



República Oriental del Uruguay

Uruguay Macroeconomic Outlook

Mario Bergara

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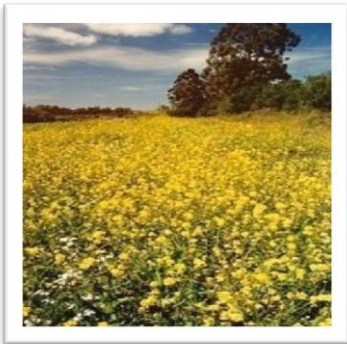
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Uruguay at a glance

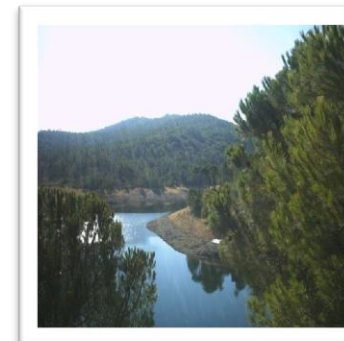


- Population '13 **3.3Million**
- Total surface area **176,215 km²**
- Human Development Index **51st over 186th**
- GDP 2013 **US\$ 55.7Billion**
- GDP p/capita 2013 **US\$ 16,905**

(Upper Income Economy / WB)



- Real Growth Rate '14 (e) **3.0%**
- Real Growth Rate '04 - 13 **5.6%**
- Unemployment Rate **6.6 %**
- Ratings **BBB- / Baa2 / BBB-**

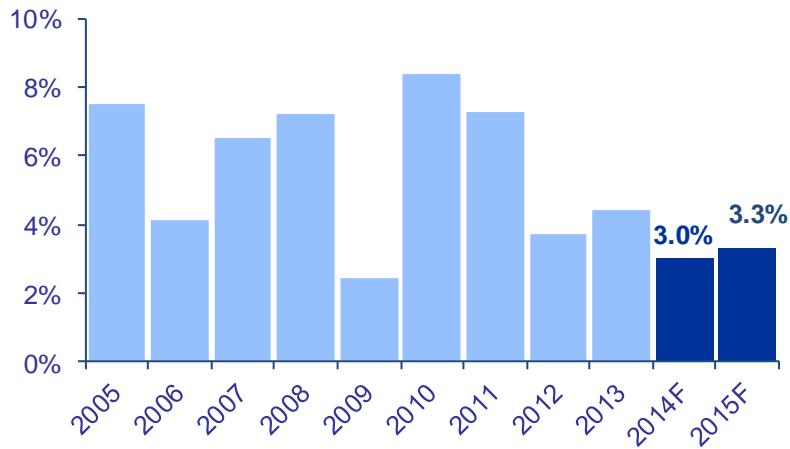


Political and Social Stability

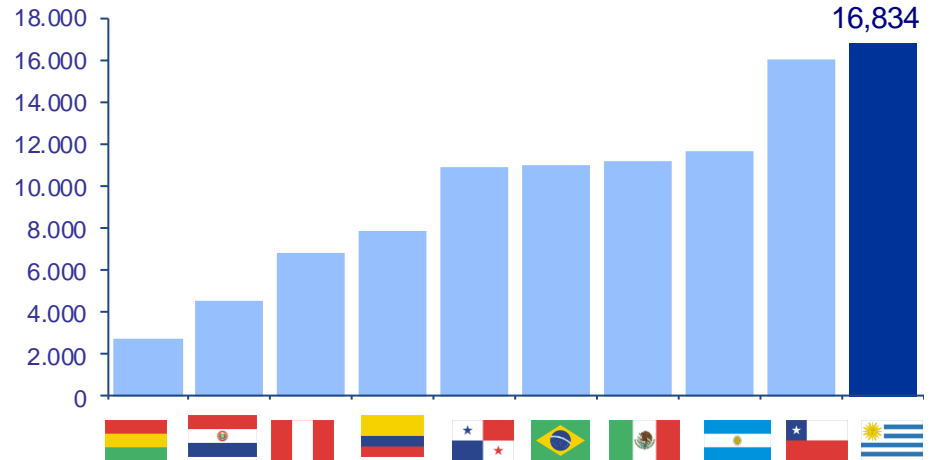
Index	Uruguay in Latam	World ranking
Worldwide Governance Indicators (World Bank 2012)	2	–
Democracy Index (The Economist Intelligence Unit 2013)	1	18
Corruption Perception Index (Transparency International 2013)	1	19
Economic Climate Index (SA) (Getulio Vargas Foundation & IFO 2013)	4	–
Prosperity Index (Legatum Institute 2013)	1	30
Economic Freedom Index (Heritage Foundation 2013)	2	36
Global Peace Index (Institute for Economics & Peace 2013)	1	24
Press Freedom Index (Reporters without Frontier 2013)	1	27

The Uruguayan economy will continue growing

GDP growth rate (%)



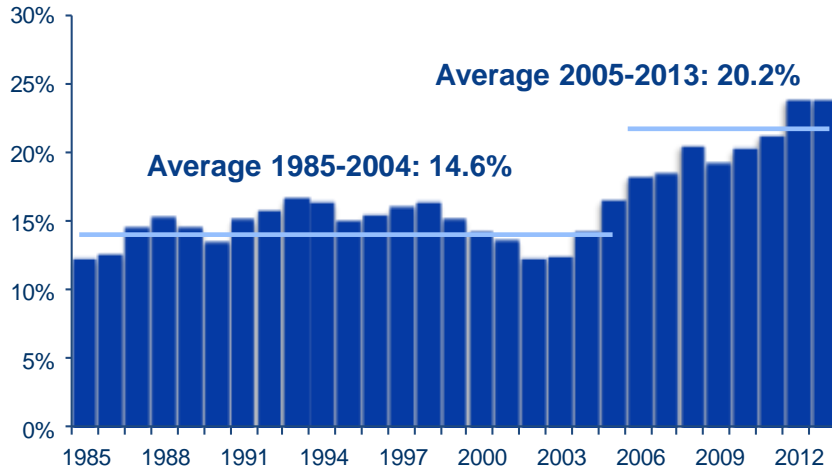
GDP per capita (US\$, 2013)



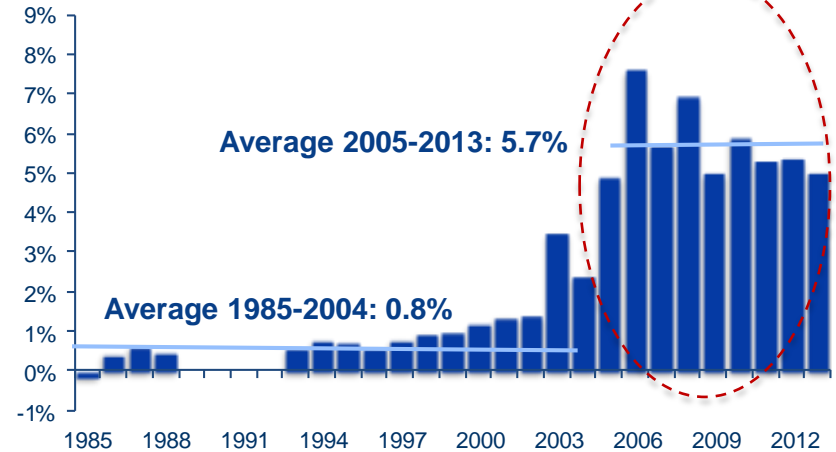
The average annual growth rate between 2005 and 2013 was 6%,
50% was explained by TFP growth

Structural increase in investment levels

Total Investment (% of GDP)

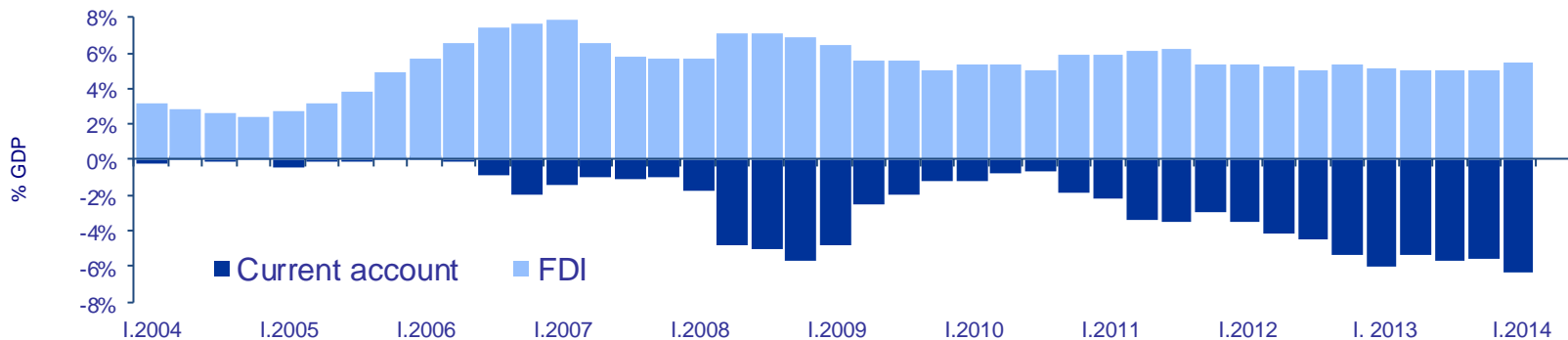


FDI (% of GDP)



FDI will fund Uruguay's CAD

FDI and Current Account Balance (% of GDP)



Significant FDI inflows from a wide range of countries



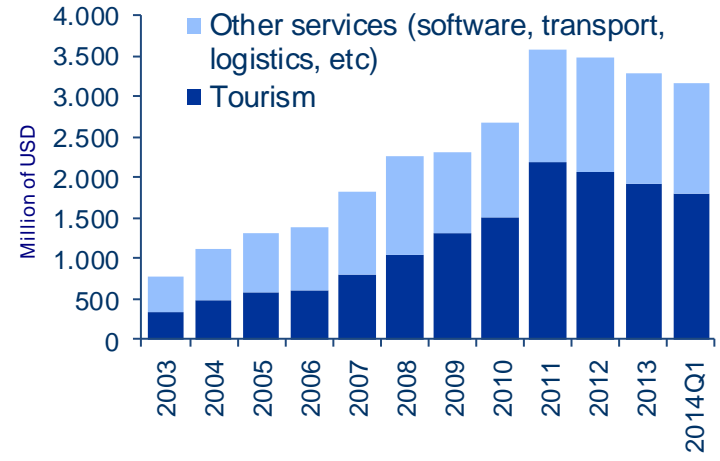
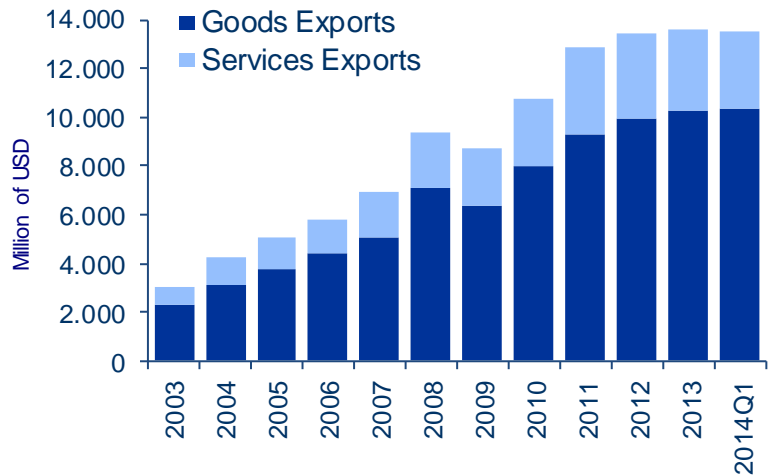
Main FDI origins (2003 – 2013)



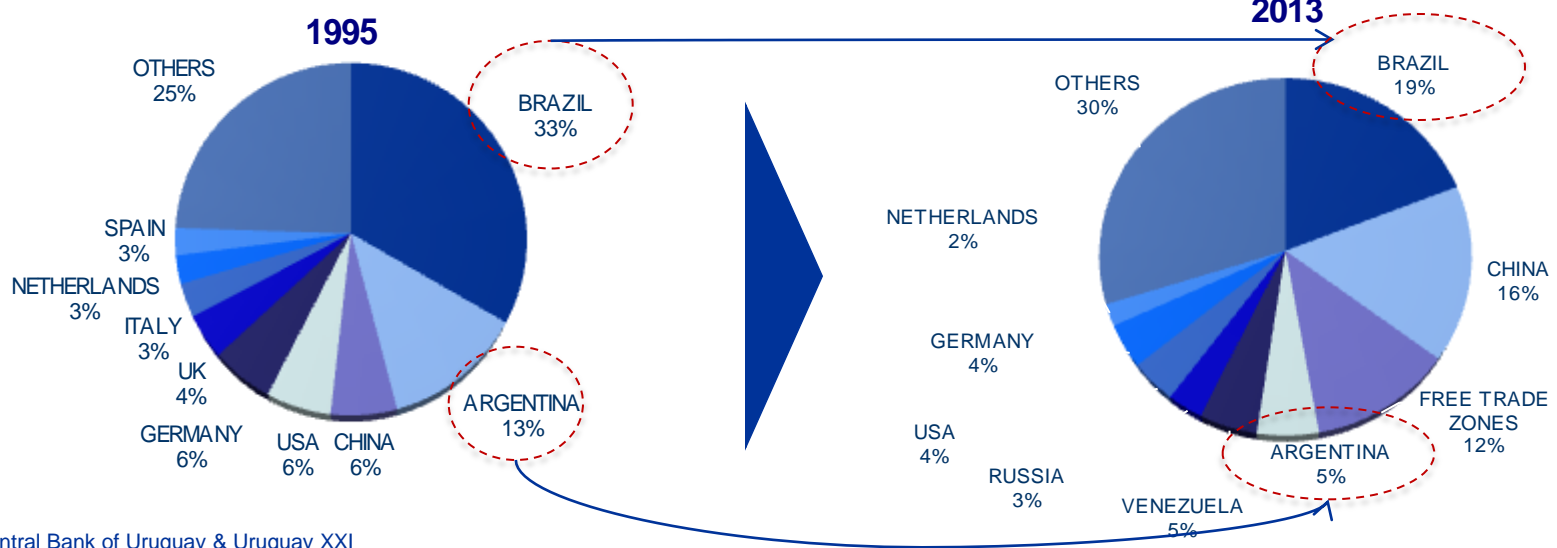
Main FDI receiving sectors (2003 – 2013)



Strong export performance

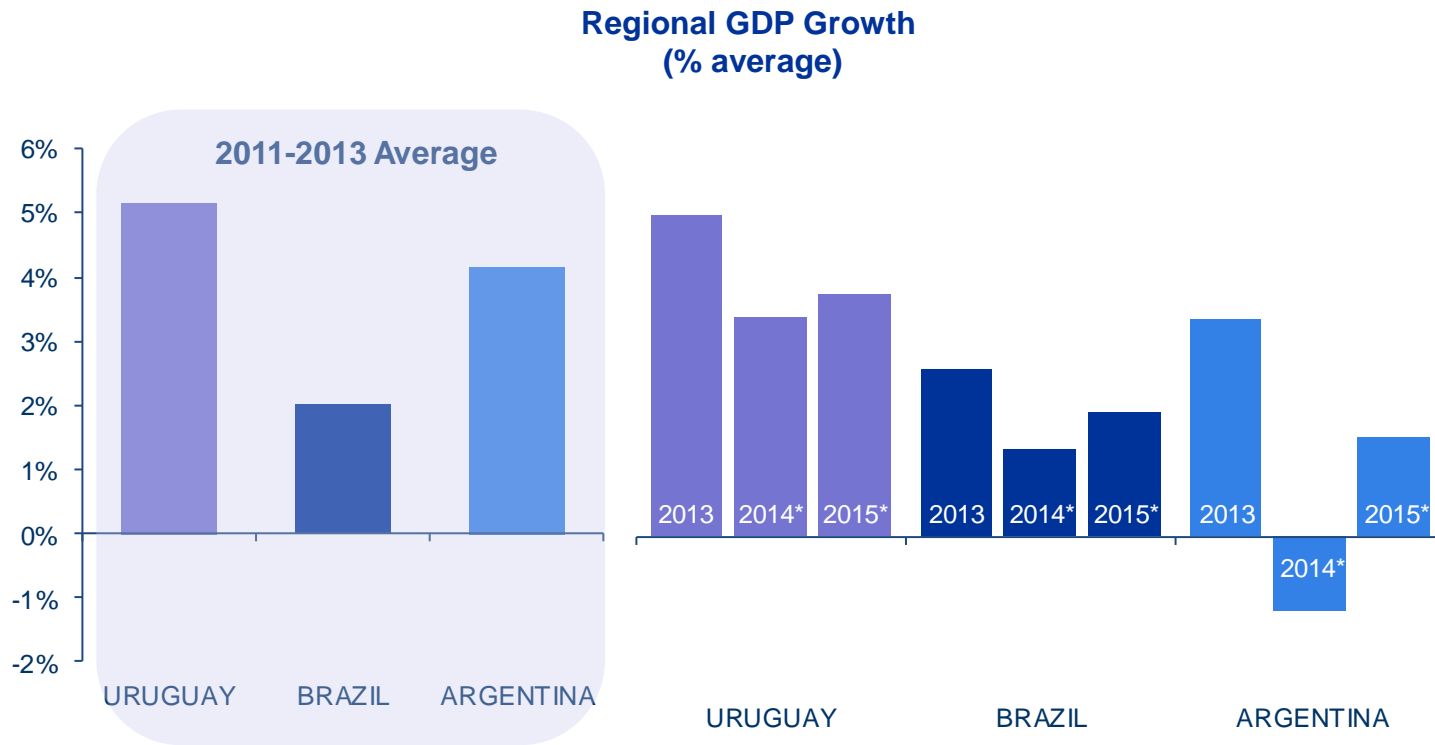


Exports breakdown by markets



Source: Central Bank of Uruguay & Uruguay XXI

The regional decoupling process is deepening

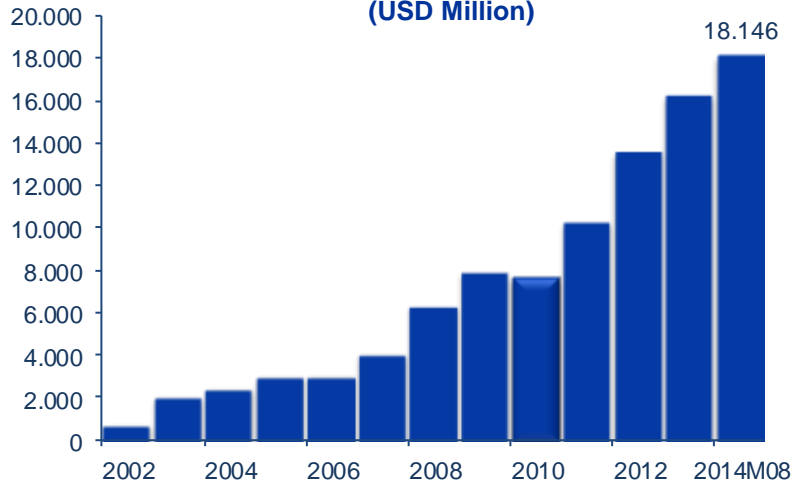


Source: BCU, MEF and Bloomberg; (*) projections

Uruguay will continue growing at its own pace, faster than its neighbors

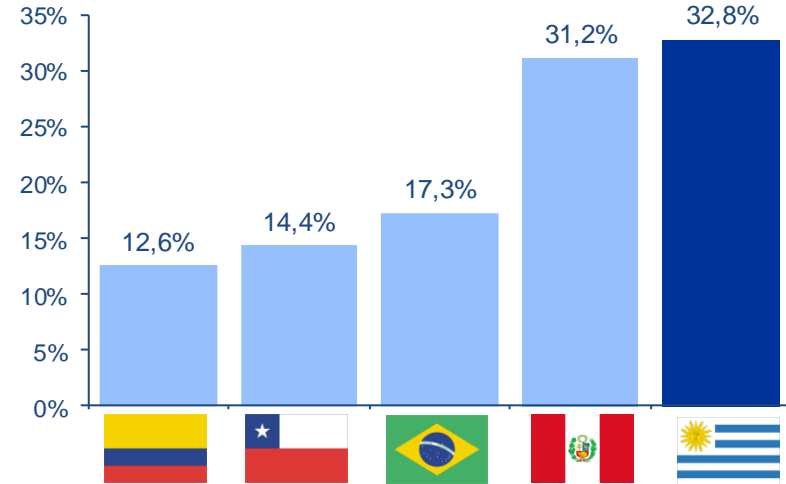
Comfortable external liquidity position

**International Reserves
(USD Million)**



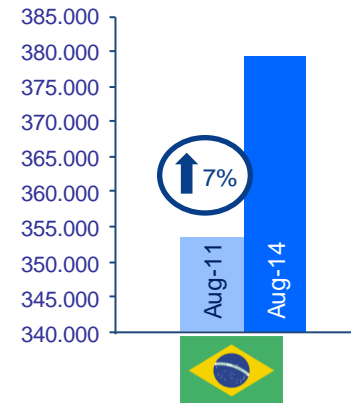
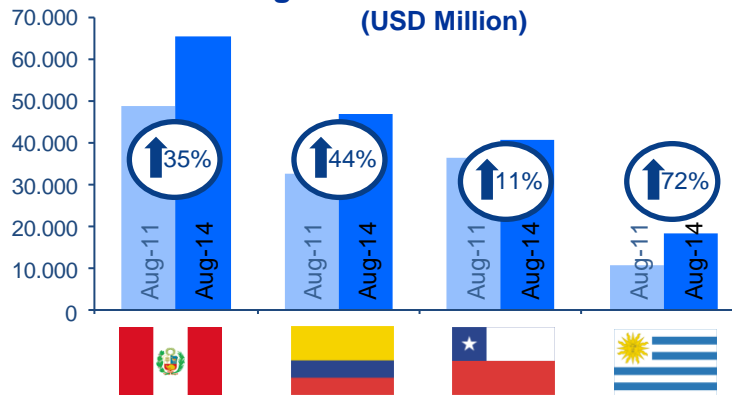
Source: Central Bank of Uruguay

**International Reserves/GDP
(as of August 2014)**



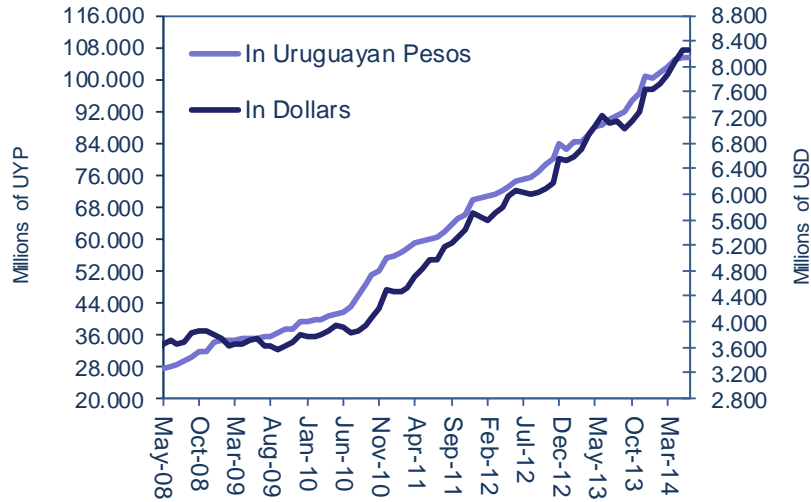
Source: IMF, World Economic Outlook Database and Central Banks

**Change in International Reserves
(USD Million)**

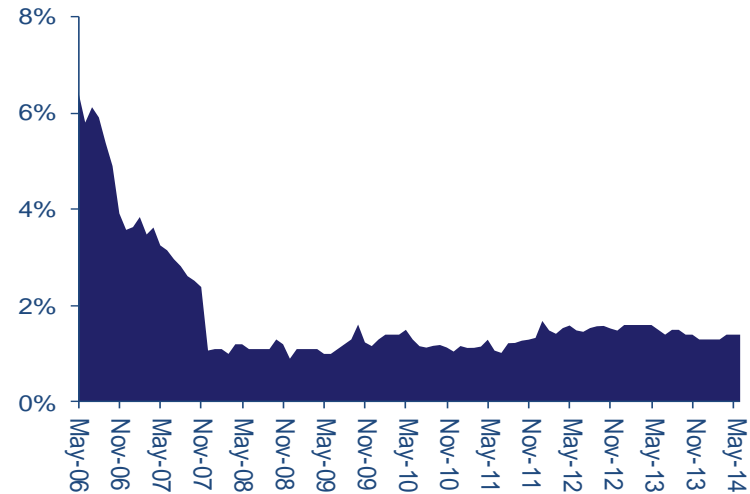


Sound banking system

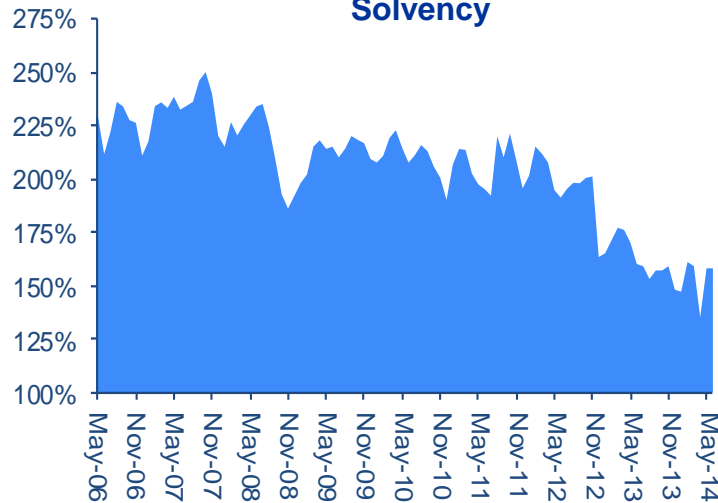
Private Sector Credit



Non-Performing Loans



Solvency

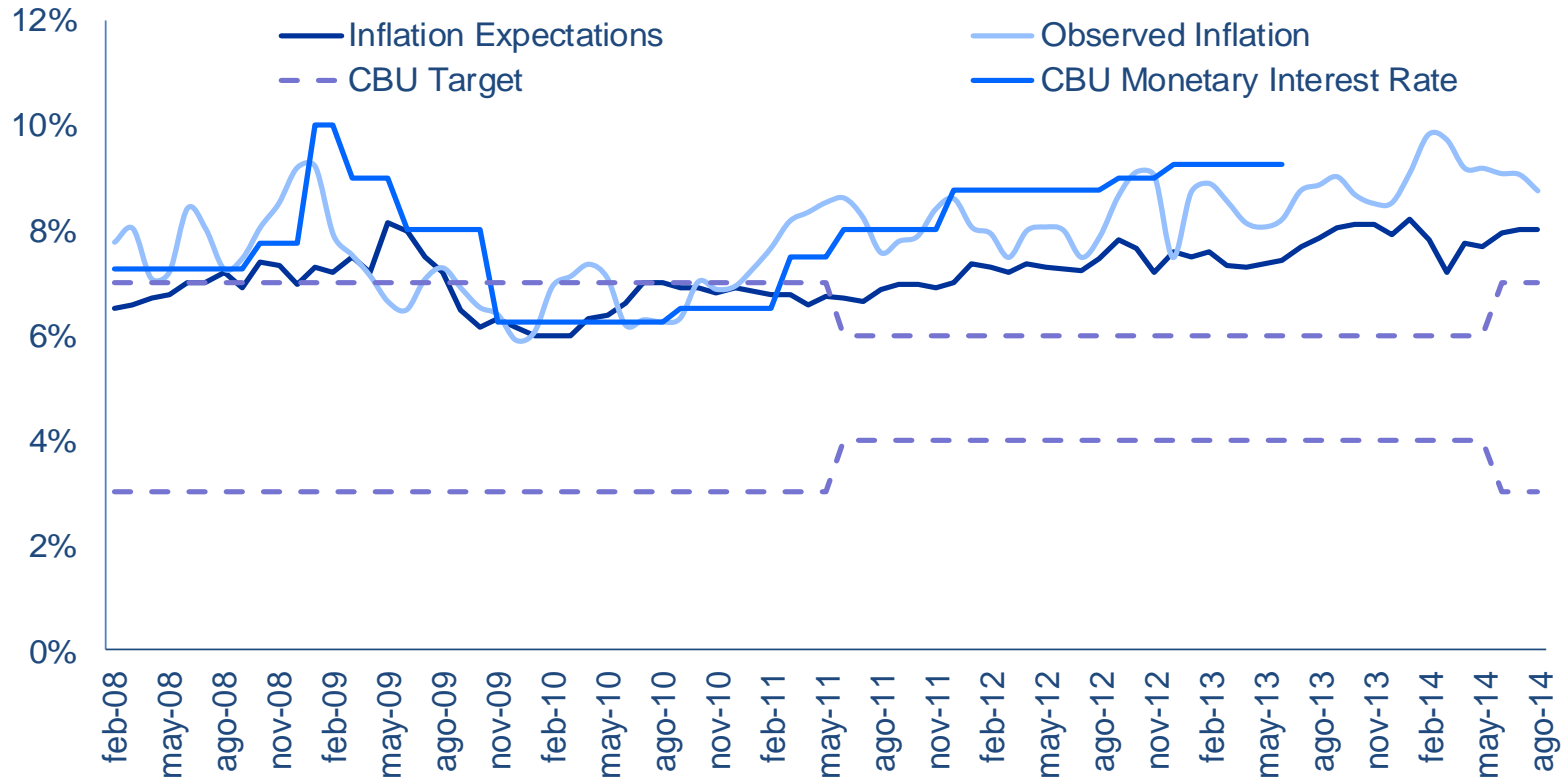


Liquidity



Source: Central Bank of Uruguay.

Inflation is the main challenge



FX and agricultural commodity prices

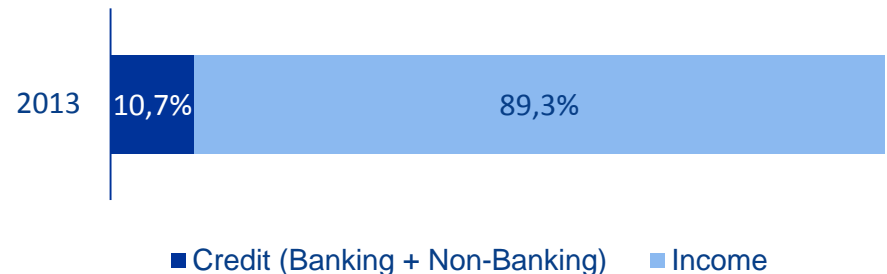


Credit channels are not fueling the strong domestic demand

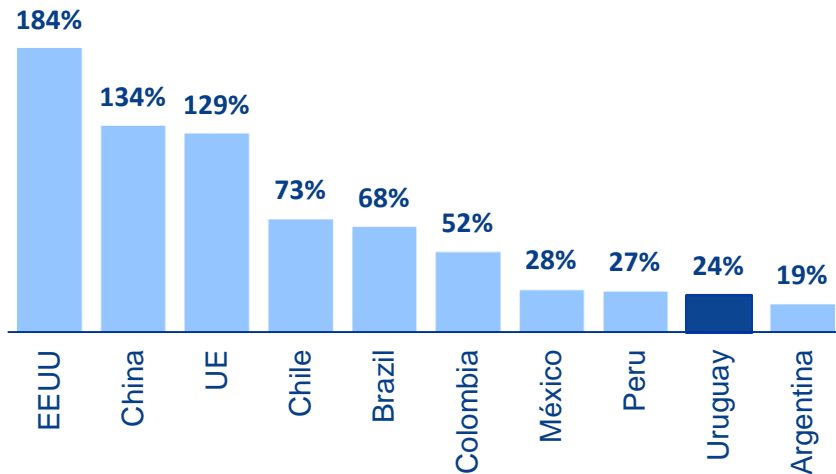
Household Consumption
(% of GDP - Constant Prices – SA)



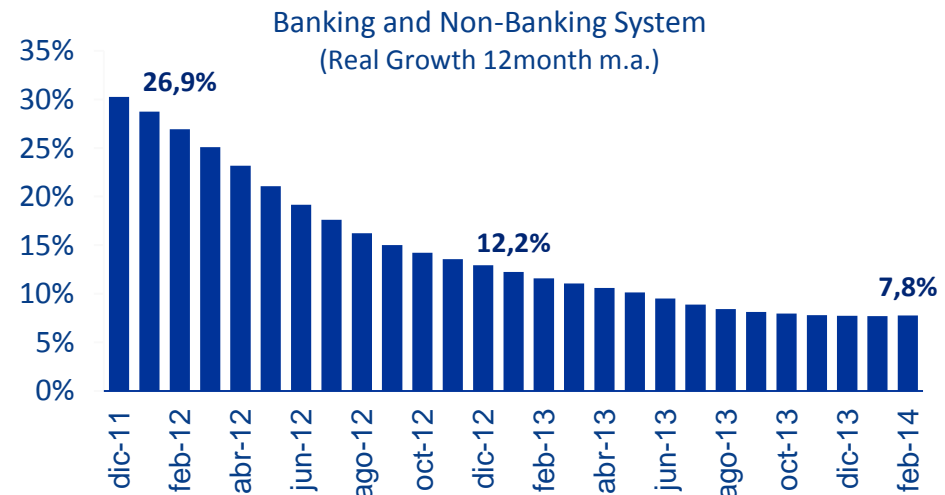
Household Consumption Financing Share between Credit and Income



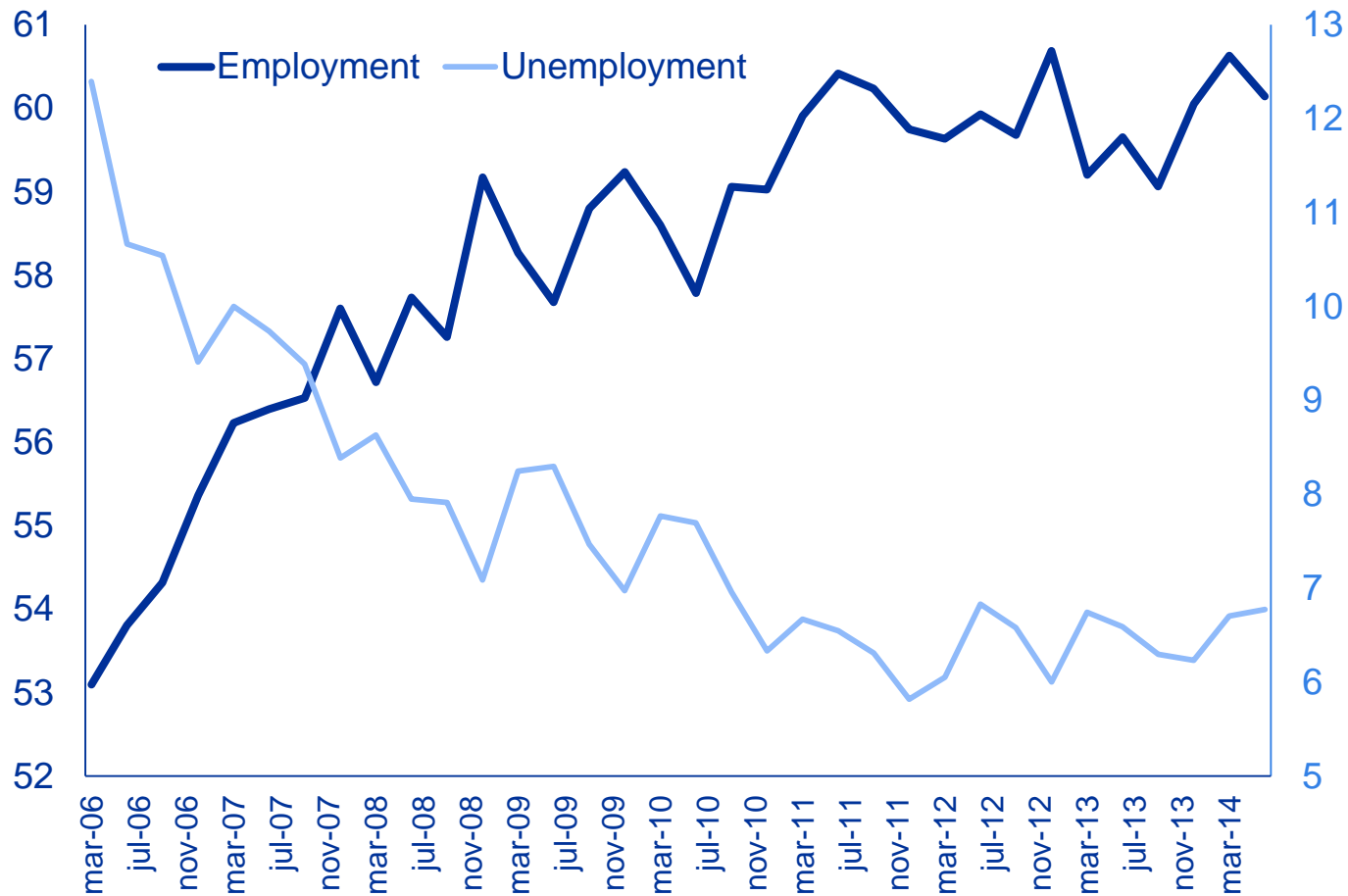
Total Credit
% of GDP - 2012



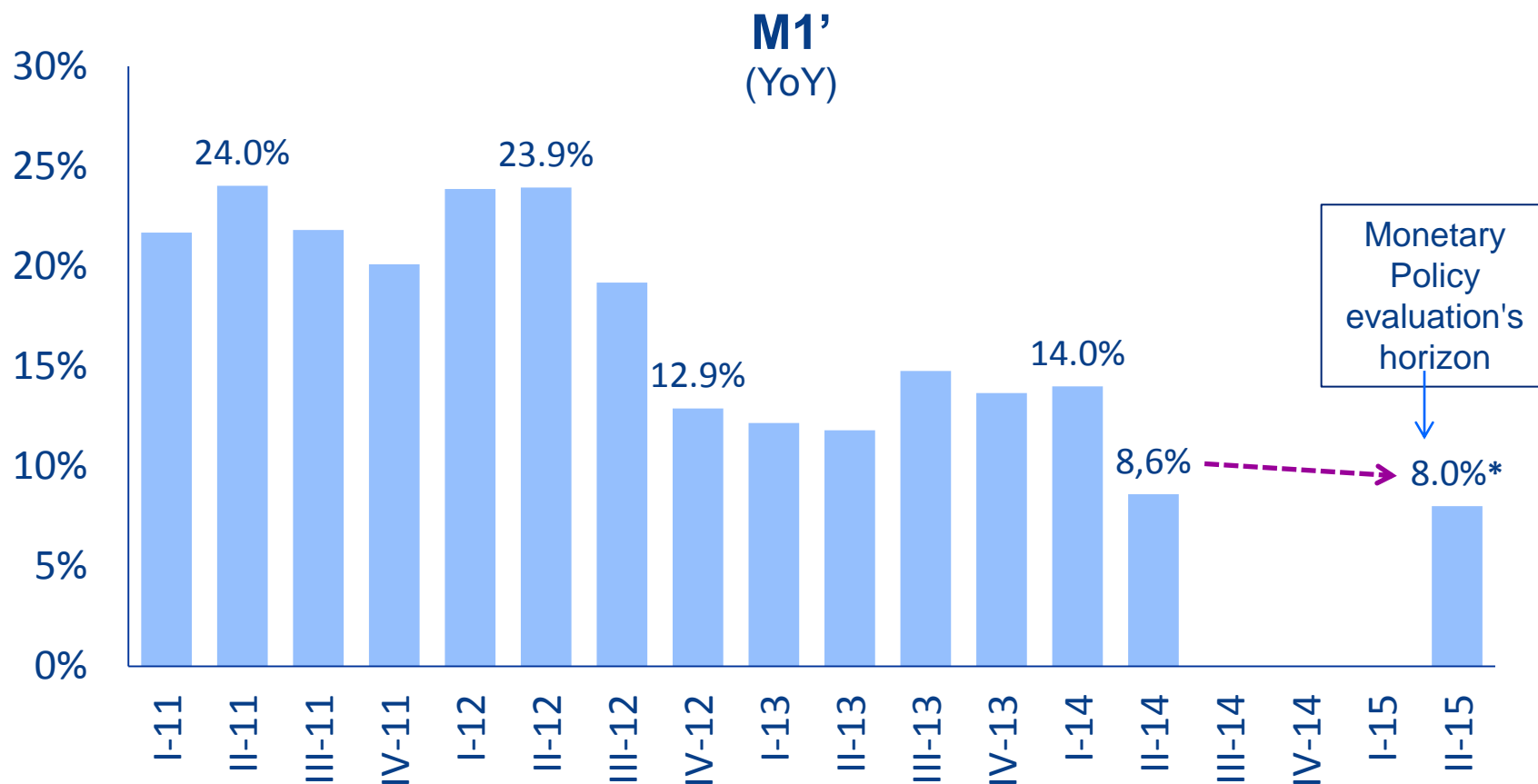
Consumer Credit in National Currency



Strong labor market



Contractive monetary policy: essential in the medium term, but not efficient in the short term



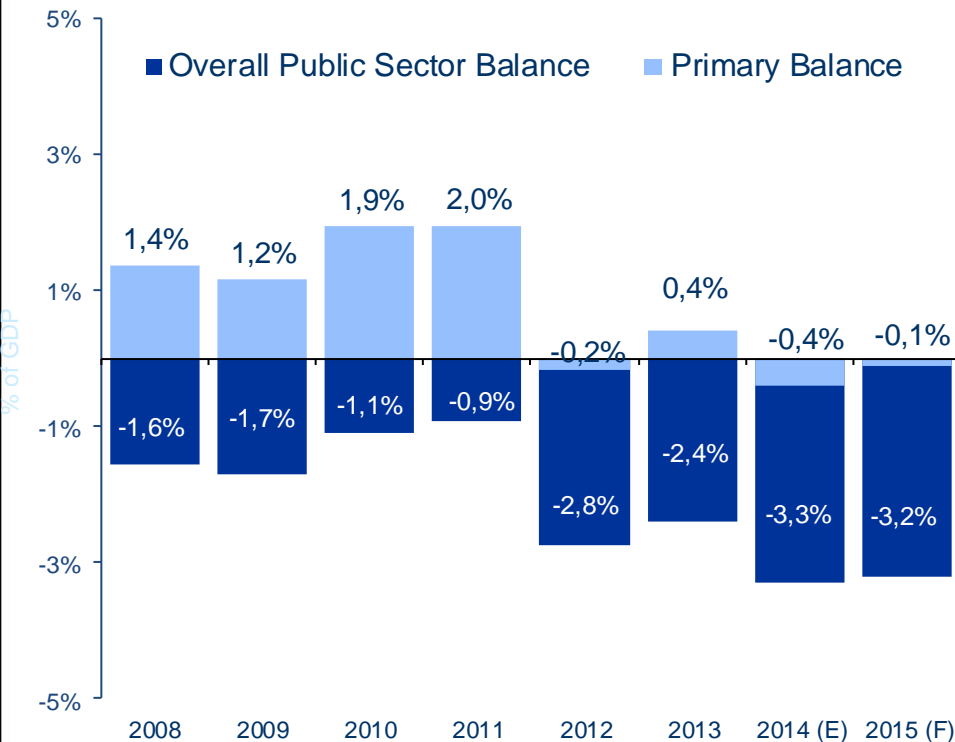
Source: CBU

* Center of the target range set by CBU.

Sustainable fiscal policy decreased net public debt-GDP ratio

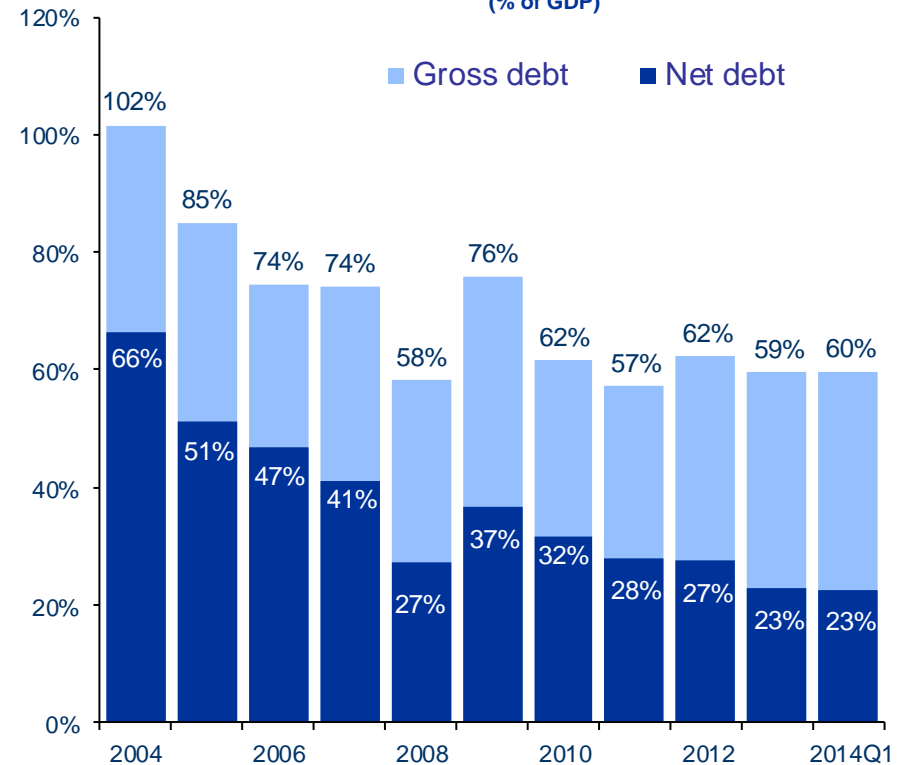
Global Fiscal Result

(% of GDP)

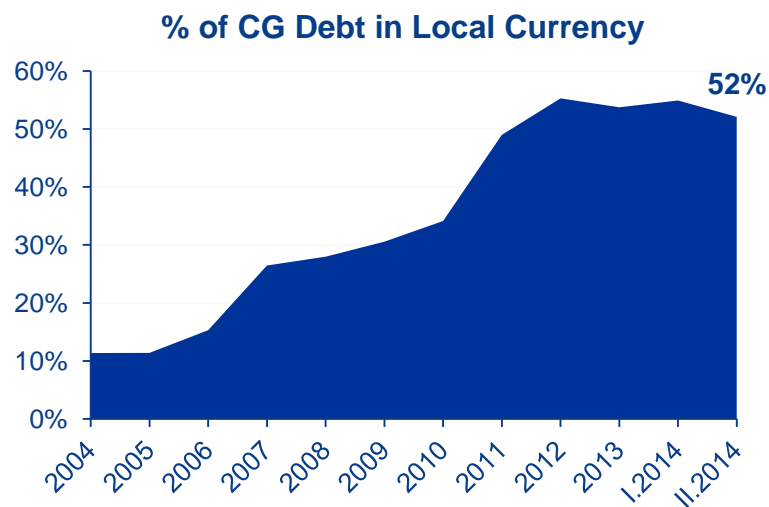
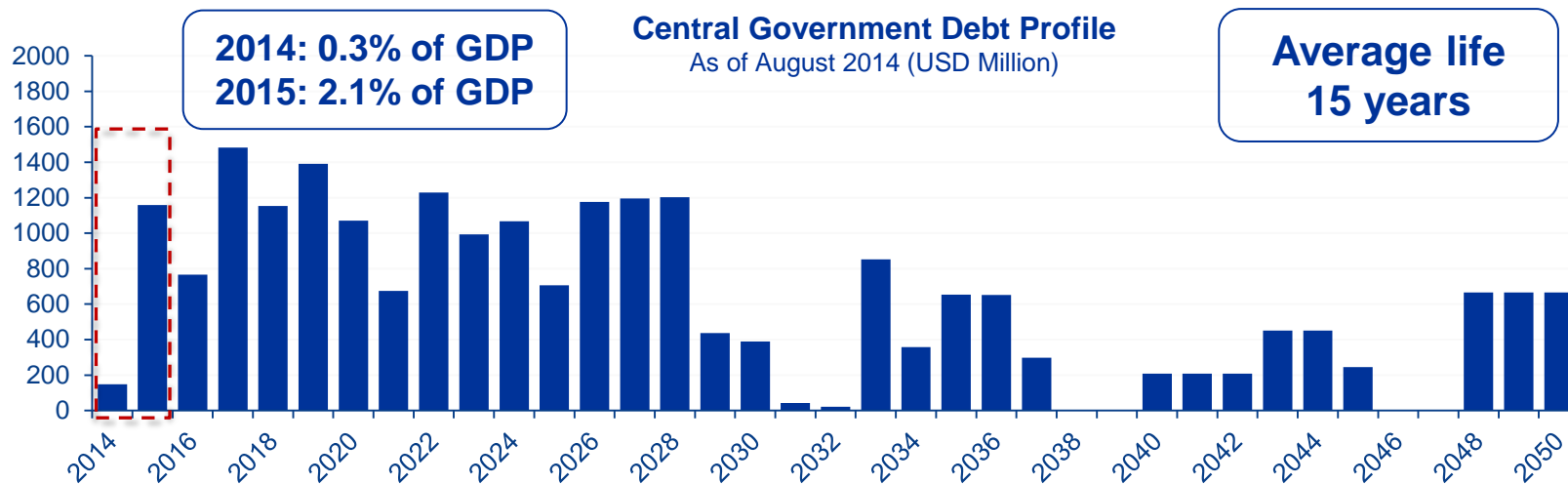


Global Public Debt

(% of GDP)



Proactive debt management reduced roll-over & FX risk

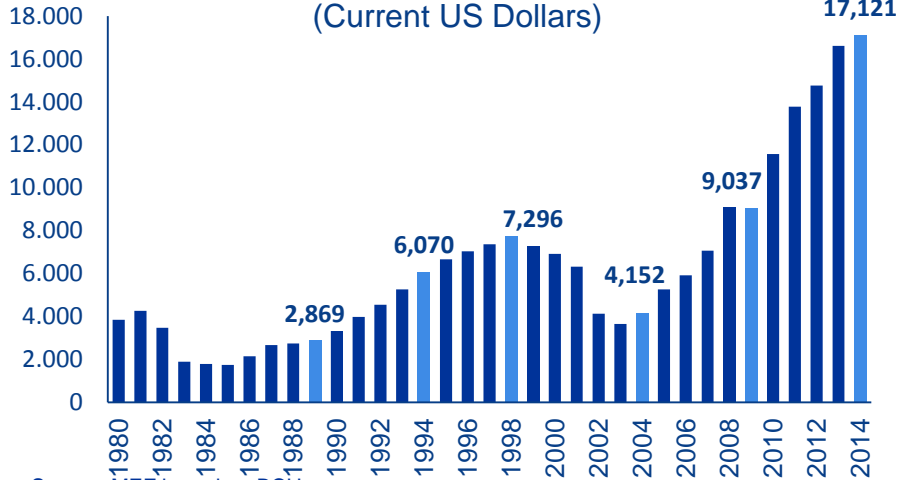


Contingent credits lines amount to nearly USD 2bn, 3.5% of GDP:

- ✓ World Bank - USD 520 million
- ✓ IDB - USD 550 million
- ✓ CAF - USD 400 million
- ✓ FLAR USD 470 million

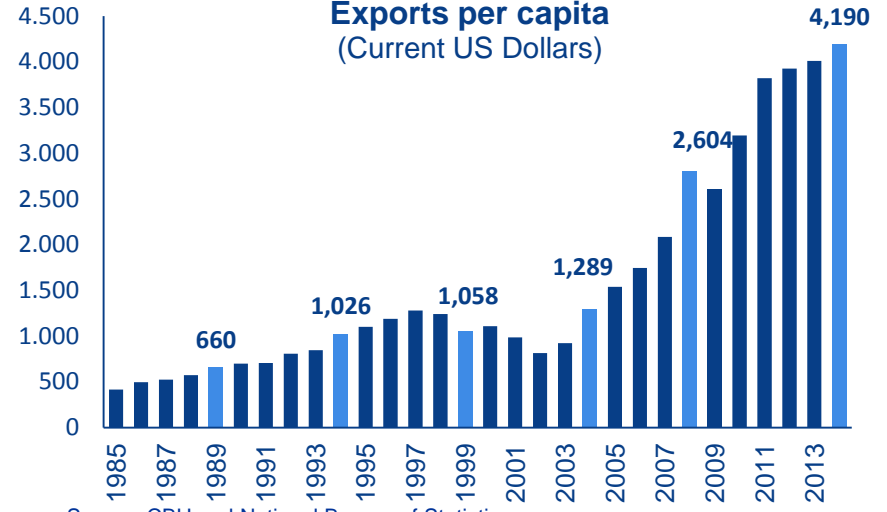
The next administration will receive a growing economy...

GDP per capita (US\$, 2013)
(Current US Dollars)



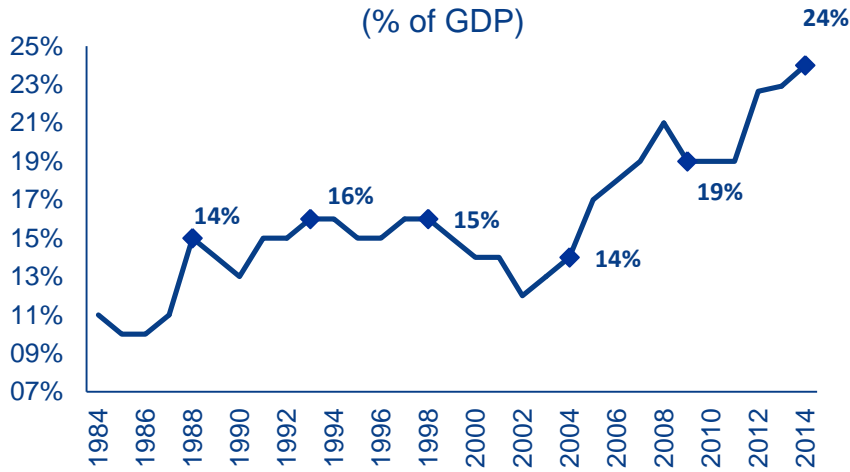
Source: MEF based on BCU

Exports per capita
(Current US Dollars)



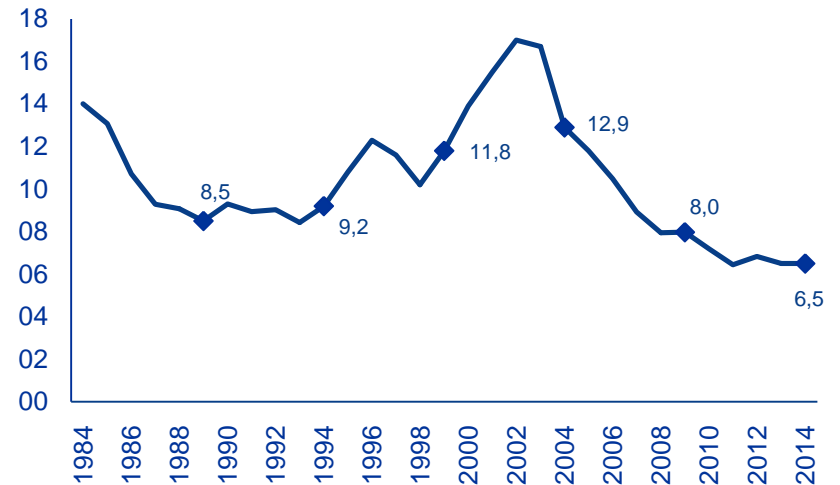
Source: CBU and National Bureau of Statistics

Total Investment
(% of GDP)



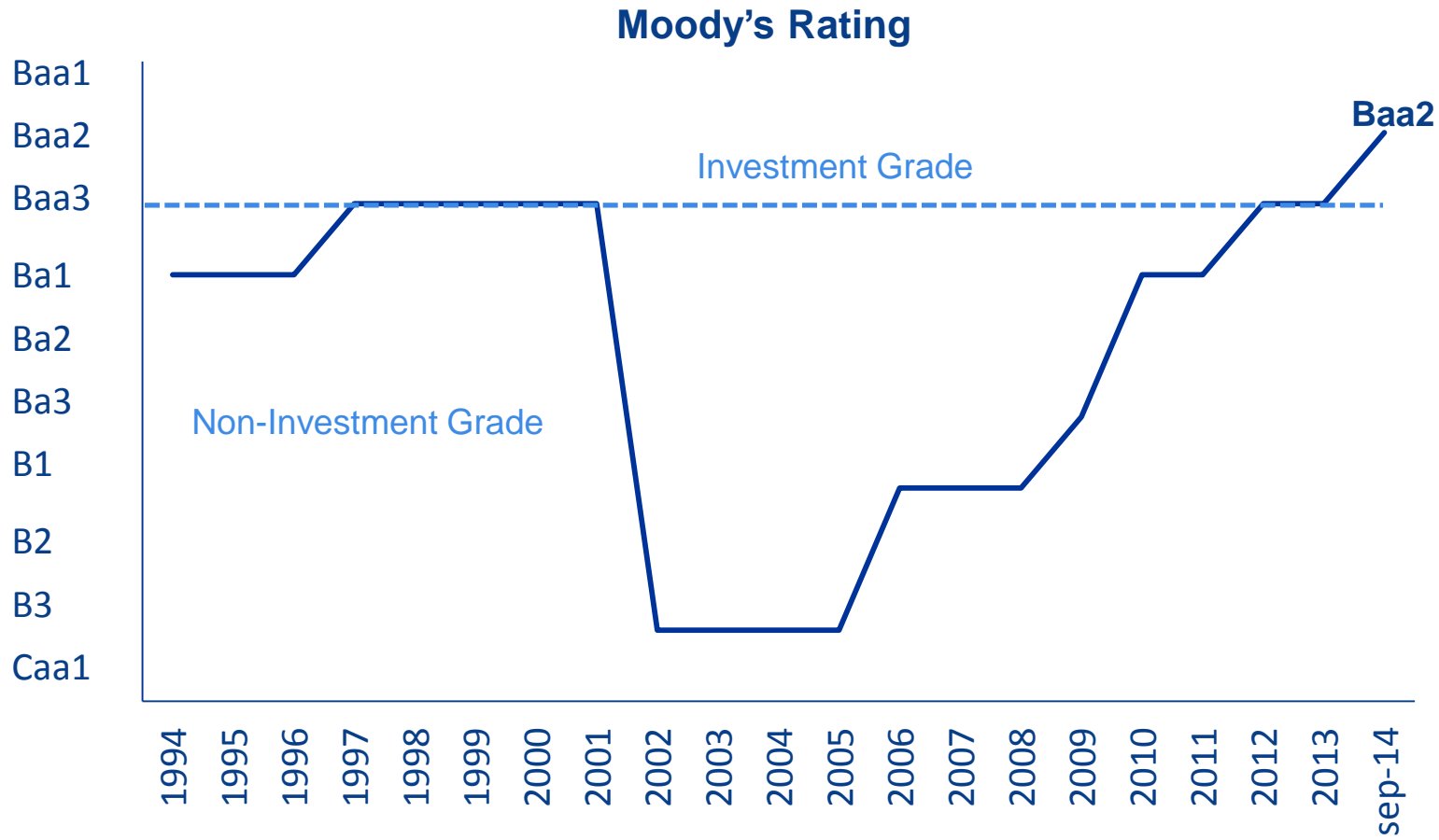
Source: Central Bank of Uruguay

Unemployment Rate



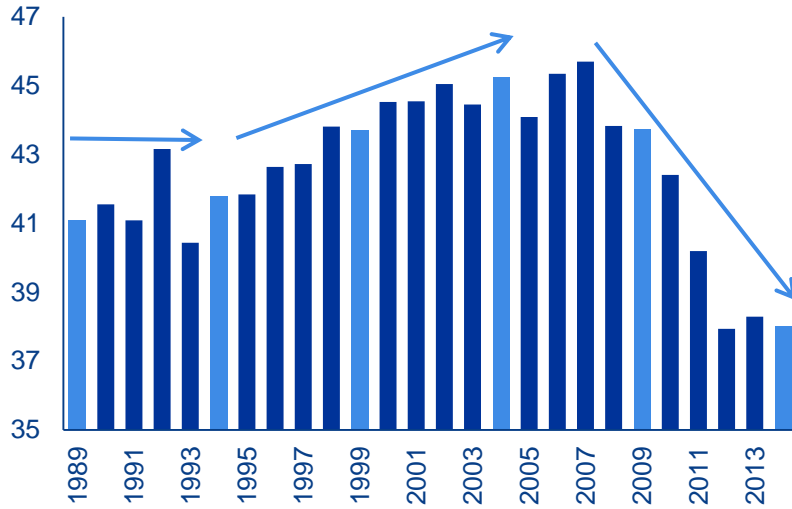
Source: National Bureau of Statistics

...with a better credit profile...



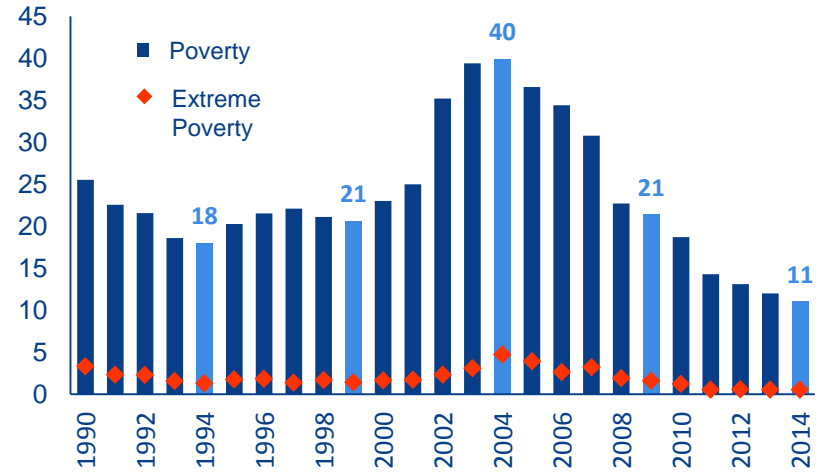
...and a more egalitarian and inclusive society

Gini Index



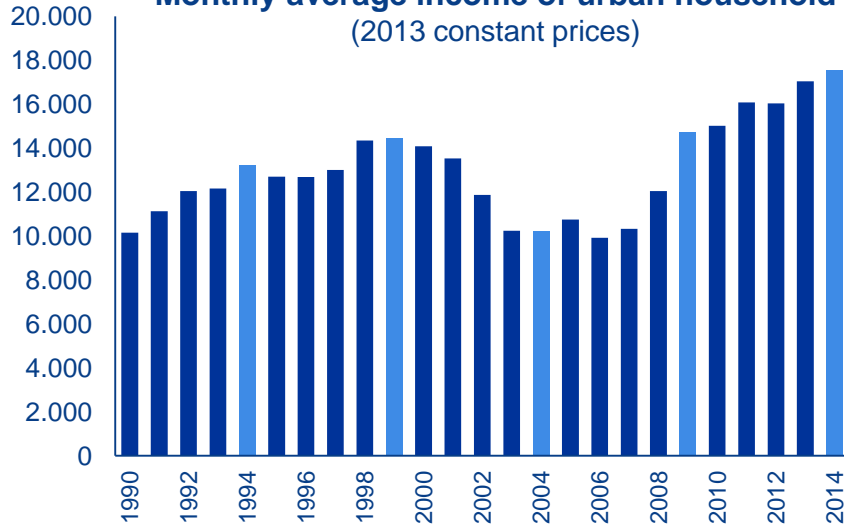
Source: NBS

Poverty and Extreme Poverty (% of people)



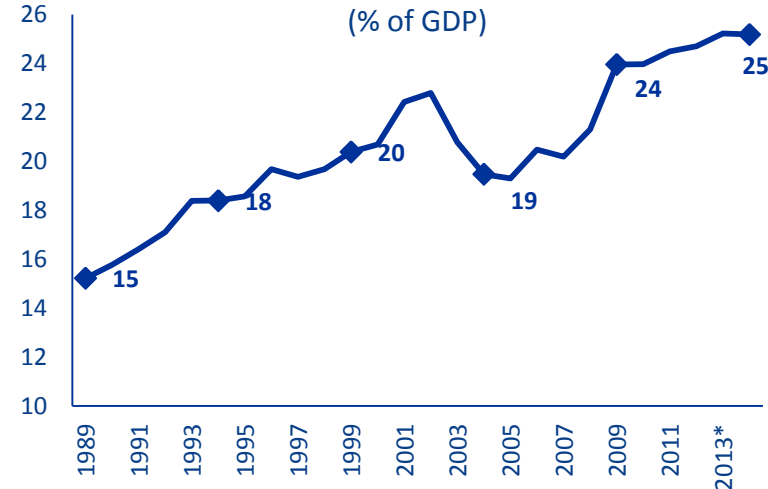
Source: NBS and MEF estimations

Monthly average income of urban household (2013 constant prices)



Source: NBS and MEF estimations

Public Social Spending (% of GDP)



Source: MIDES and 2013, 2014 MEF projections



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