

N° 75 - July 2021

Economic GPS



Tracking

Impact of the pandemic and its related restrictions on the foreign currency exchange balance

4

Industry Roadmap

Mining 2021: resilience and growth in times of turbulence

8

Customs & FX

More restrictions to make payments abroad

10

Federal Landscape

Province: Santiago del Estero

11

The expected consequence... will it be as expected?



The favorable international conditions prevailing at the beginning of the year started to fade away and seem to be on hold. The spreading of the Delta variant raised concerns as to the economic recovery that was underway at a global level in the first half of the year. Further, the increase in retail prices in the US economy at levels unseen since 2008 stimulated the discussion of whether these rises are temporary or permanent, adding more uncertainty to international markets. In this line, the FED, which has a double goal i.e., maintaining prices and employment rates,

stated that it would be increasing interest rates by 2023 — the market today speculates it can be earlier—. This has resulted in the appreciation of the US dollar, affecting commodity prices, which have stopped increasing since then, even though they remain high compared to their latest values.

Locally, the elections race started with the “noise” it creates on the level of activity. Traditionally high during election periods, government spending has risen and will probably be financed by monetary issues mainly. July is proof of this, as the level of

transfers from the Argentine Central Bank to the Treasury increased. At the same time, the inflow of foreign currency during the second half of the year tends to be low, as the summer crop —mainly soy and corn— has already been traded in the second quarter of the year.

In August, the Special Drawing Rights will be allocated by the IMF to help its member countries to overcome the pandemic, which will allow for paying pending commitments with the agency during the year without using the BCRA reserves. Nonetheless, this does not solve Argentina’s problem of access to capital markets.

This combination will probably result in higher monetary issues, less purchase of US Dollars by the BCRA, and growth stagnation of international reserves in the second half of the year, giving rise to more uncertainty. Typically, in Argentina, more uncertainty fuels a higher demand for dollarization of portfolios to safeguard them and exerts upward pressure on the US dollar exchange rate. In a context in which access to the official foreign exchange market is banned for most of us, except for importers, and with the risk that if demand increases in financial markets, the foreign exchange rate cannot be controlled with open market operations by the BCRA, the latter has tried to resolve this with more restrictive measures as those imposed at the beginning of July to blue-chip swaps. However, as economic theory foretells, the stricter quantitative measures are, the more feasible it will be for unofficial markets to

appear and this explains the variety of US dollar exchange rates available.

But more splits in the exchange market are not a good sign in one of the most relevant variables of the economy, and this will affect both inflation expectations and level of activity.

A handwritten signature in black ink, appearing to read 'José María Segura', written over a thin horizontal line.

José María Segura
Chief Economist PwC Argentina

Contents



Tracking

Impact of the pandemic and its related restrictions on the foreign currency exchange balance

The outbreak of the COVID-19 pandemic in March last year, coupled with various restrictions in the Free Foreign Exchange Market, altered certain dynamics that were usual among those wishing to buy and sell foreign currency. Within this context, the seasonality inherent in Argentine exports, among other factors, allowed the Central Bank of Argentina (BCRA) to accumulate reserves for USD 2.485 million over the first five months of the year, but the factors propelling this trend are unlikely to persist during the months to follow. Below we go over these dynamics and explain why we consider it implausible that they can hold in the medium term.



Industry Roadmap

Mining 2021: resilience and growth in times of turbulence

According to Mine 2021, PwC's 18th Annual Report on the Top 40 mining companies, which examines the global trends in the industry, there is some indication that the Top 40 have emerged from the storms caused by the COVID-19 pandemic in 2020 in excellent financial shape. This situation is undoubtedly better than that of many other areas of the global economy, and conditions are set for mining companies to leverage their position and further develop their future business goals and strategies.



Customs & FX

More restrictions to make payments abroad

The latest Communication "A" 7237 issued by the BCRA brings new restrictions on making payments abroad. In this article we review its effects.



Federal Landscape

Province: Santiago del Estero

The province of Santiago del Estero is located in the north of Argentina, in the Great North region. It is the 10th largest province in the country. Its economy mainly relies on activities in the primary sector, such as agriculture, livestock and forestry exploitation.

Macro monitors	15
<hr/>	
Table of indicators	17
<hr/>	
Our Services. Contacts	18



Tracking

Impact of the pandemic and its related restrictions on the foreign currency exchange balance

The outbreak of the COVID-19 pandemic in March last year, coupled with various restrictions in the Free Foreign Exchange Market, altered certain dynamics that were usual among those wishing to buy and sell foreign currency. Within this context, the seasonality inherent in Argentine exports, among other factors, allowed the Central Bank of Argentina (BCRA) to accumulate reserves for USD 2.485 billion over the first five months of the year, but the factors propelling this trend are unlikely to persist during the months to follow. Below we go over these dynamics and explain why we consider it implausible that they can hold in the medium term.

The BCRA had not experienced a positive variation in accumulated reserves for the first five months of a year since 2017, when it reached USD 6.838 billion, the second highest amount in the series beginning in 2003 (the greatest stack of reserves was recorded in 2007, with USD 8.544 billion). The USD 2.485 billion increase in 2021 originated from several conjoined factors. On the current account side, we can mention the favorable balance of goods trade, where effective collection of exports reached its peak since 2013 even if payments for imports showed a similar recovery and also attained the highest level since 2004 (in current US dollars).

Underlying these figures is the record-high prices of the commodities exported by Argentina. As mentioned in the May issue of Economic GPS, several components add to the explanation for that rise (both supply-demand and financial events). The prices of soy complex byproducts or products like corn and wheat were positioned at the levels of 2013 and evidenced increases as compared to the first five months of 2020 (over 60% for soy and corn, and 22% for wheat). Thus, the oilseed and grain sector recorded maximal levels of foreign currency inflow. In particular, this sector has obtained the highest positive balance of dollar inflow accumulated over the first five months of the year since 2003. Agriculture, cattle farming and other primary activities, food products, beverages and tobacco, entertainment, information technology and mining have been among the other sectors that showed a positive balance.

When we consider the first five months of each year throughout the series (2003-2021), the favorable balance of foreign currency inflow recorded by the oilseeds and grain sector enabled to meet 98% of the needs for foreign currency of all the deficit sectors aggregated; this was the second highest level in the series after the 2003 record, when needs were not only covered but also surpassed (125%).

In addition, we can note that, in general terms and considering the main sectors, the trend has not shifted as a result of the restrictions relating

to the pandemic during 2020, those sectors that already had foreign currency deficit persisted on the negative side, and those showing surplus continued in that way.

On the side of services, the reduction of the negative balance in relation to travel is clearly outstanding. The onset of the COVID-19 pandemic brought about a halt in people movement at global scale. As a result, the tourism industry was affected to a marked extent, and currency outflow due to travel abroad was significantly reduced in the first five months of the year.

As mentioned in the statistics report on international tourism by the INDEC, all arrivals in Argentina of international passenger flights from places considered risky were suspended on March 12, 2020. Aerolíneas Argentinas was the only excepted airline, and as from March 17, it continued operating on a special contingency plan for the repatriation of Argentine citizens. Subsequent regulations amended and enlarged restrictions on the entry and exit of passengers to and from the Argentine territory by means of ports, airports, cross-border passages, border checkpoints and any other access point to the country.

The period under analysis —the first five months of 2021— witnessed 62,100 arrivals of non-resident tourists, representing a 90.6% decrease with respect to the same period of the prior year. Ezeiza and Jorge Newbery Airports concentrated 99.6% of arrivals, with a year-on-year fall of 89.6%. In turn, exits abroad added

to a total of 228,300 resident tourists, accumulating a year-on-year decline of 71.2%. Likewise, Ezeiza and Jorge Newbery Airports accounted for 99.2% of departures of Argentine residents, with a decrease of 64.6% as compared to the same period of the prior year. Thus, the effect of foreign exchange transactions for travel, credit card expenses abroad and passenger transportation resulted in a negative balance of USD 651 million, the lowest negative amount since 2011.

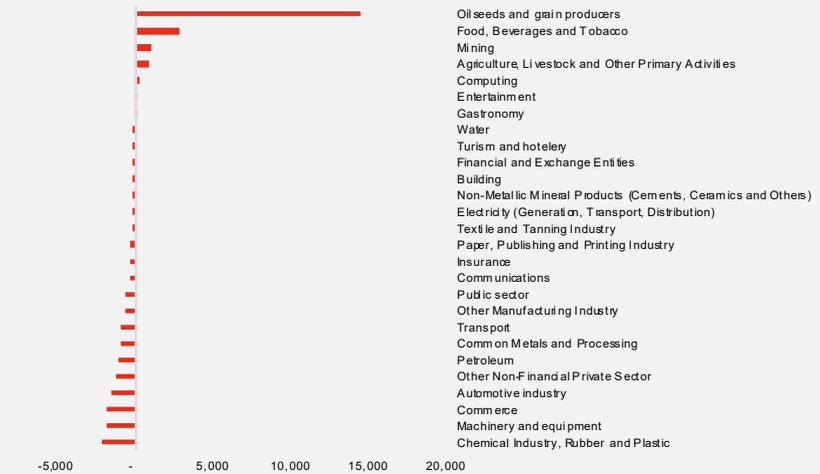


GRAPHIC 1
Accounting variation of BCRA International Reserves, accumulated from January to May each year. Millions of US dollars



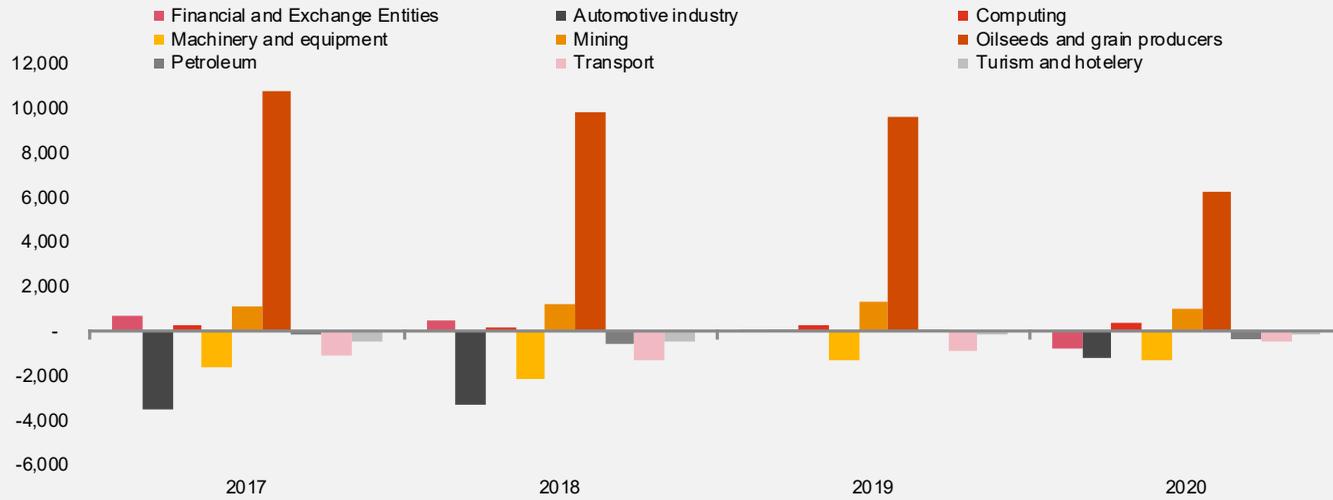
Source: Prepared by the authors based on Central Bank of Argentina information

GRAPHIC 2
Foreign exchange transactions by sector, accumulated from January to May. Millions of US dollars



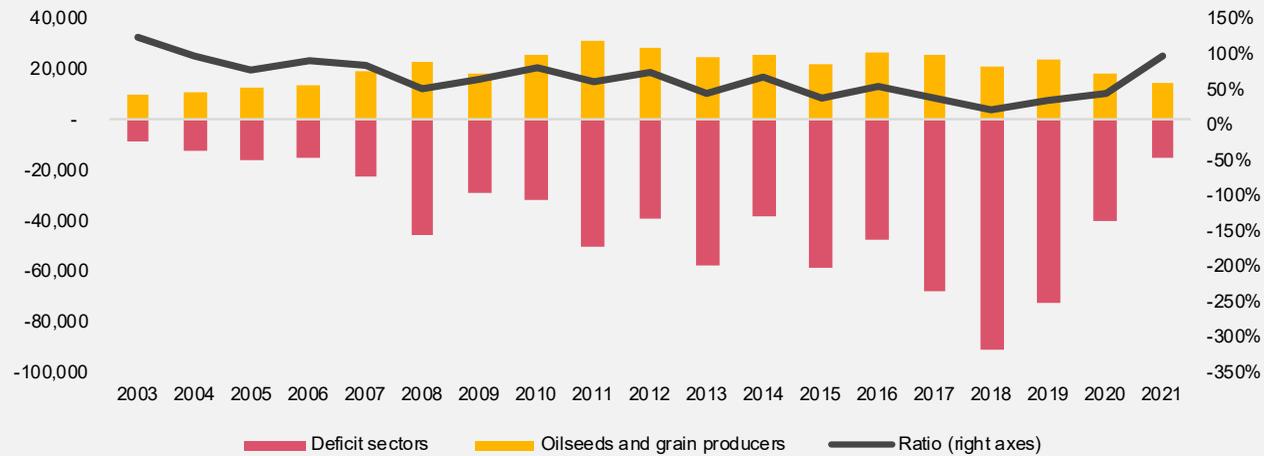
Source: Prepared by the authors based on Central Bank of Argentina information

GRAPHIC 3
Foreign exchange transactions by main sectors. Millions of US dollars



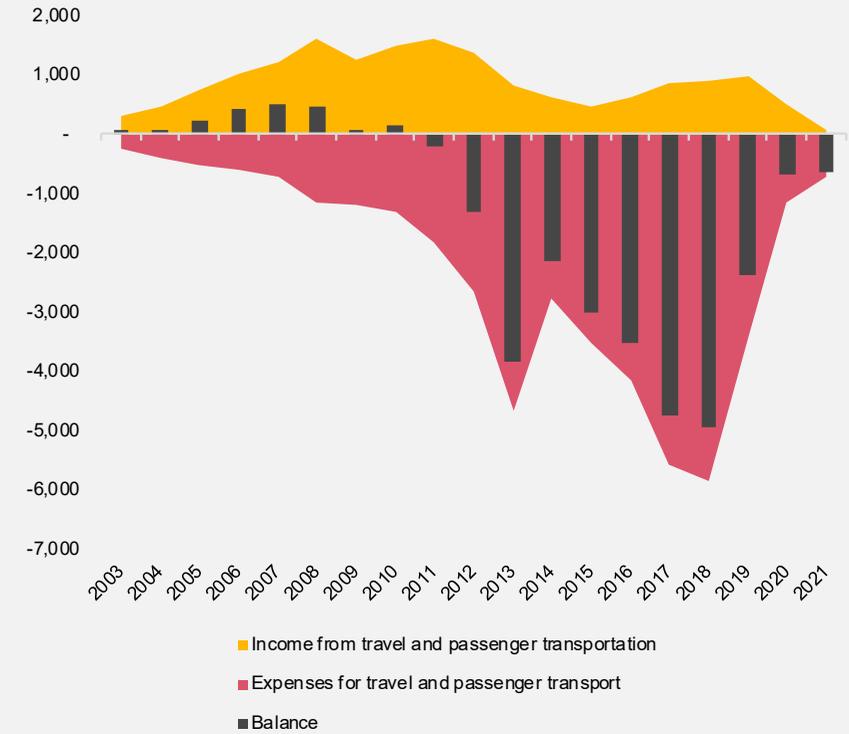
Source: Prepared by the authors based on Central Bank of Argentina information

GRAPHIC 4
Foreign exchange transactions in the oilseeds and grain and deficit sectors, accumulated from January to May each year. Millions of US dollars



Source: Prepared by the authors based on Central Bank of Argentina information

GRAPHIC 5
Foreign exchange transactions for travel, credit card payments and passenger transportation, accumulated from January to May each year. Millions of US dollars



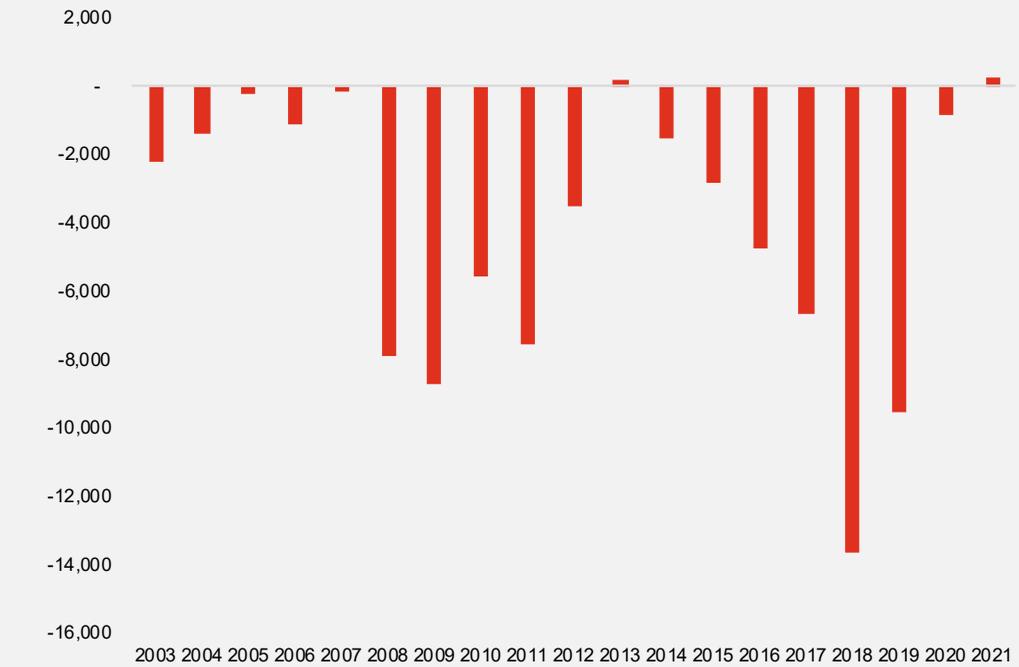
Source: Prepared by the authors based on Central Bank of Argentina information

In the period from January to May 2021, the financial account accrued a negative balance of USD 3.880 billion, of which the non-financial private sector provided USD 1.783 billion, the public sector and the BCRA USD 1.538 billion, other net activity USD 779 million, while the financial sector recorded a positive balance of USD 220 million.

In the case of the non-financial private sector, we should highlight the positive balance of formation of net external assets. This item, usually termed “capital flight” when the balance is negative, has been positive by USD 232 million in the year 2021 to date, when it had not recorded a positive balance since 2013 (Graphic 6). The main factor working for this result has been the restrictions imposed on the purchase of foreign currency by individuals, which restrictions not only place a cap of USD 200 per month on the purchase of foreign currency —further subject to the 30% solidarity tax and a withholding on account of Income Tax and Tax on Personal Assets— but limit the universe of persons having access to these transactions as well, under BCRA Communications “A” 7105 and “A” 7106. As to transactions in the foreign exchange financial account of the financial sector, they recorded a surplus of USD 220 million.

Over the first five months of 2021, transactions in the foreign exchange financial account of the National Government and the BCRA resulted in deficit by USD 1.538 billion, which is basically explained by the net outflow of foreign currency due to financial debts. Considering all sectors in the aggregate, there were payments of net amortizations of financial loans, debt securities and credit facilities for USD 2.022 billion, and loans from other international or bilateral agencies for USD 547 million.

GRAPHIC 6
Formation of net external assets, accumulated from January to May each year. Millions of US dollars



Source: Prepared by the authors based on Central Bank of Argentina information

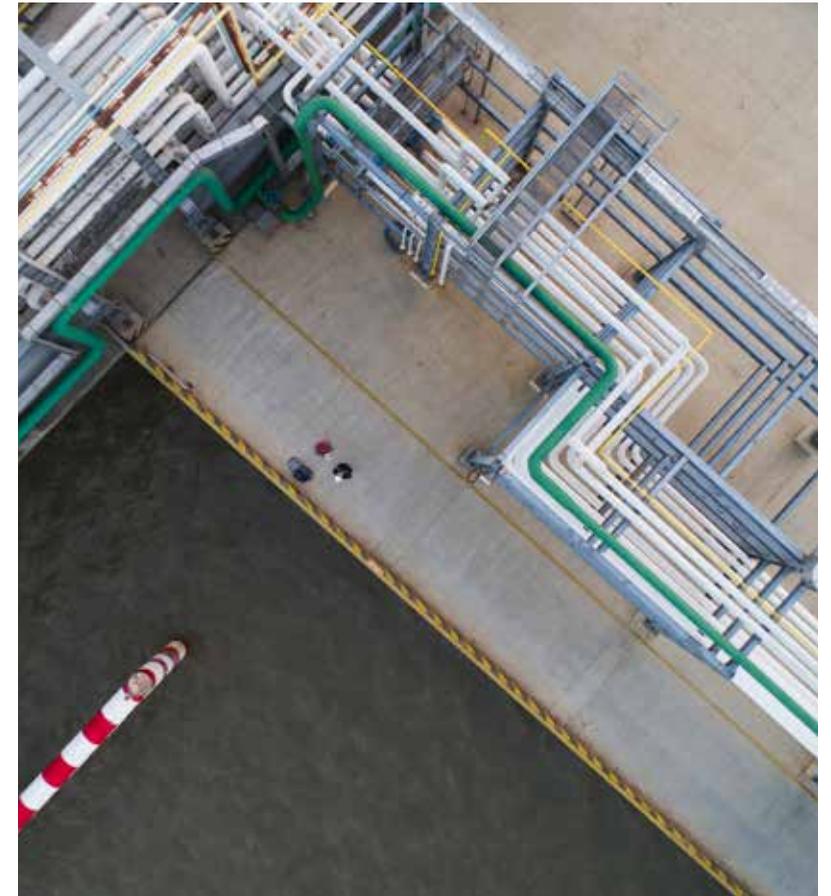
Finally, given that reserves include foreign currencies other than the US dollar and also gold, considering the valuation adjustment, the increase in the period under analysis amounted to USD 303 million.

A combination of higher international prices allowing for a record positive balance in foreign currency settlement, less the outflow of US dollars due to the impossibility of traveling as a result of the pandemic, severe restrictions in the foreign exchange market that

preclude the private sector from buying dollars, and the rise in the quotation of gold, together with the appreciation of international currencies with respect to the US dollar, are among the most relevant factors that enabled the Central Bank of Argentina to increase the level of its international reserves in the period from January to March this year. Looking forward, draining of reserves through the services channel —travel, credit card expenses and passenger fares— is not to be expected in view of the

limitations to travel abroad. However, the inflow of US dollars through the trade channel, seasonal in nature, is likely to decelerate. A higher level of activity has lately been producing an increase in imports; in a context of greater uncertainty and funding from the BCRA to the National Treasury, the pressure on foreign exchange rates can be expected to increase. In such a case, not even with the quantity restrictions in force seems it possible that the BCRA tendency to treasure reserves can be sustained.

For this reason, and for the purpose of having control on foreign currency quotations —in both official and financial markets— the body in charge of monetary policy determined new restrictions and limits to operate in financial markets. This, as predicted by economic science, meant more pressure on the quotations in the informal market.



Industry Roadmap

Mining 2021: resilience and growth in times of turbulence



Leonardo Viglione,
PwC Argentina
Partner, Mining
Industry Leader

According to Mine 2021, PwC's 18th Annual Report on the Top 40 mining companies, which examines the global trends in the industry, there is some indication that the Top 40 have emerged from the storms caused by the COVID-19 pandemic in 2020 in excellent financial shape. This situation is undoubtedly better than that of many other areas of the global economy, and conditions are set for mining companies to leverage their position and further develop their future business goals and strategies.

2021 Financial Outlook

Market research shows that the price of commodities represents the main risk faced by the industry, and some analysts suggest that today there is a discussion about whether we are at the door of another supercycle of mineral prices, similar to that of the last decade.

Top 40's financial metrics combined for this year are forecast as follows:

- Income up 26% to USD 649 billion from USD 545 billion in 2020.
- EBITDA up 94% to USD 338 billion from USD 174 billion in 2020.
- Earnings before tax up 117% to USD 199 billion.
- In 2020, market capitalization rose 64% to USD 1.46 trillion, record high in the last 40 years in the market.
- Capital expenditures up 35% by reason of new projects.

ESG Factors

A Top 40 analysis on sustainability and taxes reveals that the future of the mining industry will be led by those companies which actively embrace consistent environmental, social and governance policies. During the peak of the COVID-19 crisis, companies with higher ESG ratings outperformed the broader market, with a 34% average total shareholder return over the past three years—ten percentage points higher than the general market index.

According to Mine 2021, Top 40 coal production went down 12% in 2020, emphasizing the continuous transition of the industry towards net zero targets.

The report also shows optimism for 2021 as net profit was up 15%, cash on hand rose 40%, and market capitalization increased by nearly two-thirds, achieving USD 1.46 trillion. Forecasts indicate that the Top 40 will report record-high revenue and EBITDA levels and the second-highest net profit. At the same time, the demand for minerals that are essential for clean energy technologies is expected to increase by as much as six times in the next 20 years.

The future looks certainly good for the mining industry. Companies ended 2020 in an excellent financial shape, which should be translated not only in improved shareholder returns and new project developments, but also in the restructure of the industry towards

sustainability and green production processes. ESG factors are no longer a social license to operate: the industry must start changing its mindset to include these factors within companies' DNA as they did in the past with people safety. In the future, shareholders of mining companies will be increasingly drawn to those companies actively embracing ESG policies.

Tax transparency: a new concept gaining relevance

Tax transparency, a key ESG metric, gives miners the opportunity to highlight their financial contributions to their communities and the resulting improvements in education, infrastructure and quality of life.

However, although tax transparency is one of the most significant ways for miners to show their commitment, only 30% of the Top 40 submitted their tax transparency reports in 2020. According to this report, 39%

of mining and metals company CEOs are extremely concerned about tax policy uncertainty, more than double the number last year (18%). This represents a long-term risk for the industry.

In a context where state resources increasingly scarce as a result of the pandemic, there is a tendency to apply several tax-related changes to legislation to increase tax contributions for companies. This global trend is also applicable to Argentina, for example, changes in the Income Tax rate or in mining export duties.

Customers, employees, communities, governments, and providers are now expecting companies to create sustainable value. Miners should embrace tax transparency as an integral part of their ESG strategy. In consequence, the relation between the taxes and rents paid and the social benefits resulting from such contributions to hospitals, schools and infrastructure will become clearer.

Embrace a COVID-19 scenario/the new normal

The hurdles presented by the pandemic have acted as a catalyst for much-needed changes in the mining industry. As a result, four factors should be considered:

- Rethinking supply chains: bring suppliers closer to mine operations helped to secure reliable access to goods and services, but it also raised issues about cost management.
- Focusing on talent retention: protecting employees' health as a priority led to rigorous testing, social distancing and quarantining. People's priorities have shifted since the pandemic. Spending time with family has taken on new significance and might discourage them from working in the industry.
- Embracing automation: the challenge is to integrate recent initiatives, i.e. remote work and operations, and create a holistic transformation strategy in an accelerated timeline.
- Cybersecurity: due to the new threats posed by the digitalization and remote operations, this risk is increasingly high on the agenda of company directors and shareholders.

What will miners do with their near-record levels of cash flow?

One of the main concerns among the Top 40 shareholders is what will miners do with their high levels of cash flow in 2021. Past experiences will put their cash flow management ability to the test to see if they are capable of allocating assets in a way that maximizes their value and shareholder return, thus producing a virtuous circle of long-term sustainability.

The mining industry has never been in a better position to make a bold pivot towards the future in the midst of an era-defining transition to a low-carbon, sustainable economy. The challenges of the pandemic and environmental sustainability have presented the opportunity for genuine, transformational and long-lasting change.



¹ Tax Transparency, Fernando López Menéndez.
Tax & Legal Managing Director

Customs & FX

More restrictions to make payments abroad

As a very brief review, we must remember that at present access to the exchange market is not granted to pay dividends, not even for repatriation of capital. Access to the exchange market is not allowed to pay services to related entities, and payment of imports of goods is contingent on the aging of transactions. In addition, access to the exchange market is not allowed under any circumstances for those who have sold securities in US dollars, or who transferred them to accounts abroad.

Given this panorama, it is only logical that companies look for alternative ways to honor their debts, without entailing a violation of these complex regulations. Thus, certain stock transactions that did not involve a transfer of bonds abroad (swaps) were considered and so was the settlement of certain debts locally in pesos.

The answer to this was the most recent Communication "A" 7237, which has the sole purpose of putting an end to these solutions that the market had found to honor certain debts with entities in other countries.

First, the regulation assimilates securities swaps for foreign assets in Argentina to blue-chip swaps. Thus, entities conducting these transactions will not be allowed access to the foreign exchange market for up to 180 days — they may not access the foreign exchange market neither 90 days before nor 90 days after the transaction. Additionally, the regulation aims directly to the settlement of debts locally. The BCRA provides that entities willing to access the exchange market must submit a series of sworn statements. Thus, applicants must declare under oath:

- the name of their parent company (based on the definition of parent company set forth in section 1.2.2.1 of the Major exposures to credit risk regulation).
- payments, if any, that have been made to the parent company in pesos or foreign liquid assets (except for those for the acquisition of usual goods and services).

In the event that these payments had been made, access will only be granted if the parent company has not engaged in securities swaps for external assets, sale of securities in US dollars in Argentina, or transfer of securities abroad, within 90 days before the date on which applicant seeks to access the exchange market. Of course, these transactions will not be allowed 90 days after the exchange transaction.

The regulation has raised many questions that are expected to be addressed by the control authority, such as the notion of parent companies, salaries of individuals who exert control, and even the exempt services and goods.

The one certainty left is that there is always room for new exchange restrictions.



Federal Landscape

Province:
Santiago
del Estero



Province: Santiago del Estero

Region: Northwest

The province of Santiago del Estero borders with the provinces of Salta and Chaco to the north, the provinces of Chaco and Santa Fe to the east, the province of Córdoba to the south and the provinces of Catamarca and Tucumán to the west. Santiago del Estero is almost totally included in the llanura chaqueña (Chaco plain), most of its relief is quite plain and dry, in general, rainfall is scarce and limited only to Summer.

874,006

Population

6.4

Population Density
(pob/km²)

136,351

Area in km²



Employment and income indexes

	Province	Region	Nation
Employment rate	40.5%	40.4%	41.6%
Unemployment	4.1%	9.9%	10.2%
Activity rate	42.2%	44.8%	46.3%
Employment* (in thousands)	71	265	5,884

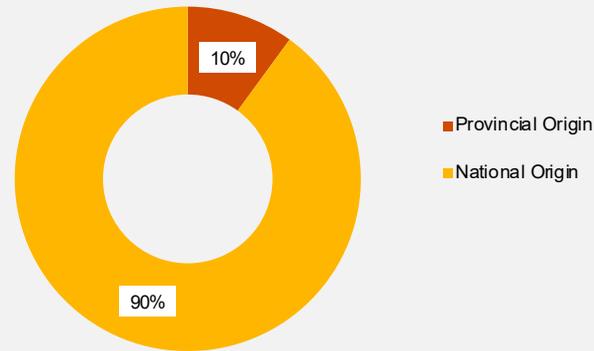
*Registered private sector employees by province

Note 1 (rates): Ministry of Economics, <https://www.minhacienda.gob.ar/datos/>, 1st quarter 2021.
Nota 2 (employment): Ministry of Labour, Employment and Social Security. Report of the registered work, April 2021.



Fiscal indicator

Tax revenues by origin, 2020



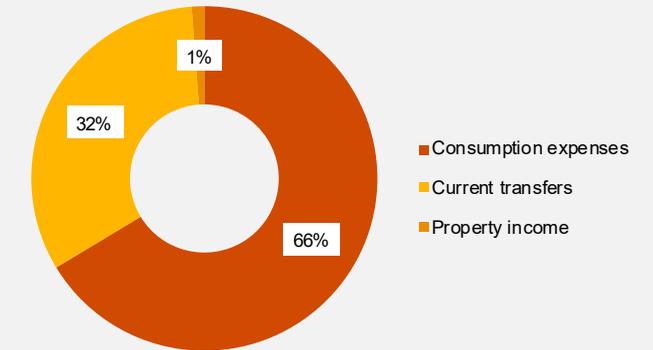
Source: Budgetary Execution, Ministry of Economy of the Nation.

Fiscal Result, millions of pesos



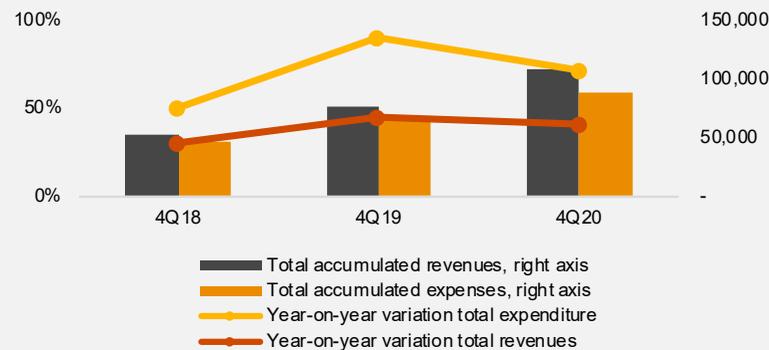
Source: Budgetary Execution, Ministry of Economy of the Nation.

Composition of current expenses, 2020



Source: Budgetary Execution, Ministry of Economy of the Nation.

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



Source: Budgetary Execution, Ministry of Economy of the Nation.

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 fourth quarter of 2020, the Non-Financial Public Administration of the province of Santiago del Estero recorded an aggregate primary profit amounting to ARS 20.87 billion resulting from a total income of ARS 107.80 billion and primary expenses amounting to ARS 86.93 billion.

Total income increased 41.4% compared to the same period in the previous year. In turn, total accrued expenses rose 30.6% compared to the ARS 67.08 billion incurred in 2019.

At December 31, 2020, total provincial public debt, excluding floating debt, amounted to ARS 6.61 billion.



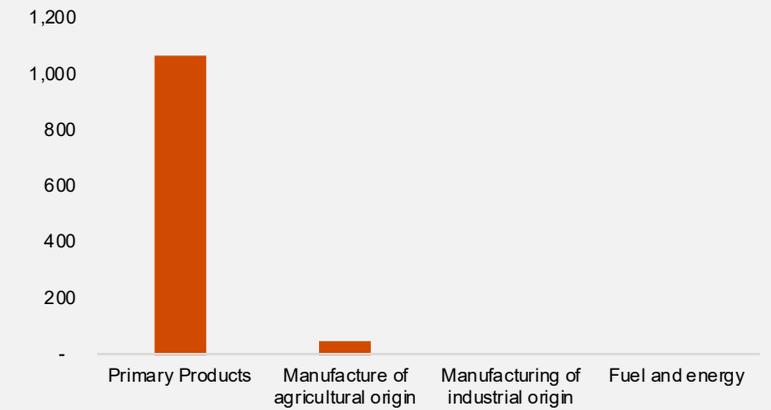
Exports

Santiago del Estero	2020	2019
Ranking position	9	10
Value	1,120	1,113
Regional participation	32.4%	28.3%
National participation	2.0%	1.7%

Note: Prepared by PwC Argentina based on INDEC statistics.

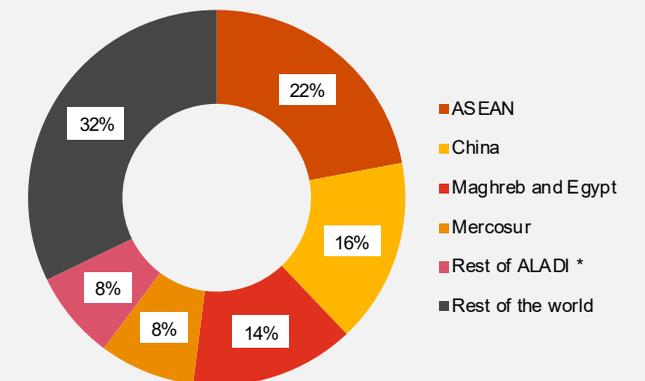
Over 2020, total provincial exports amounted to USD 1.12 billion, with a 0.6% increase compared to the previous year. Santiago del Estero had a 2% share in Argentina's total shipments abroad and 32.4% in the North-West Region. The products with outstanding performance were cereals — corn and wheat —, with 67.3% of the total exported by the province and a 14.4% rise compared to 2019; followed by seeds and oilseeds, which, with a 15.1% share, ranked second despite the drop in soybean exports (24.9%); vegetables and pulses reached a 7.3% share and accounted for a 21.7% decrease compared to 2019. The main export destinations were ASEAN, China, “Maghreb and Egypt”, Mercosur and “Rest of ALADI” (Bolivia, Colombia, Cuba, Ecuador, Peru and Free Zones).

Main exports



Note: Prepared by PwC Argentina based on INDEC statistics.

Main destinations



Note: Prepared by PwC Argentina based on INDEC statistics.
*Bolivia, Colombia, Cuba, Ecuador, Peru and Free Zones



Province activity

Santiago del Estero, along with Chaco, are the extra-Pampas provinces with the largest area with cereals and oilseeds crops. The development of these crops occurred by the addition of land into agriculture, the substitution of traditional crops in the region and the displacement of livestock activity, as a consequence of Argentina's agricultural development process caused mainly by/mainly due to a higher profitability of soybeans and corn prices. In recent years, corn and wheat showed significant growth, with larger areas among the province's crops. Together with soybeans, they account for 83.3% of the cultivated area of the province, covering approximately 1.8 million hectares.

The province is engaged in cattle and goat farming. Cattle farming is developed under rainfed systems, where breeding and rearing activities are carried out mainly on natural grasslands with hills, although there are also implanted pastures. Santiago del Estero has a stock of approximately 1.6 million heads of cattle. This activity represents 3% of Argentina's total and 44% of the North-West Region. As regards goat farming, the activity is divided into the goat farming activity mostly developed in the dry zone/dry lands and the dairy activity in the Dulce river irrigation area. Extensive farming systems prevail in this activity. Santiago del Estero accounts for approximately 12% of the Argentine goat stock.

The native forest of Santiago del Estero is part of the Chaqueño Park region. The province has natural forests of different timber qualities, where the red quebracho and the white quebracho prevail and keystone species of the original forest; like itin, carob and vinal. Most of the forest production is carried out in the surroundings of the hills and various species of the native forest are used. 92% of the species used as raw material correspond to white and red quebracho; both mostly intended to the manufacture of railway sleepers and 7% of the carob tree is intended to the manufacture of furniture. Coal production is the main forestry activity in the province, both in physical and economic terms: Santiago del Estero is the second coal-producing province, after Chaco, accounting for 25.7% of Argentina's total.

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 "EMPRESA DIS. S. ESTERO SA" is considered.

Note Flights

Source: EANA, Argentine Air Navigation.

Note Tourism

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

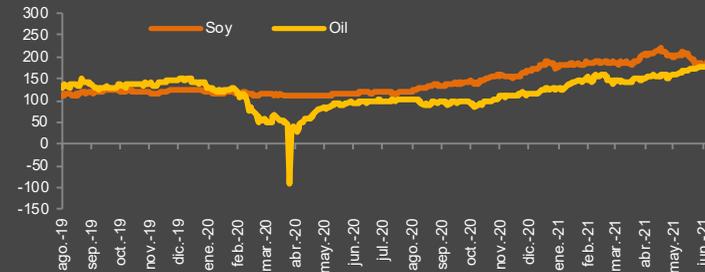
	Amount	Year-on-year variation	Province vs Nation
Cement Consumption (June-2021)			
• Bag	15,705	-19.6%	572,841 15,705
• Bulk	7,835	25.2%	388,671 7,835
Car Patenting (June-2021), quantity			
• Automobiles	447	8.5%	37,621 447
• Motor vehicles	878	25.6%	30,066 878
Supermarket Sales (May-2021), million pesos	712	-7.5%**	110,723 712
Electricity Demand (June-2021), in GWh/Centigrade/MW	123	15.6%	8,990 123
Flights (June-2021), quantity			
• Cabotage movements	46	1050.0%	5,562 46
Tourism (May-2021), in units			
• Occupied rooms or units	15,568	- *	363,533 15,568
• Occupied vacancies	18,572	- *	681,002 18,572
• Travelers	7,313	- *	320,160 7,313
• Average length of stay of tourists (in days)	3.2	- *	2.1 3.2

 Nation  Santiago del Estero

**Real change, IPC General Level Base Dec-2016 = 100 - Monthly index of Northwest region
*No tourism activities were carried out in May 2020 due to the Preventive and Mandatory Social Isolation Measures.

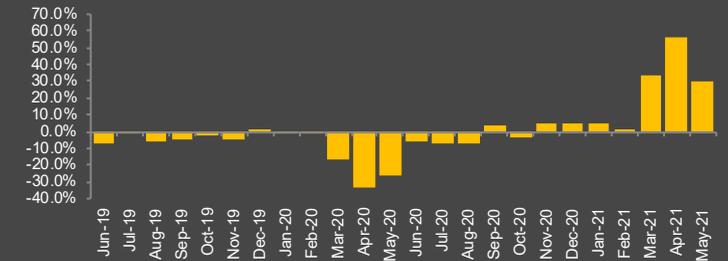
Macro Monitors

Price of Soy and Oil, index 2004=100



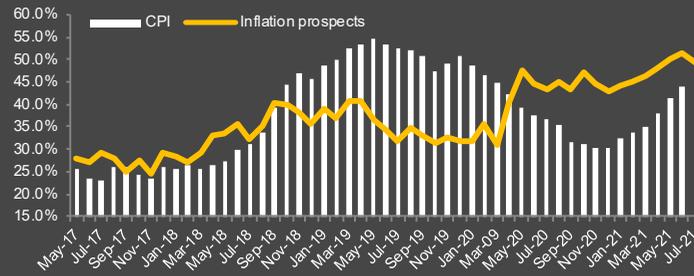
Source: Own calculations based on CBOT and WTI NYMEX

Monthly Industrial Estimator



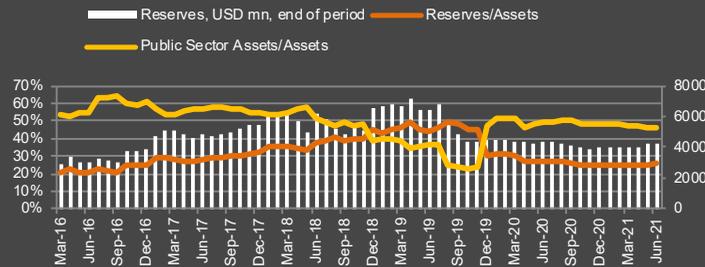
Source: Own calculations based on INDEC

Inflation



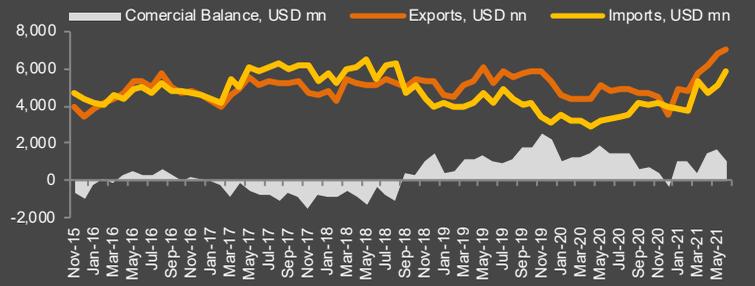
Source: Own calculations based on CPI of City of Buenos Aires and UTDT

Reserves and Central Bank Assets



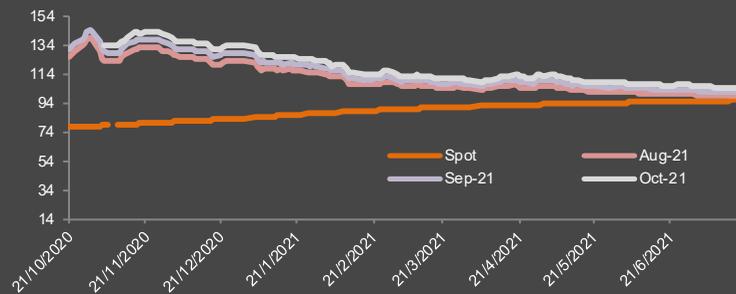
Source: Own calculations based on Central Bank of Argentina

Foreign Trade



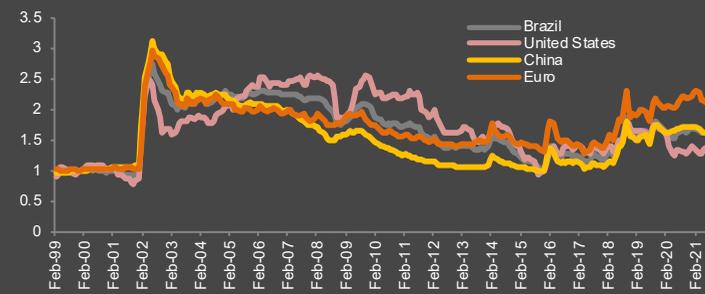
Source: Own calculations based on INDEC

Exchange rate: Spot and Futures



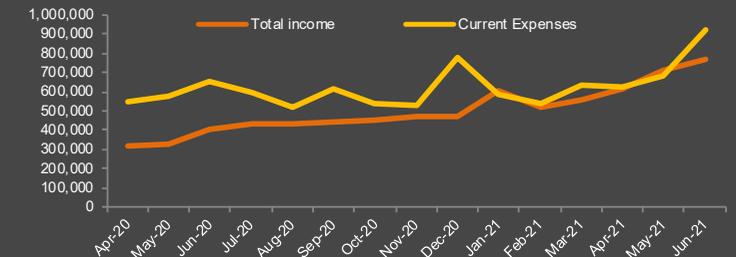
Source: Own calculations based on Rofex

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	Mar-21	Apr-21	May-21	Jun-21
Real GDP, var % y/y	-2.6%	-2.2%	-9.9%	2.5%	-	-	nd
CPI Federal Capital, var % y/y	45.5%	50.6%	30.5%	35.0%	37.8%	41.4%	43.9%
CPI San Luis, var % y/y	50.0%	57.6%	41.8%	47.4%	50.3%	53.2%	55.9%
Industrial Production, var % y/y	-5.0%	-6.3%	-7.6%	33.0%	56%	0%	nd
International Reserves (end period, USD mn)	65,786	44,848	39,410	39,593	40,263	41,872	42,437
Import Cover (month of reserves)	12.06	10.96	11.17	7.44	8.62	8.14	7.18
Implicit exchange rate (M0 / Reserves)	21.42	42.26	62.68	61.43	58.87	60.12	64.46
\$/USD, end period	37.81	59.90	84.15	92.0	93.6	94.7	

External Sector	2018	2019	2020	Mar-21	Apr-21	May-21	Jun-21
Exports, USD mn	61,781	65,116	54,884	5,720	6,143	6,813	6,976
Imports, USD mn	65,482	49,124	42,354	5,320	4,673	5,141	5,909
Comercial Balance, USD mn	-3,701	15,992	12,530	400	1,470	1,672	1,067
Currency liquidation by grain exporters, USD mn	20,202	23,720	20,274	2,774	3,031	3,546	3,358

Laboral*	2018	2019	2020	Mar-21	Apr-21	May-21	Jun-21
Unemployment, country (%)	9.1	8.9	11.0	10.2	-	-	nd
Unemployment, Greater Buenos Aires (%)	10.5	10.0	12.6	11.0	-	-	nd
Activity rate(%)	46.5	47.2	45.0	46.3	-	-	nd

Fiscal**	2018	2019	2020	Mar-21	Apr-21	May-21	Jun-21
Income, \$mn	3,382,644	5,023,566	6,635,239	763,858	817,882	862,480	922,853
VAT, \$mn	1,104,580	1,532,597	1,905,385	247,490	250,798	239,694	261,725
Income tax, \$mn	742,052	1,096,521	1,467,303	140,840	145,980	214,548	221,257
Social Security System, \$mn	878,379	1,175,793	1,485,127	160,700	168,820	172,370	172,340
Export Tax, \$mn	114,160	398,312	387,643	71,243	79,771	91,034	86,236
Primary expenses, \$mn	2,729,251	3,795,834	6,311,785	594,803	573,837	640,798	871,272
Primary result, \$mn	-338,987	-95,122	-1,749,957	-74,466	-11,445	25,714	-153,217
Primary result, \$mn	513,872	914,760	671,928	48,987	50,324	102,017	68,201
Fiscal results, \$mn	-727,927	-819,407	-2,292,830	-117,061	-57,032	-64,618	-207,947

Financial - Interest rate***	2018	2019	2020	Mar-21	Apr-21	May-21	Jun-21
Badlar - Privates (%)	48.57	41.75	34.21	34.04	34.08	34.10	34.11
Term deposits \$ (30-59d Private banks) (%)	46.22	40.80	34.75	34.60	34.58	34.60	34.62
Mortgages (%)	47.70	47.51	32.29	28.72	30.50	29.92	28.25
Pledge (%)	24.88	30.54	32.29	28.19	29.06	28.66	27.28
Credit Cards (%)	61.11	76.28	41.93	42.26	42.53	42.64	42.36

Commodities****	2018	2019	2020	Mar-21	Apr-21	May-21	Jun-21
Soy (USD/Tn)	342.3	326.9	350.1	519.9	538.5	577.4	537.3
Corn (USD/Tn)	145.0	150.9	143.0	217.8	242.5	274.2	264.7
Wheat (USD/Tn)	182.1	181.5	201.9	233.7	245.4	260.6	245.1
Oil (USD/Barrel)	64.9	57.0	39.3	62.4	61.7	65.1	71.4

* 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

Our services

Macroeconomic analysis	Sectorial/Quantitative	Litigation	Regulatory
Monthly/quarterly report	Follow up and projection by sector	Support of experts' reports relating to economic matters	Tax benefits
Conferences	Quantification of demand	Dumping	Benefit/price structure
Projections and data	Applied econometrics	Antitrust	Quantification of impacts
	Revenue forecast		
	Surveys		

Contacts

José María Segura | jose.maria.segura@pwc.com | +54 11 4850 6718

Leandro Romano | leandro.romano@pwc.com | +54 11 4850 6713

Paula Lima | paula.lima@pwc.com | +54 11 4850 6028

Claus Noceti | claus.noceti@pwc.com | +54 11 4850 4651

 @PwC_Argentina  /PwCArentina  /PwCArentina  /PwCArentina  /pwcargentina

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, Price Waterhouse & Co. Asesores de Empresas S.R.L., its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2021 In Argentina, the member firms of the global network of PricewaterhouseCoopers International Limited are Price Waterhouse & Co. S.R.L, Price Waterhouse & Co. Asesores de Empresas S.R.L. and PwC Legal S.R.L, each of which, either separately or jointly, are identified as PwC Argentina.