



Uruguay

# Silvicultural & Timber Hub

**OPPORTUNITIES FOR  
SAWN TIMBER & EWP**

**FORESTRY PRIORITY AREA - 4 MM HA**



**FORESTED AREA - 1 MM HA (25%)**



**CELLULOSE DESTINATION AREA - 560 K Ha (66%)**

**AREA FOR SAWING - 215 K Ha (23%)**

**PINE**

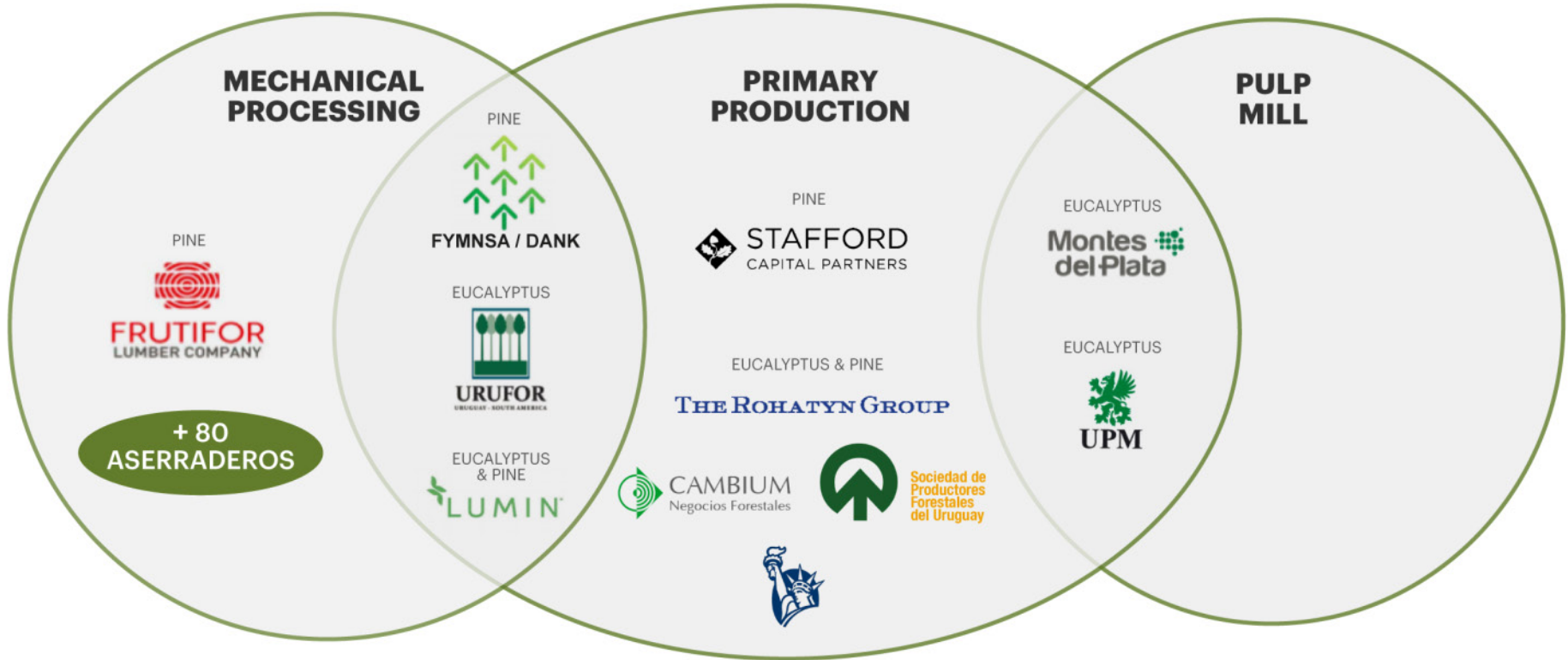
180 K Ha (83%)

**EUCALIPTUS**

35 K Ha (17%)

TIMBER EXPORTS	U\$S MILLION		M <sup>3</sup>	
ROUNDWOOD	206	58%	2.097.094	77%
PROCESSED	152	42%	611.828	23%

## Key players



<p><b>TRAINING PROVISION</b></p>	 FACULTAD DE AGRONOMÍA	 FACULTAD DE INGENIERÍA	 Facultad de Arquitectura, Diseño y Urbanismo UDELAR	 UTEC Universidad Tecnológica	 UTU	 UDELAR FACULTAD DE QUÍMICA	 UDE UNIVERSIDAD DE LA EMPRESA
<p><b>RESEARCH</b></p>	 INIA URUGUAY	 LATU	<p>UNIVERSITIES</p>	<p>INTERDISCIPLINARY GROUPS</p>			

## Value Proposition



### RELIABILITY

SOCIO-ECONOMIC STABILITY  
RULE OF LAW  
FINANCIAL FREEDOM



### ACCESS TO RAW MATERIALS

AVAILABILITY & CONCENTRATION  
FSC & PEFC CERTIFICATION  
QUALITY PROPERTIES



### TAX INCENTIVES



PREFERENTIAL ACCESS TO GROWING  
REGIONAL AND LOCAL MARKETS





## #1 in Latin America



**Democracy Index**  
(Economist Intelligence Unit, 2020)

**#1**



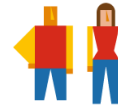
**Rule of Law Index**  
(World Justice Project, 2020)

**#1**



**Low corruption**  
(Transparency International, 2020)

**#1**



**Social Mobility**  
(World Economic Forum, 2020)

**#1**



**Civil Liberties Index**  
(Freedom House, 2020)

**#1**

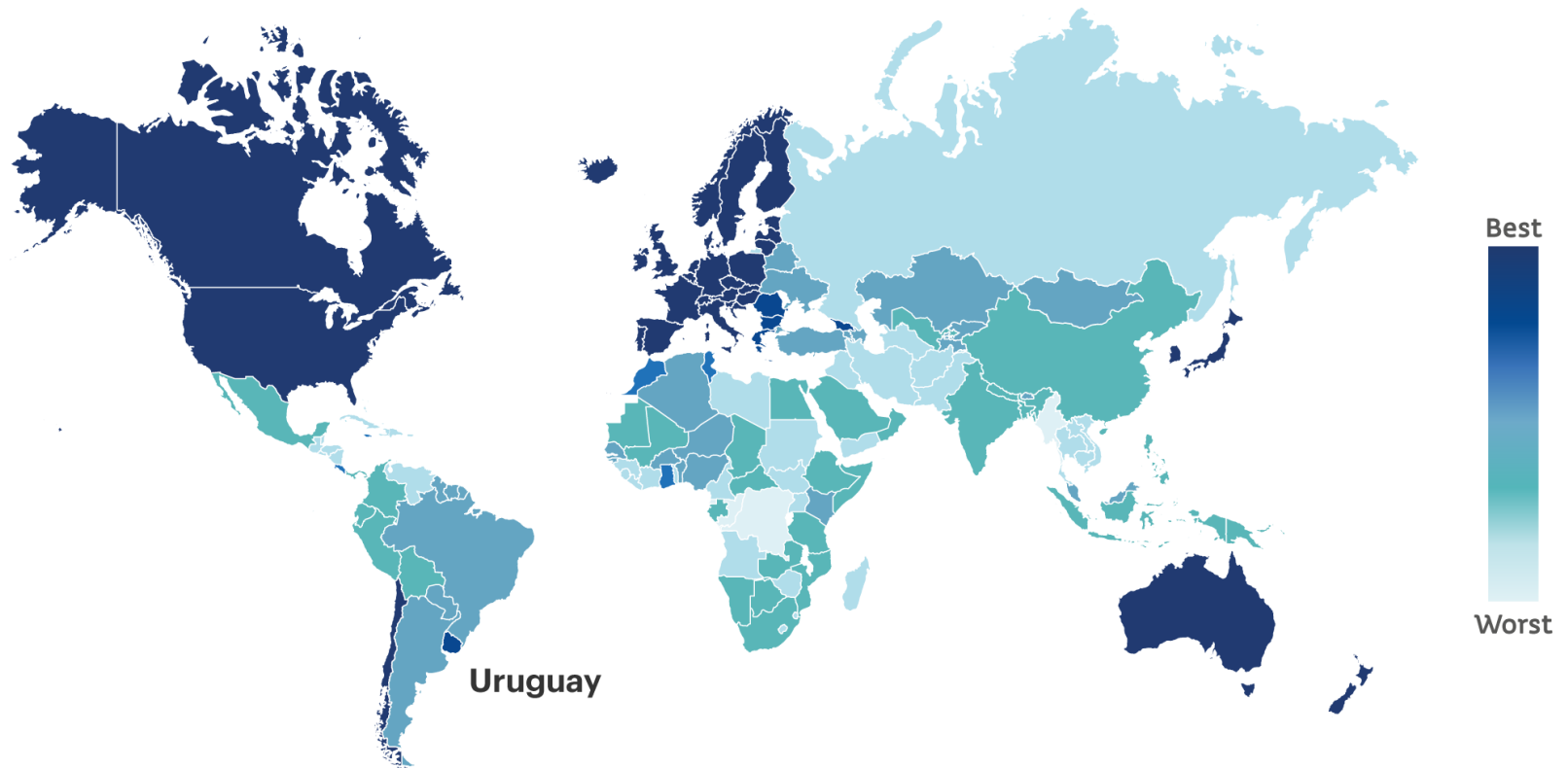


**E-Government  
Development Index**  
(United Nations, 2020)

**#1**

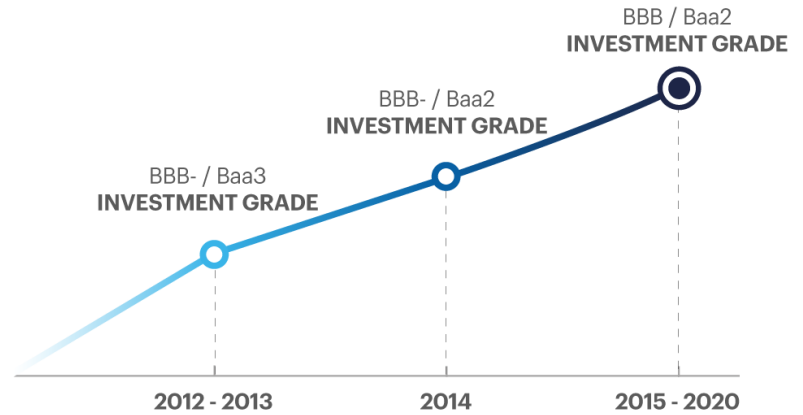
# Highest performance in ESG factors

Environment · Social · Governance



Source: JP Morgan, Bluebay Asset Management – Verisk Maplecroft.

# Investment grade



MOODY'S

STANDARD & POOR'S  
The McGraw-Hill Companies

FitchRatings

R&I

DBRS

# At the forefront of clean energies #2 in the world



Environmental  
Performance Index **#3**



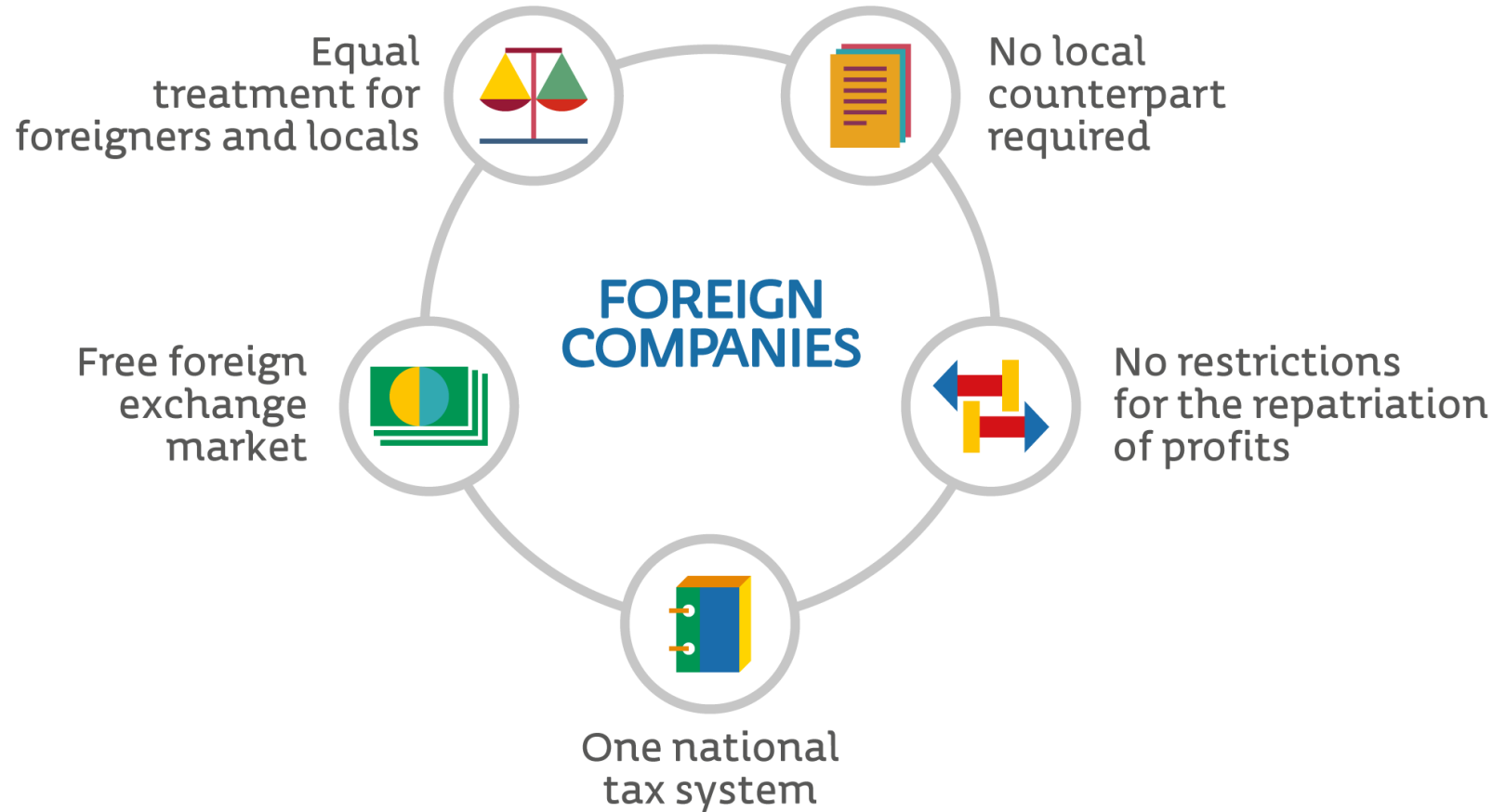
Lowest greenhouse  
gas emitter **#6**

HYDRAULIC	56%
WIND	33%
BIOMASS	6%
PHOTOVOLTAIC	3%
THERMAL	2%

**98%**  
renewable



## Easy for business



## What international investors say



"Uruguay offers conditions for trees to grow and develop, very good growth rates and shorter shifts, and a strategic location as a gateway to Mercosur".

**Álvaro Molinari, CEO of Lumin.**

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"Uruguay has promoted a very stable policy and legislative framework for foreign investment in general and for the development of a world-class forestry sector".

**Miguel Fabra, Investment Manager at Stafford Capital Partners.**

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UPM

"The country provides a framework of institutional, political and economic stability that allows us to make long-term investments. The forestry law is a state policy and a great successful one".

**Javier Solari, Vice President of Projects and Logistics at UPM.**

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"Uruguay offers political and institutional stability, which allows for predictability. The forest promotion law has been a state policy of the country".

**Diego Wollheim, General Manager at Montes del Plata (Arauco-Stora Enso).**

# Access to raw materials



**Uruguay**



**Availability  
& concentration**



**FSC & PEFC  
certification**



**Quality  
properties**

## Attractive tax incentives for primary production



### Forestry Law

N° 15.939

Declared of national interest

#### **CORPORATE INCOME TAX EXEMPTION**

Up to 100% of the amount effectively invested.

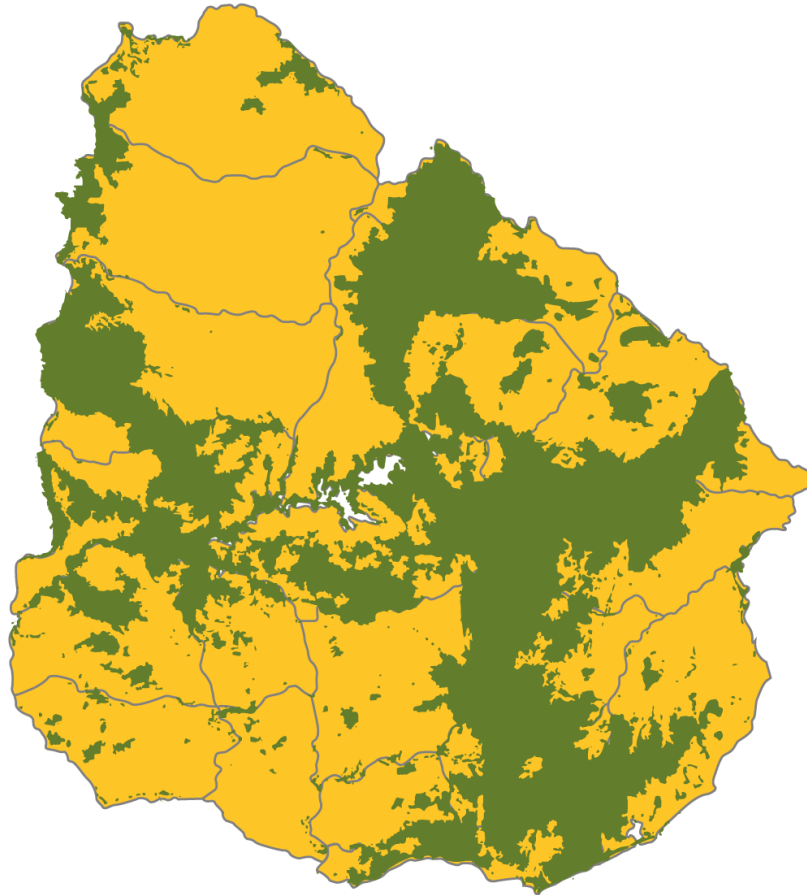
#### **NET WORTH TAX REDUCTION**

Its value or extensions will not be computed for the determination of the taxable amount.

#### **RURAL REAL ESTATE TAX EXEMPTION**

# Soil availability

## Dynamic and reliable land market



Forestry priority soil  
**4.000.000 ha**

**75%** of the area  
still available

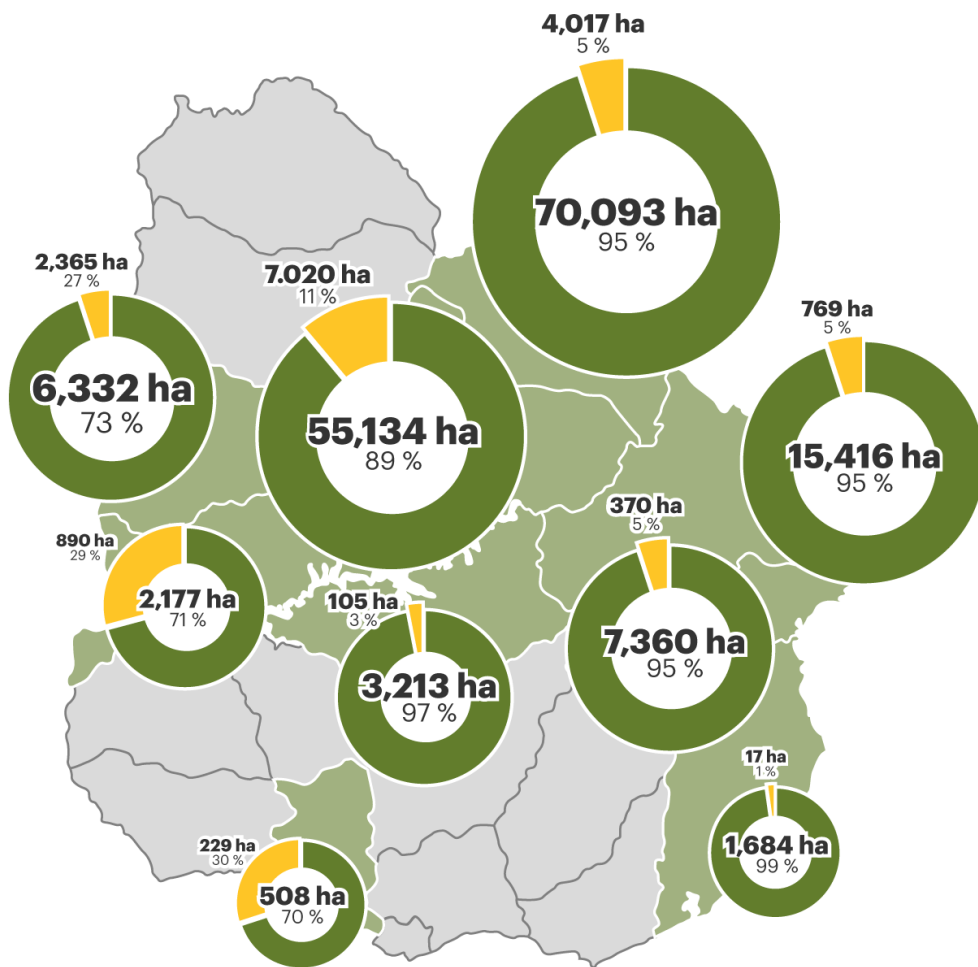
### Average price per hectare for agricultural and livestock use

(USD/ha)



Source: Uruguay XXI based on DIEA - MGAP.

# Pine plantations

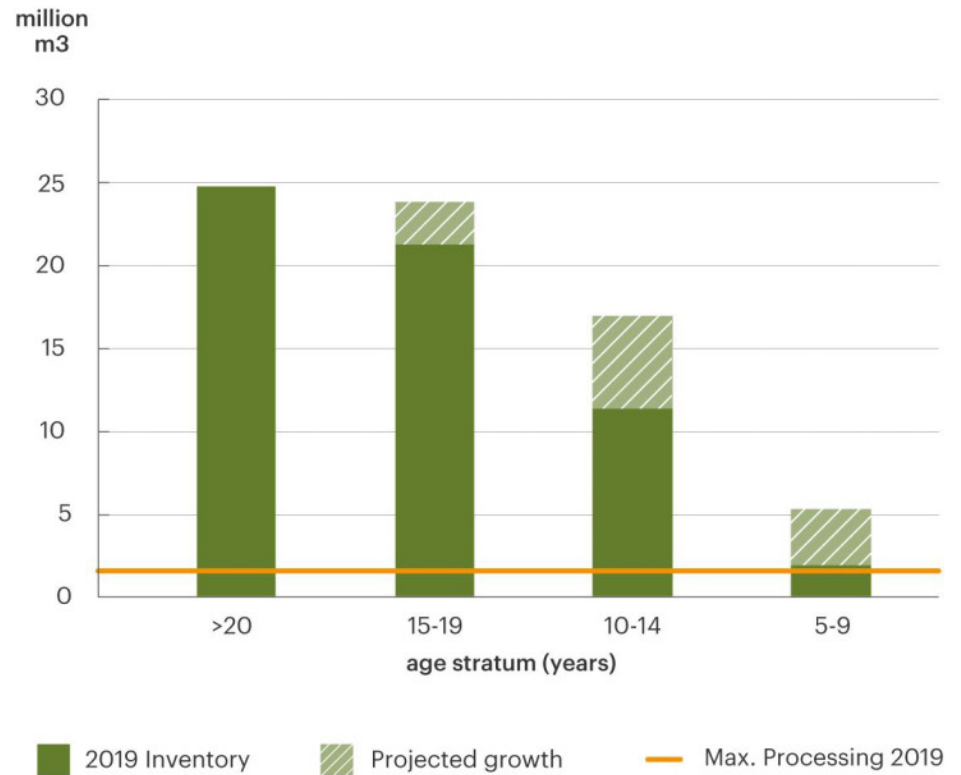


## Current and harvested areas by department

- Forested area 2019 ..... 161,917 Ha.
- Harvested area 2018/2019 .... 15,782 Ha.

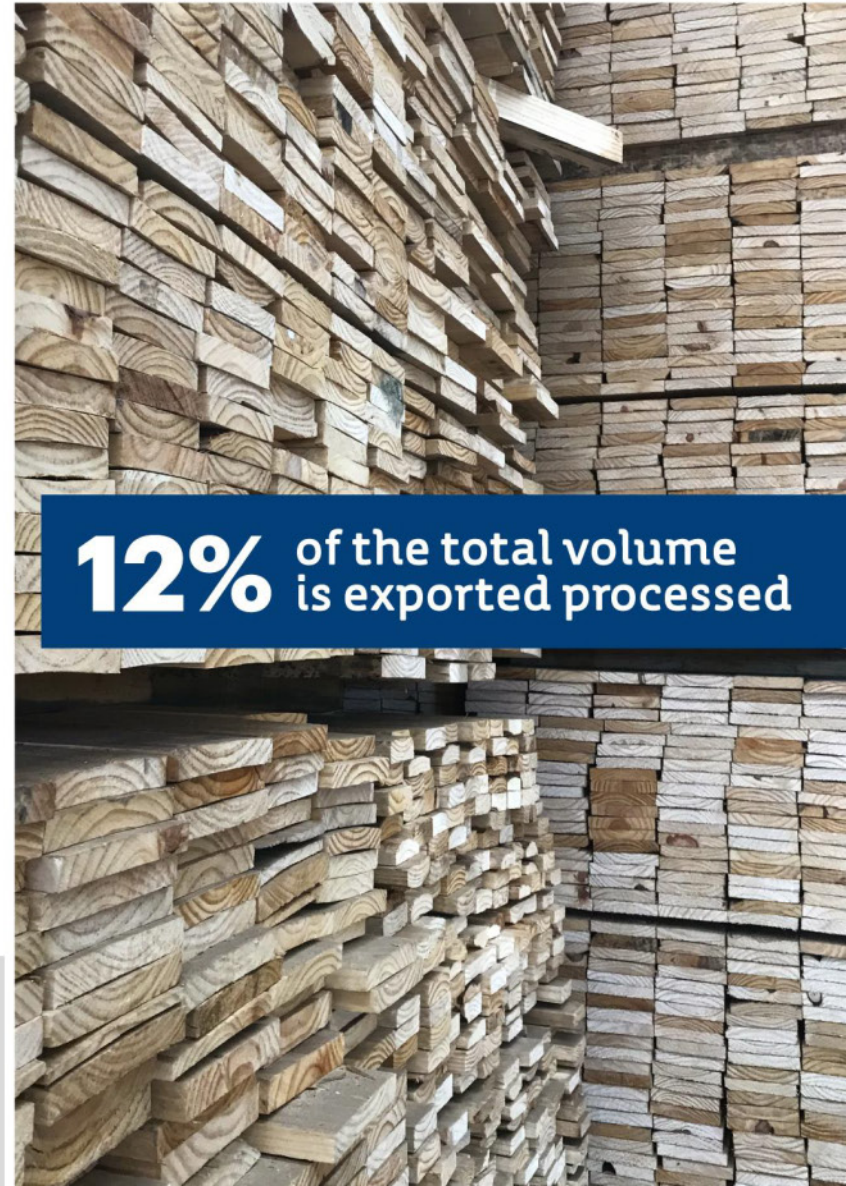
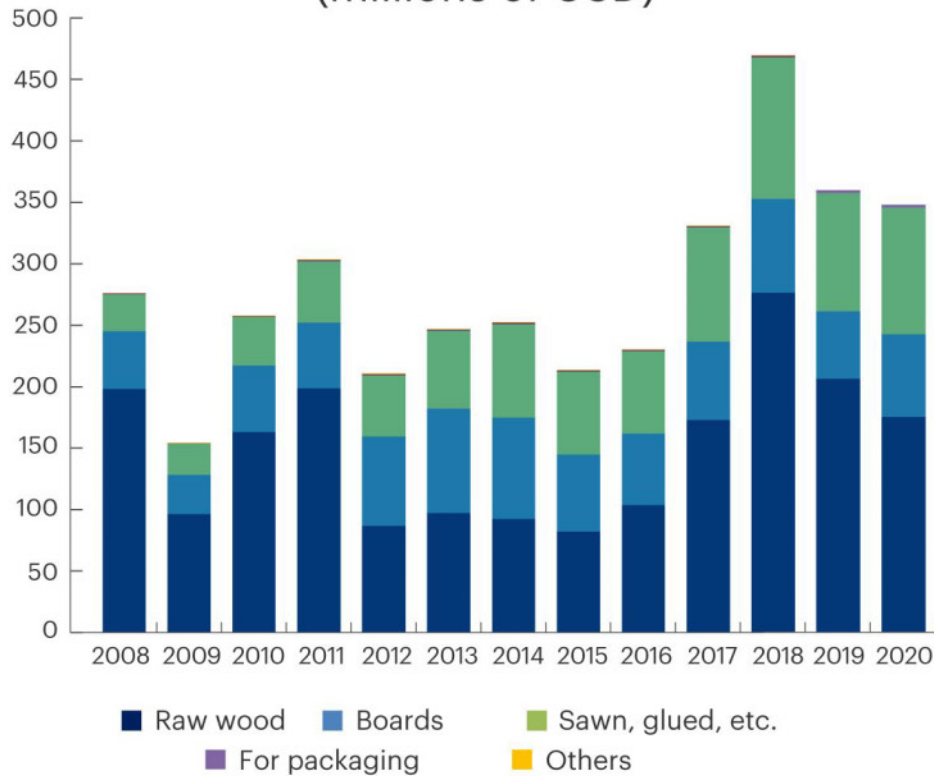
Harvest time from 18 to 24 years

# Standing pine lumber stock and projected increment



Source: Forestry Inventory of the General Forestry Directorate.

## Exports of wood and wood products (millions of USD)



**12%** of the total volume is exported processed

### Most exported products:

- roundwood
- chips
- sawn wood
- boards



# Exports and average price per m3

## Pine raw and sawn timber

**Pine exports and average prices**  
(2017 - 2020)



## Quality of Uruguayan pine



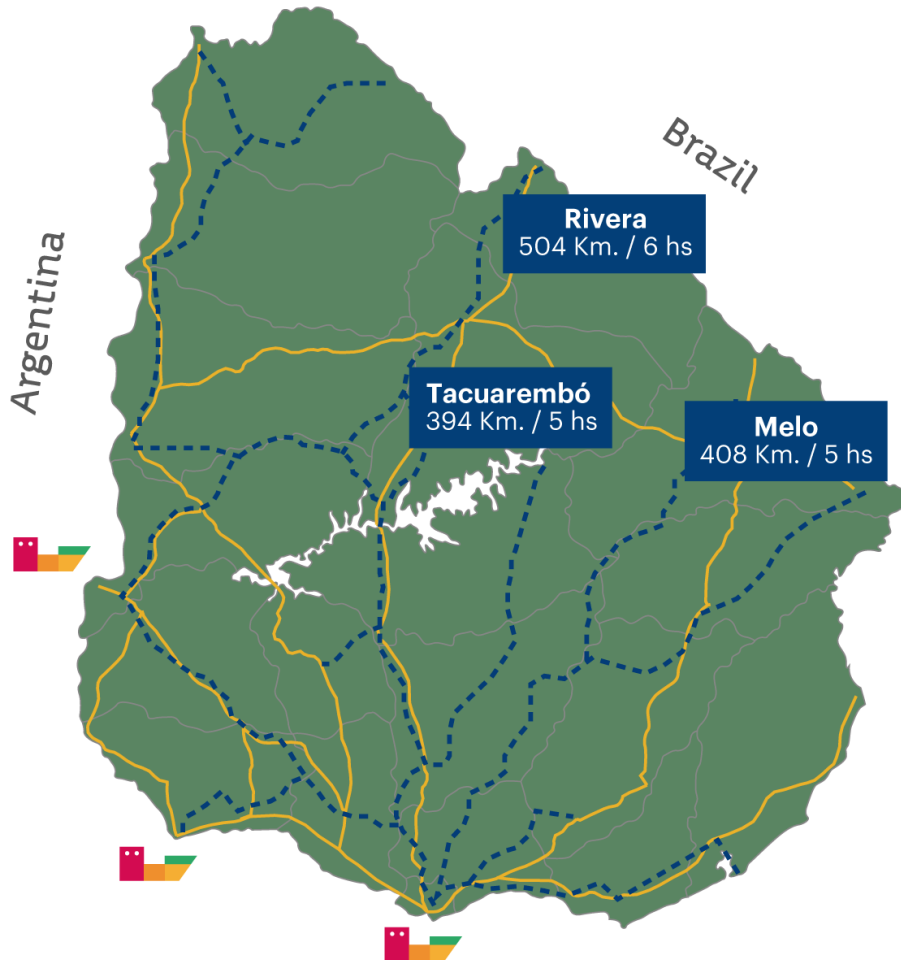
**+90% FSC and PEFC certifications**



- VERSATILITY
- MEDIUM DENSITY
- HOMOGENEOUS TEXTURE
- EASY DRYING & TREATMENT
- DIMENSIONAL STABILITY
- IMPREGNABILITY & WORKABILITY
- FASTENING AND RESISTANCE

# Transportation network




## Distances and times to the port of Montevideo by truck



The densest  
**ROAD NETWORK**  
in Latin America

**8.776 km**  
railways

**3.000 km**  
road network

-  Main national routes
-  Railways
-  Main commercial ports

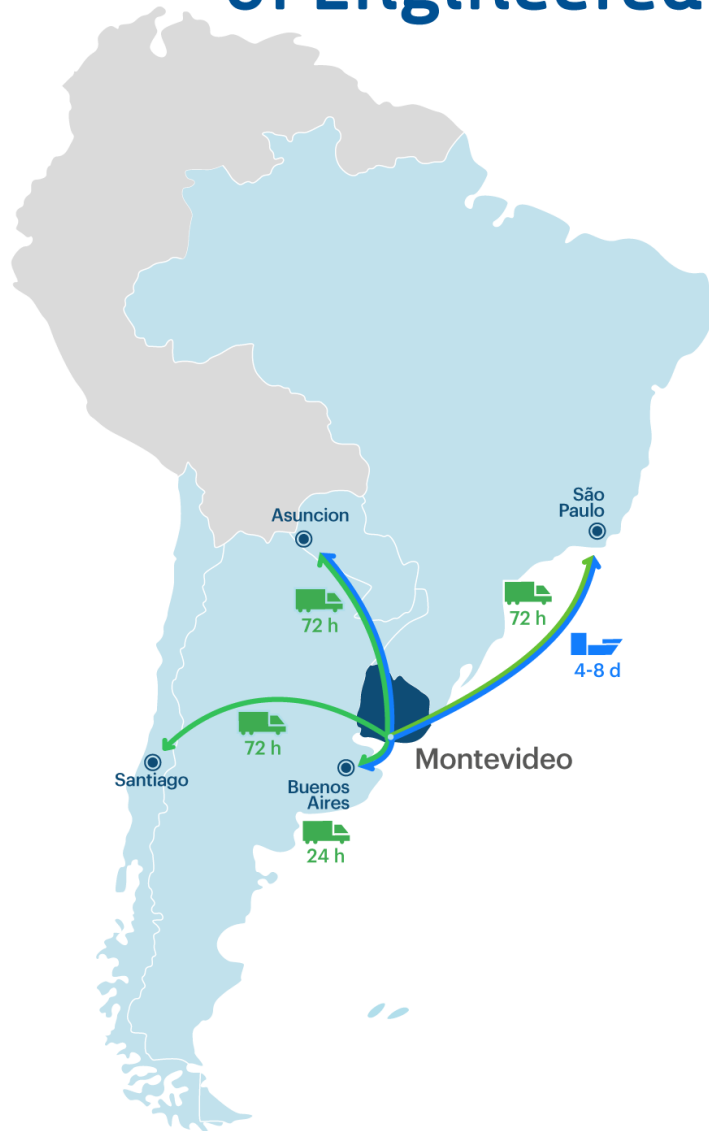
# Preferential market access



Uruguay



# Uruguay as a regional hub of Engineered wood products (EWP)



## PREFERENTIAL ACCESS TO MERCOSUR

Brazil – Argentina – Paraguay – Uruguay

**265 million** inhabitants

### TARIFF FROM URUGUAY

0%

### COMMON EXTERNAL TARIFF

14%

## Multimodal solutions

 AIR ROUTE

 SEA ROUTE

 LAND ROUTE

## EWPs in Uruguay

POSADA JOSÉ IGNACIO



- First construction in CLT (VIK hotel, José Ignacio)
- Anastasio Hotel
- Casino Hotel Argentino
- Atchugarry Foundation
- Montoya Reserve
- Ciudad Vieja Building - National Interest
- Tacuarembó educational-technological pole

MUSEUM OF LATIN AMERICAN ART - Atchugarry Foundation



### ARTICLE 270

The promotion of the use of wood for housing, carpentry and furniture construction purposes is hereby declared to be of general interest.

# Tax incentives



Uruguay



## Tax exemptions

### Applicable to mechanical processing projects

#### INVESTMENT PROMOTION LAW



#### INDUSTRIAL PARKS LAW

- Income tax (30-100% of investment)
- Net worth tax (100%)
- VAT and taxes on imports for civil works and real estate (100%)
- Employer's pension contributions (100%)

#### TEMPORARY ADMISSION



#### EXPORT TAX REFUND

- Import duties on inputs (100%)
- 6% FOB exports of products (refund)





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# We support foreign investors in all stages



DECISION PROCESS



LANDING



AFTERCARE



Customize information  
Organization of agendas  
Linkage with public and private actors  
Recruitment & talent development  
Policy advocacy  
Cluster development  
New investments support

**THANK  
YOU!**



**INVEST IN  
URUGUAY**

