



BCU



Public Debt Coordination Committee Press Release

The Public Debt Coordination Committee (PDCC), headed by the Manager of Economic Policy and Markets of the Central Bank of Uruguay and the Director of the Debt Management Unit at the Ministry of Economy and Finance, met on March 23th.

During the meeting, the following agenda was addressed:

- **Analysis of the local and international financial context as well as changes in currency and term preferences of investors, and their effect on the expected costs and risk within the whole public sector debt management.** In this sense, the implementation of the issuance strategies of each institution for the coming months was analyzed towards fostering the objectives of monetary policy, funding needs of the government and the development of the domestic market.
- **Status of the draft law submitted to Congress regarding the creation of a new unit of account linked to nominal wage index (Pension Unit).** The status of the bill presented to the Parliament on August 2017 was updated after being discussed in the Finance Commissions of both chambers during March 2018. In this regard, representatives of the Central Bank and the Ministry of Economy and Finance who presented the project to the parliamentarians emphasized that the government intends to issue securities denominated in the new unit recurrently. This would allow public and private insurance companies, among others, to better match the currency-denomination of its assets and liabilities, i.e., pension payments (which are indexed to wages). The creation of the Pension Unit would complement the normative changes arranged by the Central Bank aiming at establishing dynamic and predictable actuarial updating parameters, which began to take effect this year.

The next meeting of the Committee will take place in June 2018.