COUNTERING INFLUENCE, SECURING OPPORTUNITY

How Deeper Alignment with Argentina Can Reinforce Stability, Resilience, and Democratic Strength Across the Americas

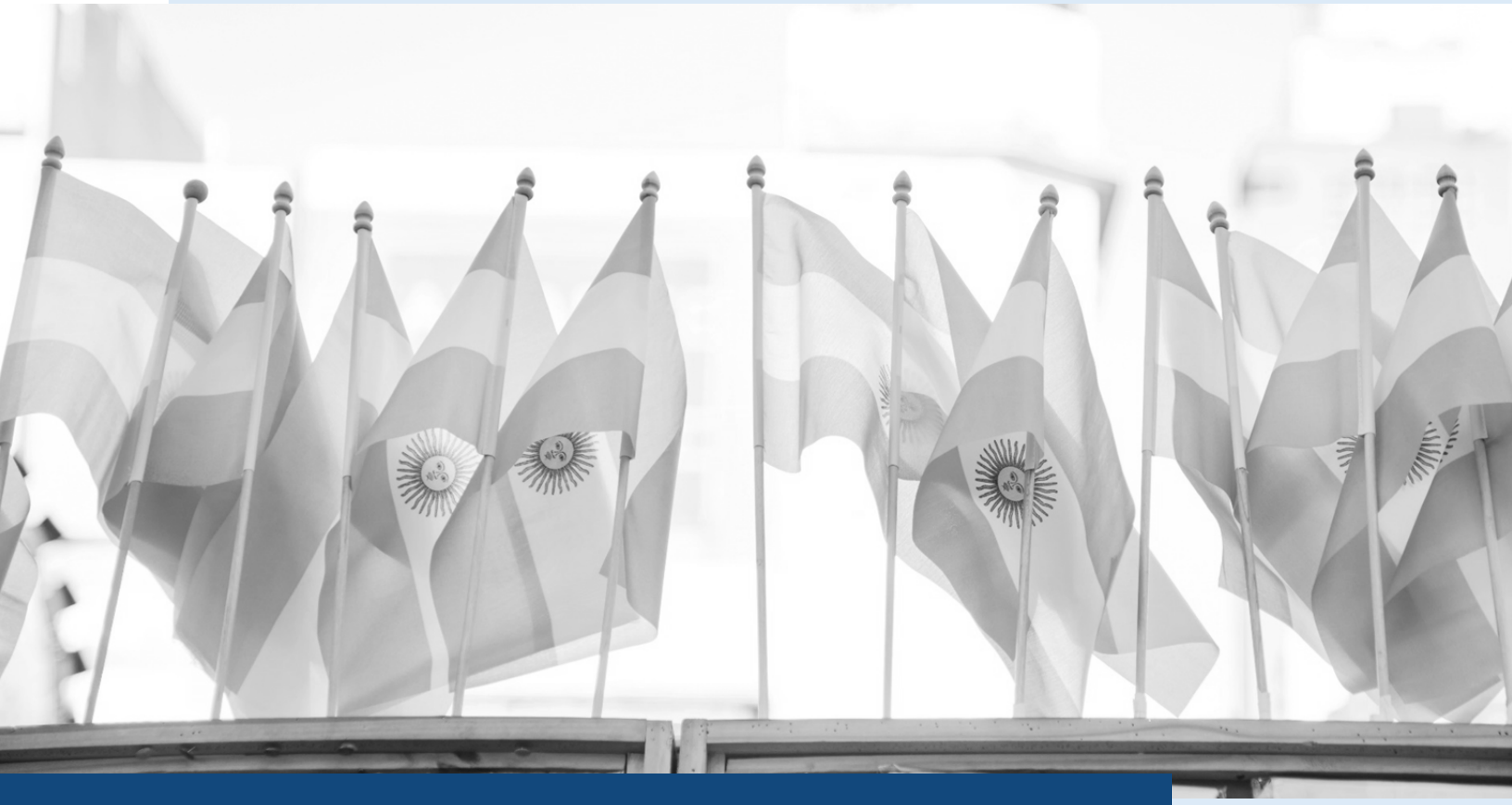
BUSINESS EXECUTIVES FOR NATIONAL SECURITY
SECURING AMERICA'S FUTURE

ABOUT BENS

Business Executives for National Security BENS is a national nonpartisan, nonprofit organization that, since 1982, has partnered with senior national security officials to address the nation's most pressing security challenges, all at no cost to the government. BENS members – senior business leaders from across the country and representing diverse industries – volunteer their time and resources because of a common belief that private-sector expertise and best business practices can help to improve America's security.

Disclaimer: The BENS delegation, staff, and contributors to this report hold no financial stake, commercial interests, or vested relationships in Argentina. In keeping with BENS's commitment to independence and objectivity, all delegates participated at their own expense. The organization neither sought nor received approval from the U.S. government, or any outside entity or individual, for the itinerary or the findings presented. This report is solely advisory in nature and was prepared in response to strategic priorities identified by U.S. partners in the region.

– October 2025 –



EXECUTIVE SUMMARY

The United States' choices in Argentina today will shape the rules, supply chains, and security of the Americas for years to come. Argentina is re-emerging as a pivotal state whose trajectory will shape the regional balance of influence and directly affect U.S. security and economic interests across Latin America.

To better understand the Argentine context, a Business Executives for National Security (BENS) delegation traveled to Buenos Aires for high-level discussions with government officials, business leaders, U.S. embassy personnel, and regional experts. This report summarizes the delegation's insights, highlighting both Argentina's significant potential and current vulnerabilities.

Argentina's geography, natural resources, workforce capabilities, and defense capacity make it a decisive partner for advancing food security, energy transition, maritime order, and regional stability. Yet, China has entrenched itself through infrastructure financing, telecom dominance, and control over lithium and copper offtake, positioning Beijing to control critical nodes of the future economy. For the U.S., deeper alignment with Argentina – through defense cooperation, secure digital infrastructure, and investment in critical energy and mineral supply chains – is essential for countering adversarial influence, safeguarding Western standards, and ensuring the hemisphere remains anchored in democratic values and open markets.

Key Takeaways

- **Argentina is a regional linchpin:** Geography, resources, and diplomatic weight make Argentina central to U.S. strategy; prioritizing defense interoperability, mineral supply chains, and secure digital infrastructure is essential to blunt Chinese consolidation.
- **U.S. strategic window is real:** Argentina's President, Javier Milei's pro-U.S. stance opens an opportunity, but success requires tangible economic benefits and

flexible development beyond orthodoxy of the International Monetary Fund (IMF), before domestic politics or Chinese activity closes the window of opportunity.

- **Public-private alignment is unusually strong:** Argentine leaders across business and government sectors back fiscal controls, favor free markets, and seek U.S. investment. Fear of socialist and inflationary relapse creates urgency for the U.S. to secure critical resources while reinforcing shared objectives.

- **Financing gaps undercut U.S. influence:** China's $18B swap line buys influence and creates Argentine dependency, giving Beijing asymmetric leverage in policy, resource deals, and infrastructure. U.S./G7 liquidity alternatives remain limited, with Export-Import Bank lending 'off-cover' and the U.S. International Development Finance Corporation (DFC) under-deployed.

- **RIGI creates barriers for mid-market entry:** Benefits of the Large Investment Incentive Regime, better known as RIGI, requires a $200M minimum investment, which sidelines mid-market and innovation-driven U.S. investors.

- **Provincial fragmentation is exploited by Beijing:** China leverages provincial autonomy to secure upstream mineral deals, channeling offtake to the People's Republic of China (PRC), and deepening the East Asian nation's influence.

- **U.S. collaboration lags in key sectors:** While defense ties warm, U.S. engagement in space, digital/cyber, and mining lags. Meanwhile, China's foothold expands in telecom (Huawei), infrastructure (engineering, procurement, and construction), and space (Neuquén station).

Recommendations Concerning the Economic Dimensions of U.S.-Argentina Relations

- **Fast-track DFC political risk insurance:** Stand up an Argentina-specific processing lane for lithium and copper projects, reducing expropriation, currency inconvertibility, and transfer restriction risks. Publish standard model terms to compress diligence cycles across Salta, Jujuy, Catamarca, and San Juan, lowering capital costs and tilting offtake towards allied manufacturers.

- **Provide a U.S.-led liquidity backstop:** Replace or offset China's $18B swap with a secured G7/IMF foreign exchange facility using repo or export-receivables collateral to reduce PRC financial leverage.

- **Explore a structured Fed swap via intermediary:** Consider a swap facility routed through a credible third party (mirroring Mexico's 1994-95 support) to provide dollar liquidity, while insulating the U.S. Federal Reserve from direct credit risk and offering a U.S.-aligned alternative to China's extortive financing.

- **Expand energy, tech, and cybersecurity partnerships:** Advance cooperation on nuclear development, cybersecurity, and critical infrastructure protection. U.S. Southern Command (USSOUTHCOM) with the U.S. Department of Energy can lead a resilience compact covering grid defense, pipeline security, and emergency gas swaps, while growing trusted ties to provide alternatives to Chinese-linked digital providers.
- **Advance energy security in the Western Hemisphere:** Address Vaca Muerta bottlenecks by mobilizing U.S. firms, financing, and technical expertise. Steer emerging liquified natural gas terminals toward Atlantic markets to undercut Russian and PRC leverage in the Southern Cone.
- **Back refining and processing in Argentina:** Offer Export Credit Agency-backed financing for lithium conversion and copper processing to keep value-add local and allied-aligned, ensuring offtake flows to U.S. and allied equipment manufacturers.

Recommendations on Complementary Security and Governance Aspects

- **Fast-track DFC political risk insurance:** Responsibly compete in areas where China has a foothold: Counter their Neuquén Space Facility with constructive alternatives – U.S. space partnerships, technical verification visits and academic uses, spectrum-use workshops, and open-data memos of understandings – to build trust and reinforce transparency without forcing Buenos Aires into open confrontation with Beijing.
- **Support maritime and Antarctic access:** Back a dual-use logistics hub in Ushuaia with shared fuel, medical evacuation, search and rescue, and berthing – branded as a rules-based gateway to undercut PRC gray-zone influence alongside expanded intelligence, surveillance, and reconnaissance, and data fusion cooperation.
- **Expand street-level security cooperation:** Scale USSOUTHCOM, U.S. Coast Guard, and U.S. Drug Enforcement Administration cooperation in humanitarian assistance and disaster relief, search and rescue, counter-narcotics interdiction, and river policing, building on the Argentine military's public popularity and visibly demonstrating U.S. partnership.
- **Counter great-power spillover:** Support Open Radio Access Network (Open RAN) and trusted options for fifth generation (5G) wireless technology, provide cyber incident response playbooks, and assist with open/competitive tender processes, standard contracts, and beneficial ownership disclosures to prevent China's lock-in and opaque deals.

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BENS Delegation

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Arnold & Porter LLP

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Retired Senior Partner
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Roger Shedlin, MD
President
WINFertility

James Smith
President
TheIncLab

Katie Gliwa
Director of Travel
Business Executives for National Security

Kyle Peterson
Initiatives Director
Business Executives for National Security

Key Meetings

U.S. Embassy in Argentina – Country Team
- Mr. Eric Olson, Commercial Counselor & Senior Commercial Officer
- Colonel Augie Dominguez, Senior Defense Official/Defense Attaché
- Mr. Josh Temblador, Foreign Service Officer

Argentina Casa Rosada
- Mr. Guillermo Francos, Chief of Cabinet to President Milei

Argentina Ministry of Foreign Affairs
- Deputy Undersecretary of Exports Promotion, Investments, Education, Science & Culture

Argentina Ministry of Security
- Mr. Alberto Fohrig, Director of International Affairs

- Mr. Diego Fleitas Ortiz de Rozas, Director of Institutional Reform

Argentina Ministry of Defense

- Lic Cnl Marcelo Rozas Garay, Secretary of Strategy and Military Affairs
- Mr. Juan Battaleme, Secretary for International Defense Affairs

Argentina Joint Chiefs of Staff of the Armed Forces (JEMCO)

- Vice Admiral Dalle Nogare, Deputy Chief of the Joint Chiefs of Staff
- Members of the Argentine Joint Chiefs of Staff

Government of Jujuy Province – Mining

- Mr. José Gabriel Gómez, Secretary of Mining

Government of Catamarca Province – Mining

- Mrs. Yésica Yornet, Lithium Specialist
- Ms. Vanesa Obregón, Head of the Mining Department, Casa de Catamarca

American Chambers of Commerce (AMCHAM) – Argentina

- AMCHAM members and representatives
- Ms. Alejandra Bugna, Partner, Baker McKenzie Transactional Group
- Mr. Esteban Rópolo, Partner, Baker McKenzie International Commercial & Trade Group

Young Presidents' Organization (YPO) – Argentina

- 20 local business leaders from the local YPO Chapter
- Lieutenant General (Ret.) Bari Del Valle Sosa, Host

Argentine Council for International Relations (CARI)

- Mr. Francisco Santibañes, President of CARI
- Ambassador Lila Roldán Vázquez, Secretary General of CARI
- Ms. Beatriz Nofal, Director of the U.S. Committee of CARI
- CARI staff, invited business leaders, and guests

Círculo Militar

- Retired Argentine Senior Military Officers

Corporate Meetings

- Arecco Ingenieria (Oil & Gas, Technology, Engineering)
- AddaTech Global (Technology)
- Compañía General de Combustibles- CGC (Oil & Gas)
- Globant (Technology)
- Nuclearis Energy (Nuclear Energy)
- Techint Group (Mining)
- Vista Energy (Oil & Gas)
- YPF S.A. (Oil & Gas)

Intro-duction

A private sector view of America's economic and security partnership with Argentina following a strategic visit to Buenos Aires

As strategic competition deepens across Latin America, the United States faces mounting pressure to reinforce its influence within the Western Hemisphere. The Argentine Republic, under President Javier Milei's reformist leadership, presents a timely and consequential opportunity to do so. His administration's declared intent to reorient Argentina's foreign policy toward democratic partners and free-market alignment has created a rare opening for renewed U.S. engagement—one measured not only by shared values, but by tangible progress in economic resilience, defense cooperation, and technological innovation.

From September 8-13, 2025, a Business Executives for National Security (BENS) delegation visited Buenos Aires to assess opportunities for deepening bilateral collaboration amid Argentina's realignment. The delegation met with senior government officials, defense leaders, U.S. embassy personnel, and representatives from the business and academic communities. Conversations focused on strengthening critical infrastructure, diversifying energy and mineral supply chains, advancing secure digital and telecommunications networks, and expanding joint work in defense and maritime security.

Argentina's strategic geography, resource endowment, and skilled workforce position it as a pivotal state for hemispheric stability and energy transition. Yet, entrenched economic vulnerabilities and the pervasive influence of the People's Republic of China – through infrastructure, finance, and telecommunications – continue to constrain reform and complicate Western engagement. Countering these dynamics requires targeted U.S. initiatives that pair credible financial tools with visible results on the ground.

This report captures the delegation's findings and perspectives from across these engagements. It highlights where enabling conditions exist for immediate cooperation, identifies the mechanisms needed to de-risk investment and accelerate implementation, and outlines a path to sustain progress over time. The following sections assess Argentina's strengths, weaknesses, opportunities, and threats; present actionable recommendations; and underscore how expanded U.S.-Argentina partnership can reinforce democratic resilience, secure supply chains, and strengthen the long-term stability of the Americas.

Strengths, Weaknesses, Opportunities and Threats

Strengths	Weaknesses
• Regional Stability Interests • Geography and Maritime Access • Natural Resource Endowment • Skilled Workforce • Nuclear Expertise	• Fragile Institutions and Political Volatility • Legacy of Default and High Inflation • Chinese Economic Leverage • Provincial Fragmentation • Competitive Overlap in Agriculture and Energy
Opportunities	**Threats**
• Reformist Mandate • Critical Mineral Supply Chain Diversification • Liquified Natural Gas • Bilateral Trade • Maritime Domain Awareness	• Chinese Infrastructure Entrenchment • Critical Mineral Supply Chain Risk • Narco-Trafficking Corridor Expansion • Terrorist Financing in the Tri-Border Area • Socialist Political and Reform Clawback

STRENGTHS

Regional Stability Interests: The United States and Argentina share an interest in promoting regional stability and democratic governance, creating a foundation for cooperation in supporting democracy, economic development, and institutional resilience across Latin America.

Geography and Maritime Access: Argentina's position at South America's southern tip provides direct access to South Atlantic maritime routes, the Strait of Magellan, and

emerging Antarctic transit corridors. Control over Tierra del Fuego and proximity to the Antarctic Peninsula position it as a critical logistics hub for scientific, commercial, and security operations. Combined with deepwater ports like Buenos Aires and Bahía Blanca, these advantages enable the U.S. to anchor Argentina as a maritime linchpin in the Southern Hemisphere.

Natural Resource Endowment: Argentina holds 22M tonnes of lithium resources (20% of global reserves), making it the world's second-largest reserve base and central to the *Lithium Triangle*.[i] Substantial untapped copper and shale gas endowments complement this. These resources provide a critical opportunity to secure diversified access to minerals and energy resources otherwise dominated by China.

Skilled Workforce: Argentina has one of Latin America's most technically adept workforces, supported by nearly 98% literacy and robust STEM talent from institutions like the University of Buenos Aires and the National University of Córdoba. The knowledge-services sector reached $9.4B in exports (TTM to March 2025), a 17.8% year-over-year gain.[ii] This creates a time-zone aligned, English-capable near-shore partner pool for U.S. firms. Expanded educational and professional exchanges could cultivate Argentine leaders whose training embeds pro-market reform and deepens U.S. alignment.

Nuclear Expertise: Argentina is one of the few regional countries with deep expertise across the full nuclear fuel supply chain – from uranium mining and fuel fabrication to reactor design and operation. Capabilities developed through institutions like the National Atomic Energy Commission (CNEA) position Argentina as a valuable U.S. collaborator to advance nuclear energy development and peaceful nuclear technology.

WEAKNESSES

Fragile Institutions and Political Volatility: Argentina scored 37/100 on the 2024 Transparency International Corruption Perceptions Index – below the regional average but above Peru (31), Brazil (34), and Mexico (26). Judicial politicization and low confidence in law enforcement drive-up lender risk models.[iii] This environment favors China, which deploys asset-backed financing at the required speed, with minimal concern for governance and institutional structures.

American and Western investors require high hurdle rates unless projects are de-risked with tools such as political risk insurance (PRI), standardized provincial frameworks, and transparent tenders. While PRI remains important, faster contractual risk mitigation may prove more competitive against Beijing's model.

Political and policy swings heighten investor uncertainty. Argentina has defaulted five times in fifty years (1982, 1989, 2001, 2014, and 2020). Investors watch for indicators of a pre-reform relapse, including local electoral losses in Buenos Aires Province in September, after which Argentinian President Javier Milei introduced a more conciliatory 2026 budget with increased social spending.[iv]

Chinese Economic Leverage: Argentina depends heavily on a People's Bank of China currency swap (~CNY 130B ≈ $18B, with $5B activated and renewed April 2025),[v] that props-up reserves, but deepens China's leverage. U.S. and International Monetary Fund (IMF) officials have flagged the swap's strategic implications.[vi] The swap functions as emergency financing – used even for IMF payments – rather than growth investment. The loan terms are expensive. Previous disbursements reportedly carried interest rates around the Shanghai Interbank Offered Rate (SHIBOR) plus 4 percentage points, for repayment periods of 3 to 12 months – higher than typical loans from multilateral lenders.[vii] The exact details of the agreement – such as China's rights to take control if payments are missed or whether a default on one loan triggers others – are not publicly known. This arrangement ties Argentina's financial stability closely to Beijing, makes U.S. engagement more difficult, and effectively prevents access to better financing options unless China's position is first paid off.

Provincial Fragmentation: Argentina's highly decentralized governance structure means provinces – including Jujuy, Salta, and Catamarca – govern their own lithium resources, leading to significant regulatory divergence and heightened political risk, complicating U.S. efforts to secure consistent, large-scale engagement in critical minerals.[viii]

Competitive Overlap in Agriculture and Energy: While Argentina presents major opportunities, it competes directly with the U.S. in global agricultural and energy markets. Argentina ranks among the world's top exporters of soybeans, corn, and beef – often competing with U.S. producers. Similarly, Vaca Muerta development and liquified natural gas (LNG) export expansion could position Argentina as a rival supplier in Atlantic basin energy markets. This competitive dynamic may complicate trade relations and temper U.S. enthusiasm for deeper sectoral cooperation, even as strategic alignment remains desirable.

OPPORTUNITIES

Reformist Mandate: Amid hyperinflation and depleted reserves, the Milei government has pivoted toward the U.S. and allies, tightened spending, and pursued currency/monetary reform, including negotiating a $20B IMF Extended Fund Facility to rebuild reserves and unwind controls.

Buenos Aires has pursued closer NATO ties (Global Partner pathway) and strengthened forces with F-16 fighters and Stryker armored personnel carriers.[ix] Argentina's rejection of membership into BRICS in early 2024 underscores strategic realignment toward the U.S. and Western partners.

The reformist momentum provides a critical opportunity to anchor Argentina as a strategic partner, reinforcing U.S. leadership in the Southern Cone and counterbalancing China's entrenched presence.

The Large Investment Incentive Regime, or RIGI as its known, is Argentina's flagship investment program that packages tax and customs relief, foreign-exchange/convertibility assurances, and regulatory stability to attract big, capital-intensive projects. In practice, however, its $200M minimum skews the benefits toward mega-sponsors and away from the mid-market and venture ecosystems that create innovation, local supply chains, and jobs. With careful tuning, RIGI could become the country's growth flywheel: a tiered framework that gradually lowers the entry threshold, publishes a clear glidepath (so markets aren't spooked), and offers proportionate "reciprocity" for firms that have already invested below the current floor. Standardized provincial templates would reduce deal friction and close the loopholes foreign state-backed actors exploit, while predictable foreign exchange would de-risk reinvestment and local financing. Coupled with transparent criteria (e.g., domestic value-add, workforce development, environmental and community safeguards) and blended-finance lanes with trusted partners, a broadened RIGI could still land the billion-dollar projects—but also unlock hundreds of smaller, faster, tech-led investments in critical minerals, secure digital infrastructure, and other industries.

Critical Mineral Supply Chain Diversification: Argentina holds 20% of global lithium reserves and ranks fourth in production, with output projected to triple by 2027. Yet, projects have stalled amid falling demand and prices – highlighting the need for reliable off-takers and midstream processing. As part of the Lithium Triangle, U.S. efforts to secure critical mineral supply chains should translate into direct investment and partnerships in Argentina's lithium sector. Expanding upstream access and developing midstream capacity enables competition with Chinese dominance and ensures aligned lithium flows for battery storage and clean energy. Argentina's role in the Minerals Security Partnership highlights its potential as a preferred partner for diversification away from China.[x]

Copper also presents a significant opportunity. Chinese refinement operations are expected to expand 7.5-12% in 2025, strengthening dominance when demand outpaces supply.[xi] Companies like Glencore view Argentina as a diversification path, evidenced by their RIGI application for El Pachon and Augua Rica copper projects this past August.[xii]

LNG Potential: Argentina's Vaca Muerta holds one of the world's largest unconventional gas resources and hosts the country's largest U.S. investment, which is led by Chevron. Following initial hurdles, the project will transform Argentina into a gas and LNG exporter by decade's end, requiring appropriate midstream and export infrastructure. Once completed, Buenos Aires will serve as a regional hub for Southern Cone demand and allied markets, displacing adversarial hydrocarbons.[xiii] Enabling Argentina's energy build-out strengthens regional energy security, advances diversification away from hostile suppliers, and positions Argentina as a U.S.-aligned linchpin in hemispheric energy strategy.

Bilateral Trade: U.S.-Argentina goods and services trade totaled an estimated $26.1B in 2024. Despite China's role as a major supplier to Argentina, this strong bilateral footprint reveals growing space for U.S. exports in sectors such as industrial machinery, digital services, and advanced manufacturing. Accelerated engagement in these high-value sectors strengthens U.S. economic influence.[xiv]

Maritime Domain Awareness: China's distant-water fleet has expanded illegal, unreported, and unregulated (IUU) fishing in the South Atlantic, threatening Argentina's sovereignty and marine resources. Joint U.S.-Argentina initiatives to expand maritime domain awareness would help Argentina better police its exclusive economic zone. Leveraging the U.S. commercial space industry for cutting-edge intelligence, surveillance, and reconnaissance and monitoring capabilities would deliver cost-effective tools, strengthen bilateral defense cooperation, and limit Beijing's gray-zone influence.

THREATS

Chinese Infrastructure Entrenchment: China has entrenched itself as a strategic infrastructure partner, leveraging policy bank financing and state-backed firms to dominate digital and physical systems. Seventy percent of continental 4G-LTE connections run on equipment provided by the Chinese firm Huawei.[xv] Moreover, China acts as Argentina's second-largest sovereign creditor, holding over $17B in infrastructure-linked loans.[xvi] Beijing's dual-use footprint includes a Neuquén satellite facility operated by China Satellite Launch, Tracking, and Control General (CLTC), an entity operated by the People's Liberation Army.[xvii] Sustained Chinese activities would complicate U.S. engagement and weaken Western digital influence on the continent.

Critical Mineral Supply Chain Risk: China's $3.2B investment (2020–2023) in Argentina's lithium sector[xviii] and absorption of nearly half of 2023 exports[xix] is a hint at the depth of the challenge. The real chokepoint, however, lies in processing. China controls 70–75% of global lithium chemical conversion and an even greater share of battery manufacturing. Even non-Chinese exports, such as Japan's 31%, are largely

routed through Chinese refiners and cell makers, giving Beijing control over pricing at the mine level. Without domestic conversion capacity – from lithium carbonate to hydroxide and downstream – Argentina's mineral wealth continues flowing through China's midstream, locking in China's leverage and undermining U.S. and allied clean-tech and energy security goals.

Narco-Trafficking Corridor Expansion: Argentina's growing role as a transit hub for Atlantic-bound narcotics undermines regional stability and creates vulnerabilities that adversaries can exploit. This presents both a security and partnership challenge: unchecked flows weaken Argentine institutions, strain bilateral law enforcement cooperation, and increase the costs of positioning Argentina as a reliable strategic ally. Without deeper U.S.-Argentina counter-narcotics collaboration, these dynamics could erode trust and limit broader strategic alignment.[xx]

Terrorist Financing in the Tri-Border Area: Illicit finance networks in the Tri-Border Area (Argentina, Brazil, Paraguay) provide critical funding streams for terrorist groups, including Hezbollah. While Argentina has taken steps – designating Hezbollah a terrorist organization in 2019 and disrupting laundering schemes – the persistence of these networks represents a direct challenge to U.S. counterterrorism objectives. An effective U.S. partnership with Argentina in this domain is essential to limiting adversarial influence, protecting regional financial integrity, and ensuring Argentina's role as a trusted security partner.[xxi]

Socialist Political and Reform Clawback: Argentina has a long history of protest movements, labor strikes, and socialist mobilization driven by economic hardship and political volatility. Periods of austerity and fiscal adjustment often spark street demonstrations that can escalate into broader instability. Recurrent social unrest complicates investment planning, strains governance capacity, and risks empowering populist currents that undermine market reforms and long-term strategic alignment. Sustained U.S. engagement must account for this volatility as both a domestic risk factor and a vulnerability adversaries may exploit.

Argentina offers a strategic window of opportunity for the United States—defined by access, standards, and supply chains, but ultimately measured by whether both nations can translate alignment into tangible results. The analysis above underscores the urgency of acting where enabling conditions already exist, de-risking with the right tools, and demonstrating visible progress that compounds over time. It identifies where U.S. policy, financing, and industry can generate immediate momentum and build lasting advantage – and it informs the recommendations that follow.

Detailed Recommendations

Argentina stands out as a partner with the potential to deliver stronger strategic, economic, and security benefits to the U.S. than many other countries worldwide. Within Latin America, this potential is particularly significant. BENS's primary recommendations to realize this potential center on the economic dimensions of the U.S.-Argentina relationship. Additional recommendations address complementary security and governance aspects. Most recommendations will fall within the interagency process, with responsibility resting on the listed agencies to coordinate and collaborate in their implementation.

Recommendations Concerning the Economic Dimensions of U.S.-Argentina Relations

>> Stand Up an Argentina PRI "Fast Lane" at DFC

Applicable Agencies: DFC, DOS (WHA/EB), DOC (ITA), EXIM, NSC (IEC), UST (OIA)

Direct the DFC to prioritize and rapidly underwrite political-risk insurance for lithium and copper projects – covering inconvertibility, expropriation, and political violence. Publish standard model terms to reduce lender uncertainty and compress diligence cycles across Salta, Jujuy, Catamarca, and San Juan. This would lower the cost of capital and tilt offtake toward allied original equipment manufacturers. DFC provides up to $1B in PRI coverage and also offers reinsurance.

Example: DFC's Amazon Biocorridor Program in 2024 provided $1 billion in private sector investment (PRI) for Ecuador's debt-to-nature conversion, supporting terrestrial and freshwater conservation in the Amazon. This refinanced approximately $1.53B of Ecuador's international bonds, generating over $800M in net fiscal savings by 2035 and approximately $460M for conservation.[xxii]

>> Replace/backstop China's $18B swap with a U.S.-led liquidity backstop

Applicable Agencies: UST, Fed, DOS, NSC, IMF/WB (US EDs), DFC/EXIM

Work with the U.S. Department of Treasury, the IMF, and G7 partners to establish a credible alternative to the China's $18B currency swap, where $5B was activated and renewed in April 2025. Options include a Treasury Exchange Stabilization Fund (ESF) standby credit facility collateralized by extractive (for example, Yacimientos Petrolíferos Fiscales (YPF) oil revenues held in escrow at the Federal Reserve Bank of New York) or expanded access to U.S. commercial banks and clearing systems under Treasury oversight. This would stabilize Argentina's reserves, blunt Chinese leverage, and signals U.S. commitment without exposing the Federal Reserve (Fed) to direct Argentine credit risk.

Example: During the 1995 Mexican Tequila Crisis, the U.S. Treasury provided $20B to Mexico through the ESF, including short-term currency swaps up to 90 days and renewable to 1 year, and medium-term swaps up to 5 years. The U.S. and Mexico entered into an oil proceeds agreement whereby Mexican oil export revenues flowed through an escrow account at the New York Federal Reserve, ensuring repayment in the event of default. More than $6B flowed through this account from March to November 1995. Mexico repaid all loans ahead of schedule, generating a $600M profit for U.S. taxpayers.[xxiii]

>> Explore a structured Fed swap via a credible intermediary

Applicable Agencies: Fed (BOG), UST (OIA/ESF), DOS (WHA/EB), NSC (IEC), IMF (US ED), DFC/EXIM

While the Fed is unlikely to extend a direct swap line to Argentina, given its default history and lack of systemic relevance to global dollar markets, creative arrangements exist to provide indirect Fed support. A swap facility could be structured through a trusted third-party intermediary – such as the IMF, Bank for International Settlements (BIS), or a multilateral development bank – that receives a Fed dollar swap line and then on-lends to Argentina under appropriate conditionality. This insulates the Fed from direct Argentine sovereign credit risk while providing dollar liquidity. Such a mechanism would send a strong strategic signal, reinforce confidence in Argentina's financial stability, and offer a U.S.-aligned alternative to China's extortive emergency financing.

Example: During the 1995 Mexican crisis, the Fed provided swaps to the U.S. Treasury (exchanging dollars for the Treasury's foreign currency), which the Treasury used for its $20B Mexico program. The Fed avoided direct sovereign exposure while supporting dollar liquidity provision. A similar structure for Argentina could involve the Fed providing swaps to the IMF or BIS, which would then extend facilities to Argentina under strict conditionality, keeping the Fed insulated while amplifying U.S. strategic influence.

>> Expand energy, tech, and cybersecurity partnerships

Applicable Agencies: DOD (USSOUTHCOM), DOE (NE/CESER/NNSA), DOS (WHA/ISN/CDP), DHS (CISA), DOC (ITA/BIS), NRC, NSC (IEC/Cyber)

Support Argentina's interest in siting nuclear reactors and deepen cooperation on cybersecurity, including grid and infrastructure defense. U.S. Southern Command (USSOUTHCOM), in coordination with the U.S. Department of Energy (DOE) and other agencies, could lead a resilience compact that includes grid cyber defense, pipeline protection, and emergency natural gas swap agreements. At the same time, leverage Argentina's emerging digital sector to expand partnerships in cyber, cloud, and telecom, ensuring alternatives to Chinese-linked providers.

>> Advance energy security in the Western Hemisphere

Applicable Agencies: DOE (CESER), DOS (WHA, ENR), DOC (ITA), Treasury (TFI, OIA), DFC/EXIM, NSC (Energy)

Engage with Argentina to lift bottlenecks in Vaca Muerta by mobilizing U.S. firms, financing, and technical expertise to unlock production capacity. Support the development of LNG terminals and guide offtake toward Atlantic markets – Europe and Brazil – to undercut Russian and Chinese leverage in the Southern Cone. Strengthening Argentina's role as a regional energy supplier would bolster Western Hemisphere resilience and create durable commercial opportunities for U.S. companies.

Priority efforts should target midstream infrastructure constraints – gas processing capacity, pipeline takeaway systems, and water management – through coordinated DFC project finance and Export-Import Bank (EXIM) support for U.S. oilfield services and equipment. Fast-track modular or floating LNG terminals at existing ports like Bahía Blanca to accelerate time-to-export, and establish a formal U.S.-Argentina Energy Partnership to align regulatory frameworks, provide technical assistance from DOE and U.S. Geological Survey, and ensure dispute resolution mechanisms that attract private capital.

>> Build the complete system: bring refining/processing to Argentina

Applicable Agencies: EXIM, DFC, DOS (WHA/EB/ISN), DOC (ITA), DOE (FECM/Materials), NSC (IEC)

Offer Export Credit Agency-backed packages for lithium conversion and copper concentrator upgrades, coupled with environmental baselines and community-benefit agreements – so value-add stays in-country while steering offtake to allied equipment

manufacturers. Rio Tinto's scale-up shows majors are ready to invest if infra and offtake are de-risked.

The U.S. could also provide technical expertise in hydrometallurgy and direct lithium extraction technologies to leapfrog China's brine evaporation dominance, reducing water consumption and accelerating production timelines in Argentina's Lithium Triangle; coordinate cathode precursor manufacturing facilities that feed directly into U.S., European, Japanese, and Korean battery supply chains; and leverage DOE's Critical Materials Institute and National Labs to provide process optimization and quality certification frameworks that meet U.S. Defense Production Act Title III and European Union Critical Raw Materials Act standards, making Argentine product drop-in ready for allied manufacturing.

Recommendations on Complementary Security and Governance Aspects

>> Compete responsibly where the PRC has footholds

Applicable Agencies: DOD (DIA, USSOUTHCOM, USSPACECOM), DOS (ISN, WHA), DOC (NTIA, ITA), NASA, FCC, NSC

The U.S. should focus on competing responsibly in areas where the People's Republic of China (PRC) has already established strategic footholds, such as space and communications. The PRC has the Neuquén space tracking facility operating in Argentina. To offset this, for example, the U.S. can sponsor its own space collaboration through NASA and other agencies. Related to Neuquén, the U.S. can offer assistance to Argentina for technical verification visits and the use of the facility by Argentine academics under the terms of use. The U.S. can also assist with spectrum-use workshops and open-data memos of understanding. Washington can provide credible alternatives that enhance transparency and trust. These initiatives demonstrate the U.S. commitment to openness and sovereignty, provide Argentina with practical tools to manage sensitive sites, and reduce dependence on Beijing – without forcing Buenos Aires into a public confrontation.

>> Support and operationalize maritime and Antarctic Access

Applicable Agencies: DOD (USSOUTHCOM, DIA, USSPACECOM), DHS (USCG), DOS (OES, WHA, ISN), DOC

Enhance maritime domain awareness and logistics capacity by supporting a dual-use Antarctic logistics hub in Ushuaia, Tierra del Fuego. Such a hub – equipped for shared fuel, medevac, search and rescue, and ship berthing – could be branded as a

rules-based, open-access gateway, undercutting PRC gray-zone activities and reinforcing Western presence in the South Atlantic. Structure the hub to support Antarctic Treaty scientific missions, while enabling U.S. and allied Coast Guard operations, U.S. National Science Foundation research vessels, and NATO maritime patrols countering illegal fishing.

Develop complementary intelligence, surveillance, and reconnaissance (ISR) and data fusion capabilities that would further extend U.S.-Argentina cooperation in safeguarding maritime and Antarctic domains. ISR can combine over-the-horizon radar, satellite data-sharing, and vessel tracking systems feeding a joint Argentina-U.S. Maritime Operations Center with persistent Drake Passage and South Atlantic coverage.

>> Scale security cooperation that delivers at the street level

Applicable Agencies: DOD (USSOUTHCOM), DHS (USCG), DOJ (DEA), DOS (INL), NSC)

Build on the Argentine military's strong public standing – rooted in its visible support during emergencies – by expanding U.S.-Argentina cooperation in missions with tangible domestic impact. USSOUTHCOM's existing humanitarian assistance and disaster relief exercises can be scaled and complemented with new initiatives in search and rescue, counter-narcotics maritime interdiction, and river policing. Leveraging U.S. toolkits through the U.S. Coast Guard, Drug Enforcement Administration, and related agencies would both strengthen Argentina's security capacity and visibly demonstrate the value of U.S. partnership to the Argentine public.

>> Counter great-power spillover

Applicable Agencies: DOS (ISN, WHA), DOC (ITA, NTIA), DOW (DISA, CIO), DHS (CISA)

lock-in and opaque deals. This includes supporting Open Radio Access Network (Open RAN) and other trusted vendor options for fifth generation (5G) networks, aligning with initiatives such as the Partnership for Global Infrastructure and Investment (PGII) and the Digital Connectivity and Cybersecurity Partnership (DCCP) to promote interoperable, rules-based systems that attract Western investment. The United States can also provide cyber incident response playbooks, support joint exercises, and offer technical assistance to establish competitive tender processes, standardized contracts, beneficial ownership disclosures, and independent oversight – building transparency and trust valued by investors and credit rating agencies alike.

GLOSSARY OF GOVERNMENT DEPARTMENTS, AGENCIES, AND INSTITUTIONS

Department of Commerce (DOC)
- BIS - Bureau of Industry and Security
- ITA - International Trade Administration
- NTIA - National Telecommunications and Information Administration

Department of Defense (DOD)
- DIA - Defense Intelligence Agency
- DISA, CIO - Defense Information Systems Agency, Chief Information Officer
- USSPACECOM - United States Space Command
- USSOUTHCOM - United States Southern Command

Department of Energy (DOE)
- CESER - Office of Cybersecurity, Energy Security, and Emergency Response
- FECM - Office of Fossil Energy and Carbon Management
- Materials - Office of Critical Materials
- NE - Office of Nuclear Energy
- NNSA - National Nuclear Security Administration

Department of the Interior (DOI)
- USGS - United States Geological Survey

Department of Homeland Security (DHS)
- CISA - Cybersecurity and Infrastructure Security Agency
- USCG - United States Coast Guard

Department of Justice (DOJ)
- DEA - Drug Enforcement Administration

Department of State (DOS)
- CDP - Office of the Coordinator for Science Issues
- ENR - Bureau of Energy Resources
- INL - Bureau of International Narcotics and Law Enforcement Affairs
- ISN - Bureau of International Security and Nonproliferation
- OES - Bureau of Oceans and International Environmental and Scientific Affairs
- WHA - Bureau of Western Hemisphere Affairs

Department of Treasury (UST)
- ESF - Exchange Stabilization Fund
- OIA - Office of International Affairs
- TFI - Office of Terrorism and Financial Intelligence

Export and Development Finance Agencies
- DFC - United States International Development Finance Corporation
- EXIM - Export-Import Bank of the United States

Independent and Executive Offices
- FCC - Federal Communications Commission
- FED - Federal Reserve System
- FED (BOG) - Federal Reserve System, Board of Governors
- NASA - National Aeronautics and Space Administration
- NRC - United States Nuclear Regulatory Commission
- NSC (Cyber) - National Security Council, Cyber Directorate
- NSC (ENERGY) - National Security Council, Energy Directorate
- NSC (IEC) - National Security Council, International Economics Council
- NSF - National Science Foundation

International Financial Institutions
- BIS - Bank for International Settlements
- IMF/WB (US Eds)- International Monetary Fund/ World Bank, U.S. Executive Directors

Partnership Frameworks
- DCCP - Digital Connectivity and Cybersecurity Partnership
- PGII - Partnership for Global Infrastructure and Investment

END NOTES

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