



**Gulf Research Center**  
Knowledge for All

# Argentina - GCC Relations



## 1. Key Domestic Developments

Argentina is the eighth-largest country in the world with a population of approx. 46 million people. Structured as a federal presidential representative democratic republic, Argentina is divided into 23 provinces and one autonomous city, Buenos Aires, serving as the capital. At the helm of the executive branch is the President of Argentina, who holds the highest-ranking position, serving as both head of state and government.

With a Gross Domestic Product (GDP) of approximately US\$650 billion, Argentina stands as one of the largest economies in Latin America. Argentina is endowed with extensive natural resources in agriculture and energy including gas and lithium reserves. The country has also positioned itself as a leading food producer with robust agricultural and livestock industries.

Argentina's recent political landscape has been marked by the rise of its new president, Javier Milei. Taking office on December 10, 2023, Milei swiftly implemented austerity measures following his victory in the presidential election where he secured a 55% majority against his opponent Sergio Massa. This included abolishing the Ministry of Culture and the Ministry of Women, Gender, and Diversity, alongside downsizing and recombining several other ministries. However, Milei's ultra-right views and commitment to slashing government spending have stirred controversy, particularly due to their impact on the arts, humanities, and human rights sectors.

Argentina's current political changes are unfolding against the backdrop of continued economic challenges with the country in a recession as of 2022. The COVID-19 pandemic, reduced economic activity, disrupted supply chains, and decreased consumer spending were all significant contributors. Longstanding macroeconomic challenges, such as high inflation, currency devaluation, and fiscal deficits, and structural issues, including high levels of public debt and inefficient government spending, have further exacerbated the economic downturn.

Argentina has a long history of political and economic instability, with significant growth fluctuations every year. Since 1950, the country has spent 33% of its time in recession, second only to the Democratic Republic of Congo, according to the World Bank. In 2023, Argentina faced the highest inflation rate in 32 years, estimated at 211.4% by the IMF, as a result of monetizing a large share of the fiscal deficit and the depreciation of the peso due to the lack of a credible economic plan. To address inflationary pressures, the government introduced new currency exchange rates, adding to the more than 10 existing rates in Argentina. In 2022, the general government balance represented an estimated -4.5% of GDP, with public debt reaching 80.3%.



Javier Milei, a libertarian economist and politician, was inaugurated as Argentina's president on December 10, 2023. Known for his radical and often controversial views, Milei rose to prominence with a platform emphasizing drastic economic reforms, including significant reductions in public spending, deregulation, and an aggressive push towards free-market policies. His rhetoric often targets the political establishment and traditional economic policies, advocating for a sweeping overhaul of Argentina's economic structure to address the country's chronic inflation and fiscal deficits. Under the new administration led by President Milei, the IMF has acknowledged Argentina's commitment to accumulating international reserves and addressing central bank financing of government debt. Milei's bold stabilization plan for Argentina's economy,



deemed far more ambitious than those of his predecessors, reflects the reform mandate of his landslide election victory. As a result, Argentina's target to achieve a primary surplus of 2% of GDP involves a combination of measures, including temporary taxes, streamlining government expenditures, reducing subsidies in energy and transport sectors, and trimming infrastructure spending.

The economic situation is reflected in a volatile political situation. Tensions between the government and trade unions persist, particularly concerning announced reforms, which further contribute to the country's complex social situation, where 40% of the population is faced with pervasive poverty. Disagreements also persist between central and decentralized authorities regarding the distribution of federal revenues, adding to administrative challenges.

### *Key Argentinian Economic and Social Data*

- **GDP:** \$652.77 billion (2023)
- **GDP per capita:** \$13,731 (2023)
- **Annual Growth Rate:** - 1.55% (2023)
- **Inflation:** 211.4% (2023)
- **Population:** 46.65 million (2023)
- **Unemployment Rate:** 6.9% (2023)
- **Credit Rating:** S&P: CCC with a stable outlook. Moody: Ca with stable outlook. Fitch: CC with a n/a outlook.

## **2. Argentina Foreign Policy**

Argentina's foreign policy is multifaceted, reflecting its historical context, regional ambitions, and commitment to multilateralism. One of the central pillars of its foreign policy is regional integration, with Argentina being a founding member of Mercosur, a regional trade bloc comprising Brazil, Paraguay, and Uruguay. This commitment to Mercosur underscores Argentina's desire to foster economic cooperation and integration within South America. By working together with its neighbors,

Argentina seeks to strengthen regional stability and promote economic development.

Multilateralism is another key tenet of Argentina's foreign policy. The nation actively engages with various international organizations, such as the United Nations, the Organization of American States (OAS), and the G20. Argentina believes that global challenges, including climate change, poverty, and inequality, can best be addressed through collective action and cooperation among nations. This commitment to multilateralism extends to its advocacy for disarmament, non-proliferation, and the peaceful resolution of conflicts.

Human rights and social justice are deeply ingrained in Argentina's foreign policy objectives. The nation's history of political and social turmoil, including the traumatic period of the military dictatorship from 1976 to 1983, has led to a firm commitment to human rights. Argentina has pursued justice for crimes committed during that dark period through trials and truth commissions. This commitment extends beyond its borders, as Argentina actively advocates for human rights at the international level. It played a pivotal role in establishing the International Criminal Court (ICC) and continues to support efforts to hold individuals accountable for war crimes and crimes against humanity.

The Falklands Islands (Malvinas) dispute with the United Kingdom remains a central issue in Argentina's foreign policy. The nation continues to assert its sovereignty over the Falkland Islands and seeks negotiations with the UK to resolve the dispute peacefully. This dispute is emblematic of Argentina's unwavering commitment to territorial integrity and its determination to address historical grievances through diplomatic means.

Economic diplomacy is another aspect of Argentina's foreign policy strategy. The nation seeks to diversify its trading partners beyond traditional allies like the United States and Europe. Efforts have been made to strengthen economic ties with emerging economies in Asia, particularly China. Argentina recognizes the importance of tapping into new markets and expanding its economic influence on the global stage.

President Milei’s foreign policy approach is characterized by a strong emphasis on economic liberalism, free trade, and a realignment of Argentina’s geopolitical alliances. His strategy involves a significant departure from the protectionist and state-centered policies of his predecessors, aiming instead to integrate Argentina more fully into the global economy and align it with Western powers.

Regarding Mercosur, Milei’s foreign policy exhibits a notable evolution from his campaign rhetoric. Initially, he criticized the bloc as “defective” and detrimental to Argentina, proposing withdrawal and dissolution. However, the practicalities of governing tempered his stance. Recognizing the economic and political destabilization that could result from leaving Mercosur, Milei, through his foreign minister Diana Mondino, indicated a desire to remain within the bloc but push for reforms. This includes supporting the Mercosur-EU trade agreement, aiming to pivot the bloc towards greater global integration and free trade. Such a stance suggests

Milei’s commitment to leveraging Mercosur as a platform for broader international economic engagement, despite the bloc’s internal tensions and divergent member state interests.

In contrast, Milei’s stance on BRICS reflects a firm departure from his predecessor’s policies. Despite BRICS announcing Argentina’s membership starting January 1, 2024, Milei formally rejected the invitation in letters sent to BRICS leaders, stating that Argentina’s membership was “not considered appropriate at this time.” He emphasized that his foreign policy “differs in many aspects from that of the previous government” and indicated a review of decisions made by the previous administration. Milei’s decision aligns with his campaign promise to avoid alliances with what he termed “communists,” aligning Argentina’s geopolitical stance more closely with the United States and Israel. Although he initially vowed to cut ties with major trading partners like China and Brazil, his tone has become more conciliatory since taking office, acknowledging the complexities of international trade relationships.

### 3. Argentina-GCC Fact Sheet

**Trade between Argentina and GCC Countries (2019 - 2022) (USD Billion)**

Countries	2019	2020	2021	2022	Grand Total
<b>Export</b>	1.672	1.644	1.769	2.425	7.510
Bahrain	0.008	0.004	0.003	0.013	0.027
Kuwait	0.053	0.046	0.030	0.064	0.193
Oman	0.098	0.063	0.089	0.171	0.421
Qatar	0.049	0.032	0.023	0.041	0.146
Saudi Arabia	1.010	0.958	0.850	1.185	4.003
United Arab Emirates	0.454	0.542	0.774	0.951	2.720
<b>Import</b>	0.394	0.349	1.423	2.312	4.478
Bahrain	0.003	0.020	0.090	0.072	0.184
Kuwait	0.000	0.000	0.016	0.080	0.096
Oman	0.053	0.068	0.199	0.069	0.389
Qatar	0.036	0.107	0.463	0.134	0.740
Saudi Arabia	0.116	0.062	0.318	1.094	1.590
United Arab Emirates	0.186	0.092	0.338	0.864	1.479
<b>Grand Total</b>	2.066	1.993	3.192	4.737	11.988



### *Establishment of Diplomatic Relationships*

**Bahrain** March, 18 1974

**Kuwait** September 13, 1968

**Oman** June 18, 1974

**Qatar** June 15, 1974

**Saudi Arabia** February, 16 1946

**United Arab Emirates** February 26, 1974

### *Key Research Centers and Think Tanks*

- Argentine Council for International Relations ([CARI](#))
- Center for the Implementation of Public Policies for Equity and Growth ([CIPPEC](#))
- Center for the Study of State and Society ([CEDES](#))
- Argentine Institute of Fiscal Analysis and Public Finance ([IARAF](#))
- [Fundación Libertad y Progreso](#)
- Foundation for Latin American Economic Research ([FIEL](#))
- Institute for Social, Economic, and Political Development of Argentina ([IDESIA](#))
- National Scientific and Technical Research Council ([CONICET](#))
- Latin American and Caribbean Economic Association ([LACEA](#))
- Environment and Natural Resources Foundation ([FARN](#))

### *Selected Key Regional Experts 7*

- [Paulo Botta](#), Director of the Middle East Committee at Argentine Council for International Relations (CARI)
- [Alejandra Galindo](#), Professor in the Department of Social Science at Universidad de Monterrey, Mexico

- [Maria Murillo](#), Director of the Institute of Latin American Studies, and Professor of Political Science & International Affairs, Columbia University.
- [Graciela Iglesias Rogers](#), Senior Lecturer in Modern European and Global Hispanic History.

### *Key Recent Literature*

GCC Economic Objectives in Latin America in the Shadow of the Rio G20 Summit: Complementary Investment Environment and the Role of Gulf Sovereign Wealth Funds – [October 2024](#)


GCC-Latin America Trade and Investment Relations – [May 2024](#)

The Mirror between Latin America and the Arab World – [October 2024](#)

Cultivating Ties: Deepening Trade and Investment between Latin America and the GCC – [March 2022](#)

### **4. Key Developments in GCC-Argentina Relations**

- Argentina’s relations with the Gulf Cooperation Council (GCC) countries have traditionally revolved around economic and trade interests. Argentina has been a key supplier of agricultural and food products to the GCC region, including beef, grains, and fruits. In return, the GCC countries have provided vital markets for Argentine exports, fostering a mutually beneficial economic partnership.
- These nations have also engaged in diplomatic dialogues and reciprocal visits to explore opportunities for further economic collaboration. These discussions have extended to areas beyond trade, encompassing energy, infrastructure, and technology transfer, showcasing their commitment to expanding the scope of their bilateral ties.
- While the primary focus has been on economic cooperation, there is potential for collaboration



in other domains. Argentina and the GCC nations share common interests in addressing pressing global challenges, including climate change. Both have taken part in international initiatives aimed at combating environmental issues, underscoring their commitment to addressing shared global concerns.

### Argentina - Saudi Arabia

- On August 14, 2024, Minister of State for Foreign Affairs, Cabinet Member, and Climate Envoy, HE Adel Ahmed Al-Jubeir, received the newly appointed Argentine Ambassador to Saudi Arabia, HE Mr. Facundo Vila. Al-Jubeir wished the ambassador success in his missions and discussed ways to strengthen bilateral relations.
- On May 25, 2024, HRH Mohammed bin Salman Al Saud, the Crown Prince and Prime Minister of the Kingdom of Saudi Arabia, sent a congratulatory cable to President Javier Milei of Argentina in honor of Argentina's National Day.
- On March 1, 2024, the government of Argentina officially appointed HE Mr. Facundo Vila as the new Extraordinary and Plenipotentiary Ambassador to the Kingdom of Saudi Arabia.
- In August 2023, Saudi Arabia's Minister of Investment, HE Khalid Al-Falih, led a delegation to Argentina. During this visit, he met with Argentina's Minister of Foreign Affairs, International Trade, and Worship, HE Santiago Cafiero. The two ministers signed a memorandum of understanding aimed at encouraging direct investment between the two nations.
- On November 9, 2022, Saudi Arabia's Foreign Minister, HRH Prince Faisal bin Farhan, met with his Argentine counterpart, HE Santiago Cafiero, in Riyadh. During this meeting, the ministers discussed the bilateral relations between their countries and explored ways to enhance and develop these ties across various areas of cooperation.

### Argentina - United Arab Emirates

- On February 29, 2024, Argentina's Under-Secretary for International Economic Negotiations, HE Gabriel Martínez, participated in the World Trade Organization's Ministerial Conference (MC13) in Abu Dhabi. He highlighted his government's efforts to showcase Argentina's "new image" globally, emphasizing that structural reforms and the removal of trade barriers will boost the nation's economy. During his working visit to the UAE, Martínez met with several officials from the Emirati Ministry for Economic and Trade Affairs to discuss ways to enhance bilateral relations. This included potential UAE support for constructing a bi-oceanic corridor linking the Pacific and Atlantic Oceans, which would benefit South American nations.
- In March 2024, an Argentine delegation, led by Dr. Daniel Salamone, President of the National Scientific and Technical Research Council (CONICET), and Martin Bueno, founder of the Argentine Technology and Knowledge Innovation Initiative (CITEG.AE), met with representatives from Emirates Tech, Invest, and various private Argentine companies in the United Arab Emirates (UAE). They discussed strategic opportunities and collaborations in advanced science and technology. The meetings showcased CONICET's scientific and technical capabilities and introduced the CITEG.AE initiative, a platform designed to facilitate technology exchange between the public and private sectors of both countries.
- On June 12, 2023, HE Reem bint Ebrahim Al Hashimy, the UAE Minister of State for International Cooperation, led a senior delegation to Argentina. This visit aimed at bolstering cooperation across various sectors including food security, renewable energy, and technology. During this visit, the UAE-Argentina Business Forum was held, which provided a platform for business opportunities and partnerships between the two countries.



## Argentina - Qatar

- September 19, 2024: HE Ramiro Ordoqui highlighted the strengthening economic and commercial relations between Qatar and Argentina, noting Qatar's interest in investing across various strategic sectors in Argentina, including agribusiness, mining, finance, communications, renewable energy, infrastructure, oil and gas, software, knowledge-based services, retail trade, and tourism.
- On September 7, 2024, Qatar Chamber's Second Vice Chairman, HE Rashid bin Hamad Al-Athba, met with HE Ramiro Ordoqui, Undersecretary for Multilateral and Bilateral Economic Negotiation at Argentina's Ministry of Foreign Affairs and International Trade. The meeting focused on enhancing economic and commercial cooperation between the two countries and exploring opportunities for collaboration between Qatari and Argentine companies in various sectors.
- On June 15, 2024, Qatar and Argentina marked the 50th anniversary of diplomatic relations, celebrating significant growth in ties, especially following visits to Argentina by HH Amir Sheikh Hamad bin Khalifa Al Thani in 2010, and subsequent visits by his son, HH Amir Sheikh Tamim bin Hamad Al Thani, in 2016 and 2018. These visits have significantly bolstered the bilateral relationship between the two nations over the years.
- In 2022, Qatar hosted the Argentine football team for the FIFA World Cup. Argentina emerged as the winner of the tournament, which enhanced interactions between the two nations. The event served not only as a showcase for sports but also promoted cultural and diplomatic exchanges between Argentina and Qatar.

## Argentina - Oman

To date, the relations between Argentina and Oman have been modest but cordial, marked by occasional diplomatic gestures and engagements. In June 2023, His Majesty Sultan Haitham bin Tariq sent a congratulatory cable to His Excellency President Alberto Fernández on the occasion of Argentina's National Day, expressing warm wishes for the President's health and happiness and for the continued progress and prosperity of the Argentine people.

## Argentina - Bahrain

- On September 20, 2019, Dr. Shaikh Abdullah bin Ahmed Al Khalifa, Undersecretary of the Ministry of Foreign Affairs for International Affairs of Bahrain, visited Buenos Aires for an official meeting with Argentina's Deputy Foreign Minister, Ambassador Gustavo Zlauvinen. During the visit, Ambassador Zlauvinen welcomed Dr. Shaikh Abdullah and his delegation, emphasizing Argentina's commitment to strengthening bilateral ties with Bahrain. The meeting highlighted Argentina's interest in developing a robust economic partnership with Bahrain and acknowledged the progress Bahrain has made, with well-wishes for its continued prosperity and development.

## Argentina - Kuwait

- On February 21, 2022, Sheikh Dr. Meshaal Jaber Al-Ahmed Al-Sabah, the Director General of the Kuwait Direct Investment Promotion Authority (KDIPA), met with the Argentine Ambassador to Kuwait, H.E. Claudia Zampieri, and HE Matias Mana, the National Director of Projects with Bilateral External Financing, along with their economic delegation. This meeting was aimed at discussing and enhancing the bilateral relations between Kuwait and Argentina, focusing particularly on economic cooperation and external financing projects.

## 5. Supporting Documents

### GRC publications and GRM workshops

#### GRC Commentary & Analysis

GCC-Latin America Trade and Investment Relations - [May 2024](#)

Javier Milei's Presidency: Navigating Ideological Shifts and Global Realignment in Argentina - [December 2023](#)

Latin America and the Gulf: Assessment of Current and Future Trends - [GRC Publication 2016](#)

The Gulf and Latin America: Exploring New Avenues of Exchange - [GRC Publication 2016](#)

Integration Processes in Latin America - [GRC Publication 2014](#)

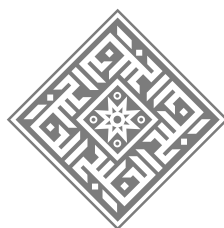
The Gulf and Latin America: An Assessment of Expectations and Challenges - [GRC Publication 2013](#)

The Relationship between the Gulf Countries and Latin America: The Role of Non-State Actors - [GRM Workshop 2013](#)

An Assessment of Opportunities and Possibilities: The Gulf and Latin America - [GRM Workshop 2012](#)







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