



# Economic GPS

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# Editorial

## An Economy in Better Shape to Absorb the External Shock

The armed conflict has introduced a new source of uncertainty into the global economy. In addition to the geopolitical tensions, the most immediate effect is higher oil prices, setting off a familiar chain reaction: pressure on relative prices and global inflation, a flight to quality, a stronger US dollar, and tighter international financial conditions. Short-term US Treasury yields have already moved higher, and the Federal Reserve's easing cycle —expected to continue until recently— now faces a likely pause, as reflected in market pricing.

For most emerging economies, this scenario activates three simultaneous channels of impact: trade, due to higher costs for imported energy and a contraction in global commerce; finance, owing to a higher cost of external credit and greater risk aversion; and inflation, on account of the pass-through of energy commodity prices into domestic costs. For most, the assessment is unfavorable. For Argentina, the picture is more nuanced.

Unlike most economies in the region, Argentina heads into this period as a net energy exporter, a status consolidated in recent years with the development of Vaca Muerta. That structural feature flips part of the shock's logic: higher oil prices do not represent an additional cost here, but rather extra export revenue. Moreover, a period of elevated prices sustained over time tends to attract direct investment into the sector, which, in turn, brings foreign-exchange inflows and lays the groundwork for greater export capacity over the medium term. Evidence from recent weeks is consistent with that view. Despite external turbulence, the impact on domestic economy has been contained so far. The Central Bank continues to buy reserves, the exchange rate remains stable, and interest rates are still in decline.

Adding to that export mix —with increasing weight— is the mining sector. Mining has been consolidating its role as a driver of foreign-exchange generation and long-term investment, with projects that stimulate activity in regional economies and reinforce Argentina's position as a net exporter.

In this edition of **Economic GPS**, we include a new section focused on real-economy sectors. The first sector under analysis is mining —given its growing importance in the country's productive landscape.

This recent tailwind does not make the economy immune to shocks. Two areas require monitoring: inflation and finance. On the inflation front, while exchange rate stability acts as an anchor on expectations and on the relative prices of tradable goods —supporting the ongoing disinflation— higher oil prices push the other way through logistics costs, with a lagged pass-through to final prices. As we have noted repeatedly, a relative price shock does not necessarily translate into inflation —so long as it is not accommodated by monetary expansion— but it can affect the CPI in the short term and be perceived by economic agents as such. For now, the balance looks favorable, as March food CPI appears to have decelerated sharply versus January and February, which would put the general index below the values recorded the first two months of the year.

On the finance front, the conflict has increased country risk and pushed back expectations for global interest rate cuts. Restoring access to international credit markets remains the last hurdle to normalizing the public sector's foreign-currency demand and stabilizing reserve accumulation.

On that front, the ruling on March 27 by the US Court of Appeals for the Second Circuit in New York, which overturned the judgment requiring Argentina to pay about USD 18 billion for the expropriation of YPF in 2012, removes a fiscal contingency whose ongoing presence was scarcely compatible with any credible stabilization program. Market reaction was positive but contained —partly capped by the global backdrop of high rates and expensive oil— suggesting the decision reduces a first-order structural risk but does not, by itself, redefine the country’s financial profile. Its most relevant effect may be qualitative: greater legal predictability for capital intensive sectors —precisely those with long investment horizons where legal risk is decisive in allocation decisions. For YPF in particular, the ruling eases financing for strategic projects and reinforces its role as a platform for private investment.

Against that risk map, recent economic policy measures offer concrete responses. On the financial front, the government turned to local issuance of dollar-denominated debt as an alternative to international markets, with telling results: demand far exceeded the maximum amount offered, a sign of domestic market confidence that carries significant weight in the current context. However, political risk persists, and the strategy has limits beyond short-term placements.

In parallel, the BCRA facilitated a cut in bank reserve requirements by not renewing the resolution expiring on March 31, which had instituted a temporary 5% increase in August 2025. The measure injects liquidity to the system at a time when the economy needs affordable financing and aligns with the broader strategy of gradually bringing down nominal variables, lowering the cost of credit, and broadening the scope for monetary policy action.

In the current global setting, Argentina is better positioned than in similar moments of turbulence in the past. In prior shocks,

the country’s structural vulnerabilities amplified the impact: energy dependence, restricted access to external financing, and lack of macroeconomic anchors. Today, we enter this phase from a more favorable starting point, driven by energy, agriculture, and mining acting as simultaneous growth engines, orderly monetary and exchange-rate policies, and signs of renewed confidence in domestic markets. That position is neither automatic nor permanent; and it demands the same discipline that built it. Nevertheless, the conditions to navigate this period with greater relative resilience are in place —and, based on Argentina’s economic history, that is far from trivial.



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### M&A in Argentina: 2025 Recap and 2026 Outlook.

Argentina's M&A market closed 2025 on a stronger footing, as higher annual deal volume was accompanied by larger-ticket transactions, developing a firmer base for the next cycle.

### Reduction of operating costs in foreign trade: guarantees, costs, and challenges in temporary operations.

The Argentine Customs Code ("ACC") regulates the Temporary Imports System, establishing that imported goods may remain within the customs territory for a specified purpose and period. These goods must be reexported for consumption before the expiration of the authorized term.

### Mining

Mining is among the most strategically promising sectors in Argentina's economy. The country holds world-class reserves of minerals whose global demand continues to grow steadily, driven by the energy transition, industrial expansion, and the rise of the digital economy. In this context, the sector has consistently gained weight within Argentina's productive structure and increasingly attracts geopolitical interest from leading global powers.

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# Tracking

## Labor Modernization Law: Tax Implications for 2026

*The Labor Modernization Law introduces structural changes to Argentina's labor market and carries a set of fiscal effects that should be measured precisely. This report quantifies the fiscal burden of its core provisions, sets them in context alongside other spending pressures already in effect, and assesses whether the government has enough headroom to sustain its 1.5% of GDP primary surplus target for 2026.*

Since late 2023, Argentina's economic program has relied on fiscal balance as its principal credibility anchor. After posting a 1.4% of GDP primary surplus in 2025 and targeting 1.5% for 2026, preserving that fiscal balance amid ongoing reforms will be challenging. The enactment of the Labor Modernization Law clearly illustrates that tension. The reform aims to lower hiring costs and promote formal employment — objectives that should support activity over the medium term — but it carries short-term fiscal implications that need to be carefully quantified.

### National Public Sector fiscal balance: revenue and spending composition

Cash basis, in % of GDP

Concept	2023	2024	2025	Var. 2023/25
<b>Total Income</b>	<b>16.8%</b>	<b>16.8%</b>	<b>15.9%</b>	<b>-0.9%</b>
<b>Tax</b>	<b>14.9%</b>	<b>15.4%</b>	<b>14.6%</b>	<b>-0.3%</b>
Property income	1.0%	0.7%	0.6%	-0.5%
Other current income	0.9%	0.6%	0.7%	-0.2%
Capital gain	0.0%	0.0%	0.0%	0.0%
<b>Primary expenses</b>	<b>19.5%</b>	<b>15.0%</b>	<b>14.5%</b>	<b>-4.9%</b>
<b>Primary current expenditure</b>	<b>17.9%</b>	<b>14.6%</b>	<b>14.2%</b>	<b>-3.7%</b>
<b>Social security and welfare payments</b>	<b>10.6%</b>	<b>9.5%</b>	<b>9.7%</b>	<b>-0.9%</b>
Contributory pension and retirement benefits	6.2%	5.6%	6.2%	0.0%
Universal Allowance for Social Protection	0.4%	0.6%	0.7%	0.3%
Family Allowances—Active Workers, Retirees and Pensioners, and Other	0.4%	0.4%	0.3%	-0.1%
Non-contributory pensions	0.6%	0.5%	0.5%	0.0%
Payments to the National Institute of Social Services for Retirees and Pensioners (INSSJP)	0.9%	0.9%	0.9%	0.0%
Other Social Programs	2.1%	1.5%	1.0%	-1.1%
<b>Economic subsidies</b>	<b>2.1%</b>	<b>1.5%</b>	<b>1.0%</b>	<b>-1.1%</b>
<b>Operating expenses and sundry expenses</b>	<b>3.3%</b>	<b>2.7%</b>	<b>2.5%</b>	<b>-0.8%</b>
Salaries and wages	2.6%	2.2%	1.9%	-0.7%
<b>Transfers to provinces</b>	<b>0.7%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>-0.5%</b>
<b>Other current expenses</b>	<b>1.2%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>-0.5%</b>
Transfers to universities	0.7%	0.6%	0.5%	-0.3%
<b>Capital expenditure</b>	<b>1.6%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>-1.2%</b>
<b>Primary result</b>	<b>-2.7%</b>	<b>1.8%</b>	<b>1.4%</b>	<b>4.1%</b>
<b>Interest</b>	<b>3.2%</b>	<b>1.5%</b>	<b>1.2%</b>	<b>-2.0%</b>
<b>Financial result</b>	<b>-5.9%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>6.1%</b>

Source: Prepared by the authors based on Ministry of Economy official data.

The biggest short-term fiscal cost is the Severance Fund (FAL). The FAL establishes individual accounts protected from creditor seizure to finance payments in connection with the termination of employment, and it is funded through monthly employer contributions on the wage bill. Base contribution rates are 1% for large companies and 2.5% for small and medium-sized enterprises (SMEs), and the Executive Branch may raise these rates to 1.5% and 3%, respectively. The fiscal impact is direct. Employer contributions to the FAL are offset against contributions to the Argentine Integrated Pension System (SIPA), so every peso paid into the fund is a peso that does not enter the social security system. Since the law was published in the Official Gazette on March 6, 2026, the fund will become operational on June 1. As a result, the full-year cost of the reform cannot yet be assessed. At the base rates, the impact amounts to 0.15% of GDP for the second half of the year, equivalent to an annualized cost of 0.23% of GDP. If the Executive Branch raises the rates, those figures would climb to 0.19% and 0.31% of GDP, respectively.

The elimination of certain excise taxes has a much smaller impact. In 2025, collections from the now eliminated items amounted to just 0.03% of GDP, a figure that already reflected that year's rate cut on vehicles and aircraft. Affected categories include mobile phones, insurance, automobiles, boats, aircraft, and audiovisual communication services, among others. For the remainder of 2026, the estimated revenue<sup>1</sup> decline is approximately 0.022% of GDP —a marginal impact from the standpoint of the aggregate fiscal balance.

### Estimated fiscal cost of the FAL

	Larges companies	MiPyMEs	Total
Employees, (in thousands)	3,075	2,731	5,807
Annual Compensation (in millions of ARS)	28.5	15.7	22.5
Wage Bill (in millions of ARS)	87,614,135	42,799,627	130,413,762
<b>Base Rate</b>	1.0%	2.5%	
FAL Contribution (in millions of ARS)	876,141	1,069,991	1,946,132
In % of GDP	0.10%	0.13%	0.23%
Prorated for 7 months	0.07%	0.08%	<b>0.15%</b>
<b>Maximum Rate</b>	1.5%	3.0%	
FAL Contribution (in millions of ARS)	1,314,212	1,283,989	2,598,201
In % of GDP	0.15%	0.15%	0.31%
Prorated for 7 months	0.10%	0.10%	<b>0.19%</b>

**Source:** Prepared by the authors based on data from the Ministry of Economy and the Secretariat of Labor, Employment, and Social Security. Methodological Notes: We used the number of registered private-sector workers nationwide at November 2025, based on the latest available data, seasonally adjusted. Construction workers, who are not covered by the FAL, were excluded. We estimated the contributory wage bill using the distribution of workers across large companies and micro, small, and medium-sized enterprises (MiPyMEs). This breakdown was based on reports from the Employment and Business Dynamics Observatory (OEDE) with data through Q2 2025. Compensation for each firm-size segment was estimated as a proportion of the overall average. For this purpose, we used total compensation (including bonuses and other payments) through November 2025 and a separate estimate for December 2025.

### Collections from certain excise taxes

In millions of ARS

Tax	2024	2025*	2024	2025
	In millions of ARS	In millions of ARS	% of GDP	% of GDP
Vehicles, motor vehicles, engines, and aircraft**	3,075	119,443	0.053%	0.014%
Insurance	6,912	13,094	0.001%	0.002%
Mobile phones	41,618	87,165	0.007%	0.010%
Luxury goods	3,872	30,690	0.001%	0.004%
<b>Total</b>	<b>359,031</b>	<b>250,393</b>	<b>0.061%</b>	<b>0.030%</b>
<b>Prorated for 9 months</b>				<b>0.022%</b>

**Source:** Prepared by the authors based on ARCA data. Notes: (\*) Estimated value based on performance in the first six months of 2025, latest available data. (\*\*) Includes customs collections.

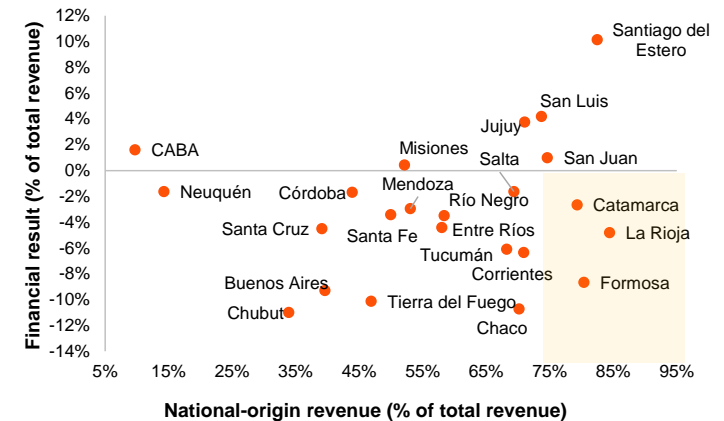
Combining both components, the direct fiscal cost of the reform is around 0.17% of GDP in the base case and could reach 0.21% of GDP if the FAL maximum rates are activated, aggregating the impact on the federal government and the provinces. For the federal accounts, the cost is somewhat lower –0.15% and 0.18% of GDP, respectively.

The impact on the provinces is estimated at roughly 0.02% to 0.03% of GDP (depending on the rates applied) for the remainder of 2026, equivalent to about 0.1% to 0.15% of their total annual revenue. While this figure is small in absolute terms, the capacity to absorb the impact varies materially across jurisdictions. Formosa, La Rioja, and Catamarca are in the most vulnerable position: in all three cases, revenue of national origin exceeds 75% of total resources, and the financial balance is negative.

<sup>1</sup> The latest available provincial fiscal data is from Q3 2025. The analysis covers the most recent four quarters with available information (Q4 2024 to Q3 2025). La Pampa is excluded due to lack of data.

### Provincial fiscal indicators

In % of each jurisdiction's total revenue. Accumulated over four quarters (Q4 2024 to Q3 2025)



**Source:** Prepared by the authors based on Ministry of Economy official data. Note: The analysis covers the most recent four quarters with available information (Q4 2024 to Q3 2025). La Pampa is excluded due to lack of data.

It is worth noting that these figures reflect only the initial, direct impact of both instruments. Both the reduction in non-wage labor costs and the elimination of taxes on specific sectors could broaden tax bases and generate offsetting collections through other channels, including VAT and income tax. The magnitude of these effects, however, will depend on the economy's actual response and on tax administration and enforcement efforts.

In addition, three other elements of the reform could improve the fiscal result, but any estimate for 2026 is highly sensitive to underlying assumptions. The Labor Formalization Incentive Regime (RIFL) encourages registered new hires by cutting employer social security contributions by roughly 12 percentage

points. The benefit applies to workers who were previously in the informal labor market, unemployed, under the simplified tax system, or in the public sector. It lasts 48 months and has a one-year enrollment window starting May 1, 2026. The potential base is significant. In accordance with the National Institute of Statistics and Censuses (INDEC) data for Q3 2025, there were 154,000 new unregistered employee positions and 292,000 new non-salaried employee positions in the period, totaling 446,000 jobs outside registered formal employment<sup>2</sup>. Depending on assumptions about take-up and the wage level of formalized jobs, the RIFL additional revenue yield would range from 0.01% to 0.23% of GDP. The Registered Employment Program (PER), aimed at regularizing preexisting unregistered employment relationships, and the Medium-Sized Investment Incentive Regime (RIMI), designed to support micro, small, and medium-sized enterprises, could pull in the same direction. All three instruments hinge on decisions that economic agents make over time —either formalizing workers or executing new investments— so their fiscal effects should become clearer in 2027. Their contributions are excluded from the 2026 fiscal balance.

<sup>2</sup>The calculation is based on the incremental flow of new informal and non-salaried positions recorded between Q3 2024 and Q3 2025, rather than on the total stock of workers potentially eligible for the RIFL. The actual eligible base of employees that could be included in the regime is considerably larger. For this reason, the estimates presented here should be interpreted as an illustrative lower bound, not as a forecast of the expected revenue impact.

### RIFL revenue impact: sensitivity analysis

*By take-up rate and wage level. In % of GDP.*

Relative Compensation of New Positions (% of the Registered Private Sector Average)				
		50%	75%	100%
RIFL take-up rate for new positions	10%	0.01%	0.02%	0.03%
	30%	0.04%	0.06%	0.08%
	50%	0.06%	0.10%	0.13%
	70%	0.09%	0.14%	0.18%
	90%	0.12%	0.17%	0.23%

**Source:** Prepared by the authors based on data from the Ministry of Economy and the Secretariat of Labor, Employment, and Social Security. Note: The estimates include both employee and employer social security contributions for workers entering the RIFL. The loss of contributions from workers under the simplified tax system who switch to the RIFL is not accounted for. As a result, net contributions would be somewhat lower, although the overall fiscal impact would remain positive. Potential entrants from the public sector are not considered; in such cases, the net fiscal effect would be negative, as contributions under the RIFL would be lower than under the prevailing public sector scheme.

The 2026 fiscal situation, however, extends beyond the labor reform costs and benefits. Two laws passed in 2025, now at different stages of implementation, could add considerably more pressure on public spending. The University Education Funding and Professors Salary Restitution Law would imply an estimated cost of 0.23% of GDP, derived from restoring transfers to national universities to their 2023 levels in real terms, in line with the estimate by the Congressional Budget Office (OPC). The law is currently under judicial review, and the government has presented an alternative with a lower fiscal impact, so full implementation is not assured. The National Disability Emergency Law carries a wider impact range —between 0.25% and 0.48% of GDP— based on OPC estimates from July 2025. The law is in force and regulated, although the government has indicated it intends to submit a counterproposal that has not yet been formalized. Given



the status of both pieces of legislation, the midpoint of the range for the National Disability Emergency Law (0.37%) will be used for the purposes of this analysis. Adding the labor reform direct cost and these two laws, the cumulative negative fiscal impact could reach roughly 0.75% of GDP in 2026.

Against that backdrop, the government has a set of offsetting factors that, taken together, look sufficient to meet — and potentially exceed— the target. The first and strongest is a reduction in energy subsidies. Since 2023, that spending has declined by roughly 0.5 percentage points of GDP per year, and the new subsidy framework launched in February 2026 reaffirms the administration’s commitment to that path.

Changes in actual savings will depend on implementation timing and variables such as energy demand and international prices, but the pattern of the past two years suggests the government has both the will and the tools to maintain that pace. The second offset is extraordinary income from privatizations and concessions. In January 2026, the Treasury recorded inflows of about 0.12% of GDP tied to the awarding of the Comahue hydroelectric dams. For the remainder of the year, the federal government is moving ahead with privatization tenders and share sale processes involving its stakes in companies such as Agua y Saneamientos Argentinos (AYSA), Compañía de Inversiones de Energía (CITELEC), and Intercargo. Publicly circulated estimates put those transactions at around USD 783 million, equivalent to roughly an additional 0.13% of GDP.

In total, operations this year would contribute about 0.25% of GDP, with the important caveat that these are nonrecurring resources. The third offset is a reduction in the wage bill of the public sector, although the remaining room here is narrower. National government payroll outlays totaled 1.9% of GDP in 2025 —one of the lowest in at least a decade— after a cumulative 0.7 point reduction between 2023 and 2025 and an 18.8% drop in headcount between November 2023 and January 2026. The

scope to push further is limited, and we estimate an additional reduction of roughly 0.1% of GDP in 2026. Taken together, these three factors contribute a positive fiscal impact of up to 0.85% of GDP, sufficient to offset the increased spending pressure.

Beyond the structural balance, the revenue trajectory requires separate monitoring. In the first two months of 2026, collections fell 8.8% in real terms, extending a trend that began in August 2025. However, a substantial portion of that decline is due to specific, transitory factors. The most consequential factor was the reinstatement of the exemption from the customs VAT pre-collection regime in February 2025, which once again allowed firms to offset import VAT liabilities at customs with accumulated tax credits. That led to a 33% drop in VAT collected in real terms by the Customs Administration (DGA) over the period and accounted for nearly half of the overall fall in revenue.

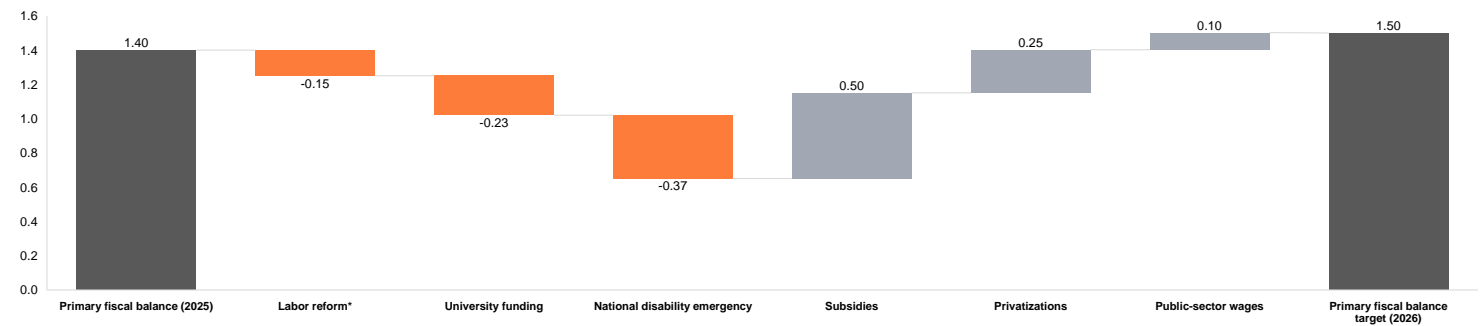
On top of that, export duty rate cuts enacted at the end of 2025 and a lower flow of imports —reflecting purchases pulled forward ahead of the election— further weighed on collections. These base effects should start to fade in the coming months. Looking to the second half, there are concrete reasons to expect a recovery. On volumes, the harvest is shaping up as exceptionally strong in 2026. The Buenos Aires Grain Exchange projects 147.9 million tons, up 13% from the prior cycle, while the Rosario Stock Exchange estimates 160 million tons, a 15.2% jump. On prices, soy, wheat, and corn are trending upward amid a geopolitical backdrop that could further support export duty revenues. However, the persistence of this trend will depend on inherently volatile dynamics. Layered onto that is a broader economic pickup: We project real GDP growth of 4.2% in 2026, which should keep consumption and imports closer to more stable levels and bolster VAT and income tax collections.

On balance, the mix of pressures and offsetting measures is favorable. Available offsetting measures add to as much as

0.85% of GDP against pressures of 0.75% of GDP. That positive gap is enough to lift the primary surplus from 1.4% to 1.5% of GDP, even before accounting for the effects that the formalization mechanisms and investment instruments will produce. Two risks, however, require close watch. First, implementing the university and disability laws as originally framed would represent the year's most challenging fiscal scenario. Second, it remains to be confirmed whether the revenue drop of the first two months of the year is indeed reversing. The identified transitory factors are plausible, but any turn will need to be corroborated by incoming data in the months ahead.

Overall, the fiscal anchor, though still exposed to some risks, is on solid footing at the start of the year, and the government has the tools to keep the target within reach with a reasonable cushion.

**Main variations between the fiscal result in 2025 and the target in 2026**  
*In % of GDP*



**Source:** Prepared by the authors based on data from the Ministry of Economy and the Secretariat of Labor, Employment, and Social Security. Note: (\*) Includes the base case FAL and the elimination of selected domestic taxes.

# Industry Roadmap

## M&A in Argentina: 2025 Recap and 2026 Outlook



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Argentina's M&A market closed 2025 on a stronger footing, as higher annual deal volume was accompanied by larger-ticket transactions, developing a firmer base for the next cycle.

While volatility in the second half of the year delayed decision-making and extended timelines across ongoing processes, that slowdown effectively created a “deferred pipeline” that could provide momentum heading into 2026.

A defining feature of the year was the shift in buyer mix, with local players gaining prominence and accounting for the largest share of transactions.

This type of shift is typical of transition periods, when domestic players capitalize on information asymmetries and operating proximity to make the first move, while repositioning themselves within their sectors and laying the groundwork for the gradual return of strategic capital.

The market also saw a change in the prevailing size of transactions: mid-sized and larger tickets increased their relative weight, while the number of large-scale deals reached an unusually high level.

That combination—more significant transactions and a core value range moving upward—is consistent with more competitive processes, more sophisticated pricing structures, and the return of strategic deals focused on

value creation.

After a year led by local players, improving regulatory and operating visibility should prompt a gradual return of international buyers. Sectors supported by structural drivers—such as energy, mining, agribusiness, and technology/services, among others—appear best positioned to sustain market momentum.

For companies and investment funds, the focus will be on being deal-ready, with high-quality earnings and robust operating metrics, legal and tax readiness, integrated ESG principles, and post-deal value creation plans that support execution and accelerate synergies.

In an environment shaped by larger-ticket transactions and more competitive processes, those able to present a credible growth story, flexible financing, and performance-linked pricing mechanisms—such as earn-outs, adjustment provisions, and co-investment structures—will be better positioned to maximize returns.

Against this backdrop, if conditions remain supportive, 2026 could be the year to convert pipeline into signed and closed transactions, while also raising the bar for execution. Those that come to market with ready assets, transaction discipline, and a consistent value narrative will be best positioned to capture the next wave of M&A in Argentina.

# Customs & FX

## Reduction of operating costs in foreign trade: guarantees, costs, and challenges in temporary operations.



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Section 250 et seq. of the Argentine Customs Code (“ACC”) regulates the Temporary Imports System, establishing that imported goods may remain within the customs territory for a specified purpose and period. These goods must be reexported for consumption before the expiration of the authorized term.

In addition, Section 349 et seq. of the ACC also regulates the Temporary Exports System, establishing that—as stated above—exported goods may remain outside the customs territory for a specified purpose and period. These goods must be reimported for consumption before the expiration of the authorized term.

The primary benefit and effect of both systems is the suspension of duty payments applicable to such transactions, provided that the goods are not permanently destined for consumption. To access this benefit, a guarantee bond must be posted to ensure compliance with the essential obligation to reexport or reimport the goods within the authorized term, among other requirements. Additionally, payment of duties and related charges, such as fines that may apply in case of non-compliance, is also required.

As per the regulations in force, several instruments may be offered as guarantee to the Customs Office; however, in practice, the most commonly used mechanism is a surety

bond issued by authorized insurance companies.

It is worth noting that, although the surety bond premium is calculated as a percentage of the guaranteed amount and may not be exorbitant in isolated cases, this cost may become economically significant when analyzed in light of the volume and frequency of a company’s operations. In large-scale temporary import or export schemes, these guarantees often remain in effect for extended periods. Consequently, premiums accruing on large guarantee amounts over long terms may result in a significant financial burden that must be taken into account when evaluating the system’s convenience and economic impact.

In this regard, since 2014, various Internal Audit procedures within the Customs Office have identified delays in the release of these guarantees, which highlights the need to consider not only their direct costs but also the effects arising from their prolonged unavailability and these delays.

Although the regulations set out procedures for releasing guarantees once the obligations arising from temporary operations have been fulfilled, in practice guarantees remain in force for extended periods—even for fully regularized and settled operations—pending administrative authorization for their release.



Therefore, whenever appropriate, alternative mechanisms are used to achieve the effective release of guarantees, other than those expressly set forth in the ACC.

On certain occasions, these alternative mechanisms involve specific administrative procedures and, in some cases, may also result in the filing of legal actions due to excessive delays incurred by the administration in promptly addressing requests for the release of guarantees.

In view of the foregoing, it is evident that although the regulatory framework applicable to the temporary import and export systems establishes specific mechanisms for the provision and release of guarantees, in practice, their implementation is not always efficient or timely.

In this context, the identification and management of alternative—administrative and, where applicable, judicial—mechanisms become key to mitigating significant financial and operational impacts for companies. Therefore, it is essential to have appropriate technical and strategic support that not only ensures proper structuring of each operation from the beginning but also facilitates the design and execution of actions aimed at achieving the effective release of guarantees within a reasonable period of time.

# Sector Focus: Mining

## Context and structure



Mining is among the most strategically promising sectors in Argentina's economy. The country holds world-class reserves of minerals whose global demand continues to grow steadily, driven by the energy transition, industrial expansion, and the rise of the digital economy. In this context, the sector has consistently gained weight within Argentina's productive structure and increasingly attracts geopolitical interest from leading global powers.

This growing significance is reflected in the industry's figures. Mining exports reached USD 6.07 billion in 2025, accounting for 7% of the country's total exports, and have accumulated a decade of growth, outperforming the overall economy. Over the last ten years, the sector's exports rose by 71% compared to the 53% growth in total exports at the national level. The sector's contribution to GDP also increased, climbing from 0.76% in 2015 to 1.08% in 2025, peaking at 1.12% in 2024.

Three products account for 95% of exports. Gold leads with USD 4.09 billion (67% of the total), followed by lithium with USD 914 million (15%), and silver with USD 785 million (13%). The remaining 5% includes borates, lead, and lime. Production is geographically concentrated across five provinces, which together represent 98% of exports. Santa Cruz leads with 39%, followed by San Juan (29%), Jujuy (16%), Salta (8%), and Catamarca (6%). Gold extraction occurs mainly in Santa Cruz and San Juan, which together account for over 90% of national output. Lithium is produced exclusively in Catamarca and Jujuy, with an even split between the two.

On a global scale, Argentina holds strategic positions in several critical minerals. It ranks as the fifth-largest lithium producer worldwide, contributing 7.9% of global output, and holds the fourth-largest reserves with 11.9% of the world total. As regards silver, Argentina accounts for 3.1% of global production. Although the country currently has no active copper production, it holds 2.0% of global copper reserves—an essential asset looking toward future years. In terms of gold, Argentina represents 1.1% of global production and 1.4% of global reserves.

This resource profile helps explain the growing geopolitical interest in the sector. In February 2026, Argentina and the United States signed a Framework Agreement to Strengthen Critical Mineral Supply Chains, focusing on lithium, copper, cobalt, and rare earth elements. The agreement aims to secure strategic supply chains and facilitate U.S investments, which allows anticipate that the sector could attract a significant volume of capital in the coming years.

**Table 1: Key sector data**

Variable	2025*	2024-2025 variation %	2021-2025
<b>Salaries and wages</b>			
Total wages in the registered private sector (in Argentine pesos, at September 2025)	1,912,698	8.1%	-0.2%
Real wages for metallic mineral extraction (in Argentine pesos, at September 2025)	5,958,290	6.8%	-3.0%
Real wages for the extraction of other mines and quarries (in Argentine pesos, at September 2025)	3,485,644	9.0%	24.1%
<b>Employment</b>			
Private sector total registered salaried employment (jobs)	6,692,707	-0.2%	6.5%
Metallic mining employment (jobs)	10,699	-0.2%	10.0%
Mining and quarrying employment (jobs)	17,179	-3.8%	22.2%
<b>Exports</b>			
Total exports (millions of USD)	87,111	9.3%	11.8%
Metal-mining and lithium sector exports (millions of USD)	6,074	30.0%	87.2%
<b>Gross value added</b>			
Gross Value Added from metallic mineral extraction (share of the total economy)	1.08%	-0.04 pp	0.10 pp

**Sources:** Prepared by the authors based on data from INDEC, the Ministry of Human Capital and the Secretariat of Mining. Note: (\*) Values represent annual averages. Wages data at September 2025. Employment data at the second quarter of 2025. Gross value added at the third quarter of 2025. Exports data at December 2025.

**Table 2: Argentina's share of global production and reserves by mineral**  
*In %*

Product	Argentine % of global production	Argentine % of global reserves	Largest global producer (% of total)
Gold	1.1%	1.4%	China (12%)
Silver	3.1%	1.1%	Mexico (24%)
Copper	0.0%	2.0%	Chile (23%)
Lithium	7.9%	11.9%	Australia (32%)

**Source:** Prepared by the authors based on data from US Geological Survey (USGS).

## Recent developments

Beneath the aggregate sector figures lie two very distinct trajectories. Metallic mineral extraction has experienced a structural decline since 2017, while non-metallic minerals are entering their strongest cycle in a decade.

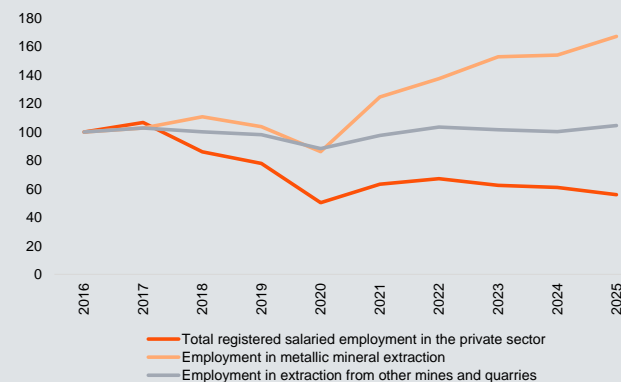
Metallic minerals production fell by 53% between 2017 and 2020, at an annual average rate of 22%. It rebounded 33% between 2020 and 2022, but has since declined an additional 17%, ending 2025 below 2016 levels. Two forces drive this pattern: First, the closure of Bajo de la Alumbrera in Catamarca in 2018 marked the end of copper production in the country. Second, a sustained drop in bullion output, which has decreased by 65% between 2016 and 2025. Counterbalancing this trend, the physical extraction of gold and silver grew by 36% over the same period, mitigating the overall downturn and supporting the sector’s export performance.

Non-metallic minerals show the opposite trend. After a 16% decline between 2016 and 2020, the subsector grew by a cumulative 94% between 2020 and 2025 —an annual rate of 14%, four times the economy’s growth rate of over the same period (18%). Three products account for this surge. Fracking sands expanded by 331%, driven by the growth of Vaca Muerta. Brine output increased by 261%, aligned with rising lithium activity. Lithium carbonate rose 170% during this time.

Labor market data reflect this divergence, though both subsectors outpaced nationwide growth in formal employment. The “other mines and quarries” category, which includes lithium, expanded its workforce by 45% between 2016 and 2025, reaching 17,180 employees. Metallic mining employment grew by just 3.5%, totaling 10,700 jobs. Both outpaced growth in formal private employment, which rose by 2.2% during this period. In terms of wages, the sector stands out markedly. While the economy’s average real wage fell by 10.4% between 2016 and 2025, real wages rose by 4.4% for metallic mining workers, and by 37% for non-metallic mining workers. In terms of level, metallic mining wages are three times the economy-wide average, and non-metallic mining wages are about 80% higher.

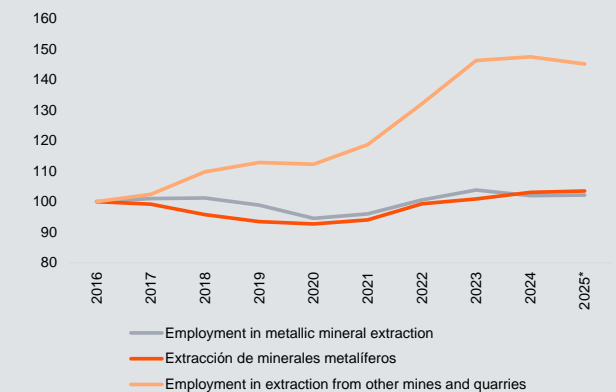


**Figure 1:**  
**Mining activity indicators (industrial production index)**  
*Index 2016 = 100*



Source: Prepared by the authors based on INDEC data.

**Figure 2:**  
**Registered employment by sector**  
*Índice 2016=100*



Source: Prepared by the authors based on data from the Ministry of Human Capital. Note: (\*) Data at September 2025

## Outlook

The global energy transition is reshaping mineral demand, and Argentina is well positioned to capture a substantial share of this growth. Lithium, copper, silver, and gold are now critical inputs for battery manufacturing, power grid infrastructure, and solar panel production. They are also essential materials for the semiconductor industry and the expansion of data centers —two sectors with sustained global growth trajectories. The country holds strategic reserves of all four minerals.



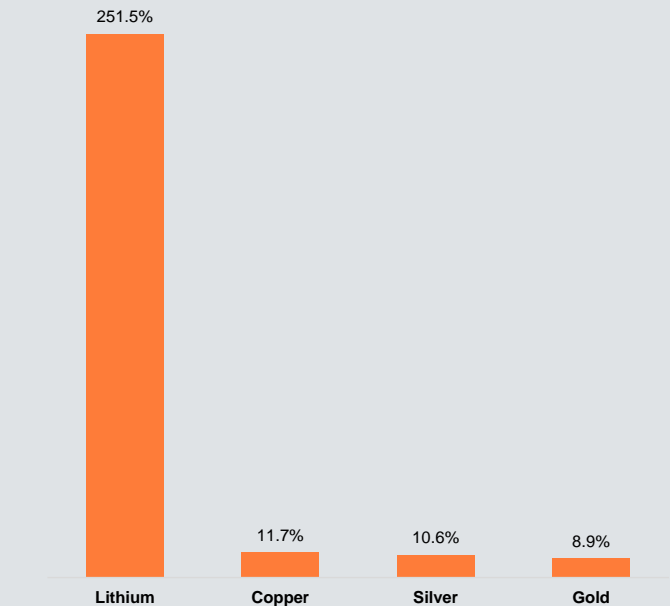
Global demand is structurally rising. Worldwide lithium production reached 290,000 tons in 2025, with 88% of global consumption absorbed by lithium-ion batteries. Copper output totaled 23.0 million tons in 2025, a 1.8% increase, with 23% of total use concentrated in electrical applications. Industrial demand for silver grew 9% in 2024, fueled by consumer electronics, electric vehicles, and photovoltaic energy, despite a slight dip in production. Gold production increased 1.5% to reach 3,300 tons in 2024.

Against this backdrop, Argentina faces a significant gap between reserves and production, especially in its two most strategic minerals. For lithium, the country holds 11.9% of global reserves but only contributes 7.9% of production. In terms of copper, it holds 2.0% of global reserves but no active production. Closing this gap is the sector's defining challenge —and opportunity— over the coming years.

The policy framework enabling this leap forward is the Incentive Regime for Large Investments (RIGI), which has attracted more than USD 48.8 billion in mining project commitments. Copper-focused projects represent the largest volume, with USD 36.6 billion allocated across Catamarca, Mendoza, Salta, and San Juan. If these projects move forward as planned, Argentina could become a top global producer at the market. Lithium committed investments total USD 10.2 billion across Catamarca, Jujuy, and Salta. Gold and silver projects add another USD 1.9 billion in Catamarca, Salta, and San Juan. If these commitments come to fruition, the Argentine mining sector will evolve from a relevant exporter of gold and lithium into a global heavyweight

in the minerals driving the new energy and industrial economy.

**Figure 3:**  
**Worldwide output growth**  
*2020-2025 variation*



Source: Prepared by the authors based on USGS data.

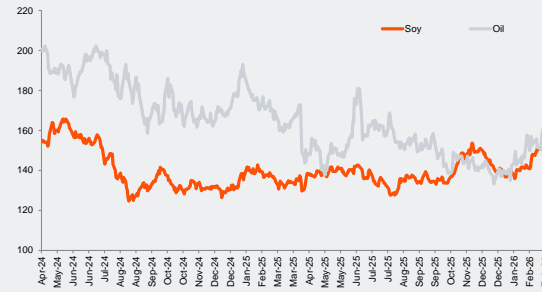
**Table 3: Mining investments under RIGI***In billions of USD*

Investor	Project	Product	Province	Amount	Status
Glencore	El Pachón	Copper	San Juan	11.6	Under evaluation
BHP-Lundin Mining	Vicuña	Copper, gold, and silver	San Juan	9.7	Under evaluation
Agua Rica	Agua Rica Mining	Copper, gold, and silver	Catamarca	6.7	Under evaluation
First Quantum Minerals	Taca Taca	Gold and copper	Salta	5.3	Under evaluation
Ganfeng Lithium Latinoamérica	Pozuelos - Pastos Grandes	Lithium	Salta	3.0	Under evaluation
Río Tinto	Rincón	Lithium	Salta	2.7	Approved
McEwen Copper Inc.	Los Azules	Copper	San Juan	2.7	Approved
Minera Exar S.A.	Ampliación Cauchari Olaroz	Lithium	Jujuy	1.2	Under evaluation
Rio Tinto Lithium	Salar de Vida Lithium	Lithium	Salta	0.8	Under evaluation
Posco	Salar de Oro Lithium	Lithium	Salta and Catamarca	0.8	Under evaluation
Abrasilver	Diablillos	Gold and silver	Salta and Catamarca	0.8	Approved
Minas Argentinas	Nuevo Gualcamayo	Gold	San Juan	0.7	Approved
Río Tinto	Expansion Phase IB (Fenix)	Lithium	Salta	0.7	Approved
Xizang Zhufeng Resources Co., Ltd.	Litio Angeles Argentina	Lithium	Salta	0.7	Under evaluation
Zonda Metals GmbH and Grupo Alberdi	San Jorge	Copper	Mendoza	0.6	Under evaluation
Barrick y Shandong Gold	Veladero	Gold and silver	San Juan	0.4	Approved
Galan Lithium	Hombre Muerto Oeste	Lithium	Catamarca	0.3	Approved
NRG	Arenas de cercanía	Silica sand	Neuquén	0.2	Under evaluation
<b>Total mining</b>				<b>48.8</b>	
<b>Approved</b>				<b>8.3</b>	
<b>Under evaluation</b>				<b>40.6</b>	

*Source: Prepared by the authors based on BCRA and Ministry of Economy data.*

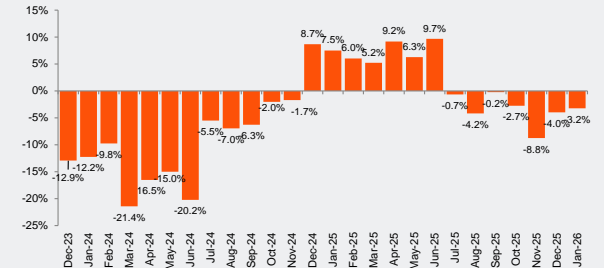
# Macro Monitors

Price of Soy and Oil, index 2004=100



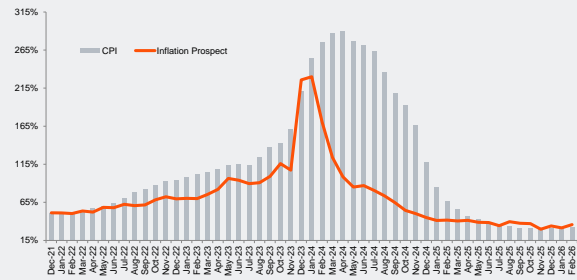
Source: own calculations based on CBOT y WTI NYMEX

Monthly Industrial Estimator



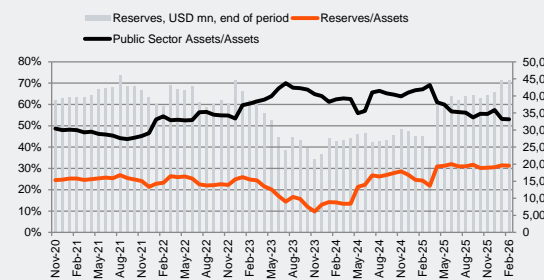
Source: Own calculations based on INDEC.

Inflation



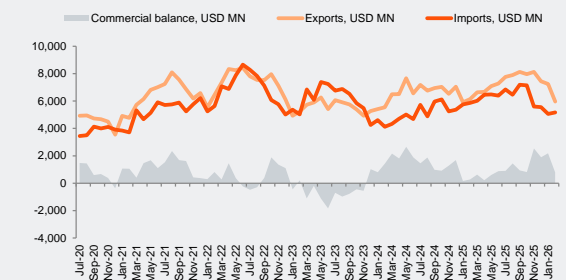
Source: Own calculations based on INDEC and UTDT.

Reserves and central bank assets



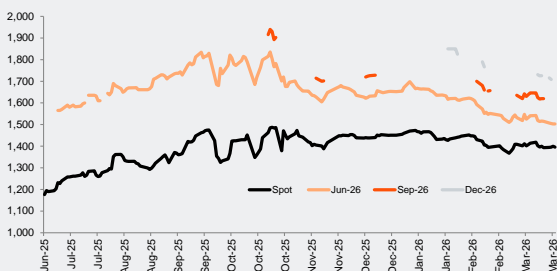
Source: Own calculations based on Central Bank of Argentina.

Foreign Trade



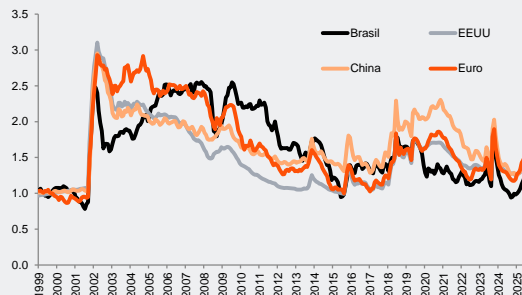
Source: own calculations based on INDEC

Exchange rate: Spot and Futures



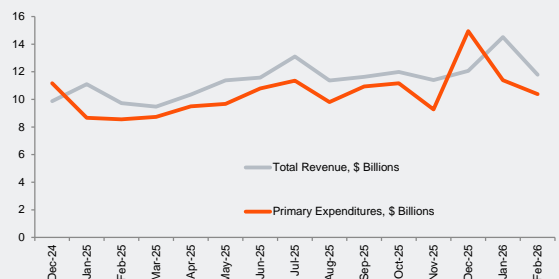
Source: Own calculations based on Rofex.

Real exchange rate index: Dec-99=1



Source: Own calculations based on Central Bank of Argentina.

Income and Expenses of the National Non-Financial Public Sector



Source: own calculations based on Secretary of Finance

# Table of Indicators



Activity and Prices	2023	2024	2025	Nov-25	Dec-25	Jan-26	Feb-26
Real GDP, var % y/y	-1.9%	-1.3%	4.4%	-	2.1%	-	-
National CPI (2013=100), var % y/y	211.4%	117.8%	31.5%	31.4%	31.5%	32.4%	33.1%
Industrial Production, var % y/y	-1.8%	-9.4%	1.6%	-8.8%	-4.0%	-3.2%	nd
International Reserves (end period, USD mn)	23,073	29,640	41,167	40,335	41,167	44,503	44,503
Import Cover (month of reserves)	3.76	5.85	6.52	7.21	7.41	8.80	8.60
\$/USD, end period	808.5	1,033	1,459	1,451	1,459	1,448	1,409

External Sector	2023	2024	2025	Nov-25	Dec-25	Jan-26	Feb-26
Exports, USD mn	66,787	79,703	87,077	8,133	7,448	7,245	5,962
Imports, USD mn	73,715	60,775	75,792	5,598	5,556	5,057	5,174
Commercial Balance, USD mn	-6,928	18,928	11,285	2,535	1,892	2,188	788
Currency liquidation by grain exporters, USD mn	19,742	25,091	31,339	760	1,015	1,851	1,289

Labor*	2023	2024	2025	Nov-25	Dec-25	Jan-26	Feb-26
Unemployment, country (%)	5.7	6.4	7.5	-	7.5	-	-
Unemployment, Greater Buenos Aires (%)	6.5	7.1	8.6	-	8.6	-	-
Activity rate (%)	48.6	48.8	48.6	-	48.6	-	-

Fiscal	2023	2024	2025	Nov-25	Dec-25	Jan-26	Feb-26
Income, \$mn	42,981,822	131,357,699	183,109,216	15,598,232	16,527,268	18,337,625	16,231,830
VAT, \$mn	14,791,510	43,027,692	61,296,099	5,461,513	5,436,360	6,213,245	5,405,501
Income tax, \$mn	8,782,659	26,068,568	37,063,166	3,355,886	3,680,713	3,403,975	3,432,249
Social Security System, \$mn	9,286,489	28,610,953	45,633,685	3,825,861	3,898,608	5,499,301	4,284,520
Export Tax, \$mn	1,544,729	6,030,185	7,191,591	240,207	325,273	426,834	434,294
Primary expenses, \$mn	34,414,460	85,243,480	120,351,437	9,054,680	14,481,009	11,247,647	10,163,271
Primary result, \$mn	-5,164,637	10,405,810	11,769,219	2,128,009	-2,876,450	3,125,737	1,410,640
Interest, \$mn**	6,673,275	9,653,059	11,302,377	1,553,696	506,698	2,020,578	1,266,218
Fiscal results, \$mn	-11,348,552	1,764,786	1,453,819	599,954	-3,290,302	1,105,159	144,421

Financial - interest rates***	2023	2024	2025	Nov-25	Dec-25	Jan-26	Feb-26
Badlar - Privates (%)	122.1	32.8	26.5	31.9	26.5	30.8	30.7
Fixed Terms \$ (30-59d Private banks) (%)	122.0	32.9	26.7	32.2	26.7	31.2	31.0
Mortgages (%)	113.2	33.0	39.8	45.6	39.8	40.8	39.2
Pledge (%)	74.2	34.2	24.9	25.6	24.9	18.6	17.6
Credit Cards (%)	120.5	88.7	97.4	87.4	97.4	90.4	91.4

Commodities****	2023	2024	2025	Nov-25	Dec-25	Jan-26	Feb-26
Soy (USD/Tn)	519.8	404.8	381.9	412.8	395.5	386.8	412.8
Corn (USD/Tn)	222.1	166.9	172.8	169.8	173.2	169.6	169.1
Wheat (USD/Tn)	236.7	210.3	195.9	196.7	192.3	190.5	201.6
Oil (USD/Barrel)	77.6	75.8	64.8	59.5	57.9	60.3	64.5

\* Quarterly figure. The year corresponds to Q4.

\*\* Includes intrasector public interest.

\*\*\* The annual figure corresponds to the daily weighted average of December.

\*\*\*\* Futures contracts one month, period average

p: provisory.

Source: INDEC, Secretary of Finance, Ministry of Economy, BCRA, CIARA, CBOT, NYMEX



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