

ARGENTINA

1. General trends

The Argentine economy contracted by 2.1% in 2019, following a 2.6% decline in 2018. Exchange rate and financial tensions continued in 2019, reflected in a depreciation of the peso, surging inflation (which climbed to 53.5% year-on-year from a 2018 average of 34.3%), a drop in household real income, and a contractionary fiscal and monetary policy implemented within the framework of the lending agreement with the International Monetary Fund (IMF). At end-2019, the high level of public debt (equivalent to 89.4% of GDP), the persistent balance-of-payments deficit (the sum of the current account deficit and private sector capital outflows was equivalent to 8.3% of GDP), the lack of access to global capital markets, the slump in central bank reserves and the decision of IMF to suspend its sixth scheduled disbursement under the lending agreement led the government to establish capital controls, extend the maturities of short-term debt (reprofiling) and undertake to submit to Congress a debt-swap proposal for the remaining public debt held by the private sector.

In the first months of 2020 there was a turning point, as a result of the change of government in December 2019 and the onset of the coronavirus disease (COVID-19) crisis. Prior to the start of the health crisis, the new authorities had implemented a programme designed to address the external financing and fiscal gap and the plight of the sectors hardest hit by the 2018–2019 recession. As COVID-19 spread and physical distancing measures were adopted, the national government implemented a wide-ranging package of economic assistance measures directed at low-income social sectors, workers and companies, including cash transfers, subsidies and soft loans. As a consequence of fiscal measures, real primary expenditure increased 16.3% year-on-year in the first eight months of the year. Another notable aspect of the economic situation was the restructuring of foreign currency-denominated public debt, which implied a significant reduction in interest and a debt relief of US\$ 37.7 billion in the next 10 years.

The outbreak of the health crisis exacerbated the economic recession of the preceding two years, with GDP down 12.6% year-on-year in the first half of 2020. In the first seven months of the year, the manufacturing industry production index (IPI) and the construction activity indicator (ISAC) fell by 13.4% and 34.0% year-on-year, respectively. As a result of the decline in activity, imports posted a sharp drop, exceeding that for exports. This caused the trade surplus to climb to US\$ 11 billion for the first 8 months of the year.

For the remainder of 2020, lower household real income, reduced international trade flows and the restrictions linked to the ongoing pandemic are expected to dampen private consumption, investment and exports. This is expected to be only partially offset by State assistance to be provided in the framework of the package of measures implemented to tackle the crisis. In that scenario, GDP is projected to fall by 10.5%. This estimate depends on how the COVID-19 infection spreads and how quickly.

2. Economic policy

In 2019, economic policy focused on stabilizing financial markets and complying with the targets of the IMF assistance programme. This required a contractionary fiscal and monetary policy, and active intervention in the foreign exchange market. A turning point in economic policy came in 2020 as a result of the change in government and the onset of the global health and economic crises triggered by COVID-

19. Since the outbreak of the pandemic, fiscal, monetary and exchange rate policies have been focused on assisting the social and productive sectors hit hardest by the crisis, moving ahead with restructuring of public debt and maintaining exchange rate stability.

(a) Fiscal policy

A contractionary fiscal policy was adopted in 2019. Primary expenditure of the national public sector increased 37.2% in nominal terms, below the average rate of inflation for that period (53.5%) and below the rise in total revenue (48.2%). As a result, the primary deficit of the national public sector fell in real terms to 0.4% of GDP, below the previous year's 2.3%. Public debt interest payments posted an increase of 86.0% in 2019 on the back of the higher exchange rate on the valuation of foreign currency-denominated maturities. As a result of these trends, the financial deficit was equivalent to 3.8% of GDP, below the 5.0% of GDP deficit posted in 2018. If the extraordinary capital revenues are excluded, resulting from the sale of two thermal power plants and transfers from the Sustainability Guarantee Fund (FGS) to the National Social Security Administration (ANSES), the primary deficit and financial deficit were equivalent to 1.0% and 4.3% of GDP, respectively. Owing to those financing needs, the central government's gross public debt grew from 86.0% of GDP in 2018 to 89.4% in 2019.

At end-2019, Congress adopted the Social Solidarity and Productive Reactivation Act, submitted by the new government, which included a set of measures designed to restore the balance of public accounts and protect the most vulnerable sectors. Notable changes brought about by this Act include the six-month suspension of increases in utility rates (which was later extended to the end of 2020); raising the ceiling on withholding taxes on exports (which would push up the export tax on soybeans from 30% to 33%); a 30% tax on the purchase of foreign currency without a specific purpose or to pay for consumer goods priced in dollars; subsidies to supplement payments made to the beneficiaries of social programmes and to those receiving the lowest retirement benefits and pensions; reimbursement of value added tax (VAT) to retirees receiving the minimum pension and beneficiaries of social programmes; tax benefits (moratoriums and reduced employer contributions) for small and medium-sized enterprises (SMEs); an increase in the tax on personal property (wealth tax); higher excise duties on luxury goods, heavier corporate income taxes; and an increase in the statistical fee applied to imports. At the same time, the Act established a temporary suspension of automatic adjustments of pensions. Pursuant to this provision, the Executive is authorized — pending a new updating formula— to define pension increases by decree, as it did in March, June and September 2020, when it introduced progressive increases in retirement benefits and pensions, based on the lump sums paid, which meant that minimum benefits increased more than the average benefit.

In the first few months of 2020, the Government of Argentina adopted a series of measures aimed at protecting jobs, vulnerable sectors and companies in connection with the global health and economic crisis unleashed by the spread of COVID-19. This package of measures led to a 16.3% year-on-year increase in real primary expenditure in the first 8 months of the year, which amounted to an expansionary fiscal policy. Among the measures that pushed up primary spending, there was a notable increase in social benefit expenditures, with a real year-on-year rise of 24.2% in the same period. With a real 17.2% year-on-year drop in revenue in the first 8 months of 2020, the primary balance deficit was equivalent to 4.1% of GDP, compared to a 0.2% surplus in the same period in 2019. Meanwhile, interest payments fell in real terms by 37.8% year-on-year in the first 7 months of the year as a result of the suspension of payments in the context of the public debt restructuring process and the overall fiscal deficit climbed to 5.5% of GDP, compared to 1.8% in the same period in 2019. If extraordinary capital revenues are excluded, the primary deficit and the overall fiscal deficit were equivalent to 4.3% and 5.7% of GDP, respectively. The fiscal deficit financing strategy changed in 2020, with much of it being covered by central bank financing.

Measures adopted by the national government to tackle the health and economic crisis that implied an increase in primary spending included: a one-time bonus of 3,000 pesos (US\$ 46) for those who receive the lowest retirement benefits and pensions; one extra payment of 3,100 pesos (US\$ 48) for the beneficiaries of the Universal Child Allowance (AUH) and the Pregnancy Allowance for Social Protection programmes; a transfer of 3,000 pesos (US\$ 46) to the beneficiaries of the *Hacemos Futuro* social programme and that to supplement salaries; strengthening the *Alimentar* programme, under which a fixed sum of money is granted each month for the purchase of food; the emergency assistance programme for work and production (ATP), which implies the postponement or reduction of employer social security contributions, the payment by the State of 50% of the wages of registered private sector workers (with a minimum payment equal to the minimum wage and a maximum payment equal to two times the minimum wage), the updating of unemployment insurance by between 6,000 and 10,000 pesos (US\$ 80–US\$ 130), and a subsidy to cover the financial cost of loans to self-employed workers; an additional bonus for health and security system workers; the emergency family income (IFE) programme, which consists of a 10,000 peso (US\$ 130) cash transfer to informal workers and formal workers in the lowest single-tax categories (under which three payments were made by mid-August); an increase in the budget appropriation for capital expenditure on infrastructure works, education and tourism; and a financial assistance programme for provinces and municipalities.

With regard to the restructuring of the public debt, the Argentine government made progress on three fronts. Firstly, it performed short-term debt swaps, with a view to extending maturities and cushioning the impact of foreign currency liabilities. Secondly, it swapped long-term foreign currency-denominated debt held by private creditors, with 93.5% adhesion to the agreement in the case of debt governed by foreign legislation. Thanks to the activation of the collective action clauses, 99.0% of these liabilities were restructured. The terms and conditions of the long-term foreign currency-denominated debt swap include a reduction in the interest rate (from 7.0% to 3.0%), debt relief in the next few years (the burden will be US\$ 42.5 billion lighter in the first 5 years and US\$ 37.7 billion in the next 10 years) and a principal haircut of 1.9%. Thirdly, the government is renegotiating the terms of the IMF Stand-by Arrangement granted in 2018, under which the country faces approximately US\$ 45 billion in principal falling due in the next 5 years.

(b) Monetary policy

Monetary policy was contractionary in 2019, given the central bank's goal of containing the dollarization of portfolios. The nominal policy interest rate posted an annual average of 65.4%, which was higher than inflation and above the increase in the nominal exchange rate. Meanwhile, the annual nominal interest rate on personal loans averaged 68.2% (1,900 basis points higher than the previous year) and that for private banks' wholesale fixed-term deposits (interest rate on fixed-term deposits above 20 million pesos (TM20)) was 50.0% on (1,600 basis points higher than the prior-year period). As a result of the contractionary monetary policy and lower levels of activity, credit to the private sector fell 31.0% in real terms in 2019.

In the first half of 2020, the central bank lowered the monetary policy interest rate from a nominal annual rate of 55.0% to 38.0%, with a view to easing restrictions on access to financing against the backdrop of the economic crisis. In that period, the interest rate on personal loans fell by 2,100 basis points and the fixed-term rate by 1,300 basis points. Then, as exchange rate pressures flared, the central bank established an interest rate floor for fixed-term deposits. That floor was 87.0% of the policy interest rate (a nominal annual rate of 33.1%) for retail deposits. The monetary authority also established that financial institutions could offer farmers deposits at variable interest rates linked to cereal and oilseed prices, and set limits on financing for wheat and soybean producers at subsidized rates, in order to stimulate the sales of the harvest.

As part of the package of measures to address the health and economic crisis, the national government and the central bank launched a series of financing facilities for the private sector. This package included working capital loans for micro, small and medium-sized enterprises (MSMEs) at a preferential nominal annual interest rate of 24% (below the market's inflation rate expectations); a line of credit for the production of essential goods; financing for technological equipment needed for telework; loans for industrial park infrastructure; the relaunch of the *Procrear* mortgage loan facility for building and renovating houses; the relaunch of the *Ahora 12* programme for credit card purchases at a below-market interest rate; lines of credit for building or renovating houses as part of the *Argentina Construye* programme; and a line of credit guaranteed by the Argentine Guarantee Fund (FOGAR) aimed at MSMEs. Debt repayments by beneficiaries of the National Social Security Administration (ANSES) were also postponed and mortgage loan payments were frozen for six months.

(c) Exchange-rate policy

In 2019, the central bank intervened in the foreign exchange market in response to tensions in the first half of the year, which intensified as of August during the presidential elections. As a result of central bank sales on the foreign exchange market, the drop in dollar-denominated deposits and payments of public debt in foreign currency, international reserves plunged by US\$ 21.3 billion (4.7% of GDP) in 2019, down to US\$ 44.8 billion (10.0% of GDP). Over that period, the nominal exchange rate increased by 58.0% and the multilateral real exchange rate, estimated by the central bank, rose 4.6%.

Faced with exchange rate pressures and plummeting international reserves, in the last few months of 2019 the government and the central bank decided to limit purchases of foreign currency by individuals without a specific purpose to US\$ 200 a month, restricted companies' access to the foreign exchange market for non-commercial transactions and reinstated the obligation to settle proceeds from exports in pesos in the foreign exchange market that had been eliminated in 2017. At end-2019, following the change of government, a 30% tax was imposed on the purchase of foreign currency for hoarding, on tourism expenditures abroad and on credit card purchases in a foreign currency, called the tax for an inclusive and supportive Argentina (PAIS). These measures were bolstered, in September 2020, by the introduction of an additional 35% tax on foreign currency purchases, which is considered an advance on income and personal assets taxes, and a tightening of restrictions on purchases of foreign currency in the amount of US\$ 200 per month.

In the first eight months of 2020, the central bank pursued an intervention strategy that led to a gradual rise in the nominal exchange rate that was slightly higher than inflation for that period. The nominal exchange rate climbed 22.4% (compared to inflation of 18.9%), with net central bank sales on the foreign exchange market totalling US\$ 1.7 billion. Nevertheless, devaluations of the currencies of Argentina's main trade partners in the region, in the context of the COVID-19 crisis, caused the multilateral real exchange rate, calculated by the central bank, to fall by 3.1% in the first eight months of the year. In the same period, the central bank's intervention in the exchange market and the payment of public debt in foreign currency explains a US\$ 1.9 billion fall in international reserves. Meanwhile, the central bank and the National Securities Commission (CNV) implemented a set of measures designed to reduce pressure on parallel exchange rates (which diverged from the official exchange rate by 100% at one point owing to the global crisis and the public debt restructuring process), including, a ceiling on foreign currency-denominated assets held by mutual investment funds. In a bid to prevent speculative transactions, the central bank also established restrictions on access to the official foreign exchange market by the beneficiaries of subsidies granted as part of the economic package for tackling the COVID-19 crisis.

(d) Other policies

The national government implemented a set of additional measures to address the plight of the sectors hardest hit by the health and economic crisis. These measures include *El Barrio cuida al Barrio* programme, which seeks to establish health care and food security mechanisms for vulnerable segments of the population, for whom it has been more difficult to comply with physical distancing measures; a ban on dismissals and suspensions on grounds of force majeure or the lack of or reduction in work; the relaunch of the *Precios Cuidados* programme, which establishes benchmark prices for the main products in the household consumption basket; the establishment, following the onset of the health crisis, of benchmark price ceilings for a set of essential products—food, beverages, and personal hygiene and cleaning products—; a six-month rental freeze; and a moratorium on cutting public services for failure to pay to low-income households, MSMEs, health establishments, public service entities preparing and distributing food, among others.

3. The main variables

(a) The external sector

In 2019, the balance of payments current account deficit was equivalent to 0.9% of GDP, lower than the previous year (5.2% of GDP). This improvement in the current account balance was a result of the turnaround in the goods and services balance from a deficit equivalent to 1.9% of GDP to a surplus of 2.9% of GDP. This was partially offset by a higher current income and transfers deficit, which climbed from 3.3% to 3.8% of GDP over the same period.

The turnaround in the goods balance resulted from a drop in imports (25.0%) and a slight increase in exports (5.4%). Imports of goods fell owing to the decrease in both volumes (20.7%) and prices (5.3%). All imports, classified by economic use, declined in 2019, on the back of a contraction in economic activity. Meanwhile the increase in exports, in dollar terms, was the result of the higher volumes of exports (12.2%), which more than offset the drop in prices (6.1%). In particular, there was a notable increase in exports of commodities (25.0%), thanks mainly to the recovery of agricultural sector output from the previous year's drought. At the same time, the services deficit shrank from 1.7% of GDP to 1.2%, as the 20.2% decline in imports exceeded that of exports (7.5%), in a context of lower revenue and a higher real exchange rate.

The capital and financial account posted a deficit of US\$ 16.3 billion (3.7% of GDP) in 2019, mainly owing to private sector capital outflows (7.4% of GDP), in connection with the foreign exchange and financial crisis. Private sector capital outflows were partially offset by foreign direct investment (FDI), which was equivalent to 1.5% of GDP, even though, in absolute terms, FDI was 44.0% less than in the prior year. The capital and financial account deficit and the current account deficit together explain the US\$21.3 billion (4.7% of GDP) decline in international reserves in 2019.

In the first eight months of 2020, the goods trade balance posted a surplus of US\$ 11 billion, 42% higher than in the prior-year period. The improved trade balance was the result of imports falling (24% year-on-year) more than exports (12% year-on-year), as the economic recession intensified and international trade flows dwindled following the onset of the COVID-19 crisis. Imports classified by economic use declined across the board compared to the prior-year period. In exports, the only category to post an improvement was commodities, which climbed 10% year-on-year in the first eight months of the year.

(b) Economic activity

GDP fell by 2.1% in 2019, owing to contractions in private consumption (6.6% year on year), public consumption (1.0%) and investment (16.0%). They were partially offset by the 9.0% increase in exports and 19.0% drop in imports. On the supply side, the goods producing sectors that contributed to the decline were manufacturing (6.2% year-on-year), construction (4.6%), fishing (10.1%) and electricity, gas and water (2.8%). Service providers that were partly responsible for the decline included trade (7.9% year-on-year), financial intermediation (11.6%), transport and communications (0.7%), other community, social, personal and domestic services (2-6%), and real estate and business activities (0.6%).

In the early months of 2020, the economic recession deepened, following the eruption of the COVID-19 health and economic crisis. GDP plunged 12.6% year-on-year in the first half of the year, as activity declined in all economic sectors. The steepest cumulative drops in the first 6 months of the year were in hotels and restaurants (40.6% year-on-year), community, social and personal services (37.2%) and construction (35.7%). Meanwhile, IPI and ISAC fell by 13.4% and 34.0% year-year, respectively, in the first 7 months of 2020.

(c) Prices, wages and employment

The consumer price index (CPI) rose by 53.5% on average in 2019, exceeding the 34.3% increase in 2018, in the context of a marked hike in the exchange rate and ongoing sluggishness in economic activity since the second half of 2019. The highest price increases were in health (64.2% year-on-year), food (58.4%), household equipment and maintenance (58.2%), communications (57.9%) and transport (57.1%). In the first 8 months of 2020, inflation trended downward, to a monthly average of 2.2% (29.6% annualized). This trend was linked to the freezing of public utility rates (in effect until December), the slower pace of increases in the official exchange rate and the contraction in economic activity. How inflation performs in the rest of the year will depend on exchange market stability and trends in wages and income in the context of the pandemic-induced health and economic crisis.

Real wages fell by 9.5% on average in 2019, according to data from the National Institute of Statistics and Censuses (INDEC). Wages in the registered private sector decreased by 8.4%, in the public sector by 8.1% and in the non-registered private sector by 14.1%. The real adjustable minimum wage fell 11.4% year-on-year in real terms, and retirement benefits and pensions posted a real-terms drop of 8.4% in 2019. In the first 6 months of 2020, real wages fell by 3.3% year-on-year compared to the prior-year period. In September 2020, the minimum wage was 16,875 pesos (US\$ 215) and the minimum retirement pension was 18,129 pesos (US\$ 230).

Lastly, the unemployment rate inched down, from 9.1% in the fourth quarter of 2018 to 8.9% in the fourth quarter of 2019, in the context of an increase in the activity rate in that period (up from 46.5% to 47.2%). According to the Ministry of Labour, Employment and Social Security, registered employment dropped by 1.1% year-on-year in 2019 as a result of the decline in private sector wage employment (2.3% year-on-year) and in self-employed workers (1.0%). Job insecurity increased in that period, reflected in both the unregistered wage employment rate, which rose from 35.3% to 35.9%, and the self-employment rate, which increased from 25.5% to 27.4%. In the second quarter of 2020, against the backdrop of the health crisis, the unemployment rate reached 13.1%, compared to 10.6% in the prior-year period. In the same period, the activity rate fell 9.3 percentage points to 38.4%. In the first 6 months of 2020, the year-on-year decline in registered employment was 1.7%, with the reduction in the number of private sector wage workers (3.8% year-on-year) accounting for most of that decline. Within that group, the heaviest job losses were in sectors hardest hit by the health crisis, namely construction (22.0% year-on-year), hotels and restaurants (5.8%), manufacturing (3.4%), transport and communications (2.6%), community, social and personal services (2.5%) and commerce (2.4%).

Table 1
ARGENTINA: MAIN ECONOMIC INDICATORS

	2011	2012	2013	2014	2015	2016	2017	2018	2019 a/
	Annual growth rates b/								
Gross domestic product	6.0	-1.0	2.4	-2.5	2.7	-2.1	2.8	-2.6	-2.1
Per capita gross domestic product	4.9	-2.1	1.3	-3.5	1.7	-3.1	1.8	-3.5	-3.0
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	-2.4	-12.9	11.5	3.1	7.5	-4.7	3.4	-15.0	21.3
Mining and quarrying	-5.8	-1.2	-4.0	1.6	1.6	-5.5	-3.5	0.9	1.4
Manufacturing	7.7	-2.9	1.5	-5.1	0.8	-5.6	2.6	-4.8	-6.2
Electricity, gas and water	4.7	4.7	0.5	2.0	4.4	1.0	-1.0	0.2	-2.8
Construction	9.5	-2.4	-0.1	-2.0	3.0	-11.2	9.2	1.1	-4.6
Wholesale and retail commerce, restaurants and hotels	10.1	-2.4	2.2	-6.3	3.3	-2.7	3.2	-3.6	-7.0
Transport, storage and communications	5.4	0.6	2.4	0.8	3.0	3.4	2.3	-2.8	-0.7
Financial institutions, insurance, real estate and business services	5.8	1.5	1.3	-1.1	1.7	-0.9	3.5	2.3	-3.6
Community, social and personal services	3.7	3.4	1.9	1.7	2.8	1.8	1.2	0.7	0.1
Gross domestic product, by type of expenditure									
Final consumption expenditure	8.7	1.4	3.9	-3.3	4.2	-0.7	3.9	-2.1	-5.7
Government consumption	4.6	3.0	5.3	2.9	6.9	-0.5	2.6	-1.7	-1.0
Private consumption	9.4	1.1	3.6	-4.4	3.7	-0.8	4.2	-2.2	-6.6
Gross capital formation	16.1	-11.2	4.7	-6.2	4.6	-5.1	15.5	-10.0	-17.0
Exports (goods and services)	4.1	-4.1	-3.5	-7.0	-2.8	5.3	2.6	0.5	9.0
Imports (goods and services)	22.0	-4.7	3.9	-11.5	4.7	5.8	15.6	-4.5	-19.0
Investment and saving c/	Percentages of GDP								
Gross capital formation	18.4	16.5	17.3	17.3	17.1	17.7	18.2	16.0	14.6
National saving	17.4	16.1	15.2	15.6	14.3	15.0	13.4	10.8	13.7
External saving	1.0	0.4	2.1	1.6	2.7	2.7	4.8	5.2	0.9
Balance of payments	Millions of dollars								
Current account balance	-5 340	-2 138	-13 124	-9 179	-17 622	-15 105	-31 151	-27 049	-3 997
Goods balance	12 351	15 041	4 635	5 541	-785	4 416	-5 447	-743	18 227
Exports, f.o.b.	83 120	80 084	75 928	68 440	56 809	57 960	58 662	61 801	65 155
Imports, f.o.b.	70 769	65 043	71 293	62 899	57 594	53 544	64 109	62 544	46 928
Services trade balance	-3 152	-4 097	-5 329	-4 641	-5 815	-8 452	-9 695	-8 965	-5 215
Income balance	-15 073	-13 754	-13 165	-11 614	-12 105	-12 192	-16 380	-18 619	-17 836
Net current transfers	534	672	734	1 535	1 083	1 123	371	1 279	827
Capital and financial balance d/	-768	-1 167	1 301	10 374	12 716	29 416	45 707	9 997	-33 585
Net foreign direct investment	9 352	14 269	8 932	3 145	10 884	1 474	10 361	10 071	5 124
Other capital movements	-10 120	-15 436	-7 631	7 229	1 832	27 942	35 346	-74	-38 709
Overall balance	-6 108	-3 305	-11 824	1 195	-4 906	14 311	14 556	-17 052	-37 582
Variation in reserve assets	6 108	3 305	11 824	-1 195	4 906	-14 311	-14 556	-11 277	21 375
Other financing	0	0	0	0	0	0	0	28 329	16 208
Other external-sector indicators									
Terms of trade for goods (index: 2010=100) f/	110.9	115.7	108.1	106.0	101.0	107.3	104.1	105.1	104.4
Net resource transfer (millions of dollars)	-15 841	-14 921	-11 864	-1 240	611	17 224	29 327	19 707	-35 213
Total gross external debt (millions of dollars)	156 300	156 478	155 489	158 742	167 412	181 170	234 549	277 932	278 489
Employment f/ g/	Average annual rates								
Labour force participation rate	59.5	59.3	58.9	58.3	57.7	57.5	57.8	58.5	59.1
Open unemployment rate	7.2	7.2	7.1	7.3	6.5	8.5	8.4	9.2	9.8
Visible underemployment rate	9.1	9.3	9.2	9.6	9.0	11.5	11.4	12.3	14.1

Table 1 (concluded)

	2011	2012	2013	2014	2015	2016	2017	2018	2019 a/
Prices	Annual percentages								
Variation in consumer prices (December-December)	9.5	10.8	10.9	23.9	27.5	38.5	25.0	47.1	52.9
Variation in wholesale prices (December-December)	12.7	13.1	14.8	28.3	12.7	33.0	18.2	76.4	58.1
Variation in nominal exchange rate (annual average)	5.6	10.2	20.4	48.2	14.0	59.4	12.2	69.8	71.5
Nominal deposit rate h/	10.8	12.1	14.8	20.8	21.7	24.4	19.1	32.0	47.3
Nominal lending rate i/	17.7	19.3	21.6	29.3	28.2	33.3	26.8	47.7	66.9
Central government	Percentages of GDP								
Total revenue	18.7	19.4	19.9	20.6	20.4	20.2	18.3	17.1	18.2
Tax revenue	17.1	17.8	17.5	17.3	17.2	17.1	15.7	14.5	14.6
Total expenditure	20.7	21.3	22.4	24.8	24.0	25.9	24.1	22.7	22.1
Current expenditure	18.1	19.1	19.6	20.6	21.4	23.8	22.2	21.4	20.8
Interest	1.9	1.8	1.2	1.9	1.8	3.6	3.0	3.7	4.3
Capital expenditure	2.5	2.2	2.8	4.2	2.7	2.1	1.9	1.3	1.3
Primary balance	-0.1	0.0	-1.3	-2.3	-1.9	-2.1	-2.8	-1.9	0.4
Overall balance	-2.0	-1.9	-2.5	-4.2	-3.7	-5.7	-5.8	-5.6	-3.9
Central government public debt j/	38.9	40.4	43.5	44.7	52.6	53.3	56.6	86.4	90.2
Domestic	26.9	29.2	31.7	32.1	38.7	35.5	33.5	44.5	46.7
External	12.0	11.2	11.8	12.6	13.9	17.8	23.1	41.9	43.5
Money and credit	Percentages of GDP, end-of-year stocks								
Domestic credit	20.4	23.8	26.0	25.0	25.2	23.0	23.4	25.5	21.5
To the public sector	16.8	19.8	21.6	24.7	29.0	26.9	25.6	25.4	29.1
To the private sector	14.0	15.2	15.7	13.8	14.4	13.7	16.0	16.0	13.2
Others	-9.6	-10.7	-11.3	-13.6	-15.7	-15.7	-18.1	-15.8	-20.7
Monetary base	9.6	11.1	10.8	9.7	10.5	9.6	9.2	9.2	8.1
Money (M1)	13.2	15.0	14.7	13.8	13.4	12.4	11.5	10.3	9.1
M2	24.4	27.6	27.4	25.6	26.3	24.0	23.1	23.3	19.8
Foreign-currency deposits	2.5	1.7	1.6	1.6	2.6	4.7	5.2	8.4	6.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a/ Preliminary figures.

b/ Based on figures in local currency at constant 2004 prices.

c/ Based on values calculated in national currency and expressed in current dollars.

d/ Includes errors and omissions.

e/ A minus sign (-) indicates an increase in reserve assets.

f/ Urban areas.

g/ The National Institute of Statistics and Censuses (INDEC) of Argentina does not recognize the data for the period 2007-2015 and has them under review. These data are therefore preliminary and will be replaced when new official data are published.

h/ Fixed-term deposits, all maturities.

i/ Local-currency loans to the non-financial private sector, at fixed or renegotiable rates, signature loans of up to 89 days.

j/ National Public Sector.

Table 2
ARGENTINA: MAIN QUARTERLY INDICATORS

	2018				2019				2020		
	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2	a/
Gross domestic product (variation from same quarter of preceding year) b/	3.8	-4.0	-3.4	-6.2	-5.9	0.4	-1.8	-1.1	-5.4	...	
Gross international reserves (millions of dollars)	61 753	56 201	55 385	56 985	67 004	66 907	56 901	43 938	44 423	43 133	
Open unemployment rate c/	9.1	9.6	9.0	9.1	10.1	10.6	9.7	8.9	10.4	...	
Employment rate	53.2	52.7	53.4	53.0	52.9	53.1	53.4	53.7	52.5	...	
Consumer prices (12-month percentage variation)	25.6	29.5	40.3	47.1	54.1	54.8	52.4	52.9	46.9	41.3	
Wholesale prices (12-month percentage variation)	28.9	47.1	78.0	76.4	68.9	60.2	46.2	58.1	51.4	43.1 d/	
Average nominal exchange rate (pesos per dollar)	19.7	23.5	32.1	37.1	39.0	43.9	50.5	59.4	61.5	66.7 e/	
Nominal interest rates (average annualized percentages)											
Deposit rate f/	21.5	24.2	34.8	47.6	40.7	49.0	52.9	46.8	32.1	22.4 e/	
Lending rate g/	29.7	36.6	54.5	70.2	59.4	70.3	72.8	65.2	46.8	32.5 d/	
Interbank rate	27.1	35.0	51.2	64.0	52.3	67.5	65.4	55.4	35.0	11.7 e/	
Monetary policy rates	27.5	36.8	48.3	65.1	55.4	69.0	71.5	65.0	45.3	38.0	
Sovereign bond spread, Embi + (basis points to end of period) h/	420	610	623	817	774	835	2 143	1 744	3 803	2 495	
Risk premia on five-year credit default swap (basis points to end of period)	272	451	586	794	781	971	899	899	899	899	
International bond issues (millions of dollars)	10 250	1 987	880	250	0	500	1 100	120	0	250	
Stock price index (national index to end of period, 31 December 2005 = 100)	2 016	1 687	2 168	1 963	2 168	2 708	1 883	2 700	1 580	2 507	
Domestic credit (variation from same quarter of preceding year)	22.5	34.7	48.8	57.0	47.4	37.0	24.8	18.1	36.1	57.3 e/	

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a/ Preliminary figures.

b/ Based on figures in local currency at constant 2004 prices.

c/ Urban areas.

d/ Figures as of April.

e/ Figures as of May.

f/ Fixed-term deposits, all maturities.

g/ Local-currency loans to the non-financial private sector, at fixed or renegotiable rates, signature loans of up to 89 days.

h/ Measured by J.P.Morgan.