



# ANALYSIS OF NATIONAL GOVERNMENT BUDGET EXECUTION

June 2024

Gabriel Esterelles  
OPC director

Ignacio Lohlé  
Director of Budget Analysis

María Laura Cafarelli - Romina Muras - Julieta Olivieri - Walter Rabbia  
Analysts

Martín López Amorós  
Director of Fiscal and Tax Analysis

Marcela de Maya - Pedro Velasco  
Analysts

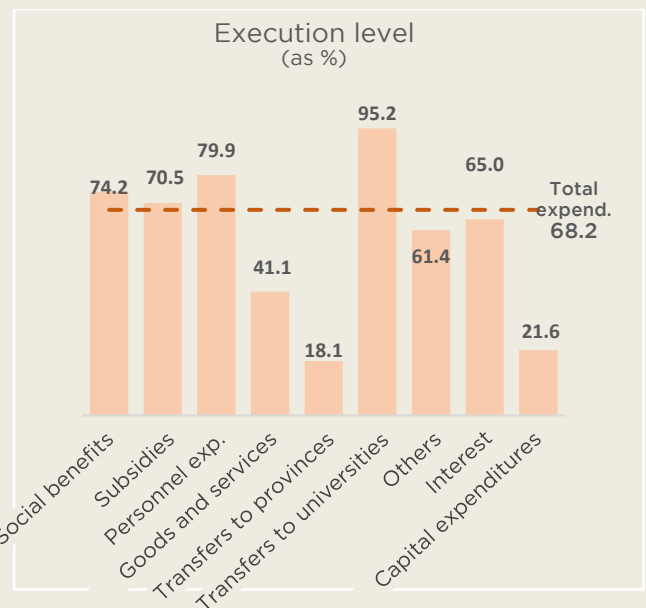
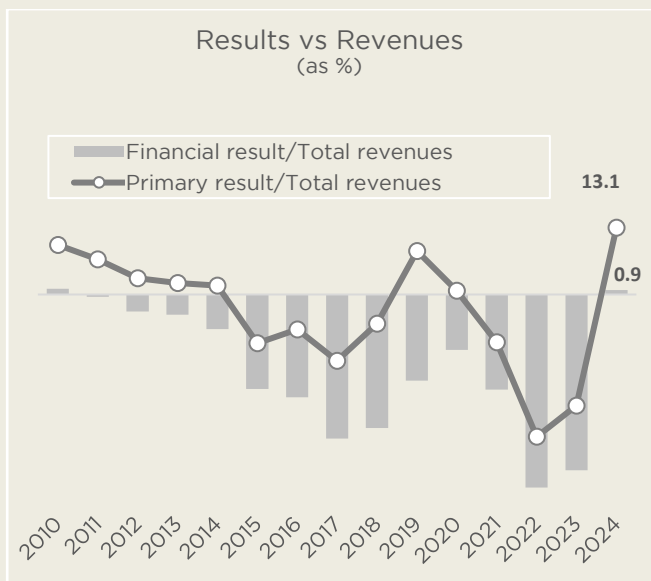
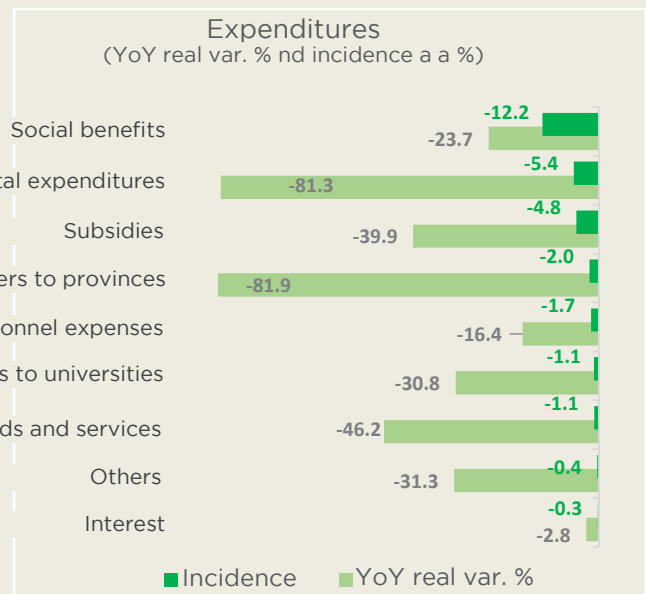
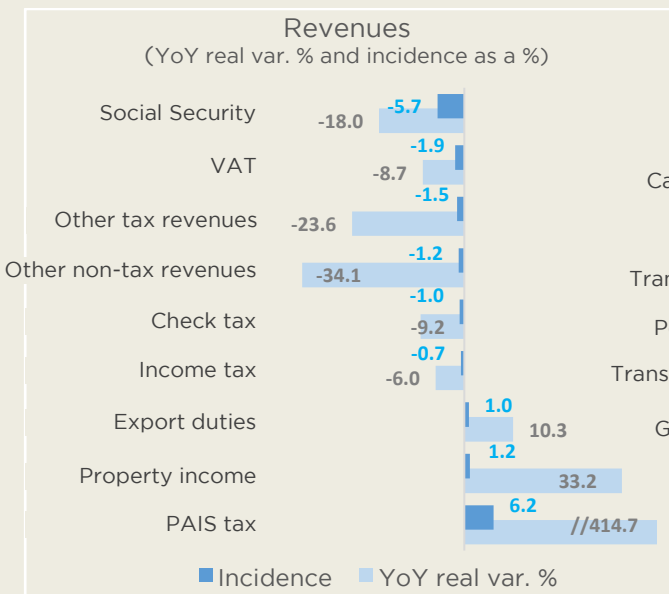
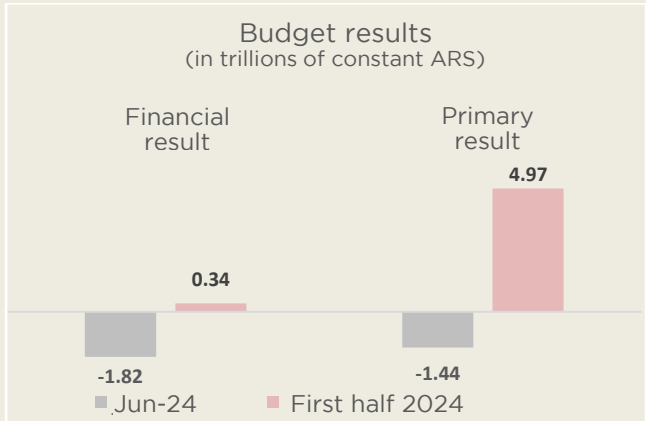
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# EXECUTIVE SUMMARY

## Budget execution - June 2024



(in billions of constant ARS and YoY real var. %; Cumulative to June 2024)



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## National taxes revenue<sup>1</sup>

In the first half of the year, total national tax revenues amounted to ARS56.0 trillion, which implied a contraction in real terms of 6.9% year-on-year (YoY). Resources linked to the exchange rate<sup>2</sup> grew 25.6% YoY, whereas the rest of the taxes contracted 15.6% YoY in real terms.

As mentioned in previous reports, this divergence is mainly explained by the increase in the exchange rate (305.4% YoY in the first six months), by a series of regulatory changes with a positive impact on the resources linked to the exchange rate<sup>3</sup> and by the low base of comparison of Export Duties due to the drought that affected the last agricultural campaign. Within the group of taxes linked to the exchange rate, the highest growth was recorded for the PAIS Tax (278.3% YoY).

During the month of June, CPI-adjusted tax collection fell by 14.1% YoY. Although this performance was worse than that of the two previous months, a series of administrative issues that affected the collection of the sixth month of the year should be considered. Among them, the postponement to August of the payment of the balance of the annual Wealth Tax and Income Tax returns for Individuals stands out. Last year, the payment was due in June, as usual. By adjusting the collection by this effect, a real drop of around 9.5% YoY is estimated, in line with what was observed in the first four months of the year. It should be recalled that May's performance was better (+11.8% YoY in real terms) due to the payment of the corporate income tax return by companies that closed their balance sheet in December.

The collection in June was also attenuated by the fact that the last PAIS tax due date was moved to July and that there were three fewer collection days than in the same month of last year. These specific issues in June were added to others that have been operating in a structural manner, such as the implementation of the "Cedular" Tax and the modification of the scheme of charges for consumption in foreign currency.

In the cumulative figure up to June, Income Tax showed a drop of 8.7% YoY; the positive impact was due to the increase in the nominal profits of companies, and the negative impact was due to the "Cedular" Tax, the postponement of the due date for Individuals and the lower receipts related to the demand for foreign currency. On the other hand, VAT recorded a decrease of 8.8% YoY, as a result of the retraction of the level of activity and the higher tax credits generated by the increase in customs duties as from April of last year. The resources of the Social Security System showed a real contraction of 18.5% YoY due to the reduction in employment and real wages.

As a result of the dynamics of taxes not subject to sharing or with specific allocation to the National Government, the resources distributed to the National Government have outperformed total resources and those distributed to the provinces as a whole in the year to June. After the change in dynamics observed in May, in June the collection and its distribution resumed a behavior similar to that of the first four months of the year, although the aforementioned comments that biased downward the revenues of the sixth month of the year should be taken into account.

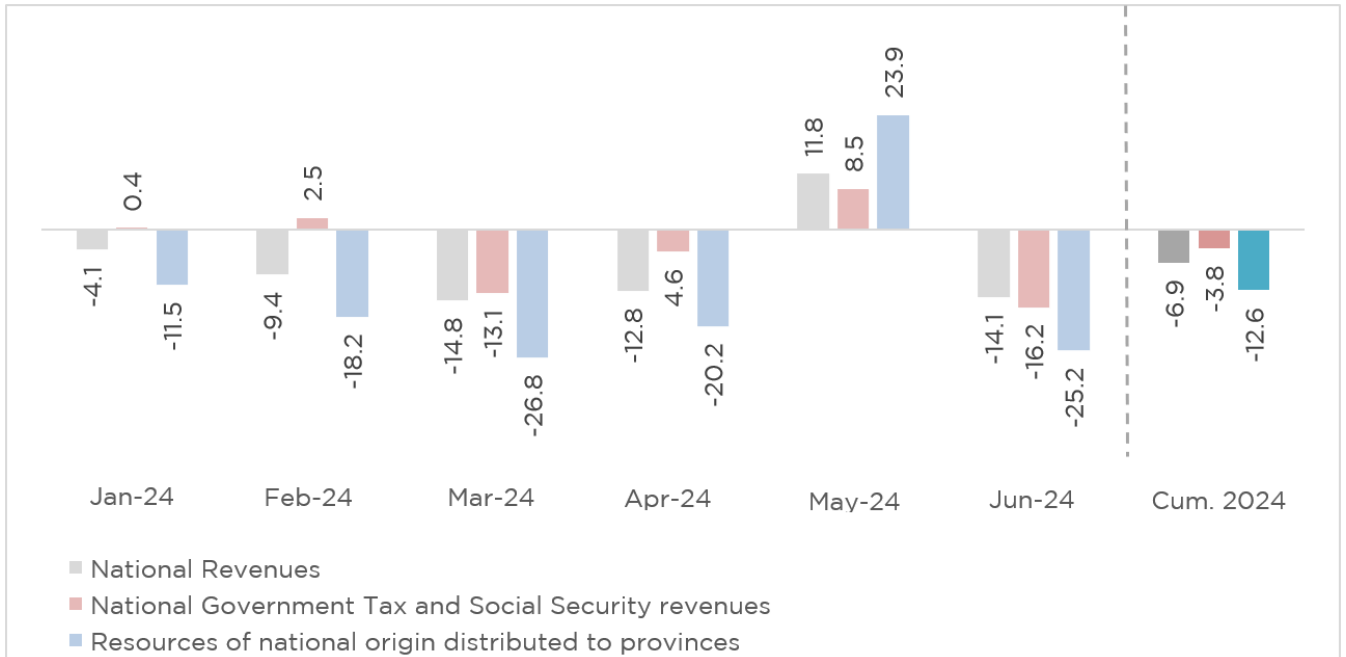
<sup>1</sup> Refers to total revenue from national taxes as reported by AFIP, prior to the distribution of these resources.

<sup>2</sup> Export and Import Duties, Statistics Tax, PAIS Tax and customs receipts of VAT and Income Tax.

<sup>3</sup> Expansion of the taxable base of the PAIS Tax through Executive Order 377/2023 in July last year, increase of certain rates of the PAIS Tax in December through Executive Order 29/2023 and suspension of the VAT and Income Tax non-withholding certificates for imports in mid-April 2023.

### Figure 1. Total revenue and allocation to National government and provinces

January-June 2024 and cumulative to June 2024, as YoY real var. %



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

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

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

In trillions of ARS and YoY real var. %

Concept	June 2024		Cumulative 6 months	
	Trillions ARS	YoY real var. %	Trillions ARS	YoY real var. %
<b>I. Current revenues</b>	<b>7.11</b>	<b>-17.7</b>	<b>37.92</b>	<b>-2.7</b>
Tax revenues	4.74	-18.5	25.09	3.4
VAT	1.39	-26.1	7.81	-8.7
Income Tax	0.77	-25.9	4.45	-6.0
Foreign Trade	0.62	-47.2	4.06	10.3
Check tax	0.87	1.0	3.78	-9.2
PAIS tax	0.62	373.0	3.02	414.7
Other tax revenues	0.48	-34.8	1.97	-23.6
Social Security	2.01	-10.2	10.15	-18.0
Property income (*)	0.23	-36.6	1.85	33.2
Other non-tax revenues	0.13	-41.7	0.84	-12.9
<b>II. Current expenditures</b>	<b>8.71</b>	<b>-29.9</b>	<b>36.92</b>	<b>-25.3</b>
Social benefits	5.70	-17.2	20.95	-23.7
Pensions	4.12	-16.3	14.43	-23.5
Family allowances	0.47	-1.8	2.31	-5.8
Universal Child Allowance	0.28	32.6	1.34	17.2
Active pop., inactive pop., and others	0.19	-29.3	0.98	-25.7
Non-contributory pensions	0.60	14.8	1.63	-18.0
INSSJP benefits	0.12	-19.6	0.42	-28.2
Other social programs	0.39	-51.6	2.16	-39.5
<i>Potenciar/ Volver al Trabajo (**)</i>	0.08	-66.8	0.61	-56.6
Food Policies	0.16	-28.5	0.86	-17.9
<i>Progresar grants</i>	0.03	-78.5	0.15	-60.2
Others	0.00	-38.0	0.54	-27.6
Subsidies	0.75	-61.0	4.02	-39.9
Energy	0.40	-72.3	2.76	-43.6
Transportation	0.26	-35.5	0.90	-34.1
Other subsidies	0.08	45.9	0.36	-17.2
Personnel expenses	1.21	-19.9	4.66	-16.4
Goods and services	0.14	-53.8	0.66	-46.2
Transfers to provinces	0.09	-72.2	0.24	-81.9
Transfers to universities	0.36	-43.8	1.32	-30.8
Other current expenditures	0.07	-64.9	0.44	-31.1
Interest (***)	0.38	-40.3	4.63	-2.8
<b>III. Economic result (I-II)</b>	<b>-1.60</b>	<b>-57.8</b>	<b>1.00</b>	<b>-114.2</b>
<b>IV. Capital revenues</b>	<b>0.00</b>	<b>-97.0</b>	<b>0.03</b>	<b>-91.8</b>
<b>V. Capital expenditures</b>	<b>0.22</b>	<b>-81.7</b>	<b>0.69</b>	<b>-81.3</b>
Real direct investment	0.07	-79.0	0.18	-83.9
Capital transfers	0.15	-82.1	0.51	-79.6
Financial investment	0.00	-98.7	0.00	-98.9
<b>VI. Total revenues (I+IV)</b>	<b>7.11</b>	<b>-18.7</b>	<b>37.95</b>	<b>-3.6</b>
<b>VII. Total expenditures (II+V)</b>	<b>8.93</b>	<b>-34.5</b>	<b>37.61</b>	<b>-29.0</b>
<b>VIII. Primary expenditures</b>	<b>8.55</b>	<b>-34.2</b>	<b>32.98</b>	<b>-31.8</b>
<b>IX. Primary result (VI-VIII)</b>	<b>-1.44</b>	<b>-66.2</b>	<b>4.97</b>	<b>-172.4</b>
<b>X. Financial result (VI-VII)</b>	<b>-1.82</b>	<b>-62.8</b>	<b>0.34</b>	<b>-106.0</b>

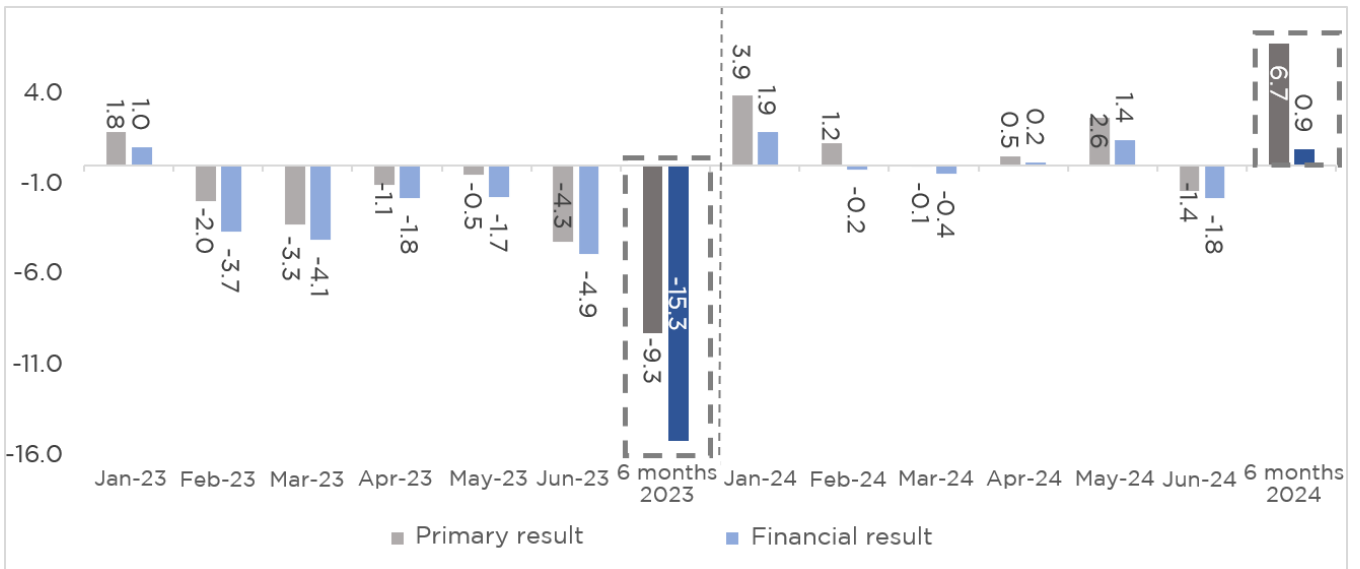
(\*) Includes property income generated by assets of the National Government held by the Sustainability Guarantee Fund (FGS).

(\*\*) 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.

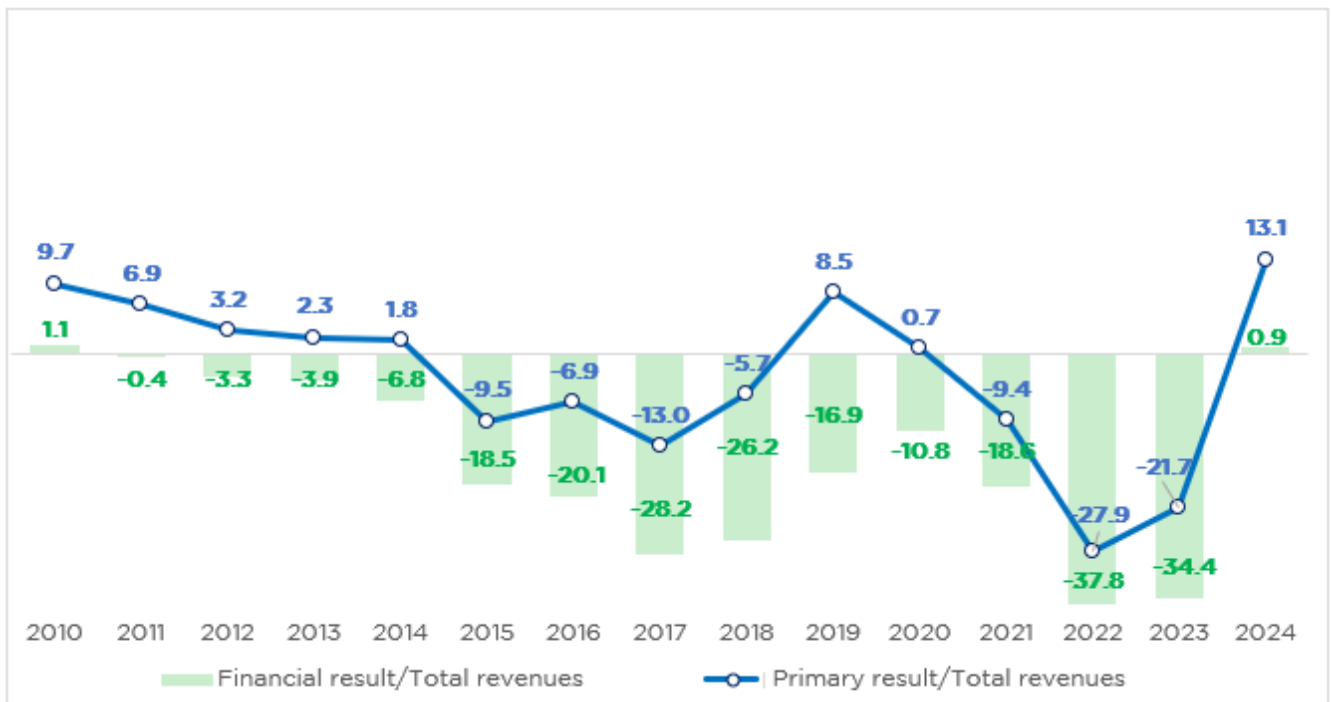
Figure 2. Primary and Financial Results



January-June and first half of 2023 and 2024, in trillions of constant ARS of June 2024.  
 SOURCE: OPC, based on E.Sidif data.

Figure 3. Primary and financial results in relation to total revenue

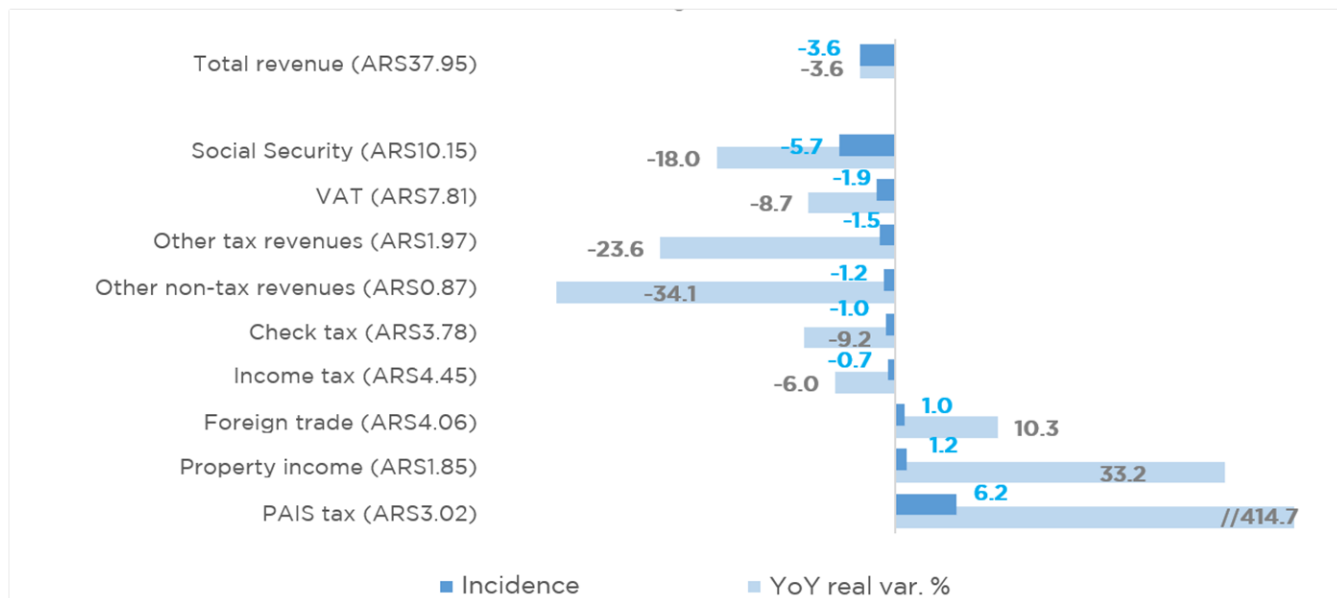
First half, 2010- 2024, as a %



SOURCE: OPC, based on E.Sidif data.

### Figure 4. Total revenue

First half of 2024, in trillions 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.

### Table 2. Total revenue

First half of 2024, in trillions of ARS, as YoY real var. %, and incidence %.

Concept (trillions of ARS)	Incidence %	Main YOY variations
<b>Social Security</b> <b>ARS10.15</b> <b>-18.0 a/a real</b>	-5.7	Employer Contributions, ARS 6.47 trillion (-16.6% YoY real) and Personal Contributions, ARS 3.66 trillion (-19.2% YoY real), both impacted by the reduction in employment and real wages.
<b>Tax revenues<sup>4</sup></b> <b>ARS25.09</b> <b>3.4 YoY real</b>	2.1	- VAT, ARS7.81 trillion (-8.7% YoY real, -1.9% of incidence in the decline of total revenues) due to the lower level of activity and higher tax credits. - Income tax, ARS4.45 trillion (-6.0% YoY real, -0.7% incidence in the decline of total revenues) due to the extension of maturities. - Foreign Trade, ARS4.06 trillion (10.3% YoY real, 1.0% incidence in the decline of total revenues): mostly due to the increase in the exchange rate: Export Duties, ARS2.57 trillion (24.8% YoY real), also impacted by the basis of comparison due to the 2023 drought. Import Duties, ARS1.24 trillion (-8.8% YoY real), Statistical Tax, ARS0.25 trillion (-4.7% YoY real) - Check Tax, ARS3.78 trillion (-9.2% YoY real, -1.0% of incidence in the decline of total revenues). - PAIS Tax, ARS3.02 trillion (414.7% YoY real, 6.2% of incidence in the decline of total revenues) due to the increase in the exchange rate and the regulatory amendments that broadened its taxable base and tax rates, and increased the percentage allocated to the National Government <sup>5</sup> . - Other Tax revenues, ARS1.97 trillion (-23.6% YoY real, -1.5% incidence in total revenues): Unified Internal taxes, ARS0.43 trillion (-20.5% YoY real), ATN Fund (National Treasury Contributions) to provinces, ARS0.29 trillion (-9.5% YoY real), Liquid fuels tax, ARS0.24 trillion (-18.4% YoY real). Wealth tax, ARS0.21 trillion (-63.3% YoY real).

<sup>4</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.

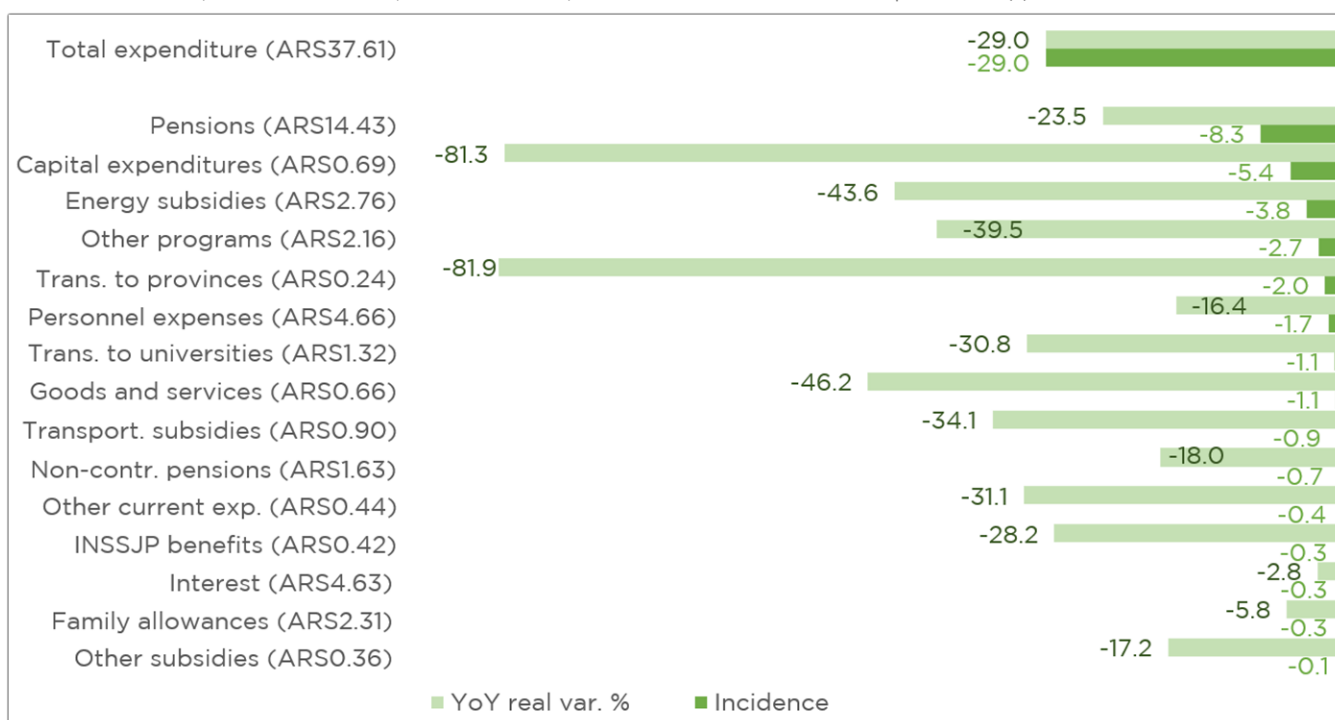
<sup>5</sup> See reference 3.



Concept (trillions of ARS)	Incidence %	Main YOY variations
		On the other hand, tax revenues from the National Justice Fund, ARS0.55 trillion (0.7% YoY real), expanded, real),
<b>Other non-tax revenues</b> ARS0.87 -34.1% a/a real	-1.2	Within non-tax revenues: fees collected by government agencies, ARS0.14 trillion (-11.5% YoY real). Directorate of the Registry of Motor Vehicles, ARS0.11 trillion (-17.7% YoY real). On the other hand, there were increases in: the National Justice Fund, ARS0.17 trillion (27.0% YoY real); allocations and refunds, ARS0.04 trillion (4.9% YoY real); and within current transfers, those coming from international organizations, ARS0.02 trillion (29.9% YoY real).
<b>Property income</b> ARS1.85 33.2 a/a real	1.2	Interest on deposits in domestic currency, ARS0.71 trillion (530.6% YoY real). On the other hand, income from the Sustainability Guarantee Fund (FGS) ANSES, ARS1.09 trillion (-6.2% YoY real), decreased.

### Figure 5. Total expenditure

First half of 2024, in trillions of ARS, YoY real var. %, and incidence as % of total expenditure (\*)



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

SOURCE: OPC, based on E.Sidif data.

**Table 3. Total expenditure**

First half of 2024, in trillions of ARS, as YoY real var. %, and incidence %. In order of incidence.

Concept (trillions of ARS)	Incidence %	Main YoY variations
<b>Pensions</b> <b>ARS14.43</b> <b>-23.5% YoY real</b>	-8.3	As a result of the updating of benefits below inflation, partially offset by bonuses granted to lower-income pensioners: the average six-month benefits for 2024 rose by 163.3% YoY, while average inflation was 276.8%, resulting in a loss of purchasing power of around 30.1% YoY; while benefits with bonuses lost an average of 19.0% YoY. Expenditure executed by the National Social Security Administration (ANSES) totaled ARS12.95 trillion (-24.5% YoY real), of which ARS11.54 trillion related to regular pension payments (-27.8% YoY real) and ARS1.40 trillion (20.0% YoY real) to income supplements for the lowest pensioners (bonuses). Benefits for retired personnel of the Armed and Security Forces, ARS1.48 trillion (-13.9% YoY real).
<b>Capital expenditures</b> <b>ARS0.69</b> <b>-81.3% YoY real</b>	-5.4	- <b>Real direct investment</b> , ARS0.18 trillion (-83.9% YoY real): the reduction in this item was driven, in the first place, by lower expenditures in works by the National Directorate of Roads, ARS0.05 trillion (-93.3% YoY real). In addition, the decrease in investment in the Secretariat of Education (-98.2% YoY real) stands out, mainly due to the lack of execution in the procurement of computers under the <i>Conectar Igualdad</i> program and in the Secretariat of Public Works (-96.7% YoY real), due to the decrease in investment in the programs related to the Development of Hydraulic Infrastructure (-96.2% YoY) and to Transportation and Sustainable Mobility (no execution in 2024). - <b>Capital transfers</b> , ARS0.51 billion (-79.6% YoY real): the reduction resulted from lower execution in financial assistance to: 1) provinces and municipalities, ARS0.014 trillion (-96.9% YoY real); 2) state-owned enterprises, ARS0.34 trillion (-71.2% YoY real); and 3) trust funds, ARS0.15 trillion (-67.9% YoY real). As for state-owned enterprises, the reductions in the transfers to ENARSA, ARS0.25 trillion (-63.2% YoY real) and to AYSA, ARS0.07 trillion (-66.6% YoY real), stand out. As for trust funds, the transfers to the <i>Procrear</i> Trust Fund, ARS0.08 trillion (-7.8% YoY real) and to the Social Housing Trust Fund, ARS0.06 trillion (-77.0% YoY real), stand out in the cumulative to June. The National Fund for Productive Development (FONDEP) did not receive any transfers during the first half of the year (ARS0.016 trillion as of June 2023), contributing to the drop in transfers to trust funds.
<b>Energy subsidies</b> <b>ARS2.76</b> <b>-43.6% YoY real</b>	-3.8	Transfers to ENARSA, ARS0.94 trillion (-51.7% YoY real), mainly to cover the purchase of imported natural gas. Transfers to CAMMESA, ARS1.76 trillion (-33.4% YoY), to cover the gap between the costs and tariffs of electricity generation. In the month of June, the decrease in transfers to CAMMESA totaling ARS42.344 billion (-95.5% YoY real) stands out.
<b>Other social programs</b> <b>ARS2.16</b> <b>-39.5% YoY real</b>	-2.7	Food Policies, ARS0.86 trillion (-17.9% YoY real), among whose initiatives the <i>Alimentar</i> Benefit (ARS86 trillion, -13.1% YoY real) stands out. The average benefit value shows a loss of purchasing power of 12.6% YoY in real terms in six months, despite the increases granted so far this year <sup>6</sup> . In addition, there were almost no transfers to community canteens and soup kitchens (-99.1% YoY real). <i>Potenciar Trabajo</i> and subsequent programs ( <i>Volver al Trabajo</i> and <i>Acompañamiento Social</i> ), ARS0.61 trillion (-56.6% YoY real), mainly due to the loss of purchasing power of benefits <sup>7</sup> . Health Care for beneficiaries of non-contributory pensions, ARS0.20 trillion (-24.6% YoY real), <i>Progresar</i> grants, ARS0.15 trillion (-60.2% YoY real), and the <i>Acompañar</i> program, ARS0.02 trillion (-81.6% YoY real). In the opposite direction, VAT refund to vulnerable sectors, ARS0.10 trillion (458.6% YoY real) and Unemployment Insurance, ARS0.09 trillion (93.9% YoY real), Nutrition Actions - 1,000 Days Program, ARS0.04 trillion (42.0% YoY real) and Educational Vouchers, ARS0.03 trillion (new program).

<sup>6</sup> The benefit value had an increase of 8.57% in June 2024, pursuant to Resolution 181/2024 of the Ministry of Human Capital, being the fourth increase granted in the year, which totaled an increase of 137.5% with respect to December 2023.

<sup>7</sup> The average benefit value for the January - June term increased 105.5% YoY, while average inflation was 276.8% YoY, resulting in a loss of purchasing power of 45.5% (until December 2023, benefits were tied to the minimum wage).

Concept (trillions of ARS)	Incidence %	Main YoY variations
<b>Transfers to provinces</b> <b>ARS0.24</b> <b>-81.9% YoY real</b>	-2.0	La The reduction is mainly driven by the National Teacher Incentive Fund (FONID) <sup>8</sup> , with an accrual of ARS0.056 trillion (-85.0% YoY), of which only ARS0.013 trillion was paid under the National Teacher Salary Compensation Program <sup>9</sup> . Transfers to school canteens, ARS0.04 trillion (-19.5% YoY), to the program for the universalization of the full or extended school day in primary education, ARS0.076 trillion (-10.7% YoY) and those made under the National Treasury Contributions to the provinces (ATN), ARS0.026 trillion (-38.9% YoY real) <sup>10</sup> , also fell. Additionally, no transfers were made to the Provincial Pension Funds (ARS0.47 trillion as of June 2023) <sup>11</sup> or to the Fiscal Strengthening Fund of the Province of Buenos Aires (ARS0.91 trillion as of May 2023) <sup>12</sup> .
<b>Personnel expenses</b> <b>ARS4.66</b> <b>-16.4% YoY real</b>	-1.7	National Executive Branch, ARS3.64 trillion (-16.3% YoY real), Judicial Branch, ARS0.59 trillion (-16.6% YoY real), Public Prosecutor's Office, ARS0.24 trillion (-14.5% YoY real) and Legislative Branch ARS0.20 trillion (-19.1% YoY real). The salary guidelines agreed upon during the period under analysis were below inflation <sup>13</sup> .  As for the variation of the positions occupied in May 2024 <sup>14</sup> with respect to the annual average of the occupation during 2023: Executive Branch: 0.9% in the permanent and transitory staff and -13.6% in the contracted personnel. Judicial Branch and Public Prosecutor's Office: 1.6% in permanent and temporary staff.
<b>Transfers to universities</b> <b>ARS1.32</b> <b>-30.8% YoY real</b>	-1.1	Funds for the payment of salaries of professors and authorities, ARS0.75 trillion (-30.6% YoY real), of salaries of non-teaching personnel, ARS0.44 trillion (-27.0% YoY real). Financial Assistance for University Operation, ARS0.08 trillion (-36.4% YoY real). Financial Assistance to University Hospitals, ARS0.03 trillion (-23.5% YoY real).
<b>Goods and services</b> <b>ARS0.66</b> <b>-46.2% YoY real</b>	-1.1	Expenditures on goods and services for management and administration activities of National Government agencies, ARS0.11 trillion (-45.2% YoY real). Expenditures for CONICET fellowships, ARS0.5 trillion (-15.0% YoY, real). Expenditures related to food purchases under the Food Policies program, ARS0.04 trillion (-51.5% YoY real).  On the other hand, there were increases in expenses related to vaccines, ARS0.09 trillion (7.9% YoY real).
<b>Transportation subsidies</b> <b>ARS0.90</b> <b>-34.1% YoY real</b>	-0.9	Transfers to <i>Operador Ferroviario S.E.</i> , ARS0.32 trillion (-37.8% YoY real), to cover the difference between the operating cost of public passenger railroad 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, ARS0.44 trillion (-30.0% YoY real), through which the AMBA

<sup>8</sup> FONID was created in 1998 by Law 25,053 as an emergency for a 5-year term. It was extended by different laws and decrees of necessity and urgency until 12/31/2023. As a consequence of the budget extension, FONID's initial appropriation at the beginning of fiscal year 2024 totaled ARS0.35 trillion. However, as of June, the current budget amounted to ARS0.07 trillion.

<sup>9</sup> The Teacher Salary Compensation Program, whose disbursements are recorded under an Activity within FONID, has the purpose of contributing to the compensation of inequalities in the initial teacher salary in those provinces where it is reliably assessed that, despite the financial effort put into the sector and the improvements in the efficiency in the allocation of resources, it is not possible to overcome such inequalities (Law 26,075, Section 9).

<sup>10</sup> The following provinces received ATN transfers: Misiones (ARS9 billion), Chubut (ARS4.5 billion), Entre Ríos (ARS3.8 billion), Santa Cruz (ARS3 billion), Tucumán (ARS2 billion), Jujuy (ARS1.5 billion), Santa Fe (ARS1.5 billion) and Corrientes (ARS1 billion).

<sup>11</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 Executive Order 88/23. These sections refer to the time and manner in which the National Government shall transfer funds to the provinces that did not transfer their pension systems to the National Government, as an advance payment on account of the final result of the deficit of each pension system.

<sup>12</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>13</sup> During the period analyzed, in the National Executive Branch, whose expenditure during the first half of 2024 represented 78.0% of the total, the increases for personnel under the General Collective Bargaining Agreement for the National Government (Executive Order 214/06) totaled 181.2% YoY and 53.1% from January to June 2024. In the Judicial Branch and the Public Prosecutor's Office, with a 17.6% share of total personnel spending, salary guidelines were 171.5% YoY and 52.7% from January to June 2024. In the Legislative Branch (4.4% of the total), guidelines accrued 234.9% YoY and 53.1% from January to June 2024.

<sup>14</sup> Source: Integrated Human Resources System (SIRHU), based on the latest available data.

Concept (trillions of ARS)	Incidence %	Main YoY variations
		passenger transportation tariff compensation is paid, and which until last year also included the assistance to the Compensation Fund for Motor Vehicle Transportation outside the AMBA <sup>15</sup> .
<b>Non-contributory pensions</b> ARS1.63 -18.0% YoY real	-0.7	As a result of the updating of benefits (mobility formula) below inflation, partially offset by the granting of bonuses <sup>16</sup> .
<b>Other current expenditures</b> ARS0.44 -31.1% YoY real	-0.4	There was no execution in items associated with the Socio-Urban Integration Fund or electoral expenses, while other current expenditures were cut for the Higher Education Development program, ARS0.02 trillion (-62.0% YoY real) and for fees on public debt, ARS0.05 trillion (-23.3% YoY real). On the other hand, there were higher transfers from the Ministry of Health for operating expenses of SAMIC Hospitals, ARS0.18 trillion (11.9% YoY real), and higher contributions to international organizations by the Ministry of Foreign Affairs, International Trade and Worship, ARS0.04 trillion (19.3%).
<b>Family allowances</b> ARS2.31 -5.8% YoY real	-0.3	Family Allowances (active and inactive population), ARS0.98 trillion (-25.7% YoY real), due to the differential between the update of allowances and inflation <sup>17</sup> , partially offset by the increase in the number of allowances paid <sup>18</sup> , as well as by the increase in the annual school allowance paid in March <sup>19</sup> . The average value of monthly allowances increased by 131.9% YoY, while average inflation was 276.8% YoY, resulting in a loss of purchasing power of 38.5%. The increase observed in Universal Allowances, ARS1.34 trillion (17.2% YoY real), is mainly due to the doubling of benefits in January 2024 (Executive Order 117/23), in addition to the increase due to the mobility formula in December, March and June. In the period analyzed, the average value of the AUH rose by 363.8% YoY, while average inflation was 276.8%, which results in an increase in purchasing power of 23.1% YoY.
<b>INSSJP benefits</b> ARS0.42 -28.2% YoY real	-0.3	As a consequence of the evolution of pension expenditures of ANSES (National Social Security Administration) net of bonuses (which constitutes the expenditure subject to contributions to the National Institute of Social Services for Retirees and Pensioners - PAMI).
<b>Interest</b> ARS4.63 -2.8% YoY real	-0.3	Due to lower interest payments on securities in domestic currency partially offset by higher interest payments on securities in foreign currency, issued under the September 2020 debt restructuring process and IMF loans.
<b>Other subsidies</b> ARS0.36 -17.2% YoY real	-0.1	Transfers to <i>Radio y Televisión Argentina S.E.</i> , ARS0.03 trillion (-36.6% YoY real). There were no transfers to promote production and development to small and medium-sized producers and regional economies and to the National Fund for Productive Development - FONDEP, which together totaled ARS0.02 trillion in the first half of 2023. On the contrary, there were increases in transfers to: <i>Correo Argentino</i> , ARS0.16 trillion (+39.2% YoY real), <i>AYSA</i> , ARS0.12 trillion (+64.8% YoY real) and <i>Casa de Moneda</i> , ARS0.02 trillion (+100.0% YoY real).

SOURCE: OPC, based on E.Sidif data.

<sup>15</sup> In the first half of 2023, ARS42 billion were allocated to the Compensation Fund for Urban and Suburban Public Transportation of Passengers by Motor Vehicles outside the AMBA.

<sup>16</sup> Pension benefits plus bonuses lost an average of 19.0% YoY in purchasing power in six months of 2024.

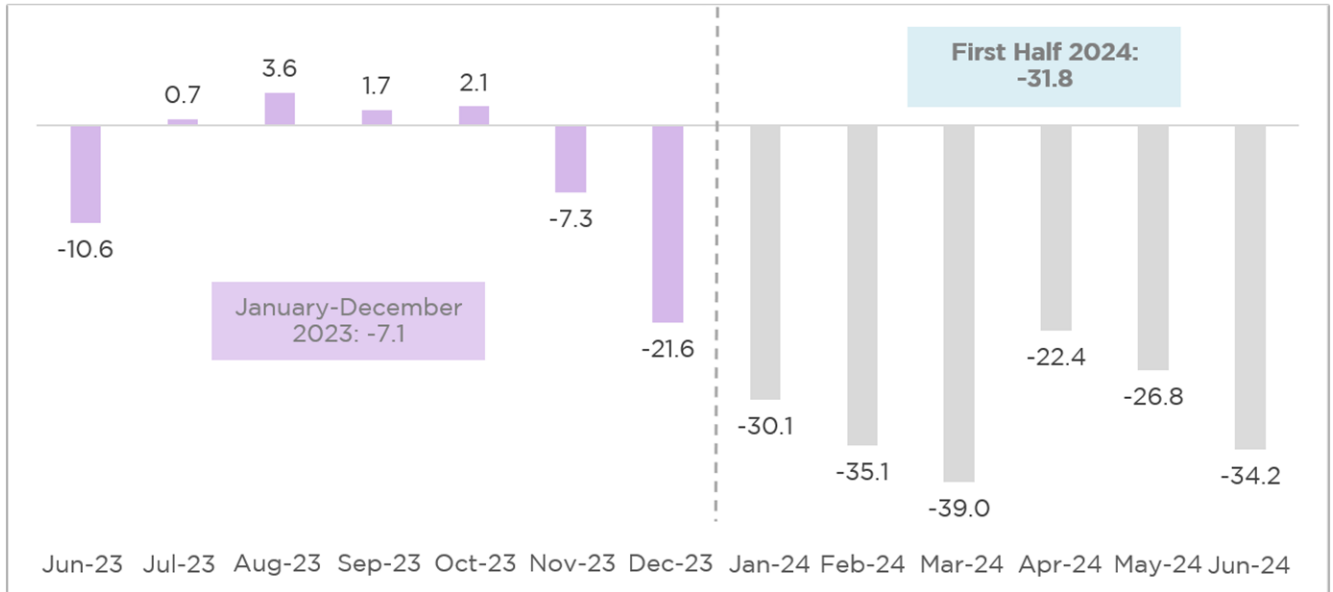
<sup>17</sup> It should be noted that, unlike SIPA (Argentine Integrated Pension System) pensions and non-contributory pensions, family allowances are not covered by the transition mechanism between the mobility formula of Law 27,609 and DNU 274/24, and therefore benefits have not been updated in April and May.

<sup>18</sup> According to information from E.Sidif, the number of child allowances for active and inactive population went from an average of 3.9 million from January to May 2023 to 4.5 million in the same period of 2024 (there is still no data for June 2024).

<sup>19</sup> The annual school allowance (paid in March of each year), increased from ARS9,609 in 2023 to ARS70,000 in 2024.

### Figure 6. Year-on-year primary expenditures variation

June 2023 - June 2024, as YoY real var. %



SOURCE: OPC, based on E.Sidif data.

## National Government Expenditure Execution Level

**Table 4. Cumulative expenditure execution level**

First half 2024, in trillions of ARS and execution %

Concept	Initial appropriation	Current appropriation	Accrued	Exec. %
<b>Total expenditures</b>	40.25	55.13	37.61	68.2
Current expenditures	37.17	51.97	36.92	71.0
Social benefits	19.61	28.25	20.95	74.2
Pensions	13.05	19.18	14.43	75.2
Family Allowances	1.57	3.00	2.31	77.0
Universal Child Allowance	0.70	1.72	1.34	77.6
Others	0.87	1.28	0.98	76.1
Non-contributory pensions	1.42	1.77	1.63	92.6
INSSJP benefits	0.39	0.46	0.42	90.5
Other social programs	3.17	3.84	2.16	56.3
<i>Potenciar/ Volver al Trabajo/Acomp. Social (*)</i>	1.02	1.04	0.61	59.0
Food Policies	0.73	0.90	0.86	96.0
<i>Progresar</i> grants	0.29	0.44	0.15	33.9
Others	1.13	1.47	0.54	36.8
Subsidies	4.28	5.71	4.02	70.5
Energy	2.81	3.55	2.76	77.6
Transportation	1.01	1.57	0.90	57.6
Other subsidies	0.47	0.58	0.36	61.6
Personnel expenses	4.39	5.85	4.66	79.7
Goods and services	1.09	1.61	0.66	41.1
Transfers to provinces	1.52	1.34	0.24	18.1
Transfers to universities	1.36	1.38	1.32	95.2
Other current expenditures	0.49	0.71	0.44	61.4
Interest (**)	4.43	7.12	4.63	65.0
<b>Capital expenditures</b>	3.08	3.16	0.69	21.8
Real direct investment	0.89	0.99	0.18	17.9
Capital transfers	2.11	2.09	0.51	24.4
Financial investment	0.07	0.07	0.00	1.0

At the end of June, the current appropriation increased by 37.0% with respect to the initial appropriation for the year, which reflects the extension of the current budget as of December 31, 2023.

The budget increase of ARS14.88 trillion was approved by three measures: DNU 280 in March for ARS14.48 trillion, AD 284 in May for ARS0.12 trillion, and AD 470 in June for ARS0.27 trillion.

Total expenditures executed 68.2% of its current budget, 19.7 percentage points above the level reached a year ago (48.5%). Current expenditures accrued 71.0% of their appropriation (vs. 49.2% as of June 2023), and capital expenditures executed 21.8% (40.5% as of June 2023).

The level reached by transfers to universities (95.2%), non-contributory pensions (92.6%) and transfers to PAMI (90.5%) stand out, with execution levels above 90%. Within the other social programs, the execution of Food Policies (96.0%), whose main component is the *Alimentar* Benefit, stands out.

At the other extreme are current transfers to provinces (18.1%) and capital expenditures (21.8%), with much lower execution levels with respect to total expenditures.

(\*) 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.

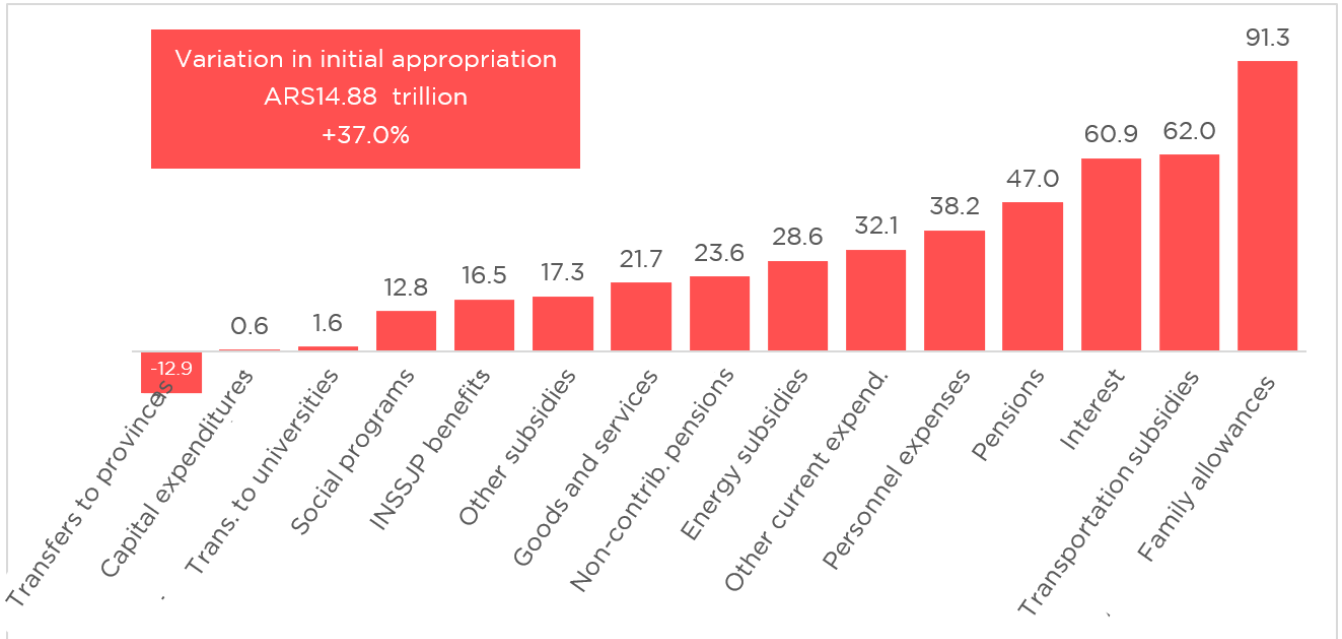
(\*\*) Includes interest paid intra Public Sector, as recorded in the E.Sidif.

SOURCE: OPC, based on E.Sidif data.



**Figure 7. Variation in initial appropriation by main expenditure items**

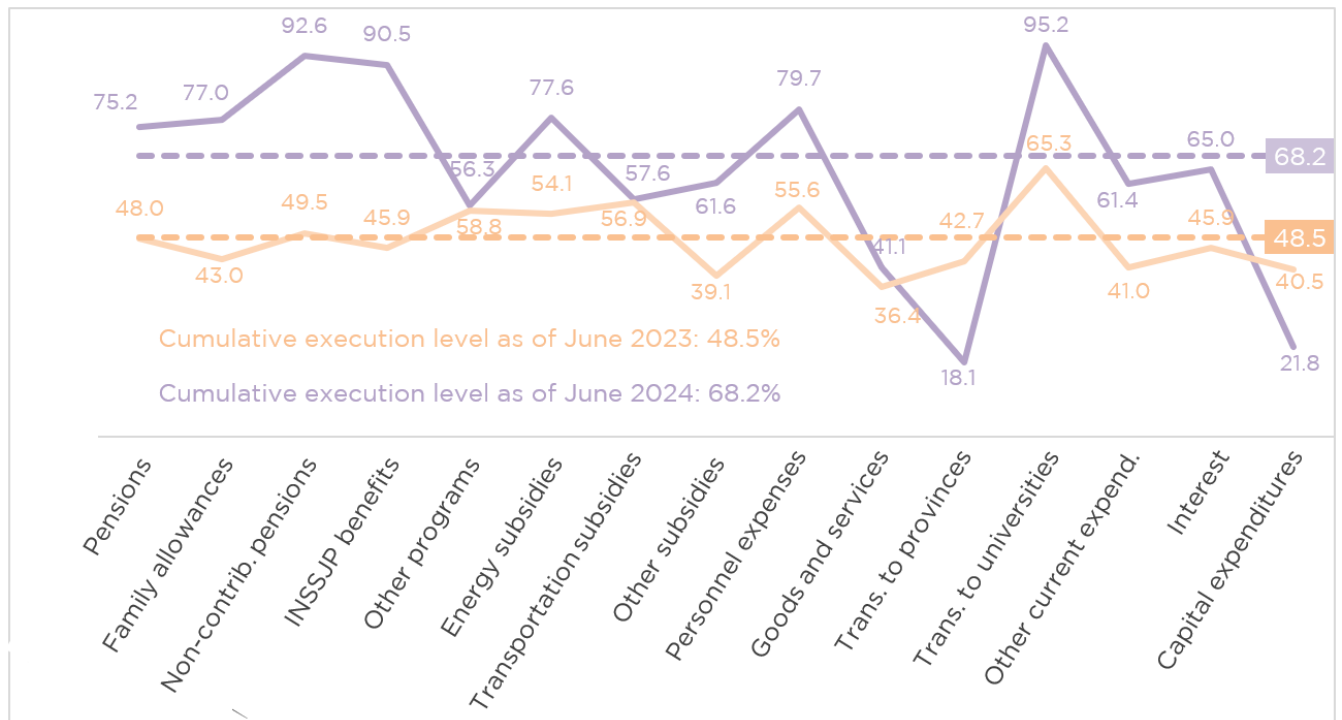
First half 2024, as variation % with respect to the initial appropriation



SOURCE: OPC, based on E.Sidif data..

**Figure 8. Execution level of the main items of total expenditure**

First half 2023 and 2024, as variation % with respect to current appropriation



SOURCE: OPC, based on E.Sidif data.

## Annex

**Table 5. Expenditures by Purposes and Functions**

First half 2023 and 2024. In billions of ARS and as real variation %

Purposes and Functions	2023	2024	YoY real var.
<b>Government Administration</b>	0.66	1.50	- 38.5
Legislative	0.06	0.16	- 26.4
Judicial	0.28	0.87	- 16.9
Senior Executive Management	0.06	0.09	- 52.2
Foreign Affairs	0.07	0.19	- 27.2
Internal Affairs	0.18	0.12	- 81.2
Fiscal administration	0.01	0.02	- 16.6
Public management control	0.01	0.03	- 8.1
Information and basic statistics	0.01	0.01	- 30.3
<b>Defense and security services</b>	0.60	1.80	- 20.6
Defense	0.22	0.69	- 16.2
Internal security	0.31	0.89	- 23.6
Penitentiary system	0.05	0.15	- 23.1
Intelligence	0.02	0.07	- 15.6
<b>Social services</b>	9.11	24.98	- 27.6
Health	0.48	1.39	- 23.9
Social promotion and assistance	0.83	1.52	- 50.1
Social security	6.32	18.89	- 21.4
Education and culture	0.98	1.99	- 45.8
Science and technology	0.20	0.52	- 29.2
Labor	0.04	0.28	84.5
Housing and urban planning	0.13	0.15	- 66.8
Potable water and sewage	0.13	0.22	- 56.8
<b>Economic services</b>	2.41	4.64	- 49.3
Energy, fuels, and mining	1.49	3.05	- 46.3
Communications	0.07	0.23	- 11.7
Transportation	0.65	1.11	- 54.4
Ecology and environment	0.05	0.06	- 70.9
Agriculture	0.06	0.10	- 55.5
Industry	0.05	0.04	- 81.3
Trade, tourism and other services	0.03	0.01	- 87.0
Insurance and finance	0.01	0.04	19.2
<b>Public debt</b>	1.35	4.68	- 3.0
Public debt service (interest and expenses)	1.35	4.68	- 3.0
<b>Total</b>	<b>14.13</b>	<b>37.61</b>	<b>- 29.0</b>

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 July 5, 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 June 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 5.2%, 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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Hipólito Yrigoyen 1628. Piso 10 (C1089aaf) CABA, Argentina.  
T. 54 11 4381 0682 / [contacto@opc.gob.ar](mailto:contacto@opc.gob.ar)

[www.opc.gob.ar](http://www.opc.gob.ar)