

Inflation seen at 1%

Food price inflation is expected to have slowed in April, after prices rose sharply earlier this year, analysts yesterday said. Those prices jumped 15 percent from December through March, said Buenos Aires-based consultancy firm Ecolatina.

Economists say the government underreports price data to save on inflation-linked bond payments and to score political points. Analysts peg the real inflation rate for April at 1.6 percent.

Argentina reported inflation of 0.3 percent in April 2009 and 1.1 percent in March 2010. The government is expected to issue its inflation report this afternoon.

Inflation has also eroded the competitive advantage Argentina's weak peso has given local exporters.

Government officials have avoided using the word inflation to describe rising consumer prices, instead referring to price "readjustments."