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Econosignal

Argentina Manufacturing Sector Overview

Competitive challenges and prospects
October 2026



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Automotive, motorcycles, textiles, agricultural machinery, metalworking and steelmaking.

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Overview

01

The manufacturing sector in Argentina continues to face a challenging environment driven by macroeconomic changes, greater trade integration and new competitive dynamics that are driving structural transformation, impacting production and investment across the sector.

02

Sector activity

- **The recovery of credit and the correction of certain relative prices** have boosted demand for selected manufactured goods. **However, lower public works and greater competition from imports** affected industrial activity, energy demand and the levels of utilization of installed capacity in the sector.

03

Greater trade openness

- **The normalization of the exchange rate and foreign trade** has altered the sector's competitive landscape. As a result, **imports of final goods grew**, imports of inputs fell, and competitive pressure on local production increased, **expanding the supply available to consumers and companies.**

04

Employment

- **The contraction of manufacturing activity continues to affect registered employment**, except in Río Negro and Neuquén, driven by the development of Vaca Muerta. About a third of the registered jobs lost correspond to this sector. At the same time, **part of the displaced workforce appears to have shifted toward service activities, where higher levels of informality predominate.**

05

Sectoral reality

- **The normalization of the exchange rate and foreign trade reduced prices**, but also affected local production, particularly in **textiles, automobiles, tires, household appliances, electronics, and tractors.** In contrast, **motorcycles and pick-ups showed growth.** The slowdown in the sector, consequently, **had an impact on metalworking and steelmaking.**

02

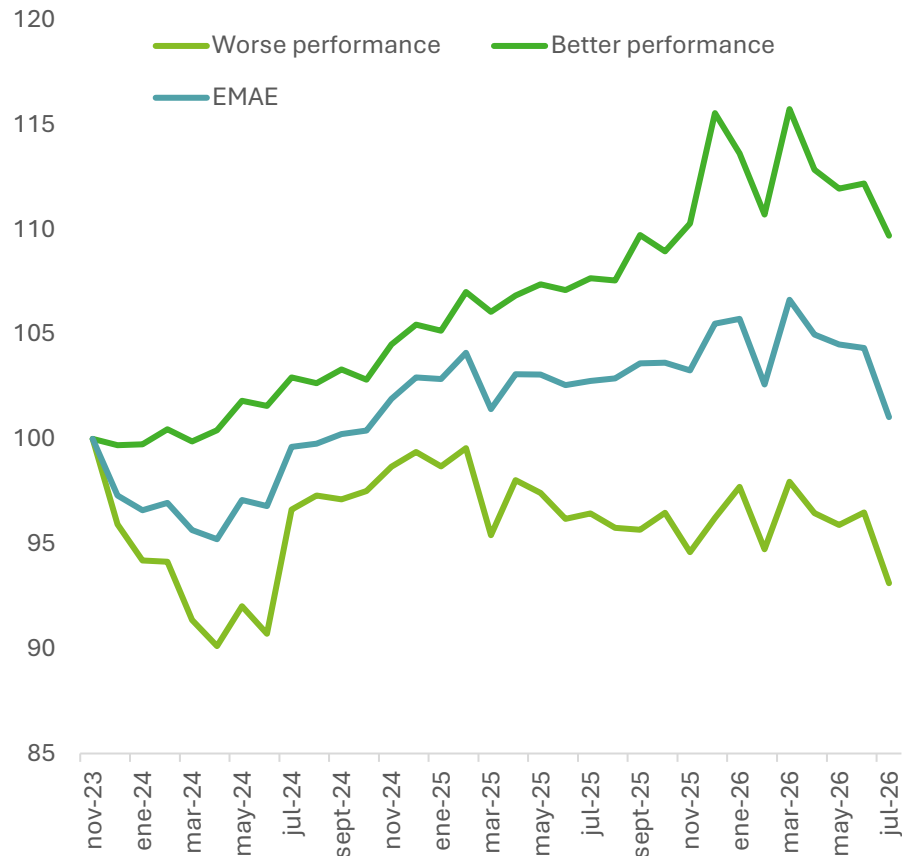
Argentina Sector Activity

Mixed performance across economic activity

The level of activity grew 1.7% year-on-year in the first seven month of 2026, although with marked heterogeneity. While agriculture, livestock (+9.8%), mining (+13.5%) and fishing (+65.8%) lead the expansion, sectors such as manufacturing (-2.4%), public administration (-1.4%) and trade (-0.7%) continue to decline.

Economic activity indices

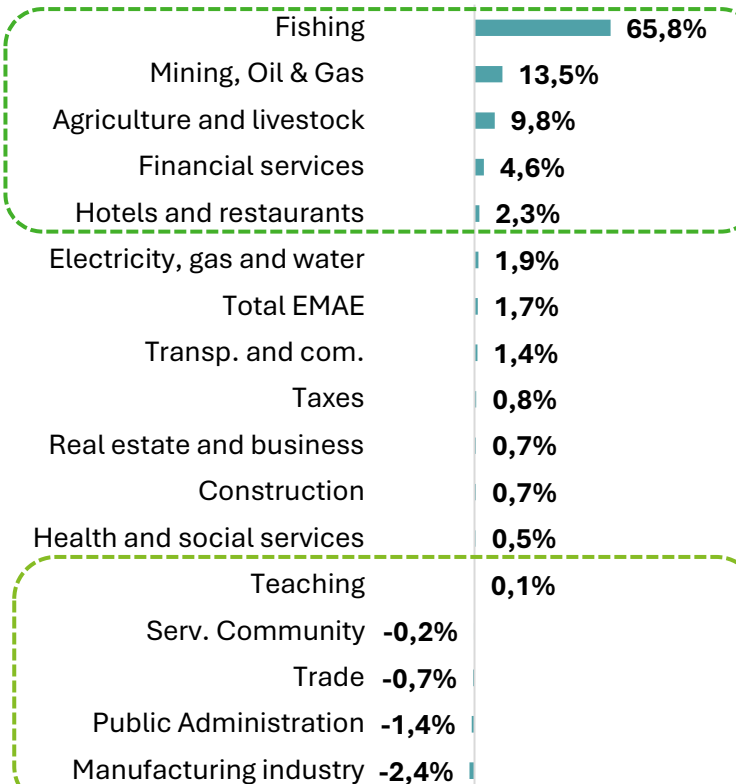
(Non-seasonal index, Nov-2023=100)



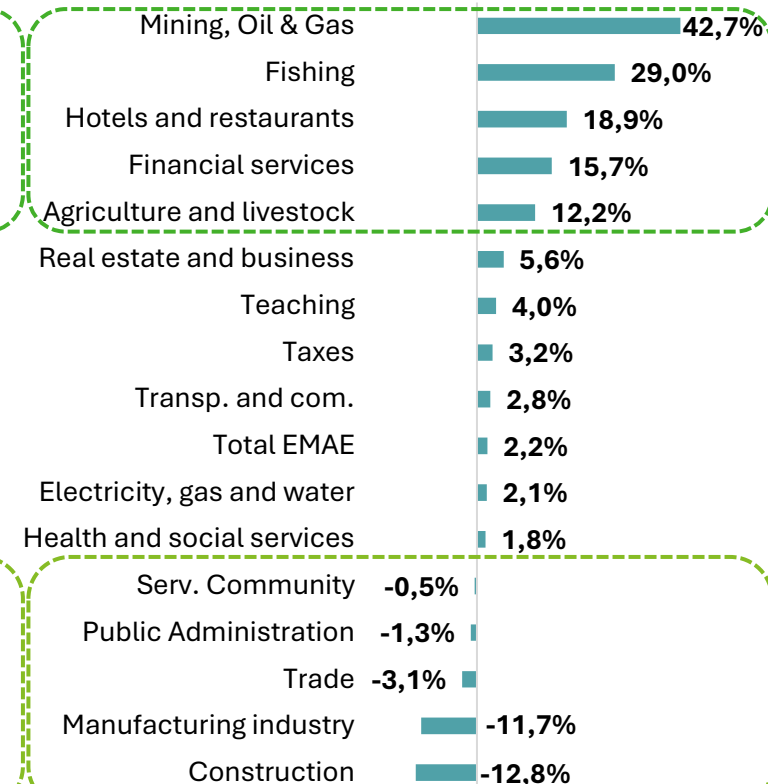
Monthly Economic Activity Estimator (EMAE) – by sector

(Var. %)

Jan. – Jul. of 2026 vs. Jan. – Jul. of 2025



Jan. – Jul. of 2026 vs. Jan. – Jul. of 2022

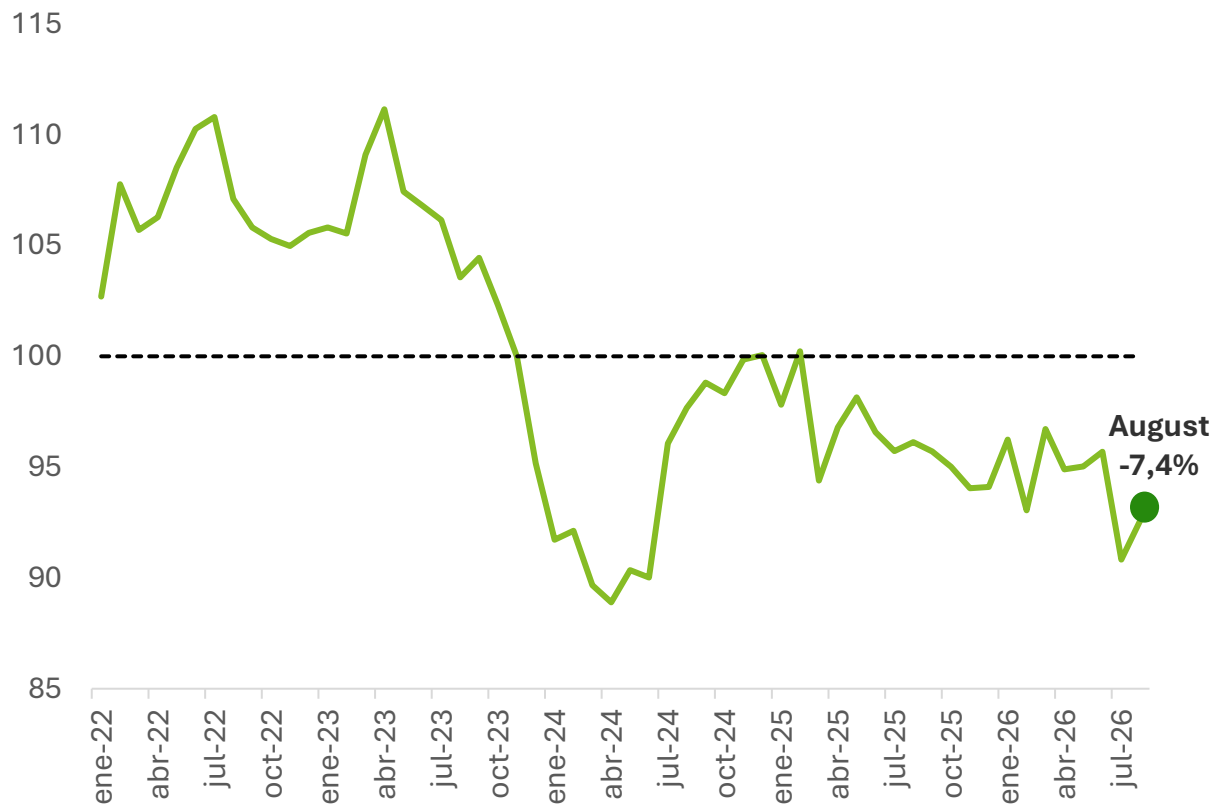


Sources: Deloitte Econosignal based on INDEC.

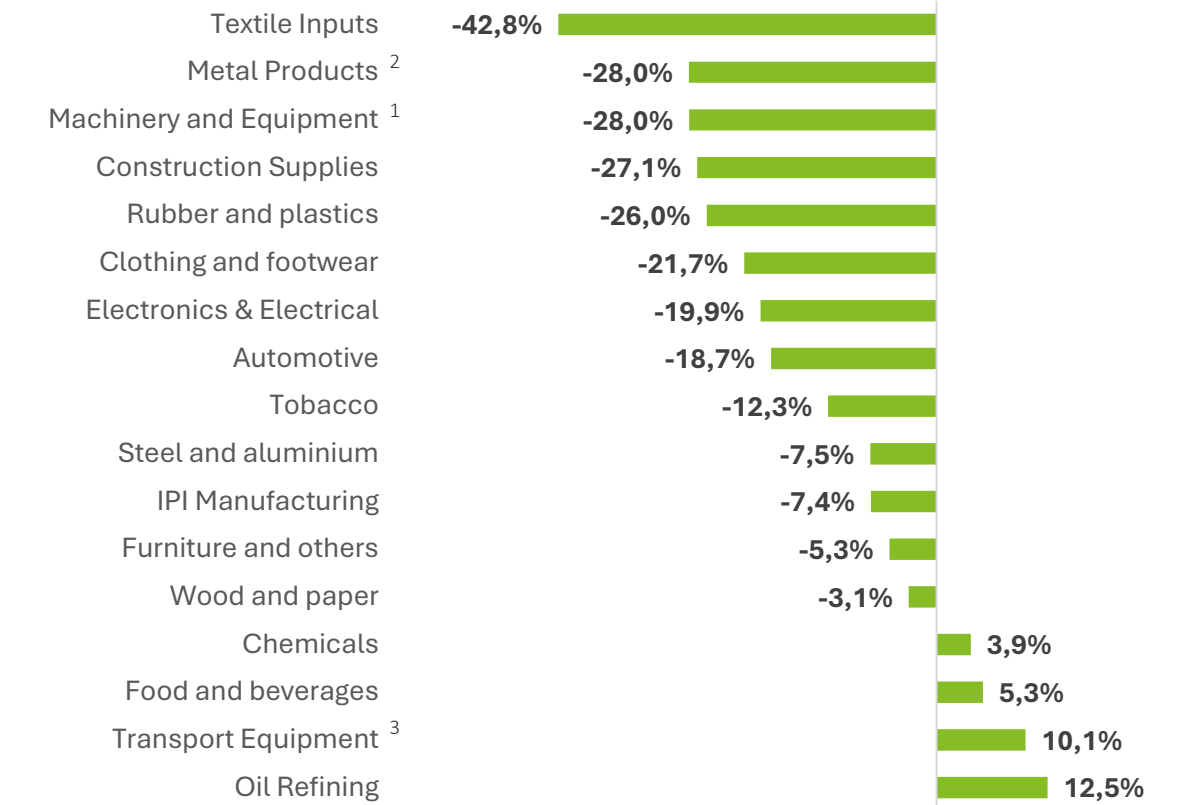
Industrial production

In August 2026, the manufacturing IPI stood 7.4 p.p. below its November 2023 level and 1.9 p.p. below Jul-26. Of the 16 divisions, only four recorded production levels above Nov-23, while textile products were the segment that recorded the largest decline.

Manufacturing Industrial Production Index (IPI)
Seasonally adjusted (100= Nov-2023)



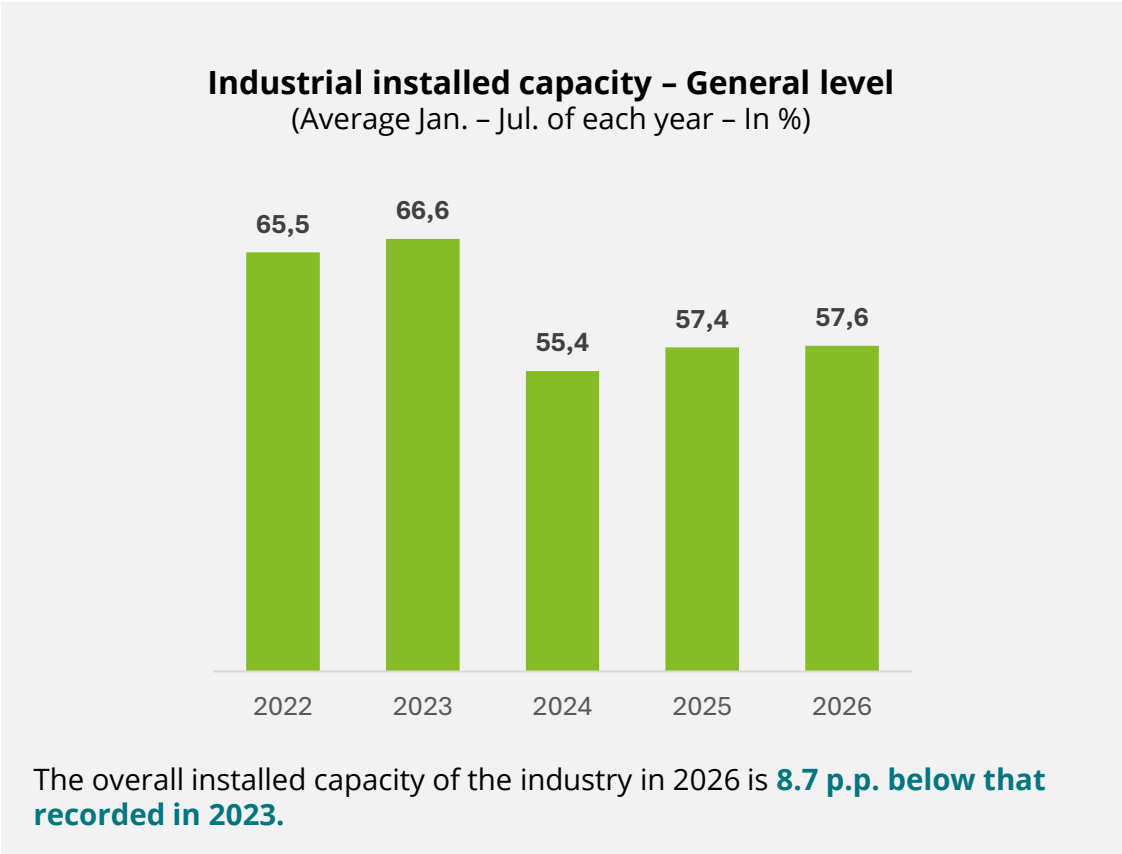
IPI Manufacturing – by sector
(Var. % - August 2026 vs November 2023)



Source: Deloitte Econosignal based on INDEC. **Notes:** 1. Industrial, agricultural and special use machinery. Household appliances. 2. Includes structures, containers, metal processing, tools, containers and other metal products. 3. Boats, locomotives, railway material, aircraft, motorcycles, bicycles and other transport equipment

Utilization of installed capacity in the first half of 2026

Of the 12 sectors, only 5 increased the utilization of installed capacity in the first seven months of the year compared to 2025. Compared to 2023, only one improved its participation.



Sectors	Var. compared to 2025	Var. compared to 2023 (in p.p.)
Oil refining		3.4
Foods & Beverages		-0.4
Editing and printing		-5.0
Steel and aluminium		-7.8
Chemicals		-7.9
Paper and cardboard		-10.0
Tobacco		-10.9
Textile products		-15.0
Rubber and plastic		-15.4
Metalworking*		-17.5
Automotive industry		-18.1
Construction Materials		-21.2

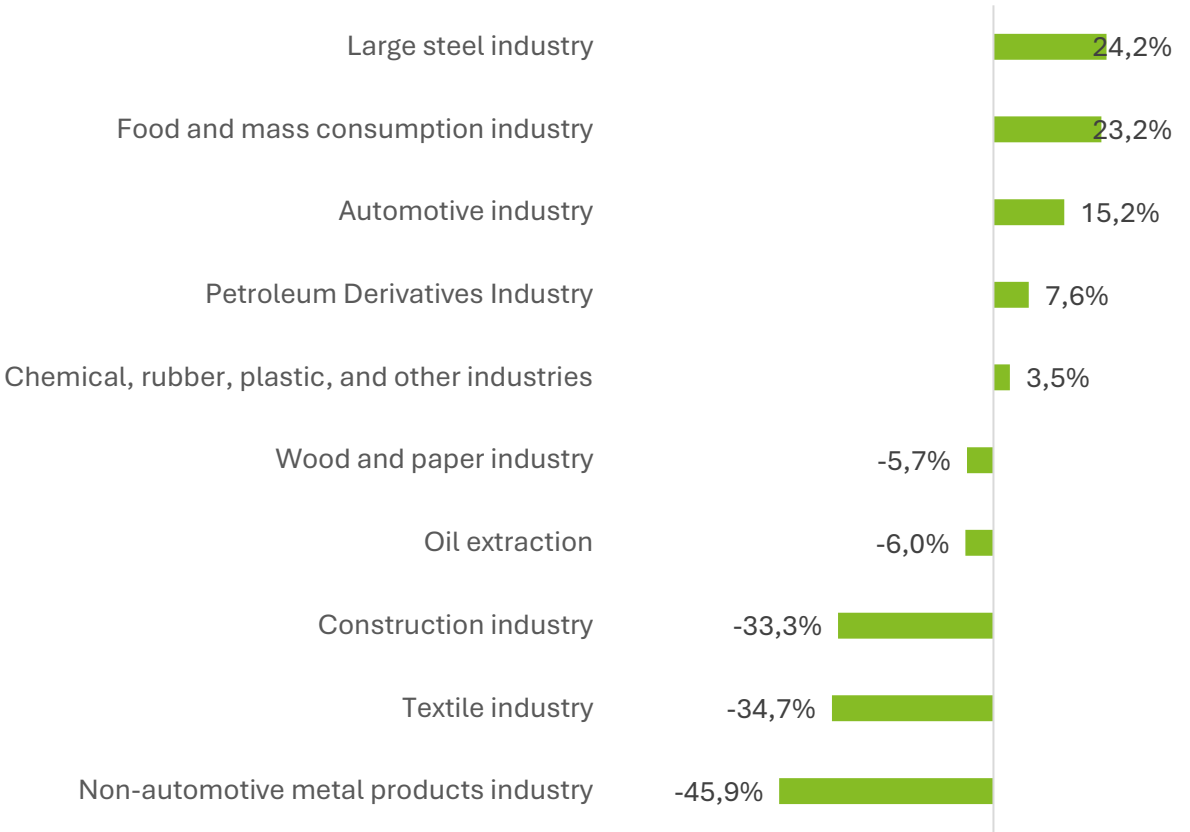
Electricity demand from the industrial sector – Large users

Provinces with oil-related activity are recording higher industrial electricity demand, while most other regions, particularly in the north and center of the country, continue to show lower consumption than in July 2023.

Industrial electricity demand by region (Var. % July 2023 vs July 2026)

- > Northwest: -31.7%
- > Cuyo: -19.6%
- > Greater Buenos Aires: -16.2%
- > Northeast: -11.3%
- > Litoral: -11.2%
- > Center: -2.2%
- > Comahue: 6.5%
- > Buenos Aires: 18.4%
- > Patagonia: 77%

Electricity demand by industry (Var. % July 2023 vs July 2026)



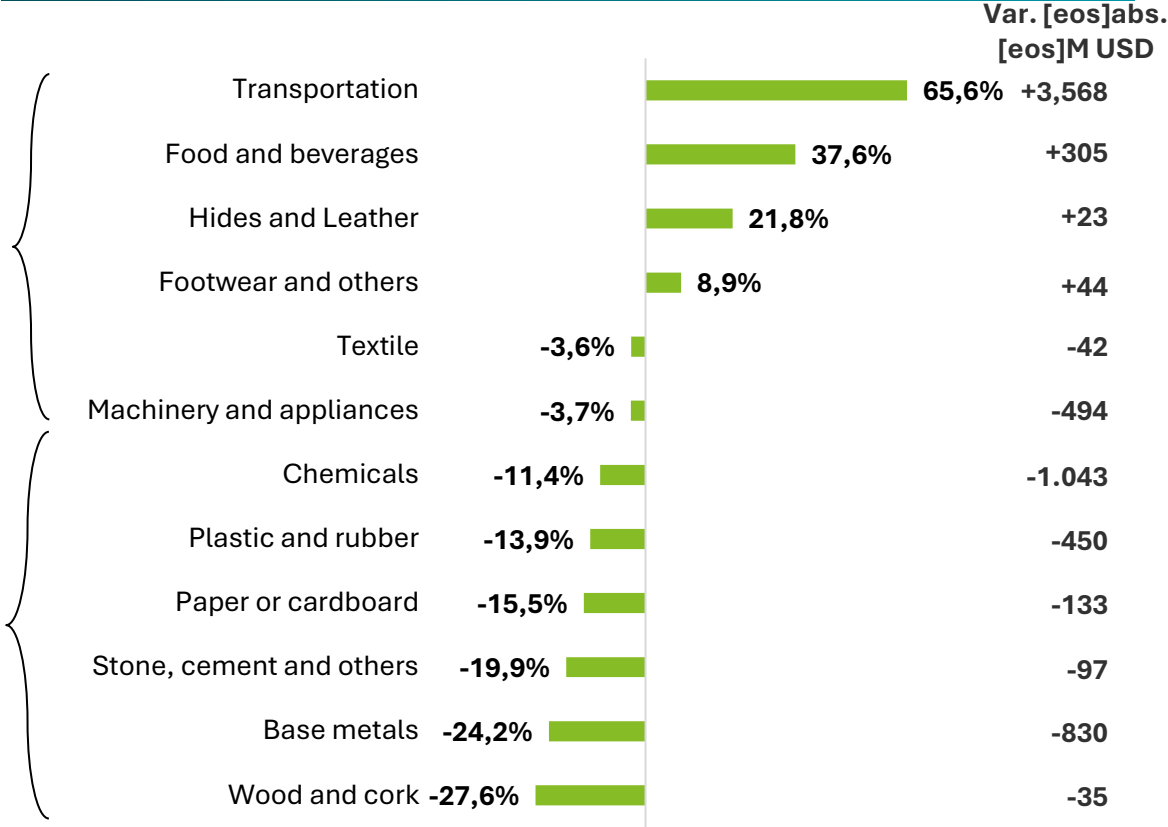
Sources: Deloitte Econosignal based on CAMMESA.

Argentina Foreign Trade

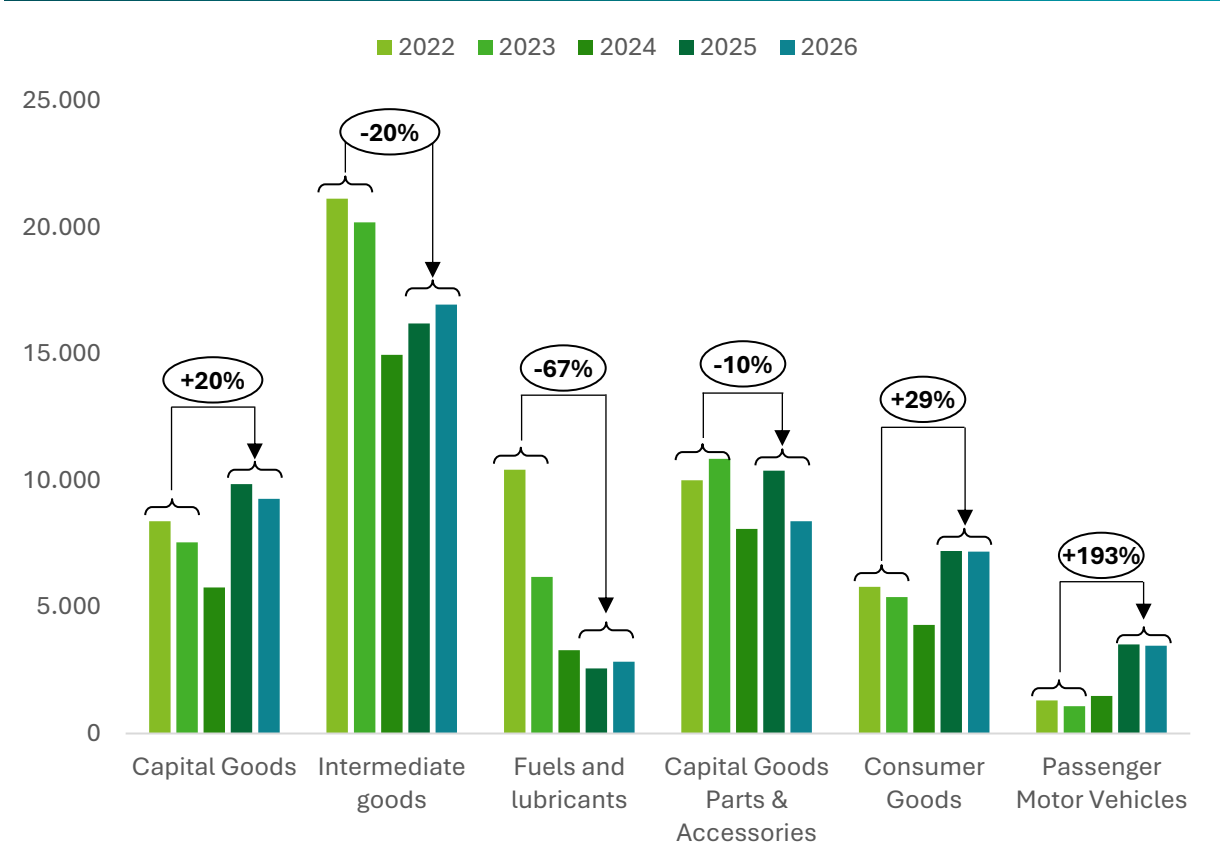


The increase in industrial imports was driven by transportation equipment and food and beverages. Among the chapters, automobiles, tractors and their parts led the expansion (+67.6%), while plastics and articles thereof (-16.9%) and electrical equipment (-11.9%) recorded the largest declines.

Change in industrial imports by section
(Var. % - Avg. Jan.-Aug. 2022 – 2023 vs Jan.-Aug. 2025-2026)



Imports by economic use
(In millions of USD – First half of each year)

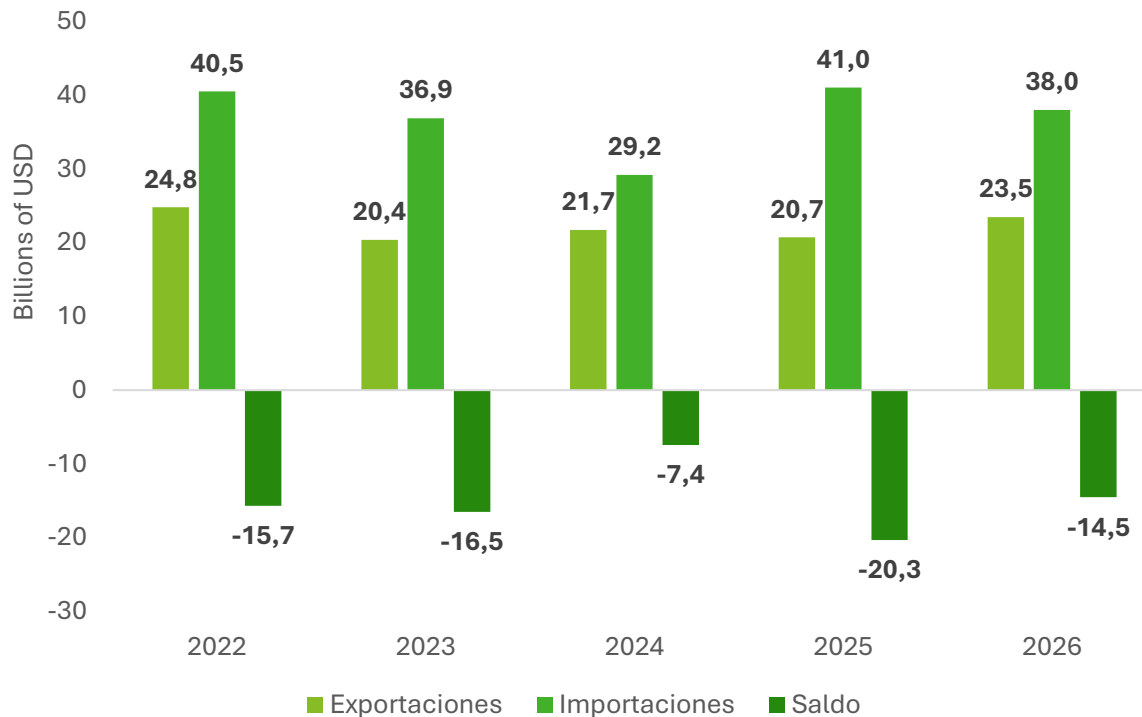


Trade balance

The industrial sector recorded a trade deficit of USD 14.5 billion during the first eight months of 2026. In year-on-year terms, industrial exports grew 13.3%, below the increase in total exports (+21.5%), while industrial imports fell 7.4%, a steeper drop than that recorded for total imports (-2.6%).

Industrial sector foreign trade balance*

(In billions of USD)



Industrial Trade – First Seven Months of Each Year

(Var. % y.a. – Jan. – Aug. 2026 vs. Jan. – Aug. 2025)

↑ **Industrial exports*: 13.3%**
Total exports: 21.5%



↓ **Industrial imports*: -7.4%**
Total imports: -2.6%

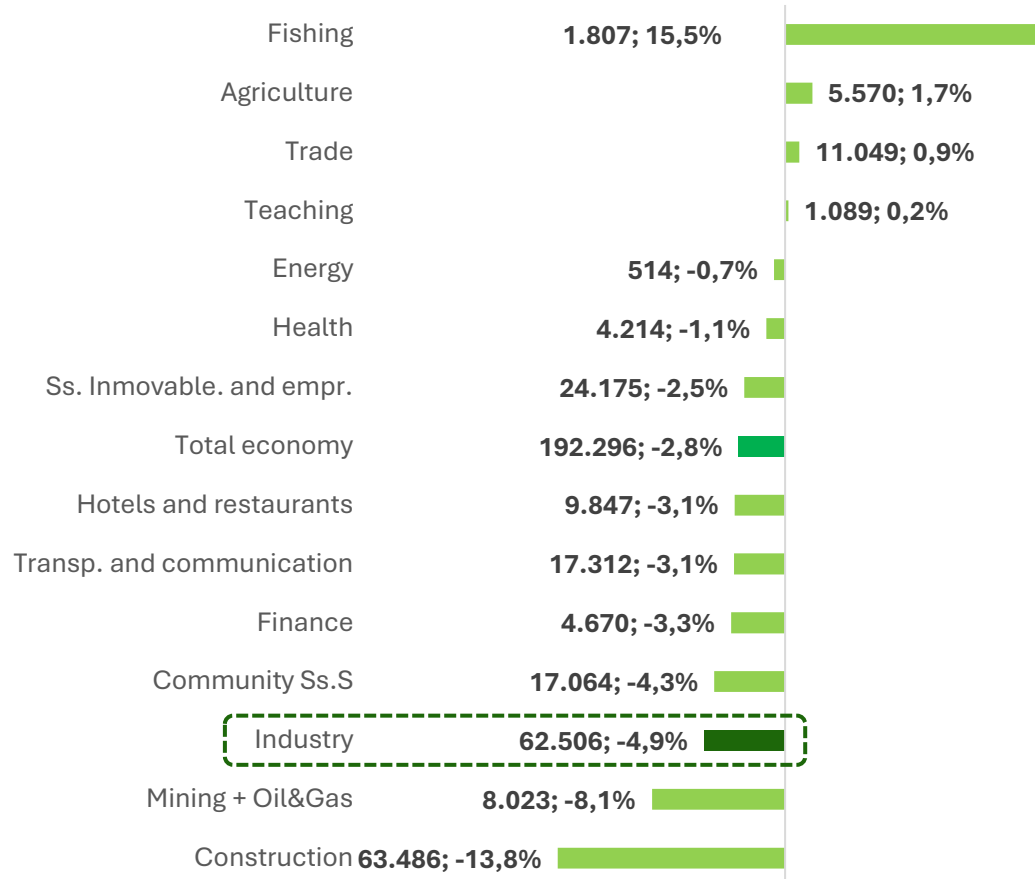
Sources: Deloitte Econosignal based on INDEC. *Note: The following sections of the Mercosur Common Nomenclature (NCM) are excluded from the analysis: Optical instruments and apparatus; medical-surgical and watchmaking; musical instruments - Weapons, ammunition and their parts and accessories - Miscellaneous goods and products.

Argentina Employment

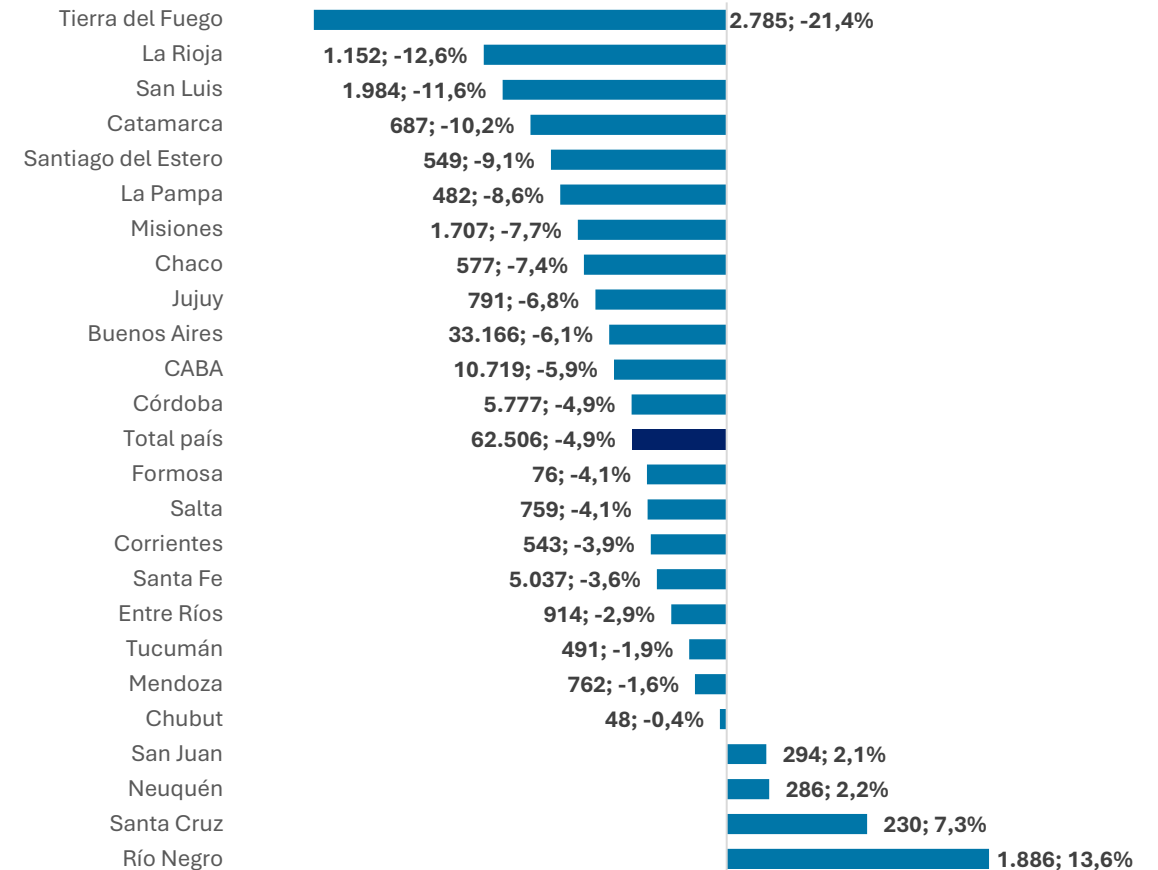
Employment trends

Manufacturing was the second-largest contributor to private-sector job losses between the fourth quarter of 2023 and the same period of 2025, with a reduction of 62,506 workers. At the provincial level, only four of Argentina's 24 provinces recorded an increase in employment generated by the sector.

Reality of the sector – Registered private employment (IV Trim. 2025 vs IV Trim. 2023 – Absolute var. in parentheses)



Industrial registered employment by province (Trim. IV % 2025 vs IV trim. 2023)



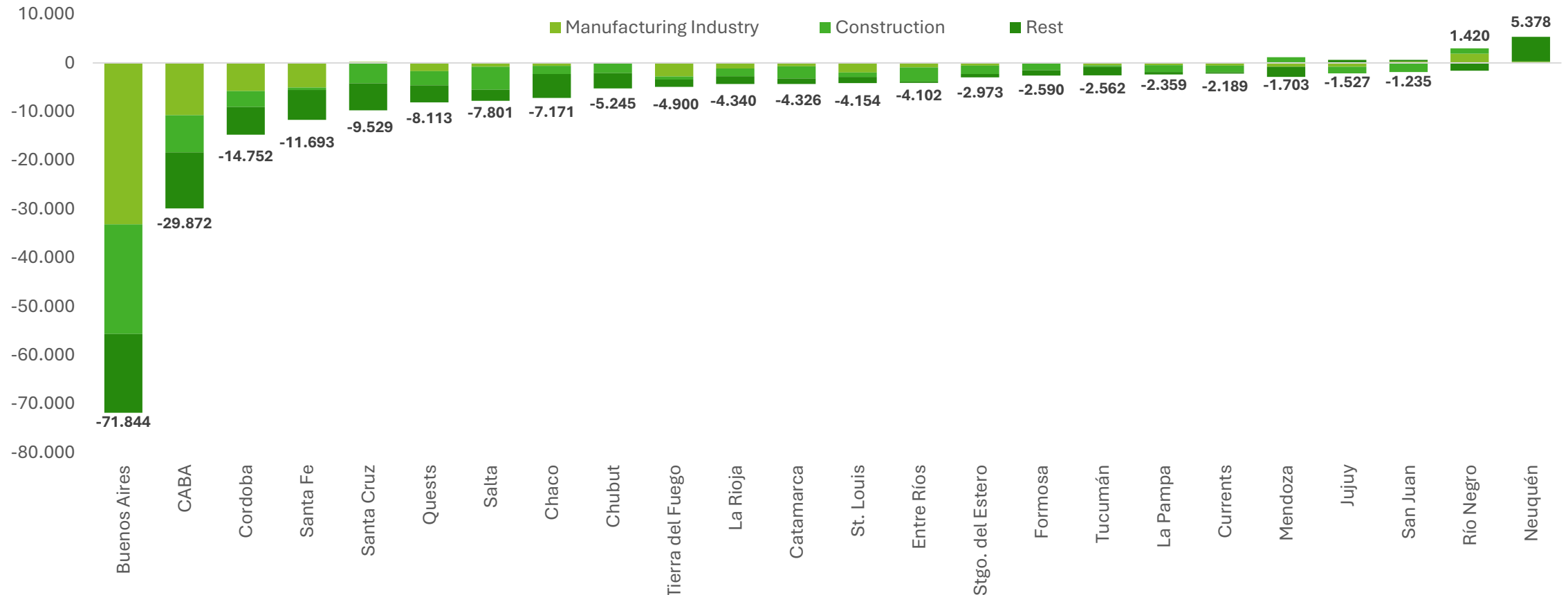
Source: Deloitte Ecosignal based on OEDE.

Evolution of provincial employment

Only two of Argentina's twenty-four provinces recorded growth in registered private employment between Q4 2023 and Q4 2025: Neuquén and Río Negro. In the province of Buenos Aires, 46% of total manufacturing job losses were recorded.

Registered private employment by province and sector

(IV Quarter 2025 vs IV Quarter 2023 – Var. Absolute total provincial registered private employment in parentheses)

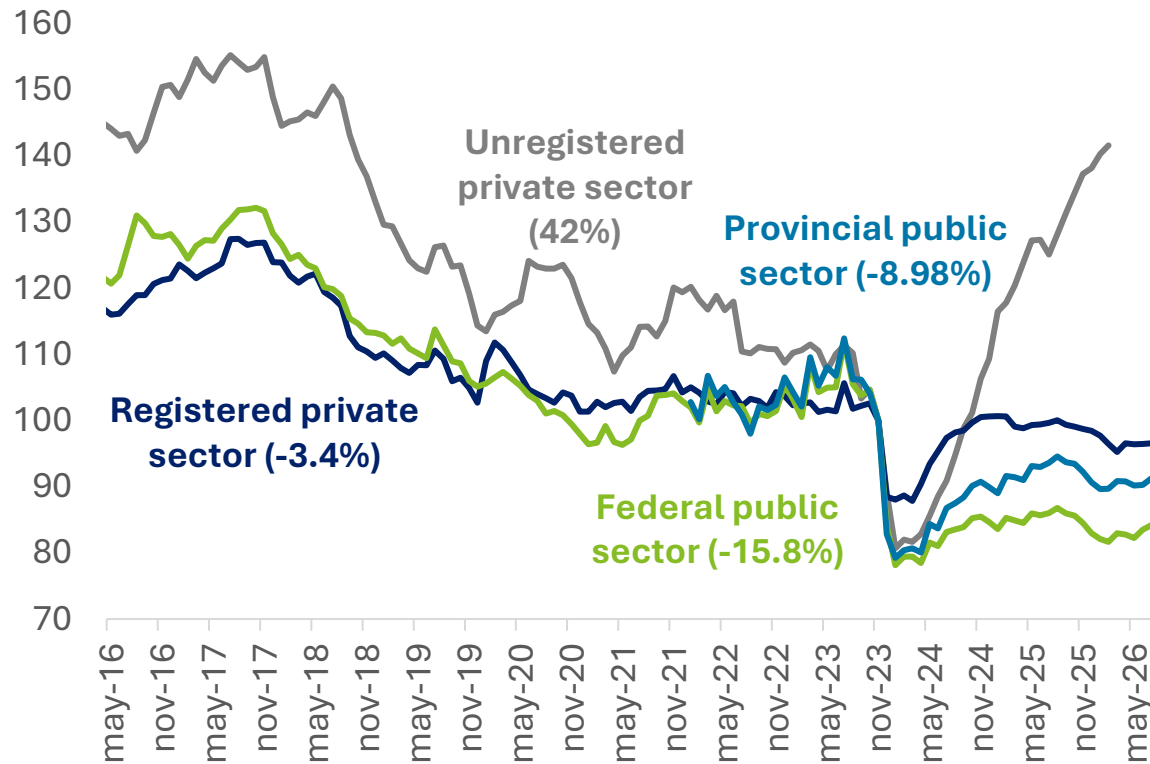


Source: Deloitte Econosignal based on OEDE.

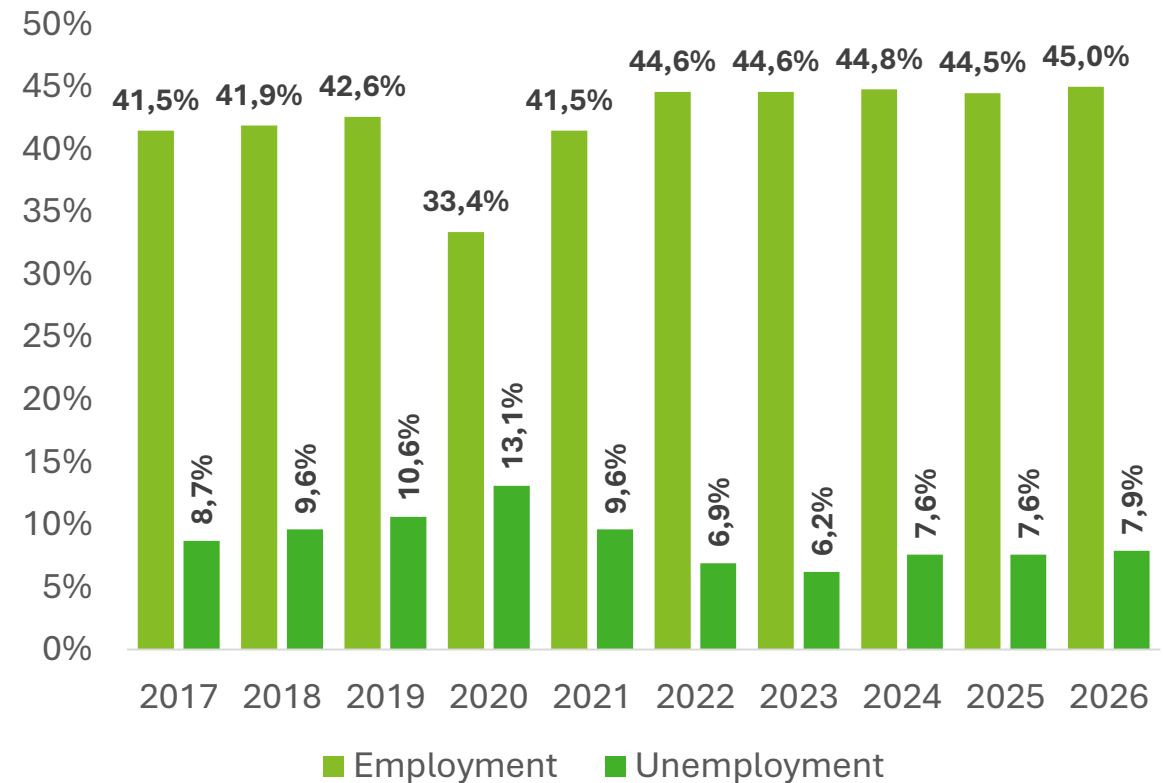
Evolution of wages and employment

The unemployment rate was 7.9% in the second quarter of 2026, almost unchanged year over year. At the same time, wages increased at a slower pace than inflation during the seven months through April. Continued disinflation would help improve purchasing power in the coming months.

Real wage indices of INDEC and var. % vs Nov-23
(Actual index, 100=Nov-23)



Q1 employment and unemployment rate of each year
(Unemployment: % of EAP; Employment: % of population)



Source: Deloitte Econosignal based on SIPA and INDEC.

Change in the type of employment

Formal employment has declined slightly since 2023, while there has been an increase in self-employed workers primarily in the services sector, where higher levels of informality prevail.

Public, Registered Private, Unregistered, and Self-Employed (Millions of people)					
	Jun- 26	Jun-23	Jun-17	26 vs 23	26 vs 17
Registered private workers	6.1	6.4	6.2	-0.26	-0.10
Registered public workers	3.4	3.5	3.2	-0.07	0.24
Total registered workers	9.5	9.8	9.4	-0.33	0.14
Informal workers	5.7	5.6	4.6	0.03	1.04
Self-employed*	5.3	4.6	3.7	0.77	1.60
Total employment	20.5	20.0	17.7	0.47	2.78
Informal workers (%)	37.9%	36.9%	33.8%		
Informal employment (%)	45.0%	N/A	N/A		

Source: Deloitte Econosignal based on SIPA and INDEC. *Self-employed workers, independent workers and simplified taxpayers.

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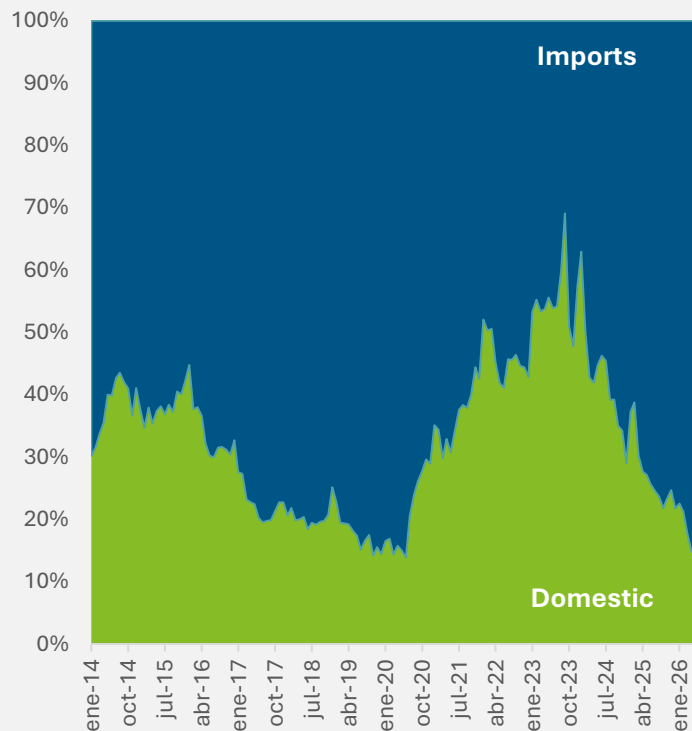
Argentina

Sectoral reality

Divergent performance between passenger cars and light commercial vehicles

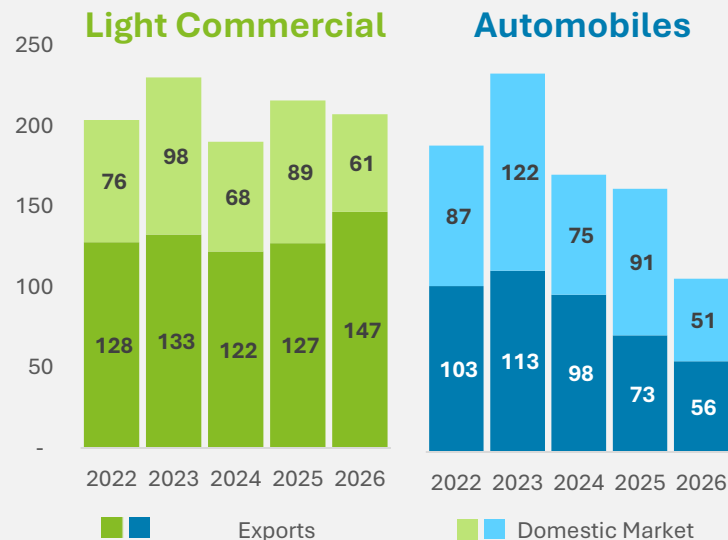
Vehicle registrations and production declined in 2026 amid a greater supply of imported vehicles (85% of sales in Jun-26). In terms of production, light commercial vehicles helped sustain activity levels due to stronger exports, while passenger cars recorded declines in both domestic-market production, owing to greater competition from imports, and exports, due to weaker demand from Brazil.

Automobile registrations by origin
(2014-2026)



Source: Deloitte Econosignal based on INDEC. Data from 2026 to July

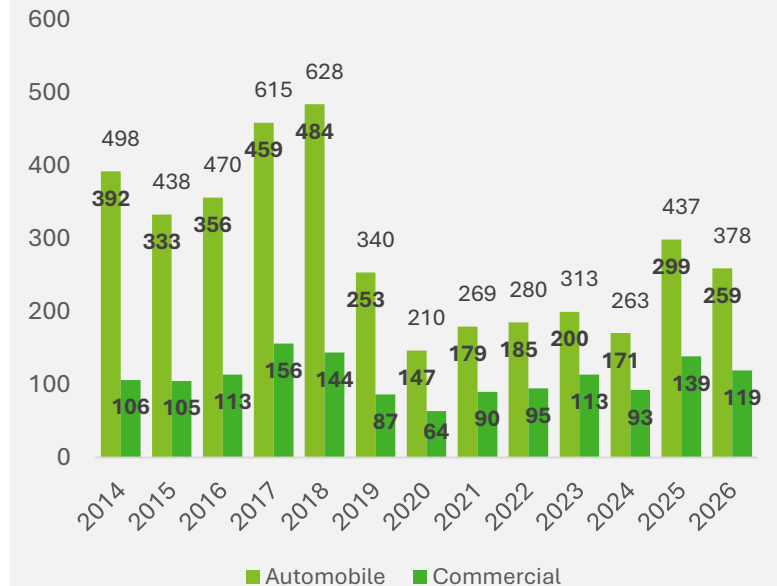
Production and export: Automobiles and utility vehicles. First 8 months of each year
(thousands of units)



Note: Exports are represented by the darkest area.
Source: Deloitte Econosignal based on Adefa

- **Utility vehicles +1.8%** cumulative as of Aug-26 vs. the same period of 2022. **Automobiles -43.5%** cumulative as of Aug-26 vs. same period of 2022.

Passenger car and light commercial vehicle registrations
(Accumulating 8 months of each year – In thousands of units)



- **Total vehicle registrations increased 26%** through June 2026 **compared with 2023**. However, in 2026 it **falls by 9.5% versus 2025**.

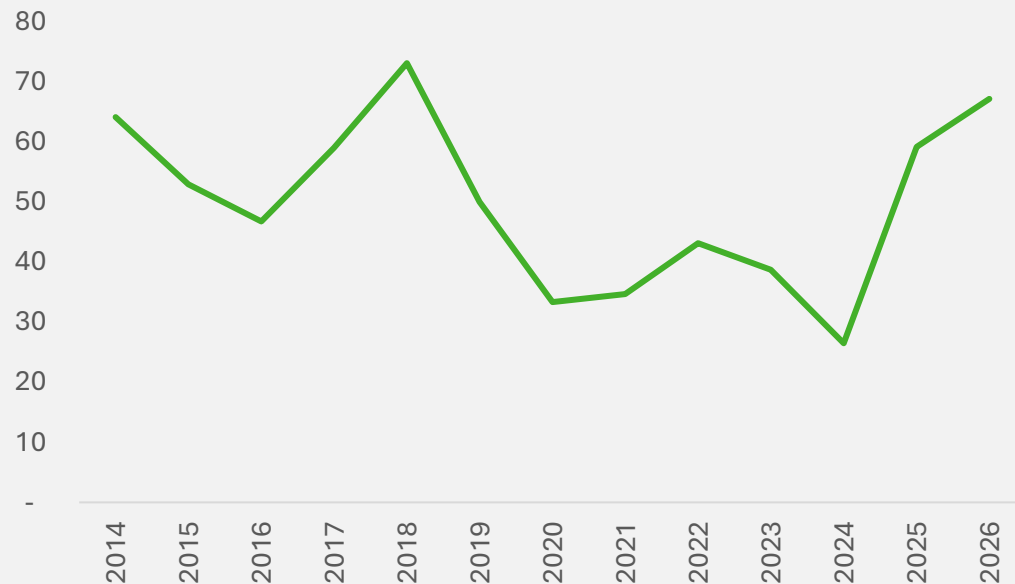
Source: Deloitte Econosignal based on INDEC and ACARA

Automotive Sector: Financing and Recovery in Vehicle Registrations

The rebound in collateralized loans supported the recovery in vehicle registrations during 2025. Greater financing availability helped sustain a more dynamic automotive market than in 2019-2024, while future sales performance will continue to depend on credit availability and household purchasing power.

Evolution of collateralized loans – Accumulated over the first 8 months of each year

(In trillions of pesos at Aug. 2026 values)

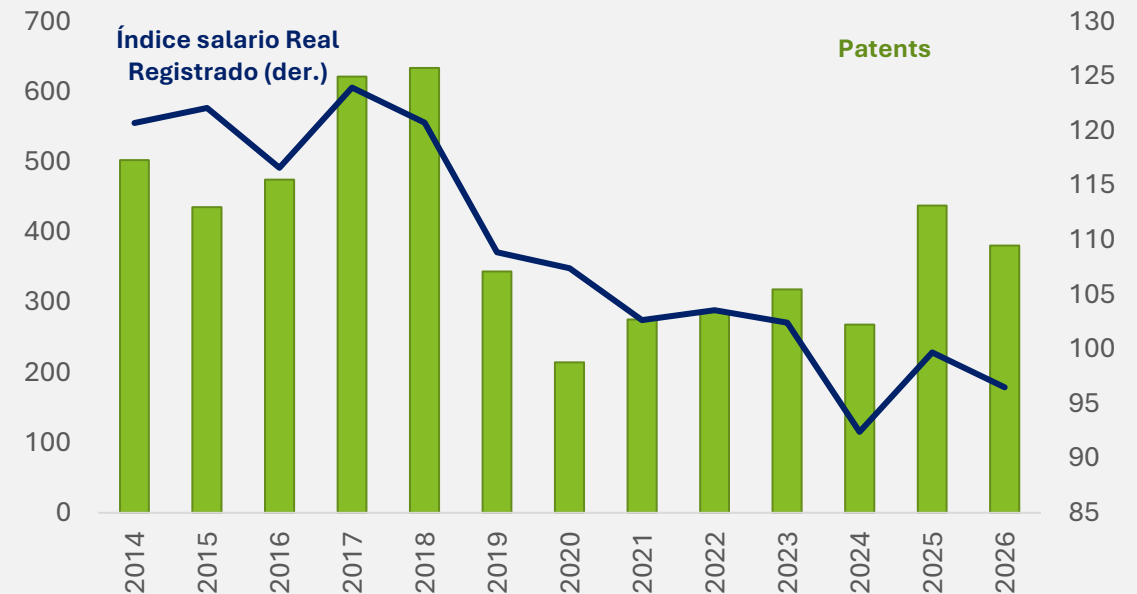


Source: Deloitte Econosignal based on BCRA.

- **Auto loans increased by 73.5%** accumulated to August 2026 vs. the same period in 2023.

Vehicle registrations and real wages in Argentina. First 8 months of each year

(thousands of units and Wage Index)



Source: Deloitte Econosignal based on INDEC and ACARA.

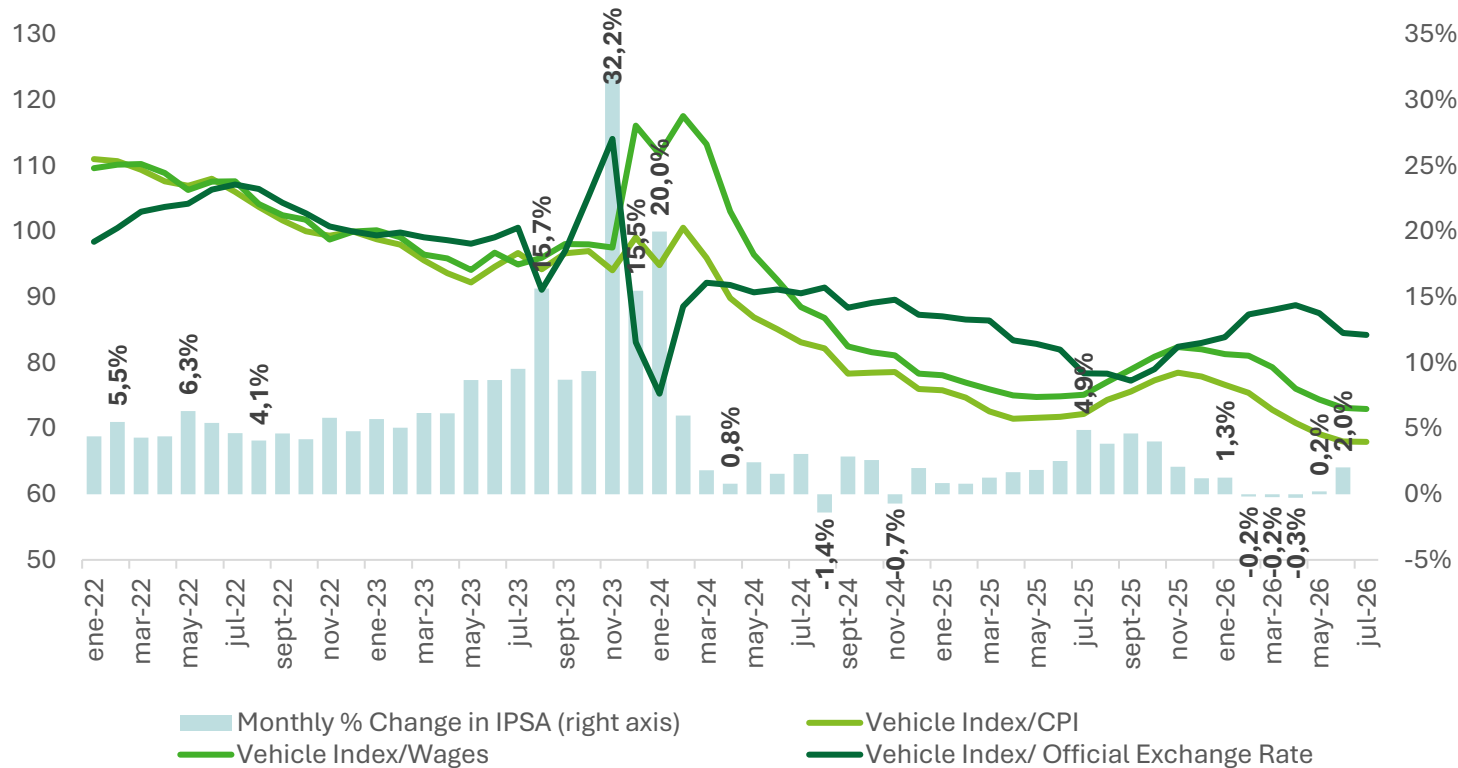
Vehicle registrations and automobile production are expected to closely track real wage developments.

Lower relative prices improve access to vehicles

Since 2023, vehicle prices have grown below inflation (real fall of 29%), wages (-26%) and the official exchange rate (-14%), correcting the sector's relative prices. Exchange and trade normalization, lower taxes, credit expansion and a greater supply of models improved accessibility and boosted registration, although they are still below the levels of the previous decade.

Inflation in the automotive sector versus in the total economy

(Base index numbers = Dec. 2022. | Var. IPSA % m/m right axis)



Segment	YoY % Chg Jul-26
Pick-ups	19,4%
IPSA Total	25,9%
SUV	26,6%
Small	30,1%
Medium	30,3%
Vans	32,5%
General CPI	33,8%

Source: Deloitte Ecosignal based on INDEC, SIOMAA and ACARA. Note: IPSA, Price Index of the Automotive Sector for 0 km wheeled vehicles.

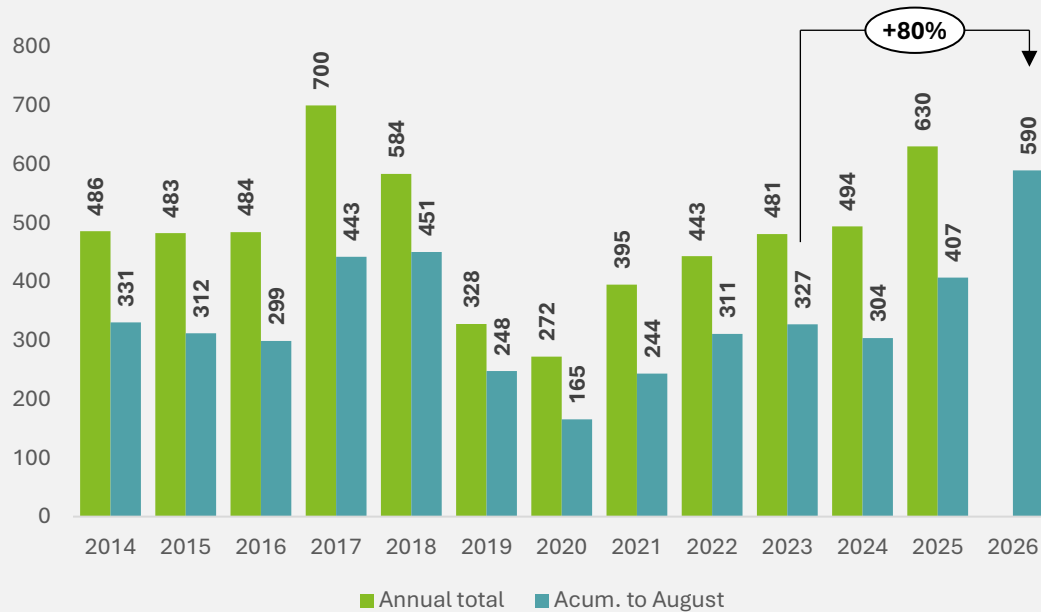
Motorcycle market posts strong growth in 2026

Motorcycle registrations continue to grow in 2026, reaching record highs. In this context, imported units are leading growth (+166% versus the first half of 2023), although domestically assembled motorcycles continue to account for the majority of sales.

Evolution of motorcycle registrations

(2020-2026 – In thousands of units)

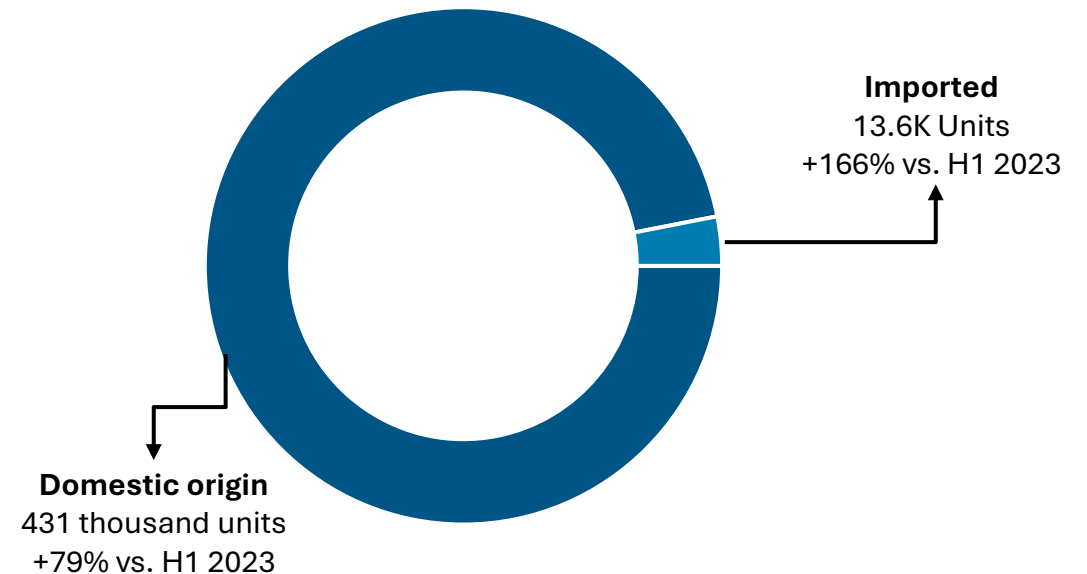
Motorcycle registrations posted a strong recovery during the first eight months of 2026, with **growth well above the average recorded** in recent years.



Motorcycle market share

(1st semester 2026)

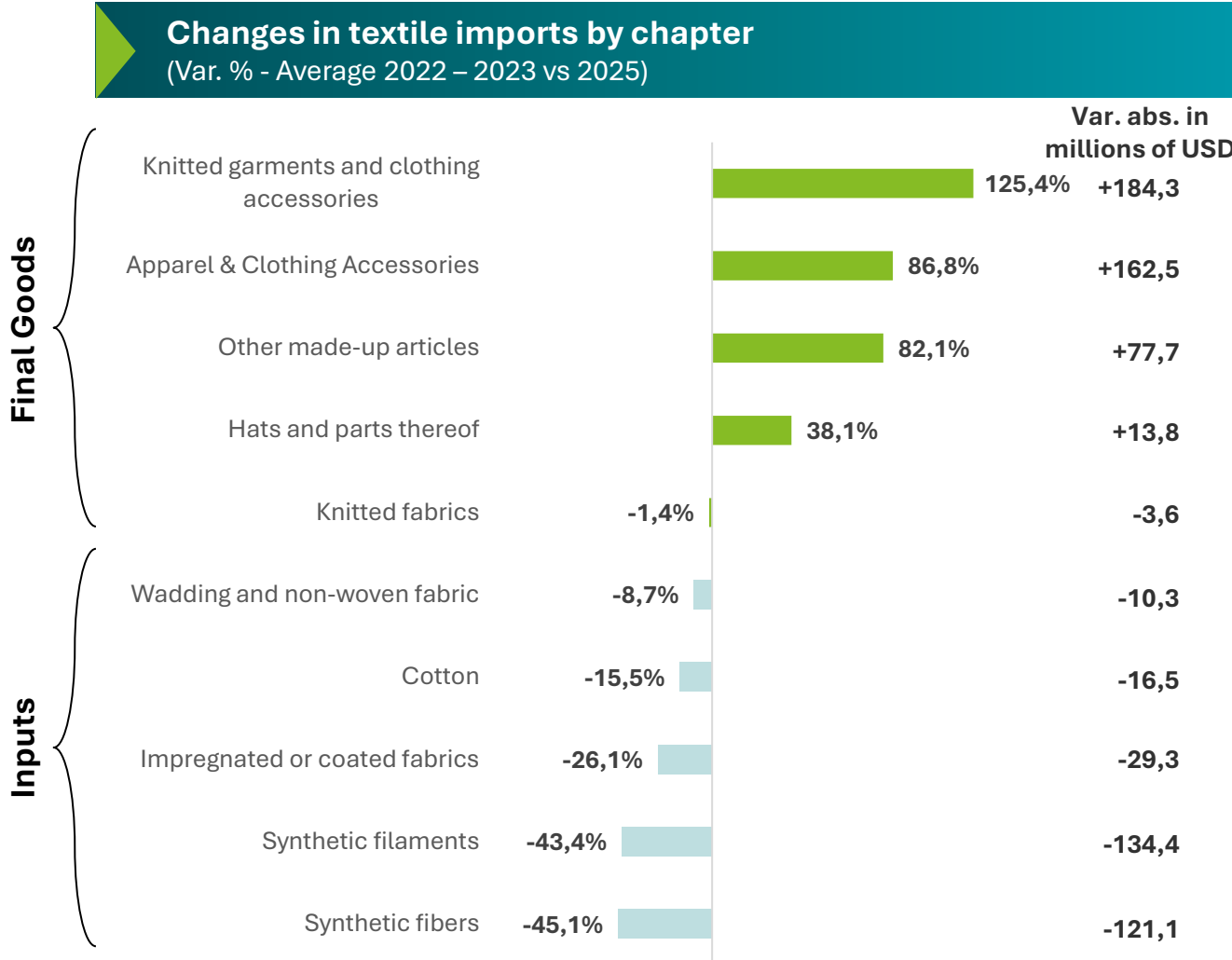
Registrations of imported motorcycles have increased significantly, rising 166% compared with 2023.



Source: Deloitte Econosignal based on INDEC.

Imports - Textile sector

Sector imports increased due to higher inflows of final goods, while imports of intermediate goods declined.

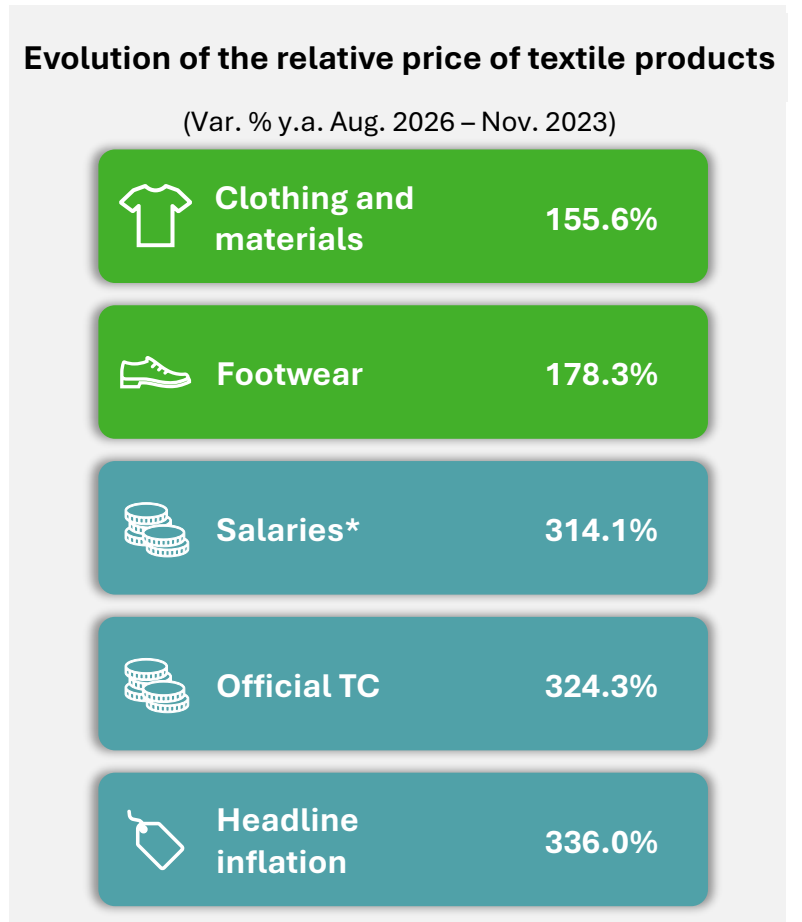
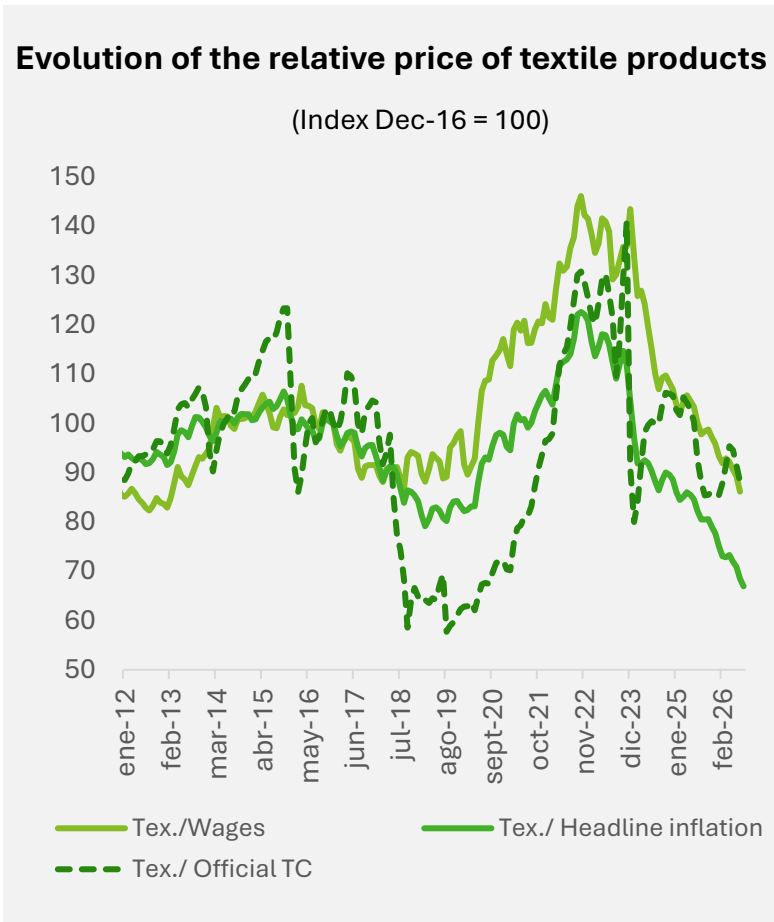
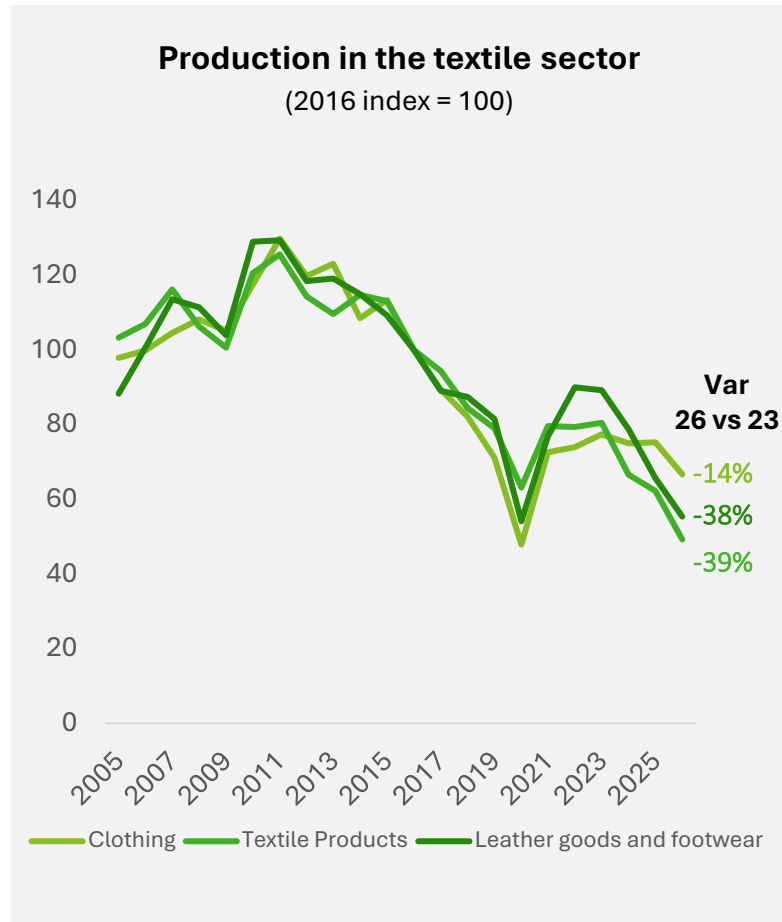


Changes in regulations

- **Import opening:** elimination of SIRA/SEDI and simplification of foreign trade.
- **Customs deregulation:** elimination of DJCP*, import licenses, mandatory red channel, stamping and labeling controls.
- **Reduction of import taxes:** reduction and subsequent elimination of the PAIS Tax.
- **Reduced trade protection:** reform of the anti-dumping system and greater international competition.
- **Reduction of import tariffs:**
 - **Clothing and footwear:** 35% to 20%
 - **Fabrics:** 26% to 18%
 - **Yarn:** from 18% to 12%, 14% and 16% depending on the corresponding tariff heading.

Production and price of textiles

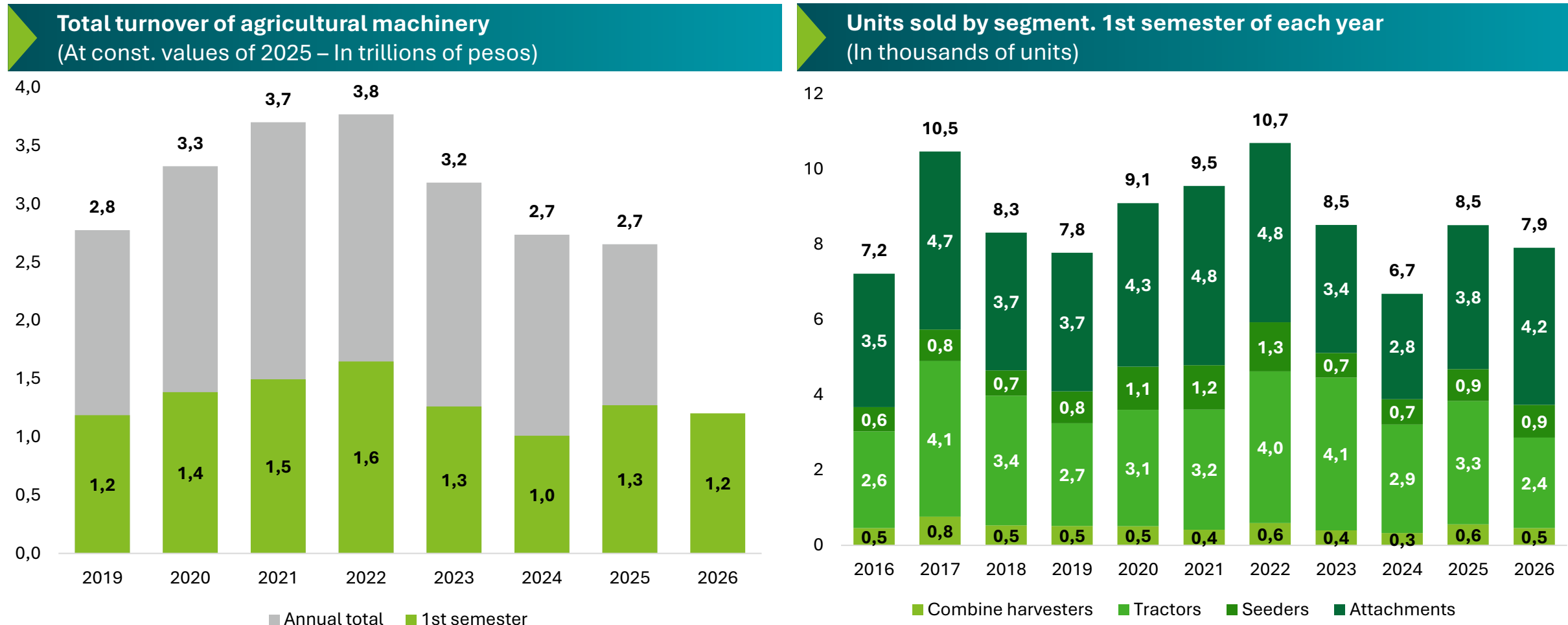
Following import liberalization and the normalization of foreign trade between late 2024 and 2025, price increases for clothing and footwear moderated. As a result, they have accumulated declines of 36% in real terms and 39% relative to wages compared with 2023.



Source: Deloitte Ecosignal based on INDEC.*Note: Registered private sector salaries are considered. Cumulative Growth through July 2026

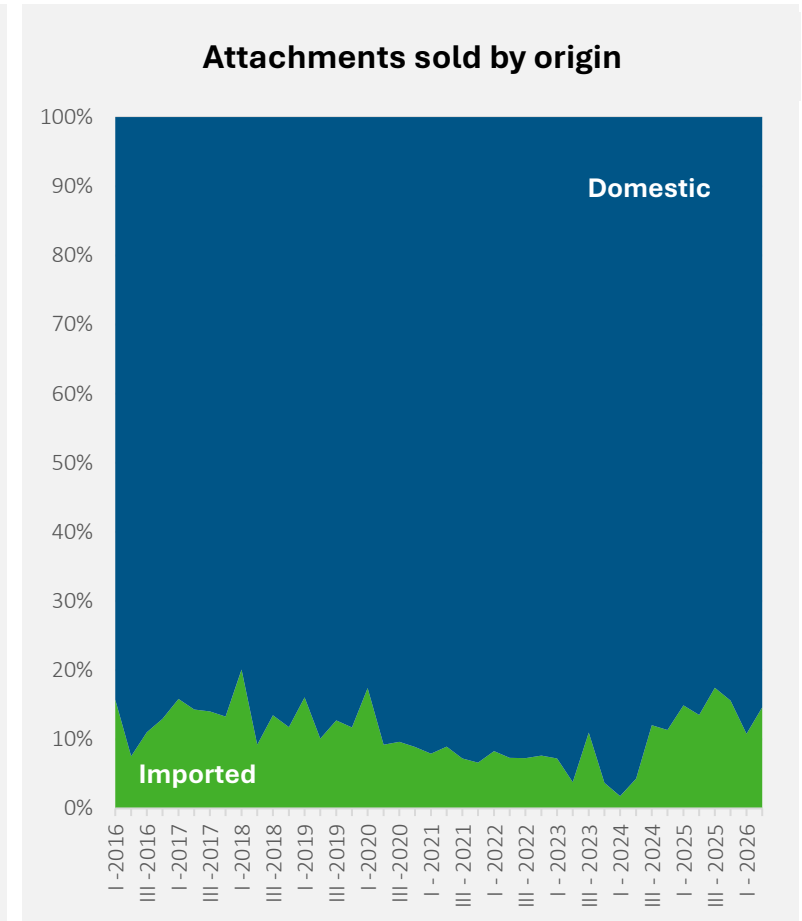
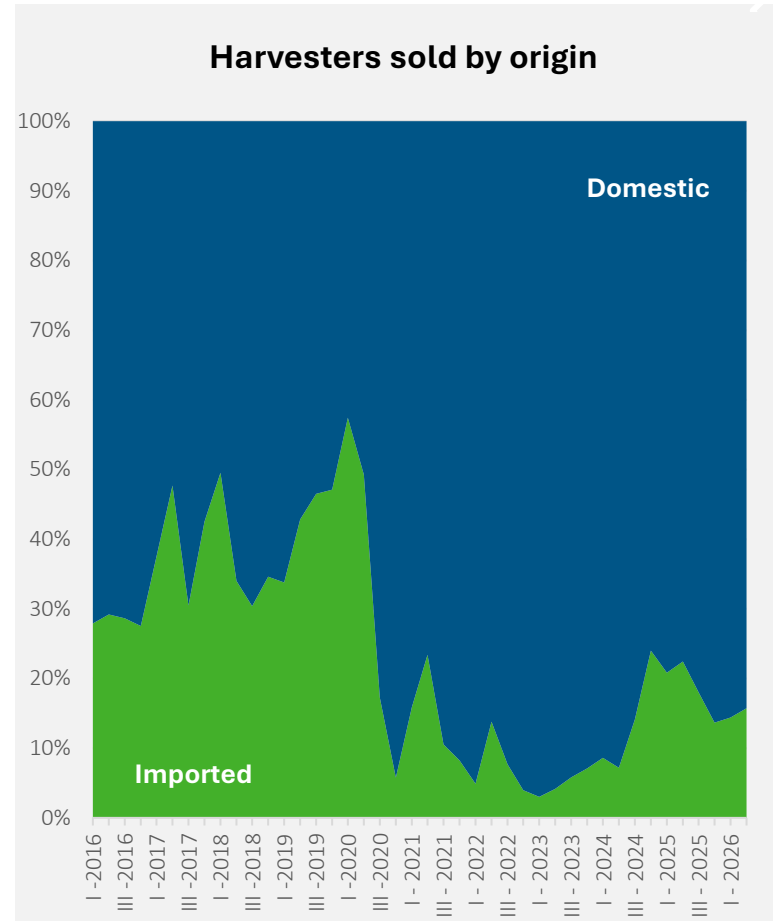
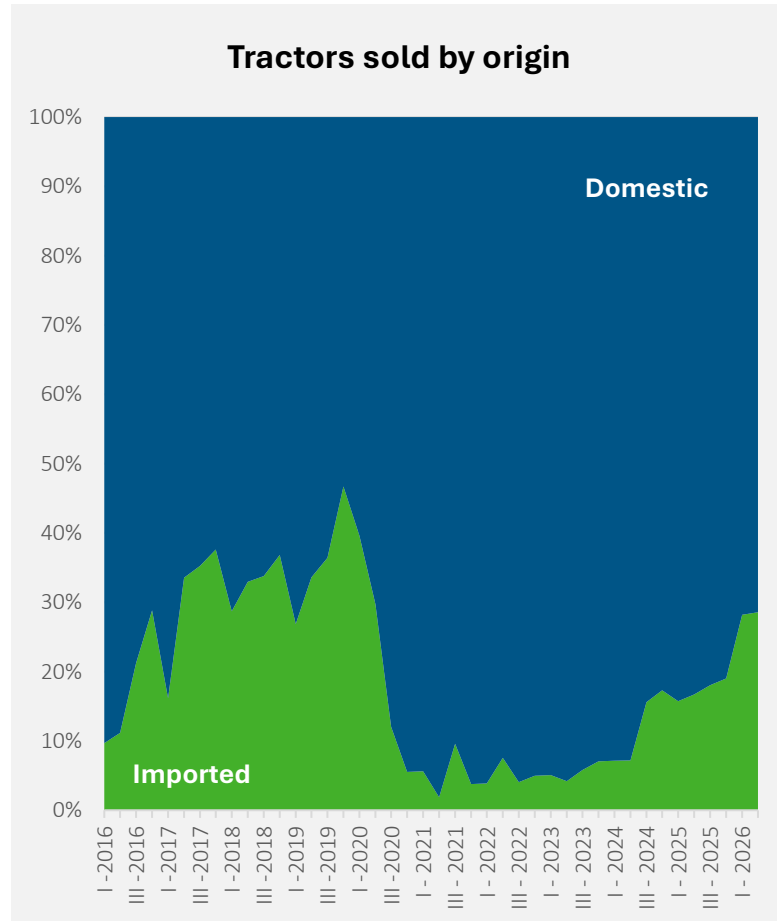
Agricultural machinery in the first half of each year

Revenue from agricultural machinery sales during the first half of 2026 declined 5.5% in real terms compared with the same period in 2025. In unit terms, tractor sales have followed a downward trend in recent years, posting a year-on-year decline of 27% in the first half of 2026, while combine harvester sales fell 18%. Seeder sales remained stable, while implement sales increased by 9%.



Origin of sales of agricultural machinery

In a context of lower tractor sales, the share of imported equipment increased to 29% of the market, in line with the 2016-2019 average. In combines, an increase of 16% was also observed, although still below the historical average of 37%. On the other hand, implements maintain a stable imported share, close to 13% of the total.

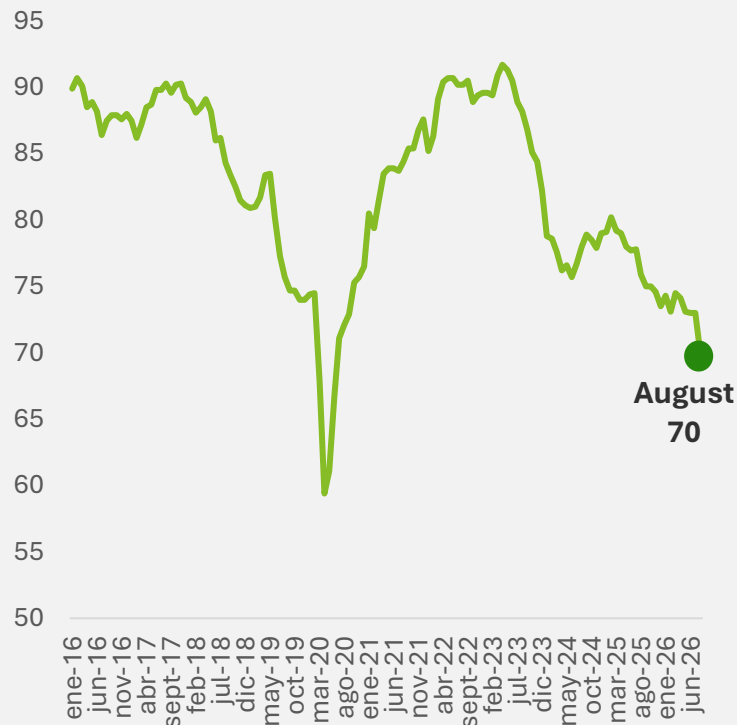


Source: Deloitte Ecosignal based on INDEC.*Note: Registered private sector salaries are considered.

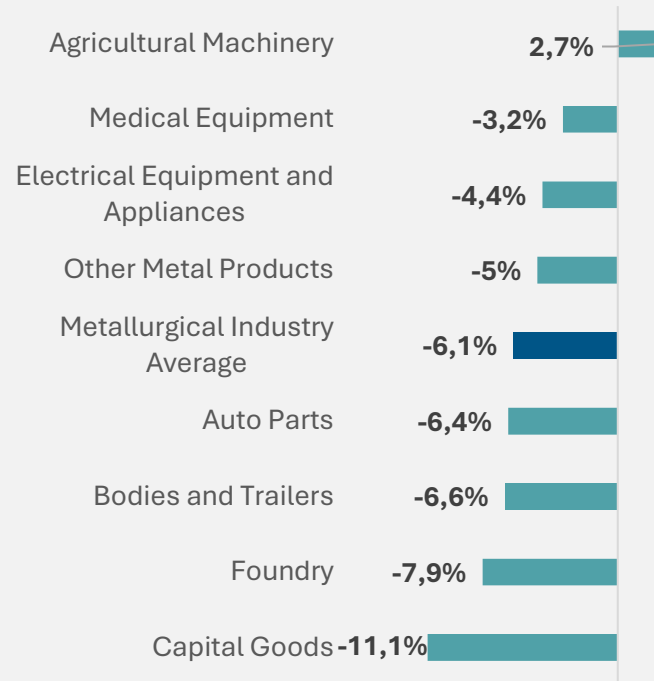
Metalworking Industry

The sector recorded an 18.5% decline compared with the first eight months of 2023. Likewise, activity in 2026 was 5.6% lower than in the same period of 2025.

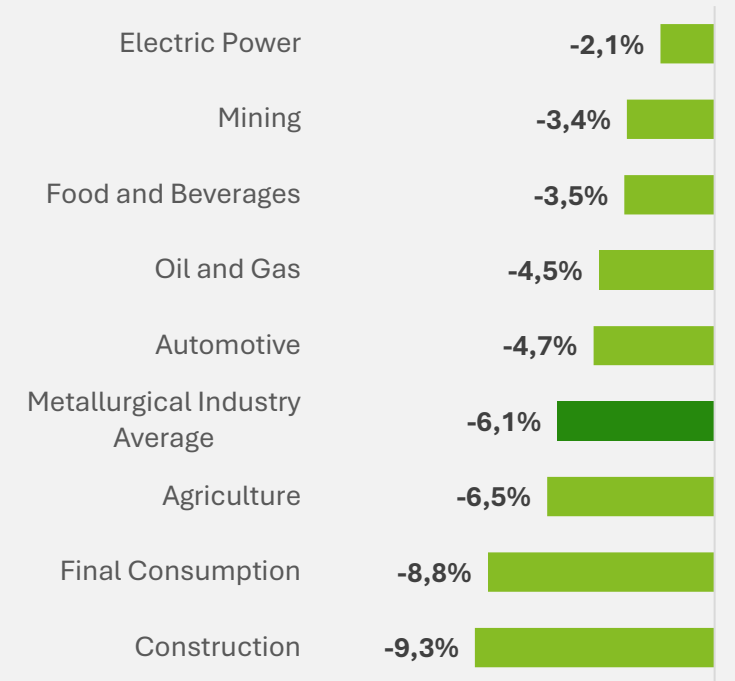
Evolution of the Metallurgical Production Index (MPI)
(Seasonally adjusted series)



Performance by metalworking segment
(Var. % y.o.y. – Jul. 2026 vs Jul. 2025)



Performance of metalworking companies linked to value chains
(Var. % y.o. – Jun 2026 vs Jun 2025)



Source: Deloitte Ecosignal based on ADIMRA.

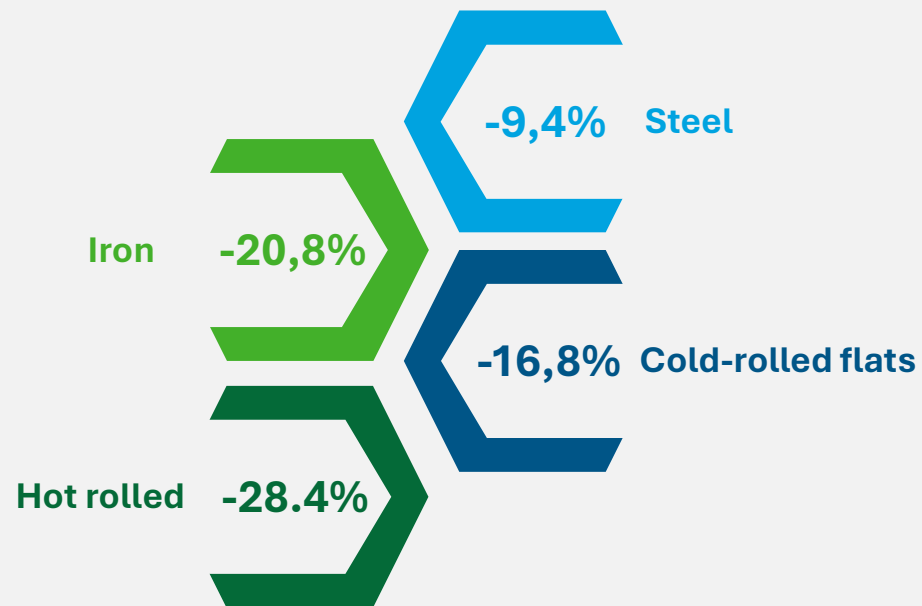
Steel industry

In aggregate terms, steel production in the first eight months of 2026 fell by 20% compared to the same period in 2023, while it is 4.6% above 2025.



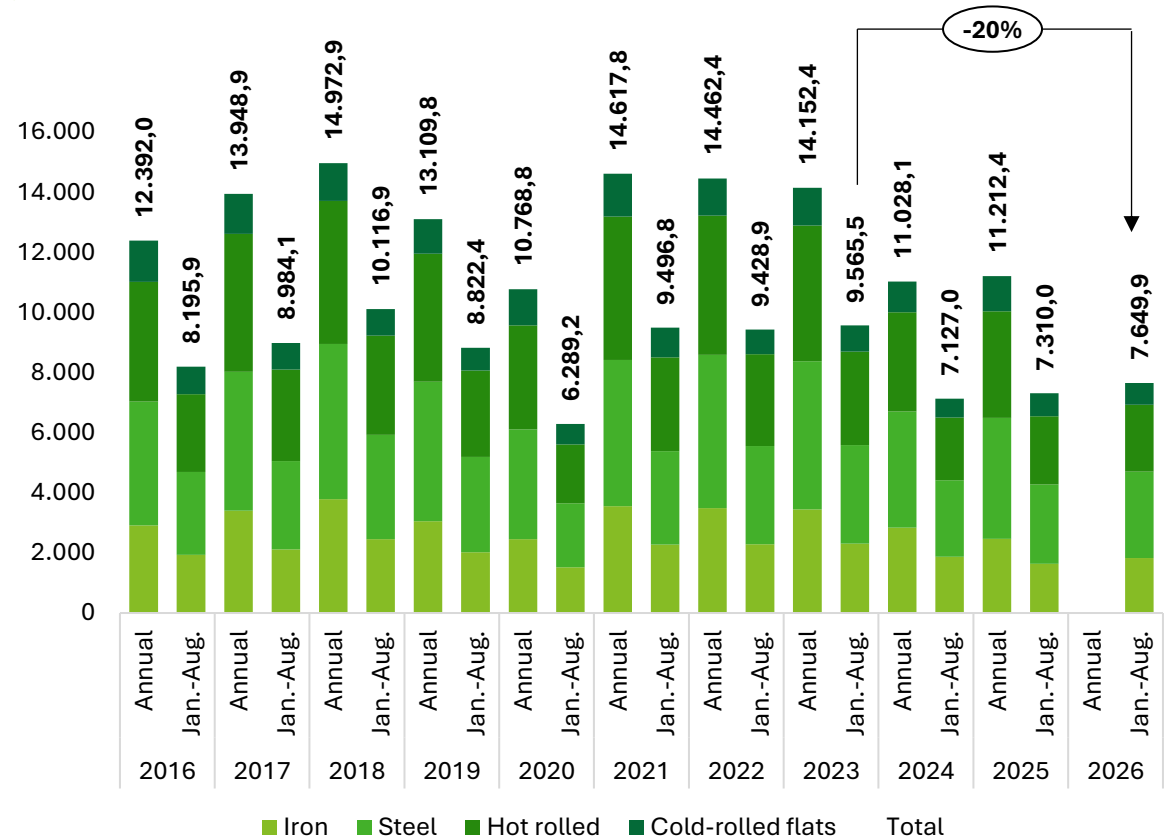
Steel production

(Var. % - Jan. - Aug. 2026 vs Jan. - Aug. 2023)



Evolution of steel production

(In thousands of tons – Annual and Jan.-Aug. of each year)



Source: Deloitte Ecosignal based on the Argentine Steel Chamber.

Final considerations

The manufacturing industry is undergoing a period of transformation driven by **macroeconomic normalization, trade liberalization and changing competitive conditions**. In this context, the recovery observed in some sectors of the economy has not yet translated broadly into manufacturing.

Exchange-rate normalization and trade liberalization expanded available supply and contributed to a correction in the relative prices of many manufactured goods. However, they also intensified competitive pressure on local production, widening disparities across sectors. Although the recovery of credit, the consumption of durable goods, and the export performance of some segments, such as pick-ups, provide some impetus, many branches face difficulties in sustaining activity, market share, and profitability.

Evidence suggests that industrial competitiveness will increasingly depend on structural factors such as productivity, lower tax pressure, innovation, technological incorporation and integration into global value chains. In this scenario, companies with greater capacity to adapt will be better positioned to operate in a more open and competitive market.

Looking ahead, continued disinflation, a recovery in credit, and sustained improvements in real incomes could strengthen demand for manufactured goods. However, the pace of this recovery will continue to depend on the sector's ability to adapt to the new competitive environment and generate efficiency gains that support growth.



Contact Us

Autors

Daniel Zaga

Partner and Chief Economist
Deloitte Spanish Latin America
dzaga@deloittemx.com

Bautista Martina

Economist
Southern Cone Marketplace
bmartina@deloitte.com

Federico Di Yenno

Economic Analysis Manager
Southern Cone Marketplace
fdiyenno@deloitte.com

Partners

Erick Calvillo

Market Growth Leader Partner
Deloitte Spanish Latin America
ecalvillo@deloittemx.com

Gastón Quignon

Market Growth Leader Partner
Southern Cone Marketplace
gquignon@deloitte.com

Jorge Prats

Manufacturing Industry Leader Partner
Southern Cone Marketplace
jpratsvuotto@deloitte.com



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