



# República Oriental del Uruguay

## Investor Presentation

Ministry of Economy and Finance  
Debt Management Unit

October 2015

<http://deuda.mef.gub.uy>

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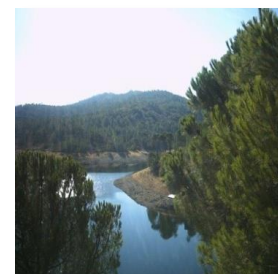
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# Uruguay at a Glance

<b>Population:</b>	3.3 million
<b>Total Surface Area:</b>	176,215 sq. km
<b>Human Development Index:</b>	51 <sup>st</sup> over 186 <sup>th</sup>
<b>GDP 2014:</b>	USD 57.5 Billion
<b>GDP per capita 2014:</b>	USD 17,450 (Upper Income Economy / WB)
<b>Real Growth Rate '15 (e):</b>	2.5% YoY
<b>Real Growth Rate '05 – 14:</b>	5.4% (average)
<b>Unemployment Rate:</b>	7.1% (average last 12M)
<b>Credit Rating:</b>	Baa2 by Moody's / BBB by S&P/ BBB- by Fitch



# Key Credit Highlights



**Institutional Stability**

1



**Solid Growth with Large FDI**

2



**Macroeconomic Policy Mix**

3



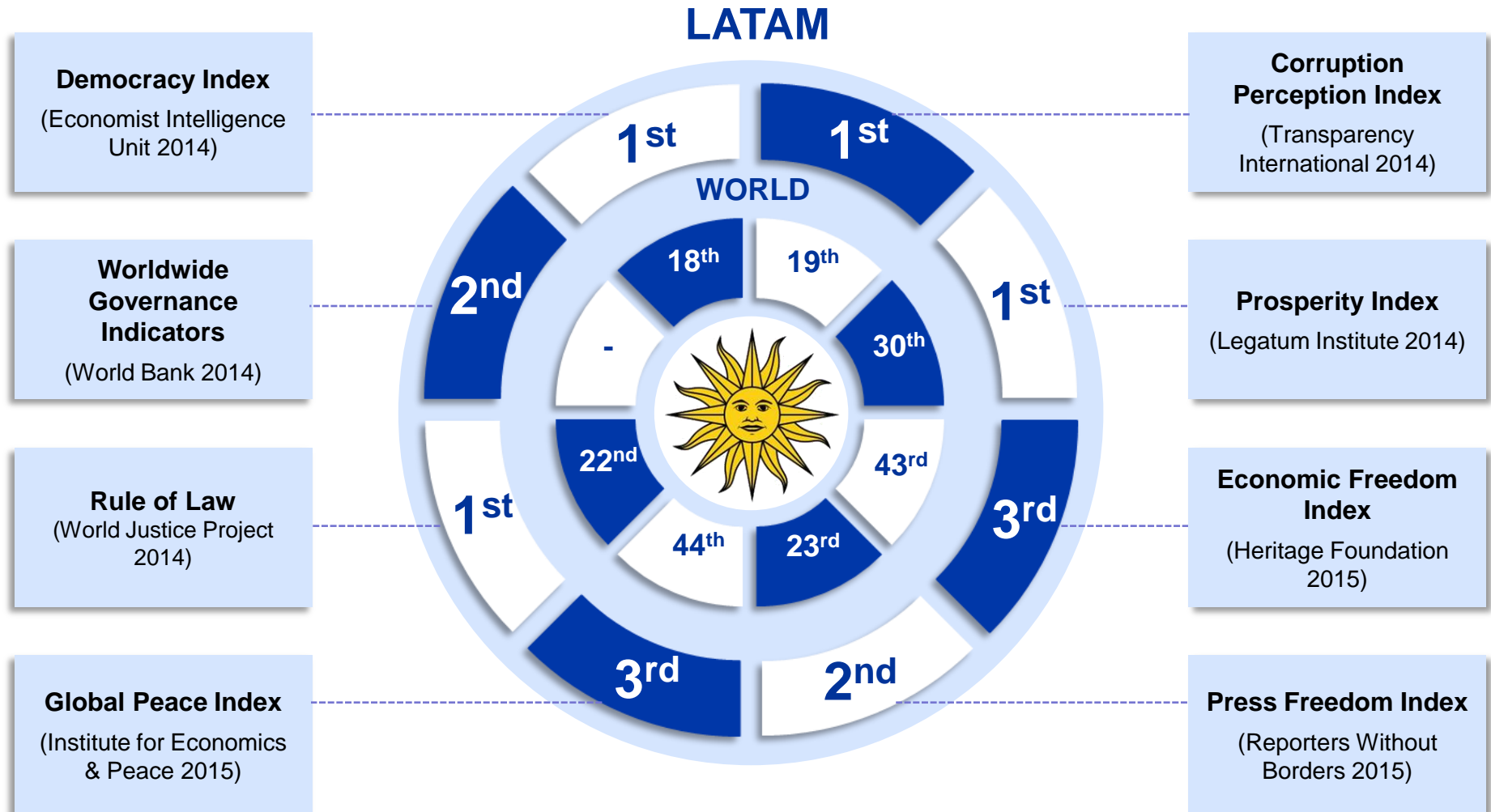
**Proactive Debt Management Underpinning  
a Solid External Position**

4



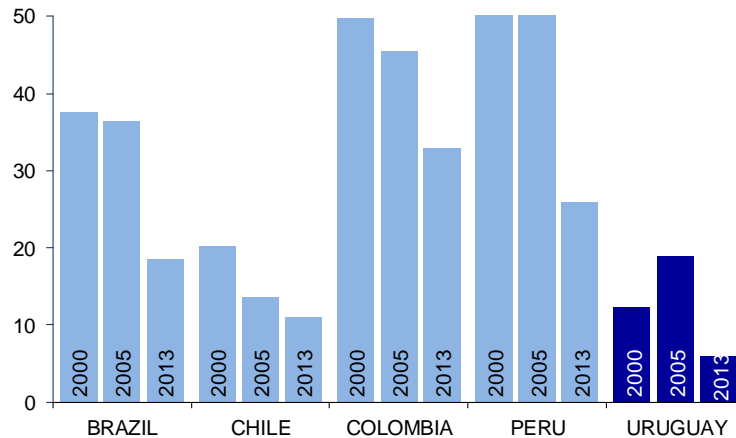
# 1 Recognized Institutional Stability...

## Ranking position in Latin America and worldwide



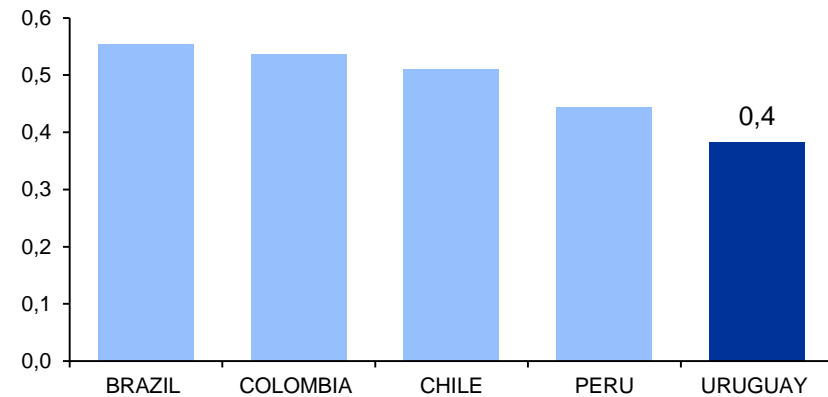
# ...Supported by Strong Social Indicators

**Poverty Index (% of total population)**

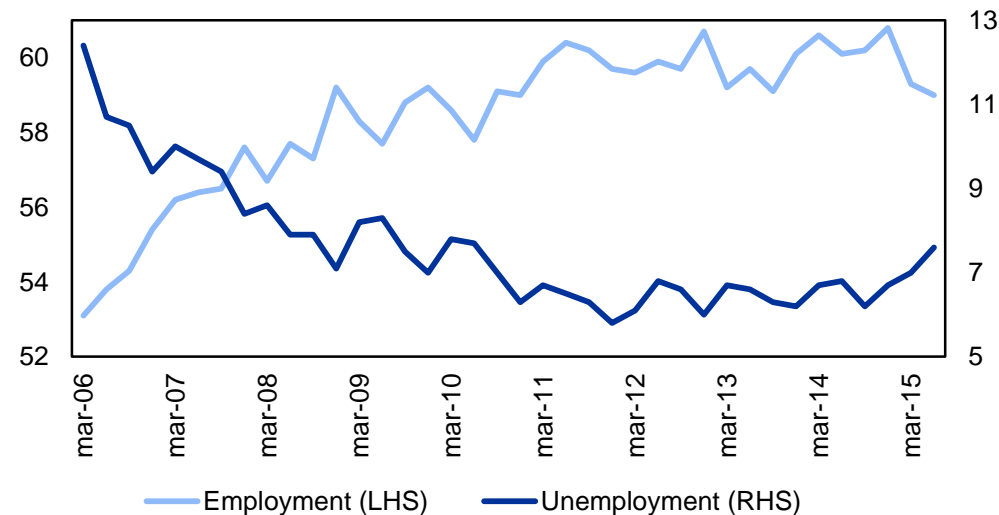


**Gini Coefficient**

Values between 0 and 1



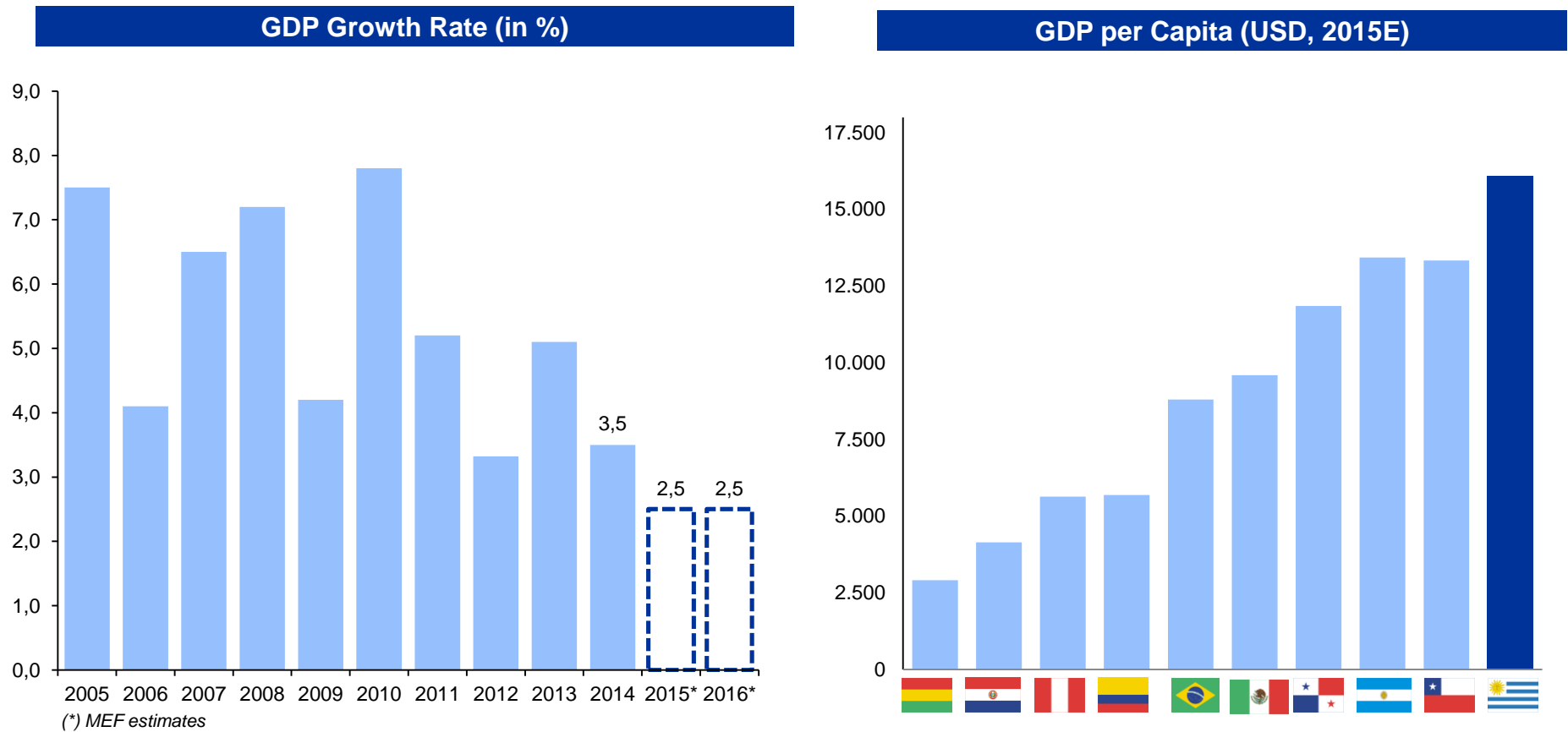
**Unemployment and Employment Rates (in %)**



Source: Economic Commission for Latin America and the Caribbean, Statistical Yearbook for Latin America and the Caribbean 2013 and National Bureau of Statistics



## 2 Sustained Growth over the Last Decade has led to the Highest Regional per Capita GDP

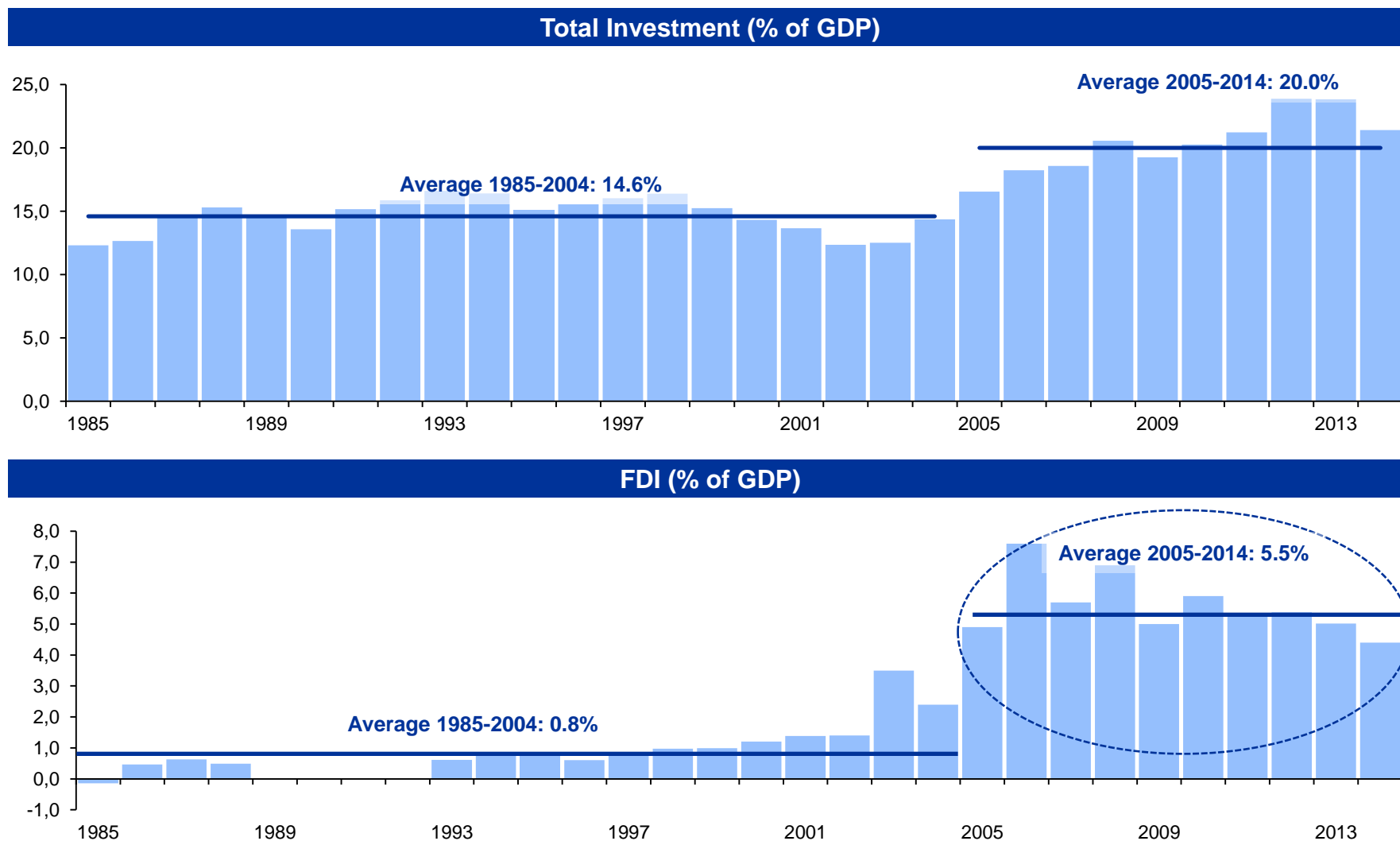


**Average annual growth rate of 5.4% between 2005 and 2014 was 50% explained by TFP growth**

Source: Central Bank of Uruguay, IMF (WEO October 2015) and Ministry of Economy and Finance estimates.  
 \*TFP: Total Factor Productivity



## Structural Increase in Investment Levels driven by FDI



Source: Central Bank of Uruguay  
 FDI: Foreign Direct Investment - CAD: Current Account Deficit





## 2 Significant FDI Inflows from a Broad Group of Countries



Main FDI origins (2002-2013)



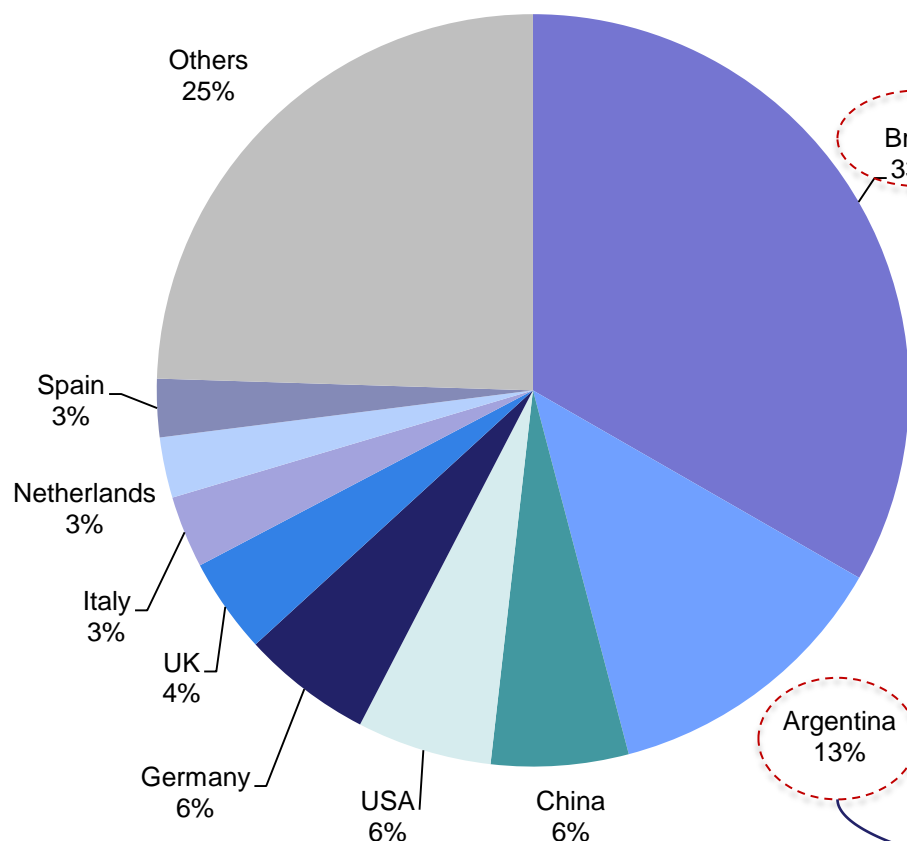
Main FDI recipient sectors (2002-2013)



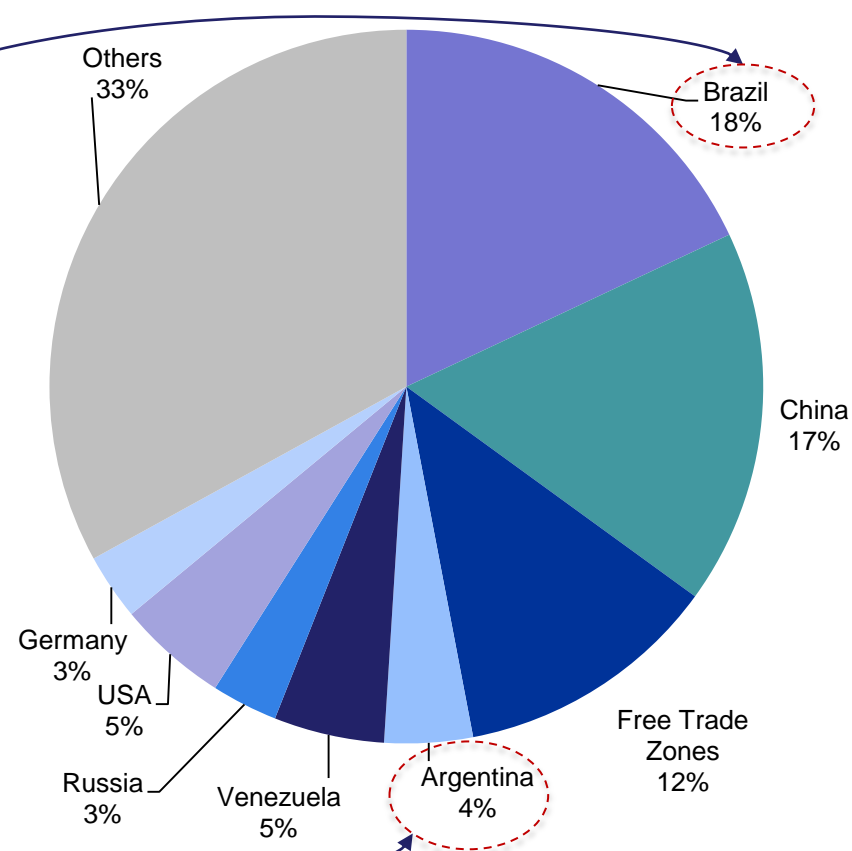
## 2 Robust and Geographically Diversified Export Matrix

Good Exports Breakdown By Markets

1995



2014



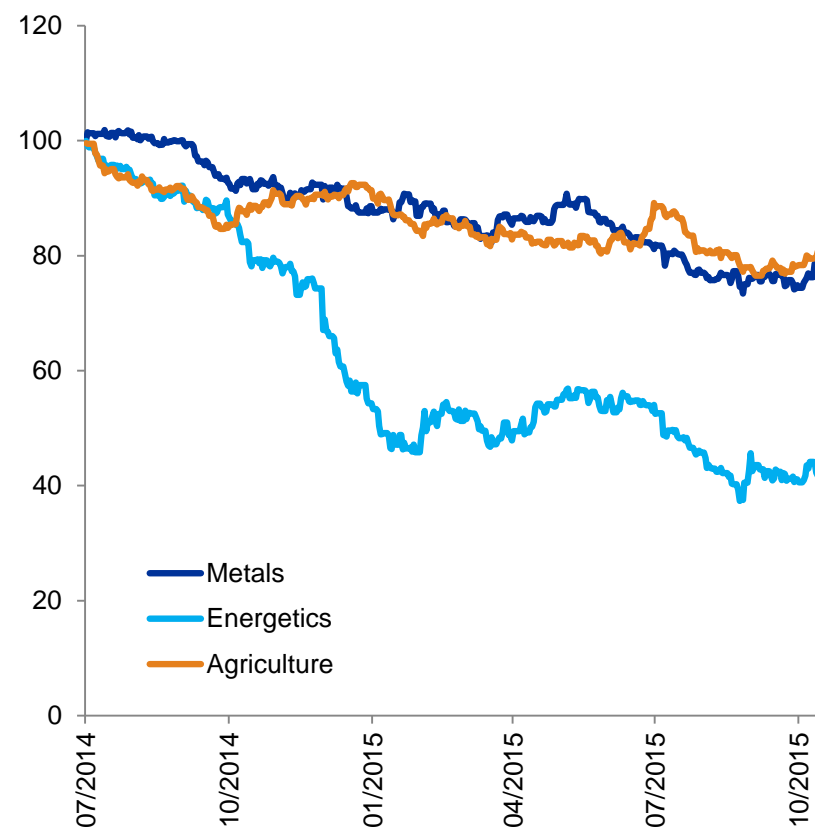
## Lower Dependence on Volatile Commodities' Exports

**Latin America: Exposure to commodities  
( % of total exports )**

Country	Total commodities	Oil	Metals	Agriculture
Venezuela	98.0	96.1	1.8	0.1
Ecuador	86.0	57.7	3.8	--
Colombia	79.0	52.0	17.0	10.0
Argentina	70.3	7.7	6.4	56.2
Peru	70.0	11.0	53.0	6.0
Chile	63.0	0.0	55.0	8.0
<b>Uruguay</b>	<b>61.0</b>	<b>0.0</b>	<b>3.0</b>	<b>58.0</b>
Brazil	52.4	8.5	14.6	29.3
Mexico	16.6	11.1	2.3	3.2
<b>Latin America</b>	<b>53.0</b>	<b>18.8</b>	<b>13.6</b>	<b>20.6</b>

Source: LATAM Macroeconomic Outlook / JP Morgan / September 2015

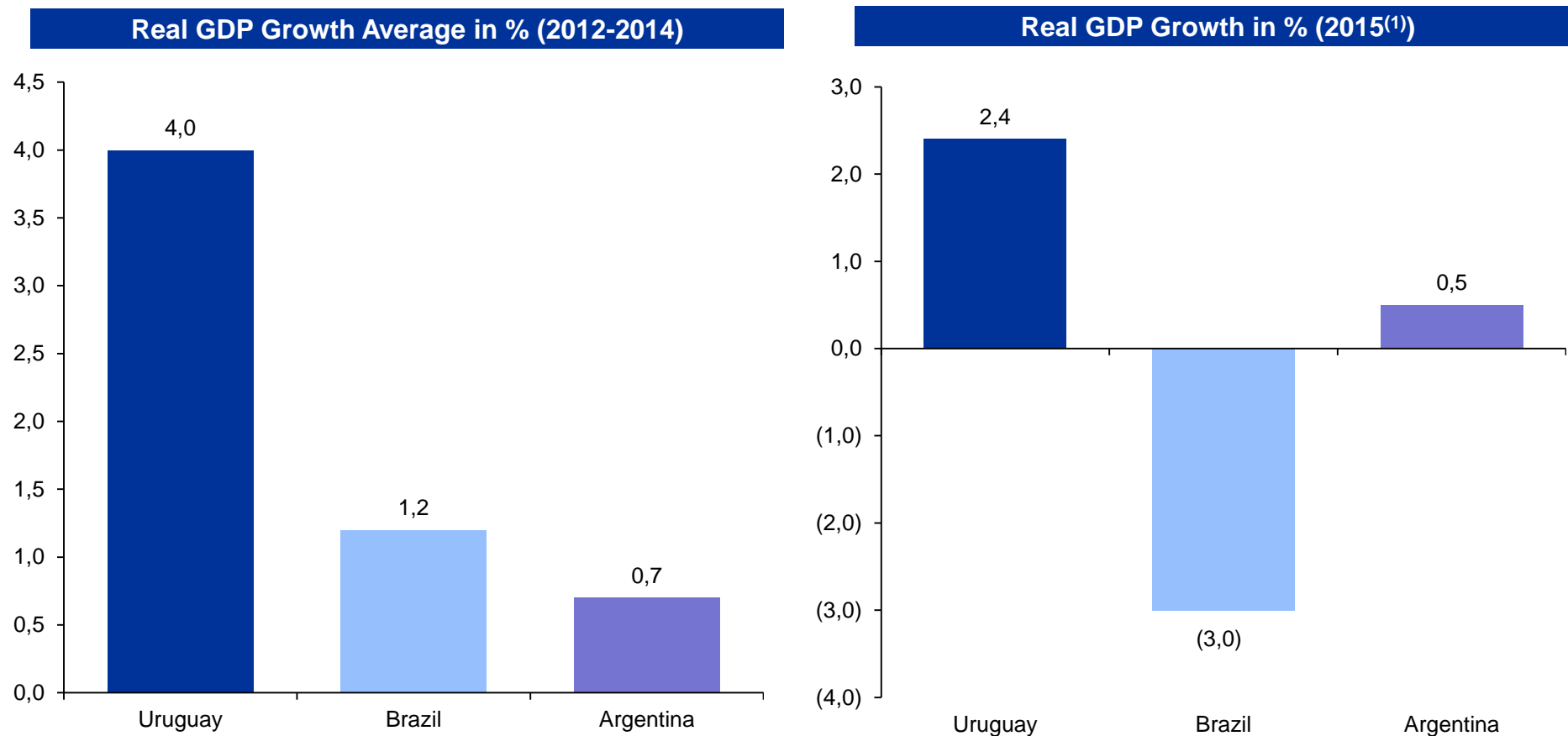
**RICI Commodities Price Index  
(07/2014=100)**



Source: Rogers International Commodity Index - Bloomberg



## 2 Uruguay Continues to Grow Faster than Its Neighbours

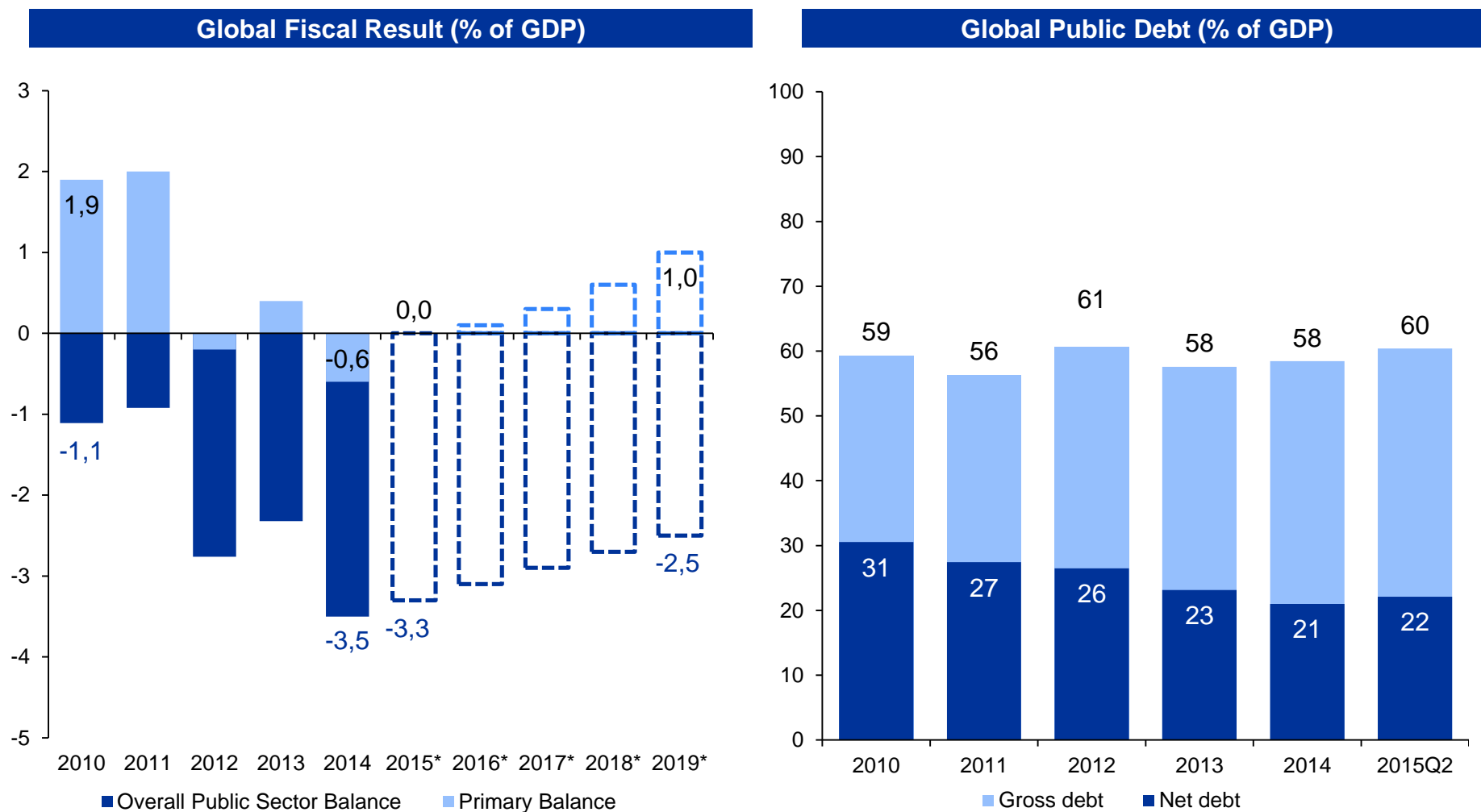


**Decoupling from its closest neighbours has become more visible in the last few years**

Source: Central Bank of Uruguay; Bloomberg Private Analysts Consensus



### 3 Fiscal Policy is geared towards gradual consolidation, while Net Debt remains at record low



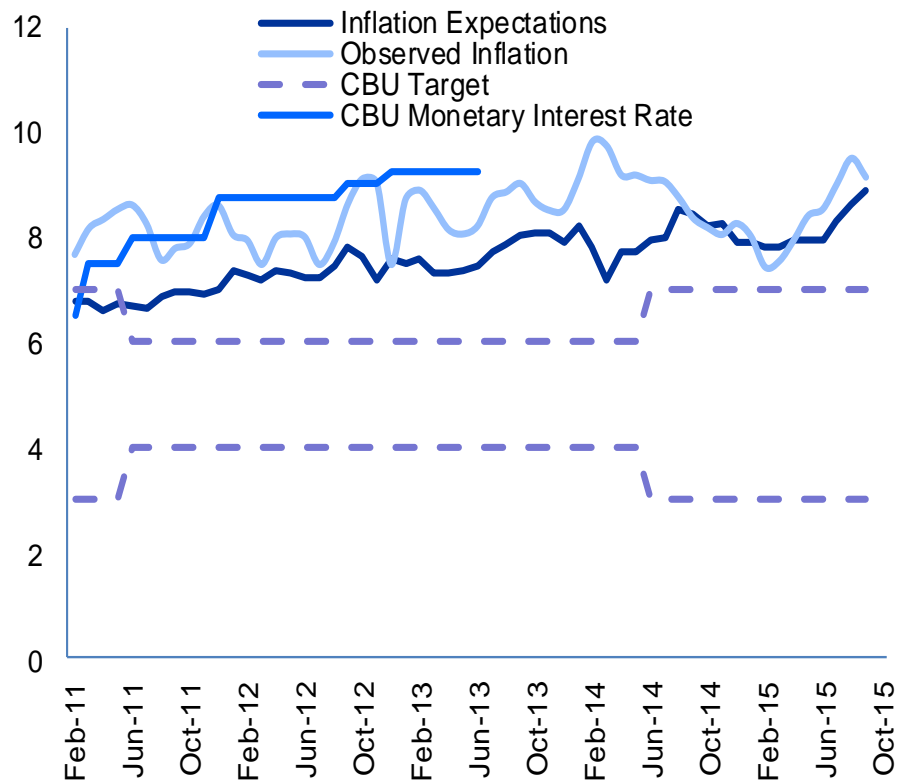
(\*) MEF estimates

Source: Ministry of Economy and Finance and Central Bank

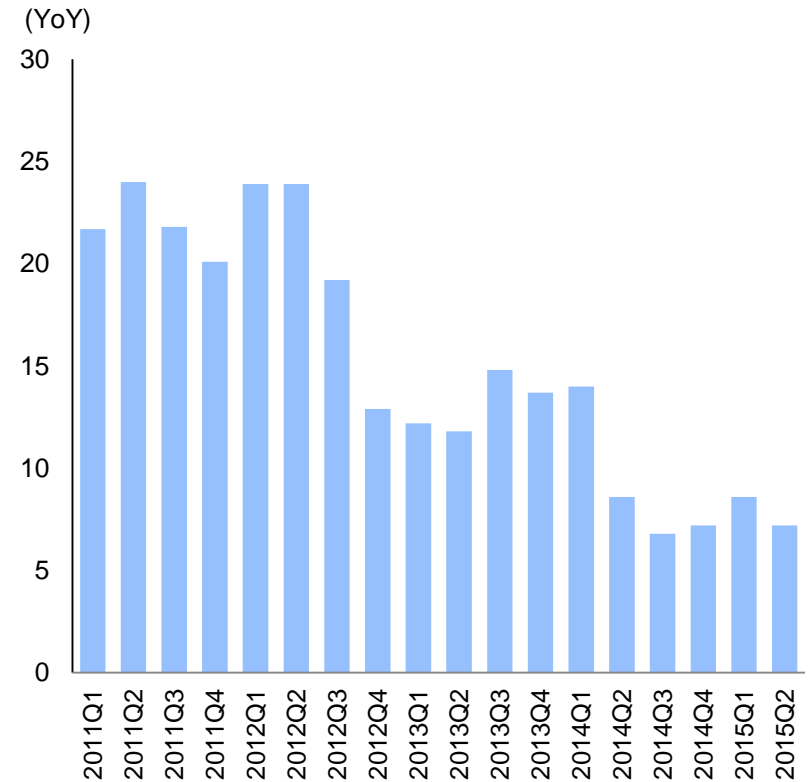


# Inflation remains above target and is a challenge to be addressed

Consumer Prices Evolution (YoY in %)



Evolution of Monetary Aggregates (YoY in %)\*



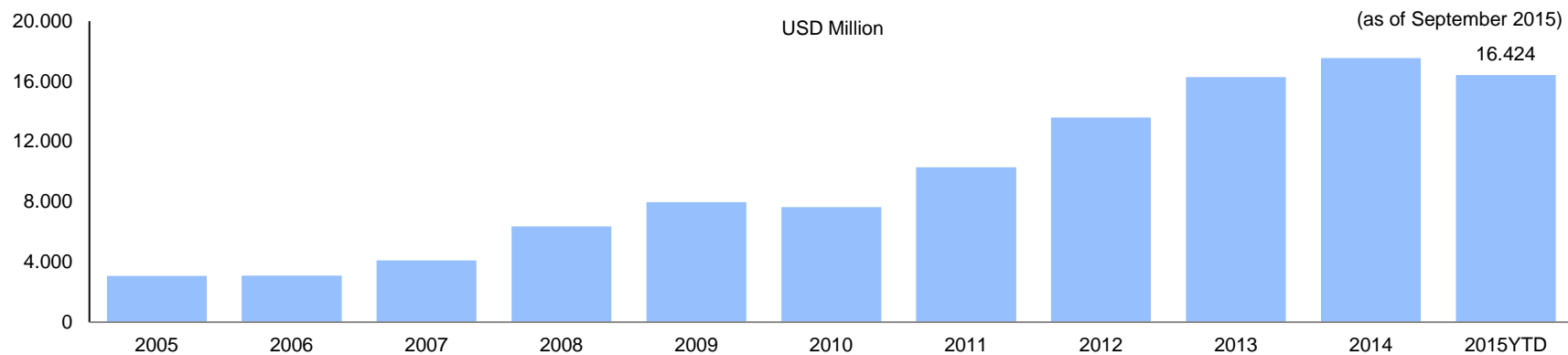
(\*) M1' – M1 Plus Domestic Saving Deposits

Source: Central Bank of Uruguay and National Bureau of Statistics

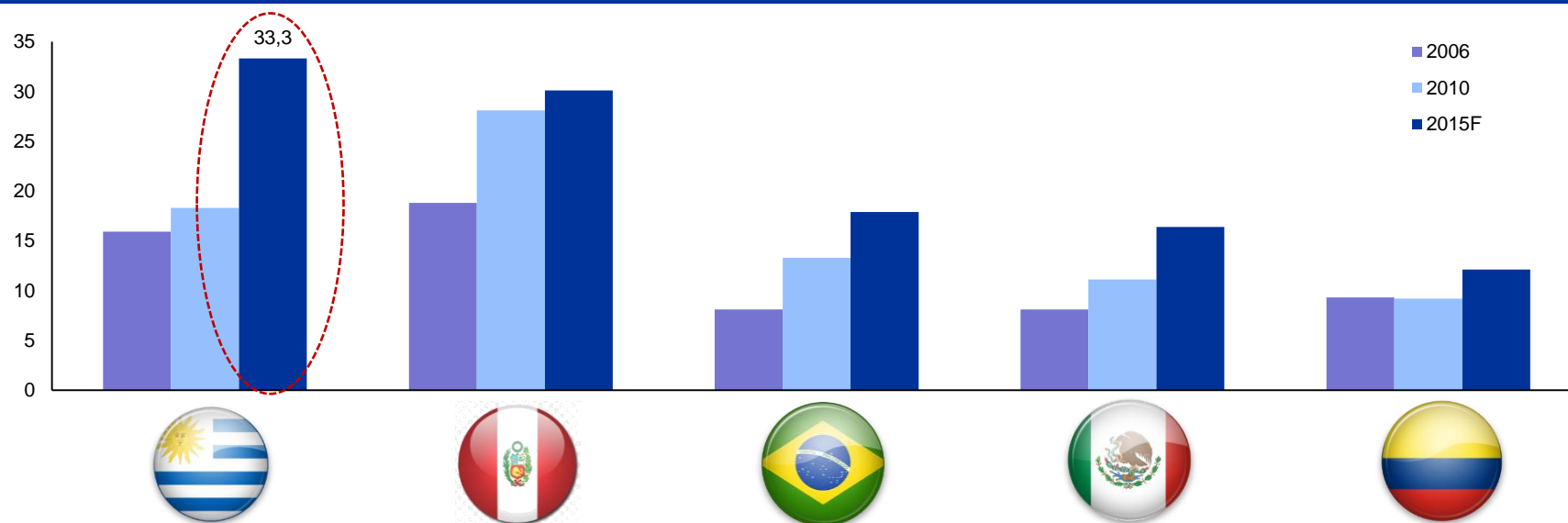


## Comfortable External Liquidity Position

### International Reserves<sup>(1)</sup>



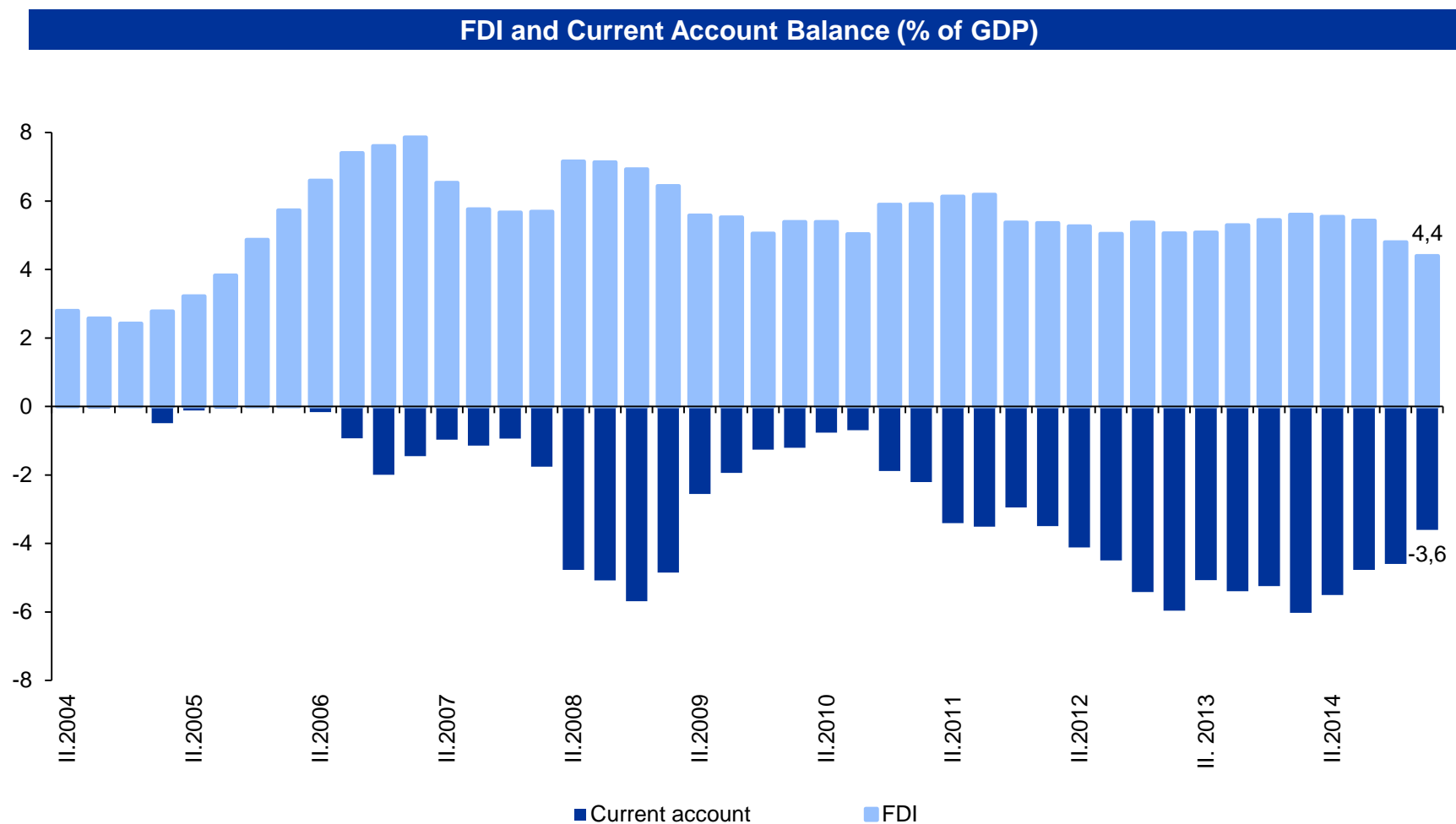
### International Reserve Buffers (in % of GDP)



Source: Central Bank and Moody's



## FDI has comfortably covered the Current Account Deficit

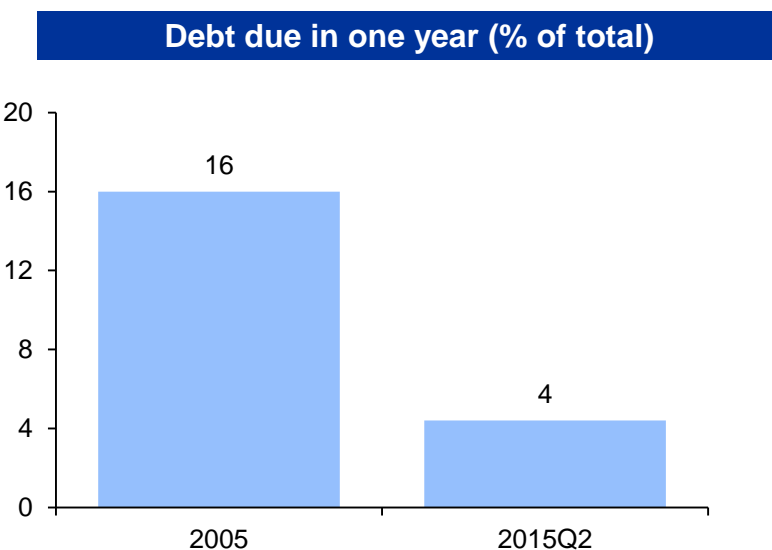
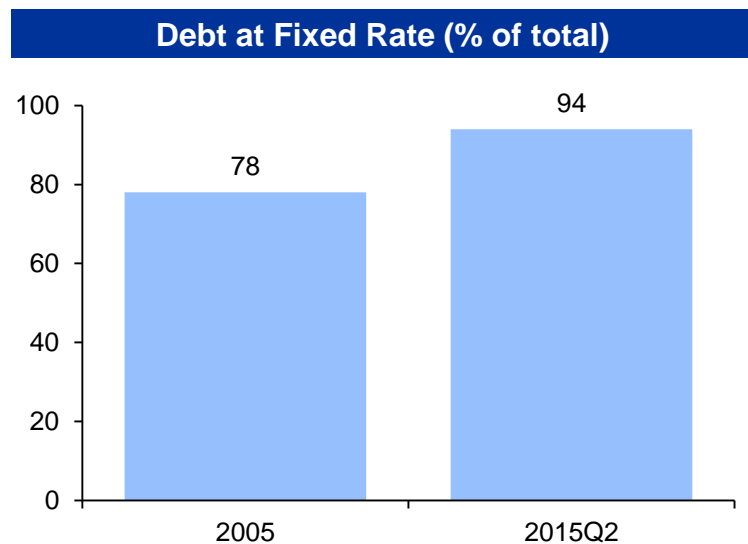
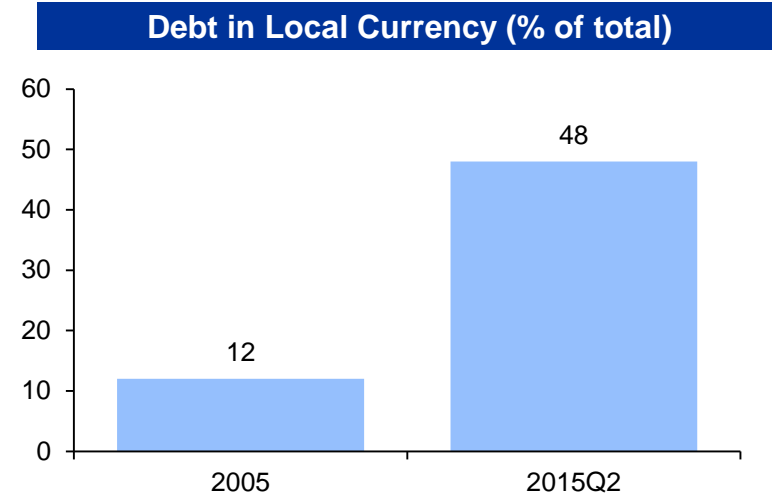
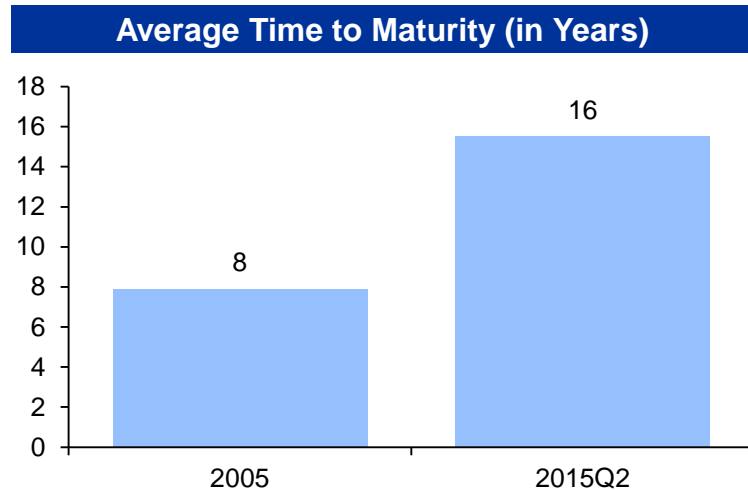


Source: Central Bank of Uruguay  
 FDI: Foreign Direct Investment - CAD: Current Account Deficit





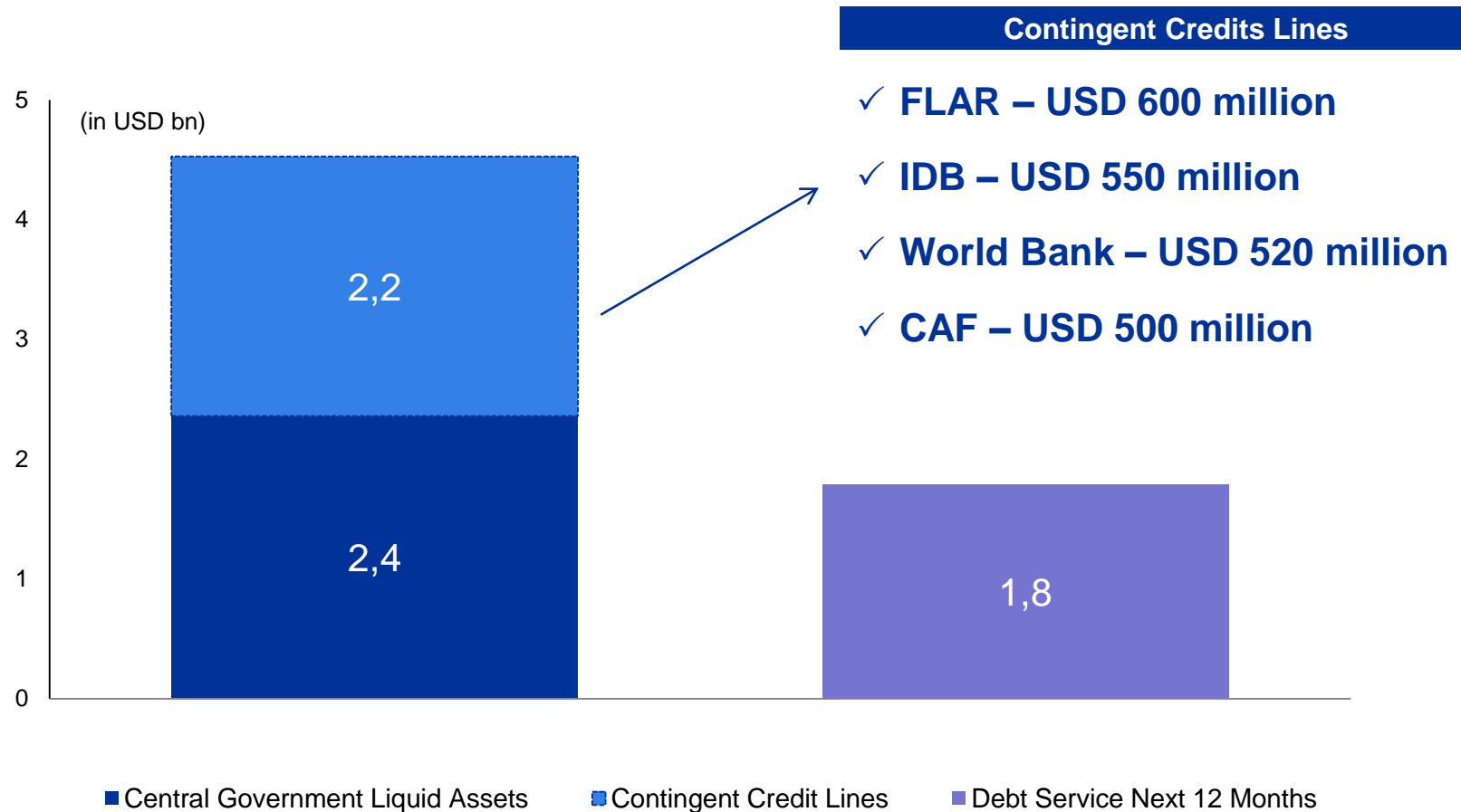
## 4 Proactive Debt Management Has Reduced Overall Risks



Source: Debt Management Unit, Ministry of Economy and Finance



## Central Government has Ample Liquidity and Buffers to Manage Potential Disruptions



Source: As of September 2015, Debt Management Unit, Ministry of Economy and Finance



## Consistent improvement in Credit Quality



## Recent Credit Actions in 2015

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### Recent Credit Actions



- **Upgraded** Uruguay's to "BBB" from "BBB-" with **Stable Outlook**.



- **Affirmed** Uruguay's at "BBB-" and **changed Outlook to Positive** from Stable.



- **Affirmed** Uruguay's at "BBB-" with **Stable Outlook**.



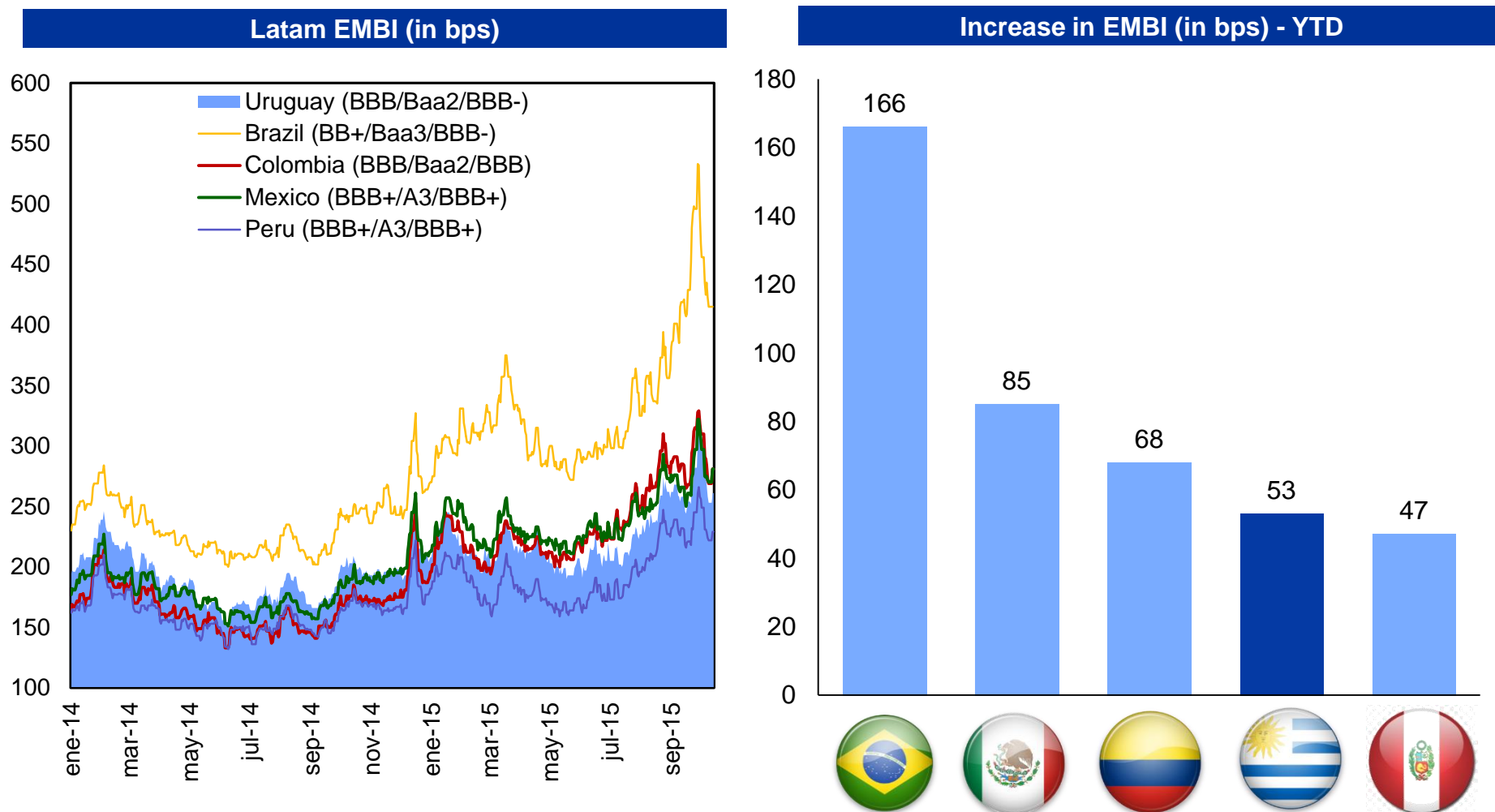
- **Affirmed** Uruguay's at "Baa2" with **Stable Outlook**.



- **Confirmed** Uruguay's at "BBB(Low)" with **Stable outlook**.



## Market Performance In Line With Better-Rated Peers



Source: JP Morgan



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**Proactive Debt Management Underpinning  
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