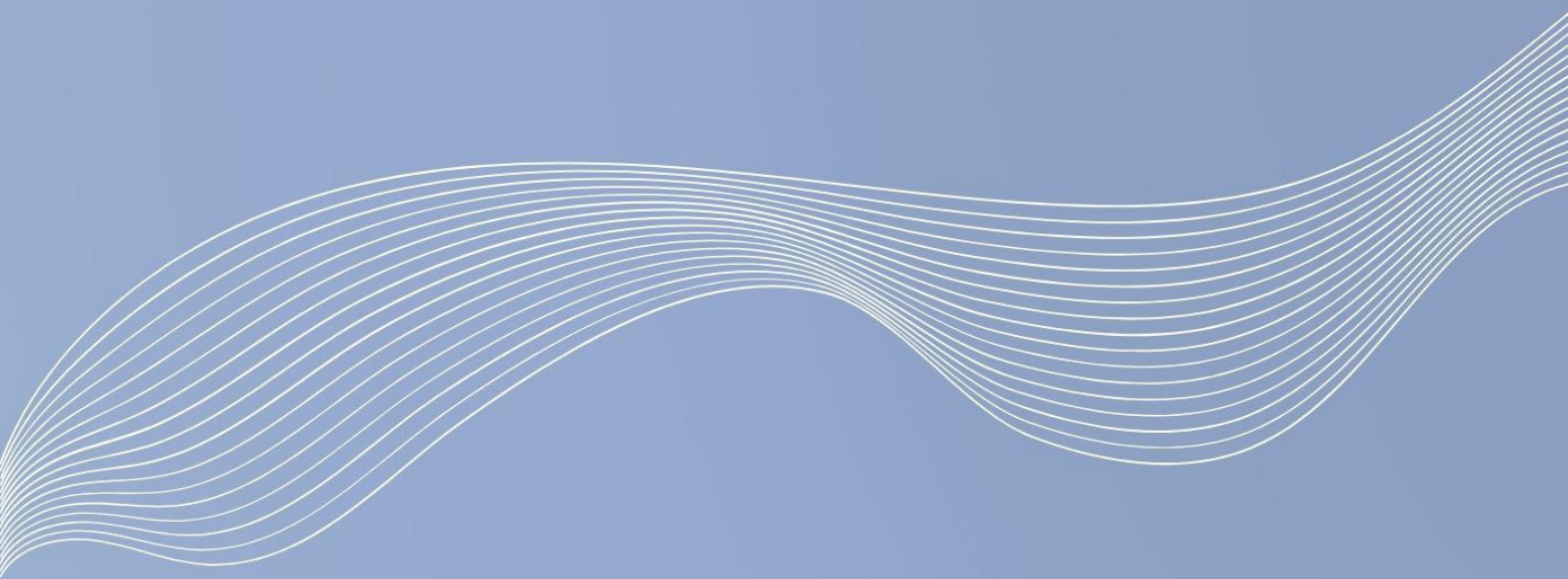


JANUARY 2026

ARGENTINE ECONOMIC OUTLOOK

CEI Centre for
International
Economy



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Argentina in the world

Argentina is the second largest economy in South America, with a Gross Domestic Product (GDP) of USD 632.3 billion, preceded by Brazil. It ranks fourth in terms of per capita GDP¹ (USD 13,433), after Guyana, Uruguay and Chile; and its more than 46 million inhabitants² place it as the third most populated country in South America.

The country's high agricultural productivity has led it to become one of the world's top food producers, with large-scale farming and livestock industries. Argentina is among the leading exporters of soybeans and their byproducts and among the main producers of lemons, vegetable oils, and milk, just to mention a few examples. The quality of Argentine beef is recognised worldwide and the sector has managed to recover its traditional positioning and add new destinations, including the United States, Canada, China, and Mexico.

Argentina also has significant mining reserves. It ranks third as world reserve of lithium, tenth in gold, and it is among the top ten silver producers. In addition to possessing significant conventional oil and gas reserves, it ranks fourth globally in shale oil reserves and second in shale gas reserves.

Argentina has dynamic industrial complexes, such as the automotive industry, which, with preferential access to the main markets in the region, has become the most relevant sector in terms of exports of manufactured products. There are also other fast-growing sectors, such as renewable energy, biotechnology, and knowledge-based services, just to mention some. Argentina is also the origin of fourteen of Latin America's unicorns³.

In turn, it has skilled labour, acknowledged for its technical capabilities, creativity and versatility; and it ranks second among Latin American countries in the Human Development Index ranking prepared by the United Nations Development Programme⁴.

¹ GDP and per capita GDP corresponding to the year 2024. For Argentina, data from the Ministry of Economy, for the rest of the countries, data from the World Bank.

² 46,387,098 people according to INDEC estimates by 1 July 2025.

³ Companies with a stock value greater than USD 1 billion. Up to 2020, there were five: Mercado Libre, Despegar, Globant, OLX and Auth0. In 2021, seven more were added: Vercel (software), Aleph (social media marketing and advertising), Tienda Nube (e-commerce), Ualá (fintech), Mural (telecommuting solutions), Bitfarms (cryptocurrency mining), Satellogic (aerospace company) and, most recently (2022), Technisys (technology for banks and fintech) and Moolec Science (biotechnology).

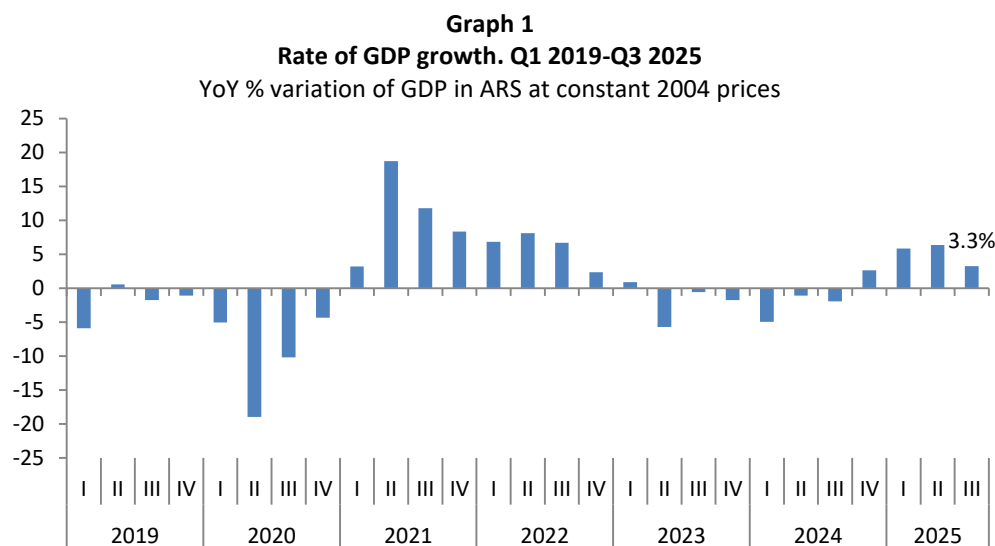
⁴ Index corresponding to the year 2023.

State of the real economy

- *In the third quarter of 2025, Argentina's GDP recorded a year-on-year growth rate of 3.3%.*
- *The positive economic performance during the third quarter of 2025 was determined by the growth of investment (10.3% year on year), exports (10.2%), private consumption (5.3%) and public consumption (1.7%).*
- *According to the monthly estimator of economic activity (EMAE, for its acronym in Spanish), in October 2025 the Argentine economy continued to grow. In that month, the activity rose 3.2% compared to October 2024.*
- *The industrial production index (IPI) had a 3.1% year-on-year increase in the January-October period.*
- *The synthetic indicator of construction activity (ISAC, for its acronym in Spanish) went up 7.9% YoY in the first ten months of 2025.*
- *Installed industrial capacity utilisation (UCII, for its acronym in Spanish) during October 2025 was 61.0%, 2.0 p.p. lower than the same month in 2024.*
- *The unemployment rate in the third quarter of 2025 reached 6.6% of the economically active population (EAP), 0.3 p.p. less than that recorded in the same period of 2024; the activity rate stood at 48.6%, with a year-on-year growth of 0.3 p.p.*
- *In the first half of 2025, 31.6% of the population was below the poverty line, while 6.9% of the people were in extreme poverty. This is a decrease of 21.3 p.p. with respect to the same period in 2024. Extreme poverty, on the other hand, decreased 11.2 p.p. YoY.*
- *In November 2025, the variation in the inflation rate reached 2.5%; the accumulated variation in the first eleven months of the year was 27.9% and the year-on-year variation reached 31.4%.*
- *Between January and November 2025, exports of goods totalised USD 79.6 billion, representing a year-on-year increase of 9.5%. Imports, on the other hand, totalled USD 70.2 billion (with a 26.8% YoY growth). The trade balance in this period reached a surplus of USD 9.4 billion.*
- *In the third quarter of 2025, exports of services amounted to USD 4.5 billion and imports to USD 7.1 billion, resulting in a deficit of USD 2.6 billion.*
- *Between July and September 2025 the current account had a negative balance of USD 1.6 billion (0.9% of GDP).*
- *On the last business day of 2025, the international reserves of the Central Bank of the Argentine Republic (BCRA, for its acronym in Spanish) reached USD 41.2 billion, representing an increase of USD 11.6 billion (39.0%) from the data at the end of 2024.*
- *The National Public Sector (NPS) accumulated a financial surplus of approximately 0.6% of GDP (primary surplus of approximately 1.7% of GDP) in the first eleven months of 2025.*
- *Public debt by 30 September 2025 amounted to USD 454.0 billion (78.2% of GDP), a 1.8 p.p. rise over the value of the second quarter.*

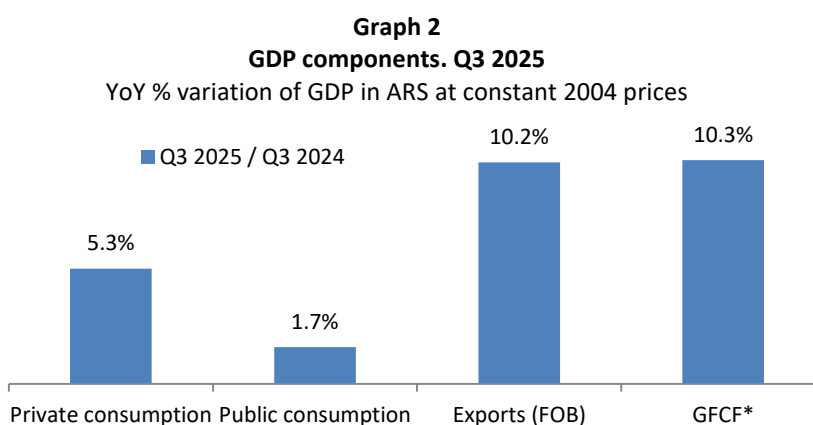
Level of activity

In the third quarter of 2025, the economic activity grew 3.3% year on year, representing the fourth consecutive quarterly rise in GDP.



Source: CEI based on INDEC

The positive economic performance during the third quarter of 2025 was determined by growth in investment (10.3% year on year), exports (10.2%), private consumption (5.3%) and public consumption (1.7%). In turn, the investment/GDP ratio reached 20.4%⁵, a 1.3 p.p. rise compared to the third quarter of 2024.



* Gross Fixed Capital Formation.

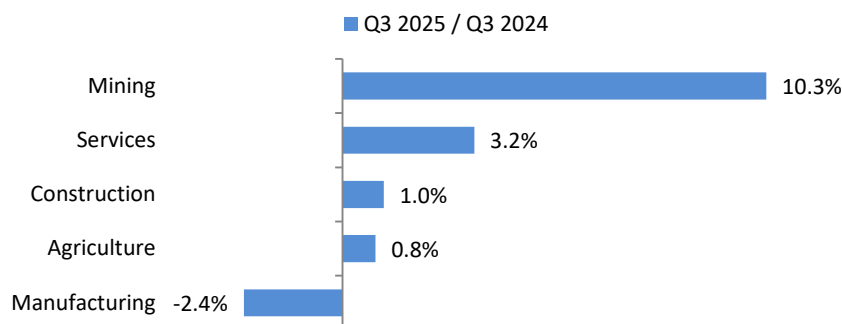
Source: CEI based on INDEC

At sector level, in the third quarter of 2025, services growth (3.2%) had the most impact on the positive variation in GDP. There was also strong mining performance (10.3%), while construction grew by 1.0% and the agricultural sector by 0.8%.

⁵ Relative to GDP at constant prices.

Graph 3

Gross value added by economic sector. Q3 2025
YoY % variation of GVA in ARS at constant 2004 prices



Source: CEI based on INDEC

According to the monthly estimator of economic activity (EMAE), the economic growth experienced in the first three quarters of 2025, continued taking place in October. In that month, the Argentine economy grew 3.2% compared to the same month in 2024, an increase that is mainly accounted for by the year-on-year increase in financial intermediation (22.8%), real estate, business and rental activities (3.9%) and mining (8.1%). On the contrary, among the sectors that presented a negative result, the one that had the highest incidence was the manufacturing industry (-2.7%).

The industrial production index (IPI) fell 2.9% year on year in October 2025. However, in the January-October period, the IPI showed a 3.1% rise compared to the same period of the previous year.

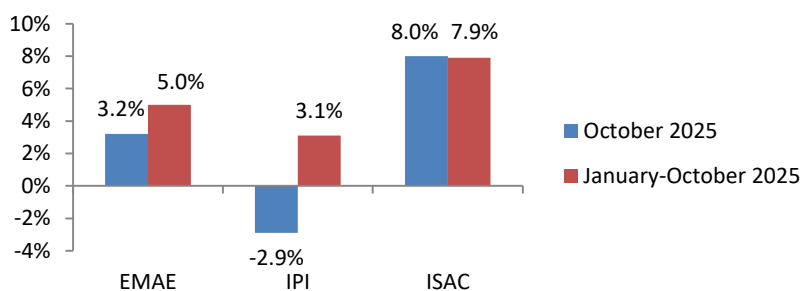
The economic indicator of construction activity (ISAC) published by INDEC in October 2025 showed a year-on-year increase of 8.0% and, in the cumulative of the first ten months of the year, a growth of 7.9%.

The utilization of installed capacity in the industry (UCII) during October 2025 was 61.0%, 2.0 p.p. lower than that of the same month of 2024, and 0.1 p.p. lower than that recorded in September 2025.

The sectors with installed capacity utilisation above the overall level in October 2025 were petroleum refining (82.2%), basic metal industries (71.1%), food and beverage products (68.7%), chemicals and substances (63.6%), and paper and cardboard (62.3%). In contrast, the sector blocs with the lowest installed capacity were tobacco products (42.9%), rubber and plastic products (42.6%), and textile products (32.5%).

Graph 4

EMAE, IPI and ISAC. October 2025 and cumulative January-October 2025
YoY % variation



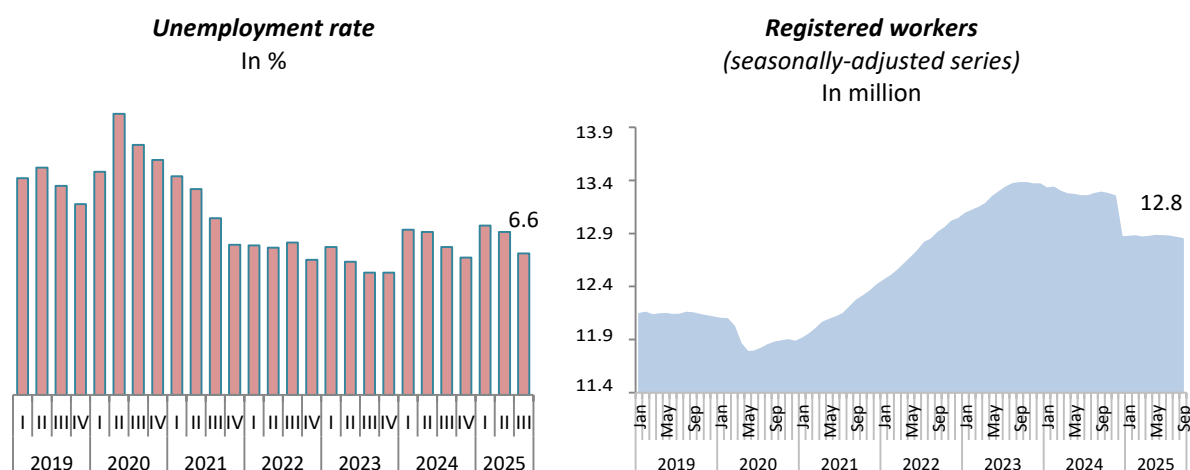
Source: CEI based on INDEC

Social indicators

In September 2025, the number of workers registered under any of the modalities of the social security system amounted to 12.8 million⁶, 10,700 fewer people than the previous month. Meanwhile, private formal employment⁷ recorded a monthly drop of 3,600 workers in September.

Unemployment rate in the third quarter of 2025 reached 6.6% of the economically active population (EAP), 0.3 p.p. below that recorded in the same period of 2024; while the activity rate stood at 48.6%, with a growth of 0.3 p.p. YoY.

Graph 5
Labour market. Years 2019-2025



Source: CEI based on INDEC and Secretariat of Labour, Employment and Social Security

The latest published poverty figures indicate that, in the first half of 2025, 31.6% of the population was below the poverty line, while 6.9% of people were in extreme poverty. This represents a decrease of 6.5 p.p. in poverty values compared to the second half of 2024, and of 21.3 p.p. compared to the first half of that year. Extreme poverty, on the other hand, fell by 1.3 p.p. and 11.2 p.p., respectively.

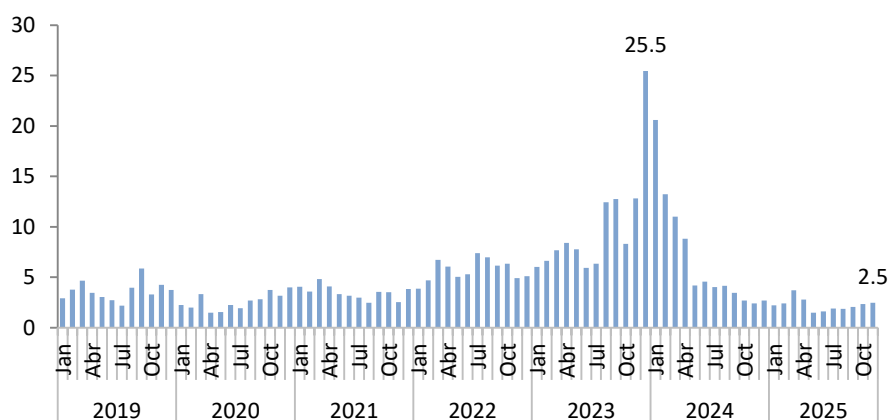
Prices

As of December 2023, when the consumer price index (CPI) reached a variation of 25.5% (the highest monthly value in the series published by INDEC, which begins in 2016), the monthly values of the CPI have decreased significantly. The last available data, corresponding to November 2025, was 2.5%. Meanwhile, the cumulative variation in the first eleven months of the year was 27.9% and year-on-year inflation as of November 2025 reached 31.4%.

⁶ Seasonally-adjusted series.

⁷ Seasonally-adjusted series.

Graph 6
Consumer price index. January 2019-November 2025
Monthly % variation



Source: CEI based on INDEC

The depreciation of the peso with respect to the dollar reached 41.3% in 2025, a figure 13.6 p.p. higher than that recorded in 2024, while in December there was a depreciation of 0.6%.

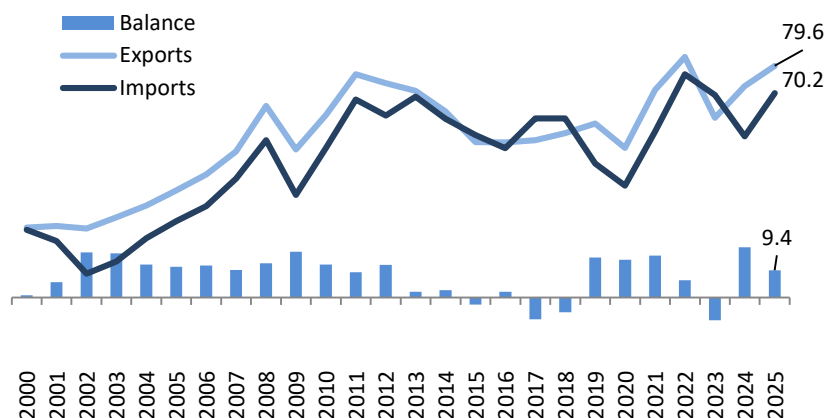
Foreign trade

In the first eleven months of 2025, exports of goods reached USD 79.6 billion, representing a YoY increase of 9.5%, as a result of a rise in quantities exported (10.2%) that more than compensated for the decline in prices (-0.6%). Imports, meanwhile, totalled USD 70.2 billion and grew 26.8% year on year, a result of a 32.9% increase in imported quantities, while prices fell 4.6%. Consequently, the trade balance reached a surplus of USD 9.4 billion, while in the same period of 2024 the result had been positive at USD 17.2 billion.

The main export destinations were Brazil, with a 14.8% share; China, with 11.3%; the EU, with 10.0%; and the United States, with 9.3%. The origins of the most remarkable imports were Brazil, with 24.6% of the total; China, with 23.4%; the EU, with 13.7%; and the United States, with 8.9%. The largest surpluses were obtained in trade with Chile (USD 5.0 billion), India (USD 3.7 billion), Peru (USD 2.0 billion), the Netherlands (USD 1.5 billion) and Saudi Arabia (\$1.3 billion); while the main deficits were recorded with China (-USD 7.4 billion), Brazil (-USD 5.5 billion) and Germany (-USD 1.9 billion).

Among the principal exported products, increases in sales of soybeans (USD 2.6 billion), crude petroleum oils (USD 1.2 billion), unwrought gold (USD 932 million) and crude soybean oil (USD 927 million) stand out; while the largest falls were in soybean meal and pellets (-USD 1.8 billion), motor vehicles for the transport of persons (-USD 542 million) and maize (-USD 407 million).

Graph 7
Trade in goods for the January-November period of each year. Years 2000-2025
Exports, imports and trade balance in million USD

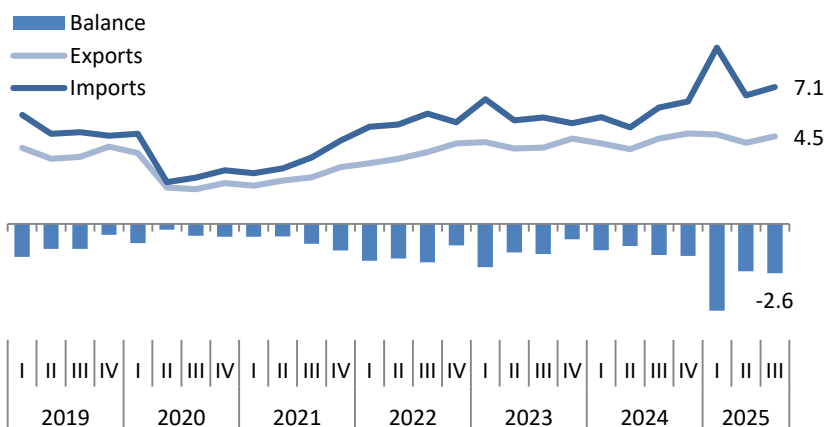


Source: CEI based on INDEC

Regarding foreign trade in services, in the third quarter of 2025 exports amounted to USD 4.5 billion and imports to USD 7.1 billion, so the deficit reached USD 2.6 billion, representing an increase in the negative balance of USD 951 million compared to that observed for the same period of the previous year.

The main exports in the third quarter of 2025 corresponded to knowledge-based services (KBS), and within this group, to business services. KBS sales totalled USD 2.7 billion, with a 3.1% year-on-year rise. Service exports also included travel, with revenues of USD 1.1 billion.

Graph 8
Trade in services. Q1 2019-Q3 2025
Exports, imports and balance in million USD

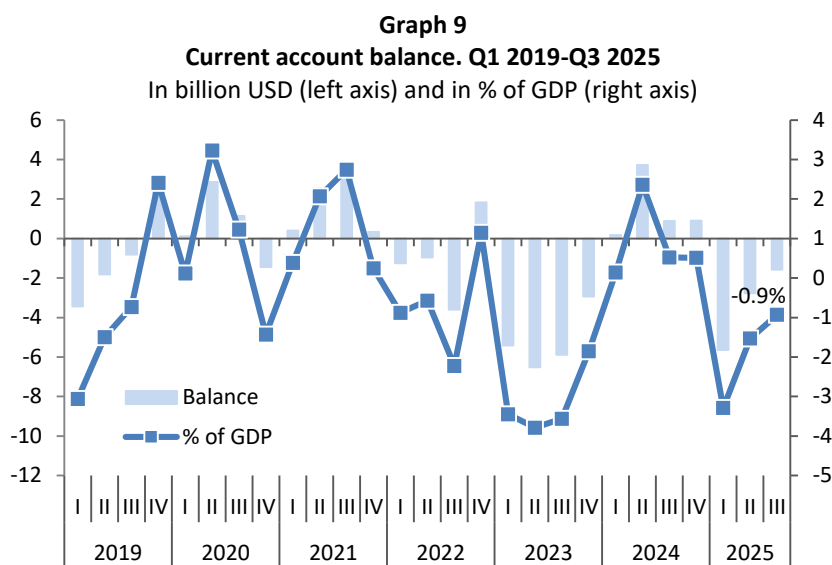


Source: CEI based on INDEC

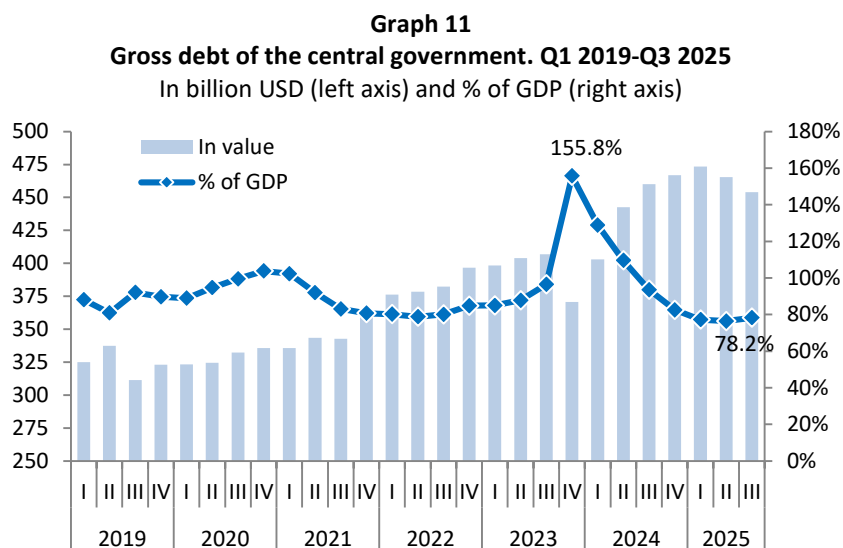
International accounts

In the third quarter of 2025, foreign direct investment flows (FDI) totalled USD 4.2 billion (2.5% of GDP), a value higher than that recorded in the same period of 2024 by USD 1.1 billion (0.7 p.p. higher relative to GDP).

Meanwhile, between July and September, the current account presented a deficit of USD 1.6 billion (0.9% of GDP), while in the third quarter of 2024, a surplus of USD 891 million had been recorded.



Finally, public debt⁸ by 30 September 2025 amounted to USD 454.0 billion (78.2% of GDP⁹), which constitutes an increase of 1.8 p.p with respect to the value of the second quarter. Foreign currency debt at the third quarter of 2025 reached 43.8% of GDP, while external debt represented 26.4% of the product.



Source: CEI based on Ministry of Economy

⁸ Value of the gross debt of central government.

⁹ According to the methodology of the Secretariat of Finance of the Ministry of Economy, the debt data as a percentage of GDP uses the average GDP for the last four quarters, expressed in dollars from the end-of-period exchange rate.

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Closing date: 31 December 2025



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