



# ANALYSIS OF NATIONAL GOVERNMENT BUDGET EXECUTION

April 2024

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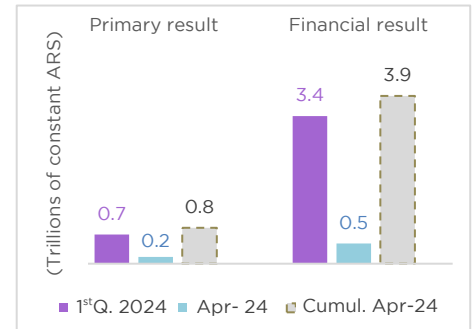
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# EXECUTIVE SUMMARY

As of the end of the first four months of 2024, the National Government obtained a financial surplus of ARS 0.8 trillion in contrast to a deficit of ARS 1.9 trillion obtained in the same period of 2023 (-115.5% year-on-year (YoY) in real terms). The financial result for the month of April was positive by ARS0.2 trillion.

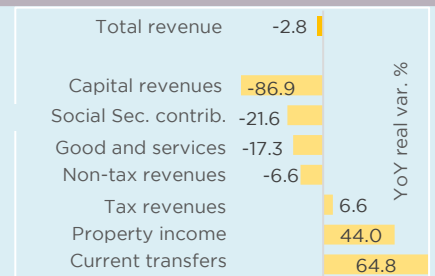
The cumulative primary surplus, which does not include debt interest payments, amounted to ARS3.9 trillion, as opposed to the primary deficit of ARS1.0 trillion a year earlier (-222.3% YoY in real terms). The primary result for the month of April was in surplus by ARS0.5 trillion.



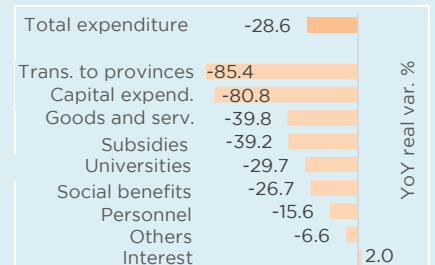
## BUDGET EXECUTION

ARISON WITH PREVIOUS YEARS

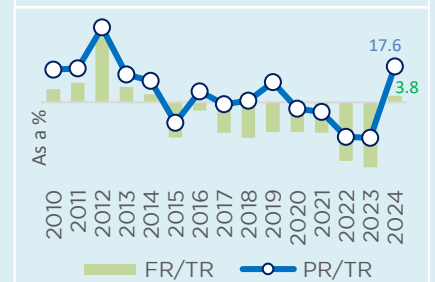
Revenues: totaled ARS22.2 trillion as of April 2024, reflecting a decrease in real terms of 2.8% as compared to the amount collected in the same period of 2023. Although tax revenues showed a real increase of 6.6% YoY, mainly driven by the PAIS Tax (431.3% YoY) and Export Duties (69.1% YoY), it did not manage to offset the falls in all other items, mainly resources from Social Security (-21.6% YoY).



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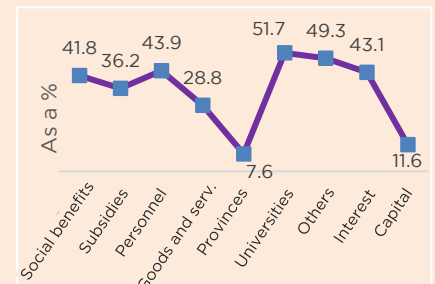
Primary and financial results in relation to total revenues: the primary result as of April reached 17.6% of total National Government resources, the second highest value in the series starting in 2010 (35.3% in 2012); and the financial result represented 3.8% of total resources, the sixth highest value in the series.



COMPARISON W/CURR. APPROPRIATION

Execution level: total accrued expenditure (ARS21.4 billion) represents 39.1% of current appropriations as of the first four months of 2024.

Transfers to universities (51.7%) and family allowances (50.7%) stand out for their advanced execution level. On the other hand, current transfers to provinces (7.6%), capital expenditures (11.6%) and expenditures on goods and services (28.8%), are the items with the lowest level of execution.



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## National Government Revenue

In the first four months of the year, National Government revenue amounted to ARS31,339.473 billion, which implied a contraction in real terms of 10.1% YoY. During this period, revenues linked to the exchange rate<sup>1</sup> grew 50.6% YoY, whereas the rest of taxes contracted 24.5% YoY.

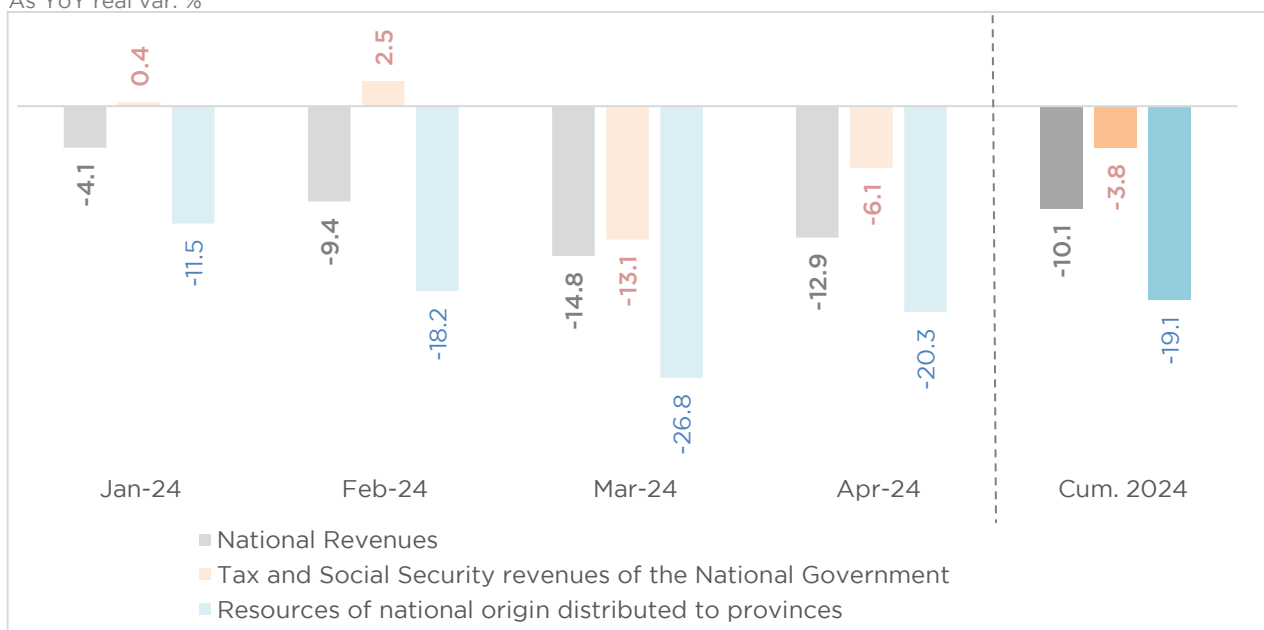
This divergent behavior is mainly explained by the year-on-year increase in the exchange rate, which in the first four months of 2024 was 324.9% higher than in the same period of 2023. In addition, the increase of the taxable base of the PAIS Tax by means of Executive Order 377/2023 in July last year, the increase of certain rates of the same tax in December by means of Executive Order 29/2023, the suspension of the VAT and Income Tax non-withholding certificates for imports in mid-April 2023 and the low base of comparison in Export Duties due to the drought that affected the last agricultural campaign, also had an impact. On the other hand, the drop in imports and the lower demand of foreign currency for hoarding and consumption purposes operated in the opposite direction.

With respect to taxes not linked to the exchange rate, in the first four months of the year there was a drop in DGI Profits (-43.3% YoY, as a result of the application of the “Cedular” Tax and the liquefaction of income related to past fiscal years), DGI VAT (-13.8% YoY, due to the lower level of activity and the higher tax credits for customs duties) and the Social Security System (-22.0% YoY, due to the contraction of real wages and employment).

As for the performance in April, it is worth mentioning the growth of taxes on Fuels (+2.4% YoY), as a result of the partial unfreezing of fixed amounts provided for by Executive Order 107/2024, and the higher revenues from Wealth Tax, VAT and Income Tax with respect to March. The increase in Wealth Tax revenues resulted from the payment of the fifth and last advance for fiscal year 2023, while the increase in VAT and Income Tax revenues was due to seasonality, the nominal nature and specific administrative issues. It should also be noted that in April, the retraction of Social Security contributions (-18.7% YoY) was the smallest of the year.

**Figure 1. Total revenue and allocation to National Government and provinces**

As YoY real var. %



SOURCE: OPC, based on AFIP, E.Sidif and National Directorate of Provincial Affairs

<sup>1</sup> Export Duties, Import Duties, Statistics Tax, PAIS Tax and customs VAT and Income Tax receipts.

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

**Table 1. Revenues, expenditures, and results**

In millions of ARS and YoY real var. %

Concept	April 2024		Cumulative (4 months)	
	In millions of ARS	YoY real var. %	In millions of ARS	YoY real var. %
<b>I. Current revenues</b>	<b>6,190,110</b>	<b>-1.5</b>	<b>22,200,810</b>	<b>-2.1</b>
Tax revenues	3,937,576	3.2	14,326,582	6.6
Social Security contributions	1,734,115	-18.9	6,166,853	-21.6
Non-tax revenues	156,846	4.4	487,400	-6.6
Goods and services	12,573	7.2	37,784	-17.3
Property income (*)	345,166	123.5	1,141,902	44.0
Current transfers	3,835	-77.0	40,289	64.8
<b>II. Current expenditures</b>	<b>5,899,253</b>	<b>-21.4</b>	<b>21,030,315</b>	<b>-25.3</b>
Social benefits	3,355,529	-22.3	11,680,340	-26.7
Pensions	2,396,900	-20.0	7,712,805	-28.5
Family allowances	332,699	-18.1	1,522,966	-4.9
Universal Child Allowance	194,094	11.3	862,888	13.4
Active pop., inactive pop., and others	138,605	-40.2	660,078	-21.6
Non-contributory pensions	281,711	8.0	899,960	-16.8
INSSJP benefits	60,249	-32.4	203,434	-37.3
Other social programs	283,970	-49.7	1,341,175	-37.6
<i>Potenciar/ Volver al Trabajo/ Acompañamiento Social (**)</i>	78,527	-64.7	416,562	-55.1
Food policies	145,438	-28.6	542,582	-13.0
<i>Progresar grants</i>	0	-100.0	81,805	-57.3
Others	60,006	-36.3	300,226	-28.0
Subsidies	1,084,092	17.0	2,095,749	-39.2
Energy	877,453	44.5	1,437,342	-40.6
Transportation	118,041	-52.8	504,742	-36.3
Other subsidies	88,597	27.6	153,665	-34.2
Personnel expenses	751,225	-14.4	2,661,476	-15.6
Goods and services	122,465	-22.0	385,819	-39.5
Transfers to provinces	21,582	-90.1	100,951	-85.4
Transfers to universities	216,076	-20.7	713,712	-29.7
Other current expenditures	34,251	-60.5	321,696	-6.6
Interest (***)	314,032	-51.9	3,070,571	2.0
<b>III. Economic result (I-II)</b>	<b>290,858</b>	<b>-123.8</b>	<b>1,170,495</b>	<b>-126.2</b>
<b>IV. Capital revenues</b>	<b>93</b>	<b>-99.9</b>	<b>23,261</b>	<b>-86.9</b>
<b>V. Capital expenditures</b>	<b>135,961</b>	<b>-74.3</b>	<b>357,537</b>	<b>-80.8</b>
Real direct investment	9,275	-93.5	87,923	-85.0
Capital transfers	126,685	-67.0	269,298	-78.2
Financial investment	0	-100.0	316	-99.1
<b>VI. Total revenues (I+IV)</b>	<b>6,190,203</b>	<b>-3.0</b>	<b>22,224,072</b>	<b>-2.8</b>
<b>VII. Total expenditures (II+V)</b>	<b>6,035,213</b>	<b>-24.9</b>	<b>21,387,853</b>	<b>-28.6</b>
<b>VIII. Primary expenditures</b>	<b>5,721,181</b>	<b>-22.5</b>	<b>18,317,281</b>	<b>-32.3</b>
<b>IX. Primary result (VI-VIII)</b>	<b>469,022</b>	<b>-146.8</b>	<b>3,906,790</b>	<b>-222.3</b>
<b>X. Financial result (VI-VII)</b>	<b>154,990</b>	<b>-109.4</b>	<b>836,219</b>	<b>-115.5</b>

(\*) Includes property income generated by assets of the National Government held by the Sustainability Guarantee Fund (FGS).

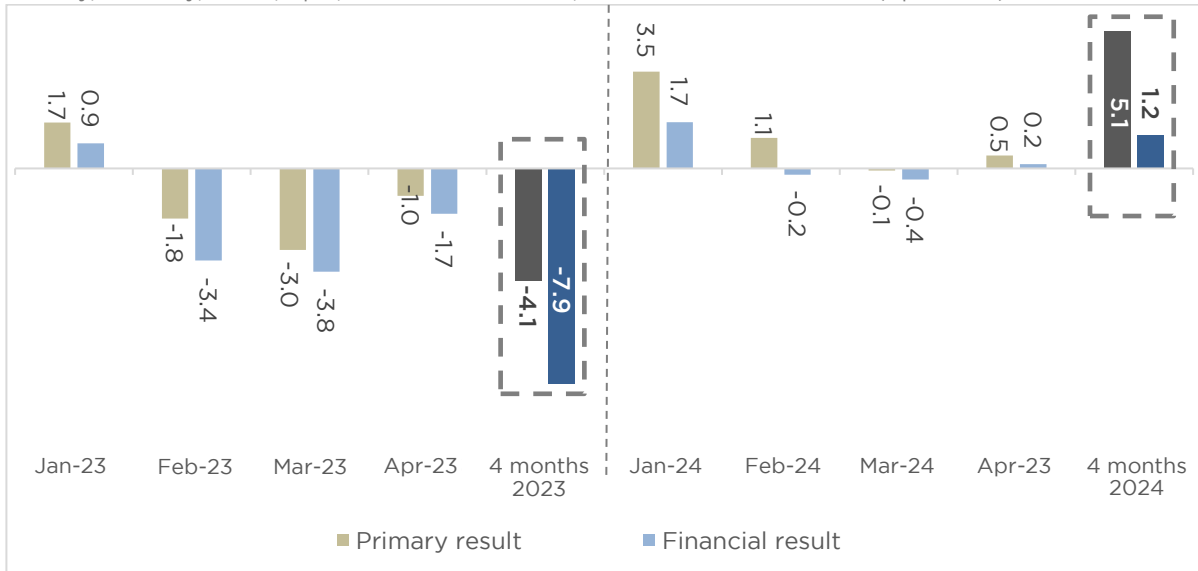
(\*\*) Executive Order 198/2024 provided for the creation of the *Acompañamiento Social* and *Volver al Trabajo* programs, to which the holders of the *Potenciar Trabajo* program will be transferred.

(\*\*\*) Includes interest paid intra Public Sector, as recorded in the E.Sidif.

SOURCE: OPC, based on E.Sidif data.

### Figure 2. Primary and Financial Results

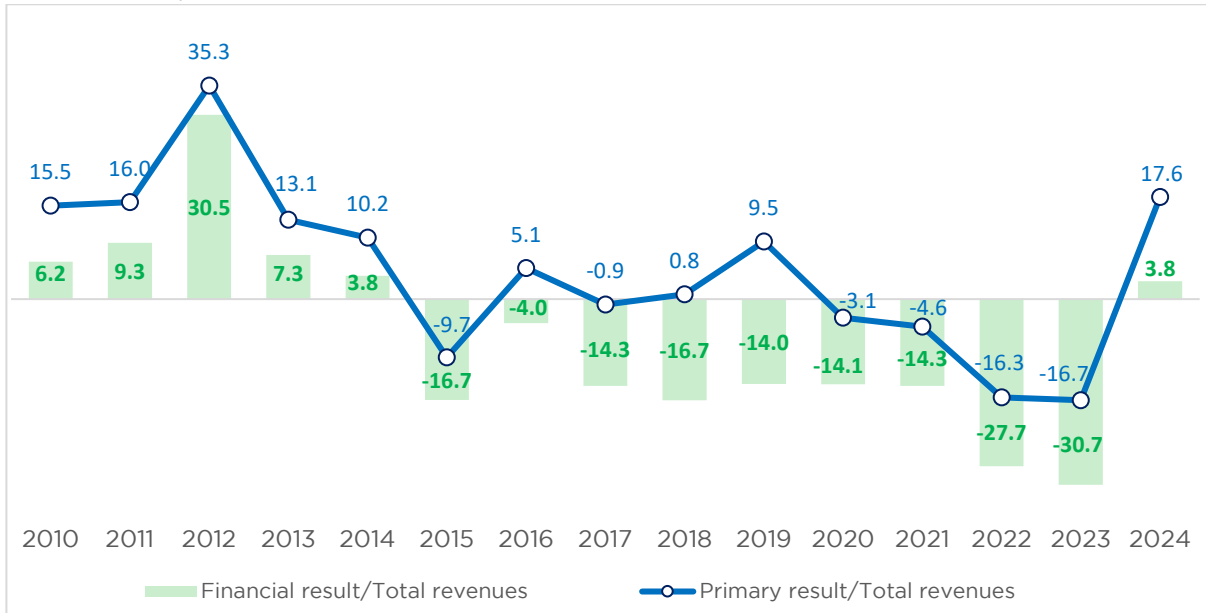
January, February, March, April, and cumulative 2024, In millions of constant ARS (April 2024)



SOURCE: OPC, based on E.Sidif data.

### Figure 3. Primary and financial results in relation to total revenues

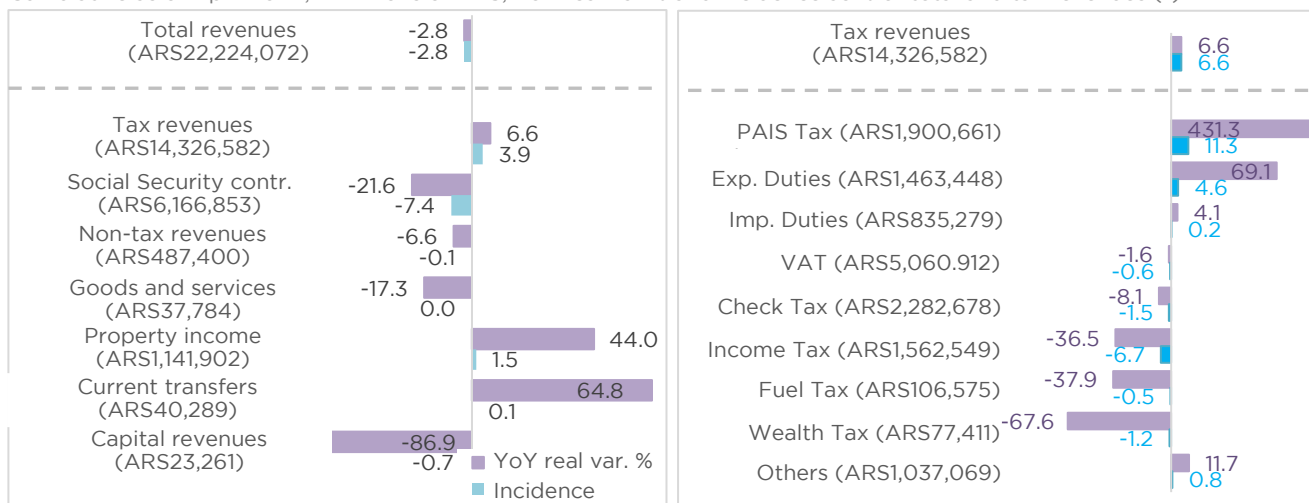
Cumulative to April, 2010 to 2024, as %



SOURCE: OPC, based on E.Sidif data.

### Figure 4. Total and tax revenues

Cumulative as of April 2024, in millions of ARS, YoY real var % and incidence as % of total and tax revenues (\*)



(\*) Incidence refers to the contribution in percentage points that each item makes to the total variation.

SOURCE: OPC, based on E.Sidif data.

During the first four months of the year, tax and Social Security revenues of the National Government decreased by 3.8% YoY in real terms. The discrepancy between this drop and that of total national revenues (-10.1% YoY) is explained by the behavior of non-shared or earmarked resources for the National Government. In this sense, the real growth of PAIS Tax revenues (431.3% YoY) stands out. In addition to the broadening of the tax base and of the tax rates mentioned above, Executive Order 377/2023 modified the distribution of the incremental revenue generated by this regulation - with a higher share of the National Social Security Administration (ANSES) to the detriment of the National Institute of Social Services for Retirees and Pensioners (INSSJP) -, which implied an increase in the proportion of resources distributed to the National Government. Also, revenues from Export Duties (69.1% YoY), Import Duties (4.1% YoY) and Statistics Tax (5.2% YoY) contributed to the increase.

### Table 2. Total revenues

Cumulative as of April 2024, in millions of ARS, as YoY real var. % and y incidence %.

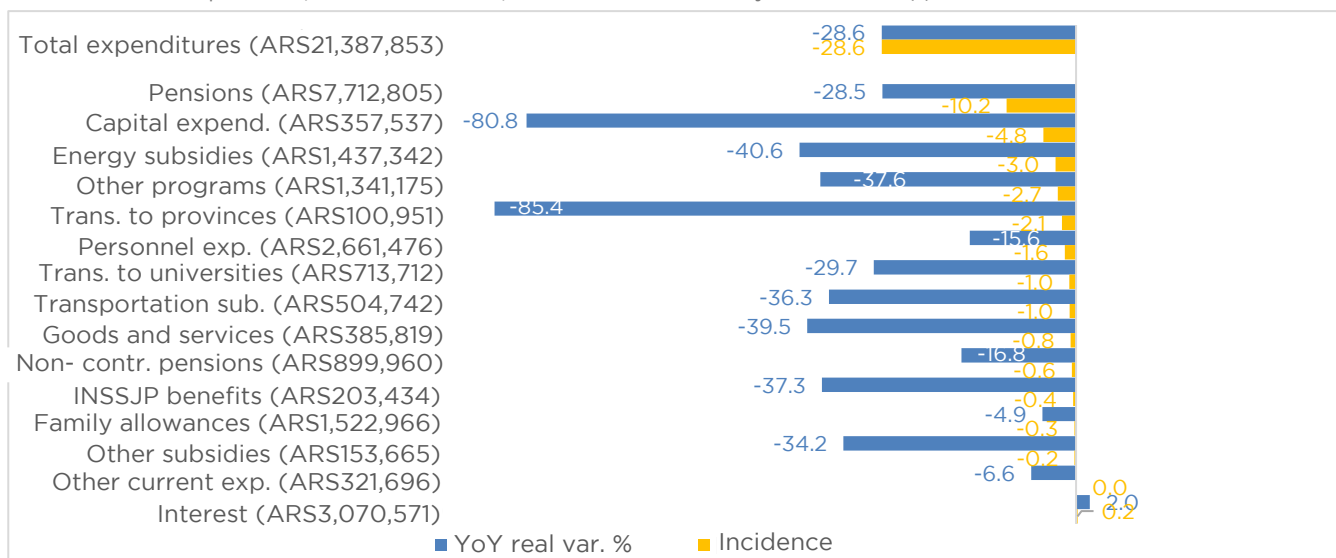
Concept (millions of ARS)	Incidence %	Main YoY variations
<b>Tax revenues<sup>2</sup></b> <b>ARS14,326,582</b> <b>6.6 YoY real</b>	3.5	PAIS Tax, ARS1,900,661 million (431.3% YoY real), Export Duties, ARS1,463,448 million (69.1% YoY real), in both cases positively affected by the increase in the exchange rate. PAIS Tax revenues were also favored by the broadening of the tax base. VAT, ARS5,060,912 million (-1.6% YoY real), due to the lower level of activity and customs receipts. Check Tax, ARS2,282,678 million, (-8.1% YoY real). Income Tax, ARS1,562,549 million (-36.5% YoY real), due to lower withholdings to employees and the liquefaction of advances and balances of tax returns related to previous fiscal years. Wealth Tax, ARS77,411 million (-67.6% YoY real), due to lower withholdings for consumption in foreign currency and the liquefaction of payments related to previous tax years.
<b>Social Security</b> <b>ARS6,166,853</b> <b>-21.6 YoY real</b>	-7.4	Employer Contributions, ARS3,969,229 million (-19.7% YoY real) and Personal Contributions, ARS2,187,944 million (-23.3% YoY real), due to the reduction in salaries in real terms.

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

Concept (millions of ARS)	Incidence %	Main YoY variations
<b>Non-tax revenues</b> <b>ARS487,400</b> <b>-6.6 YoY real</b>	-0.1	Fees collected by agencies ARS104,739 million (-11.5% YoY real) <sup>3</sup> . Directorate of the National Registry of Motor Vehicles, ARS57,706 million, (-25.7% YoY real). On the other hand, there were increases in: National Justice Fund, ARS128,353 million (65.5% real YoY). Fees for Immigration Control, ARS25,551 million (29.4% YoY real). Allocations and Refunds, ARS31,607 million (49.5% YoY real).
<b>Property income</b> <b>ARS1,141,902</b> <b>44.0 YoY real</b>	1.5	Interest on deposits in domestic currency, ARS506,671 million (580.6% YoY real). Income from FGS ANSES, ARS608,600 million (-1.8% YoY real).

**Figure 5. Total expenditures**

Cumulative as of April 2024, in millions of ARS, as YoY real var. % and y incidence % (\*)



(\*) Incidence refers to the contribution in percentage points that each item makes to the total variation.

SOURCE: OPC, based on E.Sidif data.

As of the end of the first four-month period of 2024, total expenditures of the National Government recorded a drop of 28.6% YoY in real terms: primary expenditures showed an even more pronounced drop of 32.3% YoY, given that debt interest increased by 2.0% YoY in real terms. Although every month of the first four-month period registered real year-on-year declines with respect to the same months of 2023, April recorded a less pronounced fall (-22.5% YoY real) with respect to January (-30.1% YoY real), February (-35.1% YoY real) and March (-39.0% YoY real).

Pensions (-28.5% YoY real), capital expenditures (-80.8% YoY real) and energy subsidies (-40.6% YoY real) were the items that most affected the reduction in total accrued expenditures as of April 30, accounting for 10.2 percentage points (p.p.), 4.8 p.p. and 3.0 p.p., respectively, of the total fall.

As for pensions, it should be noted that in April the transition period between the adjustment formula established by Law 27,609 (quarterly adjustment based on the variation of ANSES revenues and salaries) and the one approved by DNU 274/24 (monthly adjustment based on CPI)<sup>4</sup> came into effect, which contributed to mitigate the loss of purchasing power of pension benefits and, consequently, the drop in pension expenditure in real terms. In fact, pension benefits (excluding bonuses) showed a recovery of 16.9% with respect to March. However, when comparing the average purchasing power of

<sup>3</sup> Those received by ENARGAS (ARS21,523 million, -6.7% YoY real), the National Superintendence of Insurance (ARS20,072 million, -16.1% YoY real), the Superintendence of Labor Risks (ARS7,992 million, -26.5% YoY real) and ENACOM (ARS5,917 million, -24.0% YoY real), among others, stand out.

<sup>4</sup> The transition mechanism consists of the application of the formula of Law 27,609 until June 2024, but granting increases in the months of April, May and June inclusive, based on CPI, which are taken on account (advance) of the effective mobility resulting from the application of such formula. This mechanism also provided for an additional one-time increase of 12.5%, applicable in April.



four months of 2024 with respect to the same period of 2023, a real fall of 37.1% YoY still prevails (4.6 p.p. lower compared to the situation as of the first quarter).

Capital expenditures continue to show a significant retraction (-80.8% YoY real) and represent the second largest contribution to the decrease in total expenditure.

Capital transfers to state-owned enterprises (-67.9% YoY real) and to provinces and municipalities (-96.7% YoY real), as well as real direct investment, mainly for road projects (-87.8% YoY real) and equipment in the education sector (-98.7% YoY real), fell. In April for the first time in the year, there were no capital transfers to trust funds.

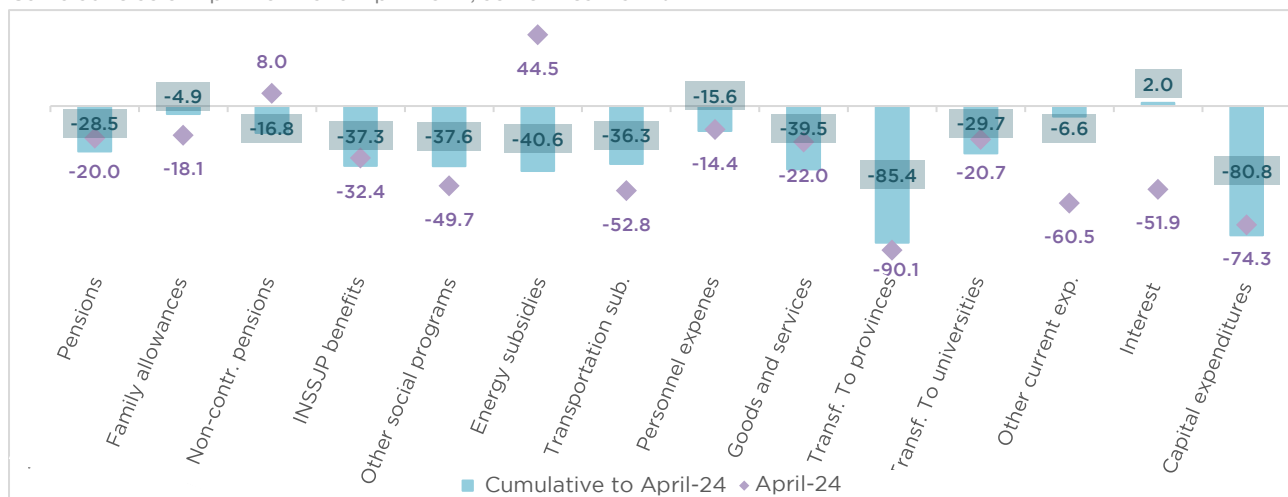
With respect to energy subsidies, it is worth noting that during April, for the first time in the year, there was a real increase in expenditure in year-on-year terms (44.5% YoY), mainly as a result of transfers to CAMMESA for ARS791.76 billion (87.8% YoY real), aimed at covering outstanding debts in the Wholesale Electricity Market (MEM).

In the cumulative amount up to April 2024, energy subsidies show a negative variation of 40.6% YoY real, being transfers to CAMMESA 23.5% YoY real lower than in the same period of the previous year<sup>5</sup>.

Finally, transfers to provinces, which continue to show monthly year-on-year decreases, represent the expenditure item with the largest real decrease in the first four months of the year (-85.4% real YoY). It is important to highlight that the most representative program in terms of accrued transfers to the provinces is FONID with ARS46.611 billion (46.2% of total accrued transfers), of which only ARS3.683 billion were paid<sup>6</sup>.

**Figure 6. Real cumulative and monthly expenditure variation**

Cumulative as of April 2024 and April 2024, as YoY real var. %



SOURCE: OPC, based on E.Sidif data.

<sup>5</sup> In accordance with Res. 58/2024 of the Secretariat of Energy (as amended by Res. 66/2024) the debts for the terms December 2023 - January 2024 (maturing in February 2024 and March 2024) amount to ARS1.1 billion, being established to be cancelled through the issuance of AE38 bonds. The amounts accrued in February 2024 maturing in April 2024 will be paid in cash through the contributions made by the Treasury to CAMMESA for such purpose. Payments made to CAMMESA during April amounted to ARS621.76 billion and were made through two transfers (ARS291.76 billion between April 25 and 26 and ARS330 billion on April 30).

<sup>6</sup> The amount paid was distributed among the following provinces: Santiago del Estero (ARS1.525 billion), Misiones (ARS1.476 billion), La Rioja (ARS397 million), Catamarca (ARS227 million), Corrientes (ARS47 million) and Chubut (ARS12 million).

**Table 3. Total expenditures**

Cumulative as of April 2024, in millions of ARS, as YoY real var. % and y incidence %. In order of incidence

Concept (millions of ARS)	Incidence %	Main YoY variations
<b>Pensions</b> <b>ARS7,712,805</b> <b>-28.5% YoY real</b>	-10.2	As a result of the decoupling between the pension adjustment formula and inflation, partially offset by the application of bonuses granted to lower-income pensioners. Expenditure executed by ANSES totaled ARS6,873,469 million (-29.8% YoY real), of which ARS5,968,976 million related to regular benefit payments (-34.0% YoY real) and ARS904,494 million (21.2% YoY real) to income supplements for the lowest income beneficiaries (bonuses). Benefits for retired personnel of the Armed and Security Forces, ARS837,732 million (-15.2% YoY real).
<b>Capital expenditures</b> <b>ARS357,537</b> <b>-80.8% YoY real</b>	-4.8	<b>Real Direct Investment</b> , ARS87,923 million (-85.0% YoY real): the reduction in this item was driven, in the first place, by the lower expenditures on works of the National Directorate of Roads (ARS29,829 million, -87.8% YoY real). In addition, the decrease in investment in the Ministry of Education (-98.7% YoY) stands out, mainly due to non-execution in the acquisition of computers within the framework of the <i>Conectar Igualdad</i> program (ARS13,228 million as of April 2023), and in the Secretariat of Public Works (-97.1% YoY), due to the decrease in investment in programs linked to the Development of Hydraulic Infrastructure (ARS11,753 million in 2023 vs ARS358 million in 2024) and to Transportation and Sustainable Mobility (ARS8,636 million in 2023 and no execution in 2024). <b>Capital transfers</b> , ARS269,298 million (-78.2% YoY real): the reduction is driven by the lower execution in financial assistance to: 1) provinces and municipalities, ARS13,166 million (-96.7% YoY real); 2) state-owned enterprises, ARS157,702 million (-67.9% YoY real); and 3) trust funds, ARS96,287 million (-67.7% YoY real). As for state-owned enterprises, the decreases in transfers to AYSA, ARS66,642 million (-48.7% YoY real) and to ENARSA, ARS90,189 million (-55.9% YoY real) stand out. Real reductions are observed for both of them during the first four months of the year, but real increases are observed for the month of April. As for trust funds, transfers to the <i>Procrear</i> Trust Fund, ARS61,692 million (+12.9% YoY real) and to the Social Housing Trust Fund, ARS34,167 million (-81.2% YoY real), were the most significant ones up to April. Cumulative capital transfers to trust funds as of April 30 refer to the accrual during the first quarter of the year, since no transfers to trust funds were recorded in the month of April.
<b>Energy subsidies</b> <b>ARS1,437,342</b> <b>-40.6% YoY real</b>	-3.0	Transfers to ENARSA, ARS372,889 million (-57.9% YoY real), mainly to cover the purchase of imported natural gas. Transfers to the Wholesale Electricity Market Administration Company (CAMMESA), ARS1,041,760 million (-23.5% YoY), to cover the gap between costs and tariffs of electricity generation. Financial assistance under the Gas IV Gas.AR Plan (Necessity and Urgency Decree - DNU 892/2020), ARS10,401 million (-85.6% YoY real).
<b>Other social programs</b> <b>ARS1,341,175</b> <b>-37.6% YoY real</b>	-2.7	<i>Potenciar Trabajo / Volver al Trabajo</i> , ARS416,562 million (-55.1% YoY real), explained by the loss of purchasing power of benefits and the reduced number of beneficiaries <sup>7</sup> . <i>Progresar</i> student grants, ARS81,805 million (-57.3% YoY real); Medical Care for beneficiaries of non-contributory pensions, ARS93,604 million (-36.3% YoY real) and <i>Acompañar</i> Program, ARS17,529 million (-79.1% YoY real). Food Policies, ARS542,582 million (-13.0% YoY real), among whose initiatives the <i>Alimentar</i> Benefit (ARS542,228 million, -10.0% YoY real) stands out. Although the food card benefit amount doubled in January, the average benefit amount shows a loss of purchasing power of about 10.4% YoY in real terms in the first four months of the year. VAT refund to vulnerable sectors, ARS102,866 million (with no execution in the same period of 2023).

<sup>7</sup> The average benefit amount increased by 120.5% YoY in nominal terms in the first four months of the year, compared to the CPI variation of 278.1% YoY, which results in a loss of purchasing power of 41.7% (until December 2023 they were tied to the Minimum Vital and Mobile Wage (SMVM, by its initials in Spanish). Additionally, as a result of the reconversion of the *Potenciar Trabajo* Program into *Volver al Empleo* and *Acompañamiento Social*, in April 2024 there were 314 thousand fewer beneficiaries than one year ago (1.27 million beneficiaries in April 2023 of *Potenciar Trabajo* vs. 956 thousand of *Volver al Trabajo* in April 2024; the execution of the *Acompañamiento Social* program has not yet been recorded).

Concept (millions of ARS)	Incidence %	Main YoY variations
<b>Transfers to provinces</b> <b>ARS100,951</b> <b>-85.4% YoY real</b>	-2.1	Eighty-five percent of the total amount of transfers to provinces was concentrated in 3 programs: 1) National Teacher Incentive Fund (FONID), ARS46,611 million, executed only in January (-80.7 % YoY real) <sup>8</sup> ; 2) Educational Management and Socio-educational Policies, ARS28,325 million (-51.3% YoY real) as part of the program for the universalization of the full or extended school day in primary education; and 3) Contributions from the National Treasury (ATN), ARS10,300 million (-52.2% YoY real) to the provinces of Tucumán (ARS2,000 million), Jujuy (ARS1,500 million), Chubut (ARS1,500 million), Santa Fe (ARS1,500 million), Misiones (ARS1,500 million), Entre Ríos (ARS1,300 million) and Corrientes (ARS1,000 million). No transfers were made to the Provincial Pension Funds (ARS36,601 million as of April 2023) <sup>9</sup> or to the Fiscal Strengthening Fund of the Province of Buenos Aires (ARS40,340 million as of April 2023) <sup>10</sup> .
<b>Personal expenses</b> <b>ARS2,661,476</b> <b>-15.6% YoY real</b>	-1.6	Executive Branch, ARS2,082,429 million (-15.6% YoY real), Judicial Branch, ARS328,141 million (-14.7% YoY real), Legislative Branch, ARS118,184 million (-22.1% YoY real) and the Public Prosecutor's Office, ARS132,723 million (-12.6% YoY real). The salary guidelines agreed upon during the period analyzed were below inflation <sup>11</sup> . As for the variation in the number of positions held in March 2024 <sup>12</sup> with respect to the annual average in 2023: Executive Branch: 1.8% in permanent and transitory positions and -7.3% in contracted personnel. Judicial Branch and Public Prosecutor's Office: 0.6% in permanent and temporary staff. Funds for the payment of salaries and operating expenses of universities, below inflation.
<b>Transfers to universities</b> <b>ARS713,712</b> <b>-29.7% YoY real</b>	-1.0	Funds for the payment of salaries and operating expenses of universities, below inflation.
<b>Transportation subsidies</b> <b>ARS504,742</b> <b>-36.3% YoY real</b>	-1.0	Transfers to <i>Operador Ferroviario S.E.</i> , ARS175,806 million (-42.0% YoY real), to cover the difference between the operating cost of public passenger rail transportation in the Metropolitan Area of Buenos Aires (AMBA) and the one covered by the fares paid by users. Transfers to the Transportation Infrastructure System Trust Fund, ARS292,827 million (-30.5% YoY real), through which the AMBA's passenger transportation tariff compensation is paid, and which until last year also included assistance to the Compensation Fund for Motor Transportation outside the AMBA <sup>13</sup> .
<b>Goods and services</b> <b>ARS385,819</b> <b>-39.5% YoY real</b>	-0.8	Expenditures on goods and services for management and administration activities of National Government agencies, ARS62,047 million (-39.4% YoY real). Purchase of food for soup kitchens within the framework of the Food Policies program, ARS31,345 million (-46.7% YoY real). Expenditures for services for CONICET fellowships, ARS30,982 million (-11.0% YoY real). On the other hand, expenditures for the purchase of vaccines included in the vaccination schedule increased by ARS61,127 million (9.8% YoY real) and those for the procurement of equipment within the framework of the " <i>Conectar Igualdad</i> " program, ARS15,624 million (138.3% YoY real).

<sup>8</sup> The FONID was created in 1998 by Law 25,053 as an emergency for a term of 5 years. It was extended by different laws and decrees of necessity and urgency until 12/31/2023. As a consequence of the budget extension, the initial appropriation of FONID at the beginning of fiscal year 2024 totaled ARS347,351 million. DNU 280 of March 27 reduced this appropriation by ARS276,262 million, so that the current FONID budget as of April amounts to ARS71,088 million.

<sup>9</sup> DNU 280/2024 (03/26/24) establishes, in its section 18, that sections 92, 93 and 94 of Law 27,701 of the General Budget of the National Government for Fiscal Year 2023, in force pursuant to section 27 of Law 24,156, are not included in the extension provided by Decree 88/23. These sections refer to the time and manner in which the Nation shall transfer funds to the provinces that did not transfer their social security systems to the National Government, as an advance payment on account of the final result of the deficit of each social security system.

<sup>10</sup> The Fiscal Strengthening Fund of the Province of Buenos Aires was created by Executive Order 735/2020 and repealed by Executive Order 192 of 02/23/2024.

<sup>11</sup> In the Executive Branch, whose expenditure represented 78.3% of the total, increases totaled 190.9%. In the Judicial Branch and the Public Prosecutor's Office, with a 17.3% share of total personnel spending, salary guidelines totaled 201.5%. In the Legislative Branch (4.4% of the total), salary guidelines reached 184.1%.

<sup>12</sup> Source: Integrated Human Resources System (SIRHU), refers to the latest data available.

<sup>13</sup> In the first four months of 2023, ARS28,000 million were allocated to the Compensation Fund for Transportation outside the AMBA.

Concept (millions of ARS)	Incidence %	Main YoY variations
<b>Non-contributory pensions</b> ARS899,960 -16.8% YoY real	-0.6	As a consequence of the updating of benefit amounts (mobility) below inflation, partially offset by the granting of bonuses <sup>14</sup> . It should be noted that the April 2023 bonus for NCPs only had an impact on the May records (ARS17,380 million), which mitigated the expenditure decrease. Adjusting this record, the decrease in expenditure reaches 21.2% YoY in real terms, in line with the average loss of purchasing power of benefits (including bonus) during the period (24.2%).
<b>INSSJP benefits</b> ARS203,434 -37.3% YoY real	-0.4	As a consequence of the evolution of the ANSES pension expense net of bonuses (which constitutes the expense subject to contributions to the National Institute of Social Services for Retirees and Pensioners – INSSJP, also known as PAMI).
<b>Family allowances</b> ARS1,522,966 -4.9% YoY real	-0.3	Family Allowances (active and inactive population), ARS660,078 million (-21.6% YoY real), due to the differential between the update of the benefit amounts (mobility) and inflation <sup>15</sup> , partially offset by the increase in the number of allowances paid <sup>16</sup> , as well as by the increase in the annual school allowance amount paid in March <sup>17</sup> . In addition, the increase observed in Universal Allowances, ARS862,888 million (+13.4% YoY real), is mainly due to the 100% increase in the benefit amount in January 2024 (Executive Order 117/23), in addition to the increase due to mobility in December and March <sup>18</sup> .
<b>Other subsidies</b> ARS153,665 -34.2% YoY real	-0.2	Transfers to AYSA, ARS30,716 million (-27.9% YoY real) and to Radio y Televisión Argentina S.E., ARS13,754 million (-42.6% YoY real). There were no transfers to promote production and development to small and medium-sized producers and regional economies (ARS9,759 million in the first four months of 2023), or to the National Fund for Productive Development - FONDEP (ARS6,586 million in the first four months of 2023). Transfers to Correo Argentino, ARS91,372 million (+20.5%).
<b>Other current expenditures</b> ARS321,696 -6.6% YoY real	0	No execution was recorded in items related to the Socio-Urban Integration Fund (ARS13,085 million in 2023) and to electoral expenses (ARS11,118 million in 2023), while other current expenditures were cut for the Higher Education Development program, ARS6,281 million (-67.9% YoY real). On the other hand, there were higher transfers from the Ministry of Health for operating expenses of SAMIC Hospitals, ARS163,147 million (65.0% YoY real) and expenditures for public debt commissions, ARS35,910 million (185.8% YoY real).
<b>Interest</b> ARS3,070,571 2.0% YoY real	0.2	Due to higher interest payments on securities in foreign currency issued within the framework of the debt restructuring process of September 2020 and IMF loans, offset by lower payments, in real terms, on securities in pesos.

SOURCE: OPC, based on E.Sidif data.

<sup>14</sup> Pension benefits plus bonds lost on average 24.2% YoY of purchasing power in the first four months of 2024.

<sup>15</sup> It should be noted that, unlike pensions (including NCP), family allowances are not covered by the transition mechanism between the adjustment formula of Law 27,609 and DNU 274/24, and therefore the benefits amounts have not been updated in April, as was the case of the former.

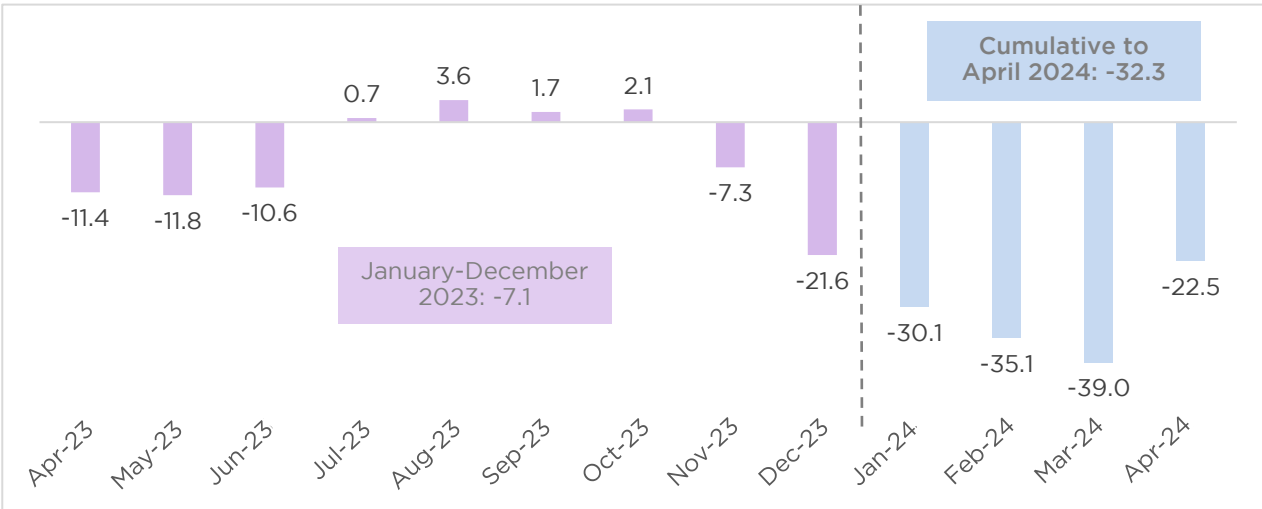
<sup>16</sup> According to E.Sidif data, the amount of child allowances (active and inactive population) increased from an average of 3.4 million in the first quarter of 2023 to 4.6 million in the same period of 2024 (there is still no data for March 2024).

<sup>17</sup> The annual education allowance amount (paid only in March of each year) increased from ARS9,609 to ARS70,000.

<sup>18</sup> During the first four months of 2023, the Universal Child Allowance average amount was ARS10,630, and in the same period of 2024 it was ARS46,938, which represents a real increase of 16.8% YoY.

### Figure 7. Year-on-year variation in primary expenditures

April 2023 – April 2024, as YoY real var. %



SOURCE: OPC, based on E.Sidif data.

## National Government Expenditure Execution Level

**Table 4. Cumulative expenditure execution level**

Cumulative to April 2024, in millions of ARS and execution %

Concept	Initial appropriation	Current appropriation	Accrued	Exec. %
<b>Total expenditures</b>	40,250,029	54,733,432	21,387,853	39.1
Current expenditures	37,174,662	51,641,077	21,030,315	40.7
Social benefits	19,607,552	27,969,585	11,680,340	41.8
Pensions	13,053,964	19,182,841	7,712,805	40.2
Family Allowances	1,570,493	3,004,459	1,522,966	50.7
Universal Child Allowance	702,360	1,720,425	862,888	50.2
Others	868,133	1,284,034	660,078	51.4
Non-contributory pensions	1,420,250	1,755,213	899,960	51.3
INSSJP benefits	394,730	459,751	203,434	44.2
Other social programs	3,168,114	3,567,321	1,341,175	37.6
<i>Potenciar/ Volver al Trabajo/ Acomp. Social (*)</i>	1,017,665	1,038,309	416,562	40.1
Food Policies	731,699	830,879	542,582	65.3
Progresar grants	291,329	436,653	81,805	18.7
Others	1,127,421	1,261,479	300,226	23.8
Subsidies	4,281,968	5,790,752	2,095,749	36.2
Energy	2,806,409	3,609,409	1,437,342	39.8
Transportation	1,008,320	1,633,320	504,742	30.9
Other subsidies	467,238	548,022	153,665	28.0
Personnel expenses	4,387,714	6,063,376	2,661,476	43.9
Goods and services	1,094,220	1,339,589	385,819	28.8
Transfers to provinces	1,522,802	1,323,760	100,951	7.6
Transfers to universities	1,359,988	1,381,455	713,712	51.7
Other current expenditures	494,381	652,724	321,696	49.3
Interest (**)	4,426,037	7,119,837	3,070,571	43.1
<b>Capital expenditures</b>	3,075,367	3,092,355	357,537	11.6
Real direct investment	894,696	920,026	87,923	9.6
Capital transfers	2,106,866	2,098,525	269,298	12.8
Financial investment	73,804	73,804	316	0.4

As of the first four-month period, the current appropriation increased by 36.0% with respect to the initial appropriation for the fiscal year 2024, which is the result of the extension of the current budget as of December 31, 2023. The budget increase was approved by DNU 280 and amounted to ARS14,483.403 billion.

Total expenditures represented 39.1% of the current budget, 11.7 percentage points above the level reached one year ago (27.2%). Current expenditures accrued 40.7% of their appropriation (vs. 28.0% as of April 2023), and capital expenditures accounted for 11.6% (20.5% as of April 2023).

Transfers to universities (51.7%) stand out, followed by family allowances (50.7%), which executed half of their budget as of April 30. Within other social programs, the execution of Food Policies (65.3%) and the program "Potenciar/ Volver al Trabajo" (40.1%) stand out.

At the other extreme stand current transfers to provinces (7.6%) and capital expenditures (11.6%), followed by expenditures for goods and services (28.8%) and subsidies to transportation (30.9%) and energy (39.8%). The Progresar grants within social programs maintained the same execution as in the first quarter (18.7%) since there were no records in the month of April.

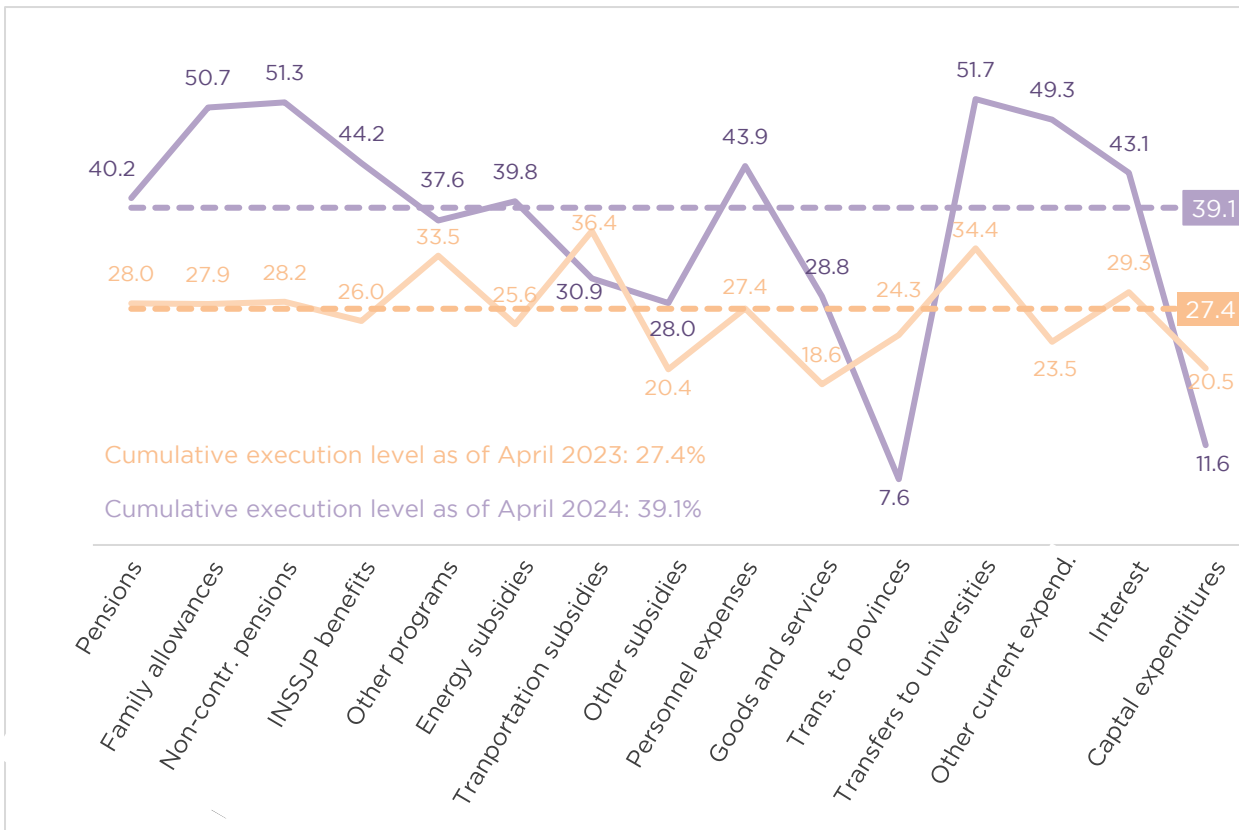
(\*) Executive Order 198/2024 provided for the creation of the *Acompañamiento Social* and *Volver al Trabajo* programs, to which the holders of the *Potenciar Trabajo* program will be transferred.

(\*\*) Includes interest paid intra Public Sector, as recorded in the E.Sidif.

SOURCE: OPC, based on E.Sidif data.

### Figure 8. Cumulative and monthly real variation of expenditures

Cumulative to April 2023 and 2024, as variation % over current appropriation



SOURCE: OPC, based on E.Sidif data.

## 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 May 6, 2024.
- For the calculation of real variations, the Consumer Price Index (CPI) variation of the National General Level (INDEC) is used as a deflator. For the month of April 2024, the inflation estimated in the report: "*Resultados del Relevamiento de Expectativas de Mercado (REM)*", prepared by the BCRA, which shows a monthly variation of 9.0%, is used.
- 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.
- Transfers made by the Ministry of Health for the functioning of national hospitals of the Comprehensive Medical Care Service for the Community (SAMIC) are included in Other Current Expenses as they are transferred directly to these entities.



#### OPC Publications

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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