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Country Coverage

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Argentina: Observations on the Experiment

April 2025

Argentina

Observations on the Experiment

- + **The Milei Ascendancy carries on with the Argentine public (and Congress) having given him a remarkably long leash by historical standards**
- + **Exchange controls have been (mainly) lifted, on the back of an IMF deal and attendant cash injection, without the expected rush for the door by peso holders**
- + **The opposition Peronists are in chaos, with infighting between the forces of Cristina Kirchner (promoting her ne'er-do-well son) ranged against those of Axel Kicillof (the governor of Buenos Aires province) for future power**
- + **Both former presidents, Alberto Fernandez and Cristina Kirchner, find themselves embroiled in distracting legal problems**
- + **There is a selective recuperation of the economy, driven more by construction and exports than consumer demand**
- + **Mining activity is in overdrive with the three legs, lithium, copper and gold all under massive development despite lithium prices still being in the doghouse**
- + **The high (statistical) poverty rate has dived over the last year but is still shockingly high (but is it?)**
- × **Inflation remains high at between 2-3% per month with the commercial *casta* refusing to cut margins and “pile ‘em high, sell ‘em cheap” - preferring the opposite**
- × **The “crypto-incompetence” scandal continues to roil the waters and shows up a degree of naivety on the part of the President**
- × **The administration has been living “hand to mouth” in the Congress log-rolling with friends and opposition alike to cobble together majorities for any of its actions**
- × **Milei was thwarted in his attempts to stack the Supreme Court in a long drawn-out quixotic endeavour**

Will the Real Libertarians Please Stand Up

If one were to go inside the mind of Javier Milei we suspect we would find his neurons spinning around trying to reconcile an errant US under the Trump Administration exercising policies, that would be thing of nightmares in a world crafted in the image of von Mises and the Austrian School, with the admiration that said regime holds for Argentina. How can the ultra-orthodox libertarian Milei tell Trump et al. that they are on a highway to hell? Indeed, a dilemma....

So instead of reading the Riot Act or quoting chapter and verse from the libertarian holy texts, he instead gifts Elon a chainsaw and hopes that this neophyte doesn't chop off his head (or Trump's) in his enthusiastic waving of the tool. Milei can wield a chainsaw to great effect, while the Washington crowd

can't even coordinate their tweets (though more on Milei's missteps in tweeting, anon).

The prime differences between the Milei regime and the Trump administration are:

- Tariffs are anathema to Milei and mother's milk to Trumpian thought
- The occasional railing against the media (particularly the conservative daily newspaper, La Nacion) from Mileiistas is nothing compared to the vitriol in US circles
- The nuclear sector is being revived and prioritised in Argentina whereas in the US it is mainly lip-service
- There is an absence of anti-foreigner rhetoric from the Casa Rosada, but Milei has wound up the exploitation (particularly in medicine) of the free university education in Argentina, with Brazilian and Colombian students being the prime "victims" in having to pay for their tuition
- Argentina has been pro-Ukraine (with Zelensky turning up to the Milei inauguration) though support is easy when it involves no financial contribution
- Argentina is warming to the EU (particularly France & Germany) with Lithium as lubricant, whereas the US is freezing out Brussels
- While a first measure was applying a colonoscopy to China's "space base" in Patagonia, to warm up Washington, since then Milei has been happy to repeatedly renew the Chinese credit lines (or vice versa) while also gearing up to elbow the US out of Chinese markets in many agricultural categories (with Brazil as a fellow traveller)
- The pre-election policy of being anti-abortion has faded away in the face of the reality of the "progressive" mindset of the bourgeoisie

Similarities (or, better put, coincidences) are:

- Milei is well ahead of the US in cutting back the bureaucracy and the so-called *ñoquis* implanted by the Kirchnerite regimes, while Elon Musk has been merely dabbling
- Milei has long been an Israel fetishist and thus shares many characteristics with the current (and past) US regimes but the populace are not in line, so the policy has been rather *sotto voce*
- Fiscal orthodoxy is a watchword for both sides, though in Argentina its real
- The IMF has been persuaded by Washington to cast a tolerant eye upon Argentina, but we would likewise feel that other IMF heavyweights (UK, France, Germany and China) are well disposed also
- Climate scepticism reigns in both the Milei and Trump camps, but it would appear that the world is coming around to the same opinion. Argentina has a derisory number of EVs thus far so

there is nowhere much to go back from. Argentine provinces do not have any say over EVs vs ICE mandates and don't want to, so it is all rather a moot debate in these parts, compared to the US with its refusenik states like California

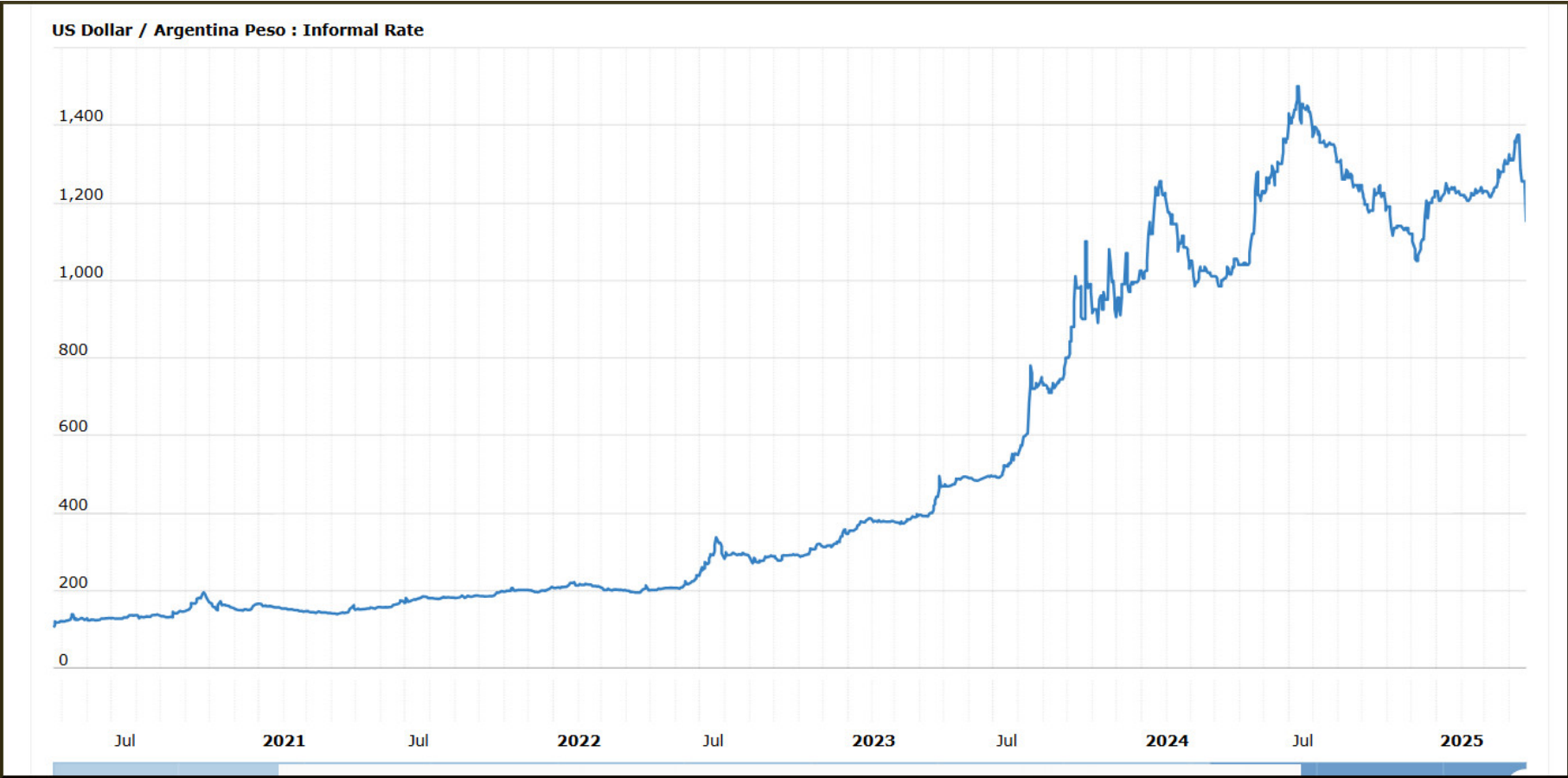
Salient Points

What are the main issues of the moment, real or imagined:

- The mystery of when (and how) the dreaded *cepo* (exchange controls) would be unwound has been revealed in the last month and, contrary to the expectations of many, life has gone on and the peso has even strengthened
- *Viva la Libertad...* but the peso is not entirely free. We muse on this paradox.
- (Real) inflation is romping still, though not at the levels it was around the time of Milei's ascension
- The somewhat quixotic pursuit of the legislative approval of Ariel Lijo and Manuel García-Mansilla to the Supreme Court has reached an inflexion point
- A recent downtown riot in Buenos Aires has a deeper rationale than a pensioner protest as it gave a chance for unions and football fans to vent their anger at the reduction of their historic boondoggles
- The \$Libra crypto scandal has largely blown away but left a legacy among thinking observers about the President's powers of discrimination
- Milei is clearly more economically orthodox than Trump. Orthodoxy being libertarian and Austrian School. Will Argentina suffer for this difference in orthodoxy?
- The stunningly high poverty ratings pre-election has declined substantially. Is this for real?
- Are the masses being cooked like frogs in the gradually boiling water? What is their attitude?

The Peso Unbound

In mid-April in a surprise, but not unsurprising, move the Milei administration "liberated" the exchange rate of the peso and abolished the much-loathed *cepo*, a combination of exchange controls and a proliferation of exchange rates. The abolition was not quite as all-encompassing as painted as it introduced a dirty float with a band with the US\$ being "worth" AR\$1,000 to \$1,400. Even pundits did not know what would happen, but the psychological effect alone propelled the peso AR\$200 higher, prompting the government to state that it would not allow the currency to strengthen to under AR\$1000. This was a level that we had not thought we would see again. It was the magic number that we had [written](#) in March of last year as being a possible base for introduction of a new *Convertibilidad* scheme, echoing Menem & Cavallo's enormously successful regime that reigned from 1991 to 2001.



And yet, lo and behold, *Convertibilidad* at AR\$1,000 to the US\$ might yet get its day in the sun again. As we write, a further set of reforms spurred the BCRA to offer to buy pesos at AR\$1,000, when the official rate was AR\$1,115.

As part of Phase 3 of the economic program initiated on December 10, 2023, the Argentine Central Bank (the BCRA) issued Communication “A” 8226 on April 11, 2025. This communication introduced various relaxations for the access to the Argentine foreign exchange market by Argentine resident individuals and legal entities, effective from April 14, 2025.

A leading law firm, Mitrani Caballero (MC), provided quick and thorough assessments of the main changes and these are worth repeating and commenting upon:

Payments of Profits and Dividends

MC - Argentine resident companies are now permitted to access the FX Market for the payment of profits and dividends to non-Argentine resident shareholders provided these payments correspond to profits obtained in regular and audited annual financial statements for fiscal years starting from January 1, 2025. Payments based on financial statements from previous fiscal years remain subject to existing restrictions.

Hallgarten take – The operative part of this, which didn’t get much in the way of column inches in the general media, was the reference to the accounting periods. This implies that historical profits are still not freely dividendable. At the very best, companies would not be able to restart profit remittances until early in 2026, so well after the mid-term elections. This draws a line that restricts the amount of accumulated profits that might make a bolt for the door either pre- or post-elections.

Imports of Goods Payments

MC - General Rule: Argentine importers can access the FX Market to make payments for imports of goods from the date of customs clearance of the goods occurring from April 14, 2025. The previous 30-day deferral period has been eliminated. Payments for imports of luxury goods remain subject to current conditions.

Hallgarten take – This helps reach the goal of shrinking the BCRA (if not eliminating its vast and stultifying bureaucracy that is required to administer these byzantine regulations).

MC - Advance Payments for Capital Goods: Argentine importers may make advance payments for capital goods that do not qualify as luxury items when (i) the sum of such payments does not exceed 30% of the FOB value of the goods to be imported, and (ii) the sum of advance payments, sight payments, and deferred payments for goods not yet nationalized do not exceed 80% of the FOB value of the goods to be imported.

Hallgarten take – this is a big positive for FDI and technology imports and for our readers goes a long way to meeting the major bugbear of the mining community with relation to capital goods imports. It

also has positive implication for that major export earning group, the agricultural sector.

Savings of Argentine Resident Individuals

MC - The Central Bank has eliminated the US\$200 limit for access to the FX Market for Argentine resident individuals for the purchase of foreign currency when the operation is carried out with a debit from bank accounts, allowing the foreign currency to be credited to local or foreign bank accounts of the client. For cash purchases, the monthly limit of US\$100 remains. Additionally, the foreign exchange limitations for the performance of certain restricted securities transactions have been eliminated.

Hallgarten take – The goal of this originally was to stop Argentines taking their official salaries and transferring large parts, or all, to dollar bank accounts. It removes the \$200 per annum limit but keeps the US\$100 per month, so really only allows savings in dollars from income of only US\$1,200 per annum.

MC - Settlement of Securities in Foreign Currency of Argentine Resident Individuals The limitations for operating with securities settled in foreign currency have been eliminated, including the requirement for transfers to and from accounts in local or foreign financial entities in the name of clients. This requirement remains for Argentine resident legal entities.

Hallgarten take – this frees up movements (and lowers bureaucracy) related to investments by Argentine public (but not corporations) into foreign equities.

These initial thoughts then required a further update on the 21st of April as a further tweaking took place:

Repatriation of Capital, Income, and Sale Proceeds from Portfolio Investments by Non-Argentine Residents

MC- Access to the FX Market for the repatriation of capital, income, and proceeds from the sale of portfolio investments by non-Argentine residents in instruments listed on local markets authorized by the National Securities Commission will not require prior Central Bank approval, provided that: (i) a local financial institution certifies that the investment was made with funds that were transferred to Argentina and converted into Argentine pesos through the FX Market on or after April 21, 2025; (ii) supporting documentation demonstrates that the amount for which access to the FX Market is requested does not exceed the services collected and/or the amount actually received from the sale of the investment; and (iii) the repatriation occurs at least 180 days after the transfer and conversion of the funds.

Hallgarten take – Once again the date is the key thing keeping long-term (i.e. legacy) players still trapped. This essentially allows free ingress and egress by foreign investors to the Bolsa. The Argentine stockmarket was essentially turned from a real market into a corner kiosk during the troglodytic years of Kirchnerite rule. After the boisterous market of the 1990s (in which were leading analysts) the market experienced two good years post-2001 (with some of the world's best performances) then went into long Dark Ages. This makes the market potentially attractive again for foreign portfolio investors.

Principal Payments under Intercompany Financial Indebtedness

MC - The Central Bank has eliminated the requirement for prior approval to access the FX Market for the repayment of principal under intercompany foreign financial indebtedness, provided that (i) the funds have been transferred to Argentina and converted into Argentine pesos through the FX Market on or after April 21, 2025; and (ii) the indebtedness has an average life of at least 180 days.

Hallgarten take – Fabricated intercompany debts has long been up there with transfer pricing as a way that multinationals avoided paying income tax, dealing with retentions or just plain old exchange control busting. Then Argentine corporations got in on the act creating fake Cayman Islands corporation to mimic their “betters”. This rule change lets the ractice resume but with a strict paper trail that the original debt actually existed.

Poverty

The publicly pronounced poverty rate in Argentina was one of the headline numbers that sank the outgoing Peronist regime at the polls. The rate supposedly hit a peak of 52.9% in the first half of 2024. This was the highest level in almost two decades.

In Argentina, poverty is defined by two main approaches: monetary and multidimensional. The monetary approach, used by INDEC, considers a household to be poor if its monthly income does not exceed the value of the total basic basket (CBT), which includes food and other necessary goods and services. The multidimensional approach, on the other hand, considers poverty as deprivation in multiple dimensions, such as education, health, social security, housing, and food, and not just a lack of income.

In recent times, at least two reports, say the situation has improved. This has been attributed to inflation tumbling from a peak of a monthly 25.5% per month in 2023 and wages recovering some ground lost. This in turn has supposedly reduced the number of poor people had been reduced to “as low as” 36.8% by the end of 2024.

One of the estimates was sourced from Martín González-Rozada an economics lecturer at the Universidad Torcuato Di Tella (UTDT) lecturer. The specialist estimated December 2024’s Total Basic Shopping-Basket, calculating a reduction of poverty by 16.1% from its peak.

The study is updated every month, based on the projection of the structure of the job market and the data on total family earnings from the EPH (Encuesta Permanente de Hogares) household survey of the INDEC statistics bureau corresponding to the half-year in question while contrasting the total family earning with the average Basic Shopping-Basket projections for the same period.

González-Rozada projected a basic shopping-basket of 313,360 pesos per adult equivalent to the second half of last year for an interannual increase of 178.7%, while the projection of total family earnings yielded an interannual increase of 207.1%.

A weighted average between a poverty rate of 38.8 percent for the third quarter of 2024 and 34.8 percent for the fourth quarter.

This situation propitiated a fall in the calculations of poverty and destitution for the last six months of last year, descending to 36.8% and 9.2% respectively, with the number of destitute almost halved.

A study published by the CNCPS (Consejo Nacional de Coordinación de Políticas Sociales) in tandem with the Human Capital Ministry estimated poverty as 38.9% during 3Q24. This analysis is based on the INDEC report on income distribution. The CNCPS prognosis of destitution was 8.6% after having registered 20.2% in the first quarter and 16% in the second.

Experts on the theme warned of an aggravation of scarcity in low-income sectors and the risks of structural poverty. The ODSA (Observatorio de la Deuda Social Argentina) poverty watchdog of the UCA Catholic University opined that the consumer capacity of households was reduced by the higher costs of basic services such as electricity, water, gas and transport, among others.

Even these improved numbers scarcely point to a robust consumer population poised to lift Argentina to another level. The 1% or even the 30% are not enough. Redistribution is not on the agenda except so far as a refloat economy levels the playing field and spills some of the goodies farther and wider.

Embedded Inflation – the Commercial *Casta*

The tendency of the Argentine commercial *casta* is to raise prices when things are bad (sales are down so we need to make more on what we do sell) or when things are good (milk it for all its worth as it wont last). This cycle of margin creep has ruled in Argentina since the 1940s, excepting the more advanced years of the Menemist period in the 1990s when entrepreneurs finally “got with the program” and worked out that they could sell more and make more with the same or lower margins.

Ultimately the next phase of the Libertarian experience will be won or lost in the aisles of the supermarket. The owners of businesses in this sector would rather die in a ditch than reduce margins. But with consumers being pressure cooked to an extent that consumer disposables (particularly clothing) is seeing a buyers’ strike, the supermarkets are taking an increasing share of household budgets, crowding out the rest. This does not bode well for a broader and wider consumer upturn.

Milei and crew are taking up the cudgels. In days after the lifting of the *cepo* the supermarkets received new price lists from providers which (despite the currency heading up against the dollar) showed rises of 9% to 12%. This prompted a salty outburst from the President as to where the providers could put their products.

However, Milei clearly had grabbed the wrong end of the stick as it in the massive margin creep over the last two decades by the *supermercados* that has allowed them to cow, beggar and bankrupt the suppliers. In cleaning products in particular the suppliers have been crushed by the supermarket margins, price fixing and gouging.

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Much of this has to do with the winnowing of competition since the *corralito* of 2001. The type of players that “kept them honest” such as Auchan, Walmart, Casa Tia and Disco have gone or been subsumed into chains with dubious commitment to competitiveness. If the German chains, Lidl or Aldi, were to enter the henhouse, there would not even be feathers left as evidence of the current pathetic array of self-serving players. Even the entry of high price point chains like Whole Foods or Waitrose, would undercut the mediocre and overpriced local offerings. That’s how bad it is.

Retail consumption fell 5.4% year-on-year in March and accumulated a decline of 8.6% during the first quarter. The decline, which has now lasted 14 months without interruption, reached 13.9% in 2024, the third worst figure since the economic collapse of 2001, with the *corralito* crisis.

The slogan “everyday low prices” does not pertain to Argentina. Bamboozlement of the consumers with a mind-boggling array of financial legerdemain has reached its apogee at the current times. On the preceding page we show two posters that greet the consumer when entering one of Argentina’s largest chains, Coto. Instead of the store offering everyone 10% lower prices, selectively the customers of various banks/fintechs are offered chunky discounts (i.e rebates to the supermarket).

Argentina has moved beyond the cashless society to the senseless society. Defenders would argue that you are paying somehow or other... well someone is paying somehow or other. This system is ripe for conning the consumer that the overpriced product is really twenty-five percent cheaper, but only if they pay with Mercado Pago or Banco Supervielle. On any specific day the average consumer is paying full slug unless they are in possession of twelve different credit or debit cards. Watching the buyers juggling with the many and various options at the till would be amusing if it wasn’t taking one 20 minutes to check out in a line that only has three people in it.

Shock Troops or Mere Riff Raff

As always in Argentina there is the ostensible image of something going on, and then there is the real reason. In mid-March, there was a sizeable riot around the *Congreso*, which left a tally of wounded, (including a journalist in a critical condition) and a trail of destruction in the vicinity. The rationale for the demonstration that got out of hand was to defend the rights of pensioners, though the demonstration took place while Congress was debating another issue.

Pensioners were in short supply as the uprising was largely a pitched battle between the police and unionists and *barrabravas*. The latter being the fan clubs of the football clubs. This definition of the *barrabravas* though is far from the reality of organisations that are seen as a confluence of hooligans and Mafia families, though maybe a closer comparison might be to Japan’s Yakuza. They form a whole ecosystem around the major and minor teams and have long represented a very shady side to the massive business of football in Argentina, with an intersection with Peronist politics. In this element they are quite distinct from the hooligan phenomenon in Europe or the UK. The leaders of these *barrabravas* are akin to eastern potentates and if they could get away with the visual of being born on palanquins, then they would.

First one should ask the question of who was behind it all and the press were rather united in attributing the trouble to Cristina Kirchner. She may be gone from the Casa Rosada (well, long gone) but her struggles go on in the courts (on the many and varied corruption charges) and in politics where she continues to try to upset the path to power of Axel Kicillof, the governor of Buenos Aires province, who sees himself as heir to the tattered Peronist mantle. Cristina K has different ideas with her son, Maximo, the leader of the looting squad, otherwise known as *La Campora*. The US banned her from entering the country and included "her family" in the prohibition. No more jaunts to Miami for Maxi!

But who were the shock troops of this assault and what was their motivation? As mentioned, the *barrabravas* and the unions made up an unholy alliance to cause trouble. The two groups have long been allied and opposed to each other and each "group" is really scores of groups.

The *barrabravas* have an axe to grind with Milei because of his plans to open ownership of the football clubs to outsiders i.e. not by the members. This potentially puts parties in control of the teams that, to maximise profits, would terminate the sinecures and favoritism shown towards the *barrabravas* and most particularly their leaders. These groups operate somewhat akin to the circus factions that dominated sport and later politics in ancient Rome and Byzantium.

There is an overlap also in the leadership of the *barrabravas* and quite a few unions, leading to events in late March such as a stabbing spree in the emergency section of a hospital in La Plata between fans of two local teams and members of the UOCRA (the almighty construction workers union). This had its origins in control of the lucrative and protection racket-like activities of the local branch of the union.

The unions are fighting a rearguard action against Milei because he has moved to remove funds collected from employers for employees who are not even union members and to stop a bizarre triangulation of health insurance payments that has funds drop off in union pockets for no value added in the health coverage of the workers.

The Argentine private sector makes two types of transfers to unions. One is union dues, paid on behalf of employees affiliated with a specific union. The other is the so-called "solidarity contribution," which also includes non-affiliated workers. This contribution ranges between 1% and 2% of employees' gross monthly salaries. These ostensibly small percentages, in reality, represent an income of billions of pesos for unions.

Ergo, the riots had nothing to do with pensioners and everything to do with entrenched "mafias" getting their comeuppance. To add extra piquancy the riots backfired on Cristina Fernandez de Kirchner. Two follow-up events (especially the Dia de la Memoria) turned out to be damp squibs because she called off the attack dogs as they were leaving her in bad odour with both the party and populace. If all this proves anything its that Milei's offbeat tactics have thrown his enemies off their game, and they are floundering about trying to find oppositional strategies that work... these inevitably must come from outside their traditional playbooks.

The Trump Tariffs

A little or a lot has been made of the Argentine “exemption” from the Trump tariffs barrage. This “Get out of Trouble” card is supposedly due to the intellectual alignment of Argentina with the US. This fellow traveller status is rather dubious. As we think we have shown, Argentina is serious in reforms whereas the US is using plain old protectionism, an anathema to libertarians.

The major thing to note is that Argentina is principally a competitor of the US rather than a country that sees itself sending vast mountains of commodities into the US economy. On grains, oilseeds, meats and LNG, Argentina competes against the US. In 2023, Argentina had a trade deficit with the US (not exactly a great candidate for “punishment”. Argentina exported some US\$6.27bn to the US, while the US exported US\$8.68bn to Argentina. Of Argentina’s exports the largest chunk was US\$1.53bn in crude petroleum and bizarrely Argentina imported US\$1.47bn in refined petroleum from the US. All in all rather a wash there which if Argentina lifted its game in refining then the US would be out of the market in Argentina.

While just one month is not particularly representative it is nevertheless useful to look at January of 2025. In that month, Argentina exported \$663mn and imported \$698mn from United States, resulting in a negative trade balance of \$35.2mn. Between January 2024 and January 2025, the exports of Argentina to United States increased by \$102mn (18.3%) from \$560mn to \$663mn, while imports increased by \$72mn (11.5%) from \$626mn to \$698mn.

In January 2025, the top exports of Argentina to United States were crude petroleum (\$232mn), gold (\$76.5mn), and raw aluminium (\$33.6mn). In January 2025, the main imports of Argentina from United States were refined petroleum (\$98.2mn), aircraft parts (gliders, balloons, and powered aircraft) (\$38.7mn), and vaccines, blood, antisera, toxins and cultures (\$36.1mn).

Argentina may come out as a winner from the Trump kerfuffle as it is not anyone’s “enemy” at the moment (though EU farmers hate the prospect of the long-stalled EU-Mercosur trade treaty being dusted off). Aluminium and wine sales to the US are a vulnerable point and there is also a swathe of other products e.g. honey, apples, nuts that one does not particularly associate with Argentina that might be vulnerable. Argentina is the world’s largest producer of birdseed, who knew!

For various reasons, China could cuddle up more to Argentina to aggravate the US, and Argentine agricultural products become all the more profitable and competitive if China pivots its soy purchasing from US producers to Argentine and Brazilian ones.

It’s early days (and murky days) but Argentina is used to the EU and US trying to cramp its exports, and yet it still manages to place its products in global markets. The bigger risk is that Argentina gets accused of unfair competition by taking advantage of the US’s self-induced weakness at the current time.

Mining – All Go

The Argentine mining scene is one of all action. For us the most telling sign of the attractions is that Galan Lithium felt empowered enough to balk at an offer of US\$150mn from a Renault/Chinese grouping (bizarre in itself) and to power ahead with its *salar* project (yet another Hombre Muerto) in Argentina. This comes at a time when most of the lithium projects outside Argentina are garbed in sackcloth & ashes, bemoaning their many woes.

Our previous hyperbole of San Juan being the new Chile is now starting to be realised. Argentina has more major copper projects bubbling away than any other country with the country going from a standing start to probably being a top five, or even top three, producer in ten years from now.

RIGI underpins most of the gargantuan copper projects and even the Lithium projects (with its \$200mn investment threshold).

Gold is also catching a tailwind, though most projects there would come in at under \$200mn but as the price of the yellow metal is so strong (and with the *cepo* gone) it is a metal that doesn't need extra juice in the form of RIGI status to make projects work. Uranium while still in the doldrums the Eurnekian interests are clearly enthused by Ivana and we may yet see the first production in decades.

Some Futurology

The next challenge is to break the resistance of the commercial casta. The price of coffee is a microcosm of this. Milei deregulated many food imports but this product that Argentina does not produce and thus should theoretically be the same price as in Brazil remains at eye watering levels. A packet of coffee that would be GBP4 in the UK, is \$17,000 or US\$15 in an Argentine supermarket. This is ALL margin. The supermarkets must be put on the rack and stretched until their pips squeak, but how does one do that?

For those who thought that Milei's donation of his chainsaw to Elon Musk meant the end of his cutbacks to bloated government, they can rest easy. Next up for the chopping block is the vast inventory of regulation left by 100 years of interventionism. According to the leading newspaper, La Nacion, there are 42,000 laws, 700,000 decrees, and 220,000 circulars or resolutions in force in the country. Milei and his Deregulation Minister, Federico Sturzenegger, are working to repeal hundreds of thousands of them that are unused or that generate privileges for a few. The new digest is supposedly going to be ready before the 9th of July and, to effect the deed, two presidential decrees are being crafted.

A bizarre factoid associated with this process is that some of the 700,000 decrees are so obscure that only 10% of them are digitalized so its no exactly well-known what they relate to...

However, when it comes down to it, the survival of the Great Libertarian Project in Argentina will be decided in the aisles of the supermarkets. The government is seeking disinflation. We would be happy with plain old deflation. The latter has earned a bad name from the three decades of malaise in Japan, but there is no need for deflation to come freighted with negatives when it is applied to an economy

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with such ingrained/inbuilt structural inflation (which we would boil down to excessive margins).

Let the battle begin.

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