Uruguay *in focus*

A quarterly bulletin issued by the Debt Management Unit of the Ministry of Economy and Finance ***April 2019***

KEY HIGHLIGHTS

- **The Uruguayan economy grew 1.6% in 2018, decreasing 0.1% in 2018Q4 in seasonally adjusted terms. The cooling was chiefly driven by weaker metrics in total consumption and total investment.**

- **The current account of the balance of payments posted a deficit of 0.6% of GDP in 2018, while the trade balance registered a surplus of 5.9% of GDP.**

- **The 12-month consolidated public sector deficit was 3.0% of GDP in 2019M2, including the effect of transfers to the public Social Security Trust Fund. Interest bill of the Non- Financial Public Sector remained at 2.6% of GDP.**

- **Consumer prices rose 7.8% in the year ended in March 2019; Central Bank adjusted its target range for monetary aggregate growth.**

- **Banking system showed strong profitability, while NPLs remained stable.**

- **More infrastrucuture investments in the Montevideo Port, enhancing its competitiveness in logistics.**

- **State-owned telecommunications company ANTEL ready for developing 5G internet technology, with a connection speed 10 times faster than the current technology.**

- **Asian Infrastructure Investment Bank approves membership of Uruguay.**

REAL SECTOR

Economy continues to expand, albeit at softer pace, amidst volatile region

The Uruguayan economy grew on average 1.6% in 2018, yet it ran out of steam in the final quarter of last year (registering a slight decrease of 0.1% in seasonally adjusted terms in 2018Q4).

Demand Components

In 2018Q4, total consumption spending decreased 0.2% YoY, driven by a retrenchment in private consumption (0.4%) which was partially offset by an expansion of public sector consumption (1.5%). Household spending dipped for the first time on an yearly basis since 2016Q1, as weak labor market dynamics weighed on consumer demand in Q4.

Gross fixed capital formation printed a decrease of 2.9% in 2018Q4 compared to 2017Q4, mostly reflecting a a slump in private sector investment activity of similar amount. In turn, public gross fixed investment remained stable.

Exports of goods and services contracted 4.9% with respect to the fourth quarter of 2018, caused by both a drop in exported goods and also services. The decline in merchandise exports was driven by lower sales of pulp paper and soybean. In contrast, there was an increase in external sales of dairy products and beef.

In terms of services, there was a decrease in exports linked to receptive tourism, due to lower tourist arrivals, mainly from Argentina, and to a lesser extent, to a drop in tourists´ expenditures.

Imports of goods and services decreased 8.0% YoY in 2018Q4, led by lower imports of capital goods as well as consumer goods.

Production Sectors

From the supply side, the positive performance in Primary Activities, Transport, Storage and Communications, as well as Energy, underpinned the expansion in 2018Q4.

The value added of agricultural activity increased 8.3% compared to the fourth quarter of 2017. It was the result of positive contributions from wheat, corn and soybean production.

The Transport, Storage and Communications sector increased its value added in 2018Q4 by 8.6%, as a consequence of the expansion of communications activity, partially offset by reduced activity of transport services and storage.

Electricity, Gas and Water Supply registered an increase of 21.7%, due to the higher added value in the generation and distribution of electrical energy, with respect to the fourth quarter of the previous year.

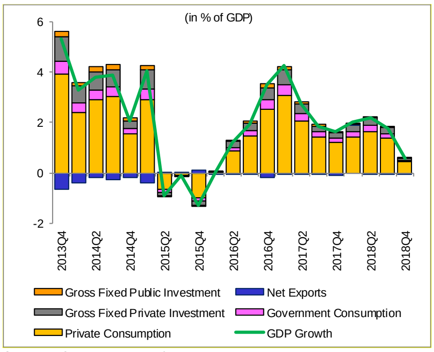
Manufacturing activity decreased 4.1% in 2018Q4 compared to the same quarter of the previous year, weighed down by poor performance in the manufacture of cellulose pulp, the food industries, machinery and equipment manufacturing and chemical industries.

In the food industries, the lower production of processed beef (largely due to the better climatic conditions for the fattening of cattle in the field) was partially offset by the increase in the production of syrups and concentrated.

Construction activity decreased 1.8% in 2018Q4, explained by a drop in the construction of buildings that was only partially offset by the increase in other constructions, mainly by the works carried out by Montevideo Port and those carried out by the City of Montevideo.

Activity in the Commerce, Restaurants and Hotels sectors decreased 6.0% in the fourth quarter, due to the fall in commercial activity as well as services of restaurants and hotels. The latter was the result of lower demand coming from tourists (mainly from Argentina).

Contribution to GDP Growth by Expenditure
(On a quarterly basis)

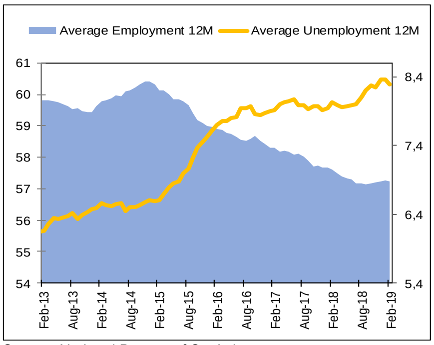


Source: Central Bank of Uruguay

The labor market, on the other hand, started to show signs of stabilization. The nationwide unemployment rate reached 8.4% in February, a similar figure than in the previous month and 0.9pp lower than one year ago.

The unemployment rate averaged 7.6% from 2006 until 2019, reaching a peak of 13.4% in January of 2006 and a record low of 5.4% in December of 2010.

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



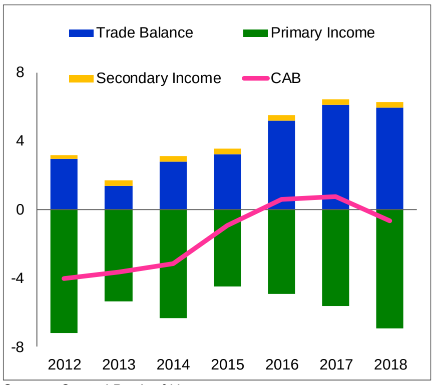
Source: National Bureau of Statistics

EXTERNAL SECTOR

The Current Account showed a 0.6% of GDP deficit in 2018; trade balance printed a surplus of 5.9% of GDP

In 2018, the Current Account (CA) of the Balance of Payments posted a deficit of 0.6% of GDP. This was the result of a higher Primary Income deficit, which was not fully offset by the surpluses in trade of goods and services and in the Secondary Income category.

Current Account Balance
(In % of GDP)



Source: Central Bank of Uruguay

Trade in goods (which includes general merchandise and goods under merchanting) showed a surplus of USD 2.4 billion, USD 225 million higher than a year ago. Measured in current USD, exports of goods grew 6.3% in 2018 wholly explained by the increase of net exports of goods under merchanting which almost doubled in comparison to 2017.

Similarly, trade in services showed a surplus of USD 1.2 billion. However, it decreased USD 315 million compared to 2017 due to a drop of 8.4% of tourism, the item with the highest weight. Altogether, the Goods and Services trade balance registered a surplus of 5.9% of GDP.

The deficit in the Primary Income component reached USD 4.1 billion in 2018, which represents 6.9% of GDP. This is USD 700 million higher than a year ago, and is largely explained by a strong increase in reinvested profits and dividends of foreign-owned firms (investment income), mostly associated with an increasing stock of inward FDI.

Finally, the Secondary Income balance, which shows the net current transfers received by the country, showed a positive value of around 0.3% of GDP.

Overall, the turnaround in the 2018 result of the CA with respect to a year ago is due to larger FDI revenues reinvested in the country, as both the trade surplus and net current transfers kept virtually unchanged.

Furthermore, it is worth mentioning that the International Monetary Fund (IMF) assesses the external position of Uruguay to be broadly consistent with fundamentals.

The Financial Account registered net inflows of USD 342 million (considering Errors and Omissions item), as the flip side of the CA negative result.

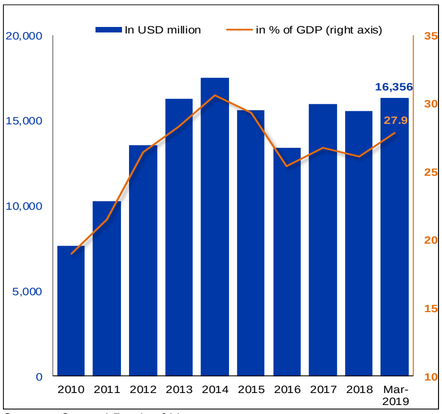
By end-March, international reserves of the Central Bank of Uruguay (CBU) totaled USD 16.4billion, approximately 27.9% of GDP). This level is well above the upper bound of the IMF reserve adequacy benchmark (which takes into account potential balance of payments drains, including short-term external liabilities).

More importantly, international assets remained largely stable over the last few years, with Reserves to GDP ratio consistently surpassing 25% since 2012.

In the first quarter of 2019, CBU intervened in the market to buy USD

500 million in order to contain downward pressures on FX (mainly in January and February 2019).

International Reserves



Source: Central Bank of Uruguay

PUBLIC SECTOR

Annual consolidated public sector deficit stood at 3.0% of GDP in February 2019, including the effect of transfers to the public Social Security Trust

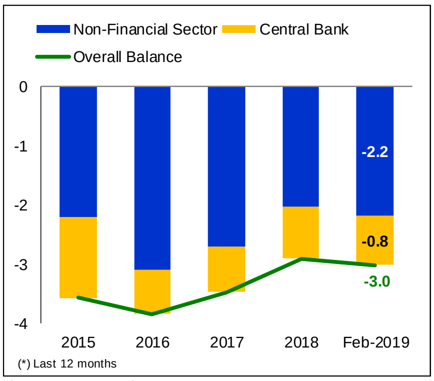
In the twelve months ending in February, the result of the Non-Financial Public Sector stood at -2.2% of GDP, showing a deterioration of 0.1pps with respect to January 2019. On the other hand, the overall public sector registered a deficit of 3.0% of GDP. These figures include the revenue-increasing effect of the inflow of funds to the Social Security Trust registered since October 2018, which amounts to 1.5% of GDP.

Revenues from the Non-Financial Public Sector stood at 31.4% of GDP, increasing 0.1% of GDP over the previous month. There was an increase of almost 0.2% of GDP in the “other incomes” of the Central Government, which is associated with the transfer of profits from the state owned bank, Banco República. This higher income was partially offset by a slight deterioration in tax collection and the current primary result of the Companies Public.

Primary outlays of the Non-Financial Public Sector stood at 31.0% of GDP, increasing almost 0.3% of GDP compared to the previous month, mainly explained by higher investments associated with the increase in the oil stock of public company ANCAP.

In turn, the interest payments of the Non-Financial Public Sector remained almost unchanged with respect to what was observed in January: 2.6% of GDP.

Consolidated Public Sector Balance
(In % of GDP)



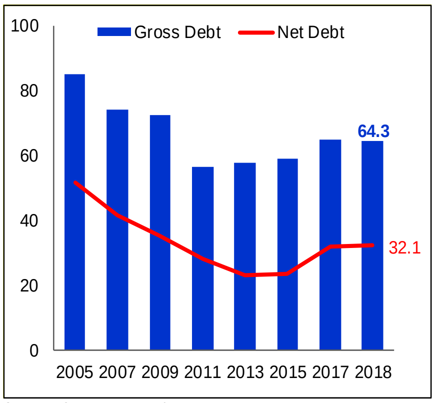
Source: Ministry of Economy and Finance

PUBLIC DEBT

Gross debt of the overall public sector was 64.3% of GDP in 2018 and 32.1% of GDP in net terms

By end-2018, the consolidated public sector debt printed 64.3% of GDP. This figure represented a reduction of 0.7pps compared with the previous year. Likewise, the net debt stood at 32.1% of GDP, almost the same level of the end of 2017.

Consolidated Public Sector Debt
(In % of GDP)



Source: Central Bank of Uruguay

As noted by the IMF, the institutional coverage of public debt differs across countries, reflecting country-specific circumstances. Uruguay’s public debt refers to the consolidated public sector (as presented in the authorities’ budget documentation), which includes CBU, the nonfinancial public sector, local governments, and Banco de Seguros del Estado.

Uruguay is one of the few countries among advanced and emerging markets for which public debt includes the debt of the central bank, which increases recorded public sector gross debt.

INFLATION & MONETARY INDICATORS

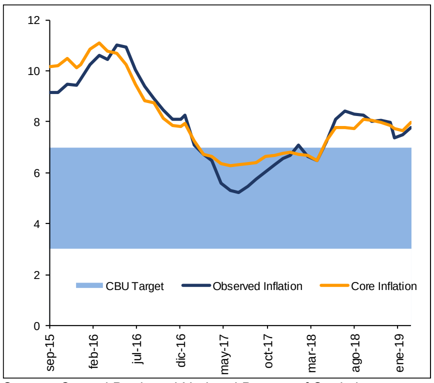
Consumer prices increased 7.8% in the year ended in March

In March consumer prices increased 0.55% according to the National Bureau of Statistics, which represented an acceleration of 7.78% YoY in headline inflation, up from 7.49% YoY observed in February 2019. A faster depreciation of the Uruguayan peso in the second month of the current year contributed to higher inflationary pressures.

Authorities’ disinflation efforts are also centred on reducing inertial price pressures by de-indexing wage contracts. Most of the multi-year wage agreements held in the private sector during 2018 closed in line with government guidelines —which continue to eschew indexation and will put nominal wage increases on a declining path.

At its April monetary policy meeting, the CBU set its target for the growth rate of the monetary aggregates (M1’) for 2019Q2 to 8.0%–10.0%, up from the previous quarter’s 6.0%–8.0% target. The CB also confirmed that the M1’ growth for the first quarter stood at 10.4%. Also, the Macroeconomic Coordination Committee kept the inflation target for the next 24 months unchanged at 3.0%–7.0%.

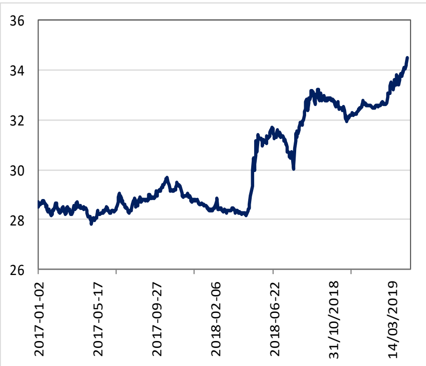
Headline and Core Inflation
(In %, last 12 months)



Source: Central Bank and National Bureau of Statistics

After oscillating between UYU 32 and UYU 33 per dollar in the first quarter of the current year, the Uruguayan peso depreciated against the US dollar, amid financial market volatility in the region. During April the FX fluctuated between UYU 34.0 and UYU 34.5.

Nominal Exchange Rate
(Pesos per USD)



Source: Central Bank of Uruguay

BANKING SYSTEM
Uruguayan banks with high profitability

The Uruguayan banking system remained in 2018 very well capitalized and with high solvency and liquidity ratios.

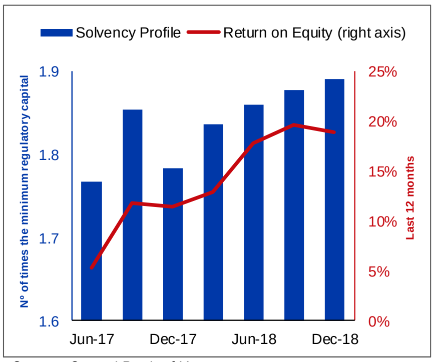
The assets of the banking system totaled USD 37.5 billion as of December 2018, corresponding 38% to resident loans in the non-financial private sector. In turn, liabilities reached USD 33.2 billion, of which 85% corresponds to deposits of the non-financial private sector (90% of whom are residents).

Credit delinquency remained stable throughout last year (3.6% on average), falling slightly towards the end of the year (last quarter ended at 3.2%).

High Profitability, in a context of a deceleration in economic growth, stood out. The results of the banks were markedly higher than the previous year´s, partly as a consequence of the increase in the exchange rate. Specifically, the positive result reached almost USD 900 million, achieving a return on assets (ROA) of 2.1% and a return on equity (ROE) of 18.9%.

The financial system in Uruguay is composed by foreign banks, cooperatives, offshore banks, external financial institutions, credit administrators, foreign exchange houses and financial service companies. Government-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

As of December 2018, foreign currency (FX) deposits from residents remained stable at USD 18.1 billion, while non-residents' totaled USD 2.8 billion (that is 9.8% of total deposits). For its part, resident´s local currency- denominated deposits reached the equivalent of USD 7.5 million.

RECENT DEVELOPMENTS
Uruguay is the first country in Latin America to develop a 5G internet network with commercial service

The state-owned telecommunications company ANTEL successfully completed the installation of the first 5G commercial network in Latin America. 5G technology will allow high capability in terms of connectivity for massive numbers of devices, with a connection speed 10 times faster than the current technology. La Barra, in Department of Maldonado, and Nueva Palmira, in Department of Colonia, are the first areas of the country to have this technology. In the coming months the coverage in the rest of the territory will increase.

This technological leap is possible thanks to investments in infrastructure and technology made in recent years, of which a very important percentage is allocated to the update of mobile networks.

Currently, ANTEL provides internet connectivity to a total of 78% homes countrywide, with more that 68% being served by fiber optical connections. ANTEL was the first operator in Latin America to provide LTE to its customers.

Improvement in Montevideo Port infrastructure

The National Ports Administration (ANP) continues to improve its infrastructutre in order to increase logistics competitiveness. It has already invested USD 60 million for the construction of a new dredger. The construction of a last generation dredge sinvolved a network of 50 local suppliers, 500 hundred Uruguayan workers and the Dutch Company Royal IHC, in various areas of activity, such as centralized air conditioning, electricity, computers, among others.

The pieces were assembled in the shipyard of the Uruguayan Navy SCRA, located in the Montevideo. The project was characterized as the first, in more than 400 years of the Dutch company, in which the components of the ship were built simultaneously in two countries: the bow and stern, in Holland; and the pitcher, in Uruguay.

The new project will facilitate the movement of the trucks in the port area

The project leader, Mr. Vander Heyde, recalled that the company assumed, at the beginning of the project in 2017, “the challenge and the risks” of being the first time, in its four centuries of the company life, they would build a dredge was built simultaneously in two countries.

After working in the country, “the company is determined to stay”, announced Vander Heyde. “Our vision for the future is to continue betting on this small great country and turn it into a naval pole in the region”, Mr. Vander added.

On the other hand, authorities of Montevideo Port and the company Saceem announced in April the construction of a viaduct for the entrance to the port of Montevideo. The work will require an investment of USD 127 million, which will be financed by the agency's own resources and with a loan of the regional financial institution FONPLATA.

Asian Infrastructure Bank approves membership of Uruguay

On April 22nd the Asian Infrastructure Investment Bank’s (AIIB) Board of Governors approved the membership application of Uruguay, together with those of Côte d’Ivoire, Guinea, Tunisia.

In a second stage, Uruguay will become a full member of the institution, allowing the country to finance infrastructure and sustainable development projects, including those related with the climate change adaptation.

“The growth in membership from Africa and Latin America demonstrates the importance these countries attach to improving infrastructure and connectivity with Asia,” said AIIB Vice President and Corporate Secretary Mr. Danny Alexander.

The four prospective members will officially join AIIB once they complete the required domestic processes and deposit the first capital installment with the Bank.

In Arpril the minister of Foreign Affaris or Uruguay, Mr. Rodolfo Nin Nova, and the President of the AIIB, Mr. Jin Liqun analyzed in Montevideo the next steps that will grant Uruguay a full member category.

The AIIB is a multilateral development bank with a mission to improve social and economic outcomes. Headquartered in Beijing, the bank began operations in January 2016 and has now grown to 97 approved members worldwide.

Uruguay Forestry bought Harvard Timberland Assets

Uruguay forestry management company Agroempresa Forestal (AF) signed an agreement with Harvard University to acquire its timberland properties (with total surface of around 60,000 hectares) for approximately USD 310 million. AF financed the acquisition through a financial trust vehicle that raised approximately USD 330 million in the local capital market. The main buyers were local pension funds.

The president of AF, Mr. Francisco Bonino, told the local media that the company stands ready to act as a strategic partner for new foreign direct investment ventures, among which is the possible new pulp mill that the Finnish UPM is preparing to build in the country.

In addition, the improvement of rail transport through the major investments that will begin soon will be decisive to lower logistics costs and gain more competitiveness, added Bonino.

Corporacion America Gets Extension of Punta Del Este Airport

In April, Uruguay approved amending the concession agreement for Corporación America Airports unit that operates Punta del Este Airport (Department of Maldonado).

The amendment includes the extension of the term for a 14-year period through 2033. The agreement extension includes a minimum annual concession fee of USD 500,000 and incremental capital expenditures of approximately USD 35 million, including the construction of a new general aviation terminal building, repaving of runways and taxiways, remodeling of boarding areas and a new VIP lounge, together with implementation of technology and innovation to improve the passenger experience.

Punta del Este, a synonym for good life and good taste, is one of the most important and popular tourist destinations in Latin America.

“These additional investments we are undertaking will allow us to continue building on our strategy to provide a unique travel experience to the almost 200,000 passengers traveling through the Punta del Este airport annually” commented Mr. Martín Eurnekian, CEO of Corporación America Airports.

Punta del Este is currently seeing significant investments in the hotel sector, such as the construction of a new hotel by Cipriani Group for more than USD 400 million.

Uruguay's public transport system goes electric

Uruguay plans to gradually replace oil-based fuels with electric energy in its public transport system. The first move was concluded last year after the Uruguayan Congress passed a Law providing subsidies for incorporating electric buses for up to 4% of the total public transport fleet across the country (currently 140 buses).

In this sense, the Government will make a first international tender for the purchase of 30 electric buses for the metropolitan transport of Montevideo City. The subsidy amount will be calculated as the difference between the market price of the electric and oil-based bus.
Tests carried out by the City of Montevideo indicate that the running costs of electric buses can be six- to eight-fold lower than for diesel buses.

In parallel, the environmental benefits of switching from diesel buses to electric are not confined to less noise pollution: is also expected to achieve a significant reduction in carbon emissions and cuts in pollutants such as nitrogen oxides or non-methane hydrocarbons.

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Uruguay	Economic Indicators

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Latest available	as of:
Economic structure and performance													
Population (mn)	3.4	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.5		2018
Nominal GDP (local currency, $bn)	636	715	808	926	1,041	1,178	1,331	1,456	1,589	1,707	1,831		2018
Nominal GDP (USD mn)	30,350	31,712	40,258	47,991	51,238	57,482	57,278	53,273	52,825	59,578	59,570		2018
GDP per Capita (USD)	9,025	9,388	11,852	14,063	14,954	16,709	16,584	15,365	15,179	17,055	16,991		2018
Unemployment (% of labor force, average of last 12 months)	7.6	7.3	6.7	6.0	6.1	6.5	6.6	7.5	7.7	7.9	8.4	8.3	2019M02
Real GDP (% change, YoY)	7.2	4.2	7.8	5.2	3.5	4.6	3.2	0.4	1.7	2.6	1.6		2018
By Sector													
Agricultural, livestock & other primary activities	2.2	3.5	-1.4	13.5	-0.5	2.5	0.4	-0.9	2.7	-5.8	6.0		2018
Manufacturing	8.1	5.2	2.6	2.0	-3.9	1.2	4.2	4.9	0.7	-3.5	1.9		2018
Electricity, gas & water	-51.1	11.6	89.3	-24.2	-21.9	54.7	15.7	-6.7	9.6	1.2	2.2		2018
Construction	2.6	2.7	2.4	2.4	16.3	0.9	0.7	-6.1	-2.6	-2.1	-2.8		2018
Commerce, restaurants & hotels	11.9	0.9	11.6	7.0	5.6	8.0	-0.6	-4.0	-2.8	6.2	-1.3		2018
Transportation, storage & communications	30.7	14.9	15.0	10.7	10.0	6.9	7.4	4.8	8.1	9.4	6.8		2018
By Expenditure													
Gross capital formation	25.0	-11.2	15.2	9.9	14.5	4.8	0.0	-9.0	-3.9	-13.0	7.3		2018
Consumption	9.1	2.7	8.6	6.7	5.1	5.5	2.9	-0.2	0.4	3.9	1.4		2018
Exports (goods & services)	8.5	4.5	7.2	5.8	3.6	-0.1	3.5	-0.6	-0.2	6.9	-4.8		2018
Imports (goods & services)	24.4	-8.7	13.6	12.4	13.6	2.8	0.8	-7.3	-6.2	0.5	-2.0		2018
Share of Nominal GDP by economic activity (in %) (1)													
Agriculture, livestock and fishing	9.2	7.9	7.2	8.8	8.1	7.6	6.7	6.1	5.9	5.1	5.6		2018
Mining	0.3	0.5	0.5	0.4	0.4	0.5	0.5	0.4	0.5	0.4	0.4		2018
Manufacturing	14.9	14.8	13.5	12.7	12.2	11.3	12.1	13.2	12.8	11.7	11.7		2018
Electricity, gas & water	0.8	1.4	3.1	1.9	1.0	2.2	2.3	2.2	2.7	2.7	2.5		2018
Construction	6.8	7.4	7.4	7.6	9.2	9.7	9.8	9.6	9.6	9.9	9.9		2018
Commerce, restaurants & hotels	14.4	14.0	13.7	13.8	13.9	13.7	13.4	13.0	13.0	13.9	13.7		2018
Transportation, storage & communications	7.5	7.2	7.1	6.7	6.5	6.0	5.7	5.6	5.4	5.5	5.4		2018
Financial & insurance services	4.3	4.3	4.3	4.3	4.4	4.4	4.5	4.6	4.8	4.8	5.1		2018
Real estate & business services	13.9	14.4	15.0	15.1	15.8	16.1	16.3	16.8	16.7	16.7	16.4		2018
Social & other services of the Government	4.9	5.2	5.1	5.1	5.0	5.0	5.1	5.0	5.1	5.1	5.2		2018
Education & health services	8.8	9.5	9.4	9.6	9.9	10.1	10.4	10.6	11.0	11.2	11.1		2018
Others	3.8	3.7	3.8	3.8	3.7	3.7	3.7	3.7	3.7	3.8	3.9		2018
Share of Nominal GDP by expenditure (in %) (1)													
Gross capital formation	23.2	19.6	19.4	20.9	22.9	22.5	21.2	19.7	17.8	15.2	16.5		2018
Consumption	81.6	79.6	79.6	79.5	80.3	80.5	80.8	80.7	80.7	81.7	81.4		2018
Exports (goods & services)	30.2	27.1	26.3	26.4	25.9	23.4	23.5	22.5	21.4	21.4	21.0		2018
Imports (goods & services)	35.0	26.3	25.4	26.8	29.1	26.4	25.5	22.9	19.9	18.3	19.0		2018

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

	2012	2013	2014	2015	2016	2017	2018
Balance of payments [(1)]							
(In USDmn)							
Current Account	**-2,071**	**-2,088**	**-1,815**	**-489**	**324**	**465**	**-374**
Goods & Services	1,504	810	1,618	1,720	2,735	3,633	3,543
Goods	305	1,077	1,985	1,307	1,916	2,135	2,360
Exports	13,055	13,277	13,769	11,145	10,379	10,804	11,484
Merchandise goods	11,030	11,360	11,443	10,013	9,126	10,040	10,016
Goods under merchanting (net)	2,025	1,917	2,326	1,132	1,253	763	1,468
Imports	12,750	12,200	11,783	9,838	8,463	8,668	9,124
Services	1,199	-267	-367	413	819	1,498	1,183
Exports	5,048	4,822	4,617	4,486	4,156	5,014	4,922
o/w Tourism	2,296	2,089	1,917	1,970	2,071	2,558	2,344
Imports	3,849	5,089	4,984	4,074	3,336	3,517	3,739
Primary Income	-3,700	-3,078	-3,614	-2,385	-2,594	-3,362	-4,124
Net repatriated profits and dividends	-1,150	-2,492	-2,588	-3,049	-2,445	-2,274	-2,224
Net reinvested earnings	-2,214	-7	-346	1,380	455	-640	-1,412
Net interest paid	-336	-579	-680	-716	-604	-447	-488
Secondary Income	125	180	181	176	183	194	208
Capital Account	**49**	**204**	**15**	**175**	**17**	**5**	**31**
Financial Account	**-1,445**	**-1,191**	**-1,582**	**-751**	**-247**	**1,692**	**-1,006**
Foreign Direct Investment	-2,175	-2,789	-2,512	-827	1,117	2,205	900
Assets accumulated abroad by residents	3,869	-2,034	1,319	1,605	619	4,797	3,342
Claims accumulated by non residents in the economy	6,044	755	3,830	2,433	-498	2,592	2,443
Portfolio Investment	-278	-1,766	-347	986	2,036	-1,896	-113
Assets accumulated abroad by residents	1,340	696	855	1,786	641	-1,181	556
Claims accumulated by non residents in the economy	1,618	2,462	1,202	800	-1,395	715	670
Financial Derivatives	185	32	33	-303	39	-261	-225
Net Creditor Contracts	222	88	60	-295	60	-251	-199
Net Debtor Contracts	37	56	26	7	21	10	26
Other Investment	-2,464	351	-128	1,070	-1,251	-804	-1,160
Assets accumulated abroad by residents	-425	1,262	761	1,196	-2,845	-1,295	-487
Claims accumulated by non residents in the economy	2,039	911	889	127	-1,595	-490	673
Change in Central Bank Reserve Assets	3,287	2,981	1,372	-1,677	-2,189	2,449	-408
Errors and Omissions	**576**	**694**	**218**	**-438**	**-588**	**1,222**	**-664**

(1) Based on data published by the Central Bank of Uruguay in accordance with the Sixth Edition of the IMF´s Balance of Payments and International Investment Position Manual (BPM6), in which:
(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 an underlined entry balance means that the net acquired financial assets abroad were higher (smaller) than the net financial liabilities incurred, 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.

	2012	2013	2014	2015	2016	2017	2018
(In % of GDP)							
Current Account	**-4.0**	**-3.6**	**-3.2**	**-0.9**	**0.6**	**0.8**	**-0.6**
Goods & Services	2.9	1.4	2.8	3.2	5.2	6.1	5.9
Goods	0.6	1.9	3.5	2.5	3.6	3.6	4.0
Exports	25.5	23.1	24.0	20.9	19.6	18.1	19.3
General Merchandise Goods	21.5	19.8	20.0	18.8	17.3	16.9	16.8
Net exports of goods under merchanting	4.0	3.3	4.1	2.1	2.4	1.3	2.5
Imports	24.9	21.2	20.6	18.5	16.0	14.5	15.3
Services	2.3	-0.5	-0.6	0.8	1.6	2.5	2.0
Exports	9.9	8.4	8.1	8.4	7.9	8.4	8.3
o/w Tourism	4.5	3.6	3.3	3.7	3.9	4.3	3.9
Imports	7.5	8.9	8.7	7.6	6.3	5.9	6.3
Primary Income	-7.2	-5.4	-6.3	-4.5	-4.9	-5.6	-6.9
Net Dividends	-2.2	-4.3	-4.5	-5.7	-4.6	-3.8	-3.7
Net Reinvested Earnings	-4.3	0.0	-0.6	2.6	0.9	-1.1	-2.4
Net Interests	-0.7	-1.0	-1.2	-1.3	-1.1	-0.8	-0.8
Secondary Income	0.2	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**
Financial Account	**-2.8**	**-2.1**	**-2.8**	**-1.4**	**-0.5**	**2.8**	**-1.7**
Foreign Direct Investment	-4.2	-4.9	-4.4	-1.6	2.1	3.7	1.5
Net Accumulation of Assets Abroad	7.6	-3.5	2.3	3.0	1.2	8.1	5.6
Net Liabilities Incurred	11.8	1.3	6.7	4.6	-0.9	4.3	4.1
Portfolio Investment	-0.5	-3.1	-0.6	1.9	3.9	-3.2	-0.2
Net Accumulation of Assets Abroad	2.6	1.2	1.5	3.4	1.2	-2.0	0.9
Net Liabilities Incurred	3.2	4.3	2.1	1.5	-2.6	1.2	1.1
Financial Derivatives	0.4	0.1	0.1	-0.6	0.1	-0.4	-0.4
Net Creditor Contracts	0.4	0.2	0.1	-0.6	0.1	-0.4	-0.3
Net Debtor Contracts	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Other Investment	-4.8	0.6	-0.2	2.0	-2.4	-1.4	-1.9
Net Accumulation of Assets Abroad	-0.8	2.2	1.3	2.2	-5.4	-2.2	-0.8
Net Liabilities Incurred	4.0	1.6	1.6	0.2	-3.0	-0.8	1.1
Change in Central Bank Reserve Assets	6.4	5.2	2.4	-3.1	-4.1	4.1	-0.7
Errors and Omissions	**1.1**	**1.2**	**0.4**	**-0.8**	**-1.1**	**2.1**	**-1.1**

Uruguay						Economic Indicators							

Inflation and Monetary Indicators [1]	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Latest available	as of:
Consumer inflation (% change, YoY)	9.2	5.9	6.9	8.6	7.5	8.5	8.3	9.4	8.1	6.6	8.0	7.8	2019M03
Producer inflation (% change, YoY)	6.4	10.5	8.4	11.1	5.9	6.3	10.6	6.6	-1.9	5.4	10.0	12.7	2019M03
Nominal exchange rate (UYU per USD, eop)	24.35	19.63	20.09	19.90	19.40	21.39	24.33	29.87	29.26	28.76	32.39	34.65	2019M04[2]
Nominal exchange rate (UYU per USD, average)	20.96	22.53	20.07	19.30	20.32	20.50	23.23	27.33	30.08	28.65	30.74	34.09	2019M04[2]
Nominal exchange rate (% change, average)	-10.6	7.5	-10.9	-3.8	5.3	0.9	13.3	17.6	10.1	-4.8	7.3	21.2	2019M04[2]
REER (base 100 = 2017)	151.4	135.9	135.3	126.2	111.9	109.0	108.1	108.8	99.7	101.2	91.9	93.0	2019M02
REER (% change, YoY, if + = real depreciation)	-7.4	-10.2	-0.4	-6.8	-11.3	-2.6	-0.9	0.7	-8.4	1.6	-9.2	-3.8	2019M02
Nominal Wages (% change, average)	15.4	12.2	11.2	13.6	12.7	12.3	12.3	9.9	11.7	9.0	8.4	9.1	2019M02
Real Wages (% change, average)	4.3	5.6	3.4	4.0	5.2	3.3	3.5	0.4	3.3	1.3	0.2	1.3	2018M02
Monetary Base (% change, YoY)	29.3	6.5	16.2	17.3	21.9	17.4	1.4	7.2	9.7	3.6	10.4	0.5	2019M03
M1 (% change,YoY)	17.5	11.9	28.1	19.2	9.2	13.1	1.0	5.2	6.6	10.3	6.5	5.9	2019M03
M1' (% change, YoY)	17.9	15.2	30.0	20.8	11.2	15.0	3.7	5.6	8.4	15.0	8.9	9.3	2019M03
M2 (% change, YoY)	17.3	14.9	31.0	22.1	10.3	13.7	6.4	9.0	17.6	13.3	10.5	9.9	2019M03
Overnight interbank interest rate (%, eop)	5.0	7.1	6.5	8.8	9.0	5.3	20.0	18.0	3.5	8.6	5.0	20.4	2019M03
Average short-term interest rate for local currency deposits (%)	5.4	4.9	4.8	5.5	5.2	5.1	8.5	7.9	6.0	5.3	5.5	5.4	2019M02
Total bank deposits by private Non-Financial Sector NFS (% of GDP)	42.2	48.3	44.5	43.0	45.3	44.0	46.9	52.4	53.4	47.7	47.6	48.5	2019M02
o/w in local currency (% of total)	17.6	21.6	24.2	26.2	26.1	24.7	22.3	19.1	22.7	26.7	26.4	25.5	2019M02
in foreign currency (% of total)	82.4	78.4	75.8	73.8	73.9	75.3	77.7	80.9	77.3	73.3	73.6	74.5	2019M02
Total bank deposits by non-resident private NFS (% of GDP) [3]	8.1	9.3	7.7	6.7	7.2	6.8	7.4	8.6	6.7	4.7	4.7	4.7	2019M02
Total bank credit to resident private NFS (% of GDP)	22.9	22.7	21.4	21.6	23.9	24.0	25.1	26.9	28.3	25.5	25.6	25.6	2019M02
o/w in local currency (% of total)	45.5	47.5	48.0	45.9	47.2	45.4	44.0	43.7	45.9	48.7	48.5	48.5	2019M02
in foreign currency (% of total)	54.5	52.5	52.0	54.1	52.8	54.6	56.0	56.3	54.1	51.3	51.5	51.5	2019M02
Total bank credit to non-resident NFS (% of GDP)	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	2019M02

(1) Stocks are measured end-of-period (eop) each year.

(2) As of April 29th

(3) Assumes all non-residents deposits are in foreign currency

Public Finances	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Latest available	As of:
						(as % of GDP, unless otherwise indicated)							
Non Financial Public Sector													
Overall Balance [1]	-1.4	-1.5	-0.4	-0.4	-2.4	-1.9	-2.8	-2.2	-3.1	-2.7	-2.0	-2.2	2019M02
Primary Balance	1.5	1.2	2.0	2.0	-0.1	0.5	-0.5	0.1	-0.5	-0.1	0.6	0.5	2019M02
Revenues	26.9	27.7	29.1	28.1	27.7	29.5	29.1	29.0	29.3	29.7	31.3	31.5	2019M02
o/w transfers to Social Security Trust Fund											1.3	1.5	2019M02
Expenditures	25.8	26.9	27.5	26.4	28.0	29.1	29.5	28.8	29.9	29.8	30.6	31.0	2019M02
Primary Balance of Local Governments	0.1	0.3	0.0	0.1	-0.1	-0.1	-0.2	0.1	0.1	0.1	0.0	0.1	2019M02
Primary Balance of the state-owned insurance company	0.2	0.2	0.4	0.2	0.2	0.2	0.0	-0.3	0.0	-0.1	-0.2	-0.1	2019M02
Interests	2.9	2.7	2.4	2.4	2.2	2.3	2.3	2.3	2.6	2.6	2.6	2.6	2019M02
Interest Payments / Revenues (in %)	10.9	9.9	8.2	8.4	8.1	7.9	7.9	7.9	9.0	8.6	8.4	8.4	2019M02
Consolidated Public Sector													
Overall Balance [1]	-1.6	-1.6	-1.1	-0.9	-2.7	-2.3	-3.5	-3.6	-3.8	-3.5	-2.9	-3.0	2019M02
Primary Balance	1.4	1.1	1.9	1.9	-0.2	0.4	-0.6	0.0	-0.5	-0.2	0.5	0.4	2019M02
o/w Central Bank´s	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	2019M02
Interests	3.0	2.8	2.9	2.8	2.5	2.7	2.8	3.6	3.3	3.3	3.4	3.4	2019M02
o/w Central Bank´s	0.0	0.0	0.6	0.5	0.3	0.4	0.6	1.3	0.7	0.7	0.8	0.8	2019M02

(1) Starting in October 2018, pension funds and the state-owned insurance company have transferred assets into a public Social Security Trust Fund, following a law passed last year introducing changes to Uruguay`s pension regime.These funds are recorded as public revenues, consistent with IMF methodology. For further details, refer to footnote 2 in the January 2019 Sovereign Debt Report by clicking here.

Public Debt [1]	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Latest available	as of:
						(as % of GDP, unless otherwise indicated)							
Non Financial Public Sector													
Gross Debt	48.9	57.6	44.2	43.4	45.8	41.5	42.7	48.1	52.5	51.1	51.7		2018
o/w in foreign currency (% of total)	75.9	74.0	68.6	57.0	51.7	49.8	53.9	57.7	57.1	50.3	54.7		2018
held by non-residents (% of total)	71.2	66.6	67.3	63.6	63.9	67.0	69.1	66.6	59.3	56.0	58.0		2018
Net Debt	42.1	48.6	37.5	38.3	40.3	36.8	38.3	43.7	47.3	46.5	47.3		2018
Consolidated Public Sector													
Gross Debt	58.3	72.4	59.3	56.3	60.8	57.6	58.5	59.0	63.1	65.0	64.3		2018
o/w in foreign currency (% of total)	68.1	64.3	55.3	47.9	42.6	40.1	43.9	53.8	52.8	41.5	47.1		2018
held by non-residents (% of total)	48.1	48.1	48.1	48.1	48.1	48.1	48.1	48.1	48.1	48.1	48.1		2018
Net Debt	27.2	35.3	31.1	27.9	27.2	23.1	21.9	23.5	30.7	32.0	32.1		2018

(1) Stocks measured end-of-period.