Summary Of Argentine Debt Payment Capacity

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At present Argentina has debt contracts with 250 foreign commercial banks, while dollar reserves are $3.5 billion. Aggregate pending debt service payments total $1.7 billion. Gross domestic product (GDP) dedicated to debt service payments is estimated at 6.7%. In 1985 Argentina exported $5.1 billion in interest payments, an amount in excess of total balance of trade surplus for the year of $4.5 billion. For 1986 the trade surplus is expected to be $1.5 billion less than last year. The reduced surplus is largely a result of declining export earnings, i.e., $7 billion vis-a-vis $8.3 billion in 1985. Meanwhile, imports are expected to increase to $4 billion relative to $3.8 billion last year. Agricultural products account for three-quarters of Argentine exports. Agro-export revenues for 1986 have been disappointing, result of reduced competitiveness (relative to subsidized European exports) and damage to croplands due to heavy rains. (Basic data from EXCELSIOR, 9/8/86)

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