



**2016**

**GROWTH STRATEGY**

**ARGENTINA**



## A. Economic Context and Objective

Global growth has weakened further in 2016, both in advanced and emerging markets economies. Economic expansion continues to be driven by emerging economies, while growth in advanced economies is suffering from structural trends and some remaining crisis legacies. Moreover, downside risks have increased, stemming to a large extent from the threat of deflation in some major economic zones, the uncertain effects of the rebalancing process in China, the negative impact of low commodity prices in exporting countries and geopolitical tensions in different regions of the world. Argentina, in particular, is still being hit by the current crisis in Brazil, our most important trade partner, and the rebalancing of China is affecting global demand, and commodity exporters, although in lower levels than at the beginning of this year and end of 2015.

In this context and under a new Administration that took office on December 2015, Argentina is dealing with the legacy left by the former administration. After 12-years, Argentina was left with significant macro-economic imbalances, both its current account and its fiscal balance sheets in red, and five years of economic stagnation. In this line, the government tackled decisively the correction of strong distortions in relative prices and the removal of bad regulations and restrictions.

With the primary objective of moving from stagnation to strong growth and low inflation, our country is taking the necessary measures to re-establish **Consistency**, disentangling the prevailing economic disorder; **Sustainability**, protecting the vulnerable population and **Credibility**, embracing transparency, dialogue and partnerships. Argentina is expected to resume growth in 2017 after the necessary adjustments put in place this year.

## B. Macroeconomic Policy Actions to Support Growth

In broader terms, Argentina's macroeconomic policy can be described as a gradually contractive fiscal policy, a monetary policy focused in accomplishing a decreasing target of inflation, and economic measures to tackle the restrictions that created distortions in several areas.

### **Financial Policy: Solving debt litigation and implementing a huge infrastructure program**

Since the new Administration took office, one of the most pressing issues that needed a closure was the long-lasting litigation with holdout creditors that had not accepted the debt restructuring offers made in 2005 and 2010; and which obtained favourable rulings in New York courts. Argentina's officials immediately engaged in negotiations and reached a middle-ground agreement with most of its litigating creditors. To be able to comply with the agreements, some internal regulation had to be removed, and a new Law on Public Debt was then submitted to Argentina's congress and approved, in April, by ample majorities in both the lower chamber and the senate.



With this successful arrangement with holdouts creditors, Argentina regained access to capital markets which allowed us to make a placement of public debt to honour the agreement that the country reached with its remaining creditors. Argentina placed a total of US\$ 16.5 billion with historic low interest rates.

Regaining access to capital markets allows Argentina to redress its macro-economic imbalances in a socially responsible way and put in place the biggest infrastructure plan in Argentina's history. Our aim is to reach a new level of development and we point to invigorate the productive corridors, diversify the logistical matrix, boost the air sector and improve the quality of public transportation. On the other hand, reaching new levels of development goes hand in hand with the aim of tackling the challenge of generating energy with less environmental impact. In this regard, a new plan of renewable energy was put forward.

To achieve these goals we are aiming at creating a strategic connectivity net that attracts private investment and fosters new business opportunities. Pushing forward transparency is hence, mostly needed, and as will be mentioned further on, a New PPP law is being pushed for this reason.

#### **Fiscal Policy: Structuring fiscal accounts**

Argentinean federal government is committed to reducing its deficit to zero in 2019. Despite the high inherited fiscal deficit, the decision was to take a gradual approach to correct it, to maintain a sustainable process in social, political and economic terms. In this sense, a reduction of primary deficit to 4.8% is expected this year. This gradual approach to zero deficit is possible thanks to the public sector low level of indebtedness that allows Argentina to get financing very easily from external markets.

#### **1. On the expenditure side:**

- a. We are correcting the existing imbalances on public services tariffs
  - i. The expenditures on subsidy to electric energy have been strongly reduced.
  - ii. The expenditures on subsidy to gas powered energy have been strongly reduced.
  - iii. The expenditures on subsidy to drinkable water services and sewage system of the Buenos Aires Province area have been strongly reduced.
  - iv. The expenditures on subsidy to public transportation have been strongly reduced.
  - v. An important social rate scheme has been implemented, especially on transportation.
- b. A complete revision of the public budget is being taken, program by program, to define priorities and generate savings.
- c. Some national government functions have been transferred, with its respective resources, to the provinces.
- d. The correction of the current fiscal deficit is accompanied by a rising of transfers destined to the most vulnerable sectors (beneficiaries of AUH<sup>1</sup>, retired workers that have earned the minimum wage, and beneficiaries of non-contributory pensions) to sustain the purchasing power level. In addition, in order to strengthen social expenditures, the number of

---

<sup>1</sup>Universal Pregnancy and Child Allowance



- qualifying people that receive the AUH was expanded, incorporating self-employed workers and 1.2 million additional children.
- e. Transfers under programs of the Ministry of Employment, like unemployment insurance, were updated.
  - f. The unproductive expenditures on official advertising were reduced.
2. On the revenue side:
- a. An unprecedented reduction of tax pressure over income tax for workers has been made, implying 0.4% of GDP.
  - b. An increase in cigarette internal taxes has been implemented, with the goal of reducing the deficit generated by health expenses caused by smoking, of 0.2-0.3 % of GDP.
  - c. Export duties have been eliminated for almost all products, being the main exception soy, in which case the levy was reduced from 35% to 30%.
  - d. The refund of the value-added tax on the purchases of the most vulnerable sectors was approved.
  - e. A reduction of highly distortive taxes for Small and Medium Companies is being promoted, eliminating the payments for assets taxes, financial operations taxes, among other benefits.
  - f. A reduction regarding taxes over salary for new people entering the labour market and citizens from the most disadvantaged regions of the country it's being promoted, in order to encourage formalization.
  - g. A reduction in the tax scheme of investments on renewable energy has been implemented.
  - h. Different measures regarding tax administration destined to produce a financial relief, like the possibility of paying the value-added tax for SMEs at 90 days, among other benefits.
  - i. We resolved a long term conflict with the provinces on the perception of jointed participation income (refund of 15% of the joint participation).
  - j. We found the solution for non-paid debt of the revenue Service with a big group of retirees, for wrongly liquidated benefits.

### **Monetary and Credit Policy**

Three aspects of Argentina's monetary regime hindered growth until December 2015: (i) tight restrictions on foreign exchange transactions, (ii) financial repression and (iii) high inflation.

Restrictions on foreign exchange transactions, imposed on October of 2011, created a wedge between the official exchange rate and the shadow exchange rate in financial markets of around 50%. This system acted as a tax on exports and a subsidy to imports. The rationing of the latter led to the imposition of administrative controls to allocate foreign exchange. As a result, the exchange rate regime distorted incentives and acted as a source of misallocation which hindered growth. On December 17th, 2015, the Central Bank removed most of the restrictions on foreign exchange transactions and adopted a floating exchange rate regime.

Prior to December 2015, real interest rates in Argentina's financial system were strongly negative in real terms. There were caps on lending rates and floors on deposit rates that limited banking activity (banking credit is less than 15% of GDP). As part of the monetary reform package introduced in



December 2015 interest rates are now freely determined by market forces. With the reduction of excessive regulation in a context of increased credibility, financial institutions with excess liquidity should be able to satisfy a higher demand of credit for investment. In fact, a credible horizon of lower and stable inflation will provide an environment to foster investment.

In the last several years Argentina suffered a chronic inflation rate well above 25% per annum. The current monetary authority, in cooperation with the Ministry of Treasury and Public Finance, decided to fight inflation. To that end the central bank launched a plan to lower inflation to 5% per year by 2019. An inflation targeting regime will be launched in September 2016. In the transition, the monetary authority swept excess liquidity in the first quarter of 2016 (the y/y growth of the money supply in December 2015 was close to 45%), adopted the interest rate as the monetary policy instrument in March, and started a new communication policy aimed at clearly explaining its decisions and its monetary policy strategy to the public. The transition to the low inflation regime also includes caps on transfers to the treasury in amounts that are consistent with the inflation targets. The policies implemented have been successful to anchor inflation expectations at levels that are in line with the objectives of the Central Bank. Even after the increases in wages and public services tariffs, the most recent indicators, particularly the high frequency ones, show a descending trend in the core inflation.

The adoption of contractive monetary policies has helped to reduce the pass-through of the official exchange rate depreciation. In fact, the pass-through was much lower than the one in the devaluation January 2014. This is in line with recent Latin American experiences, which show that an increased commitment by central banks to achieving price stability, implied in the adoption of Inflation Targeting regimes, is followed by a reduction of the pass-through coefficient. This creates a kind of virtuous circle: lower inflation reduces the pass-through coefficient, and in turn, a lower pass-through coefficient lowers inflation. Empirical literature would appear to validate this assertion and there is a simple theoretical explanation: the greater the stability of prices and the credibility of the central bank, the fewer the incentives of companies to pass-through exchange rate variations.

These three sets of monetary policy reforms will foster growth by improving the allocation of resources and by fostering the development of financial markets.

### **Foreign Trade Policy: Eliminating disincentives and obstacles**

Argentina has embarked in a broader plan that implies regaining credibility and giving the right signal to promote local and foreign direct investment and foreign trade. In this line, several urgent policies have been implemented at the beginning of the year, while some of the previous measures have been dismantled with the final aim of re-establishing the most needed predictability, transparency and regaining competitiveness.

Concerning the elimination of disincentives and obstacles, the government put in place several actions which include:

- a) Suppression of the pre-administrative declaration to import



- b) Reduction of the export duties on agricultural products
- c) Removal of the restriction on book's imports
- d) Removal of the exports duties on mining products
- e) Removal of the export duties on organic products
- f) Ratification of the Facilitation Agreement
- g) Tax cuts on cars, motorcycles and ships
- h) Suppression of the control system in labels and tags of foods, beverages, cosmetics and healthcare products.

Since the aim is to promote foreign trade, establishing agile, simple and transparent administrative procedures, in line with Argentina's international commitments, is needed. This will create opportunities for incorporating national companies to global value chains, improve the competitiveness of the economy, while developing state efficiency.

In order to contribute to the growth and diversification of national exports, and as part of an overall strategy to insert Argentina in global trade, the government has undertaken an active policy to help companies to join and benefit from trade opportunities and new markets, as well as through constructive government involvement in the negotiations of bilateral, regional and multilateral levels.

#### **Institutional Policy: Bringing back transparency to official statistics**

As mentioned before, one of the core objectives of this administration is bringing back transparency and hence has established as one of the main goals the normalization of national statistics. Since day one a new team has been appointed in the National Institution of Statistics and Census. In addition, Argentinean national government has declared that the National System of Statistic under administrative emergency (Decree 55/2016<sup>2</sup>), in order to bring about the necessary internal changes. We have reviewed our statistic system, not only as regard of the information production process (data collection, methodologies, etc.) but institutional arrangements for cooperation and data sharing between different official institutions as well. In this sense, the first results of GDP (gross domestic product) and CPI (consumer price index) were already published and the remaining indexes and indicators are being published in the following weeks.

In addition, Argentina has reestablished the lines of dialogue and work with the IMF and will resume Article IV consultations, expecting a mission later this year.

### **C. Structural Reform Priorities**

Argentina has established its structural reform priorities with the objective of sustaining growth over time and implementing the necessary policies to tackle the bottlenecks that may appear in the way. Having in mind that long term planning is an important factor in fostering predictability and

---

<sup>2</sup> <http://www.infoleg.gob.ar/infolegInternet/anexos/255000-259999/257615/norma.htm>



credibility, and since most of the new policies comprised in the 2015 Adjusted Growth Strategy had a short term focus some of them were not extended this year.

On the contrary, Argentina will implement a huge infrastructure plan that will resolve some of the legacy issues. As part of the objective of implementing the necessary structural reforms is to foster competitiveness and making it sustainable in the long term, our vision is to give a leap of innovation and promoting public-private collaboration to solve the serious problems of a sector with imperative needs and budgetary constraints.

Argentina's growth has been stagnant for the past five years together with the level of investment. This resulted in an important investment and infrastructure gap in our country, so the new Government is carrying out strategic plans in several sectors that were relegated until now.

In this line, investment in infrastructure is key to reach a greater economic growth and job creation in Argentina. Looking for joint public private collaboration for investment is of crucial relevance so the Government is pushing forward a new PPP law which aims at boosting private investment, but striking the right balance of risks between the public and private sector. Using the expertise of the private sector is of utmost importance and, additionally, this law would mean an incentive for long-term projects and alight in the burden, given public budgetary constraints. Furthermore, the adoption of a new PPP law would mean bridging and regaining confidence with the international investment community; the enactment of a new PPP law is hence, an important step forward in pushing the ambitious Infrastructure Plan that the government is planning.

In addition, this July, the Congress approved the SMEs Law in order to foster the development of small and medium size enterprises for them to keep growing and generating job opportunities.

The law was approved on record time, and achieved a broad agreement in both chambers. It was developed in agreement with different political sectors and entrepreneurs, and is expected to contribute to the recovery of the economy and the creation of job opportunities among small and medium size companies. The law stimulates competitiveness in four different ways: 1) simplifies the red tape 2) Reduction of taxes; 3) Encourages investment; and 4) Improves access to financing. The SMEs are a fundamental part of the productive structure since 98% of Argentine's companies are SMEs. In addition, not only they generate 70% of formal private employment, but also are the sources for young people starting their professional career.

The Law counts with the following key features:

**1) New Tax Framework for SMEs**

- Exemption from the Minimum Presumed Earnings Tax.
- Full consideration of payments of the Credit and Debit on Checking Accounts Tax on account of payments of the Corporate Income Tax (most SMEs won't pay taxes on bank transfers).
- 90 days window for VAT on sales payments.



- Administrative simplification of transactions with Argentina’s Revenue Service (AFIP).
- 2) Investment Promotion**
- Corporate Income Tax amendment, computing a payment on account of the tax obligation of 10% of the productive investments made by SMEs.
  - Fiscal credit for VAT credits originating in productive investments.
- 3) Production Recovery program**
- Economic help for SMEs in crisis.
  - Increase of assistance up to 50%
  - Simplification of red tape.
- 4) Competitiveness Stimulation**
- Creation of the SMEs competitiveness council.
  - Annual update of the SMEs definition.
- 5) More financing options**
- Warranty increase - through the SMEs Warranty Fund.
  - Tax discount - considering unfavourable regions.
  - Improvement of financial instruments - Promissory Notes, and Negotiable Obligations.

Regarding transportation, our challenge for the next 4 years is to reconstruct the federal road network. Therefore, between 2016 and 2019, we are going to duplicate the amount of roadways and highways that exist today. This means building 2,800 new kilometers and turning 4,000 km into safe roadways. In addition, we will re-pave another 11,400 km., aiming at reducing the logistical cost and helping producers and investors through covering of a wide range of needs in the transporting of cargo.

This investments will be carried out having in mind a vision and a strategic long term planning for the sector, that for 2027 foresees investment and the progressive transformation of other branches, to reach a network that 10 years from now will be completely rehabilitated, with 12.000 kilometers of new roads, to transport between 80 to 100 million tons of load, with an investment valued in U\$S 15 billion.

Regarding public transportation, today the Metropolitan area of Buenos Aires has 15 million of inhabitants and 22 million of daily trips. Transforming the quality of public transportation is a central objective, so as to make possible that people travel better and choose to use public transportation. In this sense, to improve the mobility inside the Metropolitan area, we have a series of big projects that we are setting in motion: the tunneling of Sarmiento Railroad, the electrification of the Roca Railroad, the installation of an automatic breaking system for all trains, and the construction of 6 Metrobus lines in the metropolitan area. Finally, the most ambitious project of all is the Regional Express Network, a megaproject that comprises the construction of 16 km of tunnels below the most iconic avenue of Buenos Aires, plus 3 underground stations to allow for the connectivity of all the metropolitan area.





In addition, this plan was also put in place to benefit one of the strategic sectors of Argentina, the agricultural sector, aiming at improving the performance and competitiveness of the sector. Given this objective, obstacles and restrictions were dismantled by the reduction of the export duties on agricultural products (as mentioned before) and this huge infrastructure plan that will foster the provinces' economies.

On the other hand, Argentina has set as one of its priorities, promoting the use of renewable sources to generate electric power by the establishment of the Act 27,191. The final goal is to accomplish the target of achieving at least 20% of clean energy sources to 2025, having in mind that fostering renewable energy will have a positive impact through a diversification of the national energy matrix, the expansion of installed power, the reduction of costs in the generation of energy, engendering predictability in medium-term and long-term prices, contributing to the mitigation of climate change effects and the security in the provision of electric energy in our country.

More specifically, the Act 27,191 establishes that the contribution of renewable energy sources will be equal to eight per cent (8%) of the total national consumption of electric power by December 31st 2017 and equal to twenty per cent (20 %) power by December 31st 2025. In this line, the Act establishes some promotional benefits to foster this type of energy: accelerated depreciation to be applied when calculating the Income Tax and the benefit of advance Value Added Tax return; compensation of damages with profits; exclusion of goods used for the performance of activities promoted by the Act from the taxable base of the Tax on Minimum Presumed Income; Reduction of financial burden from financial liabilities; Exemption of Profit Distribution Tax; delivery of tax credit certificates for the inclusion of domestic goods in electromechanical assemblies, in between others. In addition, the Fund for the Development of Renewable Energies was created. The objective is the allocation of the trust assets in order to grant loans, pay capital contributions and acquire other financial instruments to perform and finance eligible projects, so as to allow for the acquisition and installation of capital goods and the manufacturing of goods or the execution of infrastructure works.

In addition, on the investment on infrastructure side, one strategic project that the Government of Argentina is implementing together with the Government of Chile is the "Agua Negra" Tunnel. This project implies the construction of a system of two one-way tunnels of 13.8 km of length on the cross border between Chile and Argentina in the Agua Negra River. The involvement of both countries is defined by the setting up of a Bi-National Entity which is formed by the following authorities: A) an Administration Council (decision-making authority, and top authority and B) an Executive Committee (which mission is to conduct, coordinate, supervise, and manage the development of the project). The final objective is to connect Argentina's route 150 with Chilean route 41 which links to the port La Serena – Coquimbo. In this sense, a first step on the operation of the project would involve a deployment of financing of US\$ 40 million, for technical and geologic investigation of the waters, mining belongings, and administrative and legal issues related with the project.

Finally, Argentina is launching a Federal Tourism Plan that will create jobs and foster regional economies. Argentina is the second place most visited in South America and the sector accounts for 6%



of the total exports of goods and services and is the main exporter in services. The plan aims at fostering both domestic and international tourism, increasing the competitiveness and environmental sustainability; promoting private and public investment especially in high impact tourism and also fostering direct employment. We will use market intelligence, foster connectivity (through the Belgrano Plan) and promote the development of new products in order to incentivize a stagnant sector.



## Annex 1. Past commitment – Brisbane and Antalya commitments

### Brisbane and Antalya Key Commitments for Monitoring Purposes

Stimulus to the Investment in the exploration and production of oil and gas	YPF strategic plans to increase the Production of oil, gas and refined fuels		
Inclusion of the commitment in growth strategies	This measure was included in the Brisbane growth strategies.		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	<p>1) "Loma Campana" Area: On July 16, 2013, YPF and Chevron signed an investment project agreement for the joint exploitation of unconventional hydrocarbons in the province of Neuquén.</p> <p>2) "El Orejano" Area: On September 23, 2013, YPF and Dow Europe Holding B.V. and PBB Polisor S.A. signed an agreement that included a disbursement by both parties of up to US\$188 million that will be directed towards the joint development of an unconventional gas pilot project in the province of Neuquén.</p> <p>3) PETRONAS E&amp;P Overseas Ventures Sdn. Bhd ("PEPOV") of Malaysia executed a Project Investment Agreement (the "Investment Agreement") aiming to perform joint exploitation of unconventional hydrocarbons in the "La Amarga Chica" area in the province of Neuquén.</p>	.	<p>1) The agreement contemplated an outlay of US\$ 1,240 million by Chevron for a first phase of work to develop about 20 km<sup>2</sup> ("Pilot Project") (4,942 acres) of the 395 km<sup>2</sup> (97,607 acres) corresponding to the area dedicated to the Pilot Project. This first Pilot Project included the drilling of more than 100 wells. Together with what has already been invested by YPF in the area, the total investment is US\$ 1,500 million. In the second phase, which started during 2014 after completion of the Pilot Project, both companies continued the development of the area, sharing investments equally. Drilling activity continued in 2015 with more than 10 rigs operating most of the year. In addition, 122 vertical wells and 30 horizontal wells were put into production during the year. The plan for 2016 is to complete eight vertical wells and 54 horizontal wells.</p> <p>2) Of the US\$ 188 million to be disbursed, Dow will provide up to US\$ 120 million through a convertible financing in their participation in the project. The agreement contemplated a first phase of work during which 16 wells would be drilled. This first phase ended in June 2015, with all 16 wells hooked up and reaching production of 668 mcm/d of gas at the end of this phase. On October 22, 2015, the companies signed an amendment to the original agreement whereby Dow Europe Holding B.V. and PBB Polisor S.A. increased the original commitment by US\$ 60 million for the development of a second phase, which includes the drilling of 18 new wells. On December 15, 2015, the parties executed all steps contemplated in the agreement so that PBB Polisor S.A. became a partner in "El Orejano" Area on a 50/50 basis with YPF. During</p>

		<p>December 2015, the project had an average production of 765 mcm/d, with 19 producing wells. The total YPF investment for 2015 was US\$ 228 million, including drilling, completion and facilities.</p> <p>3) The Investment Agreement provides for the joint development of a shale oil pilot project (the "Pilot Plan") in three annual phases with a total investment of US\$ 550 million plus VAT, of which Pampa Energía "PEPASA" will provide US\$ 475 million and YPF will provide US\$ 75 million. YPF assigned 50% of the La AmargaChica concession to PEPASA and is the operator of the area. The concession rights will, in turn, be collaterally assigned by PEPASA in favor of YPF as security for, and until PEPASA has complied with all its obligations under the Investment Agreement. Additionally, PEPOV has executed a payment guaranty of certain of PEPASA's financial obligations under the Investment Agreement. The Pilot Plan, comprising 30 wells in three years, started in May 2015, with the drilling of a first vertical well, which will be finished in 2016. By the end of 2015, one vertical and three horizontal wells were drilled. Completion of these four wells is scheduled for early 2016. This drilling activity developed during 2015 implied an investment of US\$ 30 million, with an additional US\$ 6.5 million expended on production facilities.</p>
<b>Impact of Measure</b>	This project will not only have a direct impact on the production of oil, gas and refined fuels and explored wells, but it will also have a direct impact on job creation as well as on investments in related projects.	

<b>Completion of the Atucha II nuclear power plant</b>	<b>Atucha II currently provides the National interconnected system with 695 Mw/hr. Atucha II is the third nuclear power plant of the Argentine electricity system to be completed, together with Embalse (600MW) and Atucha I (335 MW)</b>		
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.		
<b>Detailed implementation path and status</b>	<b>Interim Steps for Implementation</b>	<b>Deadline</b>	<b>Status</b>
	The cornerstone of Atucha II was placed in 1982 but construction was halted between 1994 and 2006 when construction resumed as part of the Argentine Nuclear Plan that was finally re-launched.	Expected Deadline was end 2014 beginning 2015.	On February 2015 the nuclear plant Atucha II began to generate energy at 100% of its capacity.

<b>Impact of Measure</b>	<p>This Nuclear power plant provides the National interconnected system with 695 Mw/hr and it can generate 6,526 G WH/year. Thus, in a year Atucha II can generate the energy needed by a province like Tucumán in a 3-year period, for Salta in 5 years or for Santiago del Estero in 9 years.</p> <p>6,900 jobs were created during the construction of Atucha II.</p>
--------------------------	--

<b>Construction of two hydroelectric power stations along the Santa Cruz river :</b>	<b>The main objective of this project is the generation of electric power with 1,740 Mw of total installed power and an annual generation of 5,000 Gwh per year, by means of two dams along the Santa Cruz river</b>		
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.		
<b>Detailed implementation path and status</b>	<b>Interim Steps for Implementation</b>	<b>Deadline</b>	<b>Status</b>
	<p>The projects involve an investment of US\$ 4.71 billion. These power stations will generate approximately 5,000 GWh per year, covering 4 percent of the country's annual demand for electricity</p> <p>Total power capacity as per bidding project is 1,740 MW of electrical power, equivalent to 5.5% of the country's total installed capacity.</p>	66 months	The project is in the phase of: development of the master plan, construction of the facilities for the temporary workshop, import of construction equipment, and beginning of the construction of the imported electro mechanic equipment.
<b>Impact of Measure</b>	This hydroelectric power generation Project will cover 4% of the country's demand for electricity, covering the needs of 1.5 million households.		

<b>Electric interconnection between Yacretá and Resistencia city</b>	<b>The electric power line is intended to give the system stability, security, and reliability, significantly enhancing the electric connection between the Northwestern electric system and the Northeast electric system).</b>		
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.		
<b>Detailed implementation path and status</b>	<b>Interim Steps for Implementation</b>	<b>Deadline</b>	<b>Status</b>
	<p>The project for the electric interconnection between Yacretá and Resistencia involves an investment of USD 354 million which has an external funding of USD150 million to be subscribed between Argentina and the</p>	<p>The execution of this project started in June 2014 and is expected to last for 27 months.</p> <p>Components 1, 2, 3 and 4 are</p>	<p>Work is underway in each of the 5 components with CAF having already disbursed almost 50% of the loan and local participation has already been mobilized.</p> <p>Mobilized funds were, so far, primarily allocated to the Line of Extra High Tension between the</p>

	<p>Andean Development Corporation (CAF). For the execution of the Project, five (5) components will be developed:</p> <ol style="list-style-type: none"> <li>1. Line of Extra High Tension of five hundred (500) kilovolts (LEAT) between the Transformation Plant Rincón Santa María and the Transformation Plant Resistencia;</li> <li>2. Paraná river crossing;</li> <li>3. Expansion of Transformation Plants of Rincón Santa María and of Resistencia;</li> <li>4. Inspection and Environmental costs and;</li> <li>5. External audit, financing commission and evaluation expenditures.</li> </ol>	<p>expected to be finished in October 2016, but 42% of these components will have been completed by end 2015. The 5th component of auditing and evaluation will be completed in January 2017.</p>	<p>Transformation Plant Rincón Santa María and Transformation Plant Resistencia; for the construction of the Paraná river crossing and for the Expansion of both Transformation Plants.</p>
<p><b>Impact of Measure</b></p>	<p>This project comprises a 270 km interconnection of an extra high tension line of 500 Kv, from Yacretá dam located in Rincón Santa María (Ituzaingó) to Puerto Bastiani in Resistencia.</p> <p>Since the objective of the program is to give the system stability, security, and reliability on the supply of electric power, the impact will be measured by the enhancement of the electric connection between the NOA and the NEA of the country.</p>		

<p><b>Electric interconnection between General Cerri and Mar del Plata</b></p>	<p><b>This energy generating project is intended to meet the country's growing electricity demand</b></p>		
<p><b>Inclusion of the commitment in growth strategies</b></p>	<p>This measure was included in the Brisbane growth strategies.</p>		
<p><b>Detailed implementation path and status</b></p>	<p>Interim Steps for Implementation</p>	<p>Deadline</p>	<p>Status</p>
	<p>This Project has two stages. The first one consists of the installation of two turbines with a capacity to generate 600 MW of energy (MV) and an investment of US\$500 Million. The second stage will demand an investment of US\$ 400 Million and allow the addition</p>	<p>Expected deadline mid-2015.</p>	<p>At the beginning of May the first turbine started operating. This will enable the thermoelectric unit of 270 MW (megawatts) to start generating electricity in the second quarter of this year. The second turbine with the same power will start operating briefly. They will have a total capacity of</p>

	<p>of an additional 300 Mw, through the reutilization of steam/vapor generated by the turbines mentioned in the previous stage.</p> <p>This project also foresees complementary investments: The execution of a high voltage energy line of 500 MV, another similar line of 9 kilometers that will link the new thermoelectric plant with the Interconnected National System, and a gas pipeline of 2 kilometers intended to supply the plant from the Gas of the South transporter plant.</p>		540 megawatts.
<b>Impact of Measure</b>	<p>The Guillermo Brown thermoelectric plant is a project with an estimated total cost of US\$ 900 million and it also involves the construction of a bridge in Puerto Galván. Once the first turbine starts operating, it will add 270 MW to the National Interconnected System (SIN), making it possible to generate more than 2,000,000 MW-hour.</p> <p>When completed, it is estimated that the power plant Guillermo Brown will feed the National Interconnected System (SIN) with power equivalent to the consumption of 1.8 million households. The impact of the project will be measured by the amount of people reached and the power generated.</p>		

<b>Construction of the Northeast Gas Pipeline (GNEA)</b>	<b>The objective is to expand the network of natural gas to more than 1.3 million households in the provinces of Salta, Formosa, Chaco, Misiones, Corrientes and Santa Fe.</b>		
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.		
	<b>Interim Steps for Implementation</b>	<b>Deadline</b>	<b>Status</b>
	The pipeline project, which represents an investment of US\$ 3.16 billion, will incorporate the northeastern provinces of Argentina to the distribution system of the natural gas network by 4,144 km of Core and proxy pipelines. Juana Azurduy pipeline will be connected to GNEA pipeline in the province of Formosa and the latter will supply 168	Twoyears	Works began in February 2015. Stage 1: includes three different phases, and nearly 81% of these are completed. Stage 2: work has started and nearly 48% of this stage is completed (core pipeline up to 57% and proxy pipeline up to 38%).

	<p>locations in 6 provinces: 31 in Formosa, 34 in Chaco, 37 in Santa Fe, 1 in Salta and 65 locations between Corrientes and Misiones provinces.</p> <p>It is a three-stage project, implying 1,810 kilometers of core pipeline. 2,334 of proxy pipeline and 15,000 km of a domestic distribution pipeline.</p>		
<b>Impact of Measure</b>	<p>This project involves the creation of 25,000 jobs and the hiring of more than 20 construction companies. Once completed, the new home networks will provide gas supply to 3.4 million people.</p>		

<b>Revamping of the national railway system.</b>	<p>The government has undertaken the most ambitious revamping of the national railway system in 50 years. Total projects in the railway system involve more than US\$12 billion.</p>		
<b>Inclusion of the commitment in growth strategies</b>	<p>This measure was included in the Brisbane growth strategies.</p>		
	<p>Interim Steps for Implementation</p> <p>The revamping of the national railway system includes several projects, as outlined in the Brisbane GS. These projects are:</p> <p>1 – <b>Purchase of train engines and cars</b> – for the following railway services: San Martin (24 train engines and 160 train cars), Sarmiento (225 train cars), Roca (300 train cars) Belgrano Sur (81 train cars), and long distance railways services (20 train engines and 220 train cars) and Mitre (184 train cars). 2 – <b>Belgranocargas</b>(which takes into account work on the BelgranoCargas, Urquiza and San Martin railways). The investments imply the renovation of 1,511km of track, the acquisition of 100 new train engines and 3,500 train cars, and the repair of 2,000 train cars, which will require at least 3 years of work of local repair shops (for which the Ministry of Transportation is working with its subsidiaries in order to reactivate the local industry) to complete the whole fleet. The project involves a total amount of US\$2.47 billion, financed by an external private contract of US\$2.1 billion and a domestic public-sector contribution of US\$0.37. The project also involves a second stage that will involve an additional investment of US\$0.4 billion.</p> <p>3 – <b>Revamping of the Buenos Aires – Mar del Plata railway system.</b> The project</p>	<p>Deadline</p> <p>Deadlines for each of the projects are as follow:</p> <p>1 – Purchase of train engines and cars: end 2014, second half of 2015.</p> <p>2 – Belgranocargas – New acquisitions are expected during 2015 and early 2016 (detail in status). Work regarding train repair will go on for 3 years. The project will be completed by end-2018. The delivery of the purchased items will be finished by end July, 2017.</p> <p>3 – Revamping of the Buenos</p>	<p>Status</p> <p>1 - Purchase of train engines and cars: For the Mitre and Sarmiento railways, engine and cars were delivered in December 2014. For the San Martin and long distance railways, the delivery has been completed. For the Roca railway delivery started in February 2015 and was completed by July 2015. For the Belgrano Sur railway, delivery was completed by the second half of 2015. All phases, completed. Now we are executing the spare parts agreements.</p> <p>2- BelgranoCargas - two payment advances have already been made, and work is under way. Train engines and cars are expected to be delivered by end 2015 and the 1st quarter of 2016. Railway tracks and related materials are expected to be delivered between mid- 2015 and end- 2015. Materials for train repair will be delivered in the third quarter of 2015. The project will be completed by end-2018. Work is underway.</p> <p>3- Revamping of the Buenos</p>



	<p>implies the recovery and modernization of the railway services of long distance. It involves a total amount of US\$1 billion. The implementation path started in 2014 and will take 24 months. By end of 2016 the infrastructure work will be finished and the trains will start its services normally.</p> <p>4 - <b>Revamping of the Buenos Aires – Rosario railway system.</b> The project implies the recovery and modernization of the long-distance railway services. It involves a total amount of US\$2.5 billion. The implementation path started in 2014 and will take 30 months. By end 2016 the infrastructure work will be finished and the trains will start its services normally.</p> <p>5 - <b>Revamping of the metropolitan area passenger railway system.</b> It involves a total amount of US\$4.3 billion for the recovery and modernization of the whole metropolitan railway services, including the renovation of rails and stations, and the electrification of the Roca railway system. The implementation path of these projects varies, but on average these revamping projects will take 30 months. Up to date there are 4 lines electrified, such as Mitre, Urquiza, Sarmiento and Roca (with 3 of its four lines electrified). The electrification of the 4th line of the Roca is on the go. The plan is to electrify the remaining lines during the next 8 years. The objective: All lines working electrified.</p>	<p>Aires – Mar del Plata railway system- End 2016.</p> <p>4- Revamping of the Buenos Aires – Rosario railway system - End 2016.</p> <p>5- Revamping of the metropolitan area passenger railway system- The plan is to electrify the remaining lines during the next 8 years.</p>	<p>– Mar del Plata railway system- 50% of the work was done in 2014. By end of 2016 the infrastructure work will be finished and the trains will start its services normally</p> <p>4- Revamping of the Buenos Aires – Rosario railway system. 50% of the work was done in 2014 and the remaining 50% will be completed in 2016.</p> <p>5- Revamping of the metropolitan area passenger railway system. Work is underway. Up to date there are 4 lines electrified, such as Mitre, Urquiza, Sarmiento and Roca with only 3 of the four lines electrified. The electrification of the 4th line of the Roca is on the go. The plan is to electrify the remaining lines during the next 8 years. The objective: All lines working electrified.</p>
<p><b>Impact of Measure</b></p>	<p>This ambitious program implies the construction and revamping of kilometers of rails, impacting directly in the amount of passengers and loading capacity reaching local economies. When completed, these projects will be assessed on the basis of: km revamped number of passengers, local economies reached and the expansion of loading capacity.</p>		

<p><b>PROGRESAR PROGRAM</b></p>	<p><b>PROGRESAR. consists of a money transfer made to young people, aged between 18 and 24, who want to return to school or to continue their studies</b></p>		
<p><b>Inclusion of the commitment in growth strategies</b></p>	<p>This measure was included in the Brisbane growth strategies.</p>		
<p><b>Detailed implementation path and status</b></p>	<p>Interim Steps for Implementation</p>	<p>Deadline</p>	<p>Status</p>
	<p>The program has been in effect since January 2014.</p> <p>In 2015, through the decree N°505/2015, an Increase of the allowance from AR\$ 600 to AR\$</p>	<p>In force</p>	<p>Ongoing.</p> <p>Amount of the allowance: AR \$900.</p> <p>Since January 2016 changes in the</p>



	900 was granted.		minimum adjustable wage implied changes in the level of income to be eligible for the benefit*. From ARS 6.060 (equivalent to one minimum adjustable wage) to ARS 18.180 (equivalent to three the minimum adjustable wage).
<b>Impact of Measure</b>	642.000 benefits were granted up to March 2016.		

<b>PROEMPLEAR PROGRAM</b>	Part of the PROGRESAR program that makes money transfers to firms that hire young workers, with the aim of sustaining employment, assisting the worker and providing training in the new job.		
<b>Detailed implementation path and status</b>	Interim Steps for Implementation	Deadline	Status
	The program has been fully in effect since October 2014	Between 2015 and 2016	Ongoing
<b>Impact of Measure</b>	<p>This program is divided in different in different stages:</p> <p>For the Program of labour insertion (PIL - for its acronym in Spanish), that promotes quality employment in both private and public enterprises in the form of a wage subsidy over the initial period of the employment relationship, working as an incentive to new hiring, the reach was: In 2015: 19.700 beneficiaries, and during the first semester of 2016 : 10.000.</p> <p>On the other hand actions for training in new jobs (AET, for its acronym in Spanish) is a program that offers the possibility to master the specific tasks associated to particular jobs, or even complete on-the-job training for the integration in the private sector, public sector, or even non-profit organizations. The training process may last between 3 and 12 months depending on the tasks and the beneficiary's profile, and is based on tutor supervision, which allows for better development of particular skills for the specific job's tasks. The program also includes a non-labor-related economic incentive for the beneficiaries which cost is shared between the employer and the Labor Ministry.</p> <p>For this program durind2015, 185.000 beneficiaries where reached. During the first semester of 2016, 96.000 beneficiaries.</p> <p>By late August (2015), the scheme that reduces social security contributions by microfirms (up to 5 workers) had been used by 90% of potential beneficiaries.</p> <p>By late August (2015), the scheme that reduces social security contributions for bigger firms (with up to 80 employees) had been used by 10% of potential beneficiaries</p>		

<b>New Retirement Pension Plan (Law Nr. 26,970)</b>	<b>The initiative establishes a pension for all the citizens who have reached retirement age but have not made the required contributions</b>		
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.		
	Interim Steps for Implementation	Deadline	Status
	Beneficiaries of the measure were older people –mainly women– living in the most vulnerable 30% of households.  The measure is aimed at people who have reached the statutory retirement age but have not paid the (total) contributions required for receiving pension benefits, or have never made any pension contributions at all.  Beneficiaries began to receive pension payments before cancelling the amount of the debt outstanding, which is deducted monthly from the amount of the pension benefit, in a maximum of 60 installments. The amount of each installment is scheduled to be periodically adjusted in the same proportion as the level of the pension benefit.	Late 2015.	Completed: 627,288 pension benefits granted
<b>Detailed Implementations path and status</b>	Beneficiaries pay contributions which fell due before (and up to) December 31, 2003 and, in order to be entitled to the benefit, they must neither receive another pension (for example one from the spouse) nor benefit from any transfer from any social program, unless the other pension received is a contributory minimum pension.		
<b>Impact of the new measure</b>	627,288 retirement pension benefits by New Retirement Pension Plan.  Total allowances: 6,629,534 (in February 2016), equivalent to a coverage of over 97% of the elderly in retirement age.		

<b>Support Investment for SMEs and infrastructure projects</b>	<b>In order to spur investment by SMEs and increase financing for business investment and infrastructure projects, there were two key Central Bank credit programs.</b>		
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.		
<b>Implementation path and expected date of implementation</b>	Three aspects of Argentina’s monetary regime hindered investment and growth until December 2015: (i) tight controls on foreign exchange transactions, (ii) financial repression and (iii) high inflation.  Then, as first step in order to support investment for SMEs and infrastructure projects, new monetary authorities carried out a policy reform oriented to remove these three obstacles: i) lifting restrictions in foreign exchange transactions; ii) removing interest		

	<p>rate caps and floors in financial system; iii) launching a plan to lower inflation to 5% per year by 2019, including an inflation targeting regime to be put in place in September 2016.</p> <p>In addition to these general measures, BCRA has developed credit lines to deal with specific issues of SME financing:</p> <p>a) The credit line for Productive Investment of the Central Bank of Argentina (BCRA) (since 2016, Credit Line for Production and Financial Inclusion) requires financial institutions to allocate a percentage of their deposit funding to finance capital expenditures by SMEs and mortgages, among others, with loans of at least 3 years of maturity and caps in its interest rates. For the first half of 2016, eligible banks must hold in their balance sheets at least an amount equal to 14% of their private sector deposits stock to this line (AR\$117 billion).</p> <p>This credit line was established in 2012. In that year the total allocation of funds was \$20 billion (0.8 of GDP). In 2013, AR\$38 billion were allocated (1.2% of GDP). In 2014, AR\$47 billion were allocated (1.1% of GDP), while in 2015 AR\$81 billions were allocated (1.5% of estimated GDP). During the four years, AR\$186 billion were allocated.</p> <p>b) The Bicentennial Productive Financing Program, provided loans to the private sector through commercial banks at subsidized rates (funded by BCRA financing), of which around two thirds have been channelled to the industrial sector. The amount allocated reached AR \$8,200 million (0.19% of GDP) in 2014. There were no new loans approved in 2015, only the disbursements of previously approved ones. This credit line will not be renewed, since the new approach of credit policy is not based on direct subsidies.</p>
<p><b>What indicator(s) will be used to measure progress?</b></p>	
<p><b>Explanation of additionality or adjustment (where relevant)</b></p>	

### Other Non-key Commitments

Please complete a table for each commitment.

Ahora 12	Stimulus Program for Consumption and Production		
<p><b>Inclusion of the commitment in growth strategies</b></p>	<p>This measure was included in the Antalya growth strategies.</p>		
<p><b>Detailed implementation path and status</b></p>	<p>Interim Steps for Implementation</p>	<p>Deadline</p>	<p>Status</p>
	<p>The AHORA 12 program was first introduced in September 2014. This program has recently (March 2015) been extended till end September 2016.</p> <p>Its aim is to stimulate aggregate demand by encouraging</p>	<p>This program was extended until September 30, 2016 but could be further extended.</p>	<p>Ongoing.</p>



	<p>consumption and production.</p> <p>The program provides the possibility to make purchases, with interest-free instalment in stores of all the country for 14 consumer items, from house ware and electronics to tourism and building materials.</p> <p>The program has a national scope and different participating shops.</p>		
<b>Impact of Measure</b>			

<b>Reform of Financial regulation</b>	<b>Completing the adoption of the three Pillars in Basel II and the new elements in Basel III in order to guarantee financial stability</b>
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.
<b>Implementation path and expected date of implementation</b>	<p>The measures aim to continue in the process of fully adopting international regulatory standards. During 2016, the Central Bank of Argentina (BCRA) will be introducing:</p> <ul style="list-style-type: none"> <li>- An update to capital requirement for financial institutions' exposures to clearing houses or Central Counterparties (CCPs).</li> <li>- A specific capital requirement for equity investment in funds which will take effect from 1 January 2017.</li> <li>- The introduction of the Standardised approach for measuring counterparty credit risk exposures (SA-CCR) in replacement of the Current Exposure Method (CEM).</li> <li>- The BCBS revised Pillar 3 disclosure requirements are also expected to be implemented by end-2016, so that banks will be able to provide information under this format concurrently with their year-end 2016 financial reports.</li> <li>- In the course of 2017, the BCRA expects to implement the Basel III net stable funding ratio (NSFR) and the securitisation framework, as revised by the BCBS in December 2014.</li> </ul> <p>During 2015, the BCRA has continued adopting Basel III (BIII) standards:</p> <ul style="list-style-type: none"> <li>- Central Counterparties (CCPs) capital requirements: The rule was published on October 30th 2015 (Communication "A" 5821). Credit risk exposures are calculated using CEM methodology. The introduction of SA-CCR methodology is planned for 2017.</li> <li>- Capital requirements for market risk: Changes to the calculation of these requirements were introduced through Communication "A" 5867 (December 30th 2015). This is a first step towards the adoption of BIII standard.</li> <li>- Countercyclical Capital Buffer: The final rule was published on November 10th 2015 (Communication "A" 5827). A 0% rate was established in March 2016.</li> <li>- Capital Conservation Buffer: The final rule was published on November 10th 2015 (Communication "A" 5827).</li> <li>- D-SIBs framework: Communication "A" 5694 (November 9th 2015) set for the</li> </ul>



	<p>additional capital required for these banks.</p> <ul style="list-style-type: none"> <li>- Intraday liquidity: The monitoring tools for intraday liquidity management were also implemented in 2015.</li> <li>- Leverage ratio: Banks's public disclosure of their leverage ratio started in 2015, concurrently with the disclosure of their first quarter financial statements.</li> </ul>
<b>What indicator(s) will be used to measure progress?</b>	The progress in the implementation could be assessed with the communications issued by the Central Bank.
<b>Explanation of additionality or adjustment (where relevant)</b>	

<b>Stimulus Program for small grain farmers</b>	<b>Given the falling price of agricultural commodities the National Government created a fund to support the production of grains and oilseeds by small farmers.</b>
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Antalya growth strategies.
<b>Implementation path and expected date of implementation</b>	This Program was in effect from January 2015 to December 2015. In July 2015 its scope was extended to reach producers of wheat (up to 1,600 tons), corn, sunflower and soybean (up to 1,000 tons). Producers had to apply through an official web site by completing the required information regarding their production. Monthly payments were directly delivered to the beneficiaries bank accounts.
<b>What indicator(s) will be used to measure progress?</b>	The Secretary of Commerce estimated an expected monthly export performance for soy, sunflower, wheat and corn, which was then contrasted with the effective export performance for each product, as reported by the Central Bank.
<b>Explanation of additionality or adjustment (where relevant)</b>	To claim the benefit, the beneficiary farmers should have had a yearly production not exceeding 1,600 tons for wheat, corn and sunflower, and not exceeding 1,000 tons for soybean (previously the limit was 700 tons for soybean, wheat and sunflower and 1,400 tons for corn). It was estimated that the total number of beneficiaries exceed the 56,000, for a total amount of approximately US \$ 345 million budgeted by the National Treasury.

<b>Small Milk Producers Recomposition Regime</b>	<b>Given the falling price of milk, the National Government has created an incentive mechanism for small milk producers.</b>
<b>Inclusion of the commitment in growth strategies</b>	<b>This measure was included in the Antalya growth strategies.</b>
<b>Implementation path and expected date of implementation</b>	The Program was put into effect in March 2015 and in 2016 it was extended, with some changes. It establishes a scheme to grant a non-repayable contribution of AR\$ 0.40 per litre to small milk producers that produce less than 3,000 liters per day. There is no production limits per producer to access this benefit. In this new stage the fiscal cost is estimated in approximately US\$ 40 million.
<b>What indicator(s) will be used to</b>	Quarterly monitoring: the beneficiary must inform quarterly the production level and distribution. During February and March 2016, subsidies to 22,729 milk producers were



<b>measure progress?</b>	given by the Ministry of Production, corresponding to the fourth quarter 2015. The average amount of the benefit was US\$ 1,427 per producer.
<b>Explanation of additionality or adjustment (where relevant)</b>	Potential beneficiaries must complete an Affidavit in the Registry of Milk Producers Beneficiaries, which is available in the Secretary of Commerce's website. Then, they must declare on a monthly basis the milk submitted to the industry.

<b>Stimulus Program for oil production</b>	<b>Given of the falling price of oil, the National Government created an incentive mechanism for oil companies that expand their production</b>
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Antalya growth strategies.
<b>Implementation path and expected date of implementation</b>	The Program was put into effect in January 2015 and it was extended in 2016. An incentive mechanism will be applied to companies, in order to stimulate production, with a subsidy of ten dollars per exported barrel.
<b>What indicator(s) will be used to measure progress?</b>	Quarterly monitoring, where the beneficiary company must inform its quarterly production level and its quarterly exports.
<b>Explanation of additionality or adjustment (where relevant)</b>	The program is necessary to compensate the disincentive created by the drop in oil prices which, in the absence of a policy response, could adversely affect the companies' investment plans.

<b>PADEx (Program for Export's Growth and Diversification)</b>	<b>To improve the quality and quantity of Argentine exports, strengthening Argentina's integration to global trade.</b>
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.
<b>Implementation path and expected date of implementation</b>	The objective of the program was to strengthen the exporting potential of the county, contributing to the development of regional economies, increasing the number of exporting companies and diversifying exports in terms of variety of products and foreign markets. The plan was implemented during the 2014-2015 period.
<b>Status of Implementation and Impact</b>	From October to December 2015, Argentina participated in a total of 41 commercial missions in 14 countries (France, Brazil, Germany, Colombia, Uruguay, Bolivia, USA, Arab Emirates, China, Cuba, Kazakhstan, Honduras and Mexico). Around 600 Argentinean companies took part of the trade show, and achieve to have more than 3200 business meetings. Among the included sectors you can find the creative industries, food and beverage (viticulture in particular), energy publishing, as well as multi sectorial missions. The program ended on December of 2015.
<b>Explanation of additionality or adjustment (where relevant)</b>	As part of the changes of the new authorities of the national government as from the 10th of December of 2015, our country has renovated and re launched its export promotion policies, with the objective of broadening the quantity and quality of export products, and also their destination, and adding value at origin.



<b>Country Value Plan</b>	<b>To increase employment, production levels, value added, and exports</b>
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.
<b>Implementation path and expected date of implementation</b>	The goal was to encourage the companies to hire workers that are beginning their careers. This program would give in turn a rise in production, the import of raw material, intermediate goods and capital goods by different sectors of the economy, mainly those considered strategic given their revitalizing effect on the economy and employment, and thus sustaining growth. The implementation was foreseen for the 2014-2015 period.
<b>Status of Implementation and Impact</b>	The program ended on December 2015 and was implemented according to the plan. During the second semester of 2015 there where inter-ministerial working groups with the different value chains involved, analyzing the evolution of the economic index of each sector reinforcing the participation of certain sectors like dairy products, fruit, paper industry and medical equipment. On December of 2015 the 36 planned sectors where incorporated to the program.
<b>Explanation of additionality or adjustment (where relevant)</b>	N/A

<b>Trade Facilitation (I)</b>	<b>To prevent, investigate and punish illegal customs operations, allow better application of customs legislation, analyze risk on a more effective basis and improve controls along the international supply chain.</b>
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.
<b>Implementation path and expected date of implementation</b>	The information exchange System of Customs Record, which objective is to strengthen custom risk management, through information Exchange, is at implementation stage, together with the members of Mercosur. The system is in a continuous state of revision, that's why there isn't a deadline for its implementation, constantly incorporating new data and enquiries, requested by the Member State.
<b>Status of Implementation and Impact</b>	It's being implemented according to the plan. During 2015 and the first 4 months of 2016: <ul style="list-style-type: none"> <li>- The work to strengthen the connectivity of customs is continuing, not only among the Mercosur, but also in other countries of Latin America and the world.</li> <li>- The network of agreements for the Exchange of information has been expanded, signing an agreement of Exchange of information, with the Republic of Georgia, and being in process the incorporation of Dominican Republic, Colombia, Venezuela, Peru, Russia, and Morocco.</li> <li>- There was a signing of an agreement of Customs Cooperation with the Republic of Algeria, in order to promote safe and transparent trade.</li> </ul>
<b>Explanation of additionality or adjustment (where relevant)</b>	N/A

<b>Trade Facilitation (II)</b>	<b>To ensure the safety and fluidity of customs operations, providing greater competitiveness to operators and improving the allocation of customs resources.</b>
--------------------------------	---





<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.
<b>Implementation path and expected date of implementation</b>	Through the “Reliable Customs Operators System”, established in 2005 considering the dispositions of the OMA, the operators are benefited with the improvement of their international trade operations and optimizing their cost, based on the concepts of collaboration and mutual assistance. The program has the objective of signing Agreements of Mutual Recognition of the Authorized Economic Operators with other Customs Administrations, and it’s being re-arranged in order to increase the amount of certified companies. There is no deadline for its implementation.
<b>Status of Implementation and Impact</b>	<p>It’s being implemented according to plan, and we are working in order to:</p> <ul style="list-style-type: none"> <li>-Strengthen and improve its implementation, particularly a reengineering is expected to modernize both technological aspects and infrastructure, and continue adapting to the standards set by the OMA.</li> </ul> <p>In November 2015, a mutual recognition agreement was signed with Brazil.</p> <p>Progress in the implementation of a project with Brazil, Paraguay and Uruguay for the harmonization of Model of Data of Customs Declarations (modda) in MERCOSUR which will bring, among other benefits, improvement of the system. Progress is being made in the realization of technical assistances with OMA and Canada and with the conclusion of export data model.</p> <p>The possibility of signing other agreements with various customs administrations of other countries is underconsideration.</p>
<b>Explanation of additionality or adjustment (where relevant)</b>	N/A

<b>Audiovisual Communication Media Law. Law 26,552.</b>	<b>The new law 26,552 regulates the Audiovisual Communication Media Sector</b>
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.
<b>Implementation path and expected date of implementation</b>	The law fully came into force in October 2013 and aimed to increase the degree of competition in Audiovisual Communication. The licenses are granted for 10 years with the possibility of an extension only once and shall be assigned through competitive bidding, limiting participation to 35%.
<b>Status of Implementation and Impact</b>	<p>The Act was amended by Decree 267/2015 to correct deficiencies in content and in its implementation:</p> <ul style="list-style-type: none"> <li>- Quantities are eliminated to the number of cities in which cable companies can operate.</li> <li>- The licenses are renewed for 5 years automatically, and then every 10 years through bidding.</li> <li>- Telecommunications laws are unified in a new enforcement authority: Ente Nacional de Comunicaciones.</li> <li>- New rules on the number of licenses are established: 15 in the case of broadcast television or radio at the national level; and the provincial order may not exceed 4 licenses.</li> </ul>



	<ul style="list-style-type: none"> <li>- Restrictions on cross-ownership of television, radio, cable and broadcast TV are eliminated.</li> <li>- The integration of private radio and television is facilitated.</li> </ul> <p>The objective of these changes was to incorporate the role of digitization in the multiplication of spaces of content, the role of synergies in the development of business models required to develop converged services scale, fostering an increasing competitiveness and capacity development of the sector. All this will address the problem of delayed investments in network infrastructure and the consequent poor quality of services.</p>
<b>Explanation of additionality or adjustment (where relevant)</b>	N/A

<b>Award of frequency bands for all communication services</b>	<b>Public tender with a public auction for assigning rights to frequency bands for communication services</b>
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.
<b>Implementation path and expected date of implementation</b>	The government launched through a public tender, the awarding of the frequency bands of all communication services, with the aim of expanding the range of frequency bands, enabling the increase of mobile operators in quality, quantity and diversity, generating the entry of new competitors, ensuring competition in the market and improving the quality of existing services. The public tender was scheduled to take place during 2015.
<b>Status of Implementation and Impact</b>	It was implemented according to plan. The process of adjudication of radio spectrum bands 4G, which had begun through bidding and auction in October 2014, concluded in June 2015 with the allocation of all frequencies involved. From then on, the winning companies were authorized to use the acquired portion of the spectrum and are currently deploying the necessary infrastructure to provide the service, which will decompress the use of 2G and 3G networks and ensure a more fluid mobile communications
<b>Explanation of additionality or adjustment (where relevant)</b>	N/A

<b>PRO.CRE.AR. (Argentine Credit Program for the Bicentennial)</b>	<b>The program aims to increase access to housing finance by means of mortgage loans at subsidized rates, and has flexible eligibility criteria. The program not only attempts to reduce the housing gap, but also to create employment and boost demand in the construction sector</b>
<b>Inclusion of the commitment in growth strategies</b>	This measure was included in the Brisbane growth strategies.
<b>Implementation path and expected date of implementation</b>	The Program was launched in July 2012 and the expected implementation plan is 4 years, with a target of around 400,000 loans, at a pace of around 100,000 loans per year.
<b>Status of Implementation and Impact</b>	Up to April 2016, 199,125 loans had been disbursed, showing an increase of 16% from July 2015.

## Annex 2. New and Adjusted Policy Commitments since Antalya

<p><b>“Belgrano Plan”</b></p>	<p><b>“Belgrano Plan” is part of a policy to promote connectivity and intraregional trade within Argentina. The plan consists of an investment of \$39,490 million (USD 5.200), which will be deployed between 2016 and 2019. The objective is to generate the necessary connectivity between the North of the country and the main ports to foster the development of the economies of the northern provinces of the Country.</b></p>
<p><b>Implementation path and expected date of implementation</b></p>	<p>“Belgrano Plan” is part of a policy to promote connectivity and intraregional trade within Argentina. The plan consists of an investment of US\$5,200 million, which will be developed between 2016 and 2019 in 4 mail sectors: roads, fluvial, aviation and railway. The objective is to generate the necessary connectivity between the North's of the country and the main ports to foster the development of the economies of the northern provinces of the country.</p> <p>It will mean the construction of 4350 km of routes including 800 km of motorways; 1800 km of safe routes; and Repaving 1500 km and 250 km of paving.</p> <p>Roads - in the northwest:</p> <ol style="list-style-type: none"> <li>1. Corridor of NOA – Northwestern Corridor (Provinces: Santiago del Estero, Tucumán, Salta, Jujuy): RN 9/34 within Santiago del Estero and Jujuy, 560 km (motorways and safe routes) Investment to 2019: AR\$10.479 million Investment to 2027: US\$ 1600 million Deadline: October 2019</li> <li>2. Rosario-Northwestern Corridor: RN 34 within Rosario y La Banda: motorways and safe routes, 694 km Investment to 2019: AR\$ 12.268 million Investment to 2027: US\$ 2000 M</li> <li>3. Access to Ports of Great Rosario: RN 34, A012, RN 11 – Construction of access and distributors, 42 km Investment: AR\$1.000 million Deadline: October 2016</li> <li>4. Jujuy Corridor: motorways RN9 within San Salvador de Jujuy and Yala, 13 km - Investment to 2019: AR\$ 76 million - Investment to 2027: US\$ 50 M - Deadline: February 2017</li> <li>5. Orán Corridor: motorways RN 50 within Pichanal and Orán, 21 km - Investment to 2019: AR\$327 million - Deadline: October 2016</li> <li>6. Regional integration NOA: complete repaving of RN 51 Campo Quijano – Chorrillos – International pass Sico (Salta), 26 km - Investment to 2019: AR\$176 million</li> <li>7. NOA-Córdoba: RN 9 motorways Córdoba-Villa del Totoral, 40 km (first part) - Investment : AR\$1900 million - Deadline: October 2016 / July 2019 (Total of the work in 2023 – 73 km)</li> </ol>

	<p>Roads - in the northeast</p> <p>1. Bi-oceanic corridor of Capricorn: RN 16: motorways within Resistencia (Chaco) y Metán (Salta).</p> <p>First part (43 km) - Resistencia – Makallé: motorways</p> <ol style="list-style-type: none"> <li>1. Investment to \$293 M pesos</li> <li>2. Deadline: April 2017 (in execution)</li> </ol> <p>Second part (189 km) - Roque Saenz Peña – Metán: Repaving and expansion</p> <ol style="list-style-type: none"> <li>3. Investment to AR\$809 million</li> <li>4. Deadline: December 2017 (in execution)</li> </ol> <p>2. Bridge Resistencia-Corrientes. 70 km  - Investment to: \$ 2240 M pesos for 2019 (USD 1500 M within 2018 and 2023)  - Deadline October 2018 – and keep going to 2023</p> <p>Fluvial transport:</p> <ol style="list-style-type: none"> <li>1. New port of Itáibaté</li> </ol> <p>This port is important for regional production of rice (256 thousand) and Wood (200 thousand) for the rest of the country and exports to Brazil, China, Iraq, Iran, United State, European Union and Canada</p> <ul style="list-style-type: none"> <li>- Total investment AR\$ 250 million</li> <li>- Deadline 1 year and 8 month. works starting the third quarter of 2016</li> </ul> <p>The construction of the port will generate 200 direct jobs. In the port will work 60 employees, 30 per shift. The new port will be able to receive 60 boats per year, with a capacity of up to 1500tons.</p> <ol style="list-style-type: none"> <li>2. Works for waterways</li> </ol> <ul style="list-style-type: none"> <li>- Total investment: AR\$ 311 million</li> <li>- Deadline: October 2016</li> </ul> <p>Repair the principal port of the Delegation in charge of dredging and buoying the Uruguay River</p> <ol style="list-style-type: none"> <li>5. Total investment: AR\$15 million</li> <li>6. Deadline: December 2016</li> </ol> <ol style="list-style-type: none"> <li>3. Repair dredgers and support vessels necessary to meet the needs of public ports</li> </ol> <ul style="list-style-type: none"> <li>- Total investment: AR\$246 million</li> <li>- Deadline: November 2018</li> </ul> <p>Aero commercial transport:</p> <p>To improve the connectivity of the north-eastern provinces and northwest, over AR\$ 1,400 million will be invested in airport infrastructure.</p> <ol style="list-style-type: none"> <li>1. International airport of Port Iguazú (Iguazú, Misiones) - AR\$ 250,000,000 pesos. New control tower / remodeling and expansion of the passage terminal.</li> </ol>
--	--



	<p>2. International airport Martín Miguel de Güemes (Salta) - AR\$ 200,000,000 pesos. Remodeling of the passage terminal and repaving the main track. Installation of lightning</p> <p>3. International airport "Teniente General Benjamín Matienzo" (Tucumán) - \$ 235.000.000 pesos. Installation of lighting system.</p> <p>4. International airport Gobernador Horacio Guzmán (Jujuy) - AR\$ 300,000,000 pesos. Remodelling of the passenger terminal.</p> <p>5. International airport of Resistencia (Resistencia, Chaco) - \$4.100.000 pesos. Installation of uninterruptible power supply (UPS)</p> <p>6. Airport Libertador General San Martín (Posadas, Misiones) - \$250.000.000 pesos. Remodelling of the passenger terminal, rehabilitation of the runway and the streets of movement; installing a new lighting system</p> <p>7. Airport Vicecomodoro Ángel de la Paz Aragonés (Santiago del Estero) - \$6.000.000 de pesos. Installing new system of visual indicators</p> <p>8. Airport Capitán Vicente Almandos Almonacid (La Rioja) - \$40.000.000 de pesos. Installing new lighting system, high intensity lights system</p> <p>9. Airport Coronel Felipe Varela (Catamarca) - AR\$4,000,000 de pesos. Installing new light system</p> <p>10. Airport General Mosconi (Tartagal, Salta) - AR\$3,500,000 de pesos. Repowering electrical and installation of a new electrical generator</p>
--	--

Increasing national connectivity	Implementing the Infrastructure of Transport Plan
<p><b>Implementation path and expected date of implementation</b></p>	<p><b>1. Electrification of the remaining railways lines:</b> In the next 8 years, the goal is to electrify the remaining lines of passenger trains. This will have an impact in the quality of passengers traveling, eliminate environmental and sound contamination, since it doesn't use any kind of fuel for its traction; the risk of electrocution at the rails are reduced because of the fact that the electrification is being done through an aerial system of overhead power cable; commuting time is improved, since that traction system Improves time of acceleration and stopping of the formations. The railway of Roca line, between Constitución and La Plata, will be electrified by end of the year.</p> <p><b>2. ATS (Automatic Train Stop):</b> This technology will be added in every line. A modern Railway system that makes the trains stop automatically, even if the stop signs have been ignored. The automatic Train Stop is a Japanese system that will be applied progressively during the next 4 years in the 8 metropolitan railway lines. The investment will reach the 250 Million USD.</p> <p><b>3. RER (Red de Expresos Regionales) Regional Express Net.</b> The RER is the most important engineering Project for the passenger transport in the history of the Buenos Aires city that will include the first significant expansion of the metropolitan railway net of the last hundred years. The RER will link the lines that come from the SOUTH (Roca y Belgranosur), from the NORTH (San Martín, Mitre in their three branches: Tigre, Suarez y Mitre y Belgrano Norte), and from the WEST (Sarmiento), generating a big regional connectivity node. The objectives are: (i) improving the quality of life of the population, (ii) recover the level of excellence that the railway system had historically in the Metropolitan area, (iii) generating a change in the patterns of mobility of the population in general, improving the quality of the service of the public transportation, (iv) improving the connectivity of the Metropolitan area (trips to the city, inside the city and between the different towns of the Province of Buenos Aires), (v) Activate the 100km network of trains that the City of Buenos Aires has, improving its connectivity and doubling its frequency (vi) Improving the connectivity of the railway system to all other means of transportation, strengthening the Subway network, and Metrobus. <u>Characteristics:</u> the current Railway system has 815 km. Composed by 8 train lines, 224 train stations, and 1.4 million of daily trips. 100 of these</p>

	<p>kilometers, 43 stations and 100 thousand trips are inside the city. RER means 16km of tunnels, 4 underground stations and 1 on the surface. <b>Impact:</b> Total Beneficiary population: 10.000.000. Today on the train network the total of daily trips are 1.4 million. With the RER working in its entirety, the usage of train is estimated to double, reaching 3 million daily trips.</p> <p><b>Period:</b> 4 years for the Central Obelisk Station (of the Roca FC) and Underground Constitucion Station. 6 to 8 years for the whole project.</p> <p><b>4.Sarmiento line tunneling.</b> The Sarmiento line tunneling in the Caballito-Moreno route is an engineering Project that is being led by the Argentinian government in the city of Buenos Aires and the west of the Province of Buenos Aires, that plans the construction under cutting of the rails of the Sarmiento, trough and extension of 32km. <b>Benefits of the project:</b> There will be no more crossing gates, nor pedestrian crossings that may imply accidents with the trains, or delays in traffic. –The elimination of the trace on the surface, with the crossing gates, and the crossings will give continuity to the streets that are transverse to the rails, achieving a complete urban integration. Also it allows the best recovery of the railway lands, as much in the City of Buenos Aires as in the Province of Buenos Aires, for its urban development. – The new infrastructure will allow to substantially improve the service, achieving a 3 minute frequency between trains. Also the commissioning of the double deck trains will increase significantly the capacity of the transportation and passengers comfort. – The Project also takes in account the renovation and modernization of the electrical, signposting and train control infrastructure as a whole, in turn with the installation of the fire proof and evacuation systems demanded by the international regulations for these Projects. – This Works will generate 10.000 jobs opportunities: 2000 directly related to the construction and 8000 associated indirectly to the different services, materials and equipment that form the</p> <p><b>5. Highway Administration.</b> Today 40% of our roadways are in bad shape, and we have only 2800 km of Highways and Freeways. We are going to duplicate those 2800km and construct 4000kms of safe roadways with 900 works, that imply an investment of 12.500 M USD in 4 years. These investments are the base of a long term plan that includes 11.400 km of highways and freeways, 13.000 of safe roadways and 28.000 M USD for the year 2027.</p> <p><b>6. Aerial Sector.</b> Today we have saturated airports with old fashioned infrastructure. We are going to double the amount of internal flights passengers in 4 years, going from 10 to 20 million. Thus we are going to modernize the airport system: Works on terminals and runways (for example Aeroparque (metropolitan airport), 11M pax and 120.000 movements per year, the biggest flow in the country), new control tower, terminal, platform and parking lot expansion (1500 in total). During the period 2016-2019: we are going to work on 14 airports, which implies an investment of 900 M USD, which means a 4 times bigger investment than in the last 3 years. In Buenos Aires International Airport - Ezeiza (that handles 9.5 M passengers): new control tower, passenger terminal, parking lots, re pavement of the runway. The works will improve the travel experience, and also the operational security that puts us on international standards: the airports are our gateway to the world.</p>
--	--

<b>Completion of the Embalse Nuclear Power Plant Refurbishment</b>	<b>The Embalse Nuclear Power Plant refurbishment is expected to extend the useful life of the plant for an additional 25 to 30 years, as well as increasing the output of the plant in approximately 35 additional Mw of electric power.</b>
<b>Implementation path and expected</b>	The project is being implemented through the execution of multiple contracts with national and foreign providers of goods and services for the nuclear sector.

<b>date of implementation</b>	
<b>What indicator(s) will be used to measure progress?</b>	<p>Implementation will be checked by following up on the completion of key milestones in the contracts and verifying the operation and output of the Embalse plant once the refurbishment is completed.</p> <p>The Embalse Nuclear Power Plant Refurbishment began in 2015 and is expected to be completed in 2018.</p>
<b>Explanation of additionality or adjustment (where relevant)</b>	<p>The refurbishment of the Embalse nuclear power plant meets the objectives of increasing the diversification of energy sources and eliminating carbon emissions. It also increases the dependability of the electric energy system in Argentina by extending the useful life of a reliable source of electric power.</p>

<b>Construction of the IV and V Nuclear Power Plants in Argentina</b>	<p>Pursuant to law 26.566, the development, construction and operation of an additional nuclear power plant consisting of up to two reactors, was declared of national interest. In accordance with the applicable legislation, the national government intends that the relevant decentralized organization undertakes the construction of this nuclear power plants as early as 2017.</p>
<b>Implementation path and expected date of implementation</b>	<p>Representatives of the relevant decentralized organizations are currently negotiating the principal contracts for the construction and financing of the plant. The government intends to monitor the evolution of the contractual negotiation and, once the contracts are signed with the proper execution of the project in accordance with the contractual arrangements.</p>
<b>What indicator(s) will be used to measure progress?</b>	<p>Periodic reviews of the construction progress and schedule will be performed.</p> <p>The fourth nuclear power plant construction is expected to begin as early as 2017 and is expected to enter operation in 2024 at the earliest.</p> <p>Once the plant reaches operational status, periodic measures of energy output will be performed to ascertain if the plant meets the objectives.</p>
<b>Explanation of additionality or adjustment (where relevant)</b>	<p>Depending on the type and size of the chosen reactors, the additional nuclear power plants will increase the amount of electricity produced from nuclear sources in Argentina by approximately 1.5 GW of electricity.</p> <p>The construction of the additional nuclear power plant is consistent with the general objectives of diversifying the country's sources of energy, expanding the technological cluster associated with the nuclear sector and reducing consumption of fossil fuels and carbon emissions.</p>

<b>National Securities Commission (CNV) measures for SME</b>	<b>Strengthening SMEs access to financing through the capital market</b>
<b>Implementation path and expected date of implementation</b>	<ul style="list-style-type: none"> <li>- New measures have been implemented since September 2015 with the aim of strengthening SMEs access to financing through the capital market.</li> <li>- The National Securities Commission (CNV) modified its SMEs' regime: the</li> </ul>

	<p>maximum amount of annual revenue for a company to be considered an SME was increased and categorization procedures were simplified. Additionally, through Resolution 659/2016 the billing amounts for the definition of SME have been further increased. On the other hand, through resolution RG659/2016, the definition of SMEs for the CNV was reformulated. Companies might be considered SMEs, for the sole purpose of access to the capital market, as companies that develop productive activities in the country.</p> <ul style="list-style-type: none"> <li>- Through resolution 660/2016, it was established: the creation of the “SMEs Global Programs” (for the issuance of debt securities by SMEs), through which requisites to establish such programs are simplified.</li> <li>- Postdated checks regulation was improved, in order to provide more transparency and better pricing to check negotiations, which is one of the most used financial instruments among SMEs.</li> <li>- Promissory Notes regime was reformed so that more SMEs could use this medium term financing instrument. The target is to double the number of SMEs that use these instruments.</li> <li>- A Financial Assistance Office was created, to give free advice to these types of enterprises. This office will develop courses and publications on the Capital Market for SMEs, proposals for regulatory changes, and technical assistance.</li> <li>- ASISTIR Fund was intended to be created at end 2015 to finance and help SMEs when placing their first issuance of bonds in the capital market. This was not done yet since it’s being evaluated under the new Administration due to the existence of a new SME Law that will include additional instruments and facilities to foster and help SMEs.</li> <li>- Negotiable debt regime was improved by increasing the issuance limit in order to finance larger investment projects. This was done through decree 568/2016. The ceiling amount in circulation was expanded to make it possible to invest in larger investment projects. It was extended from \$15 million to \$1000 million.</li> <li>- Consultative Council for Micro, Small and Medium Enterprise: The objective of this Council is to establish an institutional space were public sector and SME’s representatives can exchange ideas for the analysis, design and implementation of SMEs-oriented policies.</li> <li>- SME Ombudsman: this will be the instance where allegations of abuse by other companies will be documented (breach of contract, abuse of dominant position, etc.)</li> <li>- During 2015 a new requirement for Mutual Funds was implemented: they have to invest the 2.5 % of their equity in productive investment, infrastructure development and SMEs financing. In 2016, this requirement was reformulated by the CNV (RG 656/2016). The reversal of investments made by mutual funds in instruments issued by SMEs so as to facilitate that investment captured by mutual funds result related to its objectives and investment policy.</li> <li>- Though resolution 654/2016, the minimum investment percentage in debt securities issued by SMEs was elevated from 40% to 75% of the total portfolio, for mutual funds to be qualified as destined to SMEs financing.</li> </ul>
<p><b>What indicator(s) will be used to measure progress?</b></p>	<ul style="list-style-type: none"> <li>- 10,000 SMEs will be benefited by more transparency and less financing cost.</li> <li>- Doubling the amount of issuances of promissory notes. It is expected an increase of AR \$ 1,000 million in promissory notes.</li> </ul>





	- Additional AR\$ 4.500 million for SMEs through the investments of the Mutual Funds.
<b>Explanation of additionally or adjustment (where relevant)</b>	Measures that aim to increase SMEs participation in Capital Markets are complementary to credit programs that favored lower costs of financing for smaller companies.

<b>Promote transparency and competition in financial sector</b>	<b>Central Bank of Argentina (BCRA) will take a set of measures oriented to increase transparency and encourage competition in financial sector.</b>
<b>Implementation path and expected date of implementation</b>	As first step in order to increase competition in financial sector, the BCRA has removed interest rate caps and floors, both in credit and deposits.  Additionally, in line with the general policy of increasing transparency, the BCRA has decided in April 2016 to publish the comparative cost of different financial services charged by banks to clients. This information is available in the Central Bank web site and will be updated periodically.  Moreover, banks which change commissions and fees should inform clients not only the charge modification but also the costs of competitors.
<b>What indicator(s) will be used to measure progress?</b>	Monitor if information in the web site is kept updated.
<b>Explanation of additionality or adjustment (where relevant)</b>	

<b>Promote long run savings and credit in domestic currency and increasing mortgage loans</b>	<b>Central Bank of Argentina (BCRA) will develop credit and deposit instruments denominated in a new unit of account related to the average cost of construction (<i>Unidades de Vivienda – UVIs</i>)</b>
<b>Implementation path and expected date of implementation</b>	In the last several years Argentina suffered a chronic inflation rate of about 25% which hindered the development of both long run credit and saving instruments in domestic currency. Monetary authorities, in cooperation with the Ministry of Finance, decided to fight inflation. To that end the central bank launched a plan to lower inflation to 5% per year by 2019. An inflation targeting regime will be launched in September 2016. Taming inflation is the most important contribution of BCRA in order to promote long run credit and savings in domestic currency.  However, with the aim of facilitating the access to housing by families, the BCRA has recently created loans and deposits denominated in a new unit of account called UVIs ( <i>Unidades de Vivienda</i> ) which follow the average cost of construction.  Specifically, one UVI represents the thousandth part of the average cost of construction of one square meter in six big cities of Argentina weighted by population. The value of the UVI will be daily updated by a coefficient based on consumer price index.  Currently, mortgage loans represent less than 1% of the GDP. It is expected that this measure will contribute to increase significantly this figure.
<b>What indicator(s) will be used to</b>	a) Share of credit mortgages denominated in UVIs in total credit mortgages; b) Credit mortgages in terms of the GDP.



measure progress?	
Explanation of additionality or adjustment (where relevant)	N/A

Family Allowance Scheme (Law No. 24.714)	Extension of family allowance scheme for workers enrolled in the Simplified Regime for Small Taxpayers ( <i>Monotributo</i> ) and temporary workers (Decree N° 593/2016 and Decree N° 592/2016)		
	Interim Steps for Implementation	Deadline	Status
<b>Detailed implementation path and status</b>	<p>The regulatory framework of the Argentine social security system includes the subsystem of Family Allowances for Children. The latter included the Family Allowances that cover children of formal-sector workers (contributive), and the Universal Allowance per Child for Social Protection (non-contributive), which recognizes this allowance for all the children whose parents had been excluded from the formal labor market.</p> <p>Through Decree N° 593/2016, the Family Allowances scheme begins to cover children of workers who are enrolled in the Simplified Regime for Small Taxpayers (<i>Monotributo</i>). These are self-employed or independent registered workers that were excluded from the Family Allowances “traditional” scheme.</p> <p>While in the case of the Family Allowances for formal-sector workers the amounts of the allowances vary by familiar income level and geographical area –up to a certain familiar income–, in this case, the amount of the allowance varies according to the billing category of the taxpayer, up to a maximum of AR\$33.000 per month.</p> <p>The amount of the benefit varies from a minimum of AR\$199 to a maximum of AR\$966.</p> <p>The system includes child and prenatal allowance, allowance for children with disabilities and an annual school money transfer.</p> <p>Through Decree 592/2016, temporary workers and those employed registered workers who provide services discontinuously retain the right to receive Family Allowances following cessation of the employment relationship, provided that they register at least 3 months of service with contributions or the equivalent of 90 effective working hours, within the 12 months immediately preceding cessation.</p>		From May 2016
<b>Impact of the measure</b>	An increase in coverage of 874.000 children is estimated (514.000 children of self-employed or independent registered workers and 360.000 children of temporary workers).		



Trade Facilitation	To simplify and give transparency to procedures in order to facilitate trade and businesses
<b>Implementation path and expected date of implementation</b>	<p>The aim is to promote foreign trade by establishing agile, simple and transparent administrative procedures, in line with the international commitments of Argentina. This will create opportunities for incorporating national companies to global value chains, improve the competitiveness of the economy, while developing state efficiency. For this purpose the following actions are envisaged:</p> <p><u>ACTIONS:</u></p> <ol style="list-style-type: none"> <li>1. National implementation of the Agreement on Trade Facilitation of the World Trade Organization. <ul style="list-style-type: none"> <li>- Interministerial consultation and notification regulations category "A".</li> <li>- Ministerial Approval of the agreement.</li> <li>- Referral to the National Congress and approval.</li> <li>- Deposit instrument of ratification with the WTO.</li> </ul> <p><i>Date of implementation: End of 2016.</i></p> </li> <li>2. Establishment of a "single entry" –ventanillaúnica- for foreign trade. <ul style="list-style-type: none"> <li>- Survey of internal processes.</li> <li>- Regulatory changes evaluation.</li> <li>- Exchange experiences with other countries.</li> <li>- Implementation of the "single entry" (ventanillaúnica).</li> </ul> <p><i>Date of implementation: 2017.</i></p> </li> </ol>
<b>What indicator(s) will be used to measure progress?</b>	<ol style="list-style-type: none"> <li>1. Progress will be measured by compliance with internal procedures and the deposit of the instrument of ratification with the WTO.</li> <li>2. Progress will be measured by internal survey compliance information, making proposals for improving procedures as well as the implementation of regulatory and technological changes proposed.</li> </ol>
<b>Explanation of additionality or adjustment (where relevant)</b>	N/A

Trade policy	Expand opportunities to increase and diversify the exporting supply and destinations.
<b>Implementation path and expected date of implementation</b>	<p>In order to contribute to the growth and diversification of national exports, and as part of an overall strategy to insert Argentina in global commerce, the government has undertaken an active policy to help companies to join and benefit from commercial opportunities and new markets, as well as through constructive government involvement in the negotiations of bilateral, regional and multilateral levels.</p> <p><u>ACTIONS:</u></p> <ol style="list-style-type: none"> <li>1. Facilitating the process of linking Argentine companies with the world trade.</li> </ol> <p>Through the newly created Agency Argentina Investment and International Trade, a process was initiated to assist companies starting their way in international markets and also for those</p>

	<p>with export experience who seek to consolidate their work in participating of international business events, technical assistance for the establishment of business agendas, export consortiums formation and development of business intelligence.</p> <p>Expected date for implementation: <i>There is no deadline to complete implementation. It shall be fixed as part of a dynamic schedule of activities, regularly updated by the AAICI.</i></p> <p>2. Active participation in international trade negotiations.</p> <p>The national government is facing a process of active participation in the framework of international trade negotiations through existing mechanisms and agreements at the bilateral, regional and multilateral levels, seeking to achieve results to expand market opportunities and diversify their export offer quality and quantity.</p> <p><u>Expected date for implementation:</u> <i>There is no deadline to complete implementation. It will take place in the context of agendas established by relevant negotiating areas.</i></p>
<p><b>What indicator(s) will be used to measure progress?</b></p>	<p>1. Progress will be measured by the degree of participation of Argentine companies in quantity and sectors involved in the various business roundtables, international trade fairs and reverse agendas, post-event contacts companies to achieve from organizational support provided by the AAICI and the activities carried out by the agency in the field of business intelligence (publications, market reports, business reports and statistical reports) and training companies.</p> <p>2. Progress will be measured through the development and implementation of the agenda of trade negotiations and the contributions that Argentina do to advance these agendas.</p>
<p><b>Explanation of additionality or adjustment (where relevant)</b></p>	<p>N/A</p>

<p><b>Competition policy</b></p>	<p><b>To improve the institutional mechanisms of defense of competition and the consumer.</b></p>
<p><b>Implementation path and expected date of implementation</b></p>	<p>Deficiencies in the functioning of the control agencies of monopolistic practices and corporate concentration inhibit the development of SMEs that can compete and also punishes consumers and employment. Therefore the implementation of policies and regulatory frameworks is necessary to strengthen competition and consumer rights, which will result in an increase of goods and services, both in quantity and quality.</p> <p><b><u>ACTIONS:</u></b></p> <p><b>1. Strengthen the functioning of the National Commission for the Defence of Competition - Comisión Nacional de Defensa de la Competencia (CNDC)</b></p> <ul style="list-style-type: none"> <li>- Hierarchizing the CNDC</li> <li>- Accelerate average processing times for dossiers and market research, and activate ongoing actions.</li> <li>- Harmonize procedures with relevant international standards.</li> </ul> <p><b><u>Expected date for implementation: 2017</u></b></p> <p><b>2. Broadening access to information for consumers</b></p> <p>Commissioning of the Sistema Electrónico de Precios Argentinos (SEPA), a software tool to enable consumers to access different prices and locations of retail and decide for the most suitable.</p> <p><b><u>Expected date for implementation: end of 2016</u></b></p>



<p><b>What indicator(s) will be used to measure progress?</b></p>	<ol style="list-style-type: none"> <li>1. Progress will be measured by survey data on processing times of cases and conclusions from ongoing investigations, regulatory changes established in terms of competition and the signing of cooperation agreements to harmonize international procedures.</li> <li>2. Progress will be measured through the gradual incorporation of the program of mass consumption products (since some require the development of codes of common identification as the case of meat and vegetables), as well as the inclusion of new tools to facilitate publishing data to businesses that have less technical skills.</li> </ol>
<p><b>Explanation of additionality or adjustment (where relevant)</b></p>	<p>N/A</p>



### Annex 3. Past commitment – St.Petersburg fiscal commitment

	Estimate Projections						
	2015*	2016	2017	2018	2019	2020	2021
Gross Debt	54.5%	55.2%	58.8%	64.9%	67.7%	-	-
<i>ppt change</i>		0.01	0.04	0.06	0.03	-	-
Net Debt	23.8%	28.9%	34.6%	39.0%	41.8%	-	-
<i>ppt change</i>		0.05	0.06	0.04	0.03	-	-
Fiscal Balance (% of GDP)		-4.8%	-3.8%	-2.3%	-0.8%	-	-

\* Figures can be presented on a fiscal year basis, should they be unavailable for the calendar year.

The debt-to-GDP ratio and deficit projections are contingent on the following assumptions for growth:

	Estimate Projections						
	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Real GDP growth	2.4%	-1.5%	3.5%	3.5%	3.5%	-	-
<i>ppt change</i>		-3.9	5.1	-0.1	0.0	-	-
Nominal GDP growth	26.7%	35.1%	23.6%	18.3%	12.3%	-	-
<i>ppt change</i>		8.4	-11.5	-5.3	-6.0	-	-

Figures can be presented on a fiscal year basis, should they be unavailable for the calendar year.



## Annex 4. Pre-Brisbane commitments

### Pre-Brisbane Commitments

<b>Reduce subsidies on household energy consumption and public transportation by means of a focused approach with the aim of protecting lower-income families.</b>	
<b>Structural reform</b>	<b>Action Plan:</b> Los Cabos
<b>Rationale for carrying forward</b>	This measure aim to correct the existing imbalances on public services tariffs while implementing a social rate scheme to protect lower-income families.
<b>Update on Progress</b>	<p>To reduce the fiscal cost of subsidies and free resources for infrastructure investment, as well as to improve the distribution of income by channelling subsidies exclusively to lower-income households.</p> <ol style="list-style-type: none"> <li>1. The expenses on subsidy to electric energy have been reduced.</li> <li>2. The expenses on subsidy to gas powered energy have been reduced.</li> <li>3. The expenses on subsidy to drinkable water services and sewage system of the Buenos Aires Province area have been reduced.</li> <li>4. The expenses on subsidy to public transportation have been reduced.</li> <li>5. An important social rate scheme has been implemented, especially on transportation.</li> </ol>

<b>Measures to increase financial sector soundness and update the regulation of risk management practices.</b>	
<b>Financial Sector Policy</b>	<b>Action Plan:</b> Seoul
<b>Rationale for carrying forward</b>	<p>Financial stability can be defined as a situation in which the financial services sector is able to channel the savings of the population and provide a nationwide payments system in an efficient manner that is sustainable over time. In other words, to ensure the financial system contribution towards economic and social development.</p> <p>The proximity to (or distance from) a context in which the ability to provide these services in a lasting manner is threatened, whether by a run on banks, excessive leverage, inadequate risk management policies or distorted asset prices will define financial fragility or strength. As with most emerging economies, in our case most financial intermediation is channelled through the banking system, so that the Financial Stability concept is focused mainly on the evaluation of the conditions that lead to the normal operation of financial institutions. In the context of the implementation of sound and stable macroeconomic policies, the achieving of Financial Stability requires clear rules regarding the entry and exit of financial institutions, an adequate prudential regulatory framework and safety network, effective supervision, and mechanisms that encourage market discipline. The existence of a strong link between Financial Stability and economic growth justifies its becoming a social asset that the State must seek out and protect.</p>
<b>Update on Progress</b>	<p>The measures aim to continue in the process of fully adopting international regulatory standards.</p> <p>During 2015, the BCRA has continued adopting Basel III standards:</p> <ul style="list-style-type: none"> <li>- Central Counterparties (CCPs) capital requirements: The rule was</li> </ul>



	<p>published on October 30th 2015 (Communication “A” 5821). Credit risk exposures are calculated using CEM methodology. The introduction of SA-CCR methodology is planned for 2017.</p> <ul style="list-style-type: none"> <li>- Capital requirements for market risk: Changes to the calculation of these requirements were introduced through Communication “A” 5867 (December 30th 2015). This is a first step towards the adoption of BIII standard.</li> <li>- Countercyclical Capital Buffer: The final rule was published on November 10th 2015 (Communication “A” 5827). A 0% rate was established in March 2016.</li> <li>- Capital Conservation Buffer: The final rule was published on November 10th 2015 (Communication “A” 5827).</li> <li>- D-SIBs framework: Communication “A” 5694 (November 9th 2015) set for the additional capital required for these banks.</li> <li>- Intraday liquidity: The monitoring tools for intraday liquidity management were also implemented in 2015.</li> <li>- Leverage ratio: Banks’s public disclosure of their leverage ratio started in 2015, concurrently with the disclosure of their first quarter financial statements</li> </ul> <p>During 2016, the Central Bank of Argentina (BCRA) will be introducing:</p> <ul style="list-style-type: none"> <li>- An update to capital requirement for financial institutions’ exposures to clearing houses or Central Counterparties (CCPs).</li> <li>- A specific capital requirement for equity investment in funds which will take effect from 1 January 2017.</li> <li>- The introduction of the Standardised approach for measuring counterparty credit risk exposures (SA-CCR) in replacement of the Current Exposure Method (CEM).</li> <li>- The BCBS revised Pillar 3 disclosure requirements are also expected to be implemented by end-2016, so that banks will be able to provide information under this format concurrently with their year-end 2016 financial reports.</li> <li>- In the course of 2017, the BCRA expects to implement the Basel III net stable funding ratio (NSFR) and the securitisation framework, as revised by the BCBS in December 2014.</li> </ul>
--	---





## Annex 5. Key Economic Indicators

	Key Indicators					
	2015***	2016	2017	2018	2019	2020
<b>I. Macroeconomic Indicators</b>						
Real GDP (% yoy)	2.4%	-1.5%	3.5%	3.5%	3.5%	
Nominal GDP (% yoy)	26.7%	35.1%	23.6%	18.3%	12.3%	
Inflation (% yoy)	-	-	12%-17%	8%-12%	3.5%-6.5%	
Fiscal Balance (% of GDP)**		-4.8%	-3.8%	-2.3%	-0.8%	
Investment (% of GDP)	15.61%	15.94%	17.68%	18.86%	19.72%	

\*A positive (negative) gap indicates an economy above (below) its potential.

\*\*A positive (negative) balance indicates a fiscal surplus (deficit).

\*\*\* Indicators can be presented on a fiscal year basis, should they be unavailable for the calendar year.