ARGENTINA

1. General trends

The Argentine economy contracted 2.5% in 2018 as a result of a currency crisis which brought a sharp devaluation of the peso, accelerating inflation (from an average of 25.5% in 2017 to 34.3% in 2018), an increase in unemployment (from 7.2% in the fourth quarter of 2017 to 9.1% in the same quarter in 2018) and a substantial drop in household real income.

An adverse external backdrop, with a rise in interest rates on United States treasury bonds, combined with a domestic downturn associated with a severe drought that ravaged the agro-export sector led to external sector tensions. Those conditions were compounded by certain local vulnerabilities including, notably, the large current account deficit and strong capital outflows, which together resulted in a negative net balance equivalent to 9.6% of GDP in 2018.

In that scenario, the Government of Argentina requested financial assistance from the International Monetary Fund (IMF) with a view to bolstering its public debt repayment capacity. The agreement reached with IMF included a fiscal adjustment programme aimed at narrowing the primary deficit (which, according to the methodology used to monitor targets, was 2.6% of GDP in 2018) and a contractionary monetary policy designed to stabilize the foreign-exchange market and curb inflation. The drop in household real income, the financial instability triggered by severe exchange-rate volatility and the contractionary fiscal and monetary policies hurt both public and private consumption and investment. The severe drought also eroded commodities exports. As a result of debt issuances and the first disbursements of the IMF loan, but above all due to the impact of the hike in the nominal exchange rate on the accounting value of foreign-currency-denominated liabilities, central government gross public debt jumped from 56.6% of GDP in 2017 to 86% of GDP in 2018, raising the country risk premium from 351 basis points at the end of 2017 to 817 basis points at year-end 2018.

The 2018 economic recession worsened in the first quarter of 2019, posting a seasonally adjusted quarterly drop in GDP of 0.2%, according to the National Institute of Statistics and Censuses (INDEC), in a scenario in which a resurgence of exchange-rate instability continued to stoke inflation. Reflecting the decline in economic activity, the current account deficit trended down in the early months of the year, mainly because of the turnaround in the merchandise trade balance, which posted a US$ 4.50 billion surplus in the first five months, following a sharp decline in imports.

During the rest of 2019, the contractionary stance of fiscal and monetary policy and slacker economic growth in Brazil are expected to dampen public and private consumption, investment, and manufacturing sector exports, while a modest recovery in real wages is likely to lead to a slight uptick in domestic demand. It is also likely, that the recovery in agricultural output after the previous year's drought will boost primary exports. Against this backdrop, and given the high negative statistical carry-over from 2018, GDP is projected to fall by 1.8%. This estimate presupposes the absence of any new financial tensions, in a year of uncertainty associated with the presidential elections.

2. Economic policy

Economic policy in 2018 focused on stabilizing financial markets. Fiscal policy strove to ensure public debt repayment capacity based on a financing agreement with IMF; expedite cuts in public spending; and establish export duties. On the monetary and foreign-exchange front, the central bank (BCRA) kept interest rates high and intervened extensively in the foreign-exchange market, albeit this did not avert a sharp devaluation of the peso. The contractionary fiscal and monetary policy stance was maintained in the first few months of 2019 and the BCRA responded to the rebound in financial tensions by adjusting the rules governing intervention in the foreign-exchange market.

(a) Fiscal policy

Fiscal policy adopted a contractionary stance in 2018. Primary expenditure posted a 22.4% nominal increase, below the average rate of inflation for the period (34.3%) and below the increase in total income (30.2%). As a result, the primary deficit narrowed in real terms to 2.3% of GDP (compared to 3.8% in 2017). If other public investment expenses are considered (Priority Investments Programme), in keeping with the methodological criterion used by IMF to monitor the targets of the financing programme, the 2018 primary deficit amounted to 2.6% of GDP. Interest payments on the public debt increased 72.9% in 2018, as a result of which the financial deficit was equivalent to 5% of GDP, below the 2017 figure (5.9%). The increase in interest payments was largely due to the steep hike in the nominal exchange rate as well as the increase in the stock of public debt. In view of these financing needs, and given the substantial accounting impact of the exchange-rate hike on foreign-currency-denominated liabilities, central government gross public debt increased from 56.6% of GDP in 2017 to 86% of GDP in 2018. Without the exchange-rate impact (the hike in the nominal exchange rate equal to the increase in the GDP deflator), central government gross public debt would have risen to approximately 66% of GDP in 2018. Central government external debt increased from 22.9% of GDP in 2017 to 41.7% in 2018.

Fiscal policy in 2018 was shaped by an arrangement between the Government of Argentina and IMF for a stand-by loan, reached in June and amended in September following a resurge of exchange rate and financial tensions. The 36-month loan agreed upon is for US$ 56.30 billion, of which US$ 44.10 billion had been disbursed as of July 2019. The financing programme sets a tough goal of attaining primary fiscal balance by 2019, to be achieved by real cuts in public expenditure on subsidies (energy and transport), public sector wages, transfers to the provinces and public investment. The fiscal programme also envisages export withholding taxes at a fixed rate in pesos, equivalent to a tariff of 9% for commodities (27% for soybeans) and 7% for other products (at the average exchange rate in June 2019). According to official estimates, this is expected to generate additional revenue equivalent to 1% of GDP in 2019. Withholding taxes were reduced in 2019 for a set of regional economy products and not applied to incremental exports of goods produced by small and medium-sized enterprises (SMEs), subject to an exemption ceiling of US$ 600,000. The arrangement with IMF provides for the possibility of easing the fiscal deficit target in order to increase social spending if necessary (by up to 0.3% of GDP) and for capital investments financed by loans from international financial institutions and bilateral partners (up to 0.2% of GDP). Due to high levels of inflation, the social spending clause was activated in 2019 to use up by March the whole of the (46%) increase in the Universal Child Allowance (AUH) programme envisaged for the entire year.

In the first six months of 2019, primary expenditure grew 33.8% year on year in nominal terms, that is to say at a slower pace than inflation (54.1%) and income (48.2%), turning a previous primary deficit into a 30.2 billion peso surplus (0.1% of GDP). Triggering much of the growth in income was the notable increase in revenue from export duties (355% year on year) following the establishment of tariffs, the increase in the exchange rate and the return to a normal agricultural harvest following the severe drought in 2018. Notable on the expenditure side was the (61.2% year-on-year) increase, in nominal terms, of spending under the Universal Child Allowance programme following the quarterly adjustments in 2018 and the government's decision to bring forward the increase in the programme's benefits envisaged for the whole of 2019. Finally, expenditure on public debt interest payments increased by 118.4% year on year in the first half of 2019 and the financial deficit totalled 287.2 billion pesos.

(b) Monetary policy

Monetary policy was contractionary in 2018, given the central bank's goal of stemming the portfolio dollarization trend, which sharpened as a result of the currency crisis. The nominal policy interest rate stood at an annual average of 44.1% and reached 59.4% in December (3,060 basis points above the rate for December 2017). Interest rates at commercial banks also rose sharply: the wholesale (BADLAR private banks) deposit rate (fixed-term deposits) increased by 2,500 basis points year on year to 48.6% in December, while the commercial (signature) lending rate increased by 4,000 basis points to 64.9% and the (personal) consumer loan rate by 2,400 basis points to 63.9%. In a context of reduced economic activity and high interest rates, private credit fell in December by 19.4% year on year in real terms.

In 2018 the central bank abandoned the inflation-targeting regime (put in place in January 2017) and decided, by agreement with IMF, to replace it with monetary aggregate targeting. This new approach is implemented through daily transactions in liquidity bills (LELIQs) with the banks, together with adjustments to reserve requirement. In practice, this triggered higher interest rates. In its latest version, the target is zero growth of base money between February and December 2019, net of the expansion derived from intervention in the foreign-exchange market and of December's seasonal increase in base money. On the other hand, in 2018 BCRA embarked on a programme of retiring central bank bills (LEBACs, short-term peso-denominated debt), the accumulation of which in short-term tranches by the private sector had been one of the triggers of the currency crisis. Unlike LEBACs, LELIQs are securities issued by the central bank that can only be acquired by banks as liquidity regulation instruments.

Following the resurgence of financial tensions in the early months of 2019, the policy interest rate peaked at 74.1% in May and private credit fell further in real terms (by 28.4% year on year in the first four months of the year). Following stabilization of the foreign-exchange market as of May, the policy interest rate trended down, to 60.1% in mid-July. In 2019, BCRA allowed users of financial services to make time deposits in any bank, even if they are not customers of the bank (Communication A-6667). With a view to curtailing the portfolio dollarization trend, that measure sought to foster competition among entities, given the wide gap between the return on BCRA instruments and the time deposit interest rates offered by banks.

(c) Exchange-rate policy

In 2018 and the first few months of 2019, BCRA adjusted its foreign-exchange intervention strategy in response to the difficulties it encountered with containing financial tensions. It engaged in substantial sales of international reserves between January and September 2018, during which time there was a sharp devaluation of the peso within the framework of a managed exchange-rate float regime. Net sales of foreign exchange by the central bank totalled US$ 16 billion (equal to 29% of international reserves at the end of 2017). In addition, BCRA intervened in the dollar futures market, conducted dollar auctions on behalf and at the behest of the Ministry of Finance, and lowered the limit on bank holdings of foreign-currency assets. In connection with the renegotiation of the agreement with IMF and modification of the monetary arrangement, in October 2018 BCRA established a non-intervention exchange-rate band, to be updated daily at a pre-established rate. The nominal exchange rate increased by 114% year on year in December 2018, while the multilateral real exchange rate index calculated by the central bank increased by 36.5%.

The central bank began conducting daily (US$ 60 million) auctions on behalf of the Ministry of Finance, starting in April 2019, until it reached a cumulative total of US$ 9.6 billion, drawn from the IMF stand-by loan. That same month, in response to the resurgence of financial tensions and increasing inflation, BCRA adjusted the bounds of the non-intervention exchange-rate band, by agreement with IMF. The monetary authority decided to maintain the floor and ceiling of the non-intervention band; allow sales of dollars within the non-intervention exchange-rate band; increase daily sales from US$ 150 million to US$ 250 million if the exchange rate exceeds the non-intervention band ceiling; and not to purchase dollars below the non-intervention band floor until 30 June 2019. In the first six months of 2019, the nominal exchange rate increased by 15.6% to an average of 43.8 pesos per dollar in June.

(d) Other policies

In the first few months of 2019, the national government once again embarked on a set of programmes designed to mitigate the effects of inflation and stimulate private consumption. They included, most notably, the *Precios Cuidados* programme, covering a set of essential products for which prices are to remain unchanged for six months; the *Ahora 12* programme, which includes several products that can be paid for in up to 18 instalments at a below-market-level interest rates; new consumer credit lines for retirees and beneficiaries of social programmes, granted by the National Social Security Administration (ANSES); and a programme offering discounts on the purchase price of domestic and imported light-duty vehicles under an agreement with a group of chambers of commerce in the automotive sector.

In May 2019, Congress passed a law to promote the knowledge economy, which increases and extends until 2030 the benefits of the software industry's promotion programme, which was due to expire in 2019. Notably, the Law expands the scope of the services covered, lowers corporate income tax for those enterprises, guarantees that there will be no increase in the domestic tax burden and grants economic benefits relating to employers' contributions to their workers' social security funds.

Finally, in June 2019, the Southern Common Market (MERCOSUR) and the European Union reached a political agreement on signing a free trade treaty. The agreement envisages gradually removing tariffs on 91% of the goods exported by MERCOSUR to the European Union and on 95% of the goods exported by the European Union to MERCOSUR within 10 years. It envisages special provisions for sensitive sectors or those prioritized by each of the parties. The agreement also provides for liberalization of the trade in services, including previously closed sectors, such as maritime services, and it contains a chapter on intellectual property rights.

3. The main variables

(a) The external sector

The current account deficit narrowed 13% to US$ 27.50 billion (5.3% of GDP) in 2018, chiefly reflecting a lower goods and services deficit, which was partially offset by a widening of the deficit in the primary and secondary income accounts.

The improvement in the goods balance was due to a rise in exports (5.1%) and lower imports (2.5%). The increase in exports, measured in dollars, resulted from higher prices (5.7%), which offset a slight decline in volumes (0.5%). By segment, the largest declines in export volumes —due to the above-mentioned drought— were in commodities (11.2%) and agricultural manufactures (5.1%), which were partially offset by the increase in industrial manufactures (8.5%) and fuels and energy (41.2%). The decline in merchandise imports resulted from volumes falling more (6.5%) than the increase in prices (4.6%). Most imports, classified by economic use, declined in 2018, as economic activity contracted. The services trade deficit narrowed by 8.5% to US$ 9.3 billion (1.8% of GDP), due to imports declining more (3.6%) than exports (0.2%), in a context of reduced income and a higher real exchange rate.

The capital and financial account recorded a hefty surplus of US$ 39.3 billion (7.6% of GDP), which was linked mainly to the US$ 52.0 billion increase in general government and BCRA liabilities, including debt issuances, the first disbursements of the IMF loan and the expansion of a currency swap with China. Foreign direct investment also recorded a surplus of US$ 11.9 billion, up 3.1% on the previous year. On the other hand, foreign-currency outflows were notably high (US$ 22.4 billion or 4.3% of GDP), motivated by non-financial private sector hoarding in connection with the currency crisis. The surplus on the capital and financial account exceeded the current account deficit, which meant that international reserves increased by US$ 11.3 billion (2.2% of GDP).

The current account deficit narrowed by 58.9% in the first quarter of 2019 compared to the prior-year quarter, mainly as a result of the turnaround in the goods trade deficit. Thus, the goods trade balance for the first five months of 2019 posted a surplus of US$ 4.5 billion, compared with a US$ 4.5 billion deficit for the same period in 2018. The improvement in this balance resulted from the sharp fall in imports (28.7% year on year in the first five months of 2019) as economic activity contracted. Among imports classified by economic use, the steepest declines were in passenger vehicles (58.5% year on year for the first five months of 2019) and in capital goods (40%). Exports picked up slightly in the first five months of 2019 (2.5% year on year), as the rebound in volumes (9.9%), thanks partly to the return to a normal agricultural harvest, was partially offset by the fall in prices (6.8%). Finally, foreign direct investment fell by 9.9% year on year in the first quarter of 2019.

(b) Economic activit

GDP fell by 2.5% in 2018, due to the contraction of private consumption (by 2.4% year on year), public consumption (3.3%), investment (5.7%) and exports (0.7%). The decline in imports (4.7%) partially offset the contractionary effect of the aforementioned components. On the supply side, the goods-producing sectors contributing most to the downturn were agriculture (15.3% year on year) and manufacturing (5%). Among service providers, those contributing most to the downturn were commerce (4.3%), transport and communications (2.8%), hotels and restaurants (0.4%), other social community service activities (0.3%), and public administration and defence (0.3%). The decline in the agricultural and transport sectors is partly linked to the severe drought which hurt soybean and maize output. The performance of the other sectors posting a decline reflected the drop in real family incomes and the implementation of contractionary fiscal and monetary policies.

The recessionary trend in GDP worsened in the first quarter of 2019, with a 5.8% year-on-year decline and a 0.2% (seasonally-adjusted) quarterly decline. In the first five months of 2019, the manufacturing industry production index (EMI) fell by 9.8% year on year and the indicator of construction activity (ISAC) posted a decline of 8.9% year on year in the same period. Particularly notable was the sharp decline in the use of industrial installed capacity, which averaged 59.4% in the first five months of 2019.

(c) Prices, wages and employment

The consumer price index rose by 34.3% on average in 2018, exceeding the 25.5% rate in 2017, in a year in which the exchange rate increased sharply and regulated prices rose, as did international oil prices. The year-on-year increase in the consumer price index reached 47.6% in December, with a 51.2% year-on-year hike in food and beverage prices. Inflation remained high in the first six months of 2019, posting a monthly average of 3.4% (49.9% annualized), against a backdrop of renewed exchange-rate tensions and adjustments to utility rates. Lower inflation over the remainder of the year will depend on the absence of any new exchange-rate tensions.

Real wages fell on average by 6.9% in 2018 (12.2% year on year in December), according to INDEC data. Wages in the registered private sector fell by 6.3%, in the public sector by 7.6%, and in the non-registered private sector by 7.3%. The minimum wage fell 11.7% in real terms, while retirement benefits, pensions, and family allowances fell by 8.2%. In June 2019, the minimum wage was 12,500 pesos (US$ 285) and the minimum retirement benefit 11,528 pesos (US$ 263).

The unemployment rate climbed from 7.2% in the fourth quarter of 2017 to 9.1% in the fourth quarter of 2018. According to the Ministry of Labour, Employment and Social Security, registered employment fell by 1.7% year on year in December 2018, owing mainly to the (2.1%) decline in private sector wage employment. By sector, most of the decline in private sector wage employment occurred in manufacturing, where it fell by 5.1%. The year-on-year decline in registered employment was 1.7% in the first four months of 2019. In the first quarter of 2019 the unemployment rate increased to 10.1% (from 9.1% in the same period in 2018).

Table 1

ARGENTINA: MAIN ECONOMIC INDICATORS

	2010	2011	2012	2013	2014	2015	2016	2017	2018 a/
	Annual growth rates b/								
Gross domestic product	10.1	6.0	-1.0	2.4	-2.5	2.7	-2.1	2.7	-2.5
Per capita gross domestic product	9.0	4.9	-2.1	1.3	-3.5	1.7	-3.0	1.7	-3.4
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	39.5	-2.4	-12.9	11.5	3.1	7.5	-4.7	3.0	-14.2
Mining and quarrying	1.6	-5.8	-1.2	-4.0	1.6	1.6	-5.5	-3.4	0.8
Manufacturing	10.9	7.7	-2.9	1.5	-5.1	0.8	-5.6	2.6	-4.8
Electricity, gas and water	1.7	4.7	4.7	0.5	2.0	4.4	1.0	-1.0	0.2
Construction	9.8	9.5	-2.4	-0.1	-2.0	3.0	-11.2	10.5	1.2
Wholesale and retail commerce, restaurants and hotels	12.3	10.1	-2.4	2.2	-6.3	3.3	-2.7	2.2	-4.1
Transport, storage and communications	8.9	5.4	0.6	2.4	0.8	3.0	3.4	2.3	-2.9
Financial institutions, insurance, real estate and business services	4.0	5.8	1.5	1.3	-1.1	1.7	-0.9	3.6	2.8
Community, social and personal services	3.9	3.7	3.4	1.9	1.7	2.8	1.8	1.3	0.6
Gross domestic product, by type of expenditure									
Final consumption expenditure	10.3	8.7	1.4	3.9	-3.3	4.2	-0.7	3.8	-2.5
Government consumption	5.5	4.6	3.0	5.3	2.9	6.9	-0.5	2.7	-3.3
Private consumption	11.2	9.4	1.1	3.6	-4.4	3.7	-0.8	4.0	-2.4
Gross capital formation	32.5	16.1	-11.2	4.7	-6.2	4.6	-5.1	9.8	-7.9
Exports (goods and services)	13.9	4.1	-4.1	-3.5	-7.0	-2.8	5.3	1.7	0.0
Imports (goods and services)	35.2	22.0	-4.7	3.9	-11.5	4.7	5.8	15.4	-5.1
Investment and saving c/	**Percentages of GDP**								
Gross capital formation	17.7	18.4	16.5	17.3	17.3	17.1	17.7	16.2	16.2
National saving	17.3	17.4	16.1	15.2	15.6	14.3	15.0	11.3	9.0
External saving	0.4	1.0	0.4	2.1	1.6	2.7	2.7	5.0	7.2
Balance of payments	**Millions of dollars**								
Current account balance	-1 623	-5 340	-2 138	-13 124	-9 179	-17 622	-15 105	-31 598	-27 479
Goods balance	14 147	12 351	15 041	4 635	5 541	-785	4 416	-5 462	-867
Exports, f.o.b.	68 306	83 120	80 084	75 928	68 440	56 809	57 960	58 639	61 638
Imports, f.o.b.	54 159	70 769	65 043	71 293	62 899	57 594	53 544	64 101	62 505
Services trade balance	-1 804	-3 152	-4 097	-5 329	-4 641	-5 815	-8 452	-10 149	-9 282
Income balance	-14 548	-15 073	-13 754	-13 165	-11 614	-12 105	-12 192	-16 388	-18 629
Net current transfers	581	534	672	734	1 535	1 083	1 123	401	1 300
Capital and financial balance d/	5 780	-768	-1 167	1 301	10 374	12 716	29 416	46 154	10 426
Net foreign direct investment	10 368	9 352	14 269	8 932	3 145	10 884	1 474	10 361	10 071
Other capital movements	-4 588	-10 120	-15 436	-7 631	7 229	1 832	27 942	35 792	356
Overall balance	4 157	-6 108	-3 305	-11 824	1 195	-4 906	14 311	14 556	-17 052
Variation in reserve assets e/	-4 157	6 108	3 305	11 824	-1 195	4 906	-14 311	-14 556	-11 277
Other financing	0	0	0	0	0	0	0	0	28 329
Other external-sector indicators									
Terms of trade for goods (index: 2010=100) f/	100.0	110.3	114.8	107.5	105.3	100.6	106.6	103.6	104.9
Net resource transfer (millions of dollars)	-8 767	-15 841	-14 921	-11 864	-1 240	611	17 224	29 766	20 126
Total gross external debt (millions of dollars)	144 653	156 300	156 478	155 489	158 742	167 412	181 170	234 549	277 921
Employment g/ h/	**Average annual rates**								
Labour force participation rate	58.9	59.5	59.3	58.9	58.3	57.7	57.5	57.8	58.5
Open unemployment rate	7.7	7.2	7.2	7.1	7.3	6.5	8.5	8.4	9.2
Visible underemployment rate	9.8	9.1	9.3	9.2	9.6	9.0	11.5	11.4	12.3

Table 1 (concluded)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	10.9	9.5	10.8	10.9	23.9	27.5	38.5	25.0	47.1
Variation in wholesale prices (December-December)	14.6	12.7	13.1	14.8	28.3	12.7	34.6	17.2	72.9
Variation in nominal exchange rate (annual average)	4.9	5.6	10.2	20.4	48.2	14.0	59.4	12.2	69.8
Nominal deposit rate i/	9.4	10.8	12.1	14.8	20.8	21.7	24.4	19.1	32.0
Nominal lending rate j/	15.2	17.7	19.3	21.6	29.3	28.2	33.3	26.8	47.8
Central government	**Percentages of GDP**								
Total revenue	19.7	18.7	19.4	19.9	20.6	20.4	20.2	18.3	17.3
Tax revenue	17.2	17.1	17.8	17.5	17.3	17.2	17.1	15.7	15.0
Total expenditure	19.8	20.7	21.3	22.4	24.8	24.0	25.9	24.1	22.6
Current expenditure	17.1	18.1	19.1	19.6	20.6	21.4	23.8	22.2	21.2
Interest	1.4	1.9	1.8	1.2	1.9	1.8	3.6	3.0	3.6
Capital expenditure	2.7	2.5	2.2	2.8	4.2	2.7	2.1	1.9	1.4
Primary balance	1.3	-0.1	0.0	-1.3	-2.3	-1.9	-2.1	-2.8	-1.6
Overall balance	-0.1	-2.0	-1.9	-2.5	-4.2	-3.7	-5.7	-5.8	-5.2
Central government public debt k/	43.5	38.9	40.4	43.5	44.7	52.6	53.1	56.6	86.0
Domestic	28.9	26.9	29.2	31.7	32.1	38.7	35.4	33.7	44.2
External	14.6	12.0	11.2	11.8	12.6	13.9	17.7	22.9	41.8
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	18.5	20.4	23.8	26.0	25.0	25.2	23.0	23.4	25.5
To the public sector	17.8	16.8	19.8	21.6	24.7	29.0	26.9	25.6	25.3
To the private sector	12.7	14.0	15.2	15.7	13.8	14.4	13.7	16.0	16.0
Others	-11.9	-9.6	-10.7	-11.3	-13.6	-15.7	-15.7	-18.2	-15.8
Monetary base	9.4	9.6	11.1	10.8	9.7	10.5	9.6	9.2	9.2
Money (M1)	13.3	13.2	15.0	14.7	13.8	13.4	12.4	11.5	10.3
M2	24.6	24.4	27.6	27.4	25.6	26.3	24.0	23.1	23.3
Foreign-currency deposits	3.7	2.5	1.7	1.6	1.6	2.6	4.7	5.2	8.4

	2010	2011	2012	2013	2014	2015	2016	2017	201
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	10.9	9.5	10.8	10.9	23.9	27.5	38.5	25.0	47.
Variation in wholesale prices (December-December)	14.6	12.7	13.1	14.8	28.3	12.7	34.6	17.2	72.
Variation in nominal exchange rate (annual average)	4.9	5.6	10.2	20.4	48.2	14.0	59.4	12.2	69.
Nominal deposit rate i/	9.4	10.8	12.1	14.8	20.8	21.7	24.4	19.1	32.
Nominal lending rate j/	15.2	17.7	19.3	21.6	29.3	28.2	33.3	26.8	47.
Central government	**Percentages of GDP**								
Total revenue	19.7	18.7	19.4	19.9	20.6	20.4	20.2	18.3	17.
Tax revenue	17.2	17.1	17.8	17.5	17.3	17.2	17.1	15.7	15.

Table 2

ARGENTINA: MAIN QUARTERLY INDICATORS

	2017				2018				2019	
	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/	0.3	2.1	3.8	4.5	4.1	-3.8	-3.7	-6.1	-5.8	...
Gross international reserves (millions of dollars)	49 339	47 453	48 709	53 809	61 753	56 201	55 385	56 985	67 004	68 204 c/
Open unemployment rate d/	9.2	8.7	8.3	7.2	9.1	9.6	9.0	9.1	10.1	...
Employment rate	52.0	52.4	53.4	53.9	53.2	52.7	53.4	53.0	52.9	...
Consumer prices (12-month percentage variation)	31.9	21.9	24.2	25.0	25.6	29.5	40.3	47.1	54.1	56.8 c/
Wholesale prices (12-month percentage variation)	19.6	14.2	16.5	19.0	27.6	43.9	73.4	72.9	67.4	71.8 e/
Average nominal exchange rate (pesos per dollar)	15.7	15.7	17.3	17.6	19.7	23.5	32.1	37.1	39.0	43.9 e/
Nominal interest rates (average annualized percentages)										
Deposit rate f/	18.5	18.1	18.9	20.9	21.5	24.2	34.8	47.6	40.7	48.4 c/
Lending rate g/	26.2	27.3	25.9	27.8	29.6	36.6	54.6	70.4	59.5	70.0 c/
Interbank rate	23.5	24.4	25.9	27.7	27.1	35.0	51.2	64.0	52.3	68.0 c/
Monetary policy rates	24.8	26.3	26.3	28.4	27.5	36.8	48.3	65.1	55.5	69.0
Sovereign bond spread, Embi + (basis points to end of period) h/	452	432	367	351	420	610	623	817	774	985 c/
Risk premiia on five-year credit default swap (basis points to end of period)	5 393	420	382	419	272	451	590	814	792	945
International bond issues (millions of dollars)	13 278	6 010	2 030	6 358	10 250	1 987	880	250	0	0
Stock price index (national index to end of period, 31 December 2005 = 100)	1 313	1 420	1 690	1 948	2 016	1 687	2 168	1 963	2 166	2 700
Domestic credit (variation from same quarter of preceding year)	42.0	36.8	32.8	29.9	22.5	34.7	48.8	57.0	47.4	39.6 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/ Figures as of May.
d/ Urban areas.
e/ Figures as of April.
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.