



ANALYSIS OF NATIONAL GOVERNMENT BUDGET EXECUTION

October 2023

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November 14, 2023

ISSN 2683-9598

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Executive Summary

National Government revenues amounted to ARS21,755.924 billion as of October 31, which implied a decrease in real terms¹ of 3.6% as compared to the same period of the previous year. This variation is reduced to -1.8% year-on-year (YoY) if ARS400 billion that the Central Bank of the Argentine Republic (BCRA) transferred to the National Treasury in July and August 2023 as profit sharing is included as current revenues.

In the year-on-year comparison, tax revenues contracted 9.9%, mainly driven by the decreases recorded in Export Duties (63.8% YoY) and Import Duties (6.0% YoY) and in Income Tax (12.4% YoY). These reductions could not be offset by the positive variations reflected in the collection of PAIS Tax (87.9% YoY), VAT (11.3% YoY) and Tax on Debits and Credits (2.1% YoY). In turn, the amounts received from Social Security contributions grew 0.2% YoY in real terms.

Primary expenditures totaled ARS25,083.993 billion, with a contraction of 4.8% YoY in real terms. Total expenditures amounted to ARS27,596.090 billion and decreased by a smaller amount (-4.3% YoY), as a result of the slight real increase reflected in debt interest payments (0.3% YoY).

The most significant real decreases were recorded in family allowances (28.5% YoY) and in energy subsidies (25.8% YoY). Although the real year-on-year variation in pensions was lower (-3.5% YoY), it was the third largest contributor to the reduction in expenditure, given its share in the structure of primary expenditures (37.4%). Contrasting this behavior, non-contributory pensions (4.4% YoY), capital transfers (7.6% YoY), personnel expenses (8.8% YoY), transportation subsidies (11.7% YoY) and transfers to universities (13.0% YoY), showed the largest expansions in relation to the previous year.

As a result of these dynamics, a financial deficit of ARS5,839.166 billion was recorded, 6.9% lower in real terms than that obtained in the first ten months of 2022. The same occurred with the primary deficit (not including debt interest payments), which reached ARS3,328.069 billion, 11.7% lower than that recorded in the same period of the previous year. Economic result recorded a deficit of ARS3,974.727 billion (-7.9% YoY in real terms).

During the January-October term, current appropriations increased by ARS8,873.491 billion compared to the initial approved budget for the fiscal year, which represented 30.6%. Transportation subsidies, transfers to provinces and social programs were the items that increased the most with respect to the initial appropriation, all of them with an increase of more than 60%. In absolute terms, social benefits accounted for 45.1% of the total increase, with ARS4,005.763 billion.

As of October 31, total accrued expenditures represented 72.9% of the current budget appropriation. Current expenditures were executed at 73.4%, and capital expenditures at 67.2%. The execution levels of energy subsidies (88.2%), other current expenditures (85.2%) and social programs such as *Progresar* student grants (88.9%) and Food Policies (85.9%) stand out.

¹ The variation of the Consumer Price Index (CPI) of the National General Level (INDEC) is used as a deflator for the calculation of real variations. For the month of October 2023, the year-on-year variation of the said index was 142.7%, and the variation of the ten-month average was 118.6% YoY. Cumulative inflation as of October was 120.0%.

Year-on-year evolution of the National Government Budget execution

Table 1. Revenues, expenditures, and results

In millions of ARS and YoY nominal and real var. %

Concept	October 2023			Cumulative (10 months)		
	In millions of ARS	YoY Nom. Var. %	YoY Real Var. %	In millions of ARS	YoY Nom. Var. %	YoY Real Var. %
I. Current revenues	3,315,516	146.6	1.6	21,615,513	109.9	-4.0
Tax revenues	2,019,245	112.5	-12.4	13,475,904	97.0	-9.9
Social Security contributions	786,171	126.1	-6.8	6,395,816	119.1	0.2
Non-tax revenues	259,326	975.0	343.0	680,467	243.9	57.3
Goods and services	6,506	210.0	27.8	42,297	116.5	-0.9
Property income (*)	243,185	1,217.0	442.7	994,654	218.5	45.7
Current transfers	1,085	-49.3	-79.1	26,375	164.8	21.1
II. Current expenditures	3,308,091	129.3	-5.5	25,590,240	108.5	-4.6
Social benefits	1,971,762	141.4	-0.5	14,088,256	104.7	-6.4
Pensions	1,258,102	131.9	-4.4	9,383,529	110.9	-3.5
Family allowances	150,006	56.6	-35.4	1,214,109	56.2	-28.5
Universal Child Allowance	64,848	76.9	-27.1	548,721	83.3	-16.2
Active-Inactive pop., others	85,158	44.1	-40.6	665,388	39.3	-36.3
Non-contributory pensions	143,589	160.7	7.4	1,020,963	128.3	4.4
INSSJP (National Institute of Social Services for Retirees and Pensioners) benefits	35,859	111.9	-12.7	281,241	96.4	-10.2
Other social programs	384,205	260.3	48.5	2,188,414	105.2	-6.1
<i>Potenciar Trabajo</i>	105,857	142.1	-0.2	768,808	115.3	-1.5
Food policies	78,841	175.6	13.6	559,112	109.6	-4.1
<i>Progresar</i> student grants	31,971	156.2	5.6	225,224	162.2	20.0
Others	167,536	667.7	216.4	635,270	78.2	-18.5
Economic subsidies	281,796	78.3	-26.5	3,139,477	81.2	-17.1
Energy	163,362	50.8	-37.9	2,155,196	62.3	-25.8
Transportation	86,245	136.0	-2.8	718,229	144.1	11.7
Other subsidies	32,189	144.0	0.6	266,051	141.1	10.3
Personnel expenses	427,714	181.5	16.0	2,940,920	138.0	8.8
Goods and services	85,550	161.9	7.9	665,012	105.5	-6.0
Transfers to provinces	182,030	280.9	57.0	1,048,510	121.1	1.2
Transfers to universities	129,106	187.0	18.3	983,460	147.1	13.0
Other current expenditures	20,525	352.9	86.6	213,508	169.0	23.1
Interest (**)	209,609	13.0	-53.4	2,511,097	119.2	0.3
III. Economic result (I-II)	7,425	-107.6	-103.1	-3,974,727	101.3	-7.9
IV. Capital revenues	8,453	141.7	-0.4	140,411	431.5	143.1
V. Capital expenditures	293,806	159.0	6.7	2,004,850	117.8	-0.4
Real direct investment	59,139	219.4	31.6	562,292	117.7	-0.4
Capital transfers	233,848	163.7	8.7	1,385,010	135.1	7.6
Financial investment	819	-86.9	-94.6	57,548	-21.2	-64.0
VI. Total revenues (I+IV)	3,323,969	146.5	1.6	21,755,924	110.7	-3.6
VII. Total expenditures (II+V)	3,601,898	131.5	-4.6	27,595,090	109.2	-4.3
VIII. Primary expenditures	3,392,289	147.5	2.0	25,083,993	108.2	-4.8
IX. Primary result (VI-VIII)	-68,319	208.2	27.0	-3,328,069	93.1	-11.7
X. Financial result (VI-VII)	-277,928	33.9	-44.8	-5,839,166	103.6	-6.9

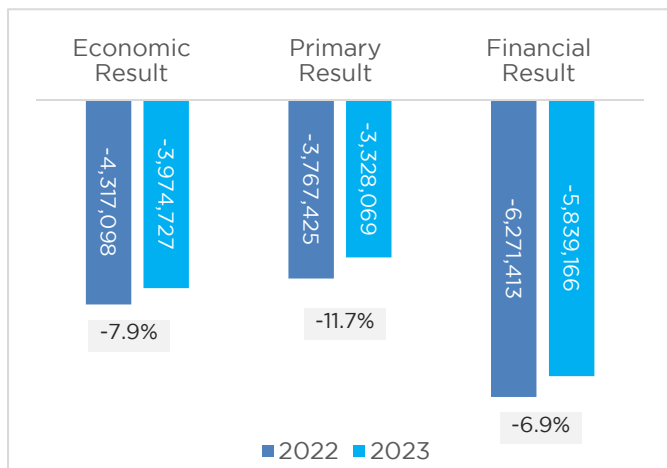
(*) Includes property income from National Government assets held by the Sustainability Guarantee Fund (FGS). Does not include profits transferred from the BCRA (ARS400 billion, of which ARS150 billion were received in July and ARS250 billion in August 2023).

(**) Interest were estimated based on SICAGE data, debt maturity profile and E.Sidif. Includes interest paid intra National Public Sector, as reported by the E.Sidif.

SOURCE: OPC, based on E.Sidif data.

Figure 1. Budgetary performance. National Government

Cumulative as of October 2022 and 2023, in millions of constant ARS (Oct-23) and YoY real var. %



In the cumulative to October, the dynamics between revenues and expenditures showed a decrease in real terms of the economic, primary and financial deficits.

Total revenues decreased by 3.6% YoY in real terms and total expenditures contracted by 4.3% YoY in real terms. As a result, the financial deficit amounted to ARS5,839.166 billion, with a variation in real terms of -6.9% YoY.

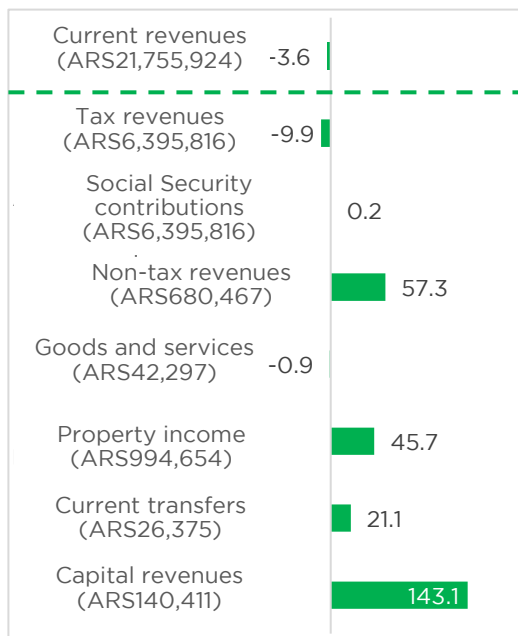
As for the primary result, which does not include debt interest payments, the deficit amounted to ARS3,328.069 billion, with a decrease in real terms of 11.7% YoY.

The economic result showed a deficit of ARS3,974.727 billion (-7.9% YoY in real terms).

Does not include ARS400 billion received from the BCRA.
SOURCE: OPC, based on E.Sidif data.

Figure 2. Total revenues

Cumulative as of October 2023, in millions of ARS and YoY real var. %



SOURCE: OPC, based on E.Sidif data.

Capital revenues (ARS140.411 billion) showed a real increase of 143.1% YoY, driven by capital transfers received from the Transportation Infrastructure System Trust Fund for ARS137.737 billion (142.1% YoY) to finance works of the National Directorate of Roads.

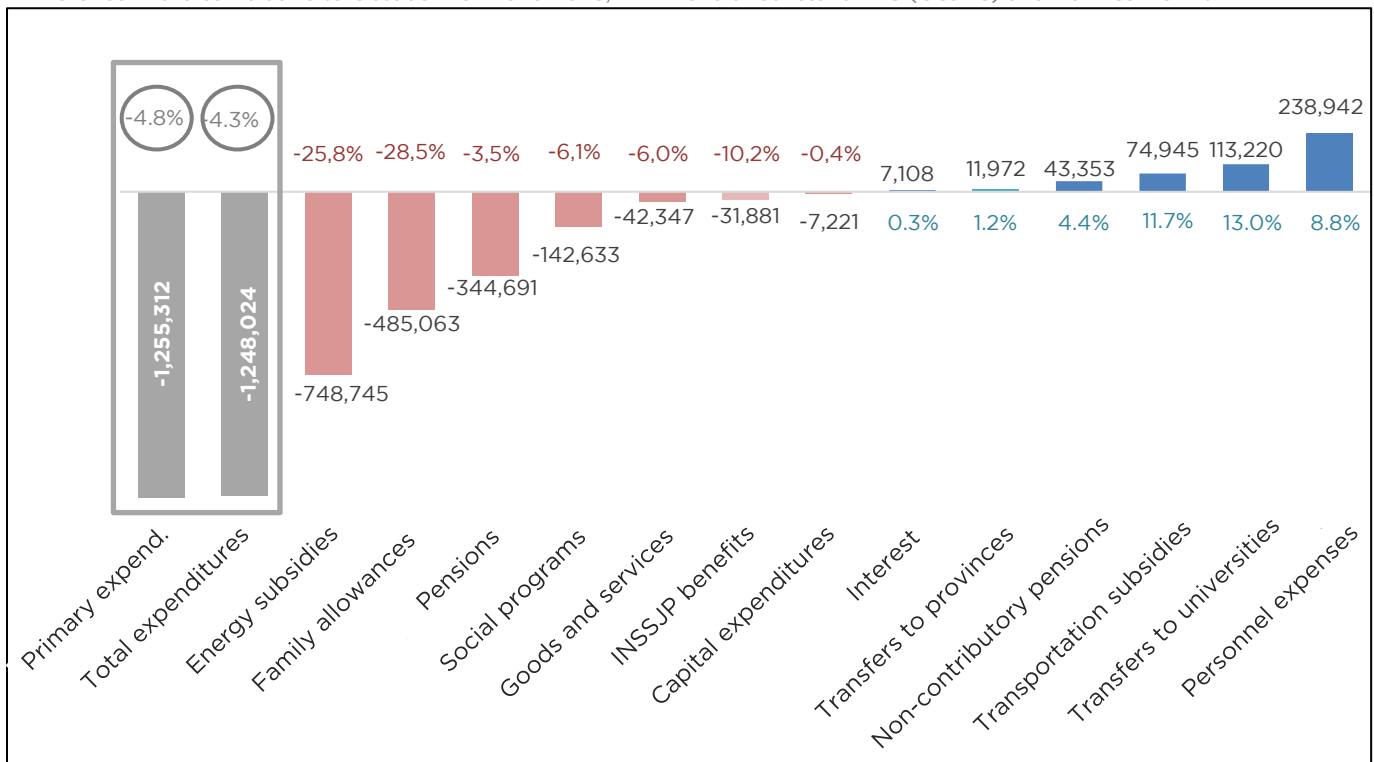
Concept	YoY real var. %	Main variations YoY
Tax revenues ²	-9.9	Income Tax, ARS2,373.862 billion(-12.4% YoY real). Export Duties, ARS995.872 billion (-63.8% YoY real), mainly due to the drought. Import duties, ARS813.435 billion (-6.0% YoY real). VAT, ARS4,780.061 billion (11.3% YoY real), Tax on debits and credits, ARS2,291.902 billion (2.1% YoY real). PAIS tax, ARS725.202 billion, (87.9% YoY real), due to the change in the regulations that established new exchange measures. Unified Internal Revenue, ARS282.4 billion (5.6% YoY real).
Social Security contributions	0.2	Employer Contributions, ARS3,971.081 billion (1.3% YoY real). Personal Contributions, ARS2,391.810 billion (-0.7% YoY real).
Non-tax revenues	57.3	Premiums, ARS254.354 billion (vs. ARS9.831 billion cumulative as of October 2022). National Justice Fund, ARS92.743 billion (103.7% YoY real). Fees of the Registry of Automotive Property, ARS69.152 billion (4.1% YoY real). Fees for sanitary inspection, ARS18.819 billion (-26.3% YoY real). Allocations and Refunds, ARS18.757 billion (-9.4% YoY real). Solidarity and Extraordinary Contribution, ARS5.008 billion (-66.6% YoY real).
Property income ^(*)	45.7	Income from the ANSES Sustainability Guarantee Fund (FGS), ARS843.473 billion (32.6% YoY real).

(*) It does not include ARS400 billion of profits drawn from the BCRA.

² For further details see OPC's tax revenue monitor at: <https://www.opc.gob.ar/monitores-fiscales/monitor-de-recaudacion-tributaria-nacional/>. Please note that the figures shown in this report may differ from those shown in the tax revenue monitor prepared by the OPC due to the different universes analyzed and the time of recording in the different Public Sector systems.

Figure 3. Real variation of main expenditure items at constant values

Difference in the cumulative to October 2022 and 2023, in millions of constant ARS (Oct-23) and YoY real var. %



SOURCE: OPC, based on E.Sidif data.

Total expenditures of the National Government recorded a real fall of 4.3% YoY in the first ten months of the year: primary expenditures decreased by 4.8% YoY, whereas interest on the debt showed a slight increase of 0.3% YoY.

Among primary expenditures, reductions in family allowances (28.5% YoY) and in energy subsidies (25.8% YoY) stand out. Although the real year-on-year variation in pensions was lower (-3.5% YoY), it was the third largest contributor to the reduction in expenditure, given its share in the structure of expenditures (37.4%).

As for social programs, although the year-on-year variation to October showed a 6.1% decrease in real terms, the comparison of October 2022 vs. October 2023 showed an expansion of 48.5% YoY. This increase was mainly driven by the Food Policies program of the Ministry of Social Development, whose initiatives include the *Alimentar* Benefit, which had a real increase of 13.6% YoY, due to the increase in transfers to community kitchens (ARS202 million in October 2022 vs. ARS10.006 billion in October 2023). There was also a positive real variation in *Progresar* student grants, with a real increase of 5.6% in the comparison between October 2023 and October 2022, mainly due to the increase in the number of beneficiaries.

On the other hand, in the cumulative to October 2023, personnel expenses (8.8% YoY), transfers to universities (13.0% YoY), transportation subsidies (11.7% YoY) and non-contributory pensions (4.4% YoY), recorded expansions in relation to the execution of the same period of 2022.

It should be noted that transfers to provinces decreased month-on-month in the January-July term (accumulating a drop of 28.0% YoY), but reversed this trend in August (+27.0% YoY), September (+70.3% YoY) and October (+57.0% YoY), achieving a cumulative growth of 1.2% YoY.

Table 2. Total expenditures

Cumulative to October 2023, in billion of ARS, and YoY real var. %

Concept (in billions of ARS)	YoY real var. %	Main variations YoY
Other current expenditures (ARS213.508)	23.1	Expenditures necessary for the execution of electoral events, ARS37.574 billion (no execution in 2022). Tourism promotion actions, ARS12.365 billion (ARS106 million in the same period of 2022). Commissions and other expenditures on long-term debt in foreign currency, ARS42.088 billion (-16.1% YoY real).
Transfers to universities (ARS983.460)	13.0	By virtue of the salary agreements in force, which include a salary recomposition for fiscal year 2022 during the first months of fiscal year 2023. In this regard, the last agreed guideline includes an increase of 12% in October with respect to September salaries.
Other subsidies (ARS266.051)	10.3	Transfers to AYSA, ARS66.49 billion (55.2% YoY real). <i>Correo Argentino S.A.</i> , ARS54.732 billion (8.8% YoY real). <i>Radio y Televisión Argentina S.E.</i> , ARS24.517 billion (32.3% YoY real), mostly for corporate operating expenses. Transfers to FONDEP, ARS18.732 billion (-51.3% YoY real); transfers to FOGAR, no execution in 2023 vs. ARS4.5 billion cumulative as of October 2022; <i>Previaje</i> Program, ARS15.79 billion (-69.7% YoY real).
Transportation subsidies (ARS718.229)	11.7	Transfers to the Transportation Infrastructure System Trust Fund, ARS357.834 billion (18.0% YoY real) to cover part of the passenger motor transportation tariffs paid by users. <i>Belgrano Cargas y Logística</i> , ARS24.564 billion (2.7% YoY real), <i>Aerolíneas Argentinas S.A.</i> , ARS40.5 billion (no execution in 2022 as the financial assistance to <i>Aerolíneas Argentinas</i> was recorded as a capital contribution. See National Government Financial Report).
Personnel expenses (ARS2,940.92)	8.8	Executive Branch, ARS2,307.815 billion (11.5% YoY real), mainly driven by specific measures of recomposition (SINEP, Health Professionals, among others), process of hierarchization of military and security personnel of the Armed Forces and increase of specific functions, and by the salary agreements in force. Public Prosecutor's Office, ARS141.33 billion (1.8% real YoY). Judicial Branch, ARS357.033 billion, (0.04% YoY). Legislative Branch, ARS134.743 billion (-1.4% YoY real). Positions filled as of September 2023 (latest available data) ³ : Executive Branch: 1.5% YoY in permanent and temporary staff and 2.6% in contracted personnel. Judicial Branch and Public Prosecutor's Office: 11.6% YoY in permanent and temporary staff.
Capital transfers (ARS1,385.01)	7.6	To State-Owned Enterprises, ARS586.94 billion (86.4% YoY in real terms): <ul style="list-style-type: none"> • <i>Energía Argentina SA</i>, ARS288.601 billion (205.5% YoY real). • AYSA SA, ARS152.407 billion (16.0% YoY real). • ADIF SE, ARS66.219 billion (76.7% YoY real). • ARSAT SA, ARS28.642 billion (6,140.2% YoY real). • <i>Corredores Viales SA</i>, ARS23.881 billion (759.2% YoY real). To Trust Funds, ARS317.34 billion (-35.1% YoY real). <ul style="list-style-type: none"> • Social Housing Trust Fund, ARS151.317 billion (-22.3% YoY real). • <i>Procrear</i>, ARS96.81 billion (-53.8% YoY real). • Hydraulic Infrastructure Trust Fund, ARS31.019 billion (-43.9% YoY real). To Provinces and Municipalities, ARS386.265 billion (-2.8% YoY real). <ul style="list-style-type: none"> • Works related to potable water, ARS65.464 billion (-31.7% YoY). • Works related to housing and urban development, ARS51.551 billion (-21.9% YoY real). • Works related to education and culture, ARS51.077 billion (-12.9% YoY real).
Non-contributory pensions (ARS1,020.963)	4.4	Although the updating of the value of benefits based on the mobility formula was lower than inflation ⁴ , the policy of compensatory bonuses allowed more than offsetting this drop. It should be noted that, unlike SIPA pensions, all NCP beneficiaries receive bonuses, which is why the impact is greater than in the retirement and pension category. Additionally, there is also an increase in the number of benefits (+5.1% in Sep-23 vs. average benefits in 2022).

³ Available at: <https://www.argentina.gob.ar/economia/dpyegp/informesdeocupacion>

⁴ In ten months, the update of benefits by mobility formula accumulated an increase of 74.5%, compared to an increase of 120.0% in the CPI. In the ten-month average, both increases were 87.0% YoY vs. 118.6% YoY.

Concept (in billions of ARS)	YoY real var. %	Main variations YoY
Transfers to provinces (ARS1,048.51)	1.2	Transfers to the National Teacher Incentive Fund (FONID), ARS260.78 billion (27.0% YoY real). Transfers for the functioning of Hospitals from the Ministry of Health, ARS98.679 billion (22.9% YoY real). Educational Management and Socio-educational Policies, ARS59.747 billion (140.6% YoY real), as part of the program for the universalization of the full or extended school day in primary education. Fiscal Strengthening Fund of the Province of Buenos Aires, ARS185.843 billion (-1.7% YoY real). Provincial Pension Funds, ARS105.917 billion (-12.3% YoY real). Financial assistance to provinces and municipalities under agreements entered into with the Nation, ARS82.44 billion (-28.9% YoY real). Transfers to CABA under Law 27,606, ARS65.383 billion (-28.9% YoY real). School canteens, ARS40.001 billion (-16.8% YoY real)
Interest (ARS2,511.097)	0.3	The real increase in interest payments on foreign currency debt is partially offset by a decrease in interest payments in domestic currency, in real terms.
Real direct investment (ARS562.292)	-0.4	Works of the National Directorate of Roads, ARS209.79 billion (-14.0% YoY real). Procurement of computers under the <i>Conectar Igualdad</i> program, ARS52.491 billion (-29.7% YoY real). Construction of reactors of the National Atomic Energy Commission: Low Power CAREM - Phase II, ARS15.969 billion (-26.0% YoY real) and RA-10, ARS9.644 billion (-31.5% YoY real). Hydraulic Infrastructure Development, ARS20.591 billion (not executed in 2022). Transportation and Sustainable Mobility Infrastructure, ARS51.041 billion (167.1% YoY real).
Pensions (ARS9,383.529)	-3.5	Mainly due to the differential between the updating of benefits through the application of the mobility formula and inflation ⁵ , partially offset by the payment of compensatory bonuses granted to lower-income pensions. Expenditure executed by ANSES (National Social Security Administration), ARS8,476.107 billion (-4.5% YoY real) is composed of ARS7,762.286 billion (-9.5% YoY real) in regular items and ARS713.821 billion (141.0% YoY real) in extraordinary complements (bonuses). Additionally, the increase in the number of beneficiaries of the general ANSES scheme and the real increase in expenditure on benefits for retired personnel of the Armed and Security Forces (ARS905.549 billion, 6.4% YoY real) also contributed to the expansion of expenditure).
Goods and services (ARS665.012)	-6.0	Vaccines for the annual schedule, ARS26.39 billion (-57.3% YoY real). Vaccines COVID-19, ARS9.518 billion (-83.2% YoY real). Expenditures related to census activities, ARS1.521 billion (-95.5% YoY real). Expenditures on goods and services for management and administration activities of National Government agencies, ARS121.155 billion (3.4% YoY real). Per diem and other expenses related to the execution of electoral events, ARS39.132 (ARS94 million from January to October 2022).
Other social programs (ARS2,188.414)	-6.1	Income Reinforcement (E.O. 216/22 and 493/23), ARS102.377 billion (-65.3% YoY real). Financial Assistance to Health Insurance Agents, ARS42.667 billion (-10.4% YoY real). <i>Acompañar</i> Program, ARS53.053 billion (-10.1% YoY real). Food Policies, ARS559.112 billion (-4.1% YoY real), <i>Potenciar Trabajo</i> , ARS768.808 billion (-1.5% YoY real). <i>Progresar</i> grants, ARS225.224 billion (20.0% YoY real) for the increase in the number of beneficiaries and in the value of the benefit. Health care for beneficiaries of non-contributory pensions, ARS197.105 billion (11.0% YoY real).
INSSJP benefits (ARS281.241)	-10.2	As a result of the evolution of ANSES pension expenditure net of bonuses, ARS7,762.286 billion (-9.5% YoY real).
Energy subsidies (ARS2,155.196)	-25.8	CAMMESA, ARS1,308.054 billion (-35.7% YoY real), mainly as a consequence of the increase in electricity tariffs. In this regard, seasonal prices included in the tariff paid by users increased above generation costs (122.4% YoY vs. 72.2% YoY, January-September averages). The coverage of generation by tariff went from 35.7% to 46.0% for the demand by distributor (January-September averages). Transfers to ENARSA, ARS646.5 billion (-3.6% YoY real) due to the reduction in natural gas import quantities and Liquefied Natural Gas prices. Payments to the

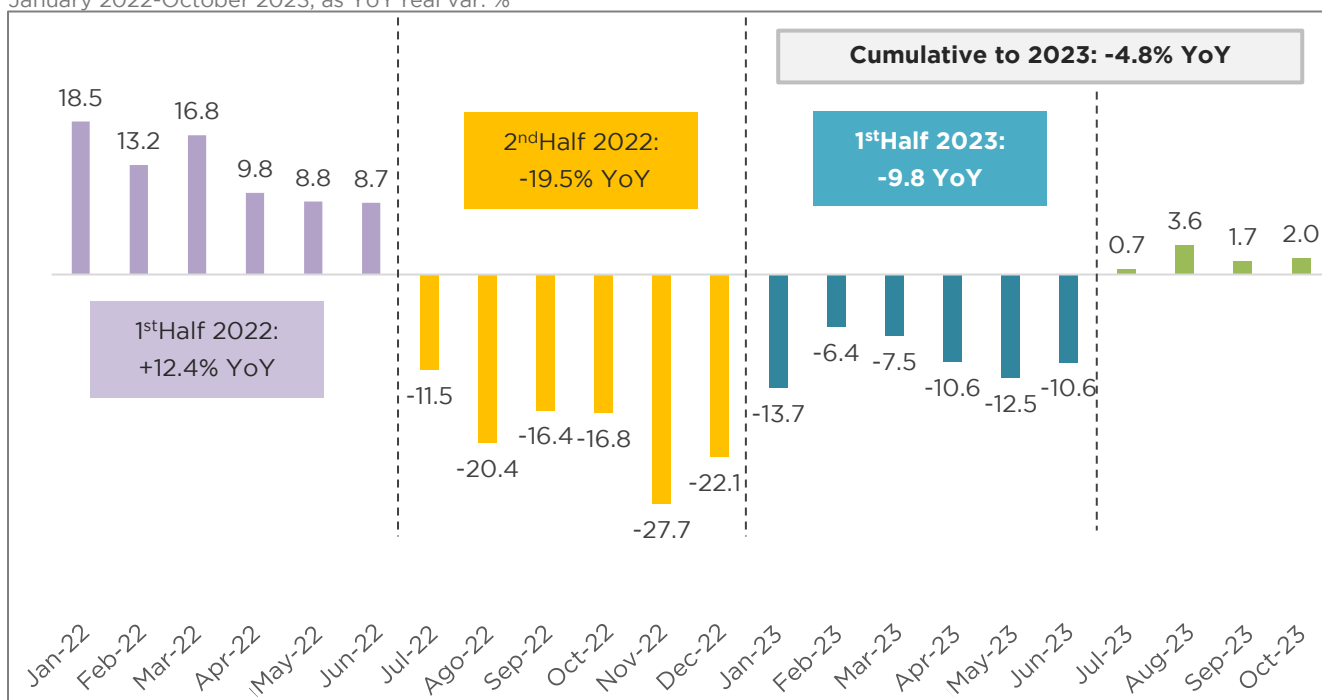
⁵ In ten months, the increase in the update of pension benefits by mobility formula was 74.5%, whereas the increase in the CPI was 120.0%. In the ten-month average, both increases were 87.0% YoY vs. 118.6% YoY.

Concept (in billions of ARS)	YoY real var. %	Main variations YoY
		Fiduciary Fund for Subsidies to Residential Consumption of Liquefied Petroleum Gas (Law 26,020), responsible for ensuring the supply to low-income social sectors that do not access natural gas service through networks, ARS60.046 billion (-14.0% YoY real).
Family allowances (ARS1,214.109)	-28.5	Family Allowance for Active Population, ARS468.116 billion (-43.0% YoY real), mainly due to the lower incidence of the monthly reinforcement (supplement) approved by E.O. 719/21 (ARS1.904 billion vs. ARS119.704 billion in 2023) and the differential between the mobility of the update of benefits and inflation. This last factor also influenced the drop in Universal Child Allowance, ARS419.567 billion (-16.2% YoY real).
Financial investment (ARS57.748)	-64.0	No capital contributions were made to Aerolíneas Argentinas in 2023 (vs. ARS50.514 billion as of October 2022). Since 2023, financial assistance to <i>Aerolíneas Argentinas</i> is recorded as a current transfer to commercial airlines. Capital contributions to Andean Development Corporation (CAF), ARS32.661 billion (14.7% YoY real).

SOURCE: OPC, based on E.Sidif data.

Figure 4. Year-on-year variation in primary expenditures

January 2022-October 2023, as YoY real var. %



SOURCE: OPC, based on E.Sidif data.

National Government Expenditure Execution Level

Table 3. Cumulative expenditure execution level

Cumulative to October 2023, in millions of ARS and execution %

Concept	Initial appropriation	Current appropriation	Accrued	Exec%
Total expenditures	28,954,031	37,827,522	27,595,090	72.9
Current expenditures	26,622,610	34,845,588	25,590,240	73.4
Social benefits	14,805,664	18,811,427	14,088,256	74.9
Pensions	10,140,908	12,510,906	9,383,529	75.0
Family allowances	1,506,293	1,580,293	1,214,109	76.8
Universal Child Allowance	684,360	737,360	548,721	74.4
Others	821,933	842,933	665,388	78.9
Non-contributory pensions	970,979	1,324,793	1,020,963	77.1
INSSJP benefits	329,730	397,730	281,241	70.7
Other social programs	1,857,754	2,997,705	2,188,414	73.0
<i>Potenciar trabajo</i>	584,938	990,788	768,808	77.6
Food policies	356,117	663,641	559,112	84.2
<i>Progresar grants</i>	139,604	253,287	225,224	88.9
Others	777,095	1,089,990	635,270	58.3
Economic subsidies	3,226,962	3,796,879	3,139,477	82.7
Energy	2,360,992	2,444,683	2,155,196	88.2
Transportation	582,530	949,881	718,229	75.6
Other subsidies	283,440	402,315	266,051	66.1
Personnel expenses	3,040,276	3,840,433	2,940,920	76.6
Goods and services	857,647	1,118,798	665,012	59.4
Transfers to provinces	818,151	1,321,891	1,048,510	79.3
Transfers to universities	805,439	1,277,599	983,460	77.0
Other current expenditures	162,043	250,628	213,508	85.2
Interest (*)	2,906,429	4,427,933	2,511,097	56.7
Capital expenditures	2,331,421	2,981,933	2,004,850	67.2
Real direct investment	717,557	884,099	562,292	63.6
Capital transfers	1,544,023	2,024,025	1,385,010	68.4
Financial investment	69,841	73,809	57,548	78.0

Between January and October, current appropriations increased by ARS8,873.491 billion in relation to the initial budget approved for the fiscal year, which represented 30.6%. Transportation subsidies, transfers to provinces and social programs were the items that increased the most in relation to the initial appropriation, in all cases exceeding a 60% increase. In absolute terms, social benefits accounted for 45.1% of the total increase (ARS4,005.763 billion).

At the end of October, 72.9% of the expenditure budget had been executed. Current expenditures were executed at 73.4%, while capital expenditures were executed at 67.2%.

The highest execution levels were observed in energy subsidies (88.2%), in other current expenditures (85.2%) and in social programs such as *Progresar grants* (88.9%) and Food Policies (84.2%).

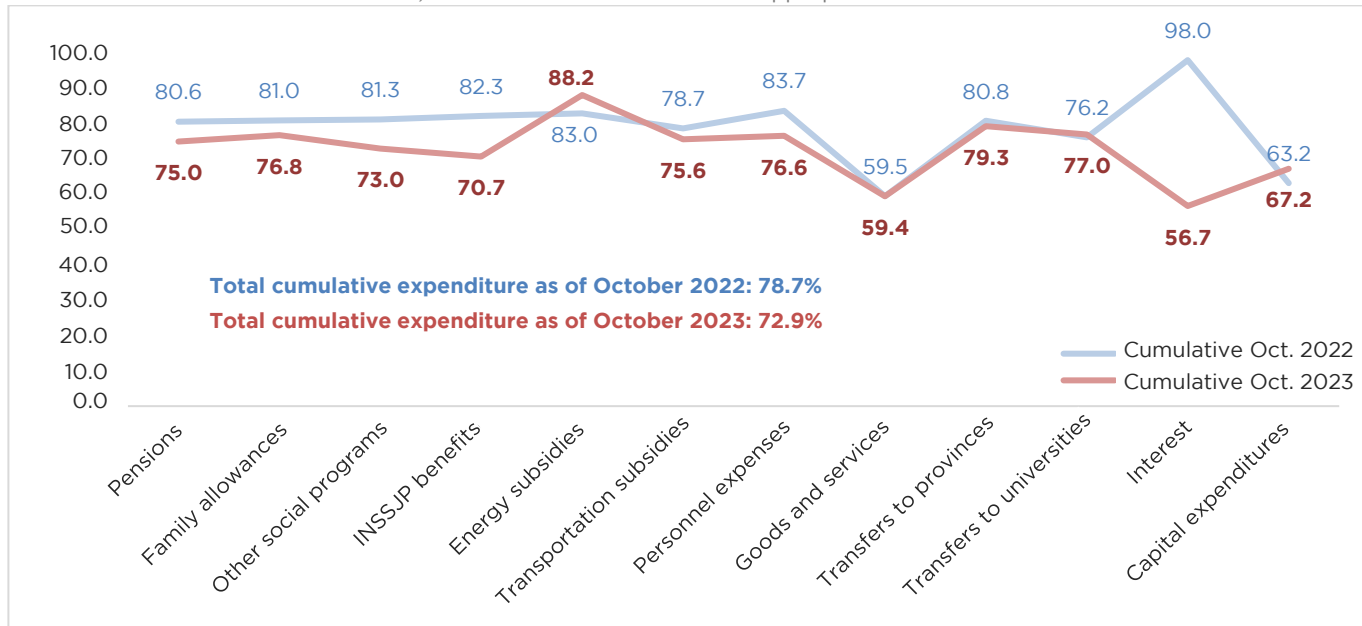
The execution of capital expenditures was lower than that of current expenditures, although with levels similar to those recorded as of October 2022 (63.2%).

(*) Interest accruals were estimated considering DMFAS data, debt maturity profile and E.Sidif. Includes interest paid intra National Public Sector, as derived from the E.Sidif.

SOURCE: OPC, based on E.Sidif data.

Figure 5. Execution level of main expenditure items

Cumulative to October 2022 and 2023, as % of execution over current appropriation



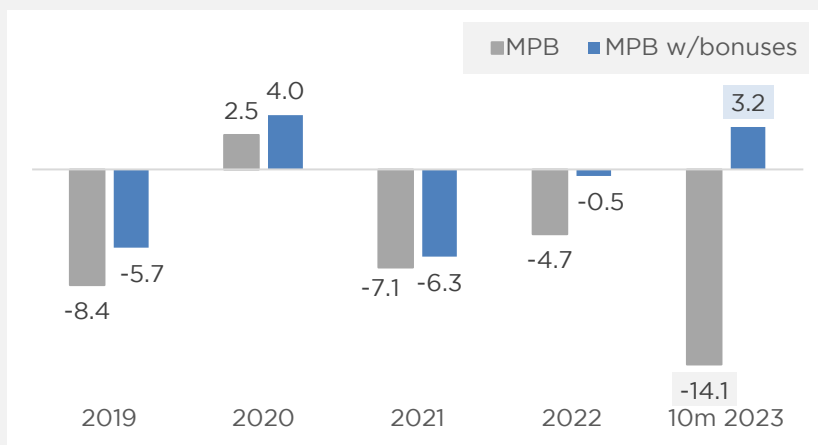
SOURCE: OPC, based on E.Sidif data.

Box 1. Bonuses to retirees and pensioners

In recent years, the granting of pension income reinforcements (bonuses) has become the tool adopted by the National Executive Branch to protect the purchasing power of lower-income pensioners⁶. During the current year, the National Government provided income reinforcements to pensioners for a maximum amount of up to ARS10,000 in January and February, ARS15,000 between March and June, ARS17,000 between March and June, ARS17,000 between March and June, ARS 17,000 in July, ARS20,000 in August and ARS37,000 in September and October, plus an additional reinforcement of ARS15,000 to PAMI (Health Care program) members (E.O. 788/22, 105/23, 288/23 and 442/23).

Figure 6. Minimum pension benefit (MPB) (with and without bonuses)

2019 - October 2023, as % of annual average real var.



In this sense, if we analyze the behavior of the minimum pension benefit (MPB) **without bonuses** (i.e., updated only by the mobility formula), we observe that in October there was a loss in purchasing power of 16.9% with respect to the same month of the previous year, resulting in an average year-on-year contraction of 14.1% YoY in the ten-month term.

However, when calculating the bonuses, the minimum pension had a recovery in real terms of 3.2% YoY⁷.

SOURCE: OPC, based on ANSES, current regulations and CPI (INDEC).

⁶ These measures reached the holders of contributory social security benefits granted by ANSES, the holders of the Universal Pension for the Elderly (PUAM) and the beneficiaries of non-contributory pensions (PNC), if their income does not exceed the limit of two minimum benefits (this limit was 1.5 minimum benefits for the last bonus).

⁷ It should be noted that this calculation includes the ARS15,000 bonus granted by PAMI, which is not included in the item "pensions" of the National Government.

Methodological aspects

- The Budget Execution Report refers to the National Government, a jurisdictional aggregate whose budget is approved by a Law of the National Congress.
- The National Government includes the Central Administration, decentralized agencies, and Social Security institutions.
- The data used in the preparation of this report come from the Integrated Financial Information System of the Secretary of Treasury, with a cut-off date of November 3, 2023.
- For the calculation of real variations, the Consumer Price Index (CPI) variation of the National General Level (INDEC) is used as a deflator.
- For expenditures, the accrual stage is considered. In this concept, interest paid by the National Government is considered in full and without offsets.
- For revenues, the time of receipt is considered.
- The amount of interest was estimated based on data from SIGADE, the debt maturity profile, and E.Sidif.

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The Argentine Congressional Budget Office was created by Law 27,343 to provide support to the Legislative Branch and deepen the understanding of issues involving public resources, democratizing knowledge and decision making. It is a technical office of fiscal analysis that produces reports open to the public.

This report does not contain binding recommendations.

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