



### Key Highlights

- Real GDP grew 0.6% in 2024Q1 YoY and 0.9% in seasonally adjusted terms. In the first quarter of 2024, the activity level was 5% higher than the pre-pandemic levels as of 2019Q4.
- The three pillars of the fiscal rule were met in 2023, for a fourth consecutive year. For 2024, the Central Government's fiscal deficit (excluding the extraordinary revenue effect from the "Cincuentones Law") is projected at 3.1% in 2024, given projected real GDP growth of 3.0%.
- The YoY inflation reading in May was 4.10%, completing twelve consecutive months with headline inflation within the Central Bank's target range.
- In the first quarter of 2024, financial institutions' capital buffer exceeded the minimum regulatory requirement by more than 96%. The aggregate profit of banks represented a return on assets of 2.5% and a return on equity of 21.9%, marking historically high levels.
- Almost 9 out of 10 foreign companies are satisfied with Uruguay's business climate, according to the third edition of the Foreign Investor Survey released by *Uruguay XXI* and *Equipos Consultores* last March.
- Institute Pasteur of Montevideo launched the first four biotech startups to promote the creation of companies based on the scientific-technological knowledge generated. For the next four years, the Institute is betting on creating and investing USD 25 million in startups based on disruptive ideas in medicine, biology, and technology.

### I. Real Sector

The Uruguayan economy expanded 0.6% year-on-year (YoY) in 2024Q1 and 0.9% in seasonally adjusted (s.a.) terms. In the first quarter of 2024, the activity level was 5% higher than the pre-pandemic levels as of 2019Q4 in s.a. terms.

From the production perspective, a 20% growth in Electric Power, Gas, and Water activities stood out in 2024Q1, mainly associated with the greater electricity generation from hydraulic energy, in contrast to the previous year's first quarter. During the first three months of 2023, electricity generation was mostly thermal and energy had to be imported from Brazil due to the effects of the drought.

On the other hand, the performance of the Manufacturing Industry had a negative impact. In particular, the added value of oil refining was seriously affected by maintenance tasks at the ANCAP refinery, which began in September 2023. Likewise, the production of milling and beverage products also had negative incidence. In turn, pulp manufacturing and the meat processing industry (driven by increased meat exports) positively impacted the sector.

Likewise, Health, Education, Real Estate Activities, and Other services, saw a 0.6% contraction in year-on-year terms, driven by the shrinkage of educational services, public and private, due to the lower number of class days (because the holiday tourism week in 2024 was entirely in March, while in 2023 was in April).

From the demand side, growth was driven by external demand, which was partially offset by the decline in domestic demand. About the latter, the decline is explained by the 16.7% year-on-year drop in Gross Capital Formation, as a result of a reduction in the investment of fixed assets and a de-accumulation in inventories (mainly of fuel, wheat, and barley grains). The former decreased by 5.7%, mainly due to the fall in investment in manufactured metal products and machinery and in construction works, due to the

completion of the construction of the second UPM plant and lower investment in the construction of the Central Railway. Meanwhile, Final Consumption Expenditure grew 1.1% in 2024Q1 compared to the same quarter of 2023, due to higher Household Consumption (which showed an increase of 1.8%). This was partially offset by the year-on-year drop of 1.8% in Government Consumption.

External demand, in turn, presented an increase in Exports of goods and services of 4.5% in 2024Q1. Regarding good exports, the higher volume of cellulose and wheat exports, and barley and beef to a lesser extent, was compensated with the fall in external sales of rapeseed and rice seeds.

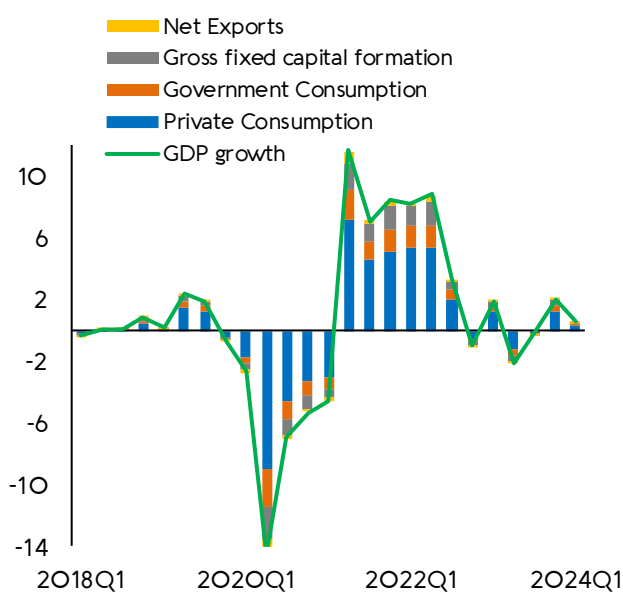
As for the services, the greatest increases were verified in exports of management consulting services, information and communication technologies, and transportation of goods.

### Monthly Economic Activity Indicator (IMAE)

In April 2024, the IMAE increased 4.2% compared to the same month in 2023 and registered a 3.2% rise in s.a. terms compared to March 2024. The IMAE is a synthetic indicator that summarizes the activity of the different branches of the economy in a given month, measured at constant 2016 prices. The calculation is based on multiple supply-side indicators weighted by the share of economic activities within the GDP. The economy is expected to rebound strongly in 2024, with an expected real expansion of 3.0% according to the Ministry of Economy and Finance estimations.

**Figure 1: Contribution to Real GDP Growth by Expenditure**

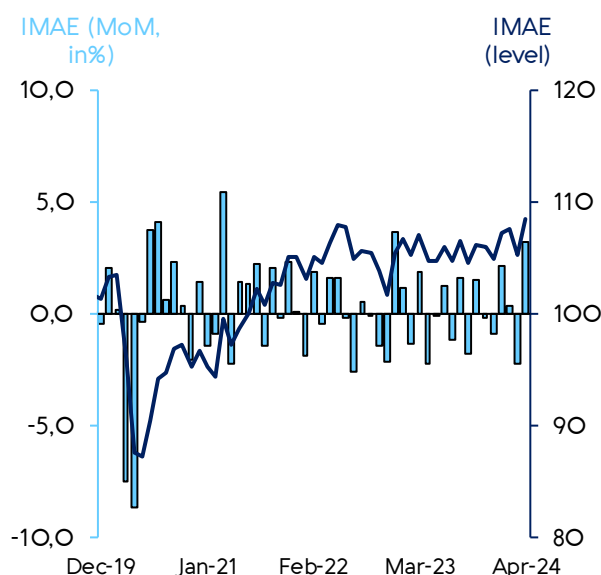
(YoY, quarterly)



Source: Central Bank of Uruguay

**Figure 2: Monthly Economic Activity Indicator (IMAE)**

(In seasonally adjusted terms)



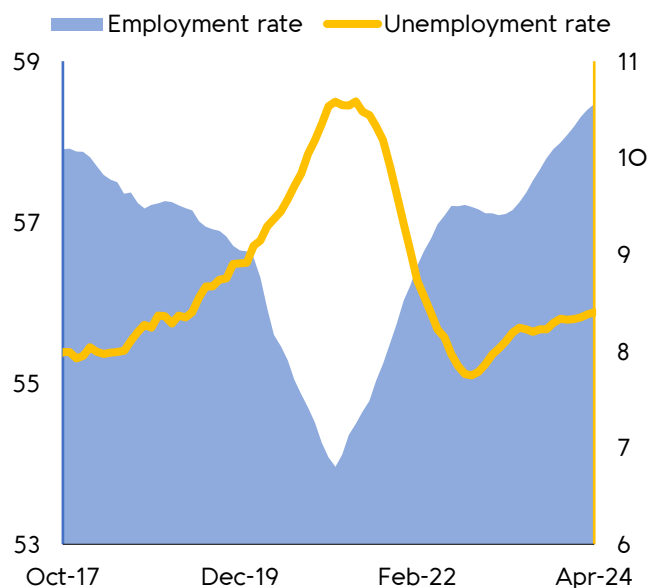
Source: Central Bank of Uruguay

### Labor market

The unemployment rate stood at 9.0% in April, increasing 0.2 p.p. compared to the same month of last year (8.8%). As of April, the number of beneficiaries under the unemployment insurance system was 40,929, indicating a 2.35% increase compared to the same month of last year.

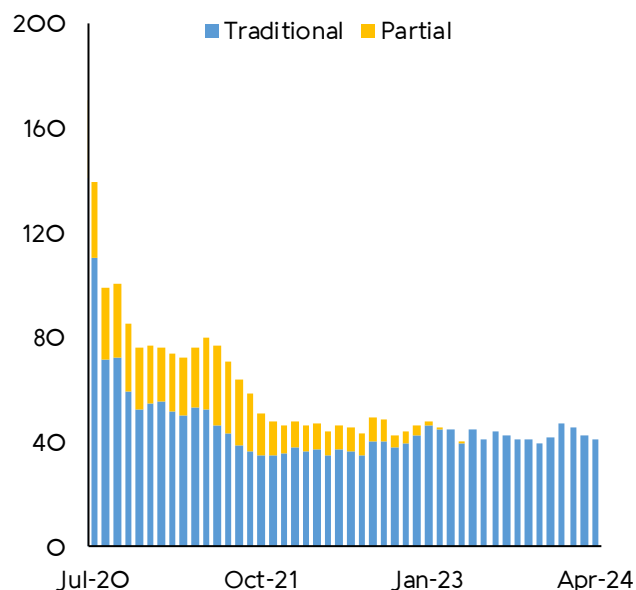
The employment rate stood at 58.3% in April, 0.8 p.p. above the one observed in the same month of last year (57.5%). In the first four months of 2024, 41,00 net jobs were created on average, compared to the same period in 2023. In addition, the activity rate (share of the employed population, or those looking for a job, as a share of total working-age people) stood at 64.1%. This is higher than the level observed in April of the previous year (63.0%). Meanwhile, nominal wages slightly increased by 0.31% in April 2024, accumulating an 8.04% growth in the last twelve months. Real wages expanded 4.21% in the same period.

**Figure 3: Unemployment and Employment Rate**  
(Average of last 12 months, in %)



Source: National Institute of Statistics

**Figure 4: Unemployment Insurance**  
(Number of beneficiaries, in thousands, by the regime)



Note: The traditional regime refers to the full unemployment insurance benefit according to Uruguayan law, whereas the partial regime implies that employees maintain the job relationship, working partial time.  
Source: Social Security Institute

## II. External Sector

During the first quarter of 2024, the Current Account experienced a deficit of USD 368 million; this amount was significantly lower than the same period of the previous year when the deficit had reached USD 634 million. The decrease in the deficit is mainly associated with a higher surplus in the goods and services balance, and a lower deficit in Primary Income. The services surplus was USD 544 million in the first quarter of 2024, USD 64 million higher than the surplus of the same quarter in the previous year as a consequence of the growth of exports (2.1%) and the contraction of imports (-1.7%). The increase in exports of other services stands out (USD 50 million), given greater exports of services telecommunications, computing and information, and financial services. The surplus of trade in Goods increased by USD 85 million, driven by a greater contraction of imports (-7.9%) than of exports (-4.5%). It highlighted the increase in cellulose exports and a significant rise in external placements of wheat, within the historical performance of the crop.

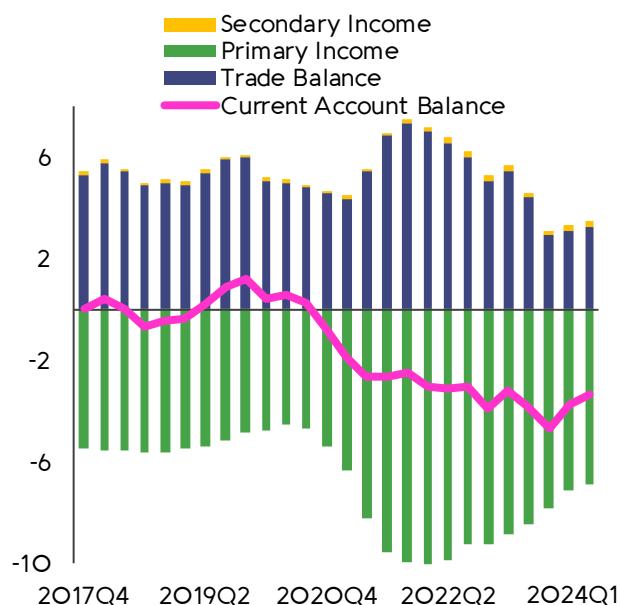
During the first quarter of 2024, the Primary Income account recorded a deficit of USD 1.6 billion, representing a decrease of USD 113 million compared to last year. This behavior was associated with a smaller deficit in the Private Sector due to an increase in foreign earnings primarily associated with direct investment equity stakes and a rise in interest income from portfolio investment abroad. In contrast, the Public Sector had a more negative result compared to the same quarter of the previous year. The Primary Income account recorded a deficit of USD 5.3 billion in the 12 months ending in the first quarter of 2024, which represented a drop of USD 1.1 billion compared to the previous year.

In the year ended in March 2024, the Current Account of the Balance of Payment (CAB) recorded a USD 2.6 billion deficit, approximately 3.4% of GDP, compared to a deficit of 3.8 percent in the 12 month-period to 2023Q4.

During the first quarter of 2024, Uruguay's Financial Account experienced net financing towards the rest of the world of USD 884 million, reversing the balance observed in the first quarter of 2023 (net borrowing of USD 24 million). Functionally, the Uruguayan economy financed the rest of the world through Direct Investment (USD 1.5 billion, equivalent to 2.0% of GDP) flows and by acquiring Reserve Assets (USD 450 million, equivalent to 0.6% of GDP). Conversely, there was a net inflow of capital associated with Portfolio Investment (USD 1.0 billion), and to a lesser extent, through Other Investments (USD 72 million) and Financial Derivatives (USD 13 million) transactions. Regarding FDI, during 2024Q1 resident subsidiary companies significantly reduced their stock of financial liabilities with their parent and/or fellow companies abroad. These cross-border financial

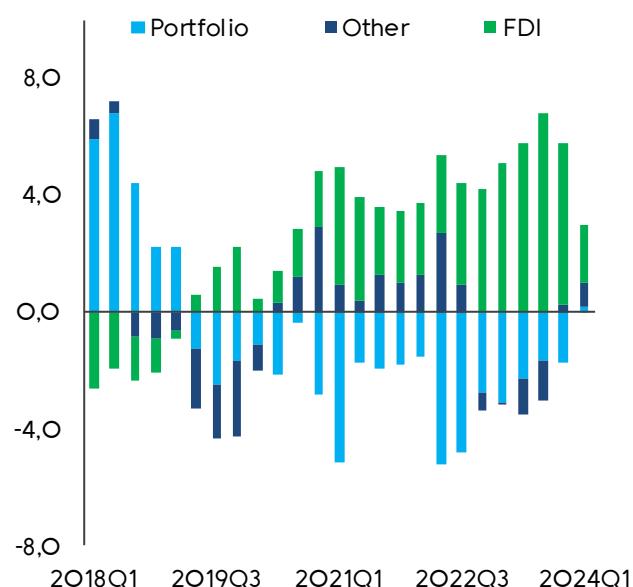
flows between related companies are registered in the FDI statistics of the Balance of Payments and explain part of the moderation in these flows (from 5.6% of GDP in 2023Q4 to the actual 2.0%). In the year ended in March 2024, the Financial Account registered a net capital inflow of USD 1.3 billion, equivalent to 1.7% of GDP. This result represents a decrease of 1.1 p.p. compared to the same period of the previous year (3.4% of GDP).

**Figure 5: Current Account Balance**  
(Rolling 4-quarters, in % of GDP)



Source: Central Bank of Uruguay

**Figure 6: Key Components of Net Capital Inflows**  
(Rolling 4-quarters, in % of GDP)



Source: Central Bank of Uruguay

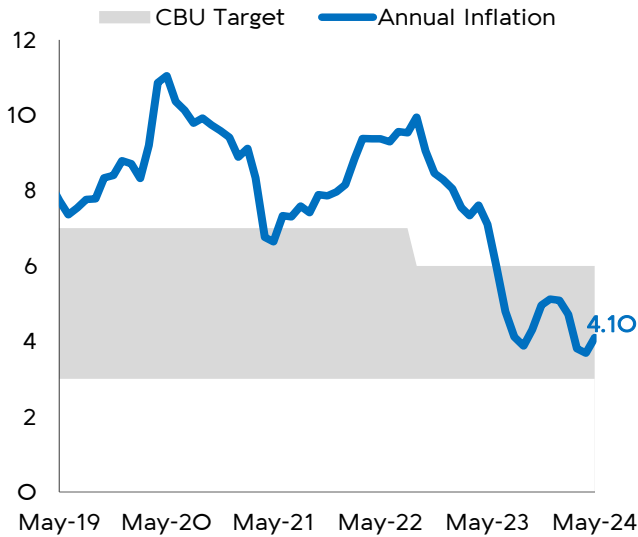
Note: "Other" includes Other Investments and Financial Derivatives from the Financial Account of the Balance of Payments. Changes in Central Bank reserve assets are not included.

### III. Inflation and Monetary Indicators

Consumer prices increased 0.40% in May MoM, compared to a higher increase of 0.63% in April. In the last 12 months ending in May, inflation stood at 4.10% (300pbs below one year earlier) from 3.68% in the previous 12 months ending in April (which was the lowest reading since August 2005). It is worth noting that the May reading completed twelve consecutive months with headline inflation within the Central Bank's target range (3.0–6.0%).

The most important categories in the Consumer Price Index basket are Food & Non-alcoholic Beverages (26%) and Housing (14%). Transportation accounts for 10%, Health for 8%, Restaurants & Hotels for 8%, and Recreation & Culture for 6%. Others include: Miscellaneous Goods & Services (6%), Furniture & Household Conservation Items (6%), Clothing & Footwear (5%), Alcoholic Beverages, Tobacco & Narcotics (4%), Communications (3%), and Education (3%). The CPI index has a base of 100 as of 2010.

**Figure 7: Inflation**  
(In %, YoY)



Source: Central Bank of Uruguay and National Institute of Statistics

On May 16th, 2024, the Monetary Policy Committee of the BCU (COPOM) maintained the interest reference rate at 8.50% to consolidate the permanence of inflation around the center of the target range (4.5%) and contribute to the convergence of the different measures of expectations of inflation in the two-year monetary policy horizon. In the previous meeting of April, the COPOM reduced the policy rate by 50 basis points.

The COPOM has gradually reduced the interest policy rate from 11.5% at the start of 2023 to 8.5% in April 2024.

Likewise, inflation expectations continued declining and stood at historic lows, according to the survey of May 20th released by the CB. The median analyst response for the next 12 months stood at 5.83% and 6.0% for the next 24 months.

In the FX market, the peso appreciated by 1.6% on average in 2024Q1 compared to the previous quarter and depreciated by 0.1% in May month-on-month, closing at 38.79 pesos per US Dollar (inter-bank rate). CB has not intervened in the FX exchange market since 2021, providing clarity and consistency on the main objectives of monetary policy.

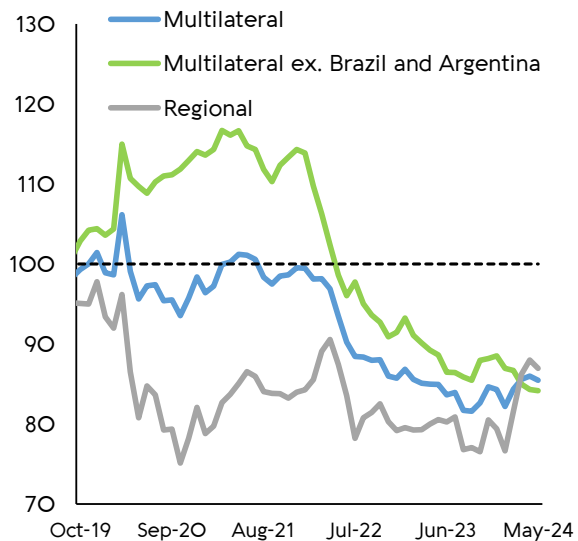
The real effective exchange rate (REER) showed a 0.2% depreciation in 2024Q1 compared to the previous quarter. Moreover, price competitiveness within the region increased by 3.4% (comprised of Argentina and Brazil) and decreased by 2.3% with extra-regional countries (US, México, Germany, Spain, United Kingdom, Italy, and China, according to the methodology of the Central Bank). The latest available data shows a depreciation of the real effective exchange rate of 0.6% year-on-year. In comparison with the region, the May data implies a depreciation of 7.9% year-on-year (increase in price competitiveness), on the other hand, a year-on-year appreciation of 5% is observed with extra-regional countries.

**Figure 8: Nominal Exchange Rate**  
(Pesos per Dollar)



Source: Central Bank of Uruguay

**Figure 9: Real Effective Exchange Rate**  
(Index base 100 = 2019)



Note 1: The Regional Real Effective Exchange Rate is a weighted average of the REER of Argentina and Brazil.

Note 2: An upward movement in the index means a real exchange depreciation. Source: Central Bank of Uruguay.

**IV. Fiscal and Debt Indicators**

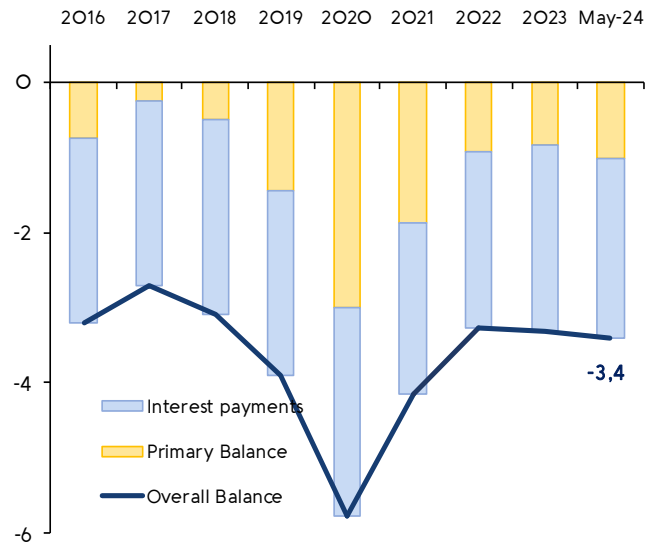
On May 6<sup>th</sup>, 2024, the Ministry of Economy and Finance presented the Fiscal Report corresponding to the fiscal year 2023. It highlighted that the three pillars of the fiscal rule were met for the fourth consecutive year. You can access the document by clicking [here](#) (available in Spanish).

In the twelve months ending in May 2024, the deficit in the fiscal balance of the Central Government stood at 3.4% of GDP. Netting out the effects of the Social Security Trust Fund, (0.1% of GDP), the adjusted fiscal result of the GC-BPS was equivalent to -3.6% of GDP (the sum of the components may differ from the totals due to rounding).

The Accountability Budget bill submitted to Congress on June 30<sup>th</sup> sets the targets and projections for the three pillars of the fiscal rule. Regarding pillar 1 on the structural fiscal deficit as a share of GDP, the target was maintained at -2.9% of GDP. However, the actual projection was revised to -3.4%. This difference is explained by the lower nominal GDP of the effective fiscal balance (0.1 pp), the lower structural income that is not compensated by extraordinary incomes from public entities (0.3 pp) and a smaller cyclical adjustment due to the smaller estimated output gap (0.1 pp). With regards to pillar 2, the real percent variation in primary expenditures, the goal remains at 2.8% (defined based on inputs provided by the Committee of Experts in 2023), while the projection for 2024 was revised up to 4.8%. For 2024, the legal net indebtedness cap is USD 2,300 million.

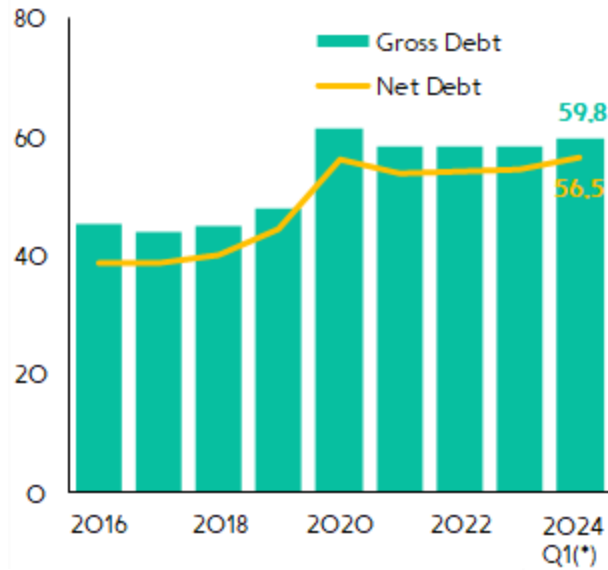
In turn, the gross debt of the Central Government was equivalent to 59.8% of GDP as of end-March 2024, while net debt represented 56.5% of GDP (see Figure 11). Projected gross and net debt to GDP by end-2024 is 58.8% and 54.8%, respectively.

**Figure 10: Central Government Fiscal Balance**  
(In % of GDP, excluding net effect from the SSTF)



Source: Ministry of Economy and Finance of Uruguay

**Figure 11: Central Government Debt**  
(In % of GDP, end of period)



Source: Debt Management Unit and Central Bank of Uruguay

Considering the broadest measure of the Consolidated Public Sector debt statistics published by the CB (Central Government, local governments, public enterprises, the state-owned insurance bank, and the Central Bank), and netting out cross-holdings of assets and liabilities, the gross debt stock stood at 72.2% of GDP by end-March 2024, while the net debt printed at 43.0% of GDP.

## V. Banking System

As of March 2024, financial institutions' capital buffer exceeded by more than 96% the minimum regulatory requirement set by the Superintendence of Financial Institutions (SFI), reaching the highest level in the last three years. This regulatory threshold considers credit, market, operational, and systemic risks. In that sense, recent stress tests conducted by the SFI suggest that the banking system could withstand a significant recession scenario while maintaining a reasonably adequate equity level.

Likewise, the aggregate profit of banks represented a return on assets of 2.5% and a return on equity of 21.9% as of December 2023, marking historically high levels. The result for the last 12 months accumulated up to March 2024 reached USD 1.3 billion, representing an increase of nearly 50% in real terms compared to the previous twelve months, which is almost entirely explained by the increase in the interest margin.

Regarding the liquidity risk of the banking system, the ratio of liquid assets to total assets was 53.2% at the first quarter of 2024. It represents a 3.3 p.p. drop compared with the same period from last year. Meanwhile, the delinquency rate of the banking system, which stood at 1.7% in December 2023, remained near its historic low (1.6% in 2022), closing the first quarter of 2024 at 1.9%.

Finally, the SFI determined that the countercyclical capital buffer must be 0.75% of risk-weighted assets, which implies an increase of 0.25 percentage points over the requirement established in December 2022. For more information on the banking system in Uruguay, please refer to the latest report prepared by the SFI for the first quarter of 2024 [here](#).

## VI. Recent Developments

### *VI.1 Business climate in Uruguay has been excellent in recent years, according to foreign companies*

The Investment and Exports Promotion Institute, *Uruguay XXI*, presented last March the results of the third edition of the *Foreign Investor Survey* that the agency released together with *Equipos Consultores*. The survey -other ones were presented in 2015 and 2018- underlines foreign companies' growing confidence and commitment to Uruguay: 84% of foreign companies are satisfied with the country for developing their business. "It is a very high level of satisfaction, with an improvement compared to the 2018 survey, which 47% were satisfied. In the first edition of 2015, satisfaction was 76%", explained the Head of Competitive Intelligence of Uruguay XXI, Ms. Mariana Ferreira.

The key factors for investing in Uruguay are macroeconomic, political, and social stability and institutional framework. In the second place, are tax exemptions and incentives (47%) and foreign exchange freedom and ease of repatriation of dividends (44%). Director of *Uruguay XXI*, Mr. Sebastian Risso, highlighted that "Uruguay is positioned as a place where companies not only wish to establish themselves but also to grow and prosper, marking a promising path towards the future".

In that sense, the survey revealed that over 80% of foreign companies established in Uruguay invested in the last five years to expand their business (47%) and to maintain operations (37%). In addition, more than 40% of the companies stressed that it is highly probable they will continue to invest in Uruguay in the next five years.

Country cost, bureaucracy, specific aspects of infrastructure, and human capital were the elements at which the survey identified opportunities for improvement. The results of this poll not only reflect Uruguay's attractiveness as an investment destination but also underscore the shared commitment between the government and the private sector to continue improving the business climate. You can access the results of the survey by clicking [here](#).



## VI.2 Japanese paper maker Oji settles down in Uruguay to acquire 41,000 hectares of forest plantation



On May 14<sup>th</sup>, 2024, Japanese company Oji Holdings Corp. announced the establishment of a subsidiary company in Montevideo, for forest plantation acquisition of 41,000 hectares (ha) in the northern departments of Tacuarembó and Rivera. The total investment will amount to USD 288 million and will contribute to reducing its greenhouse gas emissions (GHG), according to an announcement from the Japanese paper maker.

Under its Environmental Action Program 2030, Oji has set a target of reducing GHG emissions by 70% in 2030 compared to 2018. The target of the company is to expand the area of our overseas production forests from 279,000 ha in 2022 to 400,000 ha by 2030.

Since the enactment of the Forestry Law Uruguay's forest plantations have flourished, sawmills and pulp mills have been constructed, and export industries have developed, including those in North America and Asia.

Nowadays, the forestry industry in Uruguay represents around 3.5% of the country's GDP and generates USD 2 billion in annual exports. Before the Uruguayan Forestry Law was passed in 1987 (in which forestation was defined as the priority activity in particular soils and also presented tax benefits), man-made forestry plantations comprised around 50,000 ha. Today, they total one million ha, representing about 6% of the country's land.

## VI.3 Uruguay Opens Innovation Campus to Boost Regional Tech and Entrepreneurship

Uruguay has opened an innovation campus at the LATU Innovation Park, marking a key milestone in the country's technological and entrepreneurial landscape. The campus is a central element of the Uruguay Innovation Hub program, aimed at fostering synergy and collaboration to promote innovation and entrepreneurship<sup>1</sup>.

Mrs. Sabrina Sauksteliskis, Executive Director of the Uruguay Innovation Hub, stated, "This campus will strengthen our startups and talents, helping them grow globally while attracting new ventures to collaborate within Uruguay".

The innovation campus aims to create solutions that improve quality of life and generate economic opportunities through collaboration among entrepreneurs, researchers, companies, and the government. It will house the Uruguay Innovation Hub, startup accelerator OurCrowd, company builder ATGen - GRIDX, coworking spaces, and open innovation labs like Antel ODL and Newlab.

The launch aligns with Uruguay's recent accession to the Patent Cooperation Treaty (PCT), enhancing the country's attractiveness for innovative projects. Minister Facio noted, "This achievement positions us as an attractive destination for innovation in the region and globally." The event also featured insights from Maayan Schreiber, CEO of OurCrowd LATAM Labs, and Matias Peire, CEO and Co-founder of GRIDX, highlighting their enthusiasm for contributing to Uruguay's innovation ecosystem.

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<sup>1</sup> See official website [here](#).



VI.4 Uruguay attracted more than 2,100 digital nomads during 2023

Teleworking is an increasingly common modality around the world and, given this new opportunity, Uruguay managed to become the destination chosen by 2,164 digital nomads, within the framework of the government's proposal to encourage the arrival of talents from the IT sector.

Without taking into account the population of each country in LATAM – that is in absolute terms-, Uruguay was surpassed by Brazil (40,649), Colombia (34,467), and Argentina (25,966). Worldwide the table is headed by the United States, with 210,664 digital nomads in that territory, followed far by Spain, with 125,038, and Thailand, with 124,729.



Punta del Este resort was the capital of regional technological networking.

Digital nomads are included in the government's strategy, which in May 2023 approved a special permit to open the doors to these workers as part of a national strategy to attract foreign talent, essential to reduce the labor gap in economic sectors in frank growth such as information technologies.

This residency is intended for people who work on their own or for companies abroad, with a process that consists of two parts. Firstly, to request a six-month stay as a digital nomad, the person enters the country as a regular tourist, completes an online form with their data, and signs an affidavit admitting that they have the financial means to support themselves during their stay.

Finally, to obtain the extension for six additional months, the candidate must demonstrate that he does not have a criminal record in any of the countries in which he resided for more than six months in the last five years, as well as show a vaccination certificate issued by Uruguayan authorities.

VI.5 Institute Pasteur de Montevideo presented the first four biotech startups of its company builder LAB+

Last March, the Institute Pasteur of Montevideo announced the launch of the first four startups of its company builder *LAB+*, which, in association with the Ficus Advisory fund, seeks to promote the creation of companies based on scientific-technological knowledge generated in Uruguay.

The associated fund recently closed the first round of capitalization through which the projects selected after an international call for proposals will be financed. Each will receive USD 750,000 for two years. In four years, the Institute is betting on creating and investing USD 25 million in 16 startups based on disruptive ideas. The objective of *LAB+* is to support innovative projects in medicine, biology, and technology from the scientific community aimed at improving the welfare of humans, animals, and the environment so that they can be transformed into sustainable international companies.

This is a “virtuous partnership on an equal footing between academia and a private investment fund”, said Carlos Batthyány, Director of the institute and head of *LAB+*. “It aims to be a space for the transformation and valorization of scientific-technological knowledge that, emerging from science, allows the creation of world-class companies,” he added.



In the first stage, the chosen startups were Guska, B4RNA, Scaffold Biotech, and LoCBio. Guska works with oncolytic viruses to design treatments that can, more specifically, fight cancer cells without affecting healthy ones. B4RNA startup proposes to develop a new diagnostic methodology for the early detection of cancer through a new type of RNA molecule and the development of a method to detect them in biological

fluids. Scaffold Biotech applies artificial intelligence (AI) to design new molecules to create more effective vaccines. The startup seeks solutions to high-impact problems for agriculture, such as ticks. LoCBio proposes reprogramming cells to develop specific tasks and, for example, achieve biotherapeutic products to fight colorectal cancer.

“The institute's main founding mandate is to do science because of the need to understand the biological mechanisms behind the things that happen to us, and that will continue to be its number one goal, to do the science of the best possible quality”, he explained.

#### *VI.6 A new milestone for the Uruguayan capital markets: first IPO for retail investors who seek tech exposure*

In June 2024, *Zorzal Inversiones Tecnológicas* announced Uruguay's first initial public offering (IPO) under streamlined regulations. The local company is in the process of selling as much as the equivalent of USD 15 million in shares, which it will use to buy minority stakes in at least five profitable Uruguayan tech companies with annual sales of USD 3 million or more, pointed out Mr. Jaime Miller, general partner at Montevideo-based investment banking firm Capital Oriental that is structuring the IPO. This tech fund will pay shareholders a dividend – companies that sell a stake to Zorzal must agree to pay it a dividend of at least 7% on the invested capital – and offer them the opportunity for stock price appreciation as portfolio companies grow or are acquired. The shares will be issued in Uruguayan Indexed Units for inflation. In 2022, the local securities regulator introduced simplified regulations for the IPO of shares on the local stock exchange.

#### *VI.7 Uruguay showed the world its potential as a producer and exporter of green hydrogen derivatives*

The Minister of Industry, Energy, and Mining, Ms. Elisa Facio, led an official delegation to the Netherlands, representing Uruguay at the *World Hydrogen Summit & Exhibition 2024*, the largest event dedicated to the global advancement of hydrogen. The activity took place between May 13<sup>th</sup> and 15<sup>th</sup> in Rotterdam, The Netherlands. Uruguay was present with a pavilion that sought to strengthen its positioning as a future producer of green fuels (e-fuels), derived from green hydrogen (H<sub>2</sub>U).

In this line, the delegation presented Uruguay's potential in the production of H<sub>2</sub>U derivatives and the results of the studies carried out within the framework of cooperation with The Netherlands. The H<sub>2</sub>U strategy update and progress on projects already announced in the country were also disseminated. In particular, the representatives highlighted the extraordinary position of Uruguay for meeting the requirements and becoming an exporter of H<sub>2</sub>U derivatives in the near term. According to its 2040 strategy, Uruguay could reach a turnover of around USD 1.9 billion per year and create more than 30,000 quality jobs.

#### *VI.8 Gucci garments incorporate sustainable Uruguayan wool*

The international fashion industry turned its eyes to Uruguay and highlighted the exceptional quality and sustainable practices in producing *merino* wool, led by local producers, committed to animal welfare and environmental respect. In this line, fine Uruguayan wool will be the raw material for Gucci garments after national producer Ms. Gabriela Bordabehere received the Climate Action award at Milan Sustainable Fashion Week.

“It is not minor to see that a company like Gucci is looking at South America, at the story of a simple woman who works in rural areas and has values they want to promote. They want their products to have a story of responsibility, honesty, work, and vision of the future, and a person who knows how to build work teams”, she said.



Uruguay has succeeded in producing top-quality wool, establishing itself as an indispensable partner in advanced sustainable fashion and design.

According to Bordabehere, the association with Gucci resulted from a collective project involving 13 producers under the umbrella of regenerative agriculture. This connection with the fashion brand represented a commercial milestone and validated the values and practices they stand for.

A traceability system allows the identification of wool throughout the entire industrialization process, from the farm to the delivery of the product to their customers. "We are producing the highest quality products. The effort made in Uruguay is paying off. There are not only personal efforts but also those of institutions working on the issue of genetics and improvement of the final wool product", concluded.

Annually, Uruguay exports around 25,000 tons of wool to over 40 countries, with Europe as the main destination (50% of Uruguayan production). Within Europe, Germany, Italy, Turkey, Bulgaria, Poland and the United Kingdom stand out. Asia is a close second, and as a continent, it represents 36% of wool purchases. China is the main market, followed by India and Japan.

#### VI.9 Uruguay's First Deforestation-Free Beef Shipment to Europe

Uruguay has completed its first shipment of deforestation-free certified beef to the European market, produced and exported by *Mosaica* under its *Sol Dorado* brand. The certification was conducted by LSQA in collaboration with FMS (*Profesionales SRL and Farm & Forestry Management Services SRL*).

LSQA developed a voluntary standard for the certification of "deforestation-free" status in agricultural and forestry products. This standard ensures that the production of agricultural raw materials does not contribute to deforestation, guaranteeing the product's chain of custody and the segregation of non-certified raw materials. The verification process includes satellite image reviews, aerial photos, and field visits when necessary.

This milestone is particularly significant with the upcoming implementation of the European Regulation 2023/1115, known as EUDR, starting January 1, 2025, which will require raw materials like beef, cocoa, coffee, and others to be deforestation-free to enter the European market.

LSQA, a leader in third-party certification in Uruguay for the agro-export sector and a member of the Global Roundtable for Sustainable Beef (GRSB) Board is committed to facilitating the access of Uruguayan products to international markets. *Sol Dorado* reinforces its leadership in the sector, having pioneered the first carbon-neutral beef export from Uruguay and South America in 2021.

#### VI.10 Kenya delegation visited Uruguay to learn about the sustainable development of the Uruguayan livestock sector

An official delegation from Kenya visited Uruguay in May 2024, to learn about the livestock experience and national public policies. Kenya's representatives highlighted its interest in knowing how collaboration between the government and the private sector is carried out in Uruguay. Also, the interest in institutional articulation, public goods, productivity, sustainability, and competitiveness, to take it to practical actions and thus achieve changes in the development of Kenya's livestock sector.

The visit, which was sponsored by *the Bill & Melinda Gates Foundation* and *Gatsby Africa*, was based on achieving *South-South* collaboration. The program called "*Learning Visit to Uruguay*" consisted of a week with a complete agenda of activities to understand the systems and institutions in Uruguay that ensure the integrity of products, disease control, and access to markets. The delegation, led by Mr. Jonathan Mueke, Principal

Secretary of the State Department of Livestock of Kenya, was made up of 44 participants from the public and private sectors: authorities, government advisors, technicians, businessmen, and civil society representatives.

In Kenya, over ten million pastoralists and smallholders in arid and semi-arid lands depend on livestock as their main source of income. The sector therefore has an important role to play in delivering an inclusive and prosperous future for millions of vulnerable people in the country.

In Uruguay, approximately 106,000 people work in cattle production and processing activities related. Out of that total, 70% work in primary production activities and 30% in secondary-level activities. The agricultural sector accounts for 7% of GDP and the livestock sector represents 59% of the agricultural sector's GDP. The grazing surface in Uruguay represents 14.3 million ha, of which around 84% correspond to natural grassland, stubble, and improved natural grassland.

## INVESTOR RELATIONS CONTACT INFORMATION

### *Debt Management Unit*

Antonio Juambeltz

☎ +598 2 1712 ext. 2957

E-mail: [ajuambeltz@mef.gub.uy](mailto:ajuambeltz@mef.gub.uy)

Stefanía Nova

☎ +598 2 1712 ext. 2959

E-mail: [stefania.nova@mef.gub.uy](mailto:stefania.nova@mef.gub.uy)

Joaquín Álvarez

☎ +598 2 1712 ext. 2786

E-mail: [joaquin.alvarez@mef.gub.uy](mailto:joaquin.alvarez@mef.gub.uy)

### *Macroeconomic Advisory Unit*

Carolina Steneri

☎ +598 2 1712 ext. 2210

E-mail: [carolina.steneri@mef.gub.uy](mailto:carolina.steneri@mef.gub.uy)

Balance of Payments <sup>(1) (2)</sup>

in USD million									
	2016	2017	2018	2019	2020	2021	2022	2023	2024Q1*
<b>Current Account</b>	<b>474</b>	<b>7</b>	<b>-301</b>	<b>767</b>	<b>-393</b>	<b>-1,500</b>	<b>-2,750</b>	<b>-2,912</b>	<b>-2,646</b>
<i>Goods and Services</i>	3,065	3,478	3,277	3,721	2,448	4,477	3,591	2,409	2,558
Goods	2,050	1,957	2,385	3,113	2,224	4,637	3,499	2,112	2,197
Exports	10,612	11,122	11,778	11,865	10,127	15,848	17,040	15,099	14,930
Merchandise goods	9,158	10,057	10,125	10,126	8,659	12,098	14,177	12,196	12,078
Goods under merchandising (net)	1,455	1,065	1,653	1,740	1,468	3,750	2,864	2,903	2,852
Imports	8,562	9,165	9,394	8,753	7,904	11,211	13,541	12,987	12,733
Services	1,015	1,521	892	608	224	-160	92	297	361
Exports	4,901	5,723	5,472	5,359	3,752	3,763	5,544	6,167	6,208
o/w Tourism	2,285	2,823	2,621	2,251	1,081	556	1,800	2,488	2,455
Imports	3,886	4,202	4,580	4,751	3,528	3,923	5,452	5,870	5,846
Primary Income	-2,660	-3,557	-3,667	-3,026	-2,910	-6,055	-6,480	-5,488	-5,375
Net employments' remunerations	0	3	3	3	4	4	4	4	4
Net repatriated profits and dividends	-2,578	-2,443	-2,468	-3,508	-2,356	-2,432	-3,122	-4,180	-4,314
Net reinvested earnings	524	-654	-680	759	-57	-3,017	-2,874	-1,265	-1,011
Net interest paid	-606	-463	-522	-281	-501	-609	-491	57	53
Secondary Income	70	86	89	72	69	78	140	167	171
<b>Capital Account</b>	<b>50</b>	<b>20</b>	<b>46</b>	<b>-373</b>	<b>54</b>	<b>-30</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>Financial Account</b>	<b>204</b>	<b>915</b>	<b>-540</b>	<b>154</b>	<b>544</b>	<b>-173</b>	<b>-2,176</b>	<b>-2,254</b>	<b>-1,346</b>
Foreign Direct Investment	1,823	2,037	729	-1,391	-1,019	-1,507	-2,959	-4,303	-1,550
Change in assets held abroad by residents	1,308	4,724	2,456	79	-491	1,940	5,567	-4,739	-6,014
Change in claims held by non-residents in the economy	-516	2,687	1,727	1,470	528	3,448	8,526	-436	-4,464
Portfolio Investment	1,721	-2,170	-1,471	1,036	1,500	1,095	1,961	1,362	-114
Change in assets held abroad by residents	441	-1,392	-790	2,405	2,753	1,373	1,924	2,470	751
Change in claims held by non-residents in the economy	-1,281	779	680	1,370	1,253	278	-37	1,108	865
Financial Derivatives	6	-224	-21	7	46	443	374	384	360
Net creditor contracts	26	-213	4	27	98	446	390	394	364
Net debtor contracts	21	10	26	19	51	3	16	11	4
Other Investment	-1,185	-1,177	631	1,612	-1,613	-1,047	24	-545	-1,023
Change in assets held abroad by residents	-2,354	-1,340	780	1,576	-422	692	613	-403	-251
Change in claims held by non-residents in the economy	-1,169	-164	149	-37	1,191	1,739	589	142	772
Change in Central Bank Reserve Assets	-2,161	2,449	-408	-1,111	1,630	843	-1,578	848	980
<b>Errors and Omissions</b>	<b>-320</b>	<b>888</b>	<b>-284</b>	<b>-239</b>	<b>883</b>	<b>1,357</b>	<b>570</b>	<b>656</b>	<b>1,299</b>

in % of GDP									
	2016	2017	2018	2019	2020	2021	2022	2023	Latest available 2023Q4*
<b>Current Account</b>	<b>0.8</b>	<b>0.0</b>	<b>-0.5</b>	<b>1.2</b>	<b>-0.7</b>	<b>-2.5</b>	<b>-3.9</b>	<b>-3.8</b>	<b>-3.4</b>
<i>Goods and Services</i>	5.3	5.3	5.0	6.0	4.6	7.4	5.1	3.1	3.3
Goods	3.6	3.0	3.7	5.0	4.1	7.6	5.0	2.7	2.8
Exports	18.4	17.1	18.0	19.1	18.9	26.1	24.3	19.5	19.1
Merchandise goods	15.9	15.5	15.5	16.3	16.2	19.9	20.2	15.8	15.5
Goods under merchandising (net)	2.5	1.6	2.5	2.8	2.7	6.2	4.1	3.8	3.7
Imports	14.9	14.1	14.4	14.1	14.7	18.5	19.3	16.8	16.3
Services	1.8	2.3	1.4	1.0	0.4	-0.3	0.1	0.4	0.5
Exports	8.5	8.8	8.4	8.6	7.0	6.2	7.9	8.0	8.0
o/w Tourism	4.0	4.3	4.0	3.6	2.0	0.9	2.6	3.2	3.1
Imports	6.7	6.5	7.0	7.6	6.6	6.5	7.8	7.6	7.5
Primary Income	-4.6	-5.5	-5.6	-4.9	-5.4	-10.0	-9.2	-7.1	-6.9
Net employments' remunerations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net repatriated profits and dividends	-4.5	-3.8	-3.8	-5.6	-4.4	-4.0	-4.4	-5.4	-5.5
Net reinvested earnings	0.9	-1.0	-1.0	1.2	-0.1	-5.0	-4.1	-1.6	-1.3
Net interest paid	-1.1	-0.7	-0.8	-0.5	-0.9	-1.0	-0.7	0.1	0.1
Secondary Income	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
<b>Capital Account</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.6</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Financial Account</b>	<b>0.4</b>	<b>1.4</b>	<b>-0.8</b>	<b>0.2</b>	<b>1.0</b>	<b>-0.3</b>	<b>-3.1</b>	<b>-2.9</b>	<b>-1.7</b>
Foreign Direct Investment	3.2	3.1	1.1	-2.2	-1.9	-2.5	-4.2	-5.6	-2.0
Change in assets held abroad by residents	2.3	7.3	3.8	0.1	-0.9	3.2	7.9	-6.1	-7.7
Change in claims held by non-residents in the economy	-0.9	4.1	2.6	2.4	1.0	5.7	12.1	-0.6	-5.7
Portfolio Investment	3.0	-3.3	-2.3	1.7	2.8	1.8	2.8	1.8	-0.1
Change in assets held abroad by residents	0.8	-2.1	-1.2	3.9	5.1	2.3	2.7	3.2	1.0
Change in claims held by non-residents in the economy	-2.2	1.2	1.0	2.2	2.3	0.5	-0.1	1.4	1.1
Financial Derivatives	0.0	-0.3	0.0	0.0	0.1	0.7	0.5	0.5	0.5
Net creditor contracts	0.0	-0.3	0.0	0.0	0.2	0.7	0.6	0.5	0.5
Net debtor contracts	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Other Investment	-2.1	-1.8	1.0	2.6	-3.0	-1.7	0.0	-0.7	-1.3
Change in assets held abroad by residents	-4.1	-2.1	1.2	2.5	-0.8	1.1	0.9	-0.5	-0.3
Change in claims held by non-residents in the economy	-2.0	-0.3	0.2	-0.1	2.2	2.9	0.8	0.2	1.0
Change in Central Bank Reserve Assets	-3.8	3.8	-0.6	-1.8	3.0	1.4	-2.2	1.1	1.3
<b>Errors and Omissions</b>	<b>-0.6</b>	<b>1.4</b>	<b>-0.4</b>	<b>-0.4</b>	<b>1.6</b>	<b>2.2</b>	<b>0.8</b>	<b>0.8</b>	<b>1.7</b>

(\* Sum of 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 merchandising" 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.

(2) GDP figures available since 2016 according to the latest update in National Accounts methodology, published by the Central Bank in December 2020.

Source: Central Bank of Uruguay.



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
														(Latest available)	As of:
<b>Economic Activity and Monetary Indicators, and Relative Prices<sup>(1)</sup></b>															
Monthly economic activity indicator (YoY % real change)							1.7	0.2	0.9	-7.4	5.6	4.7	-0.30	4.24	2024M04
Consumer inflation (YoY % change, eop)	8.6	7.5	8.5	8.3	9.4	8.1	6.6	8.0	8.8	9.4	8.0	8.3	5.11	4.10	2024M05
Producer inflation (YoY % change, eop)	11.1	5.9	6.3	10.6	6.6	-1.9	5.4	10.0	20.1	3.6	20.7	-1.88	-2.25	-6.72	2024M05
Nominal exchange rate (UYU per USD, eop)	19.90	19.40	21.39	24.33	29.87	29.26	28.76	32.39	37.34	42.34	44.70	40.07	39.02	39.99	2024M06
Nominal exchange rate (UYU per USD, 12-month average)	19.30	20.32	20.50	23.23	27.33	30.08	28.65	30.74	35.28	42.06	43.57	41.13	38.82	38.78	2024M06
Nominal exchange rate (YoY % change, 12-month average)	-3.8	5.3	0.9	13.3	17.6	10.1	-4.8	7.3	14.8	19.2	3.6	-5.6	-5.6	-2.2	2024M06
Real Effective Exchange Rate, REER (index base 100 = Dec-2011, eop)	100.0	85.0	79.4	78.6	79.2	75.8	77.1	69.3	72.7	70.5	71.4	61.5	60.5	61.3	2024M05
REER (YoY % change, if + = real depreciation)	-5.2	-15.0	-6.7	-1.0	0.8	-4.3	1.7	-10.1	5.0	-3.0	1.2	-13.9	-1.6	0.6	2024M05
Terms of Trade, ToT (index base 100 = Dec-2011, eop)	100.0	101.5	103.5	112.5	108.8	112.0	111.5	105.0	109.7	107.5	113.7	106.2	120.3	104.1	2024M04
ToT (YoY % change)	-1.1	1.5	2.0	8.7	-3.3	3.0	-0.5	-5.8	4.5	-2.1	-5.9	-5.6	13.3	-4.1	2024M04
Monetary base (YoY % change)	17.3	21.9	17.4	1.4	7.2	9.7	3.6	10.4	7.7	5.8	2.0	-2.4	15.47	10.29	2024M05
M1' (YoY % change)	20.8	11.2	15.0	3.7	5.6	8.4	15.0	8.9	5.1	18.5	17.8	0.4	9.9	9.7	2024M05
International Reserves (% of GDP) <sup>(2)</sup>						23.3	24.5	23.8	23.3	30.3	27.9	21.5	21.0	-1.6	2024M05
Interest rate on Central Bank's 30-day bills (annual, in %, average) <sup>(3)</sup>	8.1	9.1	15.0	13.6	12.4	10.9	8.4	8.1	8.6	4.6	6.7	11.7	9.40	8.56	2024M05
Interest rate on Central Bank's 1-year bills (annual, in %, average) <sup>(3)</sup>	9.7	10.2	15.0	14.1	15.0	14.3	9.6	10.2	10.9	7.4	7.6	12.0	9.55	9.68	2024M05
Monetary Policy Interest Rate (overnight reference, annual, in %, eop) <sup>(4)</sup>	8.75	9.0	9.25	.	.	.	.	.	.	4.5	5.75	11.3	9.25	8.50	2024M05
Overnight interbank interest rate (annual, in %, eop) <sup>(5)</sup>	8.8	8.9	5.3	20.0	18.0	3.5	8.6	5.0	9.0	4.3	5.5	11.3	8.00	8.54	2024M05
Interest rate on local currency deposits (annual, in %, average) <sup>(6)</sup>	5.5	5.2	5.1	8.5	7.9	6.0	5.3	5.3	6.5	4.2	4.5	8.9	7.8	7.1	2024M05
Total bank deposits by private non-financial sector (% of GDP)						47.6	43.8	45.8	49.6	48.3	41.2	52.9	51.4	50.2	2024M05
<i>By currency (% of total)<sup>(7)</sup>:</i>															
Local currency	26.2	26.1	24.7	22.3	19.1	22.7	26.7	26.4	23.8	22.7	22.8	25.0	28.5	27.9	2024M05
Foreign currency	73.8	73.9	75.3	77.7	80.9	77.3	73.3	73.6	76.2	77.3	77.2	75.0	71.5	72.1	2024M05
<i>By residency (% of total):</i>															
Residents	84.4	84.2	84.5	84.3	83.7	87.4	90.2	90.2	89.6	89.7	90.6	91.4	91.9	92.4	2024M05
Non-residents	15.6	15.8	15.5	15.7	16.3	12.6	9.8	9.8	10.4	10.3	9.4	8.6	8.1	7.6	2024M05
Interest rate on local currency loans (annual, in %, average) <sup>(6)</sup>	21.9	20.7	22.0	21.5	23.2	24.7	24.6	23.8	23.6	20.2	17.5	21.6	18.9	15.3	2024M05
Total bank credit to private non-financial sector (% of GDP) <sup>(8)</sup>						25.5	23.7	24.8	25.2	49.1	21.3	26.8	29.2	27.4	2024M05
<i>By currency (% of total)<sup>(5)</sup>:</i>															
Local currency	45.2	46.6	44.9	43.4	43.2	45.4	48.2	48.1	49.0	49.2	48.9	50.5	49.8	48.7	2024M05
Foreign currency	54.8	53.4	55.1	56.6	56.8	54.6	51.8	51.9	51.0	50.8	51.1	49.5	50.2	51.3	2024M05
<i>By residency (% of total):</i>															
Residents	98.6	98.8	98.9	98.9	99.0	99.0	99.0	99.3	99.1	98.6	96.6	97.1	96.1	95.9	2024M05
Non-residents	1.4	1.2	1.1	1.1	1.0	1.0	1.0	0.7	0.9	1.4	3.4	2.9	3.9	4.1	2024M05
Total bank credit to non-financial sector (YoY % real change)	9.7	6.9	14.8	9.3	11.9	-5.4	-6.4	4.6	2.0	2.7	4.5	1.3	5.0	4.1	2024M05

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

(2) Figures of ratios of GDP are presented starting in 2016, given that the new GDP figures released by the Central Bank under the re-based national accounts statistics are only available from that year onwards. Figures as a share of GDP are presented through May 2024 based on rolling 12-month Nominal GDP estimated by the Ministry of Economy and Finance; official GDP figures for 2024Q2 will be released by the Central Bank in September 2024.

(3) Weighted average of the cut-off rates in Central Bank's auctions.

(4) From July of 2013 to September 3<sup>rd</sup> of 2020, the Monetary Policy instrument was based on the control of the Monetary Aggregate M1'. Since September 4<sup>th</sup> of 2020, the Central Bank of Uruguay returned to the interest rate as policy instrument.

(5) For end-year data, it uses latest rate available from interbank operations.

(6) Weighted average across all maturities.

(7) Assumes all deposits from, and loans to, non-residents are in foreign currency.

(8) Assumes loans to non-residents non-financial sector is private only.

Sources: Central Bank of Uruguay and National Institute of Statistics

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
														(Latest available)	As of:
<b>Labor Market Indicators</b>															
Activity rate (% of working age population, eop) <sup>(1)</sup>	64.1	64.0	63.6	64.7	63.8	63.4	62.9	62.5	62.2	60.7	62.6	62.7	63.8	64.1	2024M04
Employment rate (% of working age population, eop)	60.1	59.9	59.4	60.4	59.0	58.4	57.9	57.2	56.7	54.5	58.3	57.7	58.9	58.3	2024M04
Unemployment rate (% of labor force, eop) <sup>(2)</sup>	6.3	6.3	6.5	6.6	7.5	7.9	7.9	8.4	8.9	10.2	7.0	7.9	7.8	9.0	2024M04
Unemployment insurance (number of beneficiaries, in thousands, eop)	26.2	31.1	35.4	38.5	45.2	44.4	42.5	43.8	45.4	77.4	46.2	46.4	42.08	40.93	2024M04
Nominal wages (index base 100 = Dec-2011, eop)	100.0	112.6	126.5	142.0	156.1	174.4	190.1	206.1	223.7	240.7	255.5	280.6	305.0	319.2	2024M04
Nominal wages (% change, 12-month average, YoY)	12.9	13.1	11.4	12.8	10.4	11.4	10.5	7.8	9.4	7.9	5.9	8.7	9.4	8.5	2024M04
Real wages (index base 100 = Dec-2011, eop)	100.0	105.2	108.7	112.5	112.9	116.6	118.1	118.4	118.1	116.3	114.5	115.7	120.3	122.9	2024M04
Real wages (% change, 12-month average, YoY)	4.03	4.23	3.00	3.38	1.56	1.55	2.95	0.19	1.27	-1.72	-1.49	-0.56	3.69	4.08	2024M04
Real wages (% change, accumulated 12 months, YoY)		5.17	3.31	3.50	0.39	3.28	1.32	0.23	-0.27	-1.52	-1.56	1.03	4.01	4.21	2024M04

(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 receiving the unemployment insurance benefit.

Source: National Institute of Statistics and Social Security Bank

## Uruguay Economic Indicators

Public Finances <sup>(1)(2)</sup>	2016	2017	2018	2019	2020	2021	2022	2023	2024	
	(in % of GDP)									(Latest available) As of:
<b>Central Government</b>										
Revenues	25.5	26.4	27.9	27.0	27.0	25.9	26.5	26.9	25.9	2024M05
Primary expenditures	26.3	26.7	27.2	27.4	29.5	27.5	27.3	27.7	26.9	2024M05
Primary balance	-0.7	-0.2	0.7	-0.4	-2.4	-1.6	-0.8	-0.8	-1.0	2024M05
Interests payments <sup>(3)</sup>	2.5	2.5	2.6	2.4	2.7	2.1	2.2	2.3	2.3	2024M05
<b>Headline Central Government balance</b>	<b>-3.2</b>	<b>-2.7</b>	<b>-1.9</b>	<b>-2.8</b>	<b>-5.1</b>	<b>-3.7</b>	<b>-3.1</b>	<b>-3.2</b>	<b>-3.3</b>	2024M05
Net effect of the Social Security Trust Fund ("Cincuentones Effect") <sup>(4)</sup>	.	.	1.2	1.1	0.7	0.4	0.2	0.1	0.1	2024M05
Extraordinary transfers to Social Security Trust Fund <sup>(5)</sup>	.	.	1.2	1.0	0.6	0.3	0.1	0.0	0.0	2024M05
Interest payments to the SSTF on its holdings of Central Government Debt	.	.	0.0	0.1	0.1	0.1	0.1	0.1	0.1	2024M05
<b>Central Government balance excluding Cincuentones effect</b>	<b>.</b>	<b>.</b>	<b>-3.1</b>	<b>-3.9</b>	<b>-5.8</b>	<b>-4.1</b>	<b>-3.3</b>	<b>-3.3</b>	<b>-3.4</b>	2024M05
<b>Rest of Non-Monetary Public Sector (NMPS)</b>										
Local governments balance	0.1	0.1	0.0	-0.1	0.1	0.1	0.1	0.0	0.0	2024M05
Non-financial public enterprises balance	0.2	0.0	-0.2	-0.3	0.1	0.6	0.1	-0.2	-0.4	2024M05
State-owned insurance bank balance	0.2	0.2	0.2	0.4	0.3	0.4	0.3	0.3	0.3	2024M05
<b>Headline Rest of NMPS balance</b>	<b>0.5</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>1.1</b>	<b>0.5</b>	<b>0.1</b>	<b>0.0</b>	2024M05
<b>Central Bank</b>										
Primary balance	-0.1	-0.1	-0.1	-0.1	0.0	0.0	-0.1	0.0	0.0	2024M05
Interests payments	0.6	0.6	0.7	0.4	0.5	0.9	0.6	0.6	0.7	2024M05
<b>Headline Central Bank balance</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.8</b>	2024M05
<b>Consolidated Public Sector</b>										
Primary balance	-0.3	-0.2	0.4	-0.5	-2.1	-0.7	-0.6	-1.0	-1.2	2024M05
Interests payments	3.0	3.0	3.1	2.6	3.0	2.9	2.7	2.7	2.8	2024M05
<b>Headline Overall balance</b>	<b>-3.4</b>	<b>-3.2</b>	<b>-2.7</b>	<b>-3.2</b>	<b>-5.2</b>	<b>-3.5</b>	<b>-3.2</b>	<b>-3.7</b>	<b>-4.0</b>	2024M05
<b>Overall balance excluding Cincuentones effect</b>	<b>-3.4</b>	<b>-3.2</b>	<b>-3.9</b>	<b>-4.3</b>	<b>-5.8</b>	<b>-4.0</b>	<b>-3.4</b>	<b>-3.8</b>	<b>-4.2</b>	2024M05

(1) Figures of ratios of GDP are presented starting in 2016, given that the new GDP figures released by the Central Bank under the re-based national accounts statistics are only available from that year onwards. Figures as a share of GDP are presented through May 2024 based on rolling 12-month Nominal GDP estimated by the Ministry of Economy and Finance; official GDP figures for 2024Q2 will be released by the Central Bank in September 2024.

(2) The sum of the components may not match the totals due to rounding reasons.

(3) Includes interests from Capitalization Bonds held by the Central Bank.

(4) 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](#).

(5) Transfers refer to the accumulated savings of workers and retirees who chose to fully switch to the defined-benefit sector social security scheme.

Source: Ministry of Economy and Finance of Uruguay

Public Debt <sup>(1)(2)</sup>	2016	2017	2018	2019	2020	2021	2022	2023	2024	
	(in % of GDP, unless otherwise indicated)									(Latest available) As of:
<b>Central Government<sup>(3)(4)</sup></b>										
Gross debt	45.3	44.1	45.0	48.0	61.3	58.5	58.2	58.3	59.8	2024Q1
o/w in foreign currency (% of total)	54.7	49.2	53.8	56.1	54.5	52.7	47.4	45.7	44.5	2024Q1
held by non-residents (% of total)	55.5	53.5	55.0	57.4	58.7	55.4	49.9	48.3	49.2	2024Q1
Net debt	38.7	38.8	40.1	44.4	56.2	53.9	54.1	54.6	56.5	2024Q1
Memo Item: Social Security Trust Fund's holdings of Central Government debt	.	.	0.9	1.7	2.4	2.5	2.8	2.9	3.0	2024Q1
<b>Consolidated Public Sector<sup>(5)</sup></b>										
Gross debt	58.2	59.8	58.9	59.9	74.5	69.8	68.1	69.0	72.2	2024Q1
o/w in foreign currency (% of total)	52.6	41.4	47.0	53.6	50.3	49.6	44.8	42.1	40.5	2024Q1
held by non-residents (% of total)	50.0	44.8	46.5	50.9	52.0	51.6	46.9	45.3	43.4	2024Q1
Net debt	27.0	28.2	28.3	29.6	36.0	34.9	39.3	41.1	43.0	2024Q1

Source: Central Bank of Uruguay

(1) Figures are presented starting in 2016, given that the new GDP figures released by the Central Bank under the re-based national accounts statistics are only available from that year onwards.

(2) Stocks measured end-of-period.

(3) Debt figures as compiled by the Debt Management Unit which include all loans and financial market securities contracted/issued by the Central Government in domestic and foreign currency, in both local and international markets, and held or disbursed by private, multilateral, and/or other domestic or foreign public sector entities. They include Central Government securities held by the public Social Security Trust Fund, and exclude non-market Central Government securities issued to capitalize the Central Bank in previous years.

(4) Figures as a share of GDP are presented through March 2024 based on official GDP figures for 2023Q1 published on June 2024 by the Central Bank.

(5) Reported data nets out cross-holdings of assets and liabilities by institutions within the public sector, which consists of the Central Government (including the Social Security public fund), local governments, public enterprises, the state-owned insurance bank and the Central Bank.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	
<b>Economic structure and activity<sup>(1)</sup></b>									(Latest available)	As of:
Population (million)	3.48	3.49	3.51	3.52	3.53	3.54	3.55	3.44		2023Q4
Annual Nominal GDP (local currency, billions)	1,734	1,864	2,008	2,194	2,255	2,646	2,889	2,999	3,023	2024Q1
Annual Nominal GDP (USD, millions)	57,630	65,058	65,315	62,172	53,613	60,732	70,236	77,244	78,026	2024Q1
GDP per Capita (nominal USD)	16,559	18,624	18,629	17,670	15,184	17,141	19,757	22,427	22,654	2024Q1
<b>Real GDP (% change, YoY)<sup>(2)</sup></b>		1.7	0.2	0.7	-6.3	5.3	4.9	-0.2	-0.2	2024Q1
<i>By Sector</i>										
Agriculture, fishing and mining		-10.8	5.6	2.3	-6.0	13.4	-21.5	59.4	4.3	2024Q1
Manufacturing		-2.9	5.4	-3.8	-5.7	7.6	-4.3	-5.5	-10.3	2024Q1
Electricity, gas and water		3.9	4.0	10.2	-8.5	5.8	-5.7	-3.0	20.0	2024Q1
Construction		-6.7	-7.6	-0.5	2.0	6.0	1.5	-12.4	-3.8	2024Q1
Commerce, restaurants and hotels		4.0	-8.4	0.3	-8.6	7.8	5.6	2.5	2.9	2024Q1
Transportation, storage and information and communications		7.2	1.2	6.5	-7.9	0.8	6.8	-0.3	2.5	2024Q1
Financial services		3.3	-1.4	1.3	-0.3	5.8	2.7	3.8	3.1	2024Q1
Professional services and leasing		7.6	-2.4	1.0	-6.2	8.1	3.8	-5.0	0.1	2024Q1
Public administration activities		-1.6	2.2	2.7	-0.6	0.1	0.3	1.0	5.1	2024Q1
Health, education, real state activities and other services		2.3	3.9	-0.4	-8.8	2.6	1.1	0.6	-0.6	2024Q1
<i>By Expenditure</i>										
Final Consumption Spending		3.6	2.4	0.9	-6.9	4.0	3.4	2.1	1.1	2024Q1
o/w private sector		4.0	1.8	0.6	-6.8	2.9	4.5	2.8	1.8	2024Q1
o/w public sector		2.1	4.9	1.9	-7.1	8.4	-0.2	-0.6	-1.8	2024Q1
Gross fixed capital formation		0.9	-10.5	-2.0	1.2	16.5	3.9	-10.2	-10.8	2024Q1
Exports (goods and services)		5.3	-1.1	4.6	-16.3	11.7	-5.6	8.9	4.5	2024Q1
Imports (goods and services)		7.5	0.6	1.3	-12.2	18.2	3.7	3.1	-3.8	2024Q1
<b>Share of Nominal GDP by economic activity (in %)<sup>(3)</sup></b>										
Agriculture, fishing and mining	7.0	5.6	6.0	6.7	7.6	8.2	7.1	5.8		2023
Manufacturing	11.0	10.3	11.1	10.6	9.7	10.2	10.1	9.5		2023
Electricity, gas and water	2.7	2.9	2.8	2.5	2.5	2.8	2.3	2.1		2023
Construction	4.9	4.7	4.3	4.3	4.6	4.3	4.8	4.7		2023
Commerce, restaurants and hotels	13.5	13.5	12.2	12.5	12.4	15.2	14.9	15.0		2023
Transportation, storage and information and communications	8.5	8.7	8.8	9.1	8.5	8.5	9.0	8.9		2023
Financial services	5.0	5.1	5.1	4.8	4.9	4.6	4.7	5.1		2023
Professional services and leasing	6.9	7.4	7.4	7.6	7.2	7.4	7.5	7.8		2023
Government activities	4.8	4.9	5.0	5.2	5.3	4.8	4.7	5.1		2023
Health, education, real state activities and other services	24.9	25.9	26.2	25.7	25.9	22.8	23.1	24.5		2023
<b>Share of Nominal GDP by expenditure (in %)<sup>(3)(4)</sup></b>										
Final Consumption Spending	76.9	78.3	80.0	79.6	79.2	74.2	75.8	79.5		2023
Gross fixed capital formation	16.9	16.2	14.8	14.8	16.0	17.6	18.5	17.4		2023
Exports (goods and services)	26.9	25.9	26.5	27.8	25.2	30.5	31.3	27.5		2023
Imports (goods and services)	21.5	20.4	21.4	21.7	20.8	23.9	25.9	24.2		2023

(1) Figures are presented starting in 2016, given that the new GDP figures released by the Central Bank under the re-based national accounts statistics are only available from that year onwards.

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

(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.