



República Oriental del Uruguay

Ministry of Economy and Finance

Debt Management Unit

July 2016



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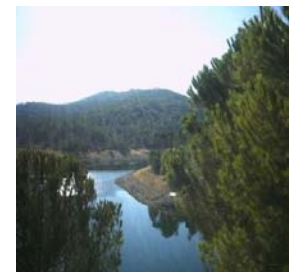
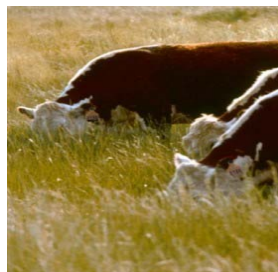
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Uruguay at a glance

Population '15	3.43 Million
Total surface area	176,215 km ²
Human Development Index ('15)	52nd of 188th
GDP '15	US\$ 53.44 Billion
GDP p/capita '15	US\$ 15,517.30
World Bank Classification '16	Upper Income Economy
Real Growth Rate '15	1.0%
Real Growth Rate '05-'15	5.1%
Unemployment Rate (average last 12M)	7.1%
Ratings	Baa2/BBB/BBB-

Sources: National Bureau of Statistics, World Bank, Central Bank of Uruguay



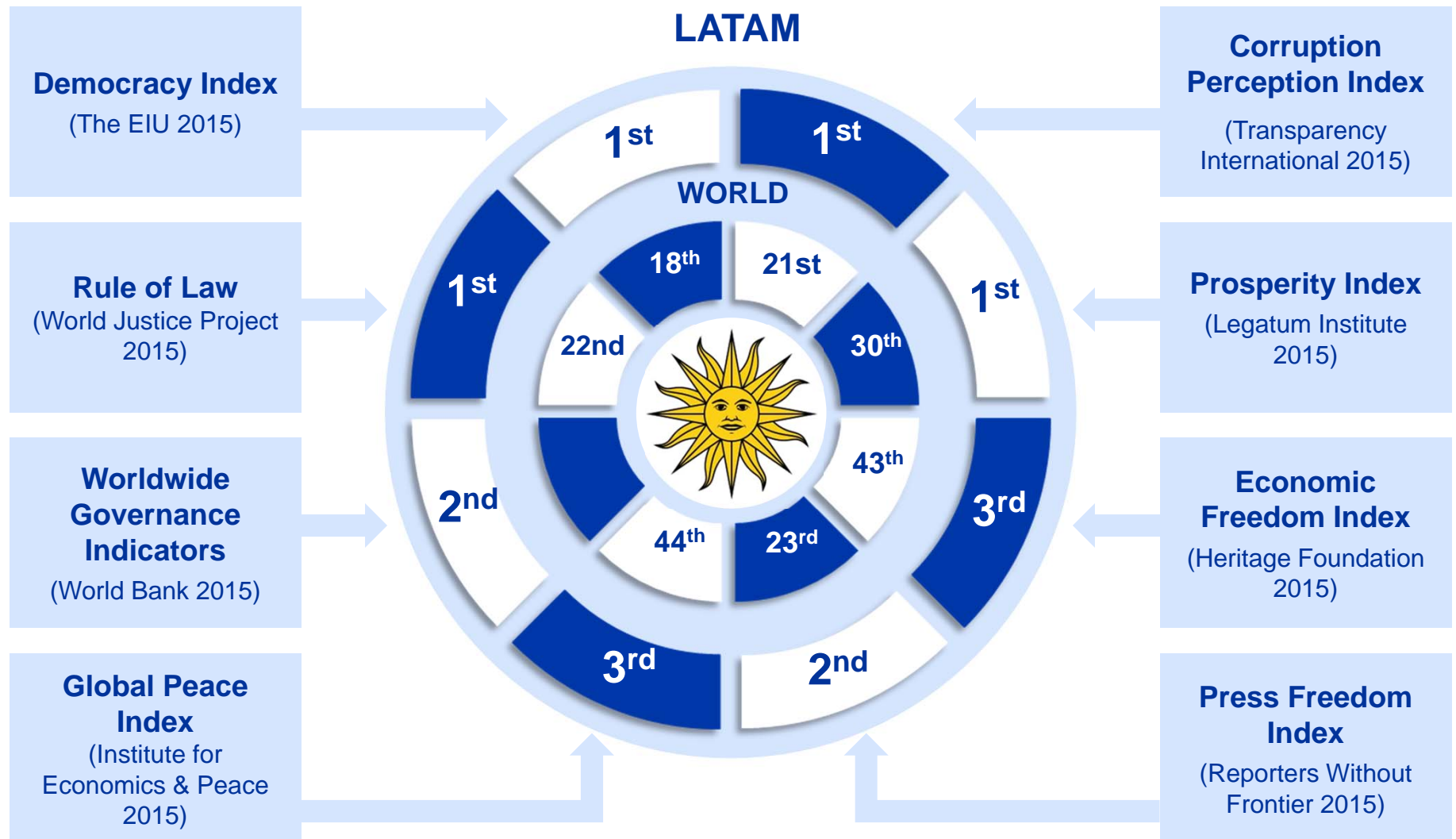


Institutional Strength vis-a-vis Regional and Global Peers



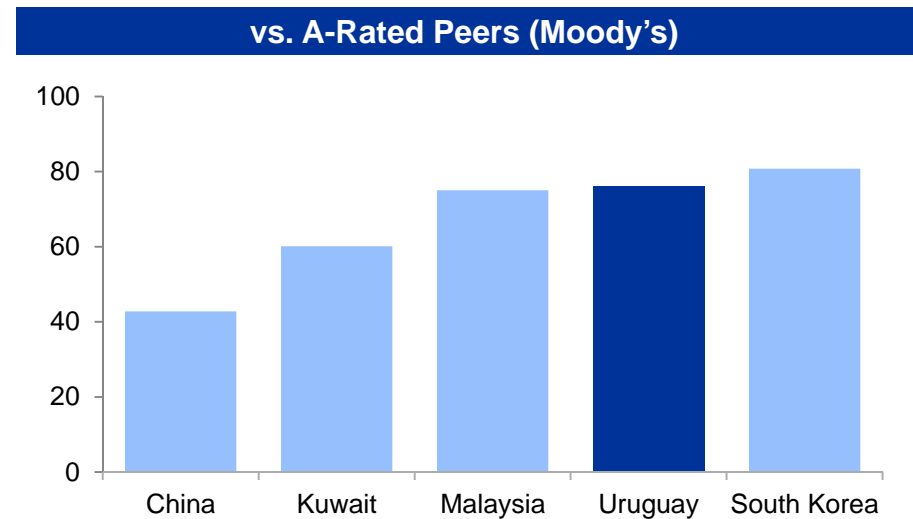
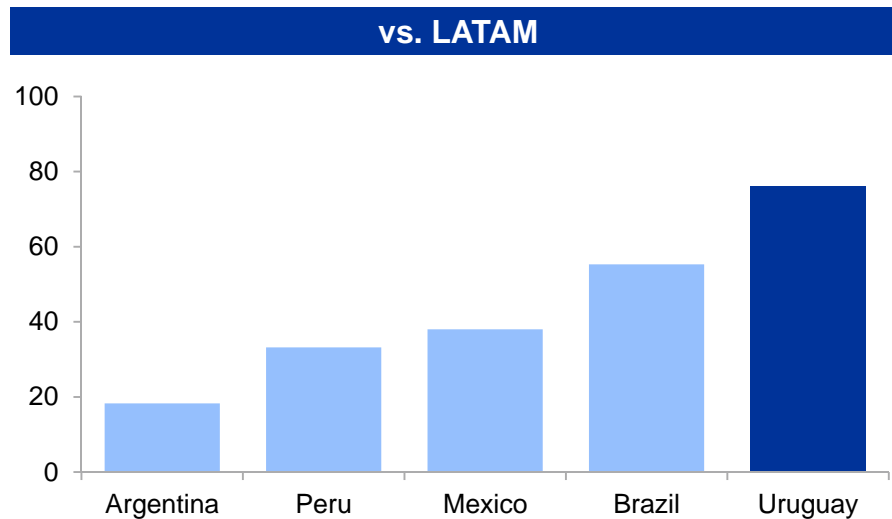
Uruguay remains a bastion of institutional and social stability in LATAM

Ranking position in LATAM and Worldwide, respectively

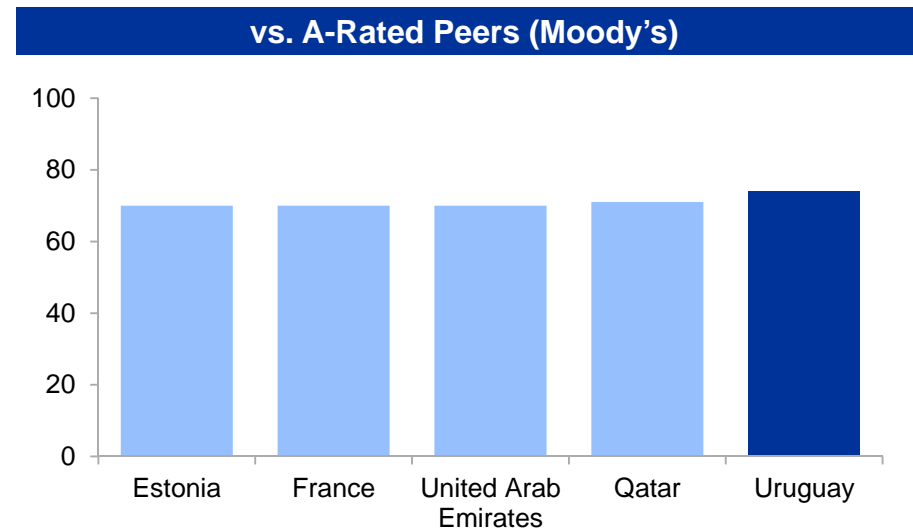
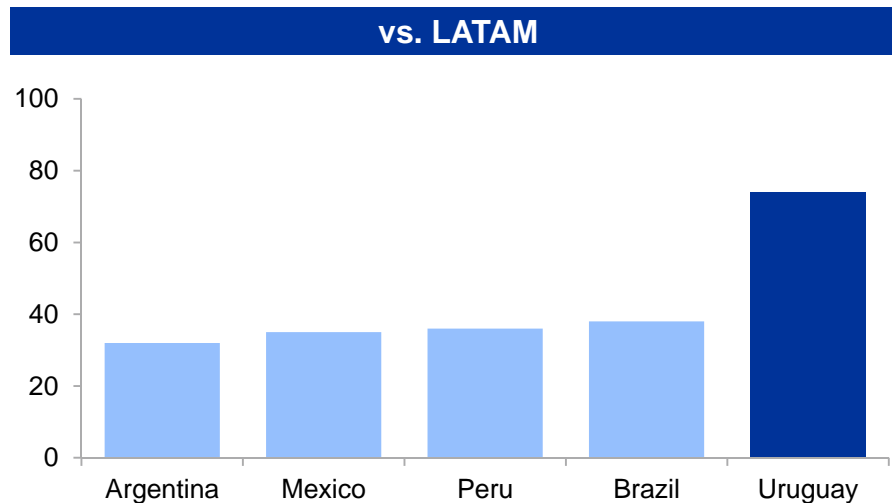


Uruguay is a transparent state that ensures the rule of law and has very low corruption levels

Uruguay outperforms when it comes to Rule of Law...



...And minimizing Corruption



Source: Worldwide Governance Indicators (World Bank 2015).

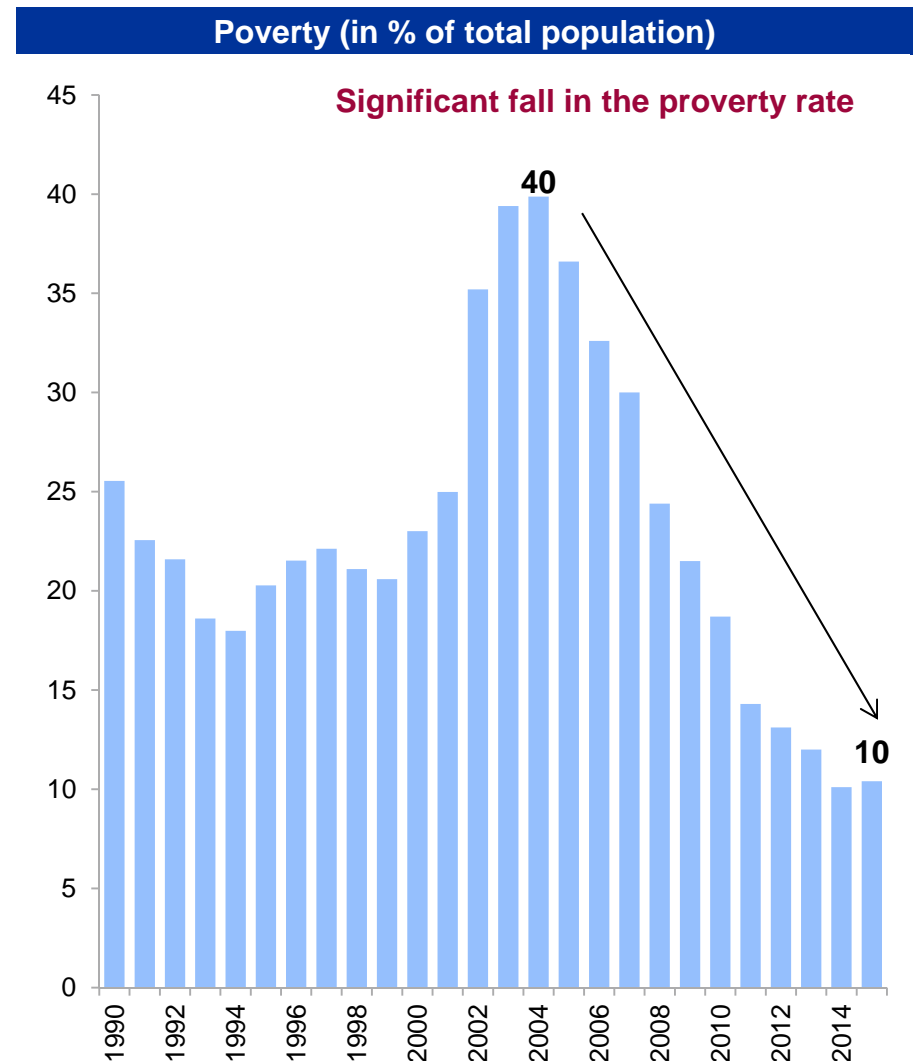
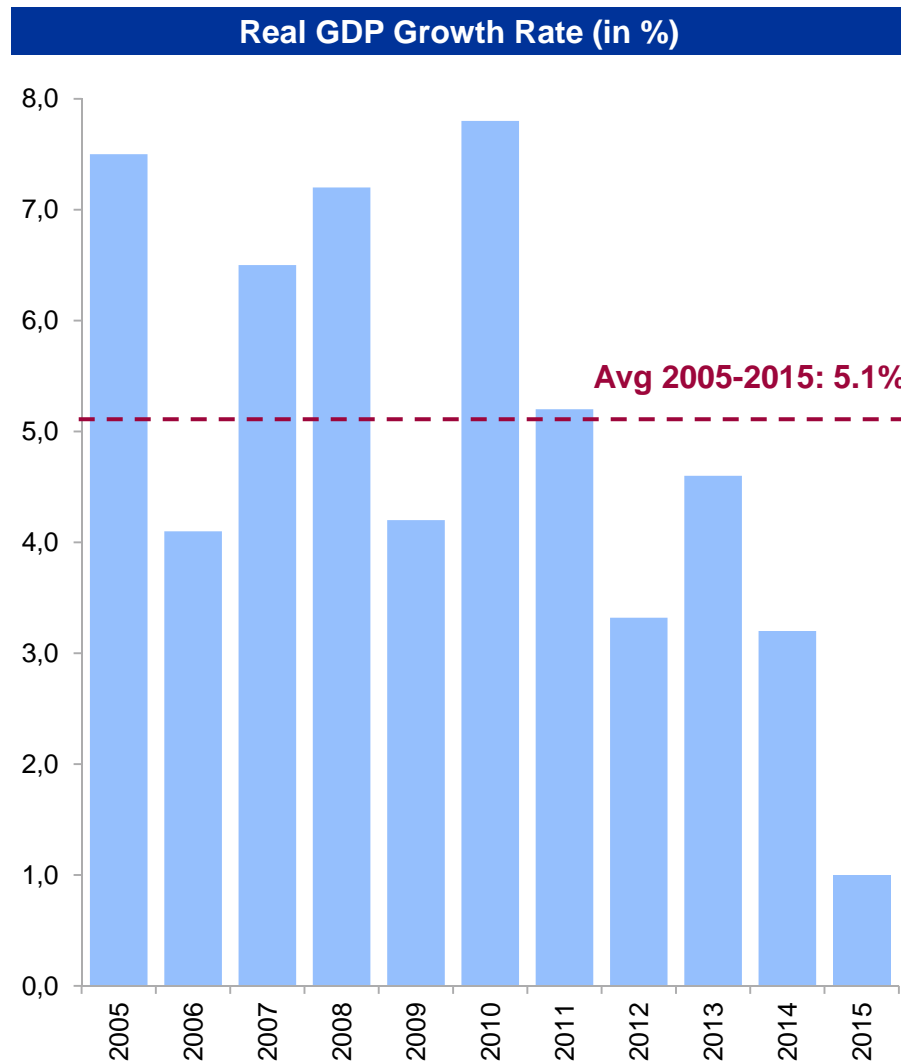




Uruguay's Economic Growth over the Past Decade



Uruguay enjoyed a decade of high and inclusive growth

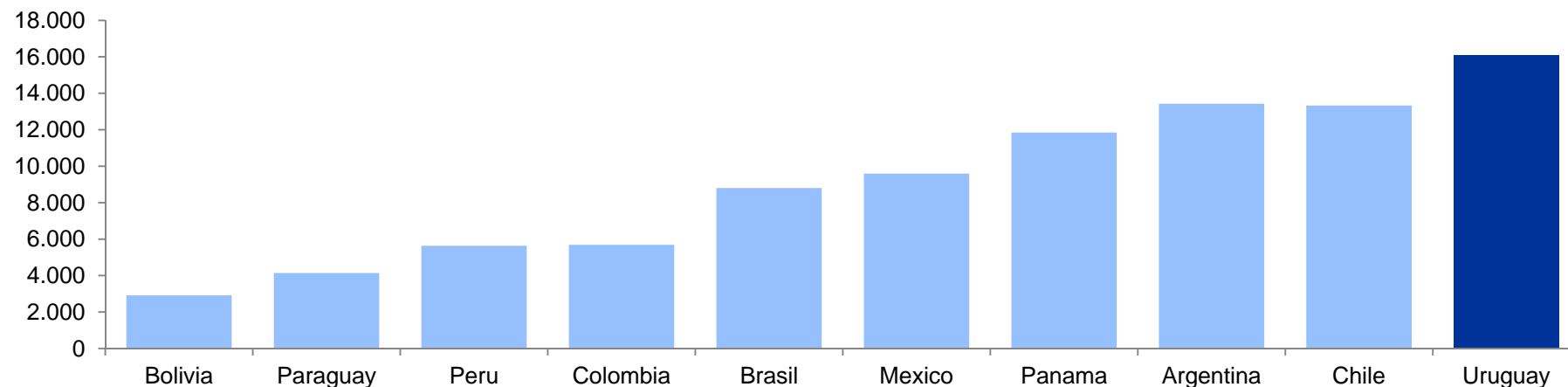


Source: Central Bank of Uruguay, Ministry of Economy and Finance and IMF (WEO April 2016).

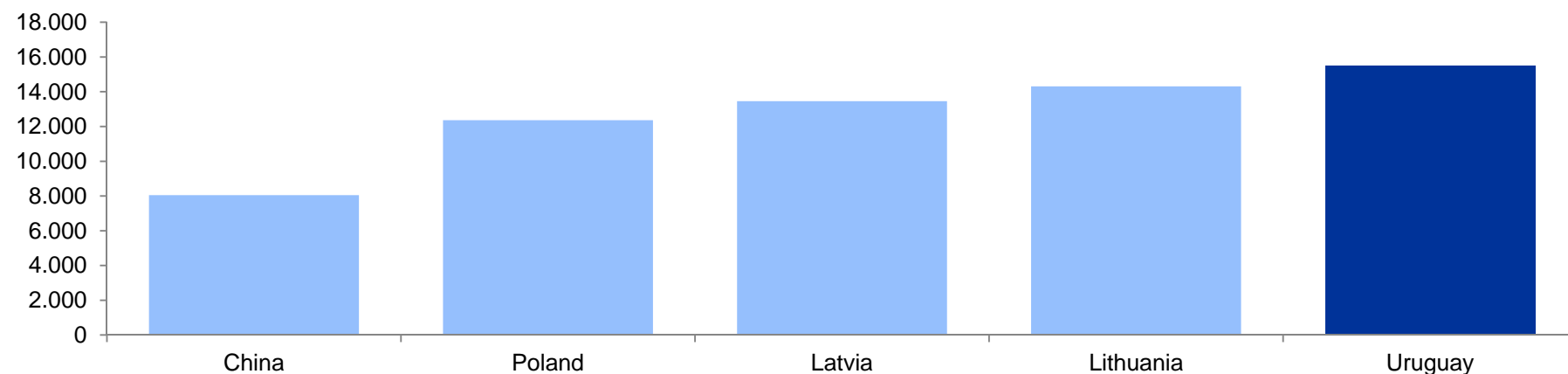


Uruguay's GDP per capita outperforms peers in LATAM and in higher credit-rating brackets

Uruguay vs. LATAM Peers (GDP per capita) (USD2015)



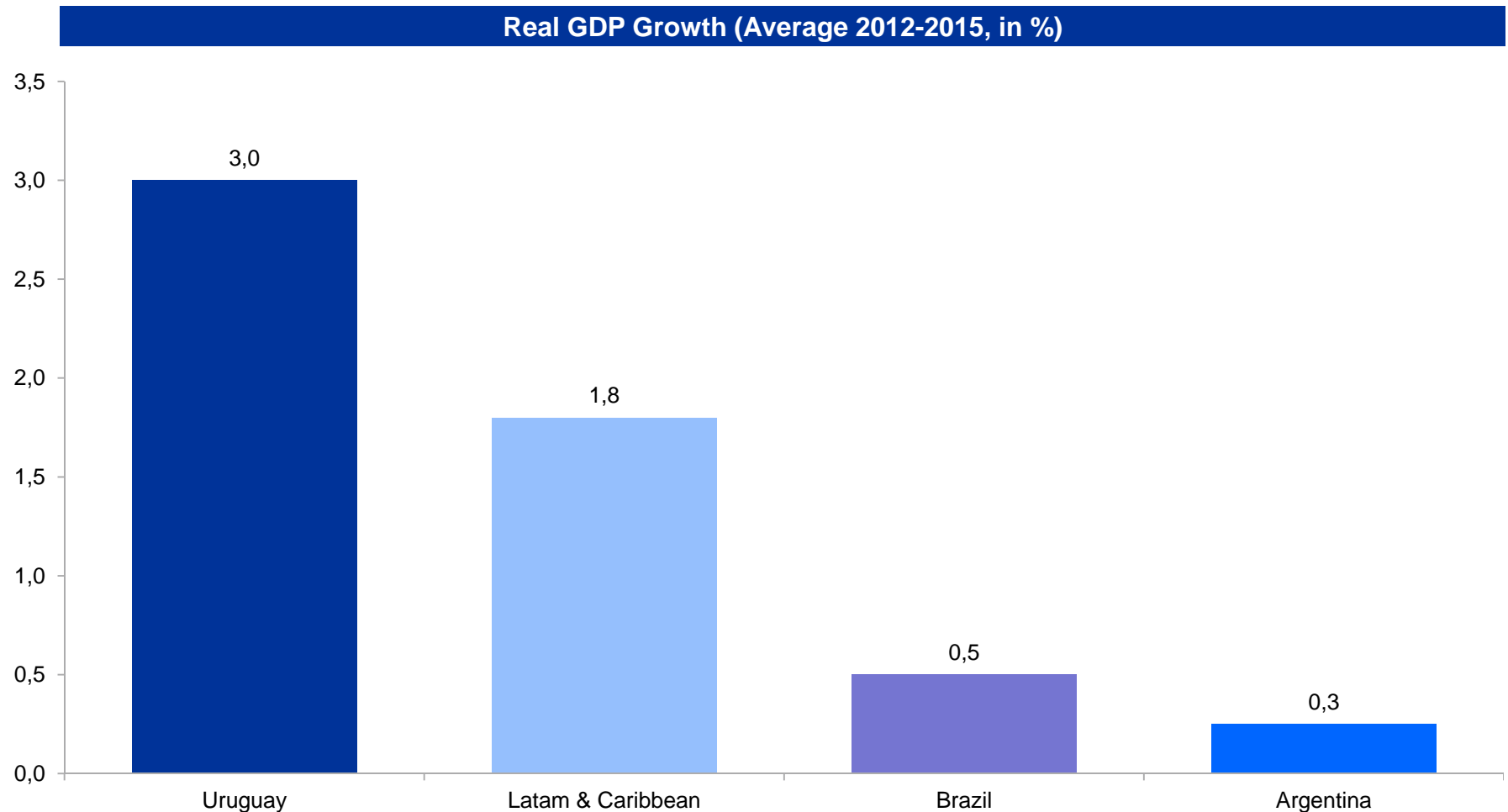
Uruguay vs. A-Rated Peers (GDP per capita) (USD2015)



Source: Central Bank of Uruguay, IMF (WEO October 2015), Moody's and Ministry of Economy and Finance estimates.



Decoupling from the regional downturn became more visible in the last few years



Uruguay continued to grow faster than its neighbours

Source: Central Bank of Uruguay, Argentina's INDEC and IMF (WEO April 2016).

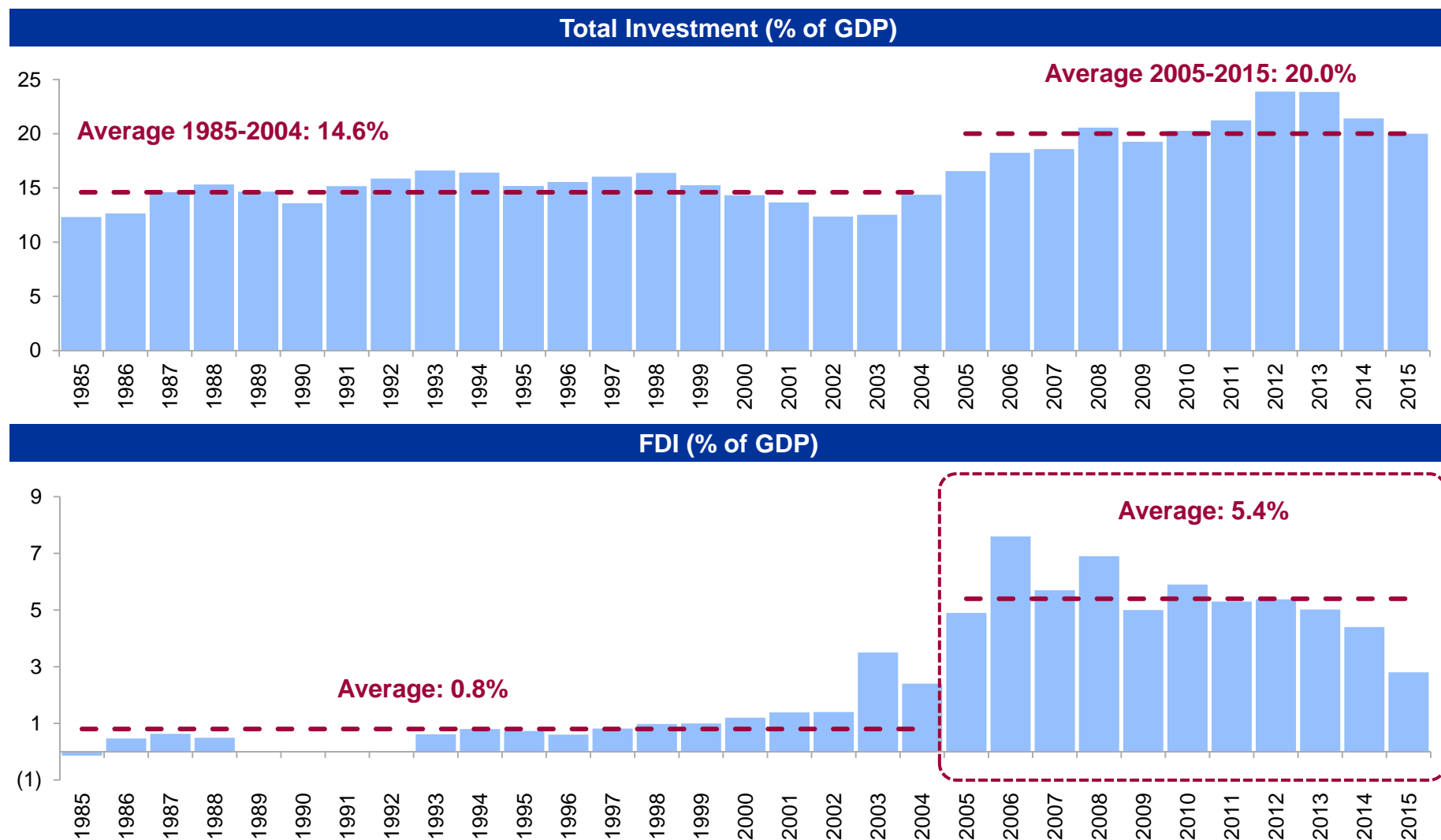




Sources and Fundamentals of Economic Growth



Structural increase in investment driven by FDI inflows



Source: Central Bank of Uruguay.



FDI inflows has originated from a broad group of countries



Main FDI origins (2002-2014)

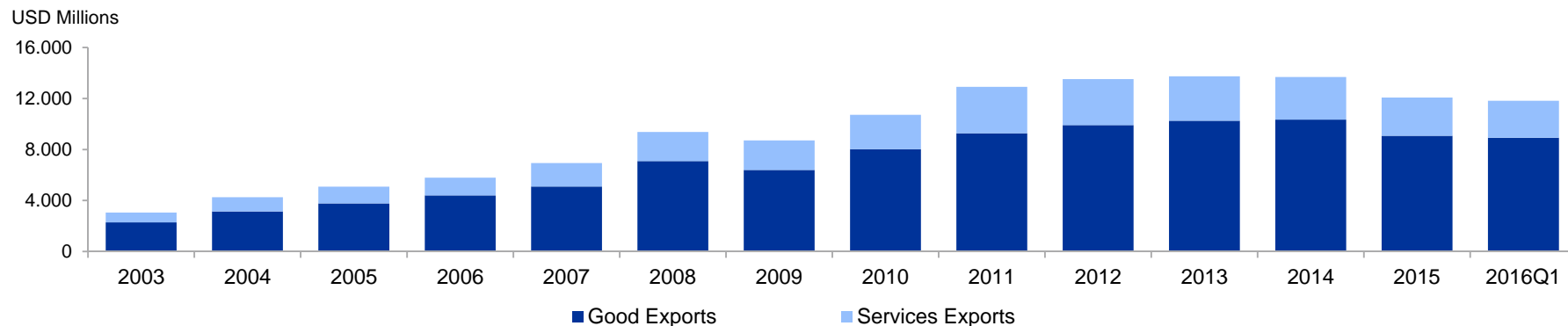


Main FDI sectors (2002-2014)

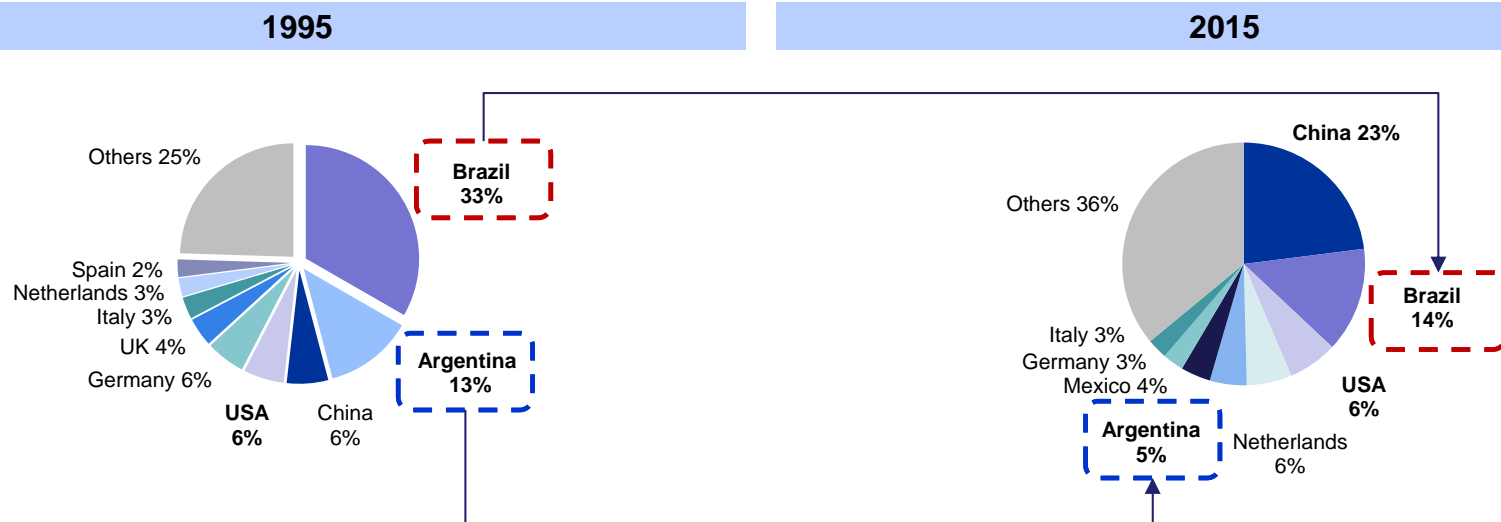


Exports have remained robust and well diversified across countries, although showing some deceleration lately

Good Exports/Service Exports



Good Exports Breakdown by Markets



Source: Central Bank of Uruguay.



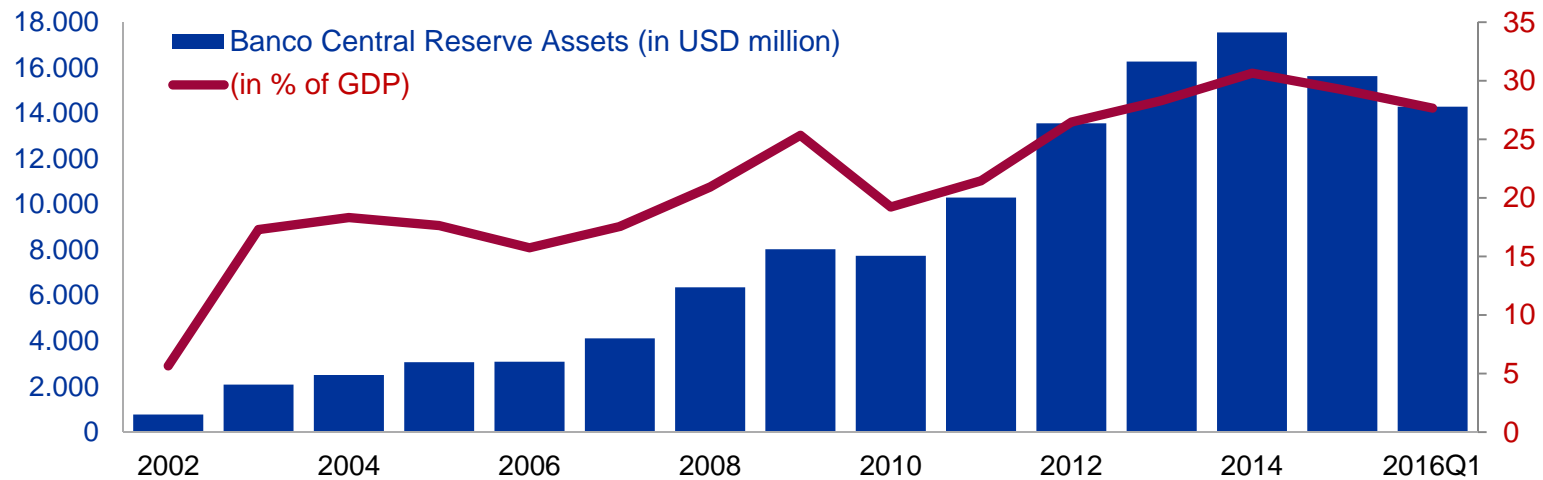


Uruguay's Resilience to External Headwinds

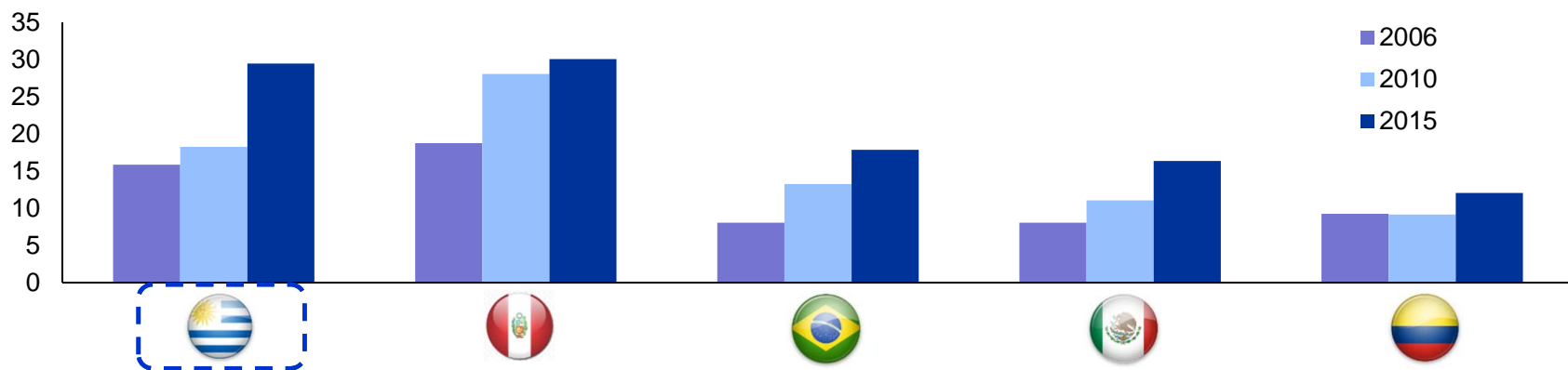


Comfortable external liquidity position

International Reserves⁽¹⁾



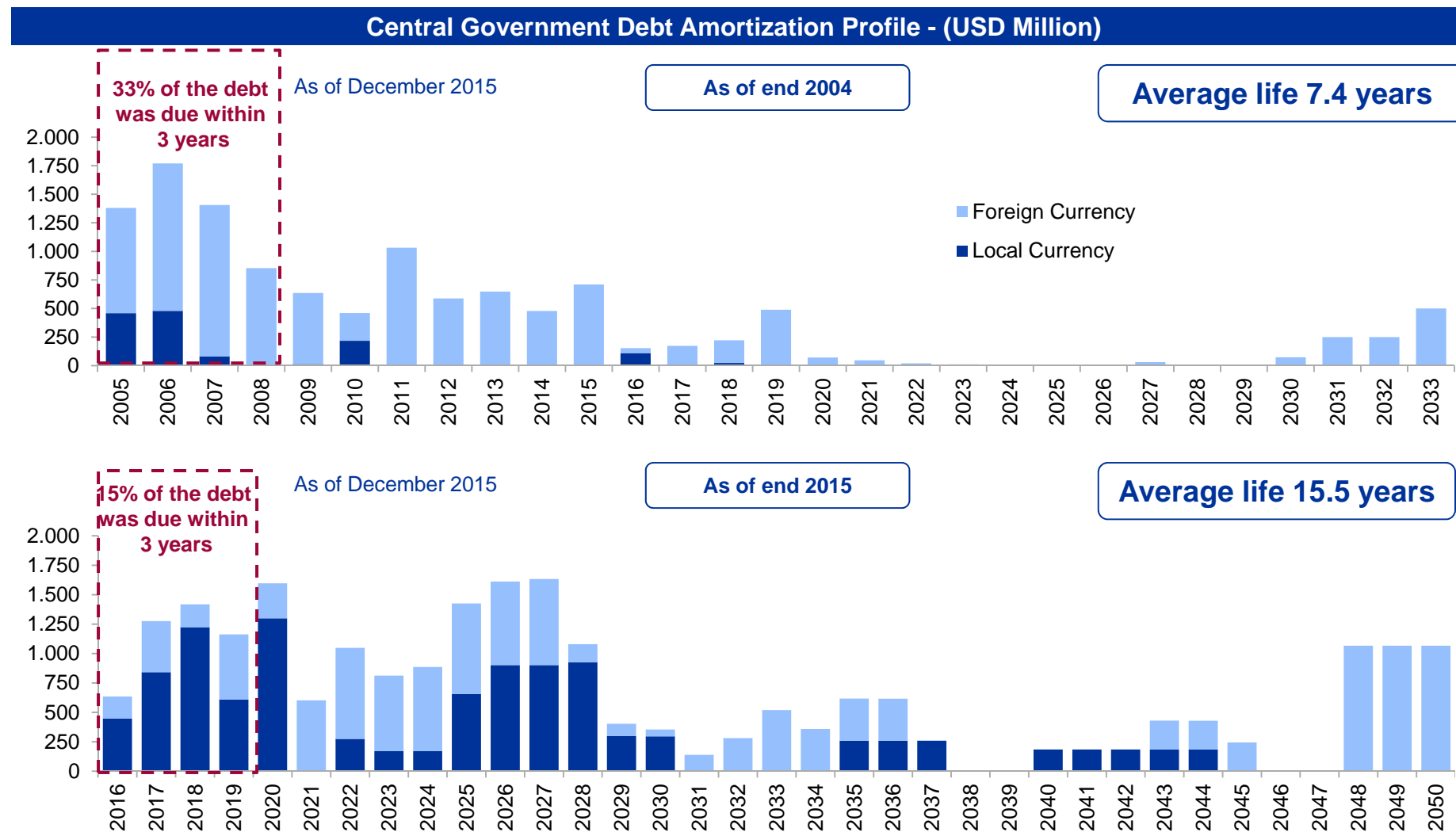
International Reserve Buffers (in % of GDP)



Source: Central Bank and Moody's.



Debt management has reduced financial vulnerabilities

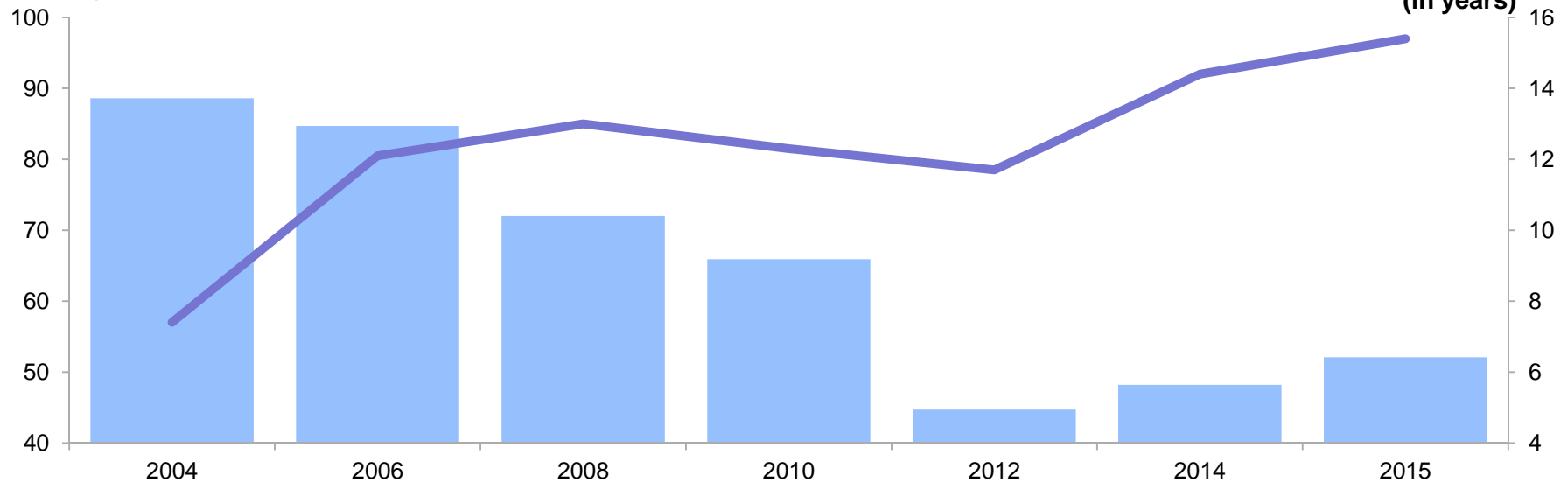


Source: Debt Management Unit, Ministry of Economy and Finance.

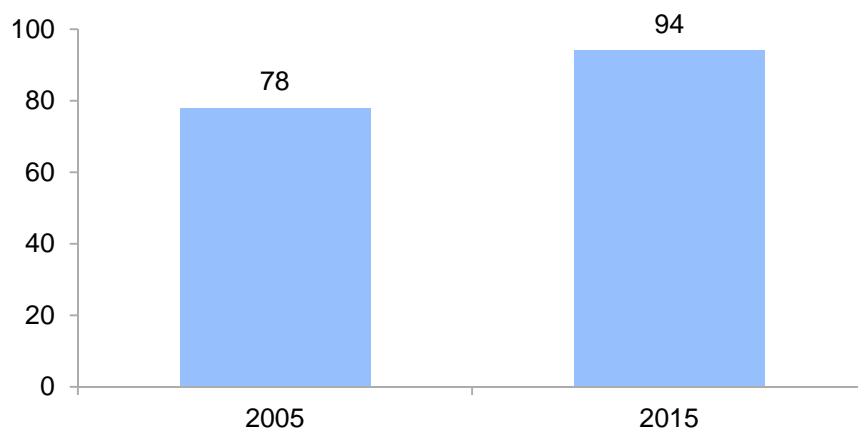


Prudent debt management has increased financial resilience

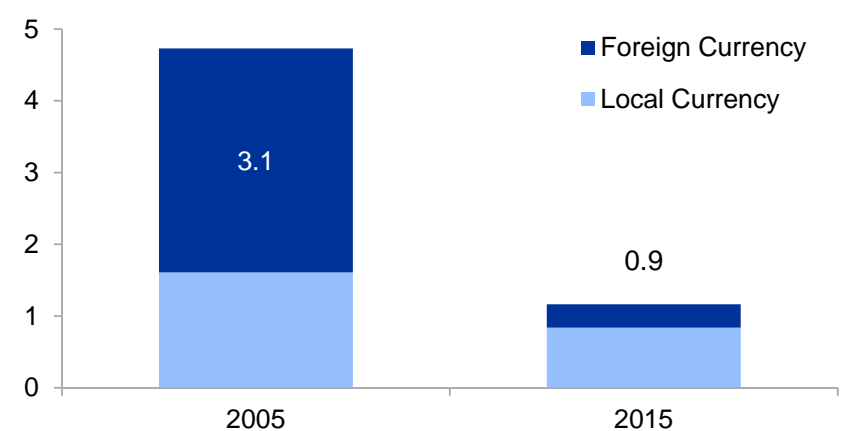
**Debt in Foreign Currency
(% of total)**



Debt at Fix Rate (% of total)



Debt due in 12 months (% of GDP)

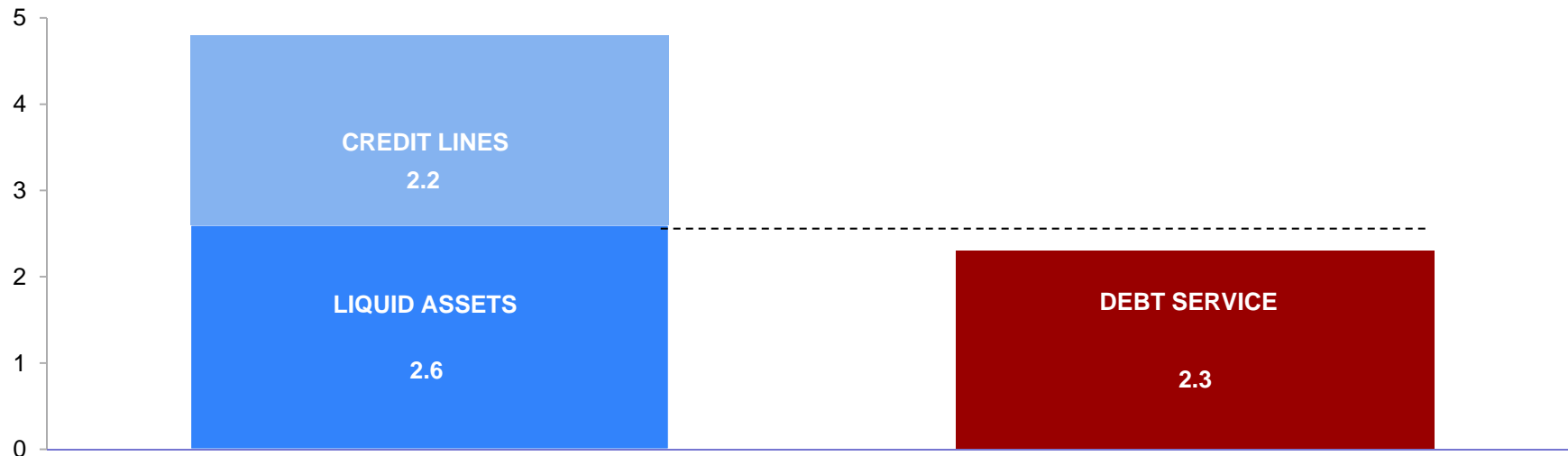


Source: Debt Management Unit, Ministry of Economy and Finance.



Active pre-funding policy and liquidity reserves

Government's Financial Buffers and Debt Service coming due next 12 months (in USD billion, as of end-March 2016)



Credit Lines from Multilateral Official Institutions



USD 600M



USD 520M



USD 550M



USD 500M

Source: Debt Management Unit, Ministry of Economy and Finance.



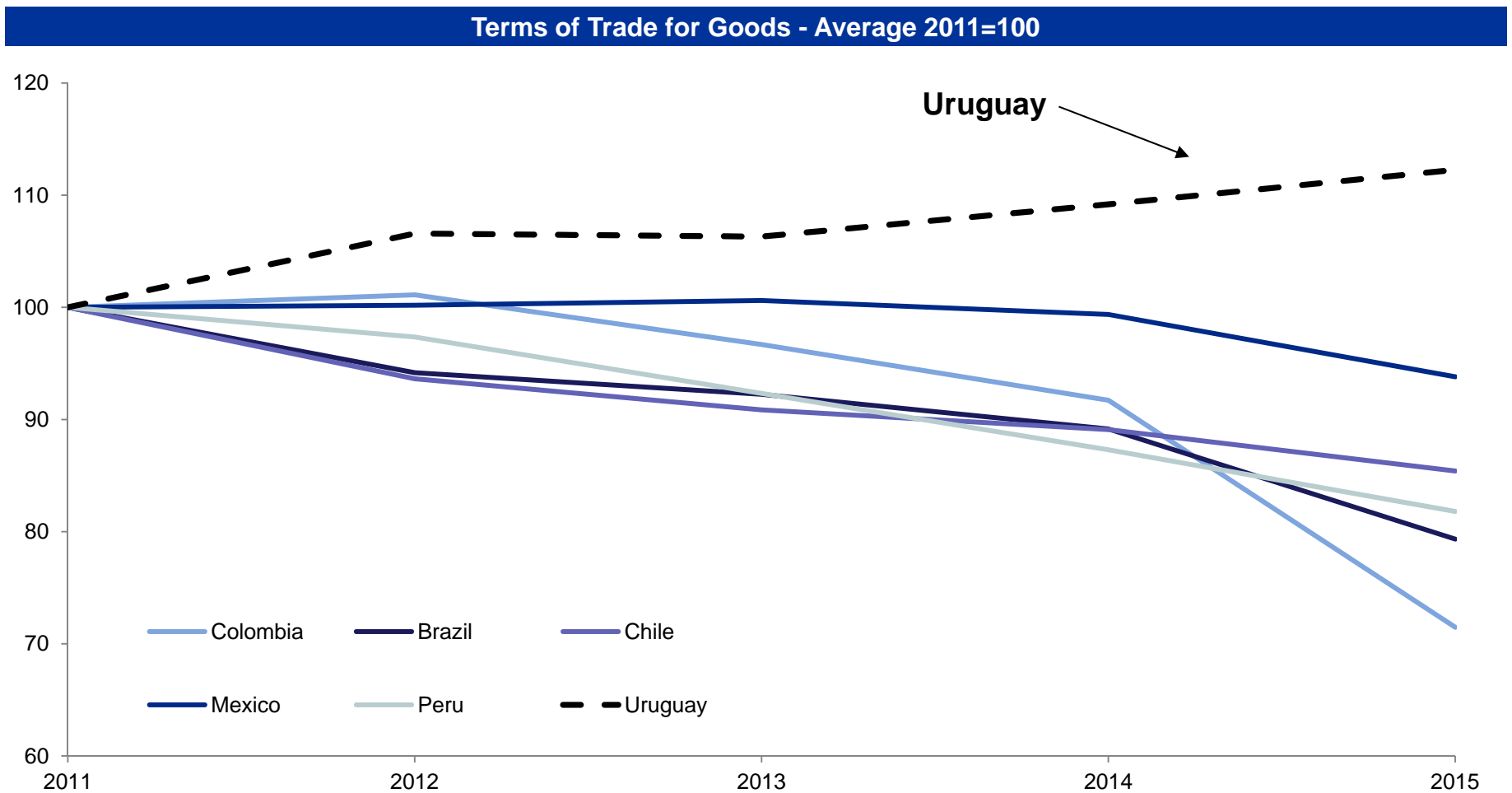
Exports market diversification along with decreased dependence on commodities, in particular oil & metals

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
Uruguay	61.0	0.0	3.0	58.0
Brazil	52.4	8.5	14.6	29.3
Mexico	16.6	11.1	2.3	3.2
Latin America	53.0	18.8	13.6	20.6

Source: LATAM Macroeconomic Outlook/J.P. Morgan/September 2015.



As an exporter of soft commodities and importer of oil, Uruguay enjoys a partial offset to its terms of trade

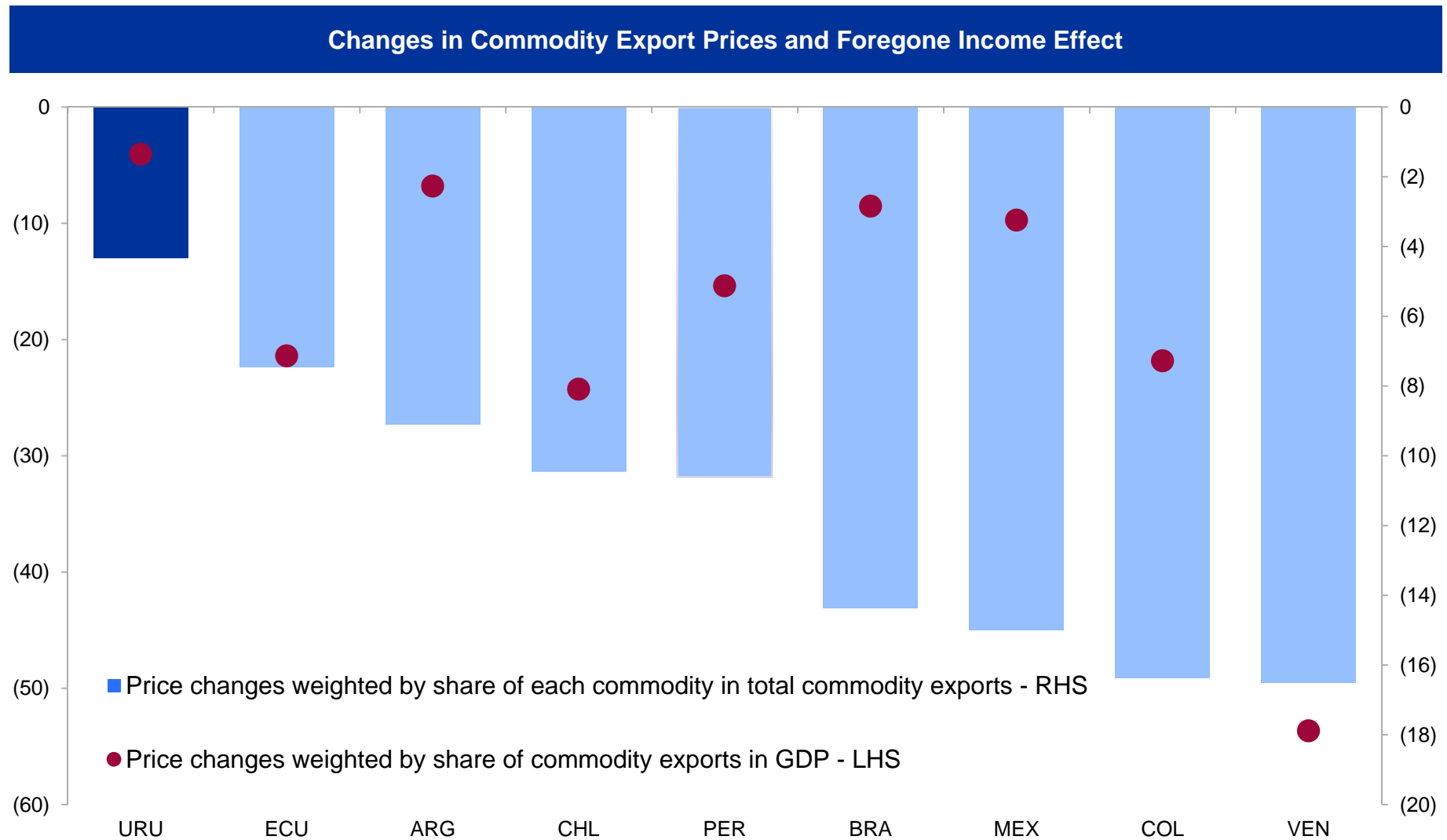


During 2015 the terms of trade of Uruguay continued improving

Source: International Monetary Fund.



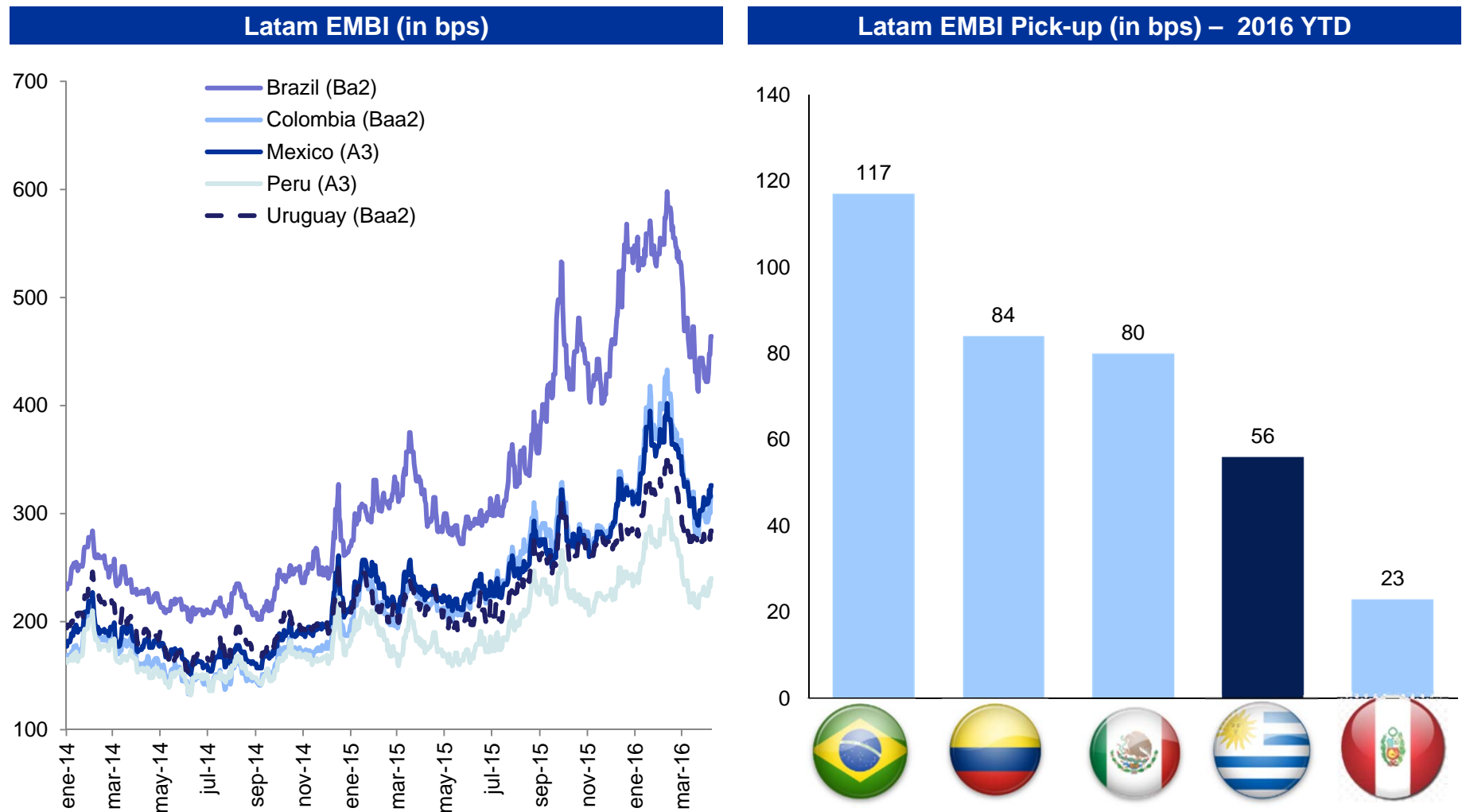
Uruguay's commodity exports prices have proven income durability



Source: IMF Managing Transition and Risks Presentation 04/2016.



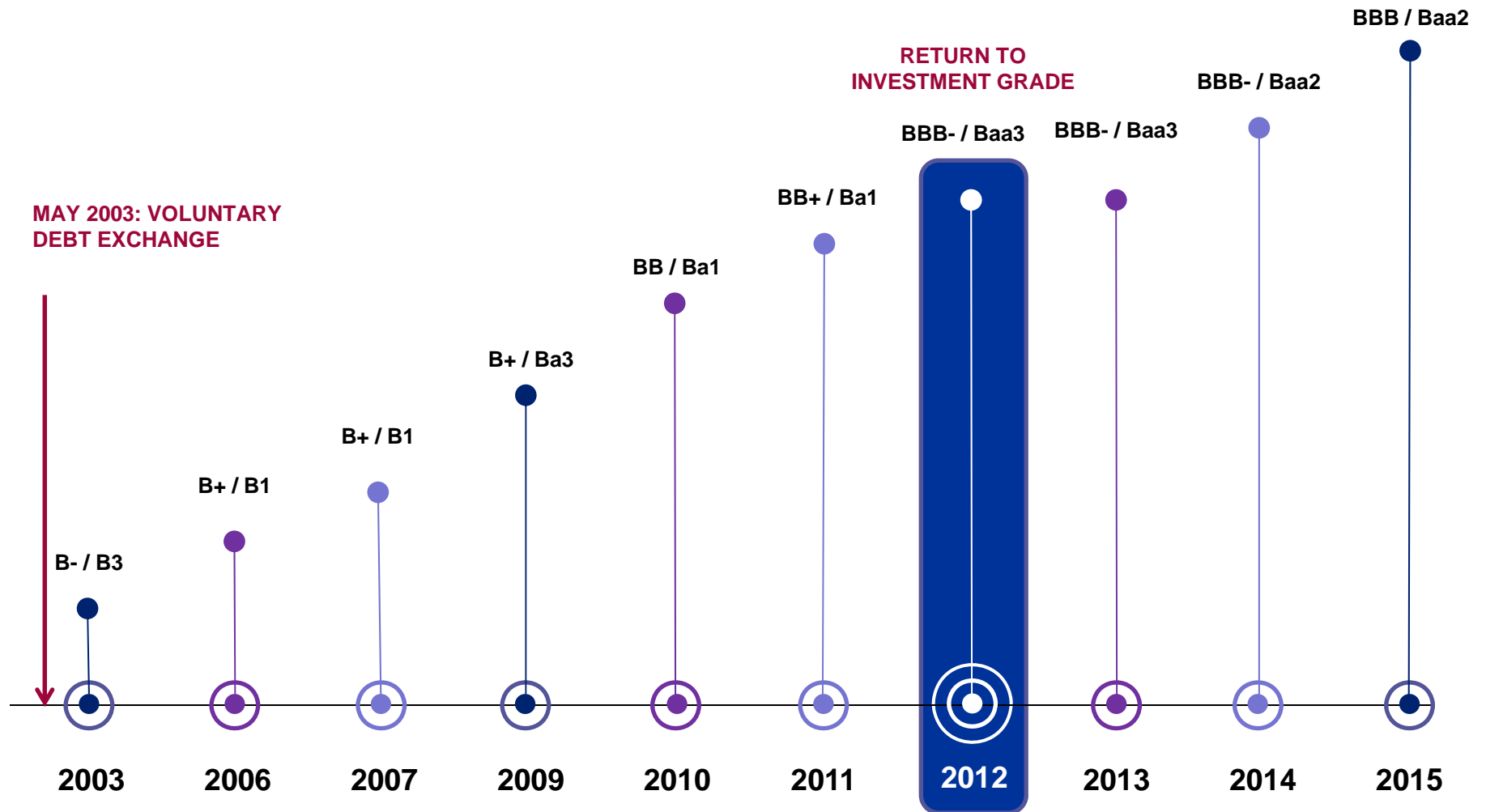
Uruguay's recent performance has been in line with better rated peers



Source: JP Morgan 2016



Sustained improvement of sovereign credit rating



Source: S&P / Moody's/ Debt Management Unit, Ministry of Economy and Finance.



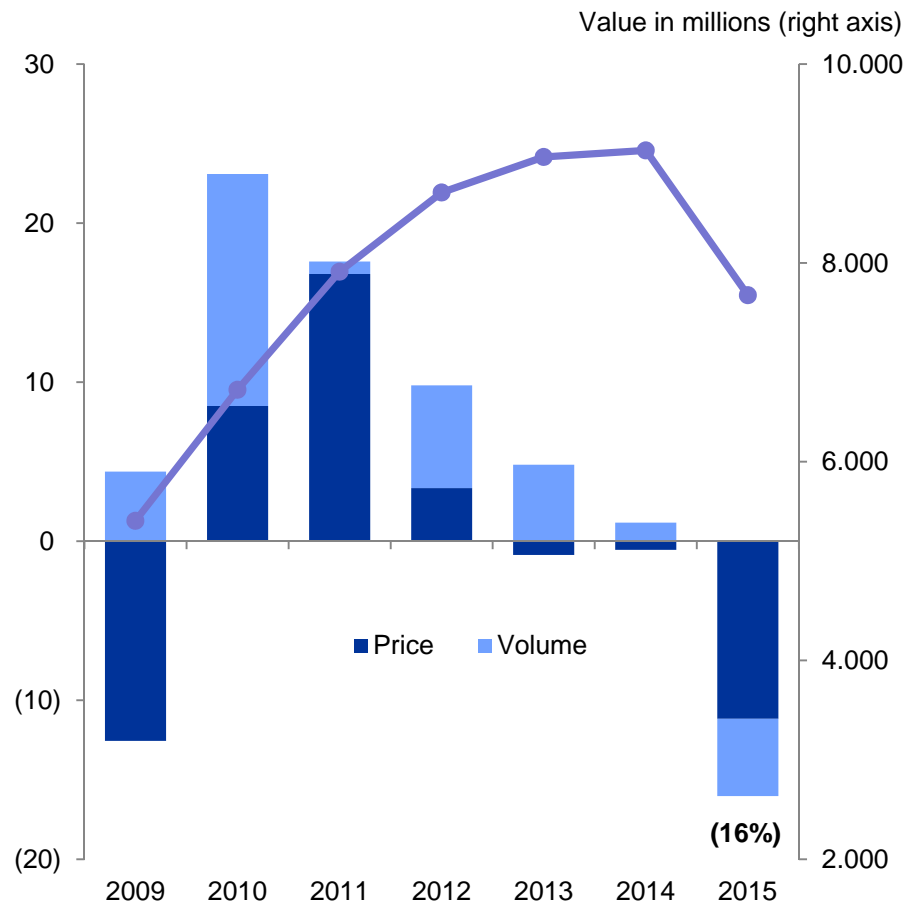


Recent Macroeconomic Developments and Policy Stance

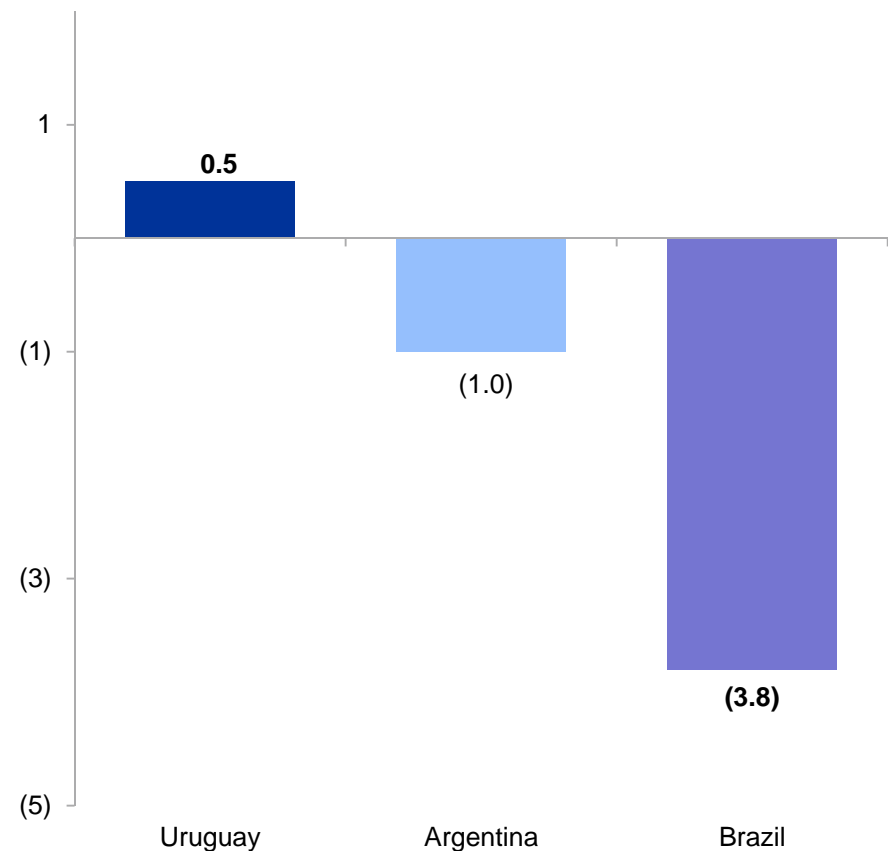


Uruguay's growth remains positive, albeit at a more moderate pace driven by decline in external demand

Exports of Goods of Uruguay (annual % change)



Real GDP Growth (2016E, in %)



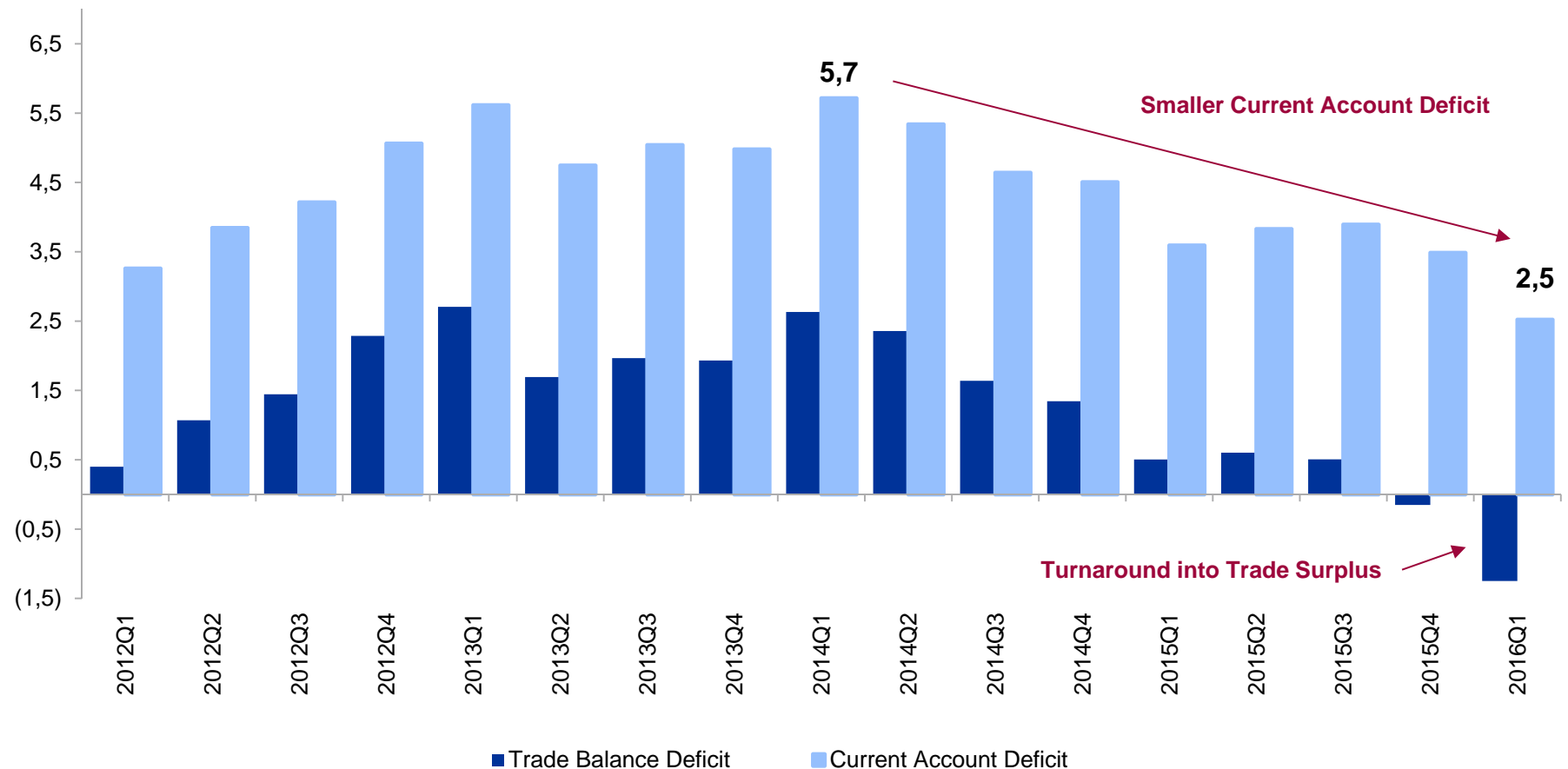
External demand and lower soft commodity prices are weighing on growth prospects

Source: Central Bank and IMF.



Significant improvement in external accounts

Trade and Current Account Deficit (rolling 12-months, % of GDP)

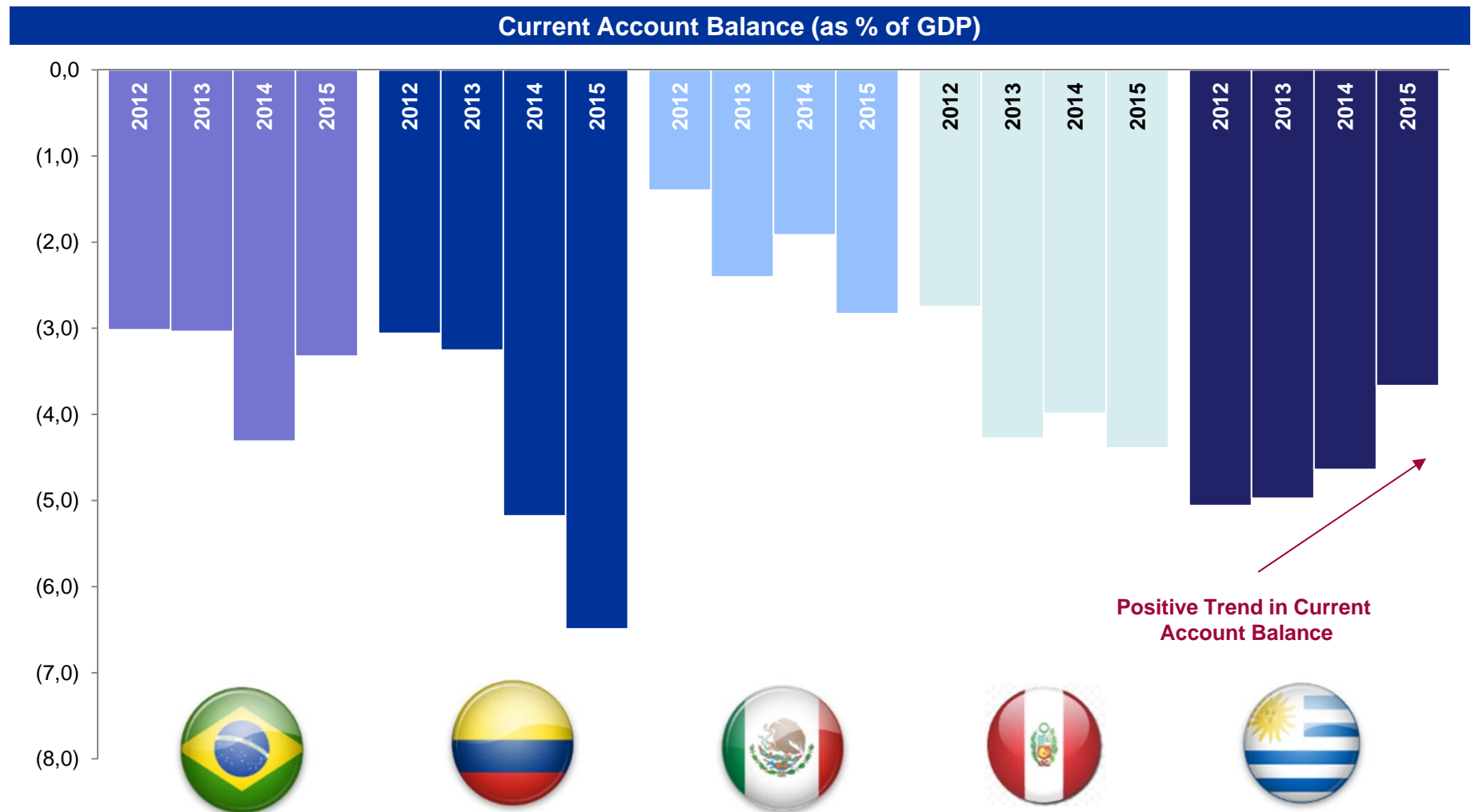


Trade in goods and services was almost balanced by end-2015

Source: Central Bank of Uruguay .



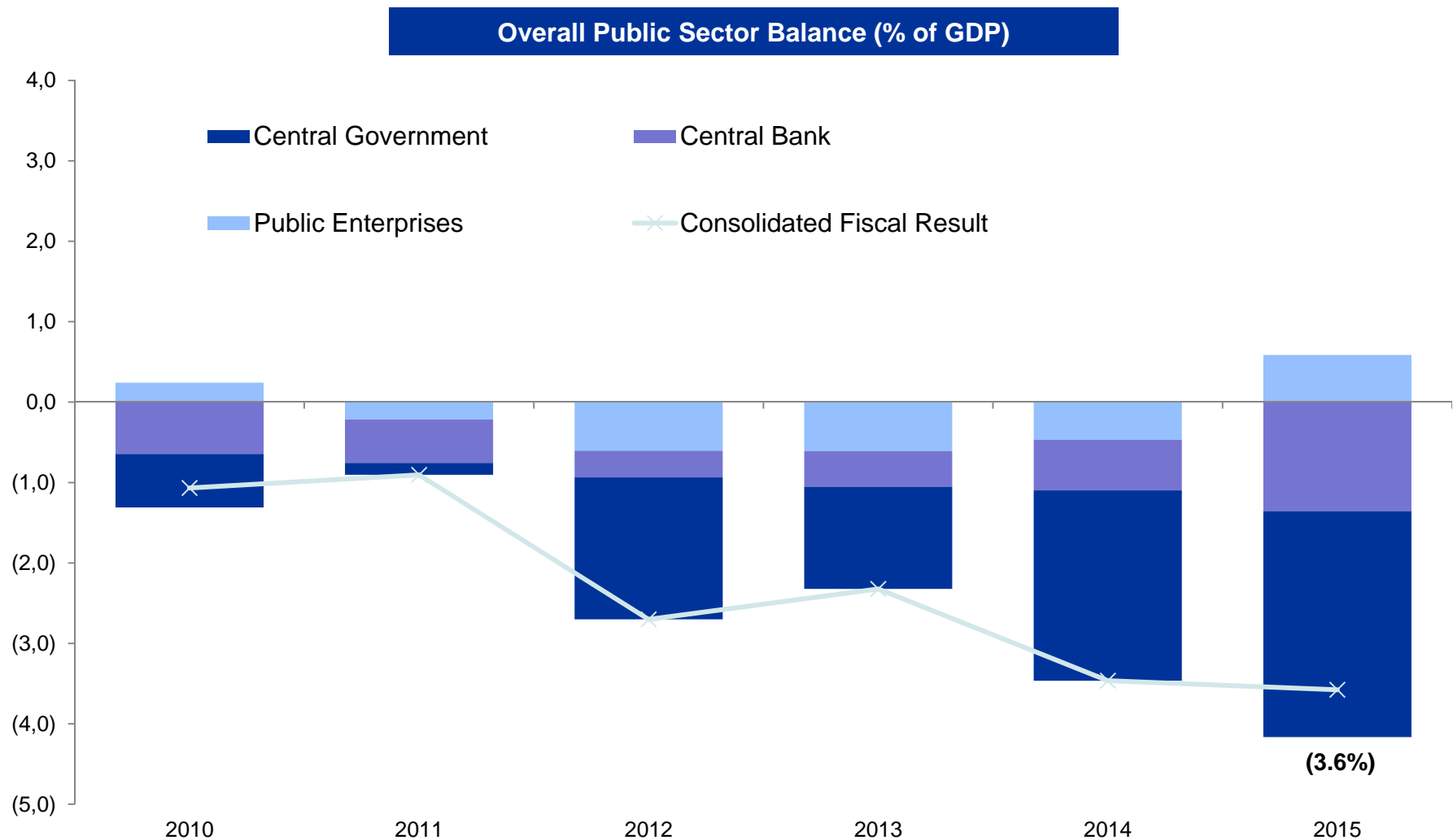
Significant adjustment also compared with LATAM peers



Source: International Monetary Fund.



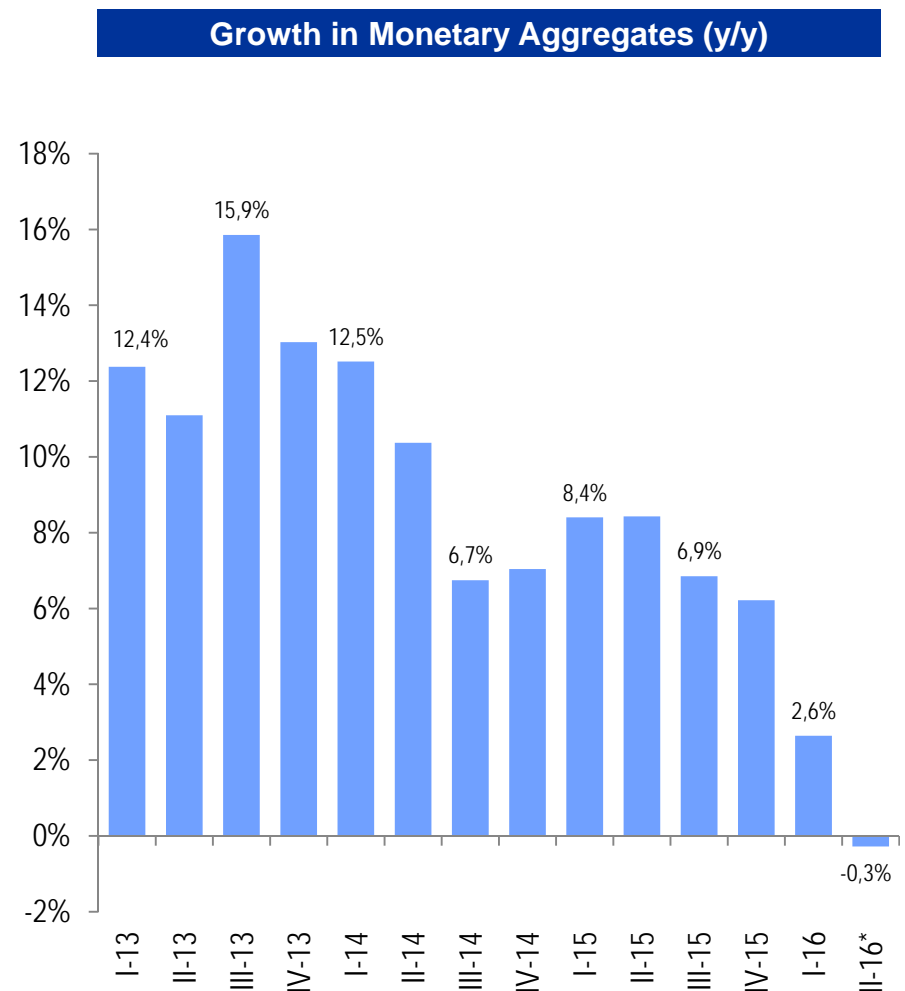
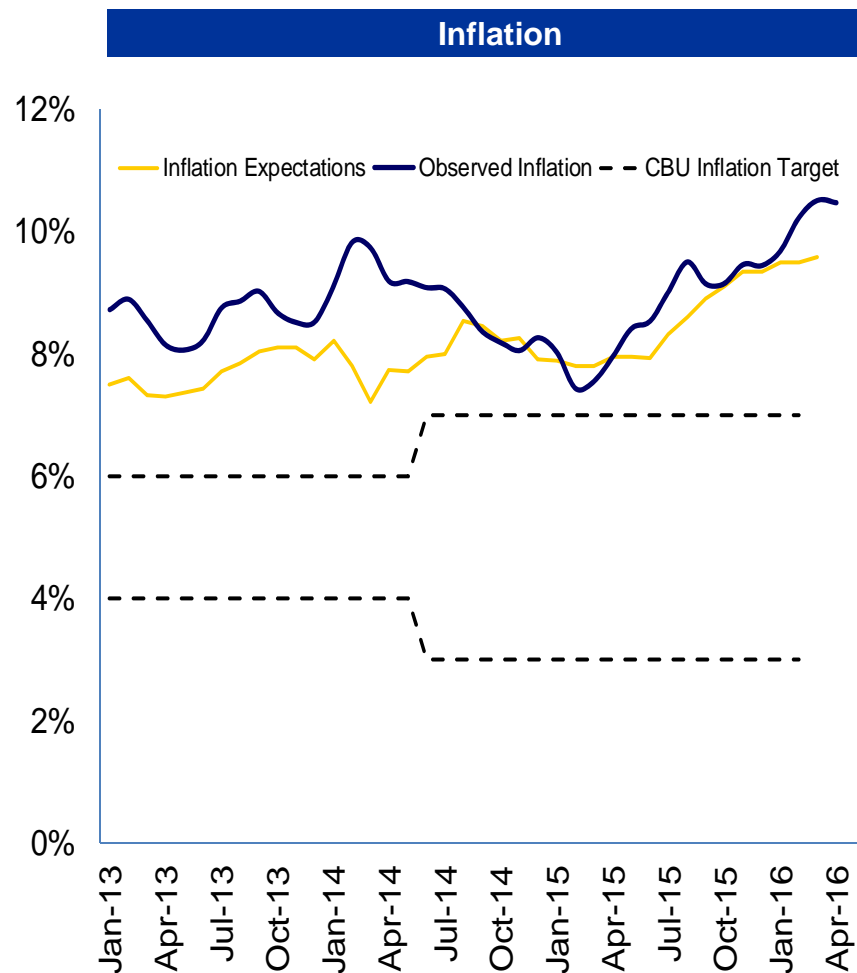
The government is committed to fiscal consolidation and ensuring the sustainability of public finances



Source: Ministry of Economy and Finance; projections included in the 5-Year budget law passed in 2015.



Inflation remains above target, but highly contractionary monetary policy



Source: Central Bank of Uruguay and National Bureau of Statistics.



Uruguay is better rated than most LATAM countries

Uruguay is better rated than most LATAM countries



Recent Credit Actions



- 05/2016. Affirmed Uruguay's rating at "BBB(Low)" with Stable outlook



- 08/2015. Affirmed Uruguay's rating at "BBB-" with Stable outlook



- 06/2016. Affirmed Uruguay's rating at "Baa2", but changed its rating outlook to Negative



- 06/2016. Affirmed Uruguay's rating at "BBB", but changed its rating outlook to Negative



- 08/2015. Affirmed Uruguay's rating at "BBB-" and changed the rating outlook to Positive from Stable



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