

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

URUGUAY

America South

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Montevideo (capital)	Political, financial and administrative capital; free-port status and a regional logistics hub serving inland Paraguayan and Bolivian trade	Financial services, corporate headquarters, port logistics
Canelones	Site of Google's reworked roughly \$850 million data center (construction restarted after an earlier environmental/water-use license refusal), part of a broader cloud/AI push that also includes Microsoft	Data centers, cloud infrastructure, technology
Paysandú	UPM pulp-mill cluster and Ancap's planned \$4 billion green-hydrogen and e-fuels pilot project with HIF Global	Forestry and pulp, green hydrogen, renewable energy
Fray Bentos (Río Negro)	Original UPM pulp mill (UPM1) and inland river-port logistics on the Río Uruguay	Forestry and pulp, river-port logistics
Rivera	Dry-border free-trade-zone city facing Brazil, a hub for cross-border commerce	Cross-border trade, duty-free retail and commerce
Nueva Palmira	Deep-water river port on the Río de la Plata/Paraná waterway, Uruguay's principal grain and soy transshipment hub, including Paraguayan and Bolivian cargo	Port logistics, grain and soy export
Punta del Este (Maldonado)	Premier tourism and high-net-worth real-estate destination on the Atlantic coast	Tourism, hospitality, real estate

INVESTOR ENTRY ROUTES

- Technology and data-center investment following Google's reworked roughly \$850 million Canelones project and Microsoft's expanding cloud-infrastructure presence
- Green hydrogen and e-fuels investment via Ancap's planned \$4 billion Paysandú project with HIF Global
- Forestry, pulp and bioeconomy investment alongside UPM's two operating mills and associated rail logistics
- Agribusiness and grain-logistics investment via Nueva Palmira's river-port transshipment hub
- Free-trade-zone investment (Zonamerica, World Trade Center Montevideo, Rivera) for regional back-office, logistics and services operations
- Tourism and high-net-worth real-estate investment in Punta del Este and along the Atlantic coast

MARKET-ENTRY OBSERVATION

Uruguay remains the most institutionally stable economy in this series, but one year into President Yamandú Orsi's term the picture has turned genuinely mixed. Growth is forecast to slow from roughly 2% in 2025 to about 1.8% in 2026, driven by a drought-hit harvest, an unusually strong peso that is squeezing export competitiveness, and high dollar-denominated labor costs that business groups blame for a string of high-profile plant closures. Parliament passed a five-year budget with cross-party opposition support that deliberately delays

most fiscal consolidation to the second half of Orsi's term, while hard-left factions of his own Frente Amplio coalition and the PIT-CNT union federation continue to press for a wealth tax the economy minister has so far ruled out. Orsi's approval rating sits at an even 36% approve/disapprove split.

Foreign policy has become a genuine source of friction with Washington: Uruguay opposed the US operation to capture Venezuela's Nicolás Maduro, was added to a list of countries facing US immigrant-visa suspensions, and has deepened ties with Beijing, including aligning its language on Taiwan with China's position - a move Taiwan's government and Uruguay's own domestic opposition both criticized. A separate US-Argentina trade deal expanding Argentina's tariff-free beef quota directly disadvantages Uruguayan beef exporters. On the positive side, Uruguay was the first country to ratify the EU-Mercosur agreement and began formal accession talks to join the CPTPP trade bloc in late 2025, continuing its long-standing strategy of trade diversification even as its traditional advantages versus Argentina and Chile narrow.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Slowing growth and widening fiscal deficit	2026 growth forecast cut to roughly 1.8% from about 2% in 2025 on a drought-hit harvest, with a widening fiscal deficit under a budget that delays consolidation to the term's second half	Track budget-execution data and the pace of fiscal consolidation in the second half of Orsi's term
Eroding export competitiveness	A strong peso and high dollar-denominated labor costs are squeezing exporters, cited by business groups as drivers of a string of high-profile plant closures	Model entry costs against current peso strength rather than historical averages
Rising homicides	First-half 2026 homicides reached 195, the highest first-half total since 2015 and up 6.6% year-on-year, even as robbery and property-crime complaints fell	Monitor Ministry of Interior security-strategy results and crime trends by department
Regional trade-diversion risk	Market-oriented reforms underway in Argentina and potentially Chile could draw investor attention away from Uruguay's traditionally stronger relative positioning	Benchmark Uruguay's offer against shifting regional competitiveness rather than assuming a fixed advantage
US-Argentina beef-quota tariff shift	A new US-Argentina trade deal expands Argentina's tariff-free beef quota, directly disadvantaging Uruguay's beef exports to the US	Assess exposure of beef-linked investments to this specific tariff-quota shift
Geopolitical friction with Washington	Uruguay opposed the US operation against Nicolás Maduro, faces US immigrant-visa suspensions, and has aligned its China/Taiwan language with Beijing, drawing criticism from Taiwan and domestic opposition alike	Treat as a standing diplomatic-context risk rather than a near-term operational barrier
Persistent union and bureaucracy friction	Combative unions, high labor costs and bureaucratic hurdles are cited by business groups alongside currency strength as drivers of competitiveness loss	Factor labor-relations and permitting timelines into project planning

INVESTOR RISK NOTE

Waverley views Uruguay as the lowest-drama, most institutionally dependable entry point in the South America series - the region's highest GDP per capita, lowest country-risk premium, and a genuinely stable BBB+ sovereign rating - but one now facing real economic headwinds rather than a stable status quo. Entry should proceed through established free-zone and investment-promotion channels while tracking the fiscal-consolidation timeline, competitiveness trends, and the recent rise in homicides.

MARKET ACCESS

Uruguay was the first country to ratify the EU-Mercosur agreement, has begun formal accession talks to join the CPTPP trade bloc, holds bilateral investment treaties with more than 30 countries, offers 100% capital and profit repatriation under a free-floating exchange rate, and maintains free-port and free-trade-zone regimes (Montevideo, Nueva Palmira, Rivera, Zonamerica) open to foreign investors on equal terms with nationals.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Office of the President (Orsi administration, Frente Amplio)	Sets the overall economic and foreign-policy direction from a centrist-left coalition navigating internal pressure for tax increases	Primary reference point for the administration's policy direction
Ministry of Economy and Finance	Administers the five-year budget, the fiscal-consolidation timeline, and resists internal pressure for a wealth tax	Primary channel for verifying fiscal-framework and tax-policy developments
Uruguay XXI (investment and export promotion agency)	Coordinates FDI attraction and investor services, and reports strong investor-satisfaction survey results	First point of contact for most inbound investment
Ancap (state energy company)	Leads green-hydrogen and e-fuels development with HIF Global in Paysandú	Primary channel for energy-sector partnership
Ministry of Interior	Oversees public-security strategy amid the rise in first-half 2026 homicides	Monitor for security-strategy developments and enforcement results
National Congress (Frente Amplio plurality with cross-party budget support)	Approved the five-year budget with opposition support, balancing consolidation against social-spending demands	Monitor for legislative support of fiscal and economic policy
Free-zone and port authorities (Zonamerica, Administración Nacional de Puertos)	Administer free-trade-zone and port-logistics regimes open to foreign investors	Primary channel for free-zone and logistics-sector entry

CURRENT INTERNATIONAL BUSINESS CHANNELS

Most inbound capital flows through Uruguay XXI's investor-facilitation services, Ancap partnerships for energy-sector projects, free-trade-zone operators (Zonamerica, World Trade Center Montevideo) for services and logistics investment, and the Ministry of Economy and Finance for tax-incentive and fiscal-framework matters.

INVESTOR PROFILE BEST SUITED

Best suited to technology, data-center and cloud-infrastructure investors, green-energy and hydrogen developers, forestry/pulp and agribusiness investors, and free-zone services and logistics operators. Less suited to investors requiring immunity from currency-driven competitiveness swings or from Uruguay's recent geopolitical repositioning between Washington and Beijing.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm sector fit

Decide between technology/data centers, green hydrogen and energy, forestry/pulp, agribusiness-logistics, or free-zone services investment.

STEP 2: Engage the relevant sector institution

Open discussions with Uruguay XXI, Ancap, or an established free-zone operator depending on sector focus.

STEP 3: Assess the fiscal and competitiveness trajectory

Monitor the budget's consolidation timeline and current peso-strength/labor-cost trends before committing capital.

STEP 4: Monitor the security situation

Track Ministry of Interior data on the 2026 rise in homicides and the government's response.

STEP 5: Structure entry through a free-trade zone or treaty protection

Use Uruguay's free-zone regimes or bilateral investment treaties to structure entry where applicable.

WAVERLEY'S ROLE

- Track Uruguay's fiscal-consolidation timeline and export-competitiveness trends
- Monitor the government's security response relative to the 2026 rise in homicides
- Coordinate introductions to Uruguay XXI, Ancap and free-trade-zone operators
- Screen technology, energy, forestry and logistics opportunities against current fiscal and geopolitical conditions

INVESTOR CALL TO ACTION

Waverley Gateway positions investors to capture Uruguay's genuinely strong fundamentals - the region's highest GDP per capita, lowest country-risk premium and deepest institutional stability - while explicitly tracking its slowing growth, eroding competitiveness and rising security concerns - engage now through established free-zone and sector channels.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Near-term opportunities concentrate in data-center and cloud-infrastructure investment in Canelones, green-hydrogen and e-fuels development in Paysandú, forestry/pulp and associated rail logistics, and free-trade-zone services and agribusiness-logistics investment via Nueva Palmira and Rivera.

POSITIONING

Uruguay remains the most institutionally stable and highest-income economy in the Waverley South America series - the region's highest GDP per capita, lowest country-risk premium, a stable BBB+ sovereign rating, and a deep tradition of democratic continuity and rule of law.

That stability now sits alongside genuine headwinds: slowing growth, a widening fiscal deficit, eroding export competitiveness, rising homicides, and a foreign-policy repositioning toward China that has created friction with Washington. Waverley frames Uruguay as a lower-risk, lower-drama entry point into South America, best approached through its established free-zone and investment-promotion channels while monitoring its competitiveness and fiscal trajectory.

SELECTED SOURCES

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