

Argentina

A more robust macroeconomy for the next stage

Argentina will enter 2027 with stronger macrofinancial fundamentals than in previous presidential cycles. Fiscal discipline is the main anchor of stability, while slowing inflation and reserve accumulation have strengthened resilience. Energy, mining and agriculture continue to support the medium-term outlook for growth and foreign-currency generation. Although electoral and global risks remain, the economy enters the year with stronger buffers.

Cristian Cancela
Mariela Díaz Romero
Agustín Fabbricatore

Argentina is heading into the 2027 presidential election from a more favourable starting point than in previous electoral episodes. Fiscal consolidation, lower inflation, an improved external position and stronger public finances have helped correct imbalances that historically amplified political and financial uncertainty. As a result, the economic debate is shifting from stabilisation towards the sustainability of growth. The challenge will now be to turn greater macroeconomic stability into a platform for higher investment, productivity and private-sector expansion, securing better conditions for medium-term growth.

The main difference compared with previous cycles is still the fiscal position. Maintaining a primary surplus has become the principal source of policy credibility, reducing reliance on monetary financing and strengthening perceptions of public-sector solvency. At the same time, reserve accumulation and improvements in the Central Bank's balance sheet have increased the capacity to manage potential episodes of portfolio dollarisation. These advances do not eliminate election-year risks, but they provide a stronger position from which to absorb potential volatility.

Another relevant factor is the public sector's financing strategy. The 2026-2027 financing programme appears consistent with expected resource and financing needs. This is particularly important considering that Argentina will be operating with sovereign rating upgrades to levels equivalent to B-. The combination of multilateral financing, access to the domestic market, precautionary liquidity accumulation and more orderly management of maturities helps reduce refinancing risks and strengthens the public sector's ability to navigate the electoral process.

Consolidating growth will also require the benefits of the new macroeconomic framework to extend to less dynamic but more employment-intensive, domestically oriented sectors. The challenge will be to ensure that macroeconomic stability and the recovery of investment translate into stronger formal employment, real incomes and activity across the economy. This normalisation could also support further financial

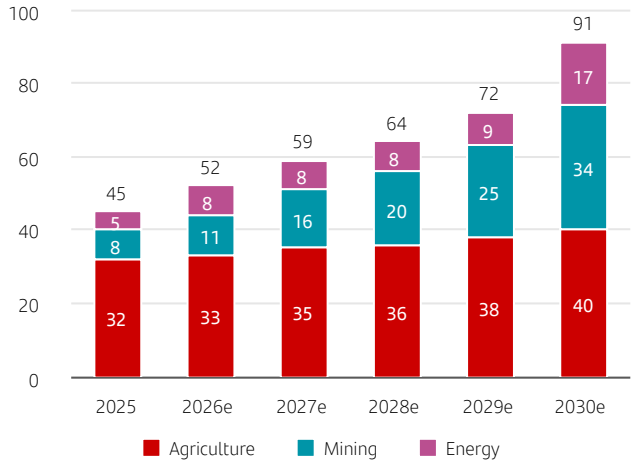
Argentina

deepening, as low credit and financial intermediation leave substantial room to expand financing to households and businesses.

The medium-term outlook continues to improve. Expansion in energy, rising mining investment and a strong agricultural export complex are creating a more diversified and resilient export base. While imports are likely to rise in 2027 alongside stronger activity and investment, the external position appears stronger than in previous episodes. The current account should remain manageable, supported by energy, mining and agribusiness exports and higher productive investment. A gradual widening of the deficit would therefore not necessarily signal an imbalance, but could instead reflect higher investment and future foreign-currency generation.

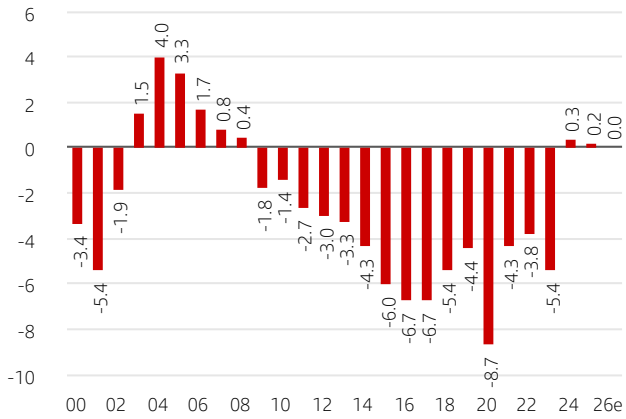
Naturally, the scenario is not without risks. The proximity of the presidential election could generate episodes of financial volatility, and reserve accumulation will keep being closely monitored by markets. Preserving fiscal discipline, maintaining external competitiveness and sustaining the momentum of institutional reforms will also be essential for consolidating confidence. On balance, however, Argentina appears set to enter 2027 with stronger fundamentals than in previous presidential years.

Argentina: Expected trade balance for natural resources
(USD bn)



Sources: BCRA based on Ministry of Economy and INDEC.

Argentina: Fiscal balance
(% of GDP)



Sources: IMF and Ministry of Economy.

Macroeconomic forecasts

	2026e	2027e	2028e
GDP growth (%)	1.8	2.7	3.9
Unemployment rate	7.2	7.1	7.0
CPI inflation	30.1	23.0	12.7

Source: Santander Research. Annual average.



Argentina In focus

RIGI as a catalyst for investment and productive transformation in Argentina



The Incentive Regime for Large Investments (RIGI) is presented as one of Argentina's main opportunities to accelerate investment and the development of strategic sectors with export capacity. In a context marked by low levels of domestic savings and external constraints, the regime seeks to offer a more stable and competitive framework for large-scale projects.

What is RIGI?

The Incentive Regime for Large Investments (RIGI) constitutes one of the pillars of Argentina's economic strategy to increase investment and expand productive capacity, an especially relevant objective for an economy that has historically exhibited low levels of capital formation. According to the International Monetary Fund (IMF), investment in Argentina has averaged 16% of gross domestic product (GDP) over recent decades, significantly below the 22% average recorded by countries such as Chile, Colombia, Mexico and Peru.

In this context, RIGI was designed to create more competitive conditions for the development of large-scale projects, particularly in sectors with high export potential and substantial capital requirements. The regime combines regulatory stability for up to 30 years with tax, customs and foreign-exchange incentives aimed at reducing uncertainty and improving the expected returns on investments with long maturity horizons. The scheme is aimed at projects in oil and gas, mining, energy, infrastructure, steelmaking, technology, tourism and the forestry industry, among other sectors considered strategic for the country's economic development.

The importance of the regime must also be analysed in light of the structural savings constraints of the Argentine economy. Historically, the low level of domestic savings has restricted the capacity to finance large-scale investment projects exclusively with national resources. As a result, the development of capital-intensive sectors, such as energy and mining, requires access to external sources of financing. Therefore, the capacity to attract foreign savings constitutes a fundamental condition for sustaining a more dynamic growth process and a significant expansion of investment.

The comparative experience

Argentina has lagged behind in attracting foreign direct investment (FDI). According to World Bank data, net FDI inflows represented just 0.5% of GDP in Argentina during 2025, compared with 4.1% in Chile, 3.1% in Peru and 2.5% in Colombia. These differences reflect the considerable scope that exists to increase the participation of

international capital in financing productive projects. From this perspective, RIGI could bring Argentina closer to investment and capital-attraction standards observed in other economies in the region.

Results in investment decisions

The initial response from the private sector has been significant. As of July 2026, official data indicated that 18 projects had been approved, representing a committed investment of 35.7 billion US dollars and an estimated 56,717 direct and indirect jobs. The sectoral composition is concentrated in activities linked to natural resources and energy: nine projects are in mining, five are in oil and gas, two are in energy, one is in steelmaking and one is in infrastructure. Mining accounts for more than half of the projects already approved, reflecting investors' interest in the development of copper, lithium and other strategic minerals linked to the global energy transition.

In addition, the portfolio currently under evaluation comprises 24 projects worth 112 billion US dollars and an estimated 141,547 direct and indirect jobs. This estimate rises even higher when company announcements are taken into account. Within this group, sectors with a stronger export profile again predominate, with 12 projects linked to oil and gas and 10 to mining. The remaining two projects are in energy and technology, respectively. This distribution suggests that a substantial share of the investment that could materialise over the coming years will be associated with the development of Vaca Muerta and the expansion of mining production aimed at international markets.

Of the 42 projects submitted in total, 19 are in mining and 17 are in oil and gas, while energy accounts for three initiatives, infrastructure one, steelmaking one and technology one. Overall, RIGI is channelling investment mainly towards sectors with natural comparative advantages and a high capacity to generate foreign currency, concentrating more than four-fifths of the projects in energy, hydrocarbons and mining.

Beyond the specific incentives provided by the regime, the economic significance of RIGI lies in its potential to accelerate a transformation of Argentina's productive structure. For decades, the country's growth was constrained by external restrictions and insufficient foreign-currency generation. The current project portfolio reveals an orientation towards sectors capable of structurally expanding export supply, taking advantage of resources in which Argentina has competitive advantages on a global scale.

The development of Vaca Muerta, copper and lithium projects, the expansion of energy infrastructure and the growth of activities associated with the energy transition could significantly increase the weight of capital-, technology- and productivity-intensive sectors within the national economic structure. In this regard, RIGI is not only a tool for promoting investment, but also a mechanism for accelerating a process of productive change aimed at consolidating new sources of growth and foreign-currency generation.

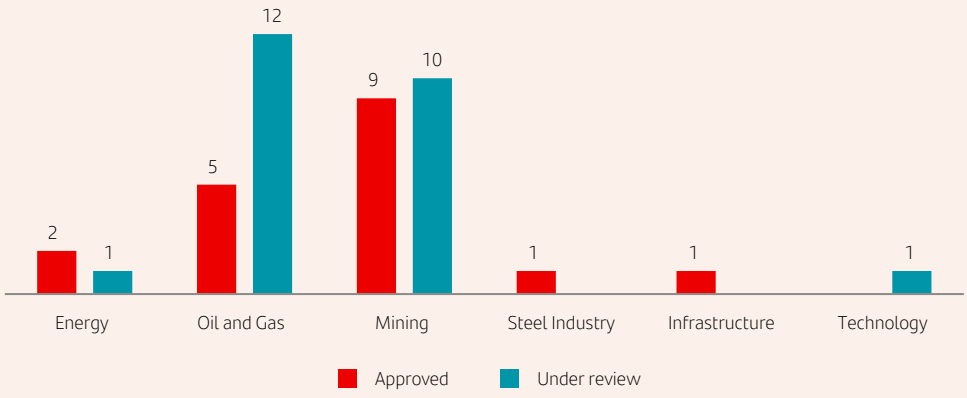
The potential impact of the regime also has an important regional dimension. Unlike other investment processes historically concentrated in the major urban centres, the

projects currently approved or under evaluation are distributed across various of the country's provinces, including Buenos Aires, Catamarca, Jujuy, La Pampa, Mendoza, Neuquén, Río Negro, Salta, San Juan and Santa Fe. This territorial distribution means that a significant share of the benefits associated with the investments, including employment, supplier procurement, infrastructure development and greater economic activity, could extend to regions with very diverse productive profiles. The location of mining projects in the Northwest and Cuyo regions, together with energy investments linked to Vaca Muerta and the infrastructure associated with export corridors, has the potential to drive regional development processes, strengthen local value chains and generate multiplier effects across broad segments of the economy.

Conclusion

RIGI emerges as a relevant tool for addressing some of the main structural challenges of the Argentine economy: low levels of investment, the scarcity of domestic savings, limited foreign-currency generation and the need to expand productive capacity. The scale of the portfolio currently submitted reflects a significant opportunity to channel external savings towards strategic sectors, strengthen the country's export profile and promote more balanced development at the regional level. Although the potential of the regime depends not only on the regulatory framework, but also on the effective implementation of the projects, it is encouraging that a significant number of the initiatives are already advancing through the initial stages of structuring and financing. In fact, some projects are beginning to show associated flows that are already being reflected in the foreign-exchange market.

Argentina: Total projects submitted (RIGI)



Source: Ministry of Economy.