


Provincias Argentinas Macro Outlook

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Preparado para The Pampas Capital Group (Portfolio
Management)

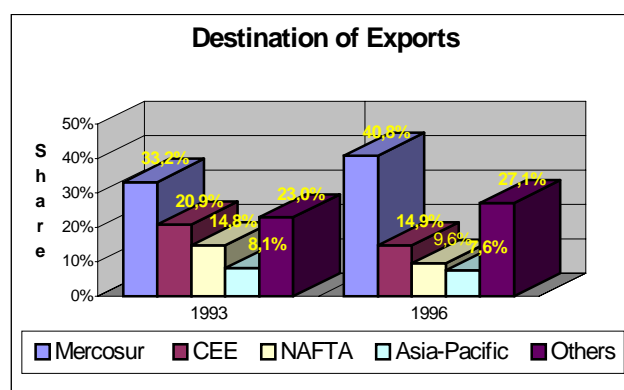
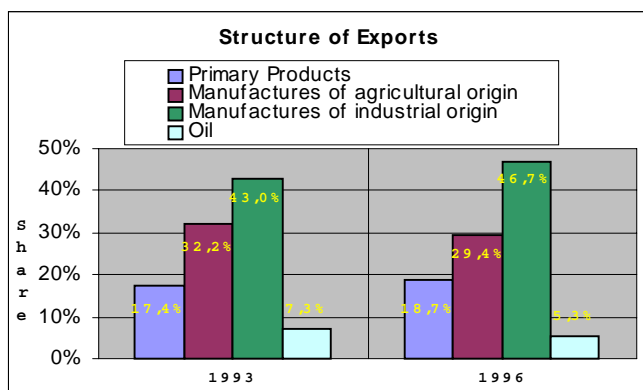
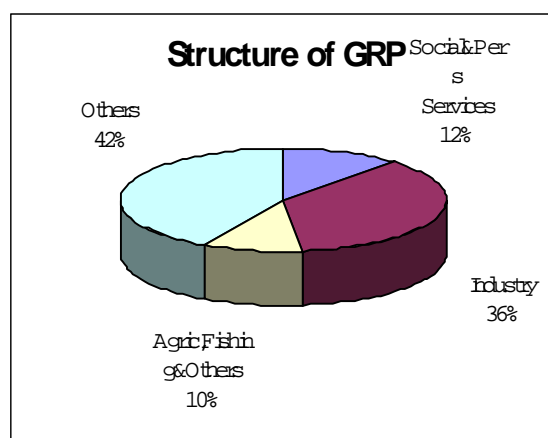
BUENOS AIRES



I) GEOGRAPHICAL DATA			
Capital city:		La Plata (642,979 inhabitants in 1991)	
Area:		307,571 km ² (8.2% of Argentina)	
Population:		12,6 million (38.6% of Argentina's total population).	
Topography:		The Province of Buenos Aires is inserted in the Pampa region, has a predominantly plain topography, only broken by the Tandil formantions and Sierra de La Ventana. It has a large coastline to the Atlantic Ocean and the Rio de la Plata river.	
Location:		Buenos Aires is located in the center-east of the country, on the coastline. To the North, the province is bounded by the Rio de la Plata River and the province of Entre Rios, Santa Fe and Córdoba, to the West. by La Pampa and Rio Negro, while the Southern and eastern borders are in touch with the Atlantic Ocean.	
II) POLITICAL DATA			
Governor:		Dr. D Eduardo Duhalde	
Vice Governor:		Dr. D. Rafael E. Roma	
Ruling Party:		PJ (Partido Justicialista)	
Provincial Legislature:			
	PJ	Congress 49.4	Senate 54.3%
	UCR	29.7%	28.2%
	FREPASO	19.8%	17.4%
	OTHERS	1.1%	0.0%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Buenos Aires is the largest province in size, population and GRP. It has a very diversified economy; with a leading position in a wide complex of activities ranging from manufacturing to cattle rearing and agriculture. Manufacturing accounts for 33% of GRP and for almost half of all industrial production in Argentina. Main industries are food and drinks, automobile and autoparts, chemicals, oil refining, steel, cement and textiles among others. Urban population comprises 96,9% of total population, well above the national average (87,2%) and there is a huge service sector (transport, financial services, retailing and public services) that caters this important market. Wheat (68% of national production), sunflower (63%), corn (43%), soybean (19%), potatoes (51%) and onion (58%) are the principal agricultural crops. Farmers rear close to 20 million heads of cattle. Reported exports for Buenos Aires, should be noted, reflect shipments both from Capital Federal and Buenos Aires because the National Statistical Institute (INDEC) does not carry separate registers.

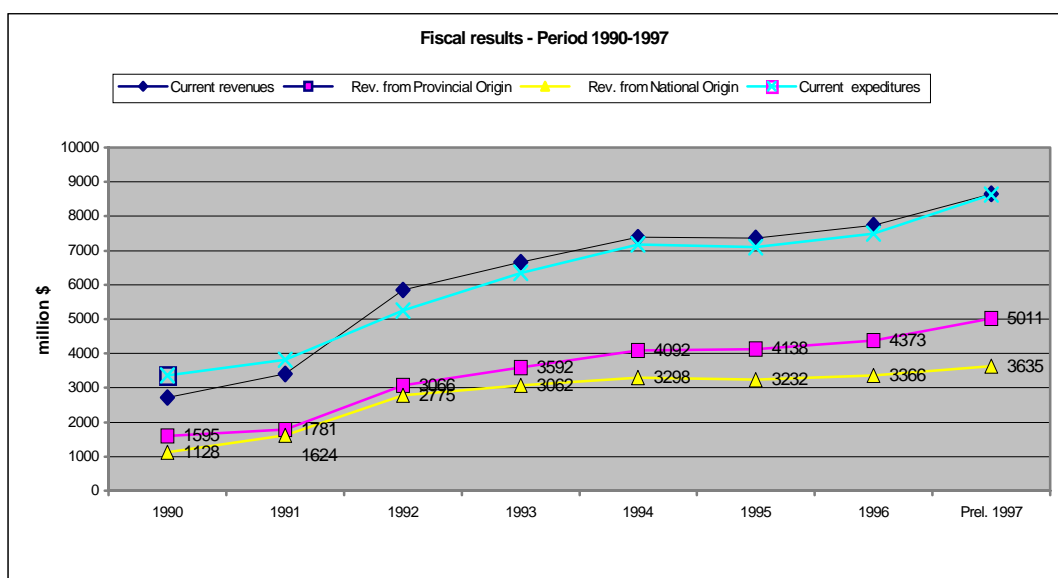


Basic Indicators and their evolution	Buenos Aires		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	65,264	114,579	315,090
Real GRP (thousands of 1986 \$)	3,676	4,971	13,671
Real per capita GRP 1991=100	100	121	116
Population (thousands)	12,595	13,711	35,671
Exports (millions of current \$)	4811	10,040	25,515
Unemployment rate (%)	6.2	20.8	14.0
Infant mortality rate (for 1000 born alive)	24.2	22.0	19.5
Illiterate population (%) (1991 Census)	2.35		3.7
Monthly Average Public Worker Comp (\$)	652	824	996

BUENOS AIRES

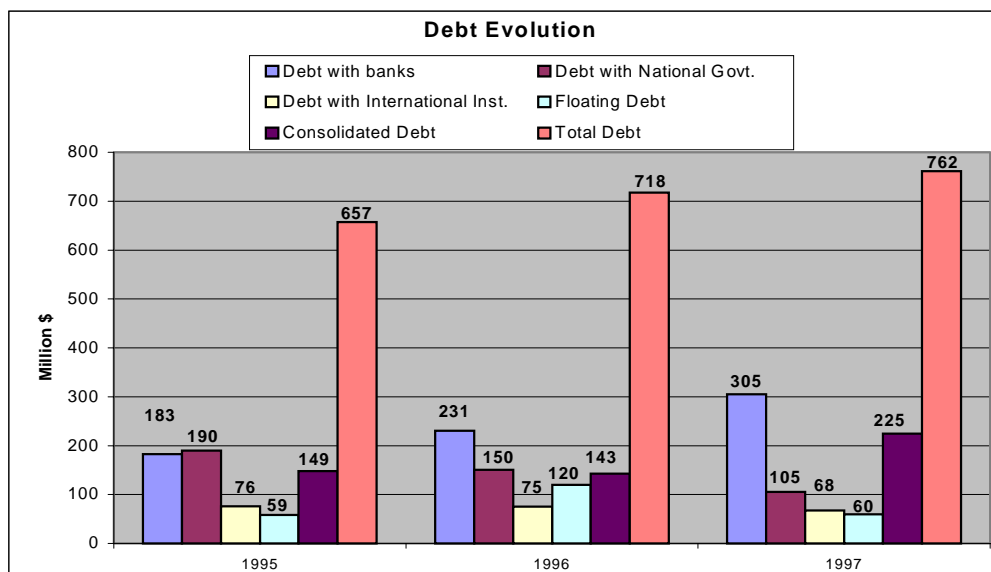
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	
Current Revenue	2.723	3.405	5.841	6.654	7.390	7.370	7.739	8.646	100,0%	100,0%
From Provincial Origin	1.595	1.781	3.066	3.592	4.092	4.138	4.373	5.011	58,0%	44,0%
From National Origin	1.128	1.624	2.775	3.062	3.298	3.232	3.366	3.635	42,0%	56,0%
Federal Tax Sharing	1.028	1.476	2.825	2.385	2.444	2.619	2.590	3.498	40,5%	41,1%
Net Tax Sharing	1.028	1.476	2.333	1.781	1.931	1.964	1.934	2.189	25,3%	36,4%
Linked to Services Transfers	0	0	400	458	454	454	454	454	5,2%	4,7%
Guarantee Clause (Law 24310)	0	0	93	146	59	201	202	855	9,9%	0,0%
Royalties	0	0	0	0	0	0	0	0	0,0%	2,2%
Other Revenue	100	149	-50	677	855	613	775	138	1,6%	12,6%
Current Expenditure	3.367	3.816	5.248	6.355	7.188	7.104	7.490	8.631	88,0%	86,3%
Personnel	2.018	2.212	2.898	3.302	3.594	3.498	3.610	3.988	40,7%	48,1%
Goods and Non Personnel Services	437	454	644	814	1.017	1.166	1.015	1.158	11,8%	10,5%
Debt Interest	5	22	161	145	151	150	290	223	2,3%	3,2%
Transfers	908	1.128	1.545	2.095	2.426	2.290	2.574	3.262	33,3%	24,4%
Current Savings	-645	-410	593	298	203	266	248	16		
Capital Revenue	4	10	24	116	94	52	72	95		
Capital Expenditure	304	285	426	635	861	823	1.106	1.173	12,0%	13,7%
Balance before Contributions	-944	-685	191	-221	-564	-505	-786	-1.063		
Contributions (Aportes)	166	109	102	229	257	224	360	399		
Non Refundable Contributions	17	7	44	102	122	111	218	268		
Refundable Contributions	149	102	58	127	135	113	143	131		
Total Revenue plus Contributions	2.893	3.525	5.967	6.998	7.741	7.647	8.171	9.140		
Total Expenditure	3.671	4.101	5.674	6.990	8.049	7.927	8.596	9.804	100%	100,0%
Financing Gap	778	576	-293	-8	307	280	426	664		



BUENOS AIRES

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	2.0%	3.3%	3,7%
Int.+Debt Amort./Cur. Rev.	3.3%	7.6%	13,5%
Total Debt/GRP	3.3%	1.3%	5.1%

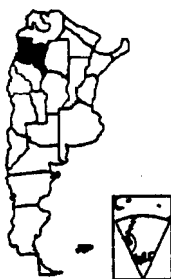
Quarterly Pledged in 1998 - Estimated					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	0,0%	0,0%	0,0%	0,0%	0,0%
International Institutions	0,10%	0,2%	0,1%	0,1%	0,1%
Federal Government	0,0%	0,0%	0,0%	0,0%	0,0%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	0,7%	0,7%	0,7%	0,6%	0,7%

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share(%)	million \$	share(%)	million \$	share(%)	million \$	share(%)
Federal Tax Sharing (Law 23.548)	1964	100,0%	1934	100,0%	2189	100,0%	2456	100,0%
Pledged revenues	12	0,6%	18	0,9%	16	0,8%	16	0,7%
Federal Council of Investments (CFI)	11	0,5%	11	0,6%	12	0,6%	14	0,6%
Federal Government	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Private Banks and Financial Institutions	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Banco Nación	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	2	0,1%	7	0,4%	4	0,2%	3	0,1%
Net Tax sharing received	1952	99,4%	1917	99,1%	2172	99,2%	2440	99,3%

VI) CONCLUSIONS

- Buenos Aires is a province with an insignificant debt in terms of its GRP (1.3% for 1997), with revenues from national origin not affected by financial needs to assist its debt services (pledges will be less than 1% for 1998) and with very low financing requirements (0.4% of GRP).
- However, it shows a big difficulty to stabilize its public expenditures which have been growing for many years, within the convertibility plan, at an annual rate of 6%, particularly public investment.
- Therefore, its improvement in net liabilities due to the privatization of ESEBA (the generating company of electricity) starting from a reduction of their public debt for \$1,000 millions in 1997 is not permanent.
- As Buenos Aires has entered in a very stressed political landscape further deterioration in the fiscal stance should be expected. The provincial government has repeatedly emphasized that the provincial Bank is not for sale. A minor stake could be transferred to private investors.

CATAMARCA

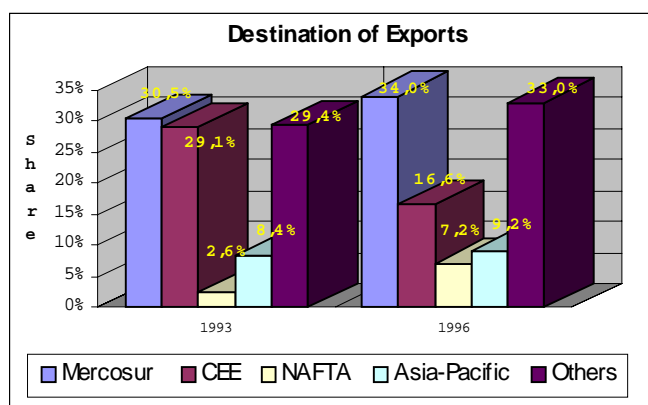
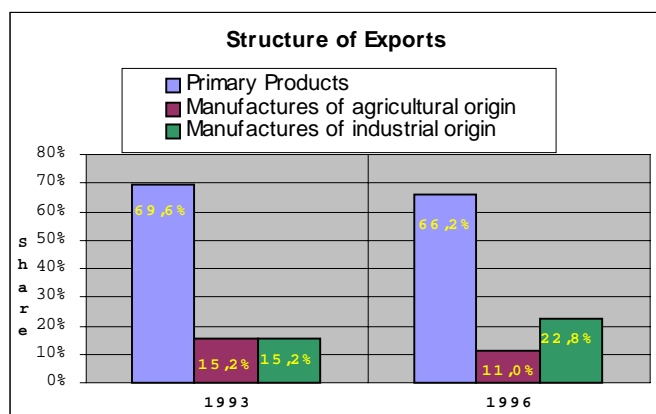
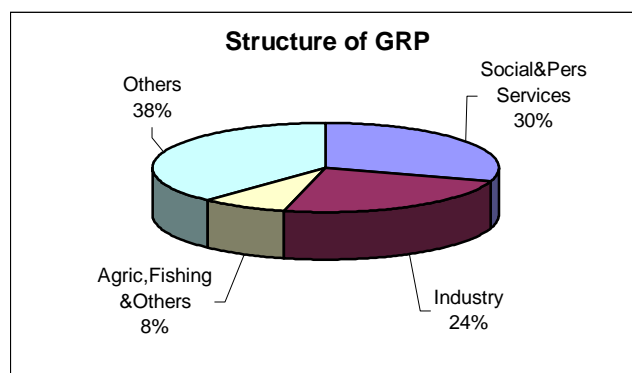


I) GEOGRAPHICAL DATA			
Capital city:		San Fernando del valle de Catamarca (132,626 inhabitants in 1991)	
Area:		102,602 km ² (2.73% of Argentina)	
Population:		0.3 million (0.1% of Argentina's total population).	
Topography:		Catamarca has a predominantly mountainous territory, with arid land type vegetation.	
Location:		Catamarca is located at the northwestern region of the country, leaning on the Andes Mountains. To the north it is bounded by the provinces of Salta and Tucumán, to the east by Santiago del Estero, to the South by La Rioja and to the west by Chile	
II) POLITICAL DATA			
Governor:		Dr. D. Arnoldo Castillo (exp. by Oct-2002)	
Vice Governor:		Dr. Simon Hernandez (exp. by Oct-2002)	
Ruling Party:		Frente Cívico y Social	
Provincial Legislature:		Congress	Senate
		PJ	40.0%
		UCR	0.0%
		FREPASO	12.5%
		OTHERS	47.5%
			81.2%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Catamarca is a service based economy with a huge public sector participation. Mining is just 1% of GRP but La Alumbrera project - the biggest mining enterprise in Argentina - will signal a sea change. Manufacturing explains almost a quarter of GRP undoubtedly helped by the generous tax breaks implicit in the industrial promotion regimen the province embraces. Several firms have installed at least an end factory there to reap these benefits. Food and drinks firms, textiles, shoemaking, equipment and machinery and other producers are located in Catamarca. Vertical integration usually is very low.

Agriculture is only 8% of GRP but is expected to grow robustly under another scheme of tax promotion (called tax postponements). Black beans ,tobacco and grapes are main items right now but olive and cotton are the experts' favorite choices for future expansion.

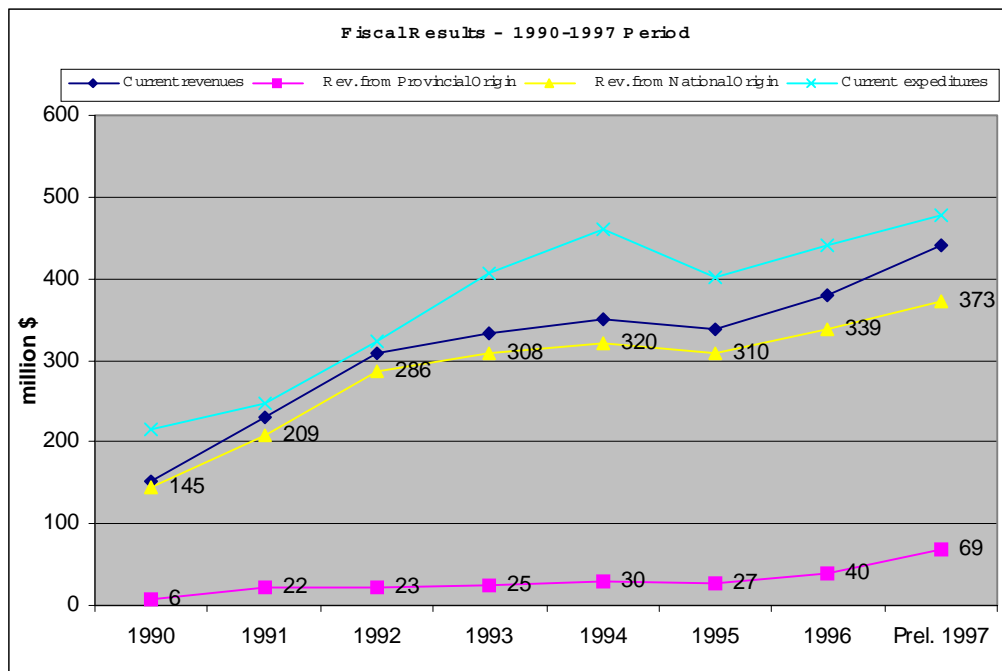


Basic Indicators and their evolution	Catamarca		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	813	1312	315,090
Real GRP (thousands of 1986 \$)	46	57	13,671
Real per capita GRP 1991=100	100	108	116
Population (thousands)	264	301	35,671
Exports (millions of current \$)	11	28	25,515
Unemployment rate (%)	8.4	14	14.0
Infant mortality rate (for 1000 born alive)	31.8	22.2	19.5
Illiterate population (%) (1991 Census)	4.5		3.7
Monthly Average Public Worker Comp (\$)	413	812	996

CATAMARCA

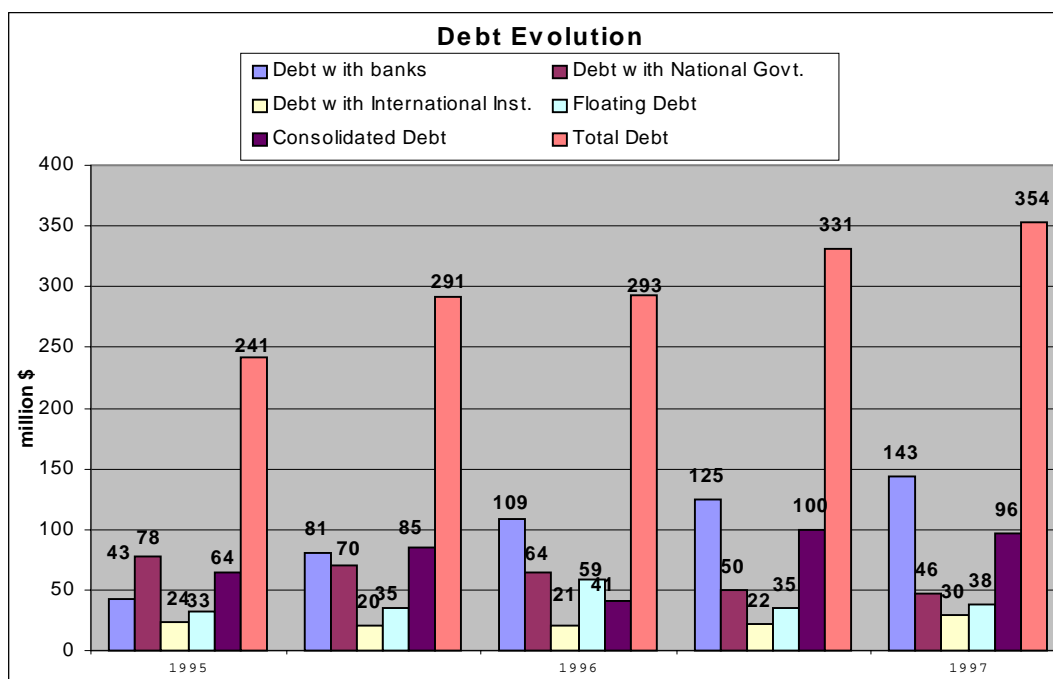
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	151	231	309	334	350	337	379	441	100,0%	100,0%
From Provincial Origin	6	22	23	25	30	27	40	69	15,6%	44,0%
From National Origin	145	209	286	308	320	310	339	373	84,4%	56,0%
Federal Tax Sharing	129	11	33	40	32	293	310	264	59,8%	41,1%
Net Tax Sharing	129	11	6	2	3	246	277	243	55,0%	36,4%
Linked to Services Transfers	0	0	16	21	21	21	21	21	4,8%	4,7%
Guarantee Clause (Law 24310)	0	0	12	17	7	25	12	0	0,0%	0,0%
Royalties	4	9	7	0	0	0	0	0	0,0%	2,2%
Other Revenue	12	189	246	268	288	17	29	109	24,6%	12,6%
Current Expenditure	217	246	322	406	461	403	440	479	89,5%	86,3%
Personnel	92	111	181	245	301	280	267	284	53,0%	48,1%
Goods and Non Personnel Services	8	20	14	16	16	21	25	61	11,5%	10,5%
Debt Interest	4	9	8	2	13	7	16	19	3,5%	3,2%
Transfers	113	106	119	143	130	95	132	115	21,5%	24,4%
Current Savings	-65	-15	-14	-72	-111	-66	-61	-37		
Capital Revenue	0	5	2	0	1	0	2	2		
Capital Expenditure	38	21	59	40	26	30	68	56	10,5%	13,7%
Balance before Contributions	-103	-31	-70	-112	-136	-95	-128	-91		
Contributions (Aportes)	51	25	58	31	38	30	28	46		
Non Refundable Contributions	17	10	32	13	18	14	7	27		
Refundable Contributions	34	15	27	18	20	16	21	19		
Total Revenue plus Contributions	202	261	369	365	389	368	408	489		
Total Expenditure	255	267	381	445	487	432	508	535	100,0%	100,0%
Financing Gap	53	6	12	81	98	64	100	45		



CATAMARCA

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	3.8%	4.2%	3.7%
Int.+Debt Amort./Cur. Rev.	6.6%	21.1%	13.5%
Total Debt/GRP	27.5%	27.0%	5.1%

Quarterly Pledged in 1998 - Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	38,4%	49,8%	50,5%	48,5%	46,8%
International Institutions	1,4%	1,5%	2,5%	1,5%	1,7%
Federal Government	21,8%	24,0%	20,2%	23,1%	22,3%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	62,2%	75,8%	73,8%	73,7%	71,4%

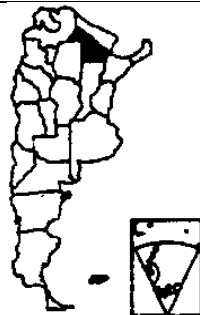
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	246	100,0%	277	100,0%	243	100,0%	308	100,0%
Pledged revenues	123	49,9%	150	54,1%	130	53,7%	220	71,4%
Federal Council of Investments (CFI)	1	0,5%	2	0,6%	1	0,5%	2	0,6%
Federal Government	100	40,6%	78	28,2%	87	35,9%	69	22,3%
Private Banks and Financial Institutions	20	8,1%	62	22,3%	35	14,5%	144	46,8%
Banco Nación	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	2	0,7%	8	3,0%	7	2,7%	5	1,7%
Net Tax sharing received	123	50,1%	127	45,9%	112	46,3%	88	28,6%

VI) CONCLUSIONS

- Overall situation deserves an awful D. One of the weakest provinces, a clear laggard.
- Politics was another source of trouble in the past. This factor has improved but recently reappeared with a vengeance: there's a serious dispute on royalties between the province and its biggest investor, Cia Minera La Alumbrera. It could affect other mining projects both in and out the province.
- Debt level relative to GRP is only surpassed by Formosa, Jujuy and Chaco. That earns a safe D rating.
- Fiscal situation is consistent with high debt. It also ranks D. Financing gap is worse than that of all the provinces with exception of Formosa.
- Ever increasing spending is behind persistent public imbalances. Wages eat more than half of current expenditure.
- High unemployment rate - 14% - coexists with a well populated public service payroll and the fact that Catamarca is beneficiary of the industrial promotion regime.

CHACO

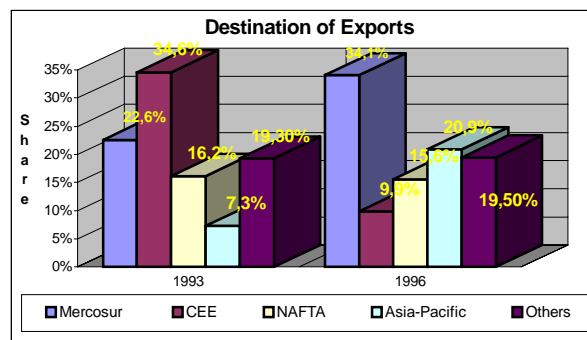
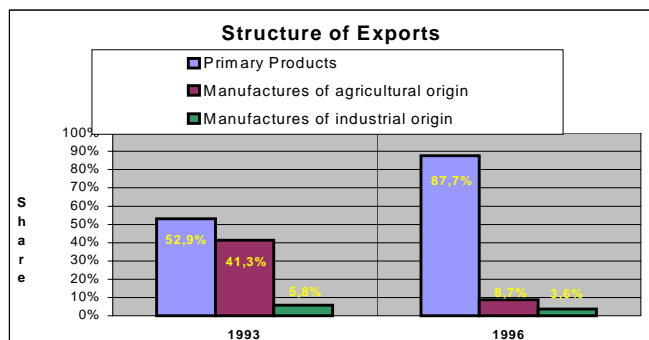
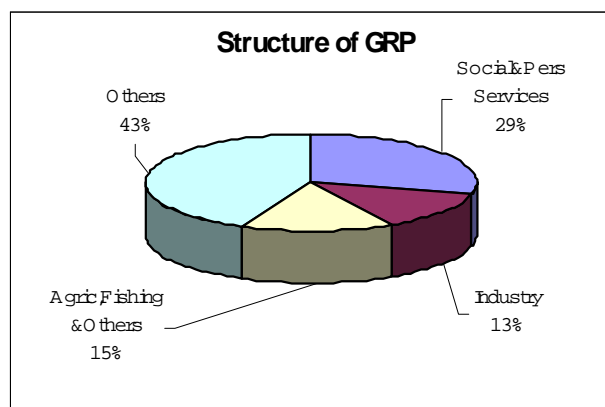
	I) GEOGRAPHICAL DATA			
	Capital city:		Resistencia (292.750 inhabitants in 1991)	
	Area:		99.633 km ² (2.27% of Argentina)	
	Population:		0.84 million (2.6% of Argentina's total population).	
	Topography:		The province, with a plain or slightly ondulated topography, is surrounded by the Paraná, Paraguay and Uruguay rivers.	
	Location:		Chaco, located in the northeastern region of the country, is bounded by the province of Formosa to the north, the province of Santa Fe to the south, the province of Corrientes to the east and the province of Salta and Santiago del Estero to the west.	
	II) POLITICAL DATA			
	Governor:		Dr.Angel Rozas (exp. by Nov-1999)	
	Vice Governor:		Dr. Miguel Pibernus (exp. By Nov-1999)	
	Ruling Party:		UCR (Unión Cívica Radical)	
Provincial Legislature:			Congress	Senate
		PJ	41.66%	
		UCR	25.00%	
		FREPASO	0.00%	
		OTHERS	33.37%	

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Chaco's economy depends on **agriculture and related industries**. Principal sectors of the provincial economy are comprised of community, social and personal services, manufacturing, principally textiles, and agroindustrial products; agricultural products, including timber, rice, tobacco, and cotton; financial services; commerce, hotel and restaurants; as well as construction.

Its GRP contributes with 1% of Argentina's GDP, and has grown between 1994 and 1997 at an annual rate of 2.3%.

The province is the **11th largest exporter**. Its exports have increased by approximately 189% from U\$S 100.0 million in 1993 to U\$S 289,6 million in 1997 as a result of competitive advantages within the province and exports to Mercosur signatory countries (48 % of total exports in 1996). **The Mercosur** accounted for approximately **34.1% of total exports** in 1996.

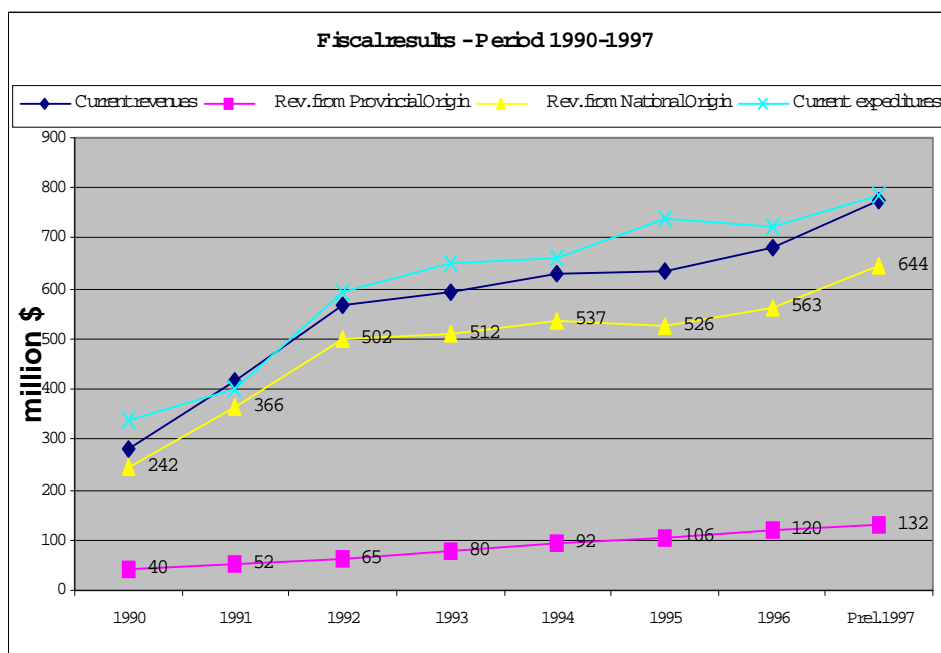


Basic Indicators and their evolution	Chaco		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	2,003	3,004	315,090
Real GRP (thousands of 1986 \$)	114	130	13,671
Real per capita GRP 1991=100	100	105	116
Population (thousands)	839	918	35,671
Exports (millions of current \$)	234	289	25,515
Unemployment rate (%)	5.2	11.7	14,0
Infant mortality rate (for 1000 born alive)	32.3	31.3	19.5
Illiterate population (%) (1991 Census)	11.3		3.7
Monthly Average Public Worker Comp (\$)	566	996	996

CHACO

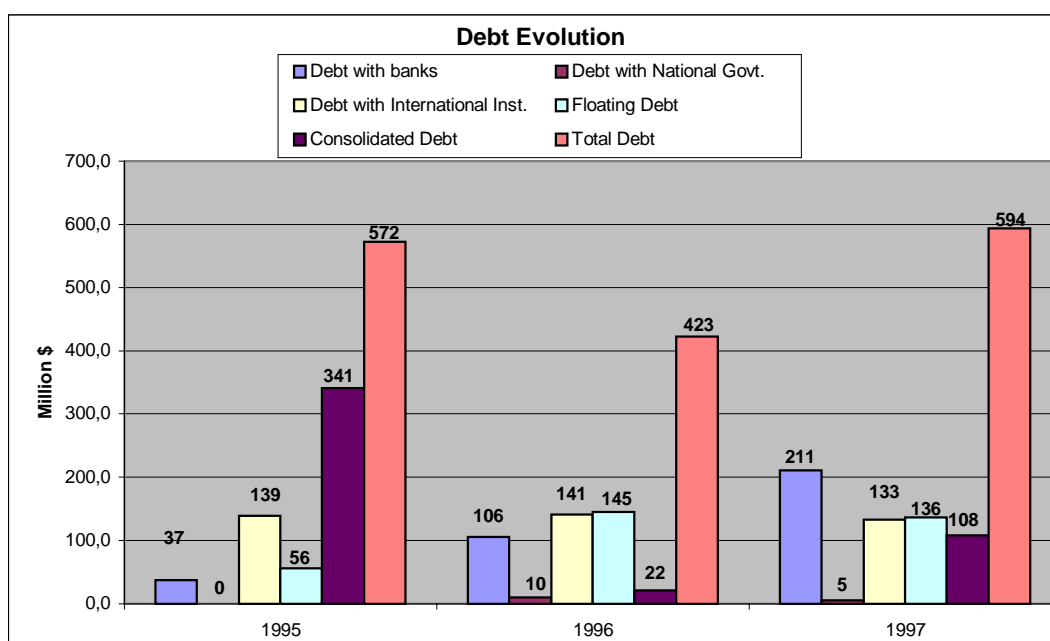
IV) FISCAL SITUATION

(million \$)										
Concept	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	282	417	567	592	628	632	683	776	100,0%	100,0%
From Provincial Origin	40	52	65	80	92	106	120	132	17,0%	44,0%
From National Origin	242	366	502	512	537	526	563	644	83,0%	56,0%
Federal Tax Sharing	233	336	467	470	486	526	494	533	68,6%	41,1%
Net Tax Sharing	233	336	418	405	439	446	439	500	64,4%	36,4%
Linked to Services Transfers	0	0	28	32	34	34	34	33	4,3%	4,7%
Guarantee Clause (Law 24310)	0	0	21	33	13	46	21	0	0,0%	0,0%
Royalties	0	0	0	0	0	0	0	0	0,0%	2,2%
Other Revenue	9	30	35	42	51	0	69	111	14,4%	12,6%
Current Expenditure	340	403	592	649	662	740	724	786	82,8%	86%
Personnel	242	266	414	460	468	509	506	523	55,1%	48,1%
Goods and Non Personnel Services	46	54	53	57	51	60	52	67	7,0%	10,5%
Debt Interest	0	1	1	1	6	18	22	31	3,2%	3,2%
Transfers	52	83	123	131	137	154	144	165	17,4%	24,4%
Current Savings	-58	15	-25	-57	-33	-108	-41	-10		
Capital Revenue	1	1	0	0	3	1	1	15		
Capital Expenditure	89	101	84	83	99	81	117	163	17,2%	13,7%
Balance before Contributions	-147	-86	-109	-139	-129	-189	-157	-158		
Contributions (Aportes)	69	70	76	75	73	70	79	83		
Non Refundable Contributions	13	12	34	30	31	35	33	41		
Refundable Contributions	57	58	42	45	43	35	46	42		
Total Revenue plus Contributions	352	487	643	667	704	703	763	874		
Total Expenditure	429	504	676	731	760	822	841	949	100,0%	100,0%
Financing Gap	77	16	33	64	56	119	78	75		



CHACO

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev	0,9%	3,9%	3,7%
Int.+Debt Amort./Curr.Rev.	8,3%	7,9%	13,5%
Total debt/GRP	23,8%	27,7%	5,1%

Quaterly Pledged in 1998 – Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	23,6%	28,5%	28,9%	29,7%	27,6%
International Institutions	2,2%	1,0%	2,4%	0,8%	1,4%
Federal Government	0,6%	0,6%	0,6%	0,6%	0,6%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	27,0%	30,6%	32,3%	31,7%	30,4%

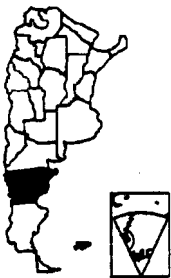
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	446	100,0%	439	100,0%	500	100,0%	510	100,0%
Pledged revenues	128	28,8%	80	18,2%	86	17,1%	155	30,4%
Federal Council of Investments (CFI)	2	0,5%	2	0,5%	3	0,5%	3	0,6%
Federal Government	45	10,2%	1	0,2%	0	0,0%	3	0,6%
Private Banks and Financial Institutions	54	12,0%	62	14,1%	74	14,8%	144	28,2%
Banco Nación	18	3,9%	1	0,1%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	12	2,7%	16	3,7%	12	2,3%	8	1,5%
Net Tax sharing received	318	71,2%	360	81,8%	414	82,9%	355	69,6%

VI) CONCLUSIONS

- A very difficult province.
- Chaco has a growing debt sharing 28% of GRP (it ranks D) and is the 3rd. largest debtor.
- The financing gap is 2.6% of GRP (it ranks D) with a declining trend in the last two years.
- Provincial tax revenues represents only 16.3% of total current revenues. It ranks C.
- Pledges on resources from national origin shares 30%. It ranks B.
- The province of Chaco has adhered to complies most of the requisites of the Fiscal Agreement. The deregulation process has advanced in accordance to the rest of the country, but there are still some activities to be deregulated. On the other hand the sewage and water supplying company as well as the electricity firm are still publicly owned.

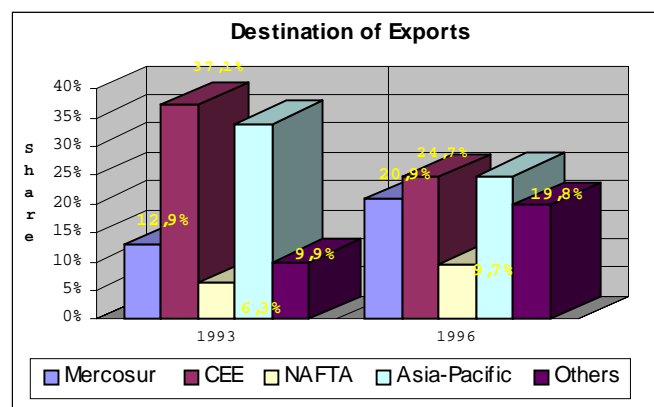
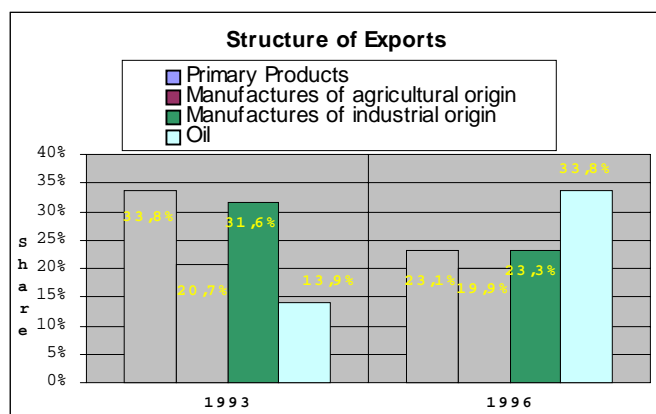
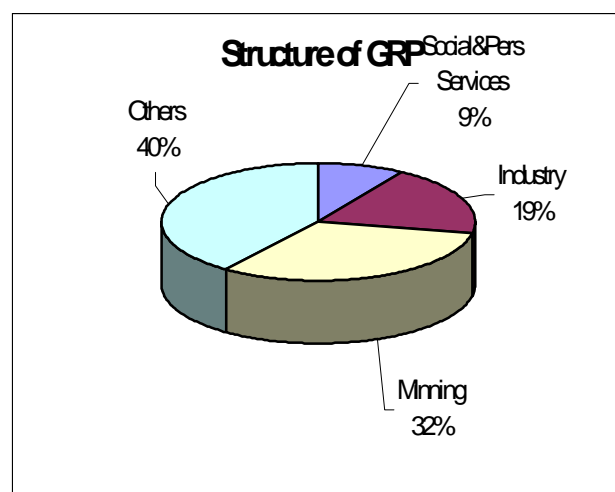
CHUBUT

	I) GEOGRAPHICAL DATA		
	Capital city: Rawson (19,161 inhabitants in 1991)		
	Area: 224.686 km ² (5.97% of Argentina)		
	Population: 0.4 million (0.1% of Argentina's total population).		
	Topography: Chubut has a predominantly mountainous territory to the west, with arid land type vegetation in the center and a plain in the east.		
	Location: Chubut is located at the Patagonia region of the country, leaning on the Andes Mountains. To the north it is bounded by the province of Rio Negro, to the east by the Atlantic Ocean, to the South by Santa Cruz and to the west by Chile		
	II) POLITICAL DATA		
	Governor: Dr. D.Carlos Maestro (exp. by Oct-1999)		
	Vice Governor: Dr. D.Jorge Aubia (exp. by Oct-1999)		
	Ruling Party: UCR – Unión Cívica Radical		
Provincial Legislature:		Congress	Senate
	PJ	37.3%	
	UCR	59.2%	
	FREPASO	3.7%	
	OTHERS	0.0%	

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Chubut's main economic sector is oil, gas and mining with its 32% share of GRP. Manufacturing ranks second (19%) with a varied spectrum: aluminium (Puerto Madryn is home to the biggest aluminium plant in Argentina), textiles (mainly located in Rawson and Trelew) and fish processing. Textiles represent one third of gross industrial production and benefit from abundant local wool supply (27% of national wool production). International investors have been busily acquiring local ranches increasing sheep herds at low prices. Another third of industrial production relates with basic metal products (mainly aluminium items).

Oil and gas is a very traditional - and leading - activity (Comodoro Rivadavia is known as the national oil capital) but recent performance has been lackluster. Gas production actually dropped 1,1% between 1993 and 1996. Oil has done slightly better but anyway has been steadily losing market share (it now stands at 13,9%). As in all the patagonian region expectations are pointing towards tourism and La Hoya ski resort is receiving investment from a new integrated ski operator. This resort can offer the longest snow season in Argentina.

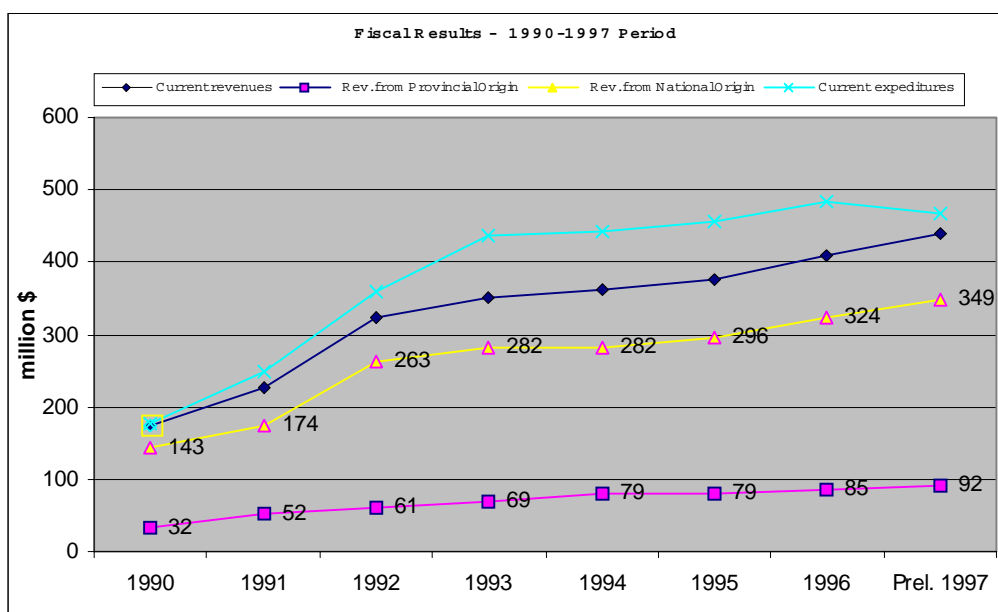


Basic Indicators and their evolution	Chubut		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	2643	4911	315,090
Real GRP (thousands of 1986 \$)	150	213	13,671
Real per capita GRP 1991=100	100	121	116
Population (thousands)	357	409	35,671
Exports (millions of current \$)	324	889	25,515
Unemployment rate (%)	12.0	12.0	14.0
Infant mortality rate (for 1000 born alive)	19.1	16.5	19.5
Illiterate population (%) (1991 Census)	4.5		3.7
Monthly Average Public Worker Comp (\$)	724	972	996

CHUBUT

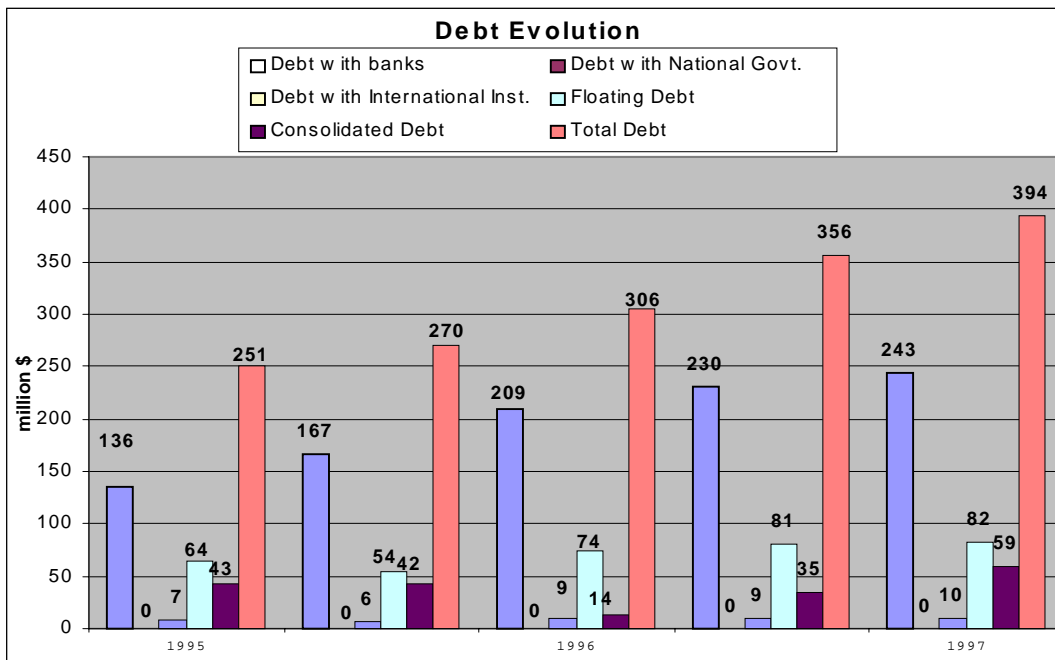
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	175	226	324	351	361	375	409	441	100,0%	100,0%
From Provincial Origin	32	52	61	69	79	79	85	92	20,8%	44,0%
From National Origin	143	174	263	282	282	296	324	349	79,2%	56,0%
Federal Tax Sharing	74	106	162	162	167	180	169	193	43,7%	41,1%
Net Tax Sharing	74	106	133	128	139	141	139	168	38,2%	36,4%
Linked to Services Transfers	0	0	23	24	24	24	24	24	5,5%	4,7%
Guarantee Clause (Law 24310)	0	0	7	10	4	15	6	0	0,0%	0,0%
Royalties	65	55	60	67	60	79	89	92	20,9%	2,2%
Other Revenue	4	12	41	53	55	37	66	64	14,6%	12,6%
Current Expenditure	177	249	360	438	443	456	485	468	74,5%	86,3%
Personnel	125	159	246	285	280	291	284	290	46,2%	48,1%
Goods and Non Personnel Services	18	31	32	32	52	58	48	57	9,1%	10,5%
Debt Interest	0	1	11	20	6	16	21	20	3,1%	3,2%
Transfers	34	58	71	101	105	91	132	101	16,1%	24,4%
Current Savings	-2	-24	-36	-87	-82	-81	-76	-28		
Capital Revenue	1	5	5	0	5	5	6	6		
Capital Expenditure	69	48	554	99	173	106	118	160	25,5%	13,7%
Balance before Contributions	-70	-67	-584	-186	-250	-182	-187	-181		
Contributions (Aportes)	41	33	48	50	63	99	75	77		
Non Refundable Contributions	4	5	11	20	33	75	43	48		
Refundable Contributions	36	28	37	30	30	25	32	29		
Total Revenue plus Contributions	217	264	378	401	429	480	490	523		
Total Expenditure	246	298	914	537	616	562	603	628	100,0%	100,0%
Financing Gap	29	34	536	136	187	82	113	105		



CHUBUT

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	1.7%	4.5%	3,7%
Int.+Debt Amort./Cur. Rev.	15.9%	10.8%	13,5%
Total Debt/GRP	14.2%	8.0%	5.1%

Quarterly Pledged in 1998 - Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	39,0%	39,0%	27,0%	27,0%	33,0%
International Institutions	8,8%	8,0%	7,9%	7,7%	8,1%
Federal Government	0,0%	0,0%	0,0%	0,0%	0,0%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	48,3%	47,6%	35,4%	35,3%	41,6%


*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	141	100,0%	139	100,0%	168	100,0%	176	100,0%
Pledged revenues	2	1,2%	11	8,0%	19	11,4%	73	41,6%
Federal Council of Investments (CFI)	1	0,5%	1	0,6%	1	0,5%	1	0,6%
Federal Government	0	0,0%	0	0,0%	0	0,1%	0	0,0%
Private Banks and Financial Institutions	1	0,5%	2	1,6%	0	0,0%	58	33,0%
Banco Nación	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	0	0,2%	8	5,9%	18	10,8%	14	8,1%
Net Tax sharing received	140	98,8%	128	92,0%	149	88,6%	103	58,4%

VI) CONCLUSIONS

- Persistent fiscal deficits are weakening what otherwise could be considered a middle of the road situation. Comparison with neighbour Santa Cruz - which shares a similar economic structure - illustrate a more vulnerable stance.
- Debt level ranks B. At 8% of GRP , though, it is almost 60% above provincial average ratio. But the main point relates not to static but dynamic considerations. Debt clearly follows an increasing path set by fiscal disequilibrium.
- Fiscal deficit ranks D. No sensible improvement is expected anytime soon.
- Rising tax pledges is a visible consequence. After ranking A in 1997 this indicator is dropping to D in 1998.
- Capital spending is very high. One peso of every four the province spends is allocated to capital expenditure. That doubles the provincial average.
- Royalties from oil and gas are important revenue earners. They represent 20% of current income. But they fell short of capital spending. They cover just two thirds of this bill.
- Low level of local taxation (in part because of relevant royalties share). Ranks C. Contributions (Aportes) are low too. Remember the province has been governed by opposition party, UCR.

CIUDAD DE BUENOS AIRES

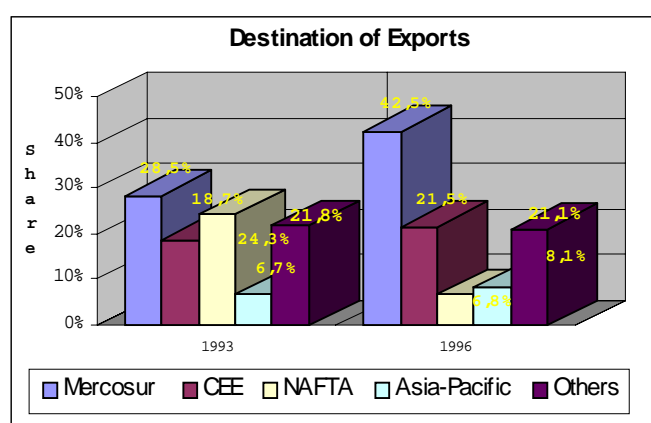
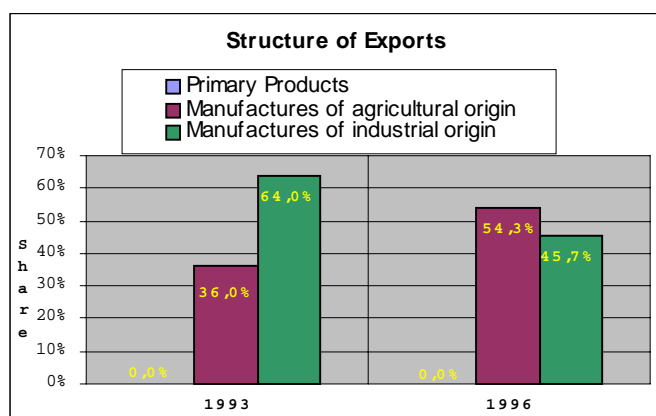
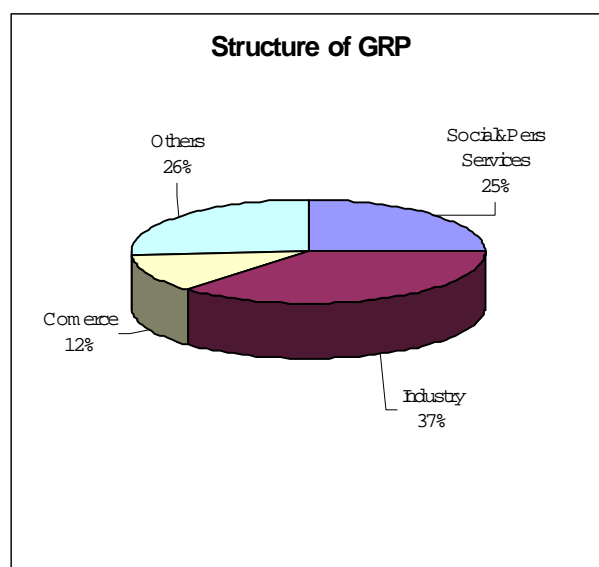


I) GEOGRAPHICAL DATA			
Capital city:			
Area:		89,680 km ² (2.4% of Argentina)	
Population:		0.2 million (0.1% of Argentina's total population).	
Topography:			
Location:		The city of Buenos Aires is a Federal District that acts as the country's Capital City. It is located on the northern coast line of the province of Buenos Aires, being bounded by that province at all flanks but for the eastern one, where the Rio de la Plata is encountered, separating Argentina from Uruguay.	
II) POLITICAL DATA			
Head of the government:		Dr. Fernando de la Rúa. (exp. by Oct-1999)	
Ruling Party:		UCR –Union Cívica Radical	
Provincial Legislature:			
		Congress	Senate
	PJ	33.9%	31.3%
	UCR	54.8%	59.7%
	FREPASO	6.5%	3.0%
	OTHERS	4.8%	6.0%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

The city of Buenos Aires is a busy district second only to the (surrounding) province of Buenos Aires. Home to the wealthiest population its economy increasingly depends on a sophisticated service sector (that now accounts for more than half of GRP). Banking, Insurance and other financial services; Media, Publishing and Advertising; Retailing, Education and Healthcare are examples of such dynamic fields. Government services (both city and national) absorb a big chunk of the labor pool. Most of leading companies in Argentina locate their headquarters here (mainly in overcrowded downtown) due to availability of good infrastructure, easy access to a variety of services and international links as well as qualified human resources. Its port - famously inefficient in the past - has greatly improved volume capacity (and at lower prices) after a successful privatization and is the main gate for international trade in the country.

Human and social standards are the highest in Argentina by a wide margin. Illiteracy rates are below 1% (vs. 3,7% for the country as a whole); housing deficit is 3,3% (vs. 24,9%) and access to basic services such as water or electricity; public health or education unrivalled in the country.

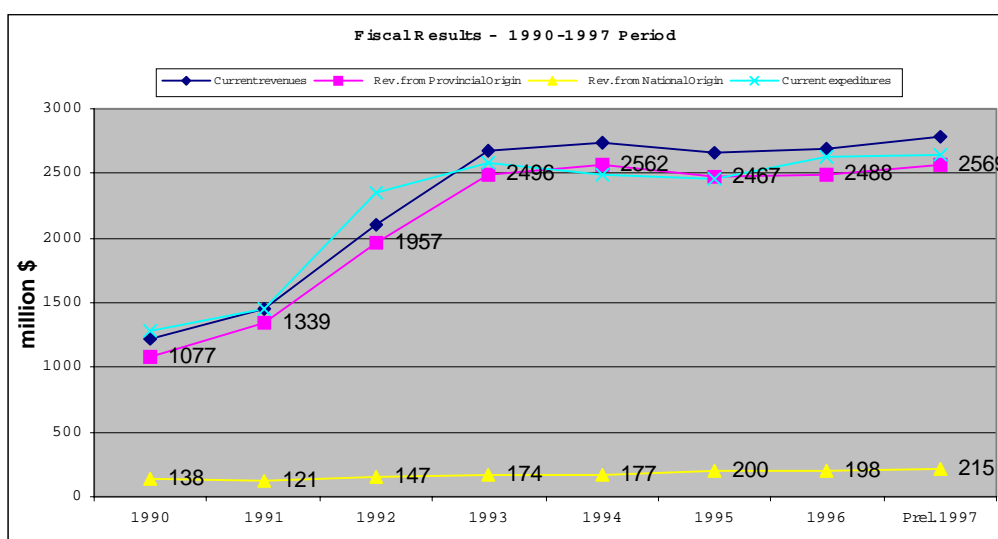


Basic Indicators and their evolution	Capital Federal		Argentina 1997
	1991	1997	
Nominal GRP (millions of current \$)	43,301	78,560	315,090
Real GRP (thousands of 1986 \$)	2,443	3,408	13,671
Real per capita GRP 1991=100	100	136	116
Population (thousands)	2965	3037	35,671
Exports (millions of current \$)	n/a	279	25,515
Unemployment rate (%)	4.9	12.1	14.0
Infant mortality rate (for 1000 born alive)	15.2	13.1	19.5
Illiterate population (%) (1991 Census)	0.7		3.7
Monthly Average Public Worker Comp (\$)	748	1641	996

CIUDAD DE BUENOS AIRES

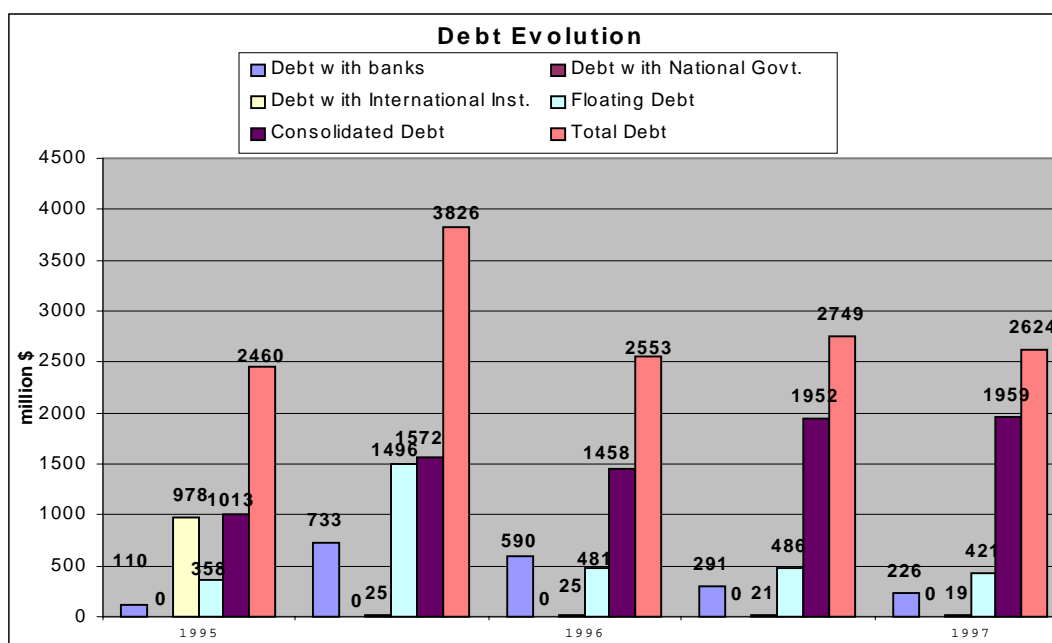
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	1.214	1.460	2.104	2.671	2.739	2.667	2.686	2.785	100,0%	100,0%
From Provincial Origin	1.077	1.339	1.957	2.496	2.562	2.467	2.488	2.569	92,3%	44,0%
From National Origin	138	121	147	174	177	200	198	215	7,7%	56,0%
Federal Tax Sharing	120	112	125	145	152	0	0	0	0,0%	41,1%
Net Tax Sharing	120	112	0	145	152	0	0	0	0,0%	36,4%
Linked to Services Transfers	0	0	125	0	0	0	0	0	0,0%	4,7%
Guarantee Clause (Law 24310)	0	0	0	0	0	0	0	0	0,0%	0,0%
Royalties	0	0	0	0	0	0	0	0	0,0%	2,2%
Other Revenue	17	9	22	29	25	200	198	215	7,7%	12,6%
Current Expenditure	1.286	1.449	2.358	2.575	2.491	2.455	2.633	2.642	89,1%	86,3%
Personnel	767	801	1.316	1.592	1.523	1.581	1.670	1.683	56,7%	48,1%
Goods and Non Personnel Services	235	357	557	537	588	555	565	592	20,0%	10,5%
Debt Interest	1	48	51	20	122	78	149	137	4,6%	3,2%
Transfers	283	243	434	427	259	241	249	230	7,8%	24,4%
Current Savings	-72	11	-254	96	248	212	53	143		
Capital Revenue	344	1.047	3.945	3.332	1.999	1.640	0	2		
Capital Expenditure	129	204	223	245	248	233	358	324	10,9%	13,7%
Balance before Contributions	144	854	3.468	3.183	1.998	1.620	-305	-180		
Contributions (Aportes)	32	23	11	10	12	10	15	13		
Non Refundable Contributions	2	1	0	0	0	0	2	2		
Refundable Contributions	30	22	11	10	12	10	13	12		
Total Revenue plus Contributions	1.590	2.529	6.060	6.012	4.750	4.317	2.701	2.800		
Total Expenditure	1.415	1.653	2.581	2.820	2.740	2.687	2.991	2.966	100,0%	100,0%
Financing Gap	-176	-876	-3.479	-3.193	-2.010	-1.630	290	166		



CIUDAD DE BUENOS AIRES

V) DEBT PROFILE




Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	4.5%	4.9%	3,7%
Int.+Debt Amort./Cur. Rev.	14.8%	17.8%	13,5%
Total Debt/GRP	2.1%	3.3%	5.1%

Total Public Debt (million \$)			
	1995	1996	1997
Debt with banks	110	590	226
Debt with International Inst.	978	25	19
Floating Debt	358	481	421
Consolidated Debt	1013	1458	1959
Total Debt	2460	2553	2624

VI) CONCLUSIONS

- A district with muscle, with a good starting situation (though not lacking hidden problems) and with a plus: trend is clearly improving.
- Political autonomy has been a major change and generated a peculiar dynamic process that should be understood before reading the figures.
- During the electoral campaign - Mr De la Rúa (UCR) finally succeeded becoming the first city major not appointed by the President but by popular choice - there was an irresistible pressure to push spending. The PJ party - then ruling the city - had tried to oppose a strong public works plan to the traditional local support for the UCR party.
- They tried, they failed and the city's finances were left with the bill.
- Total expenditure jumped in 1996. Capital spending's leap was almost 50%. Personnel spending - that accounts for more than 55% of current expenditure- was also properly lifted.
- This spending shock, though, should be viewed more as a "once and for all" phenomenon. The new administration has been quickly scaling back spending. And they engaged in a fiscal reform.
- They also addressed problems hidden in the local city bank . The city took new debt in 1997 and applied funds to recapitalize the city bank in accordance to BCRA guidelines. Partial privatization is in the cards.
- Finance secretary, Rodríguez Giavarini, recently quit due to alleged personal health problems. Though trend is clearly improving this could be a sign of deceleration farther ahead as the national elections become closer. Mr. De la Rúa is a potential presidential candidate for the Alliance, the UCR-Frepaso opposition block.
- Debt level - high in absolute terms- is comfortable relative to GRP. It ranks A.
- Fiscal deficit ranks B. If present trend consolidates could be a future A.
- Revenue budget relies on taxes from local origin. So it shows the highest ratio in the country: 92,27%. Federal taxes are a slight 5,6% of current revenue. National contributions (aportes) less than a tenth of that figure. So fiscal reform emphasizes increasing local tax collection (filling existing gaps as inadequate real estate appraisal).

CORDOBA

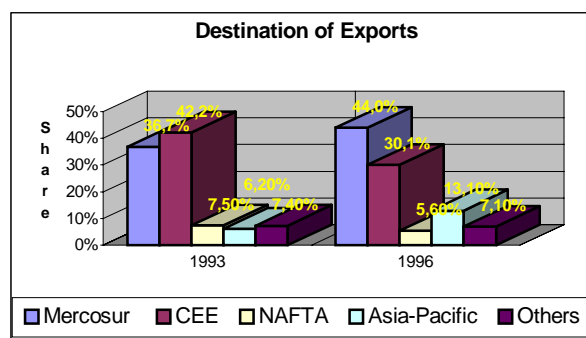
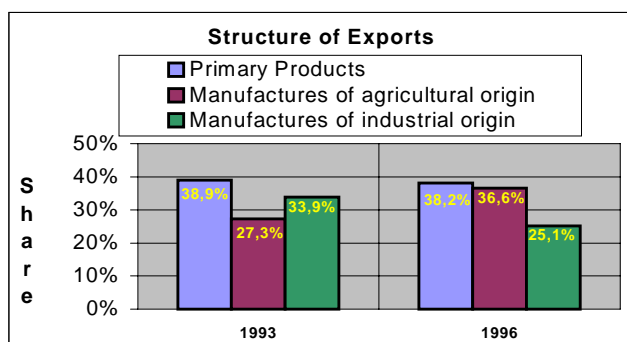
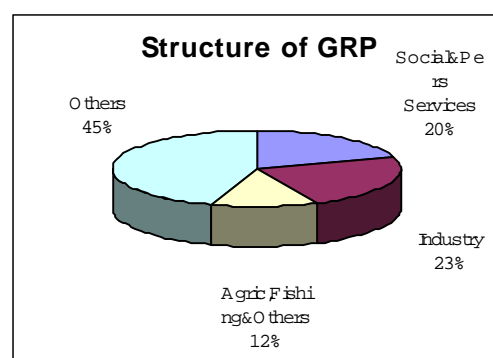


I) GEOGRAPHICAL DATA			
Capital city:		Córdoba (1,208,713 inhabitants in 1991)	
Area:		165,321 km ² (4.4% of Argentina)	
Population:		3.0 million (8.4% of Argentina's total population).	
Topography:		In the topography of Córdoba the mountains and the mounts prevail forming important valleys and crossed by several rivers.	
Location:		Córdoba, located in the Center of the country; is bounded by the provinces of Catamarca, la Rioja, san Juan and San Luis to the west, the province of Santiago del Estero to the north, the provinces of Santa Fe and Buenos Aires to the east and the province of La Pampa the south..	
II) POLITICAL DATA			
Governor:		Dr. Ramon B. Mestre	
Vice Governor:		Dr. Luis Molinari Romero	
Ruling Party:		UCR (Union Civica Radical)	
Provincial Legislature:		Congress	Senate
	PJ	37.9%	20.1%
	UCR	51.5%	79.1%
	FREPASO	4.5%	0.0%
	OTHERS	6.1%	0.8%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Cordoba is one of the most important province in the country, **it's GRP contributes with 7.7% of Argentina's GDP (1997)**. The economy depends on **agriculture and the industries**, particularly the production of car chassis and cars. Principal sectors of the provincial economy are comprised of production, community, social and personal services, including medical care and, education; manufacturing of agroindustrial products and agricultural product. The real GRP of Cordoba has grown between 1991 and 1997 at an annual rate of 5%.

The province is the **3rd largest exporter**. Its exports have increased by approximately 64% from U\$S 1255 million in 1993 to U\$S 2025 million in 1997. The main markets for it exportation are the Mercosur signatory countries (44 % of total exports in 1996) and the European Community (30.1%).

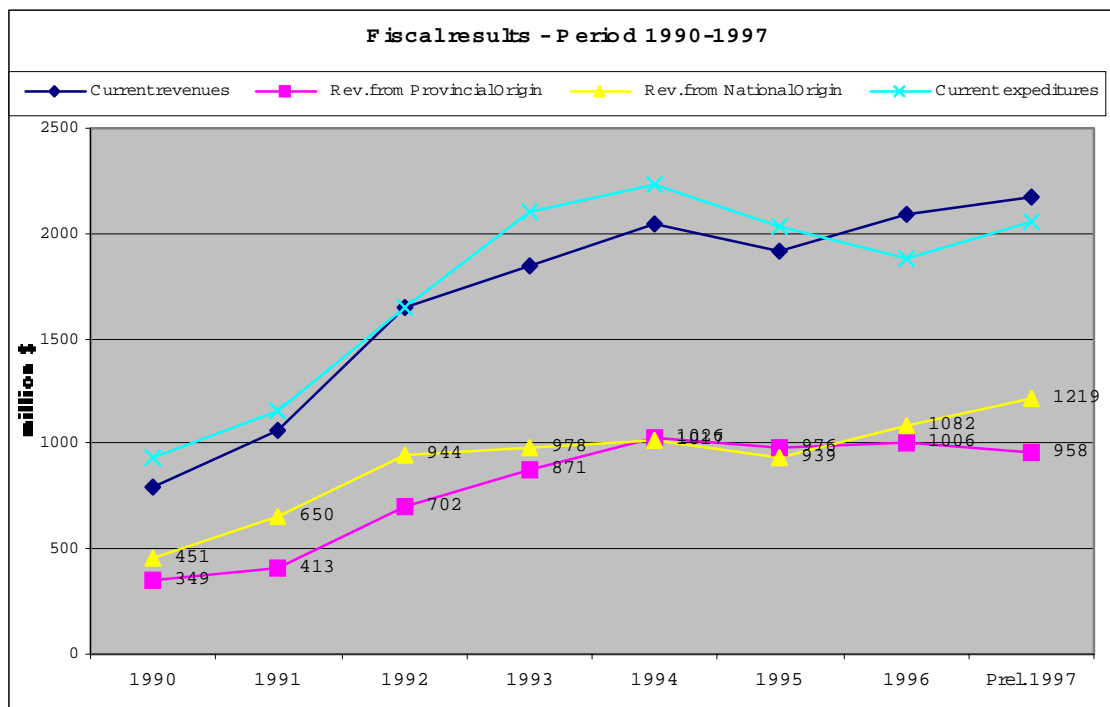


Basic Indicators and their evolution	Cordoba		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	13,159	24,244	315,090
Real GRP (thousands of 1986 \$)	747	1051	13,671
Real per capita GRP 1991=100	100	130	116
Population (thousands)	2,766	2,994	35,671
Exports (millions of current \$)	1,079	2,058	25,515
Unemployment rate (%)	5.0	17.4	14.0
Infant mortality rate (for 1000 born alive)	22.3	18.3	19.5
Illiterate population (%) (1991 Census)	3.2		3.68
Monthly Average Public Worker Comp (\$)	711	1,031	996

CORDOBA

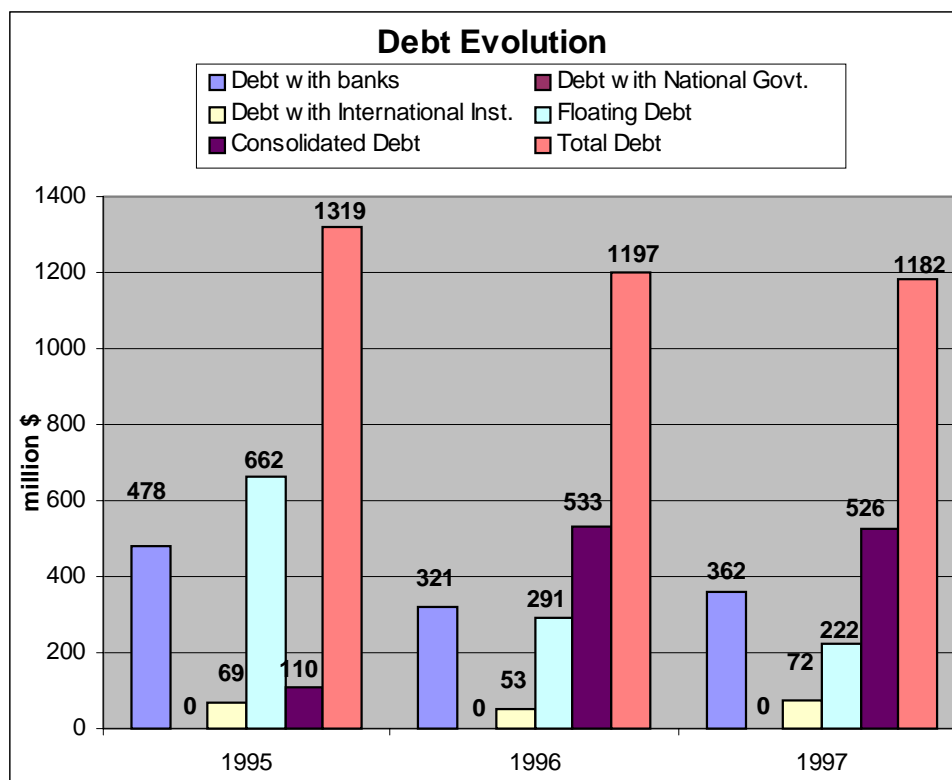
IV) FISCAL SITUATION

	(million \$)									
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	800	1.064	1.646	1.849	2.043	1.915	2.087	2.177	100,0%	100%
From Provincial Origin	349	413	702	871	1.026	976	1.006	958	44,0%	44,0%
From National Origin	451	650	944	978	1.017	939	1.082	1.219	56,0%	56,0%
Federal Tax Sharing	416	597	871	889	923	855	955	1.015	46,6%	41,1%
Net Tax Sharing	416	597	744	720	810	741	804	889	40,9%	36,4%
Linked to Services Transfers			90	116	125	125	125	125	5,8%	4,7%
Guarantee Clause (Law 24310)			38	54	-12	-12	25	0	0,0%	0,0%
Royalties									0,0%	2,2%
Other Revenue	35	53	73	89	95	84	127	204	9,4%	12,6%
Current Expenditure	938	1.154	1.644	2.109	2.237	2.038	1.878	2.059	88,0%	86,3%
Personnel	579	676	961	1.193	1.280	1.203	1.053	1.180	50,5%	48,1%
Goods and Non Personnel Services	117	134	172	268	252	178	173	199	8,5%	10,5%
Debt Interest	16	46	43	86	113	123	96	82	3,5%	3,2%
Transfers	227	297	468	562	592	534	556	599	25,6%	24,4%
Current Savings	-138	-90	2	-259	-193	-122	210	118		
Capital Revenue	1	1	2	15	18	22	22	45		
Capital Expenditure	88	109	210	259	306	365	183	280	12,0%	13,7%
Balance before Contributions	-225	-198	-206	-503	-481	-465	48	-117		
Contributions (Aportes)	66	24	76	67	66	68	117	74		
Non Refundable Contributions	6	2	33	16	13	24	61	23		
Refundable Contributions	60	22	42	50	53	43	56	51		
Total Revenue plus Contributions	866	1.088	1.723	1.931	2.127	2.005	2.226	2.295		
Total Expenditure	1.026	1.262	1.854	2.367	2.542	2.402	2.060	2.339	100,0%	100,0%
Financing Gap	160	174	131	436	415	397	-166	44		



CORDOBA

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	5.5%	2.6%	3.7%
Int.+Debt Amort./Cur. Rev.	7.2%	16.2%	13.5%
Total Debt/GRP	4.8%	4.9%	5.1%


Quarterly Pledged in 1998 – Estimated					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	29,8%	26,0%	26,0%	26,0%	26,9%
International Institutions	0,3%	0,3%	0,2%	0,1%	0,2%
Federal Government	0,0%	0,0%	0,0%	0,0%	0,0%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	30,6%	26,9%	26,8%	26,7%	27,7%

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	741	100,0%	804	100,0%	889	100,0%	994	100,0%
Pledged revenues	510	68,8%	304	37,9%	236	26,6%	275	27,7%
Federal Council of Investments (CFI)	4	0,5%	4	0,6%	5	0,6%	5	0,6%
Federal Government	70	9,4%	17	2,1%	0	0,0%	0	0,0%
Private Banks and Financial Institutions	227	30,6%	235	29,3%	209	23,5%	267	26,9%
Banco Nación	205	27,7%	31	3,9%	0	0,0%	0	0,0%
Central Bank	1	0,1%	0	0,1%	4	0,5%	0	0,0%
Other withholdings	3	0,5%	16	2,0%	18	2,0%	2	0,2%
Net Tax sharing received	231	31,2%	499	62,1%	653	73,4%	719	72,3%

VI) CONCLUSIONS

- Still feeling the pain from a turbulent past. 1996 brought a succesfull fiscal shock that put public accounts in balance. Such tightness has relaxed but there's no return to previous disorder.
- Debt level is high in absolute size but low relative to GRP and insert in declining trend. Now it's below provincial average .Ranks B.
- Tax pledges are less than a third of national taxes. Ranks B.
- Fiscal deficit is a comfortable B. Fiscal imbalance is just a tenth of its record in 1993.
- Current Expenditure topped in 1994 and since then has been cut almost 10%. Savings came from wages and non personnel spending.
- Revenue increases derive only from national taxes. Local taxation has still not recouped 1994 level. This should be a source of future revenue enhancement. Remember that Cordoba takes 44% of revenues from local taxation.
- Poor privatization record. Provincial banks (Cordoba and Social) are in weak shape and still in provincial hands. They have recently sold their stakes in Claridad AFJP (a pension fund).

CORRIENTES

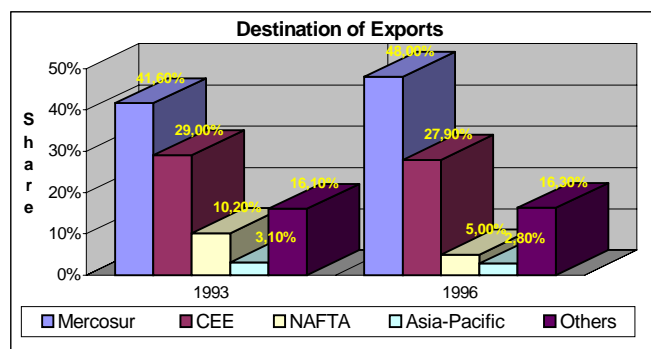
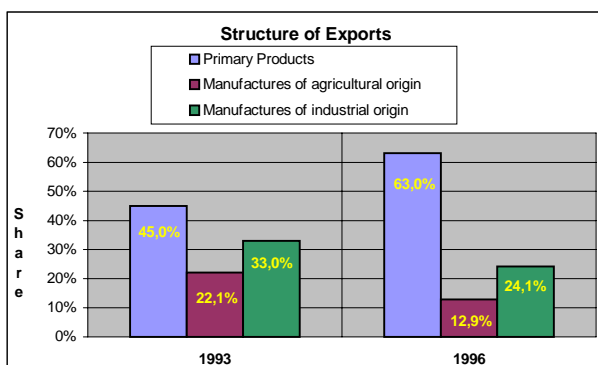
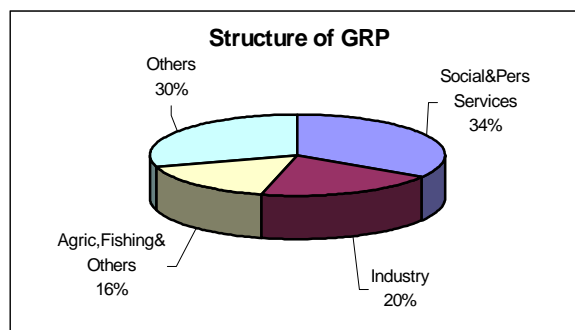
	I) GEOGRAPHICAL DATA		
	Capital city:		
	Corrientes (258.103 inhabitants in 1991)		
	Area:		
	88.199 km ² (2.4% of Argentina)		
	Population:		
	0.80 million (2.4% of Argentina's total population).		
	Topography:		
	The province, with a plain or slightly ondulated topography, is surrounded by the Paraná, Paraguay and Uruguay rivers.		
	Location:		
Corrientes, located in the Mesopotamia region, is bounded by Paraguay to the north, the province of Entre Rios to the south, the province of Misiones, Brazil and Uruguay to the east and the province of Santa Fe and Chaco to the west.			
II) POLITICAL DATA			
Governor:			
Dr. Nestor Pedro Brailard Pocard (exp. by Oct-2001)			
Vice Governor:			
Dr. Hugo Maigana (exp. by Oct-2001)			
Ruling Party:			
PN (Partido Nuevo)			
Provincial Legislature:			
	PJ	Congress	Senate
		26.92%	38.46%
	UCR	7.69%	7.69%
	FREPASO	26.92%	15.38%
	OTHERS	38.47%	38.46%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Corrientes' economy depends to a large extent on **agriculture and related industries**, particularly cereals such as rice. Principal sectors are comprised of community, social and personal services, including medical care and education; manufacturing, principally textiles and agroindustrial products; agricultural products, including timber, rice, tobacco, cotton, and citrus fruit; financial services; commerce, hotel and restaurants; as well as construction.

Its GRP contributes with 1% of Argentina's GDP (1997), and has grown between 1991 and 1997 at an annual rate of 1%.

The province is the **17th largest exporter**. Its exports have increased by approximately 127% from U\$S 62.5 million in 1993 to U\$S 150 million in 1997 as a result of competitive advantages within the province and exports to Mercosur signatory countries (48 % of total exports in 1996).

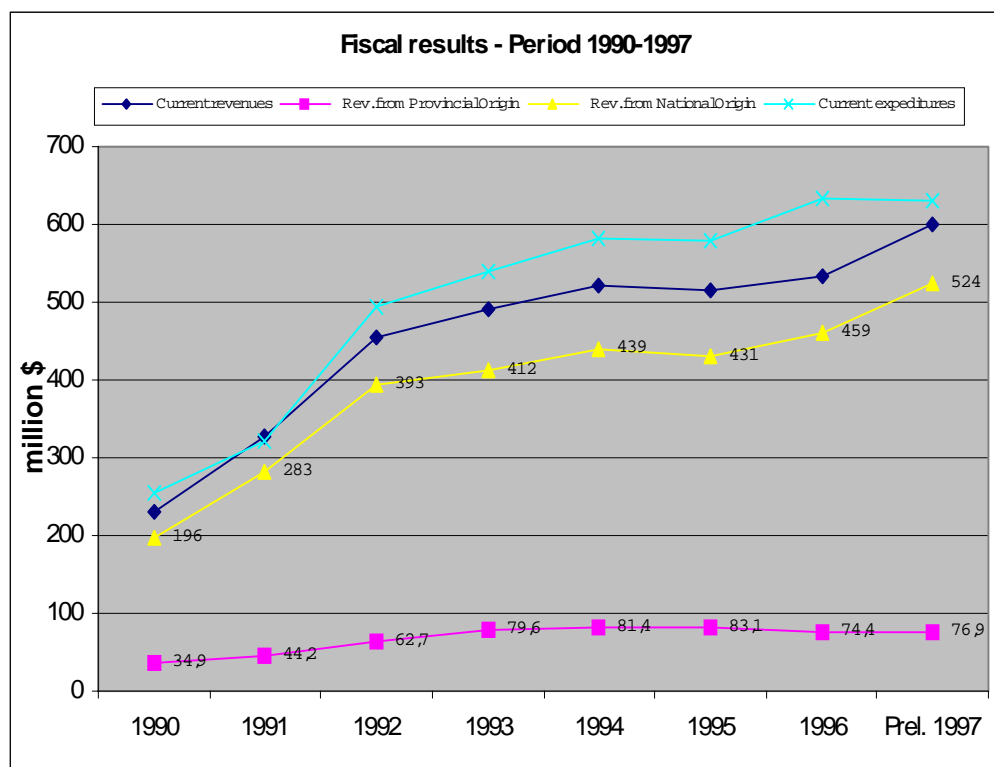


Basic Indicators and their evolution	Corrientes		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	2,250	3,110	315,090
Real GRP (thousands of 1986 \$)	127	135	13,671
Real per capita GRP 1991=100	100	95	116
Population (thousands)	795	884	35,671
Exports (millions of current \$)	57	150	25,515
Unemployment rate (%)	4.2	14.2	14.0
Infant mortality rate (for 1000 born alive)	28.5	24.0	19.5
Illiterate population (%) (1991 Census)	9.3		3.7
Monthly Average Public Worker Comp (\$)	474	706	996

CORRIENTES

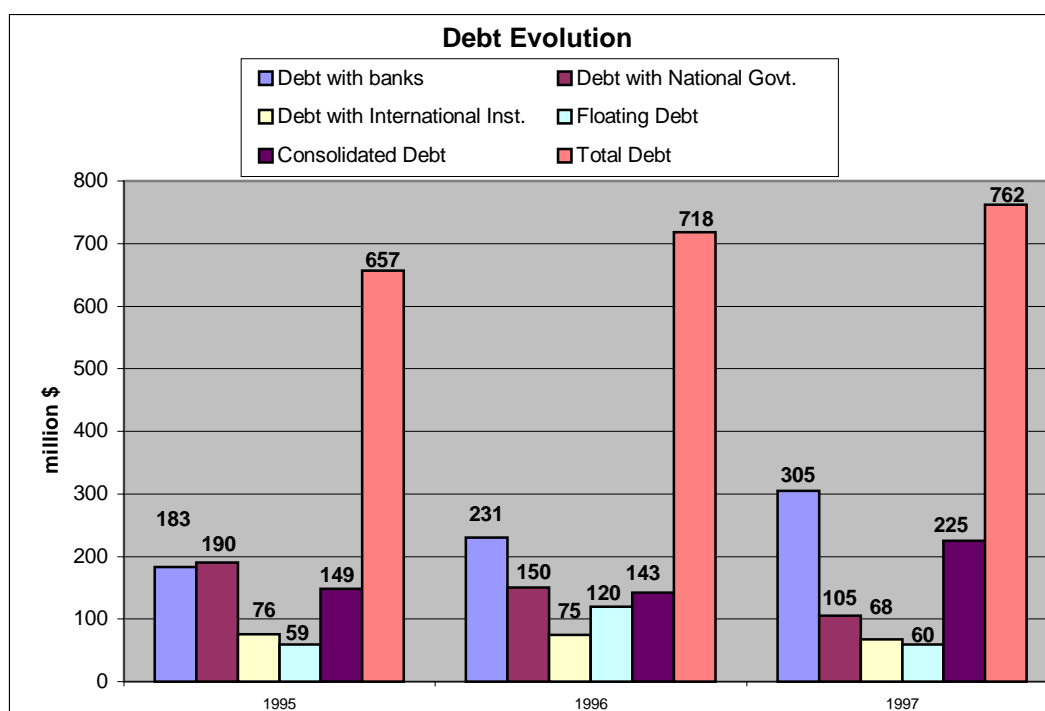
IV) FISCAL SITUATION

(million \$)										
Concept	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current revenues	230	327	456	492	520	514	534	624	100,0%	100,0%
From provincial Origin	35	44	63	80	81	83	74	77	12,3%	44,0%
From nacional Origin	196	283	393	412	439	431	459	543	87,0%	56,0%
Federal Tax Sharing	174	250	357	366	373	371	382	288	46,1%	41,1%
Net Tax Sharing	174	250	311	302	327	298	328	249	39,9%	36,4%
Linked to Services Transfers			30	39	39	39	39	39	6,2%	4,7%
Guarantee Clause			16	25	8	34	16	0	0,0%	0,0%
Royalties	6	3	5	4	8	6	5	9	1,5%	2,2%
Other revenues	16	30	31	43	58	54	72	246	39,4%	12,6%
Current expenditures	256	321	493	538	583	577	633	634	81,5%	86,3%
Personnel	178	224	385	399	399	396	437	422	54,2%	48,1%
Goods & non-personnel services	39	36	35	44	54	49	46	52	6,7%	10,5%
Debt Interests			4	16	20	27	10	25	3,2%	3,2%
Transfers	39	62	69	79	110	105	141	135	17,3%	24,4%
Current savings	-25	6	-37	-46	-63	-64	-99	-10		
Capital Revenues	3	2	10	5	10	10	9	14		
Capital Expenditures	92	110	56	64	98	76	86	144	18,5%	13,7%
Balance before Contributions	-115	-102	-83	-104	-151	-130	-177	-140		
Contributions (Aportes)	65	78	74	93	66	62	82	92		
Non refundable Contributions	1	4	21	51	20	24	33	48		
Refundable Contributions	65	75	52	41	46	38	49	45		
Ttal Revenues +Contributions	298	408	539	590	597	586	624	731		
Total Expenditures	348	432	549	602	681	654	719	779	100,0%	100,0%
Financing Gap	49	24	10	12	85	68	95	48		



CORRIENTES

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	3.9%	3.3%	3.7%
Int.+Debt Amort./Cur. Rev.	29.0%	21.5%	13.5%
Total Debt/GRP	28.8%	24.5%	5.1%

Quarterly Pledged in 1998 – Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	34.6%	34.6%	34.6%	49.3%	38.4%
International Institutions	0.0%	1.0%	0.0%	1.2%	0.9%
Federal Government	2.4%	2.4%	2.4%	2.4%	2.4%
Others	0.6%	0.6%	0.6%	0.6%	0.6%
Total	37.5%	38.5%	37.5%	53.4%	42.3%


*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	Share
Federal Tax Sharing (Law 23.548)	298	100.0%	328	100.0%	372	100.0%	417	100.0%
Pledged revenues	85	28.6%	144	44.0%	123	33.1%	176	42.3%
Federal Government	46	15.5%	33	10.2%	0	0.0%	10	2.4%
Private Banks and Financial Institutions	27	8.9%	74	22.6%	87	23.3%	151	36.3%
Banco Nación	1	0.3%	11	3.4%	0	0.0%	0	0.1%
Central Bank	2	0.8%	4	1.2%	5	1.2%	9	2.0%
Other withholdings	10	3.3%	22	6.6%	32	8.6%	6	1.5%
Net Tax sharing received	213	71.4%	184	56.0%	249	66.9%	241	57.7%

VI) CONCLUSIONS

- Fiscal and financial indicators are not for a risk-adverse investor.
- Debt stock nearing a top level: 24.5% of GRP. It ranks D.
- Since 1994, the financing gap has been around \$70 million (2.3% of GRP) but it has experienced an important decline in 1997 to 1.5% of GRP. It ranks C.
- Provincial taxes shares 13% of current revenues (it ranks D) and pledges on resources from national origin will share 42% in 1998 with an increasing trend during the year (in the fourth quarter they will be 53%). It ranks C.
- Even though the province has signed the Fiscal Agreement, and has already privatized the provincial bank, the water supply and the casinos, not much has been done.
- The energy supplying company and hotels are to be transferred into private hands.
- Moreover, from a total of 18 taxes that were to be abolished in observance to the Fiscal Agreement because they were considered distortive, just 9 have actually been so, while only 8 out of 17 activities that should be deregulated in accordance to the same pact, have in facto been deregulated.

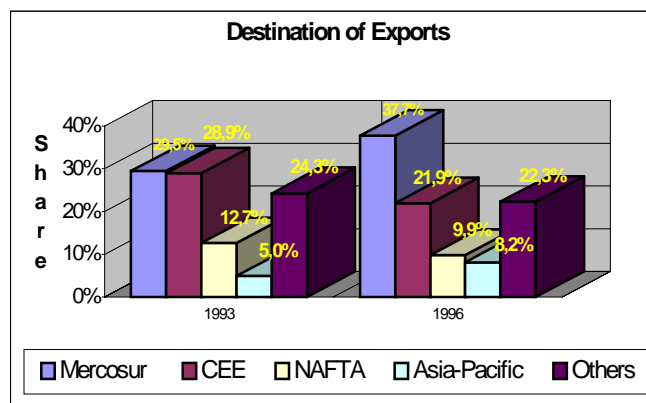
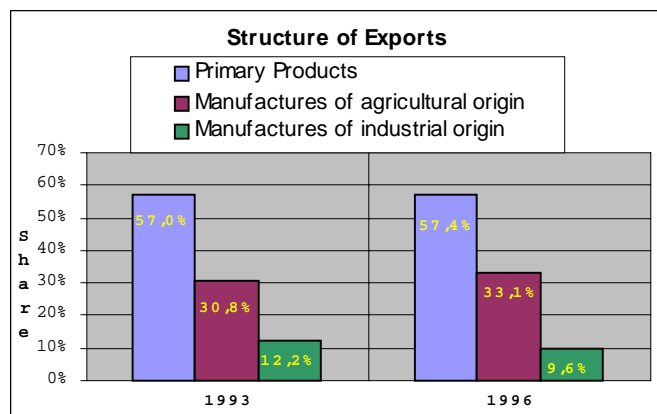
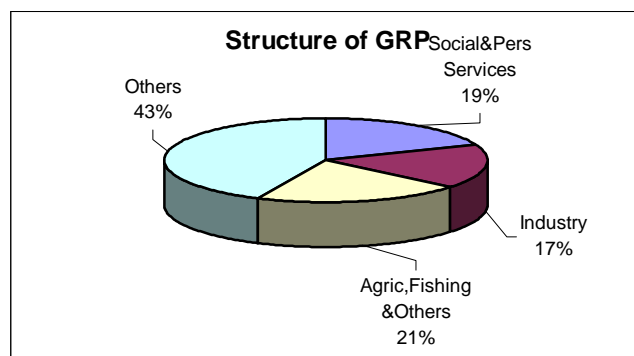
ENTRE RIOS



I) GEOGRAPHICAL DATA			
Capital city:		Paraná (211,936 inhabitants in 1991)	
Area:		78,781 km ² (2.1% of Argentina)	
Population:		1.0 million (3.1% of Argentina's total population).	
Topography:		The province, with a slightly undulated plain, is completely surrounded by Paraná and Uruguay Rivers, and their tributaries. A delta of considerable size and numerous rivers crossing all over the province are the main geographical features.	
Location:		Entre Rios located in the Mesopotamia Region, is bounded by Corrientes to the North, Buenos Aires to the South, Santa fe to the west and Uruguay to the east.	
II) POLITICAL DATA			
Governor:		Dr. D. Jorge Busti (exp. by Oct-1999)	
Vice Governor:		Dr. Hector Alanis (exp. by Oct-1999)	
Ruling Party:		PAL- Partido Autonomista Liberal	
Provincial Legislature:			
	PJ	53.6%	43.8%
	UCR	0.0%	69.2%
	FREPASO	7.1%	0.0%
	OTHERS	39.3%	0.0%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Entre Rios is a very dynamic region with assorted activities as agriculture, industry (it has several industrial parks across its territory) and power generation (in Salto Grande Hydro Complex, shared with Uruguay). Entre Rios leads Argentina in rice production (55%) which in itself is one of the fastest growing crops in the latest years in the country. Chicken processing is another leading activity. There's also a busy juice industry based upon local citric fruits. Entre Rios grows tangerine (48% of all), orange (30%) , grapefruit (14%) and lemon. Corn, cattle breeding and milk are important segments. The same can be said of the meat processing sector established here since the first english companies moved to Argentina. As a contrast there's a new but strong industry of wooden boards. And pine growing is prospering for the purpose of providing to the former needed raw material.

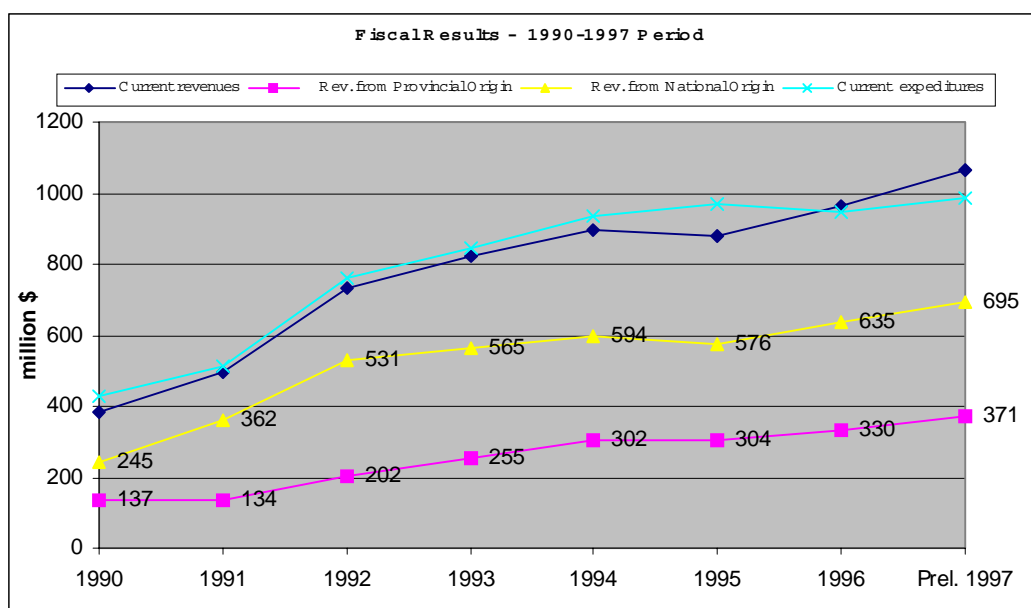


Basic Indicators and their evolution	Entre Rios		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	3,301	6,313	315,090
Real GRP (thousands of 1986 \$)	187	274	13,671
Real per capita GRP 1991=100	100	179	116
Population (thousands)	1,020	1,087	35,671
Exports (millions of current \$)	297	539	25,515
Unemployment rate (%)	6.7	13.0	14.0
Infant mortality rate (for 1000 born alive)	23.2	19.2	19.5
Illiterate population (%) (1991 Census)	4.9		3.7
Monthly Average Public Worker Comp (\$)	563	804	996

ENTRE RIOS

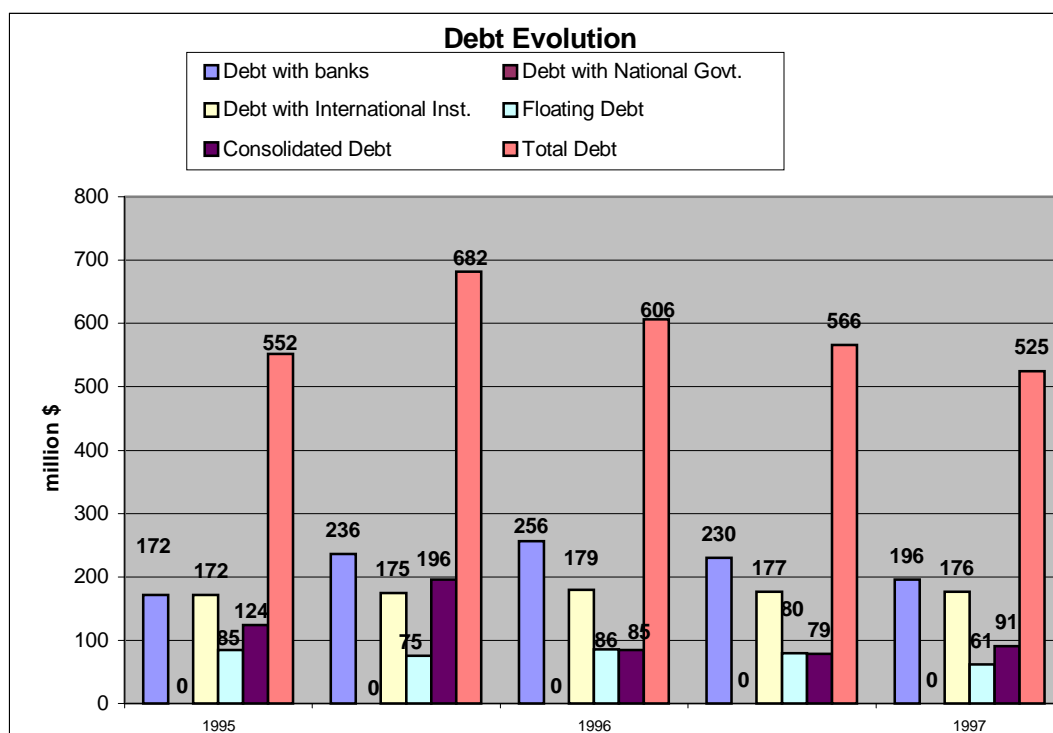
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	382	497	734	820	896	880	966	1.065	100%	100%
From Provincial Origin	137	134	202	255	302	304	330	371	34,8%	44,0%
From National Origin	245	362	531	565	594	576	635	695	65,2%	56,0%
Federal Tax Sharing	228	328	482	495	510	549	518	547	51,3%	41,1%
Net Tax Sharing	228	328	409	396	429	437	430	489	45,9%	36,4%
Linked to Services Transfers	0	0	52	67	68	68	68	58	5,4%	4,7%
Guarantee Clause (Law 24310)	0	0	21	33	13	45	21	0	0,0%	0,0%
Royalties	5	3	5	6	6	6	3	7	0,7%	2,2%
Other Revenue	11	31	44	64	79	21	114	141	13,2%	12,6%
Current Expenditure	431	515	762	843	937	969	948	985	84,0%	86,3%
Personnel	242	292	460	537	554	598	552	566	48,3%	48,1%
Goods and Non Personnel Services	44	46	49	69	84	93	82	96	8,2%	10,5%
Debt Interest	2	8	2	4	24	53	68	55	4,7%	3,2%
Transfers	143	169	250	232	275	225	247	268	22,9%	24,4%
Current Savings	-49	-18	-28	-22	-41	-88	18	80		
Capital Revenue	1	1	2	5	6	6	14	41		
Capital Expenditure	55	55	68	73	99	188	114	187	16,0%	13,7%
Balance before Contributions	-103	-73	-94	-90	-133	-270	-83	-66		
Contributions (Aportes)	42	39	42	49	61	62	71	56		
Non Refundable Contributions	5	12	16	16	25	32	32	24		
Refundable Contributions	37	27	26	33	37	30	39	32		
Total Revenue plus Contributions	425	537	778	874	963	948	1.050	1.163		
Total Expenditure	485	571	830	915	1.035	1.156	1.062	1.172	100,0%	100,0%
Financing Gap	61	33	52	41	72	208	12	10		



ENTRE RIOS

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.1%	4.4%	3,7%
Int.+Debt Amort./Cur. Rev.	3.7%	17.2%	13,5%
Total Debt/GRP	22.2%	37.3%	5.1%

Quarterly Pledged in 1998 - Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	29,6%	23,0%	23,5%	22,4%	24,5%
International Institutions	4,1%	5,0%	4,4%	4,7%	4,5%
Federal Government	5,9%	3,0%	4,8%	2,9%	4,0%
Others	1,8%	1,7%	1,7%	1,7%	1,7%
Total	41,4%	32,7%	34,3%	31,7%	34,7%


*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	437	100,0%	430	100,0%	489	100,0%	546	100,0%
Pledged revenues	213	48,7%	106	24,6%	94	19,2%	189	34,7%
Federal Council of Investments (CFI)	2	0,5%	2	0,6%	3	0,6%	10	1,7%
Federal Government	37	8,4%	11	2,5%	1	0,3%	22	4,0%
Private Banks and Financial Institutions	23	5,3%	64	14,9%	63	12,9%	131	24,0%
Banco Nación	145	33,2%	8	1,9%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	2	0,4%
Other withholdings	6	1,3%	21	4,8%	27	5,4%	25	4,5%
Net Tax sharing received	224	51,3%	324	75,4%	395	80,8%	357	65,3%

VI) CONCLUSIONS

- Debt level is comfortable. It shrunk 13% during 1997. Ranks B.
- Pledge level will be rising in 1998 although it is not expected to accelerate towards the end of the year. Ranks B.
- Low fiscal deficit. Persistent but stable. Government seems to follow an implicit constant fiscal deficit target. Ranks B.
- Public expense doubled since the launch of the Convertibility Plan. 80% of this increase due to rise in current expenditure.
- Revenue from provincial origin as % of current revenue is below average. Ranks...
- GRP behavior closely mirrors national GDP.
- Structural reforms: provincial bank and electricity company have been privatized.

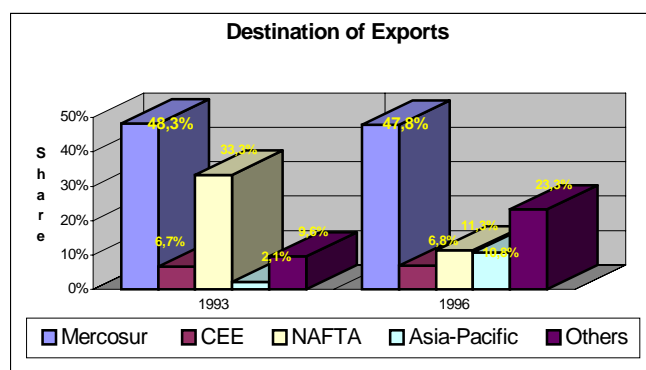
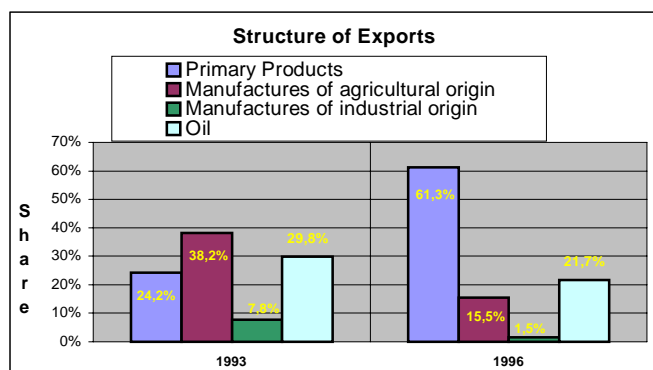
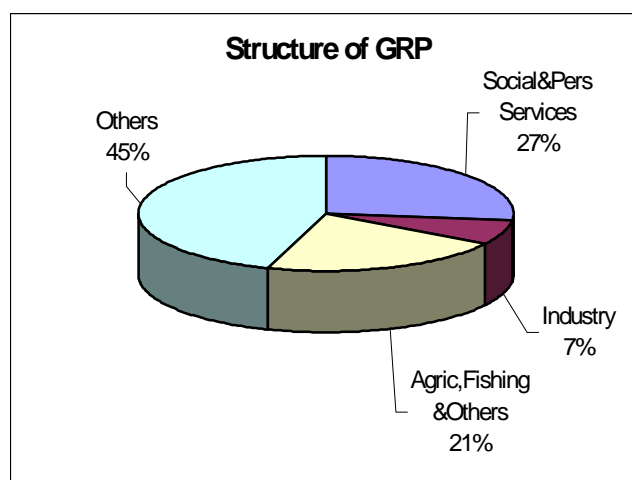
FORMOSA

	I) GEOGRAPHICAL DATA			
	Capital city:		Formosa (148,074 inhabitants in 1991)	
	Area:		72,066 km ² (1.9% of Argentina)	
	Population:		0.4 million (1.2% of Argentina's total population).	
	Topography:		This tropical province, inserted in the Gran Chaco, and bordered by the Pilcomayo, Paraguay and Bermejo rivers has a plain and vastly irrigated surface.	
	Location:		Formosa is located in the northeastern corner of the country, bounded by Paraguay to the north and east, by Salta to the west and Chaco to the south.	
	II) POLITICAL DATA			
Governor:		Dr. D. Gildo Insfran (exp. by Oct-1999)		
Vice Governor:		Dr. Floro E. Bogado (exp. by Oct-1999)		
Ruling Party:		PJ- Partido Justicialista		
Provincial Legislature:			Congress	Senate
		PJ	56.6%	
		UCR	40.0%	
		FREPASO	0.00%	
		OTHERS	3.4%%	

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Formosa is the poorest district and most isolated in Argentina but it is undertaking important changes in agriculture and cattle breeding that could render it a very promisory province in a few years. Its main crop - cotton - has been hurt by the picudo plague which has been a serious undeterred enemy. Cotton production now involves just 4% of total national output. Large available land extensions have recently attracted new farmers (often times, sellers of ranches from more expensive regions). Water has always been the scarce resource but in several areas plenty of it can be extracted from below the surface if proper investment is made.

Grapefruit (with 13% of national production) is the main fruit product. Leather processing and forestry activities are other sectors of relevance in a province that carries a very high share of rural population (32.2%) and very weak social indicators as an illiteracy rate (8,2%) that more than doubles the national average.

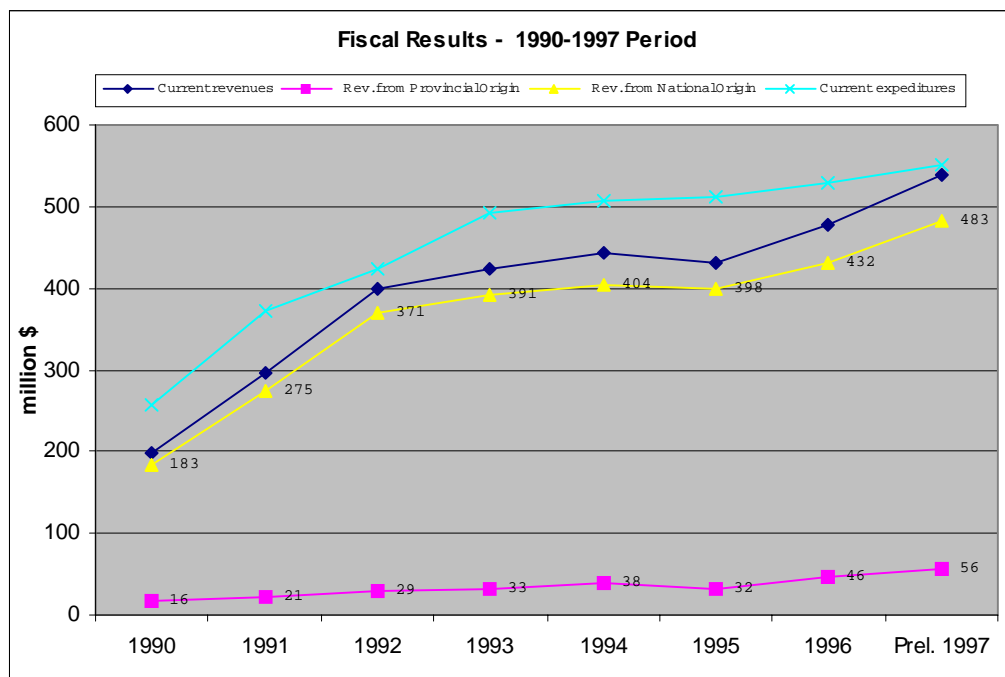


Basic Indicators and their evolution	Formosa		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	640	1052	315,090
Real GRP (thousands of 1986 \$)	36	45	13,671
Real per capita GRP 1991=100	100	123	116
Population (thousands)	389	469	35,671
Exports (millions of current \$)	39	44	25,515
Unemployment rate (%)	8.4	8.2	14,0
Infant mortality rate (for 1000 born alive)	24.5	29.2	19,5
Illiterate population (%) (1991 Census)	8.2		3.7
Monthly Average Public Worker Comp (\$)	733	812	996

FORMOSA

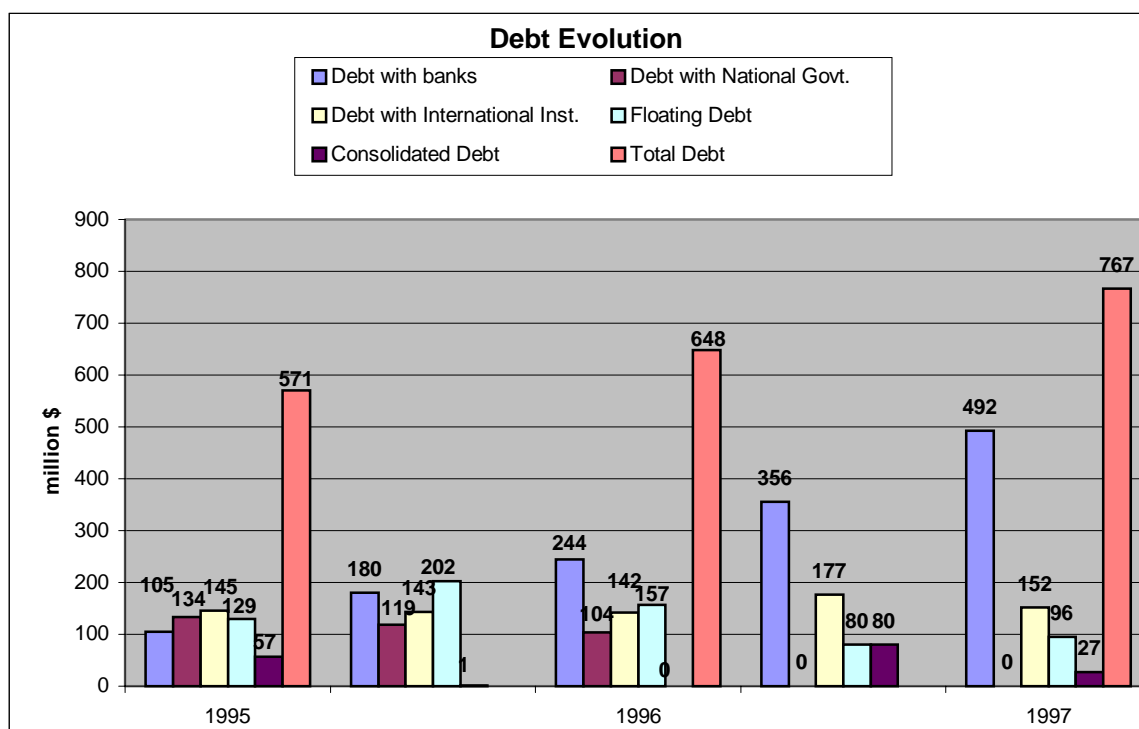
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	
Current Revenue	199	296	400	424	442	431	478	535	100,0%	100%
From Provincial Origin	16	21	29	33	38	32	46	51	9,5%	44,0%
From National Origin	183	275	371	391	404	398	432	484	90,5%	56,0%
Federal Tax Sharing	170	245	337	339	351	380	357	405	75,8%	41,1%
Net Tax Sharing	170	245	305	295	320	326	321	385	71,9%	36,4%
Linked to Services Transfers	0	0	16	19	21	21	21	21	3,9%	4,7%
Guarantee Clause (Law 24310)	0	0	15	24	10	33	15	0	0,0%	0,0%
Royalties	7	6	5	4	3	3	3	3	0,6%	2,2%
Other Revenue	6	24	29	49	51	16	72	75	14,0%	12,6%
Current Expenditure	258	371	423	493	507	511	528	601	71,4%	86,3%
Personnel	175	270	284	309	328	343	347	356	42,2%	48,1%
Goods and Non Personnel Services	22	24	37	45	39	44	42	90	10,7%	10,5%
Debt Interest	11	19	17	30	53	51	60	60	7,1%	3,2%
Transfers	50	58	84	109	88	73	78	96	11,4%	24,4%
Current Savings	-58	-76	-23	-69	-65	-80	-50	-66		
Capital Revenue	1	1	2	0	23	11	5	13		
Capital Expenditure	76	55	83	149	177	156	69	241	28,6%	13,7%
Balance before Contributions	-133	-129	-103	-217	-219	-225	-114	-294		
Contributions (Aportes)	53	48	60	54	70	99	74	76		
Non Refundable Contributions	10	24	27	19	32	67	33	41		
Refundable Contributions	43	24	33	35	38	32	41	35		
Total Revenue plus Contributions	254	345	462	478	535	541	556	624		
Total Expenditure	334	426	505	641	684	667	596	842	100,0%	100%
Financing Gap	80	81	43	163	150	126	40	218		



FORMOSA

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	11.9%	14.1%	3,7%
Int.+Debt Amort./Cur. Rev.	6.5%	68.3%	13,5%
Total Debt/GRP	55.4%	72.9%	5.1%

Quarterly Pledged in 1998 – Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	44,4%	48,3%	48,3%	48,3%	47,3%
International Institutions	0,0%	0,1%	0,0%	0,0%	0,0%
Federal Government	0,2%	0,2%	0,2%	0,2%	0,2%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	45,1%	49,1%	49,0%	49,0%	48,0%


*percentage over national revenue

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	326	100,0%	321	100,0%	385	100,0%	407	100,0%
Pledged revenues	235	72,2%	229	71,5%	115	29,8%	196	48,0%
Federal Council of Investments (CFI)	2	0,5%	2	0,5%	2	0,5%	2	0,6%
Federal Government	58	17,9%	2	0,6%	0	0,0%	1	0,2%
Private Banks and Financial Institutions	150	46,0%	195	60,8%	110	28,6%	193	47,3%
Banco Nación	20	6,1%	10	3,1%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	5	1,5%	21	6,4%	3	0,7%	0	0,0%
Net Tax sharing received	91	27,8%	91	28,5%	270	70,2%	212	52,0%

VI) CONCLUSIONS

- Formosa lags the pack. And at a distance.
- Economic and social indicators are among the weakest in the country but fiscal indicators have the distinction to be the worst without any doubt.
- Its ability to continue building public debt fully exploits moral hazard.
- Debt and fiscal deficit levels rank comfortable D's. As an interesting paradox, tax pledges are a C (and were a shy B in 1997) suggesting there is still room for additional borrowing.
- Debt level reaches 72,9% of GRP. That's twelve times and a half the provincial average. Its closest competitor is Jujuy with "just" over 37%. Formosa even surpasses the country's public debt share.
- Formosa is also at the bottom of the list in terms of fiscal deficit relative to GRP.
- How can all this situation been explained? Outsized public spending is ,by far, the main culprit. Total expenditure is above 60% of GRP.
- Local tax structure is incredibly weak: just one of each ten tax pesos come from local origin. This links with a stronger reliance on national taxes than average.
- Oil royalties used to be half the size of local taxes at the beginning of the 90's. But declining production wiped this off too.
- Contributions (Aportes) has been generous relative to province size but obviously not enough to close the financing gap.

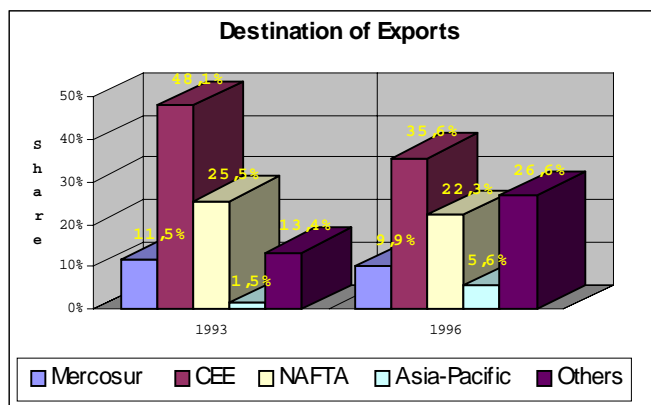
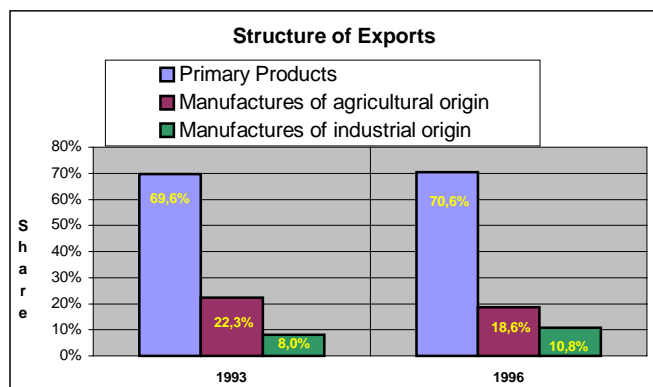
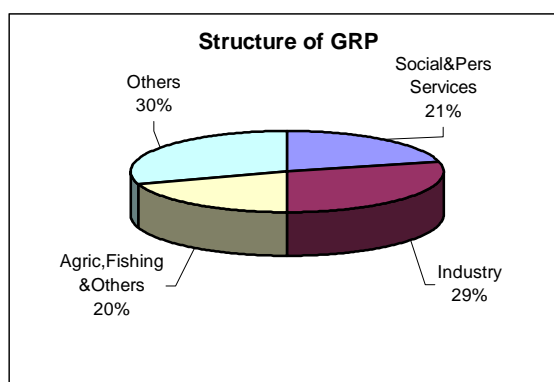
JUJUY



I) GEOGRAPHICAL DATA			
Capital city:		San Salvador de Jujuy (180,102 inhabitants in 1991)	
Area:		53,219 km ² (1.4% of Argentina)	
Population:		0.5 million (1.6% of Argentina's total population).	
Topography:		This province, inserted in the Puna has a surface dominated by mountains. Half of the province has an arid weather while the other half is a tropical weather dominated by bushes called "tropical serrano".	
Location:		Jujuy is located in the northwest corner of the country, bounded by the province of Salta to the east and south, by Bolivia to the North and Chile to the east.	
II) POLITICAL DATA			
Governor:		Dr. D. Carlos A. Ferraro (exp. by Oct-1999)	
Vice Governor:		Sr. Fernando Fellner (exp. by Oct-1999)	
Ruling Party:		PJ- Partido Justicialista	
Provincial Legislature:		Congress	Senate
		PJ	50.0%
		UCR	29.6%
		FREPASO	0.00%
		OTHERS	20.4%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Jujuy's economy has been changing in its composition: manufacturing and mining have been losing terrain which has been replaced by expansion in services and agriculture. In spite of this, manufacturing still emerges as responsible for 29% of GRP. Paper, cement, steel and sugar cane processing are leading industries. Land dedicated to sugar cane has been steadily declining - by more than 16% in the nineties - and allocated to more profitable items like tobacco, black beans, fruit (like tangerine, orange and grapefruit) and vegetables in a trend that has further to run. Agriculture comprises 20% of GRP. Mining, once a key sector, (exploiting plumber, zinc, iron and silver) and oil drilling have stagnated. There's also some forestry exploitation and, in the high plateaus, herds of sheep and camelids are raised for meat production.

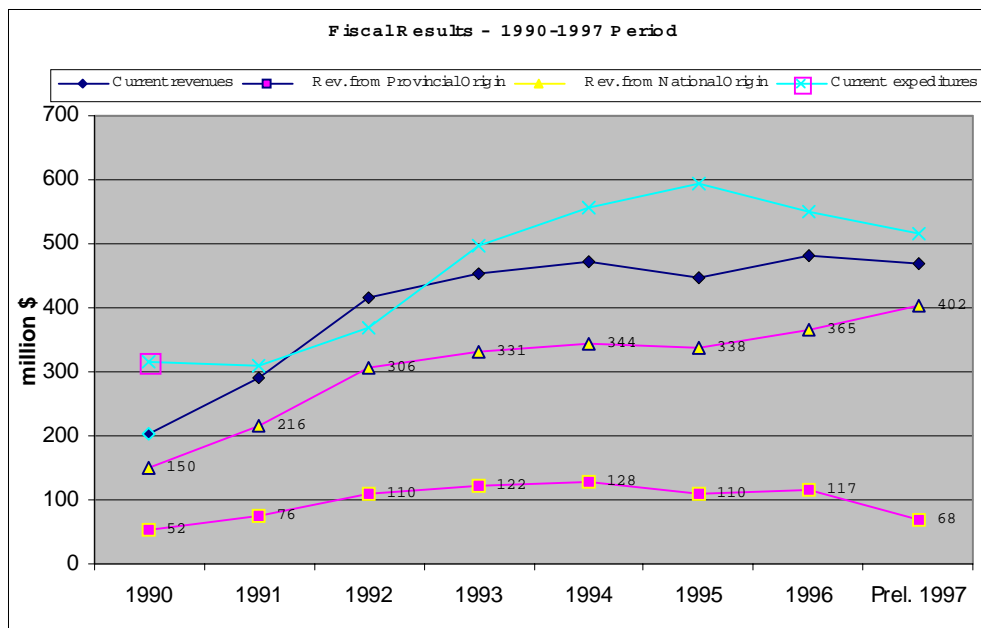


Basic Indicators and their evolution	Jujuy		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	1334	1704	315,090
Real GRP (thousands of 1986 \$)	75	73	13,671
Real per capita GRP 1991=100	100	114	116
Population (thousands)	512	574	35,671
Exports (millions of current \$)	105	131	25,515
Unemployment rate (%)	4.4	17.3	14.0
Infant mortality rate (for 1000 born alive)	33.2	23.0	19.5
Illiterate population (%) (1991 Census)	6.7		3.7
Monthly Average Public Worker Comp (\$)	493	827	996

JUJUY

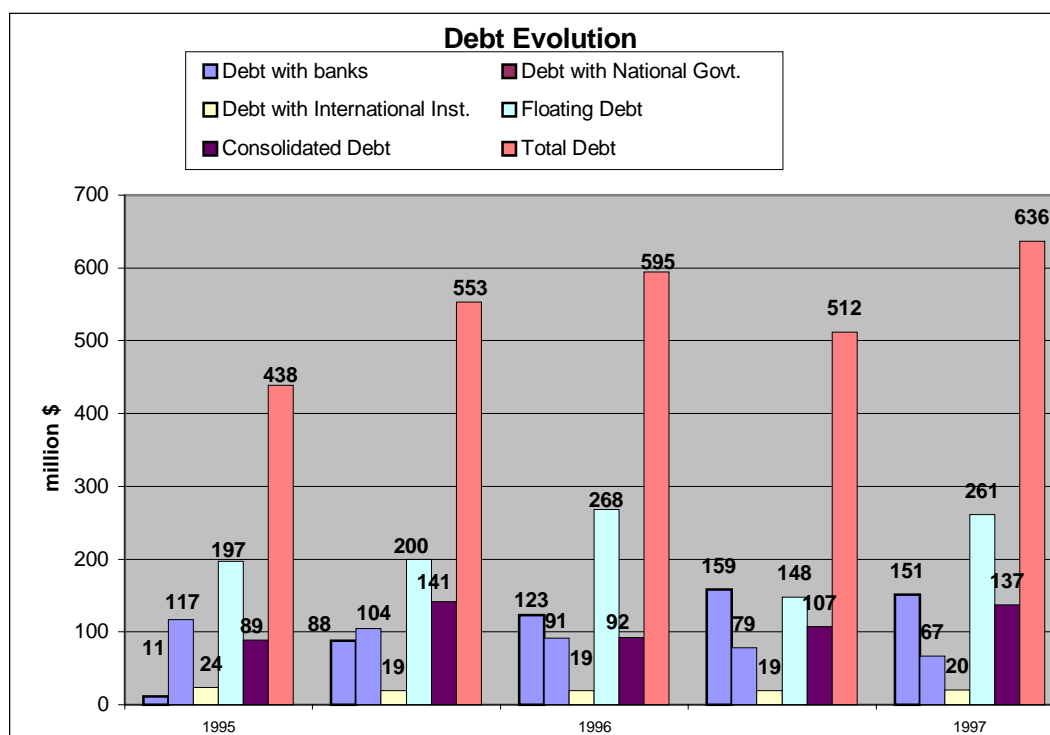
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	202	292	416	453	472	448	481	469	100,0%	100,0%
From Provincial Origin	52	76	110	122	128	110	117	68	14,4%	44,0%
From National Origin	150	216	306	331	344	338	365	402	85,6%	56,0%
Federal Tax Sharing	133	191	276	281	291	314	296	318	67,7%	41,1%
Net Tax Sharing	133	191	238	230	250	254	250	284	60,6%	36,4%
Linked to Services Transfers	0	0	26	31	33	33	33	33	7,1%	4,7%
Guarantee Clause (Law 24310)	0	0	12	19	8	26	12	0	0,0%	0,0%
Royalties	1	1	1	0	0	0	0	0	0,0%	2,2%
Other Revenue	16	24	30	50	53	24	69	84	17,8%	12,6%
Current Expenditure	316	309	369	498	555	593	552	516	87,7%	86,3%
Personnel	229	210	240	277	330	342	331	330	56,1%	48,1%
Goods and Non Personnel Services	28	41	43	54	67	69	45	38	6,4%	10,5%
Debt Interest	20	14	0	24	1	12	21	21	3,5%	3,2%
Transfers	40	44	86	143	158	170	155	128	21,7%	24,4%
Current Savings	-115	-18	46	-45	-83	-145	-70	-47		
Capital Revenue	0	4	5	7	5	6	8	7		
Capital Expenditure	160	144	73	122	106	109	119	72	12,3%	13,7%
Balance before Contributions	-274	-158	-22	-159	-185	-248	-181	-112		
Contributions (Aportes)	153	127	76	69	56	55	63	69		
Non Refundable Contributions	122	105	23	44	25	31	33	42		
Refundable Contributions	31	22	53	26	31	24	30	27		
Total Revenue plus Contributions	355	423	497	529	533	509	552	545		
Total Expenditure	476	453	442	619	662	702	670	588	100,0%	100,0%
Financing Gap	122	30	-55	90	129	193	119	43		



JUJUY

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.1%	4.4%	3,7%
Int.+Debt Amort./Cur. Rev.	3.7%	17.2%	13,5%
Total Debt/GRP	22.2%	37.3%	5.1%

Quarterly Pledged in 1998 – Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	22,3%	22,2%	22,2%	22,2%	22,2%
International Institutions	0,0%	0,0%	0,0%	0,0%	0,0%
Federal Government	24,1%	33,0%	28,4%	30,8%	28,9%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	47,0%	55,7%	51,2%	53,6%	51,7%

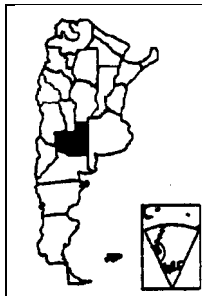
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	254	100,0%	250	100,0%	284	100,0%	318	100,0%
Pledged revenues	139	54,6%	141	56,2%	160	56,2%	164	51,7%
Federal Council of Investments (CFI)	1	0,5%	1	0,5%	2	0,6%	2	0,6%
Federal Government	98	38,4%	76	30,3%	108	38,0%	92	28,9%
Private Banks and Financial Institutions	0	0,0%	33	13,3%	50	17,4%	71	22,2%
Banco Nación	40	15,5%	29	11,7%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,1%	0	0,0%	0	0,0%
Other withholdings	0	0,1%	1	0,3%	0	0,2%	0	0,0%
Net Tax sharing received	115	45,4%	110	43,8%	125	43,8%	154	48,3%

VI) CONCLUSIONS

- Weak overall situation: both financial and real indicators are vulnerable. Local politics has been an additional source of volatility in the past.
- High fiscal deficit :5% of GRP. It's the second worst ratio in the country. Ranks D.
- This situation is consistent with a high relative debt level. Ranks D.
- Unemployment rate is 17,3% (3,6 percentage points on top of the national level). Trend is still increasing instead of declining as seen in the rest of the country.
- Poor GRP behavior is main culprit. Production has remained stagnated during the convertibility. While Argentina's GDP grew 37.3% since 1991, Jujuy's GRP has barely moved.
- Jujuy has been a late privatizer of its provincial bank.

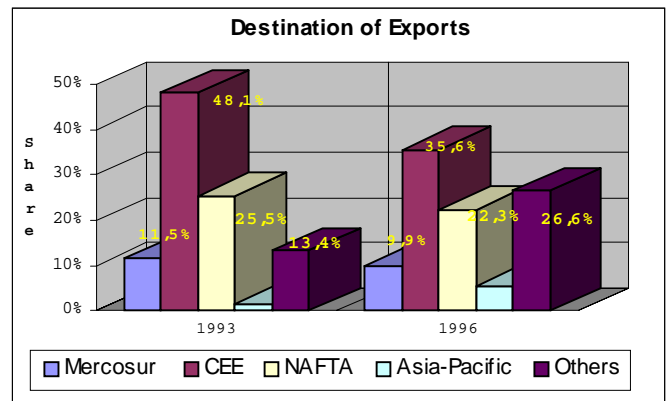
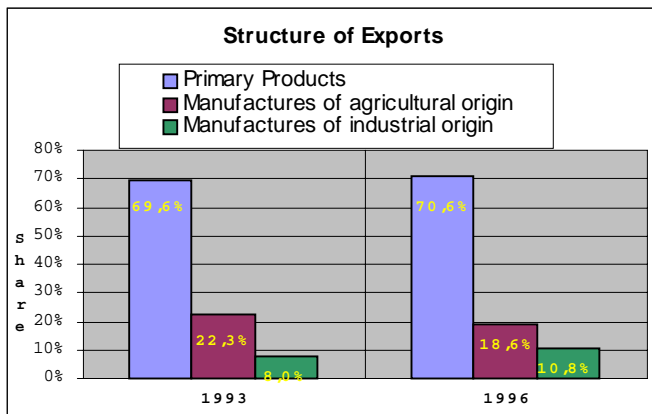
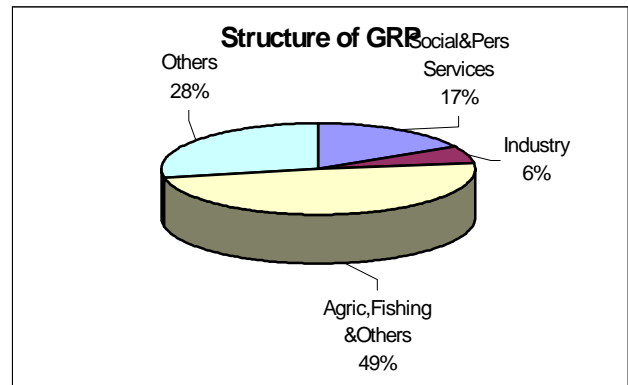
LA PAMPA



I) GEOGRAPHICAL DATA			
Capital city:	Santa Rosa (80,592 inhabitants in 1991)		
Area:	243,943 km ² (3.81% of Argentina)		
Population:	0.3 million (0.1% of Argentina's total population).		
Topography:	La Pampa has a predominantly territory with arid land type on the west and fertiles plain on the east..		
Location:	La Pampa is located on the center of the country. To the north it is bounded by the provinces of San Luis, Mendoza an Córdoba, to the east by Buenos Aires, to the South by Neuquen and Rio Negro and to the west by Buenos Aires.		
II) POLITICAL DATA			
Governor:	Dr. D Hector Marin. (exp. by Oct-1999)		
Vice Governor:	D D.Luis A. Galcerán. (exp. by Oct-1999)		
Ruling Party:	PJ –Partido Justicialista		
Provincial Legislature:		Congress	Senate
	PJ	57.6%	
	UCR	26.9%	
	FREPASO	15.4%	
	OTHERS	0.1%	

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Agriculture dominates in La Pampa. It reflects close to half of GRP. Sunflower is the main crop and the only one where the province represents an important share of national production (13%). Wheat comes second but it only adds 6% to national output. A variety of other cereals and fruits complete local agricultural supply. It combines with a strong cattle rearing sector. Primary products account for 80% of provincial exports. Local industry is clearly skewed towards processing this same primary production. Food and drinks and leather establishments are responsible for 55% of gross provincial industrial output. At a far distance come the autoparts industry (12%), chemicals (6,7%) and non metal mineral products (5,1%). Social indicators tend to be better than national averages as reflected by a lower unemployment rate, infant mortality and housing deficit.

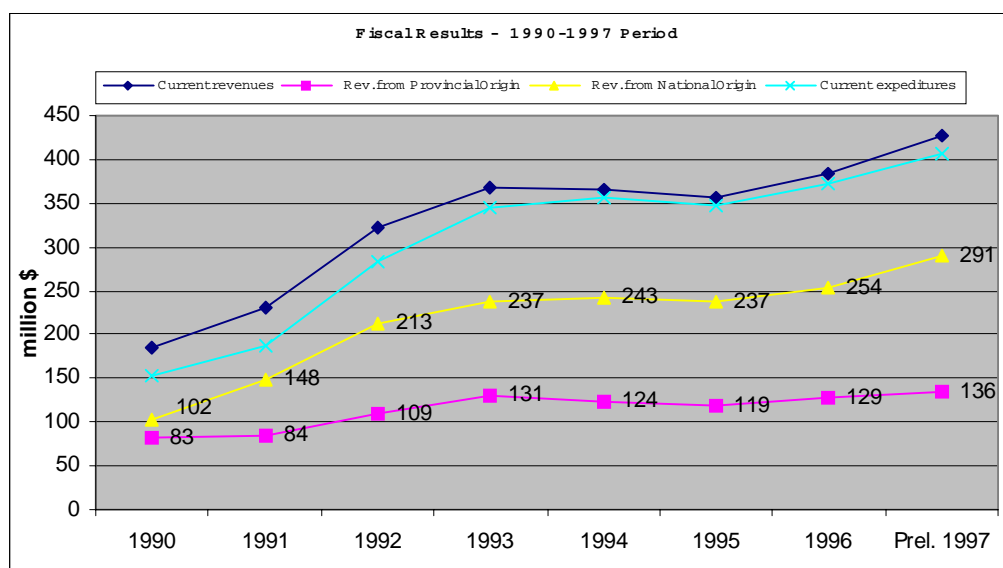


Basic Indicators and their evolution	La Pampa		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	1545	2830	315,090
Real GRP (thousands of 1986 \$)	87	123	13,671
Real per capita GRP 1991=100	100	126	116
Population (thousands)	260	292	35,671
Exports (millions of current \$)	56	139	25,515
Unemployment rate (%)	2.6	10.6	14.0
Infant mortality rate (for 1000 born alive)	20.5	11.7	19.5
Illiterate population (%) (1991 Census)	4.0		3.7
Monthly Average Public Worker Comp (\$)	593	982	996

LA PAMPA

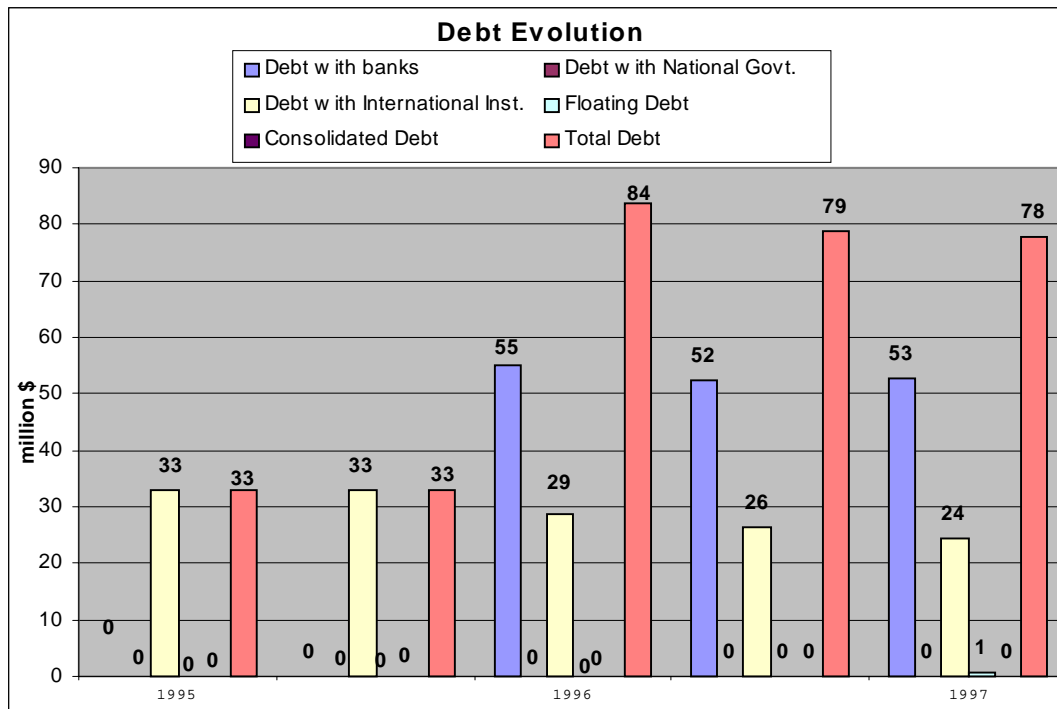
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	185	232	322	367	366	356	383	427	100,0%	100,0%
From Provincial Origin	83	84	109	131	124	119	129	136	31,8%	44,0%
From National Origin	102	148	213	237	243	237	254	291	68,2%	56,0%
Federal Tax Sharing	88	126	180	184	190	204	193	202	47,4%	41,1%
Net Tax Sharing	88	126	157	152	165	168	165	183	42,9%	36,4%
Linked to Services Transfers	0	0	15	19	19	19	19	19	4,5%	4,7%
Guarantee Clause (Law 24310)	0	0	8	13	6	17	8	0	0,0%	0,0%
Royalties	9	7	7	7	6	6	8	5	1,3%	2,2%
Other Revenue	6	15	26	46	47	27	54	83	19,5%	12,6%
Current Expenditure	152	186	283	344	357	348	373	407	84,7%	86,3%
Personnel	86	101	156	190	207	207	210	217	45,1%	48,1%
Goods and Non Personnel Services	33	44	58	66	66	54	63	75	15,6%	10,5%
Debt Interest	0	0	0	2	0	1	2	4	0,9%	3,2%
Transfers	33	42	69	86	84	86	98	111	23,2%	24,4%
Current Savings	33	45	40	24	9	8	10	20		
Capital Revenue	2	2	2	4	8	16	10	11		
Capital Expenditure	52	63	66	112	112	134	101	73	15,3%	13,7%
Balance before Contributions	-17	-15	-24	-84	-94	-111	-81	-43		
Contributions (Aportes)	20	28	48	55	58	43	61	60		
Non Refundable Contributions	3	9	32	38	39	28	41	42		
Refundable Contributions	17	20	16	17	19	15	19	18		
Total Revenue plus Contributions	207	262	373	426	433	415	455	498		
Total Expenditure	204	249	349	455	469	483	474	481	100,0%	100,0%
Financing Gap	-3	-13	-24	30	36	68	20	-17		



LA PAMPA

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.1%	1.0%	3,7%
Int.+Debt Amort./Cur. Rev.	0.2%	3.9%	13,5%
Total Debt/GRP	129.9%	2.7%	5.1%

Quarterly Pledged in 1998 - Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	0,0%	0,0%	0,0%	0,0%	0,0%
International Institutions	0,0%	0,0%	0,0%	0,0%	0,0%
Federal Government	1,8%	2,6%	1,6%	2,5%	2,1%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	2,3%	3,2%	2,2%	3,1%	2,7%

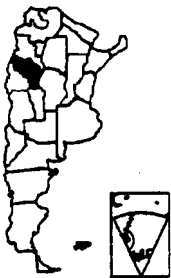
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	168	100,0%	165	100,0%	183	100,0%	174	100,0%
Pledged revenues	3	2,0%	4	2,4%	4	2,3%	5	2,7%
Federal Council of Investments (CFI)	1	0,5%	1	0,5%	1	0,6%	1	0,6%
Federal Government	0	0,0%	0	0,0%	0	0,0%	4	2,1%
Private Banks and Financial Institutions	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Banco Nación	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	2	1,5%	3	1,9%	3	1,8%	0	0,0%
Net Tax sharing received	165	98,0%	161	97,6%	179	97,7%	169	97,3%

VI) CONCLUSIONS

- Very solid, another jewel. A combined product of an austere budget and a responsible management. Good history and no clouds foreseen.
- Public accounts expected to turn into black ink. Fiscal track record shows a string of surpluses in the early 90's until a deficit appeared in 1993. Fiscal deficits were small with a peak during the tequila crisis that made full sense and was reversed in 1997.
- Debt level qualifies for a strong A. Absolute level peaked in december 1996 and is smoothly declining since then. Federal tax pledges are pretty low - beneath 3% - and expected to remain stable. This rates also for a solid A.
- With fiscal surplus in sight, the province belongs to a select club and ranks A in this attribute, too.
- Moderate spending is key in fiscal success. Total expenditure stays close to 1995 level.
- On the other hand current revenue has increased more than 20%. Revenue structure is well balanced (considering La Pampa's size) with provincial origin taxes accounting for 32% of current revenue.
- Capital expenditure is austere and fully paid by capital revenue and national contributions (which are not excessively generous either).

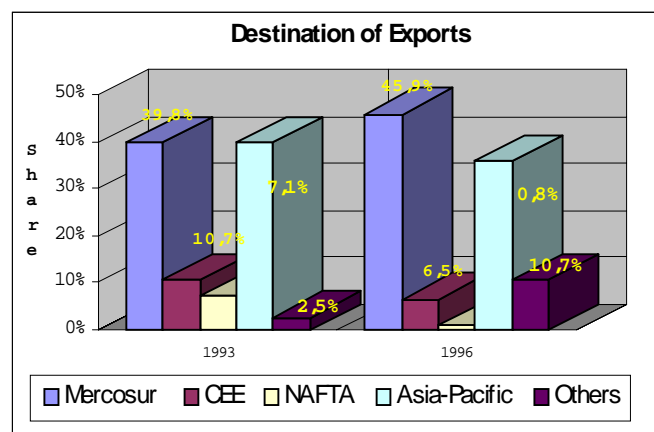
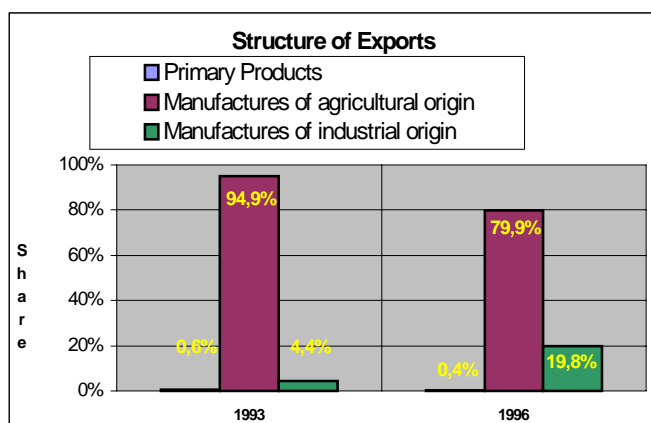
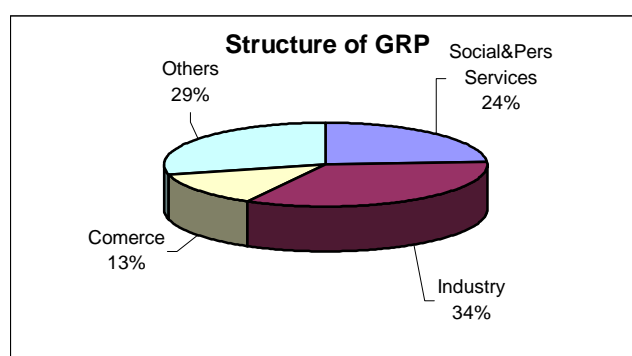
LA RIOJA

	I) GEOGRAPHICAL DATA		
	Capital city: La Rioja (103,127 inhabitants in 1991)		
	Area: 89,680 km ² (2.4% of Argentina)		
	Population: 0.2 million (0.1% of Argentina's total population).		
	Topography: La Rioja has a predominantly mountainous territory, with arid land type vegetation.		
	Location: La Rioja is located on the northwestern region of the country. To the north it is bounded by the provinces of Catamarca, Córdoba, to the east, by San Luis and San Juan to the South and Chile to the west.		
	II) POLITICAL DATA		
	Governor: Dr. D Carlos Maza. (exp. by Oct-1999)		
	Vice Governor: Dr. D.Miguel A Asis. (exp. by Oct-1999)		
	Ruling Party: PJ –Partido Justicialista		
Provincial Legislature:		Congress	Senate
		PJ	70.1%
		UCR	25.0%
		FREPASO	3.3%
		OTHERS	1.6%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

La Rioja is another member of the industrial promotion club. This explains why a third of provincial product consists of manufacturing. Helped not only by tax promotion but by a strong flow of national contributions a vast service thrives sector also. Mining used to be relevant but has almost disappeared. Agriculture stands for only 2% of GRP though recent investments in olive industrial plants bring hopes for further expansion. Grapes have been the source of a small regional wine industry.

Paper and textiles - with an equal share of 18% of gross industrial production - Food and Drinks (15,6%) and Leather (10,1%) are outstanding industrial segments. Manufactures account for almost all of exports. Mercosur is the principal buyer.

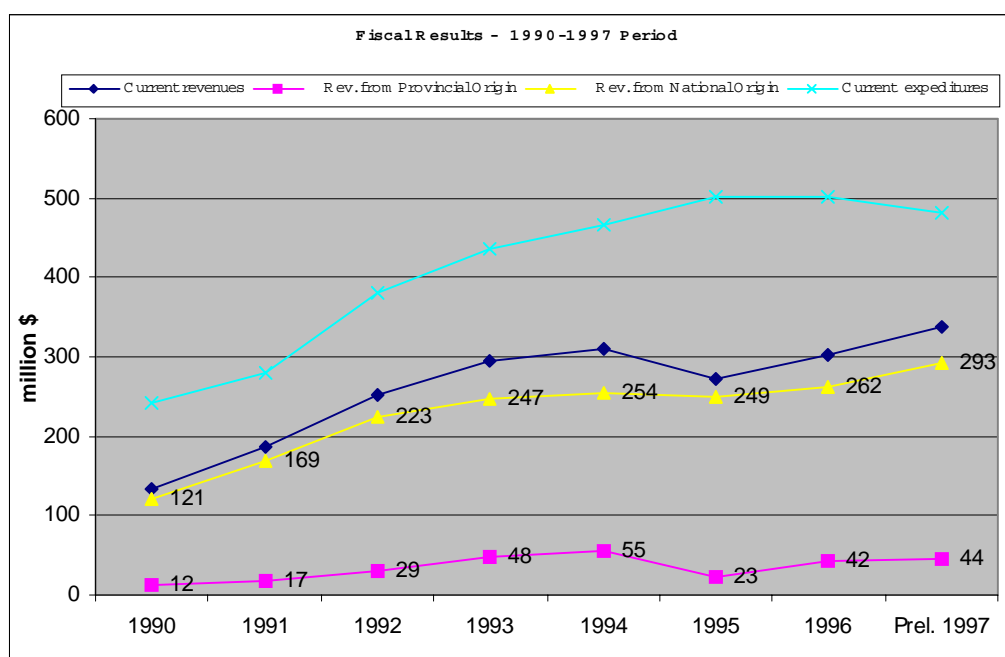


Basic Indicators and their evolution	La Rioja		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	1,338	2,377	315,090
Real GRP (thousands of 1986 \$)	76	103	13,671
Real per capita GRP 1991=100	100	115	116
Population (thousands)	220	260	35,671
Exports (millions of current \$)	21	153	25,515
Unemployment rate (%)	6.2	10.0	14.0
Infant mortality rate (for 1000 born alive)	27.2	23.7	19.5
Illiterate population (%) (1991 Census)	4.0		3.7
Monthly Average Public Worker Comp (\$)	740	1057	996

LA RIOJA

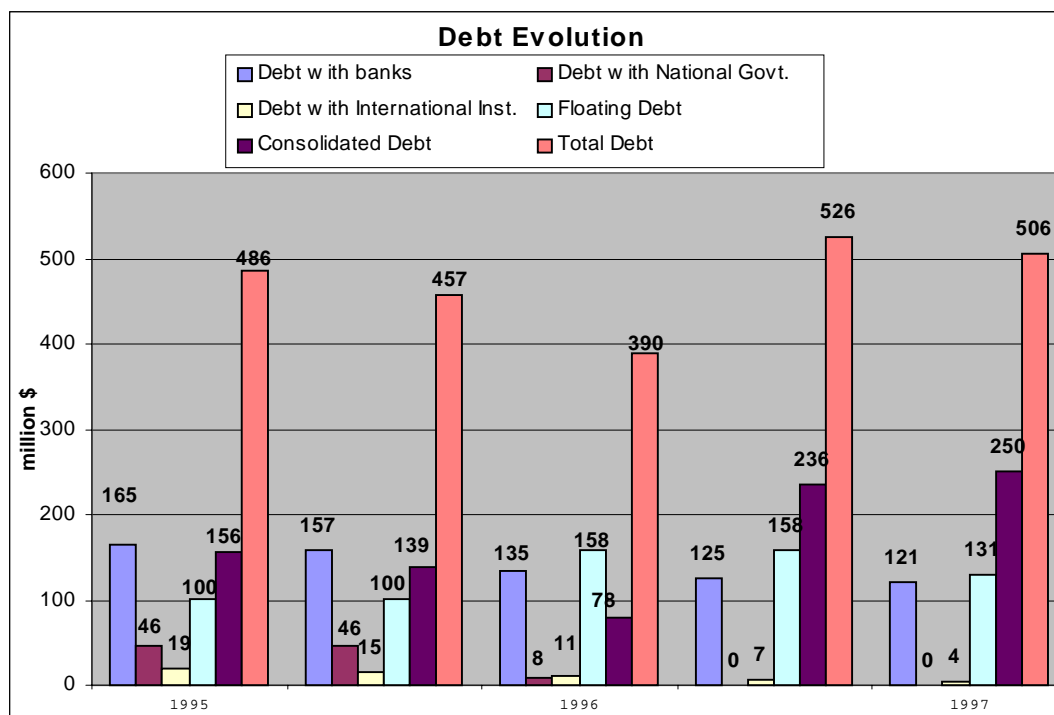
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	133	186	253	294	309	272	304	337	100,0%	100,0%
From Provincial Origin	12	17	29	48	55	23	42	44	13,1%	44,0%
From National Origin	121	169	223	247	254	249	262	293	86,9%	56,0%
Federal Tax Sharing	97	139	198	202	208	225	211	308	91,4%	41,1%
Net Tax Sharing	97	139	173	168	182	185	182	207	61,5%	36,4%
Linked to Services Transfers	0	0	16	20	20	20	20	20	6,0%	4,7%
Guarantee Clause (Law 24310)	0	0	9	14	6	19	9	81	23,9%	0,0%
Royalties	0	0	0	0	0	0	0	0	0,0%	2,2%
Other Revenue	24	29	25	45	46	25	50	-15	-4,6%	12,6%
Current Expenditure	242	280	380	436	466	502	501	482	88,6%	86,3%
Personnel	143	188	224	263	281	284	288	282	51,9%	48,1%
Goods and Non Personnel Services	9	15	17	45	42	48	40	45	8,2%	10,5%
Debt Interest	8	1	2	1	0	0	4	4	0,7%	3,2%
Transfers	82	76	137	127	143	169	169	151	27,9%	24,4%
Current Savings	-109	-94	-127	-142	-157	-230	-197	-145		
Capital Revenue	1	2	3	3	2	3	4	4		
Capital Expenditure	36	65	69	46	52	30	44	62	11,4%	13,7%
Balance before Contributions	-144	-157	-194	-185	-206	-257	-237	-203		
Contributions (Aportes)	51	150	143	174	185	245	286	268		
Non Refundable Contributions	21	51	129	157	166	229	267	250		
Refundable Contributions	30	99	14	17	19	15	20	18		
Total Revenue plus Contributions	185	338	398	471	496	520	594	609		
Total Expenditure	278	345	449	482	518	532	544	544	100,0%	100,0%
Financing Gap	92	7	51	11	21	12	-49	-65		



LA RIOJA

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.2%	1.1%	3,7%
Int.+Debt Amort./Cur. Rev.	6.4%	15.1%	13,5%
Total Debt/GRP	29.3%	21.3%	5.1%

Quaterly Pledged in 1998 - Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	17,8%	17,8%	17,8%	17,8%	17,8%
International Institutions	1,0%	1,0%	0,5%	0,0%	0,6%
Federal Government	34,9%	38,3%	32,2%	37,0%	35,6%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	54,2%	57,7%	51,0%	55,3%	54,6%

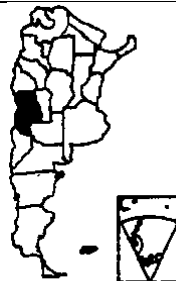
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	185	100,0%	182	100,0%	207	100,0%	232	100,0%
Pledged revenues	166	89,8%	162	88,9%	140	67,7%	126	54,6%
Federal Council of Investments (CFI)	1	0,5%	1	0,5%	1	0,6%	1	0,6%
Federal Government	145	78,3%	144	79,0%	129	62,0%	82	35,6%
Private Banks and Financial Institutions	0	0,0%	0	0,0%	0	0,0%	35	15,0%
Banco Nación	3	1,7%	2	1,0%	3	1,6%	4	1,6%
Central Bank	2	1,0%	3	1,9%	2	1,0%	3	1,2%
Other withholdings	15	8,3%	12	6,5%	5	2,5%	1	0,6%
Net Tax sharing received	19	10,2%	20	11,1%	67	32,3%	105	45,4%

VI) CONCLUSIONS

- A problematic province: high public debt (it ranks D), important and increasing dependence on national revenues (it ranks D), pledges representing a significant portion of national resources (with a declining trend in the last year), but with fiscal surplus in terms of GDP (it ranks A).
- After reaching a deficit of 3.1% of GRP in 1992, the province has been strengthening its fiscal accounts in nominal terms but without a reducing in total expenditures (they have been growing very fast within the convertibility plan) nor increasing local revenues.
- The key issue to explain the improvement in fiscal stance has been a very important decline in pledges on revenues from national origin (from 89% in 1997 to an estimated 55% in 1998) which it's not clear to be sustainable.

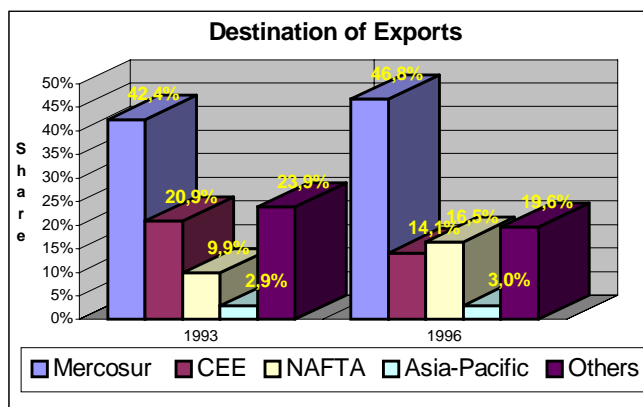
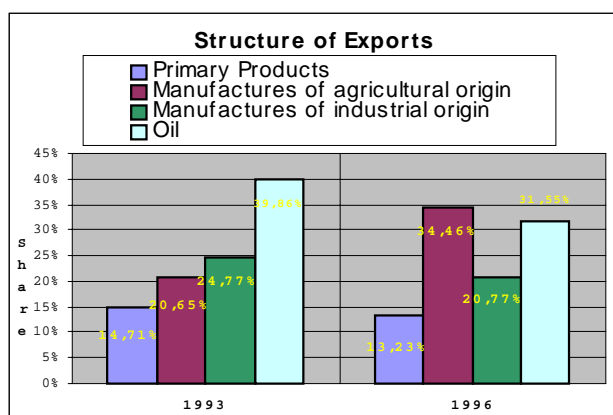
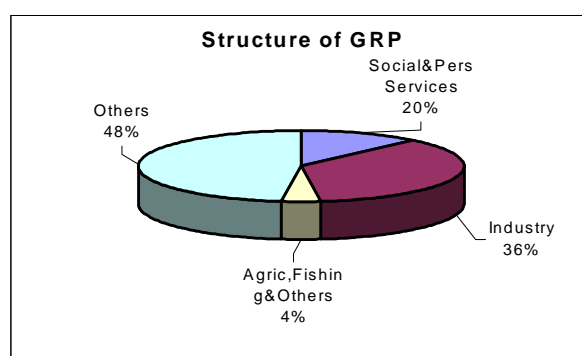
MENDOZA



I) GEOGRAPHICAL DATA			
Capital city:	Mendoza (773.113 inhabitants in 1991)		
Area:	148.827 km ² (3.9% of Argentina)		
Population:	1.4 million (4.3 % of Argentina's total population).		
Topography:	From west to East. Its terrain varies from mountainous to plain , including the highest pick in America: The Aconcagua.		
Location:	The province, leaned on the Andes Range, is bounded by Chile to the west, and the provinces of San Juan to the North, San Luis to the east and La Pampa an Neuquen to the South.		
II) POLITICAL DATA			
Governor:	Dr. Arturo Lafalla (exp. by Oct-1999)		
Vice Governor:	Dr. Jorge Lopez (exp. by Oct-1999)		
Ruling Party:	PJ (Partido Justicialista)		
Provincial Legislature:		Congress	Senate
	PJ	44.0%%	54.1%%
	UCR	23.7%	22.9%
	FREPASO	7.8%	4.2%%
	OTHERS	23.7%	18.8%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Mendoza has a rather small agricultural sector (6% of GRP) but it supports a solid agroindustrial complex. Food and Drinks firms represent close to half gross industrial production. Winery is the most relevant. Foreign investment has been attracted to acquire existing firms and the whole industry is transforming itself from a provider of table wines to more expensive quality wines where demand is growing. Wine exports are increasing at a fast pace. Mendoza is also an important supplier of canned foods taking advantage of local production of peaches, pears, apples and vegetables. 76% of all garlic in Argentina is harvested here. Oil -drilling and refining - is another important sector: oil production has increased 21,1% between 1993 and 1996.

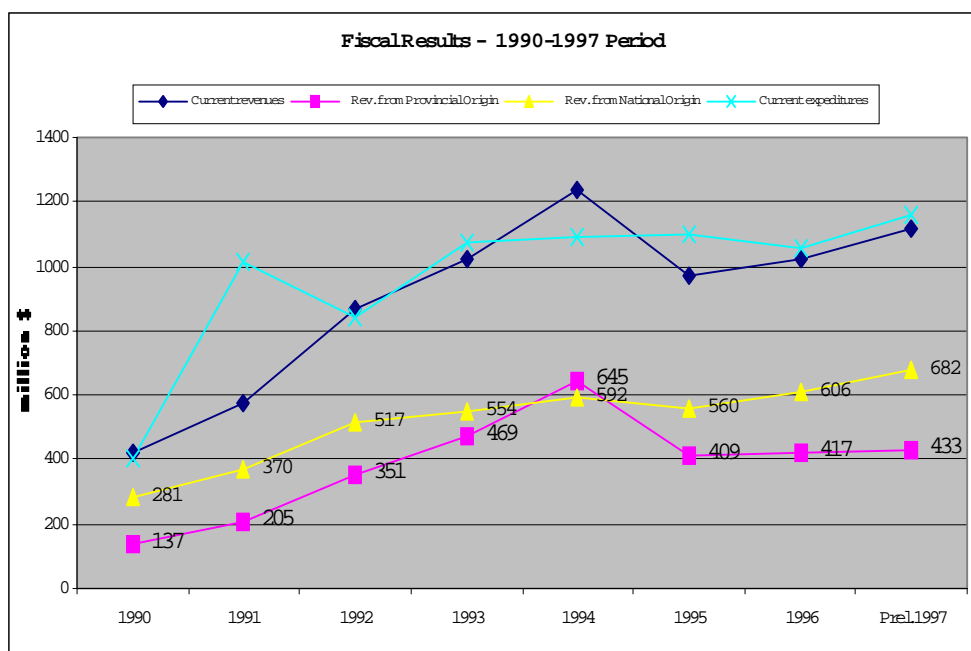


Basic Indicators and their evolution	Mendoza		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	4572	8099	315,090
Real GRP (thousands of 1986 \$)	259	351	11,770
Real per capita GRP 1991=100	100	124	116
Population (thousands)	1412	1529	35,671
Exports (millions of current \$)	395	879	25,515
Unemployment rate (%)	4.3	7.0	14,0
Infant mortality rate (for 1000 born alive)	32.1	17.5	19,5
Illiterate population (%) (1991 Census)	4.6		3.7
Monthly Average Public Worker Comp (\$)	610	1307	996

MENDOZA

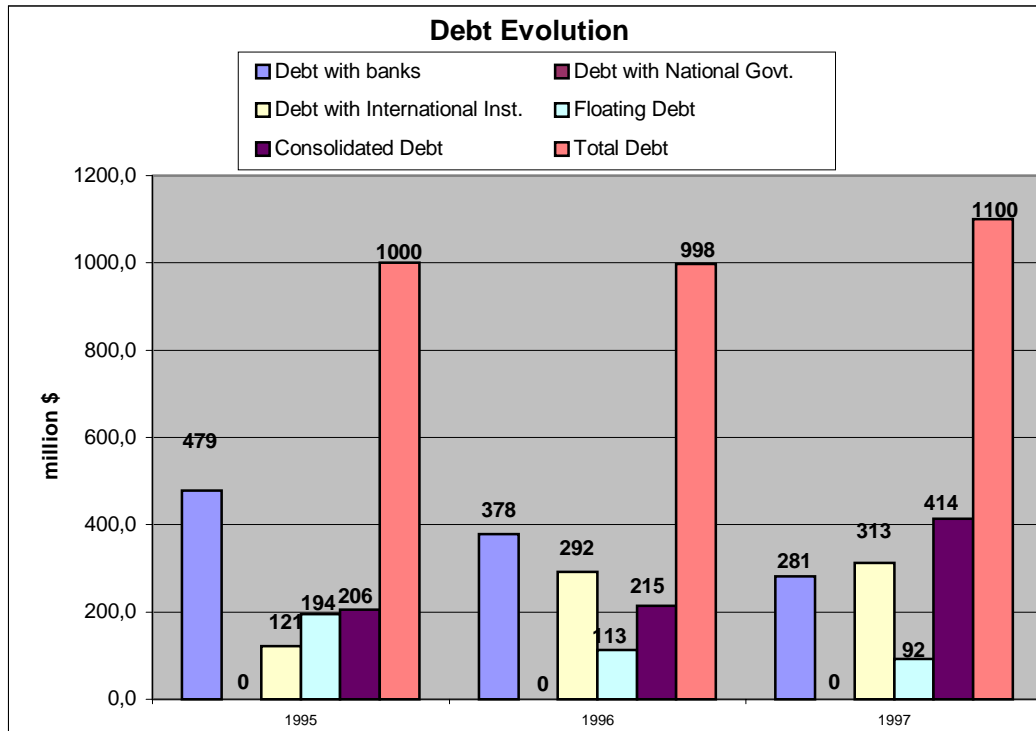
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	417	575	868	1.023	1.238	969	1.023	1.115	100,0%	100,0%
From Provincial Origin	137	205	351	469	645	409	417	433	38,9%	44,0%
From National Origin	281	370	517	554	592	560	606	682	61,1%	56,0%
Federal Tax Sharing	195	280	421	420	455	466	460	379	34,0%	41,1%
Net Tax Sharing	195	280	349	338	367	373	367	318	28,5%	36,4%
Linked to Services	0	0	18	28	11	38	18	0	0,0%	4,7%
Transfers										
Guarantee Clause (Law 24310)	0	0	54	54	77	54	75	62	5,5%	0,0%
Royalties	62	54	54	54	77	54	75	82	7,4%	2,2%
Other Revenue	24	35	41	79	61	40	71	220	19,7%	12,6%
Current Expenditure	403	1.012	842	1.077	1.094	1.096	1.055	1.163	91,9%	86,3%
Personnel	215	305	479	610	639	654	623	646	51,1%	48,1%
Goods and Non Personnel Services	39	53	142	136	126	136	122	137	10,8%	10,5%
Debt Interest	0	500	16	8	14	57	42	108	8,5%	3,2%
Transfers	148	154	206	323	315	250	267	272	21,5%	24,4%
Current Savings	14	-438	25	-55	143	-127	-31	-47		
Capital Revenue			8	12	13	29	11	31		
Capital Expenditure	50	61	76	214	218	246	450	103	8,1%	13,7%
Balance before Contributions	-36	-498	-43	-257	-61	-344	-470	-119		
Contributions (Aportes)	24	27	35	45	70	37	55	59		
Non Refundable Contributions	5	11	11	14	33	6	16	23		
Refundable Contributions	20	16	24	32	38	31	39	36		
Total Revenue plus Contributions	442	601	910	1.080	1.322	1.035	1.090	1.206		
Total Expenditure	453	1.073	918	1.292	1.312	1.342	1.504	1.265	100,0%	100,0%
Financing Gap	11	472	8	212	-10	307	415	59		



MENDOZA

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	1.1%	9.7%	3.7%
Int.+Debt Amort./Cur. Rev.	4.9%	42.7%	13.5%
Total Debt/GRP	13.15	13.6%	5.1%

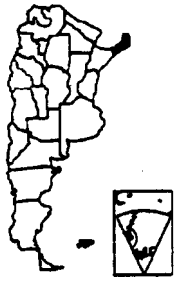
Quarterly Pledged in 1998 - Estimated					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	26.0%	26.0%	26.0%	43.1%	28.3%
International Institutions	3.9%	0.7%	3.6%	0.6%	1.5%
Federal Government	39.9%	42.8%	44.8%	41.2%	42.1%
Others	0.6%	0.6%	0.6%	0.6%	0.6%
Total	70.4%	70.0%	74.9%	86.0%	72.5%

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	Million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	373	100.0%	367	100.0%	318	100.0%	371	100.0%
Pledged revenues	187	50.1%	221	60.2%	162	50.9%	270	72.8%
Federal Council of Investments (CFI)	2	0.5%	2	0.5%	2	0.7%	2	0.6%
Federal Government	51	13.7%	124	33.8%	142	44.6%	156	42.1%
Private Banks and Financial Institutions	28	7.5%	66	18.1%	4	1.2%	110	28.4%
Banco Nación	104	27.8%	20	5.5%	1	0.2%	0	0.0%
Central Bank	0	0.0%	0	0.0%	8	2.4%	1	0.2%
Other withholdings	2	0.5%	9	2.3%	5	1.7%	6	1.5%
Net Tax sharing received	186	49.9%	146	39.8%	156	49.1%	96	27.2%

VI) CONCLUSIONS

- Mendoza shows a high debt over GRP (it ranks C). relative to its peers. That involves a very heavy charge of debt services (interest and amortization) when compared with its annual revenue base.
- Financing gap ranks C but it's improving. The imbalance was \$307 million in 1995 and has declined to \$59 million in 1997, essentially, due to a sharp decline in capital expenditures: almost 60% in the last two years.
- Low dependence on resources from national origin. It ranks A. But pledges are increasing: the level was 51% in 1997 and probably more than 70% in 1998.
- Mendoza is a late privatizer. Anyway, it has recently transferred the water supply and distribution system as well as the electricity company. Both, Banco de Mendoza and the Banco de Previsión Social are now in private hands.

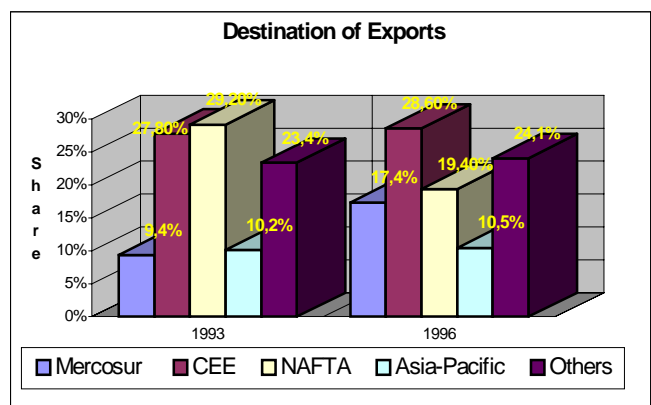
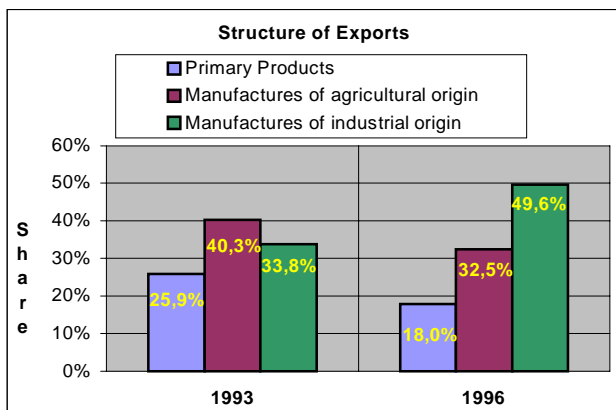
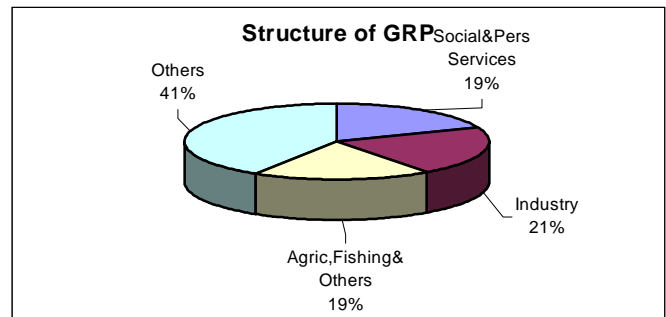
MISIONES



I) GEOGRAPHICAL DATA			
Capital city:	Posadas (210,755 inhabitants in 1991)		
Area:	29.801 km ² (0,8% of Argentina)		
Population:	0.79 million (2.4% of Argentina's total population).		
Topography:	This mesopotamic province has a predominantly plain topography covered by a tropical forest, only broken by the numerous rivers, that form the Iguazu Falls.		
Location:	Misiones, located in the Mesopotamia region, is bounded by Brazil to the north, east and south and Paraguay and the province of Corrientes to the west.		
II) POLITICAL DATA			
Governor:	Ing. Federico R. Puerta		
Vice Governor:	Dr. Julio A Ifrain		
Ruling Party:	PJ (Partido Justicialista)		
Provincial Legislature:		Congress	Senate
	PJ	48.6%	
	ALIANZA	51.4%	
	OTHERS	0%	

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Misiones has a very distinct economy with its heavy reliance in yerba mate, tea and pulp and paper and other forestry products. Misiones is the main cellulose producer in Argentina and is home to a vast array of paper related industries, timber explotations and sawmills that are spread all around its territory. 87% of yerba mate, a typical infusion, and 95% of tea in Argentina are grown in Misiones. Both are mainly industrialized locally. Tobacco (burley and criollo varieties), grayfruit, mandioca and even organic sugar are other important agricultural crops. Iguazu Falls, located on the border shared with Brazil and Paraguay, is an international tourism destination that is attracting further investment in hotel and casino projects.

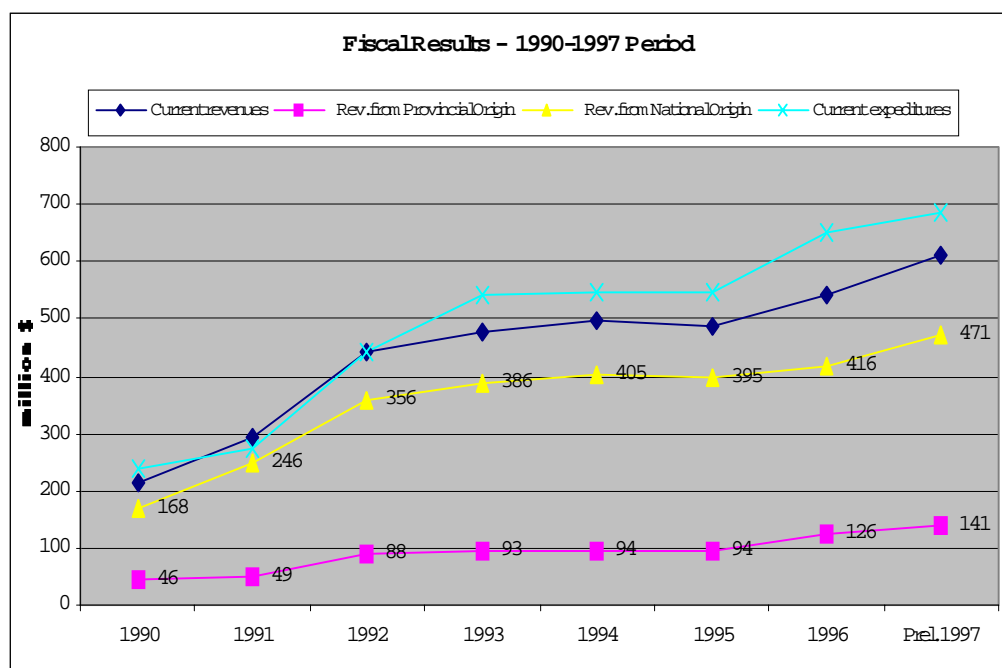


Basic Indicators and their evolution	Misiones		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	2,841	5,013	315,090
Real GRP (thousands of 1986 \$)	161	214	13,671
Real per capita GRP 1991=100	100	115	116
Population (thousands)	788	928	35,671
Exports (millions of current \$)	110	235	25,515
Unemployment rate (%)	7.7	5.8	14.0
Infant mortality rate (for 1000 born alive)	32.1	19.3	19.5
Illiterate population (%) (1991 Census)	8.3		3.7
Monthly Average Public Worker Comp (\$)	n/a	843	996

MISIONES

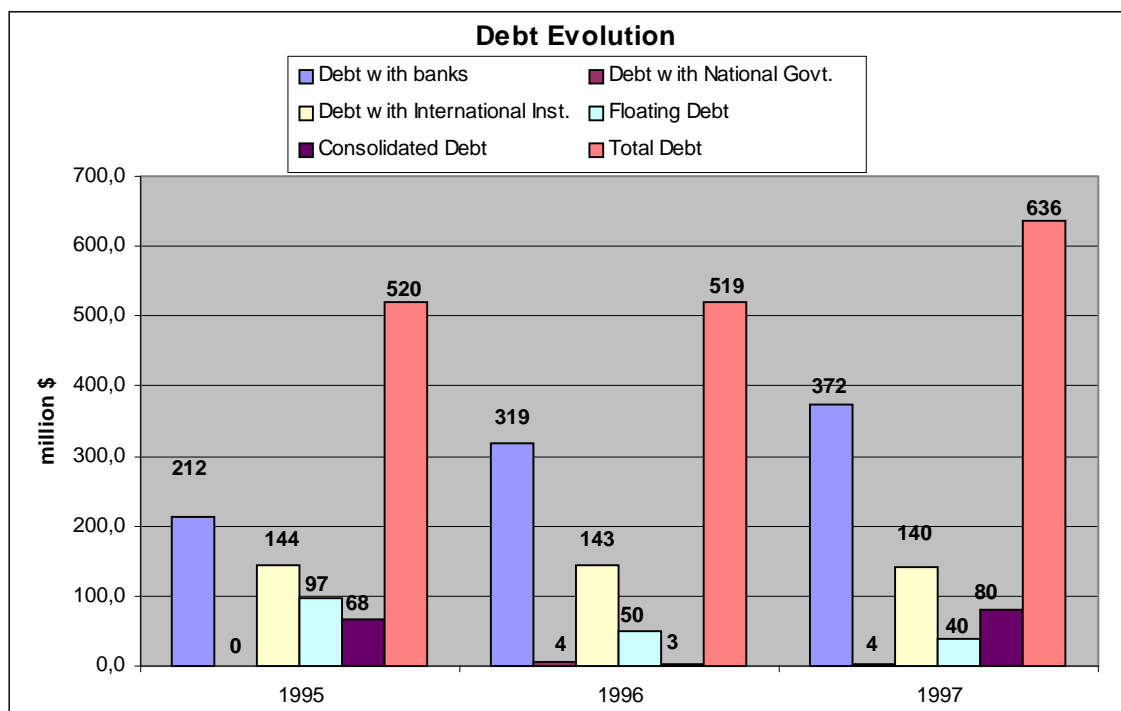
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	213	295	443	479	499	489	542	613	100,0%	100,0%
From Provincial Origin	46	49	88	93	94	94	126	141	23,1%	44,0%
From National Origin	168	246	356	386	405	395	416	471	76,9%	56,0%
Federal Tax Sharing	155	222	317	322	333	360	339	373	60,9%	41,1%
Net Tax Sharing	155	222	277	268	290	295	291	339	55,3%	36,4%
Linked to Services Transfers			27	32	34	34	34	34	5,6%	4,7%
Guarantee Clause (Law 24310)			14	22	9	30	14	0	0,0%	0,0%
Royalties	5	3	3	7	9	6	4	5	0,9%	2,2%
Other Revenue	8	21	35	57	62	30	73	93	15,2%	12,6%
Current Expenditure	241	272	443	544	547	548	649	684	82,1%	86,3%
Personnel	170	186	298	356	355	362	360	405	48,7%	48,1%
Goods and Non Personnel Services	24	32	53	83	56	41	42	73	8,8%	10,5%
Debt Interest	2	1	0	4	6	4	19	27	3,2%	3,2%
Transfers	45	54	93	101	130	141	228	179	21,5%	24,4%
Current Savings	-27	23	0	-65	-48	-58	-107	-71		
Capital Revenue	2	5	8	9	19	11	11	11		
Capital Expenditure	74	96	108	123	114	180	117	149	17,9%	13,7%
Balance before Contributions	-99	-68	-100	-179	-143	-227	-212	-209		
Contributions (Aportes)	53	56	63	79	66	72	139	114		
Non Refundable Contributions	7	9	25	40	21	35	92	71		
Refundable Contributions	45	47	38	39	45	37	47	42		
Total Revenue plus Contributions	269	356	514	567	584	572	693	738		
Total Expenditure	315	368	551	667	661	728	766	833	100,0%	100,0%
Financing Gap	46	12	37	100	77	155	73	95		



MISIONES

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.7%	5.1%	3.7%
Int.+Debt Amort./Cur. Rev.	4.8%	10.0%	13.5%
Total Debt/GRP	15.6%	12.7%	5.1%

Quarterly Pledged in 1998 – Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	39,7%	34,7%	33,4%	30,9%	34,5%
International Institutions	5,0%	0,9%	0,0%	0,1%	0,3%
Federal Government	1,2%	1,2%	1,2%	1,2%	1,2%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	46,5%	37,3%	35,1%	32,7%	36,5%

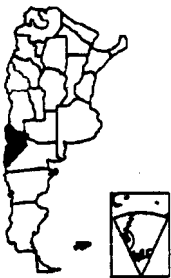
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	295	100,0%	291	100,0%	339	100,0%	367	100,0%
Pledged revenues	152	51,4%	107	36,6%	120	35,3%	134	36,5%
Federal Council of Investments (CFI)	2	0,5%	2	0,5%	2	0,5%	2	0,6%
Federal Government	14	4,9%	0	0,2%	0	0,0%	4	1,2%
Private Banks and Financial Institutions	100	33,9%	72	24,8%	83	24,4%	127	34,5%
Banco Nación	30	10,1%	8	2,9%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	1	0,2%	0	0,0%
Other withholdings	7	2,5%	24	8,1%	35	10,2%	1	0,2%
Net Tax sharing received	144	48,6%	185	63,4%	219	64,7%	233	63,5%

VI) CONCLUSIONS

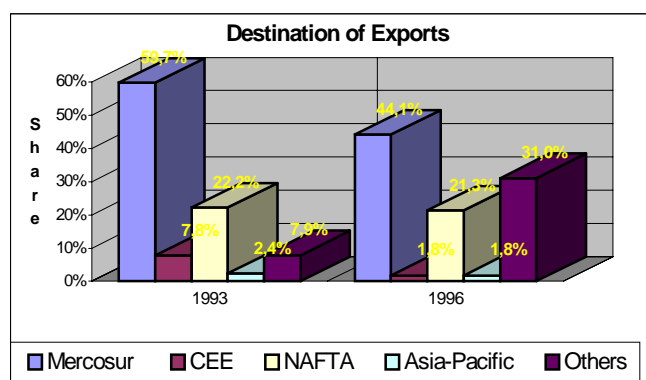
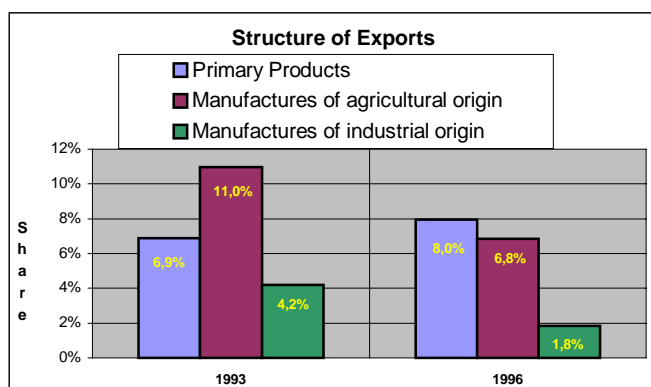
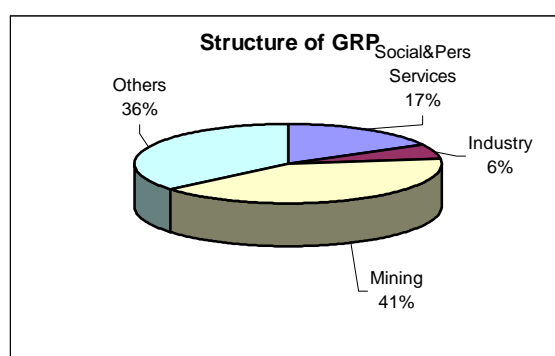
- In recent years, the province has shown an important improvement in its fiscal situation (its financing gap was \$ 155 millions in 1995 and it would be \$ 26 millions in 1997) as a consequence of a significant increase, in the later years to the "tequila effect", in provincial tax revenues and due to a deceleration in the growth of public expenses. Nevertheless, its financing gap still ranks C.
- Anyway, due to the big dependence of revenues from national origin (it ranks C), it's no clear that the one mentioned fiscal improvement is sustainable by the light of the important increase in national pledges (it still ranks B but is running to C) and the stabilization in the growth of national taxes.
- Provincial public debt ranks B but it has been increasing in the last two years.
- Misiones combines a small public servant payroll with a low unemployment rate (one-third the national one) due to a dynamic private sector.
- It has privatized the provincial bank and, partially, water and electricity system. Misiones has fully completed the elimination of distorsive taxes but has been less expediter with other regulations.

NEUQUEN

	I) GEOGRAPHICAL DATA		
	Capital city: Neuquen (243,803 inhabitants in 1991)		
	Area: 94,078 km ² (2.5% of Argentina)		
	Population: 0.39 million (1.2% of Argentina's total population).		
	Topography: In Neuquen the predominantly topography are the mountains, sprinkled with glacier and lakes,		
	Location: Neuquen is located in the Patagonia Region, at the Andes Range, bounds with Mendoza to the north, Rio Negro to the south, La Pampa to the east and Chile to the west,		
	II) POLITICAL DATA		
	Governor: Dr. Felipe Dapag (exp by oct-1999)		
	Vice Governor: Dr. Ricardo Corradi (exp by oct-1999)		
	Ruling Party: Movimiento Popular Neuquino		
Provincial Legislature:		Congress	Senate
		PJ	21.6%
		UCR	15.7%
		FREPASO	9.8%
		OTHERS	52.9%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Neuquen's economy is strongly concentrated in oil, gas and mining. Almost half of GRP is explained by them. Tourism is also increasing its relevance both in summer and winter seasons (it operates several ski resorts) helped by a beautiful natural landscape in the Andean' lakes region. Gas production has tripled between 1993 and 1996 and it accounts for 55% of national output. Neuquen gas reserves are the biggest in Argentina. Crude oil production, in the same period, grew 35% (and responds for a 36% national share). Local quarries have originated an important tile industry also. Neuquen has an urban population' share similar to the national average and, in some cases, better social indicators than the nation: a smaller housing deficit (20,9% vis a vis 24,9%) and a lower infant mortality rate. Oil and gas royalties have allowed in the past a high share of public spending in basic infrastructure,

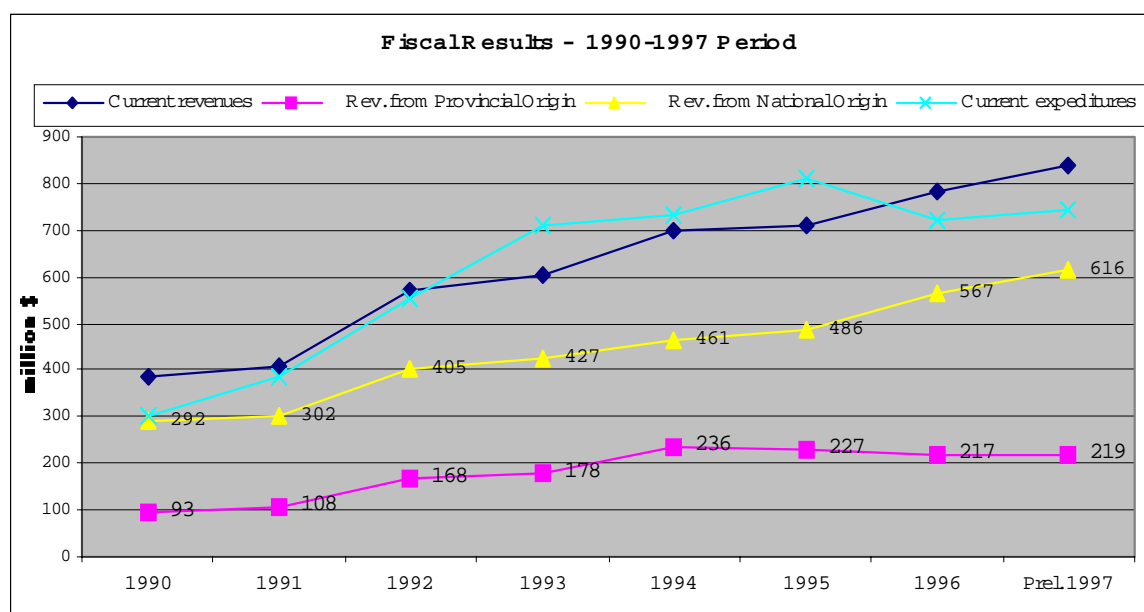


Basic Indicators and their evolution	Neuquen		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	2,375	4,940	315,090
Real GRP (thousands of 1986 \$)	135	214	13,671
Real per capita GRP 1991=100	100	123	116
Population (thousands)	388	501	35,671
Exports (millions of current \$)	103	817	25,515
Unemployment rate (%)	7.2	12.0	14.0
Infant mortality rate (for 1000 born alive)	15.6	14.5	19.5
Illiterate population (%) (1991 Census)	5.3		3.7
Monthly Average Public Worker Comp (\$)	752	1,139	996

NEUQUEN

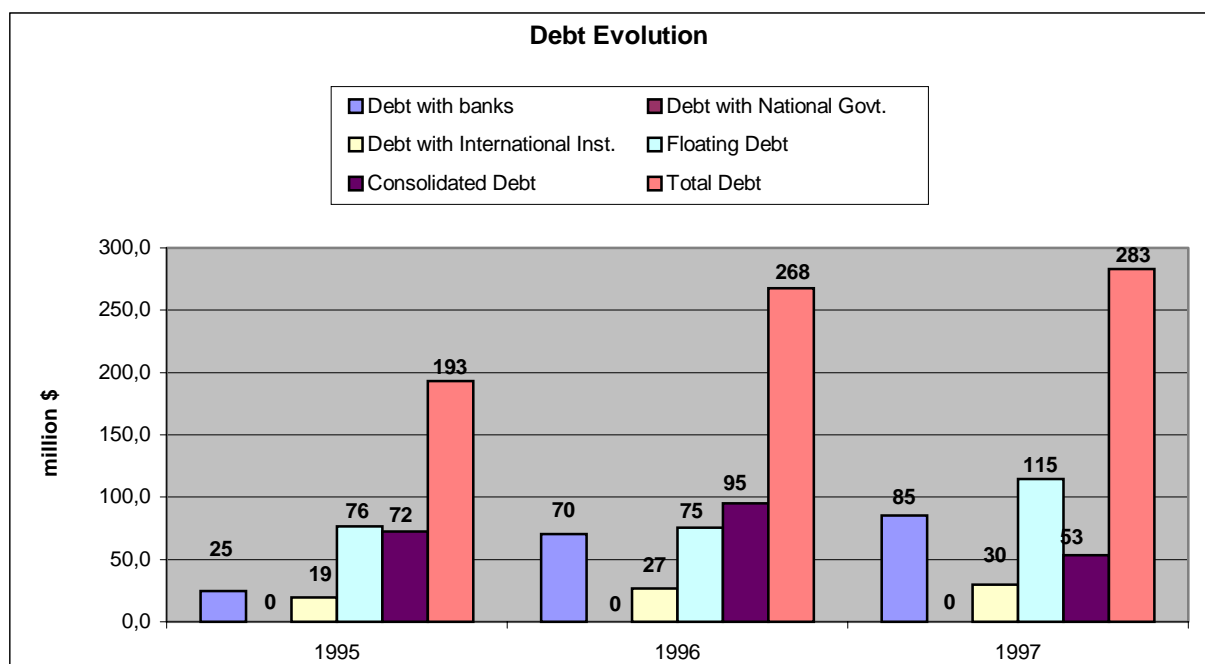
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	385	410	572	605	698	712	784	836	100,0%	100%
From Provincial Origin	93	108	168	178	236	227	217	219	26,2%	44,0%
From National Origin	292	302	405	427	461	486	567	616	73,8%	56,0%
Federal Tax Sharing	81	117	166	169	175	189	178	191	22,8%	41,1%
Net Tax Sharing	81	117	145	141	153	155	153	173	20,7%	36,4%
Linked to Services Transfers	0	0	13	18	17	17	17	17	2,1%	4,7%
Guarantee Clause (Law 24310)	0	0	7	10	5	16	7	0	0,0%	0,0%
Royalties	208	173	210	210	237	266	326	346	41,3%	2,2%
Other Revenue	3	12	29	48	49	31	63	80	9,6%	12,6%
Current Expenditure	301	384	555	713	731	808	723	745	79,9%	86,3%
Personnel	180	254	354	480	481	474	418	430	46,1%	48,1%
Goods and Non Personnel Services	56	49	56	73	76	91	69	84	9,0%	10,5%
Debt Interest	11	10	6	9	25	17	36	17	1,8%	3,2%
Transfers	54	72	138	150	149	225	200	215	23,0%	24,4%
Current Savings	84	25	18	-108	-33	-96	61	91		
Capital Revenue	6	28	8	8	8	58	17	15		
Capital Expenditure	196	129	116	170	197	242	186	187	20,1%	13,7%
Balance before Contributions	-106	-75	-90	-271	-222	-279	-108	-81		
Contributions (Aportes)	65	51	42	59	74	123	108	106		
Non Refundable Contributions	2	3	10	24	32	90	61	69		
Refundable Contributions	63	48	32	35	42	34	47	37		
Total Revenue plus Contributions	456	489	622	672	779	894	910	957		
Total Expenditure	497	513	671	883	928	1.050	909	932	100,0%	100,0%
Financing Gap	41	24	48	211	149	156	-1	-25		



NEUQUEN

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	3.6%	2.0%	3.7%
Int.+Debt Amort./Cur. Rev.	9.8%	11.1%	13.5%
Total Debt/GRP	19.8%	5.7%	5.1%

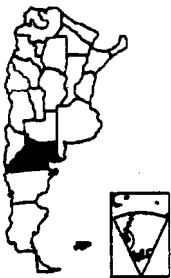
Quarterly Pledged in 1998 - Estimated					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	36,1%	36,1%	24,1%	24,1%	29,5%
International Institutions	0,3%	0,3%	0,3%	0,3%	0,3%
Federal Government	0,0%	0,0%	0,0%	0,0%	0,0%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	37,0%	36,9%	24,9%	24,9%	30,3%

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	155	100,0%	153	100,0%	173	100,0%	194	100,0%
Pledged revenues	121	77,9%	47	30,8%	41	23,5%	59	30,3%
Federal Council of Investments (CFI)	1	0,5%	1	0,6%	1	0,5%	1	0,6%
Federal Government	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Private Banks and Financial Institutions	115	74,2%	41	27,1%	38	21,9%	57	29,5%
Banco Nación	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	5	3,2%	5	3,1%	2	1,1%	1	0,3%
			0	0,0%	0	0,0%	0	0,0%
Net Tax sharing received	34	22,1%	106	69,2%	133	76,5%	135	69,7%

VI) CONCLUSIONS

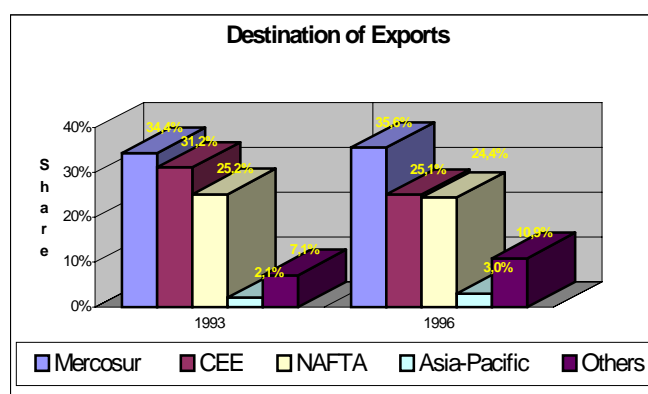
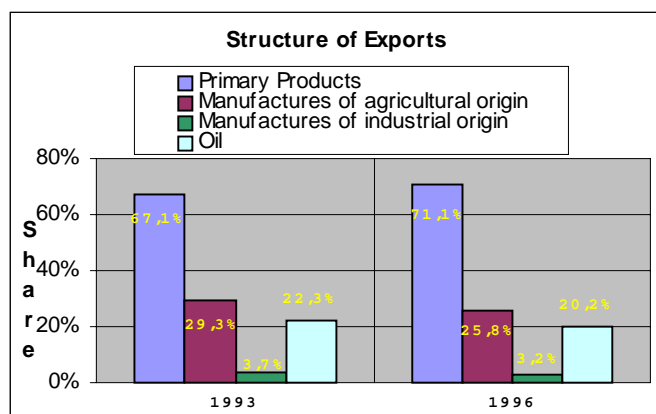
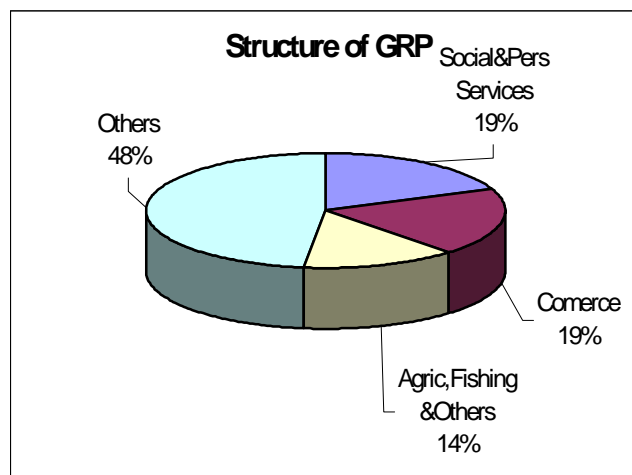
- Another sample of better present than past conditions. Social tensions still not resolved.
- Public finances show surpluses in 1996 and 1997. Fiscal stance ranks A.
- Though budget is in surplus, public debt has been rising both in 1996 and 1997 and requires to take fiscal numbers with a grain of salt. Debt level is not dangerous and ranks a soft B.
- Federal tax pledges also ranks B.
- Oil and gas provide a regular stream of royalties that has been steadily increasing and responds for more than 40% of current revenue. Fiscal situation heavily relies on royalties trend.
- Local authorities have made important cuts in the wage payroll and in capital expenditure after the tequila crisis.
- Privatization is still pending in Neuquen - with very few advances as the sale of the provincial airline. Deregulation results have been mixed to say the most and no further moves are envisaged.

RIO NEGRO

	I) GEOGRAPHICAL DATA		
	Capital city: Viedma (57,473 inhabitants in 1991)		
	Area: 203,013 km ² (5.4% of Argentina)		
	Population: 0.5 million (1.5% of Argentina's total population).		
	Topography: The province, with a slightly undulated plain is in the Pampa region, numerous rivers crossing all over the province are the main geographical features.		
	Location: Santa Fe, located in the Pampa Region, is bounded by Corrientes and Entre Rios to the east, Chaco to the North, Cordoba and Santiago del Estero to the west and Buenos Aires to the South.		
	II) POLITICAL DATA		
	Governor: Dr.D. Pablo Verani (exp. by Oct-1999)		
	Vice Governor: Dr.D. Bautista Mendioroz (exp. by Oct-1999)		
	Ruling Party: UCR- Union Civica Radical		
Provincial Legislature:		Congress	Senate
		PJ	46.5%
		UCR	48.8%
		FREPASO	2.4%
		OTHERS	2.3%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Rio Negro shares with Neuquen the fertile Alto Valle region with its strong agricultural base and broad agriprocessing activities. Rio Negro is the number one producer of apples (with a national share of 70%) and pears (67%). Local and international markets are supplied with raw and processed fruit (and fruit juice) from the western area of Rio Negro by a host of small and medium size firms, most of them heavily debt burdened. There's also an infant wine industry that is developing with emphasis on fine wines from what they call as the "cold region" and it is gaining fast customer acceptance. Food and Drinks companies account for almost 63% of provincial gross industrial product followed at a distance by Chemical Products with just 7%. Mining used to be an important activity in the past but iron ore mines in Sierra Grande have closed. Oil and gas tasks are also on a declining trend due to lack of new reserves. Gas production decreased by 23% and oil by almost 6% between 1993 and 1996. Oil retains just a 4,2% portion of national production. On the other side tourism is booming in Bariloche with its revamped ski tracks and all season attractions.

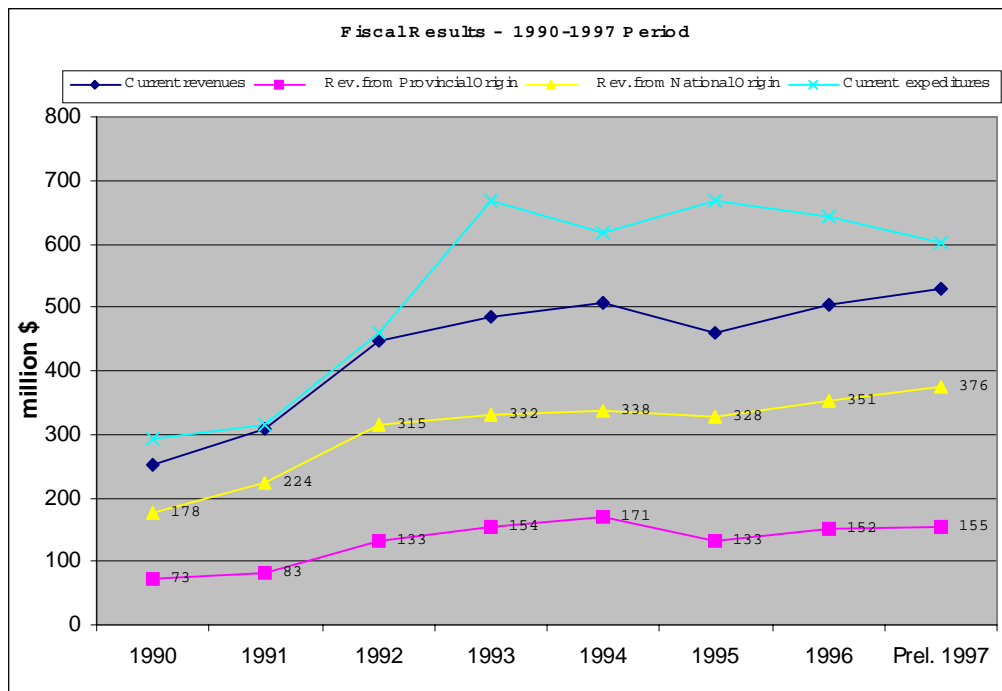


Basic Indicators and their evolution	Rio Negro		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	2,998	4,462	315,090
Real GRP (thousands of 1986 \$)	170	193	13,671
Real per capita GRP 1991=100	100	99	116
Population (thousands)	507	583	35,671
Exports (millions of current \$)	190	429	25,515
Unemployment rate (%)	4.2	5.8	14.0
Infant mortality rate (for 1000 born alive)	24.1	13.4	19.5
Illiterate population (%) (1991 Census)	5.6		3.7
Monthly Average Public Worker Comp (\$)	637	1040	996

RIO NEGRO

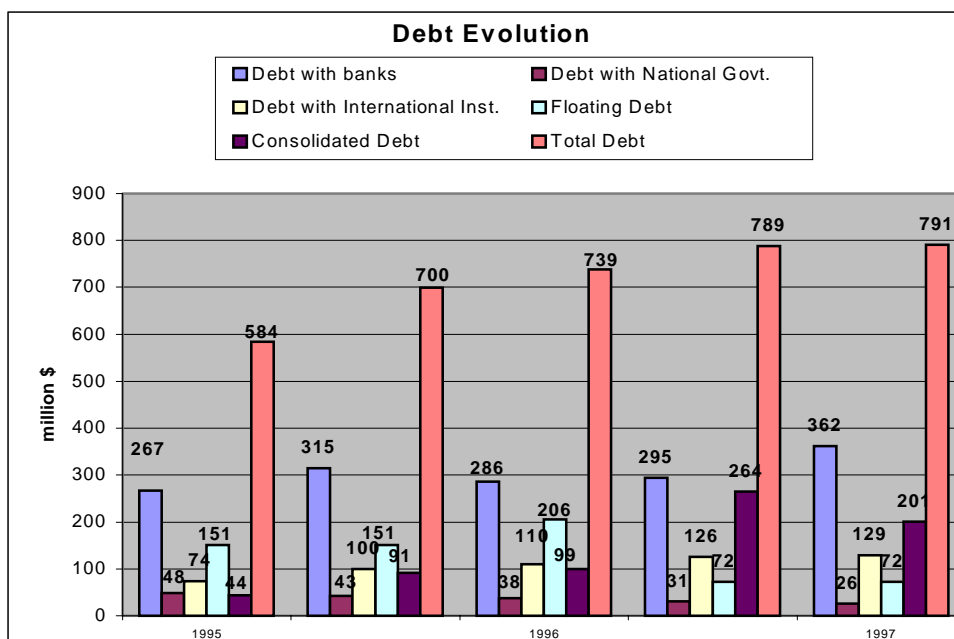
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	251	308	448	486	508	461	504	531	100,0%	100,0%
From Provincial Origin	73	83	133	154	171	133	152	155	29,1%	44,0%
From National Origin	178	224	315	332	338	328	351	376	70,9%	56,0%
Federal Tax Sharing	118	169	235	235	243	263	247	278	52,3%	41,1%
Net Tax Sharing	118	169	211	205	222	226	222	263	49,5%	36,4%
Linked to Services Transfers	0	0	13	15	15	15	15	15	2,8%	4,7%
Guarantee Clause (Law 24310)	0	0	11	15	7	23	11	0	0,0%	0,0%
Royalties	53	38	48	44	39	36	32	27	5,2%	2,2%
Other Revenue	7	18	32	53	56	29	71	71	13,4%	12,6%
Current Expenditure	294	316	459	668	617	668	643	602	87,8%	86,3%
Personnel	212	223	308	392	438	437	392	377	55,0%	48,1%
Goods and Non Personnel Services	30	33	52	64	67	61	68	60	8,8%	10,5%
Debt Interest	1	1	16	62	7	35	44	47	6,9%	3,2%
Transfers	51	60	83	150	104	134	138	118	17,2%	24,4%
Current Savings	-43	-8	-11	-183	-109	-207	-139	-71		
Capital Revenue	0	1	1	8	7	6	6	6		
Capital Expenditure	145	72	88	211	148	109	123	84	12,2%	13,7%
Balance before Contributions	-187	-80	-98	-385	-250	-310	-257	-149		
Contributions (Aportes)	111	46	48	54	81	74	83	71		
Non Refundable Contributions	6	7	13	16	39	39	39	30		
Refundable Contributions	105	39	34	38	42	35	44	41		
Total Revenue plus Contributions	362	354	497	548	597	541	593	607		
Total Expenditure	438	389	547	880	765	777	766	686	100,0%	100,0%
Financing Gap	77	34	50	332	169	236	174	78		



RIO NEGRO

DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	1.4%	8.9%	3.7%
Int.+Debt Amort./Cur. Rev.	3.8%	27.0%	13.5%
Total Debt/GRP	13.1%	17.7%	5.1%

Quarterly Pledged in 1998 – Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	61,2%	61,2%	61,2%	61,2%	61,2%
International Institutions	0,1%	0,1%	0,1%	0,0%	0,1%
Federal Government	35,2%	33,9%	29,2%	32,7%	32,7%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	97,0%	95,7%	91,0%	94,5%	94,5%


*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	226	100,0%	222	100,0%	263	100,0%	284	100,0%
Pledged revenues	177	78,6%	201	90,5%	226	86,2%	269	94,5%
Federal Council of Investments (CFI)	1	0,5%	1	0,5%	1	0,5%	2	0,6%
Federal Government	49	21,7%	58	26,1%	86	32,7%	93	32,7%
Private Banks and Financial Institutions	115	51,0%	133	60,0%	122	46,4%	174	61,2%
Banco Nación	7	2,9%	2	1,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	6	2,4%	6	2,8%	17	6,5%	0	0,1%
Net Tax sharing received	48	21,4%	21	9,5%	36	13,8%	16	5,5%

VI) CONCLUSIONS

- Rio Negro carries the weight of a heavy inheritance and shows how difficult it is to turn the corner after years of fiscal laxitude and debt accumulation. Political mess was another trouble ingredient.
- Management has improved but overall situation is still driven by the constraints imposed by a heavy past burden.
- Fiscal deficit peaked in 1993 at almost 9% of GRP. Now it has been reduced to just 1,7%. Ranks C.
- Debt level increased more than 200 million pesos to 790,6 million at the end of 1997. At 17,7% of GRP it ranks C.
- Local taxes remain stable at the same peso level than in 1993. Contributions (Aportes) have fluctuated in the same manner. Rio Negro is a traditional UCR district. All revenue increase is related to Federal Tax sharing. But this is not enough to explain the magnitude of fiscal improvement.
- Spending cuts have been impressive. Preliminary 1997 figures show a 10% decrease in current expenditure relative to peak in 1993.
- Capital expenditure has been reduced to just 40% 1993 level.
- Anyway , past burden shows in federal tax pledges. They are the highest for any province and will reach almost 95% in 1998. Ranks D.
- Under fiscal stress, the province has been a seller of a vast bunch of public enterprises built with enthusiasm less than a decade ago (for some of those where no buyer was found - like the airlines- activities were discontinued). Provincial bank has been transferred.

SALTA



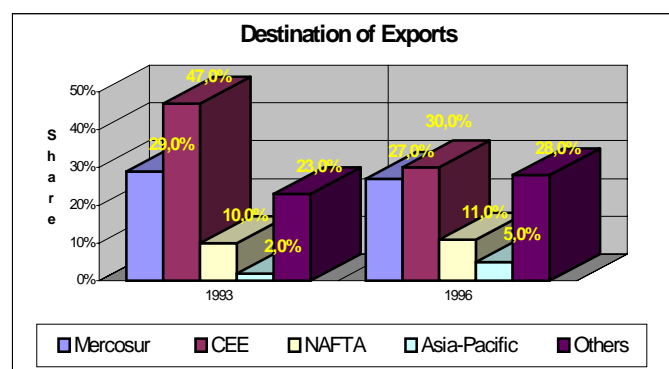
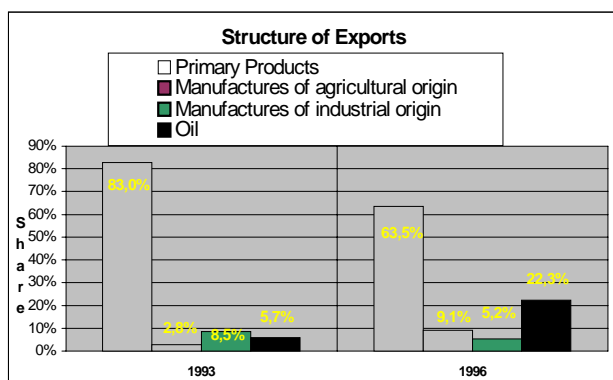
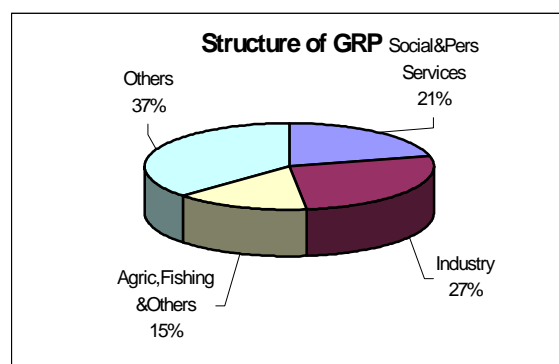
I) GEOGRAPHICAL DATA			
Capital city:		Salta (370,904 inhabitants in 1991)	
Area:		155,488 km ² (4.14% of Argentina)	
Population:		0.87 million (2.67% of Argentina's total population).	
Topography:		The western part of the province is mainly mountainous (the Andes Range), while the eastern plains is crossed by hillocks.	
Location:		Salta is located in the Northwestern region of the country. It is bounded by Bolivia and the province of Jujuy to the North, Formosa and Chaco to the East, Santiago del Estero, Tucumán and Catamarca to the South and Chile to the West.	
II) POLITICAL DATA			
Governor:		Dr. Juan Carlos Romero (exp. by Oct-1999)	
Vice Governor:		Dr. Walter Raul Wayar (exp. by Oct-1999)	
Ruling Party:		PJ (Partido Justicialista)	
Provincial Legislature:		Congress	Senate
		PJ	28.57%
		UCR	8.16%
		FREPASO	0.00%
		OTHERS	63.26%
			84.00%
			0.00%
			0.00%
			16.00%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Salta economy depends to a large extent on **hydrocarbons and agriculture**, particularly beans, sugar, tobacco bananas and grapefruits are main agricultural crops. Principal sectors of the provincial economy are comprised of community, social and personal services, including medical care and education; manufacturing, mining principally hydrocarbons.

Its GRP contributes with 1.06% of Argentina's GDP (1995), and has grown between 1991 and 1997 at an annual rate of 0.8%.

The province is the **13rd largest exporter**. Its exports have increased by approximately 106% from U\$S 176 million in 1993 to U\$S 388 million in 1997 as a result of competitive advantages within the province and exports to Mercosur signatory countries (48 % of total exports in 1996). **The European Community** accounted for approximately **30% of total exports** and Mercosur the 27% of them in 1996.

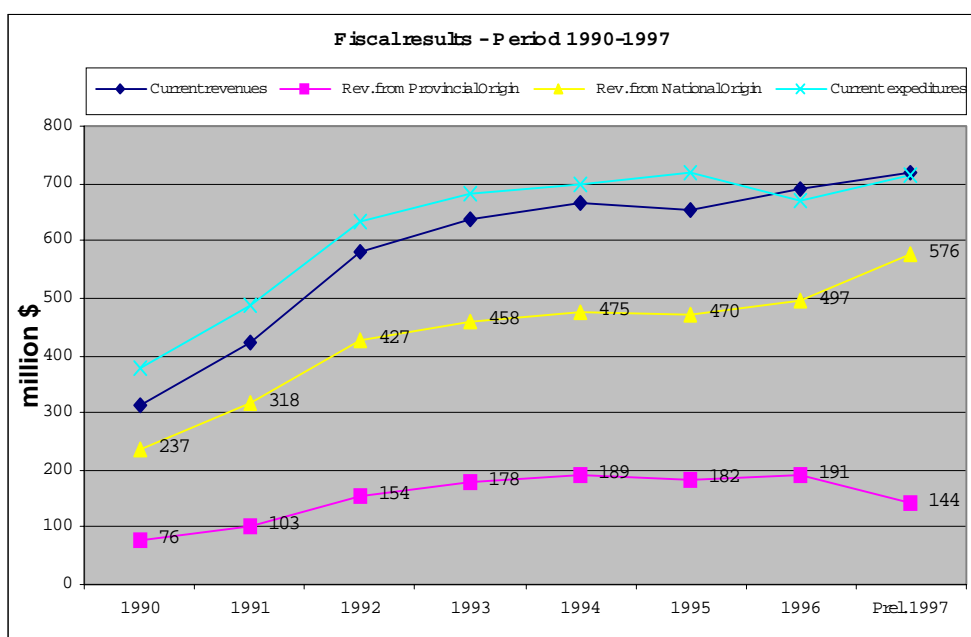


Basic Indicators and their evolution	Salta		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	2,984	4,458	315,090
Real GRP (thousands of 1986 \$)	169	180	13,671
Real per capita GRP 1991=100	100	92	116
Population (thousands)	866	1,001	35,671
Exports (millions of current \$)	211	388	25,515
Unemployment rate (%)	5.5	15.1	14.0
Infant mortality rate (for 1000 born alive)	32.9	22.6	19.5
Illiterate population (%) (1991 Census)	6.7		3.7
Monthly Average Public Worker Comp (\$)	634	858	996

SALTA

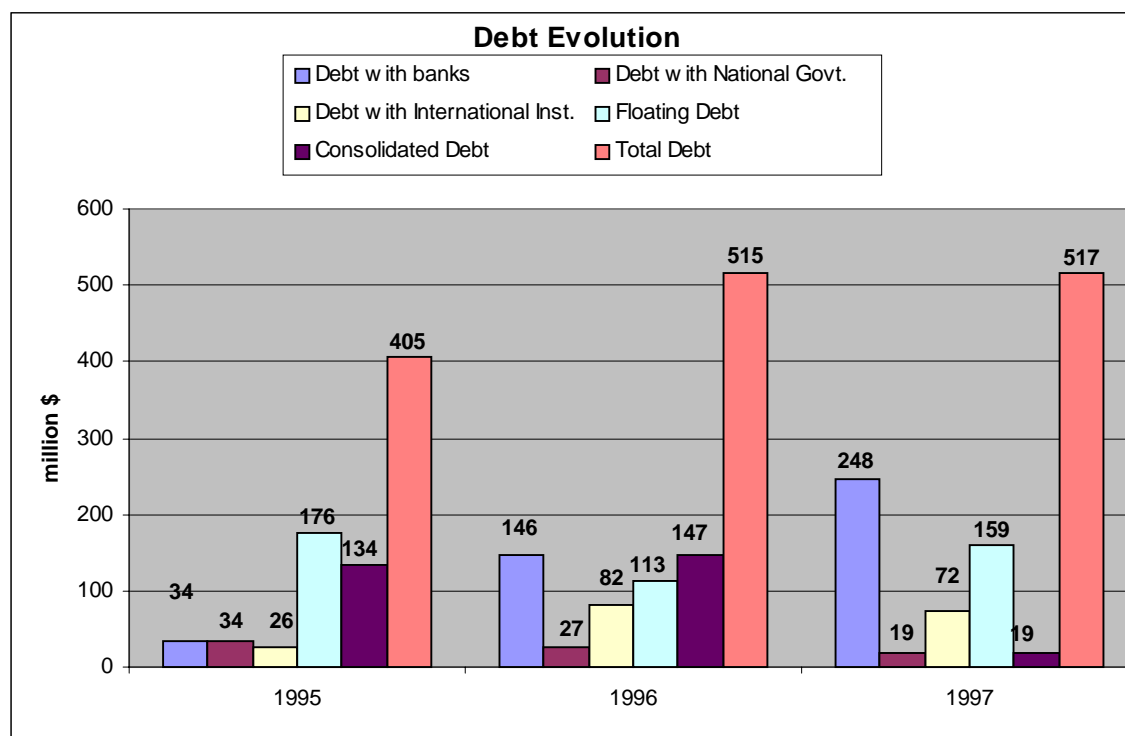
IV) FISCAL SITUATION

(million \$)										
Concept	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997 %	Avg %
Current Revenue	314	421	581	636	665	652	689	720	100,0%	100,0%
From Provincial Origin	76	103	154	178	189	182	191	144	20,0%	44,0%
From National Origin	237	318	427	458	475	470	497	576	80,0%	56,0%
Federal Tax Sharing	179	258	369	376	387	418	394	424	58,8%	41,1%
Net Tax Sharing	179	258	321	311	337	343	338	384	53,3%	36,4%
Linked to Services Transfers			32	40	40	40	40	40	5,5%	4,7%
Guarantee Clause (Law 24310)			16	26	10	35	16	0	0,0%	0,0%
Royalties	25	16	15	16	18	21	25	29	4,0%	2,2%
Other Revenue	33	44	42	66	70	31	79	123	17,1%	12,6%
Current Expenditure	379	486	634	683	699	719	670	713	85,0%	86,3%
Personnel	280	327	440	464	485	505	459	458	64,3%	48,1%
Goods and Non Personnel Services	46	57	71	81	89	92	84	87	12,3%	10,5%
Debt Interest	0	18	7	7	6	12	22	25	3,5%	3,2%
Transfers	53	85	117	131	119	110	106	142	19,9%	24,4%
Current Savings	-65	-66	-53	-47	-34	-67	19	7		
Capital Revenue	2	4	6	9	6	6	6	7		
Capital Expenditure	40	66	58	75	97	122	95	126	15,0%	13,7%
Balance before Contributions	-103	-127	-106	-112	-125	-183	-71	-113		
Contributions (Aportes)	35	37	51	83	72	65	83	72		
Non Refundable Contributions	6	8	8	48	35	34	40	35		
Refundable Contributions	29	29	43	35	37	31	43	37		
Total Revenue plus Contributions	351	462	638	728	743	722	778	799		
Total Expenditure	419	553	693	758	796	840	765	840	100,0%	100,0%
Financing Gap	68	90	55	29	53	118	-13	40		



SALTA

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.8%	2.5%	3.7%
Int.+Debt Amort./Cur. Rev.	6.5%	9.5%	13.5%
Total Debt/GRP	11.8%	10.7%	5.1%

Quarterly Pledged in 1998 – Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	35,1%	35,8%	35,8%	35,8%	35,6%
International Institutions	1,9%	0,0%	1,7%	4,9%	2,1%
Federal Government	30,9%	33,1%	28,5%	31,9%	31,1%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	68,4%	69,4%	66,5%	73,1%	69,3%

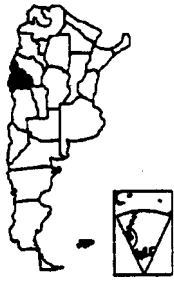
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	343	100,0%	338	100,0%	384	100,0%	429	100,0%
Pledged revenues	99	29,0%	165	48,9%	188	49,1%	297	69,3%
Federal Council of Investments (CFI)	2	0,5%	2	0,6%	2	0,6%	2	0,6%
Federal Government	51	14,7%	104	30,9%	106	27,6%	133	31,1%
Private Banks and Financial Institutions	32	9,4%	35	10,3%	70	18,2%	155	36,1%
Banco Nación	14	3,9%	21	6,2%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	3	0,9%	5	1,6%	13	3,3%	9	2,1%
Net Tax sharing received	243	71,0%	173	51,1%	196	50,9%	132	30,7%

VI) CONCLUSIONS

- A middle of the road case. Lacks political will to fix fiscal issues.
- Debt level and fiscal deficit, both, rank C. Debt level seems to have stabilized at 11% GRP.
- High tax pledges - ranks D - but trend is the opposite to the usual one: less federal taxes will be used as collateral in 1998 than in previous years.
- Signs of better fiscal results arise from increase in national taxes. Revenue from provincial origin has actually declined from tequila level.
- Personnel expenses have been curtailed but still account for 64% of current expenses and that is way up the provincial average (48%).
- The province has managed to earn a small current savings surplus during the last two years but when the capital program is plugged in an overall deficit arises that cannot be funded by national contributions.
- Salta complies with most of the requisites of the Fiscal Agreement.
- Most of provincial enterprises have been privatized (as the provincial bank and the electricity company) or are under the final steps of the transfer process.

SAN JUAN

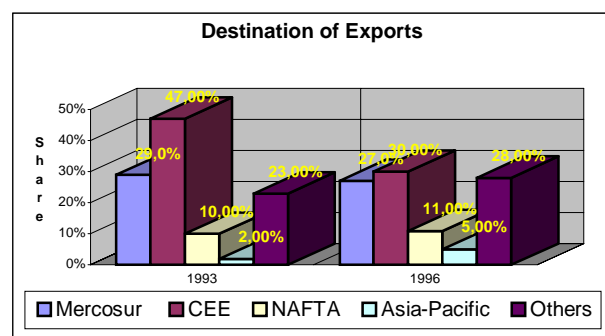
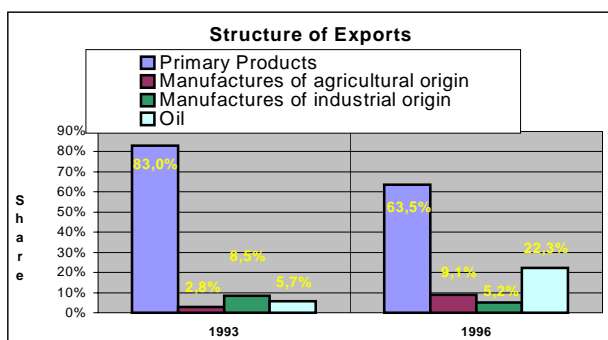
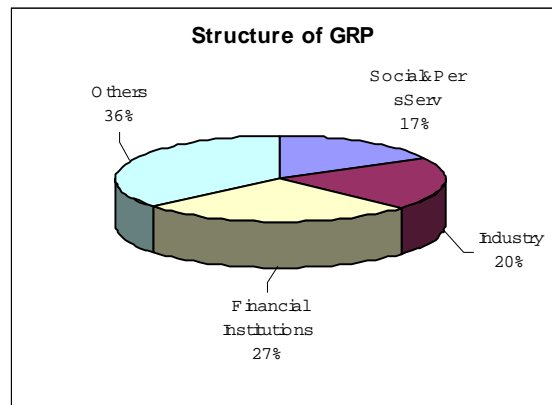


I) GEOGRAPHICAL DATA			
Capital city:		San Juan (352,691 nhabitants in 1991)	
Area:		89,651 km ² (2.4% of Argentina)	
Population:		0.52 million (1.6% of Argentina's total population).	
Topography:		This mountainous province, has several peaks in its territory (such as Cerro Mercedario 6,770 mts high). The arid terrain, where irrigation is required in order to develop any agricultural activity, is crossed by the San Juan and Bermejo rivers that form fertile valleys on their sides	
Location:		San Juan, located in the Cuyo region at the west of the country, leaning on the Andes range; is bounded by Chile to the west, the province of La Rioja to the north and east, the province of Mendoza and La Pamptho the south..	
II) POLITICAL DATA			
Governor:		Dr. Jorge A. Escobar (exp. by Oct-1999)	
Vice Governor:		Dr. Rogelio Cerdera (exp. by Oct-1999)	
Ruling Party:		PJ (Partido Justicialista)	
Provincial Legislature:		Congress	Senate
		PJ	60.00%
		UCR	9.01%
		FREPASO	0.00%
		OTHERS	30.99%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

San Juan's economy depends to a large extent on **agriculture and related industries**, particularly the production of wine and grape. Principal sectors of the provincial economy are comprised of community, social and personal services, including medical care and, education; manufacturing of agroindustrial products and agricultural products. But the sector with the major growing is the mining. **Its GRP contributes with 1.03% of Argentina's GDP (1997)**, and has grown between 1991 and 1997 at an annual rate of 4.84%.

The province is the 21st **largest exporter**. Its exports have increased by approximately 336% from US\$ 27.3 million in 1993 to US\$ 118.9 million in 1997 as a result of competitive advantages within the province and exports to Mercosur signatory countries (32 % of total exports in 1996).

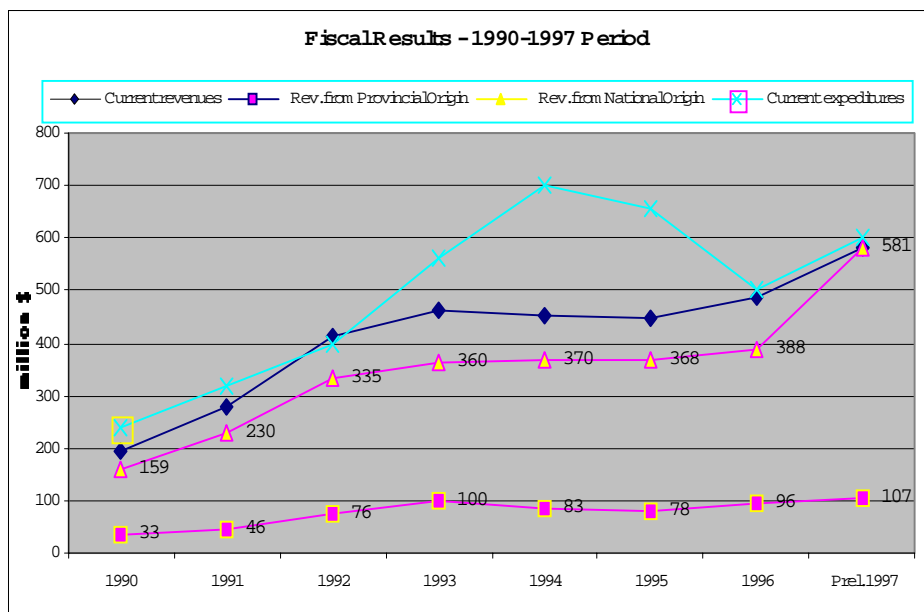


Basic Indicators and their evolution	San Juan		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	1,790	3,311	315,090
Real GRP (thousands of 1986 \$)	102	135	13,671
Real per capita GRP 1991=100	100	130	120
Population (thousands)	529	565	35,671
Exports (millions of current \$)	33	110	25,515
Unemployment rate (%)	9.0	10.1	14,0
Infant mortality rate (for 1000 born alive)	24.6	20.5	19,5
Illiterate population (%) (1991 Census)	4.3		3.7
Monthly Average Public Worker Comp (\$)	651	903	996

SAN JUAN

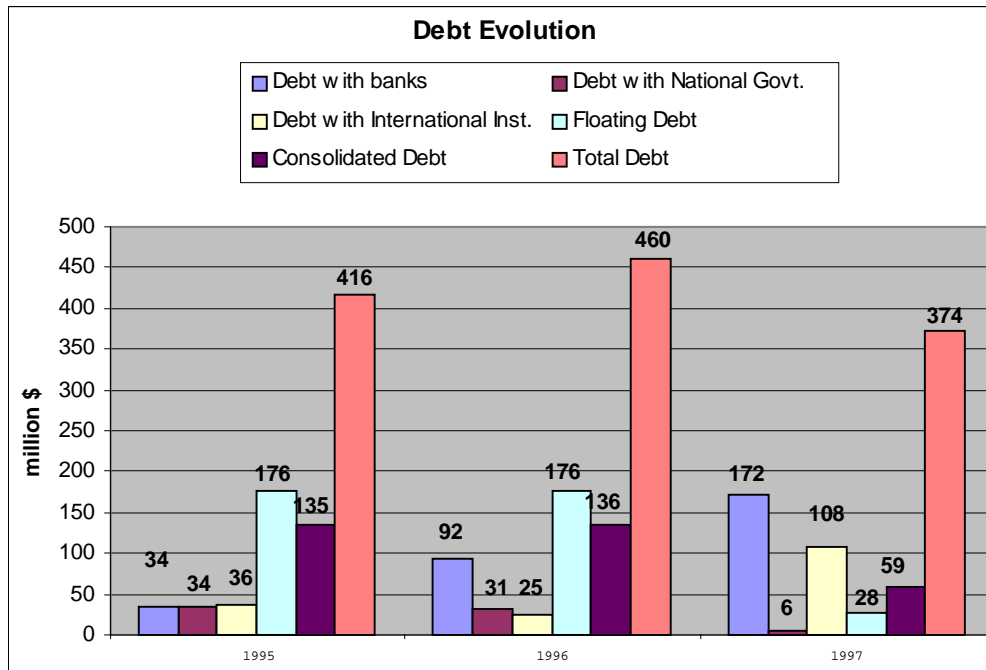
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	192	276	412	461	453	446	485	581	100%	100,0%
From Provincial Origin	33	46	76	100	83	78	96	107	18,3%	44,0%
From National Origin	159	230	335	360	370	368	388	581	100,0%	56,0%
Federal Tax Sharing	158	227	323	327	336	365	342	369	63,5%	41,1%
Net Tax Sharing	158	227	283	274	297	304	298	339	58,3%	36,4%
Linked to Services	0	0	26	31	30	30	30	30	5,2%	4,7%
Transfers										
Guarantee Clause (Law 24310)	0	0	14	23	9	31	14	0	0,0%	0,0%
Royalties	0	1	1	2	0	2	1	0	0,0%	2,2%
Other Revenue	0	2	11	32	33	1	45	212	36,5%	12,6%
Current Expenditure	238	317	400	560	698	654	501	600	83,2%	86,3%
Personnel	126	183	249	349	438	426	317	347	48,2%	48,1%
Goods and Non Personnel Services	31	28	44	55	61	37	51	66	9,2%	10,5%
Debt Interest	0	2	2	6	5	14	13	28	3,8%	3,2%
Transfers	80	104	105	150	195	177	120	159	22,0%	24,4%
Current Savings	-46	-41	12	-99	-246	-208	-16	-19		
Capital Revenue	1	1	1	6	0	0	6	6		
Capital Expenditure	59	63	47	79	99	108	118	121	16,8%	13,7%
Balance before Contributions	-105	-104	-35	-171	-345	-316	-128	-135		
Contributions (Aportes)	40	40	39	56	72	69	77	90		
Non Refundable Contributions	9	15	20	25	38	41	41	57		
Refundable Contributions	32	25	19	31	34	28	36	33		
Total Revenue plus Contributions	233	317	451	523	525	515	568	677		
Total Expenditure	297	381	447	639	798	762	618	721	100,0%	100,0%
Financing Gap	64	63	-4	116	273	246	50	45		



SAN JUAN

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	1.1%	4.5%	3.7%
Int.+Debt Amort./Cur. Rev.	3.5%	9.9%	13.5%
Total Debt/GRP	16.5%	11.5%	5.1%

Quarterly Pledged in 1998 – Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	16.3%	16.3%	16.3%	16.3%	16.3%
International Institutions	3.4%	0.0%	3.0%	1.0%	1.8%
Federal Government	26.3%	28.2%	24.3%	27.2%	26.4%
Others	0.6%	0.6%	0.6%	0.6%	0.6%
Total	46.5%	45.0%	44.2%	45.0%	45.2%

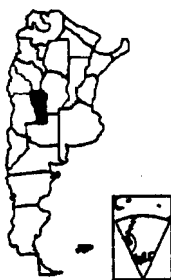
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	304	100,0%	298	100,0%	339	100,0%	378	100,0%
Pledged revenues	141	46,6%	116	39,1%	116	34,4%	171	45,2%
Federal Council of Investments (CFI)	2	0,5%	2	0,5%	2	0,6%	2	0,6%
Federal Government	79	26,1%	54	18,0%	81	23,9%	102	27,0%
Private Banks and Financial Institutions	13	4,2%	36	11,9%	32	9,6%	62	16,3%
Banco Nación	45	14,7%	27	9,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	5	1,6%	1	0,2%	3	0,9%	7	1,8%
Net Tax sharing received	162	53,4%	181	60,9%	222	65,6%	207	54,8%

VI) CONCLUSIONS

- Weak situation. But improving.
- Debt level ranks B with a peak in december 1996 at \$460 million. And a 18,7% decline one year later
- Fiscal deficit ranks C but absolute level is undoubtedly in a shrinking trend. After a huge imbalance in 1994 and 1995 public accounts made a U turn in 1996 due to a severe cut back in current expenditure.
- Tax pledges ranks C even though revenues from national origin have been growing consistently also.
- Current revenue is 18.3% covered by local taxes. Ranks B.
- National Contributions (Aportes) more than doubled relative to 1992 level.
- The province has signed the Fiscal Agreement, and partially complies it because San Juan has already privatized the provincial bank, and electricity company but the water supply and the casinos are still state owned.

SAN LUIS

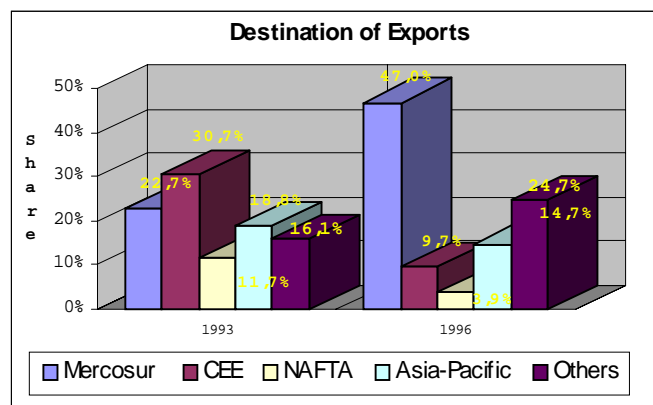
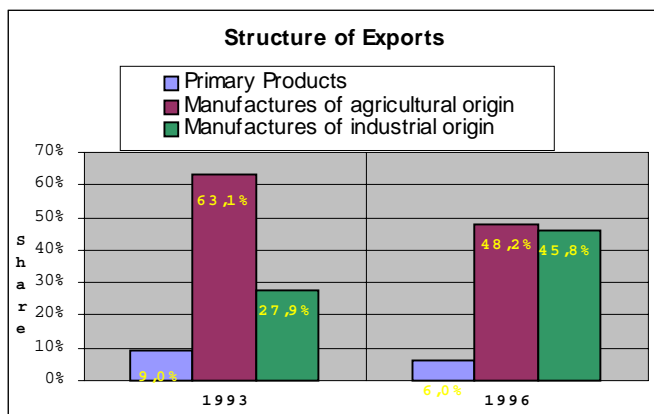
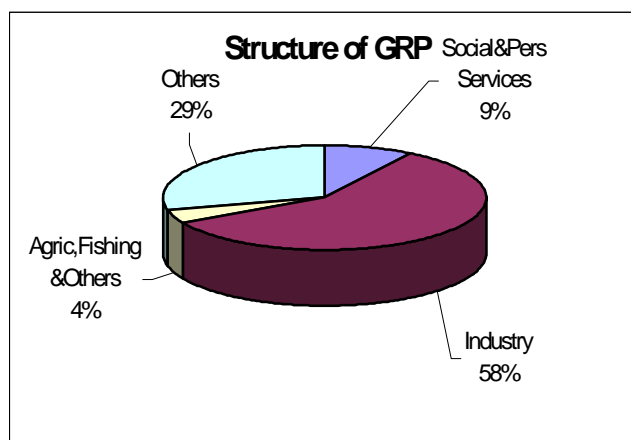


I) GEOGRAPHICAL DATA			
Capital city:		San Luis (110,136 inhabitants in 1991)	
Area:		76,748 km ² (2.0% of Argentina)	
Population:		0.2 million (0.1% of Argentina's total population).	
Topography:		San Luis has a predominantly tableland territory, mixing arid land type vegetation and some small forest.	
Location:		San Luis is located on the center region of the country. To the north it is bounded by the provinces of La Rioja, Córdoba and San Juan, to the east by the province of Cordoba, to the South by La Pampa and Mendoza to the west.	
II) POLITICAL DATA			
Governor:		Dr. D Adolfo Rodriguez Saa. (exp. by Oct-1999)	
Vice Governor:		Cont.. D.Mario Raul Merlo (exp. by Oct-1999)	
Ruling Party:		PJ –Partido Justicialista	
Provincial Legislature:		Congress	Senate
		PJ	58.3%
		UCR	33.4%
		FREPASO	0.0%
		OTHERS	8.3%
			44.4%
			22.2%
			0.0%
			33.3%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

San Luis enjoys visible benefits from industrial promotion: 58% of its GRP is explained by manufacturing. Under the umbrella of generous tax breaks several firms have moved their facilities to the province; their output accounts for 3,5% of gross industrial production in Argentina. Industrial activities are spread in a wide range of tasks. Though Food and Drinks establishments show a tight lead, their share (13,43%) is half the usual size in the country. That means a higher relative incidence of non agricultural based lines of production as Machinery and Equipment (12.41%), Metal products (12.09%) or Chemicals (9,93%). Textiles (10.91%) are important

Exports reflect such industrialized structure: primary products cover only 6% of exports. Shipments are almost equally divided between manufactures of agricultural and industrial origin, but, clearly, the later are the ones with the fastest rate of growth in the 90's.

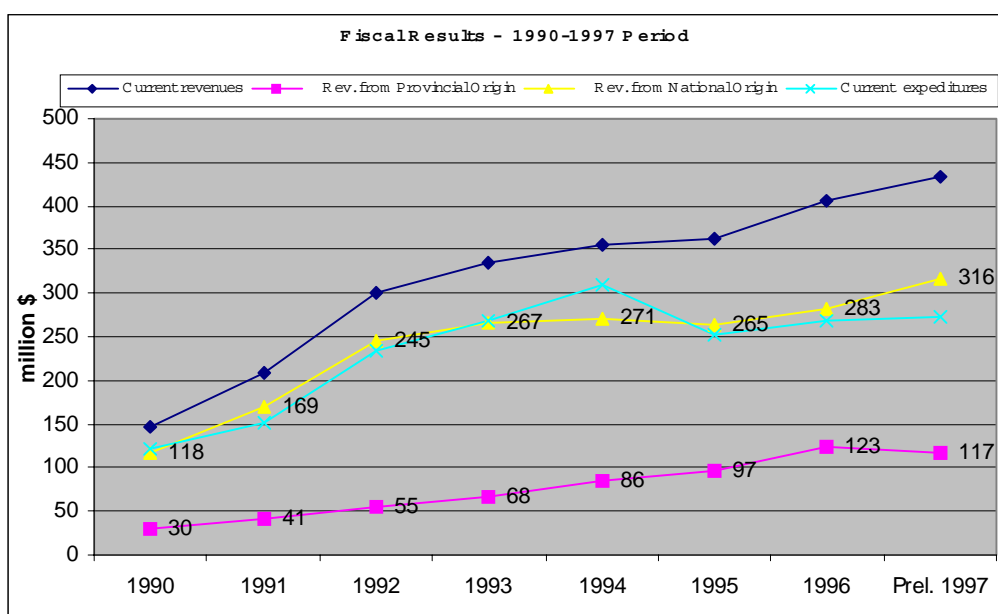


Basic Indicators and their evolution	San Luis		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	3,051	5,069	315,090
Real GRP (thousands of 1986 \$)	173	220	13,671
Real per capita GRP 1991=100	100	108	116
Population (thousands)	287	338	35,671
Exports (millions of current \$)	43	227	25,515
Unemployment rate (%)	5.4	11.7	14.0
Infant mortality rate (for 1000 born alive)	28.6	20.5	19.5
Illiterate population (%) (1991 Census)	4.3		3.7
Monthly Average Public Worker Comp (\$)	615	892	996

SAN LUIS

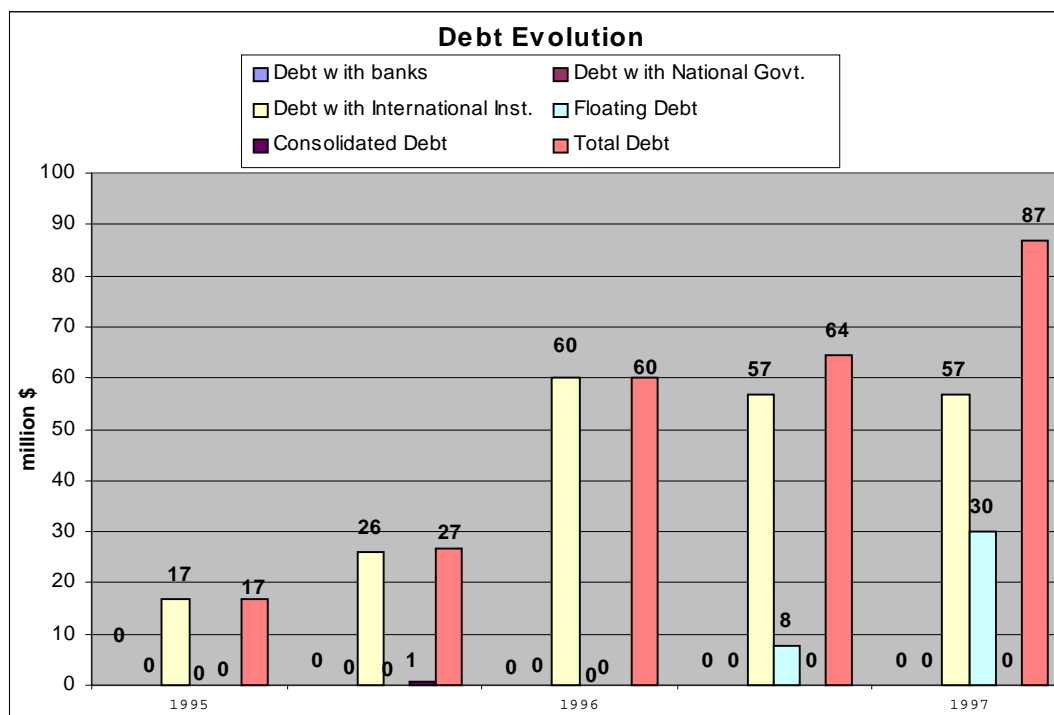
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	147	210	300	334	356	362	406	434	100,0%	100,0%
From Provincial Origin	30	41	55	68	86	97	123	117	27,0%	44,0%
From National Origin	118	169	245	267	271	265	283	316	73,0%	56,0%
Federal Tax Sharing	107	153	245	254	251	244	230	248	57,1%	41,1%
Net Tax Sharing	107	153	218	219	226	204	201	229	52,7%	36,4%
Linked to Services Transfers	0	0	17	19	19	19	19	19	4,4%	4,7%
Guarantee Clause (Law 24310)	0	0	10	15	6	21	10	0	0,0%	0,0%
Royalties	0	0	0	0	0	0	0	0	0,0%	2,2%
Other Revenue	11	15	0	13	20	21	53	69	15,9%	12,6%
Current Expenditure	123	152	235	268	310	253	267	273	71,1%	86,3%
Personnel	88	113	178	195	233	216	203	197	51,4%	48,1%
Goods and Non Personnel Services	13	16	15	18	18	17	19	28	7,2%	10,5%
Debt Interest	0	0	0	0	0	0	0	4	0,9%	3,2%
Transfers	22	23	42	55	59	21	45	44	11,5%	24,4%
Current Savings	25	58	65	66	46	109	139	161		
Capital Revenue	0	0	0	22	29	13	26	18		
Capital Expenditure	77	77	53	95	135	145	90	111	28,9%	13,7%
Balance before Contributions	-52	-18	13	-7	-60	-24	75	69		
Contributions (Aportes)	42	32	28	38	48	55	51	46		
Non Refundable Contributions	2	4	6	7	14	28	15	13		
Refundable Contributions	39	29	21	31	34	27	36	33		
Total Revenue plus Contributions	189	242	328	394	434	430	483	498		
Total Expenditure	200	228	287	363	445	398	357	383	100,0%	100,0%
Financing Gap	11	-14	-41	-31	12	-31	-126	-114		



SAN LUIS

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.0%	0.8%	3.7%
Int.+Debt Amort./Cur. Rev.	0.0%	0.8%	13.5%
Total Debt/GRP	2.3%	1.7%	5.1%

Quaterly Pledged in 1998 - Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	0,0%	0,0%	0,0%	0,0%	0,0%
International Institutions	3,2%	0,0%	2,8%	0,0%	1,5%
Federal Government	18,6%	20,4%	17,1%	19,7%	19,0%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	22,3%	21,0%	20,5%	20,2%	21,0%


*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	204	100,0%	201	100,0%	229	100,0%	254	100,0%
Pledged revenues	1	0,7%	2	0,8%	118	51,4%	53	21,0%
Federal Council of Investments (CFI)	1	0,5%	1	0,5%	1	0,5%	1	0,6%
Federal Government	0	0,0%	0	0,0%	80	35,1%	48	19,0%
Private Banks and Financial Institutions	0	0,0%	0	0,0%	33	14,4%	0	0,0%
Banco Nación	0	0,1%	0	0,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	0	0,0%	1	0,3%	3	1,4%	4	1,5%
Net Tax sharing received	203	99,3%	199	99,2%	111	48,6%	201	79,0%

VI) CONCLUSIONS

- One of the best pupils of the class. It ranks A in fiscal deficit, provincial public debt and pledges on resources of national origin.
- Its fiscal surplus has averaged 1% of GRP during the convertibility plan. Only one year has had positive financial needs since 1991. Capital expenditures double the national level and is one of the provinces with lowest relationship between current expense and total expenditures.
- The improvement in fiscal stance after the tequila effect is due to a very important decline in pledges which have experienced a sharp decreased between 1997 (51%) and our forecast for 1998 (21%). The question as usual with this situation is ¿how sustainable would it be?.
- On the real side, the GRP has grown very near the national level in last seven years but with a permanent increase in unemployment.

SANTA CRUZ

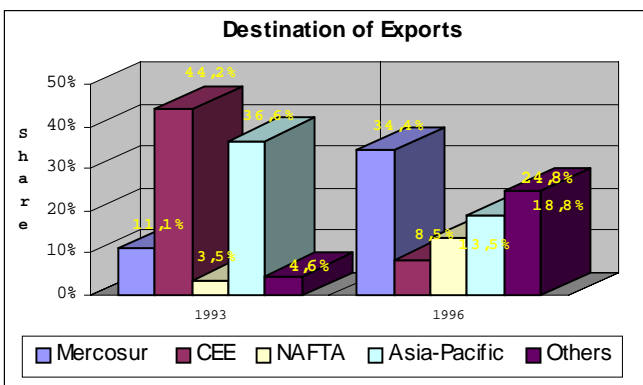
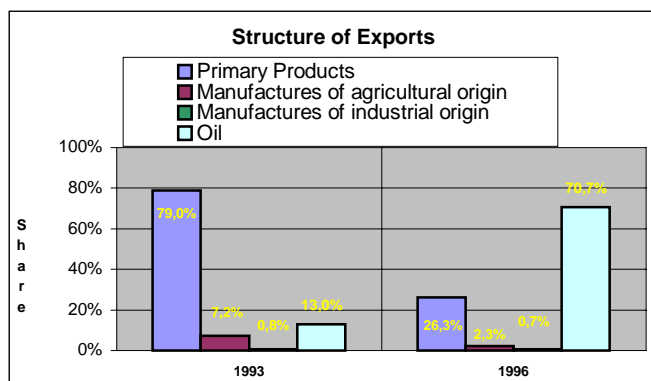
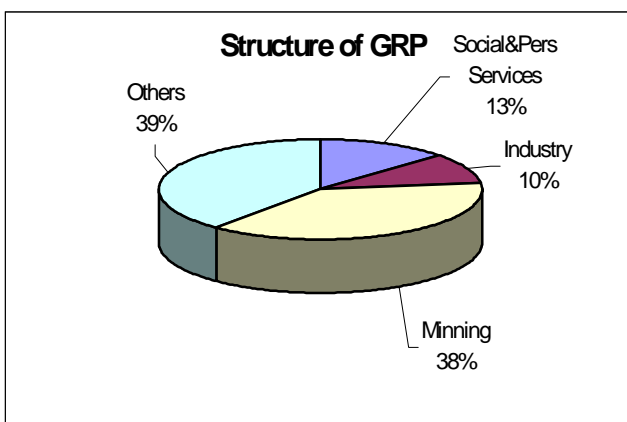


I) GEOGRAPHICAL DATA			
Capital city:		Rio Gallegos (64,640 inhabitants in 1991)	
Area:		243,943 km ² (6.48% of Argentina)	
Population:		0.2 million (0.1% of Argentina's total population).	
Topography:		Santa Cruz has a predominantly mountainous territory to the west, with arid land type vegetation in the center and a plain in the east.	
Location:		Santa Cruz is located at the Patagonia region of the country, leaning on the Andes Mountains. To the north it is bounded by the province of Chubut, to the east by the Atlantic Ocean, to the South by Chile and Tierra del Fuego and to the west by Chile	
II) POLITICAL DATA			
Governor:		Dr. D.Nestor C. Kirchner (exp. by Oct-1999)	
Vice Governor:		Sr. D.Eduardo Amorld (exp. by Oct-1999)	
Ruling Party:		PJ –Partido Justicialista	
Provincial Legislature:			
	PJ	53.8%	
	UCR	30.8%	
	FREPASO	7.7%	
	OTHERS	7.7%	
		Congress	Senate

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Santa Cruz hugely depends on oil, gas and mining. Sheep breeding - both for wool and meat- was severely hurt by mortality after the Hudson volcano erupted in the border with Chile. Sheep herds that exceeded 3,4 million in 1993 are slightly above 2 million now. Affected land prices dropped vertically and even huge ranches have been abandoned.

Mining also shows the two faces of fortune: coal mines are stagnating in Rio Turbio, a big new gold project is starting in Cerro La Vanguardia. Oil production followed a steadily increasing trend - 89% between 1993 and 1996 - and now represents a quarter of national output. Gas' share is lower (17%) but it has been growing at even a faster pace (135%). Tourism is expected to receive a boost when a new air station - capable to operate with huge fuselage aircraft-is inaugurated in the near future in Calafate in order to visit Glaciar Perito Moreno and other attractions in the province and nearby in Chile.

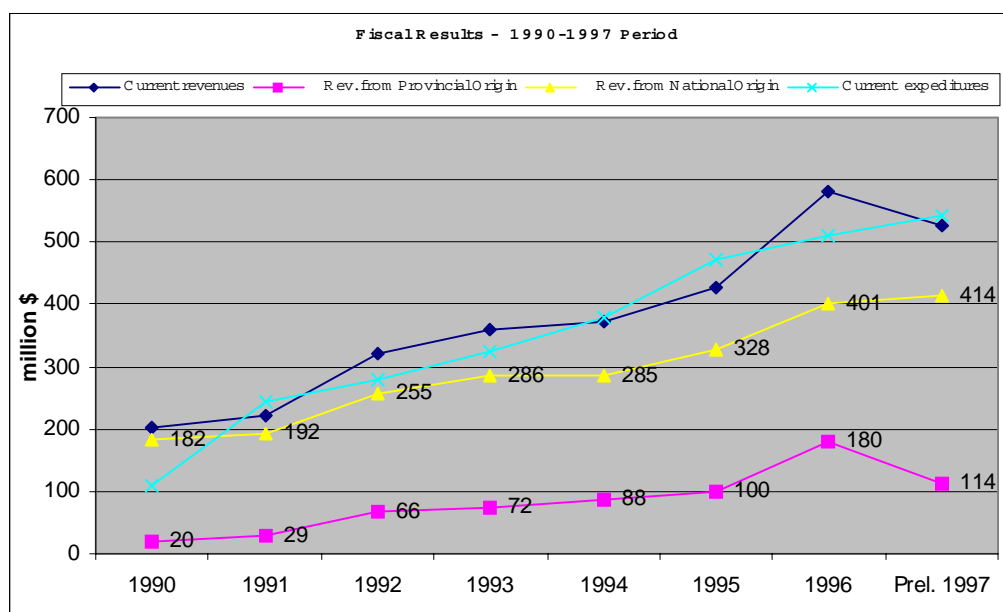


Basic Indicators and their evolution	Santa Cruz		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	1610	3214	315,090
Real GRP (thousands of 1986 \$)	91	140	13,671
Real per capita GRP 1991=100	100	128	116
Population (thousands)	160	191	35,671
Exports (millions of current \$)	203	1060	25,515
Unemployment rate (%)	3.8	4.6	14.0
Infant mortality rate (for 1000 born alive)	19.9	10.9	19.5
Illiterate population (%) (1991 Census)	2.2		3.7
Monthly Average Public Worker Comp (\$)	735	1255	996

SANTA CRUZ

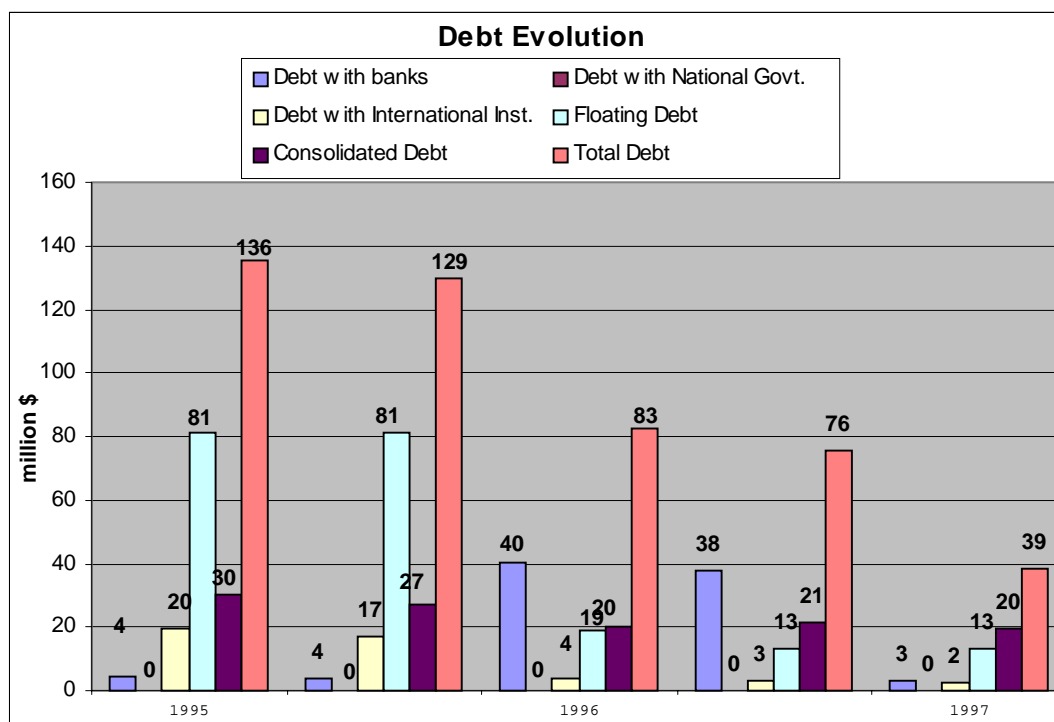
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	201	221	322	358	373	428	581	527	100,0%	100,0%
From Provincial Origin	20	29	66	72	88	100	180	114	21,5%	44,0%
From National Origin	182	192	255	286	285	328	401	414	78,5%	56,0%
Federal Tax Sharing	74	106	146	146	152	165	154	167	31,7%	41,1%
Net Tax Sharing	74	106	133	128	139	141	139	158	30,0%	36,4%
Linked to Services Transfers	0	0	7	9	9	9	9	9	1,6%	4,7%
Guarantee Clause (Law 24310)	0	0	7	10	4	15	7	0	0,0%	0,0%
Royalties	104	76	84	90	83	130	177	168	31,9%	2,2%
Other Revenue	3	10	26	50	51	34	70	78	14,9%	12,6%
Current Expenditure	109	244	279	325	379	474	510	543	84,7%	86,3%
Personnel	15	151	173	210	230	281	268	273	42,6%	48,1%
Goods and Non Personnel Services	15	17	19	21	25	24	29	37	5,8%	10,5%
Debt Interest	10	7	1	0	1	0	1	2	0,3%	3,2%
Transfers	70	69	86	93	124	169	212	231	36,1%	24,4%
Current Savings	92	-24	43	33	-6	-45	71	-16		
Capital Revenue	0	0	23	7	5	17	13	24		
Capital Expenditure	59	80	73	108	141	111	186	98	15,3%	13,7%
Balance before Contributions	33	-103	-8	-68	-141	-139	-102	-90		
Contributions (Aportes)	44	51	62	62	95	97	108	108		
Non Refundable Contributions	7	11	29	37	66	73	76	79		
Refundable Contributions	37	40	33	25	30	25	32	29		
Total Revenue plus Contributions	245	272	406	427	474	542	702	659		
Total Expenditure	168	324	352	432	520	584	696	641	100,0%	100,0%
Financing Gap	-77	52	-54	6	46	42	-5	-18		



SANTA CRUZ

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.1%	0.3%	3.7%
Int.+Debt Amort./Cur. Rev.	1.2%	2.4%	13.5%
Total Debt/GRP	25.3%	1.2%	5.1%

Quarterly Pledged in 1998 - Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	0,0%	0,0%	0,0%	0,0%	0,0%
International Institutions	0,4%	1,2%	0,0%	0,0%	0,4%
Federal Government	0,0%	0,0%	0,0%	0,0%	0,0%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	0,9%	1,7%	0,6%	0,6%	0,9%

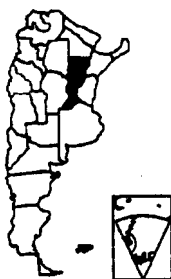
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	141	100,0%	139	100,0%	158	100,0%	177	100,0%
Pledged revenues	2	1,6%	3	2,4%	2	1,0%	2	0,9%
Federal Council of Investments (CFI)	1	0,5%	1	0,5%	1	0,5%	1	0,6%
Federal Government	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Private Banks and Financial Institutions	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Banco Nación	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	1	1,1%	3	1,8%	1	0,5%	1	0,4%
Net Tax sharing received	139	98,4%	136	97,6%	157	99,0%	175	99,1%

VI) CONCLUSIONS

- One of a few. Rock solid from a relative standpoint. It clearly shows the benefits derived from a responsible administration. Overall ranking is a solid A.
- Debt level is the lowest in the country. It stands 70% below its 1995 level as the province has been cancelling net debt. Ranks A.
- Fiscal Deficit ranks B but keep in mind that an excellent fiscal track record - and a light debt burden - now allows the government to be flexible.
- Royalties from oil and gas are a key resource. They account for more than a third of current revenues. But that's half the story. Proper use of them makes the other half and distinguishes Santa Cruz from other provinces.
- Taxes from provincial origin are low. Ranks B (relative to total expenditure) and even C (relative to current revenues) . It's an effect partially related to the high royalty stream and as such this indicator, in this case, is less relevant.
- Lack of financial distress has pros but also cons: Santa Cruz shows no hurry for privatization and still keeps the provincial bank in its hands.
- Hudson volcano eruption has deeply affected agriculture and sheep breeding. Ash levels have turned huge land extensions improductive. Unemployment rate shows no pick up suggesting migration out of the province.
- Governor Kirshner (and wife who is national senator for PJ) pushes for projection in the national political arena. That's a potential risk for public finance as experience has revealed in other districts.

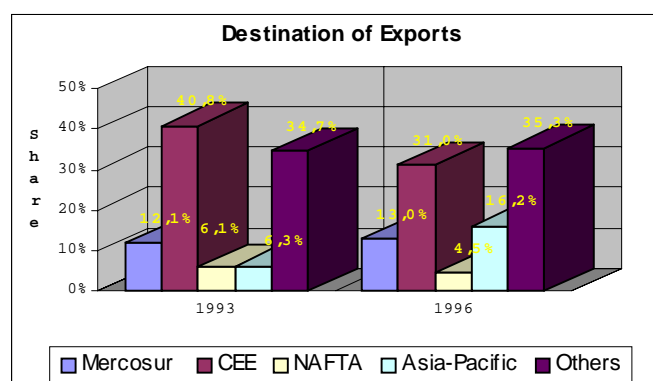
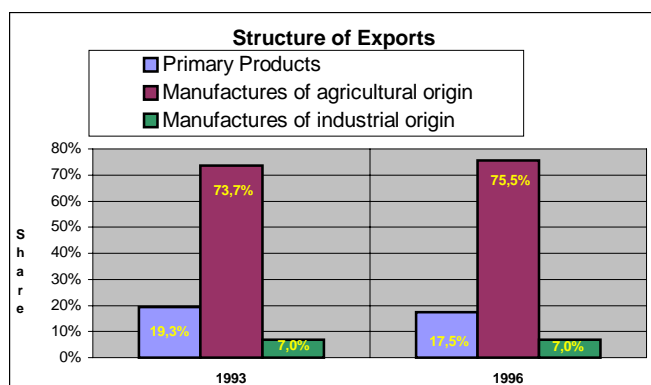
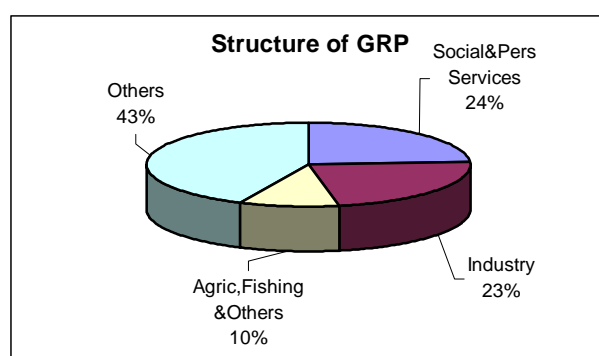
SANTA FE



I) GEOGRAPHICAL DATA			
Capital city:		Santa Fe (406,388 inhabitants in 1991)	
Area:		133,007 km ² (3.5% of Argentina)	
Population:		2.8 million (8.6% of Argentina's total population).	
Topography:		The province, with a slightly ondulated plain is in the Pampa region, numerous rivers crossing all over the province are the main geographical features.	
Location:		Santa Fe, located in the Pampa Region, is bounded by Corrientes and Entre Rios to the east, Chaco to the North, Cordoba and Santiago del Estero to the west and Buenos Aires to the South.	
II) POLITICAL DATA			
Governor:		Dr.D. Alberto Obeid (exp. by Oct-1999)	
Vice Governor:		Ing Gualberto Venesia (exp. by Oct-1999)	
Ruling Party:		PJ- Partido Justicialita	
Provincial Legislature:			
	PJ	Congress 32.0%	Senate 56.3%
	UCR	32.0%	31.3%
	FREPASO	4.0%	6.3%
	OTHERS	32.0%	6.4%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Santa Fe is one of the main Argentine provinces. It is home to the core of the soybean boom. 46% of all soybean harvested in Argentina comes from Santa Fe and an extensive net of soybean oil factories and ports have developed alongside the Parana river. This is mainly an export oriented complex. It also grows 22% of all corn and 15% of all wheat in the country. Cattle herds are bred both for meat and dairy produce all across the district. Santa Fe also hosts a wide array of industries ranging from machinery for agriculture tasks to pulp and paper, steel, petrochemicals and oil refining. Some of the best food companies are located here, also, taking advantage of plentiful local supplies. Urban population share and social indicators closely mirror the national averages.

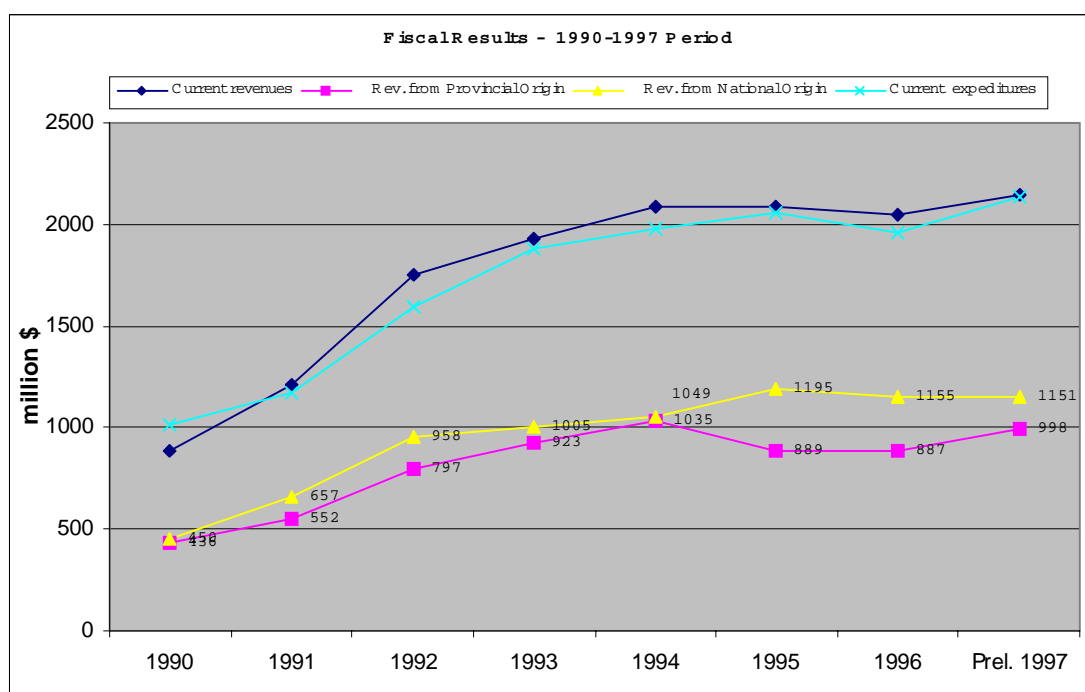


Basic Indicators and their evolution	Santa Fe		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	14,933	24,773	315,090
Real GRP (thousands of 1986 \$)	851	1,075	13,671
Real per capita GRP 1991=100	100	154	116
Population (thousands)	2798	3009	35,671
Exports (millions of current \$)	2503	4544	25,515
Unemployment rate (%)	9.7	14.7	14.0
Infant mortality rate (for 1000 born alive)	22.2	16.1	19.5
Illiterate population (%) (1991 Census)	3.7		3.7
Monthly Average Public Worker Comp (\$)	654	957	996

SANTA FE

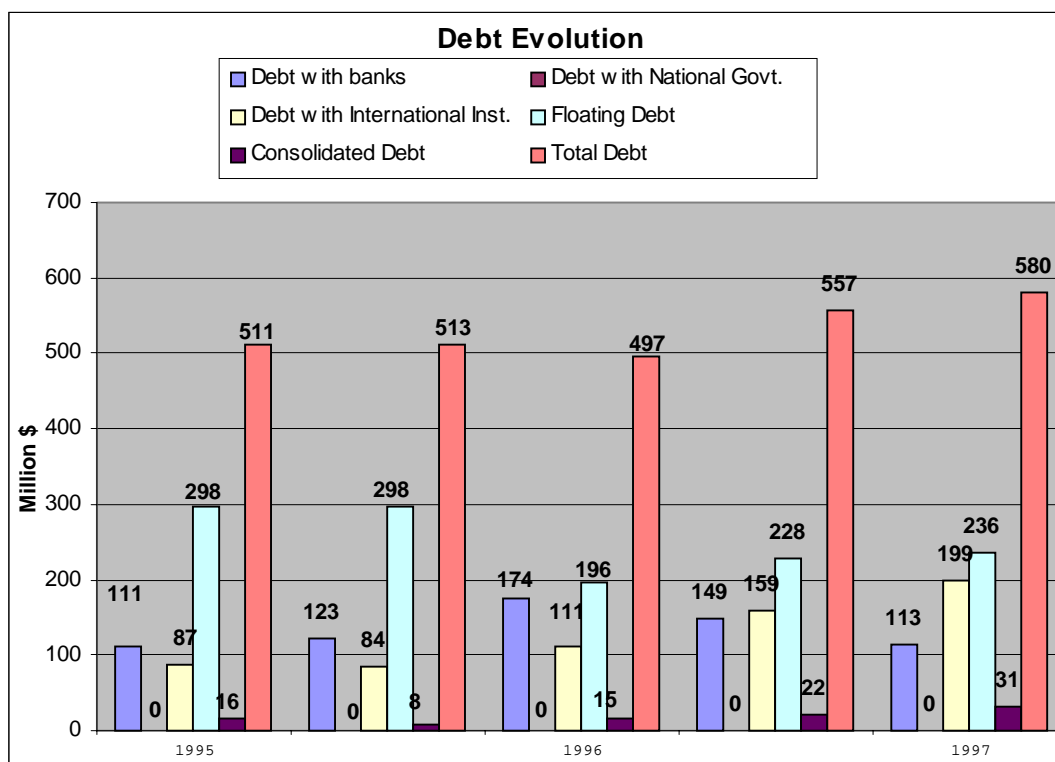
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	886	1.209	1.754	1.928	2.084	2.084	2.042	2.149	100,0%	100,0%
From Provincial Origin	436	552	797	923	1.035	889	887	998	46,5%	44,0%
From National Origin	450	657	958	1.005	1.049	1.195	1.155	1.151	53,5%	56,0%
Federal Tax Sharing	418	601	882	909	945	1.017	960	911	42,4%	41,1%
Net Tax Sharing	418	601	749	725	786	799	787	895	41,6%	36,4%
Linked to Services Transfers	0	0	95	124	135	135	135	16	0,7%	4,7%
Guarantee Clause (Law 24310)	0	0	38	60	24	82	38	0	0,0%	0,0%
Royalties	0	0	0	0	0	0	0	0	0,0%	2,2%
Other Revenue	31	56	76	96	104	178	195	240	11,2%	12,6%
Current Expenditure	1.018	1.167	1.593	1.882	1.979	2.059	1.959	2.139	90,5%	86,3%
Personnel	527	650	956	1.091	1.119	1.173	1.185	1.214	51,4%	48,1%
Goods and Non Personnel Services	87	120	126	153	173	170	146	162	6,9%	10,5%
Debt Interest	106	38	1	1	3	6	18	28	1,2%	3,2%
Transfers	298	359	510	637	683	710	611	735	31,1%	24,4%
Current Savings	-132	42	161	45	106	25	83	10		
Capital Revenue	3	8	11	19	15	20	21	25		
Capital Expenditure	108	117	93	134	220	229	213	223	9,5%	13,7%
Balance before Contributions	-238	-67	79	-70	-100	-184	-109	-188		
Contributions (Aportes)	104	58	65	99	98	92	78	160		
Non Refundable Contributions	22	17	26	51	49	48	22	101		
Refundable Contributions	82	41	39	47	48	43	56	59		
Total Revenue plus Contributions	993	1.275	1.830	2.045	2.196	2.196	2.141	2.335		
Total Expenditure	1.126	1.284	1.686	2.017	2.199	2.289	2.172	2.363	100,0%	100,0%
Financing Gap	133	10	-144	-28	2	93	31	28		



SANTA FE

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.2%	1.3%	3.7%
Int.+Debt Amort./Cur. Rev.	0.4%	3.1%	13.5%
Total Debt/GRP	2.9%	2.3%	5.1%

Quarterly Pledged in 1998 – Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	6,7%	3,3%	3,3%	3,3%	3,9%
International Institutions	2,5%	0,8%	2,3%	0,8%	1,4%
Federal Government	0,0%	0,0%	0,0%	0,0%	0,0%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	9,7%	4,7%	6,1%	4,7%	5,9%

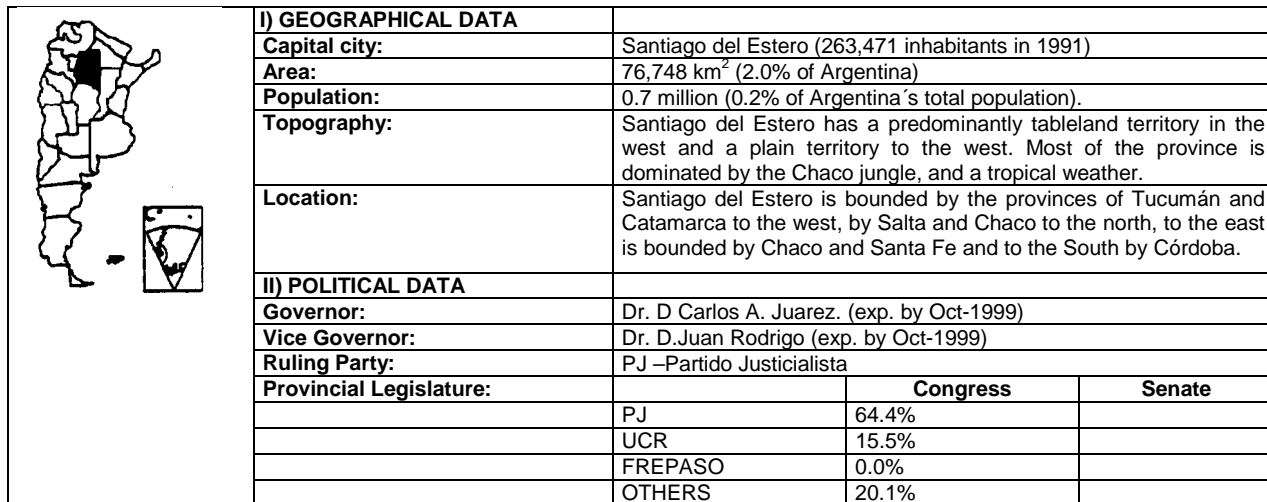
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	799	100,0%	787	100,0%	895	100,0%	1000	100,0%
Pledged revenues	29	3,6%	24	3,1%	18	2,0%	59	5,9%
Federal Council of Investments (CFI)	4	0,5%	4	0,5%	5	0,6%	5	0,6%
Federal Government	20	2,5%	0	0,0%	0	0,0%	0	0,0%
Private Banks and Financial Institutions	0	0,0%	10	1,3%	0	0,0%	39	3,9%
Banco Nación	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	5	0,6%	9	1,2%	13	1,5%	14	1,4%
Net Tax sharing received	771	96,4%	763	96,9%	876	98,0%	941	94,1%

VI) CONCLUSIONS

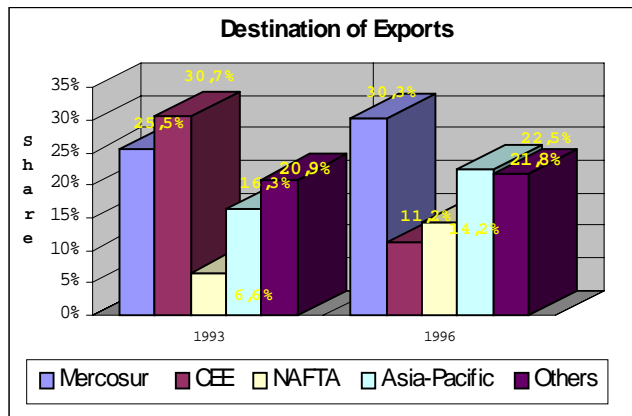
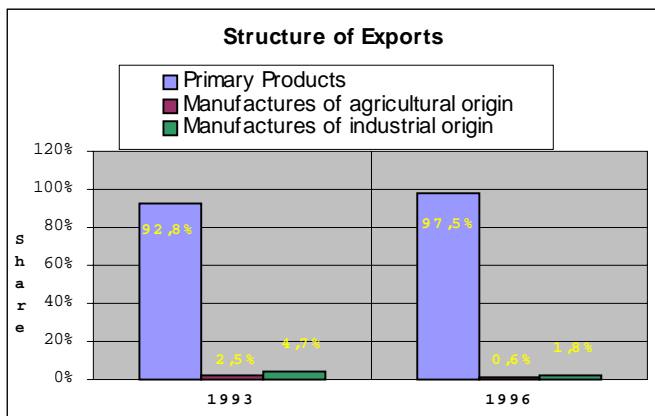
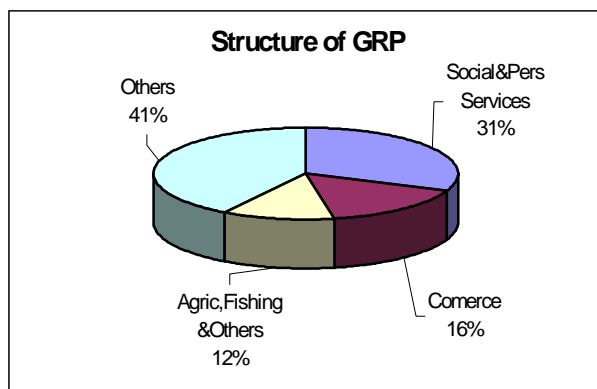
- Excellent financial indicators. It ranks A not only in provincial public debt (2.3% of GRP) but also in pledges on resources from national origin (estimated in 5.9% for 1998) and in financing needs (0% of GRP in 1998).
- Fiscal deficit has been declining in nominal terms since the end of the tequila effect: \$ 93 million in 1995, \$31 million in 1996 and \$ 28 million in 1998. At the same time gross provincial public debt has remained constant in nominal terms since 1995
- High unemployment rate (14.3% en 1997) with a sharp decline in 1997 (4.3 points). GRP growth rate is relatively contemporary with the evolution of national GDP.

SANTIAGO DEL ESTERO



III) OVERVIEW OF THE PROVINCIAL ECONOMY

Santiago del Estero is an economy with a big service sector - a comprehensive measure would show almost 70% of GRP originates from several service activities, most of them, low productivity - and very weak social indicators. Industry stands for just 7% of local value added and only 3% of exports. Agriculture contributes 12% of GRP. Cotton is one of the few bright spots. Dedicated surface has increased more than sixfold since the late eighties and cotton has become undisputable the main crop. Corn and soybean have also been gaining importance. As a consequence of this trends primary products justify 97% of exports having Mercosur as its principal destination. Housing deficit (59,8%), illiteracy rates (8,6%) or population without health coverage (54,5%) are well above national average showing vulnerable social conditions.

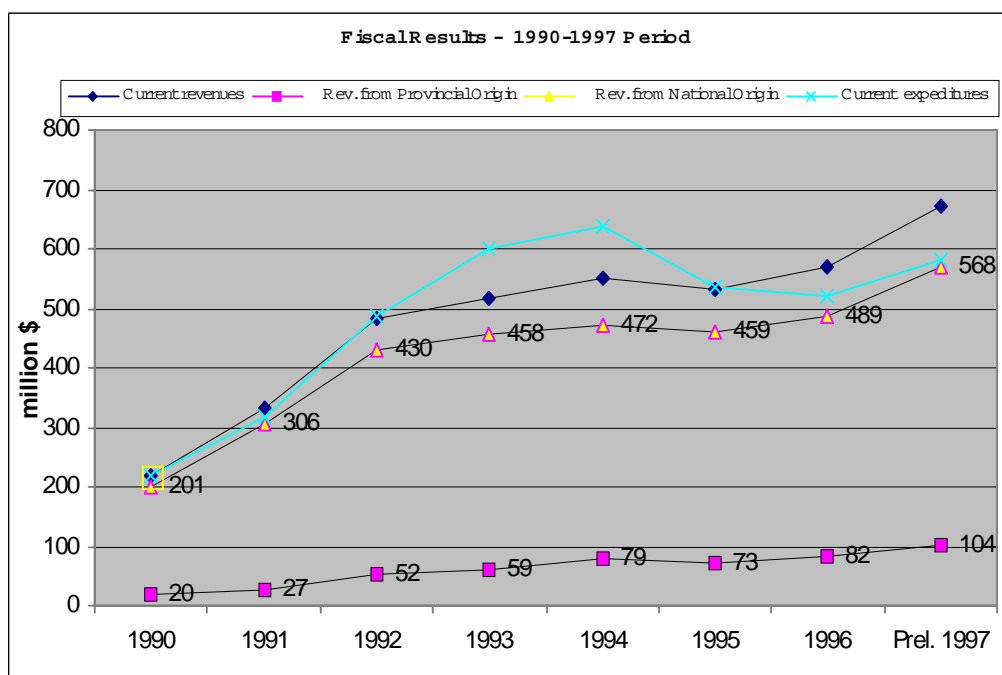


Basic Indicators and their evolution	Santiago del Estero		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	913	1663	315,090
Real GRP (thousands of 1986 \$)	51	72	13,671
Real per capita GRP 1991=100	100	132	116
Population (thousands)	672	711	35,671
Exports (millions of current \$)	53	130	25,515
Unemployment rate (%)	3.7	10.3	14.0
Infant mortality rate (for 1000 born alive)	29.2	15.1	19.5
Illiterate population (%) (1991 Census)	8.6		3.7
Monthly Average Public Worker Comp (\$)	519	853	996

SANTIAGO DEL ESTERO

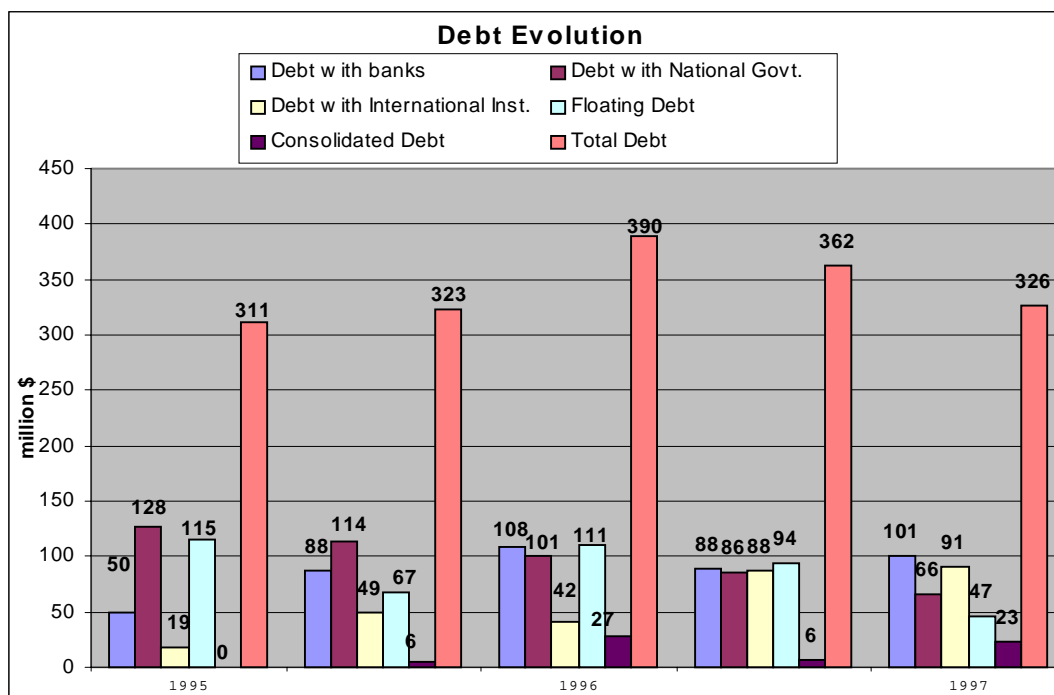
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	221	333	482	517	551	532	571	672	100,0%	100,0%
From Provincial Origin	20	27	52	59	79	73	82	104	15,4%	44,0%
From National Origin	201	306	430	458	472	459	489	568	84,6%	56,0%
Federal Tax Sharing	193	278	392	395	406	439	413	445	66,3%	41,1%
Net Tax Sharing	193	278	348	335	363	370	364	414	61,6%	36,4%
Linked to Services Transfers	0	0	26	32	32	32	32	32	4,7%	4,7%
Guarantee Clause (Law 24310)	0	0	17	28	11	38	17	0	0,0%	0,0%
Royalties	0	0	1	1	0	0	0	0	0,0%	2,2%
Other Revenue	7	28	38	62	66	20	76	123	18,3%	12,6%
Current Expenditure	217	317	487	599	638	535	520	580	86,5%	86,3%
Personnel	148	193	297	389	440	383	362	375	55,9%	48,1%
Goods and Non Personnel Services	16	27	31	25	33	26	26	41	6,0%	10,5%
Debt Interest	1	0	0	18	13	21	21	27	4,1%	3,2%
Transfers	52	96	158	167	153	104	110	138	20,5%	24,4%
Current Savings	4	16	-4	-82	-87	-3	51	92		
Capital Revenue	2	2	3	4	8	4	7	11		
Capital Expenditure	2	2	3	4	8	4	7	91	13,5%	13,7%
Balance before Contributions	4	16	-4	-82	-87	-3	51	12		
Contributions (Aportes)	43	44	49	61	81	68	73	73		
Non Refundable Contributions	9	13	15	20	39	34	31	34		
Refundable Contributions	35	31	33	41	42	33	42	39		
Total Revenue plus Contributions	266	379	534	582	640	604	652	756		
Total Expenditure	219	319	490	603	646	539	527	671	100,0%	100,0%
Financing Gap	-47	-60	-44	21	6	-65	-125	-85		



SANTIAGO DEL ESTERO

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	2.3%	4.0%	3.7%
Int.+Debt Amort./Cur. Rev.	11.1%	15.9%	13.5%
Total Debt/GRP	13.7%	19.6%	5.1%

Quarterly Pledged in 1998 - Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	35,7%	35,7%	35,7%	35,7%	35,7%
International Institutions	1,7%	0,0%	1,5%	0,1%	0,8%
Federal Government	30,1%	31,7%	28,8%	20,2%	27,7%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	68,1%	68,0%	66,6%	56,6%	64,8%

*percentage over national revenues

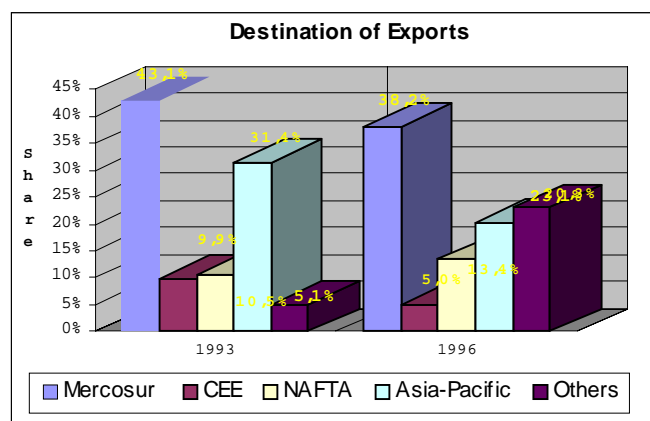
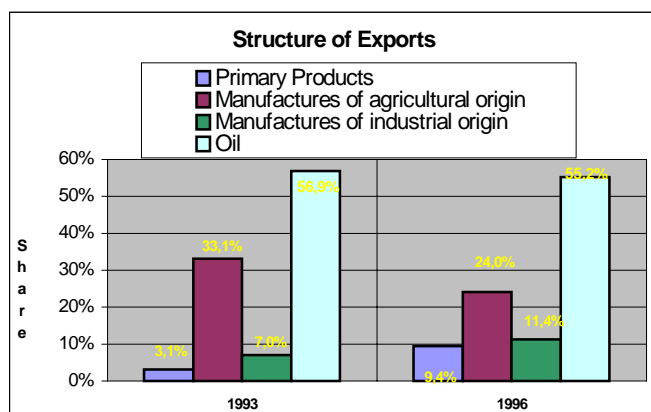
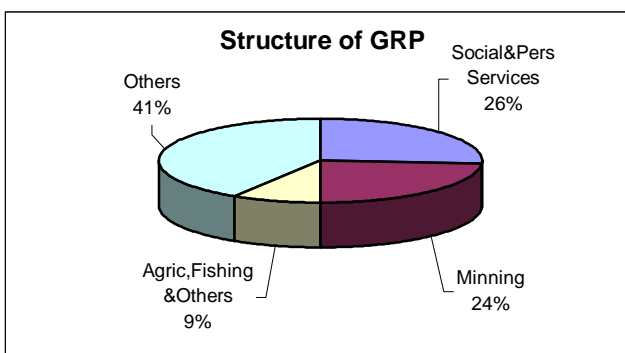
Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	370	100,0%	364	100,0%	414	100,0%	462	100,0%
Pledged revenues	208	56,3%	170	46,8%	226	54,7%	299	64,8%
Federal Council of Investments (CFI)	2	0,5%	2	0,5%	2	0,6%	3	0,6%
Federal Government	149	40,4%	111	30,4%	121	29,2%	128	27,7%
Private Banks and Financial Institutions	47	12,6%	42	11,4%	102	24,7%	165	35,7%
Banco Nación	6	1,7%	9	2,6%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	4	1,1%	7	1,9%	1	0,3%	4	0,8%
Net Tax sharing received	162	43,7%	194	53,2%	187	45,3%	162	35,2%

VI) CONCLUSIONS

- About this province one can say: "it's doing well but could be worse in the near future". The improvement in fiscal stance in recent years, basically, has been due to a sharp increase in revenues from national origin which could decline as a consequence of a very important increase in pledges in our forecasts for 1998.
- Actually, the financing gap in Santiago del Estero has been a surplus since (it ranks A) the tequila effect like a result of recovery in national tax revenues (it ranks D). After cutting 20% public wages due the Mexican devaluation, current expenditures began to grow at another time, ending 1997 25% above the level during 1995.
- Provincial public debt was sharing 14% of GRP in 1994 and ended 1997 in 20% (it ranks D) and pledges have increased from 47% in 1995 to 55% in 1997 and we are forecasting a level of 65% for 1998 (ranking D).

II) POLITICAL DATA

Tierra del Fuego suffered a drastic transition: manufacturing which reached 21% of GRP in 1990 dropped verically to just 5%. When central authorities decided to abandon the special industrial promotion regime manufacturing's fate in the island was also decided. The electronics boom (TV sets, radios and car stereos plants as well as home appliances) was over. For a land of recent immigrants - from all over the country, most of them in the last 10 years - it was and still is a tough time. But the economy is adapting: keeping its important oil and gas sector and with an increasing share of agriculture, forestry, fishing and sheep rearing. Tourism surged with new 5 star hotels and after the new Ushuaia airport was built - permitting charter flights direct from the US - it consolidated as a prime international destination (both as a final destination and as a gateway to Antarctica).

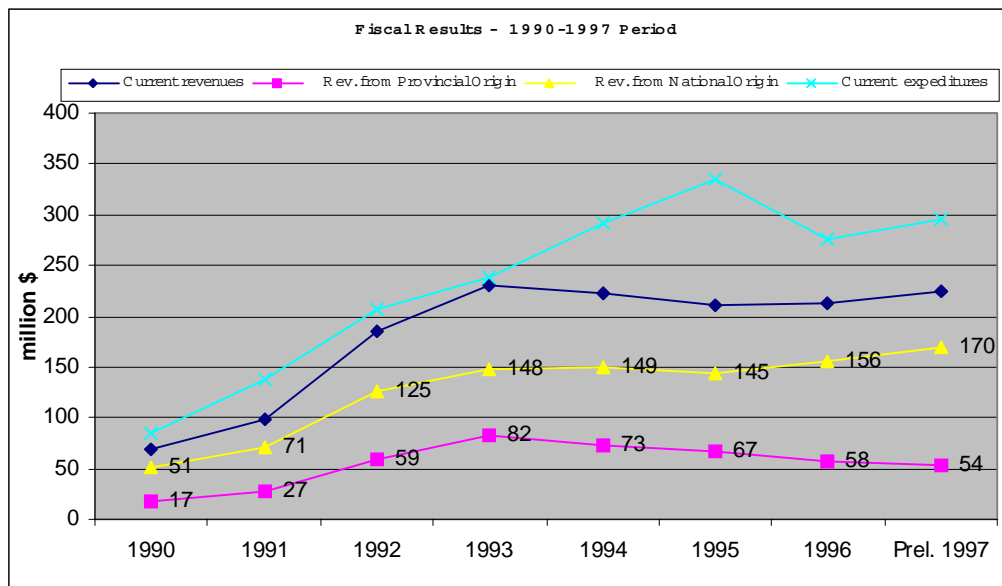


Basic Indicators and their evolution	Tierra del Fuego		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	1466	1295	315,090
Real GRP (thousands of 1986 \$)	83	56	13,671
Real per capita GRP 1991=100	100	47	116
Population (thousands)	69	100	35,671
Exports (millions of current \$)	114	253	25,515
Unemployment rate (%)	11.5	10.8	14.0
Infant mortality rate (for 1000 born alive)	16.7	8.1	19.5
Illiterate population (%) (1991 Census)	1.1		3.7
Monthly Average Public Worker Comp (\$)	1153	1930	996

TIERRA DEL FUEGO, ANTARTIDA E ISLAS DEL ATLANTICO SUR

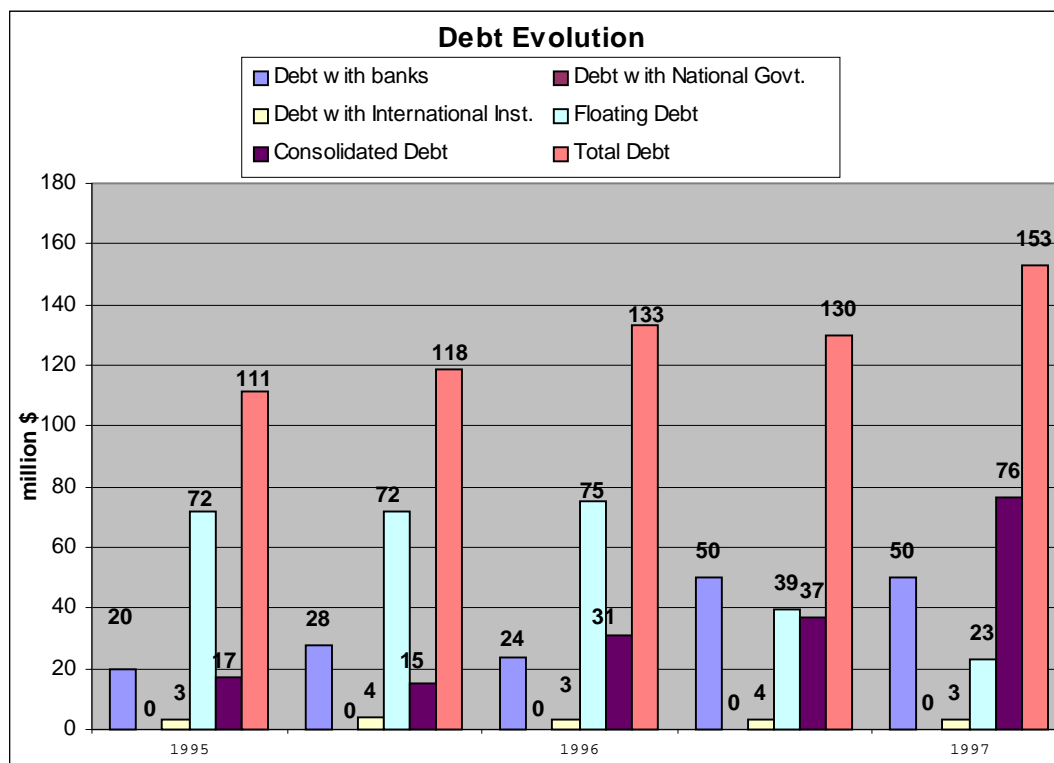
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	68	98	185	230	223	212	214	224	100,0%	100,0%
From Provincial Origin	17	27	59	82	73	67	58	54	24,1%	44,0%
From National Origin	51	71	125	148	149	145	156	170	75,9%	56,0%
Federal Tax Sharing	12	44	69	72	73	82	74	78	34,8%	41,1%
Net Tax Sharing	12	44	57	52	57	61	57	65	29,2%	36,4%
Linked to Services Transfers	0	0	8	12	12	12	12	12	5,4%	4,7%
Guarantee Clause (Law 24310)	0	0	4	7	4	9	5	0	0,2%	0,0%
Royalties	39	24	40	34	32	30	36	41	18,4%	2,2%
Other Revenue	0	2	16	42	44	32	46	51	22,7%	12,6%
Current Expenditure	86	138	207	238	292	335	276	295	79,8%	86,3%
Personnel	53	79	124	150	175	204	178	192	51,9%	48,1%
Goods and Non Personnel Services	5	5	10	15	27	34	21	17	4,6%	10,5%
Debt Interest	5	1	0	0	0	0	1	2	0,5%	3,2%
Transfers	23	53	73	72	90	96	75	84	22,8%	24,4%
Current Savings	-17	-40	-22	-8	-70	-123	-62	-71		
Capital Revenue	0	0	0	5	7	0	7	10		
Capital Expenditure	32	21	30	47	63	43	64	75	20,2%	13,7%
Balance before Contributions	-50	-61	-52	-50	-125	-166	-118	-136		
Contributions (Aportes)	6	9	41	12	87	84	84	105		
Non Refundable Contributions	5	6	30	10	75	71	74	81		
Refundable Contributions	1	2	10	1	12	13	10	24		
Total Revenue plus Contributions	74	107	225	246	317	296	305	340		
Total Expenditure	118	159	237	284	355	378	339	370	100,0%	100,0%
Financing Gap	44	53	12	38	38	82	34	30		



TIERRA DEL FUEGO, ANTARTIDA E ISLAS DEL ATLANTICO SUR

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.0%	0.8%	3.7%
Int.+Debt Amort./Cur. Rev.	2.9%	18.1%	13.5%
Total Debt/GRP	14.4%	11.8%	5.1%

Quarterly Pledged in 1998 - Estimated*					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	31,7%	31,7%	31,7%	31,7%	31,7%
International Institutions	2,1%	3,5%	0,2%	0,2%	1,5%
Federal Government	0,0%	0,0%	0,0%	0,0%	0,0%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	34,3%	35,7%	32,4%	32,4%	33,7%

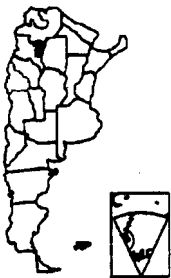
*percentage over national revenues

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	61	100,0%	57	100,0%	65	100,0%	73	100,0%
Pledged revenues	1	1,1%	27	47,1%	27	41,5%	25	33,7%
Federal Council of Investments (CFI)	0	0,5%	0	0,5%	0	0,6%	0	0,6%
Federal Government	0	0,0%	0	0,3%	0	0,0%	0	0,0%
Private Banks and Financial Institutions	0	0,5%	26	44,8%	26	40,2%	23	31,7%
Banco Nación	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	0	0,0%	1	1,4%	0	0,7%	1	1,5%
Net Tax sharing received	60	98,9%	30	52,9%	38	58,5%	49	66,3%

VI) CONCLUSIONS

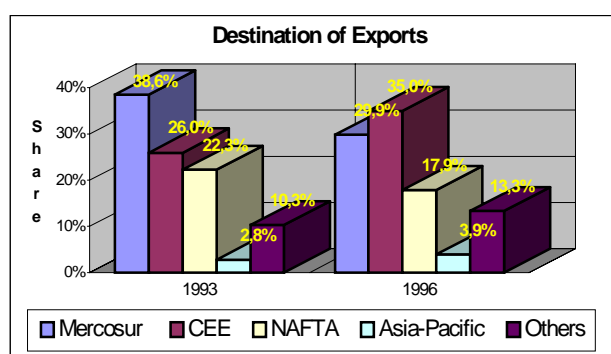
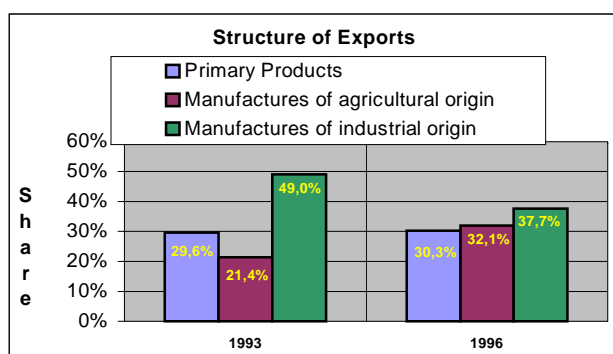
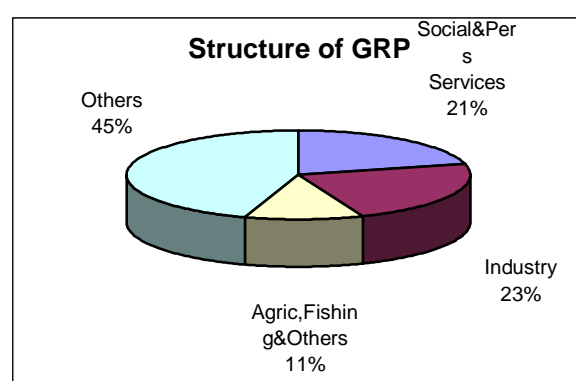
- In a context of a completely stagnated economy and some kind of political instability during the convertibility plan, the province has the merit of having some key financial indicators (with the exception of fiscal deficit that ranks D) like provincial public debt and pledges on national revenues, ranking B.
- The financing gap began the convertibility plan with a level of 3.6% of GRP and our forecast for 1997 is 2.3% due to a permanent reduction in nominal terms (nevertheless, the share of revenues on current revenues is very high: 76%). Debt stock reached 11.8% of GRP in 1997.
- After reaching a very important level of 47.1% on national revenues, pledges have declined to an average of 33.7% in 1998, ending the year at a lower level of 32.4%

TUCUMAN

	I) GEOGRAPHICAL DATA		
	Capital city: San Miguel de Tucumán (622,324 inhabitants in 1991)		
	Area: 22,524 km ² (0.6% of Argentina)		
	Population: 1.14 million (3.5% of Argentina's total population).		
	Topography: Tucumán poses a western mountainous zone, and an eastern plain..		
	Location: Tucumán is inserted in the Northwestern Region. It is bounded by Salta to the North, Catamarca to the south and west and Santiago del Estero to the west		
	II) POLITICAL DATA		
	Governor: Antonio Bussi(exp. by Oct-1999)		
	Vice Governor: Dr. Raul Topa (exp. by Oct-1999)		
	Ruling Party: Fuerza Republicana		
Provincial Legislature:		Congress	Senate
		PJ	7.5%
		UCR	10.0%
		FREPASO	20.0%
		OTHERS	62.5%

III) OVERVIEW OF THE PROVINCIAL ECONOMY

Tucuman, the smallest province in size, has a well diversified economy in which manufacturing accounts for almost a quarter of GRP. Sugar refining, paper, textile, bottling and a truck factory are the most relevant industrial activities. Tucuman leads the nation in sugar (cane) growing (with a 87% share) and its processing but sugar has been losing its dominance in the provincial economy after suffering a severe long term downturn. Sugar processing is still protected from brazilian competition by a special policy regime. Farmers have chosen tobacco (24% of national harvest), soybean, black beans, corn and citrus as valid alternatives. Tucuman now grows 87% of lemon production in the country and its main destiny are international markets. This fact has contributed to making Argentina the world's second largest exporter of lemon in recent years.

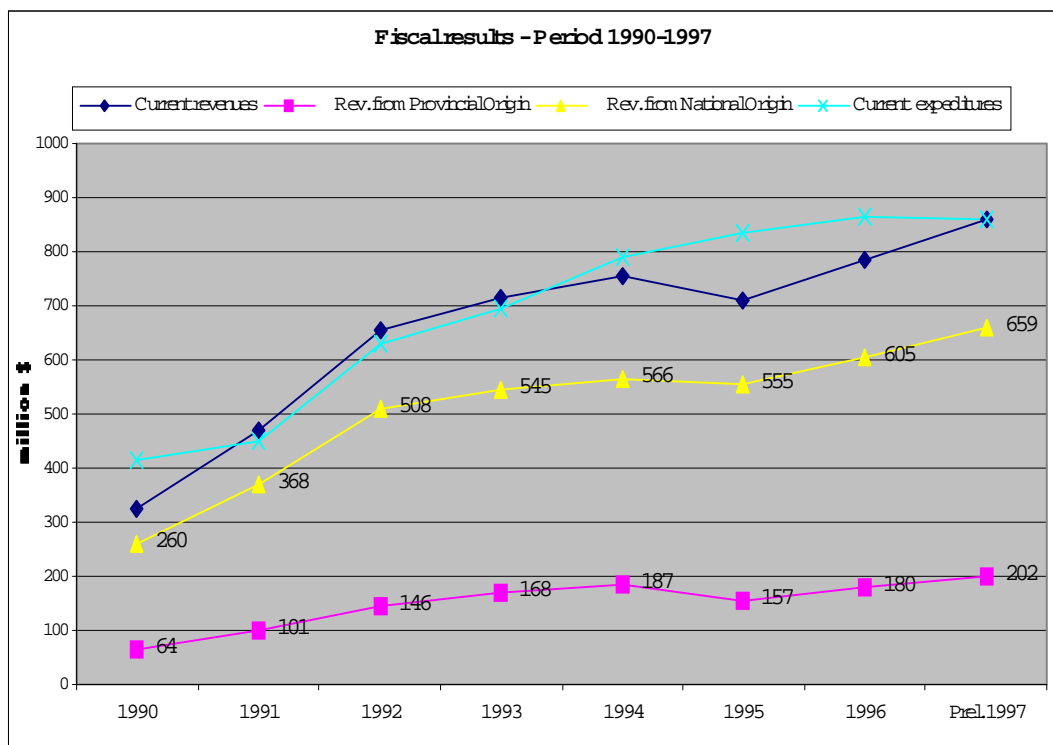


Basic Indicators and their evolution	Tucumán		Argentina
	1991	1997	1997
Nominal GRP (millions of current \$)	3,088	5,168	315,090
Real GRP (thousands of 1986 \$)	175	224	13,671
Real per capita GRP 1991=100	100	117	116
Population (thousands)	1142	1247	35,671
Exports (millions of current \$)	178	486	25,515
Unemployment rate (%)	11.6	15.8	14.0
Infant mortality rate (for 1000 born alive)	28.6	19.5	19.5
Illiterate population (%) (1991 Census)	4.96		3.7
Monthly Average Public Worker Comp (\$)	487	867	996

TUCUMAN

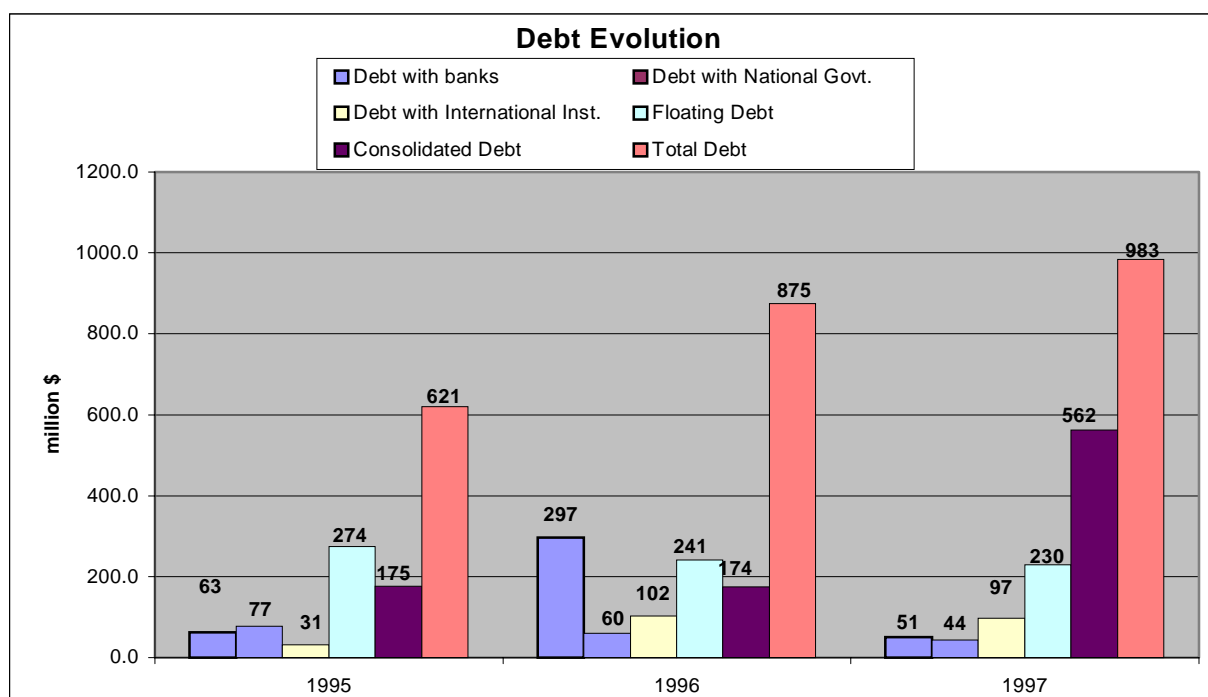
IV) FISCAL SITUATION

(million \$)										
	1990	1991	1992	1993	1994	1995	1996	prel. 1997	1997	Avg
									%	%
Current Revenue	324	470	654	713	753	712	785	861	100,0%	100,0%
From Provincial Origin	64	101	146	168	187	157	180	202	23,4%	44,0%
From National Origin	260	368	508	545	566	555	605	659	76,6%	56,0%
Federal Tax Sharing	223	320	462	472	487	481	495	542	63,0%	41,1%
Net Tax Sharing	223	320	399	386	418	426	419	476	55,3%	36,4%
Linked to Services Transfers			43	55	56	56	56	66	7,6%	4,7%
Guarantee Clause (Law 24310)			20	32	13	44	20	0	0,0%	0,0%
Royalties	0	1		1					0,0%	2,2%
Other Revenue	37	48	46	71	79	30	110	117	13,6%	12,6%
Current Expenditure	415	451	631	697	792	836	867	859	88,9%	86,3%
Personnel	275	258	351	440	486	514	508	500	51,7%	48,1%
Goods and Non Personnel Services	36	31	42	45	61	62	60	75	7,8%	10,5%
Debt Interest	17	18	4	5	5	18	31	54	5,6%	3,2%
Transfers	87	145	235	208	239	242	268	230	23,8%	24,4%
Current Savings	-91	18	23	16	-39	-124	-82	2		
Capital Revenue	0	0	1	4	5	7	8	7		
Capital Expenditure	78	60	112	85	113	168	154	107	11,1%	13,7%
Balance before Contributions	-169	-41	-88	-65	-146	-285	-228	-99		
Contributions (Aportes)	63	37	54	81	60	58	81	85		
Non Refundable Contributions	15	14	14	43	21	26	39	48		
Refundable Contributions	48	23	40	38	39	32	42	38		
Total Revenue plus Contributions	387	507	709	798	818	777	873	953		
Total Expenditure	492	511	743	782	904	1.005	1.021	967	100,0%	100,0%
Financing Gap	106	4	34	-16	86	227	148	14		



TUCUMAN

V) DEBT PROFILE



Selected Debt Ratios	1994	1997	Provincial Average
Int./Curr. Rev.	0.7%	6.4%	3.7%
Int.+Debt Amort./Cur. Rev.	4.8%	14.6%	13.5%
Total Debt/GRP	13.0%	19.0%	5.1%

Quarterly Pledged in 1998 - Estimated					
Creditor	1Q98	2Q98	3Q98	4Q98	1998
Banks	9,7%	13,0%	10,7%	12,2%	11,4%
International Institutions	0,0%	0,0%	0,0%	0,0%	0,0%
Federal Government	68,7%	71,4%	66,2%	70,0%	69,1%
Others	0,6%	0,6%	0,6%	0,6%	0,6%
Total	79,0%	84,9%	77,5%	82,8%	81,0%

Federal Tax Sharing Pledged	1995		1996		1997		1998 (Estim.)	
	million \$	share	million \$	share	million \$	share	million \$	share
Federal Tax Sharing (Law 23.548)	426	100,0%	419	100,0%	476	100,0%	532	100,0%
Pledged revenues	215	50,4%	188	45,0%	363	76,2%	431	81,0%
Federal Council of Investments (CFI)	2	0,5%	2	0,5%	3	0,5%	3	0,6%
Federal Government	102	24,0%	36	8,5%	158	33,1%	367	69,1%
Private Banks and Financial Institutions	22	5,1%	96	22,8%	182	38,1%	60	11,4%
Banco Nación	81	19,0%	47	11,2%	0	0,0%	0	0,0%
Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Other withholdings	8	1,8%	8	1,9%	21	4,5%	0	0,0%
Net Tax sharing received	212	49,6%	231	55,0%	113	23,8%	101	19,0%

VI) CONCLUSIONS

- Opposing trends: fiscal issues are improving - from a vulnerable starting point due to huge indebtedness - but politics still remain uncertain though governor Bussi has managed to keep his post.
- Debt level ranks C (reaching almost a fifth of GRP).
- More than 80% of national tax sharing would be used as collateral during 1998. Ranks a worrisome D.
- Financing gap has decreased substantially in 1997 and qualifies for a B, showing signs of improvement. The lower imbalance is half explained by cuts in capital spending, half by growing current revenues. Wage payroll has been contained as well as transfers.
- There's a potential 100 million pesos liability due to Bussi's decision to cancel Aguas del Aconquija license to operate the water distribution system. Justice has not resolved the issue. If it reaches an unfavourable decision to the province this will add a 10% increase in debt.
- Mixed execution of Fiscal Agreement. Both the provincial and city bank have already been sold.