

Finance

ARGENTINE DEBT:
AN AGREEMENT IS
THE BEST
OPTION FOR ALL

Science & Technology

A NEW TEST FOR
COVID-19

G20

SAFEGUARDING
PEOPLE'S JOBS
AND INCOME

EMBASSY OF ARGENTINA, WASHINGTON, D.C.

ARGENTINA IN FOCUS

MAY 2020 // NEWSLETTER



Once again, I have the pleasure to share with you a new edition of our Newsletter containing three articles on topics very relevant not only for Argentina but for all the international community in this difficult times.

You will find a point of view on the importance of achieving a sustainability solution for our foreign debt by Argentina's business sector. Also, an excellent example Argentina's capabilities in science and technology applied to the fight against COVID-19 and of the G20 efforts to coordinate policies aiming and boosting employment in these times of crisis.

Thank you!

Jorge Argüello
Ambassador to the United States

ARGENTINE DEBT: AN AGREEMENT IS THE BEST OPTION FOR ALL

by Miguel Alberto Acevedo
President of the Industrial Organization of
Argentina (UIA)

The Argentine government is going through an extremely important phase of its debt renegotiation. The results will undoubtedly mark the short and medium-term economic possibilities of our country.

We have the chance of finding a sustainable solution. This solution should enable us to service our debt while, at the same time, establish a macroeconomic environment that boosts investment.

Argentina has already reached a tripartite economic and social consensus which in our view smooth the path of sustained growth and full development of Argentina's productive potential.

Social dialogue between workers and employers has been a central asset to face the Covid-19 crisis in our country. We have managed to uphold the production of essential goods and services, face up to the health crisis and reach agreements to sustain employment and financing to the private sector.

Regarding the debt renegotiation, the G6 or group of the country's six leading business associations – the Association of Argentine Banks, the Buenos



Miguel Alberto Acevedo, President of the Industrial Organization of Argentina (UIA)

*OUR COUNTRY NEEDS TO
REACH A SOLUTION TO ITS
EXTERNAL DEBT IN ORDER TO
BUILD A SCENARIO OF
MACROECONOMIC
PREDICTABILITY.*

Aires Stock Exchange, the Argentine Chamber of Commerce, the Argentine Chamber of Construction, the Argentine Rural Society and the Industrial Organization of Argentina – has spoken on behalf of the local private sector to support the Government's strategy to achieve a viable and sustainable debt agreement.

Our country needs to reach a solution to its external debt in order to build a scenario of macroeconomic predictability.

This will promote private investment and economic growth in convergence to the fulfilment of our obligations. Growing is vital: when Argentina grows, it consolidates its internal market and creates important business opportunities.

At the same time, when it grows, it increases its imports of inputs and capital goods necessary to consolidate investment, which also favours the exports of our main trading partners. This is quite noticeable in the case of our trade balance with the United States, where Argentina is a net importer of industrial goods that are essential to our production process.

Argentina has many assets to expand its trade with the world. I believe that we can become a developed country, with a strong manufacturing sector, a sound integration to the world based on innovation, work and technology. There is a long tradition of production in all sectors and regions of the country: in agriculture, in energy, in mining, in services and in manufacturing. We have high technological, labor, productive and scientific capabilities, both in the public and the private sectors. Argentine employers and workers are innovative and flexible; they have a great capacity to adapt and to face the challenges posed by the global economy.

Still, we need a sustainable and feasible solution for our external debt liabilities. This is a key step to start a progressive exit from the current recession and to build a strategy of international integration that leverages and empowers all our economic capabilities.

Looking ahead, Argentina has great potential: we are a market of more than 44 million people, it is part of MERCOSUR, we have with a skilled workforce and the possibility of adding value to our natural resources –sectors such as agriculture, mining and the the unconventional energy of *Vaca Muerta*. Concluding the current debt negotiation with an agreement is the best strategy to fulfil this potential, it is the best strategy for the country, its creditors and the entire Argentine society.





Adrián Vojnov (CONICET) and Carolina Carrillo (CONICET) with President Alberto Fernández, Ana Franchi (President of CONICET), Minister Roberto Salvarezza and Minister Ginés González García

A NEW TEST FOR COVID-19

On Friday 15th, science in Argentina marked a milestone of the fight against coronavirus. A group of Argentine researchers of the Dr. César Milstein Institute of Science and Technology and the Pablo Cassará Foundation developed a new diagnostic test to detect COVID-19.

President Fernandez, along with the ministers of Science, Technology and Innovation, Roberto Salvarezza, and of Health, Ginés González García, announced at Casa Rosada the new testing method for the coronavirus.

The public health threat posed by COVID-19 is high, both globally and in Argentina. To effectively respond to the outbreak, rapid detection of cases, appropriated clinical management and infection control, and implementation of social distance are critical to avoid the spread of the virus. In addition, testing is invaluable both, in the early stages of an outbreak but also when states start to relax the lockdown efforts.

Unlike the widely used Polymerase Chain Reaction (PCR) test, which can take up to seven hours and

to provide a result during the next day, this new testing method can deliver results in less than an hour and gives the possibility to identify the virus' genome by a similar level of sensitivity to the method which used techniques of PCR. This new test does not require thermal cyclers or complicated equipment, and it greatly simplifies the diagnostic technique for the virus.

The Government will use this new test as part of its strategy for the diagnosis of COVID-19, and the implementation will be led by the Ministry of Health. The first 10,000 tests will be produced in the next 10 days and a 100,000 test per week production is expected to be achieved in the short term.

The President said: *"First, this allows us to face the control of the pandemic in a different way. It is not the best way to detect how many of us are immune, which is what we're doing today with the rapid test but to know swiftly who's infected and who's not and treat the patient from that moment on. It also allows us to detect who's been infected but does not present symptoms, which is one of the problems we always refer to".*

The work was financed by the National Government and supported by the Ministry of Science, Technology and Productive Innovation, the CONICET and the National Agency for the Promotion of Research, Technological Development and Innovation.

As the President Fernandez emphasized during the presentation: "This has been done by Argentine researchers and produced by an Argentine laboratory, this is very important for the development of a country".

THE NEW COVID-19 TEST
DEVELOPED BY ARGENTINE
RESEARCHERS OBTAINS
RESULTS IN LESS THAN 1
HOUR WITH SIMILAR
SENSITIVITY TO THE ONE
CURRENTLY USED.

Argentina has a strong tradition of science and technology. Its research centers and researchers have international recognition and its firms export high technology products to the world's most demanding markets. In fact, Argentina is the only country in the region with three Nobel laureates in this field, Bernardo Houssay, in medicine (1947), Luis Federico Leloir, chemistry (1970) and César Milstein, in medicine (1984).

Milstein, who also was a member of the American Academy of Art and Sciences, studied antibodies that help the body eliminate infections, a groundbreaking research into the control of the body's immune system. Later in his life he remarked his point of view about of the role of science and said: *"Science will only fulfill its promises when the benefits are equally share by the really poor of the world"*.

Following his heritage, the Milstein's Institute of Science and Technology came back at this special moment on the history of science and medicine. ■

Argentine research team of the COVID-19 Coronavirus Unit (CONICET)



SAFEGUARDING PEOPLE'S JOBS AND INCOME

In just a few short weeks, everyday life has changed dramatically across the world and we have all felt the profound impact of this virus on our communities. Like no other issue, this pandemic throw light on the importance of our shared commitment to international cooperation.

COVID 19 pandemic has face the world with an unprecedented challenge that affects all dimensions of human development: economic, social and environmental and threatens the long-term livelihoods and wellbeing of millions.

No matter where in the world or in which sector, the crisis is having a dramatic impact on the world's workforce. The International Labor Organization (ILO) estimates that 1.6 billion

workers in the informal economy have suffered massive damage to their capacity to earn a living, and 430 million enterprises are currently facing high risks of serious disruption.

In that context, at the Extraordinary G20 Summit held on March 26th (2020), in the spirit of solidarity, Leaders committed to do whatever it takes to overcome this pandemic and determined to spare no effort, both individually and collectively, to tackle the intertwined health, social and economic impact, and to safeguard people's jobs and income.

During the 2008-2009 financial and economic crisis that was spreading around the world, it was recognized that global interdependence is the

Minister of Labor, Employment and Social Security of Argentina, Mr. Claudio Moroni



current model to which every national policy must adapt. It does not really matter how nationally defined a challenge seems to be, policy solutions perform better when they acknowledge other countries' approaches and their implications, which requires global coordination.

Since the first G20 Summit in 2008, social issues started to arise as a main concern at the top of the agenda, and Labor and Employment Ministers were committed to accelerate job creation, strengthen social protection and place employment and poverty alleviation at the center of national and global economic strategies.

*THESE ARE TIMES FOR
SOLIDARITY, FOR
SUPPORTING MORE THAN
EVER THOSE WHO ARE IN A
SITUATION OF
VULNERABILITY.*

With the same perspective but facing the challenges posed by Covid-19, G20 Labor and Employment Ministers, on April 23rd of this year., came together in a virtual meeting in order to share their experiences and agree on some policy principles that would help governments, workers and enterprises to deal with the impacts of the pandemic.

After having listened to social partners' perspectives, represented by International Trade Union Confederation (ITUC/CSI) and International Organization of Employers (IOE), and also to International Labor Organization (ILO) and Organization for Economic Cooperation and Development (OECD) representatives, a consensus

was achieved on the need to strengthen social protection systems during this challenging period, and to explore ways to support business and employers, especially micro, small and medium-sized enterprises (MSMEs).

At the meeting the Minister of Labor, Employment and Social Security of Argentina, Claudio Moroni, emphasized the need of strengthening social protection floors in G20 countries and raising international solidarity so that the 55% of humanity with no coverage today is not left behind.

He also noted that COVID 19 has revealed the fragility of the situation the world is facing, with a large share of our people working in the informal sector or in other forms of precarious work, such as unprotected self-employment.

President Alberto Fernandez instructed all the agencies to develop and adopt coordinated actions in the areas of health, economy, production, labor and social development with a view to expand and increase social protection coverage; preserve employment and promote decent work; strengthen national production and sustain the productive system, while taking care of the health of our citizens in preparation for the recovery stage.

Some of the most significant measures taken as regards sustaining jobs, employment and income in Argentina are:

- Increase in various social benefits (e.g. for parents with children)
- Creation of Extraordinary Family Income Benefit to supplement the earnings of self-employed, reaching more than 8 million people.

- Suspension of evictions and mortgage debts executions for the duration of the health emergency.
- Creation of an Emergency Assistance Program for Work and Production to allow companies affected by the emergency to postpone payments of social security contributions or, in some cases, to obtain a substantial reduction in these obligations. The same regulation includes assistance for the payment of wages, with amounts varying between one and two minimum wages.
- Implementation of a large program of subsidized loans for self-employed workers of all categories equivalent to the expected income for three months.
- Prohibition of layoffs and suspensions due to lack of work or force majeure for a period of sixty days.

Although it is still early to evaluate the effectiveness of Argentina's approach to this challenge, the available data show an encouraging perspective when compared to initial forecasts, as many deaths have been prevented. However, no individual victory can be won against an enemy that does not recognize borders, and any success may prove to be temporary. Therefore, Argentina considers that global cooperation is so important at this moment.

Argentina will keep working to share, devise and implement effective measures to reduce and mitigate the impact of COVID-19 on our labor markets, societies and wider economies, always remembering that our primary responsibility is to safeguard the health and wellbeing of our workers and their families.

It is time to renew the social pact through a new relationship between the State and its citizens leading towards a more inclusive and supportive economy. As President Fernandez said: *"these are times for solidarity, for supporting more than ever those who are in a situation of vulnerability. This is the opportunity: it is time to sign a far-reaching Pact of Global Solidarity."* ■

Facebook: ARGinUSA
Twitter: ARGinUSA
Instagram: ARGinUSA
Flickr: /photos/ARGinUSA

arginfocus@embassyofargentina.us
eeuu.cancilleria.gob.ar