

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

	2022				2021		
GDP per capita (constant \$)	16,686	Life expectancy (years)			75.4		
GDP per capita (PPP)	26,505	Poverty rate (% of population) (a)			37.3		
GDP (\$bn)	632,770	Inequality (Gini)			42.0		
Population (million)	46.3	Inflation target (2022)			NA		
Monetary and real sector, and prices	2000-2004 average	2005-2009 average	2010-2014 average	2015-2019 average	2020	2021	2022
GDP (year-on-year rate)	0.4	4.8	3.0	-0.2	-9.9	10.4	5.2
CPI (year-on-year rate)	8.6	13.8	25.9	35.6	42.0	48.4	72.4
Underlying CPI (year-on-year rate)	—	—	—	43.6	44.6	52.2	72.7
Policy interest rate (%)	15.3	8.2	13.6	39.1	39.6	38.0	57.1
Unemployment rate (%)	16.2	9.3	7.3	8.6	11.5	8.7	6.8
Budget balance (% of GDP)	-1.0	0.9	-2.9	-5.6	-8.6	-4.3	-3.9
Primary balance (% of GDP)	—	2.5	-2.0	-3.3	-6.2	-2.5	-1.8
Public debt (% of GDP)	—	52.9	38.2	62.2	81.4	79.7	85.4
External sector							
Trade openness (% of GDP)	27.9	33.6	36.2	32.9	36.0	36.8	35.4
Current account balance (% of GDP)	2.5	2.2	-1.2	-3.0	0.8	1.4	-0.6
Foreign direct investment received (% of GDP)	1.7	1.7	1.7	1.2	0.9	1.1	2.0
Portfolio capital inflows (% of GDP)	—	-0.5	-0.1	-2.0	0.8	1.1	1.4
Reserves (months of imports)	5.5	7.6	5.0	5.5	11.2	7.5	6.6
Reserves (% of GDP)	8.5	14.4	8.1	9.2	11.6	8.6	8.7
ARA metrics (IMF) (b)	0.5	1.1	0.9	0.9	0.7	0.7	0.7
External debt (% of GDP)	—	50.9	30.7	47.4	82.5	59.0	57.7
Domestic debt held by non-residents (% of total)	13.7	16.4	10.5	17.6	11.2	8.7	8.1
Financial markets							
Exchange rate against the euro	2.6	4.5	7.3	32.7	103.1	116.2	188.9
Exchange rate against the dollar	2.3	3.3	5.6	28.5	82.6	101.9	172.5
10-year government debt yield (%)	—	—	—	—	—	—	—
Average government debt maturity (months)	—	—	—	91.4	81.0	77.6	71.8
Sovereign CDS (basis points)	—	1,522	1,668	1,011	13,290	1,075	2,690
Banking sector							
Size of the sector (% of GDP)	—	—	—	—	40.8	35.4	36.5
Credit to the private sector (% of GDP)	—	12.1	14.3	14.5	13.8	11.6	11.0
Basel credit-to-GDP gap (c)	—	-2.7	0.1	-0.1	-1.7	-2.4	-2.3
Housing prices (year-on-year)	—	—	—	—	19.9	26.4	54.6
Regulatory capital/RWAs	—	17.1	15.7	15.8	24.2	26.2	29.6
Tier 1	—	14.3	12.4	14.3	22.3	24.7	28.6
RWAs/total assets	—	61.7	68.0	68.5	56.7	54.2	52.6
Non-performing loans (% of portfolio)	—	3.4	1.6	2.7	4.2	4.3	3.3
ROA (d)	—	2.2	4.7	5.4	3.5	1.8	2.9
ROE (e)	—	—	29.3	33.4	16.4	7.2	11.4
Liquidity ratio	—	25.7	30.3	42.3	48.0	50.6	54.0
Primary expenditure (% of total revenues)	—	—	59.1	57.4	66.5	79.6	80.2
Net interest income (% of gross revenues) (f)	—	28.1	39.6	42.3	62.3	61.3	52.2

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 Difference between the actual level and the trend in credit to the private sector as a percentage of GDP.
d Return on Assets (ROA) is defined as profit as a percentage of assets in the banking sector portfolio.
e Return on Equity (ROE) is defined as profit as a percentage of capital in the banking sector.
f 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: situation of vulnerability (a)

	Time series											With respect to other emerging market economies	
	2018		2019		2020		2021		2022		2023		Latest figure
	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
Stock market (quarterly change)	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Yellow	Green	Yellow	Green	Green	Green	Green
Exchange rate (quarterly change)	Red	Red	Red	Yellow	Yellow	Red	Yellow	Yellow	Red	Red	Red	Red	Red
Sovereign spread (quarterly change)	Yellow	Red	Yellow	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
GDP (year-on-year)	Yellow	Red	Red	Yellow	Red	Red	Green	Green	Green	Yellow	—	Yellow	Yellow
Inflation	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
Industrial output	Yellow	Yellow	Red	Red	Red	Red	Green	Green	Green	Yellow	Yellow	Yellow	Yellow
Currency overvaluation	Yellow	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red
Budget balance (% of GDP)	Red	Red	Red	Yellow	Red	Red	Red	Yellow	Yellow	Yellow	Red	Yellow	Yellow
Gross public sector debt (% of GDP)	Yellow	Red	Red	Red	Red	Red	Red	Yellow	Yellow	Yellow	—	Yellow	Yellow
Credit (real, year-on-year)	Green	Yellow	Red	Red	Red	Red	Red	Red	Yellow	Red	Red	Red	Red
Deposits (real, year-on-year)	Yellow	Green	Red	Red	Red	Green	Yellow	Red	Red	Red	Red	Yellow	Yellow
Net foreign assets of banks (% of GDP)	Yellow	Yellow	Yellow	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
Loan-to-deposit ratio	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Banks' equity index (quarterly change)	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
Interbank interest rate	Red	Red	Red	Red	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red
Net interest income	Red	Red	Red	Red	Yellow	Green	Green	Green	Green	Yellow	Yellow	Yellow	Green
Banking risk (BICRA)	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Banking risk (IHS)	Green	Green	Yellow	Yellow	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Current account balance (% of GDP)	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	—	Yellow	Yellow
Foreign direct investment (% of GDP)	Yellow	Green	Yellow	Yellow	Yellow	Red	Red	Yellow	Yellow	Yellow	—	Yellow	Yellow
External debt (% of GDP)	Yellow	Red	Red	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	—	Yellow	Yellow
Short-term external debt (% of reserves)	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	—	Yellow	Red
Reserves (% of GDP)	Green	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Yellow
External debt service (% of exports)	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Yellow	Yellow	Yellow
Portfolio investment (% of GDP)	Green	Green	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Yellow	—	Yellow	Red
GDP per capita (change)	Red	Red	Red	Red	Red	Red	Green	Green	Yellow	Yellow	—	Yellow	Yellow
Political risk (IHS)	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Geopolitical risk (GPR)	Green	Red	Red	Red	Yellow	Green	Green	Green	Yellow	Red	Red	Yellow	Yellow
Sovereign rating	Green	Green	Yellow	Yellow	Red	Red	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Red
Stability/Absence of violence (percentile)	Green	Green	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 Opcionales, 2111, Banco de España. <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSerias/DocumentosOpcionales/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 indicated)

	\$bn		Percentage of GDP		Percentage of total		Ranking	
	Euro area	Spain	Euro area	Spain	Euro area	Spain	Euro area	Spain
Exports of goods (2022)	9.8	1.3	0.1	0.1	0.2	0.3	59	42
Imports of goods (2022)	9.8	2.4	0.1	0.2	0.2	0.5	59	33
Exports of services (2021)	3.4	0.6	0.0	0.0	0.2	0.5	57	26
Imports of services (2021)	1.4	0.3	0.0	0.0	0.1	0.3	71	30
International Investment Position: Foreign direct investment. Assets (2021)	47.6	22.1	0.4	1.7	0.3	3.7	46	7
International Investment Position: Foreign direct investment. Liabilities (2021)	1.2	0.7	0.0	0.1	0.0	0.1	89	40
International Investment Position: Portfolio investment. Assets (June 2022)	7.9	0.4	0.1	0.0	0.0	0.0	8	38
International Investment Position: Portfolio investment. Liabilities (June 2022)	0.3	0.0	0.0	0.0	0.0	0.0	70	58
Credit exposure to Argentina of BIS reporting banks (a) (December 2022)	26.4	24.4	0.2	1.7	0.2	1.2	45	15
Claims of Argentine banks vis-à-vis residents of the euro area or Spain (December 2022)	—	—	—	—	—	—	—	—
Debt of Argentine residents to banks from the euro area or Spain (b) (December 2022)	26.4	24.4	4.2	3.9	57.2	52.9	—	1

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

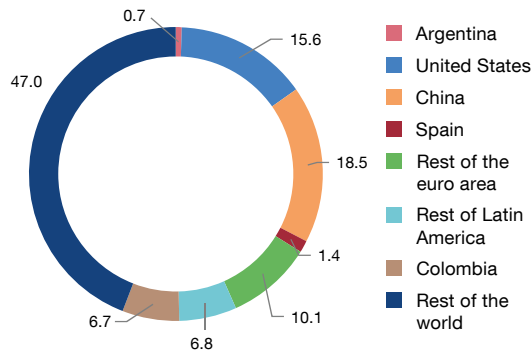
a With respect to euro area and Spanish figures.

b With respect to Argentine figures.

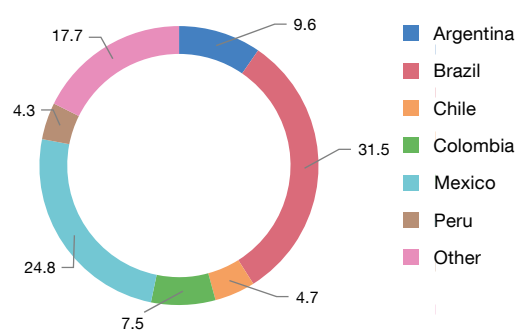
Chart 1

Argentina: structural economic data

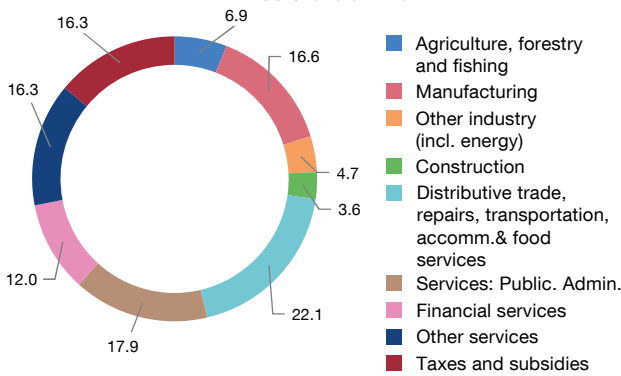
1.a Share of global GDP (%) (2022)



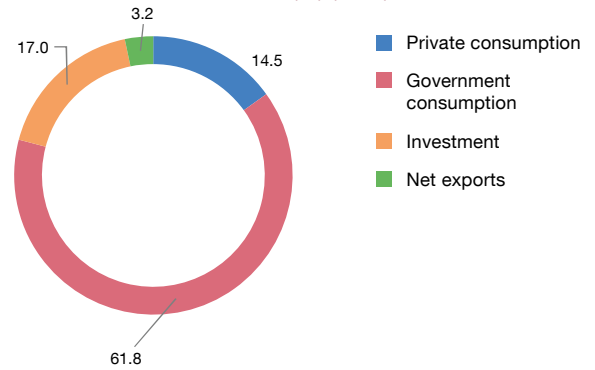
1.b Share of Latin American GDP (%) (2022)



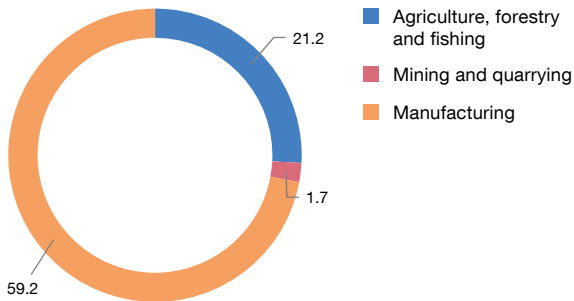
1.c Breakdown of GDP: supply (%) (2021)



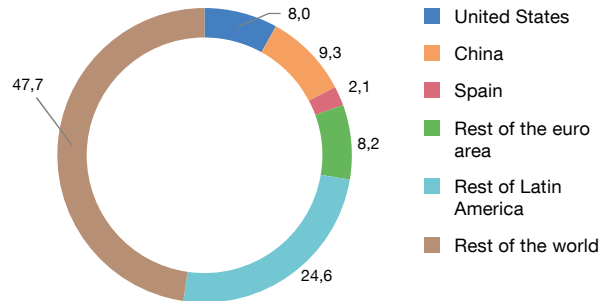
1.d Breakdown of GDP: demand (%) (2021)



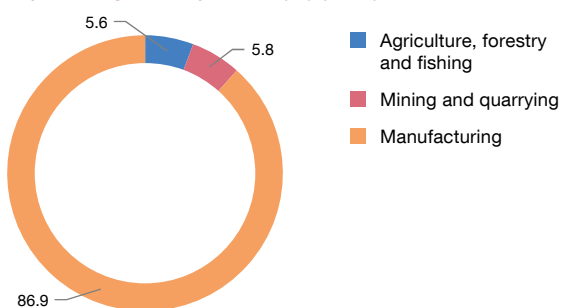
1.e Exports of goods, by sector (%) (2021)



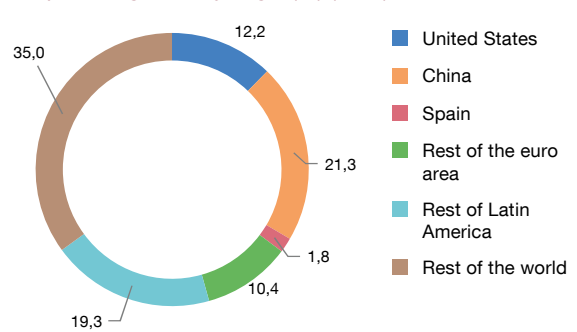
1.f Exports of goods, by destination (%) (2022)



1.g Imports of goods, by sector (%) (2021)



1.h Imports of goods, by origin (%) (2022)



SOURCES: OECD and IMF.

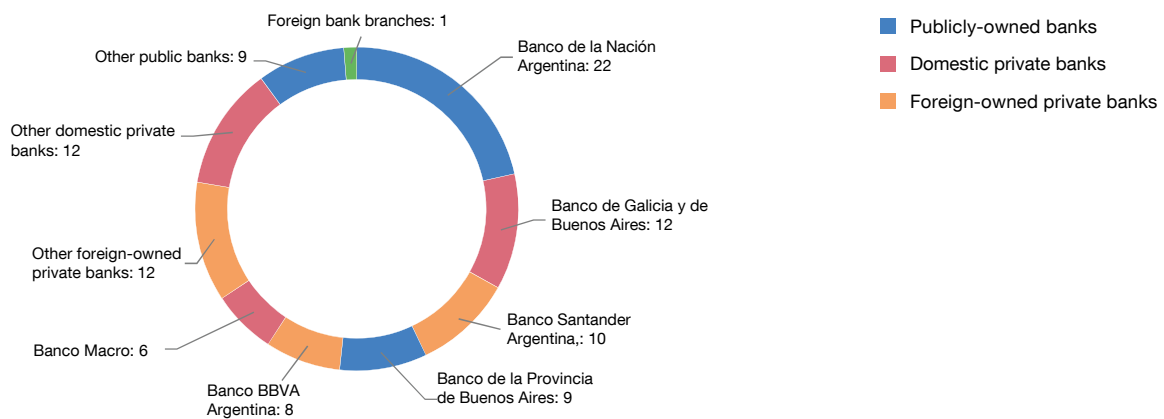


Chart 2

Argentina: structure of the banking sector and relevance for Spain

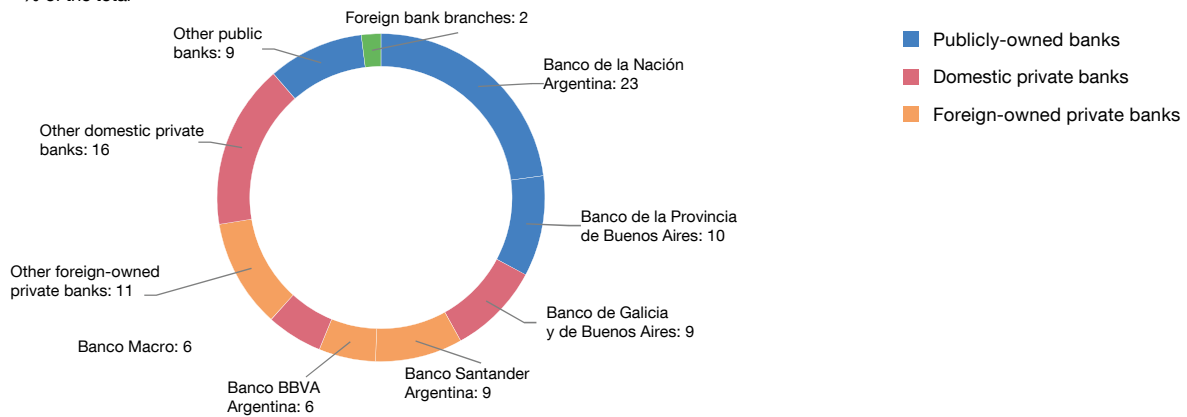
2.a Breakdown of the banking sector (December 2022): loans

% of the total

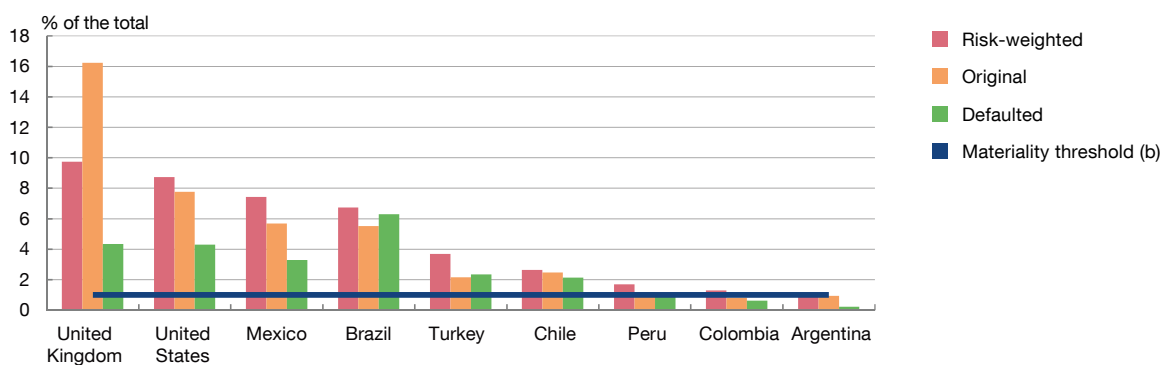


2.b Breakdown of the banking sector (December 2022): deposits

% of the total



2.c Exposures to material third countries, by type of exposure (December 2022) (a)



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

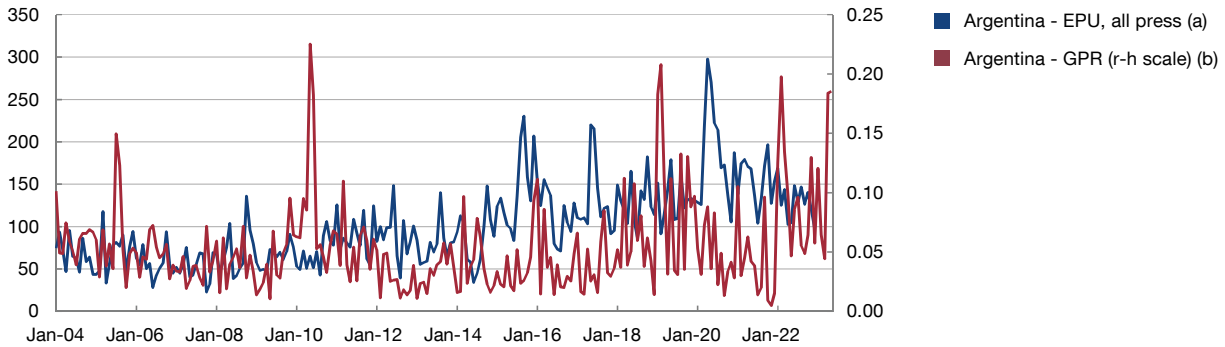
a Credit and other claims on households and non-financial corporations, excluding public entities and financial institutions.
 b 1% of any of the types of exposure.



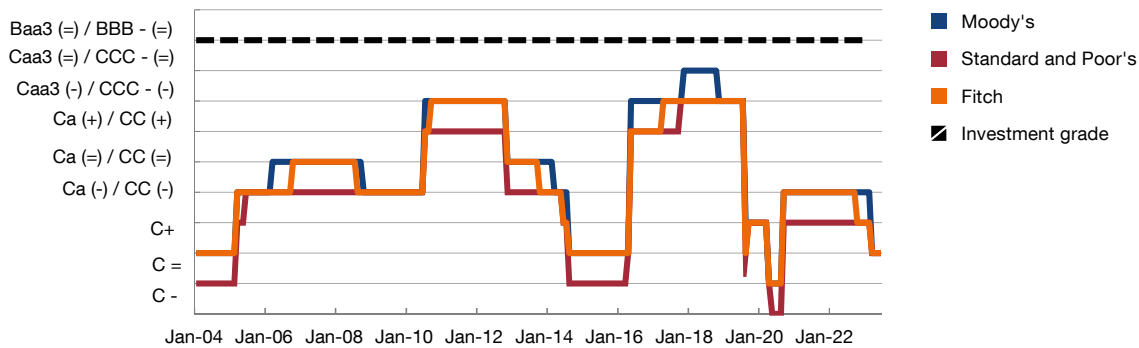
Chart 3

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 Urtasun. (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?". Banco de España - Documentos de Trabajo, 2235. <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSeriasadas/DocumentosTrabajo/22/Files/dt2235e.pdf>.

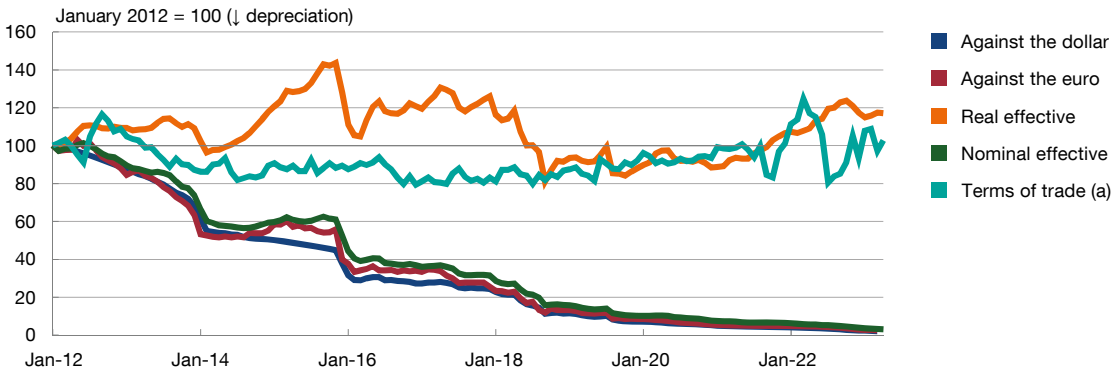
- a The Economic Policy Uncertainty (EPU) index is constructed drawing on the local and international press using words related to uncertainty over economic policies, based on the following methodology: Scott R. Baker, Nicholas Bloom and Steven J. Davis. (2016). "Measuring economic policy uncertainty". *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.



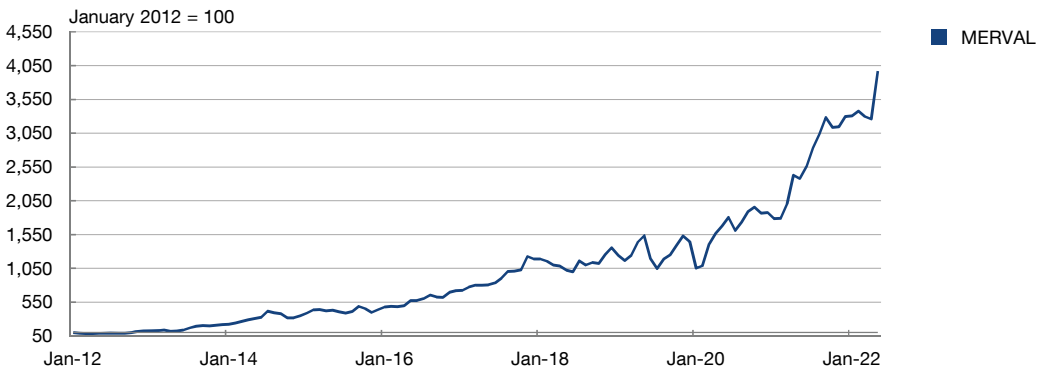
Chart 4

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.

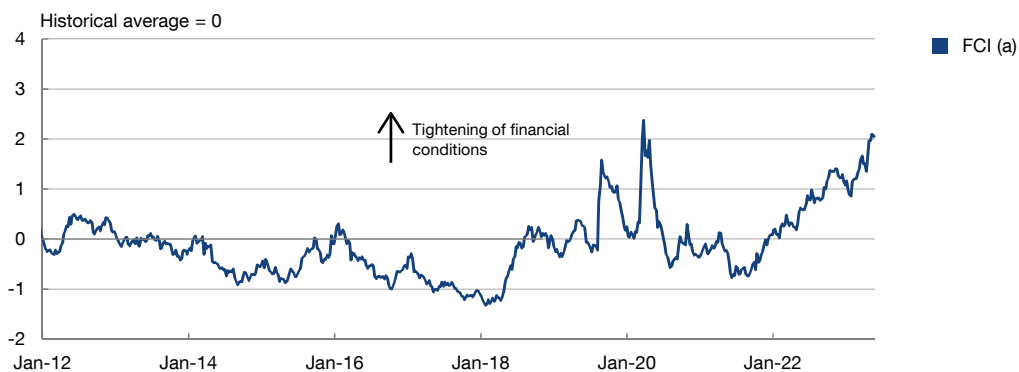
a Ratio of export prices to import prices.



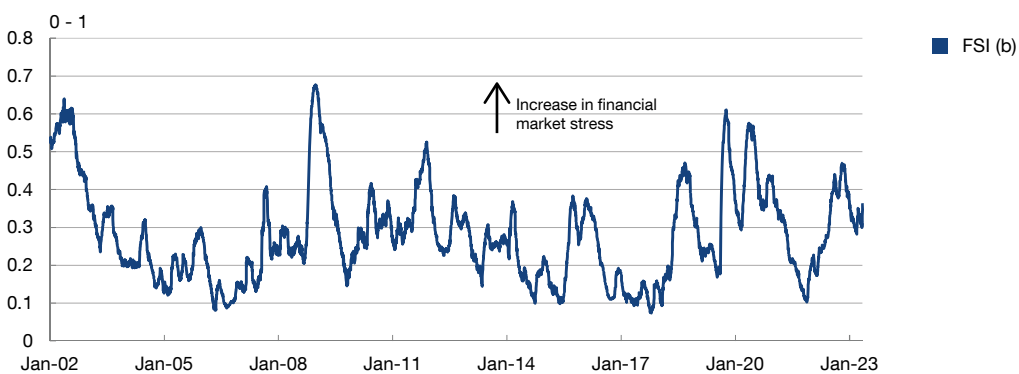
Chart 4

Argentina: exchange rates, stock market, sovereign spreads, 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.

