Uruguay *in focus*

A quarterly bulletin issued by the Debt Management Unit of the Ministry of Economy and Finance *January 2018*

KEY HIGHLIGHTS

- **Real GDP grew 3.1% in the first three quarters of 2017, driven by private consumption and exports. Private analysts forecast economic activity will expand 3.1% during 2018.**

- **Consumer prices increased 6.6% in 2017, the lowest since 2010.**

- **The consolidated fiscal deficit of the public sector was 3.5% of GDP in 2017, 0.4pp lower than in 2016.**

- **The current account surplus was 2.3% of GDP in the 12-months to 2017Q3.**

- **The Central Bank accumulated USD 2.5 billion in reserves during 2017 (6% of GDP); stock of reserves well above IMF`s reserve adequacy measure.**

- **Uruguayan Government and Finnish company UPM signed an investment agreement for a new potential pulp mill investment. Associated to it, authorities launched a tender for the construction of the rail and road network, with an estimated investment of USD 800 million.**

- **Moody´s Investors Service revised Uruguay's banking system outlook to stable from negative; regulatory changes to annuity insurance system have positive implications for the industry.**

- **Uruguay with the lowest level of inequality and highest social inclusion in LATAM.**

REAL SECTOR

Growth is projected to remain around 3% for the current year

Underpinned by exports and private consumption, the Uruguayan economy expanded 2.2% in real terms during the third quarter of 2017, compared to same period last year.

Economic activity expanded 0.1% in seasonally-adjusted terms compared with 2017Q2, rebounding from a 0.6% decline in the previous quarter. It is worth noting that during 2017Q2 and Q3, economic growth was dragged down by the technical stoppage for maintenance of the oil refinery of the public company ANCAP dragged economic growth.

On the demand side, aggregate consumption remained firm, driven by private consumption In effect, while private expenditure grew at 3.8% in 2017Q3 (YoY), public consumption contracted 2.0% over the same period. The decline in inflation over last year and the significant increase in real wages were key drivers of the expansion in the private consumption.

On the other hand, fixed investment fell 10% driven by the contraction in both private and public fixed investment, explained by a significant fall in civil works.

In turn, net exports contributed positively to economic growth. Total exports expanded 9.3% in real terms in 2017 Q3 (YoY), driven by an expansion in soybean, livestock and tourism services. Total imports increased 6.8% in real terms during 2017Q3 YoY, driven by consumer and intermediate goods, while capital goods contracted.

In terms of economic sectors, the expansion in 2017Q3 was led by commerce, transport and other services. In contrast, primary activities, construction and manufacturing sector contracted during 2017Q3, although the latter two sectors reverted towards slightly positive growth rates after two quarters of contracting in seasonally-adjusted terms

Transport, storage and communications sector increased 8.9% in the third quarter of the last year due to a significant expansion of communications and data services.

Restaurants and hotels expanded by 8.8%, with positive performances of commercial activity and restaurant / hotel services. Both were boosted by a higher demand of tourism services coming from non-residents.

The value added of the primary sector decreased by 2.4%, mainly explained by a contraction of agricultural activities such as wheat and barley, which was partially offset by a rebound in dairy production and livestock production.

Also the industrial sector contracted 7.7% in 2017Q3 fully explained by the temporary closure of the refinery of the state oil company ANCAP, due to maintenance activities.

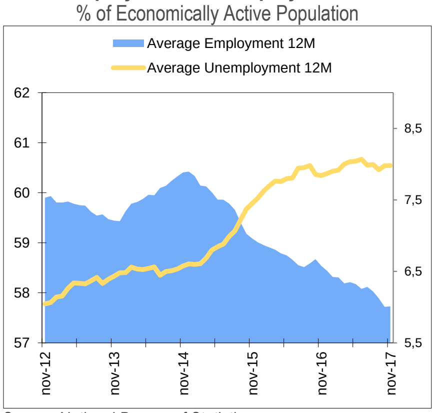
Construction sector activity fell 4.1% in 2017Q3 associated with a decline in infrastructure works related to the electricity generation, only partially offset by increases in road works and ports.

The Ceres think-tank`s leading activity index (ILC) suggests that economic activity continued to expand in 2017Q4.

Private analysts surveyed by the Central Bank forecast a real expansion of 3.0% for 2017 (data will be released in March), and 3.2% for the current year.

In terms of labor market dynamics, the unemployment rate closed at 7.7% in October compared 7.6% in September, according to data published by the National Bureau of Statistics.

Unemployment and Employment Rate
% of Economically Active Population



Source: National Bureau of Statistics.

EXTERNAL SECTOR

The CAB surplus stood at 2.3% of GDP in 2017Q3; international reserves remain well above prudential benchmarks

In the year ending September 2017, the Uruguayan economy showed a surplus in the Current Account Balance (CAB) of USD 1.3billion (2.3% of GDP), one percentage point higher than the surplus achieved in 2016Q3.

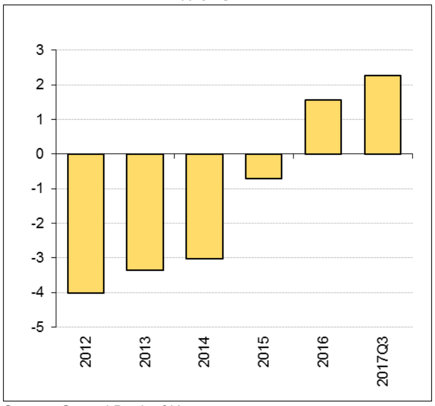
The Central Bank (CB) released a new version of the Balance of Payments in accordance with the recommendations of the 6th Edition of the Manual of Balance of Payments and International Investment Position of the IMF.

Under this new framework, the CB took advantage of the opportunity to widen the sample of firms surveyed, from around 200 corporate groups to approximately 500. It is worth noting that the new methodology of the Balance of Payments adds to the coverage the intermediation activity of residents firms that purchase goods abroad –particularly commodities– and re-sell to non-residents, without goods entering in the economic territory of Uruguay.

Taking into account these changes in the methodology and coverage, the CAB registered a surplus due primarily to an increase in measured exports and a very strong performance in service exports (particularly tourism exports), which was partially offset by a deficit in the Primary Income item (payments of rents and investment income).

Total exports amounted to USD 16 billion in the year ended in 2017Q3 and total imports USD 12.2 billion. This trade balance surplus was partially compensated by a deficit of USD 2.7 billion in Primary Income during the same period.

Current Account Balance
% of GDP

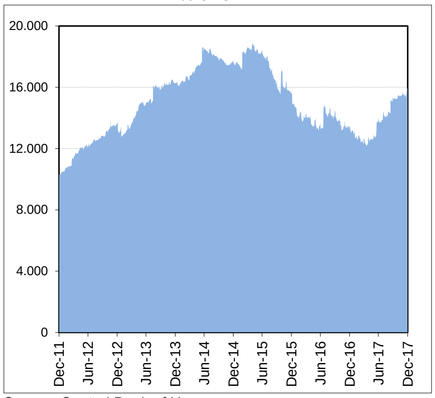


Source: Central Bank of Uruguay

The counterpart of this surplus was a capital outflow in the same period driven by the public sector, which amounted to USD 1.4 billion in the year ended in 2017Q3. In contrast, the private sector printed an inflow of capital of USD 100 million during the same period.

In terms of Net Direct Investment, there was an increase in the claims held by Uruguayans residents against the rest of the world for USD 449 million in the year ended in 2017Q3. This figure is mainly explained by an increase of financial assets of Uruguay residents against the rest of the world.

Central Bank International Reserves
% of GDP



Source: Central Bank of Uruguay

By the end of year 2017, international reserves held at the Central Bank totaled USD 15.9billion, representing an increase of USD 2.5 billion compared to 2016. International assets remain well above prudential benchmarks. Given the ample level of reserves and the current account surplus, external stability risks for the Uruguayan economy remain well contained.

PUBLIC SECTOR

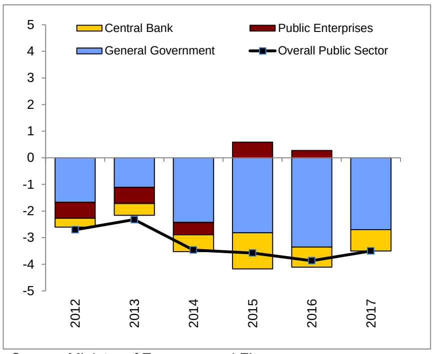
Consolidated fiscal deficit stood at 3.5% of GDP in 2017

The Overall Result of the Consolidated Public Sector stood at -3.5% of GDP in the mobile year ended in December, improving 0.4% of GDP compared to the previous year.

Revenues from the Non-Financial Public Sector stood at 30.0% of GDP, increasing 0.4% of GDP over the previous year.

In turn, expenditures from the Non-Financial Public Sector closed at 30.1% of GDP at the end of last year, expanding 0.1% of GDP compared to December 2016. Primary current expenses of the Central Government and Social Security Institute, in particular transfers and non-personal expenses, to the extent that capital expenditures remained stable. Finally, interest payments remained stable at 3.2% of GDP.

Public Sector Balance
% of GDP



Source: Ministry of Economy and Finance

Since the beginning of 2017, the Uruguayan government implemented a fiscal consolidation package, aimed at reducing the overall fiscal deficit to 2.5% of GDP by the end of 2019.

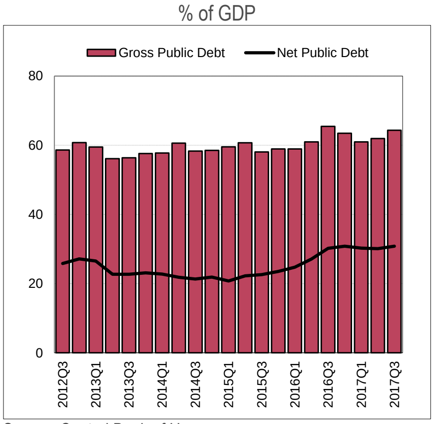
It is worth noting that the result of 2017 was in line with the intermediate goal fixed in the last Annual Budget review.

PUBLIC DEBT

Gross and Net debt at 64.3% and 30.8% of GDP in 2017Q3, respectively

In 2017Q3, overall consolidated indebtedness of the public sector was 64.3% of GDP (USD 37.4 billion), thus remaining unchanged with respect to the previous quarter. Likewise, the consolidated net public debt was equivalent to 30.8% of GDP (USD 17.9billion).

Public Sector Debt
% of GDP



Source: Central Bank of Uruguay

As noted by the IMF, Uruguay is a particular case among emerging markets economies, as it is one of very few countries to report headline debt figures on a consolidated basis for the whole public sector, including Central Bank (CB) and public enterprises´ debt.

INFLATION & MONETARY INDICATORS

Consumer prices increased 6.6% in 2017, representing a yearly reduction of 155bps

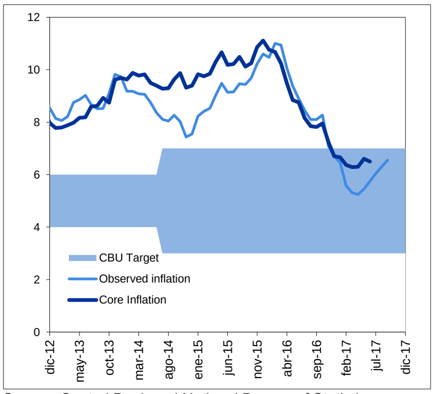
Consumer prices fell 0.3% in December m/m. This decline was mostly driven by the deceleration in the most important items of the non-tradable sector, such as healthcare and education services and the fall in housing prices.

Annual inflation decelerated to 6.55% in 2017 (within the inflation target band), reaching its lowest level in the last eight years.

There was a significant moderation of non-tradable inflation. In this line, while consumer prices decreased by 155bps, inflation in non-tradable sector prices decelerated 180bps. Most of this trend was explained by a “nominalization” process of salaries’ adjustments implemented since 2015 through a three-year (2015-2018) wage agreement.

Private analysts participating in the CB`s monthly survey expect inflation at 7.0% at the end of the current year.

Inflation, CPI
Last 12 months



Source: Central Bank and National Bureau of Statistics

The inflation target band for the next 24 months remains at the 3% to 7% range. In addition, the MPC reset the monetary aggregate growth indicative target (M1´) for 2018Q1 to 14% - 16%, up from 13% - 15% for 2017Q4. The decision was based on the “re-monetization process of the economy and the increase in the demand for money”, said the MPC.

The Central Bank noted that “…it is necessary to maintain the contractive stance of monetary policy in order to consolidate this achievement, particularly by acting through the channel of inflationary expectations”.

Regarding the FX market, the peso has appreciated steadily since mid-October (when it reached UYU 29.5 per USD), reaching 28.4 per USD by end-January 2018 (implying an appreciation of 1.3% YTD). Analysts surveyed for this month’s CB report see the FX ending this year at 30.8 UYU per USD.

During year 2017, the CB acquired more than USD 3.5 billion (around 6% of GDP), to stem excessive appreciation pressures. These have been brought about by a re-monetization of the economy and strong dollar inflows associated to a robust tourism season.

Nominal Exchange Rate
Pesos per USD

Source: Central Bank of Uruguay

In order to i) manage the excess of international reserves held by the CB and ii) mitigate the impact of exchange rate fluctuations in the balance sheets of the state-owned oil and electricity companies, both parts signed a forward peso/dollar contracts in 2017.

In the case of the public oil company, ANCAP, the contract has a notional value of USD 480 million and extends for a period of 24 months.

Along the same lines, the board of the electricity company UTE, both parts celebrated a similar transaction for a nominal value of USD 1,260 million in a 36-month period.

It is important to note that the balance sheets of the CB on one side, and of ANCAP and UTE on the other reflect opposite exposures in relation to the US dollar exchange rate. CB maintains a significant long position in US Dollars (assets greater than the liabilities in foreign currency), while ANCAP and UTE hold a short position in US Dollars (liabilities greater than the assets in that currency).

Therefore, these financial operations are part of an integral risk management approach of the consolidated public sector, through the redistribution of foreign exchange risk among those institutions with the best capacity to absorb it.

FINANCIAL SYSTEM

Moody's revises Uruguay's banking system outlook to stable from negative; regulatory changes in pension insurance have positive implications

On November 7th Moody´s Investors Service revised Uruguay's banking system outlook to stable from negative. Moody´s rates six banks in Uruguay, which held 74% of the banking system's total deposits and total loans as of June 2017. This action was driven by improving credit conditions and the economic recovery, which will support a modest improvement in asset quality, profitability, and capital.

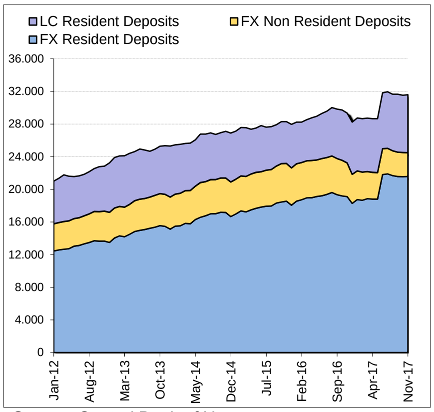
According to Moody´s analyst Mr. Alexandre Albuquerque, "profitability will improve slightly as banks focus more on higher margin peso lending and credit costs decline, though the improvement will be tempered by low business volumes. The Uruguayan banking sector should be supported by stronger performance in agricultural production, as well as the modest economic recovery in neighboring Brazil and Argentina, added the rating agency".

The report further examines the five key drivers of this outlook, covering operating environment, asset risk and capital, funding and liquidity, profitability and efficiency and Government support. As of June 2017, financial institutions` capital buffer exceeded in more than 85% the minimum regulatory requirement set by the Superintendence of Financial Institutions (SFI).

This regulatory threshold takes into account credit, market, operational and systemic risks. In that sense, recent stress tests conducted by the SFI suggest that the banking system could on average withstand a significant recession scenario, while maintaining a reasonably adequate equity level.

While non-performing loans of households continued to rise (reaching 5.0% as of September 2017), NPLs to corporate sector remained at 3.7%. As a result, the average arrears –which include mortgage loans–, were 3.7% of the whole banking system, similar to previous months.

Total Deposits in the Banking System
Million of USD



Source: Central Bank of Uruguay

As of November 2017, total deposits in the Uruguayan financial system amounted USD 28.7billion, representing a decrease of 2.2% compared with one year ago.

On the other hand, Moody´s released a report highlighting that recent regulatory changes issued by the CB for the pension insurance sector will "have positive implications" for the industry. These changes include, , the update of the mortality tables (which reflects a longer life expectancy of the Uruguayan population) and the use of a yield curve for discounting reserves and calculating annuity payments, which are crucial elements to cover the mismatches between assets and liabilities of the insurance companies.

Moody´s added that the proposal to issue public debt linked to a daily nominal wage index will also help to mitigate potential mismatches in the industry. In this sense, the Government sent a bill to Congress to approve a unit of measure that reflects the variation of nominal wages in Uruguay on a daily basis. If the law is passed by Congress, insurance companies will be able to cover annuity payments with considerable lower market risk.

RECENT DEVELOPMENTS

The Government and the Finnish company UPM agree on conditions for building a third pulp mill in the country; Uruguay launched a tender for the rehabilitation of the railroad network

On November 8th the Finnish company UPM and the Government of Uruguay signed an investment agreement, which outlines the prerequisites for a new potential pulp mill investment. It defines the requirements for the operating environment of a world-class pulp mill project. The site of the mill would be close to the city of Paso de los Toros, in the department of Durazno in central Uruguay.

If it comes to fruition, the project would represent the largest private investment in history and is expected to have a positive impact in GDP growth, employments and the balance of payments. A second UPM pulp mill would add an estimated 2 percentage points to GDP, create numerous jobs and upgrade physical infrastructure.

As a part of the agreement with this company, the Uruguayan Government has committed to develop the rail and road network. In this vein, Uruguay launched in December a tender for the construction and long-term maintenance of the network between Paso de los Toros city and Montevideo.

The project is budgeted at USD 800 million and will be carried out under a Private Public Partnership model. In addition to the railroad works, it includes 40 overpasses and underpasses. The concession period is 18 years. The Ministry of Transport and Civil Works expects to begin construction in the second half of 2018, while the works are expected to take 36 months.

Uruguay will also promote a concession of a terminal specializing in pulp paper in the port of Montevideo with rail access in order to secure a reliable and competitive outlet to export markets.

Progress in the implementation of PPP projects across different economic sectors

In addition to the investments in the railway system, the Uruguayan Government continues to make progress in developing other infrastructure works through PPP scheme.

A prison complex, “Unidad de PPL Nº1”, for 1,960 inmates that required an investment of nearly USD 100 million stands out among these projects. The project involves the design, construction, financing, operation and maintenance the infrastructure. The construction stage has been completed successfully and the operation stage has already started. At this stage, the private partner will provide the maintenance, food and cleaning services of the prison and the Ministry of Internal Security will provide security, health care and re-education services.

On top of that, a seven-road package that involves a total of 1,200 kilometers and nearly USD 560 million is on track. One project is currently in the construction stage since August 2017.

Three projects are currently under provisional award and in financing closure stage. For the rest of them, tenders have been launched in September 2017, November 2017 and January 2018 respectively.

In terms of the educational infrastructure package, the Government launched four projects package. With an estimated initial investment of USD 288 million, they involve designing, building, financing and maintenance of kindergartens, schools, gyms, high schools and technical schools.

The first educational infrastructure project is under bid evaluation prior to Provisional Award. For the second project, bids opened on September 2017 and currently are under evaluation of the technical commission.

Uruguay with lowest level of inequality and highest social inclusion in LATAM

Uruguay leads the Development and Inclusive Growth ranking in Latin America, and ranks 8th out of a total of 78 developing countries according to the Inclusive Development Index (IDI) elaborated by the World Economic Forum.

The IDI is an annual assessment of 103 countries’ economic performance that measures how countries perform on eleven dimensions of economic progress in addition to GDP. It has 3 pillars: growth and development; inclusion and intergenerational equity (sustainable stewardship of natural and financial resources).

Regarding income distribution, Uruguay was also in the lead in the region. The Gini Index –an indicator that measures the inequality distribution– reached 0.391 in Uruguay in 2016, according to recent data published by Economic Commission for Latin America and the Caribbean (ECLAC). The Gini coefficient, which ranges from 0 (complete equality) to 1 (complete inequality), was 0.467 for Latin America in last year.

In turn, the Inter-American Development Bank (IDB) ranked Uruguay at the top of the countries with the best jobs in Latin America. The study, “Indexes of Best Jobs”, measures the working conditions of 17 nations and was published in November by the entity.

According to the document issued by the IDB, which measures the jobs of the countries by quantity and quality, the quantity dimension seeks to capture labor participation (how many people want to work) and occupation, capturing how many actually do so.

Meanwhile, quality is built with formality rates, i.e., how much of the employment that is generated is within social security- and whether the wages they receive are sufficient to overcome poverty. The index, the IDB details, is the weighted average of the four indicators -labor participation, occupation, formality and jobs with sufficient salary - and its scores range from 0 to 100.

Uruguay achieved a global score of 71.9 points of the quality and quantity indicators, compared to an average 57.1 points for Latin America. “What distinguishes Uruguay is that it achieves quality quotas in employment that are much higher than those of the rest of the countries in the region”, said Ms. Carmen Pagés Head of the IDB Labor Markets Division.

For the specialist, “the relatively high level of labor productivity, effective policies that managed to formalize the majority of the population giving access to social insurance, a developed welfare society that has managed to involve a very large part of the population and a Benefit scheme are Uruguay's successes”.

Argentina and Uruguay signed a dredging deal for improving the fluvial cargo transport efficiency

The Dutch firm Royal Boskalis Westminster signed a USD 128 million contract with the bi-national authority for the maintenance dredging of the Martín García channel, located between Uruguay and Argentina in the northern part of the 50-kilometer-wide Rio de la Plata estuary.

The Martín García channel is the main access channel to Uruguay's second largest port, Nueva Palmira, as well as to the Rio Uruguay. The main objective of the dredging program is to deepen the canal and subsequently maintain a depth of 34 feet over the contract period.

Biomass Beats Oil as Uruguay's Top Energy Source in 2016; electricity exports more than doubled during 2017

For the first time in the country´s history, biomass beat out oil for the most-used fuel in Uruguay in 2016. Biomass, mostly made from forestry waste, accounted for 41% of the country's energy matrix, oil and its byproducts represented 40%, hydro weighted 13%, wind 5% and solar 1%, according to the 2016 National Energy Balance report.

It is worth noting that 2016 also marked the third year in a row that most of the energy came from domestic sources, and the fifth consecutive year that the share of renewable sources has been on the rise.

Uruguay is the only country in LATAM to produce and release an uninterrupted annual series of the National Energy Balance since 1965

Two large pulp mills, which are by far the biggest private industrial plants in Uruguay, have marked a turning point in the history of the country's energy sector. The two plants - Finland's UPM and the joint venture of the Swedish Stora Enso and the Chilean Arauco, Montes del Plata, - use eucalyptus plantations to produce paper pulp for export, and they have a combined capacity to process 8 million cubic meters of wood a year.

They also use the waste product, called black liquor, to generate energy for them, while selling the extra power to the national grid.

Electricity exports are growing fast in Uruguay due to the greater energy supply generated by the incorporation of renewable sources to the energy matrix. While in 2016 external sales of electricity to Argentina and Brazil totaled USD 65 million, in 2017 more than doubled and totaled USD 150 million.

DEBT MANAGEMENT UNIT
INVESTOR RELATIONS CONTACT INFORMATION

Antonio Juambeltz

Rodrigo Saráchaga

☎ +598 2 1712 ext. 2957

Email: debtinfo@mef.gub.uy

Web site: deuda.mef.gub.uy

Uruguay	Economic Indicators (1)											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	last available	as of:
Economic structure and performance												
Population (mn)	3,4	3,4	3,4	3,4	3,4	3,4	3,4	3,5	3,5	3,5	3,5	2016
Nominal GDP (local currency, $bn)	549	636	715	808	926	1.041	1.178	1.331	1.456	1.581	1.656	2017Q3
Nominal GDP (USDmn)	23.468	30.387	31.703	40.263	47.997	51.229	57.483	57.278	53.293	52.556	58.118	2017Q3
GDP per Capita (USD)	6.987	9.036	9.385	11.854	14.064	14.951	16.709	16.584	15.371	15.101	16.699	2017Q3
Unemployment (% of labor force, avg)	9,2	7,6	7,3	6,7	6,0	6,1	6,5	6,6	7,5	7,7	8,0	2017M10
Real GDP (% change - QoQ - SA)											-0,6	2017Q2/2017Q1
Real GDP (% change - YoY)	6,5	7,2	4,2	7,8	5,2	3,5	4,6	3,2	0,4	1,5	2,8	2017Q2/2016Q2
o/w Agricultural, Livestock & Other Primary Activities	-10,0	2,2	3,5	-1,4	13,5	-0,5	2,5	0,4	-0,9	0,9	3,8	2017Q2/2016Q2
Manufacturing	8,3	8,1	5,2	2,6	2,0	-3,9	1,2	4,2	4,9	0,4	-6,4	2017Q2/2016Q2
Electricity, gas & water	50,2	-51,1	11,6	89,3	-24,2	-21,9	54,7	15,7	-6,7	15,6	4,8	2017Q2/2016Q2
Construction	9,3	2,6	2,7	2,4	2,4	16,3	0,9	0,7	-6,1	-3,9	-5,7	2017Q2/2016Q2
Commerce, restaurants & hotels	8,7	11,9	0,9	11,6	7,0	5,6	8,0	-0,6	-4,0	-1,6	6,7	2017Q2/2016Q2
Transportation & communications	16,1	30,7	14,9	15,0	10,7	10,0	6,9	7,4	4,8	6,5	10,1	2017Q2/2016Q2
Gross domestic investment (% change - YoY)	7,4	25,0	-11,2	15,2	9,9	14,5	4,8	0,0	-9,0	0,7		
Consumption (% change - YoY)	6,8	9,1	2,7	8,6	6,7	5,1	5,5	2,9	-0,2	0,8		
Exports - Goods & Services (% change - YoY)	4,8	8,5	4,5	7,2	5,8	3,6	-0,1	3,5	-0,6	-1,4		
Imports -Goods & Services (% change - YoY)	5,9	0,0	-8,7	13,6	12,4	13,6	2,8	0,8	-7,3	-2,9		
GDP by economic activity(% of total)												
Agriculture, livestock and fishing/GDP (%)	8,5	9,2	7,9	7,2	8,8	8,1	7,6	6,7	6,1	6,0		
Mining/GDP (%)	0,3	0,3	0,5	0,5	0,4	0,4	0,5	0,5	0,4	0,4		
Manufacturing / GDP(%)	13,7	14,9	14,8	13,5	12,7	12,2	11,3	12,1	13,2	12,7		
Electricity, gas and water /GDP(%)	3,2	0,8	1,4	3,1	1,9	1,0	2,2	2,3	2,2	2,7		
Construction/GDP (%)	6,4	6,8	7,4	7,4	7,6	9,2	9,7	9,8	9,6	9,5		
Commerce, restaurants and hotels /GDP (%)	13,6	14,4	14,0	13,7	13,8	13,9	13,7	13,4	13,0	13,0		
Transportation, storage and communications /GDP (%)	7,8	7,5	7,2	7,1	6,7	6,5	6,0	5,7	5,6	5,2		
Financial and insurance services / GDP(%)	4,8	4,3	4,3	4,3	4,3	4,4	4,4	4,5	4,6	4,8		
Real estate and business services / GDP(%)	13,8	13,9	14,4	15,0	15,1	15,8	16,1	16,3	16,8	16,8		
Social and Other Services of the Government / GDP(%)	5,1	4,9	5,2	5,1	5,1	5,0	5,0	5,1	5,0	5,2		
Education and Health Services/GDP (%)	8,1	8,8	9,5	9,4	9,6	9,9	10,1	10,4	10,6	11,0		
Others/ GDP(%)	14,7	14,2	13,4	13,8	13,9	13,4	13,3	13,2	12,8	12,7		
Fix Gross domestic investment/GDP (%)	18,6	20,2	19,1	18,8	21,1	22,7	21,8	21,4	19,8	18,9		
Consumption/GDP (%)	81,7	81,7	81,1	80,6	80,8	79,7	80,0	80,7	80,7	80,1		
Exports (goods & services)/GDP (%)	28,4	29,2	26,5	26,8	27,1	26,7	23,5	23,4	22,5	21,4		
Imports (goods & services)/GDP (%)	29,5	33,5	25,5	26,0	27,3	30,0	26,2	25,5	22,9	20,2		
Openness of the economy (%)	57,9	62,7	52,0	52,8	54,4	56,7	49,7	48,9	45,4	41,6		

Inflation and Monetary Indicators	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	last available	as of:
Inflation (CPI, % change, 12m)	8,50	9,19	5,90	6,93	8,60	7,48	8,52	8,26	9,44	8,10	6,56	2017M12
Inflation (WPI, % change, 12m)	16,1	6,4	10,6	8,4	11,1	9,2	6,3	10,6	6,6	-1,9	5,4	2017M12
Nominal exchange rate (UYU per USD, Dec average)	21,63	24,33	19,96	19,98	19,96	19,30	21,33	24,08	29,71	28,76	28,85	
Nominal exchange rate (UYU per USD, 12m average)	23,41	20,94	22,54	20,07	19,30	20,32	20,50	23,23	27,32	30,08	28,65	2017M12
Nominal exchange rate (% change, 12m average)	-2,5	-10,6	7,7	-11,0	-3,8	5,3	0,9	13,3	17,6	10,1	-5,4	2017M12
REER (CPI, 2010=100)	121,8	112,8	101,3	100,9	94,0	83,4	80,8	79,7	79,2	73,5	74,9	2017M11
REER (% change, 12m, +=depreciation)	-7,0	-7,4	-10,2	-0,4	-6,8	-11,3	-3,1	-1,4	-0,6	-7,2	2,0	2017M11
Real Wages (% change, 12m)	4,1	4,3	5,6	3,4	4,0	5,2	3,3	3,5	0,4	3,3	2,6	2017M11
Monetary Base (% change, 12m eop)	45,5	14,4	8,5	12,0	21,7	18,6	22,2	8,8	-0,2	13,6	13,3	2017M11
M1 (% change,12m eop)	31,8	17,5	11,9	28,1	19,2	9,2	13,1	1,0	5,2	6,6	13,9	2017M11
M1' (% change, 12m eop)	32,0	17,9	15,2	30,0	20,8	11,2	15,0	3,7	5,6	8,4	17,7	2017M11
M2 (% change, 12m eop)	31,0	17,3	14,9	31,0	22,1	10,3	13,7	6,4	9,0	17,6	15,7	2017M11
Overnight interbank interest rate (%, eop)	7,2	5,0	7,1	6,5	8,8	9,0	5,3	20,0	18,0	3,5	8,6	2017M12
Average short-term deposit interest rate (%)	4,4	5,4	4,9	4,8	5,5	5,2	5,1	8,5	7,9	6,0	5,4	2017M11
Total private NFS banking deposits/GDP (%, eop)	45,2	42,1	48,3	44,5	43,0	45,3	44,0	46,9	48,8	53,0	59,3	2017M11
Local currency private NFS deposits (USDmn equiv, eop)	2.125	2.256	3.309	4.337	5.415	6.050	6.252	5.993	5.331	6.408	7.108	2017M11
Foreign currency private NFS deposits (USDmn, eop)	8.489	10.539	12.015	13.588	15.230	17.164	19.026	20.882	22.606	21.817	24.476	2017M11
o/w non-resident deposits (USDmn, eop)	1.739	2.463	2.957	3.095	3.222	3.675	3.913	4.224	4.560	3.550	2.903	2017M11
Dollarization ratio (% of foreign currency deposits)	80,0	82,4	78,4	75,8	73,8	73,9	75,3	77,7	80,9	77,3	77,5	2017M11
Foreign currency deposits/Total reserve assets	2,1	1,7	1,5	1,8	1,5	1,3		0,1	1,4	1,6	2,0	2017M11
Domestic credit to private NFS/GDP	23,5	22,9	22,8	21,4	21,6	23,9	24,0	25,1	25,0	26,1	27,7	2017M11
Domestic credit to resident private NFS (USDm, eop)	5517	6948	7213	8635	10387	12237	13821	14373	14340	14972	14742	2017M11

Uruguay	Economic Indicators [1]										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	last available	as of:

Balance of payments (*)

(USDmn)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	last available	as of:
Current account balance						-2.056	-1.931	-1.733	-378,1	825,9	1.323	2017Q3
Current external receipts						19.637	19.738	19.437	16593,4	15878,8	17102,0	2017Q3
Current external payments						21.694	21.669	21.169	16971,4	15052,8	15779,2	2017Q3
Trade balance (goods & services)						1.548	856	1.650	1751,4	3139,3	3809,8	2017Q3
Merchandise balance						349	1.124	2.017	1343,2	2331,1	2524,5	2017Q3
Exports of goods and services						18.140	18.111	18.389	15629,9	14920,5	16029,4	2017Q3
o/w Merchandise exports, FOB						13.093	13.289	13.772	11144,7	10757,9	11305,9	2017Q3
Tourism						2.296	2.089	1.917	1970,1	2071,2	2525,6	2017Q3
Imports of goods and services						16.592	17.255	16.739	13878,4	11781,2	12219,6	2017Q3
o/w Merchandise imports, FOB						12.744	12.165	11.755	9801,5	8426,8	8781,4	2017Q3
Income						-3.730	-2.967	-3.563	-2305,8	-2496,1	-2737,1	2017Q3
Income, credit						1.283	1.376	793	715,2	708,4	746,1	2017Q3
Income, debit						5.013	4.343	4.356	3021,0	3204,5	3483,1	2017Q3
Current transfers, net						125	180	181	176,3	182,7	250,1	2017Q3
Current transfers, credit						213	251	255	248,3	249,9	326,6	2017Q3
Current transfers, debit						88	71	74	72,0	67,2	76,4	2017Q3
Capital account						49	204	15	175,5	16,9	1,3	2017Q3
Balance on current and capital account						-2.007	-1.727	-1.718	-202,6	842,8	1324,1	2017Q3
Financial account						-1.492	-1.047	-1.555	-698,5	-418,2	-484,6	2017Q3
Direct investment, net						-2.175	-2.789	-2.512	-830,1	851,7	449,3	2017Q3
Portfolio equity and debt investment, net						-317	-1.663	-306	1050,3	2019,9	-1836,4	2017Q3
Financial derivatives (other than reserves), net						185	31	33	-303,7	-43,0	-62,7	2017Q3
Other investment, net						-2.472	393	-141	1061,5	-1058,3	120,0	2017Q3
Reserve assets						3.287	2.981	1.372	-1676,5	-2188,5	845,2	2017Q3
Net errors and omissions						515	680	162	-495,9	-1261,0	-1808,7	2017Q3
Overall balance (increase in Central Bank intl reserve assets)						17.977	17.629	17.087	15.267	15.469	15.743	
memo items: Central Bank international reserve assets (eop)						13.566	16.275	17.555	15.634	13.472	15.959	2017M12
International investment position (eop, +=creditor)						-7.585	-8.439	-9.918	-10.170	-12.135	-11.244	2017Q1
Total external debt (eop)						36.131	37.717	40.807	43.311	40.049	39.112	2017Q3
Net external debt (eop)						-9.202	-9.892	-10.855	-10.438	-10.669	-11.557	2017Q3

(*) In 2017Q2 the Central Bank published external sector accounts in accordance with the recommendations of the 6th Edition of the Manual of Balance of Payments and Position of International Investment implemented by the IMF. As part of the methodological changes, the sample of companies was expanded, accounting for undistributed profits and taking into account the loans of companies abroad.

(% of GDP, unless otherwise indicated)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	last available	as of:
Current account balance						-4,0	-3,4	-3,0	-0,7	1,6	2,3	2017Q3
Current external receipts						38	34	34	31	30	29	2017Q3
Current external payments						42,3	37,7	37,0	31,8	28,6	27,2	2017Q3
Trade balance (goods & services)						3,0	1,5	2,9	3,3	6,0	6,6	2017Q3
Merchandise balance						0,7	2,0	3,5	2,5	4,4	4,3	2017Q3
Exports of goods and services						35	32	32	29	28	28	2017Q3
o/w Merchandise exports, FOB						25,6	23,1	24,0	20,9	20,5	19,5	2017Q3
Tourism						4,5	3,6	3,3	3,7	3,9	4,3	2017Q3
Imports of goods and services						32,4	30,0	29,2	26,0	22,4	21,0	2017Q3
o/w Merchandise imports, FOB						25	21	21	18	16	15	2017Q3
Income						-7,3	-5,2	-6,2	-4,3	-4,7	-4,7	2017Q3
Income, credit						2,5	2,4	1,4	1,3	1,3	1,3	2017Q3
Income, debit						9,8	7,6	7,6	5,7	6,1	6,0	2017Q3
Current transfers, net						0,2	0,3	0,3	0,3	0,3	0,4	2017Q3
Current transfers, credit						0,4	0,4	0,4	0,5	0,5	0,6	2017Q3
Current transfers, debit						0,2	0,1	0,1	0,1	0,1	0,1	2017Q3
Capital account						0,1	0,4	0,0	0,3	0,0	0,0	2017Q3
Balance on current and capital account						-3,9	-3,0	-3,0	-0,4	1,6	2,3	2017Q3
Financial account						-2,9	-1,8	-2,7	-1,3	-0,8	-0,8	2017Q3
Direct investment, net						-4,2	-4,9	-4,4	-1,6	1,6	0,8	2017Q3
Portfolio equity and debt investment, net						-0,6	-2,9	-0,5	2,0	3,8	-3,2	2017Q3
Financial derivatives (other than reserves), net						0,4	0,1	0,1	-0,6	-0,1	-0,1	2017Q3
Other investment, net						-4,8	0,7	-0,2	2,0	-2,0	0,2	2017Q3
Reserve assets						6,4	5,2	2,4	-3,1	-4,2	1,5	2017Q3
Net errors and omissions						1,0	1,2	0,3	-0,9	-2,4	-3,1	2017Q3

Uruguay	Economic Indicators (1)											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	last available	as of:
Public Finances												
Non Financial Public Sector												
Overall balance/GDP	-0,6	-1,8	-2,0	-0,8	-0,6	-2,5	-2,0	-2,6	-2,1	-3,2	-2,5	2017M11
Revenue/GDP	28,6	26,9	27,7	29,1	28,1	27,7	29,5	29,1	29,0	29,4	30,0	2017M11
Expenditure/GDP	29,2	28,7	29,7	29,9	28,7	30,2	31,4	31,7	31,1	32,7	32,4	2017M11
o/w non-interest	25,3	25,8	26,9	27,5	26,4	28,0	29,1	29,5	28,8	30,0	30,0	2017M11
interest	3,9	2,9	2,7	2,4	2,4	2,2	2,3	2,3	2,3	2,7	2,4	2017M11
Primary balance/GDP	3,7	1,5	1,2	2,0	2,0	-0,1	0,5	-0,5	0,1	-0,5	0,0	2017M11
Interest Payments/Revenue	13,6	10,9	9,9	8,2	8,4	8,1	7,9	7,9	7,9	9,0	8,2	2017M11
Gross debt/GDP	62,5	48,9	57,6	44,2	43,4	45,8	41,5	42,7	48,0	52,7	51,3	2017Q3
Gross debt/Revenue	218,6	181,9	207,9	151,8	154,5	165,2	140,6	146,7	165,4	179,2	169,4	2017Q3
External debt/GDP	46,7	34,8	38,3	29,8	27,6	29,3	27,8	29,5	31,9	31,3	28,8	2017Q3
External debt/Gross debt	74,7	71,2	66,6	67,3	63,6	63,9	67,0	69,1	66,5	59,3	56,0	2017Q3
Foreign currency external debt/Gross debt	63,1	61,4	60,3	59,0	49,8	44,4	42,9	47,1	49,5	49,8	44,9	2017Q3
Public Sector												
Overall balance/GDP	0,0	-1,6	-1,6	-1,1	-0,9	-2,7	-2,3	-3,5	-3,6	-3,9	-3,5	2017M12
Primary balance/GDP	3,6	1,4	1,1	1,9	1,9	-0,2	0,4	-0,6	0,0	-0,5	-0,2	2017M12
Gross debt/GDP	74,0	58,2	72,4	59,3	56,3	60,8	57,6	58,5	58,9	63,4	64,3	2017Q3
Net Debt/GDP	41,2	27,2	35,3	31,0	27,9	27,2	23,1	21,9	23,5	30,8	30,8	2017Q3
External Debt Service/International Reserve Assets (2)	25,0	21,3	12,1	19,8	25,1	18,2	24,0	2,3	24,1	11,2		
Total Gross External Debt / GDP	63,3	50,8	56,7	45,8	38,2	70,5	65,6	71,2	81,3	76,2	67,3	2017Q3

(1) Data after 2012 are preliminary and may be subject to revision.
(2) Published once a year by the Central Bank