, Advisor, Ministry of Ayush.
8. Sh. Vinay Pandey, Director, Ministry of Chemicals and Fertilizers.
10. Sh. Steephen L., Deputy Secretary, FT (LAC) Division, Department of Commerce.
11. Sh. S.D.Nayak, Deputy Secretary (Policy), Department of Health & Family Welfare.
13. Sh P.K.Singh, Deputy Secretary, Ministry of Textiles.
14. Sh Sudhir Kumar, Deputy Secretary, Department of Agriculture Cooperation and Farmer Welfare.
15. Ms Annabella Arya, Deputy Director General, Ministry of Tourism.
17. Dr Aniruddha Udaykar, Livestock Officer (Trade), Department of Animal Husbandry and Dairying.
18. Ms. Akansha Dua, Assistant Director, Food Safety and Standards Authority of India.
19. Ms Supriya Anand, Assistant Director, Department of Economic Affairs.
20. Sh. Vinay Kumar, Under Secretary FT (LAC) Division, Department of Commerce.

Participation from Embassy of India, Buenos Aires, Argentina

21. Mr. Dinesh Bhatia, Ambassador.
22. Mr. Maitrey Kulkani, First Secretary.

Argentine side:

Participation from Buenos Aires

1. Ambassador Carola Ramón, Undersecretary of Multilateral and Bilateral Economic Negotiations, Ministry of Foreign Affairs, International Trade and Worship (MFAITW) [Argentine Co-Chair]
2. Ambassador Pablo Sivori, Undersecretary of Trade and Investments Promotion, MFAITW.
3. Lic. Ariel Martínez, Undersecretary of Political Coordination, Ministry of Agriculture, Livestock and Fisheries
4. Mr. Maximiliano Moreno, National Director for International Relations, Ministry of Agriculture, Livestock and Fisheries.
5. Ambassador Marcelo Giusto, National Director of Bilateral Economic Negotiations of MFAITW
6. Mr. José María Arbilla, National Director of International Economic Negotiations, Undersecretariat of MERCOSUR and International Economic Negotiations, MFAITW
7. Dr. Alberto Capra, National Director of Sustainable Mining Production, Secretariat of Mining, Ministry of Productive Development
8. Ambassador María Isabel Rendón, Director of Economic Relations with Asia and Oceania, MFAITW
9. Mr Matías Gomez - Director of Fiscalisation and Risk Management - National Administration of Medicaments, Food and Medical Technology
10. Mr Fernando López- Director of Strategy and International Insertion, Undersecretary of Trade and Investment Promotion, MFAITW
11. Mr. Luis Levit, Official of the Undersecretariat of MERCOSUR and International Economic Negotiations, MFAITW
12. Mrs Agustina Mazzini, Advisor of the Undersecretariat of Mining Policy, Secretariat of Mining, Ministry of Productive Development
13. Mr Agustín Ingratta, Official from the Ministry of Health
14. Secretary Marcelo Buffi, Official from the Directorate of Asia and Oceania, MFAITW
15. Secretary Pablo Volken, Official from the Directorate of Economic Relations with Asia and Oceania, MFAITW

Participation from Embassy of Argentina in New Delhi

16. Mr Martin Via, Chargé d'Affaires

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