

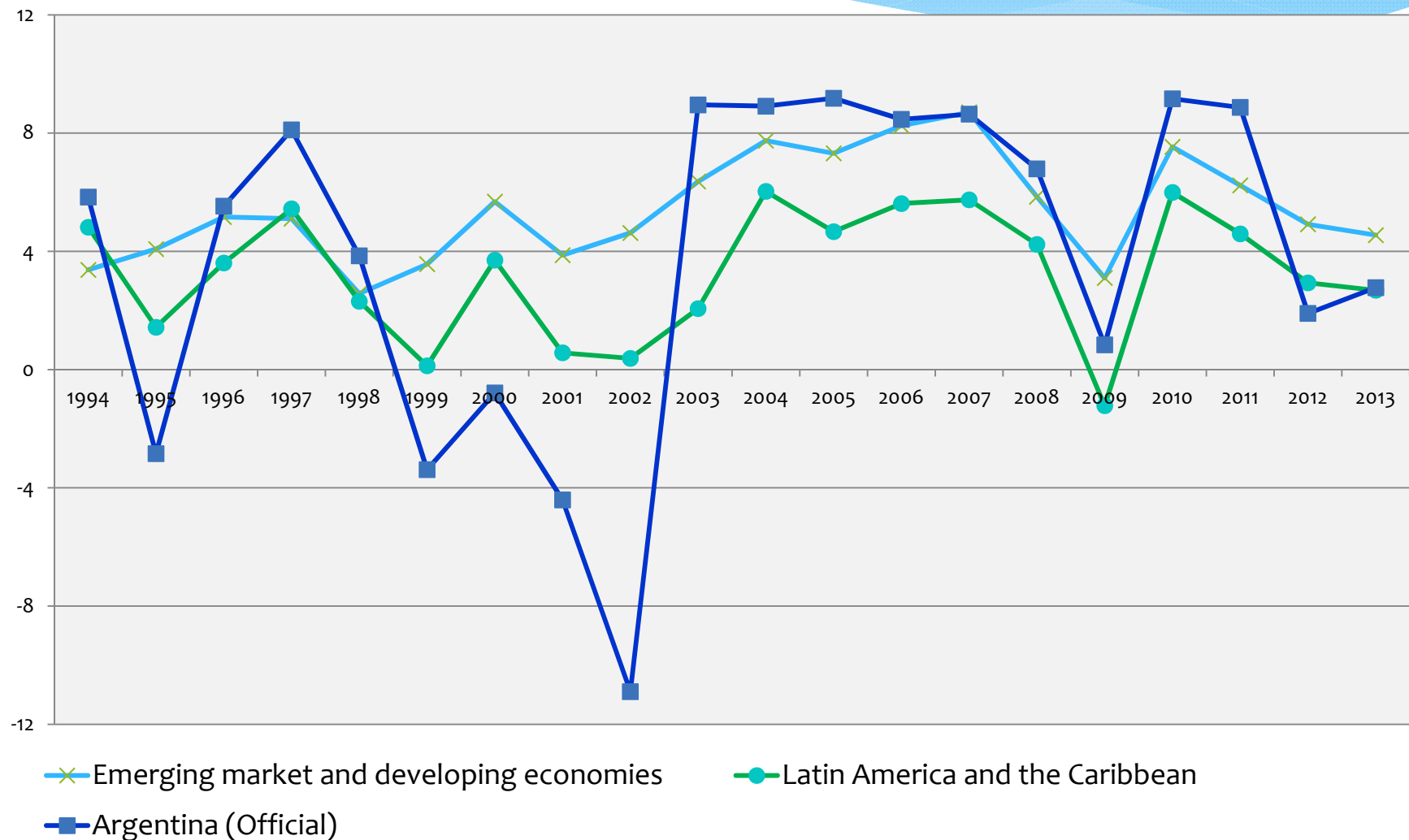
Argentina's Economy: A death foretold again, or a surprise rescue?

Claudio M. Loser

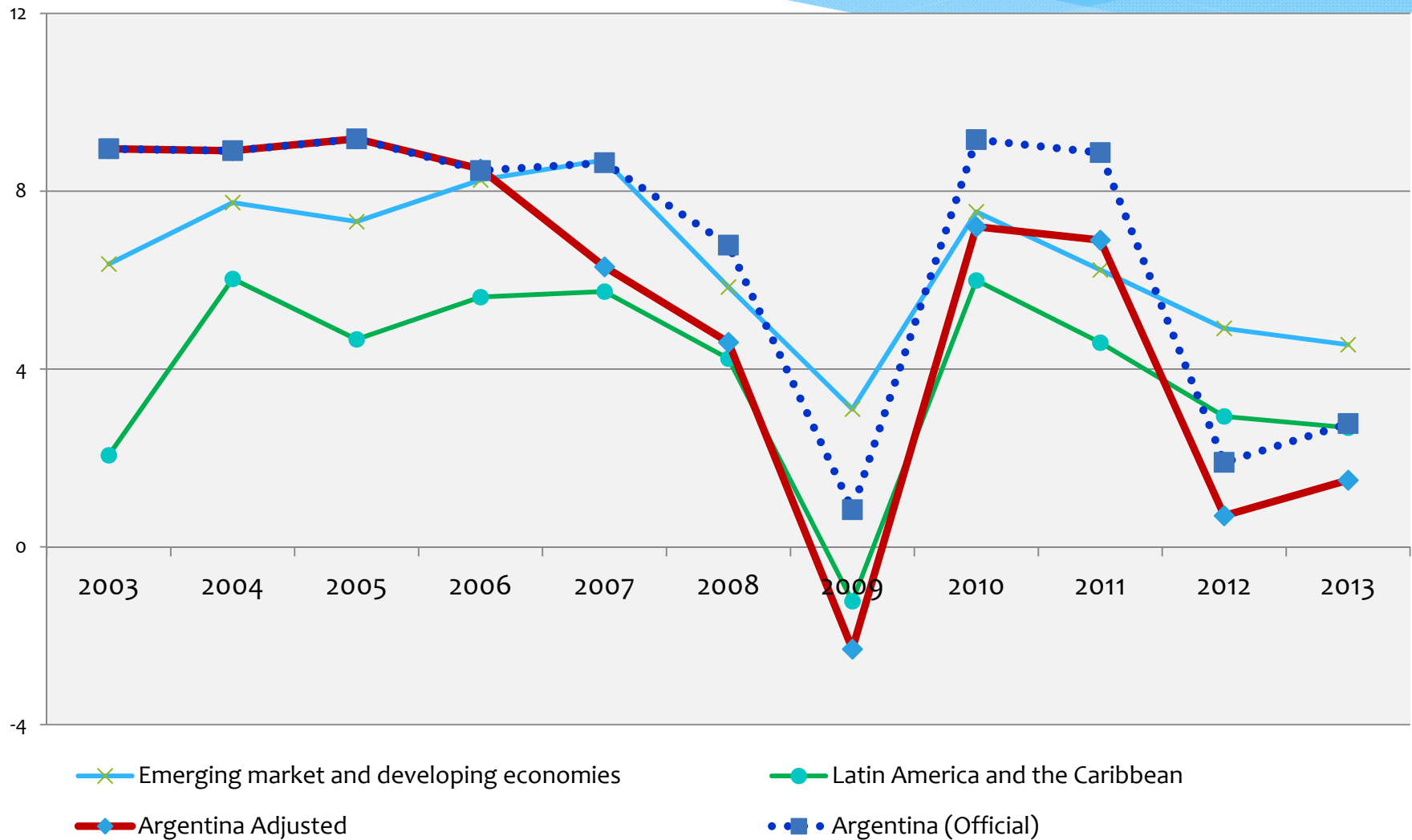
Centennial- Latin America

March 2014

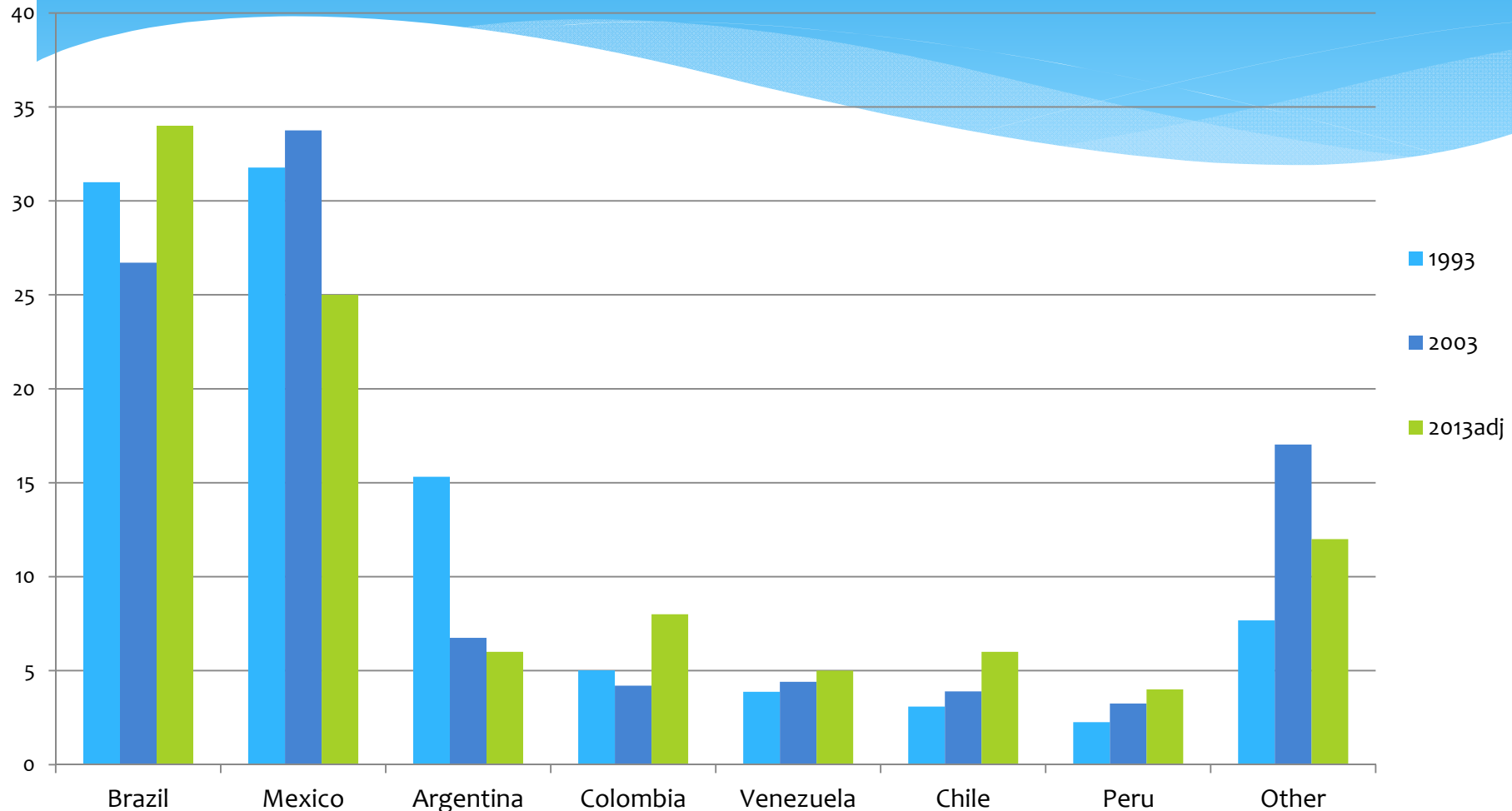
Argentine performance tended to be ahead the world and even the Emerging Economies ... according to Official Data



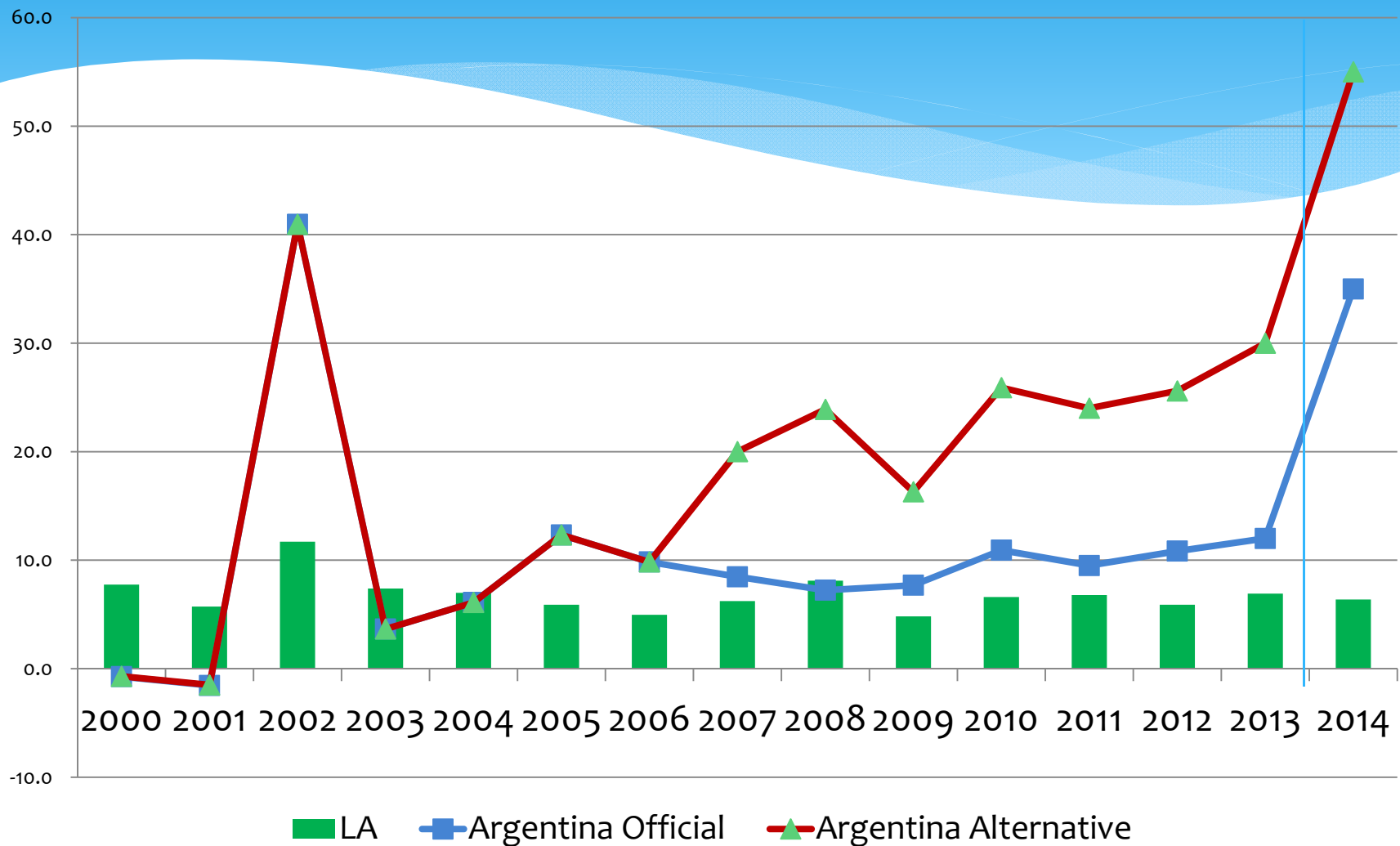
... but not according to independent estimates



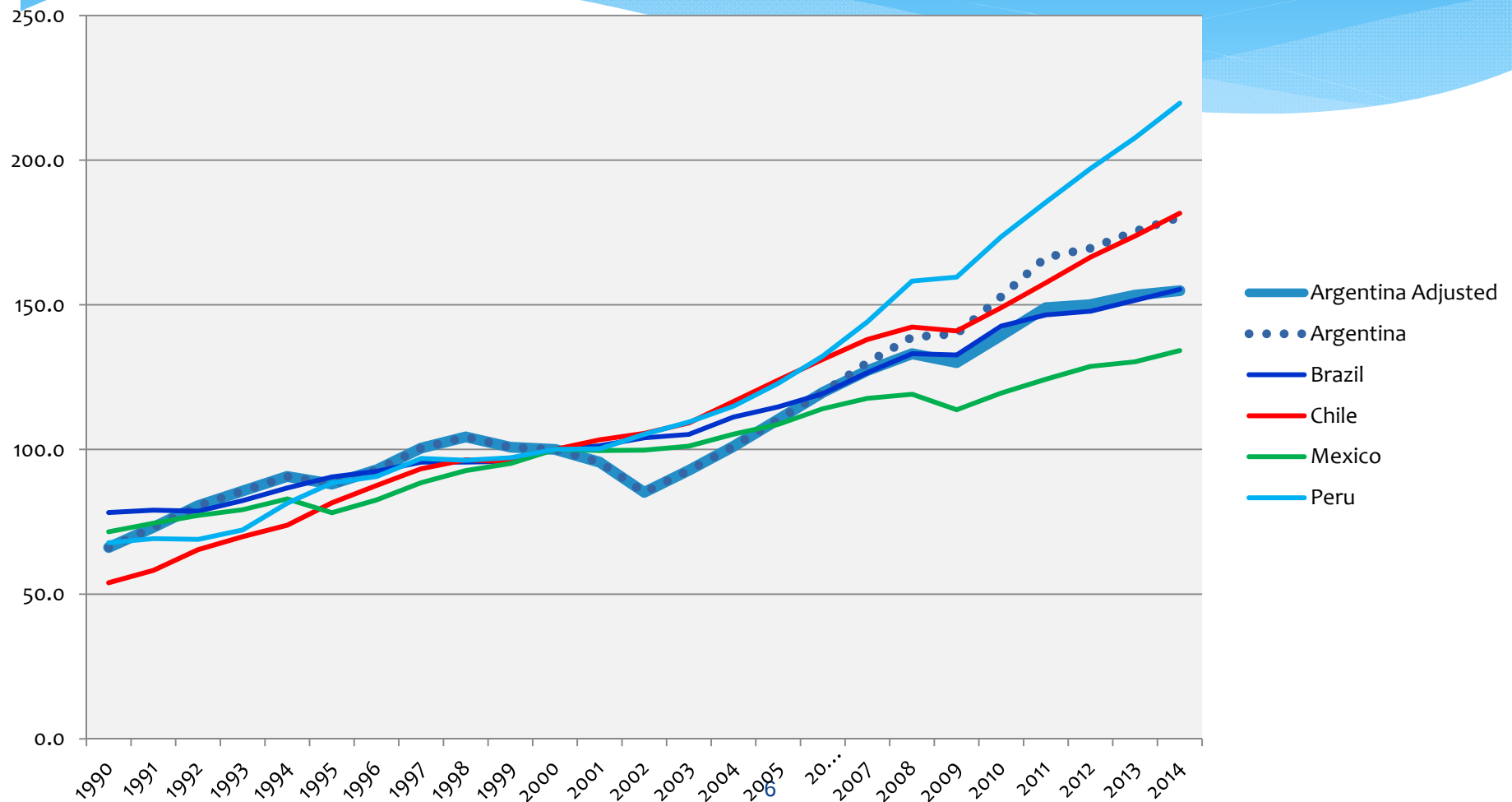
Argentina has lost relative positions in total Latin American GDP



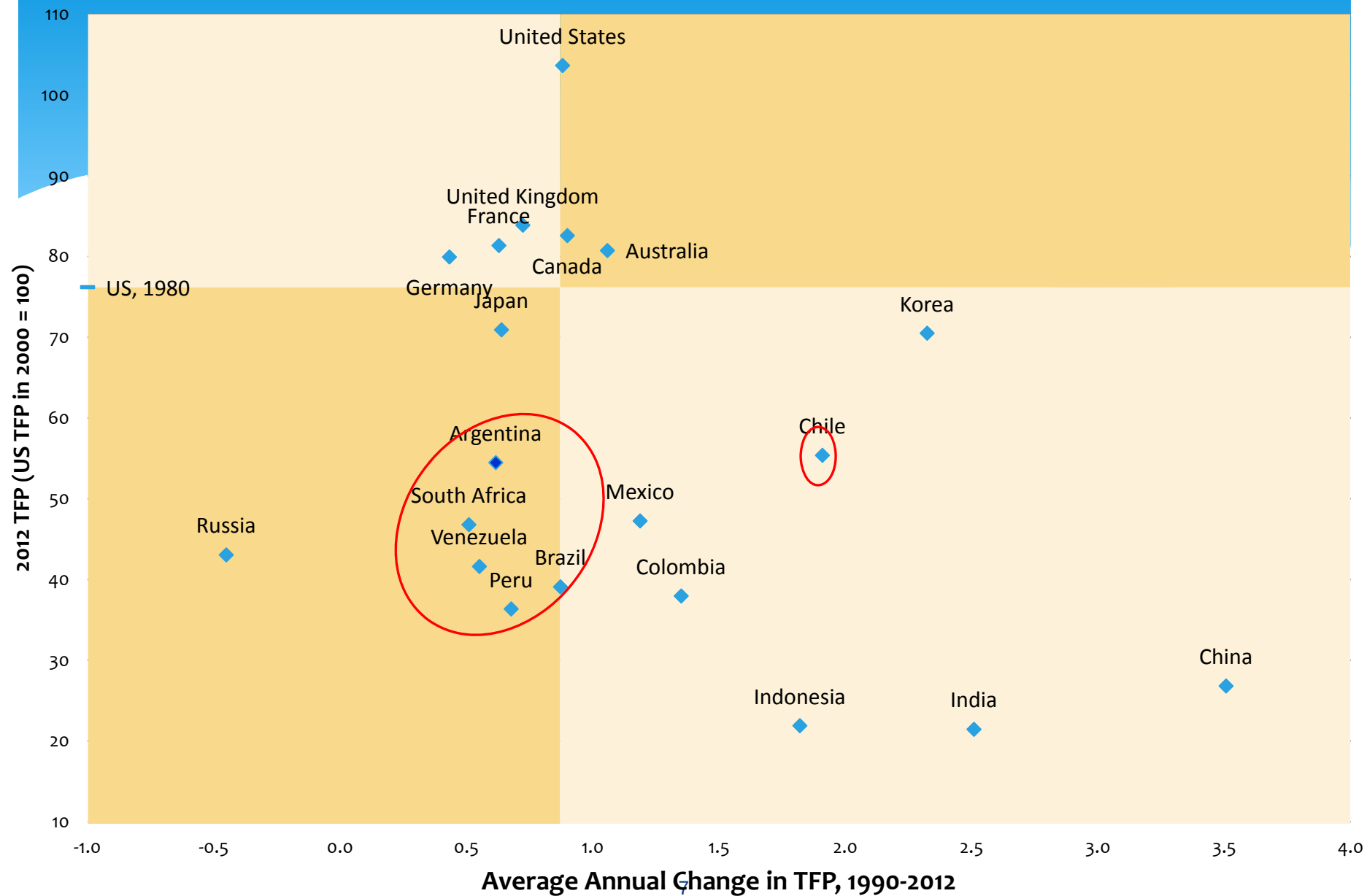
How is Inflation doing?



Argentina has lagged, even as in recent years it picked up (even with corrected data)

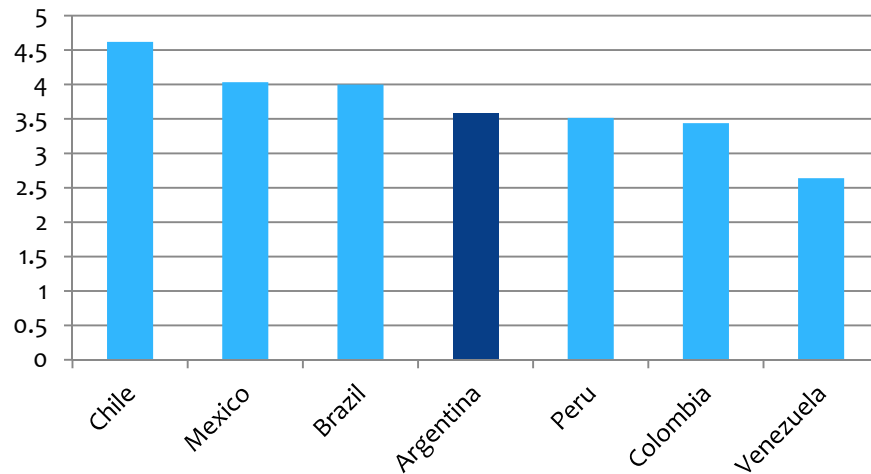


TFP Growth vs. TFP Level, Major Economies, 1990-2012

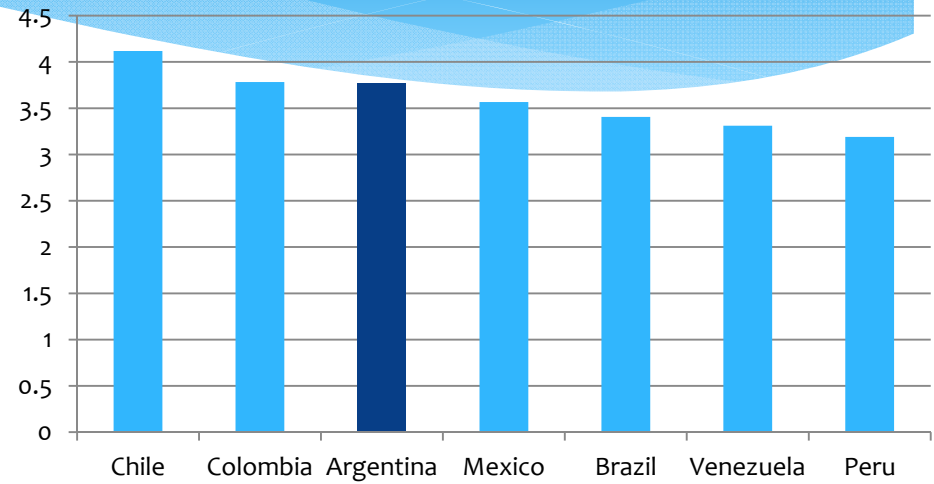


Where do countries stand

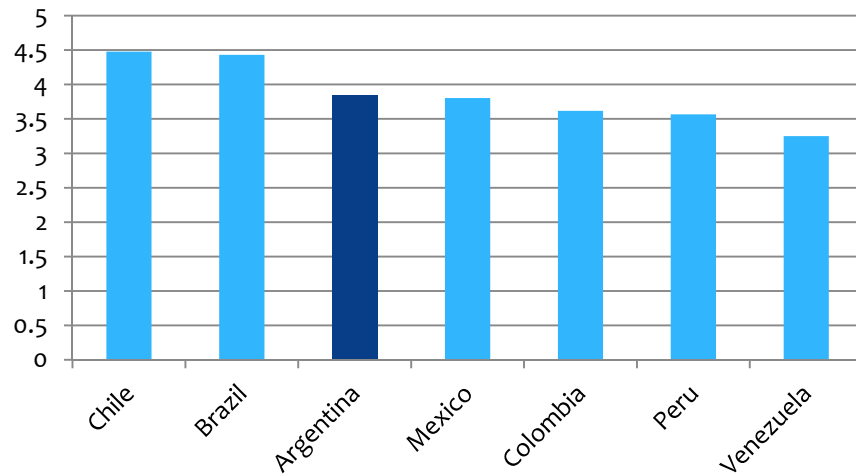
Infrastructure



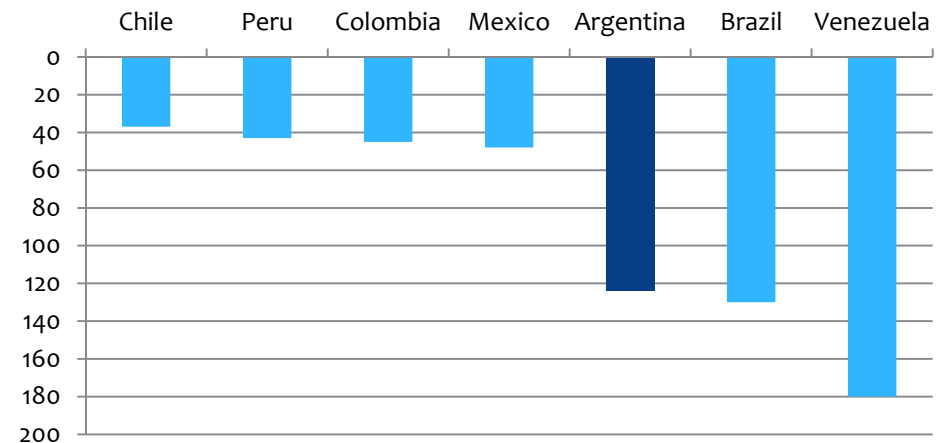
Quality of Education



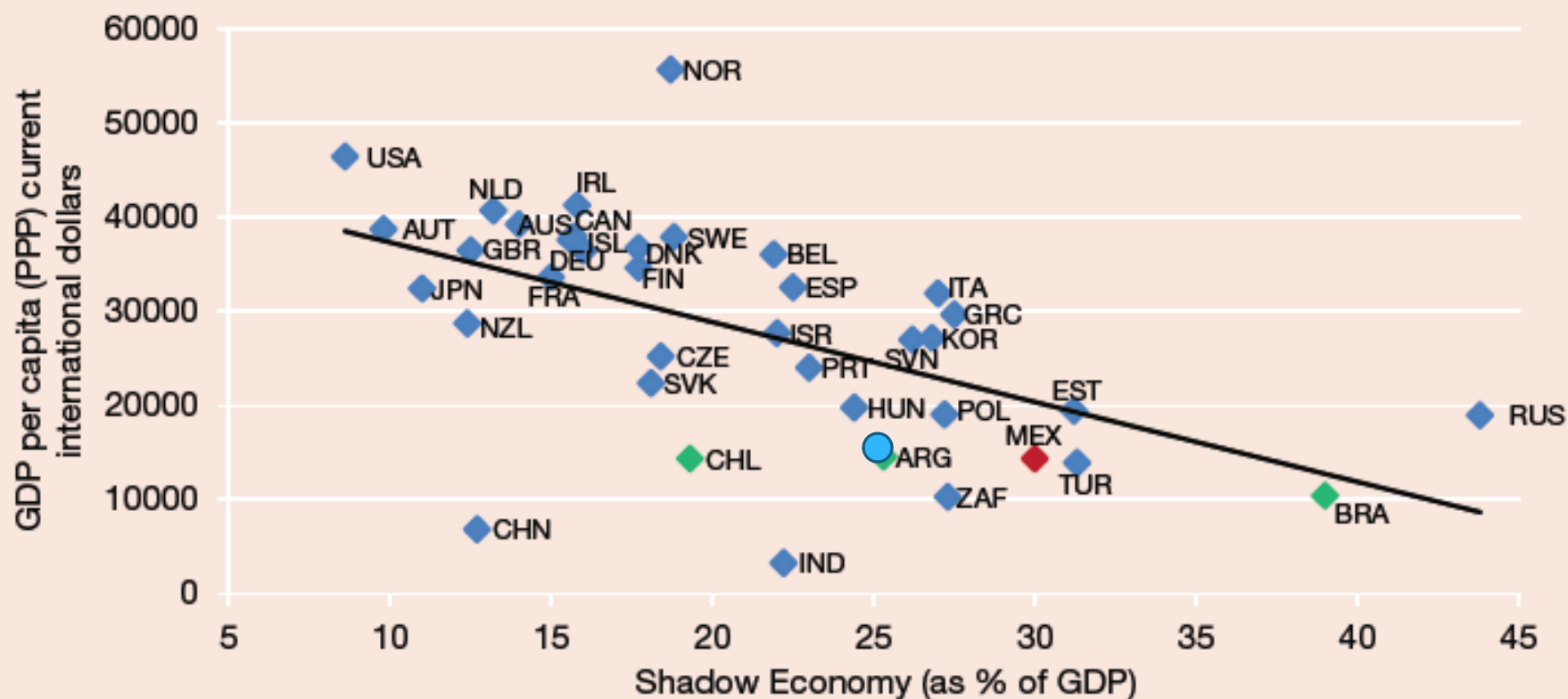
Technology Readiness



Ease of Doing Business Rankings (higher number, worse)

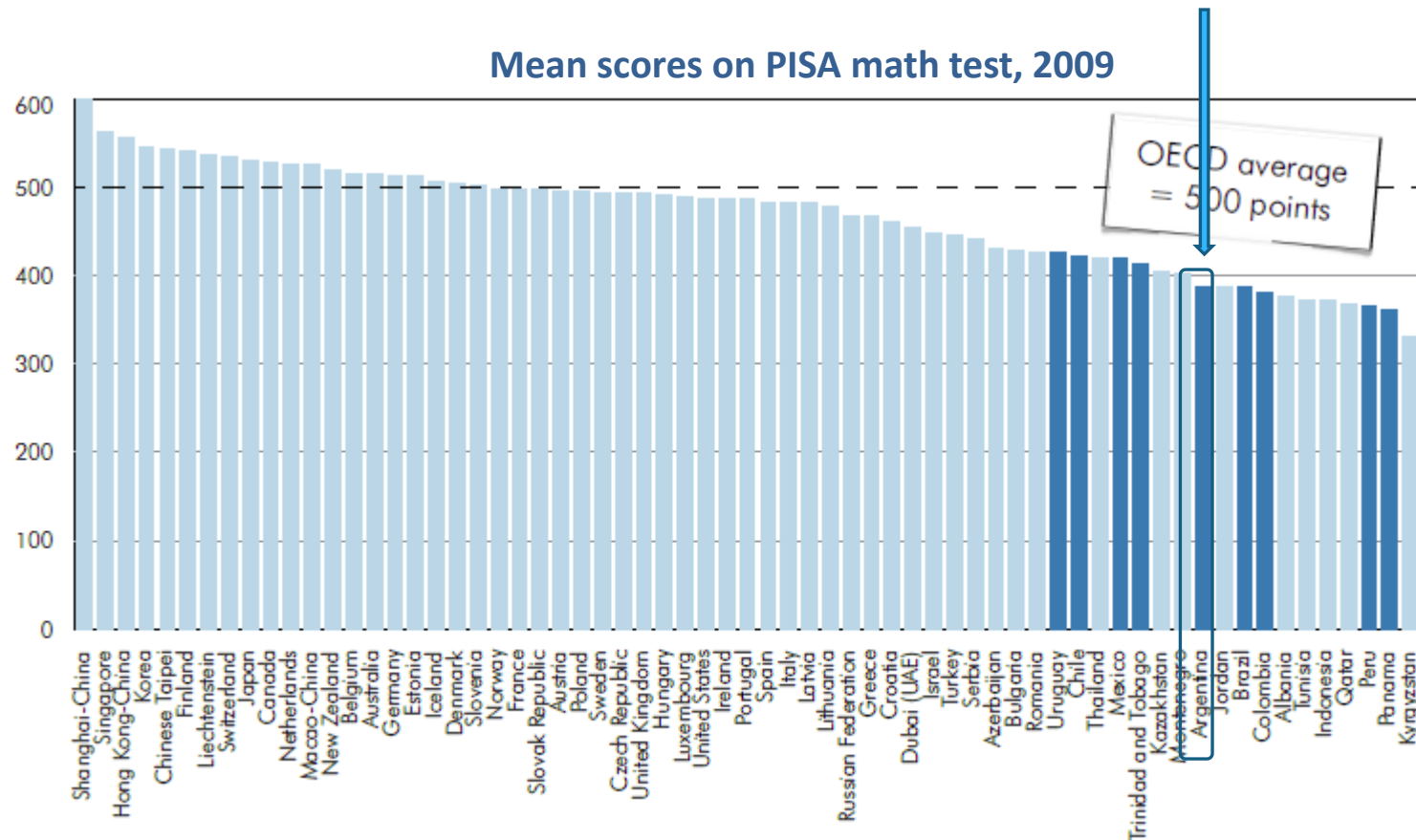


Informality and Economic Development



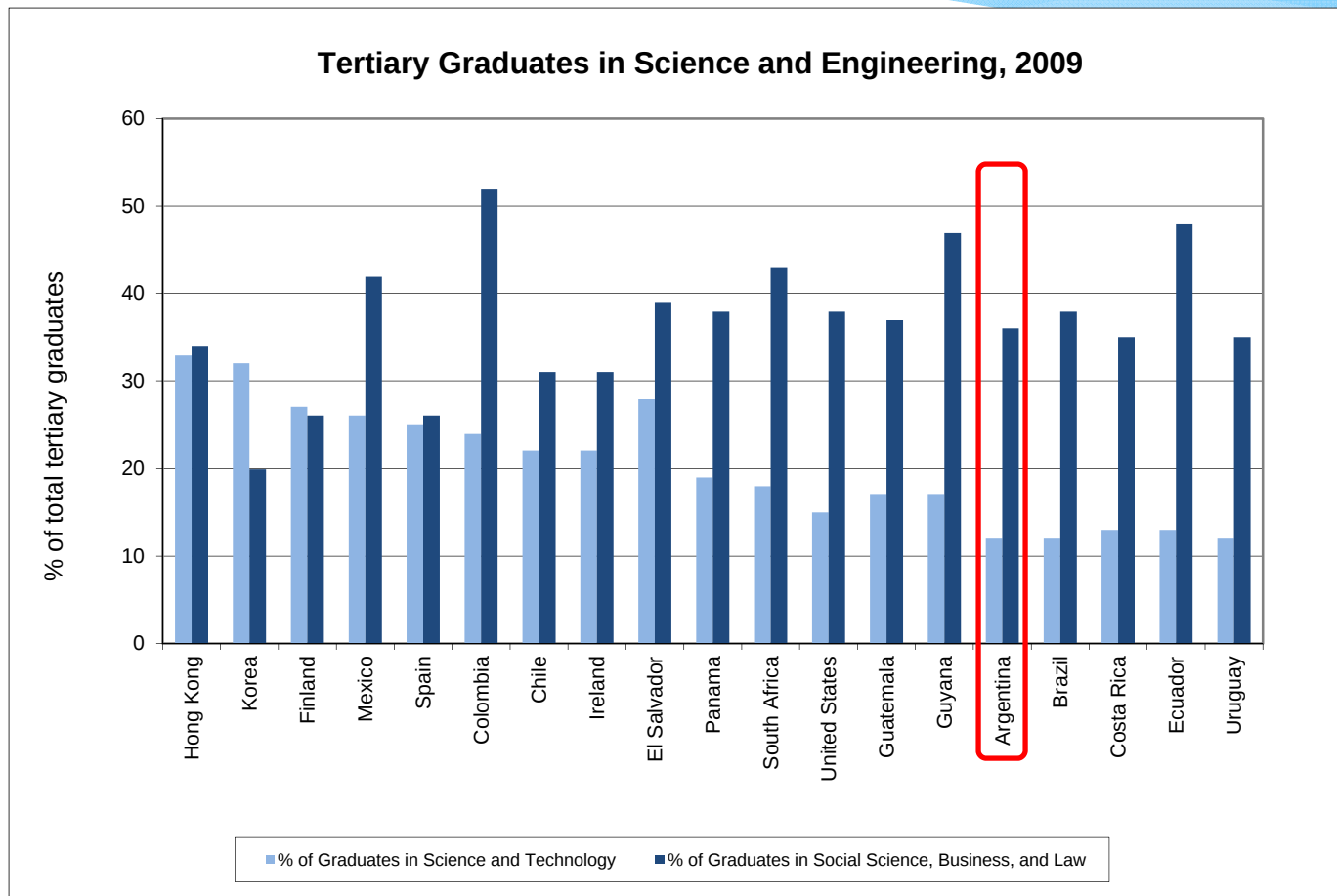
Source: OECD Economic Surveys: Mexico 2011.

The education quality is low in spite of high average spending



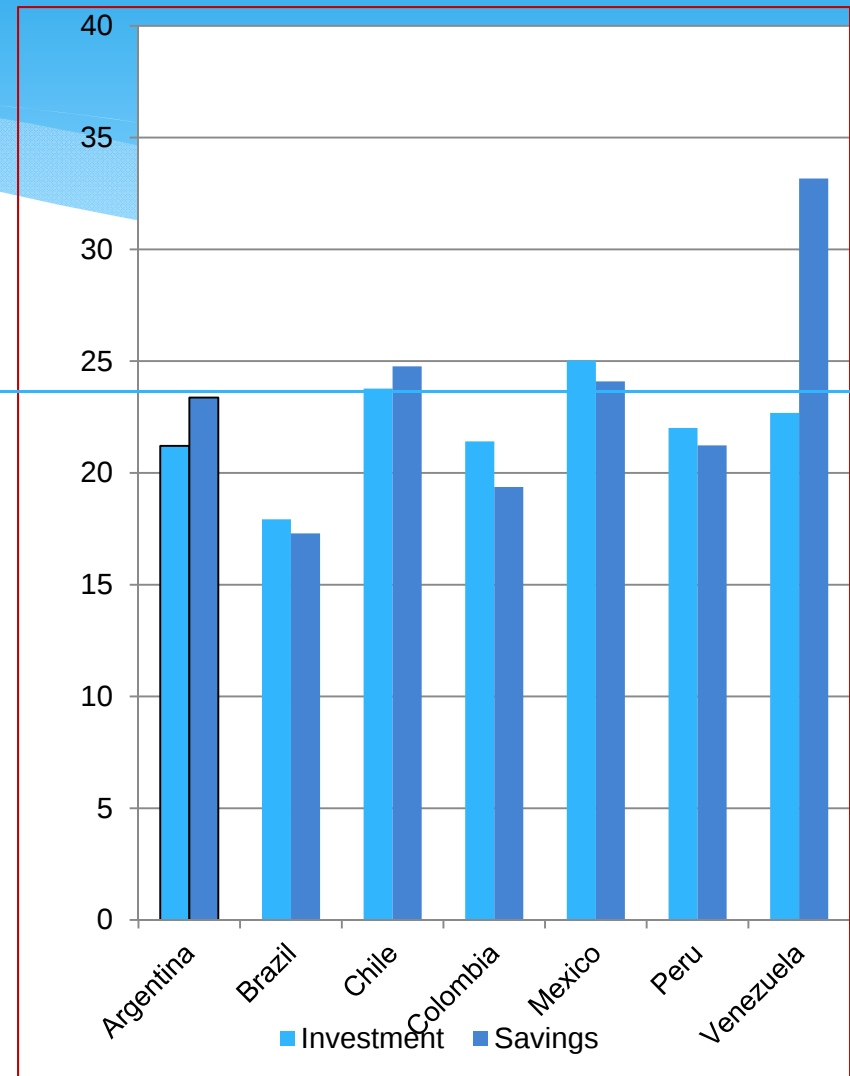
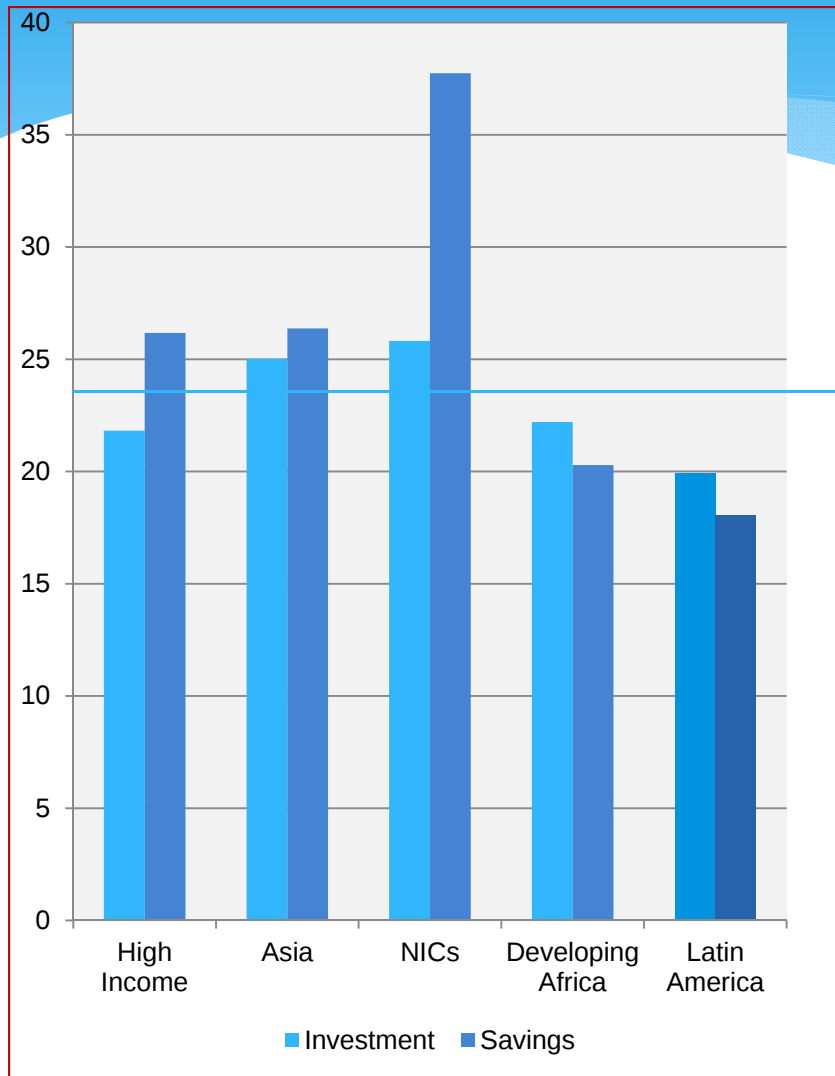
Source: Ganimian and Solano (2011). PREAL

Argentina's science graduation is low

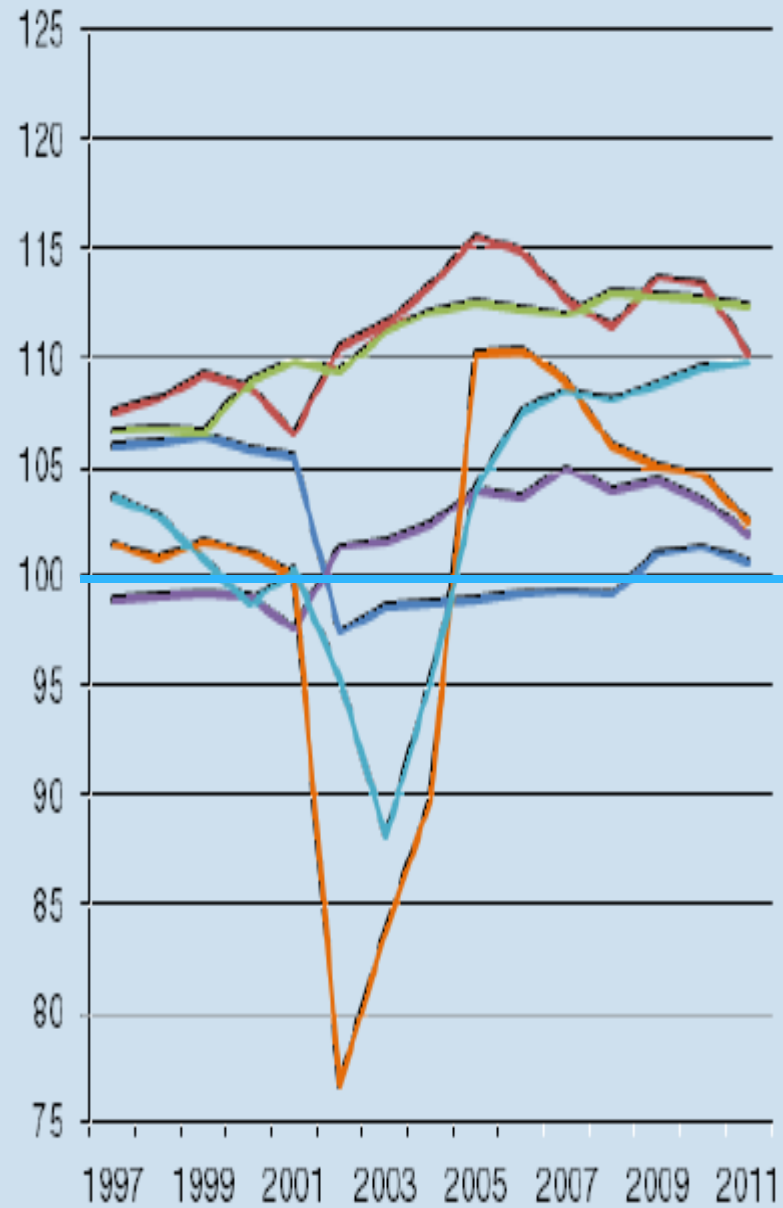


Source: UNESCO (2011). Global Education Digest. Table 13.

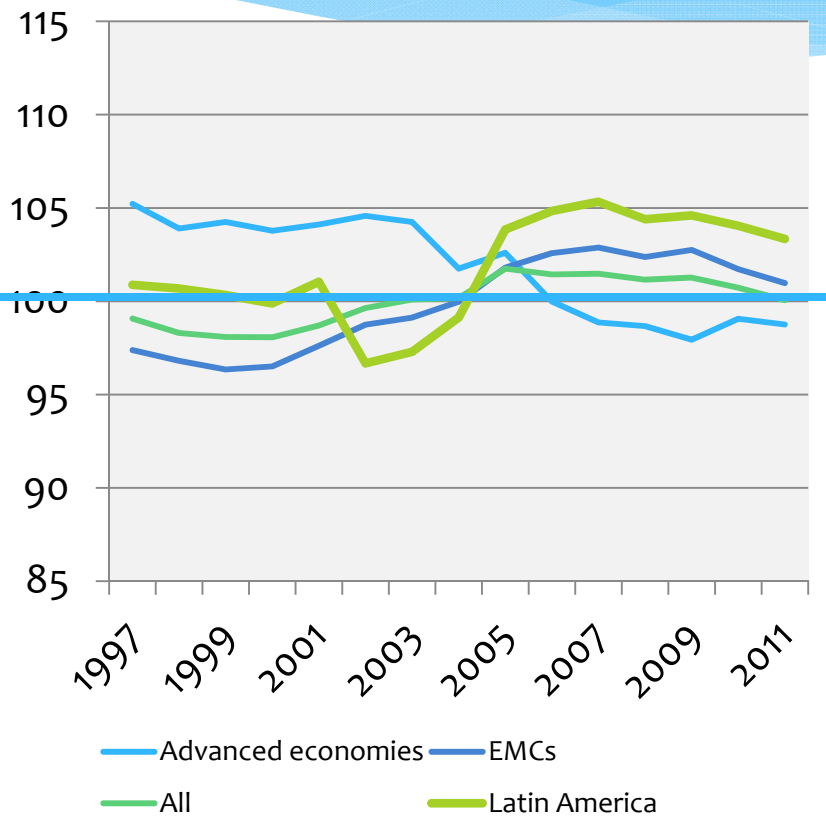
Investment and Savings (10 year average)



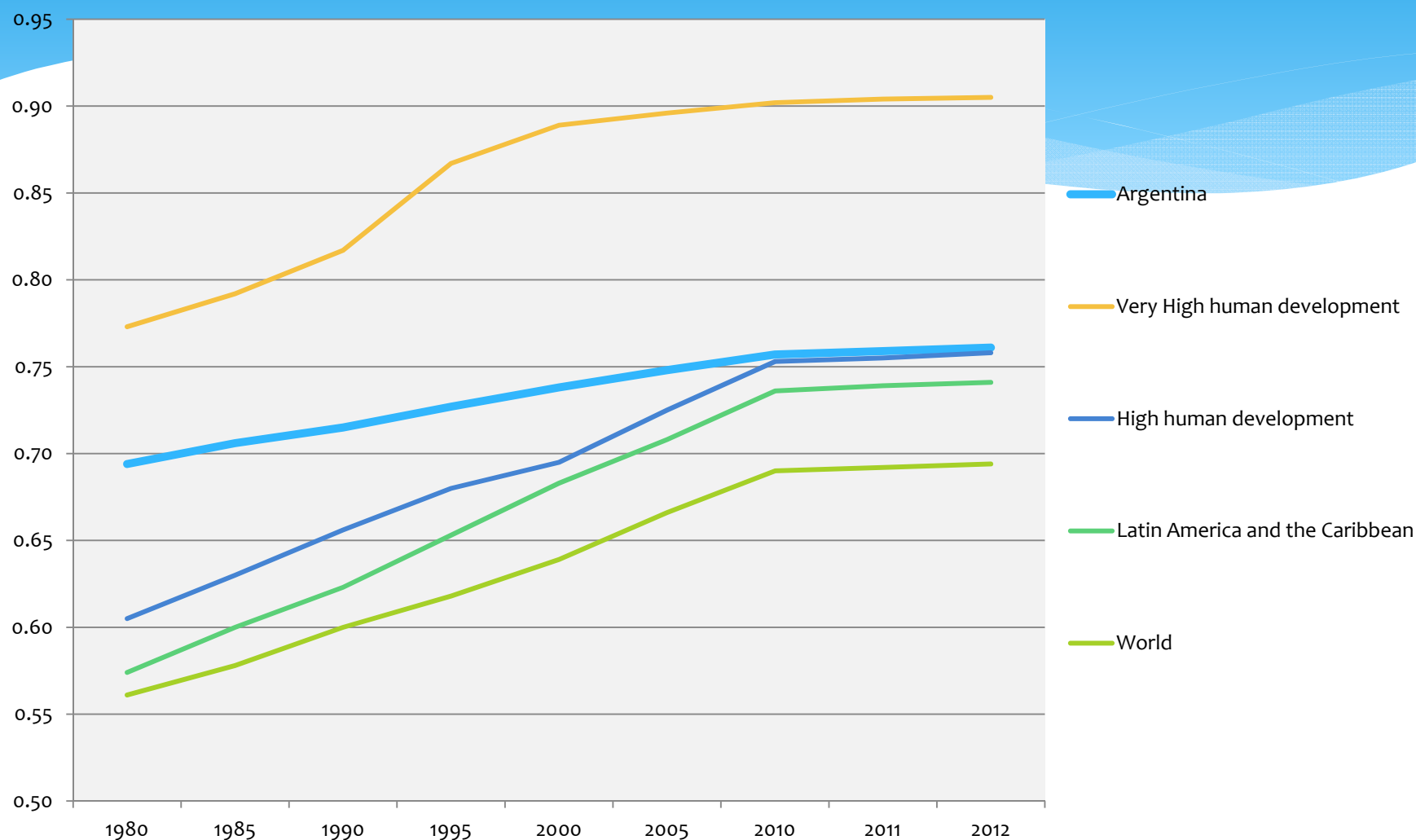
Argentina



Resilience score by country group



Argentina is losing its advantage: HDI



A simple look at Reinhart and Rogoff

“This time it is different”

Crisis Indicators: Relative Performance of Latin American Markets (2010-13)

	Real effective exchange appreciation	Current account deterioration (% of GDP)	Fall in exports (% of GDP)	Change stock market valuation (US\$)	Ratio of change in reserves to change in money supply (%, 2011-12)	Ratio of international reserves to public debt (2012)	Ratio of international reserves to external debt (2012)	Change in fiscal balance (% of GDP)	Average value of ranking
Argentina*	1	4	3	2	1	2	2	2	2.13
Brazil	9	5	8	1	3	4	8	6	5.50
Chile	4	1	1	6	5	8	6	5	4.50
Colombia	4	7	9	7.5	6	6	4	9	6.56
Ecuador	6	8	7	na	4	3	1	4	4.71
Mexico	6	6	4	9	7	5	5	7.5	6.19
Peru	8	3	5	5	8	9	9	7.5	6.81
Uruguay	2	2	6	na	9	7	7	3	5.14
Venezuela**	3	9	2	3.5	2	1	3	1	3.06

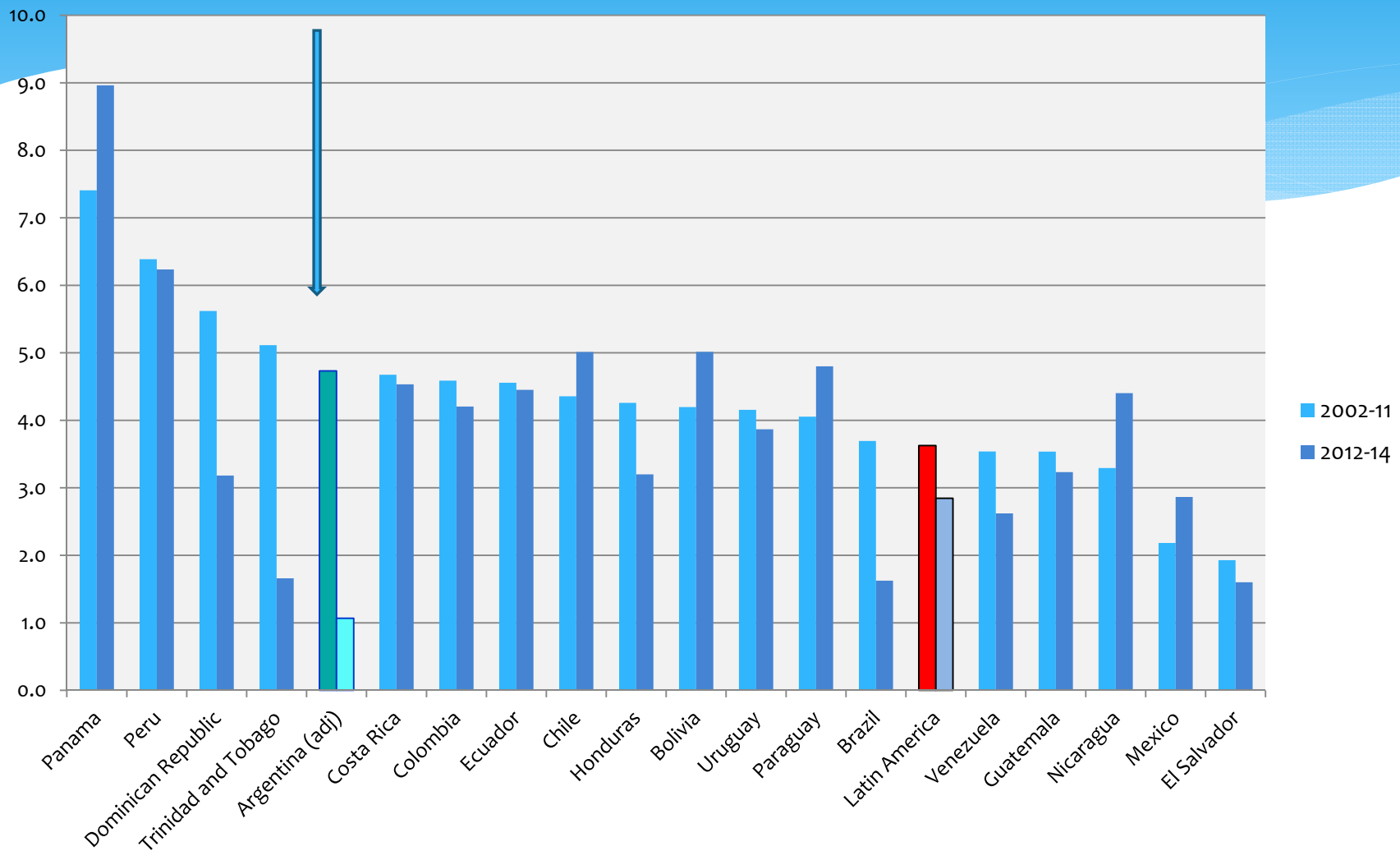
* Inflation data according to non-government sources.

** Estimated capitalization of stock market.

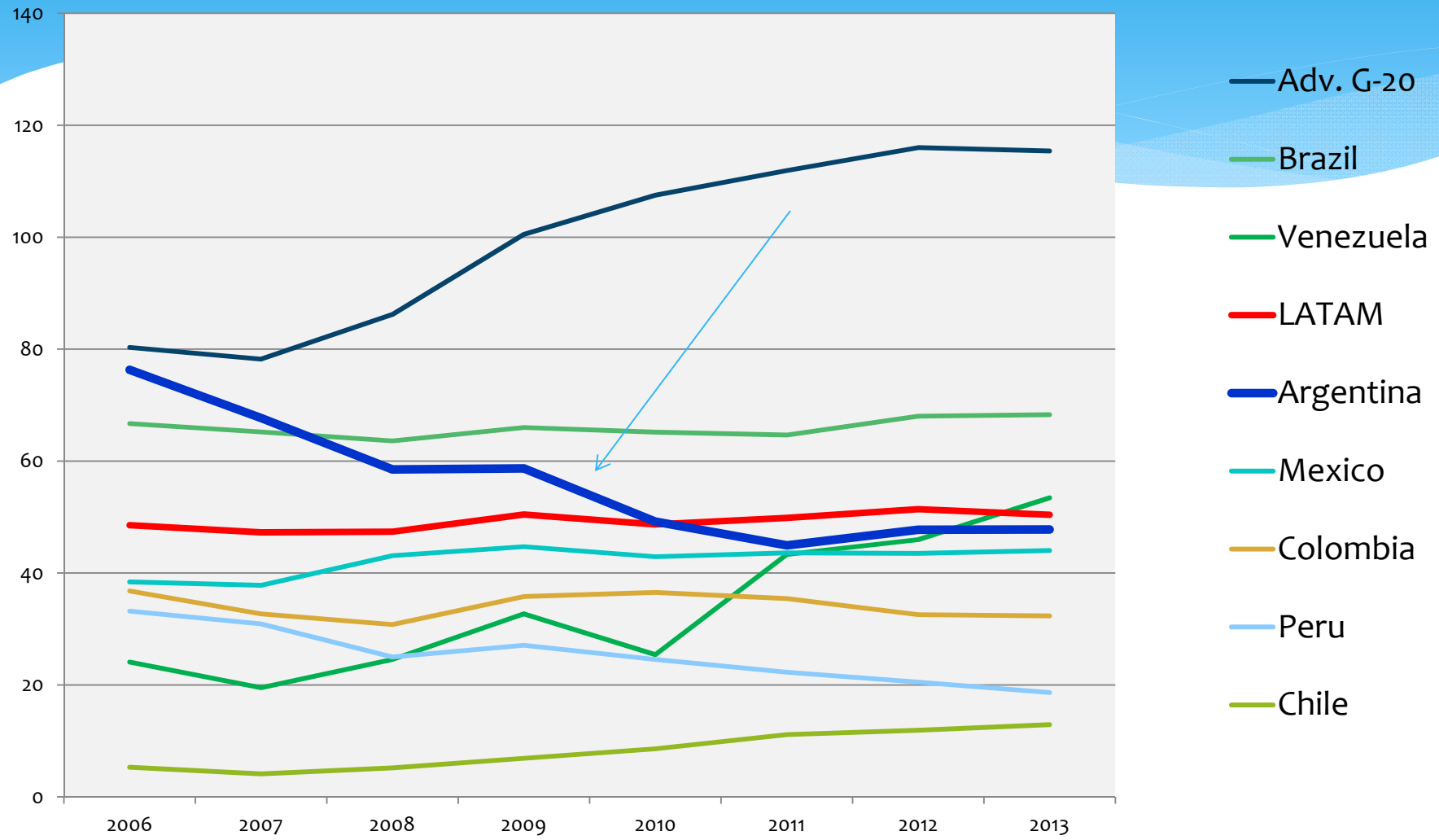
Sources: IMF: "World Economic Outlook" and "International Financial Statistics";

World Bank: "World Development Indicators"; International Federation of Stock Exchanges; Author's estimates.

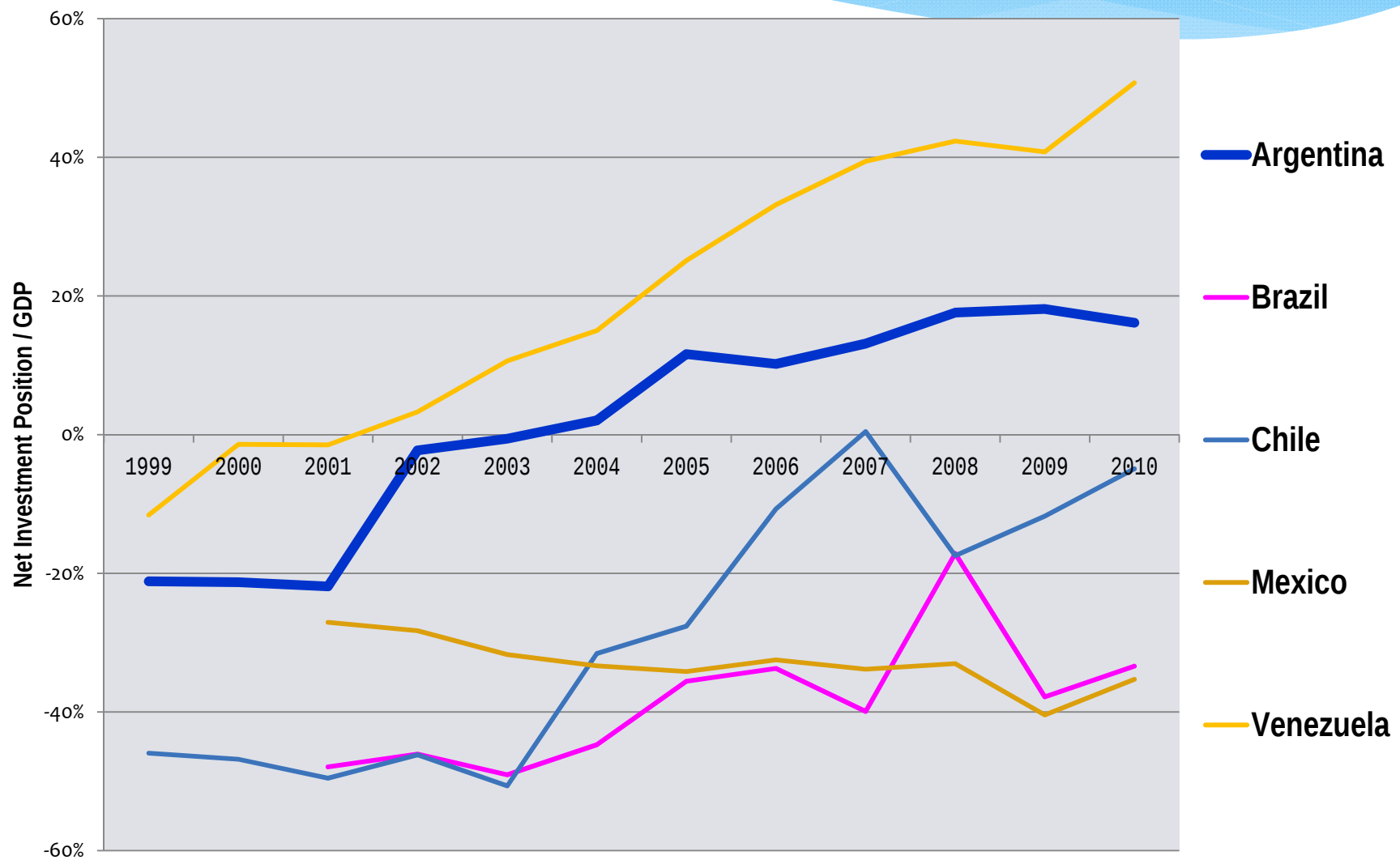
GDP Growth Rates: Past and projected



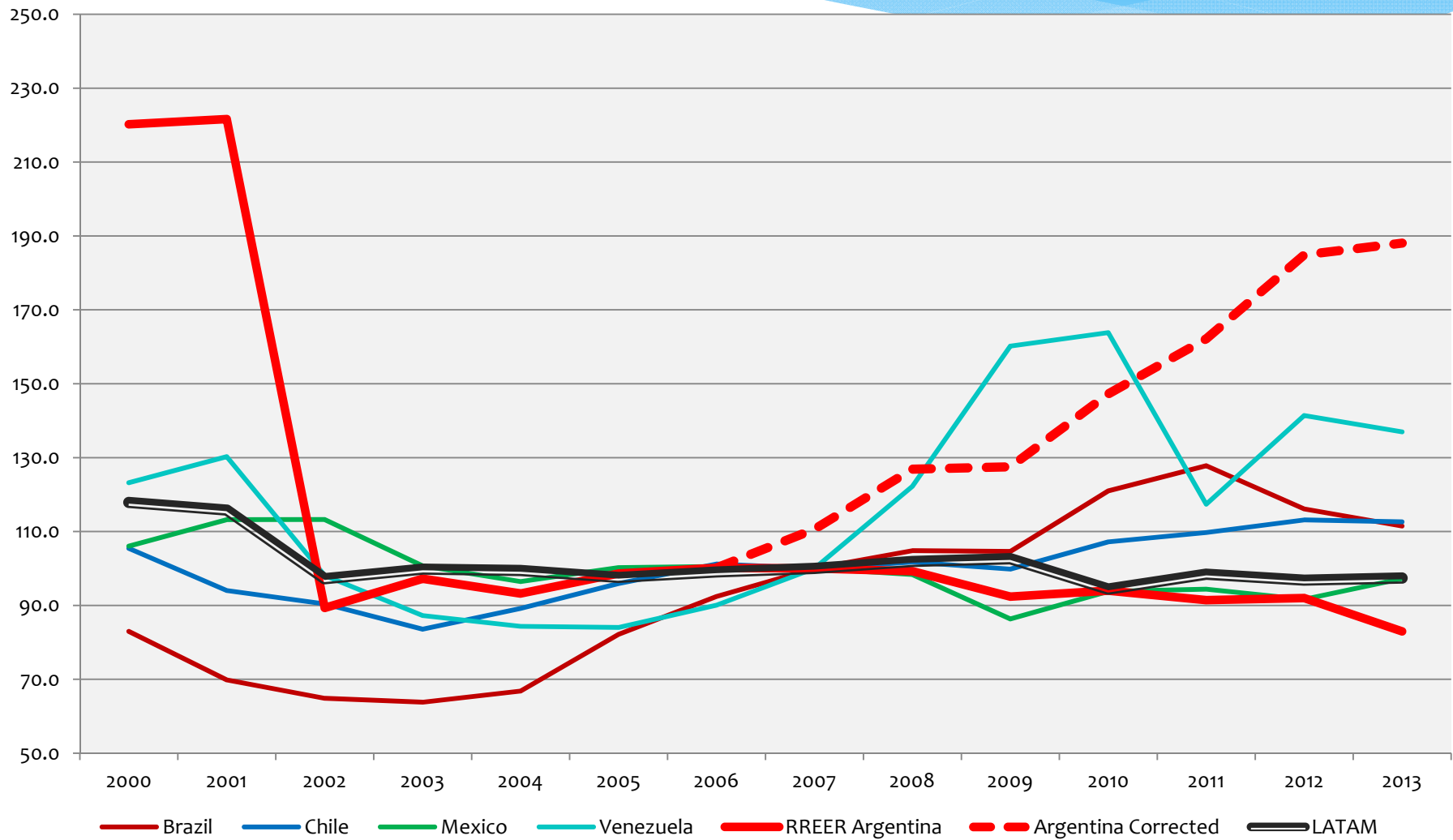
Gross Public Debt to GDP has declined, while that of the Advanced Countries Grows



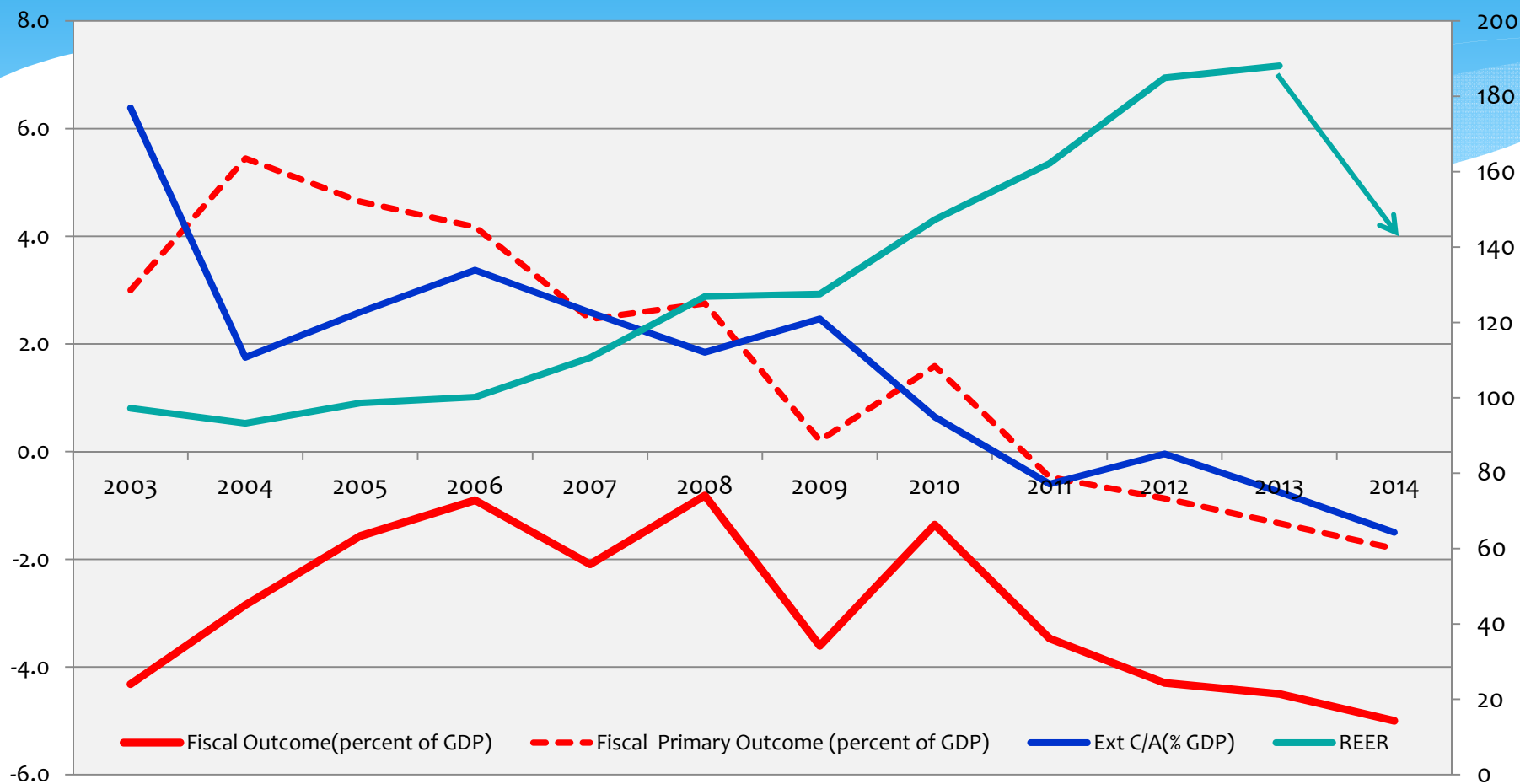
Net Investment Position / GDP



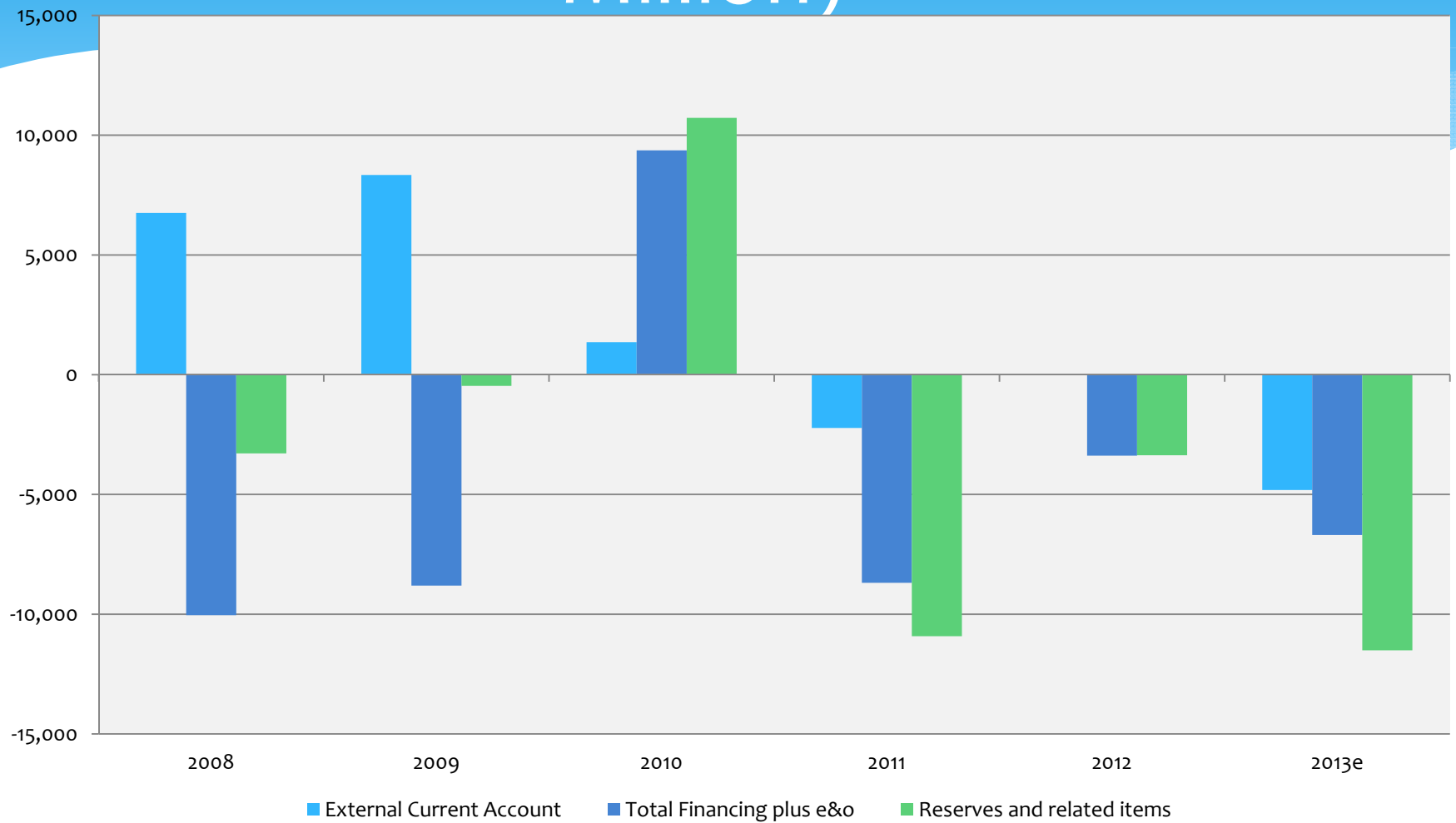
Real Exchange Rate Depreciation (decline)

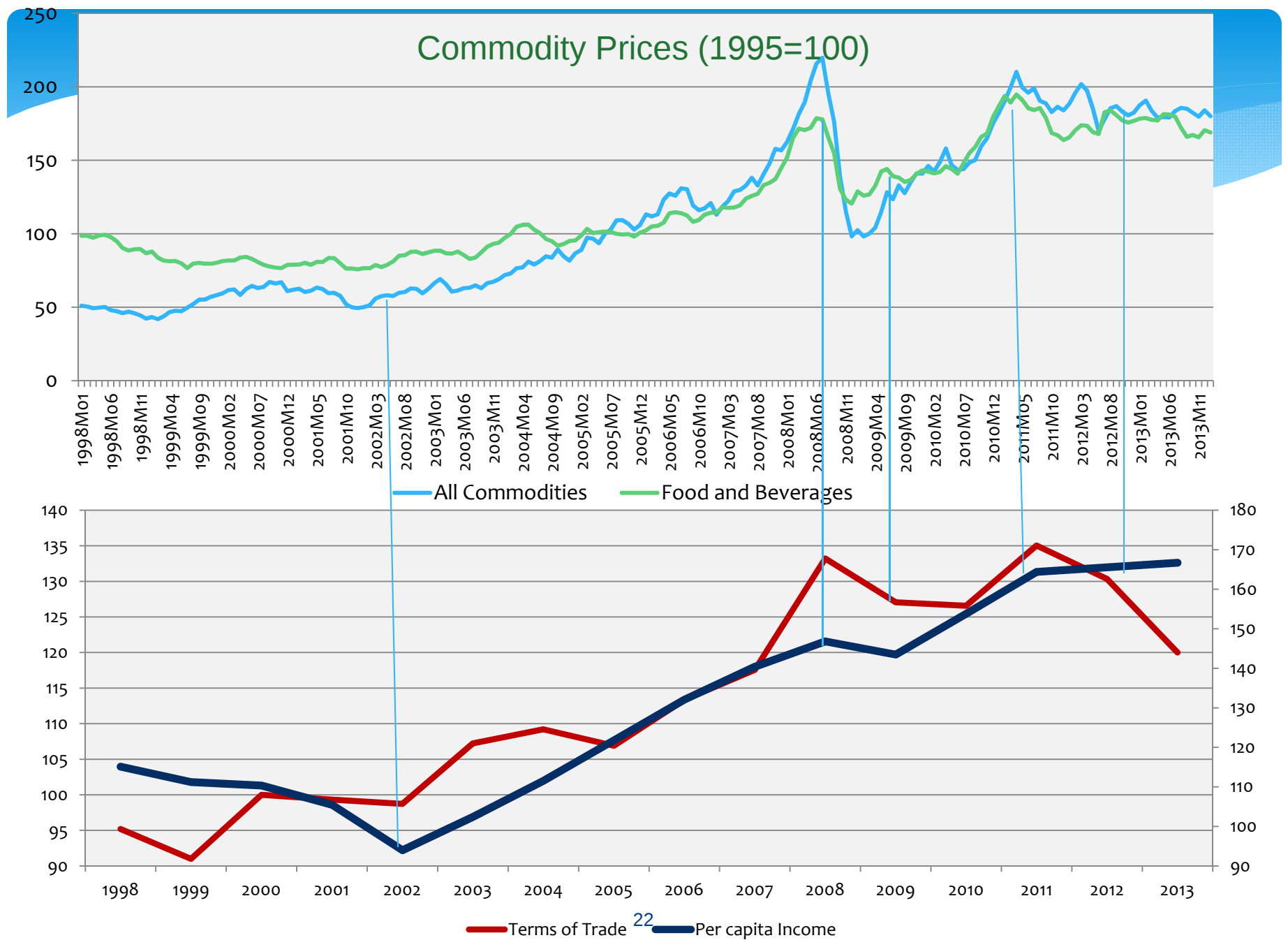


Argentina: Fiscal and External Accounts



Argentina: External Accounts (U\$S Million)





Income per Capita PPP US\$ 2013

Qatar	1	103401	Argentina(adj)	63	16166
Luxembourg	2	77935	Mexico	67	15608
Singapore	3	62428	Turkey	68	15264
Norway	4	55398	Venezuela	73	13586
Brunei Darussalam	5	54809	Brazil	79	12118
United States	6	52839	South Africa	82	11525
Hong Kong SAR	7	52687	Peru	84	11149
Switzerland	8	45999	Colombia	85	11088
Canada	9	43146	Ecuador	89	10610
Australia	10	43042	Thailand	91	9888
Germany	18	39468	China	92	9828
United Kingdom	21	37299	Dominican Republic	93	9698
Japan	22	37135	Egypt	111	6553
Barbados	40	25134	Morocco	121	5480
Trinidad and Tobago	50	20336	Bolivia	122	5286
Hungary	51	19836	Indonesia	124	5182
Chile	53	19105	India	133	3991
Russia	56	18083	Zimbabwe	185	571
Uruguay	59	16588	DR Congo	186	382
Panama	60	16540			

Source: WEO October 2013

Human Development Index

Doing Business WB

Global competitiveness Index

HDI Rank	Country	2012
1	Norway	0.955
2	Australia	0.938
3	United States	0.937
4	Netherlands	0.921
5	Germany	0.92
11	Canada	0.911
12	South Korea	0.909
13	Hong Kong, China	0.906
40	Chile	0.819
45	Argentina	0.811
51	Uruguay	0.792
55	Russian Federation	0.788
61	Mexico	0.775
71	Venezuela	0.748
77	Peru	0.741
85	Brazil	0.73
91	Colombia	0.719
101	China	0.699
121	South Africa	0.629
121	Indonesia	0.629
136	India	0.554
186	DR Congo	0.304

1	Singapore
2	Hong Kong, China
3	New Zealand
4	United States
5	Denmark
7	Korea, Rep.
8	Georgia
11	Australia
34	Chile
41	South Africa
42	Peru
43	Colombia
53	Mexico
88	Uruguay
92	Russian Federation
96	China
116	Brazil
120	Indonesia
126	Argentina
134	India
181	Venezuela, RB
189	Chad

Economy	GCI 2013-2014 Rank	Change since 2012-2013
Switzerland	1	0
Singapore	2	0
Finland	3	0
Germany	4	2
United States	5	2
Sweden	6	-2
		2
Hong Kong SAR	7	
Netherlands	8	-3
Japan	9	1
		-2
United Kingdom	10	
China	29	0
Chile	34	-1
Indonesia	38	12
South Africa	53	-1
Mexico	55	-2
Brazil	56	-8
India	60	-1
Peru	61	0
		3
Russian Federation	64	
Colombia	69	0
Uruguay	85	-11
Argentina	104	-10
Venezuela	134	-8
Chad	148	-9

Corruption

Country Rank	Country / Territory	CPI 2013 Score
1	Denmark	91
1	New Zealand	91
3	Finland	89
3	Sweden	89
5	Norway	86
5	Singapore	86
7	Switzerland	85
8	Netherlands	83
9	Australia	81
9	Canada	81
19	Uruguay	73
22	Chile	71
72	Brazil	42
72	South Africa	42
80	China	40
83	Peru	38
94	Colombia	36
94	India	36
106	Argentina	34
106	Mexico	34
114	Indonesia	32
127	Russia	28
160	Venezuela	20
175	Somalia	8

Economic Freedom

Hong Kong SAR	1	90.1	0.8
Singapore	2	89.4	1.4
Australia	3	82.0	-0.6
Switzerland	4	81.6	0.6
New Zealand	5	81.2	-0.2
Canada	6	80.2	0.8
Chile	7	78.7	-0.3
Mauritius	8	76.5	-0.4
Ireland	9	76.2	0.5
United States	12	75.5	-0.5
Colombia	34	70.7	1.1
Uruguay	38	69.3	-0.4
Peru	47	67.4	-0.8
Mexico	55	66.8	-0.2
South Africa	75	62.5	0.7
Indonesia	100	58.5	1.6
Brazil	114	56.9	-0.8
India	120	55.7	0.5
China	137	52.5	0.6
Russia	140	51.9	0.8
Argentina	166	44.6	-2.1
Venezuela	175	36.3	0.2
Cuba	177	28.7	0.2
Korea, North	178	1.0	-0.5

Where to eat, and where to live (Jan.2014, Numbeo)

	CPI+RENT	Restaurant	Local PP	Big Mac(U\$S)
Zurich	118.9	163.9	119.4	7.10
New York	100.0	100.0	100.0	4.62
Caracas	92.2	109.9	16.3	7.15
Washington, DC	85.6	95.4	106.2	4.62
Tokyo, Japan	78.1	69.0	90.2	2.97
Miami	70.9	77.2	106.9	4.62
Rio de Janeiro	51.7	57.3	41.2	5.25
Sao Paulo	50.2	57.8	44.3	5.25
Panama	48.2	54.3	42.9	5.26
Montevideo	48.2	61.4	41.2	4.91
Buenos Aires	45.5	66.2	56.7	3.03
Lima	39.9	41.1	34.8	3.56
Santiago	39.7	48.9	52.7	3.69
Mexico City	38.7	41.6	56.5	2.78
Bogota	37.0	38.0	29.9	4.34