What every investor should know about Milei’s Argentina

Before committing capital to this country undergoing major economic reconstruction, bear these five key indicators in mind.



December 18, 2025

Argentina under Javier Milei is undergoing institutional and economic transformation aimed at laying the foundations for sustainable growth after decades of decline. Ongoing reforms and

©IESE Business School

macroeconomic projections create investment opportunities unseen for years — but structural risks remain.

IESE's Pedro Videla and Adrian Caldart outline five keys every investor should consider before entering the Argentine market.

1. RIGI as a gateway for foreign capital

In 2024, Argentina introduced an incentive regime to attract large foreign investment (known as RIGI). It is meant to provide legal certainty, tax incentives and customs relief for large-scale projects in strategically important sectors, such as energy, mining, technology, steel, oil and gas.

Since its launch, billions of dollars' worth of projects have been approved — a sign that foreign capital is starting to shift toward a country whose GDP per capita stands at around $14,000 and real GDP growth has averaged only around 2% or less per year since 2000.

- **What to watch:** Whether RIGI becomes a permanent policy or remains a temporary incentive that may not survive the next administration. Regulatory stability is the true test, especially ahead of the 2027 elections.

2. Shift toward economic growth

After GDP contraction in 2023 and declines in 2024, Argentina's economy is showing signs of a possible turning point. End-of-year forecasts for 2025 suggest real GDP of close to 5%, with 3.5% to 4% projected for 2026.

The most visible adjustment is inflation, currently around 30%, down from rates exceeding 200% when Milei took office. Estimates suggest inflation could fall to 14% in 2026 if economic discipline continues. The decline stems from drastic cuts in public spending, subsidy reductions and reorganization of state-based instruments, which initially saw a rise in poverty, but poverty levels are starting to moderate.

- **What to watch:** Whether these adjustments can be sustained without triggering social crises, and whether there can be disinflation without resorting to price controls. Macro volatility remains but is becoming more predictable.

©IESE Business School

3. Structural reforms: the productivity bottleneck

Without fiscal and labor reforms, Argentine productivity will remain stagnant. Under current laws, companies cannot scale efficiently, and competitiveness depends largely on currency devaluation. If the government succeeds in implementing reforms, Argentina could enter a genuine growth cycle; if not, it will revert to its historical pattern of boom and bust.

- **What to watch:** Concrete legislative progress on fiscal and labor reforms. For investors, this is decisive: investment only makes sense if regulatory barriers are removed.

4. Political continuity beyond Milei

Milei's political rise was rapid and unexpected. From having no party, he took the presidency in 2023 but without a sufficient congressional majority for deep reforms, so he has relied on emergency decrees to legislate. In the 2025 midterm elections, he increased his bloc, still short of a majority but enough to form coalitions with allied parties.

The challenge is whether his party will be able to build a consensus to ensure predictable, stable governance. And will Argentina continue on the same path after the 2027 elections, regardless of who governs? Investors don't invest in election cycles; they invest for the long term.

- **What to watch:** Political consensus signals that the opposition may not be so quick to reverse key institutional reforms in order to ensure continued macro stability.

5. International confidence test in the markets

Argentina could reenter international debt markets in 2026, which would dramatically alter its risk profile and signal external confidence. Exercise caution in the short term and be prepared in the medium term: capital should not be committed without thorough scenario analyses, but readiness is key when the market conditions are right.

- **What to watch:** Country risk indicators, the reopening of capital markets and the ability to refinance debt. Opportunities favor those who are prepared, not those who improvise.

©IESE Business School

Argentina is seeing some stabilization but still with clear risks, as well as some emerging medium-term opportunities. The turning point will come when the economic direction of the country remains stable, regardless of who is in power.

Meanwhile, stay informed, act prudently and be ready to move quickly in a context that rewards foresight.

WATCH: The session "La Argentina de Javier Milei: realidad y perspectivas," by Pedro Videla and Adrian Caldart, is available (in Spanish) for Members of the IESE Alumni Association to watch on demand.

READ ALSO:

Rethinking corporate strategy in the age of geoeconomics

What Europe must do to boost its competitiveness and productivity



Pedro Videla

Professor in the Economics Department at IESE, where he holds the Banco Sabadell Chair of Emerging Markets. His areas of interest include macroeconomics, international economics and emerging economies.



Adrian Caldart

Professor of the Practice of Management in the Strategic Management Department at IESE. His areas of interest include corporate strategy, the CEO agenda, and the food-and-beverage sector.

www.iese.edu/insight

©IESE Business School