

Private Sector External Debt Report

As of September 30, 2020



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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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 jointly¹ 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 updated, in 2017, the information associated with foreign sector statistics on a comprehensive basis. 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 Domestic and Foreign Direct Investments (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 IMF's Balance of Payments Manual and the G20 Data Gaps Initiative, where the main world's 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 Federal Administration of Public Revenue's (AFIP) website 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.

¹ 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

The private sector external debt totaled USD78,882 million as of September 30, 2020, recording a quarterly fall of USD1,239 million, which can be explained by a decrease of both the commercial external debt (USD816 million), and the financial debt (USD423 million).

The external debt for exports of goods totaled USD4,994 million as of September 30, 2020, showing a quarterly drop of USD670 million, and of USD3,028 million against the same period of 2019, mainly explained by the “Manufacturing of Food Products” sector with payments of around USD305 million on a quarterly basis, and USD2,140 million y.o.y.

External debt for imports of goods amounted to USD22,297 million by the end of the third quarter of 2020, with net payments for USD317 million vis-à-vis the end of the previous quarter, and USD2,232 million against the same period of the previous year.

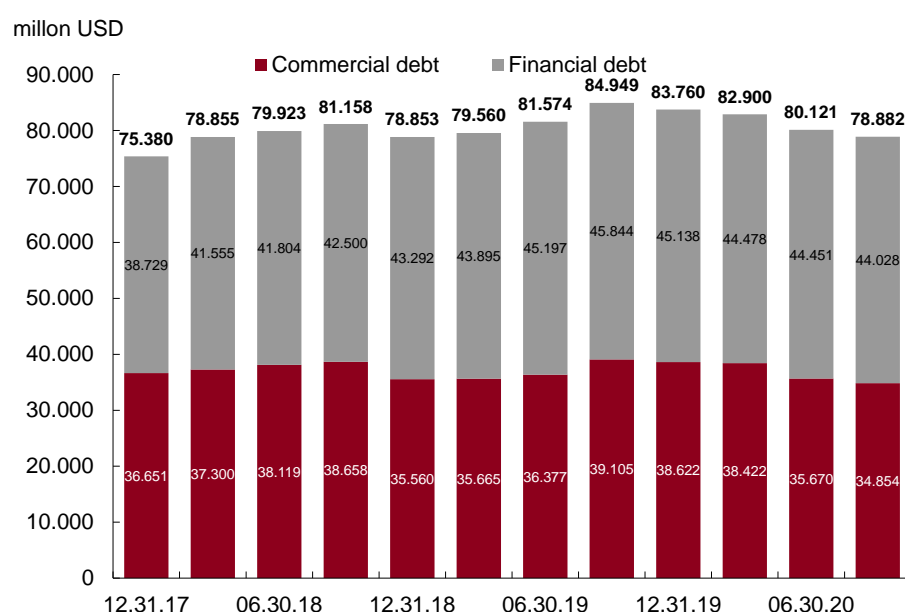
The external debt for services reached USD7,563 million as of September 30, 2020, up USD172 million against the end of the previous quarter, and USD1,009 million against September 30, 2019, mainly due to a quarterly rise of USD271 million, and of USD798 million y.o.y. in terms of the position of related creditors, while non-related creditors recorded a quarterly drop of USD100 million, but a y.o.y. rise of USD211 million.

The financial external debt totaled USD44,028 million as of September 30, 2020, falling USD423 million on a quarterly basis, and USD1,816 million y.o.y. Mostly, it derives from financial loans (USD26,007 million), followed by transactions in securities (USD16,044 million), and other financial transactions (USD1,977 million).

1. Private Sector External Debt as of September 30, 2020

Following the downward trend that began in the third quarter of 2019, private sector external debt totaled USD78,882 million as of September 30, 2020 (Chart 1), recording a quarterly fall of USD1,239 million. This drop was due to a decrease of both the commercial external debt (USD816 million), and the financial debt (USD423 million). The external debt declined by USD6,067 million against the same quarter of the previous year, once again, mainly explained by commercial debt payments (USD4,251 million), and financial debt payments (USD1,816 million).

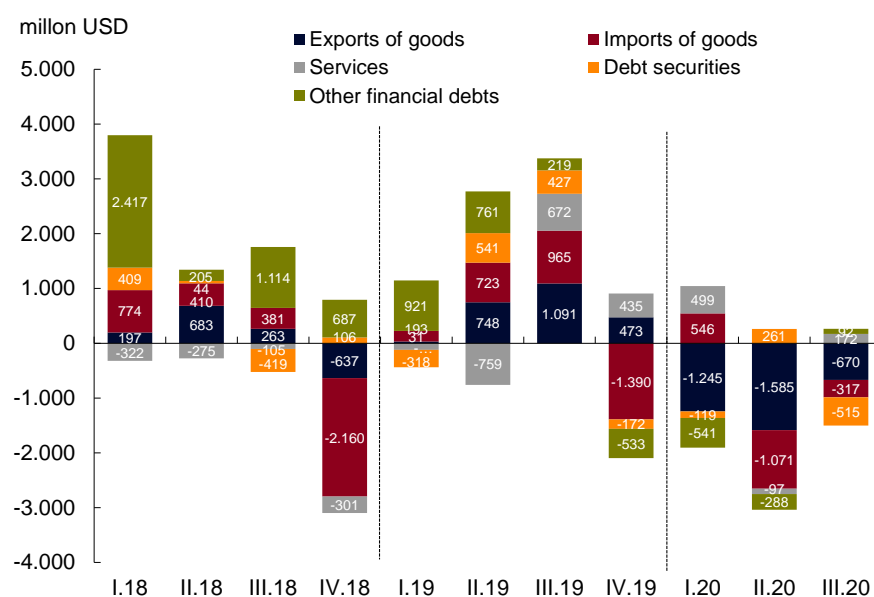
**Chart 1 | Private Sector External Debt
Position by type of transaction**



Source: BCRA.

In terms of debt changes by type of transaction (Chart 2), net payments for exports of goods amounted to USD670 million during the third quarter of 2020, while debt for imports of goods dropped by USD317 million. In addition, payments for debt securities were about USD515 million. The transactions mentioned above were partially offset by increased net indebtedness arising from imports of services for USD172 million, and from loans and other financial debt for USD92 million.

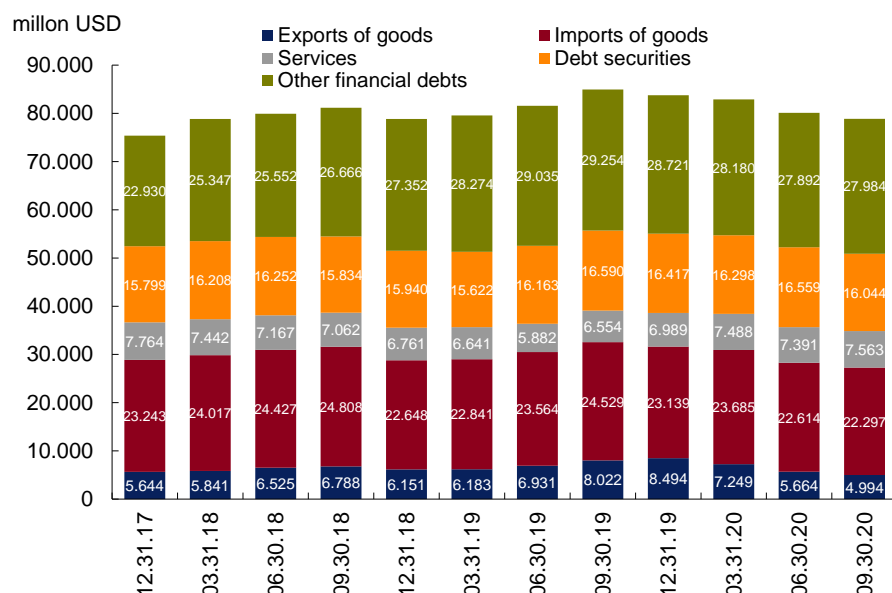
Chart 2 | Private Sector External Debt
Quarterly debt changes by type of transaction



Source: BCRA

Based on debt disaggregated by type of transaction as of September 30, 2020 (Chart 3), financial debts other than those incurred on instruments (mainly financial loans) come to the fore with a position of USD27,984 million, followed by debts for imports of goods (USD22,297 million), and debts arising from non-residents' holdings of securities (USD16,044 million). Coming next, in order of importance, are debts for services that stood at USD7,563 million, while those for the export of goods reached USD4,994 million by the end of the quarter.

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



Source: BCRA

It is worth noting that, during the third quarter, the BCRA together with the National Government has 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 that established the guidelines to enable private sector companies to restructure their foreign liabilities, so that they be aligned to the new requirements for the smooth functioning of the forex market.

Financing granted to the main economic sectors has been analyzed by type of creditor as of September 30, 2020². Thus, Table 1 sorts out the different sectors according to their indebtedness size and type of creditor. In the first place, the “Manufacturing Industry” stands out with a debt position of USD20,657 million, 52% financed by companies belonging to the same group (USD10,718 million), followed by other private sources (USD4,915 million).

Second comes the “Exploitation of Mine and Quarry” sector with a position of USD20,271 million, mainly financed by companies belonging to the same group, and by issues of debt securities. And in the third place is the “Wholesale and/or Sale on Consignment, Except for Vehicles and Motorcycles” sector, with USD7,942 million, mainly financed by related companies, whereas the “Provision of Electricity, Gas, Steam and Air-Conditioning” sector with a position of USD7,260 million was mainly financed by foreign banks and by issues of debt securities.

² 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 1 | Private Sector External Debt

Debt position sorted out by main debtors and creditors sectors as of September 30, 2020. From whom to whom

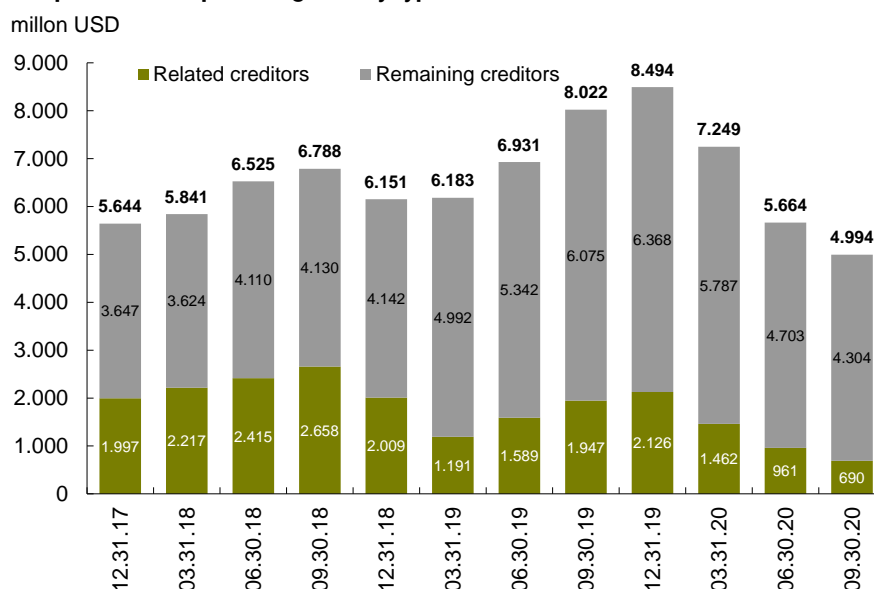
	Private banks and other financial institutions	Official source (governments and international organizations)	Companies belonging to the same group	Other private sources	Multiple holders of debt securities	Total
Manufacturing industry	3.405	734	10.718	4.915	884	20.657
Exploitation of mine and quarry	2.743	938	9.129	675	6.786	20.271
Wholesalers and retailers, vehicles and motorcycles repair shops	702	1	4.960	2.270	9	7.942
Provision of electricity, gas, steam and air-conditioning	2.712	419	603	1.101	2.425	7.260
Information and communications	555	1	2.004	1.569	880	5.009
Deposit-taking corporations, except the central bank	284	335	769	1.528	1.399	4.314
Transport and storage services	1.166	21	1.018	269	751	3.224
Other financial intermediaries except insurance corporations and pension funds	654	0	376	112	1.782	2.925
Agriculture, livestock, hunting, forestry and fisheries	397	1	625	174	118	1.315
Construction	127	0	955	193	23	1.297
Professional, scientific and technical services	189	0	429	238	0	856
Real estate services	145	45	76	34	486	786
Water supply, drains, waste management, recovery of materials, and public sanitation	36	0	2	134	500	671
Administrative activities and support services	13	1	419	173	0	606
Others	56	13	219	254	0	542
Insurance	212	6	122	17	0	358
Associations' services and personal services	6	1	63	217	0	286
Lodging and food services	7	4	215	39	0	265
Human health and social services	32	4	39	58	0	133
Art, culture, sports and free time services	7	0	39	38	0	84
Financial auxiliaries	15	0	36	2	1	53
Teaching	4	8	0	16	0	28
Total	13.465	2.532	32.817	14.024	16.044	78.882

2. Commercial Private Sector External Debt as of September 30, 2020

External Debt for Goods Exports

The external debt for exports of goods totaled USD4,994 million as of September 30, 2020 (Chart 4), showing a quarterly drop of USD670 million, and of USD3,028 million against the same period of the previous year. Debts with related creditors recorded a position of USD690 million (going down by USD271 million on a quarterly basis and by USD1,257 million y.o.y.), while that with the rest of creditors reached USD4,304 million (falling by USD399 million over the quarter, and USD1,771 million y.o.y.).

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

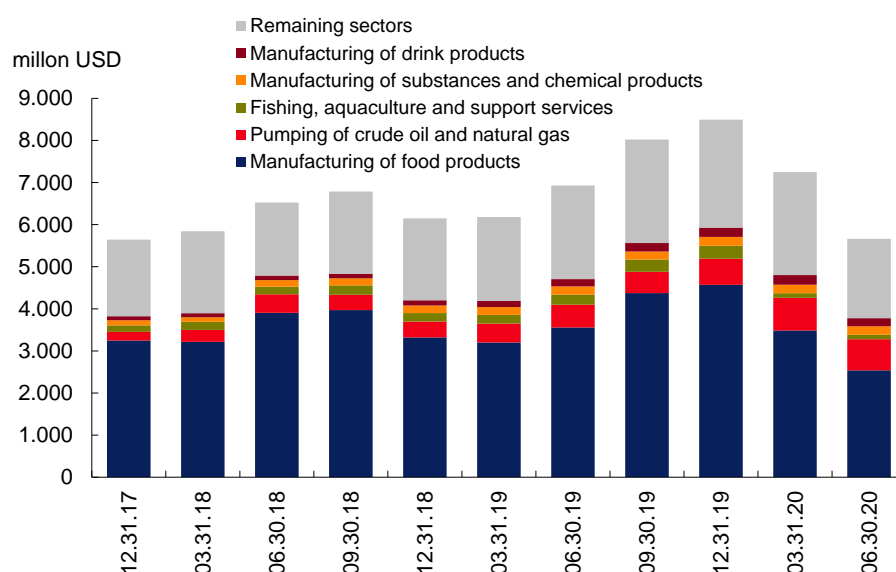


Source: BCRA

Information broken down by sector (Chart 5)³ revealed that the “Manufacturing of Food Products” sector recorded the highest fall in the third quarter of 2020, with payments of around USD305 million on a quarterly basis, and USD2,140 million y.o.y. It is worth noting that this sector—to which companies engaged in the trade of oilseeds and grains belong—stands for nearly 45% of the total position of the private sector external debt for exports of goods as of September 30, 2020.

³ Classified by two-digit numbers according to the National Classifier of Economic Activities (CLANAE 2010).

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



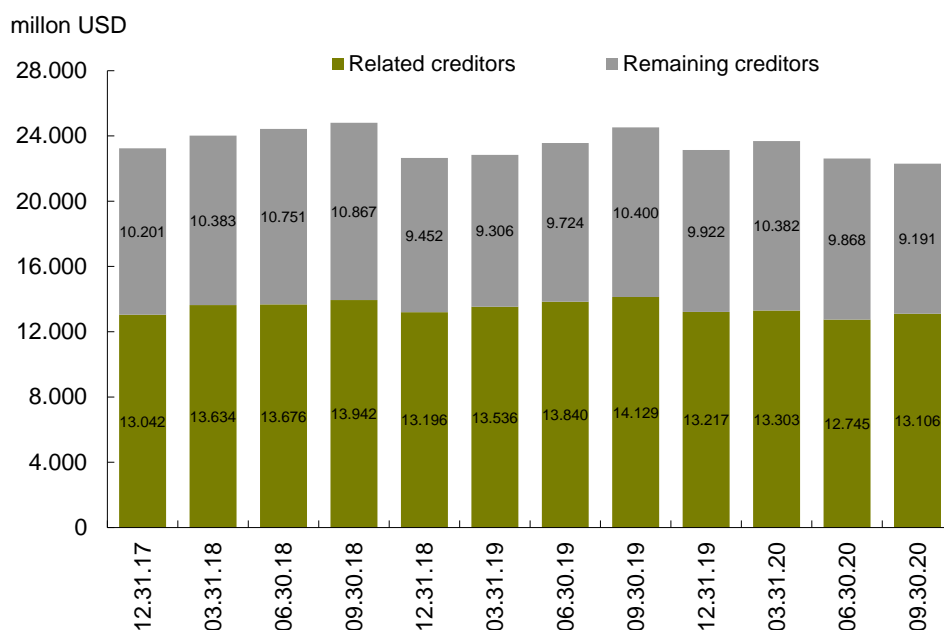
*Except for the trade of vehicles and motorcycles..
Source: BCRA..

External Debt for Goods Imports

External debt for imports of goods amounted to USD22,297 million by the end of the third quarter of 2020 (Chart 3), with net payments for USD317 million vis-à-vis the end of the previous quarter, and USD2,232 million against the previous year (Chart 4).

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 USD13,106 million as of September 30, 2020 (recording a quarterly increase of USD360 million, but a fall of USD1,023 million y.o.y.), whereas the rest of creditors exhibit a position of USD9,191 million as of September 30, 2020 (down USD677 million over the quarter, and USD1,209 million y.o.y.).

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

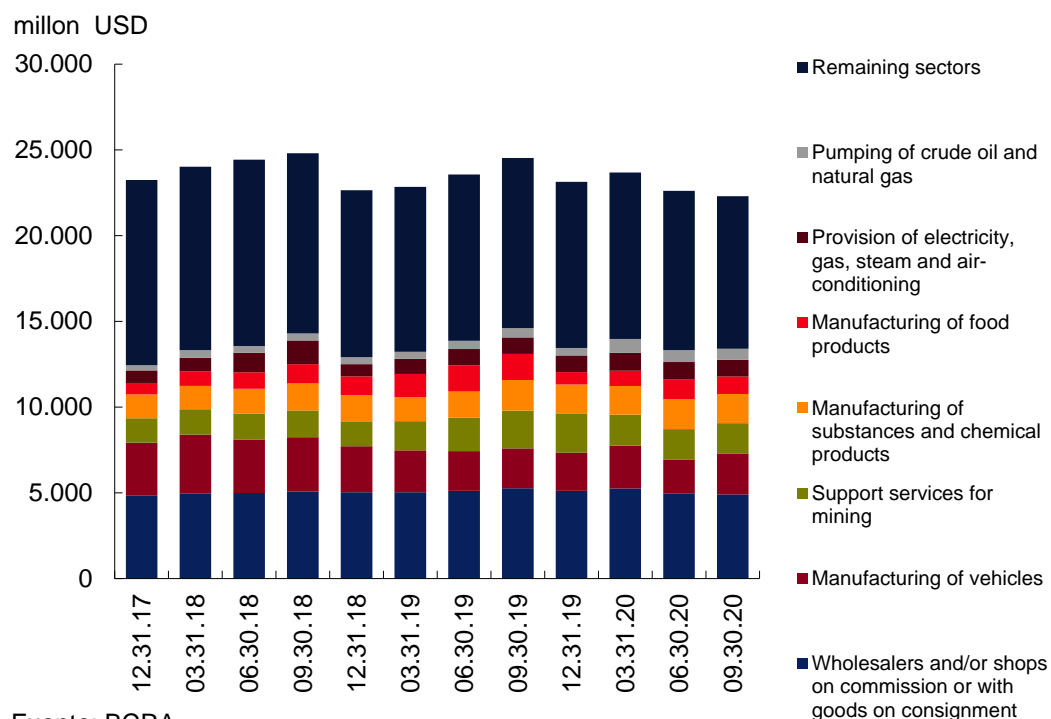


Source: BCRA

Information broken down by sector⁴ (Chart 7) revealed that the debt for imports of goods is distributed among companies of different sectors—those under “Wholesale Trade” recoding the highest amount (USD4,906 million) as of September 30, 2020 (20% of the total debt), with net payments of USD67 million over the quarter and of USD355 million y.o.y. The wholesale sector is followed in order of importance by the “Manufacturing of Vehicles” sector with a debt of USD2,387 million as of September 30, 2020, showing an increase of USD438 million during the quarter, but remaining almost unchanged in y.o.y. terms. The rest of the main sectors evidenced no significant changes.

⁴ Classified by two-digit numbers according to the National Classifier of Economic Activities (CLANAE 2010).

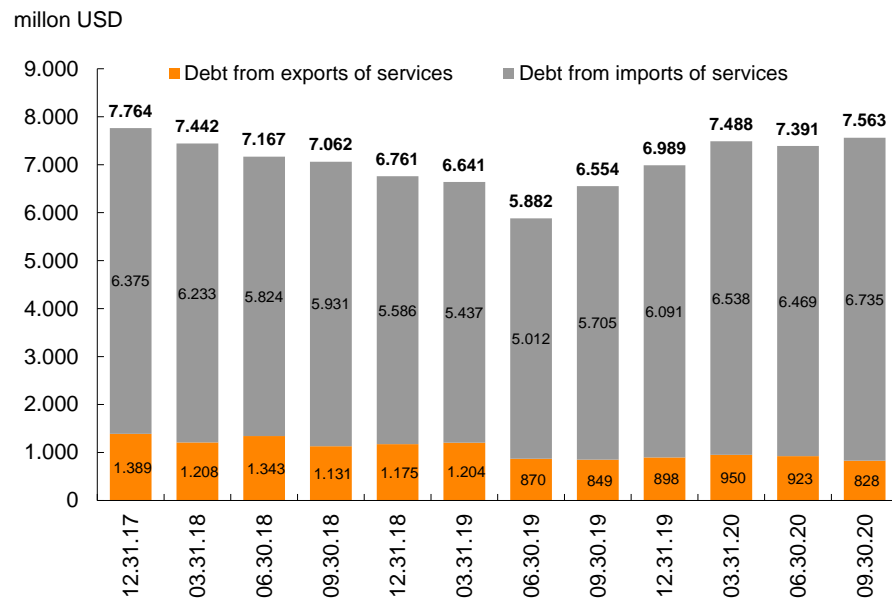
Chart 7 | Private Sector External Debt
Debt position of imports of goods by activity sector as of September 30, 2020



External Debt for Services

The external debt for services reached USD7,563 million as of September 30, 2020, up USD172 million against the end of the previous quarter, and USD1,009 million against the same quarter of 2019 (Chart 8). As regards debts for imports and exports of services, the former recorded the highest share of debts, 90% in total debts for imports—USD6,735 million (up USD266 million quarterly, and USD1,030 million y.o.y.)—while the latter stood at USD828 million (down USD95 million quarterly, and USD22 million y.o.y.).

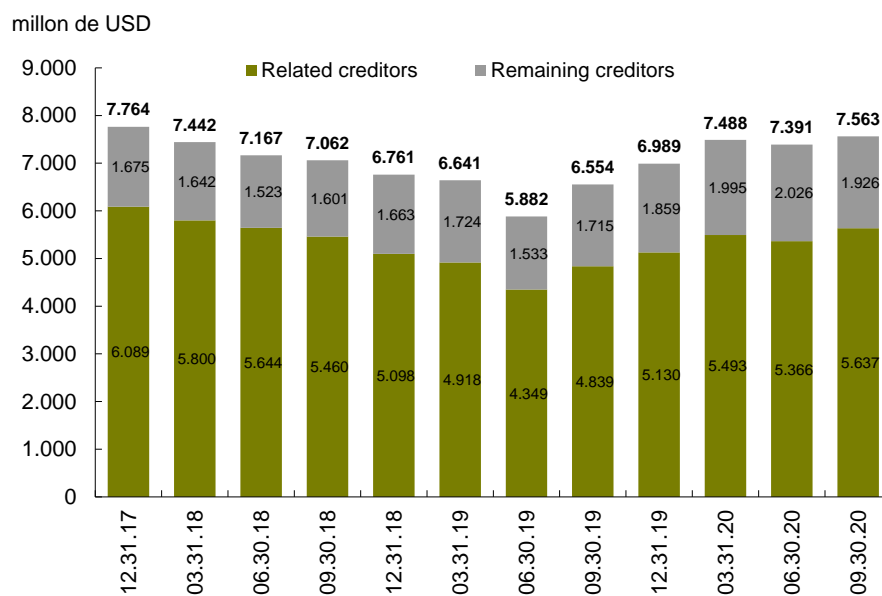
Chart 8 | Private Sector External Debt
Service debt position by type of transaction



Source: BCRA

As shown in Chart 9, the position of debts for services to related creditors amounted to USD5,637 million as of September 30, 2020 (up USD271 million quarterly, and USD798 million y.o.y.), while the position of non-related creditors reached USD1,926 million (down USD100 million quarterly, and up USD211 million y.o.y.).

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

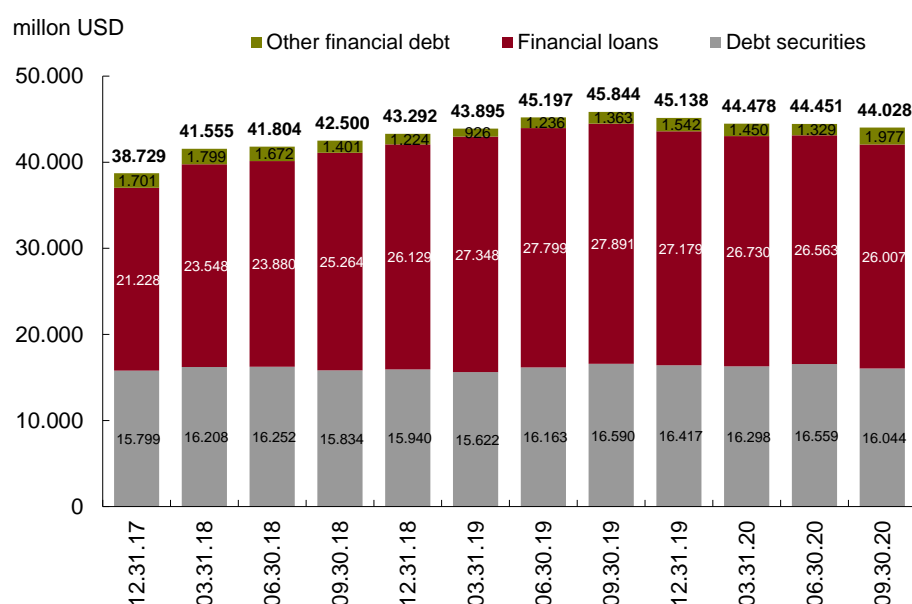


Source: BCRA

3. Financial Private Sector External Debt as of September 30, 2020

The financial external debt (Chart 10) totaled USD44,028 million as of September 30, 2020, falling USD423 million on a quarterly basis, and USD1,816 million y.o.y. Mostly, it derives from financial loans (US\$26,007 million), followed by transactions in securities (USD16,044 million), and other financial transactions (USD1,977 million).

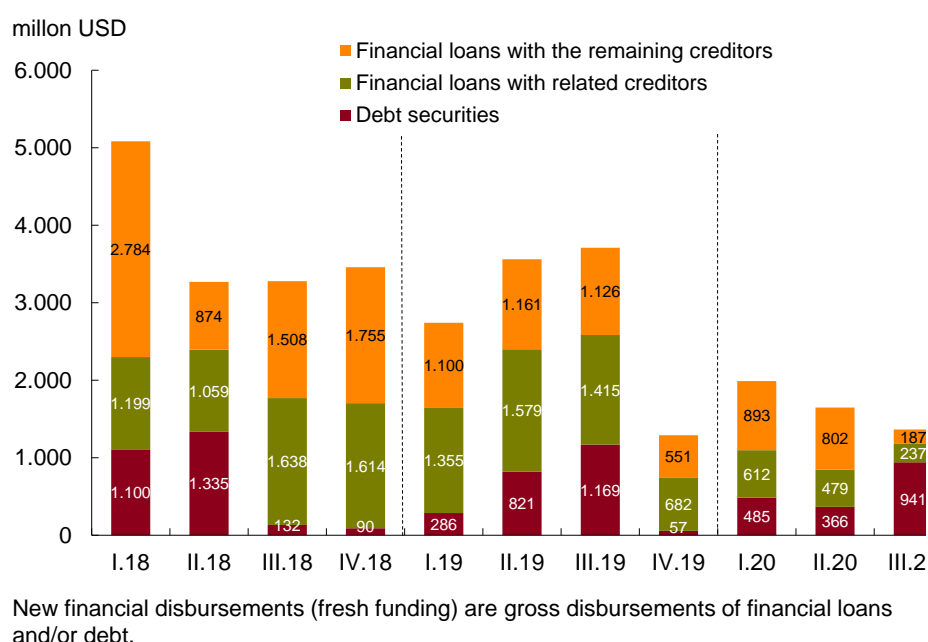
Chart 10 | Private Sector External Debt
Financial debt position by type of transaction



Source: BCRA

In the third quarter of 2020, new financial disbursements (fresh funding) amounted to USD1,364 million, down USD283 million against gross inflows of the previous quarter (Chart 11). Debt securities (USD941 million) were the main source of financing, followed by loans granted by companies within the same group (USD237 million), and loans granted by non-related creditors (USD187 million).

Chart 11 | Private Sector External Debt
Financial fresh funds from the non-financial private sector

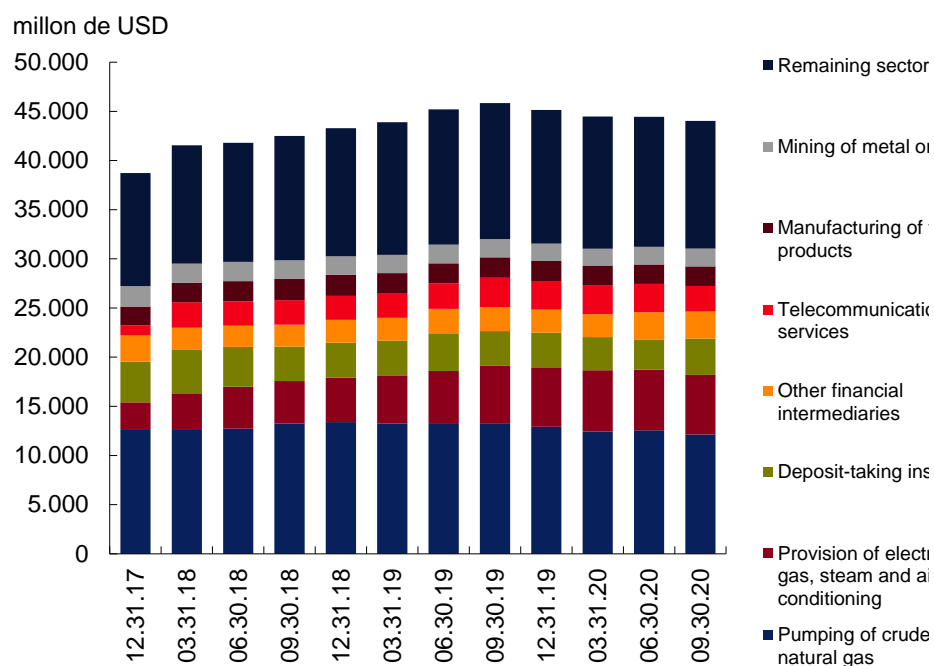


Information broken down by sector⁵ (Chart 12) reveals that the “Pumping of Crude Oil and Natural Gas” sector has a share of 28% in the financial external debt as of September 30, 2020, with a decrease of USD428 million over the quarter, and USD1,080 million y.o.y. The “Provision of Electricity, Gas, Steam and Air-Conditioning” sector comes in the second place, with a share of 14% in total financial debt (down USD120 million quarterly, and up USD160 million y.o.y.).

The performance of other two sectors comes to the fore: “Deposit-Taking Institutions” with a quarterly increase of USD642 million (mainly driven by non-residents’ deposits in local banks); and “Telecommunications Services” with net payments of USD272 million over the quarter, and USD374 million y.o.y.

⁵ Classified by two-digit numbers according to the National Classifier of Economic Activities (CLANAE 2010).

Chart 12 | Private Sector External Debt
Financial debt position by sector



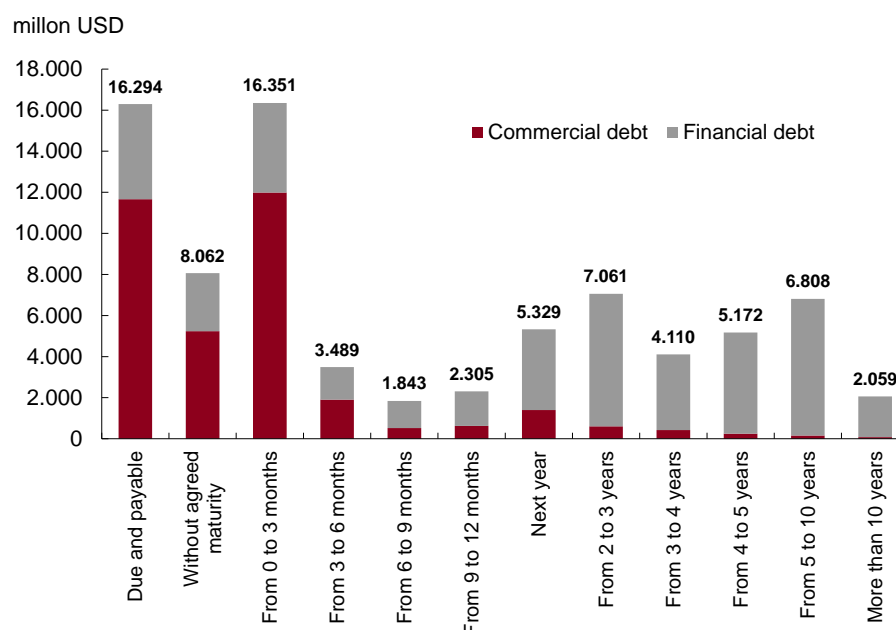
Fuente: BCRA.

4. Maturity Profile of External Debt as of September 30, 2020

The maturity profile of the private sector external debt as of September 30, 2020 (Chart 13) shows that most commercial debts fall due within a year, while most financial debts are due beyond one year.

Including past due debts and those falling due in the future without agreed maturity, commercial debts enforceable over the year following the reference date amounted to USD31,900 million (92% of the total debt as of September 30, 2020), whereas financial debts maturing along the same period reached USD16,399 million (37% of the total financial external debt as of September 30, 2020)⁶.

Chart 13 | Private Sector External Debt
Maturity profile of principal as of September 30, 2020



Source: BCRA.

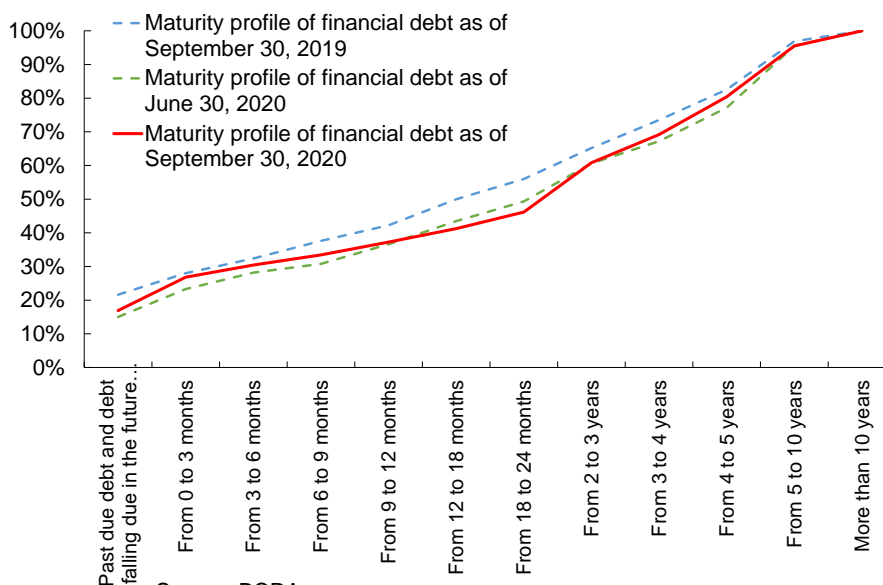
As from September 16, 2020, through Communication “A” 7106, the sovereign debt restructuring process in foreign currency was successfully carried out by the National State. In symphony with this measure, the BCRA set out guidelines for private sector companies to refinance their foreign financial debts or local debt securities in foreign currency, so that they

⁶ 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.

may be aligned to the new requirements, thus ensuring the smooth functioning of the forex market.

Chart 14 | Private Sector External Debt
Aggregate Principal Maturities of Financial Debt

As a share in the total financial debt



Source: BCRA.

The financial debt maturity profile was slightly improved towards the end of September 2020 (Chart 14), especially with respect to the same quarter of 2019. In particular, past due debts, those falling due in the future without agreed maturity, and those falling due within the first 12 months (i.e., any debt likely to be settled in the short term) dropped 5 p.p.—from 42% of the total financial debt, according to the debt profile available at September 30, 2019 to 37%, according to that available at September 30, 2020. Moreover, if payments made over the first two years are taken into account, the percentage of debt went down from 56% to 46%.

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),⁷ and the Survey on Domestic and Foreign Direct Investments (Communication “A” 4237, as supplemented).⁸ 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:⁹

7 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.

8 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.

9 For more information, see Communication “B” 11,712.

- 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.

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 2019¹⁰ required different sample levels (primary, ancillary, supplementary, and others).

C. Information Requested

The Survey on External Assets and Liabilities focuses on:¹¹

- 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

¹⁰ For more information, see Communication "A" 6795, dated September 27, 2019.

¹¹ All definitions are based on the sixth edition of the IMF's Balance of Payments Manual.

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.

D. Upload of Information

Reporting parties must enter the AFIP's site (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.¹²

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:

The BCRA makes some documents available to help users to upload information.¹³

- Upload Manual.
- System's home page, with an overview of the survey and access to the main documents.
- Step-by-Step Upload Guide for users submitting information for the first time.

¹² For more information, see the User's Manual available on the BCRA website.

¹³ For more information see these documents available on the BCRA website.

ACCIONES Y OTRAS PARTICIPACIONES DE CAPITAL	
SI/NO	01 01 00- Participaciones de capital del declarante en inversiones no residentes
SI/NO	01 02 00- Tenencias del declarante en depositarias del exterior de acciones emitidas por residentes
01 03 00 - PARTICIPACIONES DE CAPITAL EN LA EMPRESA DECLARANTE	
SI/NO	01 03 01 - EXCLUYE SUCURSALES
	01 03 01 01 - Datos de los inversores residentes y no residentes
	01 03 01 02 - Datos de las acciones emitidas por la empresa (sólo si se declaró haber emitido acciones en formulario 01030101)
	01 03 01 03 - Estado de Evolución del Patrimonio Neto de la empresa declarante
	01 03 01 04 - Estado de Resultados de la empresa declarante
	01 03 01 05 - Balance General
SI/NO	01 03 02 - SUCURSALES
	01 03 02 01 - Datos de la matriz de la sucursal declarante
	01 03 02 02 - Estado de evolución del Patrimonio neto de la sucursal declarante
	01 03 02 03 - Estado de Resultados de la sucursal declarante
	01 03 02 04 - Balance General
2- INSTRUMENTOS DE DEUDA NO NEGOCIABLES:	
02 01 00 - PRÉSTAMOS	
SI/NO	02 01 01 - Otorgados a no residentes
SI/NO	02 01 02 - Concedidos por no residentes
02 02 00 - MONEDA Y DEPÓSITOS	
SI/NO	02 02 01 - Cuentas corrientes, de ahorro y a plazo en entidades del exterior
SI/NO	02 02 02 - Moneda (dinero legal)
SI/NO	02 02 03 - Cuentas corrientes, de ahorro y a plazo de no residentes en entidades del país - Exclusivo para Sociedades Captadoras de Depósitos
02 03 00 - CRÉDITOS Y ANTICIPOS COMERCIALES	
SI/NO	02 03 01 - Otorgados a no residentes
SI/NO	02 03 02 - Concedidos por no residentes
02 04 00 - OTRAS CUENTAS POR COBRAR O PAGAR NO INCLUIDAS ANTERIORMENTE	
SI/NO	02 04 01 - Por cobrar
SI/NO	02 04 02 - Por pagar
3- INSTRUMENTOS DE DEUDA NEGOCIABLES:	
03 01 00 - TENENCIAS DEL DECLARANTE	
SI/NO	03 01 01 - En mercados organizados de títulos emitidos por no residentes
SI/NO	03 01 02 - En depositarias del exterior de títulos emitidos por residentes del sector privado
SI/NO	03 02 00 - Emisiones del declarante
4- DERIVADOS FINANCIEROS	
SI/NO	04 01 00 - Posiciones y flujos de derivados financieros
SI/NO	04 02 00 - Depósitos en garantía constituidos por el declarante a favor de no residentes por operaciones de derivados financieros
5- TERRENOS, INMUEBLES Y OTRAS ESTRUCTURAS EDILICIAS	
SI/NO	05 01 00 - En el extranjero
SI/NO	05 02 00 - Administrador de estos bienes de no residentes en el país

- Upload Guide to obtain a validation certificate.
- Initial Guide with details of the RAYPE and examples of transactions.
- FAQ Guide on upload, validation errors, form of submission, and deadlines, among others.

Part 2. Methodology for Estimating Private Sector External Debt

A. Information-into-Data 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 sheets¹⁴ or statistics on deposits.

14 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.

- 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.

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,¹⁵ 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 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.

Data for the third quarter of 2020, in agreement with the INDEC, includes a revision of the entire series published in October 2020.

¹⁵ 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).