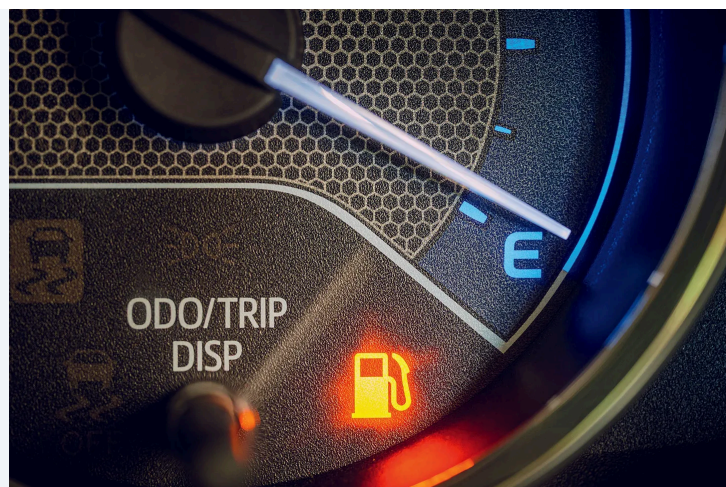


OECD Economic Outlook, Volume 2026 Issue 1

Under Pressure

Report

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Summary

Full report

Support materials

Argentina

Real GDP is projected to grow by 2.8% in 2026 and 3.5% in 2027, driven mostly by exports from the energy, mining and agricultural sectors. Private investment is benefiting from an increasingly favourable business environment. Private consumption growth will remain modest, limited by high interest rates and a slow recovery of real wages. Higher oil prices will slow the pace of disinflation. Slowing the pace of reform could lower confidence and stall consumption and investment growth.

Foreign reserve accumulation has picked up and will continue to support the transition towards a more flexible exchange-rate regime, strengthening resilience to external shocks. Contained public expenditures and steady revenues will allow for maintaining small fiscal surpluses over the projected horizon. Once fully implemented, the recent labour market reform will support formal job creation, but

additional efforts to promote competition could boost productivity. Structural reforms should now focus on eliminating distortive taxes, broadening tax bases, and simplifying the tax system.

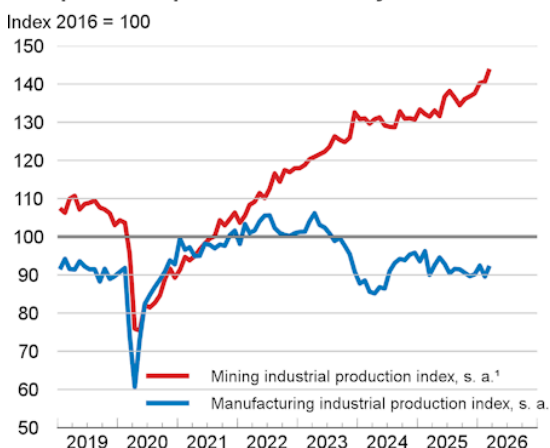
Growth has strengthened due to higher energy, mining and agriculture output

Real GDP grew by 0.6% in the fourth quarter of 2025, bringing annual 2025 growth to 4.4% after two years of recession. The main monthly activity indicator registered strong growth momentum at the end of 2025 and again in March 2026, reversing a fall in February. Exports from the energy, mining and agricultural sectors have become a growth engine, while domestically oriented sectors, like manufacturing and retail services, continue to lag behind. Industrial capacity utilisation and consumer confidence remain low and are decreasing. Although unemployment rose in the fourth quarter of 2025, the employment rate fell only marginally. Inflation has strengthened since mid-2025, reaching a monthly rate of 2.6% in April, slowing the recovery of real wage growth.

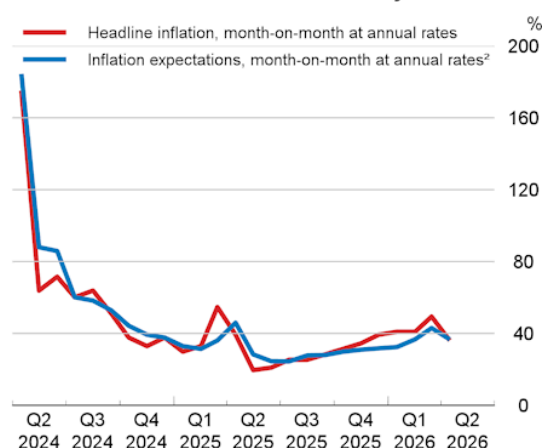
The evolving conflict in the Middle East has increased fuel prices, hampering efforts to reduce inflation. The impact of the 10% tariff on exports to the United States will be limited, as these account for only 9% of Argentina's exports. Moreover, a recent bilateral trade agreement is set to reduce tariffs for 1,675 products. The exchange rate has appreciated since November, and the central bank has accumulated close to USD 4.3 billion in reserves during the first quarter, although net reserves remain negative.

Argentina

Exporters outperform domestically-oriented sectors



Inflation increased over the last year



1. The mining industrial production index covers mining of metallic and non-metallic minerals, extraction of natural gas and crude oil, and support services for the extraction of crude oil and natural gas.

2. Average.

Source: INDEC; and Banco Central de la República Argentina.

Statlink 

Argentina: Demand, output and prices

	2022	2023	2024	2025	2026	2027
	Current prices ARS billion	Percentage changes, volume (2004 prices)				
Argentina						
GDP at market prices	82 810.0	-1.9	-1.3	4.4	2.8	3.5
Private consumption	54 595.5	1.0	-2.9	7.9	3.0	2.8
Government consumption	13 003.3	2.1	-3.8	0.2	0.2	0.6
Gross fixed capital formation	14 589.3	-2.0	-17.2	16.4	0.3	8.9
Final domestic demand	82 188.2	0.6	-5.8	8.1	2.2	3.4
Stockbuilding ¹	- 192.3	0.0	-1.5	1.0	-0.8	0.0
Total domestic demand	81 995.9	0.6	-7.3	9.2	1.1	3.8
Exports of goods and services	13 482.9	-9.5	19.8	7.6	8.9	4.5
Imports of goods and services	12 668.7	1.9	-10.2	27.0	1.8	5.5
Net exports ¹	814.2	-1.8	4.0	-2.3	1.1	-0.1
<i>Memorandum items</i>						
GDP deflator	—	136.7	207.6	39.1	27.3	13.7
Consumer price index ²	—	133.5	219.9	41.9	30.5	15.6
Current account balance (% of GDP)	—	-3.0	0.8	-0.9	-0.1	0.0

1. Contributions to changes in real GDP, actual amount in the first column.

2. Based on yearly averages.

Source: OECD Economic Outlook 119 database.

Statlink 

Monetary and fiscal policies should remain restrictive

Achieving sustainably lower inflation should remain the main objective of monetary policy. Control of monetary aggregates will remain tight, and interest rates are expected to stay high in the medium term, despite a gradual decline. Reserve accumulation will be supported by export revenues from an expected record harvest, and by higher oil prices in the near term. Fiscal consolidation is set to continue, with expenditure restraint, higher revenues from

export taxes and improvements in tax administration. This will lead to small headline fiscal surpluses in both 2026 and 2027.

Growth will continue to be supported mostly by exports

Real GDP is expected to grow by 2.8% in 2026 and 3.5% in 2027, underpinned by export-oriented sectors, like agriculture, energy and critical minerals. Private consumption growth will remain moderate due to a slow recovery of real wages and high interest rates. Lower administrative burdens and dedicated investment regimes for both large and medium-sized investments will support investment. Against the background of rising fuel prices in the first half of 2026, disinflation will only gather renewed momentum from the second half of the year, supported by contained demand pressures, tight monetary policy and persistent fiscal discipline. Average headline inflation is projected at around 31% for 2026 and around 16% for 2027. A slowdown of the current reform momentum, or incomplete implementation of approved reforms, could lower confidence and lead to protracted consumption and investment growth, and possibly renewed currency volatility.

Further reforms can boost productivity

Phasing out inefficient subsidies, raising public-sector efficiency and replacing distortionary taxes with broader income and consumption taxes would strengthen macroeconomic stability. Eliminating remaining natural gas subsidies, while providing support to low-income households, would provide market signals to steer resources towards alternative energy sources in the longer term. Productivity could benefit from further reductions in barriers to domestic and international competition while streamlining firm resolution procedures and addressing gaps in transport infrastructure and digitalisation. Increasing cooperation with the private sector can keep training curricula aligned with evolving labour market requirements, reducing skill shortages and boosting productivity growth.