

*Commemoration*

A TRIBUTE TO  
THE VICTIMS OF  
AMIA

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*Bilateral relations*

BREAKING NEW  
GROUNDS: FROM  
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*G20*

ECONOMIC  
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EMBASSY OF ARGENTINA, WASHINGTON, D.C.

# ARGENTINA IN FOCUS

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JULY 2020 // NEWSLETTER

## A TRIBUTE TO THE VICTIMS OF AMIA

On July 18th 1994, a terrorist attack on the Argentine Israelite Mutual Association building, heart of the Jewish community in Buenos Aires, killed 85 people and injured more than 300.

Terrorism and anti-semitism continue to be among the cruelest, most ruthless enemies we face and, therefore, fighting against them will require from us continuous efforts and actions. That is why Argentina, member of the International Holocaust Remembrance Alliance, has recently adopted the Alliance's definition of anti-semitism, an important emerging tool to combat hatred and discrimination.

It is truly comforting though to realize the fact that we are not alone in this fight: government leaders and also leaders from civil society have engaged with us at the Argentine Embassy to advance our shared goals and to pay a humble tribute to the victims of AMIA bombing after 26 years of the worst ever terrorist attack against the Jewish community in South America.

First and foremost, the President of the Argentine Republic, H.E. Alberto Fernández, participated of a meaningful virtual event organized by the American Jewish Committee, which can be watched through the link below:

<https://www.ajc.org/news/remembrance-and-justice-a-special-conversation-with-the-president-of-argentina-he-alberto>

Secondly, the Argentine Embassy convened a group of distinguished leaders to participate of a commemorative event honoring and remembering the victims of AMIA bombing. You can access the tribute to the victims by clicking on the following link:

<https://youtu.be/X3lxhgRGCfk>

As you will see, this commemorative video includes heartfelt messages from a distinguished list of participants from Argentina and the United States:



I am pleased to bring to you the latest edition of our Embassy's Newsletter. In this issue, we commemorate the anniversary of the terrorist attack on the Argentine Israelite Mutual Association building, heart of the Jewish community in Buenos Aires.

This issue also includes an article highlighting the strong space cooperation between Argentina and the United States and its promising prospects.

Finally, you will find an overview of the G20's economic recovery plan for after COVID-19 and the Argentine efforts in this regard.

Jorge Argüello  
Ambassador to the United States



- Ariel Eichbaum, President of the Argentine Israelite Mutual Association (AMIA);
- Felipe Solá, Minister of Foreign Affairs, International Trade and Worship;
- David Harris, American Jewish Committee Chief Executive Officer;
- Senator Bob Menendez, Ranking member of the Foreign Relations Committee;
- Congressman Eliot Engel, Chairman on the House Foreign Affairs Committee;

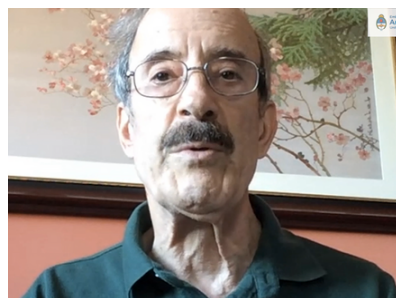
MINISTER FELIPE SOLÁ: "AS  
MINISTER OF FOREIGN AFFAIRS,  
I REAFFIRM THE ABSOLUTE  
COMMITMENT OF THE  
ARGENTINA WITH TRUTH AND  
JUSTICE"

- Jorge Knoblovits, President of the Delegation of Argentine Israelite Associations (DAIA);
- Amb. Michael Kozak, Acting Assistant Secretary for Western Hemisphere of the Department of State;
- Guillermo Oliveri, Secretary of Worship of the Ministry of Foreign Affairs, International Trade and Worship;
- Marcela Losardo, Minister of Justice and Human Rights;

As Ministers Felipe Solá and Marcela Losardo highlighted in their speeches, Argentina is indebted to the victims of the terrorist attack against AMIA. This was an anti-semitic attack, but mostly an attack to all Argentines, our democracy and freedom. Bringing to justice those who committed terrorism is the only way to bring peace to the victims.

- Congressman Michael McCaul, Republican Leader of the Foreign Affairs Committee;

Jorge Argüello, Ariel Eichbaum, Felipe Solá, David Harris, Bob Menendez, Eliot Engel, Michael McCaul, Jorge Knoblovits, Michael Kozak, Guillermo Oliveri, Marcela Losardo





SAOCOM 1B satellite, CONAE. Photo credits: INVAP

## BREAKING NEW GROUNDS: FROM SPACE COOPERATION TO COMMERCIAL OPERATIONS

Cooperation in space has been a key feature of relations between Argentina and United States, channeled mainly through the Argentine National Space Program (CONAE in Spanish) and the U.S. National Aeronautics and Space Administration (NASA), and represents a classic example of collaboration between government agencies.

However, this industry now aims towards a broader spectrum, by opening up more commercial operations and creating new opportunities, both in the private and public sectors. In 2009, CONAE and SpaceX, the company that launched Crew Dragon into space in early July, signed a cooperation agreement that ushered in the SAOCOM 1A mission, and the most recent, SAOCOM 1B, scheduled to launch in late July from SLC-40 at the Cape Canaveral Air Force Station in Florida, a milestone in the history of bilateral cooperation between both countries.

Among the commercial initiatives, in 2019 the Argentine company ArsUltra S.A. and U.S.-based Oakman Space Inc. signed a letter of intent to explore partnership opportunities and spacecraft development through Modular Open System Architectures (MOSA). ArsUltra will provide their hardware development technology and Oakman Space, their Advanced Configurable Open-system Research Network (ACORN).

Taking this commercial private agreement as a background, a group of Argentine companies recently signed a Memorandum of Understanding (MOU) with the largest technology association in the U.S., CompTIA (Computing Technology Industry Association), comprised of approximately 2,000 member companies. This agreement was signed with CompTia's Space Enterprise Council (SEC), and this process had the assistance of the Argentine Embassy.

This MOU, signed by the Argentine companies INVAP S.A., Satellogic, ArsUltra, DTA and CARAE, aims to share information on capabilities and supply needs. Likewise, it will organize trade missions and industry meetings, as well as identify and define potential joint projects, and create an environment where space-related trade and investment can flourish. This will create new market opportunities for Argentine technological companies.

As part of the collaborative work established in the agreement, in coming months a virtual industry networking event will be held with Argentine and U.S. companies, and as soon as the pandemic situation improves, a trade mission to Argentina is planned as part of some of the cooperation activities.

## ARGENTINA IS JOINING THE GROWING INTERNATIONAL COMMUNITY LOOKING AT SPACE FOR A VARIETY OF ECONOMIC, TECHNICAL, AND SOCIAL BENEFITS.

This agreement is also a sign of how Argentina is joining the growing international community looking at space for a variety of economic, technical, and social benefits. The scope of this agreement also represents many business opportunities for Argentine technology and software companies, as digitalization industry in aerospace is rapidly growing to satisfy the needs of a 2 billion dollars market.

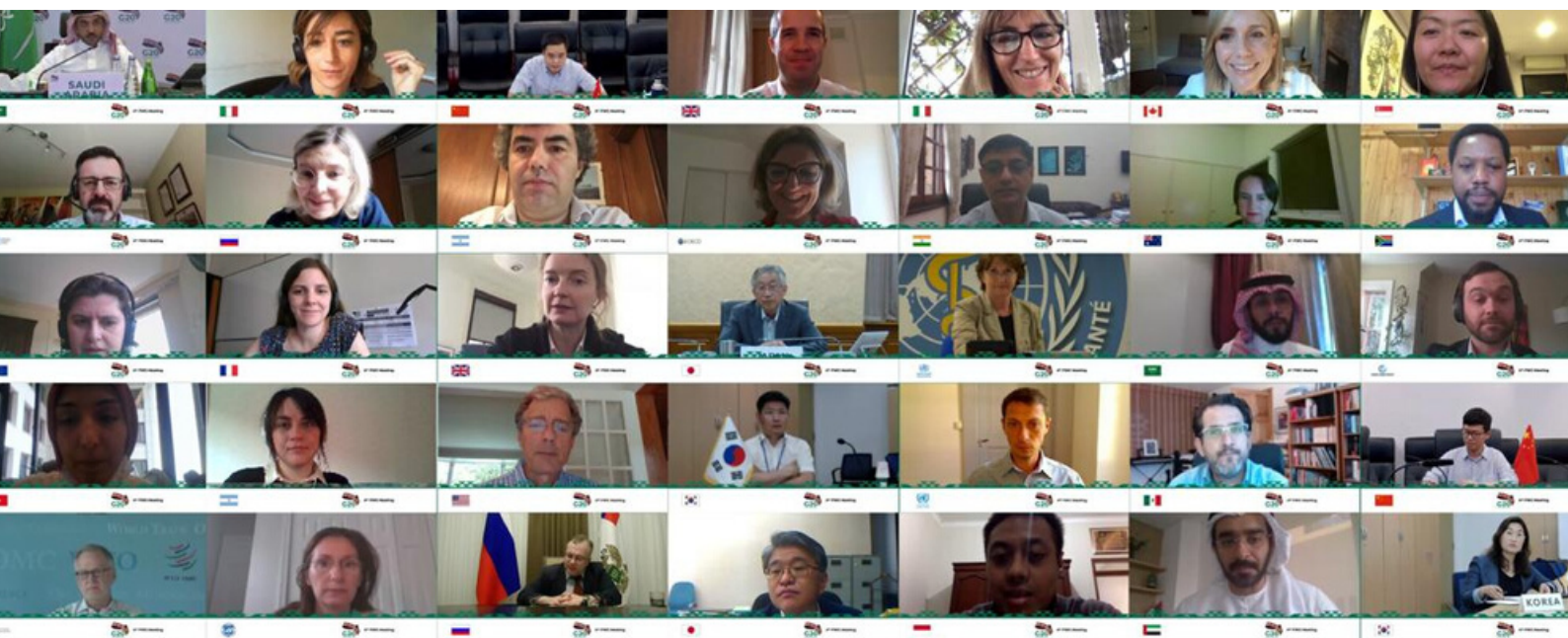
As Argentina now possesses the capacity to develop this sector, it is looking for ways to increase commercial opportunities abroad, while engaging in commercial dialogues to map potential prospects and joint opportunities.

In both countries, the satellite and aerospace industry contributes to the generation of highly qualified human resources and leverages the development and growth of different providers, associates, and clients. In Argentina, the satellite industry is a high-tech sector where the country has generated its own innovation capabilities and has designed and put into orbit observation and telecommunication satellites. The country is rapidly climbing the Space Technology Ladder (STL), a term often used by some experts to describe the spatial technological trajectory of developing countries.

From the Aquarius Sac-A, B, C and D Missions, to the launch of the SAOCOM 1B satellite, together with joint research projects in heliophysics, disaster risk management, among many other projects, the two space agencies have a long standing relation focused on Earth Observation, Exploration and Peaceful use of Outer Space, and technological developments for the use of space.

With the growth registered in the private sector in the commercial space industry over the past decade, the MOU mentioned above represents the kickstart for the mapping of private joint commercial opportunities for Argentina and the U.S, and the introduction of a new commercial paradigm for the industry, breaking new ground in bilateral cooperation.





## Fourth G20 Framework Working Group Meeting July 7-8 2020

Fourth G20 Framework Working Group Meeting

# ECONOMIC RECOVERY AFTER COVID-19: THE G20 ACTION PLAN.

COVID-19 triggered an unexpected, rapid, and broad-based health and economic crisis that already constitutes the worst we have seen in the last decades. To face the challenges posed by this unprecedented shock, G20 Leaders met virtually in March to agree on a common path to tackle this daunting situation.

In their joint Communiqué, G20 Leaders committed to “do whatever it takes and to use all available policy tools to minimize the economic and social damage from the pandemic, restore global growth, maintain market stability, and strengthen resilience”.

The confinement measures taken in response to the health crisis generated negative impacts on growth and employment for both advanced and emerging and developing economies, making this crisis truly global, a feature not seen since the great depression.

This global health shock turned into a supply and demand shock affecting each economy domestically and impacting not only investment but also consumption being particularly hard hit. Therefore, the magnitude of the GDP contraction is larger this time around than in the Global Financial Crisis.

This is a multi-faceted crisis with several shocks affecting simultaneously each economy: trade and global supply chains were interrupted deepening the negative toll on growth, and commodity prices fell significantly affecting countries that rely on the exports of these goods.

In this context, emerging and developing countries face additional challenges. Besides the direct effects of the pandemic, there are spillovers effects that limit their policy space. For instance, emerging market economies have been experiencing marked capital outflows in the last few months that surpass in scale and speed those seen during the Global Financial Crisis. In just two months investors pulled more than USD\$80 billion out, a magnitude three times larger than during that crisis. Moreover, credit spreads for most emerging and developing countries have risen, despite near zero global interest rates. This was accompanied by currencies depreciation in most emerging economies, which also increased governments' funding costs, among other implications. Furthermore, given the particular features of these economies, such as high levels of informality and unbalanced productive structures that rely heavily on labor intensive activities (difficult to replace with remote work), COVID-19 tends to have a deeper impact on output and employment.

It could be argued that COVID-19 is a symmetric shock since it is affecting all countries in the world. Nevertheless, it has asymmetric implications, for emerging and developing economies given the negative amplifications effects affecting them.

By understanding these challenges, G20 Leaders took action, and committed to cooperate to address the economic and social consequences of this pandemic.

As stated by G20 Leaders, “collective G20 action will amplify the impact, ensure coherence, and harness synergies” of the large-scaled fiscal measures countries are undergoing to respond to the economic consequences of COVID-19 and “transparent, robust, coordinated, large-scale and science-based global responses” are needed to fight this pandemic.

To live up to that mandate, G20 Finance Ministers and Central Bank Governor at their April meeting, endorsed the G20 Action Plan, which sets out the key principles that should guide G20's countries response to COVID-19, and their commitments to specific actions .

The Action Plan is structured around five key priorities. The first one is about ensuring that all elements of the healthcare response are fully funded and enhancing collaboration between countries, to ensure that lives are saved through reducing the spread of infection and preventing waves of reinfection.

In this regard, Argentina has increased the budget allocated to the Ministry of Health and the Ministry of Science, Technology and Innovation to scale up the production of tests for COVID-19 diagnosis, and provide the medical inputs and equipment needed. Special credit lines at concessional terms were also launched to promote the production of health-related equipment and services, and the development and implementation of technologies by firms and universities to fight this pandemic. In addition, public investment was made for the construction of temporary emergency treatment centers and measures were taken to provide support to health workers (e.g. a special temporary extra income was provided from the national government).

The second priority of the Action Plan refers to the G20 economic and financial responses and commitments to minimize the economic and social damage stemming from the pandemic, restore global growth, maintain market stability, strengthen resilience, and support jobs and household incomes. This section is at the heart of the Action Plan and includes most of the actions undertaken by countries in the past few months.

In this category, Argentina took a set of fiscal, monetary, and financial measures to support both the most vulnerable population and the productive sector. To protect the most vulnerable and informal sector, the government implemented a temporary direct cash transfer targeted to almost 9 million people.

In addition, a special credit line at 0% interest rate, with a 6-month grace period, was given to self-employed workers in the lowest tax brackets. Moreover, as done by other countries, Argentina's government also supported workers and the productive sector by supplementing a part (50%) of the monthly wage of the employees of companies whose sales income diminished due to COVID-19. And to even support firms further, companies were exempted from paying up to 95% of employees' social security contributions. Credit measures at concessional terms have also been given to small and medium sized companies (SMEs), which face liquidity constraints. Stimulus measures, such as increased public investment, and housing stimulus package to fund building of new houses and renovations in low-income neighborhoods, were also implemented to mitigate the negative consequences of COVID-19 on activity.

Another priority of the Action Plan covers the international actions committed to support those countries that are most in need, particularly low-income countries.

An important step forward in this regard is the debt service suspension initiative (DSSI) for the poorest countries that request forbearance. All G20 bilateral official creditors committed to participate in the DSSI. This initiative is currently undergoing and is a good step in the right direction. Finance Ministers and Central Bank Governors also called on the private sector and Multilateral Development Banks to join the initiative on comparable terms.

### TO PROTECT THE MOST VULNERABLE AND INFORMAL SECTOR, THE GOVERNMENT IMPLEMENTED A TEMPORARY DIRECT CASH TRANSFER TARGETED TO ALMOST 9 MILLION PEOPLE.

The last two general priorities under the Action Plan are more forward looking. One of them includes the policies that will be needed to return to a strong, sustainable, balanced and inclusive growth once containment measures are lifted. In this regard, it is important to mention that countries are in different points of the pandemic cycle and exit strategies will be implemented at different moments in time and gradually in most of the countries, depending of their particular economic features. There is no one-size fit all approach.

Countries are, at this point, generally moving to a flexibilization of the confinement measures. In the case of Argentina, the government moved from a strict lockdown to a gradual reopening of the economy but following a targeted approach and flexibilizing those activities and regions that showed the greatest improvements and less risk of contagion. However, the economic activity has not returned to its full capacity of production capacity.



Most probably, even after the confinement measures are totally lifted, demand push policies might need to remain in place, in order to maximize job creation in this phase of the recovery.

Finally, the Action Plan also includes actions and measures to improve countries' preparedness and investments to weather future crisis. A commitment has been made to integrate more systematically the economic risks of pandemics, and related risks, into the G20's global risk monitoring and preparedness, to be alert and avoid the materialization of future risks.

It is worth noting that the Action Plan is a living document that will be updated according to the evolving situations and countries' needs. Most countries are flexibilizing the confinement measures and reopening their economies, which means that new measures should be agreed upon and coordination should be strengthened if a second wave of the virus is to be avoided. Therefore, an update of the Action Plan will be discussed by G20 Finance Ministers and Central Bank Governors in their next meeting in July. At this meeting, further considerations will be given to the medium- and long-term implications of COVID-19, to avoid the negative consequences on global growth and inclusiveness. How to restore a strong, sustainable, balanced and inclusive growth will be at the center of the agenda.

The background of the footer section features a blue-tinted image of a classical building facade with columns and a flagpole with a flag, set against a backdrop of bare trees.

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