Peterson Institute for International Economics

The Argentina-IMF saga's new season

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[00:00:26.04] - Maurice Obstfeld

Good morning. I'm Maury Obstfeld, the C. Fred Bergsten Senior Fellow at the Peterson Institute. Welcome to this panel discussion on Argentina. In the late 19th century, Argentina was at one point the richest country in the world. Today we are seeing Argentina entering its 23rd IMF loan program. Since, uh, 1958. Um, it's third since 2018. And, uh, we have a president who is, uh, determined to, uh, cut inflation, cut regulation, cut government spending, who also faces midterm elections in October. Uh, we have a distinguished group here to discuss than the events today. First, we'll start off with Alejandro Werner. He's the founding director of the Georgetown Americas Institute. He was previously the head of the Western Hemisphere Department at the IMF, and he's worked in the Mexican Finance Ministry and Central Bank. Next, we'll hear from Carmen Reinhart. Carmen is the Minos A. Sombates Professor of the International Monetary System at Harvard, has been Chief Economist at the World Bank, is the author with Ken Rogoff of the classic book on financial crises, This Time Is Different, published in 2010, and also is formerly of the Peterson Institute. Finally, we'll hear from José de Gregorio, also a nonresident senior fellow at Peterson. He's the Dean of the School of Economics and Business at the University of Chile. He was governor of the Central Bank of Chile from 2007 to 2011. He previously worked in Chile's finance ministry and at the IMF. So with that, let's start with Alejandro.

[00:03:13.23] - Alejandro Werner

Thank you very much, Maury. And as you were mentioning the 3 IMF programs in the last 6, 7 years in Argentina, I was remembering that when Argentina reestablished normal relationships with the Fund somewhere around 2018, 2017, 2016, You were the chief economist, I was at the Fund, and I think we made the first trip to Buenos Aires. You gave a conference in the— And also there was a moment of very high expectations of reform stabilization that did not pan out. And then obviously we, Argentina, went through very difficult time, bringing the economic situation in Argentina to the brink of hyperinflation. And that's when President Milei took over with the conviction on the key issues that I think most of us share that Argentina needs to do to reform, stabilize, and get back into a path of sustainable and stable growth based on a very

strong, as you can see on the right-hand side of the slide, fiscal consolidation. I mean, Argentina is running fiscal surpluses, primary surpluses, And I think, I feel that with this president, Argentina will maintain that into the future. That together with what I think it has to be described an exchange rate-based stabilization was able to achieve a significant move in the real exchange rate at the beginning and then bring inflation down quite fast.

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As it happens with Typically with exchange rate-based stabilizations, we ended up seeing very low real interest rates as the currency appreciates significantly, as we can see on the chart on the right. And I think that's the main issue with the stabilization program in Argentina today, the appreciation of the currency that is leading, as we can see on the chart on your left, to a significant deterioration, weakening, or a turn of the current account surplus into a deficit and an important turnaround in the trade balance as well, and the lack of capacity of the Argentinian economy to accumulate reserves and therefore having a relatively weak balance sheet of the central bank that I think does not allow the Argentinian currency to float in a healthy way, as we have seen in the rest of the Latin American inflation-targeting central banks. On top of that, Argentina faces important external debt, debt service obligations in the next 3 or 4 years. You can see them there. In the next 3 years, Argentina has to pay up in amortizations and interest around $45 billion, an important part of that to the IMF. And given that the IMF program that was approved in April was front-loaded, Argentina will not have future disbursements to match this payment.

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So Argentina will also need, on top of this, significant additional foreign exchange to build international reserves. And I think that's at the core of the question marks of the stabilization program and the way forward in Argentina, given that the strong fiscal anchor I think is going to be there. And the significant commitment to structural reform, opening the regulation and reducing the size of the state is also there. And the implementation is progressing in a very healthy manner. On reserves, and sometimes there's conflicting news coming from Argentina, some of them echoing what some central banks used to say at the initial phases of the transition towards inflation targeting and floating exchange rate regimes in Argentina. Maybe some of us actually repeated some of those things, that in a floating regime you did not need international reserves. I think first, first we ended up accumulating a lot of reserves because of the commodity boom and maybe on the back of a lot of central banks was the logic of avoiding an even larger appreciation of the currency. But I think also given the significant financial scares that we went through during the Asia-Russia crisis, during the global financial crisis, during COVID I think central banks realized that for several reasons that I don't have time to go over all

of them, central banks needed to have a balance sheet that actually was significantly countercyclical.

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When the country had problems, many financial problems actually pop up that we hadn't identified before. And having a central bank that when the currency depreciated had a significant strengthening of its balance sheet was a very powerful tool to help stabilize the economy, either intervening in some markets either providing liquidity in foreign currency to the economy. And you see there after the global financial crisis, there was a significant increase in reserves, both in dollars and in— as a share of GDP, with Peru being the one that accumulated the most and the rest of the countries having between 12% and 17% of GDP in reserves. When you look at the exchange rate-based stabilization in Mexico in the early '90s, you see how significant problems were built up. By fixing the exchange rate in the middle chart, you see how the exchange rate was sliding very slowly between 1988 and 1994. In the chart on the right, you see how the currency eventually built up a significant appreciation, and that led to a huge devaluation of the exchange rate, inflation going up again, and then returning gradually to a one-digit level by the year 2000. This on the back of a significant buildup of a current account deficit started in 1990 from 1% of GDP, but then dropping towards 6.5% by 1994.

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And then, I mean, an important thing that is said in Argentina is that you have these significant deregulation changes in the energy sector, in the mining sector, etc., that are going to turn the current account into a significant surplus in the future. And what we saw in the case of Mexico on the back of Mexico entering into the North American Free Trade Agreement is that is true. The currency eventually came back, the real exchange rate to the same level that we had before the crisis. But financial markets didn't have the— wouldn't have the patience to finance significant current account deficits for another 6 years to wait until we saw whether the effects of NAFTA were going to be as large on the export side as they eventually ended up being. So I think we are into something very similar today in Argentina. I think the exchange rate question is at the core of the decisions that the government has to face. To me, I mean, now Argentina is facing a midterm election in October. A big question is the strong currency policy, a policy that is basically looking to, I mean, to continue the significant deceleration of inflation, to consolidate political power.

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And after that, we will see with a stronger political capital, significant reforms in pension, taxes, labor, maybe the approval of the 2026 budget and 2027 budget targets by Congress. That is something that has not happened yet. This fiscal strengthening does not have the seal of approval of a broader political coalition. On top of that, if Argentina with that political backing is able to increase the primary surplus as interest payments are going to increase in the next 3 years, I think that will put Argentina in a very strong position. Also, the central bank should take advantage to announce an explicit reserve accumulation policy as other central banks did in the past. If we don't see this, especially on the exchange rate front, I think the risk of building up in the second half of the administration additional currency overvaluation, current account deficit, etc. Puts the economy at a big risk of disorderly currency movements in the future. Now Argentina has the next IMF review coming that I think the sticking point is their reserve accumulation policy. And hopefully those disbursements of fund resources will just go to pay the debt service to the fund. And I think if in the future Argentina moves to accumulate reserves and it's on target with the IMF program, If Argentina faces negative external shocks, the IMF still has firepower to augment the program, given that the current program is slightly below what was announced for the Macri program.

[00:13:05.17]

And in real terms, is significantly below that with a program that in terms of fundamentals, I would say, is significantly stronger than what we saw under Macri. Thank you very much.

[00:13:22.05] - Maurice Obstfeld

Thank you, Alejandro. Let's turn please to Carmen.

[00:13:27.05] - Carmen M. Reinhart

Hello everyone. If I could have the slides up, please.

[00:13:32.22] - Maurice Obstfeld

Carmen, you're—

[00:13:35.13] - Carmen M. Reinhart

Can you hear me?

[00:13:36.16] - Maurice Obstfeld

Yes, now we can.

[00:13:38.05] - Carmen M. Reinhart

Okay, perfect. So, If we could have the first slide. Anyone see the slide? I don't.

[00:13:53.28] - Maurice Obstfeld

Yeah, we can see it.

[00:13:57.05] - Carmen M. Reinhart

Oh, you can see it. That's good. I can't. Oh, there we are. Good. So I am going to talk today about 3 things. One of them, Alejandro, I'm just going to echo what you said. So much of the concern, you know, the concerns that I have have to do with the chronic overvaluation problem that arises every time that Argentina and other countries, but especially Argentina, has tried to stabilize inflation. The administration, the Milei administration, is of course very concerned and very anxious to get market access, which Argentina has not had in some years. And I am going to talk about some of the challenges in Argentina's efforts to regain market access. By market, I mean international capital markets. And then I'm going to talk about their reserve strategies and how risky some of the things they are doing. Before that, I'd like to highlight that, you know, the old saying that if you owe the bank a little money, you have a problem. If you owe the bank a lot of money, they have a problem. The IMF has a problem. Argentina's accounts for almost 35% of total IMF credit outstanding. That's a factoid that actually is going to play a role in my later discussion.

[00:15:46.10]

Next slide, please. So this echoes the comments that Alejandro was making. This is a picture of the real bilateral exchange rate with the United States from monthly data from 1949 through May of this year. And you see these many spikes in the chart. The shaded areas are past inflation stabilization programs. I have listed here 13 of them. There are a few others that are less lasting, But the big point is that towards the end of the— by the way, just to clarify, low in this chart means appreciated. By the time the stabilization is well underway, what you begin to see is just cumulative real appreciation. And the subsequent spike that you see in this chart is how the appreciation ended, which is basically the end of the stabilization program and a new big bang depreciation. Next page, please. This just highlights why I'm concerned about this. What this shows is the 13 inflation stabilization episodes that I described. The cumulative real appreciation since the beginning of the current program is about 38%. That is a major real

appreciation. And, you know, there are estimates out there. I don't— I'm not talking about overvaluation. I haven't looked at the equilibrium real exchange rate.

[00:17:53.04]

This is just actual real appreciation, but there are estimates out there on the extent of overvaluation that are even higher than the 38%, uh, that you see here. This is a concern. Alejandro mentioned this, uh, for a variety of reasons, including, uh, the fact that You see a worsening in the current account. We have already seen a worsening in the current account. And even without access to market financing, these programs— so one type of inflation problem and inflation stabilization that Argentina has had involves Those cases, when the inflation stabilization took hold, they gained market access. An example of that is the convertibility plan, and in the earlier stages of the Tablita program in the late '70s, they got access, they borrowed a lot. We saw that also during Macri, a lot of external borrowing. Coupled with a real appreciation, a worsening account deficit, often consumption booms. We're not seeing some of those elements quite as stark in the current round because they don't have access to capital markets. So the extent of the worsening of the current account, the extent of overseas borrowing is very curtailed compared to some of the earlier programs. But this list that I show in this table includes programs that, A, they were not borrowing from abroad largely, very little, minimal access to capital markets.

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That's true in some of the ones that followed the breakdown of the convertibility plan. They were not borrowing, and therefore they did not accumulate the extent of excesses in terms of current account and external borrowing. Nevertheless, the cumulative toll on competitiveness and cost of living for an economy that's highly dollarized took its toll. And also political pressures from business groups took its toll. And nonetheless, the exchange rate-based inflation stabilizations ended pretty spectacularly bad. Next slide, please. So I've noted several times that they currently don't have any real market access and they want to gain market access. Let me list some of the challenges that I think are going to be a very big hurdle for Argentina, notwithstanding its really spectacular fiscal progress, spectacular fiscal progress. Notwithstanding that, it's going to be a challenge. The graph shows the share of debt, Argentine debt, owed to official creditors. And it compares that— that's the shaded area— it compares that to the red line, which is Brazil, and the dashed line, which is Mexico. Why am I bringing this up? Well, we all know that— and by the way, this is based on World Bank International Debt Statistics data, IDS.

[00:21:56.17]

So it doesn't include even the latest round of borrowing from the IMF. This does not include the 2025, so the share of official will be even higher than what is shown in this chart. Why am I bringing this up as an impediment to access? Multilaterals are senior creditors. And so from the vantage point of a long-term investor, if a country has a credit rating and the most favorable of the 3 credit ratings from Fitch, Moody's, and Standard Poor's is a CCC+, and you have a substantial amount of official creditors that are senior to you with large repayments— Alejandro mentioned this— coming due, and uncertain is not the right term, with a net position, net reserve position that is negative, it will take a great deal of optimism on the outcome of the stabilization plan and Milei's ability to keep up the fiscal, the fiscal reforms for investors to rush in. And I'm talking about medium to long term. I will turn next on the question, and this is my last point, on the question of— next slide, please— very connected to what I've just said, the efforts to draw in dollars because net reserves are negative, because even gross reserves have stalled.

[00:24:10.08]

Very, you know, this has been a big objective. It's in the IMF program as well. They're having a very difficult time building a stockpile of reserves. And so their recent measures, meaning earlier this month, presented a plan to acquire reserves other than through, you know, organic balance of payments or direct purchases. And this involved Treasury auctions that have issuing local currency bond with an option to a US dollar subscription. So that's something they've done before to attract, uh, potential, uh, investors. The US dollar subscription plays a big role. What is the source of concern? Well, they've lifted the minimum holding period, uh, so this is tailor-made for a carry trade. And hot money. The holding period— this is not a new experiment. In 2018, under Macri's term, in the run-up to the elections, a similar strategy of lifting any kind of holding period for non-residents drew in a lot of money, and very quickly that money left. This is what the Argentines call capital golondrina. And I will stop by saying that, you know, that for many of the reasons Alejandro has listed that I have just discussed, the sustainability, notwithstanding the very significant fiscal adjustment that has been made is still, you know, we will wait and see.

[00:26:35.11] - Maurice Obstfeld

Okay, thank you, Carmen. Let's turn it over to José.

[00:26:41.08] - José de Gregorio

Thank you very much. I will— it's great to be here.

[00:26:45.27]

I'll start sharing right now.

[00:26:49.02]

I think that Let me just start there. So thanks very much, and I will talk about what's going on in Argentina, and I think that we share a lot of similar points with Carmen and with Alejandro. Let me just start by making a statement what's going on in Argentina. Of course, it is a new government, very non-traditional, quite disruptive. There are things that I personally do not like, you know, despite having very good people in the government, it has been also quite arrogant. It disqualifies people that think different from them. And it's very easy to insult. But I think, I think, and after preparing all of these and looking at the numbers, I think that I have to admit that they are doing the right things. They have a very good chance to succeed. Of course, there are risks and I'll talk about that. First of all, the most important, Argentina, this time could be different and this is a big way for me to see the drama of Argentina. Argentina is the blue line. This is compared to the per capita GDP of the US at PPP. But we see that Argentina has had a period, you know, a period of the very successful period during convertibility.

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Then it comes the huge collapse in the early 2000s. Then it comes the recovery. And in the last 10, 15 years, Argentina has not grown at all. It has been a decline, persistent decline, which is quite deep compared to Chile that's not been growing, but not with such a decline, and Brazil also. Quite moderate performance. But Argentina has been quite, quite a notorious decline over the last 10 years. And this time would like to be different. And I think that is the most important thing that they have done is a huge fiscal adjustment. And here we can see the deterioration even during Macri's government from 2015 to 2019. 2019, a sharp decline, decline that continued, weakness that continued. It deteriorated, of course, during COVID but it continued until 2024, that a year ago that started the current government. And they have done an adjustment of 5% of GDP, which in my view is huge, is quite difficult, and it has been mostly in government expenditures, which we know that it has more expansionary impact. So I think that this has been quite relevant to support what? To support what this, I think that Alejandro already talked about this and it's a symbol of success in Argentina, which is the evolution of inflation.

[00:30:00.09]

Inflation has been declining, still high, The latest figures are quite positive with respect to the last years, you know, 1.5% on a month-on-month basis. It's not real inflation. So we're talking still inflation at two digits, but the rapid decline, a fiscal policy that's not dominating and demanding from monetary policy, which I think that has been the key. Fiscal policy has been the key. Source of inflation in Argentina, the main source of corruption in Argentina. And I think that

they're having a permanent fiscal adjustment. It's a great success and it's the basis to have a good performance. Now, this decline in inflation, and I think that Alejandro said it, it is supported by fiscal adjustment but also by an exchange rate stabilization. And here is where we, I think we all agree that is where the dangers and the risk of Argentina today. Here, this is a 25-year real exchange rate quoted by Bloomberg. It's not very different from the one that I copied bilateral with the US inflation. I think that the figure is almost the same. The same. So what we see basically is that in the last— is just at the end, I don't see if it appears my mouse, but towards the end of the spike is where the government started.

[00:31:35.26]

The government started with extremely weak currency, which was this spike, and then it has been having a very important and relevant appreciation, real appreciation, small adjustment towards the end, which also may be related to the dollar weakness around the world. So, but the important thing, I think the relevant thing is that we can discuss a lot about, and Carmen was very eloquent about all the stories with failed exchange rate stabilizations in Argentina. I think that this is— here we have another potential misalignment. It reminds me a lot of situation in Chile in the late 1970s. In the late 1970s, at the beginning of the buildup for the debt crisis towards the end of the '70s, Chile did what Argentina is doing now. Was to have a crawling peg, but a crawling peg with an adjustment, with an exchange rate adjustment that was with a target below current inflation. So basically inflation was 2 or 3% a month, and here in Argentina, 2, 3%, and the depreciation of the tablita, of the crawling, was 1%. And this of course accumulated a sharp and significant appreciation. Today, with these figures, the real exchange rate is about 86.

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The average for the last 25 years is 120. It happens to be very close to the 38% of Carmen. This is 34%, the difference with the average of the last 25 years. So I think that here is where it's the key. This, together with politics, is where are the risk of the Argentinean program.

[00:33:37.18]

Why?

[00:33:38.22]

Because midterm elections in October need to show some delivery in terms of inflation. There will be temptation to keep this mismanagement. You can manage for some months, but this cannot be permanent. So the question is how you undo it. And The first thing that I'm, I think that we have to look carefully, and I have been looking at the, at the forecast that I have been

looking at the discussion with the program of the IMF. The program of the IMF contemplates a current account deficit below 1% of GDP. So 0.5% of GDP, which you say makes the change rate quite sustainable for a long time. However, if you see a private estimating, People start talking about 4 or 5% of GDP for this year. So I think that will be very key to see how evolves the external sector, to see how long this mismanagement could be sustained. So the question is how you get rid of this mismanagement. I think, and the first lesson, what we have seen already, the government eliminated the CEPO, People already have much more access to exchange rate. They don't have a freely floating with a free capital mobility.

[00:34:58.25]

There are still exchange rate controls. The question is how they will undo this. I think that at some point they will have to make an adjustment in the exchange rate, how they engineer it, how they do it. Well, but it will, there are several alternatives. They will have to do it. When they do it, inflation will go up, will raise again. It should be transitory because this is a relative price adjustment. It's not a permanent. It happened in some sense in Chile that at the late of the 1980s, after adjusting all the economy, inflation was still 30%. So I think that in the case of Argentina, we could expect that at some point they may have more inflation because of of a realignment of the exchange rate. As long as it is not a currency crisis, I think that's okay. There are some risks. I don't think that Argentina will go to eliminate the peso and to dollarize. I think that they don't have the stability required for that, the reserves required for that. And it's also not advisable from a point of view of a Mandelian, uh, uh, uh, optimal currency area view. So I think that Argentina perhaps is— this is an opportunity to do macro policy as grown-ups.

[00:36:18.24]

So independent central bank, a very strong independent central bank with total— with avoiding completely financing the budget, which is a big problem that they have had in the last decade. So a strong independent central bank, inflation targets, flexible exchange rate. I think that they, over time, they could follow that strategy and consolidate the stabilization. That's, I think that we all may agree the Achilles heel is on the exchange rate. Thank you, Maureen.

[00:36:56.19] - Maurice Obstfeld

Okay, thank you. Thank you for keeping on time. We have a number of excellent questions in the Q&A, but I just want to throw out one to the group and also feel free to comment on what your other presenters have said. Um, this year the, um, National Statistical and Census Agency, INDEC, has announced a sharp fall in the poverty rate in Argentina compared to the first year of the Milei administration. It's still very high, but it has fallen. And another development we've

recently seen is the president's party doing very well, unexpectedly well, in the Buenos Aires municipal elections. Is there a chance that Milei can consolidate a new trend in politics and overcome the long legacy of Peronism, in your view? Anyone?

[00:38:02.05] - Alejandro Werner

Well, I think the answer is yes. I think there are 2 or 3 things. I think that Millet being a complete outsider can paint with the truth. And he was voted in and he's delivering, especially on the macro side. But his approach has been careful on the social expenditure side. So social transfers, et cetera, have been increased. And I think that explains a little bit how on some important pockets of the voters that would be suffering a lot, he has maintained support. His support is very across the board. I mean, you see a lot of support for Milei in younger people, young males, independently of the income level. And I think that there is an important change in the perception of Argentina society of what is needed and what drove them here. It's very risky. It's still very uncertain. He has been also politically savvy in consolidating his leadership of the right and center-right in Argentina. And the next election might show that he has concluded the first phase of that. But obviously in Argentina at this stage, Macri was in a very powerful political situation. He overwhelmingly won the legislative election, the midterms, and then we know what happened.

[00:39:35.23]

So I think the real test of what you're asking, Mauri, will come in the next presidential election. And for that, obviously, the midterm, it's an important test.

[00:39:49.17] - Maurice Obstfeld

Thank you. Anyone else want to weigh in? Carmen? I think you're muted, Carmen.

[00:39:57.28] - Carmen M. Reinhart

I don't think so. I'm not.

[00:40:05.11] - Maurice Obstfeld

There you go. We can hear you.

[00:40:07.11] - Carmen M. Reinhart

Okay. I think also one question mark about the durability also has been present in earlier, you know, a challenge for earlier programs. The provinces have been hit hard by the fiscal cuts. Really hard. We know that the provinces also became unruly, to say the least, towards the latter years of the convertibility plan. And then in effect, you know, they were issuing quasi-currencies. And this is not new also. It's like It's been a constant if you go back to the Bering Crisis of the, you know, 1891. It was the provinces were still part of the problem. And so, you know, I agree with what Alejandro has said, but I do still have concerns that down the road, the fragmentation that has been present in the past may resurface because, as I said, the provinces have really been hit hard by the fiscal adjustment.

[00:41:44.18] - José de Gregorio

Yeah, I just want to follow on Alejandro. I think that the government was quite savvy in terms of adjustment because they were very front-loaded. So 2024 output declined in Argentina, but this year expectations are rate of growth close to 5%. So growing at 5%, reducing poverty with low inflation, I think that will give a lot of a boost to President Millet and to have more power to consolidate reforms. Still in Argentina, politics. And I think that that's why also midterms elections are quite important, and we may talk more about that than in other countries. Because one of the other risks that we haven't talked that can derail the problem could be political problems. And I think that this has been in many instances in Argentina.

[00:42:45.14] - Maurice Obstfeld

Thank you. Let me take another audience question, which is from Jorge Popi. Argentina currently offers very high carry trade returns, and carry trade is one factor that is supporting the currency. What does the panel see as the risks of this situation right now?

[00:43:10.20] - José de Gregorio

They don't have a— Well, Carmen, please.

[00:43:14.09] - Carmen M. Reinhart

No, no, go ahead, go ahead.

[00:43:15.14] - José de Gregorio

No, no, no. I don't have the— when countries sustain their currencies with carry trade, the first time that the carry trade start not working, which is what we expect from finance, is the beginning of the end. So I think that there's a— I don't have the figures about the amount of

carry trade, but for authorities should be extremely important because we have seen all over, all Latin America, these periods of success, of stability of the exchange rate and peso problem until the collapse arrives. And that's the end of the exchange rate stabilization.

[00:44:01.24] - Carmen M. Reinhart

So the third point that I made in my brief presentation had very much to do with the carry trade. The concerns that I raised about the administration's plans to raise reserves by borrowing, but also with the US dollar option and no minimum stay requirements is magnifying the base and the capacity for carry trade. You can come in, and this only applies to non-residents. Residents have, you know, minimum holding periods. Now, non-residents do not. So my concerns, and this goes along the lines of what José was saying, which is, you know, you don't form medium-term lending plans. If there's a local institution, how could you make a medium to longer-term loan on the basis of hot money? How can you finance growth-enhancing investment with hot money? So it is understood that they are in a bind. To attract dollars, but the hot money variety. And that's why I showed the little chart with the bar chart basically highlighted the— in Guillermo Calvo's language, sudden stop. It shows a decline of short-term flows of over 6%, 6% of GDP. Even well before Argentina had to restructure. So capital flow reversals, hot money reversals, that's the nature of the carry trade.

[00:46:15.22] - Alejandro Werner

But I think, Maury, that Argentina is in a position to have an exchange rate adjustment with not significant negative feedback loops. Into the financial system, et cetera. And it's early days of this problem. So hopefully, that's why I say, look, if this is an electoral strategy, hopefully they can reach the election without a surprise. But after the election, they have to change. They have to move, as José was saying, into a strategy that accepts a slower disinflation, more currency movements, and more accumulation of reserves. If that doesn't happen and this lasts much longer because the market through the current trade financed it for another 18 months, I think we, we are in for a much rougher adjustment.

[00:47:08.01] - Maurice Obstfeld

Okay, well, we are a little bit over time. Uh, there are some really excellent questions in the Q&A, uh, including from some very good friends of mine, and I'm sorry I can't take them, but, um, we're gonna have to stop for today. I want to thank this excellent panel. This was a great discussion. And yeah, let's come back in 6 months after the midterm elections and do this again and see where Argentina stands within this turbulent global economy. Okay, thank you everyone and have a good day.