



# **2008 Strategy and Financing Program**

**Ministry of Economy and Production  
Republic of Argentina**

**April 2008**

# Agenda

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- **Public Debt - recent evolution**
- **2007 Financing Program**
- **2008 Strategy and Financing Program**



# **Public Debt recent evolution**

# Public Debt Stock

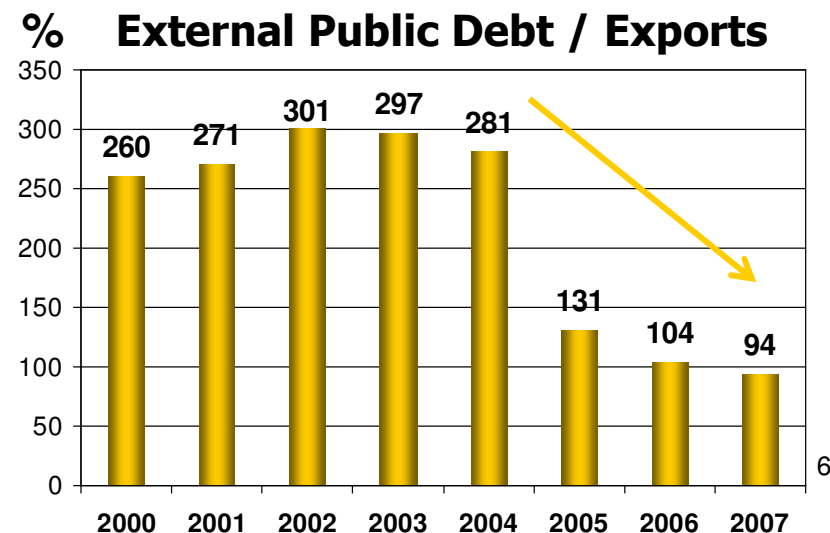
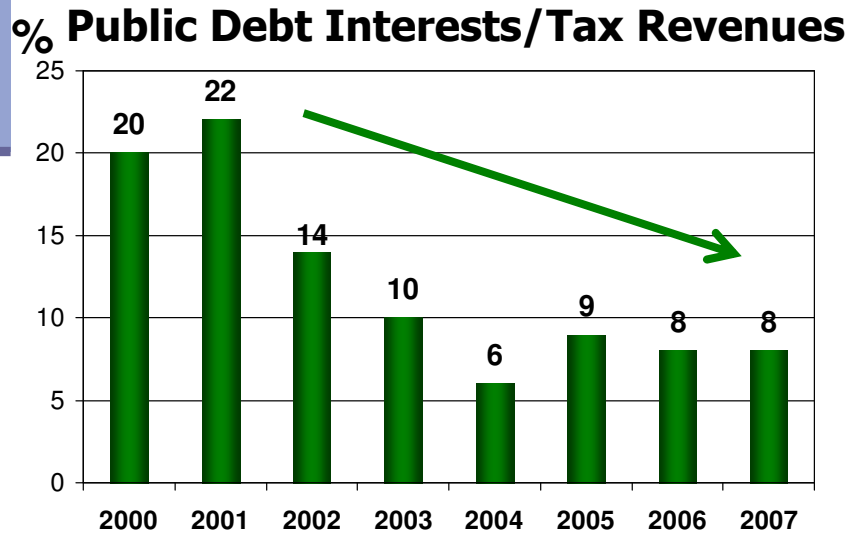
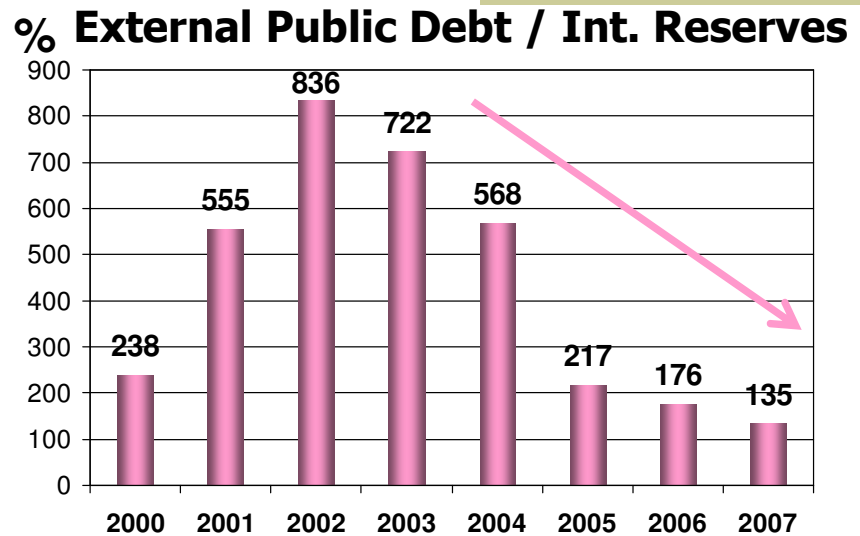
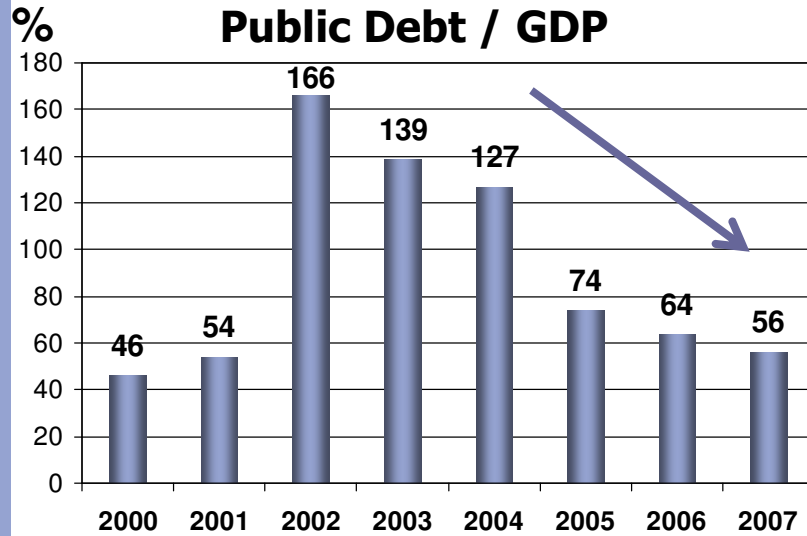
In US\$ bn	2005	2006	2007	
<b>National Government Direct Debt</b>	<b>105.0</b>	<b>103.2</b>	<b>110.0</b>	<b>Variations brief</b>
Multilateral Organizations Loans	21.6	12.5	13.1	↑ Net increase in obligations
Government Securities	61.5	68.4	74.9	↑ CER and interest capitalization. Issuances of Bocones and exchange rate variations
Guaranteed Loans and Others	14.6	14.9	15.2	↑ CER capitalization and restructuring with Spain
Paris Club, Commercial Bank & Other Arrears	7.3	7.3	6.8	↓ Restructuring with Spain. Reduces the amount of debt to be restructured
<b>Intra-Public Sector Debt</b>	<b>7.8</b>	<b>18.0</b>	<b>20.0</b>	
Central Bank Bills	5.3	15.5	16.3	↑ Higher Intra Public Sector Financing; Temporary Advances from Central Bank
Treasury Bills and Promissory Notes	2.5	2.5	3.7	↑ Higher Intra Public Sector Financing; Treasury Bills
<b>National Government Guaranteed Debt</b>	<b>15.9</b>	<b>15.6</b>	<b>14.7</b>	
Bogar	10.9	11.8	11.8	CER capitalization compensated by principal payments
Multilateral Organizations Loans	3.7	2.6	1.9	↓ Principal reduction. Greater payments than disbursements
Boden Quasi-Currency	1.3	1.1	0.9	↓ Principal reduction
<b>TOTAL</b>	<b>128.6</b>	<b>136.7</b>	<b>144.7</b>	

# Public Debt Performing and Non-performing Obligations (\*)

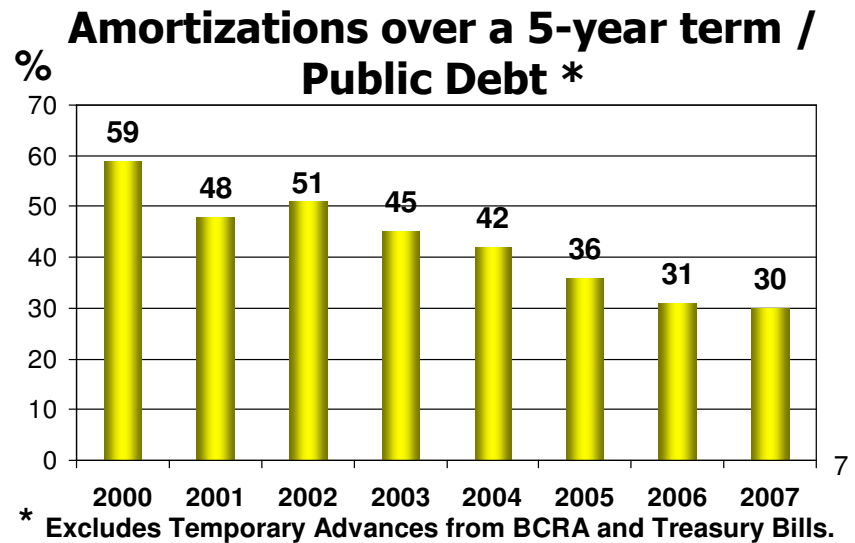
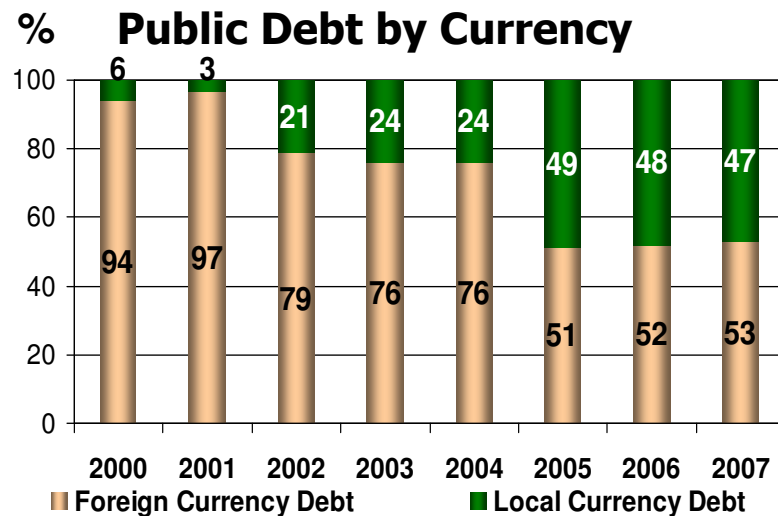
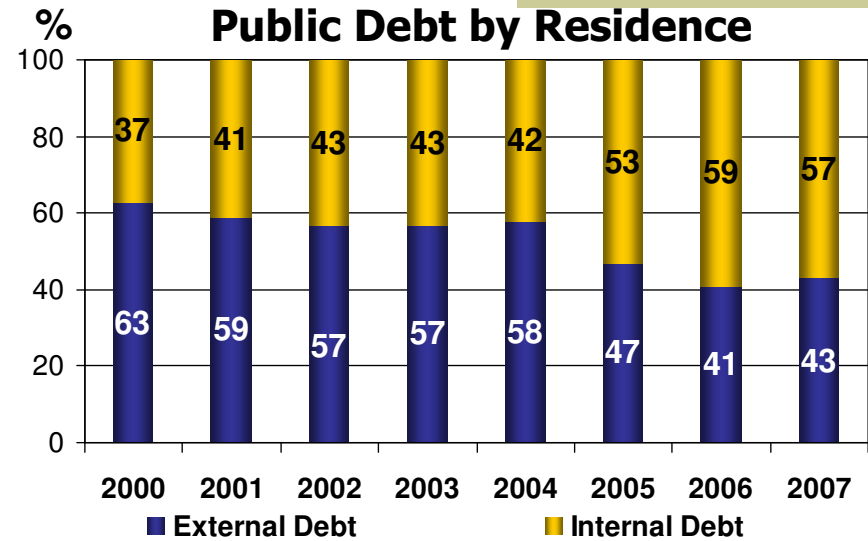
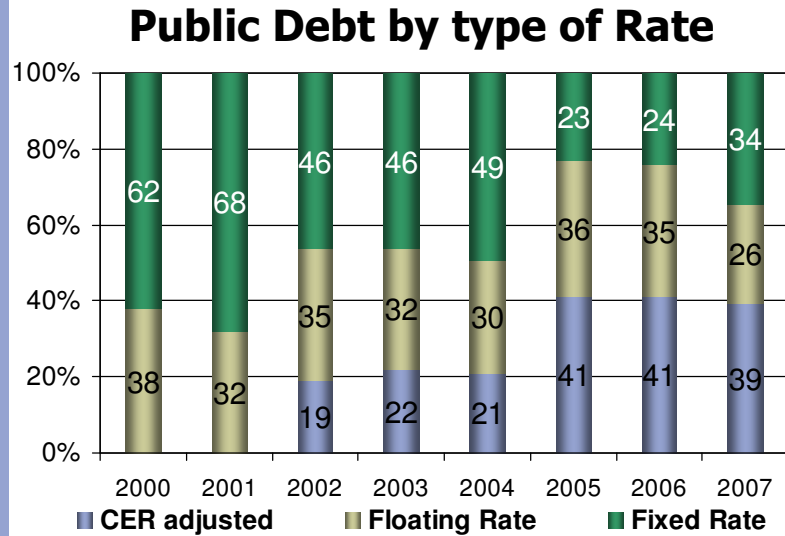
	In US\$ bn.	% of Total
<b>Total Public Debt</b>	<b>144.7</b>	<b>100.0%</b>
▪ Performing	138.0	95.3%
▪ Non Performing	1.3	0.9%
▪ Arrears	5.5	3.8%

(\*) Excludes untendered debt for 28.9 bn. according to Law 24.017

# Public Debt Burden Indicators

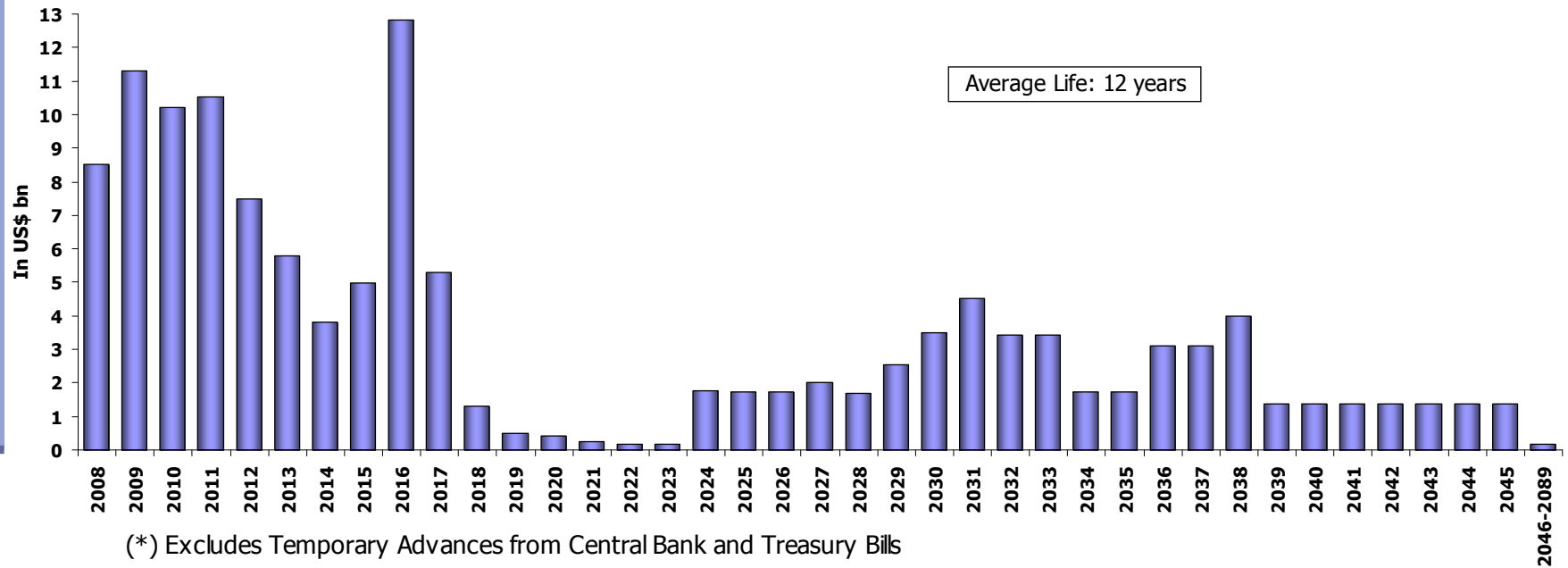


# Other Public Debt Indicators



# Public Debt as of Dec-2007

## Amortization Profile 2008 - 2089 (\*)

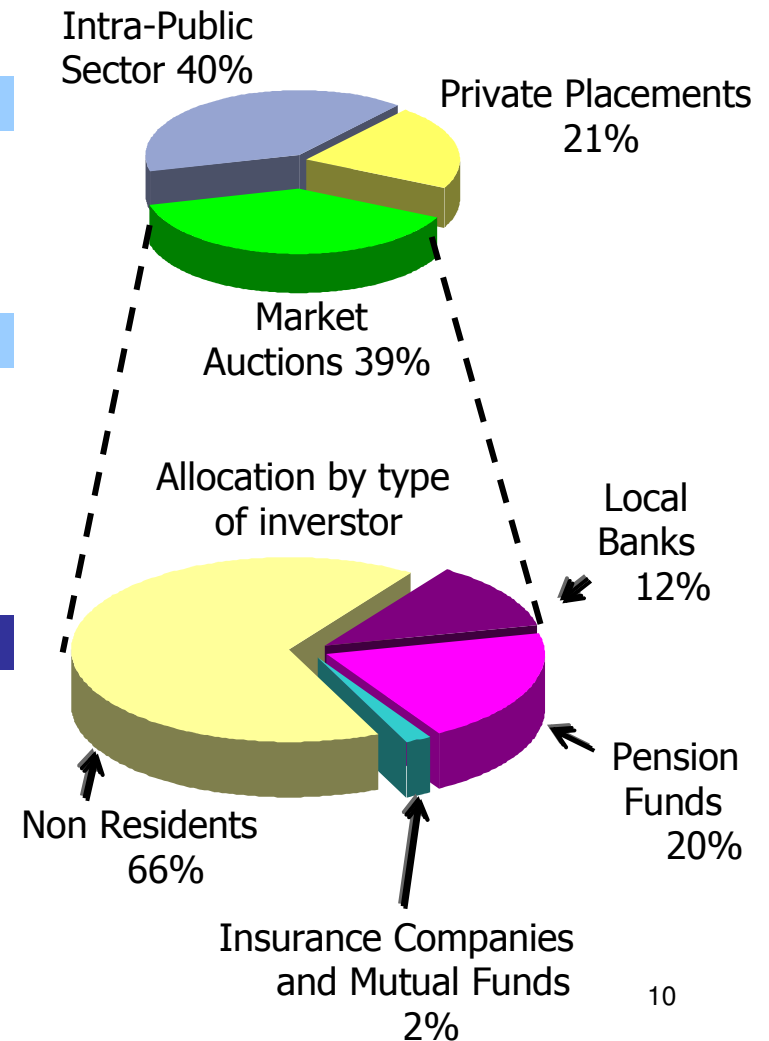




# **2007 Financing Program**

# 2007 Financing Program

In US\$ bn	2007
<b>Uses of Funds</b>	<b>13,2</b>
Amortizations	7,6
Buybacks	0,9
Interests	4,8
<b>Sources of Funds</b>	<b>6,5</b>
Primary Surplus	4,9
Others *	1,5
Multilateral Organizations Loans	0,5
Net Recovery from Provinces	-0,3
<b>Financing Requirements</b>	<b>6,7</b>
<b>Bonds Issuances</b>	<b>5,0</b>
Auctions	3,3
Private Placements	1,7
<b>Intra-Public Sector Financing (Bills and Government Securities)</b>	<b>1,7</b>



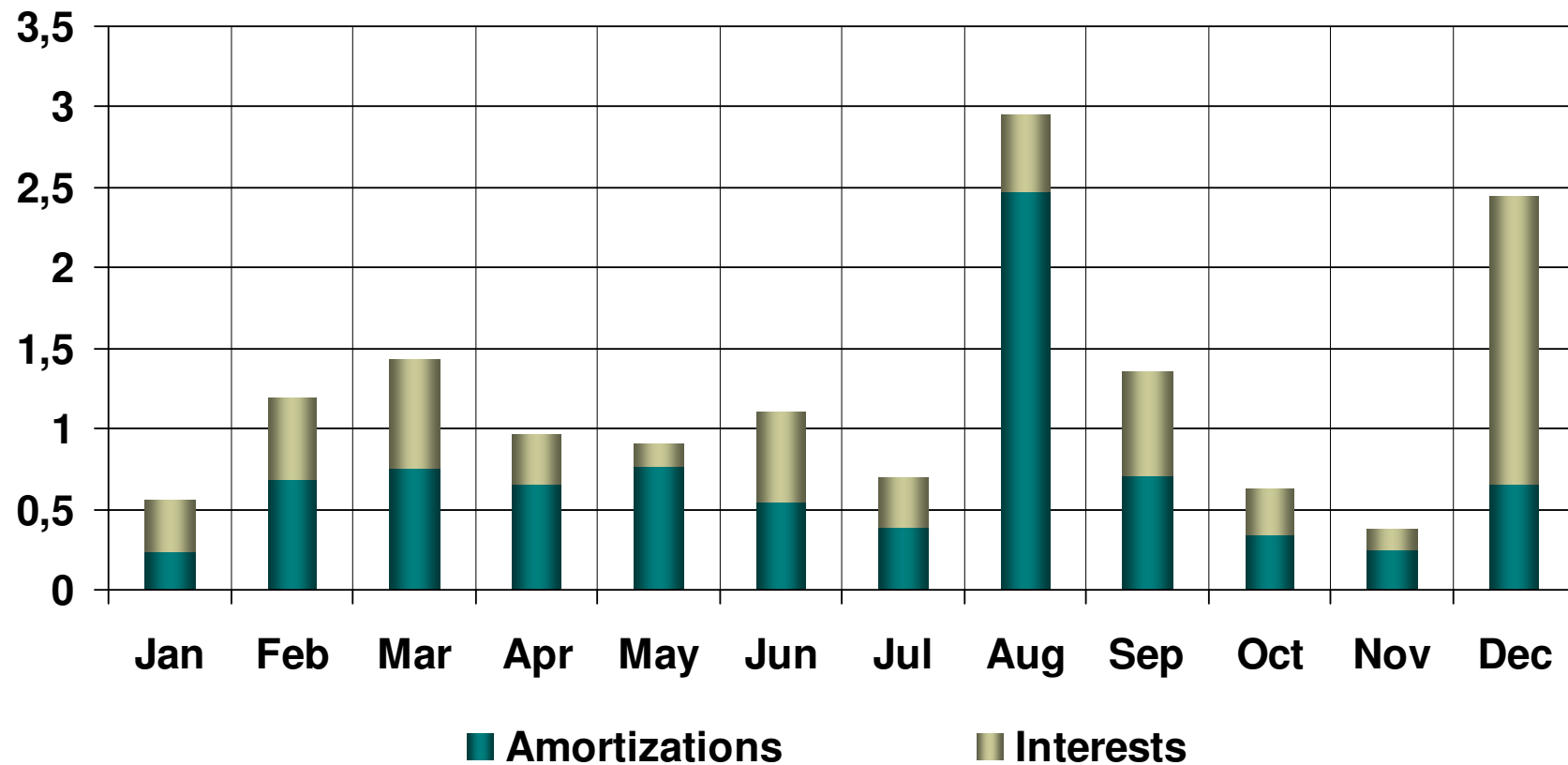
(\*) Includes Temporary Advances from Central Bank.



# **2008 Strategy and Financing Program**

# 2008 Amortization and Interest payments (\*)

Total Amortizations: US\$ 8.5 bn.  
Total Interests: US\$ 6.1 bn.



(\*) Excludes Temporary Advances from Central Bank and Intra-Public Sector Treasury Bills, and includes GDP- linked Coupon.

# 2008 Financing Strategy

## ■ Market Placements

- Active dialogue with Market participants, contact with investors
- Bonds Issuances:
  - Domestic market Auctions in tranches
  - Private Placements
  - Design of instruments that contemplate investors needs and the objectives of the National Government:
    - Complete the Bonar 2017 series
    - Benchmark Bonds (minimal amount 1 bn. dollars)
    - Local currency, fixed or floating rate
    - Foreign currencies
- Greater participation of Domestic Investors:
  - Local Institutional Investors (Private Pension Funds, Mutual Funds, Insurance companies and Work Insurance companies) US\$ 1,900 million
  - Public Sector Agencies US\$ 1,000 million
  - Banks US\$ 700 million
- Participation of banks
- Coordination with Central Bank

# 2008 Financing Strategy (cont.)

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- Surplus of other Public Sector Agencies
- Multilateral Organizations Loans
- Liability management:
  - Objective: To smooth Public Debt amortization profile
  - For CER adjusted instruments, the changes introduced in the article 65 of the Financial Administration Law allow liability management transactions if the new debt instrument is not CER adjusted and represents an improvement in the amount or in the term
  - Liability management along the fiscal year

# 2008 Local Investors - Potential demand

In US\$ bn.	2008	2009
<b>Pension Funds</b>	<b>5.0</b>	<b>3.7</b>
- New Flows	3.2	3.6
- Repatriation of funds	1.8	0.0
- Public Debt services	0.0	0.1
<b>Banks</b>	<b>9.4</b>	<b>11.5</b>
- Deposits increment	8.7	10.0
- Public Debt services	0.7	1.5
<b>Insurance Companies</b>	<b>0.8</b>	<b>0.8</b>
<b>Others</b>	<b>0.3</b>	<b>0.3</b>
<b>Public Sector Agencies</b>	<b>5.0</b>	<b>4.9</b>
- ANSES	4.7	4.6
- New Flows	1.6	1.5
- Liquidity	3.1	3.0
- Others	0.3	0.3
<b>Total</b>	<b>20.4</b>	<b>21.1</b>

# 2008 National Treasury Financing Program

In US\$ bn	I Q	II Q	III Q	IV Q	2008
<b>Uses of Funds</b>	<b>3.7</b>	<b>4.0</b>	<b>4.9</b>	<b>3.5</b>	<b>16.1</b>
Amortizations	1.8	2.0	3.5	1.3	8.5
Buybacks	0.4	1.0	0.0	0.0	1.4
Interests	1.5	1.0	1.4	2.2	6.1
<b>Sources of Funds</b>	<b>3.6</b>	<b>3.2</b>	<b>1.4</b>	<b>1.8</b>	<b>10.0</b>
Primary Surplus	1.7	2.8	1.3	1.5	7.3
Others <sup>(*)</sup>	1.7	-0.1	-0.1	-0.2	1.5
Multilateral Organizations Loans	0.0	0.3	0.0	0.3	0.6
Net Recovery from Provinces	0.1	0.2	0.1	0.1	0.6
<b>Financing Requirements</b>	<b>0.1</b>	<b>0.8</b>	<b>3.5</b>	<b>1.7</b>	<b>6.1</b>

# 2008 Financing Schedule

In US\$ bn.	IQ	IIQ	IIIQ	IVQ	2008
<b>Financing Requirements</b>	<b>0.1</b>	<b>0.8</b>	<b>3.5</b>	<b>1.7</b>	<b>6.1</b>
<b>Bonds Issuances:</b>	<b>2.2</b>		<b>2.9</b>		<b>5.1</b>
Auctions	0.0	1.5	1.0	1.1	3.6
Private Placements	0.7		0.8		1.5
<b>Intra-Public Sector Financing (Bills and Government Securities)</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>1.0</b>

# 2007-2010 Program and Financing Needs

In US\$ bn	2007	2008 F	2009 F	2010 F
<b>Uses of Funds</b>	<b>13,2</b>	<b>16,1</b>	<b>20,2</b>	<b>20,2</b>
Amortizations	7,6	8,5	11,3	10,2
Buybacks	0,9	1,4	2,0	2,6
Interests	4,8	6,1	6,9	7,5
<b>Sources of Funds</b>	<b>6,5</b>	<b>10,0</b>	<b>8,3</b>	<b>9,7</b>
Primary Surplus	4,9	7,3	7,7	8,1
Others *	1,5	1,5	-0,1	0,6
Multilateral Organizations Loans	0,5	0,6	0,5	0,5
Net Recovery from Provinces	-0,3	0,6	0,3	0,5
<b>Financing Requirements</b>	<b>6,7</b>	<b>6,1</b>	<b>11,8</b>	<b>10,5</b>
<b>Bonds Issuances</b>	<b>5,0</b>	<b>5,1</b>		
Auctions	3,3	3,6		
Private Placements	1,7	1,5		
<b>Intra-Public Sector Financing (Bills and Government Securities)</b>	<b>1,7</b>	<b>1,0</b>		

(\*). Includes Temporary Advances from Central Bank.

**MECON**

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