Uruguay *in focus*

A quarterly bulletin issued by the Debt Management Unit of the Ministry of Economy and Finance **October 2019**

Results of the Presidential and legislative elections on October 27th: ruling Broad Front party and opposition National Party advance to the run-off in end-November; no majority in Congress from either party.

General elections were held on October 27th, and candidates Mr. Daniel Martínez (ruling Broad Front) and Mr. Luis Lacalle Pou (National Party) will face in a run-off scheduled for November 24th. According to latest official numbers, the incumbent party got 39.2% of total votes, National Party 28.6%, followed by Colorado Party and Cabildo Abierto Party with 12.3% and 10.8% of the ballot, respectively.

With these results, no party will hold a majority in either the House of Senators nor the House of Representatives. Over the last 15 years, the governing Broad Front held the majority in both chambers of Congress.

Macroeconomic Highlights

- **The economy showed a slight increase of 0.1% YoY in the second quarter of 2019, while growing 0.3% in SA terms over the previous quarter.**

- **The 12-month Non-Financial public sector deficit was 2.1% of GDP as of August, including the transfers to the public Social Security Trust Fund.**

- **Uruguay continues steadfast "de-carbonization" of its economy, and ranks first in LATAM in electricity generation based on wind and photovoltaic sources.**

For the updated Institutional Presentation, please click here.

1) REAL SECTOR

The Uruguayan GDP increased 0.1% in 2019Q2 YoY; in seasonally adjusted terms, it grew 0.3% with respect to the first quarter.

In the second quarter of 2019, the economy expanded a slight 0.1% in comparison to the same period last year, while it grew 0.3% in seasonally adjusted terms with respect to the first quarter.

Demand Components

From the expenditure side, the domestic demand decreased in 2019Q2 YoY due to a reduction in capital formation, while final consumption remained unchanged. In contrast, net external demand showed a better result.

Final consumption was steady in comparison to the second quarter of last year, with a mild drop in household consumption (-0.1%) and an expansion of the government´s of 0.4%.

Gross capital formation declined 5.8% YoY, owing both to a downdraft in gross fixed capital formation and less inventory accumulation. Regarding the former, and from an institutional point of view, its reduction was due to a 15.9% decline in public gross fixed investment while the private sector´s contracted 1%.

Exports expanded 3.5% in 2019Q2 with respect to the same period last year, fully explained by an increase of goods exports whereas exports of services fell due to less inbound tourism. The surge in the former was owed to higher exports of soybeans, beef and electricity (that more than offset lower exports of cattle, leather and rice).

Finally, imports decreased 0.3% YoY in the second quarter, chiefly as a result of lower goods imports, and within these, machinery and equipment.

On the other hand, imports of services grew mainly because of an increase in outbound turism, yet they could not offset the afformentioned decline in imports of goods.

Production Sectors

Regarding the performance of the activity sectors in the second quarter —in YoY terms—, it stands out the increase in transport, storage and communications and to a lesser extent, in primary activities and electricty, gas and water supply. In contrast, commerce, restaurants and hotels, manufacturing industries and construction showed a negative growth.

The Transport, Storage and Communications sector increased its value added by 5.5%, as a consequence of the expansion of all these three activities.

The supply of electricity, gas and water registered an expansion of 3.5% (YoY), on the back of higher generation and distribution of electrical energy from renewable sources, mostly hydroelectric.

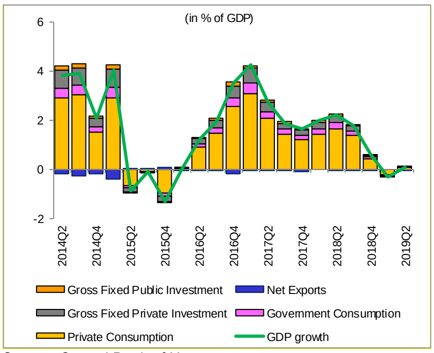
The primary activities output grew 0.9% in 2019Q2 YoY, due to an improved soybean and corn harvesting —which enjoyed much better climate conditions than an year ago—, as well as an increase in wood supply and beef production.

The added value in the sector of commerce, restaurants and hotels decreased 2.6% in real terms compared to the second quarter of 2018, as a result of a lower dynamism in all three type of activities.

Regarding the manufacturing sector, it showed a negative performance of 1.9% in YoY real terms, explained by lower activity in the oil refinery not fully offset by an upward activity in the export branches. Among these, it highlights the manufacture of cellulose pulp and the slughter plants production.

Construction activity fell 4.7% in 2019Q2 with respect to the same period of the previous year, driven by a slowdown in building construction in Montevideo city.

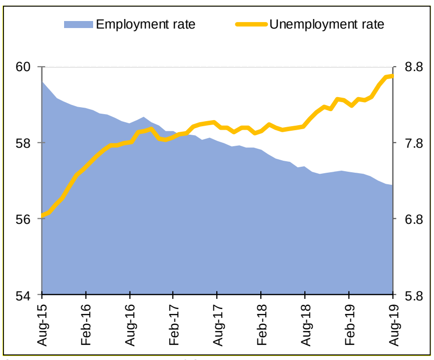
Contribution to GDP Growth by Expenditure
(On a quarterly basis)



Source: Central Bank of Uruguay

The nationwide unemployment rate stood at 9.1% in August, only 0.1pp higher than a year ago. In the last twelve months, on average, the rate was 8.7%.

Unemployment and Employment Rate
(Average of last 12 months, in %)



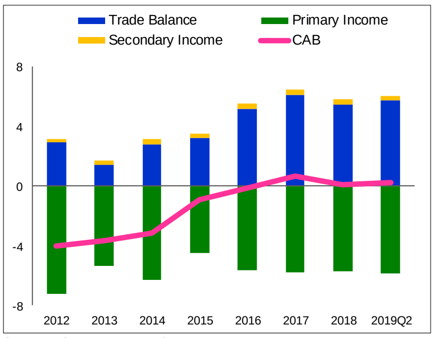
Source: National Bureau of Statistics

2) EXTERNAL SECTOR

CAB registered a surplus of 0.2% of GDP in the year end in 2019Q2

The Current Account of the Balance of Payments posted a surplus of 0.2% of GDP in the twelve months through June-2019, on the back of a surplus in the trade balance of goods and services (5.7% of GDP) as well as in the Secondary Income (0.3%). This was partially offset by a deficit in th Primary Income category (of 5.8% of GDP).

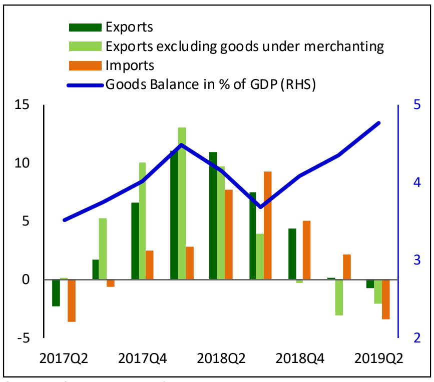
Current Account Balance
(In % of GDP)



Source: Central Bank of Uruguay

The balance in the trade of goods improved USD 200 million —reaching USD 2.7bn— due to both a better result in the general merchandise balance and the goods under merchanting balance.

Components of Goods´ Trade Balance
(Last 12 months change in %, except otherwise indicated)



Source: Central Bank of Uruguay

The Services balance posted a surplus of USD 555 milion in the year ended in March 2019, despite having decreased 50% in comparison to the same period of last year. This obeyed both to reduction of exports (7.8%) and an increase in imports (4.4%).

Concerning the former, the main negative impact arose from the drop in inbound turism, mostly Argentinians, and the evolution on relative prices with this country. On the other hand, the rise in import of services was determined by higher expenditures made by Uruguayans abroad.

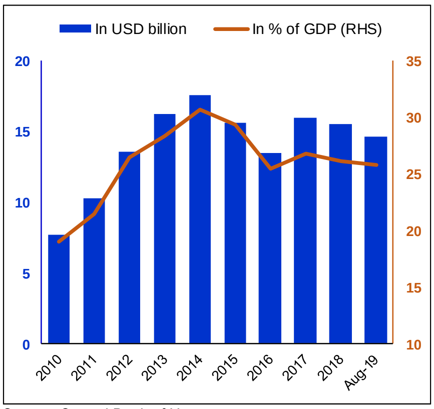
The Primary Income balance posted approximately a USD 3.3 billion deficit, USD 152 million smaller than a year ago. The improvement was mostly explained by accrued interests on Central Bank Reserve Assets as well as in the gains obtained abroad from the private sector portfolio investments.

Finally, the Secondary Income balance, which describes the net current transfers, had a positive value of around 0.3% of GDP.

Overall, the Financial Account registered a net outflow of USD 173 million in the year ended in 2019Q2 (including the Errors and Omissions component).

By end-August, international reserves of the Central Bank of Uruguay (CBU) totaled USD 14.7billion (26% of GDP). This level is well above the upper bound of the IMF reserve adequacy benchmark (which takes into account potential balance of payments drains, including short-term external liabilities). Importantly, international assets remained largely stable over the last few years, with Reserves to GDP ratio consistently surpassing 25% since 2012.

International Reserves



Source: Central Bank of Uruguay

3) FISCAL INDICATORS

Non-Financial Public Sector deficit was 2.1% of GDP in the twelve months through August; net debt was 51.4% of GDP in the twelve months through 2019Q2

In the year ended in August 2019, the result of the Non-Financial Public Sector (NFPS) was equivalent to a deficit of 2.1% of GDP, representing an improvement of 0.1pps of GDP compared to the previous month.

This figure includes the inflows into the Social Security Trust Fund (SSTF) which represented 2.0% in terms of GDP. Since October 2018, the public Social Security institution has received extraordinary transfers from Pension Funds, following a law introducing changes to the pension system. These accumulated transfers, which are registered as government revenues consistent with IMF statistics standards, reduced the headline fiscal deficit by 2.0% of GDP in the 12 months to August 2019.

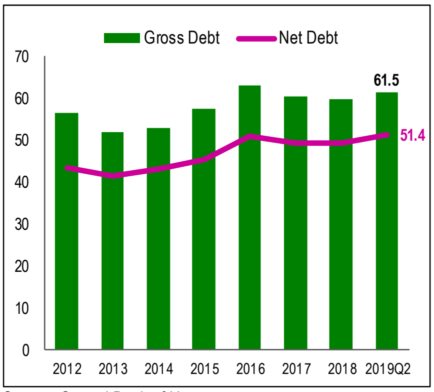
In March 2019, the CBU started publishing gross and net debt figures for the Non-Financial Public Sector (equivalently referred as "Non-Monetary Public Sector", in the terminology used by the CBU in its debt reports). These new data series are available from December 2012 onwards.

The NFPS is composed of the Central Government (which includes the Social Security public fund), local governments, public enterprises and the state-owned insurance bank (BSE).

Under this perimeter of fiscal consolidation, assets and liabilities held by the NFPS where the counterpart is the Central Bank, are not netted out in debt figures. For instance, capitalization bonds issued in the past by the Government to the Central Bank (in order to maintain the minimum capital requirments established in its charter law) are included in the NFPS gross debt. Likewise, the CBU-bills held by other public entities as well as their deposits in the Central Bank are included as part of the assets in the NFPS financial position.

The Non-Monetary Public Sector gross debt (i.e., the "Non-Financial Public Sector") stood at 61.5% of GDP as of June 2019, while net debt was 51.4% of GDP.

Non-Financial Public Sector Debt
(In % of GDP, end-of-period)

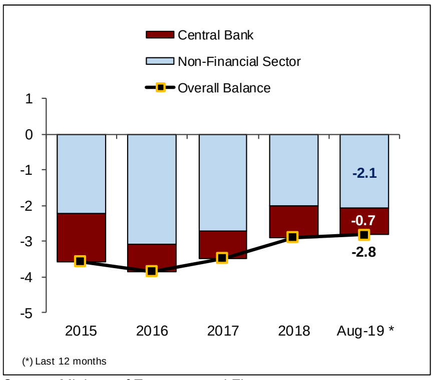


Source: Central Bank of Uruguay

On a broader base, statistics on Uruguay's fiscal finances and public debt are also available to the Consolidated Public Sector, as presented in the authorities' budget documentation, which includes the NFPS plus the Central Bank.

In that sense, the Consolidated Public Sector result for the tweleve months ending in August was 2.8% in terms of GDP, of which, as mentioned above, 2.1% corresponded to the Non-Financial sector, and 0.7% to the Central Bank.

Consolidated Public Sector Balance
(In % of GDP)



Source: Ministry of Economy and Finance

Regarding debt figures, the Consolidated Public Sector debt stood at 66.5% of GDP as of June 2019, while the net debt printed at 32.8% of GDP. These measures of debt net-out intra-public sector holdings of assets and liabilities.

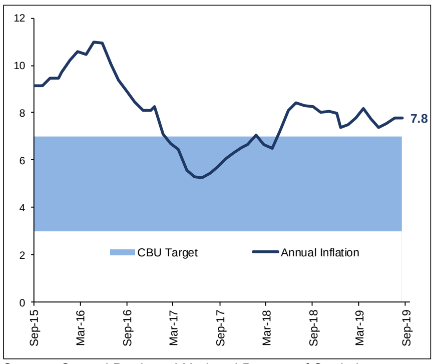
4) INFLATION & MONETARY INDICATORS

Inflation stood at 7.8% YoY in September; CB lowered its target for M1´ money supply growth

Consumer prices grew 0.5% in September, while posted an increase of 7.8% in YoY terms. This increase was mostly due to higher beef prices, which in the twelve months through September rised 19.6%. Furthermore, FX depreciation also played a role.

The CBU lowered its target for the growth rate of the M1´ money supply in 2019Q2 to 7.0%–9.0%, from the previous quarter's target of 8.0%–10.0%. The CBU also confirmed that M1´ growth for the third quarter stood at 8.2%, which was in line with the official target. In addition, the Macroeconomic Coordination Committee kept the inflation target for the next 24 months horizon unchanged at 3.0% - 7.0%.

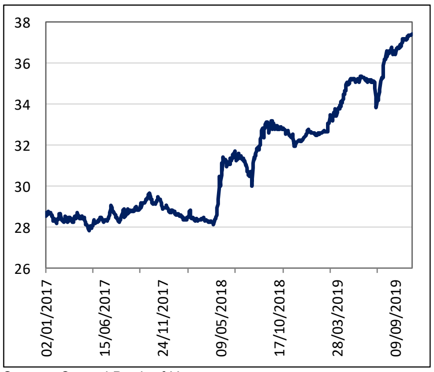
Inflation
(In %, last 12 months)



Source: Central Bank and National Bureau of Statistics

In the third quarter of the year, the Uruguayan peso depreciated 5.0% against the US dollar. It occured mainly during August, particularly after the national primary election in Argentina held on August 11th.

Nominal Exchange Rate
(Pesos per USD)



Source: Central Bank of Uruguay

5) BANKING SYSTEM

Banking system with high levels of profitability: 20.7% return on equity

As of 2019Q2, financial institutions´ surplus of capital practically doubles the minimum regulatory requirement adjusted to risks (credit, market, operational and systemic risks). In this line, the capital of the total banking system amounted to USD 4.6 billion by the end of June compared with the USD 2.4 billion required by the Superintedency of Financial Institutions (SFF).

Additionally, the SSF provides that banks deduct from their portfolio gains in the upturn of the economic cycle to create a fund to cope with the potential increase in delinquency during a downturn, without the need of additional capital. In this regard, stress tests conducted by the SSF showed that, on average, the banking system would support an important recession scenario while maintaining a reasonably adequate equity level.

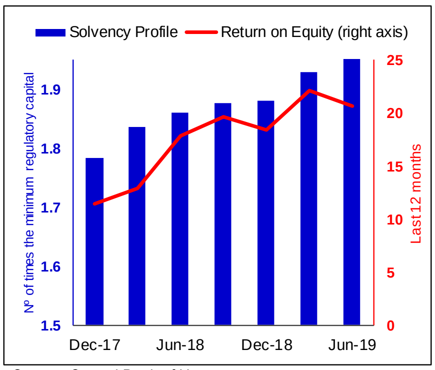
Total assets of the banking system totaled USD 38 billion as of June 2019, corresponding 36% to resident loans in the non-financial private sector. In turn, liabilities reached USD 33.6 billion, of which 88% corresponds to deposits of the non-financial private sector (90% of whom are residents).

Credit delinquency stood at 3% by 2019Q2, being unchanged with respect to the previous quarter. This is comfortably covered by the provisions of the total system, which remained at 6.2% in the same period.

Banking profitability achieved a return on assets (ROA) of 2.4% and a return on equity (ROE) of 20.7% in the twelve months to 2019Q2.

The financial system in Uruguay is composed by foreign banks, cooperatives, offshore banks, external financial institutions, credit administrators, foreign exchange houses and financial service companies. State-owned banks have traditionally held a significant share of the banking market.

Banking System`s Solvency Profile and Return on Equity



Source: Central Bank of Uruguay

In August, foreign currency deposits from residents in the non-financial private sector grew approximately USD 200 million from the previous month, reaching USD 19.3 billion. In turn, non-residents' totaled USD 2.8 billion (that is 9.8% of total non-financial private sector deposits) remaining pretty steady for over a year. For its part, resident´s local currency-denominated deposits recorded the equivalent of USD 6.9 billion.

6) RECENT DEVELOPMENTS

Presidential and Legislative elections were held on October 27th; Mr. Martínez and Mr. Lacalle will face a run-off in end-November

On the last Sunday of October, Uruguayans headed to the polls to vote for their next President and representatives in Congress.

Uruguay´s political regime is Presidencialism, and ballot is mandatory. The president is elected for a period of five years, and will take office on March 1st 2020, and cannot be re-elected consecutively.

This time, no candidate obtained the absolute majority (50% + 1 of votes), so a run-off for the main office will take place on November 24th between the incumbent Broad Front candidate, Daniel Martínez, who got 39.2% of votes, and Luis Lacalle Pou, from the National Party, with 28.6%.

In third place came in the Colorado Party, headed by Economist Ernesto Talvi, with 12.3% of the votes. In fourth place was Cabildo Abierto, a new party created this year and led by former-commander in chief of the Army, Guido Manini Ríos, which obtained 10.8%.

Finally, a remaining 5.4% was shared by other smaller parties, and the rest 1.8% and 1.7% were null and blank votes, respectively.

These results were reflected in the composition of both Congress chambers, in which no party got the majority. This respresents an important difference from the last three national elections, in which the Broad Front did hold, and currently has, a majority.

In the Senate, out of 30 seats, the Broad Front had 13, National Party 10, Colorado Party 4, and Cabildo Abierto 3. On the other hand, in the House of Representatives, out of 99 seats, the Broad Front obtained 42, National Party 30, Colorado Party 13, and Cabildo Abierto 11, and the remaining 3 will be occupied by three different smaller parties.

Mr. Martínez (left) and Mr. Lacalle Pou will compete for Presidency on next November 24th

Following Uruguay´s general elections, Moody´s Investors Service published a new comment on the Republic (click here to access the report). Also, Morginnstar DBRS published a commentary on the same topic (click here to access the report).

Central Railway closed its financial plan for USD 1.1 billion

On October 21st the Ministry of Transportation aproved the financing plan for Grupo Vía Central consortium with different international financial institutions and multilateral credit organizations for USD 1,070 million.

The infrastructure project of this consortium —integrated by the Uruguayan companies Saceem and Berkes, the Spanish company Sacyr and the French company NGE— will be in charge of the construction, restoration and maintenance of 273 kilometers railway track and turnouts of the Montevideo Port-Paso de los Toros Station rail section through a Public-Private Partnership (PPP) scheme.

The Central Railroad will have an annual transport capacity of 4 million tons, of which Finnish company UPM plans to use a maximum of about 2 million once the new pulp mill is operative by mid 2022.

The International Development Bank (IDB) will contribute with USD 300 million for financing this project and Banco de Desarrollo de America Latina (CAF) with another USD 85 million.
Finally, a USD 315 million-equivalent tranche of financing in CPI indexed units will be provided by CAF- Asset Management, through the CAFAM Ferrocarril Central financial trust. This tranche was tendered and awarded in mid-October through the Electronic Stock Exchange for local institutional investors.

Once operative, the Central Railway will allow the circulation of freight trains at 80 kilometers per hour and 22.5 tons per axle load

Finally, commercial banks Intesa Sanpaolo (Italy) and Sumitomo Banking Corporation (Japan), will also participate with another USD 85 million each. Additionally, the private consortium will contribute the remaining USD 200 million with equity.

The execution period is three years and has already started. After that, and for a period of 17 years, the Uruguayan Government will pay an annual availability fee once the work is completed and after a 90-day trial period to verify that its operation is in accordance with the provisions of the contract.

The Minister of Transportation and Civil Works, Mr. Víctor Rossi, pointed out that a dozen private companies will demand the train transportation services.

Uruguay continues steadfast "de-carbonization" of its economy; ranked first in LATAM and fourth globally in electricity generation based on wind and photovoltaic sources

Uruguay presented a new plan for de-carbonization of its economy that basically consist in reducing by 2025 the emission intensity of greenhouse gases by half of what was produced in 1990. This strategy was presented in September during the General Assembly of the United Nations by the Minister of Housing, Territorial Planning and Environment, Mrs. Eneida de León.

"Already by 2025 CO_2 emission intensity in our economy will be half of that in 1990 and this is due mostly to the fact that we have reached 98% renewable energy", pointed out the minister. "In Uruguay, this signal not only came from the Government, but was also supported by the main political parties", she said. In connection to this, the state-owned company, UTE, announced it plan to add 65 MegaWatts (MW) of solar panels by 2020Q1.

In 2018, 97% of the electricity produced in the country came from renewable sources: solar, hydraulic energy, wind and biomass.

After receiving strong investments in wind energy, Uruguay is committed to continue developing photovoltaic energy sources

In October, the International Energy Agency placed Uruguay in the fourth place in the world and the first one among Latin American countries regarding the amount of electricity generation based on wind and photovoltaic energy during 2018.

A new green hydrogen plan: Verne

With respect to the transport sector, the de-carbonization process is implemented through vehicular electrification, by vehicles driven by zero emission electric motors, instead of internal combustion engines.

In order to take advantage of the increase in electricity supply through renewable sources of energy, the state-owned company ANCAP, announced a pilot project, called Verne, for developing heavy and long-distance transport with electric engines.

"Uruguay's electricity generation matrix is practically 100% renewable, therefore the hydrogen we can produce with green electricity is green hydrogen; very few countries are able to move forward in this direction", said the President of ANCAP, Mrs. Marta Jara, in one of the main local news TV programmes in which she presented the plan.

Unlike the electric motor, the hydrogen one uses electrical energy generated on board the vehicle, where the hydrogen stored is combined with oxygen to produce electrical energy and water vapor. This process is called electrolysis.

According to studies conducted by ANCAP, The heavy and long-distance transport sector represents 4% of total vehicles in Uruguay and contributes with 40% of carbon emissions.

Mrs. Jara also said that, once the pilot project is properly defined, the entire supply of this type of transportation will be provided through a bidding process to be awarded in the first half of next year.

The Verne Plan includes up to ten vehicles with hydrogen fuel cells, in a combination to be defined between intercity buses with an autonomy of approximately 500 kilometers and freight road transport trucks with an autonomy of approximately 900 kilometers. The initial investment for this plan amounts USD 10 million.

Norwegian company plans to increase krill fishing in southern Atlantic Ocean using Montevideo port as a logistics center

Starting in Uruguay with a simple logistics and storage base in 2006, Montevideo port is now the main logistics hub for the biotech company Aker BioMarine, which produces and process Antartic krill, a specie of krill found in the Antarctic waters of the Southern Ocean.

Currently, the capture and processing of krill from Norwegian company is 38,000 tons that are unloaded in Montevideo port ten times a year, which remain in storage until is exported to customers in various parts of the world.

For 2020, the company foresees an increase in production of 70,000 tons in a long-term project that has Uruguay as the main logistics center of the company. This goal will be achievable because of the incorporation of a new 130-meter vessel to the company´s fleet, the Antartic Endurance.

With a an investment of USD 130 million the Antartic Endurance vessel is ready to operate in Montevideo Port

"Being able to call Uruguay our home-base has enabled us to continuously scale and optimize our operations. It is the foundation of our global supply chain, and so it is really special for Antarctic Endurance to dock here, as a token of appreciation to the Uruguayan team for their expertise, hard work, and commitment", pointed out Mr. Matts Johansen, CEO of the firm in Montevideo.

The Minister of Livestock, Agriculture and Fisheries of Uruguay, Mr. Enzo Benech, commented about the decision of the firm: "Companies like Aker BioMarine have many ports to choose from. I am glad that Aker BioMarine chose the infrastructure and location of Montevideo to use the port facilities and perform storage here".

Since 1984, the Artigas Antarctic Scientific Base operates in Uruguay field. It is open the whole year and provides the necessary logistical support for the realization of varied scientific activities.

One of them was the the research on feeding penguins using krill. In this project, not only the qualities of this crustacean were discovered, but also it was possible to develop an extract for human consumption that is unique in the world. It has been very successful commercially in Uruguay and has a lot of potential to expand globally.

Uruguay ranks in the top-10 destinations to visit, according to Lonely Planet Best Travel 2020 ranking

"If Uruguay isn't already on your South American bucket list, 2020 is the perfect year to add it. With 660 kilometers of Río de la Plata and Atlantic shoreline, a burgeoning wine industry, bubbling hot springs and endless rolling rangelands where South America's grandeur feels seductively tangible, Uruguay has something for everyone", highlighted Lonely Planet, one of the most recognized travel guide books in the world.

According to Lonely Planet, "Uruguay has something for everyone"

According to the magazine, Uruguay "has also proudly championed a progressive social agenda in recent years – from marijuana legalisation and the open embrace of LGBTQ+ rights, to the promotion of sustainable tourism”.

Loneley Planet recommends visiting the capita cityl, Montevideo, but also visiting Colonia del Sacramento and its colonial streets, enjoying the beach glamour of Punta del Este and taking advantage of the opportunity to live authentic and natural experiences such as sighting cetaceans.

“But what visitors remember most are Uruguay’s laid-back, welcoming and down-to-earth people and the subtle but profound beauty of the country’s landscape – from the long, untamed Atlantic coastline to the boundless open spaces of the pampas”, concluded the tourist guide.

Enjoy Group, which operates the iconic Enjoy Punta del Este hotel, has been selected to be a member of Dow Jones Sustainability Index

The chilean company Enjoy Group, which has been operating Enjoy Punta del Este Hotel in Uruguay since 2013, became part of the Dow Jones Sustainability Chile Index (DJSI Chile), for its leading industry performance in environmental, social and corporate governance factors.

The Dow Jones Sustainability Index suit launched in 1999 as the first global sustainability benchmark, tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria.

The index serves as a benchmark for investors who want to integrate sustainability considerations into their portfolios, while providing an effective engagement platform to encourage companies to improve their corporate sustainability practices.

In 2012, Enjoy Company acquired 45% of the former iconic Conrad Hotel in Punta del Este resort and five years later the Chilean group purchased the entire establishment. As of 2018, Punta del Este hotel branch accounted for 29% of total the group's sales, which consists of a total of 10 hotels in Argentina, Chile and Uruguay.

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Uruguay	Economic Indicators												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Latest available	as of:
ECONOMIC STRUCTURE AND ACTIVITY													
Population (million)	3.4	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	2019Q2
Nominal GDP (local currency, billions)	636	715	808	926	1,041	1,178	1,331	1,456	1,589	1,707	1,831	1,891	2019Q2
Nominal GDP (USD, millions)	30,350	31,712	40,258	47,991	51,238	57,482	57,278	53,273	52,825	59,578	59,570	57,365	2019Q2
GDP per Capita (nominal USD)	9,025	9,388	11,852	14,063	14,954	16,709	16,584	15,365	15,179	17,055	16,991	16,362	2019Q2
Unemployment (% of labor force, average of last 12 months)	7.9	7.8	7.0	6.3	6.3	6.5	6.6	7.5	7.9	7.9	8.4	8.7	2019M08
Real GDP (% change, YoY)(1)	7.2	4.2	7.8	5.2	3.5	4.6	3.2	0.4	1.7	2.6	1.6	0.1	2019Q2
By Sector													
Agricultural, livestock & other primary activities	2.1	4.4	0.2	11.1	-0.9	2.0	-0.2	-1.8	3.1	-6.3	5.7	0.9	2019Q2
Manufacturing	8.1	5.2	2.6	2.0	-3.9	1.2	4.2	4.9	0.7	-3.5	1.9	-1.9	2019Q2
Electricity, gas and water	-51.1	11.6	89.3	-24.2	-21.9	54.7	15.7	-6.7	9.6	1.2	2.2	3.5	2019Q2
Construction	2.6	2.7	2.4	2.4	16.3	0.9	0.7	-6.1	-2.6	-2.1	-2.8	-4.7	2019Q2
Commerce, restaurants and hotels	11.9	0.9	11.6	7.0	5.6	8.0	-0.6	-4.0	-2.8	6.2	-1.3	-2.6	2019Q2
Transportation, storage and communications	30.7	14.9	15.0	10.7	10.0	6.9	7.4	4.8	8.1	9.4	6.8	5.5	2019Q2
Other activities	7.4	1.4	4.3	2.6	3.5	4.2	3.1	1.0	-0.1	-0.9	0.3	0.1	2019Q2
By Expenditure													
Gross capital formation	25.0	-11.2	15.2	9.9	14.5	4.8	0.0	-9.0	-3.9	-13.0	7.3	-5.8	2019Q2
Consumption	9.1	2.7	8.6	6.7	5.1	5.5	2.9	-0.2	0.4	3.9	1.4	0.0	2019Q2
Exports (goods and services)	8.5	4.5	7.2	5.8	3.6	-0.1	3.5	-0.6	-0.2	6.9	-4.8	3.5	2019Q2
Imports (goods and services)	24.4	-8.7	13.6	12.4	13.6	2.8	0.8	-7.3	-6.2	0.5	-2.0	-0.3	2019Q2
Share of Nominal GDP by economic activity (in %) (2)													
Agriculture, livestock and fishing	9.2	7.9	7.2	8.8	8.1	7.6	6.7	6.1	5.9	5.1	5.6		2018
Mining	0.3	0.5	0.5	0.4	0.4	0.5	0.5	0.4	0.5	0.4	0.4		2018
Manufacturing	14.9	14.8	13.5	12.7	12.2	11.3	12.1	13.2	12.8	11.7	11.7		2018
Electricity, gas and water	0.8	1.4	3.1	1.9	1.0	2.2	2.3	2.2	2.7	2.7	2.5		2018
Construction	6.8	7.4	7.4	7.6	9.2	9.7	9.8	9.6	9.6	9.9	9.9		2018
Commerce, restaurants and hotels	14.4	14.0	13.7	13.8	13.9	13.7	13.4	13.0	13.0	13.9	13.7		2018
Transportation, storage and communications	7.5	7.2	7.1	6.7	6.5	6.0	5.7	5.6	5.4	5.5	5.4		2018
Financial and insurance services	4.3	4.3	4.3	4.3	4.4	4.4	4.5	4.6	4.8	4.8	5.1		2018
Real estate and business services	13.9	14.4	15.0	15.1	15.8	16.1	16.3	16.8	16.7	16.7	16.4		2018
Social and other services of the Government	4.9	5.2	5.1	5.1	5.0	5.0	5.1	5.0	5.1	5.1	5.2		2018
Education and health services	8.8	9.5	9.4	9.6	9.9	10.1	10.4	10.6	11.0	11.2	11.1		2018
Others	3.8	3.7	3.8	3.8	3.7	3.7	3.7	3.7	3.7	3.8	3.9		2018
Share of Nominal GDP by expenditure (in %) (2)													
Gross capital formation	23.2	19.6	19.4	20.9	22.9	22.5	21.2	19.7	17.8	15.2	16.5		2018
Consumption	81.6	79.6	79.6	79.5	80.3	80.5	80.8	80.7	80.7	81.7	81.4		2018
Exports (goods and services)	30.2	27.1	26.3	26.4	25.9	23.4	23.5	22.5	21.4	21.4	21.0		2018
Imports (goods and services)	35.0	26.3	25.4	26.8	29.1	26.4	25.5	22.9	19.9	18.3	19.0		2018

(1) Lastest available data corresponds to quarterly data. In the case of complete years, figures are on an annual basis.

(2) Published once a year by the Central Bank.

Sources: *Central Bank of Uruguay and National Bureau of Statistics*

BALANCE OF PAYMENTS (1)

In USD million

	2012	2013	2014	2015	2016	2017	2018	Latest available as of 2019Q2(2)
Current Account	**-2,069**	**-2,087**	**-1,814**	**-491**	**-69**	**419**	**76**	**139**
Goods and Services	1,506	811	1,619	1,720	2,733	3,650	3,281	3,287
Goods	305	1,077	1,985	1,307	1,911	2,391	2,429	2,732
Exports	13,055	13,277	13,769	11,145	10,374	11,059	11,536	11,462
Merchandise goods	11,030	11,360	11,443	10,013	9,126	10,042	10,009	10,050
Goods under merchanting (net)	2,025	1,917	2,326	1,132	1,248	1,017	1,527	1,412
Imports	12,750	12,200	11,783	9,838	8,463	8,668	9,107	8,730
Services	1,201	-266	-366	413	822	1,259	852	555
Exports	5,049	4,823	4,617	4,487	4,157	5,019	4,862	4,585
o/w Tourism	1,419	777	561	808	1,156	1,551	1,303	936
Imports	3,849	5,089	4,984	4,074	3,335	3,759	4,009	4,029
Primary Income	-3,700	-3,077	-3,614	-2,388	-2,985	-3,423	-3,412	-3,349
Net repatriated profits and dividends	-1,150	-2,492	-2,588	-3,049	-2,464	-2,275	-2,409	-2,544
Net reinvested earnings	-2,214	-6	-346	1,377	84	-693	-488	-420
Net interest paid	-336	-579	-680	-716	-604	-454	-515	-384
Secondary Income	125	180	181	176	183	192	206	201
Capital Account	**49**	**204**	**15**	**175**	**17**	**5**	**44**	**34**
Financial Account	**-1,445**	**-1,194**	**-1,582**	**-739**	**-602**	**1,586**	**-138**	**65**
Foreign Direct Investment	-2,175	-2,792	-2,512	-815	735	2,236	1,107	460
Net assets accumulated abroad by residents	3,869	-2,034	1,319	1,605	905	4,888	2,280	1,469
Net claims accumulated by non residents in the economy	6,044	758	3,830	2,420	171	2,653	1,173	1,009
Portfolio Investment	-278	-1,766	-347	986	2,036	-1,912	-1,636	668
Net assets accumulated abroad by residents	1,340	696	855	1,786	641	-1,194	-938	134
Net claims accumulated by non residents in the economy	1,618	2,462	1,202	800	-1,395	718	699	-534
Financial Derivatives	185	32	33	-303	39	-259	51	73
Net creditor contracts	222	88	60	-295	60	-249	77	101
Net debtor contracts	37	56	26	7	21	10	26	28
Other Investment	-2,464	351	-128	1,070	-1,223	-927	748	1,127
Net assets accumulated abroad by residents	-425	1,262	761	1,196	-2,816	-1,307	536	897
Net claims accumulated by non residents in the economy	2,039	911	889	127	-1,594	-380	-211	-229
Change in Central Bank Reserve Assets	3,287	2,981	1,372	-1,677	-2,189	2,449	-408	-2,263
Errors and Omissions	**575**	**689**	**217**	**-423**	**-550**	**1,162**	**-258**	**-108**

In % of GDP

	2012	2013	2014	2015	2016	2017	2018	Latest available as of 2019Q2(2)
Current Account	**-4.0**	**-3.6**	**-3.2**	**-0.9**	**-0.1**	**0.7**	**0.1**	**0.2**
Goods and Services	2.9	1.4	2.8	3.2	5.2	6.1	5.5	5.7
Goods	0.6	1.9	3.5	2.5	3.6	4.0	4.1	4.8
Exports	25.5	23.1	24.0	20.9	19.6	18.6	19.4	20.0
Merchandise goods	21.5	19.8	20.0	18.8	17.3	16.9	16.8	17.5
Goods under merchanting (net)	4.0	3.3	4.1	2.1	2.4	1.7	2.6	2.5
Imports	24.9	21.2	20.6	18.5	16.0	14.5	15.3	15.2
Services	2.3	-0.5	-0.6	0.8	1.6	2.1	1.4	1.0
Exports	9.9	8.4	8.1	8.4	7.9	8.4	8.2	8.0
o/w Tourism	2.8	1.4	1.0	1.5	2.2	2.6	2.2	1.6
Imports	7.5	8.9	8.7	7.6	6.3	6.3	6.7	7.0
Primary Income	-7.2	-5.4	-6.3	-4.5	-5.7	-5.7	-5.7	-5.8
Net repatriated profits and dividends	-2.2	-4.3	-4.5	-5.7	-4.7	-3.8	-4.0	-4.4
Net reinvested earnings	-4.3	0.0	-0.6	2.6	0.2	-1.2	-0.8	-0.7
Net interest paid	-0.7	-1.0	-1.2	-1.3	-1.1	-0.8	-0.9	-0.7
Secondary Income	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Capital Account	**0.1**	**0.4**	**0.0**	**0.3**	**0.0**	**0.0**	**0.1**	**0.1**
Financial Account	**-2.8**	**-2.1**	**-2.8**	**-1.4**	**-1.1**	**2.7**	**-0.2**	**0.1**
Foreign Direct Investment	-4.2	-4.9	-4.4	-1.5	1.4	3.8	1.9	0.8
Net assets accumulated abroad by residents	7.6	-3.5	2.3	3.0	1.7	8.2	3.8	2.6
Net claims accumulated by non residents in the economy	11.8	1.3	6.7	4.5	0.3	4.5	2.0	1.8
Portfolio Investment	-0.5	-3.1	-0.6	1.9	3.9	-3.2	-2.7	1.2
Net assets accumulated abroad by residents	2.6	1.2	1.5	3.4	1.2	-2.0	-1.6	0.2
Net claims accumulated by non residents in the economy	3.2	4.3	2.1	1.5	-2.6	1.2	1.2	-0.9
Financial Derivatives	0.4	0.1	0.1	-0.6	0.1	-0.4	0.1	0.1
Net creditor contracts	0.4	0.2	0.1	-0.6	0.1	-0.4	0.1	0.2
Net debtor contracts	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other Investment	-4.8	0.6	-0.2	2.0	-2.3	-1.6	1.3	2.0
Net assets accumulated abroad by residents	-0.8	2.2	1.3	2.2	-5.3	-2.2	0.9	1.6
Net claims accumulated by non residents in the economy	4.0	1.6	1.6	0.2	-3.0	-0.6	-0.4	-0.4
Change in Central Bank Reserve Assets	6.4	5.2	2.4	-3.1	-4.1	4.1	-0.7	-3.9
Errors and Omissions	**1.1**	**1.2**	**0.4**	**-0.8**	**-1.0**	**2.0**	**-0.4**	**-0.2**

(1) Based on data published by the Central Bank of Uruguay in accordance with the Sixth Edition of the IMF´s Balance of Payments and International Investment Position Manual (BPM6), in which:
(i) Current Account Balance (CAB), Capital Account Balance (KAB), Errors and Omissions (E&O) and Financial Account Balance (FAB) satisfy: CAB + KAB + E&O = FAB
(ii) "Goods under merchanting" are those goods that are bought by a resident and then sold to a non-resident, without undergoing any process of substantial transformation nor entering into the resident economy.
(iii) Regarding the Financial Account, a positive (negative) sign over an underlined entry balance means that the net acquired financial assets abroad were higher (smaller) than the net financial liabilities incurred, implying a capital outflow (inflow) for that concept.
(iv) "Change in Central Bank Reserve Assets" stands for the variation of gross international reserve assets less valuation adjustments.
(v) Revised series under new methodology starts in 2012.
(2) Last 12 months.
Source: *Central Bank of Uruguay*

Uruguay									**Economic Indicators**				
Inflation and Monetary Indicators (1)	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**Latest available**	**as of:**
Consumer inflation (% change, YoY)	9.2	5.9	6.9	8.6	7.5	8.5	8.3	9.4	8.1	6.6	8.0	7.8	2019M09
Producer inflation (% change, YoY)	6.4	10.5	8.4	11.1	5.9	6.3	10.6	6.6	-1.9	5.4	10.0	12.4	2019M09
Nominal exchange rate (UYU per USD, eop)	24.35	19.63	20.09	19.90	19.40	21.39	24.33	29.87	29.26	28.76	32.39	37.48	2019M10(2)
Nominal exchange rate (UYU per USD, 12-month average)	20.96	22.53	20.07	19.30	20.32	20.50	23.23	27.33	30.08	28.65	30.74	34.42	2019M10(2)
Nominal exchange rate (% change, 12-month average)	-10.6	7.5	-10.9	-3.8	5.3	0.9	13.3	17.6	10.1	-4.8	7.3	14.0	2019M10(2)
Real Effective Exchange Rate, REER (base 100 = 2017)	151.4	135.9	135.3	126.2	111.9	109.0	108.1	108.8	99.7	101.2	91.9	94.9	2019M09
REER (% change, YoY, if + = real depreciation)	-7.4	-10.2	-0.4	-6.8	-11.3	-2.6	-0.9	0.7	-8.4	1.6	-9.2	4.5	2019M09
Nominal wages (% change, YoY)	15.4	12.2	11.2	13.6	12.7	12.3	12.3	9.9	11.7	9.0	8.4	10.2	2019M09
Real wages (% change, YoY)	4.3	5.6	3.4	4.0	5.2	3.3	3.5	0.4	3.3	1.3	0.2	2.0	2019M09
Monetary base (% change, YoY)	29.3	6.5	16.2	17.3	21.9	17.4	1.4	7.2	9.7	3.6	10.4	14.6	2019M09
M1 (% change,YoY)	17.5	11.9	28.1	19.2	9.2	13.1	1.0	5.2	6.6	10.3	6.5	11.6	2019M09
M1' (% change, YoY)	17.9	15.2	30.0	20.8	11.2	15.0	3.7	5.6	8.4	15.0	8.9	11.8	2019M09
M2 (% change, YoY)	17.3	14.9	31.0	22.1	10.3	13.7	6.4	9.0	17.6	13.3	10.5	10.5	2019M09
Overnight interbank interest rate (%, eop)	5.0	7.1	6.5	8.8	9.0	5.3	20.0	18.0	3.5	8.6	5.0	-	2019M09
Average short-term interest rate for local currency deposits (%)	5.4	4.9	4.8	5.5	5.2	5.1	8.5	7.9	6.0	5.3	5.3	5.8	2019M07
Total bank deposits by private non-financial sector (% of GDP)	42.2	48.3	44.5	43.0	45.3	44.0	46.9	52.4	53.4	47.7	47.6	51.1	2019M08
o/w in local currency (% of total)	17.6	21.6	24.2	26.2	26.1	24.7	22.3	19.1	22.7	26.7	26.4	23.7	2019M08
in foreign currency (% of total)	82.4	78.4	75.8	73.8	73.9	75.3	77.7	80.9	77.3	73.3	73.6	76.3	2019M08
Total bank deposits by private non-residents in non-financial sector (% of GDP) (3)	8.1	9.3	7.7	6.7	7.2	6.8	7.4	8.6	6.7	4.7	4.7	5.0	2019M08
Total bank credit to resident private non-financial sector (% of GDP)	22.9	22.7	21.4	21.6	23.9	24.0	25.1	26.9	28.3	25.5	25.6	25.5	2019M08
o/w in local currency (% of total)	45.5	47.5	48.0	45.9	47.2	45.4	44.0	43.7	45.9	48.7	48.5	48.1	2019M08
in foreign currency (% of total)	54.5	52.5	52.0	54.1	52.8	54.6	56.0	56.3	54.1	51.3	51.5	51.9	2019M08
Total bank credit to non-resident non-financial sector (% of GDP)	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	2019M08

(1) Stocks are measured end-of-period (eop) each year.
(2) As of October 30th.
(3) Assumes all non-residents deposits are in foreign currency.
Sources: *Central Bank of Uruguay and National Bureau of Statistics*

Public Finances	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**Latest available**	**As of: (last 12 months)**
								(as % of GDP)					
Non-Financial Public Sector													
Overall Balance	-1.4	-1.5	-0.4	-0.4	-2.4	-1.9	-2.8	-2.2	-3.1	-2.7	-2.0	-2.1	2019M08
Primary balance of Central Government	1.8	1.2	1.3	1.9	0.3	0.9	0.0	-0.5	-1.0	-0.3	0.7	0.7	2019M08
Revenues	26.0	26.3	26.9	27.0	26.9	28.0	27.6	27.2	27.8	28.8	30.5	31.0	2019M08
o/w transfers to Social Security Trust Fund (1)											1.3	2.0	2019M08
Primary expenditures	24.2	25.1	25.6	25.2	26.6	27.1	27.6	27.7	28.8	29.1	29.8	30.3	2019M08
Primary balance of local governments	0.1	0.3	0.0	0.1	-0.1	-0.1	-0.2	0.1	0.1	0.1	0.0	0.0	2019M08
Primary balance of public enterprises	-0.7	-0.4	0.4	-0.1	-0.5	-0.5	-0.3	0.8	0.4	0.2	0.0	0.3	2019M08
Primary balance of the state-owned insurance bank	0.2	0.2	0.4	0.2	0.2	0.2	0.0	-0.3	0.0	-0.1	-0.2	-0.1	2019M08
Interests payments	2.9	2.7	2.4	2.4	2.2	2.3	2.3	2.3	2.6	2.6	2.6	2.7	2019M08
Consolidated Public Sector													
Overall balance	-1.6	-1.6	-1.1	-0.9	-2.7	-2.3	-3.5	-3.6	-3.8	-3.5	-2.9	-2.8	2019M08
Primary balance	1.4	1.1	1.9	1.9	-0.2	0.4	-0.6	0.0	-0.5	-0.2	0.5	0.6	2019M08
o/w transfers to Social Security Trust Fund (1)											1.3	2.0	2019M08
Interests	3.0	2.8	2.9	2.8	2.5	2.7	2.8	3.6	3.3	3.3	3.4	3.4	2019M08
o/w Central Bank´s	0.0	0.0	0.6	0.5	0.3	0.4	0.6	1.3	0.7	0.7	0.8	0.7	2019M08

(1) Since October 2018, following the so-called "Cincuentones Law", the public sector social security fund has been receiving the accumulated savings of workers and retirees aged fifty or above who chose to switch from the social security individual capitalization scheme into the "pay-as-you-go" regime. These inflows are recorded as public revenues, consistent with IMF methodology, and are held into a trust fund. For further details, refer to footnote 2 in the January 2019 Sovereign Debt Report by clicking here.
Source: *Ministry of Economy and Finance of Uruguay*

Public Debt (1)	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**Latest available**	**as of: (end-period)**
								(as % of GDP, unless otherwise indicated)					
Non-Monetary Public Sector (2) (3)													
Gross debt					56.6	52.0	52.9	57.4	62.9	60.4	59.9	61.5	2019Q2
o/w in foreign currency (% of total)					45.1	42.8	46.3	50.3	49.3	43.4	48.0	50.1	2019Q2
held by non-residents (% of total)					51.7	53.5	55.7	55.7	49.4	47.3	50.0	51.7	2019Q2
Net debt					43.4	41.4	43.1	45.4	51.0	49.2	49.4	51.4	2019Q2
Consolidated Public Sector													
Gross debt	58.3	72.4	59.3	56.3	60.8	57.6	58.5	59.0	63.1	65.0	64.3	66.5	2019Q2
o/w in foreign currency (% of total)	68.1	64.3	55.3	47.9	42.6	40.1	43.9	53.8	52.8	41.5	47.1	49.8	2019Q2
held by non-residents (% of total)	60.7	55.6	53.7	52.0	52.2	53.0	54.9	57.5	51.3	46.1	48.1	48.9	2019Q2
Net debt	27.2	35.3	31.1	27.9	27.2	23.1	21.9	23.5	30.7	32.0	32.0	32.8	2019Q2

(1) Stocks measured end-of-year.
(2) "Non Monetary Public Sector" (NMPS) is the term used in Central Bank statistics that is equivalent to the category "Non Financial Public Sector" (NFPS) as used by the Ministry of Economy and Finance. Both the NMPS and NFPS include the same institutional sectors, that is: the Central Government (which includes the Social Security public fund), local governments, public enterprises and the state-owned insurance bank.
(3) Since June 2019, the Central Bank started publishing the Non Monetary Public Sector (NMPS) debt figures consolidated within this perimeter, in line with international standards. By using this criteria, assets and liabilities of the NMPS where the counterpart is the Central Bank are included in the calculation of debt metrics. These are published from 2012Q4 onwards.
Source: *Central Bank of Uruguay*