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United States of America Department of Commerce

U.S. Country Commercial Guides

Uruguay

2018

U.S. Department of Commerce | International Trade Administration

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Doing Business in Uruguay

Market Overview

Uruguay's principal economic engine is its agricultural sector, exporting products such as meat, dairy, grains, and forestry products – 65 percent of exports are agricultural-based products. About half of all industrial production is dedicated to food processing or the refining of agricultural products. Uruguay is an attractive market for international companies as purchaser of a variety of manufactured products.

Uruguay is experiencing the longest expansion in its history, with 15 years of economic growth and sucessful management of regional macroeconomic imbalances. However, Uruguay's economic growth slowed to an annual average of 1.6% from 2015 to 2017, negatively affected by a decline in international commodity prices and recessions in Argentina and Brazil — two of Uruguay's top trading partners.

As of 2017, Uruguay's top export destinations for its goods were (in rank order): China, Brazil, the Netherlands, Argentina, and the United States. Uruguay's top sources of imports of goods in 2017 were China ($1.69 billion), Brazil ($1.64 billion), Argentina ($1.06 billion) and the United States ($880 million). MERCOSUR countries have lost some import market share to China. In 2017, Uruguay's goods imports totalled $8.5 billion. Some 60 percent of the total were manufactured products such as machinery and electrical equipment, chemical products, transport equipment and foodstuffs. Between 2012 and 2016, imports fell by an annual average of 2.1 percent.

In 2017, the United States exported $880 million in goods to Uruguay, and imported $456 million, resulting in a U.S. trade surplus of $424 million. U.S. exports to Uruguay increased 48 percent from 2016, mainly due to the increase in imports of refined oil.

Top four reasons why U.S. companies should consider exporting to Uruguay:

- Uruguay is an institutionally stable democratic country with strong rule of law and a commitment to to international agreements and norms.
- Uruguay has a relatively open trade policy and equal treatment of domestic and international companies.
- Strategically located between Argentina and Brazil, and at the mouth of ___-mile long riverine transportation system that extends into the heart of South America, Uruguay can serve as as a regional distribution platform and test market.

The U.S.-Uruguay bilateral relationship is strong. Uruguayan officials and business sector representatives have a favorable view of American business.

Market Challenges

Drawbacks to doing business in Uruguay include its small market size (3.4 million inhabitants, approximately half of which reside in the capital Montevideo), lack of trade financing, and inflexible labor laws, which give unionized labor rights to occupy workplaces and easily disrupt operations.

On trade, Uruguay has "decoupled" from Argentina and Brazil in recent years diversifying away from its MERCOSUR partners. The country has opened to inflows of foreign direct investment from various countries over the last 15 years, reflecting greater confidence in the country's institutional framework and economic policy. Uruguay's exports to its MERCOSUR partners declined from 2011 to 2017. China overtook Brazil to become Uruguay's leading export destination in 2017. The percentage of total exports going to China tripled between 2011 and 2017.

Related to labor inflexibility, the World Economic Forum's 2016-2017 Global Competitiveness Index ranked Uruguay 131th of 137 countries, echoing many domestic and foreign investors´ concerns about management-employee relations. There are labor challenges in the areas of hiring and firing practices, limited flexibility in setting wages, wage inflation resulting from the work of tripartite salary councils, and the effects of significant taxation and social contributions on the individual's incentive to work.

Uruguay has high duties and taxes on imported products; the government raised both in 2017. According to Doing Business Index 2018 and in relation to the "Trading across borders" category, Uruguay was ranked 151th of 190 countries, due high export and import costs.

Market Opportunities

Uruguay has well-functioning democratic institutions, a rule-abiding population, and relatively little corruption. In 2017, Uruguay was ranked 23 out of 180 countries by Transparency International evidencing low levels of corruption. Uruguay has a strong banking sector which adheres to the latest international financial-sector standards. Uruguay is strategically located, and has proven political stability. The current administration is maintaining a relatively open trade policy and good macroeconomic policies.

Cellular phones, information technology, chemicals, medical equipment, chemicals, and medicines are the top non-commodity U.S. exports to Uruguay. Uruguay offers good opportunities as a test market for the region, given the small sample size, respect for the rule of law, and stable investment climate.

In late 2011, the Uruguayan Parliament approved a Public-Private Partnership (PPP) law to attract more foreign investment, mainly in much-needed infrastructure projects. The first PPP project launched in 2012 is operating; 14 projects are in the pipeline. Among the most important PPPs is an $800 million railway rehabilitation project and a $297 million public school construction project.

Market Entry Strategy

All import channels are available: agents, distributors, importers, trading companies, subsidiaries, and branches of foreign firms. Sales outlets and supermarkets are traditional storefronts.

U.S. suppliers should carefully evaluate potential in-country agents or distributors. The recommended strategy to enter the local market is for interested parties to visit Uruguay, interview potential partners, and name a representative/agent. Business relationships and creative financing terms are important for success in Uruguay.

U.S. exporters are encouraged to take advantage of the export promotion support offered by the U.S. Commercial Service office at 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 or contact: Office.Montevideo@trade.gov .

Political Environment

Political Environment

For background information on the political and economic environment of the country, 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.

Selling US Products & Services

Using an Agent to Sell US Products and Services

Most exporters to Uruguay will find that a local distributor or representative is necessary to penetrate the market, although it is not legally required. Distributors can provide strategic support for positioning brands in the market through promotion and advertising. Furthermore, they understand the local culture, can give support on the bidding process, and can assist with after-sales service. This value-added service is increasingly important for customers, and contributes to a positive image of U.S. firms doing business abroad.

U.S. companies are invited to make full use of the wide range of market entry and partner search services offered by the U.S. Department of Commerce's U.S. Commercial Service in Uruguay. For a full list of services provided by our Commercial Unit, please check the following link:
http://export.gov/uruguay/servicesforu.s.companies/index.asp

Establishing an Office

Foreigners are able to establish new enterprises or acquire an existing Uruguayan company, according to Uruguayan law. Legal experts are available locally who can provide guidance in satisfying the necessary legal obligations. A foreign investor may adopt a variety of desired legal organizational structures. Corporations or branches are the most common forms, but a partnership is also possible. The Embassy's commercial section has an updated list of attorneys who regularly work with foreign corporations seeking to establish a presence in Uruguay: Legal Assistance

Franchising

Franchising in Uruguay is a small but growing sector. Initially limited to food-related services, the industry has grown to include outlets in clothing, hardware, industrial cleaning, pest control, health-care, and IT supplies. There are no legal restrictions on operating a franchise in Uruguay. For general information, please consult the Uruguayan Franchising Chamber: http://www.caufran.org. The chamber organizes events open to U.S. companies seeking to enter the market.

For more information or assistance, please e-mail Office.Montevideo@trade.gov.

Direct Marketing

Uruguay is a tech-savvy market. Internet penetration is high and social media and e-commerce platforms are on the rise for business product and services marketing. Telemarketing and e-mail campaigns are still used but to a lesser extent. Direct marketing is also popular on 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 major newspapers remain a popular form of direct marketing but continue to lose ground to web-based marketing.

Joint Ventures/Licensing

Joint ventures and licensing agreements are common in Uruguay. Uruguayan law considers joint ventures as separate legal entities, project-specific, and consortia or contractual entities. Joint ventures typically are formed for infrastructure projects when several national and international firms combine their expertise in providing the necessary solutions. The law also allows for public-private partnerships (PPPs) as well. While not as widespread, licensing arrangements are used in media and retail sectors.

Selling to the Government

Uruguay is not a member of the World Trade Organization´s Government Procurement Agreement, yet does participate as an observer in the WTO's Government Procurement Committee.

A Government-to-Business (G2B) website, http://www.comprasestatales.gub.uy, lists tenders for government agency procurements. This site aims to increase transparency and reduce government procurement costs. All government agencies issue tenders for the purchase of products and services on this website.

To participate in government tenders companies need to register with the GOU. For more information on the process and to register to participate in government tenders please consult the following link: http://www.comprasestatales.gub.uy/inicio/proveedores/rupe/rupe. The Uruguayan government has financed public works projects with loans from multilateral development banks. Please refer to the "Project Financing" section in "Trade and Project Financing" for more information.

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project *Financing"* Section in *"Trade and Project Financing"* for more information

Distribution & Sales Channels

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

Montevideo is Uruguay's capital, largest city, and largest commercial center. Most companies base their head offices and distribution centers in Montevideo and its suburbs. Many international companies use the duty free port/airport regime and the free trade zones for their national and regional distribution centers.

Express Delivery

Express delivery and courier services are widely used in Uruguay for both national and international transportation of packages. International courier companies provide parcel and package services to and from Uruguay. Parcels sent from the U.S. to Uruguay typically take four to six working days to reach Uruguay, move through Customs, and arrive at their final destination.

U.S exporters may sell and ship directly to Uruguayan consumers. Courier packages valued up to $200 (not including freight value) are exempt from import tariffs or duties, and may be received up to three times per year per credit card holder (some specific products are excluded and specific regulations apply other products). Further details of these limits and customs restrictions can be found on the delivery companies' websites:

FedEx, http://www.fedex.com/uy/contact/

DHL, http://www.dhl.com.uy/en/contact_center/contact_express.html

UPS, https://www.ups.com/uy/en/Home.page

Selling Factors & Techniques

Foreign manufacturers with sustained sales in Uruguay generally use the services of an agent or distributor. Nearly all importers/distributors base their operations in Montevideo, although some maintain sales networks in the interior of the country. 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 government policies affecting trade.

Pre-owned and/or refurbished equipment from the U.S. may be marketable to local industry.

Uruguayans typically regard U.S.-manufactured products as high in quality but U.S. products at times may not be competitive on price with regional or global competitors. U.S. manufacturers offering flexible, innovative, and competitive credit terms may overcome the price competitiveness hurdle for export sales to Uruguay.

eCommerce

Overview

The government established a number of efforts that have helped foster a growing e-commerce business environment. Specifically, the government set up the Agency for Development of Electronic Government (AGESIC) in 2005.

Payment methods and logistics continue to develop in the country to support e-commerce business models. Electronic payments have grown significantly, with a 13-fold increase reported in credit and debit card use in terms of the total number of transition and total value of the transactions in the last three years.

E-commerce penetration in the retail industry is low at 3.3 percent (excluding food, beverages, and items of mass consumption), but growing at about 25 percent per year. Local advertisers say the Internet, and especially social networks, are effective channels of dissemination of information about companies, brands, and institutions to promote products and services, but not necessarily to close business transactions. A major retailer recently reported that 30 percent of its clients decided on a purchase over the web, but made the purchase at the store.

Uruguay’s e-commerce ecosystem is characterized by these market conditions:

- Nearly 88 percent of the population has Internet connectivity. The highest growth is among children under five years old (future consumers) and adults over 50 (current consumers).
- The mobile phone application WhatsApp and to a lesser extent social media networks (i.e. Facebook and Instagram) are the primary "gateways" for new users.
- Mobile phones are the primary drivers of user growth and by far the principal Internet access method.
- Among the younger population, Instagram is asserting itself as the second most used network, and the use of Facebook is decreasing.

Current Market Trends

In 2012, the government enacted a decree, allowing consumers to import a maximum of five $200 online shipments per year to be exempt from duties. Intense, ongoing pressure from domestic “brick and mortar” retailers prompted the government to restrict the number of purchases from five to three per year over the past four years. In spite of these restrictions, the number of shipments in 2017 increased 6.6 percent over 2016. The value of the 2017 shipments was $37 million, an increase of 19 percent over 2016.

E-commerce delivery services in the country are immature with suppliers developing strategies to deliver products to customers more conveniently. In April 2018, Uruguay’s largest online retailer introduced MercadoEnvios, a service aimed at simplifying and improving the on-line consumer purchasing experience. Uruguayan consumers, especially those in the interior, are beginning to understand and trust that home delivery is more convenient than using pick-up services. A large retailer noted that customers choosing delivery over pick-up grew 30 percent in 2017.

Domestic eCommerce: Business-to-Customer (B2C)

In 2017, online retailers Mercadolibre, Woow, and Pedidos Yá serviced 40 percent of the e-commerce market - four out of ten Internet users purchased products or services (+800,000 people over age 18) from one of these three enterprises. In terms of usage, eBay-like Mercadolibre, transportation apps, foreign goods, foreign services, food delivery and discount coupons are the most popular types of e-commerce sites.

Cross-Border eCommerce

Uruguayans purchase over 90 percent of online products and services from China and the United States. When including shipping costs, these imported products tend to cost approximately half of similar products available in Uruguay. The government prohibits the importation of some articles: makeup, enamel, creams, shampoos, razors, toiletries, toys, alcoholic drinks, sun and reading glasses, cosmetics, fragrances, tobacco, cigarettes, lubricants and greases, cell phones, and seeds, as well as goods requiring licensing. Amazon, Ali Express, and eBay are the three major platforms used by Uruguayan consumers when purchasing from abroad.

B2B e-Commerce

There are no restrictions for B2B e-commerce, but given the relatively small industrial base in Uruguay, it is seldom used. The Uruguayan government publishes most of its tenders online in www.comprasestatales.gub.uy.

eCommerce Services

Uruguay is a regional leader in software development. It has the necessary human capital and tools to support e-commerce activities in various industry sectors. A leading example of a software application that originated in Uruguay and quickly spread throughout Latin America is a platform (and app) developed by Uruguayan company EDCOM to request online food deliveries from restaurants called PedidosYa.

The government provides over 1,300 government-related e-services to citizens (e.g., requesting appointments for the renewal of a driver's license, copies of birth certificates, appointments for passports) via a centralized government portal.

Popular e-Commerce Sites

Among the most popular B2C sites in Uruguay are:

- MercadoLibre, a Latin American equivalent of eBay which commands 36 percent of eCommerce transactions in Uruguay.
- OLX Clasificados, no auctions, only straight sales. OLX charges no publishing fees or sales commissions.
- PedidosYa, an online restaurant food delivery service.
- Woow, a local discount company similar to Groupon.

Online Payment

Once a weakness in Uruguay's e-commerce ecosystem, customer confidence using personal credit cards has been steadily increasing. Local entrepreneurs have developed popular e-payment apps. Consumers can pay utility bills (and over 600 services such as schools, cable TV, HOA fees, HMOs, insurance, etc.) by scanning the barcodes which appear on the bills and having the amounts owed debited immediately from their bank accounts. The development of a local PayPal™ equivalent, Mercado Pago (an online wallet for payment processing), has facilitated e-commerce sales. This PCI-certified platform allows for payment using local credit cards in full or in installments. Payment Card Industry Data Security Standard certifies that the platform accepts, stores, processes, and securely transmits cardholder data.

Pagos Web and CobrosYa are locally developed online payment solutions for retailers. Paganza is an online and smartphone payment solution for consumers.

Mobile e-Commerce

Eighty-six percent of Uruguay's households have at least one smartphone. Ninety-four percent of households connect to the Internet. Seven out of ten Uruguayans live in households with WiFi Internet service. Of the five million mobile phones in service in Uruguay, only nine percent do not have Internet access.

Digital Marketing

Several digital marketing firms operate in Uruguay, and some universities and academies have begun offering specific short-term programs directed at companies and advertisers. Foreign firms doing business in Uruguay advertise mostly through traditional media. Digital media readership increased by a factor of five in the last eight years. Digital versions of local newspapers (El Pais, and El Observador) and Channel 10 are the most viewed.

Major Buying Holidays

Major shopping centers organize three or four "buying holidays" throughout the year in which customers are refunded the 22 percent value-added-tax (VAT) for in-store purchases only. Christmas, Mother's Day (second Sunday of May) and Epiphany (January 6, Día de Reyes) are significant buying occasions. Uruguay's Digital Economy Chamber (CEDU) organizes yearly three-day e-commerce buying sprees (CyberMonday). The 2017 event registered an increase of 33 percent in buyers, and some stores reported increases of almost 500 percent in sales over the 2016 event. Seventy percent of CyberMonday buyers were from Montevideo. In 2018, CyberMonday took place June 4-6, and the number of participating retailers increased to 56 (up from 22 in 2014 when the event first began).

Social Media

Facebook remains a popular social media site. However, its influence, especially among youth,is declining while that of Instagram is increasing. The use of Twitter, Snapchat, Pinterest, and LinkedIn have all been decreasing.

Trade Promotion & Advertising

Local advertising agency are available. Several local ad agencies produce TV commercials for foreign clients. El Pais, El Observador, and La República are the leading newspapers in terms of circulation, while Búsqueda is a highly respected, weekly business-oriented journal. Television and radio advertising are also widespread. Several major international advertising agencies maintain offices in Montevideo. Digital media readership increased five-fold in the last eight years.

Local advertising and marketing agencies are present for companies looking to promote products or services. Many companies offer English-speaking professionals and have experience working with U.S. and international companies. Traditional media outlets can provide ad-based campaigns and can offer a mix of printed and digital ads on their platforms, including Diario El País, Diario El Observador, Diario La Diaria and Montevideo Comm. For retail products, companies may rely on TV and radio ads. Television and radio have huge penetration countrywide. Social media usage is very strong in Uruguay. Creating a local social media page for the company/product/service for targeted audience is recommended.

Web Resources for Advertising:

- Diario El País – www.elpais.com.uy
- Diario El Observador – www.elobservador.com.uy

- Diario La República – http://republica.com.uy/
- Radio El Espectador – http://www.espectador.com/
- Saeta TV – http://www.canal10.com.uy/
- Montecarlo TV - http://www.montecarlotv.com.uy/
- Teledoce TV – http://www.teledoce.com/
- VTV- http://www.vtv.com.uy/
- TNU's (Televisión Nacional Uruguay) Newsroom (State-owned TV station) http://www.tnu.com.uy/

The Embassy periodically hosts industry-specific and/or cross-industry trade missions. Details on how to participate in these trade missions may be obtained from the Commercial Unit, U.S. Embassy Montevideo, Tel: (5982) 1770-2776 or by e-mail at: Office.Montevideo@trade.gov.

Pricing

The Uruguayan market price structure reflects world market prices plus import tariffs, taxes, and transportation costs. Local taxes, like the value-added tax (VAT) and excise tax (IMESI), apply on retail sales prices. The VAT basic rate is 22 percent. Excise Tax (IMESI) applies to products such as fuel, tobacco, beverages, cosmetics, and cars, and the rate varies according to the item.

In addition to tariff advantages, products from nearby MERCOSUR countries Argentina, Brazil, and Paraguay enjoy significantly lower transportation costs than do products from the U.S., Europe, and Asia.

For information on foreign exchange rates annual and monthly averages, see http://www.bcu.gub.uy/Estadisticas-e-Indicadores/Paginas/Promedio-Mensual-de-Arbitrajes.aspx.

A typical price structure for an item imported from the United States is as follows (i.e., shipment of domestic kitchen HS code 8509.40.20.00):

Price (CIF)	percent	1000
Tariff Duty	20%	200
Extraordinary taxes	- -	12
Consular Tax	5%	50
T.S.A (Customs Service Tax)	- -	2
Customs Transit guide	- -	4.14
Professional Seal		5.25
Total Surcharges		**273.39**

V.A.T. (recoverable upon sale)	32%	384
Corporate Tax (IRAE)	4%	48
TOTAL IMPORTED COST		**1,705.39**

* Regular VAT is 22 percent and an extra 10 percent of VAT anticipation applies to imports. VAT is calculated on CIF value plus tariff amount. Basic products pay 10 percent of VAT and 3 percent of VAT Anticipation.

** The consular tax was raised in January 2017 from 2% to 5%, on products imported from all countries, except from MERCOSUR countries and Mexico, which was raised to 3%.

Sales Service/Customer Support

Uruguayans consider sales support and customer service important factors when deciding which products to buy. U.S. manufacturers should consider hiring local agents to provide customer support services. Any product that requires operator training or needs after-sales technical service, such as medical equipment, should have a qualified local company ready to assist the customer. Company representatives who respond from neighboring countries tend to be less effective.

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on Protecting Intellectual Property and also Corruption.

IP Attaché Contact for Uruguay, resident in Brazil

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Local Professional Services

Local professional services such as accounting, consulting, human resources, and finance are widely available and perform to international standards. Several U.S. and global service providers have offices in Uruguay. There are companies which provide full company profile reports:

- Equifax: www.equifax.com/home/es_ur

- Commercial Defense (local equivalent of Better Business Bureau): http://www.lideco.com.uy/online/html/index.php *

Principle Business Associations

- Uruguay – United States Chamber of Commerce (AmCham): 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.uniondeexportadores.com/es/
- Uruguayan IT Chamber: http://www.cuti.org.uy

Government:

- Office of the President of Uruguay: http://www.presidencia.gub.uy
- Parliament: http://www.parlamento.gub.uy
- Ministry of Foreign Affairs: http://www.mrree.gub.uy
- 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 Livestock, Agriculture and Fishing: http://www.mgap.gub.uy
- Uruguay XXI Trade Promotion Agency: http://www.uruguayxxi.gub.uy

Limitations on Selling US Products and Services

There are special customs procedures and/or documentation requirements in certain cases, for example, certain food products, textiles, and motor vehicles. Some of these products, such as oils, vehicles, sugar, textile products, and printing paper, are also subject to import licenses. Certain imports such as firearms, radioactive materials, fertilizers, vegetable products, and frozen animal embryos require special licenses and customs documents. Vegetable and animal products require prior authorization from a government authority according to sanitary or phytosanitary regulations. Other products, such as oil, can only be imported by the government.

Web Resources

U.S. products and services are usually sold through the websites of local importers. Alternatively, popular e-commerce websites include MercadoLibre (http://www.mercadolibre.com.uy) and OLX (https://www.olx.com.uy/). Social media is also considered an effective sales platform for selling products online in Uruguay.

Leading Sectors for US Exports & Investments

Telecommunication Equipment

Overview

	2015	2016	2017
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	382	202	412
Imports from the U.S.	70	63	73

Source: Transaction database – USD million
HTSUS: 8517, 8518, 8522, 8525, 8527, 8529, 8531, 8543, 8544, 9001

The U.S. market share of telecommunications equipment dropped from 31 percent in 2016 to 17 percent in 2017. China dominates this sector with 53 percent of imports in 2017. In 2017, state-owned ANTEL was the largest overall importer of telecommunications equipment with 30 percent, followed by Spain's Telefonica with 11 percent and México's Claro with 6 percent.

December 2017 data shows that telecommunications makes up 1.6 percent of Uruguay's GDP, continuing a decreasing trend which began in 2006 (3.3 percent).

Uruguay's landline density is 32 landlines per 100 people (82 percent residential and 18 percent commercial). The number of landlines has shown a constant increase since 2010 associated with an increase in fixed Internet connection and the use of residential security alarms. Cellular density is 159 lines per 100 people and has been stable over the last two years. Seventy-five percent of mobile services are pre-paid. HTSUS 8517 (cellular handsets) make up 56 percent of total telecommunications imports. Three carriers share Uruguay's market: ANTEL with 53 percent; Spain's Telefonica/Movistar with 32 percent; and, Mexico's America Movil/CTI/Claro with 15 percent. As of 2017, 87 percent of cellular handsets had access to the Internet. Internet penetration reaches 88 percent of the population.

The number of mobile clients continues to rise towards near-saturation. Experts believe growth is still possible through the sale of new services, especially for smartphone users. Content for teenagers and children continues to show strong growth. All three carriers offer Long Term Evolution (LTE–4G) services, although mainly among the most populated areas along the coast between Colonia and Punta del Este. Uruguayan consumers change their handsets on average every 1.5 years.

While there were 15,000 public phones in operation in Uruguay 2007, by the end of 2017 only 1,900 were still in service.

Leading Sub-Sectors

Overall, U.S. companies have a market share of approximately 17 percent in telecommunications-related products, down from 31 percent in 2016. The use of fiber optics throughout the country for Internet connection and the new HDTV channels expected to begin transmission in late 2018 may present opportunities for U.S. companies providing content and equipment.

Opportunities

In December 2010, Uruguay dropped the decision to adopt the European HDTV standard and announced the adoption of the hybrid Japanese/Brazilian (ISDB-T) standard. Implementation has been continuously postponed.

Web Resources

- Embassy Contact: Office.Montevideo@trade.gov, http://www.export.gov/Uruguay
- 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
- Dedicado: http://www.dedicado.com.uy

Renewable Energy

Overview

An absence of tapped fossil fuel resources, coal, and natural gas has made Uruguay historically dependent on hydroelectric power, imported oil, and imported electricity from its neighbors Argentina and Brazil.

In the last 10 years, Uruguay has shifted dramatically to electricity from renewable sources, having moved away from petroleum-based generation. Currently 98 to 100 percent of electricity comes from renewable sources compared to just 40 percent as recently as 2012. Uruguay often has surplus electricity supply, due to an excess of wind-power generating capacity. Uruguay is seeking to identify additional domestic uses for the excess and/or increasing exports to Argentina and Brazil. In 2017, Uruguay exported ten percent of its electricity production.

Uruguay has become one of the leading countries in renewable energy generation, primarily from hydro (60 percent), with the remainder from wind, solar, and biofuels. Uruguay is also one of the most electrified countries in the hemisphere, with 99.4 percent of homes receiving electricity. The government's objective is to reach 100 percent by 2030.

Hydroelectric capacity is 1,500 megawatts (MW) and is unlikely to grow, given that the country is already exploiting all its large-scale hydro resources. Uruguay also has more than 1,500 MW of installed wind capacity, which is expected to continue to slowly increase. By the end of 2018 there are plans to have 42 wind farms operating in 13 of the country's 19 departments (states). Uruguay is already using wind energy for base power and hydroelectric to meet peak demand. In 2017 renewable sources provided 63 percent of Uruguayan energy while 37 percent came from fossil fuel resources. The government is also strongly encouraging the production of bio-diesel and ethanol in addition to its focus on wind, biomass, and solar energy.

Leading Sub-Sectors

Biomass

Although forestry is the main source of biomass, Uruguay has other sources available from the beef industry and edible oil. Investments in biomass increased considerably in 2013, when it reached more than 400 MW of installed power generation and has not increased considerably since then. By 2017 biomass represented 18 percent of the total amount of electrical generation, behind hydro and wind.

Wind

In 2017, 26 percent of electricity supply was from wind power. The potential to harness wind energy in Uruguay is significant. Average wind profile measures at heights of 90 meters show speeds of 6 to 9 meters/second. Development of wind energy has exceeded expectations and the country currently has a surplus of wind generation capacity. In 2017, Uruguay exported $140 million in wind-generated electricity, mostly to Brazil. The government designed a wind map, which is available online at Wind Map. Further information is available (in Spanish) at http://www.energiaeolica.gub.uy.

Solar

The potential for solar power in Uruguay is encouraging; Uruguay receives an average of 1,700 KW per square meter of sunlight a year, on a par with Mediterranean countries. Legislative support for solar power has existed since 2013, 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. In 2017, more than one million dollars was invested in solar projects.

For Uruguay's solar map see: http://snip.state.gov/itr. Information on the government's solar plan is available (in Spanish) at http://www.energiasolar.gub.uy/.

Opportunities

Uruguay has nearly completed all its current renewable infrastructure projects, with an installed capacity of 4,600 MW. Further investments in power capacity will be linked to increases in electricity demand, which the government estimates to be two percent annually. As government policies continue to promote greater energy independence and improved efficiency from renewable sources, we expect a favorable market for new opportunities, but not on further capacity. Opportunities are present in green technology, energy storage, smart grids, electric transportation, and the development of more energy-efficient transmission lines.

According to the Ministry of Industry, the excess of energy now generated in Uruguay could be used for electric-powered transportation. The government is considering incentives for companies to transition vehicle fleets to electric and has already implemented tax benefits to those companies that purchase them. Electric vehicles can already be imported into Uruguay, duty free, with tax exemptions. Uruguay's government-owned power company UTE debuted in December 2017 the creation of the first electric-vehicle route in Latin America. The 300 kilometer route provides a network of charging stations distributed at approximately 60 kilometer intervals. Though it has not yet announced a schedule, UTE said the next phasewould be to provide charging stations throughout the country on most national routes.

Companies also do not pay import duties on renewable-energy generators and equipment (if classified as capital goods). For conventional equipment, a 14 percent duty is applied to products that are not from the MERCOSUR countries.

U.S.-manufactured products are regarded as high in quality but occasionally lose in price competitiveness. U.S. products may also rate poorly when it comes to financing, an important factor in sales in Uruguay. U.S. manufacturers offering flexible, innovative, and competitive credit terms will have an advantage.

Web Resources

- Embassy Contact: Office.Montevideo@trade.gov, http://www.export.gov/Uruguay
- Ministry of Industry, Energy and Mining: http://www.miem.gub.uy
- National Directorate of Energy: http://www.miem.gub.uy/web/energia
- National Electricity Utility - UTE: http://www.ute.com.uy

IT – Computer Hardware

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

	2015	2016	2017
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	146	124	116
Imports from the U.S.	32	25	32

Source: Transaction database—USD million Products under HS codes 8471 and 8473

Imports of information technology (IT) hardware and accessories declined again in 2017. U.S. market share of computer hardware imports increased to 27 percent from 20 percent in 2016. China had almost 54 percent of market share in computer hardware in 2017.

Distributors of hardware normally sell both equipment assembled abroad and products assembled locally using imported components and parts. Imports of hardware are handled mainly by distributors. Brands such as Apple, Dell, HP, iView, Lenovo, Samsung, and Sony are found easily. Data about market share by brand is not available.

Uruguay has one of South America's highest literacy rates (over 98 percent). The telecoms network is 100 percent digital, and the Internet penetration rate is one of the highest in Latin America (94 percent). Since Uruguay does not manufacture computer hardware, any further growth in Internet usage is expected to generate greater demand for computer imports.

Multinationals consider Uruguay a viable IT hub for call centers and business-process outsourcing (BPO) operations. In a 2017 annual ranking of 100 global outsourcing destinations by Tholons, a global-services advisory firm, Uruguay moved up in ranking to number 23 from its 2016 rank of 35. Uruguay places behind its regional competitors Brazil (ranked 4), Chile (ranked 7), and Argentina (ranked 13). Following a 50 million dollar investment, in 2016 the state-owned telecommunications company Antel inaugurated its tier III data center, one of five in Latin America, http://www.antel.com.uy/datacenter. (Note: Data centers fall into one of four tiers, the fourth being the best. Tier III guarantees 99.982 percent uptime, no more than 1/6 hours of downtime per year, and N + 1 redundancy.)

There are no tariffs for items from MERCOSUR; for third countries, the Common External Tariff (CET) ranges from zero to 16 percent. However, the "Information Technology and Telecommunications" category falls under a special regime until 2019 — most items under HS codes 84.71 have zero to two percent CET, and most items under 84.73 are exempt from import tariffs.

Leading Sub-Sectors

Traditionally hardware and accessories were among the top imports from the U.S. While total imports have dropped, local clients still 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, and magnetic heads, among others.

Opportunities

Starting in 2007, the Uruguayan government made the "One Laptop per Child" (OLPC) program a top priority and created a nation-wide digital platform for education; the program activity is known as Plan Ceibal. Sector analysts estimate that imports of hardware Plan Ceibal will continue to increase since computers are progressively considered a necessity. Local IT businesses report that demand for equipment and qualified workers will continue to rise over the next few years. Consumers readily accept refurbished equipment, particularly for first-time users. The current government administration also supplies tablets to all retirees as part of the OLPC (a.k.a. Plan Ibirapitá) program and will require health institutions to transition to having only electronic medical records, further increasing the need for advanced information infrastructure development and protection.

Web Resources

- Embassy Contact: Office.Montevideo@trade.gov

http://www.export.gov/uruguay

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

Security Equipment

Overview

	2015	2016	2017
Total Exports	12.0	6.2	5.2
Total Imports	159.2	178.0	195.6
Imports from the U.S.	18.1	15.0	16.3

Source: Transaction database – Millions of USD - HS: 8543- 8537-8471-4911-8521-8504-8531-8541-8536-8507)

Imports of security equipment grew 10 percent in 2017. U.S. products make up 8.3 percent of market share and compete directly with lower-priced products from China, Malaysia, Brazil, and the Republic of Korea.

Imported electronic components play an important role in locally manufactured products. Local security importers will continue to import high-tech components to be used in the production of alarms, closed-circuit television (CCTV), panels, and other related products.

Leading Sub-Sectors

The sub-sector of intrusion alarm systems grew by 68 percent in 2017, reaching $136 million. Major construction projects are underway in Montevideo and Punta del Este (Uruguay's principal seaside resort) in which electronic security products will play an important role. According to the Uruguayan Chamber of Electronic Security Systems (CIPSES), the electronic security business will continue growing, especially in the commercial and industrial fields.

Opportunities

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 the dollar value of all imports made during 2017 in the following four sub-sectors: access control, CCTV, fire detection systems, and intrusion alarm systems. Trends on imported security products have changed compared to 2016. Overall sector imports increased 10 percent over the sector's total imports in 2017, the United States' market share barely grew 0.87 percent compared to 2016 (see table above). Imports of security products from China grew 11 percent in 2017.

2017 Uruguay's Electronic Security Imports	
Access Control Systems	49.0 (87.0 in 2016)
CCTV	2.4
Fire Detection Systems	8.2

Intrusion Alarm Systems	136.0 (81.0 in 2016)
Total	**195.6 (178.0 in 2016)**

Source: Transaction Database – Millions of USD

The following are products likely to be in high demand in the four sub-sectors:

- Access Control Systems: smart cards, biometrics, controllers, local area network (LAN) devices, readers, digital processors.
- Intrusion Alarms: indicator panels, signaling devices, key pad LEDs, batteries, sirens, and magnetic contacts.
- CCTV: cameras, domes, monitors, transmission devices, television transmission apparatus, TV receivers, multiplexers, and CCTV systems.

Web Resources

- Embassy Contact: Office.Montevideo@trade.gov http://export.gov/uruguay
- Uruguayan Chamber of Electronic Security Systems (Cámara Uruguaya de Seguridad Electronica) – CIPSES – cipses@montevideo.com.uy
- 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 Fórum (Foro de Seguridad) - http://www.forodeseguridad.com

Chemicals

Overview

	2015	2016	2017
Total Exports	1000.0	58.0	57.0
Total Imports	293.0	253.0	280.0
Imports from the U.S.	31.0	29.0	30.0

Source: Transaction database – USD million

In 2017, the suppliers dominating the market share for chemicals falling within HS codes 3808-3907-3824-3101 were: China (29 percent), Argentina (19 percent), India (18 percent), and, the U.S. and Brazil (11 percent each). Imports of chemical products grew 10.6 percent in 2017. Imports from the United States remained flat at 11 percent.

The main imports were:

- 3907600090 - Polylatic Acid
- 3808932400 - Weed-killers based on Paraquat Dichloride
- 3808929990 - Weed-killers to be used in sanitary domestic operations
- 3808919990 - Fungicides for direct use in sanitary domestic operations
- 3808911900 – Insecticides based on acephate or bacillus thuringiensis

The local chemical industry normally processes imported raw materials. Subsidiaries of multinationals account for approximately 60 percent of the chemical industry. During the last five years, the chemical sector has undergone 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:

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

Uruguay does not produce basic raw materials such as ethylene and propylene. The Uruguayan industry is only involved in the final processing stages.

Leading Sub-Sectors

Fertilizers

ISUSA (Industria Sulfurica Sociedad Anonima) controls Uruguay's fertilizer production. This company has several plants producing sulphuric acid and oleum with a maximum capacity of 180 tons a day. Fifty percent of the production of sulphuric acid is for the production of fertilizers, while the other 50 percent is for the production of other chemical products. During 2017, ISUSA imported $60 million worth of fertilizers accounting for 30 percent of all fertilizer imports.

Chemical industries

Chemical industries and especially "fine chemistry" have been particularly dynamic in Uruguay since the 1980s. Uruguay's pharmaceutical industry is comprised of 85 companies and 86 laboratories. The market is fragmented with small- to medium-sized firms controlling a third of the market. Uruguay's pharmaceutical industry sells more than $500 million per year and employs more than six thousand people.

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

Plastics

The plastics sector employs approximately 4,800 people. Raw material is almost entirely imported and represents between 40 percent and 50 percent of the finished product price. Uruguay's Plastics Association is comprised of 60 of the approximately 250 companies in the country's plastics sector. The sector processes 150,000 tons of plastic material per year; a large part of production is for export.

Plastic products range from bottles and cups to specialized molded parts for the automotive, agriculture, and medical-products industries. In Uruguay, the most important sub-sector is containers and packaging, followed by construction products like PVC pipes. There are also a considerable number of companies engaged in the manufacture of plastic housewares products. Plastics also play an important role in the medical field with the manufacture of syringes, catheters, and many other plastic-related products.

Opportunities

In the plastics, there are opportunities for U.S. producers of resins for the manufacturer of PET containers. In petro-chemicals, since almost all the raw material used for the production of fertilizers is imported, this is also potential market for U.S. firms (see next section on fertilizers).

Web Resources

- Embassy Contact: Office.Montevideo@trade.gov http://export.gov/uruguay
- Chamber of Industry - http://www.ciu.com.uy
- Uruguayan Plastic Association – within the Chamber of Industry-auip@ciu.com.uy

Fertilizers

Overview

	2015	2016	2017
Total Exports	11.0	14.0	7.5
Total Imports	212.0	193.0	196.0
Imports from the U.S.	7.0	9.3	15.5

Source: Transaction database – USD million

Uruguay is principally an agricultural country and the use of fertilizers is important to maintain pastures and increase soil fertility. Within the chemical sector, fertilizers play a significant role in Uruguay's imports; the country imports almost 80 percent of fertilizers in use.

During 2017, fertilizer imports increased only 1.5 percent over the previous year. U.S. imports increased significantly from 2016. In 2017, the main suppliers of raw materials for fertilizers (HS codes 3102/3105/3103/3104) were China (20 percent), Russia (16 percent), the United States (15 percent), Egypt (13 percent), and United Arab Emirates and Saudi Arabia (10 percent each).

The most important products imported were:

- Fertilizers, mineral or chemical nitrogenated (urea).
- Diammonium Hudrogenorthophosphate.
- Ammonium Dihydrogenorthoposphate.
- Potassium chloride.
- Mineral or chemical fertilizers containing nitrogen and phosphorus.

The poor growth of natural pasture in winter, their medium-to-low quality, and deficiencies in phosphorus and nitrogen in the great majority of soils have 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, aided by the elimination of the 22 percent value-added tax and by zero import tariffs. The cost in Uruguay to fertilize adequately a hectare of land can vary from US $60 to $150, depending on the kind of crop being cultivated.

In Uruguay, the amount of fertilized land may also vary according to the world price of livestock products

Leading Sub-Sectors

Agriculture in Uruguay continues to be the key driver of the economy, and as such Uruguay will remain dependent on fertilizer imports.

Opportunities

The best prospects are for U.S. exports of diammonium hydrogen orthophosphate, which is used in grasslands on an average of 150 to 200 kilograms per hectare. Ammonium sulfate and urea are also in great demand. U.S. manufactures of urea, ammonium sulfate, diammonium hydrogen orthophosphate and other related products will have sales opportunities in the Uruguayan market. However, they will have to compete with very competitive prices from China and Russia, as well as some other Asian countries.

Web Resources

- Embassy Contact: Office.Montevideo@trade.gov http://export.gov/uruguay
- Ministry of Agriculture: http://www.mgap.gub.uy

Agricultural Equipment

Overview

	2015	2016	2017
Total Market Size	n/a	n/a	n/a
Total Local Production	0.1	0.1	0.2
Total Imports	268	195	194
Imports from the U.S.	50	27	38

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

Agriculture, which makes up about eight percent of GDP, plays a leading role in Uruguay's economy, politics, and society. The U.S. has traditionally been the second or third largest supplier of agricultural machinery to the Uruguayan market. In 2017, the United States increased its market share to almost 20 percent, up from 14 percent in 2016 (behind Brazil with 35 percent and above China with 7 percent). U.S. brands manufactured mostly in Brazil and Argentina do well in the Uruguayan market, but Chinese brands have been gaining market share. Although demand has declined, there is still a market for pre-owned and refurbished machinery. Apart from tractors, which are imported mostly from Europe, U.S. machinery is highly regarded and competes favorably.

Leading Sub-Sectors

The market for agricultural equipment is supplied by imports. The best sales prospects for U.S. equipment include:

- 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 operates such equipment.
- Laser-controlled earth-leveling machinery.
- Computerized management systems (used for livestock). Agri-food machinery and equipment used by food processing companies such as grain processing equipment, fruit, and vegetable processing equipment (separation, cleaning, etc.), meat processing equipment, poultry production equipment.
- 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 with approximately 80 percent imported from Europe.

- Parts and accessories for harvesters and tractors: demand is expected to increase because of 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 can ensure reliable part supplies.
- Greenhouse and other vegetable production equipment.
- Technologies that enable greenhouse production of organic products; Uruguay has officially branded its natural and organic products "*Uruguay Natural*."
- Irrigation equipment: a new Irrigation Law passed in 2017 that provides incentives for irrigation equipment should propel its use.
- Storage buildings such as silos. Prefabricated, light, inexpensive farm-storage buildings have a good market in Uruguay.

Opportunities

Given periodic water scarcities in Uruguay, irrigation and well-drilling equipment should also have excellent market opportunities. The government has announced incentives for the use of irrigation equipment.

Web Resources

- Embassy Contact: Office.Montevideo@trade.gov; http://www.export.gov/Uruguay
- Uruguayan Ministry of Agriculture: http://www.mgap.gub.uy/opypa
- Uruguayan Rural Association: http://www.aru.org.uy
- Uruguayan Mercantile Chamber: http://www.camaramercantil.com.uy/

Pharmaceuticals

Overview

	2015	2016	2017
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Imports	250	241	255
Imports from the U.S.	28	24	27

Source: Transaction database—USD million—Products under HS codes: 3001, 3002, 3003, 3004, 3005, 3006.

Uruguay has a long tradition in the pharmaceutical industry with a highly skilled and knowledgeable local workforce. In addition, the government has an established, transparent regulatory framework in which companies and laboratories may operate.

Uruguay has over 30 pharmaceutical facilities authorized by the Ministry of Public Health (MSP), some with the *Good Manufacturing Practice* certificates. There has been investment in modern technologies for sterile filling of vials and syringes with biological products, as well as to produce molecular biology and immunodiagnostic and recombinant protein kits.

Pharmaceutical laboratories are either operated by multinational companies which reproduce global patented products or by local firms that manufacture similar or generic pharmaceutical products.

Leading Sub-Sectors

In the market there are pharmaceutical laboratories managed by multinational companies, manufacturers of patented products who belong to the Chamber of Pharmaceutical Specialties and Related Products (CEFA), and national and regional companies. These companies manufacture and sell similar or generic pharmaceutical products and are part of the National Association of Laboratories (ALN), founded in 1943.

The United States is the fourth largest supplier of medicines to Uruguay, representing eight percent of total imports. Regarding vaccines, the influenza vaccine is the product most commonly imported and the Unites States is the third-largest supplier, representing 15 percent of imports.

Opportunities

Uruguay's pharmaceutical industry exports products and drugs packaged for retail sale, along with vaccines and antisera. Pharmaceutical laboratories in Uruguay are dependent on imported raw materials, because basic chemicals are not produced domestically. Medicinal imports from the U.S. are 58 percent of total imports, followed by vaccines which represent 31 percent of such imports from the U.S. The absence of basic chemical production in the region propels companies to import raw materials for pharmaceuticals, principally from China.

Web Resources

- Embassy Contacts: Office.Montevideo@trade.gov; http://www.export.gov/Uruguay
- Ministry of Public Health (MSP): http://www.msp.gub.uy
- Uruguay's Chemistry and Pharmacy Association (AQFU): http://aqfu.org.uy
- Chamber of Pharmaceutical Specializations (CEFA): http://www.cefa.uy
- Association of National Laboratories (ALN) : http://www.aln.com.uy

Infrastructure Projects

Overview

In late 2011, the Uruguayan Parliament approved a Public-Private Partnership (PPP) law that formalized the procedures, responsibilities, and obligations of state and private investors. The government designed this law to attract foreign investment and to improve the country's competitiveness, mainly in much-needed infrastructure projects. Projects for partnerships with the state included the construction of low-cost housing projects, the building of jails, school construction and renovation, road refurbishing, railway modernization, and deep-water port construction and operation. The results so far have been poor, due to long delays in awarding projects. To date, the Ministry of Interior has awarded a PPP concession to build a new jail, and the Ministry of Transportation has issued two contracts for road rehabilitation.

Potable-water resource management is an emerging issue. In 2013 and again in early 2015 isolated incidents of water resources tainted by microorganisms highlighted the need for government investments in upgrading and monitoring water quality. Besides equipment such as sensors and filters, the government plans to construct a new dam to supply water to the population.

For other planned infrastructure projects that might interest U.S. exporters of goods and services, as well as updates and information on other opportunities, please contact Office.Montevideo@trade.gov.

Leading Sub-Sectors

In mid-2016, the Uruguayan government announced that a Finnish paper mill had expressed an interest in constructing a second plant on Uruguayan soil. Total project investments were announced at $5 billion, of which $1 billion was forecasted as a government investment in railway and road improvements. The railway portion includes the complete overhaul of a 250-mile stretch of track, including new accesses to the Port of Montevideo. In May 2018, the government received three bids for the construction of the railways from local, Spanish, and Chinese consortia.

Roads:

The government is focusing on improving the quality of Uruguay's highway system mainly through PPPs. In 2017, Uruguay invested $480 million to refurbish roads. Of the seven road PPPs announced, only two were adjudicated so far (Routes 21 and 24).

Education:

In November 2016, the government announced it would invest $400 million dollars over five years in 150 PPP infrastructure projects (mainly for the rehabilitation or construction of school buildings). To date, the government has obligated $244 million in proposed or awarded programs.

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 shipping. Further opportunities for U.S. business involvement exist in the development of waterway administration.

Ports:

Main projects in the Port of Montevideo will be the enlarging of Docks C + D (worth $90 million), improvements to modernize the Port of Capurro (fishing-fleet hub worth $120 million), and construction of the Capurro port viaduct (worth $130 million) to separate commercial traffic from port traffic. There are plans to relocate the Buquebus Passenger Terminal, catering to river transportation between Montevideo in Uruguay and Buenos Aires in Argentina, out of the Port of Montevideo premises, but no timetable has been announced for this project.

The Ministry of Transportation has engaged in discussions on the future creation of a Yacht Port in the seaside resort of Atlántida. However, no concrete plans are in place.

Web Resources

- Embassy Contacts: Office.Montevideo@trade.gov; http://www.export.gov/Uruguay
- Ministry of Transportation and Public Works (MTOP) - http://www.mtop.gub.uy
- National Ports Administration (ANP) - http://www.anp.com.uy
- National Railway Administration (AFE) - http://www.afe.com.uy
- Ministry of Economy and Finance (MEF – PPP Projects): http://ppp.mef.gub.uy/1201/2/areas/portafolio-de-proyectos.html

Trade Barriers

Uruguay, with its strong, democratic legal system, has a relatively open, reliable trade and investment regime, with few border restrictions and limited use of non-tariff measures. Its trade strategy continues to liberalize trade and investment at both the multilateral and regional levels. However, in recent years, increased import taxes have raised prices on foreign products. The current government's taxation of imports has been aimed at increasing revenue, not protecting domestic production, given the low incidence of manufacturing in Uruguay. Uruguay has established particularly high tariffs for products that are imported from non-MERCOSUR countries. Valued Added Taxes (VAT) and Specific Internal Tax (IMESI) can significantly increase the prices on certain imported products. Products that are subject to the highest IMESI rates are alcoholic beverages, tobacco, and refined petroleum products.

Restrictions on selling to the government of the country

The government procurement and contracting function is governed by the Harmonized Text of the Law on Accounting and Financial Administration (TOCAF). Over the past decade, Uruguay has taken steps to enhance the efficiency and transparency of government procurement procedures and to strengthen the system's institutional framework. At the same time, Uruguay has used the government procurement system as a tool for promoting domestic industry by granting preference quotas. For products to benefit from preferential margins and qualify as national products, they must contain at least 35 percent of local components.

Import licensing requirements

Uruguay applies non-automatic import licensing to certain products, such as motor vehicles, sugar, acetic acid, textiles, shoes, and steel for structural uses. Licenses should be requested prior to the product's arrival in Uruguay to avoid demurrage costs at points of entry. After being approved, the license is valid for 60 days (90 days for motor vehicles).

Anti-dumping and countervailing duty measures

At the moment, Uruguay is not making active use of any contingency measures. No countervailing or safeguard investigations were initiated in 2017. The country has not had any anti-dumping measures in force since 2006, when the anti-dumping duties imposed for three years on imports of pure refined vegetable oil from Argentina expired.

Measures for agricultural products

Although there are no quarantine measures for agricultural products, products of animal or plant origin require prior authorization from a government authority for sanitary, phytosanitary, safety, and environmental protection reasons. In general, sanitary, and phytosanitary certificates are required depending on the level of risk and are issued by the country of origin.

Processed Food and Beverages and Food Ingredients

Overview

Uruguay will continue to be a net importer of several foods and beverages (F&B) and ingredients that it does not produce domestically. The best prospects are for food ingredients, high-value F&B products, and "commodity-type" products which are not manufactured locally.

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

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

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 manages reasonably transparent labeling and sanitary requirements. Most U.S. 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 account for almost 80 percent of total imports. Imports from Europe and the U.S. are aimed at the middle- and higher-income sectors. The opening in 2015 of the Uruguayan market for U.S. beef and poultry products presents a good opportunity for American exporters, since several Uruguayan importers have expressed interest in bringing those products, especially sweetbreads, into the country. Some importers have already brought the first containers of both chicken and sweetbreads into Uruguay, although shipments have been small. The government is expected to continue with awareness campaigns promoting consumption of healthy snacks at primary and secondary schools; this brings new opportunities for imported power bars, dried fruits snacks, and other healthy foods.

Uruguay's Ministries of Public Health, Industry, and Energy jointly proposed an executive decree in 2017 to modify food-labeling regulations. Uruguay's Ministries of Public Health, Industry, and Energy jointly proposed an executive decree June 2017 to modify food-labeling regulations, purportedly to combat childhood obesity and raise consumer awareness. The decree would require nutritional labels on food products determined to be high in sugar, salt, saturated fats, and/or calories. The decree as of the date of this report has remained unsigned by the President. The government reports that it consulted with industry and food specialists on the draft decree and the Pan American Health Organization had provided the dietary guidelines used. Inspired by similar legislation in Chile (the 2016 Chilean Nutritional Labeling Law or Ley de Etiquetado), the decree would require nutritional labels on food products determined to be high in sugar, salt, saturated fats, and/or calories. Local industry contacts and the Industry Chamber of Uruguay publicly oppose the new requirements, claiming the draft decree is not consistent with relevant MERCOSUR labeling standards or guidelines.

The USDA Foreign Agricultural Service Office is based in Buenos Aires and covers Argentina, Paraguay, and Uruguay. The office 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.

Opportunities

Most Uruguayan consumers are aware of the wide variety and high quality of U.S. foods and beverages and may be willing to try new products.

The influence of U.S. culture is significant and transmitted through cable TV and the internet. Many Uruguayans travel or study in the United States.

Supermarkets are willing to have imported F&B on the shelves as a tool to differentiate themselves 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, has 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 U.S. 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 and 23 percent for most F&B.

The relatively small size of the market and small import volumes many times limits import opportunities.

Any onerous food labeling requirements, should they be implemented, could pose a technical barrier to U.S.-processed food imports.

Web Resources

- Montevideo Municipality Food and Health Service (Intendencia Municipal de Montevideo — Bromatología and Regulacion Alimentaria): http://www.montevideo.gub.uy/
- Uruguay's Technological Laboratory (Laboratorio Tecnológico del Uruguay [LATU]): http://www.latu.org.uy/
- Ministry of Livestock, Agriculture, and Fisheries (Ministerio de Ganadería, Agricultura y Pesca [MGAP)]: http://www.mgap.gub.uy
- National Meat Institute (Instituto Nacional de Carnes – [INAC]): http://www.inac.gub.uy
- National Wine Institute (Instituto Nacional de Vitivinicultura [NAVI]): http://www.inavi.com.uy
- Ministry of Public Health (Ministerio de Salud Publica [MSP]): http://www.msp.gub.uy
- For more information please check with USDA Foreign Agricultural Service in Buenos Aires, Agricultural Specialist Maria.Balbi@fas.usda.gov

Education

Overview

Uruguay faces major challenges in its educational system. The decline of public education over the last decade has been a leading issue in the public sphere. The number of Uruguayans interested in studying in the United States has increased in recent years. Since 2014, Embassy Montevideo has recorded a 20 percent increase in the number of student (F) visas it issues to Uruguayans.

In recent years, Embassy Montevideo expanded its network of advisors who work with Uruguayan students to guide them on to applying to U.S. universities. In August 2017, the Embassy held its fifth annual EducationUSA University Fair. Approximately 1,250 students registered for the event, featuring representatives from thirteen U.S. universities. A private-sector sponsored event with representatives of fourteen U.S. universities was held in April 2018 and attracted almost 1,000 interested students.

Web Resources

- Embassy Contact: Office.Montevideo@trade.gov; http://www.export.gov/Uruguay
- Ministry of Education: http://www.mec.gub.uy
- EducationUSA Uruguay: https://educationusa.state.gov/centers/us-embassy-uruguay

Customs, Regulations & Standards

Import Tariff

Most goods enter Uruguay from MERCOSUR countries. A MERCOSUR Common External Tariff (CET) on imports from non-member countries entered effect in 1995. MERCOSUR´s general rule is to apply a higher CET on higher-value-added imports. There are numerous 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 also 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. MERCOSUR also lacks other mechanisms to become an effective Customs Union, such as a mechanism to distribute tariff revenues. Thus, a good imported into a MERCOSUR country must pay another duty if re-exported to another member country. Uruguay's tariff structure comprises 19 rates that range from 0% to 35%. The WTO reports that Uruguay has bound all its tariff lines, allows 1,674 items to enter duty-free, and applies a mean (simple average) tariff of 11 percent to the rest. The products subject to a tariff of more than 20% are: sunflower and cardamom oil; soybean oil, margarine, and other fixed vegetable fats and oils; milk and cream; mozzarella; cane or beet sugar; fruit and nuts; rubber-soled footwear; and motor vehicles for the transport of passengers and goods. Most of these products are on Uruguay's national list of exceptions to the CET or are products for which the CET has been temporarily modified. Uruguay's tariff structure is available at its Ministry of Economy webpage: http://apc.mef.gub.uy/711/3/areas/nomenclatura-y-aranceles.html. Uruguay applies preferential tariffs on some imports, such as equipment for agriculture and hotels, capital goods, and on goods for projects that have been declared of national interest. These goods are also eligible for tax exemptions.

Import Requirements & Documentation

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 import procedures, and importers must use an agent to handle their customs entries. The agent is in charge of issuing a Customs Import Declaration and sending it electronically to customs, before the cargo arrives to Uruguay. Required documents by customs are: commercial invoice, transportation document, and certificate of origin. A packing list, identifying where different units are located within the shipment, is also commonly requested by the importer. The country may require other certificates depending on the type of product (HS Code).

Labeling/Marking Requirements

Products entering Uruguay must comply with all national legislation, as well as with the MERCOSUR legislation adopted by Uruguay. Some departmental (state) governments are also entitled to establishing labelling rules and inspections.

The *Laboratorio Tecnológico del Uruguay* (*LATU*, Uruguay's Technical Laboratory), the Ministry of Public Health, and departmental governments control labelling and marking requirements for all imported products. Products such as textiles, foodstuff, footwear, medical equipment, pharmaceuticals, pesticides, cigarettes, and cosmetics have their own specific labelling requirements.

Labelling requirements for foodstuff were established by Decrees 315/94, 41/92, and 41/93. According to legislation, labels must contain a Spanish-language description of the list of ingredients or components of the product, country of origin, expiration date, net weight, and the full name and address of the manufacturer and importer, plus use and preparation instructions. The Departmental Government of Montevideo also regulates how the different requirements must be shown on the label.

In February 2018, the Departmental Government of Montevideo made it mandatory to label food products containing GMO ingredients. The regulation has yet to go into effect, but inspections are scheduled to begin in September. Testing for GMO ingredients will be conducted by private laboratories and the Food Molecular Traceability Laboratory of the Faculty of Sciences, University of the Republic. The Government of Uruguay is also considering a draft decree that makes mandatory labelling of packaged food, indicating if it has high levels of fat, sugars, sodium or trans fats (see Processed Foods Overview).

Imported products may include the original label of the country/language of origin but must also have a sticker or label attached to the package with the information required 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. Companies that can adapt their labels to local standards have a competitive advantage.

U.S. Export Controls

A list that consolidates eleven export screening lists of the Departments of Commerce, State, and Treasury into a single source to aid industry in conducting electronic screens of potential parties to regulated transactions is available here: **http://developer.trade.gov/consolidated-screening-list.html.**

Temporary Entry

Products may be imported under temporary admission or drawback provisions. Products imported under temporary 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. 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.

This mechanism also applies to those products which are imported for a short period with specific purposes and are then exported, for example, materials to set up stands in international events or cars for international races.

Prohibited & Restricted Imports

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

Certain products are completely prohibited, such as: paint with excess of lead, organochlorine-based insecticides, potassium bromate for food, used cars, asbestos or products containing asbestos, certain insecticides-herbicides.

Import quotas were eliminated in the mid-1970s and non-tariff barriers, including reference and minimum import prices, were substantially reduced in the 1990s. 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/tp363_e.htm.

Customs Regulations

At a national level, the National Customs Directorate (*Dirección Nacional de Aduanas, DNA*) applies, collects, and controls taxes under the Uruguayan Customs Code. *DNA* falls under the Ministry of Economy and Finance; it dictates all customs regulations and controls import and export transactions.

For Customs-related information or questions, contact:

Dirección Nacional de Aduanas - http://www.aduanas.gub.uy

Rambla 25 de Agosto 199 | Tel: 2 915 00 07 | info@aduanas.gub.uy

In 2010, MERCOSUR approved the MERCOSUR Customs Code that came into effect January 1, 2012, and was the starting point for the issuance of a new Uruguayan Customs Code (CAROU). CAROU entered into force in March 2015 and amends the country's customs legislation to bring it into line with the MERCOSUR Customs Code (CAM). It also introduces provisions aimed at aligning customs regulations with procedures of 21st century international trade.

Uruguay created a Single Window system for International Trade in 2014 and in 2018 it ranked 4th in Latin America and the Caribbean according to the publication "Trade Facilitation and the Global Economy" by the OECD. This mechanism allows to optimize and unify, through electronic tools, information and documentation in a single point of entry to comply with all the procedures of import, export and transit of goods.

Standards for Trade

Overview

Under the National System of Quality, *UNIT* (Uruguayan Institute of Technical Norms, http://www.unit.org.uy) was nominated as the National Normalization Organization, *LATU (Laboratorio Tecnológico del Uruguay*) as the National Institute of Metrology, and *OUA (Organismo Uruguayo de Acreditación*) as the National Accreditation Organization.

The MERCOSUR Standards Association, *AMN (Asociación MERCOSUR de Normalización*) composed of the standards institutes of Argentina, Brazil, Paraguay, and Uruguay, develops and harmonizes standards. The Executive Secretariat of the *AMN* is in Sao Paulo, Brazil. Voluntary standards are developed in 16 technical committees and deal mostly with steel, cement and concrete products, and electrical safety. Several hundred standards are at different stages of preparation or in draft.

Regional technical regulations are developed or harmonized by the MERCOSUR governments in Sub Working Group Three in the following fields: automotive, foods, metrology, safety issues for electrical products, toys, and pre-measured products. Separate working groups, such as those on telecommunications and health issues, also focus on mandatory technical requirements for their sectors. Approved MERCOSUR regulations are not automatically applicable in each country; each country must adopt harmonized regulations for them to be applicable. The member countries generally adopt all MERCOSUR regulations, though at different speeds.

Standards

In Uruguay, *UNIT* carries out certification and establishes technical norms, and is the exclusive representative of ISO (International Organization for Standardization), IEC (International Electrotechnical Commission), and the World Quality Council (WQC) in Uruguay. It is also a member of *AMN (Asociación MERCOSUR de Normalización*), created within the framework of the general objectives of achieving regional integration among the signatory countries of MERCOSUR, *AMN* has the task of establishing harmonized standards to be used within the region.

UNIT mainly transposes standards developed by other organizations such as ISO, IEC, and Occupational Health and Safety Assessment Series (OHSAS) for the national standardization system. OHSAS is a British standard for occupational health and safety management systems.

LATU (Laboratorio Tecnológico del Uruguay) is the officially approved agency which controls standards and quality control of imports and exports. A national quality committee reviews and recommends issuance of ISO 9000/9001 certificates, if warranted.

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. Register online at https://tsapps.nist.gov/notifyus/data/index/index.cfm.

Testing, Inspection and Certification

There are certain products, such as foods and beverages that require special certification from governmental offices prior to being sold in the market. The importing company must request the inspection of the product by LATU (Laboratorio Tecnológico del Uruguay) to ensure that it complies with bromatological regulations before receiving the Commercialization Certificate that allows its sale.

A manufacturer can only place a product in the Uruguayan market, when it meets all applicable requirements and has completed a conformity assessment procedure. The government states that its main objective is to help ensure that unsafe or otherwise non-compliant products do not find their way to the market. Such services are provided by LATU or private companies such as Swiss-based SGS (an inspection, verification, testing, and certification company).

There is no international recognition between Uruguayan and U.S. testing laboratories, so the certification of U.S. products must be done by domestic Uruguayan laboratories, which control regulatory requirements. U.S. testing laboratories can do test reports on certain products such as toys, but this does not nullify the need for the certification required by LATU.

Product Certification

UNIT and ASTM signed a Memorandum of Understanding (MOU) in November 2001. UNIT is the official certification office for all industries except beef, which is the National Institute of Beef (INAC - http://www.inac.gub.uy).

Depending on the type of product or service, special certifications may be requested from other entities such as LATU, UNIT, the Ministry of Health, or the Ministry of Education.

There are other private companies, such as SGS and LSQA-Quality Austria, which certify products and processes and management systems and offer a series of internationally recognized quality standards.

Accreditation

The national accreditation body is Organismo Uruguayo de Acreditación (OUA). The OUA has been a member of the ILAC (International Laboratory Accreditation Cooperation) since 2010 and of the IAF (International Accreditation Forum) since 2011.

The OUA signed the Multi-Lateral Recognition Agreement (MLA) of the Inter-American Accreditation Cooperation (IAAC). As a result, Uruguay considers IAAC as the accreditation body for testing and calibration laboratories (ISO/IEC 17025), the certification body for the quality and environmental management system (ISO/IEC 17021), and the product certification body (ISO/IEC 17065).

Publication of Technical Regulations

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

UNIT has been named by the Uruguayan government as the entity in charge of publishing and promulgating all technical regulations and coordinating their elaboration. They also must keep a register of updated regulations.

Contact Information

Organismo Uruguayo de Acreditación

Phone/Fax: + 598 2 9081653

Web: www.organismouruguayodeacreditacion.org

- Uruguayan Institute of Technical Norms (UNIT) - https://www.unit.org.uy/
- Instituto Nacional de Calidad - http://www.inacal.org.uy
- LATU - http://www.latu.org.uy
- LSQA - http://www.lsqa.com

Trade Agreements

In addition to being a member of the WTO, Uruguay is also a member of ALADI and MERCOSUR.

ALADI

ALADI is a Montevideo-headquartered trade association that includes ten South American countries plus Cuba, Mexico, and Panama. Uruguay holds numerous bilateral trade agreements of different scopes with ALADI partners. Under ALADI's Economic Complementation Agreements, Uruguay enjoys and grants special preferential access to trade with Bolivia, Chile, Colombia, Cuba, Ecuador, Mexico, Peru, and Venezuela. ALADI's general regional tariff preference mechanism (PAR, by its Spanish acronym) applies to goods traded between all member countries, and it results in a reduction in the percentage of applicable tariffs.

MERCOSUR

Uruguay is a founding member of MERCOSUR, the Southern Cone Common Market composed of Argentina, Brazil, Paraguay, and Venezuela (Venezuela was suspended from MERCOSUR in December 2016 for failure to incorporate membership requirements). Mercosur entered into force in January 1991. Bolivia, Chile, Colombia, Ecuador, and Peru joined the pact as associate members. Montevideo is the headquarters of its Secretariat and its Parliament.

MERCOSUR—Andean Community of Nations (Bolivia, Colombia, Ecuador, and Perú)

The agreement between these two organizations (Acuerdo de Complementación Económica No. 59) took effect in October 2004 and with the goal of liberalizing 80 percent of trade between the blocs.

MERCOSUR–Mexico

In July 2004, Mexico was accepted by MERCOSUR as an "observer country" within the bloc, with a view to its future inclusion as associate member.

MERCOSUR–European Union

The two blocs made a commitment to reach an agreement on integration by October 2004, but several differences between them impeded the progress of negotiations. These differences are broad and include goods, services, investments, government procurement, and intellectual property rights. Long-stalled negotiations were re-launched in 2010, and the two blocs have expressed their intention to finish with negotiations at some point in 2018. Negotiations continue as of this writing.

MERCOSUR–Southern African Customs Union

In December 2000, the countries of MERCOSUR (Argentina, Brazil, Paraguay, and Uruguay) signed a framework agreement towards the creation of a free trade area between MERCOSUR and the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland). In 2016, a Preferential Trade Agreement entered into force.

Free Trade Agreements

In 2004, Uruguay and Mexico deepened a 1999 agreement, which resulted in Uruguay's first comprehensive trade agreement with a non-MERCOSUR country. In October 2016, Uruguay signed a free trade agreement with Chile, which is still pending approval by the Uruguayan and Chilean Parliaments.

Uruguay has FTAs signed with some other countries such as Egypt (which entered into force in September 2017), Israel (which entered into force in December 2009) and Peru. Over the past decade, Uruguay has faced major problems in exporting to Argentina and has diversified its exports away from MERCOSUR. In addition to MERCOSUR, there are separate bilateral agreements with Argentina and Brazil providing for administered trade of certain products, mainly vehicles.

Licensing Requirements for Professional Services

Those wishing to provide professional services in Uruguay need to have any applicable license and be certified by the appropriate Uruguayan authorities.

Web Resources

- Central Bank - http://www.bcu.gub.uy/Estadisticas-e-Indicadores/Paginas/Intercambio-Comercial-.aspx, http://www.bcu.gub.uy/Estadisticas-e-Indicadores/Paginas/Default.aspx
- Uruguay XXI - http://www.uruguayxxi.gub.uy
- Customs of Uruguay - http://www.aduanas.gub.uy/innovaportal/v/12861/8/innova.front/sistema_lucia.html

- Chamber of Industries - http://www.ciu.com.uy/innovaportal/v/15505/1/innova.front/informes_de_comercio_internacional.html
- Union of Exporters - http://www.uniondeexportadores.com/es/
- Trade Policy Advising Unit at the Ministry of Economy and Finance http://apc.mef.gub.uy/

Other Web Resources

- 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

Organismo Uruguayo de Acreditación - http://www.organismouruguayodeacreditacion.org

Investment Climate Statement

Executive Summary

The government of Uruguay recognizes the important role foreign investment plays in economic development and continues to maintain a favorable investment climate that does not discriminate against foreign investors. Uruguay also has a stable legal system in which foreign and national investments are treated alike, most investments are allowed without prior authorization, and investors may freely transfer abroad the capital and profits from their investments. Investors can choose between arbitration and the judicial system to settle disputes. Local courts recognize and enforce foreign arbitral awards.

The World Bank's 2017 "Doing Business" Index placed Uruguay fourth out of twelve countries in South America (and 90 out of 190 worldwide). There are significant tax incentives for investors which, together with strong economic growth and booming commodities prices, contributed to a strong increase in domestic and foreign direct investment (FDI) over the past decade. Major investments in pulp mills—but also in construction, agriculture, and industry—drove annual average FDI inflows to 5.4 percent of gross domestic product (GDP) from 2006 to 2015, the third highest ratio in South America.

With the fourth largest amount of foreign investment, the United States is an important investor in Uruguay. About 130 U.S. firms operate locally and distribute their investments amongst a wide range of sectors, including forestry, tourism and hotels, services, and telecommunications.

U.S. firms have not identified corruption as a problem for investment. In 2016, Transparency International ranked Uruguay as the most transparent country in Latin America and the Caribbean. Uruguay is a stable democracy. Political risk is low and there have been no recent cases of expropriation.

Uruguay has free trade agreements with its MERCOSUR partners, as well as Chile, Bolivia, Colombia, Ecuador, Mexico, and Peru. Its strategic location (in the center of MERCOSUR´s wealthiest and most populated area) and its special import regimes (such as free zones and free ports) make it a well-situated distribution center for U.S. goods into the region. Several U.S. firms warehouse their products in Uruguay's tax-free areas and service their regional clients effectively. With a small market of high-income consumers, Uruguay is a good test market for U.S. products.

Labor unions are vocal and labor conflicts can escalate quickly, with strikes having an impact on overall productivity. The World Economic Forum's 2016-2017 Global Competitiveness Index ranked Uruguay 73rd of 138 countries surveyed. On labor relations with business, Uruguay ranked 136th of 138 countries in that survey, echoing many investors' concerns with Uruguayan labor unions.

Uruguay has bilateral investment treaties with over 30 countries, including the United States. The United States does not have a double-taxation treaty with Uruguay. Both countries have also signed agreements on open skies, trade facilitation, cooperation in science and technology, customs issues, and social security totalization.

Table 1

Measure	Year	Index/Rank	Website
TI Corruption Perceptions Index	2016	21 of 175	

World Bank's Doing Business Report "Ease of Doing Business	2017	90 of 190	
Global Innovation Index	2016	62 of 128	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country ($M USD, stock positions)	2015	1572	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2015	15,720	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Openness to and Restrictions upon Foreign Investment

Policies towards Foreign Direct Investment

The government has traditionally recognized the important role that foreign and local investment plays in economic and social development and works to maintain a favorable investment climate. Uruguay has a stable legal system in which foreign and national investments are treated alike, most investments are allowed without prior authorization and investors may freely transfer abroad the capital and profits from their investment. Investors can choose between arbitration and the judicial system to settle disputes. The judiciary is independent and professional.

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.

Uruguay treats foreign investors as nationals in public sector tenders. Investors can participate in any stage of the tender process.

Uruguay's export and investment promotion agency, Uruguay XXI (http://www.uruguayxxi.gub.uy/) provides information on Uruguay's business climate and investment incentives, both at national and sectoral levels. The agency also has several programs to promote the internationalization of local firms and regularly participates in trade missions.

There is no formal business roundtable or ombudsman that establishes regular dialogue between government officials and investors. Some private business associations have suggested that formal, regular dialogue may ease concerns regarding perceived or actual government biases towards labor unions.

Limits on Foreign Control and Right to Private Ownership and Establishment

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, with national and foreign investors treated equally.

In general, the government 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 foreign exchange.

Other Investment Policy Reviews

Uruguay is not a member of the Organization for Economic Co-operation and Development (OECD). It is a member of the UN Conference on Trade and Development (UNCTAD), but the organization has not done a policy review on the country. The most recent investment policy review on Uruguay was conducted by the World Trade Organization (WTO) in 2012, and is available at http://www.wto.org/english/tratop_e/tpr_e/tp363_e.htm.

Business Facilitation

Domestic and foreign businesses can fully register their operations without a notary in about seven days at http://empresas.gub.uy. Uruguay is ranked sixtieth in the World Bank's "starting a business" indicator, above its position in the "doing business" general indicator ranking previously stated (90 out of 190).

Uruguay receives high marks in electronic government. It was ranked third in the entire Western Hemisphere according to the UN's 2014 Electronic Government Development Index, (after the United States and Canada), and third globally according to the UN's Electronic Participation Index.

The World Bank's 2017 Doing Business Report ranks Uruguay fourth out of 12 countries in South America for its ease of doing business; Uruguay ranked 90 out of 190 countries worldwide.

Outward Investment

The government does not promote nor restrict domestic investment abroad.

Bilateral Investment Agreements and Taxation Treaties

In November 2005, Uruguay and the United States signed a Bilateral Investment Treaty (BIT) to promote and protect reciprocal investments. The BIT, which entered into force on November 1, 2006, grants national and most-favored-nation treatment 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 investment disputes. The annexes include sector-specific measures that are not covered by the agreement and specific sectors or activities which governments may restrict further. The full text of the agreement is available at www.ustr.gov/Trade_Agreements/BIT/Section_Index.html.

In addition to the United States, Uruguay has Bilateral Investment Agreements in force with 29 countries from different regions. The full list is available at http://investmentpolicyhub.unctad.org/IIA/.

Uruguay and the United States do not have double taxation or tax information agreements in place.

The government endorsed OECD standards on transparency and exchange of information and upgraded several regulations as a result of the OECD including Uruguay in the 2009 grey list of jurisdictions that had not "committed to implement the internationally agreed tax standard." In 2012, the OECD acknowledged the government's progress and allowed Uruguay to move on to the second phase of the review process, consisting of a survey of the practical implementation of the standards. Most recently, in 2016 the government passed a fiscal transparency law. Starting in 2017, Uruguay will begin implementing an automatic exchange of tax information with countries with which it has tax information exchange agreements (TIEAs). Also, the government signed a social security totalization agreement with the United States in January 2017 that is expected to be ratified by both parties by late 2017 or early 2018. The agreement goes into effect November 1, 2018.

The OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes indicates that, as of March 2017, Uruguay had signed 37 TIEAs, 21 of which include double taxation provisions. The full list is available at http://www.eoi-tax.org/jurisdictions/UY#agreements.

Legal Regime

Transparency of the Regulatory System

Transparent and streamlined procedures regulate local and foreign investment in Uruguay. Uruguay's constitution has state and national regulations, though it lacks supra-national regulations. Most laws, except those having an impact on public finances, can either start in the executive branch or in the parliament; decrees are issued by the President and one or more ministers, and resolutions by the ministers alone. All regulatory actions—including bills, laws, decrees, and resolutions—are publicly available at https://www.presidencia.gub.uy/normativa.

Accounting, legal, and regulatory procedures are transparent and consistent with international norms. Proposed laws and regulations are only occasionally published in draft form for public comment. Parliamentary commissions typically engage stakeholders while discussing a bill. There are no informal regulatory processes managed by non-governmental organizations or private sector associations. Article 10 of the U.S.-Uruguay BIT mandates that both countries publish promptly or make public any law, regulation, procedure, or adjudicatory decision related to investments. Article 11 sets transparency procedures that govern the accord.

International Regulatory Considerations

Uruguay is a member of several regional economic blocs, including MERCOSUR and ALADI, neither of which have supranational legislation. In order to become local law, either of these blocs' decisions must be ratified by the nation's parliament.

Uruguay does not send notifications of draft technical regulations to the WTO Committee on Technical Barriers to Trade.

Legal System and Judicial Independence

Uruguay's legal system is based on a civil law system derived from the Napoleonic Code, with written commercial and civil laws consolidated into specialized codes. Over the last decade, Uruguay has been preparing to undergo a transition from the written, non-adversarial, inquisitorial judicial system to the oral, public, accusatory judicial system for its Criminal Procedure Code (CPP). Uruguay had planned to implement the new CPP system on July 16, 2017, but now plans its transition for November 1. Many of the difficulties foreseen in the judicial reform process involve challenges with logistics, infrastructure, information technology, training, and resources. A full transition to the accusatorial system will take years to fully implement, but Uruguay's system of justice will ultimately be streamlined and more effective.

The judiciary is transparent and remains independent of the executive branch. However, critics complain that the judiciary system can be slow. The executive branch rarely interferes directly in judiciary matters, but at times voices its dissatisfaction with court rulings. Investors can appeal regulations, enforcement actions, and legislation and may choose between arbitration and the judicial system to settle disputes.

Laws and Regulations on Foreign Direct Investment

Law 16,906 (passed 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. Decree 002/12 (passed in January 2012 superseding Decree 455/007 from 2007) regulates Law 16,906 and provides significant incentives to investors, which have contributed to a strong increase in foreign and local investment.

Uruguay's Investment and Promotion agency's website helps potential investors navigate the laws, rules, and incentives available to both foreign and local investors http://www.uruguayxxi.gub.uy/en/.

Competition and Anti-Trust Laws

Uruguay has transparent legislation and a special commission at the Ministry of Economy to foster competition. The main legal pillars (Law No. 18,159 and decree 404, both passed in 2007) are available at the commission's website: https://www.mef.gub.uy/578/5/areas/defensa-de-la-%20competencia---uruguay.html.

The government created the regulatory agencies Unidad Reguladora de Servicios de Comunicaciones (URSEC) for telecommunications and Unidad Reguladora de Servicios de Energía y Agua(URSEA) for water and energy in 2001 to regulate and control their respective markets. In 2010, the executive branch transferred URSEC's policy design capacity to the National Telecommunications Directorate (DINATEL), leaving it only with regulatory control attributes.

The government passed an Audiovisual Communications Law (No 19,307) in December 2014. Also known as the media law, it includes provisions on market caps for cable TV providers that could limit competition. In April 2016, Uruguay's Supreme Court ruled that these market caps and some local content requirements were unconstitutional. While being debated, this law remains pending and unenforced as of March 2017.

Expropriation and Compensation

Uruguay's Constitution declares property rights an "inviolable right" subject to legal determinations that may be taken for general interest purposes, and states that no individual can be deprived of this right—except in the case of public need and with fair compensation. Article 6 of the U.S-Uruguay BIT rules out direct and indirect expropriation or nationalization of private property except under specific circumstances. This article also contains detailed provisions on how to compensate investors, should expropriation take place. There have been no cases of expropriation of foreign investment in the past five years.

Dispute Settlement

ICSID Convention and New York Convention

Uruguay became a member of the International Center for the Settlement of Investment Disputes (ICSID) in September 2000 and is a signatory of the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

Investor-State Dispute Settlement

Local courts recognize and enforce foreign arbitral awards issued against the government. The U.S.-Uruguay BIT devotes over ten pages to establishing detailed and expedited dispute settlement procedures. Over the past 10 years two investment disputes have arisen. In 2010, the tobacco company Philip Morris International sued the government, arguing that new health measures involving cigarette packaging amounted to unfair treatment of the firm. The case was filed under the Uruguay-Switzerland Bilateral Investment Treaty. This case closed in 2016 with the ICSID ruling in the government's favor. In 2016, a U.S. telecommunications enterprise filed a complaint before ICSID under the U.S.-Uruguay BIT. The case is currently under arbitration and is the only active investment dispute between a U.S. person and the government.

International Commercial Arbitration and Foreign Courts

Commercial contracts frequently contain mediation and arbitration clauses, which are recognized by local courts. Investors may choose between arbitration and the judicial system to settle disputes. Local courts recognize and enforce foreign courts' arbitral awards.

Duration of Dispute Resolution

Uruguay's judiciary is independent. The time to resolve a dispute, counted from the moment the plaintiff files the lawsuit in court until the responsible party makes payment, is about two years.

Bankruptcy Regulations

The Bankruptcy Law passed in 2008 (No. 18,387) expedites bankruptcy procedures, encourages arrangements with creditors before a firm declares bankruptcy, and offers the possibility of selling the firm as a single unit. Bankruptcy has criminal and civil implications with intentional or deliberate bankruptcy deemed a crime. The rights of creditors are protected by law according to the nature of the credit, and workers have privileges over other creditors.

The World Bank's 2017 Doing Business Report ranks Uruguay third out of 12 countries in South America for its ease of "resolving insolvency"

Industrial Policies

Investment Incentives

The investment promotion regime is regulated by Law 16,906 (passed in 1998) and Decree 002/12 (passed in January 2012) which grant significant tax incentives to investors in a wide array of sectors and activities. Law 16,906 grants automatic tax incentives of up to 40 percent of corporate income tax to several activities, including personnel training; research, scientific and technological development; reinvestment of profits; and, investments in industrial machinery and equipment. The government provides other benefits to industrial and agricultural firms by regulatory decree.

In addition to the automatic tax exemptions, Uruguay has several other incentives for activities that help achieve specific goals. The principal incentive consists of the deduction from corporate income tax of a share of total investment (up to 100 percent) over a pre-defined period. The amount of the deduction depends on the score the project gets in a matrix of pre-defined criteria that takes into account the project's: generation of jobs (quantity and quality); contribution to research, development and innovation, or increase in the usage of clean technologies; increase in exports; contribution to geographic decentralization away from the capital, Montevideo; and, sectoral indicators that vary according to the nature of the investment (e.g. capital market development, hiring of workers from vulnerable groups, or contribution to tourism services and infrastructure). Certain activities—such as the purchasing of land, real estate, or private vehicles—are not eligible for these deductions.

Other incentives under this category include: exemption from tariffs and taxes (including VAT) on imports of capital goods and materials for civil works that do not compete against local industry; exemption from the patrimony tax on personal property and civil works; refunding of VAT paid on local purchases of materials and services for civil works; and special tax treatment of fees and salaries paid for research and development.

A government decree establishes that government tenders will favor local products or services, provided they are of comparable quality, and any cost increase is no more than 10 percent. U.S. and other foreign firms are also able to participate in local or national government-financed or subsidized research and development programs. There are also special regimes to promote specific sectors. A detailed list of incentives to investment is available, in English, at http://www.uruguayxxi.gub.uy/guide/schemes.html and http://www.uruguayxxi.gub.uy/guide/descargas/Investment%20promotional%20schemes.pdf.

Foreign Trade Zones/Free Ports/Trade Facilitation

The government has increasingly promoted Uruguay as a regional, world-class logistics and distribution hub. In 2010, the government created the National Logistics Institute (INALOG), a public-private sector institution that seeks to coordinate efforts towards establishing Uruguay as a leading MERCOSUR distribution hub. Uruguay XXI has several reports on Uruguay's role and advantages as a logistics hub.

The government established free trade zones (FTZs) in 1987 (Law 15,921). Key legislation and regulations of FTZs can be found at http://zonasfrancas.mef.gub.uy/ and http://www.uruguayxxi.gub.uy/guide/descargas/Zonas%20Francas%20-%20Uruguay%20XXI.pdf.

There are 11 FTZs located throughout the country. Most FTZs host a wide variety of tenants performing various services such as financial, software, call centers, warehousing, and logistics. One FTZ was created exclusively for the development of pharmaceuticals, and two for the production of paper pulp. MERCOSUR regulations treat products manufactured in most member states' FTZs (except for Tierra del Fuego and Manaus located in Argentina and Brazil) as extra-territorial and charge them the common external tariff upon entering any member country. As a result, industrial production in local FTZs is usually destined for non-MERCOSUR countries.

Firms may bring foreign and/or Uruguayan origin goods, services, products, and raw materials into the FTZs, and they may be held, processed, and re-exported without payment of Uruguayan customs duties or import taxes. Firms operating in FTZs are also exempted from national taxes. Laws governing legal monopolies do not apply within the FTZs. The government exempts firms operating in an FTZ from all domestic taxes. Additionally, the employer does not pay social security taxes for non-Uruguayan employees who have waived coverage under the Uruguayan social security system. Goods of Uruguayan origin entering FTZs are treated as Uruguayan exports for tax and other legal purposes.

Law 17,547 passed in August 2002 allows for the establishment of industrial parks. Several additional decrees signed since 2007 allow for the establishment of sector-specific industrial parks. Industrial park advantages include tax exemptions and benefits, and that can be established by the private sector or national or local governments.

Uruguay has other special import regimes in place called "temporary admission," "bonded warehouse," and "free port." The temporary admission regime allows manufacturers to import duty-free raw materials, supplies, parts, and intermediate products that they will use in manufacturing products for export. However, the regime requires government authorization, and all finished products must be exported within 18 months. Firms do not have to be located in a specific location to benefit from temporary admission.

Free port and bonded warehouse are special areas where goods that remain on the premises are exempted from all import-related duties and tariffs. Firms may re-label and re-package merchandise while on the premises. There are two differences between the free port and the bonded warehouse regimes. Goods can stay for an unlimited amount of time in a free port, while a bonded warehouse restricts the stay to one year. Also, processes completed in free ports cannot modify the nature of the good and industrialization is allowed in bonded warehouses only.

Performance and Data Localization Requirements

Foreign investors are not required to meet any specific performance requirements and are not impeded 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 the number of foreign workers or on investment permits. The only labor-related requirement is that tenants of free trade zones employ at least 75 percent Uruguayan workers.

Article 8 of the U.S.–Uruguay BIT bans both countries from imposing performance requirements on new investments or tying the granting of existing or new advantages to performance requirements.

Uruguay does not require foreign investors to use local content in goods or technology in order to invest. However, local content may be required in some sectors in order to become eligible for special tax treatment or government procurements. For instance, in 2016 the state-owned electric utility offered a number of long-term purchase agreements for wind- and solar-generated electricity that included a 20 percent local content requirement.

Uruguay does not require foreign IT providers to turn over source code or provide access for surveillance. Companies can freely transmit customer or business-related data across borders. Local legislation states that the computer systems of the central government administration should be housed in secure data centers located in Uruguay, except those that do not constitute a risk for the government. The government's Agency for e-Government and Information Society (*AGESIC*) is in charge of enforcing this regulation. In June 2016, the state-owned telecommunications company, ANTEL, inaugurated a USD 50 million tier III data center (99.98 percent availability with a maximum 1.6 hours of interruption per year, and full back-up redundancy). The data center is one of five such facilities in Latin America.

Protection of Property Rights

Real Property

The government recognizes and enforces secured interests in property and contracts. Uruguay has a recognized and reliable system of recording mortgages. Uruguay's legal system protects the acquisition and disposition of all property, including land and buildings.

Law 19,283, passed in 2014, prevents foreign governments from buying land, either directly or in association with private companies. Traditional use rights are not applicable as there is no indigenous community in Uruguay. The vast majority of land has clear property titles.

For over a decade, there has been a debate over the government's and unions' positions considering sit-ins or the occupying of workplaces as an extension of workers' right to strikes, thus enabling workers to lawfully occupy workplaces. Business chambers have opposed extending the definition of the right to strike to occupy a workplace in such a manner that the job site's work cannot take place normally (see Labor Section for further information).

Intellectual Property Rights

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.

The quality of IP protection and level of enforcement has improved over time, and in 2006 the Office of the U.S. Trade Representative (USTR) removed Uruguay from its Special 301 Watch List due to Uruguay's progress in enforcing intellectual property rights, especially with respect to copyright enforcement. As of March 2017, Uruguay remains off the Watch List.

Uruguay was included in USTR's 2014 Notorious Markets Report (for an increase in reports of counterfeiting and piracy from its free trade zones) and removed from the Report in 2015 (due to the passage of a decree that imposed stricter customs controls on free zones). The 2015 decree gave Customs officials the authority to operate inside free trade zones, control the flow of in-coming and out-going goods, and fine both the owners of counterfeit goods and the storage providers that facilitate distribution of counterfeits. In 2016, Uruguay was not included in the Notorious Market Report.

Some industry groups criticize the slowness of the patent-granting process, as well as the lack of data protection. They also criticize an amendment to the Patent Law (passed in a 2013 omnibus) which eliminated the ability of patent right holders to claim damages for infringement of their rights from the date of the patent application filing to its granting date.

In March 2017 the Executive sent a bill to Parliament for Uruguay to adhere to WIPO's Patent and Cooperation Treaty (PCT).

While enforcement of trademark rights has improved in recent years, local citizens have sometimes managed to register trademarks without owners' prior consent.

Customs officers have border measures authority for trademark protection. After temporarily freezing a shipment of suspicious goods, Customs has to communicate with the local representatives of the trademark right-holders to determine the legality of the goods and seek cooperation. Customs is responsible for paying for the storage and the local representatives are responsible for paying for the destruction of any counterfeit goods.

Uruguay tracks and reports on Custom's seizures of goods, some of which are counterfeit. Information is available at : http://www.aduanas.gub.uy/innovaportal/v/10500/4/innova.front/incautacion-de mercaderias.html. However, there is no centralized, dedicated reporting system for seizures.

Resources for Rights Holders

Post's Economic Officer covering IP issues is:

Mr. Lawrence Pixa, Chief of Economic-Commercial Section

Lauro Muller 1776

Tel: (5982) 1770-2449

e-mail: Office.Montevideo@trade.gov

For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

For questions concerning this section or anything related to IP, please contact EB/TPP/IPE Charles Randolph at RandolphC@state.gov or EEB-A-IPE-DL@state.gov.

Financial Sector

Capital Markets and Portfolio Investment

The government maintains an open attitude towards foreign portfolio investment, but there is no effective regulatory system to encourage and facilitate it. Uruguay does not impose any restrictions on payments and transfers for current international transactions.

A capital markets law (No. 18,627) was passed in 2009 to jumpstart the local capital market. However, despite some very successful bond issuances by public firms, the local capital market remains underdeveloped and highly concentrated in sovereign debt. This underdevelopment makes it very difficult to finance through the local equity market and restricts the flow of financial resources into the product and factor markets. As a result of this underdevelopment and the lack of sufficient liquidity in the markets to enter and exit sizeable positions, Uruguay regularly receives "active" investments oriented to establishing new firms or gaining control over existing ones but lacks "passive investments" from major investment funds.

Credit is allocated on market terms, but long-term banking credit has traditionally been difficult to obtain. Foreign investors can access credit on the same market terms as nationals.

The government banned widely used “bearer shares” in 2012 as part of the process of complying with OECD requirements (see Bilateral Investment Agreements section). 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.

Money and Banking System

Uruguay’s Central Bank was created in 1967, and the government restructured the banking system significantly after the severe 1999-2002 local economic and financial crisis. The local system successfully weathered the 2008 global financial crisis and as of March 2017 shows good capital, solvency, and liquidity ratios. In order to promote wider banking and financial services, the government passed Law 19,210 to foster greater use of financial instruments (“financial inclusion”) in 2014.

Foreign banks or branches are allowed to establish operations in Uruguay and are subject to the measures imposed by the Central Bank’s Superintendent of Financial Services. With over 40 percent of the market, government-owned *Banco de la Republica del Uruguay (BROU)* is the nation’s largest bank. The rest of the banking system is comprised of another government-owned mortgage bank and nine international commercial banks. Mostly related to Foreign Account Tax Compliance Act (FATCA) provisions, there have been some cases of U.S. citizens having difficulties establishing a first-time bank account.

Uruguay is considered a “Jurisdiction of Primary Concern” for money laundering in the U.S. Department of State’s International Narcotics Control Strategy Report (INCSRII).

Foreign Exchange and Remittances

Foreign Exchange

Uruguay maintains a long tradition of not restricting the purchase of foreign currency or the remittance of profits abroad. Free purchases of any foreign currency and free remittances were preserved even during the severe 2002 banking and financial crisis.

Uruguay does not engage in currency manipulation to gain competitive advantage. 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 official rates when purchasing local currency.

Remittance Policies

Uruguay maintains a long tradition of not restricting remittance of profits abroad. 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."

Sovereign Wealth Funds

There are no Sovereign Wealth Funds in Uruguay.

State-Owned Enterprises

There is no consolidated published list of SOEs. The state still plays a dominant role in the economy and Uruguay maintains government monopolies in several areas, including the importing and refining of oil, workers’ compensation insurance, landline telephony, Internet services, and water sanitation.

Uruguay's largest entirely government-owned enterprises include the petroleum company ANCAP, telecommunications company ANTEL, electric utility UTE, water utility OSE, and Uruguay's largest bank *BROU*. While they are defined as autonomous, in practice they coordinate in several areas—mainly on tariffs—with respective ministries and the executive branch. Their boards are appointed by the executive branch, require parliamentary ratification, and remain in office for the same term as the executive branch. SOEs are required by law to publish an annual report, and their balances are audited by independent firms.

However, some traditionally government-run monopolies are open to private-sector competition. Cellular and international long-distance services, insurance, and media services are open to local and foreign competitors. Private-sector generation of power is allowed and increasing, especially in renewable energies, but the state-owned power company UTE holds a monopoly on the transfer of electrical power through transmission and distribution lines from one utility's service area to another's (or wheeling rights). State-owned companies tend to have the largest market share even in sectors open to competition. Potential cross-subsidies likely give SOEs an advantage over their private sector competitors.

Uruguay does not adhere to the OECD's Guidelines on Corporate Governance of State-Owned Enterprises. The multi-million-dollar losses of the government-owned oil company ANCAP, which were investigated by a parliamentary commission in 2015, triggered a debate about the need to reform the corporate governance of SOEs. As of March 2017, the World Bank is providing assistance to the government to strengthen the management of SOEs.

Privatization Program

Uruguay has not undertaken any major privatization program in recent years. While some previously government-run monopolies were opened to private-sector competition, the government continues to maintain a monopoly in the key sectors already referenced.

Parliament passed a public-private partnership (PPP) law by consensus in July 2011 and created regulations with decree 07/12. The law allows various kinds of contracts that enable private sector companies 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 form of user payments, government payments, or a combination of both.

The implementation of the PPP law was launched anticipating it would attract private sector participation in major infrastructure projects such as highway and railway construction and operation, waste disposal, and energy. With limited results and given current government budget constraints and an urgency to address infrastructure needs, the government passed new regulations (Decree 251/15) in 2015 to simplify the procedures and expedite the PPP process. As of March 2017, the procedural simplifications have resulted in PPP in road, sanitary, and educational infrastructure improvement projects, all of which are at different stages of development.

Responsible Business Conduct

The concept of Responsible Business Conduct (RBC) is relatively new to producers, consumers, and the government, which does not have a high-profile plan to encourage it. Many companies do abide by the principles of RBC as a matter of course. Many multinational companies develop RBC strategies and make significant contributions in promoting safety awareness, better regulation, a positive work environment and sustainable environmental practices. U.S. companies have proven to be leaders in promoting a greater awareness of and appreciation for RBC in Uruguay. In 2015, a U.S. company was awarded the Secretary of State's Award for Corporate Excellence for its work on environmental sustainability.

Consumers tend to pay attention to the RBC image of companies, especially as it relates to a firm's work with local charities or community causes. The Catholic University (Universidad Catolica) has a program in place to monitor RBC matters (www.ucu.edu.uy/es/rse). In the late 1990s, the Catholic University also founded DERES, a non-profit business organization to promote corporate social responsibility, which currently has over 120 member companies (http://deres.org.uy/english-brief/).

Corruption

Uruguay was ranked as the least corrupt country in Latin America and the Caribbean in the 2016 edition of Transparency International's Corruption Perception Index. Overall, U.S. firms have not identified corruption as an obstacle to investment.

Uruguay has laws to prevent bribery and other corrupt practices. The government approved a law against corruption in the public sector in 1998, and the acceptance of a bribe is deemed a felony under Uruguay's penal code. Some high-level Uruguayan officials from the executive, parliamentary, and judiciary branches have been prosecuted for corruption in recent years.

Laws 17,835, 18,494, and 19,355 (passed in 2004, 2009, and 2015, respectively) establish a framework against money laundering and terrorism finance and include corruption as a preceding crime. The executive branch submitted bills to parliament in January 2017 to strengthen laws against money-laundering and counterterrorism and bring Uruguay into compliance with OECD and UN norms. Money laundering is penalized with sentences of up to ten years (and also applies to Uruguayans living abroad). Prosecutions have been gradually increasing since 2005. More detailed information on legislation and cases is available at https://www.presidencia.gub.uy/antilavado/inicio/.

The Transparency and Public Ethics Committee (http://www.jutep.gub.uy/) is the government office responsible for combating public sector corruption. The government neither encourages nor discourages private companies establishing internal codes of conduct. There are no major NGOs involved in investigating corruption.

UN Anticorruption Convention, OECD Convention on Combating Bribery

Uruguay signed and ratified the UN's Anticorruption Convention. It is not a member of the OECD and therefore not party to the OECD's Convention on Combating Bribery.

Resources to Report Corruption

Government agency responsible for combating corruption:

Ricardo Gil

President

Junta de Transparencia y Etica Publica

Address: Rincon 528, 8th floor, ZC 11000

Tel: (598) 2917 0407

e-mail: secretaria@jutep.gub.uy

The local branch of Transparency International is http://www.uruguaytransparente.org.uy/.

Political and Security Environment

Uruguay is a stable, first-world democracy in which respect for the rule of law and national debates to resolve political differences are the norm, and the majority of the population is committed to non-violence. In 2016, The Economist magazine ranked Uruguay as the only "full democracy" in Latin America, and one of only two in the world "outside of the rich western countries of Europe, North America, and Australasia." There have been no cases of political violence or damage to projects/installations over the past decade.

Labor Policies and Practices

Tracking strong economic growth, from 2011 to 2014 Uruguay's labor market operated at virtually full employment (the unemployment rate fluctuated between five and seven percent) with rising labor costs. As the economy cooled down, in 2015 and 2016 the unemployment rate fluctuated between seven and nine percent and wage increases slowed. Unemployment is structurally higher among youth, especially young women. In recent years, there has been a significant increase in migrant workers, especially from Central America, Venezuela, and the Dominican Republic.

Except in the construction sector, social security payments are approximately 13 percent of workers' basic salary. There is also a mandatory annual bonus and vacation pay, which result in employers paying the equivalent of 14 months of salary per employee each year.

Uruguay's labor system is compliant in law and practice with international labor standards and does not pose a reputational risk to investors. The Uruguayan constitution guarantees workers the right to organize and strike, and union members are protected by law against dismissal for union activities. Uruguay has ratified numerous International Labor Organization (ILO) conventions that protect worker rights, and generally adheres to their provisions. Reports by the UN's Economic Commission for Latin America and the Caribbean (ECLAC) indicate that the percentage of informal workers has dropped significantly over the past decade, to about 24 percent of the workforce in 2013.

Labor provisions apply practically across the board and are not waived to attract or retain investment. The only exception applies to free trade zones tenants, whose labor forces must be at least 75 percent Uruguayan.

Labor laws do not differentiate between layoffs and firing. Employers must pay dismissed workers one month for each year of work with a cap of six months, except in cases of "for cause" firings. Private sector employers are prohibited from firing workers for discriminatory or anti-union reasons. It is not uncommon for dismissals to result in labor conflicts, even dismissals required to adjust employment to fluctuating market conditions. Workers get paid a percentage of their salary through unemployment insurance for up to six months. In the past the government has extended the term of the unemployment insurance for certain groups of dismissed.

Collective bargaining is the rule. Salary Councils are responsible for assessing wage increases annually at a sectoral level, and any wage increases are then applied to all individual firms in the sector. Councils consist of a three-party board which includes representatives from unions, employers, and the government. If unions and employers fail to reach an agreement to determine the wage increase to be applied for the sectors, the government makes the final decision.

Since 2005, the government has passed over 30 labor laws. Some of these laws currently promote and protect labor unions, reinstate collective bargaining, regulate outsourcing activities, regulate work times in rural activities, extend the term to claim workers' rights, relate to the eviction of employees who occupy workplaces, and impose criminal sanctions on employers who fail to adopt safety standards in their firms. 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 relationship with the ruling *Frente Amplio* party. Unionization quadrupled from about 110,000 in 2003 to over 400,000 in 2015 (almost one-fourth of employed workers) and is particularly high in the public sector and some private sectors, such as construction, the metal industry, and banking.

Arguing that unions are aggressive and that labor conflicts escalate quickly; a range of private sector representatives call for the creation of a labor-dispute process that would define the necessary steps needed before workers may strike or occupy a workplace. Some foreign investors report high absentee rates by employees and resultant lower-than-average productivity rates (productivity is not included in the negotiations that take place in the Salary Councils).

The World Economic Forum's 2016-2017 Global Competitiveness Index ranked Uruguay 73rd of 138 countries surveyed. On labor relations with business, Uruguay ranked 136th of 138 countries, echoing private sector concerns with Uruguayan labor unions.

Despite its very high literacy rate and tradition of quality public education, Uruguay now experiences challenges with employment-readiness. Dropout rates at the high school level are high and Uruguayan students have performed poorly in the OECD's Program for International Student Assessment (PISA) tests. These challenges may limit the number of qualified workers available over the mid-term, but in 2008, the government launched a special institute, INEFOP, to bolster workforce development.

In particular, there is a structural shortage of workers in the IT sector and other specialized, technical industries.

OPIC and Other Investment Insurance Programs

OPIC programs are active in Uruguay, though few U.S. companies or projects request their services due to Uruguay's stability and access to foreign currency. The government signed an investment insurance agreement with OPIC in December 1982.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical Source *		**USG or International Statistical Source**		**USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD; other**
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) ($M USD)	2015	$53,533	2015	53,440	http://www.bcu.gub.uy/Estadistics e Indicadores/Paginas/Default.aspx www.worldbank.org/en/country
Foreign Direct Investment					

U.S. FDI in Partner Country ($M USD, stock positions)	2015	$839	2015	$1572	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host Country's FDI in the United States ($M USD, stock positions)	n/a	n/a	2015	$391	
Total Inbound Stock of FDI as Percent Host GDP	2015	41%			

http://www.bcu.gub.uy/Estadisticas-e-Indicadores/Paginas/Default.aspx

Table 3: Sources and Destination of FDI

Uruguay's Central Bank reports that in 2015 the United States held the country's fourth largest stock of investment, after Argentina, Brazil, and Spain. U.S. investment is distributed among a wide array of sectors, including forestry, tourism and hotels, services (e.g. call centers or back office), and telecommunications.

Direct Investment from/in Counterpart Economy Data, 2015					
From Top Five Sources/To Top Five Destinations (U.S. Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	21750	100	Total Outward	n/a	100
Argentina	6246	29			
Brazil	1574	7			
Spain	1534	7			
United States	839	4			
Netherlands	511	2			
"0" reflects amounts rounded to +/- $500,000					

Source: IMF Coordinated Direct Investment Survey

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets, 2015

Top Five Partners ($M)								
Total Debt Securities			**Equity and Inv. Fund Shares**			**Total**		
All Countries	5480	100	All Countries	681	100	All Countries	4799	100
United States	2199	40	Luxembourg	288	42	United States	2069	43
Luxembourg	452	8	United States	130	19	Netherlands	281	6
Brazil	321	6	Brazil	80	12	Sweden	249	5
Netherlands	289	5	Bermuda	74	11	Brazil	240	5
Sweden	249	5	U.K.	36	5	France	234	5

Source: IMF Coordinated Portfolio Investment Survey

Contact for More Information on the Investment Climate Statement

Mr. Larry Pixa

Chief of Economic-Commercial Section

Lauro Muller 1776

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e-mail: Office.Montevideo@trade.gov

Trade & Project Financing

Methods of Payment

Exports to Uruguay are usually financed through export letters of credit (L/C), sales on open account, or drafts on foreign buyers. Multinationals, large, and medium-sized firms are still the main users of L/Cs. Local business practices do not generally include paying for goods with cash in advance. Payments by credit cards or electronic mechanisms are gaining popularity.

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

For local credit rating agencies see links below:

- Equifax: http://www.clearing.com.uy, http://www.equifax.com
- Commercial Defense (BBB equivalent): http://www.lideco.com.uy
- PriceWaterhouseCoopers: http://www.pwc.com/uy

Banking Systems

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. 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. The market has foreign banks, cooperatives, offshore banks, external financial institutions, credit administrators, foreign exchange houses and financial service companies. For list of institutions and more details please check in http://www.bcu.gub.uy/Servicios-Financieros-SSF/Paginas/Default.aspx.

The largest bank is the government-owned *Banco de la Republica*, which accounts for over 50 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 thanks to timely U.S. and IMF support. After the crisis Uruguay reformed its Central Bank's charter and enhanced its regulatory and supervisory roles. At present the local banking sector is sound, as it was mostly unaffected by the 2008-2009 global financial crisis.

Offshore banks are subject to the same laws, regulations, and controls as local banks, with the government requiring them to be licensed through a formal process that includes a background investigation. Offshore financial institutions are prohibited from working with residents. U.S. financial firms such as Raymond James operate in Uruguay, mainly within free trade zones.

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

Foreign Exchange Controls

The local currency is Uruguayan Peso (UYU). Uruguay does not apply foreign exchange controls.

US Banks & Local Correspondent Banks

Citibank (Citi)

Citibank has maintained a presence in Uruguay since 1915 and is the only U.S. bank currently operating in Uruguay. Citibank sold its private banking operation to Itaú bank in 2013 and is currently operating only in corporate banking. For more information check: https://www.citibank.com/icg/sa/latam/uruguay/.

All local banks have correspondent banking arrangements with major U.S. banks. All of them, including government-owned Banco de la Republica and private banks, which are either subsidiaries or branches of international banks, are in the process of adapting to Foreign Account Tax Compliance Act (FATCA) regulations. For more see: http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA.

Project Financing

Some of the major sources of project financing include:

- EXIM 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. EXIM Bank finances all types of U.S. goods and services as long as they contain at least 50 percent U.S. content and are not military-related. Further information on the bank's programs may be obtained by calling 1-800-565-EXIM, or http://www.exim.gov.
- 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 https://www.opic.gov/.
- Commodity Credit Corporation (CCC): The CCC finances exports of U.S. agricultural commodities. The CCC may be reached by phone at 202 720-6301, by fax at 202 690- 0727 or at Comodity Credit Corporation
- 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 https://www.sba.gov/

Several states also have their own export financing programs.

Multilateral Development Banks

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (Inter-American Development Bank, World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the Inter-American Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bankfunded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the Inter-American Development Bank (http://export.gov/idb) and the World Bank (http://export.gov/worldbank).

Web Resources

Commercial Liaison Office to the Inter-American Development Bankhttp://export.gov/idb

Commercial Liaison Office to the World Bankhttp://export.gov/worldbank

Financing Web Resources

- Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team: http://www.export.gov/tradefinanceguide/index.asp
- Export-Import Bank of the United States: http://www.exim.gov
- Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html OPIC, http://www.opic.gov
- Trade and Development Agency: https://www.ustda.gov/
- SBA's Office of International Trade: http://www.sba.gov/oit/

Business Travel

Business Customs

Business dress and appearance, as well as one's general approach to business relations, should be conservative. Uruguay prides itself on its slow pace of change, so new products and concepts may face a skeptical public eye. Many businesspeople orient themselves more towards European markets and may be less enthusiastic to engage with U.S. companies. Many Uruguayans, however, are positively disposed towards the United States and they value its high-quality products. An advance appointment for a business visit is usually necessary and considered a customary courtesy. Punctuality is generally observed in business settings. Typically, business is discussed after social niceties. Business breakfasts, cocktails, and lunches are common. Dinners are common for closing a business agreement.

Travel Advisory

For travel advisories, if any, please check:

- https://uy.usembassy.gov/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. Health insurance coverage is highly recommended.

Visa Requirements

U.S. citizens need a valid American passport, but visas for temporary visits of less than 90 days are not required for holders of tourist 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/visa. 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 decisions are handled via an interagency process. Visa applicants should go to the following links.

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

Currency

Uruguay's local currency is the Uruguayan peso; as of June 2018, it traded at approximately 32 pesos to the U.S. dollar. Purchases of large items such as real estate and automobiles are always quoted in dollars, as are appliances and many types of household goods and services.

U.S. currency is accepted almost anywhere at the official exchange rate. Credit and debit cards are accepted in almost every shop or restaurant. Payments done with credit card, debit card or electronic money, of certain services such as restaurants, hotels or car renting receive the benefit of 9% percent of reduction on the 22% value-added-tax. Argentine and Brazilian cash is accepted mainly in border towns. Uruguay maintains a long tradition of not restricting the purchase of foreign currency or the remittance of profits abroad. Free purchases of foreign currency and remittances were even preserved during the severe 2002 banking and financial crisis. Uruguay has not seemingly engaged in currency manipulation to gain competitive advantage. 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. Most U.S. ATM networks are easily accessible and will provide U.S. dollars or local currency. Traveler's checks are not common.

Telecommunications/Electronics

Uruguay has a fixed line tele-density of almost 80 percent, one of the highest in Latin America. However, its usage is being rapidly replaced by mobile communication. 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. The state-owned company ANTEL has 54% of the mobiles contracts. Uruguay has the highest-speed Internet in Latin America; itis accessible in major hotels, airports, cyber-cafes, shopping centers, and some public parks, usually for free AT&T, MCI, and Sprint calling cards are accepted.

Transportation

American Airlines is the only U.S. carrier with daily direct non-stop flights between Montevideo and Miami seven days a week. Both Delta and United Airlines service Montevideo daily with "codeshare" flights, United using a Copa aircraft coming and going to Panama, and Delta using a flight through Sao Paulo, Brazil.

Internal transportation is mainly by car or bus. Within Montevideo, bus and taxi services are extensive, safe, and inexpensive. Uber is operating and widely used in Montevideo and have recently been regulated by government.

Language

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

Health

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

Local Time, Business Hours and Holidays

Uruguay observes standard time (GMT-3).

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

Local Holidays for Calendar Year 2018

Jan. 1 New Year's Day

Jan. 6 Three King's Day

Feb. 12-13 Two days for Carnival (6 weeks before Holy/Easter Week)

Mar. 29-30 Holy Week / Easter (dates vary from year to year)

Apr. 19 Landing of the 33 Orientals

May 1 Uruguayan Labor Day

May 18 Batalla de Las Piedras

June 19 Natalicio de Artigas

July 18 Uruguayan Constitution Day

Aug. 25 Uruguayan Independence

Oct. 8 Columbus Day

Nov. 2 All Souls Day

Dec. 25 Christmas Day

Temporary Entry of Materials or Personal Belongings

There are no restrictions on the temporary entry of business-related equipment such as laptops. Refundable deposits on some equipment may be required and is payable at the point of entry.

Travel Related Web Resources

- Embassy in Uruguay: http://uruguay.usembassy.gov
- Ministry of Tourism: http://www.turismo.gub.uy