

Argentina Resumes Talks with Vulture Funds



Buenos Aires, February 2 (RHC-teleSUR) -- Argentine Finance Secretary Luis Caputo arrived in New York Monday to begin negotiations with holdout creditors, known as the “vulture funds.”

Caputo spoke with U.S. court-appointed mediator Daniel Pollack and representatives of the hedge funds as part of the ongoing efforts to renegotiate the terms of the country’s US\$100-million default.

Leaving the meeting, Caputo told the Argentinean newspaper Clarin: “We don’t expect any news today” and “only time will tell” whether the renewed efforts will be successful.

According to a statement from the Ministry of Finance, Argentina will present a new proposal that “successfully reduces the penal interest on the (country’s) debt to the bondholders.” Local media have speculated that the proposal will look to reduce the debt by 15 to 25 percent.

Prior to entering the talks, Argentina secured a US\$5 billion loan from a group of international banks including HSBC, JPMorgan Chase & Co. and Santander. The loan takes Argentina’s foreign reserves to US\$30.071 billion.

The new Mauricio Macri-led government has also signed investment deals with a range of multinational corporations, including Coca Cola, as well as submitting to its first International Monetary Fund (IMF)

audit in nearly a decade.

Argentina has been struggling with the vulture funds since it defaulted on its US\$100-million loan in 2001.

In July 2014, U.S. Federal Judge Thomas Griesa controversially blocked a deposit of US\$539 million from the Argentine government, instead demanding holdout claims be paid in full.

Shortly afterward, Argentina declared a “partial default” despite showing the will and capacity to pay 90 percent of its creditors on a month-by-month basis.

Since then, Griesa has increased pressure on Argentina by directing international financial firms to not process certain payments and blocking a plan to rollover some of Argentina's debt.

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