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SM/96/259
Correction 1

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INFORMATION

October 24, 1996

To: Members of the Executive Board
From: The Associate Secretary
Subject: Argentina - Selected Issues and Statistical Appendix

The following corrections have been made in SM/96/259 (10/16/96):

Page ii, Text Table 3: for "Credit Indicators"
read "Bank Credit"

Page 41, Table 3: revised

Corrected pages are attached.

Att: (2)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

ARGENTINA

Selected Issues and Statistical Appendix

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Approved by the Western Hemisphere Department

October 16, 1996

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Table 3. Argentina: Bank Credit

(In millions of pesos)

	Private Sector	Public Sector	Total
<u>1991</u>			
December	22,770	7,263	30,033
<u>1992</u>			
December	35,000	5,513	40,513
<u>1993</u>			
December	43,260	4,775	48,035
<u>1994</u>			
January	44,189	3,635	47,824
February	44,964	3,446	48,410
March	45,489	4,111	49,600
April	46,337	3,458	49,795
May	47,526	2,901	50,427
June	47,857	3,594	51,451
July	48,545	2,770	51,315
August	49,251	4,416	53,667
September	50,274	5,042	55,316
October	50,886	4,424	55,310
November	51,328	4,002	55,330
December	52,029	4,148	56,177
<u>1995</u>			
January	52,084	3,883	55,967
February	52,234	3,811	56,045
March	50,886	5,255	56,141
April	50,723	4,437	55,160
May	50,598	6,048	56,646
June	50,422	6,556	56,978
July	49,993	6,703	56,696
August	48,683	7,482	56,165
September	48,994	7,960	56,954
October	49,368	7,169	56,537
November	49,249	8,560	57,809
December	49,953	8,788	58,741
<u>1996</u>			
January	50,089	7,826	57,915
February	50,147	7,427	57,574
March	50,044	8,196	58,240
April	49,968	7,690	57,658
May	50,815	7,715	58,530
June	51,420	8,515	59,935
July	51,552	8,455	60,007

Sources: Central Bank of Argentina; and Fund staff estimates.

Table 4. Argentina: Regression Analysis of Demand for Credit
by the Private Sector 1/

(Dependent Variable: Monthly Percent Change in Credit to
the Private Sector Net of Problem Loans)

	Coefficient	T-Ratio
<u>Explanatory variables:</u>		
Constant	-0.32**	-3.45
Log of Credit-GDP ratio, one-month lag	-0.06**	-3.54
Interest rate	-0.18*	-2.41
GDP growth	.015*	2.41
Dependent variable lagged:		
two months	0.22	1.94
three months	0.32**	2.89

Summary and diagnostic statistics:

Number of observations: 61 (1991 June - 1996 June)

R-Square statistic = 0.66

Adjusted R-Square = 0.63

F-Statistic, $F(5,55) = 21.76$ **

DW-Statistic = 1.82

Dickey-Fuller Statistic = -7.08*

Augmented Dickey-Fuller Statistic = -5.91* (one-month lag)

Lagrange Multiplier Statistic: $t = 0.44$ (one-month lag)

$t = -0.97$ (one-month lag)

$t = -0.18$ (three-month lag)

* Indicates significance at the 5 percent level.

** Indicates significance at the 1 percent level.

Source: Fund staff estimates.

1/ Ordinary Least Squares estimates. Instrumental variables were used for the current level of interest rate and for GDP growth (see text).