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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

	<u>Contents</u>	<u>Page</u>
Basic Data		
I.	Determinants of Unemployment	1
II.	Bank Credit to the Private Sector	5
	1. Introduction	5
	2. The supply of credit	5
	3. The demand for credit	8
	4. Conclusions	10
III.	Bank Concentration and the Supply of Credit	10
	1. Background	11
	2. Financial institutions' portfolios	12
	3. Estimation error of bank lending for 1995	13
IV.	Cyclically Adjusted Fiscal Position	15
	1. Introduction and summary	15
	2. Actual and potential GDP and the base year	16
	3. Actual and cyclically adjusted fiscal balances and the base year	17
	4. Findings for 1992-96	18
V.	Reform of Provincial Finances	19
	1. Background	19
	2. Privatization of provincial public enterprises	22
	3. Privatization of provincial banks	22
	4. Structural adjustment and reform	22
	5. Transfer of provincial pension funds	23

<u>Contents</u>	<u>Page</u>
VI. Pension Reform, 1994-96	23
1. Background	24
2. The 1994 reform	25
3. Experience under the new system	27
a. Transition to the new system	27
b. Performance of the AFJPs	28
c. Continuing problems	29
4. Pension Solidarity Law of 1995	30
5. Reduction in payroll tax rates in 1994-95	30
6. Takeover of provincial pension systems	31
7. Reform of ANSES	32
VII. Competitiveness of the Argentine Economy	33
1. Saving-investment balance	33
2. Export performance	34
3. Real effective exchange rate indices	34
4. Relative unit labor costs	35
5. Equilibrium exchange rate	36
6. Conclusion	36
VIII. Poverty	37
 <u>Text Tables</u>	
1. Determinants of the Unemployment Rate	39
2. Determinants of the Aggregate Employment	40
3. Bank Credit	41
4. Regression Analysis of Demand for Credit by the Private Sector	42
5. Changes in Balance Sheets of Private Financial Institutions during 1995	43
6. Private Financial Institutions, 1993-94	44
7. Estimates of Lending Functions	45
8. Actual and Projected Changes in Private Sector Credit during 1995	46
9. Fiscal Stance and Impulse (Public Sector)	47
10. Summary of Provincial Reforms as of August 1996	48
11. Social Security Contribution Rates, May 1996	50
12. Saving-Investment Balance, and Exports 1990-95	51
13. Real Effective Exchange Rate indicators	52
14. Bilateral Real Exchange Rates with Major Trading Partners	53
15. Relative Unit Labor Cost Ratio	54
16. Nontradeables Relative Price and Productivity	55
17. External Trade Taxes	56

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	0.15*	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).