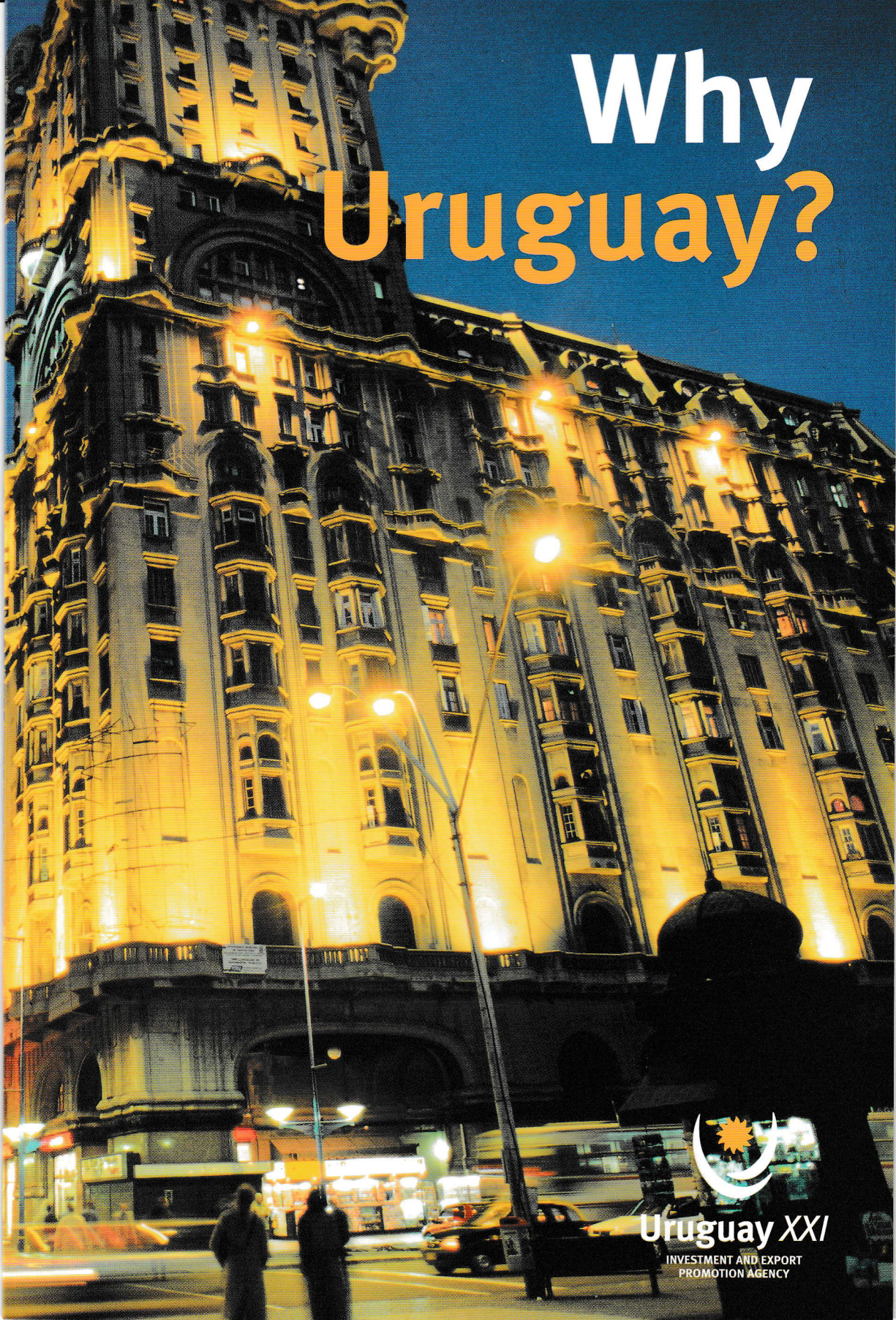


# Why Uruguay?



**Uruguay XXI**

INVESTMENT AND EXPORT  
PROMOTION AGENCY

# A country to invest in, work and live

In the last few years, Uruguay has positioned itself as a trustworthy and attractive destination for foreign investors, by virtue of a favorable investment climate and promising macroeconomic performance. The country has kept a strong political and social stability, supported by a consolidated democracy and strong legal certainty.

The orderly conduction of macroeconomic policy and the increase of investments have led the economy towards steady and balanced growth. Uruguay is one of the countries with the greatest growth in Latin America. Its GDP has reported an annual average growth of 5.7% in 2004-2013.

## Gateway to Mercosur

Moreover, the country is strategically located as a gateway to MERCOSUR, a US\$ 3.3 trillion-GDP free trade zone which includes Argentina, Brazil, Paraguay and Venezuela.



The only country in South America to boast a Free Port and Airport regime; special tax and customs regime which includes the tax-free unrestricted circulation of goods without requiring authorizations or formal processes.



Uruguay has the busiest highway network of Latin America and ranks third in terms of road quality. This makes it a strategic partner to concentrate and distribute goods in the richest region of South America.

# Investment Incentives

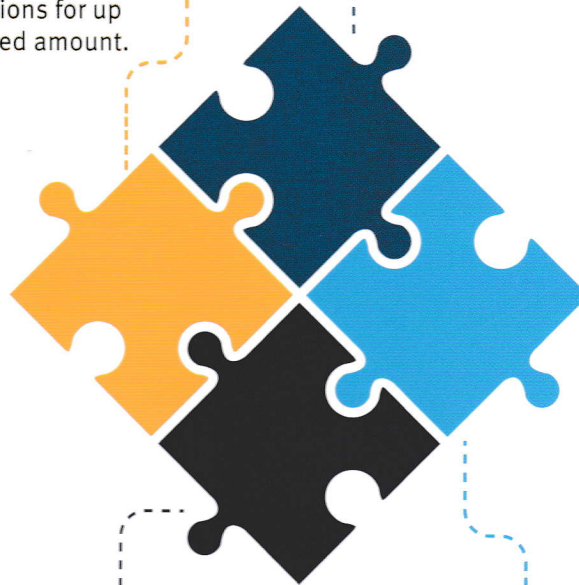
FDI attracted by Uruguay reached a record high of US\$ 2,796 million in 2013. This figure, which accounts for 5% of GDP, makes Uruguay the second largest FDI recipient in South America from a GDP standpoint. In 2013, 63% of foreign companies' profits were reinvested in our country.

## Attractive legal framework

Foreign and domestic investors are treated equally. No prior authorization or registration is required for and there are no restrictions on the transfer of capital or profits. Investment projects may be eligible for IRAE and other tax exemptions for up to 100% of the invested amount.

## Free-trade zones

Free-trade zone users are exempt from current or future taxes (except for Social Security contributions).



## Temporary admission

This regime allows companies to import raw materials and supplies without paying import taxes, provided these are used to produce goods to be exported no later than 18 months.

## Free ports and airports

Free circulation of goods without authorizations or formal processes required. Within port facilities, goods are exempt from import duties or taxes.

# Leader in Latin America

Uruguay boasts strong respect for the rules of the game and the essentials of economic activity. This is why it ranks among the top countries in Latin America according to the main rankings which gather information on aspects of political stability and democratic soundness.

## Democracy index

Country	# Latin America	# World
<b>Uruguay</b>	<b>1</b>	<b>18</b>
Costa Rica	2	22
Chile	3	36
Brazil	4	44
Panama	5	46
Mexico	6	51
Argentina	7	52

Source: The Economist Intelligence Unit, 2013

## Low corruption

Country	# Latin America	# World
<b>Uruguay</b>	<b>1</b>	<b>19</b>
Chile	2	22
Costa Rica	3	49
Cuba	4	63
Brazil	5	72
El Salvador	6	83
Peru	7	83

Source: Transparency International 2013

## Electricity quality

Country	# Latin America	# World
<b>Uruguay</b>	<b>1</b>	<b>43</b>
Costa Rica	2	44
Panama	3	49
Guatemala	4	53
Colombia	5	63
Chile	6	65
Peru	7	73

Source: Global Competitiveness Report - World Economic Forum 2013/2014

## Economic freedom

Country	# Latin America	# World
Chile	1	7
Colombia	2	34
<b>Uruguay</b>	<b>3</b>	<b>38</b>
Peru	4	47
Costa Rica	5	53
Mexico	6	55
El Salvador	7	59

Source: The Heritage Foundation 2014

# 10 reasons to invest in Uruguay

**Strong political and social stability.** The three main political parties have taken turns in office, always keeping a strong respect for the rules of the game and business climate.

01

02

**Macroeconomic soundness.** Uruguay has shored up eleven years of uninterrupted growth with an annual average expansion of 5.7% between 2004 and 2013.

**Access to a market with great potential.** Uruguay is a member of Mercosur, which accounts for 36% of the bilateral trade in Latin America. Moreover, it has entered into a FTA with Mexico, which accounts for 33% of the regional trade.

03

04

**Attractive regimes for investors.** Substantial tax exemptions on foreign and domestic investments. Free-trade Zones, Free Ports and Airports, among others.

**Ease of doing business.** Uruguay has fostered a number of reforms resulting in materially efficient and expedite state processes.

05

06

**Modern infrastructure.** First-class port infrastructure, with Montevideo turning into a regional hub. The busiest highway network in the region.

**Leader in technology.** Highest Internet penetration (ITU, 2013) and greatest download speed of the region (Net Index, 2014). First country in the world to implement the One Laptop per Child program.

07

08

**Talent availability.** Growing supply of skilled labor. High proportion of bilingual labor.

**Respect for the environment.** 50% of the global energy matrix and 90% of the electric matrix in Uruguay will come from renewable energy in 2015, it being the country with the largest share of renewable sources in Latin America.

09

10

**A country to live in.** Montevideo was the highest-ranked Latin American city in Quality of Living (Mercer, 2014) and Uruguay is the country with the best income distribution in the region (ECLAC, 2013).

# Success cases



"Our project concerns in centralizing in one single country all BASF's accounting services for the Americas: from Alaska to Patagonia. We decided for Uruguay, mainly because of three major elements. In the first place was the State. Must have an established economy and society, easy for doing business, to be free, without bureaucracy, and low levels of crime or corruption society. On second place, for the services we provide in data transporting, we need the right equipment and technology, powered by quality and uninterrupted traffic. And Uruguay can certainly provide it. Finally, the most important issue is people; because this service depends on people. In Uruguay we found a very strong source of professional talent, thanks to their universities that form each year a significant number of very well prepared people. These set of factors conform what we were looking for, and we are convinced every day that Uruguay was a very good choice"

BERTHOLD EBNER, Managing Director BASF Services Americas



"Uruguay has three dimensions very important to us. First, a natural dimension: our plantations grow fast and well. This is due to the weather and soil quality. This is Uruguay's natural advantage, as compared to other countries. The second reason is the existence of a special condition: Stora Enso, Arauco and Ence had their plantations there which, if gathered together, could make it possible to have a faster pulp plant than if made separately. The third and the most important reason is institutional quality, the legal security and the political stability offered by institutions to an investment as intensive as ours, which requires time to attain profits."

ERWIN KAUFMANN, General Manager of Montes del Plata



"Blaupunkt set up in Uruguay mainly due to its strategic geographic location, the clear business rules and the investment policies that endure the different governments. Businessmen capacity and labor to adapt to the various work methods, products to be manufactured and new situations are all elements that make this one the first electronic production enterprise in Uruguay for the massive export of products."

MARIO MARTINI, Regional Product Manager - Blaupunkt



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