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EMBASSY OF ARGENTINA, WASHINGTON, D.C.

# ARGENTINA IN FOCUS

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MARCH 2022 // NEWSLETTER



President Alberto Fernández and Kristalina Georgieva, Managing Director of the International Monetary Fund.

## THE ARGENTINE GOVERNMENT REACHED AN AGREEMENT WITH IMF STAFF AND SENT BILL TO CONGRESS

Last Friday, March 4, the Executive Branch sent a bill to Congress for their approval of the “Debt Refinancing Agreement between the Argentine Republic and the International Monetary Fund”.

For the first time in our country’s history, this draft agreement was submitted to the Legislature, including

all the attached documents that comprise it; that is, the Memorandum of Economic and Financial Policies and the Technical Memorandum of Understanding.

After intense negotiations, and two years of work, the government managed to reach an agreement with the IMF that will allow the country to refinance the



Once again, I share with you the latest edition of our Embassy Newsletter. This edition includes an article about the “Debt Refinancing Agreement between the Argentine Republic and the International Monetary Fund” bill, sent to Congress by the Executive Branch.

In this edition we also include an article about my participation in the roundtable discussion with board members of the Los Angeles Area Chamber of Commerce.

Finally, an article on my working meeting with Victoria Alonso, President of Physical Production and Postproduction, Visual Effects and Animation at Marvel Studios.

Jorge Argüello  
Ambassador to the United States

THE NEW PROGRAM SEEKS TO CONTINUE GENERATING THE STABILITY CONDITIONS REQUIRED TO ADDRESS EXISTING STRUCTURAL CHALLENGES AND STRENGTHEN THE FOUNDATIONS FOR A SUSTAINABLE AND INCLUSIVE GROWTH.

commitments assumed in the failed 2018 stand-by arrangement negotiated by the previous administration, for approximately \$45 billion.

The new program seeks to continue generating the stability conditions required to address existing structural challenges and strengthen the foundations for a sustainable and inclusive growth.

The agreement reached is based on what is known as an Extended Fund Facility (EFF) Arrangement that includes 10 quarterly reviews over a 21/2 year period. The repayment period for each disbursement is 10 years, with a grace period of 41/2 years, starting in 2026 and ending in 2034. Under these negotiations, an understanding was reached with IMF staff regarding the importance of achieving a program consistent with Argentina's needs and challenges, one that does not entail curtailing the ongoing economic recovery process.

The program reinforces a commitment to exchange rate stability, ruling out sudden movements, and guaranteeing that the exchange management will seek to ensure the medium-term compatibility of the real exchange rate in accordance with the objective of building up

reserves. At the same time, advancing in a progressive fiscal consolidation that reduces fiscal deficit within the framework of economic activity recovery and a gradual reduction of its monetary financing, as well as the implementation of a monetary policy framework that leads to positive real interest rates thereby strengthening the demand for assets in local currency. Likewise, price and income policies will contribute to anchoring expectations in favor of a gradual disinflation, together with the ongoing recovery of real incomes.

This program will increase investment in infrastructure, science and technology, encourage job creation, continue promoting economic activity and strengthen social assistance with a focus on addressing child poverty and promoting an inclusive labor market.

Likewise, besides contemplating issues related to costs, subsidies and rates, a medium-term energy plan will be developed that will include actions aimed at encouraging private and public investment to increase energy generation and transmission, including the construction of gas pipelines and expansion of LNG and renewable energy production capacity, among other objectives.

The importance of promoting growth and resilience policies to address long-term bottlenecks and lay the foundations for a more sustainable and inclusive growth are also part of the agreement.

These policies seek to promote the growth and diversification of exports, investment and productivity; local and regional economic development; formal employment and labor inclusion that includes a gender perspective; improvements in the efficiency and sustainability of the energy sector; environmental mitigation and adaptation policies, and a broader development of capital markets.

Congress received this bill together with Law 27,612, Strengthening the Sustainability of the Public Debt, which establishes that any program negotiated with the IMF

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will require a Law passed by the National Congress approving it.

Today, March 7, the bill was discussed in the Budget and Treasury & Finance Committees at the lower Chamber, and is expected to be put to a vote this week in plenary, then sent to the Senate for its consideration. ■



## DIALOGUE WITH THE LOS ANGELES AREA CHAMBER OF COMMERCE

As part of the activities carried out during his official visit to California, today, Monday, March 7th, Ambassador Argüello participated in a roundtable with members of the Board of the Los Angeles Area Chamber of Commerce.

The Chamber stands out for its rich history, which dates back to its founding in 1888. It represents the interests of more than 235,000 companies in Los Angeles County, and comprises 1,400 associated companies, including large, small and medium-sized companies.

María Salinas, the first woman and first Latina to occupy the role of President and CEO of this organization, highlighted the importance of this type of meeting, as well as the business potential between Argentina and the West Coast.

The conversation allowed a fruitful exchange focused on two key issues: the possibility of increasing access of Argentine products to the local market, and the presentation of investment opportunities under the new scenario that opens up after the agreement reached with the IMF.

The event was a hybrid type meeting, with virtual presentations by Martin Breidsprecher, Chief Operating Officer of the Chamber; Jerry Neuman, Partner at the DLA Piper Global Law firm and Mark Louchheim, Chairman, and CEO of Bobrick Washroom Equipment, Inc., held a face-to-face meeting with the Ambassador.

If California were an economy separate from the rest of the United States, it would rank fifth in the world.

Consul General in Los Angeles, Ambassador Rubén Caro, María Salinas, Ambassador Jorge Argüello and Mark Louchheim.



ARGENTINA'S EXPORTS TO CALIFORNIA INCLUDE FUEL, WINE, SHRIMP, BEEF, AND OLIVE OIL, TOTALING NEARLY \$750 MILLION ANNUALLY.

Argentina's exports to California include fuel, wine, shrimp, beef, and olive oil, totaling nearly \$750 million annually.

Other sectors with potential are information technologies, video games, aerospace industry, agro-bio industrial technology, audiovisual production and tourism.

Also discussed were the investment opportunities in clean energy, such as world-class lithium and hydrogen, as well as the benefits of investing in the knowledge economy (gaming, software, audiovisual production, etc.), and in the agro-bio industrial sector, among others.

In this regard, Ambassador Argüello highlighted recent incentives such as those included in the Knowledge Economy Law, the Electro mobility Law, the Hydrocarbon Development Plan, the Agro Bioindustry Law and the new legislation on Nanotechnology, Hydrogen and Quality Controls for exportable products. ■



Consul General in Los Angeles, Ambassador Rubén Caro, Victoria Alonso, Ambassador Jorge Argüello and officials from the Consulate in LA.

## ARGENTINA AS A DESTINATION FOR AUDIOVISUAL PRODUCTION: MEETING AT MARVEL STUDIOS

During his official visit to California, the Argentine Ambassador, Jorge Argüello, held a working meeting with Victoria Alonso, President of Physical Production and Post-Production, Visual Effects, and Animation at Marvel Studios. Alonso is an exceptional Argentine professional with a successful career in audiovisual production in the United States.

The Ambassador presented her with a certificate recognizing her as an “Outstanding Representative of the Argentine community abroad”, in recognition of her talent, her contribution to the audiovisual industry, and for opening the way for many women to develop professionally in that sector.

Argüello and Alonso also talked about Argentina as

an ideal destination to make films and series at their different stages, including post-production.

The Ambassador referred to the efforts undertaken by the Argentine Embassy together with the Motion Picture Association, an organization that includes Disney and other major studios, to spread information on the benefits of the Knowledge Economy Law and the new incentives offered by Argentina, such as the exemption of withholding tax when exporting services.

On the other hand, the possibility of opening channels between Marvel and small and medium-sized companies in the Argentine audiovisual sector was discussed, so that they could become potential service providers. They also spoke about training programs

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accolade for outstanding work in 3D, visual effects, and advanced imaging. In 2019 she received the Key to the City of La Plata, being the second person from La Plata, and the first woman, to receive this honor. ■

and the incorporation of technology for Argentine companies.

Victoria Alonso and the Ambassador highlighted the Argentine professionals' talent in the audiovisual sector and agreed that, although our country receives a wide variety of feature film and series production companies, the potential is even greater.

In this regard, Argüello highlighted that the country's geographical diversity, its installed capacity and incentive regime, make it an attractive market for the big Hollywood studios.

Victoria Alonso was born in the city of La Plata, and immigrated to the United States when she was 19. She joined Marvel Studios in 2005 as executive vice president of visual effects and postproduction, and was a co-producer of films such as Iron Man, Iron Man 2, Thor, and Captain America: The First Avenger and since The Avengers she is the executive producer of all the Marvel Cinematic Universe films.

In 2016 she became the first woman to win the Advanced Imaging Society's Harold Lloyd Award, an