

IMF deal with Macri on hold ahead of elections



Buenos Aires, October 1 (RHC)-- The International Monetary Fund (IMF) placed the September aid tranche for Argentina on hold ahead of the South American country's presidential election.

In the past week, high-level IMF officials met with Finance Minister Hernan Lacunza in the United States. On Tuesday last week, Macri met with interim IMF Managing Director David Lipton and IMF Western Hemisphere Department director Alejandro Werner. Two days later, the IMF's new managing director, Kristalina Georgieva, met with Lacunza.

The Macri administration was expecting to receive \$5.4 billion from the international financial institution this month, a tranche that was part of the \$56.3 billion stand-by agreement signed with the IMF in mid-2018 just before the country entered into a recession and had to deal with an exchange crisis.

But Argentinean officials left Washington without the \$5.4 billion, only with the promise of talks in the U.S. capital on October 14, just days before the presidential election. President Mauricio Macri, who is seeking re-election, prepares to take on progressive candidate Alberto Fernandez in the October 27 election.

In the August 11 primaries, Fernandez, who argues that the IMF shares responsibility for the economic crisis, finished 15 percentage points ahead of Macri. Under the terms of the agreement signed with the IMF, the Macri administration had to impose sharp budget cuts, affecting even further public services at a

time of increasing poverty rates across the country.

According to a report issued on Monday by the National Institute of Statistics, or INDEC, poverty has skyrocketed to the record level of 35,4 percent during the first six months of 2019. This contrasts to the already high 27,3 percent accounted during the first semester of 2018, meaning that an additional 3,7 million people are now qualifying as "poor" in a year.

The recession has been accompanied by a 47 percent inflation rate in 2018 and an inflation rate of 25.1 percent during the first seven months of this year.

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