Doing Business in Uruguay: 2012 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Uruguay

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Market Overview Return to top

- Welcome – "*Bienvenidos*" The Commercial Section of the U.S. Embassy in Montevideo has compiled this guide to provide you with a brief background on the Uruguayan market as you consider export opportunities. Please do not hesitate to reach out to the Embassy at any time. The Commercial Section looks forward to assisting U.S. exporters in finding local buyers and business partners.

- Uruguay is a market-oriented economy in which the State plays a significant role. On the heels of a deep economic and financial crisis in the early 2000s, the economy began recovering in 2003 and has grown robustly since then, with annual average rates of 6.5% from 2004 to 2008. The global financial crisis put a brake on growth, but Uruguay managed to avoid a recession and maintained growth rates of 2.9% in 2009, a high 8.5% in 2010, and 6.3% in the first three quarters of 2011. Current estimates for 2012 show a growth rate of about 4.5%. The crisis has not affected Uruguay's banking system, which remains sound.

- Uruguay is a founding member of MERCOSUR, the Southern Cone trading bloc also composed of Argentina, Brazil, and Paraguay. Chile and Bolivia are associate members, and the full incorporation of Venezuela is under discussion. The MERCOSUR Secretariat is located in Montevideo.

- Uruguay also boasts a highly educated population (97% literacy rate) and a dynamic services sector. Software development in particular is a growing sector, with Uruguay a leading software exporter in Latin America.

- Uruguay may serve as a good distribution platform for U.S. firms wishing to sell their products to the entire MERCOSUR region. A centralized location, a comprehensive free-trade zone regime, and adequate infrastructure provide significant advantages to stock products for later regional distribution, or to showcase them locally for regional buyers.

- Uruguay and the United States enjoy a very good bilateral relationship. Commercial relations continue to build up through work under the auspices of the Trade and Investment Framework Agreement (TIFA). Bilateral trade with the United States amounted to about $1.5 billion in 2011. The U.S. trade surplus ($966 million in 2011) has increased dramatically since 2007.

- Imports from the United States surged in recent years following the economic upturn and sales of refined fuels, from under $331 million in 2006 to $1.3 billion in 2011. The United States had the fourth largest market share in 2011 (10%), after Brazil and Argentina (19% each), and China (13%). Top five U.S. sales in 2011 were refined fuels ($422 million, equivalent to 38% of total exports), cellular phones, laptops, chemicals, bulldozers and other heavy machinery, and agricultural machinery. Sales of the four latter were in the $25-$35 million range, about 3% of total U.S. exports each.

- In turn, Uruguayan exports to the United States declined significantly in recent years – from $523 million in 2006 to $245 million in 2011– as Uruguayan exporters of beef and refined oil reoriented to other markets. In 2011, sales to U.S. were largely concentrated on beef ($78 million, equivalent to 32% of total), beef products ($43 million, 18%), honey ($22 million, 9%), leather ($11 million, 4%) and wood panels ($9 million 7%). The United States dropped from being Uruguay's second largest export market in 2006 to being its eighth largest in 2011.

- Uruguay's overall imports (CIF) amounted to $10.7 billion in 2011 and exports of goods (FOB) totaled $8.0 billion. Brazil was the top export market (20%) followed by the Nueva Palmira Free Trade Zone (9%) that serves as a re-export base (soybeans and cellulose pulp are the two principal products that are later re-exported to China and Finland). Argentina and China (7% each) and Russia (5%) follow.

- Uruguay's top imports are crude oil and capital goods. While Uruguay has diversified its export structure in recent years by incorporating new products such as soybeans and cellulose pulp, its top nine exports (frozen and fresh beef, soybeans, rice, wheat, dairy products, wood, and barley) still account for about half of total sales. Uruguay is a major exporter of cellulose pulp and beverage concentrates produced in free trade zones.

- Uruguay's investment climate is generally positive. A decree passed in 2007 and modified in January 2012 provides significant incentives to local and foreign investors. Foreign and national investors are treated alike, there is fully free remittance of capital and profits, and investments are commonly allowed without prior authorization. There are thirteen free trade zones, three of which are dedicated to services. Overall, U.S. firms have not identified corruption as an obstacle to investment.

- Uruguay has bilateral investment treaties with several countries –including one with the United States signed in 2005 – and several Double Taxation Agreements (although not with the United States). Uruguay and the United States also signed an Open Skies Agreement in 2004 and a Trade and Investment Framework Agreement in early 2007 that is providing a platform for active work on commercial issues. The two nations also signed a Science and Technology Agreement in 2008.

- About one-hundred American firms operate in Uruguay and, according to the U.S. Department of Commerce, the stock of U.S. direct investment amounted to $1.4 billion in 2010.

Please refer to Chapter 2 or the following links for further economic information:

- U.S. Embassy's web page http://uruguay.usembassy.gov
- Ministry of Economy and Finance http://www.mef.gub.uy/portada.php
- Central Bank http://www.bcu.gub.uy
- National Institute of Statistics http://www.ine.gub.uy
- Presidency of the Republic http://www.presidencia.gub.uy
- Uruguay XXI (*Export and Investment promotion agency*) http://www.uruguayxxi.gub.uy
- Single Window for Investors http://www.mef.gub.uy/unasep.php
- IMF http://www.imf.org/external/country/URY/index.htm
- World Bank http://www.worldbank.org/uy
- MERCOSUR Secretariat http://www.mercosur.int

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- The challenges Uruguay faces in promoting its local market are its small size (3.3 million inhabitants) and the lack of trade-related financing. Uruguay is largely unknown to many U.S. companies.

- Local companies traditionally look first to neighboring MERCOSUR countries to develop trade. In recent years, attention has been increasingly turning to China; the United States has been losing market share to China in many sectors. U.S. exporters need to be flexible in their minimum sales and payment requirements.

- The distance and added cost to ship products from the United States (vis-à-vis neighboring countries) can at times be a deterrent when sourcing imports.

- While the government recognizes the need to expand trade relations with all countries across the board, it generally focuses more attention on regional markets.

- Government procurement and bidding processes are generally transparent, but slow. The bureaucracy for obtaining official investment information and procedures is also slow at times.

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- A combination of favorable exchange rates, higher wages, historically low unemployment, and consumer confidence in Uruguay's economy fueled increasing demand for imported products in 2011, and projections for 2012 indicate similar trends.

- Cellular phones, information technology, agricultural machinery, and chemicals are the top U.S. exports to Uruguay.

- Uruguay offers good opportunities as a test market for the region, given the small size of its market, respect for the rule of law, and sound investment climate.

- In late 2011, the Uruguayan Parliament approved a Public-Private Partnership (PPP) law. While this type of association already existed, the new PPP legislation formalizes the procedures, responsibilities, and obligations of the State and private investors. The GOU trusts that this law will further attract foreign investment, mainly in much-needed infrastructure projects. Among these are:

    - Road and railway rehabilitation;
    - Renewable energy;
    - Sea and river port projects;
    - Jail construction;
    - Low-cost housing projects.

For detailed information regarding these projects, please refer to Chapter 4.

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- All import channels exist -- agents, distributors, importers, trading companies, subsidiaries, and branches of foreign firms. Sales outlets and supermarkets are traditional storefronts. There are no discount general merchandisers.

- U.S. suppliers should be thorough in their selection of an in-country agent or representative. The contractual relationship (employer-employee or commission-based) should be made clear. Failure to do so could result in supplier liability for severance if the U.S. company decides to end the business relationship.

- The best strategy recommended to enter the local market is to visit Uruguay, interview potential partners, and name a representative/agent. Business relationships and creative financing terms are very important.

- U.S. exporters are encouraged to take advantage of the export promotion services provided by the Commercial Section of the U.S. Embassy in Montevideo. Please check http://export.gov/uruguay/servicesforu.s.companies/index.asp for the full list of services provided. For more information please visit: http://export.gov/uruguay/index.asp

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Chapter 2: Political and Economic Environment

For background information on Uruguay's political and economic environment, please click on the link below to the U.S. Department of State Background Notes.

http://www.state.gov/r/pa/ei/bgn/2091.htm

In order to provide information on how Uruguay is viewed from different perspectives, the U.S. Embassy's Economic and Commercial Section selected the following surveys that cover Uruguay's first, second and third place finishes in regional rankings:

1st in *South America* in:

- Quality of Life *(Prosperity Index, Legatum Institute, 2011)*
- Democracy *(Democracy Index, The Economist, 2010)*
- Business Climate *(Economic Climate Index, Getulio Vargas Foundation, 2011)*
- Prosperity *(Prosperity Index, Legatum Institute, 2011)*
- Security *(Latin Security Index, Latin Business Chronicle, 2010)*
- Quality of Living – Montevideo *(Quality of Living Ranking, Mercer Consulting, 2011)*
- Peace *(Global Peace Index, Vision of Humanity, 2011)*
- Troop Contribution to U.N. Peace Keeping Operations *(United Nations, 2011)*

2nd in *South America* in:

- Freedom *(Freedom Index, Freedom House, 2011)*
- Economic Freedom *(Economic Freedom Index, Heritage Foundation, 2011)*
- Chances of children to avoid poverty *(Human Opportunity Index, World Bank, 2010)*
- Income Equality *(Gini Index, United Nations Development Program, 2009)*
- Corruption *(Corruption Perception Index, Transparency International, 2010)*
- Innovation *(Global Innovation Index, INSEAD and Indian Conf. Ind., 2009)*
- Infrastructure *(Latin Infrastructure Index, Latin Business Chronicle, 2010)*
- Press Freedom *(Press Freedom Index, Reporters Without Borders, 2010)*

3rd in *South America* in:

- GDP per capita *(International Monetary Fund, 2011)*
- Competitiveness *(World Economic Forum, 2010-2011)*
- Livable Cities - Montevideo *(Livable Cities Index, The Economist, 2010)*
- Poverty (% of population) *(CIA World Factbook, 2011)*
- Best Country for Business *(Forbes Magazine, 2011)*
- Human Development *(United Nations Development Program, 2010)*

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Chapter 3: Selling U.S. Products and Services

- Using an Agent or Distributor
- Establishing an Office
- Franchising
- Direct Marketing
- Joint Ventures/Licensing
- Selling to the Government
- Distribution and Sales Channels
- Selling Factors/Techniques
- Electronic Commerce
- Trade Promotion and Advertising
- Pricing
- Sales Service/Customer Support
- Protecting Your Intellectual Property
- Due Diligence
- Local Professional Services
- Web Resources

Using an Agent or Distributor

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A helpful way to find a local agent is to take advantage of the export promotion services provided by the U.S. Department of Commerce through the Commercial Section of the U.S. Embassy in Uruguay. For a modest fee, the Commercial Section will provide a **Customized Contact List** with up to 10 potential partners with additional information, such as a contact name, e-mail, brief description of the firm, approximate number of employees, products/services, foreign companies represented, year established, and sales revenue if available.

Our Gold Key Service (GKS) is another great way to open doors, and allows U.S. executives to travel to Uruguay efficiently and effectively for face-to-face meetings with potential business partners. The Commercial Section will prepare a customized schedule of appointments with pre-screened potential agents, distributors, or other business contacts according to the company's needs.

In addition, the ICP (International Company Profile) is an in-depth confidential background report on a local firm. The report includes the local company's contact information, its size/approximate number of employees, products/services, financial and business references, company reputation, and the Commercial Section's comments/evaluation.

For the full list of services provided, please check the following link:
http://export.gov/uruguay/servicesforu.s.companies/index.asp

Establishing an Office

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A new enterprise or the acquisition of an existing Uruguayan company can be done freely. It is advisable to contract an experienced attorney who can provide guidance in completing the necessary legal paperwork. The foreign investor is free to adopt any desired legal organization structure. Corporations or branches are the most common forms, but a personal partnership is also possible. The Commercial Section of the U.S. Embassy can provide a list of attorneys who regularly work with foreign corporations wishing to establish a presence in Uruguay.

Franchising

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Franchising in Uruguay has to date been largely limited to food-related outlets, hotels, and car rental companies. There are no legal restrictions on operating a franchise in Uruguay. For general information, please consult this link: http://www.mtgroup-uy.com. For more information or assistance, please e-mail office.montevideo@trade.gov.

Direct Marketing

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U.S. exporters may sell and ship directly to Uruguayan consumers. Courier packages containing CDs, DVDs, books, and personal items valued up to $200 are exempt from import tariffs. Courier regulations, however, are not always uniformly applied and may change periodically. The use of telemarketing and e-mail campaigns are on the rise. Direct marketing is also popular in heavily transited street corners and during the summer at beach resorts, where hired promoters distribute flyers and samples of all types of products and services. Inserts in the Sunday edition of major newspapers are also a popular form of direct marketing. Catalog sales are not common as Uruguayans prefer to window shop and personally choose the goods to be purchased.

Joint Ventures/Licensing

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Both joint ventures and licensing are common in Uruguay and generally involve procedures similar to those practiced in most other countries

Selling to the Government

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A Government-to-Business (G2B) website, http://www.comprasestatales.gub.uy was established to increase transparency and reduce government procurement costs. Government agencies issue tenders for the purchase of products and services.

Distribution and Sales Channels

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All customary import channels exist in Uruguay – agents, distributors, importers, trading companies, subsidiaries, and branches of foreign firms, among others. Sales outlets are usually traditional storefronts and supermarkets. Very few discount general merchandisers operate in Uruguay.

Selling Factors/Techniques

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Foreign manufacturers with sustained sales in Uruguay generally use the services of an agent or distributor. Nearly all importers/distributors are based in Montevideo, although some maintain sales networks in the interior of the country as well. A U.S. firm with a local representative has the advantage of keeping up-to-date with local market conditions as well as changes in policies affecting trade.

Uruguay is a good market for both new and used equipment and machinery. Pre-owned and/or refurbished equipment from the United States may be marketable to local industry. When making purchase decisions, Uruguayan consumers consider quality, price, payment terms, delivery time, after-sales servicing and compatibility with existing systems.

U.S. manufactured products are regarded as high in quality but occasionally lose price competitiveness vis-à-vis regional products. Yet, they often rate poorly when it comes to financing, which is an important factor in sales in Uruguay. U.S. manufacturers offering flexible, innovative, and competitive credit terms will overcome a difficult hurdle to achieve export sales to Uruguay.

Electronic Commerce

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Uruguay has one of the highest levels of Internet penetration in Latin America, although its e-commerce figures remain comparatively low.

Sixty percent of Uruguayan homes have internet access through the ownership of a PC or because of the One Laptop Per Child government program. A survey conducted among internet users in late 2010 revealed that one in four users (24.5%) purchase products online. However, only 7% of those use the internet to pay for the products purchased. Attempts to increase the use of e-commerce clash with a cultural reality: many Uruguayans prefer to deal face to face and distrust the electronic format. Local advertisers agree that the Internet serves as a means to promote their products and services, but not to close business transactions. The survey reveals that 26% of the people who have never purchased online cite a lack of confidence in delivery as the reason; 18% do not find it convenient; 17% do not know how it works; and 12% mistrust using credit cards. The use of auction websites similar to e-Bay is increasing in popularity.

Since the economy began recovering in 2003, companies started using websites and sought to increase sales online. Sales of computer accessories, computers, and cell phones have the lead followed by home appliances and groceries. It is not unusual, however, that e-mails sent to addresses published on websites go unanswered. The items most frequently purchased online from overseas include books, CDs, clothing, hardware, sporting goods, toys, games/DVDs, and software. In most cases, these items are purchased because they are unavailable locally. Other factors include lower prices, convenience, and the items' novelty. Google is the search engine of choice.

The growth of e-business from abroad has also been negatively impacted by taxes and measures imposed by the Government of Uruguay that affect the door-to-door delivery of goods arriving via international couriers. Most goods arriving via couriers that cost under $200 enter free of duties, but the relevant regulations are not always applied uniformly.

Trade Promotion and Advertising

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It is advisable to work with a local advertising agency. "El Pais," "El Observador," and “La Republica” are the leading newspapers in terms of circulation followed by “Cronicas,” while "Busqueda" is a highly respected weekly business-oriented journal. Several major international advertising agencies maintain offices in Montevideo. Television and radio advertising are also popular. During the summer months of December-March, light aircraft with trailing banners are commonly used to promote new products along the coast. Several local ad agencies produce TV commercials for clients abroad.

The Embassy periodically hosts industry-specific catalog exhibitions and trade missions. It also participates with a commercial booth in some local trade fairs. Details concerning these fairs may be obtained from the Commercial Section, U.S. Embassy Montevideo, Tel: (5982) 1770-2000, Fax: (5982) 418-8581 or by e-mail at office.montevideo@trade.gov.

Catalogs may be sent via regular U.S. mail to:
Econ/Commercial Officer
Department of State
3360 Montevideo Place
Washington, D.C. 20521-3360

Pricing

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The Uruguayan market price structure reflects world market prices plus import tariffs and transportation costs. In addition to tariff advantages, products from nearby MERCOSUR countries like Argentina and Brazil enjoy significantly lower transportation costs than do products from the United States, Europe, and Asia.

A typical price structure for an item imported from the United States is as follows (i.e., restaurant equipment HS code 8509.40.20):

Price (CIF)		1,000.00
Tariff Duty	10%	100.00
Import Tax	10%	100.00
Corporate Tax	4.8%	48.00
Extraordinary taxes	- -	12.00
T.S.A	- -	2.00
V.A.T. (based on Price plus Corporate Tax – recoverable on sale)	32%	384.00
Customs Transit guide	- -	6.74
Consular Tax	- -	20.00
Total Surcharges		**672.74**
TOTAL IMPORTED COST		**USD $1672.74**

Source: Transaction Database

Sales Service/Customer Support

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Uruguayans consider sales support and customer service important factors when deciding which products to buy. U.S. manufacturers should seriously consider using an agent in Uruguay to provide customer support services. Company representatives resident in neighboring countries are less effective.

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Protecting Your Intellectual Property in Uruguay:

Several general principles are important for effective management of intellectual property ("IP") rights in Uruguay. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Uruguay than in the United States. Third, rights must be registered and enforced in Uruguay, under local laws. Your U.S. trademark and patent registrations will not protect you in Uruguay. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Uruguayan market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. Government generally cannot enforce rights for private individuals in Uruguay. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Uruguayan law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government (USG) stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights in a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a lawsuit. In no instance should USG advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Uruguay require constant attention. Work with legal counsel familiar with Uruguayan laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Uruguay or U.S.-based. These include:

- The U.S. Chamber of Commerce and the U.S.-Uruguay Chamber of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at **www.StopFakes.gov**.

- For more information about registering trademarks and patents (both in the United States as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.

- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.

- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, and Russia. For details and to register, visit: **http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html**

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: **www.StopFakes.gov** This site is linked to the USPTO website for registering trademarks and patents (both in the United States as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- **The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information from the IP attaché who covers Uruguay at: Albert.Keyack@trade.gov**

- Contacts for local IP registration and enforcement include:

  - National Directorate for Industrial Property, Ministry of Industry (trademark and patents), Dirección Nacional de la Propiedad Industrial – DNPI
    http://www.miem.gub.uy/portal/hgxpp001?5,9,127,O,S,0,MNU;E;30;7;MNU;,

  - Copyright Council, Ministry of Education – Consejo de Derechos de Autor
    http://www.mec.gub.uy/innovaportal/v/333/2/mecweb/derechos_de_autor?leftmenuid=333

  - General Authors Association of Uruguay
    Asociacion General de Autores del Uruguay – AGADU
    www.agadu.org.uy

  - Uruguayan Disc Chamber – Camara Uruguaya del Disco – CUD
    www.cudisco.org

  - Legal Software – Software Legal del Uruguay
    www.softlegal.org

  - Association of Video Producers
    Asociación de Productores y Realizadores de Cine y Video del Uruguay – ASOPROD
    www.asoprod.org.uy

  - Uruguayan Video Union – Union Uruguaya de Video
    (website not available)

For information on protecting your intellectual property in Uruguay please go to Chapter 6, Protection of Property Rights.

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Foreign manufacturers with sustained sales in Uruguay generally use the services of an agent or distributor. Nearly all importers/distributors are based in Montevideo, although some maintain sales networks in the interior of the country as well. A U.S. firm with a local representative has the advantage of keeping up-to-date with local market conditions as well as changes in policies affecting trade.

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It is advisable to contract the services of a local attorney before setting up operations in Uruguay or carrying-out substantial amounts of business. Local attorneys can be very helpful in sorting through the red tape and bureaucracy, which may otherwise be frustrating for a newcomer. A list of local attorneys may be obtained from the Embassy's website at http://uruguay.usembassy.gov, under American Citizen Services. For questions or further assistance, please contact office.montevideo@trade.gov.

Credit reports on Uruguayan firms may be obtained from the Commercial Section through the International Company Profile (ICP). For more information, please click on http://www.buyusa.gov/uruguay/en/11.html.

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Equifax:	http://www.clearing.com.uy, http://www.equifax.com/
Commercial Defense:	http://www.lideco.com.uy/online/html/index.php
PWC:	http://www.pwc.com/uy/en/index.jhtml

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Newspapers:	
Busqueda:	http://www.busqueda.com.uy/home.asp – (Online subscription only)
El Observador:	http:www.observa.com.uy
El Pais:	http://www.elpais.com.uy
Crónicas:	http://www.cronicas.com.uy
La Republica:	http://www.larepublica.com.uy/
Ultimas Noticias:	http://www.ultimasnoticias.com.uy/
Television	
Channel 4	http://www.canal4.com.uy/
Channel 5 (TN):	http://www.tnu.com.uy/
Channel 10:	http://www.canal10.com.uy/
Channel 12:	http://www.teledoce.com/
VTV Uruguay:	http://www.vtv.com.uy/
Major AM radios	
690 AM Radio Sarandí	http://www.sarandi690.com.uy/
810 AM Radio El Espectador	www.espectador.com
850 AM Radio Carve	www.carve850.com.uy/
870 AM Radio Universal	http://www.22universal.com/
770 AM Radio Oriental	http://www.oriental.com.uy/
930 AM Radio Montecarlo	http://www.radiomontecarlo.com.uy/
1410 AM Libre	http://www.1410amlibre.com/
22 Radio Universal	www.22universal.com.uy
Alfa FM	www.alfafm.com.uy

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- Telecommunication Equipment
- Security
- IT Computer Hardware
- Fertilizers
- Renewable Energy Equipment
- Chemicals
- Construction – Heavy Equipment and Hand tools
- Agricultural Equipment
- Overview Infrastructure Projects

Agricultural Sectors

- Processed Food and Beverages and Food Ingredients

Telecommunication Equipment

Overview

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	2009	2010	2011
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	0	0	0
Total Imports	226	287	334
Imports from the U.S.	33	48	49

Source: Transaction database – USD million

The growth of mobile communications in Uruguay greatly surpasses the growth of fixed communications which been declining since 2005. In that year, there were 1,000,000 landline connections and 100,000 cellular subscribers. By mid 2011, there were only 964,000 landline connections and 4.6 million active cellular lines (a 136% penetration). Sales of cellular phones increased 18.3% (1.4 million units) in 2011 and were imported mainly from China, the United States, Brazil, and Mexico.

Three carriers share the Uruguayan cellular market: The state-owned carrier ANTEL – 46% market share, Spain's Telefónica/Movistar – 38% market share, and Mexico's America Móvil/CTI/Claro -16% market share. BellSouth introduced cellular service in Uruguay in 1991. ANTEL (then ANCEL) began service in 1994 and América Móvil/CTI/Claro in 2005. Stiff competition among the three cellular carriers forced the state-owned telecommunications company ANTEL to discontinue national long distance landline service. All long distance calls from one Uruguayan location to another Uruguayan location are billed as local calls. While there were 15,000 public phones in operation throughout the country in 2007, by mid 2011 there were only 12,000 still in service.

Fueled by aggressive commercial promotions, the number of cellular clients continues to rise, creating a close-to-saturation market condition. Notwithstanding, experts believe that growth is still possible through the sale of new services, especially for smart-phone users. Content for teenagers and children also continues to experience strong growth and demand. All three carriers offer Wireless Application Protocol (WAP), General Packet Radio Services (GPRS), and Enhanced Data rates for GSM Evolution (EDGE). Long Term Evolution (LTE – 4G) is offered as a pilot project by ANTEL. Given the increase of and preference for smart-phones, the 3G market is expected to surge in 2012 focusing on the provision of bundled packages, combining 3G services and broadband.

The three carriers interconnected their systems to allow for the exchange of short message services (SMS) in December 2005. The subsequent explosion in SMS messages resulted in network saturation and long message delivery times. An average of 500 million SMSs are sent per month among the three carriers at a cost of $0.05 per message. ANTEL recently reported that SMS communications is the principal use of cell phones among teenagers, followed closely by social media navigation.

ANTEL and Movistar operate on 1800MHz and CTI on 1900MHz frequencies.

HTSUS 8517 (telephone sets) represent 65% of total telecommunications imports.

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Overall, the United States maintains a market share of approximately 15% in telecommunications-related products, up from 7% in 2008.

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Given the strong entry of CTI (Claro) in 2005, combining strong promotion and low prices, the market for cellular phones and transmission antennas and equipment has risen considerably. Both Telefónica and Claro continuously increase their networks to provide national cellular and mobile internet coverage. Foreign ownership of cable TV is allowed by law.

In December 2010, Uruguay dropped its former decision of adopting the European HDTV standard and announced the adoption of the hybrid Japanese/Brazilian (ISDB-T) standard. Implementation is due by 2014. ANTEL announced it was beginning negotiations with private-sector providers to offer low-cost triple-play (internet, telephony, and television) facilities to local consumers but little has been done since and triple-play is not yet massively available. IPTV began test operations in mid 2009. One hundred percent of the network is digitized. ANTEL has plans for the development of its own $100,000 telecommunications satellite to be launched in 2013.

In mid-2011 ANTEL announced a $100 million investment in order to expand the fiber optic network to reach approximately 240,000 new households in the second half of 2012. It will also ensure universal access to internet through the use of fixed lines.

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URSEC – Unidad Reguladora de Servicios de Comunicación
http://www.ursec.gub.uy

Movistar (Telefónica)
http://www.movistar.com.uy

CLARO (América Móvil)
http://www.claro.com.uy

ANTEL
http://www.antel.com.uy

Security Equipment

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	2009	2010	2011
Total Exports	9.0	11.0	12.0
Total Imports	90.0	106.0	144.0
Imports from the U.S.	16.0	24.0	26.0

Source: Transaction database – USD million

The increase in demand for security products and the robust economic recovery that Uruguay has experienced during the past four years assures that this sector will generate business opportunities.

The electronic security sector grew by 60% in the period 2009 – 2011. U.S. products enjoy an 18% market share and compete directly with lower priced products from China, Argentina, Brazil, and Mexico.

Imported electronic components play a very important role in locally manufactured products. Local security importers will continue to import high-tech components to be used in the production of alarms, CCTV, panels, and many other related products.

Sub-Sector Best Prospects

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Demand for electronic security products increased substantially in 2011, especially in the access control systems sub-sector, which grew by 95% since 2009. Major construction projects are being built in Montevideo and Punta del Este (Uruguay's principal seaside resort) in which electronic security products will play a very important role. The security environment has created a growing demand for electronic safety and security equipment from both institutions and individuals. According to the Uruguayan Chamber of Electronic Security Systems (CIPSES), the electronic security business has a promising future in the commercial and industrial fields.

Opportunities

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The Uruguayan electronic safety and security market relies heavily on imported products and services. In order to import security equipment and technology, local companies form joint ventures with international firms or become authorized dealers. Uruguayan Customs is the official institution that regulates the importation of all safety and security items, and local importers have to report all imports to Customs. The following chart shows all imports made during 2011 in the following four sub-sectors: CCTV, intrusion alarm systems, access control, and fire detection systems.

2011 Uruguay's Electronic Security Imports	
Access Control Systems	73,827,000
CCTV	8,075,000
Intrusion Alarm Systems	55,358,000
Fire Detection Systems	6,723,000
Total	**143,983,000**

Figures in U.S. dollars – Source: Transaction Database

The following products are best prospects in the four sub-sectors:

1. Access Control Systems: smart cards, biometrics, controllers, local area network (LAN) devices, readers, digital processors.

2. Intrusion Alarms: indicator panels, signaling devices, key pad LEDs, batteries, sirens, and magnetic contacts.

3. CCTV: cameras, domes, monitors, transmission devices, television transmission apparatus, TV receivers, multiplexers, and CCTV systems.

4. Fire Detection: sensors, smoke detectors, conventional control panels, and conventional detectors.

Traditionally, U.S. goods have competed very successfully in Uruguay. However, there is significant competition from China, Argentina, Brazil, and Mexico, due to very competitive prices.

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National Statistics Institute (Instituto Nacional de Estadísticas) - INE
http://www.ine.gub.uy

Uruguay Chamber of Industry (Cámara de Industrias del Uruguay) – CIU
http://www.ciu.com.uy

Ministry of Interior (Ministerio del Interior)
http://www.minterior.gub.uy

Uruguayan Security Association (Asociación Uruguaya de Seguridad) – AUSPA
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IT Computer Hardware

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	2009	2010	2011*
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	0	0	0
Total Imports	144	125	153
Imports from the U.S.	33	40	43

Products under HS codes 8471 and 8473
Source: Transaction database – USD million/ * Preliminary figures

Demand for information technology (IT) hardware and accessories will continue to increase due to educational programs, increased Internet access, and continuing modernization of both the private and public sectors. U.S. companies must offer good products at competitive prices in order to cope with rising imports from China as well as other markets.

Distributors of hardware normally sell both equipment assembled abroad as well as products assembled locally using imported components and parts. Imports of hardware are mainly handled by distributors. Brands such as Acer, Asus, Dell, Gateway, HP, IBM, Lenovo, Samsung, Sony and Toshiba among others are easily found, including in supermarkets. There is no data available about the market share by brand, but buyers have become very price conscious. Pricing and financing are key factors when deciding which brand to purchase.

Uruguay enjoys the region's highest literacy rate (over 97 percent), the telecommunications network is 100 percent digital, and the Internet penetration rate is one of the highest in Latin America. Given that Uruguay does not manufacture computer hardware equipment, further growth in Internet usage is expected to generate greater demand for computer imports.

When comparing the ratio of PC ownership per every 100 inhabitants in Latin America, Uruguay is third after only Costa Rica and Chile and ahead of the region's three largest economies, Argentina, Mexico, and Brazil.

Multinationals consider Uruguay an excellent IT hub for their back offices as well as data and call centers. Companies such as Colgate-Palmolive, Microsoft, Sabre Holdings, Merrill Lynch, and PWC are among the many companies that have already set-up their operations in Uruguay.

There are no tariffs for items of MERCOSUR origin; for third countries, the Common External Tariff (CET) ranges from 0 to 16%. However, Information Technologies and Telecommunications fall under a special regime until 2019 – the majority of items under HS codes 84.71 have 0 to 2% CET and most items under 84.73 are exempt from import tariffs.

Sub-Sector Best Prospects

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Hardware equipment and accessories traditionally had been the number one import from the United States. Although the market share has dropped, local clients prefer U.S. distributors. Items under HS code 8471 such as CPUs, monitors, magnetic discs, printers, ATM equipment, hubs, network, and digital equipment are key imports. For items under HS code 8473, the key items are boards, memory cards, ink cartridges, parts and accessories, discs, magnetic heads and cards among others. Due to low cost imports from third markets, U.S. exporters must be able to offer competitive prices. The drop in market share is also a consequence of U.S. multinationals shipping from Asia

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The Uruguayan government made the One Laptop per Child (OLPC) program a top priority (locally known as Plan CEIBAL). Hence, sector specialists estimate that imports of hardware will continue to increase since the need for a computer will be considered a basic necessity. Local IT businesses are confident that the demands for equipment and qualified workers will continue to rise over the next few years.

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Uruguayan IT Chamber: http://www.cuti.org.uy

Fertilizers

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	2009	2010	2011
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	14.0	29.0	40.0
Total Imports	185.3	227.0	358.0
Imports from the U.S.	42.0	1.0	12.0

Source: Transaction database – USD million

Uruguay is essentially an agricultural country, and the use of fertilizers is increasingly important to maintain good pastures and increase soil fertility levels. Within the chemical sector, fertilizers play a significant role in Uruguay's imports. Uruguay imports 75% of the fertilizers it consumes.

In the period 2009 – 2011, imports of fertilizers increased by 93%. In 2011 the principal suppliers of raw materials for fertilizers (HS codes 3102/3105/3103/3824/3104) were Russia with a 34% market share, Argentina (11%), China (10%), Iran (5%), and other countries with a combined 40% market share.

The most important products imported were:

- Diammonium Hydrogenorthophosphate
- Fertilizers, mineral or chemical nitrogenated
- Ammonium Dihydrogenorthoposphate
- Granulated superphosphates with more than 45% by weight of phosphorus pentoxide.

The poor growth of natural pasture in winter, their medium to low quality, and deficiencies in phosphorus as well as nitrogen in the great majority of soils, has led to the introduction of nitrogen to the ecosystem through the application of inorganic fertilizers.

The use of fertilizers has increased in pasturelands and agricultural crops since the elimination of the 22 percent value added tax and zero import tariffs.

In Uruguay, the amount of fertilized land varies according to the world price of livestock products. When beef prices decline, ranchers decrease the quantities of fertilizers used for agriculture.

The cost in Uruguay to adequately fertilize a hectare of land can vary from US $60 to $150, always depending on the kind of crop that is being cultivated.

Sub-Sector Best Prospects

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Imports of fertilizers accounted for $358 million in 2011. Agriculture in Uruguay is experiencing unprecedented success, and important growth in the fertilizer sector is expected.

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Best prospects are for U.S. producers of diammonium hydrogen orthophosphate, which is used in grasslands in an average of 150 to 200 kilograms per hectare. Ammonium sulfate and urea are also considered as two essential fertilizers used by Uruguay's agriculture sector. The increased rotation of crops generated in 2011 considerably increased the quantity and variety of chemical products imported for the production of fertilizers. U.S. manufactures of urea, ammonium sulfate, (diammonium hydrogen orthophosphate) and many other related products, will have good sales opportunities in the Uruguayan market.

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Ministry of Agriculture
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Chamber of Industry
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Renewable Energy Equipment

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Renewable energy sources are playing a very important role in discussions about the future of Uruguay's energy matrix. The country seeks to strengthen its energy security in order to avoid recurring energy crises and its 100 percent dependence on imported oil. Although import statistics are not currently significant, renewable energy equipment projects in the pipeline justify paying attention to the local market. The Government of Uruguay's (GOU's) attempts to promote greater energy independence and efficiency from renewable sources are favorable and should provide new market opportunities.

In recent years, the need for Uruguay to expand and diversify its national energy portfolio was brought into sharp focus. Under optimum conditions, up to 70 percent of the country's annual electrical energy requirement of 2500 megawatts (MW) is generated by large-scale domestic hydroelectric power plants, with the remaining 30 percent being met mainly by oil, along with a small amount of gas and imported electricity. However, rising demand and limited rainfall have forced Uruguay to supplement its electricity supplies from Argentina and Brazil.

Uruguay's lack of domestic oil leaves it completely dependent on imported oil supplies. Uruguay's state-owned petroleum company ANCAP has a series of commercial ventures with Venezuela's PdVSA – which holds a minority stake in ALUR, a subsidiary of ANCAP that produces biofuels and also runs a sugar refinery.

A driving force behind the diversification of Uruguay's energy sector is a desire for energy security and independence. The GOU also has a long-term social goal that it would like to meet in 20 years: to cover basic energy requirements in terms of both quantity and quality for the entire population of 3.3 million.

Investments in wind, solar and other renewable projects have outpaced other energy projects. The National Director of Energy noted that the government has set a target for renewable sources accounting for 50% of the energy balance by 2015, compared to between 30% and 35% at the present. The government is pursuing several strategies to achieve this objective, including tenders underway for the installation of 700MW of wind power by 2015 and the promotion of biomass and solar power.

The government is currently analyzing the use of coal, and strongly encouraging the production of bio-diesel and ethanol, in addition to focusing on wind and solar energy.

Several projects in both the private and public sector, especially in the areas of biomass, wind and solar generation are bringing the country closer to actually being able to capitalize on its strategic location, regional partnerships and stable investment climate.

- **BIOMASS**
  Uruguay has great potential for the development of renewable energies from biomass; 30% is from agricultural residue (from agro industries and forestry).

Although forestry is the main source of biomass, Uruguay has other sources available from the beef industry and edible oil.

- **WIND**

  The potential to harness wind energy in Uruguay is significant. The national electricity utility (UTE) has proposals in the pipeline worth $2 billion. Adequate sites for wind energy in the country have exceeded expectations. The government also designed a wind map available on-line at http://www.energiaeolica.gub.uy/index.php?page=mapaeos. The most recent estimates show that the country could install between 1,000 to 1,200 MW of wind energy by 2015. Average wind profile measures at heights of 90m show speeds of 6 to 9 m/second.

- **SOLAR**

  The potential for solar power in Uruguay is encouraging; Uruguay receives an average of 1700 KW/m^2 of sunlight a year. This puts it on a par with Mediterranean countries and makes solar energy a viable option. Legislative support for solar power exists through a law that promotes the use of solar energy. Benefits are also available under the Investment Promotion Law that offers incentives for investing in manufacturing; implementing; and utilizing solar energy. There is a strong emphasis on local production, and the priorities for solar energy include rural areas – particularly rural schools far from the grid, hospitals, hotels, sports clubs, and new public buildings.

Sub-Sector Best Prospects Return to top

All of the projects in the pipeline, both public and private, predict a high growth rate with a definite need for imported equipment. Potential buyers are turning to U.S sources since the Brazilian industry is focused on sugarcane and the equipment available is too large for the Uruguayan market.

The GOU also focuses on promoting the installation of small power plants throughout the country.

Opportunities Return to top

Uruguay is committed to moving forward rapidly on setting up biodiesel and ethanol plants as well as wind and solar energy.

Import duties are applied to CIF values. For renewable energy, generators and equipment, if classified as capital goods, do not pay import duties. In other cases, a 14% duty is applied to products that are not from the MERCOSUR member countries (Argentina, Brazil, Paraguay, and Uruguay).

Uruguay is a good market for both new and used/refurbished equipment and machinery. When making purchase decisions, Uruguayan consumers consider quality, price, payment terms, delivery time, after-sales servicing and compatibility with existing systems.

U.S. manufactured products are regarded as high in quality but occasionally lose price competitiveness vis-à-vis regional products. Yet, they sometimes rate poorly when it comes to financing, which is an important factor in sales in Uruguay. American manufacturers offering flexible, innovative, and competitive credit terms will be at an advantage in offering their products for sale in Uruguay.

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Ministry of Industry Energy and Mining:
http://www.miem.gub.uy

National Directorate of Energy:
http://www.miem.gub.uy/gxpsites/hgxpp001?5,6,36,O,S,0,MNU;E;30;5;MNU;

National electricity utility - UTE:
http://www.ute.com.uy

Chemicals

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	2009	2010	2011
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	23.0	57.0	72.0
Total Imports	234.0	307.0	380.0
Imports from the U.S.	28.0	58.0	49.0

Source: Transaction database – USD million

In 2011, the five top suppliers of chemicals falling within HS codes 3808-3907-3824-3101 were: Argentina (27%), China (14%), the United States (13%), Korea (11%), and Brazil with (10%) market share. In the period 2009 – 2011, Uruguay's worldwide imports of chemical products increased by 62%. However, imports from the United States grew by 75% in the same period. The main imports were:

- 3907600090 - Polylatic Acid
- 3808932400 - Weed-killers based on Paraquat Dichloride
- 3808929990 - Weed-killers to be used in sanitary domestic operations
- 3808932900 - Weed-killers based on other products
- 3824908900 - Products and preparations based on organic compounds
- 3808919990 - Fungicides for direct use in sanitary domestic operations

The local chemical industry basically processes imported raw materials. Subsidiaries of multinationals account for approximately 60% of the chemical industry. During the last few years, the chemical sector underwent important transformations in research and development of new products, and the use of new technologies.

Uruguay's chemical industry is composed of three major sub-sectors:

1. Petrochemical industries (including the production of fertilizers).
2. Fine chemistry and production of specialties, including production of pesticides for the agricultural sector, pharmaceuticals and hygiene articles.
3. Production of plastics.

Uruguay has no domestic petrochemical industry. It does not produce basic raw materials such as ethylene, propylene, etc. The Uruguayan industry is only involved in the final processing stages.

Fertilizers: ISUSA (Industria Sulfurica Sociedad Anonima) controls Uruguay's fertilizer production. This company has plants producing sulphuric acid and oleum with a maximum capacity of 180 tons/day. Fifty-five percent of the production of sulphuric acid is for the production of fertilizers, while the other 50% is for the production of other chemical products.

Chemical industries and especially "fine chemistry" have been particularly dynamic in Uruguay since the 1980s. Eighty-five companies comprise Uruguay's pharmaceutical industry. Of these, ten command 47% of the country's sales. However, none of them has gained more than 10% of the market. There are 65 laboratories, and small and medium firms control a third of the market. Uruguay's pharmaceutical industry sells more than $250 million per year.

Small and medium-size companies make up the cosmetic industry. Many multinational companies have purchased small local firms to market their brand perfumes and cosmetics.

The plastics sector invoices about $200 million per year. Raw material is almost entirely imported from different countries and represents between 40% and 50% of the finished product price. Uruguay's Plastic Association is comprised of 60 of the 120 companies acting in the country's plastics sector. The sector processes 150,000 tons of plastic material; an important part of that production is for export.

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A special program under the National Environment Office (DINAMA) is underway for recycling of plastics. As Uruguayans become more environmentally conscious, plastic recycling equipment may be a good opportunity for U.S. exports.

Opportunities Return to top

In the plastics sector, there are good opportunities for U.S. producers of resins for the manufacturer of PET containers. Since almost all the raw material used for the production of fertilizers is imported, this is a very promising market for U.S. firms.

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Construction – Heavy Equipment and Hand Tools

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	2009	2010	2011
Total Exports	3.7	6.9	3.3
Total Imports	287.0	245.0	290.0
Imports from the U.S.	32.0	41.0	46.0

Source: Transaction database – US$ million

The construction machinery market in Uruguay depends predominantly on imports. In 2011, total imports were valued at $290 million. Brazil held a 34% market share, with $152 million worth of exports, followed by China (13%), Argentina (12%), the United States (10%), and other countries (31%). Investment in heavy equipment is likely to continue over the next few years to support important growth in infrastructure construction activity.

Construction is one of Uruguay's most promising sectors. The capital city of Montevideo and the resort of Punta del Este are the most important areas for construction. The biggest increase was in the construction of luxury apartment buildings. However, construction of middle-class and low-cost buildings also grew significantly.

The major construction-related projects in the pipeline are:

- Shopping Malls
- Hotel/Casinos
- Residential Construction
- Port Projects
- New Jails
- Convention Center in Punta del Este
- Industrial, Science and Technology, Business and Service Parks
- New Pulp Mill Project in Punta Pereira (Colonia)

Brazil is the main supplier of construction equipment and machinery to Uruguay, with a 34% market share, and Uruguay's northern neighbor dominates the heavy equipment segments (bulldozers, levelers, scrapers, and excavators). The major U.S. manufacturers currently present in the Uruguayan market are Caterpillar, Case, New Holland, John Deere, and Ingersoll-Rand among others.

Sub-Sector Best Prospects

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Uruguay is an attractive market for U.S. construction machinery companies wanting to explore new opportunities in South America. Investment in heavy construction machinery is likely to continue over the next few years to support a rapid growth in infrastructure construction (private and public). Some major construction projects (hotel/casinos, shopping malls, ports, roads, buildings, etc.) for more than $300 million are being proposed for the capital city of Montevideo and Punta del Este.

Currently, the construction sector employs around 55,000 people. It is estimated this figure could reach 60,000 by 2012. Cost of construction per square meter can vary from

$1,400 to $4,000, depending on site conditions, local regulations, and the availability of qualified workers. Construction in Uruguay has historically used traditional materials (concrete and bricks), but lately new construction technologies and methods have emerged.

U.S. manufacturers offering flexible, innovative, and competitive credit terms fare best in achieving export sales to Uruguay.

Opportunities Return to top

According to local sources, the highest demand in construction machinery is for mobile cranes, machinery for public works, off-highway dumpers, self-propelled bulldozers, graders/levelers, fork-lifts, tractors, mechanical shovels, excavators, road rollers, and many other pieces of construction related machinery and equipment.

End users of construction equipment include both public sector enterprises and private sector contractors. They are involved in privately and publicly funded projects, such as infrastructure improvements as well as residential and non-residential developments. Used construction machinery has good market opportunities in Uruguay, since it competes in price with new equipment from China and some European countries.

Hand Tools for Construction Return to top

Uruguay has practically no local production of hardware products except for paint, shovels, spades, folding stairs, and carts. China is the main supplier of overall hardware products, followed by Brazil and the United States. The Uruguayan market for hardware products includes hand and power tools (HS codes 8205-8206-8207-8407). In 2010, total Uruguayan imports for this sector were valued at $31.4 million, a growth of 69% over the previous year. China is the main supplier of hardware products to Uruguay, with 40% market share, followed by Brazil (15%) and the United States (14%). Other countries include Germany (6%), Argentina (4%), and Italy (3%).

The hand and power tools market is divided into large, medium and small equipment segments. Large equipment is used in construction projects; medium tools in electricity and sewerage work; and small tools for residential maintenance and repair work. Power tools can be electric or pneumatic. Product categories include: drills, screwdrivers, staplers, nail guns, hammers, impact wrenches, shears, polishers, sanders, circular saws, jigsaws, chainsaws, and grinders.

Hand tools include a wide variety of products like: presses, guillotine shears, hammers, brushes, shovels, spades, rakes, hoes, forks, picks, and cutting tools (manual hedge shears/trimmers).

According to local distributors, innovative U.S. products at competitive prices show significant potential in the Uruguayan hardware market.

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Uruguayan Construction Chamber (CCU) – www.ccu.com.uy

Association of Private Promoters of Construction (AAPCU) – www.appcu.org

Chamber of Industries (CIU)	www.ciu.com.uy
National Statistics Institute (INE)	www.ine.gub.uy
Uruguayan Real Estate Chamber (CIU)	www.ciu.org.uy
Uruguayan Hardware Association	www.afbadu.org.uy

Construction Publications:

- *"En Obra"* - www.appcuy.org
- *"Ciudades"* – www.ciu.org.uy

Agricultural Equipment

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	2009	2010	2011
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	3	7	4
Total Imports	223	350	376
Imports from the U.S.	52	87	72

Source: Transaction database – USD million
Products under HS codes: 8424,8432,8433,8434,8435,8436,8437,8479,8701,8716.

Stimulated by rising prices of international agricultural commodities and Uruguayan land prices, Uruguayan farmers have been investing heavily in the renewal of their stock of agricultural machinery and equipment. Imports of agricultural equipment jumped 63% from 2009 to 2010, but only 9% from 2010 to 2011. Imports from the United States increased 69% from 2009 to 2011. U.S. market share fell somewhat from 24% to 19%, but U.S. brands manufactured in Brazil and Argentina command the market. Agriculture, which represents about 9% of GDP, plays a leading role in Uruguay's economy, politics, and society.

Uruguay should continue to present opportunities for U.S. suppliers of agricultural machinery during the next several years, a market in which it has traditionally been the third largest supplier preceded by neighbors Brazil and Argentina. Agricultural machinery is not subject to any import duties. There is strong demand for pre-owned and refurbished machinery. U.S. machinery competes very well, except for tractors which are imported mostly from Europe. Uruguay is the world's sixth largest exporter of rice and soybeans and the world's eighth largest exporter of malt.

Sub-Sector Best Prospects

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The market for agricultural equipment is virtually 100 percent supplied by imports. The best sales prospects for U.S. equipment are as follows (not in specific order):

- ✓ Data collection equipment such as global positioning systems, yield monitoring, soil sampling, crop and field scouting, and remote sensing technologies used for monitoring soil properties and crop conditions. Only a fraction of agricultural producers currently operate such equipment.

- ✓ Laser-controlled earth-leveling machinery.

- ✓ Computerized management systems (such as used for livestock). Agrifood machinery and equipment used by food processing companies may also provide opportunities. These could include grain processing equipment, fruit and vegetable processing equipment (separation, cleaning, etc.), meat processing equipment, poultry production equipment, etc.

- ✓ Chutes to discharge harvested grains into different storage devices.
- ✓ Advanced turbine sprayers (and associated pumps.)
- ✓ Combines and other harvesting equipment.
- ✓ Agricultural tractors: sales of refurbished tractors have been increasing heavily. U.S. brands lead the market, but approximately 80% are imported from Europe.
- ✓ Parts and accessories for harvesters and tractors: demand is expected to increase in line with increased utilization of machinery.
- ✓ Cultivators and other solid preparation equipment (including plows, harrows, cultivators, seeders, and fertilizer spreaders.)
- ✓ Pre-owned and refurbished machinery with good post-sales service will find good prospects if a supplier will ensure reliable and steady part supplies.
- ✓ Greenhouse and other vegetable production equipment.
- ✓ Irrigation equipment: increasingly used to improve yields in Uruguay's unpredictable rainfall environment.
- ✓ Dairy equipment: Uruguay is a major producer of dairy products. Milk production in 2010 was 1.8 billion liters (approx 475 million gallons, up from 447 million in 2009).
- ✓ Of particular interest is the growth of greenhouse production of organic products that according to some estimates has more than doubled over the last five years. Uruguay has officially branded its natural and organic products "Uruguay Natural."
- ✓ Storage buildings, silos, etc. Prefabricated, light, inexpensive farm storage buildings have a good market in Uruguay.

Opportunities Return to top

Given the ever more frequent periodic droughts in Uruguay, irrigation and well-drilling equipment should also have excellent market opportunities.

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Embassy Contact: Robert Gorter, Sector Specialist – gorterrh@state.gov
http://www.export.gov/Uruguay

Uruguayan Ministry of Agriculture
http://www.mgap.gub.uy/opypa

Uruguayan Rural Association
http://www.aru.org.uy

Overview Infrastructure Projects

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In late 2011, the Uruguayan Parliament approved a Public-Private Partnership (PPP) law. While this type of association already existed, the new PPP legislation formalizes the procedures, responsibilities, and obligations of the State and private investors. The GOU trusts that this law will further attract foreign investment, mainly in much-needed infrastructure projects. Among these are the construction of low-cost housing projects, the building of jails, road refurbishing, railway modernization, and port construction and operation.

For other infrastructure projects in the pipeline that U.S. exporters of goods and services should follow-up on as well as for updates and more information, please contact office.montevideo@trade.gov.

Sample Opportunities

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- **Railway Rehabilitation:** President Mujica has declared on numerous occasions that the rehabilitation of Uruguay's railway grid is a top priority of his administration. The railway system has been in steady decline for decades. Except for very short stretches of the suburban grid, national passenger service was discontinued in 1988. Besides sporadic purchases of cargo wagons and signaling systems, little maintenance or upgrade has been done. Previous administrations planned on bidding for the total revamping of the railway system and private-sector investors were actively sought. The bid would have included the rehabilitation and maintenance of approximately 650 miles of railroad grid and the association of a private operator for cargo transportation (basically for timber and wood products). Union antipathy, lackluster private-sector interest and delays in awarding projects forced the administration to begin undertaking the project on its own. Railway cargo transportation continues to decline almost 12% a year. A presidential decree signed in late 2011 hopes to transform the railway administration into a more competitive organization. Investments of $370 million have been announced through 2015.

- **Port projects:** The auction for the construction and operation of a third major container terminal in March 2010 (the two current terminals are operated by a Uruguayan consortium – Montecon, and Belgium's Katoen-Natie) attracted no bidders. The Government, however, has not totally discarded the idea of rewriting the conditions and specifications and calling for a new round of bids. There is much discussion concerning the need for this third container terminal. The construction of new fishing docks and forestry terminals in Montevideo are some of the Port Administration's other objectives for the upcoming period. Dredging projects are frequently tendered. The need for a new deep-water port on the Atlantic coast in or near La Paloma has been in discussion for several years. The probable establishment of new forestry (Portucel) and mining (Aratirí) projects improve the feasibility of such a port.

- **Energy:** The main objective of the current Administration is to develop a matrix that will allow the use of different and/or combined technologies and resources. Improving and increasing the electrical interconnection with Brazil is another priority. The government is analyzing the use of coal, and strongly encouraging the production of bio-diesel and ethanol. The government expects to have installed between 1,000 to 1,200 MW of wind energy by 2015. Biodiesel and ethanol production provide an opportunity to leverage efforts to achieve energy independence in support of the country's agricultural sector. Solar energy for rural areas, rural schools, hospitals, and hotels is becoming a key tool. The Administration has also emphasized the need to continue focusing on energy with long-term planning and political consensus.

- **Construction of New Prisons:** In response to growing popular concern about rising crime and in the wake of several deadly prison accidents that brought renewed attention to the lamentable state of the country's penal facilities, in July 2010, the GOU enacted a Prison Emergency Law (Ley de Emergencia Carcelaria) providing $15 million for correctional training, prison construction, and additional personnel and equipment. In the first half of 2012, the Ministry of Interior (MOI), through the National Development Corporation, is expected to issue tenders for the design, construction, equipping, and financing of new prisons.

- **Paraná-Paraguay River Transportation System:** The governments of Uruguay, Argentina, Brazil, Paraguay, and Bolivia are working together on one of the largest Latin-American "regional integration" projects, the joint use of the 2,500-mile long Paraná-Paraguay-Uruguay river system for the transportation of goods from these five countries to the Atlantic Ocean. The ongoing project calls for investment in civil construction, dredging and maintenance, ports (including equipment), and fleet. Further opportunities for U.S. involvement lies in the development of waterway administration. While the fate of the waterway remains uncertain due to environmental concerns, intensive work is being done in dredging and rock removal.

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Embassy Contacts:

- Robert Gorter, Sector Specialist: gorterrh@state.gov
- Lilian Amy, Sector Specialist (Energy) lilian.amy@trade.gov
- Jorge Balparda, Sector Specialist (Jail Construction): balpardajj@state.gov

Other resources:

National Ports Administration (ANP): http://www.anp.com.uy
National Railway Administration (AFE): http://www.afe.com.uy
Wind Energy Program – Ministry of Industry, Energy and Mining
http://www.energiaeolica.gub.uy
National Energy Directorate – Ministry of Industry, Energy and Mining
http://www.miem.gub.uy/portal/hgxpp001?5,6,36,O,S,0,MNU;E;30;5;MNU;,)

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Processed Food and Beverages, and Food Ingredients

Market Overview

After significant economic growth in 2011, Uruguay's economy is expected to continue to perform well in 2012. Imports of U.S. foods and beverages (F&B), as well as food ingredients, are projected to continue to increase. The primary reasons are as follows:

1) High sanitary standards of U.S. products
2) Higher competitiveness because of the value of the U.S. dollar vis-à-vis the euro and the Uruguayan peso
3) Tourism is expected to continue to grow in 2012.

Traditionally, Uruguay was, and will continue to be, a net importer of several F&B and ingredients, which it does not produce domestically. With a purchasing power that has been recovering gradually, best prospects are for high-value F&B products and "commodity-type" products which are not manufactured locally, and food ingredients. Imports of consumer-oriented agricultural products in 2011 reached approximately $450 million (*). Imports in 2012 are expected to continue to expand.

I) Imported F&B which are not produced locally, or whose production is not enough to supply the domestic market include:

- Spices, condiments, bananas, kiwifruit, grapefruit, tomato paste/ketchup, confectionery products, chocolates, coffee, snacks, sauces, prepared foods, dehydrated potatoes, alcoholic beverages (whisky and wine), energy drinks, prepared beverages, cookies/pastries, and pet food.

II) Food ingredients, especially those used for the manufacturing of more sophisticated products include:

- nutritional ingredients, dried fruits and nuts, cocoa paste/butter, additives, ingredients for the dairy and processed meat industries.

Uruguay has no quotas or restrictions, and reasonably transparent labeling and sanitary requirements. Most FDA-approved processed F&B can be imported into the country. However, some products of animal and vegetable origin may have sanitary restrictions.

Exports of U.S. food products to Uruguay have very good potential. Imported food products for mass consumption are typically purchased from Argentina, Brazil, and Chile which together accounted for almost 80 percent of the total in 2011 (*). Imports from Europe and the United States are aimed at the middle and higher income sectors. Imports of U.S. consumer-ready foods and beverages in 2011 accounted for approximately $15 million (*). Imports in 2012 are expected to continue to expand further.

The USDA Foreign Agricultural Service Office, based in Buenos Aires and with regional coverage of Argentina, Paraguay, and Uruguay, foresees increased opportunities for U.S. food ingredients, especially for the dairy and processed meat sectors as most local companies have been focusing on increasing production and expanding exports. The privileged sanitary status of Uruguay has much to do with the growth of these sectors. In addition, because many food ingredients are not produced locally, they must be imported. Food ingredients from the United States are considered to be high quality and innovative. Food ingredient imports in 2011 totaled about $120 million, of which the United States accounted for around 6 percent (*).

(*) Official statistics for 2011 are not yet available.

OUTLOOK FOR U.S. EXPORTS OF F&B PRODUCTS

Advantages

- Most Uruguayan consumers are aware of the wide variety and high quality of U.S. F&B.
- Influence of U.S. culture is significant and transmitted through cable TV, the Internet, and Uruguayans traveling or studying in the United States.
- Supermarkets are willing to have imported F&B on the shelves as a tool to differentiate from other retailers.
- During the past few years, the self-serve format and the display of food products have improved remarkably.
- Large supermarket chains are logistically ready to import foods directly.
- Cold storage facilities are good and can easily meet manufacturers´ requirements.
- The expansion of the food processing industry (especially the beef and dairy sectors), primarily to supply export markets, created very good opportunities for U.S. food ingredient imports.
- There has been greater exposure of local retailers to U.S. exporters and products through USDA/FAS-sponsored marketing activities.

Challenges

- Imported food products from the United States are more expensive than regionally-produced products.
- In general, MERCOSUR intra-regional trade pays zero import tariffs, which prompts strong competition primarily from Argentina and Brazil. Import tariffs for other countries vary between 20-23 percent for most F&B.
- The relatively small size of the market and small import volumes many times discourage U.S. suppliers.

Uruguayan official entities regulating F&B imports are as follows:

Montevideo Municipality - Food and Health Service (*Intendencia Municipal de Montevideo – Bromatología* and *Regulacion Alimentaria*)
Web: http://www.montevideo.gub.uy <http://www.montevideo.gub.uy/>

Uruguay's Technological Laboratory (*Laboratorio Tecnológico del Uruguay - LATU*)
Web: http://www.latu.org.uy <http://www.latu.org.uy/>

Ministry of Livestock, Agriculture, and Fisheries (*Ministerio de Ganaderia, Agricultura y Pesca - MGAP*)
Web: http://www.mgap.gub.uy <http://www.mgap.gub.uy/>

National Meat Institute (*Instituto Nacional de Carnes - INAC*)
Web: http://www.inac.gub.uy <http://www.inac.gub.uy/>

National Wine Institute (*Instituto Nacional de Vitivinicultura -- INAVI*)
Web: http://www.inavi.com.uy <http://www.inavi.com.uy/>

Ministry of Public Health (*Ministerio de Salud Publica - MSP*)
Web: http://www.msp.gub.uy <http://www.msp.gub.uy/>

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Import Tariffs

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A MERCOSUR Common External Tariff (CET) on imports from non-member countries entered into effect on January 1, 1995. MERCOSUR´s general rule is to apply a higher CET on higher value-added imports. The CET rates range between 0% and 20%, with an average of 10.3%.

There are sectoral and national exceptions to MERCOSUR's CET. Sectoral exceptions apply to capital, information technology, and telecommunication goods. At a national level, each MERCOSUR member is allowed to exempt a certain number of goods from the CET. These exceptions and the number of special import regimes in member countries have greatly eroded the bloc's CET.

Each MERCOSUR member is free to choose the goods to include in its national lists of exceptions. Uruguay has 2,115 tariff lines included in such lists; 1,223 lines in the sectoral ones (sugar, autos, capital goods, informatics and telecommunications) and 899 lines in the national ones (textiles, apparel, and a general list). It specifically applies exceptions to the CET in 915 capital goods items, 340 apparel items, 340 knitted items, 233 information technology and telecommunications items and 219 assorted items. It also applies exceptions to 71 automotive items and 4 sugar ones.

For further information on MERCOSUR´s CET please visit http://www.mercosur.int and for detailed information on Uruguay's list of exceptions to the CET please refer to http://www.mercosur.int/sim/es/siaec/view_list/search_exceptions

The Uruguayan Government also gives special treatment to imports of raw materials and other inputs for the production of export goods. The GOU applies import tariffs that are lower than the bloc's CET for the vast majority of goods included in the sectoral and national lists. Most goods entering Uruguay from MERCOSUR countries are exempt from import tariffs.

Uruguay has bound all its tariff lines before the WTO, with an average 30.7% (34.5% for agricultural products and 30.1% for non-agricultural ones). The WTO reports that Uruguay has 1,672 duty-free items and applies a mean (simple average) tariff of 9.3%. Tariffs range from 2% to 55%. Tariffs on non-locally-produced raw materials, intermediate goods, and consumer goods range from 2-6%, 8-9% and 10-20%, respectively.

Uruguay applies preferential tariffs on some imports such as equipment for agriculture and hotels, as well as on goods for projects that have been declared of national interest and are also eligible for tax exemptions. Capital goods are exempt from import duties

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In addition to tariffs, Uruguay levies other charges exclusively on imports, for example, a commission for the government-owned Banco de la República Oriental del Uruguay on Cost, Insurance, and Freight (CIF) value. The tax burden on imports is therefore higher than the average tariff.

There are special requirements for customs procedures and/or documentation in certain cases, for example, certain food products, textiles and motor vehicles, as well as for various goods in transit. Some of these products, such as oils, refined sugar for industrial purposes, textile products and footwear, are also subject to import licenses.

Uruguay applies non-automatic import licensing to products such as certain textiles and footwear and new tires. Furthermore, some products require prior authorization from a government authority for sanitary or phytosanitary, safety, or environmental protection reasons.

Quotas were eliminated in the mid-1970s and non-tariff barriers, including reference and minimum import prices, were substantially reduced in the 1990s. Certain imports (e.g. firearms, radioactive materials, fertilizers, vegetable products and frozen embryos) require special licenses or customs documents.

Reference prices and a few remaining minimum export prices were eliminated in 1994 and 2002, respectively.

For detailed information on import barriers please refer to Uruguay's WTO Trade Policy Review, http://www.wto.org/english/tratop_e/tpr_e/tpr_e.htm

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Only commercial firms, industrial firms, or individuals listed in the registry of importers may legally import products into Uruguay. A pro-forma invoice is required to start with the import procedures. Importers must use an agent to handle their customs entries. Required documents are standard and must include certificate of origin.

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Most export transactions do not require specific approval from the U.S. Government. In order to legally complete certain export transactions, an exporter must obtain a special export license in advance. Licenses are required in certain situations involving national security, foreign policy, short supply, nuclear non-proliferation, missile technology, chemical and biological weapons, regional stability, crime control or terrorist concerns, and high performance computers amongst other products.

For additional information, please check in:
http://www.bis.doc.gov/licensing/exportingbasics.htm

Temporary Entry

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Products may be imported under temporary admission or drawback provisions. Products imported under temporary admission provisions are exempt from import duties but must be re-exported within 18 months.

Temporary admission is for processing, assembling, transforming, or integrating imported inputs to the final production of exported goods. This system aims to improve Uruguay's foreign competitiveness while it reduces costs of imported items.

The system covers: raw materials; parts and accessories; motors; packaging and packaging materials; matrix, molds, and models; intermediate goods; agricultural products; and products that are part of production processes.

Labeling and Marking Requirements

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Labeling and marking requirements for all imported products are controlled by LATU (Uruguay's Technical Laboratory), the Ministry of Public Health, and municipal offices.

Labels must contain a Spanish-language description of the main ingredients or components of the product, country of origin, expiration date, net weight, and the full name and address of the Uruguayan importer (plus validity and cooking instructions in the case of foodstuffs).

Imported products may include the original label of the country/language of origin but should have a sticker/label attached to the package with the information requested by Uruguayan authorities. Manuals, product literature, and other written materials, while not required, will be more useful if written in Spanish. A consumer defense law, approved in 2000, regulates labeling requirements.

U.S. companies that can adapt their labels to local standards have a competitive advantage.

Prohibited and Restricted Imports

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Due to sanitary concerns, Uruguay bans imports of U.S. poultry and beef as well as imports of other products, such as pet food, that use raw beef or poultry.

Occasionally, the government bans imports of certain food articles and pet food containing ingredients that are prohibited or are originating from areas declared by the World Health Organization to be unfit. Imports of used cars are prohibited.

Customs Regulations and Contact Information

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The National Customs Directorate, which falls under the Ministry of Economy and Finance, dictates all customs regulations. Decree Law 15.691 dated December 7, 1984 regulates the current system. A new Customs Code is currently under discussion.

Enrique Canon (CPA)
National Customs Director (Director Nacional de Aduanas)
Address: Rambla 25 de Agosto de 1825 s/n
Montevideo, Uruguay
Tel: 011 598 2 916 – 2141; Fax: 011 598 2 916 – 4691
URL: http://www.aduanas.gub.uy

Standards

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Overview

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Uruguay uses the metric system of weights and measures. The Laboratorio Tecnologico del Uruguay (LATU – http://www.latu.org.uy) is the officially approved agency that controls standards and quality control of imports and exports.

A national quality committee reviews and recommends issuance of ISO 9000/9001 certificates, if warranted.

The Uruguayan Institute of Technical Norms (UNIT – http://www.unit.org.uy) carries out certification and elaborates technical norms. It is the exclusive representative of ISO, IEC, and the World Quality Council (WQC) in Uruguay.

Standards Organizations

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Laboratorio Tecnologico del Uruguay - LATU
Uruguay's Technical Laboratory http://www.latu.org.uy

Uruguayan Institute of Technical Norms (UNIT) http://www.unit.org.uy

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets.

Register online at Internet URL: http://www.nist.gov/notifyus/

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UNIT and ASTM signed a Memoranda of Understanding (MOU) in November 2001.

UNIT (http://www.unit.org.uy) is the official Certification office for all industries with the exception of beef, which is the National Institute of Beef (INAC http://www.inac.gub.uy).

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Uruguayan Institute of Technical Norms (UNIT) **http://www.unit.org.uy**

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Uruguay is a member of the World Trade Organization (WTO) and the Latin American Integration Association (ALADI, a Montevideo-based trade association that includes ten South American countries plus Mexico and Cuba). Uruguay holds numerous bilateral trade agreements of different depth with ALADI partners. It grants tariff preferences for imports from Bolivia, Chile, Colombia, Cuba, Ecuador, Mexico, Peru, and Venezuela under ALADI Economic Complementation Agreements. ALADI's general regional tariff preference mechanism (PAR by its Spanish acronym) applies for goods not covered by these agreements,

Uruguay is a founding member of MERCOSUR, the Southern Cone Common Market composed of Argentina, Brazil, Paraguay and Uruguay to which Venezuela is in process of adhering. Montevideo is the headquarters of its Secretariat and its Parliament. MERCOSUR has free trade agreements with Chile, Bolivia, Ecuador, Peru, Colombia, Venezuela, Israel, Egypt, and the Palestinian Authority. Long-stalled negotiations between MERCOSUR and the European Union (EU) were relaunched in 2010 with great expectation, but the momentum as of early 2012 appears to have stalled.

In 2004, Uruguay and Mexico deepened a 1999 agreement, which resulted in Uruguay's first comprehensive trade agreement with a non-MERCOSUR country.

Uruguay's trade relations with neighboring Argentina and Brazil are particularly important, and in addition to MERCOUR, there are separate bilateral arrangements for certain products, mainly vehicles. Trade with Brazil has flowed smoothly, but in 2011 as well as in the beginning of 2012 several Uruguayan exporters have faced severe restrictions in selling to Argentina. Argentina is restricting imports from all origins including from MERCOSUR countries.

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Uruguayan Technological Lab (LATU)	http://www.latu.org.uy
Uruguayan Institute of Technical Norms (UNIT)	http://www.unit.org.uy
Diario Official (national gazette)	http://www.impo.com.uy
Communication Regulatory Agency:	http://www.ursec.gub.uy
Energy and Water Regulatory Agency:	http://www.ursea.gub.uy
Ministry of Public Health	http://www.msp.gub.uy

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Openness to Foreign Investment

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The Government of Uruguay has traditionally recognized the important role foreign investment plays in economic development and worked to maintain a favorable investment climate. The left-of-center Frente Amplio administration that was re-elected in 2009 stresses the importance of local and foreign investment for social and economic development.

Uruguay and the United States signed a Bilateral Investment Treaty (BIT) in November 2005, which entered into force on November 1, 2006. Uruguay and the United States also signed an Open Skies Agreement in late 2004 (ratified in May 2006), a Trade and Investment Framework Agreement (TIFA) in January 2007, and a Science and Technology Cooperation Agreement in April 2008. Under the TIFA, in 2008, both countries signed two additional protocols on business facilitation and on the environment.

Law 16906 (adopted in 1998) declares promotion and protection of investments made by national and foreign investors to be in the nation’s interest. The law states that: (1) foreign and national investments are treated alike, (2) investments are allowed without prior authorization or registration, (3) the government will not prevent the establishment of investment in the country, and (4) investors may freely transfer abroad their capital and profits from the investment. Decrees 455/007 and 002/12 (adopted in November

2007 and January 2012) regulate Law 16906 and provide significant incentives to investors that have contributed to a strong increase in foreign and local investment.

Aside from a few limited sectors involving national security and limited legal government monopolies in which foreign investment is not permitted there is neither *de jure* nor *de facto* discrimination toward investment by source or origin, and national and foreign investors are treated equally. In general, the GOU does not require specific authorization for firms to set up operations, import, and export, make deposits and banking transactions in any particular currency, or obtain credit. Screening mechanisms do not apply to foreign or national investments, and special government authorization is not needed for access to capital markets or to foreign exchange. In tenders for private sector participation in state-owned sectors, foreign investors are treated as nationals and allowed to participate in any stage of the process. Bidders on tenders should be prepared for a lengthy adjudication process.

The World Bank's 2012 "Doing Business" Index, which ranks 183 countries according to the ease of doing business, placed Uruguay 90th globally and 15th within the Latin American and the Caribbean region (32 countries). Uruguay gets high marks in the categories "starting a business" and "getting credit," but lags in "paying taxes," "registering property," and "dealing with construction permits." The Heritage Foundation's Index of Economic Freedom ranks Uruguay as a "mostly free economy".

Table 1	Index	Ranking	Year
T.I. Corruption Perception Index (10 is lack of perceived corruption)	7.0	25 in 182	2011
Heritage Economic Freedom (100 is entirely free)	70.0	33 in 179	2011
World Bank's Doing Business (1 is easiest for doing business)		90 in 183	2011
MCC indicators are Not Applicable	N/A	N/A	N/A

Although U.S. firms have not encountered major obstacles in Uruguay's investment climate, some have been frustrated by the length of time it takes to complete bureaucratic procedures and tenders. In May 2010, the GOU launched a new program through which entrepreneurs are able to register and open a firm in 24 hours. The program cut the number of public offices involved in the creation of a firm (from six to one), as well as the number of steps (from 11 to 5) and the number of days required (from 65 to 7). The new procedure also slashed the cost of creating an enterprise. This business-friendly move was part of a larger GOU program funded by the UN Development Program (UNDP) to consolidate six major business registries, which had not been interconnected, into a single one.

Conversion and Transfer Policies

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Uruguay maintains a long tradition of not restricting the purchase of foreign currency or the remittance of profits abroad, even during the harsh 2002 banking and financial crisis.

Article 7 of the U.S.-Uruguay BIT provides that both countries "shall permit all transfers relating to investments to be made freely and without delay into and out of its territory." The agreement also establishes that both countries will permit transfers "to be made in a freely usable currency at the market rate of exchange prevailing at the time of the transfer."

Since 2002, the peso has floated freely, albeit with intervention from the Central Bank aimed at reducing the volatility of the price of the dollar. Foreign exchange can be freely obtained at market rates and there is no black market for currency exchange. The U.S. Embassy uses the official rate when purchasing local currency. There are no restrictions on technology transfer.

Expropriation and Compensation

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In the event of expropriation, the Uruguayan Constitution provides for the prompt payment of "fair" compensation.

Article 6 of the U.S.-Uruguay BIT rules out direct and indirect expropriation or nationalization, except under certain very specific circumstances. The article also contains detailed provisions on how to compensate investors, should expropriation take place.

Following a constitutional amendment to implement state control of water services, the GOU took over the operations of URAGUA, a Spanish water company that had operated locally from 2000 through 2005. The GOU and URAGUA subsequently reached a negotiated settlement.

Dispute Settlement

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The investor may choose between arbitration and the judicial system to settle disputes. Uruguay became a member of the International Center for the Settlement of Investment Disputes in September 2000. Uruguay's legal system is based on a civil law system derived from the Napoleonic Code, and the government does not interfere in the court system. The Judiciary is independent, albeit sometimes slow.

The U.S.-Uruguay BIT devotes over ten pages to establish detailed and expedited dispute settlement procedures.

Performance Requirements and Incentives

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Article 8 of the U.S.-Uruguay Bilateral Investment Treaty bans both countries from imposing seven forms of performance requirements to new investments, or tying the granting of existing or new advantages to performance requirements.

Local and foreign investors are treated equally. There are no preferential tax deferrals, grants, or special access to credit for foreign investors. Foreign investors are not required to meet any specific performance requirements. Moreover, foreign investors are not inhibited by discriminatory or excessively onerous visa, residence, or work permit requirements. The government does not require that nationals own shares or that the share of foreign equity be reduced over time, and does not impose conditions on investment permits.

Law 16906, Decrees 455/007, and 002/12 (passed in November 2007 and January 2012) regulate the investment promotion regime. Law 16906 grants automatic tax incentives to several activities including personnel training; research, scientific and technological development; reinvestment of profits; and investments in industrial machinery and equipment. Other benefits provided exclusively to industrial and agricultural firms by Law 16906 have in practice been superseded by Decree 455/007 that has a wider scope.

There are also special regimes to promote the tourism industry and hotel construction, renewable energy, naval industry, production of electronics and electronic equipment, call centers and construction of agricultural machinery. Special regimes also apply to forestry, printing, and communications industries, exploitation of hydrocarbons and biofuels, exports of software, and production of vehicles or auto parts. Investors can combine benefits, applying for certain tax benefits under Decree 455/007 and for other benefits under sector-wide special regimes.

Decree 455/007 grants significant tax incentives to investors in a wide array of sectors and activities. Certain activities –such as the purchasing of land, real estate, or private vehicles– are not eligible for the benefits. A matrix based on pre-defined criteria list includes the project's: (1) generation of jobs; (2) contribution to research and development (R&D) and innovation; (3) increase of exports; (4) contribution to geographic decentralization; (5) use of clean technologies; and (6) improvement of social indicators.

The principal incentive consists of the deduction from corporate income tax of a share of total investment (up to 100%) over a certain period. Other incentives include: 1) exoneration from tariffs and taxes (including VAT) on imports of capital goods and materials for civil works that do not compete against local industry; 2) exoneration from the patrimony tax on personal property and civil works; 3) refunding of VAT paid on local purchases of materials and services for civil works; and 4) special tax treatment of fees and salaries paid for research and development. Decree 455/007 also streamlined procedures for firms requesting tax exemptions and established a "single-window" process to channel investment requests and guide investors.

Local and foreign investors reacted positively to Decree 455/007. The number of investment proposals that were eligible for tax exemptions doubled in 2008 to 310, valued at over US$1 billion, well above the 58 proposals submitted annually in 2002-2007. Despite the global economic crisis the dollar value of proposals rose 22 percent in 2009, fell slightly in 2010 and climbed 33% in 2011 (Jan-Nov). It is unclear how many of these proposals have materialized into concrete projects.

Decree 002/12 introduced some changes to the list of criteria and provided additional benefits to micro and small enterprises and to firms operating in industrial parks. The decree focused on the quality of the jobs created by the investment (instead of the quantity), eliminated some indicators used in Decree 445/007, and changed the definition of others. While as of January 2012 the GOU had not regulated the decree, it seems that the new provisions will also do away with the previous criterion of relating the size of the tax benefit to be granted to the size of the investment (investment projects were previously classified as small, medium, large, and of "great economic significance"). For further information, please refer to http://www.uruguayxxi.gub.uy.

None of the promotion systems described above differentiates between foreign and national investors.

A government decree establishes that government tenders will favor local products or services, provided they are of equal quality and not more than 10 percent more expensive than foreign goods or services. U.S. and other foreign firms are able to participate in government-financed or subsidized research and development programs on a national treatment basis.

Right to Private Ownership and Establishment Return to top

Private ownership does not restrict a firm or business from engaging in any form of remunerative activity, except in two areas: national security interest and legal government monopolies (see Competition from State Owned Enterprises). One hundred percent foreign ownership is permitted, except where restricted for national security purposes.

In December 2011, the Uruguayan Parliament passed Law 18876 establishing a new tax on large landholdings. Supporters of the new law say the legislation will "try to capture – for society– part of the increase in the price of land and discourage land concentration." The law applies equally to local and foreign investors and taxes land property in a progressive fashion –about US$3.20 per acre on land extensions between 4,942-12,335 acres, $4.90 per acre from 12,335 to 24,710 acres, and $6.50 per acre on holdings over 24,710 acres. The number of acres is then adjusted by a productivity index (CONEAT) that measures meat and wool production. The tax (ICIR by its Spanish acronym) was fiercely debated even within the ruling party. Its defenders argue that it will only tax 2.5 percent of agricultural firms that own a combined 36 percent of Uruguay´s land. Its opponents argue that it could be unconstitutional, does not take into account total factor productivity, and that it could end up fostering further concentration of landholdings.

Protection of Property Rights Return to top

In 2005, almost immediately after taking office, the Frente Amplio administration of President Tabare Vazquez rescinded a 1966 decree that enabled employers to request police action to evict occupying workers. Occupations surged in 2005 and 2006 (from an annual rate of 15-20 per year prior to 2005 to 36 in 2006) and declined in 2007 to 30. In 2008, 150 plants were occupied for one day during a conflict in the metal industry, and seven plants were occupied in a conflict in the plastic industry in 2009. Twenty-one plants were occupied in 2010 (equivalent to 14 percent of total conflicts) and in 2011 another metal industry conflict resulted in the simultaneous occupation of between 30-50 factories (figures vary depending on the sources).

In 2006, the GOU passed Decree 156/06 to restrain excesses and provide for obligatory negotiations between employer and employees prior to employees resorting to occupying the workplace. In practice, however, occupations have been early measures in several labor conflicts. Furthermore, under certain circumstances the decree considers occupations as a licit extension of workers' right to strike, a point of view generally opposed by employers. Courts have ruled to evict occupying workers in several instances. In 2011, the Judiciary backed several requests from workers who opposed occupations and mandated the eviction of occupiers from certain plants. In November 2008, the International Labor Organization released a report suggesting that Uruguay revise its legislation on this issue.

Secured interests in property and contracts are recognized and enforced. Mortgages exist, and there is a recognized and reliable system of recording such securities. Uruguay's legal system protects the acquisition and disposition of all property, including land, buildings, and mortgages. Execution of guarantees has traditionally been a slow process. A Bankruptcy Law passed in 2008 (No. 18387) seeks to expedite such executions, encourages arrangements with creditors before a firm goes definitively bankrupt, and provides the possibility of selling the firm as a single productive unit.

Uruguay is a member of the World Intellectual Property Organization (WIPO), and a party to the Bern and Universal Copyright Conventions, as well as the Paris Convention for the Protection of Industrial Property.

In 2003, Uruguay passed new TRIPS-compliant copyright legislation. The 2003 copyright law represented a significant improvement over the 1937 law. The Office of the U.S. Trade Representative (USTR) removed Uruguay from its Special 301 Watch List in 2006 due to progress in enforcing Intellectual Property Rights (IPR), especially with respect to copyright enforcement.

Patents are protected by Law 17164 of September 2, 1999. Invention patents have a twenty-year term of protection from the date of filing. Patents for utility models and industrial designs have a ten-year term of protection from the filing date and may be extended for an additional five. The law defines compensation as "adequate remuneration" to be paid to the patent-holder. Some industry groups believe that the law's compulsory licensing requirements are not TRIPS consistent and criticize the slowness of the patent-granting process. Other industry groups criticize the lack of a data protection law.

The GOU approved a trademark law on September 25, 1998, upgrading trademark legislation to TRIPS standards. Under this law, a registered trademark lasts ten years and can be renewed as many times as desired. It provides prison penalties of six months to three years for violators, and requires proof of a legal commercial connection to register a foreign trademark. Enforcement of trademark rights has improved in recent years.

Transparency of Regulatory System Return to top

Transparent and streamlined procedures regulate foreign investment. However, long delays and repeated appeals can significantly delay the process to award international and public tenders.

Article 10 of the Uruguay-U.S. BIT mandates both countries to publish promptly or make public any law, regulation, procedure or adjudicatory decision related to investments. Article 11 sets transparency procedures that govern the accord.

Efficient Capital Markets and Portfolio Investment Return to top

The banking system is generally sound and has good capital, solvency, and liquidity ratios. Profitability, in a context of low international interest rates and low demand for credit, is a problem. The largest bank is the government-owned Banco de la Republica, which accounts for about 40 percent of total credits and deposits. Long-term banking credit has traditionally been difficult to obtain. Foreign investors can access credit on the same market terms as nationals.

Uruguay's capital market is underdeveloped and highly concentrated in sovereign debt. While Uruguay is receiving “active” investments oriented to establishing new firms or gaining control over existent ones, it lacks major “passive” investments from investment funds that are an essential source of start-up capital and liquidity for new ventures and companies wishing to expand operations. There is no effective regulatory system to encourage and facilitate portfolio investment.

There are two stock exchanges. An electronic exchange, which encompasses the vast majority of transactions, concentrates on the money market and public securities. The traditional exchange focuses on sovereign bonds. Trading in shares and commercial paper is virtually nil, severely limiting market liquidity. Only seven firms are registered in the traditional stock exchange to issue shares.

A capital markets law (No. 18.627) was passed in December 2009 to try to jumpstart the local capital market. The 138-article law is a substantial revision of the 1996 law, which was only 53 articles long. The 2009 law sought to pass “basic regulatory principles aimed at increasing market transparency, competitiveness, and efficiency, as well as protecting investors’ interests” and “comply with IOSCO guidelines and the results of the last IMF Report on the Observance of Standards and Codes (ROSC) on corporate governance.” Among other things, the law offered tax incentives to help develop the capital market, gave more regulatory powers to the Central Bank, and provided for new corporate governance regulations on debt issuers and increased protection of minority shareholders.

Private firms do not use "cross shareholding" or "stable shareholder" arrangements to restrict foreign investment, nor do they restrict participation in or control of domestic enterprises. There are eight investment funds authorized but most are not operating. Risk rating firms first came to Uruguay in 1998.

Competition from State Owned Enterprises Return to top

Uruguay maintains state monopolies in a number of areas where direct foreign equity participation is prohibited by law. These include the importing and refining of oil, workers’ compensation insurance, and landline telephony. Water sanitation, which had been opened to private-sector participation in the mid-1990s, returned to government control in 2004 after a referendum determined that water is a natural resource to be administered exclusively by the State.

While the population generally opposes privatization, some previously government-run monopolies have been open to private-sector competition. Cellular and international long distance services, insurance, and media services are open to local and foreign competitors. Despite competition, state-owned companies have the largest market share in all the aforementioned sectors. Private-sector generation of power is allowed and increasing, but the state-owned power company UTE holds the monopoly on wheeling rights. The national airline, PLUNA, is 75% owned by foreign investors (including significant U.S. investment).

State-run monopolies sometimes contract with foreign-owned companies to provide specific services over a period of time under Build-Operate-Transfer (BOT) systems. Road construction and maintenance, and the construction and operation of both Montevideo's Port Container Terminal and the International Airport, are examples of BOT projects. The state-owned oil company ANCAP has also established associations with foreign partners for offshore exploration.

A Public-Private-Partnership law (No. 17786) was passed in August 2011. The law formalizes the procedures, responsibilities, and obligations from the State and private investors. According to specialists, while the law in its broadest sense closely tracks the Spanish model, it also incorporates numerous aspects of "Anglo-Saxon" models from the UK, Canada, and Australia. The law provides a wide and neutral definition of Public-Private-Partnership (PPP) and allows various kinds of contracts that enable the private sector company to design, build, finance, operate, and maintain certain infrastructures, including brownfield projects. With some exceptions (such as medical services in hospitals or educational services in schools), PPPs can also be applied to social infrastructure. The return for the private sector company may come in the way of user payments, government payments or a combination of both. Procurement process is clear in the law and requires fair and open competition. Interested PPP bidders must demonstrate the background and financial strength asked for in the terms of reference of the PPP procurement process. Unilateral modifications to the contract are not allowed if not agreed up front, which provides stability to the contract.

The GOU believes the law will attract further participation in major infrastructure projects such as highway and railway construction and operation, waste disposal, energy, housing, and security related projects (prison construction).

Most state-owned enterprises are defined as autonomous but in practice coordinate certain issues, mainly prices or rates, with their respective ministries and the Executive Branch. State-owned enterprises are required by law to publish an annual report, and their balances are audited by independent firms.

Corporate Social Responsibility

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The concept of Corporate Social Responsibility (CSR) is relatively new in Uruguay, but many companies do abide by the principles of CSR as a matter of course. Many multinational companies find it advantageous to stake out a CSR strategy and have made significant contributions in promoting safety awareness, better regulation, a positive work environment and sustainable environmental practices. Consumers do pay attention to the CSR image of companies, especially as it relates to a firm's work with local charity or community causes. U.S. companies have proven to be leaders in promoting a greater awareness of and appreciation for CSR in Uruguay.

Political Violence

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Uruguay is a stable democracy in which respect for the rule of law is the norm and the vast majority of the population is committed to non-violence.

A 2011 Latinobarometro study pointed to Uruguay as the Latin American country that is simultaneously most supportive of democracy and most opposed to authoritarian governments. Moreover, Uruguayans registered the greatest level of satisfaction with "the way democracy works in practice" among respondents in Latin America. Uruguay also headed Latinobarometro's rankings of political participation and freedom of speech in Latin America.

The Economist's 2011 Democracy Index ranked Uruguay as the most democratic country in Latin America and the Caribbean (LAC), and one of only two "full democracies" in the region, together with Costa Rica.

Corruption Return to top

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

Overall, U.S. firms have not identified corruption as an obstacle to investment in Uruguay.

Uruguay has strong laws to prevent bribery and other corrupt practices. A law against corruption in the public sector was approved in 1998, and acceptance of a bribe is a felony under Uruguay's penal code. Money laundering is penalized with sentences of up to ten years (which also apply to Uruguayans living abroad). Laws 17835 and 18494 (passed in 2004 and 2009) and Decree 226/10 establish a good framework against money laundering and terrorism finance. Enforcement is steadily improving. Several Uruguayan officials and two judges were prosecuted for corruption in recent years.

Scoring 7.0 points (out of 10) in the 2011 edition of Transparency International's Corruption Perception Index, Uruguay ranked second in the Latin America and the Caribbean region and 25th globally (among 183 countries). The United States ranked 24th with a score of 7.1, and Chile 22nd with 7.2. Uruguay has gradually improved in the Corruption Perception Index over time, from 35th place in 2001 to 25th place a decade later.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: http://www.justice.gov/criminal/fraud/

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see http://www.oecd.org/dataoecd/59/13/40272933.pdf). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Uruguay is not a party to the OECD Antibribery Convention.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see http://www.unodc.org/unodc/en/treaties/CAC/signatories.html). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Uruguay is a party to the UN Convention Against Corruption.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see http://www.oas.org/juridico/english/Sigs/b-58.html) Uruguay is a party to the OAS Convention.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) Uruguay is not a party to the Council of Europe Conventions.

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: http://www.ustr.gov/trade-agreements/free-trade-agreements. Uruguay does not have an FTA with the United States, although the two countries have an active Trade and Investment Framework Agreement that was signed in 2007 and serves as a forum for discussing bilateral trade issues.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report a Trade Barrier” Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: http://www.justice.gov/criminal/fraud/fcpa.

- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: http://www.oecd.org/dataoecd/11/40/44176910.pdf.

- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See http://www.transparency.org/publications/gcr.

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See http://info.worldbank.org/governance/wgi/index.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: http://data.worldbank.org/data-catalog/BEEPS.

- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See http://www.weforum.org/s?s=global+enabling+trade+report.

- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at http://www.state.gov/g/drl/rls/hrrpt/.

- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: http://report.globalintegrity.org/.

Bilateral Investment Agreements Return to top

In November 2005, Uruguay and the United States signed a Bilateral Investment Treaty (BIT) to promote and protect reciprocal investments, which was subsequently ratified by both legislatures and entered into force on November 1, 2006. The full text of the agreement is available at www.ustr.gov/Trade_Agreements/BIT/Section_Index.html or http://uruguay.usembassy.gov.

Among other benefits, the BIT grants national and most-favored-nation treatments to investments and investors sourced in each country. The agreement also includes detailed provisions on compensation for expropriation, and a precise procedure for settling bilateral disputes. The annexes include sector-specific measures that are not covered by the agreement and specific sectors or activities, which governments may restrict further.

Uruguay also has BITs with Argentina, Brazil and Paraguay (its MERCOSUR partners, signed in 1994) and 31 other countries (Armenia, Australia, Belgium, Canada, Chile, China, Czech Republic, El Salvador, Finland, France, Germany, Great Britain, Hungary, India, Israel, Italy, Luxembourg, Malaysia, Mexico, Portugal, The Netherlands, Panama, Poland, Portugal, Romania, Spain, South Korea, Sweden, Switzerland, Venezuela and Vietnam).

In 2009, the GOU reacted to its inclusion by the OECD in a grey list of jurisdictions that "have not committed to implement the internationally agreed tax standard" and endorsed OECD standards on transparency and exchange of information. In December 2011 an OECD press release stated that Uruguay had signed 18 agreements, which showed "its willingness to implement the global standards" and allowed it "to move up to the OECD's list of countries that have substantially implemented the standard for exchange of information." This communication signaled the removal of Uruguay from OECD's grey list.

According to the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes, as of January 2012 Uruguay has signed 11 Double Taxation Agreements and seven Tax Information Exchange Agreements (TIEAs), although most of them still lack parliamentary ratification. Double taxation agreements exist with Ecuador, Finland, Germany, Hungary, South Korea, Liechtenstein, Malta, Mexico, Portugal, Spain and Switzerland. In turn, TIEAs are in place with Denmark, Faroe Islands, France, Greenland, Iceland, Norway and Sweden.

OPIC and Other Investment Insurance Programs Return to top

The GOU signed an investment insurance agreement with the Overseas Private Investment Corporation (OPIC) in December 1982. The agreement allows OPIC to insure U.S. investments against risks resulting from expropriation, inconvertibility, war, or other conflicts affecting public order. OPIC programs are currently in force in Uruguay.

At 97 percent, Uruguay's literacy rate is the highest in Latin America and on par with that of the United States. However, Uruguay endures longstanding problems in its educational system (including a high dropout rate in high school and poor performance in the OECD's Program for International Student Assessment, PISA) that could reduce the number of qualified workers available.

From a global perspective, respondents to the 2010-11 edition of the World Economic Forum's Global Competitiveness Report identified "restrictive labor regulations" as the "most problematic issue for doing business in Uruguay."

Some foreign investors have also reported concerns about the productivity level of Uruguay's workforce. At a macro level, the GOU estimates that productivity increases account for about half of the strong economic growth that took place between 2005 and 2011. Productivity is usually not included in the negotiations that take place in the salary councils, which were reinstated in 2005. Given the strong economic growth, very low unemployment (that limits future growth based on labor accumulation) and inflationary pressures, the GOU is concerned about fostering productivity and intends to include productivity measures in upcoming wage negotiations.

Salary councils consist of a three party board consisting of representatives from unions, employers, and the government. The councils are responsible for setting the wage increases for individual sectors. If unions and employers fail to reach an agreement to determine the wage increase to be applied for sectors, the government makes the final decision.

Social security payments are high and increase employers' basic wage costs by about 30 percent. An employer can dismiss workers as long as the firing is not deemed discriminatory and the employer pays the worker one month for each year of work, with a cap of six months.

Uruguay has ratified numerous International Labor Organization (ILO) conventions that protect worker rights, and generally adheres to their provisions. The Uruguayan constitution guarantees workers the right to organize and strike, and union members are protected by law against dismissal for union activities. Sympathy strikes are legal. In labor trials, the Judiciary tends to rule in favor of the worker, as s/he is considered to be the weaker party. Labor unions are nominally independent from the government but in practice have a close affinity with the Frente Amplio party, which, currently, is the majority party in parliament and is the party of the current president, Jose Mujica, who was elected to a five-year term in 2010.

The Frente Amplio first came to power in 2005, with the election of President Tabare Vasquez (2005 – 2010). Since 2005, successive Frente Amplio administrations have passed several labor laws strengthening unions and labor rights. The law on the "Promotion and Protection of Labor Unions," passed in 2006, renders any discriminatory action affecting the employment of unionized workers illegal. Among other measures, the law provides for the immediate reinstatement of the employee if any infringement of the law is proven. Business chambers strongly opposed the bill, arguing that it slanted labor relations heavily in favor of unions.

Following the passage of the law and several other changes described below, unionization tripled from about 110,000 in 2003 to about 330,000 in 2011 (about 21 percent of employed workers). Unionization is particularly high in the public sector.

A law on Collective Bargaining (No. 18566) was passed in September 2009, which among other things established a bargaining system structured at three levels: national scope; branch of activity or productive chain; and bipartite collective bargaining at the company level. The law was adamantly opposed by the two most representative local business chambers and the International Organization of Employers, which filed a case against the government before the International Labor Organization's Freedom of Association Committee in February 2009.

Other relevant labor-related laws include:

1) Law 18099 (passed in 2007) on outsourcing. It was also adamantly opposed by the business community, as it made employers responsible for possible labor infringements on employees by third-party firms that were contracted by the employers. The GOU later passed Law 18251 (also in 2007) to mollify some of the private sector's concerns.

2) Law 18395 (from 2008) that reduced workers' retirement age to 60 for both men and women who have worked for at least 30 years, modified the system for advanced age retirement and provided more beneficial terms to mothers with children; and

3) Law 18399 (also from 2008) that modified the unemployment insurance regime by gradually reducing unemployment benefits during the six month eligibility period, and extending coverage for employees over 50 years old to one year.

On December 2, 2010, the GOU passed a decree providing expedited procedures for evicting occupants of public-sector workplaces. The PIT-CNT (Uruguay's largest labor union federation) initially assessed the measure as unconstitutional. In turn, the business community thought the decree was as a positive step forward, but criticized that the GOU for using a different standard to deal with workers´ occupations in the private and public sectors.

Although investment is rising, there is an ongoing discussion about the impact of the labor situation on productivity and whether labor conflicts scare foreign investors.

Foreign-Trade Zones/Free Ports Return to top

The operation of free trade zones (FTZs) is regulated by Law 15921 (from 1987) and the Ministry of Finance's Free Trade Zone Directorate. Thirteen FTZs are located throughout the country. While most are dedicated almost exclusively to warehousing, three host a wide variety of tenants performing various services (e.g., financial, software, and call centers). One in particular was developed as a technology park to provide services and infrastructure for the competitive development of companies with international reach. Two FTZs were created exclusively for the development of the paper and pulp industry, and one for pharmaceuticals.

Decree 344/010 passed in November 2010 introduced some changes in the free zone regime in order to discourage the establishment of shell or "paper" companies in free zones for tax evasion purposes. The Decree requires companies to submit a business plan and limits the term of the authorization to ten years, permits may be renewed following government review.

Goods, services, and raw materials of foreign and Uruguayan origin may be brought into the FTZs, held, processed, and re-exported without payment of Uruguayan customs duties or import taxes. Current government monopolies are not mandatory within FTZs. Local and foreign-owned industries alike enjoy several advantages in an FTZ, including exemption from all domestic taxes. Customs duty exemptions are applicable to the entry and exit of goods. Additionally, the employer does not pay social security taxes for non-Uruguayan employees who have waived coverage under the Uruguayan social security system. However, Uruguayans must comprise at least 75 percent of a company's labor force to qualify for FTZ tenancy.

Since MERCOSUR regulations treat products manufactured in most member state FTZs (with the exception of Tierra del Fuego and Manaus located in Argentina and Brazil) as extra-territorial and hence charge them its common external tariff upon entering any member country, little manufacturing is done in local FTZs. Goods of Uruguayan origin entering into FTZs are treated as Uruguayan exports for tax and other legal purposes.

Uruguay has other special import regimes in place, including Temporary Admission, industrial zones, private customs deposits, and free ports. The Temporary Admission regime allows manufacturers to import duty-free the raw materials, supplies, parts and intermediate products they will use to manufacture products that will later be exported.

The system requires a government authorization and that final products be exported within a period of 18 months. The free port and private customs deposits exempt goods that are kept within the premises from all import-related duties and tariffs. While in the premises, merchandise may be labeled, fractioned, re-packaged, or have any other process done to it as long as it does not modify the nature of the good. There are no limits on volume or inventory turn around.

Foreign Direct Investment Statistics Return to top

Foreign Direct Investment (FDI) in Uruguay has been traditionally low (under 3 percent of GDP), even by Latin American and regional standards, because of the country's small market, the lack of major privatization initiatives, and the small number of firms that base their MERCOSUR-wide operations locally. However, inflows of FDI surged in recent years with a seven-fold growth since 2004. In fact, in 2010, Uruguay ranked second in the ratio of FDI to GDP in South America, behind Chile but about three times Brazil or Argentina.

Annual inflows of FDI rose gradually from US$332 million in 2004 (2.4 percent of GDP) to $2.1 billion in 2008 (7.0 percent of GDP). While Uruguay continued growing, the global financial crisis cut FDI to $1.6 billion in 2009 (24 percent drop). FDI soon resumed its growth trend and rose to $ 2.4 billion in both 2010 (up 48 percent, to 6% of GDP) and 2011 (on an annualized basis as of the third quarter of 2011). Uruguay's Investment and Export Promotion Agency reports that in January-October 2011 it received inquiries from 160 firms from over 30 countries; most of these firms were from Argentina, Spain, and the United States.

The sectors that received the greatest amount of FDI in 2003-09 (latest figures available) were agriculture (forestry, ranching, farming, and slaughterhouses), construction (real estate in Punta del Este, hotels, and office buildings), and industry (chemicals and food and beverages).

Finnish firm Botnia's construction of a US$1.2 billion pulp mill in 2005-06 was Uruguay's largest-ever foreign investment. In 2011-13, Finnish-Swedish-Chilean Montes del Plata is expected to invest an even larger sum –$1.9 billion in plant and $0.7 billion in land– in another pulp mill project. As of early 2012, the GOU is discussing its strategy for mega-mining projects, which is relevant since Indian/UK firm Aratiri has plans to invest about $3.0 billion in the extraction of iron ore.

Four countries –Argentina, Spain, Brazil, and the United States– account for about half of total FDI in 2007-09. With an investment of $1.4 billion in the three-year term, (equivalent to 28 percent of total FDI) Argentina was the largest investor. Spain accounted for 9 percent ($440 million), Brazil for 7 percent ($381 million) and the United States for another 7 percent ($353 million).

About one-hundred American firms operate in Uruguay and, according to the U.S. Department of Commerce, the stock of U.S. direct investment amounted to $1.4 billion in 2010. Uruguay XXI reports that U.S. investment is distributed among a wide array of sectors, mainly audiovisual services, hotels and recreation, and industry. Major U.S. firms include Weyerhaueser (forestry), Conrad Hotels (tourism and gambling), Sabre (call center), McDonald's (restaurants), and Pepsi (beverages).

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Host country contact information for investment-related inquiries

Uruguay XXI – Investment and Export Promotion Agency
Mr. Roberto Villamil
Executive Director
Address: Rincon 518/528, Montevideo, Uruguay
Tel: (598) 2915 3838 - Fax: (598) 2916 3059
Web page: http://www.uruguayxxi.gub.uy

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Chapter 7: Trade and Project Financing

- How Do I Get Paid (Methods of Payment)
- How Does the Banking System Operate
- Foreign-Exchange Controls
- U.S. Banks and Local Correspondent Banks
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How Do I Get Paid (Methods of Payment)? Return to top

Exports to Uruguay are usually financed through export letters of credit, sales on open account, or drafts on foreign buyers. Local business practices do not generally include paying for goods in cash in advance. Payment by credit cards or PayPal-type mechanisms are gaining popularity.

There are no foreign currency restrictions in Uruguay. Payment for any kind of imports can be made in cash or on the terms agreed by the parties (i.e., a letter of credit or a sight draft with deferred payment). The international banking departments of major U.S. banks and special programs under the Export-Import Bank of the United States (Ex-Im Bank), the Overseas Private Investment Corporation (OPIC), and the Small Business Administration (SBA) generally finance U.S. exports.

For credit rating agencies see links below:

Equifax:	http://www.clearing.com.uy, http://www.equifax.com
Commercial Defense:	http://www.lideco.com.uy
PriceWaterhouseCoopers:	http://www.pwc.com/uy

How Does the Banking System Operate? Return to top

The banking system is generally sound and has good capital, solvency, and liquidity ratios. Profitability, in a context of low international interest rates and low demand for credit, is a problem. The largest bank is the government-owned Banco de la Republica, which accounts for over 40 percent of total credits and deposits. Long-term banking credit has traditionally been difficult to obtain. Foreign investors can access credit on the same market terms as nationals.

The financial sector in Uruguay is open to foreign participation and is sustained by a transparent supervisory and regulatory system. A severe banking crisis in 2002 put the entire system under risk, but proper management allowed the system to get back on track. The crisis was overcome with timely U.S. and IMF support. Most private banks, including U.S.-owned ones at the time, successfully weathered the 2002-banking crisis and honored all deposits in a timely manner.

There has been a consolidation of private commercial banks. In August 2006, Brazilian Banco Itau bought U.S. Bank Boston. In January 2009, Spanish Santander bought Dutch

ABN, and in January 2010, Spanish BBVA bought French Credit Agricole's operations in Uruguay.

Uruguay's financial sector currently consists of one government owned commercial bank (Banco de la Republica) and one government owned mortgage bank (BHU). Government-owned banks have traditionally held a major share of the banking market. There are also 11 foreign-owned banks, one cooperative, four offshore banks, five external financial institutions, 14 credit administrators, 62 exchange houses, and 20 financial service companies. The four offshore banks are subject to the same laws, regulations, and controls as local banks, with the GOU requiring them to be licensed through a formal process that includes a background investigation. Offshore financial institutions operate with limited functions as they cannot operate with residents. U.S. financial firms such as Raymond James, Merrill Lynch and others also operate in Uruguay, mainly within free trade zones.

The Central Bank formulates monetary and exchange policies in coordination with the Executive Branch. For the last decade, the Government of Uruguay has implemented financial sector reforms enforcing greater financial controls, which empowered the supervisory role of the Central Bank. According to the IMF, Uruguay's recovery was fostered by strong macroeconomic policies and structural reforms generating remarkable economic and financial results. The banking sector was not hit by the global financial crisis that started in 2008.

For more information, please check the Central Bank's website at http://www.bcu.gub.uy (English version is available).

Foreign-Exchange Controls

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Uruguay does not apply foreign exchange controls.

U.S. Banks and Local Correspondent Banks

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Citibank (Citi)

Citibank is the only U.S bank currently operating in Uruguay. The bank has had a presence in Uruguay since 1915. For more information please see:
http://www.latam.citibank.com/uruguay/homepage/spanish/index.htm

Tel: +5982 915 5687; Fax :+5982 9160645;
web: http://www.citibank.com.uy

Citibank does not open personal bank accounts for U.S. citizens residing in Uruguay due to U.S. tax withholding regulations.

All local banks have correspondent banking arrangements with some major U.S. bank.

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Some of the major sources of project financing include:

A. Export-Import Bank: Provides U.S. exporters with several financing programs, including working capital guarantees, export credit insurance, commercial bank guarantees, medium-term credits, small business credits, direct loans to foreign purchasers, and financial guarantees. Ex-Im Bank finances all types of U.S. goods and services as long as they contain at least 50% U.S. content and are not military-related. Further information on the bank's programs may be obtained at 1-800-565-EXIM. Ex-Im Bank's Uruguay Desk Officers may be contacted by phone at 202-565-3913, by fax at 202-565-3931, or at www.exim.gov.

B. Overseas Private Investment Corporation (OPIC): OPIC's programs include loans and loan guarantees, investment funds, and political risk insurance (currency inconvertibility, expropriation, and loss of assets or income caused by political violence). OPIC may be contacted at 202-336-8400 or at www.opic.gov

C. Commodity Credit Corporation (CCC): The CCC finances exports of U.S. agricultural commodities. The CCC may be reached by phone at 202 720-6301 or by fax at 202 690-0727 or at http://www.fsa.usda.gov/ccc.

D. Small Business Administration (SBA): SBA's export revolving line of credit loan helps small businesses export their products. SBA may be contacted at 1-800-827-5722 or at www.sba.gov.

E. World Bank and Inter-American Development Bank: Both banks offer programs that allow U.S. companies to compete in major international infrastructure projects. The public information centers of both banks may be contacted through 202-458-5454 (or www.worldbank.org) and 202-623-2096 (or www.iadb.org) respectively.

F. U.S. Trade and Development Agency (TDA): TDA has invested several million dollars in Uruguay for feasibility studies and other activities that support infrastructure development and modernization projects. TDA may be contacted at 703-875-4357 or at www.tda.gov.

Several states also have their own export financing programs.

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- Export-Import Bank of the United States: http://www.exim.gov
    - Ex-Im Bank's Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html
    - For Uruguay, see: http://www.exim.gov/tools/country/country_limits.cfm#tblU

- OPIC: http://www.opic.gov
- U.S. Trade and Development Agency: http://www.tda.gov/
- SBA's Office of International Trade: http://www.sba.gov/oit/
- USDA Commodity Credit Corporation: http://www.fsa.usda.gov/ccc/default.htm
- Inter American Development Bank: http://www.iadb.org/en/countries/uruguay/uruguay-and-the-idb,1028.html
- World Bank: http://data.worldbank.org/country/uruguay

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- Visa Requirements
- Telecommunications
- Transportation
- Language
- Health
- Local Time, Business Hours and Holidays
- Temporary Entry of Materials and Personal Belongings
- Web Resources

Business Customs Return to top

Business dress and appearance, as well as one's general approach to business relations, should be very conservative. An advance appointment for a business visit is usually necessary and considered a customary courtesy. Punctuality is generally observed. Typically, business is discussed after social amenities. Business breakfasts, cocktails, and lunches are common. Dinners are common for closing a business agreement.

Travel Advisory Return to top

For travel advisories, if any, please check http://uruguay.usembassy.gov and/or http://travel.state.gov/travel/cis_pa_tw/cis/cis_1054.html

No inoculations are currently necessary for entry. International travelers are advised to contact their local public health department, physician, or travel agent at least two weeks before departure to obtain current information on health requirements.

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U.S. citizens need a valid American passport, but visas for temporary visits of less than 90 days, not to reside in or work permanently in Uruguay, are not required for holders of regular passports. Those traveling on diplomatic or official passports must have a valid visa in addition to the passport. For more information, please check the following website: http://travel.state.gov/travel/travel_1744.html

Business and tourist stays are limited to 90 days and may be extended for an additional 90 days.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that visa-related security opinions are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website:	http://travel.state.gov/visa/index.html
U.S. Embassy in Uruguay, Consular Section:	http://uruguay.usembassy.gov/visas2.html

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Uruguay has a fixed line tele-density of almost 80 percent, one of the highest in Latin America. Telephony is fully digitalized. Only ANTEL, the state owned company, can provide basic telephony. Eight other companies compete with ANTEL for international calls. There are three cellular providers with GSM/GPRS, TDMA, and/or CDMA services. High-speed Internet is easily accessible in major hotels and airports, and cyber-cafes are readily available. AT&T, MCI, and Sprint calling cards are accepted.

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American Airlines is the only U.S.-carrier with flights to and from the United States. This calendar year, during the period January 1 – April 3, it will offer direct flights between Montevideo and Miami seven days a week. From April 4 through mid November, it will offer direct flights between Montevideo and Miami 4 days a week, returning to daily flights for the final six weeks of the calendar year. Internal transportation is mainly by car or bus. Within Montevideo, bus and taxi services are extensive, safe, and inexpensive.

Language Return to top

Spanish is the official language. Although many in the business community speak English or other languages, interpreters are commonly used during business meetings.

Health Return to top

There are no major health hazards. Uruguay enjoys high health standards for food and drinking water.

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Uruguay observes standard time (GMT-3) from March-October. From October – March, Daylight Savings Time is in effect (GMT-2).

Normal business hours are Monday through Friday from 9:00 a.m. – 6:00 p.m. Banks are open to the public Monday through Friday from 1:00 – 5:00 p.m. Stores are also open on Saturdays from 9:00 a.m. to 1:00 p.m. Shopping centers open daily from 10:00 a.m. - 10:00 p.m.

Local Holidays for Calendar Year 2012

Jan. 1	New Year's Day
Jan. 6	Three King's Day
Feb. 20-21	Two days for Carnival (6 weeks before Holy/Easter Week)
Apr. 2-6	Five days for Holy Week / Easter (dates vary from year to year)
May 1	Uruguayan Labor Day
Jun. 19	Birthday of Artigas

July 18	Uruguayan Constitution Day
Aug. 25	Uruguayan Independence Day
Oct. 8	Columbus Day
Nov. 2	All Saints Day
Dec. 25	Christmas

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There are no restrictions on the temporary entry of business-related equipment (i.e. laptops, etc.) Refundable deposits may be required and are payable at the point of entry.

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Ministry of Tourism: http://www.turismo.gub.uy

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Chapter 9: Contacts, Market Research and Trade Events

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- Market Research
- Trade Events

Contacts Return to top

Mr. Kevin Skillin
Economic and Commercial Section Chief
American Embassy Montevideo
Tel: (5982) 1770-2495
Fax: (5982) 418-8581
E-mail: office.montevideo@trade.gov
http://www.export.gov/uruguay
Embassy web site: http://uruguay.usembassy.gov

Uruguay – U.S. Chamber of Commerce (AmCham)
e-mail: info@ccuruguayusa.com
http://www.ccuruguayusa.com

Country Trade or Industry Associations in Key Sectors

Chamber of Industries: http://www.ciu.com.uy

Chamber of Commerce and Services: http://www.camaradecomercio.com.uy

Chamber of Agro-Industries: http://www.camaramercantil.com.uy

Union of Exporters: http://www.uruguayexporta.com

Uruguay XXI: http://www.uruguayxxi.gub.uy

Uruguayan IT Chamber: http://www.cuti.org.uy

Government

Ministry of Industry, Energy, and Mining
http://www.miem.gub.uy

Ministry of Economy and Finance
http://www.mef.gub.uy

Ministry of Tourism
http://www.turismo.gub.uy

Ministry of Transport and Public Works
http://www.mtop.gub.uy

Ministry of Agriculture and Fishing
http://www.mgap.gub.uy

Office of the President of Uruguay
http://www.presidencia.gub.uy

Parliament
http://www.parlamento.gub.uy

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To view market research reports produced by the U.S. Commercial Service please go to the following website: http://www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

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Please click on the link below for information on upcoming trade events:
http://export.gov/uruguay/tradeevents/index.asp

For events in Uruguay, please click on the link below
http://export.gov/build/fragments/fl_eg_outsidelinks/redirect.asp?URL=http%3A//www.zonaeventos.com/english/

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully**, **connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. Government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link:

http://export.gov/uruguay/servicesforu.s.companies/index.asp

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E).**

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