

Argentina-U.S. Trade Deal Announcement: Meaningful Change?

Following months of speculation, the governments of the United States and Argentina have announced a bilateral trade agreement. While the final text of the agreement is yet to be released, a “framework” was revealed on Thursday, November 13th, and raises as many questions as it answers—especially on the U.S. commitments under the deal. The final text of the trade agreement is expected to be published within weeks, perhaps even days. We will report on that publication but, in the meantime, here’s what we know so far.

Argentina Trade Commitments

Argentina has agreed to open its market to a significant number of U.S. products. While a specific product list is not yet available, a statement from The White House indicated that “certain medicines, chemicals, machinery, information technology products, medical devices, motor vehicles, and a wide range of agricultural products” from the U.S. will be given “preferential access” to the Argentine market. This also includes U.S. live cattle and a commitment to allow the import of U.S. poultry within one year.

Such “preferential access” appears to conflict with Argentina’s commitments under its Mercosur membership, which requires it and all other members (Brazil, Bolivia, Paraguay, and Uruguay) to jointly negotiate trade deals and impose a common external tariff (CET) on imports. We don’t know yet how Argentina will reconcile its bilateral commitment to the U.S. with its obligations under Mercosur, though our guess is that Argentina will rely on product type exemptions. Under the Mercosur rules, Argentina can exempt up to 100 products from the CET and, beginning in 2028, up to 150 products. If the U.S. trade deal does not fit within the Mercosur framework, expect some tense negotiations with the other members of the bloc.

Argentina's Market Access Commitments

Argentina has also made numerous concessions not strictly tariff-related. The most important of these include:

- Accepting U.S. goods that comply with U.S. or international standards without requiring additional testing or approval. This should allow the U.S. motor vehicle and pharmaceutical industries to gain coveted access to the Argentine markets.

- Strengthening IP protection and enforcement and aligning the Argentine IP regime with international standards.
- Combatting illegal deforestation and reducing or eliminating fish subsidies.
- Prohibiting the entry of goods produced by forced labor.
- Restricting the ability of state-owned companies from undermining competition in the private sector.
- Opening immediately its market to U.S. live cattle, committing to allow market access for U.S. poultry within a year, and simplifying the red tape currently restricting U.S. beef and pork products and byproducts.

U.S. Trade Commitments Overview

U.S. commitments—at least those announced by the two governments—appear more subdued than those on the Argentine side. Most Argentine imports are likely to continue to face a blanket 10% tariff, except for “certain unavailable natural resources,” “non-patented articles for use in pharmaceutical applications,” and, possibly, Argentine beef. In its statements, the U.S. also indicated it will look favorably on Argentina when considering whether to impose tariffs for national security reasons (offering Argentina hope for a future reduction on aluminum and steel tariffs). Whether these concessions will have a tangible impact on Argentine exports remains to be seen.

Beef Export Prospects

Just days before the announcement, President Milei proclaimed that “the country’s beef exports to the United States would be quadrupled.” This was iterated by Argentina’s official press release on the trade deal, which emphasized “a significant expansion of Argentine beef access to the U.S. market.” Nonetheless, likely due to pushback from its domestic cattle ranchers, the U.S. announcement was far more restrained, committing only to “improved, reciprocal, bilateral market access conditions.” If the final agreement does allow significant beef imports to the U.S., it will be a boon for Argentina.

Natural Resources and Pharmaceutical Exports

References to the import of “unavailable” natural resources is likely to mean more favorable trade conditions for Argentine lithium, uranium, and other rare earth metals. Again, the details remain unknown, especially what the U.S. considers as

“unavailable.” The mention of pharmaceutical products is encouraging for Argentina’s pharmaceutical industry, but even if covering active pharmaceutical ingredients, bulk chemicals, and generic drugs, is unlikely to represent a significant share of Argentina’s exports to the United States.

Conclusion

Announcing a U.S.-Argentine trade deal is significant and has provided the Milei Administration with political capital. Still, until we know the details of the actual agreement, gauging the impact of an agreement is speculative. Will Argentine beef be sold in supermarkets across the United States? Could U.S. mining companies soon dominate the lithium triangle in northern Argentina? Will U.S. consumer products reach Argentine homes? Stay tuned.