

ARGENTINA: MAIN MACRO-FINANCIAL INDICATORS

International Economics and Euro Area
Department

BANCO DE **ESPAÑA**
Eurosistema



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Table 1

Argentina: main economic and social indicators

	2023						2021	
GDP per capita (constant \$)	13,954		Life expectancy (years)				75.4	
GDP per capita (PPP)	18,774		Poverty rate (% of the population) (a)				3.5	
GDP (\$bn)	664		Inequality (Gini)				42.4	
Population (million)	45.8		Inflation target (2024)				N/A	
Monetary and real sector, and prices	2000-2004 average	2005-2009 average	2010-2014 average	2015-2019 average	2020	2021	2022	2023
GDP (year-on-year rate)	0.4	4.8	3.0	-0.2	-9.9	10.4	5.2	-1.6
CPI (year-on-year rate)	8.6	13.8	25.9	35.6	42.0	48.4	72.4	133.5
Underlying CPI (year-on-year rate)	—	—	—	32.9	44.6	52.2	72.7	136.0
Policy interest rate (%) (end of the year)	17.3	8.2	13.6	41.9	38.0	38.0	75.0	133.0
Unemployment rate (%)	17.2	9.4	7.3	8.5	11.6	8.8	6.8	6.6
Budget balance (% of GDP)	-1.0	0.9	-2.9	-5.8	-8.6	-4.3	-3.8	-4.2
Primary balance (% of GDP)	1.5	2.5	-2.0	-3.2	-6.2	-2.5	-1.8	-1.8
Public debt (% of GDP)	95.8	64.5	42.2	67.3	102.8	80.9	84.5	154.5
External sector								
Trade openness (% of GDP)	40.7	38.8	30.8	29.0	30.2	32.9	31.7	27.0
Current account balance (% of GDP)	2.5	2.1	-1.1	-3.1	0.8	1.4	-0.7	-3.5
Foreign direct investment received (% of GDP)	2.5	1.2	0.9	1.5	1.3	1.4	2.5	3.4
Portfolio capital inflows (% of GDP)	-3.8	0.8	0.1	2.8	-1.2	-0.7	-0.9	-0.6
Reserves (months of imports)	13.7	11.7	8.0	9.9	12.6	8.4	6.8	5.1
Reserves (% of GDP)	8.6	13.7	7.3	7.9	9.3	7.5	6.6	3.0
ARA metrics (IMF) (b)	0.5	1.1	0.9	0.9	0.7	0.7	0.7	0.7
External debt (% of GDP)	93.0	48.9	27.7	43.8	67.0	49.4	43.2	40.7
Domestic debt held by non-residents (% of total)	14.6	16.5	11.0	19.8	11.4	9.1	8.4	6.2
Financial markets (annual average)								
Exchange rate against the euro	2.4	4.3	7.0	26.4	81.0	112.4	137.1	320.0
Exchange rate against the dollar	2.2	3.2	5.2	23.4	70.6	95.1	130.9	295.6
Average government debt maturity (months)	—	—	—	91.4	81.0	77.6	71.8	71.0
Sovereign CDS (basis points)	—	1,346	1,547	1,647	9,443	1,075	2,249	3,781
YPF CDS (basis points)	—	—	489	576	929	999	1,448	1,448
Banking sector								
Size of the sector (% of GDP) (c)	—	—	34.9	45.9	52.3	46.5	47.9	47.1
Credit to the private sector (% of GDP)	—	12.1	14.3	14.5	13.8	11.6	11.0	8.8
Basel credit-to-GDP gap (d)	—	-11.1	-5.4	3.7	6.6	-0.6	-0.9	-0.3
House prices (year-on-year) (e)	—	—	—	—	19.9	26.4	54.6	117.1
Regulatory capital/RWAs	—	17.1	15.7	15.8	24.2	26.2	29.6	31.0
Tier 1	—	14.3	12.4	14.3	22.3	24.7	28.6	30.3
RWAs/total assets	—	61.7	68.0	68.5	56.7	54.2	52.6	55.9
Non-performing loans (% of portfolio)	—	3.4	1.6	2.7	4.2	4.3	3.3	3.2
ROA (f)	—	2.2	4.7	5.4	3.5	1.8	2.9	5.3
ROE (g)	—	—	29.3	33.4	16.4	7.2	11.4	18.2
Liquidity ratio	—	25.7	30.3	42.3	48.0	50.6	54.0	56.4
Primary expenditure (% of total revenues)	—	—	59.1	57.4	66.5	79.6	80.2	77.1
Net interest income (% of gross revenues) (h)	—	28.1	39.6	42.3	62.3	61.3	52.2	47.3

SOURCES: IMF, Thomson Reuters and national statistics.

- a Percentage of population with income of less than \$3.65 (purchasing power parity in 2017 dollars) per day.
b Drawing on the IMF's calculations for assessing reserve adequacy, which take into account the level of reserves relative to different aggregates and the related opportunity cost.
c Sum of bank claims on all sectors as a percentage of GDP.
d Difference between the actual level and the trend in credit to the private sector as a percentage of GDP.
e Expressed in real terms (deflated with the CPI, base year = 2016).
f Return on Assets (ROA) is defined as profit as a percentage of banking sector assets.
g Return on Equity (ROE) is defined as profit as a percentage of banking sector capital.
h Defined as the ratio of net income from financial intermediation to operating income. Provisioning expenses are not included in the numerator. Operating income comprises income from financial intermediation, income from services, income from shares and other operating income/expenditure, except for administration expenses.

Table 2

Argentina: vulnerability (a)

	Time series												With respect to other emerging market economies	
	2018		2019		2020		2021		2022		2023			Lastest figure
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2		
Sovereign spread (bp)	Green	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
Equity index (quarterly change)	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Yellow	Green	Green	Green	Green	Green	Green
Exchange rate (quarterly change)	Red	Red	Red	Yellow	Yellow	Red	Yellow	Red	Red	Red	Red	Red	Red	Red
Sovereign spread (quarterly change)	Yellow	Red	Yellow	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green
GDP (year-on-year)	Yellow	Red	Red	Yellow	Red	Red	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Red
Inflation	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
Industrial output	Yellow	Yellow	Red	Red	Red	Red	Yellow	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow
Currency overvaluation	Yellow	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Budget balance (% of GDP)	Red	Red	Red	Yellow	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green
Gross public sector debt (% of GDP)	Yellow	Red	Red	Red	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Credit (real, year-on-year)	Green	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
Deposits (real, year-on-year)	Yellow	Green	Red	Red	Red	Red	Yellow	Red	Red	Red	Red	Red	Red	Red
Net foreign assets of banks (% of GDP)	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Yellow
Non-performing loans (% of portfolio)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Loan-to-deposit ratio	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green
Banks' equity index (quarterly change)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green
Banks' external debt spread	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Interbank interest rate	Red	Red	Red	Red	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red
Net interest income	Red	Red	Red	Red	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green
Banking risk (BICRA)	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Banking risk (IHS)	Green	Green	Green	Yellow	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red
Current account balance (% of GDP)	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red
Foreign direct investment (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Green
External debt (% of GDP)	Yellow	Red	Red	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Short-term external debt (% of reserves)	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red
Reserves (% of GDP)	Green	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red
External debt service (% of exports)	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red
Portfolio investment (% of GDP)	Green	Green	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red
GDP per capita (change)	Red	Red	Red	Red	Red	Red	Green	Green	Green	Green	Green	Green	Green	Green
Political risk (IHS)	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Geopolitical risk (GPR)	Green	Red	Red	Red	Yellow	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Green
Sovereign rating	Green	Green	Yellow	Yellow	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red
Stability/Absence of violence (percentile)	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green

SOURCE: Irma Alonso and Luis Molina. (2021). "A GPS navigator to monitor risks in emerging economies: the vulnerability dashboard". Documentos Ocasionales, 2111, Banco de España. <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSeriadadas/DocumentosOcasionales/21/Files/do2111e.pdf>

a The risk level is indicated with shades of green (associated with lower levels of vulnerability), yellow (medium vulnerability) and red (variables in the highest risk percentiles).

Table 3

Spain and euro area exposure to Argentina (2022 unless otherwise stated)

	\$bn		Percentage of GDP		Percentage of total		Ranking	
	Euro area	Spain	Euro area	Spain	Euro area	Spain	Euro area	Spain
Exports of goods	9.8	1.3	0.1	0.1	0.2	0.3	58	41
Imports of goods	9.7	2.4	0.1	0.2	0.2	0.5	65	38
Exports of services	5.3	1.4	0.0	0.1	0.2	0.8	49	19
Imports of services	2.2	0.5	0.0	0.0	0.1	0.6	63	23
International Investment Position: Foreign direct investment. Assets (2021)	47.6	22.1	0.3	1.5	0.3	3.7	46	7
International Investment Position: Foreign direct investment. Liabilities (2021)	1.2	0.7	0.0	0.0	0.0	0.1	89	40
International Investment Position: Portfolio investment. Assets (June 2023)	6.0	0.8	0.0	0.1	0.0	0.1	62	27
International Investment Position: Portfolio investment. Liabilities (June 2023)	0.0	0.0	0.0	0.0	0.0	0.0	70	51
Credit exposure to Argentina of BIS reporting banks (a) (December 2023)	19.1	16.9	0.1	1.1	0.2	0.8	49	19
Claims of Argentine banks vis-à-vis residents of the euro area or Spain (December 2023)	—	—	—	—	—	—	—	—
Debt of Argentine residents to banks from the euro area or Spain (b) (December 2023)	19.1	16.9	2.9	2.6	58.1	51.4	—	—

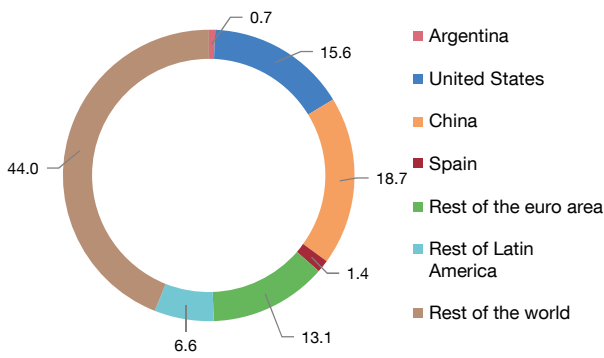
SOURCES: IMF, OECD, Eurostat, BIS and national statistics.

a With respect to euro area and Spanish figures.

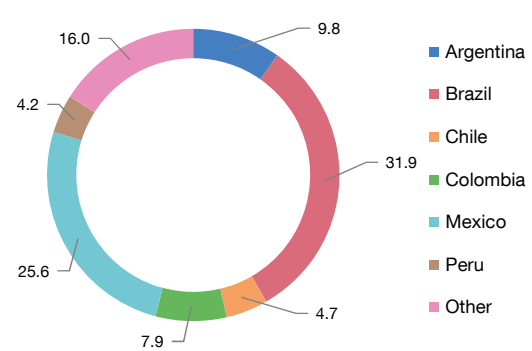
b With respect to Argentine figures.

Argentina: structural economic data

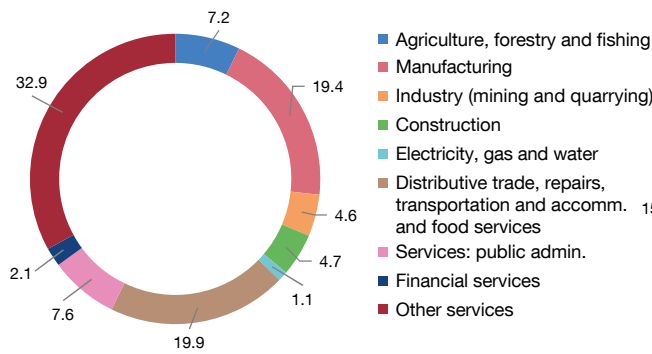
1.a Share of global GDP (%) (2023)



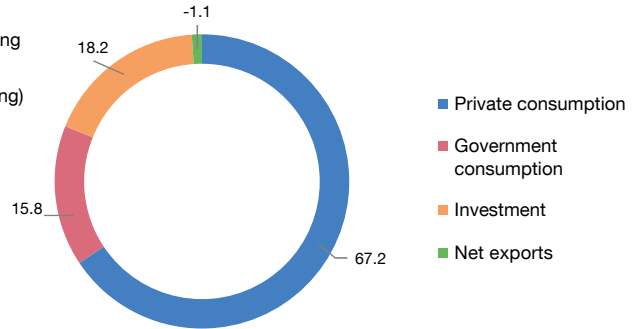
1.b Share of Latin American GDP (%) (2023)



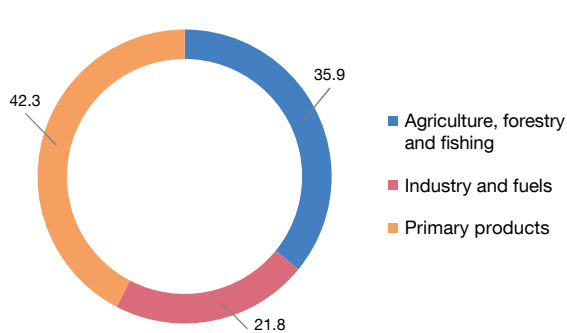
1.c Breakdown of GDP: supply (%) (2023)



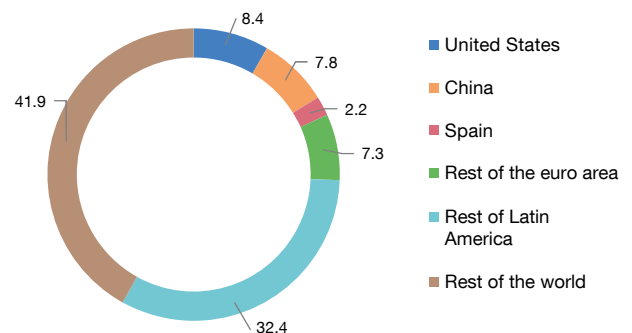
1.d Breakdown of GDP: demand (%) (2023)



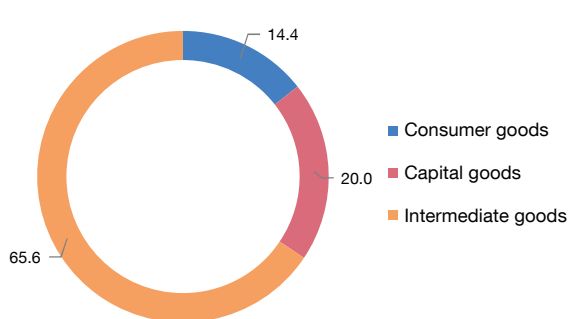
1.e Exports of goods, by sector (%) (2023)



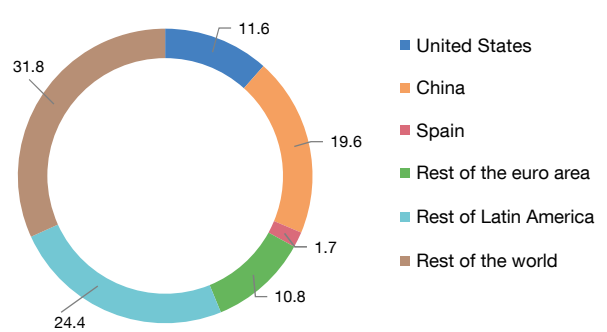
1.f Exports of goods, by destination (%) (2023)



1.g Imports of goods, by sector (%) (2023)



1.h Imports of goods, by origin (%) (2023)



SOURCES: OECD and IMF.

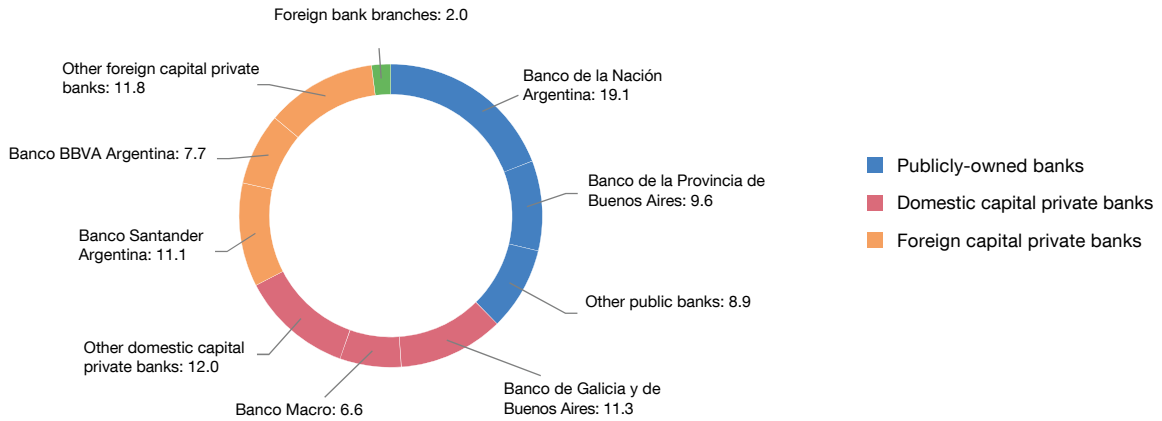


Chart 2

Argentina: structure of the banking sector

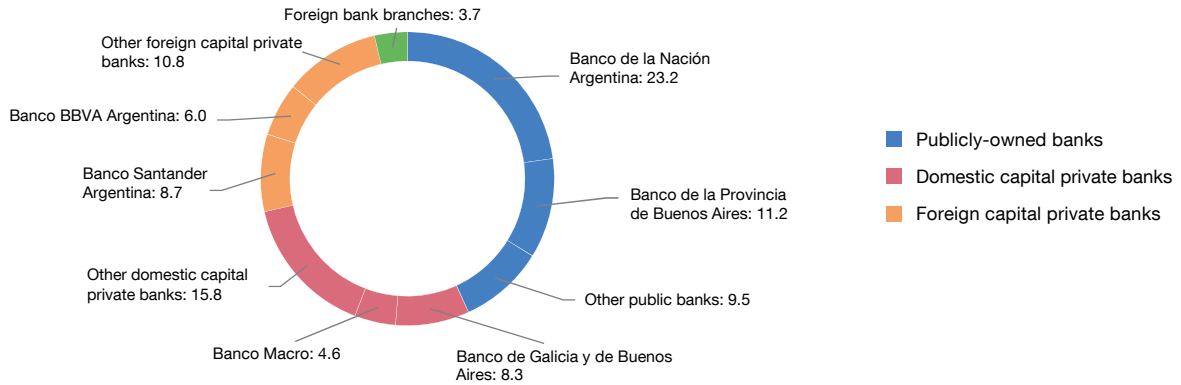
2.a Breakdown of the banking sector (February 2024): loans

% of the total



2.b Breakdown of the banking sector (February 2024): deposits

% of the total



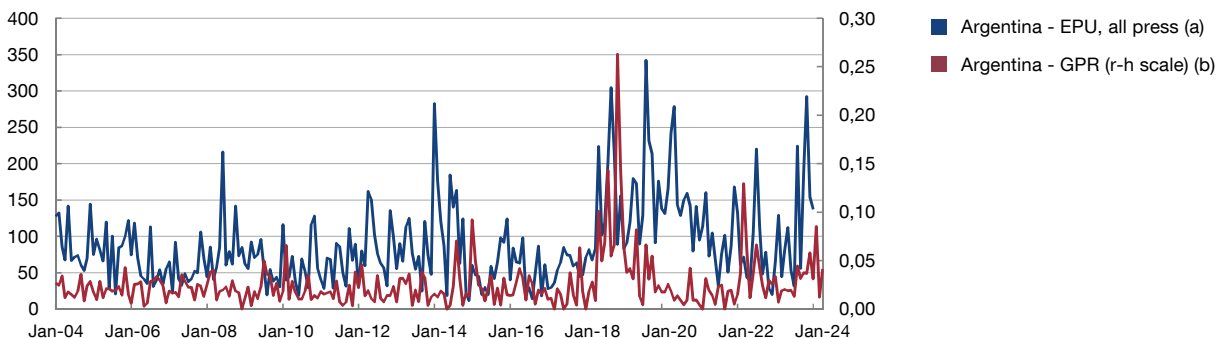
SOURCES: IHS Markit, Banco Central de la República de Argentina and Banco de España.



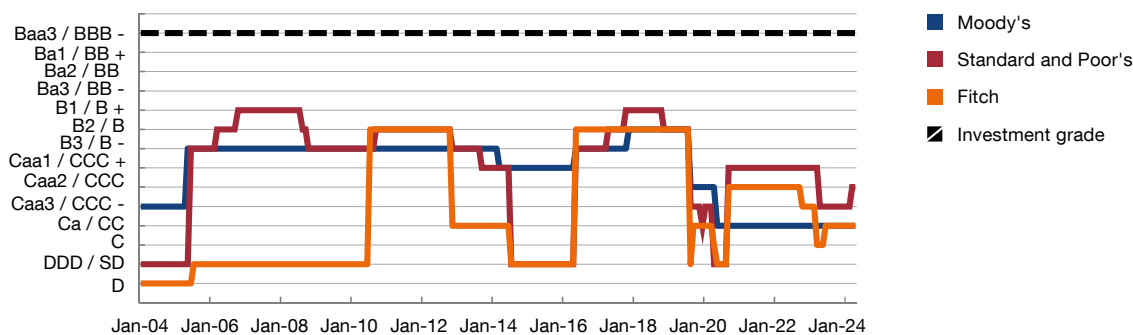
Chart 3

Argentina: uncertainty and geopolitical risk indicators and sovereign ratings

3.a News-based indicators



3.b Sovereign ratings



SOURCES: Banco de España, Moody's, Standard and Poor's and Fitch, in addition to: Dario Caldara and Matteo Iacoviello. (2022). "Measuring geopolitical risk". *American Economic Review*, April, 112(4), pp. 1194-1225, and Corinna Ghirelli, Javier J. Pérez and Alberto Urtaun. (2021). "The spillover effects of economic policy uncertainty in Latin America on the Spanish economy". *Latin American Journal of Central Banking*, 2(2); and Erik Andres-Escayola, Corinna Ghirelli, Luis Molina, Javier J. Pérez and Elena Vidal. (2022). "Using newspapers for textual indicators: which and how many?". Documentos de Trabajo, 2235, Banco de España. <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSeriasadas/DocumentosTrabajo/22/Files/dt2235e.pdf>

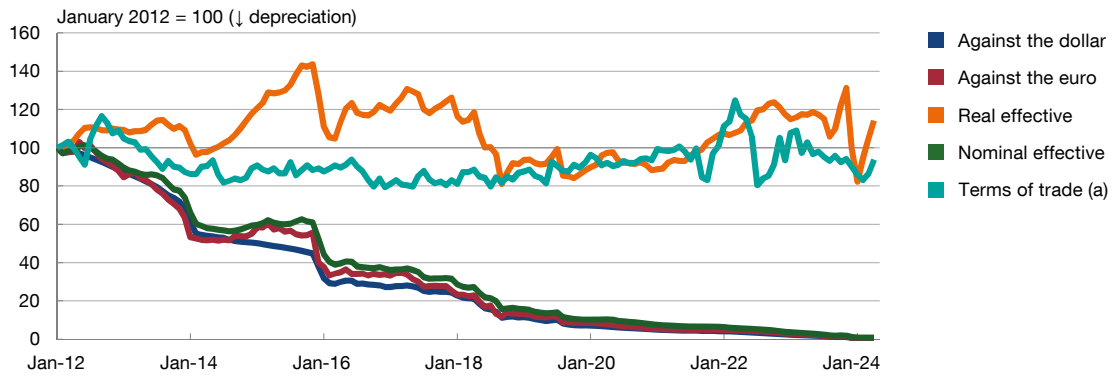
- a The Economic Policy Uncertainty (EPU) index is constructed drawing on the local and international press using words related to uncertainty over economic policies, based on the following methodology: Scott R. Baker, Nicholas Bloom and Steven J. Davis. (2016). "Measuring economic policy uncertainty". *Quarterly Journal of Economics*, 131(4), pp. 1593-1636.
- b The Geopolitical Risk (GPR) Index is a measure of adverse geopolitical events based on a survey of newspaper articles in the English-speaking press covering geopolitical unrest.



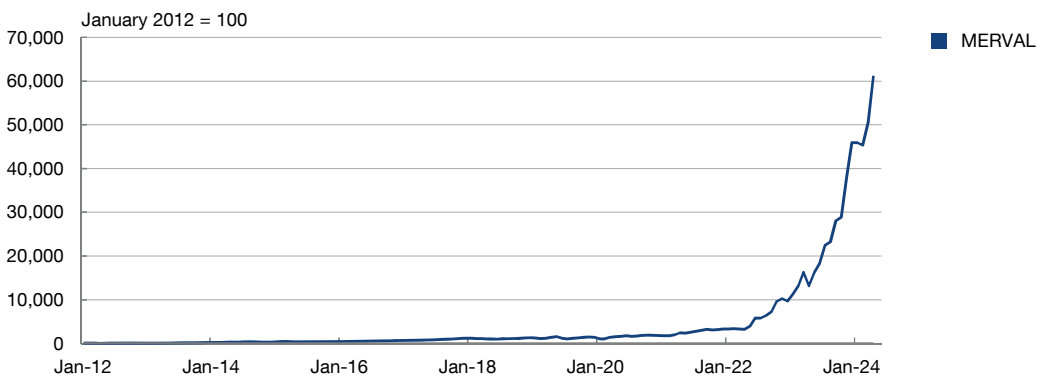
Chart 4

Argentina: exchange rates, stock market, sovereign spreads, long-term interest rates, financial conditions and financial stress

4.a Exchange rates of the Argentine peso



4.b Stock exchange index



4.c Sovereign spread



SOURCES: Banco de España and Refinitiv.

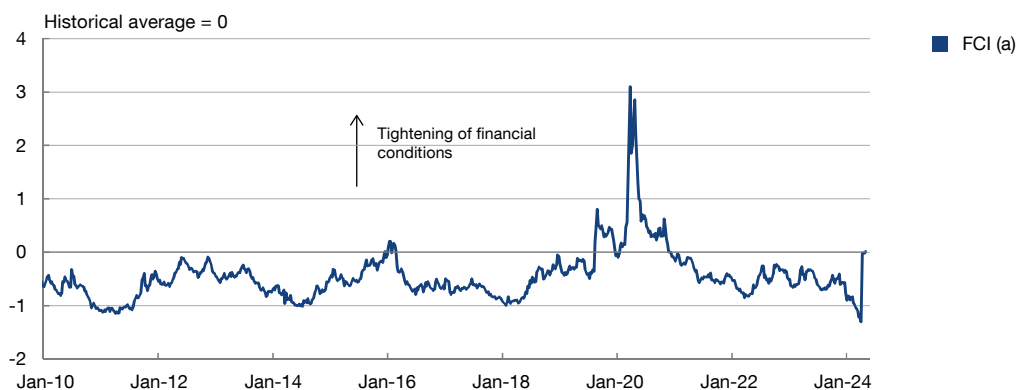
a Ratio of export prices to import prices.



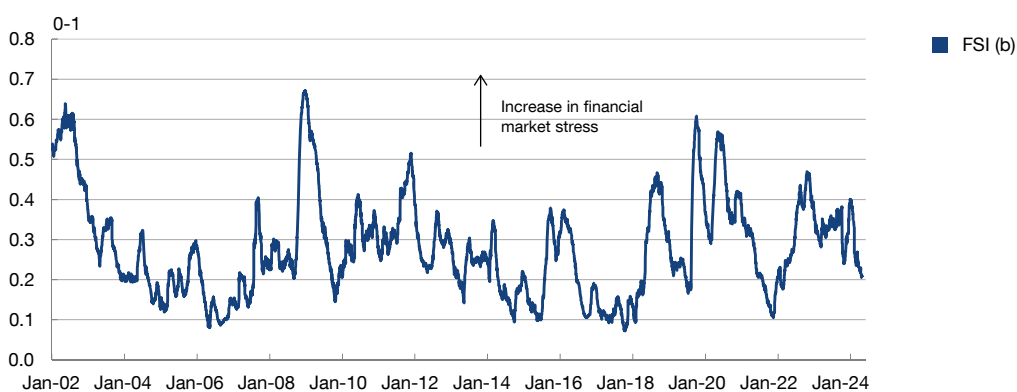
Chart 4

Argentina: exchange rates, stock market, sovereign ratings, long-term interest rates, financial conditions and financial stress (cont'd)

4.d Financial conditions index



4.e Financial stress index



SOURCES: Banco de España and Refinitiv.

- a Estimated using a principal component methodology drawing on changes in the stock market, short and long-term interest rates, the price of commodities and exchange rate fluctuations.
- b Calculated on the basis of volatilities and spreads of six market segments, standardised and grouped discounting any cross-correlations between indicators.

