

G-20: It's Time for Argentina to Go

Over the last decade, Argentina has undertaken actions unbefitting a G-20 nation. As this prestigious group of nations meets in South Korea, it is time for a re-evaluation of its membership. Until Argentina behaves like other responsible nations, it does not deserve a spot in the prestigious club alongside fellow G-20 nations.



Argentine Protests



Italian Pensioner



Cristina Fernández de Kirchner,
President of Argentina



A Responsible G-20 Member Would Not:

1. Repudiate billions of dollars of debt to U.S. creditors and deny them a fair negotiation

In 2001, Argentina defaulted on over \$81 billion and restructured four years later with an unprecedented 27 cents on the dollar. Over half the country's international lenders declined the take-it-or-leave-it offer. In June 2010, Argentina offered bondholders a worse offer — nearly \$16 billion is still owed to lenders worldwide.

2. Find their preferred trade status under review by the U.S. Trade Representative

Due to unpaid court judgments and refusal to recognize its unpaid debts to U.S. citizens, Argentina risks having its Generalized System of Preferences (GSP) benefits revoked. As one of the wealthiest nations to receive these benefits, Argentina holds over \$50 billion in reserves and is fully capable of normalizing relations with creditors and honoring its outstanding court judgments.

3. Repeatedly defy decisions by the World Bank's International Centre for the Settlement of Investment Disputes (ICSID)

Argentina accounts for 84 percent of all pending ICSID cases (27 out of 32) against G-20 countries, and refuses to pay awards when ICSID rules against it. Argentina's refusal to recognize and honor these awards exhibits a clear disdain for its treaty obligations and international rule of law.

4. Be in danger of landing on the Financial Action Task Force's (FATF) list of "countries with strategic deficiencies" in their anti-money laundering programs

In its 2010 evaluation of Argentina, the FATF found systemic failures in measures to combat money laundering and the financing of terrorism. Argentina is in full or substantial compliance with only 4 of the FATF's 49 recommendations, in "partial compliance" with 22, and was out of compliance with the remaining 20. This is the first time a member country has received such poor marks since the FATF was established in 1989.

5. Refuse to participate in an Article IV Consultation with the IMF

Under Article IV of the IMF's Articles of Agreement, the IMF consults annually with each member government, to assess each country's economic health and financial position. Argentina has refused to participate in these discussions since 2006. An Article IV Consultation would presumably expose the systematic falsification of the country's economic data published by Argentina's politicized statistics bureau.

As the world's great powers convene to discuss our economic future, the irresponsible behavior of Argentina undermines the credibility of the G-20. Argentina's illegal actions, time and again, have proven that the government cannot handle the responsibility of G-20 status; therefore it should not be welcome in the club.

Argentina: Not a Serious Country, Not a G-20 Member.

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ARGENTINA

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