Uruguay
in focus

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

- **Despite a recent uptick in new Covid-19 cases in mid-July, Uruguay has managed to contain the spread of the epidemic so far. As of August 5th, there were 207 confirmed active cases and 36 Covid-19-related deaths— one of the lowest infection and mortality rates in Latin America.**

- **Economic activity contracted 1.4% YoY in 2020Q1.**

- **The current account was almost in balance in the year ended in 2020Q1.**

- **Inflation slowed down in July to 10.1% YoY (0.55% m/m) after peaking at 11% in May.**

- **The annual non-financial public sector fiscal deficit reached 5.2% of GDP as of June 2020 (excluding transfers to the social security trust fund), up 0.5 percentage points from the reading in February, before the Covid-19 outbreak.**

- **Congress approved the Urgent Consideration bill, including a spate of structural reforms. The Accountability bill is being discussed in Congress. The next milestone will be the 5-year Budget Law, to be submitted to Congress by the end of August.**

- **The Treasury has capitalized the National Guarantee System (SiGa) for USD 65 million year-to-date, to support the banking system`s loans to SMEs.**

- **Uruguay leads the 2020 Capacity to Combat Corruption index in LatAm.**

REAL SECTOR

In the first quarter of 2020, the Uruguayan economy contracted 1.4% YoY in real terms (and -1.6% in quarterly seasonally-adjusted terms).

Demand Components

From the expenditure side, gross fixed capital formation increased by 0.2% in 20120Q1, wholly driven by the private sector. Consumption expanded 1.5% YoY, due to both an increase in households´ and government spending of 1.7% and 0.1%, respectively.

From an external demand perspective, exports decreased by 5.8% YoY in 2020Q1, explained by both a drop in goods and services exports. Regarding the former, it was explained by a decrease in dairy products and beef exports, while rice and cellulose pulp exports grew. Exports of services declined, mainly due to less inbound tourism.

On the other hand, imports of goods and services increased 9.2% in the first quarter of 2020, mostly due to higher tourism spending of Uruguayans abroad, as well as higher imports of final consumption and capital goods. Among the latter, it stands out transport machinery, communication, and agricultural equipment.

Production Sectors

During 2020Q1, economic activity in all sectors declined on a YoY basis — except for transport, storage, and communications. The latter increased its value-added by 4.4%, on the wake of the expansion in the communication activity partially offset by a contraction in transport and storage. The expansion in communications was explained by higher demand for mobile data services because of the Covid-19 sanitary crisis. Regarding transport and storage, it stands out the negative performance of transport of passengers and, to a lesser extent, to cargo transport, both due to the Covid-19 fallout.

The supply of electricity, gas, and water fell 18.3% YoY, due to lower generation and distribution of electricity from renewable sources (most of which was exported to Argentina and Brazil during the first quarter of 2019).

The level of activity in commerce, restaurants, and hotels diminished 2.9% in 2020Q1 in YoY terms. This happened on the back of the negative impulse from commerce (mainly of domestic goods), as well as from the lower activity of restaurants and hotels during March— heavily hit by the onset of Covid-19 outbreak that month.

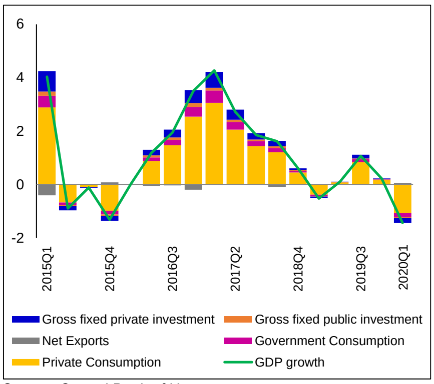
Construction activity fell 5.3% in the first quarter of 2020 concerning the same period of the previous year. The slowdown in building construction and investment from public enterprises, more than offset the positive contribution from infrastructure work related to the Central Railway project and UPM´s new pulp mill. It is worth mentioning that, the construction activity was affected by the paid-leave of workers since mid-March because of the state of sanitary emergency.

Output of primary activities declined 7.7% in 2020Q1 (YoY), due to lower production in the agricultural and livestock subsectors compared to a year ago.

The manufacturing sector remained almost flat in real terms in the first quarter of 2020 in comparison to the same period last year. This was explained by a positive contribution from syrups and concentrates, cellulose pulp, and oil refinery outputs, offset by a drop in the activity of cattle slaughter plants and, to a lesser extent, in textile industries.

Finally, the Other Activities aggregate, which includes financial and insurance services, real state, social and other services of the government, education, and health services, among others, shrank 3% in 2020Q1 in YoY terms. Worth highlighting, is the drop in personal services as well as in educational activity, given that all school classes were suspended on March 16th (and resumed in June) as part of the emergency measures taken to contain the epidemic.

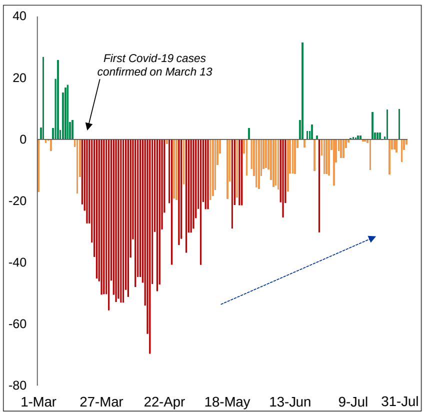
Contribution to GDP Growth by Expenditure
(YoY, quarterly)



Source: Central Bank of Uruguay

Leading indicators (such as fuel demand) suggest that economic downdraft may have bottomed-out, and a gradual recovery is underway.

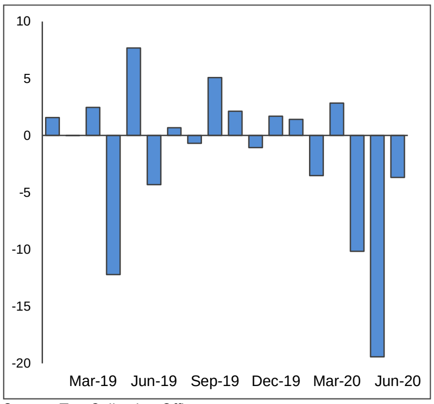
Fuel demand
(Rolling 7-day, YoY change, in %)



Source: Ministry of Economy and Finance

Furthermore, gross tax collection fell by -3.7% YoY in real terms in June, after contracting 19.4% YoY in May.

Tax Collection
(YoY real change, in %)



Source: Tax Collection Office

Outlook

The supply and demand shocks from the virus outbreak, together with the emergency measures implemented and lower external demand, will adversely affect Uruguay`s economic growth in 2020.

According to the latest economic expectation survey carried out by the Central Bank, the median projection for GDP growth rate is -3.7% this year, recovering to 3.9% in 2021 and 2.5% in 2022.

Labor Market

The unemployment rate stood at 9.7% in May, and 9.4% on average during the last 12 months.

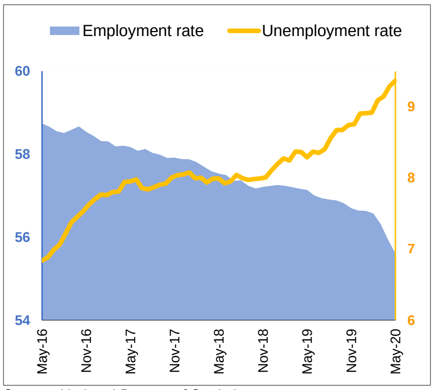
Also, the employment rate was 52.9%, representing 3.9 percentage points (p.p.) lower than May 2019, whereas the activity rate (that is, the share of the population that is employed or are looking for a job over working-age people), dropped 3.7 p.p. from a year ago, printing at 58.6%. In both cases, these figures represent their lowest values since 2006.

The deteriorating labor market dynamics is reflected in the increase in the new claims for unemployment insurance beneficiaries at the Social Security Bank (Banco de Previsión Social, BPS), which peaked at 104,666 workers in April, coming down since then.

As part of the measures taken to tackle the Covid-19 impact on the labor market, the government implemented a new regime (referred to as “Special”) for employees to gain access to the unemployment insurance benefit. This subsidy is granted to dependent workers who are in a situation of a reduction of working hours. This regime differs from the traditional[1] reduction-causality regime one in that it is offered for less than a month.

Meanwhile, the nominal wages index grew 8.3% in April in YoY terms, while the real wage decreased 2.9% in April over a year ago.

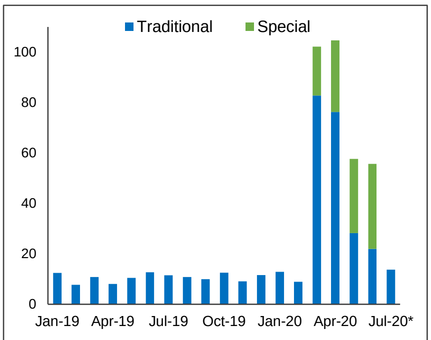
Unemployment and Employment Rate
(Average of last 12 months, in %)



Source: National Bureau of Statistics

[1] The traditional unemployment insurance regime contemplates three types of causes to apply for it: dismissal, suspension or reduction of working activity of employees.

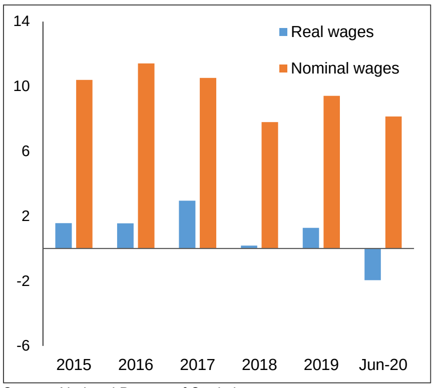
Unemployment insurance
(Number of new beneficiaries each month, in thousands, by type of regime)



(*) As of July 22. No data available for the Special regime as of July. Up to April, figures display effective beneficiaries. Since May, figures correspond to insurance filling claims.

Source: Social Security Institution and Ministry of Economy and Finance

Nominal and real wages
(YoY change, in %)



Source: National Bureau of Statistics

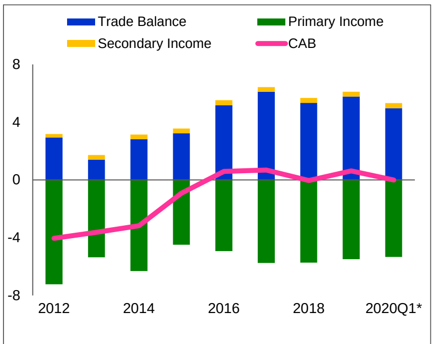
In July, the Government, unions, and companies agreed upon a temporary wage negotiation scheme to face the negative effects of the pandemic on the labor market. It consists of a 3% nominal salary increase in January 2021, with an additional 1% for workers with the lowest salaries. Lastly, by the end of 2021, a final corrective adjustment for inflation will be applied, netting out the GDP real contraction in 2020.

2) EXTERNAL SECTOR

The CA was almost in balance in the year ended in 2020Q1

In the year ended in March 2020, the Current Account of the Balance of Payments (CAB) showed a slightly negative deficit of USD 3 million (-0.01% of GDP), up from -0.2% of GDP in the year ended in March 2019. This was explained by both a deficit in the Primary Income category (of 5.33% of GDP) almost totally offset by a surplus in the trade balance of goods and services (4.97% of GDP) as well as in the Secondary Income (0.36%) category.

Current Account Balance
(In % of GDP)



(*) Last 4 quarters

Source: Central Bank of Uruguay

The balance in the trade of goods and services —of USD 2.7 billion— deteriorated around USD 300 million due to a worse result in the services account, mostly explained by both a decline in tourism exports and an increase in tourism imports.

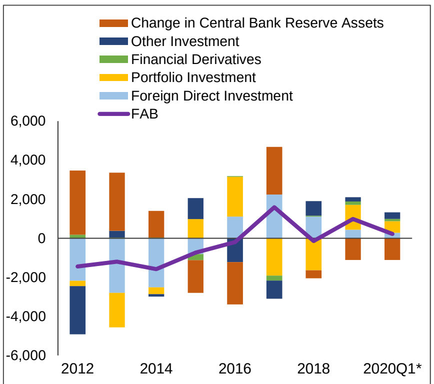
Regarding the former, the main negative impact arose from the drop in inbound tourism from Argentinians, due to the unfavorable economic situation in the neighboring country. At the same time, the rise in imports of services was driven by higher expenditures of Uruguayans abroad.

The Primary Income balance posted a USD 2.9 billion deficit in the four quarters to 2020Q1 , shrinking USD 410 million from the 4-quarter period through 2019Q1. The improvement was mainly due to a reduction in the net accrued dividends collected on FDI by foreign companies.

Finally, the Secondary Income balance, which captures net current transfers, had a positive value of around USD 190 million.

The Financial Account Balance (FAB) registered a net outflow of USD 221 million in the year ended in March 2020. FDI, Portfolio, Other Investments, and Financial derivatives categories, recorded a positive net acquisition of financial assets by residents abroad (defined as change in assets held abroad by residents minus change in claims held by non-residents in the economy). The Central Bank reserve assets fell USD 1.1 billion over this period.

Financial Account Balance
(Net capital outflows, in USD million)

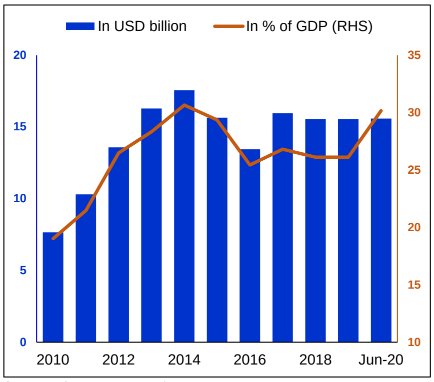


(*) Last 4 quarters

Source: Central Bank of Uruguay

By end-July, international reserves of the CBU totaled USD 15.6 billion (30.1% 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).

International Reserves
(End-of-period)



Source: Central Bank of Uruguay

3) FISCAL and DEBT INDICATORS

The deficit of the Non-Financial Public Sector (NFPS) reached 4% of GDP in the year to June 2020; net debt was 52.8% of GDP as of 2020Q1.

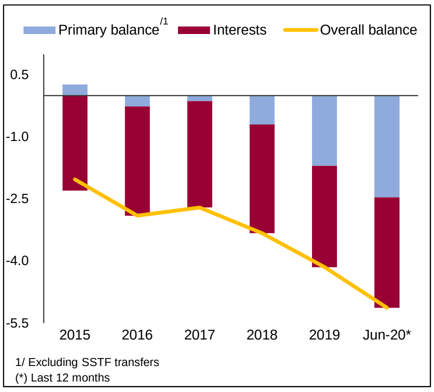
Excluding the extraordinary inflows received by the public Social Security

Trust Fund (SSTF) of 1.1% of GDP, the deficit of the NFPS was equivalent to 5.2% of GDP as of June 2020 (numbers do not add up exactly for rounding effects).

These transfers 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).

These extraordinary inflows are registered as government revenues consistent with IMF statistics standards. However, the underlying fiscal stance is best measured excluding it, as it provides a more accurate idea of the NFPS´s gross financial needs (given that these resources are allocated and ring-fenced in a Trustee).

Non-Financial Public Sector Balance
(In % of GDP, excluding transfers to SSTF)



Source: Ministry of Economy and Finance of Uruguay

In April this year, the enacted Law No. 19,874 created the "COVID-19 Solidarity Fund" (Covid-19 Fund) with the purpose of identifying the sources of funds to meet the expenditures related to the economic and social situation caused by the pandemic.

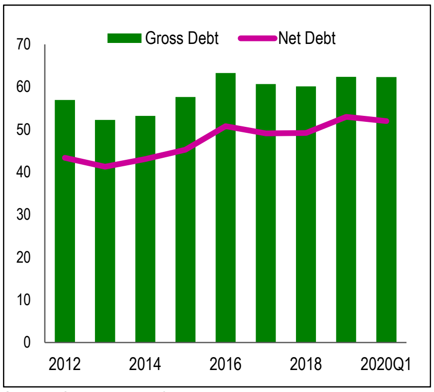
The Executive Power, through the Ministry of Economy and Finance, manages this fund and is authorized to assign resources and budgetary expenditures to address the emergency. It is required to timely disclose information on such budgetary expenditures assignment and adopt procedures to allow ex-post evaluation and accountability review.

Since April this year, in the monthly publication of the Public Sector fiscal results, the government started publishing on a separate item the fiscal impact derived from the revenues and expenses earmarked in the Covid-19 Fund. As of June, it amounted to -0.5% of GDP.

It is worth mentioning that the fiscal effects that will be reported and accounted by this Fund does not constitute the entire impact of the health emergency on the fiscal position. In other words, it does not consider any other changes in revenues and expenses brought about by the virus fallout than those that are contemplated in the law. In particular, it does not factor-in the drop in revenues driven by the slowdown in the economic activity, such as VAT and income tax collection, other Central Government revenues (lotteries, fees charged by agencies, etc.) and the result of state-owned enterprises.

Gross debt of the NFPS (equivalent to the "Non-Monetary Public Sector" category used in Central Bank debt statistics) stood at 62.3% of GDP as of March 2020, while net debt was 52% of GDP. Government debt securities held by the Social Security Trust Fund were equivalent to 1.9% of GDP by the end of 2020Q1 (measured in nominal value).

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 5.5% of GDP in June 2020, excluding the extraordinary revenues to the SSTF. The Consolidated Public Sector debt stood at 66.2% of GDP in end-March 2020, while the net debt (accounting for public sector assets) printed at 30.8% of GDP— down from 33% of GDP by end-2019.

4) INFLATION & MONETARY INDICATORS

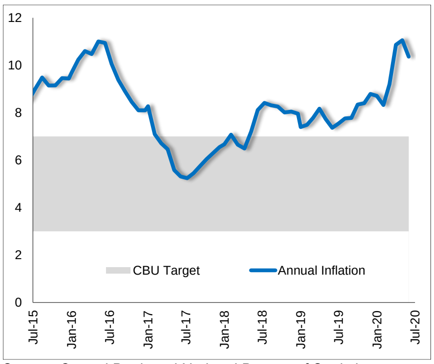
Yearly inflation recedes in July; the CB introduces changes to monetary policy framework to better anchor inflation expectations

In July, consumer prices increased 0.55% from a month earlier. YoY inflation dropped from 11.1% in May to 10.1% in July. That said, inflation remained well above the upper bound of the Central Bank's 3.0%–7.0% target range.

A breakdown of the CPI basket provided by the National Statistical Institute showed that six out of the 12 sub-components saw an increase in prices, led by higher prices for recreation and culture and clothing and footwear. On the other hand, prices for food and non-alcoholic beverages declined.

At its August Monetary Policy Committee (COPOM is its acronym in Spanish) meeting, the Central Bank informed that the growth rate of the M1´ money supply in July was 15.5% above the target of the previous meeting (7.0% –10.0%). The Bank also communicated that M1´ growth for the third quarter stood at 15.0%, and kept its inflation target for the next 24 months unchanged at 3.0% – 7.0%, consistent with the potential product growth in the monetary policy horizon.

Inflation
(In %, last 12 months)



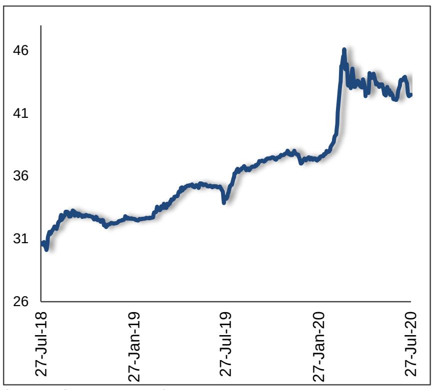
Source: Central Bank and National Bureau of Statistics

Going forward, the Central Bank will focus on the disinflation strategy as its overriding objective, planning to i) tighten monetary policy to anchor inflation expectations within the inflation target band and ii) re-assess the policy instrument starting the process to change the policy instrument from a benchmark monetary aggregate to an short term interest rate in order to improve signals to economic agents.

Since the outbreak of Covid-19 in Uruguay in mid-March, the exchange increased significantly and reached almost 46 Pesos per US Dollar. After that, it exhibited a downward trend, reaching 42.5 pesos per US Dollar at the beginning July.

After the Central Bank announced on July 6th the possibility of purchasing monetary regulation bills with USD Dollars, the FX reverted its trend and reached almost 44 pesos per US Dollar by mid-July. From there it went down again, remaining at 42 pesos per US Dollar by end-July.

Nominal Exchange Rate
(Pesos per USD)



Source: Central Bank of Uruguay

5) BANKING SYSTEM

Banking system remains well capitalized and profitable, underpinning Central Bank to shore up liquidity of the financial system

In the first quarter of 2020, the banking system´s solvency and profitability continued improving with an equity adequacy ratio of 2 times the minimum regulatory capital requirement and a return on equity (ROE) of 25%. This represents an improvement from 1.9 and 21.6%, respectively, achieved by the end of 2019.

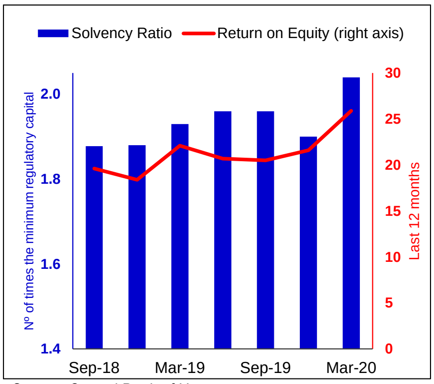
In order to assess the resilience of the banking system, the Superintendence of Financial Institutions (SSF) carried out stress tests, which showed that in the context of a severe recession scenario, the regulatory capital of the banking system would still be above the minimum requirement, while in a less severe one, the impact would be slightly significant.

Credit delinquency stood at 3.3% by 2020Q1, which was comfortably covered by the provisions of the total system, which remained at 5.3% in the same period.

In parallel, the indebtedness of families with the banking system and consumer loan companies was 27.5% of annual income as of 2020Q1, representing a slight decrease compared with the end of 2019 (28.6%).

The financial system in Uruguay is composed of 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

After the Covid-19 outbreak, the Central Bank implemented policy measures to shore up liquidity in the financial system and to preserve the financial health and credit quality of micro, small and medium-sized enterprises (SMEs). In this context, it deployed countercyclical monetary policy tools such as reducing commercial banks´ local currency reserve requirements, and eased bank regulations, authorizing financial institutions to defer companies´ loan payments.

As of the end of July, the Covid-19 fund made four capitalizations of the National Guarantee System (SIGa) for approximately USD 65 million to leverage banking system loans to SMEs. On top of that, the Uruguayan Government is currently negotiating loans with multilateral institutions to continue strengthening this program.

In June 2020, foreign currency deposits from residents in the non-financial private sector stood at USD 21.1 billion, staying almost unchanged from the previous month. In turn, non-residents' totaled USD 3.2 billion (that is 13.3% of total FC deposits).

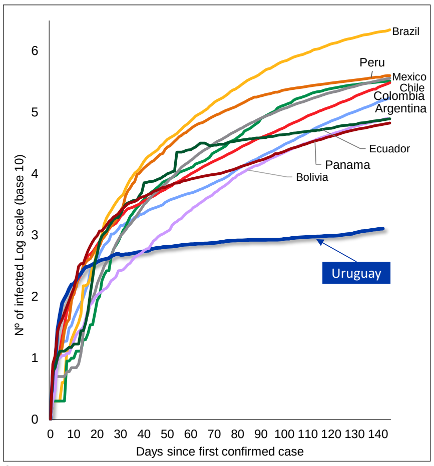
Furthermore, residents´ local currency-denominated deposits reached USD 6.7 million in June this year.

6) RECENT DEVELOPMENTS

i) Covid-19 update

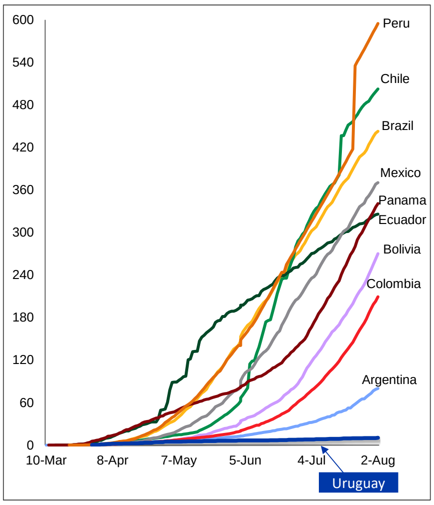
As of August 5th, Uruguay has 1,309 total confirmed cases, 36 deaths, and more than 1,000 patients recovered—with only 207 active cases. Despite a recent uptick in July, Uruguay has managed to flatten the infection curve and today presents one of the lowest figures of critical patients deaths and spread of infection in the continent as shown in the following two graphs.

Spread of Infection
(As of August 2nd, 2020)



Source: Johns Hopkins University

Covid-19-related deaths per million people
(As of August 2nd, 2020)



Source: Our World in Data

Uruguay has implemented several measures to limit the effects of the COVID-19 outbreak on the economy and assist citizens, particularly those in vulnerable sectors, and businesses deal with the immediate consequences. For a full list of measures implemented, see Appendix of April 2020 Newsletter here.

ii) Milestones Political Process and upcoming five-year Budget Law

After Congress enacted the Urgent Consideration Law (UCL) on July 9th and the 2019 Accountability Law to be enacted in the following weeks, the Uruguayan Government is preparing the Budget Plan Law for the period 2020 – 2024, which must be submitted to Congress by August 31st.

The UCL will implement structural reforms in line with the administration's objectives. These include, inter alia, a new fiscal rule and a new fiscal framework and budget process to ensure sustainable finances over the medium term, a new governance for public enterprises, as well as microeconomic reforms to boost potential growth and competitiveness. Also, it includes the main guidelines for a social security reform.

Specifically, the proposed fiscal rule is designed within a framework of a long-term approach to public finances. The indicative goal is placed on obtaining a structural fiscal result and capping the growth in Central Government´s real public spending (to be tied to the potential growth of the economy).

Among the measures included in the UCL 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.

The Accountability Law contains the fiscal performance report for 2019.

In turn, the Budget Plan Law will be based on certain macroeconomic assumptions and policy objectives related to the sustainability of public finances, macroeconomic stability, economic growth, and social achievements. Under this context, this new Budget Law will detail the characteristics of the new fiscal rule established in the UCL and consistent with sustainable public finances over the medium term.

iii) Changes to investment promotion regime and incentives for adopting fiscal residence

The new administration of Mr. Luis Lacalle Pou is focused on jump-starting the Uruguayan economy by attracting and promoting private investment. In line with it, the Uruguayan Government has implemented changes in the legal framework to provide more flexibility on tax incentives for investments projects underway and introduces new tax breaks for big-ticket construction projects –with a minimum size of USD 6 million –and social housing– construction, recycling and renovation projects for low and middle sectors of the population.

On the other hand, the Uruguayan Government launched in July a new tax Residency Program allowing foreign nationals to obtain fiscal residency on condition that they spend sixty days each year in Uruguay and own property valued at around USD 377,000. The new program will also allow those who invest in businesses to qualify, although at the much lower threshold of USD 1.6 million and through the creation of 15 jobs.

Those who take up the Government's offer can look forward to paying zero income and property taxes for ten years.

iv) Uruguay leads the Capacity to Combat Corruption Index published by the Americas Society and Council of the Americas

Uruguay ranked first in Latin America in the 2020 Capacity to Combat Corruption (CCC) Index, according to the Americas Society and Council of the Americas (AS/COA). "The reasons for Uruguay's success range from strong enforcement mechanisms across the public sector and well established democratic institutions to an active civil society and a vigilant press", pointed out the institution.

The first edition of the index was launched in 2019 to assess Latin American countries' ability to uncover, punish, and prevent corruption. Rather than measuring perceived levels of corruption, the CCC Index evaluates and ranks countries based on how effectively they can combat corruption.

The CCC Index looks at 14 key variables, including the independence of judicial institutions, the strength of investigative journalism, and the level of resources available for combating white-collar crime. The index relies on extensive data and on a proprietary survey conducted among leading anti-corruption experts from Control Risks, academia, civil society, media, and the private sector.

Uruguay achieved a rating of 7.78 out of 10. Chile ranked second (with a 6.57 score), Costa Rica (6.43), Brazil (5.52), Peru (5.47), Argentina (5.32), Colombia (5.18), Mexico (4.55), Ecuador (4.19), Panama (4.17), Guatemala (4.04), Paraguay (3.88), Dominican Republic (3.26), Bolivia (2.71) and Venezuela (1.52). The score was composed of three sub-categories: Legal Capacity, Democracy, and Political Institutions and Civil Society, Media, and the Private Sector.

Capacity to Combat Corruption Index
(Overall score, 2020)

Source: AS/COA Anti-Corruption Working Group

v) Significant improvement in the e-government in the last two years

Uruguay ranks second in the e-Government Development Index (EGDI) by the United Nations for the Americas. United States ranked highest followed by Uruguay and Canada, Argentina and Chile, Brazil, and Costa Rica. The report is produced every two years and it is the fourth consecutive time that Uruguay leads the continent.

The EGDI presents the state of E-Government Development among the 193 UN Member States. It incorporates the access characteristics, such as the infrastructure and educational levels, to reflect how a country is using information technologies to promote access and inclusion of its people.

In the previous edition of 2018, Uruguay occupied the 34th position globally. After two years the country advanced eight positions to 26th, joining the most advanced group of countries.

E- Participation is a key dimension of governance and one of the pillars of sustainable development. The 2030 UN Agenda for Sustainable Development highlights the importance of participatory processes. The e-participation is assessed based on features of national e-government portals and other government websites, which relate to the provision of information to citizens; consultation; and decision-making.

vi) EU reopens its borders to Uruguay, the only country in LATAM

In June, the European Union agreed to reopen its borders to 14 countries, in the midst of the ongoing global pandemic. Uruguay is the only country form Latin America included in the list.

After days of negotiations, EU members finalized the list of countries whose health situation was deemed safe enough to allow residents to enter the bloc starting on July 1st. Those on the list are Algeria, Australia, Canada, Japan, Georgia, Montenegro, Morocco, New Zealand, Rwanda, Serbia, South Korea, Thailand, Tunisia, and Uruguay.

The criteria used to determine the countries for which the current travel restrictions should be lifted over, included the epidemiological situation and containment measures, including physical distancing, as well as economic and social considerations.

vii) OECD Investment Committee report recommends Uruguay´s full membership incorporation

On July 8th, the Organization for Economic Cooperation and Development (OECD) Investments Committee announced its decision to support Uruguay's incorporation as a full member of that committee. The decision follows a review by the Committee of Uruguayan investment policies.

This outcome is part of Uruguay`s gradual strategy to approach the organization, with the purpose of exchanging, having access, and sharing better practices in economic and development policies.

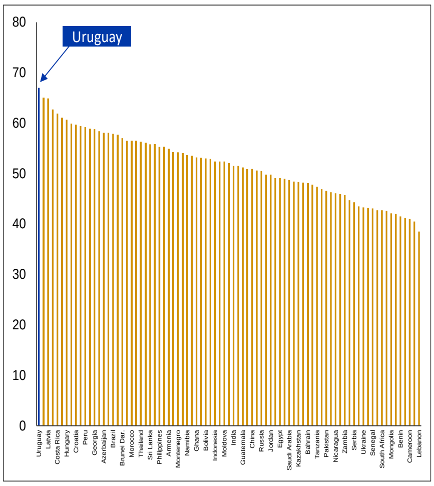
Uruguay´s aspiration to adhere to the Investments Committee was started in March 2018.

The OECD Investment Committee is responsible for the OECD liberalization instruments in the field of international investment and services. It interprets and implements the 1976 Declaration and Decisions on International Investment and Multinational Enterprises and is the guardian of the Codes of Liberalization of Capital Movements and Current Invisible Operations.

viii) Uruguay at the top of EM that lead the energy transition

Uruguay was recognized for its successful commitment to renewable energies in the 2020 Energy Transition Index (ETI), prepared by the World Economic Forum (WEF), where it is ranked first in the Emerging Market (EM) universe and 11th globally.

Energy Transition Index for Emerging Countries
(Ranking position in 2020)



Source: World Economic Forum

In recent years, Uruguay has managed to completely transform its energy matrix and today produces 98% of its electricity from renewable sources. Its privileged location, which provides excellent natural conditions for the production of clean energy, and a modern and effective regulatory framework, make Uruguay an exceptional destination for investment in a sector that offers attractive development opportunities.

In its annual index, which ranks countries according to their energy system and their readiness for a "safe, sustainable, affordable, and reliable" energy future, Uruguay stands out with an overall score of 67%, with its energy system performance evaluated at 75% (only below Sweden and Norway) and energy transition readiness evaluated at 59%.

The ETI benchmarks countries on their energy system performance and their readiness for a fast and effective transition. Countries are scored along 40 indicators on a scale of 0 to 100.

The organization´s report states that an “effective energy transition is timely, inclusive, sustainable, affordable, and secure. It provides solutions to global energy challenges while creating value for business and society as a whole”.

The publication also highlights decisive factors such as "political commitment, the investment climate and access to capital", as well as "the development and adoption of new technologies”.

In this regard, Uruguay was recognized in 2018 as one of the leading nations in the production of wind and solar energy by REN21, supported by the UN to promote renewable energy worldwide.

In addition, the International Renewable Energy Agency, in a recent publication (Innovation Landscape for a renewable-powered future, June 2019), cites the Uruguayan experience as one of the examples of successful management of electrical systems with high participation of renewables.

ix) Uruguay is the first Latin American country to resume film shooting; a new investment up to USD 150 million will underpin this sector

Uruguay has become the first country in the region to return to the set thanks to its successful strategy to combat the coronavirus 19 and a safety plan drawn up by various players in the audiovisual industry. On top of that, the country offers tax benefits, highly trained personnel, quick management of state permits and authorizations, short distances, and state-of-the-art equipment for filming.

In terms of tax incentives, there is a 50% exoneration on-location fees for co-productions and VAT exemption applied to logistics and services expenses incurred for film, television, and advertising productions.

Besides, international companies that decide to settle down in Uruguay take advantage of reverse seasons of the year to the northern hemisphere, a varied architecture, and a diversity of locations connected by a substantial highway network and smooth traffic. That allows companies to minimize costs and production times.

Punta del Este and its surroundings have a unique luminosity that fascinates any audiovisual producer.

Under this context, a Brazilian and Uruguayan joint venture announced in July a new free trade zone in the coastal city of Punta del Este with a total investment of USD 150 million. In the first stage, USD 25 million will be invested by the end of the current year.

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ECONOMIC STRUCTURE AND ACTIVITY	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Latest available)	As of:
Population (million)	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	2020
Nominal GDP (local currency, billions)	715	808	926	1,041	1,178	1,331	1,456	1,589	1,707	1,831	1,976	2,005	2020Q1
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	54,225	2020Q1
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	15,357	2020Q1
Real GDP (% change, YoY)[1]	4.2	7.8	5.2	3.5	4.6	3.2	0.4	1.7	2.6	1.6	0.2	-1.4	2020Q1
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	-7.5	2020Q1
Manufacturing	5.2	2.6	2.0	-3.9	1.2	4.2	4.9	0.7	-3.5	1.9	-1.1	-0.1	2020Q1
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	-18.3	2020Q1
Construction	2.7	2.4	2.4	16.3	0.9	0.7	-6.1	-2.6	-2.1	-2.8	-2.0	-5.3	2020Q1
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	-2.9	2020Q1
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	4.4	2020Q1
Other activities[2]	2.7	2.9	4.6	3.5	3.4	3.3	1.5	0.3	-0.9	0.0	0.6	-2.3	2020Q1
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	0.2	2020Q1
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	-18.5	2020Q1
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	4.3	2020Q1
Consumption	2.7	8.6	6.7	5.1	5.5	2.9	-0.2	0.4	3.9	1.4	0.5	1.5	2020Q1
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	-5.8	2020Q1
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	9.2	2020Q1
Share of Nominal GDP by economic activity (in %) [3]													
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		2019
Mining	0.5	0.5	0.4	0.4	0.5	0.5	0.4	0.5	0.4	0.4	0.4		2019
Manufacturing	14.8	13.5	12.7	12.2	11.3	12.1	13.2	12.8	11.7	11.7	11.7		2019
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		2019
Construction	7.4	7.4	7.6	9.2	9.7	9.8	9.6	9.6	9.9	9.9	9.7		2019
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		2019
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		2019
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		2019
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		2019
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		2019
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		2019
Others	3.7	3.8	3.8	3.7	3.7	3.7	3.7	3.7	3.8	3.9	3.9		2019
Share of Nominal GDP by expenditure (in %) [3] [4]													
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		2019
Consumption	79.6	79.6	79.5	80.3	80.5	80.8	80.7	80.7	81.7	81.4	81.4		2019
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		2019
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		2019

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

(2) 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.

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

(4) 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*

BALANCE OF PAYMENTS (1)

in USD million

	2012	2013	2014	2015	2016	2017	2018	2019	Latest available 2020Q1*
Current Account	**-2,069**	**-2,087**	**-1,814**	**-491**	**311**	**409**	**-28**	**350**	**-3**
Goods and Services	1,506	811	1,619	1,720	2,733	3,640	3,178	3,234	2,692
Goods	305	1,077	1,985	1,307	1,911	2,391	2,418	2,916	2,527
Exports	13,055	13,277	13,769	11,145	10,374	11,059	11,528	11,498	11,162
Merchandise goods	11,030	11,360	11,443	10,013	9,126	10,042	10,001	10,156	9,833
Goods under merchanting (net)	2,025	1,917	2,326	1,132	1,248	1,017	1,527	1,342	1,328
Imports	12,750	12,200	11,783	9,838	8,463	8,668	9,110	8,582	8,634
Services	1,201	-266	-366	413	822	1,249	760	318	165
Exports	5,049	4,823	4,617	4,487	4,157	5,021	4,745	4,484	4,319
o/w Tourism	2,296	2,089	1,917	1,970	2,071	2,559	2,350	2,011	1,861
Imports	3,849	5,089	4,984	4,074	3,335	3,771	3,985	4,166	4,154
Primary Income	-3,700	-3,077	-3,614	-2,388	-2,605	-3,423	-3,412	-3,074	-2,889
Net repatriated profits and dividends	-1,150	-2,492	-2,588	-3,051	-2,464	-2,275	-2,409	-2,702	-2,199
Net reinvested earnings	-2,214	-6	-346	1,379	464	-693	-488	-105	-407
Net interest paid	-336	-579	-680	-716	-604	-454	-515	-268	-284
Secondary Income	125	180	181	176	183	192	206	190	193
Capital Account	**49**	**204**	**15**	**175**	**17**	**5**	**44**	**52**	**46**
Financial Account	**-1,445**	**-1,194**	**-1,582**	**-737**	**-195**	**1,586**	**-143**	**992**	**221**
Foreign Direct Investment	-2,175	-2,792	-2,512	-813	1,115	2,236	1,108	439	285
Change in assets held abroad by residents	3,869	-2,034	1,319	1,605	905	4,888	2,280	1,408	1,639
Change in claims held by non-residents in the economy	6,044	758	3,830	2,419	-209	2,653	1,172	969	1,354
Portfolio Investment	-278	-1,766	-347	986	2,036	-1,912	-1,636	1,273	590
Change in assets held abroad by residents	1,340	696	855	1,786	641	-1,194	-938	2,548	1,235
Change in claims held by non-residents in the economy	1,618	2,462	1,202	800	-1,395	718	699	1,275	645
Financial Derivatives	185	32	33	-303	39	-259	51	171	116
Net creditor contracts	222	88	60	-295	60	-249	77	190	156
Net debtor contracts	37	56	26	7	21	10	26	19	39
Other Investment	-2,464	351	-128	1,070	-1,223	-927	742	221	337
Change in assets held abroad by residents	-425	1,262	761	1,196	-2,816	-1,307	531	806	1,376
Change in claims held by non-residents in the economy	2,039	911	889	127	-1,594	-380	-211	585	1,039
Change in Central Bank Reserve Assets	3,287	2,981	1,372	-1,677	-2,161	2,449	-408	-1,111	-1,107
Errors and Omissions	**575**	**689**	**217**	**-422**	**-522**	**1,172**	**-160**	**590**	**179**

in % of GDP

	2012	2013	2014	2015	2016	2017	2018	2019	Latest available 2020Q1*
Current Account	**-4.0**	**-3.6**	**-3.2**	**-0.9**	**0.6**	**0.7**	**0.0**	**0.6**	**0.0**
Goods and Services	2.9	1.4	2.8	3.2	5.2	6.1	5.3	5.8	5.0
Goods	0.6	1.9	3.5	2.5	3.6	4.0	4.1	5.2	4.7
Exports	25.5	23.1	24.0	20.9	19.6	18.6	19.4	20.5	20.6
Merchandise goods	21.5	19.8	20.0	18.8	17.3	16.9	16.8	18.1	18.1
Goods under merchanting (net)	4.0	3.3	4.1	2.1	2.4	1.7	2.6	2.4	2.4
Imports	24.9	21.2	20.6	18.5	16.0	14.5	15.3	15.3	15.9
Services	2.3	-0.5	-0.6	0.8	1.6	2.1	1.3	0.6	0.3
Exports	9.9	8.4	8.1	8.4	7.9	8.4	8.0	8.0	8.0
o/w Tourism	4.5	3.6	3.3	3.7	3.9	4.3	3.9	3.6	3.4
Imports	7.5	8.9	8.7	7.6	6.3	6.3	6.7	7.4	7.7
Primary Income	-7.2	-5.4	-6.3	-4.5	-4.9	-5.7	-5.7	-5.5	-5.3
Net repatriated profits and dividends	-2.2	-4.3	-4.5	-5.7	-4.7	-3.8	-4.0	-4.8	-4.1
Net reinvested earnings	-4.3	0.0	-0.6	2.6	0.9	-1.2	-0.8	-0.2	-0.7
Net interest paid	-0.7	-1.0	-1.2	-1.3	-1.1	-0.8	-0.9	-0.5	-0.5
Secondary Income	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Capital Account	**0.1**	**0.4**	**0.0**	**0.3**	**0.0**	**0.0**	**0.1**	**0.1**	**0.1**
Financial Account	**-2.8**	**-2.1**	**-2.8**	**-1.4**	**-0.4**	**2.7**	**-0.2**	**1.8**	**0.4**
Foreign Direct Investment	-4.2	-4.9	-4.4	-1.5	2.1	3.8	1.9	0.8	0.5
Change in assets held abroad by residents	7.6	-3.5	2.3	3.0	1.7	8.2	3.8	2.5	3.0
Change in claims held by non-residents in the economy	11.8	1.3	6.7	4.5	-0.4	4.5	2.0	1.7	2.5
Portfolio Investment	-0.5	-3.1	-0.6	1.9	3.9	-3.2	-2.7	2.3	1.1
Change in assets held abroad by residents	2.6	1.2	1.5	3.4	1.2	-2.0	-1.6	4.5	2.3
Change in claims held by non-residents in the economy	3.2	4.3	2.1	1.5	-2.6	1.2	1.2	2.3	1.2
Financial Derivatives	0.4	0.1	0.1	-0.6	0.1	-0.4	0.1	0.3	0.2
Net creditor contracts	0.4	0.2	0.1	-0.6	0.1	-0.4	0.1	0.3	0.3
Net debtor contracts	0.1	0.1	0.0	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	0.4	0.6
Change in assets held abroad by residents	-0.8	2.2	1.3	2.2	-5.3	-2.2	0.9	1.4	2.5
Change in claims held by non-residents in the economy	4.0	1.6	1.6	0.2	-3.0	-0.6	-0.4	1.0	1.9
Change in Central Bank Reserve Assets	6.4	5.2	2.4	-3.1	-4.1	4.1	-0.7	-2.0	-2.0
Errors and Omissions	**1.1**	**1.2**	**0.4**	**-0.8**	**-1.0**	**2.0**	**-0.3**	**1.1**	**0.3**

(*) Last four quarters.
(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 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	10.1	2020M07
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	11.2	2020M07
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	42.38	2020M07
Nominal exchange rate (UYU per USD, average)	22.53	20.07	19.30	20.32	20.50	23.23	27.33	30.08	28.65	30.74	35.28	39.69	2020M07
Nominal exchange rate (% change, average)	7.5	-10.9	-3.8	5.3	0.9	13.3	17.6	10.1	-4.8	7.3	14.8	1.1	2020M07
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	71.5	2020M06
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	-0.4	2020M06
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	135.7	2020M05
ToT (% change, YoY)	-8.2	11.8	-1.1	1.5	2.0	8.7	-3.3	3.0	-0.5	-5.8	4.5	11.0	2020M05
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	16.8	2020M06
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	11.6	2020M06
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	30.2	2020M06
Interest rate on Central Bank´s 30-day bills (annual in %, average) [2]	8.6	6.7	7.4	8.9	10.5	14.0	13.0	12.0	9.5	8.2	7.9	8.5	2020M06
Interest rate on Central Bank´s 1-year bills (annual in %, average) [2]	14.6	10.0	9.2	9.9	11.0	15.1	14.0	14.5	10.8	10.0	10.3	11.2	2020M06
Overnight interbank interest rate (annual in %, eop)	7.1	6.5	8.8	9.0	5.3	20.0	18.0	3.5	8.6	5.0	0.0	5.0	2020M07
Interest rate on currency deposits (annual, in %, average) [3]	4.9	4.8	5.5	5.2	5.1	8.5	7.9	6.0	5.3	5.3	6.5	5.4	2020M06
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	60.2	2020M06
By currency (% of total) [4]:													
Local currency	21.6	24.2	26.2	26.1	24.7	22.3	19.1	22.7	26.7	26.4	23.8	21.6	2020M06
Foreign currency	78.4	75.8	73.8	73.9	75.3	77.7	80.9	77.3	73.3	73.6	76.2	78.4	2020M06
By residency (% of total):													
Residents	80.7	82.7	84.4	84.2	84.5	84.3	83.7	87.4	90.2	90.2	89.6	89.6	2020M06
Non-residents	19.3	17.3	15.6	15.8	15.5	15.7	16.3	12.6	9.8	9.8	10.4	10.4	2020M06
Interest rate on local currency loans (annual, in %, average) [3]	26.6	22.7	21.9	20.7	22.0	21.5	23.2	24.7	24.6	23.8	23.6	18.1	2020M06
Total bank credit to private non-financial sector (% of GDP) [5]	23.0	21.7	22.0	24.2	24.3	25.4	27.2	28.7	25.8	25.8	26.4	27.6	2020M06
By currency (% of total) [4]:													
Local currency	47.1	47.5	45.2	46.6	44.9	43.4	43.2	45.4	48.2	48.1	49.0	48.1	2020M06
Foreign currency	52.9	52.5	54.8	53.4	55.1	56.6	56.8	54.6	51.8	51.9	51.0	51.9	2020M06
By residency (% of total):													
Residents	99.1	99.1	98.6	98.8	98.9	98.9	99.0	99.0	99.0	99.3	99.1	98.6	2020M06
Non-residents	0.9	0.9	1.4	1.2	1.1	1.1	1.0	1.0	1.0	0.7	0.9	1.4	2020M06
Total bank credit to non-financial sector (% real change, YoY)	-4.3	10.4	12.8	5.5	14.1	10.7	9.2	-7.8	-5.5	3.3	3.5	5.1	2020M06

(1) Stocks are measured end-of-period (eop).
(2) Weighted average of the accepted amount of Central Bank´s
(3) Weighted average across all maturities.
(4) Assumes all deposits from, and loans to, non-residents are in foreign currency.
(5) Assumes loans to non-residents non-financial sector is private only.
Sources: *Central Bank of Uruguay and National Institute of Statistics*

Labor Market Indicators	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Latest available)	As of:
Activity rate (% of working age population [1])	63.4	63.4	64.1	64.0	63.6	64.7	63.8	63.4	62.9	62.5	62.2	58.6	2020M05
Employment rate (% of working age population)	58.5	59.0	60.1	59.9	59.4	60.4	59.0	58.4	57.9	57.2	56.6	52.9	2020M05
Unemployment rate (% of labor force [2])	7.8	7.0	6.3	6.3	6.5	6.6	7.5	7.9	7.9	8.4	8.9	9.7	2020M05
Unemployment insurance (number of new beneficiaries, in thousands)	6.1	5.9	6.3	7.6	8.5	8.2	10.4	10.3	9.8	9.9	10.6	55.6	2020M06
Nominal wages (index base 100 = 2009, eop)	100.0	111.2	126.3	142.2	159.8	179.4	197.1	220.2	240.1	260.2	282.5	296.8	2020M06
Nominal wages (% change, YoY)	14.7	10.7	12.9	13.1	11.4	12.8	10.4	11.4	10.5	7.8	9.4	8.2	2020M06
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	125.4	2020M06
Real wages (% change, YoY)	7.3	3.3	4.0	4.2	3.0	3.4	1.6	1.6	2.9	0.2	1.3	-1.9	2020M06

(1) According to Uruguay´s legislation, the working age population is defined as people who are 14 or more years old.
(2) Labor force is defined as the sum of employed people and the unemployed who are looking for a job. The latter includes people who might be receiveing the unemployment insurance benefit.
Source: *National Institute of Statistics and Social Security Bank*

Uruguay — Economic Indicators

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	-4.0	2020M06
Central Government balance	-1.5	-1.1	-0.6	-2.0	-1.5	-2.3	-2.7	-3.5	-3.0	-2.1	-3.1	-4.5	2020M06
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	-1.7	2020M06
o/w Covid-19-related fiscal impact (1)												-0.5	2020M06
Revenues	26.3	26.9	27.0	26.9	28.0	27.6	27.2	27.8	28.8	30.6	30.0	29.7	2020M06
o/w transfers to Social Security Trust Fund (2)										1.3	1.3	1.1	2020M06
Primary expenditures	25.1	25.6	25.2	26.6	27.1	27.6	27.6	28.6	29.1	29.8	30.5	31.4	2020M06
Interests payments (3)	2.7	2.4	2.4	2.3	2.4	2.3	2.3	2.7	2.7	2.8	2.6	2.8	2020M06
Local governments balance	0.3	0.0	0.1	-0.1	-0.1	-0.2	0.1	0.1	0.1	0.0	-0.1	-0.1	2020M06
Non-financial public enterprises balance	-0.5	0.2	-0.2	-0.6	-0.6	-0.5	0.6	0.3	0.0	-0.2	-0.2	0.2	2020M06
State-owned insurance bank balance	0.3	0.5	0.3	0.3	0.3	0.1	-0.1	0.3	0.2	0.2	0.4	0.4	2020M06
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	-4.3	2020M06
Primary balance	1.1	1.9	1.9	-0.2	0.4	-0.6	0.2	-0.4	-0.2	0.5	-0.5	-1.3	2020M06
o/w transfers to Social Security Trust Fund (2)										1.3	1.3	1.1	2020M06
Interests payments	2.8	2.9	2.8	2.5	2.7	2.8	3.6	3.3	3.3	3.4	2.9	3.0	2020M06
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	0.3	2020M06

(1) More information available in the text of this report.
(2) 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.
(3) Includes interests from Capitalization Bonds held by 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	62.3	62.3	2020Q1
o/w in foreign currency (% of total)				44.8	42.5	46.0	50.1	49.1	43.2	47.9	51.8	54.2	2020Q1
held by non-residents (% of total)				51.4	53.2	55.4	55.5	49.2	47.2	49.8	54.0	55.5	2020Q1
Net debt				43.4	41.3	43.0	45.2	50.8	49.1	49.2	53.0	52.0	2020Q1
Memo Item: Social Security Trust Fund´s holdings of Central Government debt										0.9	1.9	1.9	2020Q1
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	66.3	66.2	2020Q1
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	56.8	2020Q1
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	54.0	2020Q1
Net debt	35.2	31.0	27.9	27.1	23.0	21.8	23.4	30.5	31.8	31.8	33.5	30.8	2020Q1

(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 cross-holdings of assets and liabilities by institutions within this perimeter of consolidation. For instance, Capitalization Bonds issued by the Central Government and held by the Central Bank are not netted out, and thus show up 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 publications.

Source: *Central Bank of Uruguay*