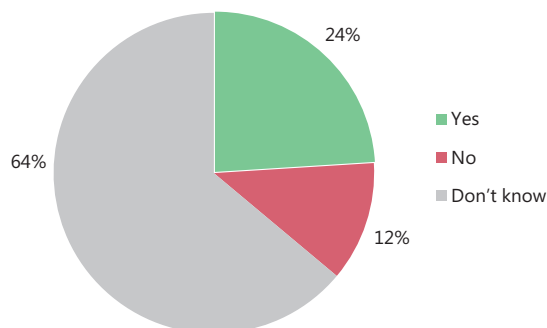


**Figure 3. Did Your Country's Last Article IV Report Include a SIA?**  
(In percent)



Source: IEO Survey of Country Authorities and Data Providers.

24. The IMF has some legal scope to question countries on issues of data accuracy and availability, as embodied in the policies on misreporting and breaches of obligations under Article VIII. Potential breaches of obligations in the context of surveillance have occurred with some frequency; the 2012 Review (IMF, 2012b) noted that, in the preceding four years, “sustained concerns were raised with eight members about their willingness to share data required for Fund surveillance to the best of their ability.” Seven of those cases referred to nonprovision of data and were resolved within a year, while one related to provision of inaccurate data and resulted in the Board issuing a decision of censure, calling on the member to adopt remedial measures. This case—Argentina—remains unresolved (Box 2).<sup>24</sup>

<sup>24</sup>The most recent Board meeting on this breach of obligations was held in May 2015, with no change in the stance adopted by the Fund.

### Box 2. Argentina and the Breach of Obligations

In January 2007, the Argentine government changed the personnel in charge of producing the consumer price index (CPI) at the National Statistics and Census Institute (INDEC). Concerns about the integrity of the CPI started to be voiced soon thereafter.

These concerns led several private sector entities and provincial governments to compute their own indices that showed consumer prices growing at significantly higher rates than those reported by INDEC. For example, Cavallo (2013), using data collected by the Billion Prices Project at MIT—such as prices in major supermarkets available on line between October 2007 and March 2011—replicated the components and weights of the CPIs in five Latin American countries (Argentina, Brazil, Chile, Colombia, and Venezuela). He found that, while the online price indices for the other four countries tracked well both the level and dynamic behavior of inflation, in Argentina they exceeded the official index by a factor of about three.

The apparent underreporting of CPI has implications for other key variables of significant importance for economic analysis. Inasmuch as the official CPI enters their calculation, measures of poverty or of the real effective exchange rate would be underestimated while the real growth of the economy would be overestimated. Underreporting would also have notable financial implications given Argentina’s issuance of inflation-linked peso bonds.

Failure to provide information to the Fund (i.e., a breach of obligation under Article VIII, Section 5) is defined to cover both non-provision of information and provision of inaccurate information (IMF, 2004b). The latter failure is considerably more difficult to substantiate than non-provision

of required information. This caused the Fund to take a measured approach to Argentina’s case. Eventually, in July 2011, Argentina was found in breach of its obligation due to inaccurate reporting of official data for the CPI and GDP. Technical assistance was offered, which resulted in several recommendations to correct the known deficiencies. However, delays in the implementation of key remedial measures led the Executive Board in September 2012 to issue a Statement of Concern, followed by a Declaration of Censure in February 2013. The latter established a timeframe for the adoption of the remedial measures, noting that failure to follow this timeframe could result in a declaration of ineligibility to use the general resources of the Fund.

Over the following two years, Argentina took some measures to address the difficulties, for example, introducing a new *national* CPI (the previous one was limited just to Buenos Aires) and revised GDP data (now with base year in 2004) in early 2014. These actions, however, did not fully assuage the Fund’s concerns, and further actions—related to the transparency of the process—were required before the Executive Board could withdraw the Declaration of Censure.

Argentina was an early subscriber to the SDDS and never lost that status. While the SDDS is a dissemination standard, not a quality standard, the Fund does issue an annual observance report as a form of monitoring, covering, among other metadata dimensions, the integrity and quality of the data. Argentina’s reports for 2012 through 2014 still indicated that Argentina met the integrity dimension, while the discussion of quality relegated the information on the Declaration of Censure to a footnote.