



Finance

NEW
OPPORTUNITY
FOR A
SUCCESSFUL
DEBT
RESTRUCTURING

Bilateral relations

ARGENTINE
SCIENTISTS
SEARCHING FOR A
NEW COVID-19
TEST

G20

ARGENTINA AND
THE DIGITAL
ECONOMY

EMBASSY OF ARGENTINA, WASHINGTON, D.C.

ARGENTINA IN FOCUS

MAY 2020 // NEWSLETTER



Hoping that you found the first issue of our newsletter interesting, I have the pleasure to share with you in this new edition three articles on topics that I consider very relevant not only for Argentina but for all the international community in this difficult times.

You will find an update of Argentina's efforts to achieve public debt sustainability and honor our commitments with our creditors. There are also excellent examples of cooperation between the United States and Argentina in science on the fight against COVID-19 and of the G20 digital contribution in the crisis we're facing.

Thank you!

Jorge Argüello
Ambassador to the United States

NEW OPPORTUNITY FOR A SUCCESSFUL DEBT RESTRUCTURING

Recognizing that all parties have more to gain if creditors are given further opportunities to contribute to a successful debt restructuring, the Government of Argentina has decided to extend its exchange offer to bondholders until May 22.

While many of our bondholders supported Argentina's invitation to exchange bonds by May 8, a significant group of creditors did not. Among those that rejected Argentina's offer, several have indicated that there are better alternatives that can be reconciled with the objectives that this administration has set for itself and for the Argentine people. Hence, more time and further opportunities to make counter proposals are being given to them.

The Government remains open to discussing all contributions designed to help Argentina achieve its goals and at the same time enhance creditor recoveries. All debt-restructuring proposals that meet the sustainability objectives we need to secure, including through combinations of interest rates, capital reduction, grace periods and extension of maturities different from those we have proposed will be assessed in good faith. It is important to underscore the fact that although Argentina has made an offer it remains flexible to incorporate variations with the aim of enhancing its value, in the creditors' perspective, while the sustainability parameters are met.



Minister of Economy of Argentina, Mr. Martín Guzmán addressing the Congress of Argentina. 02/12/2020

*ALTHOUGH ARGENTINA HAS
MADE AN OFFER IT REMAINS
FLEXIBLE TO INCORPORATE
VARIATIONS WITH THE AIM OF
ENHANCING ITS VALUE, IN
THE CREDITORS' PERSPECTIVE*

Against the backdrop of an unprecedented crisis, the Government's proposal has rallied broad support to financial obligations that the country can in good faith commit to honor by a wide spectrum of Argentina's society including governors, members of Congress, more than 1,400 mayors with different political affiliations,

business representatives and union leaders. Argentina's invitation to its creditors also received the unprecedented backing of more than 150 internationally prestigious economists including four Nobel laureates among them, from different lines of thought, and of more than 170 economists at home. <http://ow.ly/Pxeq50zDsYX>

Based on its debt sustainability analysis, Argentina submitted an invitation to its creditors to:

- Restructure approximately \$66 billion in external public debt, with a modest 5.4 percent reduction of debt principal and a 62 percent reduction in interest;
- Establish a grace period to allow Argentina's economy to stabilize;

- Commence interest payments under these new terms in 2023, averaging 2.33 percent after a phase-in period, a sustainable level based on realistic economic projections.

The Government's proposal is intended to provide Argentina with levels of debt relief consistent with those indicated in a February 2020 IMF technical note, which estimated the amount of foreign exchange cash-flow debt relief required to restore debt sustainability in Argentina within the range of \$55 to \$85 billion over the next decade.

The Government had stated that its offer would be available to Argentina's external creditors until May 8, and for the reasons stated above decided to extend the offer until May 22 when the grace period for a suspended debt interest payment of \$500 million will expire.

With the COVID-19 pandemic exacerbating the country's economic and social crisis, the wellbeing of 44 million people will depend on both sides engaging in constructive dialogue. The Argentine Government remains confident that all stakeholders at the negotiating table will join it in rising to this historic challenge. ■

ARGENTINE SCIENTISTS SEARCHING FOR A NEW COVID-19 TEST

In this challenging time posed by COVID 19 pandemic, we are writing a new page in the history of bilateral cooperation on science, technology and health between Argentina and the United States.

Health is a field in which cooperation between both countries is particularly strong. In September 2019, Argentine authorities signed with the National Institute of Health (NIH) a Letter of Intent to increase cooperation on training and research in biomedicine. This kind of collaboration also involves private sectors.

COOPERATION IN HEALTH IS PARTICULARLY STRONG BETWEEN ARGENTINA AND THE UNITED STATES

In San Francisco, California, CASPR Biotech, a team of young Argentine researchers, most of them from the National Scientific and Technical Research Council (CONICET) are currently working to diagnose the COVID-19 through a quick, simple and cheap test that can be deployed in public places.

As governments, international organizations, corporations, and even startups, are scrambling to find ways to control the spread of the pandemic, testing is key in the bigger public health picture.



It helps investigators to monitor the prevalence, spread and contagiousness of the disease.

Currently the Center for Disease Control and Prevention (CDC) and its Argentine counterpart ANLIS (National Administration of Laboratories and Health Institutes 'Dr. Carlos Malbrán') are sharing databases regarding the most dangerous pathogen agents, such as viruses and bacteria, with a view to improving public health diagnosis and treatments of infectious diseases.

YOUNG ARGENTINE RESEARCHERS ARE WORKING TO DIAGNOSE THE COVID-19.

CASPR Biotech is a startup founded by scientists and entrepreneurs from Argentina, which has located part of its operations in the West Coast of the United States since it was founded in 2019.

The company has developed a portable and precise molecular detection platform for SARS-CoV-2 virus, which is set to bring accessibility to molecular diagnostics of COVID-19. The platform is powered by novel CRISPR Cas enzymes in a lyophilized format as the key underlying technology, enabling a 45 minutes sample-to-answer detection.

Most of the test that are currently used to detect the COVID-19 are real-time reverse transcription Polymerase chain reaction (PCR) -a method widely used in molecular biology- based assays.

But, despite their established efficiency, it requires highly specialized personnel and expensive equipment for implementation. Another window could be opened by CASPR COVID-19 Diagnostics Kit, that would allow to diagnose with minimal requirements in terms of external equipment and cost for hospitals and low complexity facilities.

The kit itself works basically like a pregnancy test stick. A person just needs to provide a fluid sample (blood, urine, or a nasal swab) and in less than an hour, it will display a little black line for a positive diagnosis, and nothing for a negative result.

The team of approximately 25 members, led by scientists Carla Giménez, Federico Pereyra Bonnet and Lucía Curti, along with the entrepreneur Franco Goytia, first achieved the support of the accelerator Grid Exponential. Then, by IndieBio, one of the largest funds for biotech development in the United States, located in San Francisco where almost 20 Argentine researches are working intensely in this project.

The team is built by people with expertise in fields such as Synthetic RNAs, Biomedical Engineering, Chemistry, Protein design, and bioinformatics. Many of them are scientists from CONICET, the Argentine government agency which directs and co-ordinates most of the scientific and technical research done in universities and national institutes.

In the near future the company aims to get the authorization of the U.S. Food and Drug Administration (FDA) for this new category of test to help rapidly detect coronavirus in the United States.

ARGENTINA AND THE DIGITAL ECONOMY

The G20 ministers responsible for the digital economy -Digital Economy Task Force- held a virtual meeting on April 30th to discuss a coordinated global response to fight the Coronavirus pandemic harnessing digital technologies.

The Saudi Arabian Presidency highlighted that the digital agenda is today more important than ever, and that this crisis must be an opportunity to accelerate our efforts towards digitalization.

The ministers vowed to work together to deliver on the commitment to leverage digital technologies made at the extraordinary virtual summit on G20 Leaders on March 26th.

On behalf of Argentina, the Secretary for Public Innovation, Mrs. Micaela Sánchez Malcolm, pointed out that "as the President of the Argentine Republic, Alberto Fernández, emphasized -in his speech- that health, economic and social emergency requires us to approach our responses in a spirit of solidarity and unity". She added that "our responses as an international forum must consider all realities, not only the possibilities of the developed countries, but also the challenges that developing countries have to face in order to overcome the pandemic".

During the meeting, the G20 Ministers agreed on a COVID-19 Response Statement: "We emphasize the promising role of digital technologies and-

Secretary for Public Innovation, Mrs. Micaela Sánchez Malcolm



relevant digital policies to strengthen and accelerate our collective response to the COVID-19 pandemic as well as to enhance our ability to prevent and mitigate future crises”.

Argentina has had a key role in the G20 discussions on the importance of making use of digital solutions to detect, monitor and alleviate the pandemic, in addition to keeping the population informed using technology, and consequently proposed to include this topic in the G20 Leaders’ Statement.

*WE MUST ENSURE THAT
CONNECTIVITY IS ACCESSIBLE AND
INCLUSIVE*

Sánchez Malcolm highlighted that *“one month after the signing of this commitment and having concrete evidence of successful results, Argentina is even more convinced that it is essential to take advantage of the opportunities offered by technology to face the emergency from all its aspects and mitigate negative economic, social and health impacts”*.

One key topic discussed during the meeting was the need to improve connectivity. In times when we are physically isolated and digital communication has become the new norm, we must ensure that connectivity is “accessible and inclusive” for all, Sánchez Malcolm highlighted.

Understanding this crucial need, the Government of Argentina and its telecommunications company, ARSAT, agreed with the telephone and internet operators to continue connectivity throughout the country and to cooperate with each other to strengthen the capacity of telecommunications networks in the face of possible traffic contingencies.

During her intervention, the Secretary Sánchez Malcolm also expressed the urgent need “to redouble our efforts to guarantee the connectivity of the most vulnerable groups and reduce digital gaps, in particular the digital gender divide, which has as one of its main characteristics the access gap”.

Another issue that was addressed during the meeting was the risks that governments must consider when implementing digital solutions. Argentina has as its fundamental premise to mainstream the concepts of open government in digital government solutions.

This year, our country is the co-chair of the Open Government Partnership, a multilateral initiative made up of more than 70 countries and a growing number of local governments -which represent more than two billion people- along with more than 3,000 civil society organizations (CSOs).


The alliance aims to make governments transparent, participatory and find new ways to design public policies. Building on the co-chair priorities, Secretary Sánchez Malcolm emphasized the premise of ensuring *“that public policies in times of emergency should keep intact the principles of transparency, participation, accountability and inclusion”*.

Argentina supports the DETF’s Response Initiative “Policy Options to Support Digitalization of Business Models During COVID-19” considering that small and medium-sized enterprises (MSMEs) are the engine of our country and we must ensure their continuity in these challenging times.

Today, we are working in order to ensure that MSMEs have tools to continue their work remotely. The Secretariat for Public Innovation launched a collaborative portal called "Entre Todos" that provides information, recommendations, tools, and platforms in a collaborative manner for entertainment and education, management, work, and innovation.

These tools can also be found in the Digital Assistance Network for MSMEs, led by the Ministry of Productive Development (Ministerio de Desarrollo Productivo), a space for public-private collaboration. It is a catalogue that presents a range of solutions and tools that chambers and technology companies make available to MSMEs within the framework of the Network, which allow boosting the economic activity during the health emergency by COVID-19. This is a dynamic catalogue, which will incorporate new contributions and collaborations from chambers, companies, and governmental agencies. The main tools are related to remote work, connectivity, electronic commerce, logistics and e-learning.

As we move towards the next phase of the crisis, Argentina is of the view that there is a unique chance for governments to work on a digitally-enabled recovery that strengthens the inclusiveness and resilience of our economies and puts people's well-being at its core.



Facebook: ARGInUSA
Twitter: ARGInUSA
Instagram: ARGInUSA
Flickr: /photos/ARGInUSA
arginfofocus@embassyofargentina.us
eeuu.cancilleria.gob.ar