

The convertibility Program has re-introduced two concepts that had been set aside: first, the concept of a budget restriction on the public and private sectors; and second, the concept of a stable currency that gives priority to the proper functioning of the economy, allowing the re-appearance of credit, while simultaneously encouraging domestic savings.

DOMESTIC AND EXTERNAL DEBT

Another central priority of the government is the reestablishment of the credit worthiness of the country. Internal and external obligations have now been completely restructured.

- Internal debts to retired persons and suppliers have been restructured or paid.
- the reorganization of the Argentine economy created the conditions for successful compliance with targets established in a July 1991 International Monetary Fund Standby loan that was followed by a March 1992 Extended Fund Facility Agreement.
- A framework Brady Plan agreement, covering US\$ 31 billion in debt to commercial banks, was reached in April 1992 and a final exchange of old for new debt securities was completed one year later.
- Argentina re-entered the international market for voluntary credit in September 1991. The perceived risk of investing in Argentine paper has fallen.
- Several private corporations as well as private and public banks have been able to successfully issue debt securities in the Euromarket.
- Debt to equity swaps employed in the privatization program have permitted the government to retire over US\$ 13 billion in debt paper.