

# **Private Sector External Debt Report**

As of September 30, 2021



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

# Private Sector External Debt Report

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## ***About inclusive language in the Spanish version of this report***

*The Central Bank of Argentina is committed to encouraging the use of a non-discriminatory language that promotes the acceptance of all gender identities. It should be noted that all those who have contributed to this report acknowledge that language influences ideas, feelings, ways of thinking, as well as principles and core values.*

*Therefore, efforts have been made to avoid sexist and binary language in this report.*

# Foreword

*The growing complexity of the relationships among different economic agents (residents and non-residents) calls for meeting new information needs and establishing new standards for data estimation.*

*In Argentina, both the Central Bank of Argentina (BCRA) and the National Institute of Statistics and Censuses (INDEC) are responsible for the preparation of foreign sector statistics. At present, both entities are working jointly<sup>1</sup> by sharing information and following the same methodologies to cope with the demand for information.*

*With the aim of facing the challenges posed by the need to develop new standards of estimation, the BCRA thoroughly updated, in 2017, the way foreign sector information should be compiled for statistics. Moving in this direction, the Survey on External Assets and Liabilities replaced and broadened (by Communication "A" 6401) the scope of the Survey on Debt Securities and Other External Liabilities (provided for under Communication "A" 3602, as supplemented) and of the Survey on Foreign Direct Investment and Outward Direct Investment (provided for under Communication "A" 4237, as supplemented).*

*On the one hand, the new survey includes information on external assets and financial derivatives positions, which is in line with the terms of the sixth edition of the Balance of Payments Manual of the International Monetary Fund (IMF) and the G20 Data Gaps Initiative, where the world's main economies acknowledged gaps in information which should be bridged.*

*On the other hand, the methodology used for compilation was streamlined with a focus on information platforms (information may now be uploaded through each of the reporting party's systems or else manually) and the removal of charges for transactions. In this sense, the new survey is conducted on the website of the Federal Administration of Public Revenue (AFIP), and data are validated on a more expeditious way, thus minimizing errors during the upload process, and assuring the consistency of the information received by the BCRA.*

*Once the validation and control processes are completed, data are shared with the INDEC, which estimates the Balance of Payments and International Investment Position on the basis of this information.*

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<sup>1</sup> The Survey on External Assets and Liabilities was jointly agreed upon by the BCRA and the INDEC under a Master Cooperation Agreement.

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## Executive Summary

As of September 30, 2021, the private sector external debt totaled USD78,091 million, recording a quarterly fall of USD2,679 million. This drop was due to a decrease of both commercial debt (down by USD1,919 million), and financial debt (net payments of USD759 million).

The external debt from exports of goods totaled USD6,229 million as of September 30, 2021, down USD1,259 million against the previous quarter. This was basically explained by a drop of USD912 million in the “Manufacturing of food products” sector.

On the other side, the external debt from imports of goods totaled USD21,760 million as of the end of the third quarter of 2021, down USD991 million against the end of the previous quarter.

The external debt for services recorded a rise of USD331 million against the previous quarter, climbing to USD8,555 million as of September 30, 2021.

The financial private sector external debt stood at USD41,546 million as of September 30, 2021, with net payments of USD760 million in the quarter, mainly explained by financial loans (USD549 million) and debt securities (USD250 million). Moreover, the other financial debt rose by USD40 million.

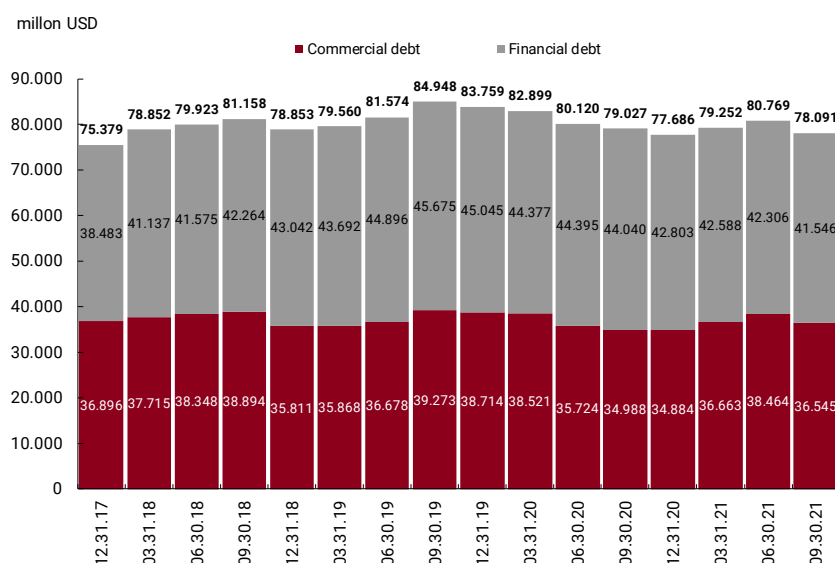
A sovereign debt restructuring process in foreign currency was successfully carried out by the National State. In symphony with this, the BCRA issued Communication “A” 7106 on September 16, 2020 to set out guidelines for private sector companies to refinance their foreign financial debts and/or local debt securities in foreign currency, so that they could meet the new requirements, thus ensuring the smooth functioning of the forex market. Thus, debt renegotiations of around 25 companies in the third quarter of 2021 resulted in lower net purchases in the forex market—around USD500 million less compared to the amounts expected to be paid on the original maturities over that period.

## 1. Private Sector External Debt as of September 30, 2021<sup>2</sup>

As of September 30, 2021, the private sector external debt totaled USD78,091 million (Chart 1), recording a quarterly fall of USD2,679 million. This drop was due to a decrease of both commercial debt (down by USD1,919 million), and financial debt (net payments of USD759 million in the quarter).

The external debt declined by USD937 million against the same quarter of 2020, explained by financial debt payments (USD2,494 million), whereas commercial debt payments went up by USD1,557 million.

**Chart 1 | Private Sector External Debt**  
**Position by type of transaction**



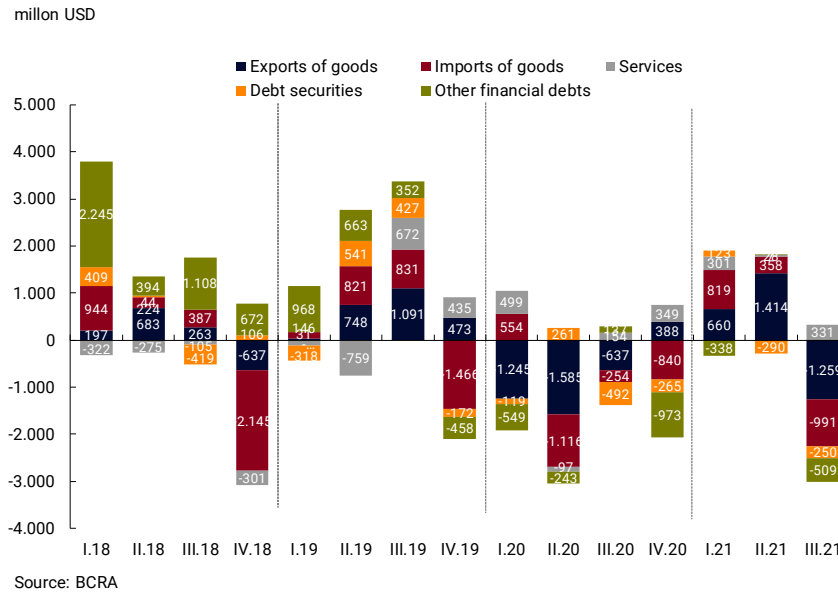
Source: BCRA.

As shown in Chart 2, the external debt along Q3 2021 decreased, in part, on account of payments of commercial debt—exports of goods (USD1,259 million); imports of goods (USD991 million)—which were partially offset by a rise in the debt for trade in services (USD331 million). Financial debt continued on the decline, mainly as a result of net payments of financial loans for USD549 million and payments for debt securities for USD250 million.

During the third quarter of 2020, the BCRA together with the National Government implemented measures to promote a more efficient allocation of foreign currency. Among the measures adopted that have a direct impact on the private sector external debt, it is worth highlighting Communication "A" 7106 and then Communication "A" 7230, which established the guidelines to enable private sector companies to restructure their foreign liabilities, so that they are aligned to the new requirements for the smooth functioning of the forex market. The effect of these measures was more evident as from Q4 2020.

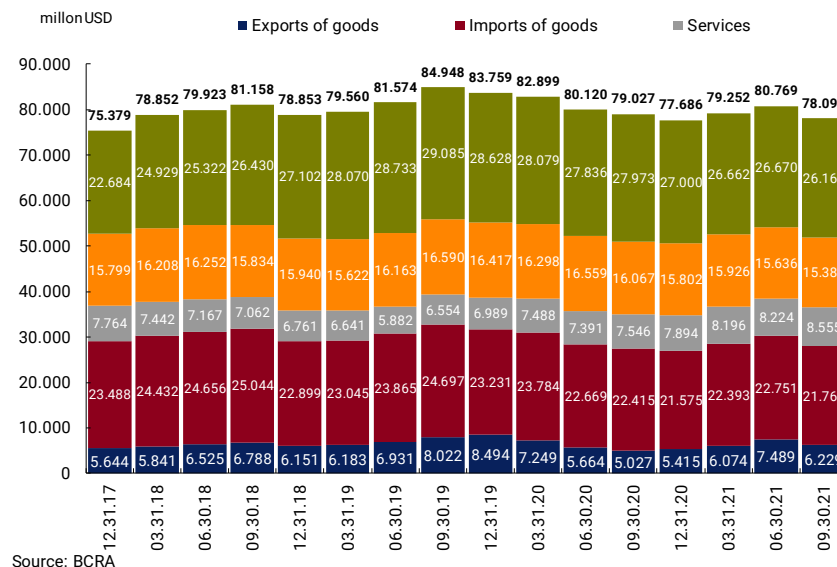
<sup>2</sup> The data shown here are based on validated statements made under the Survey on External Assets and Liabilities (set out by BCRA's Communication "A" 6401). Data are meant to be provisional and, hence, subject to revision and rectification. The annex attached contains the definitions and criteria for data collection and display, the adjustments that may change the interpretation of the figures shown here, and the characteristic features of the survey. For further information on the Data Revision Policy, see the annex attached to this report.

**Chart 2 | Private Sector External Debt**  
Quarterly debt changes by type of transaction



Based on debt disaggregated by type of transaction as of September 30, 2021 (Chart 3), financial debts other than those incurred on instruments (mainly financial loans) come to the fore with a position of USD26,160 million, followed by debts for imports of goods (USD21,760 million), and debts arising from non-residents' holdings of securities (USD15,386 million). Coming next, in order of importance, are debts for services, which stood at USD8,555 million, while those for the export of goods reached USD6,229 million by the end of the quarter.

**Chart 3 | Private Sector External Debt**  
Debt position by type of transaction



External financing granted to the main economic sectors as of September 30, 2021 is classified by type of creditor in Table 1. Thus, Table 1 arranges the different sectors according to their indebtedness size and type of creditor. In the first place, “Manufacturing Industry” stands out with a debt position of USD22,345 million, 51% financed by companies belonging to the same group (USD11,516 million), followed by other private sources (USD5,516 million). It should be noted that over 40% of the external financing was granted by companies belonging to the same group.

**Table 1 | Private Sector External Debt**  
Debt position sorted out by main debtor and creditor sectors as of September 30, 2021. From whom to whom<sup>3</sup>

	Private banks and other financial institutions	Official source (governments and international organizations)	Companies belonging to the same group	Other private sources	Multiple holders of debt securities	Total	Participation
Manufacturing industry	3.787	698	11.516	5.516	828	22.345	29%
Exploitation of mine and quarry	2.552	726	7.800	997	6.999	19.075	24%
Wholesalers and retailers, vehicles and motorcycles repair shops	603	28	4.812	2.610	5	8.057	10%
Provision of electricity, gas, steam and air-conditioning	2.623	353	713	909	2.259	6.857	9%
Information and communications	599	2	2.130	1.516	793	5.040	6%
Transport and storage services	1.173	16	1.190	459	719	3.557	5%
Other financial intermediaries except insurance corporations and pension funds	630	205	375	1.008	1.130	3.348	4%
Deposit-taking corporations, except the central bank	400	4	316	102	1.625	2.446	3%
Construction	416	3	666	200	59	1.344	2%
Agriculture, livestock, hunting, forestry and fisheries	98	1	1.027	226	19	1.371	2%
Professional, scientific and technical services	191	3	610	332	0	1.136	1%
Real estate services	189	45	70	20	449	773	1%
Administrative activities and support services	9	0	18	148	500	674	1%
Water supply, drains, waste management, recovery of materials, and public sanitation	21	5	487	211	0	725	1%
Insurance	263	6	126	14	0	409	1%
Lodging and food services	13	0	66	77	0	156	0%
Human health and social services	6	4	65	196	0	271	0%
Associations' services and personal services	9	3	126	31	0	168	0%
Art, culture, sports and free time services	32	4	42	63	0	142	0%
Financial auxiliaries	6	0	63	45	0	114	0%
Others	6	0	49	6	0	61	0%
Teaching	0	6	0	15	0	22	0%
Total	13.627	2.110	32.267	14.700	15.386	78.091	100%
Participation	17%	3%	41%	19%	20%	100%	

Table 2 shows the same sort of analysis: the amount of external financing granted to the main economic sectors by type of transaction as of September 30, 2021.

<sup>3</sup> Classified by letter according to the National Classifier of Economic Activities (CLANAE 2010). The heat map shows the maximum value in red and the minimum one in green.



**Table 2 | Private Sector External Debt**

**Debt position sorted out by main debtor sectors and type of transaction as of September 30, 2021<sup>4</sup>**

	Exports of goods	Exports of services	Import of goods	Import of services	Other financial debts	Financial loans	Debt securities	Total
Manufacturing industry	4,713	60	10,215	1,911	142	4,477	828	22,345
Exploitation of mine and quarry	380	19	1,740	1,184	80	8,672	6,999	19,075
Wholesalers and retailers, vehicles and motorcycles repair shops	696	25	5,768	579	7	976	5	8,057
Provision of electricity, gas, steam and air-conditioning	0	1	937	259	9	3,393	2,259	6,857
Information and communications	0	69	601	1,315	20	2,242	793	5,040
Transport and storage services	43	20	560	1,199	14	1,002	719	3,557
Deposit-taking corporations, except the central bank	115	246	90	21	1,069	678	1,130	3,348
Other financial intermediaries except insurance corporations and pension funds	0	0	201	56	17	547	1,625	2,446
Construction	1	16	348	185	6	795	19	1,371
Agriculture, livestock, hunting, forestry and fisheries	265	2	342	52	14	611	59	1,344
Professional, scientific and technical services	3	39	257	459	5	372	0	1,136
Real estate services	0	0	10	2	2	310	449	773
Administrative activities and support services	5	29	274	243	20	154	0	725
Water supply, drains, waste management, recovery of materials, and public sanitation	0	0	18	6	1	149	500	674
Insurance	0	4	169	213	17	7	0	409
Associations' services and personal services	0	174	41	19	0	37	0	271
Lodging and food services	0	3	7	14	0	144	0	168
Others	7	0	61	32	0	56	0	156
Human health and social services	0	0	70	34	0	37	0	142
Art, culture, sports and free time services	0	0	41	19	6	48	0	114
Financial auxiliaries	0	0	5	42	0	14	0	61
Teaching	0	0	7	1	0	13	0	22
Total	6,229	710	21,760	7,845	1,430	24,731	15,386	78,091
Participation	8%	1%	28%	10%	2%	32%	20%	100%

<sup>4</sup> Idem footnote 3.

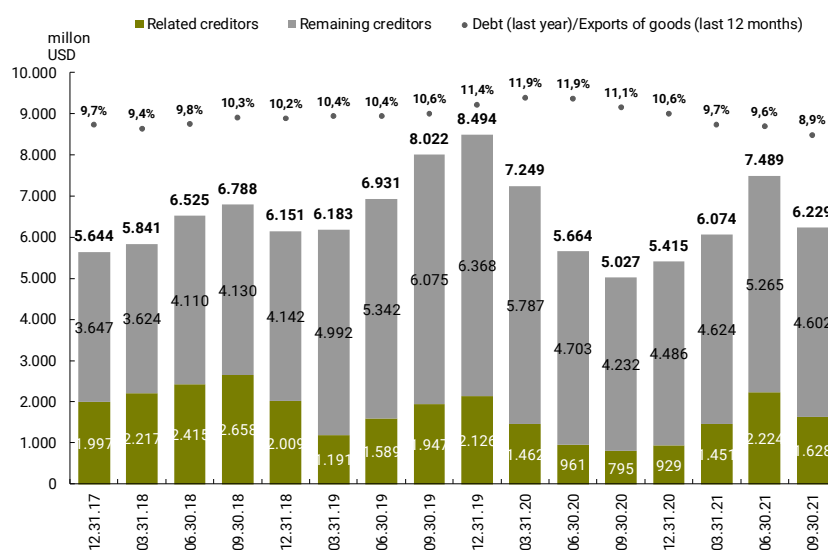
## 2. Commercial Private Sector External Debt as of September 30, 2021

### External Debt for Goods Exports

The gradual recovery of the global and domestic economy from the COVID-19 health and economic crises, along with higher international prices in the main exported goods caused external sales to continue growing. However, the external debt for goods exports totaled USD6,229 million as of September 30, 2021, falling USD1,259 million from the previous quarter.

By the end of the quarter, debts to related creditors recorded a position of USD1,628 million (going down by USD596 million over the same period), while debts to the rest of creditors reached USD4,602 million (decreasing by USD663 million over the same period).

**Chart 4 | Private Sector External Debt**  
**Debt position of exports of goods by type of creditor**

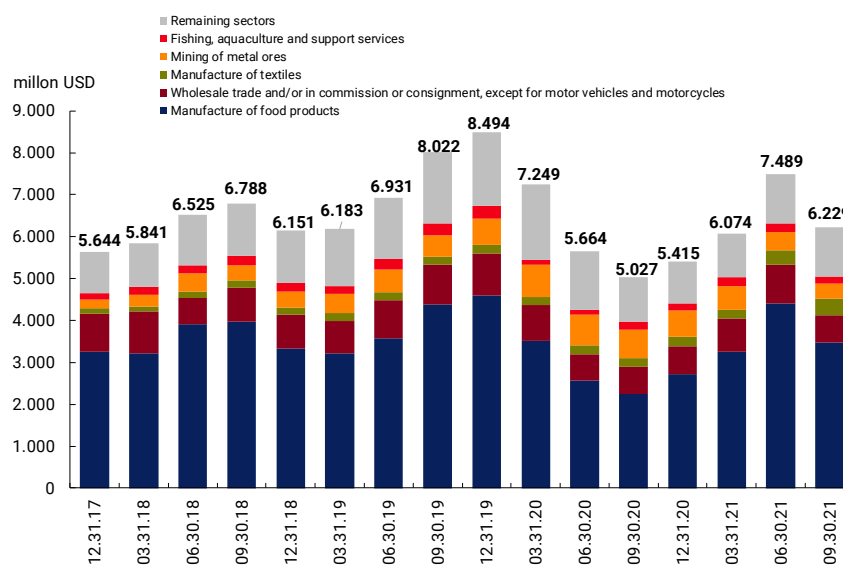


Source: BCRA

Information broken down by sector (Chart 5)<sup>5</sup> reveals that the decrease in Q3 2021 was mainly due to the performance of the "Manufacturing of food products" sector, which dropped USD912 million. It is worth noting that this sector—to which companies engaged in the trade of oilseeds and grains belong and is the main exporting sector in the economy—stood for 56% of the total position of the private sector external debt for exports of goods as of September 30, 2021.

<sup>5</sup> Classified by two-digit numbers according to the CLANAE 2010.

**Chart 5 | Private Sector External Debt**  
Debt position of exports of goods by sector



Source: BCRA.

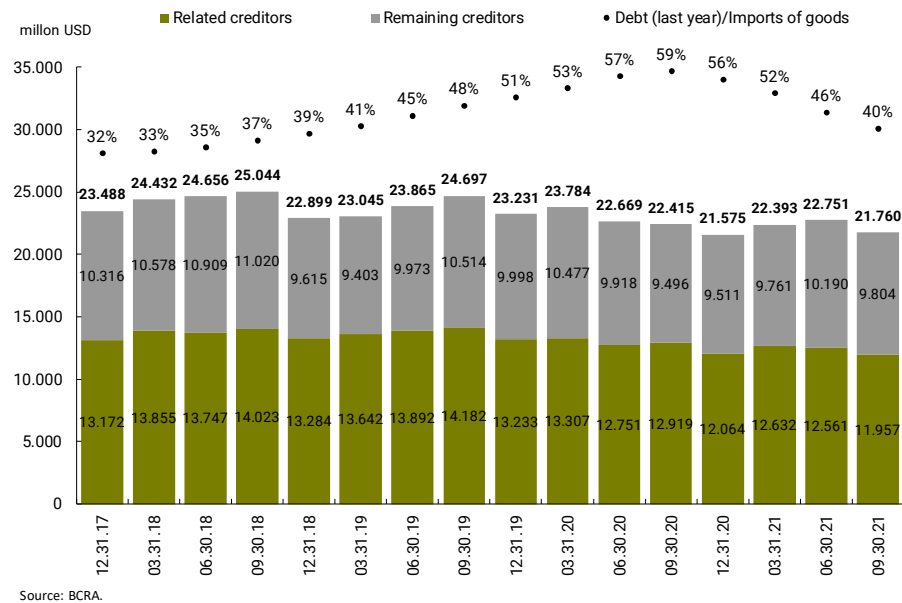
## External Debt for Goods Imports

The external debt for imports of goods amounted to USD21,760 million by the end of Q3 2021, with a decrease of USD991 million *vis-à-vis* the end of the previous quarter. The level of indebtedness of companies in terms of their imports kept on falling. The ratio between these two variables declined once again by 6 p.p. to 40%.<sup>6</sup>

Information sorted out by type of creditor (Chart 6) shows that related companies have granted most of the financing for this kind of transactions, with a position of USD11,957 million as of September 30, 2021 (recording net payments of USD604 million in the quarter), whereas the rest of creditors exhibit a position of USD9,804 million as of September 30, 2021 (down USD386 million over the quarter).

<sup>6</sup> Ratio obtained by dividing the past year's average external debt for goods imports by goods imports over the same period.

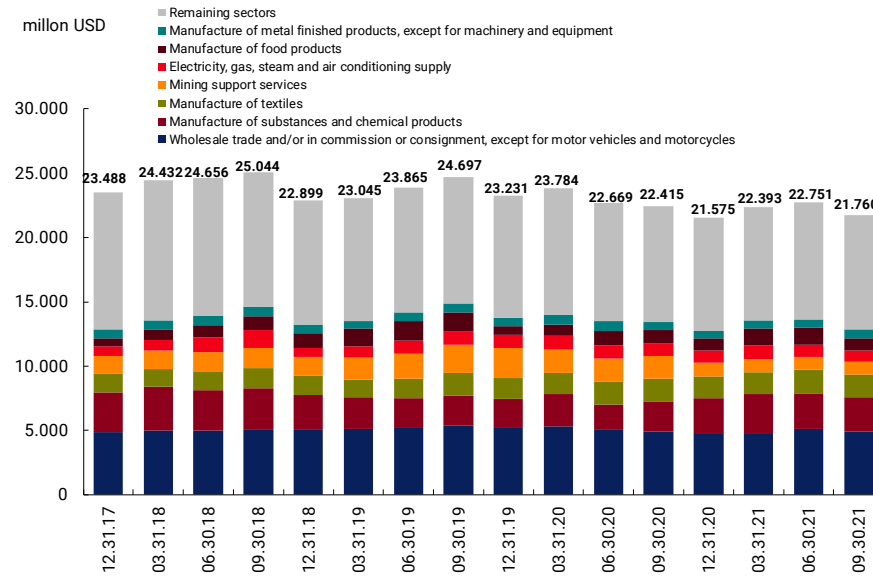
**Chart 6 | Private Sector External Debt**  
Debt position of imports of goods by type of creditor



Information broken down by sector<sup>7</sup> (Chart 7) shows that the debt for imports of goods—which is fragmented to a larger extent compared to the debt for exports of goods—concentrated mostly in “Wholesale” companies, totaling USD4,938 million as of September 30, 2021 (23% of that debt’s total), and a net decrease of USD164 million over the quarter. The wholesale sector is followed in order of importance by the “Manufacturing of vehicles” sector with a debt of USD2,643 million as of September 30, 2021, with net payments of USD172 million during the quarter. The “Manufacturing of chemical substances and products” sector—coming third in the ranking with USD1,747 million in total as of September 30, 2021—fell USD78 million in the quarter.

<sup>7</sup> Classified by two-digit numbers according to the CLANAE 2010.

**Chart 7 | Private Sector External Debt**  
**Debt position of imports of goods by activity sector**

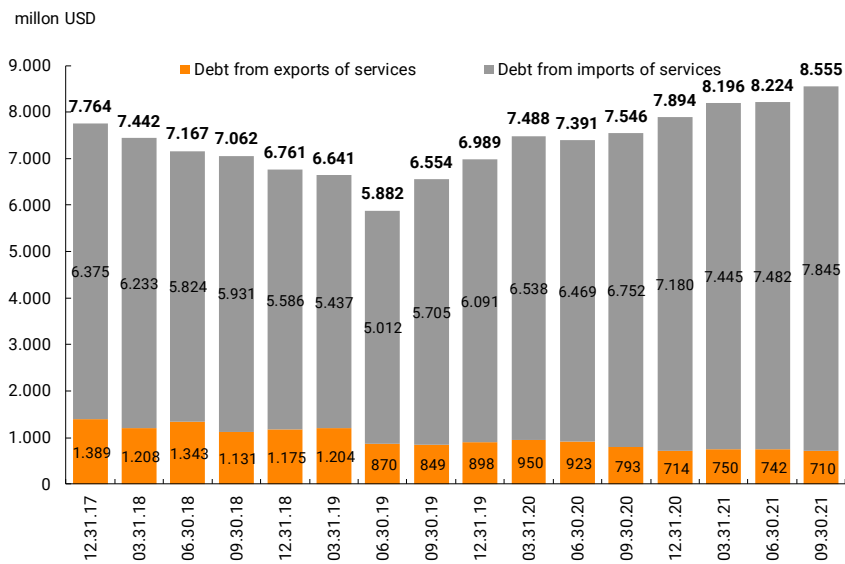


Source: BCRA.

## External Debt for Services

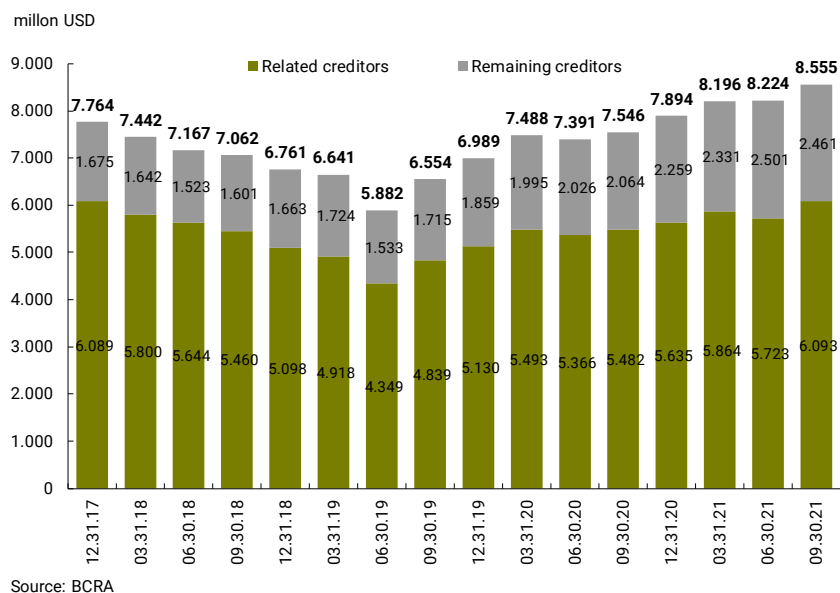
The external debt for services reached USD8,555 million as of September 30, 2021, climbing USD331 million over the quarter (Chart 8). Debts for imports of services—USD7,845 million (up USD362 million quarterly)—accounted for over 90% of total debt for services, while debts for exports of services stood at USD710 million (down USD32 million quarterly).

**Chart 8 | Private Sector External Debt**  
**Service debt position by type of transaction**



As shown in Chart 9, the position of debts for services to related creditors amounted to USD6,093 million as of September 30, 2021 (up USD370 million quarterly), while the position of non-related creditors reached USD2,461 million (down USD40 million quarterly).

**Chart 9 | Private Sector External Debt**  
**Service debt position by type of creditor**

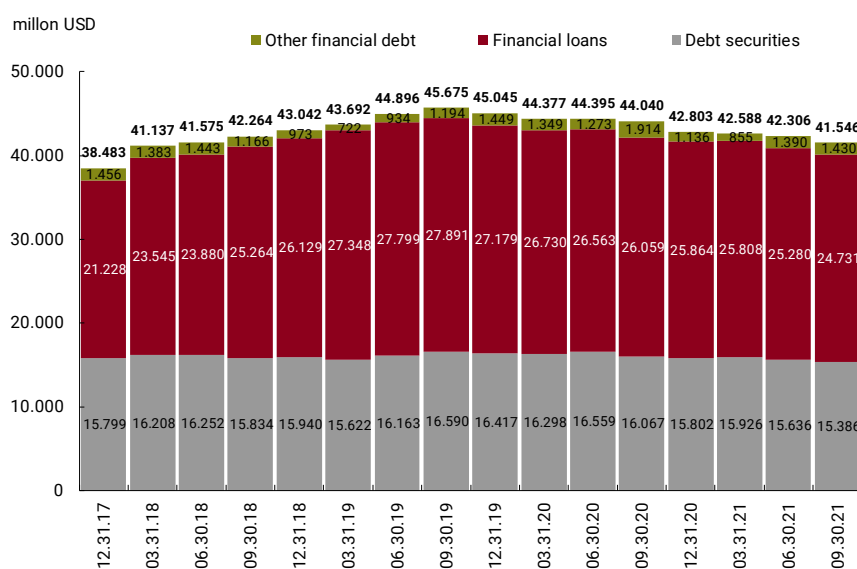


### 3. Financial Private Sector External Debt as of September 30, 2021

The financial private sector external debt (Chart 10) totaled USD41,546 million as of September 30, 2021, with net payments of USD760 million in the quarter, mainly explained by net payments of financial loans (USD549 million) and debt securities (USD250 million). Moreover, the other financial debt rose by USD40 million.

As of September 30, 2021, financial transactions were mostly channeled through financial loans (USD24,731 million), followed by transactions in securities (USD15,386 million), and other financial debts (USD1,430 million).

**Chart 10 | Private Sector External Debt**  
Financial debt position by type of transaction



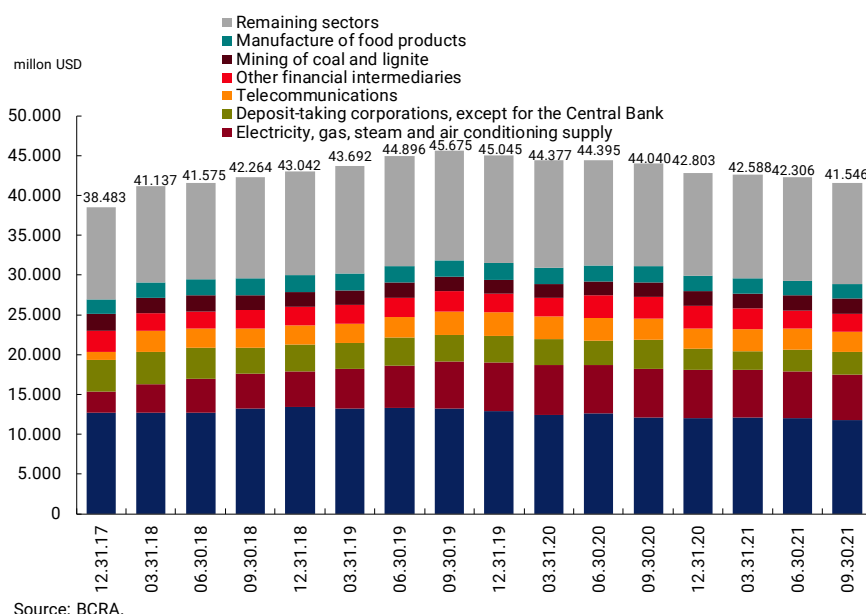
Source: BCRA

Information broken down by sector<sup>8</sup> (Chart 11) reveals that the “Pumping of crude oil and natural gas” sector has a share of 28% in the financial external debt as of September 30, 2021, with a stock of USD11,805 million and a quarterly drop of USD189 million. The “Provision of electricity, gas, steam and air-conditioning” sector comes in the second place with a share of 14% in financial debt, a stock of USD5,661 million and a quarterly fall of USD196 million.

<sup>8</sup> Classified by two-digit numbers according to the CLANAE 2010.

The performance of another sector comes to the fore: “Deposit-taking institutions”, with a quarterly increase of USD58 million mostly driven by increased non-residents’ deposits.

**Chart 11 | Private Sector External Debt**  
**Financial debt position by sector**



Source: BCRA.

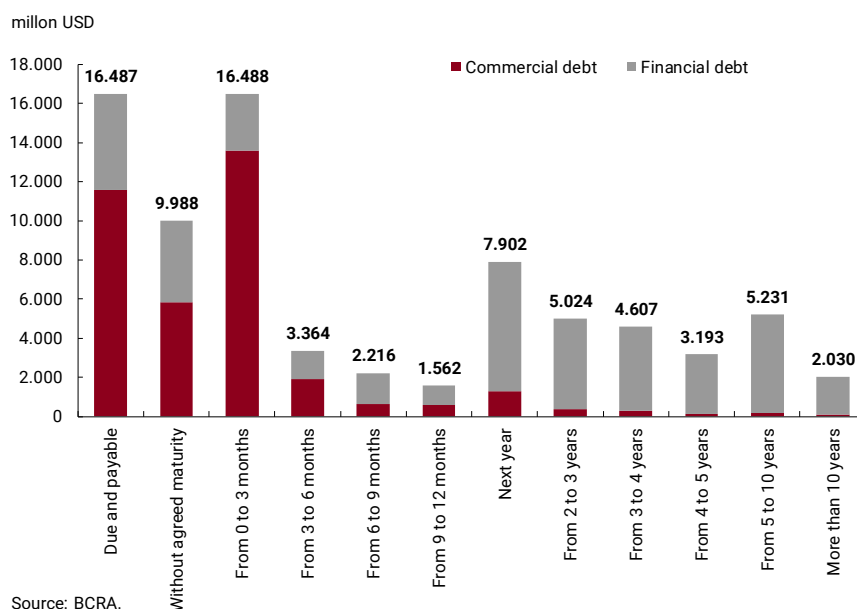
## 4. Maturity Profile of External Debt as of September 30, 2021

The maturity profile of private sector external debt as of September 30, 2021 (Chart 12), including past due debts and those falling due in the future without agreed maturity, was as follows: commercial debts enforceable within the following year amounted to USD34,144 million (principal) (93% of the total commercial debt as of September 30, 2021), whereas financial debts enforceable within the year reached USD15,959 million (principal) (38% of the total financial external debt as of September 30, 2021).<sup>9</sup>

<sup>9</sup> Total past due debt comprises overdue installments, debts triggered by acceleration clauses, and debts on current account transactions and payable on demand. Overdue interest is also included. In turn, debts classified as “falling due in the future without agreed maturity” fit into a different category, though it is considered as short-term debt for the sake of economic analysis.



**Chart 12 | Private Sector External Debt**  
**Maturity profile of principal as of September 30, 2021**



A sovereign debt restructuring process in foreign currency was successfully carried out by the National State. In symphony with this, as from September 16, 2020, Communication “A” 7106 and then Communication “A” 7230 set out guidelines for private sector companies to refinance their foreign financial debts and/or local debt securities in foreign currency, so that they could meet the new requirements, thus ensuring the smooth functioning of the forex market.

Thus, debt renegotiations of around 25 companies in the third quarter of 2021 resulted in lower net purchases in the forex market—around USD500 million less compared to the amounts expected to be paid on the original maturities over that period.

Around 70 companies managed to reschedule their maturities for USD3,000 million in the first nine months of 2021, leading to lower net purchases in the forex market for about USD1,800 million.

# Annex 1. Background and Overview of the Survey.

## Methodology for Estimating Private Sector External Debt

This section presents the improvements made in the collection, compilation and estimation of foreign sector statistics, and the methodology followed for producing statistics on the private sector external debt.

### **Part 1. Improvements in the Systems for the Collection, Compilation and Estimation of Foreign Sector Statistics**

#### **A. Changes to Foreign Sector Data Surveys**

In 2016, the Foreign Sector Surveys Deputy Management Office (under the scope of the Foreign Sector Statistics Management Office) started the process of updating and streamlining—from a conceptual and technological viewpoint—both the Survey on Debt Securities and Other External Liabilities (Communication “A” 3602, as supplemented),<sup>10</sup> and the Survey on Foreign Direct Investment and Outward Direct Investment (Communication “A” 4237, as supplemented).<sup>11</sup> Some of the major changes proposed include the following:

- To update the theoretical framework in line with the international standards on information requirements (IMF, Organisation for Economic Co-operation and Development (OECD), and Data Gaps Initiative, among others).
- To implement an integrated system intended to achieve greater consistency in the data uploaded, and to face critical situations not entailing excessive cost to the BCRA and the rest of the players in the system.

Accordingly, the BCRA created the Survey on External Assets and Liabilities (*Relevamiento de Activos y Pasivos Externos*, RAYPE) (Communication “A” 6401 issued in 2017).

The survey was supported by the INDEC as under a Master Cooperation Agreement that seeks to foster ongoing exchange and upgrade of information—which is essential to the estimation of the Balance of Payments and the International Investment Position.

The technological update included the development of new forms for uploading information with authenticated access (AFIP platform). These forms enable users to upload and submit information on a streamlined basis. Their characteristic features are as follows:<sup>12</sup>

- Upload options tailored to the needs of each reporting party (bulk upload for companies reporting massive data, and manual upload for those with low computerization levels).
- More rules for data validation, which result in higher consistency levels in the data collected.
- Online support for reporting parties.
- Reporting process up to 5 times a day to facilitate validation and data correction by reporting parties.

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<sup>10</sup> Communication “A” 3602 of 2002 required private sector residents to disclose the debt securities they had issued (both in Argentina and abroad) and other external liabilities as of the end of every quarter.

<sup>11</sup> Communication “A” 4237 of 2004 required non-residents to report their direct investments (equity interest in corporations and quasi-corporations, and real estate) in Argentina. Likewise, residents were to report their direct investments (equity interest in corporations and quasi-corporations, and real estate) made abroad. This survey was to be submitted on a semi-annual basis.

<sup>12</sup> For more information, see Communication “B” 11,712.

## **B. Reporting Parties of the Survey on External Assets and Liabilities**

The new Survey on External Assets and Liabilities is expected to be submitted by natural and legal persons, undertakings, and vehicles other than those included in the definition of General Government provided in the sixth edition of the IMF's Balance of Payments Manual.

The survey must be completed on a quarterly basis by natural or legal persons, undertakings and vehicles other than those included in the definition referred to above that hold or have settled external liabilities along that period. The reporting parties are to upload all the assets or liabilities specified in each of the forms.

Those with a balance of external assets and liabilities of USD50 million or more at year-end must submit an annual confirmation (to supplement, ratify and/or correct quarterly submissions). Where the balance is under this amount, confirmation is optional.

The surveys conducted from 2017 through 2019<sup>13</sup> required different sample levels (primary, ancillary, supplementary, and others).

## **C. Information Requested**

The Survey on External Assets and Liabilities focuses on:<sup>14</sup>

- Shares and other equity: Equity consists of all instruments and records that acknowledge claims on the residual value of a corporation or quasi-corporation, after the claims of all creditors have been met.
- Non-negotiable debt instruments: Debt instruments are those on which payment of principal and/or interest is required at some point in the future. This term encompasses liabilities and claims. Non-negotiability means that the legal ownership of an instrument is not readily capable of being transferred from one unit to another by delivery or endorsement.
- Negotiable debt instruments: Debt instruments are those instruments that require the payment of principal and/or interest at some point in the future. Negotiability means that the legal ownership of an instrument is readily capable of being transferred from one unit to another by delivery or endorsement.
- Financial derivative instruments: A derivative is a financial instrument that is linked to another specific financial instrument, indicator or commodity and through which specific financial risks (such as interest rate risk, foreign exchange risk, equity and commodity price risks, credit risk, etc.) can be traded in their own right in markets.
- Land, structures and real estate: It encompasses the property of land and structures, including natural resources—either for personal use or for production or else for other business purposes—, as long as they are directly owned, that is, they are not owned through a separate legal entity.

The level of detail required varies depending on each category. Essentially, the information to be uploaded encompasses data that describe the main characteristics of each transaction or set of transactions, along with the balances at the beginning and at the end of each period, and related flows.

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<sup>13</sup> For more information, see Communication "A" 6795, dated September 27, 2019.

<sup>14</sup> All definitions are based on the sixth edition of the IMF's Balance of Payments Manual.

## D. Upload of Information

Reporting parties must enter the AFIP's site ([www.afip.gob.ar](http://www.afip.gob.ar)) using a level 3 taxpayer password and enable the function called BCRA - Survey on External Assets and Liabilities (*BCRA – Relevamiento de Activos y Pasivos Externos*). Information can only be input into this platform, either through forms or bulk upload, following the guidelines of the User's Manual.<sup>15</sup>

These are the forms to be completed:

Compulsory forms: Reporting Party's Data, Contact Details, Non-Resident's Data, Initial Statement Form.

Compulsory forms only when the reporting party holds assets or liabilities within those categories:

<b>1 - SHARES AND OTHER EQUITY:</b>	
YES/NO	01 01 00- Reporter's equity participation in non-residents' investments
YES/NO	01 02 00 - Reporter holdings issued by residents and held in foreign depositories
<b>01 03 00 - EQUITY PARTICIPATION IN THE REPORTER</b>	
YES/NO	01 03 01 - EXCLUDING BRANCHES
	01 03 01 01 - Data of resident and non-resident investors
	01 03 01 02 - Data of shares issued by company (only if issuance of shares was reported in form 01030101)
	01 03 01 03 - Reporter's statement of changes in shareholders' equity
	01 03 01 04 - Reporter's income statement
	01 03 01 05 - Balance sheet
YES/NO	01 03 02 - BRANCHES
	01 03 02 01 - Data of reporter branch's head office
	01 03 02 02 - Reporter branch's statement of changes in shareholders' equity
	01 03 02 03 - Reporter branch's income statement
	01 03 02 04 - Balance sheet
<b>2 - NON-NEGOTIABLE DEBT INSTRUMENTS:</b>	
<b>02 01 00 - LOANS</b>	
YES/NO	02 01 01 - Granted to non-residents
YES/NO	02 01 02 - Granted by non-residents - 02 01 02 01 - Principal maturities profile
<b>02 02 00 - CURRENCY AND DEPOSITS</b>	
YES/NO	02 02 01 - 02 02 01 – Current, savings and term accounts with foreign institutions
YES/NO	02 02 02 - Currency (legal tender)
YES/NO	02 02 03 - Current, savings and term accounts of non-residents with domestic institutions – Only for deposit-taking corporations
<b>02 03 00 - TRADE CREDIT AND ADVANCES</b>	
YES/NO	02 03 01 - Granted to non-residents
YES/NO	02 03 02 - Granted by non-residents
<b>02 04 00 - OTHER RECEIVABLES OR PAYABLES NOT PREVIOUSLY INCLUDED</b>	
YES/NO	02 04 01 - Receivables
YES/NO	02 04 02 - Payables
<b>3 - INSTRUMENTOS DE DEUDA NEGOCIABLES:</b>	
<b>03 01 00 - REPORTER'S HOLDINGS</b>	
YES/NO	03 01 01 - Of securities issued by non-residents in formal markets
YES/NO	03 01 02 - Of securities issued by private sector residents in depositories abroad
YES/NO	03 02 00-Reporter's issues - 03 02 01 - Principal maturities profile
<b>4 - FINANCIAL DERIVATIVES:</b>	
YES/NO	04 01 00- Positions and flows of financial derivatives
YES/NO	04 02 00 - Collateral posted by the reporting party for the benefit of non-residents on financial derivatives transactions
<b>5 - LAND, REAL ESTATE AND OTHER STRUCTURES:</b>	
YES/NO	05 01 00 - Abroad
YES/NO	05 02 00 - Manager of these non-residents' assets in Argentina

<sup>15</sup> For more information, see the Upload Manual available on the BCRA website.

From 2021 onwards, forms 02010201 (associated with form 020102) and 03020100 (associated with form 03020000) should be uploaded, if applicable.

The BCRA makes some documents available for users to upload information,<sup>16</sup> including the Upload Manual and the FAQ Guide.

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<sup>16</sup> For more information see these documents available on the BCRA website.

## **Part 2. Methodology for Estimating Private Sector External Debt**

### **A. Data-into-Information Conversion**

- Once information is validated, the BCRA creates tables locally out of the information submitted in each form.
- Data consistency checking process: Data are initially checked. When an error is found, the user is required to correct it. Once the error is confirmed and pending correction, the original data are changed as appropriate and replaced in the adjustment table.
- As part of the checking process, the BCRA pinpoints errors or data that should be changed, such as misreported initial or end balances, lack of continuity of entries, or debt balances of merged companies.
- Information supplemented with other sources: Sometimes, as in the case of deposit-taking institutions, the information obtained from surveys is supplemented with data available at the BCRA, such as financial institutions' balance sheets<sup>17</sup> or statistics on deposits.
- Quarterly updating process: The BCRA turns information from annual surveys into quarterly data based on quarterly uploads.

### **B. Estimation of Private Sector External Debt Positions and Flows**

Private sector external debt is estimated based on the collected information and once all the procedures stated in paragraph 1 above have been completed.

- Process of imputation of missing data: At this stage, every missing transaction/entry or survey is imputed. Missing data is imputed both for debt positions and flows of the period. To that end, the BCRA draws on information from the transaction itself and from similar transactions, estimating debt positions first, and then flows for such entry, transactions, and other flows. It should be noted that the process is based on the distinctive features of each type of debt, leaving outliers outside to avoid using unrepresentative figures.
- Translation into US dollars: Surveys show data in their original currency. The flows of each currency are translated into US dollars at the average exchange rate for each currency over the period, whereas positions are translated using the exchange rate of the date for which they are estimated.
- Changes in positions due to exchange rate fluctuations: They are estimated using the following formula:

$$\text{Change due to exchange rate fluctuation} = \text{End balance in USD} - \text{Initial Balance in USD} - \text{Transactions in USD} - \text{Price change in USD} - \text{Change in volume in USD}$$

### **C. Data Presentation**

Data is handled following the guidelines of the sixth edition of the IMF's Balance of Payments Manual, though additional breakdowns are added using all the information contained in the survey.

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<sup>17</sup> The information reported in the Monthly Accounting Reporting Regime of Deposit-Taking Corporations (*sociedades captadoras de depósitos*, SCD) is compared with that input in the RAYPE. Where there is a difference in the positions, the balance sheet data prevail, while keeping the RAYPE's breakdown.

Below are some of the differences between the classification used in the INDEC's technical report titled Balance of Payments, International Investment Position and External Debt, and those in the statistical annexes of this report:

- In the breakdown by type of transaction of the RAYPE, third parties' commercial financing transactions, such as pre-financing granted by overseas banks, are classified as commercial debts. Hence, the concept of commercial debt in the statistics released here is broader than that reflected in credit lines and commercial advances in the INDEC's technical report titled Balance of Payments, International Investment Position and External Debt.
- In the breakdown by type of transaction of the RAYPE, Direct Investment Debt Instruments in the report titled Balance of Payments, International Investment Position and External Debt are classified here by purpose (imports, exports financing, financial debt, etc.) Direct Investment Debt Instruments in the survey's statistics are included in the breakdown by type of creditor.

In addition, information is broken down by type of creditor, debtor's activity sector,<sup>18</sup> creditor's country, and currency of the debt.

It is worth noting that the information on private sector external debt obtained from both the Survey on Debt Securities and Other External Liabilities (Communication "A" 3602, as supplemented), and the Survey on External Assets and Liabilities (Communication "A" 6401, as supplemented) has not been harmonized in this report for different reasons.

Firstly, both surveys have used different methodologies (the survey as per Communication "A" 3602 was based on the fifth edition of the IMF's Balance of Payments Manual, while the RAYPE relies on the sixth edition, and subsequent international recommendations), and different forms of compilation and processing of information (improving methodologies for estimating missing or quarterly data).

In addition, considering the BCRA's planning in agreement with the INDEC, and international organizations' recommendations, both surveys share a period with overlapping information (December 31, 2016), which hinders harmonization at microdata level.

However, for a historical analysis of the evolution of private external debt, it is advisable to refer to the statistics released by the INDEC in the technical report titled Balance of Payments, International Investment Position and External Debt.

#### ***D. Data Revision Policy***

The Data Revision Policy has been agreed with the INDEC under a Master Cooperation Agreement for the estimation of the Balance of Payments and International Investment Position.

Within the framework of this agreement, the INDEC will release statistics on the Balance of Payments and International Investment Position statistics on the usual date. A month later, the BCRA will publish the data

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<sup>18</sup> Each debtor is classified according to the CLANAE 2010 (the INDEC's National Classification of Economic Activities) in line with the classification by sector reported to the AFIP (CLAE), as both classification systems agree at the "Tabulation Categories" and "Groups" levels (3 digits).

for the quarter published by INDEC and a review of the data of the previous quarter. On a yearly basis, both institutions will jointly review the quarterly data published.