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A latent risk



The endemic problems of the Argentine economy, to use an adjective in tune with the pandemic, make us lose sight of the world's struggles, which have the same or greater impact as domestic issues, exacerbated by the fact that they are beyond our control.

The United States is currently discussing the proclaimed relief package proposed by the new President Joe Biden, which seeks Congress approval. This is a USD 1.9 trillion Covid-19 stimulus plan, which accounts for 9% of GDP and mainly contains: an item directly aimed at fighting the pandemic (with basic actions such as the speedup of the vaccine rollout and the reopening of schools); aid to local and state governments to finance budget deficits; and an stimulus package, which represents the greatest percentage, to workers and their families, consisting in USD 1,400 direct checks

and an increase of the unemployment insurance benefit, among others.

There are opposing views relating to this package's effects on the American economy. On the one hand, some claim that although the amount of the stimulus is too high, it will be provided just once and distributed all throughout 2021 and 2022, somehow attenuating the risk of a rise in inflation. They also consider the negative effects of the pandemic will remain for a longer period, yet with the vaccines' arrival. However, it is difficult to think that such a high-level of spending will not have an impact on inflation (in fact, seigniorage is a way of financing it).

Before the pandemic, the American economy had a near natural rate of unemployment and, therefore, had no

room for expansive fiscal policies. As a result, the fiscal package may be well in excess of the output lost during the pandemic or output gap (the difference between the actual output or GDP and the potential output or GDP), as per different estimates. This, together with a multiplier effect of spending that might be close to 1, would overheat the economy, thus pushing a jump in prices.

On this assumption, if inflation rises, two scenarios may be possible: that the Fed would allow inflation to rise or, most likely, the Fed would significantly tighten monetary policy. The first scenario is less probable as it would affect the Fed's credibility, which is the most valuable asset in a fiat currency regime; therefore, the Fed is not expected to take this path. In the second case, the increase of interest rates, which has already started in the long- and medium-term bond yield curve on expectations of higher inflation, may lead to the adjustment of short-term interest rates with an ensuing impact on global financial markets (obviously including Argentina).

Such increase may reverse dollar weakness, thus probably decreasing the price of the commodities in dollars. In summary, this scenario may represent a

negative context for Argentina because credit would be more expensive, a market to which the country has virtually no access now, and because of the exports value that is almost the only source of foreign currency. Argentina must make important economic policy decisions for the short and medium term to find a solution to its idiosyncratic problems, considering the global context.

A handwritten signature in black ink, appearing to read 'José María Segura', written over a white background.

José María Segura
Chief Economist PwC Argentina

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Industry Roadmap

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Federal Landscape

Province: Santa Fe

The province of Santa Fe is located in the country's central-eastern region and is divided into 19 political departments. Its capital city is Santa Fe de la Vera Cruz. This city is the main agricultural center of Argentina and a meeting point in the heart of the Mercosur. It further plays a key role in the export of products, especially due to its commercial port.

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Tracking

International trade and the pandemic

The economic and social turmoil caused by the pandemic largely affected global trade during 2020. According to the UNCTAD¹, international trade fell around 9% in 2020, with the trade of goods decreasing by approximately 6%, and the trade of services, by around 16.5%.

As mentioned in an ECLAC² report, the COVID-19 outbreak occurred in a context of weak global trade, a trend that has been observed since the 2008-2009 global financial crisis.

Dynamics show that, between 1990 and 2007, the trade volume of goods expanded at an annual average rate of 6.2%, while between 2012 and 2019, it only expanded at a 2.3% annual rate. In turn, the share of goods and services exports in world GDP hit its all-time high of 31% in 2008, at the onset of the world financial crisis, and it has remained around 28% since 2015.

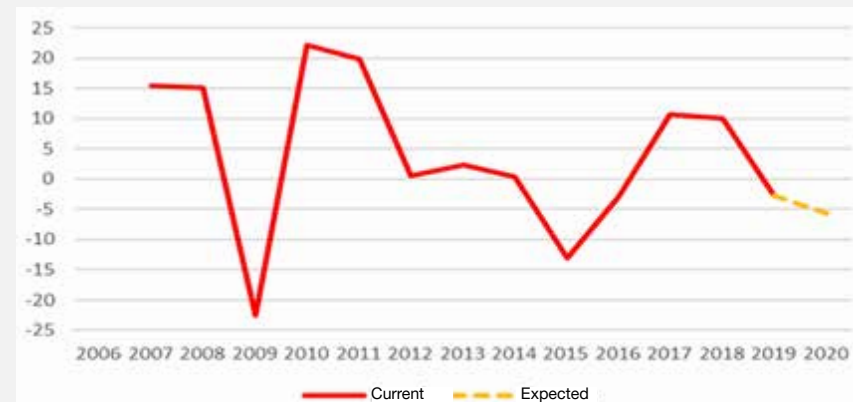
¹ United Nations Conference on Trade and Development.

² Economic Commission for Latin America and the Caribbean (ECLAC), International Trade Outlook for Latin America and the Caribbean, 2020, (LC/PUB.2020/21-P), Santiago, 2021.

The effects of the pandemic were more significant during the first half of 2020, resulting in a decrease in value of approximately 15%, which saw a slight recovery in the third quarter and a stronger one in the fourth quarter. The recovery in the second half of 2020 was mainly due to the rebound in the trade of goods. Trade volume of services is still well below average rates. In the fourth quarter of 2020, the trade of goods grew approximately 8% compared with the prior quarter, while the trade of services stagnated at the levels of the third quarter of that year.

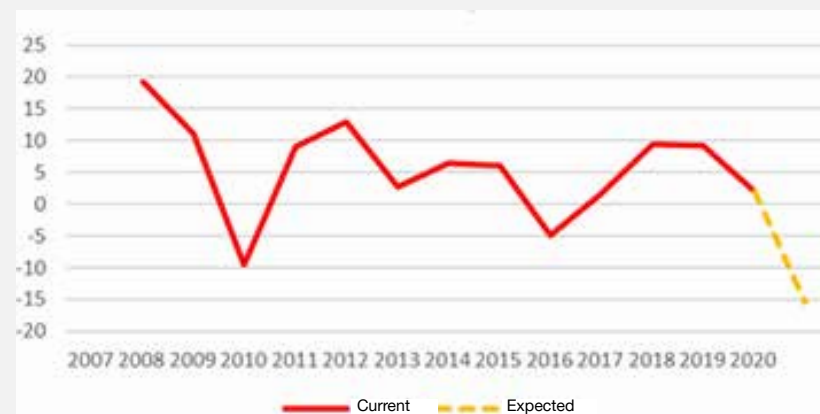
Advanced economies have been hit more severely than emerging economies by this slowdown in trade. Between January and November 2020, negative year-on-year variation in exports volume of advanced economies was 7.3% compared with the same period in 2019, versus 2.1% in the case of emerging economies. In this regard, China's international trade has remained stable as the country has been able to control the COVID-19 outbreak and reopen its economy relatively fast. China's imports grew by 3.1%, on average, whereas all other major economies saw decreases.

GRAPHIC 1
Trade of goods, year-on-year variation (%)



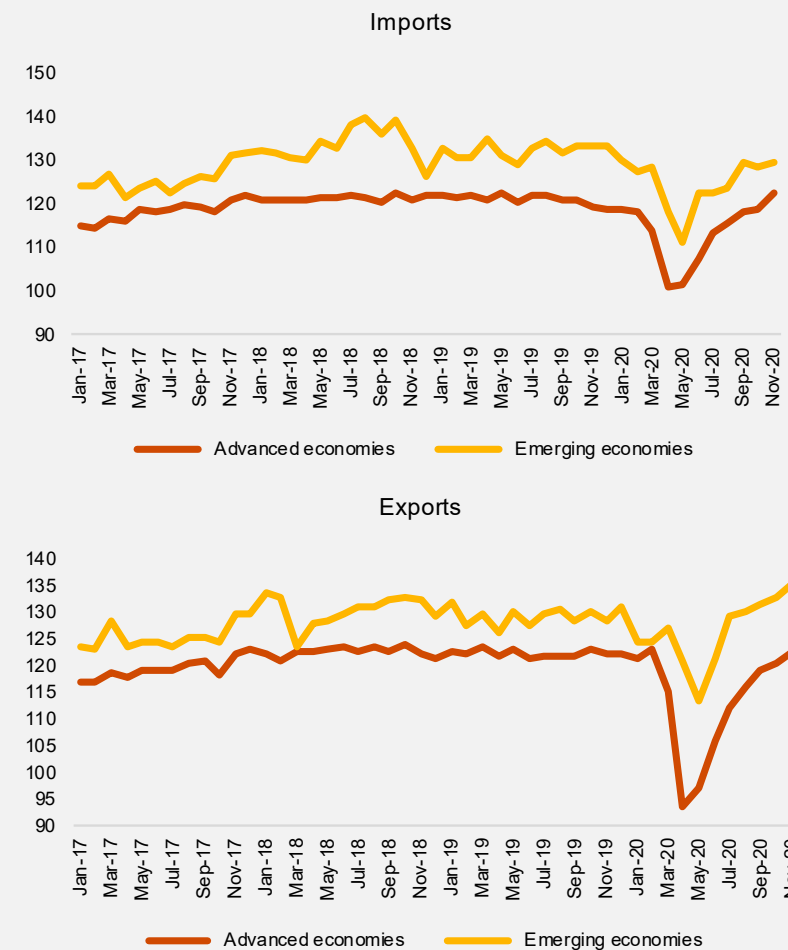
Source: UNTAD.

GRAPHIC 2
Trade of services, year-on-year variation (%)



Source: UNTAD.

GRAPHIC 3
Seasonally adjusted volume index, Index 2010=100



Source: Prepared by the authors based on ECLAC and CPB World Trade Monitor statistics

Argentina was no exception since it recorded a year-on-year drop in exports of goods and services³ (16% and 29%, respectively) as well as in imports of goods and services (14% and 40%, respectively) throughout 2020.

If we observe Argentine exports (Graphic 4) over the last ten years, although they were hit by a contraction in global demand led by the pandemic in 2020, history shows a downward trend from the maximum levels reached in 2011. This trend seems to be affected by domestic policies, in a context where the pandemic might have exposed even more the weaknesses of the exporting sector as a whole.

In 2020, exports saw a change in their relative importance, as primary products and manufactures of agricultural and livestock origin (MOA) gained market share compared with the manufactures of industrial origin (MOI), which lost market share. Among primary products, the export of cereals became preponderant, although its year-on-year variation was -4%. As regards MOA, there was an increase in fats and oils (+3% year-on-year), waste and offals of the food industry (-12% year-on-year) and eggs and dairy products (+26% year-on-year). Main trading partners were Brazil, China, United States, Chile, Vietnam, India and the Netherlands, accounting for 48% of total export destinations.

Total exports to Brazil decreased by 23.4% compared to 2019, thus representing the sharpest drop: manufactures of stones, gypsum, cement, asbestos, mica, ceramics and glass (53%), textile products and byproducts (44.4%) and transportation material (41.8%). Exports to China fell by 23.1%, especially the shipments of meat and edible offals, which decreased by 16%, as this country represents 60% of these products' destination. Also, exports of seeds, oilseeds and fruits to the Asian country dropped by 38%. As for exports to the United States, the largest decline was recorded in mineral products (57%), common metals and their manufactures (44.5%) and products of chemical and related industries (35.6%). Year-on-year drop in exports destined to Chile hit 6%, most notably the shipment of automobiles, tractors, spare parts and accessories, among others (43%), and mineral fuels, oils and waxes, among others (26%).

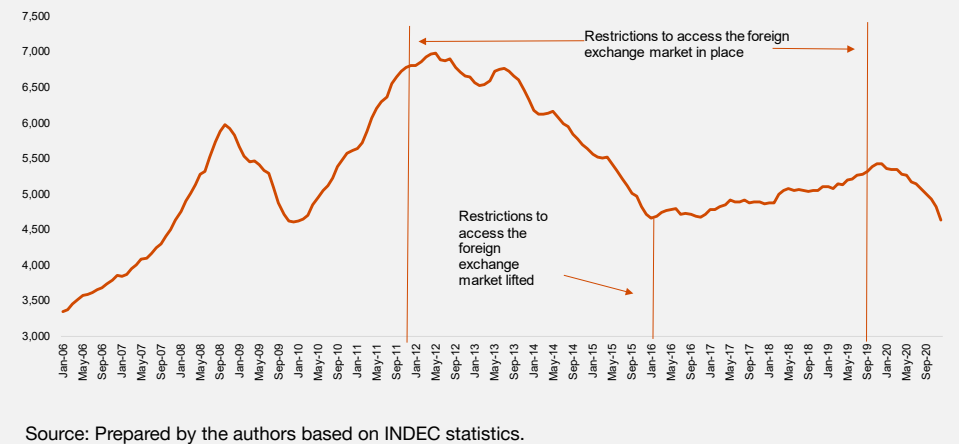
Both Vietnam and India grew by 1.6% and 16.5%, respectively, as export destinations. The former country saw the most significant growth in waste and garbage from the food industry, and in fish, crustaceans, mollusks and other aquatic invertebrates. The latter experienced its highest increase in the shipment of animal or vegetable fats and oils.

Exports to the Netherlands also decreased by 11.8% in 2020. The most affected sectors were those including products of chemical and related industries (-26.7%); food products, beverages and tobacco (-28.8%); and mineral products (23.3%).

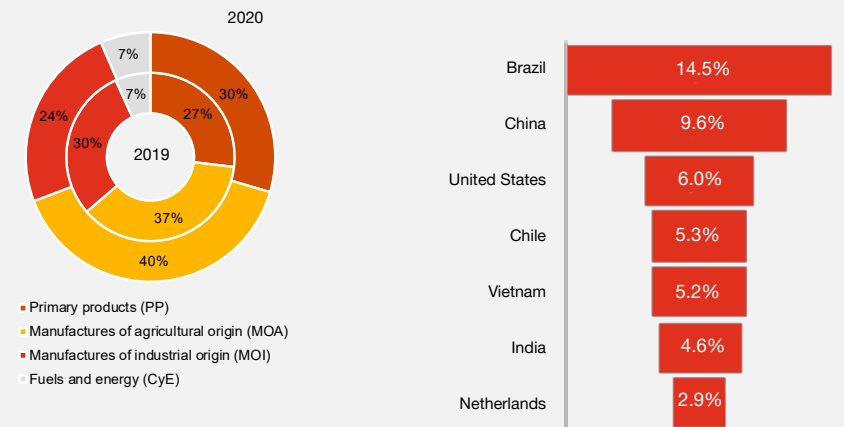
Imports of goods are closely linked to the local economic activity, thus the GDP drop during 2020 had its counterpart in the purchase of goods abroad. Unlike exports, which showed year-on-year negative variation in every month of 2020, imports increased in September, November and December compared to the same months of 2019. This can be explained, in part, by a certain revival of the economy from its minimum values and also by the precautionary behavior of importers, who sought to guarantee stocks in light of expectations of a further devaluation and/or difficulties to access the foreign exchange market.

In connection with the classification by use, all categories recorded declines in 2020: fuels and lubricants (-41%), passenger automobiles (-32%), parts and accessories for capital goods (-24%), capital goods (-14%), consumer goods (-5%) and intermediate goods (-2%).

GRAPHIC 4
Exports in millions of USD. Moving average 12 months



GRAPHIC 5
Share of exports by sector and destination



³ All information on service imports and exports covers until the third quarter of 2020 to maintain benchmarking against international data.

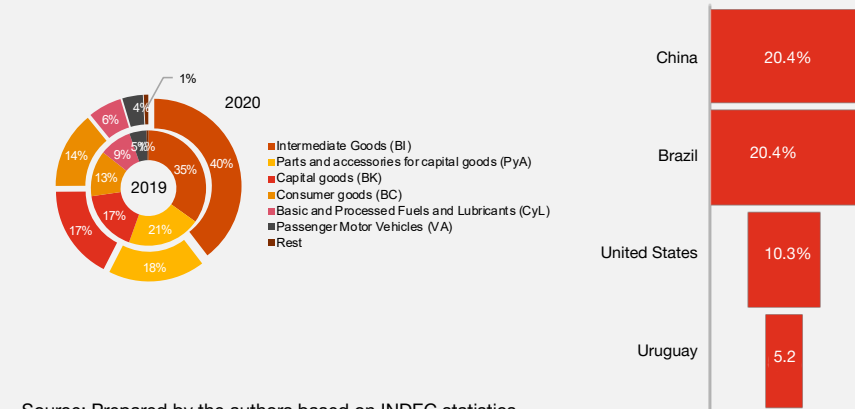
Chinese imports of goods saw a 6.5% decline versus 2019, with parts and accessories for capital goods being the most affected (-29%), mainly due to mobile and communication services. Purchases to Brazil also fell by 14.3% in 2020. Passenger automobiles (-33%) and parts and accessories for capital goods (-16%), mainly those relating to the automotive sector, such as spare parts (-14%), recorded the main decreases. Imports from United States declined by 29.8%, mainly owing to the fall in fuels and lubricants (-67%), followed by capital goods (-35%). Conversely, imports from Paraguay went up by 34.7%, including purchases of soybeans, representing 83%,⁴ which grew 52% during the year.

World trade collapsed in 2020 when the closing of borders and the disruptions to supply chains prevented the international provision of goods and services. The trade of goods has ebbed and flowed at a more rapid pace than during the world financial crisis, while the trade of services is still depressed. Essentially, ongoing limitations on international travel and tourism are contributing to the persistent weakness of services worldwide.

In addition, most of raw materials prices recovered in the second half of last year. Agricultural prices rose, driven in large part by lack of supply and higher-than-expected demand of edible flours and oils.

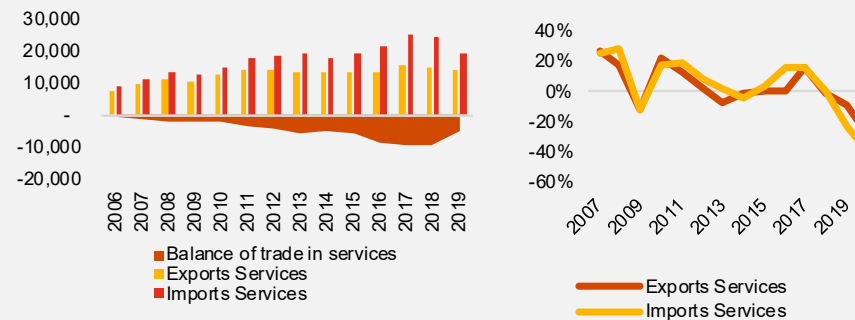
Chinese growth decelerated by approximately 2% in 2020, the slowest pace since 1976, but above initial projections and in a positive path.

GRAPHIC 6
Share of imports by use and origin



Source: Prepared by the authors based on INDEC statistics.

GRAPHIC 7
Trade of services, in millions of USD and cumulative year-on-year variation at the third quarter



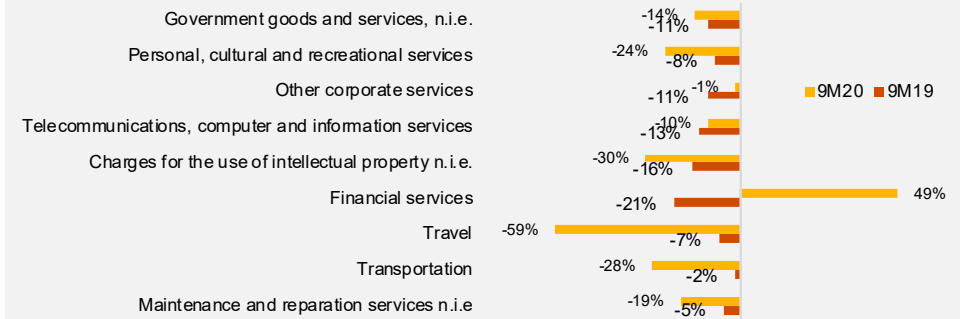
Source: Prepared by the authors based on INDEC statistics.

Recovery has been sound but uneven, with consumption services lagging behind industrial production. During most of last year, import growth was below export recovery, contributing to an increase in current account surplus. According to World Bank prospects, growth is forecast

to pick up to 7.9% in 2021, above prior projections due to the release of pent-up demand, and moderate to 5.2% in 2022 as deleveraging efforts resume.

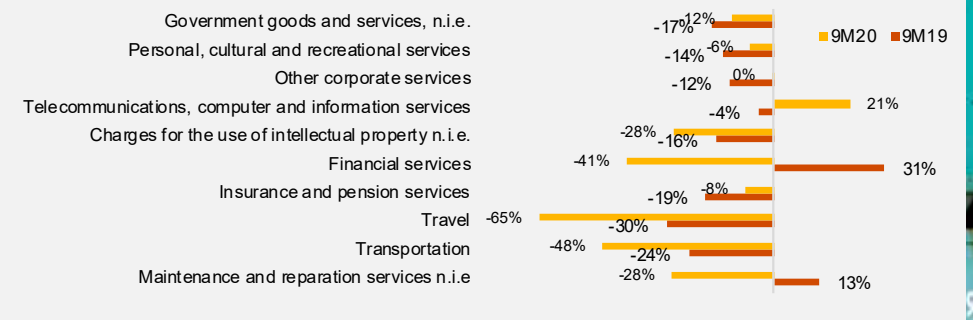
In this context, Argentina has been benefited by the rise in prices of the

GRAPHIC 8
Service exports, share and cumulative year-on-year variation at the third quarter



Source: Prepared by the authors based on INDEC statistics.

GRAPHIC 9
Service imports, share and cumulative year-on-year variation at the third quarter



Source: Prepared by the authors based on INDEC statistics.

main exported commodities. However, domestic imbalances might limit such benefit. It is expected that after the 2020 historic fall in activity, GDP rebounds this year, thus increasing imports. In any case, given the current conditions, the trade of goods surplus might be expected to hold steady in 2021.

⁴ This import is primarily used to improve the protein quality of soybean oils and flours

Industry Roadmap

ESG: Indicators to measure companies' performance

By Diego López, partner
PwC Argentina.



Main global companies take actions and propose metrics to measure their environmental, social and governance impacts.

The World Economic Forum and the Big Four presented a set of environmental, social and governance (ESG) metrics and indicators to help companies prove long-term value creation and their contributions to the Sustainable Development Goals.

Approximately 86% of the executives surveyed by the Forum agreed that the disclosure of ESG reports is important and useful for financial markets and the economy, as non-financial reports are a key aspect of the economic reform the whole world needs to address issues, such as climate change and social inclusion. Therefore, it is a pleasure to help with this initiative. Stakeholders, including shareholders, government officials, consumers and employees, need more complete, comparable and solid information to make decisions.

Civil unrest, economic inequalities and racial injustice exacerbated by the COVID-19 pandemic have accelerated the demand by companies, governments, standardization bodies and NGOs for a comprehensive and globally accepted business information system, and this project leads to a coherent and complete global system of corporate reports.

ESG metrics are built on a series of principles (governance, planet, people and prosperity) which will align existing standards for companies to jointly provide their non-financial reports:

- Governance: reflects the company's purpose, strategy and liability. It includes criteria that measure ethical behavior and risk.
- Planet: enumerates company's dependencies and impacts on the environment. These metrics include greenhouse gas emissions, land protection, and water use.

- People: indicates the value of an organization's human resources and their treatment. These metrics include diversity reporting, wage gaps, and health and safety.
- Prosperity: evidences the company footprint on the financial well-being of its community. These metrics include employment and wealth creation, taxes paid, and research and development expenses.

The initiative, announced on the fourth annual Sustainable Development Impact Summit, is an open project of multiple stakeholders that complies with a commitment of the Annual Meeting of the World Economic Forum¹ held on January this year. Since then, 120 members of the Forum's International Business Council have shown a significant support to ESG metrics and some companies are expected to start immediately including them in their reports.

¹ <https://www.weforum.org/agenda/2021/01/how-corporate-boards-can-lead-on-esg/>



Customs & FX

Cryptocurrencies and international trade: a shift from convenience to necessity.

In times of historical records reached in the quotation of certain cryptoassets, it is interesting to understand their use in international trade transactions, and whether they could be possible solutions to the difficulties faced with the foreign exchange controls in Argentina. The relationship between cryptocurrencies and foreign trade in Argentina was established just a little bit more than two years ago when an export of national products was paid with those instruments for the first time.

In fact, there was no exchange controls at that time and exporters could freely opt how to collect their receivables. However, the obligation to bring and trade foreign currency in Argentina in the case of goods must not be interpreted as an impossibility to think that cryptocurrencies are a valid tool, due to their convenience or necessity, for the rest of the international trade transactions.

A legal framework under way.

Before doing a more in-depth analysis of the current situation, it is noteworthy that these assets are precariously regulated, both because of their novelty value and strange characteristics.

Nevertheless, many countries have got closer (some of them more than

others) to the regulation of the use of cryptocurrencies. We can say that the European Central Bank has made significant progress in their analysis and possible regulation.

In its analysis of cryptocurrencies, the European Central Bank has defined them as mere units of digital value, which are electronically exchanged through the Blockchain technology, but they do not represent a reliable value deposit due to their speculative nature. In addition, said agency excludes them from the definition of currency, for they are not issued by a monetary authority.

Curiously, this dissociation from the concept of “currency”, as agreed by many central banks, is not an obstacle to regulation of cryptocurrencies by those banks. This is because the direct effect that these “non-currencies” might have on “currencies” seems to legitimate their regulation in one way or another -or at least this argument has been invoked.

This is why, as mentioned earlier, although it is true that not so many central banks have made good progress in the regulation of cryptocurrencies, just a few of them are not doing it at present, including the Central Bank of Argentina (BCRA).

There is no much legislation on cryptoassets in Argentina, irrespective of the regulations that might appear in the near future. Among a few known regulations, we can highlight those referred specifically to the prevention of money laundering, certain special considerations regarding income tax and some of the few first considerations on this matter by the BCRA.

Specifically, the BCRA regulations only establish the impossibility of making purchases by credit and debit cards and identify cryptocurrencies as external liquid assets, which would prevent an Argentine resident from accessing the foreign exchange market to make payments in foreign currency, in case that it holds a portfolio of cryptoassets equivalent to more than 100,000 United States dollars.

Convenience.

Within this framework: Are there any advantages of using cryptocurrencies in international trade transactions? If so, which are those advantages and what are they about?

From a universal and macroeconomic perspective for the implementation of these transactions, we should start the analysis based on one of the main attributes of cryptocurrencies, that is, they are not issued by any type of governmental body; instead, they are electronically exchanged on a global scale. Following this reasoning, the possibility of using them anywhere in the world would be of great benefit to foreign trade operators.

On closer examination, the intrinsic characteristics of transactions with cryptocurrencies could in turn have

important advantages. In this regard, we have found that the Blockchain technology has been specifically designed for reducing transaction costs more effectively. In fact, if a transfer of this type is compared with electronic funds transfers through the Worldwide Interbank Financial Telecommunications System (SWIFT), the commissions paid by the parties are certainly lower using Blockchain.

Furthermore, it is noteworthy that transfers of cryptocurrencies are not only less costly for international trade operators as they reduce the number of intermediaries and associated commissions, but also almost immediate; they can take as little as one hour.

But it's not all good news: there is still considerable debate about asset backing, their price volatility and, equally importantly, the price of these assets is internationally quoted in hard currency; therefore, the countries with devalued currencies will be at a disadvantage if they use cryptoassets to settle debts held abroad.

Necessity.

It is known that cryptocurrencies have gained ground in the countries that have imposed foreign exchange restrictions. The impossibility to settle debts held abroad or to make savings in foreign currency represents an incentive for the use of these assets, depending on the analysis of their convenience in each case.

As mentioned above, the BCRA only establishes that operators holding cryptoassets in excess of USD 100,000 in their portfolios may not access the foreign exchange market while maintaining such holding; but it says nothing about the possibility of settling obligations overseas through cryptocurrencies. Moreover, the BCRA does not impede collection of

receivables through cryptocurrencies, except in the cases where there is a specific obligation to collect receivables in foreign currencies and subsequently convert them into pesos.

Considering the different restrictions on certain payments, if such payments were necessary, cryptoassets are a possible tool to be evaluated as an alternative to stock market transactions.

Conclusions.

Even though cryptoassets are not “currencies”, it is clear that, as all assets exchangeable from one person to another, they can ultimately be used as a means of payment, in addition to serving as a value reserve, in some cases more than in others. Considering that cryptoassets can be traded electronically, they are an absolutely valid means of payment for foreign trade.

For this reason, at least from this standpoint, we can say that they are an internationally valid means of payment that could be taken into account for certain foreign trade transactions. When, where and how to operate with cryptos will depend on the conditions prevailing at each moment; not only on the conditions of the transactions involved but the conditions of these particular assets as well. It is important to know that there is a new means of payment in foreign trade, which could be used for convenience or if it has become a matter of necessity.

Federal landscape

Province:
Santa Fe



Province: Santa Fe

Region: Pampeana

The province of Santa Fe borders with the province of Chaco to the North, the Paraná river – which separates the provinces of Corrientes and Entre Ríos – to the East, the province of Buenos Aires to the South, and the provinces of Córdoba and Santiago del Estero to the West. Besides the Paraná river, numerous rivers run through Santa Fe from the west coast, such as the Salado del Norte, Carcarañá and Arroyo del Medio rivers. Due to its slope, the entire territory belongs to the Paraná river basin, and towards the east, to the Río de la Plata basin. Santa Fe has the Islas de Santa Fe National Park, a group of areas protected by the Ecology and Wildlife Conservation Office (Dirección General de Ecología y Protección de la Fauna), and the Jaukanigás RAMSAR site.

3,194,537

Population

24.0

Population Density
(pob/km²)

133,007

Area in km²



Employment and income indexes

	Province	Region	Nation
Employment rate	40.2%	36.9%	37.4%
Unemployment	10.6%	13.0%	11.7%
Activity rate	45.0%	42.5%	42.3%
Employment* (in thousands)	481	4,375	4,795

*Registered private sector employees by province

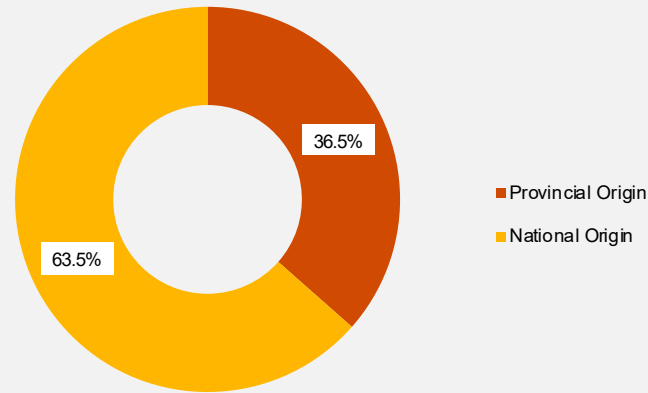
**Prepared by PwC Argentina based on MECON data

Note 1 (rates): Ministry of Economics, <https://www.minhacienda.gob.ar/datos/>, 3rd quarter 2020.
Nota 2 (employment): Ministry of Labour, Employment and Social Security. Report of the registered work, November 2020.



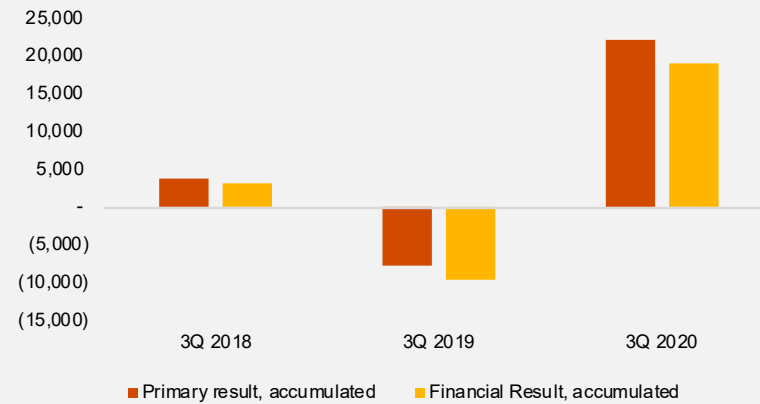
Fiscal indicators

Tax revenues by origin, 3Q 2020



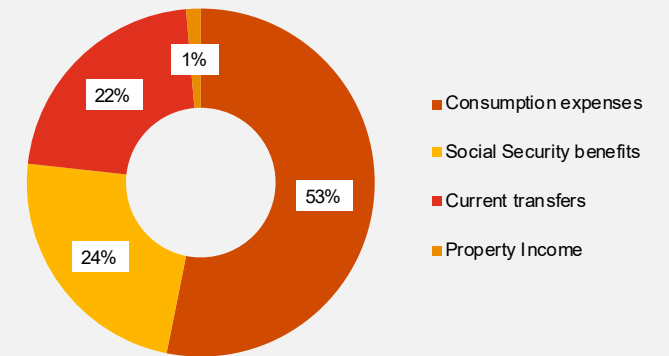
Source: Prepared by PwC Argentina based on Compliance with the National Fiscal Responsibility Law, Government of the Province of Santa Fe.

Fiscal Result, millions of pesos



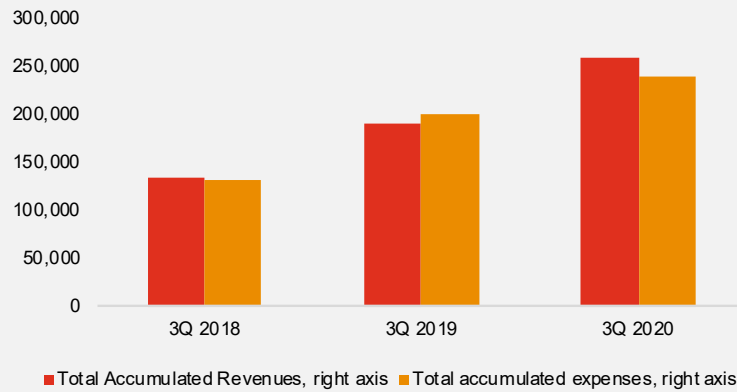
Source: Prepared by PwC Argentina based on Compliance with the National Fiscal Responsibility Law, Government of the Province of Santa Fe.

Composition of current expenses, 3Q 2020



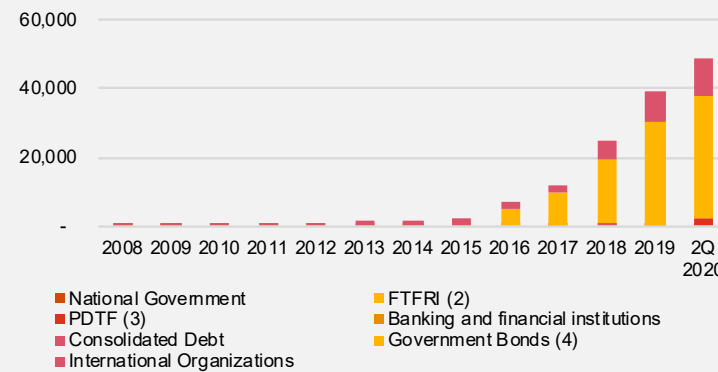
Source: Prepared by PwC Argentina based on Compliance with the National Fiscal Responsibility Law, Government of the Province of Santa Fe.

Total income and expenses, millions of pesos and year-on-year change, %.



Source: Prepared by PwC Argentina based on Compliance with the National Fiscal Responsibility Law, Government of the Province of Santa Fe.

Stock of provincial debt, in millions of pesos⁽¹⁾



Source: General Directorate of Fiscal Relations, Fiscal Responsibility System, Ministry of Economy.

- 1) All data are preliminary and subject to revision. Floating Debt is not included.
- 2) Federal Trust Fund for Regional Infrastructure
- 3) Provincial Development Trust Fund
- 4) Securities expressed at Residual Value

In the third quarter of 2020, the Non-Financial Public Administration of the province of Santa Fe recorded an aggregate primary profit amounting to ARS 22.06 billion, resulting from a total income of ARS 257.96 billion and primary expenses amounting to ARS 235.89 billion.

Total income increased 34.7% compared to the same period in the previous year. In turn, total accrued expenses for the previous year rose 18.9% compared to the ARS 201.01 billion incurred in the first nine months of 2019.

At June 30, 2020, total provincial public debt, excluding floating debt, amounted to ARS 48.77 billion.



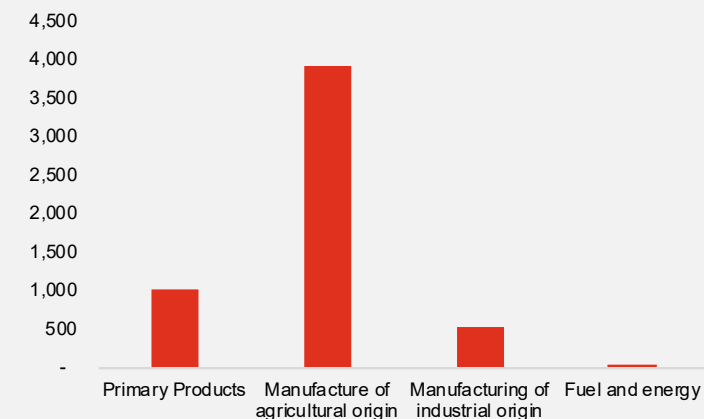
Exports

Santa Fe	1S 2020	1S 2019
Ranking position	2°	2°
Value	5,486	6,901
Regional participation	26.6%	29.7%
National participation	20.1%	22.4%

Source: Prepared by PwC Argentina based on INDEC statistics.

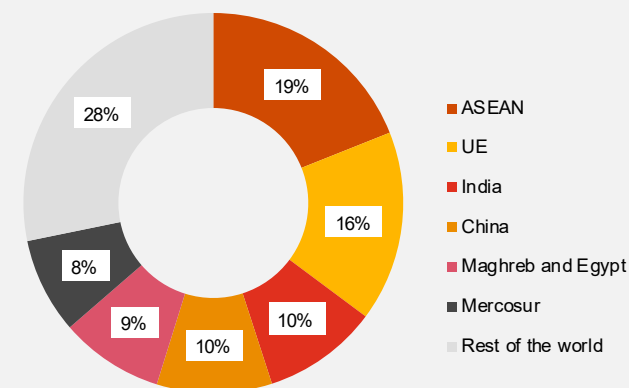
In the first half of 2020, the province of Santa Fe made exports for USD 5.49 billion, which accounts for a 20.5 % decrease compared with the same period of 2019 (20.1% share of the country's exports and 26.6% of the total regional exports). Exports of residues and waste from the food industry (mainly soy flour and pellets) stood out, accounting for 39.4% of the province's total exports. Sales, in turn, decreased by 27.6% compared to 2019. Exports of fats and oils (mostly soybean oil) and cereals (corn and wheat) followed, accounting for 19.2% and 12.9% of the province's total exports, respectively. Fats and oils registered a year-on-year fall of 23.8%, while cereals grew by 10% compared to the first half of 2019. In addition, exports of meat and its preparations (mainly beef) represented 7% of the province's total exports, despite registering a decrease of 4.2% compared to the previous year. Main export destinations were the ASEAN, the European Union, India, China, Maghreb and Egypt, and the Mercosur states.

Main exports





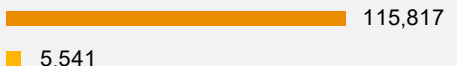
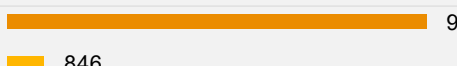





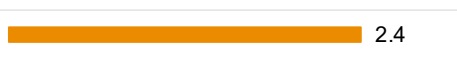


Source: Prepared by PwC Argentina based on INDEC statistics.

Main destinations



Source: Prepared by PwC Argentina based on INDEC statistics.

	Amount	Year-on-year variation	Province vs Nation
Cement Consumption (Jan-2021)			
• Bag	45,155	32.6%	
• Bulk	25,310	24.4%	
Car Patenting (Jan-2021), quantity			
• Automobiles	4,804	16.4%	
• Motor vehicles	3,453	8.1%	
Supermarket Sales (Dec-2020), million pesos	5,541	-0.1%*	
Electricity Demand (Dec-2020), in GWh/ Centigrade/MW	846	-2.1%	
Flights (Jan-2021), quantity			
• Cabotage movements	181	-71.0%	
• International movements	2	-99.2%	
Tourism (Dec-2020), in units			
• Occupied rooms or units	3,911	-67.5%	
• Occupied vacancies	6,916	-66.5%	
• Travelers	3,818	-70.6%	
• Average length of stay of tourists (in days)	1.8	14.0%	



Province activity

Santa Fe's economy is the second most important in the country. Agricultural activities include oilseed crops (soybeans, sunflower and corn). Furthermore, Santa Fe is one of the provinces with the highest soybean production, and the main wheat producer after Buenos Aires. In addition, slaughter represents 20% of the country's total livestock activities, with intensive breeding in the North, and intensive fattening in the Center and South and on the islands of Paraná. Santa Fe's main industries include oil, flour mills, dairy, meat, milk powder intended for export, and honey production. The steel; the automotive, electrical appliances and vehicles; and the manufacturing of agricultural machines and tools sectors also play a prominent role in the province economy.

The Port of Santa Fe, located in the heart of the Paraná-Paraguay Waterway (km. 584 of the Paraná river), is the last upstream overseas port suitable for operations with ocean vessels. Due to its strategic location, Santa Fe is the appropriate link to connect transport hubs (land-river-overseas), allowing for the development of cabotage and international maritime operations involving unitized, containerized, bulk, and general cargo from and to its hinterland, made up of the Central, North-West and North-East Regions of the Argentine Republic.

Note cement

Source: Portland Cement Manufacturers Association, <https://www.afcp.org.ar/copia-de-despacho-total-de-cemento->.

Note Car Patenting

Source: SIOMAA, <http://www.siomaa.com/InformeSector/Reportes>.

Note Supermarket Sales

Source: INDEC, National Directorate of Statistics and Prices of Production and Trade.

Note Electricity demand

Source: Ministry of Economy. The distributor EPESF DISTRIBUIDOR is considered.

Note Flights

Source: EANA, Argentine Air Navigation.

Note Tourism

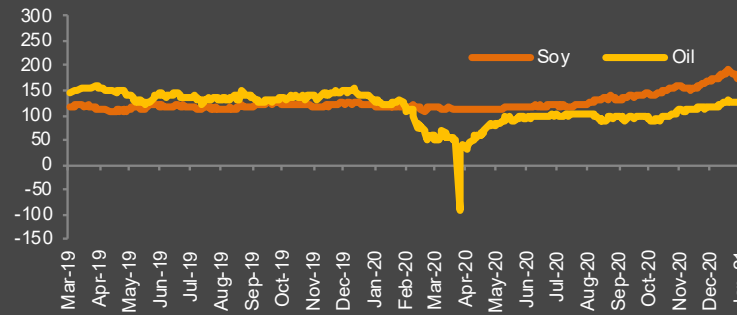
source: INDEC, National Direction of Statistics and Prices of Production and Commerce.

*Real change, IPC General Level Base Dec-2016 = 100 - Monthly index of Pampeana region



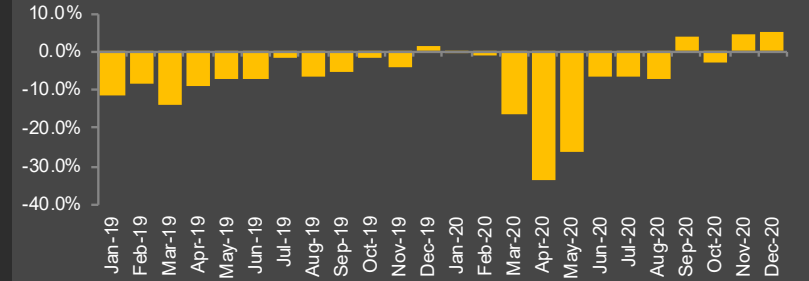
Macro Monitors

Price of Soy and Oil, index 2004=100



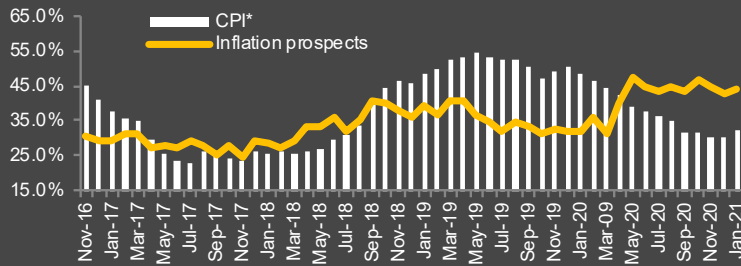
Source: Own calculations based on CBOT and WTI NYMEX

Monthly Industrial Estimator



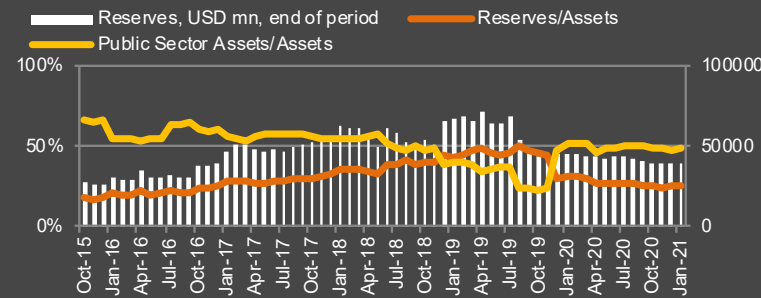
Source: Own calculations based on INDEC

Inflation



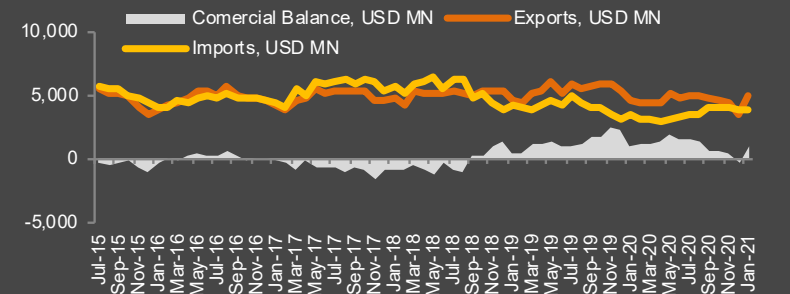
Source: Own calculations based on CPI of City of Buenos Aires and UTDT

Reserves and Central Bank Assets



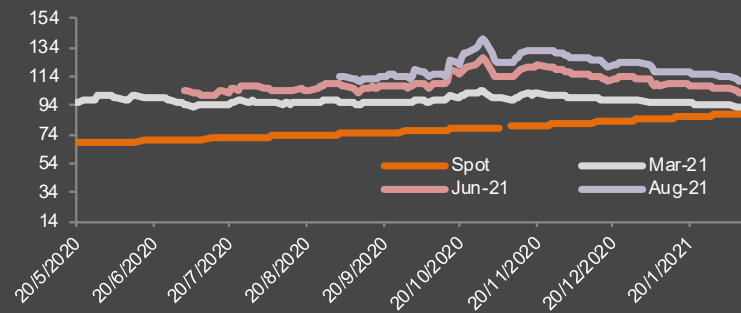
Source: Own calculations based on Central Bank of Argentina

Foreign Trade



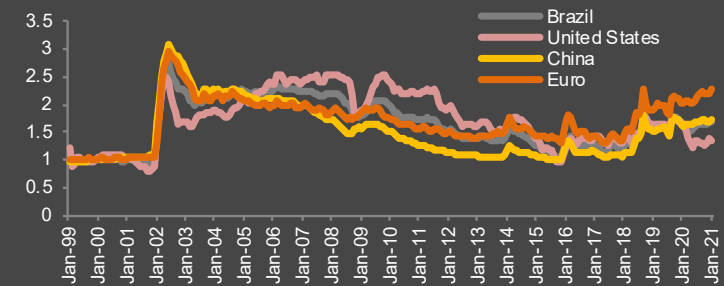
Source: Own calculations based on INDEC

Exchange rate: Spot and Futures



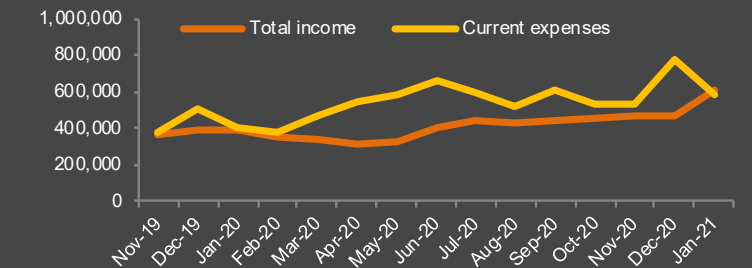
Source: Own calculations based on Rofex

Real exchange rate index: Dec-99=1



Source: Own calculations based on the Central Bank of Argentina

Income and Expenses of the National Non-Financial Public Sector



Source: Own calculations based on Secretary of Finance

Table of indicators



Activity and Prices	2018	2019	2020	Oct-20	Nov-20	Dec-20	Jan-21
Real GDP, var % y/y	-2.6%	-2.2%	nd	-	-	nd	-
CPI Federal Capital, var % y/y	45.5%	50.6%	30.5%	31.3%	30.1%	30.5%	32.2%
CPI San Luis, var % y/y	50.0%	57.6%	41.8%	41.3%	39.9%	41.8%	44.5%
Industrial Production, var % y/y	-5.0%	-6.3%	-7.6%	-3.1%	4.3%	4.9%	nd
International Reserves (end period, USD mn)	65,786	44,848	39,410	39,856	38,652	39,410	39,515
Import Cover (month of reserves)	12.06	10.96	11.17	9.95	9.39	10.08	10.28
Implicit exchange rate (M0 / Reserves)	21.42	42.26	62.68	55.83	57.62	62.68	62.79
\$/USD, end period	37.81	59.90	84.15	78.33	81.30	84.15	87.30

External Sector	2018	2019	2020	Oct-20	Nov-20	Dec-20	Jan-21
Exports, USD mn	61,781	65,116	54,884	4,674	4,500	3,544	4,912
Imports, USD mn	65,482	49,124	42,354	4,004	4,115	3,908	3,844
Comercial Balance, USD mn	-3,701	15,992	12,530	670	385	-364	1,068
Currency liquidation by grain exporters, USD mn	20,202	23,720	20,274	1,716	1,734	1,691	2,140

Laboral*	2018	2019	2020	Oct-20	Nov-20	Dec-20	Jan-21
Unemployment, country (%)	9.1	8.9	nd	-	-	nd	-
Unemployment, Greater Buenos Aires (%)	10.5	10.0	nd	-	-	nd	-
Activity rate(%)	46.5	47.2	nd	-	-	nd	-

Fiscal**	2018	2019	2020	Oct-20	Nov-20	Dec-20	Jan-21
Income, \$mn	3,382,644	5,023,566	6,635,239	642,104	648,976	679,641	772,860
VAT, \$mn	1,104,580	1,532,597	1,905,385	188,018	192,370	203,985	232,832
Income tax, \$mn	742,052	1,096,521	1,467,303	140,670	156,602	166,887	149,585
Social Security System, \$mn	878,379	1,175,793	1,485,127	125,709	127,794	132,843	188,265
Export Tax, \$mn	114,160	398,312	387,643	39,472	40,259	28,338	79,423
Primary expenses, \$mn	2,729,251	3,795,834	6,311,785	516,787	500,229	731,257	548,030
Primary result, \$mn	-338,987	-95,122	-1,749,957	-81,627	-58,693	-307,628	24,074
Primary result, \$mn	513,872	914,760	671,928	38,171	73,662	12,141	46,376
Fiscal results, \$mn	-727,927	-819,407	-2,292,830	-112,696	-127,029	-318,909	-3,030

Financial - Interest rate***	2018	2019	2020	Oct-20	Nov-20	Dec-20	Jan-21
Badlar - Privates (%)	48.57	41.75	34.21	30.68	33.02	34.21	34.15
Term deposits \$ (30-59d Private banks) (%)	46.22	40.80	34.75	31.34	33.62	34.75	34.75
Mortgages (%)	47.70	47.51	32.29	31.63	32.79	32.29	29.23
Pledge (%)	24.88	30.54	32.29	26.85	26.53	32.29	27.72
Credit Cards (%)	61.11	76.28	41.93	41.90	42.18	41.93	42.18

Commodities****	2018	2019	2020	Oct-20	Nov-20	Dec-20	Jan-21
Soy (USD/Tn)	342.3	326.9	350.1	387.6	419.6	443.6	504.3
Corn (USD/Tn)	145.0	150.9	143.0	157.0	163.6	171.4	202.9
Wheat (USD/Tn)	182.1	181.5	201.9	222.7	219.9	220.5	240.7
Oil (USD/Barrel)	64.9	57.0	39.3	39.6	41.3	47.1	52.1

* Quarterly figure. The year corresponds to Q4

** includes intrasector public interest

*** data 2012/13/14 corresponds to the daily weighted average of December

**** One moth Future contracts, period average

p: provisional

Source: INDEC, Secretary of Finance, Ministry of Economy, BCRA, AFIP, Ministry of Treasury and Finance of the City of Buenos Aires, CIARA, CBOT, NYMEX

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	Revenue forecast		
	Surveys		

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