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Argentina Holds First Meeting with US Hedge Funds to Resolve Dispute

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Finance Secretary Luis Caputo led the Argentine delegation in the negotiations that are considered the first step towards resolving the conflict.

"We don't expect the case to be settled, or a concrete proposal (from Argentina) at the end of the meeting," said Finance Minister Alfonso Prat-Gay in Buenos Aires Wednesday.

He added Argentine President Mauricio Macri's government, which came to power on Dec. 10 last year, wants to understand the situation and the position of the creditors.

"We hope they (creditors) are responsible enough to negotiate in a serious manner," said the minister, adding that until now "the lack of a settlement has proved to be very expensive for Argentina."

He explained the original \$2.9 billion debt to the International Monetary Fund has swelled to \$9.9 million due to recent rulings by New York Judge Thomas Griesa.

Griesa's ruling blocked payments to creditors, who accepted the government's debt restructurings in 2005 and 2010, until Argentina makes full payment to holdout bondholders.

The ruling has forced the country to make a "selective suspension of payments" and limited its access to foreign credit markets.

"We want to resolve this problem as soon and as fairly as possible," concluded the finance minister, who called the lawsuit "one of many obstacles" for the country's economy.