

COUNTRY PROFILE



Uruguay

GLOBAL RANK: 36th= of 104



Ranking 47th in terms of Economic Competitiveness and 36th in terms of Comparative Liveability, Uruguay's overall rank at 36th, tied with Estonia, places it amongst the top-scoring Latin American countries. Uruguay scores poorly for innovation, and particularly highly for its abundant and well-preserved environment.

● BACKGROUND

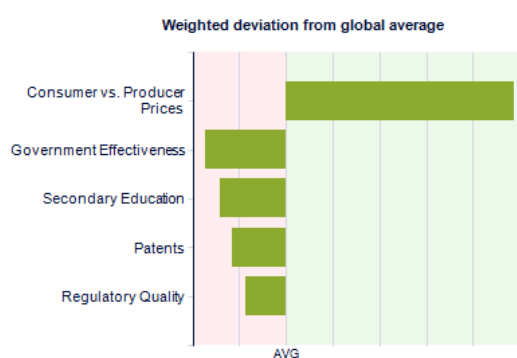
This nation of 3.5 million, located in south-eastern Latin America, is noted for its stability and commitment to market economics within a social democratic framework. Uruguay's economy was severely affected by the economic crises in Argentina and Brazil between 1999 and 2002, but, unlike its neighbours, it emerged from this period without defaulting on its international debts. Corruption is low by South American standards, and the workforce is well educated. Although agriculture is still the dominant economic sector, Uruguay is also increasingly established as a regional technology outsourcing hub, and plans are afoot to explore large offshore natural gas deposits from 2009.

FAST FACTS

Population:	3.5 million (2008 est.)	FDI (net inflow):	2.19% (2006 est.)
Life Today	5.7 (2007 est.)	Exports	20.66% (2006 est.)
GDP (PPP)	\$37.19 billion (2007 est.)	Imports	24.87% (2006 est.)
GDP (Growth)	7% (2007 est.)	Unemployment:	9.2% (2007 est.)
GDP (per Capita)	\$11,600 (2007 est.)	Life Expectancy	76.14 years (2008 est.)
Political System:	Constitutional Republic		
Foreign Aid:	0.10% (2006 est.)		

● KEY SCORE DRIVERS

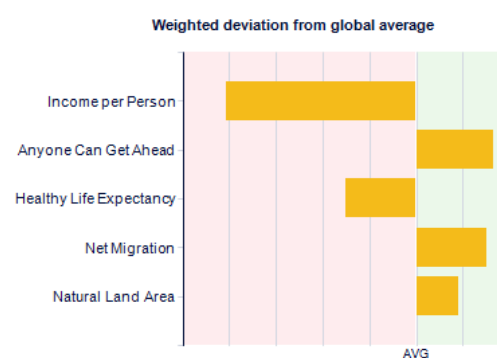
ECONOMIC COMPETITIVENESS



Uruguay has proven to be a strong, consolidated economy. The country possesses a solid reputation among investors, and an investment-grade sovereign credit rating. The country enjoys a sound investment climate, with a strong legal system and open financial markets, resulting in a high rating for government effectiveness. Uruguay has traditionally favoured extensive state involvement in the economy and, although the Uruguayan government has carried out an economic liberalisation program, privatisation is still widely opposed, as it is in other Latin American countries. Unsurprisingly, the country's score for regulatory quality is not as high as for effectiveness.

Given the concerns about regulatory quality, it is perhaps unsurprising

COMPARATIVE LIVEABILITY



Average incomes in Uruguay are high for the region, at nearly \$10,000, but this is low by global standards, and poverty thus continues to restrain wellbeing. Unemployment is also high at 10.9% of the labour force. Perhaps unsurprisingly, at these income levels, charitable giving is low, with less than 20%⁹ of Uruguayans surveyed by the Gallup World Poll reporting that they had given to charity in the past month. This echoed by low levels of volunteering as well.

Environmental indicators are a strong point. Nearly 70%⁹ report satisfaction with efforts to improve the environment, and nearly 90%⁹ report satisfaction with air quality, although this is no doubt

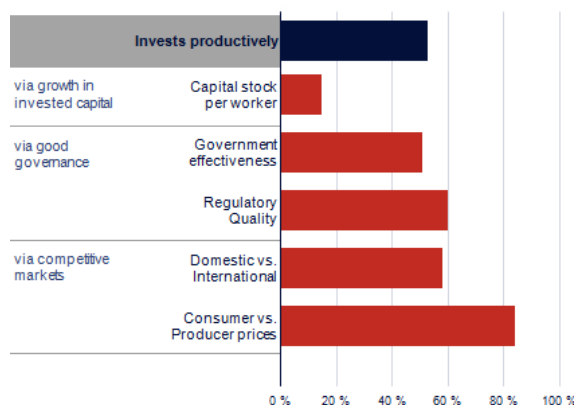
that the cost of starting a business is relatively high, dampening entrepreneurship. Uruguay's workforce is highly educated by the standards of the region, at least in terms of mass education, but the country nonetheless scores weakly on measures of innovation, limited by the low number of highly-skilled researchers working in the country. Uruguay is the top exporter of software in Latin America, but this goes little way in improving the overall level of high-tech exports.

more easily achieved in a country where notable industries are agriculture and technology outsourcing.

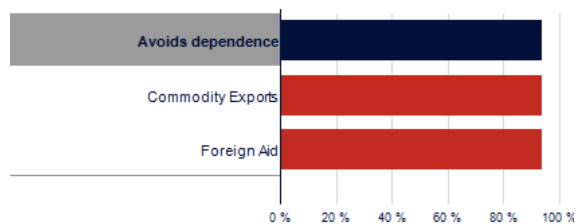
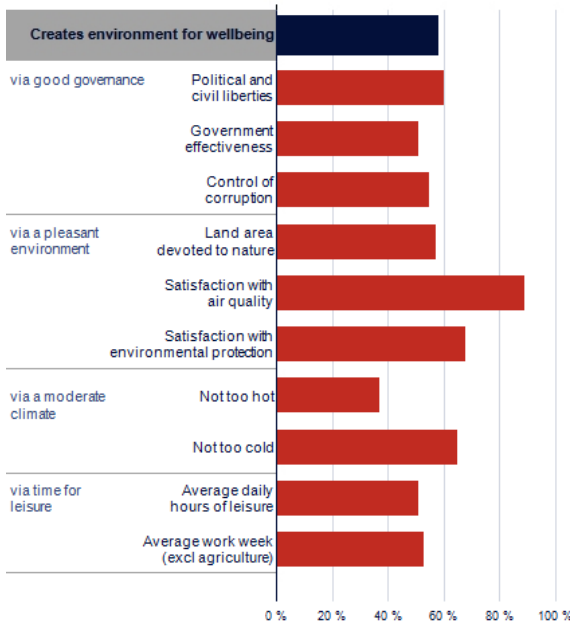
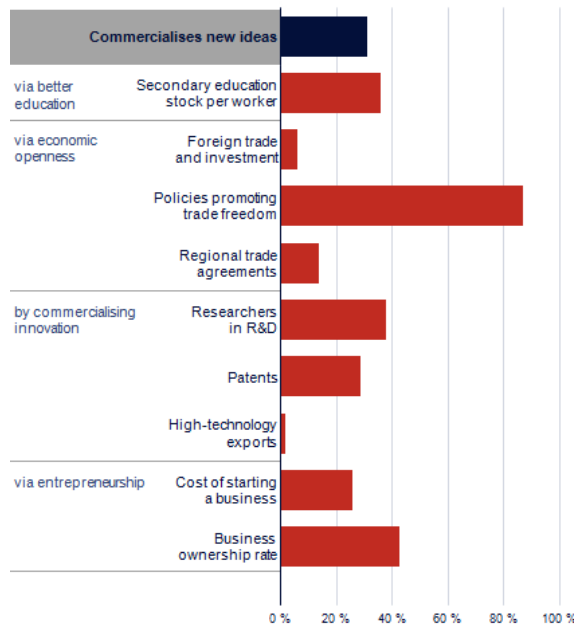
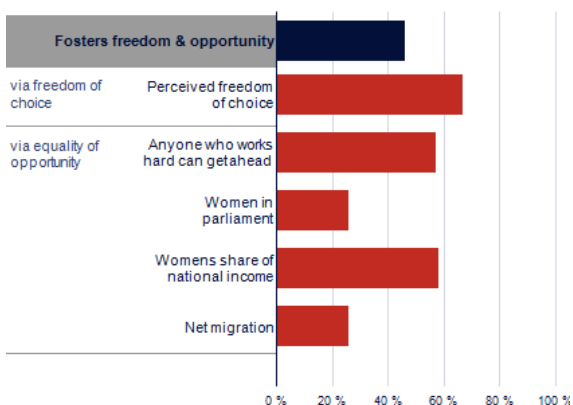
Strong family life also helps to raise Uruguay's liveability rank. Only 3.5%⁹ of Uruguayans are divorced, and partially as a result, nearly 90%⁹ report to Gallup that they have someone to rely on in times of need.

Judged by movements in relative price levels, the domestic economy appears highly competitive. However, capital investment remains low and hinders Uruguay's progress to greater material wealth.

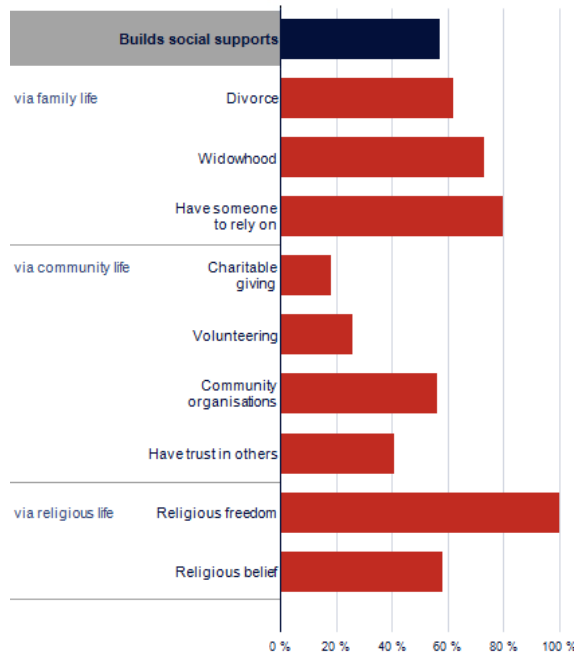
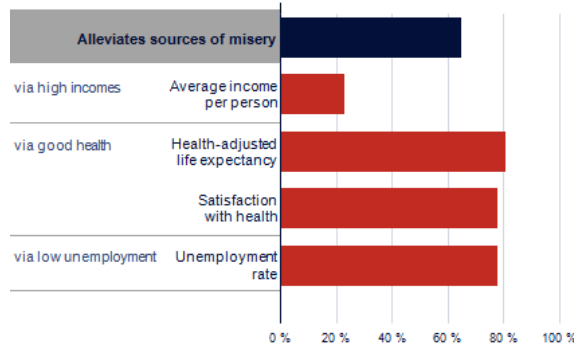
ECONOMIC COMPETITIVENESS: SCORECARD



COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.