ARGENTINA

1. General trends

In 2020, Argentina's economy contracted for the third year in a row, shrinking by 9.9%, as a consequence of the coronavirus disease (COVID-19) pandemic, which hurt private consumption, investment and exports. The average annual inflation rate fell to 42.0% (down from 53.5% in 2019) and the balance of payments current account showed a surplus of 0.9% of GDP (compared with a deficit of 0.8% in 2019). The foreign-currency public debt was restructured in 2020, significantly easing the interest burden and improving the outlook with respect to maturities over the next few years. As a result, the central government's gross debt closed out the year at 102.8% of GDP.

In the first half of 2021, the Argentine economy began to make a recovery as the restrictions on circulation introduced in late 2020 began to be phased out. The monthly estimator of economic activity (EMAE) published by the National Institute of Statistics and Censuses (INDEC) showed an increase of 9.7% year-on-year in the first six months of 2021. This was, however, 3.9% below the level recorded for the same period of 2019, before the outbreak of the pandemic. Inflation in the first seven months of the year accelerated to 45.7% year-on-year against the backdrop of rising international commodity prices, the unfreezing of a set of regulated prices and the economic recovery. During this same period, the trade surplus in goods narrowed, since the 51% upswing in imports outweighed the increase in exports (31%). The high level of foreign exchange earnings from exports and the allocation of special drawing rights (SDRs) by the International Monetary Fund (IMF) pushed up the level of international reserves (a key variable in the external crisis that has afflicted the country since early 2018) to nearly US$ 46.2 billion as of the end of August. Thanks to the recovery in economic activity, together with assistance policies focused on the sectors that have been hurt the most by the pandemic, the central government's primary fiscal deficit slipped to 0.7% of GDP for the year to July, compared with 3.8% in the same period of the previous year.

For the remainder of 2021, progress with the vaccination drive, the easing of the remaining restrictions on movement and stronger international trade are expected to have a positive impact on private consumption, investment and exports. Given this outlook, and taking into account the positive statistical carryover from the year before, GDP is expected to grow by 7.5%. This projection is contingent upon an improvement in the epidemiological situation —based on a sustained vaccination rate and the possibility of curbing new outbreaks of the virus— and the absence of tensions in the external sector of the economy. The ongoing negotiation by the country's economic authorities and IMF of an Extended Fund Facility Arrangement will also be a decisive determinant of macroeconomic performance.

2. Economic policy

Throughout 2020 and during the first months of 2021, economic policy focused on three objectives: providing assistance to the social and production sectors most affected by the COVID-19 crisis, restructuring the public debt and maintaining exchange rate stability.

(a) Fiscal policy

Fiscal policy was expansionary in 2020. Primary spending increased by 15% year-on-year in real terms thanks to a comprehensive economic policy package aimed at shielding employment, businesses and the most vulnerable sectors from the COVID-19 crisis. Social benefits and energy subsidies were the components of spending that grew the most (by 18% and 62% year-on-year, respectively, in real terms). With a year-on-year decline in revenues of 13% in real terms, the primary deficit widened to 6.4% of GDP, overshadowing the deficit of 0.4% of GDP recorded the year before. In contrast, outbound interest payments were down by 41% year-on-year in real terms owing to the suspension of payments during the renegotiation of the public debt. This brought the financial deficit to 8.3% of GDP, which was well in excess of the 2019 level of 3.8% of GDP.

The measures adopted by the government to deal with the health and economic crisis included the Emergency Employment and Production Assistance Programme (ATP), which provides for the postponement or reduction of employers' contributions to the social security system, the State's assumption of the payment of 50% of the wages of registered workers in the private sector, the updating of unemployment insurance and the subsidization of the borrowing cost of loans for the self-employed, and the Emergency Family Income (IFE) Programme, under which a cash transfer of 10,000 pesos (US$ 130) is made to people who are unemployed or working in the informal economy, informal self-employed workers, formal workers in the lowest wage categories of the simplified tax regime and workers in private homes (whether or not they are formally employed). The package of measures that had an impact on primary expenditure also included supplementary benefits for health system personnel, members of the security forces, people with pensions below a certain amount and beneficiaries of a range of social programmes, along with an increase in the capital expenditure budget line, a financial assistance programme for provinces and municipalities, and a freeze on government-subsidized utility rates. The Alimentar (“nourish”) Programme, which provides a fixed monthly sum for the purchase of food, was also launched, and the provision of food in community kitchens was stepped up.

In 2020, the Government of Argentina reached an agreement with its creditors for the restructuring of privately held public debt denominated in foreign currency. The terms and conditions of the debt swap involved a reduction in the interest rate (from 7.0% to 3.0%) on this portion of the debt, debt relief in the form of the deferral of maturities over the next few years (the burden will be US$ 42.5 billion lighter in the first 5 years and US$ 37.7 billion lighter over the next 10 years) and a principal haircut of 1.9%. In addition, the Government of Argentina started negotiations with the International Monetary Fund (IMF) to amend the conditions of the loan requested in 2018, under which the country faces approximately US$ 45 billion in loan principal falling due in the next five years. These negotiations were ongoing at the time of writing. According to the Ministry of Economic Affairs of Argentina, by the end of 2020 the gross debt of the central government amounted to 102.8% of GDP.

In the early months of 2021, the Argentine Government shifted its focus towards policies targeting the sectors that have been hurt the most by the crisis and towards job creation. The ATP programme was replaced by Productive Recovery Programme 2 (REPRO 2), under which the State pays between 9,000 and 22,000 pesos (between US$ 90 and US$ 220) of the salaries of health-sector personnel and of the staff of companies that have experienced a drop in invoicing. This programme also covers independent workers (sole proprietors under the simplified single tax system and self-employed persons). In addition, the subsidy for the financial cost of loans for the self-employed was reintroduced. On the other hand, the Emergency Family Income (IFE) Programme was replaced by the Potenciar Trabajo ("boost work") National Programme for Socio-Productive Inclusion and Local Development, which seeks to stimulate participation in socially productive, social labour or social community projects and to help people complete their education. Under this programme, the State pays each beneficiary half the minimum wage (13,600 pesos, equivalent to US$ 135) in return for four hours of work per day.

In 2021, the amounts of transfers under the Alimentar Programme were also increased by 50% and its coverage was expanded. Supplementary payments were made to people with the smallest pensions to balance out the loss of purchasing power they had experienced in previous months and, in June, a bonus was paid to the beneficiaries of the Potenciar Trabajo Programme. In addition, the amount of the scholarships received under the Progresar ("progress") Programme by persons in the process of completing their studies was raised and their coverage extended, and the Manuel Belgrano Scholarship Programme was launched for undergraduate and graduate studies in public policy areas considered key to economic development. In addition, the new formula approved by Congress for the automatic updating of pensions and retirement benefits came into force in 2021. Those adjustments are calculated on the basis of wage trends in the formal sector and contributions paid into the National Social Security Administration (ANSES).

Against the backdrop of the economic recovery and the increased targeting of assistance policies, central government revenues grew by 21% year-on-year in the first seven months of 2021, and primary expenditure fell by 8%, both in real terms. As a result, the primary deficit shrank to 0.7% of GDP during this period, which was significantly lower than it had been in the corresponding months of the previous year (3.8%). Given the 23% reduction in interest payments on the debt in real terms, the financial deficit stood at 1.6% of GDP in the first seven months of 2021, down from 5.0% in the same period of 2020.

In June 2021, the Argentine government and the Paris Club reached an agreement to defer part of the payments on central government public debt scheduled for the year (about US$ 2 billion out of total maturities of US$ 2.4 billion) until 31 March 2022 while negotiations continue between the two parties to restructure Argentina's debt with the Paris Club countries.

(b) Monetary policy

Monetary policy took an expansionary turn in 2020 with the introduction of a package of measures for coping with the health and economic crisis. The central bank cut the monetary policy rate to a nominal annual interest rate of 38% (from 55% at the end of 2019), which more or less matched the year-on-year inflation rate as of December 2019 (36%). As government revenues slipped and the public debt restructuring process proceeded, the central bank also provided funds to the Treasury to enable it to cover the additional expenditure associated with the fiscal package. These funds were provided in the form of short-term advances and profit transfers. The combination of these two instruments were the main driver of the expansion of the monetary base, which grew by 9% in real terms (55% in nominal terms) year-on-year.

The federal government and the central bank expanded the supply of credit lines for the private sector on below-market terms in 2020. The factors contributing to the expansion of the monetary base included a set of programmes run by the Ministry of Productive Development under which new loans, borrowing cost subsidies and loan guarantees were granted. These programmes were financed by the National Fund for Productive Development (FONDEP) and the Argentine Guarantee Fund (FOGAR). The central bank also launched the Productive Investment Financing Line (LFIP), under which banks must reserve a certain minimum balance for loans sought by micro-, small and medium-sized enterprises (MSMEs) to use as working capital and for the acquisition of capital goods. Other credit measures implemented during the crisis included the deferral of payments on debts owed by ANSES beneficiaries and a freeze on mortgage payments.

In the first half of 2021, the central bank made no changes in the nominal annual monetary policy rate (38%), the minimum guaranteed rate for personal 30-day time deposits of up to 1 million pesos (37%)

or the minimum guaranteed rate for all other time deposits (34%). During those months, the nominal annual interest rate on personal loans also remained steady at 52.7%. In the first seven months of 2021, growth was seen in time deposits, whose yield is linked to the general price level (29% year-on-year in real terms), as inflation accelerated. In the first five months of the year, as a result of the measures introduced by the Ministry of Productive Development and the central bank in support of local-currency credit to the private-sector, loans to MSMEs climbed by 41% year-on-year in real terms.

(c) Exchange-rate policy

During 2020, exchange-rate policy was aimed at containing tensions in the external sector of the economy, prioritizing the stability of the official exchange rate and avoiding an appreciation of the local currency. The central bank gradually raised the official exchange rate, yielding a cumulative annual rate of 38%, which was just slightly higher than the year-on-year inflation rate as at December (36%). The central bank sold a total of US$ 4.2 billion on the foreign exchange market and this, together with the payment of public debt maturities with international organizations, accounted for the fact that reserves had fallen to US$ 39.4 billion by the end of the year (10.1% of GDP).

In the second half of 2020, a steady demand for foreign currency caused the gap between the official exchange rate and parallel exchange rates to widen to more than 100%, and the federal government and the central bank therefore set in motion a package of measures designed to narrow it. These included tighter restrictions on access to the US$ 200 per month quota of freely available hard currency (applying to beneficiaries of a number of government programmes), the establishment of a 35% levy on purchases of foreign currency, which is classified as an advance on personal income and property taxes; an increase in the guaranteed interest rate floor on 30-day retail time deposits; a reduction in export duties on soybeans and soybean products (by 3 percentage points on a temporary basis) and on industrial products (0% in the case of final goods); an increase in the amount of export drawbacks based on their value added; and the establishment of a compensation and incentives scheme for small-scale soybean producers and cooperatives. In addition, the federal government floated a bond issue whose yield is pegged to the trend of the official exchange rate and shortened the terms for the purchase and sale of foreign currency securities.

In the first half of 2021, the central bank slowed the pace of increases in the official exchange rate as inflation gathered momentum and foreign exchange export earnings rose. In the first seven months of the year, the nominal exchange rate climbed by 16%, which was considerably less than the inflation rate for the same period (29%). As a result, the multilateral real exchange rate fell by 8%. The central bank's net purchases of foreign currency in the first seven months of 2021 totalled US$ 7.2 billion; after the payment of debt maturities and the computation of other accounting items, the results showed that international reserves had increased from US$ 3.2 billion to US$ 42.6 billion as of the end of July. At the end of August, international reserves had risen to nearly US$ 46.2 billion following the allocation of the equivalent of $4.355 billion in SDRs from IMF during 2021.

Measures implemented in early 2021 that are having an impact on the external sector include the reduction of export duties on 6,153 tariff positions for MSMEs that have invoiced less than US$ 3 million in the last year and the establishment by the National Securities Commission (CNV) of a weekly trading limit on both local and international bonds. The first measure is intended to stimulate MSME exports while the second is designed to blunt the pressure on parallel exchange rates.

(d) Other policies

The federal government also introduced a set of additional measures to address the plight of the sectors that have borne the brunt of the health and economic crisis. This package included a series of programmes, such as El Barrio Cuida al Barrio ("neighbours take care of neighbours"), targeting the most vulnerable neighbourhoods. These programmes are aimed at establishing health and food support mechanisms for those population groups; prohibiting layoffs and suspensions for reasons of force majeure or on grounds that there is no work or less work to be done; the establishment of reference price ceilings for a range of essential products; a freeze on rents, utility rates (gas, electricity, water, telephone, Internet and pay television) and other regulated prices (including fees for private health services), and a moratorium on the cut-off of utilities for non-payment in the case of the users most affected by the crisis. In May 2021, the federal government and the government of Mendoza Province provided IMPSA S.A. with fresh capital by purchasing US$ 20 million in shares in that corporation, whose main line of business is the manufacture of equipment for hydroelectric, wind and nuclear energy generation and for the hydrocarbon industry.

3. The main variables

(a) The external sector

In 2020, the balance-of-payments current account showed a surplus of 0.9% of GDP, compared with a deficit of 0.8% of GDP in 2019, thanks to reductions in the services deficit (from 1.1% to 0.6% of GDP) and in the deficit in current transfers and income (from 3.8% to 2.3% of GDP). The improvement in the services account was attributable to the fact that imports fell more sharply (41%) than exports (36%). The changes in flows in services were closely linked to the restrictions on cross-border mobility imposed in response to the pandemic, given that travel is the largest component of this subaccount. The reduction in the deficit on the current transfers and income account was largely due to the suspension of interest payments on domestic public-sector debt as part of the process of restructuring public foreign currency debt in 2020.

The surplus on the goods account narrowed slightly in 2020, edging down from 4.0% to 3.8% of GDP, as the decline in exports (16%) outpaced the decrease in imports (14%). The downturn in exports of goods reflected reductions in both volumes (13%) and prices (3%), and the value of all categories of export items therefore was lower in 2020. The value of imports of goods also fell in terms of both volumes (11%) and prices (3%). The value of all categories of imports, classified by economic use, also decreased, but there was a 4% increase in the volume of imports of intermediate goods, mainly because of the upswing in inputs for the agro-industrial sector.

The financial account (excluding reserve assets) registered a US$ 11.4 billion deficit (2.9% of GDP) in 2020. This result was primarily a consequence of demand for foreign currency for hoarding from the non-financial private sector (US$ 9.3 billion, equivalent to 2.4% of GDP). That demand for was partially offset by inflows of foreign direct investment (FDI) equivalent to 1.5% of GDP, even though, in absolute terms, FDI was down by 44.0% from the year before. The associated borrowing requirements, net of the current account surplus, the capital account surplus, and errors and omissions, accounted for the US$ 7.7 billion decrease in reserve assets in 2020 (2% of GDP).

In the first seven months of 2021, a surplus of US$ 8.3 billion was posted on the trade balance for goods, which was 15% less than in the corresponding period in 2020. The decline in the trade surplus was due to the fact that imports out-performed exports in year-on-year growth (51% versus 31%, respectively).

All exports, classified by item, and all imports, classified by economic use, expanded in the first seven months of the year in value terms.

(b) Economic activity

GDP slumped by 9.9% in 2020 as a consequence of the contraction of exports (by 17.3% year-on-year), private consumption (down by 13.8%), investment (a drop of 12.9%) and public consumption (3.3% lower). The 17.9% year-on-year decline in imports partially offset the impact of these components on the overall balance, however. On the supply side, the sectors that saw the steepest declines were hotels and restaurants (49.1%), other community, social and personal services (38.4%) and commerce (22.6%). The only sector in which activity was slightly higher in 2020 was electricity, natural gas and water (up by 1.4%), owing to higher levels of household consumption stemming from the lockdowns imposed in response to the pandemic and the more stringent disinfection measures that were put in place.

In early 2021, economic activity made a partial recovery as restrictions on movement were gradually lifted. The monthly estimator of economic activity (EMAE), a leading indicator for GDP published by INDEC, was up by 9.7% year-on-year in the first six months of 2021 but is still 3.9% below where it was in the same period of 2019, before the start of the pandemic. Of all the sectors of activity, the recovery of manufacturing stands out, as this industry marked up an increase of 4.6% in value terms in the first six months of 2021 relative to the corresponding period in 2020 according to the manufacturing industry production index (IPI) published by INDEC.

(c) Prices, wages and employment

In 2020, the consumer price index (CPI) rose by 42% on average, as compared to 53.5% in 2019. This slowdown in inflation occurred in a year during which utility rates were frozen, the official exchange rate rose less than the previous year and economic activity contracted. The items whose prices climbed the most in 2020 were clothing and footwear (57.2%), recreation and culture (47.8%), household equipment and maintenance (47.2%) and food and non-alcoholic beverages (47%). This trend was reversed in late 2020 and early 2021, however, as international commodity prices rose, a series of regulated prices were unfrozen and the economy began to rebound as soon as restrictions on movement were phased out. In the first seven months of 2021, the year-on-year inflation rate was 45.7%.

Real wages fell by 3.5% on average in 2020, according to INDEC data. This average drop reflected downturns of 1.6% in the registered private sector, 6.2% in the public sector and 4.5% in the non-registered private sector. In real terms, the minimum wage fell by 10.5% year-on-year while the minimum pension climbed by 2.5%. In the first six months of 2021, real wages were 6.3% lower than they had been in the first six months of 2020. In July 2021, the minimum wage was 27,216 pesos (US$ 280) and the minimum retirement pension was 23,065 (US$ 240).

The unemployment rate increased from 8.9% in the fourth quarter of 2019 to 11.0% in the fourth quarter of 2020, while the activity rate slipped from 47.2% to 45.0% during this period. According to the Ministry of Labour, Employment and Social Security, registered employment fell by 2.0% year-on-year in 2020. In the first quarter of 2021, the unemployment rate edged down to 10.2% from the 10.4% rate recorded during the first quarter of 2020, even though the level of economic activity remains lower than it was in 2020 (46.3% in the first quarter of 2021, compared to 47.1% in the first quarter of 2020). In the first five months of 2021, registered employment increased by 0.2% year-on-year.

Table 1
ARGENTINA: MAIN ECONOMIC INDICATORS

	2012	2013	2014	2015	2016	2017	2018	2019	2020 a/
	Annual growth rates b/								
Gross domestic product	-1.0	2.4	-2.5	2.7	-2.1	2.8	-2.6	-2.0	-9.9
Per capita gross domestic product	-2.1	1.3	-3.5	1.7	-3.1	1.8	-3.5	-2.9	-10.7
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	-12.9	11.5	3.1	7.5	-4.7	3.4	-14.6	21.3	-7.1
Mining and quarrying	-1.2	-4.0	1.6	1.6	-5.5	-3.5	0.8	1.4	-10.5
Manufacturing	-2.9	1.5	-5.1	0.8	-5.6	2.6	-4.8	-6.2	-7.8
Electricity, gas and water	4.7	0.5	2.0	4.4	1.0	-1.0	0.1	-3.0	1.4
Construction	-2.4	-0.1	-2.0	3.0	-11.2	9.2	1.1	-4.3	-22.6
Wholesale and retail commerce, restaurants and hotels	-2.4	2.2	-6.3	3.3	-2.7	3.2	-3.6	-6.9	-10.7
Transport, storage and communications	0.6	2.4	0.8	3.0	3.4	2.3	-3.2	-0.7	-17.0
Financial institutions, insurance, real estate and business services	1.5	1.3	-1.1	1.7	-0.9	3.5	2.0	-3.9	-4.5
Community, social and personal services	3.4	1.9	1.7	2.8	1.8	1.2	0.7	0.1	-12.8
Gross domestic product, by type of expenditure									
Final consumption expenditure	1.4	3.9	-3.3	4.2	-0.7	3.9	-2.2	-6.3	-12.1
Government consumption	3.0	5.3	2.9	6.9	-0.5	2.6	-1.9	-1.2	-3.3
Private consumption	1.1	3.6	-4.4	3.7	-0.8	4.2	-2.2	-7.3	-13.8
Gross capital formation	-11.2	4.7	-6.2	4.6	-5.1	15.5	-9.8	-16.9	-11.0
Exports (goods and services)	-4.1	-3.5	-7.0	-2.8	5.3	2.6	0.6	9.1	-17.3
Imports (goods and services)	-4.7	3.9	-11.5	4.7	5.8	15.6	-4.5	-19.0	-17.9
Investment and saving c/	**Percentages of GDP**								
Gross capital formation	16.5	17.3	17.3	17.1	17.7	18.2	16.6	15.0	14.0
National saving	16.1	15.2	15.6	14.3	15.0	13.4	11.5	14.2	14.9
External saving	0.4	2.1	1.6	2.7	2.7	4.8	5.2	0.8	-0.9
Balance of payments	**Millions of dollars**								
Current account balance	-2 138	-13 124	-9 179	-17 622	-15 105	-31 151	-27 084	-3 710	3 313
Goods balance	15 041	4 635	5 541	-785	4 416	-5 447	-743	18 228	14 631
Exports, f.o.b.	80 084	75 928	68 440	56 809	57 960	58 662	61 801	65 156	54 945
Imports, f.o.b.	65 043	71 293	62 899	57 594	53 544	64 109	62 544	46 928	40 315
Services trade balance	-4 097	-5 329	-4 641	-5 815	-8 452	-9 695	-8 935	-4 865	-2 240
Income balance	-13 754	-13 165	-11 614	-12 105	-12 192	-16 380	-18 650	-17 892	-10 197
Net current transfers	672	734	1 535	1 083	1 123	371	1 245	819	1 119
Capital and financial balance d/	-1 167	1 301	10 374	12 716	29 416	45 707	10 031	-33 872	-11 040
Net foreign direct investment	14 269	8 932	3 145	10 884	1 474	10 361	9 991	5 124	2 725
Other capital movements	-15 436	-7 631	7 229	1 832	27 942	35 346	40	-38 996	-13 765
Overall balance	-3 305	-11 824	1 195	-4 906	14 311	14 556	-17 052	-37 582	-7 727
Variation in reserve assets e/	3 305	11 824	-1 195	4 906	-14 311	-14 556	-11 277	21 375	7 727
Other financing	0	0	0	0	0	0	28 329	16 208	0
Other external-sector indicators									
Terms of trade for goods (index: 2010=100)	115.7	108.1	106.0	101.0	107.3	104.1	105.1	104.4	105.0
Net resource transfer (millions of dollars)	-14 921	-11 864	-1 240	611	17 224	29 327	19 710	-35 557	-21 237
Total gross external debt (millions of dollars)	156 478	155 489	158 742	167 412	181 432	234 549	277 932	278 489	271 443
Employment f/ g/	**Average annual rates**								
Labour force participation rate	59.3	58.9	58.3	57.7	57.5	57.8	58.5	59.1	54.9
Open unemployment rate	7.2	7.1	7.3	6.5	8.5	8.4	9.2	9.8	11.5
Visible underemployment rate	9.3	9.2	9.6	9.0	11.5	11.4	12.3	14.1	14.1

Table 1 (concluded)

	2012	2013	2014	2015	2016	2017	2018	2019	2020 a/
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	10.8	10.9	23.9	27.5	38.5	25.0	47.1	52.9	34.1
Variation in wholesale prices (December-December)	13.1	14.8	28.3	12.7	33.0	18.2	76.4	58.5	35.4
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/	12.1	14.8	20.8	21.7	24.4	19.1	32.0	47.3	29.4
Nominal lending rate i/	19.3	21.6	29.3	28.2	33.3	26.8	47.7	66.9	36.8
Central government	**Percentages of GDP**								
Total revenue	19.4	19.9	20.6	20.4	20.2	18.3	17.1	18.2	22.2
Tax revenue	17.8	17.5	17.3	17.2	17.1	15.7	14.5	14.6	14.8
Total expenditure	21.3	22.4	24.8	24.0	25.9	24.1	22.7	21.9	25.9
Current expenditure	19.1	19.6	20.6	21.4	23.8	22.2	21.4	20.9	24.6
Interest	1.8	1.2	1.9	1.8	3.6	3.0	3.7	4.3	2.3
Capital expenditure	2.2	2.8	4.2	2.7	2.1	1.9	1.3	1.1	1.3
Primary balance	0.0	-1.3	-2.3	-1.9	-2.1	-2.8	-1.9	0.6	-1.4
Overall balance	-1.9	-2.5	-4.2	-3.7	-5.7	-5.8	-5.6	-3.7	-3.7
Central government public debt j/	40.4	43.5	44.7	52.6	53.3	56.5	85.2	88.8	102.8
Domestic	29.2	31.7	32.1	38.7	35.5	33.4	43.9	46.0	56.2
External	11.2	11.8	12.6	13.9	17.8	23.1	41.3	42.8	46.6
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	23.8	26.0	25.0	25.2	23.0	23.4	25.2	21.2	30.4
To the public sector	19.8	21.6	24.7	29.0	26.9	25.6	25.0	28.7	39.8
To the private sector	15.2	15.7	13.8	14.4	13.7	16.0	15.8	13.0	13.7
Others	-10.7	-11.3	-13.6	-15.7	-15.7	-18.1	-15.6	-20.4	-23.1
Monetary base	11.1	10.8	9.7	10.5	9.6	9.2	9.1	8.0	8.8
Money (M1)	15.0	14.7	13.8	13.4	12.4	11.5	10.1	8.9	12.2
M2	27.6	27.4	25.6	26.3	24.0	23.1	23.0	19.5	28.3
Foreign-currency deposits	1.7	1.6	1.6	2.6	4.7	5.2	8.3	5.9	5.6

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

	2019				2020				2021	
	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/	-5.9	0.6	-1.8	-1.2	-5.0	-19.0	-10.2	-4.3	2.5	...
Gross international reserves (millions of dollars)	67 004	66 907	56 901	43 938	44 423	43 133	42 536	39 298	39 542	41 524
Open unemployment rate c/	10.1	10.6	9.7	8.9	10.4	13.1	11.7	11.0	10.2	...
Employment rate	52.9	53.1	53.4	53.7	52.5	42.8	48.1	51.0	53.0	...
Consumer prices (12-month percentage variation)	54.1	54.8	52.4	52.9	46.9	41.3	35.2	34.1	40.4	48.3
Wholesale prices (12-month percentage variation)	69.1	60.2	45.2	58.5	51.8	39.7	34.6	35.4	52.0	65.1
Average nominal exchange rate (pesos per dollar)	39.0	43.9	50.5	59.4	61.5	67.6	73.3	80.1	88.5	94.0
Nominal interest rates (average annualized percentages)										
Deposit rate d/	40.7	49.0	52.9	46.8	32.1	24.4	29.0	31.9	33.6	33.5 e/
Lending rate f/	59.4	70.3	72.8	65.2	46.8	32.2	29.8	38.2	40.0	40.3 e/
Interbank rate	52.3	67.5	65.4	55.4	35.0	13.3	15.9	27.1	30.5	32.0 e/
Monetary policy rates	55.4	69.0	71.5	65.0	45.3	38.0	38.0	37.3	38.0	38.0
Sovereign bond spread, Embi + (basis points to end of period) g/	774	835	2 143	1 744	3 803	2 495	1 300	1 368	1 368	1 596
Risk premiia on five-year credit default swap (basis points to end of period)	781	971	899	899	899	899	356	545	1 906	1 954
International bond issues (millions of dollars)	-	500	1 100	120	-	250	135	-	1 100	300
Stock price index (national index to end of period, 31 December 2005 = 100)	2 168	2 708	1 883	2 700	1 580	2 507	2 674	3 319	3 109	4 041
Domestic credit (variation from same quarter of preceding year)	47.4	37.0	24.8	18.1	36.1	61.0	75.6	84.1	70.4	59.4 h/

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/ Fixed-term deposits, all maturities.
e/ Figures as of May.
f/ Local-currency loans to the non-financial private sector, at fixed or renegotiable rates, signature loans of up to 89 days.
g/ Measured by J.P.Morgan.
h/ Figures as of April.