

IMF Executive Board Completes Second Review of the Extended Arrangement Under the Extended Fund Facility and Concludes 2026 Article IV Consultation with Argentina

May 21, 2026

- IMF Executive Board completed the second review of Argentina's 48-month Extended Fund Facility (EFF) arrangement, and concluded the 2026 Article IV consultation.
- Reform momentum has strengthened with approval of key fiscal, trade and labor legislation and refinements to the monetary and FX framework, contributing to a buildup in reserve buffers and improving Argentina's capacity to manage shocks.
- The Board's decision unlocks about US\$1 billion (SDR 0.8 billion), under Argentina's US\$20 billion (SDR 15.267 billion) EFF arrangement approved on April 11, 2025 (479 percent of quota)

Washington, DC: The Executive Board of the International Monetary Fund (IMF) completed today the second review of the extended arrangement under the Extended Fund Facility (EFF) for Argentina and concluded the 2026 Article IV consultation. This marks a further milestone under the program, which aims to entrench disinflation, strengthen external stability, and lay the foundation for stronger and more sustainable private sector-led growth.

Despite a more challenging global and domestic backdrop, the Executive Board assessed that program implementation has remained strong, reflecting appropriately prudent policies and adjustments to the policy framework. While the end-December quantitative target for net international reserves (NIR) accumulation was missed, most key performance criteria and indicative targets were met, and corrective measures have been implemented to bring reserves closer to the NIR target and further reduce sovereign spreads. The Executive Board welcomed progress on the structural reform front and the authorities' commitment to implement a balanced set of policies consistent with the program's objectives.

The Board's decision enables an immediate disbursement of about US\$1 billion (SDR 0.8 billion), bringing total disbursements under the arrangement to *about US\$15.8 billion* (SDR 11.452 billion). Argentina's 48-month EFF arrangement, with access to about US\$21 billion (SDR 15.267 billion, equivalent to 479 percent of quota), was approved on April 11, 2025 (see Press Release No. 25/101).

Following the Executive Board discussion on Argentina, Ms. Kristalina Georgieva, Managing Director, issued the following statement:

"The Argentine authorities have continued to make strong progress in stabilizing and creating a more market-based economy under the Extended Fund Facility arrangement. Heightened political uncertainty in 2025 temporarily weighed on growth, disinflation and external stability, but policy adjustments have been implemented since, which have led to a buildup in reserves, renewed disinflation, and improved market confidence, despite a more complex global backdrop. The authorities remain committed to sustaining stability through a balanced policy package that supports disinflation while strengthening external sustainability and fostering growth, including to secure timely and durable international market access.

"The authorities are committed to continue to target an overall cash fiscal balance through further reductions in energy subsidies, improved targeting of social transfers, and containment of discretionary spending to offset the impact of congressional spending initiatives. Over time, reforms to enhance the equity and efficiency of the tax and pension systems, together with strengthened fiscal frameworks across

all levels of government, will be essential to sustain the fiscal anchor while preserving space for priority social spending, which will be critical to further consolidate the impressive reduction in poverty.

"The sustained implementation of the central bank's FX purchase program, combined with continued exchange rate flexibility, remains essential to decisively rebuild external buffers and strengthen Argentina's capacity to manage shocks. This should be complemented by the implementation of a multi-pronged financing strategy to restore timely and durable international market access, including to refinance large near-term public sector FX obligations and gradually reduce Fund exposure.

"The monetary framework should continue evolving to support disinflation and enhanced exchange rate flexibility. This will require continued efforts to strengthen central bank transparency and communication, as well as measures to further contain interest rate volatility to improve monetary transmission and credit allocation. At the same time, regulatory and supervisory frameworks need further strengthening to support capital market deepening while containing financial vulnerabilities. Over time, the central bank's balance sheet and governance framework should continue to be enhanced.

"Progress in deregulating the economy and adopting reform legislation in the fiscal, trade and labor areas have been impressive. Efforts should continue in creating a more competitive and open economy, including by improving the predictability of tax and regulatory frameworks, to unlock the potential of Argentina's strategic sectors in agriculture, energy, mining, and the knowledge economy.

"Against elevated external and domestic risks, agile policy making and contingency planning remain essential to safeguarding program objectives. Clear policy communication, together with well-targeted social support to mitigate near-term adjustment costs, will be critical to sustaining policy continuity and societal support for Argentina's reform program."

Executive Board Assessment^[1] (#_ftn1)

Executive Directors agreed with the thrust of the staff appraisal. They welcomed the overall progress achieved in stabilizing and creating a more market-based economy under the Extended Fund Facility arrangement, which has delivered a sharp decline in annual inflation, the first fiscal primary surplus in years, and important foreign direct investment announcements. Directors noted however that program performance was mixed until end-2025, with delays in the critical area of rebuilding external buffers. They acknowledged the subsequent important refinements to the monetary and FX frameworks, which have supported reserve accumulation and strengthened market confidence. Given remaining vulnerabilities, Directors encouraged the authorities to decisively implement a balanced policy package that supports disinflation while strengthening external stability and sustaining growth, including to secure timely and durable international market access.

Directors praised the authorities' continued adherence to a strong fiscal anchor. They supported the objective of achieving an overall cash fiscal balance in 2026, underpinned by further reductions in energy subsidies, improved targeting of social transfers, and containment of discretionary spending. Directors underscored the importance of sustaining the fiscal anchor over time by enhancing the equity and efficiency of the tax and pension systems and strengthening fiscal frameworks across all levels of government, while preserving adequate space for priority social spending, which will be critical to safeguard the impressive progress made in reducing poverty.

Directors welcomed the central bank's FX purchase program and called for a sustained implementation, combined with continued exchange rate flexibility, to decisively rebuild external buffers and strengthen Argentina's capacity to manage shocks. They welcomed the authorities' multi-pronged near-term financing strategy and emphasized the importance of securing timely and durable access to international capital

markets to refinance large public sector FX obligations and gradually reduce Fund exposure. Directors encouraged the authorities to accelerate reserve purchases and deliver on their ambition of exceeding this year's target for NIR accumulation. Good faith efforts to resolve outstanding claims should continue.

Directors emphasized the need for the monetary framework to continue evolving to further support disinflation and enhanced exchange rate flexibility. They underscored that this would require enhanced transparency and communication, including through the regular publication of quarterly reports, as well as efforts to further contain interest rate volatility and improve monetary policy transmission and credit allocation. Directors encouraged the authorities to take further steps to strengthen the central bank's balance sheet, governance and mandate, alongside measures to continue to enhance the quality and dissemination of inflation data. They underscored the importance of deepening capital markets, while containing financial risks, including those arising from FX and maturity mismatches, through improvements in regulatory and supervisory frameworks.

Directors commended the impressive progress in deregulating the economy and adopting reform legislation in the fiscal, trade and labor areas, reflected in a surge in planned FDI. They encouraged the authorities to deepen reforms to create a more competitive and open economy and emphasized the importance of strengthening the independence of oversight institutions, ensuring transparency in procurement and privatization, and improving governance frameworks.

Directors concurred with staff's assessment that the exceptional access criteria continue to be met. They noted that the program continues to be subject to elevated risks but welcomed the mitigating policy measures put in place. Directors emphasized the importance of maintaining strong contingency plans and called on the authorities to implement them promptly should external or domestic downside risks materialize, to safeguard program objectives. They stressed that continued support for the most vulnerable, together with measures to mitigate the near-term adjustment costs, will be critical to sustaining societal support for Argentina's reform program.

It is expected that the next Article IV consultation with Argentina will be held in accordance with the Executive Board decision on consultation cycles for members with Fund arrangements.

Table 1. Argentina: Selected Economic Indicators

(Percent of GDP, Unless Otherwise Indicated)

				Proj
	2024	2025		2026
Output				
Real GDP (% change)	-1.3	4.4		3.5
Unemployment				
Unemployment rate (percent)	7.2	7.4		7.2
Prices				
Consumer prices, end of period (% change)	117.8	31.5		25.0

Federal Government operations				
Revenues	16.8	15.9		15.5
Primary expenditure	15.0	14.6		14.1
Primary fiscal balance	1.8	1.4		1.4
Federal government debt	84.7	80.3		73.2
Monetary and credit				
Monetary base	5.1	5.1		5.2
Credit to the private sector, real (eop, % change)	51.7	32.3		16.8
Balance of payments				
Current account balance	0.9	-1.1		-0.8
Sources: National authorities and Fund staff estimates and projections.				

[1] (#_ftnref1) At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here:

<http://www.IMF.org/external/np/sec/misc/qualifiers.htm> (<http://www.IMF.org/external/np/sec/misc/qualifiers.htm>).

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