

# Uruguay, what more can we say?

## Doing Business

### 乌拉圭, 还有什么要说的呢?



“There are some bored foreigners, with full stomachs, who have nothing better to do than point fingers at us. First, China doesn't export revolution. Second, China doesn't export hunger and poverty. Third, China doesn't come and cause you headaches. What more can we say?”

Xi Jinping

“有些吃饱了没事干的外国人, 对我们的事情指手画脚。中国一不输出革命, 二不输出饥饿和贫困, 三不去折腾你们, 还有什么好说的。”

习近平

# Contents

Uruguay, what more can we say?	3
Uruguay, a strategic point in the Americas	6
A food-producing country that protects the environment	8
An economy with high quality human capital	10
A solid and stable economy to carry out long-term business projects	12
Open to the world, reaching 160 countries China: Uruguay's top market	14
A democratic environment with legal security: the right climate for investment	15
A clear tax system and stable incentives	18
Contacts	20

*“This time is special because of its intense and diverse agenda in the relationship between Uruguay and the People’s Republic of China.”*



**Rodolfo Nin Novoa**  
Minister of Foreign Affairs  
República Oriental del Uruguay

**When President Tabaré Vázquez and I visited China in October 2016, we emphasized Uruguay’s current environment and relayed the aspirations toward which we are working.**

*“Uruguay is preparing to join the silk road of the 21st century,”* said the President, in reference to playing a strategic role in the continent, the region and the world. This broad role ranges from strategic associations in terms of production, finance and cooperation at the highest levels of government to much simpler and more innovative endeavours.

Over the last few months, business delegations from China have visited our country to broaden awareness of our position, enabling us to move forward. Likewise, new visits are being announced for the coming months.

This is now more than just studying general opportunities and friendly regulations regarding legal stability and investment incentives; it is the beginning of a new phase that includes exploring and discovering specific opportunities.

**Here, we feel that PwC’s efforts are adding to the strategy of the country.**

Uruguay is not only a choice for investment, it is a country in which to invest, work and live as well. Proof of this can be found in the agreements signed in October 2016 that include the exemption of visas for diplomats, officials and those working in services, public affairs, education, culture, defense, tourism, sport, agriculture and livestock, forestry and ITC.

**Rodolfo Nin Novoa**  
Minister of Foreign Affairs  
República Oriental del Uruguay



**“Uruguayan GDP has risen 5% annually on average over the last decade, which is almost double the average economic growth of other Latin America countries in the same period.”**



**Omar Cabral**  
Country Senior Partner PwC Uruguay

**“China is a market like no other, like the Uruguayan one.”**



**Frank Lyn**  
Country Senior Partner PwC China

**The past 15 years has been the longest period of uninterrupted growth in the country's history.**

This robust economic performance has stemmed from a positive external environment for emerging economies and a consolidation of a political and social stability in the country. Uruguay's long-term stability, bolstered by investment incentives from the Uruguayan government and high marks in several independent country rankings, has fuelled foreign direct investment.

The Uruguayan government has implemented an aggressive USD 12 billion infrastructure investment plan for the 2014-2019 period in energy, roads, social infrastructure, communications and other areas.

China's rising importance as a trading partner for both Uruguay and the region has come to light as well over the last decade. Commercial trade with China is up by a factor of five over the last five years and today, China is the number one buyer of Uruguayan exports (22% of all Uruguayan exports). The increase in Uruguayan exports to China (including soybeans, cellulose and beef) is matched by an increase in imports from China (including phones, textiles and clothing).

The magnitude of current trade between the countries, prospects for new horizons and an increasing number of visits by representatives of China has led us to prepare this report, which offers a summary of the main features of Uruguay for potential investors.

We are confident that “Doing Business” will be useful for Chinese executives considering direct or indirect investments in the country. The content of this report is also available at [www.pwc.com.uy](http://www.pwc.com.uy).

*We welcome the opportunity to assist you with any questions or matters related to doing business in Uruguay.*

**Omar Cabral**  
Country Senior Partner PwC Uruguay

**The culture, customs and tradition of the most populous country in the world uniquely inform business decisions and government policy, while its size and regional diversity call for an equally sensitive and sophisticated market approach.**

China's re-emergence as one of the world's foremost economies has set off an unprecedented pull for companies to invest and do business here.

Uruguay is also looking for its own path and its prepare to welcome new projects and investments. For business owners and executives across all industries looking to enter or grow their China and Uruguay operations, we've developed this book in response to the issues you've told us concern you most.

Organized into a series of separate, stand-alone articles on doing business and investing in China and Uruguay, this book presents perspectives from PwC industry and specialists in China and Uruguay. Their points of view and advice are shaped by their real, on-the-ground experience here.

Each of these chapters takes a deep look at one topic that foreign investors face when doing business in Uruguay. Focus on the topic that resonates most with you and your current business life cycle for a good understanding and workable foundation to build on your Uruguay strategy. We hope you'll find context for some of your immediate concerns, from a PwC perspective, about doing business in Uruguay. We don't make the claim, however, that every bit of advice here

complements your situation. Should you have more specific questions about your particular industry or situation, please seek our professional advisers, or you may also contact us at one of our 22 offices in China and 4 offices in Uruguay.

*We look forward to helping you succeed in one of the fastest-growing parts of the world.*

**Frank Lyn**  
Country Senior Partner PwC China



# Uruguay, a strategic point in the Americas

## 乌拉圭, 美洲的战略点

With its ports and modern telecommunications, Uruguay is the gateway to a major part of regional production and serves as a hub for the markets of Brazil, Argentina and other Latin American countries and a population of over 250 million residents.

拥有港口和现代通讯设施的乌拉圭是各国, 各地区优质产品通向世界的大门, 同时也是进入巴西, 阿根廷和其他拉丁美洲国家的枢纽, 这是一个超过2.5亿人口的市场。

*Uruguay has been able to achieve a development potential that attracts investors and business opportunities to the continent.*

迄今为止, 这里的发展潜力是对于想在这个大陆投资和经商者的挑战。

**Uruguay is the only country in South America that lies entirely in the temperate zone.**

Uruguay's climate (with average annual temperature of 17° C) and topography (with gently rolling hills and the highest peak at just 500 m) are especially appropriate for agriculture, forestry and livestock production. Furthermore, Uruguayans are good hosts.

With regard to infrastructure, Uruguay is noted for its leadership in communications and energy with a high incidence of renewables. In South America, it ranks first in internet penetration (fixed broadband).

乌拉圭是南美洲唯一完全处于温带的国家。它的气候(平均温度17° C)和地形(地势平缓, 全国地势制高点海拔约500米)特别适用于农业, 林业和畜牧业的生产。这里的人民也都非常热情好客。

在基础设施建设方面, 乌拉圭的通讯和能源供应包括可再生能源均位于南美洲的领先地位, 它的互联网普及率位居第一。(固定宽带)



**Uruguay ranks among the top countries in Latin America in terms of clean energy development.**

在清洁能源发展方面, 乌拉圭是最前沿的拉丁美洲国家之一。

### Ranking 2016

1. China
2. Chile
3. Brazil
- 4. Uruguay**
5. South Africa

Source: Climatescope 2016, developed by the IDB and Bloomberg New Energy Finance.

Transports times		
Buenos Aires	1 h	24 h
Porto Alegre	1.30 h	24-48 h
Rio de Janeiro	4 h	72-96 h
São Paulo	2.30 h	72-96 h
Asuncion	2 h	72-96 h
Santiago	2.30 h	72-96 h
Lima	4.30 h	
Panama	6 h	

Trucking time does not include average customs time.





## A food-producing country that protects the environment

## 一个拥有丰富食物资源，环境友好的国家



Nearly 96% of the territory (170,000 km<sup>2</sup>) is suitable for agricultural, livestock and forestry production. Between 2005 and 2013–2015, the country tripled its agricultural production area with winter crops. Likewise, summer crop production doubled, leading to a significant jump in grain production.

接近96%的土地 (170,000平方公里) 可用于农业, 畜牧业和林业的生产。从2005至2013-2015, 冬季作物的耕种面积增长了3倍, 夏季作物增长2倍。在谷物产量上有了明显的提高

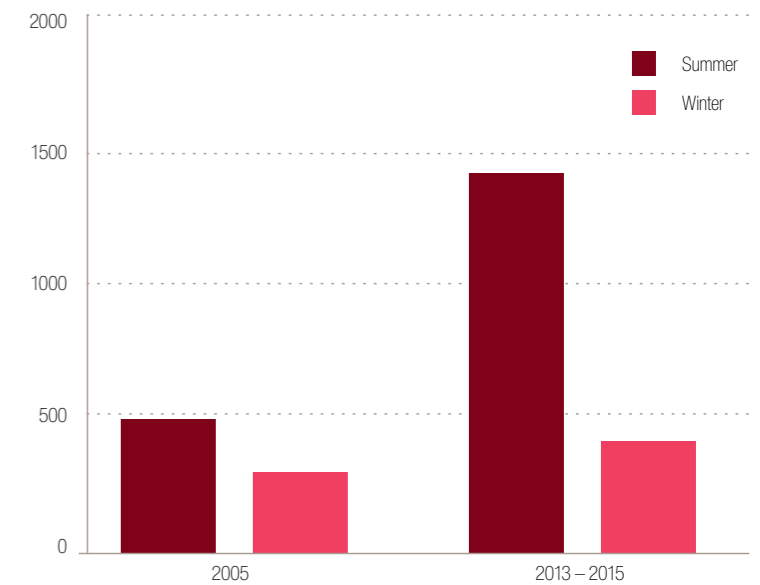
*Uruguay has measured its own carbon footprint since 2013 in beef, dairy and rice production.*

Thanks to livestock traceability, Uruguay is able to satisfy market demands for low carbon footprint beef from young, forage-fed animals receiving high-quality supplements.

*Walter Oyhantçabal, agronomist. The first carbon footprint study from 3 agro-exporters from Uruguay: beef, dairy and rice.*

**The 2016–2017 soy harvest reached record levels of production: 3,2 million tons.**

Planted hectares (thousands)



Source: Ministry of Livestock of Uruguay



## An economy with high quality human capital

## 一个拥有丰富劳动力资本的经济体



Over 75% of university students can read English and 55% can speak it. Meanwhile, 36% can read Portuguese and 21% speak it.

超过75%的大学生能够阅读英语，55%能够交流。36%的大学生能阅读葡萄牙语，21%能够交流。

One of the most transformational policies in education is *Plan Ceibal*, a set of strategies designed to incorporate technology into education in an effort to provide a qualitative change in educational systems from a new approach. Free laptops for students (known as “Ceibalitas”) are one of the plan’s most visible aspects. Inspired by MIT’s One Laptop Per Child project, *Plan Ceibal* incorporates the use of ICTs, which are tools that help maximize, increase, improve and customize learning for primary and secondary school students.

Today, all primary and secondary school students in Uruguay have their own laptops.

产生最大变革的教育政策之一是推行Ceibal计划。使得科技与教育进行横向结合，从一个新的方向使教育系统发生了质的变化。其中“ceibalitas”（笔记本电脑）只是其中最明显的方面之一。受到麻省理工学院项目的启发，一个笔记本电脑一个孩子，Ceibal计划使用信息通讯技术工具帮助最大化提高，改善和个性化学生的学习。这个计划不仅在小学实行，同时也运用在中学教育之中。

目前，所有在乌拉圭小学和中学阶段的孩子们都拥有一台笔记本电脑。



• 100% of education centres have internet and **Wi-Fi** access.

所有的教育中心100%拥有wifi 和互联网接入

• 95% of primary schools in urban areas (grades four through six) offer **English** language instruction.

95%的城市小学，4, 5, 6 年级学生有英语课



According to the United Nations, Uruguay is among countries with a “medium high” level of development and ranks third in Latin America.

Education is secular, free and mandatory and accounts for a significant part of the national budget.

在联合国，乌拉圭加入“中高等”发展水平国家小组。在拉丁美洲中位列第三。

免费的义务教育是国家预算的重要组成部分

Uruguay is the most pacific country in Latin America according to the Global Peace index 2011, developed by the Institute for Economics and Peace (IEP).



# A solid and stable economy to carry out long-term business projects

## 一个为了经济长期发展的稳固经济体



The Uruguayan economy has expanded every year since 2003, even during years of international crisis, and more recently during recessions in neighbouring countries (Brazil and Argentina).

自2003年以来, 包括在全球经济危机和邻国巴西,

阿根廷经济衰退的时候, 乌拉圭经济持续增长。

2016 GDP (USD millions)	52,510
2016 GDP per capita (USD)	15,088

国内生产总值 (百万美元) 2016	52,510
人均国内生产总值 (美元) 2016	15,088

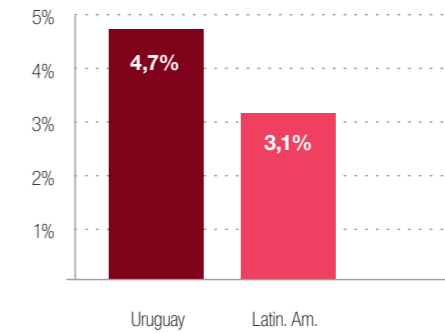
Average growth over the last decade has exceeded that of Latin America as a whole. In addition, GDP per capita in Uruguay has tripled to reach nearly USD 15,500 in 2016.

According to ECLAC (United Nations), Uruguay has the lowest level of poverty and the best income distribution throughout Latin America and the Caribbean.

在过去的十年中, 乌拉圭的平均经济增长超过拉丁美洲的平均增长。人均国内生产总值翻了三倍, 2016年基本达到15,500美元。

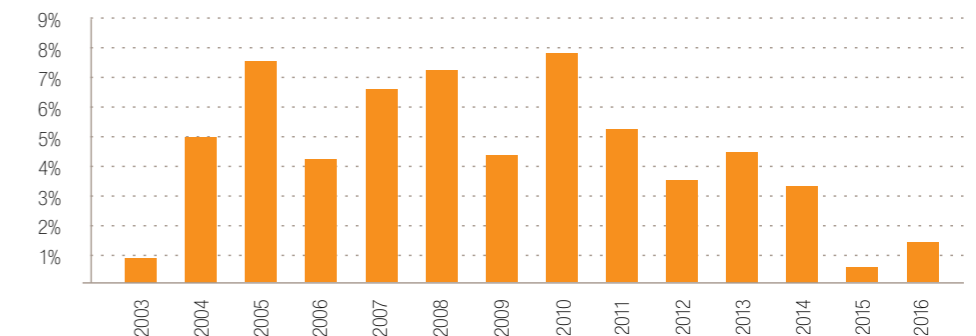
根据拉加经委会 (联合国), 乌拉圭是整个拉丁美洲和加勒比地区贫困等级最低, 收入分配最合理的国家。

Average growth (2006 – 2015)



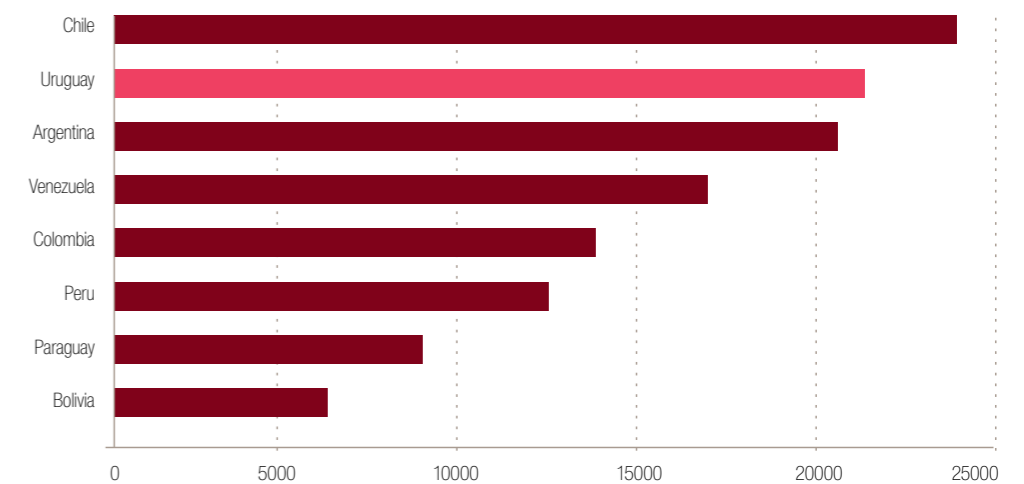
Source: ECLAC

GDP (Annual change)



Source: Central Bank of Uruguay

GDP per capita (Purchasing Power Parity) (USD), 2015



Source: IMF



## Open to the world, reaching 160 countries China: Uruguay's top market

## 向全球开放，达160个国家： 中国是乌拉圭的第一市场

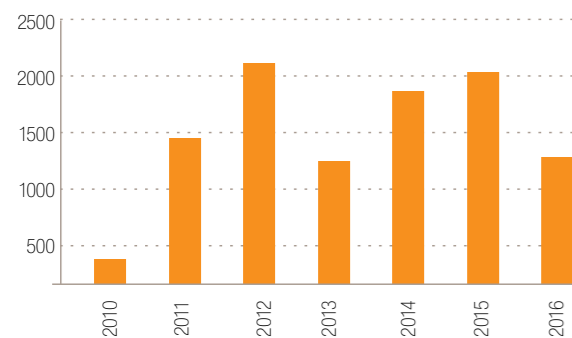
### Uruguay has reduced trade dependence with its neighbours.

Today, China is the number one export market for Uruguayan goods and, in turn, Uruguay is one of China's main suppliers of beef.

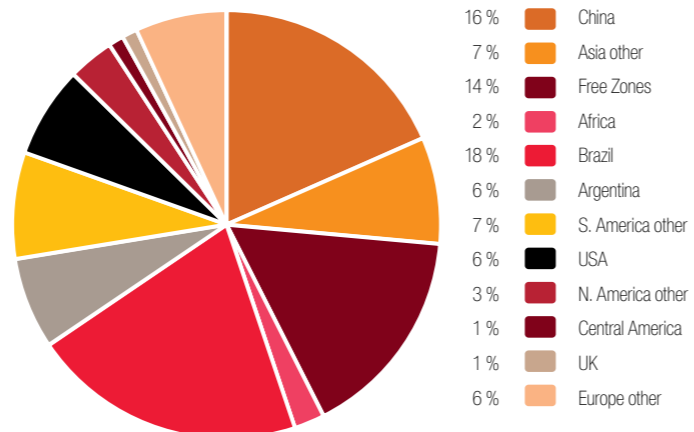
### 乌拉圭已经减少了对邻国经济贸易的依赖。

现在中国已经成为其商品出口的第一市场，乌拉圭是中国牛肉的主要供应国之一。

### Uruguayan exports to China (USD million)



Source: Central Bank of Uruguay, Uruguay XXI  
Note: most Free Zone production is for the Chinese market



### Export markets

#### Major export products and services

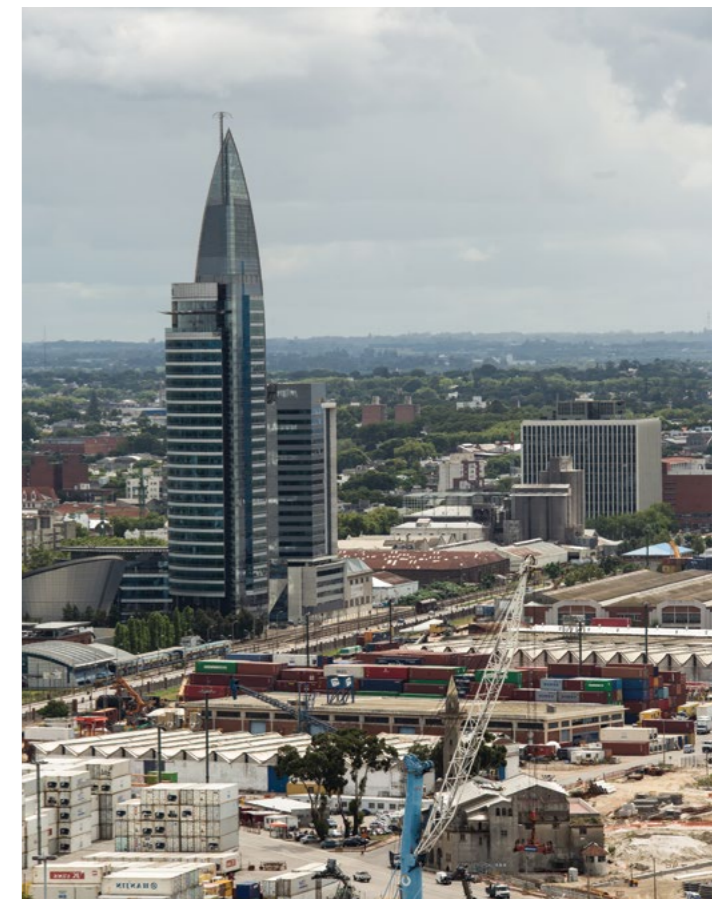
Products: beef, cellulose pulp, grains

Services: tourism, software

## A democratic environment with legal security: the right climate for investment



## 在民主的环境和法律保障下，投资环境良好





**Uruguay has some of the best indicators in the region with regard to investment environment.**

在各项支撑良好投资环境的指标中，乌拉圭有很明显的优势。

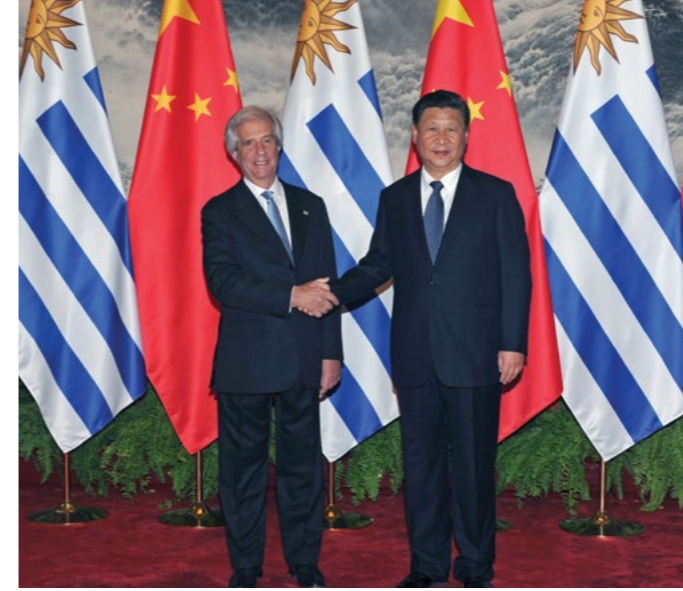
Not only are there modern laws for fiscal incentives with clear and technically solid foundations, but the country has robust democratic institutions with its three independent branches of government operating in accordance with constitutional law, thus ensuring ample freedoms for citizens to express themselves.

Uruguay is rated investment grade by the three main rating agencies: Moody's, Standard & Poor's and Fitch.

不仅仅是现代的税法，清晰和可靠的技术，而且还有一致的民主制度，以及根据独立宪法规定的政府的三权分立的独立性为了最全面的保障公民的自由和表达权利。

三大评级机构穆迪，标准普尔和惠誉国际都评为：稳定级。

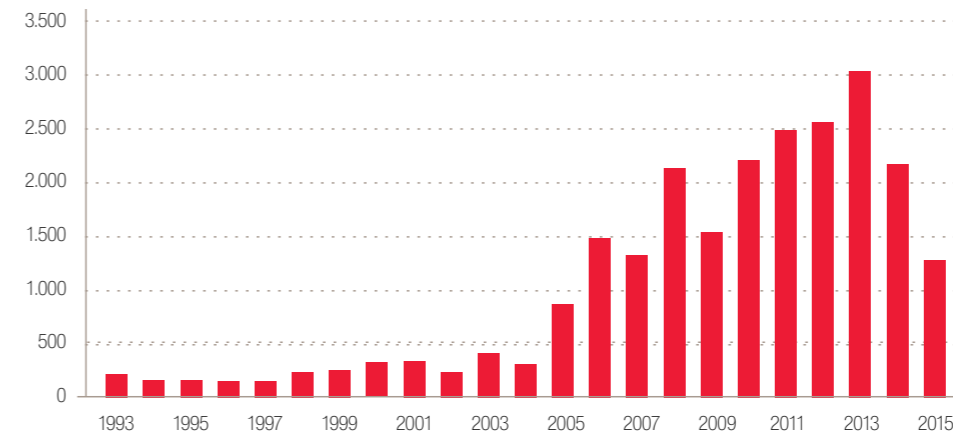
Ranking	World	Latin America
<b>Democracy Index</b> <i>(Economist Intelligence Unit, 2016)</i>	19	1
<b>Corruption Perceptions Index</b> <i>(Transparency International, 2016)</i>	21	1
<b>Prosperity Index</b> <i>(Legatum Institute, 2016)</i>	28	1
<b>Rule of Law Index</b> <i>(World Justice Project, 2016)</i>	20	1
<b>Press Freedom</b> <i>(Reporters without Borders, 2016)</i>	20	3
<b>Global Peace Index</b> <i>(Institute for Economics &amp; Peace, 2016)</i>	35	3
<b>Economic Freedom (2016)</b> <i>(Heritage Foundation and Wall Street Journal, 2016)</i>	41	6
<b>Global Competitiveness Index</b> <i>(World Economic Forum, 2016)</i>	73	4
<b>Ease of Doing Business</b> <i>(Doing Business, 2017)</i>	90	6



Since 2004–2005, the country has received unprecedented foreign direct investment (FDI) inflows that have been used mainly for cellulose pulp production, renewable energy and agroindustry. Uruguay is a leader in Latin America in FDI inflows with regard to the size of its economy.

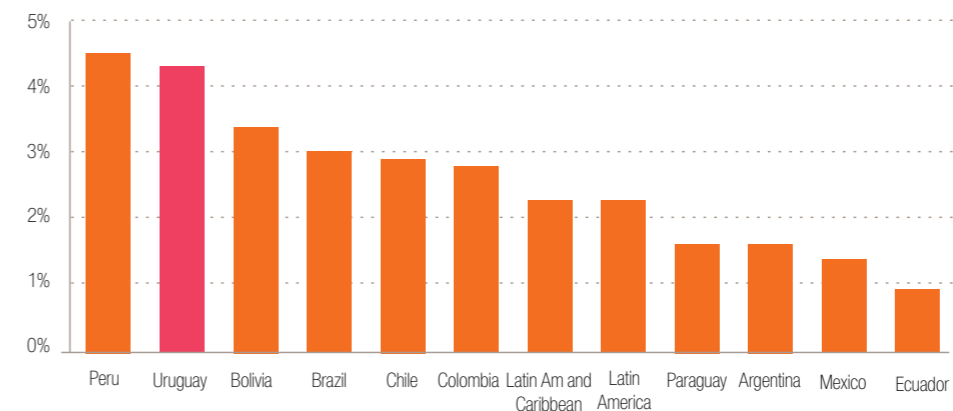
从2004-2005年，乌拉圭的外商直接投资增强，主要在纸浆生产，可再生能源和农业企业中。在其经济中所占比例位于拉丁美洲前列

Foreign direct investment (USD millions)



Source: Central Bank of Uruguay

Foreign direct investment (% of GDP, 2000 – 2015 average)



Source: ECLAC



# A clear tax system and stable incentives

## 清晰稳定的财政激励



Uruguayan law ensures equal treatment for domestic and foreign investors.

A comprehensive legal framework grants numerous benefits to promote investment.

Ease of doing business: unrestricted capital repatriation, currency exchange freedom, a unique tax system throughout the national territory, no limits on foreign personnel staff at companies.

The Ministry of Economy and Finance offers a simulator on its official website where investors can find out all tax benefits available for investment in Uruguay. The simulator can be used for investments in agriculture, manufacturing, tourism as well as in retail and services.

<https://www.mef.gub.uy/11690/1/mef/simuladores-de-beneficios-fiscales-para-proyectos-de-inversion.html>

In 2016, investments promoted by the Investment Law Application Commission (COMAP) totalled USD 1.76 billion.

Between 2007 and 2016, fiscal benefits for nearly 5,500 projects were granted with associated investments totalling USD 16.4 billion.

乌拉圭法律保障国内投资者与国外投资者得到公平对待。

一个规范而全面的框架保障各方利益从而促进投资。

经商的便利条件: 资本回归没有任何限制, 自由交换的市场, 统一的税收系统, 外商投资企业没有限制。

财政部发布了官方说明, 为了让投资者深度了解在乌拉圭投资所能得到的税收优惠。可以适用于在农业, 工业, 旅游, 贸易和服务业的投资。

在2016年, 部委会对于投资法的实施, 促进投资额达到17.55亿美元。

从2007至2016, 有将近5500个项目享受了税收优惠, 相关投资超过164亿美元。

### Tax system and incentives

- Equality of conditions: foreign and local investors
- Pro-business legal framework
- Strong democratic tradition
- Social, political and economic stability
- No exchange controls
- Expanding treaty network
- Compliant with international standards on transparency

#### Attractive investment conditions

#### Free Zones

- Exemption from CIT, VAT, Net Wealth Tax, and of all national taxes and customs duties
- Exemption from social security contributions for foreign staff and more favorable income tax conditions
- Dividends, technical service fees and royalty payments free from WHT

#### Investments Promotion Law

- Qualifying projects are granted tax benefits: CIT exemption from 20% to 100%, Net Wealth Tax exemption, VAT and customs duties relief

#### Business tax incentives

#### Export benefits

- Exemption on import duties or taxes on raw materials, pieces, motors, package material and other industrial input imports
- Condition: export finished goods within 18 months from the introduction of the exempt goods or materials (renewable)

#### Regional hub

- Regional platform: CIT exemption to goods in transit
- Exemption from customs duties and import taxes (entry/exit abroad)
- VAT exemption on goods within customs areas
- Maintenance of Mercosur origin





# Contacts

**Omar Cabral**  
Country Senior Partner  
T: +598 29160463  
[omar.cabral@uy.pwc.com](mailto:omar.cabral@uy.pwc.com)

**Daniel García**  
Partner  
T: +598 29160463  
[garcia.daniel@uy.pwc.com](mailto:garcia.daniel@uy.pwc.com)

**Oscar Conti**  
Partner  
T: +598 29160463  
[oscar.conti@uy.pwc.com](mailto:oscar.conti@uy.pwc.com)

**Montevideo**  
Cerrito 461, 1st floor  
11.000 Montevideo, Uruguay  
T: +598 29160463

**WTC Free Zone**  
Dr. Luis Bonavita 1294, 1st floor, office 106  
11.300 Montevideo, Uruguay  
T: + 598 26262306

**Zonamerica Business & Technology Park**  
Ruta 8, km 17.500  
Building M1, office D  
91.600 Montevideo, Uruguay  
T: + 598 25182828

**Punta del Este**  
Avda. Córdoba y Tailandia  
20.000 Maldonado, Uruguay  
T. + 598 42248804

[www.pwc.com.uy](http://www.pwc.com.uy)

**Seguinos**

[/PwCUruguay](#)

[@PwC\\_Uruguay](#)

[PwC Uruguay](#)