AGRICULTURE SECTOR IN URUGUAY

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Uruguay XXI
INVESTMENT, EXPORT AND COUNTRY BRAND PROMOTION AGENCY

Uruguay XXI
PROMOCIÓN DE INVERSIONES, EXPORTACIONES E IMAGEN PAÍS

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1. EXECUTIVE SUMMARY

The availability of natural resources and production factors gives Uruguay comparative advantages in the production of food products. With more than 90% of its land suitable for agricultural activity, Uruguay is a reliable global supplier of food and agricultural products.

The agricultural sector accounts for 6% to 7% of GDP in Uruguay (2015-2019). When including the associated sub-sectors and industries, it is usually referred to as the agro-industrial sector and its share ranges from 14% to 16% of GDP (2015-2019). Agro-industry, in addition to its direct participation, has positive effects on other sectors, with backward linkages (due to greater demand for transportation services, storage, input production, telecommunications, etc.) and forward linkages (much of the domestic agro-industrial production serves as an input for other industries).

In the 2021-2022 season, the total cultivated area increased by 14% year-on-year. As a result, agricultural land reached 94% of its all-time high, mainly due to the momentum of soybeans, the growth of rapeseed (which doubled its planted area in the last two years) and the expansion of barley, with smaller contributions from rice (which began to recover area) and corn.

The agro-industrial sector employed approximately 210,000 people (2021), accounting for 13% of the country's employed population. Agriculture was responsible for 80,100 jobs including the industry associated with the sector.

In October 2020, a new regulation of the Investment Law (No. 16,906) came into force, with a positive impact on the number of projects and investment amounts submitted, changing the decreasing trend of previous years. In fact, projects linked to the agro-industrial sector increased from an average of 60 between 2015 and 2019 to more than 500 projects in 2021.

Agro-industrial exports accounted for 80% of total exports of goods in 2021 by reaching USD 9,070 million and registering a 39% increase in the year-on-year comparison. Within these, agricultural goods totaled USD 2,415 million, a 21% increase. Soybeans, wheat, and unprocessed barley were the main products with a positive impact on external sales in 2021.

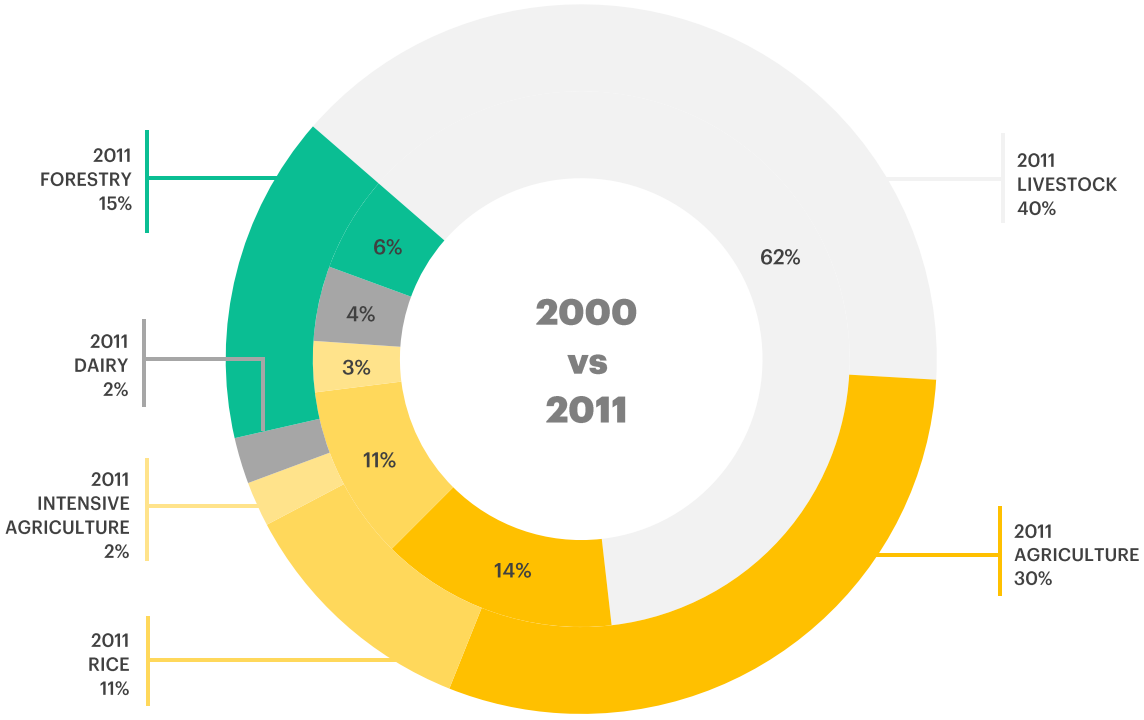
The increase in reference agricultural prices in the international market is being decisive for a further increase in surface area in the 2022-2023 season.

2. IMPORTANCE OF THE AGRICULTURE SECTOR IN URUGUAY

Uruguay has 16.4 million hectares for agricultural use, representing more than 90% of the country's land area. The country's natural resources and production factors give it comparative advantages in food production, positioning it as a net global supplier of agricultural and food products.

The last census conducted in 2011 evidenced the transformation of the agriculture sector in terms of production in Uruguay and showed a significant change in the use of land for the main production activities, which increased from 14% of cultivated land in 2000 to 30% in 2011[1]. A new General Agricultural Census is planned for the last quarter of 2022, which will allow to obtain more information on land use for production purposes in Uruguay.

CHART Nº 1: SHARE OF AGRICULTURAL ACTIVITIES IN CULTIVATED AREA 2000 VS. 2011



Source: Prepared by Uruguay XXI based on the Agricultural Statistical Yearbook 2021 of the Directorate of Agricultural Statistics (DIEA) of the Ministry of Livestock, Agriculture and Fisheries (MGAP).

Most of the production land in Uruguay is rainfed. This means that the sector is exposed to adverse circumstances resulting from climate variability, which causes the sector's annual yields and income

[1] DIEA Agricultural Statistical Yearbook 2021 (link).

to fluctuate significantly. The main products linked to the agricultural chain include soybeans, rice, wheat, corn, barley and, more recently, rapeseed and carinata.

The changes in the sector's productive matrix were accompanied by the producers' incorporation of new technologies for the professionalization of management, planning and risk reduction. This led to significant increases in the yields of extensive crops during the last two decades.

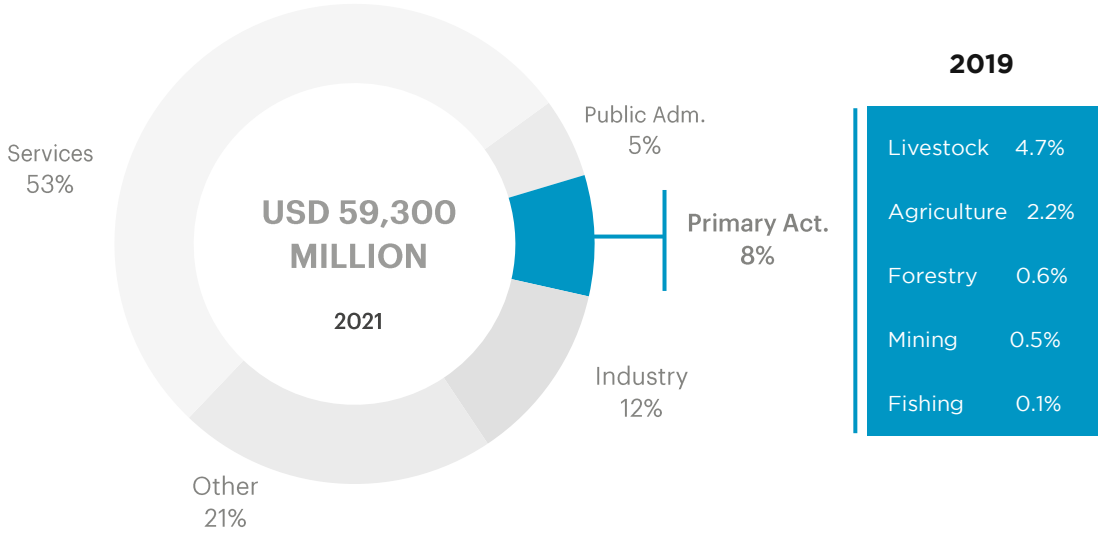
2.1. SHARE OF THE AGRICULTURE SECTOR IN GDP

Agriculture is part of the agricultural sector, which in Uruguay accounts for 6% to 7% of GDP (2015-2019). When including the associated sub-sectors and industries, it is referred to as the agro-industrial sector and its share ranges from 14% to 16% of GDP (2015-2019). Agro-industry, in addition to its direct participation, has positive effects on other sectors, with backward linkages (due to greater demand for transportation services, storage, input production, telecommunications, etc.) and forward linkages (much of the domestic agro-industrial production serves as an input for other industries).

The official statistics prepared by the Central Bank of Uruguay (BCU) are in the process of being adapted to new international standards. In the last two years, they have not included data disaggregated by branch of activity, which has made it difficult to analyze the recent evolution of the different activities that make up the primary sector and, in particular, the activity of the agriculture sector. The following information combines the aggregate GDP data for 2021 and a disaggregation at the sub-sector level with the shares that these activities had in the 2019 GDP, the last record using the previous methodology.

In 2021, Uruguay's GDP was USD 59,300 million, of which 8% accounted for primary activities including livestock, agriculture, forestry, mining, and fishing. Livestock was the main primary activity and accounted for 4.7% of GDP, followed by agriculture with 2.2% and forestry with 0.6%.

CHART Nº 2: PRIMARY SECTOR GDP AND MAIN ACTIVITIES



Source: Prepared by Uruguay XXI based on BCU.

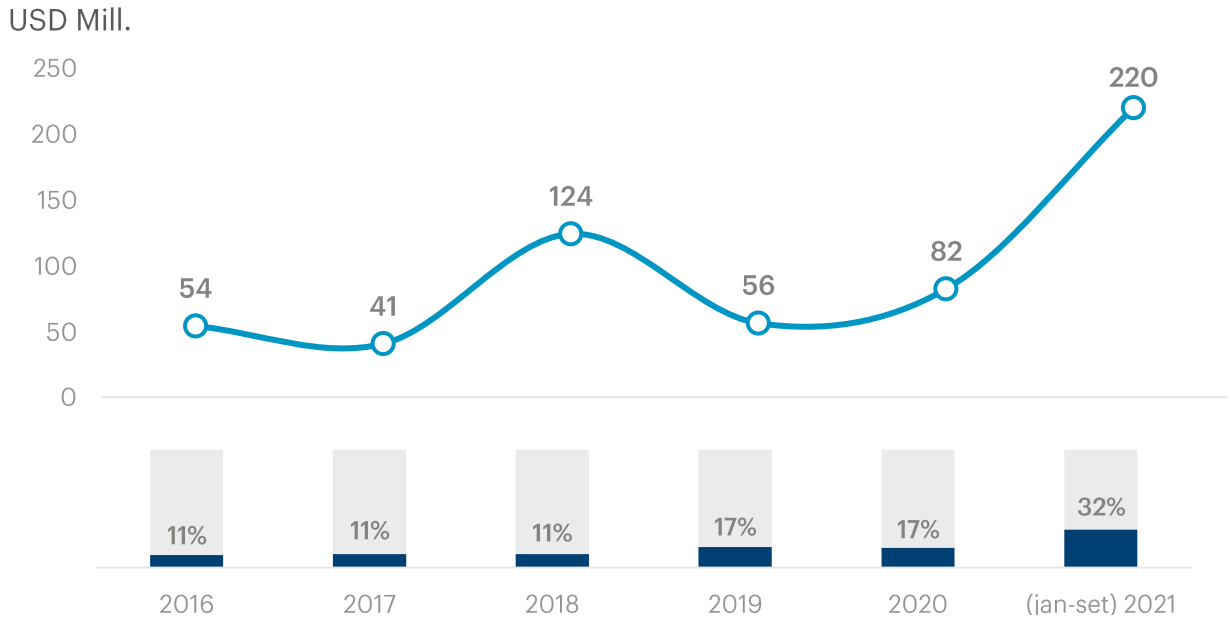
In addition to the direct contribution to GDP, these activities have a strong impact on the industrial sector, particularly the food, wood, and cellulose industries, which together account for a larger share of GDP.

2.2. INVESTMENT IN THE AGRICULTURE SECTOR

In October 2020, a new regulation of the Investment Law (No. 16,906) came into force, with a positive impact on the number of investment projects and amounts submitted. In particular, projects related to the agro-industrial sector increased from an average of 60 between 2015-2019 to over 500 in 2021. The new regulations boosted projects associated with the sector, which in 2020 accounted for 17% of the total, while between January-September 2021 they reached 32%, showing the highest year-on-year variation (213%) among the different sectors of activity[2].

[2] Agricultural Planning and Policy Office (OPYPA) Yearbook 2021 (link).

CHART Nº 4: INVESTMENT IN THE AGRICULTURAL SECTOR (USD MILLIONS AND % SHARE IN TOTAL PROJECTS)

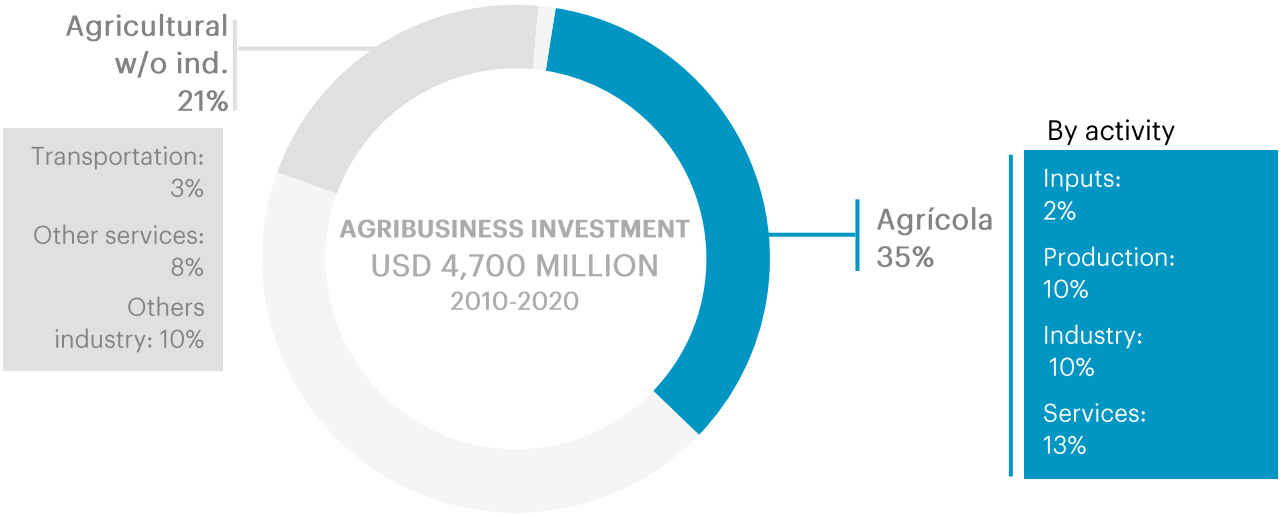


Source: Prepared by Uruguay XXI based on Agricultural Planning and Policy Office (OPYPA) Yearbook 2021 with data from the Private Sector Support Unit (UNASEP).

Between 2010 and 2020, the agricultural sector received more than USD 4,700 million in investment, 35% of which came from companies engaged in agriculture. The amounts within the agriculture sector were evenly distributed between agricultural production activities (10%), industrialization of agricultural products (10%) and related services (13%). The remaining 2% corresponds to input production companies. It is worth noting that 21% of the amounts invested in the agricultural sector cannot be directly assigned to any specific activity; however, the investment of companies in cargo transportation (3%), or other related services (8%), suggest that agriculture is of even greater importance for investment in the agro-industrial sector.

The agriculture sector received a significant investment flow, mainly for the incorporation of technology in grain production. Foreign companies, particularly Argentine companies, had a decisive influence in this regard. Some of the largest grain traders in the world are also established in the country: ADM, Bunge, Cargill and Louis Dreyfus, COFCO, among others.

CHART Nº 5: INVESTMENT IN THE AGRIBUSINESS SECTOR
2010-2020



Source: Prepared by Uruguay XXI based on the OPYPA Yearbook 2021, with data from UNASEP.

2.3. EMPLOYMENT IN THE AGRICULTURE SECTOR

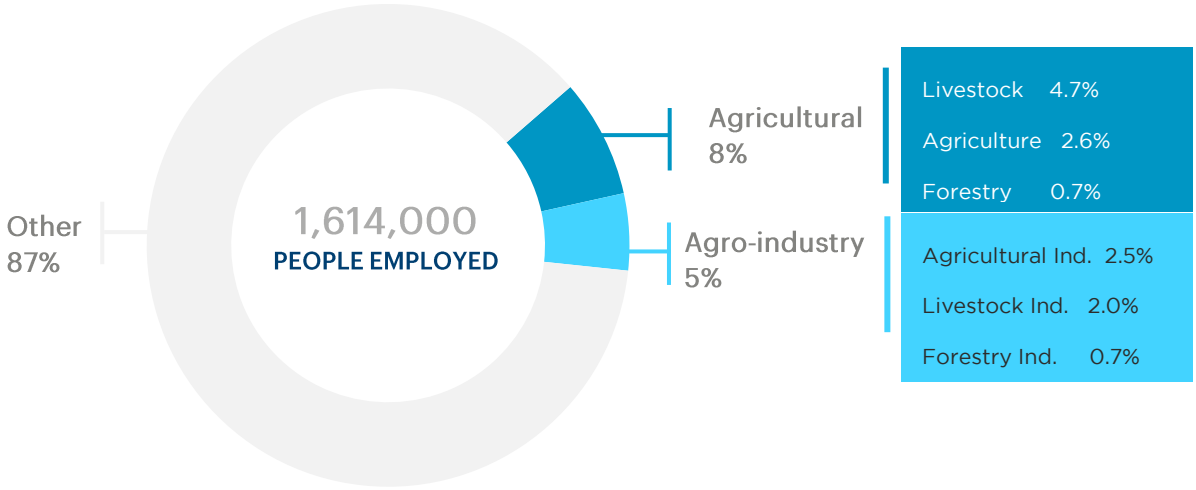
Employment in Uruguay covers 1.61 million people (2021). In the 2021 average, some 48,600 jobs were recovered in the year-on-year comparison. The latest data published by the National Institute of Statistics (INE)[3] indicate that the employment rate is at levels similar to pre-pandemic levels, reaching 1.65 million people employed, while some 144,000 people are unemployed, accounting for 8% of the economically active population.

In 2021, 210,000 people were employed in the agribusiness sector, of which about 127,000 were in the agricultural sector, representing 8% of the country's employed population. The remaining 83,000 worked in related industries, i.e., 5% of the total.

Livestock was the main employer activity in the agricultural sector with 75,000 people, followed by agriculture with 41,100 workers. The agro-industrial sector as a whole recovered 11,000 jobs in the last year. The agricultural industry had a strong recovery dynamic with a year-on-year growth of 8%, explained by higher employment in the livestock industry (21%) and in the forestry industry (47%).

[3] National Institute of Statistics.

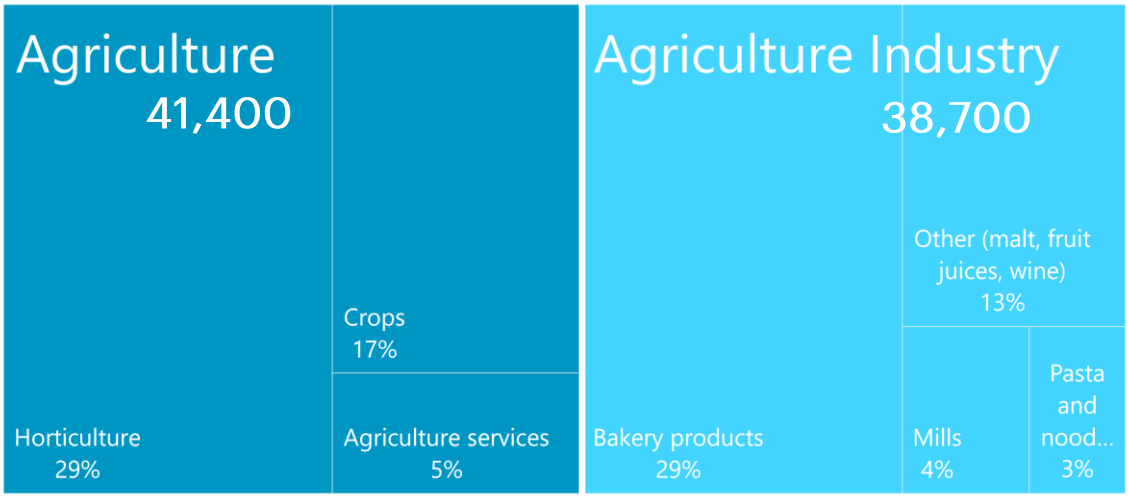
CHART Nº 6: PEOPLE EMPLOYED IN AGRICULTURAL ACTIVITIES



Source. Prepared by Uruguay XXI based on information from INE's Continuous Household Survey (ECH) 2021.

In 2021, about 80,100 people worked in agriculture activities or related industries, 51% worked in primary activity while the remaining 49% worked in industry.

CHART Nº 7: SHARE BY EMPLOYMENT ACTIVITY IN THE AGRICULTURE SECTOR 2021



TOTAL EMPLOYMENT 80.100

Source: Prepared by Uruguay XXI with data from ECH 2021.

Total employment in the sector remained at similar levels to 2020, although with different trends. Primary activity had a growth of 11% in 2021, driven by the great dynamism of agricultural production, recovering practically all the jobs lost in the pandemic. On the other hand, industrial activity registered a 9% retraction in 2021, which is explained by less jobs in the bakery, pasta, and noodles sectors, while milling and other agricultural industrial activities increased employment in the last year.

2.4. AGRICULTURE EXPORTS

The agro-industrial sector plays a relevant role in the country's export matrix. Uruguay, with 3.5 million inhabitants, exports goods to cover the food needs of almost 30 million people in the world[4]. Uruguay's international reputation as a reliable supplier of food and agricultural products allows it to enter 160 destinations and positions it as one of the world's leading exporters of rice, barley, rapeseed, malt, and soybeans, among others. The following table shows Uruguay's position in the ranking of exporting countries for certain agricultural products, taking into account the tons exported.

TABLE Nº 1: POSITION OF URUGUAY AS A WORLD AGRICULTURAL SUPPLIER IN MAIN PRODUCTS (2021)

PRODUCTS	LATAM	WORLD
Rice	#1	#7
Rapeseed	#1	#4
Barley	#2	#10
Malt	#2	#8
Soybeans	#4	#6

Source: Prepared by Uruguay XXI based on its own data and Trade Map.

Uruguayan exports of goods, including free trade zones, reached historic record levels in 2021. Foreign sales totaled USD 11,400 million, marking a 42% increase compared to the 2020 record and growing 24% compared to 2019 (i.e., compared to pre-pandemic levels).

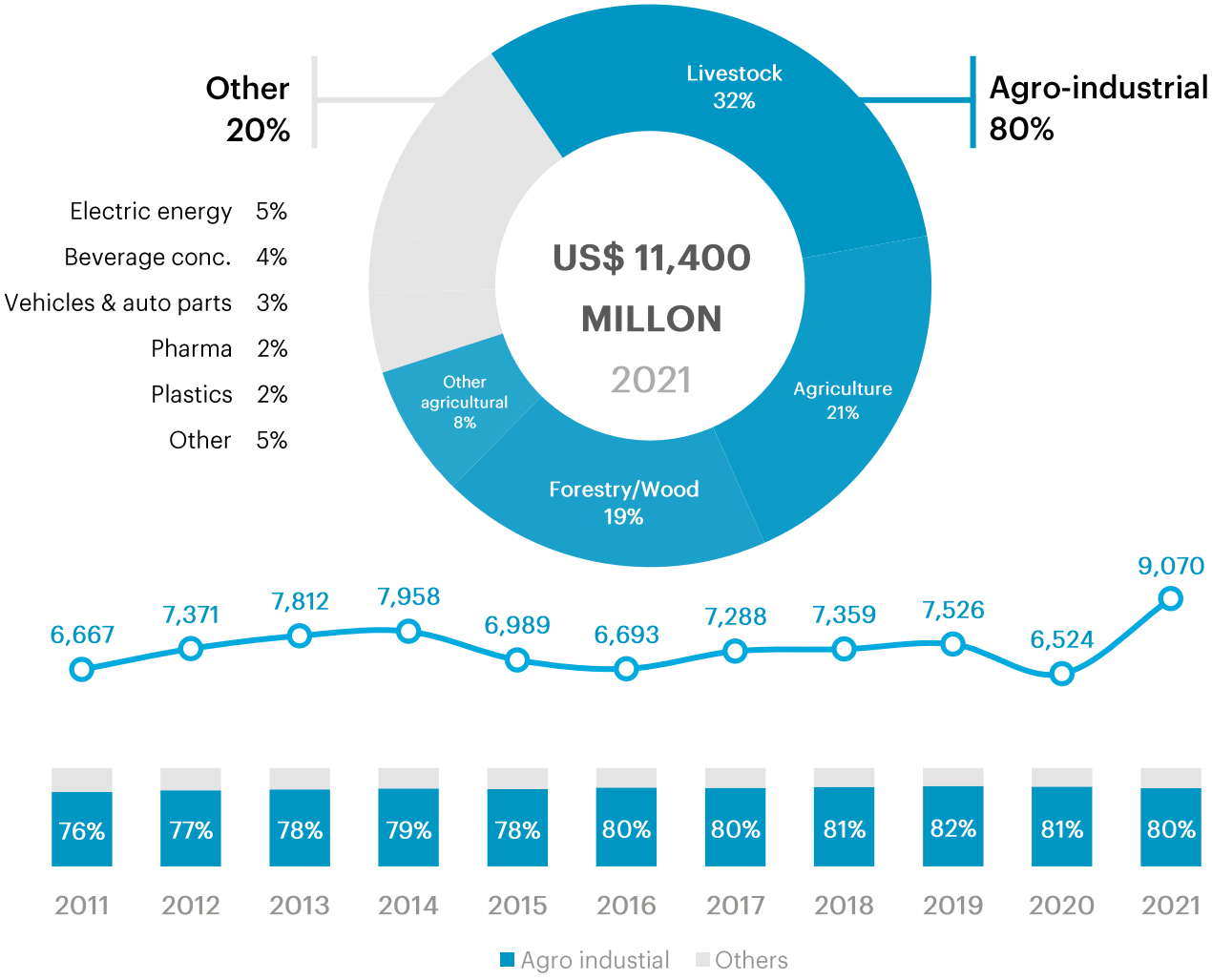
Agro-industrial exports accounted for 80% of foreign sales of goods in 2021, some USD 9,070 million, and registering a 39% increase in the year-on-year comparison. Among the main agro-industrial items, products related to livestock activities accounted for 32% of total sales of goods,

[4] Source: MGAP – 2017 - Uruguay Agrointeligente – Los desafíos para un desarrollo sostenible.

followed by agriculture with 21% and forestry and wood with 19%. The ranking of exported products is led by beef, which accounted for 21% of total exports. It was followed by cellulose with 14%, soybeans with 8% and dairy products with 6%.

The increase in agro-industrial exports in 2021 took place in a context of rising international commodity prices. Thus, most of the goods exported by Uruguay showed significant price increases. Beef was the product with the highest positive impact on exports in 2021. Meat sales showed a strong increase in value, which is explained both by better prices and higher volumes exported. Other agricultural goods that showed significant increases in export prices were cellulose and soybeans.

CHART Nº 8: SHARE AND AMOUNT OF AGRO-INDUSTRIAL EXPORTS 2011-2021

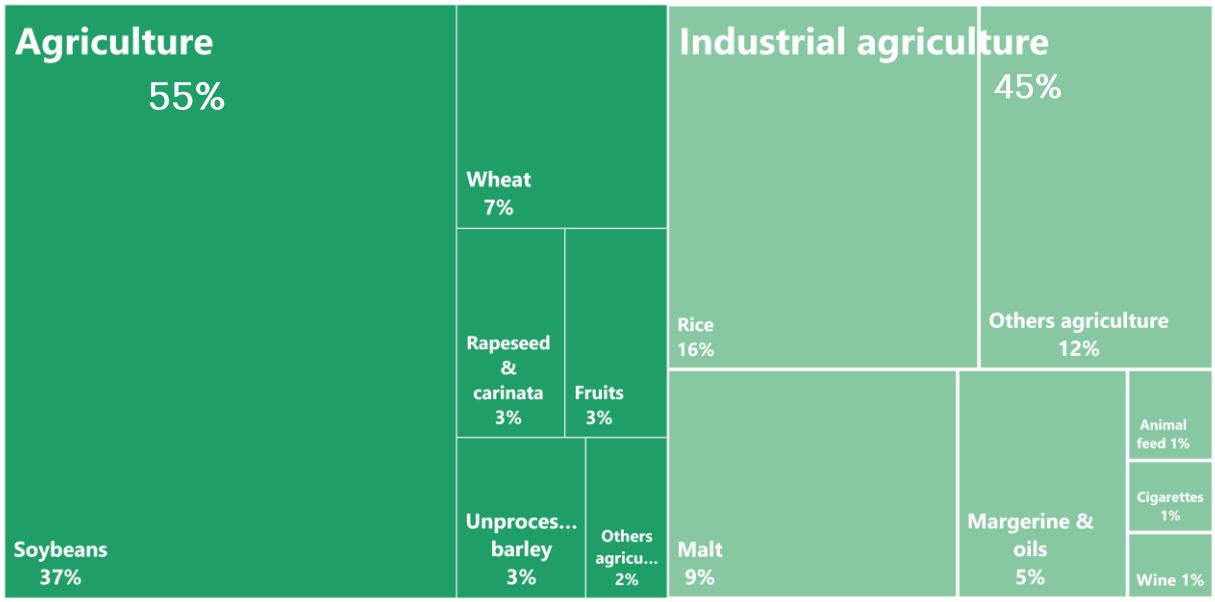


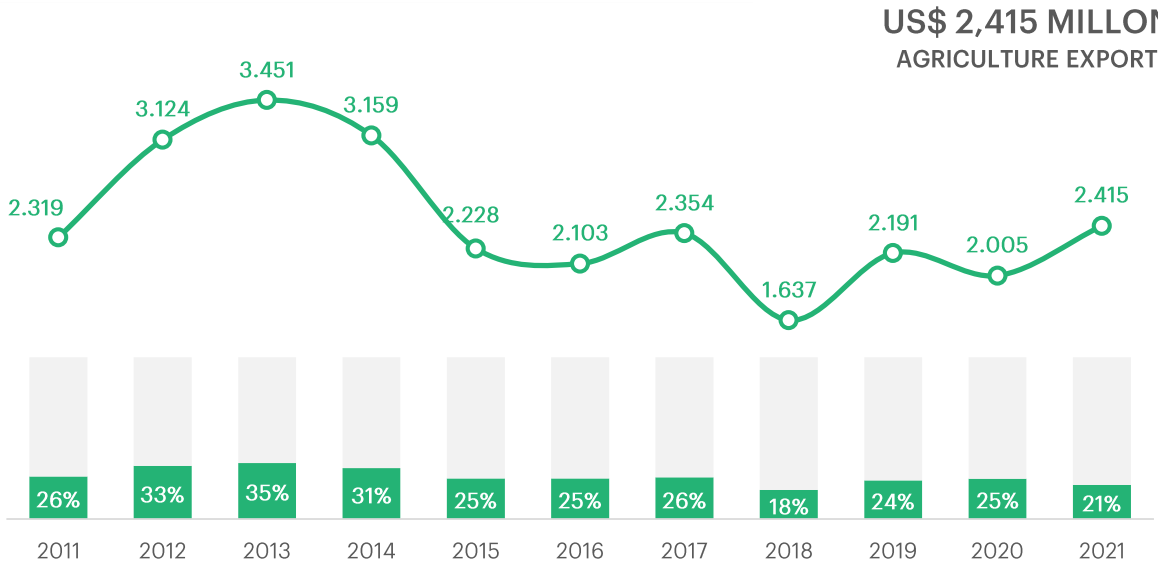
Source: Uruguay XXI based on data from the National Customs Authority, Nueva Palmira, and Montes del Plata.

In 2021, agricultural goods were exported for USD 2,415 million, an increase of 21% in the year-on-year comparison. Soybeans, wheat, and unprocessed barley were the main products with a positive impact on external sales. Rice was the only product with a negative impact on exports in the sector, with a 16% drop in amounts.

In 2021, 55% of agriculture exports were primary commodities: soybeans (37%), wheat (7%), rapeseed (3%), among others. The remaining 45% were products that incorporate industrialization processes: rice (16%), malt (9%), margarine and oils (5%) and wine (1%), among others.

CHART Nº 9: URUGUAY'S AGRICULTURE EXPORTS



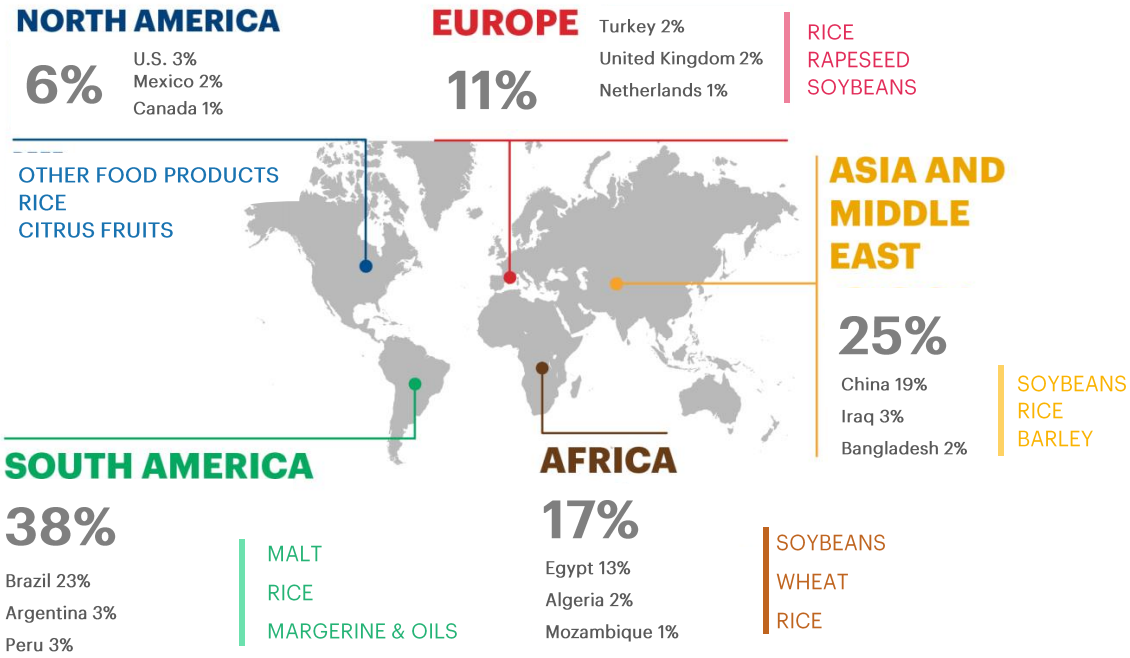


Source: Uruguay XXI based on data from the National Customs Authority, Nueva Palmira, and Montes del Plata.

Despite the good performance of the agriculture sector, the share of total exports fell from 25% to 21% between 2020 and 2021. The drop is explained by exceptional growth in other products in the export basket, mainly beef and cellulose.

In 2021, exports of agricultural goods from Uruguay entered 114 destinations, with a strong share of countries in the region (38%), Asia (25%) and Africa (17%). **Brazil**, the main destination, grew by 7% in 2021, with purchases of USD 572 million, accounting for 23% of total agriculture exports. The increase is explained by higher sales of malt, which accounted for 34% of total exports to Brazil. Other products with significant increases in sales to Brazil were barley, wheat, and other foodstuffs. The shares of rice and soybean sales were 9% and 3%, respectively, and were lower than in 2020.

CHART Nº 10: AGRICULTURE SECTOR EXPORTS
MAIN PRODUCTS BY REGION – 2021



Source: Uruguay XXI based on data from the National Customs Authority, Nueva Palmira, and Montes del Plata.

China was the second largest export destination with USD 477 million, maintaining similar levels to those recorded in 2020. Soybean sales, which account for 77% of the sector's exports to the Asian country, recorded an 8% drop in year-on-year terms, totaling USD 440 million in 2021. In turn, Uruguay placed barley in the Chinese market for the first time in history. Exports reached USD 23 million, making it the second largest agricultural product in that market. Margarine and oils ranked third with USD 6 million.

Egypt was the third largest export destination in 2021, with a 13% share. Margarine and oils ranked third with USD 6 million. Shipments to the African country totaled USD 322 million, 150% higher than in 2020. Soybeans accounted for 97% of exports, making it the second largest destination for Uruguayan oilseeds. Meanwhile, 2021 was the first year that Uruguay sold wheat to the Egyptian market, reaching USD 9 million.

Europe was the fourth largest export destination. Sales to the European bloc amounted to USD 266 million. Rice exports accounted for 36% of the total and grew 25% compared to 2020. Sales of rapeseed, margarine and oils and non-citrus fruits also increased. Most sales to the bloc go to Turkey (23%), followed by the United Kingdom (20%) and the Netherlands (13%).

Other important destinations for agricultural exports are Argentina—with other food products, margarine and oils and soybeans—, Mexico—mainly with other food products—, Peru—to which, among other products, rice, malt, and soybeans are exported—, and Iraq—almost exclusively with rice sales.

2.5. PRODUCTIVE LAND MARKET

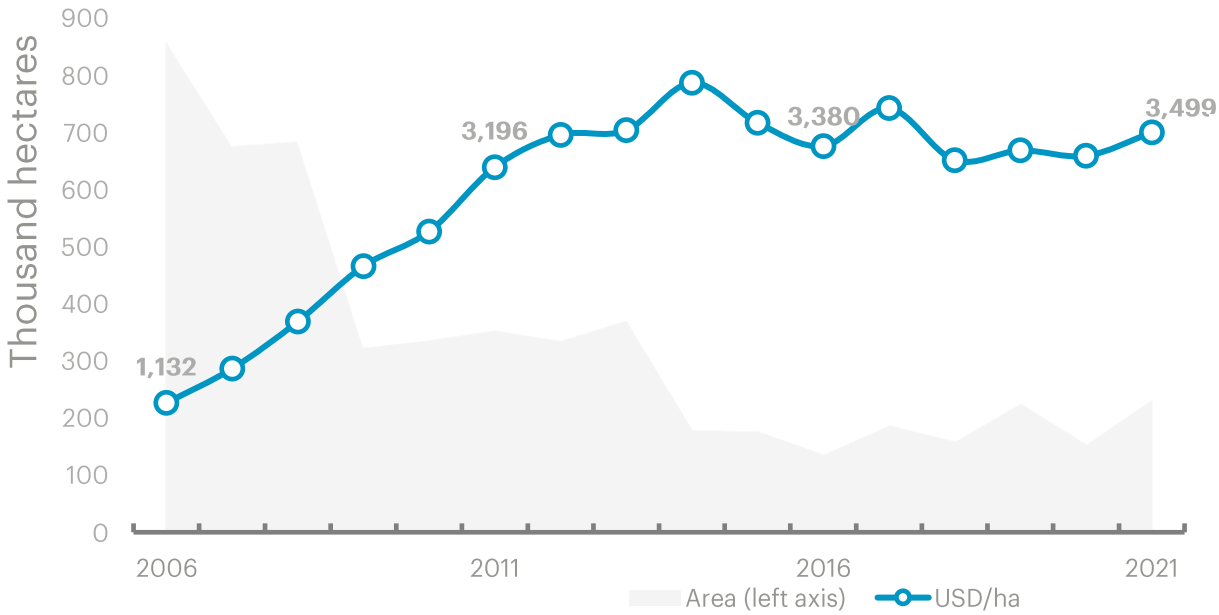
2.5.1. LAND PURCHASE AND SALE

The development of the agricultural sector in Uruguay is reflected in the increasing price of land. Data on sales and purchases for agricultural use published by DIEA[5] indicate that the average price per hectare increased from USD 448 in 2000 to USD 3,500 in 2021. Thus, in the last two decades the value of land has increased eightfold.

Between 2000 and 2021, 41,000 land purchase and sale transactions involving 8.9 million hectares and some USD 15,400 million were carried out. The total amount traded in 2021 exceeded USD 810 million, for an area of 231,000 hectares under 1,240 sale and purchase contracts. In general, the highest prices are located in the southwest, a traditionally agricultural and agricultural/dairy area. The highest prices tend to coincide with the most productive areas of the land.

[5] Directorate of Agricultural Statistics (DIEA) of the Ministry of Livestock, Agriculture and Fisheries.

CHART Nº 11: AVERAGE PRICE OF HECTARE FOR AGRICULTURAL USE (USD/HA)



Source: Uruguay XXI based on DIEA – MGAP.

2.5.2. PRICE OF AGRICULTURAL FIELDS AND LEASES[6]

Given the country's social, political, and economic conditions, there is a diversity of actors investing in land, including investment funds, institutions, and domestic and foreign investors.

A relevant technical aspect is that, since the 1960s, Uruguay has had a soil classification system, known as CONEAT, which provides information on the productivity of each rural area. The average value for Uruguay is 100, with minimum values of 0 and maximum values of 263. This tool can be accessed freely and allows for the characterization and evaluation of fields in different areas of the country.

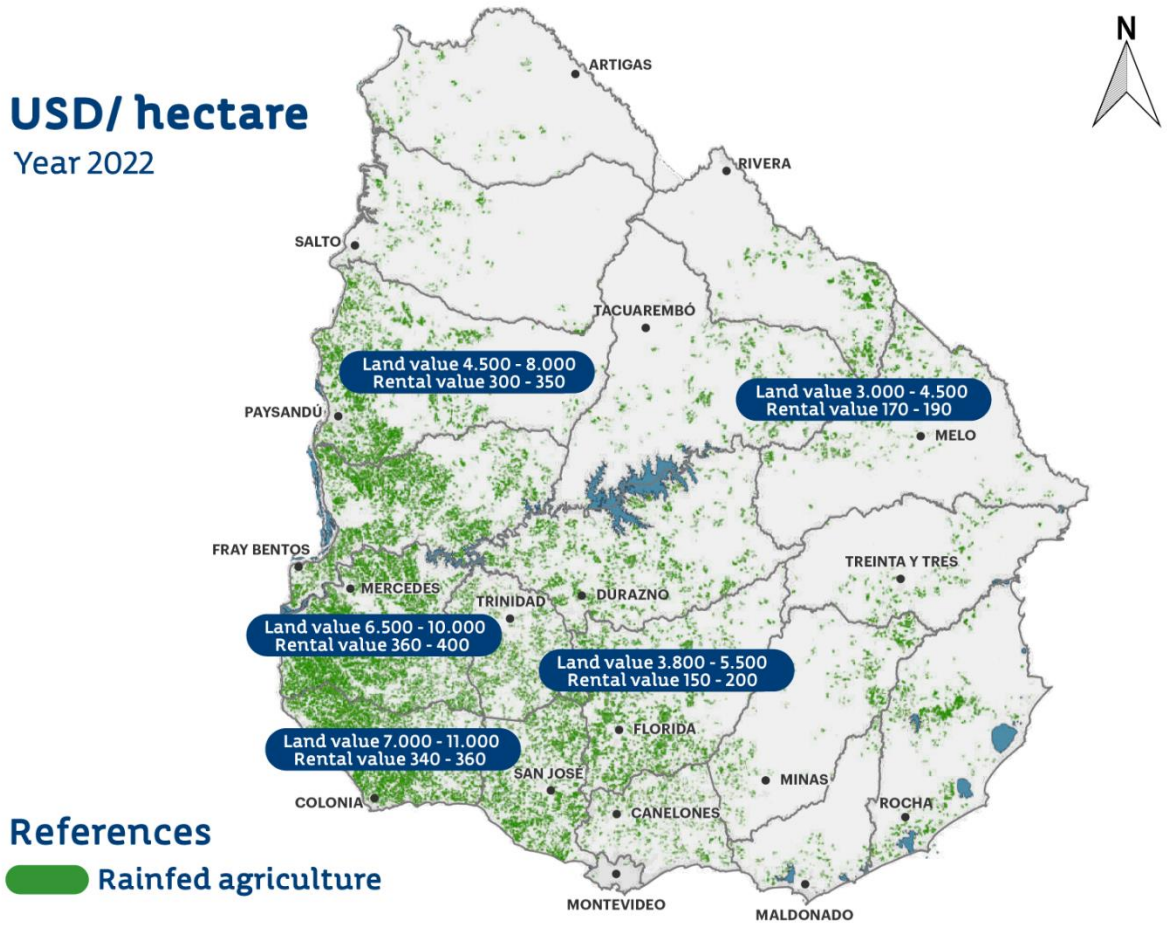
Rainfed agriculture is developed on the soils with the greatest productive potential in the country, which is mainly concentrated in the southern and western coastal areas. There are also areas with soils suitable for agriculture in the central and northeastern areas of the country.

In recent years, many companies have incorporated center-pivot irrigation, especially for summer crops, which allows them to increase and ensure their yields. The water source is usually a purpose-built dam.

[6] Source: http://www.agroclaro.com.uy/

The climatic conditions in Uruguay allow farmers to grow two crops per year: wheat, barley, rapeseed or carinata in winter and soybeans, corn, or sorghum in summer. On occasions, the agricultural areas may also incorporate a pasture phase for seed production or as a fodder base.

FIGURE Nº 1: LAND VALUE AND RENTAL PRICES FOR AGRICULTURAL FIELDS



Source: Agroclaro, based on sales and purchases 2022, Agency for e-Government and Information and Knowledge Society (AGESIC). Prices in USD/ha.

Leases 1st semester 2021, DIEA / MGAP and Agroclaro. Prices in USD/ha/year.

For this activity, the distance to the port is relevant, as it determines the value of freight, as well as the availability of agricultural services to carry out the different tasks. These aspects, the suitability of the soils and the price of grains are the factors that determine the value of the land. The map above shows reference land and lease prices for the different areas of the country.

On the other hand, rice is cultivated in three major regions: east, northeast, and north. The eastern region is the one that covers the largest area and has a plain relief associated with the Merín lagoon and relevant rivers in that region of the country. These water sources, together with dams, are used for crop development.

The value of rice fields varies according to the suitability for rice production, the systematization of the farms and the water source, which is essential for crop development. There are leases for the land, as well as for the water needed to irrigate a hectare. Leases are generally agreed upon in number of bags of rice per hectare per year and have reference values of 10 bags for the land and 20 bags for the water.

The latest purchase and sale records in the east indicate that the price of land ranges between USD 2,500 and USD 3,500 per hectare, while in the north, rice fields and cattle farms have values of around USD 2,500 - USD 3,000/ha.

In 2021, some 2,543 lease contracts were entered into, representing a 9% year-on-year increase in leased area, exceeding 909,000 hectares. The total amount of transactions exceeded USD 122 million, with an average price of USD 134 per hectare, an increase of 25% with respect to the average price of 2020 contracts[7]. Sixty-five percent (65%) of the leases were for three-year terms or less. Also noteworthy was the increase in the area leased under medium-term contracts (between four and five years), which rose from 19% in 2019 to 26% in 2021.

The increase in rental prices was noted for all agricultural sectors with the exception of forestry, whose price fell 12% compared to 2020. The average rental prices for crop-livestock and rainfed agriculture fields were USD 153 and USD 324 hectares per year, respectively.

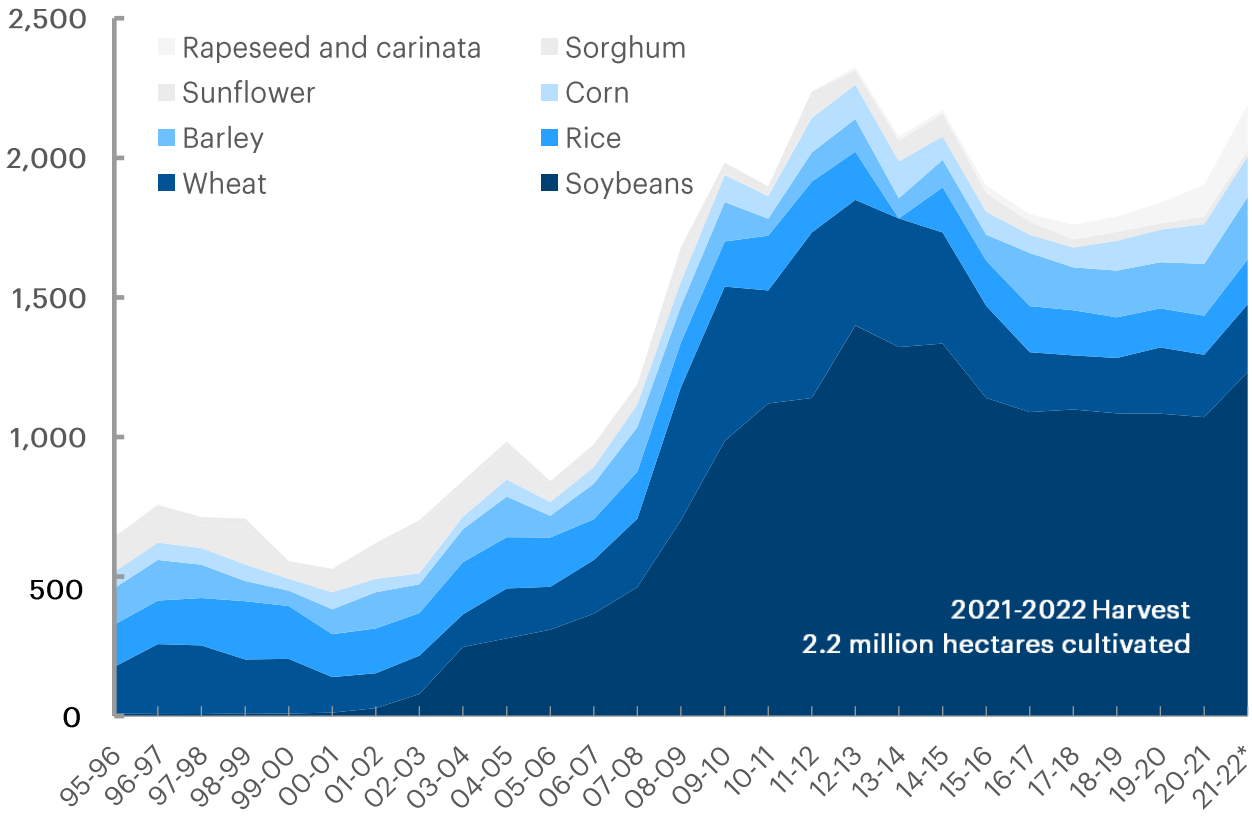
3. MAIN AGRICULTURAL PRODUCTS

After six years of stagnation and a moderate increase (4%) in the 2020-2021 harvest, the total cultivated area increased by 14% in the 2021-2022 season. As a result, areas used for agriculture reached 94% of their all-time high, mainly due to the momentum of soybeans, the growth of rapeseed (which doubled its planted area in the last two years) and the expansion of barley, with smaller contributions from rice (which began to recover area) and corn. The rise in international

[7] Land Lease Price Report - DIEA - MGAP (link).

prices of the main agricultural products is being decisive for the increase in surface area in the 2022-2023 season.

CHART Nº 12: AREA PLANTED BY TYPE OF CROP



Source: Prepared by Uruguay XXI based on DIEA data.

SUMMER CROPS

In Uruguay, the main summer crops are extensive rainfed crops for dry grain: soybeans, corn, and sorghum, except for rice, which is grown under irrigation. The growth experienced by soybeans caused the area planted with summer crops to increase considerably, reaching record highs of over 1.5 million hectares planted.

3.1. SOYBEANS

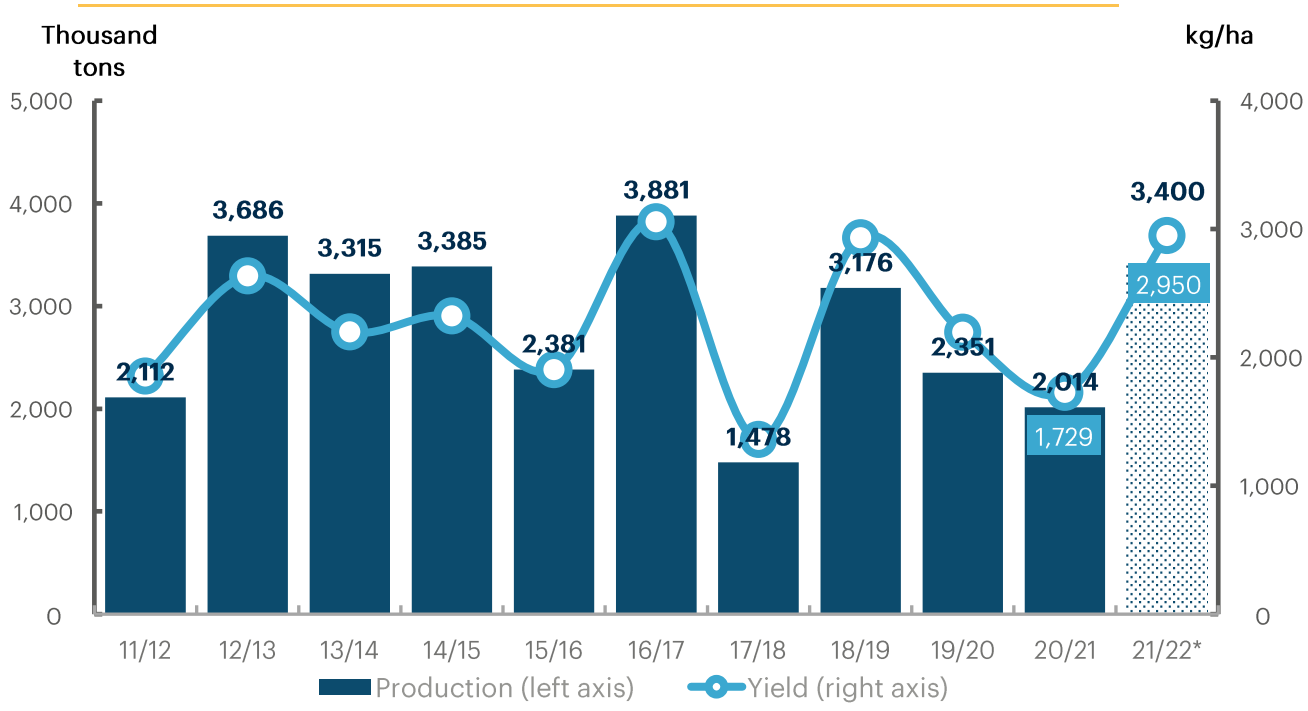
The development of agriculture in Uruguay had soybean as its main crop, which began to gain relevance due to the increase in world demand, mostly driven by China since the beginning of the 21st century. The rise in international prices stimulated the inflow of foreign investment, promoting the use of new technologies and an increase in the area planted. Thus, in 2021, soybeans accounted

for 79% of the summer agricultural area and 56% of the total area planted in Uruguay, ranking among the country's three main export products.

According to EXANTE data, in the 2020/2021 harvest, the cultivated area is expected to remain practically unchanged in relation to the previous season, totaling 1.1 million hectares. Besides the area, there was a lower yield—close to 21%—, which was explained by the low rainfall, resulting in a 14% drop in soybean production, totaling 1.7 million tons of soybeans.

Soybean production during the 2021/2022 harvest is expected to increase by 70%, due to the optimal weather conditions recorded during the last season, with the exception of the northwest region of the country, which experienced a severe drought between September 2021 and February 2022[8]. The expected rise in soybean production is explained by a 9% increase in planted area and average yield expectations of around three tons per hectare, 71% higher than in the 2020/2021 harvest[9]. A larger planted area and improved yield per hectare would allow production to exceed three million tons in 2022[10].

CHART Nº 13: SOYBEANS - PRODUCTION AND AVERAGE YIELD



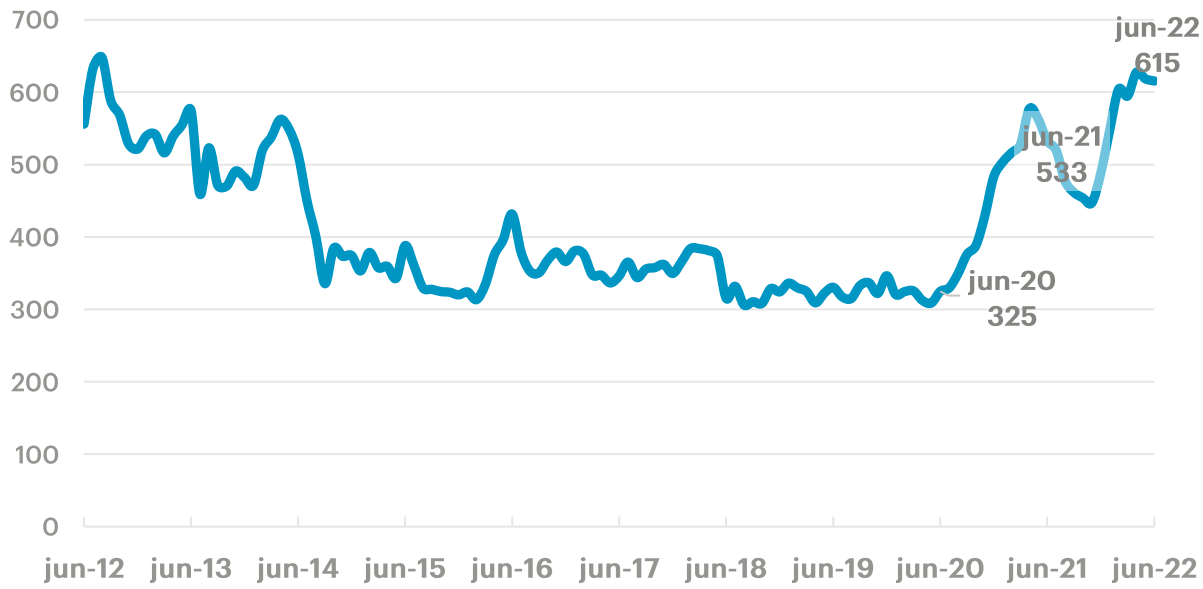
Source: Prepared by Uruguay XXI based on DIEA data.

[8] Inumet climate bulletin (link).
[9] It should be noted that in 2021 the drought affected soybean yields, which stood at 1.88 tons/ha, while the average productivity of the last five years was 2.24 ton/ha.
[10] Source: EXANTE.

The favorable weather conditions for the development of the crop in Uruguay were an exception in the Southern Cone, the main soybean exporting region in the world[11]. The climate phenomenon known as "La Niña" affected a large part of soybean production in southern Brazil and Paraguay, and to a lesser extent in Argentina. In this context, the United States Department of Agriculture (USDA) cut world soybean production by 30 million tons between December 2021 and March 2022, which, according to the agency, will be 364 million tons for the whole of 2022.

The decrease in production by Southern Cone countries, sustained demand from China and low stocks in the United States have kept the international price of soybeans high since December 2021. Specifically, the reference price for soybeans (CBOT[12]) rose 38% from December 2021 to the beginning of March 2022, placing it above the USD 600 per ton barrier on the Chicago Board of Trade (CBOT). The conflict between Russia and Ukraine caused a broad-based increase in the price of commodities, which boosted soybeans to record values of USD 640 per ton, similar to those recorded in 2012. In the futures markets, prices are showing a greater moderation towards November, suggesting a balance between demand and supply, at least in the long term, although at high levels.

CHART Nº 14: INTERNATIONAL SOYBEAN PRICE (CBOT)



Source: Prepared by Uruguay XXI based on Agrofy data.

Since 2009, soybeans have been one of the country's three main export products and Uruguay has positioned itself as the sixth largest exporter of soybeans in the world. In 2021, total soybean

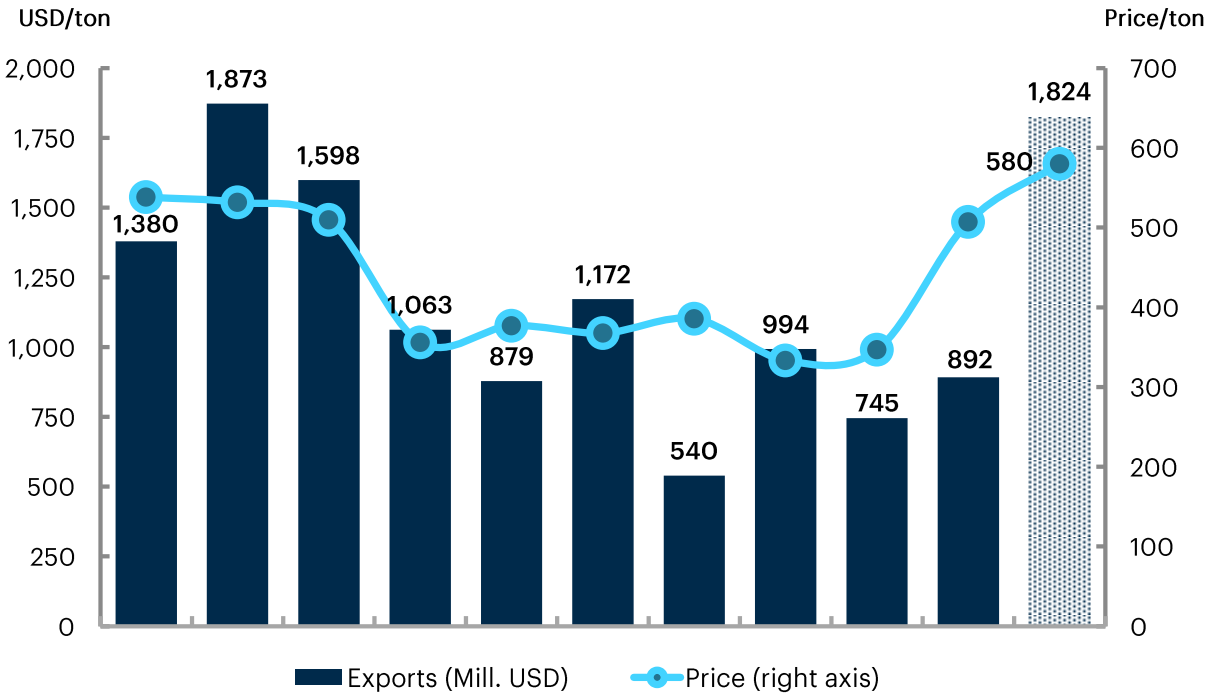
[11] Mercosur countries are responsible for about 60% of world soybean trade: Brazil (50%), Argentina (6%), Paraguay (3%) and Uruguay (2%), and for practically all soybean trade during the winter season in the northern hemisphere.
[12] Chicago Board of Trade.

exports reached 1.7 million tons (slightly less than the total production) and the amounts were around USD 890 million, an increase of 17% in year-on-year terms.

The combination of high sales prices and good crop yields has not been seen since the agricultural boom of 2013/2014, which explains the prospect of a sharp rise in soybean exports in 2022. With a production that would exceed three million tons and an average value of USD 580-600 per ton, Uruguay is expected to exceed USD 1,800 million in soybean exports by 2022, which would double the export values of 2021.

As for the destinations of Uruguayan soybean exports, China has remained in first place. In particular, in 2021, the Asian country received 42% of total soybean exports, with a total of USD 405 million. Egypt was the second export destination, with 37% of the total, and some destinations such as Bangladesh and Turkey had very small shares.

CHART Nº 15: SOYBEAN EXPORTS AND AVERAGE EXPORT PRICE (USD MILLION AND USD/TON)



Source: Prepared by Uruguay XXI with data from DNA and Nueva Palmira Free Trade Zone. (*) Estimate for 2022 as a whole.

It should be noted that the phytosanitary requirements protocol for soybeans exported from Uruguay to China is still in force. It establishes sanitary requirements and determines the procedures to be followed in the event of any phytosanitary event[13]. In addition, since the official visit to China

[13] Protocol, good practices, and regulations for soybean exports from Uruguay to China 2022 (link).

in 2016, there is an agreement between China and Uruguay—through the National Agricultural Research Institute (INIA) and the Chinese Agricultural Academy—for the joint production of non-GMO soybeans for human consumption. In fact, soybean exported by Uruguay is used in the Asian country as animal feed, so this development could open up new consumption niches in the world's largest oilseed buyer.

On the other hand, Uruguay exports soybean seeds for planting to the United States, which exceeded 4.8 thousand tons in 2021. Uruguay's production supplies this particular market, given that the production process and commercialization take place in the off-season. The production and subsequent export of seeds is a higher value-added alternative in the agriculture sector.

Table Nº 2 shows the access tariffs in the main destination markets for Uruguayan soybeans, compared to those faced by the main competitors. In general, soybeans enter with a zero tariff. The only exception is China, which accounts for 42% of Uruguayan exports. Thus, Uruguay pays USD 12 million in tariffs for soybeans destined for the Chinese market.

TABLE Nº 2: URUGUAY AND COMPETITORS TARIFF RATES IN THE MAIN DESTINATION MARKETS - 2021

			Direct competitors			Off-season competitors	
		Uruguay	Brazil	Argentina	Paraguay	United States	Canada
Main Markets	China	3%	3%	3%	3%	3%	3%
	Egypt	0%	0%	0%	0%	0%	0%
	Bangladesh	0%	0%	0%	0%	0%	0%
	Turkey	0%	0%	0%	0%	0%	0%
	Mercosur	0%	0%	0%	0%	8%	8%

Source: Prepared by Uruguay XXI based on data from Trade Map and MacMap.

Costs associated with soybean cultivation measured in dollars were above USD 650 per hectare in the current 2021/2022 harvest, a 30% increase in the year-on-year comparison. This is partly explained by the higher cost of the main inputs (agrochemicals, fertilizers, seeds, and fuels), which showed significant price increases. In short, unless yields or prices are very low, soybean profitability levels will be high for the 2021/2022 harvest.

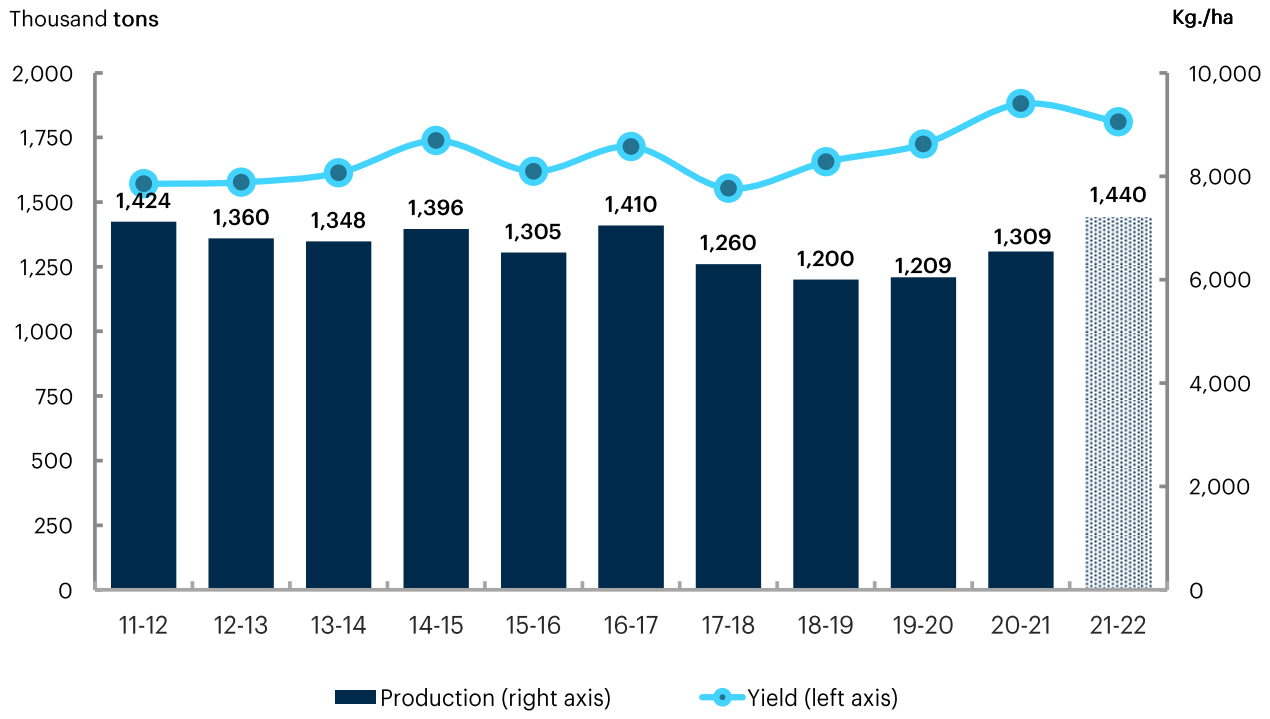
3.2. RICE

Uruguay is the seventh largest rice exporter in the world[14]. The use of state-of-the-art technology throughout the value chain is a feature that gives the country a good reputation as a reliable international supplier of this product. Environmental care and the sustainability of rice systems have been a priority for companies in the sector, which is reflected in studies and indicators that confirm the low environmental footprint and safety of Uruguayan rice.

Rice takes up 10% of the summer agricultural area and 7% of the total area planted in Uruguay, making it the country's second largest agricultural export product.

The area planted was 160,000 hectares in the 2021/2022 harvest, 15% higher than the previous harvest and the largest in the last five years. At the same time, the technological improvements implemented are having a favorable impact on the average yield of the crop, which is currently one of the highest in the world. The 2021/2022 rice harvest ended in mid-May with the second highest yield in history: 9,150 kilos per hectare, a record only surpassed by last year's yields (9,400 kilos).

CHART Nº 16: RICE - PRODUCTION AND AVERAGE YIELD



Source: Uruguay XXI based on DIEA.

Uruguay's good rice harvest coincides with a good year for world production. The latest rice outlook report prepared by the U.S. Department of Agriculture (USDA) estimates a record global

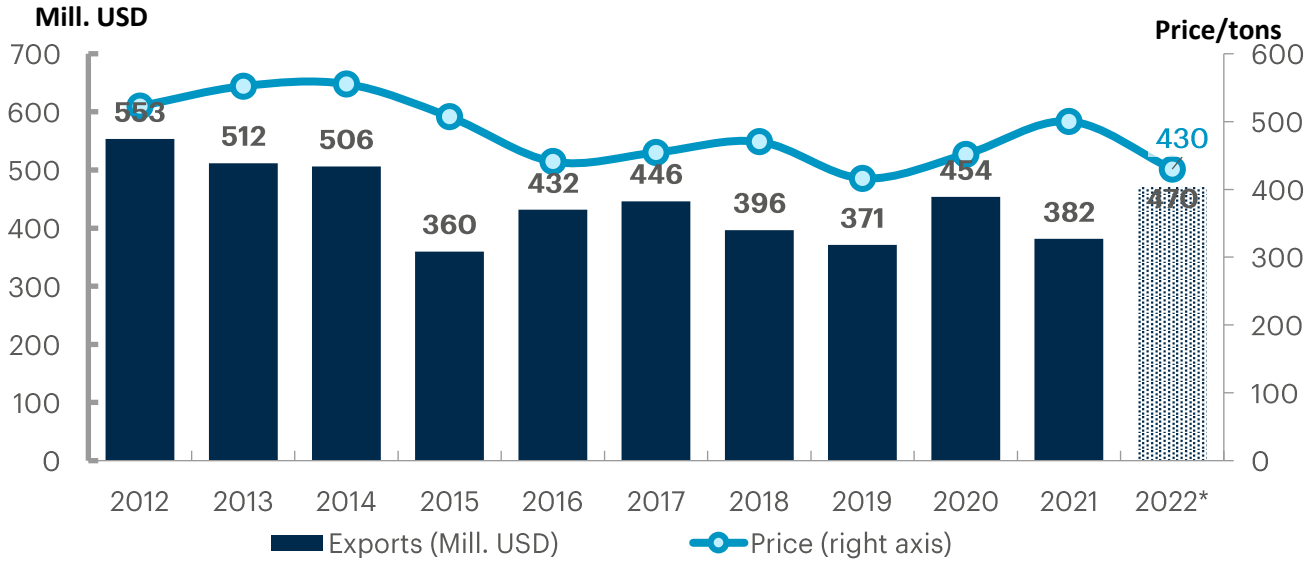
[14] Trade Map and Customs – 2021 data.

production of 510.3 million tons in 2022, an increase of 2.8 million tons in the year-on-year comparison. For its part, the U.S. agency expects world trade to show a 1% drop compared to the 2021 record, projecting a volume of 50.9 million tons. Much of the decline in world trade is the result of weaker imports of Indian rice by Bangladesh and Vietnam, which will be partially offset by higher exports in 2022 from Australia, Brazil, Pakistan, Thailand, Uruguay, and Vietnam.

It should be noted that rice belongs to the group of goods referred to in economics as "inferior goods", which means that its demand increases when income falls; therefore, the crisis caused by the pandemic had a positive impact on world demand for the cereal. This led to an exceptional price increase in 2020 and 2021, with a downward trend in the second half of 2021. In a context of rising world production and falling trade, FAO projections suggest a 5% drop in the international price of rice, to around USD 488 per ton by 2022[15].

In 2021, rice was the country's second most exported agricultural product worth USD 386 million. Uruguay is among the world's leading rice exporters: in 2021 it ranked seventh in the world and is also the largest rice exporter in Latin America.

CHART Nº 17: RICE EXPORTS AND AVERAGE PRICE



Source: Uruguay XXI based on DNA.

In the first half of 2022, export prices for Uruguay were in line with the international context, falling 14% to USD 425 per ton. However, there is a strong variation between the different processing stages in which it is traded (in husk, husked, milled) and the quality (percentage of broken grains),

[15] Source: OECD-FAO Agricultural Outlook 2021-2030 - © OECD 2021.

which results in a great price heterogeneity despite its commodity status, which in turn explains the segmentation of the market.

Uruguay's long-grain milled and polished rice, which accounted for 46% of rice placements in 2021, is trading at USD 500 per ton as of June 2022, 13% lower than 2021 values. Parboiled husked white rice was at USD 480 per ton, a 5% drop from 2021 average values. Finally, non-parboiled rice saw an 8% increase in price to USD 394 per ton in June 2022.

As for the main destination markets, in 2021 sales went to Iraq (19%), Peru (17%), Brazil (13%), Mexico (9%) and Venezuela (8%).

In terms of markets, Uruguayan rice maintains advantageous access conditions with respect to its competitors. In the case of the Peruvian market—the main destination for the grain—, access is through the price band system. Thus, if the reference price (calculated as from this year based on the reference value of Uruguayan rice) is below a floor price (calculated every six months through a methodology established by decree), imports of that product are charged an additional duty. In 2020, payments for rice imports to Peru amounted to USD 7 million.

TABLE Nº 3: URUGUAY AND COMPETITORS TARIFF RATES IN THE MAIN DESTINATION MARKETS - 2021

EXPORTERS/MARKETS		Peru	Brazil	Mexico	Turkey
Uruguay			0% || TA	0% || TA	45% || MFN
Competitors	India	Price range	12% || MFN	20% || MFN	45% || MFN
	Thailand		12% || MFN	20% || MFN	45% || MFN
	Vietnam		12% || MFN	20% || MFN	45% || MFN
	United States		12% || MFN	0% || TA	45% || MFN
	China		12% || MFN	20% || MFN	45% || MFN
	Italy		12% || MFN	20% || MFN	45% || MFN
	Brazil		---	16% || TA	45% || MFN
	Paraguay		0% || TA	20% || MFN	45% || MFN
	Argentina		0% || TA	0% || TA	45% || MFN
	Guyana		12% || MFN	20% || MFN	45% || MFN

TA = Trade under Trade Agreement; MFN = Low Trade

Iraq, Mexico, Brazil, and Turkey are other relevant markets. Uruguay has trade agreements that allow it to enter Mexico and Brazil without paying tariffs. However, other suppliers of these countries have equal access, while in the Cuban market Uruguay maintains a marked advantage in terms of tariff access with respect to the rest of the suppliers.

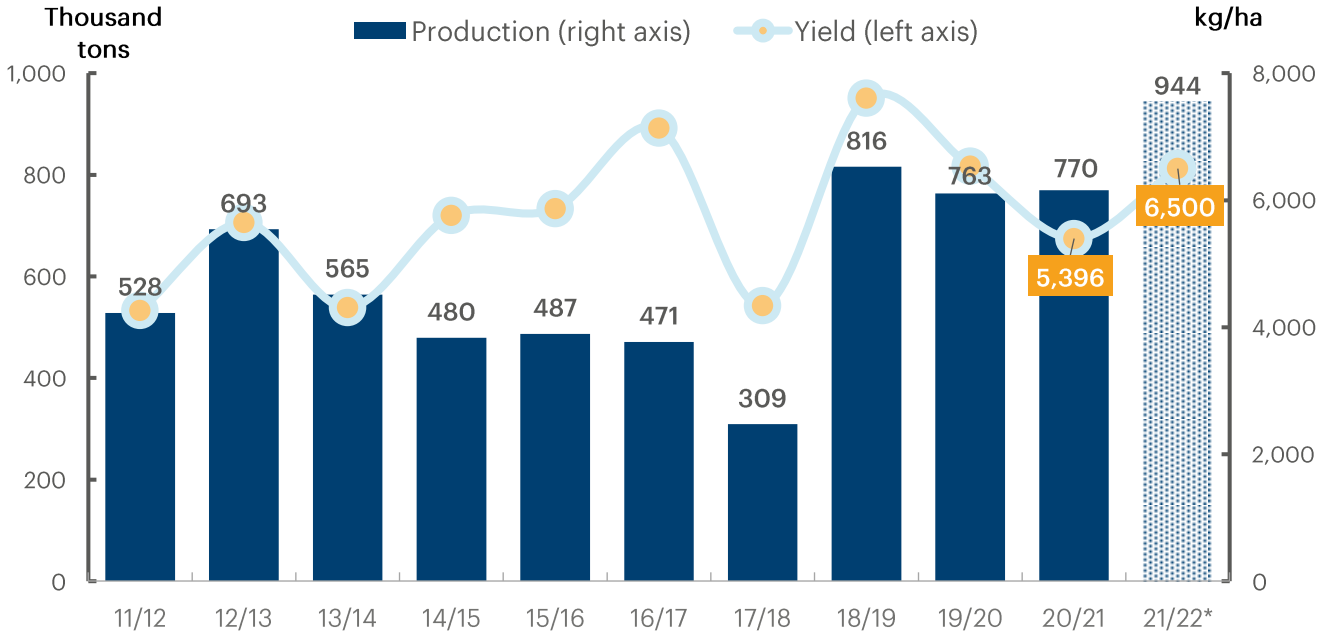
It should be noted that rice exports are subject to a 3% tax refund on the customs export value.

Current estimates suggest that producers' economic results will fall 9% in the 2021/2022 harvest, although they will remain at high levels by historical comparison, with revenues exceeding USD 2,000 per hectare. Lower yields and prices in the last crop season, coupled with higher costs measured in dollars, explain the drop in growers' margins for the year.

3.3. CORN

Corn accounted for 9% of the summer agricultural area in 2021 by totaling 142,000 hectares cultivated. The water deficit in the 2020/2021 harvest affected crop development, resulting in lower yields than expected under normal weather conditions. Thus, the increase in planted area (22%) was offset by a 17% drop in the average yield per hectare, which resulted in a production of 770,000 tons, similar to that of the previous season. The high price level throughout the 2020/2021 commercial harvest offset the drop in corn yields, resulting in good economic results for the producer.

CHART Nº 18: CORN - PRODUCTION AND AVERAGE YIELD



Source: Prepared by Uruguay XXI with data from DIEA and Exante.

In the 2021/2022 harvest, corn planted area reached the highest level in more than 40 years, totaling 145,000 hectares, an increase of 2% year-on-year and 25% higher than 2019 levels. Corn

production would increase by 23%, mainly due to higher yields, which would be 20% higher than in the previous harvest, reaching a production of 944,000 tons in 2022[16].

The latest USDA report estimates that world corn production will fall by 2.9% in the 2022/2023 cycle, with the main downward adjustments in Ukraine (-53.7%) and the United States (-4.3%), of which 17% will be destined for international trade, resulting in a positive year-on-year variation of 8.1%. The United States, Argentina, Ukraine, and Brazil are the main global exporters of the grain.

In 2021, the international price of corn was USD 258 per ton, an increase of 56.4% over the 2020 average. The price was affected by the moderate growth in production, lower than the increase in consumption, which showed a strong demand for corn for rations due to the growing use of feed grains for the slaughter of feedlot-finished cattle.

Since the beginning of the conflict between Russia and Ukraine, corn prices have adjusted upward. From USD 291 per ton in February, it rose to USD 333 per ton in March and then to USD 346 per ton in April 2022. This represents a 30% increase compared to the price at the end of 2021. Future prices are expected to be high, with some moderation at an average of USD 300 per ton. In recent years, wheat production levels in Uruguay have been insufficient to meet domestic demand, so, as usual, imports have been used, and there have been no significant corn exports.

WINTER CROPS

In Uruguay, the main winter crops for dry grain are wheat, barley, and rapeseed. In the last three seasons, the winter area grew 50%, reaching 630,000 hectares. This year, the area planted with winter crops would again show strong growth being the largest area since 2013, with a big boost from rapeseed and carinata, which would exceed 250,000 hectares.

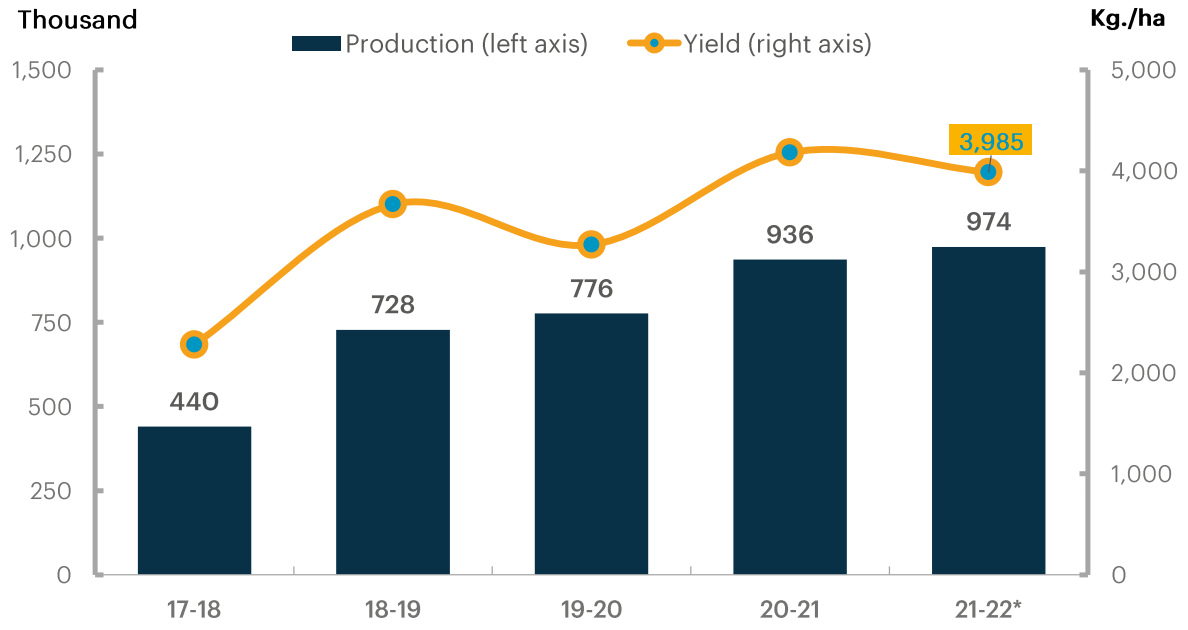
3.4. WHEAT

Wheat is the main winter crop in Uruguay, considering the planted area, which reached 244,000 hectares cultivated in 2021.

Wheat production has grown for four consecutive harvests. The increase in the area planted in more than 50,000 hectares, combined with improved average yields, explains an expanding production during the last five years. The last 2021-2022 harvest saw a 4% increase in production compared to the previous year, totaling 974,000 tons. The increase was explained by the 9% growth in planted area, offsetting the slight drop in average yields per hectare, which are still at historically high levels.

[16] Source: EXANTE.

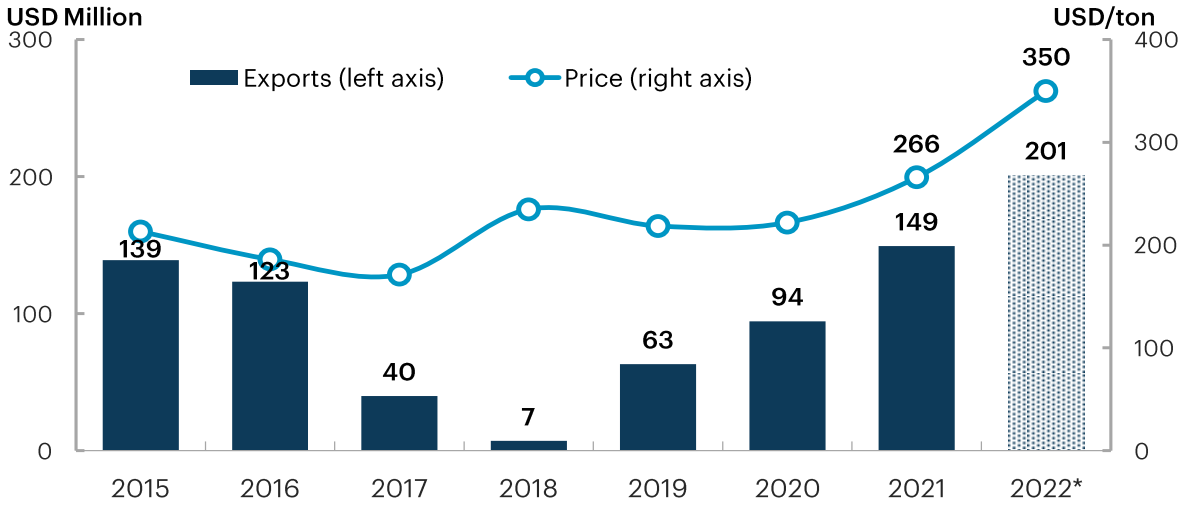
CHART Nº 19: WHEAT - PRODUCTION AND AVERAGE YIELD



Source: Uruguay XXI based on DIEA.

Wheat is the crop with the third highest export value in recent years. Its exports had a strong growth in 2021, totaling USD 147 million and 600,000 tons, which implies an increase of 125% in terms of value and 95% in terms of volume.

CHART Nº 20: WHEAT EXPORTS AND EXPORT PRICE



Source: Uruguay XXI based on National Customs Authority.

Wheat sales were concentrated in Brazil, Algeria, and Egypt as they accounted for 54%, 30% and 6% of total exports, respectively, in 2021.

Tariff access to these markets poses no disadvantages for Uruguay vis-à-vis its main competitors. Algeria was the only market in which Uruguay paid tariffs for the entry of wheat for consumption (1001.99), totaling USD 0.4 million. Meanwhile, Brazil and Egypt have zero tariffs for Uruguay.

TABLE Nº 4: URUGUAY AND COMPETITORS TARIFF RATES IN THE MAIN DESTINATION MARKETS - 2021

TARIFFS (1001.99)

			Direct competitors		Off-season competitors			
		Uruguay	Argentina	Paraguay	United States	Canada	France	Russia
Main Markets	Brazil	**0%**	0%	0%	10%	10%	10%	10%
	Algeria	**5%**	5%	5%	5%	5%	5%	5%
	Egypt	**0%**	0%	0%	0%	0%	0%	0%

Source: Prepared by Uruguay XXI based on data from Trade Map and MacMap.

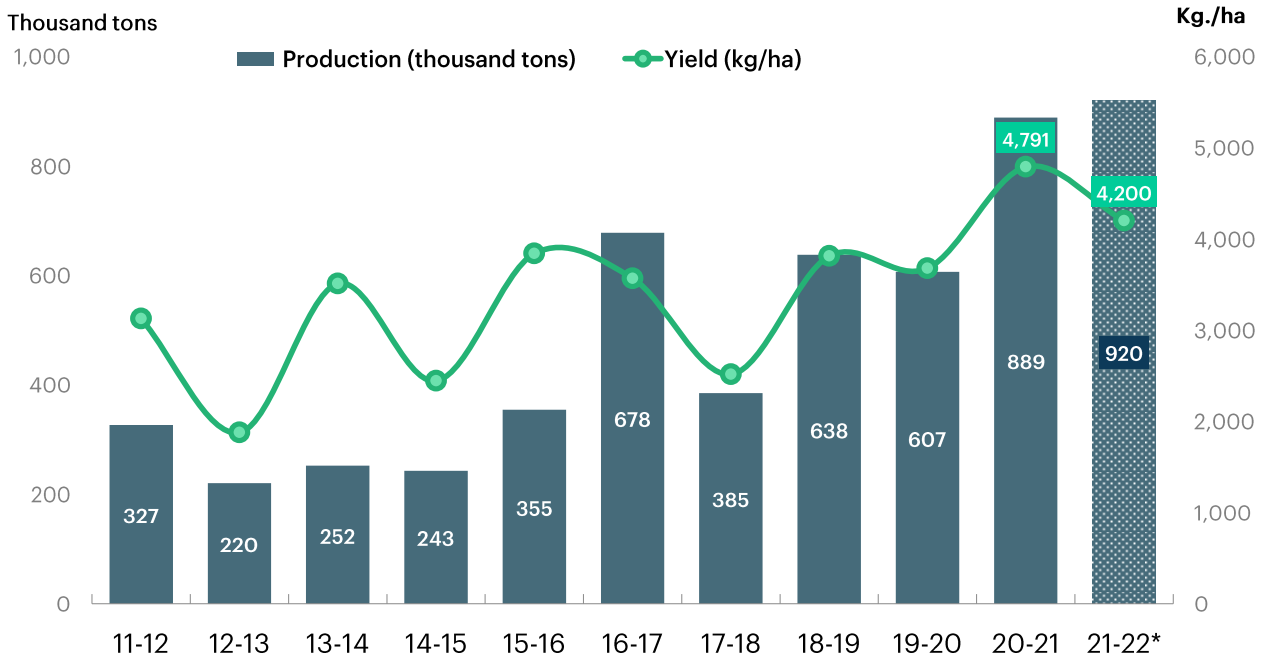
In the first case, because they trade within the Mercosur framework—on equal terms with Argentina and Paraguay—, and in the second case because the tariff applied at a general level is 0. Uruguay's main tariff advantage lies in the fact that its wheat for consumption enters Brazil at 0% tariff compared to competitor countries outside Mercosur, which in such cases face a 10% tariff. These are the United States, Canada, France, and Russia.

3.5. BARLEY

Barley—the main cereal used for brewing beer—is mainly used to produce malt for subsequent export. Malting barley is planted under contract with malting plants, which export the production after industrialization of the grain, mainly to Brazil. About 5% is used in the local market and for seed production.

Currently, due to the growth of the malting capacity of the Uruguayan industry—over 640,000 tons per year—malt has become the main product, being complemented with unprocessed barley depending on the available surpluses.

CHART Nº 21: BARLEY - PRODUCTION AND AVERAGE YIELD

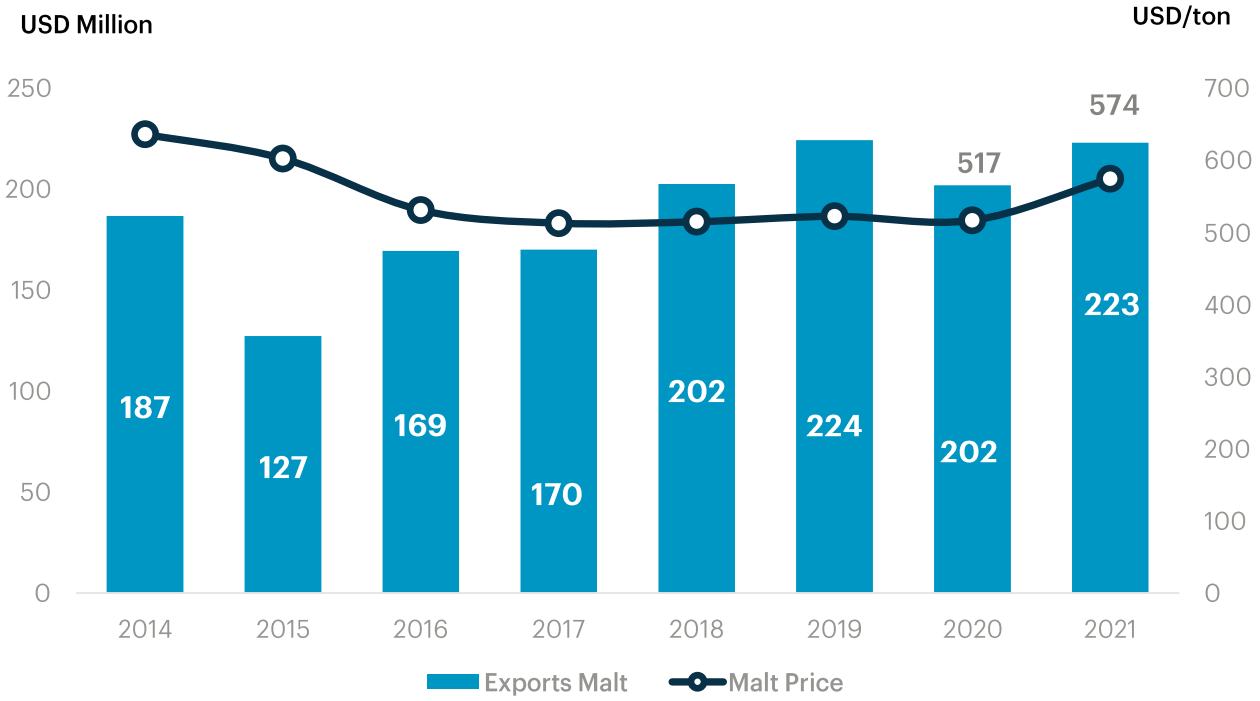


Source: Uruguay XXI based on DIEA and OPYPA.

After an exceptionally good harvest (2020-2021), the planted area increased again by 21% last season, reaching a record 224,000 hectares. Favorable weather conditions during crop development led to average yields of 4,100 kg/ha, which is high by historical standards, although this represents a 14% decrease compared to the 2020-2021 record. As a result, total production of this cereal in the 2021/2022 harvest increased 4% to over 920,000 tons, which is a national record. This volume leaves ample margin for exports, given that it exceeds the local installed malting capacity.

Between 2017-2021, malt exports increased from 300,000 to 400,000 tons, which in 2021 meant exports of USD 223 million. Average export prices in 2021 showed an increase of 11%, standing at USD 574 per ton, the highest record since 2015. As these are intra-company sales with Brazilian brewing companies, close to 90% of the exported value of Uruguayan malt was concentrated in Brazil.

CHART Nº 22: MALT EXPORTS



Source: Uruguay XXI based on National Customs Authority.

As for barley exports, they reached a record high of 248,000 tons at USD 72 million, and the export price increased 37% to USD 290 in 2021. The main destination was Brazil, with 61% of the total amount exported, followed by China with 33%. It is worth noting that in 2018-2019 multiple phytosanitary agreements were signed to enter different markets, including China. 2021 was the first year with significant barley exports to this destination.

The five main malt export destinations are contemplated within Mercosur, either because they are part of the bloc or because they have trade agreements with it. Uruguayan malt sales enter Brazil, Paraguay, Bolivia, Peru, and Argentina with zero tariff.

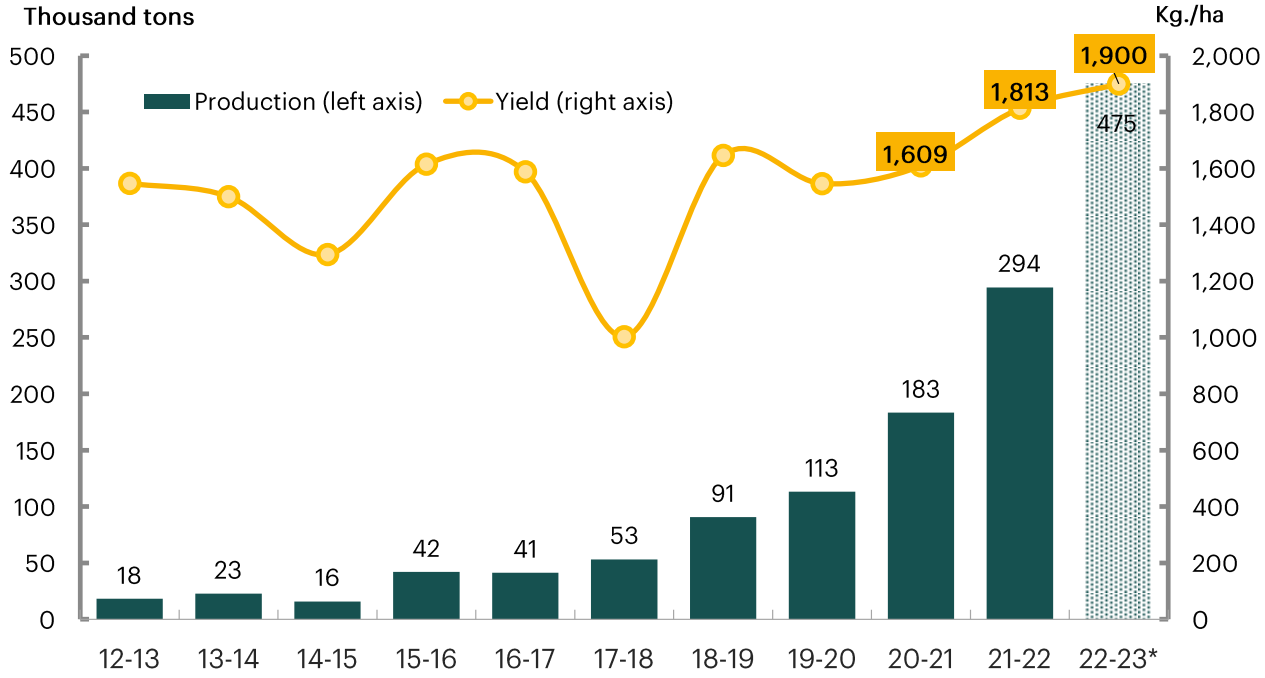
Uruguayan barley's tariff access to its main market—Brazil—is tariff-free because it is exported within the Mercosur framework[17]. In the second destination market, China, Uruguay faces a 3% tariff, but this does not represent a disadvantage compared to other suppliers. In 2021, Uruguay totaled USD 700,000 in taxes on barley entering China.

[17] It should be noted that part of the exports are made through the Nueva Palmira Free Trade Zone. Exports from this zone are covered by the 64th Additional Protocol of Mercosur, and are therefore exempt from CET or domestic import tariffs. See more information in this link.

3.6. RAPESEED AND CARINATA

Rapeseed is the crop of most recent growth within the agriculture sector in Uruguay. After two decades with a reduced share, it began to show successive increases in the total cultivated area, registering higher production and more recently export volumes. The winter oilseed belongs to the cruciferous family. Its high value is explained by the quality of the oil it produces, being very stable and having a low saturated fatty acid content.

CHART Nº 23: RAPESEED - PRODUCTION AND AVERAGE YIELD



Source: Uruguay XXI based on DIEA.

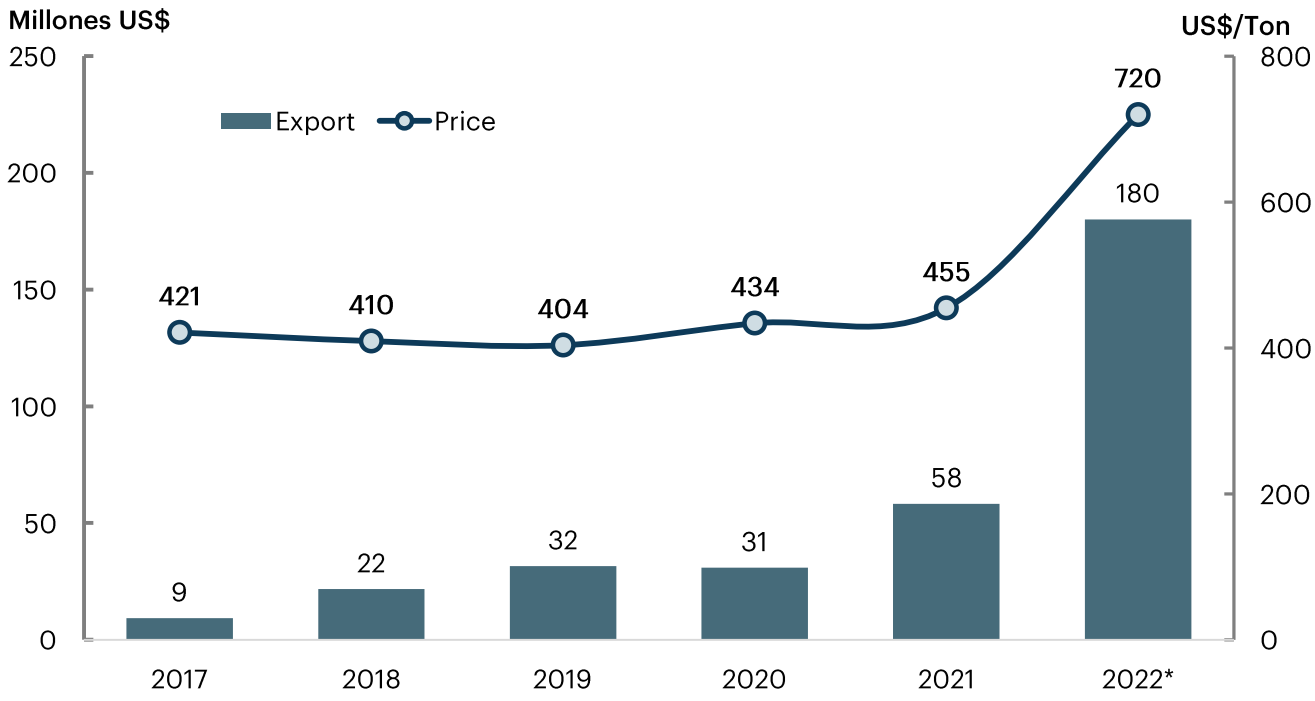
In 2021, the area planted to rapeseed reached a record 160,000 hectares, representing a 40% year-on-year growth. Likewise, yields were 13% higher than in 2020, averaging 1,800 kg/ha. As a result, rapeseed production in 2021 increased by 60% to 294,000 tons. The area planted to rapeseed and carinata is expected to reach a new record in 2022, with 250,000 hectares planted, an increase of 50% year-on-year. Therefore, rapeseed and carinata production would exceed 470,000 tons in the 2022/2023 cropping season[18].

In Uruguay, the rapeseed boom was aimed at supplying the domestic market, mainly for the production of biofuels and, to a lesser extent, for human consumption. As of 2017, the external market began to gain share as a destination and external sales are currently driving growth in the crop's production. Between January and March 2022, 235,000 tons of rapeseed were placed with

[18] EXANTE projections.

an average price of USD 728 per ton, which implied USD 171 million in exports, doubling the previous year's external sales value.

CHART Nº 24: RAPESEED EXPORTS AND AVERAGE PRICE (USD MILLION AND USD/TON)



Source: Uruguay XXI based on National Customs Authority and BCU.

Rapeseed sales are concentrated in Europe, with the United Kingdom being the main destination with 77% of Uruguayan rapeseed exports in 2022, followed by France (8%), the Netherlands (7%), the United Arab Emirates (7%) and the United States (1%).

The Matif market in Paris, the main international reference for rapeseed and carinata, showed an upward trend in the course of 2021. In this context, the average price for Uruguay stood at USD 455 in the 2021/2022 season average, an increase of 12% with respect to 2020/2021.

TABLE Nº 5: URUGUAY AND COMPETITORS TARIFF RATES IN THE MAIN DESTINATION MARKETS - 2021[19]

TARIFFS (1205)

			Direct competitors		Off-season competitors		
		Uruguay	Australia	New Zealand	Ukraine	Lithuania	France
Main Markets	United Kingdom	**0%**	0%	0%	0%	0%	0%
	European Union	**0%**	0%	0%	0%	0%	0%
	UAE	**5%**	5%	5%	5%	5%	5%

Source: Prepared by Uruguay XXI based on data from Trade Map and MacMap.

Tariff access to these markets poses neither advantages nor disadvantages with respect to the main competitors. The United Arab Emirates was the only market where tariffs were paid for the entry of Uruguayan rapeseed, totaling USD 0.6 million. The United Kingdom and the European Union applied zero tariffs for Uruguay because they apply a zero tariff for rapeseed imports in general.

OTHER AGRICULTURAL EXPORT PRODUCTS

3.7. CITRUS FRUITS

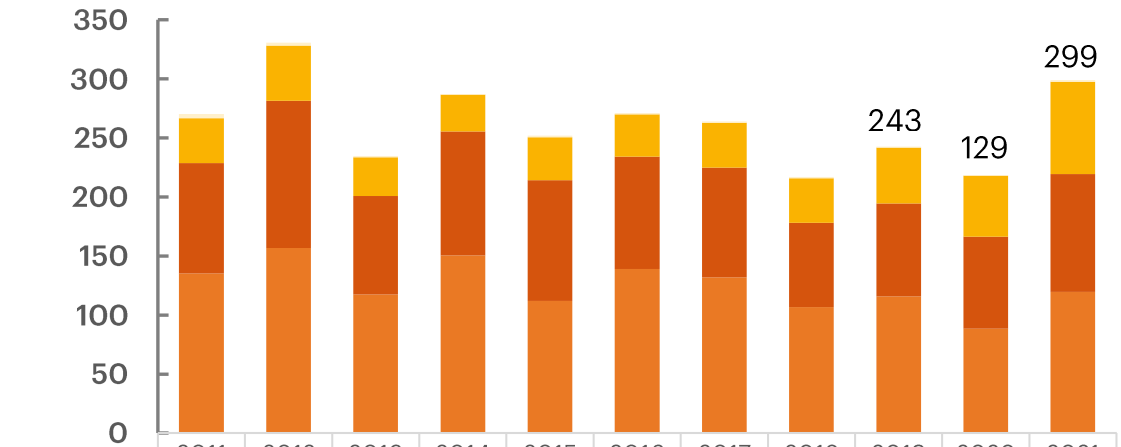
The four citrus fruits with the highest production in the country are: oranges, mandarins, lemons, and grapefruit. The northern coastal region is the main production area, with 91% of the total citrus area in the country. The good climatic conditions of the region with plenty of sunshine and alternating high and low temperatures allow early production of good quality fruit, especially oranges, mandarins, and grapefruit. The southern area of Canelones, Colonia, San José, and Montevideo has a smaller contribution to citrus production, but in the case of lemons it amounts to 32% of production.

In 2021, the citrus area covered 14.4 thousand hectares[20]: 40% were orange plantations, another 40% were mandarins, 19% lemons and the remaining 1% grapefruit. The overall average for citrus

[19] Source: Uruguay XXI based on MacMap.
[20] Source: DIEA – Encuesta Citrícola - "Primavera 2021".

stood at 23 tons per hectare. Thus, in 2021, after three years of poor performance, citrus production reached 299,000 tons, the largest harvest since 2012.

CHART Nº 25: **CITRUS PRODUCTION**
(THOUSAND TONS)[21]



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Grapefruit	3.6	2.3	1.0	0.8	1.5	1.2	1.1	0.9	0.8	0.7	1.6
Lemon	38	47	33	31	36	36	38	38	47	52	78
Mandarin	93	125	83	105	102	95	93	71	79	78	100
Orange	135	157	118	151	112	139	132	107	116	89	120

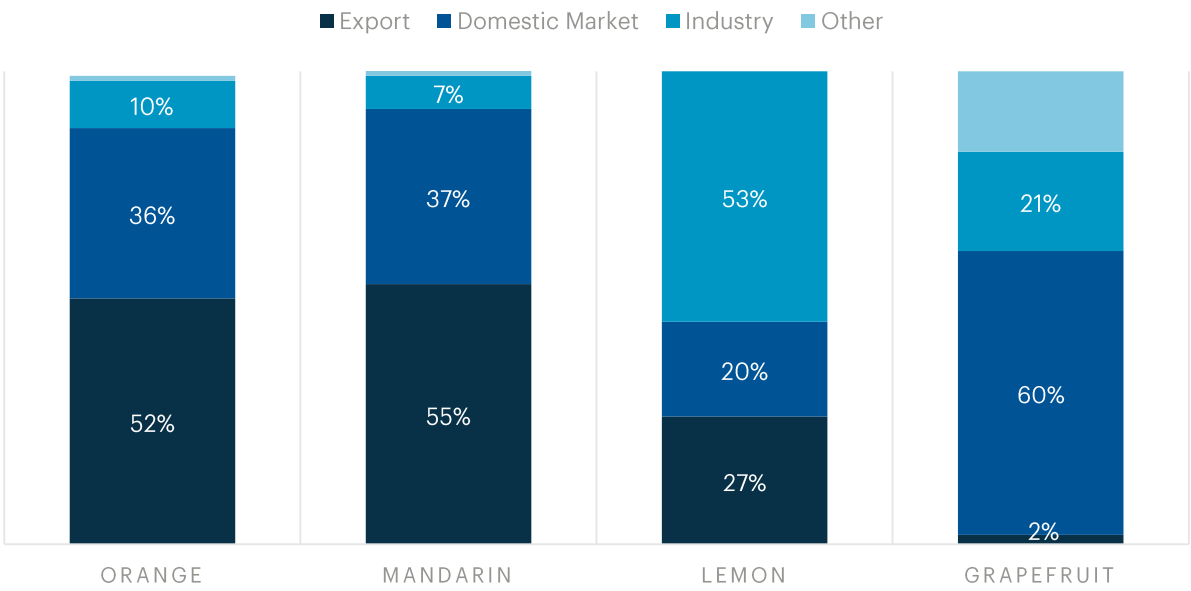
Source: Prepared by Uruguay XXI based on DIEA information.

There was a general increase across the different citrus fruits, with orange production registering a year-on-year growth of 35% to around 119,600 tons. Meanwhile, mandarins had a production of 100,000 tons, an increase of 28% compared to 2020. The lemon harvest increased 51% year-on-year in 2021, exceeding 78,000 tons. Finally, the harvested volume of grapefruit more than doubled in 2021.

In 2021, citrus fruits' main destination was exports, which reached 46% of total production, reaching 55% in the case of mandarins. The most industrialized citrus species was lemon, accounting for 53% of production. A large part of the industrialized production is also marketed abroad in the form of products (juices, oil, and pellets). The destination indicated as "Other" refers mainly to fruit that is lost, either due to loss or discards in the sorting and packing process, and that does not enter the marketplace because it is disposed of or destined for animal production.

[21] Source:[21] DIEA – Encuesta Citrícola - "Primavera 2021".

CHART Nº 26: CITRUS PRODUCTION BY DESTINATION - 2021[22]



Source: Prepared by Uruguay XXI based on DIEA information.

In 2021, citrus fruit export volumes showed a year-on-year increase of 29%, totaling 101,000 tons. The increase in volumes offset the 25% drop in prices, resulting in a slight fall of 2.4% in exported amounts compared to 2020, totaling USD 67 million.

TABLE Nº 6: CITRUS EXPORTS AND AVERAGE EXPORT PRICE

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
USD Mill.	74	60	79	92	72	83	80	61	60	69	67
Thousand tons	122	93	111	120	95	106	97	83	89	79	102
Average Price (USD/ton)	610	643	714	765	759	780	824	730	676	874	660

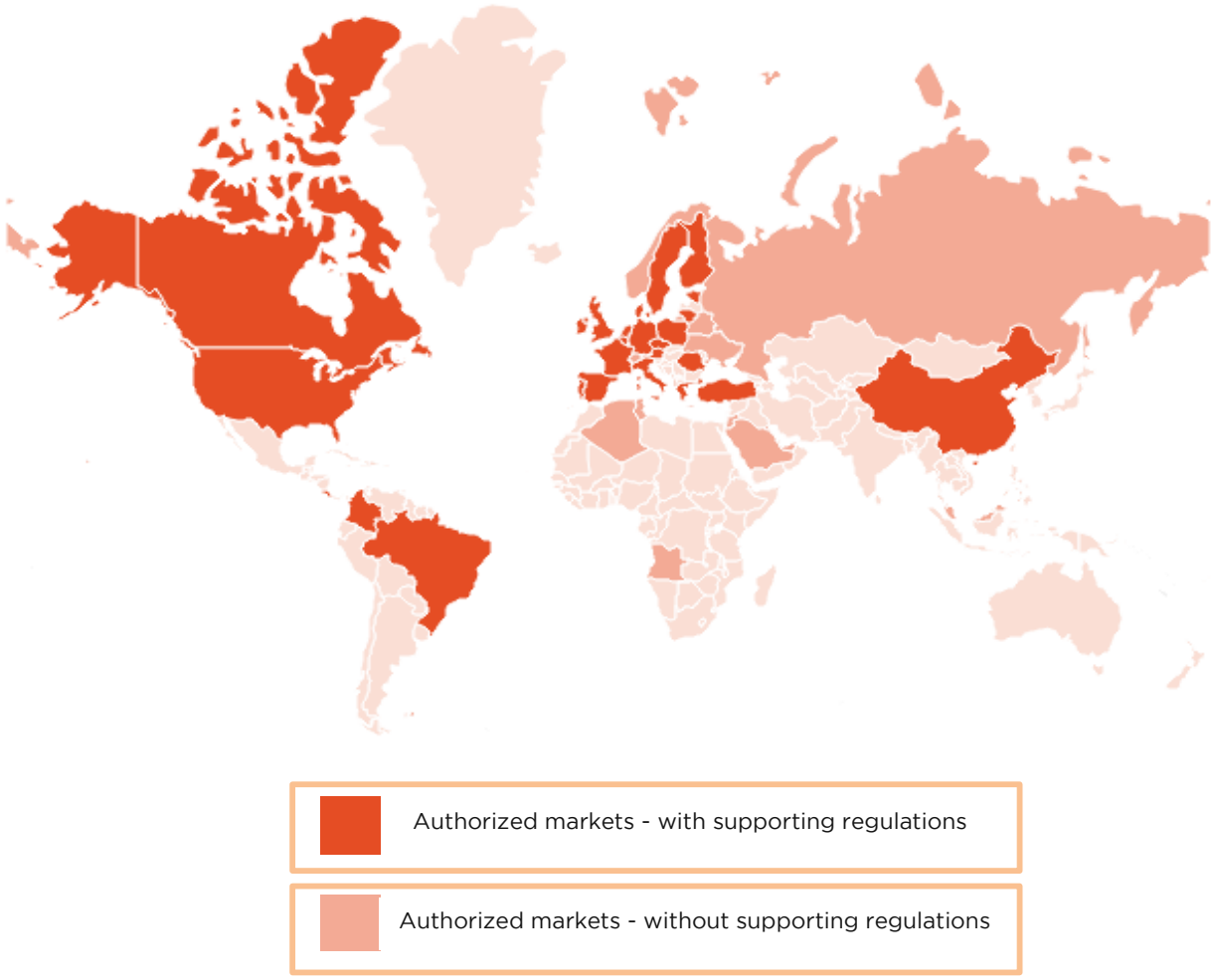
Source: Uruguay XXI based on National Customs Authority.

The main export destinations for citrus fruits are the U.S. and the European Union; both had a 36% share in 2021 and were followed by Brazil with 16% of the sector's external purchases. Orange and lemon exports are concentrated in the European market (64%), while 57% of mandarins go to the U.S. market.

[22] Source: DIEA – Encuesta Citrícola - "Primavera 2021".

According to data from the MGAP's International Affairs Unit, in 2022 there are 46 markets authorized for citrus exports. In 28 of them there are also supporting regulations, i.e., the supporting regulations specifying the phytosanitary import requirements are identified. In the other 17, the market is authorized, but without supporting regulations, so they would only require a phytosanitary certificate without additional declarations.

CHART Nº 27: MARKETS AUTHORIZED FOR THE EXPORT OF URUGUAYAN CITRUS FRUITS

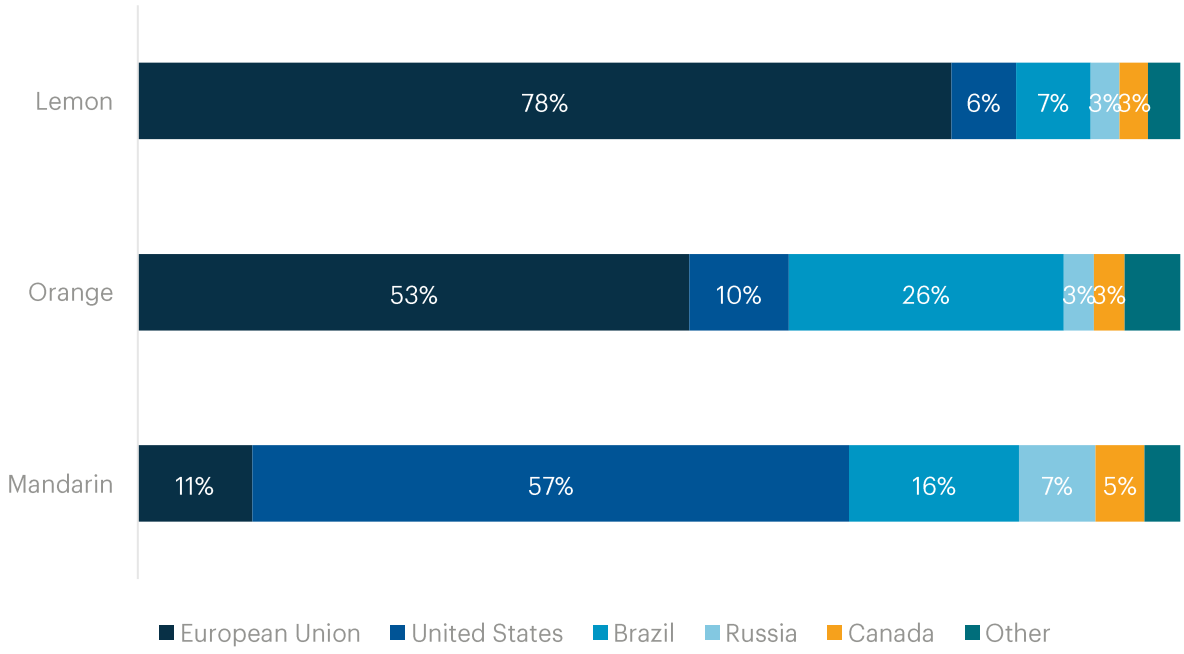


Note: In the case of China, the entry of lemons is not authorized. Source: Uruguay XXI based on International Affairs Unit - MGAP.

In 2020, USD 69 million of the total amount exported faced a total tariff payment of just over USD 4 million. For entry into the European Union, there is a general quota for oranges and lemons that allow a tariff reduction. In the case of the United States, the main product exported is mandarins. This product enters the country with a general tariff rate that is specific and requires a payment of

1.9-dollar cents for each kilogram exported. Although this rate determines that on average an ad-valorem tariff of 2% is paid at that destination, the main suppliers in that market enter without tariffs due to the trade agreements they have with the United States.

CHART Nº 28: SHARE BY DESTINATION IN CITRUS EXPORTS 2021



Source: Uruguay XXI based on National Customs Authority.

As for the payment of tariffs in the European Union, a variable system is applied for the calculation, which depends on the price at which the product is sold and also the time of the year at which it is sold[23]. The aim is to protect local producers at harvest time. Therefore, the tariff amounts to 16% (plus a fixed amount, depending on the price) especially at the beginning and end of the year. The bloc offers a quota of 20,000 tons, valid from February to April for high-quality oranges.

[23] The applicable tariff for each entry date and price can be found in this link. (See from page 709).

4. ANNEXES

4.1. REGULATORY FRAMEWORK

To see the Annex with information on the sector's regulatory framework in Uruguay, go to the following link: Regulatory Framework

4.2. INSTITUTIONAL FRAMEWORK (RELEVANT ACTORS)

To see the Annex with information on the sector's institutional framework in Uruguay, go to the following link: Institutional Framework

5. URUGUAY IN BRIEF (2022)

MAIN ECONOMIC INDICATORS						
Indicators	**2017**	**2018**	**2019**	**2020**	**2021***	**2022***
GDP (Annual % Variation)	1.6%	0.5%	0.4%	-6.1%	4.4%	3.8%
GDP (USD Millions)	64,223	64,431	61,176	53,507	59,432	66,942
Population (Millions of people)	3.49	3.51	3.52	3.53	3.54	3.55
GDP per Capita (USD)	18,385	18,377	17,387	15,154	16,774	18,831
Unemployment Rate - Annual Average (% EAP)	7.9%	8.3%	8.9%	10.4%	9.4%	7.6%
Exchange Rate (Pesos per USD, Annual Average)	28.7	30.8	35.3	42.1	43.5	43.2
Exchange Rate (Annual Average Variation)	-4.8%	7.3%	14.7%	19.2%	3.4%	-0.6%
Consumer Prices (Annual Cumulative % Variation)	6.6%	8.0%	8.8%	9.4%	8.0%	7.9%
Exports of Goods and Services (USD Millions)**	16,845	17,099	17,084	13,596	18,872	20,476
Imports of Goods and Services (USD Millions)**	13,350	13,830	13,328	11,213	15,062	17,633
Trade Surplus / Deficit (USD Millions)	3,495	3,269	3,756	2,383	3,810	2,843
Trade Surplus / Deficit (% of GDP)	5.4%	5.1%	6.1%	4.5%	6.4%	4.2%
Overall Fiscal Balance (% of GDP)	-3.2%	-3.9%	-4.4%	-5.8%	-4.1%	-
Gross Capital Formation (% of GDP)	15.8%	15.0%	14.6%	17.4%	18.4%	-
Gross Public Sector Debt (% of GDP)	60.5%	59.6%	60.8%	74.6%	71.3%	-
Foreign Direct Investment (USD Millions)***	-590	198	1,931	635	1,646	-
Foreign Direct Investment (% of GDP)	-0.9%	0.3%	3.2%	1.2%	2.8%	-

* Data projected in red.

Sources: Data on GDP, foreign trade, foreign direct investment (FDI), exchange rate, international reserves, and external debt are from BCU; population growth, literacy, unemployment, and inflation rates are taken from the National Institute of Statistics. Estimated data for 2021 based on BCU economic and inflation expectations surveys and Exante projections. Fiscal balance data are from the Ministry of Economy and Finance; since 2018, figures are adjusted for the effect of Law No. 19,590 (known as "Cincuentones Law").

** In 2017, the BCU adopted the methodology of the 6th balance of payments manual. Data based on this new methodology include merchandise sales and re-exports and are available since 2012.

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