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On Aug. 31 in Buenos Aires after a meeting with President Carlos Menem, International Monetary Fund treasury director Vito Tanzi said Argentina's economic plan is "positive...[and is] certainly headed in the right direction." Unidentified sources cited by Xinhua said Tanzi visited Buenos Aires not as an IMF representative, but rather as a tax expert. The Menem government is currently elaborating a tax reform program that will include reducing the number of tax categories from 40 to no more than 10. According to Economy Ministry sources, inflation for the month of September is projected at between 7 and 9%. As of Sept. 5, the government had not released official figures on August inflation, but local economists said the rate was about 39%. Inflation for the month of July at 196.6% established an historical record. President Carlos Menem's economic team is not expected to implement wage hikes before October. At that time, the wage increase will not compensate for consumer price inflation over the previous quarter. However, these plans depend on whether certain sectors of the labor movement manage to dislodge Saul Ubaldini from leadership of the General Labor Confederation (CGT) before the end of the month. On Sept. 6, Carlos Carballo, head of external debt issues at the Foreign Ministry, said there are "definite hopes" that the International Monetary Fund will approve a $1.5 billion stand-by loan for Argentina in two weeks. He said the drafting of a letter of intent was "in its final stages." Talks between the IMF and the Argentine government began in late June, shortly before Menem took office, said Carballo. Interest payments on most of Argentina's $60 billion foreign debt were suspended in April 1988. (Basic data from Xinhua, 08/31/89; Notimex, 09/05/89; AFP, 09/06/89)

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