Country: Argentina
Committee*:* Economic and Financial Affairs (ECOFIN)
Topic*:* Tackling the Imminent Global Debt Crisis of a Post-Pandemic World.
Delegates: Tanay Kodimala & Sajan Bobby Thomas
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"We will pay the debts by growing and exporting... The only way is to export. The other channel has been exhausted, which is to borrow." - Alberto Fernandez, President of Argentina, Much like the rest of the world, Argentina was thrust into a state of adversity following the global pandemic, COVID-19. However, under the new left-leaning leadership of Fernandez, we have been able to rebound to a **10.3% GDP growth** in the past year from our **initial 9.9% deficit in 2020's** initial wave of the pandemic. Being one of the largest and leading economies in South America, Argentina was handling an economic recession even before the introduction of the pandemic, which made conditions worse. As such, Argentina is a strong advocate for global cooperation and involvement to aid not only our country's, but also others, pandemic-related issues.

Prior to obtaining the IMF loan, a series of shocks and economic distress occured; which resulted in the value of the peso to fall and many shareholders started to pull their winvestments from the government. With the newly implemented IMF(International Monetary Fund) loan of **50 billion dollars**, Argentina is expected to restore the confidence of its economy with the loan's money. Consequently, the IMF granting such a large loan to Argentina (a developing economy), our country strives to restore the **financial markets**, and **reduce the strain on the country's ability to pay its dues.** In fact prior to the global pandemic, Argentina's economy was **ranked second** in South America, and is on a surge to evince a sustainable and equitable economic growth plan in its resurgence in the **manufacturing and agricultural industry.** With Argentina's economy on the rise we have expanded to **11.9% on a year to year basis** in just the third quarter of 2021.

The battle for economic relief has been an ongoing crisis for years , especially for developing countries. Following Argentina's journey through COVID-19, we have had a steady incline in our economic recovery. We as a country have seen a decline in **unemployment rates**, an increase in **GDP,** and are slowly reforming a dominance in not only the South American economy, but also on a global scope. With the help of the IMF loan we are slowly setting the tone for other developing countries to **follow our path of recovery** from the post-pandemic world. Yet, the issue of paying these loans remains since the size of these loans still remains to be daunting for developing economies--we believe that it would be in the best interest of these economies to have the surcharges and interest rates of these loans lowered to make them affordable. In effect, developed nations that can aid in this effort by investing in post-pandemic developing nations get back on their feet can also reap the benefits of stimulating these economies through greater and cheaper exports.

We, as the people of Argentina, hope to create a global economic environment in which countries can recover from the effects of the COVID-19 pandemic. To this end, we have to take a more progressive approach regarding investments and loans at the international level. By encouraging the **investments of larger and more developed economies** at **lower interest rates**, the redevelopment of COVID-afflicted economies can be more effectively aided. In order to achieve this, developing countries also need to focus towards **strengthening economic infrastructure** to target threats associated with the pandemic and debt such as **inflation.** Furthermore, we believe that **flexible international exchange rates** could serve as a beneficial **shock-absorber** for the paying back pandemic debts and loans.

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<u>Resources:</u>

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