Uruguay *in focus*

A quarterly bulletin issued by the Debt Management Unit of the Ministry of Economy and Finance **May 2020**

- **On March 13th, the Ministry of Public Health reported the first four cases of COVID-19 in Uruguay. Since then, the government has adopted several measures to contain the spread of the virus, aimed at strengthening health care systems and facilities, revamping hygiene protocols, acquiring medical equipment and expanding testing.**

- **Simultaneously, it implemented several economic and financial sector measures and broadened the social insurance safety net, to assuage the income squeeze on households (particularly those in vulnerable situations), and firms.**

- **On April 23rd, the government submitted to Congress the U*rgent Consideration* bill, containing key structural reforms in line with the administration's pledged objectives. Chief among them, a new fiscal framework and budget process to ensure sustainable finances over the medium term.**

- **Economic growth in 2019 decelerated to 0.2% in 2019. Due to the COVID-19 outbreak and the global recession backdrop, the government expects GDP will contract around 3% this year. It also forecasts a rapid rebound into 2021, as the pandemic subsides and the large FDI pulp mill construction resumes work.**

- **In the 12 months to March 2020, the fiscal deficit of the non-financial public sector reached 4.5% of GDP (excluding extraordinary revenues of the public Social Security Trust fund).**

1) REAL GDP

In the fourth quarter of 2019, the economy expanded 0.2% YoY, while it contracted 0.6% in seasonally adjusted terms with respect to 2019Q3. Overall, in 2019 the GDP grew 0.2%, down from in 1.6% in 2018.

Demand Components

From the expenditure side, gross fixed investment increased by 5.4% in 2019Q4 YoY, wholly explained by the private sector. Consumption expanded 1% YoY in real terms, driven by both an increase in household and government spending, of 1.0% and 0.6%, respectively.

From an external demand perspective, exports expanded 1.6% in 2019Q4 YoY, explained by an increase in good exports, mostly of soybeans and cellulose. On the contrary, exports of services declined, mainly due to less inbound tourism. On the other hand, imports of goods and services increased at a faster pace in the last quarter of 2019 (3.0% YoY), mostly explained by larger purchases of final consumption and capital goods.

On an annual basis, gross fixed investment increased by 1.4% in 2019, posting the first positive annual growth in the last 5 years. Regarding consumption, it printed a 0.5% compared to 2018. Exports increased by 1.2% in 2019, while imports did so at a softer pace (0.2%).

Production Sectors

From a sectoral perspective, provision of Transport, Storage and Communications, and the supply of Electricity, Gas and Water were the only two sectors that meaningfully contributed to positive growth in 2019Q4, and for the year as a whole.

Real value added in Transport, Storage and Communications increased 2.5% YoY, mostly explained by mobile data services. The supply of electricity, gas and water increased 6.1% YoY in real terms, due to the higher generation and distribution of electrical energy from renewable sources, most of which was exported to Argentina and Brazil.

Retail sales, Restaurants and Hotels grew 0.6% YoY in the fourth quarter of 2019, on the back of stronger retail sales of imported goods. It was partially offset by the lackluster performance in restaurant and hotel activities due to both a drop in residents and non-residents´ demand.

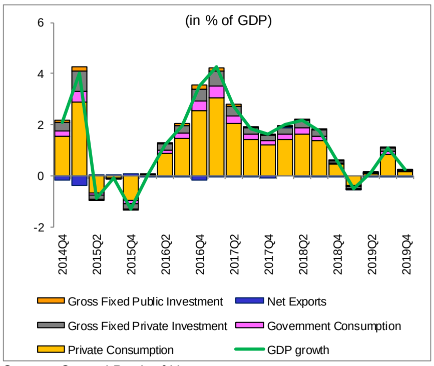
Construction activity fell 1.7% in 2019Q4 compared to the same period in 2018, driven by a slowdown in roadworks and constructions carried out by public enterprises— only partially offset by infrastructure work related to the Central Railway project.

Output of primary activities diminished 7.6% in the last quarter of 2019 YoY, due to a lower production in all subsectors. Reduced cattle raising, lower slaughter levels, and less milk production for industrial purposes reduced livestock activity. Besides, agricultural activity saw a reduction in the sowed area and harvest productivity of summer crops, mainly of soybeans. Similarly, the forestry sector also declined due to reduced wood demand.

The manufacturing sector shrank 2.2% YoY in 2019Q4, driven by a decrease in wood processing and textile industries. Furthermore, food industries remained stagnant as the positive contribution from syrups and concentrates was offset by a drop in the activity of slaughterhouses.

Finally, Other Activities, which include financial and insurance services, real state, social and other public services such as education and health, picked up by 0.4% YoY in real terms during the fourth quarter of 2019.

Contribution to GDP Growth by Expenditure
(Quarterly)



Source: Central Bank of Uruguay

From an annual perspective, positive contributions to GDP growth came from electricity, gas and water (5.7%), transport, storage and communications sector (3.5%) and, to a lesser extent, Other Activities (0.6%).

The remaining activity sectors all contracted. The drop in retail sales, restaurants and hotels (-2.1%) was driven by the decline in retail sales as well as subdued demand for restaurant and hotel services as a consequence of lower tourism inflows. Primary activities declined by 3.8% due to lower slaughters and live-cattle exports during 2019. The remaining sectors, Construction and Manufacturing, also declined by 2.0% and 1.1%, respectively.

Outlook

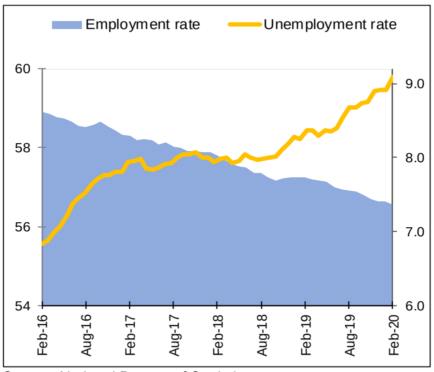
The supply shock from the virus outbreak, together with the emergency measures implemented and lower external demand, will adversely affect Uruguay`s economic growth in 2020. The government expects GDP to contract around 3% this year.

Along the same lines, the International Monetary Fund (IMF) expects the economy to swing into a recession in 2020, decreasing 3% YoY, slightly below the average expected decline in Latin America this year (-5.2%). For 2021, the IMF forecasts a rapid rebound of 5% in Uruguay, although subject to the evolution of the pandemic.

2) LABOR MARKET

The labor market continued to weaken in February, before the onset of the COVID19 outbreak in the country. The nationwide unemployment rate stood at 10.5%, compared to 9.1% on average over the past moving year. Likewise, the employment rate was 56.4%, 0.8 percentage points lower than a year ago. In February, wages remained flat in real terms on a YoY basis.

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



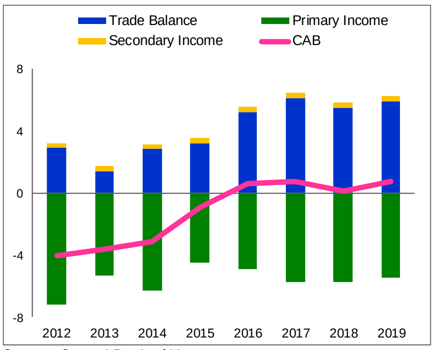
Source: National Bureau of Statistics

3) EXTERNAL SECTOR and RESERVE ASSETS

CAB registered a surplus of 0.7% of GDP in 2019

The Current Account of the Balance of Payments (CAB) showed a positive result of 0.7% of GDP in 2019, improving 0.6 p.p. from 2018. A positive trade balance of goods and services (5.9% of GDP) and transfers (0.3% of GDP), more than offset a deficit in rents, utility and interest transfers abroad (5.5% of GDP).

Current Account Balance
(In % of GDP)



Source: Central Bank of Uruguay

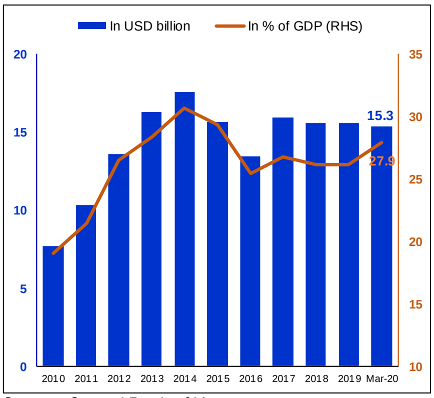
Compared to 2018, the trade balance in goods improved around USD 500 million to USD 2.9 billion, due to better results in the merchandise balance. The services balance decreased by more than 50% YoY, yet still showing a surplus of USD 381 million, due to a drop in inbound tourism, mostly Argentinians.

In 2019, rents, dividends and interests (Primary Income) posted a near USD 3 billion deficit, shrinking USD 339 million compared to 2018.

The Financial Account registered a net outflow of USD 854 million in 2019, mostly driven by private sector-related portfolio investments. On the other hand, the public sector posted net capital inflows.

Central Bank reserve assets dropped USD 1.1 billion, reflecting net dollar sales in exchange market interventions to smooth out exchange rate volatility. By end-March, international reserves of the CBU totaled USD 15.3 billion, or 27.9% of GDP. This level is well above the upper bound of the IMF reserve adequacy benchmark (which takes into account the potential balance of payments drains, including short-term external liabilities). Importantly, international reserve assets remained largely stable over the last few years, with Reserves to GDP ratio consistently above 25% of GDP since 2012.

International Reserves
(End-of-period)



Source: Central Bank of Uruguay

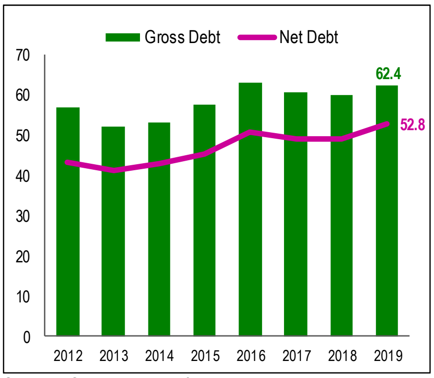
4) FISCAL and DEBT INDICATORS

Non-Financial Public Sector deficit reached 4.5% of GDP in the moving year to March 2020 (and 3.3% of GDP if including extraordinary inflows received by the public Social Security Trust Fund, SSTF). Net debt stood at 52.8% of GDP in 2019

When including extraordinary inflows received by the public Social Security Fund (equivalent to 1.2% of GDP), the annual Non-Financial Public Sector (NFPS) deficit was equivalent to 3.3% of GDP as of March 2020.
These inflows followed a law introducing changes to the pension system, allowing certain workers and retirees aged fifty or above, to shift from the social security individual capitalization scheme (administered by the Pension Funds) into the public sector social security “pay-as-you-go” regime (administered by the state-owned Banco de Previsión Social).

Gross debt of the NFPS (equivalent to the "Non-Monetary Public Sector" category used in Central Bank debt statistics) stood at 62.4% of GDP as of December 2019, while net debt was 52.8% of GDP.

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



Source: Central Bank of Uruguay

Considering a broader measure of the public sector (which consolidates the Central Bank), the annual fiscal deficit was 5% of GDP in March 2020, excluding the extraordinary revenues to the SSTF. The Consolidated Public Sector debt stood at 66.4% of GDP in 2019, while the net debt printed at 33.4% of GDP.

Outlook

The government expects that increases in public spending tied to the COVID-19 response will arise, largely, from automatic stabilizers triggered by Uruguay´s ample social insurance coverage. COVID 19-related expenses will be earmarked for fiscal transparency and accountability.

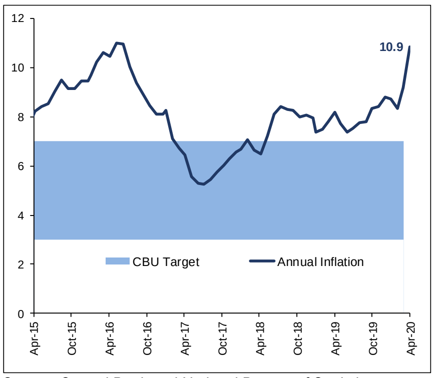
Despite expected transitory worsening of the fiscal result, policies will remain anchored in fiscal credibility and commitment to reform, steering fiscal finances back on track. On March 11th, 2020, the Lacalle Pou Administration announced a set of measures aimed at improving fiscal accounts, requiring ministries to reduce annual operating and investment expenses (excluding wages) by 15% and other austerity initiatives. Also, only one-third of personnel vacancies generated in the central government during each year will be covered, except for teachers, health personnel, and employees from the Ministerio del Interior (Ministry of Internal Affairs).

5) INFLATION & MONETARY INDICATORS

Annual inflation stood at 10.9% in April; new Central Bank board revamps policy and communication strategy

Consumer prices increased by 2% in April, accelerating from 1.3% in March. Annual inflation reached 10.86% YoY, compared to 9.2% in March 2020. The main upward pressures chiefly came from peso weakening, and a strong increase in food and transport costs.

Inflation
(In %, last 12 months)



Source: Central Bank and National Bureau of Statistics

The first policy statement of the Monetary Policy Committee after the change in the CBU management delivered institutional and communication changes, with a focus on driving inflation expectations lower for the policy horizon.

According to the statement: “…it was deemed necessary to implement a monetary policy that accompanies the current Health Emergency, committed to ensuring liquidity and not posing restrictions in the money market. At the same time, we will continue to consider that the future evolution of inflation, and its expectations, must tend to the levels set by the current target range and even to more demanding levels”.

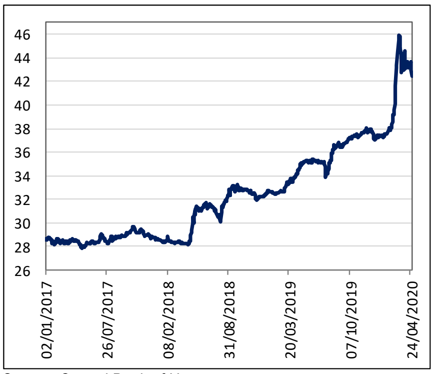
Consistent with this stated policy, the CBU decided to set the indicative broad M1 (M1’) growth in a range between 3% and 5% for 2020Q2. This compares to average M1´ growth of 5% during the last quarter. The CBU states that this new target range should be consistent with the convergence of inflation to the target range of 3-7% for the next 24 months.

The CBU board highlighted that the peso depreciation has been higher than that registered for most EMs, with CBU intervention aimed at avoiding excessive volatility.

The COPOM communicational innovations will align to a higher frequency decision-making process. First, the number of meetings of the Monetary Policy Committee will double to eight meetings a year, held every two and a half months. The COPOM will also publish minutes of the meeting, in addition to the statement, to report on the various factors taken into consideration, explaining and justifying more widely the adopted decisions. The Monetary Policy Report will continue to be published every quarter.

In the first quarter of 2020, the Uruguayan peso depreciated 15.2% against the US dollar, accumulating a YoY depreciation of 28.4%. In the wake of the impact of the spread of Covid-19, the Uruguayan currency registered a significant depreciation, peaking at Pesos 45.9 on March 18th, and reaching Pesos 42.4 as of the end of April.

Nominal Exchange Rate
(Pesos per USD)



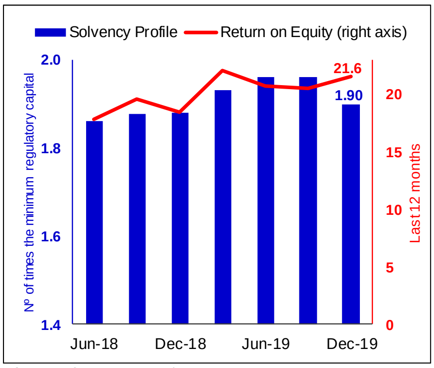
Source: Central Bank of Uruguay

6) BANKING SYSTEM

Banks with high levels of solvency and profitability in 2019

Uruguay´s banking system is well-capitalized and supervised, with a high level of liquidity and capital buffers. By end-2019, the banking system´s capital surplus was 1.9 times the minimum regulatory requirement (adjusted for credit, market, operational and systemic risks). The profitability of the system showed a return on assets (ROA) of 2.5% and a return on equity (ROE) of 21.6% in 2019. The credit delinquency rate stood at 3.2% by the end of the year, comfortably covered by provisions.

Banking System`s Solvency Profile and Return on Equity



Source: Central Bank of Uruguay

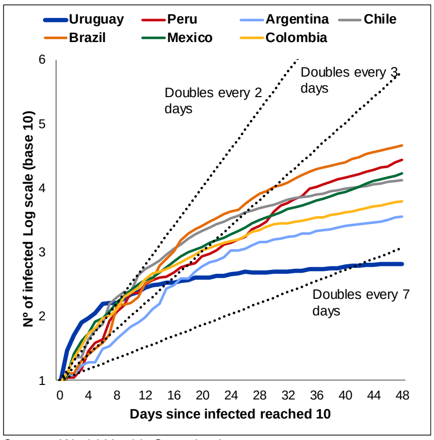
Stress tests of the banking system carried out by the Superintendence of Financial Institutions (SSF), showed that the banking system would withstand a severe recession scenario, and the regulatory capital of the banking system would remain above the minimum requirement. Additionally, despite the regional turmoil, the financial sector in Uruguay has remained resilient due to prudent supervision and regulation measures in place.

7) RECENT DEVELOPMENTS

Government´s response to the Covid-19 outbreak

On March 13, 2020, the Ministry of Public Health reported the first four cases of COVID-19 in Uruguay. On March 16th, the government declared a state of national sanitary emergency and deployed several measures aimed at strengthening health care systems and facilities, revamping hygiene protocols and expanding testing to prevent the virus spread. The government decided against instating a countrywide "shelter in place" policy, citing the importance of not grinding the economy to a complete halt. Instead, it adopted travel restrictions, actively discouraged large gatherings, promoted social distancing measures, suggested citizens to limit outdoor activities and exhorted the public and private sector to put in place, when possible, measures to develop working remotely.

Spread of Virus Infection



Source: World Health Organization

The government of Uruguay is implementing several measures to limit the economic and social fallout from the COVID-19, helping citizens, particularly those in vulnerable sectors, and businesses to cope with the shock. *Please, refer to Annex for a comprehensive description of the policy measures.*

The new administration submits the Urgent Consideration bill to Congress

On April 23rd 2020 the Lacalle Pou administration submitted to Congress an urgent consideration bill ("Ley de Urgente Consideración", or LUC, for its acronym in Spanish) to implement certain key measures and structural reforms in line with the administration's objectives.

These reforms include a new fiscal rule, as well as a new fiscal framework and budget process to ensure sustainable finances over the medium term. The proposed fiscal rule is anchored on an indicative structural fiscal result and, eventually, on a ceiling related to Central Government's real spending. In the event of fiscal surpluses, these would be saved in a countercyclical fund, to finance fiscal policies in recessionary economic cycles.

The pledged reforms also include a new governance for public enterprises and microeconomic reforms (such as the regulatory framework for energy markets and promoting competition in non-tradable sectors) to boost potential GDP and competitiveness. Among other measures to be included in the Ley de Urgente Consideración is the creation of a Ministry of Environment and Water, tasked with the formulation, execution, supervision, and evaluation of national plans for the protection of the environment.

Under Uruguay's Constitution, Congress must provide fast-track consideration to the LUC. If not expressly rejected by the vote of at least 50% of the members of both chambers of Congress by the 90th calendar day from the date on which the Executive Power submitted the bill, the bill is enacted into law.

In addition, the Ministry of Economy and Finance will need to submit to Congress the 2020-2024 budget, before August 31st, 2020.

Uruguay among the nine countries "on track" to achieve CO_2 emission targets by 2030, a decisive factor for child development

A report from the World Health Organization (WHO) and UNICEF indicated that Uruguay is, along with another eight countries, "on track" to achieve the goals of CO_2 emissions per capita by 2030.

A report commissioned by both institutions, warns that ecological degradation caused by the climate crisis and aggressive advertising of products, such as sugary drinks and tobacco, put the future of children and adolescents worldwide at risk.

The report indicates that there are only nine countries that are "on the way" to achieve the goals of CO_2 emissions per capita in 2030. Uruguay is on that list along with Albania, Armenia, Granada, Jordan, Moldova, Sri Lanka, Tunisia, and Vietnam.

Furthermore, these countries are among the first 70 places in the "child development" ranking. The researchers developed an index of "child development" that includes factors such as mortality, health, education and nutrition, and another of "sustainability", which measures the per capita emissions of greenhouse gases in each country.

Norway, South Korea, the Netherlands, France and the Republic of Ireland rank in the top five in terms of child welfare. By focusing on harmful gas emissions, however, it was found that countries where children have a better starting point in life, among which Europeans stand out, fail to ensure an adequate climate environment for children's future.

The report warns that if global warming exceeds four Celsius degrees by the Year 2100, in line with current projections, the climate crisis will have "devastating consequences for children, due to rising oceans, heat waves, the proliferation of diseases such as malaria and dengue, and malnutrition".

A new Logistics Pole was inaugurated: total investment of USD 250 million and 3,750 jobs

In February, the local logistic RAS Group announced an investment of USD 250 million to develop a logistic center near the Montevideo Port. "Total investment will be done in three stages, of which USD 50 million will come from Grupo RAS and USD 200 from the different ventures that will be located in the pole", explained the president of the company, Mr. Ruben Azar.

Once operative, this logistics pole will employ around 3,750 people: 750 will be direct jobs and the remaining indirect jobs.

Uruguay is a regional hub in the Southern Cone offering important advantages for the location of regional distribution centers. With a prominent geographical location, the country offers two ports in the main gateway to the South Atlantic coast, which allow access to the Paraná-Paraguay-Uruguay waterway.

A couple of weeks before taking office, Mr. Luis Lacalle Pou inaugurated the logistics center, with former and elected ministers of Transport, and the President of RAS Group.

In terms of regulatory framework, Uruguay offers important advantages for logistics operations, with important incentives for the installation of distribution centers and the handling of merchandise in transit. It includes Free Trade Zones, Ports and Free Airports regimes, Customs warehouses and Temporary Admission regimes.

Annex

Government´s economic, social and financial sector response to the COVID-19 outbreak

The measures spanned the following areas:

(i) Credit preservation, liquidity injection and loan guarantees for micro, small and medium-sized enterprises.

A key priority is to preserve the health and credit quality of smaller enterprises in the face of a temporary shock, ensuring a functioning payment system between producers, suppliers and customers. Measures include: (i) state-owned Banco de la República Oriental del Uruguay introduced more flexible loan repayment and financing terms for affected borrowers, including lower interest rates and longer maturities; (ii) Banco Central reduced commercial banks´ reserve requirements on local currency deposits, to inject liquidity into the local currency loan market; (iii) the National Development Agency launched a direct credit program for micro-entrepreneurs, providing loans for working capital of up to 24 months at subsidized rates (in effect, Pesos (Ps.) 12,000 monthly loans available for around 67,000 single-member companies, to be granted for April and May 2020) and (iv) prospective capitalization of the National Guarantee System (SIGA) to leverage banking system loans to SMEs, reducing the commission charged by the guarantee system (from 2.6% to 0.78%).

(ii) Protecting household income and human capital, through subsidy programs targeted at vulnerable sectors and expanded unemployment and health insurance. These include: (i) a subsidy (unemployment benefit) to self-employed workers for two months through May 31, 2020, corresponding to 25% of the monthly average compensation perceived in the six months immediately preceding the date work was suspended; (ii) expanded access and more flexible modalities of unemployment insurance, allowing firms to place employees in part-time schedules and use the unemployment insurance fund to ensure that employees receive wages as close as possible to their regular wages; (iii) to ensure that elderly workers (over 65 years) stay at home, full wage compensation in the form of sick leave for approximately 7,775 public employees and a sickness subsidy for approximately 17,000 private employees (iv) a subsidy of Ps.6,779 per month to approximately 10,115 single-tax payers (*monotributistas*) in a vulnerable situation for April and May 2020; (v) income transfers to most vulnerable households to cover food expenses and basic necessities. .

(iii) Tax relief, easing of bank regulations and forbearance, and postponement of other obligations: (i) deferral of the March and April 2020 payments of the minimum VAT applicable to micro- and small enterprises (i.e., enterprises with a monthly income below Ps.113,612), which will be paid in six equal and consecutive installments, without penalty interest; (ii) deferral of the annual balance of income tax and capital tax payments for all taxpayers (except the largest ones), which fiscal year closed between December 31, 2019 and February 29, 2020; (iii) deferral of the annual income tax affidavit presentation for all taxpayers whose fiscal year ended on December 31, 2019; (iv) a 60% deferral in the payment of workers' social security tax collected by Banco de Previsión Social (BPS) for the months of April and May 2020 by individual employers and micro- and small- enterprises with up to 10 employees, with the amount deferred to be paid in six installments beginning June 2020 (with the remaining 40% balance to be exempted and paid by the government); (v) for retirees with outstanding loans from Banco de Previsión Social (BPS) whose pension payments are below Ps.13,600, a deferral in their May, June and July 2020 installments; (vi) Banco Central, through the Superintendency of Financial Services, authorized banks, financial services companies and credit management companies to extend families and companies loan maturities for up to 180 days, for debtors whose income may be affected as a result of the health emergency; and (vii) Banco Hipotecario del Uruguay announced a 50% reduction in instalments to be paid during April and May 2020 for all its clients with outstanding mortgage debt.

In addition to these measures, On April 8, 2020, the government enacted Law No. 19,874, which created the "COVID-19 Solidarity Fund" ("Coronavirus Fund"). The Coronavirus Fund will be managed by the Executive branch, through the Ministry of Economy and Finance, which is authorized to assign resources and budgetary expenditures to address the emergency, and is required to timely disclose information on such expenditures to allow ex-post evaluation and accountability review. The Coronavirus Fund will be funded with (i) up to 30% of the net earnings recorded by the state-owned Banco de la República Oriental del Uruguay during the fiscal year ended December 31, 2019, and 100% of the accumulated profits of the Corporación Nacional para el Desarrollo; (ii) contributions from the National Institute of Agricultural Research and the National Meat Institute, in addition to tax credit waivers from cattle farmers (1% municipal tax on the sales of cattle); (iii) tax collections from a new monthly tax (Impuesto Emergencia Sanitaria COVID-19) that will be applicable to remunerations and nominal benefits of public employees of the central government, departmental governments, autonomous entities and decentralized services, non-state public law persons and state-owned entities (healthcare employees who are directly or indirectly exposed to COVID-19 as a result of their employment will be exempt) in a progressive scale; (iv) donations (including in foreign currencies) expected to be contributed to the Coronavirus Fund; (v) proceeds of loans from international and multilateral credit organizations; (vi) contributions by non-state public persons; and (vii) other funds or contributions intended for the Coronavirus Fund.

DEBT MANAGEMENT UNIT
INVESTOR RELATIONS CONTACT INFORMATION

Antonio Juambeltz

Rodrigo Saráchaga

Inés Cal

☎ +598 2 1712 ext. 2957

E-mail: debtinfo@mef.gub.uy

Website: deuda.mef.gub.uy

Uruguay **Economic Indicators**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Latest available 2019
ECONOMIC STRUCTURE AND ACTIVITY											
Population (million)	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5
Nominal GDP (local currency, billions)	715	808	926	1,041	1,178	1,331	1,456	1,589	1,707	1,831	1,976
Nominal GDP (USD, millions)	31,712	40,258	47,991	51,238	57,482	57,278	53,273	52,825	59,578	59,570	56,001
GDP per Capita (nominal USD)	9,388	11,852	14,063	14,954	16,709	16,584	15,365	15,179	17,055	16,991	15,916
Real GDP (% change, YoY)	4.2	7.8	5.2	3.5	4.6	3.2	0.4	1.7	2.6	1.6	0.2
By Sector											
Agricultural, livestock & other primary activities	4.4	0.2	11.1	-0.9	2.0	-0.2	-1.8	3.1	-6.3	5.7	-3.8
Manufacturing	5.2	2.6	2.0	-3.9	1.2	4.2	4.9	0.7	-3.5	1.9	-1.1
Electricity, gas and water	11.6	89.3	-24.2	-21.9	54.7	15.7	-6.7	9.6	1.2	2.2	5.7
Construction	2.7	2.4	2.4	16.3	0.9	0.7	-6.1	-2.6	-2.1	-2.8	-2.0
Commerce, restaurants and hotels	0.9	11.6	7.0	5.6	8.0	-0.6	-4.0	-2.8	6.2	-1.3	-2.1
Transportation, storage and communications	14.9	15.0	10.7	10.0	6.9	7.4	4.8	8.1	9.4	6.8	3.5
Other activities(1)	2.7	2.9	4.6	3.5	3.4	3.3	1.5	0.3	-0.9	0.0	0.6
By Expenditure											
Gross fixed capital formation	-5.8	16.0	7.0	18.2	3.8	2.4	-9.2	-1.6	-15.7	-2.7	1.4
o/w public sector	7.8	-4.7	-9.9	0.5	13.6	28.7	-12.2	10.9	-28.9	3.8	-0.6
o/w private sector	-9.8	23.2	11.5	21.9	2.1	-2.8	-8.5	-4.8	-11.9	-4.2	1.9
Consumption	2.7	8.6	6.7	5.1	5.5	2.9	-0.2	0.4	3.9	1.4	0.5
Exports (goods and services)	4.5	7.2	5.8	3.6	-0.1	3.5	-0.6	-0.2	6.9	-4.8	1.2
Imports (goods and services)	-8.7	13.6	12.4	13.6	2.8	0.8	-7.3	-6.2	0.5	-2.0	0.2
Share of Nominal GDP by economic activity (in %) (2)											
Agriculture, livestock and fishing	7.9	7.2	8.8	8.1	7.6	6.7	6.1	5.9	5.1	5.6	5.9
Mining	0.5	0.5	0.4	0.4	0.5	0.5	0.4	0.5	0.4	0.4	0.4
Manufacturing	14.8	13.5	12.7	12.2	11.3	12.1	13.2	12.8	11.7	11.7	11.7
Electricity, gas and water	1.4	3.1	1.9	1.0	2.2	2.3	2.2	2.7	2.7	2.5	2.3
Construction	7.4	7.4	7.6	9.2	9.7	9.8	9.6	9.6	9.9	9.9	9.7
Commerce, restaurants and hotels	14.0	13.7	13.8	13.9	13.7	13.4	13.0	13.0	13.9	13.7	13.6
Transportation, storage and communications	7.2	7.1	6.7	6.5	6.0	5.7	5.6	5.4	5.5	5.4	5.4
Financial and insurance services	4.3	4.3	4.3	4.4	4.4	4.5	4.6	4.8	4.8	5.1	5.1
Real estate and business services	14.4	15.0	15.1	15.8	16.1	16.3	16.8	16.7	16.7	16.4	16.2
Social and other services of the Government	5.2	5.1	5.1	5.0	5.0	5.1	5.0	5.1	5.1	5.2	5.4
Education and health services	9.5	9.4	9.6	9.9	10.1	10.4	10.6	11.0	11.2	11.1	11.4
Others	3.7	3.8	3.8	3.7	3.7	3.7	3.7	3.7	3.8	3.9	3.9
Share of Nominal GDP by expenditure (in %) (2) (3)											
Gross fixed capital formation	18.7	19.1	19.1	22.2	21.8	21.4	19.8	19.0	16.5	16.5	17.2
Consumption	79.6	79.6	79.5	80.3	80.5	80.8	80.7	80.7	81.7	81.4	81.4
Exports (goods and services)	27.1	26.3	26.4	25.9	23.4	23.5	22.5	21.4	21.4	21.0	21.7
Imports (goods and services)	26.3	25.4	26.8	29.1	26.4	25.5	22.9	19.9	18.3	19.0	19.3

(1) It includes financial and insurance services, real state and business services, social and other services of the Government, education, health services and other activities of community, social and personal services and private households with domestic service. It does not include the adjustment of financial intermediary services indirectly measured.

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

(3) Shares in nominal GDP do not add up to a 100%, given that the investment figure excludes change in inventories.

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

Uruguay | **Economic Indicators**

BALANCE OF PAYMENTS (1)

in USD million	2012	2013	2014	2015	2016	2017	2018	Latest available 2019
Current Account	**-2,069**	**-2,087**	**-1,814**	**-491**	**311**	**420**	**54**	**419**
Goods and Services	1,506	811	1,619	1,720	2,733	3,651	3,259	3,301
Goods	305	1,077	1,985	1,307	1,911	2,391	2,425	2,920
Exports	13,055	13,277	13,769	11,145	10,374	11,059	11,535	11,502
Merchandise goods	11,030	11,360	11,443	10,013	9,126	10,042	10,008	10,153
Goods under merchanting (net)	2,025	1,917	2,326	1,132	1,248	1,017	1,527	1,349
Imports	12,750	12,200	11,783	9,838	8,463	8,668	9,110	8,582
Services	1,201	-266	-366	413	822	1,260	834	381
Exports	5,049	4,823	4,617	4,487	4,157	5,021	4,862	4,506
o/w Tourism	2,296	2,089	1,917	1,970	2,071	2,559	2,350	2,011
Imports	3,849	5,089	4,984	4,074	3,335	3,761	4,028	4,125
Primary Income	-3,700	-3,077	-3,614	-2,388	-2,605	-3,423	-3,412	-3,073
Net repatriated profits and dividends	-1,150	-2,492	-2,588	-3,049	-2,464	-2,275	-2,409	-2,672
Net reinvested earnings	-2,214	-6	-346	1,377	464	-693	-488	-136
Net interest paid	-336	-579	-680	-716	-604	-454	-515	-265
Secondary Income	125	180	181	176	183	192	206	190
Capital Account	**49**	**204**	**15**	**175**	**17**	**5**	**44**	**52**
Financial Account	**-1,445**	**-1,194**	**-1,582**	**-739**	**-222**	**1,586**	**-143**	**854**
Foreign Direct Investment	-2,175	-2,792	-2,512	-815	1,115	2,236	1,108	472
Net assets accumulated abroad by residents	3,869	-2,034	1,319	1,605	905	4,888	2,280	1,222
Net claims accumulated by non residents in the economy	6,044	758	3,830	2,420	-209	2,653	1,172	750
Portfolio Investment	-278	-1,766	-347	986	2,036	-1,912	-1,636	1,174
Net assets accumulated abroad by residents	1,340	696	855	1,786	641	-1,194	-938	2,390
Net claims accumulated by non residents in the economy	1,618	2,462	1,202	800	-1,395	718	699	1,216
Financial Derivatives	185	32	33	-303	39	-259	51	124
Net creditor contracts	222	88	60	-295	60	-249	77	182
Net debtor contracts	37	56	26	7	21	10	26	58
Other Investment	-2,464	351	-128	1,070	-1,223	-927	742	195
Net assets accumulated abroad by residents	-425	1,262	761	1,196	-2,816	-1,307	531	785
Net claims accumulated by non residents in the economy	2,039	911	889	127	-1,594	-380	-211	590
Change in Central Bank Reserve Assets	3,287	2,981	1,372	-1,677	-2,189	2,449	-408	-1,111
Errors and Omissions	**575**	**689**	**217**	**-423**	**-550**	**1,162**	**-241**	**383**

in % of GDP	2012	2013	2014	2015	2016	2017	2018	Latest available 2019
Current Account	**-4.0**	**-3.6**	**-3.2**	**-0.9**	**0.6**	**0.7**	**0.1**	**0.7**
Goods and Services	2.9	1.4	2.8	3.2	5.2	6.1	5.5	5.9
Goods	0.6	1.9	3.5	2.5	3.6	4.0	4.1	5.2
Exports	25.5	23.1	24.0	20.9	19.6	18.6	19.4	20.5
Merchandise goods	21.5	19.8	20.0	18.8	17.3	16.9	16.8	18.1
Goods under merchanting (net)	4.0	3.3	4.1	2.1	2.4	1.7	2.6	2.4
Imports	24.9	21.2	20.6	18.5	16.0	14.5	15.3	15.3
Services	2.3	-0.5	-0.6	0.8	1.6	2.1	1.4	0.7
Exports	9.9	8.4	8.1	8.4	7.9	8.4	8.2	8.0
o/w Tourism	4.5	3.6	3.3	3.7	3.9	4.3	3.9	3.6
Imports	7.5	8.9	8.7	7.6	6.3	6.3	6.8	7.4
Primary Income	-7.2	-5.4	-6.3	-4.5	-4.9	-5.7	-5.7	-5.5
Net repatriated profits and dividends	-2.2	-4.3	-4.5	-5.7	-4.7	-3.8	-4.0	-4.8
Net reinvested earnings	-4.3	0.0	-0.6	2.6	0.9	-1.2	-0.8	-0.2
Net interest paid	-0.7	-1.0	-1.2	-1.3	-1.1	-0.8	-0.9	-0.5
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**	**-0.4**	**2.7**	**-0.2**	**1.5**
Foreign Direct Investment	-4.2	-4.9	-4.4	-1.5	2.1	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	2.2
Net claims accumulated by non residents in the economy	11.8	1.3	6.7	4.5	-0.4	4.5	2.0	1.3
Portfolio Investment	-0.5	-3.1	-0.6	1.9	3.9	-3.2	-2.7	2.1
Net assets accumulated abroad by residents	2.6	1.2	1.5	3.4	1.2	-2.0	-1.6	4.3
Net claims accumulated by non residents in the economy	3.2	4.3	2.1	1.5	-2.6	1.2	1.2	2.2
Financial Derivatives	0.4	0.1	0.1	-0.6	0.1	-0.4	0.1	0.2
Net creditor contracts	0.4	0.2	0.1	-0.6	0.1	-0.4	0.1	0.3
Net debtor contracts	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Other Investment	-4.8	0.6	-0.2	2.0	-2.3	-1.6	1.2	0.3
Net assets accumulated abroad by residents	-0.8	2.2	1.3	2.2	-5.3	-2.2	0.9	1.4
Net claims accumulated by non residents in the economy	4.0	1.6	1.6	0.2	-3.0	-0.6	-0.4	1.1
Change in Central Bank Reserve Assets	6.4	5.2	2.4	-3.1	-4.1	4.1	-0.7	-2.0
Errors and Omissions	**1.1**	**1.2**	**0.4**	**-0.8**	**-1.0**	**2.0**	**-0.4**	**0.7**

(1) In accordance with the Sixth Edition of the IMF´s Balance of Payments and International Investment Position Manual (BPM6), whereby:
(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 the balance of an underlined entry means that net acquired assets abroad by residents were higher (smaller) than net financial liabilities accumulated by non-residents within the economy, 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.
Source: *Central Bank of Uruguay*

Uruguay — Economic Indicators

Monetary and Labor Market Indicators and Relative Prices [1]	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Latest available as of:
Consumer inflation (% change, YoY)	5.9	6.9	8.6	7.5	8.5	8.3	9.4	8.1	6.6	8.0	8.8	10.9	2020M04
Producer inflation (% change, YoY)	10.5	8.4	11.1	5.9	6.3	10.6	6.6	-1.9	5.4	10.0	20.1	17.1	2020M04
Nominal exchange rate (UYU per USD, eop)	19.63	20.09	19.90	19.40	21.39	24.33	29.87	29.26	28.76	32.39	37.34	42.26	2020M04
Nominal exchange rate (UYU per USD, 12-month average)	22.53	20.07	19.30	20.32	20.50	23.23	27.33	30.08	28.65	30.74	35.28	37.71	2020M04
Nominal exchange rate (% change, 12-month average)	7.5	-10.9	-3.8	5.3	0.9	13.3	17.6	10.1	-4.8	7.3	14.8	7.8	2020M04
Real Effective Exchange Rate, REER (index base 100 = 2009, eop)	100.0	99.6	92.8	82.3	80.2	79.5	80.0	73.3	74.5	67.6	72.8	71.1	2020M02
REER (% change, YoY, if + = real depreciation)	-10.2	-0.4	-6.8	-11.3	-2.6	-0.9	0.7	-8.4	1.6	-9.2	7.6	3.9	2020M02
Terms of trade, ToT (index base 100 = 2009, eop)	100.0	111.8	110.6	112.2	114.5	124.4	120.3	123.9	123.3	116.1	121.4	124.6	2020M01
ToT (% change, YoY)	-14.0	11.8	-1.1	1.5	2.0	8.7	-3.3	3.0	-0.5	-5.8	4.5	6.6	2020M01
Real wages (index base 100 = 2009, eop)	100.0	103.4	107.6	113.1	116.9	120.9	121.4	125.4	127.1	127.4	127.0	129.9	2020M02
Real wages (% change, YoY)	5.6	3.4	4.0	5.2	3.3	3.5	0.4	3.3	1.3	0.2	-0.3	0.0	2020M02
Nominal wages (% change, YoY)	12.2	11.2	13.6	12.7	12.3	12.3	9.9	11.7	9.0	8.4	8.6	8.2	2020M02
Unemployment (% of labor force, average of last 12 months)	7.8	7.0	6.3	6.3	6.5	6.6	7.5	7.9	7.9	8.4	8.9	9.1	2020M02
Monetary base (% change, YoY)	6.5	16.2	17.3	21.9	17.4	1.4	7.2	9.7	3.6	10.4	7.7	22.3	2020M03
M1' (% change, YoY)	15.2	30.0	20.8	11.2	15.0	3.7	5.6	8.4	15.0	8.9	5.1	9.7	2020M03
Interest rate on Central Bank´s 1-year bills (12-month average)	14.7	9.9	9.37438	9.8	12.0	14.9	13.3	14.2	11.0	10.1	10.3	10.6	2020M03
Overnight interbank interest rate (%, eop)	7.1	6.5	8.8	9.0	5.3	20.0	18.0	3.5	8.6	5.0	9.0	3.5	2020M03
Average short-term interest rate for local currency deposits (%)	4.9	4.8	5.5	5.2	5.1	8.5	7.9	6.0	5.3	5.3	6.5	4.5	2020M02
Total bank deposits by private non-financial sector (% of GDP)	48.3	44.5	43.0	45.3	44.0	46.9	52.4	53.4	47.7	47.6	52.1	53.2	2020M02
o/w in local currency (% of total)	21.6	24.2	26.2	26.1	24.7	22.3	19.1	22.7	26.7	26.4	23.8	22.8	2020M02
in foreign currency (% of total)	78.4	75.8	73.8	73.9	75.3	77.7	80.9	77.3	73.3	73.6	76.2	77.2	2020M02
Total bank deposits by private non-residents in non-financial sector (% of GDP) [2]	9.3	7.7	6.7	7.2	6.8	7.4	8.6	6.7	4.7	4.7	5.4	5.5	2020M02
Total bank credit to resident private non-financial sector (% of GDP)	22.7	21.4	21.6	23.9	24.0	25.1	26.9	28.3	25.5	25.6	26.2	25.5	2020M02
o/w in local currency (% of total)	47.5	48.0	45.9	47.2	45.4	44.0	43.7	45.9	48.7	48.5	49.5	48.9	2020M02
in foreign currency (% of total)	52.5	52.0	54.1	52.8	54.6	56.0	56.3	54.1	51.3	51.5	50.5	51.1	2020M02
Total bank credit to non-resident non-financial sector (% of GDP)	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3	2020M02
International Reserves (% of GDP)	25.2	19.0	21.5	26.5	28.3	30.6	29.3	25.4	26.8	26.1	25.9	27.9	2020M03

(1) Stocks are measured end-of-period (eop).
(2) Assumes all non-residents deposits are in foreign currency.
Sources: *Central Bank of Uruguay and National Institute of Statistics*

Public Finances	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Latest available as of:
			(in % of GDP)										
Non-Financial Public Sector													
Overall Balance	-1.5	-0.4	-0.4	-2.4	-1.9	-2.8	-2.0	-2.9	-2.7	-2.0	-2.9	-3.3	2020M03
Primary balance of Central Government	1.2	1.3	1.9	0.3	0.9	0.0	-0.3	-0.8	-0.3	0.7	-0.4	-1.0	2020M03
Revenues	26.3	26.9	27.0	26.9	28.0	27.6	27.2	27.8	28.8	30.6	30.0	29.5	2020M03
o/w transfers to Social Security Trust Fund [1]										1.3	1.3	1.2	2020M03
Primary expenditures	25.1	25.6	25.2	26.6	27.1	27.6	27.6	28.6	29.1	29.8	30.5	30.4	2020M03
Primary balance of local governments	0.3	0.0	0.1	-0.1	-0.1	-0.2	0.1	0.1	0.1	0.0	-0.1	-0.1	2020M03
Primary balance of non-financial public enterprises	-0.4	0.4	-0.1	-0.5	-0.5	-0.3	0.8	0.4	0.2	0.0	0.0	0.1	2020M03
Primary balance of state-owned insurance bank	0.2	0.4	0.2	0.2	0.2	0.0	-0.3	0.0	-0.1	-0.2	0.1	0.2	2020M03
Interests payments	2.7	2.4	2.4	2.2	2.3	2.3	2.3	2.6	2.6	2.6	2.5	2.5	2020M03
o/w Central Government´s [2]	2.7	2.4	2.4	2.3	2.4	2.3	2.3	2.7	2.7	2.8	2.6	2.6	2020M03
Consolidated Public Sector													
Overall balance	-1.6	-1.1	-0.9	-2.7	-2.3	-3.5	-3.4	-3.7	-3.5	-2.9	-3.4	-3.8	2020M03
Primary balance	1.1	1.9	1.9	-0.2	0.4	-0.6	0.2	-0.4	-0.2	0.5	-0.5	-0.9	2020M03
o/w transfers to Social Security Trust Fund [1]										1.3	1.3	1.2	2020M03
Interests	2.8	2.9	2.8	2.5	2.7	2.8	3.6	3.3	3.3	3.4	2.9	3.0	2020M03
o/w Central Bank´s	0.0	0.6	0.5	0.3	0.4	0.6	1.3	0.7	0.7	0.8	0.5	0.5	2020M03

(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.
(2) Includes interests from Capitalization Bonds of the Central Bank.
Source: *Ministry of Economy and Finance of Uruguay*

Public Debt [1]	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Latest available as of:
		(in % of GDP, unless otherwise indicated)											
Non-Monetary Public Sector [2]													
Gross debt				56.9	52.3	53.2	57.6	63.2	60.7	60.1	62.4		2019Q4
o/w in foreign currency (% of total)				44.8	42.5	46.0	50.1	49.1	43.2	47.9	51.8		2019Q4
held by non-residents (% of total)				51.4	53.2	55.4	55.5	49.2	47.2	49.8	54.0		2019Q4
Net debt				43.4	41.3	43.0	45.2	50.8	49.1	49.2	52.8		2019Q4
Consolidated Public Sector													
Gross debt	72.7	59.6	56.6	61.1	57.9	58.8	59.2	63.4	65.2	64.5	66.4		2019Q4
o/w in foreign currency (% of total)	64.0	55.1	47.7	42.3	39.9	43.7	53.5	52.5	41.4	46.9	53.4		2019Q4
held by non-residents (% of total)	55.4	53.4	51.7	51.9	52.8	54.7	57.3	51.1	46.0	47.9	52.1		2019Q4
Net debt	35.2	31.0	27.9	27.1	23.0	21.8	23.4	30.5	31.8	31.8	33.4		2019Q4

(1) Stocks measured end-of-period.
(2) Starting June 2019, the Central Bank started publishing debt figures for the Non Monetary Public Sector (NMPS), going back to 2012Q4. The NMPS coverage includes the following institutional sectors: the Central Government (which includes the Social Security public fund), local governments, public enterprises and the state-owned insurance bank. Reported data nets out any cross-holdings of assets and liabilities for institutions within this perimeter of consolidation. For instance, Capitalization Bonds issued by the Central Government and held by the Central Bank, are showed in the NMPS debt statistics. The term "Non Monetary Public Sector" (NMPS) used in published Central Bank statistics is equivalent to the category "Non Financial Public Sector" (NFPS) as used in Ministry of Economy and Finance´s publications.

Source: *Central Bank of Uruguay*