



# La Política Nuclear Argentina en la Era Milei

7 MAR 2025 · MEMBER LIBRARY

# Partial privatization, geopolitical competition and strategic redefinition of a critical sector

## Executive summary

Argentina continues to be a positive anomaly within the developing world in nuclear matters. Few countries outside the traditional core of industrial powers can claim to have a relatively integrated nuclear industry, autonomous capacities for reactor design and construction, national production of nuclear fuel, technological export and a consolidated scientific and industrial base in the sector. However, this historic strength is now entering a phase of structural redefinition marked by three simultaneous dynamics: the partial opening to private capital promoted by the government of Javier Milei, the growing geopolitical competition between Western and Chinese actors for positioning in the sector, and the need to financially sustain a sophisticated industry but subject to increasing budgetary and investment tensions.

The partial privatization of 49% of Nucleoelectrica Argentina S.A. (NASA) constitutes the most important movement in decades within the sector. It is not simply an operation of economic liberalization or of capital capture. It supposes, potentially, a reconfiguration of the balance of power within one of the most strategic areas of the Argentine industrial apparatus. The process has aroused interest from American, Chinese and European companies, reflecting that the future of the Argentine nuclear sector is perceived not only as an economic issue, but as a geopolitical asset of the first order.

The fundamental strategic question is whether Argentina will be able to modernize, capitalize and expand its nuclear sector without diluting the technological autonomy that has historically constituted one of its main comparative advantages. Risk is not the disappearance of the sector, but its progressive transformation from an ecosystem of relatively high technological sovereignty to a model increasingly dependent on capital, technology and external strategic conditioning.

## An exceptional nuclear ecosystem in the regional context

Argentina has the most sophisticated nuclear sector in Latin America and one of the most developed in the southern hemisphere. Unlike most emerging countries that simply operate imported technology, the country retains an unusual capacity to intervene in multiple segments of the nuclear value chain, from technological design to fuel production and the export of research reactors.

The institutional core of the system remains the National Atomic Energy Commission (CNEA), created in 1950 as the guiding axis of the Argentine nuclear programme and responsible for the country's strategy of technological autonomy in this field. A mixed industrial network has been developed around it, where the State maintains a decisive role but coexists with private and semi-private actors of high technical sophistication.

The centerpiece of the Argentine nuclear operation is Nucleoelectrica Argentina S.A. (NASA), a society in charge of operating the country's nuclear power plants and whose shareholding structure remains largely in public hands. Its control by the State reflects the eminently strategic character that has historically been attributed to the sector.

Together with NASA, several companies are operating fundamental to the autonomy of the industrial chain. UNUAR manufactures nuclear fuel; Dioxytek plays an essential role in the conversion of uranium dioxide for the production of nuclear fuel; ENSI manages the Neuquén heavy water plant, critical for the support of CANDU technology reactors; and INVAP is probably the largest technological asset in the sector, being responsible for the export of research reactors and advanced nuclear technology to multiple international markets.

This architecture makes Argentina one of the few middle-income countries with a nuclear industry of real strategic value, not merely operational.

## Partial privatization of NASA: economic openness and strategic repositioning

The decision to privatize partially NASA represents the most important change in the Argentine nuclear sector for decades. Formally, the operation falls within the general economic liberalization agenda of the government of Javier Milei. Substantively, however, its scope is much greater: it affects the control of a critical infrastructure, of a dual industry of high technological value and of a sector historically considered part of the core of Argentine strategic sovereignty.

The operation provides for the opening to private capital of up to 49% of NASA, keeping the state as the majority shareholder. To structure the process, the government has hired PricewaterhouseCoopers, in charge of designing the business model and architecture of the future bidding. The political intention is to speed up the schedule and close the process before October, reflecting a clear willingness to quickly print the reform.

Several international actors have shown interest in participating. US companies observe the operation as an opportunity to increase their presence in a sector of high strategic value and strengthen the alignment of Buenos Aires with the Western bloc. Chinese actors also maintain interest in the process despite the bilateral political deterioration. It also contemplates the possible entry of European operators, as well as the formation of mixed consortia between Argentine entrepreneurs and foreign partners.

The geopolitical relevance of the operation is evident: NASA's future minority partner will not simply be a financial investor, but an actor capable of structural influence over a significant part of the Argentine nuclear ecosystem.

## China and the continuity of a latent strategic option

Although the current Argentine government has clearly directed its foreign policy towards greater alignment with the West, nuclear cooperation with China has not disappeared as a strategic possibility. Projects for new Chinese-participated reactors have not progressed towards the signing of contracts and are currently not among the immediate priorities of the Executive, but have also not been formally cancelled.

China continues to be one of the few international actors able to offer Argentina comprehensive funding, construction, engineering and state support packages for large nuclear projects. Its structural appeal remains intact, although the current political context significantly reduces the likelihood of short-term progress.

The continuity or reactivation of this path will depend less on technical or economic factors than on the future evolution of the geopolitical context and the degree of strategic alignment that Buenos Aires maintains with Washington.

## Nuclear energy as a strategic rather than energy instrument

Nuclear energy accounts for approximately 7% of Argentine energy consumption and about 4% of the national installed capacity. Although these figures make it a relevant component of the electricity matrix, it is not the central pillar of Argentine energy security.

The expansion of Vaca Muerta and the improvement of gas infrastructure have significantly strengthened the country's energy self-sufficiency, reducing the urgency of expanding nuclear capacity for strictly energy reasons.

Consequently, the strategic importance of the Argentine nuclear sector lies less in its direct contribution to electricity supply than in its function as an instrument of technological autonomy, industrial sophistication, international prestige and export projection.

Argentina's nuclear policy must therefore be interpreted as a strategic industrial policy rather than a mere energy policy.

## Uranium as structural vulnerability

One of the main weaknesses of the Argentine nuclear ecosystem is the absence of domestic uranium production since 1997. This external dependence constitutes a strategic vulnerability for a country that aspires to maintain a relatively autonomous nuclear chain.

Aware of this, the authorities have reactivated contacts with international investors to promote the reopening of the uranium mining sector. Discussions have been held with approximately twelve companies interested in developing projects in the country, with particular attention to deposits in Mendoza and Chubut. However, both territories present significant regulatory and environmental obstacles.

The reactivation of uranium production would be an important step towards greater strategic self-sufficiency, although its implementation will depend on the political capacity to overcome provincial regulatory resistance.

## INVAP and the international projection of Argentine technological power

The main international asset of the Argentine nuclear sector remains INVAP, an authentic technological flagship of the national ecosystem. Its ability to design, build and export research reactors has given Argentina a unique position in the international market for advanced nuclear technology.

The company has developed projects in the Netherlands, Egypt, India, Australia and Algeria, consolidating an international reputation disproportionate to the overall economic weight of Argentina.

In addition, the country is currently developing a new 30 MW reactor for the production of medical radioisotopes, strengthening its positioning in one of the segments with the highest added value and technological sophistication of the global nuclear industry.

The export capacity of INVAP is one of the main arguments in favour of preserving the technological autonomy of the sector.

## Brazil as the main regional competitor

In the Spanish-American context, Argentina's main strategic competitor in nuclear matters is Brazil. It is the only country in the region with an industrial scale, strategic ambitions and comparable technological capabilities in the sector.

Rivalry is not confrontational, but structural. Both countries compete for regional leadership, investment attraction, technological prestige and positioning in the development of advanced nuclear technologies.

Brazil is therefore the only truly relevant regional benchmark for measuring Argentina's relative position in this field.

## Small modular reactors and the future of the sector

The Argentine government has identified small modular reactors (SMRs) as one of the main vectors of future growth for the national nuclear sector. The bet responds to a double logic: keeping Argentina on the technological frontier of the nuclear industry and developing a potentially exportable product in one of the most promising segments of the global market.

However, the successful development of this strategy will require sustained investment, institutional continuity and much more sophisticated public-private coordination than Argentina has historically demonstrated in other strategic sectors.

## Final rating

Argentina retains one of the most advanced nuclear sectors in the developing world and the most sophisticated in Latin America. Its nuclear industry is a rare combination of industrial value, technological autonomy and international prestige.

However, the country is entering a crucial phase of strategic redefinition.

Partial privatization of NASA can provide additional capital, efficiency and dynamism, but also introduces the risk of diluting strategic control over one of the few sectors where Argentina maintains top-notch technological capabilities.

The relationship with China remains a latent option, although politically frozen in the short term. Its eventual reactivation will depend less on technical factors than on the evolution of the geopolitical environment and the future orientation of Argentine foreign policy.

The fundamental question is not whether Argentina will continue to have nuclear power. The real question is whether it will remain a relatively sovereign nuclear power or evolve into a model increasingly dependent on capital, technology and external strategic orientation.