

External Sector

I. The balance of payments of the third quarter¹

The balance of payments in the third quarter of 2001 reflected, on the one hand, a strong adjustment of current ac-

count deficit as a result of the fall of economic activity, and, on the other hand, a significant outflow of private capital that was financed with income from International Monetary Fund and other international agencies loans, Central Bank repos contin-

TABLE 5.1
Estimates for the Balance of Payments (1)
In millions of US\$

	Year 2000					Year 2001		
	I qtr.	II qtr.	III qtr.	IV qtr.	Total	I qtr.	II qtr.	III qtr.
Current Account	-3,195	-1,383	-2,302	-2,004	-8,885	-3,068	-1,095	-825
Merchandise	170	1,361	510	517	2,558	504	2,046	2,359
Exports fob	5,724	7,316	6,749	6,620	26,410	5,921	7,500	7,083
Imports fob	5,554	5,955	6,239	6,103	23,852	5,417	5,454	4,724
Services	-1,462	-950	-1,050	-898	-4,359	-1,533	-1,061	-1,033
Exports of real services	1,339	1,012	1,042	1,135	4,527	1,318	914	875
Imports of real services	2,801	1,962	2,092	2,032	8,887	2,850	1,975	1,908
Earnings	-1,972	-1,875	-1,834	-1,695	-7,376	-2,100	-2,133	-2,209
Yield on Investment	-2,019	-1,943	-1,865	-1,655	-7,481	-2,129	-2,128	2
Interest	-1,533	-1,484	-1,492	-1,463	-5,972	-1,565	-1,721	2
Earned	1,469	1,559	1,630	1,709	6,367	1,556	1,321	0
Paid	3,002	3,043	3,122	3,172	12,338	3,121	3,042	-2
Profits and Dividends	-486	-459	-372	-192	-1,509	-564	-408	0
Earned	219	270	300	224	1,012	160	198	0
Paid	705	729	672	415	2,521	724	606	0
Other income	-1	0	-1	0	-2	-2	-1	-1
Current transfers	69	80	72	71	292	62	53	59
Capital and Financial Account	3,496	509	1,457	3,765	9,227	516	825	905
Capital Account	26	5	45	11	87	55	-2	28
Unproduced financial Assets	26	5	45	11	87	55	-2	28
Financial Account	3,470	504	1,412	3,754	9,140	461	827	877
Banking Sector	-2,614	-491	118	3,054	67	1,919	1,127	6,574
BCRA	-339	-283	-381	1,766	762	2,434	1,051	7,085
Other financial institutions	-2,274	-208	499	1,288	-695	-515	77	-511
Non-Financial Public Sector	3,572	3,077	785	689	8,123	-1,439	-1,748	304
National Governments	3,019	3,181	315	764	7,279	-1,627	-1,527	465
Local Governments	673	7	573	23	1,276	280	-144	-87
Companies and others	-120	-112	-103	-98	-433	-93	-77	-74
Non-Financial Private Sector	2,511	-2,082	509	12	950	-19	1,448	-6,002
Errors and Omissions - Net	-726	1,946	-1,362	-639	-781	-1,334	-1,169	-341
Changes in International Reserves	-425	1,072	-2,208	1,121	-439	-3,886	-1,439	-262
BCRA International Reserves	-425	1,069	-2,201	1,133	-424	-3,877	-1,483	-89
Adjustment for exchange rate variation	0	-4	7	12	15	9	-44	173
MEMORANDUM ITEM								
Imports CIF	5,876	6,299	6,605	6,463	25,243	5,742	5,777	5,017

(1) Preliminary figures

Source: National Bureau of International Accounts (NBIA)

1 The brochure "Quarterly Estimates of the balances of payments and external assets and liabilities 2000 and first and second quarters of 2001" contains tables with additional information and updated previous periods' estimates. The brochure can be consulted at the site of the National Bureau of International Accounts: <http://www.mecon.gov.ar/cuentas/internacionales/>.

gent facilities and the use of banks reserve requirements deposited abroad.

Current account

During the third quarter of 2001, the balance of payments current account recorded a deficit of US\$ 825 millions. This amount represented a fall of US\$ 1,477 millions (- 64%) with respect to the deficit corresponding to same period of the previous year.

The strong reduction of current account deficit was basically due to the goods account, which went from a surplus of US\$ 510 millions in the third quarter of 2000 to a surplus of US\$ 2,359 millions in the same quarter of 2001. Besides, it was estimated a fall of US\$ 180 millions in outlays for accrued profits and dividends due to a smaller profitability of companies making direct investments in the country. The opposite effect had net interests, whose deficit increased by US\$ 477 millions mainly as a consequence of the drop of international

TABLE 5.2
Composition of the current account
In millions of US\$

	III 2000	III 2001	YoY variation
Current account	-2,302	-825	1,477
Merchandise	510	2,359	1,849
Real services	-1,050	-1,033	17
Interest	-1,457	-1,934	-477
Earned	1,670	1,106	-564
Paid	-3,126	-3,040	86
Profit and dividends	-376	-274	102
Rest	71	57	-14

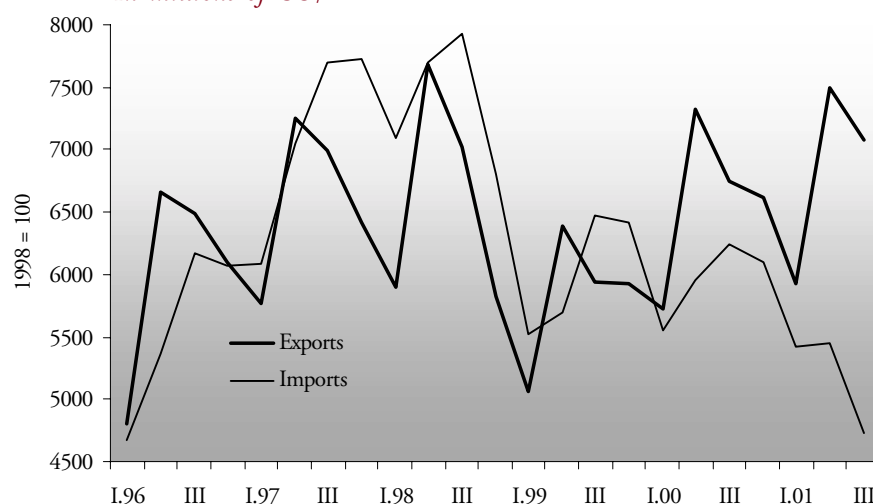
Source: National Bureau of International Accounts (NBIA).

interest rates, which had a greater effect over the return of external assets.

Goods account²

A percentage of 82% of the year-on-year improvement of the goods account surplus (US\$ 1,849 millions) was the result of imports fall and the remaining 18% of exports increase. The fall of imports, which became worse between July and September, was related to the lower economic activity; whereas, exports increase was the result of the rise of exports

GRAPH 5.1
Quarterly evolution of exports and imports of goods
In millions of US\$



² Further details of the account's behavior are developed in Point II of this report.

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volume, given that exports prices were lower.

In the first nine months of 2001, exports amounted to U\$S 20,504 millions, with a 4% increase with respect to the same period of 2000. Prices fell 3% and volume increased 7%. Exports of primary products (PP) grew 18%, those corresponding to manufactures of industrial origin (MIO) rose 6%, fuels and energy (F&E) increased 3% and manufactures of agricultural origin (MAO) fell 9%.

Between January and September of 2001, imports FOB value amounted to U\$S 15,595 millions, with a 12% fall with respect to same period of the previous year.

Services

The services account deficit amounted to U\$S 1,033 millions in the third quarter of 2001, U\$S 16 millions (- 2%) lower than the one recorded in the same period of the previous year.

The transport account accumulated a negative balance of U\$S 388 millions in the quarter, equivalent to more than one third of total services, with an increase of U\$S 27 millions (7%) with respect to the third quarter of 2000. This result is mainly the consequence of the temporary suspension of long distance international flights of the national airline, which provoked a higher deficit in the tickets item, which was partially offset by the improvement recorded in airport expenses and

freight. In the latter case, the lower deficit was provoked by the decrease of outlays for imports freight of non resident transport companies as a result of the lower imports of the quarter.

The travel account recorded a deficit of U\$S 291 millions with a decrease of U\$S 49 millions (-14%) with respect to the same period of the previous year, with falls estimated both for the number of non-resident visitors to the country and for Argentine residents traveling abroad.

Investment Returns

Investment Returns recorded a net outlay of U\$S 2,209 millions. This implies a 20% year-on-year deficit increase, basically as a result of the reduction of interests gained.

The year-on-year fall of interests gained amounted to U\$S 564 millions. Most of such fall (71%) resulted from the decrease of the financial sector's revenues –due to lower international reserve assets of the financial system- and from the drop of international interest rates.

During the third quarter of 2001, Foreign Direct Investment return in the country was estimated to be U\$S 483 millions, 27% lower than the same quarter of 2000 as a consequence of the decrease of investments' profitability. Investments stock grew around 7% with respect to September of 2000. The decrease of Foreign Direct Investment (FDI) return was similar for the financial and non financial private sector. The fall recorded in non financial

TABLE 5.3
Revenues on FDI in Argentina (*)
In millions of US\$

Revenues	2000					2001		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Financial Private Sector	96	20	60	32	208	133	105	45
Non Financial Private Sector	568	663	602	364	2,197	515	467	438

* Preliminary figures

Source: National Bureau of International Accounts (NBIA).

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TABLE 5.4
Revenues on Direct Investment by Argentina abroad (*)
In million of US\$

Revenues	2000					2001		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Revenues	225	271	295	217	1,008	221	230	217
Financial Private Sector	35	50	47	6	138	-7	4	-7
Non Financial Private Sector	190	221	248	211	870	228	226	224
Inmobiliaria	45	46	46	47	184	47	46	47
Empresas	145	175	202	164	686	181	180	177

* Preliminary figures

Source: National Bureau of International Accounts (NBIA).

private sector profits was generalized to all the sectors, the most affected being: machinery and equipment, the automotive sector, the paper, press and editor industry and the oil sector, which for the second consecutive time recorded a decline of profits.

Profits from foreign residents' direct investments were estimated in US\$ 217 millions, 26% below the level recorded in the third quarter of 2000 mainly due to lower profits of oil companies.

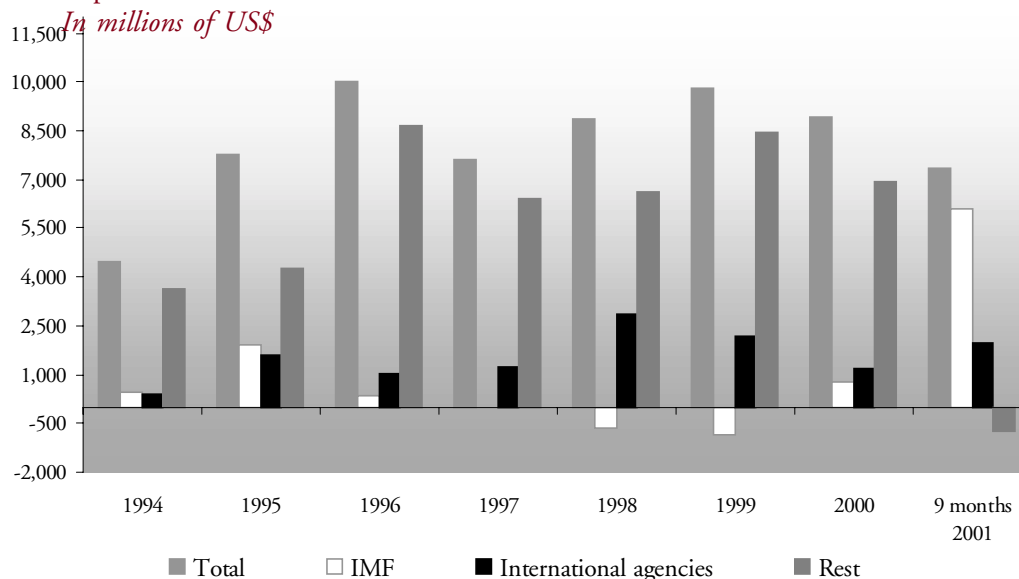
It was estimated that the financial account of the third

quarter of 2001 recorded net revenues for US\$ 829 millions due to the positive balance of public sector and BCRA (estimated in US\$ 7,341 millions) and to the use of bank reserve requirements deposited abroad (US\$ 2,380 millions). These revenues financed the change of the private sector.

Non Financial Public Sector and BCRA

The financing of the national public sector and BCRA was based in loans granted by the IMF (US\$ 6,414 mil-

GRAPH 5.2
Capital and financial account - Non-financial Public Sector and BCRA
In millions of US\$



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lions)³, in the use of the external banks contingent facility of the BCRA for U\$S 1,227 millions and in BID and BIRF loans (U\$S 1,770 millions)⁴. During the third quarter, the national public sector had debt maturities for U\$S 1,446 millions.

In the quarter, local governments recorded net outlays of U\$S 87 millions, constituting the second quarter in which they recorded negative balances.

Financial sector

Between July and September of 2001, the banking sector (without BCRA) reduced its assets abroad by U\$S 3,184 millions –of which U\$S 2,380 millions corresponded to the lower external deposit of liquidity requirements. In turn, the net repayment of external liabilities of the sector totaled U\$S 3,021 millions, there standing out the repayment of credit facilities for around U\$S 1,175 millions, the decrease of sundry obligations for U\$S 1,205 millions, the reduction of deposits (-U\$S 301 millions) and of bonds and securities (-U\$S 218 millions). Additionally, the sector performed transactions in the bonds secondary market, including purchases of branches' holdings, for an estimated amount, at market value, that implied a net outlays of the financial account of approximately U\$S 674 millions. As a result of these transactions, the financial account of the sector was estimated to be negative in U\$S 511 millions.

Taking into account all the entities' operations, the main net sources of funds during the quarter were: BCRA for U\$S 3,890 millions in the form of lending repos, pay-in and BCRA

loans to banks; reduction of loans to residents for around U\$S 3,700 millions; and decrease of liquidity requirements abroad for U\$S 2,380 millions. These sources financed the deposits drop of U\$S 6,600 millions, the increase of net external assets (excluding liquidity requirements) of U\$S 2,217 millions, the net purchase of domestic bonds to non residents for U\$S 674 millions and the decrease of entities' net worth as a result of fiscal year losses, adjustments of previous fiscal years and negative reinvestments for a total of U\$S 450 millions.

Non financial private sector

The non financial private sector was estimated to have a negative balance of U\$S 6,002 millions. This outlay was basically determined by the purchase of external assets estimated around U\$S 4,500 millions as reflection of the decrease of private sector local deposits (-U\$S 6,400 millions) and of circulating currency held by individuals and companies (-U\$S 1,800 millions). Direct external indebtedness transactions (U\$S 831 millions) and estimated purchase-sale transactions of public bonds and stocks in the secondary market, partially set off by net revenues from direct investments, were also negative.

There were four issues of bonds for a face value of U\$S 564 millions. The level of securities' maturities of the period (U\$S 1,047 millions) implied a negative balance in the quarter of approximately U\$S 490 millions, the second most important after the fourth quarter of 2000. The average characteristics of the securities placed showed a relative deterioration of credit access. Average yield was 10.4% p.a., with an average life of 2.93 years.

³ From these revenues, U\$S 1414 millions corresponded to the "financial shield" and U\$S 5000 millions fell within agreements with the IMF executed last August. From the latter, U\$S 1000 millions were meant for the National Treasury and U\$S 4000 millions to the BCRA to reinforce international reserves.

⁴ From these revenues, U\$S 995 millions corresponded to disbursements made by the Central Bank to be used to cover the guarantee of the contingent repo of external banks (non available assets). Additionally, international agencies disbursed loans for U\$S 335 millions to finance local governments projects.

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TABLE 5.5
 Characteristics of bond placements in the International Markets by the Non-Financial Private Sector (1)

	2000				Year	2001			
	I	II	III	IV		I	II	III	9 months
Amount Placed (in millions of US\$)	863.0	817.4	1021.5	0.0	2701.9	239.8	588.0	564.3	1392.1
Up to 1 year	61.3	8.0	79.5	0.0	148.8	80.0	8.0	0.0	88.0
from 1 to 2 years	181.7	34.7	199.3	0.0	415.6	150.0	0.0	144.0	294.0
from 2 to 5 years	620.0	524.7	233.7	0.0	1378.4	9.8	580.0	387.8	977.6
over 5 years	0.0	250.0	509.0	0.0	759.0	0.0	0.0	32.5	32.5
Number of issues	11	10	13	0	34	4	4	4	12
Average Yield (2)	12.00%	11.81%	12.33%	0.00%	12.07%	13.79%	9.96%	10.43%	10.81%
Average Duration	3.24	4.41	5.82	0.00	4.57	1.44	4.16	2.93	3.19

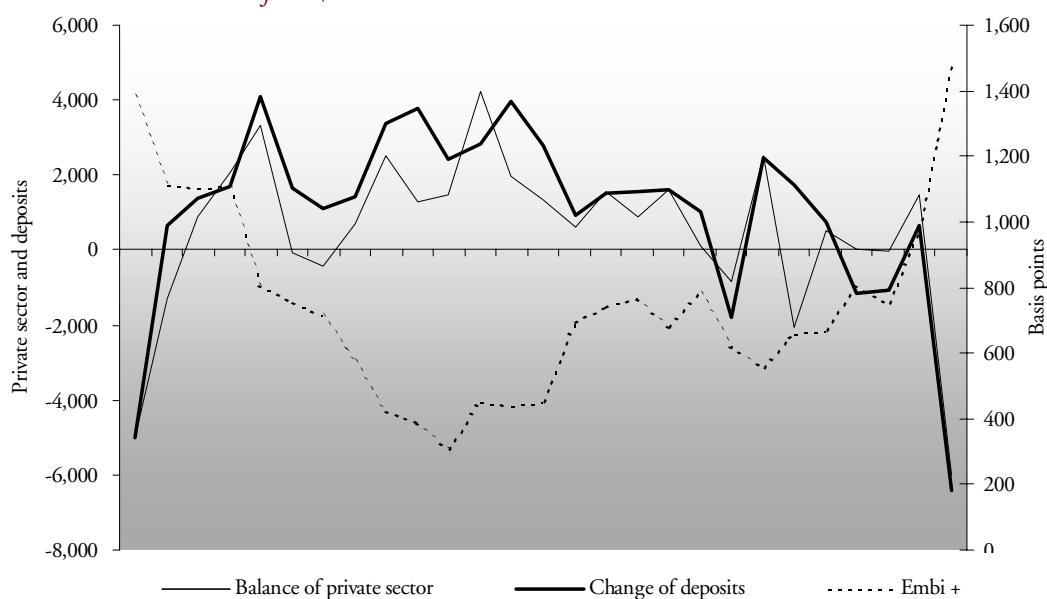
1) Preliminary Figures

2) Internal Rate of Return weighted by amount

Source: National Bureau of International Accounts (NBIA).

GRAPH 5.3

Sovereign risk, balance of non-financial private sector account and change of private sector deposits in the domestic financial system
In millions of US\$



Direct investments in the country

Inflow of funds under the concept of direct investment during the third quarter of 2001 amounted to US\$ 612 millions. The financial private sector has a negative flow

of US\$ 123 millions related with the repatriation of part of some banks' capital to their non resident stockholders and with reinvestments of negative profits, since remittances exceeded net profits distributed of the period. The flow going to the non financial private sector was estimated to be US\$

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TABLE 5.6
Foreign Direct Investment in Argentina (*)
In millions of US\$

	2000					2001		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
TOTAL	2,378	1,872	6,353	1,063	11,666	1,958	1,511	612
Re-investment of profits	394	418	467	268	1,547	441	-581	288
Private financial sector	95	-32	60	-57	66	83	-193	-62
Non-financial private sector	299	450	407	325	1,481	358	-388	350
Debt due to HOs and Subsids.	532	397	299	-547	681	518	1,045	121
Disbursements (placements)	1,997	1,917	1,691	1,919	7,524	2,886	2,585	1,618
Repayments (maturities)	1,500	1,520	1,427	2,399	6,846	2,388	1,558	1,558
Accrued unpaid income	35	0	35	-68	2	20	18	61
Contributions and changes in ownership	1,452	1,057	5,587	1,342	9,438	999	1,047	203
National Non-financial public sector	0	0	0	27	27	0	0	25
Local Non-financial public sector	0	0	0	5	5	0	0	0
Private financial sector	66	185	19	52	322	51	22	-61
Non-financial private sector	1,386	872	5,568	1,258	9,084	948	1,025	239

(*) Preliminary Figures

Source: National Bureau of International Accounts (NBIA).

710 millions. It is important to point out that the component of ownership changes included U\$S 330 millions negative figure for transactions of companies' purchases that were owned by non residents, performed by direct investment resident companies, which financed their purchases with foreign loans⁵.

International reserves

BCRA international reserves as of last September 30 amounted to U\$S 21,468 millions, U\$S 89 millions less than at the end of the second quarter, and reserves of the financial system (BCRA international reserves plus liquidity requirements

TABLE 5.7
Argentine Direct Investment abroad (1)
In millions of US\$

	2000*					2001*		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
TOTAL	286	312	104	208	910	279	299	-104
Financial Private Sector	64	75	55	36	230	24	37	47
Non-financial Private Sector	222	237	49	172	680	255	262	-151
Re-investment of profits	125	155	152	58	490	145	144	53
Debt due to HOs and Subsids.	6	-16	2	190	182	-63	46	-8
Contributions and changes in ownership	91	98	-105	-76	8	173	72	-196

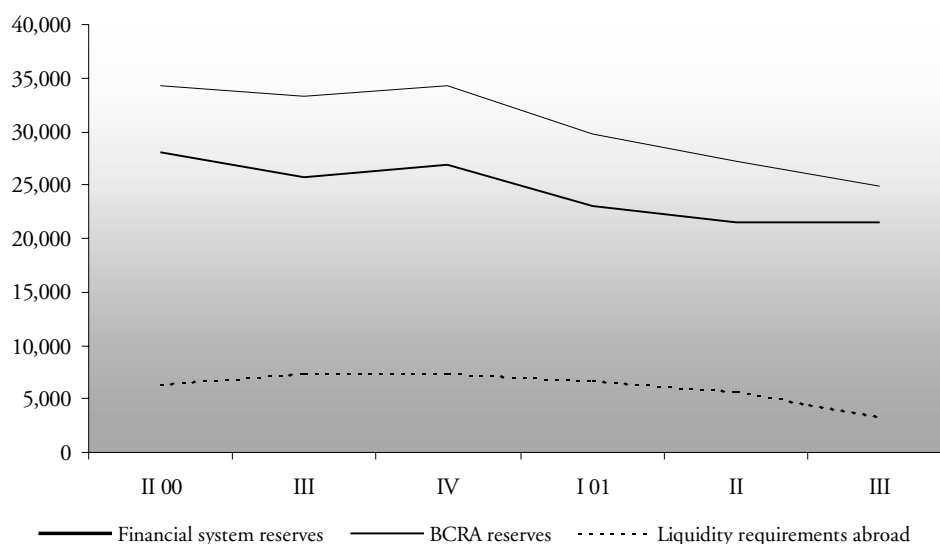
(1) Does not include real state investments abroad

(*) Preliminary Figures

Source: National Bureau of International Accounts (NBIA).

⁵The balance of payments reflects an outflow of direct investments (purchases from non residents) that is financed with an increase of external indebtedness of the direct investment company making the purchase, without altering the asset stock of companies with direct investments in the country.

GRAPH 5.4
International reserves evolution
En millones de US\$



abroad) in the quarter totaled U\$S 24,799 millions, with a fall of U\$S 2,468 millions with respect to the end of the second quarter.

Financing of the Balance of payments

During the third quarter of 2001, the current account deficit, the constitution of external assets of U\$S 4,799 millions⁶, the repayment of external liabilities of U\$S 2,570 millions of the private sector (financial and non financial) and secondary market transactions (repurchases of repo transactions with securities and net purchases of public bonds in the secondary market), were financed with medium and long term net indebtedness of the public sector and, to a lesser extent, through direct investments revenues.

External debt

External debt increased U\$S 4,589 millions in the third quarter of 2001. The rise focused on the public sector, whose

debt grew U\$S 8,316 millions. This increase is the result of transactions to finance the public sector balance of payments and of the effect of exchange rate variations, which implied a debt increase estimated around U\$S 1,950 millions. Secondary market transactions with public bonds performed by the private sector, which implied a fall in terms of external debt around U\$S 3,000 millions in residual face value, were offset with the bonds furnished by the Central Bank in the repo contingent transactions made in the quarter. Practically the whole increase of the public sector debt corresponded to debt with international agencies, particularly, with the IMF.

In turn, private sector external obligations decreased around U\$S 3,728 millions. The non financial private sector's debt reduced by U\$S 831 millions in the quarter. The reduction was distributed among private bonds and securities, direct bank debt and debt with official creditors.

The financial sector's debt declined U\$S 2,897 mil-

⁶ Excluding the fall of U\$S 2380 millions of the financial system's liquidity requirements abroad.

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TABLE 5.8
Sources and uses of external financing
In millions of US\$

	I 00	II 00	III 00	IV 00	I 01	II 01	III 01
Uses	3,110	4,920	7,129	2,170	4,112	483	5,859
Current Account	3,195	1,383	2,302	2,004	3,068	1,095	825
Rise in BCRA international reserves	0	1,072	0	1,121	0	0	0
External assets	-984	1,155	3,428	-757	669	-104	2,994
Non financial public sector (3)	-948	-808	673	-961	-75	23	575
Financial sector (4) (5)	668	418	825	-652	-77	-1,549	-1,971
Non financial private sector	-704	1,545	1,930	856	821	1,422	4,390
Operaciones en el mercado secundario (1)	899	1,309	1,398	-199	376	-507	2,040
Sources	3,110	4,920	7,128	2,170	4,112	483	5,859
Reduction in BCRA international reserves	425	0	2,208	0	3,886	1,439	262
Capital Account	26	5	45	11	55	-2	28
Net indebtedness	725	1,189	3,341	1,695	-376	-1,261	5,321
Non financial public sector and BCRA	2,285	1,986	1,075	1,464	920	-674	7,891
Financial sector	-1,370	-721	1,265	554	-671	-847	-1,684
Non financial private sector	-190	-76	1,001	-323	-625	261	-886
Net short term indebtedness (2)	-1,853	-136	2,203	1,153	-969	154	-1,139
Non financial public sector and BCRA	76	140	149	-58	-255	-219	-470
Financial sector	-1,646	-49	1,447	908	-613	80	-904
Non financial private sector	-283	-227	607	303	-102	294	235
Net medium and long term indebtedness (2)	2,578	1,325	1,139	542	593	-1,415	6,460
Non financial public sector and BCRA	2,209	1,846	927	1,522	1,174	-455	8,361
Financial sector	276	-672	-182	-354	-58	-927	-780
Non financial private sector	93	151	394	-626	-523	-33	-1,121
FDI + Share Investment	2,660	1,779	2,897	1,103	1,882	1,476	542
Financial sector	163	153	79	-4	133	-172	-123
Non financial private sector	2,497	1,626	2,816	1,078	1,748	1,648	640
Non financial public sector	0	0	2	30	0	0	25
Errors and omissions	-726	1,946	-1,362	-639	-1,334	-1,169	-293

(1) Purchases and sales to non-residents of public securities in secondary markets by private sector and repos made by financial sector.

(2) Net of amortizations

(3) Includes BCRA's purchases and sales of public securities

(4) Includes liquidity requirements set abroad

(5) Does not include counterparts of asset accounts for loans and other credits in liabilities account

Source: National Bureau of International Accounts (NBIA).

lions, of which US\$ 1,267 millions corresponded to transactions with a counterpart in the sector's active accounts.

II. The balance of goods for the first nine months of 2001

In the first nine months of 2001, goods export value amounted to US\$ 20,504 millions, 3.6% higher than the same period of the previous year. Imports F.O.B. totaled US\$ 15,595

millions, 12% less than in the first nine months of 2000. Consequently, the trade balance showed a US\$ 4,909 million surplus, US\$ 2,868 millions more than in the same period of the previous year, constituting the highest surplus since 1991.

The trade terms index recorded an increase of 1.1% with respect to the level shown in the first nine months of 2000. Such increase was the result of a reduction of import products' price index (-2.5%) to a lesser extent than that of exports prices.

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TABLE 5.9
Estimates for Gross External Debt by Resident Sector (1)
Balances at end of period in millions of US\$

	Mar-00	Jun-00	Sep-00	dec-00	Mar-01	Jun-01	Sep-01
Total External Debt	143,654	143,871	144,240	146,338	144,677	142,260	146,849
Non-financial Public Sector and the Central Bank (2)	84,646	84,426	81,654	84,615	83,042	82,640	90,957
Government bonds and securities (3)	58,674	58,983	56,618	57,615	53,598	52,472	52,479
International agencies	19,646	19,417	19,371	21,639	23,913	24,821	33,025
Government creditors	5,314	5,060	4,726	4,432	4,674	4,542	4,701
Commercial banks	862	830	809	805	744	697	655
Suppliers and others	150	136	129	123	113	107	97
Non-financial Private Sector (2) (4)	36,611	36,485	37,309	36,949	36,248	36,502	35,671
Corporate bonds and securities	17,202	17,128	17,281	16,185	15,918	15,943	15,451
International agencies	1,188	1,176	1,179	1,172	1,154	1,137	1,173
Official sector creditors	2,276	2,432	2,382	2,294	2,200	2,116	2,069
Participating banks	1,258	1,221	1,184	1,154	1,107	1,077	1,039
Direct financial debt	12,294	12,080	12,883	13,862	13,554	13,888	13,738
Suppliers and others	2,393	2,448	2,400	2,281	2,315	2,341	2,200
Financial Sector (excluding Central Bank) (5)	22,397	22,960	25,277	24,775	25,386	23,119	20,222
Bonds and securities	6,790	6,988	6,903	6,598	6,820	5,819	5,601
Credit lines	8,075	6,712	7,871	8,334	8,359	8,585	7,410
International agencies	510	490	481	465	466	452	453
Deposits	2,570	2,928	3,241	3,788	2,885	2,996	2,695
Sundry obligation (6)	4,452	5,842	6,781	5,590	6,856	5,267	4,062
MEMORANDUM ACCOUNT							
Sundry obligations offset in asset accounts (7)	3,501	4,785	5,837	4,781	6,072	4,591	3,324

(1) From December 1999, it includes domestically issued securities used by the banking industry for external borrowing repo transactions.

(2) Does not include non-overdue accrued interests

(3) Includes par and discount bonds (both in US dollars and in Deutsche marks) corresponding to the 1992 Financial Program, guaranteed by a Zero Coupon Bond from the US Federal Reserve

(4) Does not include debts due to Hos recorded in direct investment estimates

(5) Includes non-overdue accrued interests

(6) Includes swaps and unsettled purchases and sales reflecting a future right and obligation recorded for accounting purposes in asset and liability accounts for the same amount

(7) Included in sundry obligations and sundry loans

Source: National Bureau of International Accounts (NBIA).

The price index for exports of PP fell 2.6% affected by the reduction of oilseeds and fruits price (especially soybean), whereas the one corresponding to MIO dropped as a consequence of the fall of artificial plastic materials (-8.2%) and common metals and their manufactures (-4.7%). F&E also verified a decrease (-8.5%) mainly due to the fall of crude oil price (-11%). MAO price index increased slightly due to the rise recorded by furs and leather (10.4%) and oilseeds by-products of the food industry (0.9%) that offset the fall of oils and fats (-4.6%).

All price indexes for import products recorded decreases.

Exports

During the first nine months of 2001, exports totaled US\$ 20,504 millions, being 3.6% higher than the same period of 2000. This increase can be broken down in a 5.2% increase of volume and a 1.4% fall of exports prices. The main cause of

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GRAPH 5.6
Terms of trade index
Base 1993 = 100

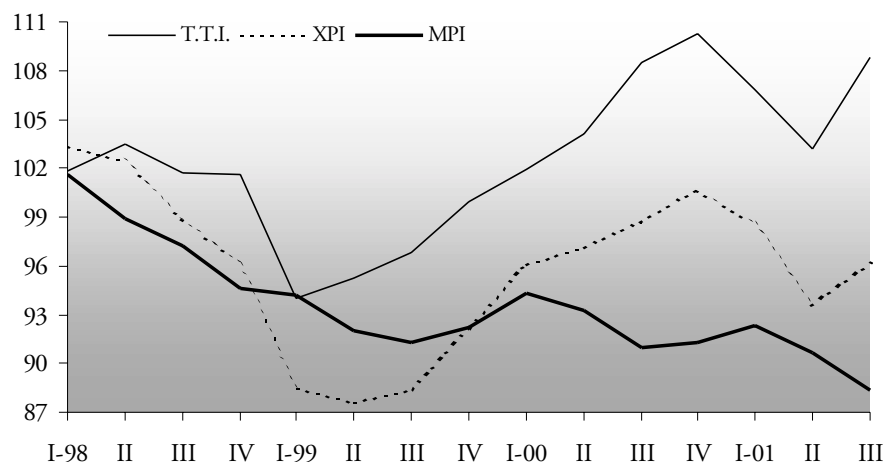


TABLE 5.10
Causes for the variation of export items
First 9 months 2001 against same period 2000

	Variation in millions US\$	Cause	Main destinations changed (*)
Primary products	808		
Unprocessed fish and shellfish	47	Higher balances for exports of prawns and shrimps	Rest (-)/ EU (+)
Fresh fruit	84	Higher balances for exports	EU
Cereals	142	Higher balances for exports of corn and higher prices of wheat	Rest
Oil seeds and fruits	385	Higher balances for exports of soy	Rest (China)
Copper material and concentrates	77	Higher volume of copper material	Rest
Other	74		
Manufactures of Agricultural Origin	-540		
Meat	-310	Lower export volume and, secondarily, lower prices	EU
Dairy products	-41	Lower demand from Brazil	Mercosur (-)/Rest (+)
Oils and fats	-177	Lower prices	Rest
Other	-12		
Manufactures of Industrial Origin	343		
Chemical products and related products	56	Higher balances for exports. New projects and higher installed equipment	Mercosur and Rest
Artificial plastic materials	72	Higher balances for exports due to higher installed equipment	Mercosur
Transport material	210	Higher demand from Brazil Higher external sales of seamless pipes for oil industry and of laminates used by automotive industry, among other. The volume effect was partly upset by lower prices	Mercosur
Base metal and manufactures	44		Mercosur (+) Nafta (-) Rest (+)
Other	-39		
Fuels and energy	104	Higher balances for exports	Rest (+) Mercosur (-)
TOTAL	715		

(*) Destinations have been defined as: Mercosur, Nafta, European Union and Rest of the World
Source: National Bureau of International Accounts (NBIA).

TABLE 5.11
Prices of basic exportable products
First 9 months 2001
Y o Y percentage change

PRODUCTS	Change in prices
Wheat	6.7
Corn	-1.7
Sorghum	6.4
Soybean	-9.5
Sunflower	8.3
Soy oil	-5.2
Sunflower oil	12.6
Soy pellets	-0.6
Sunflower pellets	19.0
Fars and leather	1.0
Steel	-2.1
Aluminum	-6.3
Copper bars	-11.1
Oil	-5.7

*Source: National Bureau of
 International Accounts (NBIA).*

the exports increase is the growth of exports of soybean seed, automotive vehicles, gas, prawn and shrimp, wheat, corn, copper mineral, soybean by-products and diesel oil.

The only destination that evidenced a considerable increase of exported values was the Rest of the world, whereas the MERCOSUR showed a decrease and the NAFTA and EU remained unchanged. Within the Rest of the world, the destinations that recorded the greatest increases were China, Chile, Asean, Middle East and Korea.

Exports by type of good

External sales of primary products increased 18.3% (US\$ 808 millions) in the first nine months of 2000. This rise was the result of the 21.5% increase of volume sold, since prices exhibited a 2.6% reduction. The main products driving this increase were oilseeds and fruits (US\$ 385 millions), cereals (US\$ 142 millions), fresh fruits (US\$ 84 millions) and copper mineral and its concentrates (US\$ 77 millions). Exports of PP

were mainly shipped to the Rest of the world (52%) and, to a lesser extent, to the EU (24%) and the MERCOSUR (19%).

The peak soybean crop of the season (26.7 million tons compared to 20.2 million tons of the previous season) and the sustained Chinese demand of oilseed drove the increase of exported values of oilseeds and fruits. During the first nine months of the year, China increased its purchases of domestic soybean by 85% with respect to the same period of the previous year and purchased 66% of Argentine external sales. For more than one year now, this Asian country implemented a series of commercial measures (import duties and quotas for manufactured oilseed products) aimed at encouraging its domestic soybean manufacture.

The increase of external sales of cereals was linked to the increase of wheat (US\$ 86 millions) and corn (US\$ 84 millions) sales. The local exportable supply of cereals was mainly destined to the Rest of the world (56%) and the MERCOSUR (38%), the former being the first destination accounting for the category's variation. In the case of wheat, its growth is attributable to the increase of price since volume sold verified a slight decrease. The most important destination for Argentine wheat was, as has been happening for some year now, Brazil, which concentrated around 63% of local shipments. Other important markets for wheat during the first nine months of 2001 were Iran, Peru, Iraq, South Africa and Algeria that accumulated around 26% of sales. In the case of corn, growth is the result of a higher domestic exportable supply, since prices showed a slight decrease. Although Brazil, traditional demand of Argentine corn, significantly reduced its purchases due to the increase of its internal production, excess production of the season was demanded by Chile, Egypt, South Korea, Malaysia, Peru, Japan and Spain.

The increase of external sales of fresh fruits is caused by

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a higher crop achieved during the last season and the sustained demand of the UE. The increase of exportable balances of lemon in the province of Tucuman (which, due to its weather conditions, concentrates a great part of national production and puts the country as one of the main world exporters), European demand and the opening of the United States market to the citric drove sales growth. It has to be noted that exports of lemon to the United States started during this year after seven years of negotiations. The rest of citric (oranges, mandarin orange and grapefruit) also verified important rises of exportable balances. On the other hand, exportable balances of apple had a remarkable recovery in this period with respect to the same period of the previous year. Among the main destinations there were: Holland, Belgium, Italy, Spain, United States, Canada, Brazil and Russia.

The US\$ 47 million growth of exports of unprocessed fish and shellfish is related to the increase of exportable balances of prawn and shrimp that were partially offset by the reduction of squid exports. Exportable balances of the former increased 58%, whereas the latter decreased 42%. The increase of the UE demand, which in absolute figures exceeded the contraction of demand from the Rest of the world, explains the growth of external demand.

The cause of the increase of cotton fiber exports is the increase of cotton production in this season with respect to the meager crop of the previous year. For the present season a production around 500,000 tons is estimated, 20% higher than 2000. However, the effect of the higher production has been partially offset by the reduction of the products' price at the international market as a consequence of the great volume of cotton produced around the world (especially in the United States, China and Syria).

Domestic exports of honey verified a decline (-13%)

during the period analyzed. This fall is related to the setting of duties, as from May 2001, by the United States government for the supposed "dumping" of Argentine companies within the American market. Argentina is the greatest world exporter of honey and the United States represented its greater market. The duties imposed to local exporting firms are, in average, higher than 35%. In the corresponding table it can be seen that sales to the NAFTA fell (-US\$ 16.8 millions) whereas those to the EU increased (US\$ 6.2 million). The destinations to which exports of honey were reoriented are England, Italy and Spain.

Another item that verified a remarkable increase was copper mineral and its concentrates that increased total exported by 26% (US\$ 76.5 millions). The Rest of the world has been the main destination of domestic exportable balances. In spite of the important reduction of copper bars price, the values have experienced an increase due to the growth of local production.

External sales of manufactures of agricultural origin undergone a 9% decrease (- US\$ 540 millions), mainly attributable to the 10.4% decrease of exports volume. The products with the greatest reduction were meat and oils and fats.

The lower exported values of meat were the main consequence of the fall of exports volume and, to a lesser extent, of the lower prices of the main export cuts. The fall of external demand after the outbreak of the foot-and-mouth disease and the "mad cow" disease in European cattle negatively affected exports prices and Argentine shipments, whereas the reappearance of the foot-and-mouth disease in local round-ups deepened the external sales reduction due to the closing of the main external markets (European Union - Hilton quota -, United States - American quota -, Canada and Chile).

The reduction verified in oils and fats in the first nine months is explained by the decrease of oils prices, especially

soybean oil, and of exports volume of sunflower oil. In the case of sunflower oil, the reduction of exportable balances is the result of the fall of domestic production of sunflower seed as a consequence of its low price during the previous year (when cropland is determined). Oilseeds prices have been affected by the growing production of palm oil in Malaysia in the last years. In the case of sunflower seed, its price was more prejudiced because the quantity of oil obtained per processed ton is higher than soybean's, whose flour and pellets are the most important by-product. The better prices, together with the new varieties of soybean seed that reduce production costs led local producers to plant soybean during the last season (2001/00). As for destinations, it is apparent an important increase of Indian demand in the first nine months. There were volume demand reductions from Bangladesh, Iran, China, Venezuela and Brazil. In the case of China, the fall of external sales is related to the commercial policy started during 2000 to encourage internal crush of oilseeds. The government of said Asian country imposed quotas and duties to the import of soybean oil, which resulted in a considerable fall of Argentine oil shipments to such destination. At the same time, the country is making a strong demand on the market of soybean grain, which is seen in the growing shipments of soybean seed to said country. In the case of India, there is a remarkable increase of soybean oil (83%) shipments that were partially offset by the fall of sunflower oil (-52%) shipments. The change in the composition of Indian demand is the result of the lower domestic supply of sunflower oil and presumably also of the duty policy started in 2000 that rose import duties for sunflower oil more than for soybean oil. During November of 2001, oil prices verified an important recovery because of the lower production of sunflower and colza in the world and because of the decrease of palm oil production in Malaysia and Indonesia.

The lower exportable balances of dairy products is related to the lower domestic production of milk (due to the

lower number of active dairy farms and adverse weather conditions) and to the reduction of exports to Brazil as a consequence of the agreement executed (February 2001) between this country and Argentina, which set forth a minimum price for exports of powder milk to such destination. The devaluation of the real with respect to the dollar and the increase of the Brazilian production are the other factors that have negatively influenced the Brazilian demand of domestic dairy products. The reduction of sales to this country led local dairy companies to look for new markets for their products. Algeria, Mexico, Paraguay and United States are some of the destinations that evidenced an increase of their shares within total exports during the first nine months of the year. On the other hand, in October this year, the Mexican government (first world importer of powder milk) authorized the import of dairy products from Argentina after having suspended them in March due to the outbreak of foot-and-mouth disease.

Within the category waste and garbage of the food industry, there were important changes in the composition of demand and not in the category's aggregate. The fall of sales to the EU (US\$ 92 millions) was over compensated by the growth of sales to the Rest of the world (US\$ 108 millions). In the case of the UE, the fall of demand was influenced by the reappearance of outbreaks of "mad cow" disease in Europe that led to the reduction of demand of soybean by-products due to the decrease of European round-ups. France, Belgium, Portugal, Greece and Spain are some of the countries that reduced their purchases. On the other hand, Italy and the Netherlands increased purchases of Argentine soybean by-products as a consequence of the ban set on the use of meat and bone flours for animal feed. The growth of demand from the Rest of the world was linked to the greater purchases from Vietnam, Thailand, Peru and Iran. The higher sales to Vietnam were related to the fact that India, traditional supplier of soybean flour to that country, used up its exportable balances by June 2001. In the

Rest of the world there are important decreases of Chinese and Indonesian demand. In the former case, the demand reduction is explained by the same causes described in the categories of oilseeds and fruits and in oils and fats, whereas in the latter case, the ban established by the Indonesian government on Argentine agri-food exports after the outbreak of foot-and-mouth disease on local cattle explains the fall of demand. This rule was released in August 2001.

All commercial blocks showed purchase decreases of Argentine MAO, the EU and the MERCOSUR being the most relevant to explain the fall. The reduction of shipments of meat, waste and garbage of the food industry and oils and fats explain what happened to our trade with the EU. Here, the problems in the world meat market and the fall in the price of soybean pellets originated the exports drop. The contraction in sales of dairy products (-U\$S 91 millions), oils and fats (-U\$S 36 millions) and rest of the MAO (-U\$S 45 millions) explain the exports decline to the MERCOSUR. In the case of the Rest of the world, the decrease of oils and fats (-U\$S 98 millions) and meat (-U\$S 79 millions) was partially offset by the higher placements of waste and garbage of the food industry (U\$S 108 millions) and of dairy products (U\$S 42 millions).

Exported values of manufactures of industrial origin increased 6% (U\$S 343 millions), due to the volume rise (7.5%) that exceeded the price decrease (-1.5%). The dynamics of sales of land transport material was the main cause of the growth of the MIO. To a lesser extent, there was also the influence of the growth of the exports of chemical and related products and artificial plastic materials.

Sales abroad of land transport material increased 15% because of the greater demand from Brazil.

In the case of artificial plastic materials, the increase of

exportable balances is related with the higher domestic exportable supply as a consequence of the extension of the sector's installed capacity (production grew 35% in the first semester). Local companies producing polymers have been favored by the start-up of the a new oil liquefied gas processing plant in the Bahía Blanca basin, which increased availability of raw material in the sector. On the side of demand, as has been happening for some years now, Brazil has been the main purchaser of these products.

The growth experienced by shipments abroad of common metals and their manufactures was linked to the increase of external sales of hot laminates, both flat and non flat. In the case of the latter, the increase of investment in oil exploration caused by the increase of oil price has driven the rise of seamless pipes (their manufacture in the first semester increased 14%). On the side of flat laminates, the decrease of domestic activity in relation to automobile manufactures and producers of machinery and equipment led companies to look for new external markets to place their production. The destinations that showed increases were MERCOSUR and Rest of the world, whereas sales to the NAFTA declined.

Exports of chemical and related products grew due to the increase of local exportable supply after the launching of new projects (at the end of 2000, one of the biggest granulate urea plants of the world was inaugurated). Production of agro-chemicals increased 30% in the first semester driven by the start-up of the new plant for a greater manufacture of fitosanitary products.

Exports of fuels and energy recorded a 3% increase with respect to the first nine months of 2000 as a consequence of a 12.5% volume rise and of an 8.5% fall of prices. It was apparent an important decline of sales to the MERCOSUR (-U\$S 297 millions), which was fully offset by the increase in the

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Rest of the world (US\$ 392 millions). Within the Rest of the world, the greatest increase was recorded by Chile. The fall of sales to the MERCOSUR is the result of a lower Brazilian demand of oil. The cause of this reduction is the higher Brazilian production of heavy oil. The oil price showed a downward trend during the first nine months of the year (enhanced since

September) due to the high supply and to a weakening demand. The slowdown of world economy explains the reduction of demand, whereas the high production levels sustained by the main world producers (OPEC, Russia, Mexico and Norway) explain the abundant supply.

TABLE 5.12
Exports by type of good and destination
First nine months 2001

	In millions of US\$					Change in millions of US\$ against same period of 2000				
	TOTAL	MERCOSUR	NAFTA	EU	REST	TOTAL	MERCOSUR	NAFTA	EU	REST
Primary Products	5,223.69	992.53	267.08	1,260.23	2,703.86	807.53	-105.85	-11.35	181.56	743.17
Live Animals	14.20	1.66	7.14	3.32	2.07	1.34	-1.04	3.25	0.98	-1.84
Unprocessed Fish and Shellfish	535.20	11.95	35.84	379.67	107.75	46.54	-1.09	5.09	111.89	-69.34
Honey	61.27	0.45	17.90	38.69	4.22	-9.11	0.11	-16.78	6.19	1.37
Unprocessed Vegetables and Legumes	176.05	95.30	6.01	50.39	24.35	21.78	18.58	2.55	3.43	-2.79
Fresh Fruit	468.95	58.07	55.28	280.71	74.89	83.68	8.70	0.85	52.17	21.96
Cereals	1,993.35	748.74	16.94	105.87	1,121.79	141.83	-125.88	-15.21	-39.03	321.96
Oil Seeds and Fruits	1,332.00	4.32	32.10	200.49	1,095.08	384.76	-6.64	-19.71	26.94	384.18
Unprocessed tobacco	145.37	28.64	30.03	65.45	21.25	48.11	12.94	11.95	20.70	2.53
Raw Wool	23.25	3.34	0.00	18.65	1.25	-12.34	0.52	0.00	-10.04	-2.82
Cotton Fiber	63.52	10.02	0.00	6.01	47.49	34.72	-5.14	0.00	3.38	36.48
Copper material and concentrates	368.92	15.32	58.92	97.20	197.49	76.51	-4.51	11.58	8.47	60.97
Other Primary Products	41.63	14.71	6.92	13.76	6.24	-10.30	-2.39	5.09	-3.53	-9.47
Manufactures of Agricultural Origin	5,334.91	650.74	625.96	1,491.46	2,566.75	-539.82	-204.51	-115.81	-235.01	15.51
Meat	298.07	17.83	73.62	131.16	75.45	-310.25	-13.65	-51.13	-166.40	-79.08
Processed Fish and Shellfish	187.08	36.92	36.64	64.91	48.61	8.05	-1.70	1.48	22.63	-14.36
Dairy Products	192.54	95.94	29.47	0.13	66.99	-40.60	-90.54	7.76	0.00	42.18
Other products of animal origin	9.24	0.80	0.89	3.64	3.91	-2.02	-0.31	-0.11	-1.51	-0.10
Dry or frozen fruits	20.92	7.20	5.69	6.16	1.87	-4.81	-1.05	-3.02	-0.71	-0.03
Tea, Yerba Mate and Spices	53.38	5.37	25.48	4.59	17.94	3.06	0.06	2.84	0.78	-0.62
Milled Products	109.22	75.28	0.52	0.27	33.16	-12.57	-17.56	-1.94	-0.20	7.14
Oils and Fats	1,103.71	43.94	8.51	42.78	1,008.47	-176.80	-35.78	-12.24	-30.35	-98.42
Sugar and confectionery	83.41	12.05	26.83	1.92	42.61	-1.51	-3.86	-4.36	-0.13	6.84
Processed Vegetables and Legumes	237.58	73.22	88.85	49.93	25.58	3.39	-8.85	-16.57	24.64	4.17
Beverages, Alc Liq. and Vinegar	155.23	33.11	40.91	47.11	34.10	-5.81	3.10	-2.12	-3.66	-3.13
Residues and waste from food industry	1,806.90	13.88	2.55	968.35	822.12	15.89	-0.95	1.00	-91.96	107.80
Tanning and Dyeing Extracts	29.98	1.39	6.82	14.44	7.32	-0.05	0.13	-0.65	1.49	-1.02
Skins and Hides	645.78	115.17	224.96	98.61	207.05	23.28	11.12	-37.81	11.08	38.88
Processed Wool	79.00	0.26	3.42	33.00	42.32	13.19	-0.05	-0.33	3.53	10.04
Other MAO	322.88	118.38	50.82	24.44	129.25	-52.27	-44.62	1.38	-4.24	-4.78
Manufactures of Industrial Origin	6,290.73	3,166.55	1,034.07	654.52	1,435.59	343.12	230.23	52.69	-47.11	107.31
Chemical Products	1,048.67	526.11	134.61	69.98	317.97	55.96	28.62	14.81	-4.50	17.03
Artificial Plastic Materials	461.76	309.18	21.83	23.51	107.25	72.14	49.91	-6.38	17.16	11.46
Rubber and its manufactures	118.70	68.07	19.11	13.83	17.70	-4.76	10.70	-8.77	-7.70	1.01
Leather goods and its manufactures	53.92	2.87	31.92	11.15	7.97	18.04	0.67	12.12	2.29	2.97
Paper, Cardboard, Printing and Publications	266.26	133.10	13.84	40.49	78.83	-54.83	-38.17	0.96	-7.77	-9.85
Textiles and Garments	206.24	143.83	12.76	7.92	41.73	-29.11	-27.31	2.61	3.67	-8.08
Footwear and its components	14.19	3.37	5.57	3.37	1.89	-6.17	-1.78	2.17	-1.34	-5.22
Stone, Plaster and Ceramic manufactures	69.49	21.58	19.90	5.51	22.50	-3.34	0.26	2.02	-0.47	-5.14
Precious Stones and Metals and manufact.	80.19	0.21	1.85	41.35	36.76	7.26	-0.33	-1.92	18.54	-9.03
Base metals and manufactures	1,059.63	188.74	243.53	189.74	437.63	44.31	45.05	-39.22	1.60	36.89
Machines and devices, electric materials	880.10	446.71	127.45	111.30	194.64	60.84	-22.25	-3.18	36.89	49.38
Transport Material	1,598.25	1,256.29	146.59	101.47	93.90	210.16	176.94	10.48	-5.88	28.62
Vehicles for air, maritime and river transportation	139.42	1.59	87.57	14.43	35.82	-67.09	0.74	51.88	-107.80	-11.90
Other MOI	293.90	64.92	167.55	20.45	40.98	39.70	7.18	15.12	8.22	9.18
Fuels and energy	3,654.87	1,069.12	738.78	23.74	1,823.23	103.91	-297.04	-7.59	16.62	391.92
TOTAL	20,504.20	5,878.94	2,665.89	3,429.94	8,529.42	714.74	-377.17	-82.05	-83.95	1,257.91

Source: National Bureau of International Accounts (NBIA).

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TABLE 5.13
Main items affecting exports
First nine months 2001 vs. same period of 2000

Great headings and headings	Contribution to Great heading variation	
	Contribution to Great heading variation	Contribution to total export variation
PP	18.3%	4.1%
Unprocessed Fish and Shellfish	1.1%	
Fresh Fruit	1.9%	
Cereals	3.2%	
Oil seeds and fruits	8.7%	
Cotton fiber	0.8%	
Copper material and concentrates	1.7%	
Rest	0.9%	
MOA	-9.2%	-2.7%
Meat	-5.3%	
Oils and fats	-3.0%	
Rest	-0.9%	
MOI	5.8%	1.7%
Chemical products and related	0.9%	
Artificial plastic materials	1.2%	
Transport material	3.5%	
Rest	0.1%	
F&E	2.9%	0.5%
Total export variation		3.6%

Source: National Bureau of International Accounts (NBIA).

TABLE 5.14
Destinations driving the change of exported values by item
First 9 months vs. the same period of 2000

	Contribution to Great heading and heading variation				Var % TOTAL
	MERCOSUR	NAFTA	EU	REST	
Primary Products	-2%	0%	4%	17%	18.3%
Unprocessed Fish and Shellfish	0%	1%	23%	-14%	10%
Honey	0%	-24%	9%	2%	-13%
Fresh fruit	2%	0%	14%	6%	22%
Cereals	-7%	-1%	-2%	17%	8%
Oil seeds and fruits	-1%	-2%	3%	41%	41%
Cotton fiber	-18%	0%	12%	127%	121%
Copper material and concentrates	-2%	4%	3%	21%	26%
Manufactures of Agricultural Origin	-3%	-2%	-4%	0%	-9%
Meat	-2%	-8%	-27%	-13%	-51%
Dairy products	-39%	3%	0%	18%	-17%
Fats and oils	-3%	-1%	-2%	-8%	-14%
Residues and waste from food industry	0%	0%	-5%	6%	1%
Manufactures of Industrial Origin	4%	1%	-1%	2%	6%
Chemical Products	3%	1%	0%	2%	6%
Artificial Plastic Materials	13%	-2%	4%	3%	19%
Base Metals and manufactures	4%	-4%	0%	4%	4%
Transport material	13%	1%	0%	2%	15%
Fuels and energy	-8%	0%	0%	11%	3%
TOTAL	-2%	0%	0%	6%	3.6%

Source: National Bureau of International Accounts (NBIA).

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Imports

Imports C.I.F. in the first nine months of 2001 declined U\$S 2,244 millions with respect to the same period of the previous year, mainly as a consequence of a volume drop (-9.7%) due to the fall of demand as a result of the recession. This fall was accompanied by a 2.5% price decrease.

The drop of imported value is the result of the reduction that took place in the same period in all the items: capital goods (-21.7%), spare parts and accessories for capital goods (-13.5%), fuels and lubricants (-13%), consumption goods (-6.1%) and intermediate goods (-5.8%).

The fall of imported volume mainly affected capital goods (-20.7%). In turn, volume of spare parts and accessories for capital goods fell 11.1%, fuels and lubricants 8.1%, consumption goods 7.7% and intermediate goods 1.9%.

As for prices, in the first nine months of 2001 there was a year-on-year fall of import prices in all the items: the greatest drop was recorded in the price of fuels and lubricants (-5.4%) followed by intermediate goods (-4%), spare parts and accessories for capital goods (-2.7%), consumption goods (1.8%) and capital goods (1.3%).

The fall in capital goods is related to the lower purchas-

es made by telecommunications, automobiles and specific machinery, such as harvesters. The fall of imports of spare parts and accessories for capital goods is explained by the lower purchases of the sector of automobiles, especially in categories such as car bodies and spare parts.

The decrease of consumption goods is the result, among other causes, of the drop in items like devices for recording or reproduction of images and sound, pharmacological drugs, discs, tapes and other recording media, light bulbs and other consumption articles such as incandescent electrical tubes, among other.

As for the origin of imports by block, it can be seen that demand of products coming from the four main blocks (MERCOSUR, NAFTA, European Union and Rest of the world) decreased significantly with respect to the first nine months of 2000. The MERCOSUR continues being the main supplier of goods with a total value of U\$S 4,814 millions, in spite of the fact that total value of its imports C.I.F. dropped almost 9%. Imports from the NAFTA recorded a decline of little less than 16%, the European Union, little more than 14% and the Rest of the world, 10%. In general, it can be seen that intermediate goods and capital goods are the most imported ones, with a 36% and 21% share within the total, respectively. It is apparent that intermediate goods increased their share with respect to the previous period in all the blocks, whereas capital goods

TABLE 5.15
CIF imports by type of good and destination
First nine months 2001 - In millions of US\$

Type of good	Percentage share (1)					% change against same period of 2000 (2)							
	TOTAL	MERCOSUR	NAFTA	EU	REST	MERCOSUR	NAFTA	EU	REST				
Capital goods	3,442.7	688.2	1,067.7	917.6	769.1	20.0	31.0	26.7	22.3	-31.8	-28.9	-5.2	-15.9
Intermediate goods	5,937.9	1,917.7	1,408.4	1,293	1,318.8	32.3	23.7	21.8	22.2	-3.3	-3.7	-12.1	-5.2
Fuels and energy	713.4	267.1	28.2	31.8	386.3	37.4	4.0	4.5	54.1	29.1	-38.5	-49.7	-23.5
Parts and accessories for capital goods	2,831.0	656.2	620.6	749.8	804.3	23.2	21.9	26.5	28.4	-4.3	-13.0	-27.5	-4.1
Consumer goods	3,155.2	1,051.8	423.9	654.4	1,025.2	33.3	13.4	20.7	32.5	5.9	-15.4	-10.3	-9.8
Passenger vehicles	443.2	231.9	30.9	112.3	68.0	52.3	7.0	25.3	15.4	-41.6	12.7	-6.4	6.3
Rest	12.9	1.0	1.9	3.4	6.6	7.4	14.5	26.7	51.4	-34.3	-7.5	2.7	-33.5
Total	16,536.4	4,814.0	3,581.6	3,762.4	4,378.5	29.1	21.7	22.8	26.5	-8.8	-15.8	-14.3	-9.9

(1) Percentage participation of destinations for each category

Source: National Bureau of International Accounts (NBIA).

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lost importance, from 23% to 21%.

As for goods coming from the MERCOSUR, it can be seen that, on the one hand, its greater participation continues being represented by intermediate goods and consumption goods and, on the other hand, the relative importance of them grows from 38% to 40% and from 19% to 22%, respectively. The ones with the greatest influence in purchases from the MERCOSUR were capital goods, which recorded a fall of 32%, thus losing 5 points of its share within total imports from that origin.

Total goods imported by the European Union evidenced a decline, recording the greatest fall in fuels (-50%), followed by spare parts and accessories for capital goods with less than 28%. The goods with the highest share within the total are capital goods (24%) and intermediate goods (34%); in

turn, both increased their relative importance from such destination (22% and 33% for the first nine months of 2000).

In the NAFTA block, all goods underwent a fall, except passenger vehicles that increased 13%. The goods with the highest participation are capital goods (30%) and intermediate goods (39%), the former losing importance and the latter, on the contrary, gaining share. Fuels show the greatest fall (-32%).

With respect to goods from the Rest of the world, it can be seen that the significant contraction of imports is the result of a decrease in all categories of goods. Thus, the greatest drop corresponds to capital goods with a decrease of their importance little less than 16% and fuels, approximately 23%. As for the participation of intermediate and consumption goods are the ones showing the greatest value (30% and 23% respectively).

TABLE 5.16
Share of each type of good imported considering its origin
First 9 months of 2001 against same period of 2000

Type of good	Jan-Sep 2000					Jan-Sep 2001				
	MERCOSUR	NAFTA	EU	REST	TOTAL	MERCOSUR	NAFTA	EU	REST	TOTAL
Capital goods	19.1%	35.3%	22.1%	18.8%	23.4%	14.3%	29.8%	24.4%	17.6%	20.8%
Intermediate goods	37.6%	34.4%	33.5%	28.6%	33.6%	39.8%	39.3%	34.4%	30.1%	35.9%
Fuels and energy	3.9%	1.1%	1.4%	10.4%	4.4%	5.5%	0.8%	0.8%	8.8%	4.3%
Parts and accessories for capital goods	13.0%	16.8%	23.6%	17.3%	17.4%	13.6%	17.3%	19.9%	18.4%	17.1%
Consumer goods	18.8%	11.8%	16.6%	23.4%	17.9%	21.8%	11.8%	17.4%	23.4%	19.1%
Passenger vehicles	7.5%	0.6%	2.7%	1.3%	3.2%	4.8%	0.9%	3.0%	1.6%	2.7%
Rest	0.0%	0.0%	0.1%	0.2%	0.1%	0.0%	0.1%	0.1%	0.2%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: National Bureau of International Accounts (NBIA).