JULY 2026

# ARGENTINE ECONOMIC OUTLOOK

CEI Centre for International Economy

# ARGENTINE ECONOMIC OUTLOOK

## Argentina in the world

With a Gross Domestic Product (GDP) of USD 681.2 billion, Argentina is the second economy in South America, following Brazil. It is ranked fourth in terms of per capita GDP[1] (USD 14.685), in this case after Guyana, Uruguay and Chile; and its over 46 million inhabitants[2] rank it as the third most populated country in South America.

Its high agricultural production capacity has turned Argentina into one of the main food producers in the world, with large-scale agricultural and livestock industries. Argentina is among the leading exporters of soybean and its byproducts, and among the main producers of lemons, vegetable oils and milk, just to mention a few examples. Likewise, the quality of Argentine beef is recognised worldwide and the sector has managed to recover its traditional positioning and add new destinations, such as the United States, Canada, China and Mexico.

Argentina also has significant mining wealth. It is ranked in the fourth place as global lithium reserve and it comes among the top ten silver producers. In addition to its conventional oil and gas reserves, it is ranked fourth at world level in shale oil reserves and second in shale gas reserves.

It has dynamic industrial complexes, such as the automotive industry, which, with preferential access to the main markets of the region, has become the most relevant sector concerning manufactured goods exports. There are also other fast-growing sectors, such as renewable energy, biotechnology, and knowledge-based services, among others. Out of the total Latin American unicorn firms[3], fourteen are Argentine-based.

Moreover, it has a skilled workforce, acknowledged for its technical capabilities, creativity and versatility, and it is ranked second in Latin America in the Human Development Index produced by the United Nations Development Program[4].

[1] GDP and per capita GDP corresponding to the year 2025. For Argentina, data from the Ministry of Economy. For all other countries, World Bank data.
[2] 46,387,098 people according to estimates by INDEC by 1 July 2025.
[3] Technology companies created in recent years with a valuation of more than USD 1 billion.
[4] Index corresponding to the year 2023.

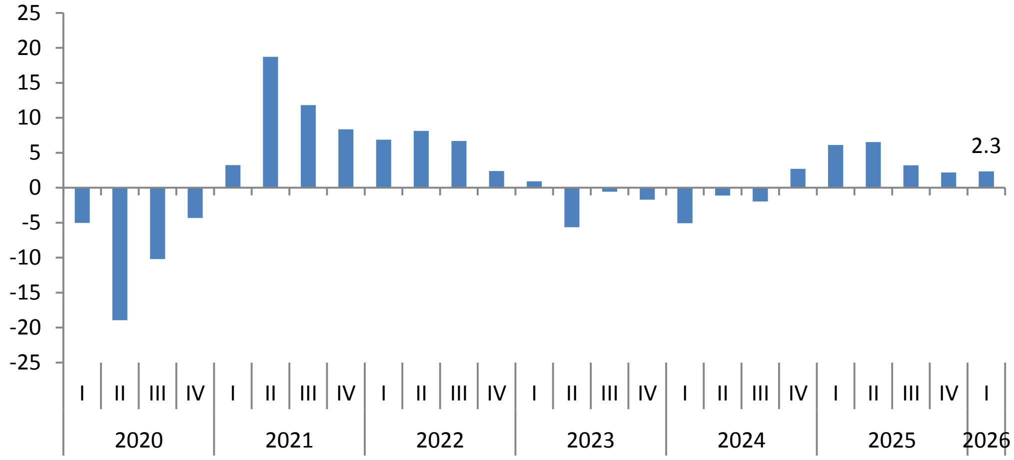
## State of the real economy

- *In the first quarter of 2026, Argentina's GDP registered a YoY growth of 2.3%.*
- *The positive economic performance during the first quarter of 2026 was determined by export growth (9.8% YoY) and private consumption (2.7%).*
- *According to the monthly economic activity estimator (EMAE, for its name in Spanish), in April 2026 the Argentine economy continued to grow (1.6% YoY).*
- *In April, the industrial production index (IPI) had a YoY fall of 2.8%.*
- *In turn, the synthetic indicator of construction activity (ISAC, for its name in Spanish), decreased by 2.8% YoY in April.*
- *The installed industrial capacity utilization (UCII, for its name in Spanish), was 59.9% in April 2026, a value 1.3 percentage points (p.p.) higher than that recorded in the same month of 2025.*
- *The unemployment rate in the first quarter of 2026 stood at 7.8% of the economically active population (EAP), 0.1 p.p. lower than in the first quarter of 2025; while the labour force participation rate stood at 48.6%, with a year-over-year increase of 0.4 p.p.*
- *By the second half of 2025, the latest data available shows that 28.2% of the population was below the poverty line, while 6.3% was in a condition of extreme poverty. This presupposes a YoY poverty fall of 9.9 p.p. and an extreme poverty decline of 1.9 p.p.*
- *In May 2026, Argentina's annual inflation was 2.1%. In turn, the accumulated variation in the first five months of the year was 14.7% and year-on-year inflation by May 2026 reached 33.2%.*
- *In the first five months of 2026, exports of goods reached USD 40.4 billion, representing an increase of 24.3% YoY.*
- *Imports, on the other hand, totalled USD 28.6 billion (falling 7.0% YoY).*
- *The trade balance in the January-May period reached a surplus of USD 11.8 billion.*
- *In the first quarter of 2026, exports of services amounted to USD 5.2 billion and imports to USD 9.2 billion, resulting in a deficit of USD 4.0 billion.*
- *Between January and March 2026, the current account had a negative balance of USD 1.7 billion (1.0% of GDP).*
- *By 30 June 2026, BCRA's international reserves reached USD 44.9 billion, representing a 9.0% increase from the last data in 2025.*
- *The National Public Sector (NPS) yielded a financial surplus of approximately 0.2% of GDP (a primary surplus close to 0.7% of GDP) in the first five months of 2026.*
- *Public debt by 31 March 2026 amounted to USD 483.9 billion (73.4% of GDP), which represents a reduction with respect to the value at the end of last year of 4.7 p.p. with relation to GDP.*

***Level of activity***

The first GDP figure for 2026 was positive. In the first quarter of the year, the economic activity grew 2.3% YoY, marking the sixth consecutive quarterly rise.

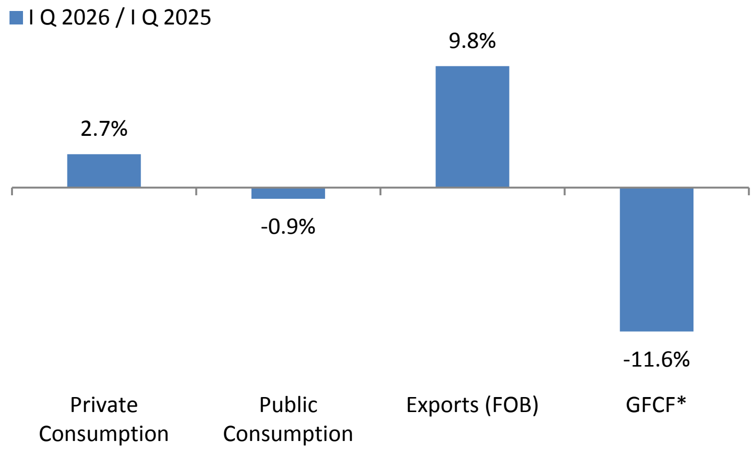
**Graph 1**
**Rate of GDP growth. Q1 2020-Q1 2026**
YoY % change of GDP in ARS at constant 2004 prices




Source: CEI based on INDEC

Positive economic performance during the first quarter of 2026 was determined by export growth (9.8% YoY) and private consumption (2.7%), while the components of demand that went down were investment, which fell 11.6% and public consumption, which did so by 0.9%. In turn, the ratio investment/GDP was 17.2%[5], which meant a decrease of 2.7 p.p. compared to the first quarter of 2025.

**Graph 2**
**GDP components. Q1 2026**
YoY % change of GDP in ARS at constant 2004 prices



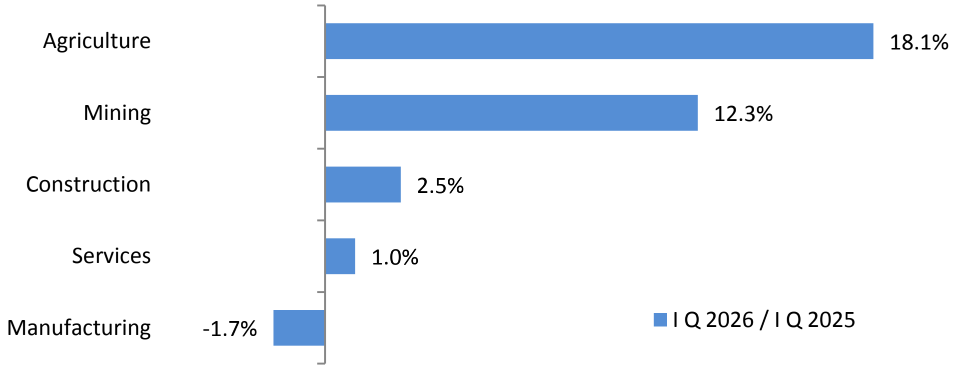

* Gross Fixed Capital Formation.

Source: CEI based on INDEC

[5] Relative to GDP at constant prices.

At sector level, the growth of agriculture, livestock, hunting and forestry (18.1%) was what most influenced the positive change in GDP in the first quarter of 2026, followed by the contribution made by mining (12.3%) and financial intermediation (7.5%)[6].

**Graph 3**
**Gross value added by sector of activity. Q1 2026**
YoY % change of GVA in ARS at constant 2004 prices




Source: CEI based on INDEC

According to the monthly economic activity estimator (EMAE), in April 2026 the growth observed in the first quarter of the year continued. In that month, the Argentine economy grew 1.6% compared to the same month in 2025, an increase that is mainly accounted for by the YoY rise in agriculture, livestock, hunting and forestry (10.9%), mining (17.1%) and financial intermediation (4.5%). In contrast, among the sectors with a negative result, the ones that had the highest incidence were the manufacturing industry (-2.9%), trade (-3.2) and fisheries (-28.4%).

In turn the industrial production index (IPI) showed a 2.8% year-on-year drop in April 2026, while the variation compared to March 2026 was -4.0%.

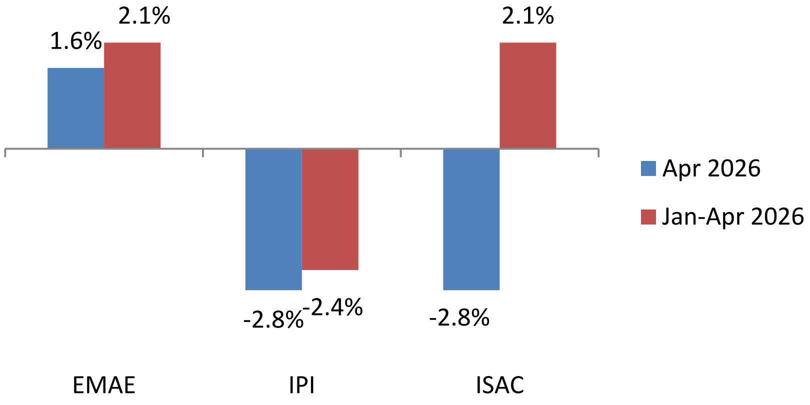
Likewise, INDEC's synthetic indicator of construction activity (ISAC) showed a YoY 2.8% fall and, with respect to March, a 4.0% decrease.

The installed industrial capacity utilisation (UCII) was 59.9% in April 2026, a value 1.3 p.p. higher than that of the same month in 2025 and 0.1 p.p. higher than that recorded in March 2026.

The sectors with installed capacity utilisation above the overall level in April 2024 were petroleum refining (86.8%), basic metal industries (73.4%), chemical substances and products (69.9%) paper and cardboard (67.3%) and food and beverage products (60.4%). In contrast, the sector blocks with the lowest utilisation of installed capacity were non-metallic mineral products (42.7%), rubber and plastic products (42.4%) and textile products (42.4%).

[6] In some cases, these sectors have a disaggregation greater than what is listed in Graph 4.

**Graph 4**
**EMAE, IPI and ISAC. April 2026 and cumulative January-April 26**
YoY % change



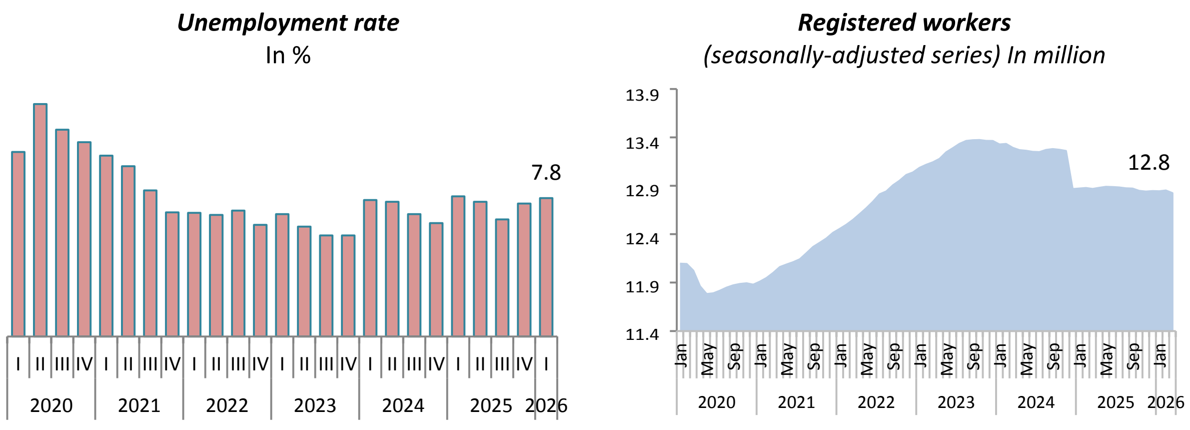

Source: CEI based on INDEC

## ***Social indicators***

In March 2026, the number of workers registered under any of the modalities of the social security system amounted to 12.8 million[7], 27,500 people less than in the previous month. In turn, private formal employment[8] in March recorded a monthly decrease of 7,900 workers.

The unemployment rate in the first quarter of 2026 reached 7.8% of the economically active population (EAP), 0.1 p.p. below the same quarter of 2025; while the activity rate stood at 48.6%, 0.4 p.p. higher than last year's first quarter.

**Graph 5**
**Labour market. Years 2020-2026**




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

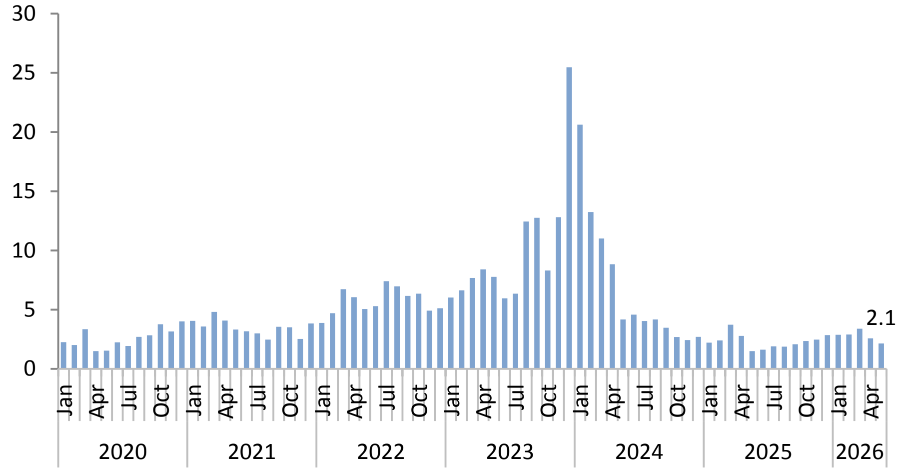
The latest published poverty figures indicate that, in the second half of 2025, 28.2% of the population was below the poverty line, while 6.3% of people were in extreme poverty. This presupposes a 3.4 p.p. decrease in poverty values compared to the first half of the year, and 9.9 p.p. in relation to the second half of 2024. Extreme poverty, in turn, fell by 0.6 p.p. and 1.9 p.p., respectively.

[7] Seasonally-adjusted series.
[8] Seasonally-adjusted series.

## *Prices*

In 2025, Argentina's annual inflation was 31.5%, a figure significantly lower than those recorded in 2024 (117.8%) and 2023 (211.4%). Since December 2023, when the index reached a variation of 25.5% (the highest monthly value in the series published by INDEC, starting in 2016), the CPI monthly values have significantly decreased. The latest available data for May 2026 was 2.1%. In turn, the accumulated variation in the first five months of the year was 14.7% and YoY inflation by May 2026 reached 33.2%.

**Graph 6**
**Consumer price index. January 2020-May 2026**
% monthly change




Source: CEI based on INDEC

The depreciation of the peso with respect to the dollar reached 1.6% in the first half of 2026, a figure significantly lower than that recorded in the same period of 2025 (15.6%); while, according to the latest monthly data, in June 2026 the depreciation was 5.2%.

## *Foreign trade*

In the first five months of 2026, exports reached USD 40.4 billion, implying a YoY growth of 24.3%, as a result of an increase both in exported quantities and in prices (15.7% and 7.5%, respectively). Imports totalled USD 28.6 billion and decreased 6.6% YoY, as a result of the fact that imported quantities decreased 10.8%, while prices rose 4.7%. This is mainly accounted for by the lower imported quantities of capital goods (-13.7%) and their parts and accessories (-31.1%). As a result of these variations, the trade balance reached a surplus of USD 11.8 billion, when in the accumulated January-May 2025 period, a positive balance of USD 1.9 billion had been recorded.

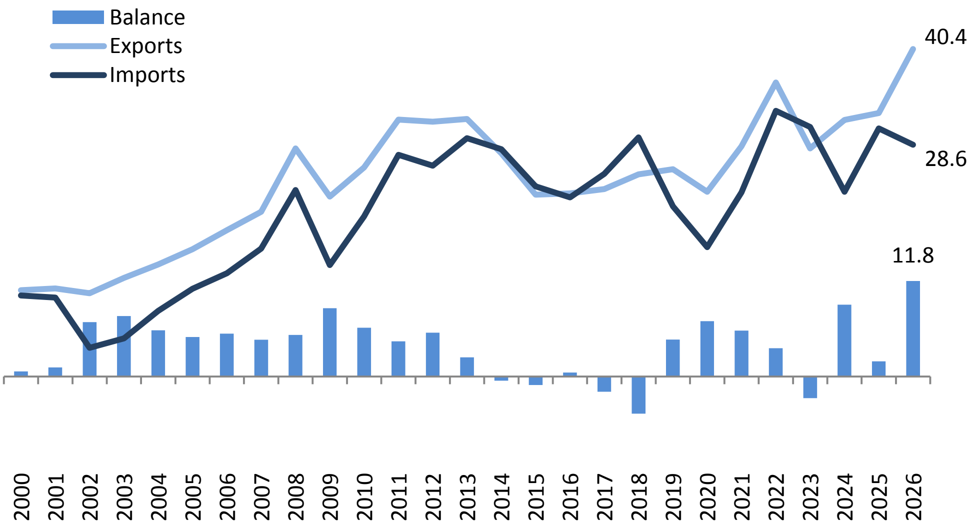
The main export destinations for Argentine goods were Brazil, with a stake of 12.6%, the United States (9.9%), China (9.8%) and the EU (8.8%). In turn, the origins of the most remarkable imports were: China, which accounted for 22.7% of the total, Brazil (21.6%), the EU (14.4%) and the United States (8.6%). The largest surpluses were obtained in trade with Chile (USD 2.2 billion), India (USD 2 billion), the United States (USD 1.5 billion), Vietnam (USD 1.2 billion) and Peru (USD 1.0 billion); while the main deficits were recorded with China (-USD2.5 billion), Paraguay (-USD 1.2 billion) and Brazil (-USD 1.1 billion).

The increases in exports of crude oils (USD 1.3 billion), crude gold (USD 952 million) and wheat (USD 727 million) stand out. Among imports, the most significant falls were in purchases of chassis, parts and tyres (-USD 685 million), gasoil (-USD 390 million), and phone parts (-USD 332 million).

**Graph 7**

**Trade in goods for the January-May period of each year. Years 2000-2026**

Exports, imports and trade balance in million USD

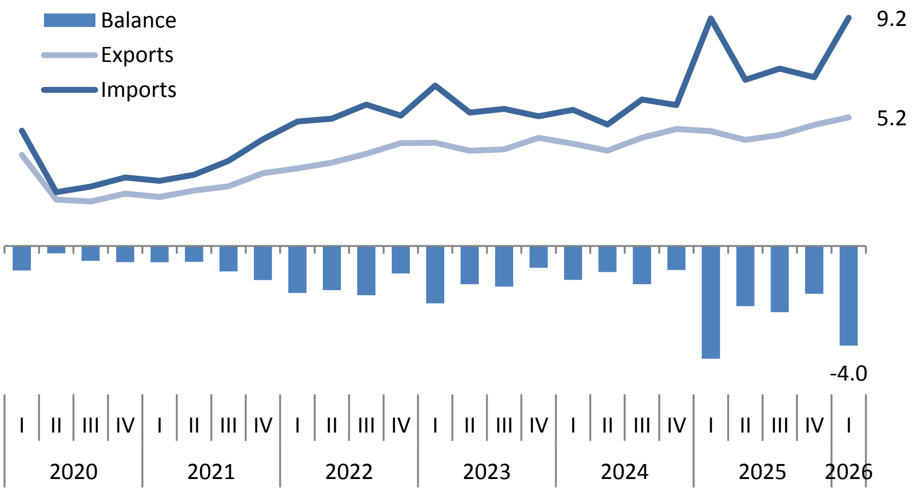



Source: CEI based on INDEC

Regarding foreign trade in services, in the first quarter of 2026 exports amounted to USD 5.2 billion and imports to USD 9.2 billion, so the deficit reached USD 4.0 billion, representing a decrease in the deficit of USD 532 million compared to the balance observed for the same period of the previous year.

In the first quarter of the year, the main exports corresponded to knowledge-based services (KBS), and within this group, to business services. KBS exports amounted to USD 2.8 billion, with a YoY growth of 15.2%. Exports of services also include travel, with revenues of USD 1.6 billion.

**Graph 8**
**Trade in services. Q1 2020-Q1 2026**
Exports, imports and trade balance in billion USD



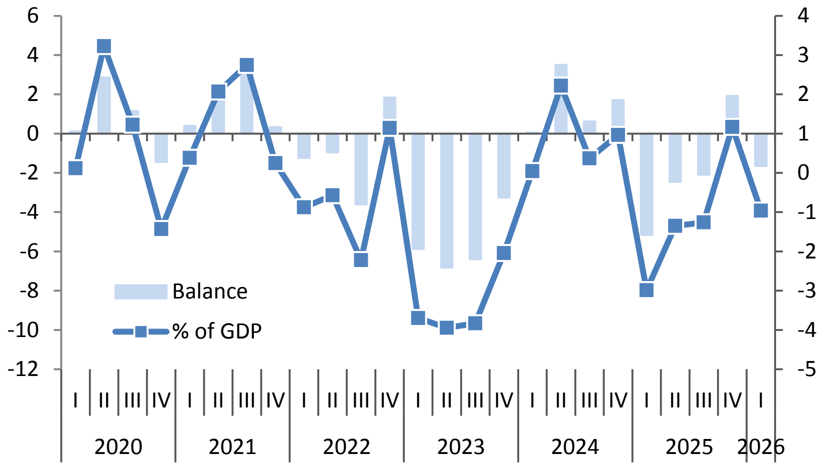

Source: CEI based on INDEC

***International accounts***

In the first quarter of 2026, foreign direct investment (FDI) flows totalled USD 1.8 billion (1.0% of quarterly GDP), a value higher than that recorded in the same period of 2025 at USD 929 million (0.5 p.p. higher relative to GDP).

In turn, between January and March, the current account had a negative balance of USD 1.7 billion (1.0% of GDP).

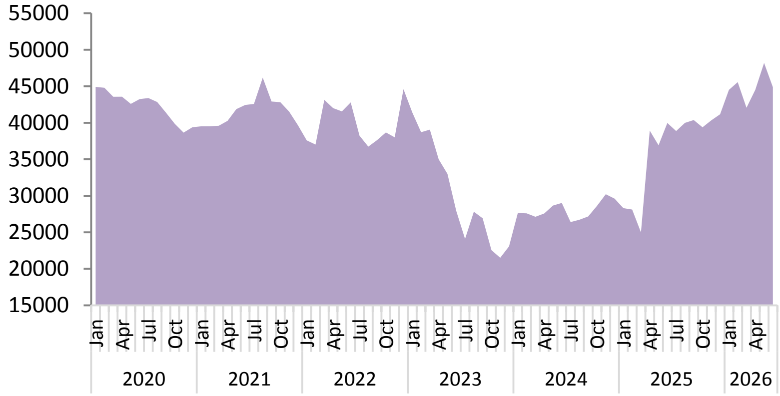
**Graph 9**
**Current account balance. Q1 2020-Q1 2026**
In billion USD (left axis) and in % of GDP (right axis)




Source: CEI based on INDEC

In 2025, the Central Bank of the Argentine Republic (BCRA) experienced an increase in international reserves of USD 11.6 billion (39.0%) and at the end of that year, these reached USD 41.2 billion. At the end of June 2026, that figure rose to USD 44.9 billion, up 9.0% in the first semester of the year.

**Graph 10**
**International reserves. January 2020-June 2026**
In million USD



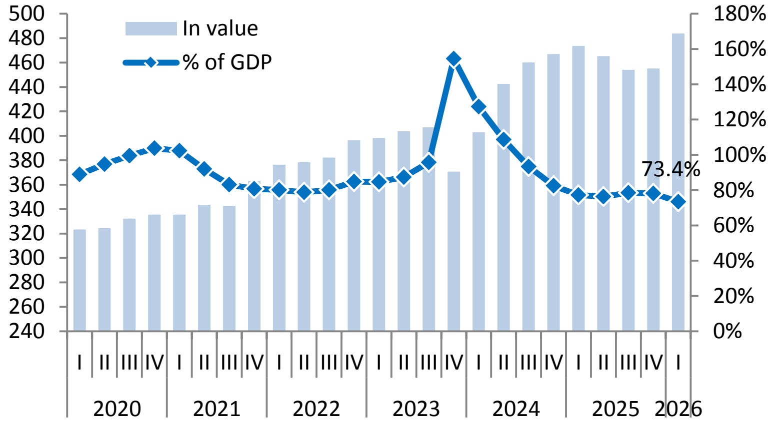

Source: CEI base don BCRA

***Fiscal sector***

In May, the National Public Sector (SPN) recorded a surplus financial result of ARS 478.6 billion, the product of a primary result of ARS 1.9 trillion, and a payment of interest on net public debt of the intra-public sector of ARS 1.4 trillion. Thus, it accumulated a financial surplus of approximately 0.2% of GDP (primary surplus close to 0.7% of GDP) in the fifth month of the year).

Finally, public debt[9] by 31 March 2026 amounted to USD 483.9 billion (73.4% of GDP[10]), which is a drop from the end-2025 value of 4.7 p.p. (relative to GDP[11]). Foreign currency debt in the first quarter of 2026 reached 39.7% of GDP, while the external debt accounted for 23.5% of the product.

**Graph 11**
**Gross public debt. Q1 2020 – Q2 2026**
In billion USD and % of GDP




Source: CEI based on the Ministry of Economy

[9] Value of the gross debt of the central administration.
[10] According to the methodology of the Secretariat of Finance of the Ministry of Economy, the debt as a percentage of output data uses the average GDP for the last four quarters, expressed in dollars from the end-of-period exchange rate.
[11] Exchange rate taken at the end of the period.

# ARGENTINE ECONOMIC OUTLOOK



Closing date: 30 June 2026

Ministry of Foreign Affairs,
International Trade and Worship
Argentine Republic