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EMBASSY OF ARGENTINA, WASHINGTON, D.C.

ARGENTINA IN FOCUS

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Minister of Economy Martín Guzmán, Vice President Cristina Fernández de Kirchner and President Alberto Fernández

ARGENTINA RESTRUCTURES 99% OF ELIGIBLE BONDS IN SUCCESSFUL DEBT SWAP

President Alberto Fernández and Minister of Economy Martín Guzmán announced yesterday that holders of 93.5% of all bonds eligible for the debt swap have accepted the Republic's proposal. The achievement of such a high acceptance threshold has the additional implication that Collective Action Clauses included in the bonds will be triggered extending, thereby, the agreed new terms to 99% of all eligible bonds included in the invitation.

Results speak for themselves. In this case, the successful outcome of an orderly debt restructuring with private creditors is the culmination of a process carried out diligently and in good faith by all the parties involved in the negotiations, allowing for a restructured debt profile which is sustainable in the interest of both the Republic and its creditors.



Once again I have the pleasure of sharing the latest edition of our Embassy Newsletter. In this edition, we share with you the latest news on the Argentine debt restructuring process.

This edition includes as well an article on the great achievement for the Argentine space industry that the successful launch of the SAOCOM-1B represents.

Finally, an article by the Minister of Health, Ginés González García on the importance of unity in the strategies to be implemented to fight the COVID-19 pandemic.

Jorge Argüello
Ambassador to the United States

THE DEBT SWAP CLEARS THE PATH TOWARDS A CONSISTENT MACROECONOMIC FRAMEWORK AND THE RESUMPTION OF GROWTH.

It is worth highlighting from a systemic perspective that Argentina and Ecuador successful debt restructurings demonstrate that collective actions clauses (CACs) are effective tools and lead to orderly debt restructurings when both the Sovereign and its private counterparts behave in good faith. So, the risk of minority holders predatory behavior through litigation and also the potential abuse from sovereigns on minority holdings are effectively mitigated and dealt with through a contractual approach that strikes the right balance taking into consideration all the interests at stake.

Minister Guzmán described the achievement of a successful debt swap as the result of an extensive and constructive dialogue with creditors for months, the time needed to bear fruit in an agreement, which was fully backed in Argentina by Congress, governors and majors in a spirit of bipartisanship and national unity behind the goal of restoring debt sustainability.

As a result of the successful debt swap, Argentina will get debt relief in the amount of 37.7 billion dollars for the next decade, mostly achieved through the reduction of average interest rates from 7 percent to 3 percent.

President Alberto Fernández, flanked by the Vice President Cristina Fernández de Kirchner, the President of the lower chamber, Sergio Massa, governors and members of Congress urged all political forces and the Argentine society more broadly to avoid the repetition of indebtedness cycles that, as Argentine history consistently demonstrates, end up with truly damaging results for the Argentine people: it is time to learn the lesson and turn that page, once and for all.

The successful restructuring with private bond holders subject to foreign law, expected to be matched in the coming weeks with a debt restructuring under equitable terms for dollar denominated bond holders subject to Argentine law, will clear the path towards a consistent macroeconomic framework and the resumption of growth. ■

SCIENTIFIC INSPIRATION FOR AN UNCERTAIN WORLD

By Jorge Argüello, Ambassador to the United States

This spring, millions of Americans cheered as a SpaceX Falcon 9 rocket lifted off from the Kennedy Space Center in Florida with NASA astronauts Robert Behnken and Douglas Hurley on board. Two months later, the world watched as these NASA astronauts safely splashed down in the Gulf of Mexico at the end of their journey back from the International Space Station. The launch and their safe return were noteworthy in part because it was the first time NASA astronauts had launched into space from U.S. soil on a commercial spacecraft.

But it was important for another reason as well –after enduring weeks and months of concern and hardship caused by the coronavirus, Americans were inspired by a great human achievement. Working together, their government and private sector accomplished what many had thought impossible.

Argentina and its people found similar inspiration when its National Commission for Space Activities (CONAE) launched a new observation satellite, known as SAOCOM-1B. Like the Falcon 9 launch, this endeavor is the product of years of collaboration between the public and private sectors, with the government providing essential resources and the Argentine company INVestigacion Aplicada (INVAP S.E.) constructing the satellite.

The launch of SAOCOM-1B bears another similarity to the Falcon 9 launch, because it was also launched by SpaceX – and from NASA's Kennedy Space Center. This multifaceted partnership, which began eleven years ago, opens a new chapter of cooperation between Argentina and the United States, both in the scientific and technological field, and in space cooperation.

Launch of the SAOCOM 1B satellite



MORE THAN 80 ARGENTINE
TECHNOLOGY COMPANIES
AND INSTITUTIONS ARE
PARTICIPATING IN THIS
MISSION AND ARE
EXPLORING NEW
PARTNERSHIPS WITH THEIR
U.S. COUNTERPARTS.

Doing this in the midst of a global pandemic is further testament to a shared determination to advance scientific exploration

While propelled into orbit far above our planet, the satellite's mission will be to garner an improved understanding of Earth through a number of distinct missions. Utilizing a synthetic aperture radar capable of penetrating cloud layers, SAOCOM-1B will be able to detect soil moisture and obtain information from Earth's surface at any time and under any weather conditions.

Data gathered on soil composition will help Argentina's agro-industrial sector –the traditional engine of the nation's economy– and others worldwide determine the best times for planting, fertilizing, irrigating and developing crops such as soybeans, corn, wheat and sunflowers, among others. These and other capabilities will enable national and international efforts to a leap forward in protecting productive resources from imbalances caused by climate change, one of the United Nations' Sustainable Development Goals.

The second advanced observation satellite launched by Argentina in recent years, SAOCOM-1B will also examine climatological and other natural phenomena in order to better understand natural disasters, glacier levels and other scientific questions.

With these areas of focus, the SAOCOM satellite program is a vital part of a long-term strategy that links science with fundamental human needs. The technologies integrated into SAOCOM-1B will help communities in Argentina and elsewhere produce more effectively, grow more sustainably, and contribute more productively to local, national and global economic development.

Argentina has invested more than \$600 million in the SAOCOM satellites and the facilities required for their operation, benefiting the country's economy, creating jobs, and serving sectors such as mining, fishing and energy. In all, more than 80 Argentine technology companies and institutions are participating in this mission and are exploring new partnerships with their U.S. counterparts.

Just last month, INVAP and other Argentine satellite companies, along with Argentina's Aeronautical and Space Chamber of Commerce (CARAE), signed an agreement with the Computer Technology Industry Association to promote bilateral trade and investment in space-related goods and services between the two countries.

Yet the benefits of the SAOCOM-1B launch transcend these gains. At a time when people around the world are experiencing shared, pandemic-driven uncertainties, inspiring achievements like these –to improve lives, grow economies and sustain our global environment– are all the more important. The innovative collaborations among nations, governments, companies and individuals that made this satellite and its launch possible reaffirms that by working together, even the most difficult challenges can be overcome.



Gines Gonzalez Garcia, Minister of Health of Argentina and President Alberto Fernandez

UNITY IS THE BEST VACCINE

By Ginés González García, Minister of Health of Argentina

In Argentina, the production of medicines and vaccines enjoys a high level of development, largely thanks to the excellence of many Argentine scientists and entrepreneurs. This capacity explains that the government's decisions to address the pandemic have been made based on the scientific evidence available, producing new relevant data, publishing all available information in real time, and constantly calling on the academic community to publicly debate about these policies. The government added other decisions to these recommendations, aiming to reduce pre-existing inequalities that could have had catastrophic effects.

Therefore, although it is a source of pride, we were not surprised by the announcement that Argentina and Mexico will produce a vaccine for Latin American countries.

However, the government maintains a neutral stance regarding the different vaccine options currently under development since its top priority is protecting people's health. At the same time, Argentina honors its tradition of prioritizing regional solidarity mechanisms to avoid an absurd competition between countries when faced with a common problem.

At the Virtual Summit of G20 Leaders held in March, President Alberto Fernández proposed creating and signing a Global Solidarity Pact: "It has been demonstrated that no one can save themselves on their own. The urgency imposed by the deaths requires that we create a Global Humanitarian Emergency Fund that will allow us to address the current context and be better equipped with supplies. Research on COVID-19, and scientific and medical knowledge, must also

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be a global public good.” These developments should not respond solely to the logic of the market, nor be skewed towards the wealth of certain people or regions.

For these reasons, among others, the government temporarily centralized the purchase of all high-quality ventilators manufactured in our country, to guarantee their equitable distribution. This led to the number of intensive care beds in the public sector to double in four months, a huge leap in equality that favors the country's most neglected regions.

Other strategies implemented are the following: assistance provided by the national government to the provincial administrations, a crucial element in a federal country with such socioeconomic heterogeneity; strengthening of diverse health networks; subsidies to guarantee the continuity of health services, despite the deep economic crisis that the sector was already experiencing before the pandemic; urgent training and a care program for health workers; a call for volunteers for prevention and for locally based work, and the development of Telehealth.

Health policy is one of the most effective tools that a State has to build a community in which everyone's life is dignified. The pandemic has shown that the best strategy is one that promotes equality, solidarity, and responsibility. In addition, we were able to generate the necessary trust to coordinate decisions and day-to-day management with all subnational governments, regardless of which political party they belong to. It seems obvious, but this is truly something new in a country with deep political divisions and plagued by undisguised hatred. The truth is that despite the persistent hostility of some minority sectors, the government's policies to address the pandemic were accompanied by an extraordinary effort by the vast majority of Argentines.

The costs of this pandemic are already huge. However, it has also bestowed upon us two essential assets: the value of national unity, and the development opportunities generated by a community of excellence. ■

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