Argentina’s Mining Boom Needs More Than a Messi

written by Tracy Hughes | September 21, 2026

Argentina has the geology, interested capital and an investment regime designed to move major projects forward. What remains unsettled is who will capture the value once billions of dollars begin flowing into construction. A new Hallgarten & Company report, *Argentina: Mining – Bend It Like Messi*, makes that question central to the country’s latest mining cycle. Written by guest analyst Rafael Dahl, with an appendix on RIGI and Super RIGI by Christopher Ecclestone, its football metaphor is useful: a world-class asset may be the star, but the project still needs proven management, credible financing, strategic partners and a domestic team capable of delivering.

The opportunity is substantial. Argentina’s mining minister, Luis Lucero, said in May that annual lithium and copper exports could reach a combined US$32.7 billion within ten years, compared with total mining exports of approximately US$6 billion in 2025. The forecast rests on a growing lithium industry and a copper pipeline that includes Vicuña, Los Azules, El Pachón and Taca Taca. Argentina has produced no copper since the Alumbrera mine closed in 2018, so the next generation of projects would represent the reconstruction of an industry, not merely its expansion.

At the center is the Large Investment Incentive Regime, or RIGI, created under Law 27.742 in 2024. For most eligible sectors, projects require a minimum investment of US$200 million. The regime reduces corporate income tax from 35% to 25%, provides customs and foreign exchange benefits, and offers 30 years of regulatory stability in tax, customs and currency matters. These are serious concessions, intended to overcome the policy volatility and capital controls that have repeatedly weakened Argentina's standing against Canada, Australia, Chile, Brazil and other mining jurisdictions.

Hallgarten's report focuses on the bargain implicit in those concessions. RIGI does contain a local procurement commitment: project vehicles must undertake to source at least 20% of spending on goods and works from Argentine suppliers. The condition applies only when local offers are available and competitive on price and quality. The implementing regulation compares a local ex-factory price with the CIF value of an equivalent import, adjusted for applicable tariffs and trade measures. That qualification is economically understandable, but it exposes the central problem.

An Argentine supplier's quoted price may carry cumulative national, provincial and municipal taxes, bank levies, withholding mechanisms, expensive credit and working-capital delays. A foreign supplier may face a much cleaner cost structure. Hallgarten includes an illustrative comparison in which an Argentine small or medium-sized enterprise retains 58% of the value base while the state absorbs 42%. The report expressly cautions that these are modeled outcomes, not universal statutory tax rates. The point is nevertheless important: a company can be technically capable and locally established yet still fail a procurement test because public policy has loaded costs into its price.

The report points to procurement controversies involving Vicuña in San Juan and Rio Tinto Limited's (LSE: RIO | ASX: RIO | NYSE: RIO) Rincón lithium project in Salta, citing Argentine media reports that Chinese suppliers were selected for camp facilities and structural inputs that local manufacturers believed they could provide. Those claims deserve transparent treatment by the companies involved. Hallgarten also acknowledges why mine developers rely on international engineering and construction groups. Tier 1 contractors bring balance sheets, bank guarantees, management systems and experience with complex schedules. The sensible question is where global risk capacity is essential and where imported procurement displaces competitive domestic capability.

This is not Argentina’s first attempt to solve that equation. The Mining Investment Law of 1993 stimulated exploration and introduced a 30-year fiscal stability framework. The construction and production cycle that followed developed Argentine engineers, geologists, contractors and manufacturers, but currency restrictions, import controls and unstable fiscal policy later interrupted continuity. Hallgarten describes RIGI as a third test of credibility. Success will require more than attracting mine owners. It will require helping qualified local suppliers progress from specialist Tier 3 roles into strategic Tier 2 positions without forcing projects to accept uncompetitive pricing.

The political stakes are increasing. The proposed Super RIGI would create a separate regime for new industries, including copper refining, lithium batteries, uranium processing, semiconductors and data centers. The bill proposes a US$1 billion minimum investment, a 15% corporate income tax rate and 30-year stability. Argentina’s Chamber of Deputies approved it in June, but Senate committees were still considering amendments in September, including the local supplier provision. Hallgarten argues that disputes surrounding procurement under the original RIGI are making that scrutiny more demanding.

For investors, the message extends beyond domestic politics. Geological scale, grade and metallurgy remain fundamental, but procurement strategy has become part of project risk. A mine that meets its capital budget while generating little local participation may remain financially sound and still become politically fragile. Conversely, local content rules that ignore price, quality and execution can make projects unfinanceable. Argentina needs a framework that measures both outcomes: internationally competitive mines and a supplier base capable of retaining more value inside the country.

Hallgarten closes with a sentence worth carrying into the next investment cycle: “Argentina does not need to discover its talent, it needs to let it compete.” The country has the resources and much of the technical capability. The full report deserves close reading because it asks the question that will determine whether this mining boom endures: can Argentina convert exceptional deposits into mines, exports, skills and an industrial supply chain at the same time?

To access the latest Hallgarten + Company report, click here

Source links

Hallgarten & Company
Argentina’s official RIGI investor guide
Argentina’s RIGI implementing regulation
Reuters on Argentina’s lithium and copper export outlook
Argentine Senate update on Super RIGI