ANALYSIS OF NATIONAL GOVERNMENT BUDGET EXECUTION

July 2024

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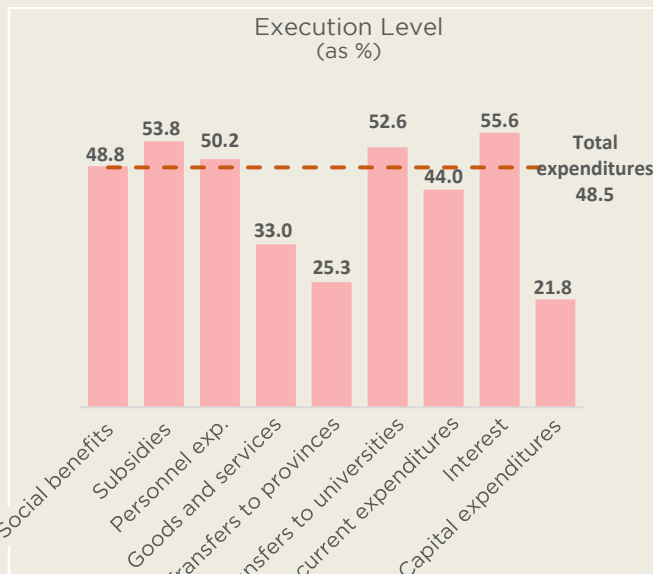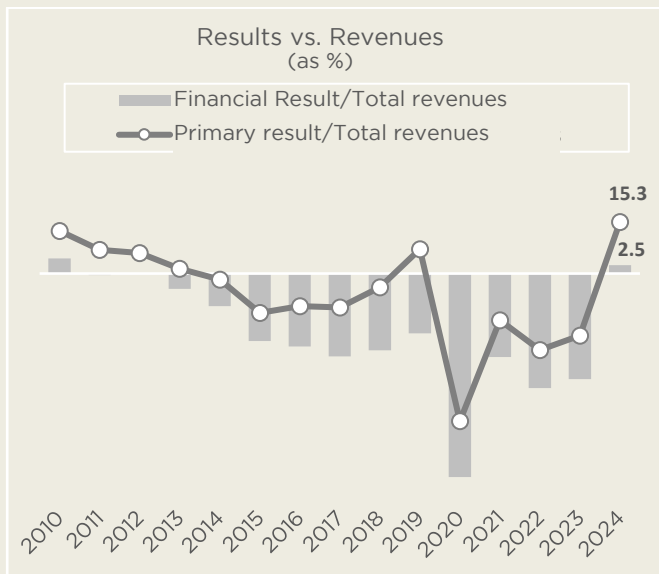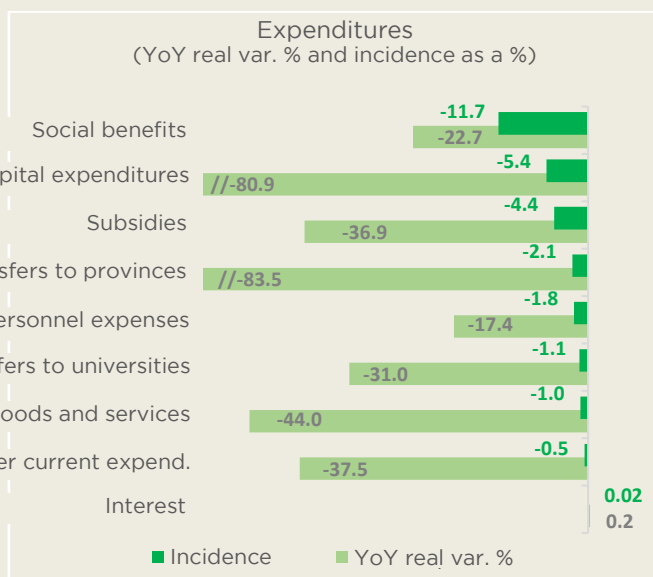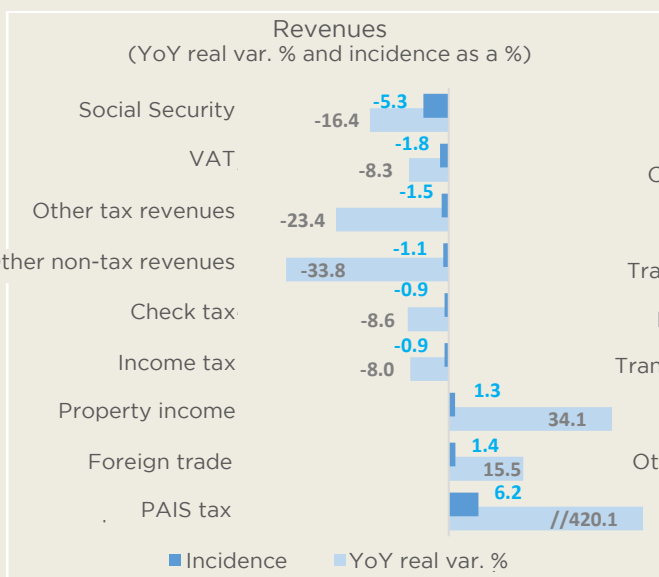Director of Sustainability and Public Debt Analysis
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Budget execution - July 2024

Revenues
ARS46.86 t
-2.7% YoY

Expenditures
ARS45.68 t
-27.9% YoY

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

Budget Results
(in trillions of constant ARS)

Financial Result
0.9 — 1.2

Primary Result
2.2 — 7.2

■ Jul-24   ■ Cumulative to July 2024

Revenues
(YoY real var. % and incidence as a %)

Category	YoY real var. %	Incidence
Social Security	-16.4	-5.3
VAT	-8.3	-1.8
Other tax revenues	-23.4	-1.5
Other non-tax revenues	-33.8	-1.1
Check tax	-8.6	-0.9
Income tax	-8.0	-0.9
Property income	34.1	1.3
Foreign trade	15.5	1.4
PAIS tax	//420.1	6.2

■ Incidence   ■ YoY real var. %

Expenditures
(YoY real var. % and incidence as a %)

Category	YoY real var. %	Incidence
Social benefits	-22.7	-11.7
Capital expenditures	//-80.9	-5.4
Subsidies	-36.9	-4.4
Transfers to provinces	//-83.5	-2.1
Personnel expenses	-17.4	-1.8
Transfers to universities	-31.0	-1.1
Goods and services	-44.0	-1.0
Other current expend.	-37.5	-0.5
Interest	0.2	0.02

■ Incidence   ■ YoY real var. %

Results vs. Revenues
(as %)

▬ Financial Result/Total revenues
—○— Primary result/Total revenues

2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

15.3
2.5

Execution Level
(as %)

Category	%
Social benefits	48.8
Subsidies	53.8
Personnel exp.	50.2
Goods and services	33.0
Transfers to provinces	25.3
Transfers to universities	52.6
Other current expenditures	44.0
Interest	55.6
Capital expenditures	21.8

Total expenditures 48.5

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National tax revenue[1]

In the first seven months of the year, total national tax revenue amounted to ARS67.9 trillion, which implied a contraction in real terms of 7.0% year-on-year (YoY). Resources linked to the exchange rate[2] grew 24.7% year-on-year during this period, while the rest of the taxes contracted 15.4% year-on-year in real terms. This divergence resulted from the increase in the exchange rate (295.2% YoY in the first seven months of the year), a series of regulatory changes with a positive impact on the resources linked to the exchange rate[3] and 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 related to the PAIS Tax (264.2% YoY).

In July, the revenue adjusted for CPI showed a drop of 8.1% YoY. As has been the case in most months of 2024, the best performance in real terms was for the PAIS Tax (193.5% YoY), followed by Export Duties (148.1% YoY).

On the contrary, Income Tax fell by 24.3% YoY in July. On the one hand, the collection of this tax in July was reduced by the implementation of the changes provided for by Law 27.725 -Tax on higher income-, something that will start to be reverted in August as a result of the changes introduced to the tax through the Law of Palliative and Relevant Fiscal Measures. Similarly, the postponement of the annual balance due for the 2023 tax period for the Self-Employed -from June to August- implied lower revenues for this item, in the interannual comparison. This will also be reversed in August.

On the other hand, the resources of the Social Security System fell 9.1% YoY in July, the smallest contraction since November 2023. In the first seven months of the year, these resources fell by 16.8% YoY.

As a result of the dynamics of taxes that are not subject to sharing or are specifically allocated to the National Government, the resources distributed to the National Government have outperformed total resources and those distributed to the provinces in the first seven months of the year.

Figure 1. Total revenue and allocation to National government and provinces
January-July 2024 and cumulative to July 2024, as YoY real var. %
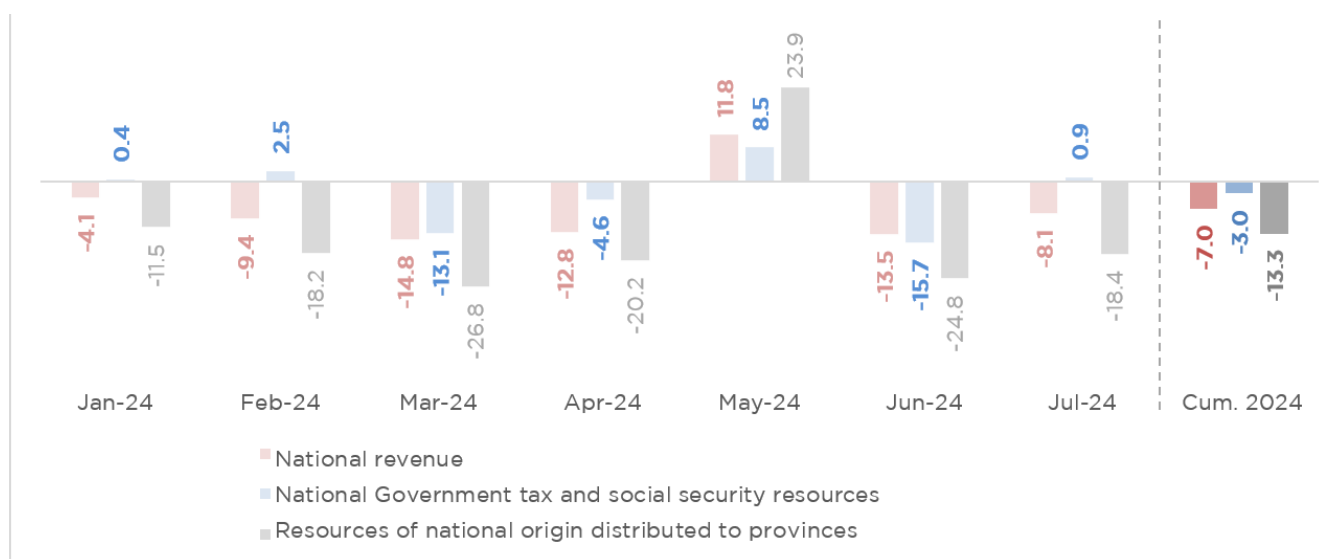
SOURCE: OPC, based on AFIP, E.Sidif, and National Directorate of Provincial Affairs.

[1] Refers to total revenue from national taxes as reported by AFIP, prior to the distribution of these resources.
[2] Export and Import Duties, Statistics Tax, PAIS Tax and customs receipts of VAT and Income Tax.
[3] 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.

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	July 2024		Cumulative 7 months	
	Trillions of ARS	YoY real var. %	Trillions of ARS	YoY real var. %
I. Current revenues	**8.90**	**1.7**	**46.82**	**-2.0**
Tax revenues	5.19	7.5	30.28	4.0
VAT	1.74	-6.3	9.55	-8.3
Income Tax	0.70	-20.6	5.15	-8.0
Foreign Trade	0.85	58.5	4.91	15.5
Check tax	0.86	-5.6	4.64	-8.6
PAIS tax	0.63	450.2	3.66	420.1
Other tax revenues	0.40	-23.0	2.37	-23.4
Social Security	2.88	-9.1	13.03	-16.4
Property income (*)	0.64	37.2	2.49	34.1
Other non-tax revenues	0.19	-34.2	1.03	-17.0
II. Current expenditures	**7.92**	**-17.6**	**44.84**	**-24.1**
Social benefits	4.32	-17.4	25.27	-22.7
Pensions	2.97	-13.8	17.40	-22.1
Family allowances	0.54	4.4	2.85	-4.2
Universal Child Allowance	0.31	25.6	1.64	18.6
Active pop., inactive pop., and others	0.23	-14.7	1.21	-24.0
Non-contributory pensions	0.32	-12.4	1.96	-17.1
INSSJP benefits	0.05	-52.7	0.46	-31.3
Other social programs	0.43	-45.1	2.59	-40.3
Potenciar/ Volver al Trabajo (**)	0.13	-67.2	0.74	-58.6
Food Policies	0.16	-19.1	1.02	-18.0
Progresar grants	0.03	-73.6	0.18	-62.7
Others	0.12	22.0	0.66	-22.6
Subsidies	0.95	-16.9	4.97	-36.9
Energy	0.82	7.1	3.57	-37.4
Transportation	0.11	-60.6	1.02	-38.0
Other subsidies	0.02	-81.4	0.38	-26.9
Personnel expenses	0.82	-24.4	5.48	-17.4
Goods and services	0.15	-29.5	0.81	-44.0
Transfers to provinces	0.01	-94.9	0.25	-83.5
Transfers to universities	0.26	-33.0	1.58	-31.0
Other current expenditures	0.04	-71.9	0.48	-37.5
Interest (***)	1.38	15.7	6.01	0.2
III. Economic result (I-II)	**0.97**	**-212.7**	**1.98**	**-120.7**
IV. Capital revenues	**0.01**	**21.9**	**0.04**	**-89.9**
V. Capital expenditures	**0.12**	**-83.1**	**0.83**	**-80.9**
Real direct investment	0.04	-62.8	0.22	-82.1
Capital transfers	0.07	-87.2	0.59	-80.6
Financial investment	0.00	-81.2	0.02	-71.5
VI. Total revenues (I+IV)	**8.90**	**1.7**	**46.86**	**-2.7**
VII. Total expenditures (II+V)	**8.04**	**-21.9**	**45.68**	**-27.9**
VIII. Primary expenditures	**6.66**	**-26.9**	**39.67**	**-31.0**
IX. Primary result (VI-VIII)	**2.24**	**-736.4**	**7.18**	**-192.0**
X. Financial result (VI-VII)	**0.87**	**-156.3**	**1.18**	**-110.2**

(*) Includes property income generated by assets of the National Government held by the Sustainability Guarantee Fund (FGS). Excludes ARS0.15 trillion in BCRA profits received in July 2023.
(**) 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 recorded off-budget in E.Sidif as of the cut-off date of this report for ARS1.25 trillion for the payment of global bonds and bonds for the 2020 restructuring, which matured on July 9, 2024 (Source: E.Sidif and DMFAS). Includes interest paid intra National Government, as per E.Sidif.

SOURCE: OPC, based on E.Sidif data.

Figure 2. Primary and Financial Results (*)

January-July 2024 and cumulative to July 2023 and 2024, in trillions of constant ARS of July 2024
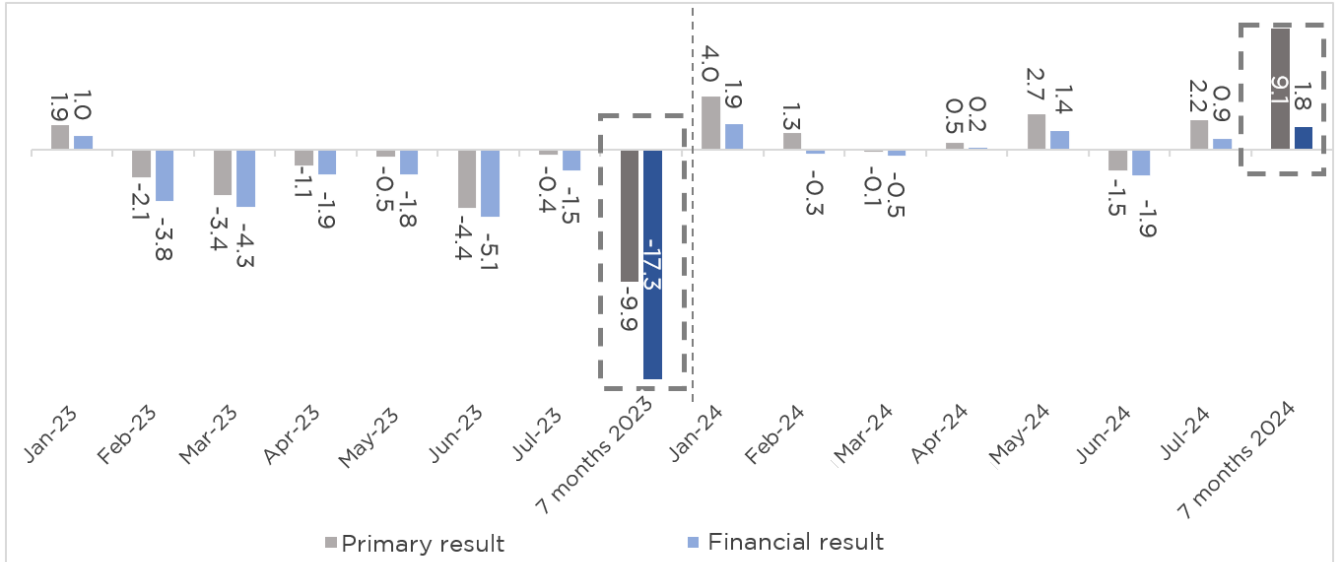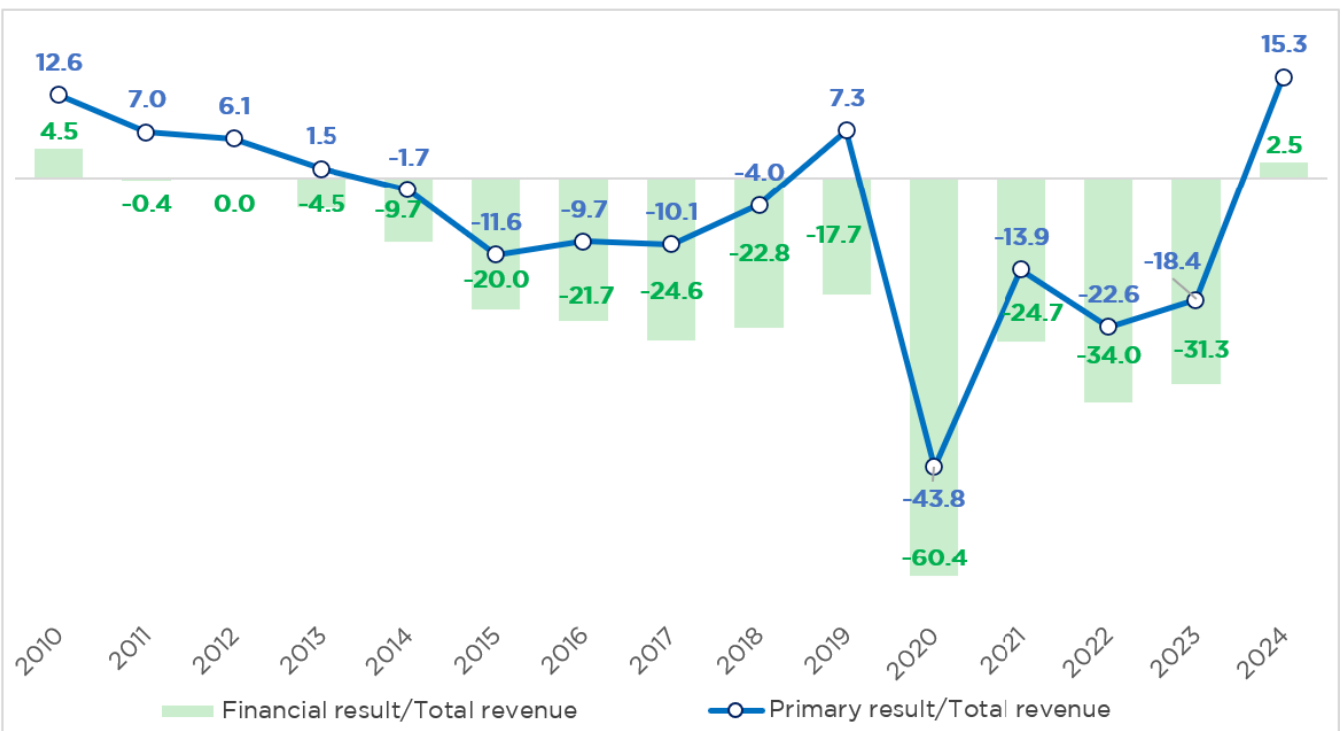

■ Primary result   ■ Financial result

(*) Excludes ARS0.15 trillion in BCRA profits received in July 2023.

SOURCE: OPC, based on E.Sidif data.

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

Cumulative to July, 2010-2024, as %

■ Financial result/Total revenue   —O— Primary result/Total revenue
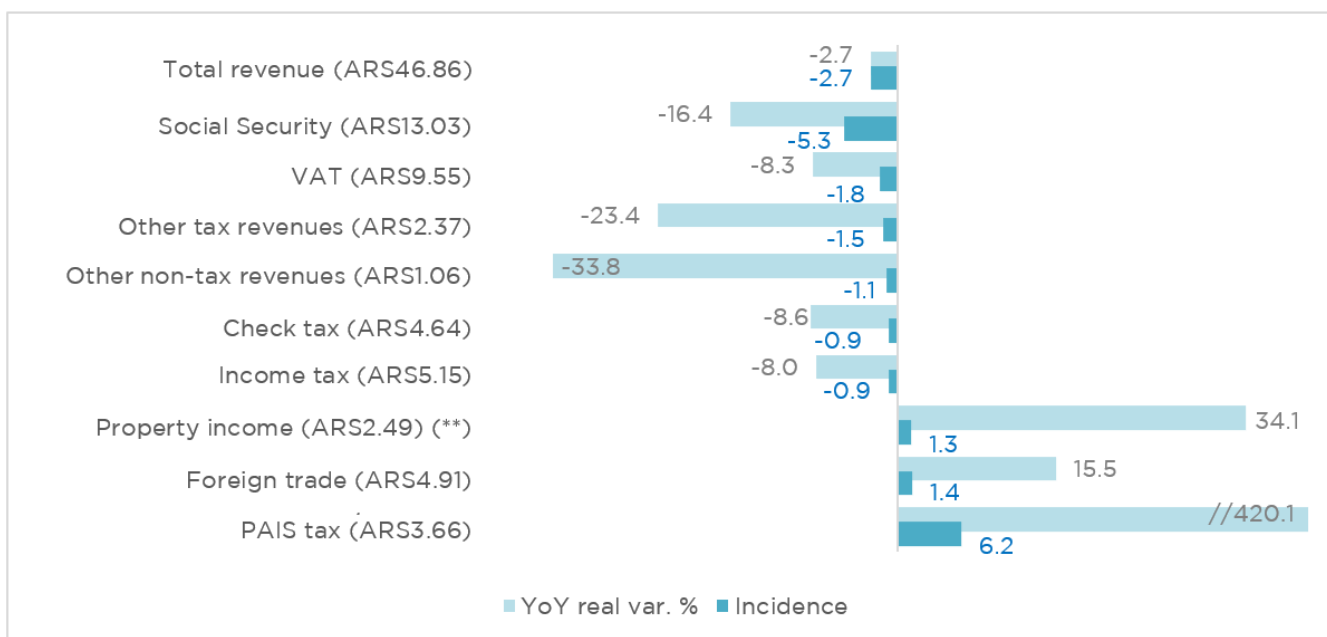
(*) Total revenue excludes profits received from BCRA.

SOURCE: OPC, based on E.Sidif data.

Figure 4. Total revenue

Cumulative to July 2024, in trillions of ARS, YoY real var. %, and incidence as % of total revenues [(*)]

Concept	YoY real var. %	Incidence
Total revenue (ARS46.86)	-2.7	-2.7
Social Security (ARS13.03)	-16.4	-5.3
VAT (ARS9.55)	-8.3	-1.8
Other tax revenues (ARS2.37)	-23.4	-1.5
Other non-tax revenues (ARS1.06)	-33.8	-1.1
Check tax (ARS4.64)	-8.6	-0.9
Income tax (ARS5.15)	-8.0	-0.9
Property income (ARS2.49) (**)	34.1	1.3
Foreign trade (ARS4.91)	15.5	1.4
PAIS tax (ARS3.66)	//420.1	6.2

■ YoY real var. %   ■ Incidence

(*) Incidence refers to the contribution in percentage points that each item makes to the total variation.
(**) Excludes ARS0.15 trillion in BCRA profits received in July 2023.

SOURCE: OPC, based on E.Sidif data.

Table 2. Total revenue[4]

Cumulative to July 2024, in trillions of ARS, as YoY real var. %, and incidence %. In order of incidence.

Concept (trillions of ARS)	Incidence %	Main YOY variations
Social Security ARS13.03 **-16.4 YoY real**	-5.3	Employer contributions, ARS8.28 trillion (-15.1% YoY real) and personal contributions, ARS4.73 trillion (-17.4% YoY real), both influenced by lower employment and real wages.
Other revenues ARS1.06 -33.8% YoY real	-1.1	- Other non-tax current revenue, ARS1.03 trillion (-17.0% YoY real): fees collected by government agencies, ARS0.20 trillion (-4.9% YoY real). Directorate of the Registry of Motor Vehicles, ARS0.13 billion (-17.5% YoY real). In the opposite direction, increases are recorded in the National Justice Fund, ARS0.19 billion (9.5% YoY real) and in allocations and refunds, ARS0.06 trillion (26.3% YoY real).
Tax evenues[5] ARS30.28 4.0 YoY real	2.4	The following taxes are the main drivers of the rise in tax revenues: - Foreign Trade, ARS4.91 trillion (15.5% YoY real, 1.4% impact on the decline in total revenues), mainly due to Export Duties, ARS3.11 trillion (35.8% YoY real), influenced by the increase in the exchange rate and by the comparison base due to the drought of 2023. On the other hand, Import Duties, ARS1.5 trillion (-8.8% YoY real) and Statistics Tax, ARS0.3 million (-5.3% YoY real), decreased, mostly due to the fall in imports. - PAIS tax, ARS3.66 trillion (420.1% YoY real, 6.2% of incidence in the fall of total revenues) due to the increase in the exchange rate, its taxable base and its rates, and the modification in its distribution[6]. On the other hand, there were falls in the year-on-year comparison of:

[4] During the first seven months of the year, National Government tax and Social Security revenues amounted to ARS43.3 trillion, with a drop in real terms of 3.0% YoY. The discrepancy between this drop and that of the total national tax revenue (-7.0% YoY in real terms) shown in the section "National Tax Revenue", is explained by the behavior of resources that are not subject to sharing or that are specifically allocated to the National Government, as is the case of the PAIS Tax, Export Duties, Import Duties and the Statistics Tax.
[5] 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.
[6] See reference 3

Concept (trillions of ARS)	Incidence %	Main YOY variations
		- VAT, ARS9.55 trillion (-8.3% YoY real, -1.8% incidence in the decline of total revenues) due to lower economic activity and higher tax credits associated with customs receipts. -Income Tax, ARS5.15 trillion (-8.0% YoY real, -0.9% impact on the decline in total revenues) due to the Cedular Tax and the postponement until August of the filing of the tax return and payment of the balance for the 2023 tax period for Individuals. -Cheque Tax, ARS4.64 trillion (-8.6% YoY real, -0.9% of incidence in the decline of total revenues). -Other tax revenues, ARS2.37 trillion (-23.4% YoY real, -1.5% impact on total revenues).
Property income ARS2.49 34.1 YoY real[7]	1.3	Revenue from the Sustainability Guarantee Fund (FGS) ANSES, ARS1.65 trillion (3.7% YoY real). Interest on deposits in domestic currency, ARS0.78 trillion (479.6% YoY real).

Figure 5. Total expenditure

Cumulative to July 2024, in trillions of ARS, YoY real var. %, and incidence as % of total expenditure (*)
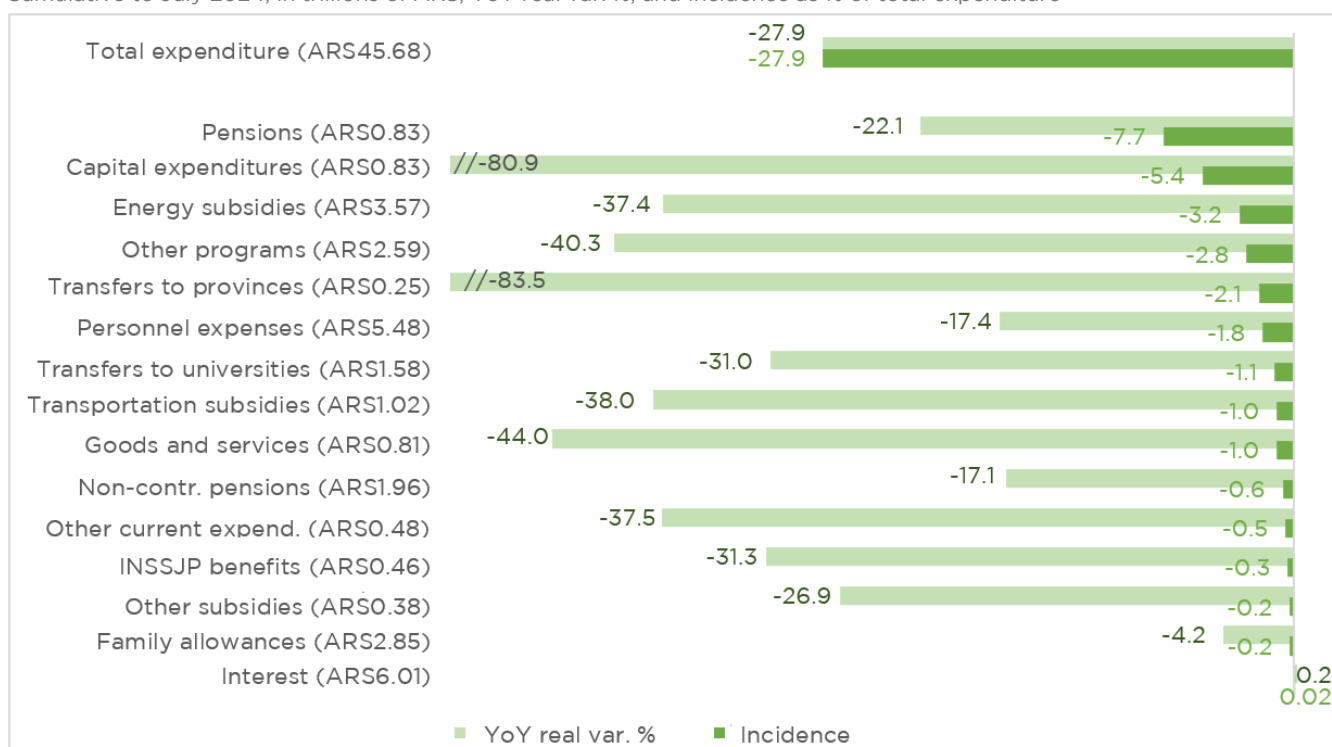
(*) Incidence refers to the contribution in percentage points that each item makes to the total variation.
SOURCE: OPC, based on E.Sidif data.

Table 3. Total expenditure

Cumulative to July 2024, in trillions of ARS, as YoY real var. %, and incidence %. In order of incidence.

Concept (trillions of ARS)	Incidence %	Main YOY variations
Pensions ARS17.40 -22.1% YoY real	-7.7	As a result of the updating of benefits below inflation, partially offset by bonuses granted to lower-income pensioners: Comparing the average purchasing power of seven months of 2024 with respect to the same period of 2023, there was a real fall of 29.2% YoY; while minimum pension benefits (with bonuses) lost 18.5% YoY[8].

[7] Excludes ARS0.15 trillion in BCRA profits received in July 2023.
[8] However, due to the implementation of the new pension benefits updating scheme (DNU 274/24), together with the slowdown in inflation, in July pensions above the minimum pension showed a recovery of 9.2% in real terms with respect to December 2023. On the other hand, minimum pensions (with bonuses) fell by 4.9% in real terms with respect to December, given that bonuses have not been increased since March.

Concept (trillions of ARS)	Incidence %	Main YOY variations
		Expenditure executed by the National Social Security Administration (ANSES) amounted to ARS15.65 trillion (-22.7% YoY real), of which ARS14.0 trillion related to regular pension payments (-25.9% YoY real) and ARS1.65 trillion (18.3% YoY real) to income supplements for lower pensions (bonuses). Benefits for retired Armed and Security Forces personnel, ARS1.74 trillion (-16.3% YoY real).
Capital expenditures **ARS0.83** **-80.9% YoY real**	-5.4	**- Real direct investment**, ARS0.22 trillion (-82.1% YoY real): the reduction in this item is primarily due to lower expenditure on works by the National Directorate of Roads (ARS0.07 trillion, -86.4% YoY real). In addition, the decrease in investment in the Ministry of Education (-98.4% YoY real) stands out, mainly due to the non-execution in the acquisition of computers under the *Conectar Igualdad* program, and in the Ministry of Public Works (-96.8% YoY real), due to the decrease in investment in the programs linked to the Development of Hydraulic Infrastructure (-94.2% YoY real) and to Transportation and Sustainable Mobility (no execution in 2024). **- Capital transfers**, ARS0.59 trillion (-80.6 YoY real): the reduction is driven by lower execution in financial assistance to: 1) provinces and municipalities, ARS0.02 trillion (-97.0% YoY real); 2) state-owned enterprises, ARS0.4 trillion (-70.7% YoY real); and 3) trust funds, ARS0.16 trillion (-75.1% YoY real). As for state-owned enterprises, the decreases in transfers to ENARSA, ARS0.3 trillion (-63.1% YoY real), to AYSA, ARS0.09 trillion (-67.2% YoY real) and to ADIF SE, ARS0.01 trillion (-88.8% YoY real) stand out. For trust funds, the reduction was driven by lower transfers to the *Procrear* Trust Fund, ARS0.08 trillion (-47.2% YoY real), the Social Housing Trust Fund, ARS0.06 trillion (-83.1% YoY real) and the National Fund for Productive Development (FONDEP), which received no transfers in 2024 (ARS0.02 trillion as of July 2023).
Energy subsidies **ARS3.57** **-37.4% YoY real**	-3.2	Transfers to ENARSA, ARS1.19 trillion (-44.6% YoY real), mainly to cover the purchase of imported natural gas. Transfers to CAMMESA, ARS2.25 trillion (-28.7% YoY real), to cover the gap between electricity generation costs and tariffs[9].
Other social programs **ARS2.59** **-40.3% YoY real**	-2.8	Food Policies, ARS1.02 trillion (-18.0% YoY real), among whose initiatives the *Alimentar* Benefit stands out (99.9% of the program this year, -13.5% YoY real). Although the benefit amount in July is 27% higher in real terms than in December 2023[10], when comparing the average purchasing power of seven months of 2024 with that of the same period in 2023, there was a real fall of 13.8% YoY. Transfers to community canteens and soup kitchens were almost non-existent (-99.1% YoY in real terms). *Potenciar Trabajo* and subsequent programs (*Volver al Trabajo* and *Acompañamiento Social*), ARS0.74 trillion (-58.6% YoY real), mainly explained by the loss of purchasing power of benefits. Social plans have not increased in value since December[11], resulting in a loss of purchasing power of 46.5% since then. Medical care for beneficiaries of non-contributory pensions, ARS0.25 trillion (-16.6% YoY real), *Progresar* grants, ARS0.18 trillion (-62.7% YoY real), and the *Acompañar* program, ARS0.02 trillion (-81.5% YoY real). In the opposite direction, VAT refund to vulnerable sectors, ARS0.10 trillion (458.6% YoY real) and Unemployment Insurance, ARS0.12 trillion (104% YoY real), Nutrition Actions - 1,000 Days Program, ARS0.06 trillion (78.9% YoY real) and Educational Vouchers, ARS0.04 trillion (new program).
Transfers to provinces **ARS0.25**	-2.1	The reduction is mainly driven by the National Teacher Incentive Fund (FONID)[12], with an accrual of ARS0.06 trillion (-85.0% YoY real) within the National Teacher Salary Compensation Program[13]. Transfers to school canteens, ARS0.04 trillion (-

[9] In the case of electricity subsidies, the latest Report on Relevant Variables of the Wholesale Electricity Market published by CAMMESA shows that the Coverage of the Cost of Electricity Generation by Total Demand Tariff has gone from 51% in July 2023 to 70% at present as a result of the removal of subsidies and the updating of the tariff schemes.

[10] So far this year, the benefit amount had a nominal increase of 137.5% compared to December 2023 (Resolutions of the Ministry of Human Capital No. 3 of 2023 and 11, 111 and 181 of 2024).

[11] Until December 2023, benefits were tied to the minimum wage (SMVM).

[12] 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.

[13] 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). To date, ARS0.01 trillion of the accrued amount has been paid.

Concept (trillions of ARS)	Incidence %	Main YOY variations
-83.5% YoY real		43.2% YoY real), to the program for the universalization of the full or extended school day in primary education, ARS0.076 trillion (-24.0% YoY real) and those made within the framework of the National Treasury Contributions to the provinces (ATN), ARS0.03 trillion (-52.1% YoY real)[14] also showed decreases. Additionally, no transfers were made to the Provincial Pension Funds (ARS0.06 trillion as of July 2023)[15] or to the Fund for Fiscal Strengthening of the Province of Buenos Aires (ARS0.11 trillion as of July 2023)[16].
Personnel expenses ARS5.48 -17.4% YoY real	-1.8	National Executive Branch, ARS4.26 trillion (-17.8% YoY real), Judicial Branch, ARS0.71 trillion (-15.1% YoY real), Public Prosecutor's Office, ARS0.29 trillion (-12.9% YoY real) and Legislative Branch ARS0.23 trillion (-21.8% YoY real). The salary guidelines agreed during the period under analysis were below inflation[17]. As for the variation of the positions held in June 2024[18] with respect to the annual average of the occupation during 2023: Executive Branch: 0.9% in permanent and transitory positions and -15.1% in hired personnel. Judicial Branch and Public Prosecutor's Office: 1.7% in permanent and temporary staff.
Transfers to universities ARS1.58 -31.0% YoY real	-1.1	Funds for the payment of salaries of the teaching staff and higher authorities, ARS0.9 trillion (-30.6% YoY real), of salaries of non-teaching staff, ARS0.53 trillion (-26.9% YoY real). Financial Assistance for University Operation, ARS0.11 trillion (-35.4% YoY real). Financial Assistance to University Hospitals, ARS0.04 trillion (-25.3% YoY real).
Transportation subsidies ARS1.02 -38.0% YoY real	-1.0	Transfers to *Operador Ferroviario S.E.*, ARS0.33 trillion (-46.1% YoY real), to cover the difference between the operating cost of public passenger railroad transportation in the Metropolitan Area of Buenos Aires (AMBA) and that covered by the fares paid by users. Transfers to the Transportation Infrastructure System Trust Fund, ARS0.55 trillion (-30.7% YoY real), which is currently used to compensate the AMBA's passenger transportation fares. The new fare scales, the reduction of subsidies and the elimination of transfers to the Compensation Fund for Urban and Suburban Public Transportation of Passengers outside the AMBA, to which ARS0.05 trillion was transferred in the cumulative amount as of January-July 2023, allow for a decrease in transportation subsidies[19].
Goods and services ARS0.81 -44.0% YoY real	-1.0	Expenditures on goods and services for management and administration activities of National Government agencies, ARS0.14 trillion (-44.5% YoY real). Expenditures for CONICET fellowships, ARS0.6 trillion (-17.6% YoY real). Expenditures related to food purchases under the Food Policy program, ARS0.04 trillion (-53.2% YoY real). Expenditures for scheduled vaccines, ARS0.11 trillion (-3.7% y/y real). On the other hand, the execution of the program related to Access to Medicines, Supplies and Medical Technology of the Ministry of Health increased by ARS0.05 trillion (19.5% YoY real).
Non-contributory pensions ARS1.96 -17.1% YoY real	-0.6	As a result of the updating of the benefits' amount (mobility) below inflation, partially offset by the granting of bonuses.

[14] 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).

[15] 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.

[16] 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.

[17] During the period analyzed, in the National Executive Branch, whose expenditure as of July 2024 represented 77.7% of the total, increases for personnel under the General Collective Bargaining Agreement for the National Government (Decree 214/06) accrued 162.2% YoY. In the Judicial Branch and the Public Ministry, with a share of 18.1% of total personnel expenses, salary guidelines accrued 176.8% YoY, and in the Legislative Branch (4.2% of the total), 148.1% YoY.

[18] Source: Integrated Human Resources System (SIRHU), based on the latest available data.

[19] From the railroad operating statistics published by the National Commission for Transportation Regulation (CNRT) it is verified that the average fare in dollars increased from 0.09 in July 2023 to 0.21, according to the last published data. For urban passenger transportation, the current update of average costs and revenues of the system established by Resolution S.T. No. 4/2024 of the Secretariat of Transportation (S.T.) establishes a 27% coverage by fares of the system costs for the federal district, being the one established in July 2023 of 14%. Also, it should be noted that as from August 12, the new fare scales approved by Resolution No. 25/2024 of the S.T. for the Public Urban and Suburban Motor Transportation Services of Passengers under National Jurisdiction will be in force.

| Concept (trillions of ARS)	Incidence %	Main YOY variations
Other current expenditures **ARS0.48** **-37.5% YoY real**	-0.5	Unlike the previous fiscal year, there was no execution in items associated with the Socio-Urban Integration Fund or electoral expenses, while other current expenses were cut for the Higher Education Development program, ARS0.02 trillion (-61.9% YoY real), for fees on public debt, ARS0.06 trillion (-20.2% YoY real), and for actions in the Matanza-Riachuelo Basin, ARS0.013 trillion (-63.6% YoY real). On the other hand, there were higher transfers from the Ministry of Health for operating expenses of SAMIC Hospitals, ARS0.18 trillion (0.4% YoY real) and higher contributions to international organizations by the Ministry of Foreign Affairs, International Trade and Worship, ARS0.04 trillion (1.8% YoY real).
INSSJP benefits **ARS0.46** **-31.3% 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).
Other subsidies **ARS0.38** **-26.9% YoY real**	-0.2	Transfers to *Radio y Televisión Argentina S.E.,* ARS0.03 trillion (-39.8% 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 amounted to ARS0.03 trillion in the cumulative amount as of July 2023. On the other hand, there were increases in transfers to: *Correo Argentino*, ARS0.17 trillion (+25.5% YoY real), AYSA, ARS0.12 trillion (+28.9% YoY real) and *Casa de la Moneda*, ARS0.02 trillion (+100.0% YoY real).
Family allowances **ARS2.85** **-4.2% YoY real**	-0.2	Family Allowances (active and inactive population), ARS1.21 trillion (-24.0% YoY real), due to the differential between the update of the benefits and inflation[20], partially offset by the increase in the number of allowances paid, as well as by the increase in the value of the annual school allowance, which is paid only in March[21]. In fact, the average value of monthly allowances increased by 139.9% YoY in seven months, while average inflation was 274.1% YoY, resulting in a loss of purchasing power of 36.6%. In addition, the amount of monthly child allowances paid increased from an average of 3.99 million in six months of 2023 to 4.46 million in the same period of 2024. On the other hand, the increase observed in Universal Allowances, ARS1.64 trillion (18.6% YoY real), is mainly due to the doubling of the value of benefits in January 2024 (Executive Order 117/23), in addition to the increase due to the updating formula in March, June and July. In the period analyzed, the average value of the AUH rose by 379.9% YoY, while average inflation was 274.1%, resulting in an increase in purchasing power of 26.8% YoY.
Interest **ARS6.01** **0.2% YoY real**	0.02	Lower interest payments on securities in domestic currency, offset by higher interest payments on securities in foreign currency issued under the September 2020 debt restructuring process and IMF loans.

SOURCE: OPC, based on E.Sidif data.

[20] It should be noted that, unlike pension benefits, family allowances were not covered by the transition mechanism between the updating formula of Law 27,609 and DNU 274/24, which is why the value of the benefits has not been updated in April and May, as was the case with the former. However, in June they were updated according to the formula of Law 27,609 (with an increase of 41.48%), while as from July they are updated by the formula of DNU 274/24 (monthly, by CPI).
[21] The value of the annual school allowance (paid only in March of each year), increased from ARS9,609 in 2023 to ARS70,000 in 2024.

Figure 6. Year-on-year primary expenditures variation

July 2023-July 2024, as YoY real var. %.
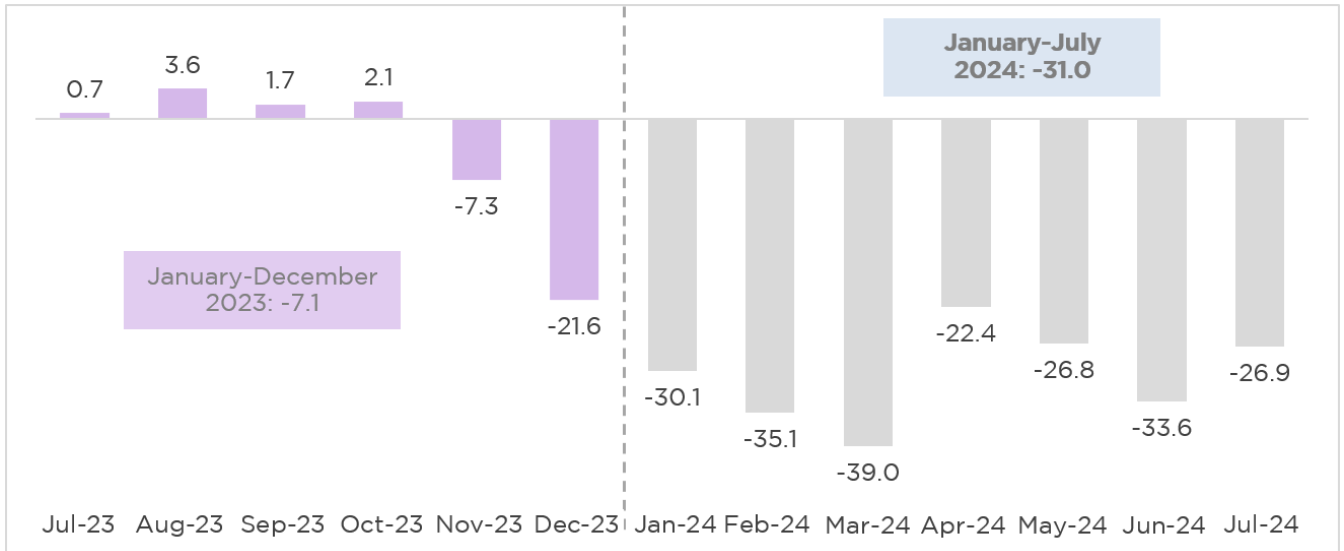
SOURCE: OPC, based on E.Sidif data.

National Government Expenditure Execution Level

Table 4. Cumulative expenditure execution level
Cumulative to July 2024, in trillions of ARS and as execution %.

Concept	Initial appropriation	Current appropriation	Accrued	Exec. %
Total expenditures	40.25	94.11	45.68	48.5
Current expenditures	37.17	90.28	44.84	49.7
Social benefits	19.61	51.79	25.27	48.8
Pensions	13.05	36.15	17.40	48.1
Family Allowances	1.57	5.59	2.85	51.0
Universal Child Allowance	0.70	3.36	1.64	48.9
Others	0.87	2.23	1.21	54.1
Non-contributory pensions	1.42	3.83	1.96	51.1
INSSJP benefits	0.39	1.07	0.46	43.6
Other social programs	3.17	5.15	2.59	50.3
Potenciar/ Volver al Trabajo/ Acomp. Social (*)	1.02	1.08	0.74	68.9
Food Policies	0.73	1.85	1.02	55.0
Progresar grants	0.29	0.43	0.18	41.1
Others	1.13	1.80	0.66	36.6
Subsidies	4.28	9.23	4.97	53.8
Energy	2.81	6.32	3.57	56.6
Transportation	1.01	2.01	1.02	50.7
Other subsidies	0.47	0.91	0.38	41.5
Personnel expenses	4.39	10.92	5.48	50.2
Goods and services	1.09	2.45	0.81	33.0
Transfers to provinces	1.52	1.00	0.25	25.3
Transfers to universities	1.36	3.00	1.58	52.6
Other current expenditures	0.49	1.09	0.48	44.0
Interest (**)	4.43	10.80	6.01	55.6
Capital expenditures	3.08	3.82	0.83	21.8
Real direct investment	0.89	1.16	0.22	19.0
Capital transfers	2.11	2.49	0.59	23.8
Financial investment	0.07	0.18	0.02	12.3

At the end of July, the current appropriation increased by 133.8% with respect to the initial appropriation for the fiscal year, which is the result of the extension of the budget in effect as of December 31, 2023.

The budget increase of ARS53.9 trillion was approved by six measures, two of which accounted for 99.1% of the increase: DNU 280 in the month of March for ARS14.48 trillion and DNU 594 in the month of July for ARS38.9 trillion.

Total expenditure executed 48.5% of its current budget, 9.1 percentage points below the level reached a year ago (57.6%). Current expenditures accrued 49.7% of their appropriation (vs. 58.9% as of July 2023), and capital expenditures executed 21.8% (44.5% as of July 2023).

Of note was the level reached by energy subsidies (56.6%), transfers to universities (52.6%), non-contributory pensions (51.1%) and family allowances (51.0%). Within other social programs, the execution of *Potenciar trabajo/Volver al trabajo* (68.9%) and Food Policies (55.0%), whose main component is the *Alimentar* Benefit, stand out.

At the other extreme are current transfers to provinces (25.3%) and capital expenditures (21.8%) with lower execution levels with respect to total expenditure.

(*) 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 recorded off-budget in E.Sidif as of the cut-off date of this report for ARS1.25 trillion for the payment of global bonds and bonds for the 2020 restructuring, which matured on July 9, 2024 (Source: E.Sidif and DMFAS). Includes interest paid intra Public Sector, as recorded in the E.Sidif.

SOURCE: OPC, based on E.Sidif data.

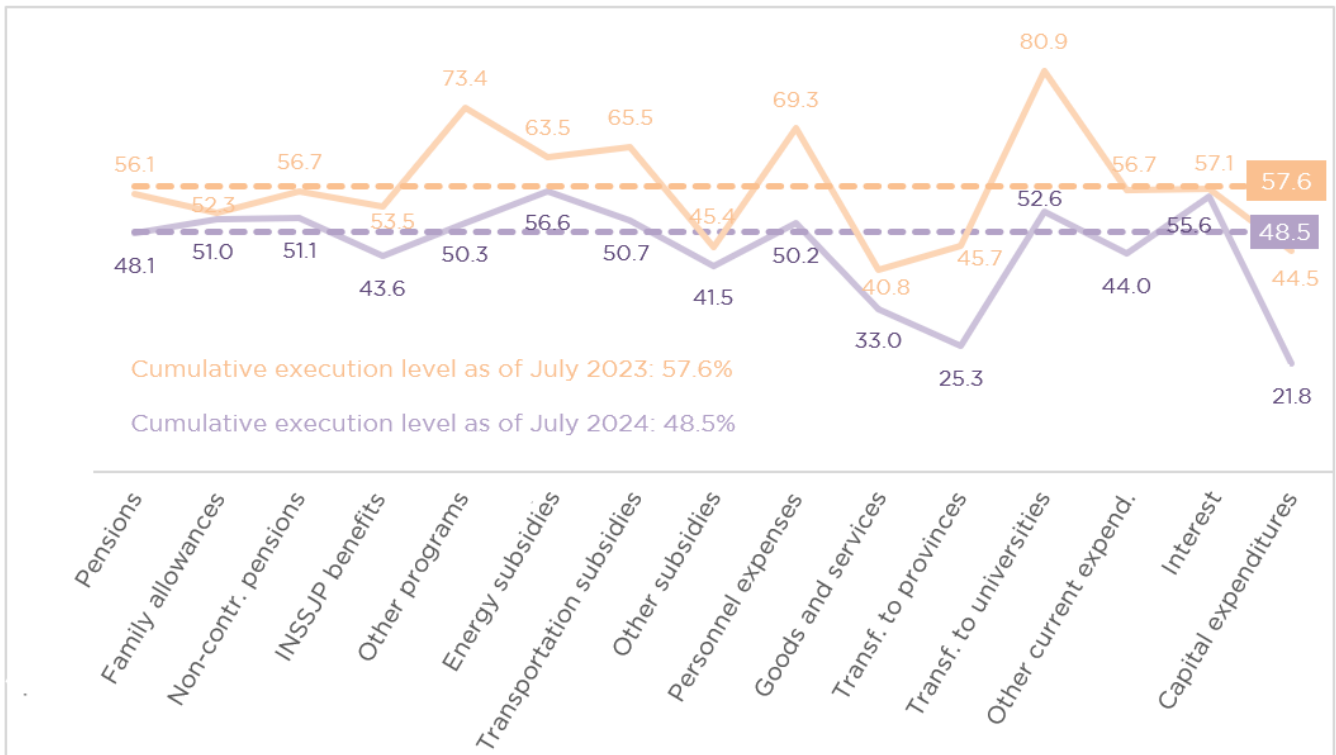## Figure 7. Variation in initial appropriation by main expenditure items

Cumulative to July 2024, as variation % with respect to the initial appropriation

Variation in initial appropriation
ARS53.9 trillion
+133.8%

255.7

176.9

170.4

169.9

148.9

144.1

125.0

123.8

120.8

119.9

99.0

94.2

62.7

24.2

-34.4

Transfers to prov.
Capital expenditures
Other programs
Other subsidies
Transportation subsidies
Other current expenditures
Transfers to universities
Goods and services
Energy subsidies
Interest
Personnel expenses
Non-contributory pensions
INSSJP benefits
Pensions
Family allowances

SOURCE: OPC, based on E.Sidif data.

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

Cumulative to July 2023 and 2024, as execution % with respect to the initial appropriation

80.9

73.4

69.3

65.5

63.5

57.1

56.7

56.7

56.1

57.6

55.6

53.5

52.6

52.3

51.0   51.1

50.3   56.6   50.7   45.4   50.2

48.1

45.7

44.5

44.0

43.6

41.5

40.8

48.5

33.0

25.3

21.8

Cumulative execution level as of July 2023: 57.6%

Cumulative execution level as of July 2024: 48.5%

Pensions
Family allowances
Non-contr. pensions
INSSJP benefits
Other programs
Energy subsidies
Transportation subsidies
Other subsidies
Personnel expenses
Goods and services
Transf. to provinces
Transf. to universities
Other current expend.
Interest
Capital expenditures

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 August 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 July 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 3.9%, 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
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making. It is a technical office of fiscal analysis that produces reports open to the
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This report does not contain binding recommendations.

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