



Ministerio de Hacienda y Finanzas Públicas
Presidencia de la Nación

The Argentine Economy

**Secretary of Economic Policy
and Development Planning**

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DEALING WITH THE LEGACY

	LEGACY	ACTIONS
FX	<ul style="list-style-type: none"> ▪ STRICT CAPITAL AND CONTROL EXCHANGE RATE CAPITALS ▪ DIFFERENT EXCHANGE RATES ▪ HUGE OVERVALUATION OF THE PESO 	<ul style="list-style-type: none"> ▪ DISMANTLING OF CAPITAL CONTROLS ▪ OFICIAL SINGLE EXCHANGE RATE ▪ MANAGED FLOAT FX REGIMEN
DEBT	<ul style="list-style-type: none"> ▪ UNRESOLVED DEFAULT OF 2001 ▪ LACK OF DIALOGUE WITH HOLDOUTS ▪ CAPITAL MARKETS CLOSED 	<ul style="list-style-type: none"> ▪ SUCCESFULL ARRANGEMENT WITH HOLDOUTS ▪ INJUNCTIONS LIFTED ▪ SUCCESFULL PLACEMENT OF PUBLIC BONDS
TRANSPARENCY	<ul style="list-style-type: none"> ▪ MANIPULATION OF STATISTICS (2007/2015) 	<ul style="list-style-type: none"> ▪ NEW TEAM APPOINTED ON DAY 1 ▪ ARTICLE 4 WITH IMF
GOVERNABILITY	<ul style="list-style-type: none"> ▪ NO MAJORITY IN EITHER CHAMBERS CONGRESS 	<ul style="list-style-type: none"> ▪ ACTIVE DIALOGUE WITH OPPOSITION ▪ HOLDOUTS LAW PASSED WITH STRONG SUPPORT

CREDIBILITY

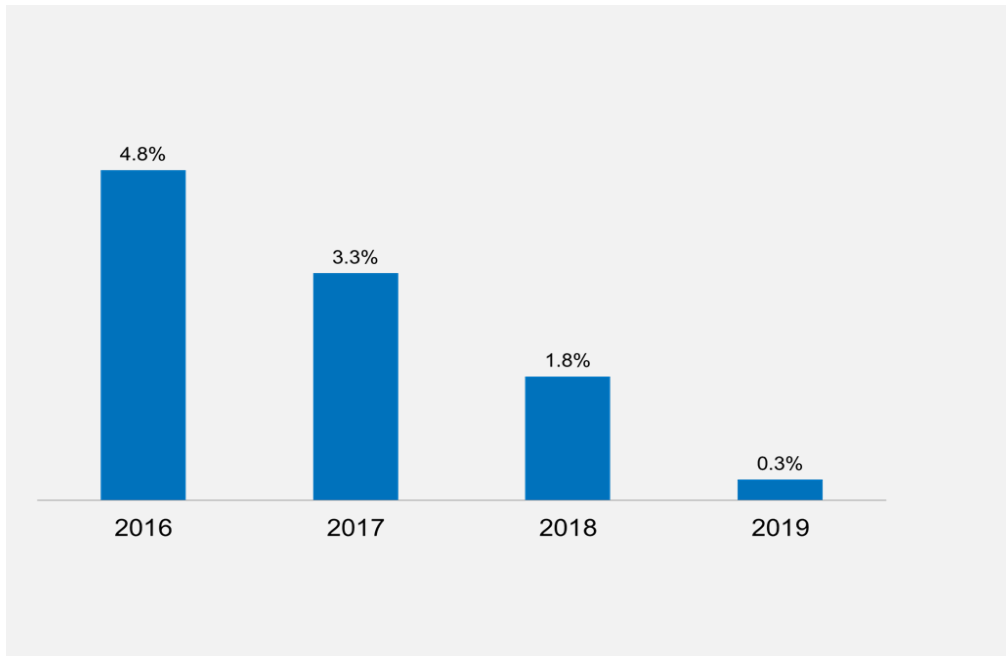
- “SHOCK” THERAPY TO DEAL WITH “CEPO”, HOLDOUTS AND HUGE DISTORTIONS IN KEY RELATIVE PRICES
- TO OPEN UP FINANCIAL MARKETS
- TO GIVE THE RIGHT SIGNAL TO PROMOTE LOCAL AND FOREIGN DIRECT INVESTMENT

SUSTAINABILITY

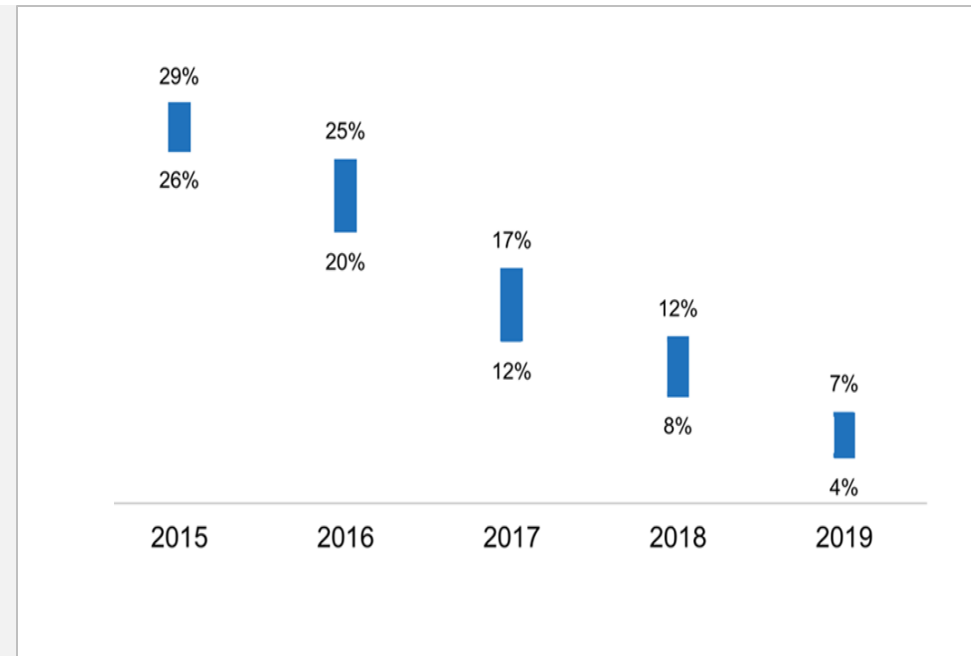
- FINANCING WAS BADLY NEEDED TO:
 - FACE PUBLIC SECTOR DEFICIT WITH A GRADUALIST APPROACH
 - MAINTAIN AND INCREASE SOCIAL PROGRAMS TO DEAL WITH POVERTY

ARGENTINA'S MONETARY AND FISCAL TARGETS

PRIMARY FISCAL DEFICIT TARGET AS % OF GDP



ANNUAL INFLATION TARGET (%)



- 5 YEARS OF STAGNANT ECONOMY
- «COMMON SENSE» FISCAL AND MONETARY POLICIES
- UNLEVERED ECONOMY
- UNEXPLOITED RESOURCES AND TALENTED HUMAN CAPITAL
- HUGE PUBLIC INVESTMENT PROGRAM (INFRAESTRUCTURE)