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(2) IMPLEMENTATION OF LAWS AND REGULATIONS  
ON TECHNOLOGY TRANSFER .  
THE ARGENTINE EXPERIENCE.

LUIS ALBERTO RAVIZZINI.

Buenos Aires, October, 1986.

\* Head of the Registry of Technology Transfer of  
Argentina.

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## PREFACE

- i) The present paper has been prepared to be submitted before the Argentine legislators who, in the course of the next months, shall analyze the bills on technology transfer sent to the Argentine Congress.
  
- ii) It shall also be presented in the international meeting convened by UNIDO/LES to be held in Vienna on November 5th through November 7th, 1986.
  
- iii) This paper summarizes comments and opinions provided by the staff of the Registry of Argentine Technology Transfer. However, the comments and opinions herein are strictly personal. We acknowledge the special contribution of Dr. Marcelo Martín Jolly, Acc. Alejandra Tani, Dr. Norma Félix, Acc. Daniel Sacon, Eng. Alberto Golisztajn and Dr. Isabel Sanguinetti.

## 1. INTRODUCTION

1. As it is widely known, the nations' progress is closely linked to the degree of technical development they achieve. Technology transfer agreements constitute a way of obtaining such technical development, but, as Nerhu stated, the developing countries must carry out research work precisely because they are poor countries.
  
2. It is not possible to increase the technological and economic level of our developing countries just by applying the acquisition of technology through licensing contracts as an only instrument.  
Neither can we expect much from cooperation agreements. Only an adequate combination of own effort, foreign assistance and contractual acquisition shall allow the achievement of positive results. The Japanese experience of the last decades constitutes a good example.
  
3. All developing countries bear this in mind and nobody should doubt in that respect, although they have to accept failures, decline positions and hope for a new international economic order which allow them at least to maintain their actual position.  
The "Uruguay meeting" of GATT does not encourage this hope.
  
4. The military dictatorship which governed Argentina during the period 76/83, established during those years a fascist-type legal background in politics and a liberal system in economy which caused, in respect of the subject we are discussing, the paralyzation and disappearance of most of the incipient Argentine industry and the subsequent unemployment and emigration of many technicians, engineers and professionals in general who had to emigrate in search of better opportunities.

5. It is true that the international solidarity worked well, and that in many cases, they were received in those countries which, 50 or 100 years before, saw our grandfathers leave in search for a land that allowed them to work and live well, without suffering the shame of being "foreigners" looking for work.
6. Now, since 1984, we have in Argentina a government elected by the people. Nevertheless, in 3 years we could not change the legislation of industrial promotion, foreign investments, technology transfer and of many other subjects related to its industrial development, i.e., to the people's welfare. In 1983, both the electoral program of the governing party and that of the Justicialist Party <sup>(P.I.D.C.)</sup> (the opposition) promised to adapt such legal backgrounds to better policies, but they still remain as projects.  
Let's analyze now the real current policy, specially that referred to the technology import system.

## II. LEGAL BACKGROUND

7. In Argentina, the current law referring to technology imports is law nr. 22426, enforced by Decree nr. 530/81. It has been in force since 4/1/81.
8. The abovementioned law states that any onerous contract of technology imports may be submitted before the Instituto Nacional de Tecnología Industrial (National Institute of Industrial Technology - INTI) (Registry of Technology Transfer) and, in that case, the foreign payments established in that contract can be deducted for taxation purposes, as receiver's expenses and shall enjoy the benefit of a tax rate smaller than the one established for supplier's profits in the Argentine Republic. Therefore, the submittance of agreements is not compulsory.
9. Should the contract be made between parties not economically

bound (independent), the mere presentation and its register by INTI enable the parties to perform the abovementioned tax deductions. (Informative register)

10. If the agreement is made between related parties (where the relationship exceeds 49%) it is evaluated and approved by INTI before registering it. In this case, the agreement must determine normal conditions between independent parties (object, price and restrictive provisions).

### III. TAX SYSTEM.

11. In Argentina, the current Profits Tax Law is law nr. 20628/73 and its amendments. Article 93, section a) (o.t.1986) established by law 23260/85, refers to technology import acts. It states that foreign payments with that purpose are subject to a real withholding rate of 36%, because the established legal presumption "juris et de jure" is of 80% (net profit) on a rate of 45%.  
That rate of 36% is reduced to 27% in the following cases:
  - a) If the object of the contract determines only a technical assistance, Engineering or Consultant services.
  - b) If the said agreement is registered with the application authority of law nr. 22426 (INTI).
  - c) If the service was actually performed before the date the payment was requested.
  - d) The contracted and performed service has a level which is not attainable in the Argentine Republic, according to INTI, because this organism is the application authority of law 22426.
12. However, as the Argentine Republic has made agreements to prevent international double taxation, all or most of that tax is recognized in the country where the licensing enterprise is based. In that sense, the current agreements with Bolivia,

Brazil and Chile, among the latinamerican countries which do not establish recognized maximum rates, and those European countries which do have them, must be pointed out (Sweden 15% Germany 15%, France 18%, Austria 15%, Italy 18%) (1)

13. The agreements on technology imports are also subject to a federal stamp revenue which is 1% of the economic value of the agreement in the Federal Capital, and of similar values in the Provinces.

#### IV. REGISTRY SYSTEM

14. The rates required by INPI to register contracts are of 1.5% of the economic value (independent parties) and of 2.5% (related parties).
15. Agreements should be submitted in three copies, and a form must be filled in with general data concerning both parties, sales and payment estimate for technology during the period the agreement duration and a detail of the contracted service including complete data of the licensed <sup>(Industrial Property)</sup> Rights.

#### V. BRIEF HISTORICAL SUMMARY.

16. The first Argentine law on the subject (1923) established that technology imports should be controlled for the same reason that import of goods is limited, i.e., in order to prevent an unnecessary expense of foreign currency and to ensure the employment of national manpower (2).
17. Fifteen years after the law was passed, Argentina is, no doubt, in a position that is considerably worse than before 1971, as regards this subject and many others related to its industrial development.
18. When the current law establishes an Informative Register of the acts performed between independent parties, it only allows the tax evasion carried out up to the passing of the first Argentine law on the subject, to have nowadays a greater



aureole of legality, because the contract has a seal provided by an organism as INTI with a technical prestige in technological matters.

19. The agreements between related enterprises are evaluated by INTI before registering them, but that evaluation must be done comparing only the price and conditions of these agreements with those which might be made between independent parties.

As the market between non-related parties is freed, the important objective implicit in law 22426 is that in the medium term, the market between related enterprises be also freed (branch/parent company).

20. This total freedom in technology imports is justified on the same basis advanced in 1971 to resist the passing of law nr. 19231.

- a) when technology import is freed, adequate conditions for our country to shorten the "technological gap" which separates it from the Northern countries are created.

- b) Nobody is more capable than the Argentine enterprise leaders to select the necessary technology and the trademarks they want to use to distinguish their products.

- c) The market is the best regulator of the price the receiver shall pay for that technology or trademarks.

When explaining the reasons for this bill, I admit that this market is not transparent, and I suggested that the State promote the access to Foreign Data Banks, i.e., that foreign technology be made known.

21. The experience gathered during the last years reveals that the principal objective, that is, the shortening of the "technological gap", was not fulfilled and the main obstacle detected is the recession suffered by the local industry

during several years. Technology import is closely related to industrial development and not to the existence of laws regulating foreign payments for technology acquisition, because during the period 71/81, INTI never prevented the entrance of "new technologies"; it simply prevented the so-called import of "old technologies", which were obsolete or whose level could be attained in Argentina.

This is the main point that should be clarified in order to adopt an intelligent and honorable policy concerning this subject.

22. We have accepted to apply liberal policies as regards technology imports and, at the same time, we have to bear the fact that central countries apply protective policies which prevent our exporting of primary goods.

This business we are doing is so brilliant that it is not worth while considering the financial aspects involved when royalties due cannot be paid, because our Central Bank does not have the necessary foreign currency and we have, then, to get into debt at a variable interest rate established by the creditor.

23. None of the laws passed in our country since 1971 on this subject stated that the national enterprise leaders should resort to specific foreign technology supplying sources. Neither have INTI technicians intervened in the stage of foreign technology selection. There are no precedents that demonstrate that, for example, due to the protective policy applied during the last democratic government (73/76), the introduction of new technologies, necessary for my country, was hindered. On the contrary, which began to be prevented was foreign currency wastefulness and tax evasion.

## VI. ECONOMIC DATA.

24. The statistics worked out by INTI's Registry of Technology Transfer provide data which are extremely revealing as to how little convenient it is for Argentina to maintain in force a law as the 22426 which permits the free expense of foreign currency, within a background of economic stagnation, which does not lead enterprises to the mass incorporation of new foreign technologies, and with a tremendous foreign debt which does not leave available money for investments.
25. Chart nr. 1 shows, in item 2, that the submittance of contracts of technology imports was constant during the period 81/86, for it varied between 400 and 450 contracts per year, with a strong decreasing trend in 1986, because it diminished from approximately 35 contracts per month to 25 per month. On the other hand, item 7 of the mentioned chart shows values related to the change of authorities that occurred in Argentina in December, 1983, when Dr. Raúl Alfonsín took office and, consequently, the authorities of INTI and of the Registry of Technology Transfer also changed, for in 1984 the legal technology necessary for denying contract approvals started to be designed.
26. Chart 2 summarizes the contracts registered and approved during 1985. It shows that 359 non-compulsory contracts were registered (informative register) for an estimated value of U\$A 191.13 millions, but in those agreements made between related parties, for which law gives INTI the faculty of evaluation prior to their record in the Registry, there are remarkable reductions, since the 77 approved contracts amounted to U\$A 114.8 millions versus the initially requested U\$A 195.82 (a reduction of 41.3%) and contracts for U\$A 103.01 were denied, which implied that every 3 dollars requested

to be drawn abroad, only one was authorized, without noticing any reduction in the flow of foreign technology to the Argentine Republic.

27. Chart 3 shows the evolution of foreign payments according to data obtained from the Annual Report of the Central Bank of the Argentine Republic, compared with the annual amounts registered by INTI in that respect. While the first ones are amounts due and/or paid during one year by all the Argentine enterprises that have current contracts, the latter refer only to some of those enterprises, which submitted their contracts to INTI, but the estimated payments involve all their contractual duration, i.e., more than one year. Basically, they are non-comparable values, but if we consider the accumulated value during the period 75/84 (10 years) of both columns, we obtain very similar values, because the resultant figures are approximately identical (approx. USA 2.500 millions), with an average value of 250 million dollars per year and an increasing trend. During the period 70/77, foreign payments varied between 40 to 100 million dollars per year, while in the following 8 years (78/86), payments rose to 150 million dollars in 1978 and over 600 million dollars per year estimated for 1985. It should be pointed out that this remarkable increment took place within a background of industrial recession.
28. Most of the enterprises with foreign capital settled in Argentina, have contracts of technical assistance and of license, with their parent companies. A very small percentage of the rest of the enterprises with Argentine capital operate, at present, using similar contracts of technological transfer. However, if we analyze the ranking of the 1000 most important enterprises in Argentina by sales volume, 42% have foreign capital and 96% work with foreign manufacturing licenses. (4)

29. Only 15% of the contracts, correspond to agreements made between related parties. That value reaches 35% if we analyze the agreed amounts (see chart 4). The trend diminishes due to the participation of INTI in this type of agreements.
30. The average royalty, weighted with the sales volume estimated in each agreement, has increased from 3% of the sales in 1977 to up to 4.5% in 1983, and decreased to 3.3 and 3.5% in 1984 and 1985 respectively (chart 5). The reduction registered in 1984/85 in the average royalty of agreements between related parties should be remarked.
31. In 1985, when evaluating the contracts, the abovementioned average royalty was reduced from 3.6% to 2.4% between related parties, by regulations established by the Registry of Technology Transfer Contracts.
- The evaluation <sup>was</sup> made taking as reference values the average amounts established in contracts similar to the one analyzed pursuant to the Argentine law, but also considering the percentage of investment in Research and Development on Consolidated Sales of the multinational technology licensing group. In both types of evaluation, not only the economic indexes resulting from calculating the average royalties of the sector, or the consolidated balance of the licensing enterprises, but also the correcting factors, estimated by the Technical Section of the Registry, according to the details of the analyzed contract, were used.
- Finally, values are corrected according to the objectives and documentation submitted by the contracting parties. The whole evaluation is carried out in a term of 90 days stipulated by law.

32. Chart 6 shows the 10 most important sectors, classified by technology offering sector, for the period 1984/85, using the International Code of Industrial Activities. Clothing occupies the first place, thus revealing the principal commercial characteristic of the imported technology of the last years.
33. Chart 7 analyzes the countries from which technology was imported, during the period 77/85. Out of 10 registered contracts, 5 correspond to some Western European licensor, 4 to the United States and the last, to the rest of the world, which shows the strong technological relations of Argentina with those countries that are its main competitors in primary asset exports.
34. The average duration agreed on in these agreements has been increased from two years in 1977 to nearly 5 years in 1985. However, most of the contracts provide for automatic renewals or renewals previously agreed on, which is always verified in the cases evaluated by the Registry at present, for obvious reasons (economic relationship) (see Chart 8).

#### VII. RESTRICTIVE PROVISIONS.

35. As law 22426 demands these clauses be evaluated, in contracts made between related enterprises, comparing them with those made between independent parties, the Registry maintains a permanent statistic of occurrence of the different restrictive provisions which may appear in the agreements. I shall describe each one in the next paragraphs.
36. Grant-back provisions. It is the obligation to transfer to the licensor the technological improvements developed by the local enterprise. It is not authorized when it is gratuitous. Between independent parties, it appears in 10% of the contracts.

37. Changes to validity of licensed rights: the licensee must not refute the validity of the licensed industrial property rights. It is not authorized. Acts in bad faith between related parties are not foreseeable.
38. Exclusive dealing: It prevents the local enterprise from obtaining licenses from third parties. It is not authorized for the abovementioned reasons.
39. Restrictions on research: Restrictions on research and development of new products different from the ones licensed are not accepted. In practice, the adjustment to local conditions always demands the performance of research work. Thus, such provision is not usual and if it appears, it is not accepted.
40. Restrictions on use of personnel: The obligation to engage foreign personnel is not accepted. This is by no means the usual procedure. In certain cases of contracts for counseling or engineering services, this variable is overestimated in order to justify payments in foreign currency. The normal practice in license contracts is that few days wage/man's technical assistance be included, without more payments than those considered for the manufacturing license (know-how), and if additional assistance is required, it shall be onerous but never compulsory.
41. Price fixing: That the foreign enterprise determine by contract the prices to be established by the local enterprise for the sale of the licensed products is not accepted. This type of provisions are not very usual. We must take into account that for many years product prices have varied monthly and even weekly in Argentina, so this provision would be very difficult to fulfill. In certain sectors, as for example clothing, where the trademark license is most important, provisions that stipulate sales price levels according to

the competence price are agreed upon, but there are not contracts between related parties of that sector in Argentina.

42. Restrictions on adaptations: It is not usual that restrictions to adapt the transferred technology to the local conditions be agreed on. On the other hand, it is common that a minimum quality level be demanded, when there exists a trademark license. This last requirement may be accepted but not the first one.

43. Exclusive sales or representation agreement:

That the local enterprise be compelled to use the services of the licensor as sales agent, in a direct or indirect way is not accepted. It does not usually appear in the agreements registered in Argentina. Nevertheless, it may be usual in business practice that the purchasing enterprise consider it convenient to accept such services.

44. Tying arrangements: They are those agreements by which the purchasing party obliges itself to accept future improvements of different types, including new licenses on industrial property rights. This requirement is not common. But it is usual that the licensing party offer improvements, and the local enterprise may or may not include them in its manufacturing line according to the characteristics and dimension of the local market. It is obvious, however, that in both cases the local party must continue to pay the agreed counterservice during the whole contractual term. Consequently, this type of provisions are not accepted either.

42. Export restrictions:

We only accept that exports be limited to those areas where the licensing party has a branch or licensee enterprise.



This type of limitation is common between independent parties. Between related parties, though it may not be expressly stated, it is evident that this restriction exists, but, because of the abovementioned reasons, it cannot go beyond the normal practice between independent parties.

Major limitations exist in 20 to 25% of the contracts between independent parties.

43. Patent pool or cross-licensing agreement:

They are agreements between technology suppliers which establish restrictions to transfer new technologies if such knowledge may be transferred to certain countries, or manufacture certain amounts, or sell at certain prices, etc. The USA Department of Commerce has lists of countries to which its enterprises cannot export certain products. These provisions are becoming less usual.

They are considered to be part of the "gentlemen's agreement" which is implied in every license agreement. Thus, they are not acceptable, because they also imply a subjection to policies enforced in foreign countries, which should not necessarily be abided by Argentine enterprises.

44. Restrictions on publicity: As in the case of price fixing, they are provisions which are in force only within the clothing sector. In this case, cosmetics may be another important sector. They are not usual in the rest of the sectors. They are not accepted.

45. Payments and other obligations after expiration of Industrial Property Rights:

Generally, the Registry evaluates the transferred technology as a whole, but it demands that it be detailed for the parties. There is not only one answer to this type of restriction.

In certain cases, the contract effect is only authorized up to the expiration date of the licensed patents and con-

sequently, later payments are not accepted. If this causes the duration of the agreement to exceed five years, a reduction of royalties proportional to the extension is demanded.

In practice, agreements with a duration exceeding 5 years are not authorized.

Between independent parties, only 10 or 15% of the agreements establish durations exceeding 5 years. If, on the other hand, the patent term finishes before the agreement date, a reduction of royalties for the remaining period between one expiration and the other, may be required, or a single average royalty may be stipulated.

46. Restrictions after contract expiration:

Payments after the contract expiration are not authorized, except the amounts due before that date.

The restriction that prevents the use of diagrams, at the agreement expiration is accepted.; if the licensee continues manufacturing products or providing services, he should not infringe industrial property rights which are no more licensed. Also, the licensee must keep the secret as regards confidential knowledge during a certain period of time (1 to 3 years). However, the licensee may keep on using the non-patented knowledge which he considers is reasonably known to the public.

This restriction is very important. The Argentine policy does not intend to protect fraudulent acts committed by local enterprises and approves any kind of provision that may prevent this type of abuse. However, it limits any kind of contract renewal, when the transfer of a continuous technological flow is not duly justified and it is assimilated by the local enterprise. If any of these conditions is not fulfilled, the agreement extension is only accepted gratuitously.

47. Limitations on production volume, etc.

In general terms, they are neither accepted nor common between independent parties.

48. Requirements on quality control.

They are not accepted if the technology transfer does not have a trademark license. In this case, the reasonability of the question submitted is analyzed so as to find a balance of interests.

49. Obligation in the use of licensed trademarks.

It is not accepted because it is not usual that a trademark license contract stipulate the compulsory use of the license on the part of the licensee.

50. Requirements on participation in the licensee's capital.

They are not accepted for the abovementioned reasons. However, these conditions are often included in the mentioned "gentlemen's agreement".

51. Unlimited duration of agreements.

Unlimited terms are not accepted because the price could not be determined and this would prevent the Registry's evaluation. On the other hand, from the official point of view, it is not possible to justify that the licensee shall continue requiring the licensor's technical assistance for an undetermined period.

52. Limitation on the use of already imported technology.

Since they are not usual, they are not accepted. Contractual extensions are accepted in as much as it is justified that technical knowledge shall continue to be transmitted during the new period.

## VIII. SETTLEMENT OF DISPUTES AND APPLICABLE LAW.

The international precedents consulted indicate that this is a most conflicting subject. In Argentina, contracts made between independent parties foresee that the applicable law be the foreign one in 26% of the cases. This result, that is provision 1 because it was obtained by selecting a group of 50 contracts chosen at random among 173 agreements registered between January and August, 1986, enabled us to ratify the figures obtained before, which indicated that it was foreseeable in 20/30% of the contracts.

Thus, we do not accept that related parties consider an applicable law different to that of Argentina, for technology import agreements; consequently, the competent courts shall be those of the Argentine Republic.

54. The same happens in the cases that resort to arbitration in order to settle disputes. Therefore, the court jurisdiction, the legislation and applicable norms, and the place of arbitration must be the ones of the Argentine Republic.
55. On the other hand, as regards Arbitration Rules, the parties may decide upon them; the ones of UNCITRAL are recommended (United Nations Commission on International Trade Law).

## IX. WARRANTIES.

56. The licensor must warranty that, when following the instructions, the information he transfers is reasonably necessary and sufficient to manufacture the licensed products.  
This rule only indicates that he must fulfill the agreement.
57. If this is not fulfilled, because there are errors in the information transmission, or because third parties claim industrial property rights current in Argentina and totally

or partially prevent the manufacturing of the licensed products, he shall be responsible for damages and loss of profits.

58. Most of the agreements between independent parties, explicitly or implicitly establish this type of condition.

59. Therefore, responsibility exemption between related parties is not accepted.

60. In some cases, the limitation of that responsibility has been accepted according to the global convenience of the agreement.

#### X. FUTURE POLICY

61. Policies to be applied in the following years are not easily foreseeable in any of the developing countries.

Developed countries are exerting an obvious international pressure to free the barriers preventing import services in general and technology in particular, which are established by the Third World.

62. As it was mentioned before, many years ago Argentina anticipated its present position, so now it only suffers pressures in order to prevent the democratic government from fulfilling its promises and change the legislation sponsored in the period of the military dictatorship.

63. In June, 1984, the Justicialist Party in Argentina, advanced a bill and the National Executive Power drafted another one some months later, which has not yet been submitted to the National Congress.

64. In August, 1986, the Intransigent Party (left) submitted a second bill to the Chamber of Deputies and in the same month, the Justicialist Party submitted another amended bill. The governing party sent a third draft to Congress in Septem-

ber, 1986. In October, 1986, a committee formed by members of the three parties was working and trying to harmonize those projects, so it is foreseeable that in 1987, a new law on Technology Transfer shall be discussed in Congress. A fourth bill was also submitted in September, 1986, to the Senate (Menem).

65. The three mentioned bills submitted to the Chamber of Deputies and the one submitted to the Senate (3) coincide in that they recognize that Argentina must regulate the market of technology imports, as it was done during the first five years of the 70's, but including the experience acquired and the changes introduced in the following years. Consequently, it is possible that in the next years, the results described herein, that are not convenient for the Argentine interests, may be reverted.

I hope that foreign readers understand that many Argentines think that we are making severe errors when we accept a liberal policy to import but we cannot have access to foreign markets with our exports due to the subsidies with which we have to compete. There are two solutions to this problem; but only one depends on our legislators: to change the current law as regards technology imports. I hope these lines will contribute to it.

NOTES:

- (1) The Argentine laws that ratify the treaties to prevent double international taxation are the following: a) Sweden Decree-law 12821; b) Bolivia Law 21780; c) Germany Law 22025; d) France Law 22357; e) Austria Law 22589; f) Brazil Law 22675; g) Italy Law 22747; h) Chile Law 23228.
- (2) The Argentine laws on technology transfer are the following: a) Decree-law 19231 (9-21-71 to 11-5-74); b) Law 20794 (11-6-74 to 8-24-77); c) Law 1617 and its amendment law nr. 21879 (8-25-77 to 3-31-81) and d) the law in force since 4-1-81, nr. 22426.
- (3) See the bill of Aramburu, Alende and others (parliamentary dossier nr. 58); Bill of Vaca-Nelón (Parliamentary dossier nr. 66); Bill of Cavalari-Socchi (Parliamentary dossier nr. 77) and Bill of Menem. (DAE Nº 55).
- (4) See "MERCADO" Nº 828 - August 28 - 1986 and OÁZPIAZU - E.M. BASUALDO - M. KHAVISSE "EL NUEVO PODER ECONOMICO EN LA ARGENTINA DE LOS AÑOS 80", Ed LEGASA. BsAs 1986.

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0011569

CHART 1

" REGISTRY OF TECHNOLOGY TRANSFER " MOVEMENT OF EXPEDIENTS, LAW 22.426

EXPEDIENTS	YEAR	81 (1)	82	83	84	85	86 (2)
1- PENDING		350	154	84	125	190	121
2- CONTRACT PRESENTATIONS		337	395	445	445	410	235
-INDEPENDENT ENTERPRISES	278	133	137	135	133	120	
-RELATED ENTERPRISES	59	64	68	89	80	29	
3- PROJECTS AND INQUIRIES		17	17	20	10	7	6
4- PROFITS TAX (3)		-	-	-	-	-	5
A- TOTAL IN PROCESS (1+2+3+4)		704	566	549	580	607	367
5- INFORMATIVE REGISTER (INDEPENDENT ENTERPRISES)		433	326	329	316	359	181
-NEW CONTRACTS	388	125	125	118	122	141	
-MODIFICATIONS AND OTHERS	45	70	73	118	136	40	
6- APPROVED REGISTERS (RELATED ENTERPRISES)		55	66	46	51	77	40
-NEW CONTRACTS	36	40	21	24	40	25	
-MODIFICATIONS AND OTHERS	19	26	27	27	37	15	
7- DENIED REGISTERS (RELATED ENTERPRISES)		-	-	-	3	17	5
8- FILED		62	90	47	20	33	33
-REG. DOESN'T CORRESPOND	24	20	27	6	7	8	
-CADUCITY	34	44	16	7	14	3	
-OTHER (RESOLVED PROJECT, ETC.)	4	26	4	7	12	22	
9- PROFITS TAX (3)		-	-	-	-	-	-
B- TOTAL RESOLVED (5+6+7+8+9)		550	482	424	390	486	259
C- PENDING (A-B)		154	64	125	190	121	108
-WAITING FOR AN ANSWER	W/D	W/D	W/D	90	80	55	
-IN PROCESS	W/D	W/D	W/D	100	41	53	

W/D=WITHOUT DATA

-NOTE (1): PERIOD 4/1/81 TO 12/31/81

-NOTE (2): PERIOD 1/1/86 TO 09/30/86

-NOTE (3): CERTIFICATE ART. 93 SECT. A LAW OF PROFITS TAX.

SOURCE: REGISTRY OF TECHNOLOGY TRANSFER - I.N.T.I.

0011570

## CHART 2

## SUMMARY OF THE WORK PERFORMED DURING 1985 (AMOUNTS IN MILLION US\$ CURRENT)

CONTRACTS BETWEEN:		QUANT. NP.	REQUESTED (1)	APPROVED (2)	REDUCTION (3) (1-2)	(3)/(1)x100
1. RELATED ENTERPRISES	APPROVED	77	195.82	114.85	80.97	( 41.34%)
	DENIED	17	103.01	---	103.01	(100 %)
	DESISTED	14	3.85	---	3.85	(100 %)
	SUBTOTAL	108	302.68	114.85	187.85	( 62.05%)
2. INDEPENDENT ENTERPRISES	REGISTERED	359	191.13	191.13	---	
3. TOTAL (1+2)	PROCESSED	467	493.81	305.98	187.85	

SOURCE: REGISTRY OF TECHNOLOGY TRANSFER - I.N.T.I.

0011567

CHART 3

APPROVED AND/OR REGISTERED CONTRACTS PER YEAR, APPROVED AND/OR ESTIMATED AMOUNTS AND DUE AND/OR PAID AMOUNTS (MILLION OF US\$ DOLLARS - CURRENT VALUES)

YEAR	DUE AND/OR PAID AMOUNTS (BCRA)	APPROVED AND/OR ESTIMATED AMOUNTS (INTI)	APPROVED AND/OR REGISTERED CONTRACTS (INTI)
1970	70.5 (1)	---	---
1971	79.8 (1)	---	---
1972	54.3 (1)	W/D	1706
1973	80.7	W/D	129
1974	97.9	W/D	125
1975	64.1	54.4	111
1976	57.0	32.0	116
1977	51.4	34.9	116
1978	148.2	157.9	323
1979	156.7	321.5	510
1980	239.2	581.9	495
1981	246.9	579.9	528
1982	361.1	182.7	296
1983	483.9	237.5	322
1984	675.5 (2)	149.0	367
1985	341.3 (3)	306.0	436

(1) INCLUDING AMOUNTS FOR COPYRIGHT.  
 (2) US\$ 465.0 MILLIONS FOR ROYALTIES.  
 (3) 1ST. SEMESTER OF 1985; US\$ 220 MILLIONS FOR ROYALTIES.  
 W/D WITHOUT DATA

SOURCE: REGISTRY OF TECHNOLOGY TRANSFER - I.N.T.I. AND B.C.R.A., CENTRAL BANK OF THE ARGENTINE REPUBLIC, (ANNUAL REPORT AND QUARTERLY ESTIMATION, 1ST. & 2ND. QUARTERLY 1985)

0011566

CHART 4

NUMBER OF CONTRACTS AND AMOUNTS DETAILED BY PERIODS  
 ACCORDING TO THE TYPE OF RELATION - IN PERCENTAGES -

A) ACCORDING TO QUANTITIES:

TYPE OF ENTERPRISES	LAW 21.617	LAW 22.426		TOTAL
	1977/1981	1981/1983	1984/1985	
RELATED	19	9	16	15
INDEPENDENTS	81	91	84	85
TOTAL	100	100	100	100

B) ACCORDING TO AMOUNTS:

TYPE OF ENTERPRISES	LAW 21.617	LAW 22.426		TOTAL
	1977/1981	1981/1983	1984/1985	
RELATED	37	35	32	35
INDEPENDENT	63	65	68	65
TOTAL	100	100	100	100

SOURCE: REGISTRY OF TECHNOLOGY TRANSFER - I.N.T.I.

0011565

CHART 5

AVERAGE ROYALTIES WEIGHTED WITH THE ESTIMATED AMOUNTS OF THE REGISTERED CONTRACTS

(IN % OF SALES)

YEAR	1977	1978	1979	1980	1981	1982	1983	1977-83
TOTAL	3.0	3.2	3.4	3.5	3.6	4.0	4.5	3.5
RELATED	3.0	2.6	3.4	3.3	3.1	3.0	4.8	3.7
INDEPENDENT	4.9	3.8	3.3	3.9	4.3	5.0	4.0	4.0

YEAR	1984	1985	1984-85	1977-85
TOTAL	3.3	3.5	3.4	3.6
RELATED	2.2	2.4	2.5	3.3
INDEPENDENT	3.7	4.5	4.2	4.0

SOURCE: REGISTRY OF TECHNOLOGY TRANSFER - I.N.T.I.

0011564

CHART 6

THE TEN MAIN INDUSTRIAL AREAS (BY AMOUNTS)

PERIOD 1984 - 1985

*****				
*	*	INDUSTRIAL AREA		*
*	N	-----*		TOTAL AMOUNT
*	*	CIUU	SUBJECT	* MILLIONS OF US\$
*****				
*	1	3220	CLOTHING	*
*	*	*	EXCEPT FOOTWEAR	59.6
*	2	3843	AUTOMOBILE	54.7
*	3	5000	CONSTRUCTION	46.8
*	4	3710	SIDERURGY	25.2
*	5	3829	MACHINERY AND EQUIPMENT	*
*	*	*	EXCEPT ELECTRICAL	23.4
*	6	3522	PHARMACEUTICAL	20.3
*	7	3112	MILK PRODUCTS	18.4
*	8	3551	TIRES AND AIR CHAMBERS	17.9
*	9	3523	COSMETICS, OILET ART.	17.3
*	10	3511	BASIC INDUSTRIAL CHEMI-	*
*	*	*	CAL SUBSTANCES	15.8
*	*	*	*	*

SOURCE: REGISTRY OF TECHNOLOGY TRANSFER - I.N.T.I.

0011563

**CHART 7**

**ORIGIN OF THE TECHNOLOGY BY REGIONS**  
**ACCORDING TO AMOUNT AND NUMBER OF CONTRACTS**  
**- IN PERCENTAGES -**

**A) ACCORDING TO QUANTITIES:**

REGION	1977-1983	1984-1985	1977-1985
WESTERN EUROPE	47.14	47.69	47.31
USA	40.79	36.49	39.76
THE REST OF AMERICA	7.57	11.47	8.49
JAPAN	3.42	3.11	3.35
SOCIALIST COUNTRIES	0.48	0.74	0.54
THE REST OF WORLD	0.60	0.50	0.55

**B) ACCORDING TO AMOUNTS:**

REGION	1977-1983	1984-1985	1977-1985
WESTERN EUROPE	50.85	53.88	51.39
USA	38.61	34.64	37.90
THE REST OF AMERICA	7.08	8.49	7.32
JAPAN	2.79	1.99	2.64
SOCIALIST COUNTRIES	0.57	0.89	0.65
THE REST OF WORLD	0.10	0.11	0.10

**SOURCE: REGISTRY OF TECHNOLOGY TRANSFER - I.N.T.I.**

0011562

CHART 8

AVERAGE DURATION OF THE NEW CONTRACTS ACCORDING TO THE TYPE  
OF RECEIVER - IN MONTHS -

YEAR	TOTAL	ENTERPRISES	
		INDEP.	RELATED
1977	21	19	52
1978	38	36	55
1979	46	45	52
1980	46	42	59
1981	45	44	54
1982	49	47	55
1983	47	46	55
SUBTOT	45	43	55
1984	57	57	54
1985	57	57	58
SUBTOT	57	57	56
TOTAL	47	45	56

SOURCE: REGISTRY OF TECHNOLOGY TRANSFER - I.N.T.I.