



ANALYSIS OF THE NATIONAL GOVERNMENT FINANCIAL REPORT

2022

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In memory of our dear colleague Pablo Barousse

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Executive Summary

The primary result of the National Government budget execution for fiscal year 2022, which arises from comparing total resources against total expenditures, excluding debt interest, was negative by ARS2,915.619 billion. Adding the interest on public debt, which reached ARS770.642 billion, the financial deficit was ARS4,483.759 billion.

The primary deficit represented the equivalent of 3.5% of the Gross Domestic Product (GDP)¹, with a decrease of 0.6 percentage points (p.p.) with respect to the 2021 deficit (2.9% of GDP). However, during 2021 remission of profits of the Central Bank of Argentina (BCRA) amounting to ARS787.712 billion were verified. Discounting the incidence of these resources, an improvement of 1 p.p. is observed in the result obtained. On the other hand, the financial deficit represented 5.4% of GDP, which implied an improvement of 0.8 p.p. in relation to that of 2021 (6.2% of GDP).

A comparison of the 2022 budget execution with that of 2021 showed that total revenues (net of BCRA profits) fell by 4.0%² in real terms year-on-year (YoY), while primary expenditures fell by 7.4% YoY. Debt interest increased by 18.0% YoY, thus reducing the decline in total expenditure, which reached 5.6% YoY.

Among revenues, tax collection and resources from Social Security showed increases of 4.0% YoY and 4.1% YoY, respectively. On the other hand, during 2021, the IMF's allocation of Special Drawing Rights (SDR) and ARS206.772 billion from the Solidarity and Extraordinary Contribution (Law 27,605)³, generated resources amounting to ARS439.044 billion.

On the primary expenditure side, capital transfers (-46.6% YoY), other economic subsidies (-54.4% YoY) and goods and services (-30.1% YoY) were the components that most contributed to the reduction, while personnel expenses and transfers to universities contributed to the opposite direction, with increases of 8.5% YoY and 3.7% YoY, respectively. For their part, social benefits remained practically constant in real terms (-0.2% YoY).

It is important to note that the budget execution for fiscal year 2022 was marked by the lack of parliamentary approval of a Budget Law and by the extension Budget Law for fiscal year 2021 No. 27,591. In this context, total revenue and expenditure recorded variances of 63.4% and 62.7%, respectively, in relation to the initial budget (as extended).

As for expenditures, the largest variances were observed in debt interest (103.3%), other current expenditures (93.0%), personnel expenses (86.0%), transfers to universities (78.4%) and social benefits (72.9%). Conversely, capital transfers accrued 13.9% below the initial appropriation.

Net financing reached ARS4,483.759 billion in 2022 (5.4% of GDP). Financial sources totaled ARS14,293.292 billion and financial applications amounted to ARS9,809.534 million. As for financial sources, public debt operations and the increase in other liabilities totaled ARS13,940.857 billion, which represented a variance of 86.5% in relation to the initial budget. As for financial applications, the amortization of debts and decrease in other liabilities totaled ARS8,085.337 billion, 89% above the initial appropriation.

As for the consolidated National Non-Financial Public Sector, which includes the Central Administration, National Universities, State-owned Enterprises, Public Entities excluded from the National Budget and Trust Funds, the aggregate dynamics of its components determined a primary deficit result of 3.1% of GDP (2.4% of GDP in 2021⁴), and a financial deficit of 5.0% of GDP (4.1% of GDP in 2021).

¹ Gross Domestic Product: Source INDEC.

² For the calculation of real variations, the variation of the Consumer Price Index (CPI) of the National General Level (INDEC) is used as a deflator.

³ In 2022, ARS 7.842 billion were received as Solidarity and Extraordinary Contribution (Law 27,605).

⁴ Deducting the transfer of the BCRA's profits.

Introduction

The National Government Financial Report is the basic instrument of annual accountability that the National Executive Branch (PEN – *Poder Ejecutivo Nacional*) submits to the National Congress on the annual budget execution and the situation of the public accounts.

Pursuant to the provisions of Section 75, subsection 8 of the National Constitution, the Honorable Congress of the Nation is responsible for the treatment of the National Government Financial Report submitted by the National Executive Branch and whose preparation, in compliance with Section 91 of Law 24,156, on Financial Administration and Control Systems of the National Public Sector, as amended, is the responsibility of the National General Accounting Office.

In the absence of parliamentary approval of a Budget Law for fiscal year 2022, the Budget Law for fiscal year 2021 (Law 27,591, extended under the terms of Section 27 of Law 24,156) remained in force for fiscal year 2022. This was implemented by means of Executive Order 882 of December 23, 2021.

However, it should be noted that in fiscal year 2022, the Consolidated Budget of the National Public Sector, which is usually referred to in this report, has not been published, as opposed to fiscal year 2021, when it was approved by Administrative Decision 438 of May 4, 2021.

The National Government Financial Report for fiscal year 2022 has been submitted to the National Congress within the term established by the regulations in force and consists of 2 Volumes. Volume I refers to the main methodological and conceptual aspects, as well as to the analysis of the execution of the National Budget, with descriptions and tables, the accounting statements of the Central Administration and the net assets of the rest of the National Public Sector.

Volume II contains the Evaluation of Government Management Results based on the information prepared by the National Budget Office, in compliance with the provisions of Sections 43 and 95 of Law 24,156, as amended and supplemented. It includes the Physical-Financial Monitoring System, the Results by Programs and Projects by Institutional Order and a set of 135 programs with monitoring indicators, within the framework of the implementation of the Results-Oriented Budget (RBB). It also includes a section on cross-cutting policies, which analyzes the National Budget in terms of gender policies, policies for children and adolescents, and policies for persons with disabilities.

In this report we first present an analysis of the budget execution of the National Government in comparison with the initial appropriation (extended budget) and in relation to the execution of the previous fiscal year, commenting on the most salient aspects of the behavior of revenues and expenditures, and detailing the budget amendments approved during Fiscal Year 2022. Then, the national government employment, financing operations and the use of public credit authorizations during 2022 are presented.

In the second place, the budget execution of expenditures and resources of the institutional subsectors State-Owned Enterprises, Trust Funds, National Universities and Government Entities is presented, compared to the execution of fiscal year 2021. Finally, the Savings-Investment-Financing scheme of the National Non-Financial Public Sector (NFPS) is presented, which summarizes the consolidated financial management of such Sector and shows the results for each institutional level.

1. National Government

1.1 Budget execution

1.1.1 Comparison with initial appropriation

In view of the lack of parliamentary approval of the Budget Law for Fiscal Year 2022, the Budget Law 27,591 for Fiscal Year 2021 was extended, in accordance with the provisions of Section 27 of Law 24,156 of Financial Administration.

Table 1 shows the 2022 Savings-Investment scheme, comparing the amounts executed (collected in revenues and accrued in expenditures) in relation to the extended budget.

Cuadro 1. Savings-Investment Scheme. National Government Comparison of execution with the initial budget (extended)

2022, in millions of ARS and var. %

Concept	Initial budget	Execution	Variance	
			ARS	%
I. Current revenues	7,967,952	12,981,806	5,013,854	62.9%
Tax revenues	4,681,603	8,594,013	3,912,410	83.6%
Social Security contributions	2,044,419	3,679,076	1,634,656	80.0%
Non-tax revenues	123,226	264,135	140,910	114.4%
Goods and services	14,833	24,866	10,033	67.6%
Property income	1,096,656	405,774	-690,882	-63.0%
Current transfers	7,214	13,941	6,726	93.2%
II. Current expenditures	9,481,047	16,244,381	6,763,333	71.3%
Social benefits	5,261,926	9,098,623	3,836,698	72.9%
Economic subsidies	1,401,409	2,134,502	733,093	52.3%
Personnel expenses	909,574	1,691,479	781,905	86.0%
Goods and services	357,770	464,416	106,646	29.8%
Transfers to provinces	413,120	625,495	212,375	51.4%
Transfers to universities	306,842	547,521	240,679	78.4%
Other current expenditures	59,166	114,205	55,039	93.0%
Interest	771,240	1,568,140	796,900	103.3%
III. Economic result	-1,513,096	-3,262,575	-1,749,479	115.6%
IV. Capital revenues	13,742	62,306	48,564	353.4%
V. Capital expenditures	1,294,902	1,283,490	-11,413	-0.9%
Real direct investment	282,380	387,759	105,378	37.3%
Capital transfers	917,818	790,681	-127,137	-13.9%
Financial investment	94,704	105,050	10,346	10.9%
VI. Total revenue	7,981,693	13,044,111	5,062,418	63.4%
VII. Total expenditure	10,775,950	17,527,870	6,751,920	62.7%
VIII. Primary expenditures	10,004,710	15,959,731	5,955,021	59.5%
IX. Primary result (VI-VIII)	-2,023,017	-2,915,619	-892,602	44.1%
X. Financial result (VI-VII)	-2,794,257	-4,483,759	-1,689,502	60.5%

SOURCE: OPC, based on 2022 National Government Financial Report

Revenue execution

During 2022, the total revenue of the National Government reached ARS13,044.111 billion, which implied an additional ARS5,062.418 billion over the initial budget (extended), with a variance of 63.4%.

Table 2. Total revenue. Comparison of revenue received with extended budget

2022, in millions of ARS and variance %

Concept	Received 2022	Variance	
		ARS	%
Current revenues	12,981,806	5,013,854	62.9%
Tax revenues	8,594,013	3,912,410	83.6%
VAT	2,510,866	1,119,046	80.4%
Export Duties	1,464,637	582,163	66.0%
Income Tax	1,588,314	849,536	115.0%
Check Tax	1,317,858	610,675	86.4%
PAIS Tax	214,364	151,678	242.0%
Others	1,497,975	599,312	66.7%
Social Security contributions	3,679,076	1,634,656	80.0%
Non-tax revenues	264,135	140,910	114.4%
Goods and services	24,866	10,033	67.6%
Property income	405,774	-690,882	-63.0%
BCRA profits	0	-800,000	-100.0%
Others	405,774	109,118	36.8%
Current transfers	13,941	6,726	93.2%
Capital revenues	62,306	48,564	353.4%
Total revenues	13,044,111	5,062,418	63.4%

The variance in total revenue was mostly explained (78.0%) by tax revenues, which were 83.6% higher than the budget extension. The largest differences were observed in the collection of PAIS Tax, which was 242.0% higher than the initial estimate, in Income Tax (115.0%), Check Tax (86.4%), VAT (80.4%) and Export Duties (66.0%). In addition, Social Security contributions were 80.0% higher than budgeted. These performances were contrasted by the behavior of Property Income, which had a negative variance of 63.0%, given that the remission of profits from the BCRA, estimated at ARS800 billion, was not verified.

SOURCE: OPC, based on 2022 National Government Financial Report

Expenditure execution

Total accrued expenditures were higher by ARS6,751.92 billion with respect to the budget extension (62.7%). The largest variances were observed in debt interest (103.3%), other current expenditures (93.0%), personnel expenses (86.0%), transfers to universities (78.4%) and social benefits (72.9%). Conversely, capital transfers accrued 13.9% below the initial appropriation. The main factors or elements explaining these variances are described in Table 3.

Table 3. Total expenditure. Comparison of accrued expenditure with initial appropriation

2022, in millions of ARS and var. %

Concept	Accrued 2022	Variance		Comments
		ARS	%	
Interest	1,568,140	796,900	103.3%	Driven by long-term interest in domestic currency.
Other current expenditures	114,205	55,039	93.0%	Commissions and other debt expenses (ARS28.061 billion), National Fire Management Fund (ARS10.339 billion).
Personnel expenses	1,691,479	781,905	86.0%	Because of the 2021 salary policy accrued during the first months of the current fiscal year and the salary guideline agreed for 2022. Additionally, the number of employees in the National Executive Branch increased 2.2% YoY.
Transfers to universities	547,521	240,679	78.4%	Because of the salary policy for 2021 accrued during the first months of the current fiscal year and the salary guideline agreed for 2022.
Social benefits	9,098,623	3,836,698	72.9%	

Concept	Accrued 2022	Variance		Comments
		ARS	%	
Retirement pensions	6,092,363	2,546,331	71.8%	Pension mobility formula.
Non-contributory pensions	597,433	245,626	69.8%	Pension mobility formula.
Family and universal allowances	962,942	375,654	64.0%	Pension mobility formula and Monthly Supplement to the value of the family allowance for the active population, approved by Executive Orders 719/21 and 578/22.
Other social programs	1,445,886	669,086	86.1%	<i>Potenciar Trabajo</i> (ARS257.514 billion), <i>Alimentar</i> Card (ARS131.244 billion), <i>Progresar</i> student grants (ARS74.318 billion), and reinforcement of income - E.O. 216/22 and 758/22 (ARS181.901 billion).
Economic subsidies	2,134,502	733,093	52.3%	
Energy	1,594,422	599,718	60.3%	CAMMESA (ARS458.552 billion) ENARSA (ARS165 billion) and Trust Fund for Subsidies to Residential Consumption of Liquefied Petroleum Gas (ARS21.113 billion). On the other hand, transfers to the Plan Gas (-ARS53.315 billion).
Transportation	391,230	174,707	80.7%	<i>Operador Ferroviario S.E.</i> (ARS90.595 billion), and Transportation Infrastructure System Trust Fund (ARS69.12 billion).
Other subsidies	148,850	-41,332	-21.7%	Argentine Guarantee Fund - FOGAR (-ARS6.731 billion, -59.9%) and the National Fund for Productive Development - FONDEP (-ARS45.043 billion, -68.0%). On the other hand, transfers to <i>Correo Argentino</i> (ARS8.99 billion, 40.4%), <i>RTA S.E.</i> (ARS6.659 billion), Trust Fund for the Protection of Native Forests (ARS5 billion, 404.1%) and incentive to the production and development of small and medium agricultural producers - Sec. 9, sub. b E.O.576/22 (ARS3.613 billion)
Transfers to provinces	625,495	212,375	51.4%	National Teacher Incentive Fund (ARS63.8 billion); Fiscal Strengthening Fund of the Province of Buenos Aires (ARS53.592 billion); Financial Assistance to Provinces and Municipalities (ARS35.841 billion) and Financial Assistance to CABA by Regulation of Law 27.606 (ARS25.239 billion), among others.
Real Direct Investment	387,759	105,378	37.3%	Increase in allocations for National Directorate of Roads (ARS27.734 billion), <i>Conectar Igualdad</i> program (ARS20.005 billion), Execution of Plans, Programs and Projects for the Improvement of Transportation (ARS16.951 billion), and Infrastructure of Transportation Works (ARS13.599 billion), among others.
Goods and services	464,416	106,646	29.8%	Census actions (ARS13.947 billion), Improvement of educational quality (ARS13.37 billion), CONICET Fellowships (ARS8.671 billion), Food Policies (ARS6.332 billion). In the opposite direction, purchase of vaccines for COVID-19 (-ARS47.716 billion).
Financial investment	105,050	10,346	10.9%	Higher capital contributions made to <i>Aerolíneas Argentinas S.A.</i> (ARS9.357 billion).
Capital transfers	790,681	-127,137	-13.9%	Transfers to PROCREAR (-ARS96.149 billion), AYSA (-ARS35.601 billion) and ENARSA (-ARS16.888 billion).
Gastos totales	17,527,870	6,751,920	62.7%	

SOURCE: OPC, based on 2022 National Government Financial Report

Net financing

The net financing of the National Government (which is the counterpart of the financial deficit and is equivalent to the difference between financial sources and applications) amounted to ARS4,483.759 billion in 2022 (5.4% of GDP). Excluding figurative transfers, financial sources totaled ARS14,293.292 billion and financial applications amounted to ARS9,809.534 billion.

Financial sources and financial applications constitute what are commonly referred to as "below the line" operations of the Savings-Investment-Financing Scheme (AIF, by its initials in Spanish). They include the financing and repayment of public debt operations with private creditors and public sector agencies, as well as movements of liabilities that are not part of the public debt (such as the consolidation of debts with suppliers) and other financial asset transactions classified as financial investments (advances to suppliers and contractors, cash and bank movements, among others).

As for financial sources (ARS14,293.292 billion), public debt operations and an increase in other liabilities totaled ARS13,940.857 billion, 86.5% higher than the initial budget (extended). This amount included public debt operations and loans for ARS9,911.305 billion (71.1% of the total), an increase in other liabilities for ARS2,690.1 billion (19.3%) and an increase in enforceable debt for ARS1,339.451 billion (9.6%), which represents the expenditures accrued during 2022 that had not yet been paid by the end of the year.

Table 4. Execution of Financial Sources

2022, in millions of ARS and variance %

Concepts	Initial appropriation	Current appropriation	Accrued	Variance	
				ARS	%
Financial sources	7,624,678	16,551,102	14,293,292	6,668,615	87.5
Decrease in Financial Investments	150,681	316,137	352,435	201,755	133.9
Cash, Banks, and Temporary Investments	63,176	198,247	39,175	-24,002	-38.0
Other financial assets	87,504	117,891	133,310	45,805	52.3
Decrease in contributions receivable	N.B.	N.B.	179,951		
Public Debt and Increase in Liabilities	7,473,997	16,234,964	13,940,857	6,466,860	86.5
Public debt and loans	5,419,311	13,399,702	9,911,305	4,491,995	82.9
Long-term foreign currency debt placements	960,668	2,184,808	1,153,930	193,262	20.1
Long-term domestic currency debt placement	4,186,181	8,437,648	4,922,970	736,789	17.6
Long-term borrowings	272,462	2,777,246	3,834,405	3,561,943	1,307.3
Other liabilities	2,054,686	2,835,263	2,690,100	635,414	30.9
BCRA advances	1,889,686	2,455,263	2,310,100	420,414	22.2
Other short-term payables	165,000	380,000	380,000	215,000	
Enforceable debt	N.B.	N.B.	1,339,451		

N.B.: Not budgeted.

Note: excludes figurative transfers for financial applications.

SOURCE: OPC, based on 2022 National Government Financial Report and E.Sidif.

As for government securities placements, issues in domestic currency predominated (ARS4,922.97 billion), consisting mainly of Treasury bills (ARS3,734.46 billion), especially those with CER

adjustment (LECEP) and other unadjusted discount bills. Also, bonds in pesos were issued for ARS1,188.51 billion, among which the TY27 for ARS554.409 billion stands out.

Placements of government securities denominated in foreign currency (ARS1,153.93 billion) included non-transferable treasury bills placed with the Central Bank for ARS631.814 billion and dollar-denominated or exchange rate-linked bonds payable in pesos (dollar-linked) maturing in 2023 and 2024 for ARS522.516 billion.

Long-term loans (ARS3,834.405 billion) included disbursements from the International Monetary Fund (IMF) for ARS3,184.288 billion, from the Inter-American Development Bank (IDB) for ARS336,256 million, from the World Bank for ARS124.802 billion and from the Andean Development Corporation (CAF) for ARS81.513 billion. The rest were bilateral loans or loans from other multilateral organizations.

Also, as an increase in other liabilities (ARS2,690.1 billion), there were gross placements of temporary advances from the Central Bank (ARS2,310.1 billion), instruments related to the use of funds from the Single Treasury Account (CUT) (ARS180 billion) and from the Unified Fund of Official Accounts (FUCO) (ARS200 billion).

As for financial applications (ARS9,809.534 billion), debt amortization and reduction of other liabilities amounted to ARS8,085.337 billion, 89% more than the initial appropriation (extended budget). The amortization of public debt and loans amounted to ARS5,469.928 billion (68% of the total) and the decrease in other liabilities amounted to ARS2,588.409 billion (32%).

Table 5. Execution of Financial Applications

2022, in millions of ARS and variance %

Concept	Initial appropriation	Current appropriation	Accrued	Variance	
				ARS	%
Financial applications	4,830,421	11,301,144	9,809,534	4,979,113	103.1
Financial investment	543,550	879,775	1,724,197	1,180,646	217.2
Cash, Banks, and Temporary Investments	92,084	213,582	893,951	801,867	870.8
Other financial assets	451,466	666,193	546,067	94,601	21.0
Increase in contributions receivable	N.B.	N.B.	284,179	-	-
Amortization of debt and decrease in other liabilities	4,286,870	10,421,368	8,085,337	3,798,467	88.6
Public debt and loans	2,940,917	7,281,594	5,496,928	2,556,011	86.9
Amortization of long-term debt in foreign currency	257,718	448,166	320,396	62,678	24.3
Amortization of long-term debt in domestic currency	1,913,682	4,066,450	2,442,197	528,515	27.6
Amortization of long-term loans	642,161	2,603,648	2,582,457	1,940,296	302.2
Cancellation of non-financial debt in domestic currency	127,356	163,329	151,879	24,522	19.3
Decrease in other liabilities	1,345,953	3,139,774	2,588,409	1,242,456	92.3
Repayment of BCRA advances	1,067,512	1,690,049	1,690,049	622,537	58.3
Decrease in other long-term payables	58,441	1,249,725	813,360	754,918	1,291.8
Decrease in other short-term payables	220,000	200,000	85,000	-135,000	-61.4

N.B.: Not budgeted.; excludes figurative transfers for financial applications.

SOURCE: OPC, based on 2022 National Government Financial Report and E.Sidif.

As for debt amortization, most of the maturities were related to long-term loans from the external sector (ARS2,582.457 billion), including payments to the IMF for the 2018 stand-by loan

(ARS2,271.168 billion) and the cancellation of debts with the IDB, the CAF, the World Bank, and the China Development Bank (CDB).

Redemption of securities in domestic currency was ARS2,442.197 billion, including CER-adjusted Treasury bills (LECER) (ARS1,043.906 billion), fixed-rate bills in pesos (LEDES) and CER-adjustable bonds (BONCER).

The redemption of securities in foreign currency amounted to ARS320.396 billion, including the dollar-linked bonds TV22 and T2V2 for ARS271.731 billion. In addition, payments for Treasury bills to the province of Mendoza and Treasury bills in dollars issued to CMEA also stood out. The cancellation of non-financial debt in domestic currency (ARS151.879 billion) included the payment of court rulings.

The decrease in other liabilities (ARS2,588.409 billion) was mainly explained by the gross repayment of temporary advances from the Central Bank (ARS1,690.049 billion). In addition, there was a decrease in other accounts payable (ARS813.360 billion), composed of financial applications for various programs, and a decrease in short-term notes payable (ARS85 billion) for returns of funds from the CUT.

1.1.2. Comparison with fiscal year 2021

Table 6 shows the 2022 Savings-Investment scheme of the National Government, comparing the amounts executed (received as revenues and accrued as expenditures) in relation to the previous fiscal year.

Table 6. Savings-Investment Scheme. National Government

2021 and 2022, in millions of current ARS, YoY real and nominal var. %, and as % of GDP.

Concept	In millions of ARS		YoY var. %		As a % of GDP	
	2021	2022	Nom.	Real	2021	2022
I. Current revenues	8,653,459	12,981,806	50.0	-13.0	18.7	15.7
Tax revenues	4,791,738	8,594,013	79.4	4.0	10.3	10.4
Social security contributions	2,048,727	3,679,076	79.6	4.1	4.4	4.5
Non-tax revenues	354,498	264,135	-25.5	-56.8	0.8	0.3
Goods and services	14,287	24,866	74.0	0.9	0.0	0.0
Property income	1,002,191	405,774	-59.5	-76.5	2.2	0.5
Current transfers	442,018	13,941	-96.8	-98.2	1.0	0.0
II. Current expenditures	9,570,459	16,244,381	69.7	-1.6	20.6	19.7
Social benefits	5,286,577	9,098,623	72.1	-0.2	11.4	11.0
Economic subsidies	1,392,190	2,134,502	53.3	-11.1	3.0	2.6
Personnel expenses	903,925	1,691,479	87.1	8.5	2.0	2.1
Goods and services	385,538	464,416	20.5	-30.1	0.8	0.6
Transfers to provinces	402,637	625,495	55.3	-9.9	0.9	0.8
Transfers to universities	306,321	547,521	78.7	3.7	0.7	0.7
Other current expenditures	122,628	114,205	-6.9	-46.0	0.3	0.1
Interest	770,642	1,568,140	103.5	18.0	1.7	1.9
III. Economic result	-917,000	-3,262,575	255.8	106.3	-2.0	-4.0
IV. Capital revenues	13,917	62,306	347.7	159.6	0.0	0.1
V. Capital expenditures	1,192,705	1,283,490	7.6	-37.6	2.6	1.6
Real direct investment	249,365	387,759	55.5	-9.8	0.5	0.5
Capital transfers	858,217	790,681	-7.9	-46.6	1.9	1.0
Financial investment	85,123	105,050	23.4	-28.4	0.2	0.1
VI. Total revenue	8,667,376	13,044,111	50.5	-12.7	18.7	15.8
VII. Total expenditure	10,763,164	17,527,870	62.9	-5.6	23.2	21.3
VIII. Primary expenditures	9,992,522	15,959,731	59.7	-7.4	21.6	19.4
IX. Primary result (VI-VIII)	-1,325,147	-2,915,619	120.0	27.6	-2.9	-3.5
X. Financial result (VI-VII)	-2,095,788	-4,483,759	113.9	24.1	-4.5	-5.4
BCRA profits	787,712	0	-100.0	-100.0	1.7	0.0
XI. Economic result without BCRA	-1,704,712	-3,262,575	91.4	11.0	-3.7	-4.0
XII. Primary result without BCRA	-2,112,859	-2,915,619	38.0	-20.0	-4.6	-3.5
XIII. Financial result without BCRA	-2,883,501	-4,483,759	55.5	-9.8	-6.2	-5.4

SOURCE: OPC, based on 2022 National Government Financial Report.

During 2022, the budget execution of the National Government recorded a primary deficit of ARS2,915.619 billion, representing 3.5% of GDP, 0.6 p.p. higher than the deficit observed in fiscal year 2021 (2.9% of GDP). This result arises from comparing total revenue (ARS13,044.111 billion) with primary expenditures (ARS15,959.731 billion), with the former showing a 12.7% YoY decrease, whereas the latter fell by 7.4% YoY. On the other hand, interest on debt increased by 18.0% YoY, moderating the decline in total expenditures, which was 5.6% YoY.

Deducting ARS787.712 billion received during 2021 as remission of profits from the BCRA, there was an improvement in the result obtained by nearly 1 p.p. For its part, the financial deficit represented 5.4% of GDP, which implied an improvement of 0.8 p.p. with respect to that of 2021 (6.2% of GDP).

Expenditure execution

During 2022, total revenue (ARS13,044.111 billion) showed a 12.7% decrease in real terms compared to the previous fiscal year. However, during 2021 there were ARS787.712 billion in revenues from the remission of BCRA profits, recorded as property income, ARS439.044 billion from the allocation of SDRs by the IMF, recorded as current transfers, and ARS206.772 billion from the Solidarity and Extraordinary Contribution (Law 27,605), recorded as non-tax revenues.

Deducting these extraordinary resources, which practically did not recur in 2022⁵, total revenue would have shown an expansion of 4.5% YoY. This growth was mainly attributed to tax revenues (4.0% YoY) and to Social Security contributions (4.1% YoY).

Table 7. National Government revenues

2022, in millions of ARS, YoY real var. %, and as a % of GDP

Concept	2022	YoY real var. %	% of GDP
Tax revenues	8.594.013	4,0	10,4
VAT	2.510.866	4,4	3,0
Income Tax	1.588.314	20,4	1,9
Export Duties	1.464.637	-5,8	1,8
Check Tax	1.317.858	3,4	1,6
PAIS Tax	214.364	80,1	0,3
Others	1.497.975	-5,7	1,8
Social Security contributions	3.679.076	4,1	4,5
Non-tax revenues	264.135	-56,8	0,3
Solidarity contribution	7.842	-97,8	0,0
Others	256.293	0,6	0,3
Goods and services	24.866	0,9	0,0
Property income	405.774	-76,5	0,5
BCRA Profits	0	-100,0	0,0
FGS Profits	270.415	11,1	0,3
Others	135.359	7,0	0,2
Current transfers	13.941	-98,2	0,0
IMF SDRs	0	-100,0	0,0
Others	13.941	252,3	0,0
Capital revenues	62.306	159,6	0,1
Total revenues	13.044.111	-12,7	15,8
BCRA Profits	0	-100,0	0,0
Solidarity contribution	7.842	-97,8	0,0
IMF SDRs	0	-100,0	0,0
Total net revenues	13.036.269	4,5	15,8

The increase in VAT (4.4% YoY) was mainly driven by the growth in economic activity. The evolution of Income Tax (20.4% YoY) is attributable to the rate adjustment applicable to Corporations implemented in 2021, in a context of growth in economic activity.

There was also an increase in the PAIS Tax (80.1% YoY) because of the recovery of international outbound tourism after the lifting of sanitary restrictions, as well as the higher tax burden due to the increase in the percentage in Wealth tax.

Contrasting these dynamics, the collection from Export Duties contracted (5.8% YoY) because of the fall in foreign sales of the products that comprise the soybean complex.

As for the variation in Social Security contributions (4.1% YoY), it is mainly attributed to the increase in real wages.

On the other hand, the decrease in non-tax revenues (56.8%) was explained by lower revenues derived from the Solidarity and Extraordinary Contribution; and the decrease in current transfers (98.2%) was the result of not receiving revenues from the IMF SDRs, which were received in 2021.

SOURCE: OPC, based on 2022 National Government Financial Report

⁵ In 2022, ARS7.842 billion was received in Solidarity and Extraordinary Contributions.

Finally, capital resources grew (159.6% YoY) mainly because of transfers from the Transportation Infrastructure System Trust Fund for works of the National Directorate of Roads, amounting to ARS61.028 billion.

Expenditure execution

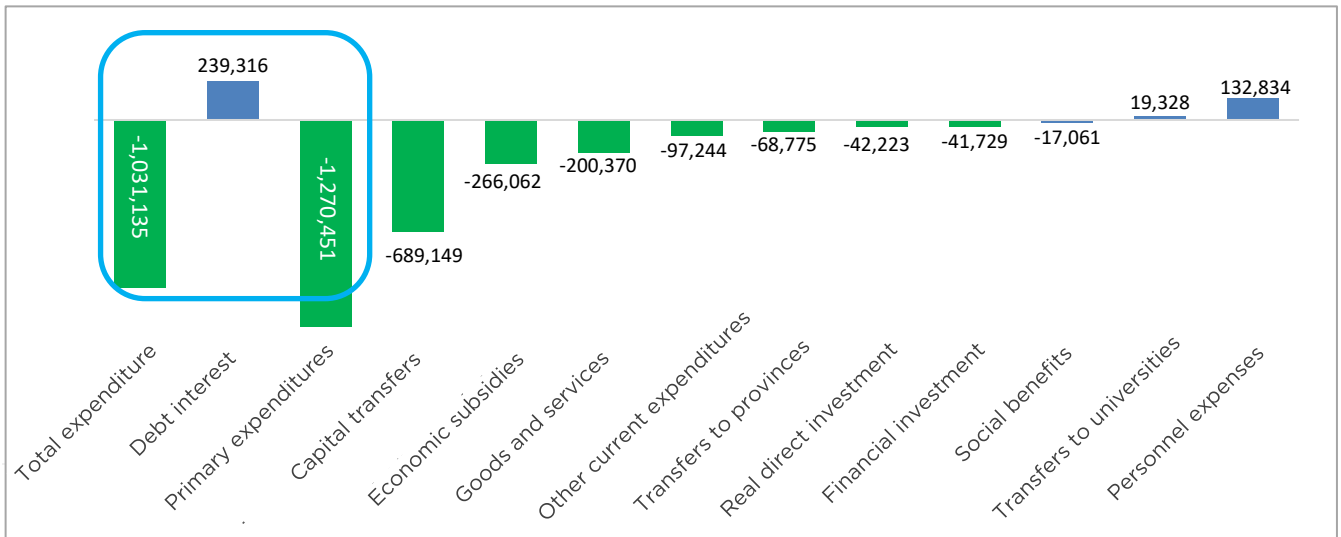
Total expenditures amounted to ARS17,527.87 billion, reflecting a 5.6% YoY decline in real terms. Among them, primary expenditures decreased 7.4% YoY, whereas debt interest grew 18.0% YoY, driven by higher payments derived from securities in foreign currency issued within the framework of the debt restructuring process of September 2020.

Within primary expenditures, except for personnel expenses (8.5% YoY) and current transfers to universities (3.7% YoY), there was a reduction in real terms, the most significant variations being those observed in other economic subsidies (-54.4% YoY), capital transfers (-46.6% YoY), other current expenditures (-46.0% YoY) and goods and services (-30.1% YoY). For its part, social benefits remained practically constant in real terms (-0.2% YoY).

Figure 1 shows the variance in the main expenditure items expressed in constant currency.

Figure 1. Total expenditure. Year-on-year variance in constant currency

Var. 2022 - 2021, in millions of constant ARS (2022)



SOURCE: OPC, based on 2022 National Government Financial Report.

As for social benefits (-0.2% YoY), expenditure on retirement and non-contributory pensions totaled ARS6,293.576 billion and recorded a drop of 1.3% in real terms. This drop was mainly attributable to the impact of the implementation of the pension benefit mobility policy (62.7% YoY vs. 72.4% YoY). This drop was partially offset by the expansion of benefits paid by the Armed and Security Forces' pension funds (9.2% YoY), linked to the salary policy for personnel under active service, and by the increase in the number of benefits granted (from 7 million in 2021 to 7.2 million in 2022).

In addition, it should be noted that although the implementation of the pension mobility formula resulted in updates of pension benefits below inflation, this impact was mitigated by the

extraordinary bonus policy implemented for the lowest-income pensioners (reflected in the *other social programs* component)⁶.

Table 8. Retirement pensions and non-contributory pensions

2021-2022, in millions of current ARS, real var. in constant ARS (2022) and YoY %.

Concept	In millions of ARS		Real var.	
	2021	2022	Nom.	%
Pensions	3,349,859	5,696,143	-80,044	-1.4
Former Provincial Pension Funds	98,522	156,001	-13,882	-8.2
Veterans' Pensions and Reg. Law No. 26,913	22,322	38,840	350	0.9
Universal Pension for Older Adults	51,263	104,332	15,939	18.0
Pension Benefits (General Reg. ANSES)	2,901,233	4,876,179	-126,438	-2.5
Subtotal ANSES	3,073,340	5,175,352	-124,031	-2.3
Armed and Security Forces pension funds	276,195	520,050	43,804	9.2
Others	324	741	183	32.7
Non-contributory pensions	347,631	597,433	-1,989	-0.3
Non-contributory pensions (DNU 746/2017)	104,629	160,753	-19,659	-10.9
Non-Contributory Pensions for Occupational Disability	243,002	436,680	17,670	4.2
Total	3,697,490	6,293,576	-82,034	-1.3

SOURCE: OPC, based on 2022 National Government Financial Report.

Family allowances fell by 2.4% YoY, mainly due to the differential between the mobility formula and inflation. However, those paid to the active population showed a positive variance of 6.3% YoY, due to the supplements implemented as of October 2021 (Executive Orders 719/21 and 578/22), and those for the Universal Child Allowance (AUH), inactive population and National Public Sector employees decreased by 10.4% YoY, 3.4% YoY and 13.9% YoY, respectively.

Table 9. Family allowances

2021-2022, in millions of current ARS and real var. in constant ARS (2022) and YoY %.

Concept	In millions of ARS		Real var.	
	2021	2022	Nom.	%
Family allowances	572,472	962,942	-24,177	-2.4
Universal Child Allowance (AUH)	249,087	384,650	-44,852	-10.4
Family allowance - Active population	245,830	450,792	26,906	6.3
Family allowance - Inactive population	68,070	113,417	-3,957	-3.4
Family allowance - National Public Sector	9,485	14,082	-2,273	-13.9

SOURCE: OPC, based on 2022 National Government Financial Report.

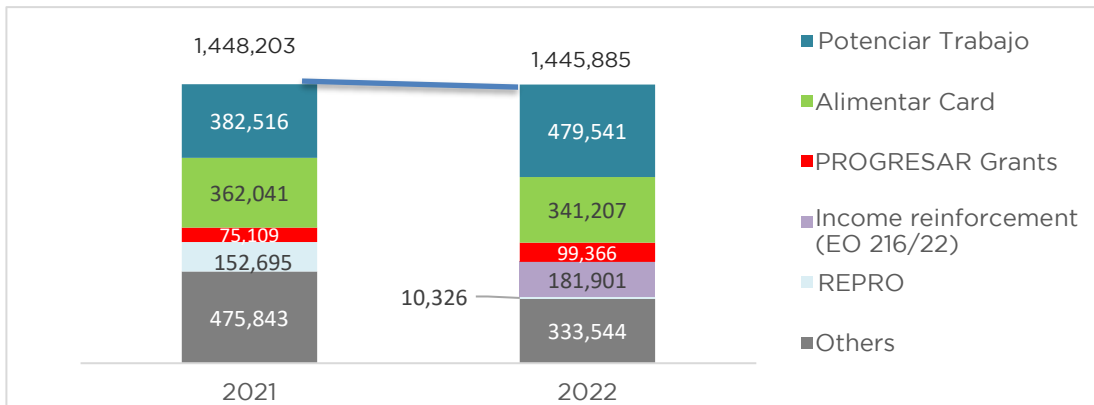
Transfers to social programs (-0.2% YoY) had a very uneven behavior. On the one hand, it is worth noting the existence of exceptional components, both in 2021 (REPRO II, Financial Assistance to INSSJP and Health Insurance Agents, among others) and in 2022 (Income Reinforcement for informal workers and low-income simplified regime taxpayers (*monotributistas*) and food reinforcement for adults without income granted by Executive Orders 216/2022 and 758/2022,

⁶ Executive Order 780/22 (extraordinary bonus of ARS6,000 accrued in April), Executive Order 215/22 (extraordinary bonus of ARS12,000 accrued in May), Executive Order 532/22 (extraordinary variable bonus of ARS4,000 to ARS7,000 accrued in September, October, and November) and Executive Order 788/22 (extraordinary variable bonus of ARS7,000 to ARS10,000 accrued in December).

respectively). Apart from these components, there was an increase in the PROGRESAR student grants and the *Potenciar Trabajo* program, with real variance of 32.3% YoY and 25.4% YoY, respectively, reflecting in both cases an increase in coverage. On the other hand, the Food Policy program decreased by 5.8% YoY, as the update of the amount of the benefit did not manage to offset inflation.

Figure 2. Social programs

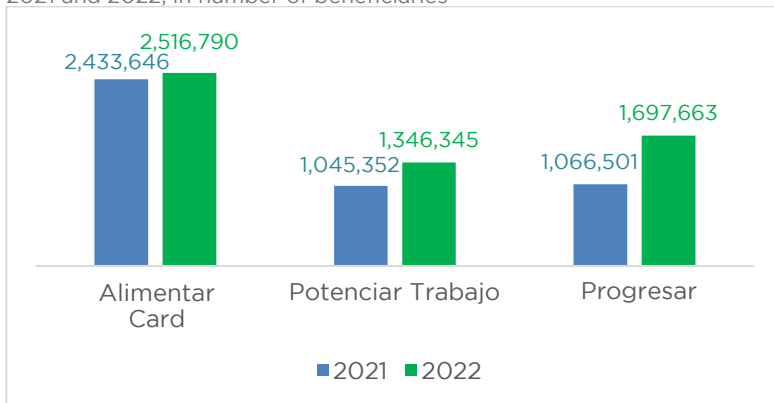
2021 and 2022, in millions of constant ARS (2022)



SOURCE: OPC, based on 2022 National Government Financial Report.

Figure 3. Physical execution of selected social programs

2021 and 2022, in number of beneficiaries

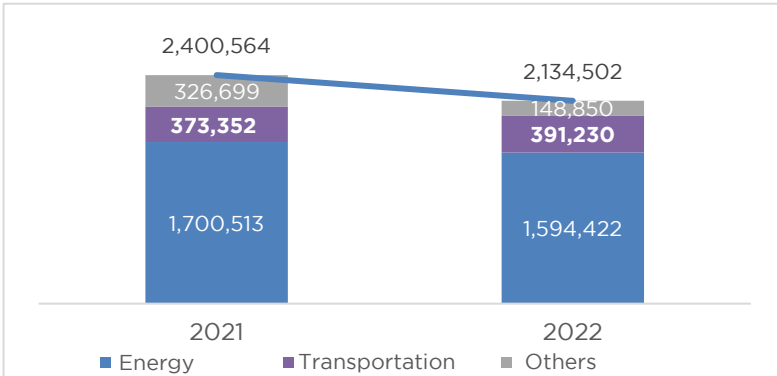


There were no significant changes in the total number of beneficiaries of the *Alimentar Card* (+3.4% YoY). On the other hand, in the *Potenciar Trabajo* program, there was an increase of 28.8% of the total number of beneficiaries (300,993 additional beneficiaries), and PROGRESAR grants added 59.2% new beneficiaries during 2022 (631,192), mostly due to grants to students at the compulsory education level.

SOURCE: OPC, based on 2022 National Government Financial Report.

Figure 4. Economic subsidies

2021 and 2022, in millions of constant ARS (2022)



Economic subsidies, which amounted to ARS2,134.502 billion, showed a real contraction of 11.1% YoY. Its evolution responds to the reduction of 6.2% YoY in energy subsidies and 54.4% YoY in other subsidies, partially offset by the increase in those for transportation (4.8% YoY).

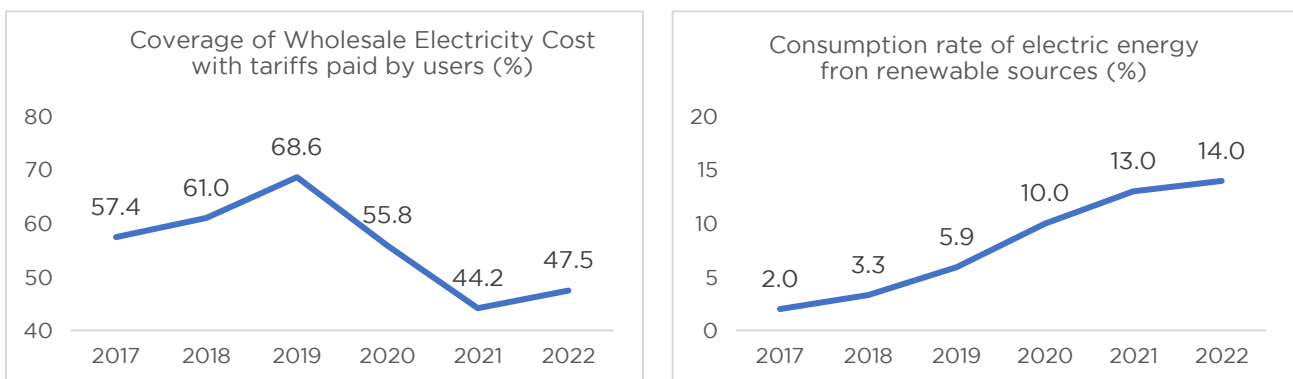
SOURCE: OPC, based on 2022 National Government Financial Report.

Expenditure on energy subsidies amounted to ARS1,594.422 billion (1.9% of GDP), implying a real fall of 6.2% YoY, attributable to lower transfers to *Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA)* (-3.8% YoY) and to the Gas Plan (-71.0% YoY)⁷. On the other hand, transfers to *Energía Argentina S.A. (ENARSA)* increased by 25.4% YoY, mainly because of the increase in the import prices of natural gas (Bolivia) and liquefied natural gas (LNG).

The reduction in transfers to CAMMESA was largely due to the decrease in the gap between the wholesale cost of the electricity system and the tariff paid by users. Based on CAMMESA data, costs increased 70% YoY (from ARS6,909/MWh to ARS11,732/MWh) and the Seasonal Monomic Price (PEST) increased 83% YoY (from ARS2,541/MWh to ARS4,653/MWh), which increased the percentage of coverage through tariffs (distribution demand) from 37% in 2021 to 39% in 2022⁸. Coverage of total demand increased from 44% to 47%.

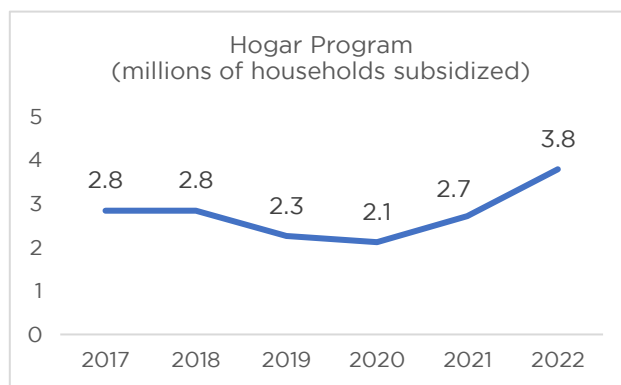
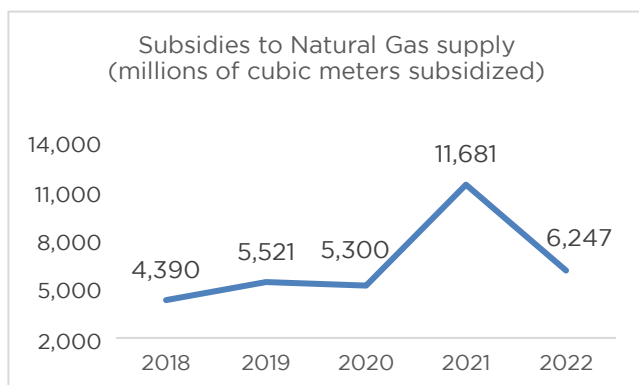
Figure 5. Energy sector indicators

2017-2022, as %, millions of m3 and millions of households



⁷ Under Resolution 46/2017, ARS11.664 billion (-90.8% YoY) and ARS37.566 billion were accrued under the Gas Plan.Ar (2020-2024) (-12.5% YoY).

⁸ In 2021, these purchases implied an expenditure of ARS122.719 million, compared to ARS33.766 billion accrued in 2022.



SOURCE: OPC, based on 2022 National Government Financial Report and CAMESA.

With respect to the evolution of personnel expenses (8.5% YoY) and transfers to universities (3.7% YoY), both increases mainly reflect that the 2021 salary policy accrued during the first months of fiscal year 2022 and the salary guideline agreed upon for that year allowed more than offsetting inflation⁹. Additionally, the number of employees in the National Executive Branch increased 2.2% YoY.

Expenditure on goods and services (-30.1% YoY) decreased mainly due to the lower expenditure on the purchase of vaccines for COVID-19 (-84% YoY).

The drop observed in current transfers to provinces (-9.9% YoY) was mainly driven by the evolution of non-transferred provincial pension funds (ARS72.218 billion, -28.4% YoY) and National Treasury Contributions (ARS31.993 billion, -52.5% YoY). On the hand, FONID (National Teacher Incentive Fund) transfers (ARS120.795 billion, 25.3% YoY), transfers to the Province of Buenos Aires under the Fiscal Strengthening Fund (ARS111.658 billion, 11.5%), and financial assistance to provinces and municipalities within the framework of agreements signed between the Nation and the provinces (ARS73.897 billion, 12.6% YoY) contributed to the opposite direction.

Finally, capital expenditures contracted 37.6% YoY, reflecting decreases in all items. Capital transfers decreased by 46.6% YoY, financial investment by 28.4% YoY, and real direct investment by 9.8% YoY.

⁹ Within the scope of the National Executive Branch, the salary increases for personnel grouped under the General Collective Bargaining Agreement (E.O. 214/06) remaining from the 2021 bargaining agreement effective during 2022 totaled 29%, while the increases for the 2022 salary policy were 16% (June), 12% (August), 12% (October) and 10% (November). Additionally, a one-time fixed amount of ARS30,000 was granted in the month of December. In the Legislative Branch, an increase of 30% was applied in June and another one of 30% as from October, and a fixed amount of ARS20,000 was granted as from May and another one of ARS30,000 as from November. In the Judicial Branch and the Public Prosecutor's Office, the guidelines agreed during fiscal year 2022 were 15.0% in January, 10.0% in April, 10.0% in May, 9.0% in July, 6.0% in September and 20% in December. For university teachers, the remaining salary increase remaining from the 2021 bargaining agreement effective during 2022 totaled 15%, while the increases for the 2022 salary policy were 13% (March), 16% (June), 12% (July), 7% (August), 5% (September), 9% (October), 7% (November) and 17% (December), plus a fixed monthly non-remunerative amount for salaries covered by the guarantee (ARS5,000 for part time and half-time positions and ARS10,000 for full-time positions).

Table 10. Capital transfers by function

2021 and 2022, in millions of current ARS, and YoY real var. %

Function	2021	2022	YoY real var. %
Housing and urban planning	315,570	247,157	-54.6
Potable Water and Sewerage	182,311	141,909	-54.9
Energy, Fuels and Mining	109,223	115,834	-38.5
Transportation	74,615	83,118	-35.4
Education and Culture	49,782	46,266	-46.1
Social Promotion and Assistance	24,932	28,154	-34.5
Internal Affairs	16,296	26,609	-5.3
Others	85,488	101,634	-31.1
Total	858,217	790,681	-46.6

Capital transfers (-46.6% YoY) fell in all their components according to the analysis by function, with the most significant decreases recorded in potable water and sewerage (-54.9% YoY) and in housing and urban planning (-54.6% YoY).

SOURCE: OPC, based on 2022 National Government Financial Report.

Table 11. Capital transfers by recipient

2021 and 2022, in millions of current ARS, and YoY real var. %

Recipient	2021	2022	YoY real var. %
Trust Funds and Other entities	333,828	254,400	-55.8
Procrear Trust Fund	205,326	109,177	-69.2
Social Housing Trust Fund	69,363	102,381	-14.4
Others	59,139	42,842	-58.0
Provinces and municipalities	214,639	246,496	-33.4
State-owned enterprises	263,327	228,939	-49.6
AYSA S.A.	124,399	96,499	-55.0
ENARSA	75,134	74,573	-42.4
ADIF S.E.	23,763	26,998	-34.1
Others	40,032	30,869	-55.3
Private sector	24,217	43,162	3.4
Universities	10,159	12,871	-26.5
External sector	9,790	4,813	-71.5
Others	2,258	-	-
Total	858,217	790,681	-46.6

The relative incidence of the decreases recorded in transfers to Trust Funds (-55.8% YoY) and in those to state-owned enterprises (-49.6% YoY) stand out. Within the first group, those transfers to the Trust Fund for the Bicentennial Argentine Credit Program for Single Family Housing (Pro.Cre.Ar), for ARS109.177 billion, and to the Social Housing Trust Fund, for ARS102.381 billion, stand out, while the main companies receiving capital transfers include: *Agua y Saneamientos Argentinos S.A.* (AYSA), with ARS96.499 billion, *Energía Argentina S.A.* (ENARSA), with ARS74.573 billion, and *Administradora de Infraestructuras Ferroviarias S.E.* (ADIF), with ARS26.998 billion.

SOURCE: OPC, based on 2022 National Government Financial Report.

1.1.3. Budget amendments

The budget execution for fiscal year 2022 occurred in a particular context, which was marked by the lack of parliamentary approval of the 2022 Budget Law and by the extension of 2021 Budget Law No. Law 27,591. This was implemented by means of Executive Order 882 of December 23, 2021, which in turn instructed the Chief of Cabinet of Ministers to make the adjustments provided for in Section 27 of the Law on Financial Administration and Control Systems of the National Public Sector

(LAF) No. 24,156, as amended, which was made effective by means of Administrative Decision No. 4 of January 5, 2022.

In this context, during 2022, authorizations for current and capital expenditures were increased by ARS 7,350.121 billion, which represents 68.2% of the initial appropriation for the fiscal year. As for the legal instrument used, 96.3% of the increase was approved through the issuance of two Decrees of Necessity and Urgency (DNU), given that the Executive Branch is not empowered to increase the total amount of expenditures financed with general revenue resources or to increase debt¹⁰.

Table 12. Differences between the initial (extended) budget and the final budget

2022, in millions of ARS and var. %

Concept	Initial Budget	Final Budget	Differences	Variance
I. Current revenues	7,967,952	12,812,686	4,844,734	60.8%
II. Current expenditures	9,481,047	16,656,869	7,175,821	75.7%
III. Economic result (I-II)	-1,513,096	-3,844,183	-2,331,087	154.1%
IV. Capital revenues	13,742	63,428	49,686	361.6%
V. Capital expenditures	1,294,902	1,469,203	174,300	13.5%
VI. Total revenue	7,981,693	12,876,113	4,894,420	61.3%
VII. Total expenditure	10,775,950	18,126,071	7,350,121	68.2%
VIII. Primary expenditures	10,004,710	16,540,670	6,535,960	65.3%
IX. Primary result (VI-VIII)	-2,023,017	-3,664,557	-1,641,540	81.1%
X. Financial result (VI-VII)	-2,794,257	-5,249,958	-2,455,701	87.9%
XI. Financial sources	7,624,678	16,551,102	8,926,424	117.1%
XII. Financial applications	4,830,421	11,301,144	6,470,723	134.0%

SOURCE: OPC, based on 2022 National Government Financial Report.

The remaining ARS268.466 billion (3.7%) were authorized by means of eleven administrative decisions of the Chief of Cabinet of Ministers, within the framework of the powers provided by Sections 8 and 9 of the 2021 Budget Law, as extended, and Section 37 of the LAF. It is important to note that the latter Section provides for certain maximum thresholds for the Executive Branch to provide for restructurings or amendments to the National Budget. Such limits are currently 5% for amendments involving increases in current expenditures to the detriment of capital expenditures or financial applications and 15% for amendments affecting the distribution between expenditure purposes¹¹.

Table 13 shows the budget amendments approved by the Chief of Cabinet of Ministers within the framework of the referred Section 37, by purpose and economic classification, where the budget amendments approved during fiscal year 2022 did not exceed the established limits.

¹⁰ Pursuant to Section 37 of the Financial Administration Law (Law 24,156), Congress has the power to increase the total expenditure financed with resources of the National Treasury (general revenues) or with public debt; therefore, any amendment to the Budget involving these situations must be approved by Law. Since the DNU is an instrument of the Executive Branch with a rank similar to that of a law, it is usual to resort to them for the implementation of these changes.

¹¹ Law 24,156, Section 37°: "the Chief of Cabinet of Ministers may order the budget restructurings he/she deems necessary within the total amount approved. Such restructuring may not exceed seven-point five percent (7.5%) for the fiscal year 2017 and five percent (5%) for the fiscal year 2018 and following, of the total amount approved by each budget law, nor fifteen percent (15%) of the approved budget by purpose, in the case of increases in current expenditures to the detriment of capital expenditures or financial applications, and/or modifications in the distribution of purposes."

Table 13. Budget amendments made by the Chief of the Cabinet of Ministers (JGM) within the framework of Section 37. Expenditure by purpose

2022, in millions of ARS and as a %

Purpose	Total approved amount	Amendments Section 37	% - Section 37
Government administration	576,775	33,853	5.87
Defense and Security	410,600	27,957	6.81
Social Services	7,006,308	199,387	2.85
Economic Services	2,006,071	-149,518	-7.45
Public Debt	776,196	2,502	0.32
Total expenditures	10,775,950	114,181	1.06

SOURCE: OPC, based on 2022 National Government Financial Report.

Table 14. Budget amendments made by the JGM within the framework of Section 37. Expenditure by economic classification

2022, in millions of ARS and as a %

Economic classification	Total amount approved	Amendments Sec. 37	% Sec. 37
Current expenditures	9,481,047	296,566	3.13
Capital expenditures	1,294,902	-182,385	-14.08
Total expenditure	10,775,950	114,181	1.06

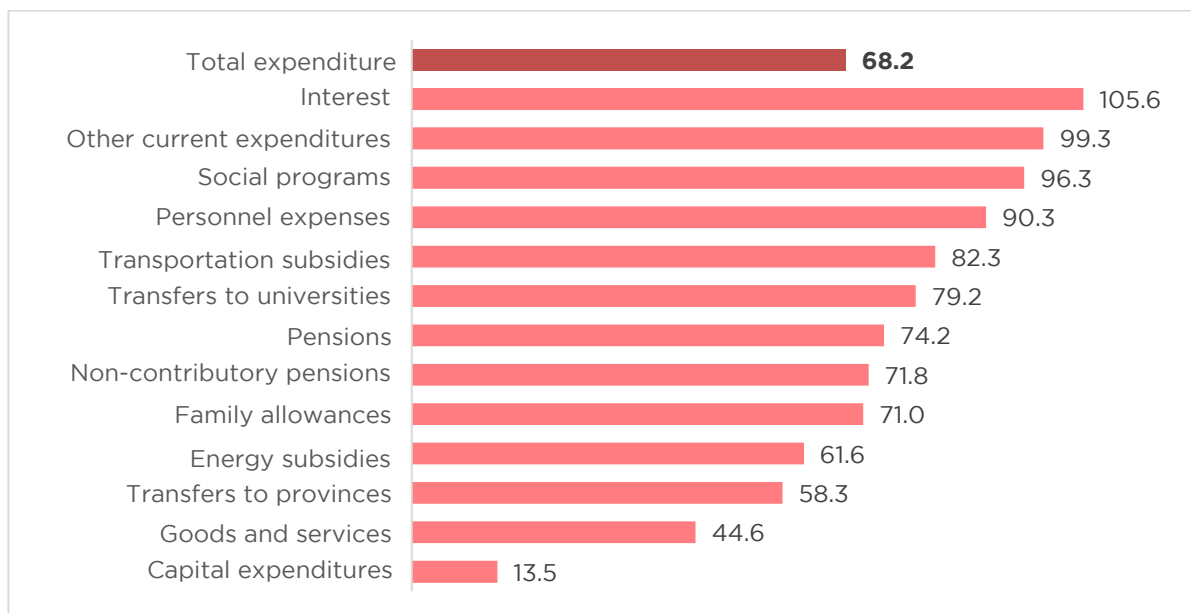
SOURCE: OPC, based on 2022 National Government Financial Report.

As for the purpose of the appropriation increases, 55.1% of the total increase was attributed to social benefits, which rose by ARS4,049.958 billion, with pensions (ARS2,631.466 billion) and social programs (ARS479.267 billion) standing out. This was followed by personnel expenses with 11.2% (ARS821.026 billion) and debt interest with 11.1% (ARS814.162 billion). Economic subsidies accounted for 10.8% of the increase (ARS793.037 billion), with energy subsidies standing out (ARS613.124 million).

Considering the increase in relation to the initial appropriation of each item, debt interest and other current expenditures doubled their budgets (105.6% and 99.3% increase, respectively), followed by social programs and personnel expenses, with increases exceeding 90% of the initial appropriation.

Figure 6. Increase in initial appropriation of the main expenditure items

Cumulative as of December 2022, as % increase in final appropriation over initial appropriation



SOURCE: OPC, based on 2022 National Government Financial Report.

1.2. National Government Employment

In December 2022, the National Government had 408,949 employees, of which 82.4% (337,086 employees) were employed in permanent and temporary positions and the rest, 71,863 employees (17.6%), worked under the contractual modality of Executive Order 1,421/2002¹².

With respect to the staff approved at the beginning of the fiscal year (377,737 positions), there was an 89.2% occupancy level in permanent and transitory staff. Teaching hours totaled 269,367 and were below the budgeted number (316,917).

Table 15. National Government Employment

2022. positions held, execution % and share

Sector	Permanent and temporary			Contracts E.O. 1.421/02 (b)	Total (a+b)	Share
	Initial	Final (a)	Exec. %			
Executive Branch	324,815	290,235	89.4	71,863	362,098	88.5
Judicial Branch	26,513	22,589	85.2	-	22,589	5.5
Legislative Branch	15,973	15,973	100.0	-	15,973	3.9
Public Prosecutor's Office	10,436	8,289	79.4	-	8,289	2.0
Total	377,737	337,086	89.2	71,863	408,949	100.0

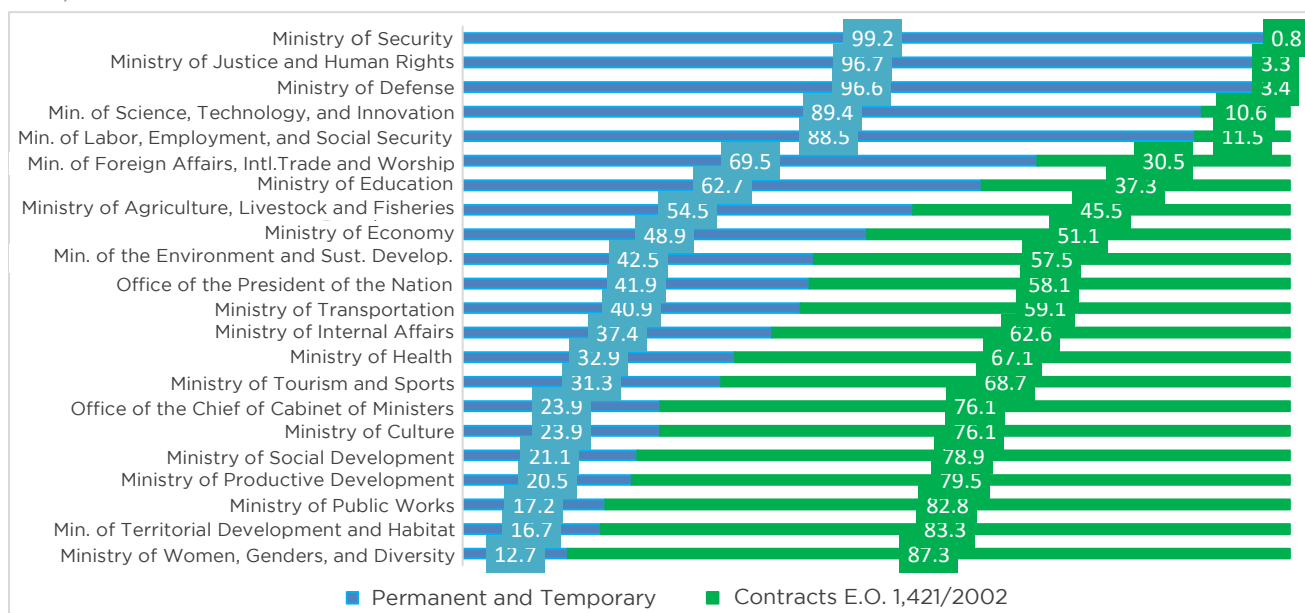
SOURCE: OPC, based on 2022 National Government Financial Report.

¹² These contracts are governed by Law No. 25,164, Framework Law for the Regulation of National Government Employment, in which the contracted employee is placed on the same level as the permanent staff of the agency where he/she works. They are also subject to personal contributions and employer's contributions and are paid through subsection 1 (Personnel Expenses) and main item 8 (Contracted Personnel).

Figure 7 shows the distribution by employment modality (permanent and temporary staff and contracted personnel) for the different ministries of the National Executive Branch.

Figure 7. Employment by modality. National Executive Branch

2022, share %



SOURCE: OPC, based on 2022 National Government Financial Report.

Unlike previous years, the 2022 National Government Financial Report contains a detail of the positions held by budget program, which allows analyzing the number of employees of the National Government by purpose, one of the classifications of budget expenditures.

Table 16 shows the distribution of the number of positions classified by employment modality (permanent and temporary staff and contracted personnel) for each purpose of expenditure, where 45.3% of those employed perform actions related to "Defense and Security".

Table 16. Positions held in the National Government by Purpose

2022. positions held, execution % and share %

Purpose	Permanent and Temporary	Contracts E.O 1,421/02	Total	Share %
Government Administration	54,126	11,774	65,900	16.1
Defense and Security	179,724	5,363	185,087	45.3
Social services	91,852	26,799	118,651	29.0
Economic services	7,314	18,321	25,635	6.3
Others (*)	4,070	9,606	13,676	3.3
Total	337,086	71,863	408,949	100.0

(*) It groups programs of lesser budgetary significance.

SOURCE: OPC, based on 2022 National Government Financial Report.

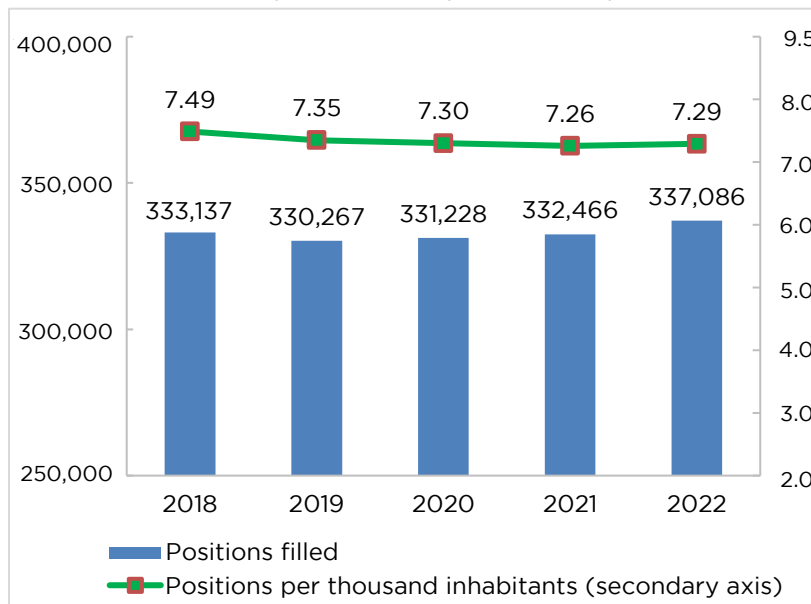
The number of positions filled in 2022 increased by 2.2% with respect to the previous fiscal year (+8,819), of which 52.4% were permanent and temporary personnel (+4,620) and the remaining 47.6% were contracted personnel (+4,199).

The highest growth in permanent and temporary personnel with respect to the previous fiscal year was concentrated in the Ministry of Defense, with an increase of 3,524 positions, mainly in the General Staff of the Army (+3,115). On the other hand, the contracted personnel at the National

Institute of Industrial Technology increased to 2,025 employees because of a change in the contractual modality with respect to the previous fiscal year.

Figure 8. Evolution of permanent and temporary employment

2018-2022, in number of positions and % positions filled per thousand inhabitants



The number of permanent and temporary positions (337,086 not including contracts) at the end of 2022 was 1.4% higher than in 2021 (332,466). This variation was mainly the result of an increase of 3,115 positions in the General Staff of the Army.

As for the ratio between positions held and the number of inhabitants, the proportion was similar to that of the last fiscal years: 7.3% of positions held per thousand inhabitants.

SOURCE: OPC, based on 2022 National Government Financial Report.

1.3. Financing operations

Evolution of public debt

As of December 31, 2022, the stock of total public debt reached 84.9% of GDP, which represents an increase of 5.1% of GDP with respect to 2021 year-end.

The stock of public debt payable in pesos totaled ARS23,179.908 billion as of December 31, 2022, showing an increase of ARS12,365.237 billion with respect to 2021 year-end. In terms of GDP, the increase was 4.8% of GDP to reach 28.1%.

The stock of public debt payable in foreign currency totaled USD264.032 billion, showing an increase of USD10.023 billion during 2022. In terms of GDP, this debt increased 0.3 percentage points to reach 56.7% of GDP.

Table 17. Evolution of Public Debt

Debt payable in ARS

Instrument	In millions of ARS			As % of GDP		
	2021	2022	Variation	2021	2022	Var. (p.p.)
Securities	8,195,155	19,561,092	11,365,937	17.7	23.7	6.0
Bilateral	30,000	82,000	52,000	0.1	0.1	0.0
Public and private banks	2,504,133	3,428,882	924,749	5.4	4.2	- 1.3
Suppliers	85,383	107,935	22,552	0.2	0.1	- 0.1
TOTAL	10,814,671	23,179,908	12,365,237	23.4	28.1	4.8

Debt payable in foreign currency

Instrument	In millions of USD			As % of GDP		
	2021	2022	Variation	2021	2022	Var. (p.p.)
Securities	179,265	181,603	2,338	39.8	39.0	- 0.8
Multilateral	68,067	75,512	7,444	15.1	16.2	1.1
Bilateral	4,787	5,091	304	1.1	1.1	0.0
Public and private banks	843	781	-62	0.2	0.2	- 0.0
Suppliers	1,046	1,045	-1	0.2	0.2	- 0.0
TOTAL	254,009	264,032	10,023	56.4	56.7	0.3

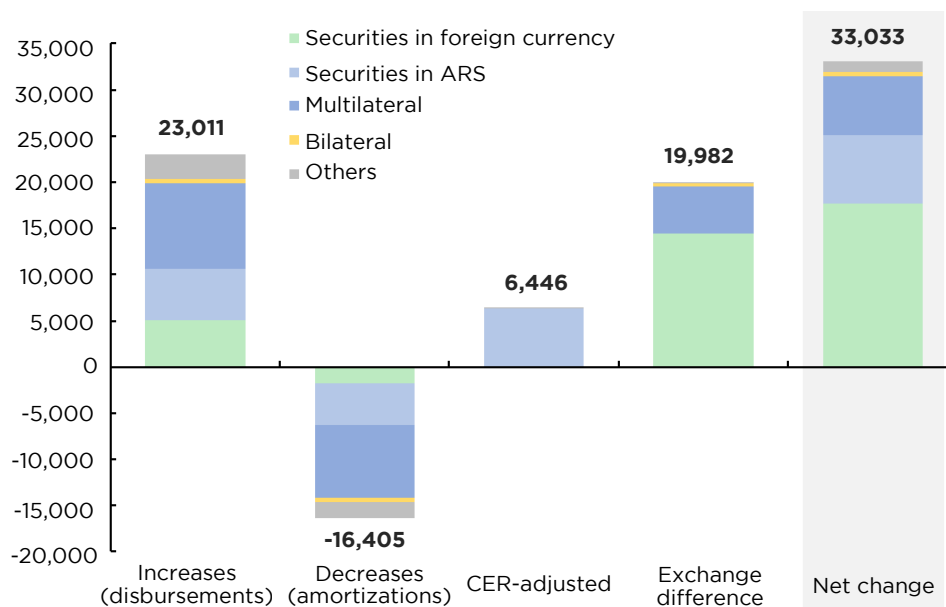
Note: Does not include interest arrears or compensatory interest. Stock at the end of 2021 includes starting balance adjustment.

SOURCE: OPC, based on 2022 National Government Financial Report.

Measured in pesos, the total debt stock showed an increase of ARS33 billion during the year, largely explained by a 72.4% increase in the exchange rate, which caused a valuation adjustment on debt in foreign currency, and by the annual inflation of 94.8%, which impacted the stock of CER-adjustable debt.

Figure 9. Variation in the stock of national public debt in 2022

In billions of ARS



SOURCE: OPC, based on 2022 National Government Financial Report.

There were 30 auctions of government securities in the local market during 2022, including seven swap transactions aimed at decompressing maturities during the year. Subscriptions were dominated by CER-adjustable securities in pesos, mainly discount bills (LEGER), and fixed-rate securities in pesos, especially discount bills (LEDES). Cash subscriptions totaled ARS7.8 trillion of nominal original value (NOV), while new instruments maturing between 2023 and 2028 for ARS3 trillion were placed in the securities swap auctions.

As for cash auctions of marketable bonds, ARS1.5 trillion of instruments payable in pesos were placed, including fixed-rate bonds in pesos for NOV ARS554.409 billion, dollar-linked bonds for NOV ARS389.507 billion (USD2.687 billion), inflation-adjustable bonds for NOV ARS302.139 billion, floating-rate bonds in pesos (BADLAR) for NOV ARS142.026 billion, and dual-rate bonds for NOV ARS104.067 billion (USD710 million).

Additionally, bonds in domestic currency were placed by direct subscription with maturity after 2022 for NOV ARS93.9 trillion, including ARS81.597 billion to comply with the agreements reached between the Province of Santa Fe and the National Government and NOV ARS12.396 billion to the Sustainability Guarantee Fund (FGS). In addition, a bill in dollars for VNO USD93 million (ARS13.444 billion) was issued to China Machinery Engineering Argentina S.A. (CMEA).

The stock of marketable treasury bills in pesos increased from ARS1.9 trillion to ARS5.3 trillion between 2021 and 2022, mainly explained by the CER-adjustable bills and the net placement of discount rate bills, which include the issuance of new liquidity bills (LELITES), exclusively for mutual funds.

During 2022, bills were issued to different NPS agencies pursuant to the provisions of DNU 668/2019¹³, maturing in 2022 and 2023 for VNO ARS302.693 billion, and in dollars for VNO USD2.249 billion.

The Central Bank granted financing to the Treasury through the issuance of bills in dollars maturing in 2031 and 2032 for a total of USD11.956 billion, including USD8.012 million to refinance maturities of similar bills and USD3.943 billion issued under different transitory mechanisms to incentivize the liquidation of exports through the implementation of a differential exchange rate. Additionally, the Central Bank provided net financing of ARS620.051 billion in temporary advances. As of December 31, the stock of this instrument amounted to ARS2,793.1 billion.

Intra-public sector operations also included the issuance of promissory notes totaling ARS180 billion (issued to the Ministry of Internal Affairs, the National Insurance Superintendency, the National Institute of Agricultural Technology, the National Communications Entity, and the National Institute of Tourism Promotion) for the use of CUT balances, and an increase of ARS200 billion in financing arising from the use of the FUCO.

As for financing from international and bilateral official credit organizations, the difference between disbursements and principal payments plus interest totaled USD7.148 billion, of which USD5.138 billion were from the IMF, USD1.227 million from the IDB, and USD501 million from the World Bank.

A payment to the Paris Club member countries of ARS189 million was made in February 2022 and in October an agreement was reached to renegotiate the debt. The principal is to be repaid in thirteen semiannual payments (from December 2022 to September 2028), with an increasing interest rate, from 3.9% to 5.2%.

On the other hand, the swap of government securities denominated in foreign currency issued under Argentine legislation initiated in 2020 was completed in 2022, which resulted in the issuance of new bonds in dollars for USD118 million and inflation-adjustable bonds for ARS200 million.

¹³ DNU 668/2019 provided that agencies and entities of the National Public Sector and the earmarked funds and assets administered by them could only invest their temporary liquidity surpluses through the subscription of pre-cancelable Treasury Bills issued with a term of less than 180 days.

Finally, settlement of claims with holders of debt not included in the debt swap under the terms of the Settlement Proposal of February 2016 continued throughout the year. At the end of 2022, the principal amount of debt pending restructuring amounted to approximately USD1.017 billion.

Authorizations for public credit operations

Law 24,156 on Financial Administration establishes that public credit transactions of the National Government will be authorized by the Budget Law of the respective year or by a specific law, except for debt operations with international financial organizations.

In the absence of a Budget Law for the year 2022, Executive Order 882/2021 extended the 2021 Budget and, therefore, the authorizations to the Central Administration to issue government securities and loans were extended, with the respective detail of the maximum amounts authorized for different purposes and minimum amortization terms. Sections 42, 43, 44, 48 and 50 of the 2021 Budget Law established limits to the amounts of issuance of securities and contracting of loans. In February, DNU 88/2022 extended the limits for the issuance of securities and contracting of loans of the referred Sections.

Section 42 established the maximum amounts of authorization to the Central Administration for the issuance of government securities and loans, disaggregated by minimum term of amortization. The initial amount authorized for the issuance of government securities or loans in pesos to finance debt service and non-operating expenses for 2022 was ARS4,820 billion. The authorized limit for borrowing in foreign currency for different projects amounted to USD14.827 billion and EUR150 million.

In June, DNU 331/2022 added the authorization to contract four loans for a total of USD2.068 billion; in August, Resolution 533/2022 of the Ministry of Economy reassigned the authorized amounts for the issuance of debt with a term between 90 days and 4 years, and DNU 712/2022 increased the authorization to issue debt at 90 days or less by ARS1,900 billion; and, finally, DNU 829/2022 increased again this last authorization by ARS1,100 billion.

The National Government Financial Report indicates that government securities and loans were placed to finance debt service and non-operating expenses for a total amount equivalent to ARS15,005.766 billion during 2022, leaving a remaining balance of ARS455.559 billion as of the authorized amounts in effect at the end of the fiscal year. In addition, four loans were contracted with a minimum repayment term of 3 years, for a total amount of USD1.495 billion, of which USD284 million were executed through the end of the year:

- a loan for USD1.3 billion for electric transportation works, of which USD104 million were executed,
- a loan for USD50 million for the Integrated Urban Solid Waste Management Project (GIRSU), of which USD42 million were executed,
- a loan for USD75 million for the modernization of the Belgrano Sur Railroad (which was fully executed), and
- a USD70 million financing line for sustainable development projects, of which USD63 million were executed.

Sections 43 and 44 established limits for the use of credit with maturity within the same fiscal year. In this case, the limits were set on the outstanding amounts of these instruments.

Section 43 authorized the issuance of bills of exchange to comply with the operations included in the financial program until reaching an outstanding amount of CV ARS789.6 billion, including the

amendment introduced by DNU 88/2022. This authorization was used throughout the year, and as expected, by the end of the year these bills had been fully amortized.

On the other hand, Section 44 authorized the General Treasury of the Nation (TGN) and the National Social Security Administration (ANSeS) to issue short-term bills up to an outstanding amount of ARS250 billion and ARS180 billion. The National Government Financial Report states that no placements were made under these authorizations during 2022.

Section 48 indicated the amounts authorized for the granting of guarantees. The initial amount for 2022 was USD6.172 billion. This amount was replaced by DNU 88/2022 to USD4.777 billion, and then increased by DNU 331/2022 by USD584 million, reaching USD5.361 billion. The National Government Financial Report informs the granting of four guarantees in 2022 for a total amount of USD411 million.

Table 18. Issuance of National Treasury guarantees in 2022

Entity guaranteed	Beneficiary	Purpose	Amount (in USD)
INVAP S.A.	Banco de la Provincia de Buenos Aires	Counter-guarantee of the extensions of performance and advance payment guarantees related to the contracts with CNRD for the construction of a radioisotope laboratory and the technological upgrade of the fuel element development unit.	10,000,000
INVAP S.A.	Banco de la Nación Argentina	Guarantee of the opening of the stand-by letter of credit in favor of YPF for the acquisition of natural gas from Bolivia.	200,000,000
Aerolíneas Argentinas S.A.	Banco de la Nación Argentina	BNA's financing of the principal maturities of the loan obtained from <i>Banco Nacional de Desarrollo Económico y Social</i> (BNDES) between September 2022 and September 2023.	127,723,000
Aerolíneas Argentinas S.A.	Banco de la Nación Argentina	Refinancing of principal maturities to be paid in 2023.	73,700,000
Total			411,423,000

SOURCE: OPC, based on 2022 National Government Financial Report.

Finally, Section 50 of Law 27,591 authorized the issuance of debt consolidation bonds (BOCONES) eighth series for ARS8.6 billion and DNU 88/2022 provided for the issuance of BOCONES tenth series under the same authorization. Such amount was replaced by DNU 331/2022 in the amount of ARS12.1 billion. As of December 31, BOCONES were placed for a total of CV ARS1.7 billion, CV ARS1.689 billion of the eighth series and CV ARS12 million of the tenth series.

On the other hand, Section 8 of DNU 88/2022 authorized the issuance of Treasury Liquidity Bills in pesos at a discount (LELITES) up to an outstanding amount of NV ARS100 billion, for the issuance of these securities to be made in December and maturing in January 2023.

The National Government Financial Report indicates that on December 30, 2022 a LELITE maturing on January 20, 2023 was issued for NV ARS53.341 billion.

2. State-owned enterprises

The scope of the budget execution of State-owned enterprises comprising the national non-financial public sector for fiscal year 2022 includes 35 enterprises¹⁴, whose details and composition can be found at:

<https://www.argentina.gob.ar/economia/sechacienda/cgn/cuenta/2022/cuenta-de-inversion-2022-tomo-i/empresas-publicas>.

Table 19 presents a scheme with the most important composition of resources, expenditures, and financial result in 2022 for the state-owned enterprises sector and for four selected companies, which together represent 75% of the sector, both in terms of resources and expenditures. This outline also shows the comparison in real terms with fiscal year 2021:

Table 19. Revenues, expenditures, and financial results. State-owned enterprises

2021 and 2022, in millions of current ARS, YoY real and nominal var %, and as a % of GDP

Concept	In millions of ARS		YoY var. %		% of GDP	
	2021	2022	Nominal	Real	2021	2022
Consolidated State-Owned Enterprises Sector						
Total revenue	1,230,678	1,857,592	50.9	-12.5	2.64	2.25
Operating revenues	521,269	777,079	49.1	-13.6	1.12	0.94
Current and capital transfers	665,261	870,318	30.8	-24.1	1.42	1.06
Other current and capital resources	44,149	210,194	376.1	176.1	0.09	0.25
Total expenditure	1,067,046	2,263,097	112.1	23.0	2.29	2.75
Operating expenses	827,555	1,622,488	96.1	13.7	1.77	1.97
Real direct investment	203,924	553,494	171.4	57.4	0.44	0.67
Other current and capital expenditures	35,568	87,115	144.9	42.0	0.08	0.11
Financial result	163,632	-405,506	-347.8	-243.7	0.35	-0.49
Energía Argentina S.A (ENARSA)						
Total revenue	484,729	732,876	51.2	-12.3	1.04	0.89
Operating revenues	174,039	241,015	38.5	-19.7	0.37	0.29
Current and capital transfers	290,812	400,867	37.8	-20.1	0.62	0.49
Other current and capital resources	19,878	90,994	357.8	165.4	0.04	0.11
Total expenditure	331,647	934,917	181.9	63.5	0.71	1.13
Operating expenses	274,477	660,379	140.6	39.5	0.59	0.80
Real direct investment	52,644	250,290	375.4	175.7	0.11	0.30
Other current and capital expenditures	4,527	24,247	435.7	210.6	0.01	0.03
Financial result	153,081	-202,041	-232.0	-176.5	0.33	-0.25
Ferrocarriles Argentinos Holding (FFCC)¹⁵						
Total revenue	148,082	273,291	84.6	7.0	0.32	0.33
Operating revenues	14,789	24,455	65.4	-4.1	0.03	0.03
Current and capital transfers	127,006	231,026	81.9	5.5	0.27	0.28
Other current and capital resources	6,286	17,811	183.3	64.3	0.01	0.02
Total expenditure	150,209	296,204	97.2	14.3	0.32	0.36
Operating expenses	116,005	219,217	89.0	9.6	0.25	0.27
Real direct investment	30,314	66,928	120.8	28.0	0.06	0.08
Other current and capital expenditures	3,890	10,059	158.6	49.9	0.01	0.01
Financial result	-2,127	-22,913	977.2	524.6	0.00	-0.03
Agua y Saneamientos Argentinos S.A. (AYSA)						
Total revenue	187,040	176,335	-5.7	-45.3	0.40	0.21
Operating revenues	30,861	38,691	25.4	-27.3	0.07	0.05

¹⁴ The universe does not include Yacimiento Petrolíferos Fiscales (YPF) or Industrias Metalúrgicas Pescarmona S.A.I.C.yF. (IMPSA), state-owned companies under the terms of Section 8 paragraph b) of Law 24.156, which includes within this definition Mixed Economy Companies and all those other business organizations where the national government has a majority shareholding in the capital stock or in the making of corporate decisions.

¹⁵ This group includes the following companies: Operadora Ferroviaria S.E. (SOFSE), Belgrano Cargas y Logística S.A., Administración Infraestructuras Ferroviarias S.E. (ADIF), Playas Ferroviarias de Buenos Aires S.A., Desarrollo del Capital Humano Ferroviario S.A. (DECAHF S.A.) and Ferrocarriles Argentinos S.E..

Concept	In millions of ARS		YoY var. %		% of GDP	
	2021	2022	Nominal	Real	2021	2022
Current and capital transfers	151,137	123,595	-18.2	-52.6	0.32	0.15
Other current and capital resources	5,042	14,049	178.6	61.6	0.01	0.02
Total expenditure	146,208	276,111	88.8	9.5	0.31	0.33
Operating expenses	63,267	105,209	66.3	-3.6	0.14	0.13
Real direct investment	75,919	150,240	97.9	14.8	0.16	0.18
Other current and capital expenditures	7,023	20,662	194.2	70.6	0.02	0.03
Financial result	40,832	-99,776	-344.4	-241.7	0.09	-0.12
Aerolíneas Argentinas (AA)						
Total revenue	136,125	191,113	40.4	-18.6	0.29	0.23
Operating revenues	127,319	166,702	30.9	-24.1	0.27	0.20
Current and capital transfers	0	0	-	-	-	-
Other current and capital resources	8,806	24,411	177.2	60.7	0.02	0.03
Total expenditure	180,921	270,598	49.6	-13.3	0.39	0.33
Operating expenses	161,054	246,822	53.3	-11.1	0.34	0.30
Real direct investment	8,606	16,624	93.2	12.0	0.02	0.02
Other current and capital expenditures	11,261	7,152	-36.5	-63.2	0.02	0.01
Financial result	-44,796	-79,486	77.4	2.9	-0.10	-0.10
Resto de Empresas Públicas						
Total revenue	303,868	483,977	59.3	-7.6	0.65	0.59
Operating revenues	174,262	306,217	75.7	1.9	0.37	0.37
Current and capital transfers	96,305	114,832	19.2	-30.9	0.21	0.14
Other current and capital resources	33,301	62,929	89.0	9.6	0.07	0.08
Total expenditure	258,060	485,268	88.0	9.0	0.55	0.59
Operating expenses	212,752	390,861	83.7	6.5	0.46	0.47
Real direct investment	36,441	69,412	90.5	10.5	0.08	0.08
Other current and capital expenditures	8,867	24,994	181.9	63.5	0.02	0.03
Financial result	45,808	-1,290	-102.8	-101.6	0.10	0.00

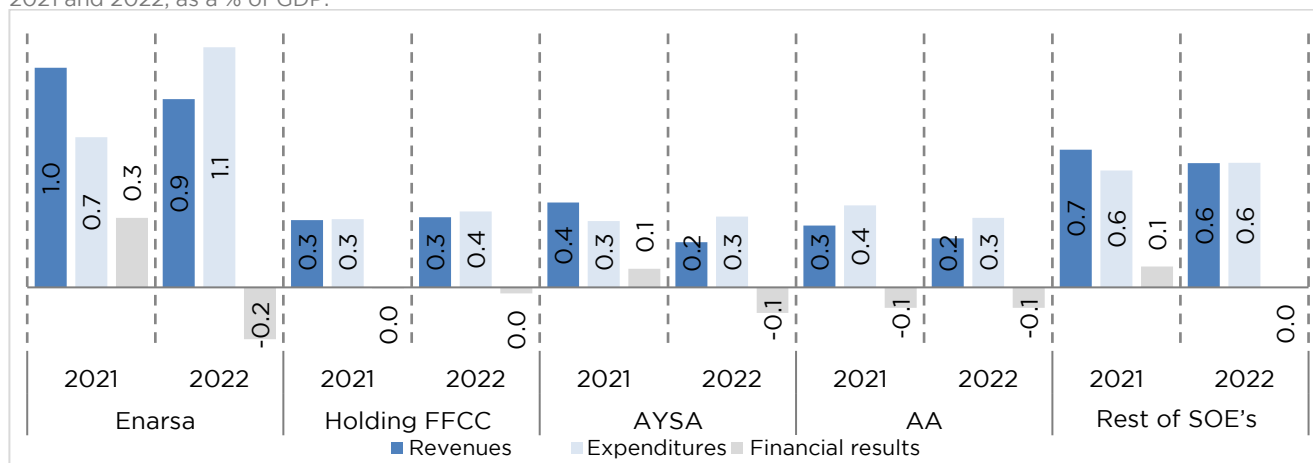
SOURCE: OPC, based on 2022 National Government Financial Report.

The consolidated budget execution of the state-owned enterprises sector recorded a financial deficit of ARS405.506 billion (-0.49% of GDP) in 2022, which contrasts with the financial surplus of ARS163.362 billion in fiscal year 2021 (0.35% of GDP).

This result arises from comparing total resources (ARS1,857.592 billion) with total expenditure (ARS2,263.097 billion), where the former suffered a decrease of 12.5% YoY, whereas the latter showed an increase of 23.0% YoY in real terms. Operating expenses increased 13.7% YoY, and real direct investment grew 57.4% YoY, which together represent more than 95% of the total. On the other hand, the evolution of resources was marked by a decrease in operating revenues (13.6% YoY) and in current and capital transfers (24.1% YoY), which together account for 90% of the sector's total resources.

Figure 10. Revenues, expenditures, and financial results. State-owned enterprises

2021 and 2022, as a % of GDP.



SOURCE: OPC, based on 2022 National Government Financial Report.

3. Trust Funds

The scope of the budget execution of Trust Funds comprising the national non-financial public sector includes 30 Funds, whose details and composition can be found at:

<https://www.argentina.gob.ar/economia/sechacienda/cgn/cuenta/2022/cuenta-de-inversion-2022-tomo-i/fondos-fiduciarios>.

Table 20 presents a scheme with the most important composition of resources, expenditures, and financial result in 2022 for the trust funds sector as and for five selected funds, which together represent 65% of the sector, both in terms of resources and expenditures. This outline also shows the comparison in real terms with fiscal year 2021:

Table 20. Revenues, expenditures, and financial results. Trust Funds

2021 and 2022, in millions of current ARS, YoY real and nominal var %, and as a % of GDP

Concept	In millions of ARS		YoY var. %		% of GDP	
	2021	2022	Nominal	Real	2021	2022
Consolidated Trust Fund Sector						
Total revenue	970,279	1,331,612	37.2	-20.4	2.08	1.62
Current and capital transfers	559,721	550,064	-1.7	-43.0	1.20	0.67
Tax revenues	173,234	163,484	-5.6	-45.3	0.37	0.20
Property income	170,015	441,987	160.0	50.7	0.36	0.54
Other current and capital resources	67,308	176,077	161.6	51.7	0.14	0.21
Total expenditure	305,879	816,207	166.8	54.7	0.66	0.99
Current and Capital transfers to private sector	143,434	465,423	224.5	88.2	0.31	0.56
Transfers to public sector	131,804	300,103	127.7	32.0	0.28	0.36
Other current and capital expenditures	30,640	50,680	65.4	-4.1	0.07	0.06
Financial result	664,400	515,406	-22.4	-55.0	1.42	0.63
Transportation Infrastructure System Trust Fund (FFSIT)						
Total revenue	227,980	347,910	52.6	-11.5	0.49	0.42
Current and capital transfers	118,641	195,186	64.5	-4.6	0.25	0.24
Tax revenues	101,009	116,703	15.5	-33.0	0.22	0.14
Property income	8,331	36,021	332.4	150.7	0.02	0.04

Concept	In millions of ARS		YoY var. %		% of GDP	
	2021	2022	Nominal	Real	2021	2022
Other current and capital resources	0	0	-	-	-	-
Total expenditure	158,225	314,610	98.8	15.3	0.34	0.38
Current and Capital transfers to private sector	121,724	256,238	110.5	22.1	0.26	0.31
Transfers to public sector	35,436	57,548	62.4	-5.8	0.08	0.07
Other current and capital expenditures	1,064	825	-22.5	-55.1	0.00	0.00
Financial result	69,755	33,300	-52.3	-72.3	0.15	0.04
Trust Fund for the Argentine Bicentennial Single Family Housing Credit Program (Pro.Cre.Ar.)						
Total revenue	243,622	199,064	-18.3	-52.6	0.52	0.24
Current and capital transfers	205,326	109,177	-46.8	-69.2	0.44	0.13
Tax revenues	0	0	-	-	-	-
Property income	24,238	73,637	203.8	76.2	0.05	0.09
Other current and capital resources	14,058	16,249	15.6	-33.0	0.03	0.02
Total expenditure	16,567	24,981	50.8	-12.6	0.04	0.03
Current and Capital transfers to private sector	0	14,037	-	-	-	0.02
Transfers to public sector	0	0	-	-	-	-
Other current and capital expenditures	16,567	10,944	-33.9	-61.7	0.04	0.01
Financial result	227,055	174,083	-23.3	-55.5	0.49	0.21
Trust Fund for Productive Development (FONDEP)						
Total revenue	111,505	95,898	-14.0	-50.1	0.24	0.12
Current and capital transfers	84,733	28,562	-66.3	-80.5	0.18	0.03
Tax revenues	0	0	-	-	-	-
Property income	26,772	67,336	151.5	45.8	0.06	0.08
Other current and capital resources	0	0	-	-	-	-
Total expenditure	11,922	34,068	185.7	65.7	0.03	0.04
Current and Capital transfers to private sector	8,729	32,929	277.2	118.8	0.02	0.04
Transfers to public sector	0	0	-	-	-	-
Other current and capital expenditures	3,194	1,139	-64.3	-79.3	0.01	0.00
Financial result	99,582	61,830	-37.9	-64.0	0.21	0.08
Social Housing Trust Fund (FFVS)						
Total revenue	71,787	109,521	52.6	-11.5	0.15	0.13
Current and capital transfers	69,363	102,381	47.6	-14.4	0.15	0.12
Tax revenues	0	0	-	-	-	-
Property income	2,424	7,090	192.5	69.6	0.01	0.01
Other current and capital resources	0	50	-	-	0.00	0.00
Total expenditure	9,591	140,742	1,367.4	750.9	0.02	0.17
Current and Capital transfers to private sector	0	0	-	-	-	-
Transfers to public sector	9,257	139,338	1,405.2	772.8	0.02	0.17
Other current and capital expenditures	334	1,403	319.9	143.5	0.00	0.00
Financial result	62,195	-31,221	-150.2	-129.1	0.13	-0.04
Argentine Guarantee Fund (FOGAR)						
Total revenue	56,784	98,389	73.3	0.5	0.12	0.12
Current and capital transfers	11,371	4,500	-60.4	-77.1	0.02	0.01
Tax revenues	0	0	-	-	-	-
Property income	41,299	93,739	127.0	31.6	0.09	0.11
Other current and capital resources	4,114	150	-	-	0.01	-
Total expenditure	2,201	2,800	27.2	-26.2	0.00	0.00

Concept	In millions of ARS		YoY var. %		% of GDP	
	2021	2022	Nominal	Real	2021	2022
Current and Capital transfers to private sector	0	0	-	-	-	-
Transfers to public sector	0	0	-	-	-	-
Other current and capital expenditures	2,201	2,800	27.2	-26.2	0.00	0.00
Financial result	54,582	95,588	75.1	1.5	0.12	0.12
Rest of Trust Funds						
Total revenue	258,602	480,831	85.9	7.8	0.6	0.6
Current and capital transfers	70,288	110,258	56.9	-9.0	0.15	0.13
Tax revenues	72,226	46,781	-35.2	-62.4	0.15	0.06
Property income	66,951	164,164	145.2	42.2	0.14	0.20
Other current and capital resources	49,136	159,628	224.9	88.4	0.11	0.19
Total expenditure	107,371	299,005	178.5	61.5	0.23	0.36
Current and Capital transfers to private sector	12,981	162,220	1,149.6	624.6	0.03	0.20
Transfers to public sector	87,111	103,217	18.5	-31.3	0.19	0.13
Other current and capital expenditures	7,279	33,569	361.2	167.4	0.02	0.04
Financial result	151,230	181,826	20.2	-30.3	0.32	0.22

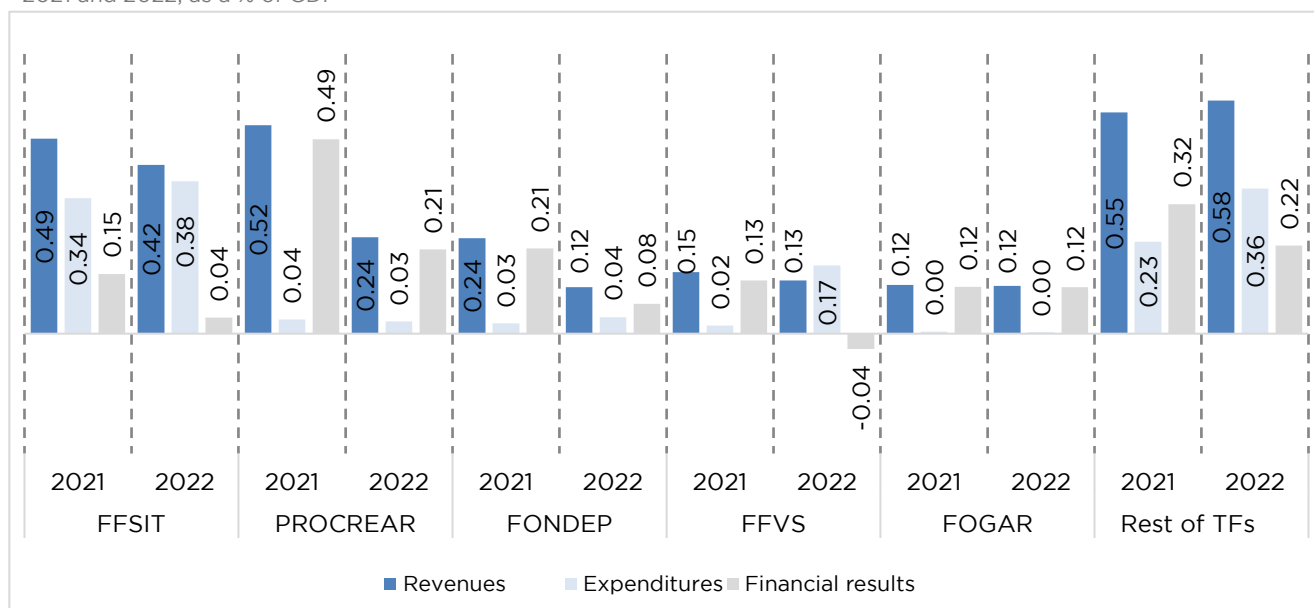
SOURCE: OPC, based on 2022 National Government Financial Report.

The consolidated financial result of trust funds showed a positive balance of ARS515.405 billion in 2022, which represents a surplus lower than that obtained in 2021, measured in terms of GDP (0.63% vs. 1.42%, respectively).

This result arises from comparing total revenue (ARS1,331.612 billion) with total expenditure (ARS816.207 billion), where the former suffered a 55.0% YoY decrease, and the latter showed an increase of 54.7% YoY in real terms. Current and Capital transfers to the private sector increased 88.2% YoY, while transfers to the Public Sector grew 32.0% YoY, items which together represent more than 90% of the total. On the other hand, the evolution of resources was determined by the decrease in current and capital transfers (43.0% YoY) and tax revenues (45.3% YoY), and by an increase in property income (50.7% YoY), items which together represent around 90% of the sector's total resources.

Figure 11. Revenues, expenditures, and financial results. Trust Funds

2021 and 2022, as a % of GDP



SOURCE: OPC, based on 2022 National Government Financial Report.

4. National Universities

The scope of the budget execution of the universities comprising the national non-financial public sector includes 58 universities, whose details and composition can be found at:

<https://www.argentina.gob.ar/economia/sehacienda/cgn/cuenta/2022/cuenta-de-inversion-2022-tomo-i/universidades-nacionales>

Table 21 shows a scheme with the most important composition of resources, expenditures, and financial result in 2022 for the consolidation of the National Universities that are part of the SPNF. This outline also shows the comparison in real terms with the fiscal year 2021:

Table 21. Revenues, expenditures, and financial results. National universities

2021 and 2022, in millions of current ARS, YoY real and nominal var %, and as a % of GDP

Concept	In millions of ARS		YoY var. %		% of GDP	
	2021	2022	Nom.	Real	2021	2022
Total resources	356,520	644,315	80.7	4.8	0.76	0.78
Current and capital transfers	317,574	565,905	78.2	3.3	0.68	0.69
Other resources	38,946	78,409	101.3	16.7	0.08	0.10
Total expenditure	323,407	599,179	85.3	7.4	0.69	0.73
Payroll	269,261	489,002	81.6	5.3	0.58	0.59
Goods and services	34,639	67,120	93.8	12.4	0.07	0.08
Other current and capital expenditures	19,507	43,057	120.7	28.0	0.04	0.05
Financial results	33,113	45,136	36.3	21.0	0.07	0.05

SOURCE: OPC, based on 2022 National Government Financial Report.

The 2022 budget execution of the National Universities shows total revenues of ARS644.315 billion and total expenditures of ARS599.179 billion, resulting in a positive financial result of ARS45.134 billion (0.05% of GDP).

5. Other Entities

The scope of the budget execution of the Other Entities that comprise the national non-financial public sector includes 9 entities whose detail and composition can be found at:

<https://www.argentina.gob.ar/economia/sechacienda/cgn/cuenta/2022/cuenta-de-inversion-2022-tomo-i/entes-publicos>

Table 22 shows the most important composition of resources, expenditures, and financial result in 2022 for the Other Entities sector of the NFPS, and for the Federal Administration of Public Revenues (AFIP) and the National Institute of Social Services for Retirees and Pensioners (INSSJyP) in particular, which represent close to 90% of the total, both in resources and expenditures. This outline also shows the comparison in real terms with fiscal year 2021:

Table 22. Resources, expenditures, and financial results of Other Entities of the NFPS

2021 and 2022, in millions of current ARS, YoY real and nominal var %, and as a % of GDP

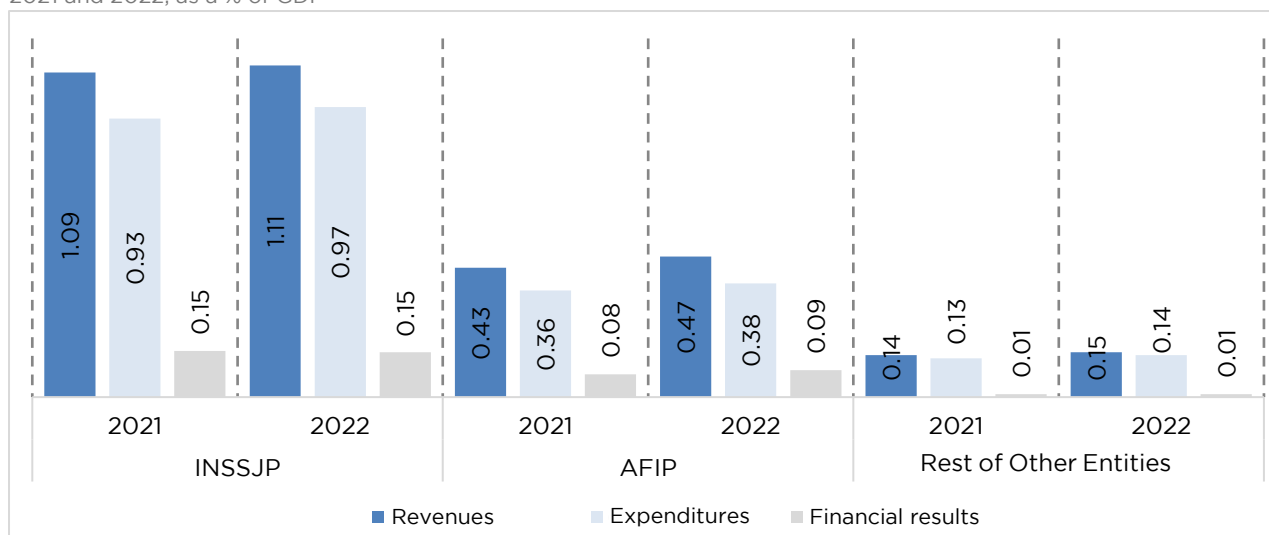
Concept	In millions of ARS		YoY var. %		% of GDP	
	2021	2022	Nominal	Real	2021	2022
Consolidated Other Entities Sector						
Total revenues	775,498	1,428,392	84.2	6.8	1.66	3.06
Current and capital transfers	171,534	225,206	31.3	-23.9	0.37	0.48
Tax revenues	167,972	391,947	133.3	35.3	0.36	0.84
Property income	33,439	120,172	259.4	108.4	0.07	0.26
Other current and capital resources	402,553	691,068	71.7	-0.5	0.86	1.48
Total expenditure	662,282	1,230,783	85.8	7.8	1.42	2.64
Current and capital transfers to private sector	384,608	709,367	84.4	6.9	0.82	1.52
Other transfers to public sector	280	369	31.7	-23.6	0.00	0.00
Operating expenses	275,041	514,094	86.9	8.4	0.59	1.10
Other current and capital expenditures	2,353	6,950	195.4	71.3	0.01	0.01
Financial result	113,215	197,609	74.5	1.2	0.24	0.42
National Institute of Social Services for Retirees and Pensioners (INSSJyP)						
Total revenues	507,225	919,166	84.2	6.8	1.66	3.06
Current and capital transfers	0	95,273	-	-	0.00	0.20
Tax revenues	25,698	86,789	237.7	95.8	0.06	0.19
Property income	151,233	194,226	28.4	-25.5	0.32	0.42
Other current and capital resources	330,294	542,878	64.4	-4.7	0.71	1.16
Total expenditure	435,221	798,034	83.4	6.3	0.93	1.71
Current and capital transfers to private sector	381,854	704,837	84.6	7.0	0.82	1.51
Operating expenses	52,459	88,153	68.0	-2.6	0.11	0.19
Other current and capital expenditures	908	5,044	455.7	222.2	0.00	0.01
Financial result	72,005	121,132	85.2	7.4	0.73	1.35
Federal Administration of Public Revenues (AFIP)						
Total revenue	202,334	385,172	90.4	10.4	0.43	0.83
Tax revenues	163,832	289,753	76.9	2.6	0.35	0.62
Other current and capital resources	38,503	95,419	147.8	43.7	0.08	0.20
Total expenditure	166,506	313,429	88.2	9.2	0.36	0.67
Operating expenses	165,494	312,157	88.6	9.4	0.35	0.67
Other current and capital expenditures	1,012	1,272	25.6	-27.2	0.00	0.00
Financial result	35,828	71,743	100.2	16.1	0.08	0.15
Rest of Other Entities						
Total revenues	65,938	124,054	88.1	9.1	0.14	0.27
Total expenditure	60,555	119,320	97.0	14.3	0.13	0.26
Financial result	5,382	4,734	-12.0	-49.0	0.01	0.01

SOURCE: OPC, based on 2022 National Government Financial Report.

The dynamics of revenues and expenditures of the Other Entities Sector of the NFPS determined a positive financial result of ARS197.609 billion in 2022, slightly higher than that obtained in fiscal year 2021, in terms of GDP (0.42% vs. 0.24%, respectively).

This result arises from comparing total resources (ARS1,428.392 billion) with total expenditures (ARS1,230.783 billion), with the former showing an increase of 6.8% YoY in real terms, and the latter an increase of 7.8% YoY. Current and capital transfers to the private sector increased by 6.9% YoY, while operating expenses grew by 8.4% YoY. On the other hand, revenue growth was driven by the increase in tax revenues (35.3% YoY) and property income (108.4% YoY), offset by the decrease in current and capital transfers (23.9% YoY).

Figure 12. Resources, expenditures, and financial results of Other Entities of the NFPS
2021 and 2022, as a % of GDP



SOURCE: OPC, based on 2022 National Government Financial Report.

6. Consolidated national non-financial public sector

The National Non-Financial Public Sector (NFPS) comprises the Central Administration, National Universities, State Enterprises and Corporations, Government Entities excluded from the National Budget and Trust Funds. In general terms, the technical process of consolidation of the NFPS public accounts consists of eliminating intra- and inter-sectoral transfers from the universe considered (i.e., those made among the different agencies that comprise it), in order to avoid duplication of records.

Table 23 shows the Savings-Investment scheme for the consolidated National Non-Financial Public Sector (NFPS) for 2022. This scheme also shows the comparison with fiscal year 2021 and in real terms and as % of GDP:

Table 23. Savings - Investment - Financing Scheme. Consolidated NFPS

2021 and 2022, in millions of current ARS, YoY real and nominal var %, and as a % of GDP

Concept	In millions of ARS		YoY var. %		% of GDP	
	2021	2022	Nom.	Real	2021	2022
I. Current revenues	10,290,082	16,013,803	55,6	-9,8	22,2	19,4
Tax revenues	5,132,944	9,149,444	78,2	3,4	11,1	11,1
Social Security contributions	2,367,434	4,265,211	80,2	4,5	5,1	5,2
Non-tax revenues	475,096	490,809	3,3	-40,1	1,0	0,6
Goods and services	33,399	59,288	77,5	2,9	0,1	0,1
Operating revenues	521,269	777,079	49,1	-13,6	1,1	0,9
Property incomes	1,232,261	1,013,313	-17,8	-52,3	2,7	1,2
Current transfers	459,181	43,066	-90,6	-94,6	1,0	0,1
Other resources	68,498	215,592	214,7	82,5	0,1	0,3

Concept	In millions of ARS		YoY var. %		% of GDP	
	2021	2022	Nom.	Real	2021	2022
II. Current expenditures	10,581,824	18,478,479	74.6	1.3	22.9	22.4
Consumption expenditures	2,708,725	4,901,957	81.0	4.9	5.9	5.9
Wages and salaries	1,630,863	3,004,663	84.2	6.8	3.5	3.6
Goods and services	1,017,178	1,803,512	77.3	2.8	2.2	2.2
Other expenditures	60,684	93,782	54.5	-10.4	0.1	0.1
Interest and other property exp.	787,813	1,580,235	100.6	16.3	1.7	1.9
Interest	787,252	1,578,670	100.5	16.3	1.7	1.9
Other expenses	560	1,566	179.6	62.1	0.0	0.0
Social Security benefits	3,697,490	6,293,576	70.2	-1.3	8.0	7.6
Other current expenditures	44,104	110,059	149.5	44.7	0.1	0.1
Current transfers	3,343,692	5,592,652	67.3	-3.0	7.2	6.8
To private sector	2,811,766	4,854,394	72.6	0.1	6.1	5.9
To public sector	519,648	725,844	39.7	-19.0	1.1	0.9
To external sector	12,277	12,414	1.1	-41.4	0.0	0.0
III. Economic result	-291,742	-2,464,676	744.8	389.9	-0.6	-3.0
IV. Capital revenues	62,762	121,851	94.1	12.6	0.1	0.1
Own Capital Revenues	28,722	47,563	65.6	-4.0	0.1	0.1
Capital transfers	33,921	74,162	118.6	26.8	0.1	0.1
Decrease of Financial Invest.	119	125	5.4	-38.9	0.0	0.0
V. Capital expenditures	863,284	1,788,289	107.1	20.1	1.9	2.2
Real Direct Investment	463,357	966,716	108.6	21.0	1.0	1.2
Capital transfers	314,796	716,523	127.6	32.0	0.7	0.9
Financial investment	85,130	105,050	23.4	-28.4	0.2	0.1
VI. Total Revenue	10,352,844	16,135,654	55.9	-9.6	22.4	19.6
VII. Total Expenditure	11,445,107	20,266,768	77.1	2.7	24.7	24.6
VIII. Primary Expenditures	10,657,855	18,688,098	75.3	1.7	23.0	22.7
IX. Primary result	-305,011	-2,552,445	736.8	385.3	-0.7	-3.1
IXb. Primary result without BCRA	-1,092,723	-2,552,445	133.6	35.5	-2.4	-3.1
X. Financial result	-1,092,263	-4,131,115	278.2	119.3	-2.4	-5.0
Xb Financial result without BCRA	-1,879,975	-4,131,115	119.7	27.4	-4.1	-5.0
XI. Financial sources	7,481,544	16,915,171	126.1	31.1	16.2	20.5
Decrease of Financial Invest.	790,681	1,612,440	103.9	18.3	1.7	2.0
Public debt and increase in other liabilities	6,477,232	14,771,181	128.0	32.2	14.0	17.9
Increase in assets	213,631	531,551	148.8	44.3	0.5	0.6
XII. Financial applications	6,389,281	12,784,057	100.1	16.0	13.8	15.5
Financial Investments	2,700,742	4,330,530	60.3	-7.0	5.8	5.3
Debt amortization and decrease in other liabilities	3,649,759	8,349,038	128.8	32.6	7.9	10.1
Decrease in assets	38,780	104,488	169.4	56.2	0.1	0.1
XIII. Net Financing	1,092,263	4,131,115	278.2	119.3	2.4	5.0

SOURCE: OPC, based on 2022 National Government Financial Report.

In 2022, the consolidated budget execution of the NFPS resulted in a financial deficit of 5.0% of GDP, 0.9 percentage points higher than the deficit observed in fiscal year 2021 (4.1% of GDP). This result arises from comparing total revenues (ARS16,135.654 billion) with total expenditures (ARS20,266.768 billion). The former showed a drop of 2.8 p.p. in terms of GDP (from 22.4% to 19.6%) while the latter remained practically constant (at 24.6% of GDP).

Table 24 shows the composition of revenues, expenditures, and results for each institutional level of the NFPS and for the consolidation, considering the elimination of intra- and inter-sectoral transfers that the consolidation of such universe implies.

Table 24. Revenues, expenditures, and financial results of the NFPS by institutional level

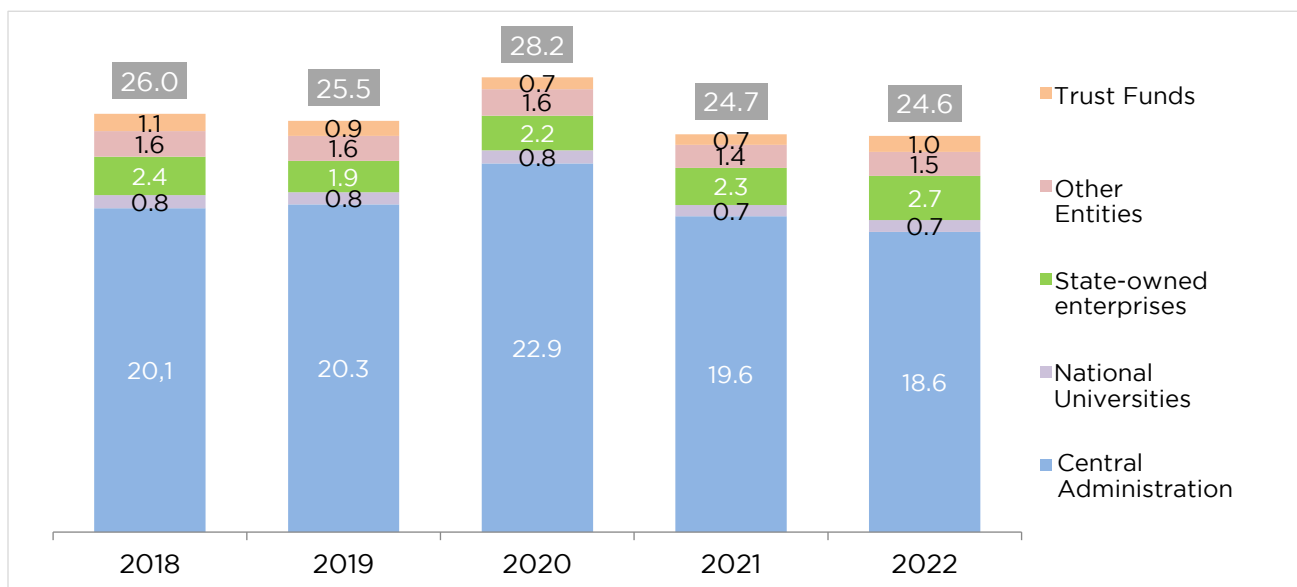
2022, in millions of ARS and Financial result as % of GDP.

Concept	Central Adm.	Universities	SOEs	Other Entities	Trust Funds	Intra-sector transfers	Total
Current revenues	12,981,806	628,821	1,564,290	1,427,432	1,073,727	-1,662,273	16,013,803
Current expenditures	16,244,381	577,890	1,709,603	1,226,154	382,724	-1,662,273	18,478,479
Capital resources	62,306	15,494	293,301	960	257,885	-508,095	121,851
Capital expenditures	1,283,490	21,289	553,494	4,629	433,483	-508,095	1,788,289
Total revenues	13,044,111	644,315	1,857,592	1,428,392	1,331,612	-2,170,368	16,135,654
Total expenditures	17,527,870	599,179	2,263,097	1,230,783	816,207	-2,170,368	20,266,768
Financial result	-4,483,759	45,136	-405,506	197,609	515,406	-	-4,131,115
Financial result % GDP	-5.44	0.05	-0.49	0.24	0.63	-	-5.01

SOURCE: OPC, based on 2022 National Government Financial Report.

Figure 13. Total expenditure by subsector. NFPS (% of GDP)

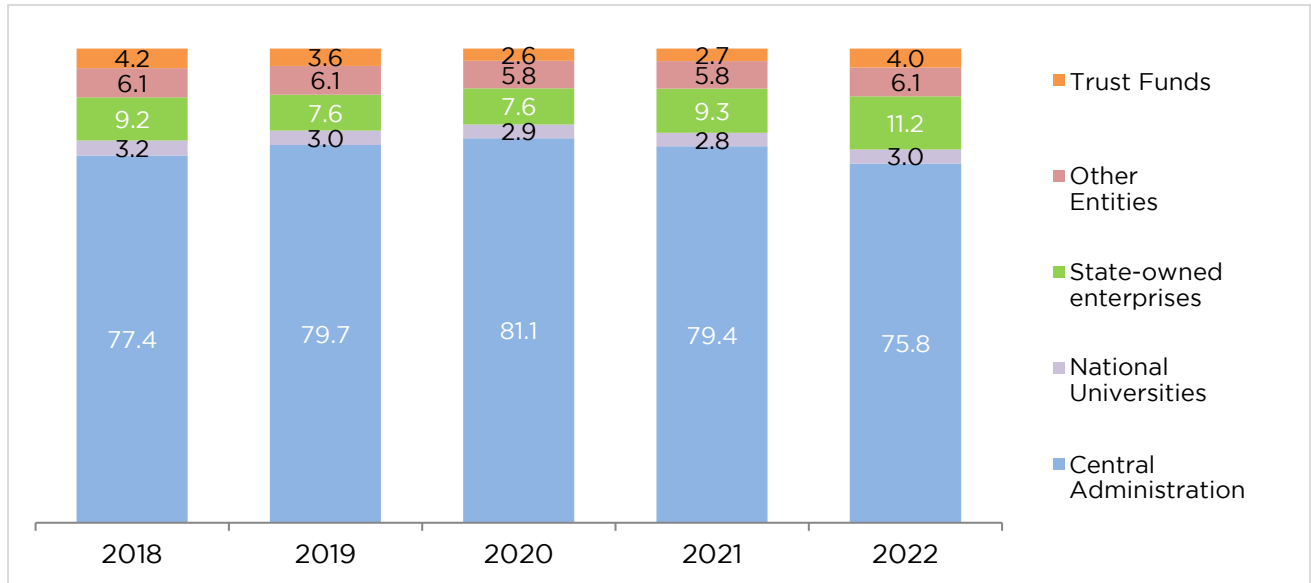
2018-2022 as % of GDP



SOURCE: OPC, based on 2022 National Government Financial Report.

Figure 14. Total expenditure by subsector. NFPS (% of total)

2018-2022, in % share of NFPS total



SOURCE: OPC, based on the National Government Financial Report for each fiscal year.

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