



ANALYSIS OF NATIONAL GOVERNMENT BUDGET EXECUTION

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Executive Summary

During the first two months of 2024, National Government revenues amounted to ARS10,690.21 billion, showing a slight growth of 0.4% in real terms¹ with respect to the same period of the previous year. On the one hand, tax revenues grew 15.2% year-on-year (YoY), driven by the PAIS Tax (405.9% YoY), Export Duties (70.9% YoY) and Value Added Tax (15.4% YoY). On the other hand, Income Tax (-36.5% YoY) and Social Security resources (-25.1% YoY) fell.

Primary expenditures amounted to ARS7,208.184 billion, which implied a drop of 33.6% in real terms. Apart from "Other current expenditures", which grew by 31.9% YoY, mainly due to transfers to national hospitals², all items showed real decreases in the year-on-year comparison. The most significant decreases were observed in capital expenditures (-82.4% YoY), in current transfers to provinces (-73.0% YoY) and in energy subsidies (-59.5% YoY). Pensions and retirement benefits fell by 33.0% YoY, and given their share in the expenditure structure, were the main contributors to the total reduction.

Because of the increase in debt interest payments (34.2% YoY), total expenditures decreased by less than primary expenditures (-23.8% YoY), reaching a total of ARS9,669.913 billion.

As a result of these dynamics, a financial surplus of ARS1,020.296 billion was obtained, as opposed to the deficit recorded in the same period of 2023 (-150.0% YoY). The primary result (not including debt interest payments) reached ARS3,482.026 billion, which contrasts with the deficit recorded a year earlier. The economic result was in surplus by ARS1,102.064 billion (-173.2% YoY).

Although the fiscal results for the month of February worsen with respect to those obtained in January, due to the joint effect of seasonality and the level of activity on resources together with a low recording of expenditures in the first month of the year, the cumulative positive results as of February 2024 (primary and financial) were at levels above the average of a 15-year term series for the financial result and at the highest level for the primary result. Additionally, in February, delays persisted in some expenditure programs while, on the other hand, debt interest rates were seasonally high in accordance with the maturity schedule.

At the end of February, current appropriation amounted to ARS40,250.029 billion, with no variations with respect to the initial appropriation extended by means of Executive Order 88/2023, which established that as of January 1, 2024, the budget appropriation as of December 31, 2023, will remain in effect³.

Total accrued expenditures represented 24.0% of the current budget appropriation, 13.5 percentage points above the level recorded a year earlier (12.3%). Current expenditures accounted for 25.8% of appropriations. The highest level was recorded for debt interest (55.6%), whereas at the other extreme were current transfers to provinces (4.0%). Accrued capital expenditures were equivalent to 3.1% of its budget.

¹ For the calculation of real variations, the Consumer Price Index (CPI) variation of the National General Level (INDEC) is used as a deflator. For the month of January, the inflation estimated in the report: "*Resultados del Relevamiento de Expectativas de Mercado*" (Results of the Market Expectations Survey) (REM)", prepared by the Central Bank of Argentina (BCRA), which shows a monthly variation of 15.8%, is used.

² Transfers made by the Ministry of Health for the functioning of national hospitals of the Comprehensive Medical Care Service for the Community (SAMIC) are included within Other Current Expenditures since they are transferred directly to such entities.

³ Administrative Decision 5/2024, which allocated the appropriations and resources extended, decreased revenues by ARS320 billion and expenditures by ARS161.404 billion. For further details, see OPC report: "Analysis of the Administrative Decision on the allocation of the national government budget extended for 2024" at: <https://www.opc.gob.ar/ley-de-presupuesto/analisis-de-la-decision-administrativa-de-distribucion-del-presupuesto-de-la-administracion-nacional-prorrogado-para-2024/>.

Year-on-year evolution of the National Government Budget execution

Table 1. Revenues, expenditures, and results

In millions of ARS and YoY real var. %.

Concept	February 2024		Cumulative (2 months)	
	In millions of ARS	YoY real var. %	In millions of ARS	YoY real var. %
I. Current revenues	5,012,586	2.6	10,675,241	0.4
Tax revenues	3,297,629	15.3	7,004,582	15.2
Social Security contributions	1,380,583	-23.6	2,867,244	-25.1
Non-tax revenues	102,378	-6.7	214,077	-11.5
Goods and services	8,590	-10.4	15,987	-23.9
Property income (*)	206,264	116.5	550,571	23.0
Current transfers	17,142	3,401.5	22,780	395.6
II. Current expenditures	5,141,695	-29.5	9,573,177	-21.1
Social benefits	2,522,074	-27.2	4,754,082	-29.7
Pensions	1,644,376	-33.9	3,236,306	-33.0
Family allowances	258,796	-14.7	513,805	-16.0
Universal Child Allowance	157,448	-4.4	309,091	-3.5
Active and inactive popul., others	101,348	-27.0	204,714	-29.9
Non-contributory pensions	122,953	17.6	312,156	1.2
INSSJP benefits	44,988	-41.1	88,835	-39.9
Other social programs	450,961	-8.0	602,981	-29.9
<i>Potenciar Trabajo</i>	111,253	-46.1	114,555	-68.4
Food Policies	132,655	-11.2	265,003	-4.0
<i>Progresar</i> student grants	53,850	4.9	53,850	-32.0
Others	153,203	83.5	169,573	18.8
Economic subsidies	454,161	-62.0	553,999	-54.2
Energy	319,984	-61.0	319,984	-59.5
Transportation	106,621	-68.6	205,867	-44.2
Other subsidies	27,555	-18.6	28,147	-45.6
Personnel expenses	685,484	-8.5	1,193,362	-12.3
Goods and services	91,459	-42.9	125,247	-44.1
Transfers to provinces	12,663	-89.8	60,896	-73.0
Transfers to universities	159,212	-38.1	304,062	-28.7
Other current expenditures	100,852	135.4	119,801	31.9
Interest (**)	1,115,790	-14.4	2,461,729	34.2
III. Economic result (I-II)	-129,110	-94.6	1,102,064	-173.2
IV. Capital revenues	13,570	-20.0	14,969	-9.7
V. Capital expenditures	71,096	-84.5	96,736	-82.4
Real direct investment	26,770	-77.5	28,661	-80.5
Capital transfers	44,326	-85.6	68,075	-81.7
Financial investment	0	-100.0	0	-100.0
VI. Total revenues (I+IV)	5,026,156	2.5	10,690,210	0.4
VII. Total expenditures (II+V)	5,212,792	-32.8	9,669,913	-23.8
VIII. Primary expenditures	4,097,002	-36.5	7,208,184	-33.6
IX. Primary result (VI-VIII)	929,154	-160.0	3,482,026	-1,805.5
X. Financial result (VI-VII)	-186,635	-93.5	1,020,296	-150.0

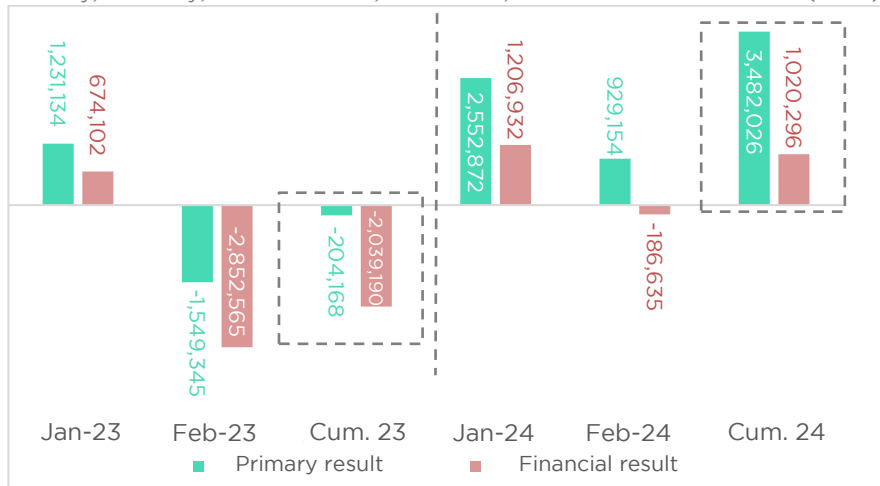
(*) Includes property income generated by assets of the National Government held by the Sustainability Guarantee Fund (FGS).

(**) Includes interest paid intra Public Sector, as recorded in the E.Sidif.

SOURCE: OPC, based on E.Sidif data.

Figure 1. Primary and Financial results

January, February, and cumulative, 2023-2024, in millions of constant ARS (2024)



During the first two months of 2024, the dynamics between National Government revenues (0.4% YoY) and expenditures (-23.8% YoY) showed a surplus.

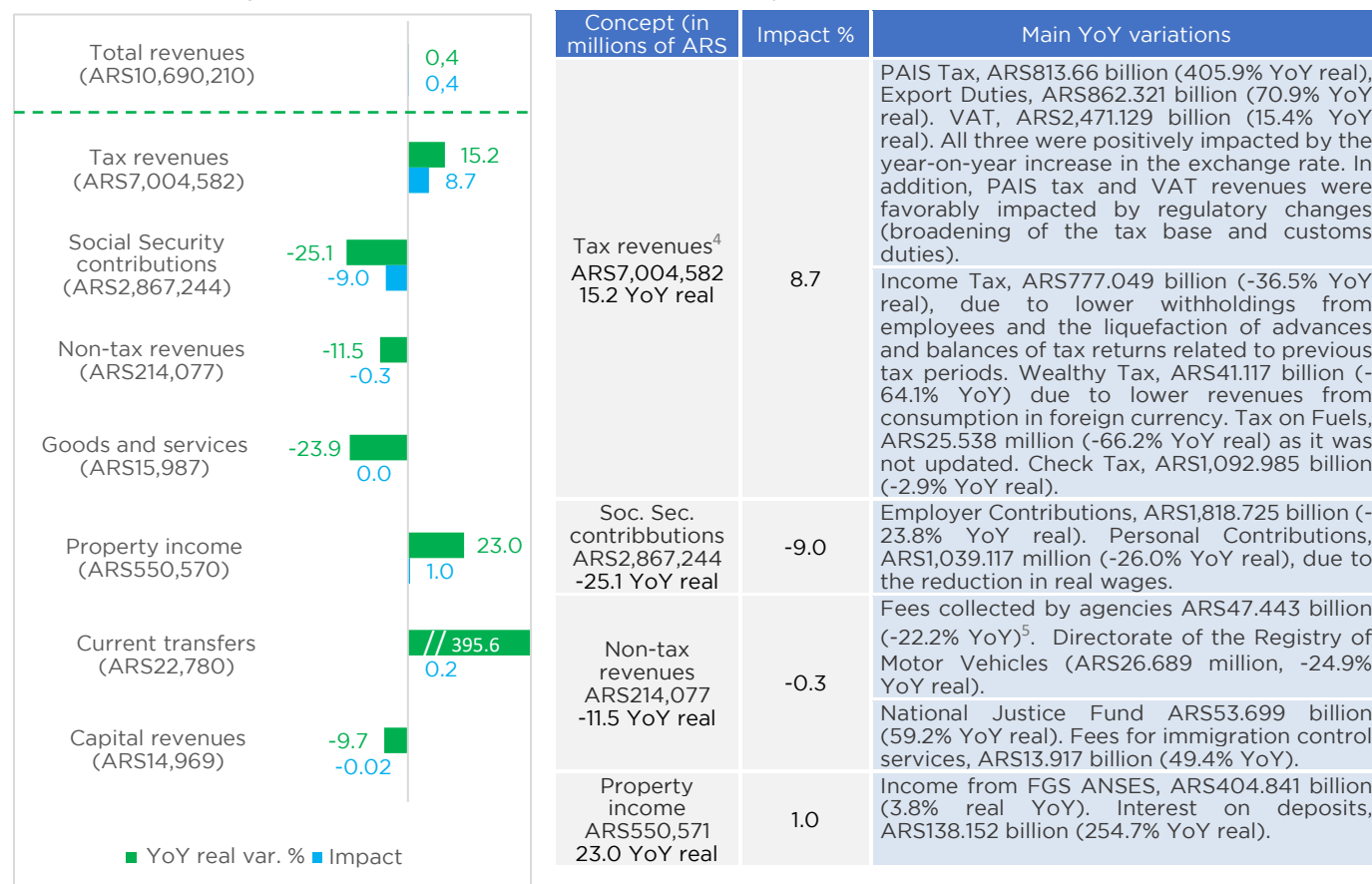
The financial surplus reached ARS1,020.296 billion, compared to the deficit obtained a year earlier.

The primary result, which does not include debt interest payments, amounted to ARS3,482.026 billion.

SOURCE: OPC, based on E.Sidif data.

Figure 2. Total revenues

Cumulative to February 2024, in millions of ARS, YoY real var. %, and impact on total revenues as a %



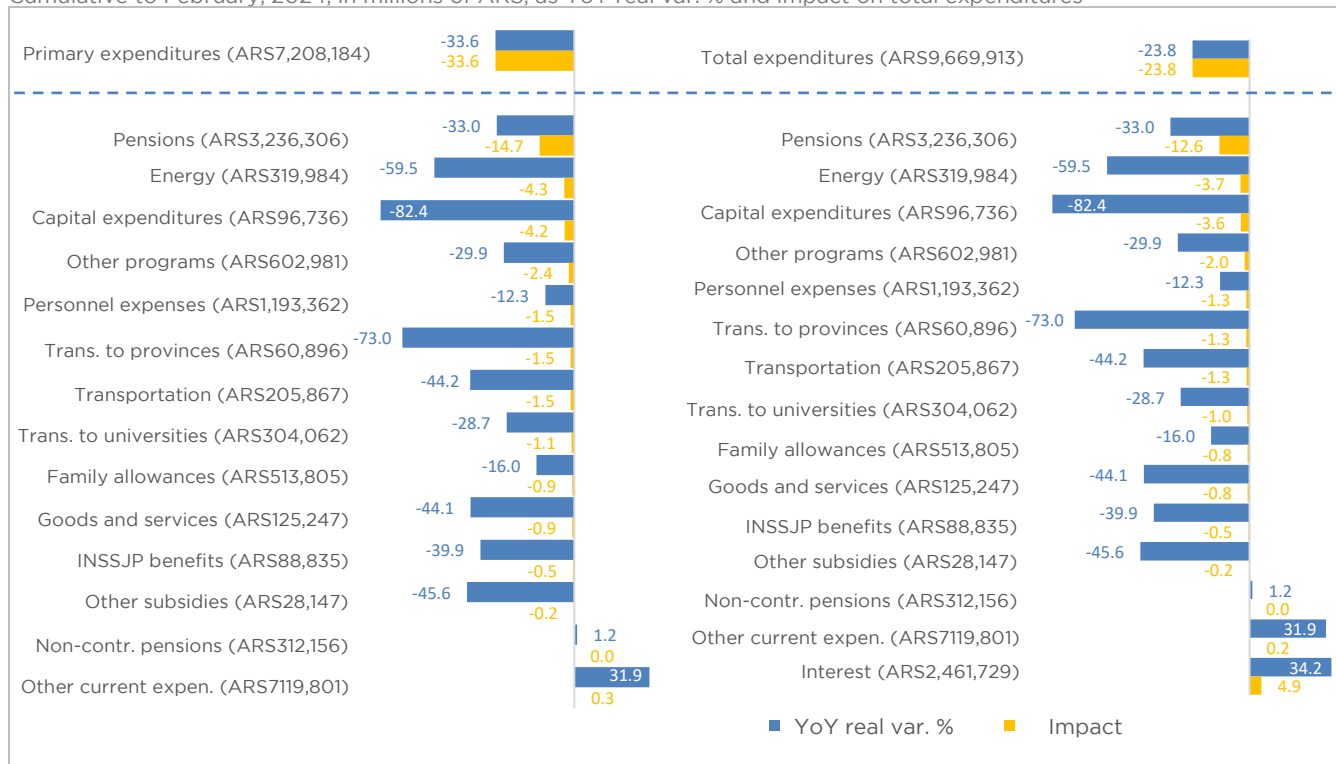
SOURCE: OPC, based on E.Sidif data.

⁴ For further details see OPC's tax revenue monitor at: <https://www.opc.gob.ar/monitores-fiscales/monitor-de-recaudacion-tributaria-nacional/>. The figures shown in this report may differ from those shown in the monitor due to the different scenarios analyzed and the time of recording in the different Public Sector systems.

⁵ The most significant were those received by the National Insurance Superintendency (ARS8.228 billion, -24.6% YoY real), ENARGAS (ARS7.155 million, -25.9% YoY real) and the National Road Safety Agency (ARS6.908 billion, -21.5% YoY real).

Figure 3. Impact on primary and total expenditures

Cumulative to February, 2024, in millions of ARS, as YoY real var. % and impact on total expenditures



SOURCE: OPC, based on E.Sidif data.

Total National Government expenditures recorded a real fall of 23.8% YoY in the first two months of the year: primary expenditures decreased by 33.6% YoY, whereas debt interest grew by 34.2% YoY.

Pensions (-33.0% YoY real), energy subsidies (-59.5% YoY real), capital expenditures (-82.4% YoY real) and social programs (-29.9% YoY real) were the items that most contributed to the reduction in expenditures, with negative impacts of 12.6 percentage points (p.p.), 3.7 p.p., 3.6 p.p. and 2.0, respectively, with respect to the total drop.

As has been mentioned in these reports, the drop in pension expenditure is a consequence of the decoupling between inflationary dynamics and the adjustment formula (which takes as a reference previous periods associated with ANSES revenues and salaries), as well as the updating frequency (quarterly)⁶, partially compensated by the application of bonuses to lower-income pensioners⁷. In fact, the benefits updated only by the adjustment formula (not covered by the bonuses) showed a real reduction of 43.0% YoY during the first two months of 2024, whereas the loss of minimum benefits including bonuses was 27.8% YoY.

As for energy subsidies, although there is a record of funds sent to CAMMESA for ARS140 billion in February, it should be noted that the increase in the exchange rate generated an increase in electricity generation costs of 235% YoY in January, while the price paid by demand increased by 82% YoY, placing the coverage of the average tariff at about 21.0% in January 2024. Although in February there was a tariff increase that will reduce subsidies, there are unpaid debts within the Wholesale Electricity

⁶ Between February 2023 and February 2024, the update of pension benefits was 110.9%, as compared to an average inflation rate of 270% YoY.

⁷ In January and February 2024, bonuses of up to ARS55,000 were granted to pensioners of up to one minimum benefit (Executive Orders 116/23 and 81/24), while in the same period of 2023, bonuses of up to ARS10,000 were granted to pensioners of up to two minimum benefits (Executive Order 788/22).

Market (MEM) which are usually covered by CAMMESA⁸. To the extent that CAMMESA intervenes to cancel these debts, this will have an impact on expenditures to be borne by the Treasury during the transition period until the gap between costs and tariffs is reduced or eliminated.

Capital expenditures reflect a significant reduction in transfers to state-owned enterprises (-96.7% YoY real) and to provinces and municipalities (-92.5% YoY real) for the execution of works, as well as in direct investment for road projects (-80.0% YoY real) and equipment in the education sector (-98.9% YoY real).

Social programs continued to record a one-month lag in the *Potenciar Trabajo* program, having recorded the month of January in February for a total of ARS114.555 billion (-68.4% YoY).

On the other hand, although there were salary increases during the period analyzed, the personnel expenses item recorded a fall of 12.3% YoY in real terms.

Finally, transfers to provinces fell 73.0% YoY in real terms, although they include unpaid FONID (National Teacher Incentive Fund) expenses accrued during the month of January. Given that the continuity of this Fund was not provided for, if the expenditures for this concept are excluded from the total amount accrued in the item Transfers to provinces, the accumulated execution in the two-month period totaled ARS14.285 billion and the year-on-year retraction was 93.7% YoY in real terms.

Table 2. Total expenditures

Cumulative to February 2024, in millions of ARS, as YoY real var. %, and impact %. In order in incidence.

Concept (in millions of ARS)	Impact %	Main YoY variations
Pensions ARS3,236,306 -33.0% YoY real	-12.6	As a result of the decoupling between the adjustment formula and inflation, partially offset by the application of compensatory bonuses granted to lower-income pensioners. Expenditure executed by ANSES totaled ARS2,872.83 billion (-34.9% YoY real), of which ARS2,473.822 billion related to regular benefit payments (-39.6% YoY real) and ARS399.008 billion (26.8% YoY real) to income supplements for the lowest income pensioners (bonuses). Benefits for retired personnel of the Armed and Security Forces, ARS362.771 billion (-13.9% YoY real).
Energy subsidies ARS319,984 -59.5% YoY real	-3.7	Transfers to the <i>Compañía Administradora del Mercado Mayorista Eléctrico</i> (Wholesale Electricity Market Administration Company) (CAMMESA), ARS140 billion (-71.8% YoY real), to cover the gap between costs and tariffs of electricity generation. Transfers to ENARSA, ARS169.522 billion (-34.5% YoY), to cover the purchase of imported gas and other operating expenses. Financial assistance under the Gas IV Gas.AR Plan (Necessity and Urgency Decree - DNU 892/2020), ARS6.434 billion (-1.9% YoY real).
Capital expenditures ARS96,736 -82.4% YoY real	-3.6	Real Direct Investment, ARS28.661 billion (-80.5% YoY real): due to lower expenditures in works by the National Directorate of Roads (ARS13.563 billion, -80.0% YoY), as well as the lack of investment in the Infrastructure and Equipment (ARS3.392 billion as of February 2023) and <i>Conectar Igualdad</i> (ARS2.782 billion as of February 2023) programs, both of the Ministry of Education. Investments made under the Execution of Plans, Programs and Projects for the Transportation Improvement program were also reduced (ARS4.843 billion in 2023 vs. ARS70 million in 2024). Capital transfers, ARS68.075 billion (-81.7% YoY real): mainly due to the lower execution of financial assistance to: 1) state-owned enterprises (SOEs), ARS4.998 billion (-96.7% YoY); 2) Trust Funds, ARS55.392 billion (-39.4% YoY); and 3) Provinces and Municipalities, ARS7.652 billion (-92.5% YoY real). For SOEs, no transfers were made to ENARSA (ARS19 billion as of February 2023) or to <i>Administración de Infraestructuras Ferroviarias S.E.</i> (ARS4.523 billion as of February 2023), and AYSA received ARS810 million (ARS12.121 billion in the same period of 2023). As for transfers to Trust Funds, those to the Social Housing Trust Fund decreased by ARS25 billion (-66.8% YoY real), whereas those to the <i>Procrear</i> Trust Fund increased by ARS30.001 billion (ARS179.2% YoY real).

⁸ On March 6, 2024, the main electric transportation company TRANSENER informed to the National Securities Commission delays in the payments from CAMMESA that constitute an operating risk for the company.

Concept (in millions of ARS)	Impact %	Main YoY variations
Other social programs ARS602,981 -29.9% YoY real	-2.0	<p><i>Potenciar Trabajo</i>, ARS114.555 billion (-68.4% YoY real), affected by the lack of recording of payment for February, which was entered into the system in March. Adjusting this record, the execution of this program shows a contraction of 39.1% YoY, mainly explained by the loss of purchasing power of the benefits.</p> <p><i>Progresar</i> student grants, ARS53.85 billion (-32.0% YoY real); Medical Care for beneficiaries of non-contributory pensions, ARS29.91 billion (-41.4% YoY real) and <i>Acompañar</i> Program, ARS6.468 billion (-64.8% YoY real).</p> <p>Food Policies, ARS265.003 billion (-4.0% YoY real), among whose initiatives the <i>Alimentar</i> Benefit stands out (ARS264.649 billion, 0.2% YoY). It should be noted that as of January, a 100% increase in the value of food cards was granted with respect to the values in force as of November 2023, with the average value of the benefits showing a real loss of 3.3% YoY in the first two months of the year.</p> <p>VAT refund to vulnerable sectors, ARS102.866 billion (with no execution in the same period of 2023).</p>
Personnel expenses ARS1,193,362 -12.3% YoY real	-1.3	<p>Executive Branch, ARS926.217 billion (-12.9% YoY real), Judicial Branch, ARS154.898 billion (-4.5% YoY real), Legislative Branch, ARS49.498 billion (-29.8% YoY real) and the Public Prosecutor's Office, ARS62.749 billion (-2.6% YoY real).</p> <p>The salary guidelines agreed upon during the period analyzed were below inflation⁹.</p> <p>As for the variation of the positions held in January 2024¹⁰ with respect to the annual average of 2023: Executive Branch: 0.8% in permanent and temporary positions and -3.4% in contracted personnel. Judicial Branch and Public Prosecutor's Office: 0.7% in permanent and temporary positions.</p>
Transfers to provinces ARS60,896 -73.0% YoY real	-1.3	<p>Transfers to the National Teacher Incentive Fund (FONID) were accrued for ARS46.611 billion (-62.5% YoY real).</p> <p>Contributions from the National Treasury (ATN), ARS6 billion (-50.1% YoY real) to the provinces of Tucumán (ARS2 billion), Jujuy (ARS1.5 billion), Chubut (ARS1.5 billion) and Corrientes (ARS1 billion). Educational Management and Socio-educational Policies, ARS6,616 million (-48.7% YoY real) under the program for the universalization of the full or extended school day in primary education. In addition, no transfers were made to the Provincial Pension Funds (ARS6.539 billion as of February 2023) or to the Fiscal Strengthening Fund of the Province of Buenos Aires (ARS6.892 billion as of February 2023), which was repealed by Executive Order No. 192 of 02/23/2024.)</p>
Transportation subsidies ARS205,867 -44.2% YoY real	-1.3	<p>Transfers to <i>Operador Ferroviario S.E.</i>, ARS80.624 billion (-45.6% YoY real), to cover the gap between the operating cost of public passenger railroad transportation in the Metropolitan Area of Buenos Aires and the cost covered by the fares paid by users.</p> <p>Transfers to the Transportation Infrastructure System Trust Fund, ARS112.139 billion (-41.8% YoY real), through which the tariff compensations for passenger transportation in the Metropolitan Area of Buenos Aires are paid, and which until last year also included the assistance to the Compensation Fund for Motor Transportation outside of the Metropolitan Area of Buenos Aires¹¹. Transfers to <i>Belgrano Cargas y Logística</i>, ARS7.864 billion (-13.8% YoY real), to cover operating expenses.</p>
Transfers to universities ARS304,062 -28.7% YoY real	-1.0	Funds for the payment of salaries and operation below inflation.
Family allowances ARS513,805 -16.0% YoY real	-0.8	<p>Family Allowances (active and inactive population, ARS204.714 billion (-29.9% YoY real), mainly due to the differential between adjustment of benefits (mobility) and inflation.</p> <p>The lower decrease in Universal Allowances, ARS309.091 billion (-3.5% YoY real), was the result of the 100% increase in the value of benefits in January 2024 (Executive Order 117/23), in addition to the increase arising from mobility in December.</p>

⁹ In the Executive Branch, whose expenditure represented 77.6% of the total, increases accumulated 201.5% (including the last increases granted: 16% in January and 12% in February, in accordance with Executive Orders 90/2024 and 206/2024). In the Judicial Branch, which represents 18.2% of total personnel expenses, the salary guidelines accumulated 186.6% (including the last increase granted of 18% in January in accordance with CSJN Decision 4/2024). In the Legislative Branch (4.1% of the total), the guidelines accumulated 184.1% (including the last increases granted: 16% in January and 12% in February).

¹⁰ Source: Integrated Human Resources System (SIRHU), according to the latest available data.

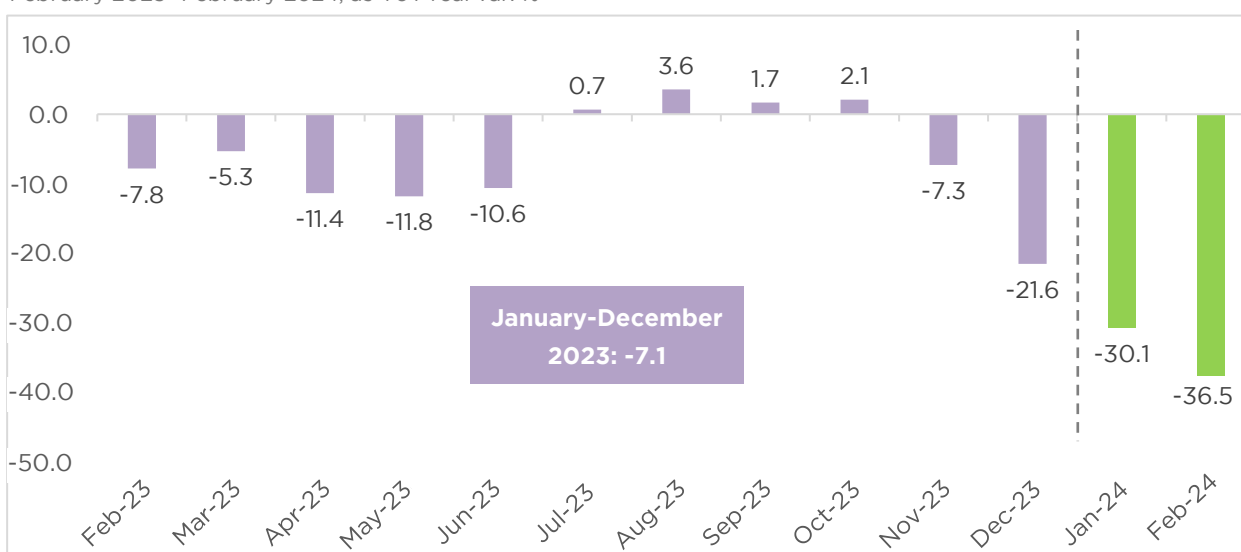
¹¹ In the first two months of 2023, ARS14 billion were allocated to the Compensation Fund for Transportation outside the Metropolitan Area of Buenos Aires.

Concept (in millions of ARS)	Impact %	Main YoY variations
Goods and services ARS125,247 -44.1% YoY real	-0.8	Expenditures on goods and services for management and administration activities of National Government agencies, ARS 25.822 billion (-21.6% YoY). Expenditures for services for CONICET research grants, ARS14.373 billion (-6.6% YoY real). Expenditures on consumer goods for the purchase of food for soup kitchens within the framework of the Food Policies program, ARS10.546 billion (-36.6% YoY real).
INSSJP benefits ARS88,835 -39.9% YoY real	-0.5	As a result of the evolution of pension expenditure of ANSES net of bonuses (which constitutes the expenditure subject to contributions to PAMI).
Other subsidies ARS28,147 -45.6% YoY real	-0.2	Transfers to <i>Correo Argentino S.A.</i> , ARS16.8 billion (-32.7% YoY real), to <i>Radio y Televisión Argentina S.E.</i> , ARS6.812 billion (-40.2% YoY real) and to <i>Fabricaciones Militares</i> , ARS2.096 billion (-13.2% YoY real). There were no transfers to AYSA (ARS2.33 billion in the same period of 2023).
Non-contributory pensions ARS312,156 1.2% YoY real	0.0	It should be noted that the regular payments and bonuses for the month of February were not recorded. Adjusting both records, the execution of this item shows a contraction of 17.4% YoY in real terms. Although the updating of the value of benefits arising from the adjustment formula was lower than inflation ¹² , the policy of compensatory bonuses partially offset this drop. It is important to note that all non-contributory pension holders receive bonuses, which is why the impact is greater than in the Pensions category (since only the lowest-income pensioners receive them).
Other current expenditures ARS119,801 31.9% YoY real	0.2	Transfers from the Ministry of Health for operating expenses of SAMIC Hospitals, ARS51.943 billion accrued in February 2024 vs. ARS3.886 billion accrued in January and February 2023. Expenditures on Interest and commission on public debt, ARS30.266 billion (330.7% YoY).
Interest ARS2,461,729 34.2% YoY real	4.9	The increase is mainly explained by higher interest payments on international bonds (January) and loans from the IMF and international credit organizations (February).

SOURCE: OPC, based on E.Sidif data.

Figure 4. Year-on-year variation in primary expenditures

February 2023- February 2024, as YoY real var. %



SOURCE: OPC, based on E.Sidif data.

¹² The update of benefits arising from the adjustment formula showed an increase of 110.9% YoY, and the variation of the CPI was 270.0%.

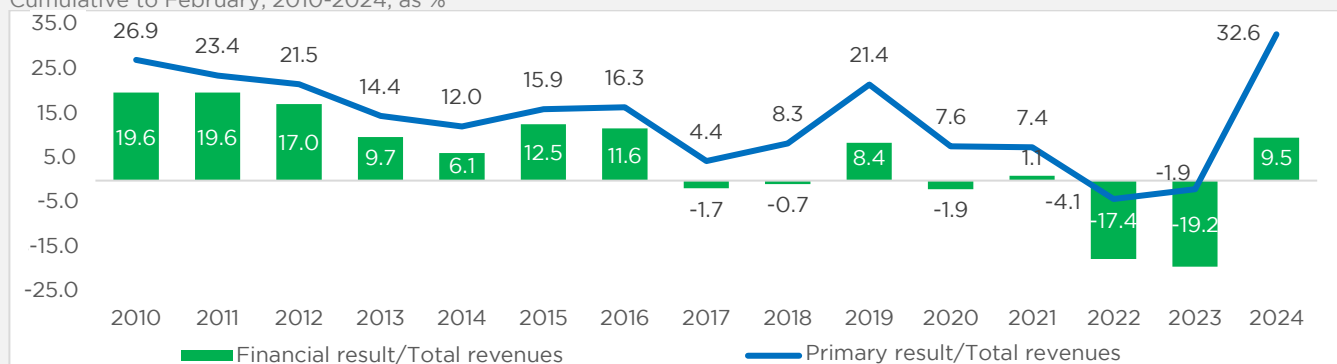
Box 1. Evolution of fiscal results in the first two months of the year

Although fiscal results for the month of February worsened with respect to those obtained in January, it should be noted that, in accordance with the historical behavior observed, during the first month of the fiscal year, revenues are usually nominally higher than in February due to seasonal issues (higher level of activity and year-end bonus), in contrast, expenditures tend to be lower, given that budget allocation and the beginning of its execution occur in the middle of the month.

As a result, the month of January tends to be in surplus. Also, the cumulative primary result as of February 2024 shows a surplus and is the best result recorded in the 2010-2024 term in relation to total revenues. On the other hand, the financial result is the seventh best value of that term (after 2010-2013, 2015-2016). The drop with respect to January is mainly explained by lower tax and Social Security revenues and higher disbursements arising from economic subsidies, social benefits, and salaries. It is estimated that in February there are still delays in some programs that would attenuate the level of these results, although they would not change the trend of these results. On the other hand, debt interest rates are seasonally high in accordance with the maturity schedule.

Figure 5. Primary and financial results in relation to total revenues

Cumulative to February, 2010-2024, as %



SOURCE: OPC, based on E.Sidif data.

Figure 6. Impact on the variation of expenditures and revenues in January-February

Month-on-month % variation

Figure 6 a). Impact of main revenue items on the decrease in total revenues

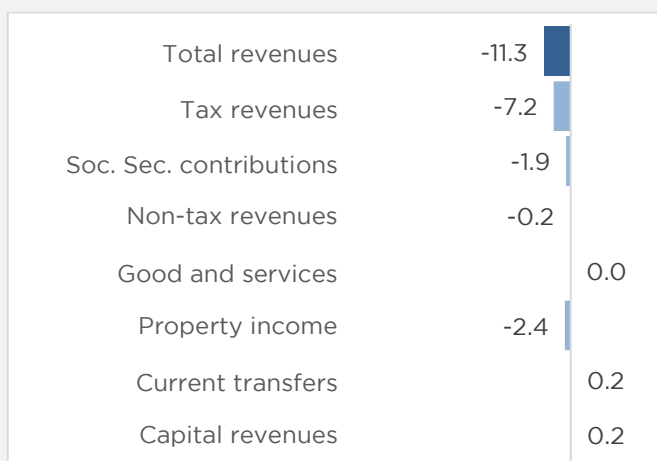
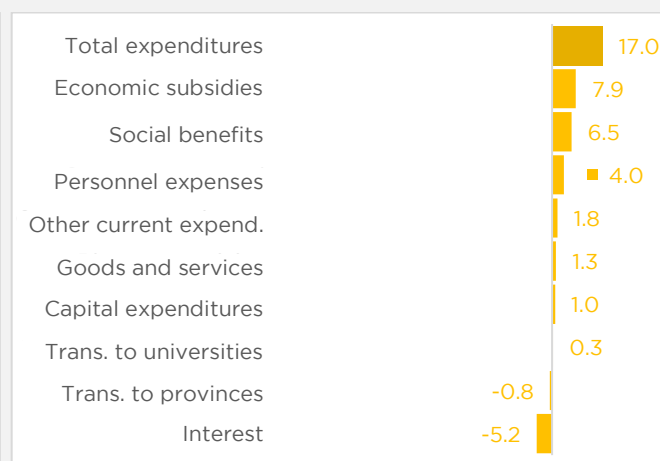


Figure 6 b). Impact of main expenditure items on the increase in total expenditures



SOURCE: OPC, based on E.Sidif data.

National Government Expenditure Execution Level

Table 3. Cumulative expenditure execution level

Cumulative to February 2024, in millions of ARS and execution %

Concept	Initial appropriation	Current appropriation	Accrued	Exe %
Total expenditures	40,250,029	40,250,029	9,669,913	24.0
Current expenditures	37,174,662	37,174,726	9,573,177	25.8
Social benefits	19,607,552	19,607,321	4,754,082	24.2
Pensions	13,053,964	13,053,964	3,236,306	24.8
Family allowances	1,570,493	1,570,493	513,805	32.7
Universal Child Allowance (AUH)	702,360	702,360	309,091	44.0
Others	868,133	868,133	204,714	23.6
Non-contributory pensions	1,420,250	1,420,250	312,156	22.0
INSSJP benefits	394,730	394,730	88,835	22.5
Other social programs	3,168,114	3,167,884	602,981	19.0
<i>Potenciar trabajo</i>	1,017,665	1,017,665	114,555	11.3
Food Policies	731,699	731,699	265,003	36.2
<i>Progresar</i> student grants	291,329	291,329	53,850	18.5
Others	1,127,421	1,127,191	169,573	15.0
Economic subsidies	4,281,968	4,281,968	553,999	12.9
Energy	2,806,409	2,806,409	319,984	11.4
Transportation	1,008,320	1,008,320	205,867	20.4
Other subsidies	467,238	467,238	28,147	6.0
Personnel expenses	4,387,714	4,387,709	1,193,362	27.2
Goods and services	1,094,220	1,114,252	125,247	11.2
Transfers to provinces	1,522,802	1,522,834	60,896	4.0
Transfers to universities	1,359,988	1,341,463	304,062	22.7
Other current expenditures	494,381	493,142	119,801	24.3
Interest (*)	4,426,037	4,426,037	2,461,729	55.6
Capital expenditures	3,075,367	3,075,303	96,736	3.1
Real direct investment	894,696	894,632	28,661	3.2
Capital transfers	2,106,866	2,106,866	68,075	3.2
Financial investment	73,804	73,804	-	-

As of February 29, the current appropriation remained unchanged with respect to the initial appropriation for the fiscal year, in accordance with the terms of Executive Order 88/2023, extending the budget in effect as of December 31, 2023.

Total expenditures totaled 24.0% of the initial budget, 13.5 percentage points above the level reached a year earlier (12.3%) and 11.9 percentage points higher than the average of the last 10 years (13.8%).

Current expenditures accrued 25.8% of its appropriation (vs. 12.3% in February 2023), and capital expenditures executed 3.1% (6.4% in February 2023), with components at similar levels: 3.2% in direct real investment and 3.2% in capital transfers.

Debt interest payments stood out at 55.6%, followed in order of importance by the Universal Allowance for Social Protection (AUH) with 44.0% and by Food Policies (ALIMENTAR card) with 36.2%.

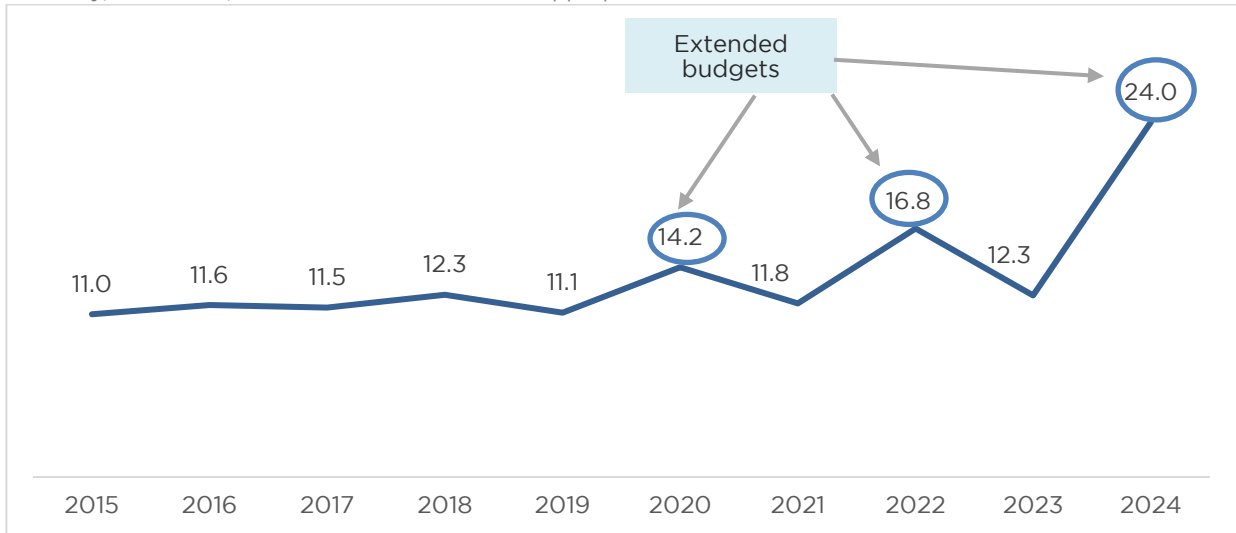
At the other extreme, transfers to provinces (4.0%), followed by Energy subsidies (11.4%) and Goods and services (11.2%) stand out.

(*) Includes interest paid intra-public sector as reported in the E.Sidif.

SOURCE: OPC, based on E.Sidif data.

Figure 7. Total expenditure execution level

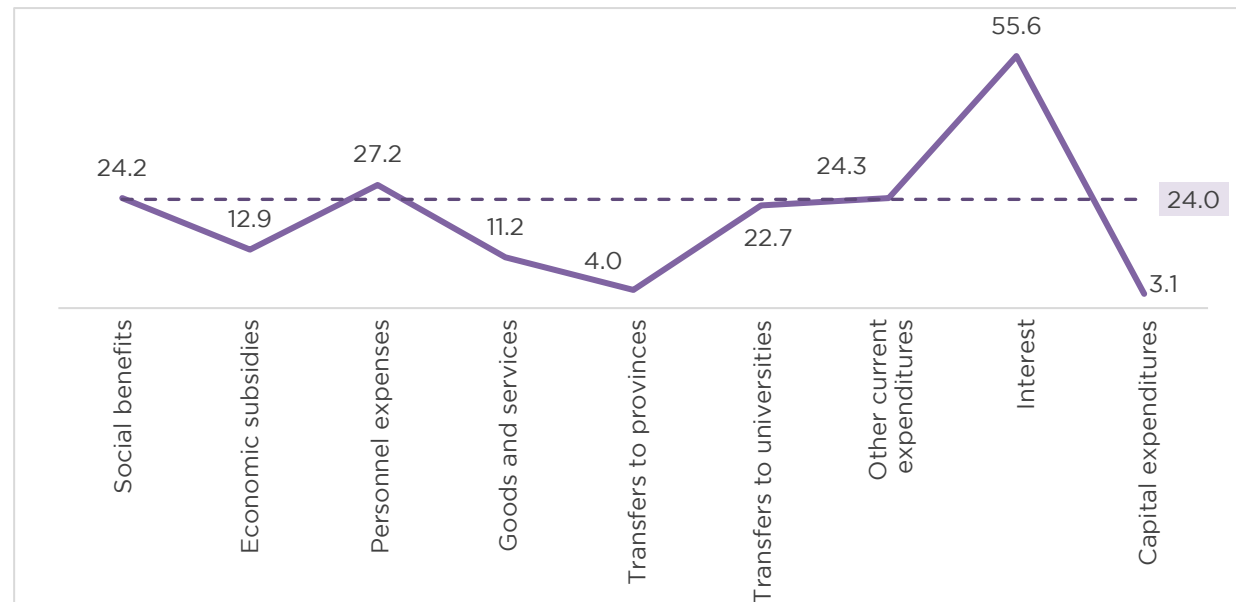
February, 2015-2024, as execution % over current appropriation



SOURCE: OPC, based on E.Sidif data.

Figure 8. Execution level of the main items of total expenditure

Cumulative to February 2024, as execution % over current appropriation



SOURCE: OPC, based on E.Sidif data.

Methodological aspects

- The Budget Execution Report refers to the National Government, a jurisdictional aggregate whose budget is approved by a Law of the National Congress.
- The National Government includes the Central Administration, decentralized agencies, and Social Security institutions.
- The data used in the preparation of this report come from the Integrated Financial Information System of the Secretary of Treasury, with a cut-off date of March 5, 2024.
- For the calculation of real variations, the Consumer Price Index (CPI) variation of the National General Level (INDEC) is used as a deflator. For the month of February 2024, the inflation estimated in the report: "*Resultados del Relevamiento de Expectativas de Mercado (REM)*", prepared by the BCRA, which shows a monthly variation of 15.8%, is used.
- For expenditures, the accrual stage is considered. In this concept, interest paid by the National Government is considered in full and without offsets.
- For revenues, the time of receipt is considered.

OPC Publications

The Argentine Congressional Budget Office was created by Law 27,343 to provide support to the Legislative Branch and deepen the understanding of issues involving public resources, democratizing knowledge and decision making. It is a technical office of fiscal analysis that produces reports open to the public.

This report does not contain binding recommendations.

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