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Argentina: An Overview

Located on the Atlantic coast of South America’s Southern Cone, Argentina has a vibrant democratic tradition and is home to Latin America’s third-largest economy. U.S.-Argentina relations have been strong in recent years, and Congress maintains several areas of interest in bilateral relations.

Figure 1. Map of Argentina



Source: CRS.

Political and Economic Environment

Current President Alberto Fernández of the center-left Peronist-led *Frente de Todos* (FdT, Front for All) coalition won the October 2019 presidential election and was inaugurated to a four-year term in December 2019. He defeated incumbent President Mauricio Macri of the center-right *Juntos por el Cambio* (JC, Together for Change) coalition by a margin of 48.1% to 40.4%. The election also returned to government former President Cristina Fernández de Kirchner (2007-2015), from the leftist wing of the Peronist party, who ran on the FdT ticket as vice president. A unified Peronist ticket and Argentina’s economic deterioration, marked by high inflation and increasing poverty, were major factors in Macri’s defeat.

In November 2021 midterm legislative elections (for a third of the seats in the Senate and half of the seats in the Chamber of Deputies), the FdT lost its Senate majority but remained the largest bloc in the Chamber of Deputies, albeit without a majority. The economic impact of the Coronavirus Disease 2019 (COVID-19) pandemic and rising inflation were key factors in the legislative race.

Argentina’s next presidential and legislative elections are scheduled for October 2023. Difficult economic conditions in Argentina will likely be a major factor in the elections. In

early December 2022, Vice President Fernández de Kirchner was convicted on corruption charges; while she vowed to appeal the verdict, she also said that she would not run for any future office.

When President Fernández took office in 2019, he faced an economic recession, high poverty, and unsustainable public debt. Fernández rolled out several measures, including a food program and price controls on basic goods, to assist low-income Argentines. His government negotiated two debt-restructuring agreements with private creditors in 2020 for over \$100 billion in bonds.

Argentina at a Glance	
Population:	46.8 million (2023, IMF est.)
Area:	1.1 million square miles, about the size of the United States east of the Mississippi
Gross Domestic Product (GDP):	\$630.7 billion (2021, current prices, IMF est.)
Per Capita GDP:	\$13,620 (2022, current prices, IMF est.)
Key Export Partners:	Brazil (14%), China (9%), United States (7%) (2022, INDEC)
Key Import Partners:	China (21%), Brazil (20%), United States (13%) (2022, INDEC)
Legislature:	Bicameral Congress, with 72-member Senate and 257-member Chamber of Deputies
Sources:	International Monetary Fund (IMF) and National Directorate of External Sector Statistics and International Accounts.

The Fernández government also sought a new International Monetary Fund (IMF) agreement to replace the \$57 billion program entered into by the previous Macri government in 2018. In March 2022, the IMF approved a new \$44 billion, 30-month arrangement that, according to the IMF, sets pragmatic objectives along with policies to improve public finances and reduce inflation.

In March 2023, after the IMF’s fourth review of the arrangement, the IMF assessed that “prudent macroeconomic management in the second half of 2022 supported stability and helped secure program targets through end-2022 with some margin.” As of March 2023, total disbursements under the March 2022 arrangement are \$28.8 billion. Despite the improvements cited by the IMF, in February 2023, Argentina’s annual inflation rate reached 102.5%, the highest rate in the last 30 years.

Argentina’s economy contracted by 9.9% in 2020 due to a pandemic-driven downturn and began a strong recovery in 2021 with 10.4% growth, followed by 4% growth in 2022. The IMF projects that growth will slow to 2% in 2023. Argentina’s urban poverty rate was increasing before the pandemic, reaching 35.5% at the end of 2019. It grew to

42% by the end of 2020 and declined to 39.2% in 2022, according to Argentina’s National Institute of Statistics and Census.

Relations with China and Russia

Over the past decade, Argentina and the People’s Republic of China (PRC) have significantly increased their economic and political engagement. In 2014, then-President Cristina Fernández de Kirchner and PRC President Xi Jinping upgraded the bilateral relationship from a “strategic partnership” to a “comprehensive strategic partnership”—one of the highest classifications the PRC designates for its diplomatic partners. In February 2022, Argentina joined China’s Belt and Road Initiative, and President Fernández conducted a state visit to China. China also operates a space research facility in western Argentina; the U.S. Southern Command has expressed concern that the facility could track and target U.S. satellites.

With respect to Russia, Argentina voted at the U.N. General Assembly to condemn Russia’s 2022 invasion of Ukraine and to suspend Russia from the U.N. Human Rights Council. Three weeks prior to the February 2022 invasion, however, President Fernández traveled to Russia to meet with President Vladimir Putin and strengthen bilateral ties.

U.S.-Argentina Relations

Relations between the United States and Argentina are characterized by robust commercial linkages and by shared interest and collaboration on such issues as democracy and human rights, civil nuclear cooperation and nonproliferation, counterterrorism, climate change, science and technology, and education. Recent U.S. Administrations have engaged Argentina on various bilateral, regional, and global issues, with Congress expressing support for such engagement and closer relations.

The Biden Administration has continued this engagement, including through a bilateral working group on defense issues and a joint committee on nuclear energy cooperation. In June 2022, President Fernández attended the Ninth Summit of the Americas, where he signed the Los Angeles Declaration on Migration and Protection—a regional agreement intended to reduce and manage irregular migration in the hemisphere. In December 2022, the United States and Argentina signed an intergovernmental agreement to share financial information in order to improve international tax compliance. In March 2023, President Biden and President Fernández met in Washington, DC, and discussed deepening U.S.-Argentina relations through strengthening democratic institutions and good governance, tackling climate change, and cooperating in the critical minerals and energy sectors.

U.S. Foreign Aid and Other Support. The United States provided \$4.5 million in assistance to Argentina in FY2021 (latest comprehensive data available). U.S. assistance has supported Argentina’s counternarcotics efforts, environmental conservation, energy and mining activities, and programs for vulnerable youth and historically marginalized communities. The U.S. International Development Finance Corporation (DFC) currently has one active investment project in Argentina, a \$45 million loan to support the expansion of a warehousing facility, inherited from the DFC’s predecessor agency, the Overseas Private

Investment Corporation. Since July 2021, the United States has donated 3.5 million doses of the Moderna COVID-19 vaccine to Argentina.

Argentina’s status as a major non-NATO ally since 1998 makes it eligible for preferential treatment for U.S. transfers of excess defense articles and other defense cooperation. In FY2022, the United States provided Argentina with \$632,000 in international military education and training (IMET) assistance. For FY2024, the Biden Administration is requesting \$800,000 in IMET funding for Argentina.

Trade and Investment Snapshot. The United States ran a \$5.9 billion goods trade surplus with Argentina in 2022, exporting \$12.8 billion in goods to the country (led by mineral fuels, machinery, and electrical equipment) and importing \$6.9 billion (led by oil, precious metals, aluminum, and fish and crustaceans.) The stock of U.S. FDI in Argentina was \$12.5 billion in 2021, led by information services, manufacturing, finance, and holding companies. Argentina has been on the U.S. Trade Representative’s Special 301 Priority Watch List since 1996 due to U.S. concerns about Argentina’s protection and enforcement of intellectual property rights. In 2016, the United States and Argentina signed a Trade and Investment Framework Agreement that has been the two countries’ primary mechanism for discussing bilateral trade and investment issues.

Terrorism Issues. Congress has maintained a long-standing concern with regard to Argentina’s progress in bringing to justice those responsible for two terrorist bombings against Jewish targets in Buenos Aires during the 1990s, namely, the July 18, 1994, bombing of the Argentine-Israelite Mutual Association (AMIA), which killed 85 people, and the March 17, 1992, bombing of the Israeli Embassy, which killed 22 people. Argentina has linked both Iran and Hezbollah (the radical Lebanon-based Islamic group) to the attacks; in 2019, Argentina designated Hezbollah a terrorist organization.

In August 2022, an Argentine judge, responding to a U.S. Department of Justice request, ordered the seizure of a Boeing 747 cargo plane operated by a Venezuelan airline; a U.S. warrant maintained that the plane was subject to forfeiture because it had been transferred from an Iranian airline subject to U.S. sanctions due to its affiliation with a designated terrorist organization in Iran. In October 2022, however, an Argentine court released the Iranian and Venezuelan crew due to lack of evidence linking them to terrorist activities.

Sanctions. In March 2023, Senator Ted Cruz introduced the Corruption in Argentina Stymied by Enforcing Sanctions Act of 2023 (CASES Act; S. 1019). The bill would require the President to investigate five Argentine officials for corruption, including Vice President Fernández de Kirchner, and impose corruption-related sanctions on any of the officials who meet the criteria for such sanctions.

This In Focus updates an earlier version written by former CRS Specialist Mark Sullivan.

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