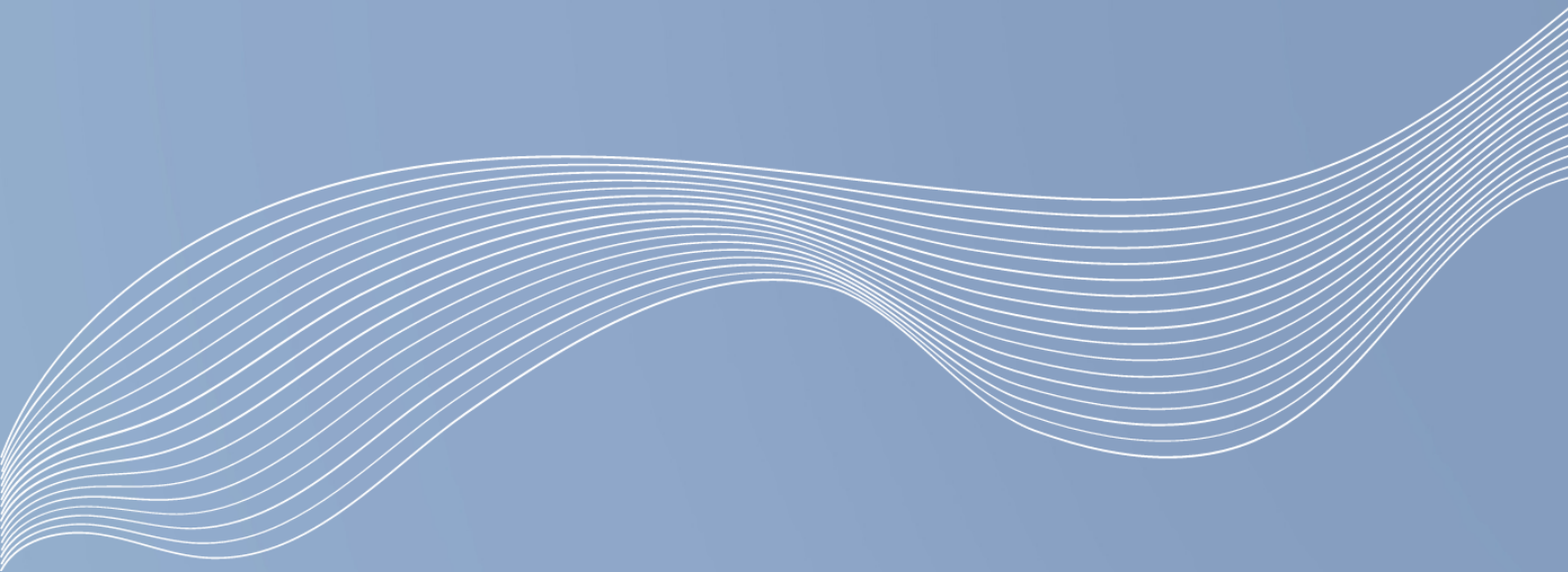


OCTOBER 2025

ARGENTINE ECONOMIC OUTLOOK

CEI Centre for
International
Economy



ARGENTINE ECONOMIC OUTLOOK

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), in this case following Guyana, Uruguay and Chile; and its more than 47 million inhabitants²; place 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 one of the leading exporters of soybeans and its byproducts, and among the main producers of lemons, vegetable oils and milk, to mention a few examples. Likewise, the quality of Argentine beef is recognised worldwide and the sector has managed to regain its traditional positioning and add new destinations, including the United States, Canada, China and Mexico.

Argentina also has significant mining wealth. It ranks third as global lithium reserve, tenth in gold, and it is among the top ten silver producers. In addition to its 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 rapidly growing sectors, such as renewable energy, biotechnology, and knowledge-based services, among others. Argentina is also the origin of fourteen of Latin America's unicorns³.

Moreover, it has skilled labour, recognised 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 Programme⁴.

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

² 47,067,641 people according to INDEC estimates by 1 July 2024.

³ Companies with a stock market value over USD 1 billion. Until 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 (teleworking solutions), Bitfarms (cryptocurrency mining), Satellogic (aerospace company) and, most recently (2022), Technisys (technology for banks and fintech) and Moolec Science (biotechnology).

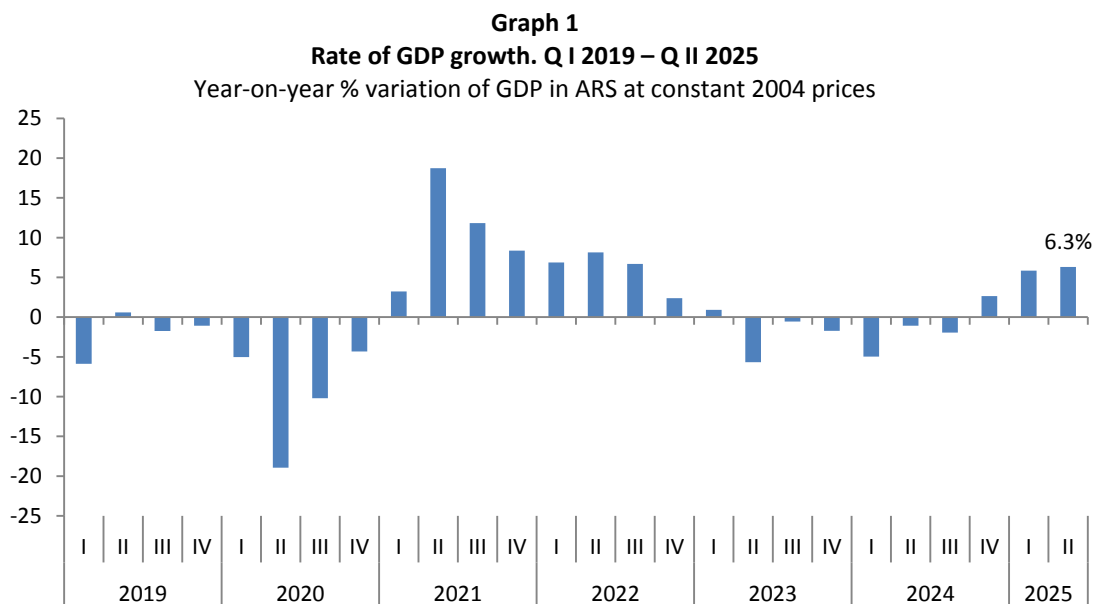
⁴ Index corresponding to the year 2023.

State of the real economy

- *In the second quarter of 2025, Argentina's GDP grew by 6.3% year on year.*
- *The positive economic performance during the second quarter of 2025 was driven by growth in investment (32.1% year on year), private consumption (9.9%), exports (3.3%) and public consumption (0.6%).*
- *According to the monthly estimator of economic activity (EMAE, for its name in Spanish), Argentina's economy continued to grow in July 2025. In that month, the activity rose by 2.9% compared to July 2024.*
- *The industrial production index (IPI) grew by 5.8% year on year in the January-July period*
- *The synthetic indicator of construction activity (ISAC, for its name in Spanish) rose by 9.2% year on year in the first seven months of the year.*
- *In July 2025, installed industrial capacity utilisation (UCII, for its name in Spanish) was 58.2%, 1.5 percentage points lower than in the same month of 2024.*
- *The unemployment rate in the second quarter of 2025 reached 7.6% of the economically active population, 0.3 percentage points (p.p.) below the January-March period, while the activity rate stood at 48.1%, 0.1 percentage points lower than in the previous quarter.*
- *In the first half of 2025, 31.6% of the population was living below the poverty line, while 6.9% of the people were living in extreme poverty. This represents a decrease of 6.5 percentage points compared to the second half of 2024. Extreme poverty, meanwhile, fell by 1.3 percentage points compared to the same period.*
- *In August 2025, the inflation rate rose by 1.9%, with a cumulative rate of 19.5% over the first eight months of the year and a year-on-year rise of 33.6%.*
- *In the first eight months of 2025, exports of goods reached USD 55.4 billion, representing a year-on-year increase of 6.2%. In turn, imports totalled USD 50.3 billion (up 32.1% year-on-year). The trade balance for the January-August period showed a surplus of USD 5.1 billion.*
- *In the second quarter of 2025, services exports amounted to USD 4.2 billion and imports to USD 6.7 billion, resulting in a deficit of USD 2.5 billion.*
- *Between April and June 2025, the current account had a negative balance of USD 3.0 billion (1.7% of GDP).*
- *At the end of September 2025 (26/09), the international reserves of the Central Bank of the Argentine Republic (BCRA, for its name in Spanish) reached USD 41.2 billion, representing an increase of USD 11.6 billion (39.1%) compared to the last business day of 2024.*
- *The National Public Sector (SPN, for its name in Spanish) accumulated a financial surplus of approximately 0.4% of GDP (primary surplus of approximately 1.3% of GDP) in the first eight months of the year.*
- *Public debt as of 30 June 2025 amounted to USD 465.4 billion (76.3% of GDP, representing a decrease of 0.9 percentage points compared to the first quarter).*

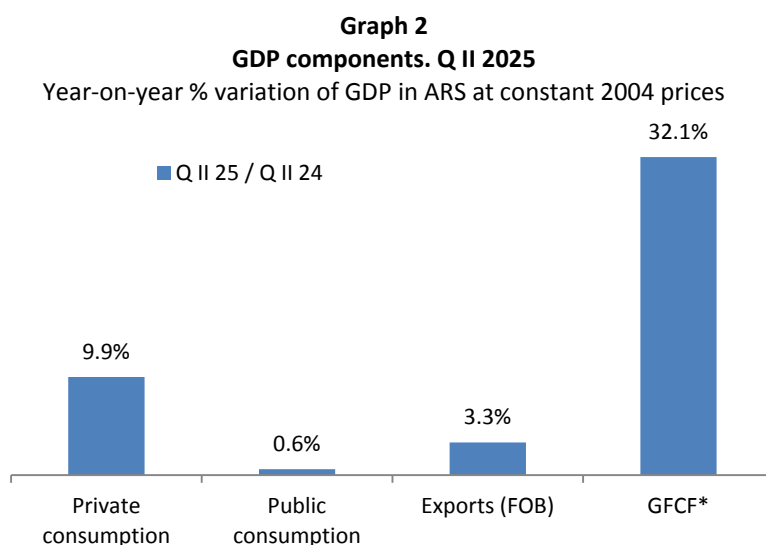
Level of activity

The economic growth that began at the end of last year accelerated in the second quarter of 2025. GDP for the April-June period grew by 6.3% year on year, up from the 5.8% recorded in the first three months of 2025.



Source: CEI based on INDEC

The positive economic performance during the second quarter of 2025 was driven by growth in investment (32.1% yoy), private consumption (9.9%), exports (3.3%) and public consumption (0.6%). The investment/GDP ratio was 19.1%⁵, an increase of 3.7 percentage points compared to the second quarter of 2024.



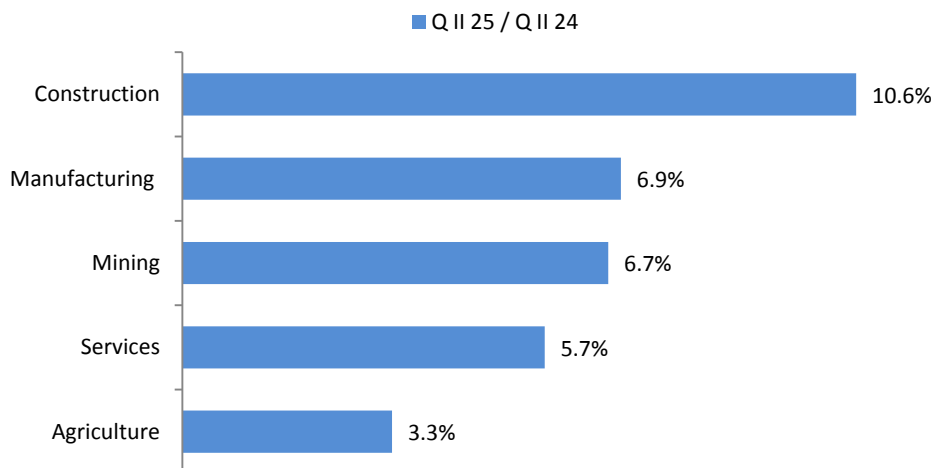
Source: CEI based on INDEC

⁵ With relation to GDP at constant prices.

*Gross fixed capital formation.

At sector level, the second quarter of 2025 experienced a strong growth in construction (10.6%), followed by manufacturing (6.9%) and mining (6.7%). In terms of the impact of the different sectors on the overall result, the growth in wholesale and retail trade (10.3%) stands out, followed by manufacturing and financial intermediation (26.7%).

Graph 3
Gross value added by economic activity. Q II 2025
Year-on-year % variation of GVA in ARS at constant 2004 prices



Source: CEI based on INDEC

According to the monthly economic activity estimator (EMAE, for its name in Spanish), the growth experienced in the first half of the year continued in July 2025. Then, the Argentine economy grew by 2.9% compared to the same month in 2024, an increase that is mainly accounted for by the yoy rise in financial intermediation (23.2%) and mining (13.4%). On the other hand, among the sectors with negative results, those with the greatest impact were fishing (-85.7%) and manufacturing (-1.8%).

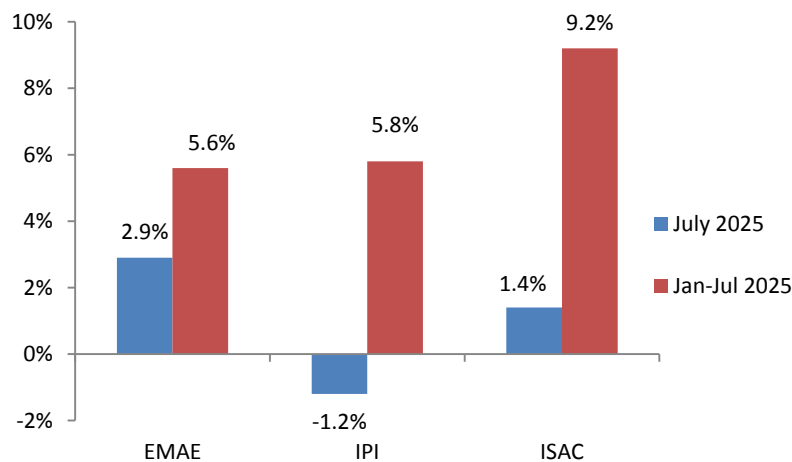
In turn, the industrial production index (IPI) showed a yoy decline of 1.2% in July 2025, after seven months of consecutive growth. However, in the January-July period, the IPI showed a yoy rise of 5.8%.

The construction activity indicator (ISAC, for its name in Spanish) published by INDEC presented a yoy increase of 1.4% in July 2025 and cumulative growth of 9.2% for the first seven months of the year.

The installed capacity industry utilisation (UCII, for its name in Spanish) in July 2025 was 58.2%, 1.5 percentage points lower than in the same month of 2024 and 0.6 percentage points lower than in June 2025.

The sectors with installed capacity utilisation above the overall level in July 2025 were oil refining (81.7%), food and beverages (65.2%), basic metal industries (63.9%), paper and cardboard (60.6%), and chemicals and chemical products (59.9%). Conversely, the sector blocs with the lowest capacity utilisation were textiles (44.4%), automotive industry (44.1%), and rubber and plastic products (43.2%).

Graph 4
EMAE, IPI and ISAC. April 2025 and cumulative January – July 25
Year-on-year % variation



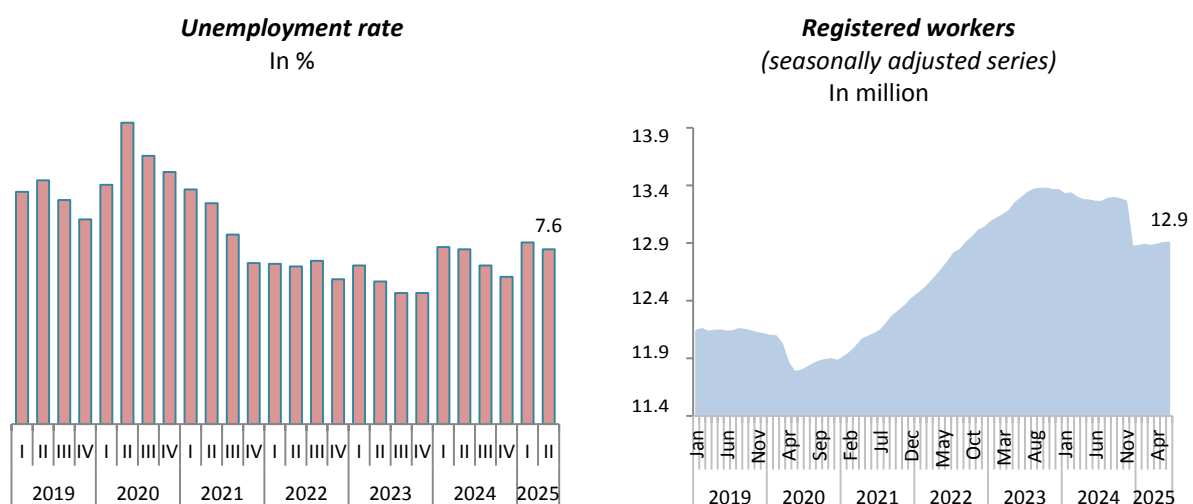
Source: CEI based on INDEC

Social indicators

In June 2025, the number of workers registered under one of the modalities of the social security system stood at 12.9 million⁶, 4,100 more people than in the previous month. Meanwhile, formal private employment⁷ recorded a monthly decline of 12,200 workers in June.

The unemployment rate in the second quarter of 2025 reached 7.6% of the economically active population (EAP), 0.3 percentage points below the January-March period, while the activity rate stood at 48.1%, 0.1 percentage points lower than in the previous quarter.

Graph 5
Labour market. Years 2019-2025



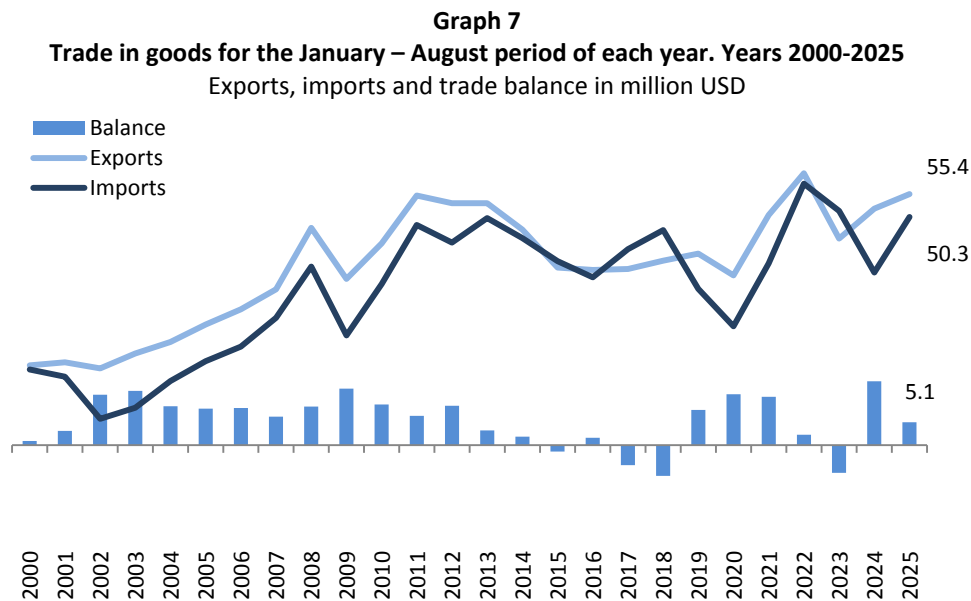
Source: CEI based on INDEC and Secretariat of Labour, Employment and Social Security

⁶ Seasonally-adjusted series.

⁷ Seasonally-adjusted series.

billion) and Switzerland (USD 1.1 billion); while the main deficits were recorded with China (-USD 6.1 billion), Brazil (-USD 4.6 billion) and Germany (-USD 1.4 billion).

Among the main exported products, increases in sales of soybean oil (USD 972 million), crude oil (USD 693 million), unwrought gold (USD 680 million) and soybeans (USD 380 million) stood out; while the largest declines were in soybean meal and pellets (-USD 1.4 billion), frozen shrimp and prawns (-USD 205 million) and passenger cars (-USD 187 million).

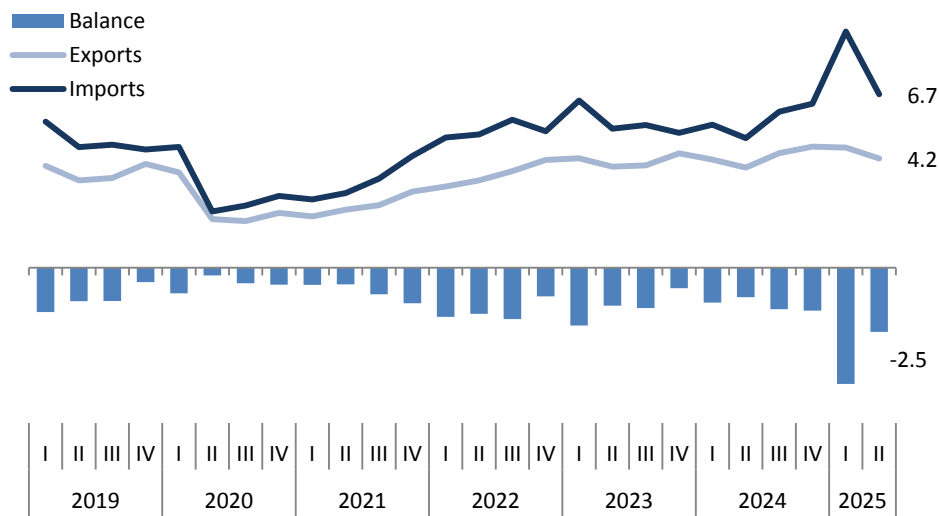


Source: CEI based on INDEC

Regarding trade in services, in the second quarter of 2025 exports amounted to USD 4.2 billion and imports to USD 6.7 billion, resulting in a USD 2.5 billion deficit, which represents a USD 1.3 billion rise in the negative balance compared with the same period of the previous year.

The main exports in the second quarter were knowledge-based services (KBS), particularly business services within this group. Exports of KBS reached USD 2.6 billion, posting a 34.0% year-on-year increase. Travel services also stood out among service exports, with income totalling USD 897 million.

Graph 8
Trade in services. Q I 2019 – Q II 2025
Exports, imports and balance in million USD



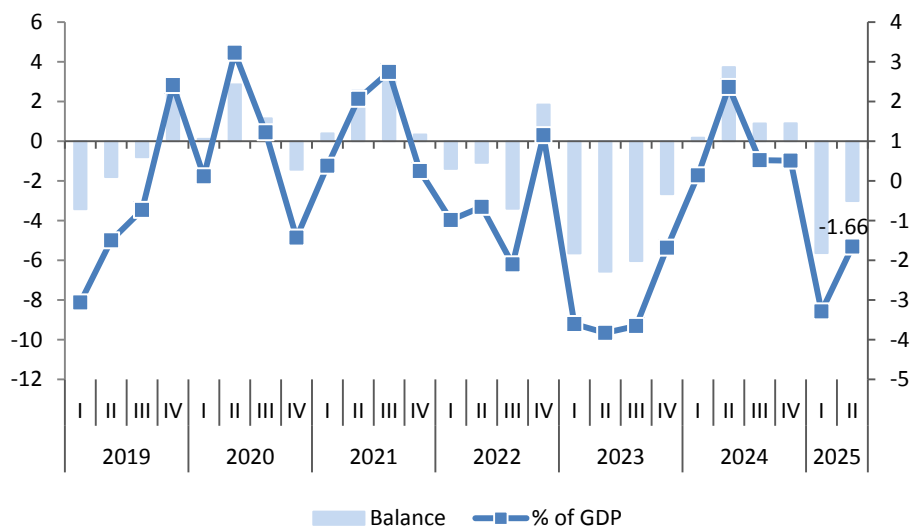
Source: CEI based on INDEC

International accounts

In the second quarter of 2025, foreign direct investment (FDI) totalled USD 2.9 billion (1.6% of GDP), which is USD 681 million higher than in the same period of 2024 (0.2 percentage points greater in relation to GDP).

Meanwhile, between April and June, the current account showed a USD 3.0 billion deficit (1.7% of GDP), representing a negative balance drop of around USD 2.6 billion.

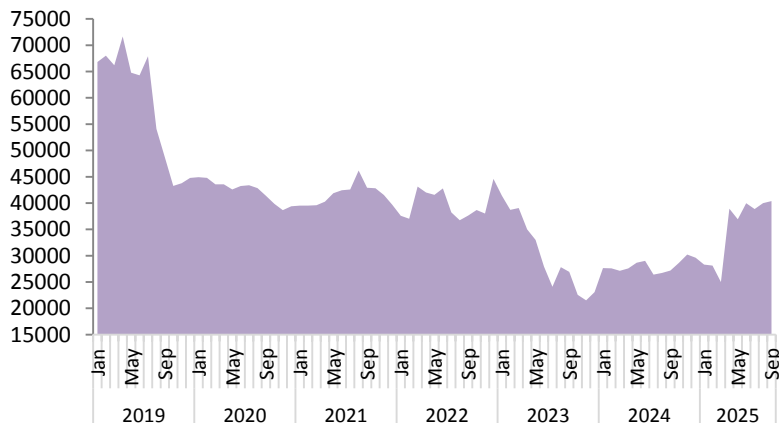
Graph 9
Current account balance. Q I 2019- Q II 2025
In billion USD (left axis) and in % of GDP (right axis)



Source: CEI based on INDEC

In 2024, the Central Bank of the Argentine Republic (BCRA) recorded an increase in international reserves of USD 6.5 billion (28.3%), reaching USD 29.6 billion on the last business day of the year. By the end of September 2025, this figure had risen to USD 40.4 billion, representing an increase of USD 10.8 billion (36.3%) compared with the reserves recorded at the end of 2024.

Graph 10
International reserves. January 2019 – September 2025
In million USD



Source: CEI based on BCRA

Fiscal sector

In August, the National Public Sector (NPS) posted a financial surplus of ARS 390.3 billion, resulting from a primary surplus of ARS 1.6 trillion and net public debt interest payments (excluding intra-public sector transactions) of ARS 1.2 trillion. Thus, by the eighth month of the year, it accumulated a financial surplus of approximately 0.4% of GDP (with a primary surplus close to 1.3% of GDP).

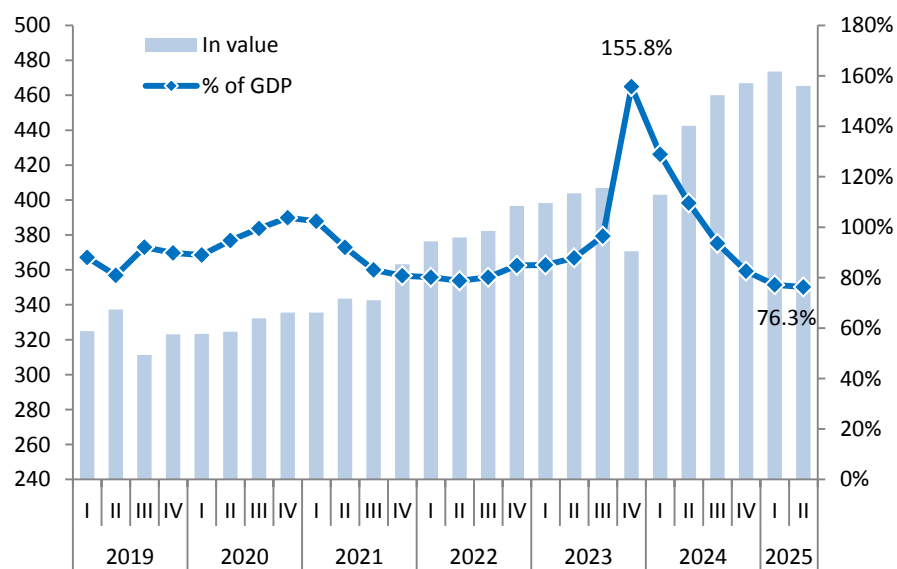
Finally, as of 30 June 2025, public debt⁸ amounted to USD 465.4 billion (76.3% of GDP⁹), representing a 0.9 p.p. decrease relative to the value recorded in the first quarter (as a share of GDP¹⁰). Foreign-currency-denominated debt in the second quarter of 2025 reached 42.1% of GDP, while external debt accounted for 24.6% of output.

⁸ Value of the gross debt of the central government.

⁹ In accordance with 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 based on the exchange rate at the end of the period.

¹⁰ Exchange rate considered at the end of the period.

Graph 11
Gross debt of the central government. Q I 2019 – Q II 2025
In billion USD (left axis) and % of GDP (right axis)



Source: CEI based on Ministry of Economy

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Closing date: 30 September 2025



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