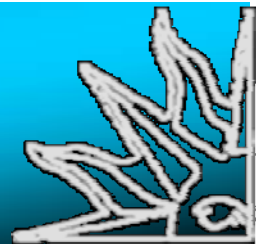


# Uruguay *in focus*



A quarterly bulletin issued by the Debt Management Unit

January 2009

## ECONOMIC PERSPECTIVES

### Macroeconomic policy framework for 2009

In early December, the Economic Team summarized the achievements of this administration and shared with a vast audience of entrepreneurs the macroeconomic policy guidelines for 2009.

Growth estimation for 2008 was revised upwards to 10.5% from a previous 9.5%, averaging an annual rate of 8% during 2005-2008. Conversely, the estimate for 2009 has conservatively been revised downwards to 3.0%, to be consistent with the impact of the current recession on emerging markets.



Within this context, the market expectation for the rate of inflation is 7.0% (as defined by the median), in line with the annual goal of the Central Bank.

On the fiscal side, the estimated fiscal primary surplus is 2.0% of GDP for 2008 and 2.4% for 2009. The reason for the fall in the primary surplus in 2008 - compared to previous years-, is a decline in the result of the state-owned electricity company (UTE), motivated in the severely adverse weather conditions experienced so far. Interest payments are estimated to be 3% and

3.4% of GDP for 2008 and 2009, respectively. Consequently, the global fiscal balance is projected at -1.2% and -1.0% of GDP for 2008 and 2009, respectively.

## REAL SECTOR

### Two-digit growth in 2008QIII

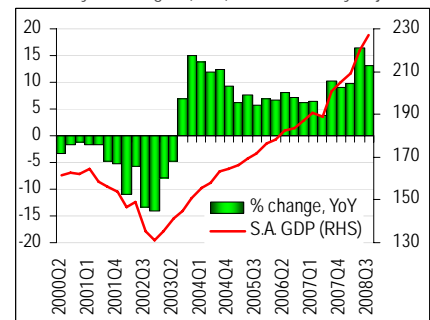
While expecting for some domestic impact of the international financial crisis, the Uruguayan economy kept growing at a fast pace during the third quarter of 2008.

The interannual rate of growth was 13.2% in the first nine months of the year, compared to the same period of 2007. In seasonally adjusted terms, this growth amounted to 3.2%, compared to the previous quarter.

Market analysts surveyed by the Central Bank were expecting an 11% annual growth in 2008, down to 2.9% in 2009. The domestic impact of the crisis is therefore expected to be relatively benign: the most negative expectations in the same survey envisage a negative rate of growth of 1% in 2009, reassuming positive rates in 2010.

Growth has been again widespread across every sector in the economy, with the only exception of Electricity, Gas and Water. This sector contracted 24% in the first three quarters of 2008, mostly due to the lack of water for hydro electrical generation. In seasonally adjusted terms, however, this sector grew 33.3% in the third quarter, as compared to the second.

Real GDP  
Quarterly % changes (YoY) and seasonally adjusted.



Source: Central Bank of Uruguay

Most of growth dynamics is generated by the Manufacturing Industry, Transportation, Communications, Commerce, Restaurants and Hotels. The Agricultural sector grew 9.8% in the first nine months of the year, as a consequence of strong investment in the dairy industry and cereals, particularly wheat, rice and barley. Seasonally adjusted, this growth was 6.4%.

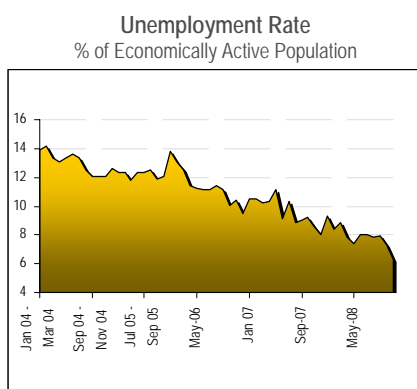
The Manufacturing Industry posted a 19.3% growth in the first nine months, to a good extent related to external demand. Paper, foodstuff and chemical industries, mostly processing domestic primary inputs, account for a high share of this growth.

Transport and Communications increased 32.8%, not only related to the significant development of wireless technologies but also to the steady increase in water and ground transportation and logistics. Uruguay currently seeks to position itself as a world-class player in these activities, with strong private investment in the fields.

Construction only grew 4.5% in the first three quarters, equivalent to a negative

1% development in seasonally adjusted terms, mostly explained by the completion of some huge private projects in the interior of the country.

This increase in the level of activity was underpinned by gains in productivity and the creation of new jobs. The unemployment rate continued to drop during 2008: in November, the average unemployment rate was 6.3%, 1.4 percentage points below the end of 2007. After the 2002 crisis, the present administration had envisaged to bring the unemployment rate to single digit levels by 2009. This goal was achieved two years in advance.



Source: National Institute of Statistics. Quarterly basis until 2006, monthly basis thereafter.

On the expenditure side, internal demand grew 15.8%, in line with the overall income growth. However, exports and capital formation grew once again above this figure. Exports of goods and services increased 17.5% in real terms, while gross fixed capital formation grew 25.6%. Government expenditures only grew 1.0%, in line with the conservative profile of the fiscal stance.

## EXTERNAL SECTOR

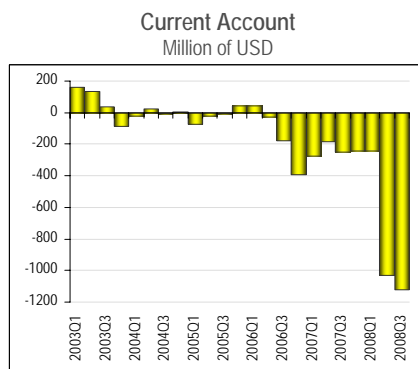
**FDI still increases while the current account deficit tends to stabilize**

Foreign direct investment in the country reached USD1,823m in the year ended in September 2008, outperforming the already record levels reported one quarter before.

The current account deficit, in the meantime, stabilized at levels of USD 1,122m, from the previous 1,034m, as a

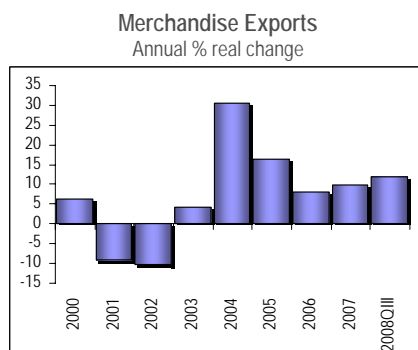
consequence of the strong capital inflows and foreign investment in the economy. The merchandise trade deficit is estimated at USD 1,292m in the period, while the services account is positive in USD 621m. Uruguay has been increasingly developing value-added services to the exports menu: tourism, financial services, consultancy, software development and others, consistently with the educational and social strengths of the population. The overall trade balance totaled a deficit of USD 671m, where merchandise imports –particularly energy, intermediate and capital goods- take the leading role.

Total exports increased 40%, compared to one year before, while imports increased 50%, measured in current US Dollar.



Source: Central Bank of Uruguay

According to preliminary export orders, the total amount increased 13.4% in the period from Jun-Aug 2008 to Sep-Nov 2008. If compared to the same period of the previous year, the increase is 36%. In December 2008, however, the first effects of the international turmoil materialized through a drop of 2.4%, when compared to December 2007.

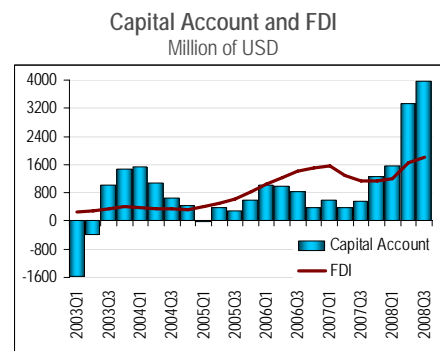


Source: Central Bank of Uruguay

**MINISTRY OF  
ECONOMY AND FINANCE**  
DEBT MANAGEMENT UNIT

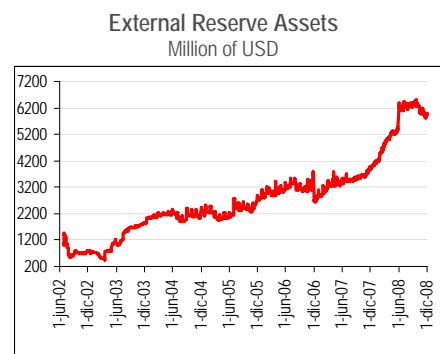
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The Capital and Financial Account recorded a surplus of USD 3.95bn. These inflows are still mostly related to FDI but also to capital movements, notably non-resident deposits in the private domestic banking sector, commercial credit and loans.



Source: Central Bank of Uruguay

The Central Bank increased the level of reserves in USD 2,836m during the year ended in September 2008. As of December 30<sup>th</sup>, the level of international reserves amounted to USD 6,328m.



Source: Central Bank of Uruguay

## PUBLIC SECTOR

**Primary public sector balance at 1.8% of GDP**

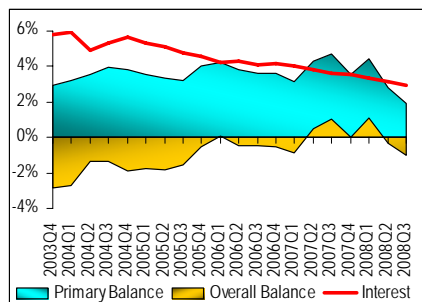
The primary balance of the consolidated public sector is estimated at 1.8% of

GDP, for the year ended in November 2008. Total interest payments were 2.9%, decreasing from a previous 3.0%, thus determining an overall deficit of 1.1% of GDP.

Total revenues amounted 26.7% of GDP during this period, virtually unchanged in comparison to the previous month. An improvement in social security contributions and the result of public enterprises offset an already anticipated reduction in tax collection.

Public outlays increased by 0.4%, mainly due to investment expenditures and stock accumulation of public enterprises.

Public Sector Balance and Interest  
% of GDP



Source: Ministry of Economy and Finance

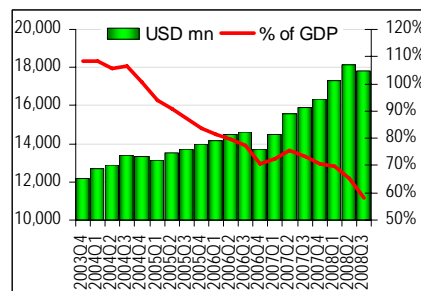
## PUBLIC DEBT

### Net Public Sector Debt below 30% of GDP

The overall public sector debt decreased USD 306m in the third quarter of 2008, representing 58.1% of GDP, down from 65% in the preceding quarter. As a result of the strong growth achieved in last five years, the appreciation of the Uruguayan peso and a better fiscal overall balance, the public sector debt decreased by 51 percentage points of GDP since the end of 2003.

In net terms, the public sector debt diminished USD328m during the third quarter, equivalent to 29.8% of GDP. This is a similar share of GDP that Uruguay had before the deep financial crisis of 2001-2002.

Public Sector Debt  
% of GDP



Source: Central Bank of Uruguay

Debt risk indicators of the central government continued to improve in the last months of 2008. The average time to maturity reached 13.8 years in November, from 7.4 years by the end of 2005.

In terms of currency composition, the ratio of CPI indexed debt increased to 29%, from 11% in December 2005. The percentage of fixed interest rate debt was 82% in November 2008.

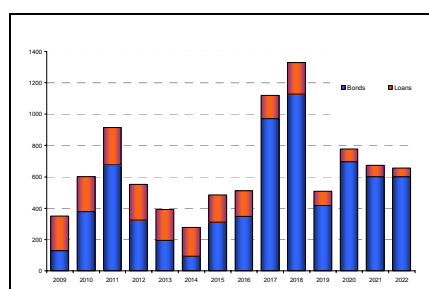
The central government has also substantially reduced the refinancing risk in November. The percentage of debt falling due in the next year is only 2.3%. This friendly debt profile in the next years was generated by a proactive liability management and pre-funding policies.

Central Government Debt Indicators

	Dic-06	Dic-07	Nov-08
ATM (years)	12.1	13.4	13.8
Duration (years)	8.9	10.4	10.6
Share of fixed rate	82%	83%	82%
FX denominated debt	85%	76%	71%
Debt due in next year	4.8%	3.0%	2.3%

Source: Ministry of Economy and Finance

Central Government Amortization Schedule  
In Million USD, 2009 - 2022



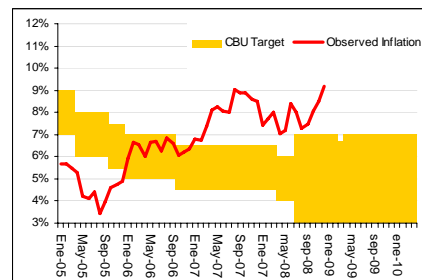
Source: Ministry of Economy and Finance

## INFLATION AND MONETARY INDICATORS

### Annual CPI inflation: 9.2% in 2008

The annual CPI inflation rate reached 9.2% as of December 2008, above the 7% upper target of the Central Bank. This figure reflects an increase in the price in tradable items –mainly foodstuff, housekeeping and furniture-, as well as non tradable goods – principally leisure and cultural services-, without a well defined impact on the internal real exchange rate. This issue will be addressed in the next meeting of the Monetary Policy Committee, which is scheduled to be held on January 12<sup>th</sup>.

Inflation, CPI  
Last 12 months

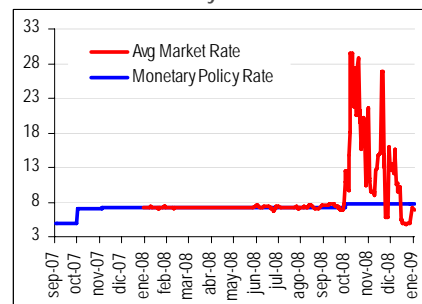


Source: Central Bank of Uruguay and National Institute of Statistics

Private analysts surveyed by the Central Bank were forecasting in December an inflation rate of 7.0% during 2009, further decreasing to 6.7% as of May 2010.

The money market rate, after a period of high volatility, has stabilized closer to the level of the Central Bank reference rate.

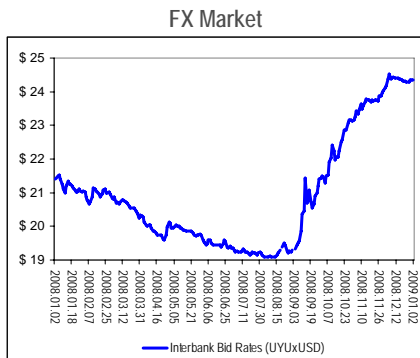
Money Market



Source: Central Bank of Uruguay

The exchange rate, after the adjustment performed during the last quarter of the

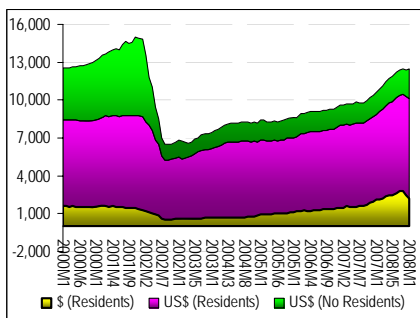
year, has also stabilized in higher levels, accommodating to the drop in international commodities.



Source: Central Bank of Uruguay

Despite the turmoil in the financial markets, the banking sector continued to gain robustness through an increase in the level of deposits.

As of November 2008, residents had increased total deposits in USD 1.2bn, reaching USD 10.9bn. Also non-resident investors continued to increase deposits in the local financial system, surpassing USD 2.4bn.



Source: Central Bank of Uruguay

## RECENT DEVELOPMENTS

### Dr. Mario Bergara took office as President of Central Bank of Uruguay



Dr. Mario Bergara

On November 11<sup>th</sup>, Dr. Mario Bergara (43) took office as President of the Central Bank of Uruguay (CBU). Bergara, who holds a PhD from the University of California at Berkeley, was the former Vice Minister of Economy and Finance in this administration. He replaced Cr. Walter Cancela, who retired after serving as president of the CBU since 2005.

### Uruguay Opens a Bidding Process for Offshore Oil and Gas Exploration

The Uruguayan Government, through the National Oil Company –ANCAP–, initiated in December a bidding process for exploring gas and/or oil reserves located in the country's Atlantic coast. Several international companies participated in this invitation: Repsol – YPF, Petrobras, Lukoil, Shell Oil, PDVSA, Exxon – Mobil, Tritón, Petropar, Plus Petrol, Panamerican Energy-British Petroleum and Gazprom.

The area was divided into 11 blocks of between 4,000 and 8,000 square kilometers (km<sup>2</sup>) each one situated in Punta del Este basin, the southernmost region of Pelotas basin and another basin further offshore called Oriental Del Plata. The block's areas range from 2,500 to 10,000 km<sup>2</sup>. The offering companies will have to present a detailed work plan. ANCAP will evaluate these proposals and will define the percentages of its participation in the projects. The first tender for exploration of the blocks is scheduled to be held in June.



Mr. Iglesias (Ibero American Secretary) and Mr. Sendic (President of ANCAP) opened the Uruguay Round 2009 for oil exploration.

The Ministry of Energy, Daniel Martínez, stressed the importance of the consensus on long-term energy

policies reached with the political system and the business community.

### Central Bank buys back bills for USD 200MM saving USD 15MM

On October 24<sup>th</sup>, the Central Bank announced the repurchase of Monetary Regulation Bills for the equivalent of USD 220m (UYU 5bn) in order to provide more liquidity to local investors and to smooth out the profile of maturity of debt issued by this institution, either denominated in Uruguayan pesos or CPI-linked.

This operation was divided into three stages and the CBU authorities obtained a total saving of USD 15mn (equivalent to 7.5% of the total nominal value).

### New legislation addresses bankruptcy and corporate restructuring issues

The Congress passed a new law on bankruptcy aimed at providing instruments to deal with financially stressed firms. This modernization of the old bankruptcy legislation allows for financial restructuring if the firm is considered sustainable or the consolidated treatment of healthy assets otherwise. The buyer is not considered anymore as a successor of the old firm and likewise, workers are able to acquire the company with their credits unpaid.

### Investment remains active

In the next weeks, the mining group Rio Tinto (RIO LN) will start the construction of a new port and storage facilities in the west side of the country. The project aims at handling 1.8m tons of iron per year, coming from the Corumbá mine (Matto Grosso, Brazil). The Project Manager of the Australian-British Company, Bart Wiersum, explained to the Uruguayan Parliament that this new port will demand 1,000 workers during its construction peak. The total amount for this project is estimated in USD

220m and is expected to be operational by October, 2010.

The Spanish paper producer ENCE (ENC SM) confirmed its goal to build a pulp mill with a capacity of a 1m tons per year, including the generation of 140 megawatt of renewable energy, with port and logistic facilities in the factory. In the first half of 2008, ENCE purchased 8,700 hectares and also planted 8,000 hectares of eucalyptus. For the whole year, ENCE foresees to plant 20,000 hectares according to the second quarterly report of 2008 of the firm.

President Tabaré Vázquez confirmed in October that the firm Portucel Soporcel (PTI PL) will invest around USD 4bn in a new pulp and paper mill, a deep water port and an electricity generation plant on the east coast of Uruguay, thus becoming the biggest private investment in the country.

The Swedish-Finnish pulp producer Stora Enso Company (STERV FH), having recently forested 14,000 hectares and bought other 70,000 is evaluating to construct a paper pulp mill near Paso de los Toros (northeast). The projected investment will amount approximately USD 1.2bn.

Mega Pharma Group, a biotech Company, will invest USD 96million for producing biotechnological and

veterinary goods in a free zone situated in Department of Canelones. The construction of this new project will start at the end of 2009 and will employ more than 2,500 workers.

### **Growth in commerce**

The construction of a new Shopping Mall situated in the centre of Montevideo City is scheduled to start in 2009. This new investment, involving approximately USD 40m, will employ 2,000 people after the beginning of operations in 2011.

The Punta Carretas Shopping Mall in Montevideo will invest USD 100m along the next four years, in order to extend commercial areas and promote this zone of the city as commercial, residential and tourist pole.

### **More resources allocated to research & innovation**

In order to further improve the general infrastructure and stimulate research and innovation, the Republic, through its local Governments and different public agencies, will invest at least USD 359m during the next years to carry out four programs: 1) Improvement of the Urban Transport in Montevideo (USD 100m); 2) Road Infrastructure Program (USD 125m); 3) Improvement

of Neighborhoods Program (USD 100m) and 4) Research and Innovation Program (USD 34m). The majority of these resources will be financed by the Inter American Development Bank.



#### **DEBT MANAGEMENT UNIT**

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## Uruguay

Economic Indicators <sup>(1)</sup>

	2000	2001	2002	2003	2004	2005	2006	2007	last available	as of:
<b>Economic structure and performance</b>										
Population (mn)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	2008
Nominal GDP (local currency, \$bn)	243	247	261	316	379	407	465	542	630	2008Q3
Nominal GDP (USDmn)	20080	18562	12295	11206	13241	16653	19357	23143	30659	2008Q3
GDP per Capita (USD)	6083	5611	3716	3392	4010	5038	5840	6983	9250	2008Q3
Unemployment (% of labor force, eop)	13.6	15.3	17.0	16.9	13.1	12.2	10.9	9.2	7.0	2008M10
Real GDP (% change)	-1.4	-3.4	-11.0	2.2	11.8	6.6	7.0	7.4	13.2	2008Q3
									3.2	2008Q3/2008Q2 (sadj)
o/w Agricultural & Livestock	-3.2	-7.1	5.1	10.5	10.7	4.7	8.3	2.8	10.5	2008Q3
Manufacturing	-2.1	-7.6	-13.9	4.7	20.8	10.1	8.4	8.0	14.4	2008Q3
Electricity, gas & water	5.0	1.7	-0.6	-7.4	1.8	5.8	-1.5	11.4	-17.4	2008Q3
Construction	-11.1	-8.7	-22.0	-7.1	7.5	4.2	14.0	2.5	0.6	2008Q3
Commerce, restaurants & hotels	-5	-3	-24	-1	21	10	8.4	10.9	10.7	2008Q3
Transportation & communications	1.5	0.3	-9.1	3.1	11.5	11.1	12.0	12.3	26.7	2008Q3
Gross domestic investment (% volume change)	-13.0	-9.1	-34.5	17.9	22.0	12.7	24.7	11.2	6.1	2008Q3
Gross domestic investment/GDP (%)	14.0	13.8	11.5	12.6	13.1	13.1	15.0	15.1		
Consumption (% volume change)	-1.4	-2.1	-15.9	1.1	9.5	2.8	8.6	7.2	18.0	2008Q3
Consumption/GDP (%)	87.7	87.9	86.5	85.9	83.8	84.3	85.7	85.6		
Exports (goods & services, % volume change)	6	-9	-10	4	30	16	8	10	19.4	2008Q3
Exports (goods & services)/GDP (%)	19.3	18.3	22.0	26.1	31.8	31.1	30.0	29.2		
Imports (goods & services, % volume change)	0.1	-7.1	-27.9	5.8	26.8	10.1	16.0	10.3	41.5	2008Q3
Imports (goods & services)/GDP (%)	21.0	20.0	20.0	24.6	28.7	28.5	30.8	29.9		
Openness of the economy (%)	40	38	42	51	61	60	61	59		
<b>Inflation and Monetary Indicators</b>										
Inflation (CPI, % change, 12m)	5.05	3.59	25.94	10.19	7.59	4.90	6.38	8.50	9.19	2008M12
Inflation (WPI, % change, 12m)	9.5	3.8	64.6	20.5	5.1	-2.2	8.2	16.1	6.4	2008M12
Nominal exchange rate (UYU per USD, dec)	12.45	14.06	27.20	29.19	26.51	23.58	24.38	21.63	24.33	2008M12
Nominal exchange rate (UYU per USD, average)	12.10	13.32	21.22	28.17	28.65	24.42	24.01	23.41	20.95	2008M12
REER (CPI, 2000=100)	99.3	105.3	119.8	145.8	134.8	122.8	128.3	119.6	113.0	2008M11
REER (% change, 12m, +=depreciation)		6.0	13.8	21.7	-7.5	-8.9	4.5	-6.8	-5.5	2008M11
Real Wages (% change)	-1.9	0.0	-19.5	-3.4	2.9	4.5	3.7	4.1	4.5	2008M11
Monetary Base (% change, 12m)				24.9	11.1	34.1	5.0	45.5	18.7	2008M11
M1 (% change, 12m)	-4.2	-3.2	4.7	34.0	13.0	33.4	20.0	31.8	15.0	2008M11
M2 (% change, 12m)	4.1	-0.8	-7.9	29.4	13.5	27.2	22.1	31.0	17.1	2008M11
Overnight interbank interest rate (% dec avg)	17.5	42.7	51.3	1.4	1.0	0.8	1.0	7.2	5.0	2008M12
Short-term deposit interest rate (% 60-90 days, dec avg)	16.2	22.4	61.8	8.7	5.0	2.3	2.0	2.5	5.0	2008M12
Total private NFS banking deposits/GDP (% eop)	66.5	80.4	55.3	68.5	61.9	51.8	48.6	45.9	47.9	2008M11
Local currency private NFS deposits (USDmn equiv, eop)	1577	1339	605	692	862	1178	1421	2125	2142	2008M11
Foreign currency private NFS deposits (USDmn, eop)	11766	13590	6194	6981	7330	7456	7993	8489	10399	2008M11
o/w non-resident deposits (USDmn, eop)	4852	6194	1336	1382	1527	1553	1607	1739	2454	2008M11
Dollarization ratio (% of foreign currency deposits)	88.2	91.0	91.1	91.0	89.5	86.4	84.9	80.0	82.9	2008M11
Foreign currency deposits/Total reserve assets				3.3	2.9	2.4	2.6	2.1	1.6	2008M11
Domestic credit to private NFS/GDP	48.7	48.3	50.9	35.1	27.2	22.3	21.5	23.8	27.6	2008M11
Domestic credit to private NFS (USDm, eop)	9781	8957	6257	3930	3598	3717	4165	5517	7230	2008M11
<b>Balance of payments and external trade</b>										
<b>(USDmn)</b>										
Current account balance	-568	-498	382	-87	3	42	-392	-241	-1122	2008Q3
Current external receipts	4488	4143	3230	3389	4756	5810	6679	7799	9365	2008Q3
Current external payments	5055	4641	2848	3477	4753	5767	7071	8066	11176	2008Q3
Trade balance (goods & services)	-533	-460	202	318	478	393	-90	-32	-1380	2008Q3
Merchandise balance	-927	-775	48	183	153	21	-499	-569	-1229	2008Q3
Exports of goods and services	3660	3262	2693	3053	4257	5085	5787	6798	8317	2008Q3
o/w Merchandise exports, FOB	2384	2140	1922	2281	3145	3774	4400	5025	6288	2008Q3
Tourism	713	611	351	345	493	594	598	809	966	2008Q3
Imports of goods and services	4193	3722	2492	2734	3778	4693	5877	6831	9697	2008Q3
o/w Merchandise imports, FOB	3311	2915	1874	2098	2992	3753	4898	5594	7517	2008Q3
Income	-61	-68	109	-488	-588	-494	-428	-368	-583	2008Q3
Income, credit	780	833	453	242	372	563	742	841	862	2008Q3
o/w Interest receipts	780	833	453	242	367	560	724	870	827	2008Q3
Income, debit	842	901	344	730	960	1057	1170	1210	1445	2008Q3
o/w Interest payments	753	798	660	622	742	839	916	878	871	2008Q3
Current transfers, net	28	30	72	83	113	144	126	134	153	2008Q3
Current transfers, credit	48	48	84	95	127	161	150	159	187	2008Q3
Current transfers, debit	21	18	12	12	14	17	24	25	33	2008Q3
Capital & financial account	772	490	-280	431	72	752	528	1610	3946	2008Q3
Direct investment, net	274	291	180	401	315	811	1495	1050	1744	2008Q3
o/w Foreign direct investment	273	297	194	416	332	847	1493	1133	1823	2008Q3
Portfolio equity and debt investment, net	191	508	329	-311	-422	806	1686	1113	-21	2008Q3
Other capital flows	306	-308	-789	336	174	-869	-2659	-557	2222	2008Q3
Net errors and omissions	17	285	-2430	1037	379	-174	-152	-363	13	2008Q3
Overall balance (increase in Central Bank intl reserve assets)	221	277	-2328	1380	454	620	-15	1005	2837	2008Q3
memo items: Central Bank international reserve assets (eop)	2905	3100	772	2087	2512	3078	3091	4121	6329	2008M12
International investment position (eop, +=creditor)			-1694	-1256	-1528	-1301	-1085	-1296		2008M12
Total external debt (eop)	8895	8937	10548	11013	11593	11418	10560	12218	12494	2008M12
Net external debt (eop)	5800	5489	8857	8255	8624	7531	6959	6448	4867	2008M12
<b>(% current USD values, unless otherwise indicated)</b>										
Current external receipts/GDP	22.3	22.3	26.3	30.2	35.9	34.9	34.5	33.7	30.5	2008Q3
Current external payments/GDP	25.2	25.0	23.2	31.0	35.9	34.6	36.5	34.9	36.5	2008Q3
Current account balance/GDP	-2.8	-2.7	3.1	-0.8	0.0	0.3	-2.0	-1.0	-3.7	2008Q3
Current account balance/Current external receipts	-12.6	-12.0	11.8	-2.6	0.1	0.7	-5.9	-3.1	-12.0	2008Q3
Trade balance/GDP	-2.7	-2.5	1.6	2.8	3.6	2.4	-0.5	-0.1	-4.5	2008Q3
Exports (goods & services, % change, 12 rolling months)		-10.9	-17.4	13.3	39.4	19.5	13.8	17.5	22.3	2008Q3

## Uruguay

Economic Indicators <sup>(1)</sup>

	2000	2001	2002	2003	2004	2005	2006	2007	last available	as of:
Merchandise exports, FOB/GDP	11.9	11.5	15.6	20.4	23.8	22.7	22.7	21.7	20.5	2008Q3
Merchandise exports, FOB (% change, 12 rolling months)		-10.2	-10.2	18.7	37.9	20.0	16.6	14.2	36.4	2008Q3
Tourism exports/GDP	3.5	3.3	2.9	3.1	3.7	3.6	3.1	3.5	3.2	2008Q3
Tourism exports (% change, 12 rolling months)		-14.4	-42.5	-1.8	43.1	20.5	0.6	0.6	28.6	2008Q3
Imports (goods & services, % change, 12 rolling months)		-11.2	-33.0	9.7	38.2	24.2	25.2	16.2	48.5	2008Q3
Merchandise imports, FOB/GDP	16.5	15.7	15.2	18.7	22.6	22.5	25.3	24.2	24.5	2008Q3
Merchandise imports, FOB (% change, 12 rolling months)		-12.0	-35.7	12.0	42.6	25.4	30.5	14.2	49.9	2008Q2
Net interest payments/Current external receipts	-0.6	-0.8	6.4	11.2	7.9	4.8	2.9	0.1	0.5	2008Q3
Foreign direct investment/GDP	1.4	1.6	1.6	3.7	2.5	5.1	7.7	4.9	5.9	2008Q3
Net foreign direct investment/GDP	1.4	1.6	1.5	3.6	2.4	4.9	7.7	4.5	5.7	2008Q3
Total external debt/Current external receipts	198.2	215.7	326.5	324.9	243.8	196.5	158.1	156.7	133.4	2008Q3
Net external debt/Current external receipts	129.2	132.5	274.2	243.6	181.3	129.6	104.2	82.7	52.0	2008Q3
International investment position/GDP (+=Creditor)			-8.4	-6.8	-12.4	-11.6	-8.2	-7.8		
Share of merchandise trade w/MERCOSUR partners	44.1	42.7	40.6	39.1	35.5	33.1	35.8	37.5	36.6	2008M11

## Public Finances

(%)

## Non Financial Public Sector

Overall balance/GDP	-3.4	-3.5	-3.3	-2.3	-1.6	-0.6	-0.6	-0.2	-1.3	2008M11
Revenue/GDP	29.6	30.6	29.5	30.0	29.0	29.2	28.8	29.0	25.7	2008M11
Expenditure/GDP	33.0	34.1	32.8	32.3	30.6	29.9	29.4	29.2	27.1	2008M11
o/w non-interest	30.6	31.5	29.0	26.5	24.9	25.3	25.2	25.6	24.3	2008M11
interest	2.4	2.6	3.8	5.8	5.7	4.6	4.2	3.6	2.8	2008M11
Primary balance/GDP	-1.0	-0.9	0.4	3.5	4.1	3.9	3.5	3.4	1.5	2008M11
Gross debt/GDP	34.8	42.1	82.7	96.5	85.8	71.3	61.7	58.8	46.4	2008Q3
Gross debt/Revenue	117.4	137.8	280.7	321.9	296.3	243.9	214.4	202.9	176.1	2008Q3
External debt/GDP	26.4	28.1	62.9	78.4	69.3	56.1	47.8	47.4	47.4	2008Q3
External debt/Gross debt	76.0	66.6	76.1	81.2	80.8	78.6	77.6	80.5	80.5	2008Q3
Foreign currency debt/Gross debt	76.0	66.6	76.1	79.6	76.9	75.2	73.1	68.0	64.5	2008Q3
Interest Payments/Revenue	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	2008M11

## Public Sector

Overall balance/GDP	-3.8	-3.8	-4.1	-2.8	-1.9	-0.6	-0.5	0.0	-1.1	2008M11
Primary balance/GDP	-1.4	-1.2	-0.3	2.9	3.8	4.0	3.6	3.6	1.7	2008M11
Gross debt/GDP	45.5	54.3	92.6	108.5	100.6	83.7	70.9	70.5	58.1	2008Q3
Net Debt/GDP	30.0	35.5	65.5	73.6	68.8	53.6	47.3	41.7	29.8	2008Q3
Gross External Debt/GDP	44.3	48.1	85.8	98.3	87.6	68.6	54.6	52.8	40.8	2008Q3
External Debt Service/International Reserve Assets	27.6	33.2	119.2	66.7	52.2	55.2	157.4	24.9		

(1) Data since 2006 are preliminary and may be subject to revision.