

# ARGENTINA

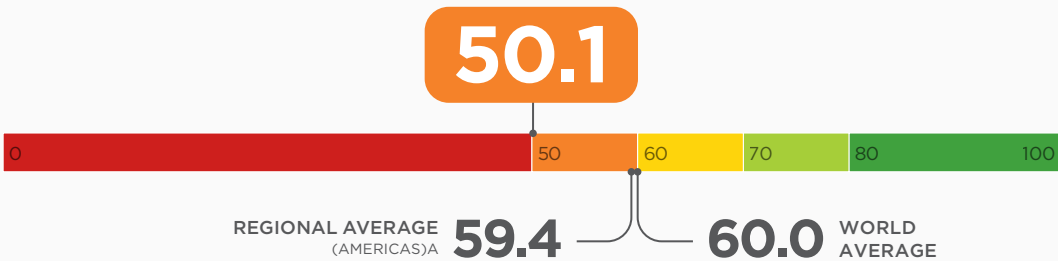
Argentina's economic freedom score is 50.1, making its economy the 144th freest in the 2022 *Index*. Argentina is ranked 27th among 32 countries in the Americas region, and its overall score is below the regional and world averages.

Over the past five years, Argentina's economy has been shrinking with the largest contraction coming in 2020. A five-year trend of expanding economic freedom has been broken. Dragged down by a huge decline in **fiscal health**, Argentina has recorded a 0.3-point overall loss of economic freedom since 2017 and has fallen to the very bottom of the "Mostly Unfree" category. Property rights, **fiscal health**, and **monetary freedom** are particularly weak.

**IMPACT OF COVID-19:** As of December 1, 2021, 116,597 deaths had been attributed to the pandemic in Argentina, and the government's response to the crisis ranked 91st among the countries included in this *Index* in terms of its stringency. The economy contracted by 10.0 percent in 2020.

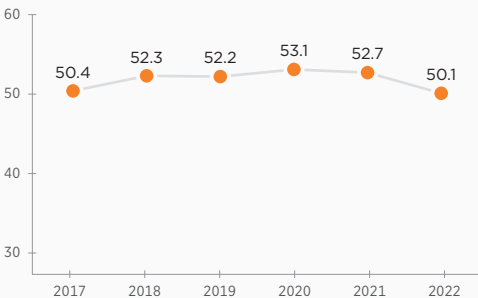
WORLD RANK: **144** REGIONAL RANK: **27**  
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -17.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
45.4 million

**GDP (PPP):**  
\$941.8 billion  
-10.0% growth in 2020  
5-year compound annual growth -2.8%  
\$20,751 per capita

**UNEMPLOYMENT:**  
11.7%

**INFLATION (CPI):**  
42.0%

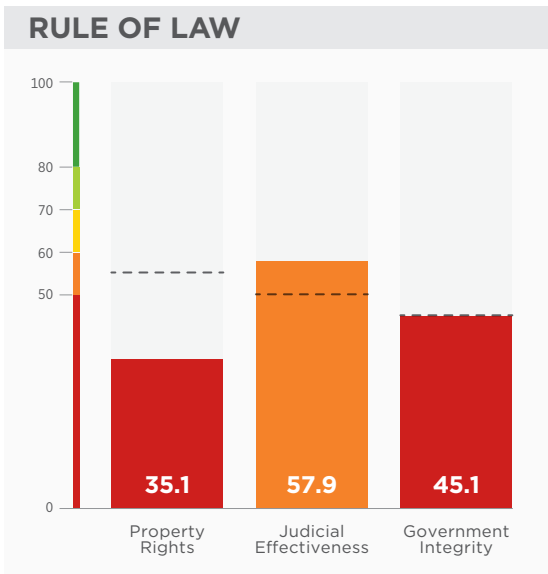
**FDI INFLOW:**  
\$4.1 billion

**PUBLIC DEBT:**  
103.0% of GDP

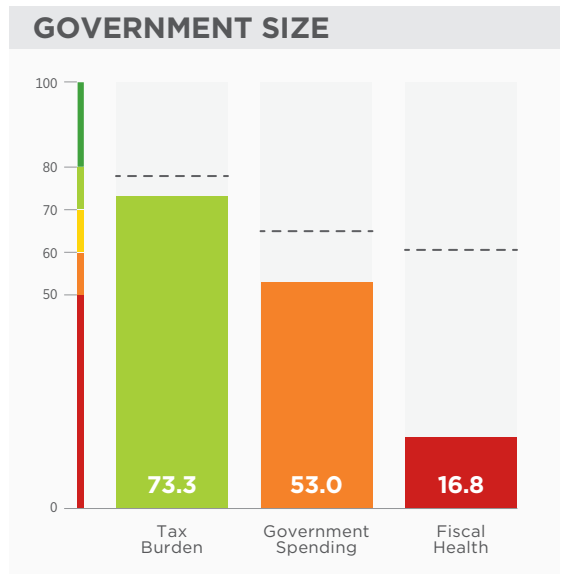
2020 data unless otherwise noted. Data compiled as of September 2021

**BACKGROUND:** Argentina, once one of the world's wealthiest nations, is South America's second-largest country. It has vast agricultural and mineral resources and a highly educated population, but it also has a long history of political and economic instability. Peronist President Alberto Fernández and Vice President Cristina Fernández de Kirchner, who preceded Fernández as president, began their four-year terms in 2019. Legislative elections in November 2021 weakened the strength of the Peronists in Congress. Popular disillusionment is widespread because of a weak economy and the country's ninth sovereign debt default. To check inflation until after the election, the government imposed economically harmful price controls on hundreds of products. In September 2021, the government gained backing from creditors for a deal to resolve the default.

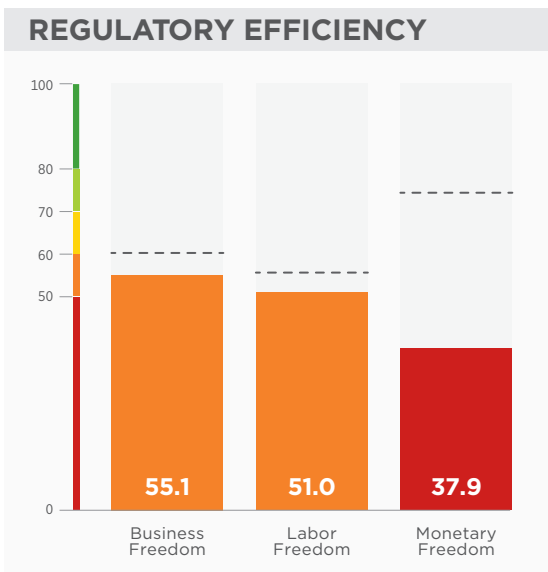
# 12 ECONOMIC FREEDOMS | ARGENTINA



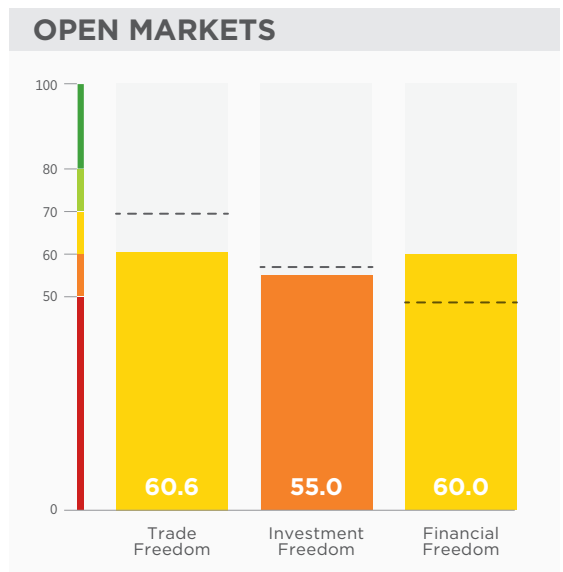
Secured interests in property, including mortgages, are recognized in Argentina. Such interests can be registered easily and effectively. They also can be bought and sold readily. The judicial system is plagued by inefficiencies and delays and is susceptible to political manipulation, particularly at lower levels. Allegations of corruption in provincial and federal courts remain frequent and continue to undermine confidence in the judiciary.



The top individual income tax rate is 35 percent, and the top corporate tax rate has been cut to 25 percent. The overall tax burden equals 28.6 percent of total domestic income. Government spending has amounted to 39.6 percent of total output (GDP) over the past three years, and budget deficits have averaged 6.3 percent of GDP. Public debt is equivalent to 103.0 percent of GDP.



Under the new Supermarket Shelves Law, no single manufacturer's brands can occupy more than 30 percent of a retailer's shelf space for one product category. Argentina has rigid labor laws. Price controls reinstated by the government in June 2021 ahead of the November midterm elections included controls for electricity, requiring costly subsidizing of the electricity system even as the country's traditionally high inflation rate topped 50 percent.



Argentina has eight preferential trade agreements in force. The trade-weighted average tariff rate is 12.2 percent, and 145 nontariff measures are in effect. Foreign investment in various sectors remains regulated. The government exercises considerable control of financial activities. The presence of foreign banks has increased, but state-owned banks account for more than 40 percent of total assets.